


# JEOL Ltd. INTEGRATED REPORT 2024

Fiscal year ended March 31, 2024

## Corporate Message



**Seventy-five years supporting  
Carrying on the founding  
“Research and Development,”  
to scientific progress and  
development.**

### Company Philosophy

On the basis of “Creativity” and “Research and Development,” JEOL positively challenges the world’s highest technology, thus forever contributing to the progress in both science and human society through its products.

# scientific technology around the world. principles of “Creativity” and we will continue to contribute societal

## CONTENTS

### Principles and Journey

- 1 Corporate Message
- 3 Our History of “Creativity” and “Research and Development”

### Value Creation Vision

- 5 Toward New “Creativity” and “Research and Development”
- 7 Message from the President
- 11 Value Creation Process
- 13 Medium-Term Management Plan
- 17 Message from the CFO

### Business Strategy

- 19 Overview by Business Segment  
—Scientific and Metrology Instruments
- 21 Overview by Business Segment  
—Industrial Equipment
- 23 Overview by Business Segment  
—Medical Equipment
- 25 New Services

### Sustainability

- 27 Human Capital Management
- 30 Message from the Chief Human Resources Officer
- 33 Initiatives for the SDGs
- 35 International Standards Compliance  
for the Environment and Quality
- 37 Together with the Environment
- 43 Together with Local Communities

### Governance

- 45 Management Team
- 47 Board of Directors and Audit & Supervisory Board
- 48 Roundtable Discussion with Outside Directors
- 51 Corporate Governance
- 53 Executive Compensation System (Design)
- 54 Risk Management

### Data

- 55 Consolidated Five-Year Summary
- 57 Corporate Outline / Stock Information

# Our History of “Creativity” and “Research and Development”

## Creating a Culture for Revealing Microstructures

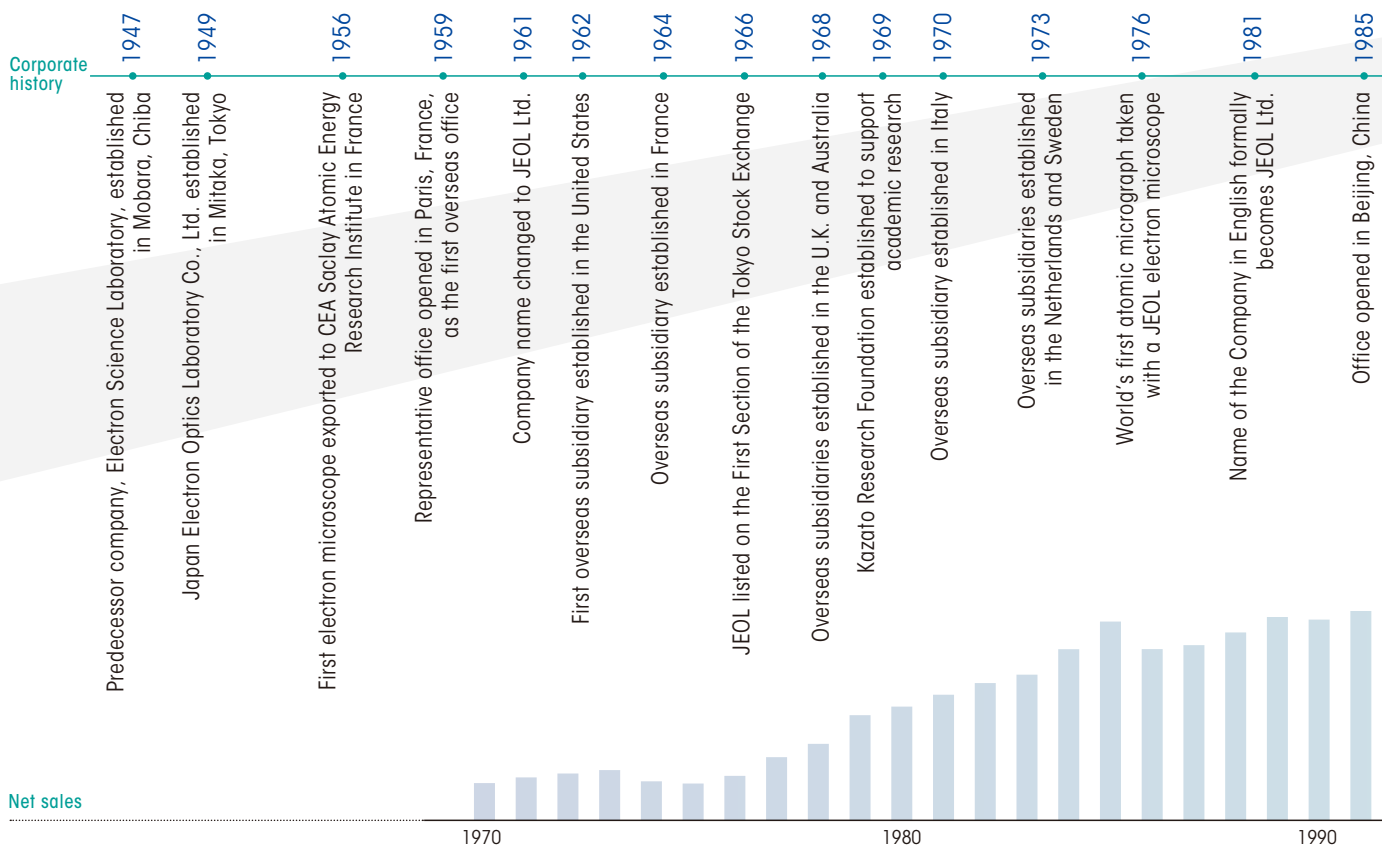
Kenji Kazato  
Founder

Kenji Kazato worked as a researcher at the Japanese Navy Technical Research Center and believed that the promotion of scientific technology would be essential for Japan’s reconstruction following World War II. With this in the background, he was captivated by a specialized book on electron microscopes.

Although he had never seen or touched an electron microscope, he sensed that their ability to allow people to see the microworld, normally invisible to the eye, held enormous potential for scientific advancement.

Recognizing the promise of nanotechnology at an early stage, Kenji Kazato saw that “creating a culture for revealing microstructures” was essential for scientific progress and set out on the path to develop electron microscopes.

In 1947, researchers who shared Kenji Kazato’s belief came together and formed JEOL’s predecessor company, Electron Science Laboratory, with the goal of producing electron microscopes.



### Visits by Nobel Prize winners

1972



Dr. Shinichiro Tomonaga  
(Physics, Japan)

1980



Dr. Linus Pauling  
(Chemistry and Peace, United States)

1980



Dr. Alexander Prokhorov  
(Physics, Soviet Union)

1987



Dr. Klaus von Klitzing  
(Physics, Germany)



## The name JEOL is an acronym for the name of the Company at our founding: Japan Electron Optics Laboratory. JEOL is now a brand that is known worldwide.

### 1947 DA-1 magnetic field electron microscope

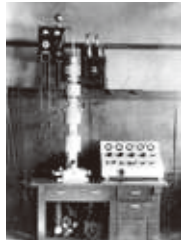
This was the first successful electron microscope developed by our predecessor company, Electron Science Laboratory.

Based on the belief that there could be no post-war reconstruction in Japan without progress in science and technology, our founder, Kenji Kazato, and young associates began the development of electron microscopes.

This was a challenge that was almost a shot in the dark in the period of upheaval that directly followed the war. However, the team members were motivated by the spirit to rebuild Japan, so their combined hard work enabled them to complete this development in a short year and a half.

The completion of the DA-1 made national news; Emperor Showa and the Crown Prince (now Emperor Emeritus) came to see the microscope.

In 2010, a milestone in the development of electron microscopes, the National Museum of Nature and Science recognized the DA-1 as an Essential Historical Material for Science and Technology.



### 1956 JNM-1 nuclear magnetic resonance (NMR) system

The history of NMR goes back to 1944 with the discovery of this phenomenon, for which the scientists received the Nobel Prize in Physics. An overseas manufacturer released the first commercial NMR system in 1950, a time when this was considered a very special type of instrument for research. However, recognizing a highly niche market with few entrants, JEOL began work on NMR development as a new business. In 1956, JEOL launched the JNM-1, the first domestically produced NMR system.



NMR systems analyze molecular structures and physical properties, and today, they are essential in organic chemistry.

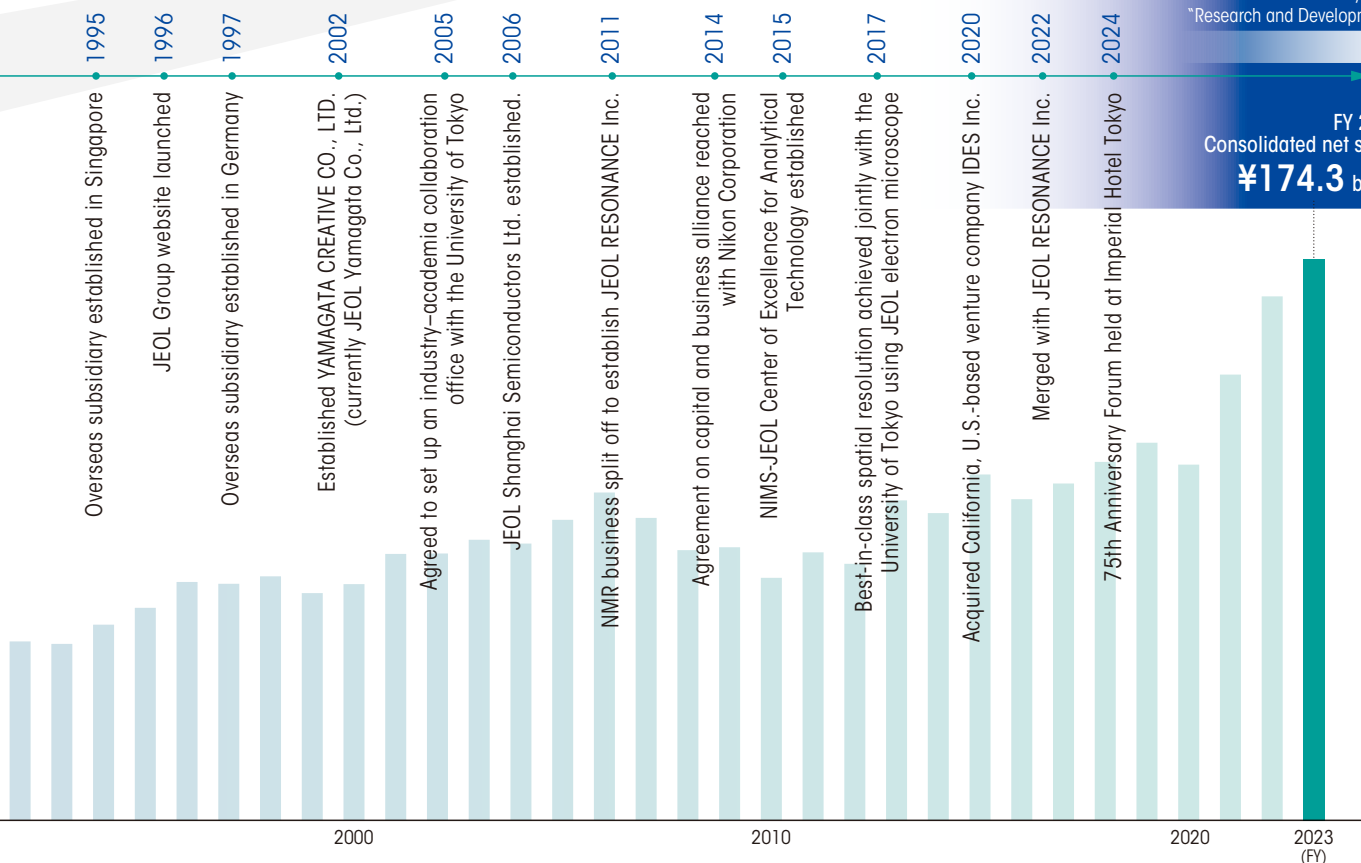
Since the release of the JNM-1, we have been working on improving NMR technology. As a result, we are now one of two major suppliers in the world in the high-end NMR market.

### Evolving in the 70th Year

Toward New "Creativity" and "Research and Development"

P.5

FY 2023  
Consolidated net sales:  
**¥174.3 billion**



Note: Net sales on a non-consolidated basis until fiscal 1976.

1988



Dr. Kai Siegbahn  
(Physics, Sweden)

1989



Dr. Leo Esaki  
(Physics, Japan)

1991



Sir Andrew Huxley  
(Physiology or Medicine, U.K.)

1998



Dr. Heinrich Rohrer  
(Physics, Switzerland)

2016 Dr. Ryoji Noyori  
(Chemistry, Japan)

2018 Dr. Richard Henderson  
(Chemistry, U.K.)

2020 Dr. Yoshinori Ohsumi  
(Physiology or Medicine, Japan)

## Toward New “Creativity” and “Research and Development”

The biggest goal of value creation at JEOL is to contribute to scientific progress and societal development, starting from the founding principles of “Creativity” and “Research and Development.” Now, more than 70 years since our founding, we have maintained that founding spirit and put every effort into improving corporate value every day to provide optimal solutions that support our customers’ innovations.

In recent years, science and technology have progressed rapidly, and the roles required of companies are becoming increasingly diverse. We have two strategies that provide a firm base as we take up the challenge of value creation, even as society changes.

In this section, we provide information on our Evolving in the 70th Year vision and our YOKOGUSHI (cross-sectional collaboration) strategy.

### Vision

## Evolving in the 70th Year

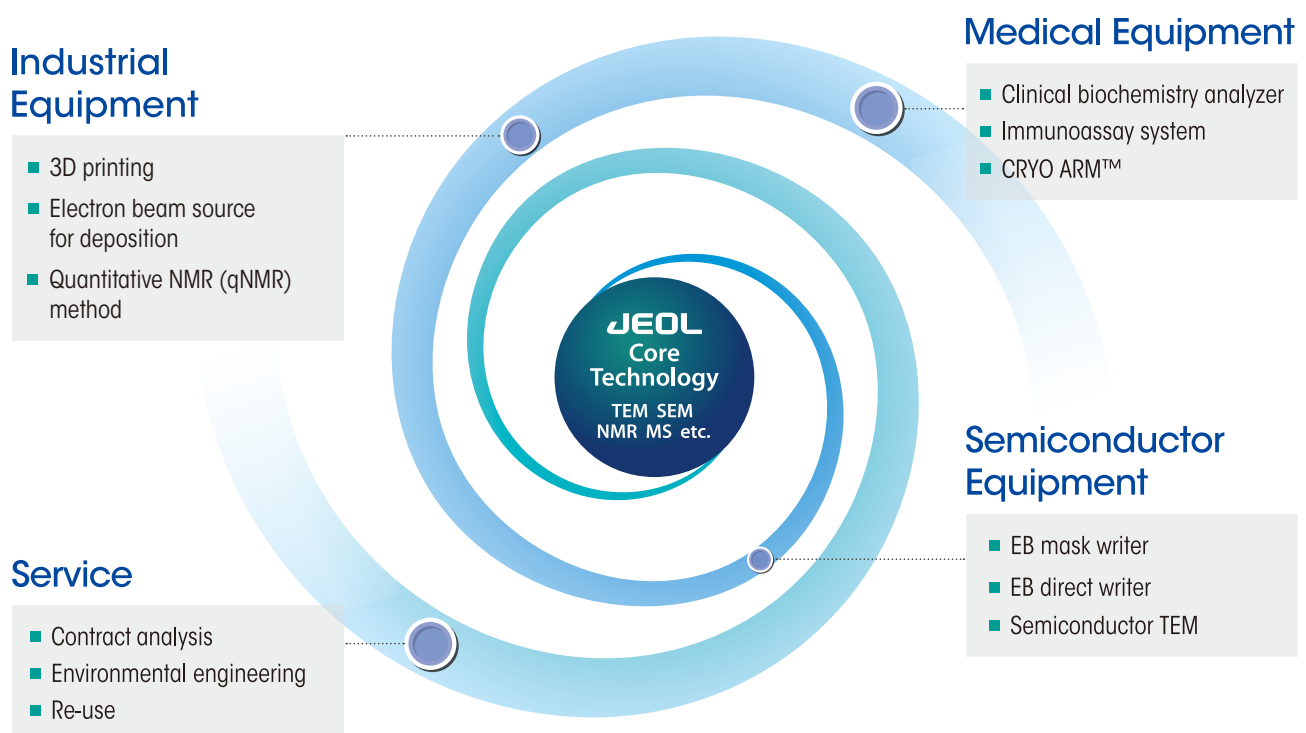
In 2019, the year we celebrated our 70th anniversary, we announced Evolving in the 70th Year as our new growth vision. The main initiatives are improving our core technologies, proactively entering growth markets, and providing total solutions.

The illustration below shows business creation by proactively entering growth markets.

This illustration expresses our approach toward markets expected to grow based on our strengths by starting with the core technologies—built up in the scientific and metrology instruments segment, including electron microscopes and NMR systems—and spiraling out from there.

Under our medium-term management plan, Evolving Growth Plan, equipment for semiconductors, industry, and medicine have been defined as our growth markets, and we aim to further improve corporate value by introducing new products and solutions into these markets.

In this way, JEOL will continue to move into new business domains.



## Model of Behavior

## ▶ YOKOGUSHI ◀

The YOKOGUSHI strategy is our unique model of behavior for providing solutions in cutting-edge technological fields.

To create products and services that do not currently exist requires new ideas and connections that go beyond conventional boundaries—not just existing methods.

As a leading manufacturer of scientific and metrology instruments, we have provided equipment in a range of fields to meet complex market needs. Because of that, we possess a broad product lineup that you will not find anywhere else. Combining each of these products across categories in an organic way allows us to develop next-generation solutions and applications no one has ever seen before.

The model of behavior for creating these innovations is set out in our YOKOGUSHI strategy.

Having collaborated up to now with companies, organizations, and research institutes (both public and private), we have established a foundation for open innovation. YOKOGUSHI produces strong cross-sectional ties not just within our Company but with outside parties, making it possible to create new value not previously possessed by either party. We already have a track record in several product fields that includes favorable reception by the market for the unique systems we have developed in collaboration with other companies.

Through YOKOGUSHI, we will promote innovations that lead to the future so that we create solutions that completely satisfy our customers.

## YOKOGUSHI Initiatives

1

**The University of Tokyo–JEOL University–Corporate Collaboration Office**

In June 2005, the University–Corporate Collaboration Office was established by the School of Engineering at the University of Tokyo and JEOL Ltd. The aims of the new office are to promote and provide education, both in Japan and overseas, on advanced technology related to characterization and metrology, particularly using an electron microscope. The School of Engineering at the University of Tokyo has a long history of gathering research results and know-how in education and research based on state-of-the-art microscopes and technologies. JEOL has highly advanced applied electron microscope technology and professional support. By combining these specialties, we intend to create a new type of academic and corporate collaboration, focusing particularly on nanotechnology, interdisciplinary research and education, and the promotion of scientific technology. As well, we will encourage activities that contribute to society, locally and globally.

2

**Osaka University–JEOL YOKOGUSHI Research Alliance Laboratories**

This collaborative research institute was jointly established by Osaka University and JEOL Ltd., in April 2018, by integrating the Endowed Research Division of Multi-scale Structural Biology (JEOL), located in the Institute for Protein Research of Osaka University, and the Mass Spectrometry Open Innovation Joint Research Seminar of Osaka University's Graduate School of Science. The institute is intended to be a center for innovation in pioneering the next generation of life science research. The goals of the institute are to drive innovation and improve performance in cryo-electron microscopes, NMR spectrometers, and mass spectrometers, as well as to establish easy-to-use, advanced, and fast measurement and analysis methods. This collaborative research institute will enable us to develop globally competitive scientific measuring instruments and related research and development by uniting Osaka University's superior fundamental research with the technological development competencies of JEOL.

3

**JEOL–Nikon CLEM Solution Center**

In September 2017, Nikon Corporation and JEOL cofounded the JEOL–Nikon CLEM Solution Center within the JEOL head office. Correlative light and electron microscopy (CLEM) is an observation and analysis method that links information obtained by optical microscopes as well as electron microscopes and harnesses the advantages of both instruments. By combining Nikon's optical microscope technology with JEOL's electron microscope technology, CLEM will provide innovative solutions.

4

**Joint Development with Rigaku**

In 2020, we entered into a joint development agreement with Rigaku Corporation, a leading company producing X-ray analysis instruments based in Akishima, Tokyo. Under this agreement, we jointly developed Synergy-ED, the micro electron diffraction (MicroED) platform, launching sales in 2021. By combining Rigaku's structural analysis technology and equipment, such as their high-sensitivity detectors, with our transmission electron microscopes, we will unite the core technologies of both companies and provide new solutions for single crystal structure analysis using electron diffraction.



# Adhering to our founding philosophy, challenge of achieving further growth of science and technology around the

### Celebrating our 75th anniversary with an unchanging philosophy

JEOL was established in May 1949, shortly after the end of the war, by founder Kenji Kazato, with the hope of reviving Japan through science and technology, as a company developing electron microscopes. Thanks to you all, this year we have reached our 75th anniversary. For this, I would like to express my deepest gratitude to you for your warm support and guidance over the years.

