



Presentation of Financial Results

First Half of Fiscal Year Ending October 31, 2010

June 10, 2010 (Thursday)

OHARA INC. (Code: 5218)

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◆ **Overview of FY2010 H1** **P03~09**

◆ **Outlook for FY2010** **P10~14**

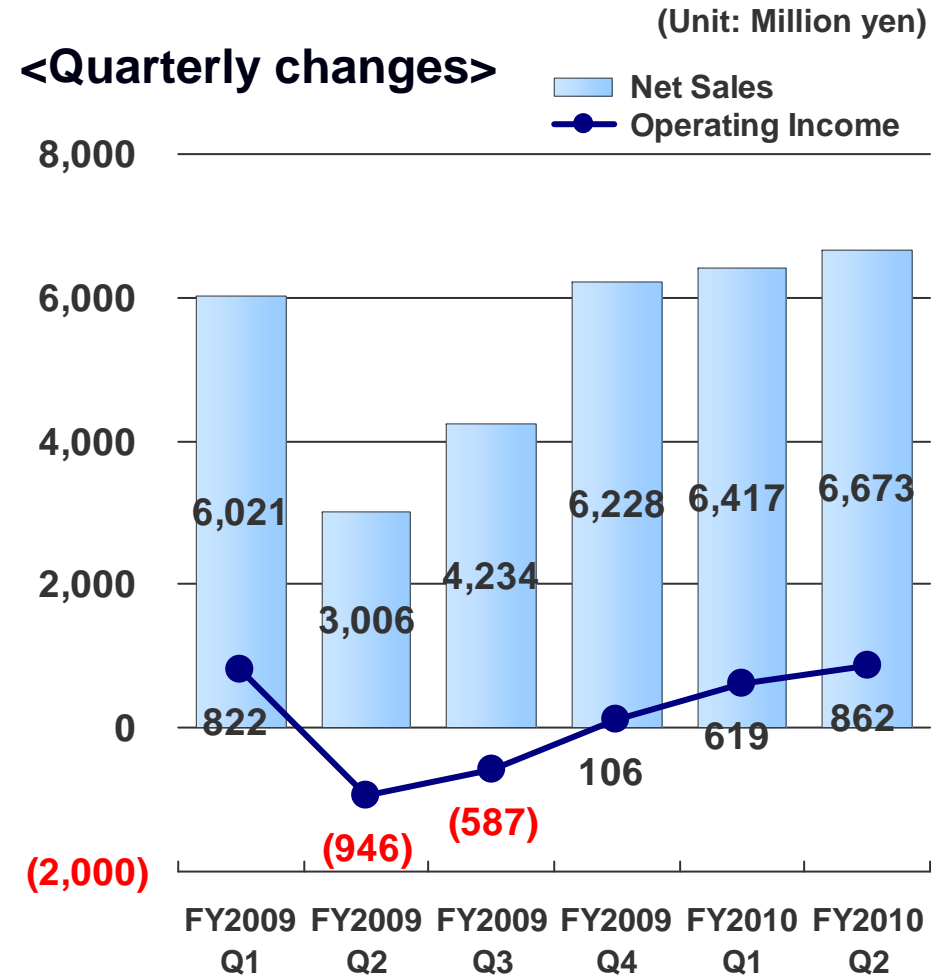


Overview of FY2010 H1

Summary of Results

(Million yen, %)

	FY2009 H1	FY2010 H1	Change
Net Sales	9,028	13,090	45.0%
Gross Profit	2,486	4,104	65.0%
[Gross margin]	27.5%	31.4%	
Operating Income	(124)	1,481	-
[Operating margin ratio]	-	11.3%	
Ordinary Profit	(337)	1,604	-
[Ordinary profit ratio]	-	12.3%	
Net Income	(740)	1,187	-
[Net income ratio]	-	9.1%	



<External environment>

- ◆ Strong growth in the digital camera market
- ◆ Continued buoyancy of the HD market on the back of strong demand for notebook PCs
- ◆ Steady recovery in the semiconductor market

