

# Consolidated Financial Results for the First Quarter of Fiscal Year ending September 30, 2022 (Japanese GAAP)

February 9, 2022

Company name: Hamamatsu Photonics K.K. Stock listing: Tokyo Stock Exchange First Section  
 Stock code: 6965 URL: <https://www.hamamatsu.com/jp/en.html>  
 Representative: Akira Hiruma, Representative Director and President, Chief Executive Officer  
 Contact: Kazuhiko Mori, Senior Executive Officer and General Manager of Accounting Div. (Phone: +81-53-452-2141)  
 Scheduled date to file quarterly securities report: February 10, 2022  
 Scheduled date to begin dividend payments: –  
 Supplementary materials to the financial statements have been prepared: None  
 Presentation will be held to explain the financial statements: None

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

## 1. Consolidated financial results for the three months ended Dec. 31, 2021 (From Oct. 1, 2021 through Dec. 31, 2021)

### (1) Consolidated operating results

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

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Three months ended Dec. 31, 2021	47,028	29.1	11,185	115.7	11,561	130.1	8,596	118.6
Three months ended Dec. 31, 2020	36,430	5.6	5,185	3.4	5,025	(2.9)	3,932	(0.5)

Note: Comprehensive income

Three months ended Dec. 31, 2021: 9,600 million yen [140.7%]

Three months ended Dec. 31, 2020: 3,988 million yen [(18.6)%]

	Earnings per share		Diluted earnings per share	
	Yen		Yen	
Three months ended Dec. 31, 2021	55.52		-	
Three months ended Dec. 31, 2020	25.40		-	

### (2) Consolidated financial position

	Total assets		Net assets		Equity ratio	
	Millions of yen		Millions of yen		%	
As of Dec. 31, 2021	307,358		242,827		78.7	
As of Sep. 30, 2021	301,676		237,570		78.4	

For reference: Equity

As of Dec. 31, 2021: 241,752 million yen

As of Sep. 30, 2021: 236,522 million yen

## 2. Dividends

(Base date)	Dividends per share				
	End of Q1	End of Q2	End of Q3	End of FY	Full FY
	Yen				
Fiscal year ended Sep. 30, 2021	-	20.00	-	28.00	48.00
Fiscal year ending Sep. 30, 2022	-				
Fiscal year ending Sep. 30, 2022 (Forecast)		28.00	-	28.00	56.00

Note: Revision of the forecasts for dividends most recently announced: No

## 3. Forecast of consolidated financial results for the fiscal year ending Sep. 30, 2022 (From Oct. 1, 2021 through Sep. 30, 2022)

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

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent		Earnings per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
Six months ending Mar. 31, 2022	93,700	18.1	20,200	40.4	20,300	41.0	15,200	40.9	98.17
Fiscal year ending Sep. 30, 2022	182,800	8.1	38,500	12.2	38,900	12.3	28,300	13.0	182.78

Note: Revision of the forecasts for consolidated financial results most recently announced: No

4. Others

- (1) Changes in consolidated subsidiaries (Changes in scope of consolidation): None
- (2) Application of special accounting treatment for preparing 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: Yes
  - (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 issued
  - (a) Number of shares issued at end of period including treasury shares
    - As of Dec. 31, 2021: 165,041,841 shares
    - As of Sep. 30, 2021: 165,041,841 shares
  - (b) Number of treasury shares at end of period
    - As of Dec. 31, 2021: 10,214,250 shares
    - As of Sep. 30, 2021: 10,214,250 shares
  - (c) Average number of shares outstanding during the period
    - Three months ended Dec. 31, 2021: 154,827,591 shares
    - Three months ended Dec. 31, 2020: 154,813,239 shares

## 1. Qualitative Information Related to Consolidated Performance for the First Quarter of This Fiscal Year

### (1) Operating Results

During the first quarter of this fiscal year (three months ended December 31, 2021), Japan's economy was gradually recovering as seen in increases in corporate earnings and capital investment in some sectors, among other factors. However, hardships from the effects of the novel coronavirus (COVID-19) pandemic persisted with cases of the new Omicron variant detected in Japan toward the end of the quarter, leaving the outlook still unclear.

Moreover, the difficulties in materials procurement for electronic components, etc. began to have an effect on manufacturing, delivery, etc. but this has had immaterial effect at this point in time on the forecast of consolidated financial results for the fiscal year ending September 30, 2022.

Given these circumstances, in addition to continuously taking measures to prevent infections of COVID-19 and bearing in mind our contributions to a sustainable society, our Group strove to secure net sales and earnings by engaging in research and development and product development that takes advantage of the Company's proprietary photonics technologies.

