

Consolidated Statements of Cash Flows

Star Micronics Co., Ltd. and Consolidated Subsidiaries
Years ended February 29, 2012 and February 28, 2011

	Millions of yen		Thousands of U.S. dollars (Note 1)
	2012	2011	2012
Operating activities:			
Income before income taxes and minority interests	¥ 3,229	¥ 360	\$ 39,864
Adjustments for:			
Income taxes – paid	(583)	(853)	(7,197)
Depreciation and amortization	1,607	1,762	19,840
Loss on disposition of foreign currency translation adjustments	439		5,420
Loss on disaster	438		5,407
Reversal of doubtful receivables	(121)	(218)	(1,494)
Provision for retirement benefits	5	3	62
Gain on sales and disposals of property, plant and equipment	(124)	(100)	(1,531)
Changes in assets and liabilities:			
Increase in trade receivables	(962)	(990)	(11,877)
Increase in inventories	(2,282)	(1,213)	(28,173)
Increase in trade payables	1,820	3,798	22,469
Other – net	1,000	971	12,346
Total adjustments	1,237	3,160	15,272
Net cash provided by operating activities	4,466	3,520	55,136
Investing activities:			
Purchases of property, plant and equipment	(1,267)	(981)	(15,642)
Proceeds from sales of property, plant and equipment	208	156	2,568
Purchases of marketable securities	(100)		(1,235)
Purchases of investment securities	(205)	(5)	(2,531)
Proceeds from sales of investment securities	498	12	6,148
Other – net	473	(700)	5,840
Net cash used in investing activities	(393)	(1,518)	(4,852)
Financing activities:			
Dividends paid to shareholders	(1,040)	(975)	(12,840)
Dividends paid to minority shareholders of consolidated subsidiaries	(276)		(3,407)
Proceeds from stock issuance to minority shareholders		3	
Payments for purchase of treasury stock	(760)	(839)	(9,382)
Disposal of treasury stock		11	
Other – net	(16)	(13)	(198)
Net cash used in financing activities	(2,092)	(1,813)	(25,827)
Foreign currency translation adjustments on cash and cash equivalents	(462)	(1,345)	(5,704)
Net increase (decrease) of cash and cash equivalents	1,519	(1,156)	18,753
Cash and cash equivalents at beginning of year	13,217	14,373	163,173
Cash and cash equivalents at end of year	¥14,736	¥13,217	\$181,926

See notes to consolidated financial statements.