<Results of the Company>

- ◆ Sharp increase in demand for interchangeable lenses in optical glass
- ◆ Continued full production of hard disk glass substrates
- ◆ Recovery in special glass for semiconductor exposure devices/exposure devices for LCDs

Factors of Changes in Earnings (First Half Results, Year on Year)

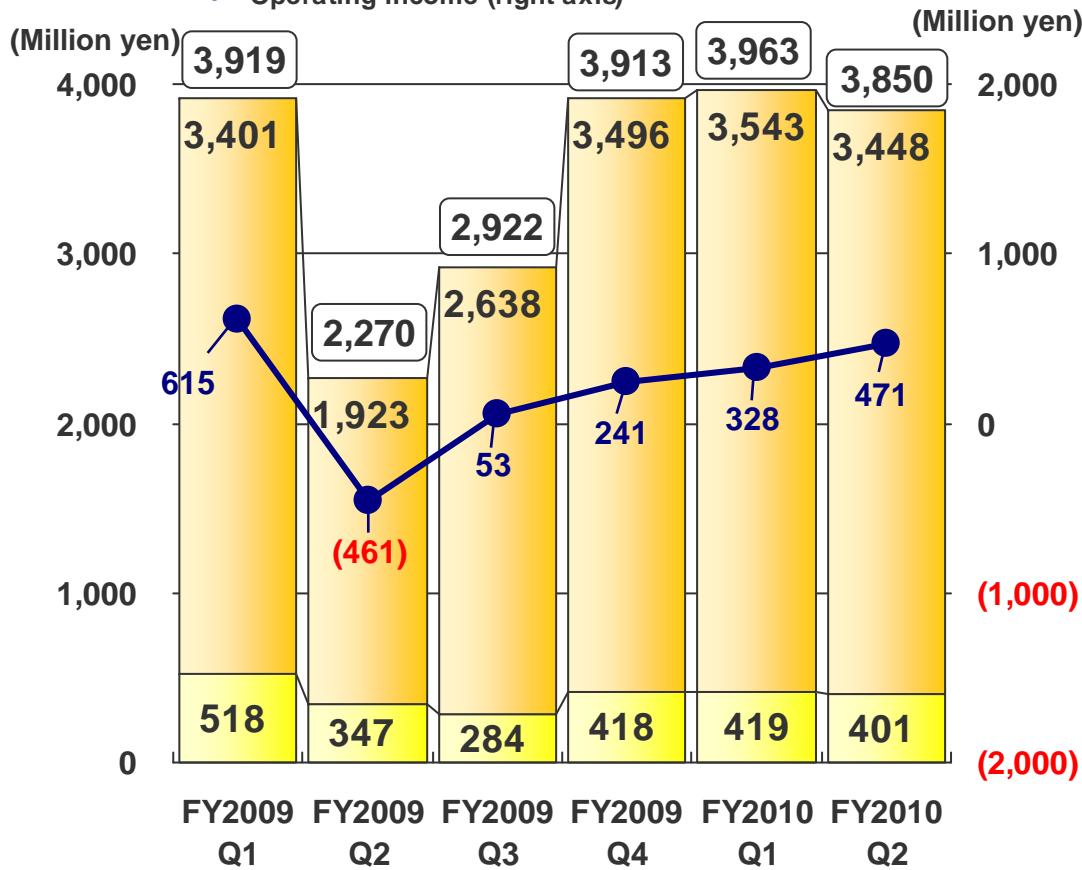
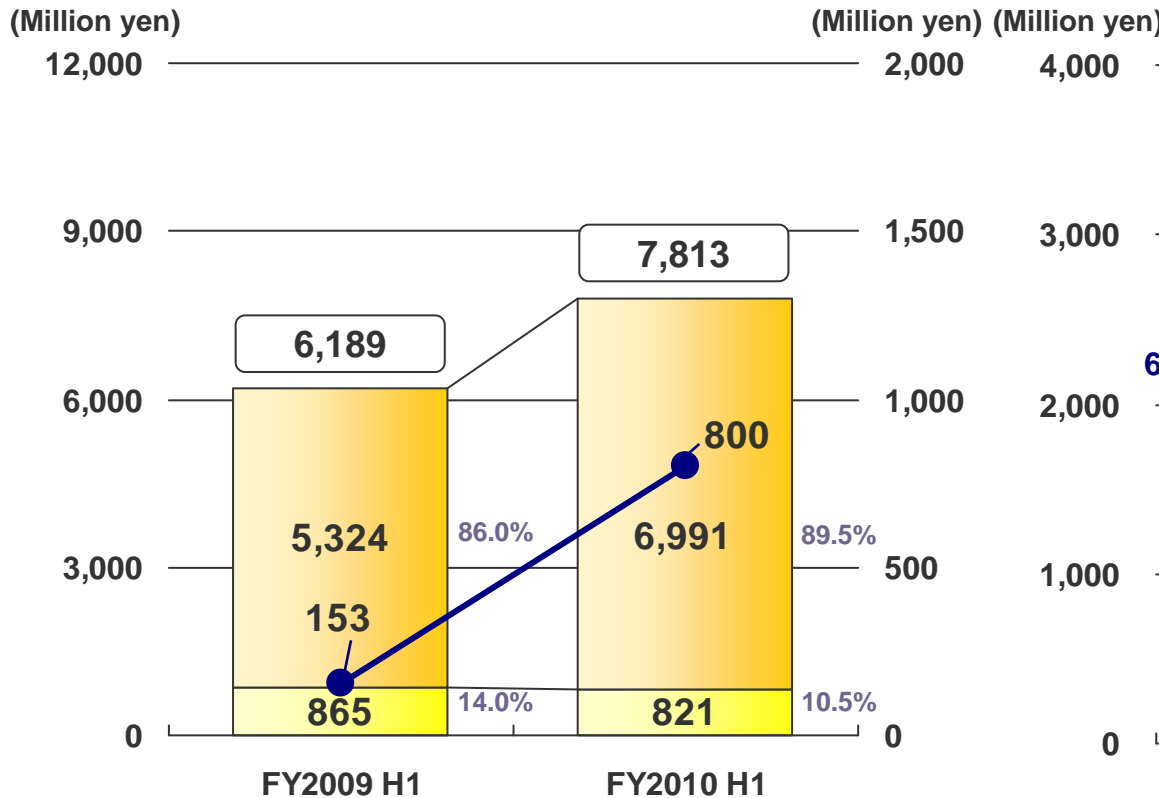
↑	(1) Gross Profit	4,104 million yen	(up 65.0% year on year)
↑	Significant improvement in capacity utilization rate (increased the profit margin by 1.1 percentage points)		
↑	Successful cost cutting initiatives (increased the profit margin by 2.8 percentage points)		
↑	(2) Operating Income	1,481 million yen	(-124 million yen a year ago)
↑	Fall in SG&A ratio (down 8.9 percentage points)		
↑	(3) Ordinary Profit	1,604 million yen	(-337 million yen a year ago)
↑	Foreign exchange gain posted (compared with foreign exchange loss a year ago)		
↑	(4) Net Income	1,187 million yen	(-740 million yen a year ago)

