Please note that the following is an unofficial English translation of the Japanese original text of the 72nd 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, 2019

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 72nd ORDINARY GENERAL MEETING OF SHAREHOLDERS

You are cordially invited to attend the 72nd 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 in Writing or by Electronic Means (via the Internet, etc.). 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, 2019, Japan Time.

1. Time and Date: 10:00 a.m., Friday, December 20, 2019

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 72nd Fiscal Year (From October 1, 2018 through September 30, 2019), 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 72nd Fiscal Year (From October 1, 2018 through September 30, 2019)

Matters to be resolved:

Proposal No. 1: Appropriation of Surplus
Proposal No. 2: Election of 13 Directors
Proposal No. 3: Determination of Remuneration for Granting Restricted Stock to Directors (Excluding Outside Directors)

1. Please note that “Consolidated Statements of Changes in Net Assets and Notes to the Consolidated Financial Statements” of the Consolidated Financial Statements and “Non-consolidated Statements of Changes in Net Assets 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 (https://www.hamamatsu.com/jp/ja/our-company/investor-relations/index.html) in accordance with the applicable laws and regulations and Article 15 of the Articles of Incorporation (Japanese only).
2. 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 (https://www.hamamatsu.com/jp/ja/our-company/investor-relations/index.html).

■ Guide to the Exercise of Voting Rights



For those attending the meeting in person

Please present the enclosed Voting Rights Exercise Form at the reception desk upon arrival at the meeting. (Reception starts at 9:00 a.m.)

For the purpose of resource-saving, please bring this notice with you.



For those exercising voting rights in writing

Please indicate your approval or disapproval on the enclosed Voting Rights Exercise Form, and return it.

If there is no indication of approval or disapproval of the proposal, the Company shall deem that you have indicated your approval of the proposal.

[Voting Rights Exercise Form must reach us by 5:00 p.m., Thursday, December 19, 2019, Japan Time]



For those exercising voting rights via the Internet, etc.

Please access the Website for the Exercise of Voting Rights (https://www.web54.net) and exercise voting rights.

You will need the Voting Rights Exercise Code and Password, both of which are indicated on the Voting Rights Exercise Form, to indicate your approval or disapproval by following the instructions displayed on the screen.

[Exercise your voting rights by 5:00 p.m., Thursday, December 19, 2019, Japan Time]

1. 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.
2. If you have exercised your voting rights more than once via the Internet, etc., only the final exercise of the voting rights shall be deemed effective.
3. If you have exercised your voting rights both in writing and via the Internet, etc., only the exercise of the voting rights via the Internet, etc. shall be deemed effective.

- You may use a personal computer or smartphone.
  Please be aware that, depending on your Internet connection environment, you may not be able to use the voting website (e.g. if you connect to the Internet via a firewall, etc., have anti-virus software installed or use a proxy server, etc.).
- The website is inaccessible from mobile phones.
- 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 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.
- Please be noted that any fees incurred by Internet access (access fees to Internet service providers, telecommunications fees, etc.) are the responsibility of shareholders.

If you have any questions, please feel free to contact the Stock Transfer Agency Web Support.
Sumitomo Mitsui Trust Bank, Limited Stock Transfer Agency Web Support
Telephone: 0120-652-031 Business hours: 9:00 – 21:00 (toll free within Japan)

■ To Institutional Investors:

With a preliminary application, you can use the platform for electronic exercise of voting rights for institutional investors managed by Investor Communications Japan, Inc.

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. Our basic dividend strategy outlines steadily increasing dividends through continuous growth in earnings per share by enhancing and strengthening its corporate earning capacity based on a long-term perspective. Furthermore, its policy is to achieve the stable increase of dividends, with 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, the Company proposes a year-end dividend of 20 yen per share. The amount of annual dividend will be 40 yen per share including an interim dividend of 20 yen we have already paid, which is 3 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:
20 yen per share of common stock of the Company for a total of 3,101,324,100 yen

(3) Effective date for distribution of dividends from surplus:
December 23, 2019

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: 11,000,000,000 yen

(2) Item of surplus to be decreased and amount thereof:
Retained earnings brought forward: 11,000,000,000 yen

Proposal No. 2: Election of 13 Directors

Director Junichi Takeuchi passed away on May 23, 2019, and thus retired. In addition, the terms of office of all 12 current Directors will expire at the conclusion of this Ordinary General Meeting of Shareholders. Accordingly, it is proposed that 13 Directors be elected.

The candidates for Director are as follows.

No.	Name			Positions and Responsibilities in the Company	Attendance at Board of Directors meetings
1	Reelection	Akira Hiruma		Representative Director and President	16/16 (100%)
2	Reelection	Kenji Suzuki		Representative Director and Vice President Division Director, Electron Tube Division	16/16 (100%)
3	Reelection	Koei Yamamoto		Representative Director and Senior Managing Director Division Director, Solid State Division and Laser Promotion Division	13/16 (81%)
4	Reelection	Tsutomu Hara		Managing Director Director, Central Research Laboratory	16/16 (100%)
5	Reelection	Kenji Yoshida		Managing Director Division Director, Administration Headquarters	16/16 (100%)
6	Reelection	Naofumi Toriyama		Director Division Director, Business Headquarters	16/16 (100%)
7	Reelection	Kazuhiko Mori		Director General Manager, Accounting Division	16/16 (100%)
8	Reelection	Tadashi Maruno		Director Division Director, System Division	16/16 (100%)
9	Reelection	Takayuki Suzuki		Director Deputy Division Director, Solid State Division	16/16 (100%)
10	Reelection	Hisaki Kato		Director Deputy Division Director, Electron Tube Division	11/13 (85%)
11	New election	Minoru Saito		Executive Manager General Manager, Compound semiconductor Fabrication Center	–
12	Reelection	Kashiko Kodate	[Outside] [Independent]	Director	14/16 (88%)
13	Reelection	Ken Koibuchi	[Outside] [Independent]	Director	14/16 (88%)

Note: The attendance record for Hisaki Kato is his attendance after he assumed office as Director on December 20, 2018.

No. 1	Akira Hiruma (November 10, 1956) [Reelection]

Brief History, Positions and Responsibilities in the Company

Oct. 1984	Joined the Company
Oct. 2005	President, Hamamatsu Corporation
Dec. 2009	Representative Director and President of the Company (present)

Number of Shares of the Company Held
152,784

Attendance at Board of Directors meetings
16/16 (100%)

Significant Positions Concurrently Held

Director and President, Photonics Management Corp.

Director, Hamamatsu Corporation

Chairman, Beijing Hamamatsu Photon Techniques, Inc.

Chairman, Hamamatsu Photonics (China) Co., Ltd.

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

Reason for nomination as a candidate for Director

The Company proposes the reelection of Akira Hiruma as a Director.
He has accumulated extensive business experience cultivated through operations in overseas subsidiaries over many years. In addition, he has appropriately made decisions on important matters in management, supervised business execution and performed other roles as Representative Director and President since December 2009, and he has been contributing to the stable and sustainable development of the Group.
The Company is convinced he is a suitable candidate to carry out management trusted by stakeholders that will contribute to improving our corporate value based on his experience and knowledge.

Special interest relationship between the Company and the candidate for Director

Akira Hiruma concurrently serves as

1) Chairman, Beijing Hamamatsu Photon Techniques, Inc., which has transactional relationships with the Company such as sales and purchase of electronic components.
2) Director and President, Research Foundation for Opto-Science and Technology, which has transactional relationships with the Company such as monetary contributions.
3) President, Hamamatsu Medical Photonics Foundation, which has transactional relationships with the Company such as monetary contributions and building rental.
4) 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.

No. 2	Kenji Suzuki (March 22, 1948) [Reelection]

Brief History, Positions and Responsibilities in the Company

Mar. 1966	Joined the Company
Dec. 2009	Director
Dec. 2012	Managing Director
Dec. 2017	Division Director, Electron Tube Division (present)
Jun. 2019	Representative Director and Vice President (present)

Number of Shares of the Company Held
81,000

Attendance at Board of Directors meetings
16/16 (100%)

Reason for nomination as a candidate for Director

The Company proposes the reelection of Kenji Suzuki as a Director.
He has accumulated a wealth of business experience and expertise mainly in the Electron Tube business. Currently, he is responsible for management of the Group and oversees the Electron Tube business as Representative Director and Vice President.
The Company is convinced he is a suitable candidate to carry out management trusted by stakeholders that will contribute to improving our corporate value based on his experience and knowledge.

