



Financial Results for Fiscal Year 2008 First Half Ended August 31, 2007

STAR MICRONICS CO., LTD.
<http://www.star-m.jp>

* Performance and achievements prospect in this statement were made based on our management's judgment drawn from currently available information, and contain risk and uncertainties. Therefore, please note that actual performance may vary significantly from any particular projection and due to various factors.

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● Record first half earnings

Sales	34.6 billion	19.1%	higher YoY
Operating Income	6.4 billion	51.8%	higher YoY
Ordinary Income	6.7 billion	51.6%	higher YoY
Net Income	3.9 billion	47.8%	higher YoY

● Record sales and earnings in the Machine Tools Segment and point-of-sale (POS) printers

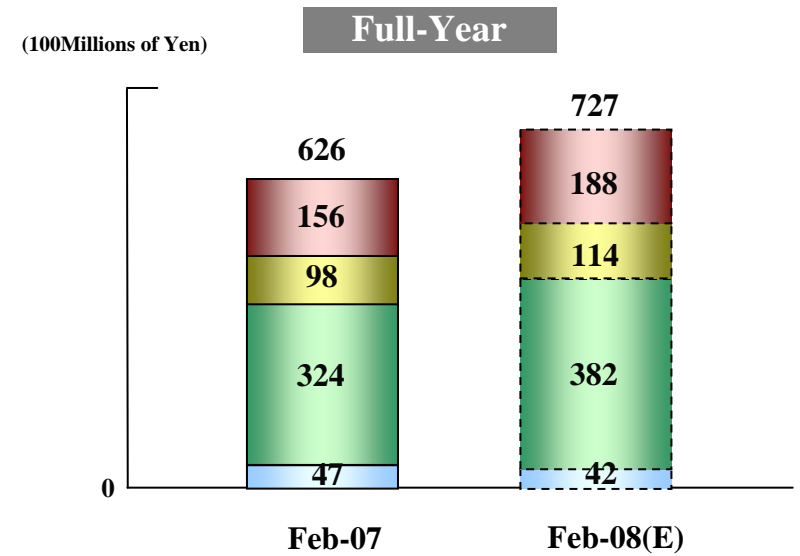
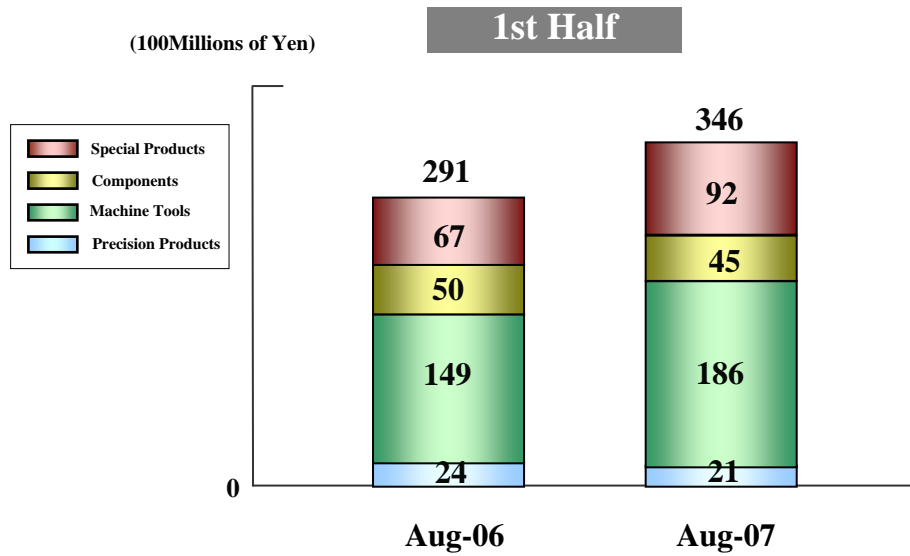
(100Millions of Yen)

		1st Half					Full-Year				
		1H for FY2/07		1H for FY2/08			FY2/07		FY2/08		
		Actual		Actual			Actual		Forecast		
		Amount	Income Ratio (%)	Amount	Income Ratio (%)	YoY Change(%)	Amount	Income Ratio (%)	Amount	Income Ratio (%)	YoY Change(%)
Sales											
Special Products	(Computer printers)	18		21		16.1	40		44		11.2
	(POS printers)	48		71		46.5	116		143		23.8
Total		67		92		38.2	156		188		20.6
Components		50		45		△8.7	98		114		16.5
Machine Tools		149		186		24.8	324		382		17.7
Precision Products		24		21		△11.0	47		42		△9.8
Total		291		346		19.1	626		727		16.1
Operating Income											
Special Products	(Computer printers)	△1	△7.8	1	5.4	-	△1	△4.1	2	5.8	-
	(POS printers)	9	18.6	20	28.4	124.1	28	24.6	45	31.4	57.8
Total		7	11.3	21	23.1	182.5	26	17.3	47	25.3	76.9
Components		2	5.7	△2	△5.7	△192.1	4	4.5	2	2.1	△46.3
Machine Tools		36	24.7	53	28.8	45.6	84	25.9	107	28.2	28.1
Precision Products		6	27.4	4	21.8	△29.4	12	26.1	7	18.4	△36.3
Eliminations or Corporate		△11		△12			△23		△24		
Total		42	14.7	64	18.7	51.8	104	16.7	141	19.5	35.7
Ordinary Income		44	15.4	67	19.6	51.6	108	17.3	146	20.2	35.1
Net Income		26	9.2	39	11.4	47.8	70	11.2	91	12.5	29.8

