



**Summary of Consolidated Financial Results for the Third Quarter
of Fiscal Year Ending March 31, 2019
(Nine Months Ended December 31, 2018)**

[Japanese GAAP]

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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 5, 2019 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, 2018

(April 1, 2018 – December 31, 2018)

(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, 2018	17,445	(2.2)	2,027	(26.6)	2,037	(25.0)	1,449	(24.8)
Nine months ended Dec. 31, 2017	17,829	36.0	2,761	104.6	2,716	101.7	1,928	97.9

Note: Comprehensive income (million yen) Nine months ended Dec. 31, 2018: 1,338 (down 35.8%)

Nine months ended Dec. 31, 2017: 2,085 (up 99.4%)

	Net income per share (basic)	Net income per share (diluted)
	Yen	Yen
Nine months ended Dec. 31, 2018	80.10	-
Nine months ended Dec. 31, 2017	106.62	106.58

Note: Net income per share (diluted) for the nine months ended December 31, 2018 is not presented since there is no outstanding potential stock.

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio
	Million yen	Million yen	%
As of Dec. 31, 2018	17,595	12,288	69.8
As of Mar. 31, 2018	18,463	11,492	62.2

Reference: Equity (million yen) As of Dec. 31, 2018: 12,288 As of Mar. 31, 2018: 11,492

Note: Starting with the beginning of the first quarter of the fiscal year ending March 31, 2019, Helios Techno is applying "Partial Amendments to Accounting Standard for Tax Effect Accounting" (Accounting Standards Board of Japan (ASBJ) Statement No. 28, February 16, 2018). Total assets and equity ratio as of March 31, 2018 have been adjusted retroactively to conform with this accounting standard.

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, 2018	-	0.00	-	30.00	30.00
Fiscal year ending Mar. 31, 2019	-	0.00	-	-	-
Fiscal year ending Mar. 31, 2019 (forecast)	-	-	-	30.00	30.00

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

3. Consolidated Forecast for the Fiscal Year Ending March 31, 2019 (April 1, 2018 – March 31, 2019)

(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	24,300	3.5	2,300	(24.3)	2,300	(22.9)	1,630	(24.7)	90.06

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

*** 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: None

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, 2018:	22,806,900 shares	As of Mar. 31, 2018:	22,806,900 shares
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2) Number of treasury shares at the end of period

As of Dec. 31, 2018:	4,708,712 shares	As of Mar. 31, 2018:	4,708,710 shares
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3) Average number of shares outstanding during the period

Nine months ended Dec. 31, 2018:	18,098,189 shares	Nine months ended Dec. 31, 2017:	18,088,590 shares
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Note 1: The quarterly financial report is not subject to quarterly review by certified public accountants or auditing firms.

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

There remained robust demand for the capital investment in production facilities of liquid crystal panels—a key market for the Helios Techno Group (“the Group”)—particularly for G8.5 and G10 type panels. However, a series of large-scale capital investment projects for the past several years has reached a final phase. In turn, we have identified a new business opportunity in capital investments for production of 8K TV panels. We have also seen new growth products such as in-vehicle panels and liquid panels for curved surface implementation that attract much attention and become hot spots for development.

In this business environment, the Group’s sales and profits largely trended in line with plans. Specifically, it continued achieving steady sales of flexo printing equipment for alignment layers and light source units for exposure equipment. In addition, sales in the Human Resource Service Business remained strong thanks to an increase in the number of staff dispatched. However, the Group’s sales and profits decreased year on year because sales of highly profitable new manufacturing equipment were concentrated in the same period of the previous fiscal year.

The Group’s net sales for the first nine months of the current fiscal year (“the period under review”) decreased 384 million yen, or 2.2%, year on year to 17,445 million yen, operating profit decreased 734 million yen, or 26.6%, to 2,027 million yen, recurring profit decreased 679 million yen, or 25.0%, to 2,037 million yen, and profit attributable to owners of parent decreased 479 million yen, or 24.8%, to 1,449 million yen.

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

i) Lamp Business

The Lamp Business saw an increase in sales of UV lamps thanks to continued steady sales of light source units for exposure equipment, which was, however, more than offset by a decline in sales of general lighting lamps including LED lamps.

