



Presentation of Financial Results Fiscal Year Ended October 31, 2009

December 17, 2009 (Thursday)
OHARA INC. (Code: 5218)

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◆ **Overview of FY2009** **P03 - 09**

◆ **Outlook for FY2010** **P10 - 15**



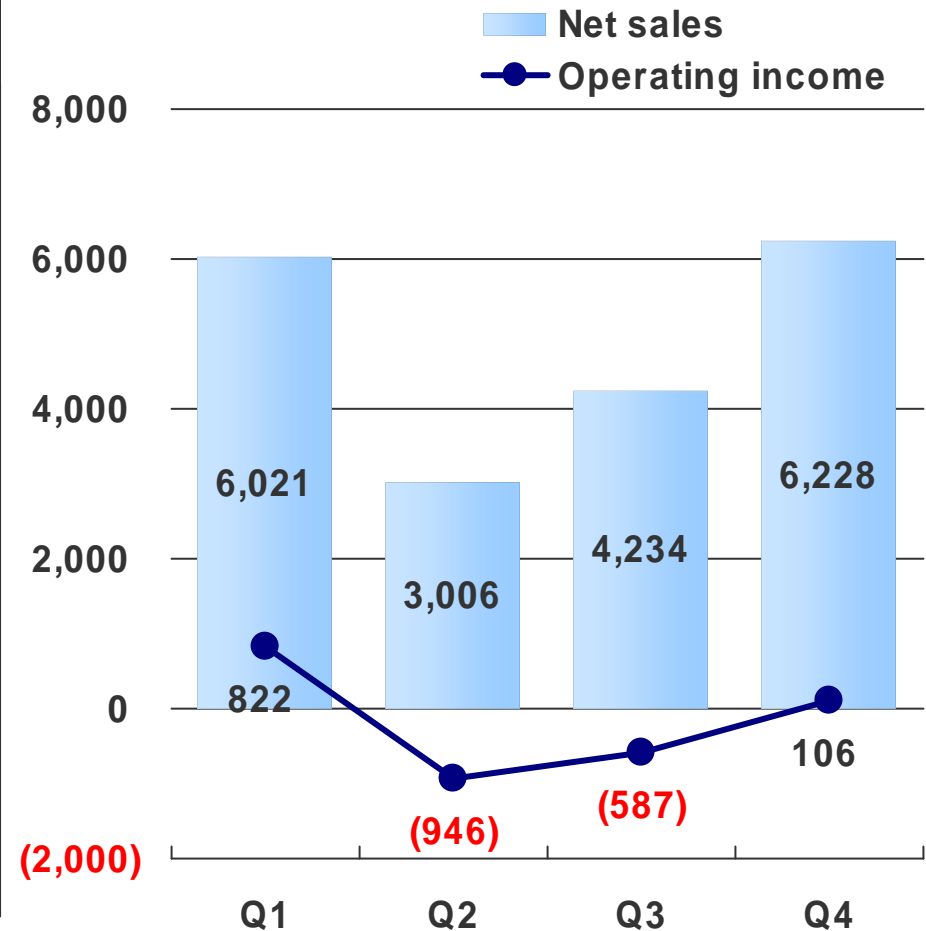
Overview of FY2009

Summary of Results

(Million yen, %)

	FY2008	FY2009	Change (year on year)
Net Sales	30,574	19,490	(36.3%)
Gross Profit	11,816	4,519	(61.8%)
[Gross margin]	38.6%	23.2%	
Operating Income	6,372	(605)	-
[Operating margin ratio]	20.8%	-	
Ordinary Profit	6,458	(736)	-
[Ordinary profit ratio]	21.1%	-	
Net Income	3,915	(1,848)	-
[Net income ratio]	12.8%	-	
Exchange rate Yen / USD	106.40	94.38	
Yen / euro	159.15	128.70	

<Quarterly changes>



Main Points of Results







<External environment>

- ◆ **Sharp decline in the market due to a recession**
- ◆ **Recovery in digital cameras, especially low-end models, from spring**
- ◆ **Recovery in HDDs from spring, driven by netbooks**

<Results of the Company>

- ◆ **Recovery in demand for products for single-lens reflex cameras but a sharp decline in the optical business for the entire fiscal year**
- ◆ **Sharp recovery in hard disc substrates in the electronics business**
- ◆ **Weak demand for specialty glass in the electronics business because of a decline in demand for industrial equipment**

