

Please note that the following is an unofficial English translation of the Japanese original text of the 66th Ordinary General Meeting of Shareholders of Hamamatsu Photonics K.K. This translation is provided for reference and convenience purposes only and without any assurance as to its accuracy or otherwise. In the event of any discrepancy between this translation and the Japanese original, the latter shall prevail.

(Securities Code: 6965)

November 28, 2013

To Our Shareholders

Akira Hiruma, President and CEO
Hamamatsu Photonics K.K.
1126-1, Ichino-cho, Higashi-ku
Hamamatsu City, Shizuoka Prefecture

NOTICE OF CONVOCATION OF THE 66th ORDINARY GENERAL MEETING OF SHAREHOLDERS

You are cordially invited to attend the 66th Ordinary General Meeting of Shareholders of Hamamatsu Photonics K.K. (the “Company”), to be held as follows.

If you are unable to attend the meeting, you may exercise your voting rights by one of the following methods. Please read the attached REFERENCE DOCUMENTS FOR THE GENERAL MEETING OF SHAREHOLDERS, and exercise your voting rights by 5:00 p.m., Thursday, December 19, 2013, Japan Time.

[Exercise of Voting Rights in Writing]

Please indicate your approval or disapproval of each of the proposals on the enclosed Voting Rights Exercise Form, and return it so that it will reach us by the above exercise deadline.

[Exercise of Voting Rights by Electronic Means (via the Internet, etc.)]

Please access the Website for the Exercise of Voting Rights designated by the Company (<http://www.web54.net>), enter the Voting Rights Exercise Code and Password, both of which are indicated on the enclosed Voting Rights Exercise Form, and then enter your approval or disapproval of each of the proposals following the guidance on the screen by the above exercise deadline.

For the exercise of voting rights by electronic means (via the Internet, etc.), please refer to “Guide to the Exercise of Voting Rights by Electronic Means (via the Internet, etc.)” on page 8.

- 1. Time and Date:** 10:00 a.m., Friday, December 20, 2013
- 2. Place:** ACT CITY HAMAMATSU Concert Hall
111-1, Itaya-machi, Naka-ku, Hamamatsu City,
Shizuoka Prefecture

3. Agenda of the Meeting:

- Matters to be reported:**
1. Reports on the Business Report and the Consolidated Financial Statements for the 66th Fiscal Year (From October 1, 2012 through September 30, 2013), as well as Results of the Audits of the Consolidated Financial Statements by the Independent Auditors and the Audit & Supervisory Board
 2. Report on the Non-consolidated Financial Statements for the 66th Fiscal Year (From October 1, 2012 through September 30, 2013)

Matters to be resolved:

- Proposal No. 1: Appropriation of Surplus
Proposal No. 2: Election of 14 Directors

4. Matters Regarding the Exercise of Voting Rights:

- (1) If there is no indication of approval or disapproval of the proposal on your Voting Rights Exercise Form, the Company shall deem that you have indicated your approval of the proposal.
- (2) If you have exercised your voting rights more than once by electronic means (via the Internet, etc.), only the final exercise of the voting rights shall be deemed as effective.
- (3) If you have exercised your voting rights both by electronic means (via the Internet, etc.) and the Voting Rights Exercise Form, only the exercise of the voting rights by electronic means (via the Internet, etc.) shall be deemed effective.
- (4) If you wish to exercise your voting rights by proxy on the day of the general meeting of shareholders, you may entrust its exercise to a single shareholder other than you who is also a shareholder of the Company with voting rights. In this case, a document certifying the relevant power of representation shall be presented together with your Voting Rights Exercise Form.

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1. For those attending, please present the enclosed Voting Rights Exercise Form at the reception desk upon arrival at the meeting.
 2. Please note that “Systems to Ensure the Propriety of Business Operations” of the Business Report, “Notes to the Consolidated Financial Statements” of the Consolidated Financial Statements and “Notes to the Non-consolidated Financial Statements” of the Non-consolidated Financial Statements, which are generally provided with this Notice of Convocation of the Ordinary General Meeting of Shareholders, are not attached herein. Instead, these are published on our website (<http://www.hamamatsu.com/ja/ir/index.html>) in accordance with the applicable laws and regulations and Article 15 of the Articles of Incorporation (Japanese only).

- 3. If any amendment is made to the REFERENCE DOCUMENTS FOR THE GENERAL MEETING OF SHAREHOLDERS or any attachments, the amended information will be posted on the Company's Website (<http://www.hamamatsu.com/ja/ir/index.html>).**

REFERENCE DOCUMENTS FOR THE GENERAL MEETING OF SHAREHOLDERS

Proposals and References

Proposal No. 1: Appropriation of Surplus

The Company hereby proposes to appropriate the surplus as described below.

1. Matters Regarding Fiscal Year-end Dividend

The Company places the highest priority on distribution of results through dividends as a measure of returning profits to shareholders. Therefore, our dividend policy centers on efforts to increase dividends steadily by the continuous increase of net income per share through the further enhancement and reinforcement of the Company's profitability based on a long-term perspective.

On the other hand, the Company deems that maintaining a high level of retained earnings is vital for it to establish its status as a leading company in photonics, as technical developments to increase its corporate value in the long term and investments for growth to generate new photon-based industries are indispensable.

After thoroughly reviewing above policy and various factors including its financial results, the Company proposes a year-end dividend of 27 yen per share, which includes an ordinary year-end dividend of 23 yen per share and a special dividend of 4 yen per share in commemoration of the Company's 60th anniversary. The amount of annual dividend will be 50 yen per share including an interim dividend (23 yen per share) that was already paid, which is 4 yen more than that for the previous fiscal year.

(1) Type of property for dividends:

Cash

(2) Allotment of property for dividends and total amount thereof:

27 yen per share of common stock of the Company for a total of 2,174,285,457 yen

(3) Effective date for distribution of dividends from surplus:

December 24, 2013

2. Other Matters Regarding Appropriation of Surplus

To reinforce its management base to prepare for business developments in the future, the Company proposes to make an account transfer as follows.

(1) Item of surplus to be increased and amount thereof:

General reserve: 4,000,000,000 yen

(2) Item of surplus to be decreased and amount thereof:

Retained earnings brought forward: 4,000,000,000 yen

Proposal No. 2: Election of 14 Directors

The terms of office of all 14 current Directors will expire at the conclusion of this Meeting. Accordingly, it is proposed that 14 Directors be elected.

The candidates for Director are as follows.