Consequently, the segment sales for the period under review decreased 6.2% year on year to 2,472 million yen with a segment profit of 17 million yen, down 46.4% year on year.

ii) Manufacturing Equipment Business

The Manufacturing Equipment Business remained strong in sales as we successfully delivered alignment layer manufacturing equipment used for large flat-panel displays, high resolution inkjet equipment, and light source units for exposure equipment as planned. In addition, we have successfully delivered relocation projects for used equipment in the second quarter of the current fiscal year.

Consequently, the segment sales for the period under review decreased 6.7% year on year to 11,171 million yen with a segment profit of 2,164 million yen, down 25.0% year on year.

Furthermore, the order backlog as of the end of the period under review reached 4,943 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. In the temporary staffing to the manufacturing sector, we have achieved an increase in the number of staff dispatched to both existing and new customers with great effort to secure human resources for staffing.

Consequently, the segment sales for the period under review increased 18.6% year on year to 3,882 million yen with a segment profit of 198 million yen, up 10.9% year on year.

(2) Explanation of Financial Position

Assets

Current assets decreased 829 million yen from the end of the previous fiscal year to 14,444 million yen. This was mainly due to a 1,257 million yen decrease in cash and deposits with banks and a 773 million yen decrease in advance payments, while there was a 1,434 million yen increase in notes and accounts receivable.

Fixed assets decreased 38 million yen from the end of the previous fiscal year to 3,150 million yen. This was mainly due to a 102 million yen decrease in deferred tax assets included in “Others” of the investments and other assets section and a 17 million yen decrease in investment securities, while there was an 87 million yen increase in construction in progress included in “Others” of the property, plant and equipment section.

As a result, total assets decreased 868 million yen, or 4.7%, from the end of the previous fiscal year to 17,595 million yen.

Liabilities

Current liabilities decreased 1,595 million yen from the end of the previous fiscal year to 4,893 million yen. This was mainly due to a 757 million yen decrease in advances received, a 544 million yen decrease in accrued income taxes, and a 298 million yen decrease in accrued bonuses, while there was a 100 million yen increase in short-term borrowings.

Long-term liabilities decreased 68 million yen from the end of the previous fiscal year to 412 million yen. This was mainly due to a 55 million yen decrease in other accounts payable included in “Others” of the long-term liabilities section.

As a result, total liabilities decreased 1,664 million yen, or 23.9%, from the end of the previous fiscal year to 5,306 million yen.

Net assets

Net assets increased 795 million yen, or 6.9%, from the end of the previous fiscal year to 12,288 million yen. This was mainly due to the reporting of profit attributable to owners of parent of 1,449 million yen, which was partially offset by the payment of dividends from surplus of 542 million yen.

As both assets and liabilities decreased as stated above, the equity ratio rose 7.6 percentage points from the end of the previous fiscal year to 69.8% at the end of the period under review.

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

There are no revisions to the consolidated forecast for the fiscal year ending March 31, 2019 released on November 6, 2018.

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

	FY3/18 (As of Mar. 31, 2018)	Third quarter of FY3/19 (As of Dec. 31, 2018)
Assets		
Current assets		
Cash and deposits with banks	4,165,806	2,908,536
Notes and accounts receivable	4,685,341	6,119,648
Electronically recorded monetary claims - operating	1,284,762	1,407,707
Merchandise and finished goods	202,264	196,843
Work in process	3,401,949	2,776,296
Raw materials and supplies	565,844	683,047
Advance payments	854,510	80,793
Others	117,170	272,952
Allowance for doubtful accounts	(3,675)	(1,635)
Total current assets	15,273,974	14,444,192
Fixed assets		
Property, plant and equipment		
Buildings and structures, net	815,972	829,972
Land	841,913	841,913
Others, net	564,533	648,098
Total property, plant and equipment	2,222,419	2,319,984
Intangible assets		
Goodwill	10,672	-
Others	78,965	72,469
Total intangible assets	89,637	72,469
Investments and other assets		
Others	924,524	806,963
Allowance for doubtful accounts	(46,932)	(48,608)
Total investments and other assets	877,592	758,354
Total fixed assets	3,189,649	3,150,808
Total assets	18,463,623	17,595,001

(Thousands of yen)

