

Consolidated Financial Results for the Fiscal Year ended September 30, 2010

November 8, 2010

Company name : Hamamatsu Photonics K.K.

Stock listing : Tokyo Stock Exchange First Section

ID number : 6965

URL : <http://www.hamamatsu.com/>

Representative : Akira Hiruma, President and Chief Executive Officer

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

Scheduled date of Annual General Meeting of Shareholders : December 17, 2010

Scheduled date to submit securities report : December 17, 2010

Scheduled date to begin dividend payments : December 20, 2010

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

1. Consolidated financial results for the fiscal year ended Sep. 30, 2010 (From Oct. 1, 2009 through Sep. 30, 2010)

(1) Consolidated operating results

Notes: Percentage figures represent changes from the same period of the previous year.

	Net sales		Operating income		Ordinary income		Net income	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Fiscal year ended Sep. 30, 2010	90,958	26.4	15,751	321.0	16,059	235.0	11,491	541.3
Fiscal year ended Sep. 30, 2009	71,976	(27.2)	3,741	(81.3)	4,794	(77.0)	1,791	(86.3)

	Net income per share	Diluted net income per share	Return on Equity	Ordinary income to total assets	Operating income to net sales
	Yen	Yen	%	%	%
Fiscal year ended Sep. 30, 2010	142.93	-	9.6	9.6	17.3
Fiscal year ended Sep. 30, 2009	22.29	22.12	1.5	2.9	5.2

Notes: Gain or (loss) on investments accounted for by equity method

Fiscal year ended Sep. 30, 2010 : 40 million yen

Fiscal year ended Sep. 30, 2009 : 68 million yen

(2) Consolidated financial position

	Total assets	Net Assets	Shareholders' equity ratio	Net Assets per share
	Millions of yen	Millions of yen	%	Yen
as of Sep. 30, 2010	176,407	124,481	70.1	1,539.16
as of Sep. 30, 2009	158,026	117,452	73.3	1,441.44

Notes: Shareholders' equity

Fiscal year ended Sep. 30, 2010 : 123,740 million yen

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

(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
Fiscal year ended Sep. 30, 2010	26,274	(12,935)	(1,856)	28,747
Fiscal year ended Sep. 30, 2009	9,227	(27,647)	(7,319)	18,007

2. Dividends

(Base date)	Dividends per share					Total dividends (annual)	Dividend propensity (consolidated)	Dividends to net assets (consolidated)
	End of Q1	End of Q2	End of Q3	End of FY	Full FY			
Fiscal year ended Sep. 30, 2009	-	23.00	-	7.00	30.00	2,415	134.6	2.0
Fiscal year ended Sep. 30, 2010	-	18.00	-	22.00	40.00	3,221	28.0	2.7
Fiscal year ended Sep. 30, 2011 (Outlook)	-	20.00	-	22.00	42.00		28.6	

3. Forecast of consolidated performances for the fiscal year ended Sep. 30, 2011 (From Oct. 1, 2010 through Sep. 30, 2011)

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
Through the second quarter of FY 2011	48,200	10.7	8,900	33.2	9,000	31.2	5,800	18.8	72.14
Fiscal year ended Sep. 30, 2011	96,000	5.5	17,300	9.8	17,600	9.6	11,800	2.7	146.77

4. Others

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

(2) Changes in principles, procedures, presentation methods for the interim consolidated financial statements

(a) Changes arising from revision of accounting principles: Yes

(b) Changes arising from other factors: None

(3) Number of shares outstanding

(a) Number of shares outstanding at end of period including treasury stock

Fiscal year ended Sep. 30, 2010: 83,764,984 shares

Fiscal year ended Sep. 30, 2009: 83,764,984 shares

(b) Number of treasury stock at end of period

Fiscal year ended Sep. 30, 2010: 3,369,807 shares

Fiscal year ended Sep. 30, 2009: 3,369,439 shares

(Reference) Non-consolidated Financial Results for the Fiscal year ended Sep. 30, 2010

1. Non-consolidated financial results for the Fiscal year ended Sep. 30, 2010 (From Oct. 1, 2009 through Sep. 30, 2010)

(1) Non-consolidated operating results

Notes: Percentage figures represent changes from the same period of the previous year.

