



Presentation of Financial Results

Fiscal Year Ended October 31, 2007

December 20, 2007 (Thursday)

OHARA INC. (Code: 5218)

- ◆ This presentation was prepared for informational purposes, and is not an solicitation to take any action on the basis of the information presented. The presentation (including forecasts and plans) was created by the Company based on information as reliable as possible at the time of preparation, but such information also contains risks and uncertainties, and the Company bears no responsibility for its accuracy or completeness.
- ◆ Individual judgment should be exercised in the use of this presentation. The Company bears no responsibility for any loss incurred for investment decisions that rely entirely on the forecasts, targets and other information given in this presentation.
- ◆ OHARA INC. retains the copyright to this presentation. Copying or distribution without the permission of the Company for whatever reason is prohibited.

◆ Overview of FY2007 **P03 - 09**

◆ Outlook for FY2008 **P10 - 14**



Overview of FY2007

Summary of Results



(Million yen, %)

	FY2006		FY2007		Change	
	Results	% of sales	Results	% of sales	Amount	%
Net sales	27,761		28,248		486	1.8%
Gross profit	12,118	43.7%	12,074	42.7%	(43)	(0.4%)
Operating income	7,552	27.2%	7,074	25.0%	(478)	(6.3%)
Ordinary profit	7,821	28.2%	7,403	26.2%	(418)	(5.3%)
Net income	5,146	18.5%	4,790	17.0%	(356)	(6.9%)
Yen/1USD	116.58		118.76			
Yen/1EUR	143.99		159.50			

Main Points of Financial Results

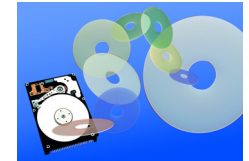
- ◆ For pressed optical glass, a favorable digital camera market but impact of lower prices and higher selling, general and administrative expenses on profit



- ◆ For block optical glass, brisk performance of High Homogeneity Glass for i-line steppers and simple exposure apparatus



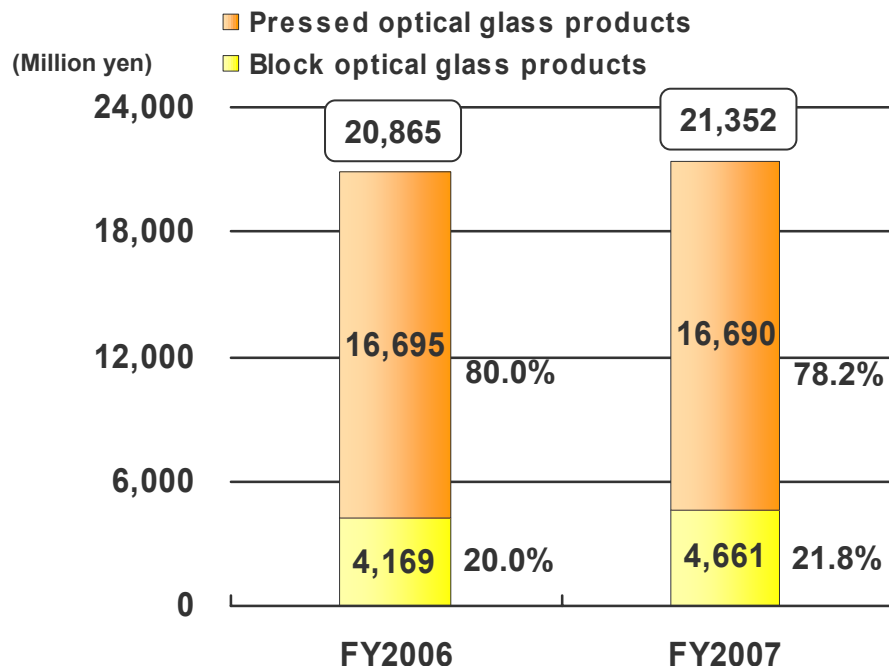
- ◆ Recovery in performance of Glass-Ceramics Disks for HDD in second half, despite a temporary inventory adjustment during first half



