

**Interim Financial Statements  
Briefing Session for 2008/03 Term**  
(From April 1, 2007 to September 30, 2007)



November 21, 2007

- . Overview of Interim Consolidated Financial Statements for 2008/03 Term
- . Forecast of Consolidated Financial Statements for 2008/03 Term
- . Mid-term Business Evolution

# . Overview of Interim Consolidated Financial Statements for 2008/03 Term

## Interim Consolidated Financial Statements for 2008/03 Term Highlights (Part1)

(¥ Million)	2008/03 Term (Interim)	2007/03 Term (Interim)	Year-on-year percentage change	Estimated value of business results (May 24, 2007)
<b>Sales Amount</b>	<b>3,687</b>	<b>3,382</b>	<b>9.0%</b>	<b>3,750</b>
Mold Products Group	<b>850</b>	<b>1,036</b>	<b>(18.0%)</b>	<b>1,000</b>
Optical Communications Group	<b>2,837</b>	<b>2,345</b>	<b>21.0%</b>	<b>2,750</b>
<b>Operating Profit</b>	<b>(126)</b>	<b>5</b>	<b>--</b>	<b>(150)</b>
<b>Ordinary Profit</b>	<b>(84)</b>	<b>66</b>	<b>--</b>	<b>(130)</b>
<b>Net Profit for the Current Term</b>	<b>(132)</b>	<b>308</b>	<b>--</b>	<b>(130)</b>

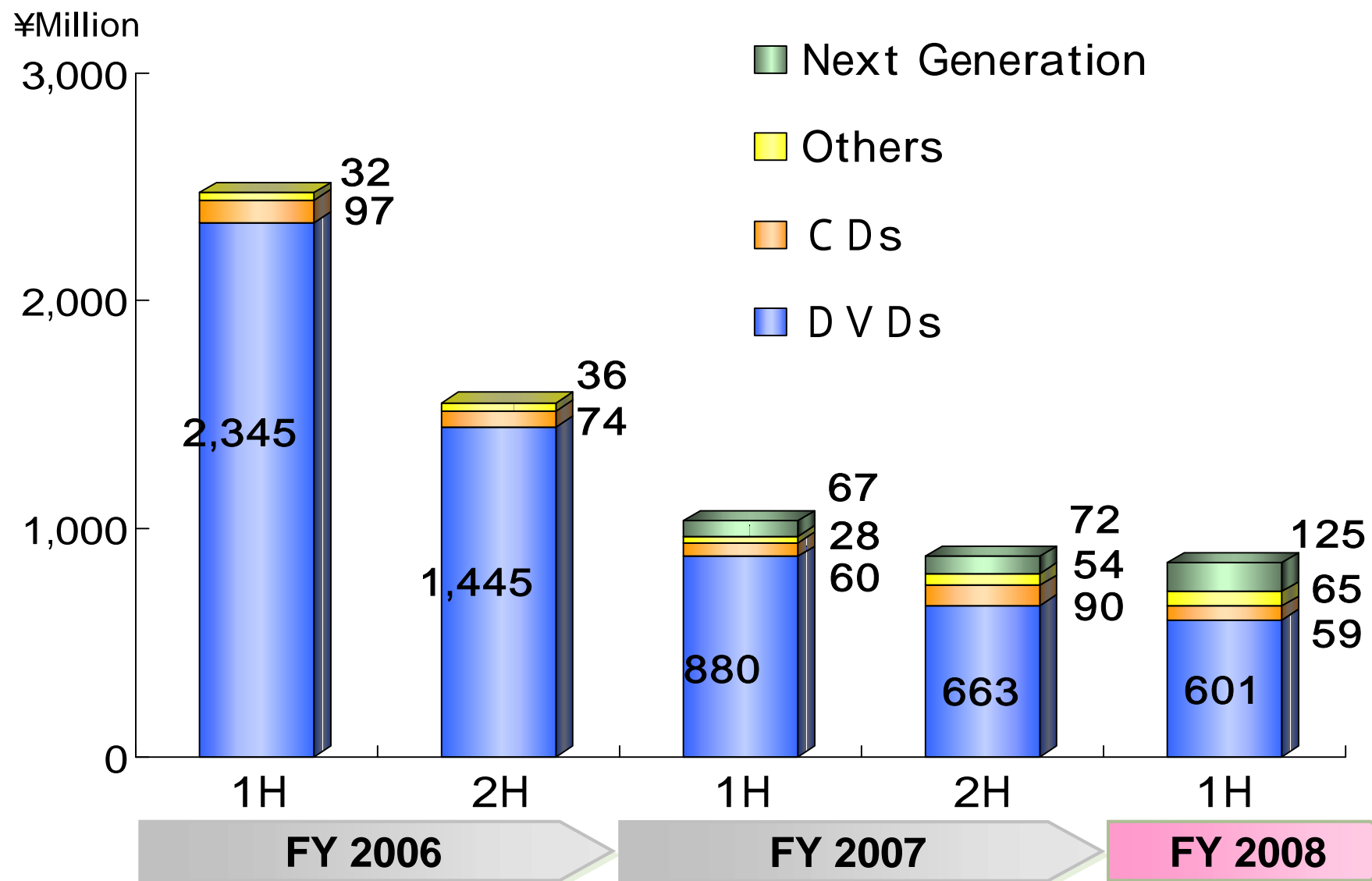
## Interim Consolidated Financial Statements for 2008/03 Term Highlights (Part2)

