

# Consolidated Financial Results for the Second Quarter of Fiscal Year ending September 30, 2024 (Japanese GAAP)

May 9, 2024

Company name: Hamamatsu Photonics K.K. Stock listing: Tokyo Stock Exchange  
 Stock code: 6965 URL: <https://www.hamamatsu.com/jp/en.html>  
 Representative: Tadashi Maruno, Representative Director and President, Chief Executive Officer  
 Contact: Kazuhiko Mori, Director, Senior Executive Officer & Chief of Finance and Accounting General Headquarters  
 (Phone: +81-53-452-2141)  
 Scheduled date to file quarterly securities report: May 10, 2024  
 Scheduled date to begin dividend payments: June 4, 2024  
 Supplementary materials to the financial statements have been prepared: Yes  
 Presentation will be held to explain the financial statements: Yes (for analysts and institutional investors)

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

## 1. Consolidated financial results for the six months ended Mar. 31, 2024 (From Oct. 1, 2023 through Mar. 31, 2024)

### (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	%
Six months ended Mar. 31, 2024	103,986	(6.8)	20,064	(36.3)	21,521	(33.8)	16,771	(29.4)
Six months ended Mar. 31, 2023	111,618	11.0	31,520	12.2	32,502	13.5	23,749	11.3

Note: Comprehensive income

Six months ended Mar. 31, 2024: 18,397 million yen [(8.9)%]

Six months ended Mar. 31, 2023: 20,199 million yen [(21.4)%]

	Earnings per share		Diluted earnings per share	
	Yen		Yen	
Six months ended Mar. 31, 2024	108.30		-	
Six months ended Mar. 31, 2023	153.37		-	

### (2) Consolidated financial position

	Total assets		Net assets		Equity ratio	
	Millions of yen		Millions of yen		%	
As of Mar. 31, 2024	406,004		332,663		81.6	
As of Sep. 30, 2023	402,921		320,059		79.1	

For reference: Equity

As of Mar. 31, 2024: 331,164 million yen

As of Sep. 30, 2023: 318,645 million yen

## 2. Dividends

(Base date)	Dividends per share				
	End of Q1	End of Q2	End of Q3	End of FY	Full FY
	Yen	Yen	Yen	Yen	Yen
Fiscal year ended Sep. 30, 2023	-	38.00	-	38.00	76.00
Fiscal year ending Sep. 30, 2024	-	38.00			
Fiscal year ending Sep. 30, 2024 (Forecast)			-	38.00	76.00

Notes: 1. Revision of the forecasts for dividends most recently announced: No

2. The Company plans to conduct a 2-for-1 stock split of shares of common stock with an effective date of October 1, 2024. Dividend amounts for the fiscal year ended September 30, 2023 and the fiscal year ending September 30, 2024 are the amounts prior to such stock split.

## 3. Forecast of consolidated financial results for the fiscal year ending Sep. 30, 2024 (From Oct. 1, 2023 through Sep. 30, 2024)

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
Fiscal year ending Sep. 30, 2024	211,100	(4.7)	37,500	(33.8)	39,700	(33.2)	29,400	(31.3)	189.84

Notes: 1. Revision of the forecasts for consolidated financial results most recently announced: Yes

2. The Company plans to conduct a 2-for-1 stock split of shares of common stock with an effective date of October 1, 2024. The impact of the stock split has not been taken into account for the forecast of earnings per share in the forecast of consolidated financial results for the fiscal year ending September 30, 2024.

