

Consolidated Financial Results for the Third Quarter of Fiscal Year ending September 30, 2012

August 6, 2012

Company name: Hamamatsu Photonics K.K.

ID number: 6965

URL: 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 to submit Securities Report: August 10, 2012

Scheduled date to begin dividend payments: -

Supplementary materials to the quarterly financial statements have been prepared: None

Presentation will be held to explain the quarterly financial statements: None

Stock listing : Tokyo Stock Exchange First Section

Headquarters : Hamamatsu City, Japan

1. Consolidated financial results for the nine months ended June 30, 2012 (From Oct. 1, 2011 through Jun. 30, 2012)

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	%
Nine months ended Jun. 30, 2012	74,172	(2.5)	13,862	(16.7)	14,341	(16.6)	8,757	(17.5)
Nine months ended Jun 30, 2011	76,083	14.5	16,650	53.8	17,196	57.6	10,620	37.1

Note: Comprehensive income

Nine months ended Jun. 30, 2012: 8,848 million yen (-16.5%)

Nine months ended Jun. 30, 2011: 10,595 million yen (- %)

	Net income per share	Diluted net income per share
	Yen	Yen
Nine months ended Jun. 30, 2012	108.94	-
Nine months ended Jun. 30, 2011	132.10	-

(2) Consolidated financial position

	Total assets	Net Assets	Shareholders' equity ratio
	Millions of yen	Millions of yen	%
as of Jun. 30, 2012	189,722	138,657	72.8
as of Sep. 30, 2011	188,091	133,434	70.5

For Reference: Shareholders' equity

Nine months ended Jun. 30, 2012: 138,048 million yen

Fiscal year ended Sep. 30, 2011: 132,670 million yen

2. Dividends

(Base date)	Dividends per share				
	End of Q1	End of Q2	End of Q3	End of Q4	Full Fiscal Year
	Yen	Yen	Yen	Yen	Yen
Fiscal year ended Sep. 30, 2011	-	22.00	-	22.00	44.00
Fiscal year ending Sep. 30, 2012	-	23.00	-		
Fiscal year ending Sep. 30, 2012 (Outlook)				23.00	46.00

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

3. Forecast of consolidated results for the fiscal year ending Sep. 30, 2012 (From Oct. 1, 2011 through Sep. 30, 2012)

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
Fiscal year ending Sep. 30, 2012	101,400	(0.5)	17,700	(18.9)	18,100	(18.5)	10,900	(20.5)	135.58

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

4. Others

- (1) Changes in the state of material subsidiaries during the period (Changes regarding significant subsidiaries accompanying changes in the scope of consolidation): None
- (2) The application of special accounting treatment for the preparation of the quarterly consolidated financial statements: Yes
- (3) Changes in accounting principles, changes in accounting estimates, and changes in presentation due to revisions
 - (a) Changes in accounting principles accompanying revisions in accounting standards: None
 - (b) Changes other than those in (a) above: None
 - (c) Changes in accounting estimates: None
 - (d) Changes in presentation due to revisions: None
- (4) Number of shares outstanding
 - (a) Number of shares outstanding at end of period including treasury stock
 - Nine months ended Jun. 30, 2012: 83,764,984 shares
 - Fiscal year ended Sep. 30, 2011: 83,764,984 shares
 - (b) Number of treasury stock at end of period
 - Nine months ended Jun. 30, 2012: 3,370,025 shares
 - Fiscal year ended Sep. 30, 2011: 3,370,025 shares
 - (c) Average number of shares issued during the period (third-quarter accumulation (Nine months))
 - Nine months ended Jun. 30, 2012: 80,394,959 shares
 - Nine months ended Jun. 30, 2011: 80,395,051 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.

Discussion of Consolidated Performance for the third quarter of this Fiscal Year

(1) Consolidated Operating Results

The domestic economy has in the third quarter of this fiscal year been facing a risk of downward movement due to the debt crisis in the EU. On the other hand there was a modest recovery of economic strength due to demands for earthquake disaster reconstruction.

Against this background, our group strove to research and develop our own photonics technologies focusing on product development that meets our customers' needs. Moreover, we undertook to boost our revenue and income by intensive sales activities and streamlining to reduce operating expenses.

As a result of the above factors, we closed the third quarter with net sales of JPY 74,172 million, down by JPY 1,911 million (2.5%), operating income of JPY 13,862 million, down by JPY 2,788 million (16.7%) and ordinary income of JPY 14,341 million, down by JPY 2,855 million (16.6%) over one year before respectively. Net income resulted in JPY 8,757 million, down by JPY 1,862 million (17.5%).

Performance by segment was as follows;

(Electron Tube)

Sales of Photomultiplier Tubes (PMTs) in measurement applications such as for oil well logging and radiation monitoring increased steadily. However, PMTs sales in medical applications, such as Positron Emission Tomography (PET) and Single Photon Emission Computed Tomography (SPECT) imaging, decreased due to inventory adjustment by our customers. Sales associated with medical diagnostics equipment such as blood analyzers also were down. The Light Sources and Imaging Devices industrial market segment, such as Microfocus X-ray sources for non-destructive inspection systems, were down, while sales of X-ray Scintillators, which converts X-rays into Optical Images for dental and breast imaging systems were up.

