

Consolidated Financial Results for the First Quarter of Fiscal Year ending September 30, 2015 (Japanese GAAP)

February 9, 2015

Company name: Hamamatsu Photonics K.K. Stock listing: Tokyo Stock Exchange First Section
 Stock code: 6965 URL: <http://www.hamamatsu.com/ir/index.html>
 Representative: Akira Hiruma, President and Chief Executive Officer
 Contact: Tadahiko Shimazu, Director and General Manager of Accounting Div. (Phone: +81-53-452-2141)
 Scheduled date to file quarterly securities report: February 12, 2015
 Scheduled date to begin dividend payments: -
 Supplementary materials to the financial statements have been prepared: None
 Presentation will be held to explain the financial statements: None

Note: All amounts are rounded down to the nearest million yen

1. Consolidated financial results for the three months ended Dec. 31, 2014 (From Oct. 1, 2014 through Dec. 31, 2014)

(1) Consolidated operating results

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

	Net sales		Operating income		Ordinary income		Net income	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Three months ended Dec. 31, 2014	28,606	9.4	5,743	38.1	6,218	43.4	4,575	48.9
Three months ended Dec. 31, 2013	26,156	10.8	4,158	19.6	4,337	13.4	3,073	19.6

Notes: Comprehensive income
 Three months ended Dec. 31, 2014: 7,176 million yen [48.9%]
 Three months ended Dec. 31, 2013: 4,820 million yen [10.0%]

	Net income per share		Diluted net income per share	
	Yen		Yen	
Three months ended Dec. 31, 2014	56.92		-	
Three months ended Dec. 31, 2013	38.23		-	

(2) Consolidated financial position

	Total assets		Net assets		Equity ratio	
	Millions of yen		Millions of yen		%	
As of Dec. 31, 2014	218,609		171,166		78.0	
As of Sep. 30, 2014	215,412		168,815		78.1	

For reference: Equity
 As of Dec. 31, 2014: 170,585 million yen
 As of Sep. 30, 2014: 168,274 million yen

2. Dividends

(Base date)	Dividends per share				
	End of Q1	End of Q2	End of Q3	End of FY	Full FY
	Yen	Yen	Yen	Yen	Yen
Fiscal year ended Sep. 30, 2014	-	25.00	-	30.00	55.00
Fiscal year ending Sep. 30, 2015	-				
Fiscal year ending Sep. 30, 2015 (Forecast)		30.00	-	16.00	46.00

Note: Revision of the forecasts for dividends most recently announced: Yes

*Hamamatsu Photonics plans to implement a two-for-one stock split that will take effect April 1, 2015. The year-end per-share dividend forecast shown herein for the fiscal year ending September 30, 2015 takes this stock split into consideration. That being said, forecast of the year-end per-share dividend is ¥32.00 prior to factoring in the stock split.

3. Forecast of consolidated financial results for the fiscal year ending Sep. 30, 2015 (From Oct. 1, 2014 through Sep. 30, 2015)

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

	Net sales		Operating income		Ordinary income		Net income		Net income per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
Six months ending Mar. 31, 2015	59,200	4.4	12,000	8.3	12,100	5.9	8,300	11.1	51.62
Fiscal year ending Sep. 30, 2015	118,200	5.4	22,900	5.7	23,200	3.0	16,300	7.6	101.38

Note: Revision of the forecasts for consolidated financial results most recently announced: No

*Hamamatsu Photonics plans to implement a two-for-one stock split that will take effect April 1, 2015. Net income per share on the forecast of consolidated financial results for the fiscal year ending September 30, 2015, which is shown herein, takes this stock split into consideration. That being said, forecast of net income per share is ¥103.24 for the six months ending March 31, 2015 and ¥202.75 for the full fiscal year prior to factoring in the stock split.

