

JEOL

ANNUAL REPORT 2011

Fiscal year ended March 31, 2011



JEOL

On the basis of “Creativity” and “Research and Development,” JEOL positively challenges the world’s highest technology, thus forever contributing to the progress in both Science and Human Society through its products.

Corporate History	Product Development History
Japan Electron Optics Laboratory Co., Ltd. established	1949 JEM-1 Electron microscope completed
	1956 JEM-5G Electron microscope first exported to the CEA Saclay Atomic Energy Research Institute, France; JNM-1, Japan's first nuclear magnetic resonance system, completed
Company name changed to JEOL Ltd.	1961
JEOL listed on the Second Section of the Tokyo Stock Exchange	1962 JXA-3 X-ray microanalyzer completed
JEOLCO (USA) INC. established as the first overseas subsidiary	
	1963 JMS-01 Double-focusing mass spectrometer completed; JLC-01 General-purpose automatic recording fluid chromatograph completed
JEOL listed on the First Section of the Tokyo Stock Exchange	1966 JSM-1 Scanning electron microscope completed; JEM-1000 1000kV ultrahigh voltage electron microscope completed
	1967 JEBX-2A Electron Beam Lithography System completed
	1968 JLC-5AH, world's first fully automated amino acid analyzer, completed
	1972 JCA-1KM “Clinalyzer” automated biochemical analyzer completed
	1974 JAMP-3 Auger micro probe, JIR-03F Fourier transform infrared spectrometer, and JESCA-2 Photoelectron spectrometer diffraction system completed
“Tokyo Meeting,” first overseas marketing meeting, held	1976
	1982 JEPAS-1000 Electron beam measuring instrument completed
	1983 JIBL-100 Focused ion beam instrument completed
	1989 JSTM-4000XV Ultrahigh-vacuum scanning tunnel microscope completed
	1990 JWS-7500 Wafer process inspection system completed
“JEOL 21,” corporate management vision for the 21st century, announced	1991
	1993 JEIP-900F High-density reactive ion plating system completed
“BS EN ISO 9001” obtained	1995
Launch of the JEOL Group web site (http://www.jeol.co.jp)	1996 High-speed next-generation automated biochemical analyzer “BioMajesty” completed
“JEOL SPIRIT-1” management vision announced on JEOL's 50th anniversary	1999
“Bright Plan 1000,” medium-term management plan for the JEOL Group, announced	2000
New JEOL TECHNICS LTD. building completed	2001 JMS-T100LC (AccuTOF) Time-of-flight mass spectrometer and the JNM-ECA series of nuclear magnetic resonance spectrometers completed
	JEM-9310FIB Focused ion beam system for specimen preparation completed
YAMAGATA CREATIVE CO., LTD. (YMCC) established, and the New Datum Hall completed	2002 JBX-3030 series of Electron beam lithography system completed
Beijing Creative Technology Co., Ltd. established	
Obtained ISO 14001 certification for environmental management system	2003
JEOL Group's Environmental Statement announced	2004 JCM-5100 Carry scope (portable scanning electron microscope) completed
Medium-term management plan for the JEOL Group, “Focus Plan 2006,” announced	2005 Ion source for mass spectrometers, DART, completed
YMCC Tendo Factory completed	2007 BS-60050EBS, Evaporation source for backscattered electron, completed
Agreed to set up an industry-academia collaboration office with the University of Tokyo	
New YMCC Tendo Factory building completed	2008 JIB-4600F MultiBeam System completed
JEOL Group new medium-term management plan, “ACTION 60,” announced	JSM-7600F Thermal field emission scanning electron microscope completed
New clean room in Building 3 completed	JSM-6510/6610 series Scanning electron microscopes completed
New building of JEOL FINETECH CO., LTD. completed	“BioMajesty series” Automated biochemical analyzer won the “Technology Prize” awarded by the Japan Society of Clinical Chemistry
New plant of Beijing Creative Technology Co., Ltd. completed	JCM-5000 “Neo Scope” won the “Tokyo Metropolitan Governor's Award” in the Tokyo Invention Exhibition held in 2008
The third phase of construction work to enlarge YMCC completed	JCA-BM6070 Automated biochemical analyzer completed
	The “Development of Scanning Electron Microscope Capable of Observing Cells in Solution,” a joint development project with the National Institute of Advanced Industrial Science and Technology, announced
The 60th anniversary of our foundation	2009 JMS-T100GCV Gas chromatography time-of-flight mass spectrometer completed
JEOL DATUM LTD. and JEOL ACTIVE CO., LTD. absorbed	JEM-ARM200F Atomic resolution analytical electron microscope completed
	ClairScope JASM-6200 completed
JEOL BRASIL Instrumentos Cientificos Ltda. established	2010 JMS-S3000 SpiralTOF Matrix Assisted Laser Desorption/Ionization Time-of-Flight Mass Spectrometer, completed
JEOL (BEIJING) CO., LTD. established	InTouchScope JSM-6010LA completed
JEOL FINETECH CO., LTD. and JEOL ENGINEERING CO., LTD. absorbed	
The JEOL Group's medium-term management plan, “CHALLENGE 5,” announced	2011 JIB-4000 Focused Ion Beam Milling/Imaging System completed
JEOL SYSTEM TECHNOLOGY CO., LTD. absorbed	
JEOL (RUS) LCC. established	
JEOL INDIA PVT. LTD. established	
JEOL RESONANCE Inc. established	

Consolidated Financial Highlights

JEOL Ltd. and consolidated subsidiaries, for the years ended March 31, 2011 and 2010

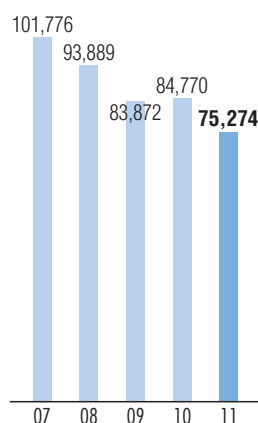


	Millions of yen		Thousands of U.S. dollars ^(Note)
	2011	2010	2011
For the year:			
Net sales	¥ 75,274	¥ 84,770	\$ 904,738
Operating income	1,020	508	12,259
Income before income taxes and minority interests	295	308	3,548
Net income	53	276	632
Per share data (in yen and U.S. dollars):			
Net income	¥ 0.67	¥ 3.52	\$ 0.01
Total equity	303.50	322.15	3.65
At year-end:			
Total assets	99,529	¥ 102,917	\$ 1,196,264
Total equity	¥ 24,047	25,753	289,025

Note: The U.S. dollar amounts have been translated from yen, for convenience only, at the rate of ¥83.2 to U.S.\$1 (the approximate exchange rate on March 31, 2011).

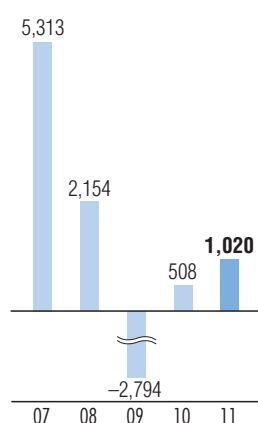
▶ Net sales

Millions of yen



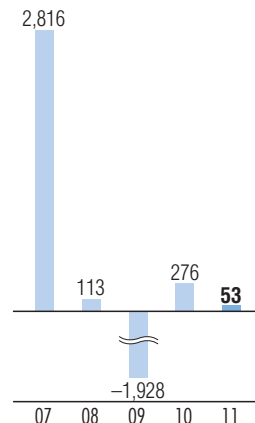
▶ Operating income (loss)

Millions of yen



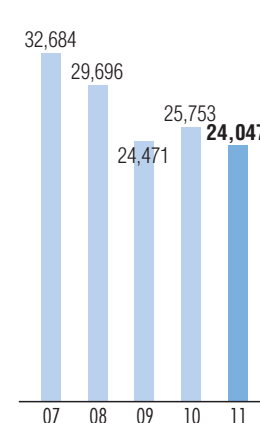
▶ Net income (loss)

Millions of yen



▶ Total equity

Millions of yen



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Disclaimer Regarding Forward-Looking Statements

The information contained in this annual report is given for the sole purpose of providing information regarding the business performance of JEOL Ltd. during the fiscal year ended March 31, 2011, and is not intended to solicit investment in any securities issued by the Company. Any statements with respect to JEOL's current plans, strategies and forecasts are forward-looking statements based upon information available as of March 31, 2011, and involve known and unknown risks and uncertainties.

