Please note that the following is an unofficial English translation of the Japanese original text of the 74th 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 25, 2021

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 74th ORDINARY GENERAL MEETING OF SHAREHOLDERS

We are pleased to announce the 74th Ordinary General Meeting of Shareholders of Hamamatsu Photonics K.K. (the "Company"), to be held as follows.
In order to prevent the spread of the novel coronavirus disease (COVID-19), you are encouraged to exercise your voting rights prior to the meeting in Writing or by Electronic Means (via the Internet, etc.) and urged to refrain from attending on the date of the meeting.
For exercising 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 16, 2021, Japan Time.

1. Time and Date: 10:00 a.m., Friday, December 17, 2021

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 74th Fiscal Year (From October 1, 2020 through September 30, 2021), as well as Results of the Audits of the Consolidated Financial Statements by the Independent Auditor and the Audit & Supervisory Board
2. Report on the Non-consolidated Financial Statements for the 74th Fiscal Year (From October 1, 2020 through September 30, 2021)

Matters to be resolved:

Proposal No. 1:Appropriation of Surplus
Proposal No. 2:Partial Amendments to the Articles of Incorporation

Proposal No.3:Election of Ten(10) Directors
Proposal No.4:Revision to Remuneration for Directors
Proposal No.5:Revision to Remuneration for Audit & Supervisory Board Members

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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 our website (https://www.hamamatsu.com/jp/ja/our-company/investor-relations/index.html).

1. Requests to Shareholders

・Regardless of your own state of health, you are urged to refrain from attending on the date of the meeting.
・To exercise your voting rights for this General Meeting of Shareholders, please consider exercising your voting rights in writing or via the Internet, etc. beforehand instead of attending the meeting in person.

2. Requests to Shareholders Attending the Meeting

・We ask for your cooperation in wearing a face mask, disinfecting your hands using alcohol disinfectant and other measures.
・The Company will check the body temperature of attendees using a thermograph before they approach the reception table. Persons who are found to have a fever of 37.5°C or higher may be refused entry. In addition, please note that persons who show signs of not being well may be refused entry or be asked to leave the venue. Thank you for your understanding in advance.
・We will have significantly fewer chairs than normal at this year's meeting because we will need to space them out inside the venue. As a result, it is possible that not everyone who comes to the meeting will be able to enter the venue.
・The Company intends to make the meeting's proceedings shorter than usual. Questions from shareholders will be limited to one question per shareholder. Thank you for your understanding in advance.

Note:The provision of gifts, serving of beverages and exhibits of the Company's products have been canceled.

■ 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 16, 2021, 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 16, 2021, Japan Time]

System Maintenance Alert:

The Proxy Voting Website will be inaccessible between Saturday, November 27th at 5:00 AM and Monday, November 29th at 5:00 AM.

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:

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 28 yen per share. The amount of annual dividend will be 48 yen per share including an interim dividend of 20 yen we have already paid ,which is 8 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:
28 yen per share of common stock of the Company for a total of 4,342,693,488 yen

(3) Effective date for distribution of dividends from surplus:
December 20, 2021

2. Other Matters Regarding Appropriation of Surplus

To reinforce its management base to prepare for business developments in the future while preparing for providing stable dividends to shareholders, the Company proposes to make an account transfer as follows.

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

General reserve:	5,000,000,000 yen
Reserve for dividends:	2,500,000,000 yen

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

Retained earnings brought forward:	7,500,000,000 yen

Proposal No. 2: Partial Amendments to the Articles of Incorporation

1. Reasons for the Amendments

Aiming to build a management structure that can quickly respond to changes in the Company's operating environment, clarify the responsibility of management and further strengthen corporate governance by increasing the number of opportunities for gaining the trust of our shareholders, the Company will change the terms of office for Directors from two (2) years to one (1) year and delete the provisions related to adjusting terms of office.

2. Details of the Amendments

The details of the amendments are as follows:

(The underlined parts indicate the amendments.)

Current Articles of Incorporation	Proposed change
Article 20 Terms of Office 1 The terms of office of Directors of the Company shall continue until the conclusion of the Ordinary General Meeting of Shareholders for the last fiscal year which ends within <u>two (2)years</u> from the time of their election. <u>2 The term of office of a Director who is elected as a substitute or as an additional member of the Board shall continue until expiration of the terms of office of other incumbent Directors.</u>	Article 20 Terms of Office 1 The terms of office of Directors of the Company shall continue until the conclusion of the Ordinary General Meeting of Shareholders for the last fiscal year which ends within one (1)year from the time of their election. (delete)

Proposal No. 3: Election of Ten (10) Directors

The terms of office of all 11 current Directors will expire at the conclusion of this Ordinary General Meeting of Shareholders. Accordingly, it is proposed that ten (10) Directors be elected.

The nominations of the candidates for Director have passed through the deliberation process of the Nomination and Compensation Committee, a majority of whose members are Outside Directors.

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 Chief Executive Officer	16/16 (100%)
2	Reelection	Kenji Suzuki	Representative Director and Vice President Chief Operating Officer	16/16 (100%)
3	Reelection	Tadashi Maruno	Director Managing Executive Officer Division Director, Systems Division	16/16 (100%)
4	Reelection	Kenji Yoshida	Director Managing Executive Officer Division Director, Administration Headquarters	16/16 (100%)
5	Reelection	Takayuki Suzuki	Director Managing Executive Officer Division Director, Solid State Division	16/16 (100%)
6	Reelection	Hisaki Kato	Director Managing Executive Officer Division Director, Electron Tube Division	16/16 (100%)
7	Reelection	Kashiko Kodate [Outside] [Independent]	Director	15/16 (94%)
8	Reelection	Ken Koibuchi [Outside] [Independent]	Director	16/16 (100%)
9	Reelection	Kazue Kurihara [Outside] [Independent]	Director	13/13 (100%)
10	New election	Takuo Hirose [Outside] [Independent]	–	–

Note: The attendance record for Kazue Kurihara is her attendance after she assumed office as Director on December 18, 2020.



Number of shares of the Company held
157,787

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

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

Brief History, and 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)
Dec. 2020	Chief Executive Officer (present)

Chairman of the Nomination and Compensation Committee

Significant Positions Concurrently Held

Director and President, Photonics Management Corp.

Director, Hamamatsu Corporation

Director, Photonics Management Europe S.R.L.

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.



Number of shares of the Company held
84,866

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

No. 2

Kenji Suzuki (March 22, 1948)
[Reelection]

Brief History, and 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
Jun. 2019	Representative Director and Vice President (present)
Dec. 2020	Chief Operating Officer (present)

Member of the Nomination and Compensation Committee

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 as Representative Director and Vice President, and Chief Operating Officer.
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.



Number of shares of the Company held
8,563

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

No. 3

Tadashi Maruno (October 6, 1960)

[Reelection]

Brief History, and Positions and Responsibilities in the Company

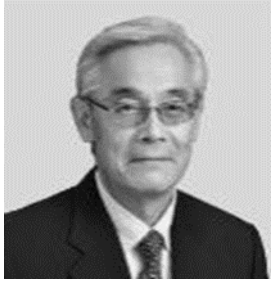
Apr. 1983	Joined the Company
Oct. 2014	General Manager, Systems Designing Division
Dec. 2017	Director Division Director, Systems Division (present)
Dec. 2019	Managing Director
Dec. 2020	Director (present) Managing Executive Officer (present)

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, Managing Executive Officer, and Division Director, Systems 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.



Number of shares of the Company held
99,674

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

No. 4

Kenji Yoshida (December 15, 1948)

[Reelection]

Brief History, and Positions and Responsibilities in the Company

Mar. 1971	Joined the Company
Jun. 1997	General Manager, President Office
Dec. 2010	Director
Dec. 2012	Managing Director
Dec. 2013	Director, Administrative Division
Oct. 2017	Division Director, Administration Headquarters (present)
Dec. 2020	Director (present) Managing Executive Officer (present)

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 Director, Managing Executive Officer, 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.



