

## Consolidated Financial Results for the Fiscal Year ended September 30, 2014 (Japanese GAAP)

November 10, 2014

Company name: Hamamatsu Photonics K.K. Stock listing: Tokyo Stock Exchange First Section  
 Stock code: 6965 URL: <http://www.hamamatsu.com/ir/index.html>  
 Representative: Akira Hiruma, President and Chief Executive Officer  
 Contact: Tadahiko Shimazu, Director and General Manager of Accounting Div. (Phone: +81-53-452-2141)  
 Scheduled date of Annual General Meeting of Shareholders: December 19, 2014  
 Scheduled date to file securities report: December 19, 2014  
 Scheduled date to begin dividend payments: December 22, 2014  
 Supplementary materials to the financial statements have been prepared: Yes  
 Presentation will be held to explain the financial statements: Yes (for analysts and institutional investors)

Note: All amounts are rounded down to the nearest million yen

### 1. Consolidated financial results for the fiscal year ended Sep. 30, 2014 (From Oct. 1, 2013 through Sep. 30, 2014)

#### (1) Consolidated operating results

Notes: Percentage figures represent changes from the same period of the previous year.

	Net sales		Operating income		Ordinary income		Net income	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Fiscal year ended Sep. 30, 2014	112,092	9.7	21,665	29.1	22,531	26.0	15,155	31.5
Fiscal year ended Sep. 30, 2013	102,156	4.2	16,781	(4.6)	17,883	(2.5)	11,529	2.9

Note: Comprehensive income

Fiscal year ended Sep. 30, 2014: 17,464 million yen [0.6%]

Fiscal year ended Sep. 30, 2013: 17,357 million yen [56.4%]

	Net income per share	Diluted net income per share	Return on equity	Ordinary income to total assets	Operating income to net sales
	Yen	Yen	%	%	%
Fiscal year ended Sep. 30, 2014	188.52	-	9.4	10.9	19.3
Fiscal year ended Sep. 30, 2013	143.41	-	7.8	9.2	16.4

For reference: Share of profit (loss) of entities accounted for using equity method

Fiscal year ended Sep. 30, 2014: 71 million yen

Fiscal year ended Sep. 30, 2013: 78 million yen

#### (2) Consolidated financial position

	Total assets	Net assets	Equity ratio	Net assets per share
	Millions of yen	Millions of yen	%	Yen
As of Sep. 30, 2014	215,412	168,815	78.1	2,093.11
As of Sep. 30, 2013	198,278	154,385	77.6	1,913.98

For reference: Equity

As of Sep. 30, 2014: 168,274 million yen

As of Sep. 30, 2013: 153,873 million yen

#### (3) Consolidated cash flows

	Cash flows from operating activities	Cash flows from investing activities	Cash flows from financing activities	Cash and cash equivalents at end of period
	Millions of yen	Millions of yen	Millions of yen	Millions of yen
Fiscal year ended Sep. 30, 2014	23,135	(13,677)	(4,139)	49,281
Fiscal year ended Sep. 30, 2013	14,688	(6,493)	(4,052)	42,852

### 2. Dividends

(Base date)	Dividends per share					Total dividends (annual)	Dividend payout ratio (consolidated)	Dividends to net assets (consolidated)
	End of Q1	End of Q2	End of Q3	End of FY	Full FY			
	Yen	Yen	Yen	Yen	Yen	Millions of yen	%	%
Fiscal year ended Sep. 30, 2013	-	23.00	-	27.00	50.00	4,026	34.9	2.7
Fiscal year ended Sep. 30, 2014	-	25.00	-	30.00	55.00	4,429	29.2	2.7
Fiscal year ending Sep. 30, 2015 (Outlook)	-	27.00	-	30.00	57.00		28.1	

Note: Details of year-end dividends for the year ended Sep. 30, 2013

Regular dividends 23 yen Commemorative dividends 4 yen

3. Forecast of consolidated financial results for the fiscal year ending Sep. 30, 2015 (From Oct. 1, 2014 through Sep. 30, 2015)

Notes: Percentage figures represent changes from the same period of the previous year.

	Net sales		Operating income		Ordinary income		Net income		Net income per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
Six months ending Mar. 31, 2015	59,200	4.4	12,000	8.3	12,100	5.9	8,300	11.1	103.24
Fiscal year ending Sep. 30, 2015	118,200	5.4	22,900	5.7	23,200	3.0	16,300	7.6	202.75

4. Others

(1) Changes in consolidated subsidiaries (Changes in scope of consolidation) : None

(2) Changes in accounting principles, changes in accounting estimates, and changes in presentation due to revisions

(a) Changes in accounting principles accompanying revisions in accounting standards: Yes

(b) Changes other than those in (a) above: None

(c) Changes in accounting estimates: None

(d) Changes in presentation due to revisions: None

(3) Number of shares outstanding

(a) Number of shares outstanding at end of period including treasury shares

Fiscal year ended Sep. 30, 2014: 83,764,984 shares

Fiscal year ended Sep. 30, 2013: 83,764,984 shares

(b) Number of treasury shares at end of period

Fiscal year ended Sep. 30, 2014: 3,370,597 shares

Fiscal year ended Sep. 30, 2013: 3,370,195 shares

(c) Average number of shares issued during the period

Fiscal year ended Sep. 30, 2014: 80,394,553 shares

Fiscal year ended Sep. 30, 2013: 80,394,904 shares

(Reference) Non-consolidated financial results for the fiscal year ended Sep. 30, 2014

1. Non-consolidated financial results for the fiscal year ended Sep. 30, 2014 (From Oct. 1, 2013 through Sep. 30, 2014)

(1) Non-consolidated operating results

Notes: Percentage figures represent changes from the same period of the previous year.

