



Hamamatsu financial reporting

Fiscal Year ended September 30, 2016

November 2016

Hamamatsu Photonics K.K.

Tokyo Stock Exchange: 6965

www.hamamatsu.com

Notes

- This material is not intended to be a solicitation to buy or sell any securities of Hamamatsu Photonics K.K.
- The information contained in this material is based on data available as of making it. No guarantees, promises are made as to its accuracy or completeness.

Annual Consolidated Performance

in million yen

FY: October 1-September 30

| | FY2015 | FY2016 | | | FY2017 | |
|---------------------------------|-------------------|------------------------------|-------------------|-----------------------------|-------------------|-----------------------------|
| | Year | Revised Forecast 2016/5/9 | Year | compared with prev. year | Year Plan | compared with prev. year |
| Net Sales | 120,691 | 121,900 | 121,852 | +1.0% | 122,500 | +0.5% |
| Gross Profit (%) | 63,109 (52.3%) | 61,500 (50.5%) | 61,044 (50.1%) | -3.3% | 60,300 (49.2%) | -1.2% |
| Operating Income | 23,596 | 20,400 | 20,544 | -12.9% | 19,000 | -7.5% |
| Ordinary Income | 24,658 | 20,700 | 20,050 | -18.7% | 19,600 | -2.2% |
| Net Income | 16,598 | 14,900 | 14,419 | -13.1% | 14,400 | -0.1% |
| * Net Income per share (yen) | 103.23 | 92.67 | 90.23 | -12.6% | 90.54 | 1.5% |
| ROE | 9.5% | 8.1% | 8.3% | | 8.3% | - |
| Dividends (yen) | *30+19(38) | - | 34 | - | 34 | - |
| Exchange rate | actual rates | actual rates | | | assumption rates | |
| 1 US dollar(yen) | 119.32 | 111.77 | | | 100.00 | |
| 1 euro(yen) | 136.78 | 124.02 | | | 110.00 | |

* Net Income per share reflects a two-for-one stock split effected on April 1, 2015.

Consolidated Income Statements

in million yen

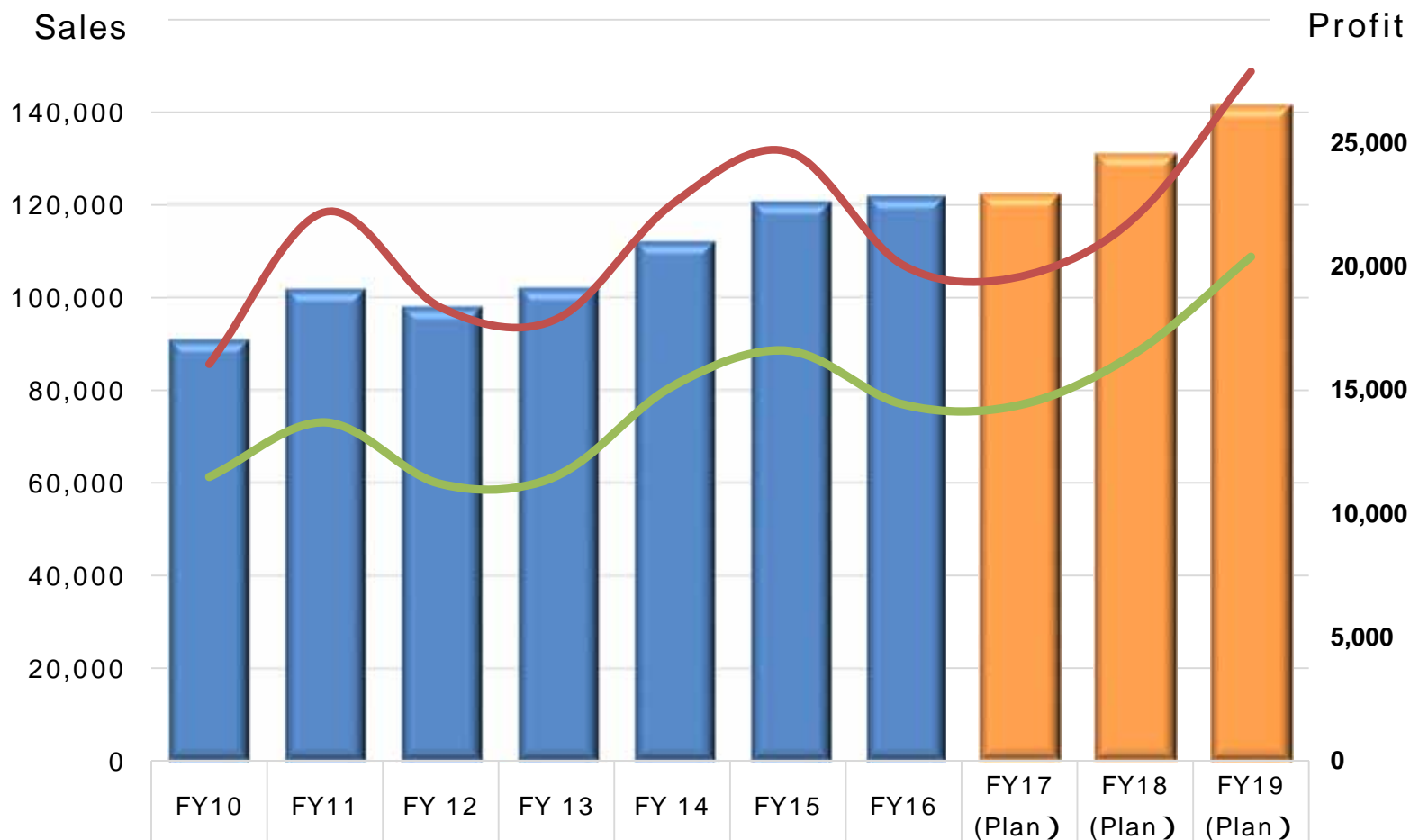
| | FY2015 | | FY2016 | | | | FY2017(Plan) | | | | FY2018(Plan) | | FY2019(Plan) | |
|-------------------------|---------|-------|----------|----------|---------|-------|--------------|----------|---------|-------|--------------|-------|--------------|-------|
| | Year | % | 1st Half | 2nd Half | Year | % | 1st Half | 2nd Half | Year | % | Year | % | Year | % |
| Net Sales | 120,691 | 100.0 | 62,843 | 59,009 | 121,852 | 100.0 | 60,500 | 62,000 | 122,500 | 100.0 | 131,100 | 100.0 | 141,600 | 100.0 |
| Cost of Sales | 57,582 | 47.7 | 30,967 | 29,839 | 60,807 | 49.9 | 30,600 | 31,600 | 62,200 | 50.8 | 65,700 | 50.1 | 69,500 | 49.1 |
| Gross Profit | 63,109 | 52.3 | 31,875 | 29,169 | 61,044 | 50.1 | 29,900 | 30,400 | 60,300 | 49.2 | 65,400 | 49.9 | 72,100 | 50.9 |
| Selling, G & A Expenses | 27,897 | 23.1 | 14,911 | 13,715 | 28,627 | 23.5 | 14,200 | 14,100 | 28,300 | 23.1 | 31,000 | 23.6 | 31,900 | 22.5 |
| R & D Expense | 11,615 | 9.6 | 5,862 | 6,010 | 11,873 | 9.7 | 6,600 | 6,400 | 13,000 | 10.6 | 12,900 | 9.8 | 12,800 | 9.0 |
| Operating Income | 23,596 | 19.6 | 11,101 | 9,442 | 20,544 | 16.9 | 9,100 | 9,900 | 19,000 | 15.5 | 21,500 | 16.4 | 27,400 | 19.4 |
| Non-Operating Income | 1,287 | 1.1 | 430 | 391 | 821 | 0.7 | 350 | 350 | 700 | 0.6 | 600 | 0.5 | 600 | 0.4 |
| Non-Operating Expense | 224 | 0.2 | 341 | 973 | 1,314 | 1.1 | 50 | 50 | 100 | 0.1 | 100 | 0.1 | 100 | 0.1 |
| Ordinary Income | 24,658 | 20.4 | 11,189 | 8,861 | 20,050 | 16.5 | 9,400 | 10,200 | 19,600 | 16.0 | 22,000 | 16.8 | 27,900 | 19.7 |
| Extraordinary Income | 706 | 0.6 | 153 | 659 | 813 | 0.7 | 0 | 0 | 0 | 0.0 | 0 | 0.0 | 0 | 0.0 |
| Extraordinary Expense | 691 | 0.6 | 89 | 693 | 783 | 0.6 | 0 | 400 | 400 | 0.3 | 0 | 0.0 | 100 | 0.1 |
| Pre-Tax Income | 24,672 | 20.4 | 11,252 | 8,827 | 20,080 | 16.5 | 9,400 | 9,800 | 19,200 | 15.7 | 22,000 | 16.8 | 27,800 | 19.6 |
| Income taxes etc. | 8,074 | 6.7 | 3,770 | 2,290 | 5,660 | 4.6 | 2,400 | 2,350 | 4,800 | 3.9 | 5,500 | 4.2 | 7,400 | 5.2 |
| Net Income | 16,598 | 13.8 | 7,882 | 6,537 | 14,419 | 11.8 | 7,000 | 7,450 | 14,400 | 11.8 | 16,500 | 12.6 | 20,400 | 14.4 |