Number of shares of the Company held
4,321

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

No. 5

Takayuki Suzuki (October 8, 1961)
[Reelection]

Brief History, and 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
Dec. 2017	Director
Dec. 2019	Managing Director
Dec. 2020	Director (present) Managing Executive Officer (present) Division Director, Solid State Division (present)

Significant Positions Concurrently Held

Director, Hamamatsu Corporation

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, Managing Executive Officer, and 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.



Number of shares of the Company held
7,718

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

No. 6

Hisaki Kato (May 7, 1957)
[Reelection]

Brief History, and 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
Dec. 2018	Director (present)
Dec. 2020	Managing Executive Officer (present) Division Director, Electron Tube Division (present)

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, Managing Executive Officer, and 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.



Number of shares of the Company held
800

Attendance at Board of Directors meetings
15/16
(94%)

No. 7	Kashiko Kodate (January 18, 1941) [Reelection] [Outside] [Independent]

Brief History, and 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 (currently the National Research and Development Agency) Japan Science and Technology Agency
Apr. 2012	Specially Appointed Professor, The University of Electro-Communications
Dec. 2015	Outside Director of the Company (present)
Apr. 2017	Director and Chairman, Photonic System Solutions Inc. (present)

Member of the Nomination and Compensation Committee

Significant Positions Concurrently Held

Professor Emeritus, Japan Women's University

Reason for nomination as a candidate for Outside Director and overview of expected roles

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.
In light of the above, the Company expects that she will utilize her broad experience and various discernments for the Company's management to provide well-informed advice from an independent standpoint and supervise business execution. Therefore, the Company proposes her reelection as an Outside Director.

Service period as an Outside Director of the Company

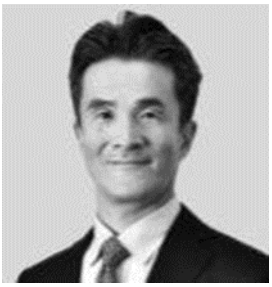
Kashiko Kodate's service period as an Outside Director will be six (6) years at the conclusion of this General Meeting of Shareholders.

Matters concerning independence

The Company had filed Kashiko Kodate as an independent officer 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 officer.
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 into 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.



Number of shares of the Company held
400

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

No. 8

Ken Koibuchi (November 26, 1966)

[Reelection] [Outside] [Independent]

Brief History, and 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
Jan. 2020	Senior General Manager, Advanced Safety System Field, Advanced R&D and Engineering Company
Jun. 2021	Fellow, Advanced R&D and Engineering Company (present) Fellow, Vehicle Development Center (present) Fellow, Mid-size Vehicle Company (present)

Member of the Nomination and Compensation Committee

Significant Positions Concurrently Held

Fellow, Advanced R&D and Engineering Company, Toyota Motor Corporation

Fellow, Vehicle Development Center, Toyota Motor Corporation

Fellow, Mid-size Vehicle Company, Toyota Motor Corporation

Reason for nomination as a candidate for Outside Director and overview of expected roles

Ken Koibuchi currently serves as a Fellow of Toyota Motor Corporation's Advanced R&D and Engineering Company, Vehicle Development Center and Mid-size Vehicle Company, and he has extensive expertise and experience.
In light of the above, the Company expects that he will utilize his wealth of experience and outstanding insight for the Company's management to provide well-informed advice from an independent standpoint and supervise business execution. Therefore, the Company proposes his reelection as an Outside Director.

Service period as an Outside Director of the Company

Ken Koibuchi'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 Ken Koibuchi as an independent officer 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 officer. 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 4 million yen on an annual basis (equivalent to 0.00% 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 into 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.



Number of shares of the Company held
100

Attendance at Board of Directors meetings
13/13
(100%)
The attendance record is the attendance after she assumed office as Director on December 18, 2020.

No. 9

Kazue Kurihara (January 24, 1951)

[Reelection] [Outside] [Independent]

Brief History, and Positions and Responsibilities in the Company

Apr. 1997	Professor, Institute for Chemical Reaction Science, Tohoku University (currently Institute of Multidisciplinary Research for Advanced Materials, Tohoku University)
Apr. 2010	Professor, Advanced Institute for Materials Research, Tohoku University
Apr. 2016	Professor Emeritus, Tohoku University (present)
Apr. 2017	Professor, New Industry Creation Hatchery Center, Tohoku University (present)
Dec. 2020	Outside Director of the Company (present)

Member of the Nomination and Compensation Committee

Significant Positions Concurrently Held

Professor Emeritus, Tohoku University

Professor, New Industry Creation Hatchery Center, Tohoku University

Reason for nomination as a candidate for Outside Director and overview of expected roles

In addition to her experience over many years as a university professor and extensive expertise in the scientific technology field, Kazue Kurihara has many achievements in collaboration with private companies through industry-academia partnerships.
In light of the above, the Company expects that she will utilize her wealth of experience and outstanding insight for the Company's management to provide well-informed advice from an independent standpoint and supervise business execution. Therefore, the Company proposes her reelection as an Outside Director. Although she has not been involved in the management of a company in the past, the Company judges that she will appropriately fulfill her duties as an Outside Director based on the above reasons.

Service period as an Outside Director of the Company

Kazue Kurihara's service period as an Outside Director will be one (1) year at the conclusion of this General Meeting of Shareholders.

Matters concerning independence

The Company had filed Kazue Kurihara as an independent officer 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 officer. The Company has transactional relationships with Tohoku University including sales of electronic devices. The scale of such transactions with Tohoku University is no more than roughly 77 million yen on an annual basis (equivalent to 0.05% of the Company's consolidated net sales).

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 into Agreement Limiting Liability with Kazue Kurihara 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 Kazue Kurihara if the reappointment of Kazue Kurihara is approved.



Number of shares of the Company held
0

No. 10

Takuo Hirose (June 28, 1971)
[New election] [Outside] [Independent]

Brief History and Positions

Apr. 1997	Registered as an attorney at law Joined Tomotsune, Kimura & Mitomi Law Firm (currently Anderson Mori & Tomotsune LPC)
May 2004	Registered as an attorney at law in the state of New York
Jan. 2005	Partner, Anderson Mori & Tomotsune LPC (present)
Jun. 2010	Outside Director, Roland DG Corporation (present)
Jun. 2018	Audit & Supervisory Board Member (Outside), Cyfuse Biomedical K.K. (present)
Mar. 2021	Outside Director, Core Concept Technologies Inc. (present)

Significant Positions Concurrently Held

Partner, Anderson Mori & Tomotsune LPC

Outside Director, Roland DG Corporation

Audit & Supervisory Board Member (Outside), Cyfuse Biomedical K.K.

Outside Director, Core Concept Technologies Inc.

Reason for nomination as a candidate for Outside Director and overview of expected roles

Takuo Hirose has experience over many years as an international attorney, and has a wealth of experience and outstanding insight in the field of corporate legal affairs.
In light of the above, the Company expects that he will utilize his wealth of experience and outstanding insight for the Company's management to provide well-informed advice from an independent standpoint and supervise business execution. Therefore, the Company proposes his election as an Outside Director. Although he has not been involved in the management of a company in the past except as an outside director or other officer, the Company judges that he will appropriately fulfill his duties as an Outside Director based on the above reasons.

Matters concerning independence

The Company is scheduled to file Takuo Hirose as an independent officer with the Tokyo Stock Exchange, in accordance with the rules of the Exchange. The Company has transactional relationships with Roland DG Corporation including sales of electronic devices. The scale of such transactions with Roland DG Corporation is no more than roughly 125 million yen on an annual basis (equivalent to 0.07% of the Company's consolidated net sales). Therefore, the Company is sufficiently convinced of his independent status. There are no transactions between the Company and Anderson Mori & Tomotsune LPC.

