

# Consolidated Financial Results for the Second Quarter of Fiscal Year ending September 30, 2022 (Japanese GAAP)

May 12, 2022

Company name: Hamamatsu Photonics K.K. Stock listing: Tokyo Stock Exchange  
 Stock code: 6965 URL: <https://www.hamamatsu.com/jp/en.html>  
 Representative: Akira Hiruma, Representative Director and President, Chief Executive Officer  
 Contact: Kazuhiko Mori, Senior Executive Officer and General Manager of Accounting Div. (Phone: +81-53-452-2141)  
 Scheduled date to file quarterly securities report: May 13, 2022  
 Scheduled date to begin dividend payments: June 2, 2022  
 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 six months ended Mar. 31, 2022 (From Oct. 1, 2021 through Mar. 31, 2022)

### (1) Consolidated operating results

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

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Six months ended Mar. 31, 2022	100,516	26.7	28,097	95.2	28,645	99.0	21,341	97.9
Six months ended Mar. 31, 2021	79,342	8.7	14,392	17.7	14,396	14.3	10,784	19.8

Note: Comprehensive income

Six months ended Mar. 31, 2022: 25,713 million yen [92.6%]

Six months ended Mar. 31, 2021: 13,350 million yen [46.2%]

	Earnings per share		Diluted earnings per share	
	Yen		Yen	
Six months ended Mar. 31, 2022	137.83		-	
Six months ended Mar. 31, 2021	69.66		-	

### (2) Consolidated financial position

	Total assets		Net assets		Equity ratio	
	Millions of yen		Millions of yen		%	
As of Mar. 31, 2022	328,678		259,021		78.5	
As of Sep. 30, 2021	301,676		237,570		78.4	

For reference: Equity

As of Mar. 31, 2022: 257,908 million yen

As of Sep. 30, 2021: 236,522 million yen

## 2. Dividends

(Base date)	Dividends per share				
	End of Q1	End of Q2	End of Q3	End of FY	Full FY
	Yen	Yen	Yen	Yen	Yen
Fiscal year ended Sep. 30, 2021	-	20.00	-	28.00	48.00
Fiscal year ending Sep. 30, 2022	-	32.00			
Fiscal year ending Sep. 30, 2022 (Forecast)			-	32.00	64.00

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

## 3. Forecast of consolidated financial results for the fiscal year ending Sep. 30, 2022 (From Oct. 1, 2021 through Sep. 30, 2022)

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

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent		Earnings per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
Fiscal year ending Sep. 30, 2022	199,000	17.7	48,500	41.3	49,300	42.3	36,000	43.7	232.50

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

#### 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 issued
  - (a) Number of shares issued at end of period including treasury shares
    - As of Mar. 31 2022: 165,052,729 shares
    - As of Sep. 30, 2021: 165,041,841 shares
  - (b) Number of treasury shares at end of period
    - As of Mar. 31 2022: 10,214,291 shares
    - As of Sep. 30, 2021: 10,214,250 shares
  - (c) Average number of shares outstanding during the period
    - Six months ended Mar. 31, 2022: 154,832,192 shares
    - Six months ended Mar. 31, 2021: 154,819,291 shares

## 1. Qualitative Information Related to Consolidated Performance for the Second Quarter of This Fiscal Year

### (1) Operating Results

During the second quarter of this fiscal year (six months ended March 31, 2022), Japan's economy showed signs of a recovery in corporate earnings and capital investment in some sectors. However, economic conditions remained harsh, with an uncertain outlook due to factors such as the renewed spread of the novel coronavirus (COVID-19), prolonged disruptions in the supply of materials and parts, and the impact of the Russia/Ukraine situation.

Given these circumstances, in addition to continuously taking measures to prevent infections of COVID-19 and bearing in mind our contributions to a sustainable society, our Group strove to secure net sales and earnings by enhancing research and development, leveraging the proprietary photonics technologies we have cultivated over many years. This resulted in net sales and earnings both exceeding our initial forecasts, due to an increase in sales, primarily in the Industrial Instruments business, as well as the effect of a weakening yen. As a result, we closed the second quarter with net sales of JPY 100,516 million, up by JPY 21,174 million (26.7%) compared with the same period one year ago. From an earnings perspective, operating profit was JPY 28,097 million, up by JPY 13,705 million (95.2%), ordinary profit was JPY 28,645 million, up by JPY 14,248 million (99.0%), and profit attributable to owners of parent was JPY 21,341 million, up by JPY 10,556 million (97.9%) from the same period one year ago, resulting in an increase in both net sales and earnings year on year.