As a result, we closed the first quarter with net sales of JPY 47,028 million, up by JPY 10,598 million (29.1%) compared with the same period one year ago. From an earnings perspective, operating profit was JPY 11,185 million, up by JPY 5,999 million (115.7%), ordinary profit was JPY 11,561 million, up by JPY 6,535 million (130.1%), and profit attributable to owners of parent was JPY 8,596 million, up by JPY 4,663 million (118.6%) from the same period one year ago.

Operating results by segment are as follows:

#### (Electron Tube)

Regarding photomultiplier tubes (PMT), in the medical field, sales for products for medical inspection and monitoring systems such as flow cytometers increased due to rising demand in Japan and overseas. In the industrial field, sales for semiconductor inspection equipment increased, mainly overseas, in response to the expanding semiconductor market. Sales for academic applications such as high-energy physics experiments also grew.

Regarding sales of imaging devices and light sources, in the industrial field, accompanying the global penetration of 5G and the expanding production of EV (electric vehicles), sales of microfocus X-ray sources for non-destructive testing increased, mainly in Asia, for circuit board inspection applications and automotive battery testing applications. Sales of Stealth Dicing Engine for high-speed, high-quality silicon wafer dicing and light sources for semiconductor wafer inspection equipment also increased owing to the expanding semiconductor market.

As a result, the Electron Tube business closed the first quarter with net sales of JPY 18,737 million, up by 33.8%, and operating profit of JPY 7,235 million, up by 62.4% from the same period one year ago.

#### (Opto-semiconductor)

In opto-semiconductor devices, in the medical field, sales of silicon photodiodes for COVID-19-related X-ray CT increased in response to continued growth in demand in Japan and overseas. In addition, in the industrial field, sales of image sensors for semiconductor fabrication and inspection equipment, etc. increased due to growth in global demand for semiconductors, while in the FA (Factory Automation) field, such as controls, etc. for industrial robots, etc., sales of photo ICs, photodiodes and LEDs increased.

As a result, net sales in the Opto-semiconductor business were JPY 22,365 million, up by 36.2%, and operating profit was JPY 7,884 million, up by 78.9% from the same period one year ago.

(Imaging and Measurement Instruments)

In image processing and measurement systems, sales for semiconductor inspection equipment increased only a little due to the impact from the difficulties in procuring materials for electronic components, etc., but sales of digital cameras increased for the life sciences sector and biotechnology sector. On the other hand, sales for cameras for PCR tests decreased significantly due to progress in the introduction of PCR testing equipment. In addition, sales of X-ray line scan cameras used in food X-ray scanners also decreased.

As a result, net sales for the Imaging and Measurement Instruments business were JPY 4,691 million, down by 7.3%, and operating profit was JPY 802 million, down by 11.5% from the same period one year ago.

(Other)

Sales from other operations include the semiconductor laser business, hotel operations run by Iwata Grand Hotel Inc., a subsidiary, and business relating to the unique products of Beijing Hamamatsu Photon Techniques Inc., which is also a subsidiary.

In our other businesses, net sales were JPY 1,233 million, up by 31.0%, and operating profit was JPY 211 million, compared with an operating profit of JPY 11 million in the same period one year ago.

## **(2) Financial Conditions**

Current assets increased by JPY 4,064 million from the end of the previous fiscal year, mainly reflecting increases in notes and accounts receivable - trade of JPY 3,356 million and securities of JPY 2,018 million.

Non-current assets increased by JPY 1,617 million from the end of the previous fiscal year, mainly reflecting an increase in construction in progress of JPY 1,374 million.

As a result, total assets at the end of the first quarter were JPY 307,358 million, up by JPY 5,682 million from the end of the previous fiscal year.

Current liabilities increased by JPY 80 million from the end of the previous fiscal year, despite a decrease in provision for bonuses of JPY 3,492 million, mainly reflecting increases in notes and accounts payable - trade of JPY 2,286 million and deposits received (current liabilities - other) of JPY 1,748 million.

Non-current liabilities increased by JPY 344 million from the end of the previous fiscal year, mainly due to an increase in long-term borrowings of JPY 478 million.

As a result, total liabilities at the end of the first quarter were JPY 64,531 million, up by JPY 425 million from the end of the previous fiscal year.

Net assets at the end of the first quarter were JPY 242,827 million, up by JPY 5,256 million from the end of the previous fiscal year, mainly reflecting an increase in retained earnings of JPY 4,253 million as a result of reporting profit attributable to owners of parent and an increase in foreign currency translation adjustment of JPY 1,057 million.

## **(3) Projection for the Year**

There is no change to the forecast of consolidated financial results for the first six months ending March 31, 2022 and for the fiscal year ending September 30, 2022, released on November 11, 2021.

We assume the yen/US dollar exchange rate will be JPY 105, the yen/Euro exchange rate will be JPY 125 and the yen/RMB exchange rate will be JPY 16.