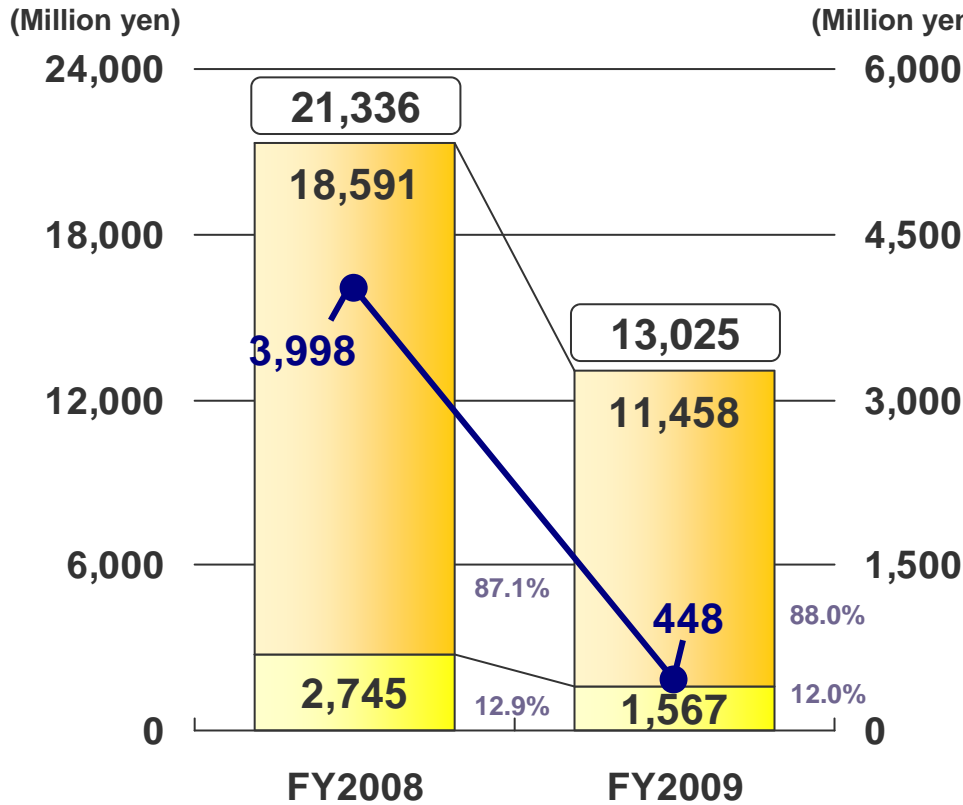
Factors of Changes in Earnings

(1) Gross Profit		-61.8% year on year
	Plunges in demand in all operations	
	Declines in selling prices in association with falls in the prices of end products	
	Improvements in production efficiency through efforts to cut costs	
(2) Operating Income		- year on year (Factors in addition to those above)
	Increase in SG&A ratio following a fall in sales (26.3% for fiscal year under review, up 3.1 percentage points year on year)	
(3) Ordinary Profit		- year on year (Factors in addition to those above)
	Foreign exchange loss because of a strong yen	
(4) Net Income		- year on year (Factors in addition to those above)
	An extraordinary loss posted in the quartz business	