No. 3	Koei Yamamoto (October 20, 1945) [Reelection]

Brief History, Positions and Responsibilities in the Company

Mar. 1970	Joined the Company
Jan. 1985	Division Director, 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)
Dec. 2017	Division Director, Laser Promotion Division (present)

Number of Shares of the Company Held
95,900

Attendance at Board of Directors meetings
13/16 (81%)

Reason for nomination as a candidate for Director

The Company proposes the reelection of Koei Yamamoto as a Director.
He has accumulated a wealth of business experience and expertise mainly in the Opto-semiconductor business. Currently, he is responsible for management of the Group and oversees the Opto-semiconductor business and the semiconductor laser business as Representative Director and Senior Managing Director, and Division Director, Solid State Division and Laser Promotion Division.
The Company is convinced he is a suitable candidate to carry out management trusted by stakeholders that will contribute to improving our corporate value based on his experience and knowledge.

No. 4	Tsutomu Hara (March 22, 1952) [Reelection]

Brief History, Positions and Responsibilities in the Company

Jun. 1979	Joined the Company
Dec. 2009	Director
Nov. 2010	Director, Central Research Laboratory (present)
Dec. 2012	Managing Director (present)

Number of Shares of the Company Held
11,200

Attendance at Board of Directors meetings
16/16 (100%)

Reason for nomination as a candidate for Director

The Company proposes the reelection of Tsutomu Hara as a Director.
He has accumulated a wealth of business experience and expertise mainly in basic and applied research in photonics. Currently, he is responsible for management of the Group and oversees Basic Research Sector as Managing Director, and Director, Central Research Laboratory.
The Company is convinced he is a suitable candidate to carry out management trusted by stakeholders that will contribute to improving our corporate value based on his experience and knowledge.

No. 5	Kenji Yoshida (December 15, 1948) [Reelection]

Brief History, Positions and Responsibilities in the Company

Mar. 1971	Joined the Company
Jun. 1997	General Manager, President Office
Dec. 2010	Director
Dec. 2012	Managing Director (present)
Dec. 2013	Director, Administrative Division
Oct. 2017	Division Director, Administration Headquarters (present)

Number of Shares of the Company Held
96,900

Attendance at Board of Directors meetings
16/16 (100%)

Reason for nomination as a candidate for Director

The Company proposes the reelection of Kenji Yoshida as a Director.
He has accumulated a wealth of business experience and expertise mainly in administration in addition to extensive business experience cultivated through operations in overseas subsidiaries. Currently, he is responsible for management of the Group and oversees administrative divisions as Managing Director, and Division Director, Administration Headquarters.
The Company is convinced he is a suitable candidate to carry out management trusted by stakeholders that will contribute to improving our corporate value based on his experience and knowledge.

Special interest relationship between the Company and the candidate for Director

Kenji Yoshida concurrently serves as President, Photonics Group Health Insurance Association, which has transactional relationships with the Company such as building rental.

No. 6	Naofumi Toriyama (March 11, 1958) [Reelection]

Brief History, Positions and Responsibilities in the Company

Mar. 1981	Joined the Company
Oct. 2012	General Manager, Sales, Electron Tube Division
Feb. 2014	General Manager, Domestic Sales Management
Dec. 2015	Director (present)
Oct. 2018	Division Director, Business Headquarters (present)

Number of Shares of the Company Held
9,068

Attendance at Board of Directors meetings
16/16 (100%)

Reason for nomination as a candidate for Director

The Company proposes the reelection of Naofumi Toriyama as a Director.
He has accumulated a wealth of business experience and expertise mainly in sales. Currently, he is responsible for management of the Group and oversees all areas of sales as Director, and Division Director, Business Headquarters.
The Company is convinced he is a suitable candidate to carry out management trusted by stakeholders that will contribute to improving our corporate value based on his experience and knowledge.

No. 7	Kazuhiko Mori (December 11, 1956) [Reelection]

Brief History, Positions and Responsibilities in the Company

Apr. 1979	Joined The Kyowa Bank, Ltd.(currently Resona Bank, Limited)
Jul. 2009	General Manager, Shibuya Branch, Resona Bank, Limited
Jul. 2011	Transferred to the Company
	General Manager, Finance Division
Dec. 2012	Audit & Supervisory Board Member (Standing)
Dec. 2017	Director (present)
	General Manager, Accounting Division (present)

Number of Shares of the Company Held
2,200

Attendance at Board of Directors meetings
16/16 (100%)

Significant Positions Concurrently Held

Outside Director (Audit & Supervisory Committee Member), ENSHU Limited

Reason for nomination as a candidate for Director

The Company proposes the reelection of Kazuhiko Mori as a Director.
He has accumulated a wealth of business experience mainly in financial institutions and expertise in finance and accounting. Currently, he is responsible for management of the Group and oversees finance and accounting divisions as Director, and General Manager, Accounting Division.
The Company is convinced he is a suitable candidate to carry out management trusted by stakeholders that will contribute to improving our corporate value based on his experience and knowledge.

No. 8

Tadashi Maruno (October 6, 1960)

[Reelection]

Brief History, Positions and Responsibilities in the Company

Apr. 1983	Joined the Company
Oct. 2014	General Manager, System Designing Division
Dec. 2017	Director (present)
	Division Director, System Division (present)

Number of Shares of the Company Held
5,689

Attendance at Board of Directors meetings
16/16 (100%)

Significant Positions Concurrently Held

Director, Hamamatsu Corporation

Reason for nomination as a candidate for Director

The Company proposes the reelection of Tadashi Maruno as a Director.
He has accumulated a wealth of business experience and expertise mainly in the Imaging and Measurement Instruments business. Currently, he is responsible for management of the Group and oversees the Imaging and Measurement Instruments business as Director, and Division Director, System Division.
The Company is convinced he is a suitable candidate to carry out management trusted by stakeholders that will contribute to improving our corporate value based on his experience and knowledge.

No. 9

Takayuki Suzuki (October 8, 1961)

[Reelection]

Brief History, Positions and Responsibilities in the Company

Jul. 1989	Joined the Company
Oct. 2016	General Manager, The 3rd Mfg., Solid State Division
Oct. 2017	Deputy Division Director, Solid State Division (present)
Dec. 2017	Director (present)

Number of Shares of the Company Held
1,447

Attendance at Board of Directors meetings
16/16 (100%)

Reason for nomination as a candidate for Director

The Company proposes the reelection of Takayuki Suzuki as a Director.
He has accumulated a wealth of business experience and expertise mainly in the Opto-semiconductor business. Currently, he is responsible for management of the Group and oversees the Opto-semiconductor business as Director, and Deputy Division Director, Solid State Division.
The Company is convinced he is a suitable candidate to carry out management trusted by stakeholders that will contribute to improving our corporate value based on his experience and knowledge.

No. 10	Hisaki Kato (May 7, 1957) [Reelection]

Brief History, Positions and Responsibilities in the Company

Mar. 1981	Joined the Company
Oct. 2012	General Manager, The 1st Mfg., Electron Tube Division
Jan. 2018	Deputy Division Director, Electron Tube Division (present)
Dec. 2018	Director (present)

Number of Shares of the Company Held
5,288

Attendance at Board of Directors meetings
11/13 (85%)
(Note) The attendance record is the attendance after he assumed office as Director on December 20, 2018.

Reason for nomination as a candidate for Director

The Company proposes the reelection of Hisaki Kato as a Director.
He has accumulated a wealth of business experience and expertise mainly in the Electron Tube business. Currently, he is responsible for management of the Group and oversees the Electron Tube business as Director, and Deputy Division Director, Electron Tube Division.
The Company is convinced he is a suitable candidate to carry out management trusted by stakeholders that will contribute to improving our corporate value based on his experience and knowledge.

No. 11	Minoru Saito (February 28, 1955) [New election]

Brief History, Positions and Responsibilities in the Company

Mar. 1978	Joined the Company
Oct. 2009	Manager, Material Research Group, Central Research Laboratory
Dec. 2011	Executive Manager (present)
Oct. 2012	General Manager, Central Research Laboratory
Oct. 2017	General Manager, Compound semiconductor Fabrication Center (present)

Number of Shares of the Company Held
5,200

Attendance at Board of Directors meetings
–

Reason for nomination as a candidate for Director

The Company proposes the election of Minoru Saito as a Director.
He has accumulated a wealth of business experience and expertise mainly in the field of optical materials and energy. In addition, in the compound semiconductor related business, which is expected to expand in the future, he was responsible for launching a project to consolidate the material processing processes that had been so far decentralized to multiple bases into the Compound semiconductor Fabrication Center. Currently, he is in charge of the Compound semiconductor Fabrication Center as General Manager.
The Company is convinced he is a suitable candidate to carry out management trusted by stakeholders that will contribute to improving our corporate value based on his experience and knowledge.