	Net sales		Operating income		Ordinary income		Net income	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Fiscal year ended Sep. 30, 2014	92,583	14.4	15,753	69.2	18,340	58.9	12,851	54.2
Fiscal year ended Sep. 30, 2013	80,937	(4.9)	9,309	(32.0)	11,543	(26.6)	8,331	(12.6)

	Net income per share	Diluted net income per share
	Yen	Yen
Fiscal year ended Sep. 30, 2014	159.59	-
Fiscal year ended Sep. 30, 2013	103.46	-

(2) Non-consolidated financial position

	Total assets	Net assets	Equity	Net assets per share
	Millions of yen	Millions of yen	%	Yen
As of Sep. 30, 2014	186,463	145,174	77.9	1,802.76
As of Sep. 30, 2013	173,354	136,358	78.7	1,693.28

For reference: Equity

As of Sep. 30, 2014: 145,174 million yen

As of Sep. 30, 2013: 136,358 million yen

The above forecast has been prepared based on the information which is currently available at this moment. Actual results may differ from the forecast due to various factors that may arise in the future.

## 1. Analysis of Financial Results and Financial Position

### (1) Analysis of Business Performance

#### a. Summary of the Fiscal Year

During the fiscal year ended September 30, 2014 (from Oct. 1, 2013 through Sep. 30, 2014), Japan's economy as a whole maintained a gradual economic recovery trend. Investment in plant and equipment rose gradually as corporate earnings strengthened and the employment and income environment showed improvement as well, against the backdrop of various economic measures and the Bank of Japan's monetary easing policy. On the other hand, the economic picture overseas remained uncertain despite moves toward a recovery that could be seen in some areas, and factors leading to instability, including a slowdown in newly developing countries and geopolitical risks, lingered.

Given such circumstances, our Group pursued basic and applied research in photonics, and strove to ensure net sales and earnings by undertaking aggressive sales and marketing activities, maintaining investment in plant and equipment aimed at developing high-value-added products that address customers' needs and strengthening production capacity.

In addition to domestic sales growth, overseas sales gained as well due mainly to the favorable exchange rate. Net sales for fiscal year 2014 resulted in JPY 112,092 million, an increase of JPY 9,936 million (9.7%) compared with the previous year. Increased net sales resulted in similar performance from an earnings perspective as well, with operating income of JPY 21,665 million, up by JPY 4,883 million (29.1%), ordinary income of JPY 22,531 million, up by JPY 4,647 million (26.0%), and net income of 15,155 million, up by JPY 3,626 million (31.5%) over one year earlier, respectively.

Performance by segment is as follows;

#### (Electron Tube)

Sales of photomultiplier tubes (PMT) fell in oil-well logging applications in the measuring instrument field, but remained strong in the medical field for inspection and monitoring system such as blood analyzers. Sales of photomultiplier tubes (PMT) gained as well, including higher sales for use in equipment such as laser scanning microscope used in the field of biology, which are highly regarded for their excellent sensitivity. Imaging devices and light sources benefitted from the recovery in semiconductor plant and equipment investment in the industrial field, which boosted sales of xenon lamps for semiconductor inspection equipment and our Stealth Dicing Engine for high-speed, high-quality silicon wafer dicing. In addition sales of imaging devices and light sources also moved upward, including higher sales of microfocus X-ray sources for non-destructive testing, which have earned an excellent reputation for their ability to generate high-definition images.

In total, the Electron Tube business comprised of photomultiplier tubes (PMT) and imaging devices and light sources closed the year with net sales of JPY 45,550 million, up by 4.1%, and operating income of JPY 16,607 million, up by 3.5% from the previous year.

#### (Opto-semiconductor)

In opto-semiconductor devices, sales in the medical field of core silicon photodiodes were boosted by growth in foreign countries in particular, while sales of our flat panel sensors, which enjoy a strong reputation for features such as high definition and high resolution, remained steady centered on dental applications. Also in the industrial field, sales of image sensors for semiconductor inspection equipment rose significantly as well, and sales of opto-semiconductor devices in general increased strongly as sales expanded for products such as LEDs and Photo ICs, which have various applications in the FA (Factory Automation) sector, including for industrial robotic technology.

As a result, net sales in the Opto-semiconductor business came to JPY 49,161 million, up by 16.6%, and operating income was JPY 16,326 million, up by 31.6% from the previous year.

(Imaging and Measurement Instruments)

Sales of image processing and measurement systems were pushed higher by substantially greater sales of digital cameras, particularly for the field of life sciences and biology, together with higher sales of failure analysis systems for semiconductor devices, which reflected not only growth in demand in Asia but also the solid reputation these systems have earned in a wide range of fields for achieving high definition and high sensitivity. Sales of digital slide scanners in pathology also advanced. Supported by these positive factors, sales of image processing and measurement systems increased.

As a result, net sales for the Imaging and Measurement Instruments business were JPY 14,022 million, up by 5.9%, and operating income was JPY 2,497 million, up by 57.6% over the previous year.

(Other)

In our other businesses, net sales were JPY 3,358 million, up by 12.9%, and operating income was JPY 323 million, up by 110.0% from the previous fiscal year.

b. Projection for the year

With regard to the business environment surrounding our Group, we recognize that although a sense of anticipation can be seen concerning the future business outlook, including the ongoing recovery trend in corporate capital investment driven by improved domestic corporate earnings, there also remain causes for concern, such as the uncertain conditions overseas, which create a situation under which we still cannot take an optimistic view.

Under such conditions, we expect consolidated net sales for the next year of JPY 118,200 million, up by 5.4%, operating income of JPY 22,900 million, up by 5.7%, ordinary income of JPY 23,200 million, up by 3.0% and net income of JPY 16,300 million, up by 7.6% respectively over the previous year.

We assume the yen/US dollar exchange rate will be JPY 100 and the yen/Euro exchange rate will be JPY 140.

