Consolidated Financial Results for the Fiscal Year ended September 30, 2024 (Japanese GAAP)

November 8, 2024

Company name: Hamamatsu Photonics K.K. Stock listing: Tokyo Stock Exchange
Stock code: 6965 URL: https://www.hamamatsu.com/jp/en
Representative: Tadashi Maruno, Representative Director and President, Chief Executive Officer
Contact: Kazuhiko Mori, Director, Senior Executive Officer & Chief of Finance and Accounting General Headquarters (Phone: +81-53-452-2141)
Scheduled date of Annual General Meeting of Shareholders: December 20, 2024
Scheduled date to file securities report: December 20, 2024
Scheduled date to begin dividend payments: December 23, 2024
Supplementary materials to the financial statements have been prepared: Yes
Presentation will be held to explain the financial statements: Yes (for analysts and institutional investors)

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

1. Consolidated financial results for the fiscal year ended Sep. 30, 2024 (From Oct. 1, 2023 through Sep. 30, 2024)

(1) Consolidated operating results

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

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Fiscal year ended Sep. 30, 2024	203,961	(7.9)	32,118	(43.3)	34,512	(41.9)	25,145	(41.3)
Fiscal year ended Sep. 30, 2023	221,445	6.1	56,676	(0.5)	59,415	0.9	42,825	3.7

Note: Comprehensive income
Fiscal year ended Sep. 30, 2024: 24,680 million yen [(51.4) %]
Fiscal year ended Sep. 30, 2023: 50,788 million yen [(5.2) %]

	Earnings per share	Diluted earnings per share	Return on equity	Ordinary profit to total assets	Operating profit to net sales
	Yen	Yen	%	%	%
Fiscal year ended Sep. 30, 2024	81.19	–	7.7	8.2	15.7
Fiscal year ended Sep. 30, 2023	138.28	–	14.3	15.5	25.6

For reference: Share of profit (loss) of entities accounted for using equity method
Fiscal year ended Sep. 30, 2024: 417 million yen
Fiscal year ended Sep. 30, 2023: 401 million yen

Note: On October 1, 2024, the Company conducted a 2-for-1 stock split of shares of common stock. Earnings per share are calculated on the assumption that the stock split was conducted at the beginning of the previous fiscal year.

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio	Net assets per share
	Millions of yen	Millions of yen	%	Yen
As of Sep. 30, 2024	434,634	333,011	76.2	1,069.64
As of Sep. 30, 2023	402,921	320,059	79.1	1,028.87

For reference: Equity
As of Sep. 30, 2024: 331,307 million yen
As of Sep. 30, 2023: 318,645 million yen

Note: On October 1, 2024, the Company conducted a 2-for-1 stock split of shares of common stock. Net assets per share are calculated on the assumption that the stock split was conducted at the beginning of the previous fiscal year.

(3) Consolidated cash flows

	Cash flows from operating activities	Cash flows from investing activities	Cash flows from financing activities	Cash and cash equivalents at end of period
	Millions of yen	Millions of yen	Millions of yen	Millions of yen
Fiscal year ended Sep. 30, 2024	38,051	(73,699)	12,558	92,579
Fiscal year ended Sep. 30, 2023	34,253	(32,897)	(11,913)	114,419

2. Dividends

	Dividends per share					Total dividends (annual)	Dividend payout ratio (consolidated)	Dividends to net assets (consolidated)
(Base date)	End of Q1	End of Q2	End of Q3	End of FY	Full FY			
	Yen	Yen	Yen	Yen	Yen	Millions of yen	%	%
Fiscal year ended Sep. 30, 2023	–	38.00	–	38.00	76.00	11,789	27.5	3.9
Fiscal year ended Sep. 30, 2024	–	38.00	–	38.00	76.00	11,790	46.8	3.6
Fiscal year ending Sep. 30, 2025 (Outlook)	–	19.00	–	19.00	38.00		65.2	

Note: On October 1, 2024, the Company conducted a 2-for-1 stock split of shares of common stock. For the fiscal year ended Sep. 30, 2023 and the fiscal year ended Sep. 30, 2024, the figures presented are the actual dividend amounts before the stock split. For the fiscal year ending Sep. 30, 2025 (outlook), the figures presented are the dividend amounts after the stock split.

3. Forecast of consolidated financial results for the fiscal year ending Sep. 30, 2025 (From Oct. 1, 2024 through Sep. 30, 2025)

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

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent		Earnings per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
Six months ending Mar. 31, 2025	110,100	5.9	12,100	(39.7)	13,140	(38.9)	9,200	(45.1)	29.70
Fiscal year ending Sep. 30, 2025	218,900	7.3	24,100	(25.0)	26,570	(23.0)	18,050	(28.2)	58.27

Note: On October 1, 2024, the Company conducted a 2-for-1 stock split of shares of common stock. Earnings per share are calculated on the assumption that the stock split was conducted at the beginning of the fiscal year.

4. Others

(1) Significant changes in the scope of consolidation during the period: Yes
Newly included: ten companies, NKT Photonics A/S, etc.

(2) Changes in accounting principles, changes in accounting estimates, and changes in presentation due to revisions
(a) Changes in accounting principles accompanying revisions in accounting standards: None
(b) Changes other than those in (a) above: None
(c) Changes in accounting estimates: None
(d) Changes in presentation due to revisions: None

(3) Number of shares issued
(a) Number of shares issued at end of period including treasury shares
As of Sep. 30, 2024: 330,167,540 shares
As of Sep. 30, 2023: 330,131,896 shares
(b) Number of treasury shares at end of period
As of Sep. 30, 2024: 20,429,132 shares
As of Sep. 30, 2023: 20,428,876 shares
(c) Average number of shares outstanding during the period
Fiscal year ended Sep. 30, 2024: 309,727,920 shares
Fiscal year ended Sep. 30, 2023: 309,695,536 shares

Note: On October 1, 2024, the Company conducted a 2-for-1 stock split of shares of common stock. Number of shares issued at end of period including treasury shares, number of treasury shares at end of period, and average number of shares outstanding during the period are calculated on the assumption that the stock split was conducted at the beginning of the previous fiscal year.

(Reference) Non-consolidated financial results for the fiscal year ended Sep. 30, 2024

1. Non-consolidated financial results for the fiscal year ended Sep. 30, 2024 (From Oct. 1, 2023 through Sep. 30, 2024)

(1) Non-consolidated operating results

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

	Net sales		Operating profit		Ordinary profit		Profit	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Fiscal year ended Sep. 30, 2024	137,743	(19.6)	12,529	(66.9)	22,090	(55.9)	18,573	(51.4)
Fiscal year ended Sep. 30, 2023	171,397	3.7	37,809	(1.7)	50,093	15.0	38,221	20.1

	Earnings per share	Diluted earnings per share
	Yen	Yen
Fiscal year ended Sep. 30, 2024	59.86	–
Fiscal year ended Sep. 30, 2023	123.20	–

Note: On October 1, 2024, the Company conducted a 2-for-1 stock split of shares of common stock. Earnings per share are calculated on the assumption that the stock split was conducted at the beginning of the previous fiscal year.

