



Financial Results for the Fiscal Year Ended February 28, 2007

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

* Performance and achievement forecasts in this document were made based on management's judgment drawn from currently available information, and contain risks and uncertainties. Therefore, please note that actual performance may vary significantly from projections due to various factors.

* This document is prepared in accordance with the company's consolidated financial statements disclosed in Japan. Any fractional sum less than million yen is discarded. Consequently, there are certain minor differences in presentation as compared with the Annual Report.

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Record net income fourth consecutive year top- and bottom-line growth

■ Sales	: ¥62.6 billion	↗	14.4% higher YoY
■ Operating Income	: ¥10.4 billion	↑	28.8% higher YoY
■ Ordinary Income	: ¥10.8 billion	↑	29.5% higher YoY
■ Net Income	: ¥7.0 billion	↑	36.1% higher YoY
■ ROA	: 15.2%	↗	2.0 points Up YoY

✓ **As with FY06, results supported by machine tools**

✓ **Strong sales of POS printers in Special Products Segment**

✓ **Ordinary income ratio tops 17%**

(100 Millions of Yen)

	FY2/06 Actual			FY2/07 Actual			FY2/08 Forecast		
	Amount	Income Ratio (%)	2005/2006 Change(%)	Amount	Income Ratio (%)	2006/2007 Change(%)	Amount	Income Ratio (%)	2007/2008 Change(%)
Sales									
Special Products	125		-3.2	156		23.9	169		8.5
Components	109		23.4	98		-10.6	106		8.6
Machine Tools	266		11.0	324		21.8	350		7.8
Precision Products	45		21.1	47		5.2	46		-1.8
Total	547		10.3	626		14.4	673		7.4
Operating Income									
Special Products	12	9.8	-17.4	26	17.3	117.9	34	20.5	28.7
Components	13	12.2	242.5	4	4.5	-67.4	4	4.3	5.2
Machine Tools	65	24.6	14.3	84	25.9	28.6	88	25.1	4.4
Precision Products	11	24.5	73.4	12	26.1	11.9	10	22.9	-13.7
Eliminations or Corporate	(21)			(23)			(23)		
Total	81	14.8	27.8	104	16.7	28.8	115	17.1	10.1
Ordinary Income	83	15.3	31.9	108	17.3	29.5	120	17.8	10.5
Net Income	51	9.4	36.5	70	11.2	36.1	75	11.1	7.0

ROA (%)	13.2	15.2	15.3
Cash Dividends Applicable to the Year	¥21	¥32	¥42
DOE (%)	2.1	2.8	3.5

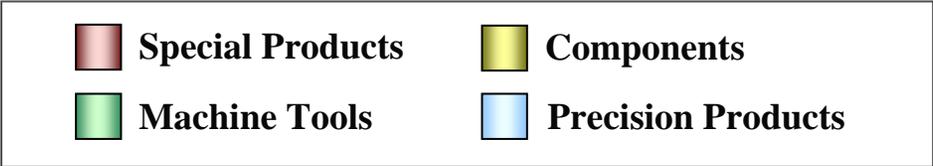
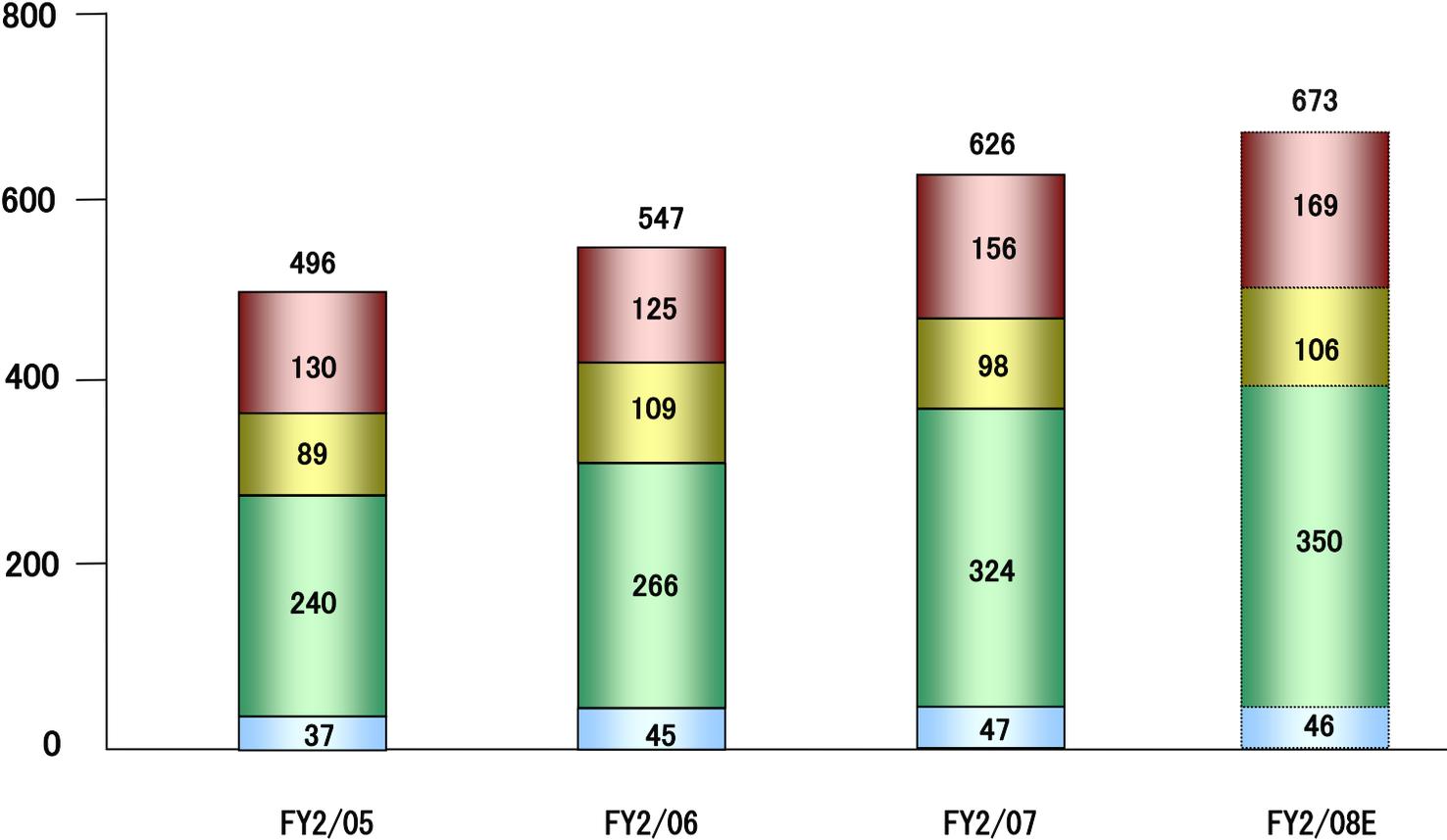
※ROA (Return on Assets)=Ordinary Income/Total Assets x 100(%)

