

Consolidated Financial Results for the Fiscal Year ended September 30, 2005

November 14, 2005

Company name : Hamamatsu Photonics

ID number : 6965

URL : <http://www.hamamatsu.com/ir/index.html>

Representative : Teruo Hiruma, President and Chief Executive Officer

Contact : Yukiaki Suzuki, Director and General Manager of Accounting Div. (Phone : +81-53-452-2141)

Meeting of the Board of Directors : November 15, 2005

U.S. accounting standard : Not adopted

Stock listing : Tokyo Stock Exchange First Section

Headquarters : Hamamatsu City, Japan

1. Consolidated financial results for the fiscal year ended Sep. 30, 2005 (From Oct. 1, 2004 through Sep. 30, 2005)

(1) Consolidated operating results

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

	Net sales		Operating income		Ordinary income	
	Millions of yen	%	Millions of yen	%	Millions of yen	%
Fiscal year ended Sep. 30, 2005	73,909	4.9	11,692	20.7	12,117	21.2
Fiscal year ended Sep. 30, 2004	70,466	15.7	9,688	136.9	9,999	139.7

	Net income		Net income per share	Diluted net income per share	Return on equity	Ordinary income to total assets	Ordinary income to net sales
	Millions of yen	%	Yen	Yen	%	%	%
Fiscal year ended Sep. 30, 2005	7,726	66.0	117.98	97.21	14.1	9.2	16.4
Fiscal year ended Sep. 30, 2004	4,652	186.8	69.86	63.25	9.1	8.6	14.2

Notes: 1. Gain on investments accounted for by equity method

Fiscal year ended Sep. 30, 2005 : 95 million yen

Fiscal year ended Sep. 30, 2004 : 100 million yen

2. Average number of shares outstanding (Consolidated)

Fiscal year ended Sep. 30, 2005 : 64,991,492 shares

Fiscal year ended Sep. 30, 2004 : 65,749,873 shares

3. Changes in accounting method : None

4. Percentages shown in the list for Net sales, Operating income, Ordinary income and Net income represent an increase or decrease from corresponding period of previous fiscal year.

(2) Consolidated financial position

	Total assets	Shareholders' equity	Shareholders' equity ratio	Shareholders' equity per share
	Millions of yen	Millions of yen	%	Yen
Sep. 30, 2005	144,437	58,400	40.4	897.63
Sep. 30, 2004	119,045	50,966	42.8	783.30

Notes: Number of shares outstanding at end of period (Consolidated)

Fiscal year ended Sep.30, 2005 : 64,995,807 shares

Fiscal year ended Sep.30, 2004 : 64,989,991 shares

(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, 2005	14,411	(8,225)	14,651	44,045
Fiscal year ended Sep. 30, 2004	12,861	(4,526)	(2,045)	23,126

(4) Scope of consolidation and application of equity method

Consolidated subsidiaries : 21

Non-consolidated subsidiaries accounted for by equity method : 0

Affiliates accounted for by equity method : 4

(5) Changes in scope of consolidation and application of equity method

Consolidation : (inclusion) 0 (exclusion) 0

Equity method : (inclusion) 0 (exclusion) 0

2. Forecast of consolidated results for the fiscal year ending Sep. 30, 2006 (From Oct. 1, 2005 through Sep. 30, 2006)

	Net sales	Ordinary income	Net income
	Millions of yen	Millions of yen	Millions of yen
Six months ending Mar. 31, 2006	38,900	6,600	4,200
Fiscal year ending Sep. 30, 2006	78,900	13,600	8,700

Reference : Projected net income per share for the fiscal year : Yen 132.95

Summary of Consolidated Performance for the Fiscal Year Ending September 30, 2005

I. Business Performance

(1) Summary of Fiscal 2005

In fiscal 2005, the Japanese economy experienced a mild recovery as private-sector capital investment increased and personal consumption improved while overseas market and domestic demand expanded. However, there was persistent, looming uncertainty regarding IT industry's inventory adjustment and the price of oil.