(2) Non-consolidated financial position

	Total assets	Net assets	Equity ratio	Net assets per share
	Millions of yen	Millions of yen	%	Yen
As of Sep. 30, 2024	322,968	244,923	75.8	789.37
As of Sep. 30, 2023	306,561	238,049	77.7	767.31

For reference: Equity
As of Sep. 30, 2024: 244,923 million yen
As of Sep. 30, 2023: 238,049 million yen

Note: On October 1, 2024, the Company conducted a 2-for-1 stock split of shares of common stock. Net assets per share are calculated on the assumption that the stock split was conducted at the beginning of the previous fiscal year.

1. Overview of Operating Results and Others

(1) Overview of Operating Results for the Fiscal Year

During the fiscal year ended September 30, 2024, Japan's economy showed a gradual recovery trend with improvement in the employment and income environment and the effects of various government policies, but the outlook remained uncertain mainly due to continuing high interest rates and strong currencies in Europe and the US and concerns over the future of the Chinese economy.

Given these circumstances, the Group worked to secure net sales and earnings by working across departmental boundaries to make reforms in order to improve corporate value from both a financial and a non-financial perspective, continuing to make the necessary capital investments to maintain and improve our competitiveness, and promoting research and product development utilizing the proprietary photonics technologies.

As a result, we closed the fiscal year 2024 with net sales of JPY 203,961 million, down by JPY 17,483 million (7.9%) from the previous fiscal year. From an earnings perspective, operating profit was JPY 32,118 million, down by JPY 24,558 million (43.3%), ordinary profit was JPY 34,512 million, down by JPY 24,903 million (41.9%), and profit attributable to owners of parent was JPY 25,145 million, down by JPY 17,679 million (41.3%) from the previous fiscal year, resulting in a decrease in both net sales and earnings year on year.

Operating results by segment are as follows:

Effective from the first quarter of this fiscal year, classifications of reportable segments have been changed. In addition, the "Laser" segment, which was previously included in the "Other" classification, is presented as a reportable segment from the third quarter of this fiscal year. Details are as stated in "Segment and Other Information" of "Consolidated Financial Statements and Significant Notes Thereto." In accordance with these changes, comparative analysis concerning the comparisons against the previous fiscal year stated below is based on figures restated to reflect segment classifications after the changes.

(Electron Tube)

In photomultiplier tubes (PMT), imaging devices and light sources, although sales of PMT for high-energy physics experiments increased in the academic field, sales of microfocus X-ray sources for non-destructive testing devices in the industrial field decreased due to the stagnant EV (electric vehicles) market, mainly for automotive battery testing applications and circuit board inspection applications. In addition, sales of PMT for semiconductor fabrication and inspection equipment decreased.

As a result, the Electron Tube business closed the fiscal year 2024 with net sales of JPY 77,679 million, down by 5.8%, and operating profit of JPY 23,818 million, down by 27.7% from the previous fiscal year.

(Opto-semiconductor)

In opto-semiconductor devices, while sales of opto-semiconductor sensors such as photodiode arrays for high-energy physics experiments increased in the academic field due to continued orders from projects in Europe, sales of silicon photodiodes for X-ray CT decreased in the medical field due to the absence of the increase in orders, which had been the result of material shortages until the previous year. Sales of flat panel sensors for dental diagnostic equipment decreased due to the impact of price competition due to the emergence of competitors overseas.

As a result, net sales in the Opto-semiconductor business were JPY 78,191 million, down by 20.3%, and operating profit was JPY 17,894 million, down by 41.2% from the previous fiscal year.

(Imaging and Measurement Instruments)

In image processing and measurement systems, although sales of board cameras for medical inspection and monitoring systems decreased, sales of digital slide scanners increased due to rising demand in Japan as a result of medical device approvals. In addition, sales of FDSS (Drug Screening System), which is used in the development of new drugs, etc., remained strong.

As a result, net sales for the Imaging and Measurement Instruments business were JPY 32,746 million, up by 3.3%, and operating profit was JPY 10,420 million, down by 9.5% from the previous fiscal year.

(Laser)

In laser-related products, sales of Stealth Dicing Engine for high-speed, high-quality silicon wafer dicing increased accompanying strong capital investment for generated AI (artificial intelligence).
As a result, net sales for the Laser business were JPY 10,716 million, up by 111.9%, and operating loss was JPY 204 million, down by 126.9% from the previous fiscal year.

(Other)

Sales from other operations include the hotel operations run by Iwata Grand Hotel Inc., a subsidiary, and business relating to the proprietary products of Beijing Hamamatsu Photon Techniques, Inc., which is also a subsidiary.
In our other businesses, net sales were JPY 4,627 million, up by 14.0%, and operating profit was JPY 1,129 million, down by 15.9% from the previous fiscal year.

(2) Overview of Financial Position for the Fiscal Year

Current assets decreased by JPY 21,840 million from the end of the previous fiscal year, mainly reflecting a decrease in cash and deposits of JPY 22,106 million despite an increase in inventories of JPY 5,013 million.
Non-current assets increased by JPY 53,553 million from the end of the previous fiscal year, mainly reflecting increases in construction in progress of JPY 13,613 million and goodwill of JPY 29,798 million.
As a result, total assets at the fiscal year-end were JPY 434,634 million, up by JPY 31,712 million from the end of the previous fiscal year.
Current liabilities increased by JPY 12,234 million from the end of the previous fiscal year, mainly reflecting an increase in short-term borrowings of JPY 19,427 million despite a decrease in income taxes payable of JPY 5,675 million.
Non-current liabilities increased by JPY 6,525 million from the end of the previous fiscal year, mainly due to an increase in long-term borrowings of JPY 2,987 million.
As a result, total liabilities at the fiscal year-end were JPY 101,623 million, up by JPY 18,760 million from the end of the previous fiscal year.
Net assets at the end of the fiscal year-end were JPY 333,011 million, up by JPY 12,952 million from the end of the previous fiscal year, mainly reflecting an increase in retained earnings of JPY 13,355 million as a result of reporting profit attributable to owners of parent despite a decrease in foreign currency translation adjustment of JPY 1,102 million.

