

Translation

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**Summary of Consolidated Financial Results
for the Year Ended March 31, 2016
(Based on Japanese GAAP)**

May 13, 2016

Company name: JEOL Ltd.
 Stock exchange listing: Tokyo
 Stock code: 6951 URL <http://www.jeol.co.jp>
 Representative: President and Representative Director Gon-emon Kurihara
 Inquiries: Corporate Officer Izumi Oi TEL +81 42-543-1111
 Scheduled date of ordinary general meeting of shareholders: June 28, 2016
 Scheduled date to file Securities Report: June 28, 2016
 Scheduled date to commence dividend payments: June 29, 2016
 Preparation of supplementary material on financial results: Yes
 Holding of financial results meeting: Yes (for institutional investors and analysts)

(Amounts less than one million yen are rounded down)

1. Consolidated financial results for the year ended March 31, 2016 (from April 1, 2015 to March 31, 2016)

(1) Consolidated operating results

Percentages indicate year-on-year changes

	Net sales		Operating income		Ordinary income		Profit attributable to owners of parent	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Year ended March 31, 2016	107,373	12.6	6,145	110.0	5,370	52.0	4,089	105.3
Year ended March 31, 2015	95,379	(4.0)	2,926	(51.4)	3,532	5.8	1,991	(50.0)

	Earnings per share	Diluted earnings per share	Profit attributable to owners of parent/equity	Ordinary income/total assets	Operating income/net sales
	Yen	Yen	%	%	%
Year ended March 31, 2016	42.32	–	13.1	4.7	5.7
Year ended March 31, 2015	18.58	–	6.7	3.2	3.1

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio	Net assets per share
	Millions of yen	Millions of yen	%	Yen
As of March 31, 2016	113,501	32,086	28.3	332.05
As of March 31, 2015	115,868	30,449	26.3	315.10

(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
Year ended March 31, 2016	8,137	(1,697)	(5,820)	11,717
Year ended March 31, 2015	9,404	(2,711)	(3,377)	11,465

2. Cash dividends

	Annual dividends per share					Total cash dividends (Total)	Dividend payout ratio (Consolidated)	Ratio of dividends to net assets (Consolidated)
	1st quarter-end	2nd quarter-end	3rd quarter-end	Fiscal year-end	Total			
	Yen	Yen	Yen	Yen	Yen	Millions of yen	%	%
Year ended March 31, 2015	–	2.50	–	2.50	5.00	483	26.9	1.7
Year ended March 31, 2016	–	2.50	–	3.50	6.00	579	14.2	1.9
Year ending March 31, 2017 (Forecast)	–	3.50	–	3.50	7.00		37.6	

3. Forecast of consolidated financial results for the year ending March 31, 2017 (from April 1, 2016 to March 31, 2017)

Percentages indicate year-on-year changes

	Net sales		Operating income		Ordinary income		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 September 30, 2016	43,500	(6.5)	0	–	0	–	(500)	–	(5.17)
Full year	107,000	(0.3)	3,000	(51.2)	3,000	(44.1)	1,800	(56.0)	18.63

4. Notes

(1) Changes in significant subsidiaries during the year ended March 31, 2016

(changes in specified subsidiaries resulting in the change in scope of consolidation):

No

(2) 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

(3) Number of issued shares (common shares)

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

As of March 31, 2016	97,715,600 shares	As of March 31, 2015	97,715,600 shares
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Number of treasury shares at the end of the period

As of March 31, 2016	1,083,293 shares	As of March 31, 2015	1,080,846 shares
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Average number of shares during the period

Year ended March 31, 2016	96,633,923 shares	Year ended March 31, 2015	96,635,629 shares
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Consolidated financial statements
Consolidated balance sheets

(Millions of yen)

	As of March 31, 2015	As of March 31, 2016
Assets		
Current assets		
Cash and deposits	12,141	12,441
Notes and accounts receivable - trade	29,105	26,168
Merchandise and finished goods	12,204	11,423
Work in process	23,732	27,944
Raw materials and supplies	1,885	1,949
Deferred tax assets	2,568	2,156
Income taxes receivable	51	82
Consumption taxes receivable	1,323	1,847
Other	1,524	1,297
Allowance for doubtful accounts	(386)	(418)
Total current assets	84,152	84,895
Non-current assets		
Property, plant and equipment		
Buildings and structures	20,807	21,874
Accumulated depreciation	(14,959)	(15,350)
Buildings and structures, net	5,847	6,523
Machinery, equipment and vehicles	3,514	3,498
Accumulated depreciation	(2,836)	(2,734)
Machinery, equipment and vehicles, net	678	764
Tools, furniture and fixtures	18,613	17,977
Accumulated depreciation	(16,017)	(15,081)
Tools, furniture and fixtures, net	2,595	2,896
Land	1,879	1,833
Leased assets	3,934	3,629
Accumulated depreciation	(2,193)	(2,645)
Leased assets, net	1,741	984
Construction in progress	666	34
Total property, plant and equipment	13,408	13,036
Intangible assets		
Software	742	453
Leased assets	109	115
Goodwill	3,236	2,866
Other	66	144
Total intangible assets	4,155	3,579
Investments and other assets		
Investment securities	10,786	8,586
Deferred tax assets	688	587
Other	2,664	2,765
Allowance for doubtful accounts	(40)	(7)
Total investments and other assets	14,099	11,931
Total non-current assets	31,663	28,547
Deferred assets		
Share issuance cost	29	14
Bond issuance cost	23	44
Total deferred assets	52	58
Total assets	115,868	113,501

