



Financial Results for the Fiscal Year 2012 Second Quarter

STAR MICRONICS CO., LTD.
<http://www.star-m.jp>

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* Performance and achievement forecasts in this document were made based on management's judgment drawn from currently available information, and contain risks and uncertainties. Therefore, please note that actual performance may vary significantly from projections due to various factors.

■ Overview of Fiscal 2012		■ Operating Income by Segment	P8
Second Quarter	P2	■ Capital Investment	P9
■ Financial Data	P3	■ Balance Sheets	P10
■ Segment Overview		■ Cash Flows/Other	P11
▪ Special Products	P4	■ Shareholder Returns	P12
▪ Components	P5	■ Performance Indicators (10-Year Data)	P13
▪ Machine Tools	P6	■ Reference: Business Segments	
▪ Precision Products	P7	and Products	P14

Profits improved substantially, along with a recovery in the order environment for machine tools

■ Net Sales	: ¥19.7 billion	↗	16.4% up YoY
■ Operating Income	: ¥1.4 billion	↗	271.8% up YoY
■ Ordinary Income	: ¥1.5 billion	↗	594.0% up YoY
■ Net Income	: ¥0.9 billion	↗	Net loss of ¥1.0 billion posted in the same period last year

- ✓ **In the Machine Tools Segment, market conditions improved as the global economy continued to recover. Orders grew strongly mainly in Europe, but also in the U.S. and Asia.**

Financial Data



(Millions of Yen)

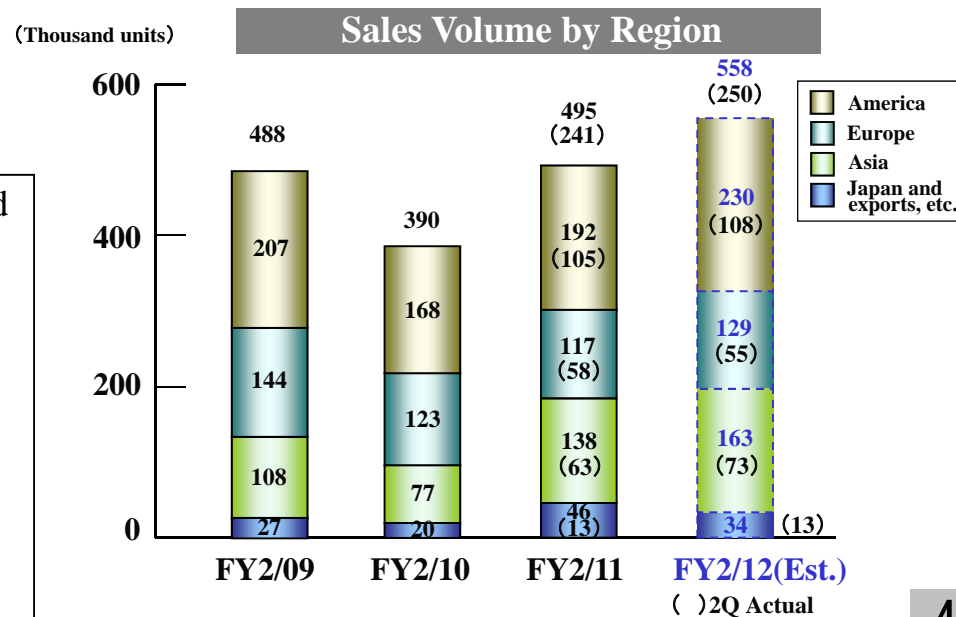
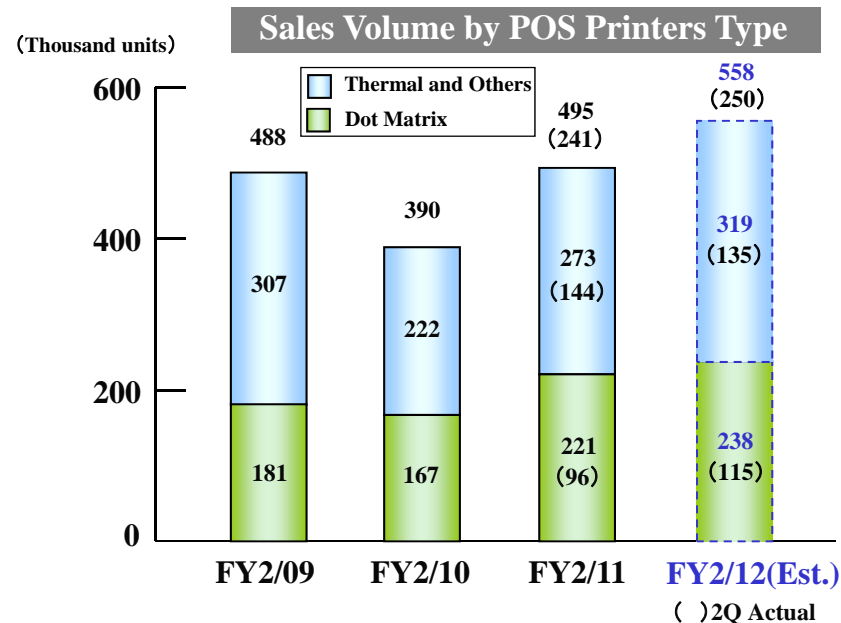
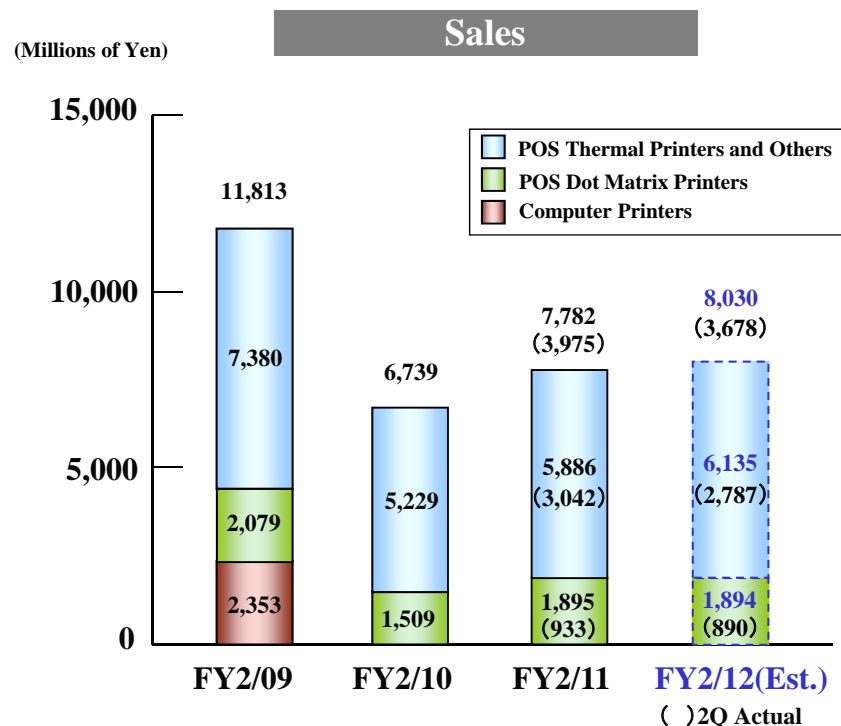
	Second Quarter					Full-Year				
	2Q for FY2/11 Actual		2Q for FY2/12 Actual			FY2/11 Actual		FY2/12 Forecast		
	Amount	Income Ratio (%)	Amount	Income Ratio (%)	YoY Change (%)	Amount	Income Ratio (%)	Amount	Income Ratio (%)	YoY Change (%)
Sales										
Special Products	3,975		3,678		(7.5)	7,782		8,030		3.2
Components	2,685		1,515		(43.6)	4,400		2,800		(36.4)
Machine Tools	8,157		12,426		52.3	19,286		27,070		40.4
Precision Products	2,149		2,122		(1.3)	4,248		4,300		1.2
Total	16,967		19,742		16.4	35,717		42,200		18.1
Operating Income										
Special Products	425	10.7	198	5.4	(53.5)	740	9.5	620	7.7	(16.3)
Components	(250)	-	(530)	-	-	(558)	-	(1,020)	-	-
Machine Tools	682	8.4	2,292	18.4	235.7	2,175	11.3	4,740	17.5	117.9
Precision Products	355	16.5	373	17.6	5.2	724	17.0	770	17.9	6.3
Eliminations or Corporate	(824)		(888)			(1,653)		(1,910)		
Total	389	2.3	1,446	7.3	271.8	1,428	4.0	3,200	7.6	124.0
Ordinary Income	222	1.3	1,545	7.8	594.0	1,194	3.3	3,300	7.8	176.3
Net Income	(1,082)	-	951	4.8	-	161	0.5	1,500	3.6	829.0

