

Consolidated Financial Results for the Fiscal Year ended September 30, 2021 (Japanese GAAP)

November 11, 2021

Company name: Hamamatsu Photonics K.K. Stock listing: Tokyo Stock Exchange First Section
 Stock code: 6965 URL: <https://www.hamamatsu.com/ir/index.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 of Annual General Meeting of Shareholders: December 17, 2021
 Scheduled date to file securities report: December 17, 2021
 Scheduled date to begin dividend payments: December 20, 2021
 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 fiscal year ended Sep. 30, 2021 (From Oct. 1, 2020 through Sep. 30, 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	%
Fiscal year ended Sep. 30, 2021	169,026	20.5	34,318	57.8	34,648	52.7	25,053	51.6
Fiscal year ended Sep. 30, 2020	140,251	(3.9)	21,752	(14.4)	22,692	(13.6)	16,523	(17.0)

Note: Comprehensive income

Fiscal year ended Sep. 30, 2021: 30,198 million yen [89.9 %]

Fiscal year ended Sep. 30, 2020: 15,904 million yen [0.1 %]

	Earnings per share	Diluted earnings per share	Return on equity	Ordinary profit to total assets	Operating profit to net sales
	Yen	Yen	%	%	%
Fiscal year ended Sep. 30, 2021	161.82	-	11.2	12.1	20.3
Fiscal year ended Sep. 30, 2020	106.73	-	8.0	8.5	15.5

For reference: Share of profit (loss) of entities accounted for using equity method

Fiscal year ended Sep. 30, 2021: (3) million yen

Fiscal year ended Sep. 30, 2020: 17 million yen

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio	Net assets per share
	Millions of yen	Millions of yen	%	Yen
As of Sep. 30, 2021	301,676	237,570	78.4	1,527.65
As of Sep. 30, 2020	271,615	213,515	78.3	1,373.79

For reference: Equity

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

As of Sep. 30, 2020: 212,680 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, 2021	39,913	(16,778)	(4,475)	90,008
Fiscal year ended Sep. 30, 2020	23,321	(16,215)	(6,508)	68,773

2. Dividends

(Base date)	Dividends per share					Total dividends (annual)	Dividend payout ratio (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, 2020	-	20.00	-	20.00	40.00	6,203	37.5	3.0
Fiscal year ended Sep. 30, 2021	-	20.00	-	28.00	48.00	7,444	29.7	3.3
Fiscal year ending Sep. 30, 2022 (Outlook)	-	28.00	-	28.00	56.00		30.6	

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

4. Others

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

(2) 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

(3) Number of shares issued

(a) Number of shares issued at end of period including treasury shares

As of Sep. 30, 2021: 165,041,841 shares

As of Sep. 30, 2020: 165,027,259 shares

(b) Number of treasury shares at end of period

As of Sep. 30, 2021: 10,214,250 shares

As of Sep. 30, 2020: 10,213,977 shares

(c) Average number of shares outstanding during the period

Fiscal year ended Sep. 30, 2021: 154,823,486 shares

Fiscal year ended Sep. 30, 2020: 154,808,658 shares

(Reference) Non-consolidated financial results for the fiscal year ended Sep. 30, 2021

1. Non-consolidated financial results for the fiscal year ended Sep. 30, 2021 (From Oct. 1, 2020 through Sep. 30, 2021)

(1) Non-consolidated operating results

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

	Net sales		Operating profit		Ordinary profit		Profit	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Fiscal year ended Sep. 30, 2021	134,192	16.1	20,924	50.1	24,059	35.5	18,027	33.3
Fiscal year ended Sep. 30, 2020	115,586	(3.5)	13,940	(20.3)	17,761	(18.4)	13,519	(22.0)

	Earnings per share	Diluted earnings per share
	Yen	Yen
Fiscal year ended Sep. 30, 2021	116.24	-
Fiscal year ended Sep. 30, 2020	87.18	-

(2) Non-consolidated financial position

	Total assets	Net assets	Equity ratio	Net assets per share
	Millions of yen	Millions of yen	%	Yen
As of Sep. 30, 2021	237,875	189,314	79.6	1,220.62
As of Sep. 30, 2020	223,685	176,954	79.1	1,141.04

For reference: Equity

As of Sep. 30, 2021: 189,314 million yen

As of Sep. 30, 2020: 176,954 million yen

1. Overview of Operating Results and Others

(1) Overview of Operating Results for the Fiscal Year

During the fiscal year ended September 30, 2021, Japan's economy has faced difficult circumstances due to the spread and protraction of the novel coronavirus (COVID-19) pandemic. However, the economy has been showing signs of improvement in some areas, such as increased exports boosted by growth in digital-related demand worldwide, particularly for semiconductors.

