

Consolidated Financial Results for the Third Quarter of Fiscal Year ending September 30, 2003

July 23, 2003

Company name : Hamamatsu Photonics K.K.

ID number : 6965

URL : www.hamamatsu.com

Representative : Teruo Hiruma, President and Chief Executive Officer

Stock listing : Tokyo Stock Exchange First Section

Headquarters : Hamamatsu City, Japan

1. Matters concerning the presentation of quarterly financial result

(1) Accounting method differed from the latest fiscal year : Yes

Depreciation method of fixed assets : Estimated depreciation amount corresponding to the reported period

Computation of income taxes : Income taxes calculated based on the estimated effective tax rates

(2) Changes in scope of consolidation and application of equity method : None

2. Consolidated financial results for the nine months ended Jun. 30, 2003 (From Oct. 1, 2002 through Jun. 30, 2003)

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

The comparison with the result in corresponding period of previous fiscal year is not provided as the third quarter ended June 30, 2003 is the first period for which the quarterly financial result is released.

(1) Consolidated operating results

	Net sales	Operating income	Ordinary income
	Millions of yen	Millions of yen	Millions of yen
Nine months ended Jun. 30, 2003	45,998	3,080	3,240
Fiscal year ended Sep. 30, 2002	60,656	5,876	6,251

	Net income	Net income per share	Diluted net income per share
	Millions of yen	Yen	Yen
Nine months ended Jun. 30, 2003	1,313	19.39	17.96
Fiscal year ended Sep. 30, 2002	2,976	44.07	40.65

(2) Consolidated financial position

	Total assets	Shareholders' equity	Shareholders' equity ratio	Shareholders' equity per share
	Millions of yen	Millions of yen	%	Yen
Nine months ended Jun. 30, 2003	117,241	51,268	43.7	761.12
Fiscal year ended Sep. 30, 2002	114,919	50,763	44.2	750.61

(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
Nine months ended Jun. 30, 2003	9,269	(8,796)	(2,073)	21,827
Fiscal year ended Sep. 30, 2002	10,264	(8,967)	(2,675)	23,386

Summary of Consolidated Performance for the third quarter of the fiscal year ended September 30, 2003

The domestic economy during the quarter showed a slow recovery in personal spending and corporate capital investment. However, there is still no sign of a self-sustaining recovery so it is expected that severe economic conditions will continue. The World economic recovery had to wait for an end to hostilities in Iraq and then had to face the containment of SARS.

In Opto-Electronic Devices, Photomultiplier Tube slowed in PET (Positron Emission Tomography) medical imaging applications but showed a steady growth in clinical chemistry (medical) instrumentation. Lamps and light sources succeeded in penetrating the market for applications where a Photoionizer is used in removing static electricity from surfaces. In Imaging Devices, the X-ray Image Intensifier experienced steady growth in applications for medical X-ray diagnostic instrumentation. Opto-semiconductor posted continuing favorable results as a result of increases in CT (Computed Tomography) and medical diagnostic instruments. In total, net sales of Opto-Electronic Devices for the quarter were Yen 12,672 million and Yen 38,545 million in aggregate for the nine months. This reflects 74.7% of the annual sales forecast.

Imaging and Measurement Instruments suffered a heavy loss in revenue due to Inspex's slump in Silicon Wafer Inspection System sales. In addition, the holdback of capital investment by potential users of our Imaging Video Camera and Semiconductor Inspection System has also contributed to weaker revenues in this sector. Net sales for the quarter resulted in Yen 1,745 million and Yen 6,917 million on a year to date basis, which is 58.1% of the yearly sales plan.

3. Forecast of consolidated result for the fiscal year ending Sep. 30, 2003 (From Oct. 1, 2002 through Sep. 30, 2003)

The main reason for revision on annual forecast is due to re-evaluating Inspex's performance for the year. We need to further downgrade its projection in view of the stagnant semiconductor market and lack of capital investment by potential customers. The decrease of Inspex's net sales is approximately Yen 110 million and net loss increases about Yen 700 million.

	Net sales	Ordinary income	Net income	Net income per share
	Millions of yen	Millions of yen	Millions of yen	Millions of yen
Fiscal year ending Sep. 30, 2003	62,000	4,100	1,600	23.75

Reference : Forecast of non-consolidated result for the fiscal year ending Sep. 30, 2003 (From Oct. 1, 2002 through Sep. 30, 2003)

	Net sales	Ordinary income	Net income	Net income per share
	Millions of yen	Millions of yen	Millions of yen	Millions of yen
Fiscal year ending Sep. 30, 2003	53,400	4,200	2,200	32.60

Third Quarter Consolidated Financial Statements

Third Quarter Consolidated Income Statements

(Millions of Japanese Yen)

	Nine months ended June 30, 2003		Three months ended June 30, 2003	
	Amount	%	Amount	%
Net sales	45,998	100.0	14,574	100.0
Cost of sales	23,321	50.7	7,485	51.4
Gross profit	22,676	49.3	7,088	48.6
Selling, general and administrative expenses	19,595	42.6	6,680	45.8
Operating income	3,080	6.7	408	2.8
Non-operating income	525	1.1	158	1.1
Non-operating expenses	365	0.8	123	0.9
Ordinary income	3,240	7.0	442	3.0
Extraordinary income	48	0.1	7	0.1
Extraordinary loss	583	1.2	105	0.7
Income before income taxes and minority interests	2,705	5.9	345	2.4
Income taxes	1,396	3.0	231	1.6
Minority interests in consolidated subsidiaries	(4)	(0.0)	3	0.0
Net income	1,313	2.9	111	0.8

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

Third Quarter Consolidated Financial Statements

Third Quarter Consolidated Balance Sheets

(Millions of Japanese Yen)

	As of June 30, 2003		As of March 31, 2003		Change	
	Amount	%	Amount	%	Amount	%
Assets						
Current assets	57,460	49.0	57,255	49.1	205	0.4
Fixed assets	59,781	51.0	59,261	50.9	519	0.9
Tangible fixed assets	47,581	40.6	47,685	40.9	(104)	(0.2)
Intangible fixed assets	1,266	1.1	1,277	1.1	(11)	(0.9)
Investments and other assets	10,933	9.3	10,298	8.9	635	6.1
Total assets	117,241	100.0	116,516	100.0	724	0.6
Liabilities						
Current liabilities	28,663	24.5	27,432	23.5	1,230	4.5
Long-term liabilities	36,866	31.4	36,531	31.4	334	0.9
Total liabilities	65,529	55.9	63,963	54.9	1,565	2.4
Minority interests in consolidated subsidiaries	443	0.4	440	0.4	3	0.7
Shareholders' equity						
Common stock	15,896	13.5	15,895	13.6	0	0.0
Capital surplus	15,647	13.3	15,647	13.4	0	0.0
Retained earnings	20,941	17.9	21,170	18.2	(228)	(1.1)
Unrealized loss on securities, net of tax	-	-	(22)	(0.0)	22	-
Adjustment arising from translation of accounts of foreign subsidiaries	(358)	(0.3)	(567)	(0.5)	209	36.9
Less treasury stock, at cost	(858)	(0.7)	(10)	(0.0)	(848)	-
Total shareholders' equity	51,268	43.7	52,112	44.7	(844)	(1.6)
Total liabilities and shareholders' equity	117,241	100.0	116,516	100.0	724	0.6

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