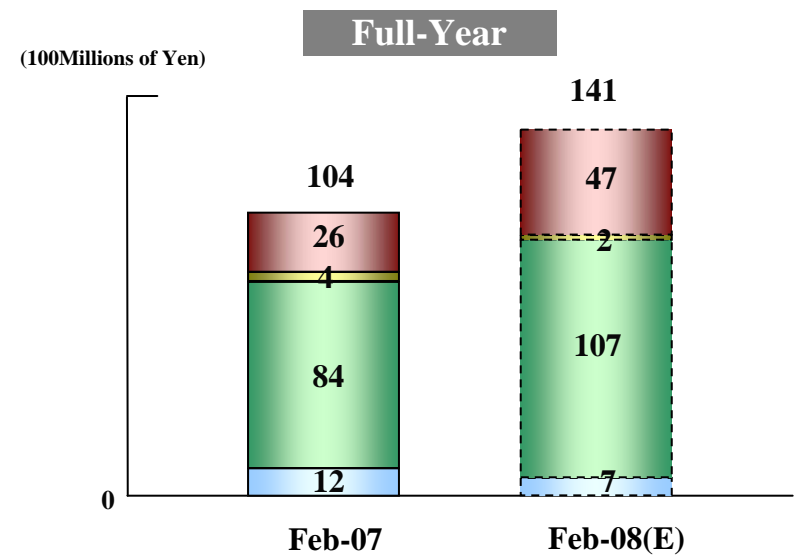
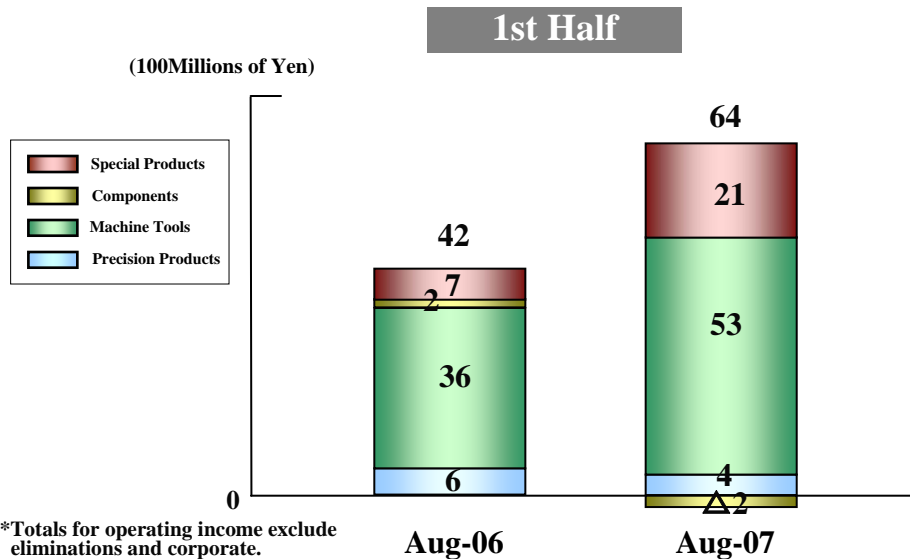
ROA (%)							15.2		18.2
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Exchange Rate	US \$	115.72	120.16	116.38	(2nd-Half assumption) 110.00
	EUR	142.23	159.61	146.14	(2nd-Half assumption) 155.00

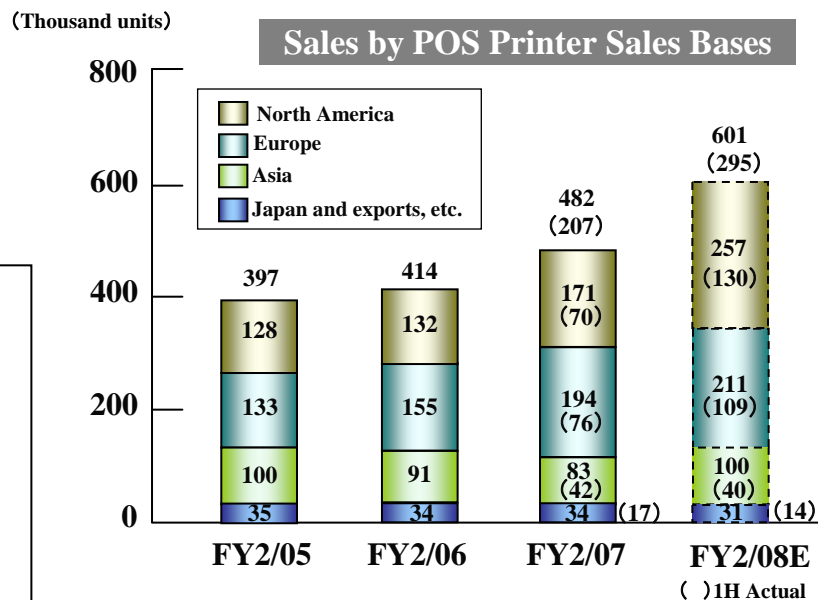
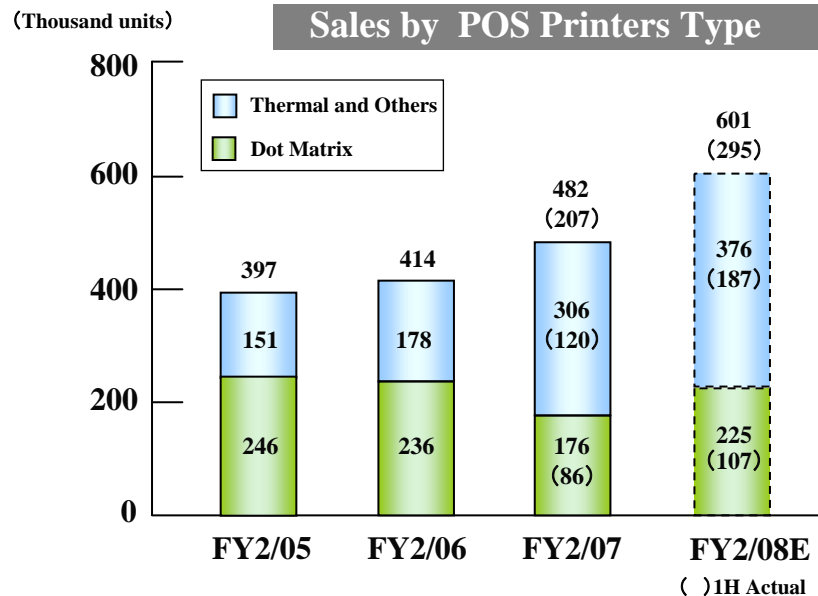
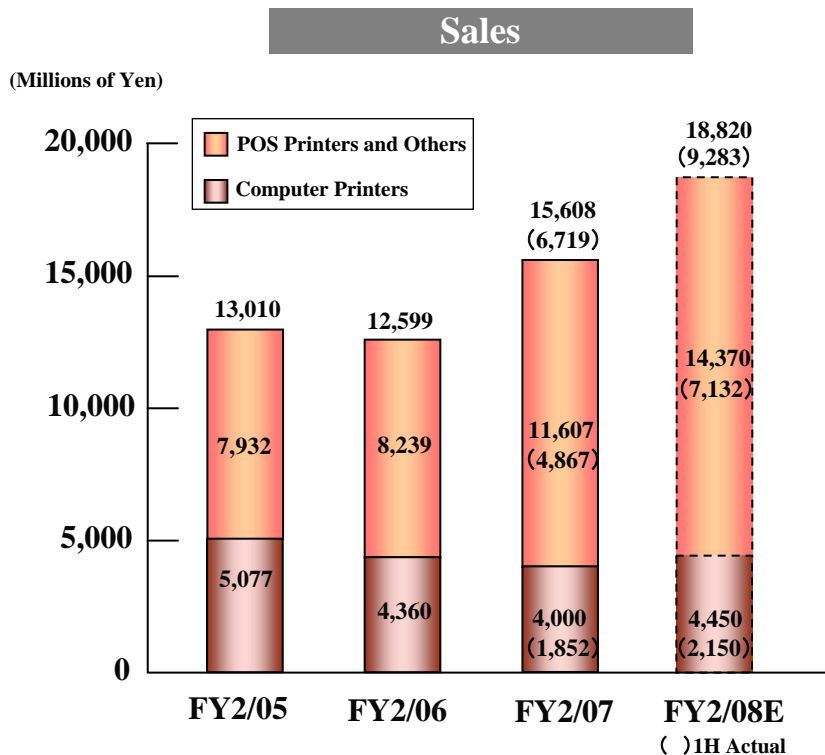
Sales



