



Consolidated Financial Results for the Nine Months Ended March 31, 2022  
[Japanese GAAP]

May 13, 2022

Company name: JTEC Corporation  
 Stock exchange listing: Tokyo Stock Exchange  
 Code number: 3446  
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 Scheduled filing date for quarterly securities report: May 13, 2022  
 Scheduled date for commencement of dividend payments: None  
 Availability of supplementary briefing materials on quarterly financial results: Not available  
 Financial results briefing session: None

(Amounts of less than one million yen are rounded down.)

1. Consolidated Financial Results for the Nine Months Ended March 31, 2022 (July 1, 2021 to March 31, 2022)

(1) Consolidated Operating Results (cumulative)

(Percentages indicate rates of year-on-year change)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Nine months ended								
March 31, 2022	705	—	(166)	—	(126)	—	(95)	—
March 31, 2021	—	—	—	—	—	—	—	—

(Note) Comprehensive income: For the nine months ended March 31, 2022: ¥(95) million [—%]  
 For the nine months ended March 31, 2021: ¥— million [—%]

	Basic earnings per share	Diluted earnings per share
Nine months ended	Yen	Yen
March 31, 2022	(16.38)	—
March 31, 2021	—	—

(Note) The Company began preparing consolidated financial statements from the end of the consolidated fiscal year ended June 30, 2021. Therefore, there are no year-on-year change figures for the nine months ended March 31, 2022, nor figures or year-on-year changes for the nine months ended March 31, 2021.

(2) Consolidated Financial Position

	Total assets	Net assets	Equity ratio
	Millions of yen	Millions of yen	%
As of March 31, 2022	3,449	2,163	62.7
As of June 30, 2021	3,382	2,257	66.8

(Reference) Shareholders' equity: As of March 31, 2022: ¥2,163 million  
 As of June 30, 2021: ¥2,257 million

2. Dividends

	Annual dividends				
	1st quarter-end	2nd quarter-end	3rd quarter-end	Year-end	Total
	Yen	Yen	Yen	Yen	Yen
Fiscal year ended June 30, 2021	—	0.00	—	0.00	0.00
Fiscal year ending June 30, 2022	—	0.00	—		
Fiscal year ending June 30, 2022 (Forecast)				0.00	0.00

(Note) Changes in dividend forecast from the most recent announcement: None

3. Consolidated Financial Results Forecast for the Fiscal Year Ending June 30, 2022 (July 1, 2021 to June 30, 2022)

(Percentages indicate rates of year-on-year change)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent		Basic earnings per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
Full year	1,700	—	194	—	232	—	150	—	25.76

(Note) Changes in financial results forecast from the most recent announcement: None

Notes:

(1) Changes in specific subsidiaries during the period (changes in specified subsidiaries resulting in a change in the scope of consolidation): None

Newly included: None

Excluded: None

(2) Application of special accounting treatment in preparing the quarterly financial statements: None

(3) Changes in accounting policies, changes in accounting estimates, and retrospective restatement

1) Changes in accounting policies due to the revision of accounting standards: Yes

2) Changes in accounting policies other than 1) above: None

3) Changes in accounting estimates: None

4) Retrospective restatement: None

(4) Total number of issued shares (common stock)

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

March 31, 2022: 5,864,000 shares

June 30, 2021: 5,855,000 shares

2) Total number of treasury shares at the end of the period:

March 31, 2022: 148 shares

June 30, 2021: 99 shares

3) Average number of shares outstanding during the period

Nine months ended March 31, 2022: 5,859,020 shares

Nine months ended March 31, 2021: 5,854,901 shares

\* The quarterly financial statements are outside the scope of quarterly reviews by certified public accountants and auditing firms.

\* Explanation of the proper use of financial results forecast and other notes

The earnings forecasts and other forward-looking statements herein are based on information currently available to the Company and certain assumptions deemed reasonable by the Company, and are not intended to be construed as assurance that they will be accomplished in the future. Actual results may differ significantly from the forecasts due to a wide range of factors. Please see page three of the attached materials, "1. Qualitative Information on Quarterly Financial Results (3) Explanation of Financial Results Forecast and Other Forward-Looking Information" for more information regarding assumptions made when formulating earnings projections and matters to note when using these projections.

