



Financial Results for Fiscal Year 2009 First Half Ended August 31, 2008

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.

■ Overview of Fiscal 2009 First Half	P2	■ Capital Investment	P10
■ Financial Data	P3	■ Balance Sheets	P11
■ Sales/Operating Income	P4	■ Cash Flow Analysis	P12
■ Segment Overview		■ Shareholder Returns	P13
▪ Special Products	P5	■ Performance Indicators (10-Year Data)	P14
▪ Components	P6	■ Reference: Business Segments and Products	P15
▪ Machine Tools	P7		
▪ Precision Products	P8		
■ Operating Income by Segment	P9		

Lower overall sales and earnings year on year

■ Sales	: ¥32.3 billion	➡	down 6.8% YoY
■ Operating Income	: ¥5.4 billion	➡	down 15.2% YoY
■ Ordinary Income	: ¥5.8 billion	➡	down 13.6% YoY
■ Net Income	: ¥3.3 billion	➡	down 16.3% YoY

- ✓ **Components Segment posted higher sales and earnings year on year**
- ✓ **Machine Tools Segment and Special Products Segment posted lower sales and earnings year on year due to the impact of slowing economies**

Financial Data



(100 Millions of Yen)

	1st Half					Full-Year				
	1H for FY2/08 Actual		1H for FY2/09 Actual			FY2/08 Actual		FY2/09 Forecast		
	Amount	Income Ratio (%)	Amount	Income Ratio (%)	YoY Change (%)	Amount	Income Ratio (%)	Amount	Income Ratio (%)	YoY Change (%)
Sales										
Special Products (Computer printers)	21		13		(37.9)	34		23		(32.2)
(POS printers)	71		50		(28.7)	137		106		(22.2)
Total	92		64		(30.8)	171		130		(24.2)
Components	45		64		41.1	120		134		11.5
Machine Tools	186		172		(7.2)	403		325		(19.2)
Precision Products	21		21		(2.6)	43		43		(1.6)
Total	346		323		(6.8)	738		633		(14.3)
Operating Income										
Special Products (Computer printers)	1	5.4	(1)	(13.1)	-	(0)	(2.9)	(5)	(23.3)	-
(POS printers)	20	28.4	11	21.9	(44.9)	40	29.7	25	23.4	(38.7)
Total	21	23.1	9	14.7	(56.1)	39	23.2	19	15.1	(50.8)
Components	(2)	(5.7)	7	11.3	-	2	2.0	12	9.2	426.3
Machine Tools	53	28.8	46	26.8	(13.7)	119	29.7	79	24.3	(33.9)
Precision Products	4	21.8	3	15.5	(30.6)	8	19.5	5	13.7	(30.6)
Eliminations or Corporate	(12)		(11)			(23)		(23)		
Total	64	18.7	54	17.0	(15.2)	146	19.8	94	14.8	(35.8)
Ordinary Income	67	19.6	58	18.2	(13.6)	151	20.5	99	15.7	(34.4)
Net Income	39	11.4	33	10.3	(16.3)	80	10.9	63	10.0	(22.0)

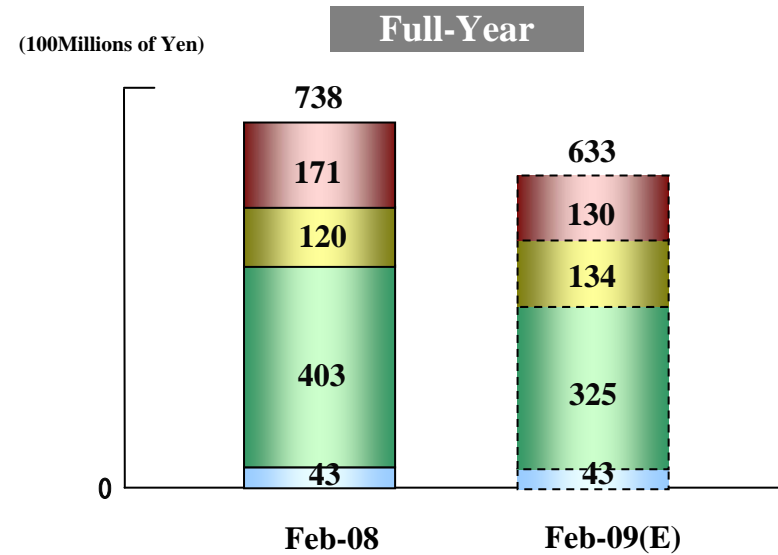
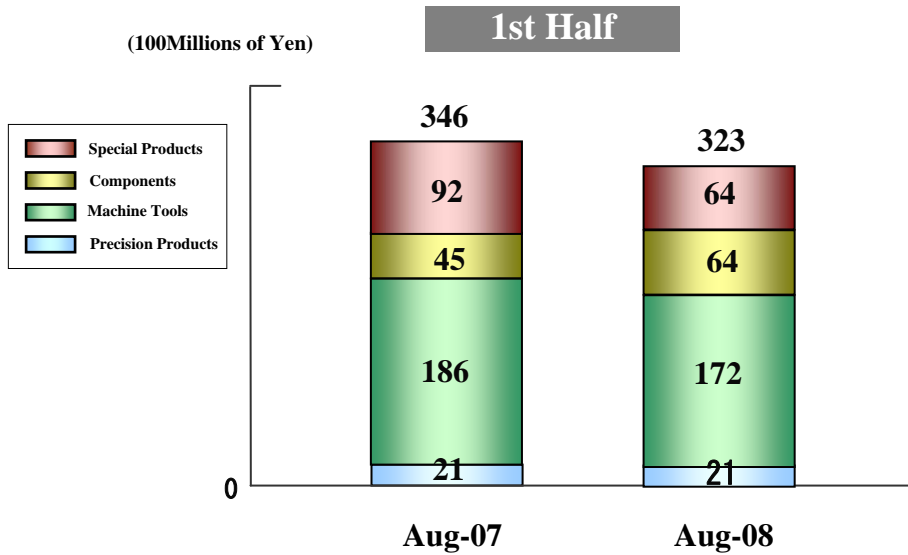
ROE (%)						12.8	10.2
Cash Dividends Applicable to the Year	¥26		¥30			¥56	¥60
DOE (%)						4.7	4.9

