

Notice Regarding a Decrease in the Amount of Legal Capital Reserve

STAR MICRONICS CO., LTD. (“STAR MICRONICS” or “the Company”) announced details of its decision to table a proposal that entails decreasing the amount of the Company’s legal capital reserve at its 94th Ordinary General Meeting of Shareholders, scheduled to be held on March 28, 2019, following a meeting of the Board of Directors convened today. Brief details are presented as follows.

1. Objective behind decreasing the Company’s legal capital reserve

In accordance with Article 448, Paragraph 1 of the Companies Act of Japan, STAR MICRONICS is looking to decrease its legal capital reserve while increasing its other capital surplus in order to put aside the necessary funds to retire treasury stock and to maintain an agile and flexible capital policy going forward.

2. Key facets of the decrease in legal capital reserve

(1) Amount of legal capital reserve decrease

Decrease the amount of legal capital reserve by ¥10,000,000,000 from ¥13,876,517,237 to ¥3,876,517,237.

(2) Method of decreasing legal capital reserve

Decrease the amount of legal capital reserve and transfer the amount in full to the Company’s other capital surplus.

3. Schedule for decreasing the amount of legal capital reserve

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| (1) Date of the Board of Directors’ resolution | February 13, 2019 |
| (2) Scheduled date of the Ordinary General Meeting of Shareholders | March 28, 2019 |
| (3) Scheduled date from which creditors can lodge their objections | April 15, 2019 |
| (4) Scheduled closing date up to which creditors can lodge their objections | May 15, 2019 |
| (5) Scheduled effective date | May 16, 2019 |

4. Outlook

This proposal entails the transfer of an amount between accounting line items within the equity section of the Company balance sheet. There is no change in the amount of net assets or impact on the Company’s performance as a result of this transfer.

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