(Millions of yen)

	As of March 31, 2015	As of March 31, 2016
Liabilities		
Current liabilities		
Notes and accounts payable - trade	19,361	21,722
Short-term loans payable	18,822	16,912
Current portion of bonds	585	650
Lease obligations	824	489
Accounts payable - other	1,829	2,545
Income taxes payable	633	530
Accrued consumption taxes	274	200
Deferred tax liabilities	0	24
Advances received	8,473	8,175
Provision for bonuses	1,096	1,155
Other	6,136	5,708
Total current liabilities	58,038	58,115
Non-current liabilities		
Bonds payable	875	2,662
Long-term loans payable	13,292	8,775
Lease obligations	1,943	784
Deferred tax liabilities	29	24
Provision for directors' retirement benefits	194	189
Net defined benefit liability	10,440	10,260
Asset retirement obligations	328	331
Other	276	271
Total non-current liabilities	27,380	23,299
Total liabilities	85,418	81,414
Net assets		
Shareholders' equity		
Capital stock	10,037	10,037
Capital surplus	9,386	9,386
Retained earnings	10,451	14,057
Treasury shares	(534)	(536)
Total shareholders' equity	29,340	32,944
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	3,600	2,514
Deferred gains or losses on hedges	0	-
Foreign currency translation adjustment	(447)	(1,061)
Remeasurements of defined benefit plans	(2,042)	(2,310)
Total accumulated other comprehensive income	1,109	(857)
Total net assets	30,449	32,086
Total liabilities and net assets	115,868	113,501

Consolidated statements of income and consolidated statements of comprehensive income
Consolidated statements of income

(Millions of yen)

	Fiscal year ended March 31, 2015	Fiscal year ended March 31, 2016
Net sales	95,379	107,373
Cost of sales	60,535	67,099
Gross profit	34,843	40,274
Selling, general and administrative expenses		
Research and development expenses	5,515	6,479
Other	26,402	27,649
Total selling, general and administrative expenses	31,917	34,128
Operating income	2,926	6,145
Non-operating income		
Interest income	51	69
Dividend income	94	124
Insurance income	77	–
Revenue from acceptance of development services	215	150
Share of profit of entities accounted for using equity method	146	153
Foreign exchange gains	706	–
Other	202	251
Total non-operating income	1,494	749
Non-operating expenses		
Interest expenses	494	461
Loss on sales of accounts receivable	190	28
Foreign exchange losses	–	950
Other	202	84
Total non-operating expenses	887	1,524
Ordinary income	3,532	5,370
Extraordinary income		
Gain on sales of non-current assets	20	19
Gain on sales of investment securities	–	667
Other	2	1
Total extraordinary income	22	688
Extraordinary losses		
Loss on sales of non-current assets	1	62
Loss on retirement of non-current assets	58	16
Loss on liquidation of subsidiaries and associates	–	161
Settlement package	–	49
Other	–	0
Total extraordinary losses	59	289
Profit before income taxes	3,496	5,770
Income taxes - current	1,099	1,046
Income taxes - deferred	405	633
Total income taxes	1,504	1,680
Profit	1,991	4,089
Profit attributable to owners of parent	1,991	4,089

Consolidated statements of comprehensive income

(Millions of yen)

	Fiscal year ended March 31, 2015	Fiscal year ended March 31, 2016
Profit	1,991	4,089
Other comprehensive income		
Valuation difference on available-for-sale securities	1,579	(1,086)
Deferred gains or losses on hedges	0	(0)
Foreign currency translation adjustment	246	(388)
Remeasurements of defined benefit plans, net of tax	457	(267)
Share of other comprehensive income of entities accounted for using equity method	137	(225)
Total other comprehensive income	2,421	(1,967)
Comprehensive income	4,413	2,121
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	4,413	2,121
Comprehensive income attributable to non-controlling interests	—	—

Consolidated statements of changes in equity

Fiscal year ended March 31, 2015

(Millions of yen)

	Shareholders' equity				
	Capital stock	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of current period	10,037	11,582	9,017	(533)	30,103
Cumulative effects of changes in accounting policies			(24)		(24)
Restated balance	10,037	11,582	8,992	(533)	30,079
Changes of items during period					
Dividends of surplus			(533)		(533)
Profit attributable to owners of parent			1,991		1,991
Purchase of treasury shares				(2,197)	(2,197)
Retirement of treasury shares		(2,196)		2,196	-
Net changes of items other than shareholders' equity					-
Total changes of items during period	-	(2,196)	1,458	(1)	(738)
Balance at end of current period	10,037	9,386	10,451	(534)	29,340

