

## Consolidated Financial Results for the Fiscal Year ended September 30, 2016 (Japanese GAAP)

November 7, 2016

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 of Annual General Meeting of Shareholders: December 16, 2016  
 Scheduled date to file securities report: December 16, 2016  
 Scheduled date to begin dividend payments: December 19, 2016  
 Supplementary materials to the financial statements have been prepared: Yes  
 Presentation will be held to explain the financial statements: Yes (for analysts and institutional investors)

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

### 1. Consolidated financial results for the fiscal year ended Sep. 30, 2016 (From Oct. 1, 2015 through Sep. 30, 2016)

#### (1) Consolidated operating results

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

	Net sales		Operating income		Ordinary income		Profit attributable to owners of parent	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Fiscal year ended Sep. 30, 2016	121,852	1.0	20,544	(12.9)	20,050	(18.7)	14,419	(13.1)
Fiscal year ended Sep. 30, 2015	120,691	7.7	23,596	8.9	24,658	9.4	16,598	9.5

Note: Comprehensive income

Fiscal year ended Sep. 30, 2016: 4,765 million yen [(75.2)%]

Fiscal year ended Sep. 30, 2015: 19,224 million yen [10.1%]

	Earnings per share	Diluted earnings per share	Return on equity	Ordinary income to total assets	Operating income to net sales
	Yen	Yen	%	%	%
Fiscal year ended Sep. 30, 2016	90.23	-	8.3	9.0	16.9
Fiscal year ended Sep. 30, 2015	103.23	-	9.5	11.2	19.6

For reference: Share of profit (loss) of entities accounted for using equity method

Fiscal year ended Sep. 30, 2016: 57 million yen

Fiscal year ended Sep. 30, 2015: 86 million yen

\*Hamamatsu Photonics implemented a two-for-one stock split on April 1, 2015. Earnings per share has been calculated by assuming this stock split was executed at the beginning of the fiscal year ended September 30, 2015.

#### (2) Consolidated financial position

	Total assets	Net assets	Equity ratio	Net assets per share
	Millions of yen	Millions of yen	%	Yen
As of Sep. 30, 2016	217,300	169,716	77.8	1,075.31
As of Sep. 30, 2015	226,179	180,770	79.6	1,120.38

For reference: Equity

As of Sep. 30, 2016: 169,163 million yen

As of Sep. 30, 2015: 180,141 million yen

#### (3) Consolidated cash flows

	Cash flows from operating activities	Cash flows from investing activities	Cash flows from financing activities	Cash and cash equivalents at end of period
	Millions of yen	Millions of yen	Millions of yen	Millions of yen
Fiscal year ended Sep. 30, 2016	24,160	4,186	(15,413)	53,595
Fiscal year ended Sep. 30, 2015	16,046	(17,057)	(4,878)	45,556

### 2. Dividends

(Base date)	Dividends per share					Total dividends (annual)	Dividend payout ratio (consolidated)	Dividends to net assets (consolidated)
	End of Q1	End of Q2	End of Q3	End of FY	Full FY			
Fiscal year ended Sep. 30, 2015	-	30.00	-	19.00	-	5,475	32.9	3.1
Fiscal year ended Sep. 30, 2016	-	17.00	-	17.00	34.00	5,416	37.7	3.1
Fiscal year ending Sep. 30, 2017 (Outlook)	-	17.00	-	17.00	34.00		37.1	

\*Hamamatsu Photonics implemented a two-for-one stock split on April 1, 2015. The interim dividend for the fiscal year ended September 30, 2015 is stated as the amount before this stock split was executed.

3. Forecast of consolidated financial results for the fiscal year ending Sep. 30, 2017 (From Oct. 1, 2016 through Sep. 30, 2017)

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

	Net sales		Operating income		Ordinary income		Profit attributable to owners of parent		Earnings per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
Six months ending Mar. 31, 2017	60,500	(3.7)	9,100	(18.0)	9,400	(16.0)	7,000	(11.2)	44.50
Fiscal year ending Sep. 30, 2017	122,500	0.5	19,000	(7.5)	19,600	(2.2)	14,400	(0.1)	91.54

4. Others

(1) Changes in consolidated subsidiaries (Changes in scope of consolidation): None

(2) 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

(3) Number of shares outstanding

(a) Number of shares outstanding at end of period including treasury shares

As of Sep. 30, 2016: 167,529,968 shares

As of Sep. 30, 2015: 167,529,968 shares

(b) Number of treasury shares at end of period

As of Sep. 30, 2016: 10,213,758 shares

As of Sep. 30, 2015: 6,743,639 shares

(c) Average number of shares issued during the period

Fiscal year ended Sep. 30, 2016: 159,812,773 shares

Fiscal year ended Sep. 30, 2015: 160,787,587 shares

\*Hamamatsu Photonics implemented a two-for-one stock split on April 1, 2015. Average number of shares issued during the period for the fiscal year ended September 30, 2015 has been calculated by assuming this stock split was executed at the beginning of the fiscal year ended September 30, 2015.

(Reference) Non-consolidated financial results for the fiscal year ended Sep. 30, 2016

1. Non-consolidated financial results for the fiscal year ended Sep. 30, 2016 (From Oct. 1, 2015 through Sep. 30, 2016)

(1) Non-consolidated operating results

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

	Net sales		Operating income		Ordinary income		Profit	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Fiscal year ended Sep. 30, 2016	101,786	2.7	13,663	(17.8)	15,854	(11.3)	11,922	(2.1)
Fiscal year ended Sep. 30, 2015	99,157	7.1	16,626	5.5	17,883	(2.5)	12,182	(5.2)

	Earnings per share	Diluted earnings per share
	Yen	Yen
Fiscal year ended Sep. 30, 2016	74.48	-
Fiscal year ended Sep. 30, 2015	75.64	-

\*Hamamatsu Photonics implemented a two-for-one stock split on April 1, 2015. Earnings per share has been calculated by assuming this stock split was executed at the beginning of the fiscal year ended September 30, 2015.

