

April 10, 2014

Notice Regarding Differences between Consolidated Business Forecasts and Actual Results for the Fiscal Year Ended February 28, 2014 and Extraordinary Loss

Star Micronics Co., Ltd. hereby provides a notice regarding differences between the consolidated business forecasts for the year ended February 28, 2014, announced on September 30, 2013, and the actual results, and recording of extraordinary loss announced today

1. Differences between Consolidated Business Forecasts and Actual Results for the Year Ended February 28, 2014 (March 1, 2013 to February 28, 2014)

	Net Sales	Operating Income	Ordinary Income	Net Income	Net Income Per Share
	(Millions of yen)	(Millions of yen)	(Millions of yen)	(Millions of yen)	(Yen)
Previous Forecasts: A	41,300	2,500	2,900	1,700	40.40
Actual: B	43,481	2,606	3,219	1,143	27.17
Change: B-A	2,181	106	319	(556)	
Change: B vs. A (%)	5.3	4.2	11.0	(32.7)	
(Reference) FY2013	37,858	1,579	2,254	2,299	54.66

2. Reasons for the Differences

Consolidated results for the fiscal year exceeded the previously announced forecasts because the yen's weaker-than-expected foreign exchange rate boosted net sales, and a decline in the Machine Tools Segment's sales volume in the Asian market was offset in the European, U.S. and Japanese markets, among other factors. Furthermore, while this increase in sales and other factors pushed both operating income and ordinary income above the previous forecasts, net income was lower due to the posting of a ¥650 million settlement on patent use as an extraordinary loss.

3. Extraordinary Loss

Star Micronics has entered a patent agreement under which it will pay royalties for patent use to a competing manufacturer in the POS printer field.

As a result, a ¥650 million settlement on patent use for the year ended February 28, 2014 will be recorded as an extraordinary loss. Moreover, royalty payments will be recorded going forward, based on this patent agreement.

Star Micronics must refrain from disclosing the agreement's details due to negotiated and contractual constraints.

*Figures less than one million yen are rounded down.