Actual events and results may differ materially from those anticipated in these statements.



Gon-emon Kurihara

President and
Representative Director

I would like to take this opportunity to extend my heartfelt sympathies to those affected by the Great East Japan Earthquake that struck in March 2011.

Q What is your assessment of the Company's performance for the fiscal year ended March 31, 2011?

Although the Japanese economy during the fiscal year under review started with a moderate recovery from the global financial crisis, consumer sentiment soon cooled as a result of the sharp appreciation of the yen and the sluggish stock market, leading to an economic standstill. In overseas markets, slow housing investment, the high unemployment rate in the United States and the financial problems in Ireland and Greece remained negative factors affecting the world economy, while the emerging countries were able to maintain strong growth.

In the domestic market, the JEOL Group proactively developed sales promotions focusing on private-sector demand, which showed signs of recovery, in an attempt to make up for the sharp decline in sales in the governmental supplementary budget-related business from the previous year. Overseas, we accelerated new market development in emerging countries as well as the strong and already mature European and U.S. markets.

We have already seen the fruit of the JEOL Group medium-term management plan "CHALLENGE 5" (FY 2010 to FY 2012) in the lower break-even point through improvement of productivity and a reduction in fixed costs. Improvement in cost ratios contributed significantly to helping prices of our products withstand the appreciation of the yen and to the reinforcement of the management base.

Net sales for the consolidated fiscal year under review were ¥75,274 million (down 11.2% compared with ¥84,770 million in the previous year). With regard to profit and loss, operating income was ¥1,020 million (up 101.0% compared with ¥508 million in the previous year), ordinary profit was ¥505 million (up 140.2% compared with ¥210 million in the previous year), and net income was ¥53 million (down 80.9% compared with ¥276 million in the previous year).

The JEOL Group's business consists of three segments: Scientific and Measurement Instruments, Industrial Equipment, and Medical Equipment.

In the Scientific and Measurement Instruments segment, transmission electron microscopes, surface analysis instruments, scanning electron microscopes, nuclear magnetic resonance (NMR) spectrometers and mass spectrometers met demand in a broad range of fields, from research and development in cutting-edge areas to materials development, basic research in medicine and biology, and quality control. In a business environment, where the same kind of governmental large-scale supplementary budget that pushed up sales in the previous year was not expected, order receipts were maintained at almost the same level of the previous fiscal year, reflecting strong domestic private-sector demand and solid overseas sales promotion efforts, mainly for Asia and China.

In the Industrial Equipment segment, signs of recovery became visible with healthy investments in mask-related facilities in the semiconductor-related area. The direct lithography system market was also robust, which brought us many inquiries not only from Japanese and foreign universities and research institutions but also from private-sector business. Furthermore, on the back of sharp growth in the market for oil-repellent membranes for touch screens and expansion of the LED market, order receipts for electron beam sources have been recovering.

In the Medical Equipment segment, we received a number of inquiries from medium- to large-sized hospitals and medical testing institutions, resulting in a record high order receipts in terms of volume. In the overseas market, order receipts exceeded those in the previous year, owing not only to continued sales of instruments supplied to Siemens under OEM agreement, but also to our joining SYSMEX CORPORATION, a dealer in small-sized equipment. Sales of reagents and consumable supplies expanded due to an increase in the number of units installed.

Q Please tell us about the JEOL Group medium-term management plan, “CHALLENGE 5.”

The fiscal year under review marks the second year of our medium-term management plan, “CHALLENGE 5” (FY 2010 to FY 2012).

With “nanotechnology, life science, environment, and quality control” set as our target markets, we are striving to positively promote five challenges: (1) promotion of management structure reforms; (2) enhancement of research and development capabilities; (3) strengthening of the solution business; (4) further penetration into emerging markets; and (5) further reinforcement of the supply chain. In particular, we will establish a system based on which optimum solutions can be provided swiftly from both hardware and software, responding sensitively to the market, while striving to grow beyond the frame of a manufacturer of scientific instruments to become a “Global Solutions Provider for Advanced Technology,” supplying total solutions.

Q Please tell us about the tasks to be addressed by the Company.

- In terms of development, we will narrow down the strategic lineup for efficient investment in order to provide technologically competitive products on a timely basis.
- We seek maximization of customer satisfaction by strengthening our solution business, which includes maintenance services, sale of consumable supplies, and provision of training sessions, as a follow-up to instrument sales.
- With regard to production, we will pursue further cost reductions to realize product costs that allow us to secure a reasonable level of profit amid the fluctuating foreign exchange rates and severe price competition.
- We will continue to focus on the fast-growing emerging markets by dedicating further management resources. In particular, we intend to accelerate further penetration into the market and brand establishment in the countries where local subsidiaries have been established.
- We have pushed ahead with reorganization of affiliated companies and businesses. It is expected that reorganization of affiliated companies

will contribute to further streamlining and improvement of mobility, while reorganization of business will lead to reinforcement of product competitiveness and improvement of quality. In July 2010, JEOL merged JEOL SYSTEM TECHNOLOGY CO., LTD. which engaged in system development business, with the head office. Furthermore, in April 2011, we separated a business relating to nuclear magnetic resonance spectrometers and electron spin resonance spectrometers from the head office, establishing a new company with a capital contribution of ¥1,500 million from Innovation Network Corporation of Japan, a public-private investment fund.

- In May 2011, we conducted a cutover of our new Enterprise Resource Planning system. We expect that a more refined and timely management based on actual figures will be achieved, thus further promoting “visualization” of managerial performance.

In addition, all of us across the entire Group are determined to work on environmental preservation, and reinforce the management base to achieve sustainable growth through the enhancement of compliance, thoroughness of corporate ethics, and the development of a worthy and exemplary corporate culture.

Q What are your views on return of profits to shareholders and dividends?

Our basic policy for profit distribution is to maintain stable dividends from a long-term perspective based on our efforts to improve financial standing and corporate structure.

For the fiscal year under review, in light of the Company's business performance and financial situation, the year-end dividend for this fiscal year is ¥2 per share. The full-year dividend including the interim dividend for the fiscal year is therefore ¥4 per share.

By pursuing profit oriented management, we will continue to endeavor to enhance the corporate value. We look forward to your understanding on these matters.

CHALLENGE 5

FY 2010–FY 2012

Basic policy

We will develop our solution business aggressively with our target markets placed on “nanotechnology, life science, environment, and quality control.” By reviewing our development system in order to maximize the effects of applying our management resources, we will implement reforms toward a system in which competitive products can be provided on a timely basis, and energetically realize our aim of becoming a “Global Solutions Provider for Advanced Technology.”

