

**July 22, 2010**

## **Liquidation of Subsidiary and Establishment of Sales Base in Thailand**

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Star Micronics Co., Ltd. has announced the decision at a meeting of the Board of Directors held today to liquidate subsidiary Star Micronics Asia Ltd. The Board of Directors also decided to establish a new sales base in Thailand. Details of these decisions are as follows.

### **1. Reasons for Liquidation and Establishment of New Sales Base**

Star Micronics Asia Ltd., a sales subsidiary in the Special Products business, was established in Hong Kong in September 1983 as a base for the sale of computer and POS printers to markets in China and Southeast Asia. In this capacity, the subsidiary contributed to the development of the printer business as one of the Company's chief sales bases. However, the subsidiary's business scale has contracted with the termination of the sale of computer printers at the end of 2008, resulting in today's decision.

The Company, following a reexamination of its sales framework in markets in China and Southeast Asia with the purpose of enhancing sales capacity for POS printers, decided to offset the subsidiary's liquidation by establishing a new sales base in Thailand.

In establishing the new base, the Company has taken the opportunity to strengthen its alliance with affiliate Star-Asia Technology Ltd. (Kowloon, Hong Kong; 21% investment by Star Micronics) in the Chinese market. Bringing the affiliate under the direct management of the Company's head office will enhance cost competitiveness. In parallel, the Company from its base in Thailand will pursue in-depth marketing activities targeting Southeast Asian markets. Backed by these advantages, the Company will seek to further expand its share of the POS printer market.

The new sales base in Thailand will be set up within Star Micronics (Thailand) Co., Ltd. (Bangkok, Thailand; 49% investment by Star Micronics), a sales subsidiary in the Machine Tools business. Sales activities are slated to begin in September 2010.

### **2. Overview of Star Micronics Asia Ltd. (company to be liquidated)**

(1) Location	Kowloon, Hong Kong
(2) Representative	Junji Taguchi
(3) Main business	Sale of Special Products from Star Micronics
(4) Capital	HK\$1,000,000 (100% Star Micronics)

### **3. Future Schedule (tentative)**

Sept. 2010	Start of sales activities at sales base in Thailand
Jan. 2011	Start of liquidation procedures at Star Micronics Asia Ltd.
Dec. 2011	Completion of liquidation

### **4. Outlook**

The liquidation of the subsidiary will have a negligible impact on consolidated business performance.