



Presentation of Financial Results Fiscal Year Ended October 31, 2011

December 15, 2011 (Thursday)
OHARA INC. (Code: 5218)

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Overview of FY2011

Main Points of Results

<External environment>

- ◆ The market for digital cameras was robust, especially for single-lens reflex cameras and interchangeable lenses.
- ◆ Rare earth metal prices remained high but declined in the second half.
- ◆ Growth in demand in the hard disk market slowed, and the market expanded only moderately.
- ◆ The markets for semiconductor and liquid crystal exposure devices was strong in the first half but slowed in the second half.

<The Company's Results>

- ◆ Optical glass sales, especially sales for interchangeable lenses, remained strong. Earnings worsened due to soaring material prices, but a component of the price increases was passed on to selling prices in the second half.
- ◆ Earnings from glass disks for hard disk devices worsened sharply due to a fall in the capacity utilization ratio.
- ◆ Special glass performed well overall, especially for use in exposure devices, although the performance slowed in the second half.

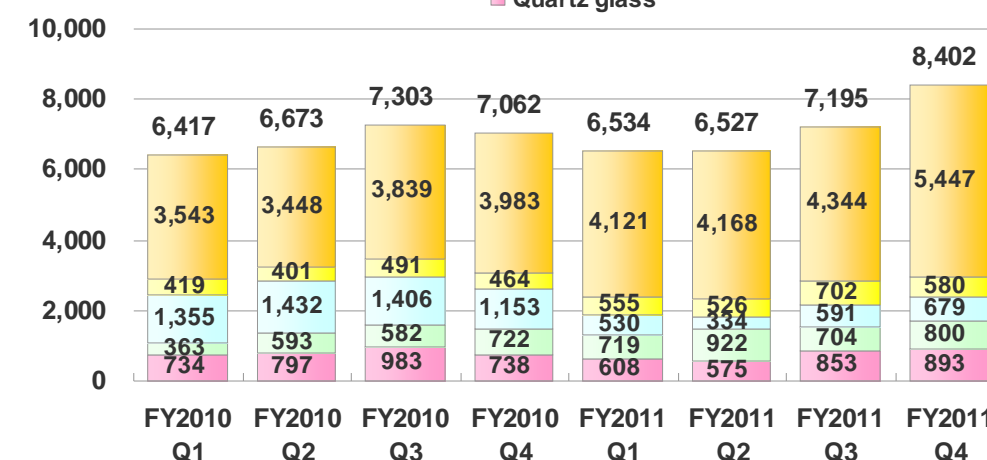
Summary of Results

(Million yen, %)

	FY2010	FY2011	Change (year on year)
Net Sales	27,456	28,659	1,203 4.4%
Gross Profit [Gross margin]	8,675 31.6%	7,197 25.1%	-1,477 -17.0%
Operating Income [Operating margin ratio]	3,275 11.9%	1,644 5.7%	-1,630 -49.8%
Ordinary Profit [Ordinary profit ratio]	3,105 11.3%	1,624 5.7%	-1,480 -47.7%
Net Income [Net income ratio]	1,963 7.2%	866 3.0%	-1,097 -55.9%
Exchange rate Yen / USD	88.88	81.25	
Yen / euro	119.82	114.42	

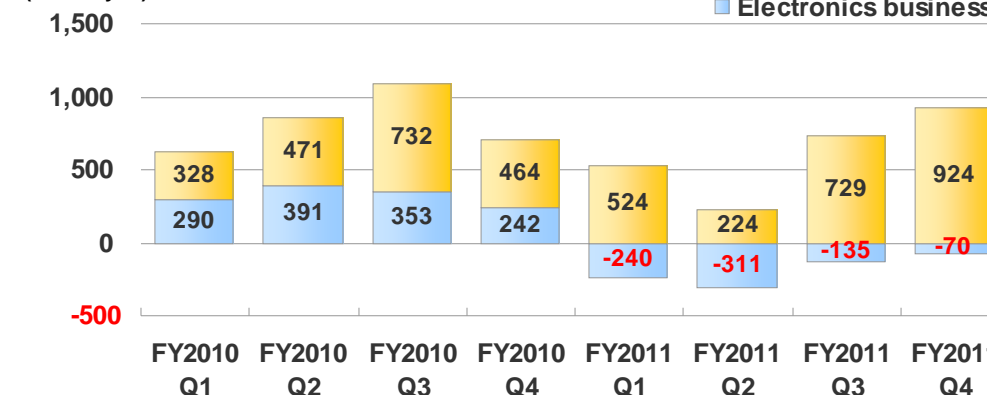
<Quarterly sales>

(Million yen)



