

## Consolidated Financial Results for the Third Quarter of Fiscal Year ending September 30, 2015 (Japanese GAAP)

August 3, 2015

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 to file quarterly securities report: August 6, 2015  
 Scheduled date to begin dividend payments: -  
 Supplementary materials to the financial statements have been prepared: None  
 Presentation will be held to explain the financial statements: None

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

### 1. Consolidated financial results for the nine months ended Jun. 30, 2015 (From Oct. 1, 2014 through Jun. 30, 2015)

#### (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	%
Nine months ended Jun. 30, 2015	90,278	8.9	18,209	14.2	19,300	17.8	13,036	19.9
Nine months ended Jun. 30, 2014	82,912	11.0	15,946	30.2	16,384	24.2	10,872	26.9

Notes: Comprehensive income

Nine months ended Jun. 30, 2015: 16,314 million yen [36.2%]

Nine months ended Jun. 30, 2014: 11,976 million yen [(13.1)%]

	Net income per share		Diluted net income per share	
	Yen		Yen	
Nine months ended Jun. 30, 2015	81.08		-	
Nine months ended Jun. 30, 2014	67.62		-	

\*Hamamatsu Photonics implemented a two-for-one stock split on April 1, 2015. Net income per share has been calculated by assuming this stock split was executed at the beginning of the fiscal year ended September 30, 2014.

#### (2) Consolidated financial position

	Total assets		Net assets		Equity ratio	
	Millions of yen		Millions of yen		%	
As of Jun. 30, 2015	228,896		177,873		77.4	
As of Sep. 30, 2014	215,412		168,815		78.1	

For reference: Equity

As of Jun. 30, 2015: 177,236 million yen

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

### 2. Dividends

(Base date)	Dividends per share				
	End of Q1	End of Q2	End of Q3	End of FY	Full FY
	Yen				
Fiscal year ended Sep. 30, 2014	-	25.00	-	30.00	55.00
Fiscal year ending Sep. 30, 2015	-	30.00	-		
Fiscal year ending Sep. 30, 2015 (Forecast)				16.00	-

Note: Revision of the forecasts for dividends most recently announced: No

\*Hamamatsu Photonics implemented a two-for-one stock split on April 1, 2015. The year-end per-share dividend forecast shown herein for the fiscal year ending September 30, 2015 takes this stock split into consideration. The forecast of the year-end per-share dividend is ¥32.00 prior to factoring in the stock split.

### 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
Fiscal year ending Sep. 30, 2015	124,300	10.9	25,200	16.3	26,100	15.8	18,300	20.7	113.82

Note: Revision of the forecasts for consolidated financial results most recently announced: No

\*Hamamatsu Photonics implemented a two-for-one stock split on April 1, 2015. The net income per share shown in the forecast of consolidated financial results for the fiscal year ending September 30, 2015 takes this stock split into consideration. The net income per share for the fiscal year ending September 30, 2015 is ¥227.63 prior to factoring in the stock split.

#### 4. Others

- (1) Changes in consolidated subsidiaries (Changes in scope of consolidation) : None
- (2) Application of special accounting treatment for preparing quarterly consolidated financial statements: Yes
- (3) 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

#### (4) Number of shares outstanding

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

As of Jun. 30, 2015: 167,529,968 shares

As of Sep. 30, 2014: 167,529,968 shares

- (b) Number of treasury shares at end of period

As of Jun. 30, 2015: 6,743,619 shares

As of Sep. 30, 2014: 6,741,195 shares

- (c) Average number of shares issued during the period

Nine months ended Jun. 30, 2015: 160,788,005 shares

Nine months ended Jun. 30, 2014: 160,789,216 shares

\*Hamamatsu Photonics implemented a two-for-one stock split on April 1, 2015. The number of shares outstanding at end of period including treasury shares, number of treasury shares at end of period and average number of shares issued during the period shown above have been calculated by assuming this stock split was executed at the beginning of the fiscal year ended September 30, 2014.