※ROE (Return on Equity) = Net Income / Shareholders' Equity (average over period) x 100

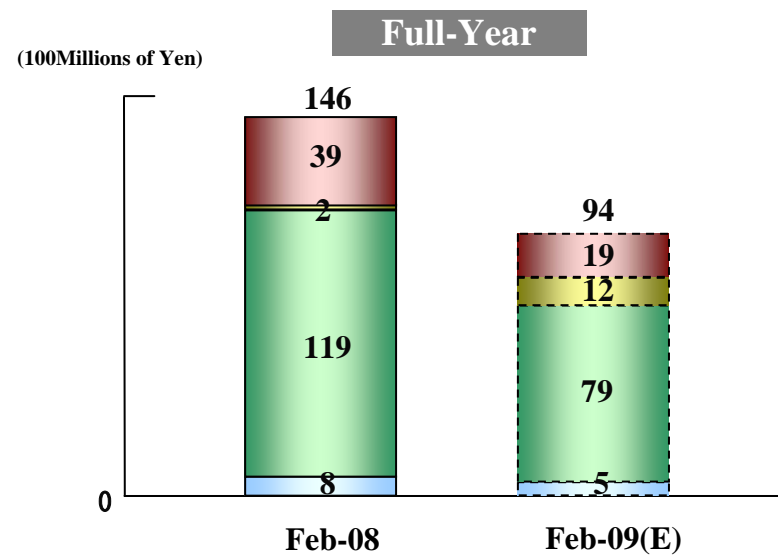
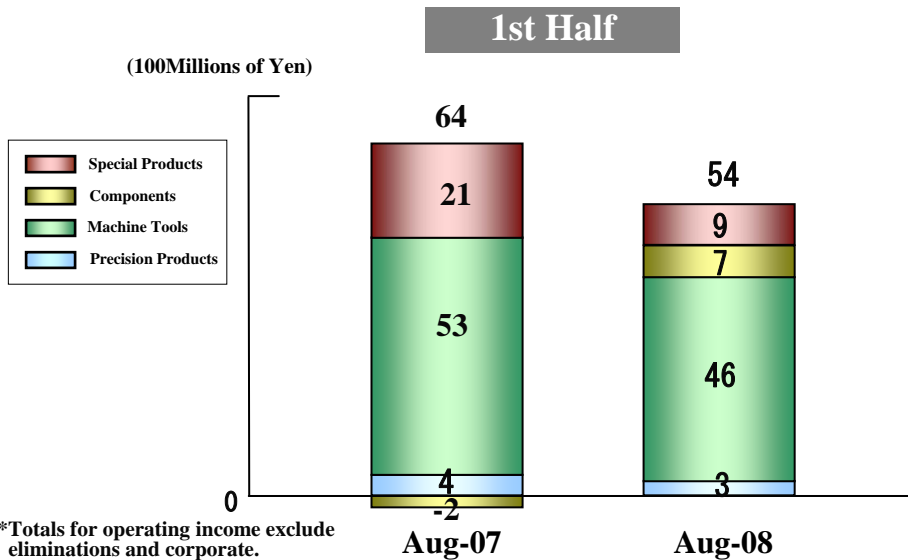
※DOE (Dividend on Equity) = Dividend / Shareholders' Equity (average over period) x 100

Exchange Rate	US\$	120.16	104.92	117.84	(2nd-Half assumption) 100.00
	EUR	159.61	160.54	161.24	(2nd-Half assumption) 155.00