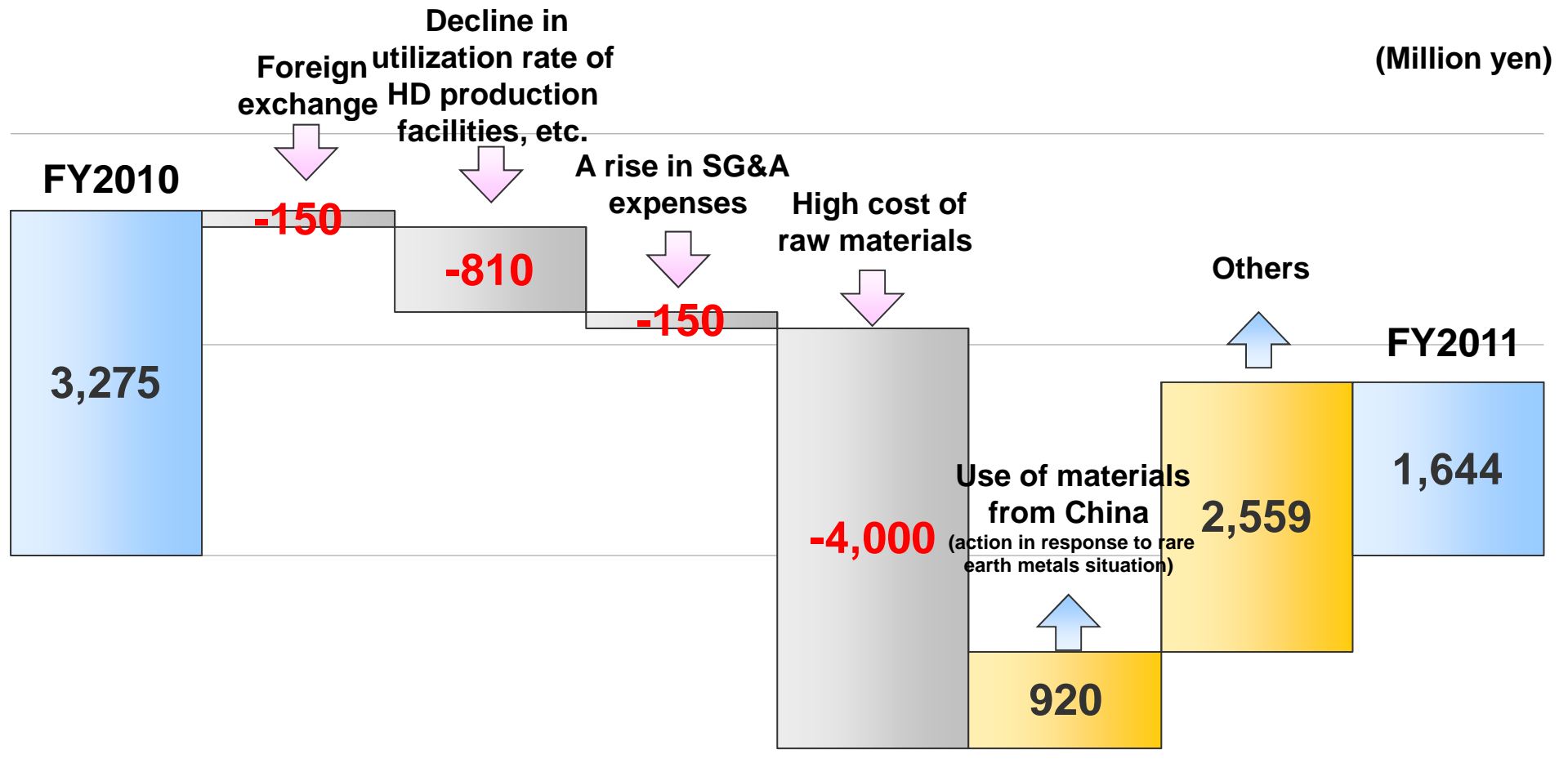
<Quarterly operating income>

(Million yen)



Factors of Changes in Earnings (1)

Operating Income/Loss 1,644 Million Yen (down 49.8% year on year)



Factors of Changes in Earnings (2)

(Million yen)

 <Non-operating income/loss> **-20** Compared to the previous fiscal year **149**

Year-on-year comparison

 Financial account balance	25
 Profit or loss on foreign exchange	77
 Other (including an increase in fiduciary obligation fee)	45

