

Consolidated Financial Results for the First Quarter of Fiscal Year ending September 30, 2010

February 8, 2010

Company name: Hamamatsu Photonics K.K.

ID number: 6965

URL: www.hamamatsu.com

Representative: Akira Hiruma, President and Chief Executive Officer

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Scheduled date to submit Securities Report : February 12, 2010

Stock listing : Tokyo Stock Exchange First Section

Headquarters : Hamamatsu City, Japan

1. Consolidated financial results for the three months ended December 31, 2009 (From Oct. 1, 2009 through Dec. 31, 2009)

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, 2009	19,491	0.3	1,800	(7.8)	1,752	(20.6)	1,208	(10.2)
Three months ended Dec. 31, 2008	19,442	-	1,952	-	2,207	-	1,346	-

	Net income per share	Diluted net income per share
	Yen	Yen
Three months ended Dec. 31, 2009	15.04	-
Three months ended Dec. 31, 2008	16.74	16.62

(2) Consolidated financial position

	Total assets	Net Assets	Shareholders' equity ratio	Net Assets per share
	Millions of yen	Millions of yen	%	Yen
as of Dec. 31, 2009	159,244	117,067	73.1	1,447.02
as of Sep. 30, 2009	158,026	117,452	73.3	1,441.44

Notes: Shareholders' equity

Three months ended Dec. 31, 2009 : 116,333 million yen

Fiscal year ended Sep. 30, 2009 : 115,885 million yen

2. Dividends

(Base date)	Dividends per share				
	End of Q1	End of Q2	End of Q3	End of Q4	Full Fiscal Year
Fiscal year ended Sep. 30, 2009	Yen -	Yen 23.00	Yen -	Yen 7.00	Yen 30.00
Fiscal year ending Sep. 30, 2010	-				
Fiscal year ending Sep. 30, 2010 (Outlook)		15.00	-	18.00	33.00

3. Forecast of consolidated results for the fiscal year ending Sep. 30, 2010 (From Oct. 1, 2009 through Sep. 30, 2010)

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 ending Mar. 31, 2010	39,900	4.0	3,300	2.3	3,400	(5.4)	2,100	70.1	26.12
Fiscal year ending Sep. 30, 2010	78,300	8.8	5,700	52.3	5,900	23.1	3,800	112.1	47.27

Note: Whether the forecasts for consolidated figures under review have been revised: No

4. Others

- (1) Changes in consolidated subsidiaries (Changes in scope of consolidation) : None
- (2) Whether the Company has adopted simplified accounting methods : Yes
- (3) Changes in principles, procedures, presentation methods for the quarterly consolidated financial statements
 - (a) Changes arising from revision of accounting principles: Yes
 - (b) Changes arising from other factors: Yes
- (4) Number of shares outstanding
 - (a) Number of shares outstanding at end of period including treasury stock
 - Three months ended Dec. 31, 2009: 83,764,984 shares
 - Fiscal year ended Sep. 30, 2009: 83,764,984 shares
 - (b) Number of treasury stock at end of period
 - Three months ended Dec. 31, 2009: 3,369,625 shares
 - Fiscal year ended Sep. 30, 2009: 3,369,439 shares
 - (c) Average number of shares issued during the period (first-quarter accumulation (three months))
 - Three months ended Dec. 31, 2009: 80,395,477 shares
 - Three months ended Dec. 31, 2008: 80,394,004 shares

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

Despite signs of a partial economic recovery, the business environment during the first quarter of this fiscal year was still difficult. The situation was characterized by employment uncertainty and stagnant personal income. Against this background, our group strove to develop competitive products utilizing our own 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 19,491 million, up by JPY 49 million (0.3%), operating income of JPY 1,800 million, down by JPY 151 million (7.8%) and ordinary income of JPY 1,752 million, down by JPY 454 million (20.6%) over one year before respectively. Net income resulted in JPY 1,208 million, down by JPY 137 million (10.2%).

(2) Sales by Segment

a. Opto-Electronic Devices:

Photomultiplier Tube (PMTs) sales, mainly in the medical and academic fields, increased steadily in the Japanese market. However, sales of PMTs used in oil well logging and gamma cameras decreased in the U.S. market.

In the **Light Sources and Imaging Devices**, the sales of X-ray Scintillators in the medical field continued to grow steadily mainly in the U.S. and European markets. And the sales of Stealth Dicing Engine increased in the semiconductor industry.

In the **Opto-semiconductor** sector, sales of Silicon Photodiodes for X-ray medical diagnostic instruments were down primarily in Japan and Asia. In addition, sales of X-ray Image Sensors for dental instrumentation dropped in foreign countries.