<Full-year comparison>

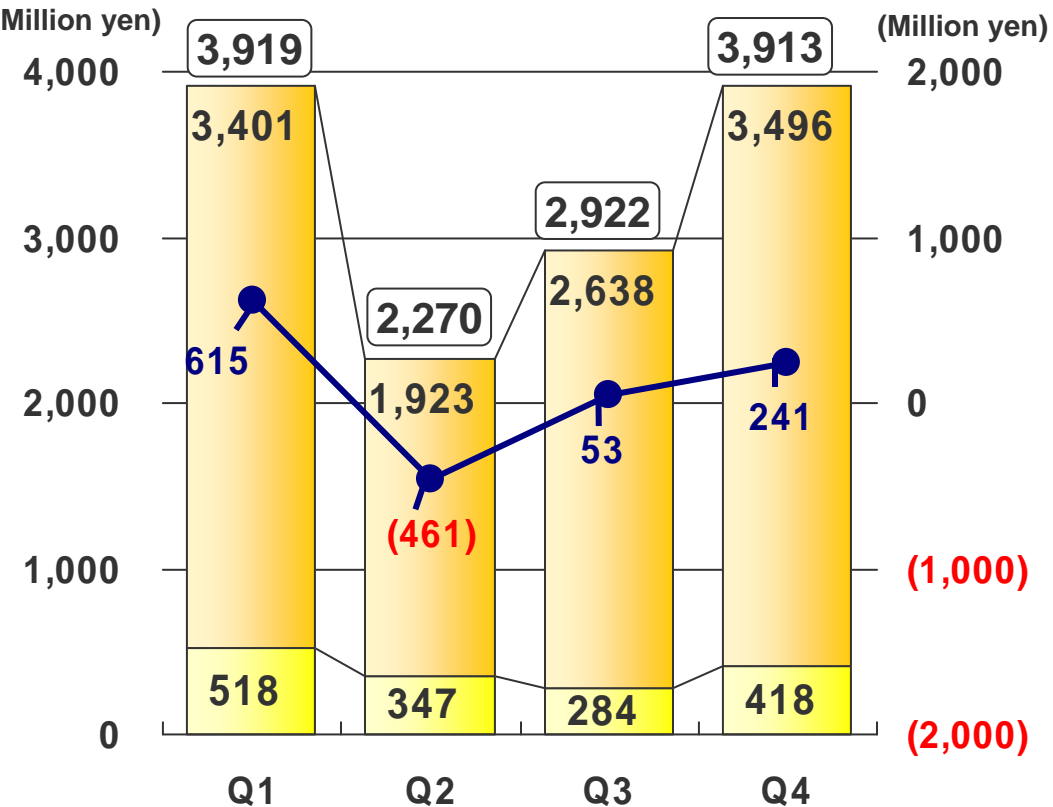
* Net sales and operating income for the previous fiscal year are calculated based on the new segments for the fiscal year under review.

- Net sales of pressed optical glass products (left axis)
- Net sales of block optical glass products (left axis)
- Operating income (right axis)



<Quarterly changes>

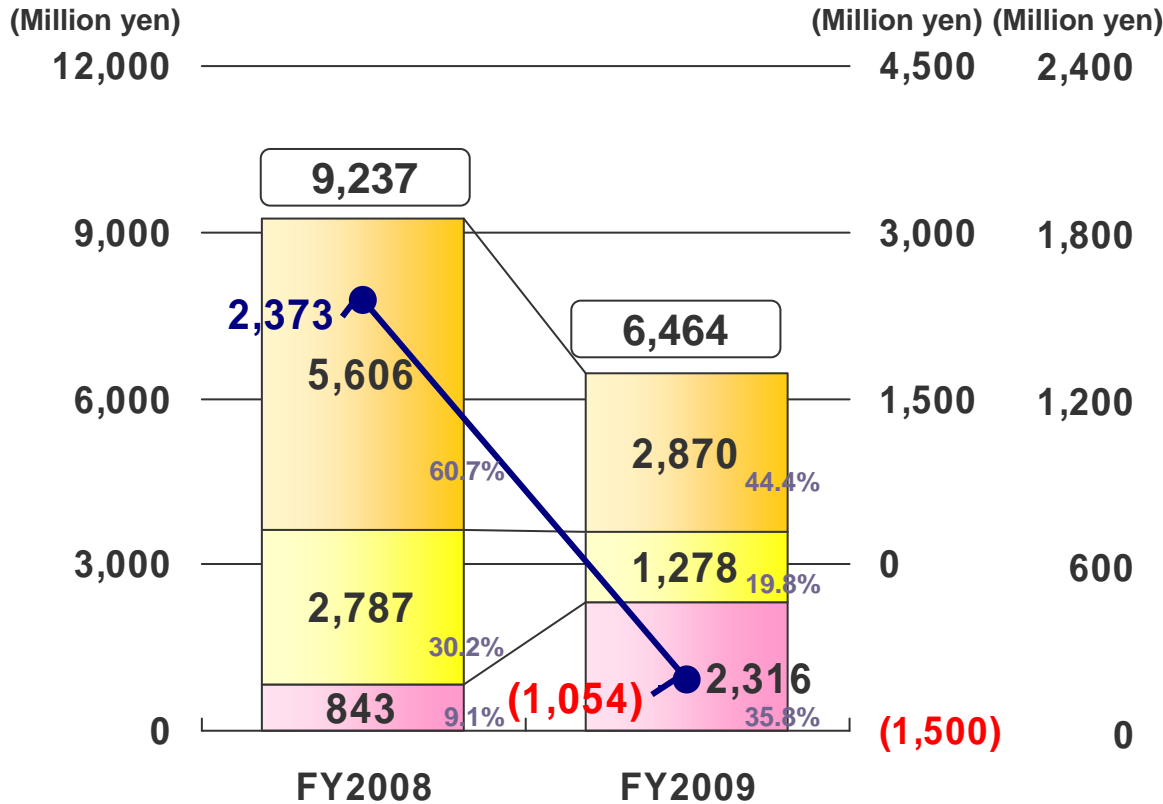
- Net sales of pressed optical glass products (left axis)
- Net sales of block optical glass products (left axis)
- Operating income (right axis)