(3) Overview of Cash Flows for the Fiscal Year

At the end of this fiscal year, cash and cash equivalents (referred to below as “cash”) stood at JPY 92,579 million, down by JPY 21,839 million from the end of the previous fiscal year.
(Cash flows from operating activities)
Net cash provided by operating activities during the fiscal year was JPY 38,051 million, mainly reflecting profit before income taxes and depreciation.
(Cash flows from investing activities)
Net cash used in investing activities was JPY 73,699 million, mainly reflecting purchase of shares of subsidiaries and purchase of property, plant and equipment.
(Cash flows from financing activities)
Net cash provided by financing activities was JPY 12,558 million, reflecting an increase in short-term borrowings, despite the payment of dividends.

(4) Future Outlook

As for the current conditions of the Group amid the recent changes in social conditions due to the rapid development of generated AI and changes in the global environment, such as frequent large-scale disasters, there has been movement toward inventory adjustments due to the absence of rapidly increasing demand, which had been the result of material shortages until the previous year, and the business environment has become increasingly challenging mainly due to the emergence of competitors in some markets.
In the aforementioned environment, for the fiscal year ending September 30, 2025, we forecast consolidated net sales of JPY 218,900 million, up by 7.3% from the previous fiscal year. In addition, from an earnings perspective, we are planning for operating profit of JPY 24,100 million, down by 25.0%, ordinary profit of JPY 26,570 million, down by 23.0%, and profit attributable to owners of parent of JPY 18,050 million, down by 28.2% from the previous fiscal year. We assume the yen/US dollar exchange rate will be JPY 145, the yen/Euro exchange rate will be JPY 155 and the yen/RMB exchange rate will be JPY 20.00.

FY 2025 (From Oct. 1, 2024 through Sep. 30, 2025)
Forecast of Consolidated Financial Results for the Fiscal Year Ending Sep. 30, 2025

(Millions of Japanese Yen)

	Through the second quarter		Forecast for the year	
		Compared with previous fiscal year (%)		Compared with previous fiscal year (%)
Net sales	110,100	5.9	218,900	7.3
Operating profit	12,100	(39.7)	24,100	(25.0)
Ordinary profit	13,140	(38.9)	26,570	(23.0)
Profit attributable to owners of parent	9,200	(45.1)	18,050	(28.2)

(5) Basic Policy on Profit Distribution and Dividends for the Current and Next Fiscal Years

The Company places the highest priority on distribution of results through dividends as a measure of returning profits to shareholders, and its policy is to achieve the stable increase of dividends, with a dividend payout ratio of around 30%. At this juncture, from the next fiscal year, the Company has decided to add “Dividend on equity ratio (DOE),” which is less susceptible to the changes in business performance of a single fiscal year, even during times when the short-term fluctuation in profit is significant, to the existing dividend policy as a lower limit, for the purpose of bringing greater clarity to the stable provision of dividends to the Company’s shareholders who own the Company’s shares on a long-term basis.
Based on the existing policy, the Company will pay a year-end dividend for the year ended September 30, 2024 of JPY 38 per share as announced in the dividend forecast for the current fiscal year. Accordingly, together with the already paid interim dividend of JPY 38, the Company will pay annual dividends for the fiscal year ended September 30, 2024 of JPY 76 per share.
Furthermore, based on the current forecast of consolidated results for the fiscal year ending September 30, 2025, the Company is forecasting annual dividends for the aforementioned fiscal year of JPY 38 (interim dividend of JPY 19 and year-end dividend of JPY 19). On October 1, 2024, the Company conducted a 2-for-1 stock split of shares of common stock. For the fiscal year ending September 30, 2025, the figures presented are the dividend amounts after the stock split. For details, please refer to the “Notice Regarding Change in Dividend Policy” released today.

2. Basic Policy Regarding Selection of Accounting Standards

The Group adopts a policy to prepare its consolidated financial statements in accordance with the Japanese GAAP for the time being, taking into account the year-on-year comparability and intercompany comparability of consolidated financial statements.

With respect to the adoption of the International Financial Reporting Standards (IFRS), we intend to address the matter appropriately, factoring in our future business development and the trends of the system.

Consolidated Financial Statements and Significant Notes Thereto

Consolidated Balance Sheets

(Millions of Japanese Yen)

	As of Sep. 30, 2023	As of Sep. 30, 2024
Assets		
Current assets		
Cash and deposits	119,128	97,021
Notes and accounts receivable - trade	50,471	45,717
Securities	2,393	2,854
Merchandise and finished goods	18,146	15,458
Work in process	36,014	39,897
Raw materials and supplies	21,394	25,214
Other	13,546	13,248
Allowance for doubtful accounts	(245)	(402)
Total current assets	260,850	239,009
Non-current assets		
Property, plant and equipment		
Buildings and structures	119,896	126,390
Accumulated depreciation	(64,034)	(69,914)
Buildings and structures, net	55,861	56,476
Machinery, equipment and vehicles	105,613	113,831
Accumulated depreciation	(90,416)	(97,705)
Machinery, equipment and vehicles, net	15,197	16,125
Tools, furniture and fixtures	41,424	44,506
Accumulated depreciation	(34,994)	(37,747)
Tools, furniture and fixtures, net	6,429	6,758
Land	17,798	19,511
Leased assets	760	1,179
Accumulated depreciation	(577)	(632)
Leased assets, net	183	546
Right-of-use assets	2,854	6,967
Accumulated depreciation	(976)	(3,403)
Right-of-use assets, net	1,877	3,564
Construction in progress	16,299	29,912
Total property, plant and equipment	113,648	132,895
Intangible assets		
Goodwill	1,029	30,827
Customer-related intangible assets	1,550	1,113
Other	2,556	3,789
Total intangible assets	5,136	35,731
Investments and other assets		
Investment securities	4,233	4,386
Retirement benefit asset	2,831	5,236
Deferred tax assets	12,631	12,608
Investment property	86	–
Accumulated depreciation	(73)	–
Investment property, net	13	–
Other	3,595	4,786
Allowance for doubtful accounts	(19)	(19)
Total investments and other assets	23,286	26,997
Total non-current assets	142,071	195,624
Total assets	402,921	434,634

Consolidated Financial Statements and Significant Notes Thereto

Consolidated Balance Sheets

(Millions of Japanese Yen)

	As of Sep. 30, 2023	As of Sep. 30, 2024
Liabilities		
Current liabilities		
Notes and accounts payable - trade	7,931	6,558
Electronically recorded obligations - operating	9,238	6,795
Short-term borrowings	5,854	25,281
Current portion of long-term borrowings	1,094	3,114
Income taxes payable	6,631	955
Provision for bonuses	7,265	6,933
Other	30,484	31,096
Total current liabilities	68,500	80,734
Non-current liabilities		
Long-term borrowings	5,535	8,522
Retirement benefit liability	6,383	7,758
Deferred tax liabilities	336	231
Other	2,107	4,374
Total non-current liabilities	14,362	20,888
Total liabilities	82,862	101,623
Net assets		
Shareholders' equity		
Share capital	35,095	35,146
Capital surplus	34,374	34,426
Retained earnings	247,922	261,277
Treasury shares	(20,798)	(20,798)
Total shareholders' equity	296,594	310,052
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	1,109	1,096
Foreign currency translation adjustment	19,173	18,071
Remeasurements of defined benefit plans	1,768	2,086
Total accumulated other comprehensive income	22,051	21,255
Non-controlling interests	1,413	1,704
Total net assets	320,059	333,011
Total liabilities and net assets	402,921	434,634

