

February 6, 2018

**Summary of Consolidated Financial Results for the Third Quarter
of Fiscal Year Ending March 31, 2018
(Nine Months Ended December 31, 2017)**

[Japanese GAAP]

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Scheduled date of filing of Quarterly Report: February 7, 2018

Scheduled date of payment of dividend: -

Preparation of supplementary materials for quarterly financial results: None

Holding of quarterly financial results meeting: None

Note: The original disclosure in Japanese was released on February 6, 2018 at 16:00 (GMT +9).

(Amounts are rounded down to the nearest million yen)

1. Consolidated Financial Results for the Nine Months Ended December 31, 2017

(April 1, 2017 – December 31, 2017)

(1) Consolidated results of operations (Percentages represent year-on-year changes)

	Net sales		Operating profit		Recurring profit		Profit attributable to owners of parent	
	Million yen	%	Million yen	%	Million yen	%	Million yen	%
Nine months ended Dec. 31, 2017	17,829	36.0	2,761	104.6	2,716	101.7	1,928	97.9
Nine months ended Dec. 31, 2016	13,110	19.6	1,350	32.4	1,346	31.9	974	39.5

Note: Comprehensive income (million yen) Nine months ended Dec. 31, 2017: 2,085 (up 99.4%)

Nine months ended Dec. 31, 2016: 1,045 (up 39.5%)

	Net income per share (basic)	Net income per share (diluted)
	Yen	Yen
Nine months ended Dec. 31, 2017	106.62	106.58
Nine months ended Dec. 31, 2016	54.25	54.04

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio
	Million yen	Million yen	%
As of Dec. 31, 2017	18,126	11,301	62.3
As of Mar. 31, 2017	16,594	9,571	57.7

Reference: Equity (million yen)

As of Dec. 31, 2017: 11,301

As of Mar. 31, 2017: 9,568

2. Dividends

	Dividend per share				
	End of first quarter	End of second quarter	End of third quarter	Year-end	Total
	Yen	Yen	Yen	Yen	Yen
Fiscal year ended Mar. 31, 2017	-	0.00	-	20.00	20.00
Fiscal year ending Mar. 31, 2018	-	0.00	-	-	-
Fiscal year ending Mar. 31, 2018 (forecast)	-	-	-	30.00	30.00

Note: Revisions to the most recently announced dividend forecast: None

As was announced on the December 27, 2017 press release "Notice of Revision to Dividend Forecast (Dividend Increase)," the Company revised the year-end dividend per share forecast for the fiscal year ending on March 31, 2018.

3. Consolidated Forecast for the Fiscal Year Ending March 31, 2018 (April 1, 2017 – March 31, 2018)

(Percentages represent year-on-year changes)

	Net sales		Operating profit		Recurring profit		Profit attributable to owners of parent		Net income per share (basic)
	Million yen	%	Million yen	%	Million yen	%	Million yen	%	Yen
Full year	23,800	39.0	2,900	109.1	2,880	109.3	2,050	79.1	113.33

Note: Revisions to the most recently announced consolidated forecast: Yes

*** Notes**

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

(2) Application of special accounting methods in the preparation of quarterly consolidated financial statements: None

(3) Changes in accounting policies and accounting-based estimates, and restatements

1) Changes in accounting policies due to revisions in accounting standards, others: None

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

3) Changes in accounting-based estimates: Yes

4) Restatements: None

(4) Number of shares outstanding (common stock)

1) Number of shares outstanding at the end of period (including treasury shares)

As of Dec. 31, 2017:	22,806,900 shares	As of Mar. 31, 2017:	22,806,900 shares
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2) Number of treasury shares at the end of period

As of Dec. 31, 2017:	4,708,710 shares	As of Mar. 31, 2017:	4,768,710 shares
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3) Average number of shares outstanding during the period

Nine months ended Dec. 31, 2017:	18,088,590 shares	Nine months ended Dec. 31, 2016:	17,969,281 shares
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Note 1: The current quarterly financial report is not subject to quarterly review procedures.

Note 2: Cautionary statement with respect to forward-looking statements and other special items

Earnings forecasts

Forecasts of future performance in this report are based on assumptions judged to be valid and information currently available to the Company. Actual results are affected by various factors and may differ substantially. For discussion of the assumptions and other factors considered by the Company in preparing the above projections, please refer to page 3 of the attachments "1. Qualitative Information on Quarterly Consolidated Financial Results, (3) Explanation of Consolidated Forecast and Other Forward-looking Statements."