No.	Name (Date of Birth)	Brief History, Positions and Responsibilities in the Company (Significant Positions Concurrently Held)	Number of Shares of the Company Held
1	Teruo Hiruma (September 20, 1926)	Sep. 1953 Director, the Company Nov. 1964 Representative Director and Senior Managing Director Oct. 1978 Representative Director and President Dec. 2004 Representative Director, Chairman of the Board and President Dec. 2009 Director and Chairman of the Board (present)	1,575,642
2	Akira Hiruma (November 10, 1956)	Oct. 1984 Joined the Company Oct. 2005 President, Hamamatsu Corporation Dec. 2009 Representative Director and President (present) [Status of significant concurrent positions] Director and President, Photonics Management Corp. Director and President, Research Foundation for Opto-Science and Technology President, Hamamatsu Medical Photonics Foundation President, The Graduate School for the Creation of New Photonics Industries	74,700
3	Haruji Ohtsuka (October 1, 1934)	Nov. 1953 Joined the Company Dec. 1977 Director Dec. 1980 Managing Director Dec. 1987 Senior Managing Director Aug. 1993 Representative Director and Vice President Dec. 2004 Director and Vice Chairman of the Board Dec. 2009 Representative Director and Vice President (present)	1,030,528
4	Koei Yamamoto (October 20, 1945)	Mar. 1970 Joined the Company Jan. 1985 General Manager, Solid State Division (present) Dec. 1985 Director Dec. 1987 Managing Director Dec. 2004 Senior Managing Director Jul. 2005 Representative Director and Senior Managing Director (present)	45,600
5	Junichi Takeuchi (September 12, 1942)	Apr. 1958 Joined the Company Dec. 1989 Director Dec. 1993 Managing Director Dec. 2003 General Manager, Electron Tube Division (present) Dec. 2011 Senior Managing Director Dec. 2012 Representative Director and Senior Managing Director (present)	104,200

No.	Name (Date of Birth)	Brief History, Positions and Responsibilities in the Company (Significant Positions Concurrently Held)	Number of Shares of the Company Held
6	Hitoshi Iida (December 18, 1946)	Mar. 1971 Joined the Company Dec. 2007 General Manager, System Division (present) Dec. 2008 Director Dec. 2010 Managing Director (present)	58,900
7	Kenji Suzuki (March 22, 1948)	Mar. 1966 Joined the Company Dec. 2009 Director Deputy General Manager, Electron Tube Division (present) Dec. 2012 Managing Director (present)	40,100
8	Mitsutaka Takemura (May 6, 1948)	Mar. 1973 Joined the Company Dec. 2009 Director Deputy General Manager, Solid State Division (present) Dec. 2012 Managing Director (present)	8,800
9	Tsutomu Hara (March 22, 1952)	Jun. 1979 Joined the Company Dec. 2009 Director Nov. 2010 General Manager, Central Research Laboratory (present) Dec. 2012 Managing Director (present)	4,400
10	Kenji Yoshida (December 15, 1948)	Mar. 1971 Joined the Company Jun. 1997 General Manager, President Office (present) Dec. 2010 Director Dec. 2012 Managing Director (present)	47,300
11	Hirofumi Uchiyama (July 19, 1943)	Apr. 1977 Joined the Company Dec. 1999 Director (present) Dec. 2010 General Manager, Power Laser R&D Group (present)	14,300
12	Takashi Koike (December 23, 1944)	Mar. 1960 Joined the Company Dec. 1991 General Manager, Tokyo Branch Office (present) Dec. 1999 Director (present)	34,150
13	Tadahiko Shimazu (October 13, 1947)	Mar. 1970 Joined the Company Jan. 2002 General Manager, Finance Division Dec. 2008 Director (present) General Manager, Accounting Division (present)	23,300
14	Soichiro Okudaira (April 19, 1956)	Jun. 2008 Managing Officer, Toyota Motor Corporation Dec. 2011 Director (present) Apr. 2013 Senior Managing Officer, Toyota Motor Corporation (present) [Status of significant concurrent positions] Senior Managing Officer, Toyota Motor Corporation Director, Toyota Boshoku Corporation	0

- Notes:
1. Special interest relationship between the Company and the candidates for Director
 - (1) Akira Hiruma, candidate for Director, concurrently serves as
 - 1) Director and President, Research Foundation for Opto-Science and Technology, which has transactional relationships with the Company such as monetary contributions.
 - 2) President, Hamamatsu Medical Photonics Foundation, which has transactional relationships with the Company such as monetary contributions and building rental.
 - 3) President, The Graduate School for the Creation of New Photonics Industries, which has transactional relationships with the Company such as monetary contributions and sales of electronic components.
 - (2) Junichi Takeuchi, candidate for Director, concurrently serves as
 - 1) President, Beijing Hamamatsu Photon Techniques, Inc., which has transactional relationships with the Company such as sales and purchase of electronic components.
 - 2) President, Photonics Group Health Insurance Association, which has transactional relationships with the Company such as building rental.
 - (4) There are no special interest relationships between the Company and the other candidates for Director.
 2. Matters related to Outside Directors
 - (1) Soichiro Okudaira, candidate for Director, is a candidate for Outside Director.
 - (2) We propose the election of Soichiro Okudaira as Outside Director. Mr. Okudaira is a Senior Managing Officer of Toyota Motor Corporation and Director of Toyota Boshoku Corporation. Based on his ample knowledge and experience, the Company expects him to provide well-informed advice, which will contribute to further reinforcing the Company's management structure. The Company is scheduled to file him as the independent director/auditor with the Tokyo Stock Exchange, in accordance with the rules of the Exchange. If he is reappointed as Outside Director, the Company intends to continuously appoint him as an independent director/auditor. His term of office as Outside Director of the Company will have been two years at the conclusion of this Meeting. Although the Company has transactional relationships with Toyota Motor Corporation and Toyota Boshoku Corporation including sales of electronic devices. The scale of such transactions with Toyota Motor Corporation is no more than roughly 103 million yen on an annual basis (equivalent to 0.1% of the Company's consolidated net sales), and the scale of such transactions with Toyota Boshoku Corporation is no more than roughly 1 million yen on an annual basis (equivalent to 0.002% of the Company's consolidated net sales). Therefore, the Company is sufficiently convinced of his independent status.

Guide to the Exercise of Voting Rights by Electronic Means (via the Internet, etc.)

1. To Shareholders Using Electronic Means (via the Internet, etc.):

Please read the following information carefully before exercising your voting rights using electronic means (via the Internet, etc.).