ROE (%)	-	-	0.4	4.2
Cash Dividends Applicable to the Year	¥11	¥13	¥22	¥26
DOE (%)	-	-	2.5	3.1

※ROE(Return on Equity) =Net Income/Shareholders' Equity (average for the beginning and end of the period) x 100(%)

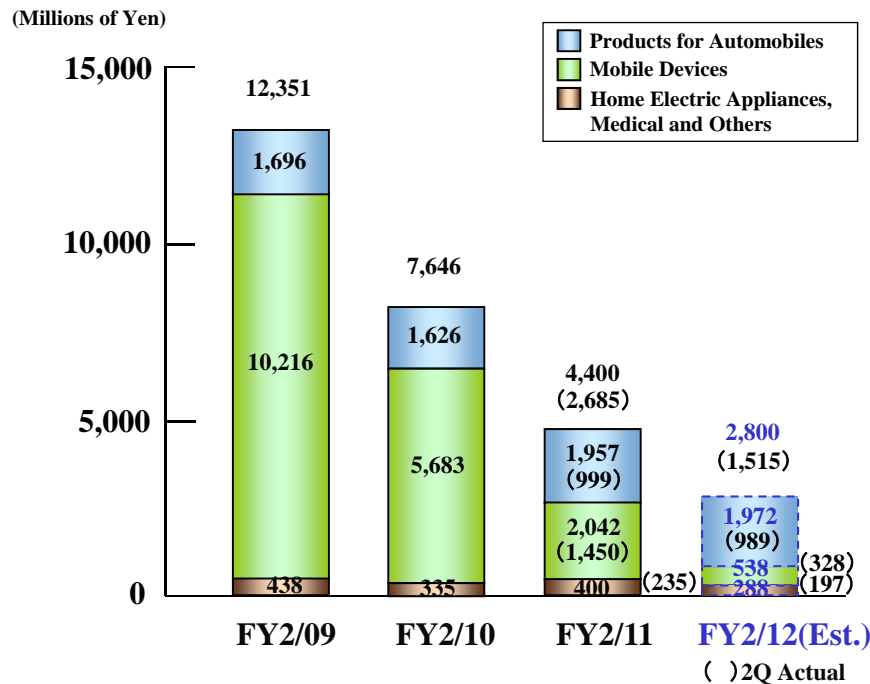
※DOE(Dividend on Equity) =The ratio of the non-consolidated dividend per common share (annual) /consolidated net assets per share(year average)x 100(%)