## 1. Qualitative Information Related to Consolidated Performance for the Third Quarter of this Fiscal Year

### (1) Operating Results

During the third quarter of this fiscal year (nine months ended June 30, 2015), the business environment within Japan maintained a gradual recovery, as the corporate earnings picture brightened and personal consumption remained brisk along with improvement in the employment and salary environment. Nevertheless, overseas the debt problems in Europe, and developments such as the slowdown of economic growth in newly developing countries, remained as concerns, clouding the future business outlook.

Given these circumstances, our Group pursued research and development that takes advantage of the proprietary photonics technologies we have cultivated over many years and pursued development of products that address customer needs, and worked to increase net sales and earnings by actively continuing to invest in plant and equipment for the future.

As a result of the above factors, we closed the third quarter with net sales of JPY 90,278 million, up by JPY 7,366 million (8.9%), operating income of JPY 18,209 million, up by JPY 2,263 million (14.2%) and ordinary income of JPY 19,300 million, up by JPY 2,915 million (17.8%) over one year ago respectively. Net income was JPY 13,036 million, up by JPY 2,163 million (19.9%) from one year ago.

Performance by segment is as follows;

#### (Electron Tube)

Sales of photomultiplier tubes (PMT) increased in the medical field for inspection and monitoring systems such as blood analyzers. Demand was higher both domestically and overseas, and sales remained steady thanks to these products' strong reputation for highly sensitive, high-speed operations. Sales for nuclear medicine applications such as Positron Emission Tomography (PET) also trended solidly.

In imaging devices and light sources, sales of Micro Focus X-ray light sources for non-destructive testing, which have earned a solid reputation in the industrial field for their high reliability and excellent stability centered on in-line applications, grew in both in Europe and Japan. In addition, sales of our Stealth Dicing Engine for high-speed, high-quality silicon wafer dicing and of UV-LED light sources for highly accurate bonding of large-scale panels rose higher as well.

In total, the Electron Tube business closed the third quarter with net sales of JPY 36,785 million, up by 8.3%, and operating income of JPY 13,865 million, up by 9.9% from the same period one year ago.

#### (Opto-semiconductor)

In opto-semiconductor devices, sales in the medical field of our core silicon photodiodes expanded significantly in overseas markets, and Photo ICs and LEDs, which have various applications in the FA (Factory Automation) field, including for industrial robotic control technology, achieved higher sales as well. In addition, sales of Photo ICs, which are used for optical communication networks in automobiles, also increased.

As a result, net sales in the Opto-semiconductor business came to JPY 39,170 million, up by 7.2%, and operating income was JPY 12,454 million, up by 1.8% from the same period one year ago.

#### (Imaging and Measurement Instruments)

In the Image processing and measurement systems business, sales of failure analysis systems for semiconductor devices continued to expand steadily, driven by growing demand in the Asia region and Japan. Sales of digital cameras, which enjoy a reputation for excellent performance that meets customers' needs, including high speed and low noise, increased as well, particularly for the field of life sciences and biotechnology. Sales of X-ray line sensor cameras, primarily for food inspection applications, also rose briskly.

As a result, net sales for the Imaging and Measurement Instruments business were JPY 11,359 million, up by 15.1%, and operating income was JPY 2,508 million, up by 68.7% from the same period one year ago.

(Other)

Sales of other operations are primarily in the semiconductor laser business and hotel operations.

Net sales were JPY 2,963 million, up by 16.9%, and operating income was JPY 167 million, down by 38.3% from the same period one year ago.

## **(2) Financial Conditions**

Current assets increased by JPY 5,690 million from the end of the prior fiscal year. This mainly reflected increases in inventories, up by JPY 2,392 million, and in notes and accounts receivable-trade, up by JPY 2,010 million.

Non-current assets increased by JPY 7,794 million from the end of the prior fiscal year. This was mainly from property, plant and equipment, which rose by JPY 5,811 million, an increase that reflected additional buildings and structures in conjunction with the construction of a new manufacturing plant.

Total assets at the end of the third quarter were JPY 228,896 million, up by JPY 13,484 million from the end of the fiscal year ended September 30, 2014.

