

Translation

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**Summary of Consolidated Financial Results
for the Year Ended March 31, 2020
(Based on Japanese GAAP)**

May 15, 2020

Company name: JEOL Ltd.
 Stock exchange listing: Tokyo
 Stock code: 6951 URL <https://www.jeol.co.jp>
 Representative: President & COO Izumi Oi
 Inquiries: General Manager Management Strategy Shoji Shiota TEL +81-42-543-1111
 Planning Division
 Scheduled date of ordinary general meeting of shareholders: June 25, 2020
 Scheduled date to file Securities Report: June 25, 2020
 Scheduled date to commence dividend payments: June 26, 2020
 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, 2020 (from April 1, 2019 to March 31, 2020)

(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, 2020	117,243	5.4	7,030	5.4	7,203	(3.2)	5,359	(9.8)
Year ended March 31, 2019	111,289	6.4	6,670	69.8	7,440	70.5	5,940	31.1

	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, 2020	110.94	–	12.4	5.6	6.0
Year ended March 31, 2019	122.95	–	15.0	6.3	6.0

(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, 2020	136,788	45,080	33.0	933.07
As of March 31, 2019	122,665	41,593	33.9	860.90

(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, 2020	3,742	(4,172)	5,394	14,032
Year ended March 31, 2019	4,757	(1,461)	(3,716)	9,261

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, 2019	–	4.50	–	12.00	–	1,023	17.1	2.6
Year ended March 31, 2020	–	12.00	–	12.00	24.00	1,169	21.6	2.7
Year ending March 31, 2021 (Forecast)	–	–	–	–	–		–	

3. Forecast of consolidated financial results for the year ending March 31, 2021 (from April 1, 2020 to March 31, 2021)

The forecast of the consolidated financial results for the year ending March 31, 2021 has not yet been determined as it is difficult at this stage to rationally estimate the impact of the spread of novel coronavirus disease (COVID-19). The forecast will be disclosed promptly once it is possible to do so.

4. Notes

- (1) Changes in significant subsidiaries during the year ended March 31, 2020
 (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, 2020	48,857,800 shares	As of March 31, 2019	48,857,800 shares
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Number of treasury shares at the end of the period

As of March 31, 2020	544,240 shares	As of March 31, 2019	544,134 shares
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Average number of shares during the period

Year ended March 31, 2020	48,313,605 shares	Year ended March 31, 2019	48,313,834 shares
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Consolidated financial statements
Consolidated balance sheets

(Millions of yen)

	As of March 31, 2019	As of March 31, 2020
Assets		
Current assets		
Cash and deposits	9,296	14,425
Notes and accounts receivable - trade	32,361	30,965
Merchandise and finished goods	11,055	11,815
Work in process	35,052	38,775
Raw materials and supplies	2,467	2,629
Income taxes receivable	112	111
Consumption taxes receivable	2,026	2,747
Other	1,389	1,886
Allowance for doubtful accounts	(517)	(321)
Total current assets	93,245	103,036
Non-current assets		
Property, plant and equipment		
Buildings and structures	22,658	23,144
Accumulated depreciation	(16,659)	(16,954)
Buildings and structures, net	5,999	6,190
Machinery, equipment and vehicles	4,048	4,264
Accumulated depreciation	(2,988)	(3,071)
Machinery, equipment and vehicles, net	1,060	1,193
Tools, furniture and fixtures	20,722	22,704
Accumulated depreciation	(16,828)	(17,765)
Tools, furniture and fixtures, net	3,893	4,938
Land	1,802	1,771
Leased assets	2,030	2,561
Accumulated depreciation	(1,729)	(1,986)
Leased assets, net	301	574
Construction in progress	141	617
Total property, plant and equipment	13,198	15,286
Intangible assets		
Software	359	361
Leased assets	28	166
Goodwill	1,756	2,953
Other	103	1,761
Total intangible assets	2,248	5,243
Investments and other assets		
Investment securities	8,306	7,116
Deferred tax assets	2,908	3,133
Other	2,731	2,961
Allowance for doubtful accounts	(7)	(7)
Total investments and other assets	13,938	13,203
Total non-current assets	29,384	33,732
Deferred assets		
Bond issuance costs	35	18
Total deferred assets	35	18
Total assets	122,665	136,788

(Millions of yen)