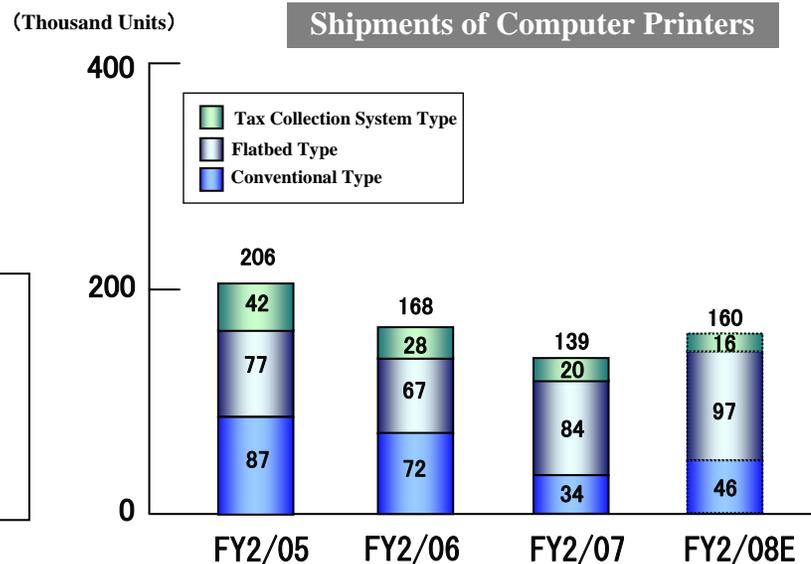
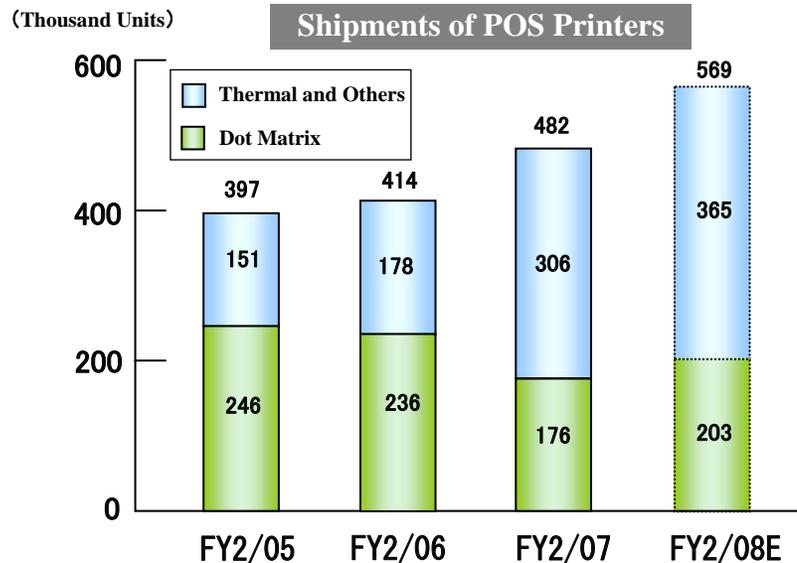
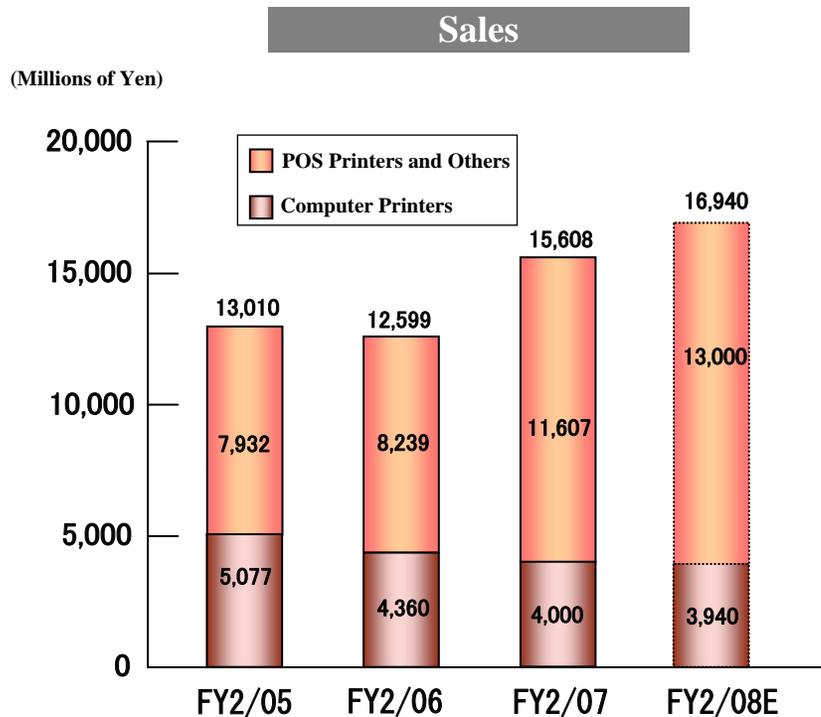
※DOE (Dividend on Equity)= Dividend/Shareholders' Equity x 100(%)