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: 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 issued
  - (a) Number of shares issued at end of period including treasury shares
    - As of Mar. 31 2024: 165,083,770 shares
    - As of Sep. 30, 2023: 165,065,948 shares
  - (b) Number of treasury shares at end of period
    - As of Mar. 31 2024: 10,214,438 shares
    - As of Sep. 30, 2023: 10,214,438 shares
  - (c) Average number of shares outstanding during the period
    - Six months ended Mar. 31, 2024: 154,858,619 shares
    - Six months ended Mar. 31, 2023: 154,843,988 shares

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

## (1) Operating Results

During the second quarter of this fiscal year (six months ended March 31, 2024), Japan's economy saw a pickup in corporate capital investment despite the impact of high prices and labor shortages, and improved earnings mainly in the non-manufacturing sector due to a recovery in inbound demand and other factors. However, the economic outlook remained uncertain and challenging due to accelerating inflation mainly in Europe and the US, the impact of monetary tightening in various countries, and concerns about a downturn in the Chinese economy.

Given these circumstances, the Group worked to secure net sales and earnings by making reforms in order to improve corporate value from both a financial and a non-financial perspective and promoting research and product development utilizing the proprietary photonics technologies.

As a result, we closed the second quarter with net sales of JPY 103,986 million, down by JPY 7,631 million (6.8%) compared with the same period one year ago. From an earnings perspective, operating profit was JPY 20,064 million, down by JPY 11,455 million (36.3%), ordinary profit was JPY 21,521 million, down by JPY 10,980 million (33.8%), and profit attributable to owners of parent was JPY 16,771 million, down by JPY 6,977 million (29.4%) from the same period one year ago, resulting in a decrease in both net sales and earnings year on year.

Operating results by segment are as follows:

Effective from the first quarter of this fiscal year, classifications of reportable segments have been changed. Details are as stated in "Segment and Other Information" of "Consolidated Financial Statements." In accordance with these changes, comparative analysis concerning the comparisons against the second quarter of the previous fiscal year stated below is based on figures restated to reflect segment classifications after the changes.

(Electron Tube)

In photomultiplier tubes (PMT), imaging devices and light sources, while sales of PMT for academic applications such as high-energy physics experiments increased in the academic field, sales of PMT for semiconductor fabrication and inspection equipment decreased in the industrial field. In addition, sales of deuterium lamps for liquid chromatography and other analyzers decreased due to stagnant demand for applications such as analysis of pharmaceutical ingredients.

As a result, the Electron Tube business closed the second quarter with net sales of JPY 40,315 million, down by 1.8%, and operating profit of JPY 13,393 million, down by 23.1% from the same period one year ago.

(Opto-semiconductor)

In opto-semiconductor devices, while sales of opto-semiconductor sensors such as photodiode arrays for high-energy physics experiments increased in the academic field due to continued orders from projects in Europe, sales of silicon photodiodes for X-ray CT decreased in the medical field due to the absence of the increase in orders, which had been the result of material shortages until the previous year. In addition, sales of flat panel sensors for dental use also decreased due to the impact of price competition due to the emergence of competitors overseas.

As a result, net sales in the Opto-semiconductor business were JPY 40,416 million, down by 20.4%, and operating profit was JPY 10,560 million, down by 39.1% from the same period one year ago.

(Imaging and Measurement Instruments)

In image processing and measurement systems, sales of failure analysis systems for semiconductor devices were strong as they were praised for their ease of operation and high performance in line with market requirements and applications for logic and power semiconductors were expanded, and sales of digital slide scanners increased due to rising demand in Japan.

As a result, net sales for the Imaging and Measurement Instruments business were JPY 17,747 million, up by 19.4%, and operating profit was JPY 5,369 million, down by 2.1% 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 proprietary products of Beijing Hamamatsu Photon Techniques, Inc., which is also a subsidiary.

In our other businesses, net sales were JPY 5,507 million, up by 11.4%, and operating profit was JPY 848 million, down by 1.0% from the same period one year ago.

## **(2) Financial Conditions**

### **a. Summary of Assets, Liabilities and Net Assets**

Current assets decreased by JPY 3,698 million from the end of the previous fiscal year, mainly reflecting a decrease in notes and accounts receivable - trade of JPY 5,692 million despite an increase in cash and deposits of JPY 7,663 million.