- 1) You may exercise your voting rights using electronic means (via the Internet, etc.), which is only available on the Website for the Exercise of Voting Rights designated by the Company (<http://www.web54.net>). This website is inaccessible from mobile phones. Please note that the ability to exercise your voting rights on the Website above is dependent upon your Internet environment.
- 2) You will need the Voting Rights Exercise Code and Password, both of which are indicated on the right-hand side of the enclosed Voting Rights Exercise Form, to exercise your voting rights using electronic means (via the Internet, etc.). The code and password are applicable only for this General Meeting of Shareholders. Your password will be locked and rendered invalid after certain incorrect password attempts. If you wish to create a new one, please follow the guidance on the screen appearing on the Website for the Exercise of Voting Rights.
- 3) For the purpose of timely vote tabulation, we request that you exercise your voting rights using electronic means (via the Internet, etc.) by 5:00 p.m., Thursday, December 19, 2013, Japan Time, which is the day before the General Meeting of Shareholders.
- 4) If you have exercised your voting rights more than once by electronic means (via the Internet, etc.), only the final exercise of the voting rights shall be deemed as effective.
- 5) If you have exercised your voting rights both by electronic means (via the Internet, etc.) and the Voting Rights Exercise Form, only the exercise of the voting rights by electronic means (via the Internet, etc.) shall be deemed effective.
- 6) Please be noted that any fees incurred by accessing the Website for the Exercise of Voting Rights are the responsibility of shareholders.

**Inquiries regarding the exercise of voting rights by electronic means
(via the Internet, etc.):**

Sumitomo Mitsui Trust Bank , Limited
Stock Transfer Agency Web Support
Telephone: 0120-652-031
Business hours: 9:00 – 21:00

2. To Institutional Investors:

With a preliminary application, nominee shareholders of custodian banks (standing proxies included) can use the platform for the said electronic means at the Company's General Meeting of Shareholders.

(Attachments)

Business Report

(From October 1, 2012 through September 30, 2013)

1. Matters Concerning the Corporate Group

(1) Business Operations and Results

During the fiscal year ended September 30, 2013 (From October 1, 2012 through September 30, 2013), Japan's economy began showing signs of recovery as the yen gradually weakened and stock prices rose, reflecting the sense of anticipation toward the various economic policies under the new administration and the Bank of Japan's monetary easing policy. Nevertheless, concerns over the slowdown of the economic picture overseas lingered, and when domestic issues such as manufacturing sector capital investment, which has yet to recover fully, were taken into account, the economy as a whole continued to labor under difficult conditions.

Given such circumstances, our Group undertook the development of new products and capital investment aimed at continuing to boost production capacity, and strove to ensure net sales and earnings by further improving the proprietary optical technologies we have cultivated over many years and moving forward with development of high-value-added products that addressed customers' needs.

For the fiscal year ended September 30, 2013, net sales increased by JPY 4,088 million (4.2%) compared with the prior fiscal year to JPY 102,156 million, a result that partially reflected the influence of exchange rates. On the other hand, from an income perspective we reported higher net income but lower earnings at the ordinary income stage, and unfortunately closed the year with ordinary income of JPY 17,883 million, down by JPY 467 million (2.5%), and net income of JPY 11,529 million, up by JPY 322 million (2.9%) over one year earlier, respectively.

A summary of business performance by business segment and product is reported below.

< Electron Tube >

Photomultiplier tubes (PMT)

Sales of photomultiplier tubes (PMT) for oil well logging devices in the measurement market contracted. Nevertheless, sales were also affected positively by the exchange rate, while sales for nuclear medicine testing applications such as Positron Emission Tomography (PET) rose, and sales for specimen material testing equipment including blood analyzers also remained steady, supported by brisk demand. In addition, sales of devices such as laser scanning microscopes, which are highly regarded for their excellent sensitivity, also began contributing to sales.

Imaging devices and light sources

In the imaging devices and light sources segment, demand for UV spot light sources and our Stealth Dicing Engine was negatively impacted by controls on capital investment in the semiconductor industry, which resulted in lower sales. Sales of imaging devices and light sources, however, expanded because of higher sales in the medical field, where sales of scintillators for converting X-rays into visible light were higher, particular in North America where our products have earned a reputation for their high resolution and high quantum efficiency, and as a result of strong sales in the industrial sector of microfocus X-ray sources for non-destructive testing.

In total, the Electron Tube business comprised of photomultiplier tubes (PMT) and imaging devices and light sources closed the year with net sales of JPY 43,764 million, up by 3.6% from the previous year.

< Opto-semiconductor >

Opto-semiconductors

In opto-semiconductors, our flat panel sensors enjoy a strong reputation for features such as high resolution, and sales for dental CT in particular were higher. Vehicle distance sensor products that we developed to meet customers' needs also began contributing to sales. In silicon photodiodes, however, a key product, sales struggled to grow, partly because of increasingly severe competition in the medical field, while in photo ICs as well, sales for the consumer sector decreased.

As a result, net sales in the Opto-semiconductor business came to JPY 42,176 million, down by 0.1% from the previous year.

< Imaging and Measurement Instruments >

Image processing and measurement systems

In image processing and measurement systems, sales of drug screening systems used for purposes such as drug discovery were lackluster, but digital cameras were positively evaluated for superb performance that answered customer needs, while devices such as DNA sequencers enjoyed strong sales in the biotechnology and other sectors. In addition, sales of failure analysis systems for semiconductor manufacturing were pushed higher by increased demand for inspections of power devices installed in vehicles. Supported by these positive factors, sales of image processing and measurement systems increased.

As a result, net sales for the Imaging and Measurement Instruments sector were JPY 13,240 million, up by 20.5% over the previous year.

Net sales by business segment and by product

(Millions of Japanese Yen)

Business segment	Product		FY2013	FY2012	Increase (decrease)	
			Amount	Amount	Amount	Percentage
Electron tube	Photomultiplier tubes (PMT)	Japan	3,898	4,946	(1,047)	(21.2) %
		Overseas	21,493	19,522	1,971	10.1
		Total	25,392	24,468	923	3.8
	Imaging devices and light sources	Japan	6,367	7,323	(956)	(13.1)
		Overseas	12,004	10,453	1,550	14.8
		Total	18,371	17,777	594	3.3
	Subtotal	Japan	10,266	12,269	(2,003)	(16.3)
		Overseas	33,497	29,976	3,521	11.7
		Total	43,764	42,245	1,518	3.6
Opto-semiconductor	Opto-semiconductors	Japan	15,565	16,885	(1,319)	(7.8)
		Overseas	26,611	25,343	1,267	5.0
		Total	42,176	42,228	(52)	(0.1)
Imaging and measurement instruments	Image processing and measurement systems	Japan	4,922	4,656	265	5.7
		Overseas	8,318	6,327	1,991	31.5
		Total	13,240	10,983	2,256	20.5
Other business segments		Japan	1,640	1,666	(25)	(1.5)
		Overseas	1,334	943	391	41.5
		Total	2,975	2,609	366	14.0
Total		Japan	32,393	35,477	(3,083)	(8.7)
		Overseas	69,762	62,590	7,171	11.5
		Total	102,156	98,067	4,088	4.2

The status of our research and development is reported below.