		2nd Half		Full-Year			
		Assumed Exchange Rate	Sensitivity of operating income to a ¥1 change in foreign exchange rates	Assumed Exchange Rate			
Exchange Rate	US\$	¥91.37	¥82.05	¥87.82	¥75.00	¥20 million	¥79.09
	EUR	¥121.32	¥114.99	¥116.40	¥105.00	¥36 million	¥111.20
	GBP	¥139.40	¥132.60	¥135.61	¥125.00	¥5 million	¥129.19
	CHF	¥84.38	¥90.59	¥84.17	¥90.00	¥30 million	¥91.57

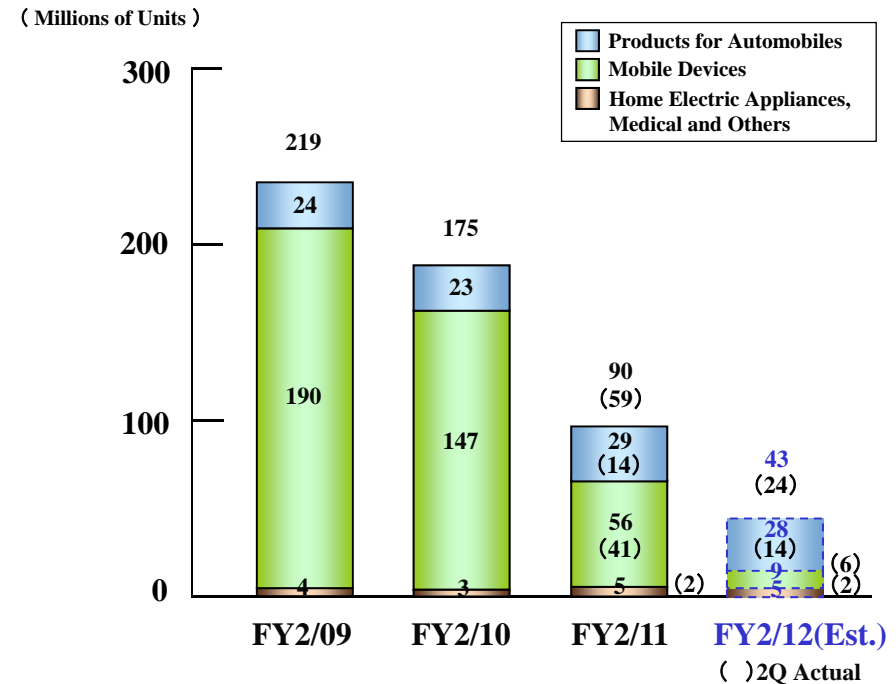


- Sales declined temporarily in the Americas toward the end of the first half, despite strong demand in South America and demand continuing to recover in North America.
- In the Chinese market, sales growth was stymied by a decline in thermal printers, although dot-matrix printers enjoyed surging demand.
- Sales in the European market are lower due mainly to financial concerns in southern Europe and political turmoil in the Middle East, overshadowing a recovery in demand centered on Germany.