In total Electron Tube business closed the third quarter with JPY 32,064 million, down by 1.5% and operating income of JPY 12,387 million, down by 5.0% from one year previous.

(Opto-semiconductor)

Sales of X-ray Flat Panel Sensors for use in X-ray dental imaging systems were up due to our achieving stable, quality production. However, Sales of Silicon Photodiodes were down due to inventory adjustments by customers. The sales of X-ray Image Sensors in the industrial instruments market also decreased.

Net sales for this segment resulted in JPY 31,635 million, down by 2.3% and operating income was JPY 10,974 million, down by 8.1% from one year before.

(Imaging and Measurement Instruments)

In the Imaging and Measurement Instruments segment, sales of Semiconductor Inspection Systems sold mainly in the Asian market increased steadily. However, sales of digital cameras dropped sharply due to the adjustment of our largest customer's production. Largely centered in the US, sales of digital slide observation systems used in medical pathology stayed stagnant.

Net sales for this sector resulted in JPY 8,274 million, down by 11.7% from one year before and operating income was JPY 506 million, down by 61.1% from one year before.

(Others)

Others sales were primarily in the semiconductor laser business and hotel operations. Net sales for the businesses were JPY 2,198 million, up by 22.2% and operating loss was JPY 156 million (3rd Quarter of FY 2011 was JPY 322 million loss).

(2) Analysis of Financial Conditions

Current assets were increased JPY 1,711 million from the year ended September 30, 2011. This is mainly from increases in cash and deposits, up by JPY 2,170 million and inventories of JPY 1,675 million, while there was decrease in securities, down by JPY 1,500 million. Noncurrent assets were decreased JPY 80 million from the last fiscal year end, due mainly to a decrease in property, plant and equipment of JPY 146 million because of a decrease in buildings and structures. The total assets at the end of the third quarter were JPY 189,722 million, up by JPY 1,630 million from the year ended September 30, 2011.

Current liabilities were decreased JPY 3,191 million from the last fiscal year end. This is mainly from decreases in income taxes payable of JPY 3,401 million and notes and account payable-trade of JPY 1,928 million. Noncurrent liabilities were decreased JPY 400 million from the last fiscal year end, due mainly to a decrease in provision for retirement benefits of JPY 455 million. The total liabilities at the end of the third quarter were JPY 51,064 million, down by JPY 3,592 million.

Net Assets were JPY 138,657 million, up by JPY 5,223 million, due mainly to an increase of retained earnings, up by JPY 5,134 million, because of net income for the third quarter of this fiscal year.

(3) Projection for the year

There is no change to the projection for the fiscal year ending September 30, 2012 released on May 7, 2012. We assume that yen/US dollar exchange rate is JPY 78.38 and yen/Euro exchange rate is JPY 104.22.

Consolidated Financial Statements

Consolidated Balance Sheets

(Millions of Japanese Yen)

	As of Sep. 30, 2011	As of Jun. 30, 2012
Assets		
Current assets		
Cash and deposits	71,073	73,243
Notes and accounts receivable-trade	23,781	23,176
Short-term investment securities	1,500	-
Merchandise and finished goods	6,014	6,041
Work in process	11,183	12,251
Raw materials and supplies	5,147	5,728
Other	4,986	4,927
Allowance for doubtful accounts	(145)	(116)
Total current assets	123,542	125,253
Noncurrent assets		
Property, plant and equipment		
Buildings and structures, net	24,008	22,579
Machinery, equipment and vehicles, net	8,009	8,146
Tools, furniture and fixtures, net	2,610	3,262
Land	15,565	15,245
Lease assets, net	275	265
Construction in progress	1,777	2,601
Total property, plant and equipment	52,247	52,100
Intangible assets	1,581	1,636
Investments and other assets		
Investment securities	2,052	2,034
Deferred tax assets	7,130	7,133
Other	1,554	1,582
Allowance for doubtful accounts	(18)	(18)
Total investments and other assets	10,719	10,731
Total noncurrent assets	64,549	64,468
Total assets	188,091	189,722

Consolidated Financial Statements

Consolidated Balance Sheets

(Millions of Japanese Yen)

	As of Sep. 30, 2011	As of Jun. 30, 2012
Liabilities		
Current liabilities		
Notes and accounts payable-trade	13,454	11,526
Short-term loans payable	865	1,374
Current portion of long-term loans payable	281	192
Income taxes payable	4,698	1,296
Provision for bonuses	3,398	4,343
Other	8,999	9,772
Total current liabilities	31,698	28,506
Noncurrent liabilities		
Long-term loans payable	7,326	7,269
Provision for retirement benefits	13,929	13,474
Provision for directors' retirement benefits	1,245	1,352
Other	457	462
Total noncurrent liabilities	22,958	22,558
Total liabilities	54,657	51,064
Net assets		
Shareholders' equity		
Capital stock	34,928	34,928
Capital surplus	34,672	34,672
Retained earnings	74,902	80,036
Treasury stock	(6,048)	(6,048)
Total shareholders' equity	138,455	143,589
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	163	116
Foreign currency translation adjustment	(5,948)	(5,657)
Total accumulated other comprehensive income	(5,785)	(5,541)
Minority interests	764	608
Total net assets	133,434	138,657
Total liabilities and net assets	188,091	189,722