<Full-year comparison>

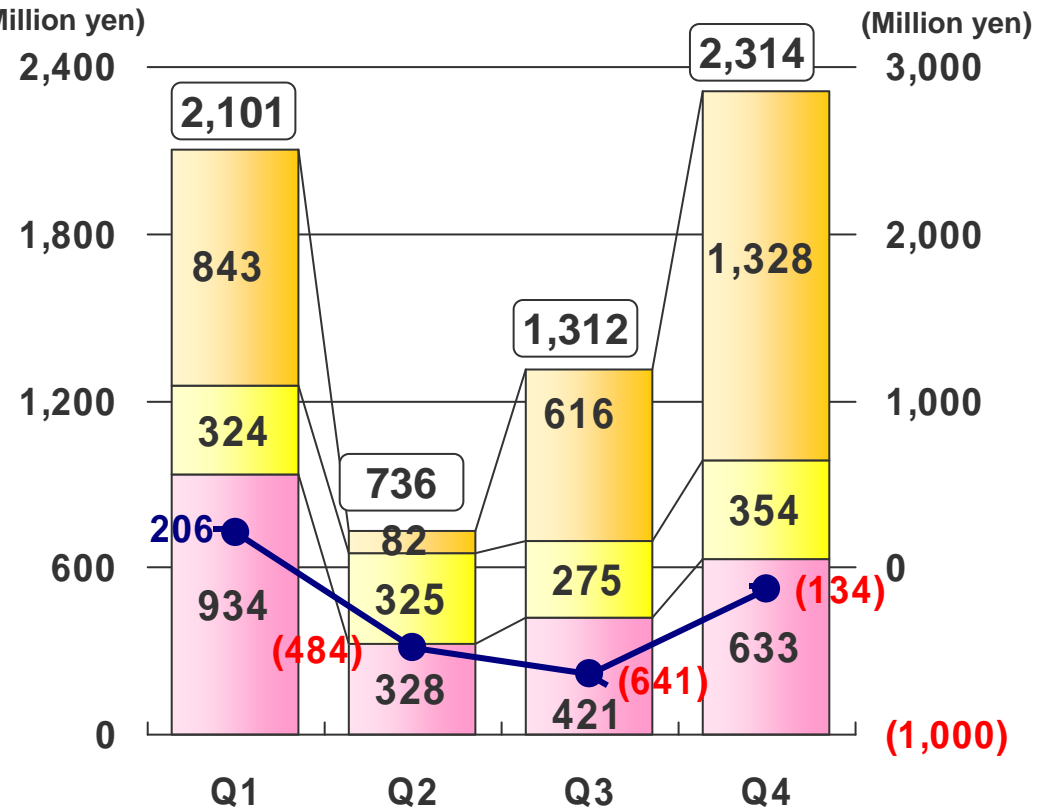
* Net sales and operating income for the previous fiscal year are calculated based on the new segments for the fiscal year under review.

