

Summary of Consolidated Financial Results for the First Quarter of Fiscal Year Ending March 31, 2017 (Three Months Ended June 30, 2016)

[Japanese GAAP]

Company name: Helios Techno Holding Co., Ltd.

Listing: Tokyo

Stock code: 6927

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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 August 5, 2016 at 16:00 (GMT +9).

(Amounts are rounded down to the nearest million yen)

1. Consolidated Financial Results for the Three Months Ended June 30, 2016 (April 1, 2016 – June 30, 2016)

(1) Consolidated results of operations

(Percentages represent year-on-year changes)

	Net sales		Operating income		Recurring profit		Profit attributable to owners of parent	
	Million yen	%	Million yen	%	Million yen	%	Million yen	%
Three months ended Jun. 30, 2016	5,322	20.4	831	7.2	811	2.4	554	2.3
Three months ended Jun. 30, 2015	4,421	37.8	775	294.8	791	306.1	542	191.4

Note: Comprehensive income (million yen)

Three months ended Jun. 30, 2016: 515 (down 9.3%)

Three months ended Jun. 30, 2015: 568 (up 245.3%)

	Net income per share (basic)	Net income per share (diluted)
	Yen	Yen
Three months ended Jun. 30, 2016	30.89	30.76
Three months ended Jun. 30, 2015	30.41	30.19

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio
	Million yen	Million yen	%
As of Jun. 30, 2016	12,906	8,890	68.8
As of Mar. 31, 2016	14,663	8,645	58.9

Reference: Equity (million yen)

As of Jun. 30, 2016: 8,884

As of Mar. 31, 2016: 8,638

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, 2016	-	0.00	-	15.00	15.00
Fiscal year ending Mar. 31, 2017	-	-	-	-	-
Fiscal year ending Mar. 31, 2017 (forecast)	-	0.00	-	15.00	15.00

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

3. Consolidated Forecast for the Fiscal Year Ending March 31, 2017 (April 1, 2016 – March 31, 2017)

(Percentages represent year-on-year changes)

	Net sales		Operating income		Recurring profit		Profit attributable to owners of parent		Net income per share (basic)
	Million yen	%	Million yen	%	Million yen	%	Million yen	%	Yen
First half	9,000	21.0	700	(15.7)	700	(15.3)	450	(20.3)	25.04
Full year	17,700	(31.3)	1,050	(11.2)	1,040	(11.0)	680	(15.8)	37.84

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: Yes

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 Jun. 30, 2016:	22,806,900 shares	As of Mar. 31, 2016:	22,806,900 shares
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2) Number of treasury shares at the end of period

As of Jun. 30, 2016:	4,838,710 shares	As of Mar. 31, 2016:	4,838,710 shares
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3) Average number of shares outstanding during the period

Three months ended Jun. 30, 2016:	17,968,190 shares	Three months ended Jun. 30, 2015:	17,833,190 shares
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Note 1: Information regarding the implementation of quarterly review procedures

The current quarterly financial report is exempted from quarterly review procedures based on the Financial Instruments and Exchange Act. At the time of disclosure, the review procedures for the quarterly consolidated financial statements have not been completed.

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 key market for the Helios Techno Group (“the Group”) has seen the continued and robust demand for capital investment in G8.5 and G10 type liquid crystal panels since the fiscal year ended March 31, 2015, and we can expect such buoyant demand to continue going forward. Following such a situation, we see signs of a strong demand for capital investment in organic EL displays.

In this business environment, the Group continued to achieve solid sales of flexo printing equipment for alignment layers and UV exposure light source units. The human resource service business also achieved strong sales because of expanded demand for temporary staffing service and design subcontracting as the employment situation improved in Japan.

In the first quarter of the current fiscal year (“the period under review”), net sales increased 900 million yen, or 20.4%, over the same period of the previous fiscal year to 5,322 million yen; operating income increased 55 million yen, or 7.2%, to 831 million yen; recurring profit increased 19 million yen, or 2.4%, to 811 million yen; and profit attributable to owners of parent increased 12 million yen, or 2.3%, to 554 million yen.

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

Effective from the period under review, we have changed the classification of reportable segments. Accordingly, comparisons and analyses for the period under review have been performed based on the figures of the segments reclassified after the change.

i) Lamp Business

While sales of light exposure lamps increased steadily, sales of projector lamps were unable to grow and sales of general lighting lamp were largely weak due to a backlash from a surge of demand at the end of the previous fiscal year.

Consequently, the segment sales for the period under review decreased by 13.0% year on year to 703 million yen.

ii) Manufacturing Equipment Business

In addition to an increase in deliveries of alignment layer manufacturing equipment used for large flat-panel displays, orders significantly increased for maintenance and modification of the existing equipment. In the field of light source for exposure equipment, the Group proactively took measures to meet the demand on color filter manufacturing machine for large flat-panel displays, and successfully developed and delivered the equipment for G10 type liquid crystal panels. The overseas relocation projects for used equipment have also been successfully completed.