(¥ Million)	2008/03 Term (Interim)	2007/03 Term (Interim)	Year-on-year percentage change
Orders Received	3,798	3,684	3.1%
Orders Backlog	697	756	(7.8%)
Equipment Investment	241	458	( 47.4%)
Depreciation Expenses	385	360	6.9%
R & D Expenses	374	276	35.5%

## Segment Information/ Mold Products Group

(¥ Million)	2008/03 Term (Interim)	2007/03 Term (Interim)	Year-on-year percentage change
Sales Amount	850	1,036	(18.0%)
Operating Cost	930	966	(3.7%)
Operating Profit	(80)	70	--
Ratio of Operating Profits to Sales	(9.4%)	6.8%	--

## Segment Information/ Mold Products Group- Sales by Products

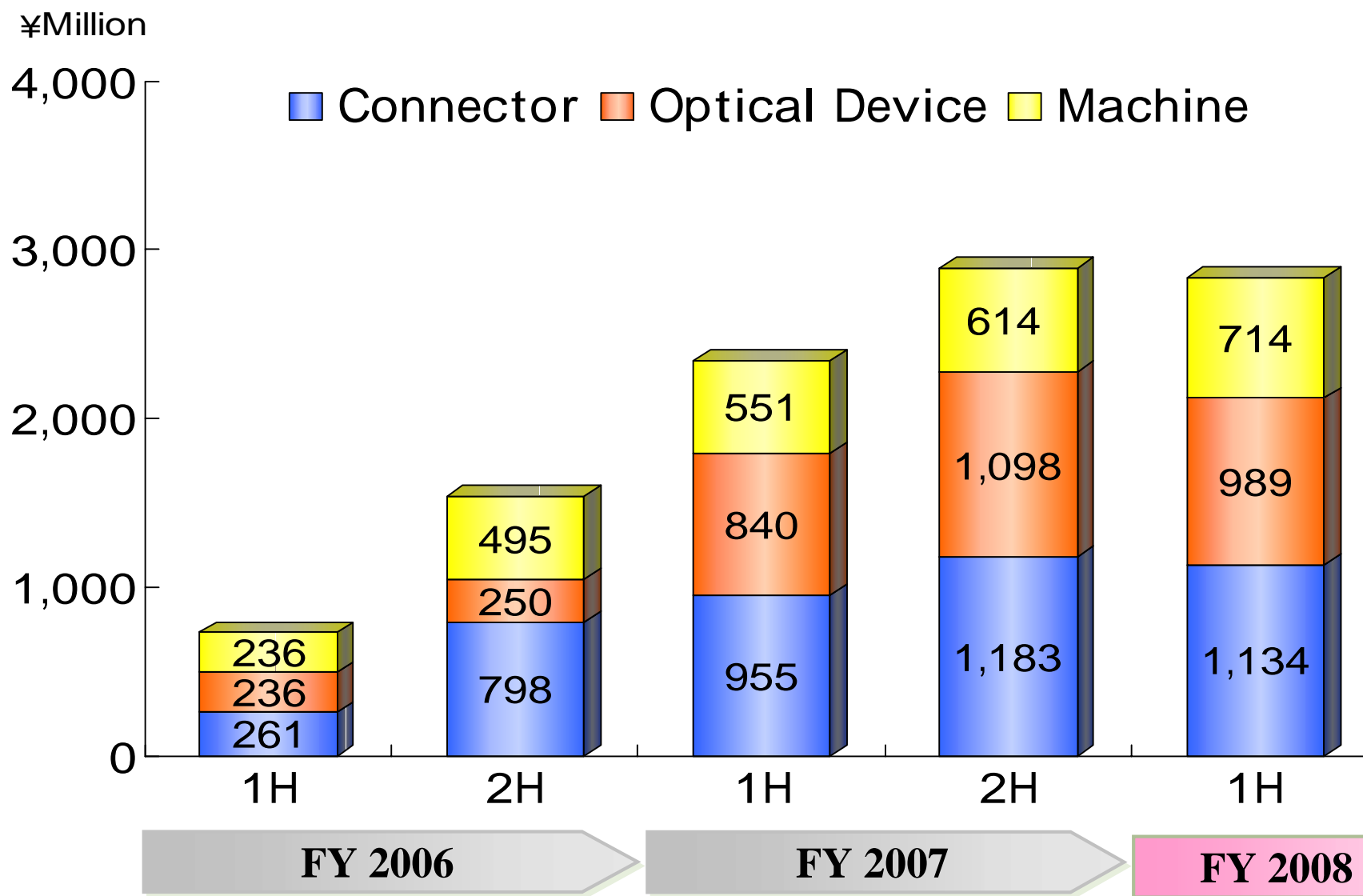


## Segment Information/ Optical Communications Group

(¥ Million)	2008/03 Term (Interim)	2007/03 Term (Interim)	Year-on-year percentage change
Sales Amount	2,837	2,345	21.0%
Operating Cost	2,884	2,410	19.7%
Operating Profit	(46)	(64)	--
Ratio of Operating Profits to Sales	(1.6%)	(2.8%)	--



## Segment Information/ Optical Communications Group - Sales by Products



# Consolidated Balance Sheet

(¥ Million)

Items	2008/03 Term (Interim)	2007/03 Term	Amount (Increase/ Decrease)
<b>[Assets]</b>			
<b>Current Assets</b>	17,776	17,442	334
<b>Fixed Assets</b>	8,179	8,771	(592)
