

Translation

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Summary of Consolidated Financial Results for the Year Ended March 31, 2018 (Based on Japanese GAAP)

May 15, 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 of ordinary general meeting of shareholders: June 27, 2018
 Scheduled date to file Securities Report: June 27, 2018
 Scheduled date to commence dividend payments: June 28, 2018
 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, 2018 (from April 1, 2017 to March 31, 2018)

(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, 2018	104,570	4.9	3,928	89.2	4,363	153.0	4,532	660.5
Year ended March 31, 2017	99,698	(7.1)	2,076	(66.2)	1,724	(67.9)	595	(85.4)

	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, 2018	46.90	–	13.0	3.9	3.8
Year ended March 31, 2017	6.17	–	1.9	1.5	2.1

(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, 2018	114,764	37,387	32.6	386.92
As of March 31, 2017	109,045	32,284	29.6	334.11

(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, 2018	6,524	468	(7,512)	9,813
Year ended March 31, 2017	(573)	(1,093)	(289)	9,420

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, 2017	–	3.50	–	3.50	7.00	676	113.5	2.1
Year ended March 31, 2018	–	3.50	–	4.50	8.00	773	17.1	2.2
Year ending March 31, 2019 (Forecast)	–	4.50	–	4.50	9.00		21.7	

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
Six months ending September 30, 2018	49,000	20.4	300	–	600	–	0	–	0.00
Full year	110,000	5.2	5,200	32.4	5,500	26.1	4,000	(11.7)	41.40

4. Notes

(1) Changes in significant subsidiaries during the year ended March 31, 2018

(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:

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, 2018	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 March 31, 2018	1,087,451 shares	As of March 31, 2017	1,085,824 shares
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Average number of shares during the period

Year ended March 31, 2018	96,629,051 shares	Year ended March 31, 2017	96,631,129 shares
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Consolidated financial statements
Consolidated balance sheets

(Millions of yen)

	As of March 31, 2017	As of March 31, 2018
Assets		
Current assets		
Cash and deposits	10,165	9,939
Notes and accounts receivable - trade	26,779	30,340
Merchandise and finished goods	10,309	11,622
Work in process	27,484	27,945
Raw materials and supplies	1,505	1,784
Deferred tax assets	1,616	2,362
Income taxes receivable	195	142
Consumption taxes receivable	1,450	1,328
Other	1,092	1,160
Allowance for doubtful accounts	(473)	(484)
Total current assets	80,126	86,141
Non-current assets		
Property, plant and equipment		
Buildings and structures	21,988	22,264
Accumulated depreciation	(15,758)	(16,211)
Buildings and structures, net	6,229	6,053
Machinery, equipment and vehicles	3,757	4,085
Accumulated depreciation	(2,724)	(2,913)
Machinery, equipment and vehicles, net	1,032	1,171
Tools, furniture and fixtures	18,835	20,367
Accumulated depreciation	(15,402)	(16,439)
Tools, furniture and fixtures, net	3,432	3,928
Land	1,789	1,806
Leased assets	3,702	2,801
Accumulated depreciation	(3,014)	(2,321)
Leased assets, net	687	479
Construction in progress	292	158
Total property, plant and equipment	13,464	13,597
Intangible assets		
Software	329	270
Leased assets	85	55
Goodwill	2,496	2,126
Other	121	175
Total intangible assets	3,032	2,628
Investments and other assets		
Investment securities	9,179	9,276
Deferred tax assets	355	370
Other	2,823	2,706
Allowance for doubtful accounts	(7)	(7)
Total investments and other assets	12,351	12,345
Total non-current assets	28,849	28,571
Deferred assets		
Bond issuance cost	69	50
Total deferred assets	69	50
Total assets	109,045	114,764

(Millions of yen)

