

Moritex Corporation

Briefing on Financial Results

Second Quarter of 40th Fiscal Period
(Fiscal Year ending September 2011)

I. Results for the Second Quarter of Fiscal Year ending September 2011

II. Earnings Forecast for Fiscal Year Ending September 2011

III. Future Business Strategy



Overview of Financial Result

Net sales	6,592	6,600	5,805	88.0%
Gross profit	1,978	2,200	1,900	86.4%
Selling and general administrative expenses	1,699	1,800	1,693	94.1%
Operating profit	279	400	206	51.6%
Recurring profit	287	400	223	55.9%
Net income (loss)	17	400	143	35.8%
Net income (loss) per share (yen)	1.25	28.71	10.29	

Note: The term ending in September of 2010 was only 6 months, due to our revision of the accounting period.

【Account overview】

- **Sales: 5,805 million yen, a decrease of 787 million yen from the previous period (an increase of 395 million yen from the same period of the previous year)**
- **Gross profit: 1,900 million yen, a decrease of 78 million yen from the previous period (Gross profit margin: 32.7%; 30.0% for the previous period; 27.7% for the same period of the previous year)**
After the Yaita factory was closed, with production ending in September 2010 moving to China, gross profit margin increased.
- **Sales and general administrative expenses: 1,693 million yen, a decrease of 5 million yen from the previous period**
Although the cost of installing the ERP system was posted, total SG&A expenses did not change from the previous period, due to simultaneous efforts to reduce operating cost.
- **Operating profit: 206 million yen, a decrease of 72 million yen from the previous period**
Operating profit decreased due to the decrease of gross profit.
- **Recurring profit: 223 million yen, a decrease of 64 million yen from the previous period**
Lease income of 10 million yen, as well as profits from the sale of stored goods, also 10 million yen, were posted.
- **Net income: 143 million yen, an increase of 125 million yen from the previous period**
Losses due to disaster: 28 million yen; Business restructuring cost: 14 million yen; Loss on revaluation of investments in securities: 10 million yen; Impairment loss: 7 million yen



Business Performance by Segment

(Unit: Million yen)

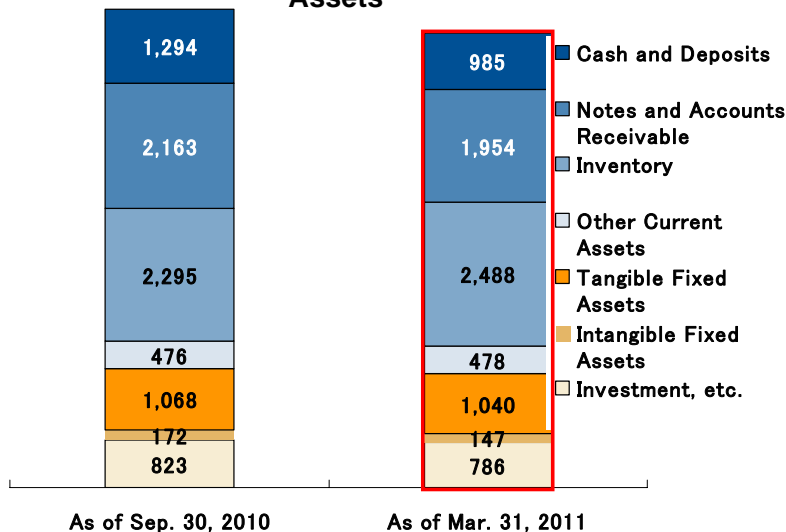
Business Segment		6 months ending September 2010	6 months ending March 2011		
		Actual	Actual	Component Ratio	Increase/ Decrease
MVS & Industrial	Net sales	4,395	3,849	66.3%	-12.4%
	Gross profit	1,556	1,322		-15.0%
	Operating profit	768	399		-48.1%
Cosmetic	Net sales	351	215	3.7%	-38.7%
	Gross profit	24	24		-3.4%
	Operating profit	- 57	- 71		-
Optocom	Net sales	271	211	3.7%	-21.9%
	Gross profit	28	26		-6.3%
	Operating profit	- 35	- 40		-
Functional Materials	Net sales	742	761	13.1%	2.6%
	Gross profit	247	306		24.1%
	Operating profit	120	163		35.8%
Overseas	Net sales	656	601	10.4%	-8.3%
	Gross profit	107	89		-16.4%
	Operating profit	- 258	- 156		-
Others	Net sales	176	165	2.8%	-6.4%
	Gross profit	107	56		-47.3%
	Operating profit	- 78	- 80		-
Adjustmen t	Net sales	-	-	-	-
	Gross profit	- 92	74		-
	Operating profit	- 180	- 6		-
Net Sales		6,592	5,805	100.0%	-11.9%
Gross Profit on Sales		1,978	1,900		-4.0%
Gross Profit Margin		30.0%	32.7%		
SG&A Expenses		1,699	1,693		
Operating Profit		279	206		-26.1%
Operating Profit Margin		4.2%	3.6%		

Note: The term ending in September of 2010 was only 6 months, due to our revision of the accounting period.



Consolidated Balance Sheet

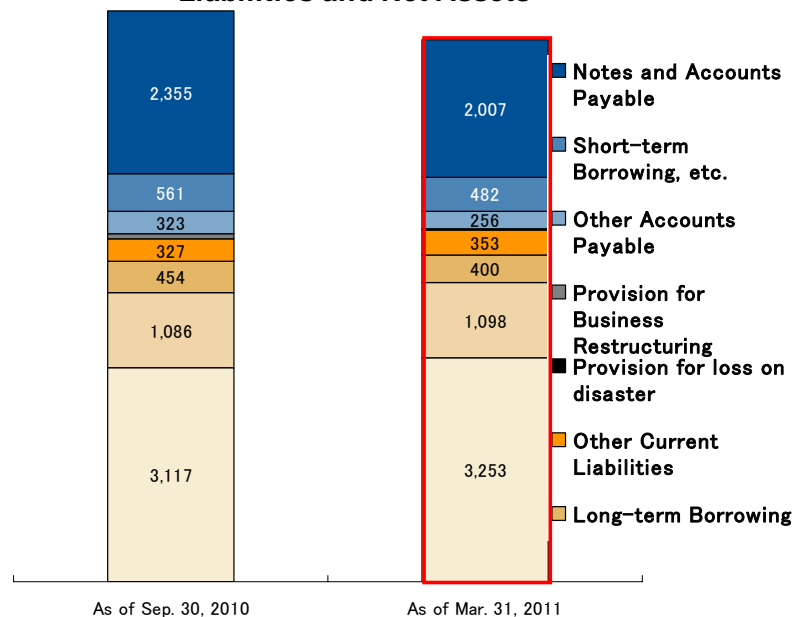
Assets



(Unit: Million yen)