(2) Non-consolidated financial position

	Total assets	Net assets	Equity ratio	Net assets per share
	Millions of yen	Millions of yen	%	Yen
As of Sep. 30, 2016	184,019	145,992	79.3	926.44
As of Sep. 30, 2015	188,392	149,933	79.6	930.95

For reference: Equity

As of Sep. 30, 2016: 145,992 million yen

As of Sep. 30, 2015: 149,933 million yen

The above forecast has been prepared based on the information which is currently available at this moment. Actual results may differ from the forecast due to various factors that may arise in the future.

## 1. Analysis of Operating Results and Financial Position

### (1) Analysis of Operating Results

#### a. Summary of the Fiscal Year

During the fiscal year ended September 30, 2016 (from October 1, 2015 through September 30, 2016), Japan's economy exhibited a recovery trend in some sectors, as the employment and income environment improved, and personal consumption generally remained brisk as well. Nevertheless, these positive developments occurred within the context of difficult circumstances, as firms faced slumping exports and production affected by the slowdown in the economies of newly developing countries, compounded by appreciation of the yen throughout the year.

Given these circumstances, our Group maintained capital investment aimed at boosting production capacity and enhancing development capabilities, and strove to ensure growth in net sales and earnings by improving our proprietary photonics technologies and continuing to move forward with development of high-value-added products that addressed customers' needs.

As a result, we closed the fiscal year 2016 with net sales of JPY 121,852 million, up by JPY 1,160 million (1.0%) despite a decline in domestic sales, thanks to higher overseas sales, but with operating income of JPY 20,544 million, down by JPY 3,051 million (12.9%) and ordinary income of JPY 20,050 million, down by JPY 4,607 million (18.7%) over one year ago respectively. Profit attributable to owners of parent was JPY 14,419 million, down by JPY 2,178 million (13.1%) from the previous year.

Performance by segment is as follows;

#### (Electron Tube)

Photomultiplier tubes (PMT) for laser scanning microscopes used in the field of biotechnology, which are highly regarded for their excellent sensitivity, enjoyed higher sales. However, sales for oil-well logging applications in the measuring instrument field contracted sharply because of the prolonged slump in oilfield investment, and sales in the medical field for inspection and monitoring systems such as blood analyzers, which were affected by inventory adjustments by customers, slipped lower as well. As a result, net sales of photomultiplier tubes (PMT) declined.

In imaging devices and light sources, sales of deuterium lamps rose as the demand for environmental analysis in Asia increased. However, sales in the medical field of scintillators for converting X-rays into visible light moved lower. In addition, sales in the industrial field of our Stealth Dicing Engine for high-speed, high-quality silicon wafer dicing and of UV-LED light sources for highly accurate bonding of large-scale panels were off as well, affected by constraints on capital investment. Net sales of imaging devices and light sources decreased as a result.

In total, the Electron Tube business comprised of photomultiplier tubes (PMT) and imaging devices and light sources closed fiscal year 2016 with net sales of JPY 45,608 million, down by 6.4%, and operating income of JPY 15,342 million, down by 14.1% from the previous year.

#### (Opto-semiconductor)

In opto-semiconductors, our core silicon photodiodes have earned a positive reputation for accurately addressing customers' needs and continued to achieve robust sales for medical devices in North America, and sales of our flat panel sensors remained strong, centered on dental applications. In the industrial field, sales of opto-semiconductors increased on the strength of expanding sales in Europe of Photo ICs, which are used for optical communication networks in automobiles, and higher sales of silicon photodiodes for luggage inspections as well.

Net sales in the Opto-semiconductor business were JPY 55,592 million, up by 7.0%, and operating income was JPY 16,141 million, up by 0.2% from the previous year.

(Imaging and Measurement Instruments)

In image processing and measurement systems business, sales of digital cameras used in the field of life sciences and biotechnology declined under the impact of several factors, including inventory adjustment by customers. On the other hand, our failure analysis systems for semiconductor devices, which have earned a solid reputation for high resolution and high sensitivity in a wide range of fields as well as for enabling diverse analyses tailored to applications, continued to achieve strong sales, especially in Asia. In addition, sales of X-ray line sensor cameras, primarily for food inspection applications, remained steady.

Net sales for the Imaging and Measurement Instruments business were JPY 16,352 million, up by 0.9%, and operating income was JPY 3,538 million, down by 6.7% from the previous year.

(Other)

In our other businesses, net sales were JPY 4,299 million, up by 12.0%, and operating income was JPY 572 million, up by 232.1% from the previous year.

b. Projection for the year

With regard to the business environment surrounding our Group, we acknowledge that the direction of the economy remains unpredictable, clouded by factors that include not only opaque global conditions such as the economic slowdown in newly developing countries and Britain's exit from the EU, but also concerns of the effects of the ongoing appreciation of the yen on corporate operating performance.

Under such conditions, we expect consolidated net sales for the next year of JPY 122,500 million, up by 0.5%. On the other hand, from an earnings perspective we are planning for operating income of JPY 19,000 million, down by 7.5%, ordinary income of JPY 19,600 million, down by 2.2% and profit attributable to owners of parent of JPY 14,400 million, down by 0.1% respectively from the previous year.

We assume the yen/US dollar exchange rate will be JPY 100 and the yen/Euro exchange rate will be JPY 110.

FY 2017 (From Oct. 1, 2016 through Sep. 30, 2017)

Forecast for consolidated financial results for the fiscal year ending Sep. 30, 2017

(Millions of Japanese Yen)

Item \ Period	Through the second quarter		Forecast for the year	
		Compared with previous year		Compared with previous year
Net Sales	60,500	(3.7)%	122,500	0.5%
Operating income	9,100	(18.0)%	19,000	(7.5)%
Ordinary income	9,400	(16.0)%	19,600	(2.2)%
Profit attributable to owners of parent	7,000	(11.2)%	14,400	(0.1)%

## **(2) Analysis of Financial Position**

### **a. Summary of Financial Position**

Current assets decreased by JPY 6,651 million from the year ended September 30, 2015. This mainly reflected a decrease in cash and deposits of JPY 7,045 million, and a decrease in notes and accounts receivable-trade of JPY 820 million, respectively.