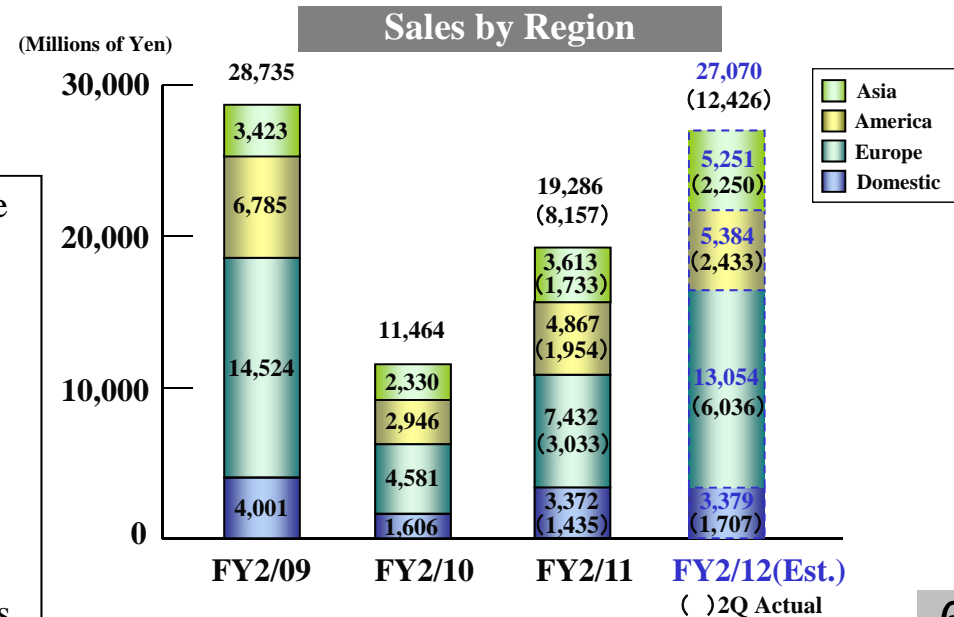
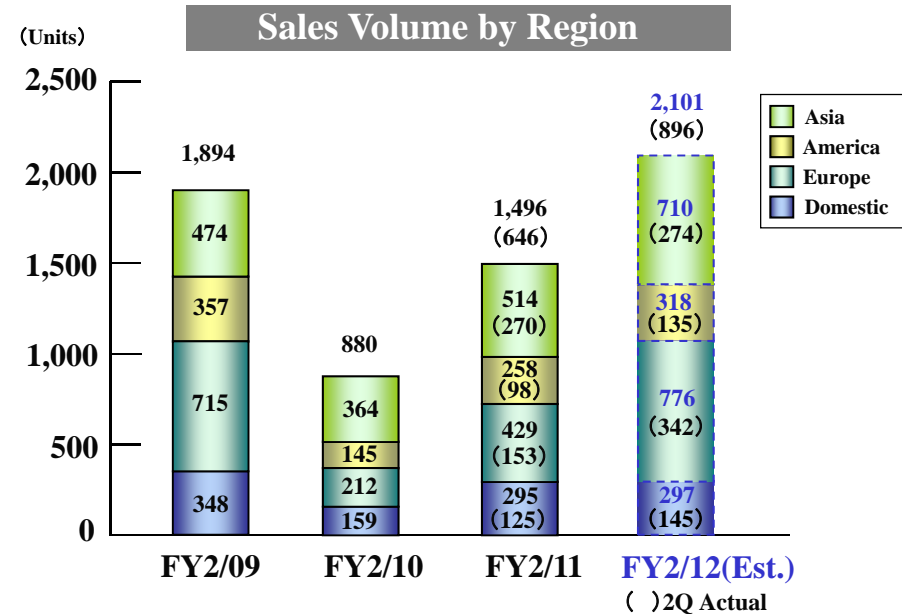
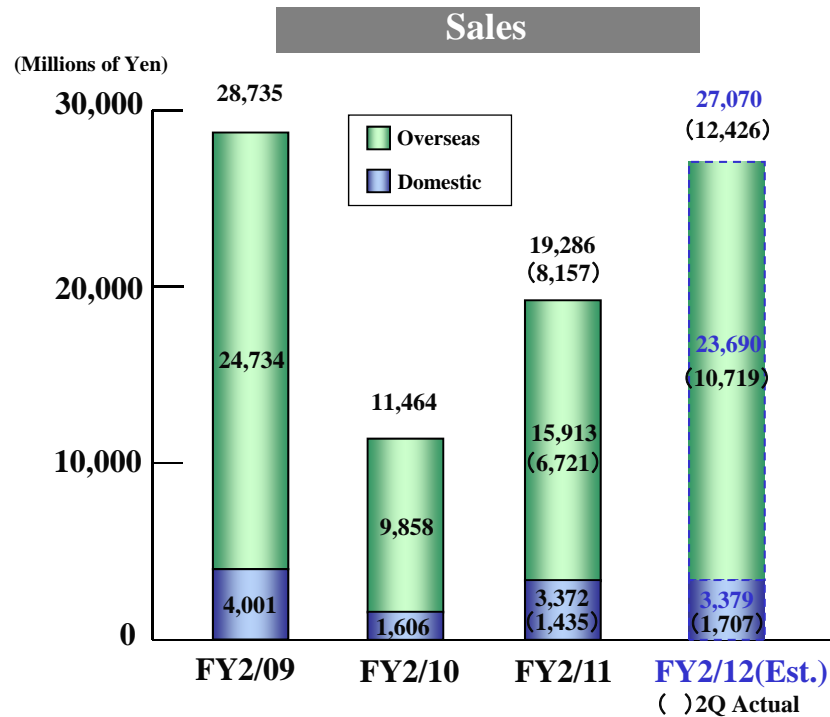
Sales