Non-current assets increased by JPY 6,780 million from the end of the previous fiscal year, mainly reflecting an increase in construction in progress of JPY 6,423 million.

As a result, total assets at the end of the second quarter were JPY 406,004 million, up by JPY 3,082 million from the end of the previous fiscal year.

Current liabilities decreased by JPY 10,519 million from the end of the previous fiscal year, mainly reflecting decreases in electronically recorded obligations - facilities (current liabilities - other) of JPY 5,112 million and income taxes payable of JPY 4,021 million, despite an increase in accrued expenses (current liabilities - other) of JPY 1,421 million.

Non-current liabilities increased by JPY 996 million from the end of the previous fiscal year, mainly due to an increase in retirement benefit liability of JPY 1,237 million.

As a result, total liabilities at the end of the second quarter were JPY 73,340 million, down by JPY 9,522 million from the end of the previous fiscal year.

Net assets at the end of the second quarter were JPY 332,663 million, up by JPY 12,604 million from the end of the previous fiscal year, mainly reflecting increases in foreign currency translation adjustment of JPY 1,523 million and retained earnings of JPY 10,876 million as a result of recording profit attributable to owners of parent.

### **b. Summary of Cash Flows**

At the end of the second quarter, cash and cash equivalents (referred to below as "cash") stood at JPY 121,350 million, up by JPY 6,931 million from the end of the previous fiscal year.

(Cash flows from operating activities)

Net cash provided by operating activities was JPY 29,272 million. This mainly reflected profit before income taxes and depreciation.

(Cash flows from investing activities)

Net cash used in investing activities was JPY 17,754 million. This mainly comprised expenditures for the purchase of property, plant and equipment.

(Cash flows from financing activities)

Net cash used in investing activities was JPY 5,367 million. This mainly comprised dividends paid.

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

Based on a careful review of the Group's earnings forecast for the fiscal year ending September 30, 2024, taking into account the conditions in markets where we are conducting our businesses and the operating performance in the most recent quarter, we have revised our forecast of consolidated financial results released on November 10, 2023, as follows.

We assume the yen/US dollar exchange rate for the second half year (from April 1, 2024 through September 30, 2024) will be JPY 145, the yen/Euro exchange rate will be JPY 155 and the yen/RMB exchange rate will be JPY 20.5.

Forecast of Consolidated Financial Results for the Fiscal Year Ending Sep. 30, 2024 (From Oct. 1, 2023 through Sep. 30, 2024)

(Millions of Japanese Yen)

	Net sales	Operating profit	Ordinary profit	Profit attributable to owners of parent	Earnings per share
Previous forecast (A)	224,300	48,400	49,500	36,700	(Yen) 237.00
Revised forecast (B)	211,100	37,500	39,700	29,400	189.84
Change (B-A)	(13,200)	(10,900)	(9,800)	(7,300)	–
Change (%)	(5.9)	(22.5)	(19.8)	(19.9)	–

Note: The Company plans to conduct a 2-for-1 stock split of shares of common stock with an effective date of October 1, 2024. The impact of the stock split has not been taken into account for the forecast of earnings per share in the forecast of consolidated financial results for the fiscal year ending September 30, 2024.

## Consolidated Financial Statements

### Consolidated Balance Sheets

(Millions of Japanese Yen)

