

**March 10, 2010**

**Revision of Forecasts, Posting of Impairment Loss on Property, Plant and Equipment, and Cancellation of Posting of Deferred Tax Assets**

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In light of recent trends in its business performance, Star Micronics Co., Ltd. has revised its full-year consolidated forecasts for fiscal 2010, which were announced on September 30, 2009. Details are as follows. Furthermore, Star Micronics would like to announce the posting of an impairment loss on property, plant and equipment, and the cancellation of posting of deferred tax assets.

**1. Revision of Consolidated Forecasts for Full-year Fiscal 2010 (March 1, 2009 to February 28, 2010)**

(Millions of yen)

	Net Sales	Operating Income	Ordinary Income	Net Income	Net Income Per Share (¥)
Previous Forecasts: A (Announced September 30, 2009)	26,500	(5,200)	(5,050)	(4,700)	(103.26)
Revised Forecasts: B	29,180	(4,000)	(3,900)	(8,600)	(188.94)
Change :B-A	2,680	1,200	1,150	(3,900)	—
Change : B vs. A (%)	10.1	—	—	—	—
FY2009: C	56,952	8,544	8,923	4,338	85.66

**2. Reasons for Revisions**

In fiscal 2010, the net sales, operating income and ordinary income of the Star Micronics Group are projected to exceed initial forecasts due to increases in sales, especially in sales of machine tools. However, the net loss for this period is projected to increase significantly because of the posting of an impairment loss on property, plant and equipment of approximately ¥2.3 billion, and the cancellation of posting of deferred tax assets of approximately ¥2.8 billion. For these reasons, the Group has revised its previously announced forecasts.

**3. Impairment loss on property, plant and equipment**

Based on the accounting standard for loss on impairment of property, plant and equipment, the Group intends to post an extraordinary loss on some property, plant and equipment of approximately ¥2.3 billion.

**4. Deferred Tax Assets**

As a result of carefully examining the recoverability of deferred tax assets, the Group intends to cancel the posting of approximately ¥2.8 billion of deferred tax assets for which recovery is not expected.

(Expanded Information)

Consolidated Forecasts (By Segment)

(Millions of yen)

		Fiscal 2010 Previous Forecasts	Fiscal 2010 Revised Forecasts	Change	
				Amount	(%)
Special Products	Net Sales	6,550	6,739	189	2.9
	Operating Income	160	279	119	74.4
	Income Ratio (%)	2.4	4.1		
Components	Net Sales	7,450	7,646	196	2.6
	Operating Income	(1,610)	(1,525)	85	—
	Income Ratio (%)	—	—		
Machine Tools	Net Sales	9,500	11,465	1,965	20.7
	Operating Income	(1,760)	(944)	816	—
	Income Ratio (%)	—	—		
Precision Products	Net Sales	3,000	3,330	330	11.0
	Operating Income	(290)	(92)	198	—
	Income Ratio (%)	—	—		
Eliminations or Corporate		(1,700)	(1,718)	(18)	
Consolidated	Net Sales	26,500	29,180	2,680	10.1
	Operating Income	(5,200)	(4,000)	1,200	—
	Income Ratio (%)	—	—		

\*Figures less than one million yen are rounded down. The above forecasts are based on information available to management at the time of release. Investors are warned that a number of uncertainties may cause actual results to differ materially from forecasts.