Since its founding, while staying strongly conscious of the founder's philosophy of supporting science and technology around the world, JEOL has been working to develop cutting-edge scientific and metrology instruments, industrial equipment, and medical equipment. Our niche technology, which we have refined together with top scientists even through difficult times by stubbornly adhering to the philosophy of our founder, has become a source of further growth. As mentioned at the time of announcing the medium-term management plan, Evolving Growth Plan, we will continue to strive to achieve our goal of becoming a top niche company supporting science and technology around the world.

The illustration on page 13, which appeared for the first time in Integrated Report 2022, shows the meaning and role of the medium-term management plan, Evolving Growth Plan; the Evolving in the 70th Year vision; our company philosophy; and the YOKOGUSHI strategy behind these. To continue being a company that contributes to scientific progress and societal development, as our company philosophy indicates as our purpose, we will realize a growth strategy in line with the Evolving in the 70th Year vision and achieve the goals of our medium-term management plan, Evolving Growth Plan. With this basic strategy as our backbone, we will steadily implement each measure and realize the improvement of our corporate value, and will remain unwavering in our aim to become

recognized as a top niche company supporting science and technology around the world.

### Steady improvement in profitability, leading to record-high performance for three consecutive years

Looking back on fiscal 2023, the second year of the Evolving Growth Plan, it was a year that symbolized the rapidly changing, complex, and unpredictable era of VUCA—volatility, uncertainty, complexity, and ambiguity—with rising geopolitical risks such as the military conflict between Israel and Hamas, the prolonged Russia–Ukraine war, U.S.–China conflict, and the Taiwan issue, as well as ongoing global inflation and the depreciation of the yen. In the midst of all this, JEOL Group employees worked together as a single team to implement all measures, and as a result, we were able to achieve our highest-ever performance in three consecutive years in terms of consolidated sales and profits. In addition, we achieved the numerical targets of the Evolving Growth Plan (consolidated net sales of ¥170 billion and consolidated operating income of ¥24 billion) one year ahead of schedule. For these achievements, I would like to express my sincere gratitude to all the JEOL Group employees who work every day with ingenuity and enthusiasm, and to the families of our employees for their support.

The financial results for fiscal 2023 achieved record-high results for the third consecutive year, with consolidated net sales of ¥174.3 billion, consolidated operating income of ¥27.5 billion, consolidated ordinary profit of ¥30.0 billion, and net income attributable to owners of the parent of ¥21.7 billion. Additionally,



# we will continue to take on the while contributing to the development world.

consolidated orders received were ¥192.2 billion, and consolidated backlog of orders was ¥113.5 billion, both of which were also significantly higher than previous fiscal years. We believe that we have made a good start toward achieving our goal of becoming a top niche company supporting science and technology around the world.

Last year in particular, we were able to improve the performance of our scientific and metrology instruments segment, for which we have repeatedly stated that improving profitability is a major theme. Operating income for this segment has improved significantly from ¥5.8 billion

(in fiscal 2022) to ¥16.8 billion (in fiscal 2023), and the operating margin has improved from 6.1% to 14.0%. We believe that this strong performance was due to the recognition of our unique high-value-added products and solutions in the target growth markets of semiconductors, batteries, and drug discovery, as well as active investment in cutting-edge technology worldwide and the weak yen. We will continue to strengthen our efforts in these growth markets with the aim of further improving the profitability of our scientific and metrology instruments segment. To achieve this, not only is it necessary to improve the basic

Izumi Oi  
President & CEO



performance of each instrument but it is also essential to solve multifaceted (YOKOGUSHI) challenges and improve throughput, and we will proactively make the necessary R&D investments.

For our industrial equipment segment, which has been driving our earnings, sales of multi-beam mask writers decreased due to the unfavorable impact of semiconductor market conditions, particularly the adjustment phase in advanced logic and foundry investment, but sales of single-beam mask writers increased due to strong demand for power semiconductors. In addition, electron beam metal 3D printers, a new field in our industrial equipment segment, are making full-scale entry into the global market and are expected to contribute to sales in fiscal 2024.

In our medical equipment segment, sales in the Japanese market were strong, mainly at testing centers, but in the overseas market, sales remained low due to the unfavorable impact of China's internal production policy and other factors.

As for the Company as a whole, the decline in sales of multi-beam mask writers, which had been the driving force behind our favorable performance, was offset by favorable performance in single-beam mask writers and in our scientific and metrology instruments segment, resulting in a well-balanced financial result. To increase sales of multi-beam mask writers, we will need to wait for the market for cutting-edge semiconductors to recover, but we believe that this market will expand in the medium to long term.

In October 2023, we announced that we had acquired a partial stake in IMS Nanofabrication Global, LLC (IMS), our strategic partner for multi-beam mask writers, from its parent company, Intel Corporation. With this acquisition of equity, we will further strengthen our collaboration with IMS in both technology and business.

### Driving innovation through our unique YOKOGUSHI strategy

Our collaboration with IMS is a prime example of YOKOGUSHI, a concept we have been promoting for many years which means "promote innovation by co-creation." In addition to this, we are actively developing various other YOKOGUSHI projects with external parties, as so-called "open innovation." Synergy-ED, an integrated electron diffraction platform developed jointly with Rigaku, has earned a high reputation worldwide as a tool that enables the analysis of extremely small crystals, which was

previously impossible. In industry-academia-government collaboration as well, many YOKOGUSHI projects are underway, including the JEOL x Tohoku University Advanced Material Analysis Co-creation Research Center launched in April 2024. This YOKOGUSHI strategy is essential for creating growth opportunities, such as developing core technologies, developing new solutions, and creating new businesses. In particular, we have a lineup of high-end scientific and metrology instruments and are one of the few niche global companies with electron beam technology cultivated since our founding. We believe that this characteristic promises to be the source of our diverse YOKOGUSHI outcomes. We will continue to hone our strengths so that many people will want to work with JEOL in the future.

In fiscal 2024, the final year of the Evolving Growth Plan, we will work on each business segment with the goal of achieving consolidated net sales of ¥183.0 billion, consolidated operating income of ¥30.0 billion, consolidated ordinary profit of ¥30.5 billion, and consolidated net income attributable to owners of the parent of ¥22.5 billion, and this would be our highest performance in four consecutive years if we can achieve all this. Market conditions are generally steady, and if we tackle head-on the growth opportunities and challenges that each segment faces, and if we consistently promote measures based on our growth strategies, I believe that our goals are very achievable.

### Resolving social issues through both business and ESG activities

Our Company is one of the few companies in the world that operates a wide range of businesses involving electron microscopes and other rare products, and I feel that our social responsibility is extremely important. In fiscal 2019, we declared that the entire Group would contribute to achieving the United Nations (UN) Sustainable Development Goals (SDGs), and we are working to resolve important social issues through both our business activities and our environmental, social, and governance (ESG) activities. To begin with, our main market is the field of science and technology, and our main business is providing cutting-edge equipment that supports scientific progress, so there is no doubt that we are a company that can contribute to achieving the SDGs through our business activities. As one of our unique efforts to achieve the SDGs



through ESG activities, we provide science education support classes using electron microscopes for elementary and junior high schools. In addition, this year, as part of our 75th anniversary celebrations, we cooperated in the publication of an educational comic that introduces electron microscopes. These were distributed free of charge to elementary schools across Japan so that children can experience electron microscopes and the world that cannot be seen with the naked eye. It has been a pleasure for us to know that they were able to discover the joy of science through these materials.

### Investing in people for greater success

To realize our company philosophy and to aim for becoming a top niche company supporting science and technology around the world, it is essential that we secure talented people with diverse sensibilities and perspectives and strive to enable them to demonstrate their capabilities. Our Company has over 120 employees with PhDs, and in February 2024, one of our employees was selected for the list of the top 2% of researchers in the world as published by Stanford University and Elsevier B.V. This represents that we are home to a diverse range of talent. The Evolving Growth Plan places emphasis on the growth of employees and human resources, and under this we are actively setting specific goals and investing in human resources, including securing talented personnel, developing

engineers, promoting diversity and inclusion (D&I), and practicing health and productivity management.

### To our stakeholders

Our basic policy for profit distribution is to maintain consistent dividends over the long term based on our business initiatives to improve our financial base and our corporate structure. Regarding dividends for this fiscal year, taking into consideration our business performance and financial situation, we have decided to pay a year-end dividend of ¥49 per share as an ordinary dividend and an additional ¥20 as a commemorative dividend for our 75th anniversary, totaling ¥69 per share. Added to the interim dividend, this brings the total annual dividend to ¥102 per share. Regarding value indicators related to capital efficiency, we place importance on return on equity (ROE) and return on invested capital (ROIC), and in fiscal 2023, ROE is projected to be 19.1%, while ROIC is expected at 15.9% (based on internal management standards).

Fiscal 2024 will be the final year of our medium-term management plan, Evolving Growth Plan, and we will continue to take on challenges together with Group employees around the world to achieve our business plans and further improve corporate value. I hope all of our stakeholders will continue to encourage us and follow our progress over the medium to long term. We look forward to your continued support and cooperation throughout this year.

# Value Creation Process

## Inputs

### Financial capital

Total assets .....¥230.2 billion

Shareholders' equity ratio ..... 54.5%

### Intellectual capital

R&D costs .....¥10.3 billion

R&D costs to net sales ..... 5.9%

### Human capital

Consolidated number of employees ..... 3,435

Number of PhD recipients ..... 124

Job turnover rate ..... 1.2%

### Manufacturing capital

Capital expenditures ..... ¥5.6 billion

Tangible fixed assets .....¥22.5 billion

Number of main production bases ..... 4

### Social and relationship capital

Number of countries  
where products are delivered to ..... 130+

Number of overseas locations ..... 26

Number of Science Education  
Support Classes held ..... 853

### Environmental capital

Greenhouse gas (GHG) emissions (t-CO<sub>2</sub>)

Scope 1 ..... 1,609

Scope 2 ..... 13,642

Fiscal 2023 results

High  
technological  
niche

Our strengths

Global  
support

Connections  
with  
top scientists

Medium-Term Management Plan  
Evolving Growth Plan (FY 2022–2024)

P.13

Vision: Evolving in the 70th Year  
Model of Behavior: YOKOGUSHI

P.5

P.6

Company Philosophy  
Contributing to the progress  
in both science and human society

P.1

DNA that has evolved over 75 years

P.3

Founder's thoughts  
Creating a culture for revealing microstructures

P.3

Reinvestment



## Outputs

### Scientific and Metrology Instruments

Contributing to the development of cutting-edge technologies



### Industrial Equipment

Enriching people's lives via high-performance devices



### Medical Equipment

Protecting people's health via sample testing



### Service

Providing a wide variety of solutions



Key areas of focus  
Semiconductors / Batteries / Life sciences / Sustainability

## Outcomes

### Value we provide

- Scientific progress and the sustainable development of society
- People's health, safety, and security
- Conservation and sustainability of the global environment
- Contribution to local communities and society
- Development of human resources and respect for human rights

### Societal impact

- Advances in science and technology
- Realization of safe and secure daily life
- Improvement of environmental sustainability

### Economic impact

#### Three consecutive years of increased sales and profits

- Net sales ¥174.3 billion
- Operating income ¥27.5 billion
- Net income attributable to owners of the parent ¥21.7 billion
- Operating margin 15.8%
- ROE 19.1%
- Common stock dividend per share ¥102  
(Including a ¥20 commemorative dividend for the 75th anniversary)

Our ideal goal

Becoming a top niche company supporting science and technology around the world

P13

# Evolving Growth Plan

(Fiscal 2022–2024)

## Expand the business scale and achieve higher profitability

We will accelerate the growth of our business and achieve higher profitability by continuing to implement Evolving in the 70th Year, the basic vision of the previous medium-term management plan, Triangle Plan 2022 (Fiscal 2019–2021).

Specifically, we will develop our YOKOGUSHI strategy and boost customer satisfaction by strengthening R&D, manufacturing, and service, which in turn will lead to higher business scale and more profitability. We will also look ahead of the new medium-term management plan, continuing to improve and grow our business by implementing the new strategies needed to realize sustained long-term growth.



### Becoming a top niche company supporting science and technology around the world



The illustration above was created for the announcement of the Evolving Growth Plan.

It expresses the meaning and role of the Evolving Growth Plan, our medium-term management plan, as well as our Evolving in the 70th Year vision, the company philosophy, and the YOKOGUSHI strategy that supports all of these initiatives.

The illustration represents the Company's commitment to achieving the goals of the Evolving Growth Plan by maintaining our company philosophy and executing the vision of Evolving in the 70th Year with YOKOGUSHI, which has been transmitted for the past 10 years, as the background. In addition, it also clearly states the business direction of the JEOL Group: "Becoming a top niche company supporting science and technology around the world."

## Evolving Growth Plan

### Basic Concept of the Evolving Growth Plan

#### 1 The concept of the growth vision, Evolving in the 70th Year, remains unchanged

Accelerate business growth and achieve even higher profitability based on our unique technologies and networks of people that we have developed since our Company's founding.

#### 2 Strengthen and develop the YOKOGUSHI strategy

Provide more added value to our customers by further developing our YOKOGUSHI strategy not only for product development but also through business development and the more effective use of data.

#### 3 Strategies for higher profitability

Company-wide initiatives to build barriers to entry, improve profitability, and strengthen business support.

#### 4 Achieve growth in three areas: customer value, employees and human resources, sales and profits

Achieve well-balanced growth to expand the scale of our business operations.

#### 5 Initiatives for the SDGs

Tackle materiality (important social issues) from two perspectives: business activities and the ESGs.

### FY 2024 forecast

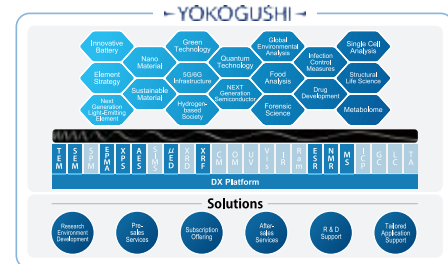
Consolidated net sales	¥ <b>183.0</b> billion (¥174.3 billion)	Consolidated operating income	¥ <b>30.0</b> billion (¥27.5 billion)
Operating margin	<b>16.4</b> % (15.8%)	Consolidated ordinary profit	¥ <b>30.5</b> billion (¥30.0 billion)
Ordinary profit margin	<b>16.7</b> % (17.2%)	Net income attributable to owners of the parent	¥ <b>22.5</b> billion (¥21.7 billion)

Figures in parentheses are the results for fiscal 2023.

### FY 2013- YOKOGUSHI-

As a company with an extensive product lineup, we will combine our diverse and multifaceted instruments and technologies in an organic and cross-sectional way, implementing our YOKOGUSHI strategy to provide total solutions.

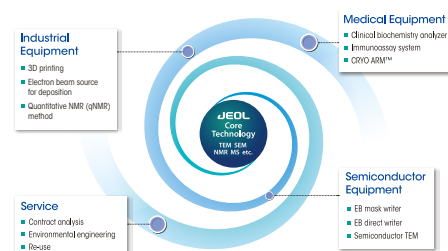
In addition, we will not only take the initiative internally but will also promote joint R&D by collaborating with outside partners and institutions.



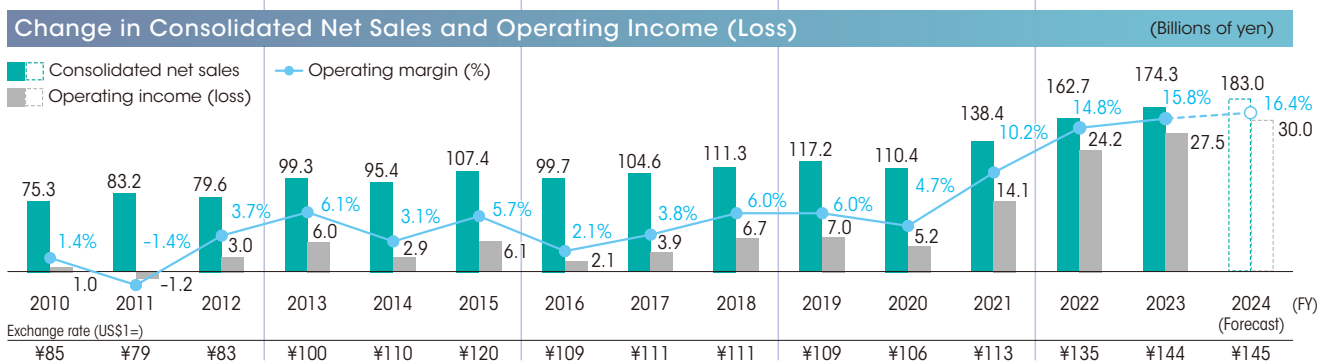
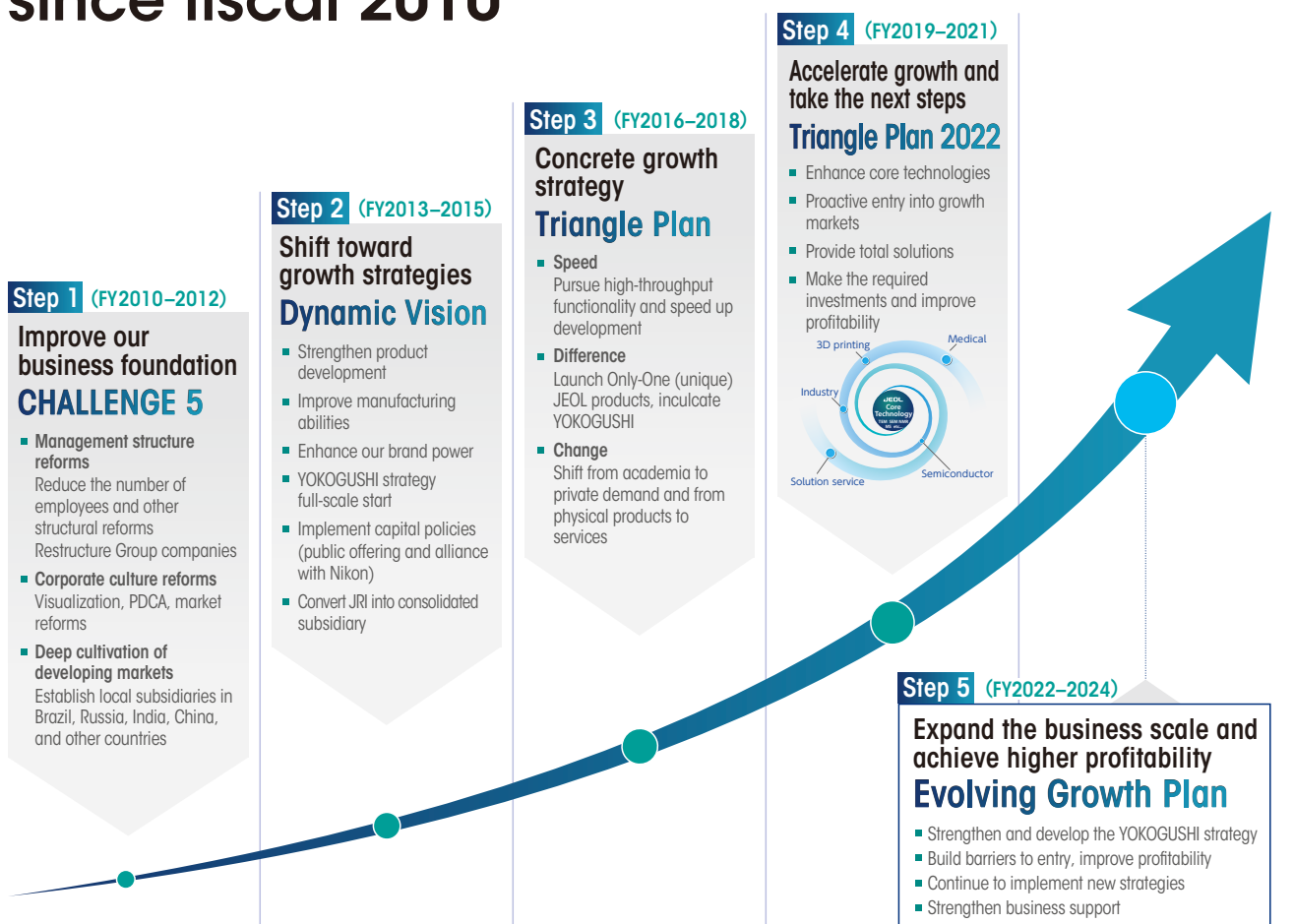
### FY 2019- Evolving in the 70th Year

Leveraging our core technologies developed in the academic market, we will enter large markets with growth potential, such as markets where we can capitalize on the strengths our semiconductor equipment and medical equipment.

We will continue to accelerate the growth of our business scale as set out in our Evolving in the 70th Year vision that we developed to mark our 70th anniversary.



