Consolidated Financial Results for the First Quarter of Fiscal Year ending September 30, 2017 (Japanese GAAP)

February 6, 2017

Company name: Hamamatsu Photonics K.K. Stock listing: Tokyo Stock Exchange First Section
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 file quarterly securities report: February 10, 2017
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, 2016 (From Oct. 1, 2016 through Dec. 31, 2016)

(1) Consolidated operating results

<table>
<thead>
<tr>
<th></th>
<th>Net sales</th>
<th>Operating income</th>
<th>Ordinary income</th>
<th>Profit attributable to owners of parent</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Millions of yen</td>
<td>Millions of yen</td>
<td>Millions of yen</td>
<td>Millions of yen</td>
</tr>
<tr>
<td></td>
<td>%</td>
<td>%</td>
<td>%</td>
<td>%</td>
</tr>
<tr>
<td>Three months ended</td>
<td>Dec. 31, 2016</td>
<td>29,981</td>
<td>4,300</td>
<td>4,775</td>
</tr>
<tr>
<td></td>
<td></td>
<td>(14.4)</td>
<td>(6.0)</td>
<td>(3.1)</td>
</tr>
<tr>
<td>Three months ended</td>
<td>Dec. 31, 2015</td>
<td>29,822</td>
<td>5,023</td>
<td>5,082</td>
</tr>
<tr>
<td></td>
<td></td>
<td>(12.5)</td>
<td>(18.3)</td>
<td>(18.3)</td>
</tr>
</tbody>
</table>

Note: Comprehensive income
Three months ended Dec. 31, 2016: 6,900 million yen [103.8%]
Three months ended Dec. 31, 2015: 3,385 million yen [52.8%]

(2) Consolidated financial position

<table>
<thead>
<tr>
<th></th>
<th>Total assets</th>
<th>Net assets</th>
<th>Equity ratio</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Millions of yen</td>
<td>Millions of yen</td>
<td>%</td>
</tr>
<tr>
<td>As of Dec. 31, 2016</td>
<td>223,673</td>
<td>173,937</td>
<td>77.5</td>
</tr>
<tr>
<td>As of Sep. 30, 2016</td>
<td>217,300</td>
<td>169,716</td>
<td>77.8</td>
</tr>
</tbody>
</table>

For reference: Equity
As of Dec. 31, 2016: 173,370 million yen
As of Sep. 30, 2016: 169,163 million yen

2. Dividends

(Base date) End of Q1 End of Q2 End of Q3 End of FY Full FY

<table>
<thead>
<tr>
<th></th>
<th>Yen</th>
<th>Yen</th>
<th>Yen</th>
<th>Yen</th>
<th>Yen</th>
</tr>
</thead>
<tbody>
<tr>
<td>Fiscal year ended</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Sep. 30, 2016</td>
<td></td>
<td>17.00</td>
<td></td>
<td>17.00</td>
<td>34.00</td>
</tr>
<tr>
<td>Fiscal year ending</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Sep. 30, 2017</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Fiscal year ending</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Sep. 30, 2017 (Outlook)</td>
<td>17.00</td>
<td></td>
<td>17.00</td>
<td>34.00</td>
<td></td>
</tr>
</tbody>
</table>

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


<table>
<thead>
<tr>
<th></th>
<th>Net sales</th>
<th>Operating income</th>
<th>Ordinary income</th>
<th>Profit attributable to owners of parent</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Millions of yen</td>
<td>Millions of yen</td>
<td>Millions of yen</td>
<td>Millions of yen</td>
</tr>
<tr>
<td></td>
<td>%</td>
<td>%</td>
<td>%</td>
<td>%</td>
</tr>
<tr>
<td>Six months ending</td>
<td>Mar. 31, 2017</td>
<td>60,500</td>
<td>9,100</td>
<td>9,400</td>
</tr>
<tr>
<td></td>
<td>(3.7)</td>
<td>(18.0)</td>
<td>(16.0)</td>
<td>(11.2)</td>
</tr>
<tr>
<td>Fiscal year ending</td>
<td>Sep. 30, 2017</td>
<td>122,500</td>
<td>19,000</td>
<td>19,600</td>
</tr>
<tr>
<td></td>
<td>0.5</td>
<td>(7.5)</td>
<td>(2.2)</td>
<td>(0.1)</td>
</tr>
</tbody>
</table>

