

SHAREHOLDER RETURNS

BASIC POLICY

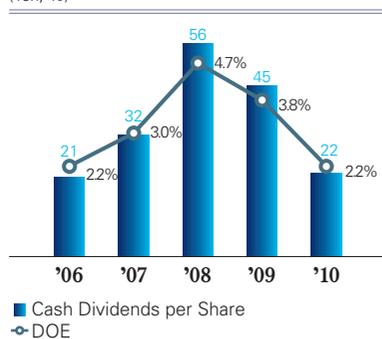
- ▶ The Company emphasizes the return of profits to shareholders, instituting such returns after close consideration of its dividend payout ratio and DOE.
- ▶ Over the medium term, we aim to raise profitability, preserve growth, and maintain our soundness. This will raise shareholder value and allow us to steadily make sustained returns to shareholders.

MEDIUM-TERM TARGETS

- ▶ Dividend payout ratio : **40% or more**
- ▶ DOE : **3.5% or more**

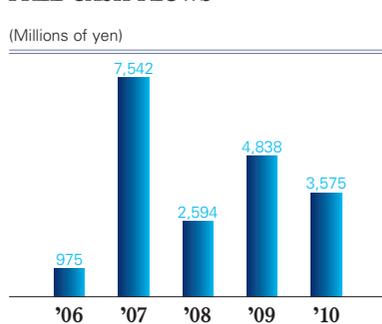
CASH DIVIDENDS PER SHARE AND DOE

(Yen, %)



FREE CASH FLOWS

(Millions of yen)



BASIC POLICY

The Company emphasizes shareholder returns, and will institute such returns in close consideration of dividend on equity (DOE), targeting a dividend payout ratio of at least 40%.

To the extent that it remains a publicly listed entity, Star Micronics is dedicated to the payment of cash dividends. By considering DOE as a key indicator with respect to shareholder returns, our policy is one that emphasizes a balanced approach to dividend consistency and stability that is not affected only by short-term fluctuations in operating results. Furthermore, we are striving over the medium term to raise both shareholder value and the level of shareholder returns by achieving a recovery in profitability, securing growth potential, and maintaining a sound financial position.

FUTURE SHAREHOLDER RETURNS

In light of the aforementioned basic policy, Star Micronics will pay an annual dividend per share for the fiscal year under review of ¥22.

Furthermore, throughout the fiscal years ended February 2009 and February 2010, the Company acquired approximately 9.6 million shares of treasury stock (of which 3.5 million shares were disposed), worth approximately ¥10,700 million. Previously, the Company had set a total shareholder return ratio of 60% as a medium-term goal, but has since changed this target in light of consolidated business performance. We view the Company's own shares as a resource to spur growth. Therefore, rather than disposing of them we will utilize such shares effectively to enhance corporate value.

FISCAL 2011 OUTLOOK AND FUTURE TARGETS

While a severe business climate appears likely for fiscal 2011, we expect to pay an annual dividend of ¥22 per share. As medium-term targets, the goal is to pay a dividend of ¥34 per share, achieve a consolidated dividend payout ratio of more than 40%, and realize DOE of more than 3.5% in fiscal 2013.