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## 1. Qualitative Information on Quarterly Financial Results

All matters relating to the future in the sections below reflect the current views of the Group as of March 31, 2022. We began preparing consolidated financial statements from the end of the consolidated fiscal year ended June 30, 2021. Accordingly, we have not performed a comparative analysis with the previous fiscal year.

### (1) Explanation of Business Results

In the nine months ended March 31, 2022, the Japanese economy saw sluggishness in company activities and personal spending due to the renewed spread of infections in many regions, resulting from the Omicron variant of COVID-19. The global outlook has become even more uncertain, for example due to restrictions on production activities resulting from semiconductor shortages, soaring commodity prices resulting from the conflict in Ukraine, rapid fluctuations in exchange rates, and inflation concerns.

Under these economic circumstances, the Company strove to strengthen and expand the management foundation through two businesses that use proprietary technology, namely the Optical segment and the LS & Equipment Development segment. The results of ESCO, Ltd. are included in the Other business category.

As a result, during the nine months ended March 31, 2022, we recorded net sales of ¥705,839 thousand, an operating loss of ¥166,385 thousand, an ordinary loss of ¥126,055 thousand, and a loss attributable to owners of parent of ¥95,949 thousand.

Results by segment were as follows.

#### (Optical segment)

In the nine months ended March 31, 2022, the segment saw expanded sales on products for synchrotron radiation facilities in Japan (e.g., SPring-8, SLiT-J, and SAGA), as well as for Advanced Photon Source (APS) in the United States and the Institute of High Energy Physics (IHEP) in China. In typical years, the Company books substantial sales for facilities in Japan at the end of the third quarter, and similar results were achieved during the current fiscal year. Again in typical years, the largest volume of sales is booked in the fourth quarter, and the Company plans to book substantial sales this fiscal year as well, mainly overseas.

The impact of the Covid-19 pandemic differs from one country to the next; for example, the impact of “zero-COVID” policies on the economy in Shanghai and other parts of China is still unclear. Nevertheless, the impact of COVID-19 on facilities worldwide is gradually declining, as they are in the process of returning to normal activities.

In terms of manufacturing, there were delays in the manufacturing of mirrors that were scheduled to be delivered in the second quarter of the current fiscal year, resulting in sales being booked later than forecasted, but these products were delivered and inspected during the third quarter, and the delay in the booking of sales has been resolved.

In terms of sales, we received large orders from facilities in the United States, China, and Japan as announced on several occasions from the end of the previous fiscal year in our press releases, and we have continued to receive orders since then as well.

In Japan, we have received an increasing number of orders from the SLiT-J synchrotron radiation facility in the Tohoku region (scheduled for completion in 2023). In China, although travel restrictions continue, orders from IHEP, a fourth-generation synchrotron radiation facility under construction in Beijing (the largest of its kind in the world), the X-ray free electron laser facility under construction in Shanghai, and other facilities have increased.

Furthermore, orders from facilities in European countries have grown as they execute plans to upgrade to fourth-generation facilities, and we were able to restart face-to-face sales activities recently, through travel to several European countries. We will continue to seek out new demand through detailed sales activities moving forward.

In addition, we are investigating applications for JTEC’s proprietary technologies in areas other than X-ray mirrors. Specifically, we are planning applications in aerospace and next-generation semiconductor related fields heading into 2030.

As a result, sales in the Optical segment during the period under review were ¥489,257 thousand and segment profit was ¥115,218 thousand.

#### (LS & Equipment Development segment)

In the nine months ended March 31, 2022, the segment’s earnings were driven by sales in the equipment development business, including URD manufacturing automation systems and the evaluation of vacuum ducts for

kicker magnets.

As for quartz crystal unit wafer machining systems, following the delivery of the first unit, we continue to explore sales channels for customers in Japan and overseas.

As a result, sales in the LS & Equipment Development segment during the period under review were ¥150,689 thousand and the segment loss was ¥40,095 thousand.

#### (Other segment)

The Other segment shows results from subsidiary ESCO, Ltd., and during the period under review, mainly recorded sales associated with contracted measurements and services related to thermal desorption spectrometry (TDS) equipment.

As a result, sales in the Other segment during the period under review were ¥65,892 thousand and the segment loss was ¥15,162 thousand.

In the consolidated fiscal year ended June 30, 2021, the Company acquired shares in ESCO, Ltd., which was included in the scope of consolidation. As the deemed acquisition date was June 30, 2021 and the difference between the closing date of the subsidiary and the consolidated reporting date is within three months, the consolidated financial results for the nine months ended March 31, 2022 reflects performance of the acquired company during the six months from July 2021 to December 2021.

