



Presentation of Financial Results

First Half of Fiscal Year Ending October 31, 2007

June 21, 2007 (Thursday)

OHARA INC. (Code: 5218)

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Medium-Term Business Plan** **P15 – 17**



Overview of FY2007 1H

Summary of Results



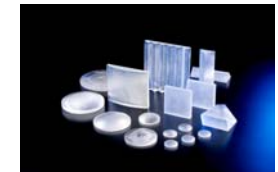
(Million yen, %)

	FY2006 1H		FY2007 1H		Change	
	Result	% of sales	Result	% of sales	Amount	%
Net Sales	12,946		13,331		385	3.0%
Gross Profit	5,356	41.4%	5,707	42.8%	350	6.5%
Operating Profit	3,289	25.4%	3,316	24.9%	27	0.8%
Ordinary Profit	3,396	26.2%	3,771	28.3%	374	11.0%
Net Income	2,159	16.7%	2,322	17.4%	162	7.5%
Yen/1USD	117.53		118.71			
Yen/1EUR	140.99		155.99			

Main Points of Financial Results



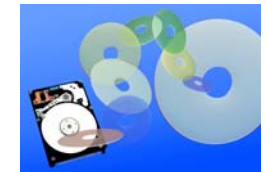
- ◆ For pressed optical glass, an upturn in the digital devices and related markets but poor performance as a result of increasing sales competition



- ◆ For block optical glass, brisk performance of High Homogeneity Glass for i-line steppers in Europe and Japan



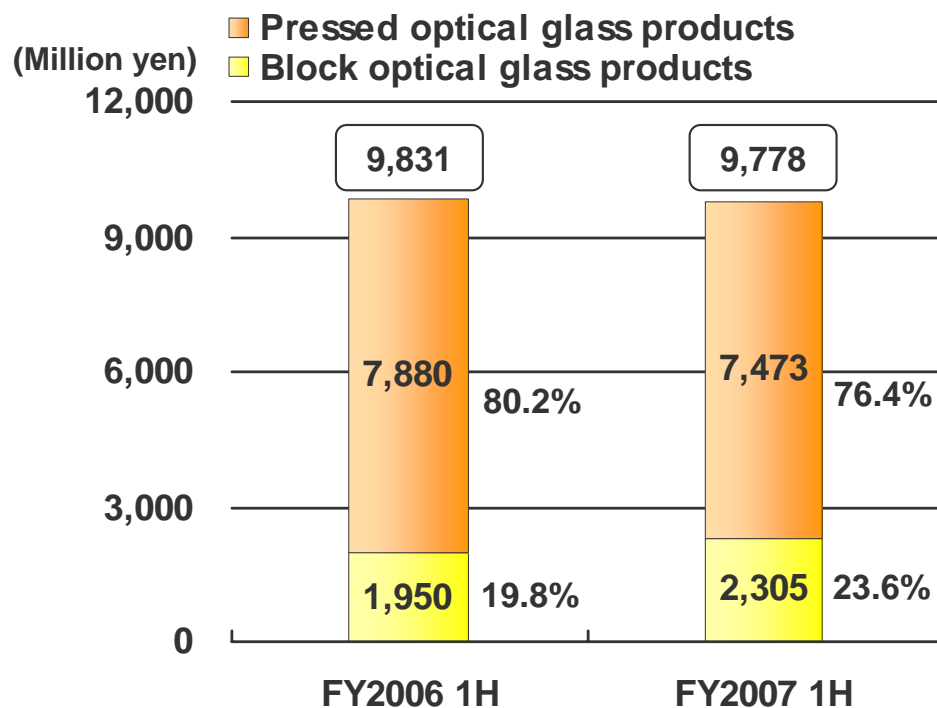
- ◆ Relatively strong performance of Glass-ceramics Disk for HDD despite slowdown in demand



