

Financial Results for the Fiscal Year 2013 Second Quarter

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

2012/09/27

* 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.

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Operating income and ordinary income declined, owing to sales in the Machine Tools business falling

■ Net Sales	: ¥19.5 billion	↓	0.7% down YoY
■ Operating Income	: ¥1.1 billion	↓	17.5% down YoY
■ Ordinary Income	: ¥1.2 billion	↓	17.2% down YoY
■ Net Income	: ¥1.9 billion	↑	103.4% up YoY

✓ **Net income increased as a result of posting insurance income in connection with damage from the Thai floods as an extraordinary gain.**

Financial Data



(Millions of Yen)

	Second Quarter					Full-Year				
	2Q for FY2/12 Actual		2Q for FY2/13 Actual			FY2/12 Actual		FY2/13 Forecast		
	Amount	Income Ratio (%)	Amount	Income Ratio (%)	YoY Change (%)	Amount	Income Ratio (%)	Amount	Income Ratio (%)	YoY Change (%)
Sales										
Special Products	3,678		3,892		5.8	7,806		8,340		6.8
Components	1,515		1,681		11.0	2,944		3,120		6.0
Machine Tools	12,426		11,791		(5.1)	26,639		24,120		(9.5)
Precision Products	2,122		2,229		5.1	4,263		4,320		1.3
Total	19,742		19,595		(0.7)	41,654		39,900		(4.2)
Operating Income										
Special Products	198	5.4	100	2.6	(49.1)	581	7.4	540	6.5	(7.1)
Components	(530)	-	(121)	-	-	(955)	-	(220)	-	-
Machine Tools	2,292	18.4	1,839	15.6	(19.7)	5,365	20.1	3,350	13.9	(37.6)
Precision Products	373	17.6	329	14.8	(12.0)	762	17.9	650	15.0	(14.7)
Eliminations or Corporate	(888)		(955)			(1,801)		(2,020)		
Total	1,446	7.3	1,193	6.1	(17.5)	3,952	9.5	2,300	5.8	(41.8)
Ordinary Income	1,545	7.8	1,279	6.5	(17.2)	4,025	9.7	2,500	6.3	(37.9)
Net Income	951	4.8	1,936	9.9	103.4	2,426	5.8	2,900	7.3	19.5

