



HAMAMATSU PHOTONICS K.K.

Fiscal Year Ending September 30, 2026 Second Quarter Report

May 15, 2026

Presentation

Kodama: Thank you very much for joining HAMAMATSU PHOTONICS K.K.'s financial results briefing for the second quarter of the fiscal year ending September 30, 2026, despite your busy schedules.

Let me introduce today's speakers. Executive Officer Takashi Ogasawara is with us today, and I am Kodama from the Corporate Communication Department, serving as moderator.

Today, we will present the results for the second quarter of the fiscal year ending September 30, 2026, followed by a question-and-answer session. The presentation materials are available on our website, so please refer to them as needed. We expect today's briefing to conclude at 12:00 p.m., although it may run longer depending on the discussion. Thank you in advance for your understanding.

Point

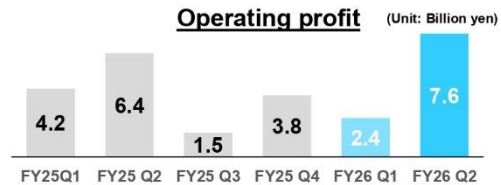
FY2026 1H Results

1H: YoY sales growth with operating profit decline
Q2: Sales and operating profit growth both YoY and QoQ

Sales 112.4 (+5.4 % YoY)

- Industrial performed well, supported by strong investment driven by generative AI
- Medical-bio saw an improvement in the demand environment as the prolonged inventory adjustment cycle ran its course

Operating profit 10.0 (-7.0 % YoY)



FY2026 Forecasts

Full-year forecasts revised upward, supported by strong Industrial instrument orders

Sales 232.0 (+4.5 % vs Plan)

- Assuming continued investment centered on generative AI, revised plans, mainly for Industrial
- Medical-bio and others remained steady

Operating profit 20.0 (+16.3 % vs Plan)

- Profit outlook revised upward, driven by revenue growth
- Higher expenses expected, including R&D costs

Ogasawara: I will now walk you through the materials. My presentation will take about 15 minutes. Thank you.

There are two key takeaways from these results.

First, our results for the first half. Sales rose 5.4% year on year to JPY112.4 billion. This reflected strong performance in the industrial field, supported by expanding investment related to generative AI, while the Medical-bio field also returned to growth as the prolonged inventory adjustment cycle came to an end.

Operating profit, on the other hand, declined 7.7% year on year to JPY10.0 billion. Looking at quarterly performance, however, operating profit in Q2 came to JPY7.6 billion, as shown in the table. This was well above JPY2.4 billion in FY2026 Q1 and JPY6.4 billion in FY2025 Q2, clearly indicating an improvement in earnings. We therefore believe that our business performance has entered a recovery phase.

Next, let me turn to our full-year forecast.

Given strong orders, particularly in the industrial field, we have revised our full-year forecast upward. We now project sales of JPY232.0 billion, 4.5% above our initial plan, and operating profit of JPY20.0 billion, 16.3% above the initial plan.

While we expect higher revenue to support profit growth, we are also factoring in increases in R&D and personnel expenses, which will limit the upside. For the second half, we are planning sales of JPY119.5 billion and operating profit of JPY10.0 billion. In other words, we intend to maintain profit levels while absorbing these higher costs.

To summarize, although profit declined in the first half, the second quarter delivered higher sales and higher profit, and we believe the recovery in business performance is becoming increasingly clear.

Financial Results

Industrial performed well, supported by strong investment driven by generative AI

Medical-bio saw an improvement in the demand environment as the prolonged inventory adjustment cycle ran its course