In total Opto-Electronic Devices closed the first quarter with JPY 17,305 million, up by 0.8% and operating income of JPY 4,131 million, down by 8.0% from one year previous.

b. Imaging and Measurement Instruments:

Sales of digital slide observation systems used in medical pathology, and digital cameras for medicine and academic research were up steadily in the U.S. However, in the industrial market, sales of Semiconductor Failure Analysis Systems sales grew at a sluggish pace.

Net sales for this sector resulted in JPY 2,220 million, down by 4.1% from one year before operating loss was JPY 38 million (1st Quarter of FY 2009 was JPY 21 million loss).

c. Others:

Net sales for this fiscal year were JPY 138 million, down by 7.9% over last year and operating loss was JPY 1 million (1st Quarter of FY 2009 was JPY 3 million profit).

(3) Sales by Location of companies

In **Japan**, sales of Stealth Dicing Engine in the semiconductor industry increased. Meanwhile domestic sales and export sales to Asia of Silicon Photodiodes for medical diagnostic instruments used in Japan and Asia were down, Along with this, export sales of X-ray Image Sensors for dental instrumentation were also down. The total sales in Japan were JPY 17,223 million, down by 5.6% and operating profits JPY 3,560 million, down by 6.3% compared with one year before respectively.

In **North America**, sales of X-ray Scintillator for medical diagnostic instruments increased steadily and Silicon Photodiodes for X-ray medical diagnostic instruments also boosted sales. The total sales for the region were JPY 5,286 million, up by 5.5% and operating profit JPY 146 million, up by 568.2% over last year respectively.

Europe experienced a decrease in sales of Opto-semiconductors, mainly in the medical field, such as Image Sensor for dental X-ray imaging and Silicon Photodiodes for X-ray medical diagnostic instruments. On the other hand, sales of X-ray Scintillator for medical diagnostic instruments such as dental applications and Photomultiplier Tubes increased steadily. The total sales were JPY 5,035 million, up by 2.3% and operating profit JPY 457 million, up by 2.5% over last year respectively.

In **Other Regions** mostly represented by China, net sales were JPY 586 million, down by 22.9% and operating profit JPY 83 million, down by 59.8%.

2. Comments on Financial Position

(1) Summary of Financial Position

Current assets were decreased JPY 741 million from the year ended September 30, 2009. This is mainly from decreases in cash and deposits of JPY 2,188 million due to a transfer to long-term investment and other account receivable due to a receipt of income tax refund for the prior years, while there were increases in notes and accounts receivable-trade. Noncurrent assets were increased JPY 1,959 million from the last fiscal year end, due mainly to an increase in long-term investment of JPY 3,005 million, while there was a decrease in property, plant and equipment because of the depreciation. The total assets at the end of the first quarter were JPY 159,244 million, up by JPY 1,218 million from the year ended September 30, 2009.

Current liabilities were increased JPY 1,446 million. This is mainly from increases in notes and accounts payable-trade, up by JPY 1,968 million and income taxes payable, up by JPY 462 million over last year respectively, while there was a decrease in provision for bonuses, down by JPY 1,261 million. Noncurrent liabilities were increased JPY 156 million from the last fiscal year end, due mainly to an increase provision for retirement benefits, up by JPY 190 million. The total liabilities at the end of the first quarter were JPY 42,177 million, up by JPY 1,603 million.

Net Assets were JPY 117,067 million, down by JPY 384 million, due mainly to a decrease in minority interests, down by JPY 832 million because of an additional acquisition of shares of a consolidated subsidiary, while there was an increase of retained earnings, up by JPY 645 million, because of net income for the three months of JPY 1,208 million.

(2) Summary of Cash Flow

Cash flow created from operations during the first quarter was JPY 3,793 million, up by JPY 3,105 million over last year. This is mainly from an income tax refund of JPY 440 million, while there was an income tax paid of JPY 2,899 million in the corresponding period of the last year.

Investment activity used a cash flow of JPY 2,830 million, up by JPY 2,237 million from previous year due mainly to a net increase in time deposits of JPY 442 million, while there was a net decrease in time deposits of JPY 3,297 million in the same period of the previous year.

Financial activity required a cash flow of JPY 544 million, down by JPY 1,889 million from previous year due mainly to decreases in payment of dividend, down by JPY 1,396 million and repayment of long-term loans payable, up by JPY 499 million over last year.

At the end of the first quarter, cash and cash equivalent stood at JPY 18,381 million, up by JPY 374 million from the year ended September 30, 2009.

3. Comments on Consolidated Financial Forecast

There is no change to the projection for the first six months ending March 31, 2010 and for the fiscal year ending September 30, 2010 released on December 14, 2009. We assume that yen/US dollar exchange rate is JPY 90 and yen/Euro exchange rate is JPY 130.

