



News Release Dated December 9, 2019

Company name: Helios Techno Holding Co., Ltd.
Stock code: 6927
Stock exchange listing: Tokyo Stock Exchange (First Section)
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Notice of Sale of Subsidiary

The Board of Directors of Helios Techno Holding Co., Ltd. (“Helios Techno”) approved a resolution today to sign a contract with NT Holding Co., Ltd. for the sale of all of the stock of its consolidated subsidiary Nippon Gijutsu Center Co., Ltd. (“NGC”). NT Holding is owned by Yukon No. I Investment Limited Partnership, which is operated by Takashi Takenaka, the president of NGC, other NGC executives and investment partner Yukon Capital Partners Co. Ltd. (“Yukon”).

In addition, the Board of Directors approved a resolution to sign a contract for the sale of all of the stock of Helios Techno subsidiary Technolink Co., Ltd. to NT Holding.

Due to the approval of these transactions, Mr. Takenaka has submitted his resignation today as a Helios Techno director. Following this resignation, the number of Helios Techno directors still fulfills the legal requirement and the requirement in the Articles of Incorporation.

1. Reason for the sale of the two subsidiaries

Since its establishment, Helios Techno has taken many management and investment actions for the purpose of revitalizing business operations.

The business operations of Helios Techno will be based on an accurate understanding of the fundamental changes taking place in the structure of society and industries due to a broad range of progress involving artificial intelligence and many other fields of advanced technologies. These management and investment actions have two primary strategic goals. First is the creation and growth of innovative businesses that generate substantial added value. Second is building a corporate group able to achieve more growth centered on the core East Asian market. The role of Helios Techno as a holding company is to supply management and business resources to the businesses of the Helios Techno Group. (For more information, see the press release dated today titled “Notice of Business Development Strategy and Establishment of Company for the Semiconductor Development and Design Business.”)

NGC and Technolink have grown by serving as a partner for customers primarily through the Human Resource Service Business. In Japan’s temporary staffing business, success demands the ability to respond to rapid changes in the environment for recruiting and employing people. Working style reforms are a major source of these changes. Competition is expected to become even more intense. To remain viable and aim for growth, companies that operate a temporary staffing business must increase measures for focusing resources on carefully chosen activities, make substantial investments, and increase the scale of their operations.

There are significant differences between the Human Resource Service Business and the other businesses of the Helios Techno Group. These differences involve targeted markets and customers, growth strategies, key technologies for remaining competitive and other characteristics. As a result, it has not been possible to capture and utilize sufficient synergies between the operations of NGC and Technolink and the other operations of the Helios Techno Group. Furthermore, based on the business development strategy that was announced today, there



are no prospects for synergies in the future.

For these reasons, Mr. Takenaka and Yukon asked Helios Techno to sell all of its NGC and Technolink stock by using a management and employee buyout scheme. Helios Techno reached the decision that the sale of these two subsidiaries will better enable Helios Techno and these two companies to become more competitive and grow.

Due to the participation of Mr. Takenaka in the group that is purchasing the two subsidiaries, Helios Techno received advice from independent financial and legal advisers that have no relationship with NGC, Technolink or Yukon in order to consider the approval of this sale. Using these independent parties ensured the fairness and suitability of the examination process and terms of the sale. To determine the price to be paid for the stock, Helios Techno asked the financial adviser to calculate the value of the NGC and Technolink stock and used the resulting valuation as reference for deciding the final amount.

2. Outline of subsidiaries to be sold

(1) Nippon Gijutsu Center Co., Ltd.

(1) Company name	Nippon Gijutsu Center Co., Ltd.		
(2) Head office location	4-73 Higashinobusue, Himeji, Hyogo		
(3) Representative	Takashi Takenaka, President and Representative Director		
(4) Main business	Production and development of designs, human resource services		
(5) Capital stock	64 million yen		
(6) Established	May 6, 1967		
(7) Major shareholders and shareholding ratios	Wholly owned by Helios Techno		
(8) Relationships between Helios Techno and Nippon Gijutsu Center	Capital	Nippon Gijutsu Center is a wholly owned subsidiary of Helios Techno.	
	Personnel	Nippon Gijutsu Center president Takashi Takenaka was a director of Helios Techno, but resigned today. One Helios Techno Audit & Supervisory Board member is a corporate auditor of Nippon Gijutsu Center. This individual plans to resign as a corporate auditor when this sale closes.	
	Business	Helios Techno has a business outsourcing contract with Nippon Gijutsu Center for the provision of management guidance and other services. In addition, Nippon Gijutsu Center uses some Helios Techno business systems, including personnel and payroll systems.	
(9) Results of operations and financial condition for the last three (3) years			
	FY3/17	FY3/18	FY3/19
Net assets (Thousand yen)	672,952	760,512	864,816
Total assets (Thousand yen)	1,658,920	2,270,151	2,004,804
Net assets per share (Yen)	13,810	15,607	17,747
Net sales (Thousand yen)	4,124,072	5,801,704	6,054,527
Operating profit (Thousand yen)	80,505	176,542	87,083
Recurring profit (Thousand yen)	76,758	170,703	85,427
Profit (Thousand yen)	111,769	118,112	139,728
Net income per share (basic) (Yen)	2,293	2,423	2,867
Dividend per share (Yen)	627	727	860

(2) Technolink Co., Ltd.