FY 2015 (From Oct. 1, 2014 through Sep. 30, 2015)

Forecast for consolidated financial results for the fiscal year ending Sep. 30, 2015

(Millions of Japanese Yen)

Item \ Period	Through the second quarter	Compared with previous year	Forecast for the year	
			Forecast for the year	Compared with previous year
Net Sales	59,200	4.4%	118,200	5.4%
Operating Income	12,000	8.3%	22,900	5.7%
Ordinary Income	12,100	5.9%	23,200	3.0%
Net Income	8,300	11.1%	16,300	7.6%

## (2) Analysis of Financial Position

### a. Summary of Financial Position

Current assets increased by JPY 10,152 million from the year ended September 30, 2013. This mainly reflected increases in cash and deposits of JPY 5,155 million and in inventories of JPY 1,774 million, and an increase in notes and accounts receivable-trade of JPY 1,773 million.

Non-current assets increased by JPY 6,981 million from the year ended September 30, 2013, mainly due to an increase in property, plant and equipment totaling JPY 8,081 million, including buildings and structures and construction in progress, in conjunction with the construction of a new manufacturing plant.

Total assets at the fiscal year-end were JPY 215,412 million, up by JPY 17,134 million from the year ended September 30, 2013.

Current liabilities increased by JPY 8,768 million from the prior fiscal year-end. Electronically recorded obligations-operating increased by JPY 3,514 million, current portion of long-term loans payable increased by JPY 2,993 million and income taxes payable increased by JPY 2,715 million, respectively.

Non-current liabilities decreased by JPY 6,064 million from the prior fiscal year-end, despite an increase of JPY 4,830 million in net defined benefit liability, mainly due to a decrease in long-term loans payable of JPY 3,179 million and a decrease in provision for retirement benefits of JPY 7,609 million, respectively.

Total liabilities at the fiscal year-end were JPY 46,596 million, up by JPY 2,704 million from the prior fiscal year-end.

Net assets were JPY 168,815 million, up by JPY 14,429 million from the prior fiscal year-end, due mainly to an increase in retained earnings of JPY 10,968 million, which reflected higher net income, and an increase in the foreign currency translation adjustment of JPY 2,120 million.

### b. Summary of Cash Flows

At the end of this fiscal year, cash and cash equivalents stood at JPY 49,281 million, up by JPY 6,429 million from the year ended September 30, 2013.

Cash flows for the fiscal year ended September 30, 2014 (from Oct. 1, 2013 through Sep. 30, 2014) were as follows.

Cash flow provided by operating activities during the year was JPY 23,135 million, up by JPY 8,446 million over the previous year. This was mainly an increase of income before income taxes and minority interests of JPY 4,558 million and an increase in income that resulted because the decrease in the provision for retirement benefits of JPY 5,805 million, which was reported in the previous year in conjunction with the contribution (JPY 5,000 million) to the retirement benefit trust, did not apply this year.

Cash flow used in investing activities was JPY 13,677 million, up by JPY 7,183 million from the previous year, due mainly to an increase in purchases of property, plant and equipment of JPY 6,602 million.

Cash flow used in financing activities was JPY 4,139 million, up by JPY 87 million from the previous year, due mainly to an increase of JPY 485 million for cash dividends, while short-term loan procurement grew.

**(Reference) Trends in Cash-Flow Indicators**

	FY 2010	FY 2011	FY 2012	FY 2013	FY 2014
Net Assets Ratio (%)	70.1	70.5	73.9	77.6	78.1
Net Assets Ratio Based on Current Market Price (%)	124.1	134.4	113.5	149.8	194.4
Debt Redemption Period (Years)	0.4	0.5	0.7	0.7	0.5
Interest Coverage Ratio (Times)	180.8	173.3	129.0	139.9	240.0

Notes: Calculation methods of the above indicators are as follows:

Net Assets Ratio: Net assets / Total assets

Net Assets Ratio Based on Current Market Price: Total market value of common stock / Total assets

Debt Redemption Period: Interest-bearing debt / Net cash provided by operating activities

Interest Coverage Ratio: Net cash provided by operating activities / Interest payments

- \* All indicators are calculated based on consolidated financial figures.
- \* Total market value of common stock is calculated by multiplying the closing stock price at the end of each period by the number of shares issued (excluding treasury shares) at the end of the period.
- \* Net cash provided by operating activities refers to activities detailed in the Consolidated Statements of Cash Flows.
- \* Interest-bearing debt refers to all the debts in the Consolidated Balance Sheets which involve interest payment. Interest payments refer to the figure for the amount of interest paid in the Consolidated Statements of Cash Flows.

**(3) Basic Policy for Allocation of Profit and Dividend for FY 2014 and FY 2015**

Our Group believes that to establish our position as a leading company of the 21st century for applications of light, long-term investment will be essential for the technical development necessary to achieve long-term growth of our corporate value and creation of the photonics industry. Maintaining a high level of internal reserves for this purpose will be necessary as well.

Regarding our shareholders, we will continue to place the highest priority on an allocation of profit as dividends. Our dividend policy centers on efforts to maintain stable growth of profit per share and dividends along with increased corporate profitability based on our long-term vision.

Based on the above basic policy, for the current fiscal year (FY 2014 ended Sep. 30, 2014) we plan to pay a full-year dividend of JPY 55, consisting of a year-end dividend of JPY 30 per share and the interim dividend implemented previously.

For FY 2015, our annual dividend will be JPY 57 per share, consisting of an interim dividend of JPY 27 and a year-end dividend of JPY 30 per share.