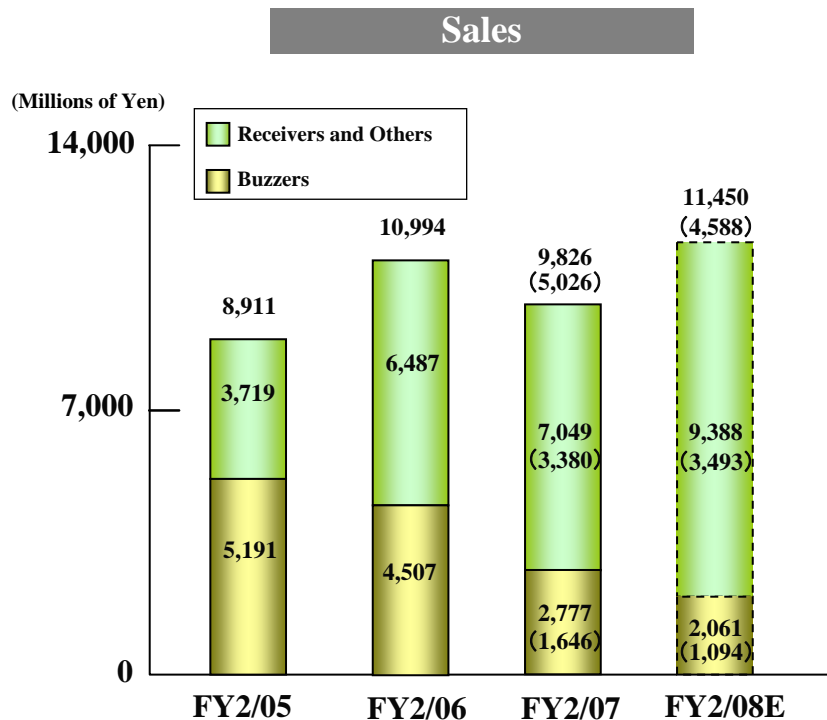
Operating Income



*Totals for operating income exclude eliminations and corporate.