4. Others

- (1) Changes in consolidated subsidiaries (Changes in scope of consolidation) : None
- (2) Application of special accounting treatment for preparing quarterly consolidated financial statements: Yes
- (3) Changes in accounting principles, changes in accounting estimates, and changes in presentation due to revisions
 - (a) Changes in accounting principles accompanying revisions in accounting standards: Yes
 - (b) Changes other than those in (a) above: None
 - (c) Changes in accounting estimates: None
 - (d) Changes in presentation due to revisions: None
- (4) Number of shares outstanding
 - (a) Number of shares outstanding at end of period including treasury shares
 - As of Dec. 31, 2014: 83,764,984 shares
 - As of Sep. 30, 2014: 83,764,984 shares
 - (b) Number of treasury shares at end of period
 - As of Dec. 31, 2014: 3,370,597 shares
 - As of Sep. 30, 2014: 3,370,597 shares
 - (c) Average number of shares issued during the period
 - Three months ended Dec. 31, 2014: 80,394,387 shares
 - Three months ended Dec. 31, 2013: 80,394,750 shares

1. Qualitative Information Related to Consolidated Performance for the First Quarter of this Fiscal Year

(1) Operating Results

In the business environment for the first quarter of this fiscal year (three months ended December 31, 2014) although there was weakness in certain areas, such as consumer spending, Japan's economy as a whole maintained a modest recovery trend, as evidenced by the improvement in corporate earnings, mainly at some major companies. However, the economic outlook remains murky due in part to the economic slowdown in newly developing countries and the sharp drop in crude oil prices.

Given these circumstances, our Group promoted research and development using proprietary optical technologies cultivated over many years, and actively continued to invest in plant and equipment to sustain development of new products that address customers' needs and to strengthen production capacity. Thanks to these efforts, our net sales and earnings increased year-on-year.

As a result of the above factors, we closed the first quarter with net sales of JPY 28,606 million, up by JPY 2,449 million (9.4%), operating income of JPY 5,743 million, up by JPY 1,584 million (38.1%) and ordinary income of JPY 6,218 million, up by JPY 1,881 million (43.4%) over one year ago respectively. Net income was JPY 4,575 million, up by JPY 1,502 million (48.9%) from one year ago.

Performance by segment is as follows;

(Electron Tube)

Sales of photomultiplier tubes (PMT) increased in the medical field for inspection and monitoring system such as blood analyzers. Sales for nuclear medicine applications such as Positron Emission Tomography (PET) also trended solidly. In addition, sales of imaging devices and light sources grew in the industrial field. Sales of Microfocus X-ray sources for non-destructive testing were strong while our Stealth Dicing Engine for high-speed, high-quality silicon wafer dicing also saw robust sales.

In total, the Electron Tube business closed the first quarter with net sales of JPY 11,866 million, up by 8.0%, and operating income of JPY 4,250 million, up by 11.6% from the same period one year ago.

(Opto-semiconductor)

In opto-semiconductor devices, sales in the medical field of core silicon photodiodes were boosted in foreign countries in particular, while sales of our flat panel sensors, which enjoy a strong reputation for features such as high definition and high resolution, remained steady centered on dental applications. Also in the industrial field, sales of image sensors for semiconductor inspection equipment rose.

As a result, net sales in the Opto-semiconductor business came to JPY 12,743 million, up by 7.0%, and operating income was JPY 4,276 million, up by 11.5% from the same period one year ago.

(Imaging and Measurement Instruments)

In the image processing and measurement systems business, sales of failure analysis systems for semiconductor devices increased, reflecting growth in demand in Asia as well as the solid reputation these systems have earned in a wide range of fields for achieving high definition and high sensitivity. Sales of digital cameras, particularly for the field of life sciences and biology, were also robust.

As a result, net sales for the Imaging and Measurement Instruments business were JPY 3,266 million, up by 27.8% from the same period one year ago, and operating income was JPY 693 million, compared with a loss of JPY 22 million in the first quarter of the prior fiscal year.

(Other)

Sales of other operations are primarily in the semiconductor laser business and hotel operations.

Net sales were JPY 728 million, up by 3.5%, and operating income was JPY 77 million, down by 7.6% from the same period one year ago.

(2) Financial Conditions

Current assets decreased by JPY 146 million from the end of the prior fiscal year. Although inventories increased JPY 1,750 million, cash and deposits decreased JPY 2,985 million.