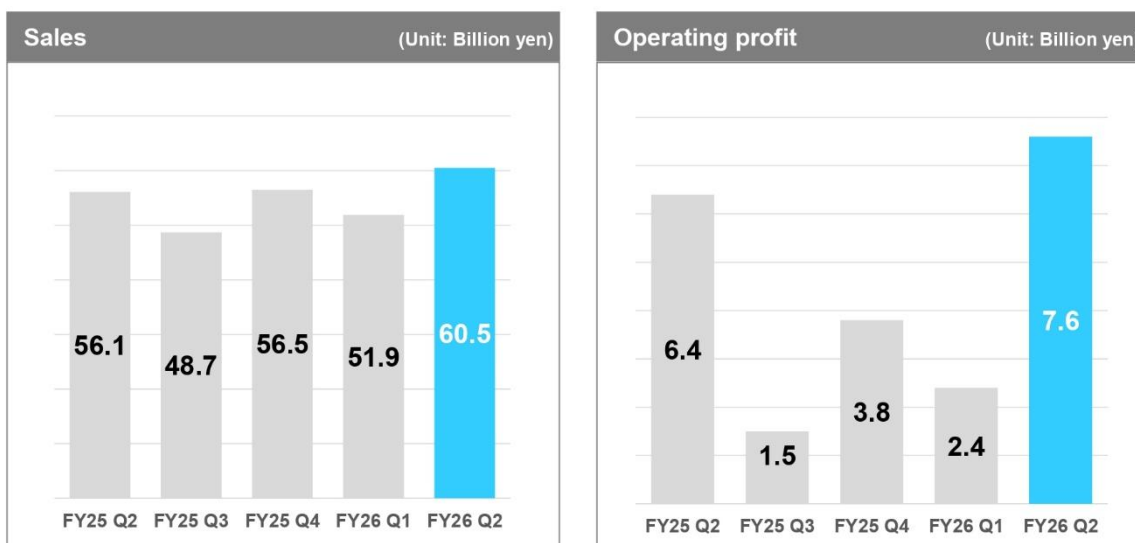
(Unit: Billion yen)

	FY2025 1H	FY2026 1H	YoY	
			Change	%
Sales	106.7	112.4	5.7	5.4
Gross profit	52.5 (49.3 %)	54.2 (48.2 %)	1.6	3.2
Operating profit	10.7 (10.1 %)	10.0 (8.9 %)	-0.7	-7.0
EBITDA	21.3	21.0	-0.3	-1.7
Net profit	9.9	9.2	-0.7	-7.2

I will now move on to the details. This slide shows our financial results. Please focus on the blue shaded area.

In the first half, sales were JPY112.4 billion, up JPY5.7 billion year on year, or 5.4%. Gross profit was JPY54.2 billion, up JPY1.6 billion, or 3.2%. Operating profit was JPY10.0 billion, down JPY0.7 billion, or 7.0%, and net profit was JPY9.2 billion, down JPY0.7 billion, or 7.2%.

Quarterly Changes



This slide shows quarterly trends. The blue box highlights the Q2 results.

In Q2, sales were JPY60.5 billion and operating profit was JPY7.6 billion. Sales exceeded both JPY56.1 billion in the same period last year and JPY51.9 billion in Q1. Operating profit also exceeded JPY6.4 billion a year earlier and JPY2.4 billion in Q1. Both sales and profit rose versus the prior year and the previous quarter, making the improving trend clear.