Assets	As of Sep. 30, 2010	As of Mar. 31, 2011	Increase/Decrease
Cash and Deposits	1,294	985	- 308
Notes and Accounts Receivable	2,163	1,954	- 208
Inventory	2,295	2,488	193
Other Current Assets	476	478	2
Tangible Fixed Assets	1,068	1,040	- 28
Intangible Fixed Assets	172	147	- 24
Investment, etc.	823	786	- 36
Total Assets	8,292	7,881	- 410

Liabilities and Net Assets



(Unit: Million yen)

Liabilities and Net Assets	As of Sep. 30, 2010	As of Mar. 31, 2011	Increase/Decrease
Notes and Accounts Payable	2,355	2,007	- 348
Short-term Borrowing, etc.	561	482	- 79
Other Accounts Payable	323	256	- 66
Provision for Business Restructuring	66	2	- 63
Provision for loss on disaster	-	27	27
Other Current Liabilities	327	353	26
Long-term Borrowing	454	400	- 54
Other Fixed Liabilities	1,086	1,098	11
Net Assets	3,117	3,253	136
Total Liabilities and Net Assets	8,292	7,881	- 410

Consolidated Cash Flow

	6 months ending Sep. 2010	6 months ending Mar. 2011
I Cash flow from operating activities	860	- 138
Income (loss) before income taxes and others	- 265	162
Depreciation and amortization	147	130
Impairment loss	285	7
Decrease (increase) in accounts receivable - trade	- 116	207
Decrease (increase) in inventory	- 268	- 193
Increase (decrease) in accounts payable - trade	- 32	- 370
Others	1,110	- 83
II Cash flow from investing activities	- 82	- 33
Expenditure for acquisition of tangible fixed assets	- 100	- 93
Gain on sales of tangible fixed assets	-	4
Expenditure for acquisition of intangible fixed asset	- 11	- 1
Gain on transfer of business	37	11
Others	- 7	44
III Cash flow from financing activities	- 1,139	- 135
Increase (decrease) in short-term credit	- 1,000	-
Expenditure for repayment of long-term loans	- 126	- 133
Others	- 13	- 2
IV Exchange difference of cash and cash equivalents	- 14	-
V Increase (decrease) in cash and cash equivalents	- 375	- 308
VI Cash and cash equivalents at beginning of period	1,670	1,294
VII Cash and cash equivalents at end of period	1,294	985

Note: The term ending in September of 2010 was only 6 months, due to our revision of the accounting period.



I. Results for the Second Quarter of Fiscal Year ending September 2011

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III. Future Business Strategy



Consolidated Forecast for 40th Fiscal Period (Fiscal Year ending Sept 2011)

(Unit: Million yen)

	Fiscal year ending Sep. 2010 Actual	Fiscal year ending Sept. 2011	
		1st Half Actual	Plan
Net Sales	6,592	5,805	12,100
Gross profit	1,978	1,900	4,060
SG & A expenses	1,699	1,693	3,435
Operating profit	279	206	625
Recurring profit	287	223	640
Net income (loss)	17	143	545
Net income (loss) per share	1.25	10.29	39.11

Note: The term ending in September of 2010 was only 6 months, due to our revision of the Saccounting period.

【Business forecast】

The business environment of the 3rd quarter was highly unpredictable, due to the Great East Japan Earthquake on March 11, 2011.

Among Moritex's large customers, namely semiconductor, electronic component, and LCD production equipment manufacturers, problems resulting from power shortages and procurement delays are anticipated; this may discourage companies from investing in additional equipment, and could demotivate consumers.

Simultaneously, however, the global demand for mobile phones, smartphones, and tablet PCs is healthy. We will pay close attention to the development of supply systems and equipment investment trends for Japanese semiconductor production equipment manufacturers, as well as the fields of electronic component and LCD display production, which influence our business considerably.