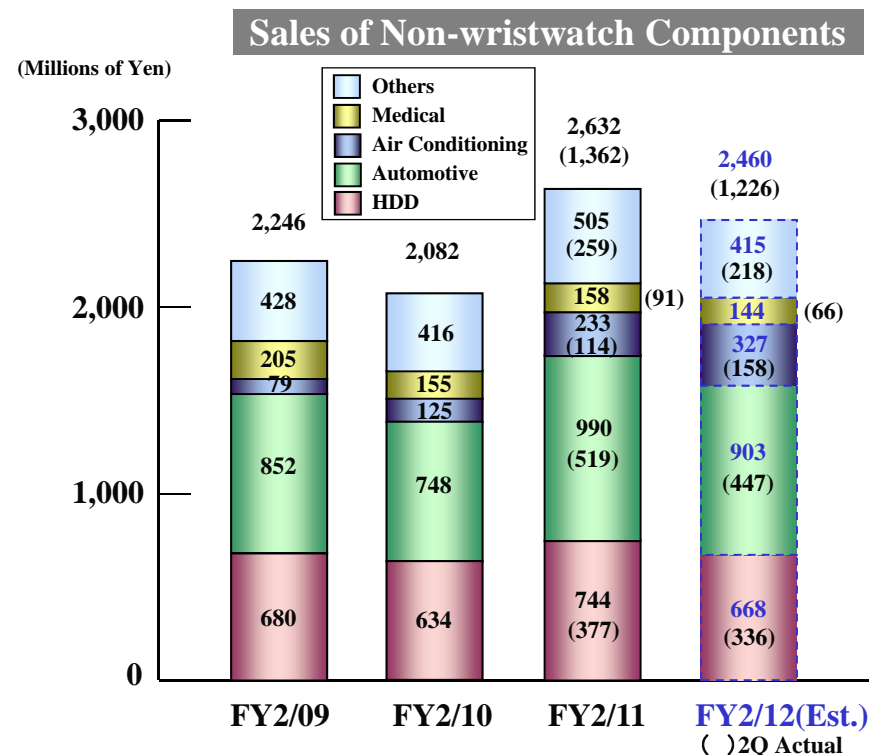
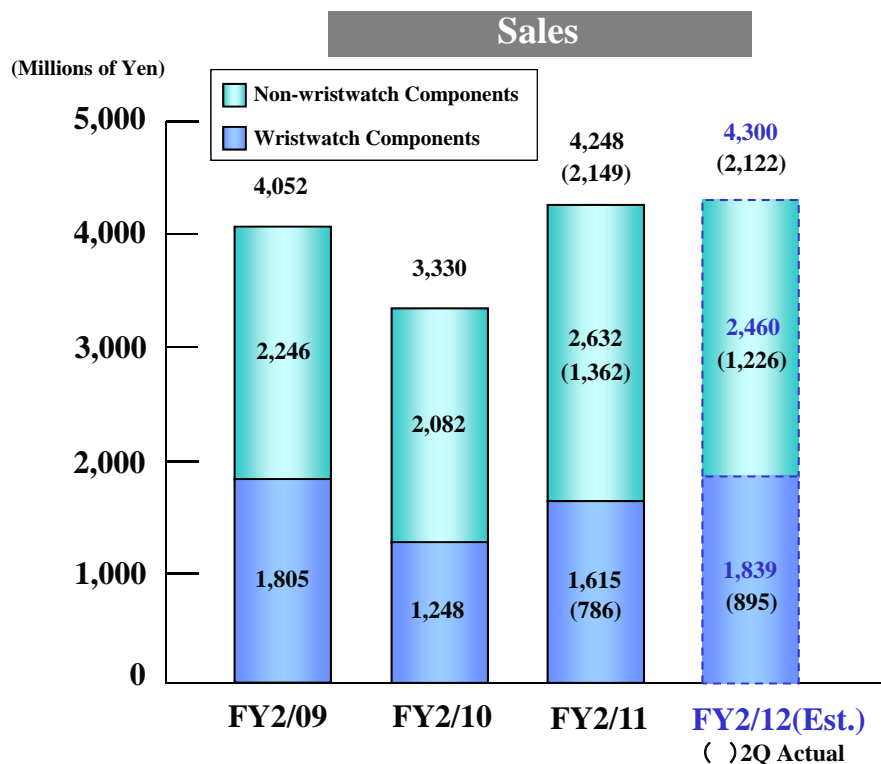
Sales Volume by Markets



- Sales of products to the automobile market were on a par with the same period a year earlier, owing to production cutbacks by automakers in the wake of the Great East Japan Earthquake.
- Sales of components for mobile phones and the like contracted sharply, reflecting the handling of fewer low-margin products.



- Sales in the European market increased substantially due to increased capital investment among companies in export-related sectors, tracking a recovery in exports triggered by a weaker euro.
- Sales in the U.S. market increased from a pickup in capital investment that was seen not only in medical-related sectors, but in the automobile sector as well.
- Sales in the Asian market are higher, as growth in East Asian markets is joined by robust capital investment in automobiles and motorcycles in Southeast Asian markets.