Consolidated Financial Statements

Consolidated Balance Sheets

(Millions of Japanese Yen)

	As of Dec. 31, 2009	As of Sep. 30, 2009
Assets		
Current assets		
Cash and deposits	39,319	41,507
Notes and accounts receivable-trade	18,789	16,788
Short-term investment securities	8,006	8,000
Merchandise and finished goods	5,027	4,856
Work in process	10,440	10,810
Raw materials and supplies	4,719	4,322
Other	6,125	6,904
Allowance for doubtful accounts	(104)	(125)
Total current assets	92,323	93,064
Noncurrent assets		
Property, plant and equipment		
Buildings and structures, net	23,014	21,983
Machinery, equipment and vehicles, net	9,373	9,674
Tools, furniture and fixtures, net	3,225	3,370
Land	12,913	12,747
Lease assets, net	82	89
Construction in progress	3,881	5,600
Total property, plant and equipment	52,491	53,466
Intangible assets	576	434
Investments and other assets		
Investment securities	2,169	2,356
Deferred tax assets	6,579	6,578
Other	5,122	2,143
Allowance for doubtful accounts	(17)	(17)
Total investments and other assets	13,853	11,060
Total noncurrent assets	66,921	64,962
Total assets	159,244	158,026

Consolidated Financial Statements

Consolidated Balance Sheets

(Millions of Japanese Yen)

	As of Dec. 31, 2009	As of Sep. 30, 2009
Liabilities		
Current liabilities		
Notes and accounts payable-trade	9,305	7,337
Short-term loans payable	1,533	1,549
Current portion of long-term loans payable	6,252	6,253
Income taxes payable	799	336
Provision for bonuses	1,273	2,534
Other	7,634	7,339
Total current liabilities	26,798	25,351
Noncurrent liabilities		
Long-term loans payable	235	226
Provision for retirement benefits	13,581	13,390
Provision for directors' retirement benefits	1,389	1,413
Other	173	191
Total noncurrent liabilities	15,379	15,222
Total liabilities	42,177	40,574
Net assets		
Shareholders' equity		
Capital stock	34,928	34,928
Capital surplus	34,672	34,672
Retained earnings	55,910	55,265
Treasury stock	(6,047)	(6,046)
Total shareholders' equity	119,464	118,819
Valuation and translation adjustments		
Valuation difference on available-for-sale securities	73	186
Foreign currency translation adjustment	(3,204)	(3,121)
Total valuation and translation adjustments	(3,131)	(2,934)
Minority interests	733	1,566
Total net assets	117,067	117,452
Total liabilities and net assets	159,244	158,026

Consolidated Financial Statements

Consolidated Statements of income

(Millions of Japanese Yen)

	Three months ended Dec. 31, 2008	Three months ended Dec. 31, 2009
Net sales	19,442	19,491
Cost of sales	9,839	10,566
Gross profit	9,602	8,925
Selling, general and administrative expenses	7,650	7,124
Operating income	1,952	1,800
Non-operating income		
Interest income	128	67
Rent of real estate for investment	-	36
Foreign exchange gains	48	-
Equity in earnings of affiliates	38	3
Other	103	54
Total non-operating income	318	161
Non-operating expenses		
Interest expenses	36	33
Rent expenses on real estates	25	21
Foreign exchange losses	-	145
Other	1	9
Total non-operating expenses	63	209
Ordinary income	2,207	1,752
Extraordinary income		
Gain on sales of noncurrent assets	1	1
Reversal of allowance for doubtful accounts	-	12
Other	0	-
Total extraordinary income	1	13
Extraordinary loss		
Loss on sales of noncurrent assets	8	-
Loss on retirement of noncurrent assets	16	4
Loss on valuation of investment securities	94	77
Loss on liquidation of subsidiaries and affiliates	102	2
Total extraordinary losses	220	84
Income before income taxes and minority interests	1,988	1,681
Income taxes	590	442
Minority interests in income	51	30
Net income	1,346	1,208

Consolidated Financial Statements

Consolidated statements of cash flows

(Millions of Japanese Yen)

