

Translation

Notice: This document is an excerpt translation of the original Japanese document and is only for reference purposes. In the event of any discrepancy between this translated document and the original Japanese document, the latter shall prevail.

**Summary of Consolidated Financial Results
for the Six Months Ended September 30, 2022
(Based on Japanese GAAP)**

November 11, 2022

Company name: JEOL Ltd.
 Stock exchange listing: Tokyo
 Stock code: 6951 URL: <https://www.jeol.co.jp>
 Representative: President & CEO Izumi Oi
 Corporate Officer
 Inquiries: Management Strategy Planning Division Shoji Shiota TEL +81-42-543-1111
 Scheduled date to file Quarterly Securities Report: November 11, 2022
 Scheduled date to commence dividend payments: December 12, 2022
 Preparation of supplementary material on quarterly financial results: Yes
 Holding of quarterly financial results meeting: Yes (for institutional investors and analysts)

(Amounts less than one million yen are rounded down)

1. Consolidated financial results for the six months ended September 30, 2022 (from April 1, 2022 to September 30, 2022)

(1) Consolidated operating results (cumulative)

Percentages indicate year-on-year changes

| | Net sales | | Operating profit | | Ordinary profit | | Profit attributable to owners of parent | |
|-------------------------------------|-----------------|------|------------------|------|-----------------|------|---|------|
| | Millions of yen | % | Millions of yen | % | Millions of yen | % | Millions of yen | % |
| Six months ended September 30, 2022 | 64,743 | 21.3 | 6,909 | 87.9 | 8,848 | 86.3 | 7,229 | 97.2 |
| Six months ended September 30, 2021 | 53,368 | 8.1 | 3,676 | 48.9 | 4,749 | 65.5 | 3,665 | 89.7 |

| | Earnings per share | | Diluted earnings per share | |
|-------------------------------------|--------------------|--|----------------------------|--|
| | Yen | | Yen | |
| Six months ended September 30, 2022 | 141.67 | | - | |
| Six months ended September 30, 2021 | 75.56 | | - | |

(2) Consolidated financial position

| | Total assets | Net assets | Equity ratio | Net assets per share |
|--------------------------|-----------------|-----------------|--------------|----------------------|
| | Millions of yen | Millions of yen | % | Yen |
| As of September 30, 2022 | 189,798 | 92,673 | 48.8 | 1,815.22 |
| As of March 31, 2022 | 189,562 | 85,904 | 45.3 | 1,684.08 |

2. Cash dividends

| | Annual dividends per share | | | | |
|---------------------------------------|----------------------------|-----------------|-----------------|-----------------|-------|
| | 1st quarter-end | 2nd quarter-end | 3rd quarter-end | Fiscal year-end | Total |
| | Yen | | | | |
| Year ended March 31, 2022 | - | 14.00 | - | 36.00 | 50.00 |
| Year ending March 31, 2023 | - | 30.00 | - | - | - |
| Year ending March 31, 2023 (Forecast) | - | - | - | 30.00 | 60.00 |

3. Forecast of consolidated financial results for the year ending March 31, 2023 (from April 1, 2022 to March 31, 2023)

Percentages indicate year-on-year changes

| | Net sales | | Operating profit | | Ordinary profit | | Profit attributable to owners of parent | | Earnings per share |
|-----------|-----------------|------|------------------|------|-----------------|------|---|------|--------------------|
| | Millions of yen | % | Millions of yen | % | Millions of yen | % | Millions of yen | % | Yen |
| Full year | 154,500 | 11.6 | 22,000 | 55.5 | 23,000 | 41.0 | 17,000 | 38.5 | 333.14 |

4. Notes

- (1) Changes in significant subsidiaries during the six months ended September 30, 2022
(changes in specified subsidiaries resulting in the change in scope of consolidation): No
- (2) Application of special accounting methods for preparing quarterly consolidated financial statements: No
- (3) Changes in accounting policies, changes in accounting estimates, and restatement of prior period financial statements
- Changes in accounting policies due to revisions to accounting standards and other regulations: No
- Changes in accounting policies due to other reasons: No
- Changes in accounting estimates: No
- Restatement of prior period financial statements: No

(4) Number of issued shares (common shares)

Total number of issued shares at the end of the period (including treasury shares)

| | | | |
|--------------------------|-------------------|----------------------|-------------------|
| As of September 30, 2022 | 51,532,800 shares | As of March 31, 2022 | 51,532,800 shares |
|--------------------------|-------------------|----------------------|-------------------|

Number of treasury shares at the end of the period

| | | | |
|--------------------------|----------------|----------------------|----------------|
| As of September 30, 2022 | 479,064 shares | As of March 31, 2022 | 522,907 shares |
|--------------------------|----------------|----------------------|----------------|

Average number of shares during the period (cumulative from the beginning of the fiscal year)

| | | | |
|-------------------------------------|-------------------|-------------------------------------|-------------------|
| Six months ended September 30, 2022 | 51,029,622 shares | Six months ended September 30, 2021 | 48,510,660 shares |
|-------------------------------------|-------------------|-------------------------------------|-------------------|

