

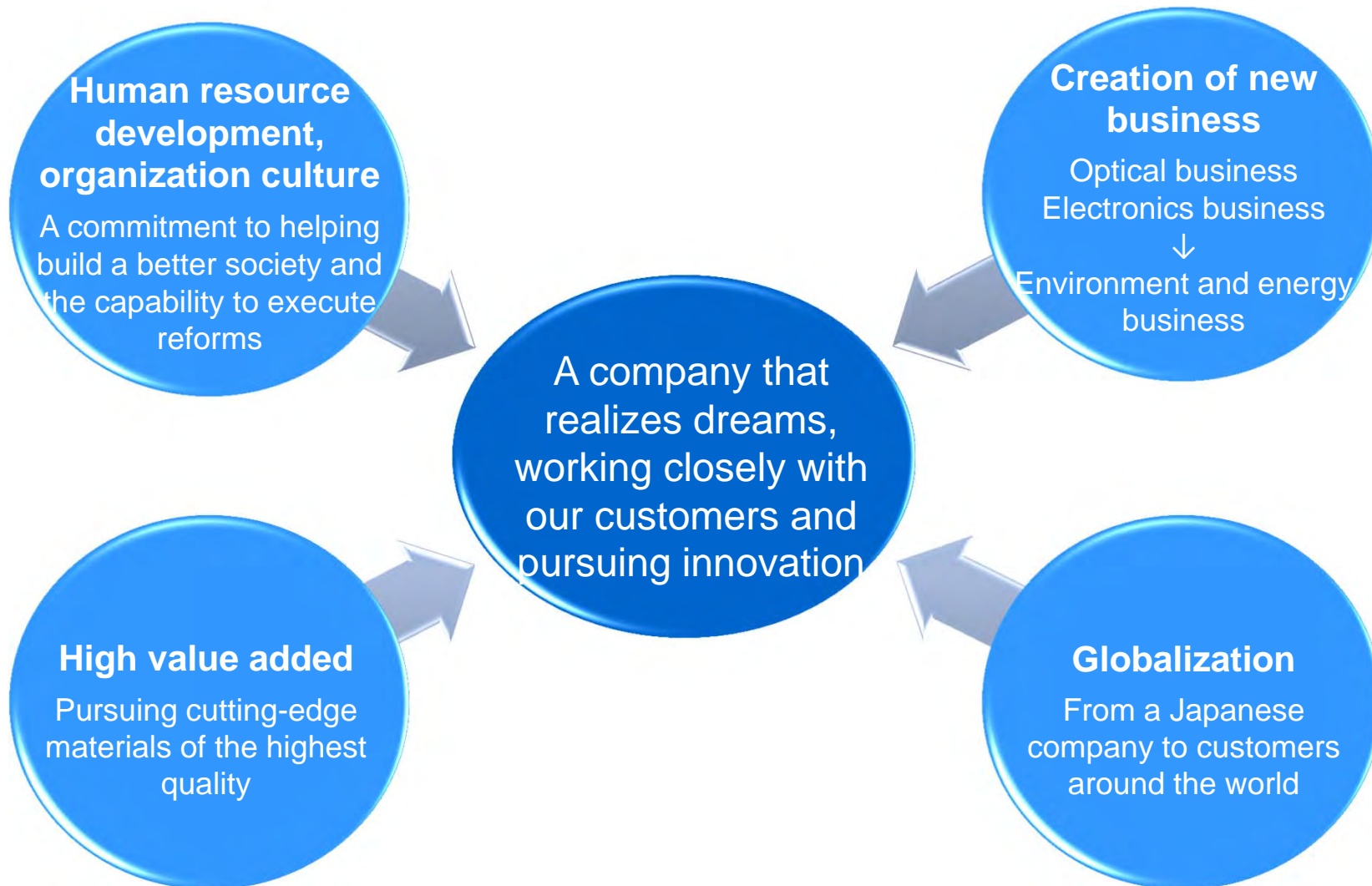


Medium-Term Management Plan (FY2012 to FY2014)

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

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Long-Term Vision 2020



Topics in Previous Medium-Term Management Plan (2009 to 2011)

Reforming the business structure

- Release L-BBH1, an optical glass with a super high refractive index.
- Release CLEARCERAM™-Z EX, the world's leading zero-expansion material.
- Set up an incubation center.