<First half results, year on year>

<Quarterly changes>

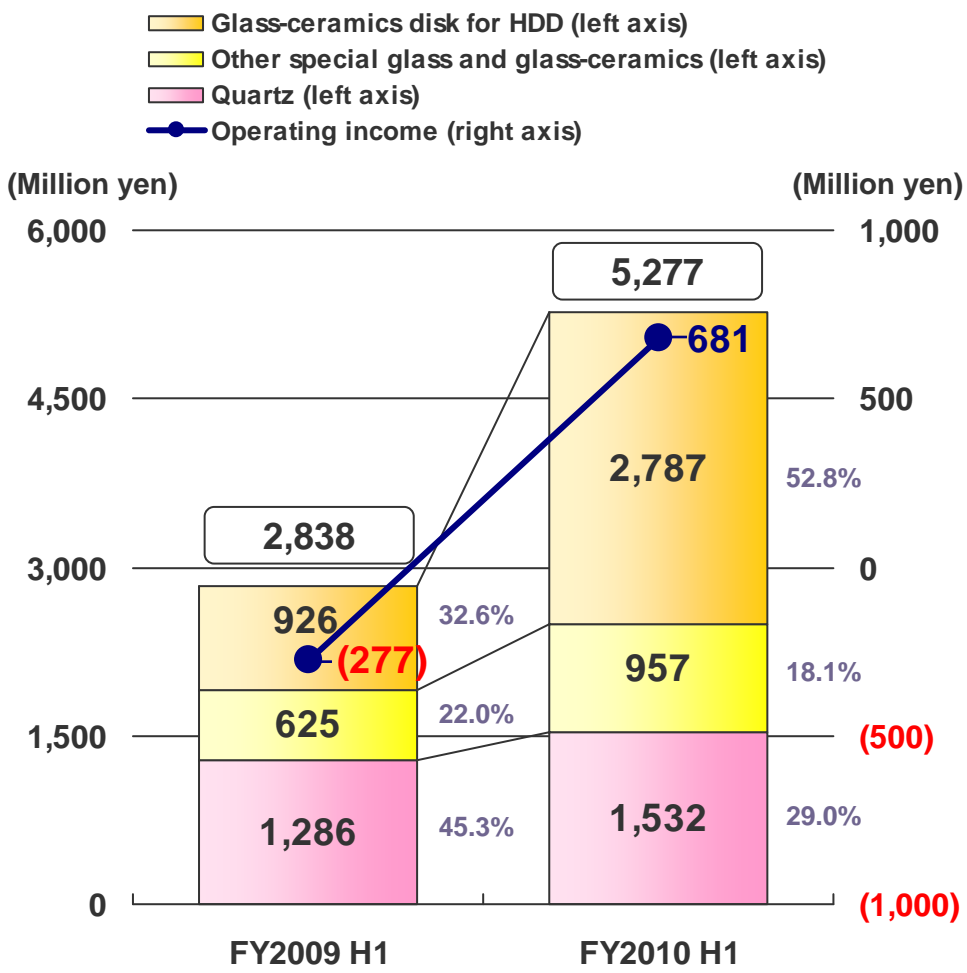
- Net sales of pressed optical glass products (left axis)
- Net sales of block optical glass products (left axis)
- Operating income (right axis)