# Medium-term management plans since fiscal 2010



[FY 2022 results]	Consolidated net sales	¥162.7 billion	Consolidated operating income	¥24.2 billion
[FY 2023 results]	Consolidated net sales	¥174.3 billion	Consolidated operating income	¥27.5 billion
[FY 2024 forecast]	Consolidated net sales	¥183.0 billion	Consolidated operating income	¥30.0 billion



# Evolving Growth Plan

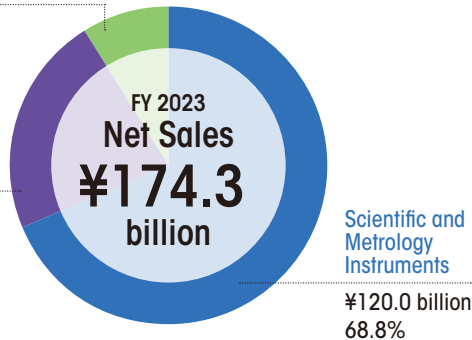
## Overview by Business Segment

### Medical Equipment

¥15.3 billion  
8.8%

### Industrial Equipment

¥39.0 billion  
22.4%



### Medical Equipment

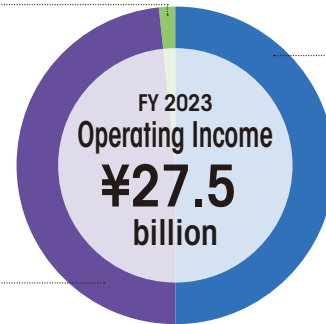
¥0.5 billion  
1.4%\*

### Industrial Equipment

¥16.2 billion  
48.3%\*

### Scientific and Metrology Instruments

¥16.8 billion  
50.3%\*

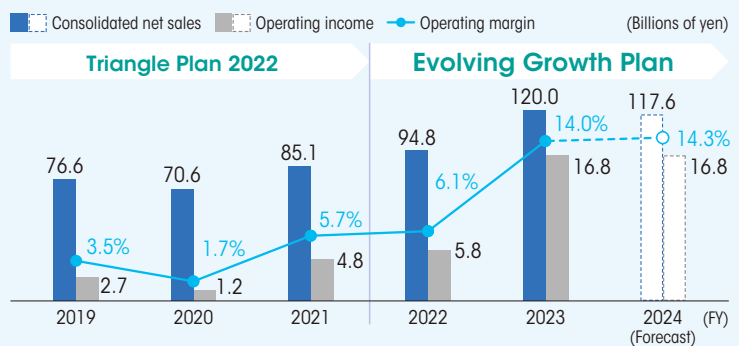


\* Before Company-wide cost allocation (¥6.0 billion)



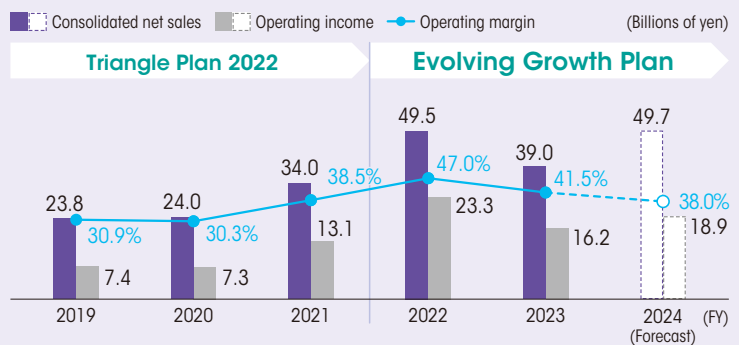
## Scientific and Metrology Instruments

Orders and sales remained strong, driven by active investments in science and technology by governments throughout the world as well as robust demand associated with R&D for semiconductors and next-generation batteries.



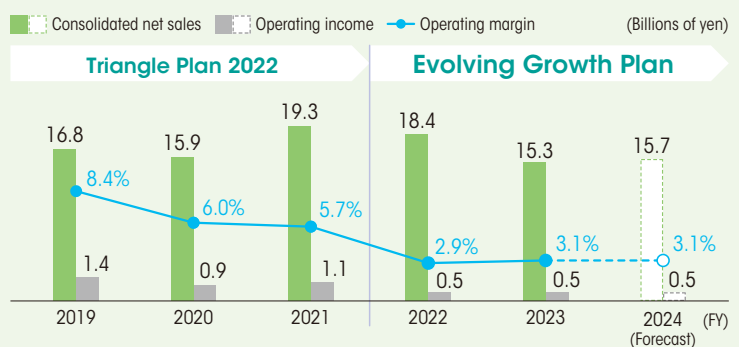
## Industrial Equipment

Multi-beam mask writers were affected by the phase of adjustment seen in the semiconductor market, and orders remained weak, with sales remaining at a low level, but sales of single-beam mask writers stayed steady due to demand for power semiconductors.



## Medical Equipment

Inquiries were strong for clinical chemistry analyzers in the Japanese market. However, orders and sales remained at low levels in overseas markets, impacted by factors such as China's policy for domestic production.



## Message from the CFO

### Driving sustainable growth and enhancing corporate value through capital management focused on efficiency and strengthening the earning power of our core businesses

Katsumoto Yaguchi

Director & Senior Executive Officer  
In charge of Finance, IT, and Export Trade Control



#### Summary of fiscal 2023

Regarding consolidated results for fiscal 2023, we achieved net sales of ¥174.3 billion (up 7.2% year on year) and operating income of ¥27.5 billion (up 14.0% year on year), exceeding the performance forecast revised upward during the period. We achieved our highest performance ever for the third consecutive period. The shareholders' equity ratio on a consolidated basis was 54.5% (up 3.4 points), and financial soundness has steadily been improving. For indicators related to capital efficiency, we have maintained high performance, with an operating margin of 15.8% (up 1.0 points year on year), ROE of 19.1% (up 0.1 points), ROIC of 15.9% (down 0.8 points), and a price book-value (P/B) ratio of 2.6. Both ROE and ROIC improved significantly from fiscal 2020 to fiscal 2023, far exceeding the cost of capital (estimated at 7–10%). This is due to the increasing earning power of our scientific and metrology instruments segment, in addition to the high profitability of the industrial equipment segment. Regarding our core business, the scientific and metrology instruments segment, profitability has much improved due to the high recognition of our unique high-value-added products and solutions in the target growth markets of semiconductors, batteries, and drug discovery, as well as the effect of the weak yen. Our industrial equipment segment is also in a growth phase and maintains high profitability. We will actively invest in management resources for business expansion in this domain. Our recent investment in IMS (see page 22) is a necessary risk to take for our business, but we have carefully carried out our risk assessment in this area. An amount of approximately ¥16 billion in investment is listed as investment securities on our balance sheet. Regarding IMS' product value, entry barriers, future growth potential, and

other aspects, we have carried out careful verification. While this investment may result in a decline in capital efficiency in the short term, looking ahead five or 10 years, our business alliance with IMS as our strategic partner in the industrial equipment segment is extremely important, and we believe that further strengthening our relationship in both technology and business will lead to increased corporate value in the future.

#### Plans for fiscal 2024 and our shareholder return policy

The global economic environment surrounding our Company is highly unpredictable. The soaring prices of raw materials and energy are causing the international economy to slow and there are increasing inflationary pressures. In addition, the business conditions remain unpredictable, affected by factors such as a restructuring of the global supply chain triggered by heightened geopolitical risk amid economic security concerns involving the United States and China. However, despite this challenging environment, the consolidated backlog of orders for fiscal 2023, a leading indicator, reached ¥113.5 billion, which was significantly higher than the previous record. In terms of our scientific and metrology instruments segment for fiscal 2024, we expect our performance to be on par with the previous fiscal year. This is due to robust demand from continued active investment in science and technology by governments around the world and in R&D particularly in semiconductors and next-generation batteries, which is expected to offset the risk of strengthened export controls on China. In our industrial equipment segment, inventory adjustments for highly profitable multi-beam mask writers will continue, but single-beam mask writers needed to fabricate power semiconductors will continually grow due to strong demand for power semiconductors,

and we expect sales and profits to increase. Given this business environment, in fiscal 2024, we are forecasting consolidated net sales of ¥183.0 billion and consolidated operating income of ¥30.0 billion, which is our highest performance ever for the fourth consecutive fiscal year.

For our shareholder return policy, we see the dividend on equity ratio (DOE) as an important indicator for ensuring that we deliver consistent dividends while limiting the impact of fluctuations on short-term financial results. Our annual dividend per share for fiscal 2023 totaled ¥102, with an interim dividend of ¥33 and a year-end dividend of ¥69 (ordinary dividend of ¥49, plus a 75th anniversary commemorative dividend of ¥20). The annual dividend for fiscal 2024 is planned to be ¥88. As for the acquisition of treasury stock, to implement a flexible capital policy aimed at improving corporate value, we will carry out acquisition as appropriate while taking into consideration business performance, capital status, growth investment opportunities, and market conditions including stock price.

## Direction of the financial strategy

### —Management that takes the cost of capital and stock prices into consideration—

Regarding current capital return, while this exceeds the capital asset pricing model-based cost of capital as calculated using a generally accepted method, we recognize that there is a discrepancy with the market's expected return. We will continue to maintain an ROE of 10% and an ROIC of 8% or more, and improve capital efficiency so as to improve the P/B ratio. We will also continue to actively engage in dialogue with the capital market regarding the upward revision of the hurdle rate, and work to improve corporate value by reflecting opinions in management.

As our working capital ratio and fixed asset ratios tend to be high due to the nature of our business, we aim to improve our

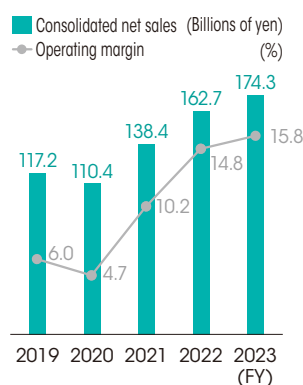
financial position by streamlining our balance sheet. We will achieve this by shortening the cash conversion cycle (the operating working capital turnover period) mainly by reducing inventories, disposing of nonbusiness assets after reviewing their profitability, and carefully examining policies on cross shareholdings. As part of efforts to create a system for improving medium- to long-term capital efficiency, we began introducing capital efficiency index ROIC in fiscal 2022, while also setting up ROIC tree/key performance indicators (KPIs), with monitoring to start from fiscal 2023.

In formulating our new medium-term management plan, which will begin next fiscal year, we will position balance sheet planning and cash flow allocation (investment and shareholder return allocation policy) that emphasize medium- to long-term financial discipline as a key theme in our financial strategy. While focusing on our unique investment opportunities, we will seek the optimum balance over the medium to long term for growth-oriented R&D investment, human resources and capital investment, M&As, higher shareholder returns, a strengthened financial base, and control of interest-bearing debt.

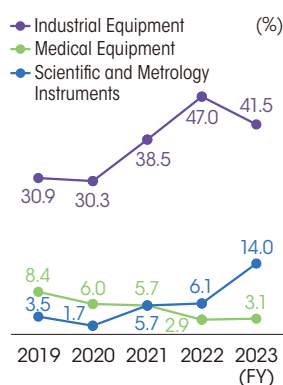
### —Management that emphasizes non-financial information—

The environment surrounding companies is gradually changing, and it is no longer possible to fully explain corporate value with financial statement figures alone. We recognize that the value of invisible non-financial capital is increasing. Going forward, by clarifying the relationship between non-financial capital and corporate value, and through dialogue with investors, we will lead the Company to sustainable growth and increased corporate value. We place particular emphasis on efforts to strengthen human capital, and in addition to indicating this policy in our securities reporting, we disclose indicators and targets related to promoting D&I, developing human resources, and creating a safe and healthy work environment.

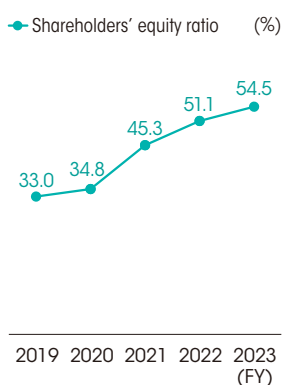
#### Consolidated net sales / operating margin



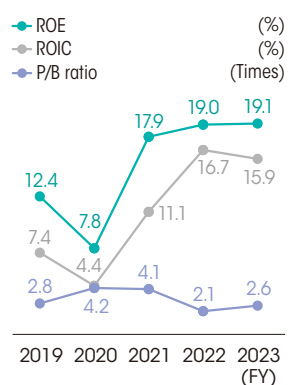
#### Operating margin by segment



#### Shareholders' equity ratio



#### ROE / ROIC / P/B ratio



## Overview by Business Segment

# Scientific and Metrology Instruments

### Business description

With our roots in the development of electron microscopes, the scientific and metrology instruments segment has been nurtured and grown since our founding as a part of our DNA.

By developing the scientific and metrology instruments that are among the best in class in the world, we continue to support top scientists, including Nobel Prize winners, and others working at the frontiers of cutting-edge research.

Our products are used by universities and laboratories in more than 130 countries worldwide, and we provide top-class solutions in various fields, such as nanotechnology, biotechnology, and the life sciences.

As a business that contributes to progress in both science and society, we will continue working on making advances in our core technologies: measurement and analysis.

### Main instruments

#### Electron optics instruments and metrology instruments

We are developing many instruments that apply electron beam, ion beam, X-ray, and other technologies, starting with electron microscopes.

We provide instruments that offer robust support for seeing and measuring in the nano world. These include transmission electron microscopes for seeing substances at the atomic level; electron probe microanalyzers that accurately detect elements contained in micro areas on the specimen surface; and multi-beam milling/imaging systems for milling and observation of samples at the nanometer level.

Our business fields are broad-ranging, from cutting-edge academic research to quality control in the manufacturing industry.

#### Analytical instruments

While electron optics instruments and metrology instruments approach substances from the outside, analytical instruments examine the nature of substances from the inside. Our main products in this category are NMR systems and mass spectrometers.

NMR systems are another one of our core research instruments, as our electron microscopes were the first core research instruments. As these systems analyze the structure of substances from the inside, they are essential in the world of organic chemistry.

Mass spectrometers tell you what a specific substance is made of and in what concentrations. One example is their use in quickly analyzing the presence of substances in food that are harmful to health, such as agrochemical residue, so they contribute to our health and safety.



JEM-F200  
transmission  
electron microscope



JMS-T2000GC  
AccuTOF™ GC-Alpha  
gas chromatograph,  
time-of-flight mass spectrometer

Main customers	Research institutes, educational institutions, manufacturing industry (chemistry, steel, machinery, food, nonferrous metal, electrical and electronic, etc.), public institutions, and analytical research companies
Main products	Electron microscopes, electron probe microanalyzers, photoelectron spectrometers, Auger microprobes, multi-beam systems, X-ray fluorescence spectrometers, NMR systems, electron spin resonance spectrometers, mass spectrometers, portable gas chromatographs, and electron diffractometers

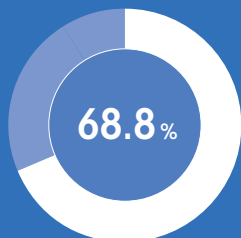
### Business environment

Academia/ Government	○	• Continued active investment in science and technology by governments worldwide
Private sector (semiconductors)	○	• Demand growing for electron microscopes (TEM, SEM, etc.) as semiconductors become smaller and more complex
Private demand (other industries)	○	• Continued R&D investment in next-generation batteries

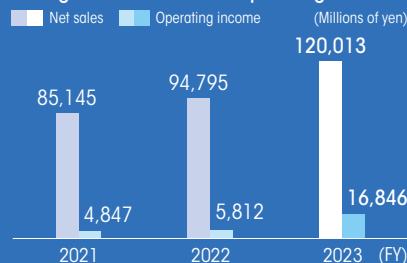


## Overview of fiscal 2023

### Net sales by segment



### Change in net sales and operating income



## Topics

### Developing a next-generation, easy-to-use electron microscope supporting users from normal use to maintenance

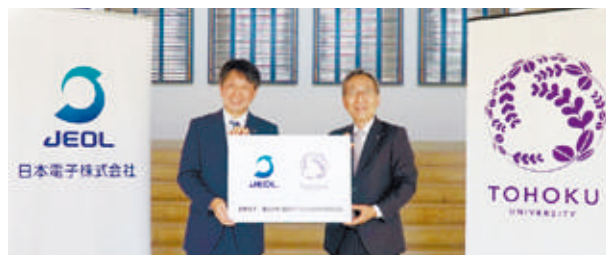
Electron microscopes are used in a wide range of fields, from biotechnology to nanotechnology and cutting-edge materials. As the fields expand, the range of users is also expanding, and there is demand for electron microscopes becoming a more user-friendly tool for research and testing work. To meet this demand, the JEM-120i was developed as a next-generation instrument based on the concepts of “compact,” “easy to use,” and “expandable.”



JEM-120i  
transmission electron microscope

### Established the JEOL x Tohoku University Advanced Material Analysis Co-Creation Research Center

In collaboration with Tohoku University, we established the JEOL x Tohoku University Advanced Material Analysis Co-Creation Research Center in April 2024. This facility will build an open innovation collaborative research system, aiming to innovate and advance the metrology and analysis technologies necessary for material development and evaluation. In this way, we will contribute to the realization of a better society.



President & CEO Izumi Oi (left), and Tohoku University President Hideo Ono (right)

## Aiming for further growth



Toyohiko Tazawa  
Director & Senior  
Executive Officer

### Providing metrology equipment to support place for co-creation

The focus of our Company has been on perceiving ever-smaller structures. Our aim has been to contribute to developments in a wide range of fields, from academia to industry. In our own industry, as is often said, you can't create what you can't measure (observe). The act of observing (measuring) during the development stage is one of the foundations of manufacturing. On the other hand, with materials informatics becoming central to manufacturing, the key phrases are now “creation of larger amounts of data” and “throughput of measurements.”

While holding our exploratory attitude of pursuing the ultimate in “observing” (measuring), we aim to pursue manufacturing that is conscious of measurement throughput in order to become a place of co-creation in manufacturing. In addition, we will enable versatile and complementary analysis by integrating various methods, thereby aiming to increase analytical throughput.

To become a place for co-creation, in addition to perfecting the individual functions of our equipment, it is important to increase convenience and flexibility. The goal here is to achieve effective throughput in work environments where the advanced utilization of information driven by digital transformation (DX) is required. Our initiative called Analytical Robot = Remote + AI (artificial intelligence) + DB (database), which we have worked on for some time, is at the source of current DX requirements. This initiative aims to develop our scientific and metrology instruments segment as a place for co-creation by promoting DX based on advances in analytical robots and the JEOL DATA Highway framework.

## Overview by Business Segment

# Industrial Equipment

### Business description

In 1952, three years after our founding, we entered the industrial equipment field, starting with an induction hardening system that applied the knowledge we had acquired from the development of electron microscopes. Today, having now developed expertise in electron beam control and radio frequency (RF) power supplies—cultivated as core technologies in the scientific and metrology instruments segment—we can now supply the industrial equipment that is essential for fabricating semiconductors, electronic devices, and optical components, such as electron beam lithography systems, electron beam sources for deposition, and RF induction thermal plasma systems.

One of our initiatives to enter a new business segment is R&D for metal 3D printers that apply our electron beam technology. We began sales for these printers in March 2021. We expect them to be used in fields that require high levels of precision, such as aerospace, medicine, and automobiles.

### Main instruments

#### Electron beam lithography systems

Electronic devices such as computers, smartphones, and home appliances contain semiconductor components called large scale integrated (LSI) circuits. LSI circuits have extremely fine patterns made possible through progress in refinement and densification. The 3-nanometer fabrication process is used in cutting-edge devices and their patterns are 1/10,000th the diameter of a human hair or smaller.

Precise fabrication of ultrafine circuits like this requires electron beam lithography.

The role of electron beam lithography systems is expected to increase in importance as demand for semiconductors grows due to such factors as the development of an IoT society and the dawn of the 5G era.

Partnering with Austria-based IMS, we are supplying multi-beam electron beam lithography systems with improved throughput ahead of the global competition.

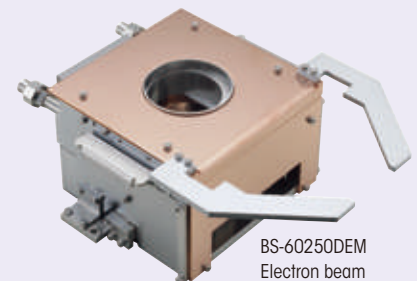


JBX-A9  
Electron beam lithography system

#### Electron beam source for deposition

Electron beam deposition is a method of vaporizing metals or oxides in a vacuum using an electron beam so that they adhere to the surface of a lens, circuit board, or other component as a thin film. Our electron beam source is used to heat the material to cause it to evaporate. Because the power density of electron beams is high, they can vaporize various materials, including metals with high melting points.

When a thin film is deposited onto glasses or a camera lens, it creates an antireflective and infrared coating. Electron beam deposition is also used to form electrodes and wiring film for electronic parts, LEDs, and other products. Although you may not see it, electron beam sources for deposition play an active role as a technology that supports everyday life behind the scenes.