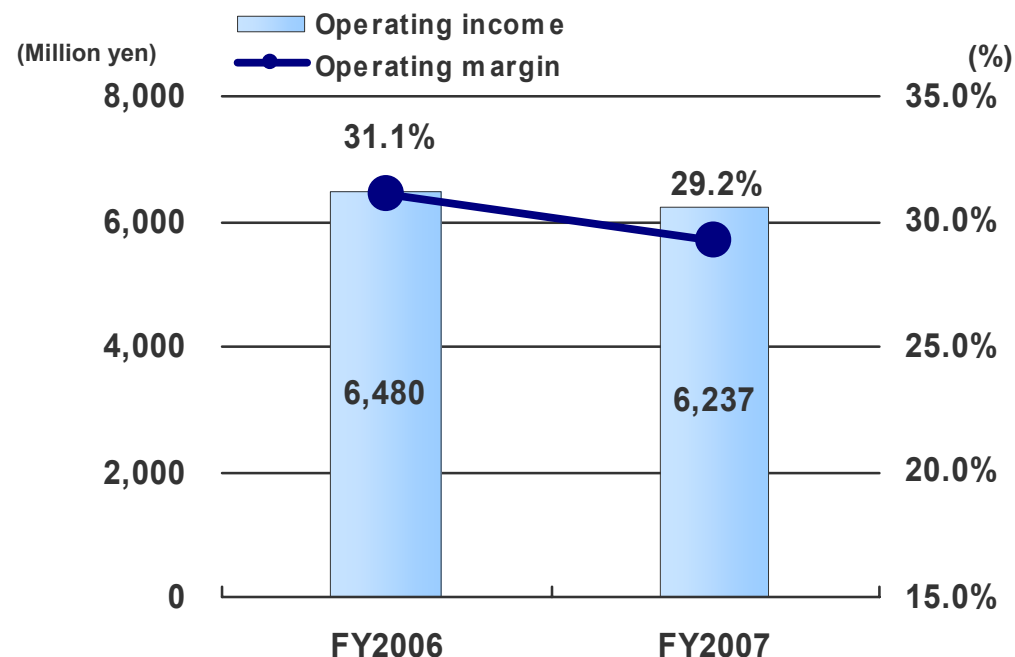
- ◆ For other special glass and Glass-Ceramics, continued challenges with decline in demand for Ultra Low Expansion Glass-Ceramics for LCD exposure systems