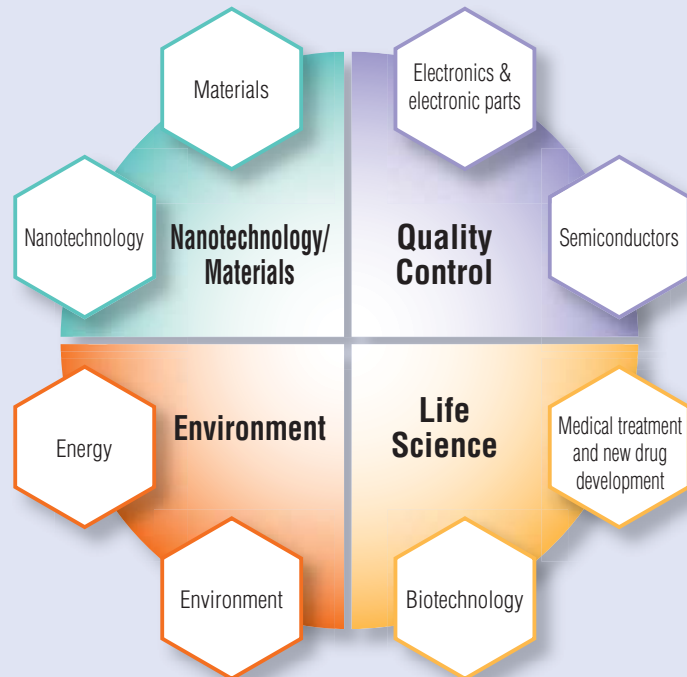


Image of JEOL business environment

Position of JEOL and the tailwind

Key strategies

CHALLENGE 5

FY 2010–FY 2012

2 CHALLENGE Enhancement of research and development capabilities

We will streamline the strategic lineup for efficient investment in order to provide technologically competitive products on a timely basis.

- ▶ Investments of management resources will be made on a priority basis by setting “Strategic themes” from which growth can be expected.
- ▶ Efficient technology components, including business alliances and M&As, will be secured.
- ▶ Speedy decision-making through a business unit system
- ▶ Establishment of technology components by participating in government projects

4 CHALLENGE Further penetration into emerging markets

	Modification of organizations	Measures and policies
China	Launch of a local company by combining sales and services completed	Reinforcement of application engineers and demonstration systems, development of local human resources, and sales promotion of analytical instruments
Brazil	Conversion of an agent into a local company completed	Improvement of support services for existing users, development of new users, and establishment of the JEOL brand
Russia	Incorporation of local representative office completed	Expansion of sales by reinforcing sales force, strengthening competitiveness by improving technical support, and expansion of sales channels
India	Conversion of an agent to a local subsidiary completed	Enhancement of sales promotion by dispatching staff, and development of local human resources
Middle East	Restructuring of agent networks in each country	Early securing of large-scale projects

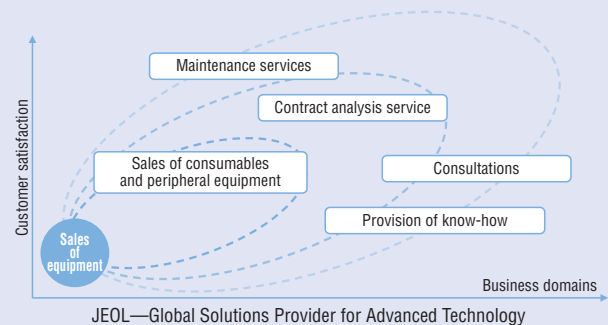
1 CHALLENGE Promotion of management structure reforms

Five major reforms

Measures	Efforts for FY 2010
1 Reduction of production costs	Consolidation of processing/assembly bases
2 Reduction of fixed costs	Reduction of employees through early retirement programs and natural decline
3 Organization/Personnel	Absorption of five domestic affiliated companies into the head office
4 Business reorganization	JEOL RESONANCE Inc. established
5 Reinforcement of administrative management	Introduction of a new Enterprise Resource Planning System

3 CHALLENGE Strengthening of the solution business

- ▶ Solution business will be developed in the areas of post-delivery maintenance agreements, commissioned analysis, education and consulting, etc., focusing on competitive products that meet market needs.



5 CHALLENGE Further reinforcement of the supply chain

- ▶ **Review of the production system**
 - Production systems flexibly responding to the market conditions will be established. Further efficiencies will also be sought through corporate integration of affiliated production companies. Production will be transferred to YAMAGATA CREATIVE CO., LTD. (YMCC).
- ▶ **Reduction of material procurement expenses**
 - Carrying out cost improvement activities in cooperation with Group companies and development/design sections
 - Promoting cost reduction in outsourced procurement and purchasing
- ▶ **Reduction of logistic expenses**
 - Redefining transportation channels, promoting cost reductions
 - Reduction in rental fees for external warehouses by utilizing the internal space

Research & Development

The JEOL Group, which sells cutting-edge equipment such as electron microscopes all over the world, continuously introduces new products to increase its product competitiveness.

In the fiscal year under review, the Group's R&D expenses totaled ¥4,417 million, of which the Scientific and Measurement Instruments segment and the Industrial Equipment segment accounted for ¥3,460 million and ¥594 million, respectively, and the Medical Equipment segment ¥363 million.

The following are the results of major R&D activities in the fiscal year under review.

May 2010

JMS-S3000 SpiralTOF launched

JMS-S3000 adopted a new ion optic system, the only one of its kind in the industry, realizing extraordinary levels of mass resolution and sensitivity.



July 2010

Succeeded in developing a solid-state NMR detector with 20-fold sensitivity

Jointly developed with Tokyo University of Agriculture and Technology under the Industry-Academia Innovation Acceleration Programs by the Japan Science and Technology Agency.

July 2010

JCA-BM6010/C automated clinical chemistry analyzer launched in China and the Asian region

Executed a sales contract with SYSMEX CORPORATION to enhance sales of automated clinical chemistry analyzers in China and the Asian region.



August 2010

ClairScope™ (JASM-6200) atmospheric scanning electron microscope (ASEM) was awarded "MT-10 Award for Microscopy Innovation" and "R&D 100 Award."

The ASEM, a truly correlative microscope that combines the power of electron microscopy with light microscopy enabled observation of specimens under atmospheric pressure, and won high regard.

September 2010

InTouchScope JSM-6010LA, a new style of analytical scanning electron microscope, launched

A mobile SEM that allows intuitive operations on the multi-touch screen.



October 2010

DA-1 transmission electron microscope (the first such product for commercial use) and the design notes of Kazuo Ito, the developer of the microscope and one of the founders of the Company, were registered as "essential historical materials for science and technology" that have been described as "UNESCO future technology" by the National Museum of Nature and Science in Japan.



November 2010

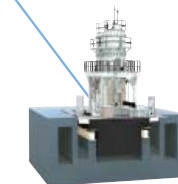
The Company received a letter of appreciation from Nagoya University following the joint development of JEM-1000K RS High Voltage Scanning and Transmission Electron Microscope systems



November 2010

JIB-4000 Focused Ion Beam Milling/Imaging System launched

A high ion beam current enabled speedy and clean sample fabrication.



Lithium Ion Capacitor

Advanced Capacitor Technologies, Inc., collaborating with Waseda University Environmental Research Institute, was selected as a NEDO New Energy Venture Technical Innovation Business. It is currently focusing on the development theme of "technological development concerning the stabilization of output from photovoltaic power generation by applying lithium ion capacitors."



March 2011

Management Resources Convergence Plan, jointly filed with Innovation Network Corporation of Japan, was approved by the Ministry of Economy, Trade and Industry.

On April 1, 2011, JEOL RESONANCE Inc. (President and Representative Director: Kanji Takahashi) was established by the formational-divisive reorganization method concerning R&D, the manufacturing and maintenance business of nuclear magnetic resonance spectrometers and electron spin resonance and their auxiliary equipment.