BS-60250DEM  
Electron beam  
source for deposition

Main customers	Manufacturing industry (semiconductors, optical devices, electric machinery, electronic parts, chemistry, etc.) and research institutes
Main products	Electron beam lithography systems, high-power electron beam sources and power supplies, electron beam sources and power supplies for deposition, RF power supplies for plasma generation, bombardment deposition sources, RF induction thermal plasma systems, powder feeders, and electron beam metal 3D printers

### Business environment

#### Lithography systems market



- Extreme ultraviolet (EUV)-related investment in multi-beam mask writers slow to recover but with continued growth expected in the medium to long term
- Single-beam mask writers for legacy nodes remaining strong due to demand for power semiconductors

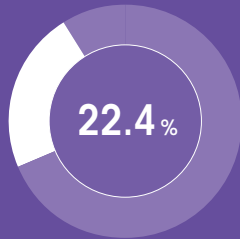
#### Electron beam source market



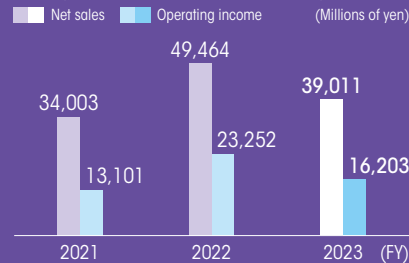
- Inquiries for deflection electron beam sources declined with a softening of smartphone demand

## Overview of fiscal 2023

### Net sales by segment



### Change in net sales and operating income



## Topics

### Acquired partial stake in IMS

In October 2023, we acquired approximately 2.5% of the equity interests in IMS, held by Intel Corporation.

IMS is a subsidiary of Intel and is our strategic partner for multi-beam mask writers. By acquiring a partial stake, we will further strengthen our relationship with IMS in terms of both technology and business.



Multi-beam mask writer

### Full-scale entry of 3D printers into the global market

Our first electron beam metal 3D printer, the JAM-5200EBM, has received its first overseas order in the United States. This model was also delivered to the Technical University of Munich in Germany, and an opening ceremony was held in April this year. Through a partnership with this university, we will begin full-scale promotional activities for 3D printers in Europe.



JAM-5200EBM  
Electron beam metal 3D printer

## Aiming for further growth



Tadashi Komagata  
Senior Executive Officer

### JEOL industrial equipment supports the production of semiconductors and electronic devices.

In the industrial equipment segment—based on applied electron beam technology developed with electron microscopes at the core—we develop, manufacture, and sell electron beam lithography systems used for drawing semiconductor integrated circuit patterns, the electron beam deposition equipment necessary for coatings on optical components, and related components. Incredible volumes of electronic devices are needed to meet the rapid advancement in digital technology in recent years. Our products are used in the production processes for these devices, and we will continue to speedily develop and provide equipment that fulfills the requirements of each generation.

Multi-beam mask writers (multi-beam electron beam lithography systems) are essential for fabricating the photomasks used in EUV lithography. Having jointly developed this equipment with Austria-based IMS and putting them into the market, they are now being introduced at advanced plants of the world's leading semiconductor manufacturers, contributing to the mass production of cutting-edge devices.

Our electron beam metal 3D printer has also begun full-scale entry into the global market with the opening of exhibition halls in Europe and the United States. We expect to bring about a revolution in the production of essential components that demand strength and reliability. With this printer, we are supporting the creation of groundbreaking products in a wide array of industrial fields, particularly aerospace and medicine.

## Overview by Business Segment

# Medical Equipment

### Business description

In 1972, we released the first clinical chemistry analyzer by applying the measurement technology we acquired during the development of analysis and inspection systems for the medical field. This series was called Clinalyzer, and by expanding the lineup and developing products matching requirements, these analyzers became more common, and we contributed to medical progress and helped maintain people's health.

In 1996, this was replaced by the BioMajesty™ series featuring an enhanced analysis method, better economic efficiency, and improved processing. This series remains available today.

As part of our YOKOGUSHI strategy, we partnered with FUJIREBIO Inc. to link our system with theirs, providing integrated immunological and biochemical testing. In this and other ways, we address increasingly diverse clinical testing requirements.

### Main instruments

#### Clinical chemistry analyzer

Measuring sugar, cholesterol, protein, and other components in blood, urine, or other fluid samples is useful for discovering diseases and managing health. In recent years, services have been made available for individuals where blood samples are taken at home and mailed to a lab for results. The evolution of clinical chemistry analyzers has greatly contributed to blood testing becoming a familiar routine.

Our BioMajesty™ series of clinical chemistry analyzers has been delivered to small and medium-sized hospitals, testing centers (private companies specializing in analysis), and large hospitals, such as university hospitals. Using a proprietary method for diluting samples, we now minimize sample volume and reduce the amount of reagents required. This alleviates the physical stress placed on patients and contributes to lowering running costs for medical institutions.

Through ultra-micro volume measuring and ultra-high-speed processing technology, the BioMajesty™ series supports medical progress.

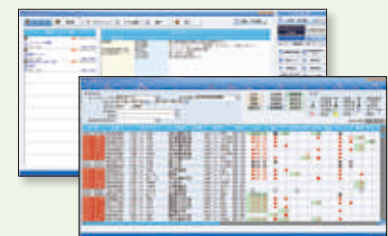


JCA-BM6070G  
clinical chemistry analyzer  
BioMajesty™

#### Laboratory information systems

This information solution helps increase efficiency and introduces IT to the front lines of medicine by linking and managing all the data involved in clinical chemistry analyzer operations. The centralized management of everything from receiving samples to testing and reporting by the system allows for fast and accurate processing.

All the data from testing, including when the test was performed, who made the request, which device was used for registration, and who approved it, is stored by item, ensuring traceability in clinical testing.



JCS-60L CLALIS™  
laboratory information system

Main customers	Hospitals, clinical testing centers, and reagent manufacturers
Main products	Clinical chemistry analyzers and laboratory information systems

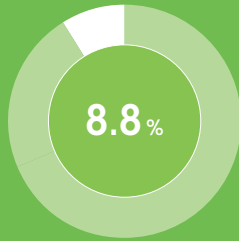
### Business environment

Japanese market	○	• Inquiries are strong, centering on testing centers
Overseas market	△	• Orders and sales are decreasing due to the influence of China's policy of preferential treatment for domestic products, etc.

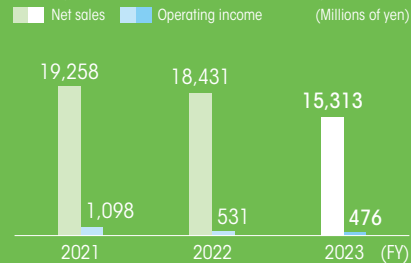


## Overview of fiscal 2023

### Net sales by segment



### Change in net sales and operating income



## Topics

### Medical Equipment Business Operations moved to new location

To meet the growing demand for our products, we have acquired new land and a building near the head office. The new plant, Musashimurayama Works, was opened in 2021 to increase production capacity and improve efficiency. We have moved departments related to the medical equipment segment, such as technical development, production, and business management, from the head office to Musashimurayama Works. This plant features a new exhibition room for clinical chemistry analyzers and laboratory information systems to further strengthen sales. At the exhibition room, we demonstrate new equipment and distribute information through catalogs, display panels, and presentations on our reagents used for analysis.

We will fast-track business development in the medical equipment segment by responding to the increasing number of inquiries for clinical chemistry analyzers.



Musashimurayama Works



Clinical chemistry analyzer exhibition room

## Aiming for further growth



Kiyotaka Fujino  
Executive Officer

### JEOL provides solutions that improve treatment accuracy.

We have been working on preventive medicine, particularly providing useful data-based information to medical professionals and promoting the automatic collection and visualization of medical data, given the importance of complying with regulations. These days, we live in a so-called "VUCA" era, which stands for volatility, uncertainty, complexity, and ambiguity, and new infectious diseases and illnesses will emerge, shifting us to even more challenging times.

We recognize that clarifying the relationship between new diseases and clinical test data is important for the future development of medical care. This can be achieved by putting our strengths in YOKOGUSHI into practice. Although this can take time, it will solve the problems that exist in immunological tests as well as biochemical tests, and it enables the seamless provision of tests, from prevention to post-infection and monitoring after treatment, thereby increasing the value of the information provided.

By making clinical test data more precise, which is likely to continue to be developed further, we believe this will contribute to the advancement of medicine.



## New Services

Promoting the wider use of technology in society

### Online

As a countermeasure to prevent the spread of COVID-19, we implemented new workstyles, such as remote work and online meetings. Activities that once relied solely on person-to-person interaction, such as sales events and exhibitions, are now expected to include online elements as well. To support the diverse workstyles of our customers, we are holding events in person and increasing opportunities for online interactions to provide information without constraints on place or time.



#### ① Online demonstrations

We introduce systems and provide operating instructions over the internet to customers considering their adoption. These web conference-based sessions allow two-way discussions without needing to visit our Company.

#### ② Online exhibitions

Although many exhibitions and academic conferences were canceled or postponed during the height of COVID-19, we posted our scheduled seminars and technical materials digitally on our website to ensure that they could be seen. To enable people to access the latest information without having to travel, we are holding some exhibitions and academic conferences online, while also conducting some as hybrid events (both offline and online).

#### ③ Webinars

We provide live streams of seminars (webinars) where we provide information useful for research and analysis, including operating our equipment, analytical know-how, and information on the latest technologies and products. After the webinars, we focus on follow-up with participants, including online question and answer sessions. We are also putting together an archive of recordings from past seminars.

#### ④ Web content

We are working to improve our online educational content to give back to society by sharing our cultivated expertise and technology while ensuring equal access to learning opportunities for everyone, regardless of constraints on place or time. This includes publishing *JEOL NEWS*, a summary of the latest research results, as well as glossaries explaining academic and technical terminology related to scientific and metrology instruments, and on our website, we publish Introduction to JEOL Products, which includes explanations of the principles and application of our products for beginners.

### Sharing

**Moving from ownership to use of analytical instruments. Through our sharing service, we promote the use of high-end equipment.**

As science progresses, demand is on the rise for using the high-end scientific and metrology instruments required for cutting-edge research, including nanotechnology and material analysis. On the other hand, there are many challenges when it comes to universities, companies, and public research institutes purchasing and maintaining high-end equipment on their own with limited budgets.

In response, we launched a metered rate sharing service in 2018 that allows use of our equipment on an as-needed basis, reducing the burdens of initial investment and running costs.

By providing the best analysis via sharing to customers that had previously given up on adopting high-end equipment due to budget constraints, we are capturing demand and continually strengthening relationships with customers.

With various plans, contracts are flexible, including remote operation plans offered over the internet so that customers do not need to come to our facilities, and concierge services are provided by our expert staff.

Through our sharing service, we will build a new business model by proposing value in keeping with the current trend in a



## Contract Services

We provide the experience and results we have cultivated over our more than 70 years through a contract analysis service.

We address varied needs with the latest equipment and analytical know-how, as only a manufacturer can.

### ① Contracted analysis

We measure, observe, and analyze samples provided by customers. Our comprehensive support of customer research includes everything from recommendations on methods of analysis to advice on the results of analyses.

### ② Observed analysis

Our customers can come to us and consult with expert operators on-site as they conduct analyses according to their requirements. Customers can specify where to observe and what conditions to use for analysis on the spot while checking the status.

### ③ Online remote analysis

Customers can connect with expert operators via the internet. Conditions for observation and analysis can be specified while checking the status in real time via video without visiting our facilities. The data obtained is delivered quickly and safely via online storage.

### ④ Sample preparation

Preparation of high-quality samples is essential for obtaining good analytical data. Our experienced staff use the latest equipment to prepare samples on behalf of the customer according to their requirements.

### ⑤ Customized lectures/sample preparation lectures

We offer lectures according to customer requests as well as person-to-person lectures on sample preparation.



#### Equipment available via sharing service



shift from products to services and addressing diverse needs on the front lines of research.

Since fiscal 2019, our sharing service was awarded with the Accreditation of Partnership on Research Assistance Service certificate by the Ministry of Education, Culture, Sports, Science and Technology.

# Human Capital Management



To ensure that we live up to our company philosophy for sustainably, we are striving to secure outstanding employees that have diverse understanding and perspectives. As well, we will provide an environment for them to maximize their abilities. We are also working to maintain and improve our business activities by creating an environment in which employees can work safely and in good health, and that enables a variety of workstyles.

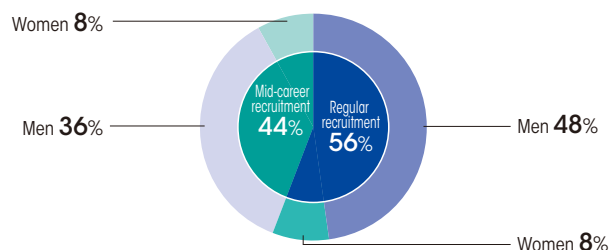
Under our medium-term management plan, Evolving Growth Plan, we are working to achieve the growth of three values, one of which is employees and human resources. Here, we are actively investing in our human resources and setting specific goals as we work to realize this growth.

## Securing exceptional employees

We recruit mid-career talent in addition to new graduates. By integrating their diverse backgrounds with our DNA cultivated over 70 years of history, we continue to meet the challenge of ever-advancing technology and society. Recently, the proportion of mid-career hires has exceeded 40%, and we will continue to strive to secure a diverse workforce.

### Regular and mid-career recruitment

(As of March 31, 2024)



We are focused on recruiting and empowering women, posting information on our recruiting website highlighting the Roundtable Discussion for Women with Science Backgrounds. However, on the other hand, our Company is struggling with its percentage of female new graduate hires, which stands at 17.3% (fiscal 2024). In order to reach our target of 25% (fiscal 2025), we aim to hire many more female new graduates and will also actively provide career support for our female employees.

### Percentage of females among new graduates recruited

	FY 2022	FY 2023	FY 2024
Female employees	8	10	9
Male employees	47	37	43
Percentage of females	14.5%	21.3%	17.3%

## Cultivating employees' capacity

To develop employees who think and act by themselves, we have improved the existing position- and qualification-based education system and have introduced a learning management system (LMS) to build an education system that utilizes e-learning (online learning). Starting this fiscal year, we are promoting Company-wide reskilling by introducing a new, unlimited e-learning service that broadens the scope of learning. In addition, as our overseas sales ratio is high at 65%, we will continue to focus on language education so as to develop global



Roundtable Discussion for Women with Science Backgrounds

human resources. By utilizing online education, we aim to increase employee learning opportunities via Company-wide education and to further develop our employees.

As stated in our company philosophy, we have been challenging the most advanced technologies in the world since our founding. We are engaged in an array of initiatives for education, including cultivating talented engineers.

- 1 In our Advanced Technical Specialist Program, we evaluate and help develop highly skilled engineers. Every year, these skilled engineers are certified as special researchers and provided with a two-year special research grant to boost their motivation.
- 2 Through our Doctoral Degree Recognition Program, we encourage employees to acquire doctorates. As of April 1, 2024, the number of employees holding PhD degrees reached 124. In January 2024, we established a new Doctoral Degree Acquisition Support Program as an additional support measure. In addition to paying a further increase in incentives for obtaining doctoral degrees than those previously provided under the Doctoral Degree Recognition Program, the program also changes the treatment of participating employees by treating their commute time as work hours during their doctoral studies. Going forward, we will continue to provide various types of support to boost the number of employees with PhDs, as the core of our R&D teams.
- 3 In our Special Appointment Advanced Specialist Program, we further enliven and motivate our engineers and pass on their skills by providing special appointments to non-line managers with particularly advanced skills.

### Employee engagement

We have been employing a wide range of initiatives to increase employee engagement. The President's Award, established in 2010, is designed to motivate employees by the President personally recognizing and awarding employees who have worked to solve problems on their own initiative.

In addition to these efforts, to further improve engagement, an engagement survey by an external consulting firm has been conducted from October 2023. The survey has revealed issues that were previously unidentified, and thus various measures, including training, are being implemented. In this way, our Company will continuously seek to understand and analyze its state of employee engagement and implement personnel measures to address issues in a timely manner, and we will build a system to increase

employee engagement and continue maintaining it.

	FY 2021	FY 2022	FY 2023
President's Award winners (cumulative)	91	81	131

### Promoting D&I

JEOL recruits people regardless of their gender, nationality, age, or disability to create an organization where everyone can play an active role. Through our support of the work-life balance, we have been focusing on empowering women and promoting childcare guided by government acts for women's empowerment and child raising. These initiatives earned us Eruboshi certification (3rd level) in August 2023 and Kurumin certification in November 2022, both from the Ministry of Health, Labour and Welfare.

In addition, the percentage of female employees who take childcare leave and return to work is close to 100%. Many employees make use of a shortened work hour system, etc., after returning to work following childbirth and childcare. Our return-to-work system—helping employees who have left for reasons such as childcare or nursing care—has spread throughout the Company. We are now seeing more employees take advantage of this system and return to work. The hourly paid leave program, introduced in January 2021, has also been widely used by employees as a way to effectively balance work and family life.



Kurumin certification



Eruboshi certification (3rd level)

We have also been focusing on raising the percentage of male employees taking childcare leave, which rose significantly to 45.0% in fiscal 2022 and 61.9% in fiscal 2023. Having already achieved our initial goal of a 50% acquisition rate by fiscal 2024, we have set a new goal of 65% (by end of fiscal 2028) and aim to further increase the acquisition rate.

	FY 2021	FY 2022	FY 2023
Percentage of male employees taking childcare leave	16.7%	45.0%	61.9%



The percentage of female managers increased to 4.1% in fiscal 2022, but in fiscal 2023 this was 4.3%, so this requires improvement. We will continue to work to achieve our target of 5.0% in fiscal 2024.

	FY 2021	FY 2022	FY 2023
Percentage of female managers	2.8%	4.1%	4.3%

We will also continue providing support for balancing work and family life, aiming to create an environment that makes possible a strong work-life balance for our employees.

### Health management initiatives

We believe that the mental and physical health of employees are important management issues. We have engaged in health management initiatives since fiscal 2021 and have been certified under the Health and Productivity Management Outstanding Organization Recognition Program 2024 (large enterprise category) for the third consecutive year.

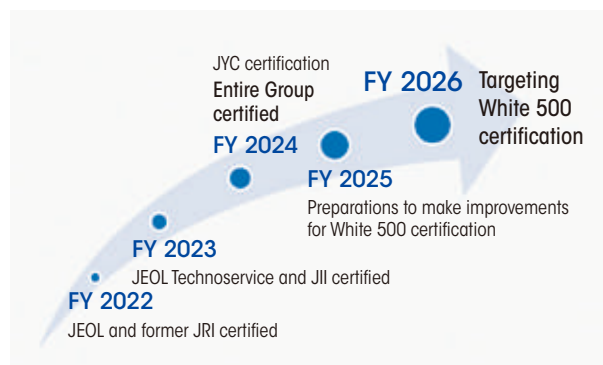


In fiscal 2023, our wide range of activities encouraged better health among employees, including a walking event, as well as other events for better eating, sleep, and smoking cessation.

All employees have undergone regular health checkups for three consecutive years so far, and our resident industrial physician pays close attention to the daily health of employees. In addition, more than 90% of employees undergo stress checks every year, and from fiscal 2024 this will be expanded to also include employees stationed overseas, as part of enhanced efforts to prevent mental health problems. Furthermore, we provide support via multiple counseling services, including interviews with psychiatrists and telephone and email services provided by external companies.

We will continue to promote further initiatives in fiscal 2024.

	FY 2021	FY 2022	FY 2023
Health checkup participation	100%	100%	100%
Stress check exam	93%	94%	93%



### Encouraging the active participation of senior employees

To promote the further success of our senior human resources, we review the existing post-retirement reemployment system and create an environment where experienced senior personnel can work with high motivation, such as by increasing wage levels and revising the evaluation system to provide more balanced treatment.



## Message from the Chief Human Resources Officer

### Driving employee and human resource growth and enhancing human capital by continuing to address five priority issues

Atsushi Seki

Director & Executive Officer  
In charge of General Affairs and Human Resources



In our medium-term management plan, Evolving Growth Plan, we established our direction of “Becoming a top niche company supporting science and technology around the world”—a goal that we work toward every day. Here, one of our primary aims is to achieve growth in three key areas: customer value, employees and human resources, and sales and profits. It is clear that the development of employees and human resources is an indispensable and critical management issue for corporate growth.

For this reason, we are working on five priority issues, aiming to make certain that every employee can reach their full potential.

#### ① Securing exceptional employees

We proactively recruit both new graduates and mid-career hires with the goal of securing diverse, exceptional employees. We will increase the number of internships offered to new graduates and strengthen our efforts to encourage deeper understanding of our work and corporate culture. Through actual work experience, we will prevent any mismatching between work expectations and the actual work, which can lead to reduced turnover. For mid-career recruitment, we are expanding our recruitment channels toward acquiring talented human resources, such as by starting an employee introduction system (referral hiring) in which employees can introduce their acquaintances.