Operating results by segment are as follows:

#### (Electron Tube)

Regarding photomultiplier tubes (PMT), in the medical field, sales for products for medical inspection and monitoring systems such as flow cytometers increased due to rising demand in Japan and overseas. Also, in the industrial field, sales for semiconductor inspection equipment increased in Japan and overseas, in response to the expanding semiconductor market, and sales for academic applications such as high-energy physics experiments also increased.

Regarding sales of imaging devices and light sources, in the industrial field, accompanying the expanding production of EV (electric vehicles) and the global penetration of 5G, sales of microfocus X-ray sources for non-destructive testing increased, mainly in Asia, for automotive battery testing applications and circuit board inspection applications. Sales of Stealth Dicing Engine for high-speed, high-quality silicon wafer dicing and light sources for semiconductor wafer inspection equipment also increased, driven by brisk semiconductor capital investment worldwide.

As a result, the Electron Tube business closed the second quarter with net sales of JPY 39,269 million, up by 30.8%, and operating profit of JPY 16,109 million, up by 57.0% from the same period one year ago.

#### (Opto-semiconductor)

In opto-semiconductor devices, in the medical field, sales of silicon photodiodes for X-ray CT increased in response to continued growth in demand in Japan and overseas. In addition, in the industrial field, sales of image sensors for semiconductor fabrication and inspection equipment, etc. increased due to continuous growth in demand for semiconductors, and in the FA field, such as controls for industrial robots, sales of photo ICs, photodiodes and LEDs increased.

As a result, net sales in the Opto-semiconductor business were JPY 46,386 million, up by 26.8%, and operating profit was JPY 17,503 million, up by 77.8% from the same period one year ago.

(Imaging and Measurement Instruments)

In image processing and measurement systems, sales of digital cameras increased not only in the life sciences sector and biotechnology sector but also in the physics sector due to the introduction of new products, and sales for DNA testing were also strong overseas. In addition, sales of digital slide scanners increased due to rising demand from inter-hospital networks mainly in Europe. Sales of failure analysis systems for semiconductor devices were also robust, mainly in Asia and Japan.

As a result, net sales for the Imaging and Measurement Instruments business were JPY 11,980 million, up by 14.9%, and operating profit was JPY 3,493 million, up by 49.5% from the same period one year ago.

(Other)

Sales from other operations include the semiconductor laser business, hotel operations run by Iwata Grand Hotel Inc., a subsidiary, and business relating to the unique products of Beijing Hamamatsu Photon Techniques Inc., which is also a subsidiary.

In our other businesses, net sales were JPY 2,880 million, up by 24.0%, and operating profit was JPY 378 million, up by 42.5% from the same period one year ago.

## **(2) Financial Conditions**

### **a. Summary of Assets, Liabilities and Net Assets**

Current assets increased by JPY 23,334 million from the end of the previous fiscal year, mainly reflecting increases in cash and deposits of JPY 9,249 million and notes and accounts receivable - trade of JPY 6,622 million.

Non-current assets increased by JPY 3,667 million from the end of the previous fiscal year, mainly reflecting an increase in construction in progress of JPY 3,702 million.

As a result, total assets at the end of the second quarter were JPY 328,678 million, up by JPY 27,001 million from the end of the previous fiscal year.

Current liabilities increased by JPY 5,269 million from the end of the previous fiscal year, mainly reflecting increases in notes and accounts payable - trade of JPY 1,677 million and advances received (current liabilities - other) of JPY 1,697 million.

Non-current liabilities increased by JPY 281 million from the end of the previous fiscal year, mainly due to an increase in long-term borrowings of JPY 443 million.

As a result, total liabilities at the end of the second quarter were JPY 69,656 million, up by JPY 5,551 million from the end of the previous fiscal year.

Net assets at the end of the second quarter were JPY 259,021 million, up by JPY 21,450 million from the end of the previous fiscal year, mainly reflecting an increase in retained earnings of JPY 16,998 million as a result of reporting profit attributable to owners of parent and an increase in foreign currency translation adjustment of JPY 4,448 million.