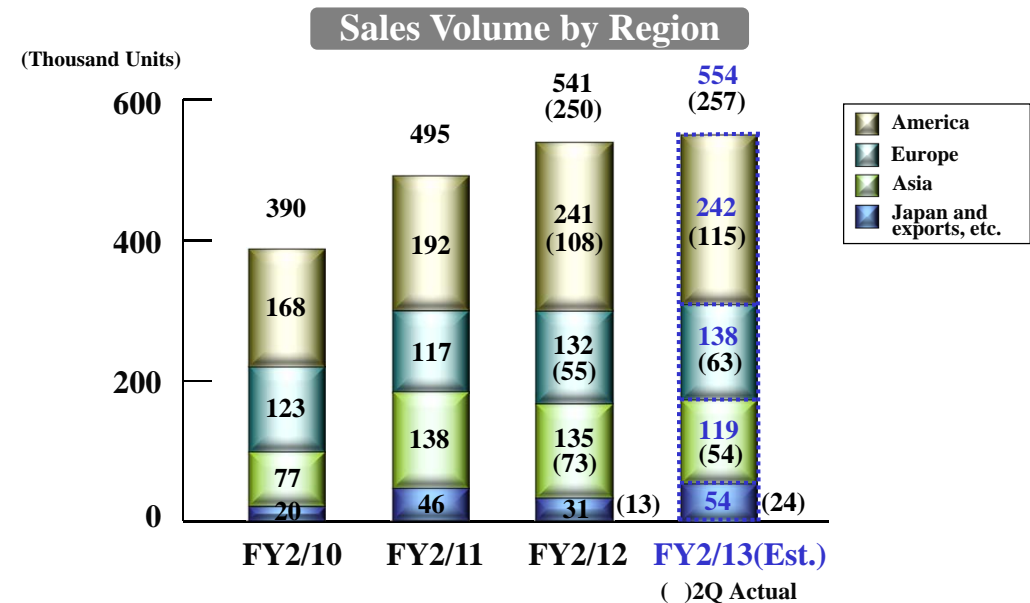
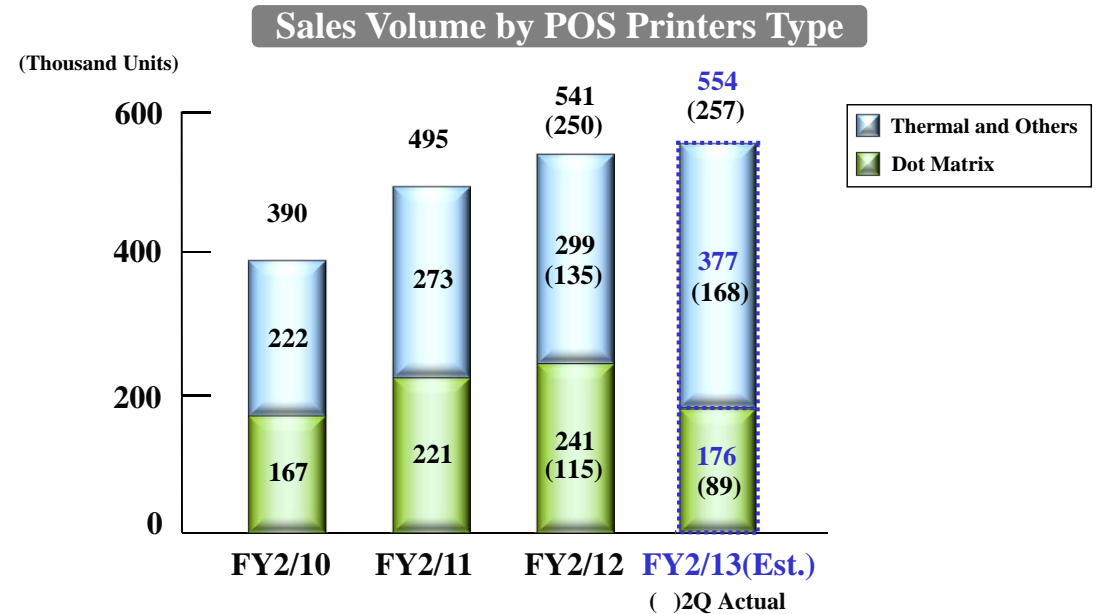
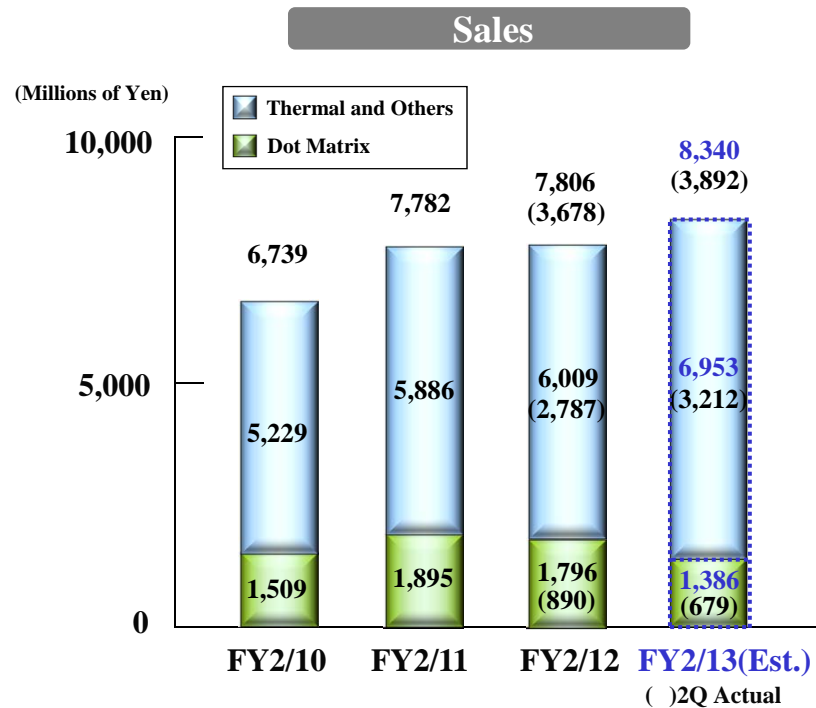
ROE (%)	-	-	6.7	7.7
Cash Dividends Applicable to the Year	¥13	¥15	¥26	¥30
DOE (%)	-	-	3.0	3.4

※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\$	¥ 82.05	¥ 79.75	¥ 79.84		
	EUR	¥114.99	¥103.45	¥111.11		
	GBP	¥132.60	¥125.72	¥128.06		
	CHF	¥ 90.59	¥ 85.88	¥ 90.18		
				¥ 80.00	¥29 million	¥ 79.87
				¥100.00	¥25 million	¥101.73
				¥120.00	¥ 6 million	¥122.86
				¥ 83.00	¥20 million	¥ 84.44