Consolidated Financial Statements
Consolidated Statements of income

(Millions of Japanese Yen)

	Nine months ended Jun. 30, 2011	Nine months ended Jun. 30, 2012
Net sales	76,083	74,172
Cost of sales	36,706	36,034
Gross profit	39,377	38,137
Selling, general and administrative expenses	22,726	24,275
Operating income	16,650	13,862
Non-operating income		
Interest income	107	100
Rent of real estate for investment	114	174
Foreign exchange gains	100	-
Equity in earnings of affiliates	71	62
Other	337	356
Total non-operating income	731	693
Non-operating expenses		
Interest expenses	85	82
Rent expenses on real estates	68	60
Foreign exchange losses	-	21
Other	31	49
Total non-operating expenses	185	214
Ordinary income	17,196	14,341
Extraordinary income		
Gain on sales of noncurrent assets	7	12
Subsidy	507	728
Reversal of allowance for doubtful accounts	5	-
Total extraordinary income	519	740
Extraordinary loss		
Loss on sales of noncurrent assets	9	5
Loss on retirement of noncurrent assets	114	33
Loss on reduction of noncurrent assets	483	713
Impairment loss	-	424
Loss on valuation of investment securities	268	1
Loss on adjustment for changes of accounting standard for asset retirement obligations	99	-
Total extraordinary losses	975	1,178
Income before income taxes and minority interests	16,741	13,902
Income taxes	6,073	5,318
Income before minority interests	10,667	8,584
Minority interests in income	47	(173)
Net income	10,620	8,757

Consolidated Financial Statements

Consolidated Statements of Comprehensive Income

(Millions of Japanese Yen)

	Nine months ended Jun. 30, 2011	Nine months ended Jun. 30, 2012
Income before minority interests	10,667	8,584
Other comprehensive income		
Valuation difference on available-for-sale securities	242	(46)
Foreign currency translation adjustment	(278)	315
Share of other comprehensive income of associates accounted for using equity method	(35)	(4)
Total other comprehensive income	(71)	264
Comprehensive income	10,595	8,848
Comprehensive income attributable to		
Comprehensive income attributable to owners of the parent	10,557	9,002
Comprehensive income attributable to minority interests	38	(153)

Segment Information

Sales and Income (Loss) by Reporting Segment

Nine months ended Jun. 30, 2011

(Millions of Japanese Yen)

	Reportable Segment				Others (Note 1)	Total	Adjustments (Note 2)	Consolidated total (Note 3)
	Electron tube	Opto- semiconductor	Imaging and measurement instruments	Total				
Net sales								
Outside customers	32,543	32,371	9,370	74,285	1,798	76,083	-	76,083
Intersegment	1,025	559	65	1,651	358	2,009	(2,009)	-
Total net sales	33,569	32,931	9,436	75,936	2,156	78,093	(2,009)	76,083
Segment income	13,042	11,940	1,301	26,284	(322)	25,962	(9,311)	16,650

Notes :

1. The classification of "Others" is the business segment, which is not included in the reportable segments, and its businesses are mainly Semiconductor laser business and Hotel operations.
2. Adjustment of segment profit of negative JPY 9,311 million represents intersegment transactions of negative JPY 803 million and unallocated corporate expenses of negative JPY 8,508 million.
Corporate expenses mainly consist of general and administrative expenses and basic research expenses that are unattributable to reportable segments.
3. Segment income is adjusted with operating income in the quarterly consolidated statements of income.

Nine months ended Jun. 30, 2012

(Millions of Japanese Yen)

	Reportable Segment				Others (Note 1)	Total	Adjustments (Note 2)	Consolidated total (Note 3)
	Electron tube	Opto- semiconductor	Imaging and measurement instruments	Total				
Net sales								
Outside customers	32,064	31,635	8,274	71,974	2,198	74,172	-	74,172
Intersegment	904	458	42	1,405	276	1,681	(1,681)	-
Total net sales	32,968	32,094	8,316	73,379	2,474	75,854	(1,681)	74,172
Segment income	12,387	10,974	506	23,868	(156)	23,711	(9,849)	13,862

Notes :

1. The classification of "Others" is the business segment, which is not included in the reportable segments, and its businesses are mainly Semiconductor laser business and Hotel operations.
2. Adjustment of segment profit of negative JPY 9,849 million represents intersegment transactions of negative JPY 554 million and unallocated corporate expenses of negative JPY 9,294 million.
Corporate expenses mainly consist of general and administrative expenses and basic research expenses that are unattributable to reportable segments.
3. Segment income is adjusted with operating income in the quarterly consolidated statements of income.