

Translation

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**Summary of Consolidated Financial Results
for the Year Ended March 31, 2023
(Based on Japanese GAAP)**

May 12, 2023

Company name: JEOL Ltd.
 Stock exchange listing: Tokyo
 Stock code: 6951 URL <https://www.jeol.co.jp>
 Representative: President & CEO Izumi Oi
 Corporate Officer
 Inquiries: Management Strategy Planning Division Toshihiko Kanayama TEL +81-42-543-1111
 Scheduled date of ordinary general meeting of shareholders: June 28, 2023
 Scheduled date to file Securities Report: June 28, 2023
 Scheduled date to commence dividend payments: June 29, 2023
 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, 2023 (from April 1, 2022 to March 31, 2023)

(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, 2023	162,689	17.5	24,155	70.8	23,501	44.1	17,830	45.2
Year ended March 31, 2022	138,408	25.3	14,144	170.7	16,313	149.0	12,278	227.9

	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, 2023	349.34	–	19.0	12.1	14.8
Year ended March 31, 2022	246.78	–	17.9	9.7	10.2

(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, 2023	199,280	101,895	51.1	1,995.55
As of March 31, 2022	189,562	85,904	45.3	1,684.08

(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, 2023	3,351	(5,734)	(8,732)	32,004
Year ended March 31, 2022	22,603	(648)	5,517	42,350

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, 2022	–	14.00	–	36.00	50.00	2,570	20.3	3.7
Year ended March 31, 2023	–	30.00	–	36.00	66.00	3,393	18.9	3.6
Year ending March 31, 2024 (Forecast)	–	33.00	–	33.00	66.00		21.7	

3. Forecast of consolidated financial results for the year ending March 31, 2024 (from April 1, 2023 to March 31, 2024)

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, 2023	65,000	0.4	4,000	(42.1)	4,400	(50.3)	3,000	(58.5)	58.77
Full year	167,000	2.6	21,000	(13.1)	21,500	(8.5)	15,500	(13.1)	303.67

4. Notes

(1) Changes in significant subsidiaries during the year ended March 31, 2023

(changes in specified subsidiaries resulting in the change in scope of consolidation):

Yes

(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, 2023	51,532,800 shares	As of March 31, 2022	51,532,800 shares
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Number of treasury shares at the end of the period

As of March 31, 2023	471,386 shares	As of March 31, 2022	522,907 shares
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Average number of shares during the period

Year ended March 31, 2023	51,042,314 shares	Year ended March 31, 2022	49,756,859 shares
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Consolidated financial statements
Consolidated balance sheets

(Millions of yen)

	As of March 31, 2022	As of March 31, 2023
Assets		
Current assets		
Cash and deposits	44,226	34,254
Notes and accounts receivable - trade, and contract assets	41,167	50,375
Merchandise and finished goods	13,977	13,506
Work in process	42,217	48,240
Raw materials and supplies	2,916	7,007
Income taxes refund receivable	207	153
Consumption taxes refund receivable	3,164	4,535
Other	2,159	1,856
Allowance for doubtful accounts	(576)	(868)
Total current assets	149,461	159,061
Non-current assets		
Property, plant and equipment		
Buildings and structures	28,511	28,346
Accumulated depreciation	(18,162)	(18,711)
Buildings and structures, net	10,349	9,634
Machinery, equipment and vehicles	5,458	5,546
Accumulated depreciation	(3,524)	(3,933)
Machinery, equipment and vehicles, net	1,934	1,613
Tools, furniture and fixtures	24,636	25,382
Accumulated depreciation	(19,651)	(20,711)
Tools, furniture and fixtures, net	4,985	4,670
Land	3,654	3,711
Leased assets	2,735	3,488
Accumulated depreciation	(2,301)	(2,574)
Leased assets, net	433	914
Construction in progress	293	617
Total property, plant and equipment	21,650	21,161
Intangible assets		
Software	535	927
Leased assets	86	50
Goodwill	1,136	640
Other	1,646	1,173
Total intangible assets	3,404	2,792
Investments and other assets		
Investment securities	8,895	9,694
Deferred tax assets	3,304	4,029
Other	2,760	2,493
Allowance for doubtful accounts	(8)	(7)
Total investments and other assets	14,951	16,209
Total non-current assets	40,006	40,163
Deferred assets		
Share issuance costs	91	53
Bond issuance costs	2	1
Total deferred assets	94	55
Total assets	189,562	199,280

(Millions of yen)