< **Basic Research Sector** >

In the medical care sector, we successfully established a next-generation PET diagnostic system that can clarify brain conditions such as Alzheimer's disease that can be tied to precise treatment ¹. Because the diagnosis of Alzheimer's disease and manic depression required patients to remain stationary for an extended period of time, measurement accuracy was difficult for patients with severe conditions. Using this latest research, changes in the cognition functions in the brain can be captured. Together with developing the PET labeling agent, we developed a PET device for the cephalic region that can make highly accurate measurements of brain functions while correcting the image even if the patient is not completely stationary during the measurement. Development of this next-generation PET diagnostic system has made possible objective evaluations of the effectiveness of anti-dementia drugs, which is expected to contribute to the development of diagnostic procedures and treatments for illnesses such as Alzheimer's disease and help to illuminate neuropsychiatric disorders.

In the life sciences sector, we successfully achieved three-dimensional imaging of iPS cells using reflection-type quantitative phase microscopy. To cultivate iPS cells, change them into somatic cells and transplant them into the human body, the quality during the culture phase must be maintained at the optimal condition. Because using our reflection-type quantitative phase microscopy makes it possible to observe iPS cells with a high degree of resolution in their live state without having to dye them, this product is well suited for assessing the quality of difficult to cultivate iPS cells. The product is expected to contribute to future developments in regenerative medicine.

As R&D on radiation measurement, we succeeded in the practical application of a portable Compton camera for capturing images of gamma radiation². By adopting our proprietary high-sensitivity semiconductor photon detector element and high-density scintillators³ that offer a high level of luminescence properties, the Compton camera we developed through this project achieved a smaller size, lighter weight (one-fourth the weight of conventional models) and substantial price reduction while providing a high degree of sensitivity. The camera also enables imaging of accumulations of radioactive substances (hot spots) in just a few minutes. This product is expected to contribute to more efficient radioactive material decontamination work.

< **Development Sector** >

Development of the CCD image sensors installed in the Subaru telescope prime focus camera

In collaboration with the National Astronomical Observatory, Osaka University and Kyoto University, we developed the wide-field CCD image sensors installed in the Hyper Suprime-Cam prime focus camera for the Subaru telescope⁴. Sensors used for celestial observations are required to be highly sensitive and have an ultra-wide field of view in the near-infrared light region. By making the CCD silicon layer thicker and using a crystallographic structure to which high voltage can be applied, this product improved sensitivity in the near-infrared light region and suppressed deterioration of the resolution. Furthermore, by using our mass production and assembly technologies to successfully manufacture uniform, high-quality, large area CCDs, and arranging

1 Part of this development was undertaken through joint research with the Hamamatsu University School of Medicine under the "Development of the Next Generation PET Diagnostic System Contributing to the Treatment of Brain Diseases" project sponsored by NEDO.

2 Part of this development was undertaken through joint research with Waseda University under a project for "Development of an Innovative, High Sensitivity Portable Gamma Radiation Visualization System" sponsored by JST.

3 Scintillators are elements that convert radiation into visible light.

4 The Subaru telescope is an optical-infrared telescope operated by the National Institutes of Natural Sciences' National Astronomical Observatory of Japan at its observation base facility in Hawaii.

the CCDs as a tile to eliminate the need for a frame to support the thin film portion, we achieved a wide field of view. This CCD technology is expected to be developed for uses such as soft X-ray direct detectors and Raman spectroscopic analysis and is expected to find application in sectors such as soft X-rays, near-infrared light and electron beams in the future.

300 kV open-type microfocus X-ray sources

We've developed 300 kV open-type microfocus X-ray sources with the high-voltage power supply integrated into the unit that offers microfocus. Microfocus X-ray sources are used for nondestructive testing of the insides of products such as electronic components, and with this product we achieved 300 kV of high voltage while maintaining the features of our products to provide microfocus and highly stable X-ray output with minimal focal shift that make it possible to obtain even sharper images without blurring. Additionally, by integrating the high voltage power components and the X-ray tube into one unit, which previously was difficult for high output-type products, maintenance has been vastly improved. In addition to inspections of small electronic components, we will develop new application sectors for this product in the future such as large-scale automotive and aircraft-related machine parts and X-ray CT devices for large-scale electronic parts for industrial use.

Film thickness measurement product achieves simultaneous measurement of both sides of thin films

In an industry first, we developed and have begun selling a new film thickness measurement product that enables the thickness of the thin film (coating) spread on both sides of a base material such as glass to be measured simultaneously. This product has made two-sided simultaneous measurement possible by using spectral interferometry⁵ and our proprietary analytical algorithms. Additionally, we optimized the device design by installing CCDs we manufacture ourselves and achieved measurement speed that is approximately ten times greater than that of our traditional products. Using our film thickness measurement product is expected to help enhance quality and shorten production time in the manufacturing and inspection processes for products such as smartphone touch panels.

As reported above, we are using the proprietary optical technologies our Group has cultivated over many years to pursue basic research aimed at the creation of new knowledge and new industries and undertake development that seeks to create new products and further enhance the high performance and added value of existing products in sectors such as biotechnology, medical care, information, telecommunications, energy, materials, space and astronomy, and agriculture.

For the fiscal year ended September 30, 2013, research and development expenses increased to JPY 10,885 million (up by 1.1%) compared with the previous fiscal year.

⁵ Spectral interferometry is a method for measuring film thickness by analyzing the reflected or transmitted spectrum.

(2) Capital Investment

For the fiscal year ended September 30, 2013, we made total capital investments of JPY 9,184 million to strengthen the development of new products and our production capacity. The amount of capital investment by business segment was JPY 2,866 million for Electron Tube, JPY 3,367 million for Opto-semiconductor, JPY 296 million for Imaging and Measurement Instruments and JPY 2,654 million for Other.

(3) Fund Procurement

There was no fund procurement during the fiscal year ended September 30, 2013.

(4) Issues to be Addressed

The business environment surrounding our Group reflects the sense of stagnation in the global economy, while the outlook for the domestic business climate is uncertain despite a heightened sense of anticipation regarding the future.

Given such circumstances, our Group believes that to maintain our growth continuously in the future, it is critical that we pursue basic research on the fundamental qualities of “light” that have not been yet clarified, and undertake new product development to take maximum advantage of our state-of-the-art optics technologies that other companies cannot duplicate.

As a Group we are confident that such aggressive investment for the future will be the wellspring of innovation that leads to the evolution of our company.

