

Flash Report (Consolidated Basis)**Results for the third quarter of the fiscal year ending October 31, 2008**

Company name: OHARA INC. Stock listing: Tokyo Stock Exchange (First section)
 Code number: 5218 (URL: <http://www.ohara-inc.co.jp>)
 Representative: Sumimasa Yutani, President - Representative Director
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(Figures less than ¥1 million have been omitted.)

1. Performance**(1) Operating results**

Third quarter ended July 31 (Figures in percentages denote the increase or decrease from the previous 3Q period.)

	Net sales		Operating income		Ordinary profit		Net income	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
3Q FY2008	22,734	7.5	5,098	(3.8)	5,227	(11.3)	2,926	(20.3)
3Q FY2007	21,140	8.0	5,298	(3.9)	5,893	4.9	3,671	1.3
Year ended Oct. 2007	28,248	-	7,074	-	7,403	-	4,790	-

	Net income per share	Net income per share after dilution
	Yen	Yen
3Q FY2008	117.56	-
3Q FY2007	144.27	-
Year ended Oct. 2007	188.19	-

(2) Financial position

	Total assets	Net assets	Equity ratio	Net assets per share
	Millions of yen	Millions of yen	%	Yen
3Q FY2008	61,383	44,291	70.9	1,788.81
3Q FY2007	55,593	44,280	78.8	1,721.66
Year ended Oct. 2007	56,323	44,192	77.7	1,718.90

(3) Cash flows

	Cash flows from operating activities	Cash flows from investing activities	Cash flows from financial activities	Cash and cash equivalent at end of term
	Millions of Yen	Millions of Yen	Millions of Yen	Millions of Yen
3Q FY2008	3,514	(3,711)	(3,349)	5,524
3Q FY2007	3,345	(4,415)	(1,790)	9,696
Year ended Oct. 2007	4,834	(5,825)	(2,087)	9,160

2. Dividends

(Base date)	Dividend per stock		
	End of H1	End of FY	Annual
	Yen	Yen	Yen
Year ended Oct. 2007	-	25.00	25.00
Year ending Oct. 2008 (result)	-	---	25.00
Year ending Oct. 2008 (forecast)	---	25.00	

3. Forecast consolidated results for the fiscal year ending October 2008

(from November 1, 2007 to October 31, 2008) (Reference)

Since the results for the third quarter under review are largely in line with expectations, the forecast announced on December 20, 2007 remains unchanged.

4. Others**(1) Important changes of subsidiaries during the term**

(change of specified subsidiaries leading to a change in the scope of consolidation): No

(2) Adoption of simplified accounting preparation: Yes**(3) Changes of accounting methods since the most recent fiscal year: Yes**

(Note) For more details, please see Page 4, "4. Others" of "Qualitative Information, Financial Statements, etc."

(Reference) Summary of non-consolidated basis

1. Performance

(1) Operating results

Third quarter ended July 31 (Figures in percentages denote the increase or decrease from the previous 3Q period.)

	Net sales		Operating income		Ordinary profit		Net income	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
3Q FY2008	18,351	16.7	2,826	(9.4)	3,917	(1.1)	2,221	(8.0)
3Q FY2007	15,721	0.7	3,119	(0.6)	3,962	5.7	2,414	5.7
Year ended Oct. 2007	21,655	-	4,126	-	5,121	-	3,250	-

	Net income per share	Net income per share after dilution
	Yen	Yen
3Q FY2008	89.21	-
3Q FY2007	94.89	-
Year ended Oct. 2007	127.71	-

(2) Financial position

	Total assets	Net assets	Equity ratio	Net assets per share
	Millions of yen	Millions of yen	%	Yen
3Q FY2008	45,232	34,708	76.7	1,426.81
3Q FY2007	45,927	35,024	76.3	1,376.28
Year ended Oct. 2007	46,293	35,393	76.5	1,390.78

2. Forecast non-consolidated results for the fiscal year ending October 2008

(from November 1, 2007 to October 31, 2008)

Since the results for the third quarter under review are largely in line with expectations, the forecast announced on December 20, 2007 remains unchanged.