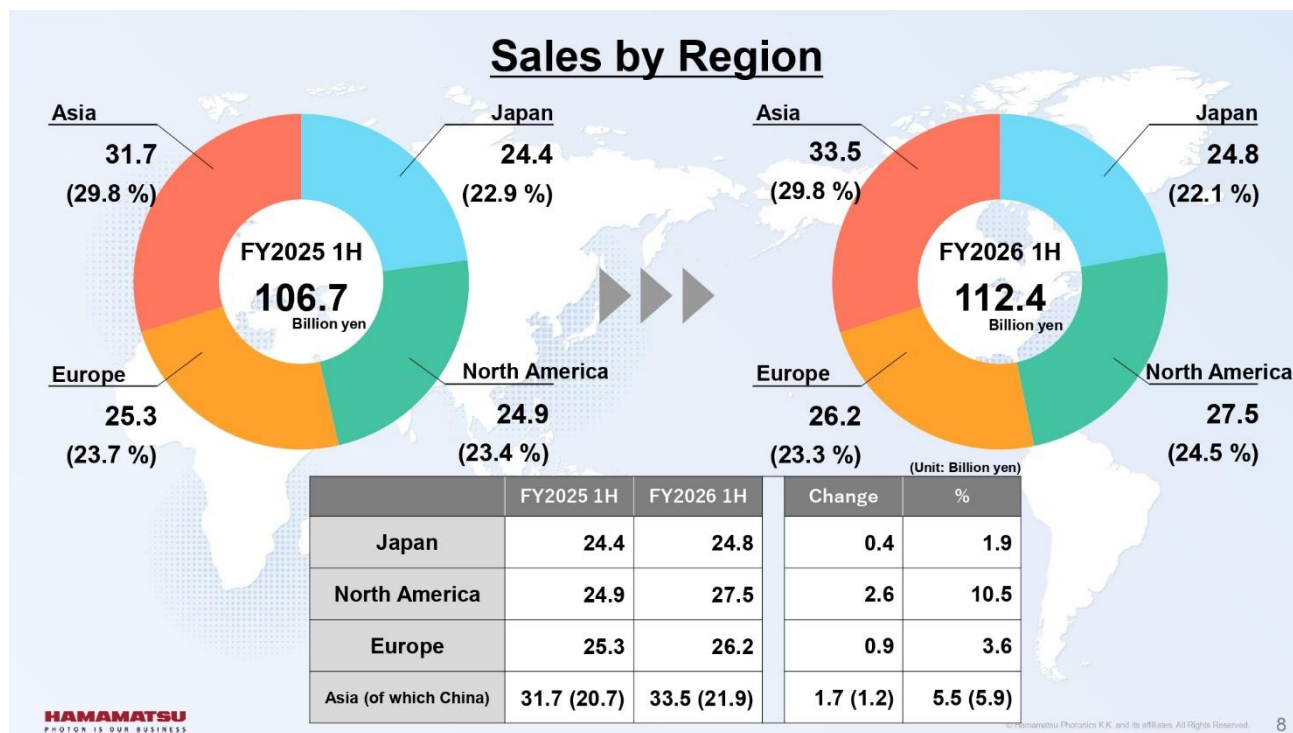
Sales by Application

(Unit: Billion yen)

	FY2025 1H	FY2026 1H	YoY	
			Change	%
Industrial	37.5	39.2	1.6	4.5
Medical-bio	30.2	33.0	2.7	9.1
Analytical	12.7	13.2	0.4	3.2
Academic Research	11.0	9.8	-1.2	-11.5
Measuring	5.0	6.1	1.1	22.1
Transport	2.4	2.2	-0.1	-8.2
Others/not classified	7.5	8.8	1.2	17.0
Total	106.7	112.4	5.7	5.4

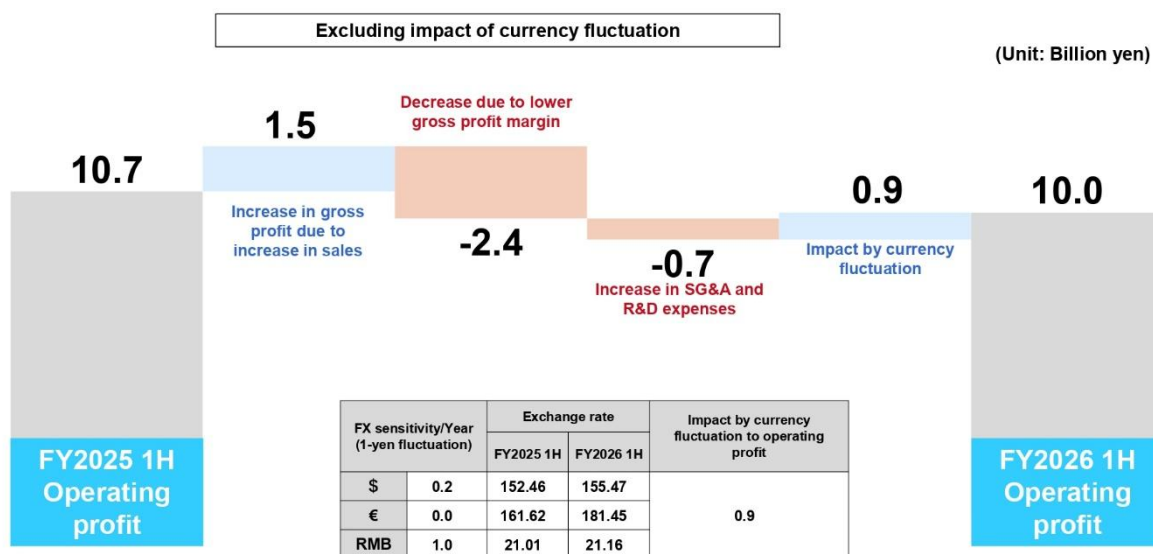
This slide shows sales by application.