(1) Company name	Technolink Co., Ltd.		
(2) Head office location	2F, Ohashi Bldg., 576 Higashishiokoji-cho, Fumeimondori Kizuyabashi Kudaru, Shimogyo-ku, Kyoto		
(3) Representative	Masanobu Kitani, President and Representative Director		
(4) Main business	Design and development of industrial machinery, human resource services		
(5) Capital stock	10 million yen		
(6) Established	December 6, 1996		
(7) Major shareholders and shareholding ratios	Wholly owned by Helios Techno		
(8) Relationships between Helios Techno and Technolink	Capital	Technolink is a wholly owned subsidiary of Helios Techno.	
	Personnel	Technolink chairman Takashi Takenaka was a director of Helios Techno, but resigned today. One Helios Techno Audit & Supervisory Board member is a corporate auditor of Nippon Gijutsu Center. This individual plans to resign as a corporate auditor when this sale closes.	
	Business	Helios Techno guarantees the loans of Technolink. This loan guarantee agreement is to be terminated when this sale closes.	
(9) Results of operations and financial condition for the last three (3) years			
	FY12/17	FY11/18	FY3/19
Net assets (Thousand yen)	62,858	46,233	54,218
Total assets (Thousand yen)	96,258	131,058	128,908
Net assets per share (Yen)	314,294	231,168	271,092
Net sales (Thousand yen)	224,411	231,507	60,951
Operating profit (Thousand yen)	16,301	19,644	3,407
Recurring profit (Thousand yen)	16,843	19,797	3,388
Profit (loss) (Thousand yen)	13,564	(16,625)	7,984
Net income (loss) per share (basic) (Yen)	67,823	(83,125)	39,923
Dividend per share (Yen)	-	-	-

Notes: 1. The consumption taxes for FY12/17 and FY11/18 are accounted for by the tax-inclusive method.

2. FY11/18 is an 11-month transitional period and FY3/19 is a 4-month transitional period due to changes in the fiscal year-end.

3. Outline of Buyer of the Subsidiaries

(1) Company name	NT Holding Co., Ltd.
(2) Head office location	Atlas Bldg., 5 Ichibancho, Chiyoda-ku, Tokyo
(3) Representative	Ayumi Sakurai, President and Representative Director
(4) Main business	Investments in companies and ownership of stock
(5) Capital stock	250,000 yen
(6) Established	November 11, 2019
(7) Net assets	500,000 yen
(8) Total assets	500,000 yen
(9) Major shareholders and shareholding ratios	Wholly owned by Yukon No. I Investment Limited Partnership



(10) Relationships between Helios Techno and NT Holding	Capital	Not applicable.
	Personnel	Not applicable.
	Business	Not applicable.
	Related parties	NT Holding is not related to Helios Techno.

4. Number of shares sold, price and change in shares held

(1) Nippon Gijutsu Center Co., Ltd.

(1) Shares owned before sale	48,728 shares (voting rights: 48,728; ownership: 100%)
(2) Number of shares sold and price	48,728 shares (voting rights: 48,728) To determine the price of the shares sold, an internal and external study was performed that included a request for a valuation by a third-party organization and consultations that included an attorney and certified public accountant. The final price was decided by using this fair process and discussions with the buyer. The amount paid cannot be disclosed due to a confidentiality agreement.
(3) Shares owned after sale	0 share (voting rights: 0; ownership: 0%)

(2) Technolink Co., Ltd.

(1) Shares owned before sale	200 shares (voting rights: 200; ownership: 100%)
(2) Number of shares sold and price	200 shares (voting rights: 200) To determine the price of the shares sold, an internal and external study was performed that included a request for a valuation by a third-party organization and consultations that included an attorney and certified public accountant. The final price was decided by using this fair process and discussions with the buyer. The amount paid cannot be disclosed due to a confidentiality agreement.
(3) Shares owned after sale	0 share (voting rights: 0; ownership: 0%)

5. Schedule

(1) Board of Directors' resolution	December 9, 2019
(2) Signing of stock sale agreement	December 9, 2019
(3) Date of sale of stock	January 6, 2020 (tentative)

6. Outlook

Helios Techno is currently studying the effect of the sale of NGC and Technolink on consolidated results of operations in the fiscal year ending in March 2020. An announcement will be made promptly if Helios Techno determines that there is any information that requires disclosure.