# Consolidated Financial Statements

## Consolidated Balance Sheets

(Millions of Japanese Yen)

	As of Sep. 30, 2013	As of Sep. 30, 2014
<b>Assets</b>		
<b>Current assets</b>		
Cash and deposits	78,603	83,758
Notes and accounts receivable-trade	24,183	25,956
Merchandise and finished goods	6,277	6,726
Work in process	12,977	13,802
Raw materials and supplies	5,849	6,349
Deferred tax assets	2,998	3,449
Other	2,064	3,046
Allowance for doubtful accounts	(158)	(143)
<b>Total current assets</b>	<b>132,795</b>	<b>142,947</b>
<b>Non-current assets</b>		
<b>Property, plant and equipment</b>		
Buildings and structures	56,757	60,680
Accumulated depreciation	(35,271)	(37,135)
Buildings and structures, net	21,485	23,544
Machinery, equipment and vehicles	63,490	66,035
Accumulated depreciation	(55,688)	(58,223)
Machinery, equipment and vehicles, net	7,801	7,811
Tools, furniture and fixtures	27,885	28,612
Accumulated depreciation	(24,493)	(25,410)
Tools, furniture and fixtures, net	3,391	3,202
Land	15,822	15,897
Leased assets	511	477
Accumulated depreciation	(303)	(348)
Leased assets, net	207	129
Construction in progress	4,831	11,037
<b>Total property, plant and equipment</b>	<b>53,541</b>	<b>61,623</b>
Intangible assets	1,697	1,735
<b>Investments and other assets</b>		
Investment securities	2,412	2,621
Real estate for investment	1,308	1,517
Accumulated depreciation	(1,160)	(1,255)
Real estate for investment, net	147	261
Deferred tax assets	6,217	5,168
Other	1,485	1,072
Allowance for doubtful accounts	(18)	(19)
<b>Total investments and other assets</b>	<b>10,243</b>	<b>9,105</b>
<b>Total non-current assets</b>	<b>65,482</b>	<b>72,464</b>
<b>Total assets</b>	<b>198,278</b>	<b>215,412</b>

# Consolidated Financial Statements

## Consolidated Balance Sheets

(Millions of Japanese Yen)

	As of Sep. 30, 2013	As of Sep. 30, 2014
<b>Liabilities</b>		
<b>Current liabilities</b>		
Notes and accounts payable-trade	6,752	5,033
Electronically recorded obligations-operating	4,432	7,946
Short-term loans payable	1,380	1,733
Current portion of long-term loans payable	186	3,179
Income taxes payable	1,418	4,133
Provision for bonuses	3,156	3,735
Other	9,951	10,283
<b>Total current liabilities</b>	<b>27,277</b>	<b>36,046</b>
<b>Non-current liabilities</b>		
Long-term loans payable	7,084	3,904
Deferred tax liabilities	219	187
Provision for retirement benefits	7,609	-
Net defined benefit liability	-	4,830
Other	1,701	1,626
<b>Total non-current liabilities</b>	<b>16,614</b>	<b>10,550</b>
<b>Total liabilities</b>	<b>43,892</b>	<b>46,596</b>
<b>Net assets</b>		
<b>Shareholders' equity</b>		
Capital stock	34,928	34,928
Capital surplus	34,672	34,672
Retained earnings	90,309	101,278
Treasury shares	(6,048)	(6,050)
<b>Total shareholders' equity</b>	<b>153,862</b>	<b>164,828</b>
<b>Accumulated other comprehensive income</b>		
Valuation difference on available-for-sale securities	541	695
Foreign currency translation adjustment	(530)	1,589
Remeasurements of defined benefit plans	-	1,160
<b>Total accumulated other comprehensive income</b>	<b>11</b>	<b>3,445</b>
<b>Minority interests</b>	<b>512</b>	<b>541</b>
<b>Total net assets</b>	<b>154,385</b>	<b>168,815</b>
<b>Total liabilities and net assets</b>	<b>198,278</b>	<b>215,412</b>



# Consolidated Financial Statements

## Consolidated Statements of Income

(Millions of Japanese Yen)

	Fiscal year ended Sep. 30, 2013	Fiscal year ended Sep. 30, 2014
Net sales	102,156	112,092
Cost of sales	50,951	53,451
Gross profit	51,204	58,641
Selling, general and administrative expenses		
Freightage and packing expenses	946	1,004
Advertising expenses	680	1,010
Salaries	8,807	9,585
Provision for bonuses	956	1,121
Retirement benefit expenses	464	443
Provision for directors' retirement benefits	18	-
Depreciation	1,234	1,257
Commission fee	2,545	2,908
Research and development expenses	10,885	10,977
Provision of allowance for doubtful accounts	36	8
Other	7,847	8,658
Total selling, general and administrative expenses	34,422	36,975
Operating income	16,781	21,665
Non-operating income		
Interest income	168	207
Dividend income	38	39
Rent income on non-current assets	70	86
Rent of real estate for investment	40	70
Foreign exchange gains	556	293
Share of profit of entities accounted for using equity method	78	71
Other	347	305
Total non-operating income	1,300	1,074
Non-operating expenses		
Interest expenses	104	96
Rent expenses on real estates	45	67
Other	48	44
Total non-operating expenses	198	208
Ordinary income	17,883	22,531
Extraordinary income		
Gain on sales of non-current assets	22	10
Subsidy income	51	2
Gain on sales of investment securities	46	-
Total extraordinary income	121	13

## Consolidated Financial Statements

### Consolidated Statements of Income

(Millions of Japanese Yen)

	Fiscal year ended Sep. 30, 2013	Fiscal year ended Sep. 30, 2014
Extraordinary losses		
Loss on sales of non-current assets	7	7
Loss on retirement of non-current assets	39	65
Loss on reduction of non-current assets	40	2
Loss on sales of investment securities	-	3
Loss on valuation of investment securities	-	3
Loss on sales of shares of subsidiaries	13	-
Total extraordinary losses	100	82
Income before income taxes and minority interests	17,904	22,462
Income taxes-current	6,027	7,359
Income taxes-deferred	340	(83)
Total income taxes	6,368	7,276
Income before minority interests	11,535	15,185
Minority interests in income	6	29
Net income	11,529	15,155

## Consolidated Financial Statements

### Consolidated Statements of Comprehensive Income

(Millions of Japanese Yen)

