

Consolidated Financial Results for the First Quarter of Fiscal Year ending September 30, 2005

Jan. 26, 2005

Company name : Hamamatsu Photonics K.K.
 ID number : 6965
 URL : www.hamamatsu.com
 Representative : Teruo Hiruma, Chairman 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) Adoption of simplified accounting method : 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) Accounting method differed from the latest fiscal year : None
 (3) Changes in scope of consolidation and application of equity method : None

2. Consolidated financial results for the three months ended Dec. 31, 2004 (From Oct. 1, 2004 through Dec. 31, 2004)

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, 2004	17,775	14.3	3,593	136.2	3,714	143.6	2,353	445.1
Three months ended Dec. 31, 2003	15,550	-	1,521	-	1,524	-	431	-
(Reference) Fiscal year ended Sep. 30, 2004	70,466		9,688		9,999		4,652	

	Net income per share	Diluted net income per share
	Yen	Yen
Three months ended Dec. 31, 2004	36.22	32.15
Three months ended Dec. 31, 2003	6.51	5.94
(Reference) Fiscal year ended Sep. 30, 2004	69.86	63.25

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
Dec. 31, 2004	134,929	52,204	38.7	803.28
Dec. 31, 2003	109,313	48,572	44.4	735.95
(Reference) Fiscal year ended Sep. 30, 2004	119,045	50,966	42.8	783.30

(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, 2004	545	(2,034)	15,947	37,532
Three months ended Dec. 31, 2003	1,538	(2,214)	(2,240)	13,746
(Reference) Fiscal year ended Sep. 30, 2004	12,861	(4,526)	(2,045)	23,126

Summary of Consolidated Performance for the First Quarter of this Fiscal Year:

The business environment for the quarter from October to December 2004 was a mixed picture. Personal spending was solid and stable while there were signs of slowness in the recovery as export and production activity remained flat. Under these circumstances, we continued to endeavor to create a "New Industry" by opening up new applications; developing high-value-added products that meet customers' needs; deploying an active sales promotion campaign; and reducing expenses in order to maximize revenue and profit. We achieved for the quarter, Net Sales of Yen 17,775 million, up by 14.3% from one year previous; Ordinary Profit of Yen 3,714 million, up by 143.6% from same period one year previous; and Net Profit went up by 445.1% from Q1 one year previous to Yen 2,353 million.

(1) Net Sales by Business Segment

Opto-electronic Devices

Photomultiplier Tube sales grew in the medical field based on increases in PET and blood analyzer applications, mainly in North America. The Photolonizer, used for removing static electricity, posted an increase in the Japanese market (credited to Imaging and Light Sources sales); although there was a decrease in UV Spot Light Source modules for UV cure bonding. In Opto-Semiconductors, Silicon Photodiodes recorded growth in Asia for X-ray CT applications. In addition increased sales of Opto-Semiconductors were realized in Europe and Japan for Dental CCD Image Sensors. Photo-IC sales for the automobile LAN market saw a boost in Europe and home markets. In total Opto-Electronic Devices closed the quarter with Yen 14,779 million, up by 15.7% from one year previous and it achieved 48.5% of the first half '05 projection. We believe the first half '05 plan is achievable.

Imaging & Measurement Instruments

There were indications of Image Processing & Measurement Systems increases in the semiconductor market based on our Failure Analysis System sold mainly in Asia, and in the medical field on Drug Screening System chiefly shipped to Europe. The quarter ended with Yen 2,805 million, up by 8.1% from one year before. This amounts to 46.0% of the first half '05 projection and it is expected that we will clear the first half '05 forecast.

(2) Change in financial conditions

At the end of the quarter, compared with last fiscal year end, the total assets and shareholders' equity increased by Yen 15,883 million and Yen 1,238 million respectively. The shareholders' equity equals 38.7% of total assets.

Major changes of assets are an increase of Yen 14,380 million in cash and deposits due from issue of convertible bonds for Yen 20 billion, and that of Yen 617 million in inventory. Tangible fixed assets also went up by Yen 687 million due to capital investment during the quarter. In terms of liability, repayment cut down long-term debts by Yen 3,014 million while convertible bonds increased by Yen 20 billion. In connection with shareholders' equity, retained earnings increased by Yen 1,318 million derived from net income in the first quarter.

(3) Changes in cash flow

Operating activity during the quarter produced cash flow of Yen 545 million. This is mainly from income before income taxes and minority interests for Yen 3,664 million, while there was some reduction because of income tax payment.

Investment activity decreased the cash flow by Yen 2,034 million, the main portion of which came from acquisition of tangible fixed assets for Yen 1,885 million.

Financial activity generated cash flow for Yen 15,947 million during the quarter, which is a large portion of the proceeds from the issue of convertible bonds.

