

June 28, 2007

Fiscal 2008 First-Quarter Consolidated Earnings Report

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

1. Matters Related to Preparation of Quarterly Financial Information

- ① Simplified accounting methods applied: Yes
 Applied to some items with marginal impact
- ② Changes in accounting methods from the most recent consolidated financial year: No
- ③ Changes in the scope of consolidation and application of the equity method: Yes
 Compared to February 28, 2007:
 Consolidated subsidiaries--New (1), Excluded (0) Equity-method affiliates--New (0),
 Excluded (0)

2. Results for the First Quarter of Fiscal 2008 (March 1, 2007 ~ May 31, 2007)

(1) Operating results (consolidated)

(Millions of yen, %)

	Net Sales	Operating Income	Ordinary Income	Net Income
FY2008 First Quarter	16,516 (19.9)	3,184 (69.6)	3,419 (82.3)	2,171 (90.8)
FY2007 First Quarter	13,770 (14.4)	1,877 (9.5)	1,876 (2.7)	1,138 (16.6)
FY2007 (reference)	62,670	10,444	10,862	7,012

(Yen)

	Net Income per Share	Diluted Net Income per Share
FY2008 First Quarter	40.55	40.46
FY2007 First Quarter	21.30	21.23
FY2007 (reference)	131.09	130.73

Note: Percentage figures for net sales, operating income and other items represent year-on-year changes.

[Qualitative Data Related to Consolidated Operating Results]

In the first quarter of fiscal 2008, ended May 31, 2007, economic conditions were generally firm in the U.S., Europe, Japan, and the rest of Asia. Against this backdrop, the Machine Tools Segment and point-of-sale (POS) printers in the Special Products Segment continued to drive the Group's consolidated performance.

As a result, Star Micronics reported first-quarter consolidated net sales of ¥16,516 million, up 19.9% year on year. On the back of these higher sales, operating income jumped 69.6% to ¥3,184 million, ordinary income surged 82.3% to ¥3,419 million, a record quarterly result, and net income climbed 90.8% to ¥2,171 million.

Performance by Segment
(Special Products)

Although sales of computer printers were level with the same period a year earlier, sales of POS printers centered on the U.S. and Europe, and in emerging markets like Russia, were strong. Consequently, segment sales increased 41.0% to ¥4,425 million, and operating income climbed 220.6% to ¥1,057 million.

(Components)

In the segment's mainstay components for mobile phones, sales of electronic buzzers declined, as did sales of receivers due to falling demand for the mobile phone models they are used in. As a result, segment sales declined 21.0% to ¥2,168 million, and the segment reported an operating loss of ¥112 million.

(Machine Tools)

Despite flat year-on-year sales in the U.S., Japan and the rest of Asia, machine tool sales were strong in Europe, and particularly Germany and Switzerland. Consequently, segment sales rose 32.4% to ¥8,844 million, and operating income jumped 72.2% to ¥2,617 million.

(Precision Products)

Sales remained difficult for wristwatch components, while in non-wristwatch components, sales of components for HDDs used in portable digital music players dropped. As a result, segment sales declined 10.9% to ¥1,078 million, and operating income fell 20.3% to ¥264 million.

(2) Financial position (consolidated)

	Total Assets (Millions of yen)	Net Assets (Millions of yen)	Equity Ratio (%)	Net Assets per Share (¥)
May 31, 2007	77,616	62,561	79.8	1,155.42
May 31, 2006	67,111	55,065	81.5	1,022.99
February 28, 2007 (reference)	76,194	61,395	79.9	1,137.05

[Qualitative Data Related to Financial Position]

As of May 31, 2007, total assets on a consolidated basis stood at ¥77,616 million, up from February 28, 2007. Assets increased ¥1,421 million, primarily due to higher inventories and other current assets, while liabilities rose ¥255 million due to an increase in payables. Total equity, meanwhile, increased ¥1,165 million compared to the end of the previous fiscal year due to the booking of net income and other factors.

[Reference]

Consolidated Earnings Forecast for Fiscal 2008 (March 1, 2007 ~ February 29, 2008)

(Millions of yen)

	Net Sales	Ordinary Income	Net Income
FY2008 Interim	32,000	5,400	3,100
FY2008	67,300	12,000	7,500

(Reference): Projected net income per share for the year ¥140.05

[Qualitative Data Related to Earnings Forecast]

In light of the steady first-quarter performance, there is no change to the Company's interim and full-year forecasts announced on April 12, 2007.

*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 uncertainties may cause actual results to differ materially from forecasts.