<b>Total Assets</b>	25,956	26,214	(258)
<b>[Liabilities and Net Assets]</b>			
<b>Current Liabilities</b>	1,194	1,117	77
<b>Fixed Liabilities</b>	598	585	13
<b>Net Assets</b>	24,162	24,510	(348)
<b>Total Liabilities/ Net Assets</b>	25,956	26,214	(258)

# Consolidated Cash Flow Statement

Items	<div style="border: 1px solid black; padding: 2px;">(¥ Million)</div>	
	2008/03 Term (Interim)	2007/03 Term
CF - Operating	388	695
CF - Investing	(302)	(1,335)
CF- Financing	(335)	(360)
Increase in Cash	(222)	(975)
Balance at the beginning of term	1,887	2,863
Balance at the end of term	1,664	1,887

# . Forecast of Consolidated Financial Statements for 2008/03 Term

## Trends in the Market (from recent newspaper reports)

### Mold Products Group Business

- ◆ Protracted competition for the next generation DVD standards
- ◆ Current market price of the next generation DVD recorder is moving downward, into prices in the low ¥100,000s

### Optical Communications Business

- ◆ NTT revised its objective for optical line subscriptions by 2010 from 30 million households to 20 million households
- ◆ Increased construction of optical submarine cables in North America, India and other countries