Summary of contents of agreements to limit liability

Based on the Articles of Incorporation, if the appointment of Takuo Hirose is approved, the Company plans to enter into Agreement Limiting Liability with him 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.

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, Ken Koibuchi, Kazue Kurihara and Takuo Hirose, candidates for Director, are the candidates for Outside Director.
3. The Company has entered into a directors and officers liability insurance policy as provided for in Article 430-3, paragraph (1) of the Companies Act with an insurance company that includes all Directors as insureds. The insurance policy covers any losses that may arise from an insured's assumption of liability incurred in the course of the performance of duties as a Director, or receipt of claims pertaining to the pursuit of such liability. If each candidate assumes office as a Director, they will be included as an insured in this policy. In addition, the Company plans to renew the insurance policy with the same terms at the next renewal.

(Reference) If Proposal No. 3 is approved and adopted as originally proposed, the management structure of the Company will consist of the following members.
Note that the table below does not necessarily show all of the expertise and experience of each officer.

Name	Positions after the Ordinary General Meeting of Shareholders (planned)	Expertise & Experience						Gender
		Corporate Management Management Strategy	Technology Research & Development	Finance & Accounting	Legal Compliance	Global	Sales & Marketing	
Akira Hiruma	Representative Director and President	●	●			●	●	Male
Kenji Suzuki	Representative Director and Vice President	●	●			●	●	Male
Tadashi Maruno	Representative Director	●	●			●	●	Male
Kenji Yoshida	Director	●		●	●	●	●	Male
Takayuki Suzuki	Director	●	●			●	●	Male
Hisaki Kato	Director	●	●			●	●	Male
Kashiko Kodate	Outside Director	●	●			●	●	Female
Ken Koibuchi	Outside Director	●	●			●	●	Male
Kazue Kurihara	Outside Director		●			●		Female
Takuo Hirose	Outside Director	●			●	●		Male
Akira Utsuyama	Audit & Supervisory Board Member (Standing)		●		●			Male
Michihito Suzuki	Audit & Supervisory Board Member (Standing)						●	Male
Yuji Maki	Outside Audit & Supervisory Board Member	●		●	●	●		Male
Muneo Kurauchi	Outside Audit & Supervisory Board Member	●		●	●	●		Male

Proposal No. 4: Revision to Remuneration for Directors

The amount of remuneration for Directors of the Company was approved at a monthly amount of up to 55 million yen (including an amount of up to 3 million yen for Outside Directors) by a resolution of the 70th Ordinary General Meeting of Shareholders convened on December 22, 2017.

The Company proposes to revise the remuneration amount for Directors to a monthly amount of up to 60 million yen (including an amount of up to 10 million yen for Outside Directors), taking into consideration that while reducing the number of inside Directors, the Company has increased the number of Outside Directors, and that from the perspective of strengthening the corporate governance structure, the Company is expanding the roles and responsibilities expected of Outside Directors, among other factors. The Company also proposes that remuneration for Directors continue to exclude, as is conventionally done, the salary payable for the service rendered in the capacity of employees by the Directors concurrently serving as employees.

This proposal was decided by the Board of Directors after comprehensively considering the remuneration system for Directors, and its payment level, the current number of Directors, and future trends etc. Moreover, this proposal is deemed to be in line with the policy for determining the content of individual remuneration for Directors of the Company and therefore the content of this proposal is deemed to be appropriate.

The number of Directors is currently 11 (including three (3) Outside Directors). Subject to the approval and adoption of Proposal No. 3 as originally proposed, the number of Directors will be ten (10) (including four (4) Outside Directors).

(Reference) The remuneration amounts (monthly) for Directors before and after the revision are as follows.

Classification	Before revision	After revision
Directors (excluding Outside Directors)	JPY 52 million	JPY 50 million
Outside Directors	JPY 3 million	JPY 10 million
Total	JPY 55 million	JPY 60 million

Proposal No. 5: Revision to Remuneration for Audit & Supervisory Board Members

The amount of remuneration for Audit & Supervisory Board Members of the Company was approved at a monthly amount of up to 6 million yen by a resolution of the 65th Ordinary General Meeting of Shareholders convened on December 20, 2012.

The Company proposes to revise the remuneration amount for Audit & Supervisory Board Members to a monthly amount of up to 10 million yen, taking into consideration that, from the perspective of strengthening the corporate governance structure, the Company is expanding the roles and responsibilities expected of Audit & Supervisory Board Members, among other factors.

The number of Audit & Supervisory Board Members is currently four (4).

(Attachments)

Business Report

(From October 1, 2020 through September 30, 2021)

1. Matters Concerning the Corporate Group

(1) Business Operations and Results

During the fiscal year ended September 30, 2021 (from October 1, 2020 through September 30, 2021), Japan's economy has faced difficult circumstances due to the spread and protraction of COVID-19. However, the economy has been showing signs of improvement in some areas, such as increased exports boosted by growth in digital-related demand worldwide, particularly for semiconductors.

Given these circumstances, in addition to continuing to make capital investments aimed at the strengthening of production capacity while continuously taking measures to prevent infections of COVID-19, our Group strove to achieve increases in net sales and earnings by engaging in the development of products that meet market requirements as well as research and development that takes advantage of the Company's proprietary photonics technologies.

As a result, we closed the fiscal year 2021 with net sales of JPY 169,026 million, up by JPY 28,774 million (20.5%) from the previous year, due to increases in both domestic and overseas sales. From an earnings perspective as well, ordinary profit was JPY 34,648 million, up by JPY 11,956 million (52.7%) from the previous year and profit attributable to owners of parent was JPY 25,053 million, up by JPY 8,529 million (51.6%) from the previous year, each reaching a record high.

	FY2021	Year-on-year changes
Net sales	JPY 169,026 million	Up 20.5%
Operating profit	JPY 34,318 million	Up 57.8%
Ordinary profit	JPY 34,648 million	Up 52.7%
Profit attributable to owners of parent	JPY 25,053 million	Up 51.6%

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.

Regarding photomultiplier tubes (PMT), in the medical field, sales for products for medical inspection and monitoring systems such as PCR tests and flow cytometers increased due to rising demand in Japan and overseas. Also, in the industrial field, sales of these items for semiconductor inspection equipment increased, mainly overseas, in response to the expanding semiconductor market, and sales for academic applications such as high-energy physics experiments also grew, resulting in increased sales of photomultiplier tubes.

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

Regarding sales of imaging devices and light sources, in the industrial field, accompanying the global penetration of 5G and the expanding production of EV (electric vehicles), sales of microfocus X-ray sources for non-destructive testing increased, mainly in Asia, for circuit board inspection applications and automotive battery testing applications. Sales of Stealth Dicing Engine for high-speed, high-quality silicon wafer dicing and light sources for semiconductor wafer inspection equipment also increased owing to growth of the semiconductor market, resulting in increased sales of imaging devices and light sources.

In total, the Electron tube business comprised of photomultiplier tubes (PMT) and imaging devices and light sources closed the fiscal year 2021 with net sales of JPY 64,818 million, up by 21.7% from the previous year.

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

In opto-semiconductor devices, in the medical field, sales of silicon photodiodes for X-ray CT increased in response to continued growth in demand in Japan and overseas. In addition, in the industrial field, sales of image sensors for semiconductor fabrication and inspection equipment increased due to rising global demand for semiconductors, while in the FA (Factory Automation) field, such as controls for industrial robots, etc., sales of photo ICs, photodiodes and LEDs increased.

In total, net sales for the Opto-semiconductor business were JPY 77,870 million, up by 18.3% 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 board cameras for medical inspection and monitoring systems increased due to continued growth in demand in North America. In addition, sales of digital slide scanners for remote pathologic diagnosis systems grew due to rising demand from inter-hospital networks mainly in Europe. Sales of failure analysis systems for semiconductor devices also grew, mainly in Europe and Asia, against the backdrop of expanding capital investment.