Special Products



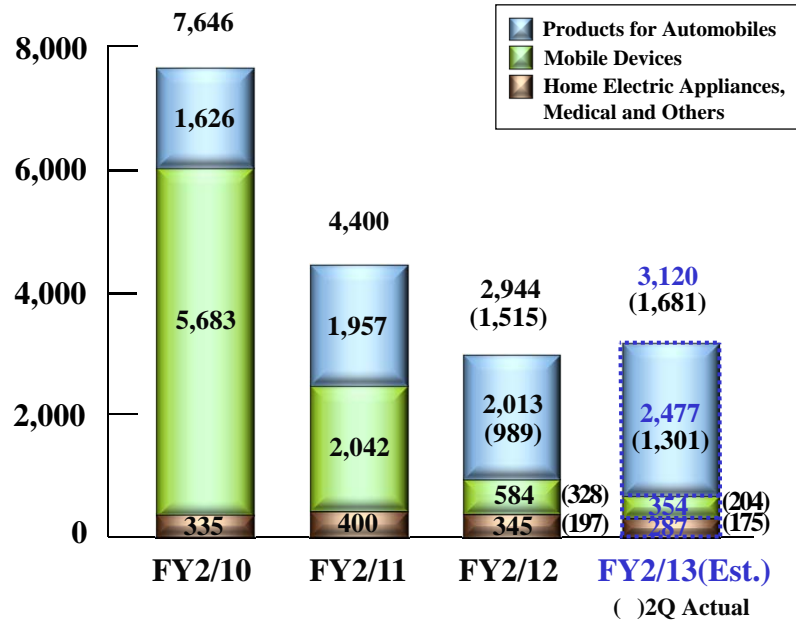
- Sales of thermal printers were brisk in the Americas, owing to new contracts that were won in North America and the introduction of the new BSC10 thermal printers in emerging markets.
- Sales in European markets were comparable to the previous fiscal year despite being impacted by debt-related concerns.
- Sales of dot-matrix printers in Asia declined, mainly in reaction to the economic slowdown in China.
- In Japan, sales of thermal printers grew, most notably for the POS market.

Components



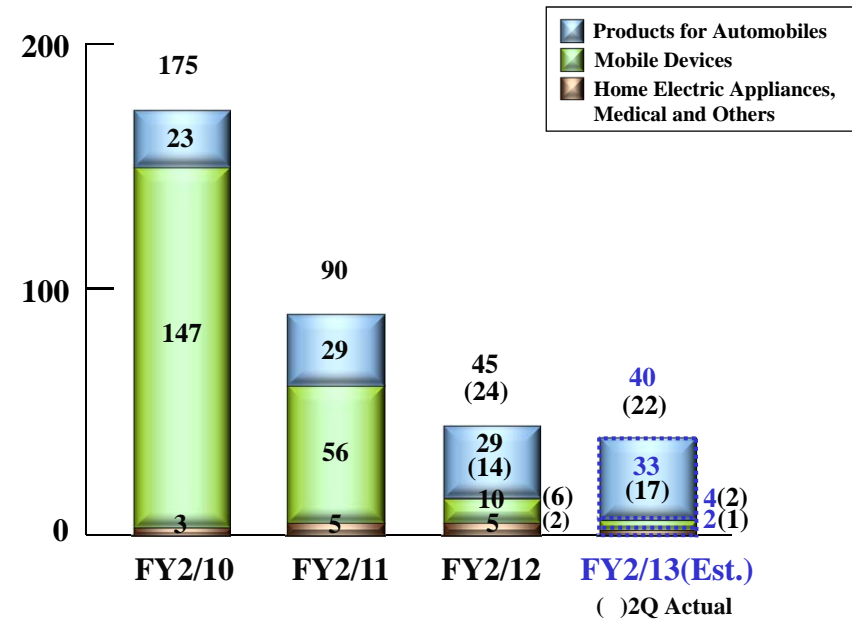
Sales

(Millions of Yen)



Sales Volume by Markets

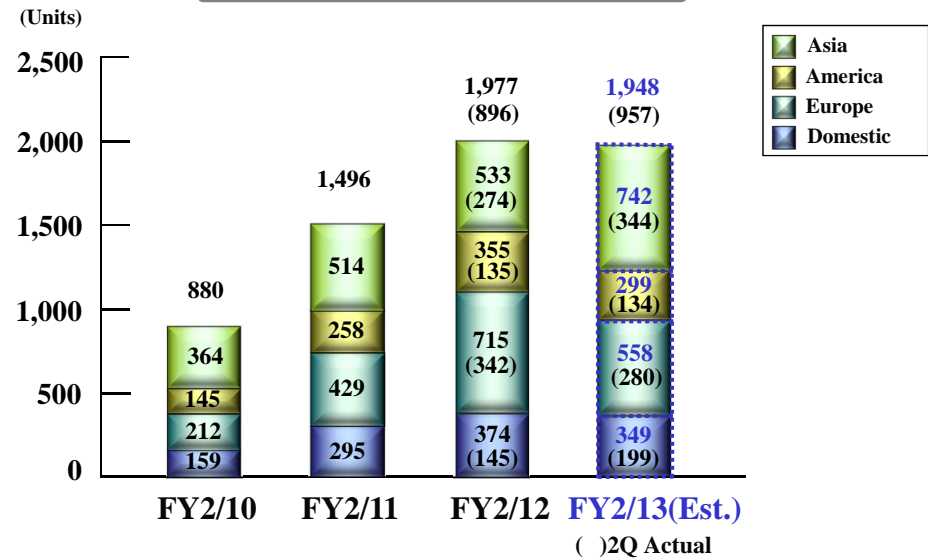
(Millions of Units)