Given these circumstances, in addition to maintaining levels of capital investment aimed at the strengthening of production capacity while continuously taking measures to prevent infections of COVID-19, our Group strove to achieve increases in net sales and earnings by engaging in the development of products that meet market requirements as well as research and development that takes advantage of the Company's proprietary photonics technologies.

As a result, we closed the fiscal year 2021 with net sales of JPY 169,026 million, up by JPY 28,774 million (20.5%) from the previous year, due to increases in both domestic and overseas sales. From an earnings perspective, operating profit was JPY 34,318 million, up by JPY 12,565 million (57.8%), ordinary profit was JPY 34,648 million, up by JPY 11,956 million (52.7%), and profit attributable to owners of parent was JPY 25,053 million, up by JPY 8,529 million (51.6%) from the previous year, resulting in a record high in both net sales and earnings.

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 PCR tests and flow cytometers increased due to rising demand in Japan and overseas. Also, in the industrial field, sales for semiconductor inspection equipment increased, mainly overseas, in response to the expanding semiconductor market, and 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 fiscal year 2021 with net sales of JPY 64,818 million, up by 21.7%, and operating profit of JPY 22,624 million, up by 26.9% from the previous year.

(Opto-semiconductor)

In opto-semiconductor devices, in the medical field, sales of silicon photodiodes for 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 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 77,870 million, up by 18.3%, and operating profit was JPY 22,656 million, up by 23.2% from the previous year.

(Imaging and Measurement Instruments)

In image processing and measurement systems, sales of board cameras for medical inspection and monitoring systems increased due to continued growth in demand in North America. In addition, sales of digital slide scanners for remote pathologic diagnosis systems grew due to rising demand from inter-hospital networks mainly in Europe. Sales of failure analysis systems for semiconductor devices also grew, mainly in Europe and Asia, against the backdrop of expanding capital investment.

As a result, net sales for the Imaging and Measurement Instruments business were JPY 21,535 million, up by 28.7%, and operating profit was JPY 5,308 million, up by 71.2% from the previous year.

(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 4,802 million, up by 7.8%, and operating profit was JPY 437 million, compared with an operating loss of JPY 741 million in the previous year.

(2) Overview of Financial Position for the Fiscal Year

Current assets increased by JPY 28,826 million from the end of the previous fiscal year, mainly reflecting increases in cash and deposits of JPY 17,323 million and notes and accounts receivable - trade of JPY 10,307 million.

Non-current assets increased by JPY 1,234 million from the end of the previous fiscal year, mainly reflecting increases in construction in progress of JPY 2,886 million and investment securities of JPY 825 million, despite a decrease in buildings and structures of JPY 2,238 million resulting from depreciation.

As a result, total assets at the fiscal year-end were JPY 301,676 million, up by JPY 30,060 million from the end of the previous fiscal year.

Current liabilities increased by JPY 10,891 million from the end of the previous fiscal year, mainly reflecting increases in income taxes payable of JPY 4,036 million, current portion of long-term borrowings of JPY 2,970 million and short-term borrowings of JPY 1,995 million.

Non-current liabilities decreased by JPY 4,885 million from the end of the previous fiscal year, mainly due to a decrease in long-term borrowings of JPY 3,039 million.

As a result, total liabilities at the fiscal year-end were JPY 64,105 million, up by JPY 6,005 million from the end of the previous fiscal year.

Net assets at the end of the fiscal year-end were JPY 237,570 million, up by JPY 24,055 million from the end of the previous fiscal year, mainly reflecting an increase in retained earnings of JPY 18,849 million as a result of reporting profit attributable to owners of parent and an increase in foreign currency translation adjustment of JPY 3,744 million.

(3) Overview of Cash Flows for the Fiscal Year

At the end of this fiscal year, cash and cash equivalents (referred to below as "cash") stood at JPY 90,008 million, up by JPY 21,235 million from the end of the previous fiscal year.

(Cash flows from operating activities)

Net cash provided by operating activities during the year was JPY 39,913 million, up by JPY 16,591 million compared with JPY 23,321 million in the previous fiscal year. This mainly reflected profit before income taxes and depreciation.

(Cash flows from investing activities)

Net cash used in investing activities was JPY 16,778 million, up by JPY 562 million compared with JPY 16,215 million in the previous fiscal year. This mainly reflected purchase of property, plant and equipment.

(Cash flows from financing activities)

Net cash used in financing activities was JPY 4,475 million, down by JPY 2,032 million compared with JPY 6,508 million in the previous fiscal year. This mainly reflected dividends paid despite an increase in short-term borrowings.

(4) Future Outlook

In the business environment surrounding the Group, we are observing a rapid recovery from the COVID-19 pandemic, particularly in the manufacturing industry. Nevertheless, a cautious stance is still being taken regarding the potential for new waves of infection along with issues regarding parts procurement, etc. including the semiconductor shortage. Going forward, we are remaining vigilant regarding the uncertainty ahead.