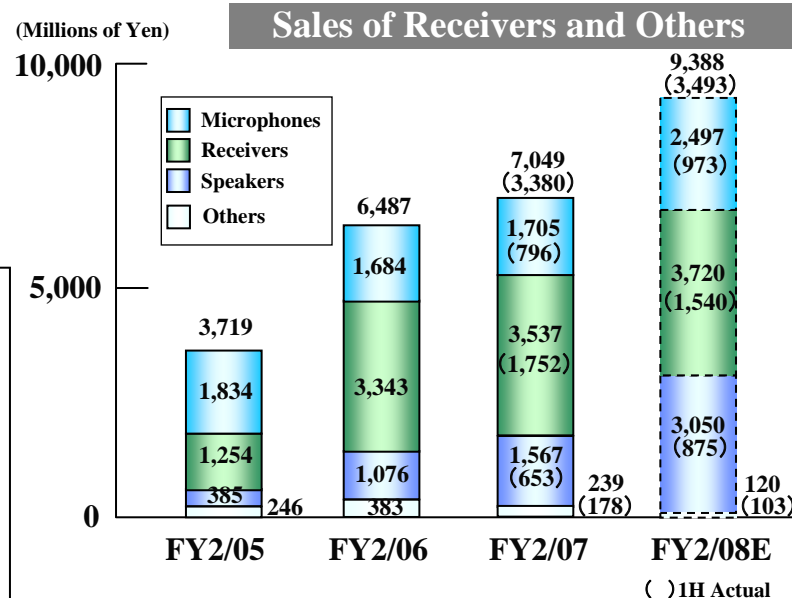
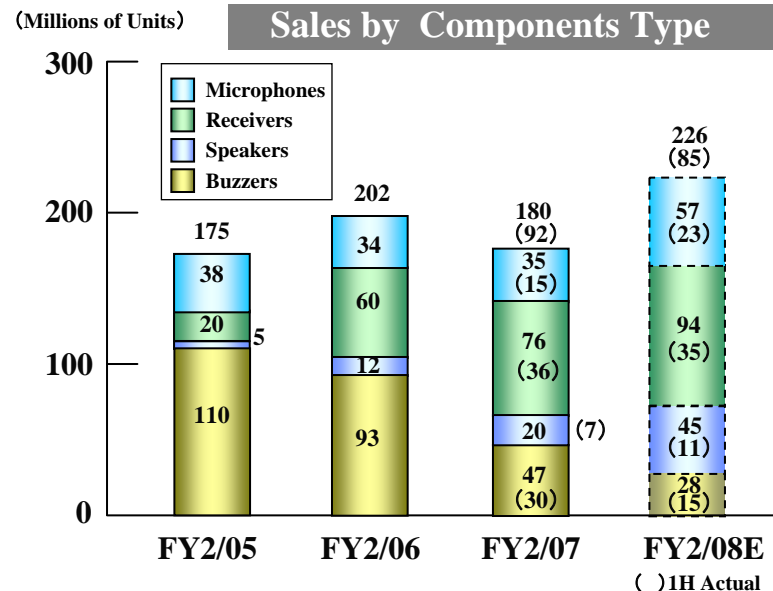
- Sales increased of small thermal printers in the U.S. and European POS markets.
- Sales of POS printers steadily expanded reflecting brisk demand in emerging markets for special uses (lottery terminal applications, kiosk terminals and fiscal applications).

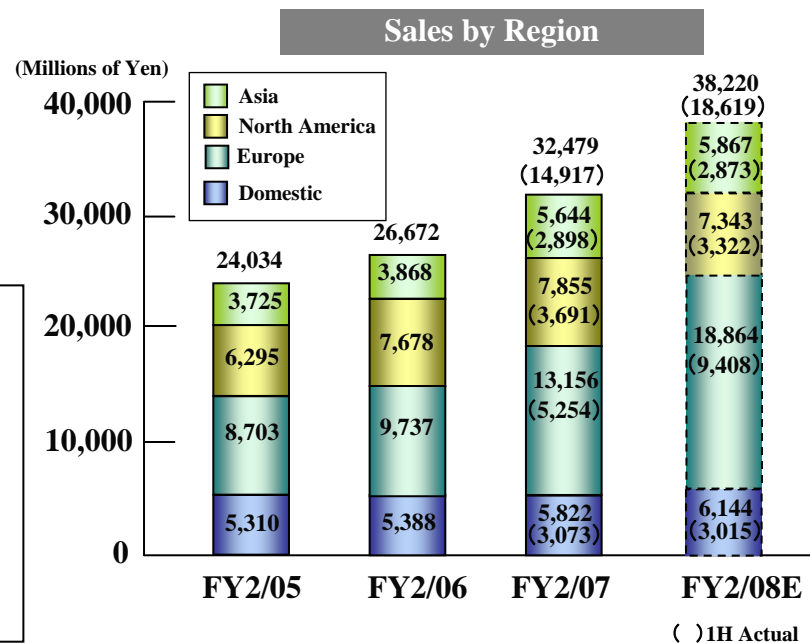
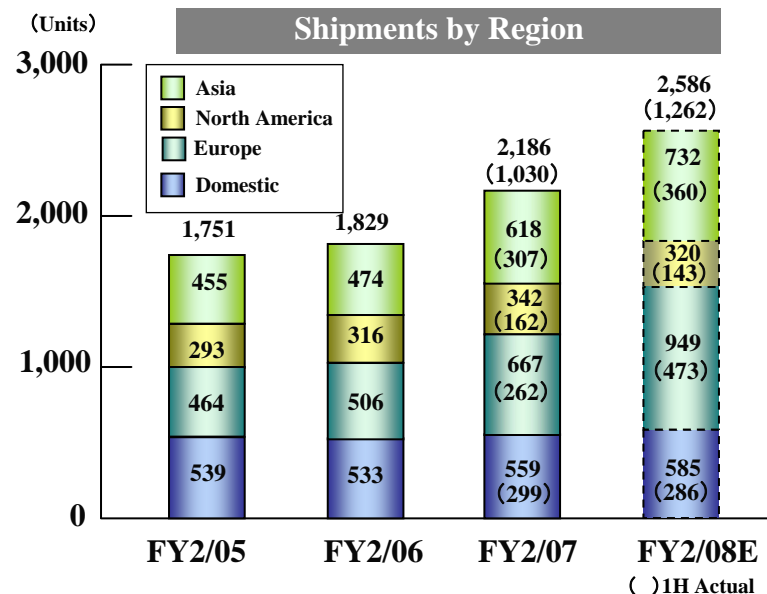
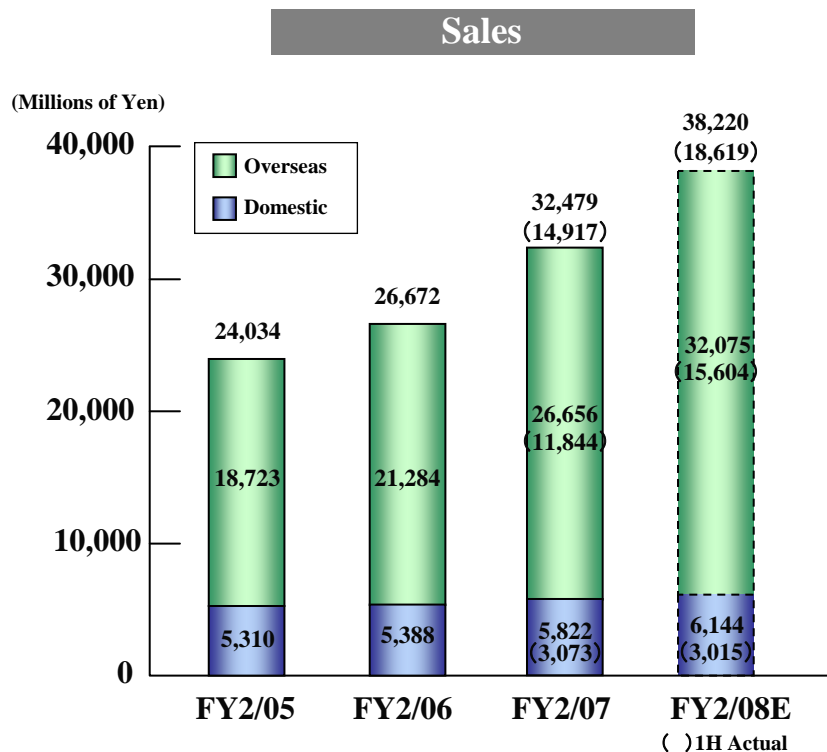