## (2) Explanation of Financial Condition

### (Assets)

As of March 31, 2022, current assets amounted to ¥1,521,787 thousand, up ¥49,747 thousand from their level on June 30, 2021. This change was primarily due to a ¥129,789 thousand increase in work in process, offsetting a ¥90,884 thousand decline in accounts receivable–trade. Non-current assets came to ¥1,927,758 thousand, up ¥17,756 thousand compared to June 30, 2021. This was mainly because deferred tax assets increased ¥33,489 thousand, while buildings and structures declined by ¥24,621 thousand and goodwill declined by ¥21,191 thousand.

As a result, total assets were ¥3,449,546 thousand, up ¥67,503 thousand from their level on June 30, 2021.

### (Liabilities)

Current liabilities came to ¥654,061 thousand, up ¥218,129 thousand from their level on June 30, 2021. This change was primarily because current liabilities (other) increased ¥157,438 thousand and accounts payable–trade rose ¥40,671 thousand due in part to growth in advances received following an increase in new orders. Non-current liabilities were ¥631,589 thousand, down ¥56,548 thousand compared to June 30, 2021. This was due to a ¥56,592 thousand decrease in long-term borrowings, as scheduled repayments continued.

As a result, total liabilities were ¥1,285,651 thousand, up ¥161,580 thousand from their level on June 30, 2021.

### (Net assets)

Total net assets amounted to ¥2,163,895 thousand, down ¥94,076 thousand from their level on June 30, 2021. This was primarily due to the booking of a loss of ¥95,949 thousand.

## (3) Explanation of Financial Results Forecast and Other Forward-Looking Information

The Company has made no changes to the forecast for the fiscal year ending June 30, 2022 that it announced in the “Consolidated Financial Results for the Six Months Ended December 31, 2021” released on February 14, 2022.

## 2. Quarterly Consolidated Financial Statements and Primary Notes

### (1) Consolidated Balance Sheet

(Thousands of yen)

	As of June 30, 2021	As of March 31, 2022
<b>Assets</b>		
Current assets		
Cash and deposits	847,701	843,963
Electronically recorded monetary claims—operating	—	9,909
Accounts receivable—trade	410,865	319,980
Merchandise and finished goods	33,659	39,127
Work in process	80,386	210,175
Raw materials and supplies	33,014	36,159
Other	66,413	62,472
Total current assets	1,472,040	1,521,787
Non-current assets		
Property, plant and equipment		
Buildings and structures (net)	794,144	769,522
Machinery, equipment and vehicles (net)	200,272	212,815
Land	318,979	318,979
Construction in progress	12,475	14,942
Other (net)	11,099	10,643
Total property, plant and equipment	1,336,971	1,326,902
Intangible assets		
Goodwill	423,829	402,638
Other	15,186	12,280
Total intangible assets	439,016	414,918
Investments and other assets		
Deferred tax assets	119,524	153,013
Other	14,489	32,923
Total investments and other assets	134,014	185,937
Total non-current assets	1,910,001	1,927,758
Total assets	3,382,042	3,449,546
<b>Liabilities</b>		
Current liabilities		
Accounts payable—trade	18,559	59,230
Short-term borrowings	200,000	200,000
Current portion of long-term borrowings	75,456	75,456
Income taxes payable	764	7,536
Provision for bonuses	15,457	28,704
Other	125,694	283,133
Total current liabilities	435,932	654,061
Non-current liabilities		
Long-term borrowings	672,875	616,283
Provision for retirement benefits for directors (and other officers)	3,018	3,731
Retirement benefit liability	2,192	2,057
Other	10,052	9,517
Total non-current liabilities	688,138	631,589
Total liabilities	1,124,070	1,285,651
<b>Net assets</b>		
Shareholders' equity		
Share capital	821,241	822,246
Capital surplus	781,241	782,246
Retained earnings	655,854	559,905
Treasury shares	(365)	(502)
Total shareholders' equity	2,257,971	2,163,895
Total net assets	2,257,971	2,163,895
Total liabilities and net assets	3,382,042	3,449,546

(2) Consolidated Statement of Income and Consolidated Statement of Comprehensive Income

Consolidated Statement of Income

(Thousands of yen)