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1. Qualitative Information on Quarterly Consolidated Financial Results

(1) Explanation of Results of Operations

The capital investment in production facilities of liquid crystal panels—a key market for the Helios Techno Group (“the Group”) has continued to enjoy robust demand primarily in G8.5 and G10 type panels, and we expect such buoyant demand to continue going forward. We have also seen a brisk demand for capital investment in organic EL displays.

In this business environment, the Group continued to achieve solid sales of products such as flexo printing equipment for alignment layers, light source units for exposure equipment, as well as high-precision inkjet printers used for a variety of applications including organic EL displays. Regarding the large orders of high-precision inkjet printers, we continued to report sales in the third quarter by delivering an additional order following the second quarter of the current fiscal year.

The Group’s net sales for the first nine months of the current fiscal year (“the period under review”) increased 4,718 million yen, or 36.0%, year on year to 17,829 million yen with operating profit of 2,761 million yen (up 1,411 million yen, or 104.6%, year on year), recurring profit of 2,716 million yen (up 1,369 million yen, or 101.7%, year on year), and profit attributable to owners of parent of 1,928 million yen (up 953 million yen, or 97.9%, year on year).

Operating results by business segment are described below. Each of the amounts shown includes inter-segment transactions.

i) Lamp Business

In the Lamp Business, sales of UV lamps increased as those of light source units for exposure equipment increased steadily, which helped offset a decline in sales of general lighting lamps including LED lamps.

Consequently, the segment sales for the period under review increased 3.2% year on year to 2,634 million yen with a segment profit of 33 million yen, down 59.2% year on year.

ii) Manufacturing Equipment Business

In the Manufacturing Equipment Business, we have successfully delivered an additional order of a large project for high-precision inkjet printers. Furthermore, sales of light source units for exposure equipment remained solid, exceeding our initial plan.

Consequently, the segment sales for the period under review increased 51.9% year on year to 11,972 million yen with a segment profit of 2,887 million yen, up 103.5% year on year.

Furthermore, the order backlog as of the end of the period under review reached 10,481 million yen.

iii) Human Resource Service Business

The Human Resource Service Business includes the temporary staffing for engineers, design subcontracting and temporary staffing to the manufacturing sector. Because temporary staffing for engineers and design subcontracting are closely linked to the geographical areas served, we have achieved stable performance by strengthening our sales capabilities with improved quality of workers and services that meet customers’ needs. Regarding the staffing to the manufacturing sector, our efforts to increase the number of staff dispatched have appeared to pay off.

Consequently, the segment sales for the period under review increased 20.6% year on year to 3,274 million yen and a segment profit increased 26.2% year on year to 179 million yen.

(2) Explanation of Financial Position

Assets

Current assets increased 1,374 million yen from the end of the previous fiscal year to 15,205 million yen. This was mainly due to a 983 million yen increase in work in process and a 780 million yen increase in advance payments, while there was a 750 million yen decrease in cash and deposits with banks.

Fixed assets increased 157 million yen from the end of the previous fiscal year to 2,921 million yen. This was mainly due to a 175 million yen increase in investment securities included in “Others” of the investments and other assets section, while there was a 49 million yen decrease in machinery and equipment included in “Others, net” of the property, plant and equipment section.

As a result, total assets increased 1,532 million yen from the end of the previous fiscal year to 18,126 million yen.

Liabilities

Current liabilities decreased 398 million yen from the end of the previous fiscal year to 6,174 million yen. This was mainly due to a 1,367 million yen decrease in advances received, while there were a 645 million yen increase in notes and accounts payable, a 193 million yen increase in accrued income taxes, and a 160 million yen increase in current portion of long-term borrowings.

Long-term liabilities increased 201 million yen from the end of the previous fiscal year to 650 million yen. This was mainly due to a 134 million yen increase in long-term borrowings and a 70 million yen increase in deferred tax liabilities included in “Others” of the long-term liabilities section.

As a result, total liabilities decreased 197 million yen from the end of the previous fiscal year to 6,824 million yen.

Net assets

Net assets increased 1,730 million yen, or 18.1%, from the end of the previous fiscal year to 11,301 million yen. This was mainly due to the reporting of profit attributable to owners of parent of 1,928 million yen, which was partly offset by the payment of dividends from surplus of 360 million yen.

Since total assets increased and total liabilities decreased as stated above, the equity ratio rose 4.6 percentage points from the end of the previous fiscal year to 62.3% at the end of the period under review.

(3) Explanation of Consolidated Forecast and Other Forward-looking Statements

Based on the results for the period under review, the consolidated forecast for the fiscal year ending March 31, 2018 that was announced on November 7, 2017 has been revised. For more details, please see the press release titled “Notice of Revision to the Consolidated Forecast” that was announced today (February 6, 2018).