### **b. Summary of Cash Flows**

At the end of the second quarter, cash and cash equivalents (referred to below as "cash") stood at JPY 98,673 million, up by JPY 8,664 million from the end of the previous fiscal year.

(Cash flows from operating activities)

Net cash provided by operating activities during the second quarter was JPY 20,420 million, up by JPY 2,476 million compared with JPY 17,944 million in the same period in the previous fiscal year. This mainly reflected profit before income taxes and depreciation.

(Cash flows from investing activities)

Net cash used in investing activities was JPY 11,073 million, up by JPY 1,129 million compared with JPY 9,944 million in the same period of the previous fiscal year. This mainly reflected purchase of property, plant and equipment.

(Cash flows from financing activities)

Net cash used in financing activities was JPY 3,697 million, up by JPY 683 million compared with JPY 3,014 million in the same period of the previous fiscal year. This mainly reflected dividends paid.

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

There is no change to the forecast of consolidated financial results for the fiscal year ending September 30, 2022, released on March 25, 2022.

We assume the yen/US dollar exchange rate for the second half year (from Apr. 1, 2022 through Sep. 30, 2022) will be JPY 110, the yen/Euro exchange rate will be JPY 125 and the yen/RMB exchange rate will be JPY 17.

# Consolidated Financial Statements

## Consolidated Balance Sheets

(Millions of Japanese Yen)

	As of Sep 30, 2021	As of Mar 31, 2022
<b>Assets</b>		
<b>Current assets</b>		
Cash and deposits	91,087	100,336
Notes and accounts receivable - trade	42,528	49,150
Securities	8,671	10,734
Merchandise and finished goods	9,106	9,892
Work in process	23,885	26,474
Raw materials and supplies	11,410	13,134
Other	5,622	5,922
Allowance for doubtful accounts	(193)	(191)
<b>Total current assets</b>	<b>192,120</b>	<b>215,454</b>
<b>Non-current assets</b>		
<b>Property, plant and equipment</b>		
Buildings and structures, net	44,853	43,774
Machinery, equipment and vehicles, net	12,005	12,011
Tools, furniture and fixtures, net	4,923	5,247
Land	17,196	17,272
Leased assets, net	326	336
Right-of-use assets, net	611	668
Construction in progress	6,561	10,264
<b>Total property, plant and equipment</b>	<b>86,479</b>	<b>89,576</b>
<b>Intangible assets</b>		
Customer relationships	1,734	1,740
Other	3,118	3,218
<b>Total intangible assets</b>	<b>4,853</b>	<b>4,958</b>
<b>Investments and other assets</b>		
Investment securities	3,907	3,788
Deferred tax assets	11,587	11,928
Other	2,747	2,991
Allowance for doubtful accounts	(19)	(19)
<b>Total investments and other assets</b>	<b>18,223</b>	<b>18,689</b>
<b>Total non-current assets</b>	<b>109,556</b>	<b>113,223</b>
<b>Total assets</b>	<b>301,676</b>	<b>328,678</b>

# Consolidated Financial Statements

## Consolidated Balance Sheets

(Millions of Japanese Yen)

	As of Sep 30, 2021	As of Mar 31, 2022
<b>Liabilities</b>		
<b>Current liabilities</b>		
Notes and accounts payable - trade	7,371	9,048
Electronically recorded obligations - operating	7,387	8,247
Short-term borrowings	3,507	3,745
Current portion of long-term borrowings	3,039	3,094
Income taxes payable	6,700	6,763
Provision for bonuses	5,814	4,826
Other	18,473	21,836
<b>Total current liabilities</b>	<b>52,293</b>	<b>57,562</b>
<b>Non-current liabilities</b>		
Long-term borrowings	3,240	3,683
Retirement benefit liability	6,903	6,726
Other	1,668	1,683
<b>Total non-current liabilities</b>	<b>11,811</b>	<b>12,093</b>
<b>Total liabilities</b>	<b>64,105</b>	<b>69,656</b>
<b>Net assets</b>		
<b>Shareholders' equity</b>		
Share capital	35,008	35,048
Capital surplus	34,752	34,792
Retained earnings	185,206	202,205
Treasury shares	(20,797)	(20,797)
<b>Total shareholders' equity</b>	<b>234,170</b>	<b>251,249</b>
<b>Accumulated other comprehensive income</b>		
Valuation difference on available-for-sale securities	1,191	1,044
Foreign currency translation adjustment	1,592	6,040
Remeasurements of defined benefit plans	(431)	(426)
<b>Total accumulated other comprehensive income</b>	<b>2,351</b>	<b>6,658</b>
<b>Non-controlling interests</b>	<b>1,048</b>	<b>1,112</b>
<b>Total net assets</b>	<b>237,570</b>	<b>259,021</b>
<b>Total liabilities and net assets</b>	<b>301,676</b>	<b>328,678</b>