* Explanation about proper use of business outlook and other special remarks

The forward-looking statements, including forecasts of results, stated in this document are based on information obtained at present by the Company and certain assumptions that the Company deems reasonable. Hence, actual results may differ materially from the forward-looking statements, depending on various factors.

[Qualitative Information, Financial Statements, etc.]

1. Qualitative Information on Consolidated Operating Results

A review of the domestic and overseas economies in the third quarter reveals a further slowdown in the U.S. economy caused by continued financial uncertainty triggered by the subprime mortgage crisis, despite a temporary recovery in personal spending owing to tax rebates.

European economies also slowed as evidenced by the noticeable stagnation in personal spending on the back of significant price hikes. In Asian economies, resource prices soared while exports slowed. The Chinese economy remained solid. The Japanese economy slowed, reflecting sluggish export growth and declining corporate earnings.

In the optical equipment market with which the Group is associated, demand for single-lens reflex digital cameras and interchangeable lenses for digital cameras continued to increase, although demand for compact digital cameras slowed in certain regions. On the other hand, demand for glass materials for semiconductor exposure apparatuses fell because of the downturn in capital expenditure. In the information and telecommunications equipment market, demand for hard disk drives continued to increase, especially those for notebook computers.

In this environment, sales for the third quarter stood at ¥22,734 million (up 7.5% year on year). Operating income was ¥5,098 million (down 3.8%), reflecting the soaring prices of resources and energy, and rising unit purchase prices of raw materials including rare earth, despite Company-wide cost reduction activities. Ordinary profit was ¥5,227 million (down 11.3%), due in part to a foreign exchange loss caused by the strong yen. As a result, net income was ¥2,926 million (down 20.3%).

Results by business segment are as follows:

(Optical products)

The unit selling prices of optical pressings, the mainstays of the segment, experienced a downward trend in association with intensifying sales competition in overseas markets. Demand for optical presses for single-lens reflex cameras and interchangeable lenses increased substantially, however, and demand for products for compact cameras was solid. In optical blocks, demand for highly homogeneous glass materials for semiconductor exposure apparatuses fell from the year-ago level. As a consequence, sales in the segment were ¥16,489 million (up 3.2%), but operating income was ¥3,382 million (down 26.8%).

(Information products)

With regard to disk products, the mainstays of the segment, the Group responded to an increase in demand for products for notebook computers by bolstering production facilities. In specialty glass products, demand for ultra-low expansion glass ceramics for LCD exposure apparatuses rose, while demand for polished goods declined. As a result, sales in the segment were ¥6,244 million (up 20.8%), and operating income was ¥1,716 million (up 152.6%).

2. Qualitative Information on Consolidated Operating Results

(1) Change in consolidated financial position

Total assets at the end of the third period rose ¥5,059 million from the end of the previous term to ¥61,383 million. Negative factors including a decline in cash on hand and in banks due to factors such as the acquisition of fixed assets, and a fall in the fair value of investment securities, were more than offset by the addition of the operating assets of a new consolidated subsidiary and acquisitions of tangible fixed assets. Total liabilities increased ¥4,960 million, to ¥17,091 million, mainly due to a liability increase in a new consolidated subsidiary and an increase in trade notes and accounts. Net assets climbed ¥98 million to ¥44,291 million, mainly as a result of the recording of net income being offset by dividends paid, an increase in treasury stock, and a decline in net unrealized holding gain on securities. Consequently, the capital adequacy ratio fell 6.8 percentage points to 70.9%.

(2) Consolidated cash flows

Cash and cash equivalents (hereinafter "cash") at the end of the third quarter stood at ¥5,524 million (falling ¥3,636 million from the end of the previous term). Income before income taxes of ¥5,208 million was offset by factors including income taxes paid, payments for the acquisition of tangible fixed assets, and treasury stock acquisition.

(Cash flows from operating activities)

Net cash provided by operating activities was ¥3,514 million.

Income before income taxes of ¥5,208 million, depreciation and amortization of ¥1,403 million, and an increase in trade notes and accounts payable of ¥1,070 million, among others, were offset by an increase in inventories of ¥731 million, an increase in trade notes and accounts receivable of ¥528 million, income taxes paid of ¥2,513 million, and other factors.