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: 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 shares
      As of Dec. 31, 2016: 167,529,968 shares
      As of Sep. 30, 2016: 167,529,968 shares
   (b) Number of treasury shares at end of period
      As of Dec. 31, 2016: 10,213,758 shares
      As of Sep. 30, 2016: 10,213,758 shares
   (c) Average number of shares issued during the period
      Three months ended Dec. 31, 2016: 157,316,210 shares
      Three months ended Dec. 31, 2015: 160,786,317 shares
1. Qualitative Information Related to Consolidated Performance for the First Quarter of this Fiscal Year

(1) Operating Results

In the business environment for the first quarter of this fiscal year (three months ended December 31, 2016), the economy traced a gradual recovery trend as personal consumption remained steady and a recovery in export activity was evident as well. Nevertheless, there also were obstacles, such as the risk of a slowdown in the economies of newly developing countries, the problem of Great Britain’s withdrawal from the EU, and the change of political administration in the United States, and the future outlook for the economy remained opaque.

Given these circumstances, our Group strove to ensure net sales and earnings by continuing proactive capital investment for the future, pursuing research and development concerning light, and working on the development of new products to address customers’ needs.

As a result, we closed the first quarter with net sales of JPY 29,981 million, up by JPY 158 million (0.5%) over one year ago. From an earnings perspective, however, operating income was JPY 4,300 million, down JPY 723 million (14.4%) compared with one year ago, and ordinary income was JPY 4,775 million, down by JPY 307 million (6.0%) from the previous year, and quarterly profit attributable to owners of parent was JPY 3,621 million, down by JPY 114 million (3.1%) from the same period one year ago.

Performance by segment is as follows;

(Electron Tube)

Although sales of photomultiplier tubes (PMT) for nuclear medicine applications such as Positron Emission Tomography (PET) and semiconductor devices such as wafer inspection equipment were strong, and sales for academic applications also rose as a result of orders for PMT to use in high-energy physics experiments, results compared with the same period one year ago were negatively affected by downward pressure on sales as the exchange rate shifted to appreciation of the yen.

In imaging devices and light sources, sales in the industrial field of microfocus X-ray light sources for non-destructive testing devices improved steadily centered on Asia, but sales of our Stealth Dicing Engine for silicon wafer dicing contracted. In addition, sales in the medical field of scintillators for converting X-ray light into visible light struggled to expand.

As a result of the above factors, the Electron Tube business closed the first quarter with net sales of JPY 11,151 million, down by 4.1%, and operating income of JPY 3,638 million, down by 9.6% from the same period one year ago.

(Opto-semiconductor)

In opto-semiconductors, even though sales were pushed downward by the effect of the appreciation of the yen, sales of flat panel sensors for dental applications in the medical field rose substantially centered on overseas markets. In addition, sales of our core silicon photodiodes continued to increase steadily centered on applications for other medical devices. In the industrial field, sales of image sensors for semiconductor fabrication and inspection equipment, and sales of silicon photodiodes and LED for the encoders used for industrial robotic control, remained strong.

As a result, net sales in the Opto-semiconductor business were JPY 14,047 million, up by 4.5%, and operating income was JPY 4,071 million, down by 0.6% from the same period one year ago.

(Imaging and Measurement Instruments)

In the image processing and measurement systems business, sales of failure analysis systems for semiconductor manufacturing continued to expand vigorously, primarily in Asia, and sales of cameras for X-ray nondestructive testing in markets such as foods also were steady. On the other hand, sales of digital cameras used in the field of life sciences and biology declined, affected by the impact of inventory adjustments caused by delayed releases of customers’ new products.
As a result, net sales for the Imaging and Measurement Instruments business were JPY 3,806 million, down by 0.3%, and operating income was JPY 674 million, down by 10.8% 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.
Net sales were JPY 975 million, up by 4.5%, and operating income was JPY 68 million, down by 19.7% from the same period one year ago.

