

Non-consolidated Financial Results for the Fiscal year ended September 30, 2006

November 13, 2006

Company name : Hamamatsu Photonics K.K.

Stock ID number : 6965

URL : <http://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)

Board of Directors Meeting : November 13, 2006

General meeting of shareholders : December 21, 2006

Stock listing : Tokyo Stock Exchange First Section

Headquarters : Hamamatsu City, Japan

Trading unit system : Yes (100shares per trading unit)

1. Non-consolidated financial results for the fiscal year ended Sep. 30, 2006 (From Oct. 1, 2005 through Sep. 30, 2006)

(1) Non-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, 2006	73,899	15.0	11,458	21.7	12,613	19.5
Fiscal year ended Sep. 30, 2005	64,234	3.2	9,411	19.9	10,558	20.4

	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, 2006	7,686	17.8	112.12	94.94	11.5	8.9	17.1
Fiscal year ended Sep. 30, 2005	6,525	33.5	99.35	81.93	12.8	8.6	16.4

Notes: 1. Average number of shares outstanding

Fiscal year ended Sep. 30, 2006 : 68,552,805 shares

Fiscal year ended Sep. 30, 2005 : 65,125,794 shares

2. Changes in accounting method : None

3. 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) Non-consolidated financial position

	Total assets	Shareholders' equity	Shareholders' equity ratio	Shareholders' equity per share
	Millions of yen	Millions of yen	%	Yen
Sep. 30, 2006	147,628	80,235	54.3	1,082.37
Sep. 30, 2005	134,426	53,916	40.1	826.98

Notes: 1. Number of shares outstanding at end of period

Fiscal year ended Sep. 30, 2006 : 74,129,436 shares

Fiscal year ended Sep. 30, 2005 : 65,130,109 shares

2. Number of treasury stock at end of period

Fiscal year ended Sep. 30, 2006 : 3,226,262 shares

Fiscal year ended Sep. 30, 2005 : 3,222,909 shares

2. Forecast of non-consolidated result for the fiscal year ending Sep. 30, 2007 (From Oct. 1, 2006 through Sep. 30, 2007)

	Net sales	Ordinary income	Net income
	Millions of yen	Millions of yen	Millions of yen
Six months ending Mar. 31, 2007	38,600	8,000	5,700
Fiscal year ending Sep. 30, 2007	78,000	13,900	9,500

Reference : Projected net income per share for the fiscal year : Yen 128.15

(2) Dividends

	Annual dividends per share			Total dividends paid for the year	Dividend Pay-out ratio	Dividends to Shareholders' equity
	Interim	Year-end				
Fiscal year ended Sep. 30, 2005	5.00	20.00	25.00	1,628	25.2	3.0
Fiscal year ended Sep. 30, 2006	15.00	20.00	35.00	2,527	31.2	3.7
Fiscal year ended Sep. 30, 2007 (Proj.)	20.00	20.00	40.00			

Non-consolidated Financial Statements

Non-consolidated Balance Sheets

(Millions of Japanese Yen)

	As of Sep. 30, 2006		As of Sep. 30, 2005		Increase (decrease)	
	Amount	%	Amount	%	Amount	%
Assets						
Current assets	81,717	55.4	72,973	54.3	8,743	12.0
Cash on hand and in banks	43,011		39,304		3,706	
Trade notes receivable	3,748		2,698		1,049	
Accounts receivable	18,462		17,644		817	
Merchandise	18		21		(2)	
Finished goods	1,508		1,272		235	
Raw material	2,656		2,294		361	
Work in process	7,931		6,816		1,114	
Supplies	667		749		(82)	
Deferred income taxes	2,658		1,466		1,192	
Other accounts receivable	985		608		377	
Other	123		116		6	
Allowance for doubtful receivables	(54)		(20)		(33)	
Fixed assets	65,910	44.6	61,452	45.7	4,457	7.3
Tangible fixed assets	48,067	32.6	43,923	32.7	4,143	9.4
Buildings	18,578		17,228		1,349	
Structures	718		508		209	
Machinery and equipment	10,042		8,560		1,482	
Vehicles	31		26		5	
Tools, furniture and fixtures	3,107		3,279		(172)	
Land	11,896		11,905		(9)	
Construction in progress	3,692		2,413		1,278	
Intangible fixed assets	383	0.2	456	0.3	(73)	(16.1)
Patent	176		211		(34)	
Software	196		235		(38)	
Other	10		10		(0)	
Investments and other assets	17,460	11.8	17,072	12.7	387	2.3
Investment securities	4,337		4,499		(162)	
Shares of affiliates	6,246		6,506		(260)	
Investment in capital	2		2		(0)	
Investment in affiliates	629		629		-	
Long-term loans receivable	11		11		-	
Deferred income taxes	4,807		4,415		391	
Investment property	286		372		(85)	
Other	1,154		651		503	
Allowance for doubtful receivables	(16)		(17)		0	
Total assets	147,628	100.0	134,426	100.0	13,201	9.8