During this year our Group commemorated the 60th anniversary of the company’s founding. We would like to thank all our shareholders for their support and guidance, without which this would not have been possible. As a Group, we will not neglect to concentrate on creating innovation as an R&D firm and will strive to remain one of the world’s leading industrial groups by pursuing the yet unexplored regions of light and creating new industries.

We look forward to continuing to receive your unwavering support and encouragement in the future.

(5) Change in Business Results and Financial Position for the Three Most Recent Fiscal Years

(Millions of Japanese Yen, except for net income per share and net assets per share, which are in Japanese Yen)

Year \ Classification	FY2010	FY2011	FY2012	FY2013
Net sales	90,958	101,858	98,067	102,156
Ordinary income	16,059	22,216	18,350	17,883
Net income	11,491	13,702	11,206	11,529
Net income per share	142.93	170.44	139.39	143.41
Total assets	176,407	188,091	189,970	198,278
Net assets	124,481	133,434	140,873	154,385
Net assets per share	1,539.16	1,650.23	1,745.18	1,913.98

- Notes:
1. Net income per share is calculated using the number of shares after deducting treasury stock from the average total shares issued during the period. Net assets per share are calculated using the number of shares after deducting treasury stock from the total shares issued at the end of the period.
 2. Amounts less than 0.01 yen are rounded.

(6) Key Subsidiaries

Company name	Capital stock	Percent owned	Main businesses
Photonics Management Corp.	33,521,000 US dollars	100.0 %	Holding company
Hamamatsu Photonics (China) Co., Ltd.	50,000,000 Chinese yuan	100.0	Sale of photomultiplier tubes (PMT), imaging devices and light sources, opto-semiconductors, image processing and measurement systems
Hamamatsu Photonics Deutschland GmbH	2,000,000 euros	100.0	Sale of photomultiplier tubes (PMT), imaging devices and light sources, opto-semiconductors, image processing and measurement systems
Hamamatsu Photonics France S.A.R.L.	1,136,000 euros	100.0	Sale of photomultiplier tubes (PMT), imaging devices and light sources, opto-semiconductors, image processing and measurement systems
Hamamatsu Photonics Italia S.r.l.	728,000 euros	100.0	Sale of photomultiplier tubes (PMT), imaging devices and light sources, opto-semiconductors, image processing and measurement systems
Hamamatsu Photonics UK Limited	400,000 UK pounds	100.0	Sale of photomultiplier tubes (PMT), imaging devices and light sources, opto-semiconductors, image processing and measurement systems
Koso Corporation	85,000,000 yen	100.0	Manufacture of light sources
China Healthcare K.K.	80,000,000 yen	100.0	Medical device research and development
Hamamatsu Photonics Norden AB	2,700,000 Swedish krona	100.0	Sale of photomultiplier tubes (PMT), imaging devices and light sources, opto-semiconductors, image processing and measurement systems
Hamamatsu Photonics Europe GmbH	200,000 euros	100.0	Sales promotion in Europe
Beijing Hamamatsu Photonics Techniques, Inc.	200,000,000 Chinese yuan	94.0	Manufacture and sale of photomultiplier tubes (PMT)
Takaoka Electronics Co., Ltd.	98,000,000 yen	88.6	Manufacture of photomultiplier tubes (PMT)
Hamamatsu Electronic Press Co., Ltd.	30,000,000 yen	60.0	Manufacture of electronic components and molds
Iwata Grand Hotel Inc.	480,000,000 yen	57.1	Hotel operations
Hamamatsu Corporation	426,000 US dollars	(100.0)	Sale of photomultiplier tubes (PMT), imaging devices and light sources, opto-semiconductors, image processing and measurement systems
Universal Spectrum Corporation	50,000 US dollars	(100.0)	Sale of electronic components, etc.
Hangzhou Hamamatsu Photonics Science and Technology Co., Ltd.	3,000,000 Chinese yuan	<70.0>	Medical device research and development

- Notes: 1. The figures in () for percent owned are the indirect ownership percentage held by Photonics Management Corp.
2. The figures in < > for percent owned are the indirect ownership percentage held by China Healthcare K.K.

3. For Beijing Hamamatsu Photon Techniques, Inc., the percent owned changed as a result of our company acquiring shares of that company owned by a third party and selling a part of the shares of that company to a corporation organized by share holding employees of that company.
4. To improve its operating effectiveness, Universal Spectrum Corporation has resolved to transfer its business to Hamamatsu Corporation and liquidate.

(7) Main Businesses (As of September 30, 2013)

The main business of our Group is the manufacture and sale of light-related products such as photomultiplier tubes (PMT), imaging devices and light sources, opto-semiconductors, and image processing and measurement systems, and activities incidental to these businesses.

Our main products and business activities are described below.

Business segment	Product	Main products and business activities
Electron tube	Photomultiplier tubes (PMT)	Photomultiplier tubes (PMT), light sensor modules, microchannel plate onboard photomultiplier tubes, peripheral devices for photomultiplier tubes (PMT), electron multipliers, proximity-type image intensifiers, high-speed gate image intensifier units, phototubes
	Imaging devices and light sources	Microfocus X-ray sources, X-ray scintillators, X-ray image intensifiers, microchannel plates, FOP (fiber optic plates), streak tubes, deuterium lamps, xenon lamps, mercury xenon lamps, Stealth Dicing Engine (SDE), spot light sources, electrostatic removers (photo ionizer), flame sensors (UV TRON)
Opto-semiconductor	Opto-semiconductors	Photodiodes (Si, GaAs, GaAsP, GaP), APD (Si, InGaAs), MPPC, photo ICs, phototransistors, PSD (position sensitive detectors), infrared detectors (InGaAs, PbS, PbSe, InSb, InAs, MCT, photon drag detectors, thermopile), InGaAs image sensors, CCD image sensors, CMOS image sensors, photodiode arrays with amps, NMOS image sensors, X-ray flat panel sensors, LED, LCOS-SLM (spatial optical phase modulators), mini-spectrometers, photosensor amplifiers, PSD signal processing circuits, APD modules, distance sensors, image sensor drive circuits and application products, optical communication devices, vehicle devices, special light receiving elements for high energy, radiation detection modules
Imaging and measurement instruments	Image processing and measurement systems	Digital CCD cameras for measurement, CMOS cameras for scientific measurement, TDI cameras, X-ray line sensor cameras, streak cameras, fluorescence lifetime spectrometers, multichannel spectrographs, quantum yield measurement systems, failure analysis systems for semiconductor manufacturing, plasma process monitors, thickness measurement systems, imaging and analysis devices for life sciences, drug screening systems, non-invasive brain oxygen monitors, biological tissue fluorescent monitoring systems, pathology digital slide scanners
	Other	Semiconductor laser business, hotel operations

(8) Main Office Locations & Factories (As of September 30, 2013)

a. Hamamatsu Photonics K.K.