3. Forecast of consolidated result for the fiscal year ending Sep. 30, 2005 (From Oct. 1, 2004 through Sep. 30, 2005)

	Net sales	Ordinary income	Net income	Net income per share
	Millions of yen	Millions of yen	Millions of yen	Yen
Six months ending Mar. 31, 2005	36,900	5,850	3,800	-
Fiscal year ending Sep. 30, 2005	73,700	11,100	7,200	110.79

Forecast of non-consolidated result for the fiscal year ending Sep. 30, 2005 (From Oct. 1, 2004 through Sep. 30, 2005)

	Net sales	Ordinary income	Net income	Net income per share
	Millions of yen	Millions of yen	Millions of yen	Yen
Six months ending Mar. 31, 2005	32,300	5,100	3,650	-
Fiscal year ending Sep. 30, 2005	64,700	9,100	6,300	96.74

First Quarter Consolidated Financial Statements

First Quarter Consolidated Balance Sheets

(Millions of Japanese Yen)

	As of Dec. 31, 2004		As of Dec. 31, 2003		Change		As of Sep. 30, 2004	
	Amount	%	Amount	%	Amount	%	Amount	%
Assets								
Current assets	76,048	56.4	50,735	46.4	25,313	49.9	60,934	51.2
Fixed assets	58,881	43.6	58,578	53.6	302	0.5	58,111	48.8
Tangible fixed assets	48,609	36.0	46,531	42.6	2,077	4.5	47,921	40.2
Intangible fixed assets	567	0.4	1,135	1.0	(567)	(50.0)	594	0.5
Investments and other assets	9,704	7.2	10,911	10.0	(1,206)	(11.1)	9,595	8.1
Total assets	134,929	100.0	109,313	100.0	25,615	23.4	119,045	100.0
Liabilities								
Current liabilities	22,110	16.4	28,345	25.9	(6,234)	(22.0)	29,609	24.9
Long-term liabilities	60,000	44.4	31,812	29.1	28,188	88.6	37,866	31.8
Total liabilities	82,111	60.8	60,157	55.0	21,953	36.5	67,476	56.7
Minority interests in consolidated subsidiaries	613	0.5	583	0.6	29	5.1	603	0.5
Shareholders' equity								
Common stock	16,076	11.9	15,959	14.6	117	0.7	16,076	13.5
Capital surplus	15,827	11.7	15,710	14.4	116	0.7	15,827	13.3
Retained earnings	26,532	19.7	21,283	19.5	5,248	24.7	25,213	21.2
Unrealized loss on securities, net of tax	803	0.6	454	0.4	349	76.9	642	0.5
Adjustment arising from translation of accounts of foreign subsidiaries	(1,031)	(0.8)	(1,242)	(1.2)	210	(17.0)	(790)	(0.7)
Less treasury stock, at cost	(6,003)	(4.4)	(3,593)	(3.3)	(2,410)	67.1	(6,003)	(5.0)
Total shareholders' equity	52,204	38.7	48,572	44.4	3,632	7.5	50,966	42.8
Total liabilities and shareholders' equity	134,929	100.0	109,313	100.0	25,615	23.4	119,045	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, 2004		Three months ended Dec. 31, 2003		Change		Fiscal year ended Sep. 30, 2004	
	Amount	%	Amount	%	Amount	%	Amount	%
Net sales	17,775	100.0	15,550	100.0	2,225	14.3	70,466	100.0
Cost of sales	7,901	44.4	7,427	47.8	473	6.4	33,996	48.2
Gross profit	9,874	55.6	8,122	52.2	1,752	21.6	36,470	51.8
Selling, general and administrative expenses	4,273	24.1	4,260	27.4	12	0.3	18,010	25.7
Research and Development	2,008	11.3	2,340	15.0	(332)	(14.2)	8,771	12.4
Operating income	3,593	20.2	1,521	9.8	2,072	136.2	9,688	13.7
Non-operating income	243	1.4	211	1.4	31	14.8	746	1.1
Non-operating expenses	122	0.7	208	1.4	(86)	(41.4)	434	0.6
Ordinary income	3,714	20.9	1,524	9.8	2,189	143.6	9,999	14.2
Extraordinary income	2	0.0	1	0.0	1	102.1	70	0.1
Extraordinary loss	52	0.3	708	4.5	(656)	(92.6)	1,975	2.8
Income before income taxes and minority interests	3,664	20.6	816	5.3	2,847	348.5	8,094	11.5
Income taxes	1,292	7.3	380	2.5	912	239.8	3,449	4.9
Minority interests in consolidated subsidiaries	17	0.1	4	0.0	12	271.7	(8)	(0.0)
Net income	2,353	13.2	431	2.8	1,922	445.1	4,652	6.6

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

Segment Information

Business Segment

Three months ended Dec. 31, 2004

(Millions of Japanese Yen)

