

January 11, 2007

Fiscal 2007 Third-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: No
2. Results for the Third Quarter of Fiscal 2007 (March 1, 2006 ~ November 30, 2006)
 - (1) Operating results (consolidated)

(Millions of yen, %)

	Net Sales	Operating Income	Ordinary Income	Net Income
FY2007 Third Quarter	45,347 (14.1)	7,541 (15.0)	7,819 (15.2)	4,860 (19.0)
FY2006 Third Quarter	39,738 (9.2)	6,557 (29.6)	6,785 (33.8)	4,085 (32.0)
FY2006 (reference)	54,788	8,108	8,386	5,151

(Yen)

	Net Income per Share	Diluted Net Income per Share
FY2007 Third Quarter	90.88	90.62
FY2006 Third Quarter	76.61	76.44
FY2006 (reference)	95.60	95.38

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

[Qualitative Data Related to Consolidated Operating Results]

Economic conditions remained firm both overseas and in Japan for the first nine months of the current fiscal year. In this climate, Star Micronics reported consolidated net sales of ¥45,347 million, up 14.1% year on year. This reflected strong performances by the Machine Tools Segment and point-of-sale (POS) printers in the Special Products Segment, despite a drop in sales in the Components Segment. On the back of the higher sales, operating income increased 15.0% to ¥7,541 million, ordinary income rose 15.2% to ¥7,819 million, and net income increased 19.0% to ¥4,860 million.

Performance by Segment

(Special Products)

Although there was a decline in sales of computer printers, POS printers posted strong sales in the U.S. and Europe, as well as in emerging markets such as India and Russia. This supported a marked increase in segment sales of 21.0% to ¥10,925 million, and a substantial rise in operating income of 86.9% to ¥1,833 million.

(Components)

Sales of receivers, speakers and microphones increased. However, sales of electronic buzzers fell as more mobile phone manufacturers shifted to speakers for ringtone functions. As a result, segment sales dropped 6.1% to ¥7,720 million. This decline in sales, coupled with higher operating expenses

and other factors, led to a drop in operating income of 62.6% year on year to ¥481 million.

(Machine Tools)

Machine tools continued to experience strong demand, with healthy sales in Europe, Asia and other markets. This lifted segment sales 20.1% year on year to ¥22,948 million, and operating income 16.4% to ¥5,839 million.

(Precision Products)

Although sales of wristwatch components declined, segment sales grew 11.3% to ¥3,752 million on the back of higher sales of hard disk drive parts and car audio components in non-wristwatch components. Operating income rose 21.8% to ¥1,051 million compared to a year earlier.

(2) Financial position (consolidated)

	Total Assets (Millions of yen)	Net Assets (Millions of yen)	Equity Ratio (%)	Net Assets per Share (¥)
November 30, 2006	72,512	58,528	80.1	1,084.59
November 30, 2005	64,963	52,355	80.6	980.22
February 28, 2006 (reference)	66,826	54,294	81.2	1,014.99

Note: Figures for net assets, equity ratio and net assets per share for November 30, 2005 and February 28, 2006 use previous figures for total shareholders' equity, shareholders' equity ratio and shareholders' equity per share.

[Qualitative Data Related to Financial Position]

As of November 30, 2006, total assets on a consolidated basis stood at ¥72,512 million, an increase of ¥5,686 million compared to February 28, 2006. In assets, there were increases in trade notes and accounts receivable, inventories, and investments and other assets (investment securities etc.) Liabilities also increased compared to the end of the previous fiscal year, rising ¥1,819 million due to higher trade notes and accounts payable related to increased purchasing. Applying the same accounting standard for net assets to the previous fiscal year-end, net assets increased ¥3,866 million compared to the previous fiscal year-end due to an increase in net income and other factors.

[Reference]

Consolidated Earnings Forecast for Fiscal 2007 (March 1, 2006 ~ February 28, 2007)

(Millions of yen)

	Net Sales	Ordinary Income	Net Income
FY2007	62,600	10,550	6,850

(Reference: Projected net income per share for the year ¥127.99)

[Qualitative Data Related to Earnings Forecast]

In light of third-quarter operating results, Star Micronics has revised its full-year earnings forecasts for fiscal 2007 to reflect anticipated changes in profitability. For further details, please refer to the separate press release "Revision of Full-year Earnings Forecasts for Fiscal 2007" dated January 11, 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.*