



# HAMAMATSU PHOTONICS K.K.

Fiscal Year Ending September 30, 2026 First Quarter

# Presentation

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**Kodama:** Thank you very much for taking time out of your busy schedule today to join in the Q1 financial results briefing for the fiscal year ending September 30, 2026 of HAMAMATSU PHOTONICS K.K.

I will introduce the attendees. This is Mr. Takashi Ogasawara, Executive Officer, and I, Kodama of the Corporate Communication Department, will be in charge of facilitating the briefing.

Today, we will explain the Q1 financial results for the fiscal year ending September 30, 2026. After our presentation, we will move on to the question-and-answer session. Please check our company website for the materials. The briefing is scheduled to end at 12:00 PM but may be extended depending on the progress. Thank you for your understanding in advance.

Now, Executive Officer Ogasawara, please begin.

**Ogasawara:** Now, I will explain according to the materials. The entire presentation is scheduled to last approximately 10 minutes. Thank you for your cooperation.

Let's begin.

## Point

### **FY26 Q1 Results**

(Unit : Billion yen)

#### **Sales 51.9 (+2.6 % YoY)**

- Solid growth in Industrial continues, and demand in Medical-bio has shown signs of bottoming out

#### **Operating profit 2.4 (-43.9% YoY)**

- Investments for future growth resulted in 2.7 percentage points decline in gross profit margin and increase of ¥1.1 billion in SG&A expenses

### **Outlook from FY26 Q2 onward**

- Based on steady order intake, there is no change to earnings forecasts
- Price optimization negotiations are underway, with gross margin improvement expected in the second half

### **Status of Share Buyback (Status of Implementation as of January 31, 2026)**

- Total number of shares purchased: 5,959,900 shares
- Total cost of purchase: 9,795,646,900 yen

Disclosed on November 7, 2025  
Term of the share buyback : November 10, 2025 to September 30, 2026  
Total value of shares to be repurchased : **Up to 20 billion yen**  
Total number of shares to be repurchased : **Up to 15 million shares**

Here are the key points of these Q1 results. It is organized into three points.

First, an overview of our business performance.

As for the results for Q1 of FY2026, sales totaled JPY51.9 billion, an increase of 2.6% YoY. As for the background, in addition to the continued strength of the industrial area, particularly semiconductors, the medical-bio area, which had been weak until the previous fiscal year, bottomed out and began to show signs of a turnaround. Both of our two main areas of business performed well.

On the other hand, operating profit totaled JPY2.4 billion, down 43.9% YoY. This was due to a 2.7-percentage point decline in the gross profit margin and higher labor costs. All of these investments are associated with investments for future growth, and it is expected that it will take a certain amount of time for the large-scale investments of the past few years to contribute to earnings. Currently, we are positioning this period as a period of preparation.

Second, I would like to explain the full-year forecasts. In conclusion, there is no change to the full-year forecasts announced last November.

Although the operating profit progress rate for Q1 is low at 13.9%, the order environment is firm, and the tide is definitely turning. In addition, negotiations for price optimization, which have been underway since last year, are expected to be reflected sequentially from H2 of the fiscal year, and we anticipate an improvement in profit margins along with a recovery in sales.

Please note that we have attached materials analyzing the status of orders from a new angle, which we will explain later in the presentation.

Here is the third key point. It is about the progress on share buybacks.

The acquisition of 15 million shares for a total of JPY20 billion, announced on November 7, 2025, is progressing as planned.

While we recognize that improving ROE is an important theme in this medium-term plan, we believe that it will take a certain amount of time for the large investments we have made over the past few years to contribute to earnings.

On the other hand, we believe that the Company is at a level that will ensure stable cash generation during the period.

Therefore, while placing the highest priority on medium- to long-term growth, we will continue to examine ways to improve capital efficiency and shareholder returns, taking into account the balance between investment in growth.

## Financial Results

**Solid growth in Industrial continues, and demand in Medical-bio has shown signs of bottoming out**  
**Increase in expenses resulting from upfront investments**

(Unit : Billion yen)

	FY25 Q1	FY26 Q1	YoY	
			Change	%
<b>Sales</b>	<b>50.5</b>	<b>51.9</b>	<b>1.3</b>	<b>2.6</b>
<b>Gross profit (%)</b>	<b>24.4</b> (48.3 %)	<b>23.6</b> (45.6 %)	<b>-0.7</b>	<b>-3.1</b>
<b>Operating profit (%)</b>	<b>4.2</b> (8.5 %)	<b>2.4</b> (4.6 %)	<b>-1.8</b>	<b>-43.9</b>
<b>EBITDA</b>	<b>9.4</b>	<b>7.5</b>	<b>-1.8</b>	<b>-19.6</b>
<b>Net profit</b>	<b>4.1</b>	<b>2.7</b>	<b>-1.4</b>	<b>-33.5</b>

Here are the financial results. I will continue with a detailed explanation of the Q1 results.

