

January 12, 2005

Third-Quarter Consolidated Earnings Report for Fiscal 2005

Company name: Star Micronics Co., Ltd.
 Stock listings: First Section, Tokyo and Nagoya stock exchanges
 Code: 7718
 URL: <http://www.star-m.jp/>

1. Matters Related to Preparation of Quarterly Financial Information
 - Simplified accounting methods applied: No
 - Changes in accounting methods from the most recent consolidated financial year: No
 - Changes in the scope of consolidation and application of the equity method: Yes
 (Compared to the previous fiscal year)
 - Consolidated subsidiaries: New (1), Excluded (0)
 - Equity-method affiliates: New (0), Excluded (0)

2. Results for the Third Quarter of Fiscal 2005 (March 1, 2004 ~ November 30, 2004)

(1) Operating results (consolidated)

(Millions of yen, %)

	Net Sales	Operating Income	Ordinary Income	Net Income
FY2005 Third Quarter	36,391 (12.3)	5,058 (86.4)	5,073 (89.2)	3,094 (61.0)
FY2004 Third Quarter (reference)	32,414	2,713	2,681	1,922
FY2004 (reference)	43,331	3,549	3,593	2,425

(Yen)

	Net Income per Share	Diluted Net Income per Share
FY2005 Third Quarter	58.04	58.01
FY2004 Third Quarter (reference)	35.10	-
FY2004 (reference)	44.12	-

Notes:

1. Percent figures for net sales and operating income represent year-on-year changes.
2. The Company began preparing quarterly financial statements from the first quarter of this fiscal year, ending February 28, 2005. Quarterly data for the previous fiscal year, which are internal reporting figures, have been shown for reference purposes only.

[Qualitative Data Related to Consolidated Earnings]

Star Micronics reported consolidated net sales of ¥36,391 million for the first nine months of fiscal 2005 (March 1, 2004 ~ November 30, 2004) on the back of sustained and strong sales of machine tools driven by robust capital investment both in Japan and overseas. Supported by these higher sales, rising profit margins and other factors, the Company posted operating income of ¥5,058 million, ordinary income of ¥5,073 million and net income of ¥3,094 million.

Performance by Segment

(Precision Electronic Equipment)

Although sales of micro audio components and point-of-sale (POS) printers were slightly ahead of forecasts, sales of computer printers for the Chinese tax system and other markets struggled. The segment posted operating income of ¥1,801 million on sales of ¥16,676 million.

(Machine Tools)

With orders continuing to run at high levels since the first half of the fiscal year, sales of machine tools were strong, centered on sustained demand from the U.S. and Europe. The segment reported operating income of ¥4,115 million on sales of ¥16,766 million.

(Precision Products)

Total segment sales were generally in line with forecasts. However, in non-wristwatch components, sales of hard disk components fell slightly short of forecasts. This segment posted operating income of ¥564 million on sales of ¥2,948 million.

(2) Financial position (consolidated)

	Total Assets (Millions of yen)	Total Shareholders' Equity (Millions of yen)	Shareholders' Equity Ratio (%)	Shareholders' Equity per Share (¥)
FY2005 Third Quarter	60,958	47,592	78.1	892.74
FY2004 Third Quarter (reference)	60,495	44,623	73.8	814.59
FY2004 (reference)	57,898	44,613	77.1	836.13

[Qualitative Data Related to Financial Position]

As of November 30, 2004, total assets on a consolidated basis stood at ¥60,958 million, an increase of approximately ¥3,000 million compared with the end of the previous fiscal year. This was primarily attributable to an increase in receivables and cash and cash equivalents as sales rose. In shareholders' equity, retained earnings increased as the Company reported net income.

3. Consolidated earnings forecast for fiscal 2005 (March 1, 2004 ~ February 28, 2005)

(Millions of yen)

	Net Sales	Ordinary Income	Net Income
FY2005	48,000	5,600	3,300

Reference: Projected net income per share (full-year) ¥61.91

[Qualitative Data Related to Consolidated Earnings Forecast]

The Company has made no change to the above consolidated earnings forecast announced on October 13, 2004.

**Amounts less than one million yen have been omitted. The above forecasts are based on information available to management at the time of release. Investors are warned that a number of factors may cause actual results to differ materially from forecasts.*