Consolidated Financial Statements and Significant Notes Thereto

Consolidated Statements of Income

(Millions of Japanese Yen)

	Fiscal year ended Sep. 30, 2023	Fiscal year ended Sep. 30, 2024
Net sales	221,445	203,961
Cost of sales	101,439	100,077
Gross profit	120,006	103,884
Selling, general and administrative expenses		
Freight and packing costs	1,814	1,450
Advertising expenses	1,277	1,621
Salaries	18,948	22,124
Provision for bonuses	2,441	2,340
Retirement benefit expenses	1,158	1,337
Depreciation	3,424	3,989
Commission expenses	6,570	7,248
Research and development expenses	12,304	13,551
Provision of allowance for doubtful accounts	27	207
Other	15,361	17,896
Total selling, general and administrative expenses	63,330	71,766
Operating profit	56,676	32,118
Non-operating income		
Interest income	683	1,386
Dividend income	58	59
Rental income from non-current assets	60	104
Rental income from investment property	42	6
Foreign exchange gains	774	–
Share of profit of entities accounted for using equity method	401	417
Other	961	1,150
Total non-operating income	2,981	3,125
Non-operating expenses		
Interest expenses	120	174
Rental expenses on real estate	63	1
Foreign exchange losses	–	255
Compensation for damage	–	257
Other	58	42
Total non-operating expenses	242	731
Ordinary profit	59,415	34,512
Extraordinary income		
Gain on sale of non-current assets	70	57
Subsidy income	463	771
Compensation income	–	1,127
Total extraordinary income	534	1,956

Consolidated Financial Statements and Significant Notes Thereto

Consolidated Statements of Income

(Millions of Japanese Yen)

	Fiscal year ended Sep. 30, 2023	Fiscal year ended Sep. 30, 2024
Extraordinary losses		
Loss on sale of non-current assets	0	0
Impairment losses	–	* 646
Loss on retirement of non-current assets	1,117	52
Loss on tax purpose reduction entry of non-current assets	276	296
Loss on valuation of investment securities	34	37
Total extraordinary losses	1,429	1,033
Profit before income taxes	58,520	35,435
Income taxes - current	17,144	10,052
Income taxes - deferred	(1,663)	(18)
Total income taxes	15,480	10,034
Profit	43,039	25,401
Profit attributable to non-controlling interests	214	256
Profit attributable to owners of parent	42,825	25,145

Consolidated Financial Statements and Significant Notes Thereto

Consolidated Statements of Comprehensive Income

(Millions of Japanese Yen)

	Fiscal year ended Sep. 30, 2023	Fiscal year ended Sep. 30, 2024
Profit	43,039	25,401
Other comprehensive income		
Valuation difference on available-for-sale securities	188	(12)
Deferred gains or losses on hedges	274	–
Foreign currency translation adjustment	3,816	(1,111)
Remeasurements of defined benefit plans, net of tax	3,434	318
Share of other comprehensive income of entities accounted for using equity method	35	84
Total other comprehensive income	7,749	(720)
Comprehensive income	50,788	24,680
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	50,552	24,349
Comprehensive income attributable to non-controlling interests	236	331

Consolidated Financial Statements and Significant Notes Thereto

Consolidated Statements of Changes in Equity

Fiscal year ended Sep. 30, 2023

(Millions of Japanese Yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	35,048	34,792	217,195	(20,798)	266,239
Changes during period					
Issuance of new shares	46	46			93
Dividends of surplus			(12,098)		(12,098)
Profit attributable to owners of parent			42,825		42,825
Purchase of treasury shares				(0)	(0)
Change in ownership interest of parent due to transactions with non-controlling interests		(464)			(464)
Net changes in items other than shareholders' equity					
Total changes during period	46	(418)	30,726	(0)	30,354
Balance at end of period	35,095	34,374	247,922	(20,798)	296,594

	Accumulated other comprehensive income					Non-controlling interests	Total net assets
	Valuation difference on available-for-sale securities	Deferred gains or losses on hedges	Foreign currency translation adjustment	Remeasure-ments of defined benefit plans	Total accumulated other comprehen-sive income		
Balance at beginning of period	921	(274)	15,344	(1,666)	14,324	1,340	281,904
Changes during period							
Issuance of new shares							93
Dividends of surplus							(12,098)
Profit attributable to owners of parent							42,825
Purchase of treasury shares							(0)
Change in ownership interest of parent due to transactions with non-controlling interests							(464)
Net changes in items other than shareholders' equity	188	274	3,829	3,434	7,727	72	7,800
Total changes during period	188	274	3,829	3,434	7,727	72	38,154
Balance at end of period	1,109	–	19,173	1,768	22,051	1,413	320,059

Consolidated Financial Statements and Significant Notes Thereto

Consolidated Statements of Changes in Equity

Fiscal year ended Sep. 30, 2024

(Millions of Japanese Yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	35,095	34,374	247,922	(20,798)	296,594
Changes during period					
Issuance of new shares	51	51			102
Dividends of surplus			(11,789)		(11,789)
Profit attributable to owners of parent			25,145		25,145
Purchase of treasury shares				(0)	(0)
Change in ownership interest of parent due to transactions with non-controlling interests					
Net changes in items other than shareholders' equity					
Total changes during period	51	51	13,355	(0)	13,457
Balance at end of period	35,146	34,426	261,277	(20,798)	310,052

	Accumulated other comprehensive income					Non-controlling interests	Total net assets
	Valuation difference on available-for-sale securities	Deferred gains or losses on hedges	Foreign currency translation adjustment	Remeasure-ments of defined benefit plans	Total accumulated other comprehen-sive income		
Balance at beginning of period	1,109	–	19,173	1,768	22,051	1,413	320,059
Changes during period							
Issuance of new shares							102
Dividends of surplus							(11,789)
Profit attributable to owners of parent							25,145
Purchase of treasury shares							(0)
Change in ownership interest of parent due to transactions with non-controlling interests							–
Net changes in items other than shareholders' equity	(12)	–	(1,102)	318	(796)	290	(505)
Total changes during period	(12)	–	(1,102)	318	(796)	290	12,952
Balance at end of period	1,096	–	18,071	2,086	21,255	1,704	333,011