Non-consolidated Financial Statements

Non-consolidated Balance Sheets

(Millions of Japanese Yen)

	As of Sep. 30, 2006		As of Sep. 30, 2005		Increase (decrease)	
	Amount	%	Amount	%	Amount	%
Liabilities						
Current liabilities	47,126	31.9	21,172	15.8	25,953	122.6
Trade notes payable	4,608		4,030		577	
Trade accounts payable	6,635		5,498		1,136	
Short-term bank loans	-		400		(400)	
Current portion of convertible debentures	14,667		-		14,667	
Current portion of long-term debt	4,263		263		4,000	
Other accounts payable	4,822		3,434		1,387	
Accrued expenses	928		561		367	
Income taxes payable	3,631		2,328		1,303	
Advances received	273		243		29	
Deposits received	195		112		83	
Accrued bonuses	4,749		2,229		2,519	
Accrued bonuses to directors	55		-		55	
Notes payable - construction	1,529		1,468		60	
Employee deposits	687		598		89	
Other	79		3		75	
Long-term liabilities	20,266	13.8	59,337	44.1	(39,070)	(65.8)
Non-collateral bonds with warrants to buy stocks	3,620		19,985		(16,365)	
Convertible debentures	-		19,107		(19,107)	
Long-term debt	3,794		8,057		(4,263)	
Allowance for employees' retirement and severance benefits	11,467		10,835		631	
Allowance for retirement benefits for directors	1,385		1,352		33	
Total liabilities	67,392	45.7	80,510	59.9	(13,117)	(16.3)
Shareholders' equity						
Common stock	-		16,084	12.0	(16,084)	-
Capital surplus	-		15,799	11.7	(15,799)	-
Additional paid-in capital	-		15,799		(15,799)	
Retained earnings	-		26,563	19.8	(26,563)	-
Legal reserve	-		695		(695)	
General reserve	-		18,232		(18,232)	
Unappropriated retained earnings	-		7,635		(7,635)	
Unrealized gain (loss) on securities, net of tax	-		1,470	1.1	(1,470)	-
Less treasury stock, at cost	-		(6,001)	(4.5)	6,001	-
Total shareholders' equity	-		53,916	40.1	(53,916)	-
Total liabilities and shareholders' equity	-		134,426	100.0	(134,426)	-

Non-consolidated Financial Statements

Non-consolidated Balance Sheets

(Millions of Japanese Yen)

	As of Sep. 30, 2006		As of Sep. 30, 2005		Increase (decrease)	
	Amount	%	Amount	%	Amount	%
Net asset						
Shareholders' equity	78,522	53.2	-		78,522	-
Common stock	26,487	17.9	-		26,487	-
Capital surplus	26,200	17.7	-		26,200	-
Additional paid-in capital	26,200		-		26,200	
Retained earnings	31,847	21.6	-		31,847	-
Legal reserve	695		-		695	
Other earned surplus						
Researve for special depreciation	260		-		260	
General reserve	21,600		-		21,600	
Earned surplus carried forward	9,291		-		9,291	
Less treasury stock, at cost	(6,012)	(4.1)	-		(6,012)	-
Revaluation and Translation Adjustments	1,712	1.2	-		1,712	-
Unrealized gain on securities, net of tax	1,712		-		1,712	
Total net asset	80,235	54.3	-		80,235	-
Total liabilities and net asset	147,628	100.0	-		147,628	-

Non-consolidated Financial Statements

Non-consolidated Statements of Income

(Millions of Japanese Yen)

	Fiscal year ended Sep. 30, 2006		Fiscal year ended Sep. 30, 2005		Increase (decrease)	
	Amount	%	Amount	%	Amount	%
Net sales	73,899	100.0	64,234	100.0	9,665	15.0
Cost of sales	40,340	54.6	34,377	53.5	5,962	17.3
Gross profit	33,559	45.4	29,856	46.5	3,702	12.4
Selling, general and administrative expenses	22,101	29.9	20,444	31.8	1,656	8.1
Postage and delivery	695		597		98	
Advertising and promotion	272		271		1	
Salary	3,619		3,566		52	
Provision for bonuses	1,178		562		616	
Provision for bonuses to directors	55		-		55	
Provision for retirement benefit	331		323		7	
Provision for retirement benefit to directors	67		68		(0)	
Depreciation	673		653		19	
Commissions	1,890		1,634		255	
Research and development	9,202		8,863		339	
Allowance for Bad Debts	54		-		54	
Other	4,059		3,902		157	
Operating income	11,458	15.5	9,411	14.7	2,046	21.7
Non-operating income	1,380	1.9	1,427	2.2	(47)	(3.3)
Interest income	24		6		18	
Dividend income	890		821		68	
Rental income on investment property	213		281		(68)	
Foreign exchange gain	50		33		16	
Other	201		284		(82)	
Non-operating expenses	225	0.3	281	0.5	(55)	(19.8)
Interest expenses	90		95		(4)	
Interest on debentures	33		38		(4)	
Expenses for investment property	83		94		(10)	
Other	17		8		8	
Bond issue expenses	-		44		(44)	
Ordinary income	12,613	17.1	10,558	16.4	2,054	19.5
Extraordinary income	92	0.1	35	0.1	56	160.0
Gain on sales of fixed assets	4		4		0	
Subsidy income	87		4		83	
Gain on sales of equity in affiliates	-		26		(26)	
Extraordinary loss	566	0.8	776	1.2	(209)	(27.0)
Loss on sales and disposal of fixed assets	84		109		(25)	
Advanced depreciations	87		4		83	
Impairment loss	70		-		70	
Loss on revaluation of marketable securities	64		-		64	
Loss on revaluation of affiliates shares	19		653		(634)	
Loss on transfer of affiliates shares	240		-		240	
Other	-		8		(8)	
Income before income taxes	12,138	16.4	9,817	15.3	2,321	23.6
Income taxes	5,521	7.5	4,057	6.3	1,463	36.1
Income taxes in previous years	674	0.9	-	-	674	-
Deferred income taxes	(1,744)	(2.4)	(765)	(1.2)	(978)	127.7
Net income	7,686	10.4	6,525	10.2	1,161	17.8
Unappropriated retained earnings at beginning of the period	-		1,436		(1,436)	
Interim dividends	-		325		(325)	
Unappropriated retained earnings at end of the period	-		7,635		(7,635)	-