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

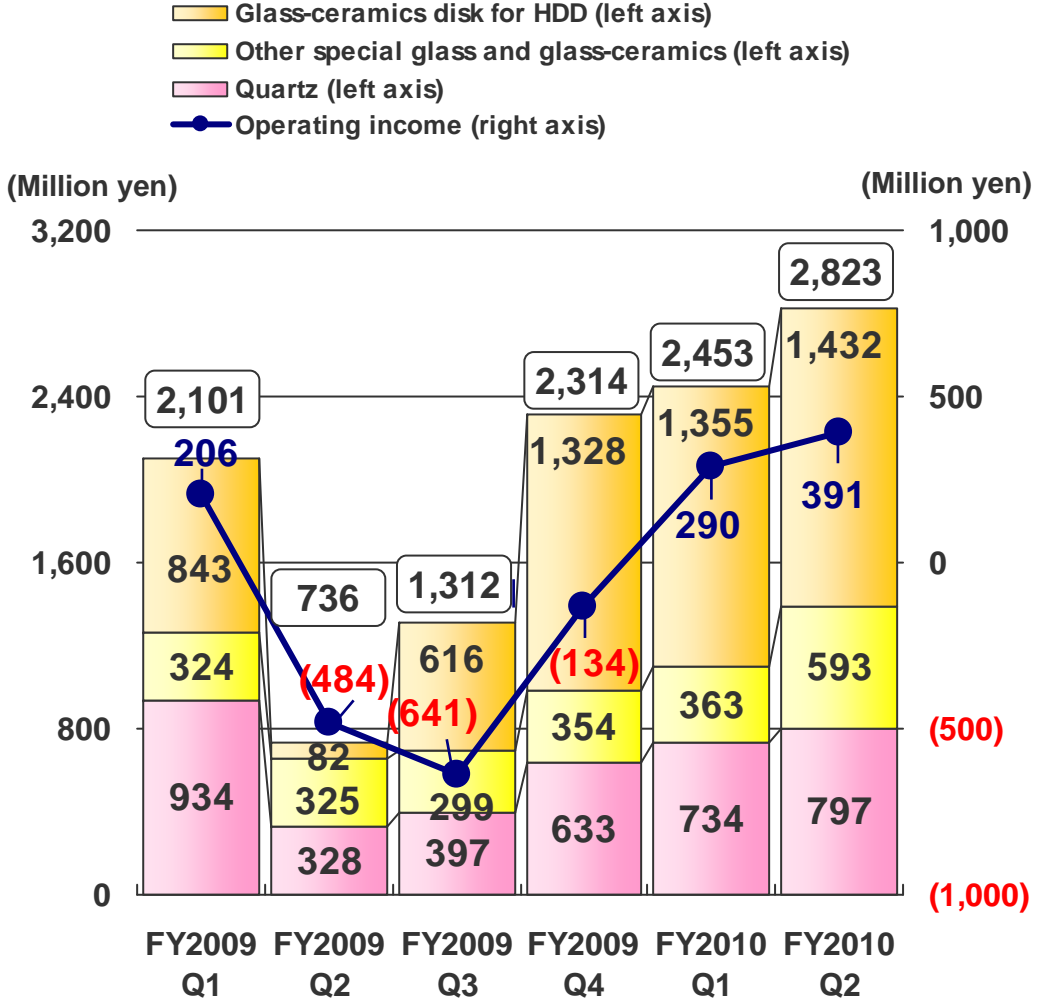


Electronics Business

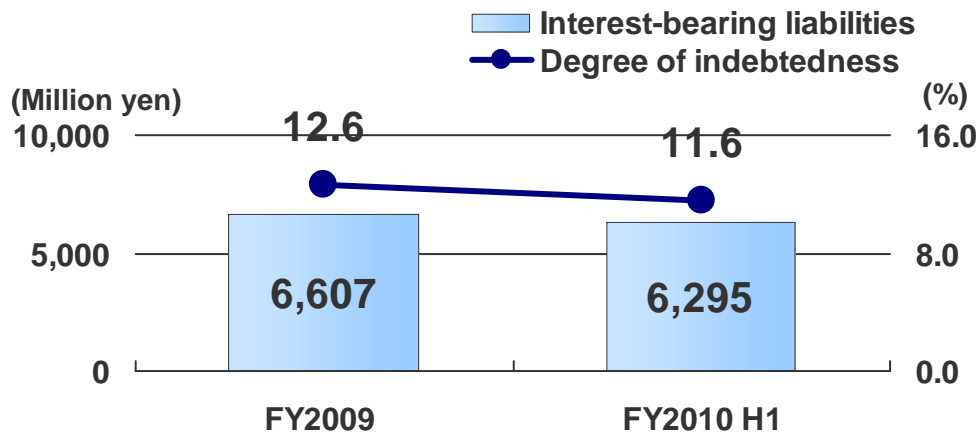
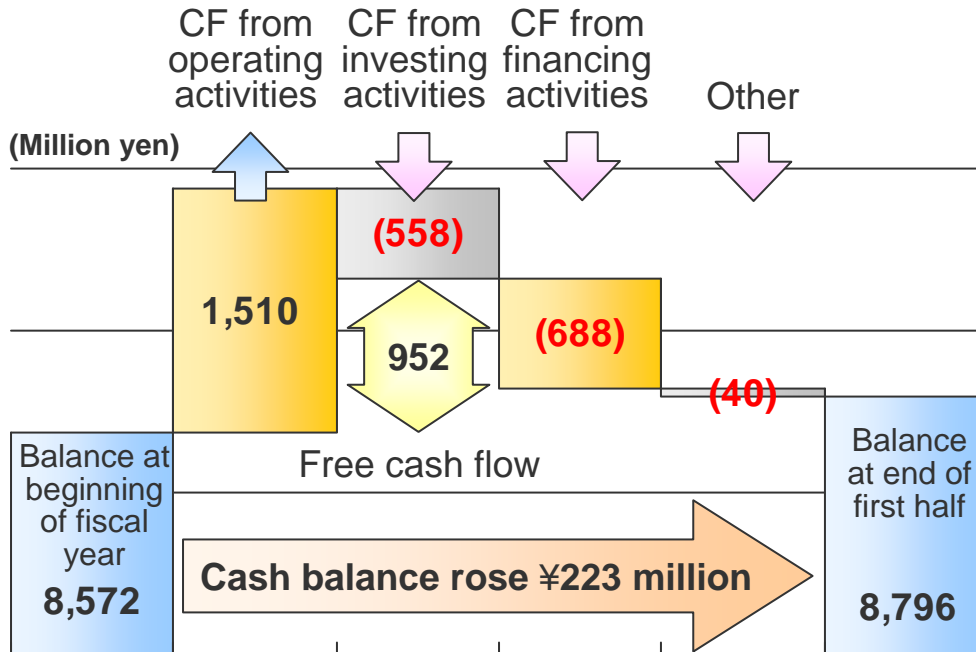
<First half results, year on year>