# Forecast of Consolidated Financial Statements for 2008/03 Term

(¥ Million)	Results for the first half	Forecast of the second half	Forecast of the full year	Results for the previous year	Year-on-year percentage change
Sales Amount	3,687	4,293	7,980	7,156	11.5%
Operating Profit	(126)	(14)	(140)	(74)	--
Ordinary Profit	(84)	14	(70)	73	--
Net Profit for the Current Term	(132)	2	(130)	208	--
Equipment Investment	241	903	1,145	896	27.8%
Depreciation Expenses	385	468	853	788	8.2%
R & D Expenses	374	579	953	567	68.1%

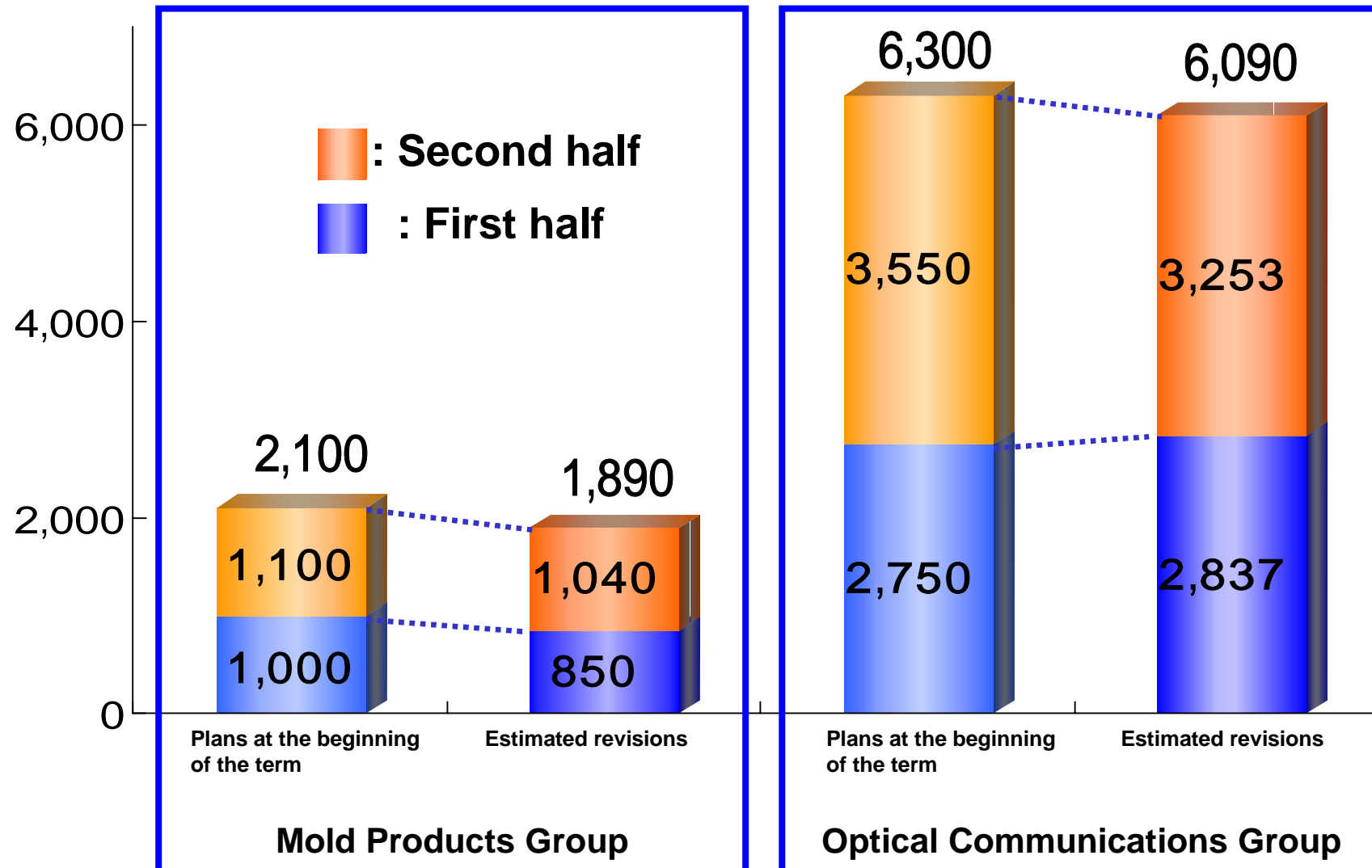
# Forecast of Consolidated Financial Statements (by Segment) for 2008/03 Term

