Helios Techno

February 5, 2010

Summary of Financial Results for the Third Quarter of Fiscal Year Ending March 31, 2010 (Nine Months Ended December 31, 2009)

Company name: Helios Techno Holding Co., Ltd. Listing: Tokyo Stock Exchange, First Section; JASDAQ
Stock code: 6927 URL: http://www.heliostec-hd.co.jp/
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Scheduled date of filing of Quarterly Report: February 12, 2010
Scheduled date of payment of dividend: -

(All amounts are rounded down to the nearest million yen)

1. Consolidated Financial Results for the Nine Months Ended December 31, 2009 (April 1, 2009 – December 31, 2009)

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

	Net sales		Operating income		Recurring profit		Net income	
	Million yen	%	Million yen	%	Million yen	%	Million yen	%
Nine months ended Dec. 31, 2009	6,941	37.0	(172)	-	(120)	-	(197)	-
Nine months ended Dec. 31, 2008	5,065	-	60	-	42	-	(199)	-

	Net income per share (basic)	Net income per share (diluted)
	Yen	Yen
Nine months ended Dec. 31, 2009	(9.00)	-
Nine months ended Dec. 31, 2008	(9.22)	-

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio	Net assets per share
	Million yen	Million yen	%	Yen
As of Dec. 31, 2009	12,696	8,345	65.7	377.45
As of Mar. 31, 2009	9,038	8,330	92.2	402.85

Reference) Shareholders' equity (million yen) Dec. 31, 2009: 8,345 Mar. 31, 2009: 8,330

2. Dividends

	Dividend per share				
	1Q-end	2Q-end	3Q-end	Year-end	Total
	Yen	Yen	Yen	Yen	Yen
Fiscal year ended Mar. 31, 2009	-	2.25	-	2.25	4.50
Fiscal year ending Mar. 31, 2010	-	0.00	-		
Fiscal year ending Mar. 31, 2010 (forecast)				2.00	2.00

Note) Revision of dividend forecast during the period: None

3. Consolidated Forecast for the Fiscal Year Ending March 31, 2010 (April 1, 2009 – March 31, 2010)

(Percentages represent year-on-year changes)

	Net sales		Operating income		Recurring profit		Net income		Net income per share (basic)
	Million yen	%	Million yen	%	Million yen	%	Million yen	%	Yen
Full year	11,393	86.4	(15)	-	24	-	(60)	-	(2.73)

Note) Revision of consolidated forecasts during the period: None

4. Others

(1) Changes in consolidated subsidiaries during the period (changes in scope of consolidation): Yes

Newly added: 3 (PHOENIX Electric Co., Ltd., Nippon Gijutsu Center Co., Ltd., and NAKAN Techno Co., Ltd.)

Excluded: -

Note: Please refer to "Qualitative Information and Financial Statements, 4. Others" on page 4 for further information.

(2) Application of simplified accounting methods and special accounting methods in the preparation of quarterly consolidated financial statements: Yes

Note: Please refer to "Qualitative Information and Financial Statements, 4. Others" on page 4 for further information.

(3) Changes in accounting principles, procedures and presentation methods for preparation of quarterly consolidated financial statements

1) Changes caused by revision of accounting standards: None

2) Other changes: Yes

Note: Please refer to "Qualitative Information and Financial Statements, 4. Others" on page 4 for further information.

(4) Number of shares outstanding (common shares)

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

As of Dec. 31, 2009:	22,806,900 shares	As of Mar. 31, 2009:	22,806,900 shares

2) Number of treasury stock at the end of period

As of Dec. 31, 2009:	697,311 shares	As of Mar. 31, 2009:	2,128,476 shares

3) Average number of shares outstanding during the period

Nine months ended Dec. 31, 2009:	21,953,774 shares	Nine months ended Dec. 31, 2008:	21,678,478 shares

<u>* Cautionary statement with respect to forward-looking statements</u>

The forecast of operating results is based on information available to management at the time this report was prepared. Readers should be aware that actual results may differ from these projections for a number of factors. Please refer to "Qualitative Information Regarding Consolidated Forecasts" on page 4 for further information concerning these forecasts.

Qualitative Information and Financial Statements

1. Qualitative Information Regarding Consolidated Results of Operations

In the first nine months of the fiscal year, there was a recovery in the global economy that was supported by financial stabilization and economic stimulus programs enacted by governments and central banks in response to the financial crisis. Japan’s economy slowly began to settle down as this recovery progressed. The Japanese economy is currently recovering at a moderate pace as inventories fall, the Chinese economy grows and production volume in some industries rebounds.