ISO Policy of the JEOL Group

Based on this corporate philosophy, the JEOL Group intends to conduct business activities that contribute to a better global environment by providing products such as environmental measurement and analyzing equipment and related services. Toward the realization of a recycling-based society that can develop sustainably, the JEOL Group will engage in business activities with an awareness of its responsibility as a “global corporate citizen.”

Promotion of Environmental Conservation Activities

The IMS Management Committee plays a central role in carrying out the integrated management system (IMS), which combines ISO 9001 and ISO 14001. The Group set up the WEEE/RoHS Committee in order to meet the requirements of European Union directives on Waste Electrical and Electronic Equipment (WEEE) and Restrictions on Hazardous Substances (RoHS) contained in electrical and electronic equipment.

Recycling and recovery of gases discharged to the atmosphere during the manufacture and repair of our products have been carried out since fiscal 2005. From April 2008, this practice is being reinforced to recover all these SF6 gases in principle.

Ranked Highest by the DBJ Environmental Ratings

JEOL was awarded the highest rank in the environmental ratings of Development Bank of Japan Inc. (DBJ). In particular, our environmental management efforts utilizing IMS with a high level of technology were highly valued.



Commended as an Excellent Business Operator in the “Tokyo Metropolitan Government’s Tokyo CO₂ Emission Reduction Program”

Under the Tokyo Metropolitan Government’s Tokyo CO₂ Emission Reduction Program based on the Tokyo Metropolitan Environmental Security Ordinance, the JEOL Group was commended as an Excellent Business Operator. It was recognized that we had reduced significantly the purchase and disposal volume of SF6 gases through recycling using SF6 gas-recovery systems, and that we had cut electrical energy by replacing old and inefficient freezers with highly efficient air-cooled chillers. We achieved a 74.8% reduction in carbon dioxide emissions (equivalent) (compared with reference years [average of 2002-2004]), which ranked us No. 1 among 1,378 operators in the Tokyo metropolitan area.

Expansion of “Don’t-Throw-Away” Campaign (Campaign for Cleaning Up Commuting Routes)

Since 1994, the JEOL Group has been conducting a campaign to clean up areas around the Company’s premises and routes from the Company to a nearby railway. In the fiscal year under review, the 100th clean-up activity was held.

Participation in Network of Enterprises That Consider the Environment in Akishima City

Based on the concept of contribution from the regional level to the global environment, we actively participate in the “Network of Enterprises That Consider the Environment in Akishima City,” which was set up in April 2005 and which involves Akishima City and enterprises in this city. In FY 2009 and FY 2010, we assumed a number of responsibilities as chair of the network to lead these activities.

Environment-related website

In order to present our approach toward environmental issues and to provide various environment-related information, the JEOL Group offers useful, detailed contents through its environment-related website.

URL <http://www.jeol.co.jp/envi/>



CSR

Science Class Support and Science Camp

As part of the commemorative projects for the 60th anniversary of the founding of the JEOL Group, Science Class Support has been continuously conducted since December 2007 for neighboring elementary schools, etc.

This special class sees instructors sent from the JEOL Group, and pupils actually observe plant pollens, etc. using portable scanning electron microscopes. We hope that more pupils will become interested in science.

Furthermore, since March 2004, the JEOL Group has been carrying out training camp-type learning activities (“Science Camp”) sponsored by the Japan Science and Technology Agency, which is an independent administrative corporation. In these camps, learning is performed using the JEOL Group’s cutting-edge devices under the theme of “observing the nanometer world through electrons.”



Kazato Research Foundation

In commemoration of the 20th anniversary of the founding of the Company, the Kazato Research Foundation was founded in 1969 by a donation from Kenji Kazato, the founder of JOEL, for the purpose of promoting research and development of electron microscopes and related equipment, as well as research using electron microscopes and related equipment (in the fields of medical science, biology, material study, and nanotechnologies, etc.).



Board of Directors, Corporate Auditors and Corporate Officers

As of June 29, 2011

President and Representative Director



Gon-emon Kurihara

Representative Director and Senior Executive Officer



Masashi Iwatsuki

Directors and Executive Officers



Masayuki Tajimi



Yoshihiro Sawada



Shin-ichi Watanabe



Koichi Fukuyama



Hideyuki Nimura

Standing Corporate Auditors



Reisuke Izumiyama



Toshihito Suzuki

Corporate Auditors



Hidetake Horikiri*



Yoshiaki Ueda*

Executive Officers

Masaki Saito
Youichi Shibuki
Kazufumi Adachi
Hirofumi Kusano
Tsutomu Morita

Corporate Officers

Wataru Wakamiya
Yasutoshi Nakagawa
Yasuho Toyoda
Muneaki Mitsuta
Akihiro Orimo
Hideaki Suma
Toyohiko Tazawa
Shin Saitoh
Katsumoto Yaguchi

* Hidetake Horikiri and Yoshiaki Ueda are external corporate auditors of the Company.

Consolidated Five-Year Summary

JEOL Ltd. and consolidated subsidiaries, for the years ended March 31, 2011, 2010, 2009, 2008, and 2007

For the year (Millions of yen):	2011	2010	2009	2008	2007
Net sales	¥75,274	¥84,770	¥83,872	¥93,889	¥101,776
Scientific and measurement instruments	53,420	—	—	—	—
Scientific instrument		40,955	35,803	39,090	64,364
Industrial equipment	6,724	—	—	—	—
Industrial equipment		43,815	48,069	54,799	37,412
Medical equipment	15,130	—	—	—	—
—		—	—	—	—
Selling, general and administrative expenses	22,745	24,690	27,529	29,372	28,755
Operating income (loss)	1,020	508	(2,794)	2,154	5,313
Ordinary profit (loss)	505	210	(2,734)	1,952	5,183
Net income (loss)	53	276	(1,928)	113	2,816
Capital expenditures	2,890	3,257	3,527	6,118	3,092
Scientific and measurement instruments	990	—	—	—	—
Scientific instrument		1,346	1,333	1,911	1,698
Industrial equipment	1,114	—	—	—	—
Industrial equipment		1,885	2,104	4,191	1,379
Medical equipment	26	—	—	—	—
—		—	—	—	—
Eliminations/Corporate	760	26	90	16	15
Depreciation expense	3,168	3,403	3,642	2,923	2,672
Research and development costs	4,417	4,543	5,644	6,486	5,984
Scientific and measurement instruments	3,460	—	—	—	—
Scientific instrument		1,653	2,477	2,809	3,830
Industrial equipment	594	—	—	—	—
Industrial equipment		2,890	3,167	3,677	2,154
Medical equipment	363	—	—	—	—
—		—	—	—	—

At year-end (Millions of yen):	2011	2010	2009	2008	2007
Total assets	¥99,529	¥102,917	¥104,582	¥106,322	¥111,195
Total equity	24,047	25,753	24,471	29,696	32,684

Per share data (Yen):	2011	2010	2009	2008	2007
Net income (loss)	¥0.67	¥3.52	¥(24.63)	¥1.42	¥35.50
Total equity	303.50	322.15	311.93	377.78	409.19
Cash dividends	4.00	4.00	4.00	7.50	10.00

Value indicators (%):	2011	2010	2009	2008	2007
Return on equity (ROE)	0.2%	1.1%	(7.1)%	0.4%	9.1%
Return on assets (ROA)	0.5	0.2	(1.8)	0.1	2.6

Note: Effective from the fiscal year ended March 31, 2011, the Company and its consolidated subsidiaries conduct business in three segments: Scientific and Measurement Instruments, Industrial Equipment, and Medical Equipment. For details, please see Segment Information on pages 10-11.