Net sales



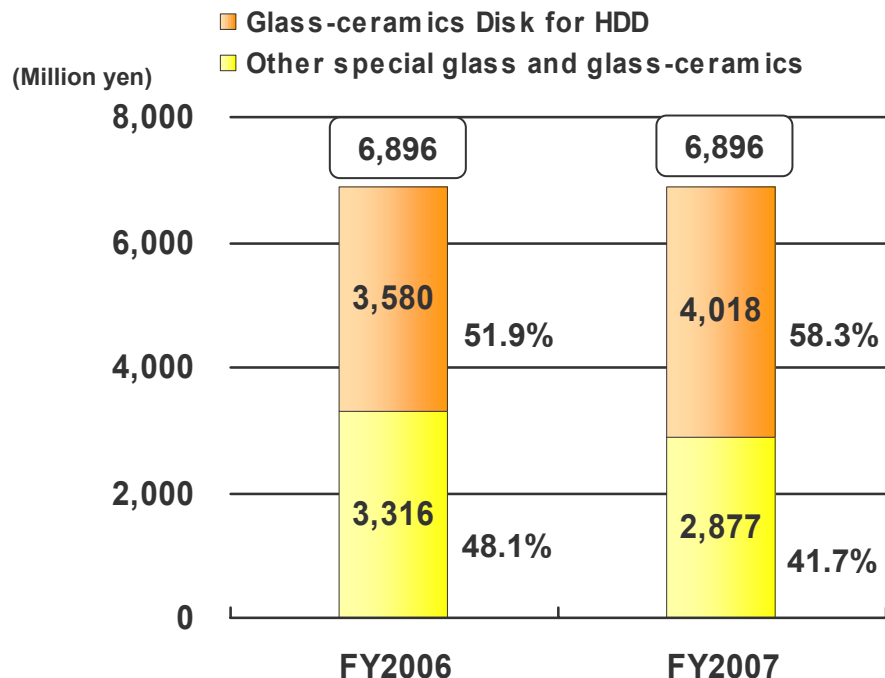
Operating income



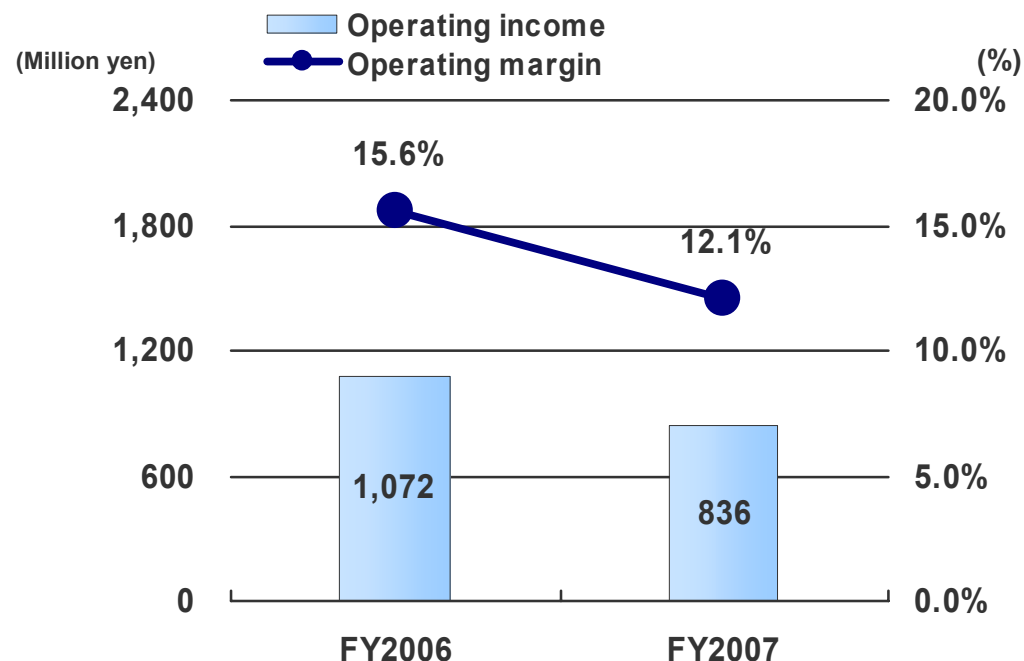
	FY2006		FY2007		Change	
	Results	% of sales	Results	% of sales	Amount	%
Net sales	20,865		21,352		486	2.3%
Operating income	6,480	31.1%	6,237	29.2%	(242)	(3.7%)

(Million yen, %)

Net sales



Operating income



	FY2006		FY2007		Change	
	Results	% of sales	Results	% of sales	Amount	%
Net sales	6,896		6,896		0	(0.0%)
Operating income	1,072	15.6%	836	12.1%	(236)	(22.0%)

Financial Position



(Million yen)

	FY2006	FY2007	Change
Cash on hand and in banks	11,354	10,520	(833)
Notes and accounts receivable, trade	9,248	8,935	(313)
Inventories	5,054	5,125	71
Other current assets	2,345	2,224	(121)
Tangible fixed assets	17,119	20,343	3,224
Intangible assets	59	50	(8)
Investments and other assets	10,560	9,122	(1,437)
Total assets	55,742	56,323	580
Current liabilities	9,873	7,936	(1,936)
Long-term liabilities	5,560	4,194	(1,366)
Total liabilities	15,434	12,131	(3,303)
Total net assets	40,308	44,192	3,884
Total liabilities and net assets	55,742	56,323	580

Statement of Cash Flows



(Million yen)

	FY2006	FY2007	Change
Cash flow from operating activities	7,316	4,834	(2,482)
Cash flow from investing activities	(3,594)	(5,825)	(2,230)
Free cash flow	3,721	(991)	(4,713)
Cash flow from financial activities	(3,760)	(2,087)	1,673
Balance of cash and equivalents at end of term	12,272	9,160	(3,111)



Outlook for FY2008

Summary of Results Forecast



(Million yen, %)