Against this background, our group continued to attempt to develop fresh application fields aiming to create new industries. We strove to introduce high-value-added products to the market by improving our own photonics technologies. In addition, we boosted revenue and income by wrestling with the construction of efficient production system such as increasing the capacity of our base factories and so on.

As a result of the decline in domestic sales, but with an increase in overseas sales, we closed the year with net sales of JPY 73,909 million, up by JPY 3,442 million (4.9%) and ordinary income of JPY 12,117 million, up by JPY 2,117 million (21.2%) over one year before respectively. Net income resulted in JPY 7,726 million, up by JPY 3,073 million (66.0%).

(2) Segment Information (sales amounts include inter-segment transaction)

1. Sales by Business Sector

a. Opto-Electronic Devices:

Photomultiplier Tubes (PMTs) increased market share, mainly in the U.S., in nuclear medicine fields such as Positron Emission Tomography (PET) by introducing new high-performance, high-quality and high-reliability products that meet market's requirements. In blood analysis, our unique technologies such as compactness, high sensitivity, and low noise performance were sought after by the market. As a whole, PMTs penetrated medical, analytical and academic applications.

In the **Light Sources and Imaging Devices** sector, X-ray Scintillator for dental and breast imaging continued to increase steadily, mainly in Europe and the U.S., because of the high sensitivity and high resolution. However, the UV Spot Light Source for UV curing showed a reverse trend from the previous year, recording substantial loss in sales that stemmed from cutbacks in capital investments in the Digital Appliance Industry. Sales declined due to sluggish demand, mainly in the industrial production sector.

In the **Opto-semiconductor** sector, Silicon Photodiodes for X-ray Computer Tomography (CT) continued to command good result, mainly overseas, and CCD Image Sensors for dental application and non-destructive internal inspection showed a rise because of their large detection area and high sensitivity. The Photo IC for communication network application for the auto industry also increased steadily due to high quality, high reliability and high performance.

Given these factors, net sales for this sector were JPY 61,748 million, up by 5.5% over last year and operating profit JPY 19,613 million, up by 14.6%.

b. Imaging and Measurement Instruments:

Semiconductor Failure Analysis Systems sales grew due to increase of high-value-added products mainly in the domestic market. OEM business continued to expand for Digital Cameras in the U.S. because of the camera's high sensitivity and high resolution, mostly in the field of Bio.

Net sales for this sector resulted in JPY 12,100 million; up by 1.2% and operating profit JPY 1,812 million, down by 14.5% over last year respectively.

c. Others:

Net sales for this fiscal year were JPY 663 million, up by 1.5% and operating loss JPY 147 million, down by 14.7% respectively over last year.

2. Sales by Region

Domestically, the industrial production sector saw a substantial reduction in UV Spot Light Source for UV curing; offset by the Semiconductor Failure Analysis System that rose due to growth in capital investment. In the medical field, Silicon Photodiode for X-ray CT saw its gains in Europe and Asia, PMTs for PET gained in North America and CCD Image Sensor for Dental application gained in Europe. Total domestic sales were JPY 65,080 million, up by 3.3% over last year and operating profits JPY 18,500 million, up by 10.3% compared with one year before.

In **North America**, in the medical field, Silicon Photodiode for X-ray CT declined, but PMTs for PET and X-ray Scintillator posted record growth. In the industrial section, Digital Cameras showed a gain. The total sales for the region were JPY 17,215 million, up by 8.4% and operating profit JPY 728 million, up by 47.0% over last year respectively.

Europe experienced a steady increase in Opto-semiconductors such as Silicon Photodiode for X-ray CT, Image Sensors for dental application and Photo ICs for automotive. The total sales were JPY 15,174 million, up by 22.2% and operating profit JPY 1,842 million, up by 14.0% over last year

In **Other Regions** mostly represented by China, net sales were JPY 1,258 million; up by 47.8% and operating profit JPY 139 million, up by 90.8%.