* numbers are rounded off to million yen

Sales & Profit

(Consolidated)

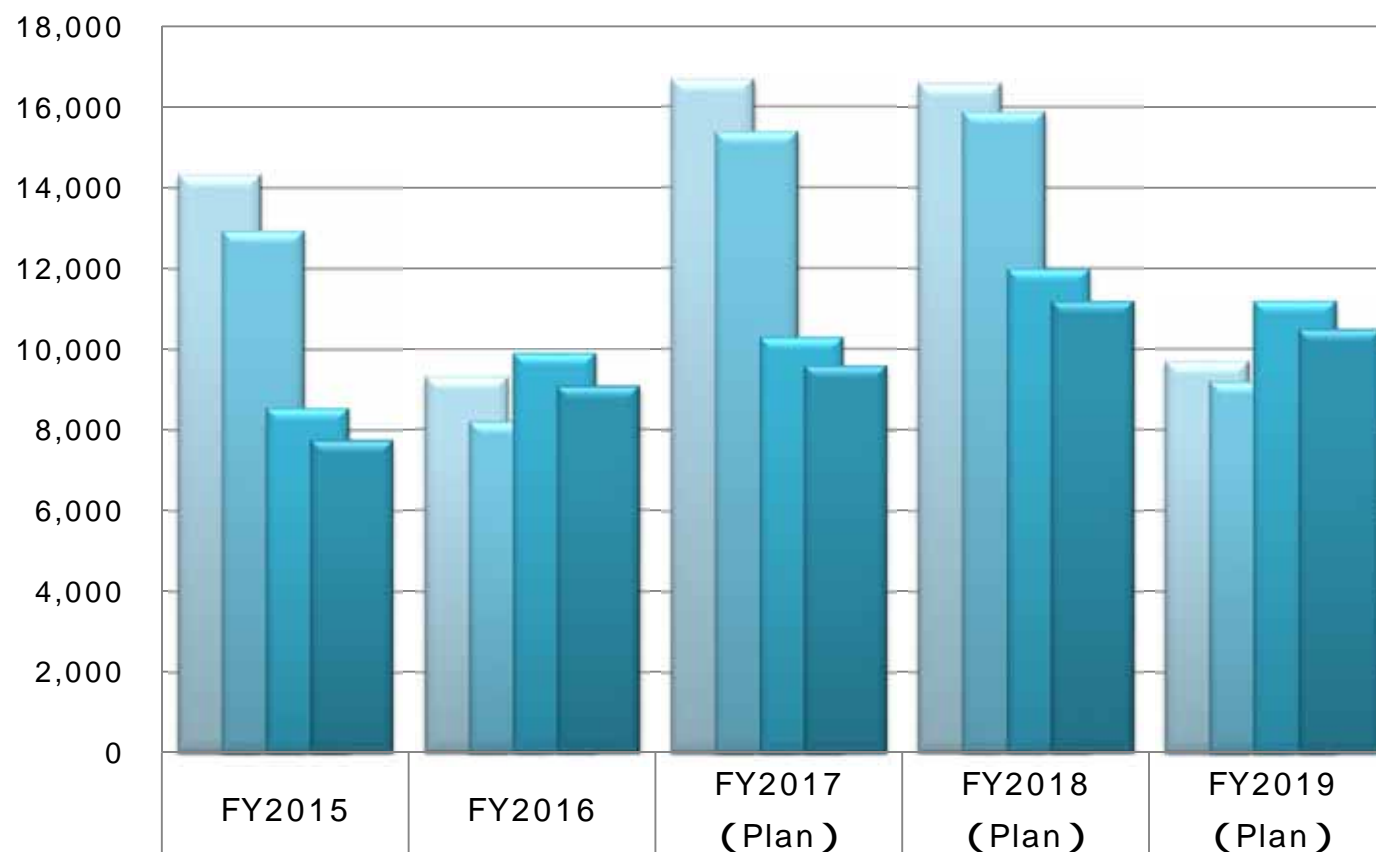
in million yen



| | | | | | | | | | | |
|-------------------------|--------|---------|--------|---------|---------|---------|---------|---------|---------|---------|
| Net Sales (Left) | 90,958 | 101,858 | 98,067 | 102,156 | 112,092 | 120,691 | 121,852 | 122,500 | 131,100 | 141,600 |
| Ordinary Income (Right) | 16,059 | 22,216 | 18,350 | 17,883 | 22,531 | 24,658 | 20,050 | 19,600 | 22,000 | 27,900 |
| Net Income (Right) | 11,491 | 13,702 | 11,206 | 11,529 | 15,155 | 16,598 | 14,419 | 14,400 | 16,500 | 20,400 |