(Cash flows from investing activities)

Net cash used in investing activities was ¥3,711 million.

An increase in time deposits of ¥1,016 million was more than offset by payments for the acquisition of tangible fixed assets of ¥3,997 million and payments for the acquisition of shares in subsidiaries of ¥660 million.

(Cash flows from financing activities)

Net cash used in financing activities was ¥3,349 million.

The main factors were repayment of interest-bearing debt of ¥1,129 million, acquisition of treasury stock of ¥1,544 million, and dividends paid of ¥635 million.

3. Qualitative Information on the Forecast of Consolidated Results

The forecasts of consolidated and non-consolidated results for the fiscal year ending October 2008 announced on December 20, 2007 have not changed.

4. Others

(1) Important changes in subsidiaries during the term

(change of specified subsidiaries that lead to a change in the scope of consolidation)

Not applicable.

(2) Adoption of simplified accounting preparation

Simplified accounting methods are adopted in accounting criteria for reserves and corporate income tax.

(3) Changes of accounting methods since the most recent fiscal year

(Measurement of inventories)

The Accounting Standard for Measurement of Inventories (Accounting Standards Board of Japan Statement No.9 issued on July 5, 2006) can be adopted for financial statements for a fiscal year beginning before March 31, 2008. We began to adopt the accounting standard in the fiscal year under review. The effect of the change on the consolidated financial statements, segment information, and non-consolidated financial statements for the third quarter under review is minor.

5. Consolidated Financial Statement (Summary)

(1) Consolidated Balance Sheets (Summary)

At July 31

(Thousands of yen)

	3Q FY2007	3Q FY2008	Change from the previous year		(Reference) FY2007
	Amount	Amount	Amount	%	Amount
ASSETS					
I. Current assets:					
1. Cash on hand and in banks	9,017,375	6,426,434			10,520,738
2. Notes and accounts receivable, trade	8,430,309	10,855,920			8,935,617
3. Marketable securities	1,035,626	503,738			1,016,636
4. Inventories	5,197,110	8,060,965			5,125,849
5. Deferred tax assets	786,728	803,128			775,022
6. Other current assets	477,102	1,054,719			445,690
7. Allowance for doubtful accounts	(7,569)	(6,092)			(12,692)
Total current assets	24,936,683	27,698,814	2,762,131	11.1	26,806,862
II. Fixed assets:					
1. Tangible fixed assets:					
(1) Buildings and structures	4,232,541	5,162,821			4,418,102
(2) Machinery and vehicles	5,649,816	8,289,610			6,447,276
(3) Tools, furniture, and fixtures	8,359,318	10,059,018			8,334,143
(4) Land	380,171	407,390			412,202
(5) Construction-in-progress	1,402,448	1,781,499			731,758
Total tangible fixed assets	20,024,295	25,700,340	5,676,044	28.3	20,343,484
2. Intangible assets	52,232	59,770	7,538	14.4	50,544
3. Investments and other assets:					
(1) Investment securities	7,723,979	5,735,337			6,938,870
(2) Long-term deposit	2,500,000	1,800,000			1,800,000
(3) Deferred income taxes	55,195	69,962			66,785
(4) Others	301,427	318,905			317,284
Total investments and other assets	10,580,602	7,924,205	(2,656,397)	(25.1)	9,122,940
Total fixed assets	30,657,130	33,684,317	3,027,186	9.9	29,516,969
Total assets	55,593,814	61,383,132	5,789,317	10.4	56,323,832

At July 31

(Thousands of yen)