Office name	Location	Office name	Location
Headquarters	Naka-ku, Hamamatsu City	Sendai Sales Office	Aoba-ku, Sendai City
Main Factory	Higashi-ku, Hamamatsu City	Tsukuba Sales Office	Tsukuba City, Ibaraki Pref.
Mitsue Factory	Iwata City, Shizuoka Pref.	Tokyo Sales Office	Minato-ku, Tokyo
Shingai Factory	Minami-ku, Hamamatsu City	Chubu Sales Office	Naka-ku, Hamamatsu City
Toyooka Factory	Iwata City, Shizuoka Pref.	Osaka Sales Office	Chuo-ku, Osaka City
Tenno Glass Works	Higashi-ku, Hamamatsu City	Nishinohon Sales Office	Hakata-ku, Fukuoka City
Joko Factory	Higashi-ku, Hamamatsu City	Central Research Laboratory	Hamakita-ku, Hamamatsu City
Miyakoda Factory	Kita-ku, Hamamatsu City	Tsukuba Research Laboratory	Tsukuba City, Ibaraki Pref.
Tokyo Branch Office	Minato-ku, Tokyo	Industries Development Laboratory	Nishi-ku, Hamamatsu City

b. Subsidiaries

Company Name		Location
Japan	Koso Corporation	Iwata City, Shizuoka Pref.
	China Healthcare K.K.	Naka-ku, Hamamatsu City
	Takaoka Electronics Co., Ltd.	Naka-ku, Hamamatsu City
	Hamamatsu Electronic Press Co., Ltd.	Iwata City, Shizuoka Pref.
	Iwata Grand Hotel Inc.	Iwata City, Shizuoka Pref.
Overseas	Photonics Management Corp.	USA
	Hamamatsu Photonics (China) Co., Ltd.	China
	Hamamatsu Photonics Deutschland GmbH	Germany
	Hamamatsu Photonics France S.A.R.L.	France
	Hamamatsu Photonics Italia S.r.l.	Italy
	Hamamatsu Photonics UK Limited	UK
	Hamamatsu Photonics Norden AB	Sweden
	Hamamatsu Photonics Europe GmbH	Germany
	Beijing Hamamatsu Photon Techniques, Inc.	China
	Hamamatsu Corporation	USA
	Universal Spectrum Corporation	USA
Hangzhou Hamamatsu Photonics Science and Technology Co., Ltd.	China	

(9) Employees (As of September 30, 2013)

Business segment	No. of employees
Electron tube	1,862
Opto-semiconductor	1,104
Imaging and measurement instruments	515
Other	313
Corporate (shared)	621
Total	4,415

- Notes: 1. The number of employees is the numbers of full-time employees.
2. Employees designated as "Corporate (shared)" are individuals affiliated with management departments who cannot be classified in a specific business segment.

(10) Main Banks and Amount of Borrowing (As of September 30, 2013)

(Millions of Japanese Yen)

Bank	Amount
Bank of Tokyo-Mitsubishi UFJ, Ltd.	3,000
Resona Bank, Limited	2,390
Shizuoka Bank, Ltd.	1,508

(11) Summary of Other Important Matters Concerning the Corporate Group

Not applicable

2. Matters Concerning the Company's Stock (As of September 30, 2013)**Common stock**

- a. Authorized: 250,000,000 shares
b. Issued: 83,764,984 shares (including 3,235,893 shares of treasury stock)
c. Number of shareholders: 26,441
e. Major shareholders:

Name of shareholder	No. of shares	Percentage of shareholding
Toyota Motor Corporation	4,200,000	5.2
The Master Trust Bank of Japan, Ltd. (Trust Account)	3,530,600	4.4
Hamamatsu Photonics K.K. employees	3,466,491	4.3
Japan Trustee Services Bank, Ltd. (Trust Account)	2,398,500	3.0
Teruo Hiruma	1,575,642	2.0
State Street Bank and Trust Company	1,564,832	1.9
The Nomura Trust and Banking Co., Ltd. (Investment Trust)	1,515,900	1.9
Mellon Bank Treaty Clients Omnibus	1,500,097	1.9
The Chase Manhattan Bank, N.A. London Secs Lending Omnibus Account	1,386,337	1.7
State Street Bank and Trust Company 505225	1,115,169	1.4

- Notes: 1. The Company holds 3,235,893 shares of treasury stock that is not included in the shares of the major shareholders shown above.
2. The percentage of shareholding is calculated after excluding treasury stock. Fractional amounts of less than a single unit have been rounded.

3. Matters Concerning Company Stock Acquisition Rights

Not applicable

4. Matters Concerning Company Directors

(1) Directors and Audit & Supervisory Board Members (As of September 30, 2013)

Name	Company Position	Responsibilities and Significant Positions Concurrently Held
Teruo Hiruma	Director and Chairman of the Board	
Akira Hiruma	Representative Director and President	(Note 1)
Haruji Ohtsuka	Representative Director and Vice President	
Koei Yamamoto	Representative Director and Senior Managing Director	General Manager, Solid State Division
Junichi Takeuchi	Representative Director and Senior Managing Director	General Manager, Electron Tube Division
Hitoshi Iida	Managing Director	General Manager, System Division
Kenji Suzuki	Managing Director	Deputy General Manager, Electron Tube Division
Mitsutaka Takemura	Managing Director	Deputy General Manager, Solid State Division
Tsutomu Hara	Managing Director	General Manager, Central Research Laboratory
Kenji Yoshida	Managing Director	General Manager, President Office
Hirofumi Uchiyama	Director	General Manager, Power Laser R&D Group
Takashi Koike	Director	General Manager, Tokyo Branch Office
Tadahiko Shimazu	Director	General Manager, Accounting Division
Soichiro Okudaira	Director	Senior Managing Officer, Toyota Motor Corporation Director, Toyota Boshoku Corporation
Fumio Muramatsu	Audit & Supervisory Board Member (Standing)	
Kazuhiko Mori	Audit & Supervisory Board Member (Standing)	
Masaharu Hamakawa	Audit & Supervisory Board Member	
Yuji Maki	Audit & Supervisory Board Member	Project General Manager, Accounting Division, Toyota Motor Corporation

Notes: 1. The following significant positions are concurrently held by Representative Director and President Akira Hiruma.