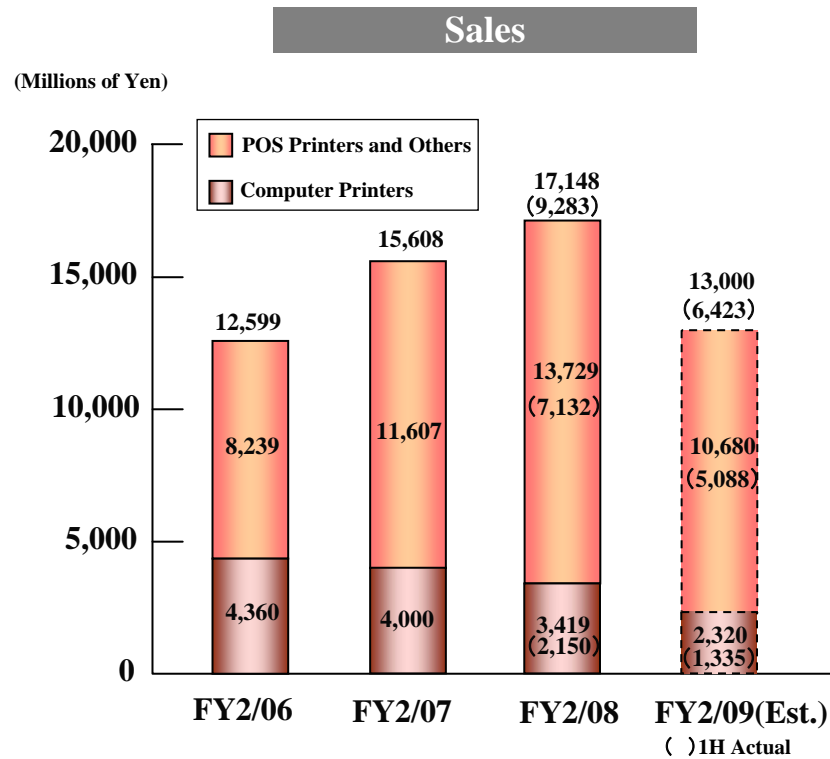
Sales



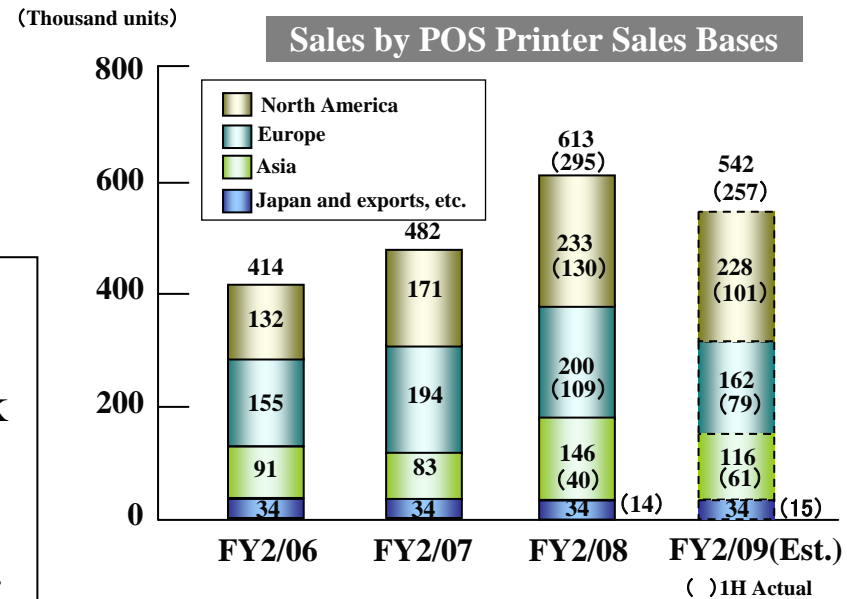
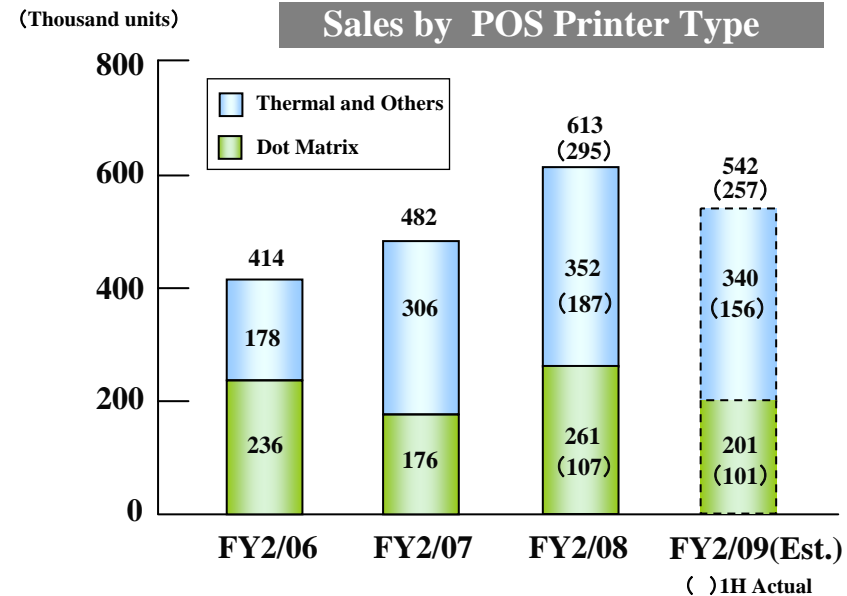
Operating Income

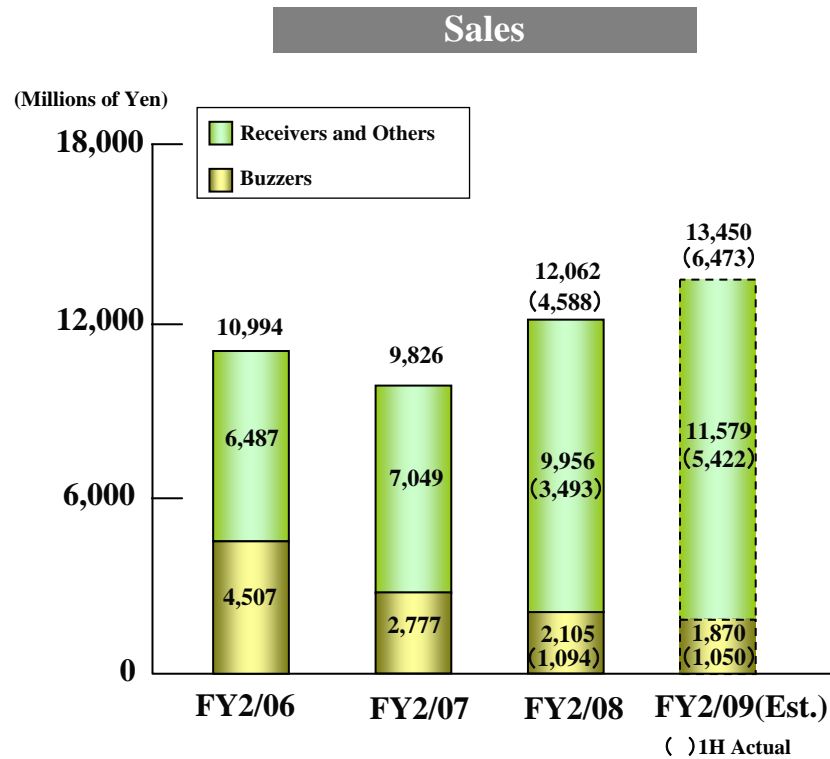


*Totals for operating income exclude eliminations and corporate.