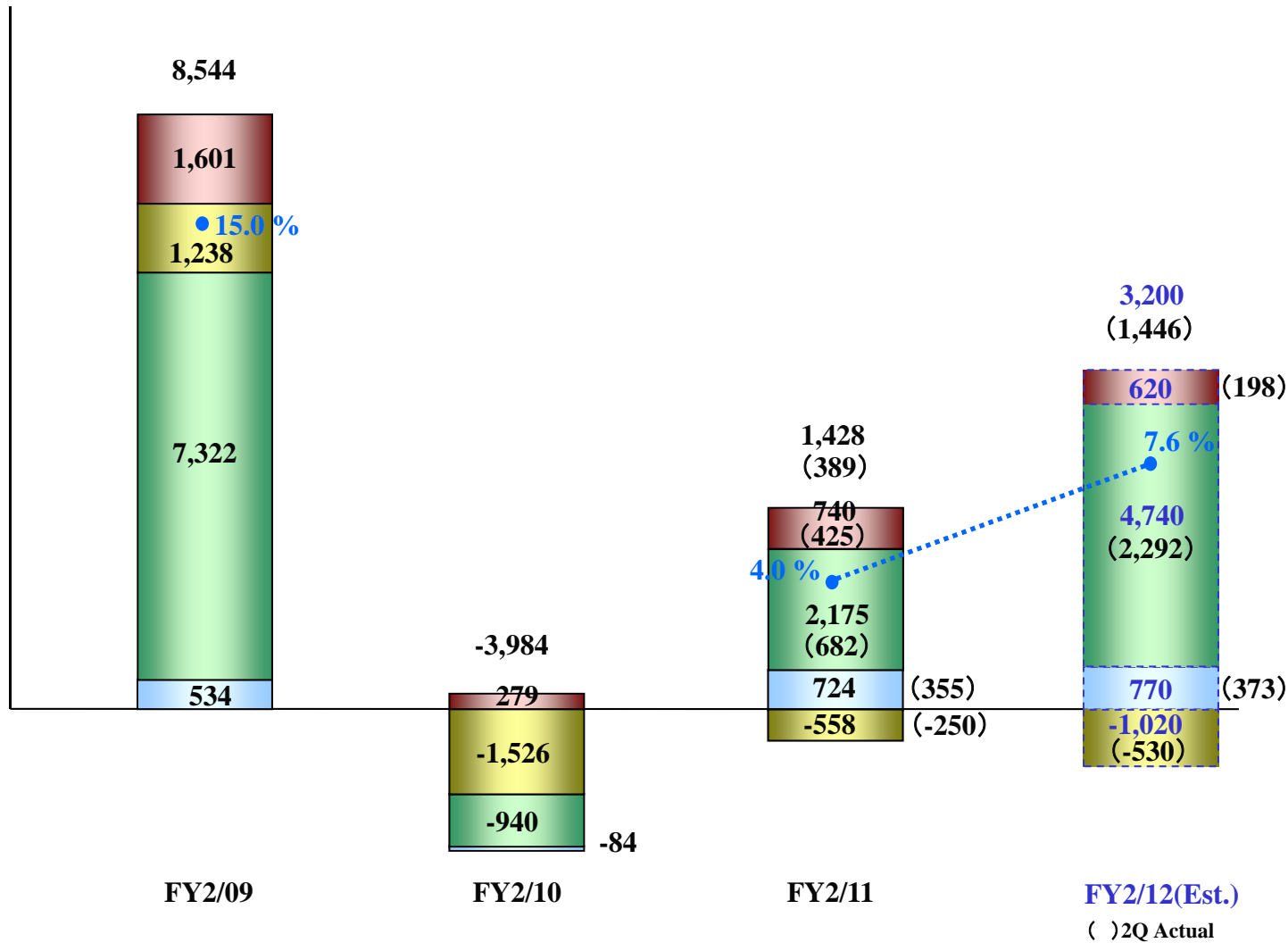


- Sales of wristwatch components increased as sales held firm among Japanese wristwatch makers, as they mounted a prompt recovery from the Great East Japan Earthquake.
- Non-wristwatch components saw sales of car audio components decline, primarily due to model changes among target customers and the impact of the earthquake and tsunami. Sales of HDD components declined, partly because unit sales prices fell in Japan and overseas.

Operating Income by Segment



(Millions of Yen)



	Special Products		Components		Operating Income Ratio
	Machine Tools		Precision Products		

*Operating income totals exclude eliminations and corporate.

※The Operating income ratio for the fiscal year ending February 28, 2010 has not been calculated because an operating loss was incurred.