Current liabilities were down by JPY 2,551 million from the end of the prior fiscal year. Total current liabilities fell because of the current portion of long-term loans payable, down by JPY 3,004 million, among other changes.

Non-current liabilities increased by JPY 6,977 million from the end of the prior fiscal year, mainly due to an increase in net defined benefit liability of JPY 4,010 million, owing to changes in accounting principles, and an increase in long-term loans payable of JPY 2,946 million.

As a result, total liabilities at the end of the third quarter were JPY 51,023 million, up by JPY 4,426 million from the end of the fiscal year ended September 30, 2014.

Net assets for the third quarter of this fiscal year were JPY 177,873 million, up by JPY 9,057 million from the end of the fiscal year ended September 30, 2014, due mainly to an increase in retained earnings, up by JPY 5,797 million because of net income for the third quarter, and an increase in foreign currency translation adjustment, up by JPY 3,235 million.

## **(3) Projection for the year**

There is no change to the projection for the fiscal year ending September 30, 2015, released on May 11, 2015. We assume the applicable yen/US dollar exchange rate will be JPY 115 and the yen/Euro exchange rate will be JPY 135.

# Consolidated Financial Statements

## Consolidated Balance Sheets

(Millions of Japanese Yen)

	As of Sep. 30, 2014	As of Jun. 30, 2015
<b>Assets</b>		
<b>Current assets</b>		
Cash and deposits	83,758	84,049
Notes and accounts receivable-trade	25,956	27,967
Merchandise and finished goods	6,726	7,081
Work in process	13,802	15,710
Raw materials and supplies	6,349	6,479
Other	6,496	7,506
Allowance for doubtful accounts	(143)	(156)
<b>Total current assets</b>	<b>142,947</b>	<b>148,637</b>
<b>Non-current assets</b>		
<b>Property, plant and equipment</b>		
Buildings and structures, net	23,544	31,034
Machinery, equipment and vehicles, net	7,811	11,538
Tools, furniture and fixtures, net	3,202	3,590
Land	15,897	16,288
Leased assets, net	129	182
Construction in progress	11,037	4,802
<b>Total property, plant and equipment</b>	<b>61,623</b>	<b>67,435</b>
Intangible assets	1,735	1,725
<b>Investments and other assets</b>		
Investment securities	2,621	2,604
Deferred tax assets	5,168	6,560
Other	1,333	1,951
Allowance for doubtful accounts	(19)	(19)
<b>Total investments and other assets</b>	<b>9,105</b>	<b>11,097</b>
<b>Total non-current assets</b>	<b>72,464</b>	<b>80,258</b>
<b>Total assets</b>	<b>215,412</b>	<b>228,896</b>

# Consolidated Financial Statements

## Consolidated Balance Sheets

(Millions of Japanese Yen)

	As of Sep. 30, 2014	As of Jun. 30, 2015
<b>Liabilities</b>		
<b>Current liabilities</b>		
Notes and accounts payable-trade	5,033	5,064
Electronically recorded obligations-operating	7,946	8,558
Short-term loans payable	1,733	1,868
Current portion of long-term loans payable	3,179	175
Income taxes payable	4,133	2,447
Provision for bonuses	3,735	4,955
Other	10,283	10,424
<b>Total current liabilities</b>	<b>36,046</b>	<b>33,495</b>
<b>Non-current liabilities</b>		
Long-term loans payable	3,904	6,850
Net defined benefit liability	4,830	8,841
Other	1,814	1,835
<b>Total non-current liabilities</b>	<b>10,550</b>	<b>17,528</b>
<b>Total liabilities</b>	<b>46,596</b>	<b>51,023</b>
<b>Net assets</b>		
<b>Shareholders' equity</b>		
Capital stock	34,928	34,928
Capital surplus	34,672	34,672
Retained earnings	101,278	107,075
Treasury shares	(6,050)	(6,059)
<b>Total shareholders' equity</b>	<b>164,828</b>	<b>170,616</b>
<b>Accumulated other comprehensive income</b>		
Valuation difference on available-for-sale securities	695	655
Foreign currency translation adjustment	1,589	4,825
Remeasurements of defined benefit plans	1,160	1,139
<b>Total accumulated other comprehensive income</b>	<b>3,445</b>	<b>6,619</b>
<b>Minority interests</b>	<b>541</b>	<b>636</b>
<b>Total net assets</b>	<b>168,815</b>	<b>177,873</b>
<b>Total liabilities and net assets</b>	<b>215,412</b>	<b>228,896</b>