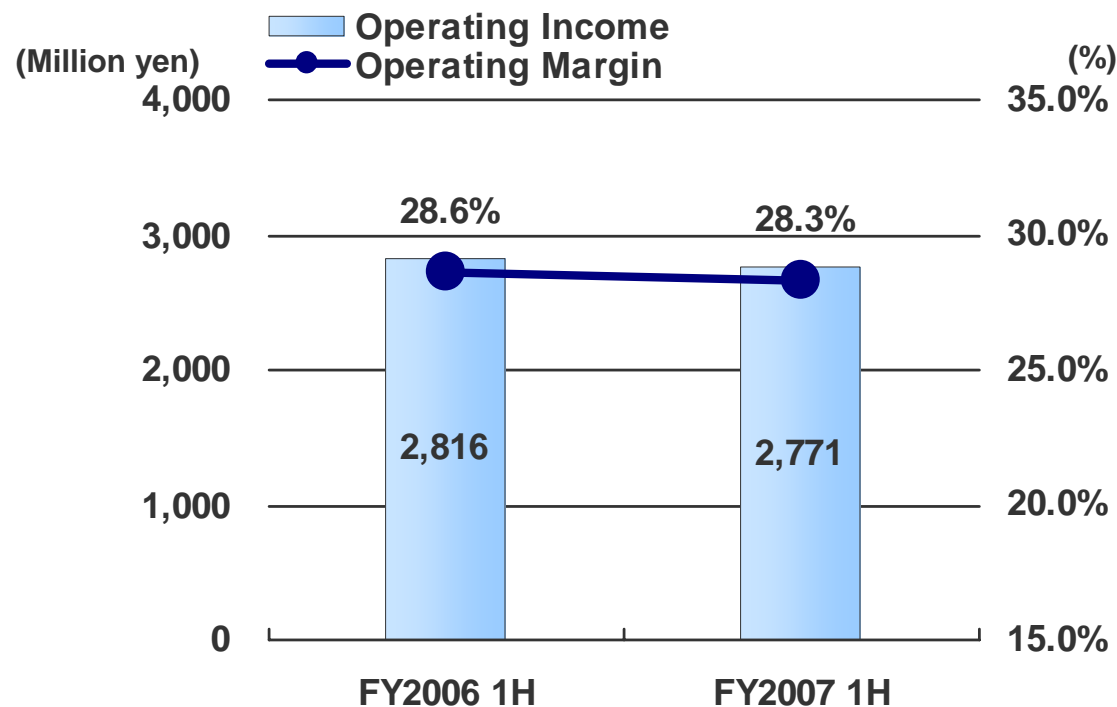
- ◆ Growth in other special glass and Glass-ceramics through newly cultivated demand



