

Consolidated Financial Results for the First Quarter of Fiscal Year ending September 30, 2008

February 8, 2008

Company name : Hamamatsu Photonics K.K.

ID number : 6965

URL : www.hamamatsu.com

Representative : Teruo Hiruma, Chairman of the Board and Chief Executive Officer

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

Stock listing : Tokyo Stock Exchange First Section

Headquarters : Hamamatsu City, Japan

1. Consolidated financial results for the three months ended December 31, 2007 (From Oct. 1, 2007 through Dec. 31, 2007)

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

(1) Consolidated operating results

	Net sales		Operating income		Ordinary income		Net income	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Three months ended Dec. 31, 2007	23,206	0.9	4,911	(3.4)	5,175	2.0	3,331	3.4
Three months ended Dec. 31, 2006	22,992	13.0	5,086	18.3	5,073	18.1	3,221	67.2
(Reference) Fiscal year ended Sep. 30, 2007	96,316		19,873		20,175		12,036	

	Net income per share	Diluted net income per share
	Yen	Yen
Three months ended Dec. 31, 2007	41.49	41.12
Three months ended Dec. 31, 2006	43.52	39.80
(Reference) Fiscal year ended Sep. 30, 2007	159.86	148.63

(2) Consolidated financial position

	Total assets	Net Assets	Shareholders' equity ratio	Net Assets per share
	Millions of yen	Millions of yen	%	Yen
Three months ended Dec. 31, 2007	169,645	116,041	67.5	1,425.08
Three months ended Dec. 31, 2006	160,554	90,396	55.8	1,210.28
(Reference) Fiscal year ended Sep. 30, 2007	170,143	113,897	66.4	1,407.96

(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
Three months ended Dec. 31, 2007	2,856	(234)	6,500	44,137
Three months ended Dec. 31, 2006	1,234	(2,069)	(1,861)	43,931
(Reference) Fiscal year ended Sep. 30, 2007	18,188	(18,243)	(11,597)	35,067

2. Dividends

(Base date)	Dividends per share		
	Interim	Year end	Total
	Yen	Yen	Yen
Fiscal year ended Sep. 30, 2007	20.00	23.00	43.00
Fiscal year ended Sep. 30, 2008 (Outlook)	20.00	23.00	43.00

3. Forecast of consolidated results for the fiscal year ended Sep. 30, 2008 (From Oct. 1, 2007 through Sep. 30, 2008)

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 ended Mar. 31, 2008	50,800	4.9	10,950	(2.7)	11,150	(2.6)	7,100	3.9	88.40
Fiscal year ended Sep. 30, 2008	103,900	7.9	21,700	9.2	22,200	10.0	14,200	18.0	176.80

There is no change to the annual projection released on November 9, 2007.

4. Others

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

(2) Whether the Company has adopted simplified accounting methods : Yes

(3) Differences in consolidated accounting policies from recent fiscal year : None

Note: For further details, please refer to the item "3. Other Matters".

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. Comments on Consolidated Performance

(1) Summary of Consolidated Performance for the First Quarter of this Fiscal Year

The business environment suffered looming uncertainty brought on by the subprime loan crisis and the price of oil. Meanwhile, capital investments and exports increased.

Against this background, our group continued to improve our photonics technologies. We strove to anticipate the market's needs and to introduce high-value-added products using our photonics technologies. Moreover, we undertook to boost our revenue and income by intensive sales activities and streamlining operating expenses.

As a result of the above factors, we closed the first quarter with net sales of JPY 23,206 million, up by 0.9%, operating income of JPY 4,911 million, down by 3.4% and ordinary income of JPY 5,175 million, up by 2.0% over one year before respectively. Net income resulted in JPY 3,331 million, up by 3.4%.