	Fiscal year ended Sep. 30, 2013	Fiscal year ended Sep. 30, 2014
Income before minority interests	11,535	15,185
Other comprehensive income		
Valuation difference on available-for-sale securities	383	153
Foreign currency translation adjustment	5,364	2,126
Share of other comprehensive income of entities accounted for using equity method	73	(0)
Total other comprehensive income	5,822	2,279
Comprehensive income	17,357	17,464
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	17,275	17,429
Comprehensive income attributable to minority interests	82	35

## Consolidated Financial Statements

### Consolidated Statements of Changes in Net Assets

Fiscal year ended Sep. 30, 2013

(Millions of Japanese Yen)

	Shareholders' equity				
	Capital stock	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of current period	34,928	34,672	82,484	(6,048)	146,038
Changes of items during period					
Dividends of surplus			(3,704)		(3,704)
Net income			11,529		11,529
Purchase of treasury shares				(0)	(0)
Net changes of items other than shareholders' equity					
Total changes of items during period	-	-	7,824	(0)	7,824
Balance at end of current period	34,928	34,672	90,309	(6,048)	153,862

	Accumulated other comprehensive income				Minority interests	Total net assets
	Valuation difference on available-for-sale securities	Foreign currency translation adjustment	Remeasurements of defined benefit plans	Total accumulated other comprehensive income		
Balance at beginning of current period	157	(5,892)	-	(5,734)	569	140,873
Changes of items during period						
Dividends of surplus						(3,704)
Net income						11,529
Purchase of treasury shares						(0)
Net changes of items other than shareholders' equity	383	5,361	-	5,745	(57)	5,688
Total changes of items during period	383	5,361	-	5,745	(57)	13,512
Balance at end of current period	541	(530)	-	11	512	154,385

## Consolidated Financial Statements

### Consolidated Statements of Changes in Net Assets

Fiscal year ended Sep. 30, 2014

(Millions of Japanese Yen)

	Shareholders' equity				
	Capital stock	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of current period	34,928	34,672	90,309	(6,048)	153,862
Changes of items during period					
Dividends of surplus			(4,187)		(4,187)
Net income			15,155		15,155
Purchase of treasury shares				(1)	(1)
Net changes of items other than shareholders' equity					
Total changes of items during period	-	-	10,968	(1)	10,966
Balance at end of current period	34,928	34,672	101,278	(6,050)	164,828

	Accumulated other comprehensive income				Minority interests	Total net assets
	Valuation difference on available-for-sale securities	Foreign currency translation adjustment	Remeasurements of defined benefit plans	Total accumulated other comprehensive income		
Balance at beginning of current period	541	(530)	-	11	512	154,385
Changes of items during period						
Dividends of surplus						(4,187)
Net income						15,155
Purchase of treasury shares						(1)
Net changes of items other than shareholders' equity	153	2,120	1,160	3,434	29	3,463
Total changes of items during period	153	2,120	1,160	3,434	29	14,429
Balance at end of current period	695	1,589	1,160	3,445	541	168,815

Consolidated Financial Statements  
Consolidated Statements of Cash Flows

(Millions of Japanese Yen)

	Fiscal year ended Sep. 30, 2013	Fiscal year ended Sep. 30, 2014
Cash flows from operating activities		
Income before income taxes and minority interests	17,904	22,462
Depreciation	8,672	7,952
Increase (decrease) in allowance for doubtful accounts	(5)	(23)
Increase (decrease) in provision for bonuses	56	563
Increase (decrease) in provision for retirement benefits	(5,805)	-
Increase (decrease) in net defined benefit liability	-	(1,058)
Interest and dividend income	(206)	(247)
Interest expenses	104	96
Foreign exchange losses (gains)	(44)	(13)
Share of (profit) loss of entities accounted for using equity method	(78)	(71)
Loss on retirement of property, plant and equipment	39	65
Loss (gain) on sales of property, plant and equipment	(15)	(2)
Decrease (increase) in notes and accounts receivable-trade	1,711	(867)
Decrease (increase) in inventories	1,316	(1,272)
Increase (decrease) in notes and accounts payable-trade	(2,887)	1,108
Other, net	(171)	(482)
Subtotal	20,590	28,207
Interest and dividend income received	207	246
Interest expenses paid	(104)	(96)
Income taxes (paid) refund	(6,003)	(5,222)
Net cash provided by (used in) operating activities	14,688	23,135
Cash flows from investing activities		
Net decrease (increase) in time deposits	3,022	1,838
Purchase of property, plant and equipment	(8,433)	(15,036)
Proceeds from sales of property, plant and equipment	73	59
Purchase of intangible assets	(761)	(504)
Purchase of shares of subsidiaries	(489)	-
Other, net	94	(34)
Net cash provided by (used in) investing activities	(6,493)	(13,677)
Cash flows from financing activities		
Net increase (decrease) in short-term loans payable	(56)	349
Proceeds from long-term loans payable	3,152	-
Repayments of long-term loans payable	(3,295)	(186)
Purchase of treasury shares	(0)	(1)
Cash dividends paid	(3,706)	(4,192)
Other, net	(145)	(108)
Net cash provided by (used in) financing activities	(4,052)	(4,139)
Effect of exchange rate change on cash and cash equivalents	2,944	1,110
Net increase (decrease) in cash and cash equivalents	7,087	6,429
Cash and cash equivalents at beginning of period	35,764	42,852
Cash and cash equivalents at end of period	42,852	49,281

## Segment Information

### 1. Summary of Reportable Segments

The Company's reportable segments are components of the Company for which separate financial information is available. These segments are subject to periodic examinations to enable the Company's board of directors to decide how to allocate resources and assess performance.

The Company's business divisions are based on product and service categories. Each of the divisions conducts business based on comprehensive strategies formulated for the products and services it handles.

Therefore the Company's business segments based on the products and services handled by each of the divisions comprise its three principal reportable segments, which are Electron Tube, Opto-semiconductor, and Imaging and Measurement Instruments.