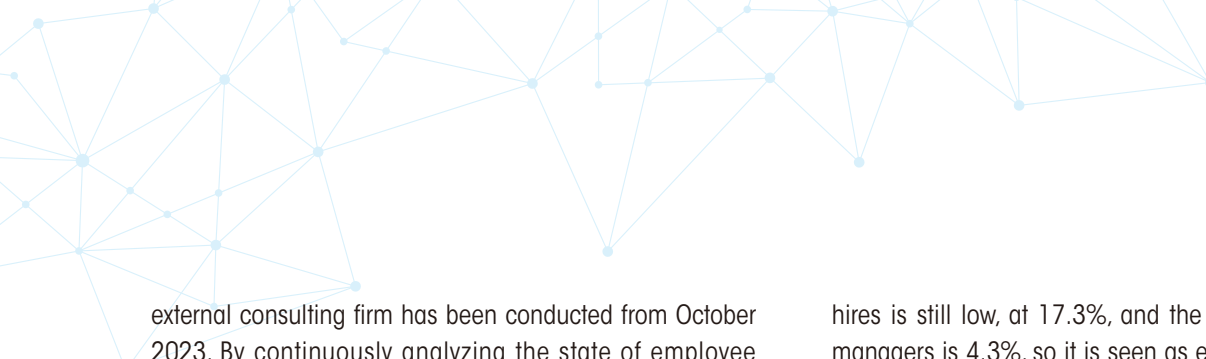
We also focus on recruiting women, and by proactively sharing examples of our female employees’ successes with the public, we are seeing an increase in the number of women applying/being hired for sales and technical positions, which previously saw few applicants. We are working to create a comfortable work environment for women to ensure they can easily serve as many years as men. We will continue to proactively increase recruiting women while bolstering support for their careers.

#### ② Developing employee capabilities and improving engagement

While increasing engagement, we are training employees to think independently and to act with initiative. We have introduced an LMS and built an education system that utilizes e-learning. Starting this fiscal year, we are promoting Company-wide reskilling without limiting the scope of learning by using an unlimited e-learning service that does not limit the target audience. By adding more training content and improving online training, we will increase learning opportunities for employees, foster on-the-job training (OJT), bolster employee support, and encourage self-development.

In addition, to increase employee engagement, we give out President’s Awards, our quarterly program for internal recognition. Under this program, the President selects and awards individual employees and teams who have worked with independence and have shown initiative to solve problems. We also provide opportunities for mid-level employees to regularly have direct discussions with management, making sure that the Company’s vision and mission are shared through such dialogue.

In addition to enhancing such initiatives, to further improve engagement, an engagement survey by an



external consulting firm has been conducted from October 2023. By continuously analyzing the state of employee engagement, we will visualize issues, improve internal systems to maximize human capital, and aim to realize our Company's goal of growth of employees and human resources.

### 3 Encouraging the active participation of senior employees

In an age when life expectancy is approaching 100, we encourage the active participation of senior employees because supporting the full participation of senior employees is important. We have many employees over the age of 60 who demonstrate a high level of skill and performance. To promote the active participation of our senior human resources, regarding the reemployment system for retired workers up to the age of 65, we are considering ways to make the system more balanced by reviewing compensation and revising the evaluation system.

We will also have reskilling programs for middle and senior employees. In addition to providing reskilling, these programs enable employees to identify how they can better achieve results and contribute to the Company. We will build an effective reskilling system while making job details and career paths more visible. We will carry out further reforms to enable senior employees to pass on their skills to support the development of young employees while utilizing their extensive networks of contacts and experience.

### 4 Promoting D&I

We will create new value and drive growth by employing human resources with a diverse range of backgrounds and values. Through initiatives that support a work-life balance, we will continue to create a comfortable work environment.

Based on the Act on the Promotion of Women's Active Engagement in Professional Life and the Act on Advancement of Measures to Support Raising Next-Generation Children, we are taking the initiative to empower women in the workplace and provide better childcare support. To recognize our achievements, we received Kurumin certification in 2022 and Eruboshi certification (3rd level) in 2023. Also, the percentage of male employees taking childcare leave was 45.0% in fiscal 2022, while in fiscal 2023, it rose significantly to 61.9%. On the other hand, the percentage of female new graduate

hires is still low, at 17.3%, and the percentage of female managers is 4.3%, so it is seen as essential to continue to improve measures to promote women's participation in the workforce. As a new initiative, last year we started holding roundtable meetings for female employees and female executives, and we are focusing on supporting the careers of female employees.

### 5 Improving the work environment

We intend to create a positive corporate culture and workplace that is fulfilling and rewarding for every employee. In recognizing that the mental and physical health of employees is an important management issue, we communicated our Health Management Declaration internally and externally and are promoting health management. In recognition, since fiscal 2022, we have

## Employees and human resources growth

- Recruiting new graduates / mid-career hires
- Recruiting women

- Developing training systems
- Enhancing position-based training
- Review of evaluation system
- Incentives for acquiring qualifications

- Empowering women in the workplace
- Promoting the employment of people with disabilities
- Creating an inclusive environment

been certified as a Health and Productivity Management Outstanding Organization (large enterprise category) for three consecutive years. Going forward, we plan to further enhance our health promotion activities, including promoting the centralized management of health data.

Fostering a strong corporate culture is vital for the growth and development of our Company. We established the KF Committee (Corporate Culture Committee) back in 1985 with the aim of building a better corporate culture. At that time, our management policy was "As a company is supported by its people, the fostering of a positive corporate culture and atmosphere is the key to successful management." Based on this approach, we established guiding principles for action and later launched our Don't Litter Campaign (see page 44) so employees could participate in cleanup drives along their commuting routes near the Company.

KF activities are mainly for young employees who are

selected from a wide range of workplaces. Transcending organizational boundaries, these employees exchange opinions and work based on their own ideas. As levels of expertise increase, unseen organizational barriers can easily arise between departments. To address this issue, we work to foster vitality within our organization through YOKOGUSHI.

Human capital management has been drawing increasing attention. Under this approach, employees are not regarded as just management resources but rather as human capital whose worth is improved through investment. Securing and assigning employees is not the final step; instead, employee strengths are maximized through assessments and training.

By rejuvenating human capital, we will continue becoming a company that embodies our philosophy of "contributing to the progress of both science and human society."



## Initiatives for the SDGs

# Contributing to the achievement of the SDGs through business development that leverages JEOL's advantages

In Triangle Plan 2022, our medium-term management plan that we launched in fiscal 2019, we declared that we would contribute to the achievement of the SDGs as an entire Group, and we highlighted the SDGs that we would prioritize in our activities.

Further, in Integrated Report 2020 we identified our materiality (important social issues) and clearly stated the initiatives that

we would continually use to help resolve these challenges. We also added and arranged priority SDGs that we will work on.

We will contribute to the realization of a better, more sustainable world, as set out in the SDGs, by tackling material issues in both our business and ESG activities and by expanding our unique business operations that embody the spirit of JEOL.

### Process for identifying materiality

STEP 1

#### Identify those material issues that can be resolved through our business activities

Review our lineup of products that contribute to the advancement of science and medicine and then identify issues that can be resolved, while simultaneously supporting business development.

STEP 2

#### Identify material issues that can be resolved through our ESG initiatives

Identify issues that could be resolved through our unique business activities that focus on the environment, society, and governance.

STEP 3

#### External communication and gathering information on materiality

We set up key initiatives for every material issue and the targets for SDGs, while communicating information externally, beginning with publishing information in integrated reports.

## SDGs

The UN's Sustainable Development Goals (SDGs) refer to global objectives to create a better, more sustainable world by 2030. They were adopted at the UN Summit in September 2015 and are included in the 2030 Agenda for Sustainable Development.

The SDGs consist of 17 goals and 169 targets. These goals and targets deal with issues in areas such as the economy, industry, and society. Corporations, the leaders of economic activity, are expected to play an important role as one of the main actors responsible for achieving the SDGs.



	Material issues	Key initiatives	Targeted SDGs
SDGs being addressed through business operations	Provide products that contribute to people's health, safety, and security	<ul style="list-style-type: none"> <li>Provide medical equipment indispensable for the diagnosis and the prevention of illness</li> <li>Provide equipment with high sensitivity and accuracy that can analyze substances harmful to the human body</li> <li>Provide manufacturing equipment that contributes to the further development of sensing technology</li> </ul>	 
	Contribute to scientific progress and the sustainable development of society	<ul style="list-style-type: none"> <li>Develop world-class scientific instruments supporting advancements in science</li> <li>Contribute to higher performance semiconductors supporting the communication infrastructure</li> <li>Create advanced technology by promoting partnerships</li> </ul>	 
	Contribute to the conservation and sustainability of the global environment	<ul style="list-style-type: none"> <li>Provide measuring equipment indispensable for the R&amp;D of green devices</li> <li>Manage chemicals throughout the supply chain by using green purchasing</li> <li>Develop equipment that reduces CO<sub>2</sub> emissions by conserving energy</li> </ul>	  
SDGs being addressed through ESG initiatives	Conduct distinctive activities that contribute to the community and society	<ul style="list-style-type: none"> <li>Provide science education support classes using electron microscopes at elementary and junior high schools</li> <li>Support academic promotions and the fostering of young researchers by donating to public interest incorporated foundations</li> <li>Promote open innovation in collaboration with domestic and overseas research institutes and universities</li> </ul>	 
	Contribute to the conservation and sustainability of the global environment	<ul style="list-style-type: none"> <li>Streamline electricity use by introducing energy-saving equipment and other initiatives</li> <li>Reduce CO<sub>2</sub> emissions at business locations throughout the Group</li> <li>Thoroughly separate, reduce, and recycle waste</li> <li>Deploy the Don't Litter Campaign, a cleanup drive for beautifying the surroundings</li> </ul>	  
	Develop human resources and respect human rights	<ul style="list-style-type: none"> <li>Promote the creation of a workplace where women can more easily develop their careers</li> <li>Enhance systems to help bring balance to work and family in line with every person's stage in life</li> <li>Improve the awards program for employees making exceptional achievements</li> </ul>	 



## Implementing unique educational support programs

To commemorate our 75th anniversary, we collaborated in the publication of an educational comic that introduces electron microscopes to elementary school students. By explaining the mechanisms and technology of electron microscopes in an easy-to-understand manner and exposing children to the microscopic world that cannot be seen with the naked eye, the content is designed to help students discover the fascinating world of science. As part of our educational support activities, we donated these educational comic to approximately 25,000 locations across Japan, including elementary schools, public libraries, and pediatric wards.

Bunshun Manga Educational Series  
Tells You Everything You Want to Know about Electron Microscopes!





# International Standards Compliance for the Environment and Quality

## Unique Management System

The JEOL Group Management System (JGMS) is a management system that defines the actions that JEOL must take to meet the requirements for ISO 9001:2015 and ISO 14001:2015 certifications from an outside certification authority. The ISO 9001 standard sets the requirements that help to improve customer satisfaction and the quality of products and services; ISO 14001 defines environmental requirements, including those for monitoring and reducing waste and other environmental factors, as well as compliance with environmental laws and regulations. The JGMS contains the rules, standards, and procedures that specifically define the operations that integrate these requirements with company management.

## Policies

Our quality and environmental policies are clearly communicated both internally and externally through media such as our website.

### Quality and environmental policies

In support of our company philosophy, we are offering advanced products and services to users of scientific and metrology instruments, semiconductor equipment, industrial and medical equipment, and contributing to the development of a sustainable, recycling-based society.

### Policy for quality

- In support of our mission, the JEOL Group is committed to being a total solution provider, providing high-quality products and well-organized services to best serve our clients.
- Continually improve products and services using a cross-departmental approach.
- Promote quality control initiatives through execution and continual improvement of our quality management system in compliance with international standards.

### Policy for environmental protection

- Product development and process control that is environmentally friendly.
- Never-ending environmental quality improvement at every step of our business from development to production to service.
- Compliance with laws and regulations as a socially responsible global corporation.

- Promote environmental control initiatives through execution and by continually improving our quality management system in compliance with international standards.

## JGMS operations

Senior management assesses the conditions, issues, and needs—within and outside the Company—and then uses our policies to evaluate basic risks as well as quality and environmental risks. Then, precise guidance is provided to the people responsible in the divisions. Every division then sets the goals and plans for their departments based on this guidance and develops, manages, and evaluates them, making continual improvements so that the plan-do-check-act (PDCA) cycle can be implemented throughout the Company. In this way, senior management guidance permeates all levels of the organization. These activities are managed as one JGMS to ensure better products and services and to protect the global environment.

## Audits

### External auditing

The activities of the JEOL Group are regularly audited by an external audit company, and the audit company provides an evaluation of the continuing certification, including assessment of the effectiveness and conformance with international standards and the JGMS. The issues that are pointed out in the audits are regarded as opportunities for improvement, and we make full use of them as a tool for making our business operations better.

### Internal auditing

Two internal auditing periods are scheduled every year so that the JGMS activities conducted in every division can be independently audited. Internal auditing is done objectively from a neutral perspective by certified internal auditors who have completed education and training and who meet certification standards.

Recommendations made for improving operations during internal audits are not confined to improvements in a specific division, but are deployed horizontally across the Company.

### Publication of international certifications

JEOL Group companies obtained the first certifications for ISO 9001 in December 1995 and ISO 14001 in December 2002. Since then, the certifications have been updated and the JEOL Group companies have complied with the newest standards: ISO 9001:2015 and ISO 14001:2015. ISO certification information is shown at the right.

You can always see up-to-date information on the JEOL website.

#### Certification authority

Bureau Veritas Certification  
Holding SAS (U.K. Branch)

#### Registration numbers

ISO 9001: 4705112 2.0  
ISO 14001: 4705114 2.0

## Compliance

### CSR Committee

Recently, corporations are being required to comply with regulations concerning pollution control, reduced use of chemicals, and quality/environmental control as part of their corporate social responsibility (CSR).

JEOL organized a committee to address this issue in 2006. The CSR Committee, headed by the President and advised by an external attorney, meets quarterly. The committee's purpose is to promote JEOL's activities to continually improve and reinforce compliance, quality control, social contribution, corporate ethics, and risk management.

### Environmental Regulations Committees

Environmental Regulations Committees have been established to handle issues of environmental regulations that apply to JEOL products, starting with the Restriction of Hazardous Substances (RoHS) Directive.

All departments related to products, including sales, development, design, procurement, manufacturing, and service, participate and are working on legal compliance.

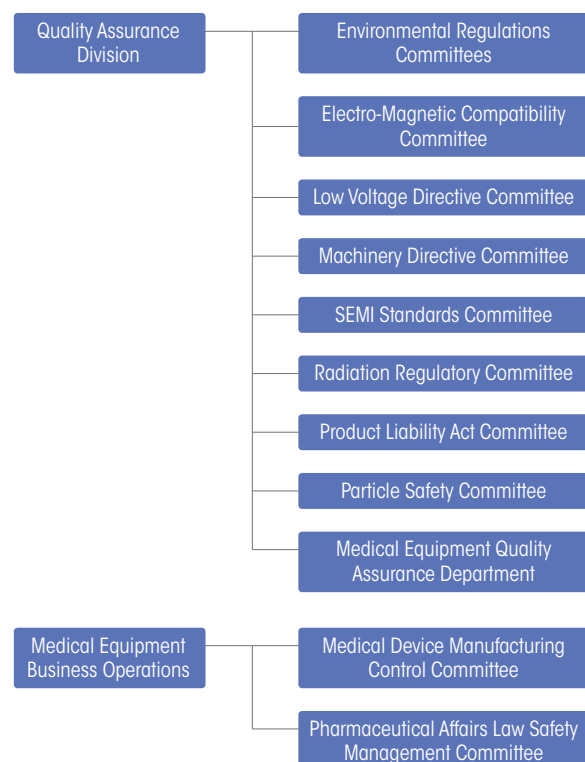
### Technical Regulations Committees

To respond effectively to the laws and regulations in every country, we have established special committees within the Quality Assurance Division and are taking effective action. Every committee considers all items related to product technical regulations and the latest trends in laws.

Laws and regulations change over time. Any provisions affecting the JEOL Group are discussed in the committee

specializing in that area, and a review is quickly distributed among all concerned through the Quality Assurance Division.

For medical equipment, the Medical Equipment Quality Assurance Department of the Quality Assurance Division is responsible for quality assurance (QA) as well as the regulatory affairs (RA) that cover compliance with rules and regulations throughout the world.



# Together with the Environment



## Addressing the issue of climate change

Our Group recognizes that the risks and opportunities associated with climate change will have a significant impact on our business strategy. Thus, we are positioning “Contribute to the conservation and sustainability of the global environment,” which we identified in fiscal 2021, as an important materiality, and are implementing climate change scenario analysis, disclosing our governance/risk management system, and continuously calculating GHG emissions in accordance with the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD).

### 1 Governance

In 2006, we launched the CSR Committee, a specialized organization for efficiently advancing our sustainability efforts. The committee meets quarterly, is chaired by the President & CEO, and is made up of Directors, responsible Corporate Officers, and an external attorney. This committee plans sustainability promotion activities, sets short-, medium-, and long-term goals, and promotes and monitors initiatives. It also identifies, responds to, evaluates, and considers countermeasures for sustainability-related risks and opportunities, and reviews them on a regular basis.

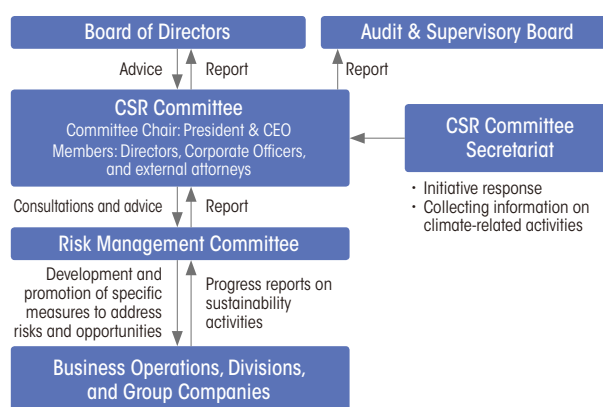
The CSR Committee Chair reports on the matters discussed in this committee to the Board of Directors and the Audit & Supervisory Board on a quarterly basis.

The Board of Directors will discuss issues related to climate change as discussed by the committee and will deliberate and consult with the committee as necessary,

and the CSR Committee Chair will be responsible for monitoring the decisions and efforts regarding these issues (such as the reduction of GHG emissions as a KPI).

The promotion system of our Group is as follows:

#### Climate change response system



### 2 Strategy

The Group identified the following items in relation to the risks and opportunities that will be posed to its business based on two scenarios (1.5°C and 4°C) and developed countermeasures.

#### Risk

In the 1.5°C scenario, there is a risk of increased costs for energy transition due to stricter regulations and reduced sales due to a lack of response to the need for low-carbon products, while in the 4°C scenario, there is a risk of increased costs due to intensifying natural disasters.

Risk	Classification	Drivers	Risk details	Timeline	Impact	Solutions
Transitional risk	Laws and regulations/policies	Introduction of carbon pricing/rising carbon prices	Costs incurred for in-house emissions (Scope 1 + 2)	Medium	Medium	Scope 1: Introduction of energy-saving equipment and the electrification of facilities Scope 2: Introduction of renewable energy
	Laws and regulations/policies	Rising renewable energy prices	Increased electricity costs if the share of renewable energy in the power configuration increases	Medium	Small	<ul style="list-style-type: none"> <li>Introduction of renewable energy through a Power Purchase Agreement (PPA)</li> <li>Introduction of renewable energy through the installation of in-house power generation equipment</li> </ul>
	Laws and regulations/policies	Introduction of carbon pricing/rising carbon prices	Increased procurement costs due to increased manufacturing costs from suppliers being passed on in raw materials prices	Medium	Small	<ul style="list-style-type: none"> <li>Switching to suppliers with lower GHG emissions (lower tax amounts)</li> <li>Requesting supplier companies to calculate and reduce GHG emissions</li> </ul>
	Technology	Development of low-carbon products	Decreased sales if unable to meet increasing demand for low-carbon products due to lack of developing such products	Medium	Large	<ul style="list-style-type: none"> <li>Developing and demonstrating technologies that are highly effective in reducing CO<sub>2</sub> emissions to differentiate ourselves from competitors</li> </ul>
	Reputation	Information disclosure response	Decreased sales if unable to comply with stricter standards and increasing requests for information disclosure from semiconductor and smartphone manufacturers	Short to medium	Large	<ul style="list-style-type: none"> <li>Disclosing information to stakeholders continuously</li> <li>Responding to external rating organizations on climate change</li> </ul>

Risk	Classification	Drivers	Risk details	Timeline	Impact	Solutions
Physical risk	Acute	Increasing severity of natural disasters	Increased burden of automobile insurance premiums for vehicle damage caused by natural disasters such as typhoons	Short to medium	Small	● Plans to protect vehicles from flooding
	Acute	Increasing severity of natural disasters	Increased costs due to business continuity plan (BCP) measures for disaster mitigation	Medium	Small	● Identifying BCP countermeasure bases ● Consideration of countermeasures and the clarification of the implementation schedule
	Acute	Increasing severity of natural disasters	Decrease in sales due to interruption of production caused by supply chain disruption due to natural disasters	Medium	Medium	● Diversifying the supply chain

### Opportunity

Sales are expected to increase due to the expansion of environmentally friendly business and increased demand for new drug development resulting from rising temperatures.