In spite of the aforementioned environment, we expect solid demand for our products to continue in the medical and industrial fields, and for the fiscal year ending September 30, 2022, we forecast consolidated net sales of JPY 182,800 million, up by 8.1% from the previous year. In addition, from an earnings perspective, we are planning for operating profit of JPY 38,500 million, up by 12.2%, ordinary profit of JPY 38,900 million, up by 12.3%, and profit attributable to owners of parent of JPY 28,300 million, up by 13.0% from the previous year. 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.

FY 2022 (From Oct. 1, 2021 through Sep. 30, 2022)

Forecast of Consolidated Financial Results for the Fiscal Year Ending Sep. 30, 2022

(Millions of Japanese Yen)

	Through the second quarter	Compared with previous year (%)	Forecast for the year	
				Compared with previous year (%)
Net sales	93,700	18.1	182,800	8.1
Operating profit	20,200	40.4	38,500	12.2
Ordinary profit	20,300	41.0	38,900	12.3
Profit attributable to owners of parent	15,200	40.9	28,300	13.0

2. Basic Policy Regarding Selection of Accounting Standards

The Group adopts a policy to prepare its consolidated financial statements in accordance with the Japanese GAAP for the time being, taking into account the year-on-year comparability and intercompany comparability of consolidated financial statements.

With respect to the adoption of the International Financial Reporting Standards (IFRS), we intend to address the matter appropriately, factoring in our future business development and the trends of the system.

Consolidated Financial Statements and Significant Notes Thereto

Consolidated Balance Sheets

(Millions of Japanese Yen)

	As of Sep. 30, 2020	As of Sep. 30, 2021
Assets		
Current assets		
Cash and deposits	73,763	91,087
Notes and accounts receivable - trade	32,220	42,528
Securities	6,634	8,671
Merchandise and finished goods	11,541	9,106
Work in process	21,609	23,885
Raw materials and supplies	10,362	11,410
Other	7,316	5,622
Allowance for doubtful accounts	(155)	(193)
Total current assets	163,293	192,120
Non-current assets		
Property, plant and equipment		
Buildings and structures	99,050	101,281
Accumulated depreciation	(51,958)	(56,427)
Buildings and structures, net	47,092	44,853
Machinery, equipment and vehicles	92,963	96,518
Accumulated depreciation	(80,438)	(84,512)
Machinery, equipment and vehicles, net	12,525	12,005
Tools, furniture and fixtures	35,096	35,866
Accumulated depreciation	(30,068)	(30,942)
Tools, furniture and fixtures, net	5,028	4,923
Land	16,933	17,196
Leased assets	868	839
Accumulated depreciation	(398)	(513)
Leased assets, net	469	326
Right-of-use assets	887	994
Accumulated depreciation	(270)	(382)
Right-of-use assets, net	616	611
Construction in progress	3,674	6,561
Total property, plant and equipment	86,341	86,479
Intangible assets		
Customer relationships	1,911	1,734
Other	3,124	3,118
Total intangible assets	5,035	4,853
Investments and other assets		
Investment securities	3,081	3,907
Deferred tax assets	11,226	11,587
Investment property	1,601	1,603
Accumulated depreciation	(1,299)	(1,361)
Investment property, net	301	242
Other	2,354	2,505
Allowance for doubtful accounts	(19)	(19)
Total investments and other assets	16,945	18,223
Total non-current assets	108,321	109,556
Total assets	271,615	301,676

Consolidated Financial Statements and Significant Notes Thereto

Consolidated Balance Sheets

(Millions of Japanese Yen)

	As of Sep. 30, 2020	As of Sep. 30, 2021
Liabilities		
Current liabilities		
Notes and accounts payable - trade	5,802	7,371
Electronically recorded obligations - operating	6,030	7,387
Short-term borrowings	1,511	3,507
Current portion of long-term borrowings	69	3,039
Income taxes payable	2,664	6,700
Provision for bonuses	4,500	5,814
Other	20,823	18,473
Total current liabilities	41,402	52,293
Non-current liabilities		
Long-term borrowings	6,280	3,240
Deferred tax liabilities	576	583
Reserve for loss on dissolution of employees' pension fund	503	–
Retirement benefit liability	8,080	6,903
Other	1,257	1,084
Total non-current liabilities	16,697	11,811
Total liabilities	58,100	64,105
Net assets		
Shareholders' equity		
Share capital	34,964	35,008
Capital surplus	34,708	34,752
Retained earnings	166,357	185,206
Treasury shares	(20,795)	(20,797)
Total shareholders' equity	215,234	234,170
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	742	1,191
Foreign currency translation adjustment	(2,152)	1,592
Remeasurements of defined benefit plans	(1,144)	(431)
Total accumulated other comprehensive income	(2,553)	2,351
Non-controlling interests	834	1,048
Total net assets	213,515	237,570
Total liabilities and net assets	271,615	301,676