(2) Sales by Segment

a. Opto-Electronic Devices:

Photomultiplier Tube sales posted an increase in Europe and Japan, in contrast to a sales decreased in the medical field (e.g. Positron Emission Tomography (PET)) centered mainly in U.S. market. In the Light Sources and Imaging Devices, the sales of UV Spot Light Source for UV cure bonding in the industrial field increased steadily in the Japanese and Asian market. In the Opto-semiconductor sector, sales of the Flat Panel Sensors showed growth in dental X-ray imaging primarily in Europe and Asia. Sales of Photo ICs used in communication network applications for the European automobile industry also recorded steady growth.

In total Opto-Electronic Devices closed the first quarter with JPY 20,219 million, up by 3.2% from one year previous.

b. Imaging and Measurement Instruments:

Semiconductor Failure Analysis Systems sales in the industrial field mainly in Japan and Asia were down.

Net sales for this sector resulted in JPY 2,992 million, down by 10.8% from one year before.

2. Comments on Financial Position

(1) Summary of Financial Position

Total assets at the end of the first quarter were JPY 169,645 million, down by JPY 498 million from the year ended September 30, 2007. Property, plant and equipment were down by JPY 185 million due to a spending on capital investment within the depreciation. In addition, trade notes and account receivable decreased JPY 660 million.

Total liabilities were JPY 53,604 million, down by JPY 2,642 million due to decreases in current portion of convertible debentures, down by JPY 2,020 million and income tax payable, down by JPY 1,282 million.

Net Assets were JPY 116,041 million, up by JPY 2,144 million, due mainly to increased net income for the three months of JPY 3,331 million, while there was a dividend payment of JPY 1,848 million. Against these factors, the equity ratio was 67.5%.

(2) Summary of Cash Flow

Operating activity during the first quarter increased cash flow of JPY 2,856 million. This is mainly from income before income taxes and minority interests for JPY 5,165 million, while there was an income tax payment of JPY 3,319 million that reduced the flow. Investment activity decreased the cash flow by JPY 234 million due mainly to acquisitions of tangible fixed assets for JPY 972 million. Financial activity increased cash flow of JPY 6,500 million due mainly to reimbursement of redemption of convertible debentures for JPY 9,425 million, while there were dividend payment and short-term debts repayment.

At the end of the first quarter, cash and cash equivalent stood at JPY 44,137 million, up by JPY 9,070 million from the year ended September 30, 2007.

3. Other Matters

(1) Changes in the status of material subsidiaries during the three months of the fiscal year (Companies newly consolidated or removed from consolidation): None

(2) Whether the Company has used simplified accounting methods : Calculated using the projected annual tax rate based on the statutory effective tax rate

(3) Differences in accounting policies from recent fiscal year : None

First Quarter Consolidated Financial Statements

First Quarter Consolidated Balance Sheets

(Millions of Japanese Yen)

	As of Dec. 31, 2006		As of Dec. 31, 2007		Change		As of Sep. 30, 2007	
	Amount	%	Amount	%	Amount	%	Amount	%
Assets								
Current assets								
Cash on hand and in banks	47,022		52,374		5,352		44,323	
Trade notes and accounts receivable	23,340		23,448		108		24,108	
Inventories	16,458		19,435		2,977		17,809	
Deferred income taxes	3,621		3,428		(192)		3,262	
Other	1,914		2,182		267		11,653	
Total current assets	92,357	57.5	100,869	59.5	8,512	9.2	101,158	59.5
Fixed assets								
Tangible fixed assets	55,890	34.8	57,149	33.7	1,258	2.3	57,334	33.7
Intangible fixed assets	458	0.3	275	0.1	(183)	(39.9)	282	0.1
Investments and other assets	11,848	7.4	11,351	6.7	(496)	(4.2)	11,368	6.7
Investment securities	5,148		3,397		(1,750)		3,572	
Deferred income taxes	4,684		5,654		970		5,615	
Other	2,015		2,299		283		2,181	
Total fixed assets	68,197	42.5	68,775	40.5	578	0.8	68,985	40.5
Total assets	160,554	100.0	169,645	100.0	9,090	5.7	170,143	100.0
Liabilities								
Current liabilities								
Trade notes and accounts payable	11,970		12,882		911		11,525	
Short-term bank loans and current portion of long-term debt	8,518		1,648		(6,870)		3,726	
Current portion of convertible debentures	14,664		-		(14,664)		-	
Income taxes payable	1,950		2,176		226		3,458	
Other	14,223		13,163		(1,059)		13,697	
Total current liabilities	51,327	32.0	29,871	17.6	(21,456)	(41.8)	32,407	19.1
Long-term liabilities								
Non-collateral bonds with warrants to buy stocks	3,553		1,538		(2,015)		1,673	
Long-term bank loans	2,016		8,405		6,389		8,398	
Allowance for employees' retirement and severance benefits	11,683		12,208		524		12,085	
Allowance for retirement benefits for directors and corporate auditors	1,402		1,469		66		1,452	
Other	174		112		(62)		229	
Total long-term liabilities	18,830	11.7	23,733	14.0	4,902	26.0	23,838	14.0
Total liabilities	70,157	43.7	53,604	31.6	(16,553)	(23.6)	56,246	33.1