In total, net sales for the Imaging and measurement instruments business were JPY 21,535 million, up by 28.7% from the previous year.

The status of our research and development is reported below.

<Basic Research Sector>

In the industrial field, in the area of semiconductor laser (LD) excitation[1], the Company developed an industrial pulsed laser device that outputs the world's highest pulse energy of 250 joules[2]. In this development, the Company found a way to boost the output by further amplifying the pulsed laser from the already developed high power laser system using a new amplifier. By improving the configuration of the laser medium[3] in the amplifier and optimizing the structure of the amplifier, the amplification capacity of the laser has been improved. In addition, our original optical control technology enables us to achieve more precise focusing of the laser beam. Our aforementioned developments have allowed us to more than double the output of pulsed lasers while maintaining the same size as conventional equipment. As a result, the Company has realized the world's first 250 joule-class high output pulsed laser equipment. Going forward, we plan to use this developed product to expand the range of applications of this technology in the industrial field for applications such as achieving improvements in processing technologies to make harder metallic parts for aircraft and cars and improving fatigue strength.

In the optical materials sector, the Company has confirmed that using our metalens under development in combination with the Company's manufactured opto-semiconductor devices is an effective way to improve the performance of those devices. A metalens is a two-dimensional array of a periodical nanostructure with a period sufficiently smaller than the wavelength. Through the adjustment of the shape of the nanostructure, it is able to function as a thin lens, thereby offering the potential to enhance performance while reducing the size of light emitting/receiving devices. This time, we mounted the metalens on the top part of the device, which led to approximately 10% improvement in photosensitivity, demonstrating that the metalens can increase device performance. In the future, we will continue to aim for higher value-added and higher performance of the Company's products by using metalenses, which are compatible with semiconductor technology and can be mass-produced at low cost, and promote applications for various purposes including MPPC for LiDAR.[4][5]

In the medical care field, we are working to improve imaging technology in nuclear medicine testing applications such as PET. In the field of nuclear medicine testing, in order to obtain high-definition diagnostic images, it is necessary for the detector to accurately capture the position of the radiation emitted from the patient's body. However due to the characteristics of current detectors, the image is corrected by a process called image reconstruction. In this development, the Company used a high temporal performance radiation detector that captures radiation more accurately and artificial intelligence to use imaging phantoms[6] to test for detection and succeeded in being the first in the world to acquire an image without image reconstruction[7]. This achievement is expected to enable the acquisition of high-definition images in real time in the field of nuclear medicine testing and to reduce the physical burden on patients by using imaging methods that require a smaller radiation dose.

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1 Semiconductor laser (LD) excitation refers to when the atoms and molecules of a laser medium are put in a state of high energy by using semiconductor lasers.

2 This product was developed as part of the "Research and Development of Next Generation Laser Processing Technology" project by the New Energy and Industrial Technology Development Organization (NEDO).

3 A laser medium is a material that stores energy from an outside source and amplifies the laser passing through it by imparting that energy to it.

4LiDAR is one kind of remote sensing technology that measures distance by irradiating a laser beam onto an object and capturing the reflected light with an optical sensor. This technology is attracting attention for such applications such as self-driving technology in automobiles.

5 MPPC is a high-performance opto-semiconductor device that has high multiplication capability and can detect weak light at the photon counting level. MPPC devices are under demand for LiDAR applications due to their excellent photosensitivity in the near-infrared wavelengths.

6 Imaging phantoms are irradiation distribution models modeled on human forms, which are used in experiments to evaluate the imaging technology of nuclear medicine testing machines.

7 This is the results of collaboration with the University of California, Davis, the University of Fukui, and Kitasato University.

<Development Sector>

Development of large-diameter photomultiplier tubes to be used for "Hyper-Kamiokande," the next generation of neutrino measurement experiments

The Company has developed a large-diameter photomultiplier tube to function as a photosensor for "Hyper-Kamiokande," the next-generation of neutrino measurement experiments, which are scheduled to start operation in 2027. This experiment will be the successor experiment to the Kamiokande and the Super-Kamiokande experiments, which led to winning the Nobel Prize for Physics. It is expected that this experiment will lead to better understanding of the origin of the universe and life by measuring the very weak Cherenkov light generated by reactions caused by neutrinos in pure water, which is contained a giant water tank, and studying those properties. The Company has developed the photomultipliers used for the measurement of neutrinos. Now we are being asked to develop photosensors with even higher performance for the Hyper-Kamiokande. In response, we have not only roughly doubled the photosensitivity and measurement precision of light compared with the photomultipliers used for the Super-Kamiokande experiment by revising the structure of photoemissive surface and electrode, but we have also newly developed photomultipliers that keep the inherent noise of detection equipment to a minimum. The Company will continue to contribute to the advancement of elementary particle physics through developing high-performance photosensors.

Development of new profile sensors with inbuilt computational functioning to enable high-speed position detection

A profile sensor is a kind of image sensor that is specifically designed to detect the position of objects. Compared with regular image sensors, one defining characteristic is that they are able to acquire the necessary information rapidly due to the smallness of the signal data. They are used in such devices as measurement instruments that measure the distance, etc. from objects. Up until now, the Company has developed profile sensors for measurement instruments, but it was necessary to connect up external control devices to perform computational processing to output the acquired signal data as coordinate data required for measurement. With this new development, the Company has revised the circuit architecture to have the circuit for performing the computational processing built into the profile sensor, making the profile sensor capable of outputting coordinate data without using a control device. By using this product, it will be possible to make measurement instruments smaller and lighter, and also cheaper. In addition, the speed at which signal data can be acquired will be improved, and by adding functions that assist in position detection of moving objects, it is expected that in the area of factory automation, its potential applications will further expand.

Development of ORCA-Quest, an ultra low-noise CMOS digital camera for scientific measurements

In the area of scientific measurement, low-noise cameras are required to measure very weak light. In this development, the Company has developed a two-dimensional CMOS image sensor that is capable of taking images at high speeds with the world's lowest noise and highest detail by using original design technology and the latest manufacturing technology. This has resulted in the development of ORCA-Quest, a new camera that is designed to make maximum use of those performance characteristics. This is the world's first camera that is capable of measuring photons, the smallest unit of light, accurately on two-dimensional space, and turning that data into an image. We expect that due to its ability to correctly observe quantum states

and take images of ultra-weak light in a wide range of fields, this product will find application in not only in the field of quantum information, such as quantum computing, but also in the areas of astronomy, life science, etc.

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, 2021, research and development expenses decreased to JPY 11,367 million (down by 6.4%) compared with the previous fiscal year.

(2) Capital Investment

For the fiscal year ended September 30, 2021, we made total capital investments of JPY 12,982 million for purposes such as expanding production capacity. The amounts of capital investment by business segment are as follows:

(Millions of Japanese Yen)

Segment	The amounts of capital investment
Electron tube	6,839
Opto-semiconductor	3,079
Imaging and measurement instruments	1,266
Other	1,797
Total	12,982

(3) Fund Procurement

There was no fund procurement during the fiscal year ended September 30, 2021.

(4) Issues to be Addressed

With regard to the business environment surrounding the Group, the effect from COVID-19 has become protracted, and companies are continuing to face harsh conditions. However, some aspects are showing signs of improvement, as seen by the growing global demand for semiconductors, etc. Operating under such conditions, the Company's operating results, which had fallen into a lull in the previous fiscal year due to the COVID-19-caused stagnation of business, benefited not only from a return to pre-COVID-19 demand in many fields from the first half of the current fiscal year, but also the continuation of product demand for use in medical devices used for diagnosing COVID-19 cases, and a recovery in market conditions associated with the growth in global semiconductor demand for 5G and data centers, etc. As a result, the Group achieved record-high operating results for the current fiscal year.