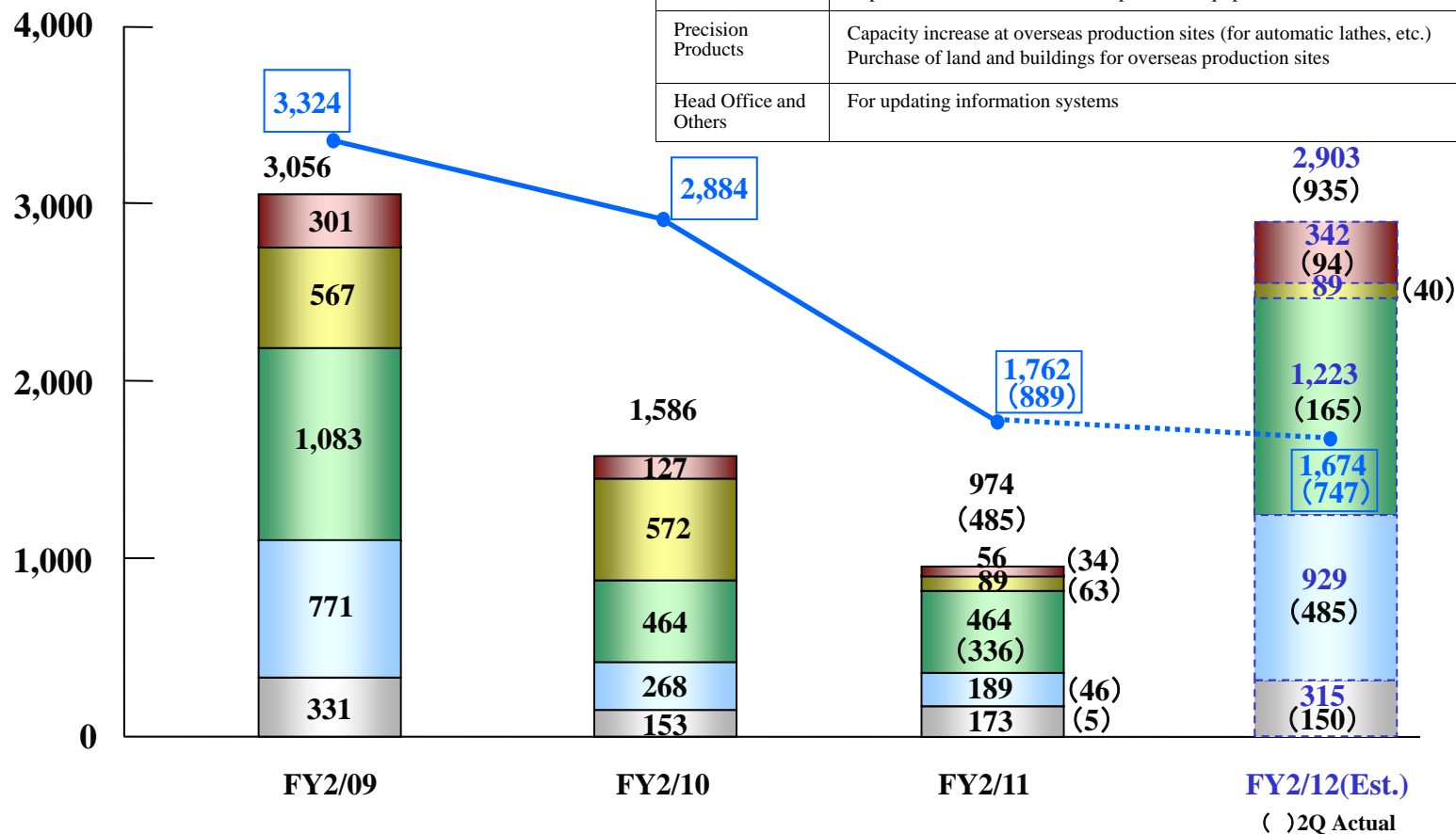
Capital Investment



【Main Capital Investment Track Record and Plans】

	Breakdown
Special Products	Dies, etc., for new models
Components	Replacement and maintenance of plant and equipment, and others
Machine Tools	Construction of new Thai plant, etc. Replacement and maintenance of plant and equipment, and others
Precision Products	Capacity increase at overseas production sites (for automatic lathes, etc.) Purchase of land and buildings for overseas production sites
Head Office and Others	For updating information systems

(Millions of Yen)



Balance Sheets



(Millions of Yen)

		Feb.2009 Actual		Feb.2010 Actual		Feb.2011 Actual		Feb.2012 Forecast	
		Amount	Component percentages	Amount	Component percentages	Amount	Component percentages	Amount	Component percentages
Assets	Cash and deposit	16,007	25%	15,349	30%	14,769	30%	14,400	28%
	Trade notes and accounts receivable	10,053	16%	9,114	18%	9,288	19%	11,800	23%
	Inventories	15,489	24%	9,019	18%	9,522	19%	10,100	19%
	Other current assets	3,212	5%	863	2%	1,256	3%	1,400	3%
	Total current assets	44,761	70%	34,345	68%	34,835	71%	37,700	73%
	Property, plant and equipment	15,168	23%	11,677	23%	10,549	21%	11,200	21%
	Other fixed assets	4,275	7%	4,658	9%	3,866	8%	3,100	6%
	Total fixed assets	19,443	30%	16,335	32%	14,415	29%	14,300	27%
	Total assets	64,204	100%	50,680	100%	49,250	100%	52,000	100%
Liabilities	Trade notes and accounts payable	3,248	5%	2,815	6%	5,862	12%	7,100	13%
	Short-term debt	2,000	3%	2,000	4%	2,000	4%	2,000	4%
	Other current liabilities	5,511	9%	4,012	8%	3,869	8%	6,733	13%
	Total current liabilities	10,759	17%	8,828	18%	11,731	24%	15,833	30%
	Total long-term liabilities	458	0%	592	1%	422	1%	300	1%
	Total liabilities	11,218	17%	9,420	19%	12,154	25%	16,133	31%
Net assets	Total net assets	52,986	83%	41,260	81%	37,096	75%	35,867	69%
Total liabilities and net assets		64,204	100%	50,680	100%	49,250	100%	52,000	100%

Cash Flows

(Millions of Yen)

	Feb.2009 Actual	Feb.2010 Actual	Feb.2011 Actual	Feb.2012 Forecast
Net cash provided by operating activities	6,151	4,768	3,520	3,400
Net cash used in investing activities	(1,314)	(1,194)	(1,517)	(900)
Free cash flow	4,837	3,574	2,003	2,500
Net cash used in financing activities	(9,076)	(3,976)	(1,813)	(1,950)
Cash and cash equivalents at end of year	14,610	14,372	13,217	13,617

※The year-end balance of cash and cash equivalents shown here differs from the cash and cash equivalents shown in the balance sheets, mainly because it does not include time deposits over 3-month period.

