

Translation

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**Summary of Consolidated Financial Results
for the Six Months Ended September 30, 2020
(Based on Japanese GAAP)**

November 6, 2020

Company name: JEOL Ltd.
 Stock exchange listing: Tokyo
 Stock code: 6951 URL: <https://www.jeol.co.jp>
 Representative: President & COO Izumi Oi
 General Manager Management Strategy
 Inquiries: Planning Division Shoji Shiota TEL +81-42-543-1111
 Scheduled date to file Quarterly Securities Report: November 6, 2020
 Scheduled date to commence dividend payments: December 4, 2020
 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, 2020 (from April 1, 2020 to September 30, 2020)

(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, 2020	49,388	(3.4)	2,468	68.3	2,870	42.6	1,932	57.2
Six months ended September 30, 2019	51,112	9.4	1,467	49.8	2,013	13.3	1,229	(11.0)

	Earnings per share	Diluted earnings per share
	Yen	Yen
Six months ended September 30, 2020	40.00	—
Six months ended September 30, 2019	25.45	—

(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, 2020	136,723	46,893	34.3	970.52
As of March 31, 2020	136,788	45,080	33.0	933.07

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, 2020	—	12.00	—	12.00	24.00
Year ending March 31, 2021	—	12.00	—	—	—
Year ending March 31, 2021 (Forecast)	—	—	—	12.00	24.00

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

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	109,000	(7.0)	5,100	(27.5)	5,500	(23.6)	3,800	(29.1)	78.65

4. Notes

- (1) Changes in significant subsidiaries during the six months ended September 30, 2020
(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, 2020	48,857,800 shares	As of March 31, 2020	48,857,800 shares
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Number of treasury shares at the end of the period

As of September 30, 2020	539,522 shares	As of March 31, 2020	544,240 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, 2020	48,316,291 shares	Six months ended September 30, 2019	48,313,651 shares
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Quarterly consolidated financial statements
Consolidated balance sheets

(Millions of yen)

	As of March 31, 2020	As of September 30, 2020
Assets		
Current assets		
Cash and deposits	14,425	13,040
Notes and accounts receivable - trade	30,965	24,484
Merchandise and finished goods	11,815	13,075
Work in process	38,775	43,010
Raw materials and supplies	2,629	2,802
Other	4,745	3,727
Allowance for doubtful accounts	(321)	(263)
Total current assets	103,036	99,878
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	6,190	6,241
Machinery, equipment and vehicles, net	1,193	1,157
Tools, furniture and fixtures, net	4,938	4,567
Land	1,771	3,548
Leased assets, net	574	482
Construction in progress	617	2,463
Total property, plant and equipment	15,286	18,460
Intangible assets		
Goodwill	2,953	2,595
Other	2,289	2,244
Total intangible assets	5,243	4,839
Investments and other assets		
Investment securities	7,116	7,972
Other	6,094	5,567
Allowance for doubtful accounts	(7)	(7)
Total investments and other assets	13,203	13,532
Total non-current assets	33,732	36,832
Deferred assets	18	11
Total assets	136,788	136,723

(Millions of yen)

	As of March 31, 2020	As of September 30, 2020
Liabilities		
Current liabilities		
Notes and accounts payable - trade	12,575	10,625
Electronically recorded obligations - operating	10,597	9,370
Short-term borrowings	13,491	11,734
Current portion of bonds payable	1,886	2,836
Income taxes payable	1,651	897
Advances received	12,431	12,373
Provision for bonuses	1,457	1,456
Other	13,358	11,347
Total current liabilities	67,451	60,642
Non-current liabilities		
Bonds payable	3,126	483
Long-term borrowings	9,357	16,628
Provision for retirement benefits for directors (and other officers)	33	26
Provision for Management Board Incentive Plan Trust	239	290
Retirement benefit liability	9,462	9,385
Asset retirement obligations	320	320
Other	1,714	2,052
Total non-current liabilities	24,256	29,187
Total liabilities	91,707	89,829
Net assets		
Shareholders' equity		
Share capital	10,037	10,037
Capital surplus	9,914	9,914
Retained earnings	27,089	28,437
Treasury shares	(1,068)	(1,058)
Total shareholders' equity	45,973	47,331
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	2,296	2,844
Deferred gains or losses on hedges	71	-
Foreign currency translation adjustment	(1,965)	(2,120)
Remeasurements of defined benefit plans	(1,296)	(1,162)
Total accumulated other comprehensive income	(893)	(437)
Total net assets	45,080	46,893
Total liabilities and net assets	136,788	136,723

