

January 10, 2008

## Fiscal 2008 Third-quarter Consolidated Earnings Report

Company name: Star Micronics Co., Ltd.

Stock listing First Section, Tokyo Stock Exchange

Code: 7718

URL <http://www.star-m.jp>

Representative Director: Toshihiro Suzuki, President and CEO

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(Figures less than one million are rounded down)

### 1. Results for the Third Quarter of Fiscal 2008 (March 1, 2007 to November 30, 2007)

(1) Consolidated Operating Results (Percentages represent changes over the corresponding period of the previous fiscal year.)

|                      | Net Sales   |      | Operating Income |      | Ordinary Income |      | Net Income  |      |
|----------------------|-------------|------|------------------|------|-----------------|------|-------------|------|
|                      | (¥ million) | %    | (¥ million)      | %    | (¥ million)     | %    | (¥ million) | %    |
| FY2008 Third Quarter | 53,649      | 18.3 | 10,642           | 41.1 | 11,007          | 40.8 | 6,830       | 40.5 |
| FY2007 Third Quarter | 45,347      | 14.1 | 7,541            | 15.0 | 7,819           | 15.2 | 4,860       | 19.0 |
| FY2007               | 62,670      | —    | 10,444           | —    | 10,862          | —    | 7,012       | —    |

|                      | Net Income Per Share | Diluted Net Income Per Share |
|----------------------|----------------------|------------------------------|
|                      | (¥)                  | (¥)                          |
| FY2008 Third Quarter | 127.44               | 127.19                       |
| FY2007 Third Quarter | 90.88                | 90.62                        |
| FY2007               | 131.09               | 130.73                       |

### (2) Consolidated Financial Position

|                         | Total Assets | Net Assets  | Equity Ratio | Net Assets Per Share |
|-------------------------|--------------|-------------|--------------|----------------------|
|                         | (¥ million)  | (¥ million) | %            | (¥)                  |
| As of November 30, 2007 | 83,142       | 65,656      | 78.1         | 1,210.92             |
| As of November 30, 2006 | 72,512       | 58,528      | 80.0         | 1,084.59             |
| As of February 28, 2007 | 76,194       | 61,395      | 79.9         | 1,137.05             |

### 2. Dividends

| (Record date)      | Dividends Per Share |          |           |
|--------------------|---------------------|----------|-----------|
|                    | Interim             | Year-end | Full Year |
| FY2007             | 14.00               | 18.00    | 32.00     |
| FY2008             | 26.00               |          | 52.00     |
| FY2008 (projected) |                     | 26.00    |           |

### 3. Consolidated Outlook for the Fiscal Year Ending February 29, 2008 (From March 1, 2007 to February 29, 2008)

(Percentages represent changes over the previous fiscal year.)

|           | Net Sales   |      | Operating Income |      | Ordinary Income |      | Net Income  |      | Net Income Per Share |
|-----------|-------------|------|------------------|------|-----------------|------|-------------|------|----------------------|
|           | (¥ million) | %    | (¥ million)      | %    | (¥ million)     | %    | (¥ million) | %    | (¥)                  |
| Full Year | 72,780      | 16.1 | 14,170           | 35.7 | 14,680          | 35.1 | 9,100       | 29.8 | 169.76               |

### 4. Others

- (1) Significant changes in subsidiaries during the period under review (changes in certain specified subsidiaries resulting in revised scope of consolidation): None
- (2) Simplified accounting methods applied: Yes
- (3) Changes in accounting methods from the most recent consolidated financial year: None

### ※Regarding the appropriate use of earnings projections, and other noteworthy matters

The above projections are based on information available at the time of release of this report. Actual results may differ materially from projections due to a variety of factors.

## Qualitative Financial Information

### 1. Qualitative Information Related to Consolidated Operating Results

The Group's consolidated performance saw sales of point-of-sale (POS) printers in the Special Products Segment and sales in the Machine Tools Segment remain strong. As a result, Star Micronics reported sales of ¥53,649 million, up 18.3% year on year. On the back of these higher sales and other factors, operating income surged 41.1% to ¥10,642 million, ordinary income climbed 40.8% to ¥11,007 million and net income jumped 40.5% to ¥6,830 million.

Performance by segment was as follows:

(Special Products)

This segment achieved higher sales of POS printers, mainly by securing large contracts for POS printers used in POS registers, lottery ticket machines and kiosk terminals. Computer printers sold fairly well in the Chinese market. Segment sales and operating income both increased dramatically as a result. Segment sales rose 22.8% to ¥13,418 million. Supported by this sales growth and other factors, operating income climbed 82.4% to ¥3,345 million.

(Components)

Sales of microphones and speakers increased primarily for use in mobile phones, but sales of electronic buzzers dropped as these components are being phased out from mobile phones. Overall, segment sales rose 4.1% to ¥8,035 million. On the earnings front, however, the segment posted an operating loss of ¥250 million, stemming partly from ongoing calls for discounts from end-product manufacturers.

(Machine Tools)

Sales increased dramatically as demand from capital investment in overseas markets remained extremely strong, although demand weakened somewhat in Japan. As a result, there were large increases in both segment sales and operating income. Segment sales rose 25.8% to ¥28,877 million and operating income climbed 49.2% to ¥8,711 million.

(Precision Products)

This segment recorded a drop in sales of components for HDDs used in portable digital music players, which had sold well through the previous fiscal year. Sales of wristwatch components were also down year on year. Consequently, segment sales decreased 11.6% to ¥3,317 million and operating income was down 34.1% to ¥692 million.

### 2. Qualitative Information Related to Consolidated Financial Position

As of November 30, 2007, total assets stood at ¥83,142 million, an increase of ¥6,948 million from February 28, 2007. There were increases in trade notes and accounts receivable, inventories and other assets. Liabilities increased ¥2,686 million from February 28, 2007 due to higher trade notes and accounts payable related to increased purchasing. Net assets increased ¥4,261 million from February 28, 2007 due to net income and other factors.

### 3. Qualitative Information Related to Earnings Forecasts

In light of steady performance in the first three quarters of fiscal 2008, Star Micronics has not revised its full-year earnings forecasts for fiscal 2008 announced on October 11, 2007.

### 4. Others

(1) Significant changes in subsidiaries during the period under review (changes in certain specified subsidiaries resulting in revised scope of consolidation):

None

(2) Simplified accounting methods applied:

Applied to some items with marginal impact

(3) Changes in accounting methods from the most recent consolidated financial year:

None