As I mentioned earlier, the industrial field remained strong, particularly in semiconductors and non-destructive testing, supported by AI-related demand. In Medical-bio, inventory adjustments are almost complete and demand is recovering. By contrast, Academic Research posted lower sales due to the completion of large-scale projects in Europe.



This slide shows sales by region. Sales increased in all regions, with North America making a particularly strong contribution.

Factors of Operating Profit Changes



This slide breaks down the factors behind the change in operating profit.

Please look at the third box from the left, the orange box. The decline in gross profit resulting from the lower gross margin—from 49.3% to 48.2%, or down 1.1 percentage points—amounted to negative JPY2.4 billion. The main factors were higher material costs and a change in sales mix, with growth concentrated in businesses that carry relatively lower gross margins.

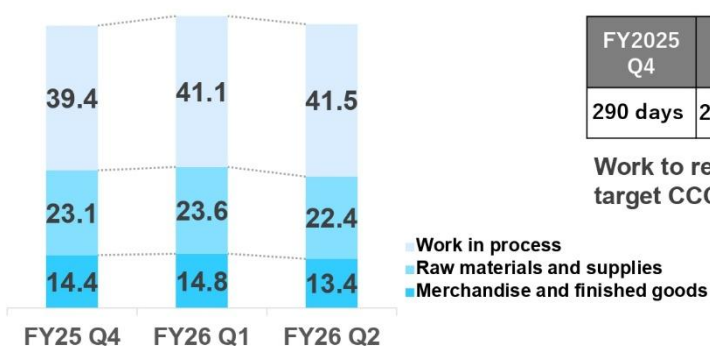
We expect the benefits of the price optimization measures currently under way, including price increases, to begin contributing from the second half onward.

Inventory Status

Started efforts to shorten the cash conversion cycle (CCC)

- Although Q2 declined slightly due to increased shipments, the extent of the decline was limited, supported by higher order intake
- No change to the target cash conversion cycle (CCC) of 240 days

[Inventory trends] (Unit: Billion yen)



[CCC]

FY2025 Q4	FY2026 Q1	FY2026 Q2	FY2028 (Target)
290 days	292 days	277 days	240 days

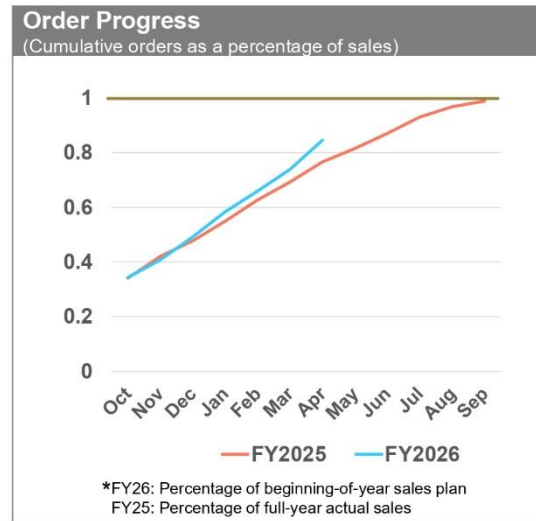
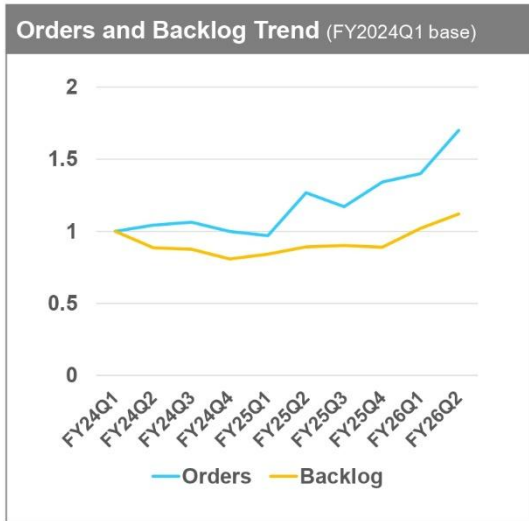
Work to reduce inventory turnover days with a target CCC of 240 days