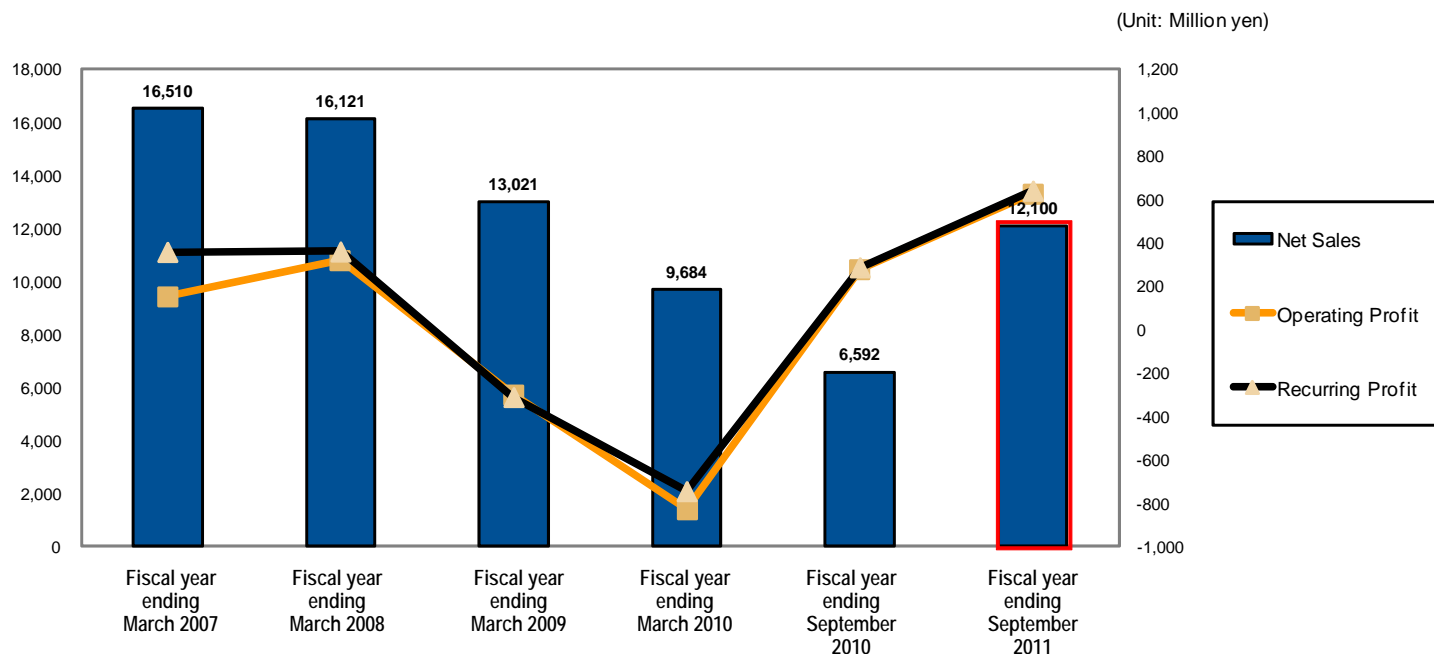
Forecast by Business Segment

(Unit: Million yen)

Business Segment		6 months ending September 2010	6 months ending March 2011		
		Actual	Actual	Forecast	Component Ratio
MVS & Industrial	Net sales	4,395	3,849	8,100	66.9%
	Gross profit	1,556	1,322	2,600	
	Operating profit	768	399	765	
Cosmetic	Net sales	351	215	600	5.0%
	Gross profit	24	24	136	
	Operating profit	- 57	- 71	- 54	
Optocom	Net sales	271	211	360	3.0%
	Gross profit	28	26	66	
	Operating profit	- 35	- 40	- 65	
Functional Materials	Net sales	742	761	1,550	12.8%
	Gross profit	247	306	595	
	Operating profit	120	163	300	
Overseas	Net sales	656	601	1,180	9.7%
	Gross profit	107	89	323	
	Operating profit	- 258	- 156	- 195	
Others	Net sales	176	165	310	2.6%
	Gross profit	107	56	100	
	Operating profit	- 78	- 80	- 166	
Adjustmen t	Net sales	-	-	-	-
	Gross profit	- 92	74	240	
	Operating profit	- 180	- 6	40	
Net Sales		6,592	5,805	12,100	100.0%
Gross Profit on Sales		1,978	1,900	4,060	
Gross Profit Margin		30.0%	32.7%	33.6%	
SG&A Expenses		1,699	1,693	3,435	
Operating Profit		279	206	625	
Operating Profit Margin		4.2%	3.6%	5.2%	

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Consolidated Business Performance



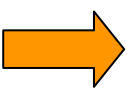
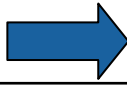
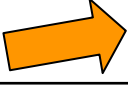
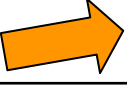
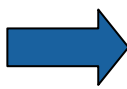
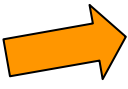
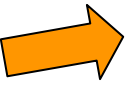






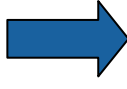




(Unit: Million yen)

	Fiscal year ending March 2007	Fiscal year ending March 2008	Fiscal year ending March 2009	Fiscal year ending March 2010	Fiscal year ending September 2010	Fiscal year ending September 2011
Net Sales	16,510	16,121	13,021	9,684	6,592	12,100
Gross Profit on Sales	4,741	4,624	3,587	2,045	1,978	4,060
Operating Profit	154	320	-301	-829	279	625
Recurring Profit	358	360	-311	-745	287	640
Net Income (loss)	-1,495	184	-1,785	-2,508	17	545



Market Trends

Business Segment	2 nd half of FY 2011	FY 2012	FY 2013	Factors
MVS & Industrial				In the first half of FY 2011, equipment investment for semiconductors and FPD stopped almost entirely due to production adjustments to cope with excessive supply. From the second half of FY2011, investment rebounded after inventory adjustment, as the Chinese market became brisk. Investment is expected to peak in early FY 2012, after which business can be expected to slow down somewhat.
Cosmetic Instruments				Cosmetic manufacturers are regularly investing in new equipment for the Chinese market. Many companies are making inroads to the Chinese market.
Optocom				Market is growing, due to the global optical infrastructure development for the subscribers of Fiber To The x (FTTx).
Functional Materials				The medical- and analysis-related markets are expected to grow significantly, primarily in emerging economies. Particularly the healthcare market will continue to expand.
Overseas				Asian markets are growing steadily, particularly in China. The US economy is slowly recovering.
Others				As society ages and medical technology advances, the medical apparatus field is estimated to grow at a steady pace.

※The category “Others” consists primarily of SCHOTT Group products.



Machine Vision & Industrial

(Unit: Million yen)

	Fiscal year ending Sept. 2010 Actual	Fiscal year ending Sept. 2011		
		First half (Actual)	Second half (Plan)	Full year (Plan)
Net Sales	4,395	3,849	4,250	8,100
Operating Profit	768	399	365	765

[Recent Trends]

- In the second half of FY2011, demand for large liquid crystal panels and digital cameras is to decline.
- In the wake of the Great East Japan Earthquake, we received a rush of orders because clients wanted to secure components. However, this increased demand is only temporary.
- The market environment for LED sensor manufacturers is good and demand will continue to grow. However, is estimated that equipment investment will peak in FY2011.
- In the FPD field, investment in TV panels will slow down, but this is likely to be compensated by increased investment activity in EMS for smartphones.
- Equipment investments and orders for machines that assemble electronic components are expected to increase in FY2012.