Non-current assets decreased by JPY 2,227 million from the end of the previous fiscal year. This was mainly from a decrease in property, plant and equipment of JPY 2,562 million that resulted from a decrease in buildings and structures.

Total assets at the fiscal year-end were JPY 217,300 million, down by JPY 8,879 million from the year ended September 30, 2015.

Current liabilities were down by JPY 3,957 million from the end of the previous fiscal year. Total current liabilities fell because of a decrease in current portion of long-term loans payable of JPY 2,953 million and a decrease in income taxes payable of JPY 743 million, respectively.

Non-current liabilities increased by JPY 6,131 million from the previous fiscal year-end, mainly due to an increase in net defined benefit liability of JPY 3,161 million and an increase in long-term loans payable of JPY 3,036 million, respectively.

As a result, total liabilities at the fiscal year-end were JPY 47,583 million, up by JPY 2,174 million from the year ended September 30, 2015.

Net assets were JPY 169,716 million, down by JPY 11,054 million from the previous fiscal year-end. This mainly reflected an increase in retained earnings of JPY 8,621 million as a result of reporting profit attributable to owners of parent, and decreases of JPY 10,000 million as a result of the purchase of treasury shares and JPY 7,289 million as a result of the foreign currency translation adjustment, respectively.

### **b. Summary of Cash Flows**

At the end of this fiscal year, cash and cash equivalents stood at JPY 53,595 million, up by JPY 8,039 million from the year ended September 30, 2015.

Cash flows for the fiscal year ended September 30, 2016 (from Oct. 1, 2015 through Sep. 30, 2016) were as follows.

Net cash provided by operating activities during the year was JPY 24,160 million, up by JPY 8,113 million over the previous year. The increase mainly reflected a cash contribution to the retirement benefit trust of JPY 5,000 million in the previous fiscal year, and a decrease in income taxes paid, etc. of JPY 2,663 million.

Net cash provided by investing activities was JPY 4,186 million, due mainly to an increase in cancellation of time deposits for longer than three months, which are not counted as cash, in conjunction with the purchase of treasury shares. This compares with net cash used in investing activities in the previous fiscal year of JPY 17,057 million, which mainly reflected purchases of property, plant and equipment.

Net cash used in financing activities was JPY 15,413 million, up by JPY 10,535 million from the previous year, due mainly to an increase in expenditures for purchase of treasury shares of JPY 9,991 million.

**(Reference) Trends in Cash-Flow Indicators**

	FY 2012	FY 2013	FY 2014	FY 2015	FY 2016
Equity Ratio (%)	73.9	77.6	78.1	79.6	77.8
Equity Ratio Based on Current Market Price (%)	113.5	149.8	194.4	191.9	223.3
Debt Redemption Period (Years)	0.7	0.7	0.5	0.7	0.5
Interest Coverage Ratio (Times)	129.0	139.9	240.0	164.1	246.7

Notes: Calculation methods of the above indicators are as follows:

Equity Ratio: Net assets / Total assets

Equity Ratio Based on Current Market Price: Total market value of common stock / Total assets

Debt Redemption Period: Interest-bearing debt / Net cash provided by operating activities

Interest Coverage Ratio: Net cash provided by operating activities / Interest payments

- \* All indicators are calculated based on consolidated financial figures.
- \* Total market value of common stock is calculated by multiplying the closing stock price at the end of each period by the number of shares issued (excluding treasury shares) at the end of the period.
- \* Net cash provided by operating activities refers to activities detailed in the Consolidated Statements of Cash Flows.
- \* Interest-bearing debt refers to all the debts in the Consolidated Balance Sheets which involve interest payment. Interest payments refer to the figure for the amount of interest paid in the Consolidated Statements of Cash Flows.

**(3) Basic Policy for Allocation of Profit and Dividend for FY 2016 and FY 2017**

The Company places the highest priority on distribution of results through dividends as a measure for returning profits to shareholders. Its basic dividend strategy outlines steadily increasing dividends through continuous growth in earnings per share by enhancing and strengthening corporate earning capacity based on a long-term perspective, with a policy of a dividend payout ratio of around 30% of profit attributable to owners of parent. On the other hand, to maintain its competitiveness based on advanced technical capabilities as the leading company in photonics, the Company believes long-term investment will be essential for the research and development necessary to achieve long-term growth of our corporate value and creation of the photon-based industries. To accomplish this, the Company also recognizes the importance of ensuring a certain level of funds on hand to provide for research and development investment and for capital investment. In addition, while the Company also regards funds on hand as a bulwark against earthquakes and other natural disasters and maintains a high level of retained earnings, it recognizes such funds contribute to the further enhancement of corporate value through business investment for the development of highly competitive future products. Based on the above policy and a comprehensive review of various factors including its financial results, as the year-end dividend for the current fiscal year (FY 2016 ended Sep. 30, 2016), we plan to pay a dividend of JPY 17 per share. As a result, when added to the interim dividend of JPY 17 we have already paid, our annual dividend will come to JPY 34 per share.

For FY 2017, our annual dividend will be JPY 34 per share, consisting of an interim dividend of JPY 17 and a year-end dividend of JPY 17 per share.