(2) Financial Conditions
Current assets increased by JPY 3,455 million from the year ended September 30, 2016. This mainly reflected an increase in cash and deposits of JPY 2,455 million, and an increase in inventories of JPY 1,618 million, respectively.
Non-current assets increased by JPY 2,917 million from the end of the previous fiscal year. This was mainly from an increase in property, plant and equipment of JPY 2,595 million that resulted from increases in construction in progress, buildings and structures.
Total assets at the end of the first quarter were JPY 223,673 million, up by JPY 6,372 million from the year ended September 30, 2016.
Current liabilities increased by JPY 2,084 million from the end of the previous fiscal year. Total current liabilities increased mainly because of an increase in accounts payable - facilities (current liabilities-other) of JPY 1,236 million and an increase in deposits received (current liabilities-other) of JPY 1,173 million, respectively.
Non-current liabilities increased by JPY 67 million from the previous fiscal year-end, mainly due to an increase in net defined benefit liability of JPY 96 million.
Total liabilities at the end of the first quarter were JPY 49,735 million, up by JPY 2,151 million from the end of the fiscal year ended September 30, 2016.
Net assets were JPY 173,937 million, up by JPY 4,221 million from the previous fiscal year-end. This mainly reflected an increase in foreign currency translation adjustment of JPY 3,026 million, and an increase in retained earnings of JPY 942 million that included the reported profit attributable to owners of parent.

(3) Projection for the year
There is no change to the projection for the first six months ending March 31, 2017 and for the fiscal year ending September 30, 2017 released on November 7, 2016.
We assume the yen/US dollar exchange rate will be JPY 100 and the yen/Euro exchange rate will be JPY 110.
## Consolidated Balance Sheets

(Millions of Japanese Yen)

<table>
<thead>
<tr>
<th></th>
<th>As of Sep. 30, 2016</th>
<th>As of Dec. 31, 2016</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Assets</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Current assets</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cash and deposits</td>
<td>74,503</td>
<td>76,958</td>
</tr>
<tr>
<td>Notes and accounts receivable - trade</td>
<td>27,916</td>
<td>29,164</td>
</tr>
<tr>
<td>Securities</td>
<td>1,000</td>
<td>-</td>
</tr>
<tr>
<td>Merchandise and finished goods</td>
<td>7,554</td>
<td>8,866</td>
</tr>
<tr>
<td>Work in process</td>
<td>16,248</td>
<td>16,527</td>
</tr>
<tr>
<td>Raw materials and supplies</td>
<td>6,241</td>
<td>6,268</td>
</tr>
<tr>
<td>Other</td>
<td>7,232</td>
<td>6,360</td>
</tr>
<tr>
<td>Allowance for doubtful accounts</td>
<td>(188)</td>
<td>(183)</td>
</tr>
<tr>
<td><strong>Total current assets</strong></td>
<td>140,508</td>
<td>143,964</td>
</tr>
<tr>
<td><strong>Non-current assets</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Property, plant and equipment</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Buildings and structures, net</td>
<td>29,231</td>
<td>29,905</td>
</tr>
<tr>
<td>Machinery, equipment and vehicles, net</td>
<td>10,070</td>
<td>10,586</td>
</tr>
<tr>
<td>Tools, furniture and fixtures, net</td>
<td>3,762</td>
<td>3,953</td>
</tr>
<tr>
<td>Land</td>
<td>16,406</td>
<td>16,463</td>
</tr>
<tr>
<td>Leased assets, net</td>
<td>195</td>
<td>188</td>
</tr>
<tr>
<td>Construction in progress</td>
<td>4,625</td>
<td>5,791</td>
</tr>
<tr>
<td><strong>Total property, plant and equipment</strong></td>
<td>64,292</td>
<td>66,888</td>
</tr>
<tr>
<td>Intangible assets</td>
<td>1,463</td>
<td>1,534</td>
</tr>
<tr>
<td>Investments and other assets</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Investment securities</td>
<td>2,446</td>
<td>2,744</td>
</tr>
<tr>
<td>Deferred tax assets</td>
<td>6,638</td>
<td>6,568</td>
</tr>
<tr>
<td>Other</td>
<td>1,970</td>
<td>1,992</td>
</tr>
<tr>
<td>Allowance for doubtful accounts</td>
<td>(19)</td>
<td>(19)</td>
</tr>
<tr>
<td><strong>Total investments and other assets</strong></td>
<td>11,036</td>
<td>11,286</td>
</tr>
<tr>
<td><strong>Total non-current assets</strong></td>
<td>76,792</td>
<td>79,709</td>
</tr>
<tr>
<td><strong>Total assets</strong></td>
<td>217,300</td>
<td>223,673</td>
</tr>
</tbody>
</table>
## Consolidated Financial Statements
### Consolidated Balance Sheets