Overview of the Fiscal Year Ended March 2011

Although the Japanese economy in the fiscal year under review began with a moderate recovery from the global financial crisis, consumer sentiment soon cooled as a result of the sharp appreciation of the yen and the sluggish stock market, leading to an economic standstill. In overseas markets, slow housing investment, the high unemployment rate in the United States and the financial problems in Ireland and Greece remained negative factors affecting the world economy, while the emerging countries were able to maintain strong growth.

In the domestic market, the JEOL Group proactively developed sales promotions focusing on private-sector demand, which showed signs of recovery, in an attempt to make up for the sharp decline in sales in the governmental supplementary budget-related business from the previous year. Overseas, we accelerated new market development in emerging countries as well as the European and U.S. markets.

We have witnessed the fruit of our medium-term management plan, "CHALLENGE 5" (FY 2010 to FY 2012) in the lower break-even point through the improvement of productivity and a reduction of fixed costs. Improvement in cost ratios contributed significantly to helping prices of our products withstand the appreciation of the yen and to the reinforcement of the management base.

As a result, the Company posted consolidated net sales of ¥75,274 million (down 11.2% from ¥84,770 million in the previous fiscal year), operating income of ¥1,020 million (up 101.0% from ¥508 million in the previous fiscal year), ordinary profit of ¥505 million (up 140.2% from ¥210 million in the previous fiscal year), and net income of ¥53 million (down 80.9% from ¥276 million in the previous fiscal year).

Segment Information

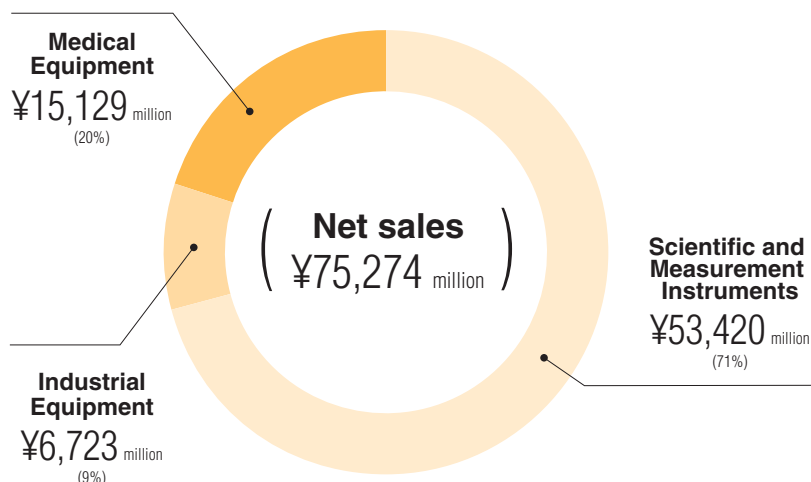
Information by business segment

1 Scientific and Measurement Instruments Segment

Transmission electron microscopes, surface analysis instruments, scanning electron microscopes, nuclear magnetic resonance spectrometers and mass spectrometers met demand in a broad range of fields, from R&D in cutting-edge areas to materials development, basic research in medicine and biology, and quality control. Despite the poor environment, order receipts were maintained at almost the same level as the previous fiscal year, reflecting strong domestic demand from the private sector and the overseas sales promotion efforts focusing on Asia and China.

As a result, net sales amounted to ¥53,420 million (down 15.1% year on year).

Net sales by segment



2 Industrial Equipment Segment

In semiconductor-related business, investments in mask-related facilities bode well for recovery. The direct lithography system market was also robust, resulting in many inquiries from Japanese and foreign universities and research institutions as well as private corporations.

Furthermore, on the back of sharp growth for oil-repellent membranes for touch screens and expansion of the LED market, order receipts for electron beam sources started to recover.

Accordingly, net sales amounted to ¥6,723 million (down 8.2% year on year).

3 Medical Equipment Segment

In the domestic market, we received a number of inquiries from medium-sized to large hospitals and medical testing institutions, resulting in a record-high number of order receipts in terms of volume. In the overseas market, order receipts exceeded those in the previous year, owing not only to continued sales of instrument supplied to Siemens under an OEM agreement, but also to our joining SYSMEX CORPORATION, a dealer in small-sized equipment. Sales of reagents and consumable supplies expanded due to an increase in the number of installed units.

As a result, sales in this segment reached ¥15,129 million (up 4.1% year on year).

Starting from this fiscal year, business segments were classified into three categories, as described above, based on the intended use of our products. Instruments and equipment as classified into the two business categories up to the previous fiscal year are shown below.

Scientific Instrument

Electron Optics Instruments, Analytical Instruments

Industrial Equipment

Metrology Inspection Equipment, Semiconductor Equipment, Industrial Equipment, Medical Equipment

Information by geographical area

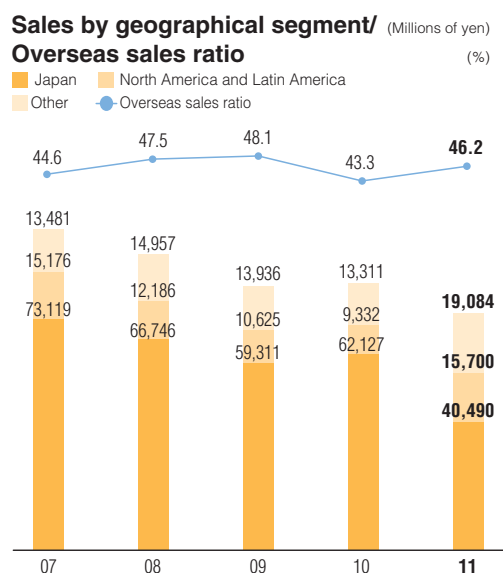
1 Japan

In the Japanese market, sales of scientific and measurement instruments including electron optics instruments, analytical instruments, and metrology inspection equipment declined due to a significant cut in the supplementary budget from the previous year.

In the Industrial Equipment Segment, sales fell due to sluggish investments in facilities related to mask observation scanning microscopes, despite a recovery in electron beams and power supplies.

Sales of medical equipment increased, principally in the category of medium- and large-sized equipment.

As a result, sales in Japan amounted to ¥40,490 million (down 34.8% year on year).



Note: The primary countries and regions included in geographic classifications outside Japan are as follows:
 • North America and Latin America: U.S.A., Canada and Mexico
 • Other: Europe, Asia and Australia

2 North America and Latin America

Sales expanded in North America and Latin America, mainly in the electron microscope and medical equipment categories (in particular for use in R&D).

As a result, sales in those regions amounted to ¥15,700 million (up 68.2% year on year).

3 Others

Led by China, the emerging markets showed robust performance. The European market remained stable, while the Asian markets, excluding China, were slightly weak.

As a result, net sales amounted to ¥19,084 million (up 43.4% year on year).

Operating Income and Net Income

Gross profit decreased by 5.7% year on year, to ¥23,765 million, as a result of offsetting the impact of the reduction in the governmental supplementary budget and the appreciation of the yen with lower discounts rates and costs.

R&D costs totaled ¥4,417 million, a 2.8% year-on-year decrease, as a result of improved efficiency and more careful selection of products to be developed.

Selling, and general administrative expenses were ¥22,745

million, a 7.9% decline on a year-on-year basis, attributable to cost-cutting efforts across the entire Group.

As a result, operating income increased by ¥513 million from the previous fiscal year, to ¥1,020 million.