The Helios Techno Group is taking steps to diversify business operations beyond the core lamp business. One step was the management integration early in the fiscal year with Nippon Gijutsu Center Co., Ltd., which manufactures inspection equipment and operates a staffing service for engineers. In addition, the manufacturing equipment business of NAKAN Corporation, which was undergoing civil rehabilitation proceedings, was purchased in July 2009. This business is operated by subsidiary NAKAN Techno Co., Ltd., which began full-scale activities in the second quarter of this fiscal year.

In the first nine months of current fiscal year, net sales were 6,941 million yen, 37.0% higher than one year earlier because of the inclusion of the sales of Nippon Gijutsu Center and NAKAN Techno.

Results of operations by business segment were as follows.

In the lamp business, the global economic recession sparked a steep drop in the projector market in the fourth quarter of the previous fiscal year and the first quarter of the current fiscal year. Orders started recovering in the second quarter and in the third quarter climbed back to the same level as one year earlier. Despite this recovery, projector lamp sales were down 36.8% to 2,272 million yen because of the large decline in first half sales. In the general lighting lamps sector, there were strong sales of LED lamps but sales of halogen lamps fell as demand weakened because of the recession. The result was a 10.3% drop in sales of these lamps to 1,266 million yen.

Overall, segment sales were down 28.9% to 3,601 million yen.

In the industrial equipment business, sales of alignment layer printing machine, liquid crystal panel inspection equipment and other products totaled 2,048 million yen.

In the staffing services business, there were concerns about a sharp downturn in demand because of rising unemployment in Japan. However, operations have been stable and generally in line with the plan because this business handles primarily workers with technical skills. The result was sales of 1,290 million yen.

During the current fiscal year, expenses were recorded for strengthening internal control systems and other operating systems at companies that recently joined the Group.

In addition, there were no third quarter sales at NAKAN Techno Co., Ltd. due to the long period of time that is required to manufacture its products. Consequently, this company recorded a loss because there were only operating expenses in the quarter.

As a result, net sales in the first nine months were 6,941 million yen and there was an operating loss of 172 million yen, a recurring loss of 120 million yen and a net loss of 197 million yen.

2. Qualitative Information Regarding Consolidated Financial Position

Assets

Current assets increased by 1,766 million yen from the end of the previous fiscal year. This was mainly due to a 913 million yen increase in notes and accounts receivable, a 1,415 million yen increase in inventories, and a 1,203 million yen decrease in cash and deposits with banks.

Fixed assets increased by 1,891 million yen from the end of the previous fiscal year, mainly due to an 829 million yen increase in property, plant and equipment, a 284 million yen increase in goodwill, and a 162 million yen increase in insurance funds.

As a result of the above, total assets increased 40.4% from the end of the previous fiscal year to 12,696 million yen.

Liabilities

Current liabilities increased 2,015 million yen from the end of the previous fiscal year. This mainly reflects increases in notes and accounts payable of 492 million yen, advances received of 830 million yen, and accrued expenses (current liabilities, others) of 185 million yen.

Long-term liabilities increased 1,627 million yen from the end of the previous fiscal year. This mainly reflects increases in long-term borrowings of 631 million yen, and deferred tax liabilities of 576 million yen.

As a result, total liabilities increased 514.1% from the end of the previous fiscal year to 4,351 million yen.

Net assets

Total net assets increased 0.2% from the end of the previous fiscal year to 8,345 million yen. This increase was the net result of declines due to net loss of 197 million yen, a deduction of 252 million yen from the exchange of stock and cash dividends paid of 46 million yen, and an increase of 507 million yen because of the decline in the number of shares of treasury stock in association with the exchange of stock.

3. Qualitative Information Regarding Consolidated Forecasts

The Company maintains the full fiscal year consolidated forecast for FY3/10 announced on November 6, 2009.

4. Others

(1) Changes in consolidated subsidiaries during the period (changes in scope of consolidation)

The following companies have been included in the scope of consolidation beginning with the first quarter of the current fiscal year: PHOENIX Electric Co., Ltd., which was established through a divestiture; Nippon Gijutsu Center Co., Ltd., which was acquired through a cash payment and exchange of stock, and NAKAN Techno Co., Ltd., which was newly established.

(2) Application of simplified accounting methods and special accounting methods in the preparation of quarterly consolidated financial statements

1) Valuation of inventories

For inventories at the end of the third quarter of the current fiscal year, a valuation was determined by using book values. No physical inventory count was performed.

In valuation (write-down) of inventory, inventories were not revalued at the end of the third quarter since there was no material change in the value of inventories.

2) Calculation of income taxes and deferred tax assets

The amount of income taxes paid is calculated using only significant taxable and deductible items and tax credit items.

(3) Changes in accounting principles, procedures and presentation methods for preparation of quarterly consolidated financial statements

Provision for loss on construction contracts

The Group has adopted “Accounting Standard for Construction Contracts” (Accounting Standards Board of Japan (ASBJ) Statement No. 15) and “Guidance on Accounting Standard for Construction Contracts” (ASBJ Guidance No. 18) from the first quarter of the current fiscal year.