	3Q FY2007	3Q FY2008	Change from the previous year		(Reference) FY2007
	Amount	Amount	Amount	%	Amount
LIABILITIES					
I. Current liabilities:					
1. Notes and accounts payable, trade	2,610,118	4,425,851			2,714,396
2. Short-term borrowings	1,836,449	5,176,373			1,831,520
3. Corporate bond with a maturity of less than one year	25,000	125,000			25,000
4. Accrued income taxes	709,232	720,022			1,040,613
5. Deferred tax liabilities	3,036	75,887			-
6. Allowance for employees' bonuses	362,512	442,780			648,872
7. Allowance for directors' bonuses	52,122	40,191			68,499
8. Account payable-nontrade	121,024	979,141			977,983
9. Allowance for environmental measures	14,254	-			15,000
10. Other current liabilities	663,123	948,738			614,775
Total current liabilities	6,396,874	12,933,987	6,537,112	102.2	7,936,661
II. Long-term liabilities:					
1. Corporate bond	137,500	12,500			125,000
2. Long-term debt	723,348	135,921			489,525
3. Deferred tax liabilities	2,514,178	2,121,211			2,126,331
4. Accrued retirement benefits for employees	1,098,275	1,079,430			1,114,321
5. Accrued retirement benefits for directors and corporate auditors	258,684	298,426			273,367
6. Allowance for special repair	100,900	37,100			10,800
7. Long-term accrued expenses	82,850	64,329			54,146
8. Negative goodwill	-	407,677			-
9. Other long-term liabilities	870	927			870
Total long-term liabilities	4,916,606	4,157,524	(759,081)	(15.4)	4,194,361
Total liabilities	11,313,480	17,091,511	5,778,030	51.1	12,131,023
NET ASSETS					
I. Shareholders' equity:					
1. Capital stock	5,855,000	5,855,000			5,855,000
2. Capital surplus	7,930,785	7,930,785			7,930,785
3. Retained earnings	25,634,515	29,002,737			26,695,657
4. Treasury stock, at cost	(3,626)	(1,548,332)			(3,752)
Total shareholders' equity	39,416,674	41,240,190	1,823,515	4.6	40,477,690
II. Valuation and translation adjustments:					
1. Net unrealized holding gain on securities	3,774,674	2,583,494			3,308,633
2. Foreign exchange adjustment	622,569	(308,871)			(41,584)
Total valuation and translation adjustments	4,397,243	2,274,623	(2,122,620)	(48.3)	3,267,049
III. Minority interests	466,414	776,806	310,391	66.5	448,069
Total net assets	44,280,333	44,291,620	11,287	0.0	44,192,809
Total liabilities and net assets	55,593,814	61,383,132	5,789,317	10.4	56,323,832

(2) Consolidated Statements of Income (Summary)

Terms ended July 31

(Thousands of yen)

	3Q FY2007	3Q FY2008	Change from the previous year		(Reference) FY2007
	Amount	Amount	Amount	%	Amount
I. Net sales	21,140,102	22,734,008	1,593,905	7.5	28,248,607
II. Cost of sales	12,198,170	13,590,814	1,392,644	11.4	16,173,743
Gross profit	8,941,932	9,143,193	201,261	2.3	12,074,864
III. Selling, general and administrative expenses	3,643,447	4,044,493	401,045	11.0	5,000,508
Operating income	5,298,484	5,098,700	(199,784)	(3.8)	7,074,355
IV. Non-operating income	646,909	401,633	(245,276)	(37.9)	408,115
V. Non-operating expenses	52,312	272,529	220,217	421.0	79,347
Ordinary profit	5,893,081	5,227,804	(665,277)	(11.3)	7,403,123
VI. Extraordinary gain	67	2,601	2,534	-	895
VII. Extraordinary losses	26,397	22,245	(4,151)	(15.7)	36,736
Income before income taxes	5,866,751	5,208,159	(658,591)	(11.2)	7,367,282
Income taxes	2,160,054	2,276,491	116,437	5.4	2,546,123
Minority interests (deducted)	35,314	4,938	(30,375)	(86.0)	30,615
Net income	3,671,382	2,926,729	(744,653)	(20.3)	4,790,543

(3) Consolidated Statements of Cash Flows (summary)

Terms ended July 31

(Thousands of yen)