Consolidated Financial Statements  
Consolidated Balance Sheets

(Millions of Japanese Yen)

	As of Sep. 30, 2015	As of Sep. 30, 2016
<b>Assets</b>		
Current assets		
Cash and deposits	81,548	74,503
Notes and accounts receivable - trade	28,736	27,916
Securities	-	1,000
Merchandise and finished goods	7,383	7,554
Work in process	15,689	16,248
Raw materials and supplies	6,403	6,241
Deferred tax assets	3,304	3,239
Other	4,249	3,993
Allowance for doubtful accounts	(155)	(188)
Total current assets	147,160	140,508
Non-current assets		
Property, plant and equipment		
Buildings and structures	71,675	70,847
Accumulated depreciation	(39,333)	(41,615)
Buildings and structures, net	32,342	29,231
Machinery, equipment and vehicles	73,322	75,515
Accumulated depreciation	(61,824)	(65,444)
Machinery, equipment and vehicles, net	11,497	10,070
Tools, furniture and fixtures	29,305	30,032
Accumulated depreciation	(25,854)	(26,269)
Tools, furniture and fixtures, net	3,451	3,762
Land	16,644	16,406
Leased assets	498	434
Accumulated depreciation	(316)	(238)
Leased assets, net	181	195
Construction in progress	2,737	4,625
Total property, plant and equipment	66,854	64,292
Intangible assets	1,766	1,463
Investments and other assets		
Investment securities	2,465	2,446
Real estate for investment	1,755	1,667
Accumulated depreciation	(1,383)	(1,374)
Real estate for investment, net	371	292
Deferred tax assets	5,955	6,638
Other	1,625	1,678
Allowance for doubtful accounts	(19)	(19)
Total investments and other assets	10,398	11,036
Total non-current assets	79,019	76,792
<b>Total assets</b>	<b>226,179</b>	<b>217,300</b>

Consolidated Financial Statements  
Consolidated Balance Sheets

(Millions of Japanese Yen)

	As of Sep. 30, 2015	As of Sep. 30, 2016
<b>Liabilities</b>		
<b>Current liabilities</b>		
Notes and accounts payable - trade	4,518	4,580
Electronically recorded obligations - operating	8,994	8,880
Short-term loans payable	2,040	2,183
Current portion of long-term loans payable	3,172	218
Income taxes payable	2,763	2,019
Provision for bonuses	3,480	3,613
Other	10,863	10,380
<b>Total current liabilities</b>	<b>35,833</b>	<b>31,876</b>
<b>Non-current liabilities</b>		
Long-term loans payable	3,808	6,844
Deferred tax liabilities	176	182
Net defined benefit liability	3,956	7,118
Other	1,633	1,561
<b>Total non-current liabilities</b>	<b>9,575</b>	<b>15,707</b>
<b>Total liabilities</b>	<b>45,409</b>	<b>47,583</b>
<b>Net assets</b>		
<b>Shareholders' equity</b>		
Capital stock	34,928	34,928
Capital surplus	34,672	34,672
Retained earnings	110,637	119,259
Treasury shares	(6,059)	(16,059)
<b>Total shareholders' equity</b>	<b>174,179</b>	<b>172,800</b>
<b>Accumulated other comprehensive income</b>		
Valuation difference on available-for-sale securities	520	455
Foreign currency translation adjustment	4,367	(2,921)
Remeasurements of defined benefit plans	1,074	(1,170)
<b>Total accumulated other comprehensive income</b>	<b>5,962</b>	<b>(3,637)</b>
<b>Non-controlling interests</b>	<b>629</b>	<b>553</b>
<b>Total net assets</b>	<b>180,770</b>	<b>169,716</b>
<b>Total liabilities and net assets</b>	<b>226,179</b>	<b>217,300</b>



# Consolidated Financial Statements

## Consolidated Statements of Income

(Millions of Japanese Yen)

	Fiscal year ended Sep. 30, 2015	Fiscal year ended Sep. 30, 2016
Net sales	120,691	121,852
Cost of sales	57,582	60,807
Gross profit	63,109	61,044
Selling, general and administrative expenses		
Freightage and packing expenses	990	1,036
Advertising expenses	848	903
Salaries	10,125	10,253
Provision for bonuses	1,016	1,077
Retirement benefit expenses	814	812
Depreciation	1,465	1,603
Commission fee	3,271	3,588
Research and development expenses	11,615	11,873
Provision of allowance for doubtful accounts	28	68
Other	9,335	9,282
Total selling, general and administrative expenses	39,512	40,500
Operating income	23,596	20,544
Non-operating income		
Interest income	201	237
Dividend income	40	40
Rent income on non-current assets	82	77
Rent of real estate for investment	78	79
Foreign exchange gains	482	-
Share of profit of entities accounted for using equity method	86	57
Other	313	328
Total non-operating income	1,287	821
Non-operating expenses		
Interest expenses	97	97
Rent expenses on real estates	70	65
Foreign exchange losses	-	1,115
Other	56	36
Total non-operating expenses	224	1,314
Ordinary income	24,658	20,050
Extraordinary income		
Gain on sales of non-current assets	83	31
Subsidy income	623	781
Total extraordinary income	706	813

Consolidated Financial Statements

Consolidated Statements of Income

(Millions of Japanese Yen)

	Fiscal year ended Sep. 30, 2015	Fiscal year ended Sep. 30, 2016
Extraordinary losses		
Loss on sales of non-current assets	10	4
Loss on retirement of non-current assets	52	71
Loss on reduction of non-current assets	623	707
Loss on valuation of investment securities	1	0
Loss on sales of shares of subsidiaries	3	-
Total extraordinary losses	691	783
Profit before income taxes	24,672	20,080
Income taxes - current	7,185	5,294
Income taxes - deferred	852	318
Total income taxes	8,038	5,612
Profit	16,634	14,467
Profit attributable to non-controlling interests	35	47
Profit attributable to owners of parent	16,598	14,419

## Consolidated Financial Statements

### Consolidated Statements of Comprehensive Income

(Millions of Japanese Yen)

	Fiscal year ended Sep. 30, 2015	Fiscal year ended Sep. 30, 2016
Profit	16,634	14,467
Other comprehensive income		
Valuation difference on available-for-sale securities	(175)	(64)
Foreign currency translation adjustment	2,817	(7,352)
Remeasurements of defined benefit plans, net of tax	(86)	(2,245)
Share of other comprehensive income of entities accounted for using equity method	34	(39)
Total other comprehensive income	2,590	(9,702)
Comprehensive income	19,224	4,765
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	19,114	4,820
Comprehensive income attributable to non-controlling interests	109	(55)

## Consolidated Financial Statements

### Consolidated Statements of Changes in Equity

Fiscal year ended Sep. 30, 2015

(Millions of Japanese Yen)