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

First Quarter Consolidated Financial Statements

First Quarter Consolidated Balance Sheets

(Millions of Japanese Yen)

	As of Dec. 31, 2006		As of Dec. 31, 2007		Change		As of Sep. 30, 2007	
	Amount	%	Amount	%	Amount	%	Amount	%
Net asset								
Shareholders' equity								
Common stock	26,522		34,837		8,315		34,770	
Capital surplus	26,271		34,581		8,310		34,514	
Retained earnings	40,541		49,382		8,841		47,835	
Less treasury stock, at cost	(6,018)		(6,042)		(24)		(6,039)	
Total shareholders' equity	87,317	54.4	112,759	66.5	25,442	29.1	111,080	65.3
Unrealized gains and adjustment								
Unrealized gain on securities, net of tax	1,762		955		(807)		1,103	
Deferred Hedge Gain (Loss)	(34)		(4)		30		0	
Foreign Currency Translation Adjustment	547		745		198		811	
Total Unrealized gains and adjustment	2,275	1.4	1,696	1.0	(579)	(25.5)	1,915	1.1
Minority interests in consolidated subsidiaries	804	0.5	1,586	0.9	781	97.1	901	0.5
Total net asset	90,396	56.3	116,041	68.4	25,644	28.4	113,897	66.9
Total liabilities and net asset	160,554	100.0	169,645	100.0	9,090	5.7	170,143	100.0

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

First Quarter Consolidated Financial Statements

First Quarter Consolidated Income Statements

(Millions of Japanese Yen)

	Three months ended Dec. 31, 2006		Three months ended Dec. 31, 2007		Change		Fiscal year ended Sep. 30, 2007	
	Amount	%	Amount	%	Amount	%	Amount	%
Net sales	22,992	100.0	23,206	100.0	213	0.9	96,316	100.0
Cost of sales	10,253	44.6	10,446	45.0	193	1.9	44,356	46.1
Gross profit	12,739	55.4	12,759	55.0	20	0.2	51,960	53.9
Selling, general and administrative expenses	5,113	22.3	5,349	23.0	236	4.6	22,386	23.2
Research and Development	2,539	11.0	2,498	10.8	(41)	(1.6)	9,699	10.1
Operating income	5,086	22.1	4,911	21.2	(174)	(3.4)	19,873	20.6
Non-operating income	192	0.9	323	1.4	131	68.2	923	1.0
Non-operating expenses	205	0.9	60	0.3	(145)	(70.6)	621	0.7
Ordinary income	5,073	22.1	5,175	22.3	101	2.0	20,175	20.9
Extraordinary income	95	0.4	7	0.1	(88)	(92.5)	346	0.4
Extraordinary loss	16	0.1	16	0.1	0	0.3	691	0.7
Income before income taxes and minority interests	5,151	22.4	5,165	22.3	13	0.3	19,831	20.6
Income taxes	1,905	8.3	1,804	7.8	(100)	(5.3)	7,688	8.0
Minority interests in consolidated subsidiaries	25	0.1	29	0.1	4	16.4	106	0.1
Net income	3,221	14.0	3,331	14.4	110	3.4	12,036	12.5