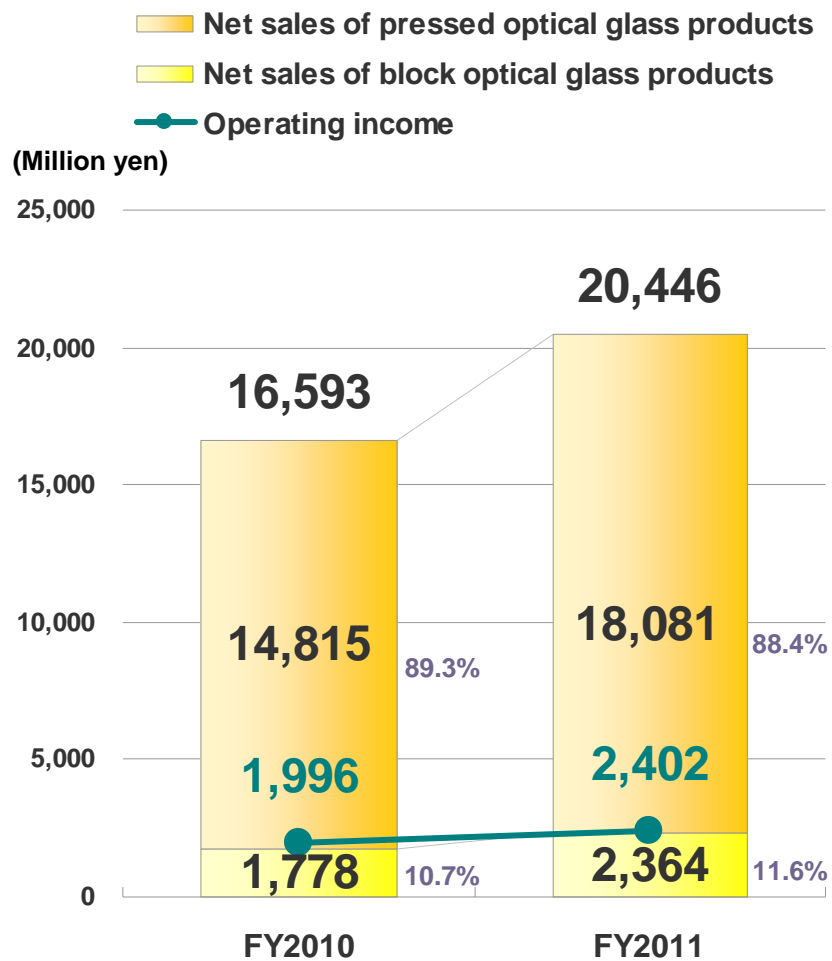
<Extraordinary income/loss> **144**

Breakdown

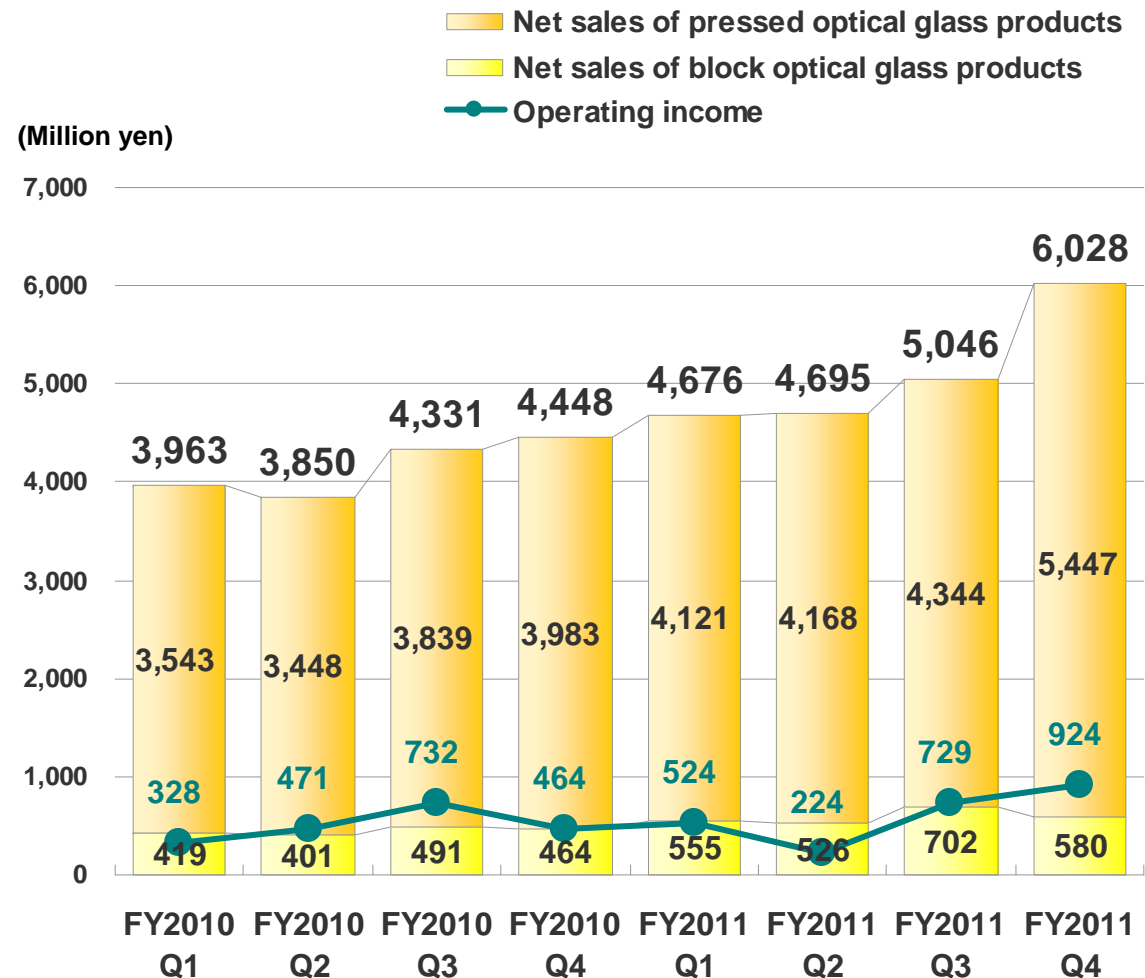
Profit from the revision of the retirement benefit scheme	551
Loss on disaster (effect of the earthquake)	-46
Loss on valuation of investment securities	-191
Other	-168