On the other hand, although the roll-out of vaccines is progressing and this is expected to have an effect on COVID-19 infections, it is still difficult to predict when we can call an end to its influence. In addition, the global semiconductor shortage has had a serious impact on manufacturers' production activities, and going forward, we recognize that there will continue to be a degree of uncertainty. Notwithstanding the aforementioned uncertainties regarding the outlook, the Company's products are serving society through their use in various settings such as medical care, industry and analysis, and they are what we call key enabling technology, which is technology that is crucial for improving the performance of our customers' end products. Therefore, going forward, we believe that demand for our products will remain solid. So that we can continue in the future to flexibly respond to the ever-changing needs of society, we will actively pursue the capital investment necessary for tomorrow and make the investment to research and development to improve our core technologies such as our photosensors, which carry our business forward.

The Company is also pushing ahead with measures to strengthen the existing governance structure. In the current fiscal year, in addition to introducing an Executive Officer system and improving the expediency of decision-making and strengthening the supervisory function of the Board of Directors, the Company introduced a Nomination and Compensation Committee as a non-mandatory entity. Moreover, we believe the Group's products are essential for a sustainable society. While appropriately addressing the various issues pertaining to the environment and social problems, etc., which are changing with the times, we will aim to further advance as a global company. On the road ahead, we will uphold our venture spirit and strive to enhance corporate value by creating new industry while working together with our customers around the world

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 earnings per share and net assets per share, which are in Japanese Yen)

Year / Classification	FY2018	FY2019	FY2020	FY2021
Net sales	144,338	145,912	140,251	169,026
Ordinary profit	28,088	26,277	22,692	34,648
Profit attributable to owners of parent	21,222	19,918	16,523	25,053
Earnings per share	136.50	128.67	106.73	161.82
Total assets	244,914	259,694	271,615	301,676
Net assets	193,985	203,647	213,515	237,570
Net assets per share	1,248.84	1,311.11	1,373.79	1,527.65

Notes: 1. Earnings 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. Amounts less than 0.01 yen are rounded.

(6) Key Subsidiaries

Company name		Capital stock	Percent owned	Main businesses	Location
Japan	Koso Corporation	85,000,000 yen	100.0	Manufacture of light sources	Iwata City, Shizuoka Pref.
	Takaoka Electronics Co., Ltd.	98,000,000 yen	88.6	Manufacture of photomultiplier tubes (PMT)	Naka-ku, Hamamatsu City
	Hamamatsu Electronic Press Co., Ltd.	95,000,000 yen	72.1	Manufacture of electronic components and molds	Iwata City, Shizuoka Pref.
	Iwata Grand Hotel Inc.	100,000,000 yen	57.1	Hotel operations	Iwata City, Shizuoka Pref.
North America	Photonics Management Corp.	33,521,000 US dollars	100.0	Holding company	USA
	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	USA
	Energetiq Technology, Inc.	1 US dollar	(100.0)	Manufacture and sale of light sources and related products	USA
Europe	Photonics Management Europe S.R.L.	272,696,000 euros	100.0	Holding company	Belgium
	Hamamatsu Photonics Europe GmbH	400,000 euros	(100.0)	Regional sales headquarters in Europe	Germany
	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	Germany
	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	France
	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	Italy
	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	UK
	Hamamatsu Photonics	2,700,000	(100.0)	Sale of photomultiplier tubes	Sweden

	Norden AB	Swedish krona		(PMT), imaging devices and light sources, opto-semiconductors, image processing and measurement systems	
Asia	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	China
	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	Taiwan
	Beijing Hamamatsu Photon Techniques, Inc.	200,000,000 Chinese yuan	94.0	Manufacture and sale of photomultiplier tubes (PMT) and related products	China
	Hamamatsu Photonics Korea Co., Ltd.	117,000,000 Korean won	55.0	Sale of image processing and measurement systems and related products	Korea
	Hamamatsu Photon Technology (Lang fang) Co., Ltd.	18,000,000 Chinese yuan	(100.0)	Manufacture and sale of medical equipment and related products	China
	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	China
	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	Israel

Notes: 1. The figures in ( ) for percent owned are the indirect ownership percentage.
2. Photonics Management Europe S.R.L. increased its capital by implementing a third-party allotment through contribution in kind.
3. Hamamatsu Photon Technology(Lan fang) Co., Ltd. changed its name in June 2021.

(7) Main Office Locations & Factories (As of September 30, 2021)

a. Hamamatsu Photonics K.K.

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

b. Subsidiaries

As described in the above ⑹ Key Subsidiaries

(8) Employees (As of September 30, 2021)

Business segment	No. of employees	
Electron tube	2,050	(+22)
Opto-semiconductor	1,554	(+44)
Imaging and measurement instruments	603	(+17)
Other	369	(▲1)
Corporate (shared)	703	(+2)
Total	5,279	(+84)

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, 2021)

(Millions of Japanese Yen)

Bank	Amount
MUFG Bank, Ltd.	4,210
Resona Bank, Limited	2,943
Shizuoka Bank, Ltd.	1,738

Note: The Company has concluded commitment line contracts with the five banks with which it does business, for the purpose of flexible and efficient financing. The balance of unrealized borrowings based on the commitment line contracts is as follows.

Total amount of commitment line contracts	JPY 20,000 million
Balance of borrowings	JPY – million
Balance of unrealized borrowings	JPY 20,000 million

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

Not applicable

2. Matters Concerning the Company's Stock (As of September 30, 2021)

Common stock

a. Authorized: 500,000,000 shares

b. Issued: 165,041,841 shares (including 9,945,645 shares of treasury shares)

c. Number of shareholders: 19,372

d. Major shareholders:

Name of shareholder	No. of shares	Percentage of shareholding
The Master Trust Bank of Japan, Ltd. (Trust Account)	23,110,500	14.9
Toyota Motor Corporation	8,400,000	5.4
Custody Bank of Japan, Ltd. (Trust Account)	6,429,300	4.1
Hamamatsu Photonics K.K. employees	4,181,971	2.7
Custody Bank of Japan, Ltd. (Trust Account 9)	4,181,800	2.7
SSBTC Client Omnibus Account	3,563,917	2.3
The Nomura Trust and Banking Co., Ltd. (Investment Trust)	3,327,700	2.1
State Street Bank West Client - Treaty 505234	2,773,887	1.8
JP Morgan Chase Bank 385635	2,764,400	1.8
RBC ISB S/A DUB NON RESIDENT/TREATY RATE UCITS-CLIENTS ACCOUNT	1,964,300	1.3

Notes: 1. The Company holds 9,945,645 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. On January 15, 2021, the Company issued shares of common stock as restricted stock remuneration, which increased the number of issued shares by 14,582.

e. Shares Delivered During the Fiscal Year to Company's Officers as Remuneration for Their Execution of Duties

During the fiscal year ended September 30, 2021, the following shares were delivered in accordance with the restricted stock remuneration plan.

Classification	No. of shares	No. of eligible Directors for issuance
Directors (excluding Outside Directors)	10,055	8

Notes: 1. Stocks are not delivered to Outside Directors and Audit & Supervisory Board Members.
2. In addition to the aforementioned, 4,527 restricted stocks were granted to eight (8) Executive Officers.