Boosting total cost competitiveness

- Start to source optical glass from China.
- Set up a joint venture to create a production base in China, to commence the manufacture of optical glass there.

Pursuing a growth strategy

- Develop sintered, perfectly solid battery materials.
- Develop a new photocatalyst material that represents a world first.

| | Target in medium-term management plan (FY2009 to FY2011) | FY2009 (first year performance) | FY2010 (second year performance) | FY2011 (third year performance) |
|--|--|---------------------------------|----------------------------------|---------------------------------|
| Net sales (million yen) | 30,000 or more | 19,490 | 27,456 | 28,659 |
| Ordinary profit (million yen) | 3,400 or more | -736 | 3,105 | 1,624 |
| ROA (return on assets) (%) | 5.0% or more | -1.3% | 5.7% | 2.9% |
| Rate of interest-bearing liabilities to total assets (%) | 10.0% or less | 12.6% | 10.7% | 13.2% |

External Environment

The world economy will slow, reflecting credit uncertainty in financial markets due to the debt problem in Europe. Economic growth in emerging countries will also slow.

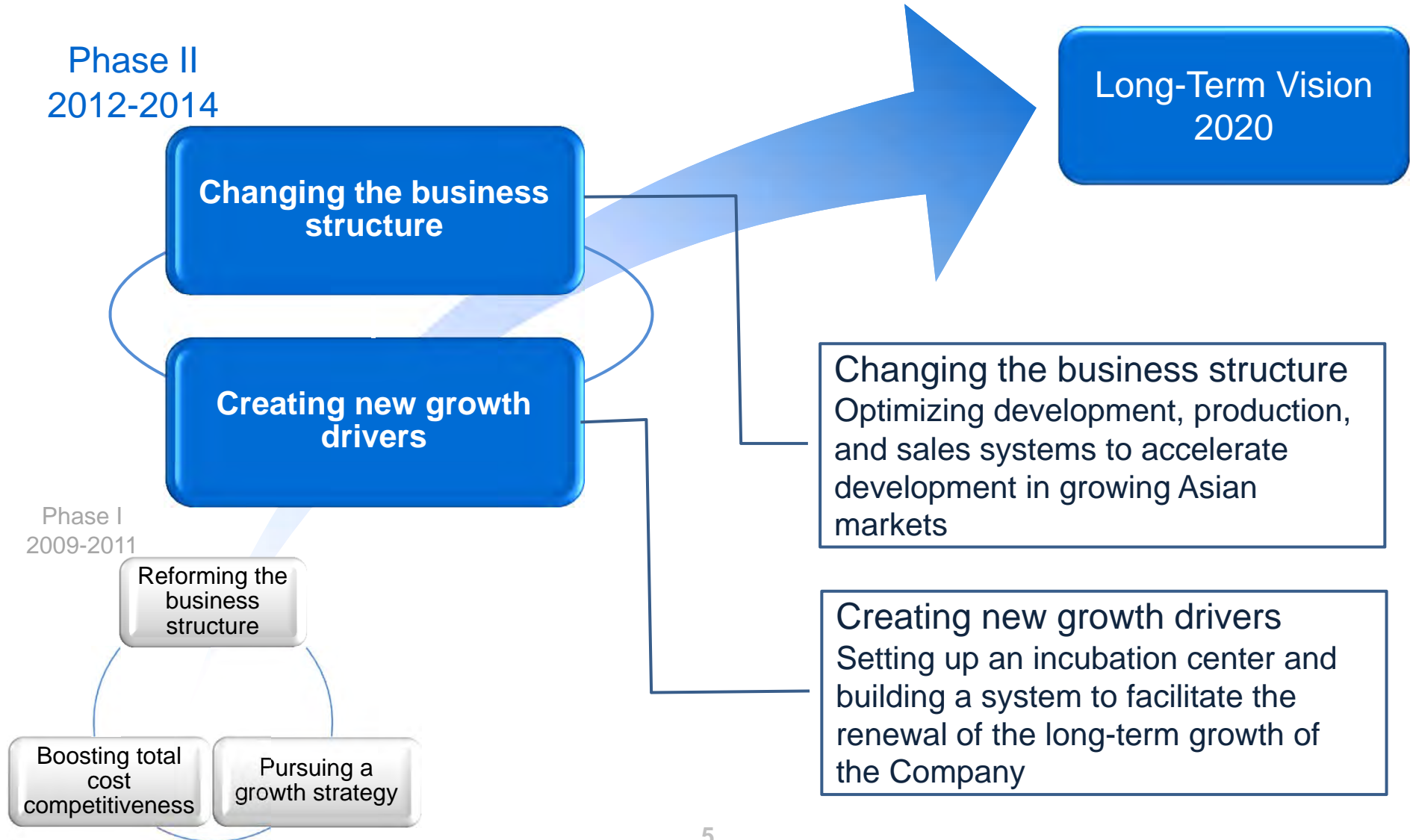
The Japanese economy will recover moderately from the effect of the Great East Japan Earthquake, but the competitiveness of its exports will decline because of the strong yen.