Optical Business

<Full-year comparison>



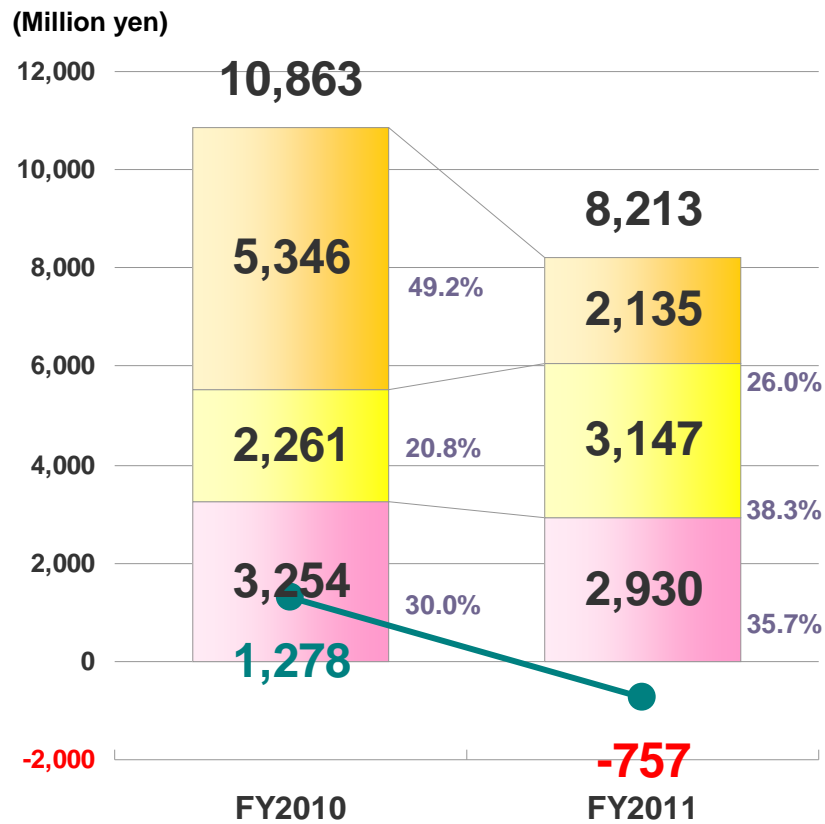
<Quarterly changes>



Electronics Business

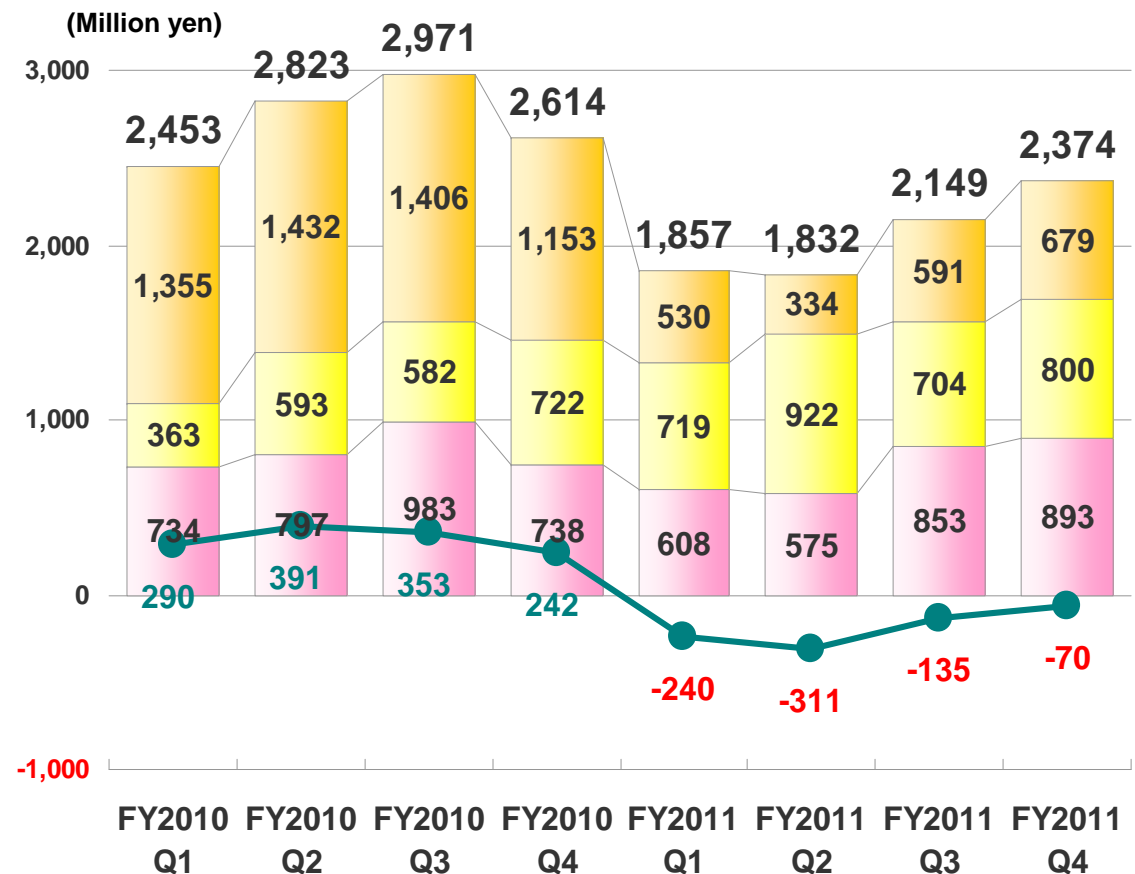
<Full-year comparison>

- Net sales of glass-ceramics disk for HDD
- Net sales of other special glass and glass-ceramics
- Net sales of Quartz Glass
- Operating income

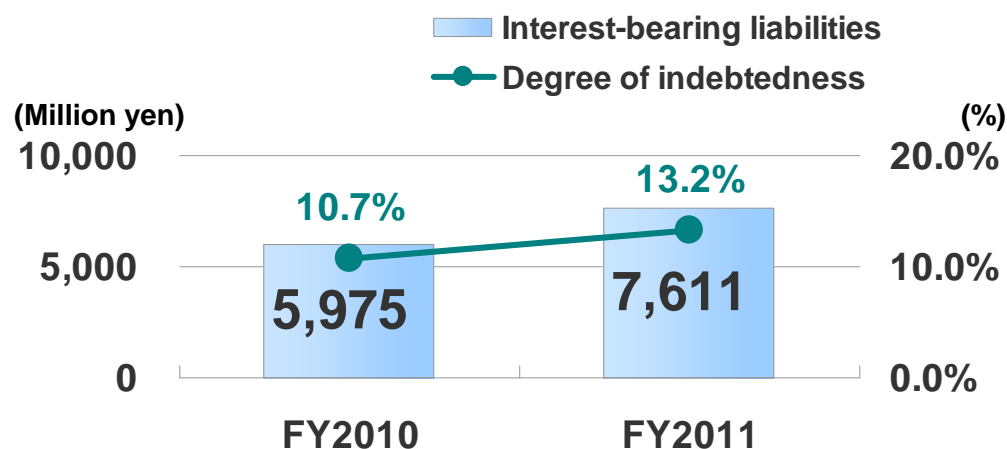
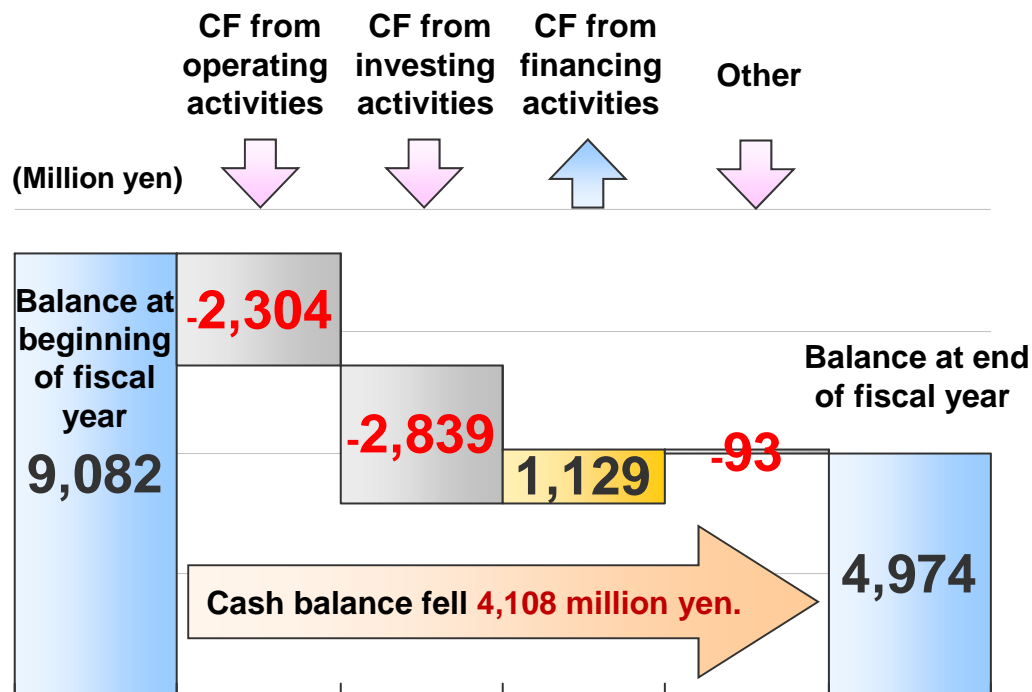