This slide shows our inventory position.

CCC improved to 277 days, a 13-day improvement from the previous period. After taking foreign exchange effects into account, the FX impact was JPY1.5 billion, meaning the effective reduction on a value basis was JPY1.2 billion. We are making steady progress toward our target of 240 days.

Order Trends

Order intake continues to perform strongly
Steady progress in order intake toward the FY2026 sales plan



This slide shows the status of orders.

The graph on the left shows trends in order intake and backlog, indexed to 1 at the start of the fiscal year ended September 30, 2024. The graph on the right shows progress against the initial plan. Order intake remains solid, particularly in semiconductors, which is one of the key reasons we revised our full-year forecast upward.

Forecasts

Full-year forecasts revised upward, supported by strong Industrial orders

(Unit: Billion yen)

	FY2025	FY2026 (Plan)	FY2026 (Forecasts)	YoY		Vs Plan	
				Change	%	Change	%
Sales	212.0	222.0	232.0	19.9	9.4	10.0	4.5
Gross profit	101.3 (47.8 %)	106.2 (47.8 %)	111.7 (48.1 %)	10.3	10.2	5.5	5.2
Operating profit	16.1 (7.6 %)	17.2 (7.7 %)	20.0 (8.6 %)	3.8	23.7	2.8	16.3
EBITDA	38.5	39.9	42.7	4.2	11.0	2.7	6.9
Net profit	14.2	14.3	16.4	2.1	15.5	2.1	14.7

Assumed exchange rates for FY2026 2H (Apr. 1–Sep. 30, 2026):USD/JPY: 148.00 EUR/JPY: 170.00 CNY/JPY: 20.00

This slide shows the changes to our full-year forecast.

Given strong orders, particularly in the industrial field, we have revised our full-year forecast upward. Please look at the third column from the left. We now expect sales of JPY232.0 billion, 4.5% above the initial plan, and operating profit of JPY20.0 billion, 16.3% above the initial plan.

Forecasts

(Unit: Billion yen)

	FY2025	FY2026 (Plan)	FY2026 (Forecasts)	YoY		Vs Plan	
				Change	%	Change	%
Industrial	74.2	78.9	90.2	16.0	21.5	11.3	14.4
Medical-bio	60.2	64.4	65.1	4.9	8.2	0.7	1.1
Analytical	25.6	26.3	27.1	1.5	6.0	0.8	3.3
Academic Research	20.3	18.5	17.1	-3.2	-15.9	-1.4	-7.9
Measuring	10.4	11.6	12.5	2.1	20.7	0.9	8.0
Transport	4.5	3.8	4.2	-0.3	-6.7	0.3	9.2
Others/not classified	16.6	18.2	15.4	-1.1	-7.0	-2.7	-15.1
Total	212.0	222.0	232.0	19.9	9.4	10.0	4.5

This slide shows our full-year forecast by application.

The main upward revision is in the industrial field, where we now expect sales to come in JPY11.3 billion above the initial plan. I will explain the details on the next slide.

Forecasts

(Unit: Billion yen)

		FY2025	FY2026 (Plan)	FY2026 (Forecasts)	Outlook
Industrial	Semiconductor manufacturing and testing	35.8	40.4	44.2	Light sources and sensors for semiconductor inspection perform strongly amid growing AI semiconductor demand
	Semiconductor failure analysis systems	10.4	11.3	13.6	Performance is strong, primarily driven by demand for HBM
	Non-destructive testing	17.0	16.4	20.3	X-ray sources for battery and electronic component inspection perform strongly amid growing data center demand
	Factory automation	7.3	7.1	8.8	Performance is strong amid growing demand from the semiconductor industry
	Others	3.6	3.4	3.2	
	Total	74.2	78.9	90.2	

This slide shows the outlook for the industrial field.

