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On **July 13, 2020**, JTEC CORPORATION (JTEC CORP) announced revisions to its full-year FY06/20 forecasts.

Revised full-year FY06/20 forecasts (previous forecasts in parentheses)

▷ Sales:	JPY1.0bn (JPY1.5bn)
▷ Operating loss:	JPY8mn (operating profit of JPY278mn)
▷ Recurring profit:	JPY10mn (JPY302mn)
▷ Net income:	JPY7mn (JPY208mn)
▷ Earnings per share:	JPY1.22 (JPY35.73)

Revised full-year FY06/20 sales forecasts by segment (previous forecasts in parentheses)

▷ Optical:	JPY832mn (JPY1.0bn)
▷ LS & Equipment Development:	JPY193mn (JPY410mn)

Reasons for revisions

JTEC CORP projects sales in both the Optical segment and the LS & Equipment Development segment to miss its prior forecasts. Although SG&A expenses have been as planned, sales and gross profit have underperformed forecasts due to the significant impact caused by weaker sales.

In the Optical segment, JTEC CORP had forecast sales of JPY1.3bn at the start of the financial year. However, of the projects it had originally planned for, orders for China and America were delayed. As such, it revised its view for full-year sales to JPY1.0bn in Q2. A significant impact from the COVID-19 pandemic then emerged from Q4, and the booking of sales was pushed back to FY06/21 on several projects. As a result, sales lagged previously revised forecasts for FY06/20. The main factors in this were: 1) delayed decision-making on final specifications by synchrotron radiation facilities, including China's SSRF, Brazil's SIRIUS and Taiwan's TPS, due to shutdowns during the pandemic, 2) delays in outsourced processes due to the German manufacturer—to which the company outsources the grating and multilayering processes for mirrors—shutting down operations during the pandemic, and 3) shipments of focusing devices used in synchrotron radiation facilities—for which production had been outsourced to an Italian device manufacturer—being delayed by the pandemic. As JTEC CORP only does made-to-order, it has not lost any orders. With regard to the above facilities and manufacturers that had shut down operations, all have since resumed operations except for Brazil's SIRIUS.

In the LS & Equipment Development segment, JTEC CORP had forecast sales of JPY200mn at the start of the financial year. In Q2, it was forecasting full-year sales of JPY410mn on account of orders trending ahead of plan for quartz crystal unit wafer machining systems. However, development of film thickness inspection devicesng component in quartz crystal unit wafer machining systems for which development is outsourced to a Japanese companywafer machining of plan for start of the financshifting to a telework structure for all employees. As such, JTEC CORP was unable to complete or ship any systems by the end of the financial year, and sales were postponed to FY06/21 instead.

This note is the most recent addition to the [full report](#).

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