Capital Investment (payment based) & Depreciation

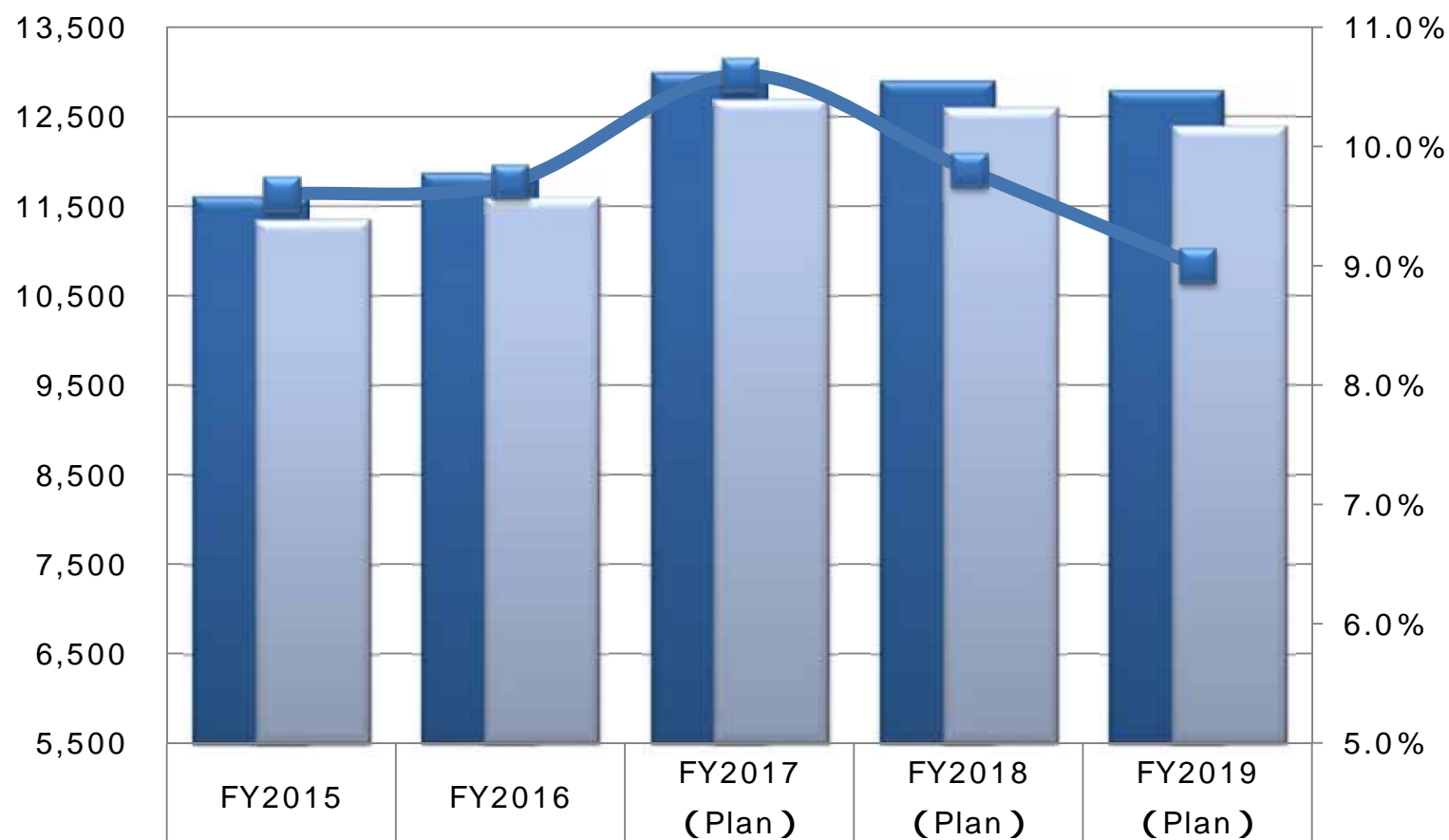
in million yen



| | | | | | |
|--------------------------|--------|-------|--------|--------|--------|
| Capital Inv. | 14,338 | 9,315 | 16,700 | 16,600 | 9,700 |
| Capital Inv. (non-cons.) | 12,947 | 8,194 | 15,400 | 15,900 | 9,200 |
| Depreciation | 8,561 | 9,888 | 10,300 | 12,000 | 11,200 |
| Depreciation (non-cons.) | 7,767 | 9,085 | 9,600 | 11,200 | 10,500 |

R & D Expense

in million yen



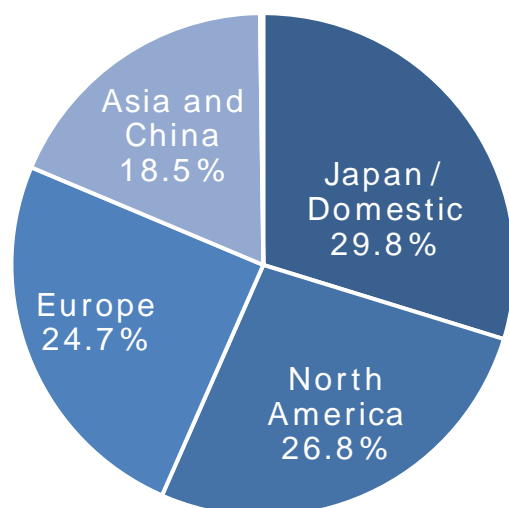
| | | | | | |
|--------------------|--------|--------|--------|--------|--------|
| R & D | 11,615 | 11,873 | 13,000 | 12,900 | 12,800 |
| R & D (non-cons.) | 11,357 | 11,608 | 12,700 | 12,600 | 12,400 |
| R&D to Sales ratio | 9.6% | 9.7% | 10.6% | 9.8% | 9.0% |

Sales by Region

(Consolidated)

in million yen

| Region | FY2013 | FY2014 | | | FY2015 | | | FY2016 | | |
|----------------|----------------|----------------|---------------|---------------|----------------|---------------|---------------|----------------|--------------|---------------|
| | Year | Year | Y/Y | Share | Year | Y/Y | Share | Year | Y/Y | Share |
| Japan/Domestic | 32,393 | 36,823 | 113.7% | 32.9% | 37,238 | 101.1% | 30.9% | 36,258 | -2.6% | 29.8% |
| North America | 28,624 | 31,101 | 108.7% | 27.7% | 35,135 | 113.0% | 29.1% | 32,704 | -6.9% | 26.8% |
| Europe | 26,045 | 27,682 | 106.3% | 24.7% | 29,603 | 106.9% | 24.5% | 30,138 | +1.8% | 24.7% |
| Asia and China | 14,842 | 16,248 | 109.5% | 14.5% | 18,381 | 113.1% | 15.2% | 22,489 | +22.3% | 18.5% |
| Other | 249 | 235 | 94.4% | 0.2% | 333 | 141.2% | 0.3% | 261 | -21.6% | 0.2% |
| Total | 102,156 | 112,092 | 109.7% | 100.0% | 120,691 | 107.7% | 100.0% | 121,852 | +1.0% | 100.0% |