Cameras and hard disks were adversely affected by the flooding in Thailand. However, production capacity will recover quickly, and demand in the main markets will be solid.

Rare earth metal prices are stabilizing but will remain uncertain.

Growth in the hard disk market will slow, attributable to the rise of tablet terminals using flash memory.

Basic Strategies in Medium-Term Management Plan (2012 to 2014)

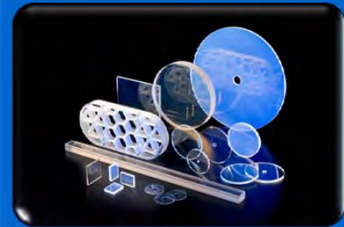


Strategy by Business: For Realizing the Long-Term Vision



Optical business

- Building a global optical glass production system
- Restructuring the low Tg glass development, production, and sales systems



Electronics business

- Restructuring the glass disks for hard-disk devices and special glass businesses



Environment and energy business

- Developing new businesses

Strategy by Business

Optical Business

Market environment

- The growth in demand for compact digital cameras will slow in advanced countries. Growth will remain high in emerging countries, but product prices will decline.
- Demand for digital single-lens reflex cameras will increase worldwide, partly because of the launch of mirrorless cameras, and high growth is expected.

Building a global optical glass production system

In response to changes in the operating environment, the Company will set up a new glass dissolution base overseas (in Taiwan).

→ Enhancing global cost competitiveness



Restructuring the low Tg glass development, production, and sales systems

- Shorten periods for developing materials
- Innovate production technologies
- Expand the range of product types
- Start operations in the downstream process, such as glass molding and lens polishing



Strategy by Business

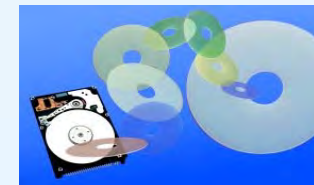
Electronics Business

Market environment

- Growth in the 2.5-inch hard disk market will slow, reflecting the rise of tablet terminals using flash memory.
- Glass disks (as opposed to aluminum disks) will account for at least 50% of disks.
- In association with exposure devices, the high-definition panel and semiconductor markets will be solid for the medium term.

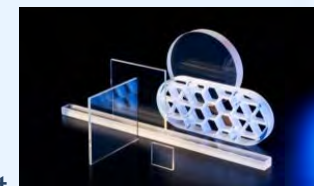
Restructuring the glass disks for hard disks devices business

- Launch products that will be compatible with the next-generation heat-assisted magnetic recording system.
- Bolster the provision of solutions for processing technologies and the supply chain.



Restructuring the special glass business

- Respond to high-precision exposure devices.
- Focus on developing products for large products for uses in space and astronomical observation.
- Expand sales of the world's No. 1 zero-expansion material to enter the EUV market.



Strategy by Business

Environment and Energy Business

Market environment

- As initiatives to curb global warming are demanded worldwide, expectations for renewable energy will increase.
- To build a low-carbon society, demand is rising for safe and reliable next-generation energy and high-performance batteries.

Developing new businesses

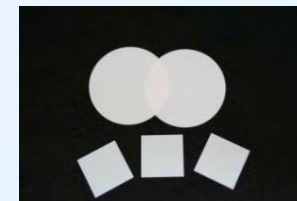
Lithium ion battery business

- Develop a solid electrolyte, a key component of the next-generation lithium battery
- Contribute to the commercialization of next-generation batteries, including metal lithium batteries and all-solid lithium ion batteries

Other

Develop environmentally friendly products featuring superb functionality (such as optical materials and photocatalyst materials for concentrating solar power generation systems).