	For the nine months ended March 31, 2022
Net sales	705,839
Cost of sales	291,362
Gross profit	414,477
Selling, general and administrative expenses	580,862
Operating profit (loss)	(166,385)
Non-operating income	
Interest income	5
Subsidy income	43,666
Other	227
Total non-operating income	43,899
Non-operating expenses	
Interest expenses	2,993
Foreign exchange losses	555
Other	19
Total non-operating expenses	3,569
Ordinary profit (loss)	(126,055)
Extraordinary losses	
Loss on sale and retirement of non-current assets	442
Loss on sale of investment securities	20
Impairment losses	578
Total extraordinary losses	1,041
Profit (loss) before income taxes	(127,096)
Income taxes—current	2,318
Income taxes—deferred	(33,465)
Total income taxes	(31,147)
Profit (loss)	(95,949)
Profit attributable to non-controlling interests	—
Profit (loss) attributable to owners of parent	(95,949)

## Consolidated Statement of Comprehensive Income

(Thousands of yen)

	For the nine months ended March 31, 2022
Profit (loss)	(95,949)
Comprehensive income	(95,949)
(Breakdown)	
Comprehensive income attributable to owners of parent	(95,949)
Comprehensive income attributable to non-controlling interests	—



### (3) Notes to the Financial Statements

(Notes on going concern assumption)

There is no relevant information.

(Notes in the event of significant changes in shareholders' equity)

There is no relevant information.

(Changes in accounting policies)

(Application of Accounting Standard for Revenue Recognition, etc.)

The Company began applying the Accounting Standard for Revenue Recognition (ASBJ Statement No. 29; March 31, 2020; hereinafter the "Revenue Recognition Standard") and related implementation guidance at the beginning of the first quarter of the current fiscal year. Accordingly, the Company recognizes the amount expected to be received in exchange for promised goods or services as revenue when control over such goods and services is transferred to the customer.

The Company applies the Revenue Recognition Standard in accordance with the transitional treatment set forth in the proviso in Paragraph 84 of the Revenue Recognition Standard. However, there has been no cumulative effect on retained earnings of retroactively applying the new accounting policy prior to the beginning of the first quarter of the current fiscal year. The changes stated above produce no impact on the quarterly consolidated financial statements.

(Application of Accounting Standard for Fair Value Measurement, etc.)

The Company began applying the Accounting Standard for Fair Value Measurement (ASBJ Statement No. 30; July 4, 2019; hereinafter the "Fair Value Measurement Standard") and related implementation guidance at the beginning of the first quarter of the current fiscal year. In accordance with the transitional treatment set forth in Paragraph 19 of the Fair Value Measurement Standard and Paragraph 44-2 of the Accounting Standard for Financial Instruments (ASBJ Statement No. 10; July 4, 2019), the Company will apply the new accounting policy prescribed in the Fair Value Measurement Standard prospectively. There is no impact on the quarterly consolidated financial statements.

(Additional information)

There have been no significant changes to the assumptions underlying accounting estimates in relation to the COVID-19 pandemic, which were described in the "Significant accounting estimates" in the Annual Securities Report for the fiscal year ended June 30, 2021.

(Segment information)

Nine months ended March 31, 2022 (July 1, 2021 to March 31, 2022)

#### 1. Information on sales and profit by reportable segment

(Thousands of yen)

	Reportable segment			Other (Note 1)	Total	Adjustments (Note 2)	Amount stated in the consolidated statement of income (Note 3)
	Optical	LS & Equipment Development	Total				
Net sales							
Sales to external customers	489,257	150,689	639,946	65,892	705,839	—	705,839
Total	489,257	150,689	639,946	65,892	705,839	—	705,839
Segment profit (loss)	115,218	(40,095)	75,122	(15,162)	59,960	(226,345)	(166,385)

#### Notes

1. "Other" refers to businesses not included in reportable segments and includes the results of ESCO, Ltd.
2. "Adjustments" are company-wide expenses, mainly comprising general and administrative expenses, and research and development expenses not attributable to reportable segments.
3. Segment profit (loss) is adjusted to operating profit (loss) in the consolidated statement of income.

2. Information on impairment losses on non-current assets and goodwill

(Significant impairment losses on non-current assets)

The Company recorded an impairment loss of ¥578 thousand due to a decline in profitability in the LS & Equipment Development segment.