2. Quarterly Consolidated Financial Statements and Notes**(1) Consolidated Balance Sheets**

	<i>(Thousands of yen)</i>	
	FY3/17 (As of Mar. 31, 2017)	Third quarter of FY3/18 (As of Dec. 31, 2017)
Assets		
Current assets		
Cash and deposits with banks	4,181,297	3,430,385
Notes and accounts receivable	5,295,829	5,995,216
Merchandise and finished goods	327,077	254,780
Work in process	2,548,426	3,531,873
Raw materials and supplies	547,003	639,297
Advance payments	229,597	1,009,830
Others	704,332	347,163
Allowance for doubtful accounts	(2,613)	(2,960)
Total current assets	13,830,950	15,205,587
Fixed assets		
Property, plant and equipment		
Buildings and structures, net	723,951	745,564
Land	800,623	841,913
Others, net	540,473	518,342
Total property, plant and equipment	2,065,049	2,105,820
Intangible assets		
Goodwill	32,016	16,008
Others	81,345	83,137
Total intangible assets	113,361	99,146
Investments and other assets		
Others	641,535	778,325
Allowance for doubtful accounts	(56,754)	(62,214)
Total investments and other assets	584,780	716,110
Total fixed assets	2,763,191	2,921,077
Total assets	16,594,142	18,126,665

	<i>(Thousands of yen)</i>	
	FY3/17 (As of Mar. 31, 2017)	Third quarter of FY3/18 (As of Dec. 31, 2017)
Liabilities		
Current liabilities		
Notes and accounts payable	2,053,728	2,699,444
Short-term borrowings	300,000	100,000
Current portion of long-term borrowings	181,663	342,528
Accrued income taxes	241,480	434,905
Accrued bonuses	316,463	198,242
Provision for product warranties	25,914	30,021
Advances received	2,786,158	1,418,299
Others	667,623	950,753
Total current liabilities	6,573,032	6,174,194
Long-term liabilities		
Long-term borrowings	252,515	386,632
Others	197,211	264,164
Total long-term liabilities	449,726	650,796
Total liabilities	7,022,758	6,824,991
Net assets		
Shareholders' equity		
Common stock	2,133,177	2,133,177
Capital surplus	2,563,867	2,563,867
Retained earnings	5,919,007	7,480,252
Treasury shares	(1,194,133)	(1,179,109)
Total shareholders' equity	9,421,918	10,998,188
Accumulated other comprehensive income		
Unrealized holding gain on other securities	146,645	303,486
Total accumulated other comprehensive income	146,645	303,486
Subscription rights to shares	2,820	-
Total net assets	9,571,383	11,301,674
Total liabilities and net assets	16,594,142	18,126,665

(2) Consolidated Statements of Income and Consolidated Statements of Comprehensive Income**Consolidated Statements of Income****(For the Nine-month Period)***(Thousands of yen)*

	First nine months of FY3/17 (Apr. 1, 2016 – Dec. 31, 2016)	First nine months of FY3/18 (Apr. 1, 2017 – Dec. 31, 2017)
Net sales	13,110,580	17,829,294
Cost of goods sold	9,534,346	12,289,255
Gross profit	3,576,234	5,540,038
Selling, general and administrative expenses	2,226,180	2,778,165
Operating profit	1,350,054	2,761,873
Non-operating income		
Interest income	241	91
Dividend income	14,083	14,308
Operations consignment fee	3,600	-
Miscellaneous revenue	9,832	10,471
Total non-operating income	27,757	24,870
Non-operating expenses		
Interest expense	9,698	9,867
Foreign exchange loss	-	13,050
Commission for syndicate loan	17,000	43,640
Miscellaneous loss	4,439	3,605
Total non-operating expenses	31,137	70,163
Recurring profit	1,346,674	2,716,580
Extraordinary income		
Gain on sales of fixed assets	126	103
Total extraordinary income	126	103
Extraordinary loss		
Loss on disposal of fixed assets	210	931
Loss on sales of fixed assets	9,352	-
Total extraordinary losses	9,562	931
Profit before income taxes	1,337,238	2,715,752
Income taxes-current	312,907	697,586
Income taxes-deferred	49,567	89,505
Total income taxes	362,474	787,092
Profit	974,763	1,928,660
Profit attributable to owners of parent	974,763	1,928,660

Consolidated Statements of Comprehensive Income
(For the Nine-month Period)

(Thousands of yen)

	First nine months of FY3/17 (Apr. 1, 2016 – Dec. 31, 2016)	First nine months of FY3/18 (Apr. 1, 2017 – Dec. 31, 2017)
Profit	974,763	1,928,660
Other comprehensive income		
Unrealized holding gain on other securities	71,032	156,840
Total other comprehensive income	71,032	156,840
Comprehensive income	1,045,796	2,085,501
Comprehensive income attributable to		
Owners of parent	1,045,796	2,085,501
Non-controlling interests	-	-

(3) Notes to Quarterly Consolidated Financial Statements

Going Concern Assumption

Not applicable.