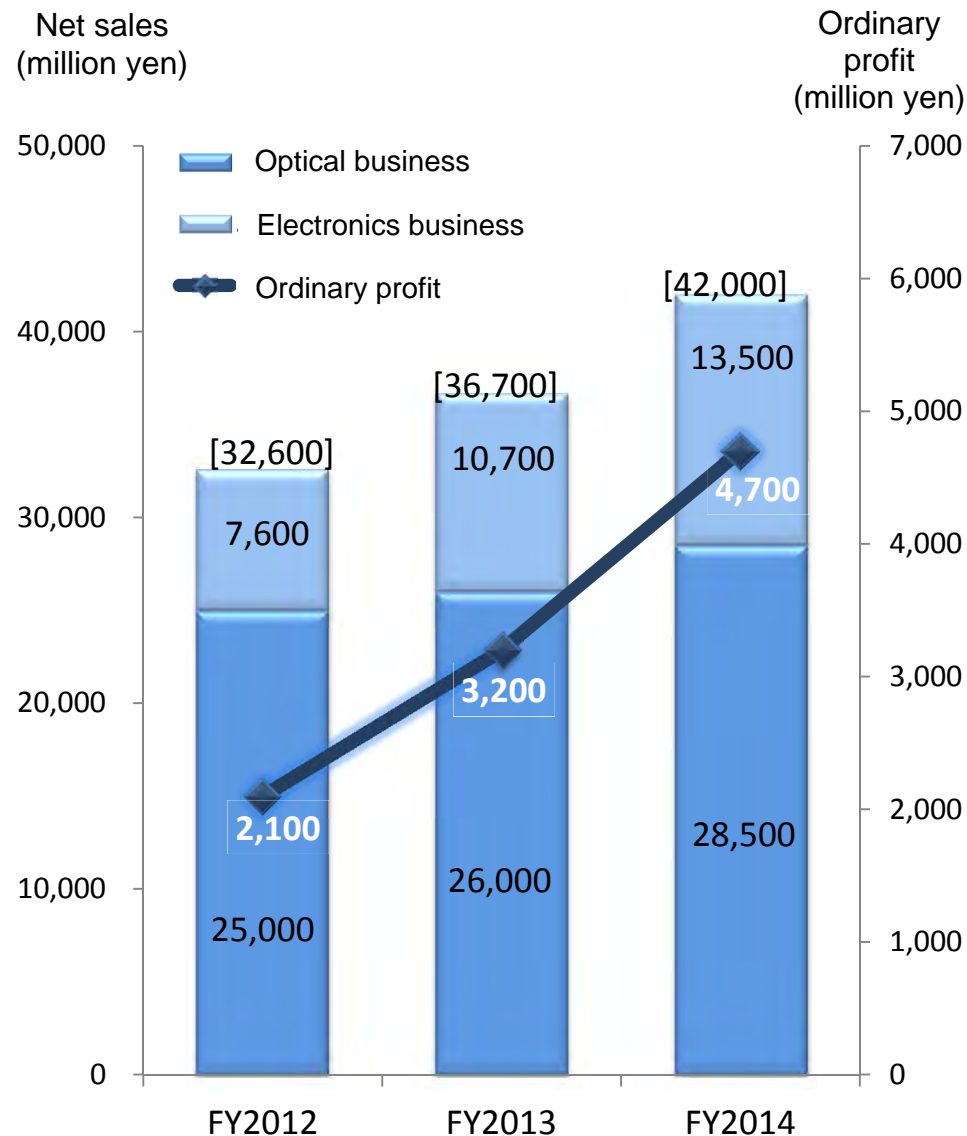
→ Help usher in a new era in energy and the environment.



Financial Targets

| | FY2014 |
|---|-----------------|
| Net sales | ¥42.0bn or more |
| Ordinary profit | ¥4.7bn or more |
| ROA (return on assets) | 7.0% or more |
| Rate of interest-bearing liabilities to total assets | 15.0% or less |

Capital expenditure planned for the three years: ¥10 billion



OHARA