Consolidated Financial Statements and Significant Notes Thereto

Consolidated Statements of Cash Flows

(Millions of Japanese Yen)

	Fiscal year ended Sep. 30, 2023	Fiscal year ended Sep. 30, 2024
Cash flows from operating activities		
Profit before income taxes	58,520	35,435
Depreciation	14,524	16,718
Amortization of goodwill	237	1,042
Increase (decrease) in allowance for doubtful accounts	12	159
Increase (decrease) in provision for bonuses	(740)	(302)
Decrease (increase) in retirement benefit asset	(2,831)	(2,404)
Increase (decrease) in retirement benefit liability	2,921	1,878
Interest and dividend income	(743)	(1,446)
Interest expenses	120	174
Foreign exchange losses (gains)	(1,358)	(368)
Share of loss (profit) of entities accounted for using equity method	(401)	(417)
Loss (gain) on sale of property, plant and equipment	(70)	(57)
Loss on retirement of property, plant and equipment	1,117	52
Decrease (increase) in trade receivables	456	4,893
Decrease (increase) in inventories	(15,254)	(4,710)
Increase (decrease) in trade payables	(2,010)	(4,039)
Other, net	3,156	6,204
Subtotal	57,657	52,812
Interest and dividends received	751	1,440
Interest paid	(120)	(174)
Income taxes refund (paid)	(24,035)	(16,026)
Net cash provided by (used in) operating activities	34,253	38,051
Cash flows from investing activities		
Net decrease (increase) in time deposits	(1,699)	184
Purchase of securities	(2,780)	(4,365)
Proceeds from redemption of securities	2,224	3,914
Purchase of property, plant and equipment	(29,551)	(28,238)
Proceeds from sale of property, plant and equipment	99	91
Purchase of intangible assets	(870)	(1,272)
Purchase of shares of subsidiaries resulting in change in scope of consolidation	–	(43,548)
Other, net	(319)	(464)
Net cash provided by (used in) investing activities	(32,897)	(73,699)
Cash flows from financing activities		
Net increase (decrease) in short-term borrowings	1,052	19,427
Proceeds from long-term borrowings	2,000	6,172
Repayments of long-term borrowings	(2,098)	(1,094)
Dividends paid	(12,080)	(11,795)
Purchase of shares of subsidiaries not resulting in change in scope of consolidation	(602)	–
Other, net	(185)	(151)
Net cash provided by (used in) financing activities	(11,913)	12,558
Effect of exchange rate change on cash and cash equivalents	1,912	1,249
Net increase (decrease) in cash and cash equivalents	(8,645)	(21,839)
Cash and cash equivalents at beginning of period	123,065	114,419
Cash and cash equivalents at end of period	114,419	92,579

Consolidated Statements of Income

* Impairment losses

The Group recorded impairment losses on the following asset groups.

Fiscal year ended September 30, 2023 (From Oct. 1, 2022 through Sep. 30, 2023)

Not applicable.

Fiscal year ended September 30, 2024 (From Oct. 1, 2023 through Sep. 30, 2024)

(1) Overview of assets for which impairment losses were recognized

(Millions of Japanese Yen)

Used for	Location	Category	Amount of impairment losses
Laser business (NKTP Inc.)	USA	Right-of-use assets	550
		Buildings and structures	94
		Tools, furniture and fixtures	1
		Total	646

(2) Background to the recognition of impairment losses

Concerning a portion of the assets of NKTP Inc., the U.S. subsidiary of NKT Photonics A/S, which the Group acquired in the current fiscal year, the manufacturing function etc. were transferred to Denmark and Switzerland due to reorganization of bases in the United States. As a result, the book values of certain assets were reduced to recoverable amounts and the amounts of reduction were recorded as impairment losses under extraordinary losses.

(3) Grouping method

Business assets are generally grouped by cash generating unit, which is the smallest identifiable group of assets that generates cash flows that are largely independent of the cash flows from other asset groups, mainly taking business category as the basic unit. Idle assets are grouped by individual unit.

(4) Calculation method of recoverable amount, etc.

The recoverable amounts of certain right-of-use assets and equipment have been deemed to be zero as they are not expected to be used in the future.

Segment and Other Information

[Segment information]

1. Summary of Reportable Segments

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

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

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

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

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

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

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

Fiscal year ended September 30, 2023 (From Oct. 1, 2022 through Sep. 30, 2023)

(Millions of Japanese Yen)

	Reportable Segment					Other (Note 1)	Total	Adjust-ments (Note 2)	Consoli-dated total (Note 3)
	Electron Tube	Opto-semiconductor	Imaging and Measurement Instruments	Laser	Total				
Net sales									
Japan	14,273	24,825	7,482	4,150	50,732	156	50,889	–	50,889
North America	24,129	27,937	6,636	183	58,886	19	58,905	–	58,905
Europe	17,465	23,476	6,522	337	47,801	345	48,146	–	48,146
Asia excluding Japan	26,427	21,833	11,000	385	59,646	3,538	63,185	–	63,185
Other	206	46	66	–	319	–	319	–	319
Revenue from contracts with customers	82,501	98,119	31,708	5,056	217,385	4,059	221,445	–	221,445
Outside customers	82,501	98,119	31,708	5,056	217,385	4,059	221,445	–	221,445
Intersegment	1,249	1,592	51	99	2,993	209	3,202	(3,202)	–
Total net sales	83,751	99,711	31,759	5,156	220,379	4,269	224,648	(3,202)	221,445
Segment profit	32,959	30,438	11,511	759	75,670	1,343	77,013	(20,336)	56,676
Segment assets	85,236	96,121	27,046	8,551	216,956	8,238	225,194	177,727	402,921
Other items									
Depreciation and amortization	4,579	5,245	1,309	284	11,419	242	11,661	2,836	14,497
Amortization of goodwill	192	–	44	–	237	–	237	–	237
Increase in property, plant and equipment and intangible assets	9,480	14,748	1,322	1,550	27,102	2,566	29,669	2,371	32,040

Notes:

1. The “Other” classification encompasses business segments not included in the reportable segments, and is the hotel operations run by Iwata Grand Hotel Inc., a subsidiary, and business relating to the proprietary products of Beijing Hamamatsu Photon Techniques, Inc., which is also a subsidiary.
2.
   (1) Adjustment of segment profit of negative JPY 20,336 million represents intersegment transactions of negative JPY 1,485 million and unallocated corporate expenses of negative JPY 18,851 million. Corporate expenses mainly consist of general and administrative expenses and basic research expenses that are unattributable to reportable segments.
   (2) Adjustment of segment assets of JPY 177,674 million consists of common assets that are not distributed to reportable segments.
   (3) Adjustment of depreciation and amortization of JPY 2,836 million is depreciation and amortization of common assets that are not distributed to reportable segments.
   (4) Adjustment of increase in property, plant and equipment and intangible assets of JPY 2,371 million is an increase in common non-current assets that are not distributed to reportable segments.
3. Segment profit has been reconciled with operating profit presented in the consolidated financial statements.
4. Net sales is classified by country or region, based on where the customer resides.