Net Sales



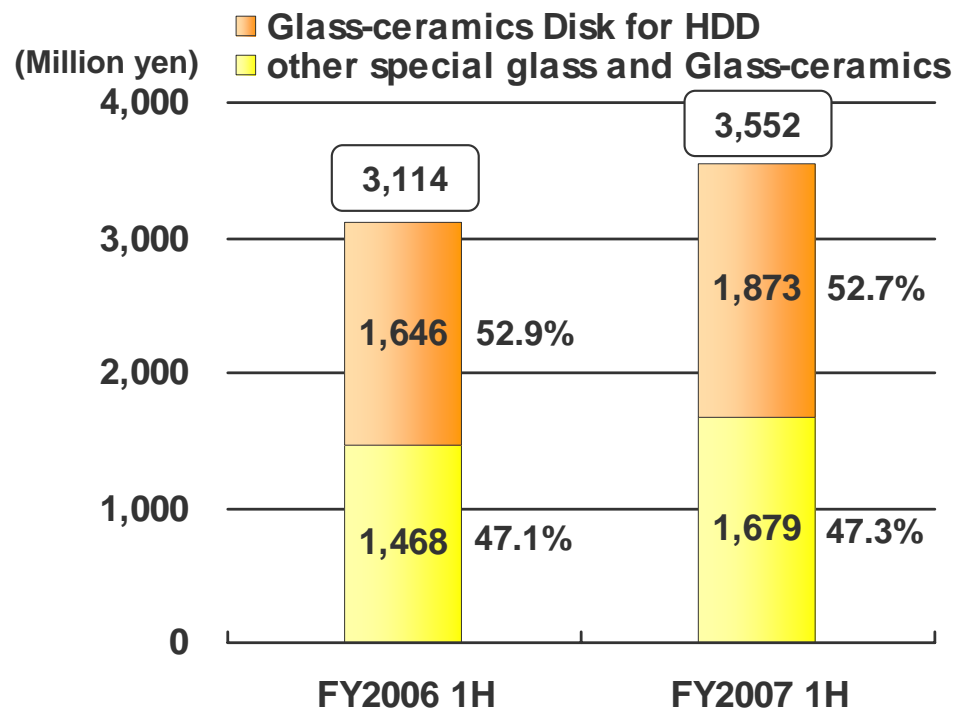
Operating Profit



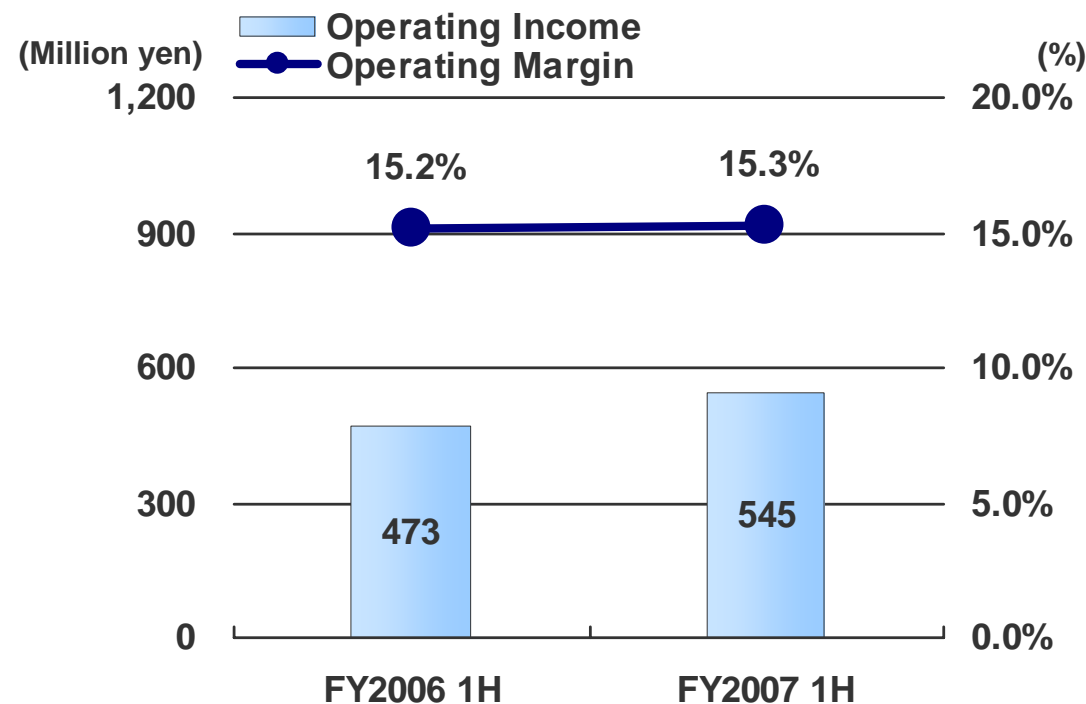
	FY2006 1H		FY2007 1H		Change	
	Results	% of sales	Results	% of sales	Amount	%
Net Sales	9,831		9,778		(53)	(0.5%)
Operating Profit	2,816	28.6%	2,771	28.3%	(45)	(1.6%)

(Million yen, %)

Net Sales



Operating Profit



	FY2006 1H		FY2007 1H		Change	
	Results	% of sales	Results	% of sales	Amount	%
Net Sales	3,114		3,552		438	14.1%
Operating Profit	473	15.2%	545	15.3%	72	15.2%