	As of March 31, 2017	As of March 31, 2018
Liabilities		
Current liabilities		
Notes and accounts payable - trade	18,064	22,842
Short-term loans payable	11,143	9,615
Current portion of bonds	676	576
Lease obligations	436	359
Accounts payable - other	1,664	2,049
Income taxes payable	354	773
Accrued consumption taxes	407	341
Deferred tax liabilities	61	0
Advances received	7,011	7,956
Provision for bonuses	995	1,274
Other	6,300	7,215
Total current liabilities	47,115	53,004
Non-current liabilities		
Bonds payable	5,386	5,160
Long-term loans payable	12,594	8,048
Lease obligations	630	329
Deferred tax liabilities	4	139
Provision for directors' retirement benefits	167	151
Net defined benefit liability	10,265	9,906
Asset retirement obligations	332	332
Other	263	304
Total non-current liabilities	29,644	24,372
Total liabilities	76,760	77,376
Net assets		
Shareholders' equity		
Capital stock	10,037	10,037
Capital surplus	9,386	9,386
Retained earnings	13,977	17,832
Treasury shares	(537)	(538)
Total shareholders' equity	32,863	36,717
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	3,121	3,736
Deferred gains or losses on hedges	5	3
Foreign currency translation adjustment	(1,519)	(1,382)
Remeasurements of defined benefit plans	(2,185)	(1,687)
Total accumulated other comprehensive income	(578)	669
Total net assets	32,284	37,387
Total liabilities and net assets	109,045	114,764

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

(Millions of yen)

	Fiscal year ended March 31, 2017	Fiscal year ended March 31, 2018
Net sales	99,698	104,570
Cost of sales	64,823	67,080
Gross profit	34,875	37,490
Selling, general and administrative expenses		
Research and development expenses	6,129	6,044
Other	26,668	27,517
Total selling, general and administrative expenses	32,798	33,561
Operating profit	2,076	3,928
Non-operating income		
Interest income	33	19
Dividend income	128	168
Insurance income	158	57
Revenue from acceptance of development services	150	287
Share of profit of entities accounted for using equity method	166	133
Other	221	293
Total non-operating income	859	959
Non-operating expenses		
Interest expenses	366	226
Loss on sales of accounts receivable	19	12
Foreign exchange losses	586	176
Other	239	110
Total non-operating expenses	1,211	525
Ordinary profit	1,724	4,363
Extraordinary income		
Gain on sales of non-current assets	313	222
Gain on sales of investment securities	244	–
Gain on sales of shares of subsidiaries and associates	–	291
Other	1	–
Total extraordinary income	560	514
Extraordinary losses		
Loss on sales of non-current assets	0	8
Loss on retirement of non-current assets	7	5
Settlement package	–	66
Other	1	–
Total extraordinary losses	9	81
Profit before income taxes	2,274	4,796
Income taxes - current	1,015	1,193
Income taxes - deferred	663	(929)
Total income taxes	1,678	264
Profit	595	4,532
Profit attributable to owners of parent	595	4,532

Consolidated statements of comprehensive income

(Millions of yen)

	Fiscal year ended March 31, 2017	Fiscal year ended March 31, 2018
Profit	595	4,532
Other comprehensive income		
Valuation difference on available-for-sale securities	607	615
Deferred gains or losses on hedges	5	(2)
Foreign currency translation adjustment	(297)	53
Remeasurements of defined benefit plans, net of tax	125	497
Share of other comprehensive income of entities accounted for using equity method	(160)	82
Total other comprehensive income	279	1,247
Comprehensive income	875	5,779
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	875	5,779
Comprehensive income attributable to non-controlling interests	—	—

Consolidated statements of changes in equity

Fiscal year ended March 31, 2017

(Millions of yen)

	Shareholders' equity				
	Capital stock	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of current period	10,037	9,386	14,057	(536)	32,944
Changes of items during period					
Dividends of surplus			(676)		(676)
Profit attributable to owners of parent			595		595
Purchase of treasury shares				(1)	(1)
Net changes of items other than shareholders' equity					-
Total changes of items during period	-	-	(80)	(1)	(81)
Balance at end of current period	10,037	9,386	13,977	(537)	32,863