(Millions of Japanese Yen)

<table>
<thead>
<tr>
<th></th>
<th>As of Sep. 30, 2016</th>
<th>As of Dec. 31, 2016</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Liabilities</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Current liabilities</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Notes and accounts payable - trade</td>
<td>4,580</td>
<td>4,668</td>
</tr>
<tr>
<td>Electronically recorded obligations - operating</td>
<td>8,880</td>
<td>9,451</td>
</tr>
<tr>
<td>Short-term loans payable</td>
<td>2,183</td>
<td>2,176</td>
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<tr>
<td>Current portion of long-term loans payable</td>
<td>218</td>
<td>215</td>
</tr>
<tr>
<td>Income taxes payable</td>
<td>2,019</td>
<td>1,201</td>
</tr>
<tr>
<td>Provision for bonuses</td>
<td>3,613</td>
<td>1,767</td>
</tr>
<tr>
<td>Other</td>
<td>10,380</td>
<td>14,480</td>
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<tr>
<td>Total current liabilities</td>
<td>31,876</td>
<td>33,961</td>
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<tr>
<td>Non-current liabilities</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Long-term loans payable</td>
<td>6,844</td>
<td>6,801</td>
</tr>
<tr>
<td>Net defined benefit liability</td>
<td>7,118</td>
<td>7,215</td>
</tr>
<tr>
<td>Other</td>
<td>1,743</td>
<td>1,757</td>
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<tr>
<td>Total non-current liabilities</td>
<td>15,707</td>
<td>15,774</td>
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<tr>
<td>Total liabilities</td>
<td>47,583</td>
<td>49,735</td>
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<tr>
<td><strong>Net assets</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Shareholders' equity</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Capital stock</td>
<td>34,928</td>
<td>34,928</td>
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<tr>
<td>Capital surplus</td>
<td>34,672</td>
<td>34,672</td>
</tr>
<tr>
<td>Retained earnings</td>
<td>119,259</td>
<td>120,201</td>
</tr>
<tr>
<td>Treasury shares</td>
<td>(16,059)</td>
<td>(16,059)</td>
</tr>
<tr>
<td>Total shareholders' equity</td>
<td>172,800</td>
<td>173,743</td>
</tr>
<tr>
<td>Accumulated other comprehensive income</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Valuation difference on available-for-sale securities</td>
<td>455</td>
<td>657</td>
</tr>
<tr>
<td>Foreign currency translation adjustment</td>
<td>(2,921)</td>
<td>104</td>
</tr>
<tr>
<td>Remeasurements of defined benefit plans</td>
<td>(1,170)</td>
<td>(1,134)</td>
</tr>
<tr>
<td>Total accumulated other comprehensive income</td>
<td>(3,637)</td>
<td>(372)</td>
</tr>
<tr>
<td>Non-controlling interests</td>
<td>553</td>
<td>567</td>
</tr>
<tr>
<td>Total net assets</td>
<td>169,716</td>
<td>173,937</td>
</tr>
<tr>
<td>Total liabilities and net assets</td>
<td>217,300</td>
<td>223,673</td>
</tr>
<tr>
<td>--------------------------------</td>
<td>----------------------------------</td>
<td>----------------------------------</td>
</tr>
<tr>
<td>Net sales</td>
<td>29,822</td>
<td>29,981</td>
</tr>
<tr>
<td>Cost of sales</td>
<td>14,388</td>
<td>15,288</td>
</tr>
<tr>
<td>Gross profit</td>
<td>15,433</td>
<td>14,692</td>
</tr>
<tr>
<td>Selling, general and administrative expenses</td>