Financial Position



(Million yen)

	FY2006 1H	FY2006	FY2007 1H	Change (from end of previous fiscal period)
Cash on hand and in banks	12,244	11,354	9,788	(1,565)
Notes and accounts receivable, trade	7,832	9,248	7,723	(1,525)
Inventories	4,928	5,054	5,315	260
Other current assets	1,961	2,345	1,200	(1,145)
Tangible fixed assets	15,301	17,119	20,345	3,226
Intangible assets	61	59	57	(2)
Investment and other assets	10,303	10,560	11,667	1,106
Total assets	52,633	55,742	56,097	354
Current liabilities	9,266	9,873	8,554	(1,318)
Long-term liabilities	6,310	5,560	5,122	(438)
Total liabilities	15,577	15,434	13,677	(1,756)
Total net assets	36,648	40,308	42,419	2,111
Total liabilities and net assets	52,633	55,742	56,097	354

Statement of Cash Flows



(Million yen)

	FY2006 1H	FY2006	FY2007 1H	Change (year-on-year)
Cash flow from operating activities	4,047	7,316	2,276	(1,770)
Cash flow from investing activities	(2,241)	(3,594)	(3,775)	(1,533)
Free cash flow	1,806	3,721	(1,498)	(3,304)
Cash flow from financing activities	(1,981)	(3,760)	(1,377)	604
Balance of cash and equivalents at end of term	12,058	12,272	9,392	(2,666)



Outlook for FY2007

Summary of Results Forecast



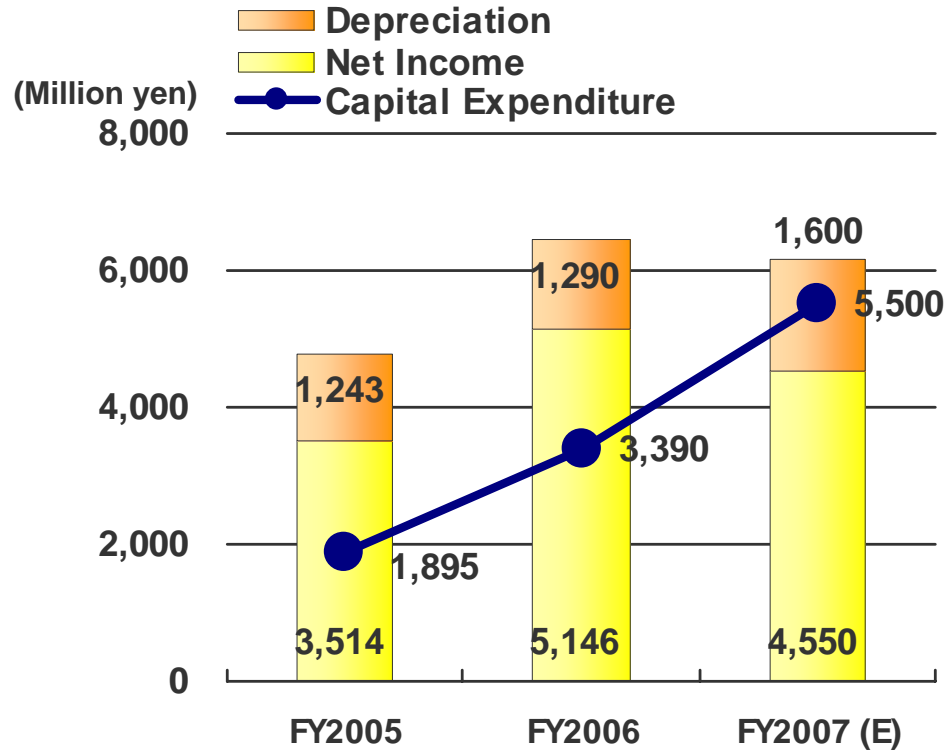
(Million yen, %)