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, 2021)

Company Position	Name	Responsibilities	Significant Position Concurrently Held
Representative Director and President Chief Executive Officer	Akira Hiruma	—	Director and President, Photonics Management Corp. Director, Hamamatsu Corporation Director, Photonics Management Europe S.R.L. 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 Chief Operating Officer	Kenji Suzuki	—	—
Representative Director and Senior Managing Executive Officer	Koei Yamamoto	Division Director, Laser Promotion Division	—
Director Managing Executive Officer	Tsutomu Hara	Director, Central Research Laboratory	—
	Kenji Yoshida	Division Director, Administration Headquarters	—
	Tadashi Maruno	Division Director, Systems Division	Director, Hamamatsu Corporation
	Takayuki Suzuki	Division Director, Solid State Division	Director, Hamamatsu Corporation
	Hisaki Kato	Division Director, Electron Tube Division	—
Outside Director	Kashiko Kodate	—	Professor Emeritus, Japan Women's University
	Ken Koibuchi	—	Fellow, Advanced R&D and Engineering Company, Toyota Motor Corporation Fellow, Vehicle Development Center , Toyota Motor Corporation Fellow, Mid-size Vehicle Company ,Toyota Motor Corporation
	Kazue Kurihara	—	Professor Emeritus, Tohoku University Professor, New Industry Creation Hatchery Center, Tohoku University

Audit & Supervisory Board Member (Standing)	Akira Utsuyama	—	—
	Michihito Suzuki	—	—
Outside Audit & Supervisory Board Member	Yuji Maki	—	Consultant, Toyota Motor Corporation
	Muneo Kurauchi	—	—

Notes: 1. The Company has notified the Tokyo Stock Exchange of Outside Director Kashiko Kodate, Outside Director Ken Koibuchi, Outside Director Kazue Kurihara, Outside Audit & Supervisory Board Member Yuji Maki and Outside Audit & Supervisory Board Member Muneo Kurauchi as independent officers, as provided by the securities listing regulations of the Tokyo Stock Exchange.

2. At the close of the 73rd Ordinary General Meeting of Shareholders held on December 18, 2020, Kazue Kurihara was elected to and assumed the position of Director. In addition, as a result of the introduction of the Executive Officer System, Naofumi Toriyama, Kazuhiko Mori, and Minoru Saito each ended their tenure as Director at the close of the aforementioned Ordinary General Meeting of Shareholders and assumed the office of Senior Executive Officer.

3. At the 73rd Ordinary General Meeting of Shareholders held on December 18, 2020, all of the Audit & Supervisory Board Members were reelected and at the Audit & Supervisory Board meeting held on the same day, they were selected as Audit & Supervisory Board members (Standing) and were appointed to office. Changes to Audit & Supervisory Board Members, other than reappointments, were as follows:

Appointed	Audit & Supervisory Board Member (Standing)	Michihito Suzuki
Appointed	Outside Audit & Supervisory Board Member	Muneo Kurauchi
Resigned	Audit & Supervisory Board Member (Standing)	Hiroshi Mizushima
Resigned	Outside Audit & Supervisory Board Member	Saburo Sano

4.At the Board of Directors meeting held on December 18, 2020, the positions and responsibilities of Directors were changed in line with the introduction of the Executive Officer System. The details are as follows.

Name	Before revision		after revision	
	Company Position	Responsibilities	Company Position	Responsibilities
Akira Hiruma	Representative Director and President	—	Representative Director and President Chief Executive Officer	—
Kenji Suzuki	Representative Director and Vice President	Division Director, Electron Tube Division	Representative Director and Vice President Chief Operating Officer	—
Koei Yamamoto	Representative Director and Senior Managing Director	Division Director, Solid State Division and Laser Promotion Division	Representative Director and Senior Managing Executive Officer	Division Director, Laser Promotion Division
Tsutomu Hara	Managing Director	Director, Central Research Laboratory	Director Managing Executive Officer	Director, Central Research Laboratory
Kenji Yoshida	Managing Director	Division Director, Administration Headquarters	Director Managing Executive Officer	Division Director, Administration Headquarters
Tadashi Maruno	Managing Director	Division Director, Systems Division	Director Managing Executive Officer	Division Director, Systems Division
Takayuki Suzuki	Managing Director	Deputy Division Director, Solid State	Director Managing Executive	Division Director, Solid State Division

		Division	Officer	
Hisaki Kato	Director	Deputy Division Director, Electron Tube Division	Director Managing Executive Officer	Division Director, Electron Tube Division

5.Outside Audit & Supervisory Board Member Yuji Maki is well-versed in corporate management and has the appropriate degree of knowledge concerning financial affairs and accounting.
6.Outside Audit & Supervisory Board Member Muneo Kurauchi has many years of experience in financial services in Japan and overseas at The Bank of Tokyo-Mitsubishi UFJ, Ltd. (now MUFG Bank, Ltd.), 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 Tohoku University.

(Reference) The Company has introduced an Executive Officer System. The statuses Executive Officers (excluding those concurrently serving as Directors) as of September 30, 2021, are as follows.

Company Position	Name	Responsibilities
Senior Executive Officer	Naofumi Toriyama	Division Director, Business Headquarters
Senior Executive Officer	Kazuhiko Mori	General Manager, Accounting Division
Senior Executive Officer	Minoru Saito	General Manager, Compound semiconductor Fabrication Center
Executive Officer	Ken Nozaki	In charge of Public Relations, Liaison Office/ General Manager, Collaboration Supporting Department and General Manager, Business Mentor-Bank, GSCC
Executive Officer	Hiroyuki Okada	In charge of GSCC and Medical / Division Director, GSCC and General Manager, Business Accelerator, GSCC and General Manager, Internal Venture, GSCC and General Manager, New Concept Design, GSCC
Executive Officer	Kazuya Suzuki	In charge of Strategic intellectual property/ General Manager, Product Management Division and General Manager, Intellectual Property Division
Executive Officer	Koichi Nagumo	In charge of General Affairs/ General Manager, General Affairs Division
Executive Officer	Shuichi Osada	In charge of IR and IT/ General Manager, Business Management and Control Division and Manager, Investor Relations Office

Notes: 1.GSCC stands for Global Strategic Challenge Center.
2. On October 1, 2021, Kazuya Suzuki's role was changed to be in charge of Intellectual Property, Environment, Quality and Export Control/General Manager, Product Management Division.

(2) Overview of Directors and Officers Liability Insurance Policy

The Company has entered into a directors and officers liability insurance contract with an insurance company pursuant to the provisions of Article 430-3, paragraph (1) of the Companies Act. The scope of insureds of the policy covers officers (including Directors, Audit & Supervisory Board Members, and Executive Officers) of the

Company and some subsidiaries inside and outside Japan, and the Company bears the full cost of insurance premiums for all the insureds.

The policy covers the insured's legally mandated amount of indemnification and related litigation expenses incurred from claims for damages arising from the insureds performance of their duties. However, by excluding from the scope of coverage, losses, etc. incurred due to illegal acts for personal gain or granting of benefits, or criminal conduct, the policy has built in measures to ensure that the adequacy of the execution of duties by the insured shall not be compromised.

(3) 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, 2021

Classification	Number of compensated individuals	Basic Remuneration	Remuneration for Granting Restricted Stock to Directors	Total amount of Remuneration
Directors(Outside Directors only)	14(3)	JPY 371(19) million	60(-) million	431(19) million
Audit & Supervisory Board Members(Outside Audit & Supervisory Board Members only)	6(3)	JPY 49(11) million	-(-) million	49(11) million
Total(Outside Officers only)	20(6)	JPY 420(30) million	60(-) million	481(30) 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 held on December 22, 2017. The number of Directors at the conclusion of the said Ordinary General Meeting of Shareholders was 12 (including two (2) Outside Directors).
2. At the 72nd Ordinary General Meeting of Shareholders held on December 20, 2019, aiming to contribute to continuous improvement in corporate value from the same position as our shareholders by promoting the long-term, stable holding of the Company's stock by Directors, it was resolved that the remuneration for granting restricted stock to Directors (excluding Outside Directors) shall be up to 200 million yen per year (however, not more than 200,000 shares per year), separately from the remuneration described in 1. above. The number of Directors at the conclusion of the said Ordinary General Meeting of Shareholders was 13 (including two (2) Outside Directors).
3. 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 held on December 20, 2012. The number of Audit & Supervisory Board Members at the conclusion of the said Ordinary General Meeting of Shareholders was four (4).
4. Total remuneration paid to Directors does not include the employee salary portions paid to Directors serving concurrently as employees.
5. Among the number of Directors who received payment in the table above, there includes three (3) Directors who resigned on December 18, 2020.
6. Among the number of Audit & Supervisory Board Members who received payment in the table above, there includes two (2) Audit & Supervisory Board Members (including one (1) Outside Audit & Supervisory Board Member) who ended their tenure on December 18, 2020.