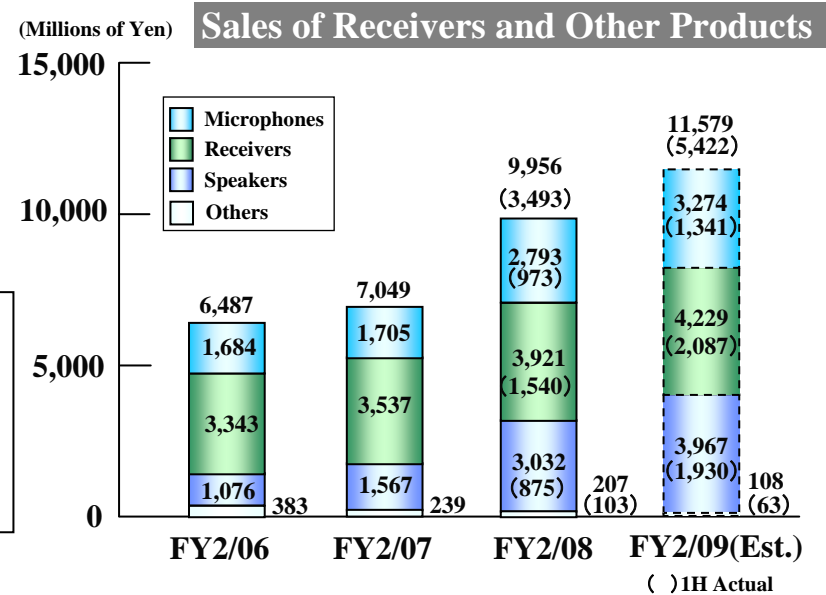
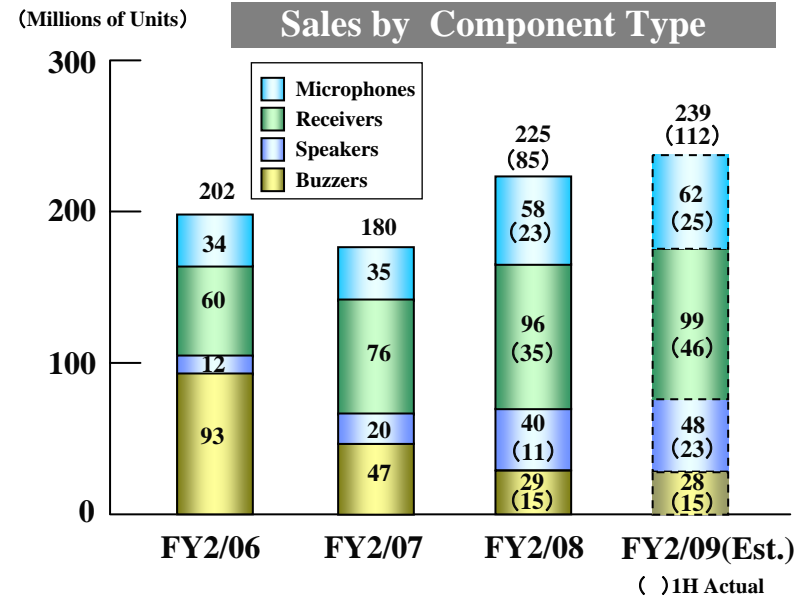
▪ Segment sales declined in a business environment that continues to pose challenges, characterized mainly by weak capital investment sentiment centered on the POS printer market. Foreign exchange movements also had an impact.

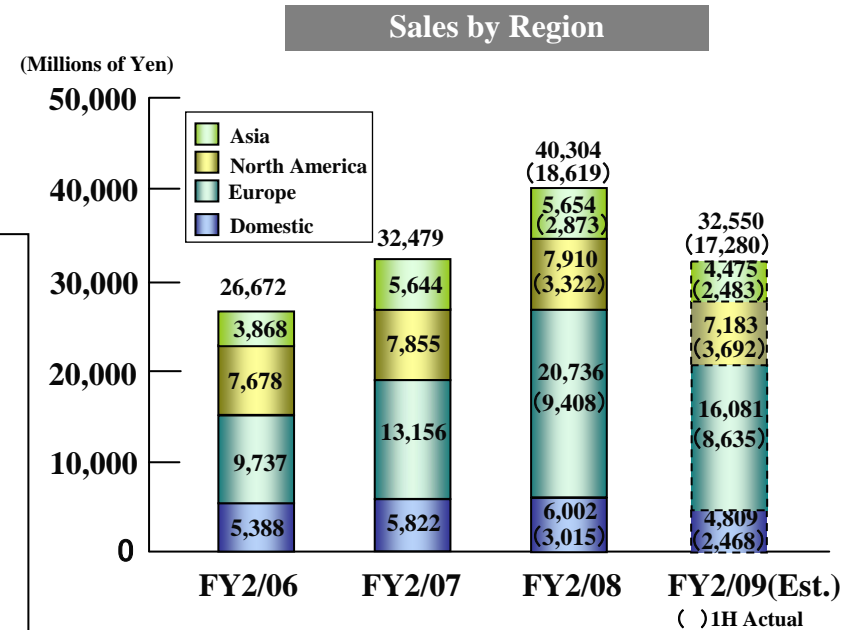
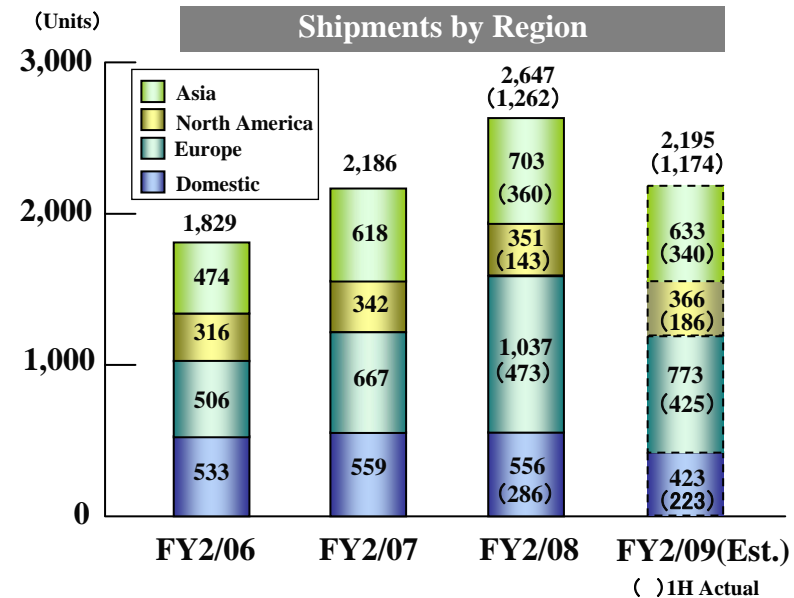
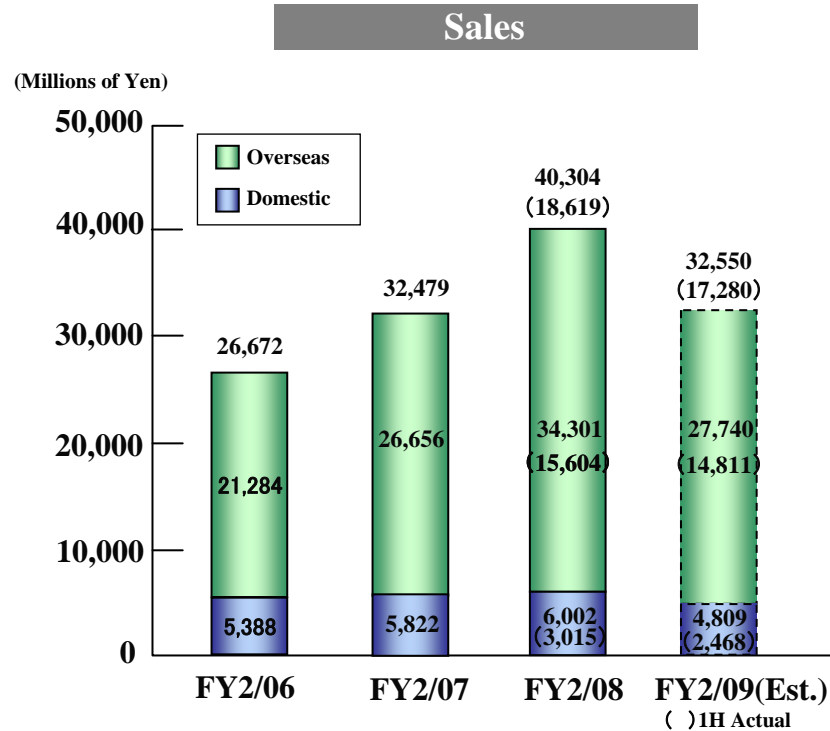