<Quarterly changes>

- Net sales of glass-ceramics disk for HDD
- Net sales of other special glass and glass-ceramics
- Net sales of Quartz Glass
- Operating income



Statement of Cash Flows



(Million yen)

Factors of change in operating CF

(4,307 a year ago)

Net income before income taxes and minority interests	1,769
Depreciation and amortization	2,036
Increase/decrease in accounts receivable-trade (increase is negative)	-428
Increase/decrease in inventories (increase is negative)	-5,764
Income taxes paid	-875

Factors for change in investing CF

(-2,417 a year ago)

Purchase of property, plant and equipment	-1,762
Purchase of investment securities	-625

Factors for change in financial CF

(-1,036 a year ago)

Increase in borrowings	1,636
Payment of dividends	-486



Outlook for FY2012

Summary of Full-Year Results Forecasts

(Million yen, %)

	FY2011 Results	FY2012 Estimates	Change
Net Sales	28,659	32,600	3,941 13.7%
Gross Profit [Gross margin]	7,197 25.1%	8,100 24.8%	903 12.5%
Operating Income [Operating margin ratio]	1,644 5.7%	2,100 6.4%	456 27.7%
Ordinary Profit [Ordinary profit ratio]	1,624 5.7%	2,100 6.4%	476 29.3%
Net Income [Net income ratio]	866 3.0%	1,100 3.4%	234 27.0%
Exchange rate Yen / USD Yen / euro	81.25 114.42	77.00 105.00	
Full-Year Dividend (Yen)	20.00	20.00	

(Reference) Forecast for First Half

(Million yen, %)

	FY2011 Results	FY2012 Estimates	Change
Net Sales	13,061	14,200	1,139 8.7%
Gross Profit [Gross margin]	2,895 22.2%	3,300 23.2%	405 14.0%
Operating Income [Operating margin ratio]	196 1.5%	400 2.8%	204 104.1%
Ordinary Profit [Ordinary profit ratio]	317 2.4%	400 2.8%	83 26.2%
Net Income [Net income ratio]	202 1.6%	200 1.4%	-2 -1.0%

<External environment>

- ◆ The single-lens reflex camera market could enter into an adjustment phase after the turn of the year but is expected to recover and to grow around 10% year on year.
- ◆ Rare earth metal prices to be stable but uncertain due to the tightening of regulations.