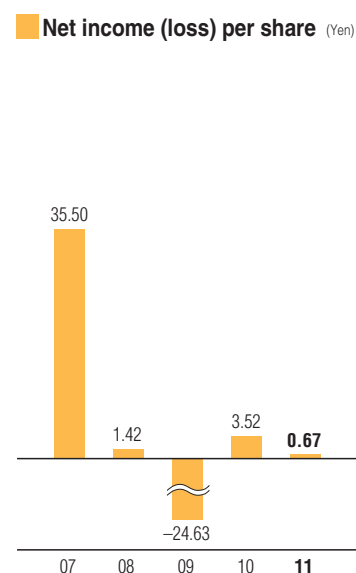
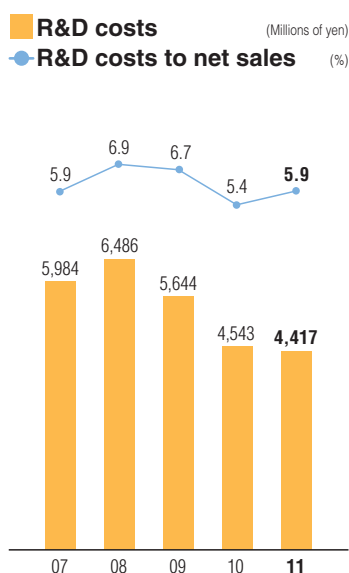
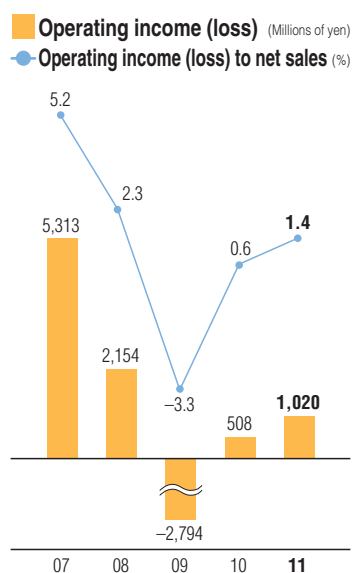
Income before income taxes and minority interests was ¥295 million, down ¥13 million. Net income in the fiscal year under review came to ¥53 million, down ¥223 million. As a result, net income per share in the fiscal year under review stood at ¥0.67.

Financial Position

Total assets at the end of the fiscal year under review amounted to ¥99,529 million, down ¥3,388 million from the previous year. Principal negative factors included a decrease of ¥4,090 million in notes and accounts receivable-trade despite an increase of ¥2,345 million in inventories.

Meanwhile, total liabilities as of the fiscal year-end under review declined by ¥1,681 million from a year earlier, to ¥75,482 million. This was attributable mainly to a decrease of ¥1,781 million in bonds and a decline of ¥874 million in long-term loans payable and others.

Total net assets stood at ¥24,047 million, reflecting a decrease in accumulated other comprehensive income. As a result, the equity capital ratio as of the end of the fiscal year under review fell 0.6% from a year earlier, to 23.9%.



Cash Flows

Net cash provided by operating activities totaled ¥2,981 million. This was mainly attributable to a decrease in accounts receivable-trade and an increase in accounts payable-trade, and others, despite a rise in inventories.

Net cash provided by investing activities amounted to ¥1,393 million, which was primarily attributable to proceeds from the sale of investment securities as well as from the sale of property, plant and equipment, etc., offsetting payment for purchase of fixed assets.

Net cash used in financing activities was ¥3,385 million, primarily reflecting payments for redemption of bonds .

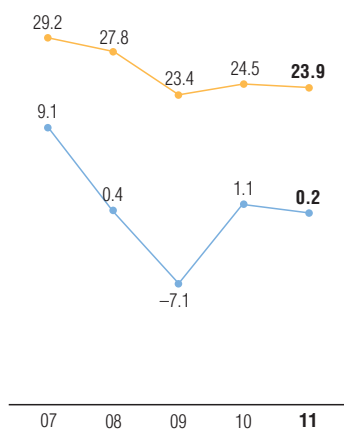
of ¥900 million (¥53 million in the previous year). We forecast that ordinary profit and net income will fall below the targets set in CHALLENGE 5 due to the uncertainty of foreign exchange and the impact of the earthquake and tsunami. Nonetheless, we will continue to work to achieve our targets through further cost-cutting efforts.

Outlook for the Current Fiscal Year

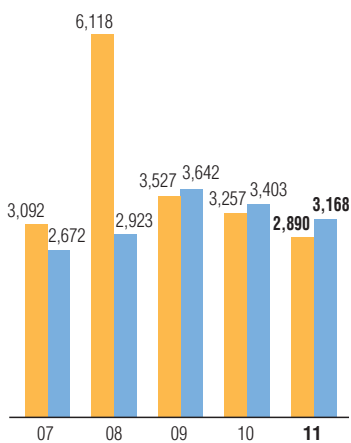
FY 2011 marks the second year of the JEOL Group medium-term management plan, "CHALLENGE 5" (FY 2010 to FY 2012). We will continue to make efforts to stabilize and strengthen the management foundation by implementing the priority measures.

As for our forecast of consolidated operating results for the fiscal year ending March 2012, we expect net sales of ¥86,000 million (¥75,274 million in the previous year), operating income of ¥1,900 million (¥1,020 million in the previous year), ordinary profit of ¥1,500 million (¥505 million in the previous year), and net income

◆ Shareholders' equity ratio (%)
● Return on equity (%)



■ Capital expenditures (Millions of yen)
■ Depreciation expense (Millions of yen)



Consolidated Balance Sheets

JEOL Ltd. and Consolidated Subsidiaries
March 31, 2011 and 2010

ASSETS	Millions of Yen		Thousands of U.S. Dollars (Note 1)
	2011	2010	2011
CURRENT ASSETS:			
Cash and cash equivalents (Note 13)	¥ 7,505	¥ 6,978	\$ 90,204
Time deposits (Note 13)	67	165	810
Receivables (Note 13):			
Trade notes	952	547	11,446
Trade accounts	21,045	26,158	252,951
Unconsolidated subsidiaries and associated companies	1,386	769	16,654
Other	716	778	8,602
Allowance for doubtful receivables	(226)	(315)	(2,719)
Inventories (Note 5)	36,674	34,329	440,788
Deferred tax assets (Note 9)	1,847	1,764	22,203
Prepaid expenses and other current assets	930	928	11,184
Total current assets	70,896	72,101	852,123
PROPERTY, PLANT AND EQUIPMENT (Note 6):			
Land	1,357	1,480	16,311
Buildings and structures	19,602	19,732	235,607
Machinery and equipment	3,627	3,698	43,592
Tools, furniture and fixtures	18,100	18,095	217,546
Lease assets	1,690	1,176	20,307
Construction in progress	549	510	6,598
Total	44,925	44,691	539,961
Accumulated depreciation	(31,280)	(29,422)	(375,966)
Net property, plant and equipment	13,645	15,269	163,995
INVESTMENTS AND OTHER ASSETS:			
Investment securities (Notes 4, 6 and 13)	3,978	5,943	47,812
Investments in and advances to unconsolidated subsidiaries and associated companies	1,792	1,416	21,536
Software	199	281	2,395
Lease assets	121	20	1,452
Software in progress	1,147	492	13,788
Deferred tax assets (Note 9)	6,104	5,816	73,367
Other assets	1,647	1,579	19,796
Total investments and other assets	14,988	15,547	180,146
TOTAL	¥99,529	¥102,917	\$1,196,264