	FY3/18 (As of Mar. 31, 2018)	Third quarter of FY3/19 (As of Dec. 31, 2018)
Liabilities		
Current liabilities		
Notes and accounts payable	1,719,312	1,771,023
Electronically recorded obligations - operating	713,915	789,661
Short-term borrowings	100,000	200,000
Current portion of long-term borrowings	327,528	150,050
Accrued income taxes	583,697	39,396
Accrued bonuses	466,001	167,769
Provision for product warranties	27,807	27,479
Advances received	1,373,711	615,860
Provision for loss on construction contracts	-	2,351
Others	1,177,773	1,130,328
Total current liabilities	6,489,746	4,893,920
Long-term liabilities		
Long-term borrowings	336,625	336,582
Others	144,512	76,189
Total long-term liabilities	481,137	412,771
Total liabilities	6,970,884	5,306,691
Net assets		
Shareholders' equity		
Common stock	2,133,177	2,133,177
Capital surplus	2,563,867	2,563,867
Retained earnings	7,716,343	8,623,021
Treasury shares	(1,179,109)	(1,179,110)
Total shareholders' equity	11,234,278	12,140,955
Accumulated other comprehensive income		
Unrealized holding gain on other securities	258,460	147,353
Total accumulated other comprehensive income	258,460	147,353
Total net assets	11,492,738	12,288,309
Total liabilities and net assets	18,463,623	17,595,001

(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 FY3/18 (Apr. 1, 2017 – Dec. 31, 2017)	First nine months of FY3/19 (Apr. 1, 2018 – Dec. 31, 2018)
Net sales	17,829,294	17,445,148
Cost of goods sold	12,289,255	12,677,267
Gross profit	5,540,038	4,767,880
Selling, general and administrative expenses	2,778,165	2,740,234
Operating profit	2,761,873	2,027,645
Non-operating income		
Interest income	91	711
Dividend income	14,308	16,308
Miscellaneous revenue	10,471	10,715
Total non-operating income	24,870	27,734
Non-operating expenses		
Interest expense	9,867	8,553
Foreign exchange loss	13,050	4,167
Commission for syndicate loan	43,640	1,871
Miscellaneous loss	3,605	3,742
Total non-operating expenses	70,163	18,335
Recurring profit	2,716,580	2,037,044
Extraordinary income		
Gain on sales of non-current assets	103	213
Total extraordinary income	103	213
Extraordinary loss		
Loss on disposal of fixed assets	931	2,990
Loss on sales of non-current assets	-	18
Total extraordinary losses	931	3,008
Profit before income taxes	2,715,752	2,034,249
Income taxes-current	697,586	445,067
Income taxes-deferred	89,505	139,557
Total income taxes	787,092	584,625
Profit	1,928,660	1,449,624
Profit attributable to owners of parent	1,928,660	1,449,624

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

	First nine months of FY3/18 (Apr. 1, 2017 – Dec. 31, 2017)	First nine months of FY3/19 (Apr. 1, 2018 – Dec. 31, 2018)
Profit	1,928,660	1,449,624
Other comprehensive income		
Unrealized holding gain on other securities	156,840	(111,106)
Total other comprehensive income	156,840	(111,106)
Comprehensive income	2,085,501	1,338,517
Comprehensive income attributable to		
Owners of parent	2,085,501	1,338,517
Non-controlling interests	-	-

(3) Notes to Quarterly Consolidated Financial Statements**Going Concern Assumption**

Not applicable.

Significant Changes in Shareholders' Equity

Not applicable.

Segment Information**I. 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.

II. First nine months of FY3/19 (Apr. 1, 2018 – Dec. 31, 2018)**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	2,427,644	11,170,390	3,847,113	17,445,148	-	17,445,148
Inter-segment sales and transfers	44,737	757	35,039	80,535	(80,535)	-
Total	2,472,382	11,171,148	3,882,152	17,525,683	(80,535)	17,445,148
Segment profit	17,974	2,164,589	198,844	2,381,408	(353,763)	2,027,645

Notes: 1. The minus 353,763 thousand yen adjustment to segment profit represents the elimination of inter-segment transactions of 1,475 thousand yen and company-wide expenses of minus 355,238 thousand yen 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.

Additional Information

Starting with the beginning of the first quarter of FY3/19, Helios Techno Holding is applying "Partial Amendments to Accounting Standard for Tax Effect Accounting" (ASBJ Statement No. 28, February 16, 2018). Accordingly, deferred tax assets and deferred tax liabilities have been presented in the investments and other assets section and the long-term liabilities section of the balance sheet, respectively.

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.