

Translation

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Summary of Consolidated Financial Results for the Six Months Ended September 30, 2016 (Based on Japanese GAAP)

November 11, 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 to file Quarterly Securities Report: November 11, 2016
 Scheduled date to commence dividend payments: December 9, 2016
 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, 2016 (from April 1, 2016 to September 30, 2016)

(1) Consolidated operating results (cumulative)

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	%
Six months ended September 30, 2016	44,436	(4.5)	(863)	–	(1,683)	–	(2,567)	–
Six months ended September 30, 2015	46,520	20.2	1,761	–	1,714	–	1,299	–

	Earnings per share	Diluted earnings per share
	Yen	Yen
Six months ended September 30, 2016	(26.57)	–
Six months ended September 30, 2015	13.45	–

(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, 2016	104,199	28,034	26.9	290.12
As of March 31, 2016	113,501	32,086	28.3	332.05

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, 2016	–	2.50	–	3.50	6.00
Year ending March 31, 2017	–	3.50			
Year ending March 31, 2017 (Forecast)			–	3.50	7.00

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
Full year	100,000	(6.9)	1,800	(70.7)	800	(85.1)	100	(97.6)	1.03

4. Notes

- (1) Changes in significant subsidiaries during the six months ended September 30, 2016
(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: No
- 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, 2016	97,715,600 shares	As of March 31, 2016	97,715,600 shares
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Number of treasury shares at the end of the period

As of September 30, 2016	1,084,426 shares	As of March 31, 2016	1,083,293 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, 2016	96,631,842 shares	Six months ended September 30, 2015	96,634,754 shares
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Quarterly consolidated financial statements
Consolidated balance sheets

(Millions of yen)

	As of March 31, 2016	As of September 30, 2016
Assets		
Current assets		
Cash and deposits	12,441	7,921
Notes and accounts receivable - trade	26,168	20,556
Merchandise and finished goods	11,423	12,113
Work in process	27,944	31,165
Raw materials and supplies	1,949	1,291
Other	5,385	4,162
Allowance for doubtful accounts	(418)	(354)
Total current assets	84,895	76,856
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	6,523	6,259
Machinery, equipment and vehicles, net	764	776
Tools, furniture and fixtures, net	2,896	2,740
Land	1,833	1,733
Leased assets, net	984	868
Construction in progress	34	87
Total property, plant and equipment	13,036	12,466
Intangible assets		
Goodwill	2,866	2,681
Other	712	597
Total intangible assets	3,579	3,279
Investments and other assets		
Investment securities	8,586	8,056
Other	3,353	3,468
Allowance for doubtful accounts	(7)	(7)
Total investments and other assets	11,931	11,517
Total non-current assets	28,547	27,263
Deferred assets	58	79
Total assets	113,501	104,199

(Millions of yen)

	As of March 31, 2016	As of September 30, 2016
Liabilities		
Current liabilities		
Notes and accounts payable - trade	21,722	18,463
Short-term loans payable	16,912	12,146
Current portion of bonds	650	600
Income taxes payable	530	333
Provision for bonuses	1,155	1,632
Other	17,144	15,012
Total current liabilities	58,115	48,188
Non-current liabilities		
Bonds payable	2,662	4,887
Long-term loans payable	8,775	11,366
Provision for directors' retirement benefits	189	159
Net defined benefit liability	10,260	10,145
Asset retirement obligations	331	331
Other	1,080	1,084
Total non-current liabilities	23,299	27,975
Total liabilities	81,414	76,164
Net assets		
Shareholders' equity		
Capital stock	10,037	10,037
Capital surplus	9,386	9,386
Retained earnings	14,057	11,151
Treasury shares	(536)	(537)
Total shareholders' equity	32,944	30,038
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	2,514	2,353
Deferred gains or losses on hedges	–	11
Foreign currency translation adjustment	(1,061)	(2,204)
Remeasurements of defined benefit plans	(2,310)	(2,163)
Total accumulated other comprehensive income	(857)	(2,003)
Total net assets	32,086	28,034
Total liabilities and net assets	113,501	104,199