(3) Projection for the year

We expect the Japanese economy will continue to recover as capital investment increases while corporate profits improve, and personal consumption will also show general increases. However, there is a cause of concern such as the price of oil, and we have to recognize that our management surroundings are severe that there is no knowing what will happen next.

Our group has researched into "light" in all of its aspects since established and our photonics technologies have been used as the foundation technologies in the field of industry, medical and academic research in the world. However, we have recognized the field of our business target is limited compared to the capability of "light". We believe that the application of photonics technologies will be expanded and it will be a basic technology for all over the industries. This means the market for our products is expanded more and more.

Our own photonics technologies are a kind of "seeds" of industry. We have to find a "needs" that human society seeks and we need to industrialize the "seeds" in order to be an essential company in the world.

Our group will continue to pursue the photonics technologies and squeeze utility research, and develop and introduce high-value-added products that meet market's need. In addition, we must continue to attempt to urge an efficiency and mass production actively, create a new industry and expand our business in one united body.

The Company Projection consolidated and non-consolidated performances results for the fiscal year ending September 30, 2006 as follows:

1. Projection for Consolidated Performances for the Next Year

(Unit: in million JPY)

period item	First Half Records	compared with previous year	Projection	
			for the Year	compared with previous year
Net Sales	38,900	3.7%	78,900	6.8%
Operating Income	6,700	-5.0%	13,600	16.3%
Ordinary Income	6,600	-8.6%	13,600	12.2%
Net Income	4,200	-8.0%	8,700	12.6%

2. Projection for Non-consolidated Performances for the Next Year

(Unit: in million JPY)

period item	First Half Records	compared with previous year	Projection	
			for the Year	compared with previous year
Net Sales	33,700	3.2%	68,300	6.3%
Operating Income	5,200	-10.5%	10,700	13.7%
Ordinary Income	6,000	-9.7%	11,600	9.9%
Net Income	4,200	-7.9%	7,850	20.3%

3. Projection for Dividend for the Fiscal 2006

Our annual dividend for the current fiscal year is going to be 35 yen per share (interim dividend: 15 yen per share) taking our business results and capital requirements into consideration.

II. Financial Conditions

(1) Summary of Cash Flow for Fiscal 2005

Cash flow created from operations for the period was JPY 14,411 million. While there were an increase in income tax payment and a decrease in accounts payable, an increase in pre-tax income and a decrease in accounts receivable contributed to turn to a positive difference of JPY 1,549 million over last year.

Cash flow from investment activity was minus JPY 8,225 million. Compared with last year, a decrease in withdrawal of over 90 day time deposit and an increase in tangible fixed assets and security investment produced JPY 3,698 million outlay in total.

Financial activity created a cash flow of JPY 14,651 million, up by JPY 16,697 million from previous year due mainly to an issuance of bond while repayment of long-term debts increased.

At the end of this fiscal year, cash and cash equivalent stood at JPY 44,045 million, up by JPY 20,918 million from the last fiscal year end.

(2) Trends in Cash-Flow Indicators

	FY 2001	FY 2002	FY 2003	FY 2004	FY 2005
Equity Ratio (%)	42.1	44.2	45.4	42.8	40.4
Equity Ratio Based on Current Market Price (%)	159.8	133.6	108.6	101.0	117.9
Debt Redemption Period (Years)	5.3	3.6	3.5	2.8	2.2
Interest Coverage Ratio (Times)	17.1	25.2	30.4	54.7	82.7

Notes: Calculation Methods of the above indicators are as following;

Equity Ratio: Total shareholders' equity / Total assets

Equity 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 stock) at that 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.