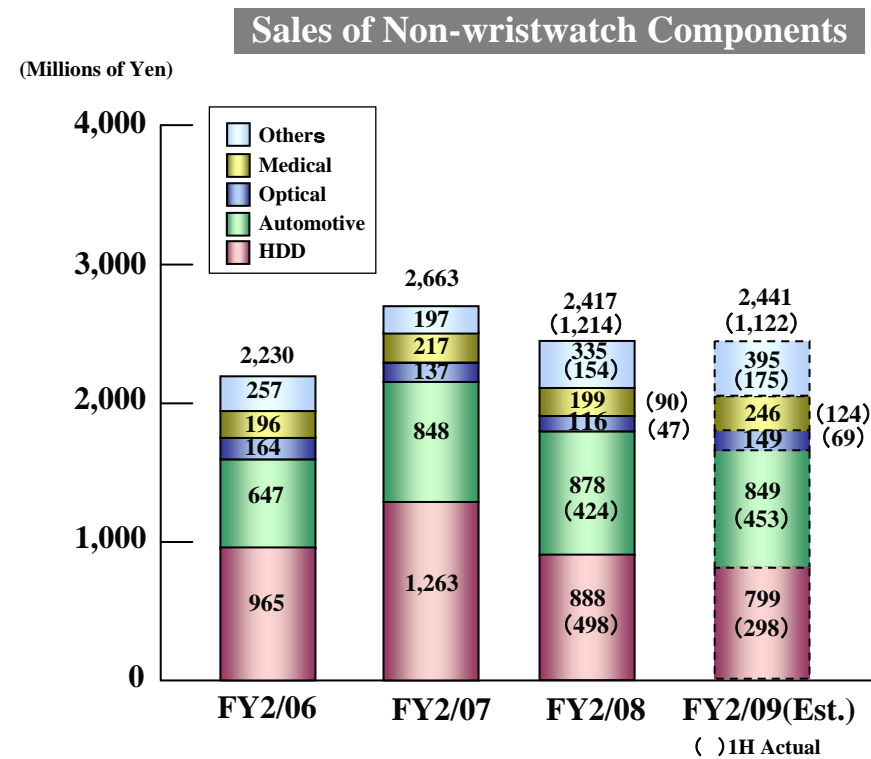
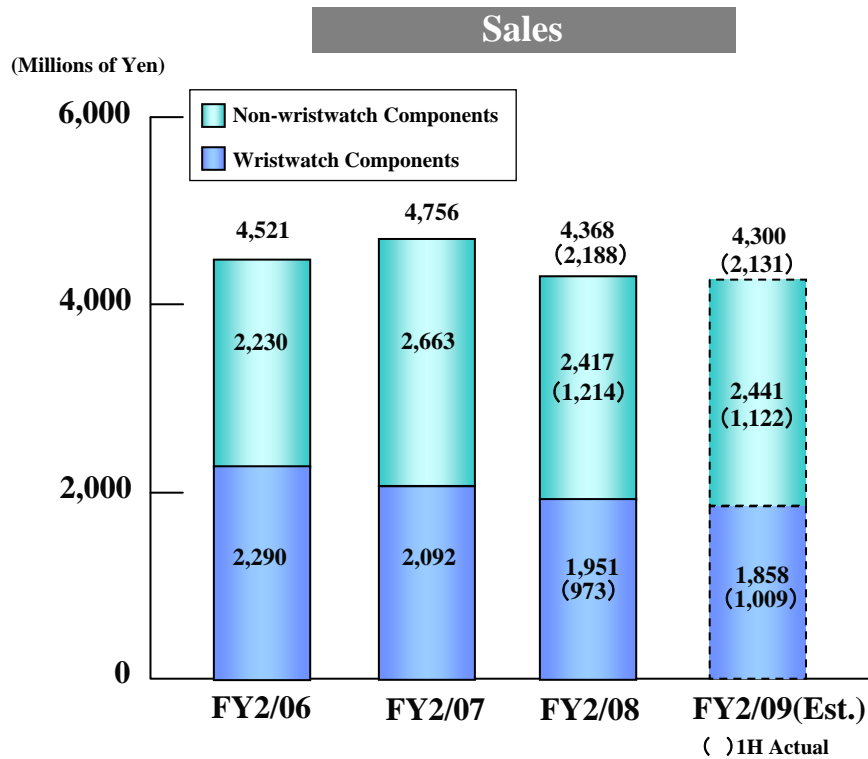
Note: "Receivers and Others" refers to receivers, microphones, speakers and other devices.