	Millions of Yen		Thousands of U.S. Dollars (Note 1)
LIABILITIES AND EQUITY	2011	2010	2011
CURRENT LIABILITIES:			
Short-term bank loans (Notes 6 and 13)	¥17,273	¥ 19,287	\$ 207,607
Current portion of long-term bank loans (Notes 6 and 13)	4,374	2,468	52,572
Current portion of bonds (Notes 6 and 13)	2,241	2,581	26,935
Current portion of long-term lease obligations (Notes 6 and 12)	368	251	4,424
Payables (Note 13):			
Trade notes	11,864	11,108	142,596
Trade accounts	5,648	6,112	67,882
Unconsolidated subsidiaries and associated companies	258	83	3,096
Other	2,095	1,478	25,181
Income taxes payable	331	247	3,976
Advances received	5,919	5,382	71,145
Accrued bonuses to employees	760	547	9,139
Other current liabilities (Notes 6 and 9)	3,537	4,527	42,512
Total current liabilities	54,668	54,071	657,065
LONG-TERM LIABILITIES:			
Bonds (Notes 6 and 13)	6,547	7,987	78,684
Long-term bank loans (Notes 6 and 13)	6,472	7,346	77,789
Long-term lease obligations (Notes 6 and 12)	1,164	871	13,996
Liability for employees' retirement benefits (Note 7)	5,945	6,118	71,452
Retirement allowances for directors, executive officers and corporate auditors (Note 7)	317	432	3,816
Asset retirement obligations	142		1,712
Other long-term liabilities (Notes 6 and 9)	227	339	2,725
Total long-term liabilities	20,814	23,093	250,174
COMMITMENTS AND CONTINGENT LIABILITIES (Notes 12, 14 and 15)			
EQUITY (Notes 8, 17 and 18.a):			
Common stock—authorized, 200,000,000 shares; issued, 79,365,600 shares in 2011 and 2010	6,740	6,740	81,010
Capital surplus	6,346	6,346	76,280
Retained earnings	13,311	13,533	159,990
Treasury stock—at cost, 1,073,680 shares in 2011 and 1,070,236 shares in 2010	(532)	(531)	(6,399)
Accumulated other comprehensive income (loss):			
Unrealized gain on available-for-sale securities	369	1,199	4,436
Deferred loss on derivatives under hedge accounting	(13)	(24)	(156)
Foreign currency translation adjustments	(2,459)	(2,040)	(29,561)
Total	23,762	25,223	285,600
Minority interests	285	530	3,425
Total equity	24,047	25,753	289,025
TOTAL	¥99,529	¥102,917	\$1,196,264

See notes to consolidated financial statements.

Consolidated Statements of Income

JEOL Ltd. and Consolidated Subsidiaries
Years Ended March 31, 2011 and 2010

	Millions of Yen		Thousands of U.S. Dollars (Note 1)
	2011	2010	2011
NET SALES (Note 11)	¥75,274	¥84,770	\$904,738
COST OF SALES (Note 11):	51,509	59,572	619,101
Gross profit	23,765	25,198	285,637
SELLING, GENERAL AND ADMINISTRATIVE EXPENSES (Notes 10 and 11):	22,745	24,690	273,378
Operating income	1,020	508	12,259
OTHER INCOME (EXPENSES):			
Interest and dividend income	129	142	1,548
Revenue from performance of research and development services	104	284	1,253
Insurance claim receipt	102	63	1,225
Insurance return	7	111	87
Surrender value of insurance		125	
Interest expense	(613)	(651)	(7,365)
Foreign exchange gain—net	185	44	2,227
Charge for sales of trade receivables	(220)	(184)	(2,642)
Loss on disposals of inventories	(84)	(118)	(1,013)
Gain (loss) on sales and disposals of property, plant and equipment—net	1,593	(206)	19,144
Gain on sales of investment securities—net	599	800	7,203
Loss on write-down of investment securities	(41)	(221)	(497)
Equity in earnings of unconsolidated subsidiaries and associated companies	37	23	446
Gain on change in equity		328	
Reversal of allowance for doubtful accounts	85	1	1,021
Gain on prior periods adjustment		52	
Loss on customer claim		(372)	
Contract penalty		(233)	
Early extra retirement payments	(1,747)		(21,002)
Other—net	(861)	(188)	(10,346)
Other expenses—net	(725)	(200)	(8,711)
INCOME BEFORE INCOME TAXES AND MINORITY INTERESTS	¥ 295	¥ 308	\$ 3,548
INCOME TAXES (Note 9):			
Current	400	523	4,806
Deferred	87	(356)	1,052
Total income taxes	487	167	5,858
NET INCOME (LOSS) BEFORE MINORITY INTERESTS	(192)	141	(2,310)
MINORITY INTERESTS IN NET LOSS	(245)	(135)	(2,942)
NET INCOME	¥ 53	¥ 276	\$ 632

Yen

U.S. Dollars

	2011	2010	2011
PER SHARE OF COMMON STOCK (Notes 2.1 and 16):			
Basic net income	¥0.67	¥3.52	\$0.01
Diluted net income		3.45	
Cash dividends applicable to the year	4.00	4.00	0.04

See notes to consolidated financial statements.

Consolidated Statement of Comprehensive Loss

JEOL Ltd. and Consolidated Subsidiaries
Year Ended March 31, 2011

	Millions of Yen	Thousands of U.S. Dollars (Note 1)
	2011	2011
NET LOSS BEFORE MINORITY INTERESTS	¥ (192)	\$ (2,310)
OTHER COMPREHENSIVE INCOME (LOSS) (Note 17):		
Unrealized loss on available-for-sale securities	(830)	(9,979)
Deferred gain on derivatives under hedge accounting	11	129
Foreign currency translation adjustments	(125)	(1,507)
Share of other comprehensive income in associates	(294)	(3,531)
Total other comprehensive loss	(1,238)	(14,888)
COMPREHENSIVE LOSS (Note 17)	¥(1,430)	\$(17,198)
TOTAL COMPREHENSIVE LOSS ATTRIBUTABLE TO (Note 17):		
Owners of the parent	¥(1,186)	\$(14,255)
Minority interests	(244)	(2,943)

See notes to consolidated financial statements.

Consolidated Statements of Changes in Equity

JEOL Ltd. and Consolidated Subsidiaries
Years Ended March 31, 2011 and 2010

	Thousands					Millions of Yen					
	Number of Shares of Common Stock Issued	Common Stock	Capital Surplus	Retained Earnings	Treasury Stock	Unrealized Gain on Available-for-Sale Securities	Deferred Loss on Derivatives under Hedge Accounting	Foreign Currency Translation Adjustments	Total	Minority Interests	Total Equity
BALANCE, APRIL 1, 2009	79,366	¥6,740	¥6,346	¥13,570	¥(531)	¥335	¥(88)	¥(1,949)	¥24,423	¥48	¥24,471
Net income				276					276		276
Cash dividends paid:											
For prior year-end, ¥1.5 per share				(117)					(117)		(117)
For current year interim, ¥2.5 per share				(196)					(196)		(196)
Purchase of treasury stock											
Net change in the year						864	64	(91)	837	482	1319
BALANCE, MARCH 31, 2010	79,366	6,740	6,346	13,533	(531)	1,199	(24)	(2,040)	25,223	530	25,753
Net income				53					53		53
Cash dividends paid:											
For prior year-end, ¥1.5 per share				(118)					(118)		(118)
For current year interim, ¥2.0 per share				(157)					(157)		(157)
Purchase of treasury stock					(1)				(1)		(1)
Net change in the year						(830)	11	(419)	(1,238)	(245)	(1,483)
BALANCE, MARCH 31, 2011	79,366	¥6,740	¥6,346	¥13,311	¥(532)	¥369	¥(13)	¥(2,459)	¥23,762	¥285	¥24,047

Thousands of U.S. Dollars
(Note 1)

	Thousands of U.S. Dollars					Thousands of U.S. Dollars					
	Common Stock	Capital Surplus	Retained Earnings	Treasury Stock	Unrealized Gain on Available-for-Sale Securities	Deferred Loss on Derivatives under Hedge Accounting	Foreign Currency Translation Adjustments	Total	Minority Interests	Total Equity	
BALANCE, MARCH 31, 2010	\$81,010	\$76,280	\$162,652	\$(6,387)	\$14,415	\$(285)	\$(24,523)	\$303,162	\$6,368	\$309,530	
Net income			632					632		632	
Cash dividends paid:											
For prior year-end, \$0.01 per share			(1,412)					(1,412)		(1,412)	
For current year interim, \$0.02 per share			(1,882)					(1,882)		(1,882)	
Purchase of treasury stock				(12)				(12)		(12)	
Net change in the year					(9,979)	129	(5,038)	(14,888)	(2,943)	(17,831)	
BALANCE, MARCH 31, 2011	\$81,010	\$76,280	\$159,990	\$(6,399)	\$ 4,436	\$(156)	\$(29,561)	\$285,600	\$3,425	\$289,025	

See notes to consolidated financial statements.