# Consolidated Financial Statements

## Consolidated Balance Sheets

(Millions of Japanese Yen)

	As of Sep. 30, 2021	As of Dec. 31, 2021
<b>Assets</b>		
<b>Current assets</b>		
Cash and deposits	91,087	85,450
Notes and accounts receivable - trade	42,528	45,884
Securities	8,671	10,690
Merchandise and finished goods	9,106	9,552
Work in process	23,885	25,206
Raw materials and supplies	11,410	12,884
Other	5,622	6,707
Allowance for doubtful accounts	(193)	(190)
<b>Total current assets</b>	<b>192,120</b>	<b>196,185</b>
<b>Non-current assets</b>		
<b>Property, plant and equipment</b>		
Buildings and structures, net	44,853	44,334
Machinery, equipment and vehicles, net	12,005	12,262
Tools, furniture and fixtures, net	4,923	5,169
Land	17,196	17,213
Leased assets, net	326	368
Right-of-use assets, net	611	565
Construction in progress	6,561	7,936
<b>Total property, plant and equipment</b>	<b>86,479</b>	<b>87,850</b>
<b>Intangible assets</b>		
Customer relationships	1,734	1,709
Other	3,118	3,107
<b>Total intangible assets</b>	<b>4,853</b>	<b>4,816</b>
<b>Investments and other assets</b>		
Investment securities	3,907	3,858
Deferred tax assets	11,587	11,783
Other	2,747	2,884
Allowance for doubtful accounts	(19)	(19)
<b>Total investments and other assets</b>	<b>18,223</b>	<b>18,507</b>
<b>Total non-current assets</b>	<b>109,556</b>	<b>111,173</b>
<b>Total assets</b>	<b>301,676</b>	<b>307,358</b>

# Consolidated Financial Statements

## Consolidated Balance Sheets

(Millions of Japanese Yen)

	As of Sep. 30, 2021	As of Dec. 31, 2021
<b>Liabilities</b>		
<b>Current liabilities</b>		
Notes and accounts payable - trade	7,371	9,658
Electronically recorded obligations - operating	7,387	7,942
Short-term borrowings	3,507	2,677
Current portion of long-term borrowings	3,039	3,084
Income taxes payable	6,700	3,729
Provision for bonuses	5,814	2,321
Other	18,473	22,960
<b>Total current liabilities</b>	<b>52,293</b>	<b>52,374</b>
<b>Non-current liabilities</b>		
Long-term borrowings	3,240	3,718
Retirement benefit liability	6,903	6,785
Other	1,668	1,652
<b>Total non-current liabilities</b>	<b>11,811</b>	<b>12,156</b>
<b>Total liabilities</b>	<b>64,105</b>	<b>64,531</b>
<b>Net assets</b>		
<b>Shareholders' equity</b>		
Share capital	35,008	35,008
Capital surplus	34,752	34,752
Retained earnings	185,206	189,460
Treasury shares	(20,797)	(20,797)
<b>Total shareholders' equity</b>	<b>234,170</b>	<b>238,423</b>
<b>Accumulated other comprehensive income</b>		
Valuation difference on available-for-sale securities	1,191	1,107
Foreign currency translation adjustment	1,592	2,649
Remeasurements of defined benefit plans	(431)	(428)
<b>Total accumulated other comprehensive income</b>	<b>2,351</b>	<b>3,328</b>
<b>Non-controlling interests</b>	<b>1,048</b>	<b>1,075</b>
<b>Total net assets</b>	<b>237,570</b>	<b>242,827</b>
<b>Total liabilities and net assets</b>	<b>301,676</b>	<b>307,358</b>

## Consolidated Financial Statements

### Consolidated Statements of Income

(Millions of Japanese Yen)

	Three months ended Dec. 31, 2020	Three months ended Dec. 31, 2021
Net sales	36,430	47,028
Cost of sales	18,959	22,572
Gross profit	17,470	24,456
Selling, general and administrative expenses	12,285	13,270
Operating profit	5,185	11,185
Non-operating income		
Interest income	40	13
Insurance claim income	42	8
Rental income from investment property	18	21
Foreign exchange gains	–	14
Share of profit of entities accounted for using equity method	–	221
Other	64	159
Total non-operating income	166	439
Non-operating expenses		
Interest expenses	13	16
Rental expenses on real estate	27	23
Foreign exchange losses	205	–
Share of loss of entities accounted for using equity method	71	–
Other	9	23
Total non-operating expenses	326	63
Ordinary profit	5,025	11,561
Extraordinary income		
Gain on sale of non-current assets	4	8
Gain on sale of investment securities	1	–
Reversal of reserve for loss on dissolution of employees' pension fund	164	–
Total extraordinary income	170	8
Extraordinary losses		
Loss on retirement of non-current assets	11	49
Total extraordinary losses	11	49
Profit before income taxes	5,184	11,519
Income taxes	1,264	2,909
Profit	3,919	8,610
Profit (loss) attributable to non-controlling interests	(12)	14
Profit attributable to owners of parent	3,932	8,596