Notes

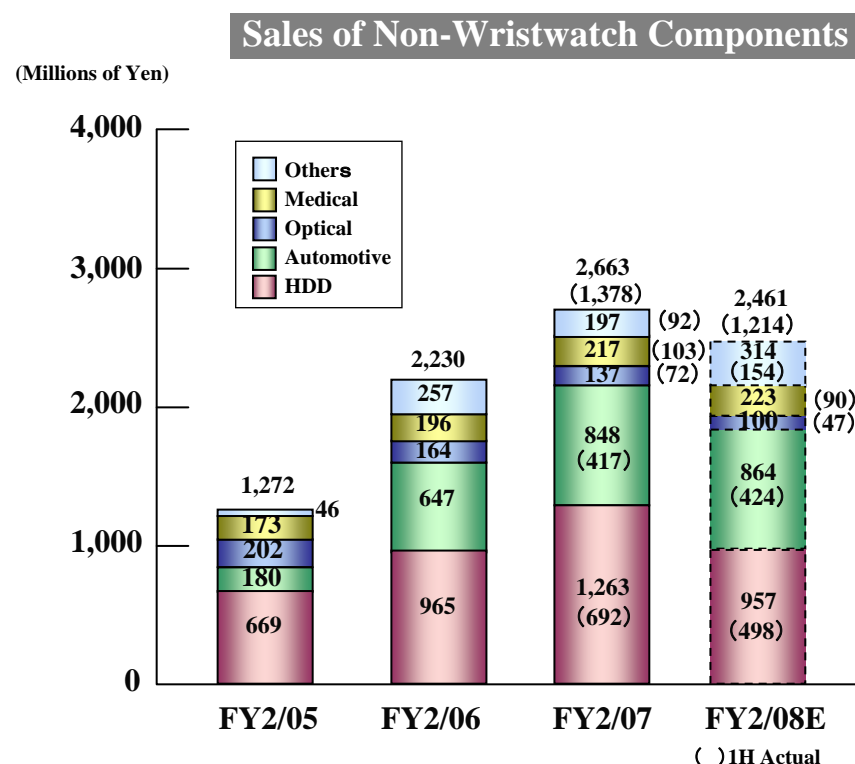
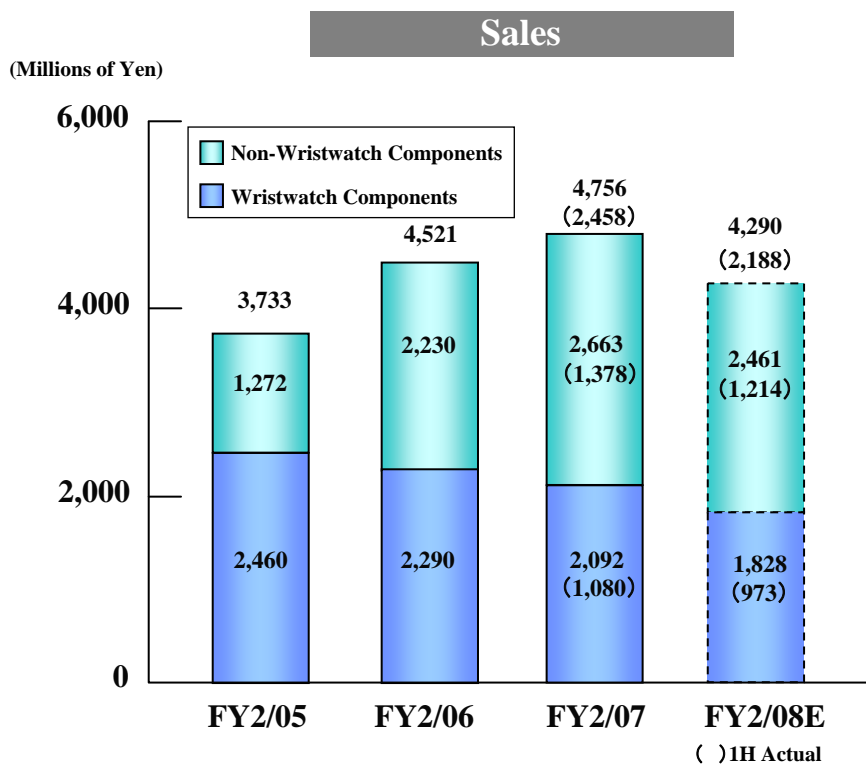
• Receivers and Others include microphones, receivers, speakers and other devices.

- Component sales were lackluster, partly due to customer demands for discounts despite higher sales volumes of microphones and speakers for mobile phones.
- Sales of automotive-related products were firm, reflecting customer approval of safety standard compatibility, and environmental and other performance characteristics.





