

Translation

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**Summary of Consolidated Financial Results
for the Six Months Ended September 30, 2017
(Based on Japanese GAAP)**

November 10, 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 to file Quarterly Securities Report: November 10, 2017
 Scheduled date to commence dividend payments: December 8, 2017
 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, 2017 (from April 1, 2017 to September 30, 2017)

(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, 2017	40,699	(8.4)	(1,311)	-	(963)	-	(731)	-
Six months ended September 30, 2016	44,436	(4.5)	(863)	-	(1,683)	-	(2,567)	-

	Earnings per share	Diluted earnings per share
	Yen	Yen
Six months ended September 30, 2017	(7.57)	-
Six months ended September 30, 2016	(26.57)	-

(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, 2017	107,836	32,038	29.7	331.56
As of March 31, 2017	109,045	32,284	29.6	334.11

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, 2017	-	3.50	-	3.50	7.00
Year ending March 31, 2018	-	3.50	-	-	-
Year ending March 31, 2018 (Forecast)	-	-	-	3.50	7.00

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
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 six months ended September 30, 2017
(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, 2017	97,715,600 shares	As of March 31, 2017	97,715,600 shares
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Number of treasury shares at the end of the period

As of September 30, 2017	1,086,224 shares	As of March 31, 2017	1,085,824 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, 2017	96,629,459 shares	Six months ended September 30, 2016	96,631,842 shares
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Quarterly consolidated financial statements
Consolidated balance sheets

(Millions of yen)

	As of March 31, 2017	As of September 30, 2017
Assets		
Current assets		
Cash and deposits	10,165	8,812
Notes and accounts receivable - trade	26,779	21,703
Merchandise and finished goods	10,309	12,428
Work in process	27,484	31,322
Raw materials and supplies	1,505	1,535
Other	4,354	4,479
Allowance for doubtful accounts	(473)	(479)
Total current assets	80,126	79,803
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	6,229	6,225
Machinery, equipment and vehicles, net	1,032	1,207
Tools, furniture and fixtures, net	3,432	3,209
Land	1,789	1,832
Leased assets, net	687	535
Construction in progress	292	265
Total property, plant and equipment	13,464	13,275
Intangible assets		
Goodwill	2,496	2,311
Other	536	477
Total intangible assets	3,032	2,789
Investments and other assets		
Investment securities	9,179	8,821
Other	3,179	3,092
Allowance for doubtful accounts	(7)	(7)
Total investments and other assets	12,351	11,907
Total non-current assets	28,849	27,971
Deferred assets	69	61
Total assets	109,045	107,836

(Millions of yen)

	As of March 31, 2017	As of September 30, 2017
Liabilities		
Current liabilities		
Notes and accounts payable - trade	18,064	18,681
Short-term loans payable	11,143	8,674
Current portion of bonds	676	676
Income taxes payable	354	214
Provision for bonuses	995	1,412
Other	15,881	17,796
Total current liabilities	47,115	47,456
Non-current liabilities		
Bonds payable	5,386	5,448
Long-term loans payable	12,594	11,191
Provision for directors' retirement benefits	167	144
Net defined benefit liability	10,265	10,267
Asset retirement obligations	332	332
Other	899	957
Total non-current liabilities	29,644	28,341
Total liabilities	76,760	75,798
Net assets		
Shareholders' equity		
Capital stock	10,037	10,037
Capital surplus	9,386	9,386
Retained earnings	13,977	12,907
Treasury shares	(537)	(538)
Total shareholders' equity	32,863	31,792
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	3,121	3,505
Deferred gains or losses on hedges	5	-
Foreign currency translation adjustment	(1,519)	(1,153)
Remeasurements of defined benefit plans	(2,185)	(2,106)
Total accumulated other comprehensive income	(578)	245
Total net assets	32,284	32,038
Total liabilities and net assets	109,045	107,836