Significant Changes in Shareholders' Equity

Not applicable.

Changes in Accounting-based Estimates

Nakan Techno Co., Ltd., consolidated subsidiary of the Company, has an obligation for restoring its Sakura Daini factory used under a leasing contract when it leaves the site. However, the Company has so far not recognized a corresponding asset retirement obligation because the amount of the obligation was not reasonably estimable given the situation where a period for using the leased assets relevant to the obligation was not clearly specified and Nakan Techno had no plan to relocate the factory.

In the third quarter, however, a decision was made to relocate the factory to Nakan Techno's Headquarters factory to further improve productivity. As the decision has enabled the Company to reasonably estimate a remaining period for using the leased assets and a timing to fulfill the restoration obligation, it has shorten useful lives of fixed assets that will not be available for use and also recognized the restoration obligation to be fulfilled when Nakan Techno leaves the site at the amount of 25 million yen as asset retirement obligation included in "Others" of the current liabilities section.

The above change in estimate has caused operating profit, recurring profit and profit before income taxes to decrease by 14.65 million yen, respectively in the period under review.

Segment Information

I. First nine months of FY3/17 (Apr. 1, 2016 – Dec. 31, 2016)

1. Information related to net sales, profit and loss for each reportable segment

(Thousands of yen)

	Reportable segment				Adjustment (Note 1)	Amounts shown on consolidated statements of income (Note 2)
	Lamp Business	Manufacturing Equipment Business	Human Resource Service Business	Total		
Net sales						
Sales to external customers	2,525,213	7,879,443	2,705,923	13,110,580	-	13,110,580
Inter-segment sales and transfers	26,663	4,991	9,505	41,159	(41,159)	-
Total	2,551,877	7,884,434	2,715,429	13,151,740	(41,159)	13,110,580
Segment profit	82,178	1,419,038	142,113	1,643,330	(293,276)	1,350,054

Notes: 1. The minus 293,276 thousand yen adjustment to segment profit includes 3 thousand yen in elimination of inter-segment transactions and minus 293,279 thousand yen in company-wide expenses that cannot be allocated to reportable segments. Company-wide expenses mainly include general and administrative expenses that cannot be attributed to reportable segments.

2. Segment profit is adjusted to be consistent with operating profit shown on the consolidated statements of income.

II. First nine months of FY3/18 (Apr. 1, 2017– Dec. 31, 2017)

1. Information related to net sales, profit and loss for each reportable segment

(Thousands of yen)

	Reportable segment				Adjustment (Note 1)	Amounts shown on consolidated statements of income (Note 2)
	Lamp Business	Manufacturing Equipment Business	Human Resource Service Business	Total		
Net sales						
Sales to external customers	2,594,832	11,972,130	3,262,330	17,829,294	-	17,829,294
Inter-segment sales and transfers	39,791	588	11,719	52,098	(52,098)	-
Total	2,634,623	11,972,718	3,274,050	17,881,392	(52,098)	17,829,294
Segment profit	33,528	2,887,802	179,365	3,100,696	(338,823)	2,761,873

Notes: 1. The minus 338,823 thousand yen adjustment to segment profit represents company-wide expenses that cannot be allocated to reportable segments. Company-wide expenses mainly include general and administrative expenses that cannot be attributed to reportable segments.

2. Segment profit is adjusted to be consistent with operating profit shown on the consolidated statements of income.

2. Information related to revisions for reportable segments

Effective from the first quarter of the current fiscal year, the Company revised the measurement method of the Lamp Business and the Manufacturing Equipment Business to ensure a more accurate understanding of the segments.

The segment information for the first nine months of FY3/17 is prepared and disclosed based on the method after the revision.

Note: This is a translation of the Company's Kessan Tanshin (including attachments) in Japanese, a summary of financial statements prepared in accordance with accounting principles generally accepted in Japan. This translation is prepared and provided for the purpose of the reader's convenience. All readers are recommended to refer to the original version in Japanese of the report for complete information.