	3Q FY2007	3Q FY2008	(Reference) FY2007
	Amount	Amount	Amount
I. Cash flows from operating activities			
Income before income taxes	5,866,751	5,208,159	7,367,282
Depreciation and amortization	1,164,260	1,403,648	1,558,038
Equity in earnings of affiliates	(5,909)	(1,206)	(7,359)
Increase (decrease) in retirement benefit costs	(96,350)	(31,458)	(147,269)
Increase (decrease) in director's retirement benefit costs	40,596	4,901	56,554
Increase (decrease) in allowance for employees' bonuses	(350,812)	(242,823)	(59,005)
Increase (decrease) in allowance for doubtful accounts	(232)	(6,500)	5,363
Increase (decrease) in allowance for special repair	23,300	26,300	(66,800)
Increase (decrease) in allowance for environmental measures	14,254	(15,000)	15,000
Interest and dividend income	(150,670)	(179,976)	(223,669)
Interest expense	40,636	25,821	49,846
Gain/Loss on revaluation of foreign currency	(182,089)	3,504	(101,750)
Gain on sale of tangible fixed assets	(67)	(2,601)	(895)
Loss on disposal of tangible fixed assets	26,397	5,992	36,736
Loss on sale of tangible assets	-	16,253	-
Decrease (increase) in notes and accounts receivable, trade	1,152,594	(528,043)	360,520
Decrease (increase) in inventories	63,119	(731,709)	(26,866)
Increase (decrease) in notes and accounts payable, trade	(1,351,823)	1,070,498	(1,020,768)
Other	245,878	(222,157)	179,353
Subtotal	6,499,831	5,803,602	7,974,310
Interest and dividend income received	143,804	180,371	220,500
Interest expense paid	(52,432)	(24,776)	(51,877)
Insurance benefits received	-	69,068	-
Income taxes paid	(3,245,875)	(2,513,598)	(3,308,664)
Net cash provided by operating activities	3,345,328	3,514,667	4,834,269
II. Cash flows from investing activities			
Increase in time deposits	-	1,016,270	79,285
Decrease in time deposits	(66,702)	(50,661)	(1,460,550)
Payments for acquisition of shares in subsidiaries leading to changes in consolidation scope	-	(660,758)	-
Payments for acquisition of tangible fixed assets	(4,369,706)	(3,997,291)	(4,417,746)
Proceeds from sale of tangible fixed assets	29,645	4,962	1,315
Payments for purchase of intangible fixed assets	(8,960)	(5,124)	(12,965)
Other	134	(18,582)	(14,941)
Net cash used in investing activities	(4,415,589)	(3,711,186)	(5,825,602)

Terms ended July 31

(Thousands of yen)

	3Q FY2007	3Q FY2008	(Reference) FY2007
	Amount	Amount	Amount
III. Cash flows from financing activities			
Increase (decrease) in short-term borrowings, net	(164,735)	(406,668)	(7,738)
Proceeds from long-term borrowings	100,000	-	-
Repayment of long-term debt	(964,390)	(710,680)	(1,302,520)
Repayment of corporate bonds	(212,500)	(12,500)	(225,000)
Acquisition of treasury stock	(963)	(1,544,579)	(1,090)
Payment by installments	(16,727)	(17,190)	(22,405)
Dividends paid	(508,699)	(635,277)	(508,821)
Dividends paid to minority interests	(22,246)	(22,592)	(19,562)
Net cash used in financing activities	(1,790,262)	(3,349,487)	(2,087,138)
IV. Effect of exchange rate changes on cash and cash equivalents	284,010	(90,753)	(33,372)
V. Net increase (decrease) in cash and cash equivalents during the term	(2,576,512)	(3,636,759)	(3,111,844)
VI. Cash and cash equivalents at beginning of year	12,272,659	9,160,815	12,272,659
VII. Cash and cash equivalents at end of year	9,696,147	5,524,055	9,160,815

(5) Segment Information

(Business segment information)

Third quarter of the fiscal year ended October 2007 (from November 1, 2006 to July 31, 2007)

(Thousands of yen)

	Optical products	Information products	Total	Elimination or company total	Consolidated
I. Net sales and operating income					
Net sales					
(1) Sales to external customers	15,970,915	5,169,187	21,140,102	---	21,140,102
(2) Intergroup sales and transfers	---	---	---	---	---
Total	15,970,915	5,169,187	21,140,102	---	21,140,102
Operating expenses	11,351,739	4,489,878	15,841,618	---	15,841,618
Operating income	4,619,175	679,309	5,298,484	---	5,298,484