	Shareholders' equity				
	Capital stock	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of current period	34,928	34,672	101,278	(6,050)	164,828
Cumulative effects of changes in accounting policies			(2,407)		(2,407)
Restated balance	34,928	34,672	98,870	(6,050)	162,421
Changes of items during period					
Dividends of surplus			(4,831)		(4,831)
Profit attributable to owners of parent			16,598		16,598
Purchase of treasury shares				(9)	(9)
Net changes of items other than shareholders' equity					
Total changes of items during period	-	-	11,766	(9)	11,757
Balance at end of current period	34,928	34,672	110,637	(6,059)	174,179

	Accumulated other comprehensive income				Non-controlling interests	Total net assets
	Valuation difference on available-for-sale securities	Foreign currency translation adjustment	Remeasurements of defined benefit plans	Total accumulated other comprehensive income		
Balance at beginning of current period	695	1,589	1,160	3,445	541	168,815
Cumulative effects of changes in accounting policies						(2,407)
Restated balance	695	1,589	1,160	3,445	541	166,408
Changes of items during period						
Dividends of surplus						(4,831)
Profit attributable to owners of parent						16,598
Purchase of treasury shares						(9)
Net changes of items other than shareholders' equity	(175)	2,777	(86)	2,516	88	2,604
Total changes of items during period	(175)	2,777	(86)	2,516	88	14,362
Balance at end of current period	520	4,367	1,074	5,962	629	180,770

## Consolidated Financial Statements

### Consolidated Statements of Changes in Equity

Fiscal year ended Sep. 30, 2016

(Millions of Japanese Yen)

	Shareholders' equity				
	Capital stock	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of current period	34,928	34,672	110,637	(6,059)	174,179
Cumulative effects of changes in accounting policies					—
Restated balance	34,928	34,672	110,637	(6,059)	174,179
Changes of items during period					
Dividends of surplus			(5,797)		(5,797)
Profit attributable to owners of parent			14,419		14,419
Purchase of treasury shares				(10,000)	(10,000)
Net changes of items other than shareholders' equity					
Total changes of items during period	-	-	8,621	(10,000)	(1,378)
Balance at end of current period	34,928	34,672	119,259	(16,059)	172,800

	Accumulated other comprehensive income				Non-controlling interests	Total net assets
	Valuation difference on available-for-sale securities	Foreign currency translation adjustment	Remeasurements of defined benefit plans	Total accumulated other comprehensive income		
Balance at beginning of current period	520	4,367	1,074	5,962	629	180,770
Cumulative effects of changes in accounting policies						—
Restated balance	520	4,367	1,074	5,962	629	180,770
Changes of items during period						
Dividends of surplus						(5,797)
Profit attributable to owners of parent						14,419
Purchase of treasury shares						(10,000)
Net changes of items other than shareholders' equity	(64)	(7,289)	(2,245)	(9,599)	(76)	(9,675)
Total changes of items during period	(64)	(7,289)	(2,245)	(9,599)	(76)	(11,054)
Balance at end of current period	455	(2,921)	(1,170)	(3,637)	553	169,716

Consolidated Financial Statements  
Consolidated Statements of Cash Flows

(Millions of Japanese Yen)

	Fiscal year ended Sep. 30, 2015	Fiscal year ended Sep. 30, 2016
Cash flows from operating activities		
Profit before income taxes	24,672	20,080
Depreciation	9,517	10,547
Increase (decrease) in allowance for doubtful accounts	1	65
Increase (decrease) in provision for bonuses	(247)	189
Increase (decrease) in net defined benefit liability	(4,803)	2
Interest and dividend income	(242)	(278)
Interest expenses	97	97
Foreign exchange losses (gains)	(295)	59
Share of (profit) loss of entities accounted for using equity method	(86)	(57)
Loss on retirement of property, plant and equipment	52	71
Loss (gain) on sales of property, plant and equipment	(72)	(27)
Decrease (increase) in notes and accounts receivable - trade	(2,065)	(1,669)
Decrease (increase) in inventories	(2,104)	(2,369)
Increase (decrease) in notes and accounts payable - trade	(44)	2,408
Other, net	145	812
Subtotal	24,523	29,934
Interest and dividend income received	241	280
Interest expenses paid	(97)	(97)
Income taxes (paid) refund	(8,619)	(5,956)
Net cash provided by (used in) operating activities	16,046	24,160
Cash flows from investing activities		
Net decrease (increase) in time deposits	(1,472)	14,936
Purchase of securities	-	(1,000)
Purchase of property, plant and equipment	(14,779)	(9,144)
Proceeds from sales of property, plant and equipment	315	47
Purchase of intangible assets	(621)	(424)
Other, net	(498)	(228)
Net cash provided by (used in) investing activities	(17,057)	4,186
Cash flows from financing activities		
Net increase (decrease) in short-term loans payable	157	419
Proceeds from long-term loans payable	3,216	3,261
Repayments of long-term loans payable	(3,318)	(3,178)
Purchase of treasury shares	(9)	(10,000)
Cash dividends paid	(4,826)	(5,798)
Other, net	(97)	(117)
Net cash provided by (used in) financing activities	(4,878)	(15,413)
Effect of exchange rate change on cash and cash equivalents	2,163	(4,894)
Net increase (decrease) in cash and cash equivalents	(3,725)	8,039
Cash and cash equivalents at beginning of period	49,281	45,556
Cash and cash equivalents at end of period	45,556	53,595

## Segment Information

### 1. Summary of Reportable Segments

The Company's reportable segments are components of the Company for which separate financial information is available. These segments are subject to periodic examinations to enable the Company's board of directors to decide how to allocate resources and assess performance.

The Company's business divisions are based on product and service categories. Each of the divisions conducts business based on comprehensive strategies formulated for the products and services it handles.

Therefore the Company's business segments based on the products and services handled by each of the divisions comprise its three principal reportable segments, which are Electron Tube, Opto-semiconductor, and Imaging and Measurement Instruments.

The Electron Tube business segment manufactures and sells photomultiplier tubes (PMTs), light sources and imaging devices. The Opto-semiconductor business segment manufactures and sells opto-semiconductor devices. The Imaging and Measurement Instruments business segment manufactures and sells image processing and measurement systems.

