

Translation

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Summary of Consolidated Financial Results for the Year Ended March 31, 2017 (Based on Japanese GAAP)

May 12, 2017

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: Director and Executive Officer Izumi Oi TEL +81 42-543-1111
 Scheduled date of ordinary general meeting of shareholders: June 28, 2017
 Scheduled date to file Securities Report: June 28, 2017
 Scheduled date to commence dividend payments: June 29, 2017
 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, 2017 (from April 1, 2016 to March 31, 2017)

(1) Consolidated operating results

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	%
Year ended March 31, 2017	99,698	(7.1)	2,076	(66.2)	1,724	(67.9)	595	(85.4)
Year ended March 31, 2016	107,373	12.6	6,145	110.0	5,370	52.0	4,089	105.3

	Earnings per share	Diluted earnings per share	Profit attributable to owners of parent/equity	Ordinary profit/total assets	Operating profit/net sales
	Yen	Yen	%	%	%
Year ended March 31, 2017	6.17	–	1.9	1.5	2.1
Year ended March 31, 2016	42.32	–	13.1	4.7	5.7

(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, 2017	109,045	32,284	29.6	334.11
As of March 31, 2016	113,501	32,086	28.3	332.05

(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, 2017	(573)	(1,093)	(289)	9,420
Year ended March 31, 2016	8,137	(1,697)	(5,820)	11,717

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, 2016	–	2.50	–	3.50	6.00	579	14.2	1.9
Year ended March 31, 2017	–	3.50	–	3.50	7.00	676	113.5	2.1
Year ending March 31, 2018 (Forecast)	–	3.50	–	3.50	7.00		48.3	

3. Forecast of consolidated financial results for the year ending March 31, 2018 (from April 1, 2017 to March 31, 2018)

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
Six months ending September 30, 2017	43,000	(3.2)	(1,000)	–	(1,200)	–	(2,200)	–	(22.77)
Full year	105,000	5.3	3,000	44.5	2,700	56.6	1,400	134.9	14.49

4. Notes

(1) Changes in significant subsidiaries during the year ended March 31, 2017

(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:

No

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, 2017	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 March 31, 2017	1,085,824 shares	As of March 31, 2016	1,083,293 shares
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Average number of shares during the period

Year ended March 31, 2017	96,631,129 shares	Year ended March 31, 2016	96,633,923 shares
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Consolidated financial statements
Consolidated balance sheets

(Millions of yen)

	As of March 31, 2016	As of March 31, 2017
Assets		
Current assets		
Cash and deposits	12,441	10,165
Notes and accounts receivable - trade	26,168	26,779
Merchandise and finished goods	11,423	10,309
Work in process	27,944	27,484
Raw materials and supplies	1,949	1,505
Deferred tax assets	2,156	1,616
Income taxes receivable	82	195
Consumption taxes receivable	1,847	1,450
Other	1,297	1,092
Allowance for doubtful accounts	(418)	(473)
Total current assets	84,895	80,126
Non-current assets		
Property, plant and equipment		
Buildings and structures	21,874	21,988
Accumulated depreciation	(15,350)	(15,758)
Buildings and structures, net	6,523	6,229
Machinery, equipment and vehicles	3,498	3,757
Accumulated depreciation	(2,734)	(2,724)
Machinery, equipment and vehicles, net	764	1,032
Tools, furniture and fixtures	17,977	18,835
Accumulated depreciation	(15,081)	(15,402)
Tools, furniture and fixtures, net	2,896	3,432
Land	1,833	1,789
Leased assets	3,629	3,702
Accumulated depreciation	(2,645)	(3,014)
Leased assets, net	984	687
Construction in progress	34	292
Total property, plant and equipment	13,036	13,464
Intangible assets		
Software	453	329
Leased assets	115	85
Goodwill	2,866	2,496
Other	144	121
Total intangible assets	3,579	3,032
Investments and other assets		
Investment securities	8,586	9,179
Deferred tax assets	587	355
Other	2,765	2,823
Allowance for doubtful accounts	(7)	(7)
Total investments and other assets	11,931	12,351
Total non-current assets	28,547	28,849
Deferred assets		
Share issuance cost	14	-
Bond issuance cost	44	69
Total deferred assets	58	69
Total assets	113,501	109,045

(Millions of yen)

	As of March 31, 2016	As of March 31, 2017
Liabilities		
Current liabilities		
Notes and accounts payable - trade	21,722	18,064
Short-term loans payable	16,912	11,143
Current portion of bonds	650	676
Lease obligations	489	436
Accounts payable - other	2,545	1,664
Income taxes payable	530	354
Accrued consumption taxes	200	407
Deferred tax liabilities	24	61
Advances received	8,175	7,011
Provision for bonuses	1,155	995
Other	5,708	6,300
Total current liabilities	58,115	47,115
Non-current liabilities		
Bonds payable	2,662	5,386
Long-term loans payable	8,775	12,594
Lease obligations	784	630
Deferred tax liabilities	24	4
Provision for directors' retirement benefits	189	167
Net defined benefit liability	10,260	10,265
Asset retirement obligations	331	332
Other	271	263
Total non-current liabilities	23,299	29,644
Total liabilities	81,414	76,760
Net assets		
Shareholders' equity		
Capital stock	10,037	10,037
Capital surplus	9,386	9,386
Retained earnings	14,057	13,977
Treasury shares	(536)	(537)
Total shareholders' equity	32,944	32,863
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	2,514	3,121
Deferred gains or losses on hedges	–	5
Foreign currency translation adjustment	(1,061)	(1,519)
Remeasurements of defined benefit plans	(2,310)	(2,185)
Total accumulated other comprehensive income	(857)	(578)
Total net assets	32,086	32,284
Total liabilities and net assets	113,501	109,045