Sales were JPY51.9 billion, up JPY1.3 billion or 2.6% YoY.

Gross profit was JPY23.6 billion, down JPY0.7 billion or 3.1% YoY.

Operating profit was JPY2.4 billion, down JPY1.8 billion or 43.9% YoY.

Net profit was JPY2.7 billion, down JPY1.4 billion or 33.5% YoY.

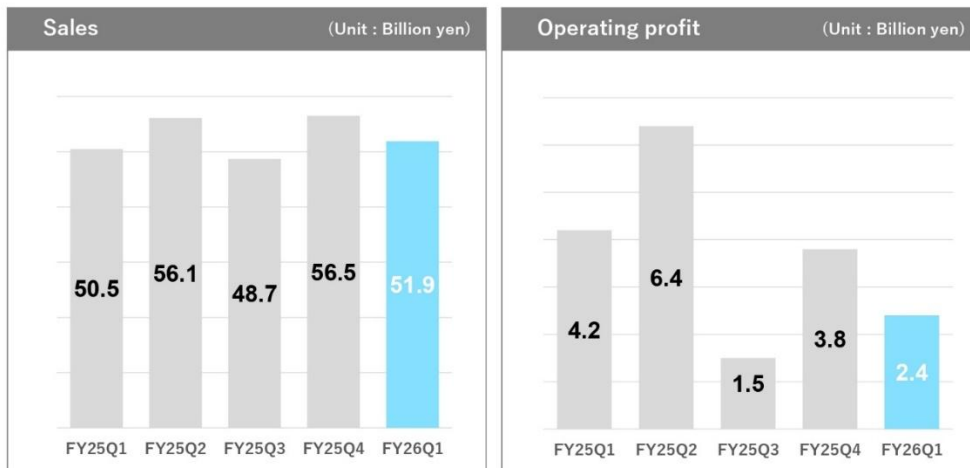
To reiterate, in addition to the steady performance of the industrial area, particularly in semiconductors, the medical-bio area also bottomed out and began to show signs of recovery.

On the other hand, higher costs and SG&A expenses put pressure on profits.

In particular, the gross profit margin declined 2.7 percentage points YoY, which had a significant impact as a factor in the decline in profit. The decline in this gross profit margin was primarily due to the acquisition of NKT Photonics and Fairchild Imaging, which contributed to the loss in Q1.

We will explain it again later.

## Quarterly Changes



Here are the quarterly changes in the financial results.

What I would like to share with you here is the trend in sales. Based on the current order situation, we expect sales to trend upward from Q1 to Q2 and from Q3 to Q4.

## Sales by application

(Unit : Billion yen)

	FY25 Q1	FY26 Q1	YoY	
			Change	%
Industrial	17.3	18.1	0.8	4.6
Medical-bio	14.4	15.9	1.4	10.2
Analytical	6.4	6.1	-0.3	-4.9
Academic Research	4.9	4.5	-0.4	-9.0
Measuring	2.4	3.0	0.5	23.7
Transport	1.2	1.0	-0.1	-13.3

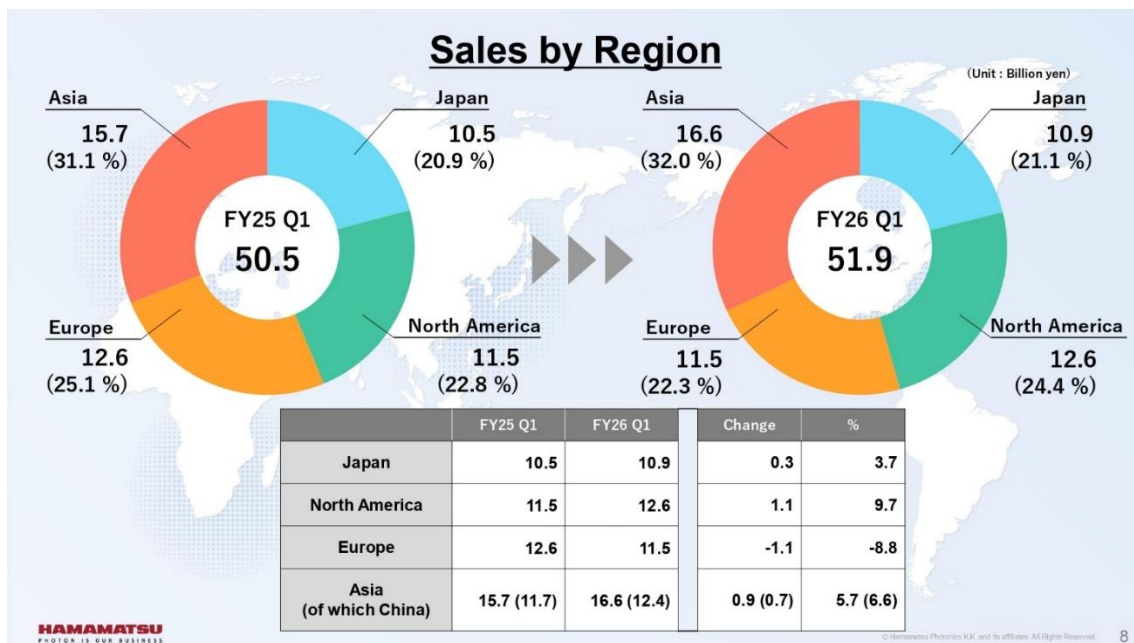
Here are the sales trends by application.