Consequently, the segment sales for the period under review increased by 36.7% year on year to 3,754 million yen.

Furthermore, the Group received a steady stream of orders, and the order backlog as of the end of the period under review reached 4,437 million yen.

As almost all of the products previously included in the “Inspection Equipment Business” are used for exposure equipment and are expected to be so in the future, they are included in the “Manufacturing Equipment Business” segment and the “Inspection Equipment Business” segment is discontinued from the period under review.

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, which is affected by fluctuations of the customers' business volume, the Group strove to promote sales activities targeting the industry sectors that would complement sales from the existing sectors to maintain the number of staff dispatched.

Consequently, the segment sales for the period under review decreased by 0.3% year on year to 867 million yen.

(2) Explanation of Financial Position

Assets

Current assets decreased 1,634 million yen from the end of the previous fiscal year to 10,264 million yen. This was mainly due to a 721 million yen decrease in cash and deposits with banks and an 815 million yen decrease in work in process.

Fixed assets decreased 122 million yen from the end of the previous fiscal year to 2,642 million yen. This was mainly due to a 45 million yen decrease in land and a 57 million decrease in investment securities included in "others" in the investments and other assets section.

As a result, total assets decreased 1,756 million yen, or 12.0%, from the end of the previous fiscal year to 12,906 million yen.

Liabilities

Current liabilities decreased 1,929 million yen from the end of the previous fiscal year to 3,471 million yen. This was mainly due to a 2,246 million yen decrease in advances received, which were partially offset by a 133 million yen increase in notes and accounts payable and a 247 million yen increase in other accounts payable included in "others" in the current liabilities section.

Long-term liabilities decreased 73 million yen from the end of the previous fiscal year to 544 million yen, mainly due to a 54 million yen decrease in long-term borrowings through repayment.

As a result, total liabilities decreased 2,002 million yen, or 33.3%, from the end of the previous fiscal year to 4,016 million yen.

Net assets

Net assets increased 245 million yen from the end of the previous fiscal year to 8,890 million yen. This was mainly due to the payment of dividends from surplus of 269 million yen, which was more than offset by reporting of profit attributable to owners of parent of 554 million yen.

Since total assets and liabilities decreased as stated above, the equity ratio rose 9.9 percentage points from the end of the previous fiscal year to 68.8% at the end of the period under review.

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

There is no revision to the first-half and full-year consolidated earnings forecast that was released on May 6, 2016.

2. Matters Related to Summary Information (Notes)

(1) Changes in Significant Subsidiaries during the Period

Not applicable.

(2) Application of Special Accounting Methods in the Preparation of Quarterly Consolidated Financial Statements

Not applicable.

(3) Changes in Accounting Policies and Accounting-based Estimates, and Restatements

Changes in Accounting Policies

Following the revision of the Corporation Tax Act, the Company has applied the “Practical Solution on a Change in Depreciation Method due to Tax Reform 2016” (Accounting Standards Board of Japan (ASBJ) Practical Issues Task Force (PITF) No. 32, June 17, 2016) from the period under review, and changed the method for the depreciation of facilities attached to buildings and structures acquired on or after April 1, 2016, from the declining-balance method to the straight-line method.

The effect of this change on the quarterly financial statements for the period under review is insignificant.

3. Quarterly Consolidated Financial Statements**(1) Consolidated Balance Sheets**

	<i>(Thousands of yen)</i>	
	FY3/16 (As of Mar. 31, 2016)	First quarter of FY3/17 (As of Jun. 30, 2016)
Assets		
Current assets		
Cash and deposits with banks	3,158,833	2,437,466
Notes and accounts receivable	4,884,399	5,024,113
Merchandise and finished goods	318,558	382,843
Work in process	2,384,001	1,568,586
Raw materials and supplies	487,041	538,401
Advance payments	419,213	75,314
Others	246,677	237,850
Allowance for doubtful accounts	(433)	(434)
Total current assets	11,898,292	10,264,142
Fixed assets		
Property, plant and equipment		
Buildings and structures, net	786,162	758,249
Land	860,626	815,479
Others, net	535,045	555,018
Total property, plant and equipment	2,181,835	2,128,747
Intangible assets		
Goodwill	53,360	48,024
Others	55,695	56,037
Total intangible assets	109,056	104,062
Investments and other assets		
Others	538,395	473,834
Allowance for doubtful accounts	(63,834)	(63,834)
Total investments and other assets	474,561	410,000
Total fixed assets	2,765,452	2,642,810
Total assets	14,663,744	12,906,952