Risk	Classification	Drivers	Opportunity details	Timeline	Impact	Solutions
Opportunity	Products and services	Spread of infectious diseases due to rising temperatures	Increased sales led by demand for new drug development in the event of infectious diseases spreading due to rising temperatures	Medium	Large	● Product development optimized for protein analysis ● Increase in R&D investment
	Products and services	Participation in battery development	Increased sales due to investment into research facilities to meet demand for battery-based products such as EVs and rechargeable batteries	Short to medium	Large	● Expanding sales by providing solutions information ● Increase in R&D investment
	Products and services	Expansion of environmentally friendly business	Increased sales due to capital expenditures in research facilities tailored to demand for low-carbon materials	Medium	Large	● Developing low-carbon products ● Increase in R&D investment

• Scenarios used: Transitional risk: IEA WEO2023 NZE2050; physical risk: IPCC RCP8.5, IPCC AR6 SSP5-8.5

• Timeline: Within 1 year (short); up to 2030 (medium); up to 2050 (long)

• Impact level: Sales amount less than ¥100 million (small); sales amount between ¥100 million and ¥1 billion (medium); sales amount over ¥1 billion (large)

### ③ Risk management

With its Risk Management Committee at its core, the Group is establishing a management system for the prevention, detection, correction, and recurrence prevention of any risks that may occur in business management, while responding to any risks that do occur. Regarding risks associated with climate change, business operations, divisions, and Group companies will identify and evaluate such risks and cooperate with the CSR Committee. The committee, in cooperation with the CSR Committee Secretariat, will extract and discuss risks from each business division and report on such to the Board of Directors and the Audit & Supervisory Board.

Regarding identified climate-related risks, the CSR Committee deliberates and discusses countermeasures; in particular, countermeasures for risks that are assessed to have a high possibility of impacting our business activities will be reported to the Board of Directors and are subject to management review.

The risk for climate change is compiled by the CSR Committee and discussed at risk management committees. The results are reported to the Board of Directors as integrated Company-wide risks. Regarding the management status and response of integrated risks, the Board of Directors receives reports and gives instructions and supervision through each committee, thereby constantly monitoring the response status and building a Company-wide risk management system.

### ④ Indicators and goals

In order to evaluate and manage the impact of climate-related issues on its business, the Group has calculated GHG emissions (Scope 1 + 2) for fiscal 2022 based on the standards of the GHG Protocol. Our goal is to reduce GHG emissions 38% by fiscal 2030 compared to fiscal 2021 levels. Going forward, we will review our Scope 3 emission calculations and reduction targets, aiming to obtain Science Based Targets initiative (SBTi) certification, and will promote reduction activities across the entire Group.

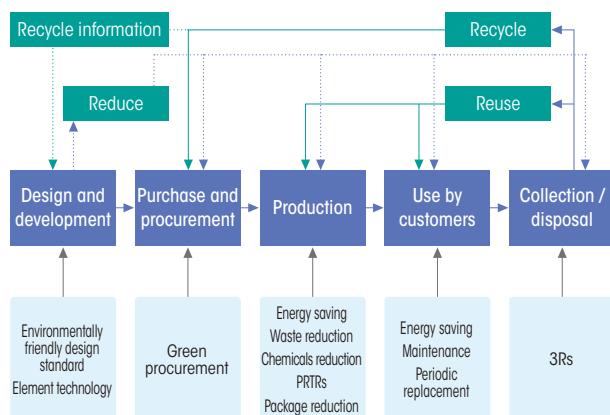
	(t-CO <sub>2</sub> )		
	FY 2021	FY 2022	FY 2030
Scope 1	1,736	1,609	Scope 1 + 2 38% reduction (Compared to FY 2021)
Scope 2	13,835	13,642	
Total of Scope 1 + 2	15,571	15,251	

## Environmental protection through products

### Initiatives for product lifecycles that are environmentally conscious

JEOL is implementing initiatives that incorporate the concept of reducing environmental impact in every part of the product lifecycle, from purchasing, production, and distribution through to operations, disposal, and recycling. During development and design, we not only comply with environmental laws and regulations but we also include the reduction of CO<sub>2</sub> emissions as a design goal. When purchasing materials, we ask component manufacturers to comply with the JEOL Group Green Purchasing Requirements and to use effective environmental management. In the production phase, we strive to reduce CO<sub>2</sub> emissions in the whole plant as well as to ensure that waste materials are disposed of in the correct way. When our instruments are being used, we ensure their stable operation through maintenance and inspections. We work hard to reduce the environmental impact of these instruments during disposal by comprehensively following the 3Rs (recycle, reduce, and reuse).

### Scope of JEOL product assessment



### Environmental contribution through products

JEOL's key products are ones that stimulate environmental improvements, and they include tools that are fundamental for R&D, instruments that improve production processes, environmental analysis equipment, and 3D printers.

### Field Emission Electron Probe Microanalyzer (JXA-iHP200F)

Analysis of trace components contained in materials is critical for the development and quality control of structural materials, including high-tensile steel, which can save energy by reducing the weight of automobiles. The JXA-iHP200F field emission electron probe microanalyzer meets the requirements for the high-speed, high-precision

analysis of trace components. In addition, this analyzer contributes to environmental improvements in a wide range of fields, such as research into the decommissioning of nuclear reactors and research for the exploration of natural resources.

### Gas Chromatograph Triple Quadrupole Mass Spectrometer (JMS-TQ4000GC UltraQuad™ TQ)

Gas chromatograph triple quadrupole mass spectrometers can detect harmful substances in food, water, and the environment with a high degree of accuracy and speed. JEOL's gas chromatograph triple quadrupole mass spectrometer can analyze many harmful substances at high speed and enhances the efficiency of analysis for pesticide residues.



JMS-TQ4000GC  
UltraQuad™ TQ  
gas chromatograph  
triple quadrupole  
mass spectrometer

### Electron beam metal 3D printer (JAM-5200EBM)

Metal 3D printers are expected to play an innovative role in boosting energy efficiency and reducing the weight of parts for automotive vehicles and aircraft engines; components used in the space industry; and generator turbines. Our metal 3D printers use an electron beam system that can manufacture difficult-to-process materials, such as titanium alloys, to make high-quality products.

### Instruments for battery development

To realize carbon neutrality, we must reduce power demand and switch to electric power, such as that used in electric vehicles. To achieve this goal, it is essential to improve the performance and quality of rechargeable batteries. Our products are being used in R&D for these batteries.



We publish application notes that introduce case studies where cross-sectional analyses of batteries have been performed using our instruments.



### Green purchasing

The JEOL Group communicates its environmental policies to clients and business partners and asks for their cooperation in complying with the JEOL Group Green Purchasing Requirements.

JEOL Group companies promote the development and design of products that do not contain certain chemical substances.

Our suppliers provide services without adding specified chemicals and deliver goods that do not contain the specified chemical substances, in accordance with the terms of their contracts with us. Working with our partners based on a “green contract,” JEOL Group companies provide, to their business partner companies, information related to chemical regulations and help them with the analysis of chemical substances to achieve specific targets.

#### JEOL Group Green Purchasing Requirements [excerpt]<sup>1</sup> Version 6.0 (November 2023)

The JEOL Group is committed to activities that encourage environmental protection throughout the business cycle from material purchasing, product delivery, service, maintenance, and disposal.

To achieve this, we need to build partnerships with our business partners and their supply chains, so that we can purchase and procure materials that take into consideration not only quality, cost, and delivery time but also environmental impact.

In addition, we have established the JEOL Group Green Purchasing Requirements.

### RoHS-compliant products

Since 2017, the JEOL Group has been providing instruments that comply with the European RoHS Directive, a regulation that limits harmful substances used in making electrical and electronic products. In addition, the number of regulated harmful substances increased from six to 10 in July 2021, so the Group is making every effort to ensure that its products remain compliant.

Going forward, the Group will continue to work on the development, production, and supply of products that contribute to the environment and that are environmentally conscious by complying with the RoHS Directive in an increasing number of countries worldwide. At the same time, we are reducing our environmental impact.<sup>2</sup>

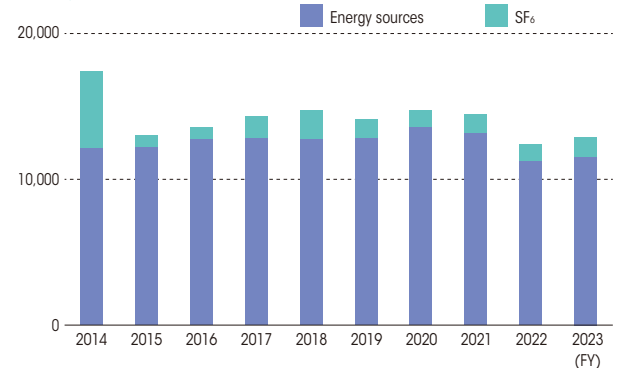
### Protecting the environment through business activities

#### Reducing GHGs

Through the Energy Saving Committee, the JEOL Group is continuing with initiatives that reduce CO<sub>2</sub> emissions to

help attain the SDGs and carbon neutrality in the future.

#### Change in CO<sub>2</sub> emissions



#### Improving efficiency of energy use

JEOL is working to improve energy efficiency, starting with electricity and fossil fuels. Specific examples of these improvements include upgrading to energy-saving air conditioning systems; introducing separate air conditioners; upgrading cleanroom equipment; adopting LED lighting; introducing ice storage air conditioners for more effective nighttime use of electricity; installing light-shielding sheets and films on buildings to reduce the burden on cooling in summer; and using heat-shielding coatings. In July 2020, a solar power system with over 100 kW of generating capacity was installed on the roof of Building 3 at our head office to reduce GHGs as well as to promote clean energy and renewable power. Some of the power generated has been used for production. In July 2024, a new 60 kW solar power system was installed and began operation on the roof of Building 6 at the head office. We will continue to install new solar power systems so as to increase our proportion of renewable energy and accelerate our efforts to achieve carbon neutrality.



Solar power system on roof of Building 3 at the head office



The solar power system on roof of Building 6 at the head office began operations in July 2024.

<sup>1</sup> Visit the JEOL website for the entire document. <https://www.jeol.com/sustainability/environment/green.php>

<sup>2</sup> Visit the JEOL website for more details on our sustainability projects. <https://www.jeol.com/sustainability/environment/index.php>

Company-wide initiatives aimed at reducing energy consumption include the Cool Biz and Warm Biz campaigns for office clothing as well as managing the amount of electricity used in every building.

In February 2020, JEOL improved the energy consumption rate (index for measuring efficient use of energy) by 4.2% on average over a five-year period against a target of 1% or more annually on average. This 1% or more target—required by the Act on the Rational Use of Energy and overseen by the Energy Saving Committee—is primarily achieved by conserving energy day to day. We also garnered the highest rank of “S” for energy savings for four consecutive years in a system implemented by the Ministry of Economy, Trade and Industry (METI) that evaluates businesses every year. We have also been recognized for other achievements, as the Kanto Region Electricity Usage Rationalization Committee awarded us the top prize for four consecutive years, from fiscal 2015 to fiscal 2018, for our effective use of electricity as well as for promoting energy conservation and we received an award for being an excellent energy conservation business from the Kanto Bureau of Economy, Trade and Industry under METI for the first year of the Reiwa era (fiscal 2019).

Our energy conservation initiatives were highlighted in the November 2020 issue of Energy Conservation in an essay entitled “Document: Challenge Energy Conservation.” This monthly is published by the Energy Conservation Center, Japan.

For the ninth consecutive year, we also earned an “S” under an evaluation system that ranks businesses that reflect the results of METI’s 2023 periodic assessments.

#### Measures at JEOL Yamagata

JEOL Yamagata Co., Ltd. is a production base of the JEOL Group located in Tendo City, Yamagata Prefecture.

Employees of several companies on the same site perform all the production tasks, from parts assembly to final production. This is part of our initiative to develop



JEOL Yamagata Co., Ltd.

environmentally friendly manufacturing processes. In this way, we are reducing and/or eliminating the need for packaging materials to transfer parts and materials between companies as well as reducing our fuel consumption and the exhaust gases usually associated with transportation.

#### Measures at JEOL (GERMANY)

JEOL (GERMANY) GmbH is an overseas subsidiary of JEOL Ltd. As a company that operates globally, we have installed solar panels on the roof of the company to further our efforts to conserve the global environment at our overseas bases. The panels, which began operating from fiscal 2023, are expected to generate 60,000 kWh annually. We will continue to contribute to the realization of a sustainable society by using renewable energy.



JEOL (GERMANY) GmbH



Solar panels on the roof

#### Management of chemical substances

- JEOL protects employees and prevents the illegal distribution or leaks of chemical substances used in the production process and during R&D. We also introduced a chemical management system in October 2019 aimed at effectively managing daily use and inventories. Through the chemical management system, we educate managers on the correct use of chemical substances as well as effective ways to manage storage locations and amounts, and to ensure best management practices for chemical substances received and used.

- Pollutant Release and Transfer Register (PRTR) Law and Tokyo Metropolitan Environmental Preservation Code  
JEOL uses specified chemical substances that require reporting.

#### Reporting to Tokyo Metropolitan Government

One of the certified reporting companies: JEOL Ltd.

Substance/fiscal year (amount used)	(kg/year)		
	FY 2021	FY 2022	FY 2023
1) Methanol	—	—	—
2) Acetone	—	—	—
3) Isopropyl alcohol	—	130	150
4) Sulfuric acid	—	—	—

#### Storage and disposal of PCB waste

Although the JEOL Group stored polychlorinated biphenyl (PCB) waste (used in high-voltage capacitors, transformers, and stabilizers), we regularly treated both high-concentration and low-concentration waste. Processing fluorescent lamp ballasts took place in February 2020, marking the end of treating PCB waste.

#### Verification of waste material processing and processing results

We introduced an electronic manifest system for waste materials in fiscal 2021 to comply with laws and regulations and to monitor the disposal of waste material in real time. The main reason for reducing waste materials is to improve the rate of recycling by completely separating waste products by the type of material, as well as by recycling more plastics, and by using packing containers and materials that are reusable.

For the disposal of waste materials, we make every effort to monitor the final disposal method, even for those items that are handled outside the Company's sites. We do not rely solely on the control manifests for industrial waste. Waste materials disposal managers ensure compliance with the requirements of Japan's Waste Management and Public Cleansing Act, as well as those of local regulations. We also perform on-site checks to confirm that waste materials are handled properly.

#### Helping to create a resource-recycling society via PET bottle collection

Starting in fiscal 2023, we installed a PET bottle recovery machine (crusher) within our Company with the aim of helping to create a resource-recycling society. We are promoting a PET bottle collection initiative to turn used PET

bottles into sustainable bottles (bottle-to-bottle recycling) via collecting, transporting, intermediate processing, and recycling. Going forward, we will continue to expand the introduction of PET bottle recovery machines (crushers) and will aim to achieve sustainable bottle resource circulation by recycling 100% of used PET bottles into new PET bottles.



#### Response to climate change

##### Information disclosure

We employ environmentally preferable (green) purchasing and provide products that comply with the RoHS Directive in addition to initiatives for product lifecycles that are environmentally conscious, as we contribute to the environment through our products. Our other initiatives for the environment include helping to reduce GHGs and we are improving the efficiency of our energy consumption. We disclose information on our environmental initiatives in our integrated report and on our website.

To contribute to carbon neutrality, we will improve the quality and quantity of our disclosures based on the TCFD, an international disclosure framework, as well as on other similar frameworks, in order to help mitigate climate change.



# Together with Local Communities



## Contributions to society

### Science Education Support Classes

The Science Education Support Class program was started in October 2007 as part of the commemoration of the JEOL Group's 60th anniversary. Initially, this took place at elementary schools near our head office, but this program has since grown to include the Greater Tokyo Area, and is now being conducted at a range of sites, not just elementary schools. Through fiscal 2023, 853 demonstrations have been performed over 534 days.

Science Education Support Class programs are mainly held in classrooms by demonstrators sent from the JEOL Group. Using a NeoScope™ benchtop scanning electron microscope, students are able to observe pollen, insects, and the mechanisms of the body in detail. Students seeing electron microscope images for the first time display a lot of interest, making comments such as "It was so interesting to see the bugs so clearly and the different pollen shapes" and "I really liked being able to see what goes on inside the human body in the microworld." By participating in local community events and workshops for elementary and junior high school teachers, we hope to provide many people with the opportunity to become more familiar with the microscopic world.

Examples of program locations include:

Tsuchiura City Tsuwa Elementary School (Ibaraki Prefecture)  
Hino City Hino Daiyon Junior High School (Tokyo)  
Youngsters' Science Festival (National) (Tokyo)  
Hiroshima Global Academy Senior High School (Hiroshima Prefecture)  
Forum with Nobel Prize Winners (Aichi Prefecture)  
French-Japanese Cultural Institute - Japanese School of Paris (Paris, France)

In 2023, we also visited three elementary schools in Ishinomaki City to hold special classes for the children affected by the Great East Japan Earthquake.

In the future, we hope that everyone who takes part, including teachers, students, and the general public, will become more interested in science.

Starting in fiscal 2015, the JEOL Group collaborated with universities and other businesses to increase the number of children with an interest in math and sciences through a two-year special support program organized by the Tokyo Board of Education. After the end of the Tokyo Board of Education program in 2017, JEOL continued activities through a Math & Science Special Support Program organized in Hino, Tokyo. JEOL Group instructors use NeoScope™ benchtop scanning electron microscopes to hold the Science Education Support Classes. In 2023, classes were held at eight elementary and junior high schools in Hino City,

enabling students to experience the microworld via online remote control of a benchtop scanning electron microscope installed at our Company.

Electron microscope experience at  
Fujisawaminami Elementary School in Iruma City



### Support for the Kazato Research Foundation

The Kazato Research Foundation was established in 1969 to commemorate the 20th anniversary of JEOL's founding, with a donation from our founder, Kenji Kazato, with the aim of encouraging research into electron microscopes by young researchers and contributing to the advancement of academic research, while being engaged in activities to promote research using electron microscopes and related equipment. With the Kazato Prize as a reward for research results and the Kazato Research Encouragement Prize as a research grant, and by providing travel grants for international conferences and holding award lectures, the foundation has supported many young researchers over the years (688 in total). This foundation has helped many young researchers over the years, and JEOL continues to support the foundation's activities with donations.

The following researchers were awarded prizes in fiscal 2023 (showing affiliation/position at the time of the award being granted):

#### Kazato Prize (For researchers aged 45 or younger)

##### Takahiro Shimojima, Senior Research Scientist

(Center for Emergent Matter Science, RIKEN)

Dynamics study of the photo-induced high-speed phenomenon by constructing a photoexcitation pump-probe electron microscope system

##### Professor Junichi Ikenouchi (Faculty of Medical Sciences, Kyushu University)

Elucidation of molecular mechanisms of membrane structure formation in epithelial cells

#### Kazato Research Encouragement Prize (For researchers aged 37 or younger)

##### Yuki Nomura, Senior Researcher

(Nanostructures Research Institute, Japan Fine Ceramics Center)

Operando transmission electron microscopy for Li-ion batteries

##### Takayuki Nakamura, Project Associate Professor

(Presidential Endowed Chair, The University of Tokyo)

Quantitative analysis of molecular-level nucleation phenomena through transmission electron microscopy

##### Yuta Imoto, Research Associate (Johns Hopkins University School of Medicine)

Identification of synaptic multivesicular body formation and its molecular mechanisms by time-resolved electron microscopy imaging

##### Naotaka Tsutsumi, Assistant Professor

(Graduate School of Medicine, Okayama University)

Structural analysis of T2R bitter taste receptors by cryo-EM



17th Kazato Prize and  
Kazato Research  
Encouragement Prize  
ceremony



## Local communities

### Don't Litter Campaign (Commuter route cleanup drive)

The Don't Litter Campaign is a volunteer community service that JEOL employees have been performing since 1994, and it has become a regular part of our routine. In desiring to keep the routes used to commute to work every day clean, employees clean up the area around the Company on their own initiative. About once every two months, employees take part in these cleanup drives during their morning commute.

Employees will be continuing these activities, never forgetting the original spirit and enthusiasm that prompted the start of the Don't Litter Campaign.



Don't Litter Campaign rally

### Participation in the Akishima Environment Consideration Enterprise Network

The activities of the Akishima Environment Consideration Enterprise Network started in April 2005, with 16 member organizations. By April 2024, this organization grew to include 33 member enterprises. JEOL has been involved as an executive member since the inception of this network.

During a restructuring of the organization between fiscal 2009 and fiscal 2010, JEOL chaired the network, continued in the role of vice-chair for fiscal 2011 and fiscal 2012, and as executive secretary in fiscal 2020, all the while participating in environmentally friendly activities and practices in collaboration with network members.

The network's activities are low profile, and we intend to keep promoting environmentally friendly practices in local communities.

### Activities at JEOL Yamagata

JEOL Yamagata has earned the goodwill of the people of nearby Tendo City, Yamagata Prefecture. To continue doing business for many years to come, the following initiatives are being undertaken.

- 1 We are accepting OJT trainees from high schools and colleges every year and provide factory and carrier

experiences to assist the development of human resources and professional awareness.