### 2. Method for Calculating the Sales, Income (Loss), Assets, Liabilities, and Other Items for Reportable Segments

Figures for income in reportable segments are on an operating income basis. Intersegment sales and transfers are based on prevailing market prices.

### 3. Information on the Amounts of Sales, Income (Loss), Assets, Liabilities, and Other Items for Reportable Segments

Fiscal year ended September 30, 2015 (From Oct. 1, 2014 through Sep. 30, 2015)

(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	48,706	51,944	16,201	116,852	3,839	120,691	-	120,691
Intersegment	1,227	942	10	2,180	949	3,130	(3,130)	-
Total net sales	49,934	52,886	16,211	119,032	4,788	123,821	(3,130)	120,691
Segment income	17,861	16,114	3,793	37,769	172	37,941	(14,345)	23,596
Segment assets	48,174	43,608	11,685	103,467	6,433	109,901	116,278	226,179
Other items								
Depreciation and amortization	2,953	3,655	1,124	7,733	393	8,127	1,344	9,471
Increase in property, plant and equipment and intangible assets	6,486	5,441	769	12,697	347	13,045	1,917	14,963

#### Notes:

1. The "Other" classification encompasses business segments not included in the reportable segments, and is the semiconductor laser business, hotel operations run by Iwata Grand Hotel Inc., a subsidiary, and business relating to the proprietary products of Beijing Hamamatsu Photon Techniques, Inc., which is also a subsidiary.
2. Adjustment of segment income of negative JPY 14,345 million represents intersegment transactions of negative JPY 1,234 million and unallocated corporate expenses of negative JPY 13,111 million. Corporate

expenses mainly consist of general and administrative expenses and basic research expenses that are unattributable to reportable segments.

Adjustment of segment assets of JPY 116,278 million consists of common assets that are not distributed to reportable segments.

Adjustment of depreciation and amortization of JPY 1,344 million is depreciation and amortization of common assets that are not distributed to reportable segments.

Adjustment of increase in property, plant and equipment and intangible assets of JPY 1,917 million is an increase in common non-current assets that are not distributed to reportable segments.

3. Segment income has been reconciled with operating income presented in the consolidated financial statements.

Fiscal year ended September 30, 2016 (From Oct. 1, 2015 through Sep. 30, 2016)

(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	45,608	55,592	16,352	117,552	4,299	121,852	-	121,852
Intersegment	1,281	839	14	2,135	921	3,056	(3,056)	-
Total net sales	46,890	56,432	16,366	119,688	5,220	124,908	(3,056)	121,852
Segment income	15,342	16,141	3,538	35,022	572	35,594	(15,050)	20,544
Segment assets	44,829	43,733	12,052	100,614	6,851	107,466	109,834	217,300
Other items								
Depreciation and amortization	3,527	4,101	914	8,544	399	8,943	1,559	10,503
Increase in property, plant and equipment and intangible assets	3,323	3,732	927	7,983	373	8,357	1,378	9,736

Notes:

1. The "Other" classification encompasses business segments not included in the reportable segments, and is the semiconductor laser business, hotel operations run by Iwata Grand Hotel Inc., a subsidiary, and business relating to the proprietary products of Beijing Hamamatsu Photon Techniques, Inc., which is also a subsidiary.
2. Adjustment of segment income of negative JPY 15,050 million represents intersegment transactions of negative JPY 1,238 million and unallocated corporate expenses of negative JPY 13,811 million. Corporate expenses mainly consist of general and administrative expenses and basic research expenses that are unattributable to reportable segments.  
Adjustment of segment assets of JPY 109,834 million consists of common assets that are not distributed to reportable segments.  
Adjustment of depreciation and amortization of JPY 1,559 million is depreciation and amortization of common assets that are not distributed to reportable segments.  
Adjustment of increase in property, plant and equipment and intangible assets of JPY 1,378 million is an increase in common non-current assets that are not distributed to reportable segments.
3. Segment income has been reconciled with operating income presented in the consolidated financial statements.



## Related Information

Fiscal year ended September 30, 2015 (From Oct. 1, 2014 through Sep. 30, 2015)

### 1. Information by product and service

This information has been omitted because the Company discloses the same information in its segment information section.

### 2. Information by geographical segment

#### (1) Net sales

(Millions of Japanese Yen)

Japan	North America	Europe	Asia	Others	Total
37,238	35,135	29,603	18,381	333	120,691

Note: Sales information is based on the geographical location of customers, and it is classified by country or region.

#### (2) Property, plant and equipment

This information has been omitted because property, plant and equipment within Japan accounted for more than 90% of total property, plant and equipment recorded on the consolidated balance sheets.

### 3. Information by principal customer

This information has been omitted because there were no customers that accounted for 10% or more of total net sales recorded on the consolidated statements of income.

Fiscal year ended September 30, 2016 (From Oct. 1, 2015 through Sep. 30, 2016)

### 1. Information by product and service

This information has been omitted because the Company discloses the same information in its segment information section.

### 2. Information by geographical segment

#### (1) Net sales

(Millions of Japanese Yen)

Japan	North America	Europe	Asia	Others	Total
36,258	32,704	30,138	22,489	261	121,852

Note: Sales information is based on the geographical location of customers, and it is classified by country or region.

#### (2) Property, plant and equipment

This information has been omitted because property, plant and equipment within Japan accounted for more than 90% of total property, plant and equipment recorded on the consolidated balance sheets.

### 3. Information by principal customer

This information has been omitted because there were no customers that accounted for 10% or more of total net sales recorded on the consolidated statements of income.

### **Information on impairment losses on non-current assets by reportable segment**

Fiscal year ended September 30, 2015 (From Oct. 1, 2014 through Sep. 30, 2015)

Not applicable

Fiscal year ended September 30, 2016 (From Oct. 1, 2015 through Sep. 30, 2016)

Not applicable

### **Information related to the amount of amortization of goodwill and the unamortized amount of goodwill by reportable segment**

Fiscal year ended September 30, 2015 (From Oct. 1, 2014 through Sep. 30, 2015)

This information has been omitted because the amounts are not material.