The non-destructive testing and semiconductor areas continued to perform well, as did the industrial area as a whole.

In the medical-bio area, the demand adjustment that continued until last year has run its course, and the situation can be judged to have bottomed out.

In the analytical area, sales declined in Q1 as a reaction to last year's high level of sales. However, this was due to the temporary normalization of the pace of growth, and we do not see demand itself entering a recessionary phase.

In the academic area, sales decreased from the previous year due to the completion of a major project.



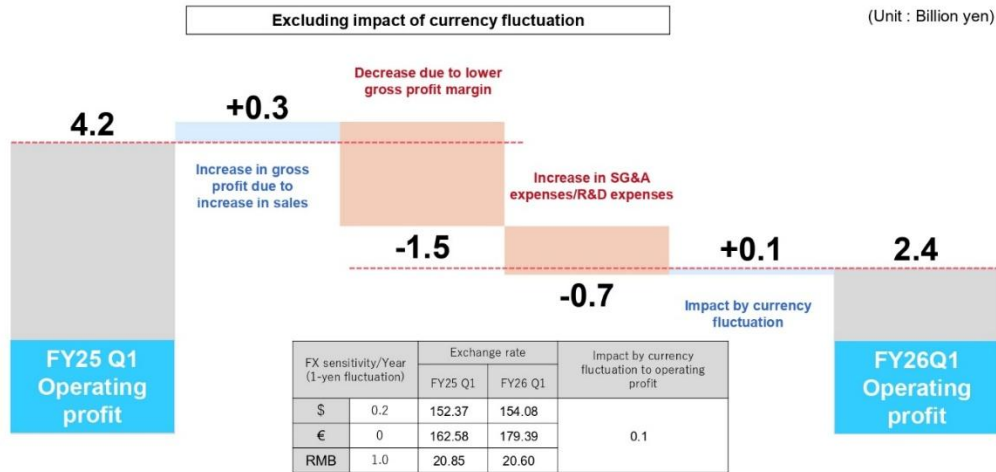
Here are the sales by region.

There are no major changes in the overall composition.

On the other hand, sales in Europe declined due to the completion of the large projects I mentioned earlier.

## Factors of Operating Profit Changes

FY25 Q1 – FY26 Q1



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Here are the factors of operating profit changes. I will explain the factors in a bit more specific detail.

The total impact of the decrease in the gross margin is negative JPY1.5 billion. Approximately half of this amount was due to NKT Photonics and Fairchild Imaging. Fairchild Imaging, which was not consolidated in the same period of the previous year and had a lower gross margin than the Company's overall average, gave significant impact to our Q1 profit.

The other impact is mainly due to higher labor and material costs. Negotiations to pass on these cost increases to customers have been underway since last year. We expect that this effect will not be fully realized until H2 of the fiscal year.

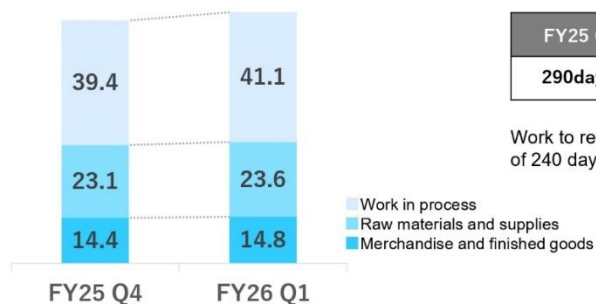
SG&A expenses increased by JPY0.7 billion in Q1, excluding the impact of currency fluctuation, while the full-year increase is expected to be JPY4 billion. In this fiscal year, we have also begun to reduce overhead costs, and are in the process of taking steps to improve efficiency in the future.