	Net sales		Operating income		Ordinary income		Net income	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Fiscal year ended Sep. 30, 2010	79,235	28.8	11,968	-	13,383	378.8	9,985	903.9
Fiscal year ended Sep. 30, 2009	61,518	(27.1)	925	(94.0)	2,795	(84.1)	994	(91.3)

	Net income per share	Diluted net income per share
	Yen	Yen
Fiscal year ended Sep. 30, 2010	124.00	-
Fiscal year ended Sep. 30, 2009	12.35	12.26

(2) Non-consolidated financial position

	Total assets	Net Assets	Shareholders' equity ratio	Net Assets per share
	Millions of yen	Millions of yen	%	Yen
as of Sep. 30, 2010	163,473	116,180	71.1	1,442.70
as of Sep. 30, 2009	144,504	108,352	75.0	1,345.49

Notes: Shareholders' equity

Fiscal year ended Sep. 30, 2010 : 116,180 million yen

Fiscal year ended Sep. 30, 2009 : 108,352 million yen

2. Forecast of non-consolidated performances for the fiscal year ending Sep. 30, 2011 (From Oct. 1, 2010 through Sep. 30, 2011)

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
Through the second quarter of FY 2011	43,100	14.7	7,200	40.8	8,400	33.5	5,700	18.6	70.78
Fiscal year ended Sep. 30, 2011	85,700	8.2	14,100	17.8	15,500	15.8	10,600	6.2	131.63

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. Business Performance

(1) Analysis of Business Performance

Summary of the Fiscal Year

Unpredictability continues in the business environment this fiscal year. This is true despite increased exports due to improvements in overseas economic conditions, and signs of a partial economic recovery resulting from the economic stimulus measures by the Japanese government. However, employment continues to be tight, and suddenly since latter half of this fiscal year, the Japanese yen has appreciated against other foreign currencies.

Against this background, our group strove to increase sales and profit, while we continue to develop products with high added value, utilizing our own photonics technologies accumulated over the years. We have begun a sales organization restructuring, the aim of which is to create new business and expand the scale of our operations.

As a result of the rapid increase in both overseas and domestic sales compared with last fiscal year, we closed the year with net sales of JPY 90,958 million, up by JPY 18,982 million (26.4%), operating income of JPY 15,751 million, up by JPY 12,009 million (321.0%), ordinary income of JPY 16,059 million, up by JPY 11,265 million (235.0%) and net income of JPY 11,491 million, up by JPY 9,699 million (541.3%) over one year before respectively.

Segment Information (sales amounts include inter-segmental transactions)

1. Sales by Business Sector

a. Opto-Electronic Devices:

Total sales of **Photomultiplier Tube (PMTs)** in medical applications such as Positron Emission Tomography (PET) and Gamma Camera Imaging increased due to an expansion of our market share in the US, Europe, and Asia. This was largely caused by the withdrawal of a competitor from the PMT market. Sales of PMTs for laboratory use such as blood and cell inspection system increased steadily due to our incorporating them into modules for easier handling. In the field of Measurement, PMTs used in oil well logging applications experienced improved sales.

The **Light Sources and Imaging Devices** sector experienced a substantial increase in sales of Stealth Dicing Engine. This device, which enables one to dice a wafer of white LED chips, with high speed and quality showed increased sales due to a huge expansion in the white LED market. This expansion is fueled by the demand for LED illumination and as backlights used in LCD televisions. In addition, sales of Microfocus X-ray sources for non-destructive inspection systems increased due to an increase in capital investment in the semiconductor industry. Sales of X-ray Scintillators which converts X-rays into Optical images for use in medicine increased steadily.

The **Opto-semiconductor** sector experienced increased sales of Silicon Photodiodes for medical applications in the US, as well as for an encoder application used in controlling industrial machines. This increase was primarily in China and Korea due largely to those countries' brisk capital investment environment. In addition, sales of X-ray Image Sensors for dental instrumentation and semiconductor inspection systems increased strongly and Photo ICs used for automotive network applications continued to improve.