No. 12	Kashiko Kodate (January 18, 1941) [Reelection] [Outside] [Independent]

Number of Shares of the Company Held
600

Attendance at Board of Directors meetings
14/16 (88%)

Brief History, Positions and Responsibilities in the Company

Apr. 1992	Professor, Japan Women's University Faculty of Science
Jan. 2008	President and CEO, Photonic System Solutions Inc.
Apr. 2009	Professor Emeritus, Japan Women's University (present)
Sep. 2009	Director, Gender Equality Programs, Independent Administrative Agency (then the National Research and Development Agency) Japan Science and Technology Agency
Apr. 2012	Specially Appointed Professor, The University of Electro-Communications (present)
Dec. 2015	Outside Director of the Company (present)
Apr. 2017	Director and Chairman, Photonic System Solutions Inc. (present)

Significant Positions Concurrently Held

Professor Emeritus, Japan Women's University

Reason for nomination as a candidate for Outside Director

In addition to her experience over many years as a university professor and her extensive expertise in sectors such as information photonics, Kashiko Kodate also possesses experience as a business manager. The Company judges she will be able to further enhance the Company's management organization by utilizing her broad experience and various discernments to provide well-informed advice from an independent standpoint, and is requesting her appointment as an Outside Director.

Service period as an Outside Director of the Company

Kashiko Kodate's service period as an Outside Director will be four (4) years at the conclusion of this General Meeting of Shareholders.

Matters concerning independence

The Company had filed Kashiko Kodate as an independent director/auditor with the Tokyo Stock Exchange, in accordance with the rules of the Exchange. If she is reappointed as proposed, the Company intends to continuously appoint her as an independent director/auditor. The Company has no transactional relationships with Japan Women's University. Therefore, the Company is sufficiently convinced of her independent status.

Summary of contents of agreements to limit liability

Based on the Articles of Incorporation, the Company has entered Agreement Limiting Liability with Kashiko Kodate regarding the obligations set in Article 423 paragraph (1) of the Companies Act, to limit her obligation to the minimum allowance set by Article 425 paragraph (1) of the Companies Act. The Company plans to continue this agreement with Kashiko Kodate if the reappointment of Kashiko Kodate is approved.

No. 13	Ken Koibuchi (November 26, 1966) [Reelection] [Outside] [Independent]

Brief History, Positions and Responsibilities in the Company

Apr. 1993	Joined Toyota Motor Corporation
Jan. 2016	General Manager/Advanced Safety System Research and Development Div.
Apr. 2017	Executive General Manager/Advanced R&D and Engineering Company
Dec. 2017	Outside Director of the Company (present)
Jan. 2019	Field General Manager, Advanced Safety System Field, Advanced R&D and Engineering Company, Toyota Motor Corporation (present)

Number of Shares of the Company Held
200

Attendance at Board of Directors meetings
14/16 (88%)

Significant Positions Concurrently Held

Field General Manager, Advanced Safety System Field, Advanced R&D and Engineering Company, Toyota Motor Corporation

Reason for nomination as a candidate for Outside Director

The Company propose the reelection of Ken Koibuchi as an Outside Director. Ken Koibuchi is Field General Manager, Advanced Safety System Field, Advanced R&D and Engineering Company, Toyota Motor 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.

Service period as an Outside Director of the Company

Ken Koibuchi's service period as an Outside Director will be two (2) years at the conclusion of this General Meeting of Shareholders.

Matters concerning independence

The Company had filed Ken Koibuchi as an independent director/auditor with the Tokyo Stock Exchange, in accordance with the rules of the Exchange. If he is reappointed as proposed, the Company intends to continuously appoint him as an independent director/auditor. The Company has transactional relationships with Toyota Motor Corporation including sales of electronic devices. The scale of such transactions with Toyota Motor Corporation is no more than roughly 48 million yen on an annual basis (equivalent to 0.03% of the Company's consolidated net sales). Therefore, the Company is sufficiently convinced of his independent status.

Summary of contents of agreements to limit liability

Based on the Articles of Incorporation, the Company has entered Agreement Limiting Liability with Ken Koibuchi regarding the obligations set in Article 423 paragraph (1) of the Companies Act, to limit his obligation to the minimum

allowance set by Article 425 paragraph (1) of the Companies Act. The Company plans to continue this agreement with Ken Koibuchi if the reappointment of Ken Koibuchi is approved.

Notes: 1. There are no special interest relationships between the Company and the candidates for Directors other than Akira Hiruma and Kenji Yoshida.
2. Kashiko Kodate and Ken Koibuchi, candidates for Director, are the candidates for Outside Director.
3. Separately from the number of shares indicated on page 12, candidate for Director Minoru Saito held 10,009 shares as of September 30, 2019 as an interest of Hamamatsu Photonics K.K. employees stock ownership plan.

Proposal No. 3: Determination of Remuneration for Granting Restricted Stock to Directors (Excluding Outside Directors)

The amount of remuneration for Directors of the Company was approved at a monthly amount of up to 55 million yen (including a monthly amount of up to 3 million yen for Outside Directors), excluding the employee salary portions paid to Directors serving concurrently as employees, by a resolution of the 70th Ordinary General Meeting of Shareholders convened on December 22, 2017.

The Company hereby proposes that restricted stock remuneration be granted to Directors (excluding Outside Directors) of the Company ("Eligible Directors") in order to provide them an incentive to sustainably increase the Company's corporate value and to further promote shared value between shareholders and them, as part of the revision to its remuneration package for Directors, separately from the remuneration described above.

Based on this proposal, the remuneration to be paid to Eligible Directors for the purpose of granting them restricted stock shall be monetary remuneration claims, and its total amount shall be up to 200 million yen per year, as deemed reasonable in light of the aforementioned purposes. The Company also proposes that the total amount of this remuneration does not include the employee salary portions paid to Directors serving concurrently as employees.

The Eligible Directors shall pay in the form of property contributed in kind all monetary remuneration claims to be provided in accordance with this proposal and based on the resolution of the Board of Directors, and shall, in return, receive common shares of the Company that shall be issued or disposed of by the Company. The total number of common shares of the Company to be issued or disposed of thereby shall be not more than 200,000 shares per year, (however, if, on or after the day on which this proposal is approved and adopted, the Company performs a share split (including allotment of shares without contribution) or a reverse share split of its common shares, or any other reason arises necessitating an adjustment to the total number of the Company's common shares issued or disposed of as restricted stock, the relevant total number may be adjusted within a reasonable range).

The amount to be paid in per share shall be determined by the Board of Directors based on the closing price of the Company's common shares on the Tokyo Stock Exchange on the business day immediately before each date of resolution by the Board of Directors (if there is no closing price on such date, the closing price on the closest preceding trading day), which will be within the range not particularly advantageous to Eligible Directors who subscribe the Company's common shares under the closing price.

The specific timing for providing thereof and the allocation to each Eligible Director shall be determined by the Board of Directors. However, the remuneration for granting the restricted stock shall not be provided to Outside Directors.

The number of Directors is currently 12 (including 2 Outside Directors). Subject to the approval and adoption of Proposal 2, "Election of 13

Directors" as originally proposed, the number of Directors will be 13 (including 2 Outside Directors).
For such issuance or disposal of the common shares of the Company, an agreement on allotment of shares with transfer restrictions (the "Allotment Agreement"), including the following provisions, shall be entered into between the Company and each Eligible Director:

(1) Restriction Period
Eligible Directors shall not transfer, create a security interest on, or otherwise dispose of (the "Transfer Restrictions") shares of common share of the Company received by allocation under the Allocation Agreement (the "Allotted Shares") within 30 years of the day allocation is received under the Allocation Agreement (the "Restriction Period").

(2) Treatment on retirement from the position
If an Eligible Director retires from the position specified in advance by the Board of Directors of the Company before the Restriction Period expires, the Company shall automatically acquire such Allotted Shares without contribution, unless the reason for his/her retirement from office is the expiration of the term of his/her office, death, or other justifiable reasons.

(3) Lifting of Transfer Restrictions
Notwithstanding the provision of (1) above, the Company shall lift the Transfer Restrictions of all of the Allotted Shares upon expiration of the Restriction Period, on the condition that the Eligible Director has continuously remained in the position specified in advance by the Board of Directors of the Company throughout the Restriction Period. However, if the Eligible Director retires from the position specified in (2) above before the expiration of the Restriction Period due to the expiration of the term of his/her office, death, or other justifiable reasons, as stated in (2) above, the Company shall rationally adjust the number of the Allotted Shares on which the Transfer Restrictions are to be lifted, and the timing of lifting as needed. The Company shall automatically acquire without contribution the Allotted Shares on which the Transfer Restrictions have not been lifted as of the time immediately after the Transfer Restrictions were lifted as specified above.