Machine Vision & Industrial

[Topics]

- Release of the constant-voltage LED lamp series “MCV-LIGHT”
- Continuing development of LED-related products
- Sales promotion for the SCHOTT product “LLS2-MegaLight”
- Continuing development of new lenses
- Increasing ability to set competitive prices by manufacturing products at Moritex Technologies (Shenzhen) Co., Ltd.

Cosmetic Instruments

(Unit: Million yen)

	Fiscal year ending Sept. 2010 Actual	Fiscal year ending Sept. 2011		
		First half (Actual)	Second half (Plan)	Full year (Plan)
Net Sales	351	215	384	600
Operating Profit	-57	-71	17	-54

[Recent Trends]

- After sluggish performance during the second half of FY2011, domestic sales are expected to improve in the first half of FY2012.
- Cosmetic manufacturers are making further equipment investments in the Chinese market.
- We have had a significant number of inquiries from the European, U.S., and Chinese markets.

[Topics]

- We are able to set increasingly competitive prices, as more and more of our products are manufactured at Moritex Technologies (Shenzhen) Co., Ltd.
- We are preparing for a full-scale entry into the Chinese market.



Optocom

(Unit: Million yen)

	Fiscal year ending Sept. 2010 Actual	Fiscal year ending Sept. 2011		
		First half (Actual)	Second half (Plan)	Full year (Plan)
Net Sales	271	211	148	360
Operating Profit	-35	-40	-24	-65

[Recent Trends]

- The Optocom market is growing steadily, due to the global infrastructure development for FTTx (Fiber To The x).

[Topics]

- We are transferring production of aspherical lenses for the optical access market to Moritex Technologies (Shenzhen).
- We will expand our strategic cooperation with the SCHOTT Electronic Packaging Business Unit, to supply products to customers in the optical communication components field.



Functional Materials

(Unit: Million yen)

	Fiscal year ending Sept. 2010 Actual	Fiscal year ending Sept. 2011		
		First half (Actual)	Second half (Plan)	Full year (Plan)
Net Sales	742	761	788	1,550
Operating Profit	120	163	136	300

[Recent Trends]

- The medical and analytical markets are healthy.
- Exchange rates are affected by lingering yen appreciation.

[Topics]

- We are expanding sales activities in the medical and analytical fields, primarily targeting the catheter market.
- We will begin mass-production of special fibers for submarine cable repeaters to provide a more stable supply.
- We are further researching the market for calibration standard particles that are used for inspecting liquid medicines and tablets.
- We are further researching the market for special connector springs used in hybrid cars and electric vehicles.



Overseas

(Unit: Million yen)

	Fiscal year ending Sept. 2010 Actual	Fiscal year ending Sept. 2011		
		First half (Actual)	Second half (Plan)	Full year (Plan)
Net Sales	656	601	578	1,180
Operating Profit	-258	-156	-38	-195

[Recent Trends]

- The Asian markets are expanding, most significantly in China.
- In the US, the high-tech industry on the west coast and the manufacturing industry in southern areas are slowly recovering.
- Price competition is escalating, due to yen appreciation.

[Topics]

- In cooperation with the Schott Group, we will continue to promote sales in the rapidly growing Chinese market.
- We continue to transfer manufacturing to our major factory Moritex Technologies (Shenzhen) Co., Ltd.



Others

(Unit: Million yen)

	Fiscal year ending Sept. 2010 Actual	Fiscal year ending Sept. 2011		
		First half (Actual)	Second half (Plan)	Full year (Plan)
Net Sales	176	165	144	310
Operating Profit	-78	-80	-85	-166

※ The category “Others,” consists primarily of SCHOTT Group products.

[Recent Trends]

- An increasing number of major electronics manufacturers are entering the medical apparatus industry. The digital X-ray and image guide fields are expected to grow.
- Demand for linear lamps for automobile interior components is rising.

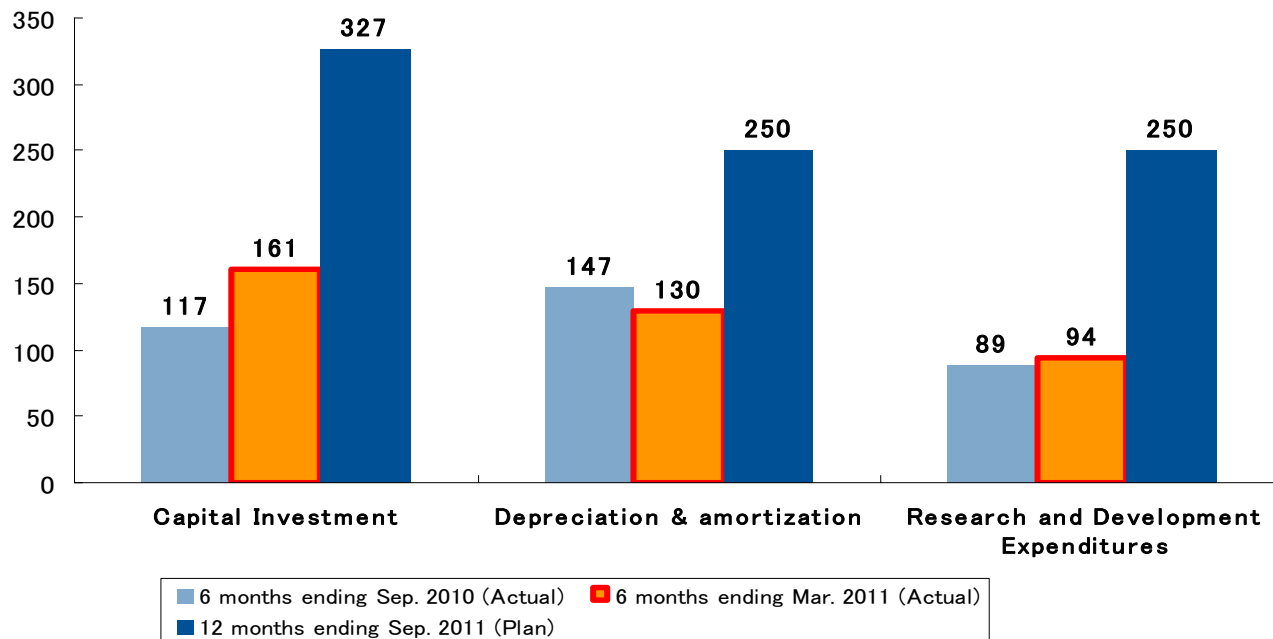
[Topics]

- Sales for super-luminosity LED light sources for medical use, including stereomicroscopes, are increasing steadily.
- We have begun developing and selling components for measuring the dissolved oxygen level of brain surface blood vessels.
- We will begin delivering reading lights for the business-class seats of airliners.



