

August 6, 2013

Transfer of Micro Audio Components Business

Star Micronics Co., Ltd. (“the Company”) and Foster Electric Company, Limited (“Foster Electric”) today signed a formal contract after reaching an agreement on transferring the micro audio components business developed by the Company to Foster Electric. Details are as follows.

1. Reason for Business Transfer

Since commencing the manufacturing and sales of electronic buzzers in 1971, Star Micronics has been supplying the micro audio components used in automobiles, various electronic devices and other products over many years. However, in order to concentrate management resources in other businesses, including the Machine Tools Segment, the Company has been pressing ahead with preparations to terminate the micro audio components business since the previous fiscal year. Of the products handled by the micro audio components business, the Company had already completed the respective transfers of the receiver and microphone businesses by the end of the previous fiscal year. The Company has now decided to complete the termination of the micro audio components business by transferring the businesses related to the remaining product lineups, namely the electronic buzzers and speakers used mainly for the operational and warning sounds employed in automobiles, to Foster Electric. Nevertheless, the Company plans to continue researching the micro audio technologies it has nurtured to date, with the view to developing new products in the future.

Meanwhile, Foster Electric supplies automobile speakers and other products as one of its businesses. By taking over operations related to Star Micronics’ micro audio components, Foster Electric will strive to upgrade and enhance its product lineup, with the aim of further strengthening its businesses.

2. Outline of Business to Be Transferred

(1) Business to Be Transferred

Star Micronics’ micro audio components business (electronic buzzers, speakers)

(2) Business Transfer Date

January 1, 2014

(3) Effect on Business Results

This business transfer will have only a negligible impact on the Company’s business results.

3. Overview of Foster Electric(As of March 31, 2013)

(1)	Company Name	Foster Electric Company, Limited
(2)	Headquarters	1-1-109,Tsutsujigaoka,Akishima City, Tokyo, Japan (As of June 30, 2013)
(3)	Name and Title of Representative	President and Representative Director Yukio Miyata
(4)	Business Description	The production and sales of loudspeakers, audio equipment, and electronical equipment.
(5)	Paid-in Capital	3,770Millions of yen
(6)	Established	June 1, 1948
(7)	Net Assets	42,624Millions of yen
(8)	Total Assets	94,480Millions of yen
(9)	Major Shareholders and Shareholding Ratio	The Master Trust Bank of Japan, Ltd. (trust account) 6.28% Japan Trustee Services Bank, Ltd. (trust account) 5.75% Mizuho Bank, Ltd. 4.32%
(10)	A Relation with Our Company	There are no notable capital, business and personal relationships between Foster Electric and the Company. Furthermore, Foster Electric is not a related party of the Company.