

Translation

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Summary of Consolidated Financial Results for the Six Months Ended September 30, 2019 (Based on Japanese GAAP)

November 8, 2019

Company name: JEOL Ltd.
 Stock exchange listing: Tokyo
 Stock code: 6951 URL: <https://www.jeol.co.jp>
 Representative: President & COO Izumi Oi
 General Manager Management Strategy
 Inquiries: Planning Division Shoji Shiota TEL +81-42-543-1111
 Scheduled date to file Quarterly Securities Report: November 8, 2019
 Scheduled date to commence dividend payments: December 6, 2019
 Preparation of supplementary material on quarterly financial results: Yes
 Holding of quarterly financial results meeting: Yes (for institutional investors and analysts)

(Amounts less than one million yen are rounded down)

1. Consolidated financial results for the six months ended September 30, 2019 (from April 1, 2019 to September 30, 2019)

(1) Consolidated operating results (cumulative)

Percentages indicate year-on-year changes

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Six months ended September 30, 2019	51,112	9.4	1,467	49.8	2,013	13.3	1,229	(11.0)
Six months ended September 30, 2018	46,722	14.8	979	–	1,777	–	1,381	–

	Earnings per share	Diluted earnings per share
	Yen	Yen
Six months ended September 30, 2019	25.45	–
Six months ended September 30, 2018	28.59	–

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio	Net assets per share
	Millions of yen	Millions of yen	%	Yen
As of September 30, 2019	122,489	42,062	34.3	870.61
As of March 31, 2019	122,665	41,593	33.9	860.90

2. Cash dividends

	Annual dividends per share				
	1st quarter-end	2nd quarter-end	3rd quarter-end	Fiscal year-end	Total
	Yen	Yen	Yen	Yen	Yen
Year ended March 31, 2019	–	4.50	–	12.00	–
Year ending March 31, 2020	–	12.00	–	–	–
Year ending March 31, 2020 (Forecast)	–	–	–	12.00	24.00

3. Forecast of consolidated financial results for the year ending March 31, 2020 (from April 1, 2019 to March 31, 2020)

Percentages indicate year-on-year changes

	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
Full year	119,000	6.9	7,100	6.4	7,500	0.8	5,000	(15.8)	103.49

4. Notes

- (1) Changes in significant subsidiaries during the six months ended September 30, 2019
(changes in specified subsidiaries resulting in the change in scope of consolidation): No
- (2) Application of special accounting methods for preparing quarterly consolidated financial statements: No
- (3) Changes in accounting policies, changes in accounting estimates, and restatement of prior period financial statements
- Changes in accounting policies due to revisions to accounting standards and other regulations: Yes
- Changes in accounting policies due to other reasons: No
- Changes in accounting estimates: No
- Restatement of prior period financial statements: No

(4) Number of issued shares (common shares)

Total number of issued shares at the end of the period (including treasury shares)

As of September 30, 2019	48,857,800 shares	As of March 31, 2019	48,857,800 shares
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Number of treasury shares at the end of the period

As of September 30, 2019	544,240 shares	As of March 31, 2019	544,134 shares
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Average number of shares during the period (cumulative from the beginning of the fiscal year)

Six months ended September 30, 2019	48,313,651 shares	Six months ended September 30, 2018	48,313,913 shares
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Quarterly consolidated financial statements
Consolidated balance sheets

(Millions of yen)

	As of March 31, 2019	As of September 30, 2019
Assets		
Current assets		
Cash and deposits	9,296	8,571
Notes and accounts receivable - trade	32,361	25,711
Merchandise and finished goods	11,055	13,656
Work in process	35,052	38,931
Raw materials and supplies	2,467	2,684
Other	3,528	2,857
Allowance for doubtful accounts	(517)	(222)
Total current assets	93,245	92,190
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	5,999	5,962
Machinery, equipment and vehicles, net	1,060	1,127
Tools, furniture and fixtures, net	3,893	3,932
Land	1,802	1,765
Leased assets, net	301	702
Construction in progress	141	127
Total property, plant and equipment	13,198	13,617
Intangible assets		
Goodwill	1,756	1,572
Other	491	633
Total intangible assets	2,248	2,205
Investments and other assets		
Investment securities	8,306	9,058
Other	5,639	5,398
Allowance for doubtful accounts	(7)	(7)
Total investments and other assets	13,938	14,448
Total non-current assets	29,384	30,271
Deferred assets	35	26
Total assets	122,665	122,489

(Millions of yen)