Third quarter of the fiscal year ending October 2008 (from November 1, 2007 to July 31, 2008)

(Thousands of yen)

	Optical products	Information products	Total	Elimination or company total	Consolidated
I. Net sales and operating income					
Net sales					
(1) Sales to external customers	16,489,024	6,244,983	22,734,008	---	22,734,008
(2) Intergroup sales and transfers	---	---	---	---	---
Total	16,489,024	6,244,983	22,734,008	---	22,734,008
Operating expenses	13,106,517	4,528,790	17,635,308	---	17,635,308
Operating income	3,382,506	1,716,193	5,098,700	---	5,098,700

Fiscal year 2007 (from November 1, 2006 to October 31, 2007)

(Thousands of yen)

	Optical products	Information products	Total	Elimination or company total	Consolidated
I. Net sales and operating income					
Net sales					
(1) Sales to external customers	21,352,144	6,896,462	28,248,607	---	28,248,607
(2) Intergroup sales and transfers	---	---	---	---	---
Total	21,352,144	6,896,462	28,248,607	---	28,248,607
Operating expenses	15,114,519	6,059,732	21,174,252	---	21,174,252
Operating income	6,237,625	836,730	7,074,355	---	7,074,355

(Note 1.) Business classification method

Business segments are classified by categories which we have adopted for internal management.

(Note 2.) Main products by business segment

Segment	Main products
Optical products	Optical lens blanks, lens materials for optical equipment
Information products	Glass disks for hard disks devices, special glass products for liquid crystal exposure devices

(Note 3.) No unallocated operating expense is included in "Elimination or company total."

(Note 4.) Additional information

With respect to the manufacturing expenses of the company submitting the report, an exhaustive allocation calculation by item handled has become possible this interim period because of improvements in the accuracy of cost accounting.

As a result, operating expenses increased ¥1,020,618 thousand in the optical products segment in comparison with the amount using the same method as before, while operating income declined by the same amount. In the information products segment, operating expenses declined ¥1,020,618 thousand, while operating income increased by the same amount.

(Geographical segment information)

Third quarter of the fiscal year ended October 2007 (from November 1, 2006 to July 31, 2007)

(Thousands of yen)

	Japan	Asia	North America	Europe	Total	Elimination or company total	Consolidated
I. Net sales and operating income							
Net sales							
(1) Sales to external customers	11,572,639	6,773,909	1,096,943	1,696,610	21,140,102	---	21,140,102
(2) Intergroup sales and transfers	5,078,835	2,772,898	3,058	1,473	7,856,266	(7,856,266)	---
Total	16,651,475	9,546,807	1,100,002	1,698,083	28,996,369	(7,856,266)	21,140,102
Operating expenses	13,403,319	8,125,938	862,948	1,170,044	23,562,250	(7,720,632)	15,841,618
Operating income	3,248,156	1,420,869	237,054	528,038	5,434,118	(135,634)	5,298,484

Third quarter of the fiscal year ending October 2008 (from November 1, 2007 to July 31, 2008)

(Thousands of yen)

	Japan	Asia	North America	Europe	Total	Elimination or company total	Consolidated
I. Net sales and operating income							
Net sales							
(1) Sales to external customers	12,992,789	7,300,089	861,059	1,580,070	22,734,008	---	22,734,008
(2) Intergroup sales and transfers	6,059,680	3,692,849	6,757	12,977	9,772,264	(9,772,264)	---
Total	19,052,469	10,992,939	867,816	1,593,047	32,506,273	(9,772,264)	22,734,008
Operating expenses	16,243,647	9,498,715	686,253	1,196,204	27,624,820	(9,989,512)	17,635,308
Operating income	2,808,822	1,494,223	181,563	396,843	4,881,452	217,247	5,098,700

Fiscal year 2007 (from November 1, 2006 to October 31, 2007)

(Thousands of yen)

	Japan	Asia	North America	Europe	Total	Elimination or company total	Consolidated
I. Net sales and operating income							
Net sales							
(1) Sales to external customers	15,676,208	8,967,365	1,362,885	2,242,147	28,248,607	---	28,248,607
(2) Intergroup sales and transfers	7,145,017	3,458,935	3,205	3,007	10,610,166	(10,610,166)	---
Total	22,821,225	12,426,301	1,366,090	2,245,155	38,858,774	(10,610,166)	28,248,607
Operating expenses	18,588,399	10,752,650	1,102,286	1,566,525	32,009,861	(10,835,609)	21,174,252
Operating income	4,232,825	1,673,651	263,804	678,630	6,848,912	225,443	7,074,355

(Note 1.) Geographical segments are classified by the geographical proximity of countries or regions.