Fiscal year ended September 30, 2024 (From Oct. 1, 2023 through Sep. 30, 2024)

(Millions of Japanese Yen)

	Reportable Segment					Other (Note 1)	Total	Adjust-ments (Note 2)	Consoli-dated total (Note 3)
	Electron Tube	Opto-semiconductor	Imaging and Measurement Instruments	Laser	Total				
Net sales									
Japan	13,127	18,778	7,422	6,328	45,658	389	46,047	–	46,047
North America	22,572	23,380	6,135	1,243	53,332	8	53,341	–	53,341
Europe	16,207	18,271	6,653	2,322	43,455	290	43,745	–	43,745
Asia excluding Japan	25,513	17,704	12,522	817	56,558	3,939	60,498	–	60,498
Other	258	56	11	3	329	–	329	–	329
Revenue from contracts with customers	77,679	78,191	32,746	10,716	199,334	4,627	203,961	–	203,961
Outside customers	77,679	78,191	32,746	10,716	199,334	4,627	203,961	–	203,961
Intersegment	776	670	81	103	1,630	129	1,760	(1,760)	–
Total net sales	78,456	78,862	32,827	10,819	200,965	4,756	205,722	(1,760)	203,961
Segment profit (loss)	23,818	17,894	10,420	(204)	51,928	1,129	53,058	(20,940)	32,118
Segment assets	81,419	111,216	30,643	49,153	272,432	7,792	280,224	154,410	434,634
Other items									
Depreciation and amortization	5,726	6,976	1,298	559	14,561	267	14,829	1,865	16,694
Amortization of goodwill	208	–	44	789	1,042	–	1,042	–	1,042
Increase in property, plant and equipment and intangible assets	6,283	19,580	3,925	32,935	62,724	609	63,334	419	63,754

Notes:

1. The “Other” classification encompasses business segments not included in the reportable segments, and is the hotel operations run by Iwata Grand Hotel Inc., a subsidiary, and business relating to the proprietary products of Beijing Hamamatsu Photon Techniques, Inc., which is also a subsidiary.
2.
   (1) Adjustment of segment profit (loss) of negative JPY 20,940 million represents intersegment transactions of negative JPY 817 million and unallocated corporate expenses of negative JPY 20,122 million. Corporate expenses mainly consist of general and administrative expenses and basic research expenses that are unattributable to reportable segments.
   (2) Adjustment of segment assets of JPY 154,410 million consists of common assets that are not distributed to reportable segments.
   (3) Adjustment of depreciation and amortization of JPY 1,865 million is depreciation and amortization of common assets that are not distributed to reportable segments.
   (4) Adjustment of increase in property, plant and equipment and intangible assets of JPY 419 million is an increase in common non-current assets that are not distributed to reportable segments.
3. Segment profit (loss) has been reconciled with operating profit presented in the consolidated financial statements.
4. Net sales is classified by country or region, based on where the customer resides.

4. Matters related to changes in reportable segments

   Effective the first quarter of the fiscal year ended September 30, 2024, the Stealth Dicing Engine unit that was included in the Electron Tube Segment, is now included in the Laser Segment as part of changes that have been made to segment classifications following restructuring in the Company. In addition, the “Laser” segment, which was previously included in the “Other” classification, has become quantitatively more important due to the acquisition of shares of NKT Photonics A/S, newly including it in the scope of consolidation from the third quarter of this fiscal year, and is therefore presented as a reportable segment. Following these changes, segment information for the previous fiscal year is disclosed based on the new segment classifications.

5. Information on assets by reportable segment

   In the fiscal year ended September 30, 2024, the Company acquired shares of NKT Photonics A/S and newly included it in the scope of consolidation. As a result, the amount of assets in reportable segments for this fiscal year increased by JPY 40,601 million in the “Laser” segment from the end of the previous fiscal year.

6. Information on impairment losses on non-current assets or goodwill, etc. by reportable segment

   Significant impairment losses on non-current assets

   In the “Laser” segment, the Group recorded impairment losses of JPY 646 million on non-current assets related to business use.

   Significant changes in the amount of goodwill

   In the fiscal year ended September 30, 2024, goodwill of JPY 33,346 million was recorded in the “Laser” segment due to the acquisition of shares of NKT Photonics A/S and newly including it in the scope of consolidation.
   The amount of goodwill is tentatively calculated since the allocation of the acquisition cost has not been completed as of the end of this fiscal year.

Business Combinations, Etc.

Business combination through acquisition

1. Outline of the business combination
   (1) Name and business description of the acquiree
   Name of the acquiree: NKT Photonics A/S
   Description of business: Development, manufacture and sales of laser devices, and laser device components
   (2) Primary reasons for the business combination
   NKT Photonics A/S is a fiber laser manufacturer that possesses unique manufacturing technologies for photonic crystal fiber used for ultrashort pulse laser amplification and for fiber transmission. Meanwhile, the Company, which specializes in the laser diode business, which forms the basis of compound semiconductor process technologies, has a mutually complementary relationship with NKT Photonics A/S, which specializes in fiber lasers.
   The Company has acquired the shares of NKT Photonics A/S based on the judgment that it will further enhance the market for the laser business through the sharing and cooperation of insight, knowhow, and management resources accumulated by the Company and NKT Photonics A/S.
   (3) Date of the business combination
   May 31, 2024 (Share acquisition date)
   June 30, 2024 (Deemed acquisition date)
   (4) Legal form of the business combination
   Cash acquisition of shares
   (5) Name of company after combination
   NKT Photonics A/S
   (6) Ratio of voting rights acquired
   100%
   (7) Main basis for reaching a decision on business combination
   Cash acquisition of shares by the Company's consolidated subsidiary Photonics Management Europe S.R.L.

2. Period of the acquiree's results included in the consolidated statements of income
   July 1, 2024 through September 30, 2024

3. Acquisition cost of the acquiree and breakdown thereof by consideration type

Consideration for the acquisition	Cash	Approx. EUR 254 million (Approx. JPY 43,929 million)
Acquisition cost		Approx. EUR 254 million (Approx. JPY 43,929 million)

   The exchange rate uses EUR 1 = JPY 172.33 (closing telegraphic transfer middle rate for June 28, 2024 announced by MUFG Bank, Ltd.). The acquisition cost includes consideration for the acquisition of the shares plus the amount of net interest-bearing debt and reflects the price adjustment stipulated in the share transfer agreement.