	As of March 31, 2019	As of September 30, 2019
Liabilities		
Current liabilities		
Notes and accounts payable - trade	14,359	12,516
Electronically recorded obligations - operating	9,582	10,971
Short-term borrowings	10,059	6,910
Current portion of bonds	448	1,886
Income taxes payable	1,182	638
Advances received	11,942	12,532
Provision for bonuses	1,598	1,400
Other	10,905	11,587
Total current liabilities	60,078	58,443
Non-current liabilities		
Bonds payable	5,012	3,319
Long-term borrowings	5,383	7,393
Provision for retirement benefits for directors (and other officers)	38	28
Provision for Management Board Incentive Plan Trust	95	163
Retirement benefit liability	9,590	9,402
Asset retirement obligations	320	320
Other	553	1,356
Total non-current liabilities	20,994	21,984
Total liabilities	81,072	80,427
Net assets		
Shareholders' equity		
Share capital	10,037	10,037
Capital surplus	9,914	9,914
Retained earnings	22,899	23,544
Treasury shares	(1,068)	(1,068)
Total shareholders' equity	41,783	42,428
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	2,743	2,775
Deferred gains or losses on hedges	1	-
Foreign currency translation adjustment	(1,574)	(1,975)
Remeasurements of defined benefit plans	(1,361)	(1,166)
Total accumulated other comprehensive income	(190)	(365)
Total net assets	41,593	42,062
Total liabilities and net assets	122,665	122,489

Consolidated statements of income (cumulative) and consolidated statements of comprehensive income (cumulative)

Consolidated statements of income (cumulative)

(Millions of yen)

	Six months ended September 30, 2018	Six months ended September 30, 2019
Net sales	46,722	51,112
Cost of sales	28,376	31,307
Gross profit	18,346	19,804
Selling, general and administrative expenses		
Research and development expenses	3,399	3,712
Other	13,968	14,625
Total selling, general and administrative expenses	17,367	18,337
Operating profit	979	1,467
Non-operating income		
Interest income	13	17
Dividend income	69	69
Revenue from acceptance of development services	144	40
Foreign exchange gains	306	–
Share of profit of entities accounted for using equity method	263	769
Other	143	221
Total non-operating income	941	1,119
Non-operating expenses		
Interest expenses	75	67
Loss on sales of trade receivables	4	5
Foreign exchange losses	–	453
Other	62	46
Total non-operating expenses	143	573
Ordinary profit	1,777	2,013
Extraordinary income		
Gain on sales of non-current assets	47	17
Total extraordinary income	47	17
Extraordinary losses		
Loss on retirement of non-current assets	51	26
Loss on valuation of investment securities	–	50
Total extraordinary losses	51	77
Profit before income taxes	1,774	1,953
Income taxes - current	470	533
Income taxes - deferred	(77)	191
Total income taxes	392	724
Profit	1,381	1,229
Profit attributable to owners of parent	1,381	1,229

Consolidated statements of comprehensive income (cumulative)

(Millions of yen)

	Six months ended September 30, 2018	Six months ended September 30, 2019
Profit	1,381	1,229
Other comprehensive income		
Valuation difference on available-for-sale securities	(101)	32
Deferred gains or losses on hedges	(37)	(1)
Foreign currency translation adjustment	198	(323)
Remeasurements of defined benefit plans, net of tax	157	194
Share of other comprehensive income of entities accounted for using equity method	(103)	(83)
Total other comprehensive income	113	(181)
Comprehensive income	1,494	1,048
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	1,494	1,048
Comprehensive income attributable to non-controlling interests	—	—

Consolidated statements of cash flows

(Millions of yen)

	Six months ended September 30, 2018	Six months ended September 30, 2019
Cash flows from operating activities		
Profit before income taxes	1,774	1,953
Depreciation	1,320	1,452
Amortization of goodwill	184	184
Increase (decrease) in provision for bonuses	23	(194)
Increase (decrease) in retirement benefit liability	11	17
Increase (decrease) in provision for retirement benefits for directors (and other officers)	(118)	(9)
Increase (decrease) in provision for share-based remuneration for directors (and other officers)	28	67
Loss (gain) on sales and retirement of non-current assets	3	9
Loss (gain) on valuation of investment securities	–	50
Interest and dividend income	(83)	(86)
Interest expenses	75	67
Loss on sales of notes and accounts receivable-trade	4	5
Decrease (increase) in trade receivables	6,905	6,330
Decrease (increase) in inventories	(7,195)	(7,447)
Increase (decrease) in trade payables	(1,495)	(108)
Other, net	2,508	1,657
Subtotal	3,949	3,950
Interest and dividends received	87	93
Interest paid	(78)	(67)
Loss on sales of notes and accounts receivable-trade-paid	(4)	(5)
Income taxes (paid) refund	(724)	(1,008)
Net cash provided by (used in) operating activities	3,229	2,963
Cash flows from investing activities		
Purchase of property, plant and equipment	(685)	(1,091)
Proceeds from sales of property, plant and equipment	57	27
Purchase of intangible assets	(2)	(48)
Purchase of shares of subsidiaries	–	(70)
Other, net	(23)	48
Net cash provided by (used in) investing activities	(653)	(1,134)
Cash flows from financing activities		
Net increase (decrease) in short-term borrowings	(69)	(2,138)
Proceeds from long-term borrowings	–	4,000
Repayments of long-term borrowings	(2,140)	(3,000)
Redemption of bonds	(288)	(255)
Dividends paid	(434)	(584)
Other, net	(194)	(189)
Net cash provided by (used in) financing activities	(3,127)	(2,168)
Effect of exchange rate change on cash and cash equivalents	115	(352)
Net increase (decrease) in cash and cash equivalents	(436)	(691)
Cash and cash equivalents at beginning of period	9,813	9,261
Cash and cash equivalents at end of period	9,377	8,570