In total Opto-Electronic Devices closed the second quarter with JPY 80,126 million, up by 29.4% and operating income of JPY 24,428 million, up by 90.1% from one year previous.

b. Imaging and Measurement Instruments:

In the life science field, sales of digital cameras mainly for research and development increased due to the launch of new CMOS cameras. Adding to the increased sales of digital cameras were increases in sales of digital slide observation systems used in medical pathology resulting from the adoption of our system for a project in Canada. In addition, sales of streak camera for research were up along with sales of the X-ray Line Scan Camera for non-destructive inspection systems such as tire inspection. In contrast to the good results reported above, while sales increased slightly compared with last year's sales, the sales of Semiconductor Failure Analysis Systems and Functional Drug Screening Systems have not fully recovered.

Net sales for this sector resulted in JPY 11,187 million, up by 9.5% and operating income was JPY 927 million, up by 289.9% from one year before.

c. Others:

Net sales for this fiscal year were JPY 523 million, down by 8.0% over last year and operating loss was JPY 50 million (FY 2009 was JPY 18 million loss).

2. Sales by Location of companies

In **Japan**, sales of Stealth Dicing Engine and Microfocus X-ray Source in the semiconductor industry increased, centered in the domestic and Asian market. Sales of Silicon Photodiodes for an encoder used in industrial machine control along with Image Sensors for semiconductor inspection systems also grew. In the medical field, sales of Silicon Photodiodes for medical diagnostic instruments and PMTs for PET application mainly in the US markets were up. The total sales in Japan were JPY 79,817 million, up by 28.5% and operating income JPY 21,215 million, up by 113.1% compared with one year before respectively.

In **North America**, Silicon Photodiodes for medical diagnostic instruments and PMTs for PET application boosted sales. Also the sales of Image Sensors for semiconductor inspection systems and digital cameras for research and development increased steadily. The total sales for the region were JPY 26,934 million, up by 30.2% and operating income JPY 1,468 million, up by 416.7% over last year respectively.

In **Europe**, the sales of X-ray Scintillator and Image Sensor for medical diagnostic instruments such as dental applications steadily increased and the sales of Photo ICs used for automotive network applications were up. The total sales were JPY 21,157 million, up by 16.6% and operating income JPY 2,228 million, up by 29.2% over last year respectively

In **Other Regions** mostly represented by China, net sales were JPY 2,560 million, down by 0.2% and operating income JPY 485 million, increased by 67.5%.

Projection for the year

The future of the global economy is on a gradual recovery trend mainly in emerging countries. However, negative forces are at work in the U.S. and Europe brought on by the slumping personal consumption. In addition, the Japanese yen continues to appreciate against other foreign currencies, therefore, we still have to recognize that our business situation will continue to be difficult.

Under such conditions, we expect that our consolidated sales for the next year are JPY 96,000 million, up by 5.5%, operating income JPY 17,300 million, up by 9.8%, ordinary income JPY 17,600 million, up by 9.6% and net income JPY 11,800 million, up by 2.7% respectively over last year.

We assume that yen/US dollar exchange rate is JPY 85 and yen/Euro exchange rate is JPY 110.

1. Projection for Consolidated Performances for the fiscal year ended Sep. 30, 2011

(Millions of Japanese Yen)

period item	Through the second quarter	compared with previous year	Projection for the Year	
				compared with previous year
Net Sales	48,200	10.7%	96,000	5.5%
Operating Income	8,900	33.2%	17,300	9.8%
Ordinary Income	9,000	31.2%	17,600	9.6%
Net Income	5,800	18.8%	11,800	2.7%

2. Projection for Non-consolidated Performances for the fiscal year ended Sep. 30, 2011

(Millions of Japanese Yen)

period item	Through the second quarter	compared with previous year	Projection for the Year	
				compared with previous year
Net Sales	43,100	14.7%	85,700	8.2%
Operating Income	7,200	40.8%	14,100	17.8%
Ordinary Income	8,400	33.5%	15,500	15.8%
Net Income	5,700	18.6%	10,600	6.2%

(2) Analysis of Financial Conditions

Summary of Financial Position

Current assets were increased JPY 18,206 million from the year ended September 30, 2009. This is mainly from increases in notes and accounts receivable-trade up by JPY 6,231 million due to sales grows and in securities up by JPY 12,000 million. Noncurrent assets were increased JPY 174 million from the last fiscal year end, due mainly to an increase in intangible assets of JPY 281 million, while there was a decrease in property, plant and equipment, down by JPY 13 million because of the depreciation. The total assets at the fiscal year end were JPY 176,407 million, up by JPY 18,380 million from the year ended September 30, 2009.