Company Name	Position
Photonics Management Corp.	Director and President
Research Foundation for Opto-Science and Technology	Director and President
Hamamatsu Medical Photonics Foundation	President
The Graduate School for the Creation of New Photonics Industries.	President

- Director Soichiro Okudaira is an Outside Director.
- Audit & Supervisory Board member Masaharu Hamakawa and Audit & Supervisory Board member Yuji Maki are Outside Audit & Supervisory Board members.
- Director Soichiro Okudaira and Audit & Supervisory Board member Masaharu Hamakawa and Audit & Supervisory Board member Yuji Maki have been notified to the Tokyo Stock Exchange as an independent director/auditor, as provided by the securities listing regulations of the Tokyo Stock Exchange.

5. All of the Audit & Supervisory Board members were reelected at the 65th Ordinary General Meeting of Shareholders convened on December 20, 2012, and were appointed as, and assumed their respective positions as, the members at the Audit & Supervisory Board meeting held on the same day. The changes to Audit & Supervisory Board members excluding reappointment were as follows.
- | | |
|-------------|----------------------------|
| Appointment | Kazuhiko Mori (Standing) |
| Appointment | Masaharu Hamakawa |
| Appointment | Yuji Maki |
| Retirement | Masanori Matsui (Standing) |
| Retirement | Hajime Shibatani |
| Retirement | Takahiko Ijichi |
6. At the Board of Directors meeting held on December 20, 2012, Senior Managing Director Junichi Takeuchi was elected as Representative Director and assumed that position.
7. At the Board of Directors meeting held on December 20, 2012, the directors were elected and assumed their respective positions. The changes to Directors with specific titles were as follows:
- | | |
|-------------|--------------------------------------|
| Appointment | Managing Director Kenji Suzuki |
| Appointment | Managing Director Mitsutaka Takemura |
| Appointment | Managing Director Tsutomu Hara |
| Appointment | Managing Director Kenji Yoshida |
8. In addition to his many years of experience at Resona Bank, Audit & Supervisory Board member Kazuhiko Mori is engaged in accounting and financial activities as General Manager of the Company's Finance Division and has the appropriate degree of knowledge concerning financial affairs and accounting.
9. Audit & Supervisory Board member Masaharu Hamakawa has many years of experience at The Bank of Tokyo Ltd. and The Bank of Tokyo-Mitsubishi, Ltd. (both now The Bank of Tokyo-Mitsubishi UFJ), and has the appropriate degree of knowledge concerning financial affairs and accounting.

(2) Remuneration and Other Amounts Paid to Directors and Audit & Supervisory Board Members

- a. Total remuneration and other benefits pertaining to the fiscal year ended September 30, 2013

Classification	Number of compensated individuals	Amount paid	Summary
Director	14	JPY 448 million	(1 Outside Director JPY 1 million)
Audit & Supervisory Board Member	6	JPY 43 million	(3 Outside Audit & Supervisory Board Members JPY 4 million)
Total	20	JPY 491 million	

- Notes:
- The amount of remuneration for Directors was established at a monthly amount of up to JPY 55 million (up to JPY 1 million for Outside Directors), excluding the salary payable in the capacity of employees, by a resolution of the 65th Ordinary General Meeting of Shareholders convened on December 20, 2012.
 - The amount of remuneration for Audit & Supervisory Board members was established at a monthly amount up to JPY 6 million by a resolution of the 65th Ordinary General Meeting of Shareholders convened on December 20, 2012.
 - Total remuneration paid to Directors does not include the employee salary portions paid to Directors serving concurrently as employees.
 - The number of compensated Audit & Supervisory Board members shown above includes three Audit & Supervisory Board members who retired at the conclusion of the 65th Ordinary General Meeting of Shareholders convened on December 20, 2012.
 - The remuneration for Directors and Audit & Supervisory Board members shown above includes the amounts indicated below recorded as expenses and reported in the provision for Directors and Audit & Supervisory Board members' retirement benefits during the fiscal year ended September 30, 2013.
Directors: 14 JPY 16 million(One Outside Director: JPY 30,000)
Audit & Supervisory Board members: 4 JPY 1 million (Two Outside Audit & Supervisory Board members: JPY 190,000)

b. Retirement benefits paid in the fiscal year ended September 30, 2013

Retirement benefits paid to Audit & Supervisory Board members who retired at the conclusion of the 65th Ordinary General Meeting of Shareholders convened on December 20, 2012, based on a resolution of that Ordinary General Meeting of Shareholders, were as follows.

Audit & Supervisory Board members: 3 JPY 40 million

- Notes:
1. The amount shown above includes the remuneration in a. Note 5, and JPY 21 million that was transferred to the provision for Directors and Audit & Supervisory Board members' retirement benefits (including JPY 4 million for two Outside Audit & Supervisory Board members) and included in the total amount of Directors and Audit & Supervisory Board members' remuneration and other benefits in the Business Report for the prior fiscal year.
 2. The amount shown above includes JPY 5 million for the Director's term of office for one Audit & Supervisory Board member.
 3. The amount shown above includes retirement benefits of JPY 5 million paid to two Outside Audit & Supervisory Board members.

(3) Outside Officers

a. Significant positions concurrently held at other corporations etc. and relationship between the Company and said other corporations etc.

Name	Significant Positions Concurrently Held
Soichiro Okudaira (Outside Director)	Senior Managing Officer, Toyota Motor Corporation Director, Toyota Boshoku Corporation
Yuji Maki (Outside Audit & Supervisory Board Member)	Project General Manager, Accounting Division, Toyota Motor Corporation

Notes: Toyota Motor Corporation is a major shareholder and owns 5.2% of the Company's total shares issued (excluding treasury stock). The Company has business transactions, including the sale and purchase of products, with Toyota Motor Corporation and Toyota Boshoku Corporation.

b. Main activities

Name	Remarks etc. at meetings of the Board of Directors and Audit & Supervisory Board
Soichiro Okudaira (Outside Director)	Contributes remarks and advice based on his extensive experience and deep insights, mainly in sectors such as corporate management. Attended 12 of the 16 Board of Directors meetings.
Masaharu Hamakawa (Outside Audit & Supervisory Board Member)	Takes advantage of his experience in the banking industry to contribute remarks and advice on all aspects of corporate management, including operations management and the financial accounting system. Attended all 13 of the Board of Directors meetings held following his appointment, and all four of the Audit & Supervisory Board meetings held following his appointment.
Yuji Maki (Outside Audit & Supervisory Board Member)	Contributes remarks and advice based on his practical experience and perspective in the accounting division of a listed company. Attended 12 of the 13 Board of Directors meetings held following his appointment and all four of the Audit & Supervisory Board meetings held following his appointment.

c. Summary of contents of agreements to limit liability

Although the Company has established provisions in Article 26 and Article 35 of its Articles of Incorporation that enable it to enter agreements with its Outside Directors and Outside Audit & Supervisory Board members that limit their liability, the Company has not entered into such agreements to limit liability.