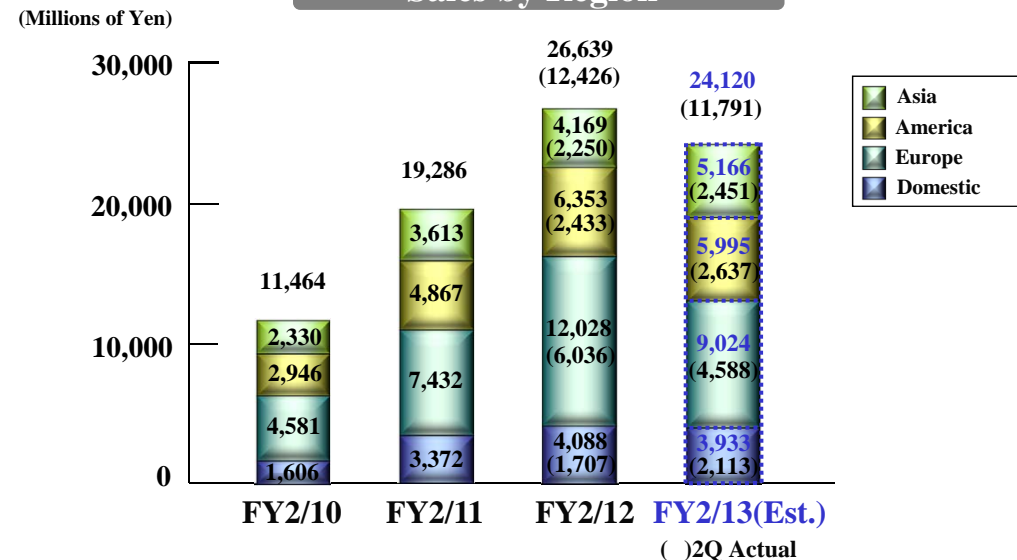
▪ This segment is scheduled to be terminated at the end of the current fiscal year. The Star Micronics Group is responding to final shipment requests and carrying out necessary tasks for the transfer of operations. Against this backdrop, sales rose in step with increased production by automakers, coupled with sales price revisions.