- 2 Factory tours are offered to provide opportunities to see the products being produced. In fiscal 2023, 62 visitors from 10 organizations visited our site.
- 3 Crossing guards and patrols are provided on the roads around the company during the traffic safety campaigns in the spring and autumn. The goal is not only to prevent traffic accidents during the commute to school by the young students but also to improve the behavior in traffic of our employees.
- 4 We participate in local festivals, social gatherings, and events. In particular, for the local Autumn Festival, a benchtop scanning electron microscope was prepared at the festival site to allow visitors to see magnified images of insects and other objects.



Students from a Yamagata City elementary school

### Sponsorship of the Montedio Yamagata Football Club

As our home area is Yamagata Prefecture, where JEOL Yamagata is located, we sponsor the Montedio Yamagata professional football club as a Gold Partner.

To commemorate our 75th anniversary, we sponsored a home game for the club that was officially dubbed the JEOL 75th Anniversary Match.

In addition, as part of our activities for supporting education, we also held a session for experiencing electron microscopes at a football stadium. Prior to a match, we were able to provide local children with an opportunity to learn about the fascinating world of science.



# Management Team (As of June 26, 2024)



## President & CEO

### Izumi Oi ①

Apr. 1986 Joined the Company  
 Jun. 2013 Executive Officer, General Manager of Management Strategy Planning Division  
 Jun. 2015 Director and Corporate Officer  
 Jun. 2016 Director and Executive Officer  
 Jun. 2019 President and COO  
 Jun. 2022 President & CEO (present position)

## Outside Director

### Ryuji Kanno ⑦

Feb. 2007 Vice President and Representative Director of Agilent Technologies Japan, Ltd.  
 Jun. 2018 Nonexecutive Director of Rigaku Corporation  
 Sep. 2020 Senior Advisor at Human Metabolome Technologies, Inc. (present position)  
 May 2021 Advisor at SAMURAI Biotech Association (present position)  
 Jun. 2021 Outside Director of the Company (present position)

## Director & Senior Executive Officer

### Toyohiko Tazawa ②

Feb. 1984 Joined the Company  
 Jun. 2011 Executive Officer, General Manager of SA Business Unit  
 Jun. 2013 Executive Officer  
 Jun. 2016 Director and Executive Officer  
 Jun. 2018 Director and Senior Executive Officer (present position)

**Responsible for:**  
 Administration of Development Technology, Production, Intellectual Property Strategy Division, R&D Management Center, Advanced & Fundamental Technology Center, NM Business Unit and MS Business Unit

## Outside Director

### Kaoru Terashima ⑧

Apr. 2011 General Manager of IVD Innovation Division, Medical Systems Business Division, FUJIFILM Corporation  
 Jan. 2017 Executive Officer, Deputy General Manager of Medical Systems Business Division, overseeing IVD Innovation Division, FUJIFILM Corporation  
 Jun. 2020 Fellow, FUJIFILM Corporation  
 Jun. 2021 Consultant, FUJIFILM Corporation  
 Jun. 2022 Outside Director of the Company (present position)

## Director & Senior Executive Officer

### Katsumoto Yaguchi ③

Apr. 1982 Joined the Company  
 Jun. 2011 Corporate Officer, General Manager of Financial Affairs Division  
 Jun. 2016 Executive Officer  
 Jun. 2021 Director and Executive Officer  
 Apr. 2024 Director and Senior Executive Officer (present position)

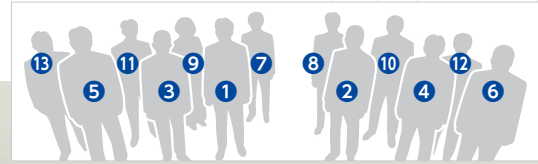
**Responsible for:**  
 Finance, IT, and Export Trade Control

## Outside Director

### Yukari Yomo ⑨

Oct. 2011 Director in charge of Human Resources, GlaxoSmithKline K.K.  
 Apr. 2012 Director, Japan Association of Corporate Executives  
 Oct. 2016 Advisor & Consultant, Human Resources (present position)  
 Jun. 2021 Outside Director, JALUX Inc.  
 Jun. 2023 Outside Director of the Company (present position)





## Director &amp; Executive Officer

**Atsushi Seki ④**

Apr. 1983 Joined the Company  
 Jun. 2014 Executive Officer, General Manager of General Affairs Division  
 Jun. 2018 Director and Executive Officer (present position)

**Responsible for:**  
 General Affairs and Human Resources

## Director &amp; Executive Officer

**Akihiro Kobayashi ⑤**

Apr. 1984 Joined the Company  
 Jun. 2016 Executive Officer, Managing Director of Europe  
 Apr. 2020 Executive Officer  
 Jun. 2022 Director and Executive Officer (present position)

**Responsible for:**  
 Sales, Demand Generation Division, Business Operations Center, Scientific and Metrology Instruments Service Business

Recently appointed

## Director &amp; Corporate Officer

**Toshihiko Kanayama ⑥**

Apr. 1990 Joined the Company  
 Apr. 2021 Executive Officer, Managing Director of Europe  
 Jun. 2024 Director and Corporate Officer (present position)

**Responsible for:**  
 General Manager of Management Strategy Planning Division

## Audit &amp; Supervisory Board Member

**Koichi Fukuyama ⑩**

## Outside Audit &amp; Supervisory Board Member

**Akihiko Minato ⑬**

## Senior Executive Officer

Tadashi Komagata

## Audit &amp; Supervisory Board Member

**Mitsuru Takahashi ⑪**

## Substitute Audit &amp; Supervisory Board Member

**Kazuyuki Nakanishi**

## Executive Officers

Jun Nagatsuka

Kiyotaka Fujino

Toshikatsu Kaneyama

Osamu Wakimoto

Masayuki Kobayashi

Shintaro Yazuka

## Corporate Officers

Chikato Teramoto

Shoji Shiota

Rikio Iinuma

Hidetaka Sawada

Syunji Deguchi

Kiyohito Takahashi

Yasuo Takemitsu

Robert Pohorenc

# Board of Directors and Audit & Supervisory Board

## Skills matrix: Board of Directors and Audit & Supervisory Board

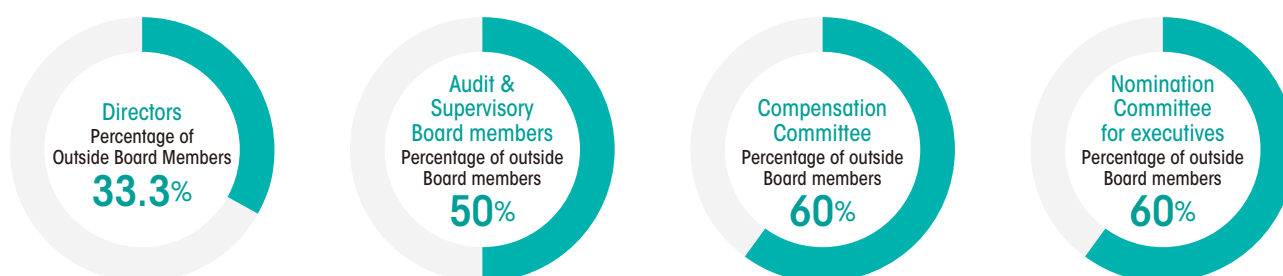
The skills matrix and composition of the Board of Directors and Audit & Supervisory Board are presented below.

The skill categories represent the knowledge and experience required for directors. The “●” mark indicates the fields where the Company expects directors to make exceptional contributions by applying their expertise and insight.

Position	Gender	Knowledge and experience expected by the Company							
		Corporate management	Global business	Technology/ R&D	Sales/ Marketing	Finance/ Accounting	Human resources/ Training	IT/Digital technology	Legal/Risk management
<b>Izumi Oi</b> President & CEO	Male	●	●						
<b>Toyohiko Tazawa</b> Director & Senior Executive Officer	Male	●		●				●	
<b>Katsumoto Yaguchi</b> Director & Senior Executive Officer	Male	●				●		●	
<b>Atsushi Seki</b> Director & Executive Officer	Male	●					●		●
<b>Akihiro Kobayashi</b> Director & Executive Officer	Male	●	●		●				
<b>Toshihiko Kanayama</b> Director & Corporate Officer	Male	●	●			●			
<b>Ryuji Kanno</b> Outside Director	Male	●	●	●					
<b>Kaoru Terashima</b> Outside Director	Male	●		●	●				
<b>Yukari Yomo</b> Outside Director	Female	●	●				●		
<b>Koichi Fukuyama</b> Audit & Supervisory Board Member	Male		●		●	●			
<b>Mitsuru Takahashi</b> Audit & Supervisory Board Member	Male					●			●
<b>Akifumi Goto</b> Outside Audit & Supervisory Board Member	Male								●
<b>Akihiko Minato</b> Outside Audit & Supervisory Board Member	Male					●			●

Note: The above table shows the knowledge and experience that the Company emphasizes for the skills of every director and Audit & Supervisory Board member.

## Percentage of Outside Board Members



## Ensuring the effectiveness of the Board of Directors

JEOL requires that directors have extensive work-related expertise and knowledge as well as advanced management skills and the ability to effectively carry out their duties as a director, regardless of nationality, gender, employment history, or age. Directors are selected to ensure that the Board of Directors includes members who possess an effective balance of knowledge, experience, and abilities that will enable the Board to fulfill its role and

responsibilities. Audit & Supervisory Board members are appointed based on their knowledge of finance, accounting, or the law.

For the purpose of analyzing and evaluating the effectiveness of the Board of Directors as a whole, we conduct a survey targeting all directors and Audit & Supervisory Board members and disclose a summary of the results. Please see page 52 for details.



## Roundtable Discussion with Outside Directors

### Providing insights from an outside perspective and contributing to further growth and transformation



The Company has grown steadily under President & CEO Oi, who took office in June 2022, and in fiscal 2023, both sales and profits reached record highs for the third consecutive year. This time, we asked President & CEO Oi and three outside directors to share their frank opinions on what is needed to further expand business and to strengthen the governance system.

#### Strengthening corporate governance and translating technological and human resources capabilities into growth

**Oi:** First of all, how would you honestly evaluate our Board of Directors?

**Terashima:** Although the agenda is comprehensive, we receive sufficient explanations in advance, so I am always able to attend Board of Directors' meetings with a thorough understanding of the content. The directors are people responsible for each field, so I think the overall balance is good.

**Yomo:** I feel a sense of integrity in the Board of Directors. Outside directors sometimes give opinions that are difficult for the Company to hear, but the Board responds sincerely to those opinions. I feel that there is a great atmosphere at Board of Directors' meetings, as there

is great respect for our specialized knowledge and insight.

**Kanno:** I feel that it is a very open forum where discussion can take place freely and frankly. Each director attends Board of Directors' meetings not just as a spokesperson for a business division but as a representative of each function within the Company, such as R&D and sales, and I believe that this allows for Company-wide discussions.

**Oi:** I also believe that all of the directors take the comments made by the outside directors seriously and that there is extremely good communication. You all have a wide range of experience. What do you think about your role as an outside director?

**Yomo:** I have mainly worked in human resources and organizational reform at foreign-affiliated companies. Although lines of business and industries may differ, there are many common issues faced in terms of human resources and

organizations, and I would like to utilize my experience and knowledge to help solve issues the Company faces on that front. Another distinctive feature of the outside directors is that they can judge from an external perspective. Having diverse perspectives, including the one of shareholders, I would like to contribute to the sustainable growth of the Company.

**Kanno:** I did business with the Company when I was working for a chemical analytical equipment manufacturer, and I was aware of the Company's high level of technology. After becoming an outside director, I was once again amazed by its value and potential for growth. I would like to raise awareness of this value and contribute to the Company's further development.

**Terashima:** I also had a relationship with the Company's Medical Equipment Business Operations before taking up my position. This division currently remains on a plateau, but its technical and human resources capabilities are excellent. I feel it is also my duty to help further develop this division. The outside directors here have experience in different corporate cultures. I believe that our advice will also contribute to the development of the Company's corporate culture.

**Oi:** Our Company has a technological competitive advantage, and our engineers are highly motivated. What's important is how to increase the added value of that technology as a business. I believe it is my responsibility to utilize your advice and suggestions to help our Company grow.

### Facing various risks and growing globally

**Oi:** Fiscal 2024 is the final year of our medium-term management plan, Evolving Growth Plan. How do you feel about progress?

**Kanno:** We expect to achieve the current medium-term management plan numerically, thanks in part to favorable



exchange rates. As such, I believe that non-financial aspects will become even more important. The question now is how we will improve our capabilities in areas such as governance and human resources development. When formulating the next medium-term management plan, an important theme will be how to bring about changes in these areas.

**Yomo:** I think what's important is not just the financial figures but also how employee awareness has changed at the end of the medium-term management plan and whether there have been any improvements in the way work is done, so I feel that we need to verify that as well.

**Oi:** I also recognize that the theme of our medium- to long-term management strategy is a very important point. Regarding reporting of financial and non-financial information, we are currently continuing to hold discussions, but I would like to have more substantial discussions at future Board of Directors' meetings, such as the future direction of our business and the domains we should develop.

**Terashima:** We need to gain experience in risk hedging



**Izumi Oi**  
President & CEO



**Ryuji Kanno**  
Outside Director



**Kaoru Terashima**  
Outside Director



**Yukari Yomo**  
Outside Director



and risk management at the same level as overseas manufacturers and to make this part of our corporate culture. I also believe it is important to make risks visible and deepen discussions in order to solve them at the fundamental level.

**Yomo:** The Company is made up of a group of people who truly work honestly, and our domestic business partners and customers are likewise conscientious. I don't want to lose the culture that has been cultivated in this business environment. However, when expanding globally, there will be times when the assumption that people are fundamentally good won't hold. It is important to carry out risk management while taking into account diverse values, ways of thinking, living environments, and so on.

**Oi:** We acquired a U.S. start-up in 2020. Its team is made up of extremely creative and talented engineers, and even now, four years after the acquisition, not a single employee has left the company. I believe this is because, as engineers, they resonate with our Company's spirit of inquiry when it comes to science. However, as you point out, I strongly feel that in order to improve business performance, it is necessary to face risks more effectively, including not only risk-taking but also risk management. If we can develop both technology and business, we will become even stronger.

### What's important is showing a vision from a long-term perspective as a CEO

**Oi:** Our Company aims to become a global top niche company under our Evolving in the 70th Year vision and

the YOKOGUSHI strategy. Please tell us about your future prospects and expectations, including the formulation of the new medium-term management plan.

**Yomo:** In formulating the new plan, as concrete measures other than numerical targets, I think a key point is how to help employees grow and make progress over the next three years. To achieve this, I believe we need to carefully consider what we need to prepare and how we need to change the system.

**Terashima:** In a medium-term management plan, the most important thing is the future vision for how to grow the Company. It is the CEO's role to decide what to do to achieve this. In aiming to be a global top niche company, it is necessary to be the top not only in terms of technological capabilities and product performance but also as a business. I look forward to seeing you, as President & CEO, bring your own unique style to the forefront and paint a vision for the Company.

**Oi:** The Evolving in the 70th Year vision aims for substantial growth based on the technology that we have built up thus far, and I think this is a very good concept. However, to break through as a business rather than just as a R&D effort, we need policies and measures to accelerate growth. With regard to human resources as well, I recognize the need to create a system that allows employees to grow on their own by gaining a wide range of experiences.

**Kanno:** President Oi achieved great results as COO up to the middle of 2022. Since June 2022, as CEO, he has been bearing even greater expectations. In any type of business, there are parts that are an extension of what has been done up until the current time and parts that are discontinuous and pose new challenges. It is an important role of the CEO to show how to aim for new growth in such discontinuous domains with appropriate strategies. In the next medium-term management plan, as the second phase of the YOKOGUSHI strategy, we need to deepen YOKOGUSHI from the customers' perspective and further advance portfolio management, and now is the time for that. I am passionate about the transformation being promoted by President Oi as CEO, and I have high expectations.

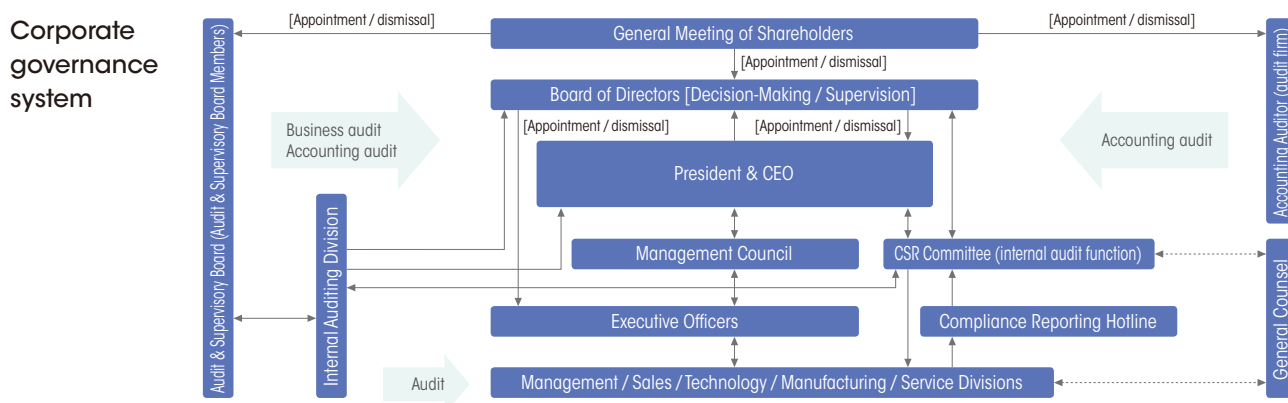
**Oi:** As you have said, I am convinced that our Company has potential. With our business performance now strong, this is a perfect opportunity for transformation and growth. Based on your advice and recommendations, we will carry out management that will lead to increased corporate value.

# Corporate Governance

## Basic approach

JEOL's basic approach to corporate governance is to build a stable profit structure and to realize basic management policies that focus on enhancing corporate value while achieving future-oriented development and growth. These goals will be reached by implementing various measures, including setting up an organizational management structure with efficient, highly transparent management that upholds our responsibility to respect the position of stakeholders. In addition, we will respond to change, constantly pursuing an approach to corporate governance that is suited to the times.

## Corporate governance structure



## Governance system

The Company has adopted a company with an Audit & Supervisory Board structure, with the Board of Directors and the Audit & Supervisory Board overseeing and auditing business execution.

In order to quickly respond to changes in the business environment, we are working to streamline management, including optimizing the number of directors (to the upper limit in the Articles of Incorporation).

The Company's governance structure has a mechanism for effective supervision by corporate auditors consisting of an Audit & Supervisory Board whose members have considerable knowledge of finance and accounting. The Audit & Supervisory Board, which audits the execution of duties by Board members, includes outside corporate auditors who are independent of management to supervise affiliated companies and branches. Audit & Supervisory Board members also participate in meetings of the Board of Directors.

The Company's CSR Committee, organized in 2006 and chaired by the President, works to continually strengthen and improve the Group's internal controls, compliance, and

risk management. The committee receives reports from the internal control and risk management committees, as well as from the Internal Auditing Division, the JEOL Group Management System (JGMS), and Medical Devices Quality Management System (MDQMS), and provides consultation and recommendations on CSR activities while also reporting to the Board of Directors and the Audit & Supervisory Board.

Furthermore, the Internal Auditing Division conducts internal audits of the business operations and compliance status of the Company and its Group companies and reports on the results of these audits to the CSR Committee.

## Number of major meetings held during fiscal 2023

Board of Directors	13
Management Council	48
Executive Officers' Meeting	11
Audit & Supervisory Board	18



### Audit & Supervisory Board audits

The Audit & Supervisory Board consists of four members (including two outside Audit & Supervisory Board members), with an internal Audit & Supervisory Board member serving as the Chairperson.

Guided by the audit policy, schedule, and responsibilities outlined in the first meeting of the Audit & Supervisory Board, every Audit & Supervisory Board member monitors and supervises the status of the Board of Directors' business execution from an independent perspective by attending meetings of the Board of Directors and other important meetings, examining important documents, and conducting audits.

### Internal auditing

The Internal Auditing Division (composed of four members) conducts internal auditing of the business operations and compliance status of the Company and its Group companies and reports on the results of these audits to the CSR Committee. For the development and evaluation of internal control relating to financial reports, the Internal Auditing Division carries out audit activities together with the Japanese Sarbanes-Oxley Act (J-SOX) Audit Committee, sharing information with accounting auditors and engaging in mutual cooperation.

In addition, we hold a conference (once a year) for domestic subsidiaries and affiliated companies and a Tokyo meeting (twice a year) for those in top management positions at overseas subsidiaries, thereby establishing a system to ensure that Group companies comply with laws and regulations, while improving the effectiveness of internal auditing.

The CSR Committee receives reports from the internal control and risk management committees, the Internal Auditing Division, JGMS, and MDQMS, provides consultation and recommendations regarding CSR activities, and reports to the Board of Directors and the Audit & Supervisory Board.

### Accounting audits

The Company, having fully considered the expertise, quality control system, independence, and global auditing capabilities essential for auditing, has selected Deloitte Touche Tohmatsu LLC as the accounting auditor.