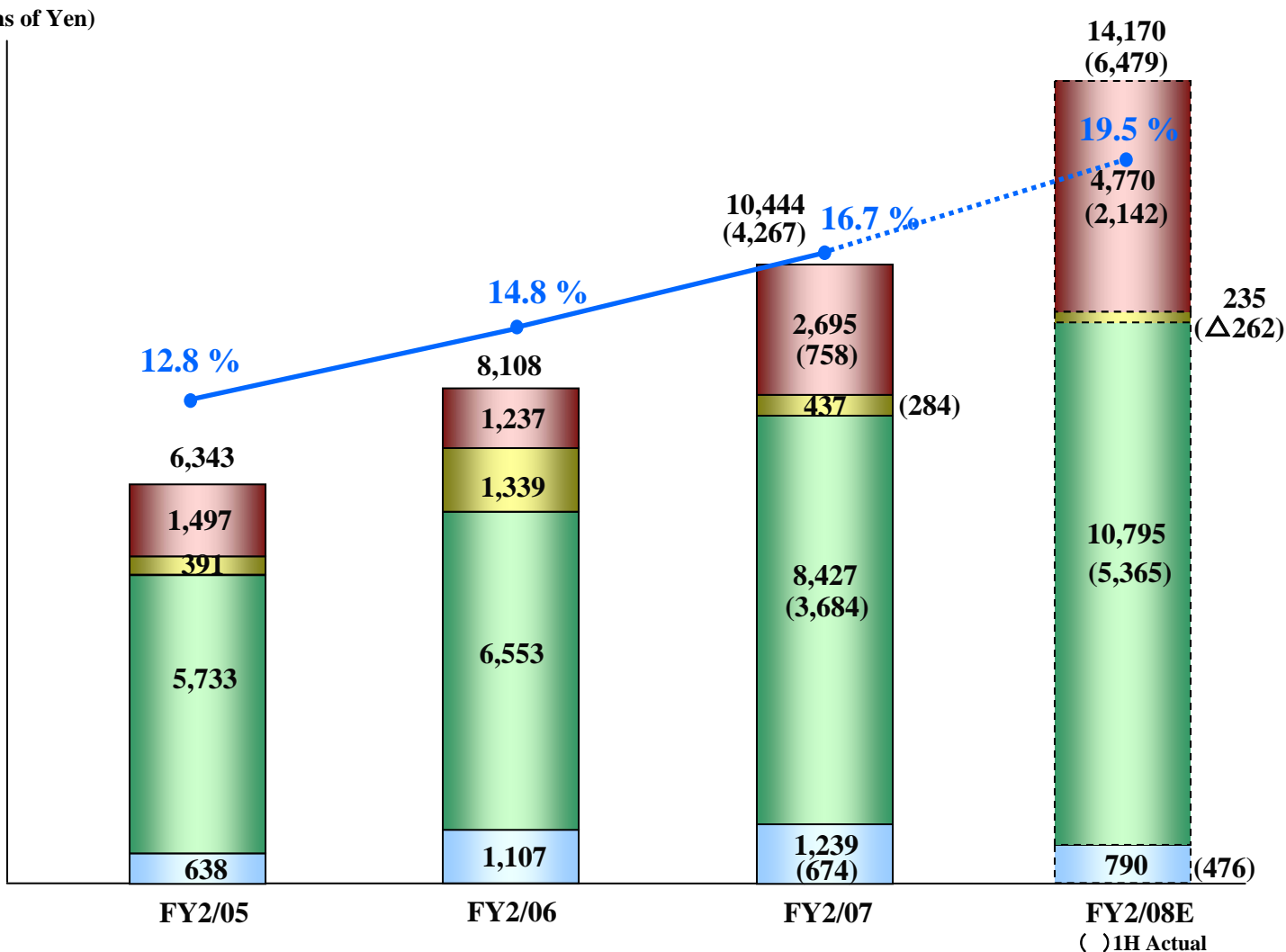
- In Europe, sales of machine tools substantially increased reflecting higher orders from a wide range of fields including manufacturers of electrical and precision equipment, machinery and medical equipment.
- In Asia, sales were firm to manufacturers of machinery and to electrical-related industries.



- Demand declined for components for small HDDs used in portable digital music players due to the rising use of flash memories in these players.
- Sales increased of car audio components manufactured by a Chinese subsidiary.