- Glass-ceramics disk for HDD (left axis)
- Other special glass and glass-ceramics (left axis)
- Quartz (left axis)
- Operating income (right axis)

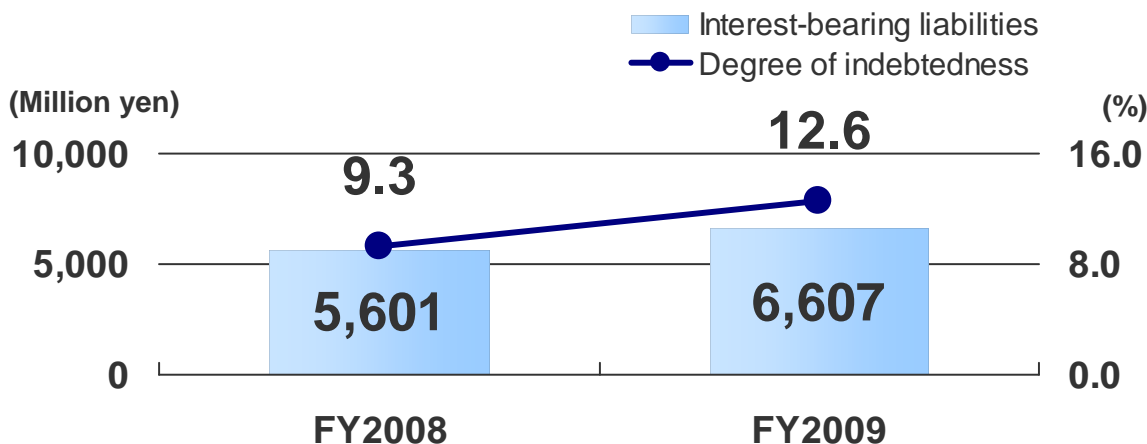
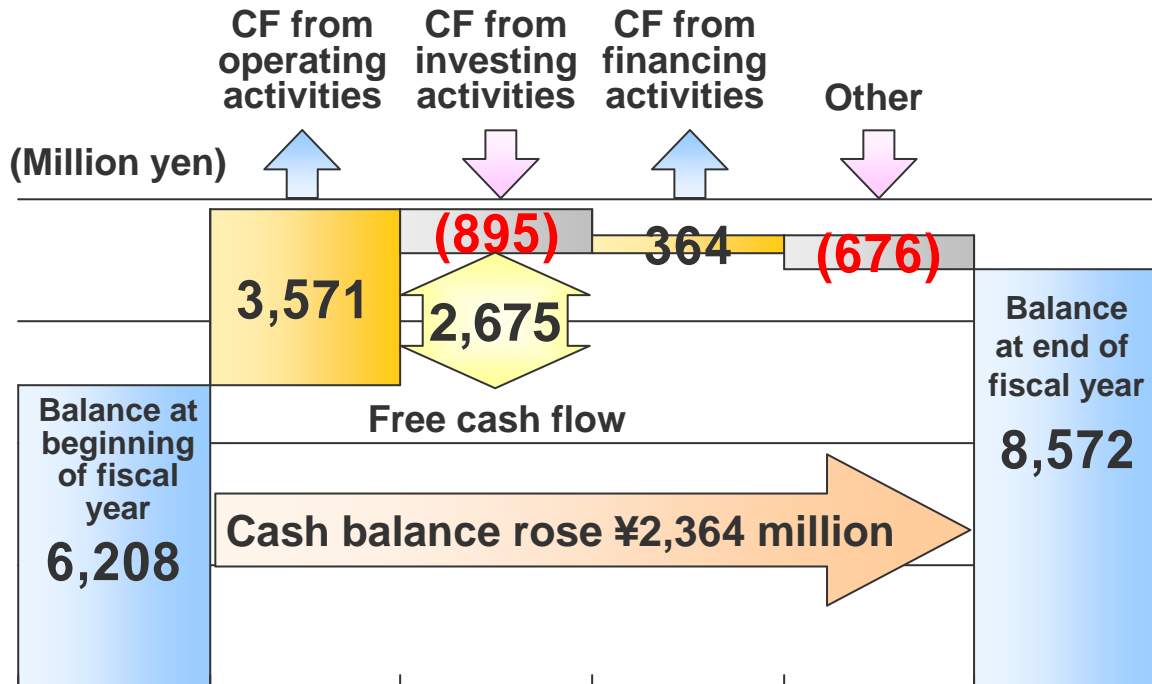


<Quarterly changes>

- Glass-ceramics disk for HDD (left axis)
- Other special glass and glass-ceramics (left axis)
- Quartz (left axis)
- Operating income (right axis)



Statement of Cash Flows



(Million yen)

Factors of change in operating CF

(Down 23.2% year on year)

Decrease in notes and accounts payable-trade	(1,830)
Income taxes paid	(974)
Increase in inventories	(802)
Decrease in notes and accounts receivable-trade	2,952
Depreciation and amortization	1,994

Factors for change in investing CF

(Down 79.0% year on year)