Consolidated Financial Statements

Consolidated Balance Sheets

(Millions of Japanese Yen)

	As of Sep. 30, 2005		As of Sep. 30, 2004		Increase (decrease)	
	Amount	%	Amount	%	Amount	%
Assets						
Current assets	81,679	56.5	60,934	51.2	20,744	34.0
Cash on hand and in banks	45,102		23,633		21,468	
Trade notes and accounts receivable	19,200		20,470		(1,269)	
Inventories	13,701		13,250		451	
Deferred income taxes	2,341		2,112		228	
Other	1,619		1,594		24	
Allowance for doubtful receivables	(285)		(127)		(158)	
Fixed assets	62,758	43.5	58,111	48.8	4,647	8.0
Tangible fixed assets	51,120	35.4	47,921	40.2	3,199	6.7
Buildings and structures	21,658		19,648		2,009	
Machinery and transportation equipment	9,196		8,888		308	
Furniture, fixtures and office equipment	4,115		4,399		(284)	
Land	13,511		13,424		87	
Construction in progress	2,639		1,560		1,078	
Intangible fixed assets	512	0.4	594	0.5	(81)	(13.7)
Investments and other assets	11,124	7.7	9,595	8.1	1,529	15.9
Investment securities	5,173		3,726		1,447	
Long-term loans	40		42		(2)	
Investment properties	372		442		(70)	
Deferred income taxes	4,475		4,341		134	
Other	1,079		1,059		20	
Allowance for doubtful receivables	(17)		(17)		0	
Total assets	144,437	100.0	119,045	100.0	25,392	21.3

Consolidated Financial Statements

Consolidated Balance Sheets

(Millions of Japanese Yen)

	As of Sep. 30, 2005		As of Sep. 30, 2004		Increase (decrease)	
	Amount	%	Amount	%	Amount	%
Liabilities						
Current liabilities	24,939	17.3	29,609	24.9	(4,670)	(15.8)
Trade notes and accounts payable	9,527		10,513		(986)	
Short-term bank loans and current portion of long-term debt	2,971		8,651		(5,680)	
Income taxes payable	2,524		3,139		(614)	
Accrued bonuses	2,410		2,128		281	
Notes payable - construction	1,471		530		940	
Other	6,035		4,645		1,389	
Long-term liabilities	60,455	41.8	37,866	31.8	22,589	59.7
Non-collateral bonds with warrants to buy stocks	19,985		-		19,985	
Convertible debentures	19,107		19,107		-	
Long-term bank loans	9,020		7,333		1,687	
Deferred income taxes	75		76		(1)	
Allowance for employees' retirement and severance benefits	10,869		10,061		807	
Allowance for retirement benefits for directors and corporate auditors	1,352		1,284		68	
Other	45		2		42	
Total liabilities	85,395	59.1	67,476	56.7	17,919	26.6
Minority interests in consolidated subsidiaries	641	0.5	603	0.5	38	6.3
Shareholders' equity						
Common stock	16,084	11.1	16,076	13.5	7	0.0
Additional paid-in capital	15,834	11.0	15,827	13.3	7	0.0
Retained earnings	31,578	21.9	25,213	21.2	6,364	25.2
Unrealized loss on securities, net of tax	1,470	1.0	642	0.5	828	129.0
Adjustment arising from translation of accounts of foreign subsidiaries	(561)	(0.4)	(790)	(0.7)	228	(28.9)
Less treasury stock, at cost	(6,005)	(4.2)	(6,003)	(5.0)	(2)	0.0
Total shareholders' equity	58,400	40.4	50,966	42.8	7,434	14.6
Total liabilities and shareholders' equity	144,437	100.0	119,045	100.0	25,392	21.3

Consolidated Financial Statements
Consolidated Statements of Income

(Millions of Japanese Yen)

