

January 8, 2009

## Fiscal 2009 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>

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(Figures less than one million are rounded down)

### 1. Results for the Third Quarter of Fiscal 2009 (March 1, 2008 to November 30, 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 Third Quarter	47,890	-10.7	8,516	-20.0	8,804	-20.0	5,795	-15.2
FY2008 Third Quarter	53,649	18.3	10,642	41.1	11,007	40.8	6,830	40.5
FY2008	73,883	—	14,651	—	15,170	—	8,080	—

	Net Income Per Share	Diluted Net Income Per Share
	(¥)	(¥)
FY2009 Third Quarter	111.73	111.68
FY2008 Third Quarter	127.44	127.19
FY2008	150.74	150.47

### (2) Consolidated Financial Position

	Total Assets	Net Assets	Equity Ratio	Net Assets Per Share
	(¥ million)	(¥ million)	%	(¥)
As of November 30, 2008	75,674	58,127	75.8	1,220.73
As of November 30, 2007	83,142	65,656	78.1	1,210.92
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	30.00		(Undetermined)
FY2009 (projected)		(Undetermined)	(Undetermined)

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

Star Micronics currently faces an uncertain outlook with respect to full-year forecasts for fiscal 2009 that were announced on October 9, 2008. This is primarily due to sharply deteriorating market conditions not only in the Machine Tools Segment, which has been a major driver of the Group's overall performance, but also in the Special Products Segment and Components Segment. Against this backdrop, Star Micronics is working in earnest to gather the information needed to form the basis for assumptions behind forecasts, and plans to announce its full-year consolidated forecasts as soon as this process has been completed.

In light of these circumstances, Star Micronics also plans to announce its dividend forecasts together with full-year forecasts.

### 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 see "3. Others" under "Qualitative Financial Information" on page 2.

## Qualitative Financial Information

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

During the third quarter of fiscal 2009, the Star Micronics Group was impacted by the worldwide economic slowdown. In terms of the Group's consolidated performance, net sales decreased year on year as a result of falling sales volumes in the Special Products Segment and Machine Tools Segment, which both performed strongly in the same period of the previous fiscal year, as well as the impact of foreign exchange rate movements, despite steady sales growth in the Components Segment. Overall, net sales decreased 10.7% year on year to ¥47,890 million. On the earnings front, operating income declined 20.0% year on year to ¥8,516 million, mainly due to lower sales. Ordinary income decreased 20.0% year on year to ¥8,804 million, while net income dropped 15.2% to ¥5,795 million.

Performance by segment was as follows:

#### (Special Products)

This segment saw a large drop in sales of point-of-sale (POS) printers as a result of weak capital investment sentiment centered on the POS printer market, as well as the impact of foreign exchange rate movements. Computer printer sales also decreased following the Group's decision to withdraw from the computer printer business. As a result, there were sharp decreases in both segment sales and operating income. Segment sales declined 30.9% year on year to ¥9,276 million, while operating income decreased 56.5% year on year to ¥1,454 million.

#### (Components)

In this segment, sales rose sharply on the back of steady growth in sales of mobile phone components such as speakers and receivers. As a result, segment sales climbed 37.3% year on year to ¥11,032 million. Supported mainly by higher sales, operating income was ¥1,835 million, improving sharply from an operating loss of ¥250 million in the same period of the previous fiscal year.

#### (Machine Tools)

The Group faced a challenging business environment. In Europe, capital investment sentiment was weak due to the impact of the economic slowdown. In Asia, the Group was affected by the impact of tighter monetary policies in China. In Japan, the Group saw lackluster new automobile-related orders. As a result, segment sales decreased 15.8% year on year to ¥24,311 million. Operating income declined 26.3% year on year to ¥6,422 million, mainly due to the drop in sales.

#### (Precision Products)

Sales of wristwatch components and automobile-related components in China were mostly the same year on year, but sales of HDD components for portable music players decreased. As a result, segment sales decreased 1.4% year on year to ¥3,270 million. Operating income was ¥523 million, a decrease of 24.5% year on year, mainly due to lower sales.

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

As of November 30, 2008, total assets stood at ¥75,674 million, a decrease of ¥10,700 million from February 29, 2008. There were decreases in cash and deposits, trade notes and accounts receivable and other current assets (mainly marketable securities). Liabilities decreased ¥2,226 million from February 29, 2008, due to lower trade notes and accounts payable and other current liabilities (mainly income taxes payable), despite an increase in short-term borrowings. Net assets decreased ¥8,473 million from the previous fiscal year-end mainly due to treasury stock repurchases and lower foreign currency translation adjustments.

### 3. 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