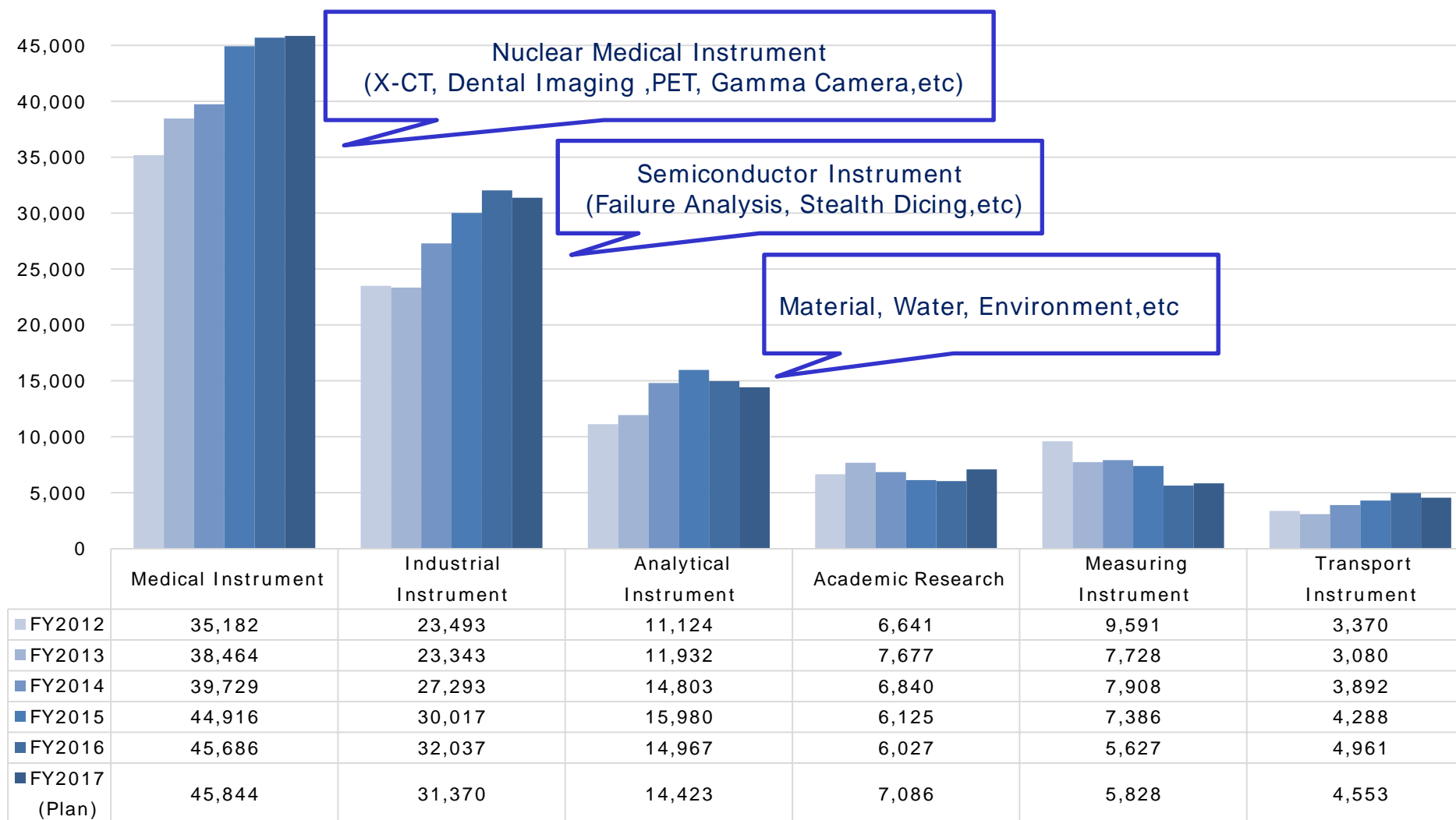


Major countries on each region

- North America: United States of America
- Europe: Germany, France, U.K.
- Asia and China: China, South Korea, Taiwan
Israel, India,
- Other: Australia

Sales by Industry & Application (Consolidated)

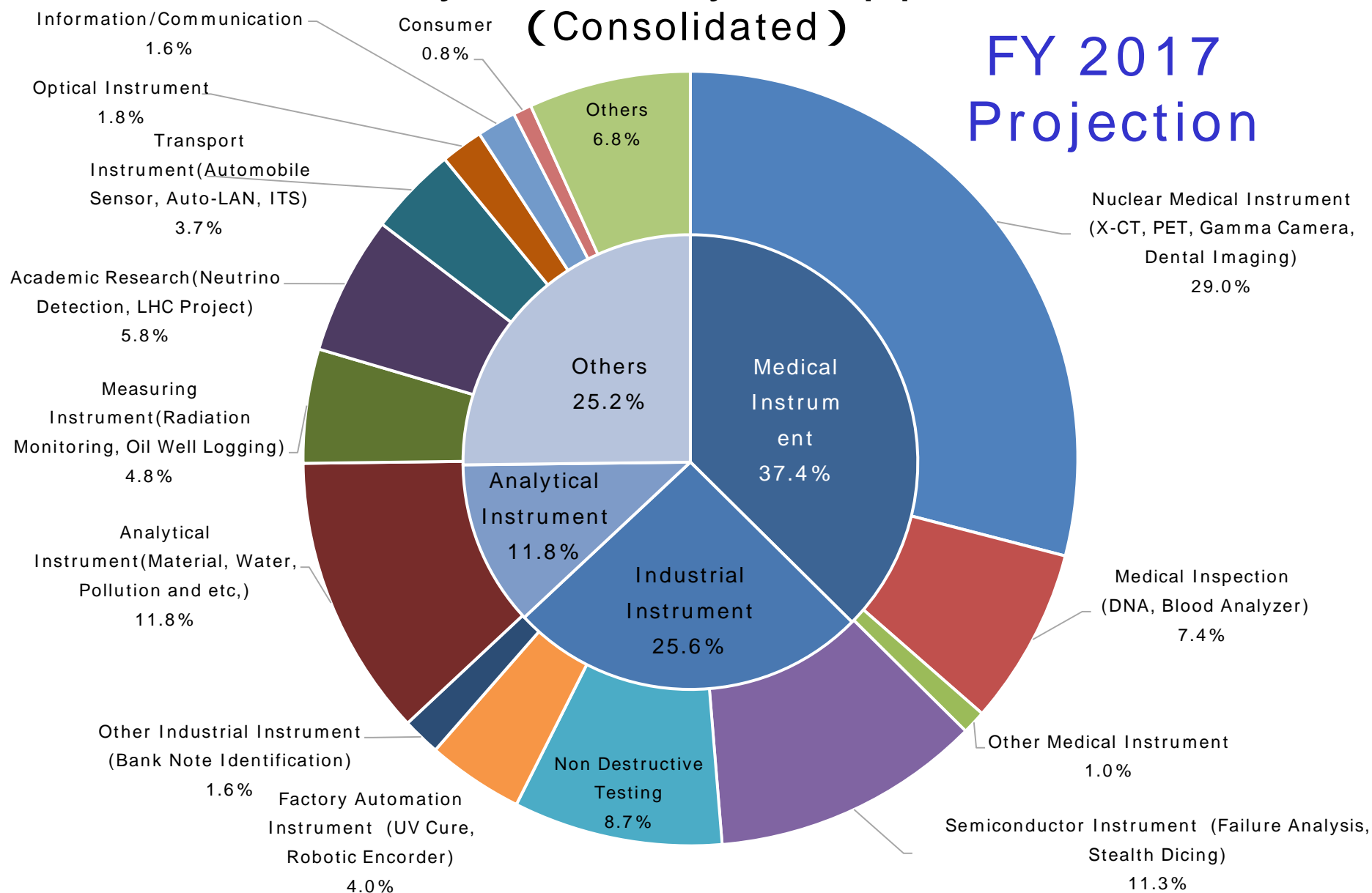
in million yen



Sales by Industry & Application (Consolidated)

HAMAMATSU
PHOTON IS OUR BUSINESS

**FY 2017
Projection**



Sales by Industry & Application 1 / 2

(Consolidated)

in million yen

| Application | FY2015 | | | | FY2016 | | | | FY2017(Plan) | | | |
|--|----------|-----------|--------|------|----------|-----------|--------|------|--------------|-----------|--------|------|
| | March | September | | | March | September | | | March | September | | |
| | 1st Half | 2nd Half | Year | % | 1st Half | 2nd Half | Year | % | 1st Half | 2nd Half | Year | % |
| Medical Instrument | 23,452 | 21,464 | 44,916 | 37.2 | 23,272 | 22,414 | 45,686 | 37.5 | 22,611 | 23,233 | 45,844 | 37.4 |
| Nuclear Medical Instrument (X-CT, PET, Gamma Camera, Dental Imaging) | 17,687 | 16,184 | 33,871 | 28.1 | 18,094 | 17,561 | 35,656 | 29.3 | 17,589 | 17,995 | 35,584 | 29.0 |
| Medical Inspection (DNA, Blood Analyzer) | 4,924 | 4,470 | 9,394 | 7.8 | 4,400 | 4,185 | 8,585 | 7.0 | 4,425 | 4,624 | 9,049 | 7.4 |
| Other Medical Instrument | 841 | 810 | 1,651 | 1.4 | 776 | 668 | 1,445 | 1.2 | 596 | 614 | 1,211 | 1.0 |
| Industrial Instrument | 14,969 | 15,048 | 30,017 | 24.9 | 15,824 | 16,213 | 32,037 | 26.3 | 15,008 | 16,362 | 31,370 | 25.6 |
| Semiconductor Instrument (Failure Analysis, Stealth Dicing) | 7,365 | 7,079 | 14,444 | 12.0 | 7,724 | 7,745 | 15,470 | 12.7 | 6,736 | 7,069 | 13,805 | 11.3 |
| Non Destructive Testing | 4,377 | 4,456 | 8,833 | 7.3 | 4,923 | 5,115 | 10,038 | 8.2 | 4,966 | 5,721 | 10,687 | 8.7 |
| Factory Automation Instrument (UV Cure, Robotic Encoder) | 2,371 | 2,643 | 5,014 | 4.2 | 2,104 | 2,433 | 4,537 | 3.7 | 2,339 | 2,591 | 4,930 | 4.0 |
| Other Industrial Instrument (Bank Note Identification) | 856 | 870 | 1,726 | 1.4 | 1,072 | 920 | 1,992 | 1.6 | 967 | 981 | 1,948 | 1.6 |
| Analytical Instrument : Material, Water, Environment | 8,021 | 7,959 | 15,980 | 13.2 | 8,168 | 6,799 | 14,967 | 12.3 | 7,047 | 7,377 | 14,423 | 11.8 |
| Academic Research: Neutrino/Dark Matter Detection | 3,840 | 2,285 | 6,125 | 5.1 | 3,576 | 2,451 | 6,027 | 4.9 | 3,864 | 3,221 | 7,086 | 5.8 |
| Exchange Rates | actual | | actual | | actual | | actual | | assumption | | | |
| 1 US dollar (yen) | 116.73 | — | 119.32 | | 118.39 | — | 111.77 | | 100.00 | | | |
| 1 euro (yen) | 138.47 | — | 136.78 | | 130.05 | — | 124.02 | | 110.00 | | | |