(Thousands of yen)

	FY3/16 (As of Mar. 31, 2016)	First quarter of FY3/17 (As of Jun. 30, 2016)
Liabilities		
Current liabilities		
Notes and accounts payable	1,417,229	1,550,246
Short-term borrowings	300,000	400,000
Current portion of long-term borrowings	219,996	219,996
Accrued income taxes	289,284	212,595
Accrued bonuses	286,337	168,503
Provision for product warranties	46,931	48,100
Advances received	2,294,785	48,247
Others	546,235	823,849
Total current liabilities	5,400,800	3,471,537
Long-term liabilities		
Long-term borrowings	434,178	379,179
Others	183,719	165,578
Total long-term liabilities	617,897	544,757
Total liabilities	6,018,697	4,016,294
Net assets		
Shareholders' equity		
Common stock	2,133,177	2,133,177
Capital surplus	2,563,867	2,563,867
Retained earnings	5,047,180	5,332,606
Treasury shares	(1,211,662)	(1,211,662)
Total shareholders' equity	8,532,562	8,817,988
Accumulated other comprehensive income		
Unrealized holding gain on other securities	106,374	66,559
Total accumulated other comprehensive income	106,374	66,559
Subscription rights to shares	6,110	6,110
Total net assets	8,645,047	8,890,657
Total liabilities and net assets	14,663,744	12,906,952

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

	First three months of FY3/16 (Apr. 1, 2015 – Jun. 30, 2015)	First three months of FY3/17 (Apr. 1, 2016 – Jun. 30, 2016)
Net sales	4,421,188	5,322,031
Cost of goods sold	2,853,940	3,747,392
Gross profit	1,567,247	1,574,639
Selling, general and administrative expenses	791,443	743,350
Operating income	775,803	831,288
Non-operating income		
Interest income	16	23
Dividend income	5,984	8,032
Operations consignment fee	10,600	600
Miscellaneous revenue	4,394	1,847
Total non-operating income	20,995	10,502
Non-operating expenses		
Interest expense	4,791	2,702
Foreign exchange loss	90	26,578
Miscellaneous loss	195	1,412
Total non-operating expenses	5,077	30,693
Recurring profit	791,721	811,097
Extraordinary loss		
Office transfer expenses	6,883	-
Loss on disposal of fixed assets	415	128
Loss on sales of fixed assets	-	7,868
Total extraordinary losses	7,298	7,996
Profit before income taxes	784,422	803,100
Income taxes-current	270,184	205,484
Income taxes-deferred	(28,062)	42,667
Total income taxes	242,122	248,152
Profit	542,300	554,948
Profit attributable to owners of parent	542,300	554,948

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

(Thousands of yen)

	First three months of FY3/16 (Apr. 1, 2015 – Jun. 30, 2015)	First three months of FY3/17 (Apr. 1, 2016 – Jun. 30, 2016)
Profit	542,300	554,948
Other comprehensive income		
Unrealized holding gain on other securities	25,740	(39,814)
Total other comprehensive income	25,740	(39,814)
Comprehensive income	568,040	515,133
Comprehensive income attributable to		
Owners of parent	568,040	515,133
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 three months of FY3/16 (Apr. 1, 2015 – Jun. 30, 2015)

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	808,266	2,745,496	867,425	4,421,188	-	4,421,188
Inter-segment sales and transfers	517	1,184	2,873	4,575	(4,575)	-
Total	808,783	2,746,681	870,298	4,425,764	(4,575)	4,421,188
Segment profit	16,100	809,095	32,938	858,133	(82,329)	775,803

Notes: 1. The minus 82,329 thousand yen adjustment to segment profit includes 16,692 thousand yen in elimination of inter-segment transactions and minus 99,022 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 income shown on the consolidated statements of income.

II. First three months of FY3/17 (Apr. 1, 2016 – Jun. 30, 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	702,937	3,754,108	864,985	5,322,031	-	5,322,031
Inter-segment sales and transfers	500	796	2,335	3,631	(3,631)	-
Total	703,437	3,754,904	867,321	5,325,663	(3,631)	5,322,031
Segment profit	5,272	886,034	46,794	938,101	(106,813)	831,288

Notes: 1. The minus 106,813 thousand yen adjustment to segment profit includes 3 thousand yen in elimination of inter-segment transactions and minus 106,816 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 income shown on the consolidated statements of income.

2. Information related to revisions for reportable segments

Following the changes in the business administration segments within the Group, all the businesses previously included in the "Inspection Equipment Business" segment have been transferred to the "Manufacturing Equipment Business" segment from the period under review.

The segment information for the first quarter of the previous fiscal year is prepared and disclosed based on the reportable segment categories 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.