	As of March 31, 2022	As of March 31, 2023
Liabilities		
Current liabilities		
Notes and accounts payable - trade	13,650	15,410
Electronically recorded obligations - operating	13,013	16,722
Short-term borrowings	4,904	4,739
Current portion of bonds payable	186	204
Lease liabilities	265	427
Accounts payable - other	2,760	3,000
Income taxes payable	4,029	4,533
Accrued consumption taxes	308	312
Contract liabilities	33,351	29,649
Provision for bonuses	1,714	1,869
Other	7,583	4,038
Total current liabilities	81,769	80,907
Non-current liabilities		
Bonds payable	204	–
Long-term borrowings	11,266	6,527
Lease liabilities	284	579
Deferred tax liabilities	343	344
Provision for retirement benefits for directors (and other officers)	22	16
Provision for share awards for directors (and other officers)	480	530
Retirement benefit liability	7,827	7,760
Asset retirement obligations	316	317
Other	1,142	401
Total non-current liabilities	21,887	16,477
Total liabilities	103,657	97,384
Net assets		
Shareholders' equity		
Share capital	21,394	21,394
Capital surplus	21,271	21,271
Retained earnings	40,679	55,117
Treasury shares	(1,022)	(904)
Total shareholders' equity	82,322	96,878
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	3,605	3,947
Deferred gains or losses on hedges	(69)	76
Foreign currency translation adjustment	(142)	940
Remeasurements of defined benefit plans	187	51
Total accumulated other comprehensive income	3,581	5,017
Total net assets	85,904	101,895
Total liabilities and net assets	189,562	199,280

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

(Millions of yen)

	Fiscal year ended March 31, 2022	Fiscal year ended March 31, 2023
Net sales	138,408	162,689
Cost of sales	83,043	89,987
Gross profit	55,365	72,702
Selling, general and administrative expenses		
Research and development expenses	8,516	10,391
Other	32,704	38,155
Total selling, general and administrative expenses	41,220	48,546
Operating profit	14,144	24,155
Non-operating income		
Interest income	45	108
Dividend income	185	173
Insurance claim income	12	5
Revenue from acceptance of development services	95	86
Share of profit of entities accounted for using equity method	193	223
Foreign exchange gains	832	–
Subsidy income	729	–
Other	336	221
Total non-operating income	2,430	818
Non-operating expenses		
Interest expenses	129	73
Loss on sale of trade receivables	6	6
Foreign exchange losses	–	1,183
Other	125	209
Total non-operating expenses	261	1,473
Ordinary profit	16,313	23,501
Extraordinary income		
Gain on sale of non-current assets	38	36
Gain on sale of investment securities	394	825
Gain on sale of shares of subsidiaries and associates	–	188
Total extraordinary income	433	1,049
Extraordinary losses		
Loss on sale of non-current assets	2	4
Loss on retirement of non-current assets	71	302
Loss on valuation of investment securities	20	7
Impairment losses	–	520
Total extraordinary losses	95	835
Profit before income taxes	16,651	23,715
Income taxes - current	4,796	6,849
Income taxes - deferred	(423)	(964)
Total income taxes	4,373	5,884
Profit	12,278	17,830
Profit attributable to owners of parent	12,278	17,830

Consolidated statements of comprehensive income

(Millions of yen)

	Fiscal year ended March 31, 2022	Fiscal year ended March 31, 2023
Profit	12,278	17,830
Other comprehensive income		
Valuation difference on available-for-sale securities	(508)	342
Deferred gains or losses on hedges	(43)	145
Foreign currency translation adjustment	1,174	980
Remeasurements of defined benefit plans, net of tax	376	(135)
Share of other comprehensive income of entities accounted for using equity method	141	102
Total other comprehensive income	1,140	1,435
Comprehensive income	13,418	19,266
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	13,418	19,266
Comprehensive income attributable to non-controlling interests	—	—

Consolidated statements of changes in equity

Fiscal year ended March 31, 2022

(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	29,664	(1,059)	48,558
Cumulative effects of changes in accounting policies			(1)		(1)
Restated balance	10,037	9,914	29,663	(1,059)	48,556
Changes during period					
Issuance of new shares	11,356	11,356			22,712
Dividends of surplus			(1,304)		(1,304)
Profit attributable to owners of parent			12,278		12,278
Purchase of treasury shares				(1)	(1)
Disposal of treasury shares				38	38
Increase and decrease due to change in fiscal year end of consolidated subsidiaries			42		42
Net changes in items other than shareholders' equity					—
Total changes during period	11,356	11,356	11,016	36	33,766
Balance at end of period	21,394	21,271	40,679	(1,022)	82,322