Sales by Segment

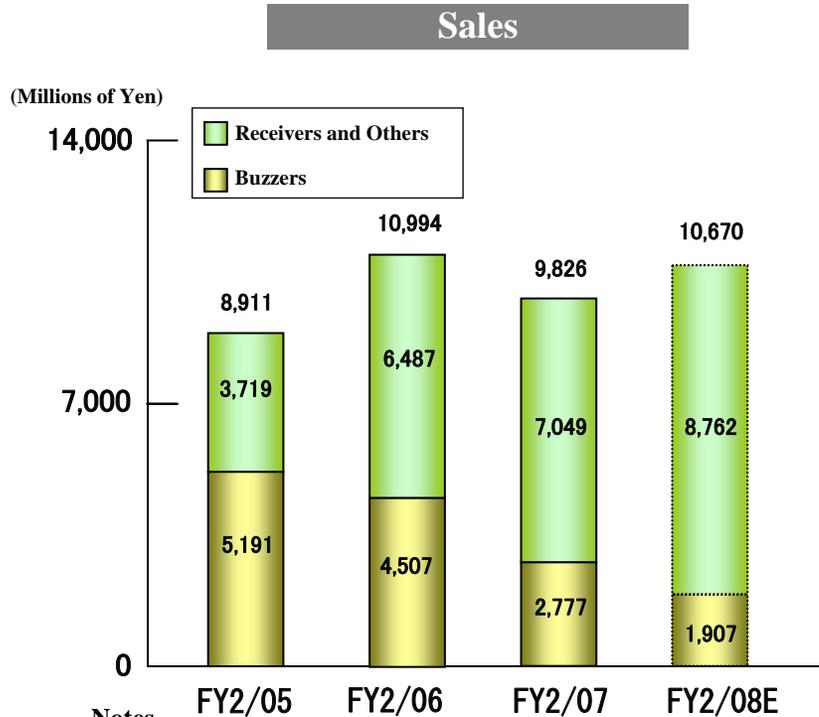


(100 Millions of Yen)