The Electron Tube business segment manufactures and sells photomultiplier tubes (PMTs), light sources and imaging devices. The Opto-semiconductor business segment manufactures and sells opto-semiconductor devices.

The Imaging and Measurement Instruments business segment manufactures and sells image processing and measurement systems.

### 2. Method for Calculating the Sales, Income (Loss), Assets, Liabilities, and Other Items for Reportable Segments

Figures for income in reportable segments are on an operating income basis. Intersegment sales and transfers are based on prevailing market prices.

### 3. Information on the Amounts of Sales, Income (Loss), Assets, Liabilities, and Other Items for Reportable Segments

Fiscal year ended September 30, 2013 (From Oct. 1, 2012 through Sep. 30, 2013)

(Millions of Japanese Yen)

	Reportable Segment				Other (Note 1)	Total	Adjustments (Note 2)	Consolidated total (Note 3)
	Electron Tube	Opto- semiconductor	Imaging and Measurement Instruments	Total				
Net sales								
Outside customers	43,764	42,176	13,240	99,180	2,975	102,156	-	102,156
Intersegment	1,246	622	41	1,910	692	2,603	(2,603)	-
Total net sales	45,010	42,798	13,282	101,091	3,667	104,759	(2,603)	102,156
Segment income	16,040	12,406	1,584	30,031	153	30,185	(13,403)	16,781
Segment assets	38,212	35,012	10,273	83,498	5,164	88,663	109,614	198,278
Other items								
Depreciation and amortization	2,841	2,620	1,268	6,730	276	7,006	1,605	8,612
Increase in property, plant and equipment and intangible assets	3,007	3,452	838	7,298	415	7,714	2,245	9,959

Notes:

1. The "Other" classification encompasses business segments not included in the reportable segments, and is mainly the semiconductor laser business and hotel operations.
2. Adjustment of segment income of negative JPY 13,403 million represents intersegment transactions of negative JPY 1,028 million and unallocated corporate expenses of negative JPY 12,374 million. Corporate expenses mainly consist of general and administrative expenses and basic research expenses that are unattributable to reportable segments.  
Adjustment of segment assets of JPY 109,614 million consists of common assets that are not distributed to reportable segments.  
Adjustment of depreciation and amortization of JPY 1,605 million is depreciation and amortization of common assets that are not distributed to reportable segments.  
Adjustment of increase in property, plant and equipment and intangible assets of JPY 2,245 million is an increase in common non-current assets that are not distributed to reportable segments.
3. Segment income has been reconciled with operating income presented in the consolidated financial statements.

Fiscal year ended September 30, 2014 (From Oct. 1, 2013 through Sep. 30, 2014)

(Millions of Japanese Yen)

	Reportable Segment				Other (Note 1)	Total	Adjustments (Note 2)	Consolidated total (Note 3)
	Electron Tube	Opto- semiconductor	Imaging and Measurement Instruments	Total				
Net Sales								
Outside customers	45,550	49,161	14,022	108,734	3,358	112,092	-	112,092
Intersegment	1,320	701	42	2,065	912	2,978	(2,978)	-
Total net sales	46,871	49,862	14,065	110,799	4,271	115,070	(2,978)	112,092
Segment income	16,607	16,326	2,497	35,432	323	35,755	(14,089)	21,665
Segment assets	43,073	40,194	10,703	93,971	5,762	99,733	115,678	215,412
Other items								
Depreciation and amortization	2,608	2,691	813	6,113	339	6,453	1,449	7,903
Increase in property, plant and equipment and intangible assets	7,419	5,269	713	13,401	555	13,957	2,045	16,003

Notes:

1. The "Other" classification encompasses business segments not included in the reportable segments, and is mainly the semiconductor laser business and hotel operations.
2. Adjustment of segment income of negative JPY 14,089 million represents intersegment transactions of negative JPY 1,138 million and unallocated corporate expenses of negative JPY 12,951 million. Corporate expenses mainly consist of general and administrative expenses and basic research expenses that are unattributable to reportable segments.  
Adjustment of segment assets of JPY 115,678 million consists of common assets that are not distributed to reportable segments.  
Adjustment of depreciation and amortization of JPY 1,449 million is depreciation and amortization of common assets that are not distributed to reportable segments.  
Adjustment of increase in property, plant and equipment and intangible assets of JPY 2,045 million is an increase in common non-current assets that are not distributed to reportable segments.
3. Segment income has been reconciled with operating income presented in the consolidated financial statements.



## Related Information

Fiscal year ended September 30, 2013 (From Oct. 1, 2012 through Sep. 30, 2013)

### 1. Information by product and service

This information has been omitted because the Company discloses the same information in its segment information section.

### 2. Information by geographical segment

#### (1) Net Sales

(Millions of Japanese Yen)

Japan	North America	Europe	Asia	Others	Total
32,393	28,624	26,045	14,842	249	102,156

Note: Sales information is based on the geographical location of customers, and it is classified by country or region.

#### (2) Property, plant and equipment

This information has been omitted because property, plant and equipment within Japan accounted for more than 90% of total property, plant and equipment recorded on the consolidated balance sheets.

### 3. Information by principal customer

This information has been omitted because there were no customers that accounted for 10% or more of total net sales recorded on the consolidated statements of income.

Fiscal year ended September 30, 2014 (From Oct. 1, 2013 through Sep. 30, 2014)

### 1. Information by product and service

This information has been omitted because the Company discloses the same information in its segment information section.

### 2. Information by geographical segment

#### (1) Net Sales

(Millions of Japanese Yen)

Japan	North America	Europe	Asia	Others	Total
36,823	31,101	27,682	16,248	235	112,092

Note: Sales information is based on the geographical location of customers, and it is classified by country or region.

#### (2) Property, plant and equipment

This information has been omitted because property, plant and equipment within Japan accounted for more than 90% of total property, plant and equipment recorded on the consolidated balance sheets.

### 3. Information by principal customer

This information has been omitted because there were no customers that accounted for 10% or more of total net sales recorded on the consolidated statements of income.