Non-current assets increased by JPY 3,343 million from the end of the prior fiscal year. This was mainly from an increase in property, plant and equipment, up by JPY 1,605 million, which reflected an increase in construction in progress.

Total assets at the end of the first quarter were JPY 218,609 million, up by JPY 3,197 million from the end of the fiscal year ended September 30, 2014.

Current liabilities were down by JPY 2,778 million from the end of the prior fiscal year. Although current liabilities-other, including deposits received and accrued expenses, increased, income taxes payable decreased by JPY 2,695 million and provision for bonuses decreased by JPY 2,117million, respectively.

Non-current liabilities increased by JPY 3,624 million from the end of the prior fiscal year, mainly due to an increase in net defined benefit liability of JPY 3,798 million owing to changes in accounting principles.

Total liabilities at the end of the first quarter were JPY 47,442 million, up by JPY 845 million from the end of the fiscal year ended September 30, 2014.

Net assets for the first quarter of this fiscal year were JPY 171,166 million, up by JPY 2,351 million from the end of the fiscal year ended September 30, 2014, due mainly to an increase in foreign currency translation adjustment, up by JPY 2,651 million.

(3) Projection for the year

There is no change to the projection for the first six months ending March 31, 2015 and for the fiscal year ending September 30, 2015 released on November 10, 2014.

We assume the yen/US dollar exchange rate will be JPY 100 and the yen/Euro exchange rate will be JPY 140.

Consolidated Financial Statements

Consolidated Balance Sheets

(Millions of Japanese Yen)

	As of Sep. 30, 2014	As of Dec. 31, 2014
Assets		
Current assets		
Cash and deposits	83,758	80,773
Notes and accounts receivable-trade	25,956	27,396
Merchandise and finished goods	6,726	7,269
Work in process	13,802	14,688
Raw materials and supplies	6,349	6,671
Other	6,496	6,158
Allowance for doubtful accounts	(143)	(156)
Total current assets	142,947	142,801
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	23,544	23,471
Machinery, equipment and vehicles, net	7,811	8,302
Tools, furniture and fixtures, net	3,202	3,261
Land	15,897	15,739
Leased assets, net	129	128
Construction in progress	11,037	12,325
Total property, plant and equipment	61,623	63,229
Intangible assets	1,735	1,784
Investments and other assets		
Investment securities	2,621	2,551
Deferred tax assets	5,168	6,504
Other	1,333	1,757
Allowance for doubtful accounts	(19)	(19)
Total investments and other assets	9,105	10,794
Total non-current assets	72,464	75,808
Total assets	215,412	218,609

Consolidated Financial Statements

Consolidated Balance Sheets

(Millions of Japanese Yen)

	As of Sep. 30, 2014	As of Dec. 31, 2014
Liabilities		
Current liabilities		
Notes and accounts payable-trade	5,033	4,800
Electronically recorded obligations-operating	7,946	7,857
Short-term loans payable	1,733	1,895
Current portion of long-term loans payable	3,179	3,165
Income taxes payable	4,133	1,438
Provision for bonuses	3,735	1,617
Other	10,283	12,491
Total current liabilities	36,046	33,267
Non-current liabilities		
Long-term loans payable	3,904	3,732
Net defined benefit liability	4,830	8,629
Other	1,814	1,813
Total non-current liabilities	10,550	14,174
Total liabilities	46,596	47,442
Net assets		
Shareholders' equity		
Capital stock	34,928	34,928
Capital surplus	34,672	34,672
Retained earnings	101,278	101,030
Treasury shares	(6,050)	(6,050)
Total shareholders' equity	164,828	164,581
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	695	623
Foreign currency translation adjustment	1,589	4,241
Remeasurements of defined benefit plans	1,160	1,138
Total accumulated other comprehensive income	3,445	6,004
Minority interests	541	581
Total net assets	168,815	171,166
Total liabilities and net assets	215,412	218,609

Consolidated Financial Statements

Consolidated Statements of Income

(Millions of Japanese Yen)

