

June 26, 2008

Fiscal 2009 First-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 First Quarter of Fiscal 2009 (March 1, 2008 to May 31, 2008)

(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) | % |
| FY2009 First Quarter | 15,284 | -7.5 | 2,774 | -12.9 | 2,892 | -15.4 | 1,902 | -12.4 |
| FY2008 First Quarter | 16,516 | 19.9 | 3,184 | 69.6 | 3,419 | 82.3 | 2,171 | 90.8 |
| FY2008 | 73,883 | — | 14,651 | — | 15,170 | — | 8,080 | — |

| | Net Income Per Share | Diluted Net Income Per Share |
|----------------------|----------------------|------------------------------|
| | (¥) | (¥) |
| FY2009 First Quarter | 35.47 | 35.44 |
| FY2008 First Quarter | 40.55 | 40.46 |
| FY2008 | 150.74 | 150.47 |

(2) Consolidated Financial Position

| | Total Assets | Net Assets | Equity Ratio | Net Assets Per Share |
|-------------------------|--------------|-------------|--------------|----------------------|
| | (¥ million) | (¥ million) | % | (¥) |
| As of May 31, 2008 | 80,313 | 64,197 | 79.1 | 1,184.19 |
| As of May 31, 2007 | 77,616 | 62,561 | 79.8 | 1,155.42 |
| As of February 29, 2008 | 86,375 | 66,601 | 76.2 | 1,227.59 |

2. Dividends

| (Record date) | Dividends Per Share | | |
|-------------------|---------------------|----------|-----------|
| | Interim | Year-end | Full Year |
| | (¥) | (¥) | (¥) |
| FY2008 | 26.00 | 30.00 | 56.00 |
| FY2009(projected) | 30.00 | 30.00 | 60.00 |

3. Consolidated Outlook for the Fiscal Year Ending February 28, 2009 (From March 1, 2008 to February 28, 2009)

(Percentages represent changes over the previous fiscal year.)

| | Net Sales | | Operating Income | | Ordinary Income | | Net Income | | Net Income Per Share |
|-----------|-------------|------|------------------|-------|-----------------|-------|-------------|-------|----------------------|
| | (¥ million) | % | (¥ million) | % | (¥ million) | % | (¥ million) | % | (¥) |
| Interim | 33,600 | -3.1 | 4,850 | -25.1 | 5,140 | -24.3 | 2,950 | -25.6 | 55.00 |
| Full Year | 72,100 | -2.4 | 12,100 | -17.4 | 12,700 | -16.3 | 8,100 | 0.2 | 151.02 |

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

(Note) For further details, please refer to "4. Others" under "Qualitative Financial Information" on page 2.

※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

During the first quarter of fiscal 2009, income and profit in the Components Segment grew year on year due to an increase in sales volume, among other factors. However, lower sales volumes, coupled with the effect of foreign currency exchange rates, in the Machine Tools Segment and Special Products Segment, which had performed strongly in the previous year, resulted in a decline in income and profit. In year on year terms, sales fell 7.5% to ¥15,284 million, operating income decreased 12.9% to ¥2,774 million, and ordinary income declined 15.4% to ¥2,892 million. Net income for the quarter was down 12.4% to ¥1,902 million.

Performance by segment was as follows:

(Special Products)

Sales of point-of-sale (POS) printers fell sharply on lower sales volume by sales subsidiaries in Europe and the United States, which were strong during the first quarter of the previous fiscal year, and the effect of foreign currency exchange rates. Consequently, sales for the Special Products Segment dropped 29.7% year on year to ¥3,109 million, and operating income recorded a substantial decline of 42.7% to ¥605 million due to the fall in sales and other factors.

(Components)

Sales of electronic buzzers during the quarter were on a par with the same quarter in the previous fiscal year, but micro audio components, led by speakers, maintained the robust performance of the second half of fiscal 2008, with growth in sales. As a result, segment sales jumped 43.9% to ¥3,120 million, and operating income climbed to ¥274 million on the back of the increase in sales, compared to the operating loss of ¥112 million in the previous fiscal year.

(Machine Tools)

Despite the adverse effect of currency exchange rates, U.S. sales surpassed those of the same quarter in the previous fiscal year. Sales declined in Asia and Japan, as well as in the European region, where the Company had performed strongly in the previous year. As a result, sales for the segment were ¥8,030 million, down 9.2%, and operating income fell by 13.1% to ¥2,275 million due to the decrease in sales.

(Precision Products)

Sales of wristwatch components were on the same level as the previous year, while in the non-wristwatch components category, sales of components for HDDs decreased. Consequently, segment sales were down 5.0% to ¥1,024 million, and operating income fell 30.1% to ¥185 million due to the decrease in sales.

2. Qualitative Information Related to Consolidated Financial Position

As of May 31, 2008, total assets amounted to ¥80,313 million, a decline of ¥6,061 million compared to February 29, 2008, mainly reflecting the effect of foreign currency exchange rates. Cash and deposits declined as a result of a decrease in trade notes and accounts receivable accompanying the fall in sales, and payment of dividends and taxes. Liabilities decreased ¥3,657 million from February 29, 2008, due to lower accrued income taxes payable and trade notes and accounts payable related to decreased purchasing. Net assets declined ¥2,403 million from February 29, 2008 due to foreign currency translation adjustments and other factors.

3. Qualitative Information Related to Earnings Forecasts

Star Micronics has not revised its full-year earnings forecasts for fiscal 2009 announced on April 10, 2008.

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