Quarterly consolidated financial statements
Consolidated balance sheets

(Millions of yen)

| | As of March 31, 2022 | As of September 30, 2022 |
|--|----------------------|--------------------------|
| Assets | | |
| Current assets | | |
| Cash and deposits | 44,226 | 39,273 |
| Notes and accounts receivable - trade, and contract assets | 41,167 | 35,796 |
| Merchandise and finished goods | 13,977 | 16,400 |
| Work in process | 42,217 | 48,276 |
| Raw materials and supplies | 2,916 | 5,928 |
| Other | 5,532 | 5,080 |
| Allowance for doubtful accounts | (576) | (641) |
| Total current assets | 149,461 | 150,114 |
| Non-current assets | | |
| Property, plant and equipment | | |
| Buildings and structures, net | 10,349 | 10,000 |
| Machinery, equipment and vehicles, net | 1,934 | 1,806 |
| Tools, furniture and fixtures, net | 4,985 | 4,707 |
| Land | 3,654 | 3,731 |
| Leased assets, net | 433 | 421 |
| Construction in progress | 293 | 301 |
| Total property, plant and equipment | 21,650 | 20,968 |
| Intangible assets | | |
| Goodwill | 1,136 | 1,086 |
| Other | 2,268 | 2,419 |
| Total intangible assets | 3,404 | 3,505 |
| Investments and other assets | | |
| Investment securities | 8,895 | 9,136 |
| Other | 6,064 | 6,006 |
| Allowance for doubtful accounts | (8) | (7) |
| Total investments and other assets | 14,951 | 15,134 |
| Total non-current assets | 40,006 | 39,608 |
| Deferred assets | 94 | 74 |
| Total assets | 189,562 | 189,798 |

(Millions of yen)

| | As of March 31, 2022 | As of September 30, 2022 |
|--|----------------------|--------------------------|
| Liabilities | | |
| Current liabilities | | |
| Notes and accounts payable - trade | 13,650 | 12,975 |
| Electronically recorded obligations - operating | 13,013 | 13,746 |
| Short-term borrowings | 4,904 | 4,824 |
| Current portion of bonds payable | 186 | 186 |
| Income taxes payable | 4,029 | 3,080 |
| Contract liabilities | 33,351 | 34,184 |
| Provision for bonuses | 1,714 | 1,806 |
| Other | 10,918 | 6,973 |
| Total current liabilities | 81,769 | 77,777 |
| Non-current liabilities | | |
| Bonds payable | 204 | 111 |
| Long-term borrowings | 11,266 | 8,854 |
| Provision for retirement benefits for directors (and other officers) | 22 | 13 |
| Provision for Management Board Incentive Plan Trust | 480 | 464 |
| Retirement benefit liability | 7,827 | 7,809 |
| Asset retirement obligations | 316 | 316 |
| Other | 1,770 | 1,777 |
| Total non-current liabilities | 21,887 | 19,347 |
| Total liabilities | 103,657 | 97,124 |
| Net assets | | |
| Shareholders' equity | | |
| Share capital | 21,394 | 21,394 |
| Capital surplus | 21,271 | 21,271 |
| Retained earnings | 40,679 | 46,058 |
| Treasury shares | (1,022) | (924) |
| Total shareholders' equity | 82,322 | 87,799 |
| Accumulated other comprehensive income | | |
| Valuation difference on available-for-sale securities | 3,605 | 3,411 |
| Deferred gains or losses on hedges | (69) | (153) |
| Foreign currency translation adjustment | (142) | 1,405 |
| Remeasurements of defined benefit plans | 187 | 210 |
| Total accumulated other comprehensive income | 3,581 | 4,874 |
| Total net assets | 85,904 | 92,673 |
| Total liabilities and net assets | 189,562 | 189,798 |

Consolidated statements of income (cumulative) and consolidated statements of comprehensive income (cumulative)

Consolidated statements of income (cumulative)

(Millions of yen)

| | Six months ended September 30, 2021 | Six months ended September 30, 2022 |
|---|--|--|
| Net sales | 53,368 | 64,743 |
| Cost of sales | 30,540 | 35,550 |
| Gross profit | 22,828 | 29,193 |
| Selling, general and administrative expenses | | |
| Research and development expenses | 4,126 | 4,511 |
| Other | 15,025 | 17,772 |
| Total selling, general and administrative expenses | 19,151 | 22,283 |
| Operating profit | 3,676 | 6,909 |
| Non-operating income | | |
| Interest income | 12 | 16 |
| Dividend income | 90 | 91 |
| Revenue from acceptance of development services | 24 | 44 |
| Foreign exchange gains | – | 1,546 |
| Share of profit of entities accounted for using equity method | 270 | 175 |
| Subsidy income | 712 | – |
| Other | 129 | 195 |
| Total non-operating income | 1,239 | 2,069 |
| Non-operating expenses | | |
| Interest expenses | 81 | 38 |
| Loss on sale of trade receivables | 3 | 4 |
| Foreign exchange losses | 20 | – |
| Other | 61 | 87 |
| Total non-operating expenses | 167 | 130 |
| Ordinary profit | 4,749 | 8,848 |
| Extraordinary income | | |
| Gain on sale of non-current assets | 21 | 4 |
| Gain on sale of investment securities | – | 818 |
| Gain on sale of shares of subsidiaries and associates | – | 156 |
| Total extraordinary income | 21 | 978 |
| Extraordinary losses | | |
| Loss on sale of non-current assets | 1 | 1 |
| Loss on retirement of non-current assets | 2 | 12 |
| Impairment losses | – | 159 |
| Loss on valuation of investment securities | 0 | 6 |
| Total extraordinary losses | 4 | 180 |
| Profit before income taxes | 4,766 | 9,647 |
| Income taxes - current | 1,272 | 2,660 |
| Income taxes - deferred | (170) | (243) |
| Total income taxes | 1,101 | 2,417 |
| Profit | 3,665 | 7,229 |
| Profit attributable to owners of parent | 3,665 | 7,229 |