(¥ Million / %)

	Results for the first half	Forecast of the second half	Forecast of the full year	Results for the previous year	Year-on-year percentage change	Estimation at the beginning of the term (May 24, 207)
<b>Mold Products Group</b>						
<b>Sales Amount</b>	850	1,040	1,890	1,914	(1.3)	2,100
<b>Operating Profit</b>	(80)	(70)	(150)	10	--	20
<b>Optical Communications Group</b>						
<b>Sales Amount</b>	2,837	3,253	6,090	5,241	16.2	6,300
<b>Operating Profit</b>	(46)	56	10	(85)	--	120

## Deviation between the Plans at the Beginning of the Term and Estimated Revisions disclosed at November 2 (Sales Amount)

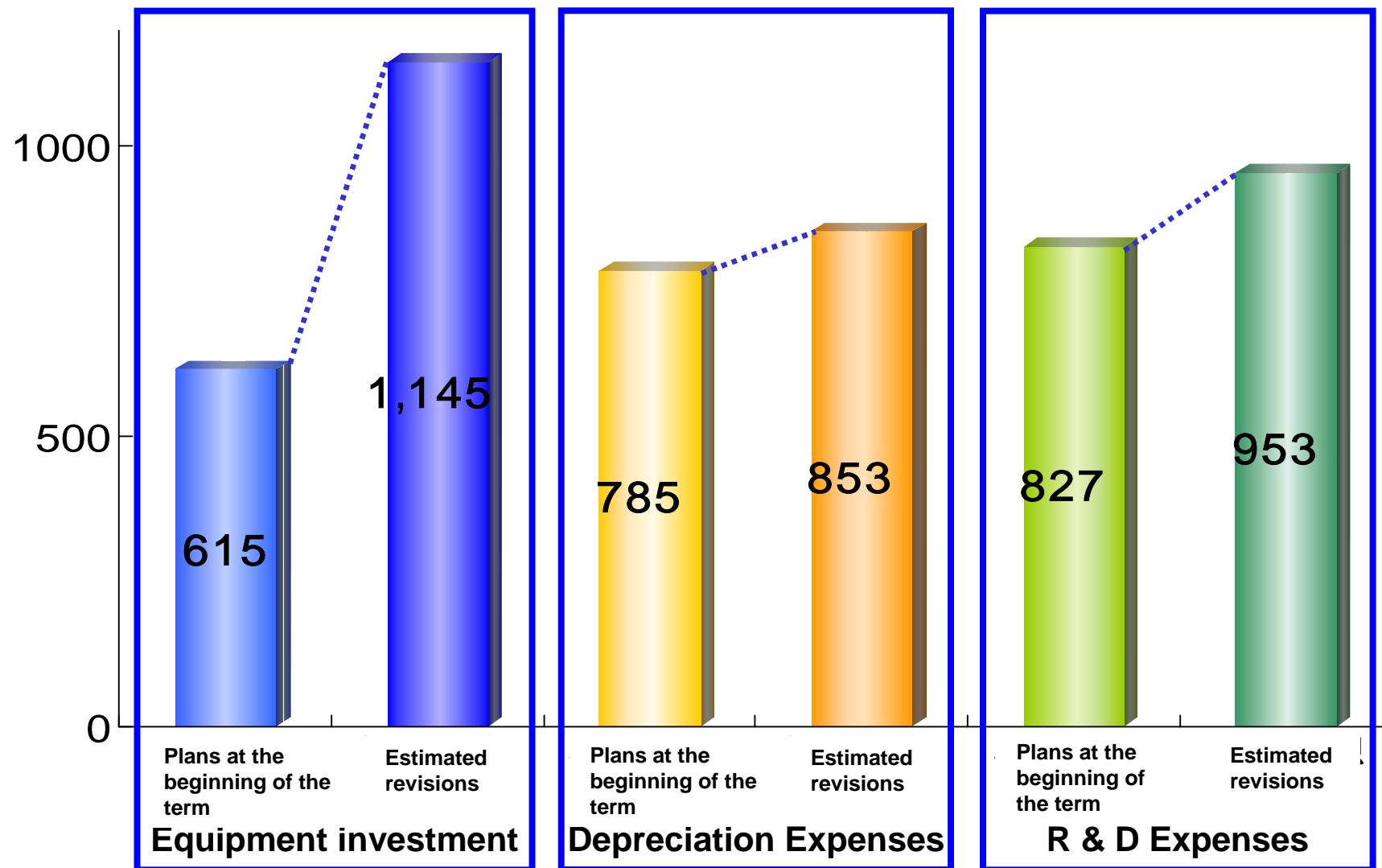
¥Million



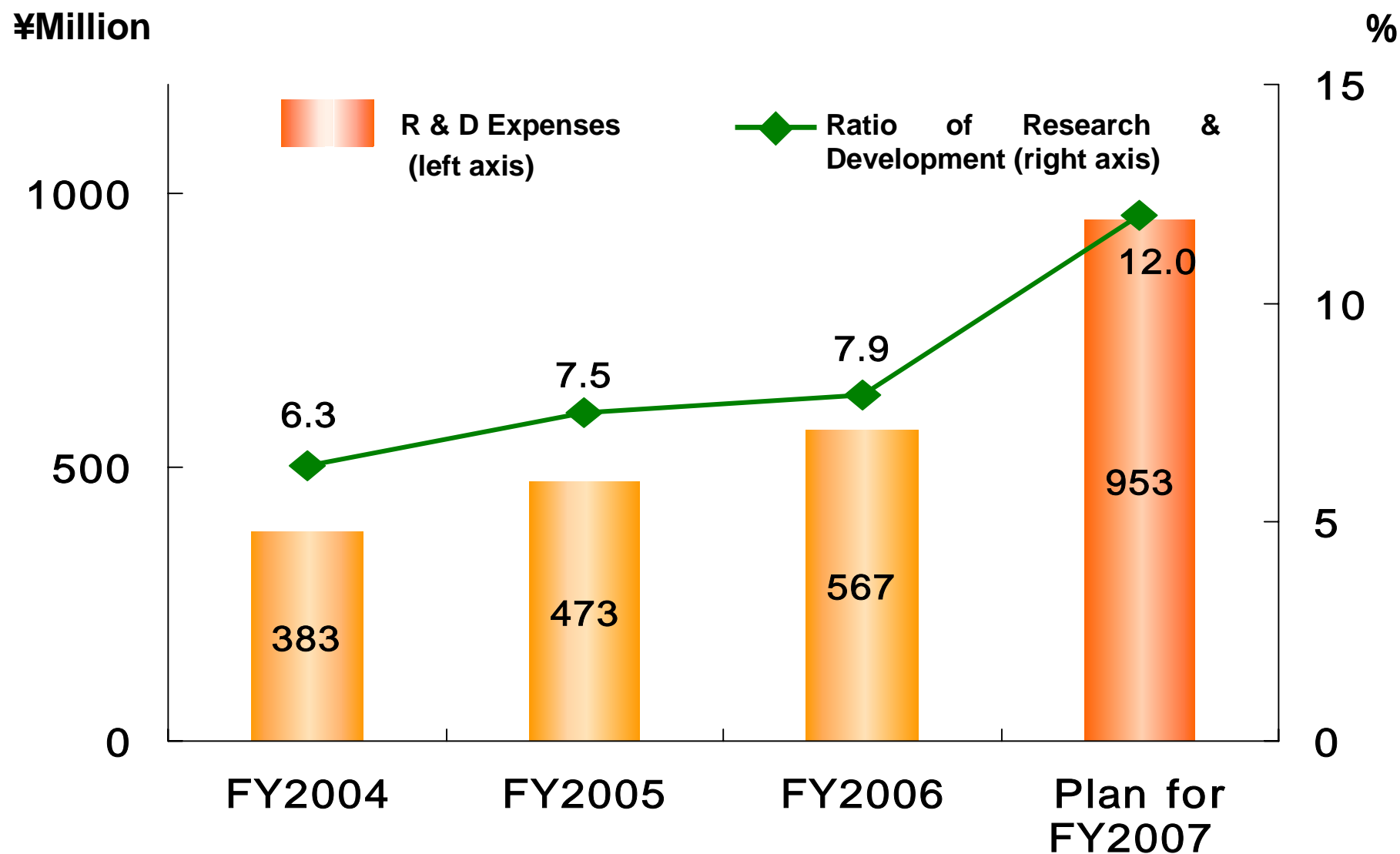


## Deviation between the Plans at the Beginning of the Term and Estimated Revisions disclosed at November 2

¥ Million