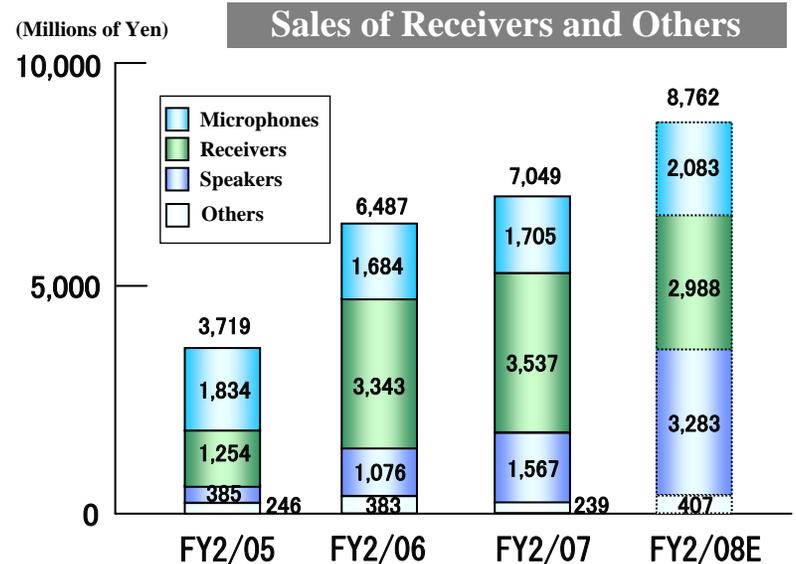
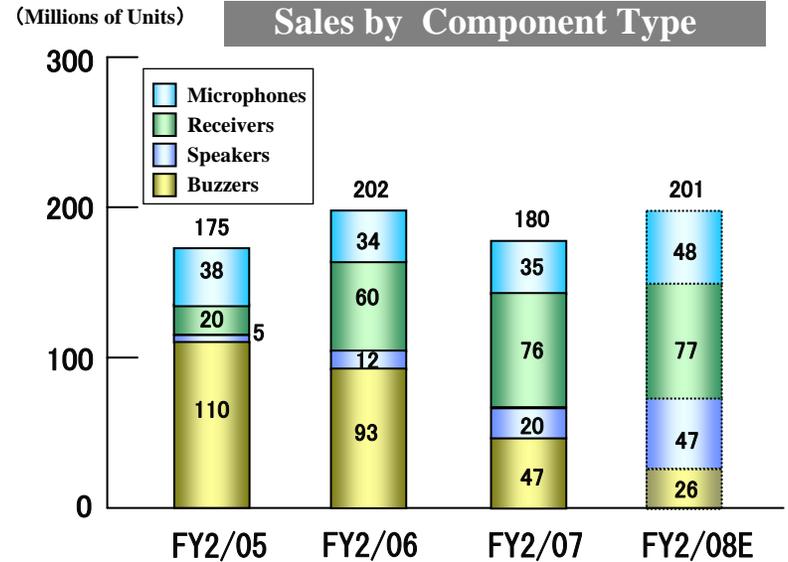


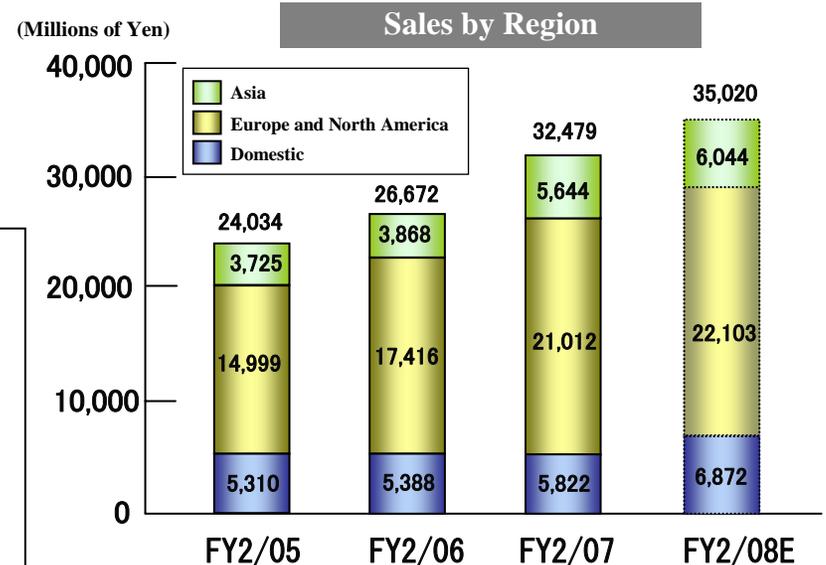
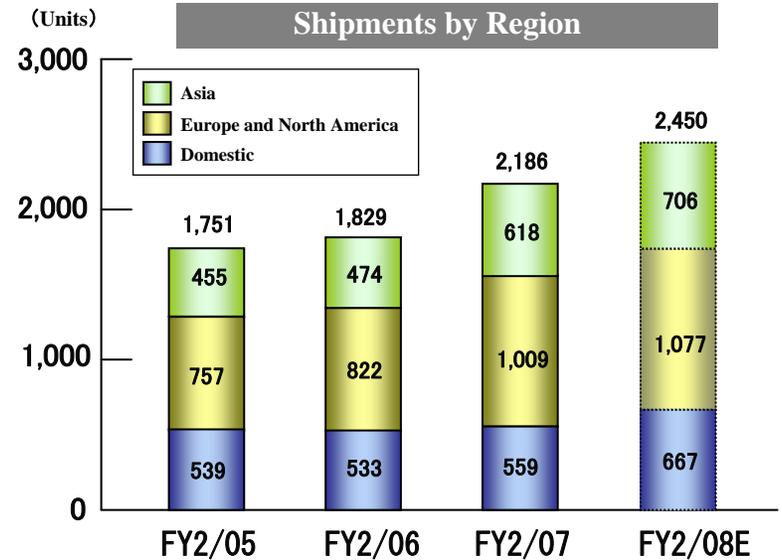
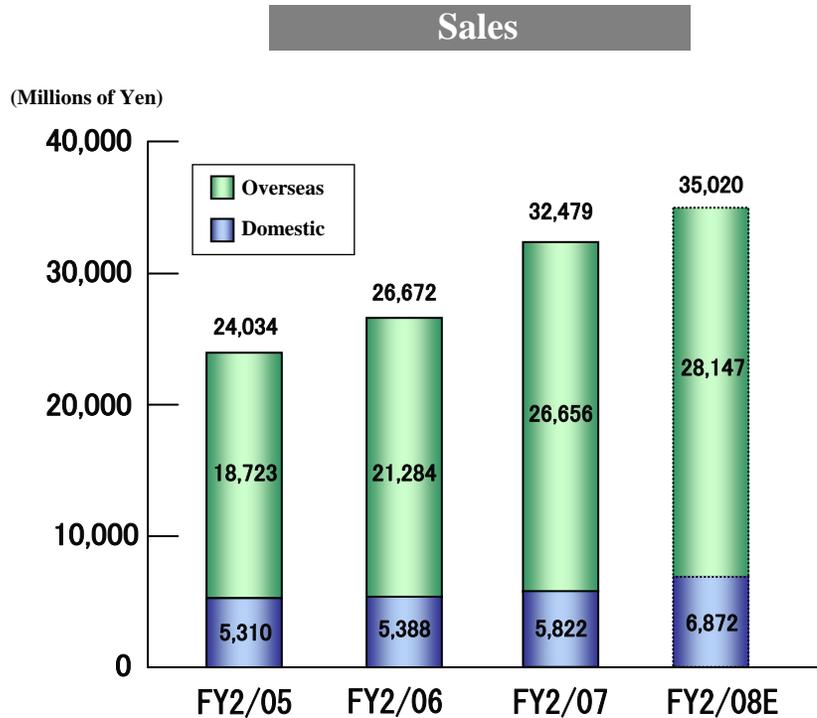
- Sales of POS printers expanded in the BRICs countries and other emerging markets. Orders increased across a wide range of fields, including POS applications, lottery ticket issuing machines and kiosk terminals.