Non-consolidated Financial Statements

Non-consolidated Statements of Retained Earnings

(Millions of Japanese Yen)

	Fiscal year ended Sep. 30,2005
	Amount
Unappropriated retained earnings at end of the period	7,635
Reversal of unappropriate reserve	
Reversal of reserve for special depreciation	52
	7,688
Appropriation	
Dividends	1,302 (per share: 20 yen)
Bonuses to directors and corporate auditors	55
<Bonuses to coporate auditors in the amounts>	<7>
Unappropriated reserve	
Reserve for special depreciation	63
General reserve	3,500
	4,920
Unappropriated retained earnings carried forward	2,767

Non-consolidated Financial Statements

Consolidated Statements of Changes in Shareholders' Equity

(Millions of Japanese Yen)

	Shareholders' Equity					
	Common stock	Capital surplus		Legal reserve	Retained earnings	
		Additional paid-in capital	Total Capital surplus		Other earned surplus	
					Researve for special depreciation	General researve
Balance at Sep. 30, 2005	16,084	15,799	15,799	695	132	18,100
Changes during the period						
Conversion of convertible debentures	2,220	2,219	2,219	-	-	-
Exercise of stock subscription rights	8,182	8,182	8,182	-	-	-
Transfer to reserve for special depreciation for the year of first half	-	-	-	-	63	-
Reversal of reserve for special depreciation for the year of first half	-	-	-	-	(52)	-
Transfer to reserve for special depreciation	-	-	-	-	163	-
Reversal of reserve for special depreciation	-	-	-	-	(46)	-
Addition to general researve	-	-	-	-	-	3,500
Dividends from surplus	-	-	-	-	-	-
Interim dividends from surplus	-	-	-	-	-	-
Bonuses to directors	-	-	-	-	-	-
Net income for the period	-	-	-	-	-	-
Purchases of treasury stock	-	-	-	-	-	-
Changes, net, in items other than shareholders' equity	-	-	-	-	-	-
Total changes during the period	10,403	10,401	10,401	-	127	3,500
Balance at Sep. 30, 2006	26,487	26,200	26,200	695	260	21,600

(Millions of Japanese Yen)

	Shareholders' Equity				Revaluation and Translation Adjustments	Total Net Assets
	Retained earnings		Treasury stock	Total Shareholders' Equity	Unrealized gain on securities	
	Other earned surplus	Total retained earnings				
	Earned surplus carried forward					
Balance at Sep. 30, 2005	7,635	26,563	(6,001)	52,445	1,470	53,916
Changes during the period						
Conversion of convertible debentures	-	-	-	4,439	-	4,439
Exercise of stock subscription rights	-	-	-	16,365	-	16,365
Transfer to reserve for special depreciation for the year of first half	(63)	-	-	-	-	-
Reversal of reserve for special depreciation for the year of first half	52	-	-	-	-	-
Transfer to reserve for special depreciation	(163)	-	-	-	-	-
Reversal of reserve for special depreciation	46	-	-	-	-	-
Addition to general researve	(3,500)	-	-	-	-	-
Dividends from surplus	(1,302)	(1,302)	-	(1,302)	-	(1,302)
Interim dividends from surplus	(1,044)	(1,044)	-	(1,044)	-	(1,044)
Bonuses to directors	(55)	(55)	-	(55)	-	(55)
Net income for the period	7,686	7,686	-	7,686	-	7,686
Purchases of treasury stock	-	-	(11)	(11)	-	(11)
Changes, net, in items other than shareholders' equity	-	-	-	-	242	242
Total changes during the period	1,656	5,283	(11)	26,077	242	26,319
Balance at Sep. 30, 2006	9,291	31,847	(6,012)	78,522	1,712	80,235