	FY2006		FY2007		Change	
	Results	% of sales	Estimate	% of sales	Amount	%
Net Sales	27,761		28,000		239	0.9%
Gross Profit	12,118	43.7%	12,354	44.1%	232	1.9%
Operating Profit	7,552	27.2%	7,280	26.0%	(272)	(3.6%)
Ordinary Profit	7,821	28.2%	7,380	26.4%	(441)	(5.6%)
Net Income	5,146	18.5%	4,550	16.3%	(596)	(11.6%)
Yen/1USD	116.58		115.00			
Yen/1EUR	143.99		146.00			

Forecasts of Capital Expenditure, Depreciation and Research and Development Expenses



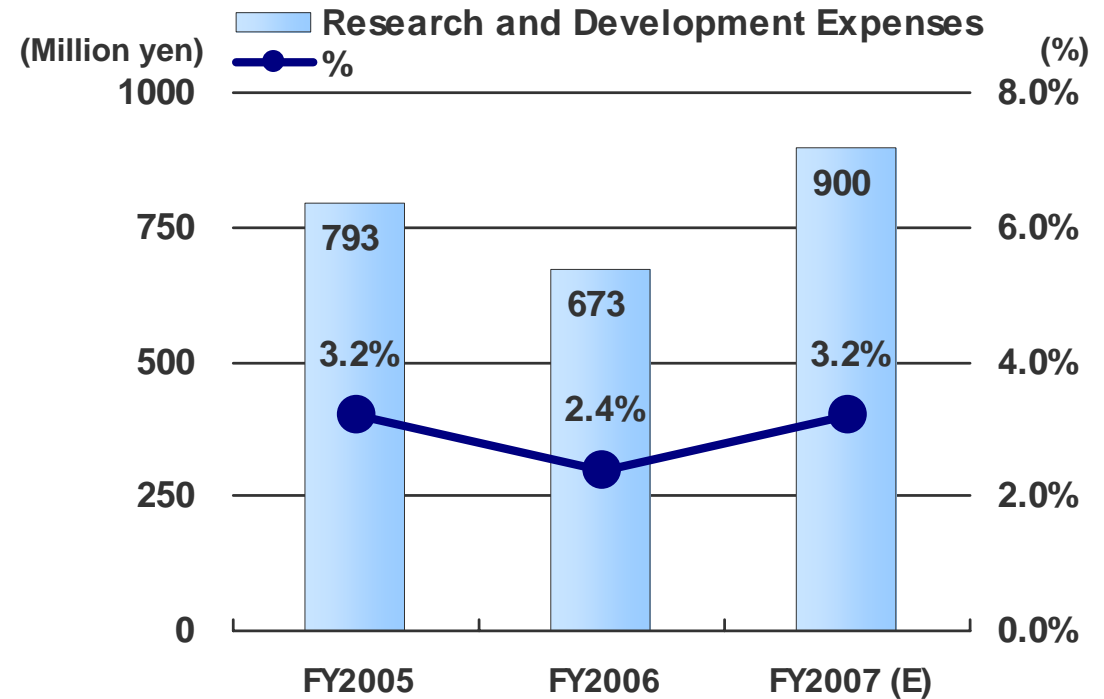
Capital Expenditure, Depreciation



(Million yen)

	FY2005	FY2006	FY2007 (Estimate)
Depreciation	1,243	1,290	1,600
Net Income	3,514	5,146	4,550
CAPEX	1,895	3,390	5,500