	As of Sep. 30, 2023	As of Mar. 31, 2024
<b>Assets</b>		
<b>Current assets</b>		
Cash and deposits	119,128	126,792
Notes and accounts receivable - trade	50,471	44,778
Securities	2,393	1,968
Merchandise and finished goods	18,146	15,926
Work in process	36,014	38,070
Raw materials and supplies	21,394	22,539
Other	13,546	7,291
Allowance for doubtful accounts	(245)	(215)
<b>Total current assets</b>	<b>260,850</b>	<b>257,152</b>
<b>Non-current assets</b>		
<b>Property, plant and equipment</b>		
Buildings and structures, net	55,861	54,650
Machinery, equipment and vehicles, net	15,197	15,005
Tools, furniture and fixtures, net	6,429	6,577
Land	17,798	17,818
Leased assets, net	183	153
Right-of-use assets, net	1,877	1,871
Construction in progress	16,299	22,722
<b>Total property, plant and equipment</b>	<b>113,648</b>	<b>118,800</b>
<b>Intangible assets</b>		
Customer-related intangible assets	1,550	1,375
Other	3,585	3,594
<b>Total intangible assets</b>	<b>5,136</b>	<b>4,970</b>
<b>Investments and other assets</b>		
Investment securities	4,233	4,472
Retirement benefit asset	2,831	4,211
Deferred tax assets	12,631	12,425
Other	3,608	3,991
Allowance for doubtful accounts	(19)	(19)
<b>Total investments and other assets</b>	<b>23,286</b>	<b>25,081</b>
<b>Total non-current assets</b>	<b>142,071</b>	<b>148,851</b>
<b>Total assets</b>	<b>402,921</b>	<b>406,004</b>

## Consolidated Financial Statements

### Consolidated Balance Sheets

(Millions of Japanese Yen)

	As of Sep. 30, 2023	As of Mar. 31, 2024
<b>Liabilities</b>		
<b>Current liabilities</b>		
Notes and accounts payable - trade	7,931	8,160
Electronically recorded obligations - operating	9,238	8,367
Short-term borrowings	5,854	6,471
Current portion of long-term borrowings	1,094	1,094
Income taxes payable	6,631	2,609
Provision for bonuses	7,265	5,887
Other	30,484	25,389
<b>Total current liabilities</b>	<b>68,500</b>	<b>57,980</b>
<b>Non-current liabilities</b>		
Long-term borrowings	5,535	5,488
Retirement benefit liability	6,383	7,621
Deferred tax liabilities	336	223
Other	2,107	2,026
<b>Total non-current liabilities</b>	<b>14,362</b>	<b>15,359</b>
<b>Total liabilities</b>	<b>82,862</b>	<b>73,340</b>
<b>Net assets</b>		
<b>Shareholders' equity</b>		
Share capital	35,095	35,146
Capital surplus	34,374	34,426
Retained earnings	247,922	258,798
Treasury shares	(20,798)	(20,798)
<b>Total shareholders' equity</b>	<b>296,594</b>	<b>307,573</b>
<b>Accumulated other comprehensive income</b>		
Valuation difference on available-for-sale securities	1,109	1,212
Foreign currency translation adjustment	19,173	20,697
Remeasurements of defined benefit plans	1,768	1,681
<b>Total accumulated other comprehensive income</b>	<b>22,051</b>	<b>23,591</b>
<b>Non-controlling interests</b>	<b>1,413</b>	<b>1,499</b>
<b>Total net assets</b>	<b>320,059</b>	<b>332,663</b>
<b>Total liabilities and net assets</b>	<b>402,921</b>	<b>406,004</b>

## Consolidated Financial Statements

### Consolidated Statements of Income

(Millions of Japanese Yen)

	Six months ended Mar. 31, 2023	Six months ended Mar. 31, 2024
Net sales	111,618	103,986
Cost of sales	49,451	50,568
Gross profit	62,167	53,418
Selling, general and administrative expenses	30,647	33,353
Operating profit	31,520	20,064
Non-operating income		
Interest income	271	492
Share of profit of entities accounted for using equity method	241	244
Foreign exchange gains	38	232
Other	582	553
Total non-operating income	1,134	1,523
Non-operating expenses		
Interest expenses	41	45
Other	109	20
Total non-operating expenses	151	65
Ordinary profit	32,502	21,521
Extraordinary income		
Gain on sale of non-current assets	16	19
Subsidy income	306	287
Compensation income	–	166
Total extraordinary income	323	473
Extraordinary losses		
Loss on sale of non-current assets	–	0
Loss on retirement of non-current assets	610	11
Loss on tax purpose reduction entry of non-current assets	177	69
Loss on valuation of investment securities	34	37
Total extraordinary losses	822	117
Profit before income taxes	32,003	21,877
Income taxes	8,178	5,023
Profit	23,825	16,854
Profit attributable to non-controlling interests	76	82
Profit attributable to owners of parent	23,749	16,771



