

Achieving Sustainable Corporate Value

We aim to raise profitability and maintain our soundness while steadily making sustained returns to shareholders by optimizing the allocation of business resources and by restructuring our businesses.

PROFILE

Established in 1950, Star Micronics Co., Ltd. possesses the strength of developing and manufacturing high-added-value products based on its core technologies of small-scale precision processing and assembly, aiming for more than half a century to realize businesses that “generate the greatest impact from the least materials.”

Currently, Star Micronics is engaged in four businesses: special products, mainly point-of-sale (POS) printers; components, including micro audio components; machine tools, mainly CNC automatic lathes; and precision products, mainly wristwatch parts and hard disk drive (HDD) parts. Moreover, overseas sales comprise about 78% of all sales, and overseas production comprises over 70% of all production. Star Micronics is developing its businesses globally in terms of both sales and production.

Going forward, Star Micronics will leverage the strengths it has built up to develop its businesses and maximize its corporate value.

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MEDIUM-TERM STRATEGY

Raise Profitability

- ▶ Capture high shares in global niche markets
- ▶ Concentrate business resources on highly profitable products and markets
- ▶ Create high-value-added products

Preserving Growth

- ▶ Strengthen our sales organization in emerging markets
- ▶ Build an optimal production system by utilizing overseas production bases
- ▶ Implement business alliances and M&As to strengthen our core competencies

Maintain Soundness

- ▶ Equity ratio: 75% or more
- ▶ Ratio of net cash (to total assets): 25% or more
- ▶ Enhancement of shareholder returns
 - Dividend payout ratio: 40% or more
 - Dividend on equity : 4.0% or more

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FORWARD-LOOKING STATEMENTS

Statements in this annual report with respect to Star Micronics' plans, strategies and beliefs as well as all other statements that are not historical facts are forward-looking statements involving risks and uncertainties. These forward-looking statements rely on a number of assumptions concerning future events. The important factors that could cause actual results to differ materially from such statements include, but are not limited to, general worldwide economic conditions, competitive pressure on sales and pricing, and movements of currency exchange rates.