### **Information on impairment losses on non-current assets by reportable segment**

Fiscal year ended September 30, 2013 (From Oct. 1, 2012 through Sep. 30, 2013)

Not applicable

Fiscal year ended September 30, 2014 (From Oct. 1, 2013 through Sep. 30, 2014)

Not applicable

### **Information related to the amount of amortization of goodwill and the unamortized amount of goodwill by reportable segment**

Fiscal year ended September 30, 2013 (From Oct. 1, 2012 through Sep. 30, 2013)

This information has been omitted because the amounts are not material.

Fiscal year ended September 30, 2014 (From Oct. 1, 2013 through Sep. 30, 2014)

This information has been omitted because the amounts are not material.

### **Information on gain on bargain purchase by reportable segment**

Fiscal year ended September 30, 2013 (From Oct. 1, 2012 through Sep. 30, 2013)

Not applicable

Fiscal year ended September 30, 2014 (From Oct. 1, 2013 through Sep. 30, 2014)

Not applicable

## Per Share Information

(Japanese Yen)

Fiscal year ended September 30, 2013 (From Oct. 1, 2012 through Sep. 30, 2013)		Fiscal year ended September 30, 2014 (From Oct. 1, 2013 through Sep. 30, 2014)	
Net assets per share	1,913.98	Net assets per share	2,093.11
Net income per share	143.41	Net income per share	188.52
There are no latent shares, and no figures for the diluted net income per share have been disclosed.		There are no latent shares, and no figures for the diluted net income per share have been disclosed.	

Note: Basis for Calculations of Net Income per Share

(Millions of Japanese Yen)

	Fiscal year ended September 30, 2013 (From Oct. 1, 2012 through Sep. 30, 2013)	Fiscal year ended September 30, 2014 (From Oct. 1, 2013 through Sep. 30, 2014)
Net Income	11,529	15,155
Value not attributed to common stock	-	-
Net income attributed to common stock	11,529	15,155
Average number of common stock outstanding during the period (Thousands shares)	80,394	80,394

Important Subsequent Events

Not applicable

# Non-consolidated Financial Statements

## Non-consolidated Balance Sheets

(Millions of Japanese Yen)

	As of Sep. 30, 2013	As of Sep. 30, 2014
<b>Assets</b>		
<b>Current assets</b>		
Cash and deposits	62,424	65,186
Notes receivable-trade	3,072	3,269
Accounts receivable-trade	19,201	20,181
Merchandise and finished goods	2,236	2,657
Work in process	12,723	13,389
Raw materials and supplies	5,195	5,856
Deferred tax assets	1,723	2,067
Accounts receivable-other	1,429	1,807
Other	159	129
Allowance for doubtful accounts	(426)	(447)
<b>Total current assets</b>	<b>107,741</b>	<b>114,097</b>
<b>Non-current assets</b>		
<b>Property, plant and equipment</b>		
Buildings	16,977	18,063
Structures	713	767
Machinery and equipment	7,020	6,983
Vehicles	20	14
Tools, furniture and fixtures	2,973	2,752
Land	13,838	13,861
Leased assets	158	85
Construction in progress	4,361	10,877
<b>Total property, plant and equipment</b>	<b>46,063</b>	<b>53,405</b>
<b>Intangible assets</b>		
Patent right	558	463
Software	450	642
Other	16	18
<b>Total intangible assets</b>	<b>1,025</b>	<b>1,124</b>
<b>Investments and other assets</b>		
Investment securities	1,651	1,814
Shares of subsidiaries and associates	8,216	8,216
Investments in capital	1	1
Investments in capital of subsidiaries and associates	1,303	1,303
Deferred tax assets	6,072	5,709
Real estate for investment	147	125
Other	1,152	685
Allowance for doubtful accounts	(18)	(19)
<b>Total investments and other assets</b>	<b>18,525</b>	<b>17,836</b>
<b>Total non-current assets</b>	<b>65,613</b>	<b>72,366</b>
<b>Total assets</b>	<b>173,354</b>	<b>186,463</b>

# Non-consolidated Financial Statements

## Non-consolidated Balance Sheets

(Millions of Japanese Yen)

	As of Sep. 30, 2013	As of Sep. 30, 2014
<b>Liabilities</b>		
<b>Current liabilities</b>		
Notes payable - trade	1,402	176
Electronically recorded obligations - operating	4,432	7,946
Accounts payable - trade	5,385	4,711
Current portion of long-term loans payable	-	3,000
Lease obligations	91	53
Accounts payable - other	2,859	2,543
Accrued expenses	789	885
Income taxes payable	1,056	3,856
Advances received	7	112
Deposits received	136	152
Provision for bonuses	2,812	3,386
Electronically recorded obligations-facilities	1,181	1,953
Deposits received from employees	1,727	1,667
Other	218	69
<b>Total current liabilities</b>	<b>22,100</b>	<b>30,516</b>
<b>Non-current liabilities</b>		
Long-term loans payable	6,000	3,000
Lease obligations	86	40
Provision for retirement benefits	7,316	6,237
Asset retirement obligations	144	147
Other	1,347	1,347
<b>Total non-current liabilities</b>	<b>14,895</b>	<b>10,772</b>
<b>Total liabilities</b>	<b>36,996</b>	<b>41,289</b>
<b>Net assets</b>		
<b>Shareholders' equity</b>		
Capital stock	34,928	34,928
Capital surplus		
Legal capital surplus	34,636	34,636
<b>Total capital surpluses</b>	<b>34,636</b>	<b>34,636</b>
<b>Retained earnings</b>		
Legal retained earnings	695	695
Other retained earnings		
Reserve for special depreciation	21	25
Reserve for dividends	4,500	4,500
General reserve	56,600	60,600
Retained earnings brought forward	10,479	15,139
<b>Total retained earnings</b>	<b>72,296</b>	<b>80,960</b>
<b>Treasury shares</b>	<b>(6,044)</b>	<b>(6,046)</b>
<b>Total shareholders' equity</b>	<b>135,816</b>	<b>144,479</b>
<b>Valuation and translation adjustments</b>		
Valuation difference on available-for-sale securities	541	695
<b>Total valuation and translation adjustments</b>	<b>541</b>	<b>695</b>
<b>Total net assets</b>	<b>136,358</b>	<b>145,174</b>
<b>Total liabilities and net assets</b>	<b>173,354</b>	<b>186,463</b>