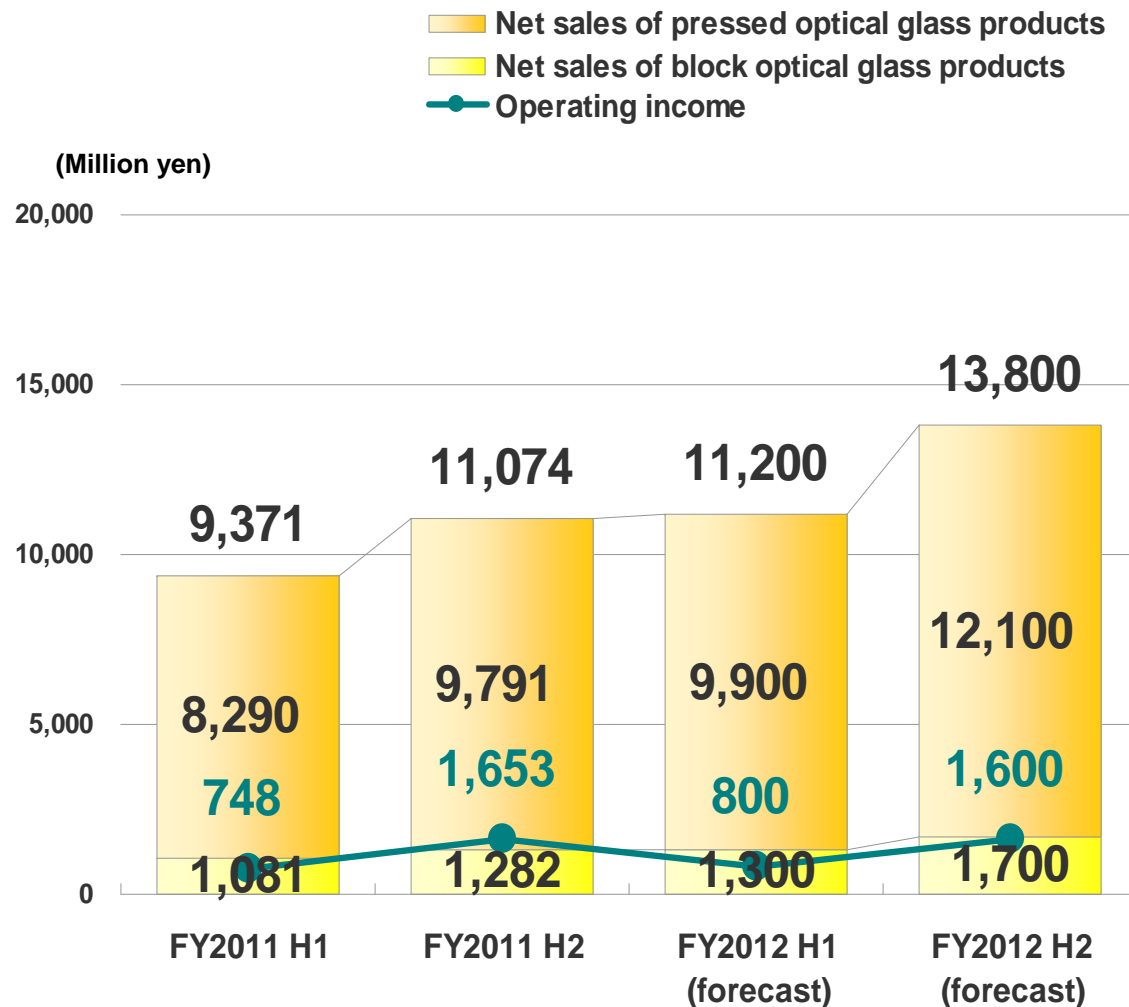
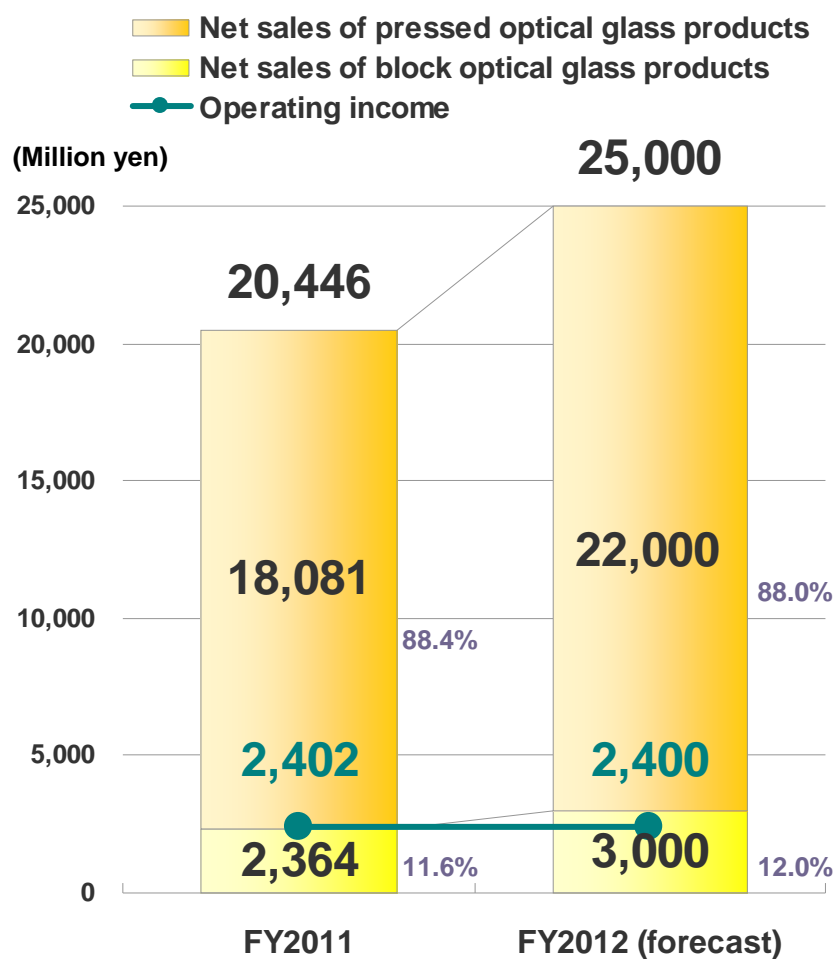
<Results of the Company>

- ◆ Demand for optical glass to be strong. The Company will produce stronger results through stable operation of the existing facilities and additional capital expenditure in joint ventures.
- ◆ The Company will seek to reduce the inventory of rare earth metals and to source a stable supply of them.

Forecasts for Optical Business

<Full-year results, year on year>

<Semiannual changes>



<External environment>

- ◆ **The market for hard disks is set to be sluggish in the first half given the effects of the flooding in Thailand, but should grow more than 5% for the full year.**
- ◆ **The markets for semiconductor and liquid crystal exposure devices is likely to be in an adjustment phase and to recover in the second half.**