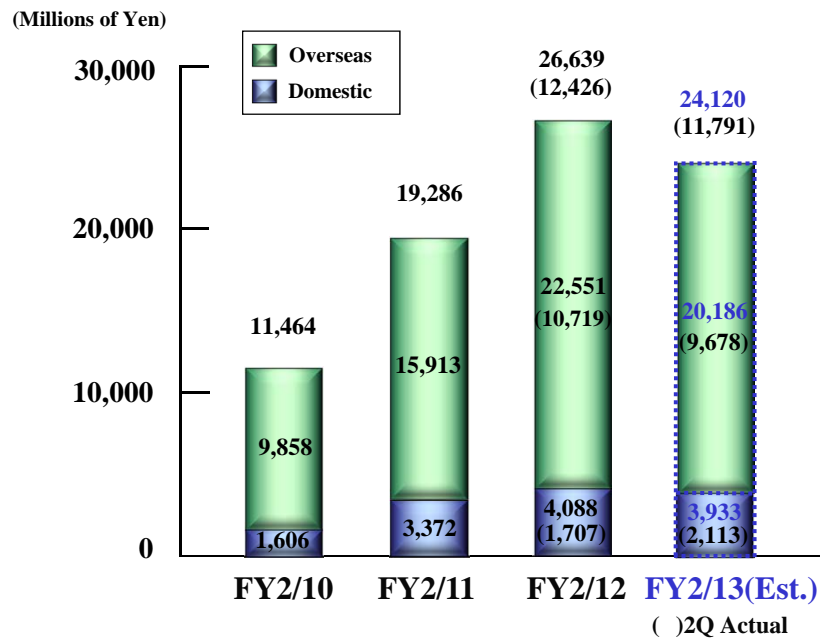
Sales Volume by Region



Sales by Region



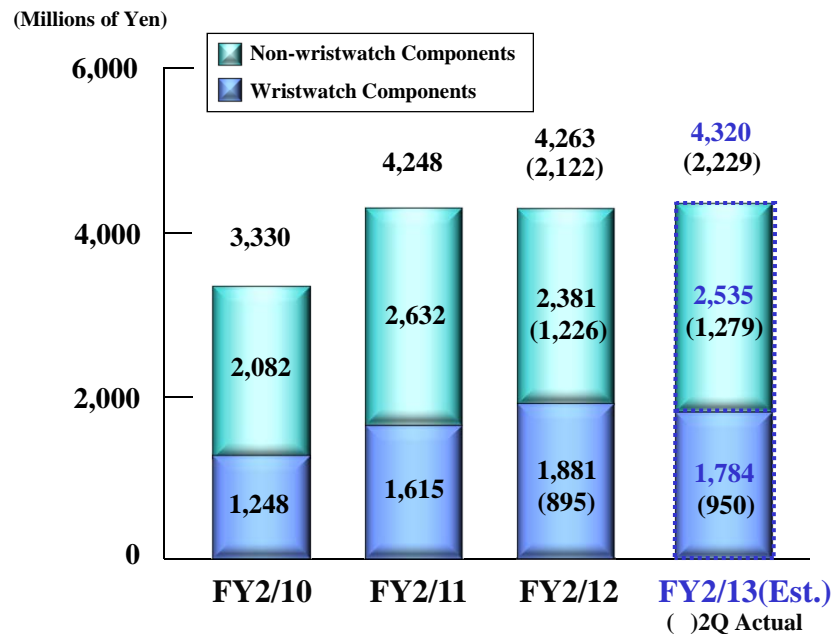
Sales



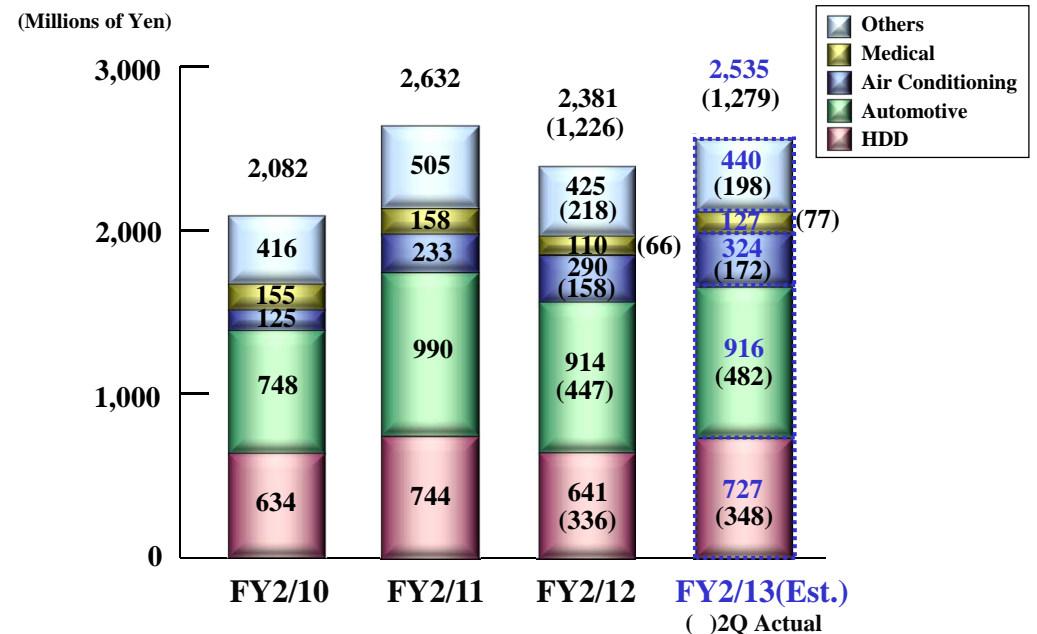
- In the U.S. market, sales were brisk as capital investment gained momentum in the medical-related and automobile sectors.
- Sales in Europe were lower, reflecting lackluster market conditions.
- In the Asian market, sales grew buoyed by robust capital investment among customers in the automobile and motorcycle-related sectors in Southeast Asia.
- In the Japanese market, sales rose atop a recovery in production mainly among automakers.