## Consolidated Financial Statements

### Consolidated Statements of Income

(Millions of Japanese Yen)

	Six months ended Mar 31, 2021	Six months ended Mar 31, 2022
Net sales	79,342	100,516
Cost of sales	40,943	46,243
Gross profit	38,398	54,273
Selling, general and administrative expenses	24,006	26,175
Operating profit	14,392	28,097
Non-operating income		
Interest income	86	75
Rental income from investment property	34	38
Share of profit of entities accounted for using equity method	–	260
Other	295	392
Total non-operating income	415	766
Non-operating expenses		
Interest expenses	23	40
Rental expenses on real estate	61	53
Foreign exchange losses	187	72
Share of loss of entities accounted for using equity method	87	–
Other	51	53
Total non-operating expenses	411	219
Ordinary profit	14,396	28,645
Extraordinary income		
Gain on sale of non-current assets	7	15
Gain on sale of investment securities	4	–
Reversal of reserve for loss on dissolution of employees' pension fund	164	–
Total extraordinary income	176	15
Extraordinary losses		
Loss on sale of non-current assets	0	1
Loss on retirement of non-current assets	23	57
Loss on valuation of investment securities	53	–
Total extraordinary losses	76	58
Profit before income taxes	14,496	28,602
Income taxes	3,707	7,243
Profit	10,788	21,358
Profit attributable to non-controlling interests	4	16
Profit attributable to owners of parent	10,784	21,341



## Consolidated Financial Statements

### Consolidated Statements of Comprehensive Income

(Millions of Japanese Yen)

	Six months ended Mar 31, 2021	Six months ended Mar 31, 2022
Profit	10,788	21,358
Other comprehensive income		
Valuation difference on available-for-sale securities	176	(146)
Foreign currency translation adjustment	2,359	4,477
Remeasurements of defined benefit plans, net of tax	43	5
Share of other comprehensive income of entities accounted for using equity method	(16)	19
Total other comprehensive income	2,562	4,355
Comprehensive income	13,350	25,713
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	13,317	25,648
Comprehensive income attributable to non-controlling interests	33	64

Consolidated Financial Statements  
Consolidated Statements of Cash Flows

(Millions of Japanese Yen)

	Six months ended Mar 31, 2021	Six months ended Mar 31, 2022
Cash flows from operating activities		
Profit before income taxes	14,496	28,602
Depreciation	6,533	6,386
Increase (decrease) in provision for bonuses	(159)	(1,023)
Interest and dividend income	(112)	(124)
Interest expenses	23	40
Share of loss (profit) of entities accounted for using equity method	87	(260)
Decrease (increase) in trade receivables	(4,741)	(4,839)
Decrease (increase) in inventories	1,624	(4,236)
Increase (decrease) in trade payables	(482)	1,000
Other, net	3,729	2,371
Subtotal	20,999	27,916
Interest and dividends received	112	124
Interest paid	(23)	(40)
Income taxes refund (paid)	(3,144)	(7,580)
Net cash provided by (used in) operating activities	17,944	20,420
Cash flows from investing activities		
Net decrease (increase) in time deposits	2,191	(537)
Purchase of securities	(631)	(2,689)
Proceeds from redemption of securities	631	689
Purchase of property, plant and equipment	(11,694)	(8,082)
Purchase of investment securities	(64)	(38)
Other, net	(376)	(414)
Net cash provided by (used in) investing activities	(9,944)	(11,073)
Cash flows from financing activities		
Net increase (decrease) in short-term borrowings	222	237
Proceeds from long-term borrowings	–	543
Repayments of long-term borrowings	(49)	(44)
Dividends paid	(3,102)	(4,342)
Other, net	(84)	(91)
Net cash provided by (used in) financing activities	(3,014)	(3,697)
Effect of exchange rate change on cash and cash equivalents	1,432	3,015
Net increase (decrease) in cash and cash equivalents	6,417	8,664
Cash and cash equivalents at beginning of period	68,773	90,008
Cash and cash equivalents at end of period	75,191	98,673