Sales by Industry & Application 2/2

(Consolidated)

in million yen

| Application | FY2015 | | | | FY2016 | | | | FY2017(Plan) | | | |
|---|----------|-----------|---------|-------|----------|-----------|---------|-------|--------------|-----------|---------|-------|
| | March | September | | | March | September | | | March | September | | |
| | 1st Half | 2nd Half | Year | % | 1st Half | 2nd Half | Year | % | 1st Half | 2nd Half | Year | % |
| Measuring Instrument: Radiation Monitoring, Oil Well Logging | 3,989 | 3,397 | 7,386 | 6.1 | 3,025 | 2,602 | 5,627 | 4.6 | 2,885 | 2,943 | 5,828 | 4.8 |
| Transport Instrument: Automobile Sensor,Auto-LAN, ITS | 2,167 | 2,121 | 4,288 | 3.6 | 2,513 | 2,448 | 4,961 | 4.1 | 2,356 | 2,197 | 4,553 | 3.7 |
| Information/Communication: Optical Communication, Computer Storage,Communication Equipment | 873 | 750 | 1,623 | 1.3 | 829 | 955 | 1,784 | 1.5 | 936 | 1,069 | 2,006 | 1.6 |
| Optical/Photographic Instrument: Laser Microscope | 1,162 | 1,029 | 2,191 | 1.8 | 1,121 | 1,117 | 2,238 | 1.8 | 1,106 | 1,053 | 2,159 | 1.8 |
| Consumer Instrument: Audio Link,Auto-dimming | 293 | 245 | 538 | 0.4 | 264 | 328 | 593 | 0.5 | 539 | 405 | 944 | 0.8 |
| Others/Not Classified | 3,464 | 4,163 | 7,627 | 6.3 | 4,247 | 3,683 | 7,931 | 6.5 | 4,148 | 4,140 | 8,288 | 6.8 |
| Total | 62,229 | 58,462 | 120,691 | 100.0 | 62,843 | 59,009 | 121,852 | 100.0 | 60,500 | 62,000 | 122,500 | 100.0 |
| Exchange Rates | actual | | actual | | actual | | actual | | assumption | | | |
| 1 US dollar (yen) | 116.73 | — | 119.32 | | 118.39 | — | 111.77 | | 100.00 | | | |
| 1 euro (yen) | 138.47 | — | 136.78 | | 130.05 | — | 124.02 | | 110.00 | | | |

High-Energy Physics Experiments using Photomultiplier Tubes

| | Project Name | Purpose | Place | Expected year of first delivery | number |
|------------------------|--------------------|------------------------------------|----------------------------------|---------------------------------|------------------|
| Underground | Hyper-Kamiokande | Neutrino, Proton Decay | Japan | 2018 | 82,000 14,000 |
| | LZ7(7t)/SURF | Dark Matter | USA | 2016 | 460 240 |
| | JUNO(Daya Bay II) | Neutrino | China | 2016 | 5,000 |
| Deep-sea | KM3NeT | Neutrino | Europe | 2014 | 175,000 |
| | Baikal-GVD | Neutrino | Russia | 2015 | 10,000 |
| Ice experiment | IceCube-PINGU | Neutrino | Antarctica | 2017 | 75,000 |
| | IceCube-HEX | Neutrino | Antarctica | 2018 | 240,000 |
| Ground-surface | CTA | Gamma-Ray Space Telescope | Southern and Northern Hemisphere | 2015 | 96,000 |
| Space | K-EUSO | Extreme energy cosmic ray particle | ISS | 2017 | 2,000 |
| Accelerator experiment | RICH/LHC-B/CERN | Collision experiments (Higgs) | Europe | 2016 | 3,550 |
| | RICH/CBM/GSI | Fixed target experiment | Europe | 2015 | 1,100 |