Current liabilities were increased JPY 4,601 million. This is mainly from increase in notes and accounts payable-trade, up by JPY 5,238 million due to increase in raw material purchases and increase in income taxes payable, up by JPY 4,608 million, while there was a decrease in current portion of long-term debts, down by JPY 6,120 million, over last year respectively. Noncurrent liabilities were increased JPY 6,749 million from the last fiscal year end, due mainly to increases in long-term debts up by JPY 5,966 million and in provision for retirement benefits up by JPY 874 million. The total liabilities at the fiscal year end were JPY 51,925 million, up by JPY 11,350 million.

Net Assets were JPY 124,481 million, up by JPY 7,029 million, due mainly to an increase of retained earnings, up by JPY 9,478 million, because of net income, while there was a decrease in foreign currency translation adjustments, down by JPY 1,478 million.

Summary of Cash Flow

Cash flow created from operations during the year was JPY 26,274 million, up by JPY 17,046 million over last year. This is mainly from increases in net income before tax and account payable, while there were increases in notes and account receivable-trade.

Investment activity used a cash flow of JPY 12,935 million, down by JPY 14,712 million from previous year due mainly to an acquisition of investment securities, while there was a net decrease in time deposits.

Financial activity required a cash flow of JPY 1,856 million, down by JPY 5,463 million from previous year due mainly to decreases in payment of dividend and increase of long-term loans payable.

At the end of this fiscal year, cash and cash equivalent stood at JPY 28,747 million, up by JPY 10,740 million from the year ended September 30, 2009.

(Reference) Trends in Cash-Flow Indicators

	FY 2006	FY 2007	FY 2008	FY 2009	FY 2010
Net Assets Ratio (%)	54.2	66.4	69.0	73.3	70.1
Net Assets Ratio Based on Current Market Price (%)	166.2	156.6	116.9	109.4	124.1
Debt Redemption Period (Years)	1.5	0.8	0.6	1.1	0.4
Interest Coverage Ratio (Times)	111.1	123.0	112.8	57.5	180.8

Notes: Calculation Methods of the above indicators are as following;

Net Assets Ratio: Net Assets / Total assets

Net Assets Ratio based on Current Market Price: Total market value of common stock / Total assets

Debt Redemption Period: Interest-bearing debt / Net cash provided by operating activities

Interest Coverage Ratio: Net cash provided by operating activities / interest payments

- * All indicators are calculated based on consolidated financial figures.
- * Total market value of common stock is calculated by multiplying the closing stock price at the end of each period by the number of shares issued (excluding treasury stock) at that end of the period.
- * Net cash provided by operating activities refers to activities detailed in the Consolidated Statements of Cash Flows.
- * Interest-bearing debt refers to all the debts in the Consolidated Balance Sheets which involve interest payment. Interest payments refer to the figure for the amount of interest paid in the Consolidated Statements of Cash Flows.

(3) Basic Policy for Allocation of Profit and Dividend for FY 2010 and FY 2011

Our group understands that investment in technical development and the creation of a new, Photon based industry that will magnify our business value is essential for establishing our status as a leading company in the 21st century. We maintain a high level of retained earnings to reach that goal.

Regarding our shareholders, we will continue to place the highest priority on an allocation of profit as dividends. Our dividend policy centers on efforts to maintain stable growth of profit per share and dividend along with increased corporate profitability based on our long-term vision.

Based on this policy, the amount of year-end dividend is going to be JPY 22 per share and our annual dividend for FY 2010 is going to be JPY 40 per share (Last fiscal year: JPY 30 per share), including interim dividend of JPY 18 per share.

For FY 2011, our annual dividend is going to be JPY 42 per share (including interim dividend of JPY 20 and year end dividend of JPY 22 per share).