## Evaluating the effectiveness of the Board of Directors

JEOL has analyzed and evaluated the efficiency of the Board of Directors to make certain that it is functioning effectively. Based on the results of this analysis and

evaluation, we intend to improve the overall effectiveness of the Board of Directors through an ongoing process of identifying and improving on issues and by further strengthening the Board.

The results of the Board of Directors' analyses and evaluations in fiscal 2023 have been compiled and are disclosed below.

### Evaluation method

Self-assessment questionnaires evaluating the effectiveness of the Board of Directors were completed by all directors and Audit & Supervisory Board members at the Board of Directors' meetings held during fiscal 2023. The results were reported at the Board of Directors' meeting held on Tuesday, May 28, 2024.

### Evaluation items

Evaluation items were categorized into three areas:

- 1 Board composition
- 2 Management of the Board of Directors
- 3 Providing information to outside officers

### Summary of evaluation results

After reviewing the self-evaluation questionnaires for all directors and Audit & Supervisory Board members, all 19 evaluation items were found to be above average and the overall effectiveness of the Board of Directors was found to be generally maintained.

### Issues and major initiatives for evaluating the Board of Directors

#### Issues raised by questionnaire results

- 1 Reviewing items to be discussed and reported to the Board of Directors

#### Measures taken for issues recognized in the previous questionnaire

- 1 Simplification and summarization of materials for Board of Directors' meetings
- 2 Maintenance and strengthening of the internal auditing system

### Future responses

The Board of Directors will respond to issues based on the results of these evaluations and will continue to make evaluations and analyses to improve their efficiency.

# Executive Compensation System (Design)

At the Board of Directors' meeting held on May 13, 2022, it was announced that the Board of Directors had enacted a resolution for the policy for decision-making regarding the content of individual remuneration for directors. Furthermore, when enacting a resolution at the relevant Board of Directors' meeting, the Compensation Committee is consulted in advance regarding the contents of the resolution and receives a report on the matter.

In addition, the Board of Directors has determined that the remuneration, etc., of individual directors for the current fiscal year shall be as follows below, and it has been confirmed that the method for determining remuneration, etc., and the determined remuneration itself, etc., are consistent with the policy for determination and that the reporting from the committee regarding such remuneration is respected. We believe that this decision is in line with decision-making policy.

JEOL's Basic Policy on Executive Compensation is as per the below.

## Basic policy on executive compensation

JEOL's executive compensation helps to motivate management to achieve our management goals, in turn raising awareness of contributions to boost performance through medium- to long-term improvement of our corporate value. Our compensation system is designed to promote profit awareness among shareholders and to raise awareness of shareholder-oriented management.

## Compensation composition

Compensation for directors consists of basic compensation (monetary reward) and performance-linked stock compensation. However, outside directors who are responsible for supervision and non-executive directors receive only fixed basic compensation in view of their jobs.

## Basic compensation

JEOL establishes incentives for improving business performance after considering the business environment surrounding the Company, the salary level of others, and salary levels at other companies in the same industry.

## Determining basic compensation

Basic compensation is determined based on a compensation table for every position and performance achievement, which is prepared using the basic policy for

determining compensation. The table helps to determine the standard compensation for every director position. This amount can vary from 85% to 115% of the standard amount according to the degree of achievement of KPIs. KPIs include those for achieving the goals for consolidated net sales and consolidated operating income. However, outside directors and non-executive directors are not paid performance compensation, and their basic compensation is set after considering the business environment surrounding the Company, the salary level of employees, and salary levels at other companies in the same industry.

## Determining performance-linked stock compensation

In determining performance-linked stock compensation, directors are awarded points that are calculated by multiplying the position-based points (based on the basic policy for determining compensation) by a performance-linked coefficient (50% to 170%). The coefficient is calculated from the degree of achievement against the target KPIs of consolidated net sales, consolidated operating income, and ROE. Note that one point is equivalent to one share of the Company. However, if an event occurs for which point adjustments are considered justified, such as stock splits and reverse stock splits, the number of shares per point will be adjusted based on the split ratio, reverse split ratio, etc. For directors living overseas, monetary compensation equivalent to the number of points is paid to them.

## Structure of director compensation

Guided by the basic policy for determining compensation, the ratio of basic compensation to performance-linked stock compensation is determined with a target of 80% for basic and 20% for performance-linked stock compensation. However, outside directors and nonexecutive directors are not eligible for performance-linked stock compensation, receiving only fixed basic compensation that does not consider their performance.

## Policies on the compensation payment period and conditions

The amount of basic compensation for a given year and the number of points to be granted in the performance-linked stock compensation (including the amount of monetary compensation paid equivalent to the number of points to be granted to directors living overseas) are determined at the Board of Directors' meeting held after the conclusion of the Annual General Meeting of

Shareholders each year. The payment period of the basic compensation and amount of monetary compensation paid equivalent to the number of points to be granted to directors living overseas is one year from July, the month following the meeting of the Board of Directors, to June of the following year. In addition, for performance-linked stock compensation, upon the retirement (excluding retirement due to death) of a director eligible for payment, the Company will deliver shares of the Company's stock and monetary compensation equivalent to the cash proceeds from the disposition of the Company's stock. In the event of the death of a director eligible for payment, the Company's shares corresponding to the number of points granted at that time are converted into cash and an amount equivalent to the conversion price is then delivered to the beneficiary of that director's estate. In the event that a director eligible for payment is to move overseas due to overseas assignment prior to their retirement, the shares of the Company corresponding to the number of points granted at that time are converted into cash and an amount equivalent to the conversion price is delivered to the director.

### Method for determining compensation content

The Compensation Committee (an advisory body to the Board of Directors), chaired by an outside director and consisting of a majority of outside directors, deliberates on the content and amounts for the individual director's compensation, and after reporting the results to the Board of Directors, the Board make a resolution regarding the content and amounts due to the director for compensation.

### Other important items

With respect to performance-linked stock compensation, a malus clause will be established so that the person in question will not receive Company shares or be paid proceeds from the sale when there is a serious breach of duties or a serious violation of internal regulations prior to the date of vesting of the beneficiary right or other similar circumstances.

(Note) Due to the reverse stock split on October 1, 2018, where two shares of the Company's stock were combined into one share, points granted prior to June 1, 2022 in the performance-linked stock compensation plan are multiplied by 0.5, and, for the resulting total number of points, one point is treated as one share of the Company's stock.

## Risk Management

### Risk management system

JEOL's risk management system complies with all laws and regulations, and there is close cooperation among the Management Strategy Planning Division, Internal Auditing Division, Security Export Trade Control Division, General Affairs and Human Resources Division, Financial Affairs Division, IT Division, Intellectual Property Strategy Division, Quality Assurance Division, and other divisions. Related committees collaborate to educate and raise awareness within the Company.

The CSR Committee also receives reports from the internal control and risk management committees, the Internal Auditing Division, JGMS, and MDQMS, provides

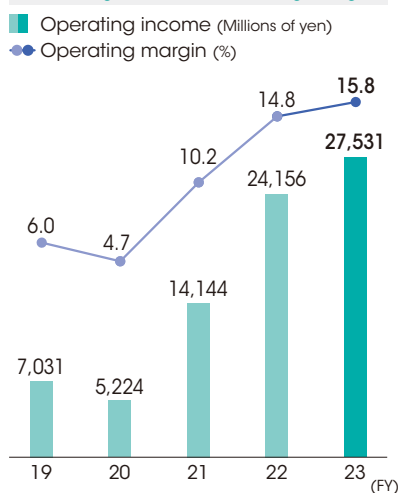
consultation and recommendations regarding CSR activities, and reports to the Board of Directors and the Audit & Supervisory Board.

JEOL formulates Company rules and creates committees in line with Group management, including establishing the Compliance Management Rules, the JEOL Corporate Ethics Code of Conduct, and the protection of personal information by observing our information security policy. We also established a compliance reporting hotline and BCP, initiatives that will be promoted throughout the entire Group.

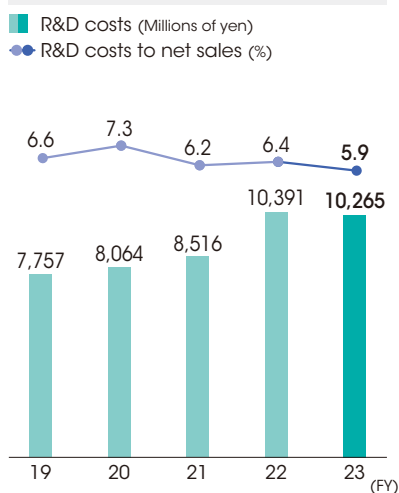
# Consolidated Five-Year Summary

JEOL Ltd. and consolidated subsidiaries  
Figures are the results for the fiscal years ended March 31, 2020, 2021, 2022, 2023, and 2024.

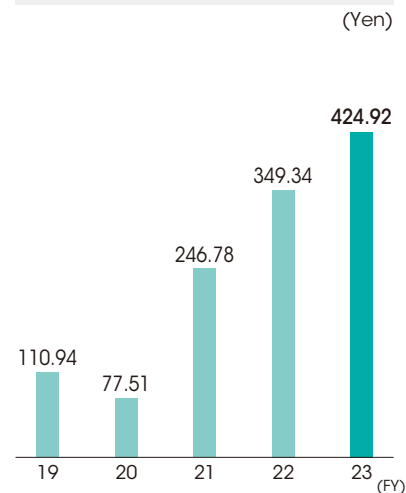
## Operating income / Operating margin



## R&D costs / R&D costs to net sales



## Net income per share



## Fiscal year (Millions of yen)

	2023	2022	2021	2020	2019
Net sales	174,337	162,690	138,408	110,440	117,244
Scientific and Metrology Instruments	120,013	94,795	85,145	70,564	76,644
Industrial Equipment	39,011	49,464	34,003	24,010	23,845
Medical Equipment	15,313	18,431	19,258	15,866	16,755
Selling, general and administrative expenses	51,754	48,546	41,221	37,669	37,834
Operating income	27,531	24,156	14,144	5,224	7,031
Ordinary profit	30,023	23,501	16,313	6,551	7,203
Net income attributable to owners of the parent	21,705	17,831	12,279	3,745	5,360
Capital expenditures	5,560	3,665	6,893	7,564	5,713
Scientific and Metrology Instruments	3,042	2,534	2,149	2,418	3,658
Industrial Equipment	1,891	523	3,541	4,530	1,360
Medical Equipment	248	159	1,035	176	303
Eliminations/Corporate	379	449	168	440	392
Depreciation expense	4,651	4,673	4,106	3,626	3,191
R&D costs	10,265	10,391	8,516	8,064	7,757
Scientific and Metrology Instruments	6,478	6,921	5,634	5,283	5,164
Industrial Equipment	2,332	1,782	1,489	1,770	1,654
Medical Equipment	1,455	1,689	1,393	1,011	939

## At fiscal year-end (Millions of yen)

Total assets	230,214	199,280	189,562	146,388	136,788
Total equity	125,514	101,895	85,904	51,000	45,080

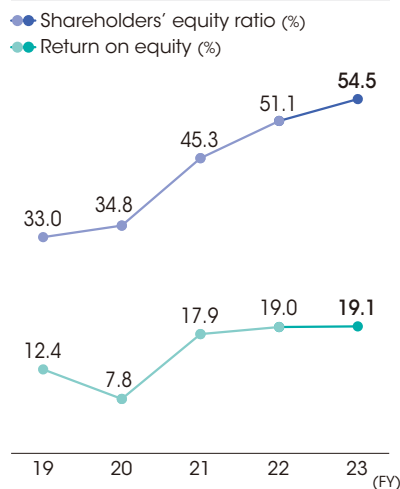
## Per share data (Yen)

Net income attributable to owners of the parent	424.92	349.34	246.78	77.51	110.94
Total equity	2,457.01	1,995.55	1,684.08	1,055.50	933.07
Cash dividends					
Common stock	102.0	66.0	50.00	24.00	24.00

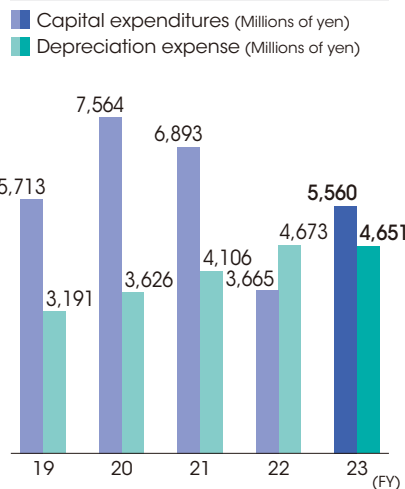
## Value indicators (%)

Return on equity (ROE)	19.1	19.0	17.9	7.8	12.4
Return on assets (ROA)	9.4	8.9	6.5	2.6	3.9

## Shareholders' equity ratio / ROE



## Capital expenditures / Depreciation expense



## Overview of fiscal 2024

During the consolidated fiscal year under review, the Japanese economy has been experiencing some negative effects from rising prices, but is showing signs of gradual recovery, supported by solid capital expenditures demand and a recovery in inbound demand. On the other hand, the future economic outlook remains uncertain due to the high prices of raw materials and energy caused by geopolitical risks such as the Israel–Palestine situation and the situation in Ukraine as well as the weak yen and the slowdown of the Chinese economy.

Given these circumstances, the JEOL Group made an all-out effort to tackle the strategic priorities outlined in Evolving Growth Plan (fiscal 2022–2024), our medium-term management plan. Under this plan, we intend to secure orders and sales while boosting corporate value and creating a more robust management base.

Net sales for the consolidated fiscal year under review were ¥174,337 million (up 7.2% compared with ¥162,690 million in the previous fiscal year). Looking at profit and loss, operating income was ¥27,531 million (up 14.0% from ¥24,156 million in the previous fiscal year), ordinary profit was ¥30,023 million (up 27.8% from ¥23,501 million in the previous fiscal year), and net income attributable to owners of the parent was ¥21,705 million (up 21.7% from ¥17,831 million in the previous fiscal year).

## Overview of the financial position

Total assets at the end of the consolidated fiscal year under review came to ¥230,214 million, up ¥30,934 million from the end of the previous fiscal year. The main factors behind these results were an increase of ¥19,908 million in investment securities, an increase of ¥8,058 million in inventories, and an increase of ¥5,659 million in notes and accounts receivable–trade and contract assets, despite a fall in cash and deposits of ¥2,750 million.

Total liabilities were ¥104,700 million, up ¥7,315 million from the end of the previous fiscal year. The main factors behind this rise were an increase in contract liabilities of ¥5,386 million, an increase in long-term borrowings due for repayment within one year of ¥2,204 million, an increase in income taxes payable of ¥1,159 million, and an increase in long-term borrowings of ¥1,057 million, while at the same time, there was a decrease in electronically recorded obligations–operating of ¥1,525 million, a decrease in

retirement benefit liabilities of ¥1,165 million, and a decrease in notes and accounts payable–trade of ¥1,095 million.

Total equity came to ¥125,514 million, up ¥23,618 million compared with the end of the previous fiscal year, primarily due to an increase in retained earnings. As a result, the shareholders' equity ratio as of March 31, 2024, rose 3.4 points, to 54.5%.

## Overview of cash flows

For fiscal 2024, cash and cash equivalents ("cash") came to ¥29,807 million, down ¥2,198 million from the previous fiscal year-end.

Cash flow activities in the consolidated fiscal year under review are shown below.

## Cash flows from operating activities

Net cash provided by operating activities was ¥15,301 million, compared with ¥3,352 million provided in fiscal 2022. This was mainly due to an increase in inventories, payment of income taxes, an increase in trade receivables, and a decrease in trade payables, etc., with an increase in profit before income taxes and contract liabilities, etc.

## Cash flows from investing activities

Net cash used in investing activities was ¥18,029 million, compared with a net cash outflow of ¥5,734 million in fiscal 2020. The major reasons for this decline included expenditures for the purchase of investment securities.

## Cash flows from financing activities

Net cash used in financing activities was ¥798 million, compared with ¥8,733 million provided in fiscal 2022. This was mainly due to proceeds from long-term borrowings, repayment of long-term borrowings, and dividend payments.

## Outlook for the future

The outlook remains uncertain for the economy due to the continued high prices of raw materials and energy caused by geopolitical risks such as the Israel–Palestine situation and the situation in Ukraine, as well as the weak yen. Under these circumstances, the JEOL Group will take concerted action, guided by the Evolving Growth Plan (fiscal 2022–2024), our medium-term management plan, to achieve the goals of the plan by securing orders and sales as well as by ensuring cost improvements.



## Corporate Outline (As of March 31, 2024)



Corporate name	JEOL Ltd.
Address	3-1-2, Musashino, Akishima, Tokyo 196-8558, Japan TEL: +81-42-543-1111 FAX: +81-42-546-3353
Establishment	May 30, 1949
Capital	¥21,394.18 million
Number of employees	Consolidated: 3,435 Non-consolidated: 2,277

Head office and branch offices	Head Office: Factory	Tsukuba Branch
	Akishima Second Works	Nagoya Branch
	Musashimurayama Works	Osaka Branch
	Tokyo Office	West Japan Solution Center
	Tokyo Branch	Hiroshima Branch
	Tokyo Second Office	Takamatsu Branch
	Sapporo Branch	Fukuoka Branch
	Sendai Branch	

Domestic subsidiaries and affiliated companies	JEOL Technoservice Co., Ltd.	SYSTEM IN FRONTIER INC.
	JEOL Yamagata Co., Ltd.	Micro Denshi Co., Ltd.
	JEOL INSTRUMENTS INC.	

## Stock Information (As of March 31, 2024)

Stock information	Authorized shares	100,000,000
	Issued shares	51,532,800
	Number of shareholders	14,091

Major shareholders	Shareholders	Number of shares (Thousands)	Percentage of total shares held (%)
	The Master Trust Bank of Japan, Ltd. (Trust account)	6,620	12.9
	Custody Bank of Japan, Ltd. (Trust account)	3,305	6.4
	Nikon Corporation	2,300	4.5
	MISAKI ENGAGEMENT MASTER FUND	1,790	3.5
	SSBTC Client Omnibus Account	1,427	2.8
	Custody Bank of Japan, Ltd. (Trust account 4)	1,292	2.5
	MUFG Bank, Ltd.	1,125	2.2
	JEOL Mutual Prosperity Association	1,093	2.1
	Nippon Life Insurance Company	1,042	2.0
	THE BANK OF NEW YORK MELLON 140042	957	1.9

Percentage of total shares held is calculated by subtracting treasury stock (120,001 shares).

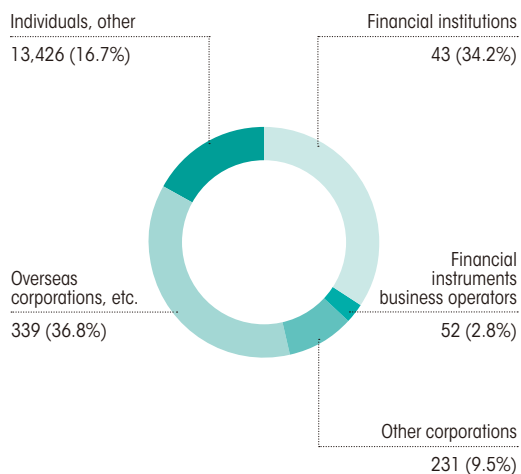
## Overseas subsidiaries

- A** JEOL USA, INC. [U.S.]
- B** JEOL (EUROPE) SAS [France]
- C** JEOL (U.K.) LTD. [U.K.]
- D** JEOL (EUROPE) B.V. [Netherlands]
- E** JEOL (GERMANY) GmbH [Germany]
- F** JEOL ASIA PTE. LTD. [Singapore]
- G** JEOL TAIWAN SEMICONDUCTORS LTD. [Taiwan]
- H** JEOL (AUSTRALASIA) PTY. LTD. [Australia]
- I** JEOL DE MEXICO S.A. DE C.V. [Mexico]
- J** JEOL CANADA, INC. [Canada]
- K** JEOL (Nordic) AB [Sweden]
- L** JEOL (ITALIA) S.p.A. [Italy]
- M** JEOL Shanghai Semiconductors Ltd. [China]
- N** JEOL SEMICONDUCTORS KOREA Co., Ltd. [Korea]
- O** JEOL (MALAYSIA) SDN. BHD. [Malaysia]
- P** JEOL DATUM Shanghai Co., Ltd. [China]
- Q** JEOL BRASIL Instrumentos Cienticos Ltda. [Brazil]
- R** JEOL (BEIJING) CO., LTD. [China]
- S** JEOL (RUS) LLC [Russia]
- T** JEOL INDIA PVT. LTD. [India]
- U** JEOL GULF FZCO [UAE]
- V** JEOL ASIA (THAILAND) CO., LTD. [Thailand]
- W** JEOL KOREA LTD. [Korea]
- X** Integrated Dynamic Electron Solutions, Inc. [U.S.]
- Y** JEOL USA Investment, Inc. [U.S.]
- Z** J&B TECHNICAL OPERATIONS LTD. [Taiwan]



## Breakdown of shares

## By type of shareholders



## By number of shares owned