Consolidated Financial Statements and Significant Notes Thereto

Consolidated Statements of Income

(Millions of Japanese Yen)

	Fiscal year ended Sep. 30, 2020	Fiscal year ended Sep. 30, 2021
Net sales	140,251	169,026
Cost of sales	71,774	85,631
Gross profit	68,477	83,395
Selling, general and administrative expenses		
Freight and packing costs	1,285	1,504
Advertising expenses	730	646
Salaries	12,507	13,772
Provision for bonuses	1,416	1,854
Retirement benefit expenses	910	909
Depreciation	2,790	3,492
Commission expenses	4,403	4,474
Research and development expenses	12,147	11,367
Provision of allowance for doubtful accounts	53	39
Other	10,479	11,015
Total selling, general and administrative expenses	46,724	49,077
Operating profit	21,752	34,318
Non-operating income		
Interest income	208	198
Dividend income	56	53
Rental income from non-current assets	79	88
Rental income from investment property	81	71
Foreign exchange gains	94	–
Share of profit of entities accounted for using equity method	17	–
Gain on sale of scraps	97	105
Other	531	311
Total non-operating income	1,164	829
Non-operating expenses		
Interest expenses	55	53
Rental expenses on real estate	123	110
Foreign exchange losses	–	267
Share of loss of entities accounted for using equity method	–	3
Other	45	65
Total non-operating expenses	224	499
Ordinary profit	22,692	34,648
Extraordinary income		
Gain on sale of non-current assets	58	67
Subsidy income	222	805
Gain on sale of investment securities	3	5
Reversal of reserve for loss on dissolution of employees' pension fund	–	164
Total extraordinary income	284	1,042

Consolidated Financial Statements and Significant Notes Thereto

Consolidated Statements of Income

(Millions of Japanese Yen)

	Fiscal year ended Sep. 30, 2020	Fiscal year ended Sep. 30, 2021
Extraordinary losses		
Loss on sale of non-current assets	0	0
Loss on retirement of non-current assets	28	70
Loss on tax purpose reduction entry of non-current assets	191	441
Impairment losses	431	351
Loss on valuation of investment securities	66	71
Total extraordinary losses	718	935
Profit before income taxes	22,259	34,755
Income taxes - current	5,808	10,393
Income taxes - deferred	(133)	(862)
Total income taxes	5,674	9,530
Profit	16,584	25,225
Profit attributable to non-controlling interests	60	171
Profit attributable to owners of parent	16,523	25,053

Consolidated Financial Statements and Significant Notes Thereto

Consolidated Statements of Comprehensive Income

(Millions of Japanese Yen)

	Fiscal year ended Sep. 30, 2020	Fiscal year ended Sep. 30, 2021
Profit	16,584	25,225
Other comprehensive income		
Valuation difference on available-for-sale securities	(1)	448
Foreign currency translation adjustment	(286)	3,799
Remeasurements of defined benefit plans, net of tax	(391)	712
Share of other comprehensive income of entities accounted for using equity method	(0)	12
Total other comprehensive income	(680)	4,972
Comprehensive income	15,904	30,198
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	15,855	29,958
Comprehensive income attributable to non-controlling interests	48	239

Consolidated Financial Statements and Significant Notes Thereto

Consolidated Statements of Changes in Equity

Fiscal year ended Sep. 30, 2020

(Millions of Japanese Yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	34,928	34,672	156,036	(20,795)	204,842
Changes during period					
Issuance of new shares	35	35			71
Dividends of surplus			(6,202)		(6,202)
Profit attributable to owners of parent			16,523		16,523
Purchase of treasury shares				(0)	(0)
Net changes in items other than shareholders' equity					
Total changes during period	35	35	10,320	(0)	10,391
Balance at end of period	34,964	34,708	166,357	(20,795)	215,234

	Accumulated other comprehensive income				Non-controlling interests	Total net assets
	Valuation difference on available-for-sale securities	Foreign currency translation adjustment	Remeasurements of defined benefit plans	Total accumulated other comprehensive income		
Balance at beginning of period	744	(1,877)	(752)	(1,885)	689	203,647
Changes during period						
Issuance of new shares						71
Dividends of surplus						(6,202)
Profit attributable to owners of parent						16,523
Purchase of treasury shares						(0)
Net changes in items other than shareholders' equity	(1)	(274)	(391)	(668)	144	(523)
Total changes during period	(1)	(274)	(391)	(668)	144	9,868
Balance at end of period	742	(2,152)	(1,144)	(2,553)	834	213,515