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

First Quarter Consolidated Financial Statements

First Quarter Consolidated Statements of Cash Flow

(Millions of Japanese Yen)

	Three months ended Dec. 31, 2006	Three months ended Dec 31, 2007	Fiscal year ended Sep. 30, 2007
Cash flows from operating activities			
Income before income taxes and minority interests	5,151	5,165	19,831
Depreciation	1,704	2,033	8,031
Increase in allowance for retirement and severance benefits	208	122	609
(Increase) decrease in receivables, trade	(137)	642	(839)
Increase in inventories	(963)	(941)	(2,231)
Increase in payables, trade	514	667	72
Other	(1,115)	(1,590)	915
Subtotal	5,362	6,099	26,390
Income taxes paid	(4,165)	(3,319)	(8,449)
Other	37	77	247
Net cash provided by operating activities	1,234	2,856	18,188
Cash flows from investing activities			
(Increase) decrease in time deposits	43	1,020	(6,142)
Payments for acquisition of property, plant and equipment	(2,165)	(972)	(11,889)
Other	52	(282)	(210)
Net cash used in investing activities	(2,069)	(234)	(18,243)
Cash flows from financing activities			
Increase (decrease) in short-term debt	(689)	(19)	(785)
Proceeds from (payment of) long-term debt	(12)	(2,013)	1,668
Payments for redemption of convertible debenture	-	(53)	-
Payments for deposit on redemption of convertible debenture	-	-	(9,429)
Appropriation of deposit for redemption of convertible debenture	-	9,425	-
Dividends paid by the parent company	(1,155)	(1,519)	(2,988)
Other	(2)	680	(62)
Net cash provided by (used in) financing activities	(1,861)	6,500	(11,597)
Effect of exchange rate changes on cash and cash equivalents	193	(51)	286
Net increase (decrease) in cash and cash equivalents	(2,502)	9,070	(11,365)
Cash and cash equivalents at beginning of period	46,433	35,067	46,433
Cash and cash equivalents at end of period	43,931	44,137	35,067

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

Segment Information

Business Segment

Three months ended Dec. 31, 2006

(Millions of Japanese Yen)

	Opto-electronic devices	Imaging and measurement instruments	Other	Segment total	Elimination or corporate	Consolidated total
Net sales						
Outside customers	19,465	3,353	173	22,992	-	22,992
Intersegment	135	2	-	137	(137)	-
Total net sales	19,601	3,355	173	23,130	(137)	22,992
Operating expenses	12,564	2,896	198	15,659	2,246	17,906
Operating income	7,036	458	(25)	7,470	(2,384)	5,086

Three months ended Dec. 31, 2007

(Millions of Japanese Yen)

	Opto-electronic devices	Imaging and measurement instruments	Other	Segment total	Elimination or corporate	Consolidated total
Net sales						
Outside customers	20,052	2,977	176	23,206	-	23,206
Intersegment	166	15	-	181	(181)	-
Total net sales	20,219	2,992	176	23,388	(181)	23,206
Operating expenses	13,185	2,592	188	15,966	2,328	18,294
Operating income	7,033	399	(11)	7,421	(2,509)	4,911

Reference : Fiscal year ended Sep. 30, 2007

(Millions of Japanese Yen)

	Opto-electronic devices	Imaging and measurement instruments	Other	Segment total	Elimination or corporate	Consolidated total
Net sales						
Outside customers	79,966	15,685	664	96,316	-	96,316
Intersegment	542	10	-	552	(552)	-
Total net sales	80,509	15,695	664	96,869	(552)	96,316
Operating expenses	53,476	13,012	788	67,278	9,164	76,442
Operating income	27,032	2,682	(124)	29,590	(9,716)	19,873

Notes:

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

Opto-electronic devices	Photomultiplier Tubes, Imaging Devices and Light Sources (X-ray Scintillator, X-ray Image Intensifier, Microchannel Plate, Deuterium Lamp, Spot Light Source, Microfocus X-ray Source), Opto-semiconductors (Photo Diode, Infrared Detector, Image Sensor, Light Emitting Diode, Photo IC)
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

- 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 2,324 million yen, 2,425 million yen and 9,472 million yen for the three months ended Dec. 31, 2006, the three months ended Dec. 31, 2007 and the fiscal year ended Sep. 30, 2007, respectively.