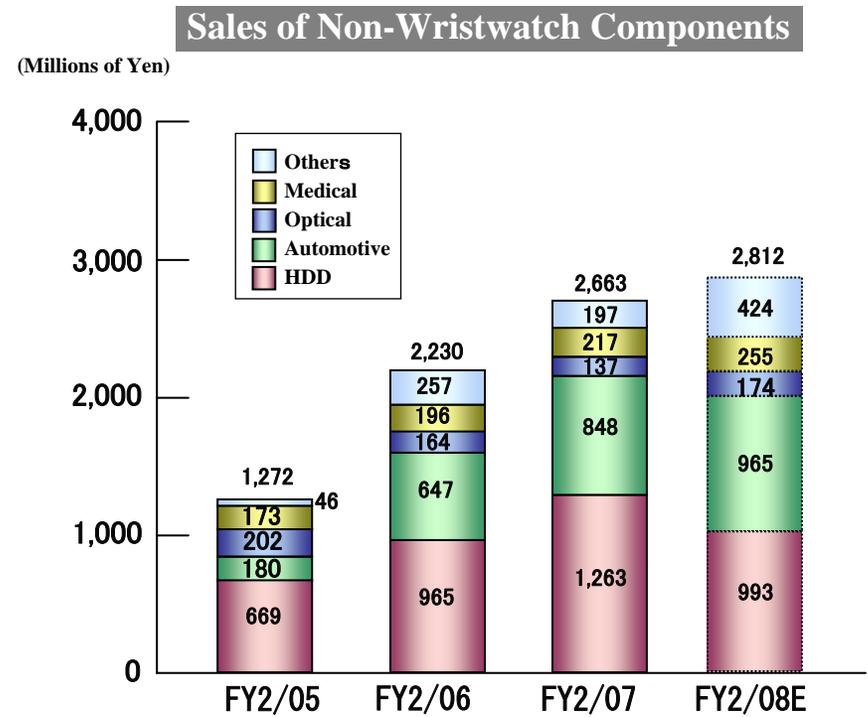
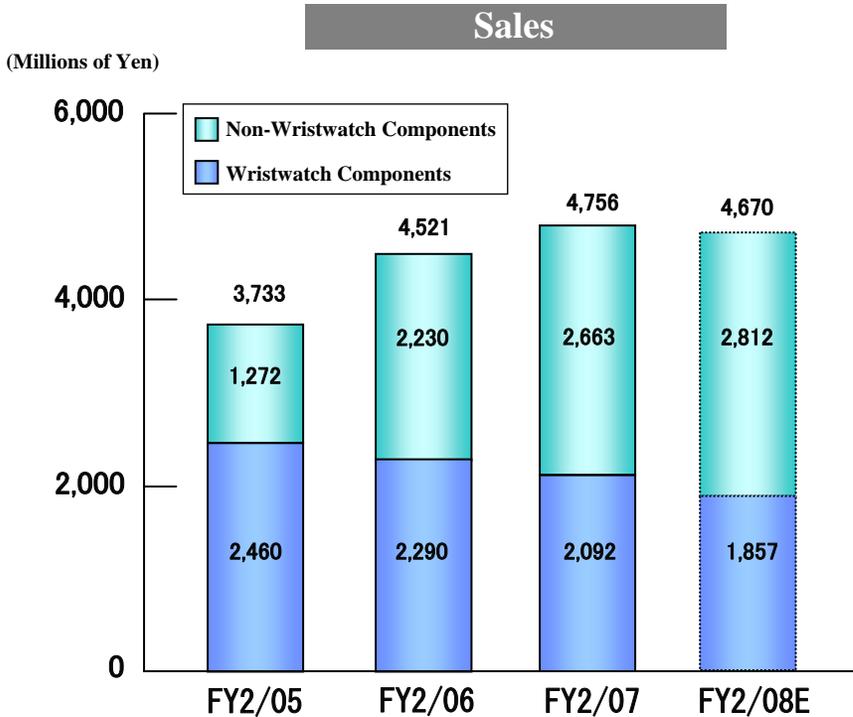
Notes
 Receivers and Others include microphones, receivers, speakers and other components.