	FY2007		FY2008		Change	
	Results	% of sales	Estimate	% of sales		
Net sales	28,248		29,600		1,352	4.8%
Gross profit	12,074	42.7%	12,900	43.6%	825	6.8%
Operating income	7,074	25.0%	7,200	24.3%	126	1.8%
Ordinary profit	7,403	26.2%	7,400	25.0%	(3)	(0.0%)
Net income	4,790	17.0%	4,700	15.8%	(90)	(1.9%)
Yen/1USD	118.76		115.00			
Yen/1EUR	159.50		157.00			

Main Points of Results Forecast

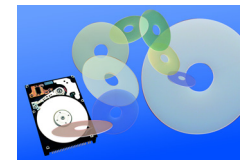
- ◆ Robust digital camera market and increased sales of pressed optical glass
- ◆ Timely introduction of new products based on strengthened development



- ◆ For block optical glass, a slowdown in hitherto brisk performance of High Homogeneity Glass for semiconductor exposure apparatus



- ◆ Significant growth for Glass-Ceramics Disk for HDD with the expansion of HDD market
- ◆ Improvement in profit thanks to manufacturing economies of scale



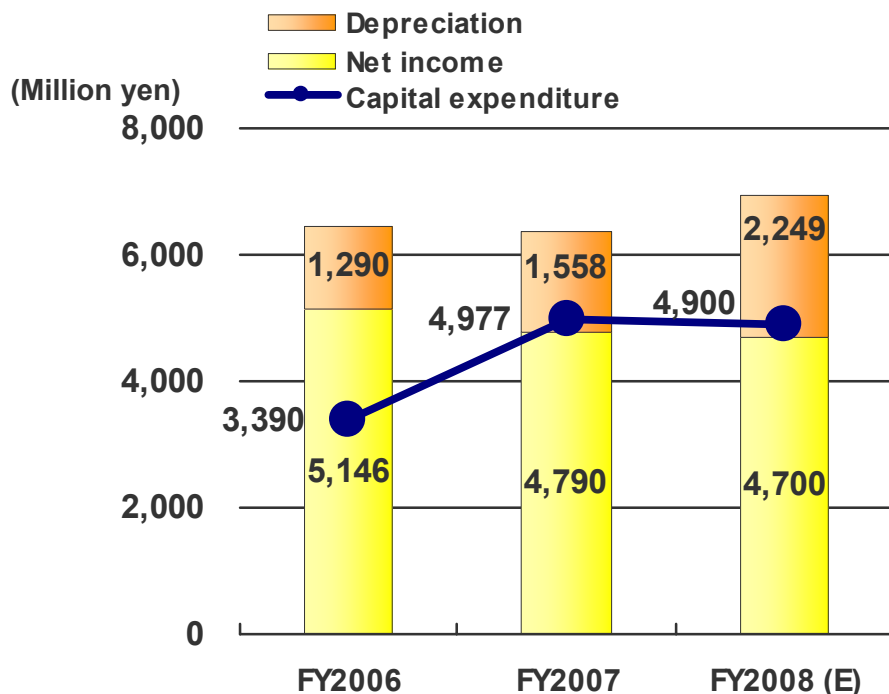
- ◆ For other special glass and Glass-Ceramics, strengthened development of new demand for Ultra Low Expansion Glass-Ceramics



Forecasts of Capital Expenditure, Depreciation and Research and Development Expenses