Research and Development Expenses

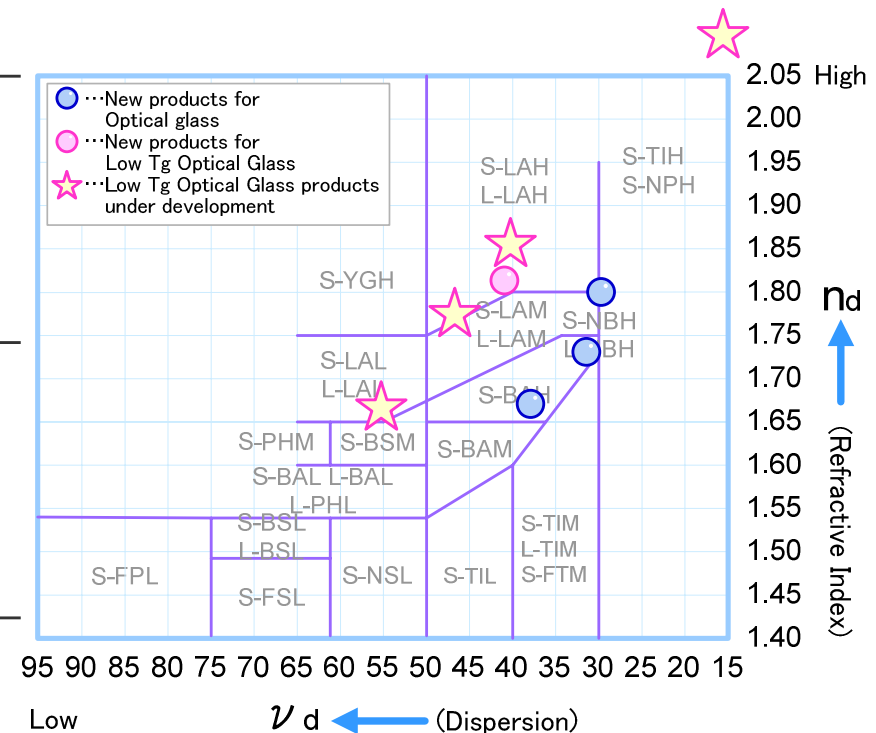


(Million yen, %)

	FY2005	FY2006	FY2007 (Estimate)
Net Sales	24,716	27,761	28,000
Research and Development Expenses	793	673	900
%	3.2%	2.4%	3.2%

Accelerated development of new Low Tg Glass products

- ◆ Two types of optical glass added to the series in the first half of this fiscal year (one type of Low Tg Glass, and one type of optical glass)
- ◆ Two types of optical glass added to the series since the beginning of the second half of this fiscal year (both in optical glass)
- ◆ Four types of optical glass planned to be added to the series by the end of the fiscal year (all in Low Tg Glass)



Implementing a stock split

◆ Purpose

By reducing the amount of investment per investment unit

- improve stock liquidity
 - expand the layers of investors
-

◆ Effective Date

Monday, April 30, 2007

◆ Ratio

Two-for-one stock split



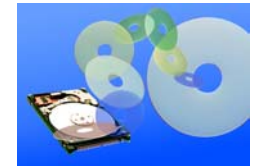
Progress in Achieving the Medium-Term Business Plan

Main Visions

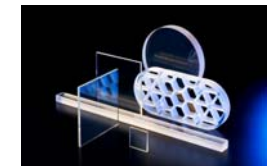
- ◆ Expanding sales by focusing our efforts on developing Low Tg Glass and with the timely introduction of attractive products into the market.



- ◆ Strengthening Glass-ceramics Disk for HDD operations and expanding production capacity at our Malaysian subsidiary to respond to the expanding HD market.