Consolidated Financial Statements and Significant Notes Thereto

Consolidated Statements of Changes in Equity

Fiscal year ended Sep. 30, 2021

(Millions of Japanese Yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	34,964	34,708	166,357	(20,795)	215,234
Changes during period					
Issuance of new shares	44	44			88
Dividends of surplus			(6,203)		(6,203)
Profit attributable to owners of parent			25,053		25,053
Purchase of treasury shares				(1)	(1)
Net changes in items other than shareholders' equity					
Total changes during period	44	44	18,849	(1)	18,936
Balance at end of period	35,008	34,752	185,206	(20,797)	234,170

	Accumulated other comprehensive income				Non-controlling interests	Total net assets
	Valuation difference on available-for-sale securities	Foreign currency translation adjustment	Remeasurements of defined benefit plans	Total accumulated other comprehensive income		
Balance at beginning of period	742	(2,152)	(1,144)	(2,553)	834	213,515
Changes during period						
Issuance of new shares						88
Dividends of surplus						(6,203)
Profit attributable to owners of parent						25,053
Purchase of treasury shares						(1)
Net changes in items other than shareholders' equity	448	3,744	712	4,905	213	5,118
Total changes during period	448	3,744	712	4,905	213	24,055
Balance at end of period	1,191	1,592	(431)	2,351	1,048	237,570

Consolidated Financial Statements and Significant Notes Thereto

Consolidated Statements of Cash Flows

(Millions of Japanese Yen)

	Fiscal year ended Sep. 30, 2020	Fiscal year ended Sep. 30, 2021
Cash flows from operating activities		
Profit before income taxes	22,259	34,755
Depreciation	12,691	13,554
Impairment losses	431	351
Increase (decrease) in allowance for doubtful accounts	(18)	27
Increase (decrease) in provision for bonuses	(276)	1,279
Increase (decrease) in retirement benefit liability	(344)	(184)
Interest and dividend income	(264)	(252)
Interest expenses	55	53
Foreign exchange losses (gains)	10	(120)
Share of loss (profit) of entities accounted for using equity method	(17)	3
Loss (gain) on sale of property, plant and equipment	(58)	(67)
Loss on retirement of property, plant and equipment	28	70
Decrease (increase) in trade receivables	3,169	(8,961)
Decrease (increase) in inventories	(5,905)	17
Increase (decrease) in trade payables	(811)	1,621
Other, net	(1,528)	3,754
Subtotal	29,421	45,903
Interest and dividends received	263	252
Interest paid	(55)	(53)
Income taxes refund (paid)	(6,308)	(6,189)
Net cash provided by (used in) operating activities	23,321	39,913
Cash flows from investing activities		
Net decrease (increase) in time deposits	1,962	1,915
Purchase of securities	(4,289)	(1,290)
Proceeds from redemption of securities	4,294	1,290
Purchase of property, plant and equipment	(17,412)	(17,814)
Proceeds from sale of property, plant and equipment	122	120
Purchase of intangible assets	(512)	(882)
Purchase of shares of subsidiaries resulting in change in scope of consolidation	(313)	–
Other, net	(67)	(118)
Net cash provided by (used in) investing activities	(16,215)	(16,778)

(Millions of Japanese Yen)

	Fiscal year ended Sep. 30, 2020	Fiscal year ended Sep. 30, 2021
Cash flows from financing activities		
Net increase (decrease) in short-term borrowings	56	2,006
Repayments of long-term borrowings	(162)	(69)
Dividends paid	(6,209)	(6,204)
Other, net	(193)	(208)
Net cash provided by (used in) financing activities	(6,508)	(4,475)
Effect of exchange rate change on cash and cash equivalents	(344)	2,576
Net increase (decrease) in cash and cash equivalents	252	21,235
Cash and cash equivalents at beginning of period	68,521	68,773
Cash and cash equivalents at end of period	68,773	90,008

Additional Information

Impact of COVID-19 on accounting estimates

Regarding the impact of COVID-19, although economic activities appear to be on a recovery trend in various countries following the rollout of vaccines, the situation remains uncertain due to signs of a resurgence of infections in some regions and other factors. In this business environment, the Company achieved a steady expansion in sales, primarily for medical and industrial instruments, despite some remaining effects from the impact of COVID-19. Accordingly, the Company has formulated the accounting estimates, such as impairment loss on non-current assets and recoverability of deferred tax assets, under the assumption that the impact of COVID-19 on the Group will be limited.

However, because the impact of COVID-19 on economic activities has a high degree of uncertainty, any change in the above assumption could affect the Company's future financial position and operating results.

Segment and Other Information

Segment information

1. Summary of Reportable Segments

The Company's reportable segments are components of the Company for which separate financial information is available. These segments are subject to periodic examinations to enable the Company's board of directors to decide how to allocate resources and assess performance.

The Company's business divisions are based on product and service categories. Each of the divisions conducts business based on comprehensive strategies formulated for the products and services it handles.