(4) Treatment during reorganization, etc.
Notwithstanding the provision of (1) above, if, during the Restriction Period, matters relating to a merger agreement in which the Company is the disappearing company, a share exchange agreement or share transfer plan in which the Company becomes a wholly owned subsidiary, or other reorganization, etc. are approved at the Company's General Meeting of Shareholders (or at a meeting of its Board of Directors in cases where approval at the Company's General Meeting of Shareholders is not required in relation to the reorganization, etc.), the Company shall lift the Transfer Restrictions on the Allotted Shares with the number of

shares that is reasonably determined considering the period from the start date of the Restriction Period to the date of approval of the reorganization, etc. prior to the date on which the reorganization, etc. becomes effective, by resolution of the Board of Directors of the Company.
In cases specified above, the Company shall automatically acquire without contribution the Allotted Shares on which the Transfer Restrictions have not been lifted as of the time immediately after the Transfer Restrictions were lifted.

(5) Other matters
Other matters regarding the Allotment Agreement shall be determined by the Board of Directors of the Company.

(Attachments)

Business Report

(From October 1, 2018 through September 30, 2019)

1. Matters Concerning the Corporate Group

(1) Business Operations and Results

During the fiscal year ended September 30, 2019 (from October 1, 2018 through September 30, 2019), Japan's economy was affected by a slowdown overseas in the economies of China and other countries, in addition to the prolonged trade friction between the U.S. and China, and faced difficult conditions, such as signs of weakness in exports and production mainly in the manufacturing industry and postponed capital investment.

Given these circumstances, our Group strove to secure net sales and earnings by continuing to make capital investments aimed at boosting production capacity and strengthening our development capabilities, as well as improving the Company's 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 2019 with net sales of JPY 145,912 million, up by JPY 1,574 million (1.1%), thanks to higher overseas sales despite lower domestic sales. From an earnings perspective, ordinary profit was JPY 26,277 million, down by JPY 1,810 million (6.4%), and profit attributable to owners of parent was JPY 19,918 million, down by JPY 1,303 million (6.1%) from the previous year. Accordingly, revenue increased while profits regrettably decreased.

	FY2019	Year-on-year changes
Net sales	JPY 145,912 million	Up 1.1%
Operating profit	JPY 25,403 million	Down 6.8%
Ordinary profit	JPY 26,277 million	Down 6.4%
Profit attributable to owners of parent	JPY 19,918 million	Down 6.1%

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

Electron tube [Photomultiplier tubes (PMT)]	<Main businesses> Development, manufacture and sale of photomultiplier tubes and other vacuum-tube optical sensors, applied products, etc.

Sales of photomultiplier tubes (PMT) for academic applications such as high-energy physics experiments decreased due to factors such as delivery to large-scale international projects being finished. However, in the medical field, sales of products for inspection and monitoring systems for analyzing blood, living cells, etc. increased, thanks to their strong reputation for their high sensitivity, low-noise, and high-speed operations. In addition, sales for oil-well logging devices that offer superior ruggedness to withstand harsh work conditions such as high temperatures, shocks and vibrations continued to be strong, thanks to the recovery in oilfield investment. As a result, net sales of photomultiplier tubes (PMT) increased.

Electron tube [Imaging devices and light sources]	<Main businesses> Development, manufacture and sale of light sources, radiation sources, imaging devices, applied products, etc.

In imaging devices and light sources, while sales in the industrial field began to be affected by the economic slowdown in China, restrained capital investment, sales of microfocus X-ray sources for non-destructive testing devices increased primarily for battery testing. Sales of Stealth Dicing Engine for high-speed, high-quality silicon wafer dicing also increased. Further, sales of light sources for environmental analysis such as deuterium lamps were strong overseas, and as a result, net sales of imaging devices and light sources increased.

In total, the Electron tube business comprised of photomultiplier tubes (PMT) and imaging devices and light sources closed the fiscal year 2019 with net sales of JPY 58,005 million, up by 3.2% from the previous year.

Opto-semiconductor [Opto-semiconductor devices]	<Main businesses> Development, manufacture and sale of opto-semiconductor devices including photodiodes, Photo ICs, image sensors, applied products, etc.

In opto-semiconductor devices, in the medical field, sales of mainstay silicon photodiodes, etc. were strong, and sales of flat panel sensors also increased mainly for dental applications. However, significantly affected by the restrained capital investment worldwide, sales of image sensors for semiconductor fabrication and inspection equipment declined. In addition, for the same reason, sales of photodiodes and LED in the FA (Factory Automation) sector for applications such as controls for industrial-use robots and other equipment declined both inside and outside Japan. As a result, overall sales for opto-semiconductor devices decreased.

In total, net sales for the Opto-semiconductor business were JPY 64,867 million, down by 2.6% from the previous year.

Imaging and measurement instruments [Image processing and measurement systems]	<Main businesses> Development, manufacture and sale of systems enhanced for industrial and research applications such as life sciences, semiconductors and medicine.

In image processing and measurement systems, sales of failure analysis systems for semiconductor devices were affected by restrained capital investment in the semiconductor market and decreased primarily in Asia. However, sales of digital cameras increased due to the increased demand in the life sciences sector and biotechnology sector as well as demand in the industrial field. In addition, sales of X-ray line sensor cameras also increased due to increased sales for inspection applications such as for lithium-ion batteries. As a result, net sales of image processing and measurement systems increased.

In total, net sales for the Imaging and measurement instruments business were JPY 18,315 million, up by 6.8% from the previous year.

The status of our research and development is reported below.

<Basic Research Sector>

In the optical materials sector, we are pursuing the development of the metalens, a lens capable of controlling the refractive index of light which is unique to each substance. This is made possible by arranging on its surface the nano-fine structures with its size below the light wavelength. The metalens is about one-hundredth times as thick as a normal lens and yet capable, in theory, of providing increased magnification. However, how to arrange the nano-fine structures has been a technical challenge. To overcome this challenge, we have leveraged our proprietary processing technology and succeeded in producing our metalens prototype with arrays of fine silicon pillars on quartz glass. We will seek to put this technology into practical application and apply it to our products.

In the sector of high-power lasers, we have developed a power laser system that emits high-power light pulses of 1 joule[1] at a high repetition rate of 300 hertz[2] despite of its compact size[3]. We have boosted the optical output power of our pumping laser diodes to the world's highest 300-watt class by improving their structure with our unique crystal growth and processing technology. At the same time, our optimized design techniques have achieved high output power with the performance of its optical amplifier three times as powerful as ever. In addition, reductions in the number of parts have contributed to the achievement of stable output, downsizing of equipment and cost reduction. This new power laser system will likely provide new industrial applications of pulsed lasers such as laser cleaning removing small debris and contaminants adhering to metal surfaces and laser forming that shapes metal materials without using molds.

In the medical care sector, we are pursuing research on detectors for PET device that use special crystals known as Cherenkov radiators[4], aiming to acquire high-definition images in a shorter time by PET device. In the fiscal year under review, we applied the optical design technology we have cultivated over many years to the integration of the window plate of the light detector and the radiator, achieving the sensitivity about five times that of conventional products. This result will enable the real-time acquisition of high-definition images in PET examinations and reduction of physical burden on patients by reducing exposure to radiation and is expected to be applied to other fields that require highly sensitive detection of radiation in the future.

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1 Joule is a unit of energy, and one joule is equivalent to 0.24 calorie of heat energy.

2 Hertz is a unit of frequency, and 300 hertz means 300 laser irradiation per second.

3 Part of this power laser system's development relied on R&D program called "Ubiquitous Power Laser for Achieving a Safe, Secure and Longevity Society" under the Cabinet Office Impulsing Paradigm Change through Disruptive Technologies Program (ImPACT).

4 Cherenkov radiator is a general term for substances having the properties that emit only Cherenkov photons when radiation passes through. By using this as a detector for PET device instead of a scintillator, acquiring high-definition images in a shorter time can be expected.

<Development Sector>

MCP-Assembly that can be used for explosive trace detectors

Microchannel plates (MCPs) are sensors that, in a vacuum, amplify and detect electrons generated by ions and x-rays, and are widely used in various analyzers such as mass spectrometry[5]. In recent years, small detectors using mass spectrometry technology have been developed to improve the accuracy of explosive trace detectors used at such facilities as airports. However, a noise problem has arisen caused by the decrease in the degree of vacuum inside the detector due to downsizing of the vacuum pumps. We have developed an MCP-Assembly that operates stably without generating noise even in low vacuum conditions by reviewing the detector structure and adopting our proprietary voltage supply method. Going forward, we will contribute to strengthening security at airports and other similar facilities around the world.