4. Details and amounts of main acquisition-related costs
   Advisory fees, etc. (approximate amount): JPY 1,104 million

5. Amount of goodwill, reason for recognition, amortization method and amortization period
   (1) Amount of goodwill
   JPY 33,346 million
   The amount of goodwill is tentatively calculated since the allocation of the acquisition cost has not been completed as of the end of this fiscal year.
   (2) Reason for recognition
   Since the acquisition cost exceeded the net asset value, the difference was recorded as goodwill.

(3) Amortization method and amortization period
Straight-line method over ten years

6. Amounts of assets received and liabilities assumed on the date of the business combination and the major components thereof

Current assets	JPY 7,654 million
Non-current assets	JPY 7,005 million
Total assets	JPY 14,660 million

Current liabilities	JPY 2,624 million
Non-current liabilities	JPY 1,452 million
Total liabilities	JPY 4,077 million

7. Approximate amounts of impact of the business combination on the consolidated statements of income for this fiscal year, assuming that the business combination was completed at the beginning of this fiscal year, and the calculation method thereof

Net sales	JPY 10,109 million
Operating loss	JPY (4,781) million
Ordinary loss	JPY (5,478) million
Loss attributable to owners of parent	JPY (4,819) million

Calculation method of approximate amounts

The approximate amounts of impact indicate the differences between the net sales and the profit and loss information calculated by assuming that the business combination was completed at the beginning of this fiscal year and the net sales and the profit and loss information on the consolidated statements of income of the acquiring company. Goodwill was assumed to have occurred at the beginning of this fiscal year and amortization of that goodwill was calculated and included in the approximate amounts.

Audit certification has not been received for the approximate amounts.

Per Share Information

(Japanese Yen)

	Fiscal year ended September 30, 2023 (From Oct. 1, 2022 through Sep. 30, 2023)	Fiscal year ended September 30, 2024 (From Oct. 1, 2023 through Sep. 30, 2024)
Net assets per share	1,028.87	1,069.64
Earnings per share	138.28	81.19

Notes:

1. On October 1, 2024, the Company conducted a 2-for-1 stock split of shares of common stock. Net assets per share and earnings per share are calculated on the assumption that the stock split was conducted at the beginning of the previous fiscal year.
2. There are no latent shares, and no figures for the diluted earnings per share have been disclosed.
3. Basis for calculations of earnings per share is as follows.

(Millions of Japanese Yen)

	Fiscal year ended September 30, 2023 (From Oct. 1, 2022 through Sep. 30, 2023)	Fiscal year ended September 30, 2024 (From Oct. 1, 2023 through Sep. 30, 2024)
Profit attributable to owners of parent	42,825	25,145
Value not attributed to common stock	–	–
Profit attributable to owners of parent attributed to common stock	42,825	25,145
Average number of common stock outstanding during the period (Thousand shares)	309,695	309,727

Important Subsequent Events

Stock split and partial amendment to the Articles of Incorporation in connection with the stock split

Based on a resolution at the Board of Directors meeting held on May 9, 2024, the Company conducted a stock split on October 1, 2024 and, on the same date, partially amended its Articles of Incorporation in connection with the stock split.

(1) Purpose of stock split

The purpose of the stock split is to increase the liquidity of the Company's stock and expand the investor base by creating a more investment-friendly environment by reducing the amount per investment unit of the Company's stock.

(2) Outline of stock split

(i) Method of split

The Company conducted a 2-for-1 stock split of shares of the Company's common stock held by shareholders as of September 30, 2024, with a record date of September 30, 2024.

(ii) Number of shares to be increased by split

Total number of shares issued before stock split:	165,083,770 shares
Number of shares to be increased by stock split:	165,083,770 shares
Total number of shares issued after stock split:	330,167,540 shares
Total number of authorized shares after stock split:	1,000,000,000 shares

(iii) Schedule of split

Date of public notice of record date:	September 13, 2024
Record date:	September 30, 2024
Effective date:	October 1, 2024

(iv) Effect on per share information

For the effect on per share information, please refer to "Per Share Information" of "Consolidated Financial Statements and Significant Notes Thereto."

(3) Partial amendment to the Articles of Incorporation

(i) Reason for the amendment

In connection with the stock split, the Company changed the total number of authorized shares set forth in Article 6 of its Articles of Incorporation on October 1, 2024, in accordance with Article 184, paragraph (2) of the Companies Act.

(ii) Detail of the amendment

The detail of the amendment is as follows:

(The underlined part indicates the amendment.)

Current Articles of Incorporation	After amendment
Article 6 Total Number of Authorized Shares The total number of shares authorized to be issued by the Company shall be 500,000,000.	Article 6 Total Number of Authorized Shares The total number of shares authorized to be issued by the Company shall be 1,000,000,000.

(iii) Schedule of the amendment

Effective date: October 1, 2024

Non-consolidated Financial Statements

Non-consolidated Balance Sheets

(Millions of Japanese Yen)

	As of Sep. 30, 2023	As of Sep. 30, 2024
Assets		
Current assets		
Cash and deposits	56,139	40,738
Notes receivable - trade	6,264	5,866
Accounts receivable - trade	51,189	34,902
Merchandise and finished goods	5,364	3,792
Work in process	34,414	36,238
Raw materials and supplies	19,163	20,445
Accounts receivable - other	7,269	6,456
Other	1,219	1,872
Allowance for doubtful accounts	(64)	(45)
Total current assets	180,959	150,267
Non-current assets		
Property, plant and equipment		
Buildings	44,171	41,502
Structures	2,260	2,014
Machinery and equipment	13,552	13,624
Vehicles	12	5
Tools, furniture and fixtures	4,147	3,857
Land	16,278	16,315
Leased assets	120	462
Construction in progress	14,590	28,830
Total property, plant and equipment	95,133	106,613
Intangible assets		
Patent right	52	50
Software	1,090	1,425
Other	57	21
Total intangible assets	1,201	1,497
Investments and other assets		
Investment securities	2,489	2,506
Shares of subsidiaries and associates	10,031	10,007
Investments in capital	0	0
Investments in capital of subsidiaries and associates	1,657	36,626
Prepaid pension costs	2,831	3,471
Deferred tax assets	11,090	10,491
Other	1,185	1,503
Allowance for doubtful accounts	(19)	(19)
Total investments and other assets	29,266	64,589
Total non-current assets	125,601	172,700
Total assets	306,561	322,968

Non-consolidated Financial Statements

Non-consolidated Balance Sheets

(Millions of Japanese Yen)