5. Independent Auditor

(1) Name of Independent Auditor

Ernst & Young ShinNihon LLC

(2) Amount of Compensation and Other Benefits Paid to the Independent Auditor Pertaining to the Fiscal Year Ended September 30, 2013

Classification	Amount
Amount of compensation and other fees related to activities prescribed in Article 2 paragraph (1) of the Certified Public Accountants Act (Law No. 103 of 1948)	JPY 60 million
Total amount of cash and other financial interests the Company and its subsidiary companies will pay to the Company's independent auditor	JPY 60 million

Notes: The amount of compensation and other benefits pertaining to the fiscal year ended September 30, 2013 is reported in these total amounts because the amounts of the audit fees etc. for audits based on the Companies Act and audits based on the Financial Instruments and Exchange Act are not classified separately and cannot be substantively classified in the audit agreement between the Company and its independent auditor.

(3) Consolidated Subsidiary Audits

The following important consolidated subsidiaries of the Company are subject to audits by certified public accountants or audit entities other than the Company's independent auditor (including individuals in other countries holding qualifications that correspond to these qualifications).

Corporation Name
Hamamatsu Corporation
Hamamatsu Photonics Deutschland GmbH

(4) Company Policy Concerning Decisions to Dismiss or Not Reappoint the Independent Auditor

The Company's Audit & Supervisory Board will dismiss the independent auditor by a resolution of the Audit & Supervisory Board based on the consensus of all Audit & Supervisory Board members if the independent auditor corresponds to any of the reasons provided in the sub-paragraphs of Article 340 paragraph (1) of the Companies Act. In this case, an Audit & Supervisory Board member selected by the Audit & Supervisory Board will report on the dismissal and the reason at the first Ordinary General Meeting of Shareholders convened after such dismissal.

In addition the situation described above, if it recognizes the independent auditor will have difficulty in appropriately accomplishing their duties, the Company's Audit & Supervisory Board will conduct a study based on the facts, and if it is judged dismissal or non-reappointment is reasonable the Audit and Supervisory Board will request to the Board of Directors to make that intent a purpose of the Ordinary General Meeting of Shareholders.

Note: For descriptions of amounts in this Business Report, fractional amounts of less than a single unit have been rounded down.

Consolidated Balance Sheets

(As of September 30, 2013)

(Millions of Japanese Yen)

Assets		Liabilities	
Item	Amount	Item	Amount
Current assets	132,795	Current liabilities	27,277
Cash and deposits	78,603	Notes and accounts payable-trade	6,752
Notes and accounts receivable-trade	24,183	Electronically recorded obligations-operating	4,432
Merchandise and finished goods	6,277	Short-term loans payable	1,380
Work in process	12,977	Current portion of long-term loans payable	186
Raw materials and supplies	5,849	Income taxes payable	1,418
Deferred tax assets	2,998	Provision for bonuses	3,156
Other	2,064	Notes payable-facilities	1,363
Allowance for doubtful accounts	(158)	Other	8,587
Noncurrent assets	65,482	Noncurrent liabilities	16,614
Property, plant and equipment	53,541	Long-term loans payable	7,084
Buildings and structures	21,485	Deferred tax liabilities	219
Machinery, equipment and vehicles	7,801	Provision for retirement benefits	7,609
Tools, furniture and fixtures	3,391	Other	1,701
Land	15,822	Total liabilities	43,892
Lease assets	207	Net assets	
Construction in progress	4,831	Shareholders' equity	153,862
Intangible assets	1,697	Capital stock	34,928
Investments and other assets	10,243	Capital surplus	34,672
Investment securities	2,412	Retained earnings	90,309
Real estate for investment	147	Treasury stock	(6,048)
Deferred tax assets	6,217	Accumulated other comprehensive income	11
Other	1,485	Valuation difference on available-for-sale securities	541
Allowance for doubtful accounts	(18)	Foreign currency translation adjustment	(530)
		Minority interests	512
		Total net assets	154,385
Total assets	198,278	Total liabilities and net assets	198,278

Consolidated Statements of Income

(From October 1, 2012 through September 30, 2013)

(Millions of Japanese Yen)

Item	Amount	
Net sales		102,156
Cost of sales		50,951
Gross profit		51,204
Selling, general and administrative expenses		34,422
Operating income		16,781
Non-operating income		
Interest income	168	
Dividends income	38	
Rent income on noncurrent assets	70	
Rent of real estate for investment	40	
Foreign exchange gains	556	
Equity in earnings of affiliates	78	
Other	347	1,300
Non-operating expenses		
Interest expenses	104	
Rent expenses on real estates	45	
Other	48	198
Ordinary income		17,883
Extraordinary income		
Gain on sales of noncurrent assets	22	
Subsidy income	51	
Gain on sales of investment securities	46	121
Extraordinary loss		
Loss on sales of noncurrent assets	7	
Loss on retirement of noncurrent assets	39	
Loss on reduction of noncurrent assets	40	
Loss on sales of subsidiaries' stocks	13	100
Income before income taxes and minority interests		17,904
Income taxes-current	6,027	
Income taxes-deferred	340	6,368
Income before minority interests		11,535
Minority interests in income (loss)		6
Net income		11,529

Consolidated Statements of Changes in Net Assets

(From October 1, 2012 through September 30, 2013)

(Millions of Japanese Yen)

	Shareholders' equity				
	Capital stock	Capital surplus	Retained earnings	Treasury stock	Total shareholders' equity
Balance at the beginning of current period	34,928	34,672	82,484	(6,048)	146,038
Changes of items during the period					
Dividends from surplus	-	-	(3,704)	-	(3,704)
Net income	-	-	11,529	-	11,529
Purchase of treasury stock	-	-	-	(0)	(0)
Net changes of items other than shareholders' equity	-	-	-	-	-
Total changes of items during the period	-	-	7,824	(0)	7,824
Balance at the end of current period	34,928	34,672	90,309	(6,048)	153,862

(Millions of Japanese Yen)

	Accumulated other comprehensive income			Minority interests	Total net assets
	Valuation difference on available-for-sale securities	Foreign currency translation adjustment	Total accumulated other comprehensive income		
Balance at the beginning of current period	157	(5,892)	(5,734)	569	140,873
Changes of items during the period					
Dividends from surplus	-	-	-	-	(3,704)
Net income	-	-	-	-	11,529
Purchase of treasury stock	-	-	-	-	(0)
Net changes of items other than shareholders' equity	383	5,361	5,745	(57)	5,688
Total changes of items during the period	383	5,361	5,745	(57)	13,512
Balance at the end of current period	541	(530)	11	512	154,385

- END -