Consolidated Financial Statements

Consolidated Balance Sheets

(Millions of Japanese Yen)

	As of Sep. 30, 2009	As of Sep. 30, 2010
Assets		
Current assets		
Cash and deposits	41,507	43,023
Notes and accounts receivable-trade	16,788	23,020
Short-term investment securities	8,000	20,000
Merchandise and finished goods	4,856	5,193
Work in process	10,810	10,927
Raw materials and supplies	4,322	4,605
Deferred tax assets	1,961	2,947
Other	4,942	1,688
Allowance for doubtful accounts	(125)	(134)
Total current assets	93,064	111,270
Noncurrent assets		
Property, plant and equipment		
Buildings and structures	48,473	52,939
Accumulated depreciation	(26,489)	(28,436)
Buildings and structures, net	21,983	24,503
Machinery, equipment and vehicles	52,698	54,900
Accumulated depreciation	(43,024)	(46,477)
Machinery, equipment and vehicles, net	9,674	8,422
Tools, furniture and fixtures	24,531	24,861
Accumulated depreciation	(21,160)	(22,038)
Tools, furniture and fixtures, net	3,370	2,823
Land	12,747	12,888
Lease assets	143	239
Accumulated depreciation	(53)	(105)
Lease assets, net	89	133
Construction in progress	5,600	4,681
Total property, plant and equipment	53,466	53,453
Intangible assets	434	715
Investments and other assets		
Investment securities	2,356	2,184
Long-term loans receivable	21	-
Real estate for investment	1,330	1,346
Accumulated depreciation	(1,051)	(1,113)
Real estate for investment, net	279	233
Deferred tax assets	6,578	6,984
Other	1,842	1,583
Allowance for doubtful accounts	(17)	(17)
Total investments and other assets	11,060	10,967
Total noncurrent assets	64,962	65,136
Total assets	158,026	176,407

Consolidated Financial Statements

Consolidated Balance Sheets

(Millions of Japanese Yen)

	As of Sep. 30, 2009	As of Sep. 30, 2010
Liabilities		
Current liabilities		
Notes and accounts payable-trade	7,337	12,575
Short-term loans payable	1,549	1,954
Current portion of long-term loans payable	6,253	132
Income taxes payable	336	4,945
Provision for bonuses	2,534	3,103
Notes payable-facilities	385	418
Other	6,953	6,822
Total current liabilities	25,351	29,952
Noncurrent liabilities		
Long-term loans payable	226	6,192
Deferred tax liabilities	124	133
Provision for retirement benefits	13,390	14,264
Provision for directors' retirement benefits	1,413	1,288
Other	67	93
Total noncurrent liabilities	15,222	21,972
Total liabilities	40,574	51,925
Net assets		
Shareholders' equity		
Capital stock	34,928	34,928
Capital surplus	34,672	34,672
Retained earnings	55,265	64,743
Treasury stock	(6,046)	(6,047)
Total shareholders' equity	118,819	128,296
Valuation and translation adjustments		
Valuation difference on available-for-sale securities	186	43
Foreign currency translation adjustment	(3,121)	(4,599)
Total valuation and translation adjustments	(2,934)	(4,556)
Minority interests	1,566	740
Total net assets	117,452	124,481
Total liabilities and net assets	158,026	176,407

Consolidated Financial Statements

Consolidated Statements of income

(Millions of Japanese Yen)

	Fiscal year ended Sep. 30, 2009	Fiscal year ended Sep. 30, 2010
Net sales	71,976	90,958
Cost of sales	39,295	45,590
Gross profit	32,680	45,368
Selling, general and administrative expenses		
Freightage and packing expenses	697	823
Advertising expenses	681	514
Salaries	7,389	7,475
Provision for bonuses	697	876
Provision for retirement benefits	349	421
Provision for directors' retirement benefits	61	67
Depreciation	1,308	1,248
Commission fee	1,994	2,167
Research and development expenses	9,520	9,550
Provision of allowance for doubtful accounts	-	49
Other	6,237	6,422
Total selling, general and administrative expenses	28,938	29,617
Operating income	3,741	15,751
Non-operating income		
Interest income	409	238
Dividends income	38	36
Rent income on noncurrent assets	93	63
Rent of real estate for investment	141	146
Foreign exchange gains	355	-
Equity in earnings of affiliates	68	40
Other	231	323
Total non-operating income	1,338	850
Non-operating expenses		
Interest expenses	160	145
Rent expenses on real estates	114	97
Foreign exchange losses	-	280
Other	10	19
Total non-operating expenses	285	542
Ordinary income	4,794	16,059

Consolidated Financial Statements

Consolidated Statements of income

(Millions of Japanese Yen)