- The ratio of mobile phones fitted with electronic buzzers dropped dramatically. Sales volumes for receivers and other components increased but unit prices fell.
- Sales of automotive-related products such as electronic buzzers and speakers for car navigation systems were firm.



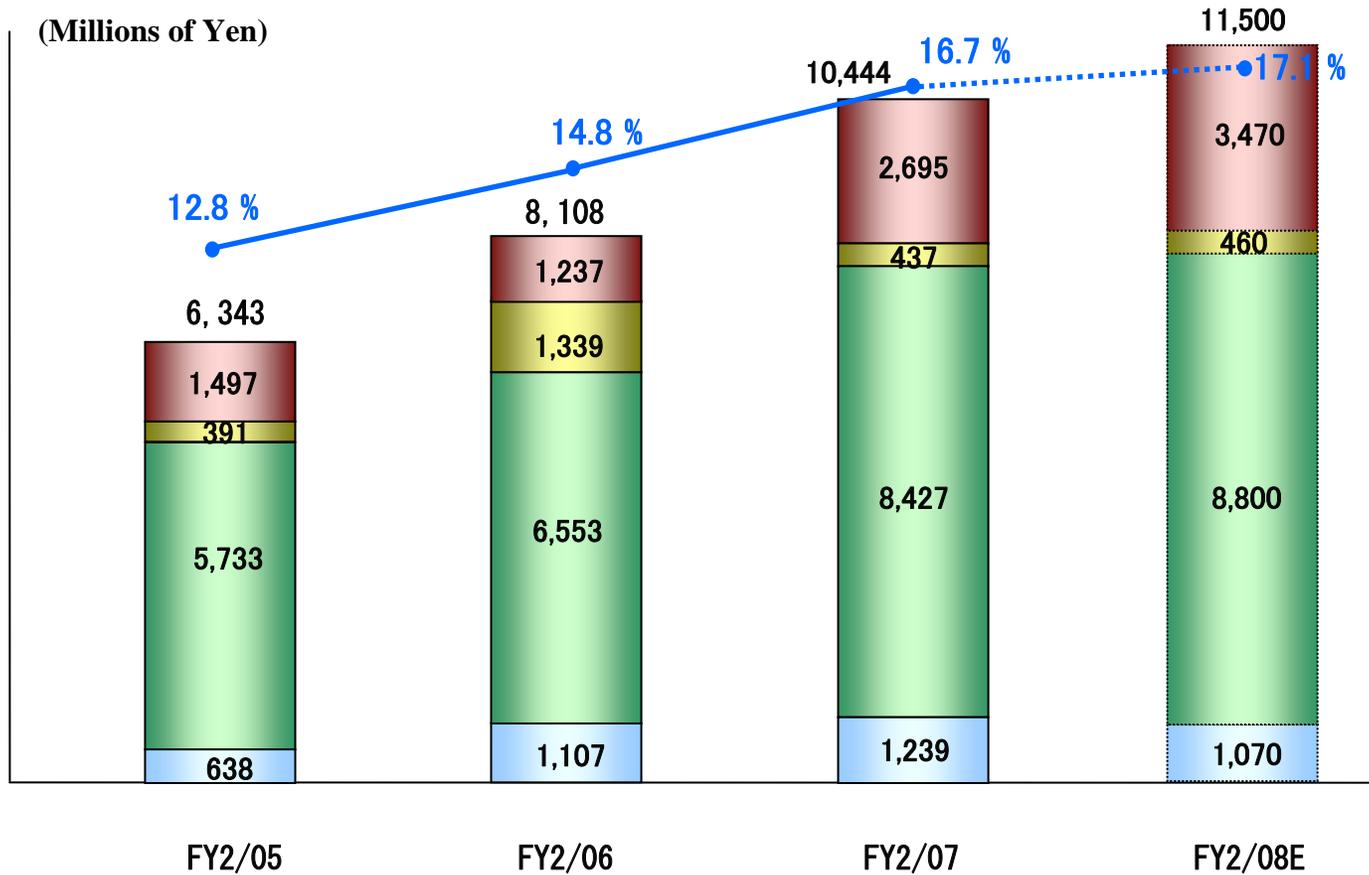


- Demand remained high as companies worldwide invested in upgrading equipment and boosting production capacity. The main sources of demand were electrical and precision equipment manufacturers in Europe and Asia, and medical equipment makers in the U.S. Efforts were also made to develop emerging markets such as South America and Central and Eastern Europe.



- Sales of HDD components increased centered on products for 2.5-inch HDDs as demand for laptop computers rose.
- Sales of car audio components manufactured by a Chinese subsidiary grew strongly.