	Three months ended Dec. 31, 2008	Three months ended Dec. 31, 2009
Net cash provided by (used in) operating activities		
Income before income taxes and minority interests	1,988	1,681
Depreciation and amortization	2,248	1,874
Increase (decrease) in provision for bonuses	(1,386)	(1,262)
Interest and dividends income	(128)	(67)
Interest expenses	36	33
Equity in (earnings) losses of affiliates	(38)	(3)
Decrease (increase) in notes and accounts receivable-trade	1,351	(1,948)
Decrease (increase) in inventories	(2,322)	(198)
Increase (decrease) in notes and accounts payable-trade	877	1,884
Other, net	868	1,324
Subtotal	3,495	3,318
Interest and dividends income received	128	67
Interest expenses paid	(36)	(33)
Income taxes (paid) refund	(2,899)	440
Net cash provided by (used in) operating activities	688	3,793
Net cash provided by (used in) investing activities		
Net decrease (increase) in time deposits	3,297	(442)
Purchase of short-term investment securities	(1,000)	(4,006)
Proceeds from sales of short-term investment securities	-	4,000
Purchase of property, plant and equipment	(2,126)	(2,004)
Payments of loans receivable	(787)	-
Purchase of investments in subsidiaries	-	(273)
Other, net	22	(103)
Net cash provided by (used in) investing activities	(593)	(2,830)
Net cash provided by (used in) financing activities		
Net increase (decrease) in short-term loans payable	(1)	(16)
Proceeds from long-term loans payable	-	20
Repayment of long-term loans payable	(511)	(12)
Cash dividends paid	(1,918)	(522)
Other, net	(2)	(13)
Net cash provided by (used in) financing activities	(2,434)	(544)
Effect of exchange rate change on cash and cash equivalents	(1,029)	(43)
Net increase (decrease) in cash and cash equivalents	(3,369)	374
Cash and cash equivalents at beginning of period	44,805	18,007
Cash and cash equivalents at end of period	41,435	18,381

Segment Information

Business Segment

Three months ended Dec. 31, 2008

(Millions of Japanese Yen)

	Opto-electronic devices	Imaging and measurement instruments	Other	Segment total	Elimination or corporate	Consolidated total
Net sales						
Outside customers	16,988	2,304	149	19,442	-	19,442
Intersegment	177	12	-	189	(189)	-
Total net sales	17,165	2,316	149	19,631	(189)	19,442
Operating expenses	12,673	2,337	146	15,157	2,332	17,490
Operating income	4,491	(21)	3	4,473	(2,521)	1,952

Three months ended Dec. 31, 2009

(Millions of Japanese Yen)

	Opto-electronic devices	Imaging and measurement instruments	Other	Segment total	Elimination or corporate	Consolidated total
Net sales						
Outside customers	17,137	2,215	138	19,491	-	19,491
Intersegment	167	5	-	172	(172)	-
Total net sales	17,305	2,220	138	19,664	(172)	19,491
Operating expenses	13,173	2,259	139	15,572	2,118	17,690
Operating income	4,131	(38)	(1)	4,091	(2,290)	1,800

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 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	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 JPY 2,431 million and JPY 2,219 million for the three months ended Dec. 31, 2008 and 2009, respectively.

Segment Information

Geographical Segment

Three months ended Dec. 31, 2008

(Millions of Japanese Yen)

	Japan	North America	Europe	Other	Segment total	Elimination or corporate	Consolidated total
Net sales							
Outside customers	9,268	4,900	4,874	399	19,442	-	19,442
Intersegment	8,979	109	50	361	9,501	(9,501)	-
Total net sales	18,247	5,009	4,924	761	28,943	(9,501)	19,442
Operating expenses	14,448	4,987	4,478	552	24,467	(6,977)	17,490
Operating income	3,798	21	446	208	4,476	(2,523)	1,952

Three months ended Dec. 31, 2009

(Millions of Japanese Yen)

	Japan	North America	Europe	Other	Segment total	Elimination or corporate	Consolidated total
Net sales							
Outside customers	9,052	5,139	4,948	351	19,491	-	19,491
Intersegment	8,171	146	87	235	8,640	(8,640)	-
Total net sales	17,223	5,286	5,035	586	28,132	(8,640)	19,491
Operating expenses	13,662	5,139	4,577	502	23,882	(6,191)	17,690
Operating income	3,560	146	457	83	4,249	(2,448)	1,800

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 : The United States
Europe : Germany, France, U.K.
Other : China
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 JPY 2,431 million and JPY 2,219 million for the three months ended Dec. 31, 2008 and 2009, respectively.

Segment Information

Overseas sales

Three months ended Dec. 31, 2008

(Millions of Japanese Yen)

	North America	Europe	Asia	Other	Consolidated total
Overseas sales	4,704	4,813	2,745	110	12,374
Consolidated net sales	-	-	-	-	19,442
Ratio of overseas sales to consolidated net sales	24.2%	24.7%	14.1%	0.6%	63.6%

Three months ended Dec. 31, 2009

(Millions of Japanese Yen)

	North America	Europe	Asia	Other	Consolidated total
Overseas sales	4,908	4,927	2,587	61	12,484
Consolidated net sales	-	-	-	-	19,491
Ratio of overseas sales to consolidated net sales	25.2%	25.3%	13.3%	0.3%	64.1%

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 : The United States
Europe : Germany, France, U.K.
Asia : Israel, India, China, Korea, Taiwan
Other : Australia