	Fiscal year ended Sep. 30, 2009	Fiscal year ended Sep. 30, 2010
Extraordinary income		
Gain on sales of noncurrent assets	8	8
Subsidy	236	395
Reversal of allowance for doubtful accounts	10	-
Gain on sales of investment securities	0	-
Reversal of provision for directors' retirement benefits	-	155
Total extraordinary income	255	558
Extraordinary loss		
Loss on sales of noncurrent assets	17	2
Loss on retirement of noncurrent assets	107	70
Loss on reduction of noncurrent assets	211	376
Impairment loss	1,141	-
Loss on valuation of investment securities	1	18
Loss on liquidation of subsidiaries and affiliates	236	4
Total extraordinary losses	1,715	472
Income before income taxes and minority interests	3,333	16,145
Income taxes-current	1,624	5,980
Income taxes for prior periods	518	-
Refund of income taxes for prior periods	(917)	-
Income taxes-deferred	258	(1,380)
Total income taxes	1,483	4,599
Minority interests in income	58	54
Net income	1,791	11,491

Consolidated Financial Statements

Consolidated statements of changes in net assets

(Millions of Japanese Yen)

	Fiscal year ended Sep. 30, 2009	Fiscal year ended Sep. 30, 2010
Shareholders' equity		
Capital stock		
Balance at the end of previous period	34,926	34,928
Changes of items during the period		
Issuance of new shares-exercise of subscription rights to shares	1	-
Total changes of items during the period	1	-
Balance at the end of current period	34,928	34,928
Capital surplus		
Balance at the end of previous period	34,670	34,672
Changes of items during the period		
Issuance of new shares-exercise of subscription rights to shares	2	-
Total changes of items during the period	2	-
Balance at the end of current period	34,672	34,672
Retained earnings		
Balance at the end of previous period	57,542	55,265
Effect of changes applied to IFRS	(93)	-
Changes of items during the period		
Dividends from surplus	(3,945)	(2,013)
Net income	1,791	11,491
Employee encouragement welfare fund	(29)	-
Total changes of items during the period	(2,183)	9,478
Balance at the end of current period	55,265	64,743
Treasury stock		
Balance at the end of previous period	(6,045)	(6,046)
Changes of items during the period		
Purchase of treasury stock	(0)	(0)
Total changes of items during the period	(0)	(0)
Balance at the end of current period	(6,046)	(6,047)
Total shareholders' equity		
Balance at the end of previous period	121,094	118,819
Effect of changes applied to IFRS	(93)	-
Changes of items during the period		
Issuance of new shares-exercise of subscription rights to shares	4	-
Dividends from surplus	(3,945)	(2,013)
Net income	1,791	11,491
Employee encouragement welfare fund	(29)	-
Purchase of treasury stock	(0)	(0)
Total changes of items during the period	(2,180)	9,477
Balance at the end of current period	118,819	128,296

Consolidated Financial Statements

Consolidated statements of changes in net assets

(Millions of Japanese Yen)

	Fiscal year ended Sep. 30, 2009	Fiscal year ended Sep. 30, 2010
Valuation and translation adjustments		
Valuation difference on available-for-sale securities		
Balance at the end of previous period	407	186
Changes of items during the period		
Net changes of items other than shareholders' equity	(220)	(143)
Total changes of items during the period	(220)	(143)
Balance at the end of current period	186	43
Deferred gains or losses on hedges		
Balance at the end of previous period	27	-
Changes of items during the period		
Net changes of items other than shareholders' equity	(27)	-
Total changes of items during the period	(27)	-
Balance at the end of current period	-	-
Foreign currency translation adjustment		
Balance at the end of previous period	(807)	(3,121)
Changes of items during the period		
Net changes of items other than shareholders' equity	(2,313)	(1,478)
Total changes of items during the period	(2,313)	(1,478)
Balance at the end of current period	(3,121)	(4,599)
Total valuation and translation adjustments		
Balance at the end of previous period	(372)	(2,934)
Changes of items during the period		
Net changes of items other than shareholders' equity	(2,561)	(1,622)
Total changes of items during the period	(2,561)	(1,622)
Balance at the end of current period	(2,934)	(4,556)
Minority interests		
Balance at the end of previous period	1,641	1,566
Changes of items during the period		
Net changes of items other than shareholders' equity	(75)	(825)
Total changes of items during the period	(75)	(825)
Balance at the end of current period	1,566	740

Consolidated Financial Statements

Consolidated statements of changes in net assets

(Millions of Japanese Yen)