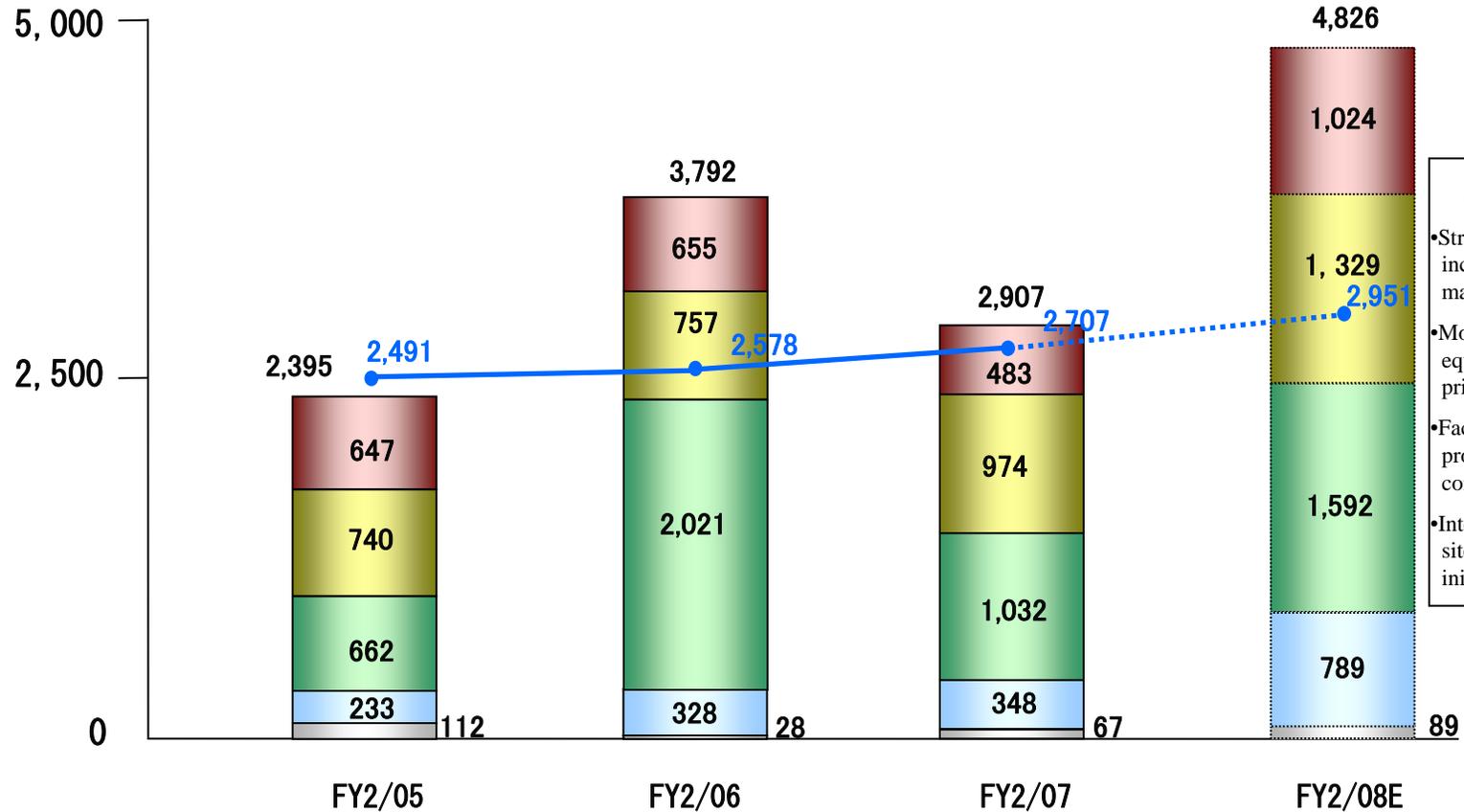
Operating Income by Segment



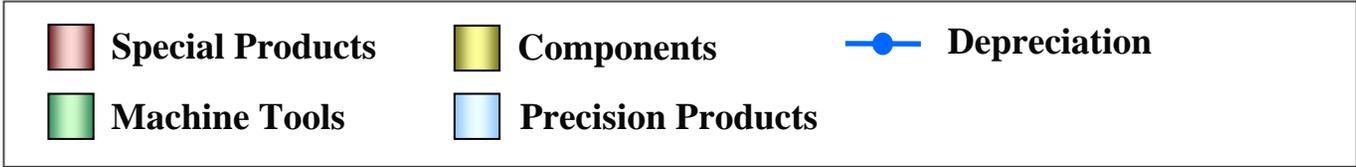
*Totals for operating income exclude eliminations and corporate.

Capital Expenditures

(Millions of Yen)



- Main Uses of Capital Expenditures**
- Streamlining and increasing production of machine tools
 - Molds and other equipment for new POS printers
 - Factory in Thailand to produce precision components
 - Integration of business sites in Japan and other initiatives



(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%	24,300	30%
	Inventories	11,492	17%	12,529	16%	11,300	14%
	Other current assets	18,005	27%	20,391	27%	21,800	27%
	Total current assets	44,614	67%	53,619	70%	57,400	71%
	Property, plant and equipment	16,209	24%	16,355	22%	17,800	22%
	Other fixed assets	6,002	9%	6,220	8%	5,200	7%
	Total fixed assets	22,211	33%	22,575	30%	23,000	29%
	Total assets	66,826	100%	76,194	100%	80,400	100%
Liabilities	Payables	4,793	7%	5,942	8%	6,000	7%
	Other current liabilities	6,578	10%	7,937	10%	7,980	10%
	Total current liabilities	11,371	17%	13,879	18%	13,980	17%
	Total LT liabilities	793	1%	920	1%	600	1%
	Total liabilities	12,164	18%	14,799	19%	14,580	18%
Net assets	Total net assets	54,661	82%	61,395	81%	65,820	82%
Total liabilities and net assets		66,826	100%	76,194	100%	80,400	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	7,500
+ Depreciation	2,491	2,578	2,707	2,951
= Cash from ops	6,266	7,729	9,719	10,451
− Dividends	693	906	1,390	2,088
= Cash flow	5,573	6,823	8,329	8,363
− Capex(=Capital Expenditure)	2,395	3,792	2,907	4,826
= Free cash flow	3,178	3,031	5,422	3,537

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%	81.0%
Return on equity (ROE)	8.2%	10.1%	12.2%	11.9%
Return on assets (ROA)	10.8%	13.2%	15.2%	15.3%
Earnings per share (EPS)	¥70.13	¥95.60	¥131.09	¥140.05