## Consolidated Financial Statements

### Consolidated Statements of Comprehensive Income

(Millions of Japanese Yen)

	Three months ended Dec. 31, 2020	Three months ended Dec. 31, 2021
Profit	3,919	8,610
Other comprehensive income		
Valuation difference on available-for-sale securities	(39)	(83)
Foreign currency translation adjustment	95	1,064
Remeasurements of defined benefit plans, net of tax	21	2
Share of other comprehensive income of entities accounted for using equity method	(7)	5
Total other comprehensive income	69	989
Comprehensive income	3,988	9,600
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	3,985	9,572
Comprehensive income attributable to non-controlling interests	2	27



## Segment Information

I. Three months ended Dec. 31, 2020 (From Oct. 1, 2020 through Dec. 31, 2020)

Information on the amounts of sales and profit (loss) for reportable segments

(Millions of Japanese Yen)

	Reportable Segment				Other (Note 1)	Total	Adjustments (Note 2)	Consolidated total (Note 3)
	Electron Tube	Opto- semiconductor	Imaging and Measurement Instruments	Total				
Net sales								
Outside customers	14,001	16,426	5,061	35,489	941	36,430	–	36,430
Intersegment	147	100	0	248	243	491	(491)	–
Total net sales	14,148	16,527	5,061	35,737	1,184	36,922	(491)	36,430
Segment profit	4,456	4,407	907	9,771	11	9,782	(4,597)	5,185

### Notes:

1. The “Other” classification encompasses business segments not included in the reportable segments, and is the semiconductor laser business, hotel operations run by Iwata Grand Hotel Inc., a subsidiary, and business relating to the proprietary products of Beijing Hamamatsu Photon Techniques, Inc., which is also a subsidiary.
2. Adjustment of segment profit of negative JPY 4,597 million represents intersegment transactions of negative JPY 191 million and unallocated corporate expenses of negative JPY 4,405 million. Corporate expenses mainly consist of general and administrative expenses and basic research expenses that are unattributable to reportable segments.
3. Segment profit has been reconciled with operating profit presented in the consolidated financial statements.

II. Three months ended Dec. 31, 2021 (From Oct. 1, 2021 through Dec. 31, 2021)

1. Information on the amounts of sales and profit (loss) for reportable segments and information on disaggregation of revenue

(Millions of Japanese Yen)

	Reportable Segment				Other (Note 1)	Total	Adjustments (Note 2)	Consolidated total (Note 3)
	Electron Tube	Opto- semiconductor	Imaging and Measurement Instruments	Total				
Net sales								
Japan	4,706	6,130	889	11,726	299	12,026	–	12,026
North America	4,945	5,775	1,519	12,241	72	12,314	–	12,314
Europe	3,751	5,378	1,164	10,295	110	10,405	–	10,405
Asia excluding Japan	5,268	5,073	1,107	11,450	750	12,201	–	12,201
Other	65	6	9	80	–	80	–	80
Revenue from contracts with customers	18,737	22,365	4,691	45,795	1,233	47,028	–	47,028
Outside customers	18,737	22,365	4,691	45,795	1,233	47,028	–	47,028
Intersegment	404	274	0	679	429	1,109	(1,109)	–
Total net sales	19,142	22,640	4,692	46,474	1,662	48,137	(1,109)	47,028
Segment profit	7,235	7,884	802	15,922	211	16,133	(4,948)	11,185

Notes:

1. The “Other” classification encompasses business segments not included in the reportable segments, and is the semiconductor laser business, hotel operations run by Iwata Grand Hotel Inc., a subsidiary, and business relating to the proprietary products of Beijing Hamamatsu Photon Techniques, Inc., which is also a subsidiary.
2. Adjustment of segment profit of negative JPY 4,948 million represents intersegment transactions of negative JPY 479 million and unallocated corporate expenses of negative JPY 4,469 million. Corporate expenses mainly consist of general and administrative expenses and basic research expenses that are unattributable to reportable segments.
3. Segment profit has been reconciled with operating profit presented in the consolidated financial statements.
4. Net sales is classified by country or region, based on where the customer resides.

2. Matters related to changes in reportable segments

As described in “(3) Notes to Consolidated Financial Statements (Changes in accounting principles)” of “2. Consolidated Financial Statements and Significant Notes Thereto” (in Japanese only), the Company has applied the Accounting Standard for Revenue Recognition and relevant ASBJ regulations from the beginning of the first quarter of this fiscal year, and changed the accounting treatment for revenue recognition. Accordingly, the Company has changed the method of calculating profit of business segments. The impact of this change on net sales to outside customers and segment profit for the three months ended December 31, 2021 is immaterial for each reportable segment.