Proceeds from sale of securities	500
Purchase of property, plant and equipment	(1,753)

Factors for change in financial CF

(Outflow of ¥3,243 million in previous fiscal year)

Proceeds from long-term borrowings	466
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Outlook for FY2010

Summary of Results Forecast



(Million yen, %)

	FY2009 Results	FY2010 Estimates	Change
Net Sales	19,490	25,000	28.3%
Gross Profit	4,519	6,600	46.0%
[Gross margin]	23.2%	23.0%	
Operating Income	(605)	1,400	-
[Operating margin ratio]	-	5.6%	
Ordinary Profit	(736)	1,500	-
[Ordinary profit ratio]	-	6.0%	
Net Income	(1,848)	900	-
[Net income ratio]	-	3.6%	
Exchange rate			
Yen / USD	94.38	88.00	
Yen / euro	128.70	130.00	
Full-Year Dividend Forecast	15.00	15.00	
Yen			

<External environment>

- ◆ **The digital camera market will recover, but the selling prices of both single-lens reflex cameras and compact cameras will decline.**
- ◆ **The HD market will continue to grow, while prices will continue to fall.**
- ◆ **Demand for semiconductor production equipment will recover.**

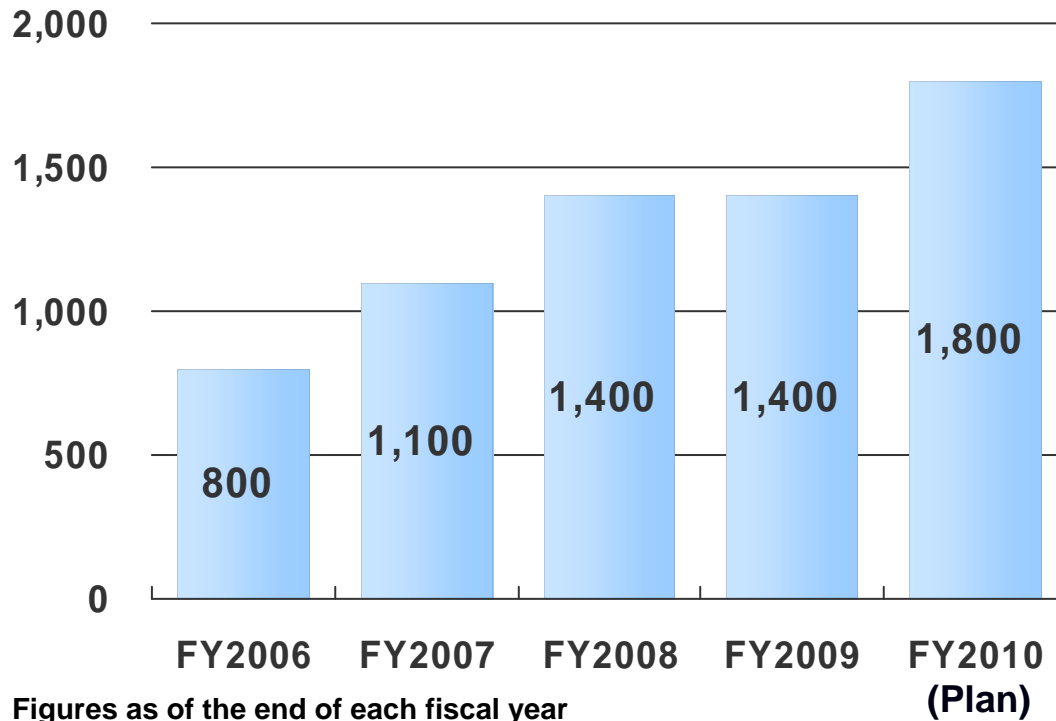
<Company initiatives>

- ◆ **Target the market for optical glass, which has been commoditized through the use of OEM.**
- ◆ **Respond to demand for hard disk substrates from customers by rapidly bolstering production capacity.**
- ◆ **There is a long-held inventory of products for the semiconductor market. A recovery will start only from next year.**
- ◆ **Focus on winning large-scale projects in ultra low expansion glass-ceramics.**

Bolstering the capacity to produce hard disk glass substrates by 30%

- ◆ Producing 18 million pieces a month in October 2010 (producing 14 million pieces now)