	Fiscal year ended Sep. 30,2005		Fiscal year ended Sep. 30,2004		Increase (decrease)	
	Amount	%	Amount	%	Amount	%
Net sales	73,909	100.0	70,466	100.0	3,442	4.9
Cost of sales	34,823	47.1	33,996	48.2	826	2.4
Gross profit	39,085	52.9	36,470	51.8	2,615	7.2
Selling, general and administrative expenses	27,393	37.1	26,781	38.1	612	2.3
Postage and delivery	685		681		4	
Advertising and promotion	711		885		(173)	
Allowance for Bad Debts	156		29		126	
Salary	6,725		6,810		(85)	
Provision of bonuses	692		664		28	
Provision of retirement benefit	328		348		(19)	
Provision of retirement benefit to directors	68		67		0	
Depreciation	1,112		1,053		59	
Commissions	2,005		1,894		110	
Research and development	8,846		8,771		75	
Other	6,061		5,575		486	
Operating income	11,692	15.8	9,688	13.7	2,003	20.7
Non-operating income	918	1.3	746	1.1	172	23.1
Interest and dividend income	110		67		43	
Rental income on fixed assets	151		146		4	
Rental income on investment property	281		285		(3)	
Gain on investments accounted for by the equity method	95		100		(4)	
Other	278		146		132	
Non-operating expenses	492	0.7	434	0.6	57	13.3
Interest expenses	173		263		(90)	
Bond issue expenses	44		-		44	
Expenses for investment property	94		110		(15)	
Foreign exchange loss	175		32		142	
Other	4		27		(22)	
Ordinary income	12,117	16.4	9,999	14.2	2,117	21.2
Extraordinary income	9	0.0	70	0.1	(61)	(86.8)
Gain on sales of fixed assets	4		70		(65)	
Subsidy income	4		-		4	
Extraordinary loss	262	0.3	1,975	2.8	(1,712)	(86.7)
Loss on sales and disposal of fixed assets	114		256		(141)	
Advanced depreciations	4		-		4	
Impairment of goodwill	75		514		(439)	
Loss on reorganization of subsidiary	43		481		(438)	
Provision of retirement benefit for directors and corporate auditors for prior years	16		-		16	
Loss on revaluation of marketable securities	-		2		(2)	
Expenses for preparation for establishment of graduate university	-		720		(720)	
Other	8		-		8	
Income before income taxes and minority interests	11,864	16.1	8,094	11.5	3,769	46.6
Income taxes	4,911	6.6	4,293	6.1	617	14.4
Deferred income taxes	(821)	(1.1)	(843)	(1.2)	22	(2.6)
Minority interests in consolidated subsidiaries	48	0.1	(8)	(0.0)	56	(702.0)
Net income	7,726	10.5	4,652	6.6	3,073	66.0

Consolidated Financial Statements

Consolidated Statements of Retained Earnings

(Millions of Japanese Yen)

	Fiscal year ended Sep. 30,2005		Fiscal year ended Sep. 30,2004	
Capital surplus				
Beginning balance		15,827		15,675
Increase in capital surplus				
Conversion of convertible debentures	-		151	
Gain on sales of treasury stock	7	7	-	151
Ending balance		15,834		15,827
Retained earnings				
Beginning balance		25,213		21,247
Increase in retained earnings				
Net income	7,726		4,652	
Effect of change in interest in subsidiary	-	7,726	40	4,693
Decrease in retained earnings				
Cash dividends	1,302		666	
Bonuses to directors and corporate auditors	58		59	
Employees' bonus and welfare fund	0	1,361	1	727
Ending balance		31,578		25,213

Consolidated Financial Statements
Consolidated Statements of Cash Flow

(Millions of Japanese Yen)