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, 2015	Six months ended September 30, 2016
Net sales	46,520	44,436
Cost of sales	28,262	28,261
Gross profit	18,258	16,175
Selling, general and administrative expenses		
Research and development expenses	3,064	3,635
Other	13,433	13,404
Total selling, general and administrative expenses	16,497	17,039
Operating income (loss)	1,761	(863)
Non-operating income		
Interest income	40	26
Dividend income	52	62
Revenue from acceptance of development services	56	55
Share of profit of entities accounted for using equity method	164	104
Reversal of allowance for doubtful accounts	40	23
Other	141	198
Total non-operating income	495	471
Non-operating expenses		
Interest expenses	230	194
Loss on sales of accounts receivable	12	12
Foreign exchange losses	237	922
Other	61	160
Total non-operating expenses	542	1,291
Ordinary income (loss)	1,714	(1,683)
Extraordinary income		
Gain on sales of non-current assets	2	2
Other	0	0
Total extraordinary income	3	3
Extraordinary losses		
Loss on sales of non-current assets	–	0
Loss on retirement of non-current assets	5	15
Other	–	1
Total extraordinary losses	5	17
Profit (loss) before income taxes	1,712	(1,697)
Income taxes - current	557	538
Income taxes - deferred	(145)	332
Total income taxes	412	870
Profit (loss)	1,299	(2,567)
Profit (loss) attributable to owners of parent	1,299	(2,567)

Consolidated statements of comprehensive income (cumulative)

(Millions of yen)

	Six months ended September 30, 2015	Six months ended September 30, 2016
Profit (loss)	1,299	(2,567)
Other comprehensive income		
Valuation difference on available-for-sale securities	(738)	(161)
Deferred gains or losses on hedges	(0)	11
Foreign currency translation adjustment	45	(775)
Remeasurements of defined benefit plans, net of tax	91	146
Share of other comprehensive income of entities accounted for using equity method	2	(367)
Total other comprehensive income	(599)	(1,145)
Comprehensive income	700	(3,713)
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	700	(3,713)
Comprehensive income attributable to non-controlling interests	—	—

Consolidated statements of cash flows

(Millions of yen)

	Six months ended September 30, 2015	Six months ended September 30, 2016
Cash flows from operating activities		
Profit (loss) before income taxes	1,712	(1,697)
Depreciation	1,387	1,261
Amortization of goodwill	184	184
Increase (decrease) in provision for bonuses	491	484
Increase (decrease) in net defined benefit liability	(70)	24
Increase (decrease) in provision for directors' retirement benefits	(4)	(29)
Loss (gain) on sales and retirement of non-current assets	2	13
Interest and dividend income	(92)	(88)
Interest expenses	230	194
Loss on sales of notes and accounts receivable-trade	12	12
Decrease (increase) in notes and accounts receivable - trade	8,047	4,855
Decrease (increase) in inventories	(5,566)	(4,010)
Increase (decrease) in notes and accounts payable - trade	674	(2,396)
Other, net	93	(332)
Subtotal	7,102	(1,523)
Interest and dividend income received	100	95
Interest expenses paid	(233)	(200)
Loss on sales of notes and accounts receivable-trade-paid	(12)	(12)
Income taxes (paid) refund	(771)	(639)
Net cash provided by (used in) operating activities	6,186	(2,281)
Cash flows from investing activities		
Payments into time deposits	(972)	-
Purchase of property, plant and equipment	(1,126)	(671)
Proceeds from sales of property, plant and equipment	15	30
Purchase of intangible assets	(129)	(62)
Other, net	(76)	(1)
Net cash provided by (used in) investing activities	(2,289)	(704)
Cash flows from financing activities		
Net increase (decrease) in short-term loans payable	(6,200)	(3,012)
Proceeds from long-term loans payable	-	5,000
Repayments of long-term loans payable	(1,881)	(4,163)
Proceeds from issuance of bonds	1,967	2,468
Redemption of bonds	(292)	(325)
Cash dividends paid	(241)	(338)
Other, net	(421)	(390)
Net cash provided by (used in) financing activities	(7,070)	(759)
Effect of exchange rate change on cash and cash equivalents	81	(718)
Net increase (decrease) in cash and cash equivalents	(3,091)	(4,464)
Cash and cash equivalents at beginning of period	11,465	11,717
Cash and cash equivalents at end of period	8,373	7,253