Therefore, the Company's business segments based on the products and services handled by each of the divisions comprise its three principal reportable segments, which are Electron Tube, Opto-semiconductor, and Imaging and Measurement Instruments.

The Electron Tube business segment manufactures and sells photomultiplier tubes (PMTs), light sources and imaging devices. The Opto-semiconductor business segment manufactures and sells opto-semiconductor devices. The Imaging and Measurement Instruments business segment manufactures and sells image processing and measurement systems.

2. Method for Calculating the Sales, Profit (Loss), Assets, Liabilities, and Other Items for Reportable Segments

Figures for profit in reportable segments are on an operating profit basis. Intersegment sales and transfers are based on prevailing market prices.

3. Information on the Amounts of Sales, Profit (Loss), Assets, Liabilities, and Other Items for Reportable Segments

Fiscal year ended September 30, 2020 (From Oct. 1, 2019 through Sep. 30, 2020)

(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	53,257	65,810	16,728	135,795	4,456	140,251	—	140,251
Intersegment	1,379	855	26	2,261	555	2,817	(2,817)	—
Total net sales	54,636	66,666	16,754	138,057	5,011	143,068	(2,817)	140,251
Segment profit (loss)	17,833	18,391	3,100	39,325	(741)	38,583	(16,831)	21,752
Segment assets	57,633	64,974	14,326	136,934	8,257	145,192	126,423	271,615
Other items								
Depreciation and amortization	3,723	4,416	861	9,001	529	9,530	3,078	12,609
Amortization of goodwill	149	—	22	171	—	171	—	171
Increase in property, plant and equipment and intangible assets	8,010	8,936	889	17,835	595	18,431	2,419	20,850

Notes:

- 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.
- Adjustment of segment profit (loss) of negative JPY 16,831 million represents intersegment transactions of negative JPY 1,096 million and unallocated corporate expenses of negative JPY 15,734 million. Corporate expenses mainly consist of general and administrative expenses and basic research expenses that are unattributable to reportable segments.
 - Adjustment of segment assets of JPY 126,423 million consists of common assets that are not distributed to reportable segments.
 - Adjustment of depreciation and amortization of JPY 3,078 million is depreciation and amortization of common assets that are not distributed to reportable segments.
 - Adjustment of increase in property, plant and equipment and intangible assets of JPY 2,419 million is an increase in common non-current assets that are not distributed to reportable segments.
- Segment profit (loss) has been reconciled with operating profit presented in the consolidated financial statements.
- Increase in property, plant and equipment and intangible assets does not include the increase arising from newly consolidated subsidiaries.

Fiscal year ended September 30, 2021 (From Oct. 1, 2020 through Sep. 30, 2021)

(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	64,818	77,870	21,535	164,224	4,802	169,026	—	169,026
Intersegment	1,214	548	8	1,770	916	2,686	(2,686)	—
Total net sales	66,032	78,418	21,543	165,994	5,718	171,713	(2,686)	169,026
Segment profit (loss)	22,624	22,656	5,308	50,589	437	51,027	(16,708)	34,318
Segment assets	61,089	69,071	16,821	146,982	10,230	157,213	144,463	301,676
Other items								
Depreciation and amortization	4,514	4,998	1,023	10,536	535	11,072	2,411	13,484
Amortization of goodwill	149	—	44	193	—	193	—	193
Increase in property, plant and equipment and intangible assets	6,946	3,193	1,863	12,003	359	12,362	1,502	13,865

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.
 - (1) Adjustment of segment profit of negative JPY 16,708 million represents intersegment transactions of negative JPY 1,107 million and unallocated corporate expenses of negative JPY 15,600 million. Corporate expenses mainly consist of general and administrative expenses and basic research expenses that are unattributable to reportable segments.
 - (2) Adjustment of segment assets of JPY 144,463 million consists of common assets that are not distributed to reportable segments.
 - (3) Adjustment of depreciation and amortization of JPY 2,411 million is depreciation and amortization of common assets that are not distributed to reportable segments.
 - (4) Adjustment of increase in property, plant and equipment and intangible assets of JPY 1,502 million is an increase in common non-current assets that are not distributed to reportable segments.
3. Segment profit has been reconciled with operating profit presented in the consolidated financial statements.

Per Share Information

(Japanese Yen)

	Fiscal year ended September 30, 2020 (From Oct. 1, 2019 through Sep. 30, 2020)	Fiscal year ended September 30, 2021 (From Oct. 1, 2020 through Sep. 30, 2021)
Net assets per share	1,373.79	1,527.65
Earnings per share	106.73	161.82

Notes:

1. There are no latent shares, and no figures for the diluted earnings per share have been disclosed.
2. Basis for calculations of earnings per share is as follows.