	Opto-electronic devices	Imaging and measurement instruments	Other	Segment total	Elimination or corporate	Consolidated total
Net sales						
Outside customers	14,779	2,805	191	17,775	-	17,775
Intersegment	114	6	-	121	(121)	-
Total net sales	14,894	2,812	191	17,897	(121)	17,775
Operating expenses	9,512	2,333	214	12,060	2,121	14,182
Operating income	5,382	478	(23)	5,836	(2,243)	3,593

Three months ended Dec. 31, 2003

(Millions of Japanese Yen)

	Opto-electronic devices	Imaging and measurement instruments	Other	Segment total	Elimination or corporate	Consolidated total
Net sales						
Outside customers	12,778	2,594	177	15,550	-	15,550
Intersegment	182	11	-	193	(193)	-
Total net sales	12,960	2,606	177	15,743	(193)	15,550
Operating expenses	9,315	2,322	217	11,855	2,173	14,029
Operating income	3,644	284	(40)	3,888	(2,366)	1,521

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

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 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

- 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 2,189 million yen and 2,286 million yen for three months ended Dec. 31, 2004 and Dec. 31, 2003, and 9,091 million yen for fiscal year ended Sep. 30, 2004, respectively.

Segment Information
Geographical Segment

Three months ended Dec. 31, 2004

(Millions of Japanese Yen)

	Japan	North America	Europe	Other	Segment total	Elimination or corporate	Consolidated total
Net sales							
Outside customers	10,331	3,727	3,666	51	17,775	-	17,775
Intersegment	5,791	178	22	181	6,173	(6,173)	-
Total net sales	16,122	3,906	3,688	232	23,949	(6,173)	17,775
Operating expenses	11,175	3,578	3,158	212	18,125	(3,942)	14,182
Operating income	4,946	327	530	19	5,824	(2,230)	3,593

Three months ended Dec. 31, 2003

(Millions of Japanese Yen)

	Japan	North America	Europe	Other	Segment total	Elimination or corporate	Consolidated total
Net sales							
Outside customers	9,473	3,247	2,679	149	15,550	-	15,550
Intersegment	4,391	175	6	125	4,698	(4,698)	-
Total net sales	13,865	3,423	2,686	274	20,248	(4,698)	15,550
Operating expenses	10,651	3,342	2,357	250	16,601	(2,572)	14,029
Operating income	3,214	80	328	23	3,647	(2,126)	1,521

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

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 were 2,189 million yen and 2,286 million yen for three months ended Dec. 31, 2004 and Dec. 31, 2003, and 9,091 million yen for fiscal year ended Sep. 30, 2004, respectively.

Segment Information

Overseas sales

Three months ended Dec. 31, 2004

(Millions of Japanese Yen)

	North America	Europe	Asia	Other	Consolidated total
Overseas sales	3,728	3,650	2,530	88	9,997
Consolidated net sales	-	-	-	-	17,775
Ratio of overseas sales to consolidated net sales	21.0%	20.5%	14.2%	0.5%	56.2%

Three months ended Dec. 31, 2003

(Millions of Japanese Yen)

	North America	Europe	Asia	Other	Consolidated total
Overseas sales	3,488	2,664	1,654	67	7,875
Consolidated net sales	-	-	-	-	15,550
Ratio of overseas sales to consolidated net sales	22.4%	17.1%	10.7%	0.4%	50.6%

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
Other : Australia

Non-consolidated Financial Results for the First Quarter of Fiscal Year ending September 30, 2005

Jan. 26, 2005

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1. Matters concerning the presentation of quarterly financial result

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. Non-consolidated financial results for the three months ended Dec. 31, 2004 (From Oct. 1, 2004 through Dec. 31, 2004)

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

(1) Non-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, 2004	15,919	16.4	2,789	188.3	2,826	224.2	1,850	265.5
Three months ended Dec. 31, 2003	13,672	-	967	-	871	-	506	-
(Reference) Fiscal year ended Sep. 30, 2004	62,245		7,848		8,771		4,889	

	Net income per share	Diluted net income per share
	Yen	Yen
Three months ended Dec. 31, 2004	28.42	25.24
Three months ended Dec. 31, 2003	7.62	6.94
(Reference) Fiscal year ended Sep. 30, 2004	73.37	66.42

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
Dec. 31, 2004	125,830	48,887	38.9	750.68
Dec. 31, 2003	101,603	45,843	45.1	693.20
(Reference) Fiscal year ended Sep. 30, 2003	109,718	47,907	43.7	734.79

First Quarter Non-consolidated Financial Statements

First Quarter Non-consolidated Balance Sheets

(Millions of Japanese Yen)

