

Translation

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## Summary of Consolidated Financial Results for the Six Months Ended September 30, 2018 (Based on Japanese GAAP)

November 9, 2018

Company name: JEOL Ltd.  
 Stock exchange listing: Tokyo  
 Stock code: 6951 URL: <https://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 to file Quarterly Securities Report: November 9, 2018  
 Scheduled date to commence dividend payments: December 7, 2018  
 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, 2018 (from April 1, 2018 to September 30, 2018)

(1) Consolidated operating results (cumulative)

Percentages indicate year-on-year changes

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Six months ended September 30, 2018	46,722	14.8	979	-	1,777	-	1,381	-
Six months ended September 30, 2017	40,699	(8.4)	(1,311)	-	(963)	-	(731)	-

	Earnings per share	Diluted earnings per share
	Yen	Yen
Six months ended September 30, 2018	28.59	-
Six months ended September 30, 2017	(15.15)	-

(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, 2018	114,376	38,446	33.6	795.77
As of March 31, 2018	114,629	37,387	32.6	773.84

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, 2018	-	3.50	-	4.50	8.00
Year ending March 31, 2019	-	4.50	-	-	-
Year ending March 31, 2019 (Forecast)	-	-	-	9.00	-

3. Forecast of consolidated financial results for the year ending March 31, 2019 (from April 1, 2018 to March 31, 2019)

Percentages indicate year-on-year changes

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent		Earnings per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
Full year	110,000	5.2	5,200	32.4	5,500	26.1	4,000	(11.7)	82.79

4. Notes

- (1) Changes in significant subsidiaries during the six months ended September 30, 2018  
(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, 2018	48,857,800 shares	As of March 31, 2018	48,857,800 shares
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Number of treasury shares at the end of the period

As of September 30, 2018	543,924 shares	As of March 31, 2018	543,725 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, 2018	48,313,913 shares	Six months ended September 30, 2017	48,314,729 shares
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**Quarterly consolidated financial statements**  
**Consolidated balance sheets**

(Millions of yen)

	As of March 31, 2018	As of September 30, 2018
Assets		
Current assets		
Cash and deposits	9,939	9,381
Notes and accounts receivable - trade	30,340	23,676
Merchandise and finished goods	11,622	13,526
Work in process	27,945	33,326
Raw materials and supplies	1,784	2,101
Other	2,631	2,736
Allowance for doubtful accounts	(484)	(497)
Total current assets	83,779	84,252
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	6,053	5,922
Machinery, equipment and vehicles, net	1,171	1,016
Tools, furniture and fixtures, net	3,928	3,476
Land	1,806	1,830
Leased assets, net	479	373
Construction in progress	158	127
Total property, plant and equipment	13,597	12,746
Intangible assets		
Goodwill	2,126	1,941
Other	501	461
Total intangible assets	2,628	2,403
Investments and other assets		
Investment securities	9,276	9,514
Other	5,304	5,425
Allowance for doubtful accounts	(7)	(7)
Total investments and other assets	14,573	14,932
Total non-current assets	30,799	30,083
Deferred assets	50	41
Total assets	114,629	114,376

(Millions of yen)

	As of March 31, 2018	As of September 30, 2018
<b>Liabilities</b>		
<b>Current liabilities</b>		
Notes and accounts payable - trade	22,842	21,503
Short-term loans payable	9,615	10,244
Current portion of bonds	576	513
Income taxes payable	773	570
Provision for bonuses	1,274	1,300
Other	17,921	20,880
<b>Total current liabilities</b>	<b>53,004</b>	<b>55,012</b>
<b>Non-current liabilities</b>		
Bonds payable	5,160	4,935
Long-term loans payable	8,048	5,209
Provision for directors' retirement benefits	151	32
Provision for Management Board Incentive Plan Trust	–	28
Net defined benefit liability	9,906	9,762
Asset retirement obligations	332	319
Other	638	630
<b>Total non-current liabilities</b>	<b>24,237</b>	<b>20,917</b>
<b>Total liabilities</b>	<b>77,242</b>	<b>75,930</b>
<b>Net assets</b>		
<b>Shareholders' equity</b>		
Capital stock	10,037	10,037
Capital surplus	9,386	9,914
Retained earnings	17,832	18,779
Treasury shares	(538)	(1,067)
<b>Total shareholders' equity</b>	<b>36,717</b>	<b>37,664</b>
<b>Accumulated other comprehensive income</b>		
Valuation difference on available-for-sale securities	3,736	3,634
Deferred gains or losses on hedges	3	(33)
Foreign currency translation adjustment	(1,382)	(1,288)
Remeasurements of defined benefit plans	(1,687)	(1,529)
<b>Total accumulated other comprehensive income</b>	<b>669</b>	<b>782</b>
<b>Total net assets</b>	<b>37,387</b>	<b>38,446</b>
<b>Total liabilities and net assets</b>	<b>114,629</b>	<b>114,376</b>