## Consolidated Financial Statements

### Consolidated Statements of Comprehensive Income

(Millions of Japanese Yen)

	Six months ended Mar. 31, 2023	Six months ended Mar. 31, 2024
Profit	23,825	16,854
Other comprehensive income		
Valuation difference on available-for-sale securities	148	102
Deferred gains or losses on hedges	457	–
Foreign currency translation adjustment	(4,243)	1,544
Remeasurements of defined benefit plans, net of tax	32	(86)
Share of other comprehensive income of entities accounted for using equity method	(21)	(16)
Total other comprehensive income	(3,626)	1,543
Comprehensive income	20,199	18,397
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	20,161	18,310
Comprehensive income attributable to non-controlling interests	37	86

Consolidated Financial Statements  
Consolidated Statements of Cash Flows

(Millions of Japanese Yen)

	Six months ended Mar. 31, 2023	Six months ended Mar. 31, 2024
Cash flows from operating activities		
Profit before income taxes	32,003	21,877
Depreciation	6,468	7,538
Increase (decrease) in provision for bonuses	(2,456)	(1,393)
Interest and dividend income	(298)	(544)
Interest expenses	41	45
Share of loss (profit) of entities accounted for using equity method	(241)	(244)
Decrease (increase) in trade receivables	(1,352)	6,119
Decrease (increase) in inventories	(10,831)	(626)
Increase (decrease) in trade payables	3,265	(928)
Other, net	6,562	5,959
Subtotal	33,161	37,803
Interest and dividends received	300	520
Interest paid	(41)	(45)
Income taxes refund (paid)	(13,208)	(9,006)
Net cash provided by (used in) operating activities	20,211	29,272
Cash flows from investing activities		
Net decrease (increase) in time deposits	(1,000)	145
Purchase of securities	(1,780)	(1,037)
Proceeds from redemption of securities	821	592
Purchase of property, plant and equipment	(16,513)	(16,861)
Purchase of investment securities	(84)	(35)
Other, net	(403)	(558)
Net cash provided by (used in) investing activities	(18,960)	(17,754)
Cash flows from financing activities		
Net increase (decrease) in short-term borrowings	30	617
Repayments of long-term borrowings	(49)	(47)
Dividends paid	(6,196)	(5,904)
Purchase of shares of subsidiaries not resulting in change in scope of consolidation	(602)	–
Other, net	(69)	(32)
Net cash provided by (used in) financing activities	(6,887)	(5,367)
Effect of exchange rate change on cash and cash equivalents	(3,058)	780
Net increase (decrease) in cash and cash equivalents	(8,695)	6,931
Cash and cash equivalents at beginning of period	123,065	114,419
Cash and cash equivalents at end of period	114,370	121,350

## Segment and Other Information

I. Six months ended Mar. 31, 2023 (From Oct. 1, 2022 through Mar. 31, 2023)

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	6,770	13,469	3,967	24,206	2,497	26,704	–	26,704
North America	12,187	14,408	3,038	29,634	73	29,707	–	29,707
Europe	8,829	11,572	3,282	23,684	342	24,026	–	24,026
Asia excluding Japan	13,161	11,292	4,523	28,977	2,030	31,008	–	31,008
Other	99	21	49	171	–	171	–	171
Revenue from contracts with customers	41,048	50,765	14,861	106,674	4,943	111,618	–	111,618
Outside customers	41,048	50,765	14,861	106,674	4,943	111,618	–	111,618
Intersegment	664	864	2	1,530	172	1,703	(1,703)	–
Total net sales	41,712	51,629	14,864	108,205	5,116	113,321	(1,703)	111,618
Segment profit	17,414	17,351	5,486	40,252	857	41,110	(9,589)	31,520

### 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 9,589 million represents intersegment transactions of negative JPY 767 million and unallocated corporate expenses of negative JPY 8,822 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.