Pride in Manufacturing

for sustainable growth

Established in 1953



appearance



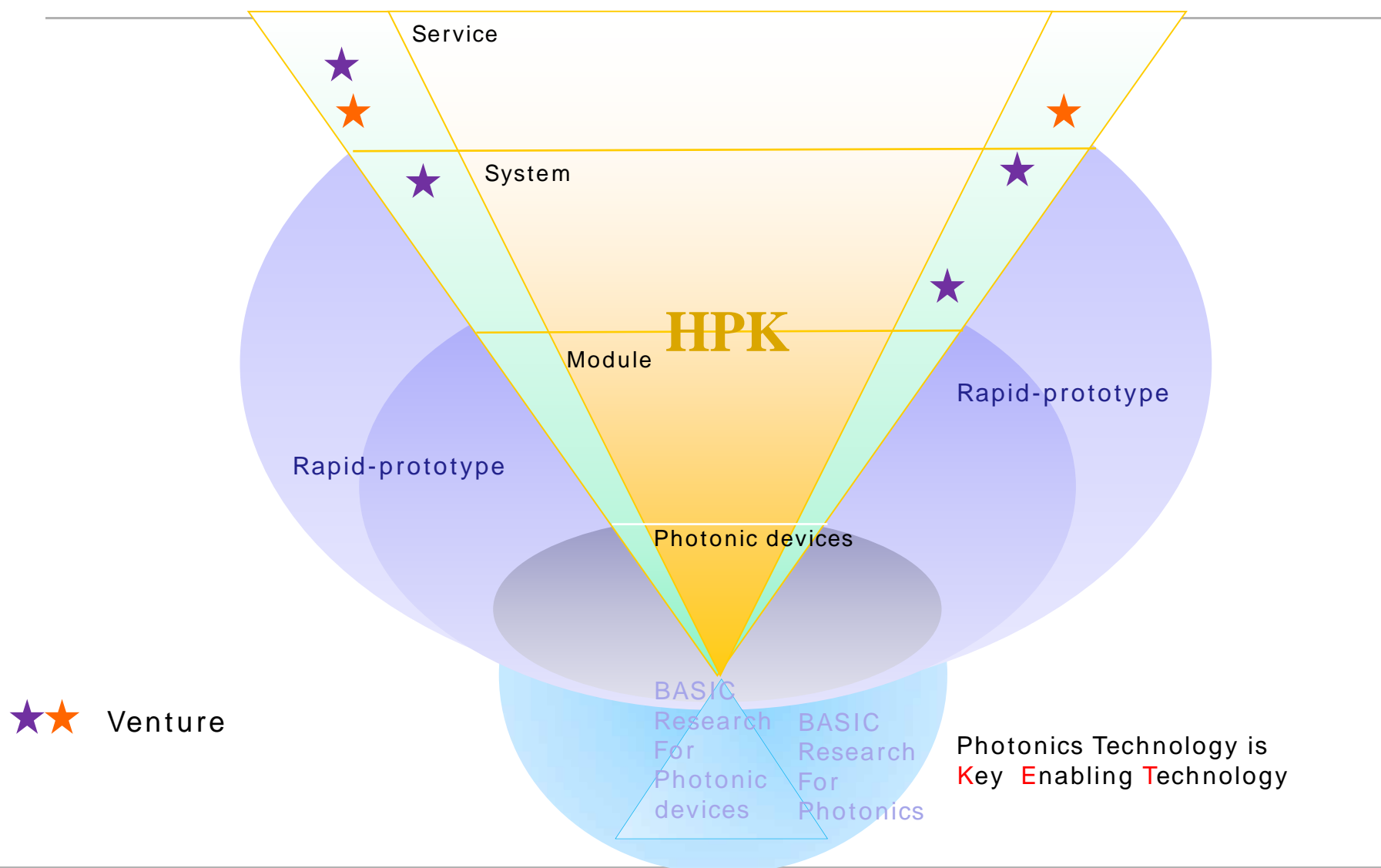
production



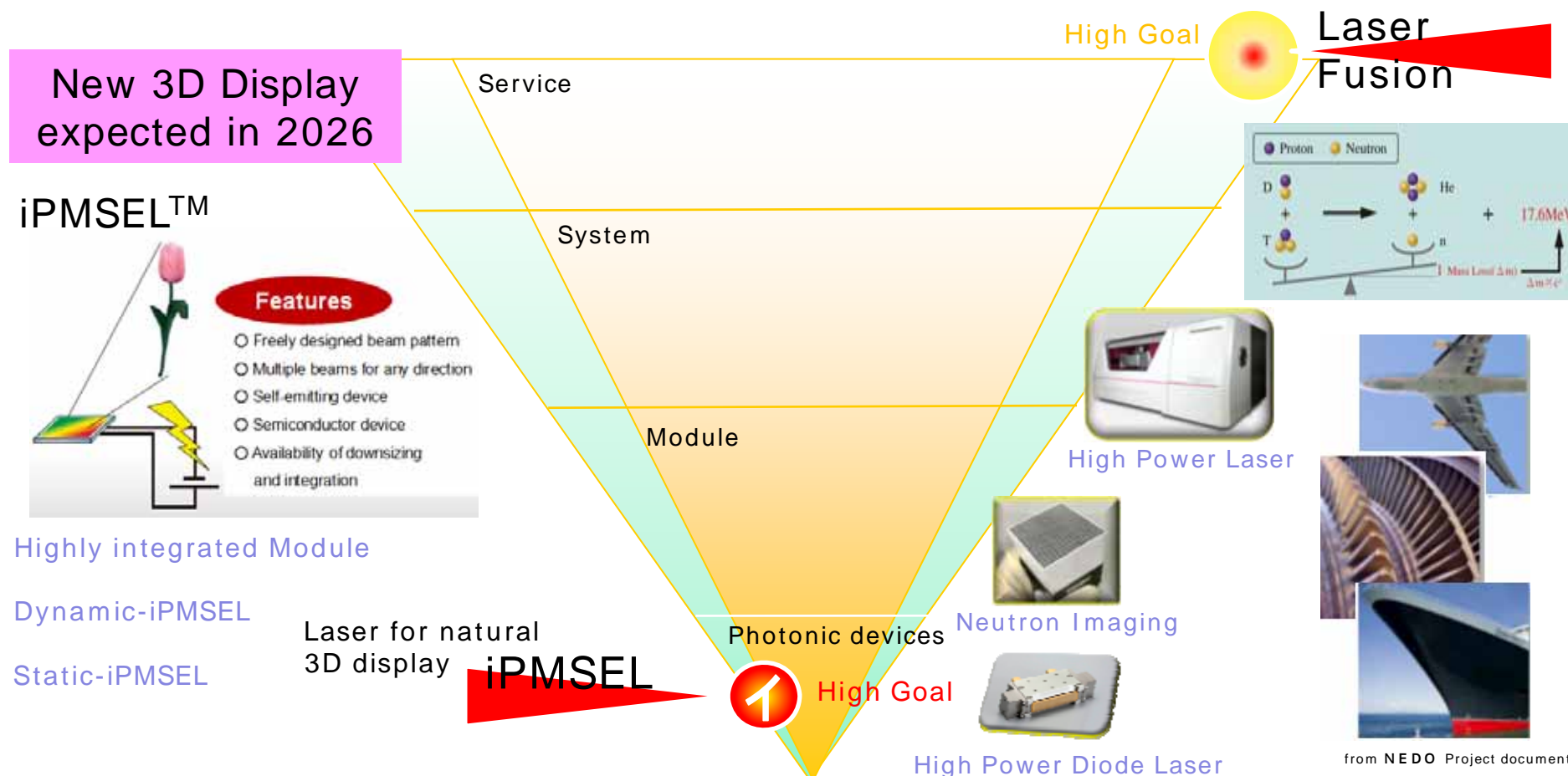
early product



Structure of Industry using Photonics Technology & Strategy of Hamamatsu Photonics



Pursuit of Photonics Technology



Setting High Goal and Serendipity

Compact high power laser applications

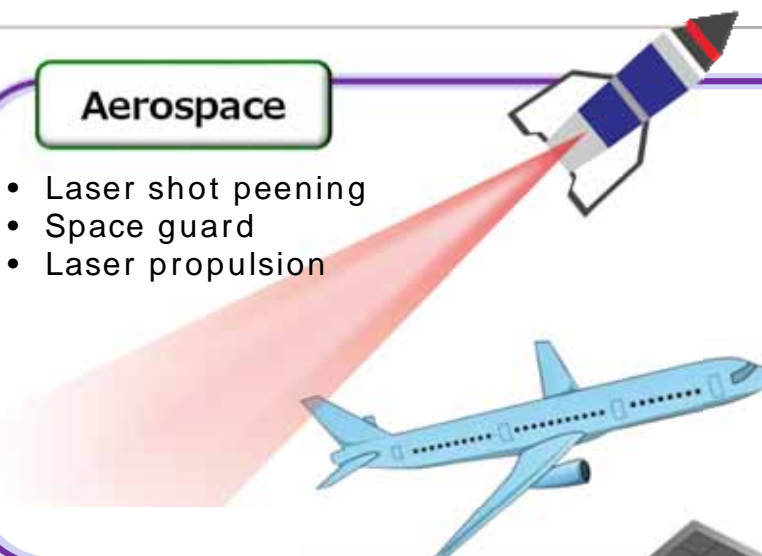
Automotive

- CFRP processing - Lightweight materials
- High capacity EV battery
- Laser induced ignition
- Laser surface texturing