<Quarterly changes>



Statement of Cash Flows



Factors of change in operating CF (3,103 a year ago)		(Million yen)
Increase in inventories (increase is negative)		(487)
Increase in accounts receivable-trade (increase is negative)		(1,315)
Net income before income taxes and minority interests		1,599
Depreciation and amortization		1,037
Factors for change in investing CF (-743 a year ago)		
Purchase of property, plant and equipment		(409)
Factors for change in financial CF (-757 a year ago)		
Decline in borrowings		(312)
Payment of dividends		(364)



Outlook for FY2010

Summary of Full Year Results Forecast



(Million yen, %)

	FY2009 Results	Revised forecast for FY2010 (2010/6/10)	Rate of change (Compared with FY2009 results)	Initial forecast for FY2010 (2009/12/17)	Rate of change (Compared with initial forecast)
Net Sales	19,490	27,500	41.1%	25,000	10.0%
Gross Profit [Gross margin]	4,519 23.2%	8,300 30.2%	83.7%	6,600 26.4%	25.8%
Operating Income [Operating margin ratio]	(605) -	3,000 10.9%	-	1,400 5.6%	114.3%
Ordinary Profit [Ordinary profit ratio]	(736) -	3,100 11.3%	-	1,500 6.0%	106.7%
Net Income [Net income ratio]	(1,848) -	2,000 7.3%	-	900 3.6%	122.2%
Exchange rate Yen / USD Yen / euro	94.38 128.70	90.00 110.00		88.00 130.00	
Full-Year Dividend Forecast Yen	15.00	20.00	33.3%	15.00	

<External environment>

- ◆ Camera manufacturers plan to increase shipments.
- ◆ The HD market will remain buoyant.
- ◆ The semiconductor manufacturing equipment/liquid crystal exposure devices markets are strong.