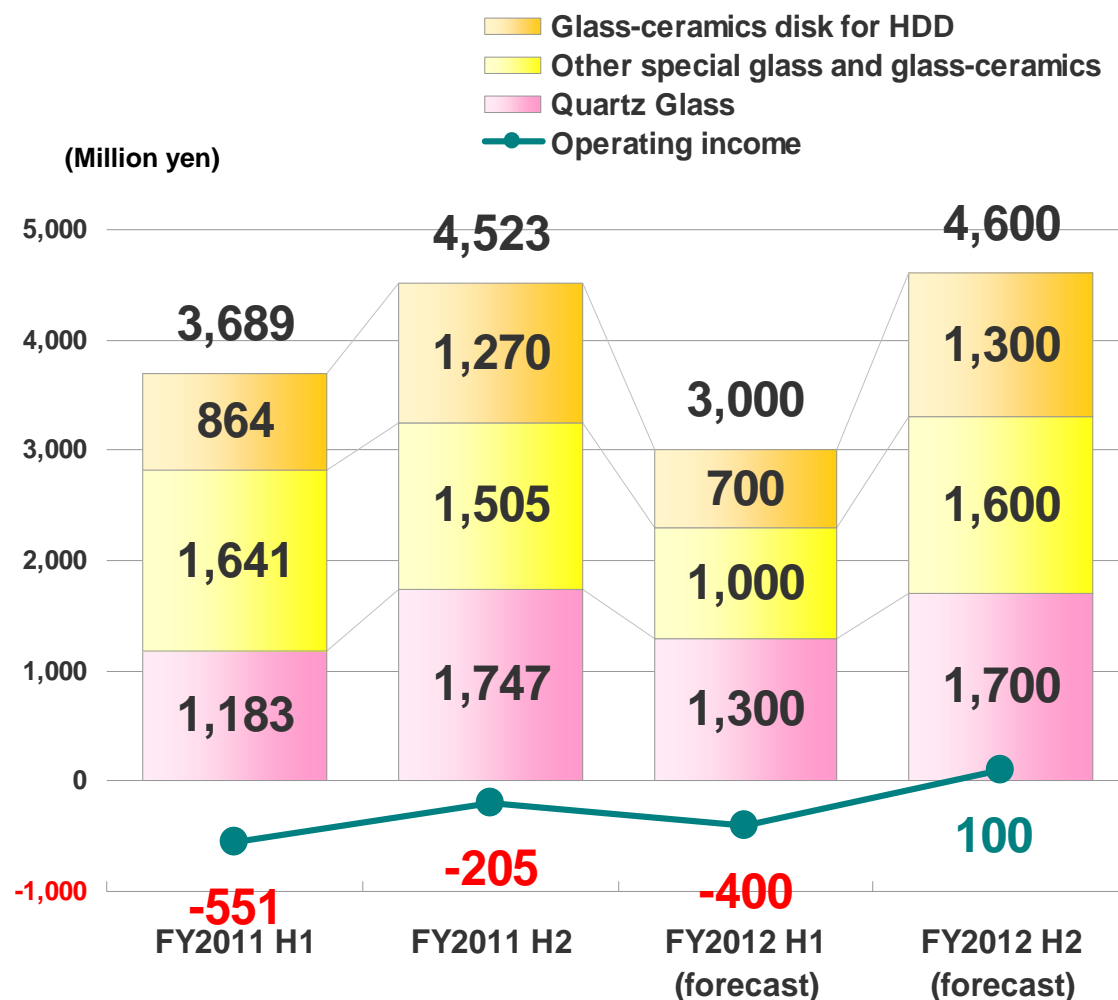
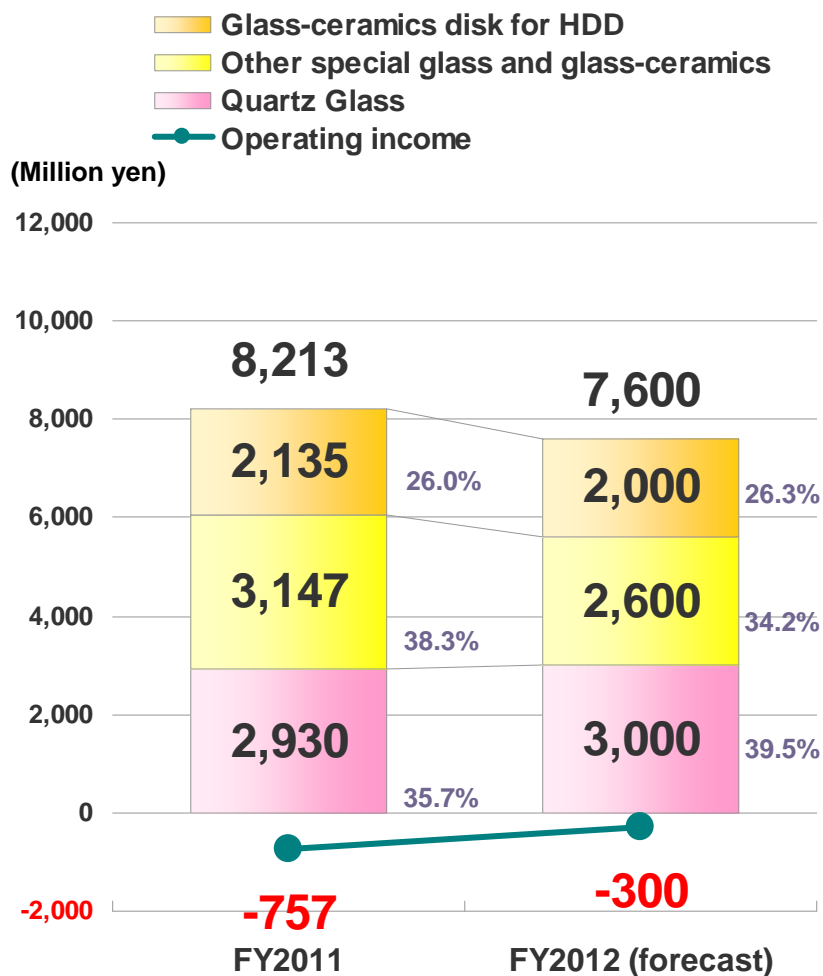
<Results of the Company>

- ◆ **Glass disks for hard disk devices should recover towards the second half.**
- ◆ **The Company will expand sales of special glass in accordance with demand for each application.**
- ◆ **The Company will seek to bolster sales of quartz glass for new applications.**