(Millions of Japanese Yen)

	Fiscal year ended September 30, 2020 (From Oct. 1, 2019 through Sep. 30, 2020)	Fiscal year ended September 30, 2021 (From Oct. 1, 2020 through Sep. 30, 2021)
Profit attributable to owners of parent	16,523	25,053
Value not attributed to common stock	–	–
Profit attributable to owners of parent attributed to common stock	16,523	25,053
Average number of common stock outstanding during the period (Thousands shares)	154,808	154,823

Important Subsequent Events

Not applicable

Non-consolidated Financial Statements

Non-consolidated Balance Sheets

(Millions of Japanese Yen)

	As of Sep. 30, 2020	As of Sep. 30, 2021
Assets		
Current assets		
Cash and deposits	45,618	52,300
Notes receivable - trade	5,079	6,261
Accounts receivable - trade	25,912	32,441
Securities	6,000	8,000
Merchandise and finished goods	4,268	2,487
Work in process	21,131	23,002
Raw materials and supplies	9,350	10,236
Accounts receivable - other	5,808	3,627
Other	442	349
Allowance for doubtful accounts	(36)	(42)
Total current assets	123,575	138,666
Non-current assets		
Property, plant and equipment		
Buildings	40,187	37,436
Structures	2,099	1,866
Machinery and equipment	11,760	11,098
Vehicles	20	13
Tools, furniture and fixtures	3,729	3,385
Land	15,252	15,398
Leased assets	429	286
Construction in progress	3,569	4,946
Total property, plant and equipment	77,049	74,433
Intangible assets		
Patent right	94	78
Software	673	854
Other	27	25
Total intangible assets	795	958
Investments and other assets		
Investment securities	1,888	2,555
Shares of subsidiaries and associates	8,848	8,829
Investments in capital	0	0
Investments in capital of subsidiaries and associates	1,657	1,657
Deferred tax assets	9,120	9,939
Investment property	282	224
Other	484	629
Allowance for doubtful accounts	(19)	(19)
Total investments and other assets	22,263	23,816
Total non-current assets	100,109	99,208
Total assets	223,685	237,875

Non-consolidated Financial Statements

Non-consolidated Balance Sheets

(Millions of Japanese Yen)

	As of Sep. 30, 2020	As of Sep. 30, 2021
Liabilities		
Current liabilities		
Electronically recorded obligations - operating	6,030	7,387
Accounts payable - trade	5,527	7,060
Current portion of long-term borrowings	—	3,000
Lease obligations	172	165
Accounts payable - other	5,248	3,212
Accrued expenses	1,077	1,142
Income taxes payable	2,068	5,461
Advances received	73	15
Deposits received	285	277
Provision for bonuses	3,893	4,960
Electronically recorded obligations-facilities	6,238	3,531
Deposits received from employees	2,326	2,173
Other	32	106
Total current liabilities	32,973	38,495
Non-current liabilities		
Long-term borrowings	6,000	3,000
Lease obligations	304	155
Reserve for loss on dissolution of employees' pension fund	503	—
Provision for retirement benefits	5,932	5,739
Provision for loss on business of subsidiaries and associates	550	698
Asset retirement obligations	254	257
Other	212	215
Total non-current liabilities	13,756	10,065
Total liabilities	46,730	48,561
Net assets		
Shareholders' equity		
Share capital	34,964	35,008
Capital surplus		
Legal capital surplus	34,672	34,716
Total capital surplus	34,672	34,716
Retained earnings		
Legal retained earnings	695	695
Other retained earnings		
Reserve for special depreciation	1	—
Reserve for dividends	6,500	6,500
General reserve	102,600	110,600
Retained earnings brought forward	17,570	21,395
Total retained earnings	127,366	139,191
Treasury shares	(20,791)	(20,793)
Total shareholders' equity	176,211	188,122
Valuation and translation adjustments		
Valuation difference on available-for-sale securities	742	1,191
Total valuation and translation adjustments	742	1,191
Total net assets	176,954	189,314
Total liabilities and net assets	223,685	237,875

Non-consolidated Financial Statements

Non-consolidated Statements of Income

(Millions of Japanese Yen)