Capital Expenditure and Others

(Unit: Million yen)



【Capital expenditure】

A total of 142 million yen has been invested mainly in the transfer of fiber manufacturing equipment and factory remodeling at Moritex Technologies (Shenzhen) Co., Ltd.

【R&D cost】

We will enhance the development of core-technology-based lenses, LEDs, and cosmetic instruments, mainly in the MVS/I business. We will also expand collaborative development with the SCHOTT business unit Lighting and Imaging.

(Unit: Million yen)

	6 months ending Sep. 2010 (Actual)	6 months ending Mar. 2011 (Actual)	12 months ending Sep. 2011 (Plan)
Capital Investment	117	161	327
Depreciation & amortization	147	130	250
Research and Development Expenditures	89	94	250



I. Results for the Second Quarter of Fiscal Year ending September 2011

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Effects of the Great East Japan Earthquake

- The effects of the Great East Japan Earthquake, which occurred on March 11 , 2011, are as follows:
 - ① Human damage
 - No human damages to our employees or their families
 - ② Effects on our assets
 - Our Yaita factory, which is to be sold, was partially damaged.
 - ⇒ A disaster loss of 28 million yen has been posted in the second quarter of the term ending Sep. 2011.
 - ③ Effects on our production
 - As a result of damage to some suppliers, the delivery of certain components for light sources was delayed.
 - ⇒ Some suppliers have relocated their production sites and the supply for our components will recover. For the moment, we have recommended other light sources produced by our company, as alternatives.
 - ④ Effects on our sales
 - ⇒ At our office in Sendai, it was difficult to secure the lifeline for our employees; therefore, the office was closed until Apr. 10 (1 month).
 - A few clients procured components in advance, from the viewpoint of BCP, so that our company received some advance orders.
 - ⑤ Effects on equipment investment
 - ⇒ In light of the effects of the earthquake, we have decided to postpone the implementation of a new ERP system, originally set to go live during the 40th term, by one year. However, we plan to test the system by rolling it out at Moritex Technologies (Shenzhen) Co., Ltd toward the end of this year.

The effects of any disruptions to the supply chain are expected to emerge at some point in the future. However, given the present situation, we assume that the impact on our performance during this current term is limited.



Electricity-Saving Measures

To cope with the expected power shortages this summer, we are implementing the following electricity saving measures, which we consider to be a part of our social responsibility:

1. **Electricity-saving measures for PCs inside our company**
 - Turn off PC monitors when they are not in use, as during lunch break and when employees leave the company
 - The “Windows PC Automatic Power-Saving program,” which is offered by Microsoft, free of charge, will be installed on our PCs with Windows®, in order to utilize the Sleep and Stand-by functions, and to adjust display brightness.
2. **Cool Biz**
 - The Cool Biz campaign, which usually starts in June, was moved forward by one month.
 - In-house staff are allowed to wear a plain polo shirt.
3. **Air conditioner setting**
 - In all offices, room temperature will be set at 28° C
 - 70 electric fans will be installed in our offices, in order to improve air conditioning efficiency.
 - Meetings will be scheduled in the morning, whenever possible, so as to take advantage of the cooler temperatures.

4. **Lighting**
 - Lights will be turned off, whenever they are not needed.
 - About 30% of all fluorescent lamps have been removed from our headquarters.
5. **Others**
 - At any smaller meetings, the use of projectors will be avoided.
 - Toilet seat heaters are turned off during the Cool Biz period.
 - The use of electric water kettles will be limited.
 - The specified temperature for refrigerators has been reconsidered.
 - Notices encouraging employees to participate in the power-saving efforts have been posted all around the office.

Recent Trends

■ The Economic Situation

- 1. Although the economy was on a recovering trend, it is slowing down again in the wake of the Great East Japan Earthquake. While corporate earnings is improving, business could still be negatively affected by the catastrophe. However, we see investment in equipment picking up.**
- 2. As demand for smartphones and tablet PCs grow, international shipment of semiconductors is expected to recover from 2010 to 2013.**
- 3. The global semiconductor manufacturing equipment market, which had declined in 2008 and 2009, has rebounded in 2010. Sales in 2010 were 37.5 billion dollars, up by about 136% from the previous year. Sales for 2011 are estimated at 38.9 billion dollars, up about 4% from 2010. Sales for 2012 are forecast at 40.5 billion dollars, up about 4% from 2011.**

(released by Semiconductor Equipment and Materials International (SEMI, headquartered in San Jose CA , USA.) on Nov. 30, 2010)