Forecasts for Electronics Business

<Full-year results, year on year>

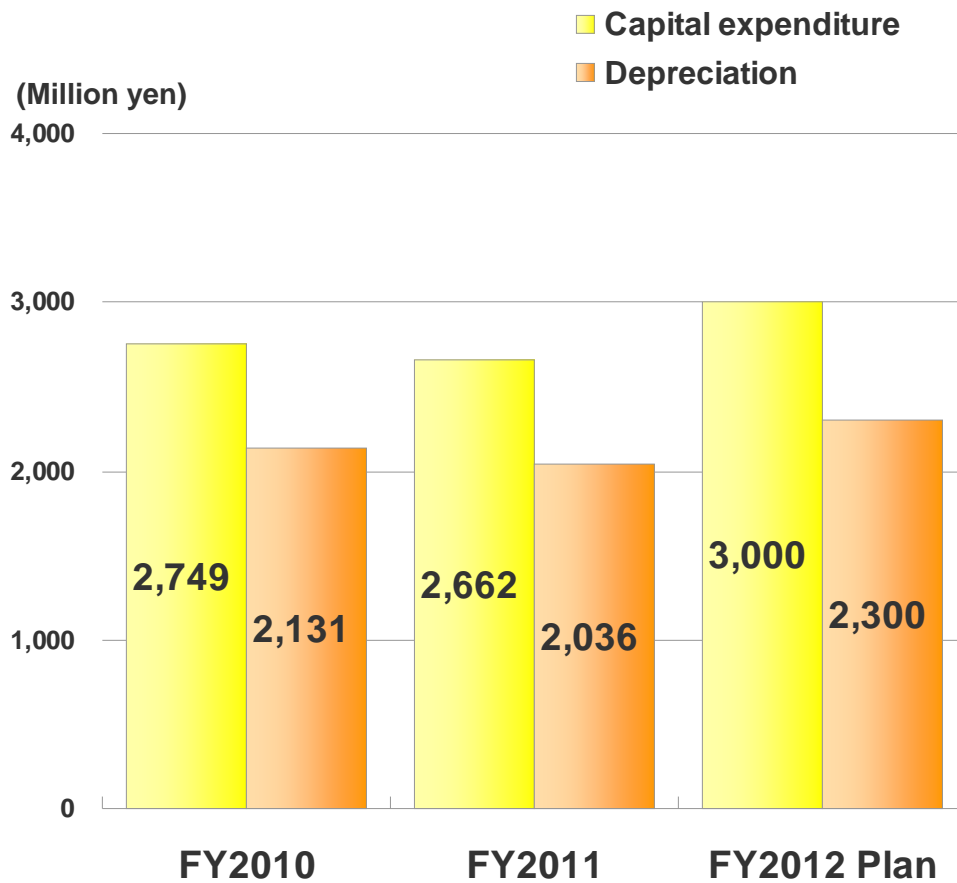
<Semiannual changes>



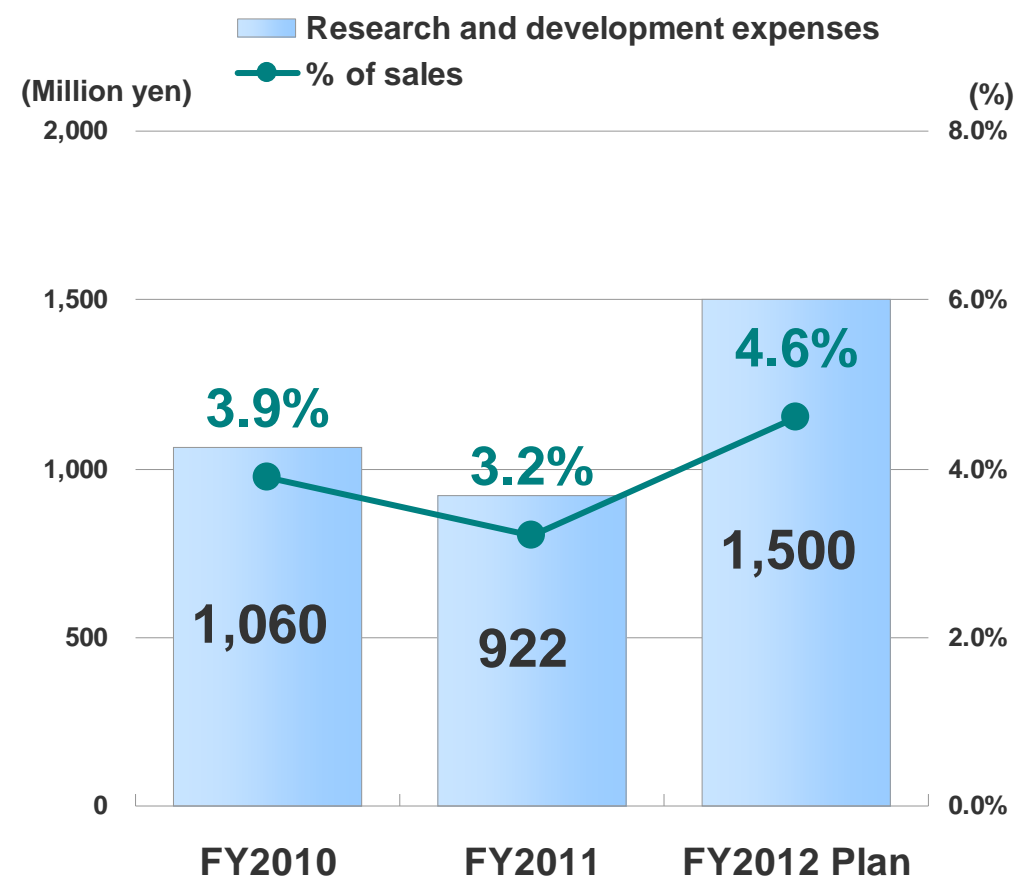
Forecasts of Capital Expenditure, Depreciation, and Research and Development Expenses



Capital Expenditure, Depreciation



Research and Development Expenses



New optical glass manufacturing company in Taiwan Decided to establish Taiwan Ohara Optical Material Co., Ltd.

<Profile of new company>

- | | |
|-------------------------------|---|
| (1) Location | Huwei Town, Yunlin County, Taiwan
(in the Central Taiwan Science Park, Huwei Park; 32,989 m²) |
| (2) Representative | Hitoshi Sekido (senior managing director of OHARA INC.) |
| (3) Business | Manufacture of optical glass |
| (4) Capital | 400 million Taiwan dollars (1 billion yen) |
| (5) To be established | February 2012 (plan) |
| (6) Start of operation | February 2013 (plan) |
| (7) Shareholding | OHARA INC. 100% |

OHARA