The world's first mass production of a mid-infrared detector that can detect wavelengths up to 14.3 μm with low environmental impact

For the analysis of the air, foods, drugs and other materials, analytical instruments utilizing mid-infrared light are commonly used. However, their conventional mid-infrared detectors used for such instruments contain restricted substances under the RoHS directive[6]. With our intention to help protect the environment, we have developed a mid-infrared detector that does not contain restricted substances. But, for the mid-infrared light with wavelengths longer than 11 micrometers, there has been a challenge in the establishment of mass production technology. Leveraging our semiconductor manufacturing technology we have developed over many years, we have recently established the technology for alternately laminating thin films of compounds not containing the restricted substances on the substrate. As a result, we succeeded in the world's first mass production of a mid-infrared detector capable of detecting mid-infrared light with the wavelength up to 14.3 micrometers. This new product will likely replace currently available mid-infrared detectors containing restricted substances that create adverse impacts on the environment. We will never cease our efforts to achieve even higher sensitivity at longer wavelengths as well as develop module devices incorporating this new product.

CMOS camera for scientific measurement ORCA-Fusion

CMOS cameras for scientific measurement are widely used for low-light level observation in the life sciences and industrial fields, but there has been a strong need for the improvement in image quality. We have recently launched ORCA-Fusion, a CMOS camera equipped with a sensor that features extremely low noise characteristics. It achieves high-speed acquisition of high-quality images in the low-light level range, and its wide field of view and high resolution enables detailed observation over a wide area. Furthermore, since it has higher sensitivity in the ultraviolet and near infrared region than conventional products, it can potentially expand its applications not only into life sciences but also industrial fields such as inspection of the inner structure of semiconductors and solar panels.

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5 Mass spectrometry is an analytical technique that provides information on the nature, structure and volume of substances contained in a sample by ionizing the atoms and molecules of the sample and measuring their mass.

6 The RoHS directive designates certain hazardous substances as restricted substances and prohibits the sale in the EU market of electrical and electronic products containing such restricted substances at higher than a specified concentration.

As reported above, we are using the proprietary photonics 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, 2019, research and development expenses increased to JPY 13,071 million (up by 1.9%) compared with the previous fiscal year.

(2) Capital Investment

For the fiscal year ended September 30, 2019, we made total capital investments of JPY 17,412 million for purposes such as expanding production capacity and strengthening our development capabilities. The amounts of capital investment by business segment are as follows:

(Millions of Japanese Yen)

Segment	The amounts of capital investment
Electron tube	5,384
Opto-semiconductor	8,322
Imaging and measurement instruments	474
Other	3,230
Total	17,412

(3) Fund Procurement

There was no fund procurement during the fiscal year ended September 30, 2019.

(4) Issues to be Addressed

With regard to the business environment surrounding our Group, we recognize that the economic outlook remains extremely challenging as a result of the effect that the prolonged trade friction between the U.S. and China, etc. is having on corporate interest in capital investment, as well as other factors such as the increasing risk of a global economic downturn amid a slowing economy in China.

Given such circumstances, the demand for the photonics technologies pursued by our Group has been expanding in various fields such as medicine, industry and analysis, and our products have become a key enabling technology in improving the quality of end products of our customers. However, a global competition involving our products is becoming increasingly fierce due to existence of our competitors mainly overseas and price competition in some parts of the market.

As the Group, in order to adapt to such changes in business environment and survive global competition, we will strengthen the organization to respond rapidly and accurately to the needs of our global customers. In addition, we will further enhance core technologies such as photodetectors that drive our business, and explore and develop new sectors in which light can be applied. From a medium to long-term perspective, we will work to expand business domains by such measures as developing human resources with the aim of discovering new needs for photonics technology, with a view to co-creation activities with other companies including domestic and overseas venture companies having unique photonics technologies. Despite experiencing a difficult business environment at the moment, we recognize that demands for photonics technologies will continue to expand in the future. We believe that stepping up investment in capital and human resources—the driving forces for our future growth—is essential for increasing the corporate value of the Group.

As the Group, we will live up to our shareholders' expectations, and contribute to the development of industry and society, by expanding our business domain and creating a sustainable, stable and strong earnings organization through the introduction of competitive, high-value-added products to the market, while never forgetting the venture mentality from the Company's conception.

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	FY2016	FY2017	FY2018	FY2019
Net sales	121,852	130,495	144,338	145,912
Ordinary income	20,050	24,037	28,088	26,277
Profit attributable to owners of parent	14,419	17,777	21,222	19,918
Earnings per share	90.23	113.00	136.50	128.67
Total assets	217,300	239,331	244,914	259,694
Net assets	169,716	187,558	193,985	203,647
Net assets per share	1,075.31	1,188.30	1,248.84	1,311.11

Notes: 1. Net income per share is calculated using the number of shares after deducting treasury shares from the average total shares issued during the period. Net assets per share are calculated using the number of shares after deducting treasury shares from the total shares issued at the end of the period.

2. From FY2019 (fiscal year ended September 30, 2019), the Company applied "Partial Amendments to Accounting Standard for Tax Effect Accounting." For FY2018 (fiscal year ended September 30, 2018), the Company used figures for total assets after retroactive adjustment.

3. 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.1.	728,000 euros	100.0	Sale of photomultiplier tubes (PMT), imaging devices and light sources, opto-semiconductors, image processing and measurement systems
Hamamatsu Photonics Taiwan Co., Ltd.	30,000,000 Taiwan dollars	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
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 Photon Techniques, Inc.	200,000,000 Chinese yuan	94.0	Manufacture and sale of photomultiplier tubes (PMT) and related products
Takaoka Electronics Co., Ltd.	98,000,000 yen	88.6	Manufacture of photomultiplier tubes (PMT)
Hamamatsu Electronic Press Co., Ltd.	95,000,000 yen	72.1	Manufacture of electronic components and molds
Iwata Grand Hotel Inc.	100,000,000 yen	57.1	Hotel operations
Hamamatsu Photonics Medical Technology (Lang Fang) Co., Ltd.	18,000,000 Chinese yuan	〈100.0〉	Manufacture and sale of medical equipment and related products
Hamamatsu Photonics Scientific Instrument (Beijing) Co., Ltd.	5,000,000 Chinese yuan	[100.0]	Sale of photomultiplier tubes (PMT), imaging devices and light sources, opto-semiconductors, image processing and measurement systems
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

Hamamatsu Photonics Israel Ltd.	100,000 Israeli shekel	《100.0》	Sale of photomultiplier tubes (PMT), imaging devices and light sources, opto-semiconductors, image processing and measurement systems
Energetiq Technology, Inc.	1 US dollar	(100.0)	Manufacture and sale of light sources

Notes: 1. The figures in 〈 〉 for percent owned are the indirect ownership percentage held by Beijing Hamamatsu Photon Techniques, Inc.
2. The figures in ［ ］ for percent owned are the indirect ownership percentage held by Hamamatsu Photonics (China) Co., Ltd.
3. The figures in ( ) for percent owned are the indirect ownership percentage held by Photonics Management Corp.
4. To expand sales in Israel, in February 2019 the Company established Hamamatsu Photonics Israel Ltd. in Israel.
5. The figures in 《 》 for percent owned are the indirect ownership percentage held by Hamamatsu Photonics Deutschland GmbH.

(7) Main Office Locations & Factories (As of September 30, 2019)

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	Nishinihon 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.
		Industries Development Laboratory	Nishi-ku, Hamamatsu City

b. Subsidiaries

	Company Name	Location
Japan	Koso Corporation	Iwata City, Shizuoka Pref.
	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 Taiwan Co., Ltd.	Taiwan

	Hamamatsu Photonics UK Limited	UK
	Hamamatsu Photonics Norden AB	Sweden
	Hamamatsu Photonics Europe GmbH	Germany
	Beijing Hamamatsu Photon Techniques, Inc.	China
	Hamamatsu Photonics Medical Technology (Lang Fang) Co., Ltd.	China
	Hamamatsu Photonics Scientific Instrument (Beijing) Co., Ltd.	China
	Hamamatsu Corporation	USA
	Hamamatsu Photonics Israel Ltd.	Israel
	Energetiq Technology, Inc.	USA

(8) Employees (As of September 30, 2019)

Business segment	No. of employees	
Electron tube	1,997	(+53)
Opto-semiconductor	1,473	(+72)
Imaging and measurement instruments	554	(+23)
Other	360	(△2)
Corporate (shared)	651	(+11)
Total	5,035	(+157)

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.