<td>10,410</td>
<td>10,392</td>
</tr>
<tr>
<td>Operating income</td>
<td>5,023</td>
<td>4,300</td>
</tr>
<tr>
<td>Non-operating income</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Interest income</td>
<td>68</td>
<td>36</td>
</tr>
<tr>
<td>Rent of real estate for investment</td>
<td>36</td>
<td>27</td>
</tr>
<tr>
<td>Foreign exchange gains</td>
<td>-</td>
<td>370</td>
</tr>
<tr>
<td>Share of profit of entities accounted for using equity method</td>
<td>25</td>
<td>31</td>
</tr>
<tr>
<td>Other</td>
<td>90</td>
<td>66</td>
</tr>
<tr>
<td>Total non-operating income</td>
<td>220</td>
<td>533</td>
</tr>
<tr>
<td>Non-operating expenses</td>
<td></td>
<td></td>
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<tr>
<td>Interest expenses</td>
<td>24</td>
<td>28</td>
</tr>
<tr>
<td>Rent expenses on real estates</td>
<td>18</td>
<td>15</td>
</tr>
<tr>
<td>Foreign exchange losses</td>
<td>110</td>
<td>-</td>
</tr>
<tr>
<td>Other</td>
<td>8</td>
<td>13</td>
</tr>
<tr>
<td>Total non-operating expenses</td>
<td>161</td>
<td>57</td>
</tr>
<tr>
<td>Ordinary income</td>
<td>5,082</td>
<td>4,775</td>
</tr>
<tr>
<td>Extraordinary income</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Gain on sales of non-current assets</td>
<td>26</td>
<td>8</td>
</tr>
<tr>
<td>Gain on sales of investment securities</td>
<td>-</td>
<td>0</td>
</tr>
<tr>
<td>Total extraordinary income</td>
<td>26</td>
<td>8</td>
</tr>
<tr>
<td>Extraordinary losses</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Loss on sales of non-current assets</td>
<td>0</td>
<td>5</td>
</tr>
<tr>
<td>Loss on retirement of non-current assets</td>
<td>4</td>
<td>7</td>
</tr>
<tr>
<td>Total extraordinary losses</td>
<td>4</td>
<td>13</td>
</tr>
<tr>
<td>Profit before income taxes</td>
<td>5,104</td>
<td>4,770</td>
</tr>
<tr>
<td>Income taxes</td>
<td>1,354</td>
<td>1,126</td>
</tr>
<tr>
<td>Profit</td>
<td>3,750</td>
<td>3,643</td>
</tr>
<tr>
<td>Profit attributable to non-controlling interests</td>
<td>14</td>
<td>22</td>
</tr>
<tr>
<td>Profit attributable to owners of parent</td>
<td>3,736</td>
<td>3,621</td>
</tr>
<tr>
<td>--------------------------------------</td>
<td>----------------------------------</td>
<td>----------------------------------</td>
</tr>
<tr>
<td>Profit</td>
<td>3,750</td>
<td>3,643</td>
</tr>
<tr>
<td>Other comprehensive income</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Valuation difference on available-for-sale securities</td>
<td>80</td>
<td>201</td>
</tr>
<tr>
<td>Foreign currency translation adjustment</td>
<td>(531)</td>
<td>3,022</td>
</tr>
<tr>
<td>Remeasurements of defined benefit plans, net of tax</td>
<td>90</td>
<td>36</td>
</tr>
<tr>
<td>Share of other comprehensive income of entities accounted for using equity method</td>
<td>(4)</td>
<td>(3)</td>
</tr>
<tr>
<td>Total other comprehensive income</td>
<td>(364)</td>
<td>3,256</td>
</tr>
<tr>
<td>Comprehensive income</td>
<td>3,385</td>
<td>6,900</td>
</tr>
<tr>
<td>Comprehensive income attributable to</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Comprehensive income attributable to owners of parent</td>
<td>3,388</td>
<td>6,885</td>
</tr>
<tr>
<td>Comprehensive income attributable to non-controlling interests</td>
<td>(2)</td>
<td>14</td>
</tr>
</tbody>
</table>
### Segment Information