Aerospace

- Laser shot peening
- Space guard
- Laser propulsion



Architecture

- Non destructive inspection
- Building demolition

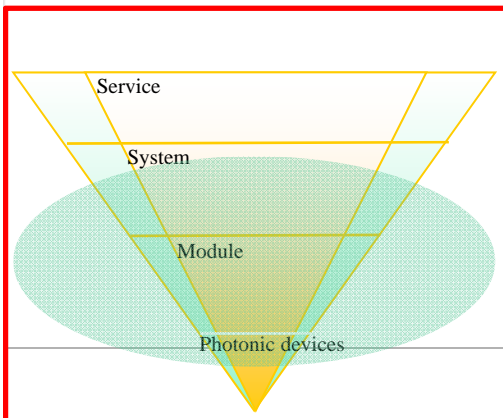
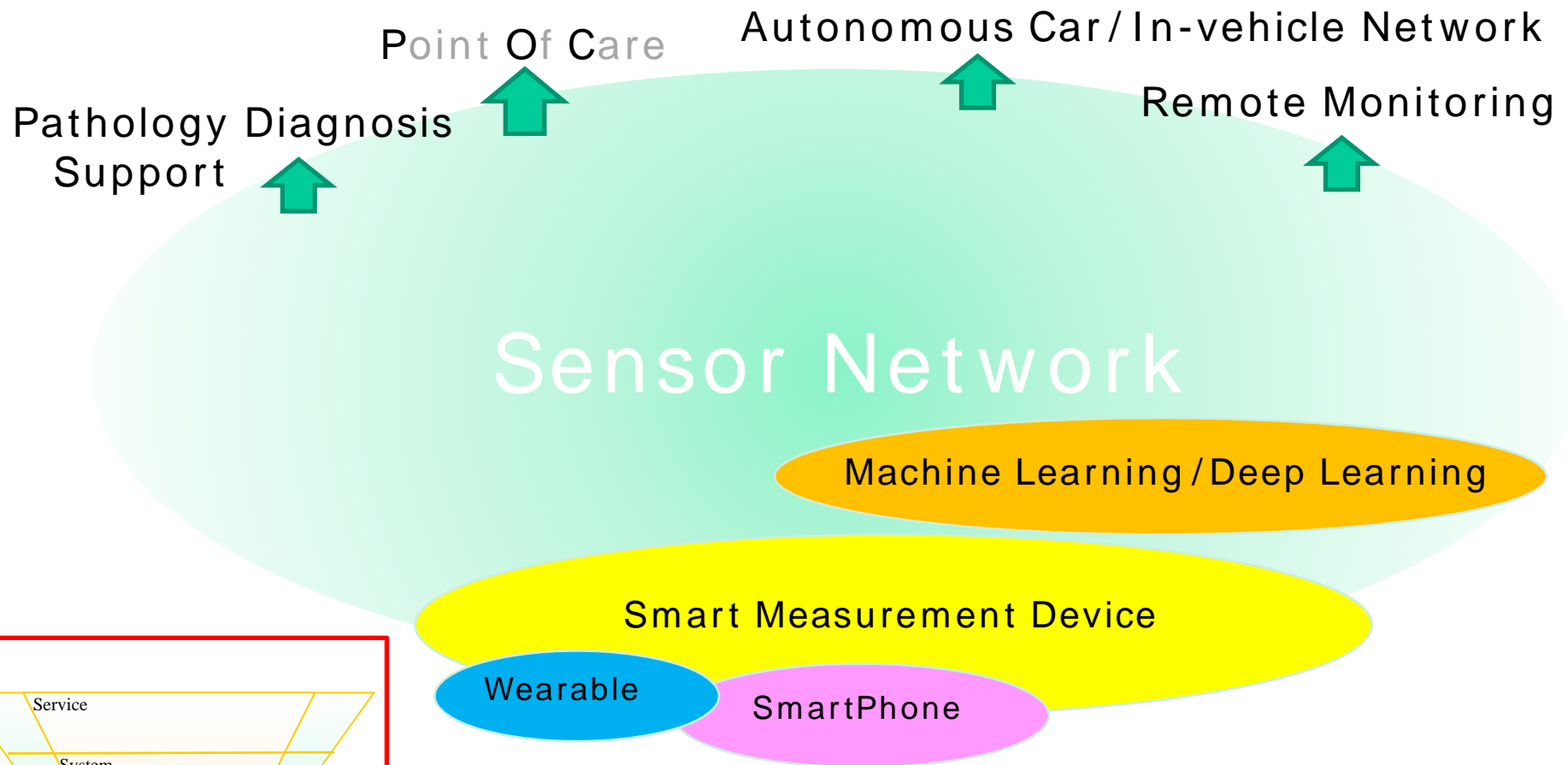


Semiconductor

- High definition LCD
- Wafer dicing
- Power semiconductor device



Internet of Things : IoT



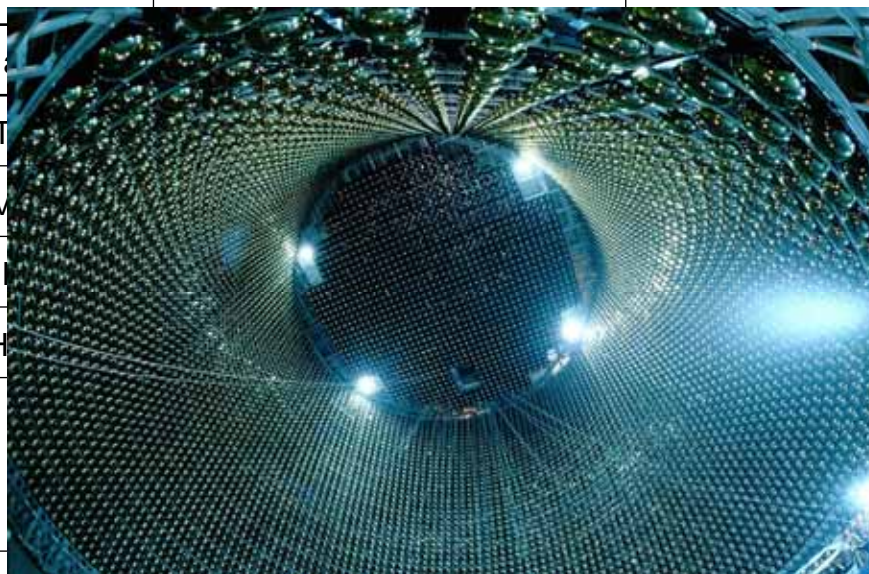


Topics in Divisions



High-Energy Physics Experiments using Photomultiplier Tubes

| | Project Name | Purpose | Place | Expected year of first delivery | number |
|---------------------------|------------------|---------------------------------------|--------|---------------------------------------|------------------|
| Underground | Hyper-Kamiokande | Neutrino, Proton Decay | Japan | 2018 | 82,000 14,000 |
| | LZ7(7t)/SURF | Dark Matter | USA | 2016 | 460 240 |
| | JUNO(Daya Bay) | | | 2016 | 5,000 |
| Deep-sea | KM3NeT | | | 2014 | 175,000 |
| | Baikal-GVD | | | 2015 | 10,000 |
| Ice experiment | IceCube-PM | | | 2017 | 75,000 |
| | IceCube-H | | | 2018 | 240,000 |
| Ground- surface | CTA | | | 2015 | 96,000 |
| Space | K-EUSO | Extreme energy cosmic ray particle | ISS | 2017 | 2,000 |
| Accelerator experiment | RICH/LHC-B/CERN | Collision experiments (Higgs) | Europe | 2016 | 3,550 |
| | RICH/CBM/GSI | Fixed target experiment | Europe | 2015 | 1,100 |



Development of Image Pickup Tube

“Image Pickup Tube” is the only solution to satisfy the required specifications for Nuclear Decommissioning Camera

