

FIVE-YEAR SUMMARY

Hamamatsu Photonics K.K. and Consolidated Subsidiaries

Years ended September 30

	Millions of Japanese Yen				
	1997	1998	1999	2000	2001
For the year :					
Net sales	¥ 42,789	¥ 45,606	¥ 40,773	¥ 51,559	¥ 62,619
Operating income	4,052	4,685	2,543	5,942	8,722
Income before income taxes and minority interests	2,600	3,744	1,805	2,823	5,303
Net income	1,199	1,676	613	1,569	3,506
Capital expenditures	4,265	5,409	4,878	9,998	13,894
Depreciation	2,905	3,323	3,710	3,995	5,155
R&D expenses	5,345	6,023	5,959	6,261	7,485
At year-end:					
Working capital	¥ 17,391	¥ 20,260	¥ 18,582	¥ 21,901	¥ 36,114
Total assets	69,196	70,598	71,953	89,519	114,131
Common stock	8,667	12,112	13,220	14,635	15,604
Shareholders' equity	29,212	37,232	39,479	44,202	48,103
Number of shares issued (thousands)	27,335	30,668	31,731	33,083	67,443
Number of employees	2,248	2,296	2,390	2,513	2,741
Japanese yen					
Per share data:					
Net income					
Basic	¥ 44.45	¥ 58.21	¥ 19.61	¥ 48.32	¥ 52.39
Diluted	43.03	51.20	19.42	46.75	47.73
Cash dividends	16.50	17.50	16.50	16.50	12.00
Shareholders' equity	1,068.71	1,214.10	1,244.19	1,336.09	713.23
Percent					
Ratios:					
Equity ratio	42.2	52.7	54.9	49.4	42.1
Return on net sales	2.8	3.7	1.5	3.0	5.6
Return on assets	1.7	2.4	0.9	1.8	3.4
Return on shareholders' equity	4.2	5.0	1.6	3.7	7.6

CONSOLIDATED SUBSIDIARIES

Japan

- Takaoka Electronics Co., Ltd.**
Hamamatsu City, Shizuoka Pref., Japan
- Koso Corporation**
Iwata-county, Shizuoka Pref., Japan
- Hamamatsu Electronic Press Co., Ltd.**
Iwata-county, Shizuoka Pref., Japan
- Photochemical Co., Ltd.**
Okayama City, Okayama Pref., Japan
- Iwata Grand Hotel Inc.**
Iwata City, Shizuoka Pref., Japan

People's Republic of China

- Beijing Hamamatsu Photon Techniques Ltd.**
Beijing, People's Republic of China

U.S.A.

- Photonics Management Corp.**
Bridgewater, New Jersey, U.S.A.
- Hamamatsu Corporation**
Bridgewater, New Jersey, U.S.A.
- Inspex Inc.**
Billerica, Massachusetts, U.S.A.
- Universal Spectrum Corporation**
Middlesex, New Jersey, U.S.A.
- Photonics Research Corp.**
Bridgewater, New Jersey, U.S.A.
- Photonics Hawaii Corporation**
Honolulu, Hawaii, U.S.A.

Europe

- Hamamatsu Photonics Deutschland GmbH**
Herrsching, F.R. Germany
- Hamamatsu Photonics France S.A.R.L.**
Massy Cedex, France
- Hamamatsu Photonics UK Limited**
Welwyn Garden City, United Kingdom
- Hamamatsu Photonics Norden AB**
Solna, Sweden
- Hamamatsu Photonics Italia S.R.L.**
Arese, Italy