Fiscal year ended September 30, 2016 (From Oct. 1, 2015 through Sep. 30, 2016)

This information has been omitted because the amounts are not material.

### **Information on gain on bargain purchase by reportable segment**

Fiscal year ended September 30, 2015 (From Oct. 1, 2014 through Sep. 30, 2015)

This information has been omitted because the amounts are not material.

Fiscal year ended September 30, 2016 (From Oct. 1, 2015 through Sep. 30, 2016)

Not applicable

## Per Share Information

(Japanese Yen)

	Fiscal year ended September 30, 2015 (From Oct. 1, 2014 through Sep. 30, 2015)	Fiscal year ended September 30, 2016 (From Oct. 1, 2015 through Sep. 30, 2016)
Net assets per share	1,120.38	1,075.31
Earnings per share	103.23	90.23

### Notes:

1. There are no latent shares, and no figures for the diluted earnings per share have been disclosed.
2. Hamamatsu Photonics implemented a two-for-one stock split on April 1, 2015. Net assets per share and earnings per share have been calculated by assuming this stock split was executed at the beginning of the fiscal year ended September 30, 2015.
3. Basis for calculations of earnings per share is as follows.

(Millions of Japanese Yen)

	Fiscal year ended September 30, 2015 (From Oct. 1, 2014 through Sep. 30, 2015)	Fiscal year ended September 30, 2016 (From Oct. 1, 2015 through Sep. 30, 2016)
Profit attributable to owners of parent	16,598	14,419
Value not attributed to common stock	-	-
Profit attributable to owners of parent attributed to common stock	16,598	14,419
Average number of common stock outstanding during the period (Thousands shares)	160,787	159,812

### Important Subsequent Events

Not applicable

# Non-consolidated Financial Statements

## Non-consolidated Balance Sheets

(Millions of Japanese Yen)

	As of Sep. 30, 2015	As of Sep. 30, 2016
<b>Assets</b>		
<b>Current assets</b>		
Cash and deposits	56,651	48,441
Notes receivable - trade	3,743	4,178
Accounts receivable - trade	21,331	25,617
Securities	-	1,000
Merchandise and finished goods	2,450	2,569
Work in process	15,344	15,899
Raw materials and supplies	5,924	5,786
Deferred tax assets	1,795	1,778
Accounts receivable - other	2,856	2,702
Other	425	379
Allowance for doubtful accounts	(27)	(32)
<b>Total current assets</b>	<b>110,494</b>	<b>108,320</b>
<b>Non-current assets</b>		
<b>Property, plant and equipment</b>		
Buildings	25,322	23,077
Structures	1,882	1,726
Machinery and equipment	10,766	9,288
Vehicles	20	28
Tools, furniture and fixtures	2,781	2,944
Land	14,529	14,458
Leased assets	131	122
Construction in progress	2,395	4,564
<b>Total property, plant and equipment</b>	<b>57,830</b>	<b>56,210</b>
<b>Intangible assets</b>		
Patent right	451	348
Software	668	589
Other	17	16
<b>Total intangible assets</b>	<b>1,137</b>	<b>955</b>
<b>Investments and other assets</b>		
Investment securities	1,612	1,522
Shares of subsidiaries and associates	8,346	8,346
Investments in capital	1	1
Investments in capital of subsidiaries and associates	1,359	1,414
Deferred tax assets	6,402	6,112
Real estate for investment	145	129
Other	1,081	1,026
Allowance for doubtful accounts	(19)	(19)
<b>Total investments and other assets</b>	<b>18,929</b>	<b>18,534</b>
<b>Total non-current assets</b>	<b>77,898</b>	<b>75,699</b>
<b>Total assets</b>	<b>188,392</b>	<b>184,019</b>

# Non-consolidated Financial Statements

## Non-consolidated Balance Sheets

(Millions of Japanese Yen)

	As of Sep. 30, 2015	As of Sep. 30, 2016
<b>Liabilities</b>		
<b>Current liabilities</b>		
Notes payable - trade	89	82
Electronically recorded obligations - operating	8,994	8,880
Accounts payable - trade	3,977	4,600
Current portion of long-term loans payable	3,000	-
Lease obligations	52	63
Accounts payable - other	2,229	2,326
Accrued expenses	862	901
Income taxes payable	2,472	1,583
Advances received	9	9
Deposits received	156	162
Provision for bonuses	3,106	3,303
Electronically recorded obligations-facilities	1,904	1,804
Deposits received from employees	1,882	1,766
Other	70	24
<b>Total current liabilities</b>	<b>28,810</b>	<b>25,511</b>
<b>Non-current liabilities</b>		
Long-term loans payable	3,000	6,000
Lease obligations	92	72
Provision for retirement benefits	5,077	5,019
Asset retirement obligations	139	147
Other	1,339	1,275
<b>Total non-current liabilities</b>	<b>9,649</b>	<b>12,515</b>
<b>Total liabilities</b>	<b>38,459</b>	<b>38,027</b>
<b>Net assets</b>		
<b>Shareholders' equity</b>		
Capital stock	34,928	34,928
Capital surplus		
Legal capital surplus	34,636	34,636
<b>Total capital surpluses</b>	<b>34,636</b>	<b>34,636</b>
<b>Retained earnings</b>		
Legal retained earnings	695	695
Other retained earnings		
Reserve for special depreciation	22	18
Reserve for dividends	4,500	4,500
General reserve	65,600	71,600
Retained earnings brought forward	15,085	15,213
<b>Total retained earnings</b>	<b>85,903</b>	<b>92,027</b>
Treasury shares	(6,055)	(16,055)
<b>Total shareholders' equity</b>	<b>149,413</b>	<b>145,537</b>
<b>Valuation and translation adjustments</b>		
Valuation difference on available-for-sale securities	520	455
<b>Total valuation and translation adjustments</b>	<b>520</b>	<b>455</b>
<b>Total net assets</b>	<b>149,933</b>	<b>145,992</b>
<b>Total liabilities and net assets</b>	<b>188,392</b>	<b>184,019</b>