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, 2016	Six months ended September 30, 2017
Net sales	44,436	40,699
Cost of sales	28,261	25,995
Gross profit	16,175	14,703
Selling, general and administrative expenses		
Research and development expenses	3,635	2,689
Other	13,404	13,326
Total selling, general and administrative expenses	17,039	16,015
Operating loss	(863)	(1,311)
Non-operating income		
Interest income	26	11
Dividend income	62	60
Revenue from acceptance of development services	55	33
Foreign exchange gains	–	196
Share of profit of entities accounted for using equity method	104	129
Reversal of allowance for doubtful accounts	23	10
Other	198	96
Total non-operating income	471	539
Non-operating expenses		
Interest expenses	194	113
Loss on sales of accounts receivable	12	4
Foreign exchange losses	922	–
Other	160	72
Total non-operating expenses	1,291	191
Ordinary loss	(1,683)	(963)
Extraordinary income		
Gain on sales of non-current assets	2	224
Gain on sales of shares of subsidiaries and associates	–	291
Other	0	–
Total extraordinary income	3	516
Extraordinary losses		
Loss on sales of non-current assets	0	2
Loss on retirement of non-current assets	15	5
Settlement package	–	66
Other	1	–
Total extraordinary losses	17	74
Loss before income taxes	(1,697)	(521)
Income taxes - current	538	273
Income taxes - deferred	332	(63)
Total income taxes	870	210
Loss	(2,567)	(731)
Loss attributable to owners of parent	(2,567)	(731)

Consolidated statements of comprehensive income (cumulative)

(Millions of yen)

	Six months ended September 30, 2016	Six months ended September 30, 2017
Loss	(2,567)	(731)
Other comprehensive income		
Valuation difference on available-for-sale securities	(161)	384
Deferred gains or losses on hedges	11	(5)
Foreign currency translation adjustment	(775)	355
Remeasurements of defined benefit plans, net of tax	146	78
Share of other comprehensive income of entities accounted for using equity method	(367)	11
Total other comprehensive income	(1,145)	824
Comprehensive income	(3,713)	92
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	(3,713)	92
Comprehensive income attributable to non-controlling interests	—	—

Consolidated statements of cash flows

(Millions of yen)

	Six months ended September 30, 2016	Six months ended September 30, 2017
Cash flows from operating activities		
Loss before income taxes	(1,697)	(521)
Depreciation	1,261	1,293
Amortization of goodwill	184	184
Increase (decrease) in provision for bonuses	484	409
Increase (decrease) in net defined benefit liability	24	2
Increase (decrease) in provision for directors' retirement benefits	(29)	(24)
Loss (gain) on sales and retirement of non-current assets	13	(217)
Loss (gain) on sales of shares of subsidiaries and associates	–	(291)
Interest and dividend income	(88)	(71)
Interest expenses	194	113
Loss on sales of notes and accounts receivable-trade	12	4
Decrease (increase) in notes and accounts receivable - trade	4,855	5,673
Decrease (increase) in inventories	(4,010)	(5,796)
Increase (decrease) in notes and accounts payable - trade	(2,396)	35
Other, net	(332)	920
Subtotal	(1,523)	1,715
Interest and dividend income received	95	80
Interest expenses paid	(200)	(115)
Loss on sales of notes and accounts receivable-trade-paid	(12)	(4)
Income taxes (paid) refund	(639)	(306)
Net cash provided by (used in) operating activities	(2,281)	1,369
Cash flows from investing activities		
Purchase of property, plant and equipment	(671)	(977)
Proceeds from sales of property, plant and equipment	30	633
Purchase of intangible assets	(62)	(43)
Proceeds from sales of shares of subsidiaries and associates	–	946
Other, net	(1)	223
Net cash provided by (used in) investing activities	(704)	782
Cash flows from financing activities		
Net increase (decrease) in short-term loans payable	(3,012)	(2,291)
Proceeds from long-term loans payable	5,000	800
Repayments of long-term loans payable	(4,163)	(2,380)
Proceeds from issuance of bonds	2,468	397
Redemption of bonds	(325)	(338)
Cash dividends paid	(338)	(338)
Other, net	(390)	(235)
Net cash provided by (used in) financing activities	(759)	(4,385)
Effect of exchange rate change on cash and cash equivalents	(718)	401
Net increase (decrease) in cash and cash equivalents	(4,464)	(1,831)
Cash and cash equivalents at beginning of period	11,717	9,420
Increase in cash and cash equivalents from newly consolidated subsidiary	–	721
Cash and cash equivalents at end of period	7,253	8,310