Book value per share (BPS)	¥895.68	¥1,014.99	¥1,137.05	¥1,216.02
(Consolidated) Dividend on equity ratio (DOE)	1.7%	2.1%	2.8%	3.5%

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	2,201

Taking advantage of its current strong results, Star Micronics will select and optimally channel management resources into strategic business fields to raise profitability and increase growth opportunities. The ultimate aim is becoming a truly sustainable company.

Raise Profitability

- Shift more production of machine tools to Dalian, China, and invest in increasing output and streamlining
- Reassess computer printer business and shift management resources to POS printer business
- Increase efficiency of R&D investment

Increase Growth Opportunities

- Strengthen sales networks for machine tools and POS printers in BRICs and other markets
- Launch distinctive products in each business segment
- Build presence in Thailand for Precision Products Segment
- Conduct M&As to strengthen core competencies

Promote CSR

- Increase returns to shareholders
- Aim for:
- Consolidated dividend payout ratio=35%
 - DOE= 4%
- Refine internal control system

- Sales ¥76.0 billion
- Operating Income ¥14.0 billion
- Net Income ¥ 9.0 billion
- Dividend Payments Consolidated dividend payout ratio of at least 35%
DOE of at least 4%

(100Millions of Yen)

	FY2/07 Actual		FY2/10 Targets		2007/2010 Change(%)
	Amount		Amount		
Sales					
Special Products	156		140		
Components	98		120		
Machine Tools	324		400		
Precision Products	47		60		
New Businesses			40		
Total	626		760		21.3%
		Income Ratio (%)		Income Ratio (%)	
Operating Income	104	16.7%	140	18.4%	34.0%
Ordinary Income	108	17.3%	145	19.1%	33.5%
Net Income	70	11.2%	90	11.8%	28.4%
ROA(%)	15.2		16.2		

※ROA(Return on Assets)=Ordinary Income/Total Assets × 100(%)

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	