## Non-consolidated Financial Statements

### Non-consolidated Statements of Income

(Millions of Japanese Yen)

	Fiscal year ended Sep. 30, 2015	Fiscal year ended Sep. 30, 2016
Net sales	99,157	101,786
Cost of sales	56,193	60,272
Gross profit	42,964	41,513
Selling, general and administrative expenses	26,337	27,850
Operating income	16,626	13,663
Non-operating income		
Interest income	36	38
Dividend income	1,117	1,954
Rent of real estate for investment	37	27
Foreign exchange gains	6	1
Miscellaneous income	250	303
Total non-operating income	1,448	2,325
Non-operating expenses		
Interest expenses	64	50
Rent expenses on real estates	57	49
Miscellaneous loss	69	35
Total non-operating expenses	191	134
Ordinary income	17,883	15,854
Extraordinary income		
Gain on sales of non-current assets	62	19
Subsidy income	623	728
Total extraordinary income	685	747
Extraordinary losses		
Loss on sales of non-current assets	0	2
Loss on retirement of non-current assets	48	58
Loss on reduction of non-current assets	623	657
Loss on valuation of investment securities	1	0
Loss on liquidation of subsidiaries and associates	31	-
Total extraordinary losses	705	718
Profit before income taxes	17,863	15,883
Income taxes - current	4,790	3,619
Income taxes - deferred	891	341
Total income taxes	5,681	3,961
Profit	12,182	11,922

Non-consolidated Financial Statements  
Non-consolidated Statements of Changes in Equity  
Fiscal year ended Sep. 30, 2015

(Millions of Japanese Yen)

	Shareholders' equity								
	Capital stock	Capital surplus		Retained earnings					
		Legal capital surplus	Total capital surplus	Legal retained earnings	Other retained earnings				Total retained earnings
					Reserve for special depreciation	Reserve for dividends	General reserve	Retained earnings brought forward	
Balance at beginning of current period	34,928	34,636	34,636	695	25	4,500	60,600	15,139	80,960
Cumulative effects of changes in accounting policies								(2,407)	(2,407)
Restated balance	34,928	34,636	34,636	695	25	4,500	60,600	12,731	78,552
Changes of items during period									
Provision of reserve for special depreciation					1			(1)	-
Reversal of reserve for special depreciation					(4)			4	-
Provision of general reserve							5,000	(5,000)	-
Dividends of surplus								(2,415)	(2,415)
Dividends from surplus (interim dividends)								(2,415)	(2,415)
Profit								12,182	12,182
Purchase of treasury shares									
Net changes of items other than shareholders' equity									
Total changes of items during period	-	-	-	-	(3)	-	5,000	2,353	7,350
Balance at end of current period	34,928	34,636	34,636	695	22	4,500	65,600	15,085	85,903

	Shareholders' equity		Valuation and translation adjustments		Total net assets
	Treasury shares	Total shareholders' equity	Valuation difference on available-for-sale securities	Total valuation and translation adjustments	
Balance at beginning of current period	(6,046)	144,479	695	695	145,174
Cumulative effects of changes in accounting policies		(2,407)			(2,407)
Restated balance	(6,046)	142,071	695	695	142,766
Changes of items during period					
Provision of reserve for special depreciation		-			-
Reversal of reserve for special depreciation		-			-
Provision of general reserve		-			-
Dividends of surplus		(2,415)			(2,415)
Dividends from surplus (interim dividends)		(2,415)			(2,415)
Profit		12,182			12,182
Purchase of treasury shares	(9)	(9)			(9)
Net changes of items other than shareholders' equity			(175)	(175)	(175)
Total changes of items during period	(9)	7,341	(175)	(175)	7,166
Balance at end of current period	(6,055)	149,413	520	520	149,933

Non-consolidated Financial Statements  
Non-consolidated Statements of Changes in Equity  
Fiscal year ended Sep. 30, 2016

(Millions of Japanese Yen)

	Shareholders' equity								
	Capital stock	Capital surplus		Legal retained earnings	Retained earnings				Total retained earnings
		Legal capital surplus	Total capital surplus		Other retained earnings				
					Reserve for special depreciation	Reserve for dividends	General reserve	Retained earnings brought forward	
Balance at beginning of current period	34,928	34,636	34,636	695	22	4,500	65,600	15,085	85,903
Cumulative effects of changes in accounting policies									-
Restated balance	34,928	34,636	34,636	695	22	4,500	65,600	15,085	85,903
Changes of items during period									
Provision of reserve for special depreciation					0			(0)	-
Reversal of reserve for special depreciation					(4)			4	-
Provision of general reserve							6,000	(6,000)	-
Dividends of surplus								(3,060)	(3,060)
Dividends from surplus (interim dividends)								(2,737)	(2,737)
Profit								11,922	11,922
Purchase of treasury shares									
Net changes of items other than shareholders' equity									
Total changes of items during period	-	-	-	-	(3)	-	6,000	128	6,124
Balance at end of current period	34,928	34,636	34,636	695	18	4,500	71,600	15,213	92,027

	Shareholders' equity		Valuation and translation adjustments		Total net assets
	Treasury shares	Total shareholders' equity	Valuation difference on available-for-sale securities	Total valuation and translation adjustments	
Balance at beginning of current period	(6,055)	149,413	520	520	149,933
Cumulative effects of changes in accounting policies		-			-
Restated balance	(6,055)	149,413	520	520	149,933
Changes of items during period					
Provision of reserve for special depreciation		-			-
Reversal of reserve for special depreciation		-			-
Provision of general reserve		-			-
Dividends of surplus		(3,060)			(3,060)
Dividends from surplus (interim dividends)		(2,737)			(2,737)
Profit		11,922			11,922
Purchase of treasury shares	(10,000)	(10,000)			(10,000)
Net changes of items other than shareholders' equity			(64)	(64)	(64)
Total changes of items during period	(10,000)	(3,876)	(64)	(64)	(3,940)
Balance at end of current period	(16,055)	145,537	455	455	145,992