	Fiscal year ended Sep. 30, 2009	Fiscal year ended Sep. 30, 2010
Total net assets		
Balance at the end of previous period	122,363	117,452
Effect of changes applied to IFRS	(93)	-
Changes of items during the period		
Issuance of new shares-exercise of subscription rights to shares	4	-
Dividends from surplus	(3,945)	(2,013)
Net income	1,791	11,491
Employee encouragement welfare fund	(29)	-
Purchase of treasury stock	(0)	(0)
Net changes of items other than shareholders' equity	(2,636)	(2,447)
Total changes of items during the period	(4,817)	7,029
Balance at the end of current period	117,452	124,481

Consolidated Financial Statements

Consolidated statements of cash flows

(Millions of Japanese Yen)

	Fiscal year ended Sep. 30, 2009	Fiscal year ended Sep. 30, 2010
Net cash provided by (used in) operating activities		
Income before income taxes and minority interests	3,333	16,145
Depreciation and amortization	9,747	8,677
Impairment loss	1,141	-
Increase (decrease) in allowance for doubtful accounts	(36)	23
Increase (decrease) in provision for bonuses	(187)	584
Increase (decrease) in provision for retirement benefits	799	874
Increase (decrease) in provision for directors' retirement benefits	(107)	(125)
Interest and dividends income	(448)	(275)
Interest expenses	160	145
Foreign exchange losses (gains)	48	88
Equity in (earnings) losses of affiliates	(68)	(40)
Loss on retirement of property, plant and equipment	107	70
Loss (gain) on sales of property, plant and equipment	8	(5)
Loss (gain) on valuation of investment securities	1	18
Decrease (increase) in notes and accounts receivable-trade	5,678	(7,002)
Decrease (increase) in inventories	(434)	(1,262)
Increase (decrease) in notes and accounts payable-trade	(4,290)	6,036
Other, net	241	822
Subtotal	15,695	24,774
Interest and dividends income received	449	275
Interest expenses paid	(160)	(145)
Income taxes paid	(6,755)	1,369
Net cash provided by (used in) operating activities	9,227	26,274
Net cash provided by (used in) investing activities		
Net decrease (increase) in time deposits	(9,299)	9,250
Purchase of short-term investment securities	(26,644)	(44,809)
Proceeds from sales of short-term investment securities	19,180	32,839
Purchase of property, plant and equipment	(9,958)	(9,823)
Proceeds from sales of property, plant and equipment	22	253
Purchase of intangible assets	(240)	(424)
Proceeds from sales of investment securities	73	-
Payments of loans receivable	(720)	-
Collection of loans receivable	-	670
Purchase of investments in subsidiaries	-	(895)
Other, net	(59)	4
Net cash provided by (used in) investing activities	(27,647)	(12,935)
Net cash provided by (used in) financing activities		
Net increase (decrease) in short-term loans payable	148	404
Proceeds from long-term loans payable	-	6,065
Repayment of long-term loans payable	(1,950)	(6,219)
Redemption of bonds	(1,356)	-
Purchase of treasury stock	(0)	(0)
Cash dividends paid	(3,939)	(2,017)
Other, net	(221)	(88)
Net cash provided by (used in) financing activities	(7,319)	(1,856)
Effect of exchange rate change on cash and cash equivalents	(1,058)	(741)
Net increase (decrease) in cash and cash equivalents	(26,797)	10,740
Cash and cash equivalents at beginning of period	44,805	18,007
Cash and cash equivalents at end of period	18,007	28,747

Segment Information

Business Segment

Fiscal year ended Sep. 30, 2009

(Millions of Japanese Yen)

	Opto-electronic devices	Imaging and measurement instruments	Other	Segment total	Elimination or corporate	Consolidated total
Net sales						
Outside customers	61,230	10,176	569	71,976	-	71,976
Intersegment	709	42	-	751	(751)	-
Total net sales	61,939	10,218	569	72,727	(751)	71,976
Operating expenses	49,092	9,980	587	59,660	8,573	68,234
Operating income	12,847	237	(18)	13,066	(9,324)	3,741
Assets	83,698	15,168	1,304	100,171	57,855	158,026
Depreciation	7,373	849	41	8,264	1,408	9,672
Impairment loss	1,075	-	66	1,141	-	1,141
Capital expenditures	6,337	755	7	7,099	2,580	9,680

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 8,977 million.
4. Corporate assets in elimination or corporate are principally parent company's cash on hand and in banks, long-term investment security and assets related to basic research departments. The amounts of those assets were JPY 57,855 million.
5. Depreciation expenses for long-term prepaid expenses were included in depreciation, and increases in long-term prepaid expenses were included in capital expenditures.