## Consolidated Financial Statements

### Consolidated Statements of Income

(Millions of Japanese Yen)

	Nine months ended Jun. 30, 2014	Nine months ended Jun. 30, 2015
Net sales	82,912	90,278
Cost of sales	39,399	42,781
Gross profit	43,513	47,496
Selling, general and administrative expenses	27,566	29,286
Operating income	15,946	18,209
Non-operating income		
Interest income	146	129
Rent of real estate for investment	63	69
Foreign exchange gains	29	626
Share of profit of entities accounted for using equity method	50	71
Other	291	353
Total non-operating income	582	1,250
Non-operating expenses		
Interest expenses	64	75
Rent expenses on real estates	56	56
Other	23	28
Total non-operating expenses	144	160
Ordinary income	16,384	19,300
Extraordinary income		
Gain on sales of non-current assets	5	69
Subsidy income	2	241
Total extraordinary income	7	311
Extraordinary losses		
Loss on sales of non-current assets	3	12
Loss on retirement of non-current assets	39	43
Loss on reduction of non-current assets	2	241
Loss on valuation of investment securities	3	1
Loss on sales of shares of subsidiaries	-	3
Total extraordinary losses	49	302
Income before income taxes and minority interests	16,343	19,308
Income taxes	5,447	6,234
Income before minority interests	10,895	13,074
Minority interests in income	23	37
Net income	10,872	13,036

## Consolidated Financial Statements

### Consolidated Statements of Comprehensive Income

(Millions of Japanese Yen)

	Nine months ended Jun. 30, 2014	Nine months ended Jun. 30, 2015
Income before minority interests	10,895	13,074
Other comprehensive income		
Valuation difference on available-for-sale securities	16	(40)
Foreign currency translation adjustment	1,063	3,272
Remeasurements of defined benefit plans, net of tax	-	(21)
Share of other comprehensive income of entities accounted for using equity method	1	29
Total other comprehensive income	1,081	3,240
Comprehensive income	11,976	16,314
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	11,942	16,210
Comprehensive income attributable to minority interests	34	104



## Segment Information

### Information on the Amounts of Sales and Income (Loss) for Reportable Segments

Nine months ended June 30, 2014 (From Oct. 1, 2013 through Jun. 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	33,974	36,536	9,866	80,377	2,534	82,912	-	82,912
Intersegment	974	541	35	1,551	684	2,235	(2,235)	-
Total net sales	34,949	37,078	9,901	81,929	3,219	85,148	(2,235)	82,912
Segment income	12,616	12,238	1,486	26,341	272	26,613	(10,666)	15,946

#### 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 10,666 million represents intersegment transactions of negative JPY 852 million and unallocated corporate expenses of negative JPY 9,813 million. Corporate expenses mainly consist of general and administrative expenses and basic research expenses that are unattributable to reportable segments.
3. Segment income has been reconciled with operating income presented in the consolidated financial statements.

Nine months ended June 30, 2015 (From Oct. 1, 2014 through Jun. 30, 2015)

(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	36,785	39,170	11,359	87,315	2,963	90,278	-	90,278
Intersegment	894	717	9	1,622	726	2,348	(2,348)	-
Total net sales	37,679	39,888	11,369	88,937	3,690	92,627	(2,348)	90,278
Segment income	13,865	12,454	2,508	28,828	167	28,995	(10,785)	18,209

#### 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 10,785 million represents intersegment transactions of negative JPY 914 million and unallocated corporate expenses of negative JPY 9,871 million. Corporate expenses mainly consist of general and administrative expenses and basic research expenses that are unattributable to reportable segments.
3. Segment income has been reconciled with operating income presented in the consolidated financial statements.