(9) Main Banks and Amount of Borrowing (As of September 30, 2019)

(Millions of Japanese Yen)

Bank	Amount
MUFG Bank, Ltd.	3,000
Resona Bank, Limited	2,462
Shizuoka Bank, Ltd.	1,246

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

Not applicable

2. Matters Concerning the Company's Stock (As of September 30, 2019)

Common stock

a. Authorized: 500,000,000 shares

b. Issued: 165,011,568 shares (including 9,945,363 shares of treasury shares)

c. Number of shareholders: 22,263

e. Major shareholders:

Name of shareholder	No. of shares	Percentage of shareholding
The Master Trust Bank of Japan, Ltd. (Trust Account)	11,846,700	7.6
Toyota Motor Corporation	8,400,000	5.4
Japan Trustee Services Bank, Ltd. (Trust Account)	6,339,400	4.1
Japan Trustee Services Bank, Ltd. (Trust Account 9)	5,059,100	3.3
Hamamatsu Photonics K.K. employees	4,684,114	3.0
The Nomura Trust and Banking Co., Ltd. (Investment Trust)	3,404,700	2.2
SSBTC Client Omnibus Account	2,966,791	1.9
JP Morgan Chase Bank 385632	2,951,386	1.9
Japan Trustee Services Bank, Ltd. (Trust Account 5)	2,873,000	1.9
JP Morgan Chase Bank 380055	2,699,120	1.7

Notes: 1. The Company holds 9,945,363 shares of treasury shares that is not included in the shares of the major shareholders shown above.

2. The percentage of shareholding is calculated after excluding treasury shares. 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, 2019)

Company Position	Name	Responsibilities	Significant Position Concurrently Held
Representative Director and President	Akira Hiruma	—	Director and President, Photonics Management Corp. Director, Hamamatsu Corporation Chairman, Beijing Hamamatsu Photon Techniques, Inc. Chairman, Hamamatsu Photonics (China) Co., Ltd. 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
Representative Director and Vice President	Kenji Suzuki	Division Director, Electron Tube Division	—
Representative Director and Senior Managing Director	Koei Yamamoto	Division Director, Solid State Division and Laser Promotion Division	—
Managing Director	Tsutomu Hara	Director, Central Research Laboratory	—
	Kenji Yoshida	Division Director, Administration Headquarters	—
Director	Naofumi Toriyama	Division Director, Business Headquarters	—
	Kazuhiko Mori	General Manager, Accounting Division	Outside Director(Audit & Supervisory Committee Member), ENSHU Limited
	Tadashi Maruno	Division Director, System Division	Director, Hamamatsu Corporation
	Takayuki Suzuki	Deputy Division Director, Solid State Division	—
	Hisaki Kato	Deputy Division Director, Electron Tube Division	—
Outside Director	Kashiko Kodate	—	Professor Emeritus, Japan Women's University
	Ken Koibuchi	—	Field General Manager, Advanced Safety System Field, Advanced R&D and Engineering Company, Toyota Motor Corporation
Audit & Supervisory Board Member (Standing)	Hiroshi Mizushima	—	—
	Akira Utsuyama	—	—
Outside Audit & Supervisory	Yuji Maki	—	Consultant, Toyota Motor Corporation
	Saburo Sano	—	Outside Audit & Supervisory Board

Board Member			Member, Mitsubishi Precision Company, Limited

Notes: 1. The Company has notified the Tokyo Stock Exchange of Outside Director Kashiko Kodate, Outside Director Ken Koibuchi, Outside Audit & Supervisory Board Member Yuji Maki and Outside Audit & Supervisory Board Member Saburo Sano as independent directors/auditors, as provided by the securities listing regulations of the Tokyo Stock Exchange.

2. At the close of the 71st Ordinary General Meeting of Shareholders held on December 20, 2018, Hisaki Kato was elected to and assumed the position of Director.

3. Representative Director and Vice President Junichi Takeuchi passed away on May 23, 2019.

4. At the Board of Directors meeting held on June 21, 2019, Kenji Suzuki was elected and appointed Representative Director and Vice President.

5. Changes to responsibilities of Directors during the fiscal year ended September 30, 2019 were as follows.

Name	Prior to change	After change	Date of change
Naofumi Toriyama	Deputy Division Director, Business Headquarters General Manager, Domestic Sales Management	Division Director, Business Headquarters	October 1, 2018

6. Outside Audit & Supervisory Board member Saburo Sano has many years of experience at The Bank of Tokyo-Mitsubishi, Ltd. (now MUFG Bank, Ltd.) and Mitsubishi UFJ Financial Group, Inc., and has the appropriate degree of knowledge concerning financial affairs and accounting.

7. Toyota Motor Corporation is a major shareholder and owns 5.4% of the Company's total shares issued (excluding treasury shares). The Company has business transactions, including the sale and purchase of products, with Toyota Motor Corporation.

8. The Company has business transactions, including the sale and purchase of products, with Mitsubishi Precision Company, Limited.

(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, 2019

Classification	Number of compensated individuals	Amount paid	Summary
Director	13	JPY 328 million	(2 Outside Directors JPY 14 million)
Audit & Supervisory Board Member	4	JPY 47 million	(2 Outside Audit & Supervisory Board Members JPY 8 million)
Total	17	JPY 375 million	(4 Outside Officers JPY 23 million)

Notes: 1. The amount of remuneration for Directors was established at a monthly amount of up to JPY 55 million (up to JPY 3 million for Outside Directors), excluding the salary payable in the capacity of employees, by a resolution of the 70th Ordinary General Meeting of Shareholders convened on December 22, 2017.

2. 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.

3. Total remuneration paid to Directors does not include the employee salary portions paid to Directors serving concurrently as employees.

4. The number of compensated individuals shown above includes Junichi Takeuchi who passed away on May 23, 2019.

b. Retirement benefits paid in the fiscal year ended September 30, 2019

Retirement benefits paid during the fiscal year ended September 30, 2019 based on a resolution of the 65th Ordinary General Meeting of Shareholders held on December 20, 2012 to pay final benefits following abolition of the retirement benefit plan were as follows.

Director: 1 JPY 102 million

(The amount shown above includes a transfer of the provision for officers' retirement benefits included in the total amount of officers' remuneration and other benefits disclosed in the Business Report for the prior fiscal year.)

(3) Outside Officers

a. Main activities

Company Position	Name	Main activities	Attendance
Outside Director	Kashiko Kodate	Contributes remarks and advice based on her extensive specialized knowledge as a university professor and extensive experience in corporate management.	Board of Directors meetings 14/16 (88%)
	Ken Koibuchi	Contributes remarks and advice based on his extensive experience and deep insights, mainly in sectors such as corporate management.	Board of Directors meetings 14/16 (88%)
Outside Audit & Supervisory Board Member	Yuji Maki	Contributes remarks and advice based on his practical experience and perspective in the accounting division of a listed company.	Board of Directors meetings 16/16 (100%) Audit & Supervisory Board 6/6 (100%)
	Saburo Sano	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.	Board of Directors meetings 14/16 (88%) Audit & Supervisory Board 5/6 (83%)

b. Summary of contents of agreements to limit liability

Based on the Articles of Incorporation, the Company has entered Agreement Limiting Liability between the Company and each Outside Director and Outside Audit & Supervisory Board Member regarding the obligations set in Article 423 paragraph (1) of the Companies Act, to limit their obligation to the minimum allowance set by Article 425 paragraph (1) of the Companies Act.

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, 2019

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: 1.The amount of compensation and other benefits pertaining to the fiscal year ended September 30, 2019 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.

2. After performing the verification necessary to determine whether the details of the audit plan, status of performance of audit duties, grounds for calculation of estimated compensation and other matters pertaining to the independent auditor are appropriate, the Company's Audit & Supervisory Board has given its consent for the amount of compensation and other benefits paid to the 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
Hamamatsu Photonics (China) Co., Ltd.

(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 decide to make that intent a purpose of the Ordinary General Meeting of Shareholders.

6. Systems for ensuring proper business activities and operating status of said systems
Systems for ensuring proper business activities

A summary of matters resolved by the Board of Directors meeting is provided below.

[Basic Policy on Company-wide Efforts for Corporate Management]

- The Company's business is carried out based on the conduct of its employees. Therefore we will strive to foster each individual and create an organization that will grow and develop as a sound, trusted company.
- Each individual must study through their daily work, and foster a corporate culture to engage in absorption of new knowledge, correct communication of information and correct conduct, with a sense of responsibility, duty, and awareness.