As I mentioned earlier, the industrial field is the main driver of this upward revision, especially semiconductors. Market conditions remain strong across the board.

Forecasts

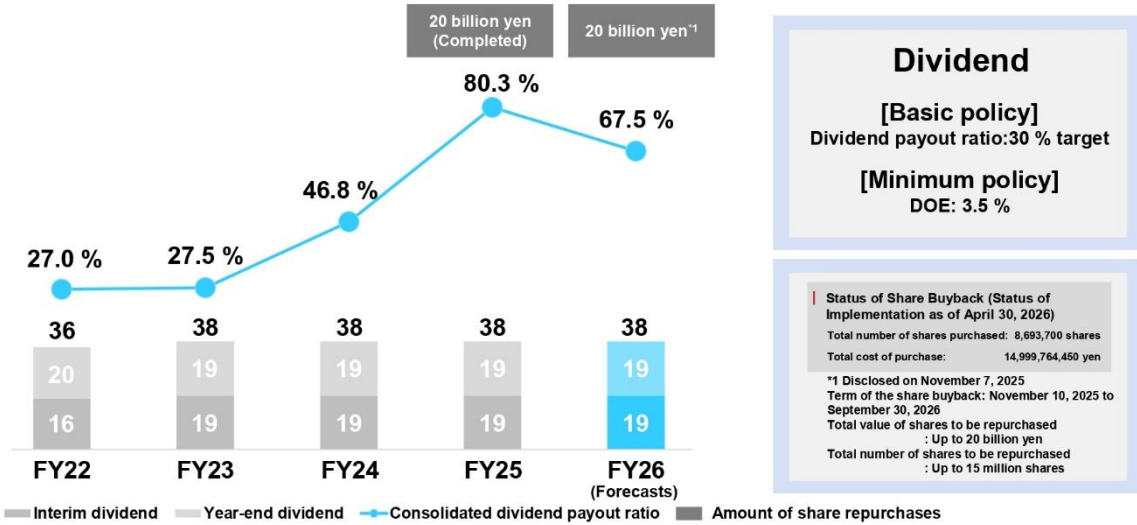
(Unit: Billion yen)

		FY2025	FY2026 (Plan)	FY2026 (Forecasts)	Outlook
Medical-bio	Radiographic testing	36.3	38.5	37.5	No significant changes are observed in demand trends
	Laboratory testing	17.4	18.0	18.5	Although near-term demand is showing resilience exceeding our initial expectations, a certain level of adjustment is anticipated in the second half
	Others	6.4	7.8	9.0	
	Total	60.2	64.4	65.1	

This slide shows the status of the Medical-bio field. Overall, there have been no major changes to the outlook.

Shareholder Return

Basic policy to provide stable dividends, while also considering share buybacks as appropriate



*Dividends per share have been adjusted retroactively to reflect the 2-for-1 stock split effective October 1, 2024.

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This slide shows our shareholder return policy. The interim dividend will remain unchanged from the initial plan at JPY19 per share. Following the upward revision to earnings, the consolidated dividend payout ratio is now expected to be 67.5%. Although this is above our basic policy of a 30% consolidated payout ratio, we will maintain the dividend in line with our return policy based on a DOE of 3.5%.

Quantum Computer

- Next-generation computers based on the principles of quantum mechanics
- Expected to have wide-ranging applications in fields such as AI, drug discovery, and finance, with research progressing rapidly
- Growing expectations for Neutral-Atom, Ion-Trap and Photonic Quantum approaches

Key Products

Fiber Lasers for Neutral-Atom, Ion-Trap, and Photonic Quantum Computers

- Narrow linewidth and low phase noise
- High output power
- Long-term stable operation, suitable for long-duration experiments and Fault-Tolerant Quantum Computing (FTQC*1)

*1 Fault-Tolerant Quantum Computing (FTQC) is a quantum computing framework that ensures correct computational results even when errors such as noise, fluctuations, or defects occur in qubits, the fundamental units of information in quantum computers.