Sales



Sales of Non-wristwatch Components

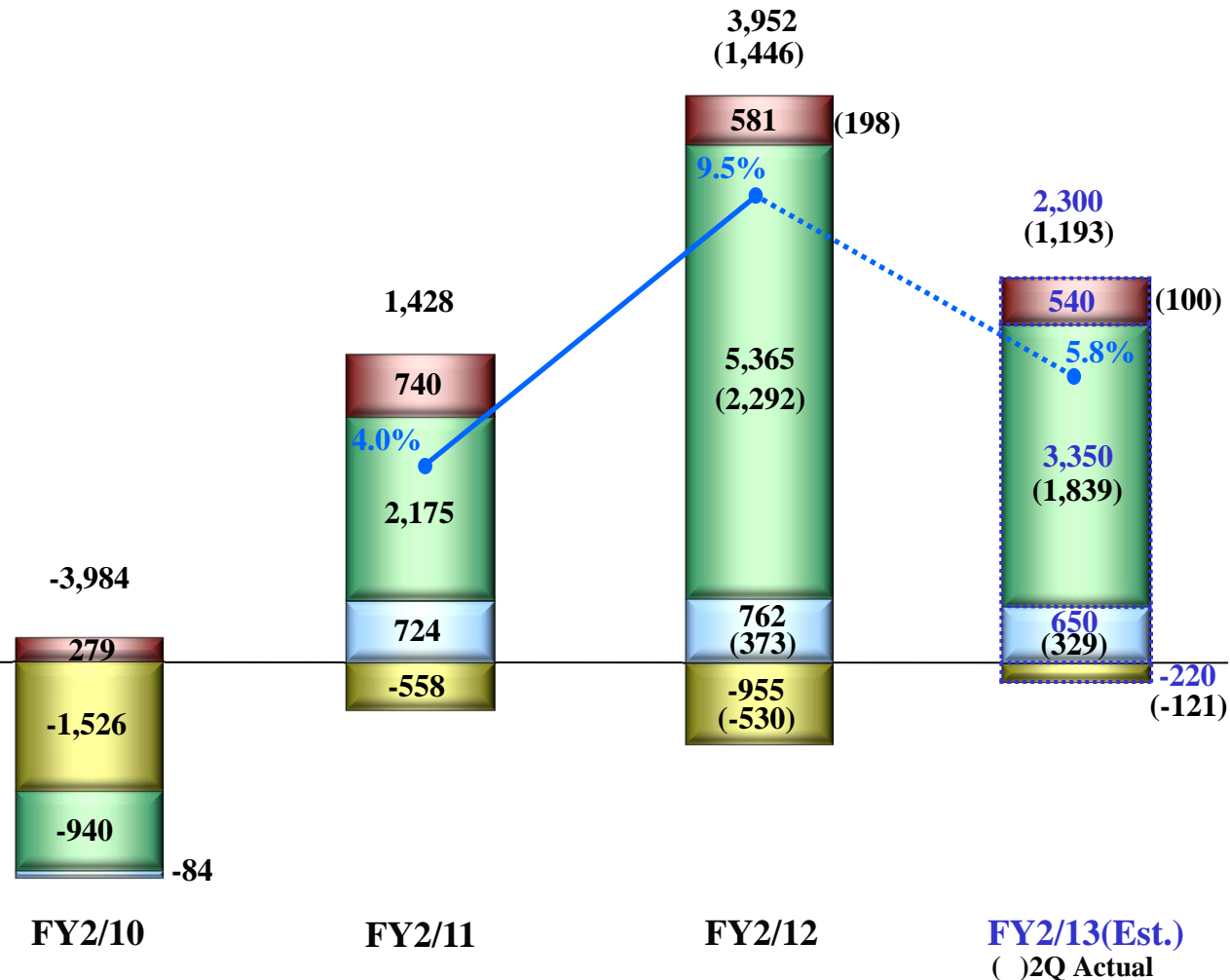


- Sales of wristwatch components increased, despite the impact of production cutbacks by wristwatch makers in the second quarter.
- Sales of non-wristwatch components increased overall compared to a year earlier. Sales of car audio components for overseas markets were firm, while an increase in sales of HDD components overseas made up for their decrease in the Japanese market.

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.