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

(Millions of yen)

	Fiscal year ended March 31, 2016	Fiscal year ended March 31, 2017
Net sales	107,373	99,698
Cost of sales	67,099	64,823
Gross profit	40,274	34,875
Selling, general and administrative expenses		
Research and development expenses	6,479	6,129
Other	27,649	26,668
Total selling, general and administrative expenses	34,128	32,798
Operating profit	6,145	2,076
Non-operating income		
Interest income	69	33
Dividend income	124	128
Insurance income	1	158
Revenue from acceptance of development services	150	141
Share of profit of entities accounted for using equity method	153	166
Other	250	229
Total non-operating income	749	859
Non-operating expenses		
Interest expenses	461	366
Loss on sales of accounts receivable	28	19
Foreign exchange losses	950	586
Other	84	239
Total non-operating expenses	1,524	1,211
Ordinary profit	5,370	1,724
Extraordinary income		
Gain on sales of non-current assets	19	313
Gain on sales of investment securities	667	244
Other	1	1
Total extraordinary income	688	560
Extraordinary losses		
Loss on sales of non-current assets	62	0
Loss on retirement of non-current assets	16	7
Loss on liquidation of subsidiaries and associates	161	–
Settlement package	49	–
Other	0	1
Total extraordinary losses	289	9
Profit before income taxes	5,770	2,274
Income taxes - current	1,046	1,015
Income taxes - deferred	633	663
Total income taxes	1,680	1,678
Profit	4,089	595
Profit attributable to owners of parent	4,089	595

Consolidated statements of comprehensive income

(Millions of yen)

	Fiscal year ended March 31, 2016	Fiscal year ended March 31, 2017
Profit	4,089	595
Other comprehensive income		
Valuation difference on available-for-sale securities	(1,086)	607
Deferred gains or losses on hedges	(0)	5
Foreign currency translation adjustment	(388)	(297)
Remeasurements of defined benefit plans, net of tax	(267)	125
Share of other comprehensive income of entities accounted for using equity method	(225)	(160)
Total other comprehensive income	(1,967)	279
Comprehensive income	2,121	875
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	2,121	875
Comprehensive income attributable to non-controlling interests	—	—

Consolidated statements of changes in equity

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

Fiscal year ended March 31, 2017

(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	14,057	(536)	32,944
Changes of items during period					
Dividends of surplus			(676)		(676)
Profit attributable to owners of parent			595		595
Purchase of treasury shares				(1)	(1)
Net changes of items other than shareholders' equity					-
Total changes of items during period	-	-	(80)	(1)	(81)
Balance at end of current period	10,037	9,386	13,977	(537)	32,863

	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	2,514	-	(1,061)	(2,310)	(857)	32,086
Changes of items during period						
Dividends of surplus					-	(676)
Profit attributable to owners of parent					-	595
Purchase of treasury shares					-	(1)
Net changes of items other than shareholders' equity	607	5	(458)	125	279	279
Total changes of items during period	607	5	(458)	125	279	198
Balance at end of current period	3,121	5	(1,519)	(2,185)	(578)	32,284

Consolidated statements of cash flows

(Millions of yen)

	Fiscal year ended March 31, 2016	Fiscal year ended March 31, 2017
Cash flows from operating activities		
Profit before income taxes	5,770	2,274
Depreciation	2,876	2,525
Amortization of goodwill	369	369
Increase (decrease) in provision for bonuses	62	(157)
Increase (decrease) in net defined benefit liability	(94)	125
Increase (decrease) in provision for directors' retirement benefits	(4)	(22)
Loss (gain) on sales and retirement of non-current assets	58	(305)
Loss (gain) on sales of investment securities	(667)	(244)
Loss on liquidation of subsidiaries and associates	161	–
Share of (profit) loss of entities accounted for using equity method	(153)	(166)
Interest and dividend income	(194)	(162)
Interest expenses	461	366
Loss on sales of notes and accounts receivable-trade	28	19
Decrease (increase) in notes and accounts receivable - trade	2,521	(897)
Decrease (increase) in inventories	(4,086)	832
Increase (decrease) in notes and accounts payable - trade	2,725	(3,258)
Decrease/increase in consumption taxes receivable/payable	(586)	614
Increase (decrease) in advances received	56	(889)
Other, net	313	(60)
Subtotal	9,617	962
Interest and dividend income received	202	169
Interest expenses paid	(461)	(368)
Loss on sales of notes and accounts receivable-trade-paid	(28)	(19)
Income taxes (paid) refund	(1,193)	(1,318)
Net cash provided by (used in) operating activities	8,137	(573)
Cash flows from investing activities		
Decrease (increase) in time deposits	(114)	(5)
Proceeds from sales of investment securities	1,219	418
Purchase of property, plant and equipment	(2,525)	(2,514)
Proceeds from sales of property, plant and equipment	125	1,182
Purchase of intangible assets	(288)	(104)
Other, net	(113)	(70)
Net cash provided by (used in) investing activities	(1,697)	(1,093)
Cash flows from financing activities		
Increase (decrease) in short-term loans payable	(3,968)	(4,532)
Proceeds from long-term loans payable	1,300	8,900
Repayments of long-term loans payable	(3,759)	(6,318)
Proceeds from issuance of bonds	2,464	3,354
Redemption of bonds	(647)	(650)
Purchase of treasury shares	(1)	(1)
Cash dividends paid	(481)	(676)
Other, net	(726)	(366)
Net cash provided by (used in) financing activities	(5,820)	(289)
Effect of exchange rate change on cash and cash equivalents	(367)	(340)
Net increase (decrease) in cash and cash equivalents	252	(2,296)
Cash and cash equivalents at beginning of period	11,465	11,717
Cash and cash equivalents at end of period	11,717	9,420