	As of Sep. 30, 2023	As of Sep. 30, 2024
Liabilities		
Current liabilities		
Electronically recorded obligations - operating	9,238	6,795
Accounts payable - trade	7,691	5,606
Short-term borrowings	–	20,000
Current portion of long-term borrowings	1,000	3,000
Lease liabilities	60	140
Accounts payable - other	3,634	2,876
Accrued expenses	1,655	1,258
Income taxes payable	4,901	73
Advances received	71	54
Deposits received	551	364
Provision for bonuses	5,981	5,269
Electronically recorded obligations - facilities	8,114	10,702
Deposits received from employees	3,339	3,256
Other	1,914	42
Total current liabilities	48,155	59,441
Non-current liabilities		
Long-term borrowings	10,983	8,709
Lease liabilities	78	375
Provision for retirement benefits	8,280	8,338
Provision for loss on business of subsidiaries and associates	788	999
Asset retirement obligations	179	182
Other	47	–
Total non-current liabilities	20,356	18,603
Total liabilities	68,512	78,045
Net assets		
Shareholders' equity		
Share capital	35,095	35,146
Capital surplus		
Legal capital surplus	34,803	34,855
Total capital surplus	34,803	34,855
Retained earnings		
Legal retained earnings	695	695
Other retained earnings		
Reserve for dividends	13,000	13,000
General reserve	128,600	155,600
Retained earnings brought forward	45,539	25,323
Total retained earnings	187,834	194,619
Treasury shares	(20,794)	(20,794)
Total shareholders' equity	236,939	243,826
Valuation and translation adjustments		
Valuation difference on available-for-sale securities	1,109	1,096
Total valuation and translation adjustments	1,109	1,096
Total net assets	238,049	244,923
Total liabilities and net assets	306,561	322,968

Non-consolidated Financial Statements

Non-consolidated Statements of Income

(Millions of Japanese Yen)

	Fiscal year ended Sep. 30, 2023	Fiscal year ended Sep. 30, 2024
Net sales	171,397	137,743
Cost of sales	96,206	87,306
Gross profit	75,190	50,436
Selling, general and administrative expenses	37,381	37,907
Operating profit	37,809	12,529
Non-operating income		
Interest income	107	245
Dividend income	11,084	8,886
Rental income from investment property	29	–
Foreign exchange gains	645	250
Miscellaneous income	718	752
Total non-operating income	12,585	10,134
Non-operating expenses		
Interest expenses	243	314
Rental expenses on real estate	53	–
Compensation for damage	–	257
Miscellaneous losses	3	1
Total non-operating expenses	300	573
Ordinary profit	50,093	22,090
Extraordinary income		
Gain on sale of non-current assets	5	13
Subsidy income	363	483
Compensation income	–	1,127
Total extraordinary income	368	1,624
Extraordinary losses		
Loss on sale of non-current assets	0	–
Loss on retirement of non-current assets	1,120	11
Loss on tax purpose reduction entry of non-current assets	231	296
Provision for loss on business of subsidiaries and associates	126	211
Total extraordinary losses	1,477	519
Profit before income taxes	48,984	23,196
Income taxes - current	11,098	4,030
Income taxes - deferred	(335)	592
Total income taxes	10,762	4,622
Profit	38,221	18,573

Non-consolidated Financial Statements

Non-consolidated Statements of Changes in Equity

Fiscal year ended Sep. 30, 2023

(Millions of Japanese Yen)

	Shareholders' equity							
	Share capital	Capital surplus		Retained earnings				
		Legal capital surplus	Total capital surplus	Legal retained earnings	Other retained earnings			Total retained earnings
					Reserve for dividends	General reserve	Retained earnings brought forward	
Balance at beginning of period	35,048	34,757	34,757	695	9,000	115,600	36,416	161,712
Changes during period								
Issuance of new shares	46	46	46					–
Provision of reserve for dividends					4,000		(4,000)	–
Provision of general reserve						13,000	(13,000)	–
Dividends of surplus							(6,204)	(6,204)
Dividends from surplus (interim dividends)							(5,894)	(5,894)
Profit							38,221	38,221
Purchase of treasury shares								
Net changes in items other than shareholders' equity								
Total changes during period	46	46	46	–	4,000	13,000	9,122	26,122
Balance at end of period	35,095	34,803	34,803	695	13,000	128,600	45,539	187,834

	Shareholders' equity		Valuation and translation adjustments			Total net assets
	Treasury shares	Total shareholders' equity	Valuation difference on available-for-sale securities	Deferred gains or losses on hedges	Total valuation and translation adjustments	
Balance at beginning of period	(20,794)	210,724	921	(274)	646	211,370
Changes during period						
Issuance of new shares		93				93
Provision of reserve for dividends		–				–
Provision of general reserve		–				–
Dividends of surplus		(6,204)				(6,204)
Dividends from surplus (interim dividends)		(5,894)				(5,894)
Profit		38,221				38,221
Purchase of treasury shares	(0)	(0)				(0)
Net changes in items other than shareholders' equity			188	274	462	462
Total changes during period	(0)	26,215	188	274	462	26,678
Balance at end of period	(20,794)	236,939	1,109	–	1,109	238,049

Non-consolidated Financial Statements

Non-consolidated Statements of Changes in Equity

Fiscal year ended Sep. 30, 2024

(Millions of Japanese Yen)

	Shareholders' equity							
	Share capital	Capital surplus		Retained earnings				
		Legal capital surplus	Total capital surplus	Legal retained earnings	Other retained earnings			Total retained earnings
					Reserve for dividends	General reserve	Retained earnings brought forward	
Balance at beginning of period	35,095	34,803	34,803	695	13,000	128,600	45,539	187,834
Changes during period								
Issuance of new shares	51	51	51					–
Provision of reserve for dividends								–
Provision of general reserve						27,000	(27,000)	–
Dividends of surplus							(5,894)	(5,894)
Dividends from surplus (interim dividends)							(5,895)	(5,895)
Profit							18,573	18,573
Purchase of treasury shares								
Net changes in items other than shareholders' equity								
Total changes during period	51	51	51	–	–	27,000	(20,215)	6,784
Balance at end of period	35,146	34,855	34,855	695	13,000	155,600	25,323	194,619

	Shareholders' equity		Valuation and translation adjustments			Total net assets
	Treasury shares	Total shareholders' equity	Valuation difference on available-for-sale securities	Deferred gains or losses on hedges	Total valuation and translation adjustments	
Balance at beginning of period	(20,794)	236,939	1,109	–	1,109	238,049
Changes during period						
Issuance of new shares		102				102
Provision of reserve for dividends		–				–
Provision of general reserve		–				–
Dividends of surplus		(5,894)				(5,894)
Dividends from surplus (interim dividends)		(5,895)				(5,895)
Profit		18,573				18,573
Purchase of treasury shares	(0)	(0)				(0)
Net changes in items other than shareholders' equity			(12)	–	(12)	(12)
Total changes during period	(0)	6,886	(12)	–	(12)	6,873
Balance at end of period	(20,794)	243,826	1,096	–	1,096	244,923