Segment Information
Geographical Segment

Three months ended Dec. 31, 2006

(Millions of Japanese Yen)

	Japan	North America	Europe	Other	Segment total	Elimination or corporate	Consolidated total
Net sales							
Outside customers	11,031	6,271	5,471	217	22,992	-	22,992
Intersegment	8,700	120	132	226	9,180	(9,180)	-
Total net sales	19,731	6,392	5,604	444	32,173	(9,180)	22,992
Operating expenses	13,685	5,644	4,787	375	24,493	(6,586)	17,906
Operating income	6,046	747	817	69	7,680	(2,593)	5,086

Three months ended Dec. 31, 2007

(Millions of Japanese Yen)

	Japan	North America	Europe	Other	Segment total	Elimination or corporate	Consolidated total
Net sales							
Outside customers	11,651	5,589	5,671	293	23,206	-	23,206
Intersegment	9,022	149	85	197	9,454	(9,454)	-
Total net sales	20,674	5,738	5,756	490	32,660	(9,454)	23,206
Operating expenses	14,223	5,252	5,008	402	24,887	(6,593)	18,294
Operating income	6,450	485	748	88	7,772	(2,861)	4,911

Reference : Fiscal year ended Sep. 30, 2007

(Millions of Japanese Yen)

	Japan	North America	Europe	Other	Segment total	Elimination or corporate	Consolidated total
Net sales							
Outside customers	46,717	25,695	22,925	979	96,316	-	96,316
Intersegment	35,701	542	460	873	37,578	(37,578)	-
Total net sales	82,418	26,237	23,385	1,852	133,894	(37,578)	96,316
Operating expenses	57,992	24,538	19,944	1,603	104,079	(27,636)	76,442
Operating income	24,426	1,698	3,441	248	29,815	(9,941)	19,873

Notes :

- The countries or areas are classified based on the geographical proximity.
- Major countries and areas which belong to each classification:
North America : U.S.A.
Europe : Germany, France, U.K.
Other : China
- Operating expenses in elimination or corporate which can not be allocated to each business segment were 2,324 million yen, 2,425 million yen and 9,472 million yen for the three months ended Dec. 31, 2006, the three months ended Dec. 31, 2007 and the fiscal year ended Sep. 30, 2007, respectively.

Segment Information

Overseas sales

Three months ended Dec. 31, 2006

(Millions of Japanese Yen)

	North America	Europe	Asia	Other	Consolidated total
Overseas sales	6,138	5,383	3,007	118	14,647
Consolidated net sales	-	-	-	-	22,992
Ratio of overseas sales to consolidated net sales	26.7%	23.4%	13.1%	0.5%	63.7%

Three months ended Dec. 31, 2007

(Millions of Japanese Yen)

	North America	Europe	Asia	Other	Consolidated total
Overseas sales	5,495	5,633	3,516	126	14,772
Consolidated net sales	-	-	-	-	23,206
Ratio of overseas sales to consolidated net sales	23.7%	24.3%	15.2%	0.5%	63.7%

Reference : Fiscal year ended Sep. 30, 2007

(Millions of Japanese Yen)

	North America	Europe	Asia	Other	Consolidated total
Overseas sales	25,108	22,690	12,825	534	61,159
Consolidated net sales	-	-	-	-	96,316
Ratio of overseas sales to consolidated net sales	26.1%	23.6%	13.3%	0.5%	63.5%

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