**Information on the Amounts of Sales and Income (Loss) for Reportable Segments**

Three months ended December 31, 2015 (From Oct. 1, 2015 through Dec. 31, 2015)

(Millions of Japanese Yen)

<table>
<thead>
<tr>
<th>Reportable Segment</th>
<th>Electron Tube</th>
<th>Opto-semiconductor</th>
<th>Imaging and Measurement Instruments</th>
<th>Total</th>
<th>Other (Note 1)</th>
<th>Total</th>
<th>Adjustments (Note 2)</th>
<th>Consolidated total (Note 3)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Net sales Outside customers</td>
<td>11,624</td>
<td>13,446</td>
<td>3,817</td>
<td>28,888</td>
<td>933</td>
<td>29,822</td>
<td>-</td>
<td>29,822</td>
</tr>
<tr>
<td>Intersegment</td>
<td>304</td>
<td>226</td>
<td>1</td>
<td>532</td>
<td>244</td>
<td>776</td>
<td>(776)</td>
<td>-</td>
</tr>
<tr>
<td>Total net sales</td>
<td>11,929</td>
<td>13,673</td>
<td>3,818</td>
<td>29,421</td>
<td>1,177</td>
<td>30,598</td>
<td>(776)</td>
<td>29,822</td>
</tr>
<tr>
<td>Segment income</td>
<td>4,026</td>
<td>4,095</td>
<td>756</td>
<td>8,878</td>
<td>85</td>
<td>8,963</td>
<td>(3,939)</td>
<td>5,023</td>
</tr>
</tbody>
</table>

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 income of negative JPY 3,939 million represents intersegment transactions of negative JPY 312 million and unallocated corporate expenses of negative JPY 3,627 million. Corporate expenses mainly consist of general and administrative expenses and basic research expenses that are unattributable to reportable segments.
3. Segment income has been reconciled with operating income presented in the consolidated financial statements.

Three months ended December 31, 2016 (From Oct. 1, 2016 through Dec. 31, 2016)

(Millions of Japanese Yen)

<table>
<thead>
<tr>
<th>Reportable Segment</th>
<th>Electron Tube</th>
<th>Opto-semiconductor</th>
<th>Imaging and Measurement Instruments</th>
<th>Total</th>
<th>Other (Note 1)</th>
<th>Total</th>
<th>Adjustments (Note 2)</th>
<th>Consolidated total (Note 3)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Net sales Outside customers</td>
<td>11,151</td>
<td>14,047</td>
<td>3,806</td>
<td>29,005</td>
<td>975</td>
<td>29,981</td>
<td>-</td>
<td>29,981</td>
</tr>
<tr>
<td>Intersegment</td>
<td>428</td>
<td>187</td>
<td>2</td>
<td>618</td>
<td>129</td>
<td>748</td>
<td>(748)</td>
<td>-</td>
</tr>
<tr>
<td>Total net sales</td>
<td>11,580</td>
<td>14,235</td>
<td>3,808</td>
<td>29,624</td>
<td>1,105</td>
<td>30,729</td>
<td>(748)</td>
<td>29,981</td>
</tr>
<tr>
<td>Segment income</td>
<td>3,638</td>
<td>4,071</td>
<td>674</td>
<td>8,385</td>
<td>68</td>
<td>8,453</td>
<td>(4,153)</td>
<td>4,300</td>
</tr>
</tbody>
</table>

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 income of negative JPY 4,153 million represents intersegment transactions of negative JPY 361 million and unallocated corporate expenses of negative JPY 3,792 million. Corporate expenses mainly consist of general and administrative expenses and basic research expenses that are unattributable to reportable segments.
3. Segment income has been reconciled with operating income presented in the consolidated financial statements.