<Results of the Company>

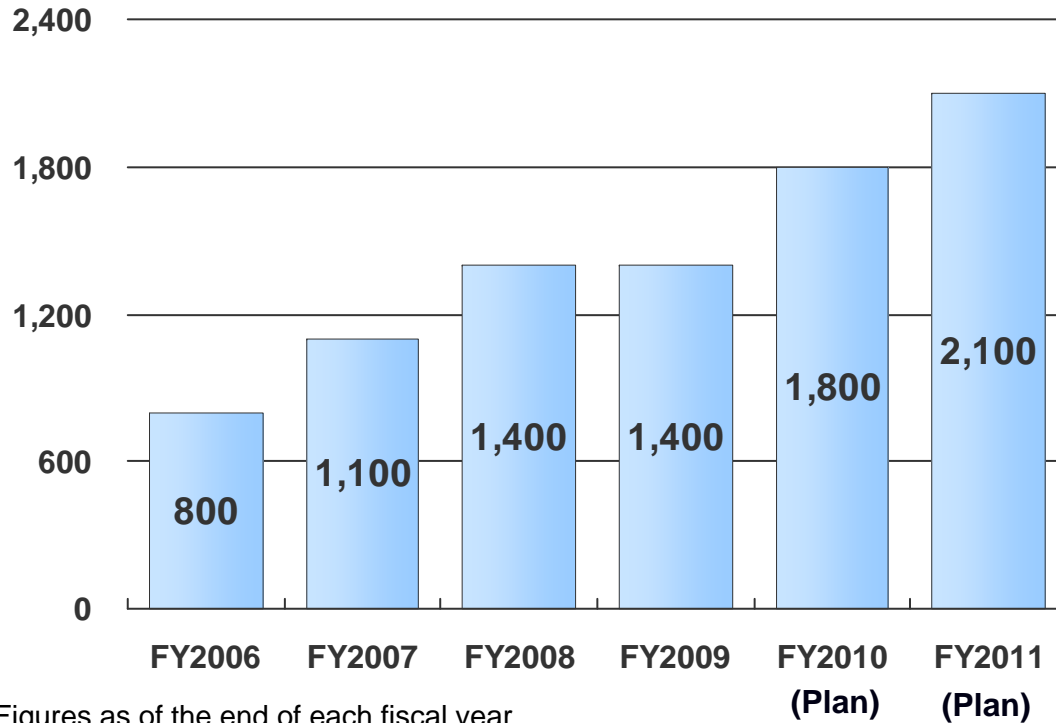
- ◆ Respond to the optical glass market by carefully monitoring market movements.
- ◆ Continue to enhance production capacity for hard disk glass substrates.
- ◆ Focus on expanding sales of special glass and quartz.

Topic

Continue to bolster production capacity for hard disk glass substrates.

- ◆ Construct a factory in July 2011 to increase monthly production capacity to 21 million units.