## Impact of the Russia/Ukraine Situation

With regard to the Russia/Ukraine situation, there are concerns about the impact of economic sanctions and regulations from various countries on economic activity as well as the impact of rising resource prices. However, we expect that the impact of either of these on the Group's performance or financial condition will be immaterial.

## Segment Information

I. Six months ended Mar. 31, 2021 (From Oct. 1, 2020 through Mar. 31, 2021)

Information on the amounts of sales and profit (loss) for reportable segments

(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	30,013	36,579	10,425	77,018	2,323	79,342	–	79,342
Intersegment	434	184	6	626	435	1,061	(1,061)	–
Total net sales	30,448	36,764	10,432	77,644	2,759	80,403	(1,061)	79,342
Segment profit	10,263	9,846	2,336	22,446	265	22,712	(8,320)	14,392

### Notes:

1. The "Other" classification encompasses business segments not included in the reportable segments, and is the semiconductor laser business, hotel operations run by Iwata Grand Hotel Inc., a subsidiary, and business relating to the proprietary products of Beijing Hamamatsu Photon Techniques, Inc., which is also a subsidiary.
2. Adjustment of segment profit of negative JPY 8,320 million represents intersegment transactions of negative JPY 440 million and unallocated corporate expenses of negative JPY 7,879 million. Corporate expenses mainly consist of general and administrative expenses and basic research expenses that are unattributable to reportable segments.
3. Segment profit has been reconciled with operating profit presented in the consolidated financial statements.

II. Six months ended Mar. 31, 2022 (From Oct. 1, 2021 through Mar. 31, 2022)

1. Information on the amounts of sales and profit (loss) for reportable segments and information on disaggregation of revenue

(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								
Japan	9,789	12,470	3,481	25,741	755	26,497	–	26,497
North America	10,181	12,383	2,995	25,560	152	25,713	–	25,713
Europe	7,714	11,240	2,630	21,586	272	21,858	–	21,858
Asia excluding Japan	11,469	10,283	2,847	24,600	1,698	26,299	–	26,299
Other	113	9	25	148	–	148	–	148
Revenue from contracts with customers	39,269	46,386	11,980	97,636	2,880	100,516	–	100,516
Outside customers	39,269	46,386	11,980	97,636	2,880	100,516	–	100,516
Intersegment	793	569	12	1,374	892	2,267	(2,267)	–
Total net sales	40,062	46,955	11,993	99,011	3,772	102,784	(2,267)	100,516
Segment profit	16,109	17,503	3,493	37,106	378	37,485	(9,387)	28,097

Notes:

1. The “Other” classification encompasses business segments not included in the reportable segments, and is the semiconductor laser business, hotel operations run by Iwata Grand Hotel Inc., a subsidiary, and business relating to the proprietary products of Beijing Hamamatsu Photon Techniques, Inc., which is also a subsidiary.
2. Adjustment of segment profit of negative JPY 9,387 million represents intersegment transactions of negative JPY 957 million and unallocated corporate expenses of negative JPY 8,430 million. Corporate expenses mainly consist of general and administrative expenses and basic research expenses that are unattributable to reportable segments.
3. Segment profit has been reconciled with operating profit presented in the consolidated financial statements.
4. Net sales is classified by country or region, based on where the customer resides.

2. Matters related to changes in reportable segments

As described in “(4) Notes to Consolidated Financial Statements (Changes in accounting principles)” of “2. Consolidated Financial Statements and Significant Notes Thereto” (in Japanese only), the Company has applied the Accounting Standard for Revenue Recognition and relevant ASBJ regulations from the beginning of the first quarter of this fiscal year, and changed the accounting treatment for revenue recognition. Accordingly, the Company has changed the method of calculating profit of business segments. The impact of this change on net sales to outside customers and segment profit for the six months ended March 31, 2022 is immaterial for each reportable segment.