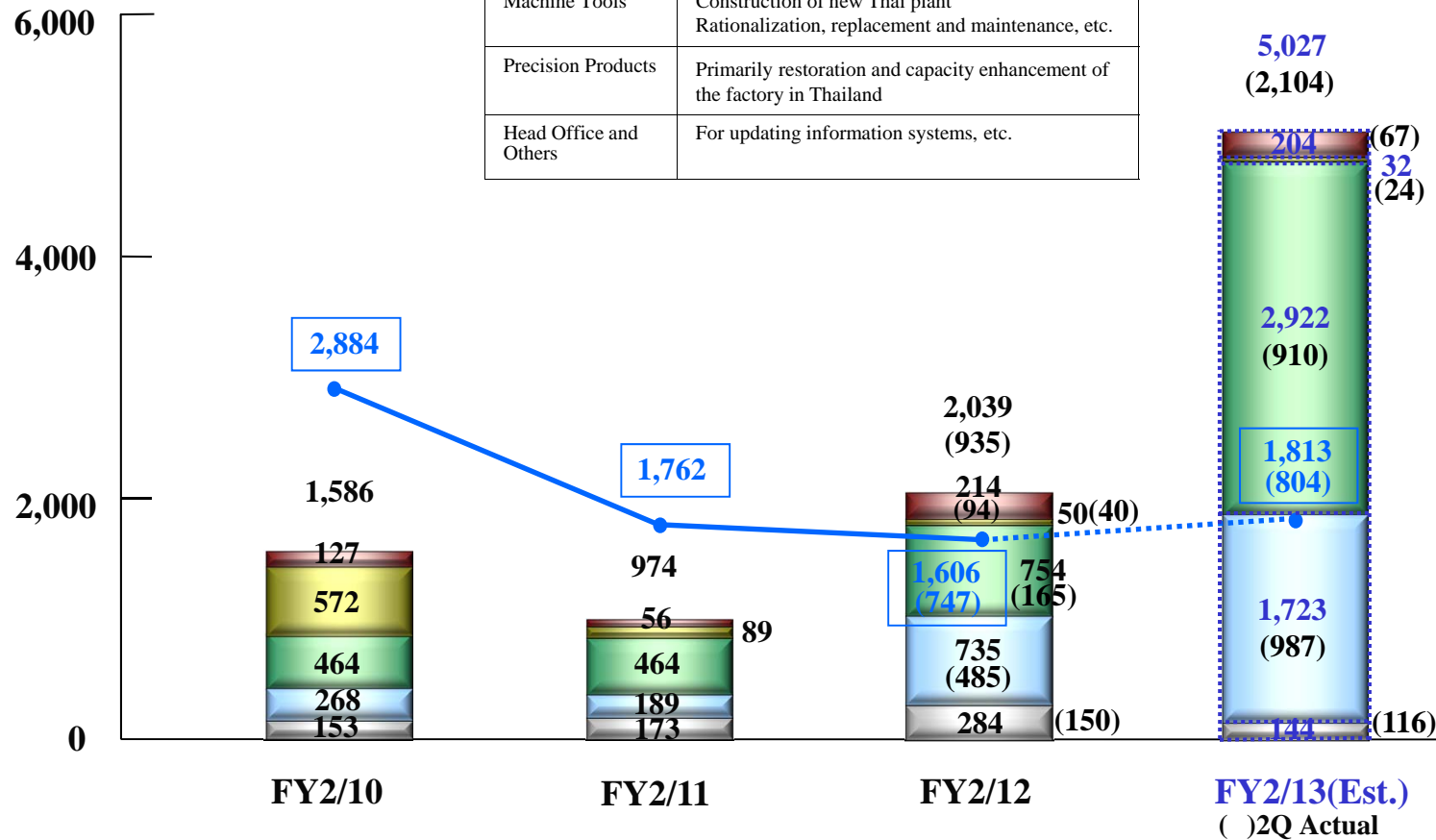
Capital Investment



【Main Capital Investment Track Record and Plans】

	Breakdown
Special Products	Dies, etc., for new models
Machine Tools	Construction of new Thai plant Rationalization, replacement and maintenance, etc.
Precision Products	Primarily restoration and capacity enhancement of the factory in Thailand
Head Office and Others	For updating information systems, etc.

(Millions of Yen)



Balance Sheets



(Millions of Yen)

		Feb.2010 Actual		Feb.2011 Actual		Feb.2012 Actual		Feb.2013 Forecast	
		Amount	Component percentages	Amount	Component percentages	Amount	Component percentages	Amount	Component percentages
Assets	Cash and deposit	15,349	30%	14,769	30%	15,640	30%	14,100	27%
	Trade notes and accounts receivable	9,114	18%	9,288	19%	9,849	19%	10,500	20%
	Inventories	9,019	18%	9,522	19%	11,378	22%	11,000	21%
	Other current assets	863	2%	1,256	3%	1,433	3%	900	2%
	Total current assets	34,345	68%	34,835	71%	38,302	74%	36,500	70%
	Property, plant and equipment	11,677	23%	10,549	21%	10,289	20%	13,200	25%
	Other fixed assets	4,658	9%	3,866	8%	3,333	6%	2,800	5%
	Total fixed assets	16,335	32%	14,415	29%	13,622	26%	16,000	30%
	Total assets	50,680	100%	49,250	100%	51,924	100%	52,500	100%
Liabilities	Trade notes and accounts payable	2,815	6%	5,862	12%	7,554	14%	5,400	10%
	Short-term debt	2,000	4%	2,000	4%	2,000	4%	2,000	4%
	Other current liabilities	4,012	8%	3,869	8%	4,983	10%	5,604	10%
	Total current liabilities	8,828	18%	11,731	24%	14,538	28%	13,004	24%
	Total long-term liabilities	592	1%	422	1%	406	1%	300	1%
	Total liabilities	9,420	19%	12,154	25%	14,944	29%	13,304	25%
Net assets	Total net assets	41,260	81%	37,096	75%	36,980	71%	39,196	75%
Total liabilities and net assets		50,680	100%	49,250	100%	51,924	100%	52,500	100%

Cash Flows

(Millions of Yen)

	Feb.2010 Actual	Feb.2011 Actual	Feb.2012 Actual	Feb.2013 Forecast
Net cash provided by operating activities	4,768	3,520	4,466	2,400
Net cash used in investing activities	(1,194)	(1,517)	(393)	(3,200)
Free cash flow	3,574	2,003	4,073	(800)
Net cash used in financing activities	(3,976)	(1,813)	(2,092)	(1,200)
Cash and cash equivalents at end of year	14,372	13,217	14,735	12,855