<Changes in monthly production capacity>



* Figures as of the end of each fiscal year

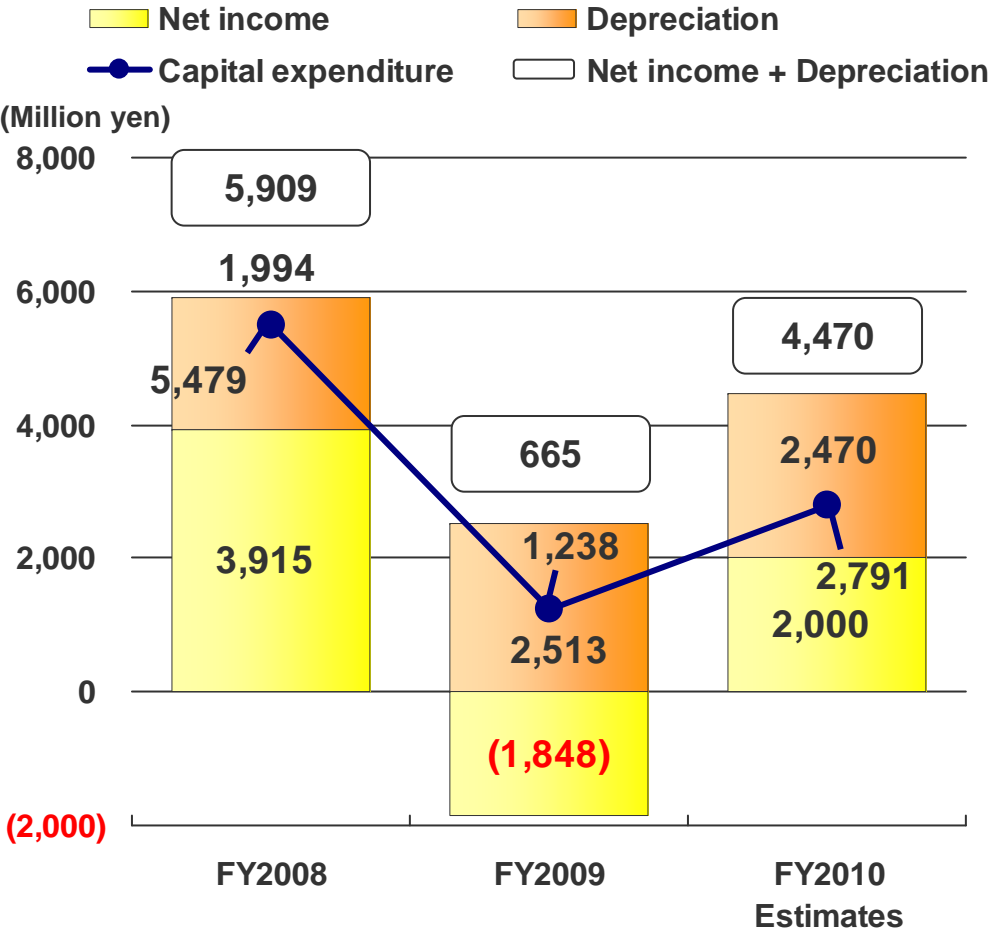


Production base in Malaysia: OHARA DISK (M) SDN. BHD.

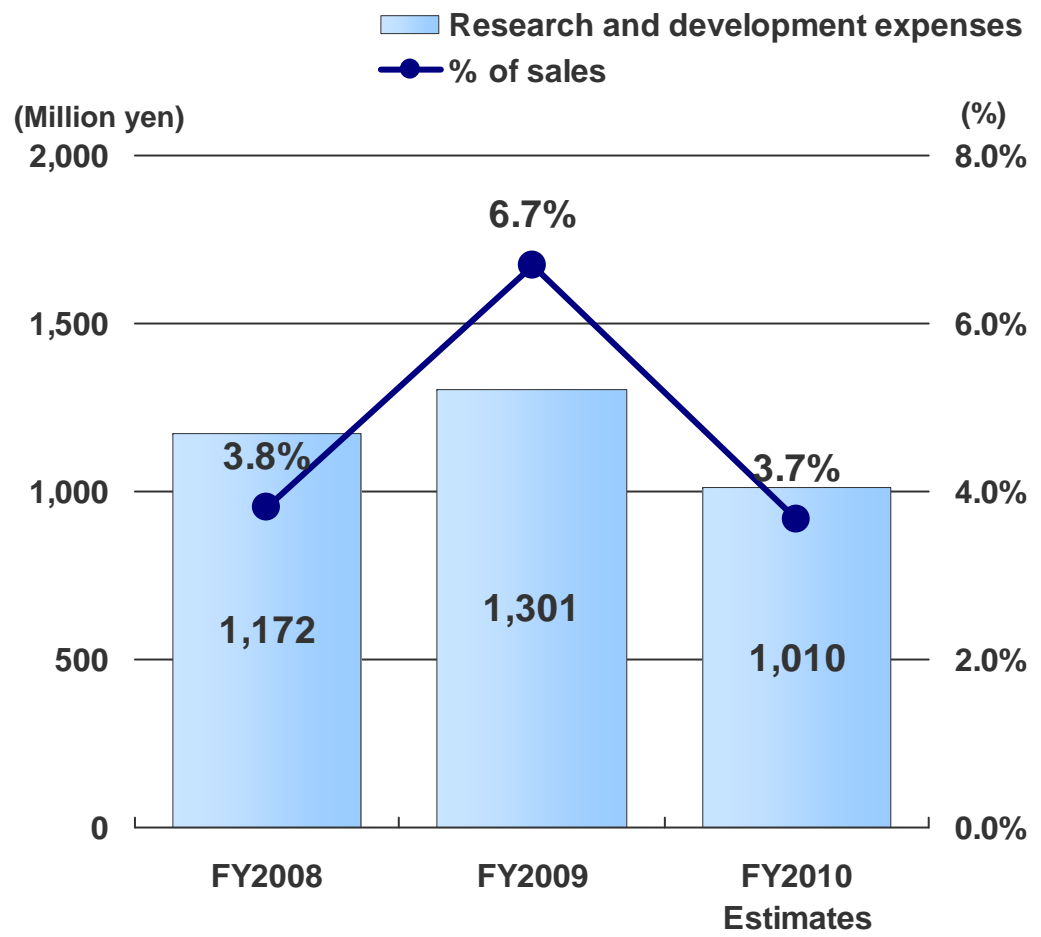
Forecasts of Capital Expenditure, Depreciation and Research and Development Expenses



Capital expenditure, depreciation



Research and development expenses



OHARA[®]