Operating Income by Segment

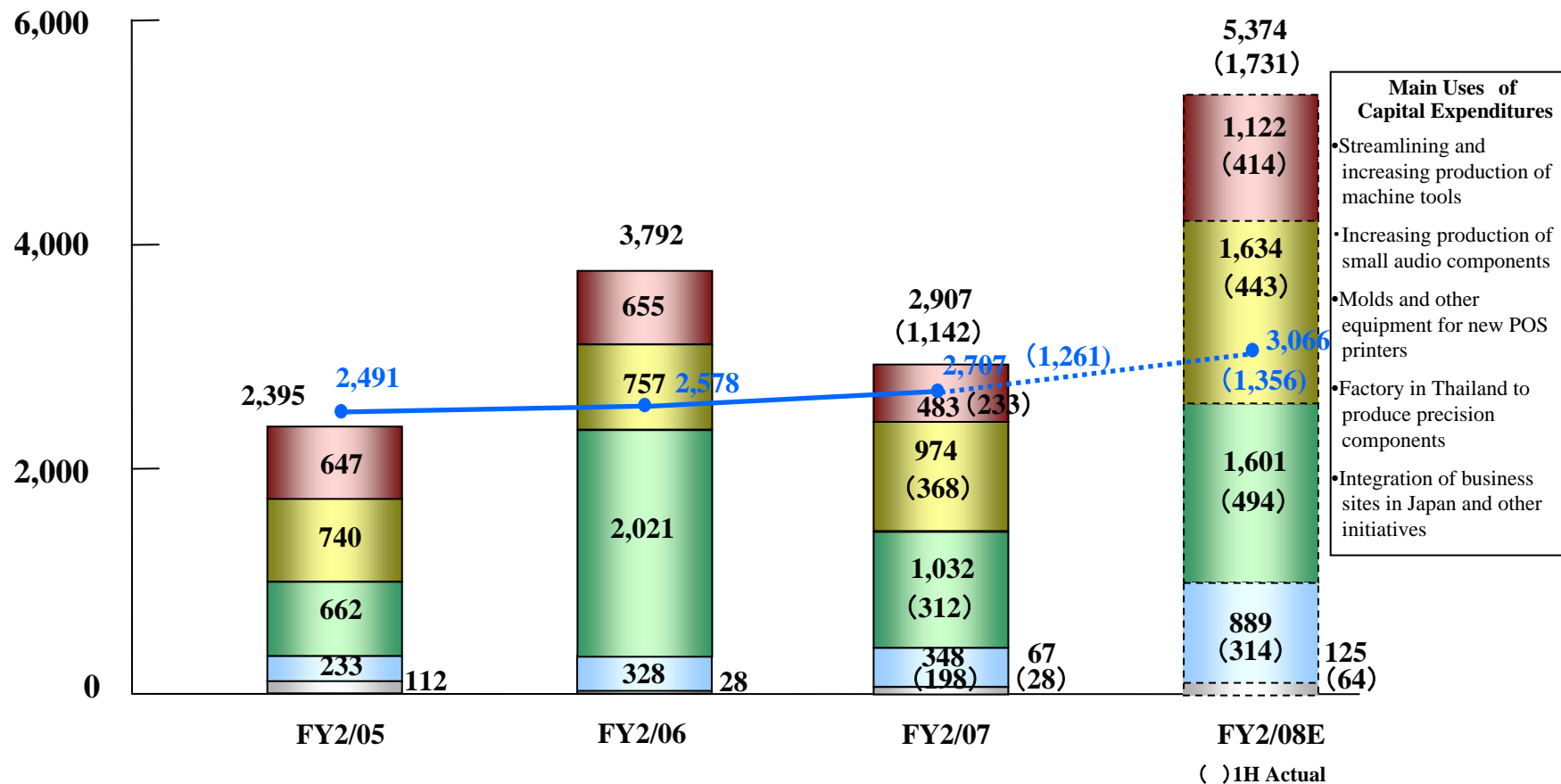
(Millions of Yen)



*Totals for operating income exclude eliminations and corporate.

Capital Investment

(Millions of Yen)



Balance Sheet



(Millions of Yen)

		Feb-06 Actual		Feb-07 Actual		Feb-08 Forecast	
		Amount	Component percentages	Amount	Component percentages	Amount	Component percentages
Assets	Cash	15,117	23%	20,699	27%	24,600	29%
	Inventories	11,492	17%	12,529	16%	14,400	17%
	Other current assets	18,005	27%	20,391	27%	21,700	25%
	Total current assets	44,614	67%	53,619	70%	60,700	71%
	Property, plant and equipment	16,209	24%	16,355	22%	18,600	22%
	Other fixed assets	6,002	9%	6,220	8%	6,200	7%
	Total fixed assets	22,211	33%	22,575	30%	24,800	29%
	Total assets	66,826	100%	76,194	100%	85,500	100%
Liabilities	Payables	4,793	7%	5,942	8%	7,200	8%
	Other current liabilities	6,578	10%	7,937	10%	9,431	11%
	Total current liabilities	11,371	17%	13,879	18%	16,631	19%
	Total LT liabilities	793	1%	920	1%	800	1%
	Total liabilities	12,164	18%	14,799	19%	17,431	20%
Net assets	Total net assets	54,661	82%	61,395	81%	68,069	80%
Total liabilities and net assets		66,826	100%	76,194	100%	85,500	100%

*Due to the enactment of Japan's Corporate Law, Star Micronics has unified methods of presentation for the fiscal year ended February 2006, and made necessary adjustments to figures.

Cash Flow Analysis

(Millions of Yen)

	Feb-05 Actual	Feb-06 Actual	Feb-07 Actual	Feb-08 Forecast
Net Income	3,775	5,151	7,012	9,100
+ Depreciation	2,491	2,578	2,707	3,066
= Cash from ops	6,266	7,729	9,719	12,166
− Dividends	693	906	1,390	2,357
= Cash flow	5,573	6,823	8,329	9,809
− Capex(=Capital Expenditure)	2,395	3,792	2,907	5,374
= Free cash flow	3,178	3,031	5,422	4,435