▪ Segment sales steadily grew due to the adoption of components in various mobile handset models from the latter half of the previous year.





- U.S. sales rose on the back of higher orders from the medical equipment sector, which is fairly resilient to economic trends, and from South America.
- European sales decreased mainly as a result of weak capital investment sentiment due to the impact of the economic slowdown, as well as reflecting a large increase in sales in the previous fiscal year.

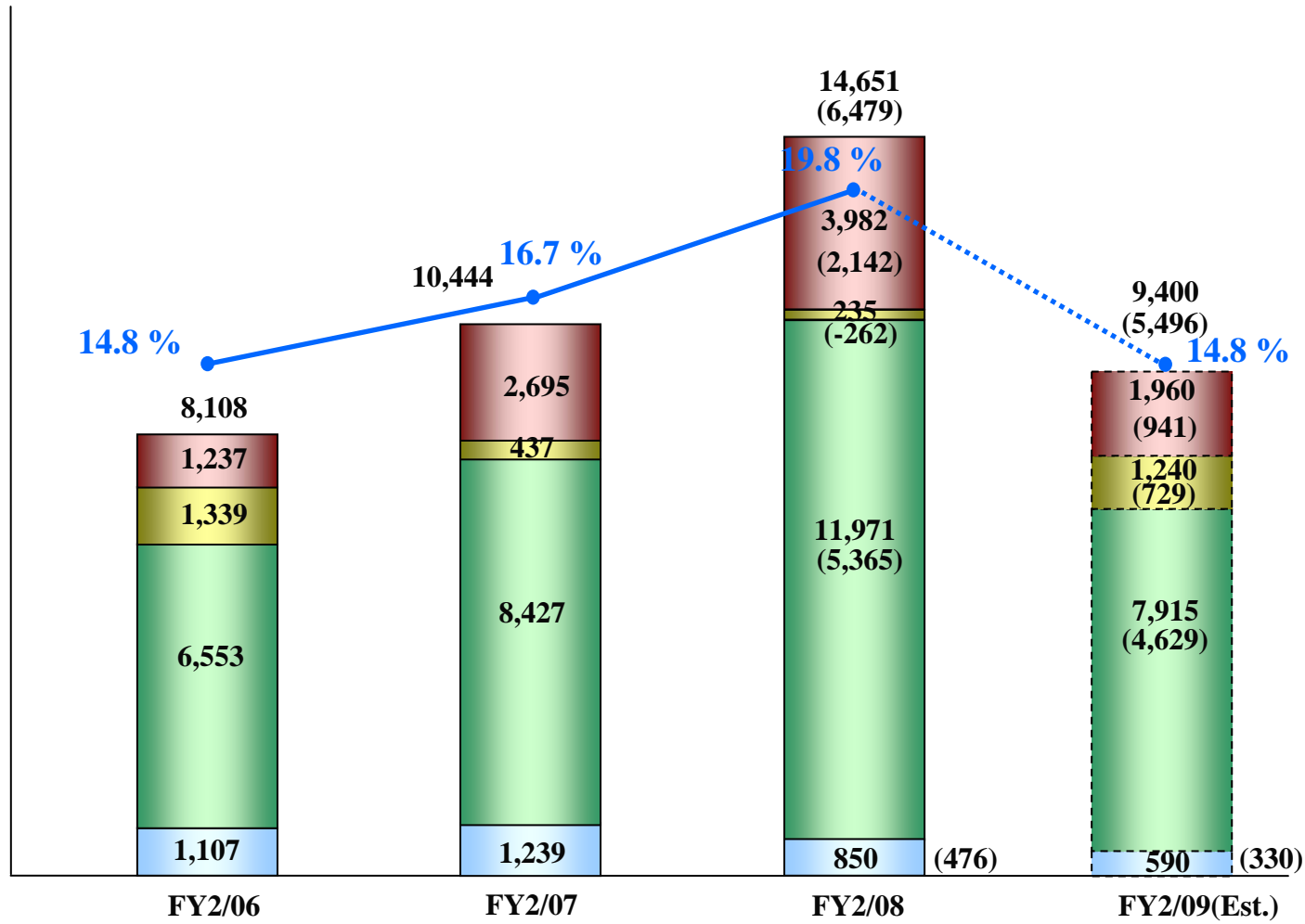


▪ Decreased sales, mainly the result of lower sales of HDD components in the absence of growth in sales of components for portable music players, despite steady sales of medical components and optical fiber connector parts.