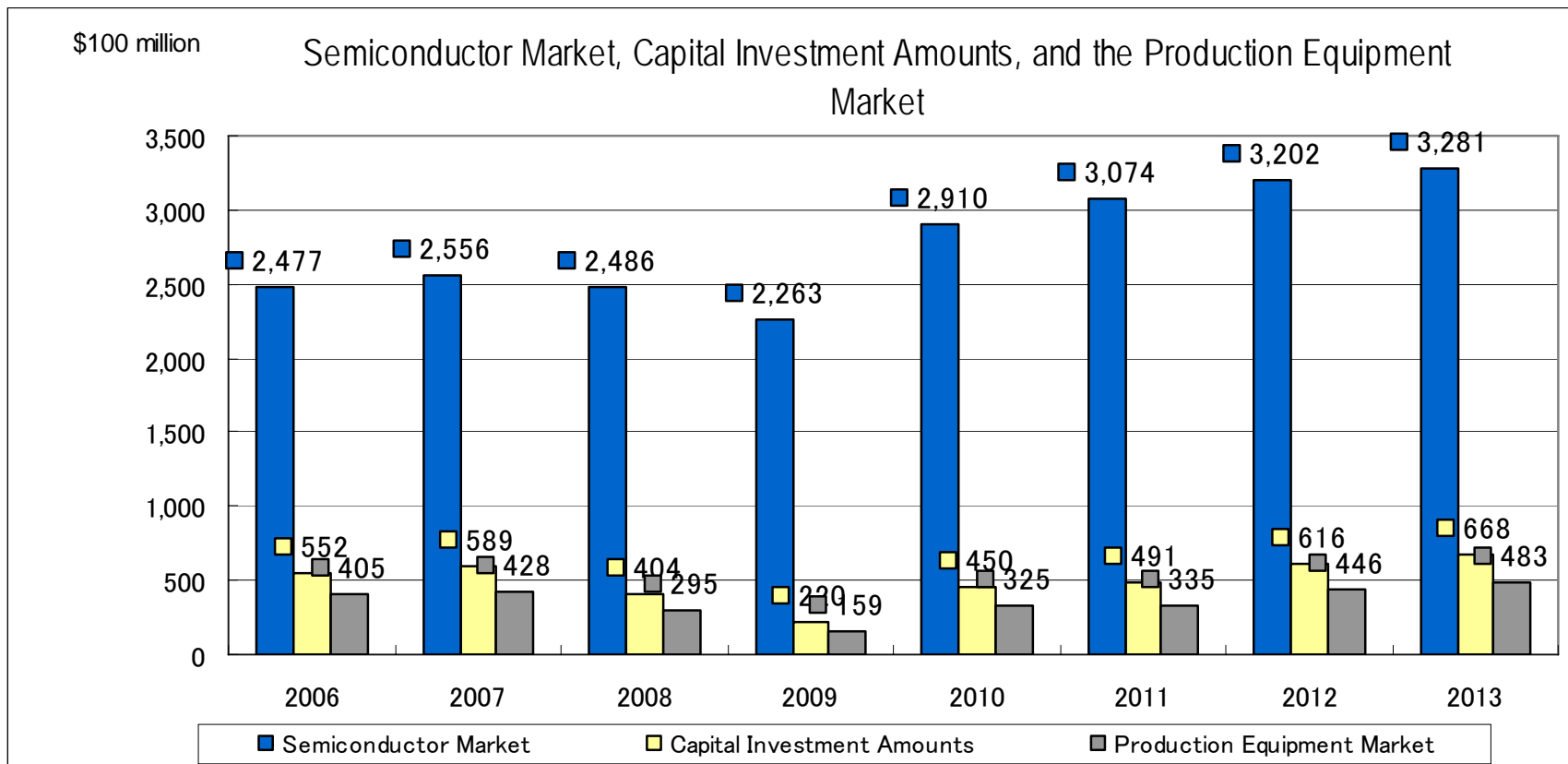


Recent Trends

■ The Economic Situation

- 4. SEMI predicts that the market for assembly and packaging equipment will grow by 155 percent to 3.5 billion dollars in 2010. This market is our core area in the semiconductor production equipment. Sales in 2011 are forecast at 2.9 billion dollars, a decrease of about 17%. Sales for 2012 are forecast at 3.3 billion dollars, about 11% up from 2011. (SEMI: released on Nov. 30, 2010)**
- 5. For electronic component manufacturing and inspection equipment, sales in 2010 were 370 billion yen, increasing by about 162% from the previous year. Sales for 2011 are forecast at 400 billion yen, increasing by about 8%. Sales for 2012 are forecast at 430 billion yen, up another 8% from 2011. (released by Fuji Keizai Co., Ltd. on Jun. 30, 2010)**
- 6. The earnings forecasts of our major clients (domestic semiconductor, electronic component and FPD production system manufacturers), which were released after the Great East Japan Earthquake, do not predict any significant decline in sales.**

Outlook for the Semiconductor and Production Equipment Market, and Capital Investment



*Source: Electronic Journal, Nov 2010 issue, P55: WSTS, SEMI, SEAJ, Electronic Journal Study

● The semiconductor market, capital investment, and production equipment market, all of which influence our performance, are expected to grow steadily from 2010 to 2013.

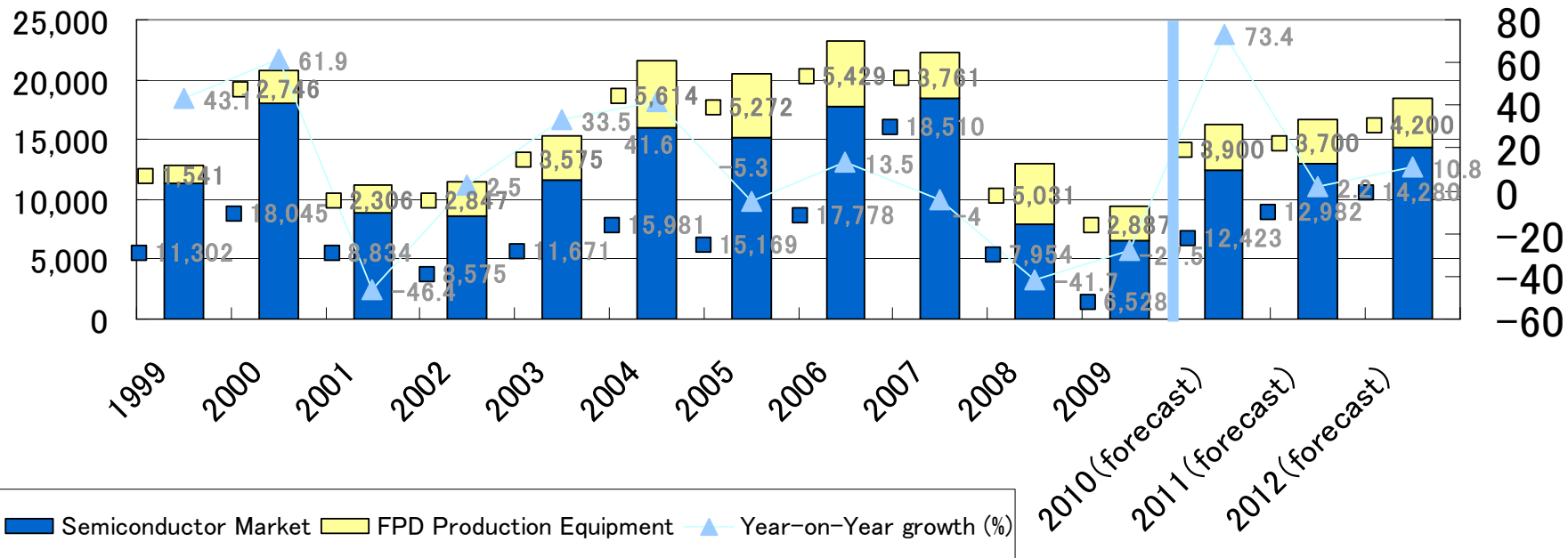
※ This reference was created in November 2010; thus the effects of the Great East Japan Earthquake are not included.