	Accumulated other comprehensive income					Total net assets
	Valuation difference on available-for-sale securities	Deferred gains or losses on hedges	Foreign currency translation adjustment	Remeasurements of defined benefit plans	Total accumulated other comprehensive income	
Balance at beginning of current period	2,021	-	(832)	(2,500)	(1,312)	28,791
Cumulative effects of changes in accounting policies						(24)
Restated balance	2,021	-	(832)	(2,500)	(1,312)	28,766
Changes of items during period						
Dividends of surplus					-	(533)
Profit attributable to owners of parent					-	1,991
Purchase of treasury shares					-	(2,197)
Retirement of treasury shares					-	-
Net changes of items other than shareholders' equity	1,579	0	384	457	2,421	2,421
Total changes of items during period	1,579	0	384	457	2,421	1,683
Balance at end of current period	3,600	0	(447)	(2,042)	1,109	30,449

Fiscal year ended March 31, 2016

(Millions of yen)

	Shareholders' equity				
	Capital stock	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of current period	10,037	9,386	10,451	(534)	29,340
Changes of items during period					
Dividends of surplus			(483)		(483)
Profit attributable to owners of parent			4,089		4,089
Purchase of treasury shares				(1)	(1)
Net changes of items other than shareholders' equity					-
Total changes of items during period	-	-	3,606	(1)	3,604
Balance at end of current period	10,037	9,386	14,057	(536)	32,944

	Accumulated other comprehensive income					Total net assets
	Valuation difference on available-for-sale securities	Deferred gains or losses on hedges	Foreign currency translation adjustment	Remeasurements of defined benefit plans	Total accumulated other comprehensive income	
Balance at beginning of current period	3,600	0	(447)	(2,042)	1,109	30,449
Changes of items during period						
Dividends of surplus					-	(483)
Profit attributable to owners of parent					-	4,089
Purchase of treasury shares					-	(1)
Net changes of items other than shareholders' equity	(1,086)	(0)	(613)	(267)	(1,967)	(1,967)
Total changes of items during period	(1,086)	(0)	(613)	(267)	(1,967)	1,636
Balance at end of current period	2,514	-	(1,061)	(2,310)	(857)	32,086

Consolidated statements of cash flows

(Millions of yen)

	Fiscal year ended March 31, 2015	Fiscal year ended March 31, 2016
Cash flows from operating activities		
Profit before income taxes	3,496	5,770
Depreciation	2,717	2,876
Amortization of goodwill	369	369
Increase (decrease) in provision for bonuses	86	62
Increase (decrease) in net defined benefit liability	532	(94)
Increase (decrease) in provision for directors' retirement benefits	(2)	(4)
Loss (gain) on sales and retirement of non-current assets	39	58
Loss (gain) on sales of investment securities	–	(667)
Loss on liquidation of subsidiaries and associates	–	161
Share of (profit) loss of entities accounted for using equity method	(146)	(153)
Interest and dividend income	(146)	(194)
Interest expenses	494	461
Loss on sales of notes and accounts receivable-trade	190	28
Decrease (increase) in notes and accounts receivable - trade	5,319	2,521
Decrease (increase) in inventories	(2,754)	(4,086)
Increase (decrease) in notes and accounts payable - trade	1,596	2,725
Decrease/increase in consumption taxes receivable/payable	(1,039)	(586)
Increase (decrease) in advances received	225	56
Other, net	115	313
Subtotal	11,095	9,617
Interest and dividend income received	152	202
Interest expenses paid	(490)	(461)
Loss on sales of notes and accounts receivable-trade-paid	(190)	(28)
Income taxes (paid) refund	(1,162)	(1,193)
Net cash provided by (used in) operating activities	9,404	8,137
Cash flows from investing activities		
Decrease (increase) in time deposits	173	(114)
Purchase of investment securities	(651)	–
Proceeds from sales of investment securities	–	1,219
Purchase of property, plant and equipment	(1,927)	(2,525)
Proceeds from sales of property, plant and equipment	77	125
Purchase of intangible assets	(121)	(288)
Purchase of shares of subsidiaries	(5)	–
Other, net	(255)	(113)
Net cash provided by (used in) investing activities	(2,711)	(1,697)

(Millions of yen)

	Fiscal year ended March 31, 2015	Fiscal year ended March 31, 2016
Cash flows from financing activities		
Increase (decrease) in short-term loans payable	(1,508)	(3,968)
Proceeds from long-term loans payable	4,500	1,300
Repayments of long-term loans payable	(3,623)	(3,759)
Proceeds from issuance of bonds	493	2,464
Redemption of bonds	(760)	(647)
Purchase of treasury shares	(2,197)	(1)
Cash dividends paid	(533)	(481)
Proceeds from sales and leasebacks	916	–
Other, net	(664)	(726)
Net cash provided by (used in) financing activities	(3,377)	(5,820)
Effect of exchange rate change on cash and cash equivalents	509	(367)
Net increase (decrease) in cash and cash equivalents	3,825	252
Cash and cash equivalents at beginning of period	7,640	11,465
Cash and cash equivalents at end of period	11,465	11,717