	Fiscal year ended Sep. 30,2005	Fiscal year ended Sep. 30,2004
Cash flows from operating activities		
Income before income taxes and minority interests	11,864	8,094
Depreciation	6,684	7,098
Amortisation of consolidation adjustments	34	44
Increase (decrease) in allowance for doubtful accounts	148	20
Increase (decrease) in allowance for bonuses	281	(2)
Increase in allowance for retirement and severance benefits	807	733
Increase in allowance for retirement benefit for directors and corporate auditors	68	(19)
Interest and dividend income	(110)	(67)
Interest expense	173	263
Foreign exchange (gain) loss	(18)	(36)
Bond issue expenses	44	-
(Gain) loss on investments accounted for by the equity method	(95)	(100)
Loss on disposal of fixed assets	102	254
(Gain) loss on sales of fixed assets	7	(69)
Loss on revaluation of marketable securities	-	2
(Increase) decrease in receivables, trade	1,291	(3,103)
(Increase) decrease in inventories	(423)	(429)
Increase (decrease) in payables, trade	(1,011)	2,050
Payment of bonuses to directors and corporate auditors	(59)	(61)
Other	387	334
Subtotal	20,176	15,007
Interest and dividend received	116	70
Interest expense paid	(174)	(235)
Income taxes paid	(5,707)	(1,981)
Net cash provided by operating activities	14,411	12,861
Cash flows from investing activities		
(Increase) decrease in time deposits	(550)	1,888
Payments for acquisition of marketable securities	(255)	-
Payments for acquisition of fixed assets	(7,423)	(6,928)
Proceeds from sales of fixed assets	37	99
Payments for acquisition of intangible fixed assets	(189)	(176)
Payments for purchases of investment securities	(6)	(7)
Proceeds from reorganization of subsidiary	155	561
Other	6	35
Net cash used in investing activities	(8,225)	(4,526)
Cash flows from financing activities		
Increase (decrease) in short-term debt	(673)	(219)
Proceeds from long-term debt	2,000	4,760
Payment of long-term debt	(5,322)	(1,511)
Proceeds from issuance of corporate bonds	20,000	-
Payments for acquisition of treasury stock	(2)	(4,608)
Dividends paid by the parent company	(1,302)	(667)
Other	(48)	201
Net cash provided by (used in) financing activities	14,651	(2,045)
Effect of exchange rate changes on cash and cash equivalents	80	186
Net increase (decrease) in cash and cash equivalents	20,918	6,475
Cash and cash equivalents at beginning of period	23,126	16,650
Cash and cash equivalents at end of period	44,045	23,126

Segment Information

Business Segment

Fiscal year ended Sep. 30, 2005

(Millions of Japanese Yen)

	Opto-electronic devices	Imaging and measurement instruments	Other	Segment total	Elimination or corporate	Consolidated total
Net sales						
Outside customers	61,170	12,075	663	73,909	-	73,909
Intersegment	578	24	-	602	(602)	-
Total net sales	61,748	12,100	663	74,512	(602)	73,909
Operating expenses	42,135	10,287	810	53,233	8,983	62,216
Operating income	19,613	1,812	(147)	21,278	(9,585)	11,692
Assets	83,071	17,244	2,401	102,717	41,720	144,437
Depreciation	4,540	660	73	5,274	1,340	6,614
Capital expenditures	8,168	705	191	9,065	923	9,989

Fiscal year ended Sep. 30, 2004

(Millions of Japanese Yen)

	Opto-electronic devices	Imaging and measurement instruments	Other	Segment total	Elimination or corporate	Consolidated total
Net sales						
Outside customers	57,882	11,930	653	70,466	-	70,466
Intersegment	628	28	-	656	(656)	-
Total net sales	58,511	11,958	653	71,123	(656)	70,466
Operating expenses	41,402	9,837	826	52,066	8,711	60,778
Operating income	17,109	2,121	(173)	19,057	(9,368)	9,688
Assets	71,806	15,642	2,290	89,739	29,306	119,045
Depreciation	4,802	758	85	5,646	1,363	7,009
Capital expenditures	3,779	569	146	4,494	1,531	6,026

Notes:

1. Business segments are classified based on the similarities of products, markets and so on.
2. Major products in each business segment :

Opto-electronic devices	Photomultiplier Tubes, Imaging Devices and Light Sources (X-ray Image Intensifier, Microchannel Plate, Deuterium Lamp, UV Spot Light Source, Microfocus X-ray Source), Opto-semiconductors (Photo Diode, Infrared Detector, Image Sensor, Light Emitting Diode, Photo IC, Photocoupler)
Imaging and measurement instruments	Image Processing and Measurement Systems (Special Purpose Video Camera, Image Processing System, Low-Level Light Image Acquisition System, Ultrafast Optical Measurement System, Image Processing and Analysis System for Optical Microscope, Nondestructive Inspection System)
Other	Photosensitizer R&D, Hotel operations