※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

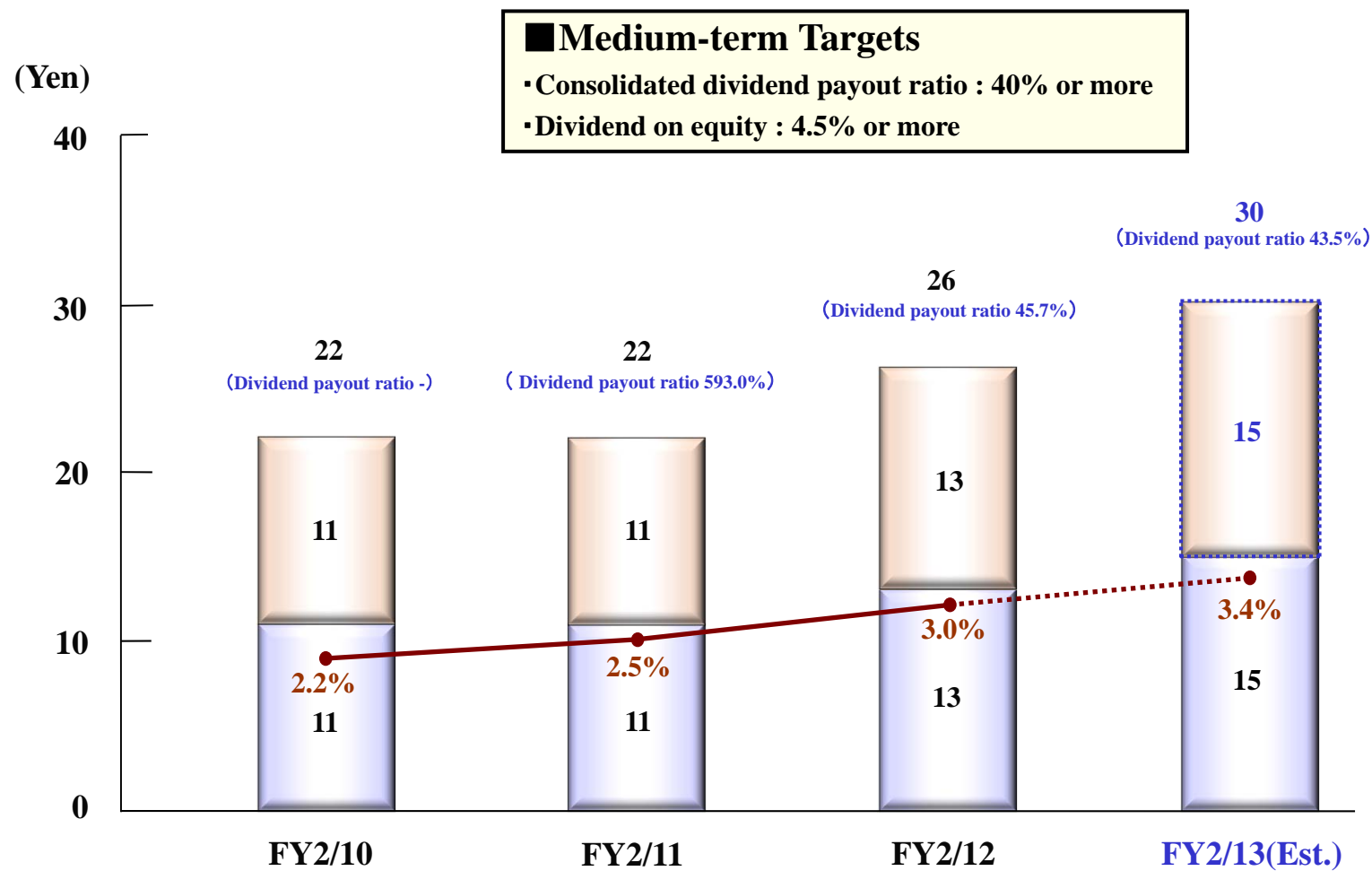
	Feb.2010 Actual	Feb.2011 Actual	Feb.2012 Actual	Feb.2013 Forecast
Total asset turnover	0.5 times	0.7 times	0.8 times	0.8 times
Equity ratio	80.1%	73.9%	70.2%	73.3%
Return on equity(ROE)	-	0.4%	6.7%	7.7%
Return on assets(ROA)	-	2.4%	8.0%	4.8%
Earnings per share(EPS)	(¥187.95)	¥3.71	¥56.94	¥68.92
Book value per share(BPS)	¥921.55	¥845.31	¥866.94	¥914.97
Dividend on equity (DOE)	2.2%	2.5%	3.0%	3.4%

Research and Development Costs

(Millions of Yen)

	Feb.2010 Actual	Feb.2011 Actual	Feb.2012 Actual	Feb.2013 Forecast
R&D costs	1,950	1,754	1,807	1,889

Shareholder Returns



* 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)	Income Ratio(%)	Ordinary Income (Millions of Yen)	Income Ratio(%)	Net Income (Millions of Yen)	Income Ratio(%)	EPS (Yen)	ROE (%)	DOE (%)	Dividends Per Share (Yen)
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	41,654	3,952	9.5	4,025	9.7	2,426	5.8	56.94	6.7	3.0	26.0
FY2/13(Est.)	39,900	2,300	5.8	2,500	6.3	2,900	7.3	68.92	7.7	3.4	30.0

Special Products

POS Printers
Card Reader/Writers



POS Printer
TSP100ECO



Card Reader/Writer
TCP300 II

CNC Automatic Lathes,
etc.

Machine Tools



Swiss Type Automatic Lathe
ST-38



Turning Center
SF-25

Components

Micro Audio Components



Speaker SAC-30A



Magnetic Sounder
TMX-12F

Wristwatch Parts,
Optical Connector Parts,
Automotive Parts,
Medical Equipment Parts

Precision Products



Wristwatch
Components



HDD and Other Digital
Equipment Components