b. Retirement benefits paid in the fiscal year ended September 30, 2021

Not applicable

c. Matters including policy for determining the content of Directors' remuneration and others

The Company has adopted a resolution on the policy for determining the content of individual remuneration, etc. for Directors and other matters at a Board of Directors meeting. Furthermore, the Board of Directors meeting has judged that the method of determining the details of remuneration, etc. and the content of determined remuneration. are consistent with the determination policy resolved by the Board of Directors meeting, and accordingly, that the remuneration, etc. for each individual Director in the fiscal year ended September 30, 2021, is in line with said determination policy. The policy for determining the content of remuneration, etc. for individual Directors is as follows.

The Company pursues the unknown where no one has yet explored. By leveraging photonics technology to establish new industries and reach for the world's highest levels of manufacturing excellence, we build enterprise value and contribute to the development of science and technology. However, only a small fraction of the nature of light has been elucidated. We explore fields not yet explained. Based on the knowledge generated by that inquiry, we require our Directors and employees to seek potential applications. Based on this idea, the Company requires Directors to pursue outcomes from a medium to long-term rather than a short-term perspective. Therefore, the Company considers that fixed remuneration is most suitable as the base remuneration for Directors.

On the other hand, as Directors are obligated to fulfill their commitments to our shareholders, aiming to contribute to continuous improvement in corporate value from the same position as our shareholders by promoting the long-term, stable holding of the Company's stock by Directors, in January 2020 we introduced stock-based remuneration (restricted stock-based remuneration).

As a result, remuneration for Directors of the Company (excluding Outside Directors) is composed of fixed remuneration and stock-based remuneration. Regarding the amount of Director remuneration, fixed monthly remuneration established based on position is decided at the Board of Directors meetings and paid monthly. Furthermore, stock-based remuneration set at around 15% of total Director remuneration is decided for each Director at the Board of Directors meetings and paid prior with a 30-year transfer restriction period from the record date. Additionally, only fixed remuneration is paid as remuneration for Outside Directors.

(3) Outside Officers

a. Main activities

Company Position	Name	Main activities	Attendance
Outside Director	Kashiko Kodate	Based on her extensive expertise as a university professor and experience in corporate management, Kashiko Kodate has contributed remarks and advice and provided monitoring of operational execution, appropriately fulfilling her expected role as Outside Director. Furthermore, she also serves as a member of the Nomination and Compensation Committee.	Board of Directors meetings 15/16 (94%)

	Ken Koibuchi	Based mainly on his wealth of experience and keen insight in fields including corporate management, Ken Koibuchi has contributed remarks and advice and provided monitoring of operational execution, appropriately fulfilling his expected role as Outside Director. Furthermore, he also serves as a member of the Nomination and Compensation Committee.	Board of Directors meetings 16/16 (100%)
	Kazue Kurihara	Based on her extensive expertise as a university professor and experience through industry-academia partnerships, Kazue Kurihara has contributed remarks and advice and provided monitoring of operational execution, appropriately fulfilling her expected role as Outside Director. Furthermore, she also serves as a member of the Nomination and Compensation Committee.	Board of Directors meetings held after she assumed office as Director 13/13 (100%)
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%)
	Muneo Kurauchi	Takes advantage of his experience in the banking industry to contribute remarks and advice on all aspects of corporate management, including financial accounting.	Board of Directors meetings held after he assumed office as Audit & Supervisory Board Member 13/13 (100%) Audit & Supervisory Board meetings held after he assumed office as Audit & Supervisory Board Member 4/4 (100%)

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, 2021

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 65 million
Total amount of cash and other financial interests the Company and its subsidiary companies will pay to the Company's independent auditor	JPY 65 million

Notes: 1.The amount of compensation and other benefits pertaining to the fiscal year ended September 30, 2021 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 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.

Apart from the Board of Directors, the Company has established the Executive Officers meeting to speed up management decision-making and separate executive and supervisory functions.

The Company strengthens the supervisory function of the Board of Directors by reporting the resolutions of the Executive Officers meeting to the Board of Directors.

(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 Officers meeting, 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. Under the rules of the Board of Directors, the Company holds regular meetings of the Board of Directors once a month to make decisions on important matters and receive reports from the Executive Officers to supervise the status of business execution. In addition, the Executive Officer system separates management decision-making from business execution, enabling swift and flexible decision-making, while revitalizing the Board of Directors and strengthening management oversight functions.
2. Under the rules of the Board of Executive Officers, the Company holds regular meetings of the Board of Executive Officers attended by the Directors, the Executive Officers and Audit & Supervisory Board Members to review and resolve matters delegated by the Board of Directors. In addition, the Business promotion meeting, which is affiliated with the Board of Executive Officers, is attended by General Managers and above, and examines basic and important matters related to business execution from a variety of perspectives, and directly explains and directs them to the relevant parties. In this way, the Company aims to expedite and improve the efficiency of business execution and to share information among officers and executive employees. Furthermore, information is also communicated to other employees through 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 disclosing inside information accurately and on a timely basis.
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 its 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 subsidiary's autonomy. The Company will respond as follows based on the size and business of consolidated subsidiaries.
   a) For 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 employees of the Company to serve as Directors of these subsidiaries. In addition, the Company strives to avoid risks by dispatching Directors or executive employees of the Company to serve as Audit & Supervisory Board Members.
   b) For overseas consolidated subsidiaries, in addition to the actions described in a), the Company periodically brings 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 the subsidiaries in order to collect information as necessary.
2. Domestic and foreign consolidated subsidiaries of the Company 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 its consolidated subsidiaries.
5. The Company will make the Fundamental CSR Policy and the Corporate Code of Conduct known to its 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, Executive Officers 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

By separating the operational execution function from the Board of Directors and delegating authority for operational execution to Executive Officers, the Company is working to strengthen the monitoring function of the Board of Directors and to promote flexible decision-making. For the purpose of maintaining and improving the effectiveness of the Board of Directors, the Company has also 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 management 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 the policy on its website to make known not only to its

employees but also to various stakeholders. As part of our corporate governance activities, Directors, Audit & Supervisory Board Members and Executive officers are provided with officer training programs as appropriate. the Company has also created opportunities for Directors to exchange ideas regarding current business development and topics and the medium- to long-term direction of the Company.

In the fiscal year under review, aiming to enhance the fairness, transparency, and objectivity of nominations for candidates for Director and remuneration procedures, and to strengthen the monitoring function of the Board of Directors, the Company established a Nomination and Compensation Committee whose members are composed of a majority of Outside Directors.

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 the UN's 10 principles. In this fiscal year, the Company has been recognized under the 2021 Certified Health & Productivity Management Outstanding Organizations Recognition Program (large enterprise category) "White 500," for the fourth consecutive year. 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 the Business promotion meeting attended by the Directors, the Executive Officers, Audit & Supervisory Board Members and other managers once every week under the rules of Business promotion meeting 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 meeting prepares and retains all the Business promotion meeting 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. Training with regard to other risks related to information security, quality, environment, disasters and export control, etc., is implemented by each responsible division.

Furthermore, in response to COVID-19, the Company has worked to prevent infections and spread among our employees and to ensure safety, while promoting thorough infection prevention policies to prevent any impact on production activities.