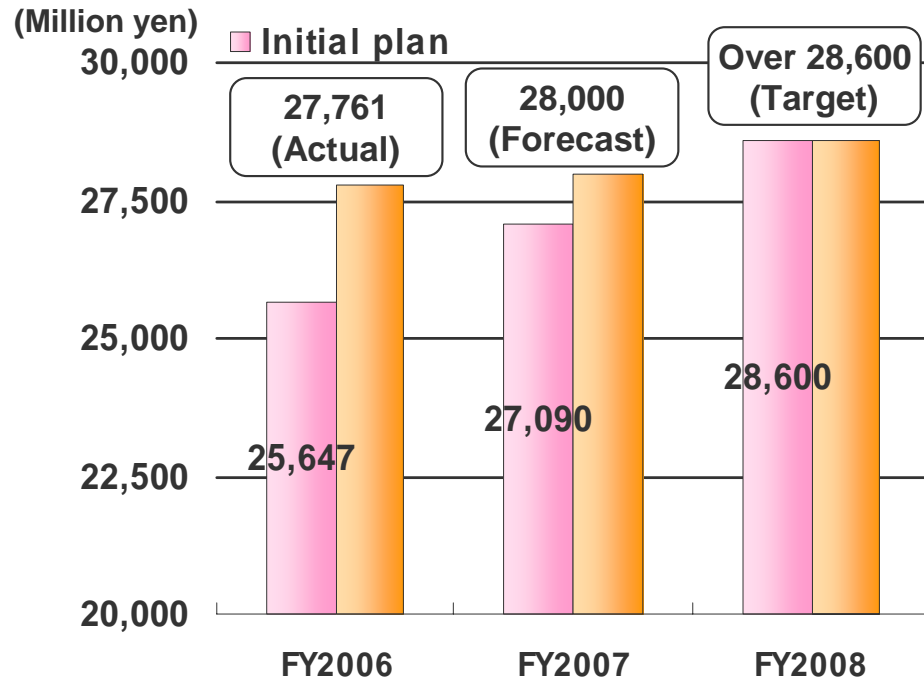
- ◆ Building stable production technology and a system for Ultra Low Expansion Glass-ceramics, aiming to contribute to sales.



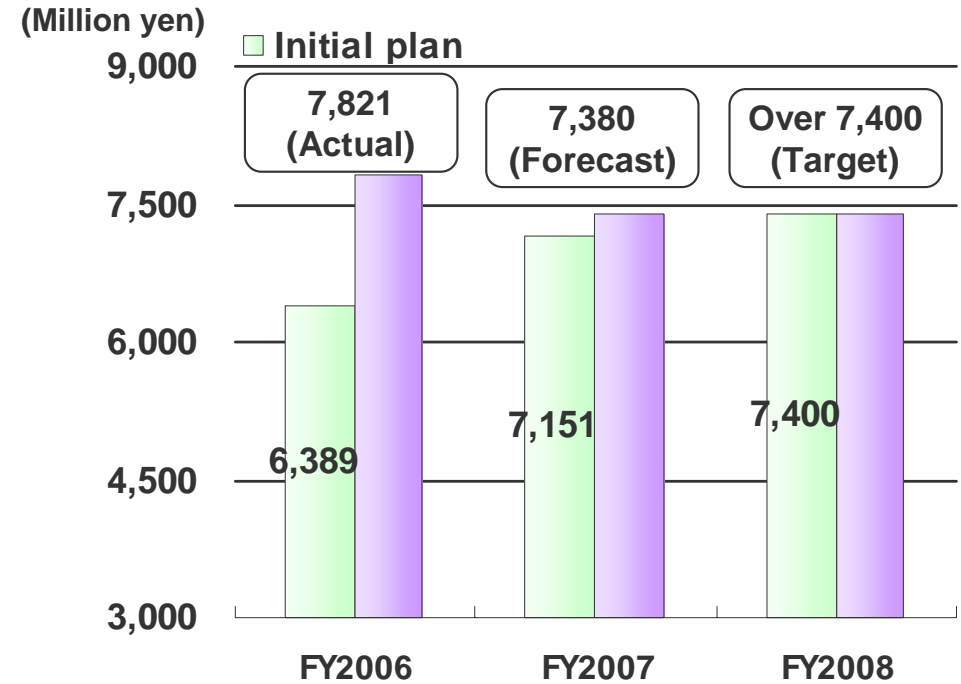
Progress in Achieving the Medium-Term Business Plan (2)



Net Sales



Ordinary Profit



(Million yen)

FY2006 (Actual)	FY2007 (Forecast)	FY2008 (Target)
27,761	28,000	Over 28,600

(Million yen)

FY2006 (Actual)	FY2007 (Forecast)	FY2008 (Target)
7,821	7,380	Over 7,400

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