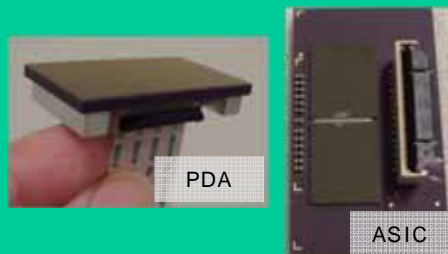


Image Pickup Tube

Expected applications

Medical

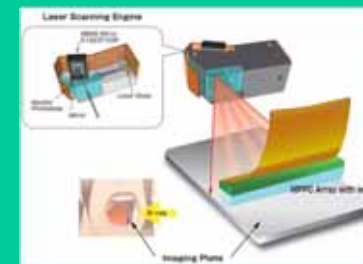
■ X-ray CT ASIC module



■ PET MPPC module

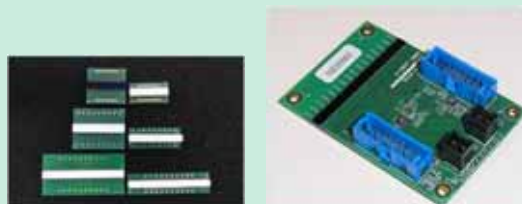


■ Dental(IP reader) MPPC+MEMS mirror



Industrial

■ Baggage inspection PDA/Module



■ NDT Micro-spectrometer



■ Wafer inspection CCD/InGaAs image sensor



Automotive

■ LIDAR Si/InGaAs-APD, MPPC



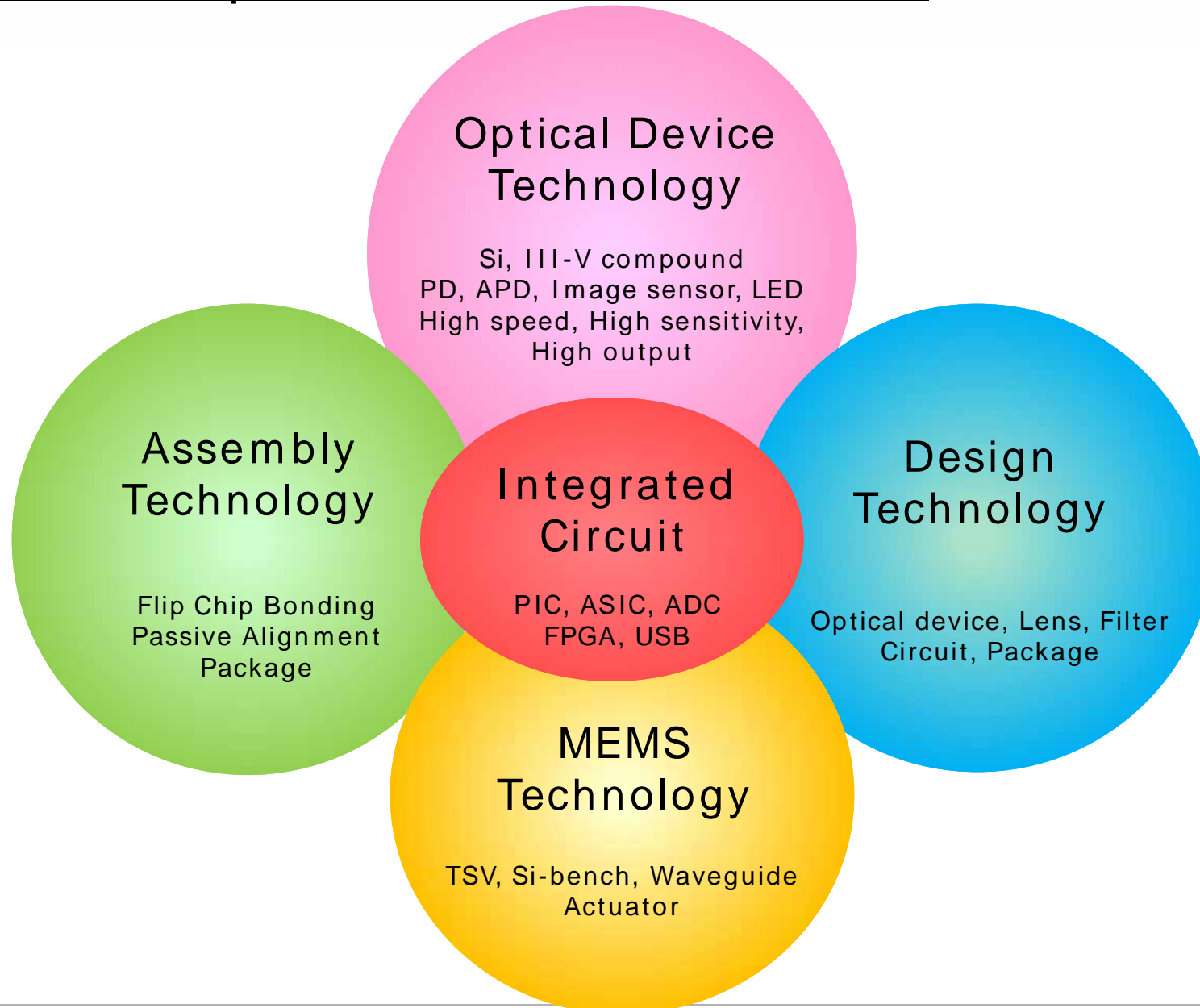
■ Optical network Gbps high speed FOT



■ HUD MEMS mirror/Optical engine



Future of Optical Semiconductors



Scientific Grade Digital Cameras

Develop the ultra low noise CMOS image sensors and cameras



Hamamatsu scientific grade digital cameras have a large market share in the microscopic imaging market .

Hamamatsu continues to develop the CMOS images sensors superior to competitors in performance and expand the market share further.

Towards Automated Pathology Diagnosis

Develop the ultra high speed scanners for clinical applications seeking to acquire the FDA approval



NanoZoomer SQ



S60



S210



XR

Digitizing the pathology workflow is rapidly advancing and **the automated diagnosis by means of image analysis or machine learning** are expected to grow.

Hamamatsu **establishes the top vendor position** for the pathology digital scanners.

From Memory IC to Logic IC

Develop the dynamic failure analysis system using ultra high speed time-resolved measurement for logic IC market



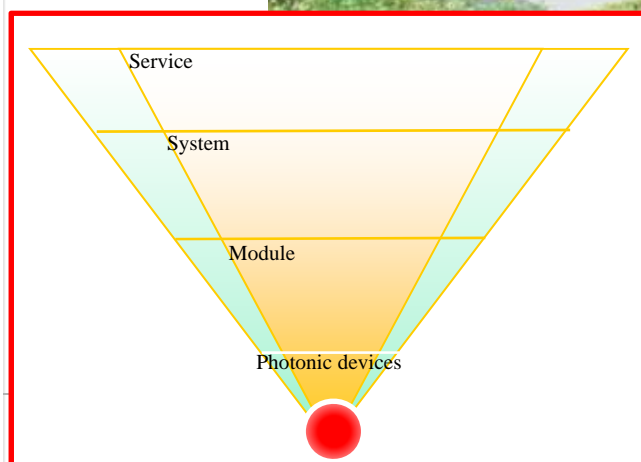
The Phemos semiconductor failure analysis systems have a large market share in Asia for the static analysis of the memory IC at the final production processes.

Hamamatsu develops the dynamic failure analysis, necessary for designing and debugging, and expand the market share by providing the systems adapted to the front-end to back-end processes for IC production.

Investment for Sustainable Growth



Compound Semiconductor Devices Fab.
at Miyakoda Factory
to be completed in Autumn 2017



www.hamamatsu.com

Asia

HAMAMATSU PHOTONICS K.K.

Headquarters

HAMAMATSU PHOTONICS (CHINA) Co., Ltd.

Head Office / Shanghai Branch

BEIJING HAMAMATSU PHOTON TECHNIQUES INC.

Head Office / Langfang Factory



North America

PHOTONICS MANAGEMENT CORP.

HAMAMATSU CORPORATION

Main Office / California Office / Chicago Office
/ Boston Office

Europe

HAMAMATSU PHOTONICS EUROPE GmbH

HAMAMATSU PHOTONICS DEUTSCHLAND GmbH

Main Office / Netherlands Office
/ Poland Office / Danish Office

HAMAMATSU PHOTONICS FRANCE S.A.R.L.

Main Office / Swiss Office / Belgian Office
/ Spanish Office

HAMAMATSU PHOTONICS NORDEN AB

Main Office / Russian Office

HAMAMATSU PHOTONICS ITALIA S.r.l.

Main Office / Rome Office

HAMAMATSU PHOTONICS UK Limited

Main Office / South African Office