Consolidated statements of comprehensive income (cumulative)

(Millions of yen)

| | Six months ended September 30, 2021 | Six months ended September 30, 2022 |
|--|--|--|
| Profit | 3,665 | 7,229 |
| Other comprehensive income | | |
| Valuation difference on available-for-sale securities | 286 | (193) |
| Deferred gains or losses on hedges | 2 | (84) |
| Foreign currency translation adjustment | 146 | 1,206 |
| Remeasurements of defined benefit plans, net of tax | 28 | 23 |
| Share of other comprehensive income of entities accounted for using equity method | 64 | 341 |
| Total other comprehensive income | 527 | 1,292 |
| Comprehensive income | 4,193 | 8,522 |
| Comprehensive income attributable to | | |
| Comprehensive income attributable to owners of parent | 4,193 | 8,522 |
| Comprehensive income attributable to non-controlling interests | — | — |

Consolidated statements of cash flows

(Millions of yen)

| | Six months ended September 30, 2021 | Six months ended September 30, 2022 |
|---|--|--|
| Cash flows from operating activities | | |
| Profit before income taxes | 4,766 | 9,647 |
| Depreciation | 1,808 | 2,258 |
| Amortization of goodwill | 113 | 120 |
| Increase (decrease) in provision for bonuses | (21) | 70 |
| Increase (decrease) in retirement benefit liability | 174 | (5) |
| Increase (decrease) in provision for retirement benefits for directors (and other officers) | 3 | (8) |
| Increase (decrease) in provision for share awards for directors (and other officers) | 61 | 82 |
| Loss (gain) on sale and retirement of non-current assets | (17) | 10 |
| Loss (gain) on sale of investment securities | – | (818) |
| Loss (gain) on valuation of investment securities | 0 | 6 |
| Loss (gain) on sale of shares of subsidiaries and associates | – | (156) |
| Interest and dividend income | (103) | (107) |
| Subsidy income | (712) | – |
| Impairment losses | – | 159 |
| Interest expenses | 81 | 38 |
| Loss on sales of notes and accounts receivable-trade | 3 | 4 |
| Decrease (increase) in trade receivables | 4,116 | 6,523 |
| Decrease (increase) in inventories | (8,006) | (10,684) |
| Increase (decrease) in trade payables | 1,231 | (601) |
| Increase (decrease) in contract liabilities | 4,740 | (676) |
| Other, net | (1,704) | (54) |
| Subtotal | 6,536 | 5,808 |
| Interest and dividends received | 103 | 107 |
| Interest paid | (79) | (39) |
| Loss on sales of notes and accounts receivable-trade-paid | (3) | (4) |
| Income taxes refund (paid) | (1,123) | (3,743) |
| Net cash provided by (used in) operating activities | 5,434 | 2,128 |
| Cash flows from investing activities | | |
| Proceeds from sale of investment securities | – | 827 |
| Proceeds from sale of shares of subsidiaries and associates | – | 185 |
| Purchase of property, plant and equipment | (473) | (4,564) |
| Proceeds from sale of property, plant and equipment | 32 | 13 |
| Purchase of intangible assets | (209) | (303) |
| Other, net | 211 | 313 |
| Net cash provided by (used in) investing activities | (438) | (3,529) |

(Millions of yen)

| | Six months ended September 30, 2021 | Six months ended September 30, 2022 |
|---|--|--|
| Cash flows from financing activities | | |
| Net increase (decrease) in short-term borrowings | (4,536) | – |
| Repayments of long-term borrowings | (3,374) | (2,492) |
| Redemption of bonds | (2,643) | (93) |
| Proceeds from issuance of shares | 22,599 | – |
| Dividends paid | (584) | (1,845) |
| Other, net | (181) | (108) |
| Net cash provided by (used in) financing activities | 11,279 | (4,539) |
| Effect of exchange rate change on cash and cash equivalents | (17) | 746 |
| Net increase (decrease) in cash and cash equivalents | 16,257 | (5,193) |
| Cash and cash equivalents at beginning of period | 14,481 | 42,350 |
| NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS FROM ACCOUNTING TERM ALTERATIONS OF SUBSIDIARIES | (539) | – |
| Cash and cash equivalents at end of period | 30,200 | 37,157 |