	As of December 31, 2004		As of December 31, 2003		Change		As of September 30, 2004	
	Amount	%	Amount	%	Amount	%	Amount	%
Assets								
Current assets	66,993	53.2	42,470	41.8	24,523	57.7	51,398	46.8
Fixed assets	58,836	46.8	59,133	58.2	(296)	(0.5)	58,319	53.2
Tangible fixed assets	41,959	33.4	41,424	40.8	535	1.3	41,641	38.0
Intangible fixed assets	465	0.4	336	0.3	128	38.2	475	0.4
Investments and other assets	16,411	13.0	17,371	17.1	(960)	(5.5)	16,202	14.8
Total assets	125,830	100.0	101,603	100.0	24,226	23.8	109,718	100.0
Liabilities								
Current liabilities	18,036	14.3	24,345	24.0	(6,308)	(25.9)	25,050	22.8
Long-term liabilities	58,905	46.8	31,414	30.9	27,491	87.5	36,760	33.5
Total liabilities	76,942	61.1	55,760	54.9	21,182	38.0	61,811	56.3
Shareholders' equity								
Common stock	16,076	12.8	15,959	15.7	117	0.7	16,076	14.7
Capital surplus	15,791	12.6	15,674	15.4	116	0.7	15,791	14.4
Retained earnings	22,215	17.7	17,344	17.1	4,870	28.1	21,396	19.5
Unrealized gain on securities, net of tax	803	0.6	454	0.4	349	76.9	642	0.6
Less treasury stock, at cost	(5,999)	(4.8)	(3,589)	(3.5)	(2,410)	67.2	(5,999)	(5.5)
Total shareholders' equity	48,887	38.9	45,843	45.1	3,043	6.6	47,907	43.7
Total liabilities and shareholders' equity	125,830	100.0	101,603	100.0	24,226	23.8	109,718	100.0

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

First Quarter Non-consolidated Financial Statements

First Quarter Non-consolidated Income Statements

(Millions of Japanese Yen)

	Three months ended December 31, 2004		Three months ended December 31, 2003		Change		Fiscal year ended September 30, 2004	
	Amount	%	Amount	%	Amount	%	Amount	%
Net sales	15,919	100.0	13,672	100.0	2,247	16.4	62,245	100.0
Cost of sales	8,361	52.5	7,691	56.3	670	8.7	34,381	55.2
Gross profit	7,557	47.5	5,980	43.7	1,576	26.4	27,863	44.8
Selling, general and administrative expenses	2,783	17.5	2,794	20.4	(11)	(0.4)	11,510	18.5
Research and development	1,985	12.5	2,218	16.2	(233)	(10.5)	8,505	13.7
Operating income	2,789	17.5	967	7.1	1,821	188.3	7,848	12.6
Non-operating income	141	0.9	116	0.8	25	21.9	1,280	2.1
Non-operating expenses	103	0.6	211	1.5	(108)	(51.0)	357	0.6
Ordinary income	2,826	17.8	871	6.4	1,955	224.2	8,771	14.1
Extraordinary income	0	0.0	0	0.0	0	349.5	17	0.0
Extraordinary loss	11	0.1	11	0.1	(0)	(3.2)	1,125	1.8
Income before income taxes	2,816	17.7	860	6.3	1,956	227.4	7,663	12.3
Income taxes	965	6.1	353	2.6	611	173.0	2,774	4.5
Net income	1,850	11.6	506	3.7	1,344	265.5	4,889	7.8

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

Sales breakdown
(1) By product line

(Millions of Japanese Yen)

	Three months ended Dec. 31, 2004		Three months ended Dec. 31, 2003		Change %	Fiscal year ended Sep. 30, 2004	
	Amount	%	Amount	%		Amount	%
Photomultiplier Tubes	3,469	21.8	2,753	20.2	26.0	12,492	20.1
Imaging Devices and Light Sources	2,581	16.2	2,352	17.2	9.7	11,191	18.0
Opto-semiconductors	7,343	46.1	6,208	45.4	18.3	26,898	43.2
Imaging and Measurement Instruments	2,240	14.1	2,024	14.8	10.7	9,750	15.6
Other	284	1.8	333	2.4	(14.7)	1,912	3.1
Total	15,919	100.0	13,672	100.0	16.4	62,245	100.0

(2) By region

(Millions of Japanese Yen)

	Three months ended Dec. 31, 2004		Three months ended Dec. 31, 2003		Change %	Fiscal year ended Sep. 30, 2004	
	Amount	%	Amount	%		Amount	%
Domestic	7,622	47.9	7,459	54.6	2.2	32,746	52.6
North America	3,166	19.9	2,605	19.0	21.5	11,435	18.4
Europe	2,536	15.9	1,963	14.4	29.2	8,659	13.9
Asia	2,515	15.8	1,586	11.6	58.5	9,100	14.6
Other	78	0.5	55	0.4	39.8	302	0.5
Total	15,919	100.0	13,672	100.0	16.4	62,245	100.0