Demand Forecast for Semiconductor and FPD Manufacturing Equipment

(100 million yen)

Forecast demand for semiconductor and FPD manufacturing equipment as of January 2011
 [Estimated sales of devices produced in Japan]



	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010 (forecast)	2011 (forecast)	2012 (forecast)
Semiconductor Market	11,302	18,045	8,834	8,575	11,671	15,981	15,169	17,778	18,510	7,954	6,528	12,423	12,982	14,280
FPD Production Equipme	1,541	2,746	2,306	2,847	3,575	5,614	5,272	5,429	3,761	5,031	2,887	3,900	3,700	4,200
Total (100 million yen)	12,843	20,791	11,140	11,422	15,246	21,596	20,441	23,206	22,271	12,985	9,415	16,323	16,682	18,480
Year-on-Year growth (%)	43.1	61.9	-46.4	2.5	33.5	41.6	-5.3	13.5	-4	-41.7	-27.5	73.4	2.2	10.8

* Announced by the Semiconductor Equipment Association of Japan on January 5, 2011

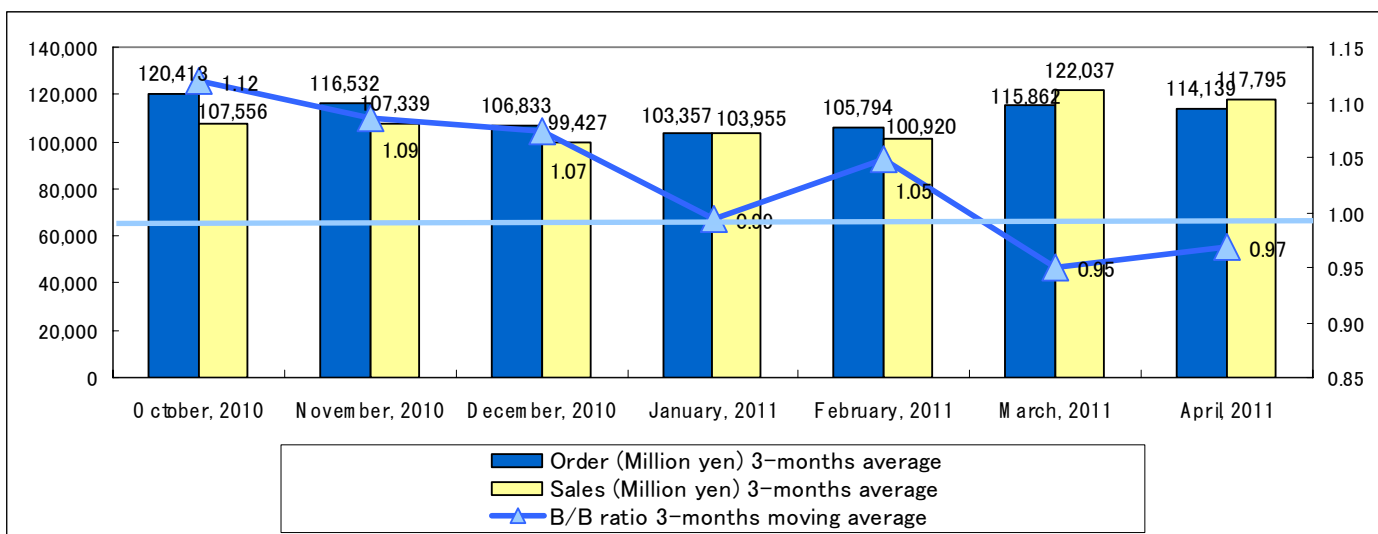
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Semiconductor Manufacturing Industry

Japanese semiconductor manufacturing—Sales, Orders, Book-to-bill Ratio

	Order (million yen) 3-month average	Sales (million yen) 3-month average	B/B ratio
			3-month moving average
October, 2010	120,413	107,556	1.12
November, 2010	116,532	107,339	1.09
December, 2010	106,833	99,427	1.07
January, 2011	103,357	103,955	0.99
February, 2011	105,794	100,920	1.05
March, 2011	115,862	122,037	0.95
April, 2011	114,139	117,795	0.97



- B/B ratio is the ratio of orders taken in a period to the amount invoiced over the same period. “1.0” indicates that orders and sales are at the same level
- From November last year, B/B ratio decreased slightly. This indicates a greater maturity of the market.
- Order amount and sales were over 100 billion yen, except in December of 2010.