II. Six months ended Mar. 31, 2024 (From Oct. 1, 2023 through Mar. 31, 2024)

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	6,756	9,661	4,199	20,617	2,923	23,540	–	23,540
North America	11,459	12,164	3,569	27,193	145	27,338	–	27,338
Europe	8,507	9,474	4,113	22,095	224	22,319	–	22,319
Asia excluding Japan	13,445	9,084	5,857	28,387	2,214	30,601	–	30,601
Other	146	30	8	185	1	186	–	186
Revenue from contracts with customers	40,315	40,416	17,747	98,479	5,507	103,986	–	103,986
Outside customers	40,315	40,416	17,747	98,479	5,507	103,986	–	103,986
Intersegment	442	375	59	877	141	1,019	(1,019)	–
Total net sales	40,757	40,792	17,807	99,357	5,648	105,005	(1,019)	103,986
Segment profit	13,393	10,560	5,369	29,323	848	30,172	(10,108)	20,064

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 10,108 million represents intersegment transactions of negative JPY 451 million and unallocated corporate expenses of negative JPY 9,657 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

Effective the first quarter of the fiscal year ending September 30, 2024, the Stealth Dicing Engine unit that was included in the Electron Tube Segment, is now included in the Other Segment as part of changes that have been made to segment classifications following restructuring in the Company. Following these changes, segment information for the six months ended March 31, 2023 is disclosed based on the new segment classifications.

## Important Subsequent Events

### Stock split and partial amendment to the Articles of Incorporation in connection with the stock split

At the Board of Directors meeting held on May 9, 2024, the Company resolved to conduct a stock split and to partially amend its Articles of Incorporation in connection with the stock split as follows.

(1) Purpose of stock split

The purpose of the stock split is to increase the liquidity of the Company's stock and expand the investor base by creating a more investment-friendly environment by reducing the amount per investment unit of the Company's stock.

(2) Outline of stock split

(i) Method of split

The Company will conduct a 2-for-1 stock split of shares of the Company's common stock held by shareholders as of September 30, 2024, with a record date of September 30, 2024.

(ii) Number of shares to be increased by split

Total number of shares issued before stock split:	165,083,770 shares
Number of shares to be increased by stock split:	165,083,770 shares
Total number of shares issued after stock split:	330,167,540 shares
Total number of authorized shares after stock split:	1,000,000,000 shares

(iii) Schedule of split

Date of public notice of record date: September 13, 2024 (Planned)

Record date: September 30, 2024

Effective date: October 1, 2024

(iv) Effect on per share information

Per share information assuming that the stock split had been conducted at the beginning of the previous fiscal year is as follows.

(Japanese Yen)

	Six months ended Mar. 31, 2023 (From Oct. 1, 2022 through Mar. 31, 2023)	Six months ended Mar. 31, 2024 (From Oct. 1, 2023 through Mar. 31, 2024)
Earnings per share	76.69	54.15

Note: There are no latent shares, and no figures for the diluted earnings per share have been disclosed.

(3) Partial amendment to the Articles of Incorporation

(i) Reason for the amendment

In connection with the stock split, the Company will change the total number of authorized shares set forth in Article 6 of its Articles of Incorporation on October 1, 2024, in accordance with Article 184, paragraph (2) of the Companies Act.

(ii) Detail of the amendment

The detail of the amendment is as follows:

(The underlined part indicates the amendment.)

Current Articles of Incorporation	After amendment
Article 6 Total Number of Authorized Shares The total number of shares authorized to be issued by the Company shall be <u>500,000,000</u> .	Article 6 Total Number of Authorized Shares The total number of shares authorized to be issued by the Company shall be <u>1,000,000,000</u> .