	As of March 31, 2019	As of March 31, 2020
Liabilities		
Current liabilities		
Notes and accounts payable - trade	14,359	12,575
Electronically recorded obligations - operating	9,582	10,597
Short-term borrowings	10,059	13,491
Current portion of bonds payable	448	1,886
Lease obligations	146	354
Accounts payable - other	2,266	2,127
Income taxes payable	1,182	1,651
Accrued consumption taxes	443	216
Advances received	11,942	12,431
Provision for bonuses	1,598	1,457
Other	8,049	10,661
Total current liabilities	60,078	67,451
Non-current liabilities		
Bonds payable	5,012	3,126
Long-term borrowings	5,383	9,357
Lease obligations	208	431
Deferred tax liabilities	3	398
Provision for retirement benefits for directors (and other officers)	38	33
Provision for Management Board Incentive Plan Trust	95	239
Retirement benefit liability	9,590	9,462
Asset retirement obligations	320	320
Other	341	885
Total non-current liabilities	20,994	24,256
Total liabilities	81,072	91,707
Net assets		
Shareholders' equity		
Share capital	10,037	10,037
Capital surplus	9,914	9,914
Retained earnings	22,899	27,089
Treasury shares	(1,068)	(1,068)
Total shareholders' equity	41,783	45,973
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	2,743	2,296
Deferred gains or losses on hedges	1	71
Foreign currency translation adjustment	(1,574)	(1,965)
Remeasurements of defined benefit plans	(1,361)	(1,296)
Total accumulated other comprehensive income	(190)	(893)
Total net assets	41,593	45,080
Total liabilities and net assets	122,665	136,788

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

(Millions of yen)

	Fiscal year ended March 31, 2019	Fiscal year ended March 31, 2020
Net sales	111,289	117,243
Cost of sales	68,857	72,378
Gross profit	42,431	44,865
Selling, general and administrative expenses		
Research and development expenses	7,184	7,756
Other	28,576	30,077
Total selling, general and administrative expenses	35,761	37,834
Operating profit	6,670	7,030
Non-operating income		
Interest income	26	39
Dividend income	150	153
Insurance claim income	70	19
Revenue from acceptance of development services	511	192
Share of profit of entities accounted for using equity method	302	468
Other	271	193
Total non-operating income	1,334	1,068
Non-operating expenses		
Interest expenses	156	161
Loss on sales of trade receivables	10	15
Foreign exchange losses	213	605
Other	182	114
Total non-operating expenses	563	896
Ordinary profit	7,440	7,203
Extraordinary income		
Gain on sales of non-current assets	102	69
Gain on sales of investment securities	35	–
Gain on step acquisitions	–	525
Total extraordinary income	137	595
Extraordinary losses		
Loss on sales of non-current assets	1	–
Loss on retirement of non-current assets	61	37
Loss on valuation of investment securities	–	76
Loss on revision of retirement benefit plan	–	232
Total extraordinary losses	63	347
Profit before income taxes	7,514	7,451
Income taxes - current	1,553	2,219
Income taxes - deferred	20	(128)
Total income taxes	1,574	2,091
Profit	5,940	5,359
Profit attributable to owners of parent	5,940	5,359

Consolidated statements of comprehensive income

(Millions of yen)

	Fiscal year ended March 31, 2019	Fiscal year ended March 31, 2020
Profit	5,940	5,359
Other comprehensive income		
Valuation difference on available-for-sale securities	(993)	(446)
Deferred gains or losses on hedges	(2)	70
Foreign currency translation adjustment	(61)	(332)
Remeasurements of defined benefit plans, net of tax	326	64
Share of other comprehensive income of entities accounted for using equity method	(129)	(58)
Total other comprehensive income	(860)	(702)
Comprehensive income	5,080	4,657
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	5,080	4,657
Comprehensive income attributable to non-controlling interests	—	—

Consolidated statements of changes in equity

Fiscal year ended March 31, 2019

(Millions of yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	10,037	9,386	17,832	(538)	36,717
Changes during period					
Dividends of surplus			(873)		(873)
Profit attributable to owners of parent			5,940		5,940
Purchase of treasury shares				(950)	(950)
Disposal of treasury shares		528		420	949
Net changes in items other than shareholders' equity					-
Total changes during period	-	528	5,066	(529)	5,065
Balance at end of period	10,037	9,914	22,899	(1,068)	41,783

	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 period	3,736	3	(1,382)	(1,687)	669	37,387
Changes during period						
Dividends of surplus					-	(873)
Profit attributable to owners of parent					-	5,940
Purchase of treasury shares					-	(950)
Disposal of treasury shares					-	949
Net changes in items other than shareholders' equity	(993)	(2)	(191)	326	(860)	(860)
Total changes during period	(993)	(2)	(191)	326	(860)	4,205
Balance at end of period	2,743	1	(1,574)	(1,361)	(190)	41,593