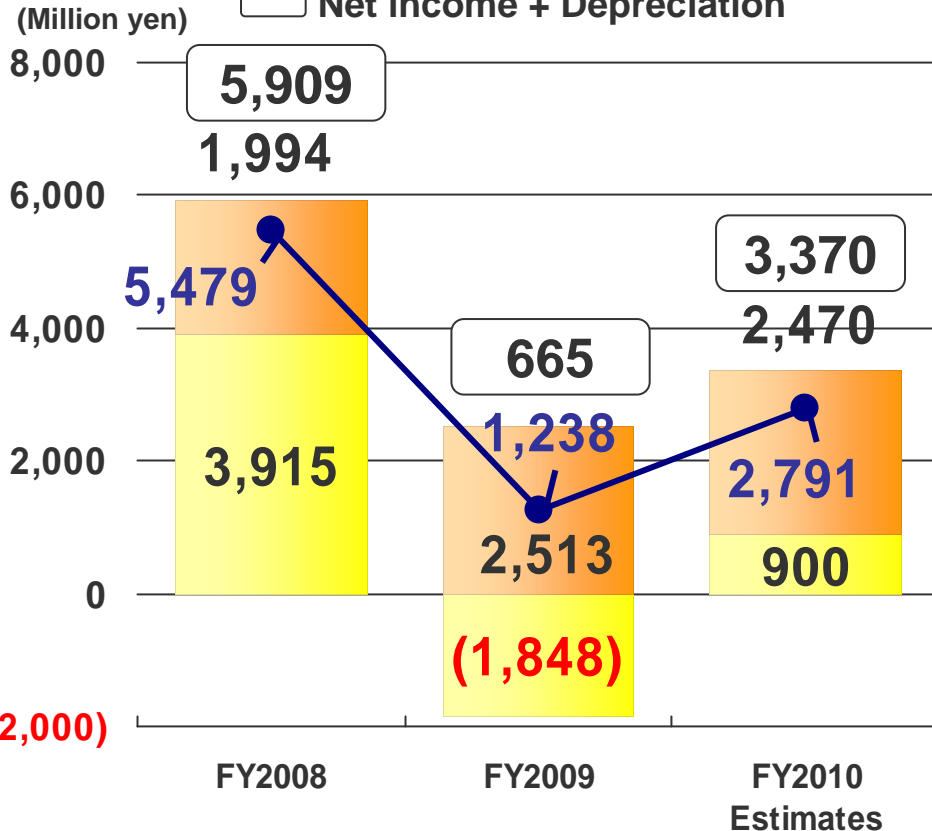
<Changes in monthly production capacity>



Production base in Malaysia: OHARA DISK (M) SDN. BHD.

