

OPTICS

OVERVIEW OF RESULTS FOR FY MARCH 2010

The global economy began moving toward a recovery, with increased production in the digital appliance industry and others. In this environment, the Optics business saw increased unit sales of glass hard disk substrates and TAC films, lifting overall revenues for the business. At the same time, unit sales of image input/output components remained sluggish, and optical pickup lenses were affected by a drop in unit prices due to a shift to using plastic lenses for Blu-ray Discs. As a result, sales were down 21.1% compared to the previous period, at ¥136.7 billion, but operating income rose 14.8% to ¥14.3 billion, thanks in part to a recovery in sales of key products and the effects of ongoing cost structure improvement since the end of the previous fiscal year.

STATUS BY SEGMENT

DISPLAY MATERIALS

Orders for TAC films recovered due to rising demand for large-screen LCD televisions, spurred by measures in various countries to stimulate demand for home appliances, and revenue improved in the first half. Sales remained steady for VA-TAC film, and thin-film, both products in which we have an established advantage.

MEMORY

Unit sales of optical pickup lenses for Blu-ray format fell below initial projections as the high-volume IT-related market was slow to recover, but unit sales for use in audio-visual applications continued their steady recovery. Overall, unit sales of optical pickup lenses, including those for use in CDs and DVDs, exceeded results for the previous period.

In glass hard disk substrates, we focused on expanding sales of products for high-density recording, including 250GB and 320GB disks. Recovery in demand, centered around notebook computers and external memory devices, brought a significant increase in unit sales beginning around the third quarter. To accommodate future growth in demand, we have begun construction of additional production lines at our Malaysia plant, aiming to start operation in October 2010.

IMAGE INPUT/OUTPUT COMPONENTS

As we worked to concentrate our product domains with a focus on profitability, overall demand remained sluggish for the high-end segments we specialize in due to the global economic downturn, and unit sales remained weak.

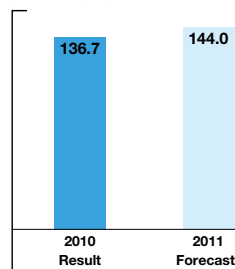
STRATEGY GOING FORWARD

In the digital home appliance segment, key upcoming market trends include the introduction of 3D LCD televisions, the full-fledged adoption of the Blu-ray format and increasingly high-density hard disks. These trends will bring increased demand for TAC film, optical pickup lenses for Blu-ray format, and glass substrates for hard disks, and should thus provide a boost for our mainstay business.

We will also continue to promote our genre-top strategy, maintaining strong growth in each segment while utilizing our technological strengths in optics to move into new fields, such as lighting, automotive, energy, and life care, expanding the reach of our business and enabling us to continue to grow.

NET SALES

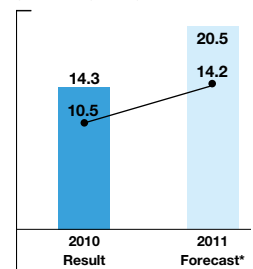
(Billions of yen)



* Forecast: Announced
May 13, 2010

OPERATING INCOME AND OPERATING INCOME RATIO

(Billions of yen, %)



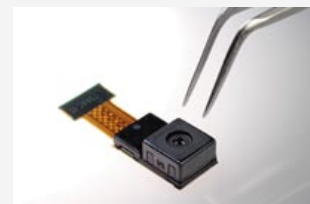
■ Operating Income
— Operating Income Ratio



Glass hard disk substrates



TAC film



Lens unit for camera-equipped mobile phones



Optical pickup lenses for Blu-ray format