**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, 2017	Six months ended September 30, 2018
Net sales	40,699	46,722
Cost of sales	25,995	28,376
Gross profit	14,703	18,346
Selling, general and administrative expenses		
Research and development expenses	2,689	3,399
Other	13,326	13,968
Total selling, general and administrative expenses	16,015	17,367
Operating profit (loss)	(1,311)	979
Non-operating income		
Interest income	11	13
Dividend income	60	69
Revenue from acceptance of development services	33	144
Foreign exchange gains	196	306
Share of profit of entities accounted for using equity method	129	263
Other	106	143
Total non-operating income	539	941
Non-operating expenses		
Interest expenses	113	75
Loss on sales of accounts receivable	4	4
Other	72	62
Total non-operating expenses	191	143
Ordinary profit (loss)	(963)	1,777
Extraordinary income		
Gain on sales of non-current assets	224	47
Gain on sales of shares of subsidiaries and associates	291	–
Total extraordinary income	516	47
Extraordinary losses		
Loss on sales of non-current assets	2	–
Loss on retirement of non-current assets	5	51
Settlement package	66	–
Total extraordinary losses	74	51
Profit (loss) before income taxes	(521)	1,774
Income taxes - current	273	470
Income taxes - deferred	(63)	(77)
Total income taxes	210	392
Profit (loss)	(731)	1,381
Profit (loss) attributable to owners of parent	(731)	1,381

**Consolidated statements of comprehensive income (cumulative)**

(Millions of yen)

	Six months ended September 30, 2017	Six months ended September 30, 2018
Profit (loss)	(731)	1,381
Other comprehensive income		
Valuation difference on available-for-sale securities	384	(101)
Deferred gains or losses on hedges	(5)	(37)
Foreign currency translation adjustment	355	198
Remeasurements of defined benefit plans, net of tax	78	157
Share of other comprehensive income of entities accounted for using equity method	11	(103)
Total other comprehensive income	824	113
Comprehensive income	92	1,494
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	92	1,494
Comprehensive income attributable to non-controlling interests	—	—

## Consolidated statements of cash flows

(Millions of yen)

	Six months ended September 30, 2017	Six months ended September 30, 2018
Cash flows from operating activities		
Profit (loss) before income taxes	(521)	1,774
Depreciation	1,293	1,320
Amortization of goodwill	184	184
Increase (decrease) in provision for bonuses	409	23
Increase (decrease) in net defined benefit liability	2	11
Increase (decrease) in provision for directors' retirement benefits	(24)	(118)
Increase (decrease) Provision For Management Board Incentive Plan Trust	–	28
Loss (gain) on sales and retirement of non-current assets	(217)	3
Loss (gain) on sales of shares of subsidiaries and associates	(291)	–
Interest and dividend income	(71)	(83)
Interest expenses	113	75
Loss on sales of notes and accounts receivable-trade	4	4
Decrease (increase) in notes and accounts receivable - trade	5,673	6,905
Decrease (increase) in inventories	(5,796)	(7,195)
Increase (decrease) in notes and accounts payable - trade	35	(1,495)
Other, net	920	2,508
Subtotal	1,715	3,949
Interest and dividend income received	80	87
Interest expenses paid	(115)	(78)
Loss on sales of notes and accounts receivable-trade-paid	(4)	(4)
Income taxes (paid) refund	(306)	(724)
Net cash provided by (used in) operating activities	1,369	3,229
Cash flows from investing activities		
Purchase of property, plant and equipment	(977)	(685)
Proceeds from sales of property, plant and equipment	633	57
Purchase of intangible assets	(43)	(2)
Proceeds from sales of shares of subsidiaries and associates	946	–
Other, net	223	(23)
Net cash provided by (used in) investing activities	782	(653)
Cash flows from financing activities		
Net increase (decrease) in short-term loans payable	(2,291)	(69)
Proceeds from long-term loans payable	800	–
Repayments of long-term loans payable	(2,380)	(2,140)
Proceeds from issuance of bonds	397	–
Redemption of bonds	(338)	(288)
Cash dividends paid	(338)	(434)
Other, net	(235)	(194)
Net cash provided by (used in) financing activities	(4,385)	(3,127)
Effect of exchange rate change on cash and cash equivalents	401	115
Net increase (decrease) in cash and cash equivalents	(1,831)	(436)
Cash and cash equivalents at beginning of period	9,420	9,813
Increase in cash and cash equivalents from newly consolidated subsidiary	721	–
Cash and cash equivalents at end of period	8,310	9,377