TOPIC

Awarded Public Tender from AIST² in Japan for a Quantum Control Laser System

Contract value: ¥5,590,196,150 (tax included) / Contract date: March 24, 2026

*2 AIST: National Institute of Advanced Industrial Science and Technology



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Today's topic is our quantum computer business.

Quantum computers are next-generation systems based on quantum mechanics, with potential applications across a wide range of fields, including AI, drug discovery, and finance. Against this backdrop, research and development in this area is advancing rapidly.

Our fiber lasers are used as key components in all three major quantum computing approaches: neutral atom, ion trap, and photonic. The topic I would like to highlight today is that we have been awarded a public tender by AIST in Japan for a quantum control laser system, with a contract value of approximately JPY5.5 billion. Going forward, we will continue to position quantum computing as one of our key growth markets and work to expand this business.

This concludes my explanation of the materials.

Let me close with one final comment. We believe our business performance has entered a recovery phase, and top-line growth is steadily gaining momentum. At the same time, we recognize that improving profitability remains a key challenge. Going forward, alongside growth investments, we will work to improve profitability and capital efficiency while pursuing sustainable corporate growth.

That concludes my presentation. Thank you very much for your attention.

Question & Answer

Q1. What drove the sharp improvement in performance in the second quarter?

A1.

We have seen orders exceeding our initial expectations, particularly driven by strong demand in generative AI-related fields. However, we believe this growth partly reflects a temporary concentration of orders, and we do not expect such accelerated growth to continue at the same pace going forward.

In the semiconductor field, performance has been relatively solid since last fiscal year, although the timing of growth has varied across our product lines. Last year, failure analysis systems and stealth dicing performed well, whereas more recently, inspection-related equipment—such as wafer inspection systems—has shown significant growth. This shift has contributed to the recent improvement in our performance.

Q2. What caused the decline in gross profit margin in the first half, and how do you view risks for the second half?

A2.

The main factor behind the decline in gross profit margin was not an increase in specific raw material costs, but rather a change in product mix. The sales composition of products with relatively high material cost ratios—primarily opto-semiconductor-related products—has increased, which impacted margins.

Regarding the second half, while we recognize uncertainties such as geopolitical developments in the Middle East, no concrete impact has materialized at this stage. Our products are not heavily dependent on any specific raw material; however, if there is an impact, we expect it could broadly affect petroleum-related costs, including plastic materials, packaging, and transportation expenses.

Q3. What is the current status and outlook for the quantum computing-related business (including NKTP)?

A3.

We are planning approximately JPY 4.0 billion in revenue from quantum computing-related businesses this fiscal year, with the majority coming from NKTP's laser products. In addition, cameras and sensors manufactured in Japan are also contributing.

Revenue is expected to be weighted toward the second half, and we anticipate achieving our full-year plan.

Regarding the project for AIST (approximately JPY 5.5 billion), it is primarily a laser-based system project. While details are not disclosed, revenue from this project is expected to be recognized not this fiscal year, but from the next fiscal year onward.

Q4. How is demand related to data centers (including AI) impacting your business?

A4.

Demand is expanding not only in semiconductors but also in inspection for servers and electronic components used in data centers. In particular, inspection of electronic components in the non-destructive testing field is growing significantly.

We expect the non-destructive testing business to expand from JPY 17.0 billion last fiscal year to approximately JPY 20.0 billion this fiscal year. A substantial portion of this increase is attributable to electronic component inspection, and we believe demand related to generative AI and data centers is making a significant contribution.

While we expect continued growth in this area, we are still carefully assessing the outlook at this stage.

Q5. What is the background behind your plan for higher sales but flat profit in the second half?

A5.

While we expect sales to increase, we are also factoring in several cost increases, including:

Higher personnel expenses

Increased depreciation associated with the operation of new facilities (approximately JPY 1.0 billion)

Increased R&D expenses

Conservative assumptions for rising material and other costs

As a result, we are planning for profit to remain broadly flat despite revenue growth.