	Fiscal year ended Sep. 30, 2020	Fiscal year ended Sep. 30, 2021
Net sales	115,586	134,192
Cost of sales	70,060	80,875
Gross profit	45,525	53,316
Selling, general and administrative expenses	31,585	32,392
Operating profit	13,940	20,924
Non-operating income		
Interest income	3	4
Dividend income	3,459	2,857
Rental income from investment property	59	62
Foreign exchange gains	–	53
Miscellaneous income	496	315
Total non-operating income	4,018	3,294
Non-operating expenses		
Interest expenses	35	33
Rental expenses on real estate	117	107
Foreign exchange losses	37	–
Miscellaneous losses	7	18
Total non-operating expenses	197	159
Ordinary profit	17,761	24,059
Extraordinary income		
Gain on sale of non-current assets	46	38
Subsidy income	222	805
Gain on sale of investment securities	3	5
Reversal of reserve for loss on dissolution of employees' pension fund	–	164
Total extraordinary income	271	1,013
Extraordinary losses		
Loss on sale of non-current assets	0	–
Loss on retirement of non-current assets	26	45
Loss on tax purpose reduction entry of non-current assets	191	441
Impairment losses	–	351
Loss on valuation of investment securities	5	48
Loss on valuation of shares of subsidiaries and associates	–	19
Provision for loss on business of subsidiaries and associates	550	148
Total extraordinary losses	773	1,054
Profit before income taxes	17,260	24,018
Income taxes - current	3,743	7,018
Income taxes - deferred	(2)	(1,027)
Total income taxes	3,740	5,990
Profit	13,519	18,027

Non-consolidated Financial Statements
Non-consolidated Statements of Changes in Equity
Fiscal year ended Sep. 30, 2020

(Millions of Japanese Yen)

	Shareholders' equity								
	Share capital	Capital surplus		Legal retained earnings	Retained earnings				Total retained earnings
		Legal capital surplus	Total capital surplus		Other retained earnings				
					Reserve for special depreciation	Reserve for dividends	General reserve	Retained earnings brought forward	
Balance at beginning of period	34,928	34,636	34,636	695	5	6,500	91,600	21,249	120,050
Changes during period									
Issuance of new shares	35	35	35						
Reversal of reserve for special depreciation					(4)			4	-
Provision of general reserve							11,000	(11,000)	-
Dividends of surplus								(3,101)	(3,101)
Dividends from surplus (interim dividends)								(3,101)	(3,101)
Profit								13,519	13,519
Purchase of treasury shares									
Net changes in items other than shareholders' equity									
Total changes during period	35	35	35	-	(4)	-	11,000	(3,679)	7,316
Balance at end of period	34,964	34,672	34,672	695	1	6,500	102,600	17,570	127,366

	Shareholders' equity		Valuation and translation adjustments		Total net assets
	Treasury shares	Total shareholders' equity	Valuation difference on available-for-sale securities	Total valuation and translation adjustments	
Balance at beginning of period	(20,791)	168,824	744	744	169,569
Changes during period					
Issuance of new shares		71			71
Reversal of reserve for special depreciation		-			-
Provision of general reserve		-			-
Dividends of surplus		(3,101)			(3,101)
Dividends from surplus (interim dividends)		(3,101)			(3,101)
Profit		13,519			13,519
Purchase of treasury shares	(0)	(0)			(0)
Net changes in items other than shareholders' equity			(1)	(1)	(1)
Total changes during period	(0)	7,387	(1)	(1)	7,385
Balance at end of period	(20,791)	176,211	742	742	176,954

Non-consolidated Financial Statements
Non-consolidated Statements of Changes in Equity
Fiscal year ended Sep. 30, 2021

(Millions of Japanese Yen)

	Shareholders' equity								
	Share capital	Capital surplus		Legal retained earnings	Retained earnings				Total retained earnings
		Legal capital surplus	Total capital surplus		Other retained earnings				
					Reserve for special depreciation	Reserve for dividends	General reserve	Retained earnings brought forward	
Balance at beginning of period	34,964	34,672	34,672	695	1	6,500	102,600	17,570	127,366
Changes during period									
Issuance of new shares	44	44	44						
Reversal of reserve for special depreciation					(1)			1	-
Provision of general reserve							8,000	(8,000)	-
Dividends of surplus								(3,101)	(3,101)
Dividends from surplus (interim dividends)								(3,101)	(3,101)
Profit								18,027	18,027
Purchase of treasury shares									
Net changes in items other than shareholders' equity									
Total changes during period	44	44	44	-	(1)	-	8,000	3,825	11,824
Balance at end of period	35,008	34,716	34,716	695	-	6,500	110,600	21,395	139,191

	Shareholders' equity		Valuation and translation adjustments		Total net assets
	Treasury shares	Total shareholders' equity	Valuation difference on available-for-sale securities	Total valuation and translation adjustments	
Balance at beginning of period	(20,791)	176,211	742	742	176,954
Changes during period					
Issuance of new shares		88			88
Reversal of reserve for special depreciation		-			-
Provision of general reserve		-			-
Dividends of surplus		(3,101)			(3,101)
Dividends from surplus (interim dividends)		(3,101)			(3,101)
Profit		18,027			18,027
Purchase of treasury shares	(1)	(1)			(1)
Net changes in items other than shareholders' equity			448	448	448
Total changes during period	(1)	11,910	448	448	12,359
Balance at end of period	(20,793)	188,122	1,191	1,191	189,314