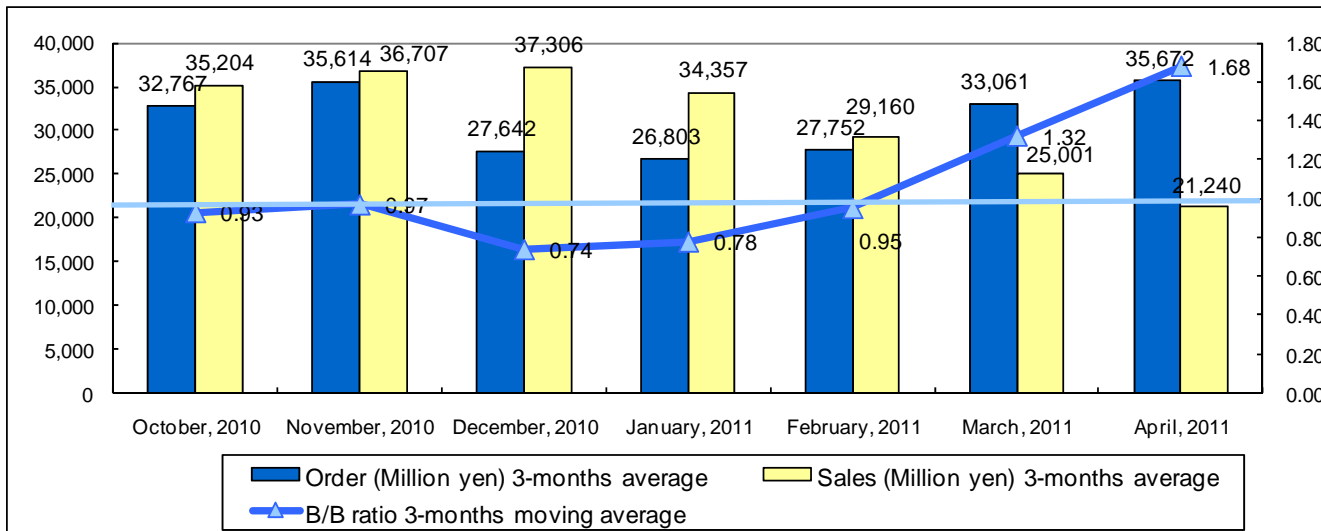
* Announced by the Semiconductor Equipment Association of Japan



FPD Production Equipment Industry

Japanese FPD production equipment –Sales, Orders, Book-to-bill Ratio

	Order (million yen) 3-month average	Sales (million yen) 3-month average	B/B ratio
			3-month moving average
October, 2010	32,767	35,204	0.93
November, 2010	35,614	36,707	0.97
December, 2010	27,642	37,306	0.74
January, 2011	26,803	34,357	0.78
February, 2011	27,752	29,160	0.95
March, 2011	33,061	25,001	1.32
April, 2011	35,672	21,240	1.68



■ B/B ratio is the ratio of orders taken in a period to the amount invoiced over the same period. “1.0” indicates that orders and sales are at the same level

■ The B/B ratio bottomed out in December of last year, but has since recovered. Starting in March, the B/B ratio increased steeply, exceeding 1.0.

* Announced by the Semiconductor Equipment Association of Japan



Intensive Measures for the Second Half of the 40th Term (ending Sep. 2011)

1. Continued pursuit of the synergy with SCHOTT Group

■ Sales

➤ Sales activities utilizing the brand image of SCHOTT

➤ Strengthening of the global sales system through the unified catalogue for MVS products



○ Moritex sales offices

● SCHOTT Group sales offices for MVS products



Intensive Measures for the Second Half of the 40th Term (ending Sep. 2011)

■ R&D and Production

- We will conduct joint purchasing with SCHOTT at Moritex Technologies (Shenzhen) Co., Ltd., to reduce costs.
- Similarly, we will share the manufacturing lines for light guides and LED products at Moritex Technologies (SZ) with Schott.
- Promotion of collaborative development with SCHOTT



Intensive Measures for the Second Half of the 40th Term (ending Sep. 2011)

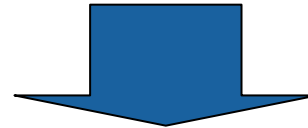
2. Reduction of production cost in China

Performance for the second quarter includes an operating loss of 156 million yen in “overseas business.”

This is largely due to the operating loss at Moritex Technologies (Shenzhen) Co., Ltd.

■ Reasons:

- Production volume decreased, due to sluggish sales in the first quarter
- Delay in the transfer of manufacturing equipment, and increase in cost resulting from efforts to improve quality



Plans for the third and fourth quarters are as follows:

- Secure production volume based on sales plans
- Increase the ratio of production in China (in order to achieve this, we will produce not only standard, but also customized products in China)

In addition to the above measures, cooperative purchasing and manufacturing with SCHOTT are expected to reduce operating losses.



Short-term Measures for Increasing Sales and Orders

■ Enhance our market position in the MVS and industrial business

- We will fortify our strong market position in the area of machine vision systems for semiconductor manufacturing equipment, mounting machines, and liquid crystal production equipment.
- In the LED lighting field, we will make efforts to draw customers away from competitors with our broad lineup of the MG-WAVE Series which are voltage-constant LED lights that prevent heating and have high luminous efficiency, as well as the MCV-Light Series, which are more versatile, voltage-constant LED lights.
- We will expand our cooperation with the SCHOTT Group and promote overseas expansion.
- We will continue our approach of developing new customers and markets in the MVS and industrial business.

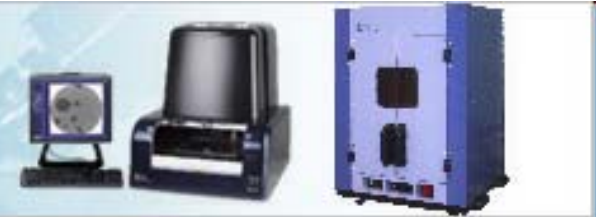


Measures for Medium-Term Growth

■ Develop new markets by utilizing the technologies of MVS and industrial

- The new Business Development Division will continue to develop new markets such as machine tools, medical devices, pharmaceutical packaging, printing, and solar cells, by tapping into our core technologies.
- We will concentrate on the selling inspection systems, such as IRise, an infrared transmission inspection system, and LayScan, a liquid crystal molecular orientation film inspection system.

検査・計測機器



Infrared transmission inspection system (IRise) and liquid crystal molecular orientation film inspection system (LayScan)

■ Increase sales in business fields other than MVS and Industrial

- We will concentrate further on the sale of mobile devices for airplanes, automobiles, and trains in order to establish a business structure that is not as affected by conditions in the semiconductor and liquid crystal-related fields.
- We will cultivate sales channels for the medical and defense fields, in which SCHOTT has already been successful.



Medical super-luminosity LED light engine (LEDgine)



Image of interior lamps for automobiles



Disclaimer: Concerning Future Events

This presentation contains forward-looking statements regarding future events and the future results of Moritex.

Actual results may differ materially and adversely from those expressed or implied in this presentation.