(iii) Schedule of the amendment

Effective date:

Tuesday, October 1, 2024

### Business combination through acquisition

Based on the Board of Directors meeting held on June 9, 2022, the Company concluded a share transfer agreement on June 24, 2022, that its consolidated subsidiary Photonics Management Europe S.R.L. would acquire all the shares of NKT Photonics A/S to make it a subsidiary (a sub-subsidiary of the Company).

Subsequently, we proceeded with the legal and regulatory procedures in the relevant countries and obtained the approvals for the share acquisition from the relevant authorities in Germany, the United Kingdom, and the United States. However, in Denmark, the Minister for Industry, Business and Financial Affairs decided to reject the application for the share acquisition in accordance with the Danish Investment Screening Act after consulting with the Minister for Finance, Minister for Foreign Affairs, Minister for Justice, and Minister of Defense. On May 2, 2023, we received a notice regarding the decision from the Danish Business Authority.

In response to the above, after the necessary internal and external consultations and on July 20, 2023, we again submitted to the Danish Business Authority an application to acquire shares in NKT Photonics A/S as a subsidiary of Photonics Management Europe S.R.L. (a sub-subsidiary of the Company).

The application was received by the Danish Business Authority on July 26, 2023, and after consulting with the Minister for Finance, Minister for Foreign Affairs, Minister for Justice, and Minister of Defense, the Minister for Industry, Business and Financial Affairs decided to approve the application. On May 6, 2024, the Company received a notice of approval for the share acquisition from the Danish Business Authority.

#### 1. Outline of the business combination

##### (1) Name and business description of the acquiree

Name of the acquiree: NKT Photonics A/S

Description of business: Development, manufacture and sales of laser devices, and laser device components

##### (2) Primary reasons for the business combination

NKT Photonics A/S is a fiber laser manufacturer that possesses unique manufacturing technologies for photonic crystal fiber used for ultrashort pulse laser amplification and for fiber transmission. Meanwhile, the Company, which specializes in the laser diode business, which forms the basis of compound semiconductor process technologies, has a mutually complementary relationship with NKT Photonics A/S, which specializes in fiber lasers.

The Company has decided on this acquisition of the shares of NKT Photonics A/S based on the judgment that it will further enhance the market for the laser business through the sharing and cooperation of insight, knowhow, and management resources accumulated by the Company and NKT Photonics A/S.

##### (3) Date of the business combination

During the third quarter of this fiscal year (Planned)

##### (4) Legal form of the business combination

Cash acquisition of shares

##### (5) Ratio of voting rights to be acquired

100%

##### (6) Main basis for reaching a decision on business combination

Cash acquisition of shares by the Company's consolidated subsidiary Photonics Management Europe S.R.L.

#### 2. Acquisition cost of the acquiree and breakdown thereof by consideration type

<u>Consideration for the acquisition</u>	<u>Cash</u>	<u>Approx. EUR 239 million (Approx. JPY 39,030 million) (Plan)</u>
--	-------------	--

Acquisition cost		Approx. EUR 239 million (Approx. JPY 39,030 million) (Plan)
------------------	--	---

The exchange rate is assumed to be EUR 1 = JPY 163.24 (closing telegraphic transfer middle rate for March 29, 2024 announced by MUFG Bank, Ltd.)

The acquisition cost includes consideration for the acquisition of the shares plus the amount of net interest-bearing debt. The amount will be adjusted for price adjustments as stipulated in the share transfer agreement.

3. Details and amounts of main acquisition-related costs  
Advisory fees, etc. (approximate amount): JPY 1,000 million
4. Amount of goodwill, reason for recognition, amortization method and amortization period  
Not confirmed at this stage.
5. Amount and breakdown of assets to be acquired and liabilities to be assumed on the date of the business combination  
Not confirmed at this stage.