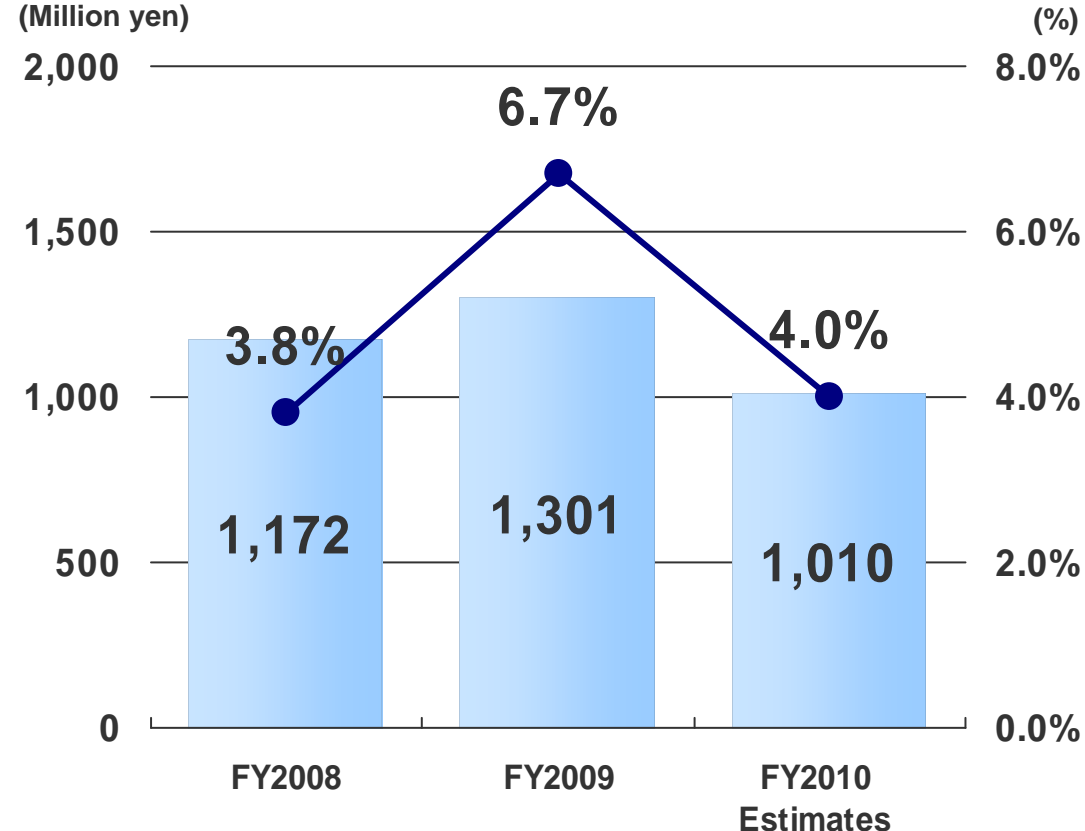
Capital expenditure, depreciation

- Depreciation
- Net income
- Capital expenditure
- Net income + Depreciation



Research and development expenses

- Research and development expenses
- % of sales



Progress Towards Medium-Term Management Plan

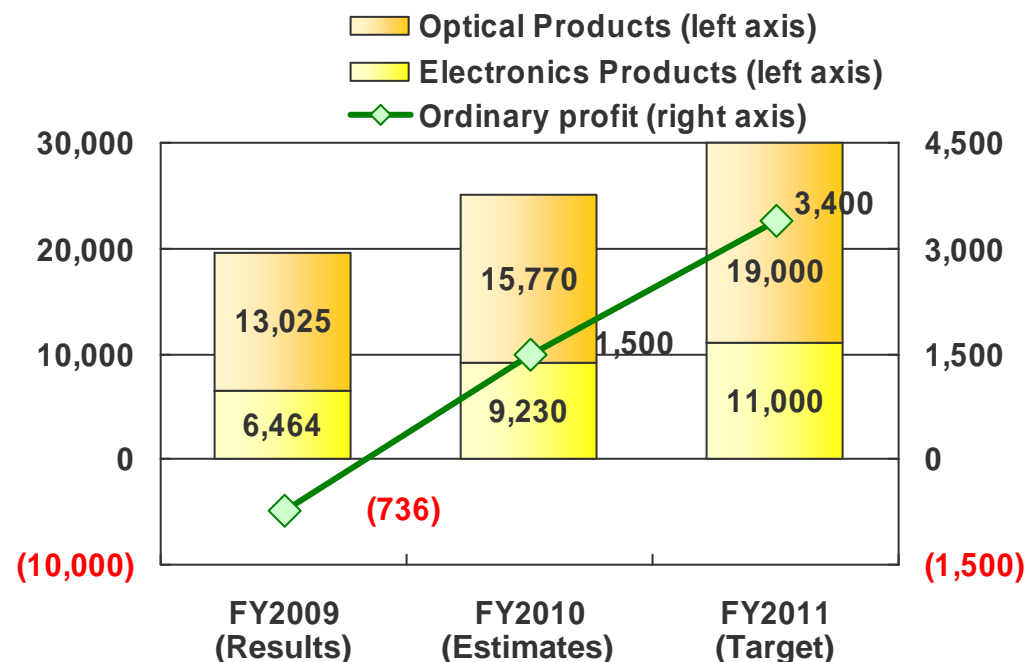


Targets for FY2011

- Net sales of ¥30bn or more
- Ordinary profit of ¥3.4bn or more
- ROA (return on assets) of 5% or more
- Ratio of interest-bearing debt to total assets of 10% or less

(Million yen, %)

	FY2009 Results	FY2011 Target
Net sales	19,490	30,000
Ordinary profit	(736)	3,400
ROA (return on assets)	-	5%
Ratio of interest-bearing debt to total assets	13%	10%



(Million yen, %)

	FY2009 Results	FY2010 Estimates	FY2011 Target
Net sales	19,490	25,000	30,000
Ordinary profit	(736)	1,500	3,400
Ordinary profit ratio	-	6.0%	11.3%

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