(1) System to ensure the execution of the Board of Directors' duties complies with laws and regulations and the Articles of Incorporation

The Company strives to clarify its basic approach concerning corporate ethics and compliance, and ensure all employees are well-acquainted with the Company's thinking.

The Company seeks to strengthen governance by regularly convening, in addition to the Board of Directors meeting, an Executive Committee chaired by the Representative Director and attended by the Directors, Audit & Supervisory Board Members and managers of the General Manager class and higher, which from time to time reports and studies issues.

(2) System for retaining and managing information concerning the execution of Directors' duties

1. The Company prepares and retains minutes of the Board of Directors meetings, the Executive Committee, and other important meetings.
2. Information will be computerized and retained in an easy to inspect format.

(3) Rules and other systems related to management of loss risks

The Company will establish respective divisions responsible for risks related to information security, quality, environment, disasters, export control, etc., and these divisions prepare rules and guidelines concerning such risks, and conduct training and education.

(4) Systems to ensure the execution of Directors' duties is performed efficiently, and systems to ensure the execution of employees' duties complies with laws and regulations and the Articles of Incorporation

1. The regular Board of Directors meeting is held once every month under the Board of Directors Meeting Rules, and fulfills responsibilities such as making decisions concerning important matters and monitoring the execution of operations. In addition, through formation of the Executive Manager System, the Company seeks to invigorate the Board of Directors meeting and accelerate communications by granting non-board members the right to attend (without voting rights) the Board of Directors meeting.
2. To accelerate the execution of operations and improve efficiency, and share information among the Directors and Executive Managers, an Executive Committee attended by managers of the General Manager class and higher, in addition to the Directors and Audit & Supervisory Board Members, is held regularly under the Executive Committee Provisions to conduct multifaceted studies of basic matters and important issues regarding the execution of operations and provide explanations and instructions to directly concerned parties. This committee also disseminates information to other employees through various other meetings.
3. The Company will prepare the organization regulations, division of duties provisions, and administrative authority provisions, and clarify responsibilities and authorities.
4. To understand budget execution status and operating results trends, the Company will establish a Budget Committee to study progress reports and actions to be taken.
5. The Company will conduct training to improve areas such as the safety and health of

employees and compliance awareness at the time when individuals join the Company and when individuals are appointed to management positions, and continually after that.

6. The Company will prepare a system for responding accurately, and on a timely basis, to disclosures of inside information.
7. The Company will prepare various guidelines based on the Personal Information Management Guidelines to address the management of personal information.
8. The Company will clarify the basic policy for eliminating anti-social forces, and thoroughly acquaint all employees with it.
9. Based on the Internal Controls and Audit Provisions, the Company will prepare the internal control systems necessary to ensure the appropriateness of financial reporting.

(5) Systems to ensure appropriate business operations in our Group (meaning the Company and consolidated subsidiaries)

1. For domestic and foreign consolidated subsidiaries, the Company will establish a management division responsible for ensuring appropriate operations while respecting, as a rule, each company's autonomy. The Company will respond as follows based on the size and business of consolidated subsidiaries.
   a) At domestic consolidated subsidiaries, the Company executes operations in accordance with the Company's policy and monitors the execution of operations by dispatching Directors or Executive Officers of the Company to serve as Directors of these subsidiaries. In addition, the Company strives to avoid risks by dispatching Directors or Executive Officers of the Company to serve as Audit & Supervisory Board Members.
   b) In addition to a) above, at overseas consolidated subsidiaries, the Company periodically bring together responsible individuals of the overseas consolidated subsidiaries for reporting and conferring, to build a consensus about the management. In addition, the Company dispatches or seconds responsible individuals to subsidiaries in order to collect information as necessary.
2. Domestic and foreign consolidated subsidiaries shall regularly report on their operating results etc. to the Company, and if necessary the Company shall convene a liaison meeting to encourage communication, in order to promote cooperation within our Group.
3. The Company will address the risks at domestic and foreign consolidated subsidiaries by sharing risk information corresponding to size and business category, preparing and disseminating various provisions, and implementing training and education, with using the responsible division of the Company as a contact.
4. The Company will formulate a consolidated earnings plan while sharing information between the Company and consolidated subsidiaries.
5. The Company will make the Fundamental CSR Policy and the Corporate Code of Conduct known to consolidated subsidiaries, with the goal of improving compliance within our Group.

(6) Matters concerning employees to be appointed when the Audit & Supervisory Board Members have requested that employees be assigned to assist their duties

If the Audit & Supervisory Board Members have requested staff to assist an audit, the Company will appoint individuals from among its employees based on the Audit & Supervisory Board request about the number and the abilities of staff.

(7) Matters concerning ensuring the independence of the employees in the preceding paragraph from the Directors and ensuring the effectiveness of instructions to said employees

As dedicated staff to assist the Audit & Supervisory Board, the relevant employees must act solely in accordance with the standards set by the Audit & Supervisory Board, and must follow the Audit & Supervisory Board Members' instructions and orders. Furthermore, they are not to serve concurrently in an office related to the execution of operations or as employees in other divisions.

(8) System for directors and employees of our Group to report to Audit & Supervisory Board

Members, and system concerning other reports to Audit & Supervisory Board Members

When Directors and employees (including Directors, Audit & Supervisory Board Members, and employees of consolidated subsidiaries) are requested to report on matters concerning the execution of operations by Audit & Supervisory Board Members of the Company, they will make an appropriate report promptly.

Furthermore, as soon as they have discovered any facts that might cause a significant loss to our Group, including acts that will violate laws and regulations or the Company's Articles of Incorporation, they shall make a report immediately to an Audit & Supervisory Board Member, or to the Audit & Supervisory Board.

(9) System to ensure individuals who have made a report under the preceding paragraph are not subjected to disadvantageous treatment because they made said report

The Company will not subject a Director or employee of our Group who made a report to an Audit & Supervisory Board Member to disadvantageous treatment because they made said report.

(10) Matters concerning the policy with respect to the procedure for advances or reimbursements of expenses incurred with respect to the execution of an Audit & Supervisory Board Member's duties or other processing of expenses or debts incurred with respect to the execution of said duties

When an Audit & Supervisory Board Member has submitted a request for advance payment of expenses with respect to the execution of duties based on Article 388 of the Companies Act, the Company will process said expenses or debts promptly except when it has determined, based on discussions with the responsible division, that the expenses or debts with respect to the relevant payment request were not necessary for execution of said Audit & Supervisory Board Member's duties.

(11) Other systems to ensure that audits by Audit & Supervisory Board Member are conducted effectively

The Company will ensure that the Audit & Supervisory Board Members will conduct effective audit activities for operating audits and accounting audits, based on a system of appropriate reports from parties such as the Independent Auditor, the Internal Audit & Control Division, the Internal Audit Division, subsidiaries' Directors and Audit & Supervisory Board Members and the audit assistance staff, as well as coordination and information sharing with them.

A summary of the operation status of the systems for ensuring appropriate business operations is provided below.

Execution of Directors' duties

For the purpose of maintaining and improving the effectiveness of the Board of Directors, the Company has continually conducted evaluations of the Board of Directors in the form of questionnaire based on self-assessment by the Directors and Audit & Supervisory Board Members. Based on the results of these evaluations, the Company changes the steering policy of the Board of Directors as necessary. In addition, the Company has formulated a basic policy concerning corporate governance in which it identified the management philosophy, and has disclosed it on the Company's website to make known not only to the employees but also to various stakeholders. As part of our corporate governance activities, Directors and Audit & Supervisory Board Members are provided with officer training programs as appropriate. During this fiscal year, newly appointed Directors were offered opportunities to attend external seminars.

The Company has also made its basic thinking concerning corporate ethics and compliance, its Fundamental CSR Policy and its Corporate Code of Conduct known to

employees by posting this information on its intranet website and through various educational efforts. In August 2017, the Company became a signatory to the UN Global Compact and declared its support for its 10 principles. The Company has been recognized under the 2019 Certified Health & Productivity Management Outstanding Organizations Recognition Program (large enterprise category) "White 500," renewing the previous certificate. The Company will continue to implement policies to enable all employees to balance work and family and to continue working actively on a long-term basis.

On the other hand, the Company holds an Executive Committee attended by managers of the General Manager class and higher, in addition to the Directors and Audit & Supervisory Board Members once every week under the Executive Committee Provisions to conduct multifaceted studies of basic matters and important issues regarding the execution of operations and from time to time prepares reports and studies on various issues. This committee prepares and retains all the Executive Directors Committee minutes.