Fiscal year ended March 31, 2020

(Millions of yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	10,037	9,914	22,899	(1,068)	41,783
Changes during period					
Dividends of surplus			(1,169)		(1,169)
Profit attributable to owners of parent			5,359		5,359
Purchase of treasury shares				(0)	(0)
Disposal of treasury shares					-
Net changes in items other than shareholders' equity					-
Total changes during period	-	-	4,190	(0)	4,190
Balance at end of period	10,037	9,914	27,089	(1,068)	45,973

	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 period	2,743	1	(1,574)	(1,361)	(190)	41,593
Changes during period						
Dividends of surplus					-	(1,169)
Profit attributable to owners of parent					-	5,359
Purchase of treasury shares					-	(0)
Disposal of treasury shares					-	-
Net changes in items other than shareholders' equity	(446)	70	(391)	64	(702)	(702)
Total changes during period	(446)	70	(391)	64	(702)	3,488
Balance at end of period	2,296	71	(1,965)	(1,296)	(893)	45,080

Consolidated statements of cash flows

(Millions of yen)

	Fiscal year ended March 31, 2019	Fiscal year ended March 31, 2020
Cash flows from operating activities		
Profit before income taxes	7,514	7,451
Depreciation	2,755	3,191
Amortization of goodwill	369	369
Increase (decrease) in provision for bonuses	323	(135)
Increase (decrease) in retirement benefit liability	17	(290)
Increase (decrease) in provision for retirement benefits for directors (and other officers)	(112)	(4)
Increase (decrease) in provision for share-based remuneration for directors (and other officers)	95	143
Loss (gain) on sales and retirement of non-current assets	(39)	(32)
Loss (gain) on sales of investment securities	(35)	–
Loss (gain) on valuation of investment securities	–	76
Share of loss (profit) of entities accounted for using equity method	(302)	(468)
Loss (gain) on step acquisitions	–	(525)
Interest and dividend income	(177)	(193)
Loss of Revision for Retirement Benefits System	–	232
Interest expenses	156	161
Loss on sales of notes and accounts receivable-trade	10	15
Decrease (increase) in trade receivables	(2,042)	1,673
Decrease (increase) in inventories	(8,006)	(6,584)
Increase (decrease) in trade payables	1,215	(768)
Decrease/increase in consumption taxes receivable/payable	(589)	(976)
Increase (decrease) in advances received	4,184	311
Other, net	524	1,857
Subtotal	5,862	5,504
Interest and dividends received	184	200
Interest paid	(161)	(158)
Loss on sales of notes and accounts receivable-trade-paid	(10)	(15)
Income taxes (paid) refund	(1,117)	(1,788)
Net cash provided by (used in) operating activities	4,757	3,742
Cash flows from investing activities		
Decrease (increase) in time deposits	65	(125)
Proceeds from sales of investment securities	135	–
Purchase of shares of subsidiaries resulting in change in scope of consolidation	–	(1,097)
Purchase of shares of subsidiaries and associates	(293)	(70)
Purchase of property, plant and equipment	(1,287)	(2,637)
Proceeds from sales of property, plant and equipment	153	155
Purchase of intangible assets	(200)	(269)
Other, net	(34)	(128)
Net cash provided by (used in) investing activities	(1,461)	(4,172)

(Millions of yen)

	Fiscal year ended March 31, 2019	Fiscal year ended March 31, 2020
Cash flows from financing activities		
Increase (decrease) in short-term borrowings	1,439	3,656
Proceeds from long-term borrowings	1,700	8,500
Repayments of long-term borrowings	(5,359)	(4,755)
Proceeds from issuance of bonds	315	–
Redemption of bonds	(576)	(448)
Proceeds from disposal of treasury shares	949	–
Purchase of treasury shares	(950)	(0)
Dividends paid	(873)	(1,169)
Other, net	(361)	(388)
Net cash provided by (used in) financing activities	(3,716)	5,394
Effect of exchange rate change on cash and cash equivalents	(132)	(454)
Net increase (decrease) in cash and cash equivalents	(552)	4,510
Cash and cash equivalents at beginning of period	9,813	9,261
Increase in cash and cash equivalents resulting from inclusion of subsidiaries in consolidation	–	260
Cash and cash equivalents at end of period	9,261	14,032