## Inventory status

### **| Activities to Shorten CCC (Cash Conversion Cycle)**

- Increase in semiconductor failure analysis systems pending customer acceptance
- Increase in inventories toward FY26 Q2 and beyond, driven by higher order intake
- No change to the target cash conversion cycle (CCC) of 240 days

**[Inventory trends]** (Unit : Billion yen)



**[CCC]**

FY25 Q4	FY26 Q1	FY28 (Target)
290days	292days	240days

Work to reduce inventory turnover days with a target CCC of 240 days

Here is the inventory status.

Inventories increased by JPY2.7 billion from the end of the previous fiscal year. The main reason, as stated here, was due to an increase in semiconductor failure analysis systems awaiting acceptance inspection, as well as preparations for shipments in Q2 and beyond.

For the semiconductor failure analysis systems, unit prices are high, and sales are concentrated in March and September, so inventories tend to increase temporarily in Q1.

This is a temporary factor and does not change our goal of a 240-day cash conversion cycle for FY2028.

## Earnings Forecast

At this time, there is no change to earnings forecasts

(Unit : Billion yen)

	FY25	FY26 (Plan)	YoY	
			Change	%
<b>Sales</b>	<b>212.0</b>	<b>222.0</b>	<b>9.9</b>	<b>4.7</b>
<b>Gross profit (%)</b>	<b>101.3 (47.8 %)</b>	<b>106.2 ( 47.8 %)</b>	<b>4.8</b>	<b>4.8</b>
<b>Operating profit (%)</b>	<b>16.1 (7.6 %)</b>	<b>17.2 ( 7.7 %)</b>	<b>1.0</b>	<b>6.4</b>
<b>EBITDA</b>	<b>38.5</b>	<b>39.9</b>	<b>1.4</b>	<b>3.8</b>
<b>Net profit</b>	<b>14.2</b>	<b>14.3</b>	<b>0</b>	<b>0.7</b>

Here is our forecast for the full-year. There are no changes at this time.

We expect to achieve it through both an increase in revenue and an improvement in the profit margin from Q2 and beyond. I will explain the basis for this later when I explain the status of orders.

## Outlook from FY26 Q2 onward

Application		Outlook from FY26 Q2 onward
Industrial	Semiconductor manufacturing and testing	Against backdrop of expanding AI semiconductor demand, light sources and sensors for semiconductor inspection equipment are performing strongly
	Semiconductor failure analysis system	Semiconductor failure analysis systems for HBM are performing well
	Non-destructive testing	X-ray sources for inspection of server PCB substrates are performing strongly, driven by expanding data center and AI server demand
Medical-bio	Radiographic testing	Sales trends are expected to remain broadly stable without significant changes
	Laboratory testing	Recovery in life sciences market is expected to take time

Here is the future outlook by application.

At the top of the list, with regard to the semiconductor manufacturing and testing area, sales of light sources and sensors for semiconductor testing equipment continue to be strong against the backdrop of growing demand for AI semiconductors.

In the area of semiconductor failure analysis system, demand is firm, particularly for HBM. The business continues to be strong at the moment.

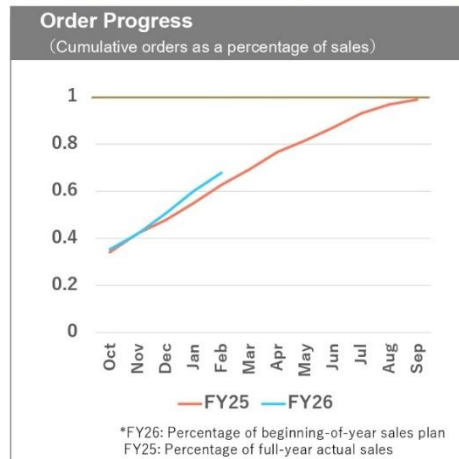
In the non-destructive testing area, demand for X-ray sources for inspection of circuit boards for servers is growing along with the expansion of demand for data centers and AI servers.

Here is the medical-bio area. In the radiographic testing area, sales trends are not expected to change significantly and are generally expected to remain stable.

In the laboratory testing area, on the other hand, we are cautiously assessing the situation, as we expect it will continue to take time for the biotechnology area as a whole to recover.

## Orders trends

Order intake continues to perform strongly  
Progress against FY26 sales plan is also tracking more favorably than last year



Here is the situation of orders.

The graph on the left, which has been shown in the past, shows the change in orders intake and backlog with the beginning of FY2024 as 1. Order intake continues to remain robust, with the semiconductor area in particular maintaining its strong performance.