Consolidated Statements of Cash Flows

JEOL Ltd. and Consolidated Subsidiaries
Years Ended March 31, 2011 and 2010

	Millions of Yen		Thousands of U.S. Dollars (Note 1)
	2011	2010	2011
OPERATING ACTIVITIES:			
Income before income taxes and minority interests	¥ 295	¥ 308	\$ 3,548
Adjustments for:			
Income taxes—paid	(223)	(745)	(2,676)
Depreciation and amortization	3,168	3,403	38,074
(Gain) loss on sales and disposals of property, plant and equipment—net	(1,593)	206	(19,144)
Loss on write-down of investment securities	41	221	497
Surrender value of insurance		(125)	
Insurance return	(7)	(111)	(87)
Gain on sales of investment securities	(599)	(800)	(7,203)
Gain on change in equity		(328)	
Loss on customer claim		372	
Payments for contract penalty loss		(140)	
Contract penalty		233	
Equity in earnings of unconsolidated subsidiaries and associated companies	(37)	(23)	(446)
Early extra retirement payments—paid	1,747		21,002
Changes in assets and liabilities:			
Decrease (increase) in trade notes and accounts receivable	3,440	(6,685)	41,345
(Increase) decrease in inventories	(2,846)	4,818	(34,203)
Increase in trade notes and accounts payable	1,057	622	12,707
Increase (decrease) in advances received	715	(367)	8,596
Increase (decrease) in provision for accrued bonuses to employees	222	(288)	2,671
(Decrease) increase in liability for employees' retirement benefits	(154)	43	(1,847)
Decrease in retirement allowances for directors, executive officers and corporate auditors	(114)	(423)	(1,372)
Other—net	(2,131)	894	(25,636)
Total adjustments	2,686	777	32,278
Net cash provided by operating activities	2,981	1,085	35,826
INVESTING ACTIVITIES:			
Decrease (increase) in time deposits—net	93	(42)	1,122
Payment for purchases of investment securities	(1)	(10)	(18)
Proceeds from sales of investment securities	1,164	1,229	13,992
Purchase of investments in subsidiaries	(213)	(24)	(2,557)
Proceeds from maturity of insurance funds		194	
Proceeds from cancellation of insurance funds		382	
Proceeds from sales of property, plant and equipment	1,759	163	21,142
Payment for purchases of property, plant and equipment	(885)	(1,652)	(10,631)
Payment for purchases of intangible assets	(237)	(323)	(2,849)
Other—net	(287)	(175)	(3,452)
Net cash provided by (used in) investing activities	1,393	(258)	16,749

Consolidated Statements of Cash Flows

JEOL Ltd. and Consolidated Subsidiaries
Years Ended March 31, 2011 and 2010

	Millions of Yen		Thousands of U.S. Dollars (Note 1)
	2011	2010	2011
FINANCING ACTIVITIES:			
Decrease in short-term bank loans—net	(2,015)	(1,865)	(24,213)
Proceeds from long-term bank loans	3,500	4,300	42,067
Repayments of long-term bank loans	(2,462)	(3,399)	(29,593)
Proceeds from bonds issuance	785	3,904	9,429
Payment for redemption of bonds	(2,581)	(1,731)	(31,022)
Payment for redemption of convertible bonds		(4,588)	
Proceeds from stock issuance to minority shareholders		973	
Cash dividends paid	(276)	(314)	(3,318)
Other—net	(336)	(129)	(4,031)
Net cash used in financing activities	(3,385)	(2,849)	(40,681)
FOREIGN CURRENCY TRANSLATION ADJUSTMENTS ON CASH AND CASH EQUIVALENTS	(250)	(38)	(3,007)
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	739	(2,060)	8,887
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	6,978	9,038	83,873
DECREASE IN CASH AND CASH EQUIVALENTS RESULTING FROM EXCLUSION OF SUBSIDIARIES FROM CONSOLIDATION	(212)		(2,556)
CASH AND CASH EQUIVALENTS, END OF YEAR	¥7,505	¥6,978	\$90,204

See notes to consolidated financial statements.



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INDEPENDENT AUDITORS' REPORT

To the Board of Directors of
JEOL Ltd.:

We have audited the accompanying consolidated balance sheets of JEOL Ltd. (the "Company") and consolidated subsidiaries as of March 31, 2011 and 2010, and the related consolidated statements of income for the years then ended, the consolidated statement of comprehensive loss for the year ended March 31, 2011, and the related consolidated statements of changes in equity, and cash flows for the years then ended, all expressed in Japanese yen. These consolidated financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these consolidated financial statements based on our audits.

We conducted our audits in accordance with auditing standards generally accepted in Japan. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the consolidated financial position of JEOL Ltd. and consolidated subsidiaries as of March 31, 2011 and 2010, and the consolidated results of their operations and their cash flows for the years then ended in conformity with accounting principles generally accepted in Japan.

As discussed in Note 18 to the consolidated financial statements, the Company executed a spin-off of one of its operating divisions in the form of an incorporation-type company split on April 1, 2011 and established a new company, JEOL RESONANCE Inc. ("JRI"). JRI then executed an allocation of new shares to third party companies on April 14, 2011.

Our audits also comprehended the translation of Japanese yen amounts into U.S. dollar amounts and, in our opinion, such translation has been made in conformity with the basis stated in Note 1. Such U.S. dollar amounts are presented solely for the convenience of readers outside Japan.

Deloitte Touche Tohmatsu LLC

June 29, 2011

Member of
Deloitte Touche Tohmatsu Limited

Corporate Outline

As of March 31, 2011

Corporate Name:	JEOL Ltd.
Address:	1-2, Musashino 3-chome, Akishima, Tokyo 196-8558, Japan TEL: +81-42-543-1111 FAX: +81-42-546-3353
Establishment:	May 30, 1949
Capital:	¥6,740 million
Number of Employees:	Consolidated 2,926 Non-consolidated 2,092

Stock Information:	Authorized shares: 200,000,000 Issued shares: 79,365,600 Number of shareholders: 11,096
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Head Office and Branch Offices:	Head Office: Factory Tokyo Office Tokyo Branch Office Sapporo Branch Office Sendai Branch Office Tsukuba Branch Office Yokohama Branch Office Nagoya Branch Office Osaka Branch Office Kansai Application Research Center Hiroshima Branch Office Takamatsu Branch Office Fukuoka Branch Office	Domestic Subsidiaries and Affiliated Companies:	JEOL TECHNICS LTD. JEOL TECHNOSERVICE CO., LTD. YAMAGATA CREATIVE CO., LTD. Advanced Capacitor Technologies, Inc. DATUM INSTRUMENTS INC.
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	JEOL (EUROPE) SAS [France]	Espace Claude Monet, 1 Allée de Giverny 78290 Croissy-sur-Seine, France TEL. 33-13015-3737
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