Segment Information

Business Segment

Fiscal year ended Sep. 30, 2010

(Millions of Japanese Yen)

	Opto-electronic devices	Imaging and measurement instruments	Other	Segment total	Elimination or corporate	Consolidated total
Net sales						
Outside customers	79,287	11,147	523	90,958	-	90,958
Intersegment	838	40	-	878	(878)	-
Total net sales	80,126	11,187	523	91,837	(878)	90,958
Operating expenses	55,698	10,259	574	66,533	8,674	75,207
Operating income	24,428	927	(50)	25,304	(9,553)	15,751
Assets	96,711	15,913	1,153	113,777	62,629	176,407
Depreciation	6,292	842	40	7,174	1,441	8,616
Capital expenditures	7,806	812	0	8,620	1,069	9,689

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 (Microfocus X-ray Source, X-ray Scintillator, X-ray Image Intensifier, Microchannel Plate, Deuterium Lamp, Stealth Dicing Engine, Spot Light Source, Electrostatic Remover), 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 9,182 million.
4. Corporate assets in elimination or corporate are principally parent company's cash on hand and in banks, long-term investment security and assets related to basic research departments. The amounts of those assets were JPY 62,629 million.
5. Depreciation expenses for long-term prepaid expenses were included in depreciation, and increases in long-term prepaid expenses were included in capital expenditures.

Segment Information
Geographical Segment

Fiscal year ended Sep. 30, 2009

(Millions of Japanese Yen)

	Japan	North America	Europe	Other	Segment total	Elimination or corporate	Consolidated total
Net sales							
Outside customers	32,255	20,353	17,913	1,453	71,976	-	71,976
Intersegment	29,869	335	238	1,112	31,555	(31,555)	-
Total net sales	62,125	20,689	18,151	2,565	103,531	(31,555)	71,976
Operating expenses	52,171	20,404	16,427	2,275	91,279	(23,044)	68,234
Operating income	9,953	284	1,724	290	12,252	(8,510)	3,741
Assets	84,588	7,654	9,254	4,919	106,417	51,608	158,026

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., Sweden
Other : China
3. Operating expenses in elimination or corporate which can not be allocated to each business segment were JPY 8,977 million.
4. Corporate assets in elimination or corporate were JPY 57,855 million.

Fiscal year ended Sep. 30, 2010

(Millions of Japanese Yen)

	Japan	North America	Europe	Other	Segment total	Elimination or corporate	Consolidated total
Net sales							
Outside customers	42,263	26,409	20,845	1,440	90,958	-	90,958
Intersegment	37,554	524	311	1,120	39,510	(39,510)	-
Total net sales	79,817	26,934	21,157	2,560	130,469	(39,510)	90,958
Operating expenses	58,602	25,466	18,929	2,074	105,071	(29,864)	75,207
Operating income	21,215	1,468	2,228	485	25,397	(9,646)	15,751
Assets	99,153	9,366	9,270	4,642	122,432	53,974	176,407

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., Sweden
Other : China
3. Operating expenses in elimination or corporate which can not be allocated to each business segment were JPY 9,182 million.
4. Corporate assets in elimination or corporate were JPY 62,629 million.

Segment Information

Overseas sales

Fiscal year ended September 30, 2009

(Millions of Japanese Yen)

	North America	Europe	Asia	Other	Consolidated total
Overseas sales	19,471	17,724	9,483	346	47,026
Consolidated net sales	-	-	-	-	71,976
Ratio of overseas sales to consolidated net sales	27.0%	24.6%	13.2%	0.5%	65.3%

Fiscal year ended September 30, 2010

(Millions of Japanese Yen)

	North America	Europe	Asia	Other	Consolidated total
Overseas sales	25,379	20,557	12,334	290	58,562
Consolidated net sales	-	-	-	-	90,958
Ratio of overseas sales to consolidated net sales	27.9%	22.6%	13.6%	0.3%	64.4%

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