The graph on the right side is newly added this time. We have received some comments that it is difficult to understand the concept of time axis with only the conventional graph on the left, so we have added a new one this time.

This graph shows how orders will be received against the full-year sales plan for the current fiscal year. The orange line for FY2025 shows how sales increased compared to last year's sales result. The blue line shows how sales are building up toward this fiscal year's plan.

Although the progresses of both lines were similar at the start, you can see that orders have remained steady since the end of last year and into this year. This is the basis for our belief that the full-year forecast can be achieved.

I now have finished explaining the summary of our Q1 results and our outlook for the future.

Although the Q1 results are a little bit behind our plan, the environment for orders is firm, and we believe that the tide is definitely turning. We believe the situation is promising for a steady recovery in H2.

We will continue to work together as one company toward achieving our full-year goals. Thank you for your continued support.

That is all for my explanation. Thank you.

## **Q&A**

### **Q1: Was the Q1 within expectations?**

**A1:** Q1 saw a modest delay in the sales ramp for certain products and subsidiaries. This was timing-related, and on a full-year basis, performance remains within the expected range. Several subsidiary-led projects shifted to the Q2; orders have not been lost, and we believe the full-year plan remains fully achievable.

### **Q2: Gross margin appears soft. How large is the variance versus plan, and what are the drivers?**

**A2:** Q1 gross margin was 45.6%. Excluding the two recently acquired subsidiaries, gross margin would have been 47.3%, reflecting a slight shortfall versus both the prior-year level (48.7%) and the plan (48.9%). The variance primarily stems from sales timing and shipment phasing of higher-margin products. We expect to close the gap over the year with the planned second-half price adjustments and the sales recovery from the Q2 onward.

### **Q3: What is the status of price negotiations?**

**A3:** Negotiations have been ongoing since last year. While progress differs by product and customer, discussions are advancing steadily and broadly in line with our internal schedule.

### **Q4: How far has workforce/human capital optimization progressed?**

**A4:** We are optimizing headcount and expect annual personnel cost savings of approximately JPY 300 million. Following several years of active hiring, we plan to moderate recruitment from the next fiscal year and manage staffing on a three-year planning horizon.

In parallel, our indirect cost reduction program—initiated last year—is expected to yield approximately JPY 300 million in additional savings.

**Q5: Did temporary softness in semiconductor failure analysis systems and stealth dicing depress gross margin?**

**A5:**Yes. Sales of these high-margin products were temporarily soft in the Q1, weighing on gross margin. Shipments and customer acceptances are expected to progress from the Q2, with full-year sales and profit contributions tracking in line with the plan.

**Q6: Orders are growing; what is the outlook for the Q2 and the second half?**

**A6:**The order environment remains solid. Microfocus X-ray sources for electronic component inspection continue to perform well, underpinned by AI/data center investments. Demand for semiconductor testing equipment is also recovering in line with broader market trends. We expect the elevated Q1 order level to provide a base for the Q2 and beyond, while acknowledging potential quarter-to-quarter fluctuations.

**Q7: How does demand for microfocus X-ray sources?**

**A7:**EV battery inspection applications—after several years of strong growth—have now stabilized. In contrast, the electronic components inspection application has expanded to more than twice the size of the battery segment. We expect the electronic components inspection application to continue widening this fiscal year, driving overall growth.

**Q8: Could front-loaded orders ahead of price increases dampen order intake post-implementation and dilute the expected benefit?**

**A8:**We do not anticipate material front-loading. We have aligned with customers on the effective timing of price adjustments, which should preserve the intended pricing effect.

**Q9: For NKT Photonics, are the challenges primarily sales-related or cost-related?**

**A9:**The Q1 sales shortfall was timing-driven. We expect sales to revert to the planned trajectory across the fiscal year. On costs, appropriate optimization measures have been implemented locally; we do not see structural cost issues. The issue relates to Q1 phasing rather than a structural matter.

**Q10: What is the outlook for the Medical - Bio segment from the Q2 onward?**

**A10:**The segment is broadly tracking the initial plan. Radiographic testing has largely completed inventory normalization and is seeing order recovery. Laboratory testing remains soft, consistent with last fiscal year, and will likely take more time to recover. We expect radiographic testing to lead the segment's improvement.

**Q11: To achieve a full-year gross margin of 47%, does the second half need to be around 49%?**

**A11:**We expect sequential, step-wise improvement each quarter; a uniform 49% in the second half is not required. Pricing actions, combined with increased shipments of high-margin products from the Q2 through the second half, are expected to support achievement of the 47% full-year target.