3. Operating expenses in elimination or corporate are principally basic research and corporate general and administrative expenses which can not be allocated to each business segment. The amounts of those expenses were 9,091 million yen and 9,310 million yen for the fiscal years ended Sep. 30, 2004 and 2005, respectively.
4. Corporate assets in elimination or corporate are principally parent company's cash on hand and in banks, long-term investment security and assets related to basic research departments. The amounts of those assets were 29,306 million yen and 41,720 million yen for the fiscal years ended Sep. 30, 2004 and 2005, respectively.
5. Depreciation expenses for long-term prepaid expenses were included in depreciation, and increases in long-term prepaid expenses were included in capital expenditures.

Segment Information

Geographical Segment

Fiscal year ended Sep. 30, 2005

(Millions of Japanese Yen)

	Japan	North America	Europe	Other	Segment total	Elimination or corporate	Consolidated total
Net sales							
Outside customers	41,668	16,588	15,047	604	73,909	-	73,909
Intersegment	23,411	626	126	653	24,818	(24,818)	-
Total net sales	65,080	17,215	15,174	1,258	98,728	(24,818)	73,909
Operating expenses	46,580	16,486	13,331	1,119	77,518	(15,301)	62,216
Operating income	18,500	728	1,842	139	21,210	(9,517)	11,692
Assets	91,519	6,851	7,922	2,544	108,838	35,599	144,437

Fiscal year ended Sep. 30, 2004

(Millions of Japanese Yen)

	Japan	North America	Europe	Other	Segment total	Elimination or corporate	Consolidated total
Net sales							
Outside customers	42,582	15,141	12,359	382	70,466	-	70,466
Intersegment	20,405	737	55	468	21,666	(21,666)	-
Total net sales	62,987	15,879	12,414	851	92,133	(21,666)	70,466
Operating expenses	46,211	15,383	10,799	778	73,172	(12,394)	60,778
Operating income	16,776	495	1,615	72	18,960	(9,271)	9,688
Assets	78,588	7,235	6,812	2,257	94,893	24,151	119,045

Notes :

1. The countries or areas are classified based on the geographical proximity.
2. Major countries and areas which belong to each classification:
 North America : U.S.A.
 Europe : Germany, France, U.K.
 Other : China
3. Operating expenses in elimination or corporate which can not be allocated to each business segment were 9,091 million yen and 9,310 million yen for the fiscal years ended Sep. 30, 2004 and 2005, respectively.
4. Corporate assets in elimination or corporate were 29,306 million yen and 41,720 million yen for the fiscal years ended Sep. 30, 2004 and 2005, respectively.

Segment Information

Overseas sales

Fiscal year ended Sep. 30, 2005

(Millions of Japanese Yen)

	North America	Europe	Asia	Other	Consolidated total
Overseas sales	16,423	14,873	9,889	403	41,590
Consolidated net sales	-	-	-	-	73,909
Ratio of overseas sales to consolidated net sales	22.2%	20.1%	13.4%	0.6%	56.3%

Fiscal year ended Sep. 30, 2004

(Millions of Japanese Yen)

	North America	Europe	Asia	Other	Consolidated total
Overseas sales	15,525	12,251	8,865	369	37,011
Consolidated net sales	-	-	-	-	70,466
Ratio of overseas sales to consolidated net sales	22.0%	17.4%	12.6%	0.5%	52.5%

Notes :

1. The countries or areas are classified based on the geographical proximity.
2. Major countries and areas which belong to each classification:
North America : U.S.A.
Europe : Germany, France, U.K.
Asia : Israel, India, China, Korea, Taiwan
Other : Australia