(Note 2.) Countries or regions that belong to segments other than Japan

- (1) Asia: Malaysia, Taiwan, Hong Kong, China
- (2) North America: The United States
- (3) Europe: Germany

(Note 3.) No unallocated operating expense is included in "Elimination or company total."

(Overseas sales)

Third quarter of the fiscal year ended October 2007 (from November 1, 2006 to July 31, 2007)

(Thousands of yen)

	Asia	North America	Europe	Total
I. Overseas sales	7,737,118	1,023,327	1,688,397	10,448,843
II. Consolidated sales	---	---	---	21,140,102
III. Ratio of overseas sales to consolidated sales (%)	36.6	4.8	8.0	49.4

Third quarter of the fiscal year ending October 2008 (from November 1, 2007 to July 31, 2008)

(Thousands of yen)

	Asia	North America	Europe	Total
I. Overseas sales	9,986,148	768,171	1,582,083	12,336,403
II. Consolidated sales	---	---	---	22,734,008
III. Ratio of overseas sales to consolidated sales (%)	43.9	3.4	7.0	54.3

Fiscal year 2007 (from November 1, 2006 to October 31, 2007)

(Thousands of yen)

	Asia	North America	Europe	Total
I. Overseas sales	10,315,239	1,262,493	2,234,184	13,811,918
II. Consolidated sales	---	---	---	28,248,607
III. Ratio of overseas sales to consolidated sales (%)	36.5	4.5	7.9	48.9

(Note 1.) Geographical segments are classified by the geographical proximity of countries or regions.

(Note 2.) Countries or regions that belong to segments other than Japan

- (1) Asia: Malaysia, Taiwan, China, etc.
- (2) North America: The United States, Canada
- (3) Europe: Germany, other European countries

(Note 3.) Overseas sales are the aggregate sum of sales of the Company and consolidated subsidiaries in countries or regions other than Japan.

(Reference) Non-consolidated Financial Statement

(1) (Reference) Non-consolidated Balance Sheets

At July 31

(Thousands of yen)

	3Q FY2007	3Q FY2008	Change from the previous year		(Reference) FY2007
	Amount	Amount	Amount	%	Amount
ASSETS					
I. Current assets:					
1. Cash on hand and in banks	4,143,418	2,184,983			6,537,833
2. Notes receivable, trade	1,223,521	1,208,697			1,492,040
3. Accounts receivable, trade	6,039,791	7,209,360			6,384,473
4. Marketable securities	1,000,663	503,738			1,001,566
5. Inventories	3,008,930	3,255,181			2,995,176
6. Deferred tax assets	368,882	389,497			388,168
7. Other current assets	3,021,539	3,478,564			1,993,658
8. Allowance for doubtful accounts	(1,021)	(1,182)			(1,160)
Total current assets	18,805,726	18,228,840	(576,885)	(3.1)	20,791,756
II. Fixed assets:					
1. Tangible fixed assets:					
(1) Buildings	2,290,441	2,191,812			2,236,524
(2) Equipment and machinery	1,545,089	2,419,121			1,868,779
(3) Tools, furniture, and fixtures	8,263,823	9,935,216			8,243,428
(4) Others	847,881	677,176			664,443
Total tangible fixed assets	12,947,235	15,223,326	2,276,091	17.6	13,013,175
2. Intangible assets	45,267	32,399	(12,868)	(28.4)	42,474
3. Investments and other assets:					
(1) Investment securities	2,875,288	1,996,795			2,583,401
(2) Stocks of affiliated companies	7,186,016	6,720,607			6,723,394
(3) Long-term loans to affiliated companies	1,527,230	1,055,495			1,299,994
(4) Long-term deposit	2,500,000	1,800,000			1,800,000
(5) Others	40,943	174,724			39,501
Total investments and other assets	14,129,478	11,747,622	(2,381,855)	(16.9)	12,446,291
Total fixed assets	27,121,981	27,003,348	(118,632)	(0.4)	25,501,940
Total assets	45,927,708	45,232,189	(695,518)	(1.5)	46,293,697