	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 current period	2,514	-	(1,061)	(2,310)	(857)	32,086
Changes of items during period						
Dividends of surplus					-	(676)
Profit attributable to owners of parent					-	595
Purchase of treasury shares					-	(1)
Net changes of items other than shareholders' equity	607	5	(458)	125	279	279
Total changes of items during period	607	5	(458)	125	279	198
Balance at end of current period	3,121	5	(1,519)	(2,185)	(578)	32,284

Fiscal year ended March 31, 2018

(Millions of yen)

	Shareholders' equity				
	Capital stock	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of current period	10,037	9,386	13,977	(537)	32,863
Changes of items during period					
Dividends of surplus			(676)		(676)
Profit attributable to owners of parent			4,532		4,532
Purchase of treasury shares				(0)	(0)
Net changes of items other than shareholders' equity					-
Total changes of items during period	-	-	3,855	(0)	3,854
Balance at end of current period	10,037	9,386	17,832	(538)	36,717

	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 current period	3,121	5	(1,519)	(2,185)	(578)	32,284
Changes of items during period						
Dividends of surplus					-	(676)
Profit attributable to owners of parent					-	4,532
Purchase of treasury shares					-	(0)
Net changes of items other than shareholders' equity	615	(2)	136	497	1,247	1,247
Total changes of items during period	615	(2)	136	497	1,247	5,102
Balance at end of current period	3,736	3	(1,382)	(1,687)	669	37,387

Consolidated statements of cash flows

(Millions of yen)

	Fiscal year ended March 31, 2017	Fiscal year ended March 31, 2018
Cash flows from operating activities		
Profit before income taxes	2,274	4,796
Depreciation	2,525	2,668
Amortization of goodwill	369	369
Increase (decrease) in provision for bonuses	(157)	272
Increase (decrease) in net defined benefit liability	125	58
Increase (decrease) in provision for directors' retirement benefits	(22)	(16)
Loss (gain) on sales and retirement of non-current assets	(305)	(208)
Loss (gain) on sales of investment securities	(244)	–
Loss (gain) on sales of shares of subsidiaries and associates	–	(291)
Share of loss (profit) of entities accounted for using equity method	(166)	(133)
Interest and dividend income	(162)	(187)
Interest expenses	366	226
Loss on sales of notes and accounts receivable-trade	19	12
Decrease (increase) in notes and accounts receivable - trade	(897)	(3,187)
Decrease (increase) in inventories	832	(3,161)
Increase (decrease) in notes and accounts payable - trade	(3,258)	4,378
Decrease/increase in consumption taxes receivable/payable	614	57
Increase (decrease) in advances received	(889)	330
Other, net	(60)	1,471
Subtotal	962	7,454
Interest and dividend income received	169	196
Interest expenses paid	(368)	(228)
Loss on sales of notes and accounts receivable-trade-paid	(19)	(12)
Income taxes (paid) refund	(1,318)	(885)
Net cash provided by (used in) operating activities	(573)	6,524
Cash flows from investing activities		
Decrease (increase) in time deposits	(5)	470
Proceeds from sales of investment securities	418	–
Purchase of property, plant and equipment	(2,514)	(1,562)
Proceeds from sales of property, plant and equipment	1,182	661
Purchase of intangible assets	(104)	(150)
Proceeds from sales of shares of subsidiaries and associates	–	946
Other, net	(70)	103
Net cash provided by (used in) investing activities	(1,093)	468
Cash flows from financing activities		
Increase (decrease) in short-term loans payable	(4,532)	(2,221)
Proceeds from long-term loans payable	8,900	800
Repayments of long-term loans payable	(6,318)	(4,652)
Proceeds from issuance of bonds	3,354	397
Redemption of bonds	(650)	(726)
Purchase of treasury shares	(1)	(0)
Cash dividends paid	(676)	(676)
Other, net	(366)	(432)
Net cash provided by (used in) financing activities	(289)	(7,512)

	Fiscal year ended March 31, 2017	Fiscal year ended March 31, 2018
Effect of exchange rate change on cash and cash equivalents	(340)	190
Net increase (decrease) in cash and cash equivalents	(2,296)	(328)
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	9,420	9,813