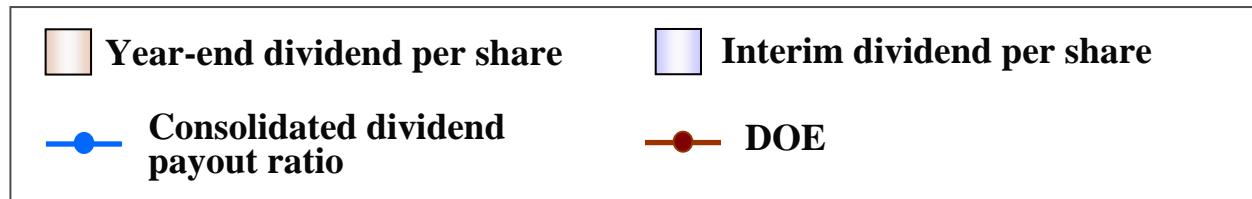
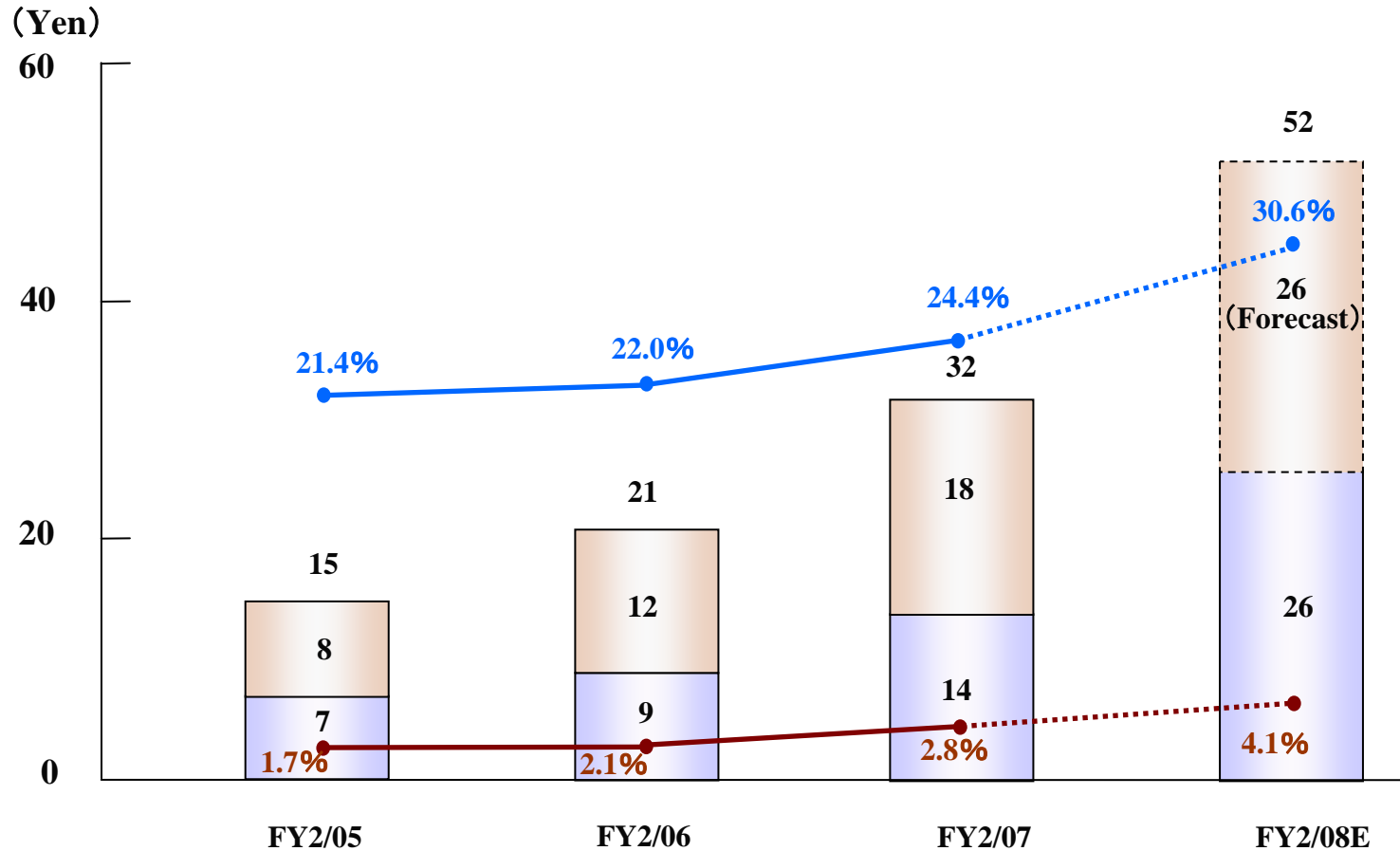
Financial Benchmarks

	Feb-05 Actual	Feb-06 Actual	Feb-07 Actual	Feb-08 Forecast
Total asset turnover	0.8times	0.9times	0.9times	0.9times
Equity ratio	79.6%	81.2%	79.9%	78.7%
Return on equity (ROE)	8.2%	10.1%	12.2%	14.2%
Return on assets (ROA)	10.8%	13.2%	15.2%	18.2%
Earnings per share (EPS)	¥70.13	¥95.60	¥131.09	¥169.76
Book value per share (BPS)	¥895.68	¥1,014.99	¥1,137.05	¥1,256.02
(Consolidated) Dividend on equity ratio (DOE)	1.7%	2.1%	2.8%	4.1%

Research and Development Costs




(Millions of Yen)

	Feb-05 Actual	Feb-06 Actual	Feb-07 Actual	Feb-08 Forecast
R&D Costs	2,250	2,192	2,145	2,208



Performance Indicators (10-Year Data)

	Sales (Millions of Yen)	Operating Income (Millions of Yen)		Ordinary Income (Millions of Yen)		Net Income (Millions of Yen)		EPS (Yen)	ROE (%)	ROA (%)	Dividends Per Share (Yen)
			Income Ratio(%)		Income Ratio(%)		Income Ratio(%)				
FY2/98	45,219	3,689	8.2	2,628	5.8	1,874	4.1	33.17	5.2	4.4	5.0
FY2/99	46,479	5,810	12.5	4,729	10.2	3,899	8.4	69.02	10.0	7.7	7.0
FY2/00	44,913	4,552	10.1	3,591	8.0	2,702	6.0	47.84	6.5	5.8	7.0
FY2/01	52,304	6,352	12.1	6,477	12.4	3,273	6.3	57.91	7.3	9.6	10.0
FY2/02	43,265	4,063	9.4	4,213	9.7	577	1.3	10.21	1.2	6.1	10.0
FY2/03	38,611	2,407	6.2	1,874	4.9	434	1.1	7.77	0.9	2.9	10.0
FY2/04	43,331	3,549	8.2	3,593	8.3	2,425	5.6	44.12	5.4	6.0	11.0
FY2/05	49,689	6,343	12.8	6,357	12.8	3,775	7.6	70.13	8.2	10.8	15.0
FY2/06	54,788	8,108	14.8	8,386	15.3	5,151	9.4	95.60	10.1	13.2	21.0
FY2/07	62,670	10,444	16.7	10,862	17.3	7,012	11.2	131.09	12.2	15.2	32.0
FY2/08(E)	72,780	14,170	19.5	14,680	20.2	9,100	12.5	169.76	14.2	18.2	52.0

Segment	Products	
Special Products	Computer Printers POS Printers Card Reader/Writers	
Components	Micro Audio Components (Electronic Buzzers, Microphones, Speakers, Receivers)	
Machine Tools	CNC Automatic Lathes	
Precision Products	Wristwatch Parts, Optical Parts, Automotive Parts, Medical Equipment Parts	