Operating Income by Segment



(Millions of Yen)



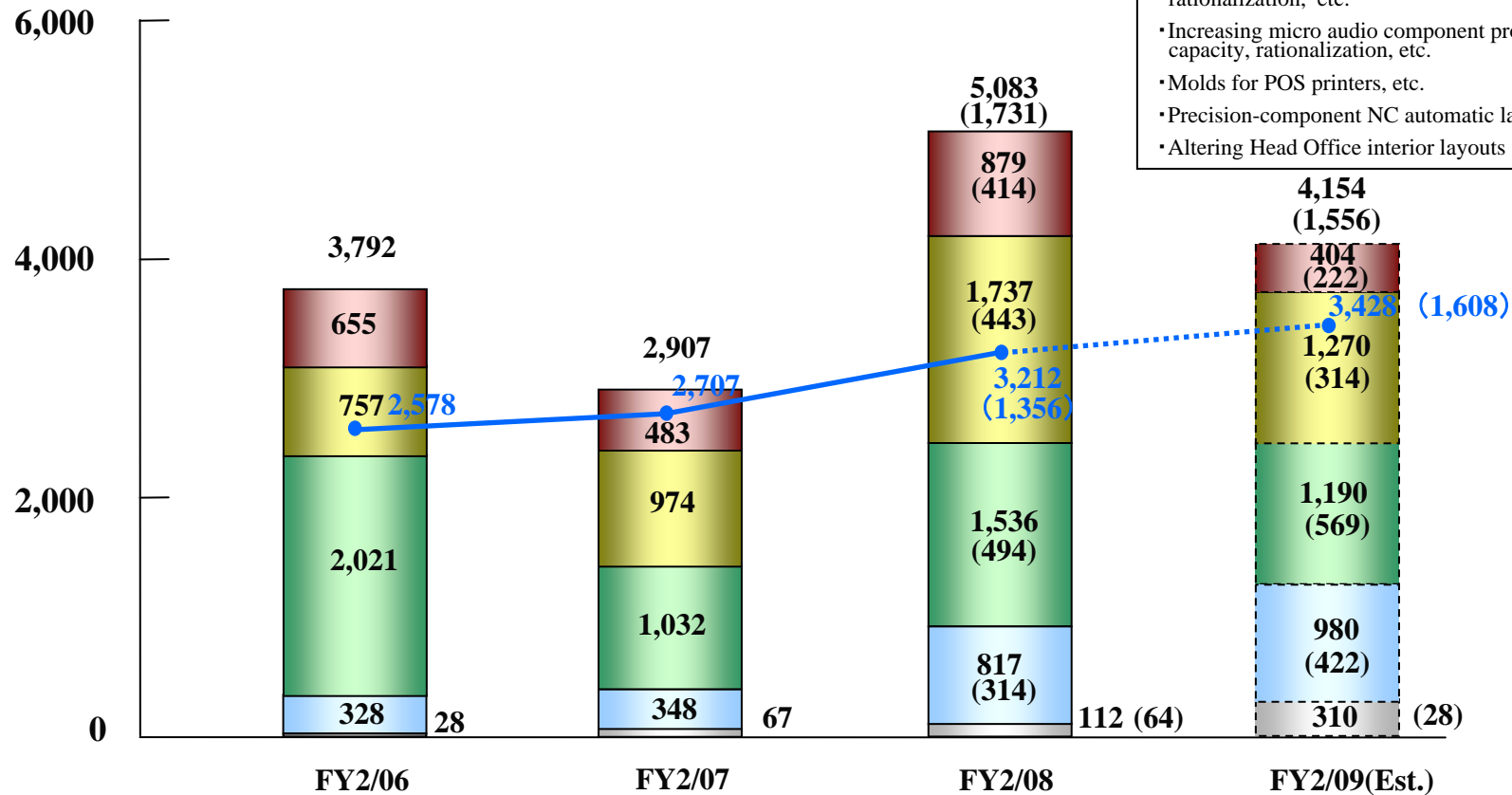
Special Products	Components	Operating Income Ratio
Machine Tools	Precision Products	

*Operating income totals exclude eliminations and corporate.

Capital Investment



(Millions of Yen)



- 【Scheduled Main Uses of Capital Investment】
- Increasing machine tool production capacity, rationalization, etc.
 - Increasing micro audio component production capacity, rationalization, etc.
 - Molds for POS printers, etc.
 - Precision-component NC automatic lathes, etc.
 - Altering Head Office interior layouts



Balance Sheets



(Millions of Yen)

		Feb.2007 Actual		Feb.2008 Actual		Feb.2009 Forecast	
		Amount	Component percentages	Amount	Component percentages	Amount	Component percentages
Assets	Cash	20,699	27%	22,421	26%	17,300	23%
	Inventories	12,529	16%	15,436	18%	13,000	18%
	Other current assets	20,391	27%	25,378	29%	20,500	28%
	Total current assets	53,619	70%	63,235	73%	50,800	69%
	Property, plant and equipment	16,355	22%	17,727	21%	17,200	23%
	Other fixed assets	6,220	8%	5,412	6%	5,500	8%
	Total fixed assets	22,575	30%	23,139	27%	22,700	31%
	Total assets	76,194	100%	86,375	100%	73,500	100%
Liabilities	Payables	5,942	8%	7,910	9%	5,400	7%
	Other current liabilities	7,936	10%	11,166	13%	8,700	12%
	Total current liabilities	13,878	18%	19,077	22%	14,100	19%
	Total long-term liabilities	920	1%	696	1%	600	1%
	Total liabilities	14,799	19%	19,773	23%	14,700	20%
Net assets	Total net assets	61,395	81%	66,601	77%	58,800	80%
Total liabilities and net assets		76,194	100%	86,375	100%	73,500	100%

Cash Flow Analysis



Cash Flow Analysis

(Millions of Yen)

	Feb.2006 Actual	Feb.2007 Actual	Feb.2008 Actual	Feb.2009 Forecast
Net income	5,151	7,012	8,080	6,300
+ Depreciation	2,578	2,707	3,212	3,428
= Cash from business operations	7,729	9,719	11,292	9,728
− Dividends	906	1,390	2,357	3,218
= Cash flow	6,823	8,329	8,935	6,510
− Capex(Capital expenditure)	3,792	2,907	5,083	4,154
= Free cash flow	3,031	5,422	3,852	2,356