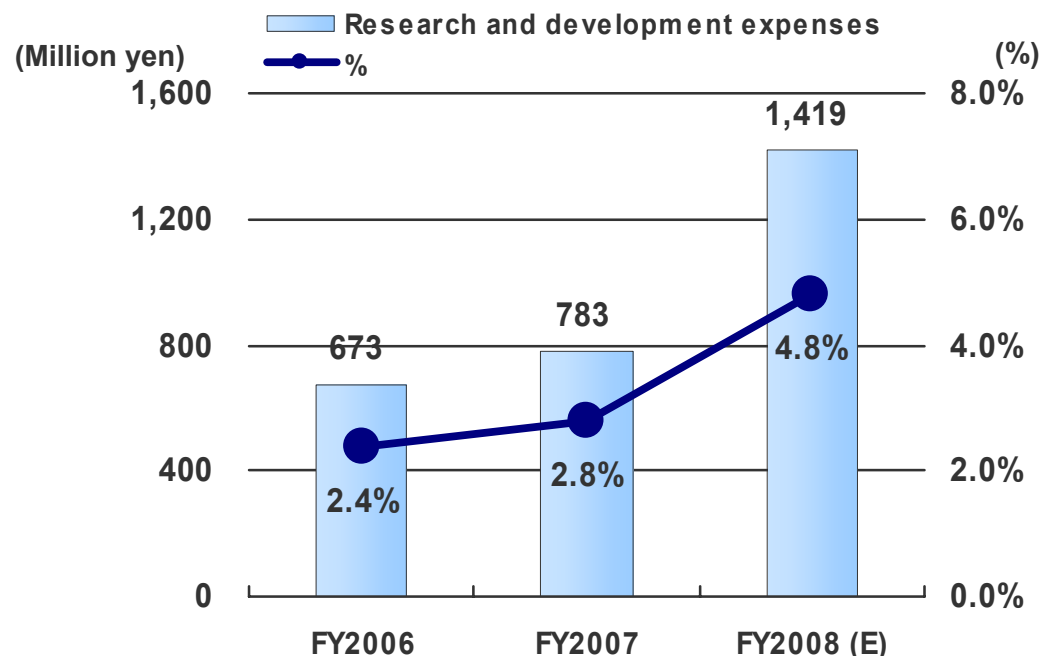
Capital expenditure, depreciation



(Million yen)

	FY2006	FY2007	FY2008 (Estimate)
Depreciation	1,290	1,558	2,249
Net Income	5,146	4,790	4,700
CAPEX	3,390	4,977	4,900

Research and development expenses



(Million yen, %)

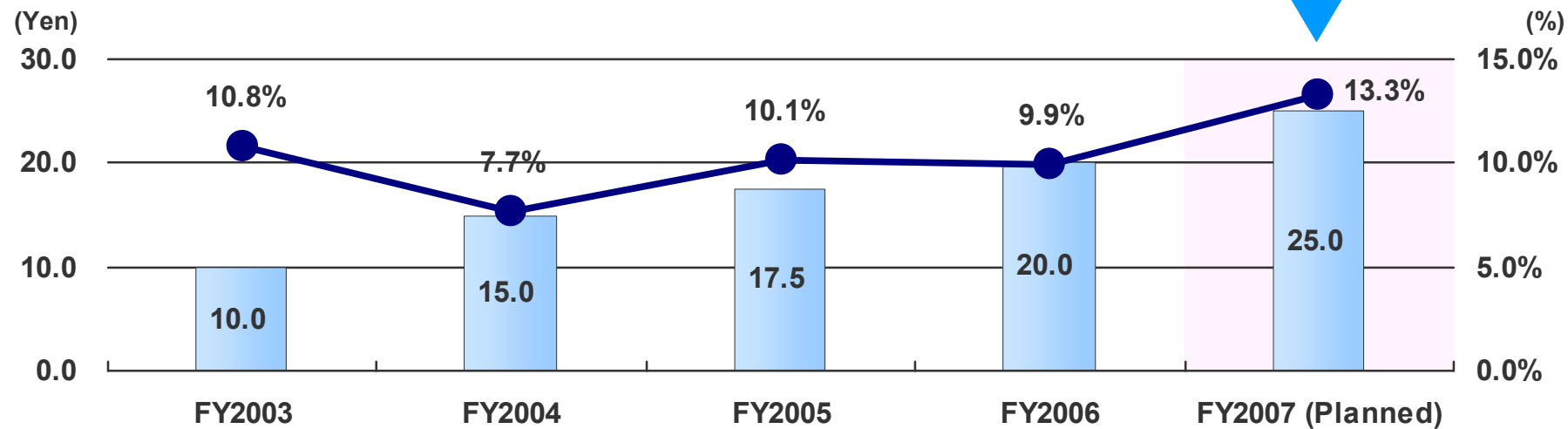
	FY2006	FY2007	FY2008 (Estimate)
Net sales	27,761	28,248	29,600
Research and development expenses	673	783	1,419
%	2.4%	2.8%	4.8%

Increase in dividends

Increase dividend per share at the end of FY2007 to 25 yen (up 25%)

* On May 1, 2007, a two-for-one stock split was implemented. (Retroactive adjustment was made to dividends before the stock split.)

Dividends paid and payout ratio



OHARA[®]