CONSOLIDATED BALANCE SHEETS

Hamamatsu Photonics K.K. and Consolidated Subsidiaries

As of September 30, 2000 and 2001

ASSETS	Millions of Japanese Yen		Thousands of U.S. Dollars (Note 1)	
	2000	2001	2000	2001
Current assets:				
Cash on hand and in banks	¥ 14,723	¥ 27,364	\$ 123,723	\$ 229,950
Receivables:				
Trade notes and accounts receivable	17,369	17,140	145,958	144,034
Less allowance for doubtful receivables	(161)	(90)	(1,353)	(756)
Inventories (Note 3)	10,973	13,046	92,210	109,630
Prepaid expenses and other	1,118	1,606	9,394	13,495
Deferred income taxes	1,246	1,093	10,471	9,185
	<u>45,268</u>	<u>60,159</u>	<u>380,403</u>	<u>505,538</u>
Property, plant and equipment, at cost (Note 4):				
Land	11,540	12,865	96,975	108,109
Buildings	24,634	30,980	207,008	260,336
Machinery and equipment	39,431	44,176	331,353	371,227
Construction in progress	1,580	3,238	13,277	27,210
	<u>77,185</u>	<u>91,259</u>	<u>648,613</u>	<u>766,882</u>
Less accumulated depreciation	(41,139)	(45,232)	(345,705)	(380,101)
	<u>36,046</u>	<u>46,027</u>	<u>302,908</u>	<u>386,781</u>
Investments and other assets:				
Investment securities (Note 7)	2,796	1,917	23,496	16,109
Investments in and advances to non-consolidated subsidiaries and affiliates	582	644	4,891	5,412
Other assets	1,648	1,941	13,849	16,311
Deferred income taxes	1,585	3,443	13,319	28,933
	<u>6,611</u>	<u>7,945</u>	<u>55,555</u>	<u>66,765</u>
Adjustments arising from translation of accounts of foreign subsidiaries	<u>1,594</u>	<u>—</u>	<u>13,395</u>	<u>—</u>
	<u>¥ 89,519</u>	<u>¥ 114,131</u>	<u>\$ 752,261</u>	<u>\$ 959,084</u>

The accompanying Notes to Consolidated Financial Statements are an integral part of these statements.

LIABILITIES AND SHAREHOLDERS' EQUITY	Millions of Japanese Yen		Thousands of U.S. Dollars (Note 1)	
	2000	2001	2000	2001
Current liabilities:				
Short-term bank loans (Note 4)	¥ 4,650	¥ 4,793	\$ 39,076	\$ 40,277
Current portion of long-term debt (Note 4)	494	1,072	4,151	9,008
Payables:				
Trade notes and accounts	8,062	7,985	67,748	67,101
Construction and other	3,221	4,869	27,067	40,916
Income taxes	2,809	1,086	23,605	9,126
Accrued expenses	2,886	2,697	24,252	22,664
Other	1,245	1,543	10,462	12,967
	<u>23,367</u>	<u>24,045</u>	<u>196,361</u>	<u>202,059</u>
Long-term liabilities:				
Long-term debt (Note 4)	14,732	32,895	123,798	276,429
Allowance for retirement and severance benefit (Note 8)	7,000	8,603	58,824	72,294
Other	3	4	25	33
Deferred income taxes	67	72	563	605
	<u>21,802</u>	<u>41,574</u>	<u>183,210</u>	<u>349,361</u>
Minority interests in consolidated subsidiaries	148	409	1,244	3,437
Shareholders' equity:				
Common stock, no par value:				
Authorized - 100,000,000 shares				
Issued - 33,083,356 shares in 2000				
- 67,443,096 shares in 2001	14,635	15,604	122,983	131,126
Additional paid-in capital	14,351	15,320	120,597	128,740
Retained earnings (Note 5)	15,217	18,118	127,874	152,252
Unrealized loss on securities, net of tax	—	(24)	—	(202)
Adjustments arising from translation of accounts of foreign subsidiaries	—	(915)	—	(7,689)
	<u>44,203</u>	<u>48,103</u>	<u>371,454</u>	<u>404,227</u>
Less treasury stock, at cost	(1)	(0)	(8)	(0)
	<u>44,202</u>	<u>48,103</u>	<u>371,446</u>	<u>404,227</u>
	<u>¥ 89,519</u>	<u>¥ 114,131</u>	<u>\$ 752,261</u>	<u>\$ 959,084</u>