Management of loss risk

The Company has formulated a business continuity plan, which it continuously revises through means such as training, to prepare for disasters such as earthquakes. It also has strengthened its risk management system for overseas business travel, including implementation of pre-departure orientation. Training with regard to other risks related to information security, quality, environment, disasters and export control, etc., is implemented by each responsible division.

Execution of employees' duties

The Company holds the Executive Committee once every week and communicates information through various discussions, including our Group's management policies and conformity with our corporate culture, to Executive Officers. In addition, the Company holds a meeting of its employees holding the managerial position regularly, where together with giving reports from the management side which seeks to deliver and share information in their own words.

The Company has also prepared rules and provided education to prevent research activity misconduct and the improper use of public research funds.

Ensuring proper operations in our Group

To ensure the propriety of operations, including those of consolidated subsidiaries, the Company works to identify the administrative authority including those of consolidated subsidiaries, create risk management systems for our entire Group and achieve thorough compliance with laws and regulations. Furthermore, in addition to dispatching or seconding executives to consolidated subsidiaries, for domestic consolidated subsidiaries the Company exchanges information monthly if necessary, and for overseas consolidated subsidiaries implements meetings where all managers attend.

As a precautionary measure against any unreasonable demands by anti-social forces, a training session for preventing unreasonable demands was conducted for working-level staff. The Company and its consolidated subsidiaries have established appropriate management systems in order to ensure compliance with the General Data Protection Regulation (GDPR) which came into effect in 2018.

Systems to ensure audits and supervision are conducted effectively

To improve the effectiveness of audits by the Audit & Supervisory Board Members, if necessary the Company confers beforehand with the Audit & Supervisory Board Members concerning the contents of materials to be submitted to the Board of Directors meeting. Furthermore, to improve the effectiveness of audits and supervision by the Outside Directors and Outside Audit & Supervisory Board Members, the Company creates an opportunity to provide and explain the necessary

information by sending beforehand the materials related to matters to be resolved at the regular Board of Directors meeting.

Note: The figures presented in this Business Report are rounded down to the nearest whole unit of presentation.

Consolidated Balance Sheets

(As of September 30, 2019)

(Millions of Japanese Yen)

Assets		Liabilities	
Item	Amount	Item	Amount
Current assets	**159,909**	**Current liabilities**	**39,429**
Cash and deposits	78,414	Notes and accounts payable-trade	6,885
Notes and accounts receivable-trade	35,381	Electronically recorded obligations-operating	5,771
Securities	3,646	Short-term loans payable	1,454
Merchandise and finished goods	9,730	Current portion of long-term loans payable	162
Work in process	19,184	Income taxes payable	3,167
Raw materials and supplies	8,614	Provision for bonuses	4,768
Other	5,111	Other	17,220
Allowance for doubtful accounts	(174)	**Non-current liabilities**	**16,617**
Non-current assets	**99,785**	Long-term loans payable	6,349
Property, plant and equipment	**77,450**	Deferred tax liabilities	646
Buildings and structures	35,861	Reserve for loss on dissolution of employees' pension fund	519
Machinery, equipment and vehicles	11,714	Net defined benefit liability	7,878
Tools, furniture and fixtures	4,467	Other	1,222
Land	16,910	**Total liabilities**	**56,046**
Leased assets	230	**Net assets**	
Construction in progress	8,266	**Shareholders' equity**	**204,842**
Intangible assets	**5,324**	Capital stock	34,928
Customer relationships	2,226	Capital surplus	34,672
Other	3,098	Retained earnings	156,036
Investments and other assets	**17,009**	Treasury shares	(20,795)
Investment securities	3,123	**Accumulated other comprehensive income**	**(1,885)**
Real estate for investment	583	Valuation difference on available-for-sale securities	744
Deferred tax assets	11,010	Foreign currency translation adjustment	(1,877)
Other	2,310	Remeasurements of defined benefit plans	(752)
Allowance for doubtful accounts	(19)	**Non-controlling interests**	**689**
		Total net assets	**203,647**
Total assets	**259,694**	**Total liabilities and net assets**	**259,694**

Consolidated Statements of Income

(From October 1, 2018 through September 30, 2019)

(Millions of Japanese Yen)

Item	Amount	
Net sales		**145,912**
Cost of sales		**71,916**
Gross profit		**73,996**
Selling, general and administrative expenses		**48,592**
Operating profit		**25,403**
Non-operating income		
Interest income	236	
Dividend income	55	
Insurance income	157	
Rent income on non-current assets	79	
Rent of real estate for investment	86	
Share of profit of entities accounted for using equity method	225	
Other	479	**1,319**
Non-operating expenses		
Interest expenses	55	
Rent expenses on real estates	137	
Foreign exchange losses	179	
Other	72	**445**
Ordinary profit		**26,277**
Extraordinary income		
Gain on sales of non-current assets	46	
Subsidy income	113	**159**
Extraordinary loss		
Loss on sales of non-current assets	58	
Loss on retirement of non-current assets	35	
Loss on reduction of non-current assets	113	
Loss on valuation of investment securities	9	**217**
Profit before income taxes		**26,220**
Income taxes-current	6,580	
Income taxes-deferred	(347)	**6,232**
Profit		**19,987**
Profit attributable to non-controlling interests		**69**
Profit attributable to owners of parent		**19,918**

Non-consolidated Balance Sheets

(As of September 30, 2019)

(Millions of Japanese Yen)

Assets		Liabilities	
Item	Amount	Item	Amount
Current assets	**123,075**	**Current liabilities**	**30,683**
Cash and deposits	54,453	Electronically recorded obligations - operating	5,771
Notes receivable - trade	5,452	Accounts payable - trade	5,431
Accounts receivable - trade	27,080	Lease obligations	82
Securities	3,000	Accounts payable - other	3,453
Merchandise and finished goods	3,105	Accrued expenses	1,006
Work in process	18,657	Income taxes payable	2,604
Raw materials and supplies	7,761	Advances received	22
Accounts receivable - other	3,168	Deposits received	302
Other	429	Provision for bonuses	4,140
Allowance for doubtful accounts	(35)	Electronically recorded obligations - facilities	5,511
Non-current assets	**90,622**	Deposits received from employees	2,350
Property, plant and equipment	**68,425**	Other	7
Buildings	28,985	**Non-current liabilities**	**13,444**
Structures	1,798	Long-term loans payable	6,000
Machinery and equipment	10,921	Lease obligations	132
Vehicles	28	Reserve for loss on dissolution of employees' pension fund	519
Tools, furniture and fixtures	3,326	Provision for retirement benefits	6,329
Land	14,957	Asset retirement obligations	250
Leased assets	193	Other	212
Construction in progress	8,213	**Total liabilities**	**44,128**
Intangible assets	**677**	**Net assets**	
Patent right	96	**Shareholders' equity**	**168,824**
Software	560	**Capital stock**	**34,928**
Other	20	**Capital surplus**	**34,636**
Investments and other assets	**21,518**	Legal capital surplus	34,636
Investment securities	1,891	**Retained earnings**	**120,050**
Shares of subsidiaries and associates	8,381	Legal retained earnings	695
Investments in capital	1	Other retained earnings	119,355
Investments in capital of subsidiaries and associates	1,414	Reserve for special depreciation	5
Deferred tax assets	9,126	Reserve for dividends	6,500
Real estate for investment	283	General reserve	91,600
Other	439	Retained earnings brought forward	21,249
Allowance for doubtful accounts	(19)	**Treasury shares**	**(20,791)**
		Valuation and translation adjustments	**744**
		Valuation difference on available-for-sale securities	**744**
		Total net assets	**169,569**
Total assets	**213,697**	**Total liabilities and net assets**	**213,697**

Non-consolidated Statements of Income

(From October 1, 2018 through September 30, 2019)

(Millions of Japanese Yen)

Item	Amount	
Net sales		**119,763**
Cost of sales		**70,044**
Gross profit		**49,718**
Selling, general and administrative expenses		**32,236**
Operating profit		**17,482**
Non-operating income		
Interest income	4	
Dividend income	3,944	
Rent of real estate for investment	51	
Miscellaneous income	510	**4,510**
Non-operating expenses		
Interest expenses	35	
Rent expenses on real estates	124	
Foreign exchange losses	27	
Miscellaneous loss	33	**220**
Ordinary profit		**21,771**
Extraordinary income		
Gain on sales of non-current assets	20	
Subsidy income	113	**134**
Extraordinary losses		
Loss on sales of non-current assets	58	
Loss on retirement of non-current assets	29	
Loss on reduction of non-current assets	113	
Loss on valuation of investment securities	9	**211**
Profit before income taxes		**21,694**
Income taxes - current	4,447	
Income taxes - deferred	(79)	**4,367**
Profit		**17,326**

- END -