Execution of employees' duties

The Company holds the Business promotion meeting once every week and communicates information to its executive employees through various discussions, including our Group's management policies and conformity with our corporate culture. In addition, the Company holds a meeting of its employees holding the managerial position regularly, where the management side gives reports and 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 its domestic

consolidated subsidiaries the Company exchanges information monthly if necessary, and for its overseas consolidated subsidiaries implements meetings where all managers attend.

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 provides them with the necessary information by sending beforehand the materials related to matters to be resolved at the regular Board of Directors meeting and creates an opportunity to explain to them the matters as needed. The Internal Audit Division, which is directly controlled by the Representative Director and President, conducts internal audits, reports the results of those audits to the Representative Director and President in a timely manner, and also reports them to the Business promotion 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, 2021)

(Millions of Japanese Yen)

Assets		Liabilities	
Item	Amount	Item	Amount
Current assets	**192,120**	**Current liabilities**	**52,293**
Cash and deposits	91,087	Notes and accounts payable-trade	7,371
Notes and accounts receivable-trade	42,528	Electronically recorded obligations-operating	7,387
Securities	8,671	Short-term borrowings	3,507
Merchandise and finished goods	9,106	Current portion of long-term borrowings	3,039
Work in process	23,885	Income taxes payable	6,700
Raw materials and supplies	11,410	Provision for bonuses	5,814
Other	5,622	Other	18,473
Allowance for doubtful accounts	(193)	**Non-current liabilities**	**11,811**
Non-current assets	**109,556**	Long-term borrowings	3,240
Property, plant and equipment	**86,479**	Deferred tax liabilities	583
Buildings and structures, net	44,853	Retirement benefit liability	6,903
Machinery, equipment and vehicles, net	12,005	Other	1,084
Tools, furniture and fixtures, net	4,923		
Land	17,196	**Total liabilities**	**64,105**
Leased assets, net	326	**Net assets**	
Right-of-use assets, net	611	**Shareholders' equity**	**234,170**
Construction in progress	6,561	Share capital	35,008
Intangible assets	**4,853**	Capital surplus	34,752
Customer relationships	1,734	Retained earnings	185,206
Other	3,118	Treasury shares	(20,797)
Investments and other assets	**18,223**	**Accumulated other comprehensive income**	**2,351**
Investment securities	3,907	Valuation difference on available-for-sale securities	1,191
Deferred tax assets	11,587	Foreign currency translation adjustment	1,592
Investment property, net	242	Remeasurements of defined benefit plans	(431)
Other	2,505	**Non-controlling interests**	**1,048**
Allowance for doubtful accounts	(19)	**Total net assets**	**237,570**
Total assets	**301,676**	**Total liabilities and net assets**	**301,676**

Consolidated Statements of Income

(From October 1, 2020 through September 30, 2021)

(Millions of Japanese Yen)

Item	Amount	
Net sales		**169,026**
Cost of sales		**85,631**
Gross profit		**83,395**
Selling, general and administrative expenses		**49,077**
Operating profit		**34,318**
Non-operating income		
Interest income	198	
Dividend income	53	
Rental income from non-current assets	88	
Rental income from investment property	71	
Gain on sale of scraps	105	
Other	311	**829**
Non-operating expenses		
Interest expenses	53	
Rent expenses on real estate	110	
Foreign exchange losses	267	
Share of loss of entities accounted for using equity method	3	
Other	65	**499**
Ordinary profit		**34,648**
Extraordinary income		
Gain on sales of non-current assets	67	
Subsidy income	805	
Gain on sales of investment securities	5	
Reversal of reserve for loss on dissolution of employees' pension fund	164	**1,042**
Extraordinary losses		
Loss on sales of non-current assets	0	
Loss on retirement of non-current assets	70	
Loss on tax purpose reduction entry of non-current assets	441	
Impairment losses	351	
Loss on valuation of investment securities	71	**935**
Profit before income taxes		**34,755**
Income taxes-current	10,393	
Income taxes-deferred	(862)	**9,530**
Profit		**25,225**
Profit attributable to non-controlling interests		**171**
Profit attributable to owners of parent		**25,053**

Non-consolidated Balance Sheets

(As of September 30, 2021)

(Millions of Japanese Yen)

Assets		Liabilities	
Item	Amount	Item	Amount
Current assets	**138,666**	**Current liabilities**	**38,495**
Cash and deposits	52,300	Electronically recorded obligations - operating	7,387
Notes receivable - trade	6,261	Accounts payable - trade	7,060
Accounts receivable - trade	32,441	Current portion of long-term borrowings	3,000
Securities	8,000	Lease obligations	165
Merchandise and finished goods	2,487	Accounts payable - other	3,212
Work in process	23,002	Accrued expenses	1,142
Raw materials and supplies	10,236	Income taxes payable	5,461
Accounts receivable - other	3,627	Advances received	15
Other	349	Deposits received	277
Allowance for doubtful accounts	(42)	Provision for bonuses	4,960
		Electronically recorded obligations - facilities	3,531
		Deposits received from employees	2,173
Non-current assets	**99,208**	Other	106
Property, plant and equipment	**74,433**	**Non-current liabilities**	**10,065**
Buildings	37,436	Long-term borrowings	3,000
Structures	1,866	Lease obligations	155
Machinery and equipment	11,098	Provision for retirement benefits	5,739
Vehicles	13	Provision for loss on business of subsidiaries and associates	698
Tools, furniture and fixtures	3,385	Asset retirement obligations	257
Land	15,398	Other	215
Leased assets	286		
Construction in progress	4,946	**Total liabilities**	**48,561**
Intangible assets	**958**	**Net assets**	
Patent right	78	**Shareholders' equity**	**188,122**
Software	854	**Share Capital**	**35,008**
Other	25	**Capital surplus**	**34,716**
Investments and other assets	**23,816**	Legal capital surplus	34,716
Investment securities	2,555	**Retained earnings**	**139,191**
Shares of subsidiaries and associates	8,829	Legal retained earnings	695
Investments in capital	0	Other retained earnings	138,495
Investments in capital of subsidiaries and associates	1,657	Reserve for dividends	6,500
Deferred tax assets	9,939	General reserve	110,600
Investment proprety	224	Retained earnings brought forward	21,395
Other	629	**Treasury shares**	**(20,793)**
Allowance for doubtful accounts	(19)	**Valuation and translation adjustments**	**1,191**
		Valuation difference on available-for-sale securities	**1,191**
		Total net assets	**189,314**
Total assets	**237,875**	**Total liabilities and net assets**	**237,875**

Non-consolidated Statements of Income

(From October 1, 2020 through September 30, 2021)

(Millions of Japanese Yen)

Item	Amount	
Net sales		**134,192**
Cost of sales		**80,875**
Gross profit		**53,316**
Selling, general and administrative expenses		**32,392**
Operating profit		**20,924**
Non-operating income		
Interest income	4	
Dividend income	2,857	
Rental income from investment property	62	
Foreign exchange gains	53	
Miscellaneous income	315	**3,294**
Non-operating expenses		
Interest expenses	33	
Rent expenses on real estate	107	
Miscellaneous loss	18	**159**
Ordinary profit		**24,059**
Extraordinary income		
Gain on sales of non-current assets	38	
Subsidy income	805	
Gain on sales of investment securities	5	
Reversal of reserve for loss on dissolution of employees' pension fund	164	**1,013**
Extraordinary losses		
Loss on retirement of non-current assets	45	
Loss on tax purpose reduction entry of non-current assets	441	
Impairment losses	351	
Loss on valuation of investment securities	48	
Loss on valuation of shares of subsidiaries and associates	19	
Provision for loss on business of subsidiaries and affiliates	148	**1,054**
Profit before income taxes		**24,018**
Income taxes - current	7,018	
Income taxes - deferred	(1,027)	**5,990**
Profit		**18,027**

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