Financial Benchmarks

	Feb.2006 Actual	Feb.2007 Actual	Feb.2008 Actual	Feb.2009 Forecast
Total asset turnover	0.9 times	0.9 times	0.9 times	0.8 times
Equity ratio	81.2%	79.9%	76.2%	79.0%
Return on equity (ROE)	10.1%	12.2%	12.8%	10.2%
Return on assets (ROA)	13.2%	15.2%	18.7%	12.4%
Earnings per share (EPS)	¥95.60	¥131.09	¥150.74	¥123.12
Book value per share (BPS)	¥1,014.99	¥1,137.05	¥1,227.59	¥1,210.98
Dividend on equity (DOE)	2.2%	3.0%	4.7%	4.9%

Research and Development Costs

(Millions of Yen)

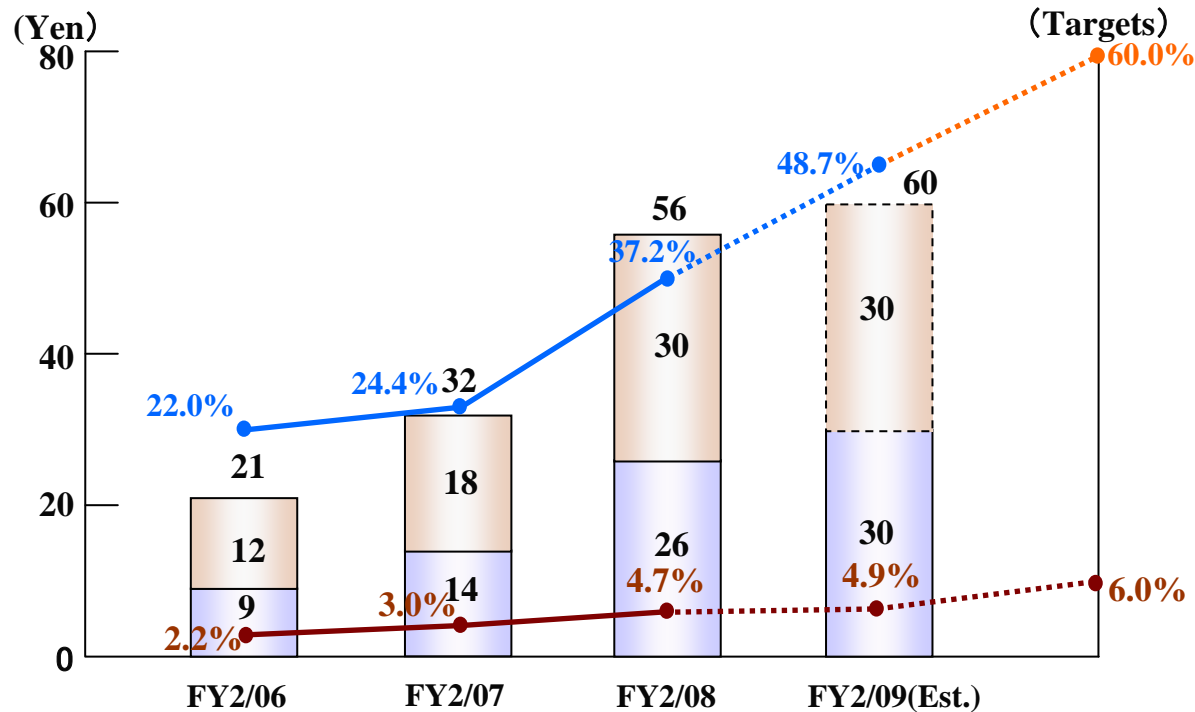
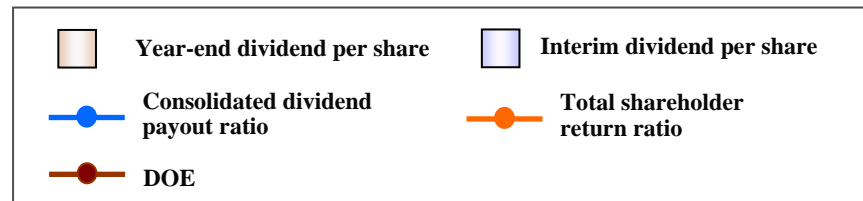
	Feb.2006 Actual	Feb.2007 Actual	Feb.2008 Actual	Feb.2009 Forecast
R&D costs	2,192	2,145	2,213	2,207

■ Policies

- Strive to improve corporate value and promote shareholders' interests by enhancing capital efficiency.
- Continuously and flexibly buy back shares, while positioning dividends as the primary means of returning profits to shareholders.
- Set aside adequate treasury stock to fund business investments (business alliances and M&As), and retire any excess treasury shares.

■ Targets

- Consolidated dividend payout ratio : 40% or more
- Total shareholder return ratio : 60% or more
- Dividend on equity : 6% or more



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 (%)	DOE (%)	Dividends Per Share (Yen)
		Income Ratio (%)	Income Ratio (%)	Income Ratio (%)	Income Ratio (%)						
FY2/99	46,479	5,810	12.5	4,729	10.2	3,899	8.4	69.02	10.0		7.0
FY2/00	44,913	4,552	10.1	3,591	8.0	2,702	6.0	47.84	6.5		7.0
FY2/01	52,304	6,352	12.1	6,477	12.4	3,273	6.3	57.91	7.3		10.0
FY2/02	43,265	4,063	9.4	4,213	9.7	577	1.3	10.21	1.2		10.0
FY2/03	38,611	2,407	6.2	1,874	4.9	434	1.1	7.77	0.9	1.2	10.0
FY2/04	43,331	3,549	8.2	3,593	8.3	2,425	5.6	44.12	5.4	1.3	11.0
FY2/05	49,689	6,343	12.8	6,357	12.8	3,775	7.6	70.13	8.2	1.7	15.0
FY2/06	54,788	8,108	14.8	8,386	15.3	5,151	9.4	95.60	10.1	2.2	21.0
FY2/07	62,670	10,444	16.7	10,862	17.3	7,012	11.2	131.09	12.2	3.0	32.0
FY2/08	73,883	14,651	19.8	15,170	20.5	8,080	10.9	150.74	12.8	4.7	56.0
FY2/09(Est.)	63,300	9,400	14.8	9,950	15.7	6,300	10.0	123.12	10.2	4.9	60.0

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