## Non-consolidated Financial Statements

### Non-consolidated Statements of Income

(Millions of Japanese Yen)

	Fiscal year ended Sep. 30, 2013	Fiscal year ended Sep. 30, 2014
Net sales	80,937	92,583
Cost of sales	46,915	51,232
Gross profit	34,021	41,350
Selling, general and administrative expenses	24,712	25,597
Operating income	9,309	15,753
Non-operating income		
Interest income	94	61
Dividend income	2,223	2,329
Rent of real estate for investment	40	37
Foreign exchange gains	-	87
Miscellaneous income	321	249
Total non-operating income	2,680	2,765
Non-operating expenses		
Interest expenses	73	66
Rent expenses on real estates	45	60
Foreign exchange losses	285	-
Miscellaneous loss	41	50
Total non-operating expenses	445	177
Ordinary income	11,543	18,340
Extraordinary income		
Gain on sales of non-current assets	5	3
Subsidy income	51	2
Gain on sales of shares of subsidiaries and associates	160	-
Total extraordinary income	218	6
Extraordinary losses		
Loss on sales of non-current assets	0	4
Loss on retirement of non-current assets	24	54
Loss on reduction of non-current assets	40	2
Loss on valuation of investment securities	-	3
Total extraordinary losses	65	66
Income before income taxes	11,696	18,281
Income taxes - current	3,306	5,447
Income taxes - deferred	58	(18)
Total income taxes	3,365	5,429
Net income	8,331	12,851

# Non-consolidated Financial Statements

## Non-consolidated Statements of Changes in Net Assets

Fiscal year ended Sep. 30, 2013

(Millions of Japanese Yen)

	Shareholders' equity								
	Capital stock	Capital surplus		Legal retained earnings	Retained earnings				Total retained earnings
		Legal capital surplus	Total capital surplus		Reserve for special depreciation	Reserve for dividends	General reserve	Retained earnings brought forward	
Balance at beginning of current period	34,928	34,636	34,636	695	19	4,500	50,600	11,854	67,668
Changes of items during period									
Provision of reserve for special depreciation					21			(21)	-
Reversal of reserve for special depreciation					(19)			19	-
Provision of general reserve							6,000	(6,000)	-
Dividends of surplus								(1,852)	(1,852)
Dividends from surplus (interim dividends)								(1,852)	(1,852)
Net income								8,331	8,331
Purchase of treasury shares									
Net changes of items other than shareholders' equity									
Total changes of items during period	-	-	-	-	2	-	6,000	(1,375)	4,627
Balance at end of current period	34,928	34,636	34,636	695	21	4,500	56,600	10,479	72,296

	Shareholders' equity		Valuation and translation adjustments		Total net assets
	Treasury shares	Total shareholders' equity	Valuation difference on available-for-sale securities	Total valuation and translation adjustments	
Balance at beginning of current period	(6,044)	131,190	157	157	131,347
Changes of items during period					
Provision of reserve for special depreciation		-			-
Reversal of reserve for special depreciation		-			-
Provision of general reserve		-			-
Dividends of surplus		(1,852)			(1,852)
Dividends from surplus (interim dividends)		(1,852)			(1,852)
Net income		8,331			8,331
Purchase of treasury shares	(0)	(0)			(0)
Net changes of items other than shareholders' equity			383	383	383
Total changes of items during period	(0)	4,626	383	383	5,010
Balance at end of current period	(6,044)	135,816	541	541	136,358

# Non-consolidated Financial Statements

## Non-consolidated Statements of Changes in Net Assets

Fiscal year ended Sep. 30, 2014

(Millions of Japanese Yen)

	Shareholders' equity								
	Capital stock	Capital surplus		Legal retained earnings	Retained earnings				Total retained earnings
		Legal capital surplus	Total capital surplus		Reserve for special depreciation	Reserve for dividends	General reserve	Retained earnings brought forward	
Balance at beginning of current period	34,928	34,636	34,636	695	21	4,500	56,600	10,479	72,296
Changes of items during period									
Provision of reserve for special depreciation					6			(6)	-
Reversal of reserve for special depreciation					(3)			3	-
Provision of general reserve							4,000	(4,000)	-
Dividends of surplus								(2,174)	(2,174)
Dividends from surplus (interim dividends)								(2,013)	(2,013)
Net income								12,851	12,851
Purchase of treasury shares									
Net changes of items other than shareholders' equity									
Total changes of items during period	-	-	-	-	3	-	4,000	4,660	8,663
Balance at end of current period	34,928	34,636	34,636	695	25	4,500	60,600	15,139	80,960

	Shareholders' equity		Valuation and translation adjustments		Total net assets
	Treasury shares	Total shareholders' equity	Valuation difference on available-for-sale securities	Total valuation and translation adjustments	
Balance at beginning of current period	(6,044)	135,816	541	541	136,358
Changes of items during period					
Provision of reserve for special depreciation		-			-
Reversal of reserve for special depreciation		-			-
Provision of general reserve		-			-
Dividends of surplus		(2,174)			(2,174)
Dividends from surplus (interim dividends)		(2,013)			(2,013)
Net income		12,851			12,851
Purchase of treasury shares	(1)	(1)			(1)
Net changes of items other than shareholders' equity			153	153	153
Total changes of items during period	(1)	8,662	153	153	8,815
Balance at end of current period	(6,046)	144,479	695	695	145,174