# Changes in R & D Expenses



# . Mid-term Business Evolution

## Growth in Existing Business: Mold Products Business

**Launch of the next generation optical discs will be in 2009?**

### Business Policies


- 1. Reinforcement of optical disc maintenance business**
- 2. Development of new products: Sales of molds other than optical discs and processing of precision parts**
- 3. Pursuit of precision processing technologies: Introduction of aspheric generator and precision measuring instrument**

## Growth in Existing Business: Optical Communications Business

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**Increase profitability of businesses**



### Business Policies

**Stream 1: Review of commercial flow and commodity distribution**

**Stream 2: Reinforcement of devices business**

**Stream 3: Expansion into non-telecommunication fields**

## Creation of New Business: Optical Element Business

### MSG Lens



Basic Technologies: Application of mold technology and precision processing technology

Market size: Number of lens sets for cellular phones Year 2010 1.1 billion sets

High heat resistance lens: Demands in cellular phones, instruments mounted on vehicles, security cameras and so on

## Creation of New Business: Optical Crystal Business

**Optical Electric  
Field Sensor**



**Optical Remote  
Antenna**



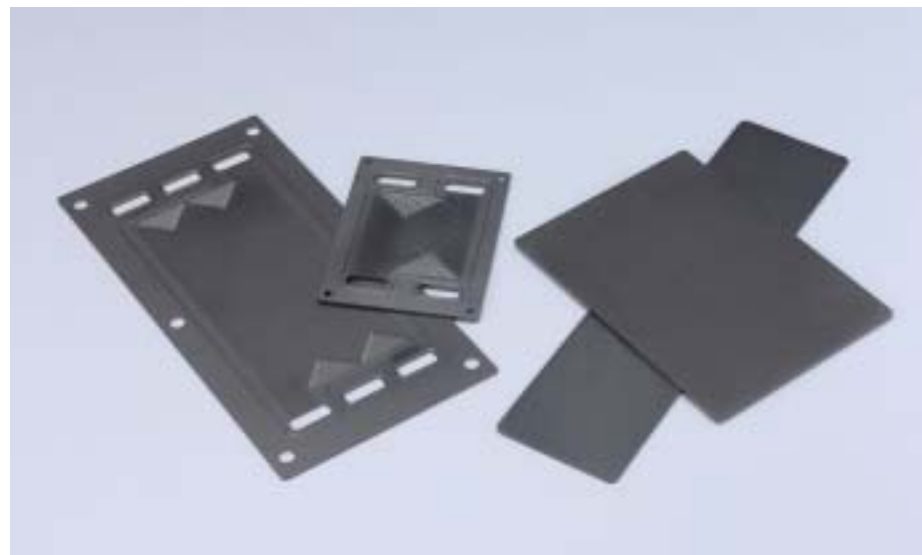
**Basic Technologies : Application of the processing technology for LN crystals  
and the processing technology for optical fibers**

**Market size: Year 2010 30 billion yen**

**Demands in a wide range of industries such as broadcasting, automobile,  
medical equipment and security**

## Creation of New Business: Separator Business

**Fuel Cell Bipolar Plate**



Basic Technologies: Application of mold technology and powder forming technology

Market size (Separator) : 12.6 billion yen

Wide ranging demands in both installed and mobile devices, as the next generation energy



# Mid-term Business Evolution