Financial Benchmarks

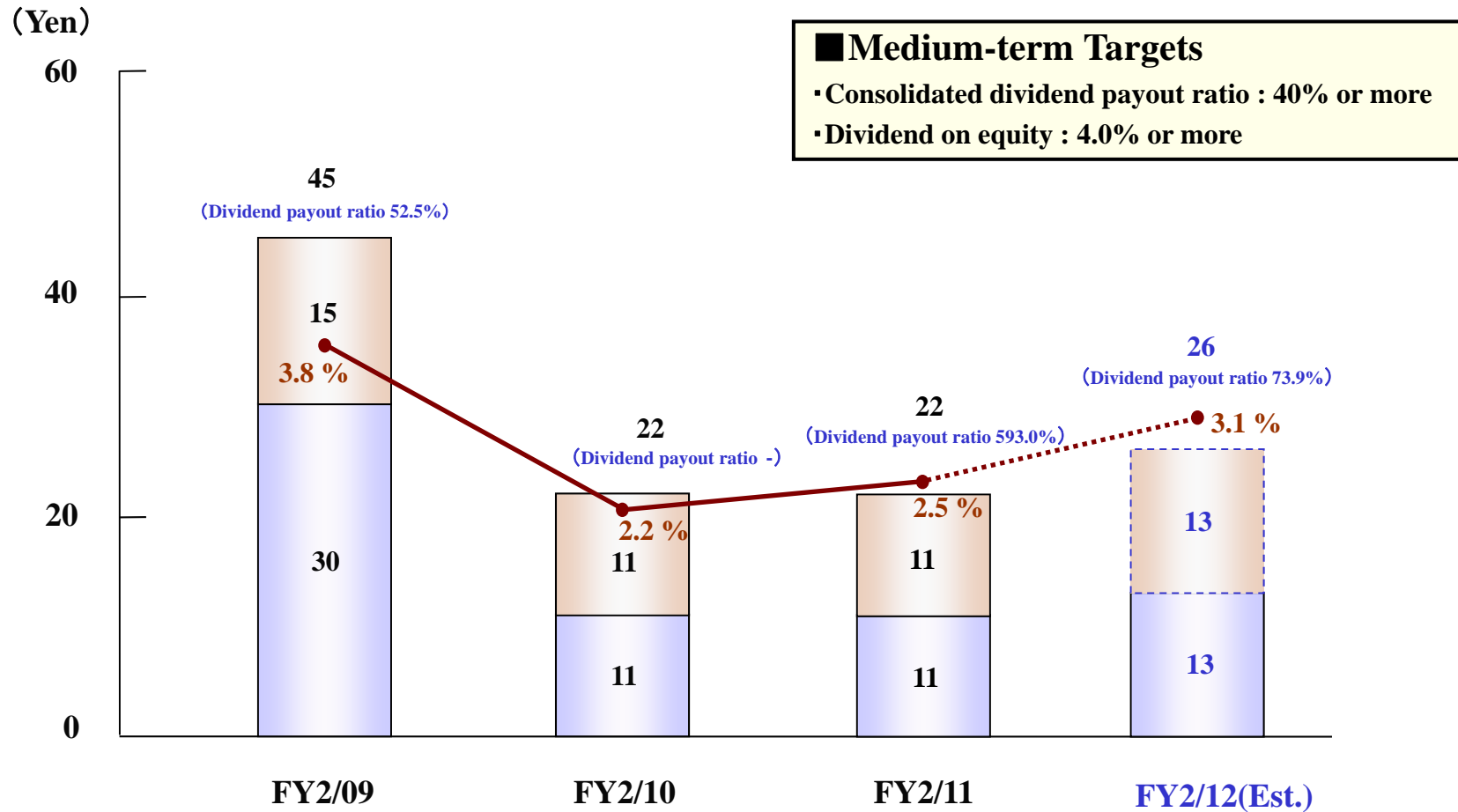
	Feb.2009 Actual	Feb.2010 Actual	Feb.2011 Actual	Feb.2012 Forecast
Total asset turnover	0.8 times	0.5 times	0.7 times	0.8 times
Equity ratio	81.5%	80.1%	73.9%	68.0%
Return on equity (ROE)	7.3%	-	0.4%	4.2%
Return on assets (ROA)	11.9%	-	2.4%	6.5%
Earnings per share (EPS)	¥85.66	(¥187.95)	¥3.71	¥35.16
Book value per share (BPS)	¥1,114.21	¥921.55	¥845.31	¥840.12
Dividend on equity (DOE)	3.8%	2.2%	2.5%	3.1%

Research and Development Costs

(Millions of Yen)

	Feb.2009 Actual	Feb.2010 Actual	Feb.2011 Actual	Feb.2012 Forecast
R&D costs	2,054	1,950	1,754	1,765

Shareholder Returns



Medium-term Targets

- Consolidated dividend payout ratio : 40% or more
- Dividend on equity : 4.0% or more








Year-end dividend per share
 Interim dividend per share
 DOE

* The dividend payout ratio for the fiscal year ended February 28, 2010 has not been calculated because a net loss was incurred.

Performance Indicators (10-Year Data)



	Net Sales (Millions of Yen)	Operating Income (Millions of Yen)		Ordinary Income (Millions of Yen)		Net Income (Millions of Yen)		EPS (Yen)	ROE (%)	DOE (%)	Dividends Per Share (Yen)
		Income Ratio (%)	Income Ratio (%)	Income Ratio (%)	Income Ratio (%)						
FY2/02	43,265	4,063	9.4	4,213	9.7	577	1.3	10.21	1.2		10.0
FY2/03	38,611	2,407	6.2	1,874	4.9	434	1.1	7.77	0.9	1.2	10.0
FY2/04	43,331	3,549	8.2	3,593	8.3	2,425	5.6	44.12	5.4	1.3	11.0
FY2/05	49,689	6,343	12.8	6,357	12.8	3,775	7.6	70.13	8.2	1.7	15.0
FY2/06	54,788	8,108	14.8	8,386	15.3	5,151	9.4	95.60	10.1	2.2	21.0
FY2/07	62,670	10,444	16.7	10,862	17.3	7,012	11.2	131.09	12.2	3.0	32.0
FY2/08	73,883	14,651	19.8	15,170	20.5	8,080	10.9	150.74	12.8	4.7	56.0
FY2/09	56,952	8,544	15.0	8,923	15.7	4,338	7.6	85.66	7.3	3.8	45.0
FY2/10	29,180	(3,984)	-	(3,884)	-	(8,555)	-	(187.95)	-	2.2	22.0
FY2/11	35,717	1,428	4.0	1,194	3.3	161	0.5	3.71	0.4	2.5	22.0
FY2/12(Est.)	42,200	3,200	7.6	3,300	7.8	1,500	3.6	35.16	4.2	3.1	26.0

Segment	Products	
Special Products	POS Printers Card Reader/Writers	 <p>POS Printer TSP100ECO</p>  <p>Card Reader/Writer TCP300 II</p>
Components	Micro Audio Components	 <p>Speaker SAC-30A</p>  <p>BA Receiver RBB-04C-PS</p>
Machine Tools	CNC Automatic Lathes, etc.	 <p>Swiss Type Automatic Lathe ST-38</p>  <p>Turning Center SF-25</p>
Precision Products	Wristwatch Parts, Optical Connector Parts, Automotive Parts, Medical Equipment Parts	 <p>Wristwatch Components</p>  <p>HDD and Other Digital Equipment Components</p>