	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	4,113	(25)	(1,458)	(188)	2,441	50,999
Cumulative effects of changes in accounting policies						(1)
Restated balance	4,113	(25)	(1,458)	(188)	2,441	50,997
Changes during period						
Issuance of new shares					—	22,712
Dividends of surplus					—	(1,304)
Profit attributable to owners of parent					—	12,278
Purchase of treasury shares					—	(1)
Disposal of treasury shares					—	38
Increase and decrease due to change in fiscal year end of consolidated subsidiaries					—	42
Net changes in items other than shareholders' equity	(508)	(43)	1,316	376	1,140	1,140
Total changes during period	(508)	(43)	1,316	376	1,140	34,906
Balance at end of period	3,605	(69)	(142)	187	3,581	85,904

Fiscal year ended March 31, 2023

(Millions of yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	21,394	21,271	40,679	(1,022)	82,322
Changes during period					
Dividends of surplus			(3,393)		(3,393)
Profit attributable to owners of parent			17,830		17,830
Purchase of treasury shares				(0)	(0)
Disposal of treasury shares				117	117
Net changes in items other than shareholders' equity					–
Total changes during period	–	–	14,437	117	14,555
Balance at end of period	21,394	21,271	55,117	(904)	96,878

	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	3,605	(69)	(142)	187	3,581	85,904
Changes during period						
Dividends of surplus					–	(3,393)
Profit attributable to owners of parent					–	17,830
Purchase of treasury shares					–	(0)
Disposal of treasury shares					–	117
Net changes in items other than shareholders' equity	342	145	1,082	(135)	1,435	1,435
Total changes during period	342	145	1,082	(135)	1,435	15,990
Balance at end of period	3,947	76	940	51	5,017	101,895

Consolidated statements of cash flows

(Millions of yen)

	Fiscal year ended March 31, 2022	Fiscal year ended March 31, 2023
Cash flows from operating activities		
Profit before income taxes	16,651	23,715
Depreciation	4,105	4,673
Amortization of goodwill	229	249
Increase (decrease) in provision for bonuses	241	142
Increase (decrease) in retirement benefit liability	(62)	(222)
Increase (decrease) in provision for retirement benefits for directors (and other officers)	6	(5)
Increase (decrease) in provision for share awards for directors (and other officers)	179	168
Loss (gain) on sale and retirement of non-current assets	35	270
Loss (gain) on sale of investment securities	(394)	(825)
Loss (gain) on valuation of investment securities	20	7
Loss (gain) on sale of shares of subsidiaries and associates	–	(188)
Share of loss (profit) of entities accounted for using equity method	(193)	(223)
Subsidy income	(729)	–
Impairment losses	–	520
Interest and dividend income	(231)	(281)
Interest expenses	129	73
Loss on sales of notes and accounts receivable-trade	6	6
Decrease (increase) in trade receivables	(8,940)	(8,442)
Decrease (increase) in inventories	(1,846)	(9,522)
Increase (decrease) in trade payables	5,000	4,857
Increase/decrease in consumption taxes payable/consumption taxes refund receivable	(610)	(1,347)
Increase (decrease) in contract liabilities	12,262	(4,878)
Other, net	(1,110)	571
Subtotal	24,750	9,322
Interest and dividends received	231	248
Interest paid	(126)	(73)
Loss on sales of notes and accounts receivable-trade-paid	(6)	(6)
Income taxes refund (paid)	(2,245)	(6,139)
Net cash provided by (used in) operating activities	22,603	3,351
Cash flows from investing activities		
Decrease (increase) in time deposits	(5)	(272)
Proceeds from sale of investment securities	864	863
Purchase of investment securities	–	(134)
Proceeds from sale of shares of subsidiaries and associates	–	217
Purchase of property, plant and equipment	(1,159)	(6,028)
Proceeds from sale of property, plant and equipment	62	87
Purchase of intangible assets	(356)	(361)
Other, net	(54)	(104)
Net cash provided by (used in) investing activities	(648)	(5,734)

(Millions of yen)

	Fiscal year ended March 31, 2022	Fiscal year ended March 31, 2023
Cash flows from financing activities		
Increase (decrease) in short-term borrowings	(6,536)	–
Repayments of long-term borrowings	(6,166)	(4,904)
Redemption of bonds	(2,736)	(186)
Proceeds from issuance of shares	22,599	–
Purchase of treasury shares	(1)	(0)
Dividends paid	(1,303)	(3,386)
Other, net	(338)	(255)
Net cash provided by (used in) financing activities	5,517	(8,732)
Effect of exchange rate change on cash and cash equivalents	936	768
Net increase (decrease) in cash and cash equivalents	28,408	(10,346)
Cash and cash equivalents at beginning of period	14,481	42,350
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS FROM ACCOUNTING TERM ALTERATIONS OF SUBSIDIARIES	(539)	–
Cash and cash equivalents at end of period	42,350	32,004