	Three months ended Dec. 31, 2013	Three months ended Dec. 31, 2014
Net sales	26,156	28,606
Cost of sales	12,834	13,365
Gross profit	13,322	15,240
Selling, general and administrative expenses	9,163	9,497
Operating income	4,158	5,743
Non-operating income		
Interest income	56	43
Rent of real estate for investment	7	24
Foreign exchange gains	51	349
Share of profit of entities accounted for using equity method	19	29
Other	78	72
Total non-operating income	213	520
Non-operating expenses		
Interest expenses	21	23
Rent expenses on real estates	12	15
Other	1	6
Total non-operating expenses	35	44
Ordinary income	4,337	6,218
Extraordinary income		
Gain on sales of non-current assets	0	49
Total extraordinary income	0	49
Extraordinary losses		
Loss on sales of non-current assets	2	6
Loss on retirement of non-current assets	8	33
Total extraordinary losses	10	40
Income before income taxes and minority interests	4,327	6,228
Income taxes	1,241	1,640
Income before minority interests	3,086	4,587
Minority interests in income	12	11
Net income	3,073	4,575

Consolidated Financial Statements

Consolidated Statements of Comprehensive Income

(Millions of Japanese Yen)

	Three months ended Dec. 31, 2013	Three months ended Dec. 31, 2014
Income before minority interests	3,086	4,587
Other comprehensive income		
Valuation difference on available-for-sale securities	(10)	(71)
Foreign currency translation adjustment	1,745	2,670
Remeasurements of defined benefit plans, net of tax	-	(22)
Share of other comprehensive income of entities accounted for using equity method	(1)	12
Total other comprehensive income	1,733	2,589
Comprehensive income	4,820	7,176
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	4,808	7,134
Comprehensive income attributable to minority interests	11	42

Segment Information

Information on the Amounts of Sales and Income (Loss) for Reportable Segments

Three months ended December 31, 2013 (From Oct. 1, 2013 through Dec. 31, 2013)

(Millions of Japanese Yen)

	Reportable Segment				Other (Note 1)	Total	Adjustments (Note 2)	Consolidated total (Note 3)
	Electron tube	Opto- semiconductor	Imaging and measurement instruments	Total				
Net Sales								
Outside customers	10,985	11,910	2,556	25,452	704	26,156	-	26,156
Intersegment	298	172	8	479	284	764	(764)	-
Total net sales	11,284	12,083	2,564	25,932	989	26,921	(764)	26,156
Segment income (loss)	3,808	3,834	(22)	7,620	84	7,704	(3,546)	4,158

Notes:

1. The "Other" classification encompasses business segments not included in the reportable segments, and is mainly the semiconductor laser business and hotel operations.
2. Adjustment of segment income of negative JPY 3,546 million represents intersegment transactions of negative JPY 287 million and unallocated corporate expenses of negative JPY 3,258 million. Corporate expenses mainly consist of general and administrative expenses and basic research expenses that are unattributable to reportable segments.
3. Segment income has been reconciled with operating income presented in the consolidated financial statements.

Three months ended December 31, 2014 (From Oct. 1, 2014 through Dec. 31, 2014)

(Millions of Japanese Yen)

	Reportable Segment				Other (Note 1)	Total	Adjustments (Note 2)	Consolidated total (Note 3)
	Electron tube	Opto- semiconductor	Imaging and measurement instruments	Total				
Net Sales								
Outside customers	11,866	12,743	3,266	27,877	728	28,606	-	28,606
Intersegment	302	240	2	545	264	810	(810)	-
Total net sales	12,169	12,983	3,269	28,423	993	29,416	(810)	28,606
Segment income	4,250	4,276	693	9,220	77	9,298	(3,554)	5,743

Notes:

1. The "Other" classification encompasses business segments not included in the reportable segments, and is mainly the semiconductor laser business and hotel operations.
2. Adjustment of segment income of negative JPY 3,554 million represents intersegment transactions of negative JPY 317 million and unallocated corporate expenses of negative JPY 3,237 million. Corporate expenses mainly consist of general and administrative expenses and basic research expenses that are unattributable to reportable segments.
3. Segment income has been reconciled with operating income presented in the consolidated financial statements.