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, 2019	Six months ended September 30, 2020
Net sales	51,112	49,388
Cost of sales	31,307	29,170
Gross profit	19,804	20,217
Selling, general and administrative expenses		
Research and development expenses	3,712	3,931
Other	14,625	13,816
Total selling, general and administrative expenses	18,337	17,748
Operating profit	1,467	2,468
Non-operating income		
Interest income	17	20
Dividend income	69	67
Revenue from acceptance of development services	40	27
Foreign exchange gains	–	113
Share of profit of entities accounted for using equity method	769	162
Other	221	186
Total non-operating income	1,119	578
Non-operating expenses		
Interest expenses	67	81
Loss on sales of trade receivables	5	3
Foreign exchange losses	453	–
Other	46	91
Total non-operating expenses	573	176
Ordinary profit	2,013	2,870
Extraordinary income		
Gain on sales of non-current assets	17	55
Total extraordinary income	17	55
Extraordinary losses		
Loss on sales of non-current assets	–	0
Loss on retirement of non-current assets	26	17
Loss on valuation of investment securities	50	13
Total extraordinary losses	77	31
Profit before income taxes	1,953	2,895
Income taxes - current	533	799
Income taxes - deferred	191	163
Total income taxes	724	962
Profit	1,229	1,932
Profit attributable to owners of parent	1,229	1,932

Consolidated statements of comprehensive income (cumulative)

(Millions of yen)

	Six months ended September 30, 2019	Six months ended September 30, 2020
Profit	1,229	1,932
Other comprehensive income		
Valuation difference on available-for-sale securities	32	547
Deferred gains or losses on hedges	(1)	(71)
Foreign currency translation adjustment	(323)	(86)
Remeasurements of defined benefit plans, net of tax	194	134
Share of other comprehensive income of entities accounted for using equity method	(83)	(68)
Total other comprehensive income	(181)	455
Comprehensive income	1,048	2,387
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	1,048	2,387
Comprehensive income attributable to non-controlling interests	—	—

Consolidated statements of cash flows

(Millions of yen)

	Six months ended September 30, 2019	Six months ended September 30, 2020
Cash flows from operating activities		
Profit before income taxes	1,953	2,895
Depreciation	1,452	1,717
Amortization of goodwill	184	295
Increase (decrease) in provision for bonuses	(194)	(1)
Increase (decrease) in retirement benefit liability	17	58
Increase (decrease) in provision for retirement benefits for directors (and other officers)	(9)	(6)
Increase (decrease) in provision for share-based remuneration for directors (and other officers)	67	50
Loss (gain) on sales and retirement of non-current assets	9	(37)
Loss (gain) on valuation of investment securities	50	13
Interest and dividend income	(86)	(88)
Interest expenses	67	81
Loss on sales of notes and accounts receivable-trade	5	3
Decrease (increase) in trade receivables	6,330	6,458
Decrease (increase) in inventories	(7,447)	(5,377)
Increase (decrease) in trade payables	(108)	(3,278)
Other, net	1,657	(658)
Subtotal	3,950	2,125
Interest and dividends received	93	88
Interest paid	(67)	(89)
Loss on sales of notes and accounts receivable-trade-paid	(5)	(3)
Income taxes (paid) refund	(1,008)	(1,458)
Net cash provided by (used in) operating activities	2,963	662
Cash flows from investing activities		
Purchase of property, plant and equipment	(1,091)	(5,222)
Proceeds from sales of property, plant and equipment	27	91
Purchase of intangible assets	(48)	(151)
Purchase of shares of subsidiaries	(70)	–
Other, net	48	(404)
Net cash provided by (used in) investing activities	(1,134)	(5,686)
Cash flows from financing activities		
Net increase (decrease) in short-term borrowings	(2,138)	(3,091)
Proceeds from long-term borrowings	4,000	10,651
Repayments of long-term borrowings	(3,000)	(2,040)
Redemption of bonds	(255)	(1,693)
Dividends paid	(584)	(584)
Other, net	(189)	(144)
Net cash provided by (used in) financing activities	(2,168)	3,097
Effect of exchange rate change on cash and cash equivalents	(352)	29
Net increase (decrease) in cash and cash equivalents	(691)	(1,896)
Cash and cash equivalents at beginning of period	9,261	14,032
Cash and cash equivalents at end of period	8,570	12,135