At July 31

(Thousands of yen)

	3Q FY2007	3Q FY2008	Change from the previous year		(Reference) FY2007
	Amount	Amount	Amount	%	Amount
LIABILITIES					
I. Current liabilities:					
1. Notes and accounts payable, trade	1,974,159	3,086,775			1,917,089
2. Accounts payable, trade	1,194,812	1,548,765			1,295,445
3. Short-term borrowings	1,719,000	955,000			1,709,000
4. Accrued income taxes	444,012	532,887			771,939
5. Allowance for employees' bonuses	207,665	238,983			491,340
6. Allowance for environmental measures	14,254	-			15,000
7. Other current liabilities	1,270,797	1,564,764			1,281,612
Total current liabilities	6,824,701	7,927,175	1,102,473	16.2	7,481,426
II. Long-term liabilities:					
1. Long-term debt	615,000	60,000			395,000
2. Deferred tax liabilities	2,105,608	1,341,365			1,796,522
3. Accrued retirement benefits for employees	984,767	917,416			957,541
4. Accrued retirement benefits for directors and corporate auditors	188,508	203,183			203,910
5. Allowance for special repair	100,900	37,100			10,800
6. Long-term accrued expenses	82,850	36,479			54,146
7. Other long-term liabilities	870	870			870
Total long-term liabilities	4,078,504	2,596,414	(1,482,089)	(36.3)	3,418,790
Total liabilities	10,903,206	10,523,590	(379,616)	(3.5)	10,900,216
NET ASSETS					
I. Shareholders' equity:					
1. Capital stock	5,855,000	5,855,000			5,855,000
2. Capital surplus	7,930,598	7,930,598			7,930,598
3. Retained earnings	17,467,855	19,887,838			18,303,001
4. Treasury stock, at cost	(3,626)	(1,548,332)			(3,752)
Total shareholders' equity	31,249,827	32,125,104	875,276	2.8	32,084,847
II. Valuation and translation adjustments:					
Net unrealized holding gain on securities	3,774,674	2,583,494			3,308,633
Total valuation and translation adjustments	3,774,674	2,583,494	(1,191,179)	(31.6)	3,308,633
Total net assets	35,024,502	34,708,599	(315,902)	(0.9)	35,393,480
Total liabilities and net assets	45,927,708	45,232,189	(695,518)	(1.5)	46,293,697

(2) (Reference) Consolidated Statements of Income (Summary)

Terms ended July 31

(Thousands of yen)

	3Q FY2007	3Q FY2008	Change from the previous year		(Reference) FY2007
	Amount	Amount	Amount	%	Amount
I. Net sales	15,721,953	18,351,159	2,629,205	16.7	21,655,151
II. Cost of sales	10,154,603	12,732,392	2,577,789	25.4	14,130,387
Gross profit	5,567,349	5,618,766	51,416	0.9	7,524,764
III. Selling, general and administrative expenses	2,447,851	2,792,273	344,421	14.1	3,397,967
Operating income	3,119,497	2,826,493	(293,004)	(9.4)	4,126,796
IV. Non-operating income:	882,128	1,129,645	247,516	28.1	1,043,472
V. Non-operating expenses:	38,660	38,604	(55)	(0.1)	48,308
Ordinary profit	3,962,965	3,917,533	(45,431)	(1.1)	5,121,960
VI. Extraordinary gain:	-	2,136	2,136	-	-
VII. Extraordinary losses:	24,331	3,852	(20,479)	(84.2)	31,482
Income before income taxes	3,938,634	3,915,817	(22,816)	(0.6)	5,090,478
Income taxes	1,523,723	1,694,766	171,042	11.2	1,840,421
Net income	2,414,910	2,221,051	(193,859)	(8.0)	3,250,056