As a result, for transactions based on construction contracts, losses have been recognized for projects where the estimated cost of construction exceeds the value of the order as of the end of the third quarter.

The effect of this change was to increase operating loss, recurring loss and loss before income taxes by 5 million yen each, compare to the previous method.

5. Quarterly Consolidated Financial Statements

(1) Consolidated Balance Sheets

(Thousands of yen)

	Third quarter of FY3/10 (As of Dec. 31, 2009)	FY3/09 Summary (As of Mar. 31, 2009)
Assets		
Current assets		
Cash and deposits with banks	2,847,478	4,050,675
Notes and accounts receivable	1,964,591	1,051,493
Merchandise and finished goods	184,535	207,017
Work in process	1,543,816	190,606
Raw materials and supplies	425,342	340,690
Others	897,044	250,986
Allowance for doubtful accounts	(6,654)	(1,624)
Total current assets	7,856,154	6,089,846
Fixed assets		
Property, plant and equipment		
Buildings and structures, net	1,653,924	1,103,708
Land	1,245,425	1,001,437
Others, net	768,802	733,839
Total property, plant and equipment	3,668,152	2,838,985
Intangible assets		
Goodwill	284,304	-
Others	39,144	29,404
Total intangible assets	323,449	29,404
Investments and other assets		
Others	1,405,262	90,229
Allowance for doubtful accounts	(556,454)	(9,531)
Total investments and other assets	848,808	80,698
Total fixed assets	4,840,410	2,949,088
Total assets	12,696,565	9,038,935

(Thousands of yen)

	Third quarter of FY3/10 (As of Dec. 31, 2009)	FY3/09 Summary (As of Mar. 31, 2009)
Liabilities		
Current liabilities		
Notes and accounts payable	797,171	304,966
Current portion of long-term borrowings	69,420	-
Accrued income taxes	82,710	9,947
Advances received	839,954	-
Accrued bonuses	59,480	75,142
Provision for product warranties	10,437	7,900
Provision for loss on construction contracts	91,698	-
Others	686,442	223,951
Total current liabilities	2,637,314	621,908
Long-term liabilities		
Long-term borrowings	631,005	-
Accrued employees' retirement benefits	160,026	-
Negative goodwill	180,200	-
Deferred tax liabilities	576,392	-
Others	166,404	86,639
Total long-term liabilities	1,714,029	86,639
Total liabilities	4,351,343	708,547
Net assets		
Shareholders' equity		
Common stock	2,133,177	2,133,177
Capital surplus	2,311,745	2,563,867
Retained earnings	4,140,207	4,384,368
Treasury stock	(248,126)	(754,979)
Total shareholders' equity	8,337,004	8,326,433
Valuation and translation adjustments		
Unrealized holding gain on other securities	8,217	3,954
Total valuation and translation adjustments	8,217	3,954
Total net assets	8,345,221	8,330,388
Total liabilities and net assets	12,696,565	9,038,935

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

(Thousands of yen)

	First nine months of FY3/09 (Apr. 1, 2008 – Dec. 31, 2008)	First nine months of FY3/10 (Apr. 1, 2009 – Dec. 31, 2009)
Net sales	5,065,855	6,941,109
Cost of goods sold	3,748,548	5,297,699
Gross profit	1,317,307	1,643,410
Selling, general, and administrative expenses	1,256,475	1,816,199
Operating income (loss)	60,831	(172,789)
Non-operating income		
Interest income	11,192	5,216
Dividend income	712	755
Subsidy income	20,147	-
Fiduciary obligation fee	-	52,399
Amortization of negative goodwill	-	20,022
Miscellaneous revenue	8,735	14,812
Total non-operating income	40,787	93,206
Non-operating expenses		
Interest expense	1,509	10,652
Loss on valuation of investment securities	5,280	-
Foreign exchange losses	52,497	28,747
Miscellaneous loss	-	1,870
Total non-operating expenses	59,287	41,270
Recurring profit (loss)	42,331	(120,853)
Extraordinary income		
Reversal from allowance for doubtful accounts	100	-
Gain on sales of fixed assets	52	-
Total extraordinary income	152	-
Extraordinary loss		
Loss on disposal of fixed assets	29	164
Impairment losses	3,467	-
Others	-	100
Total extraordinary losses	3,496	264
Income (loss) before income taxes	38,987	(121,117)
Income taxes-current	21,078	84,413
Income taxes-deferred	217,740	(7,896)
Total income taxes	238,819	76,517
Net loss	(199,831)	(197,634)

(For the Three-month Period)

(Thousands of yen)

	Third quarter of FY3/09 (Oct. 1, 2008 – Dec. 31, 2008)	Third quarter of FY3/10 (Oct. 1, 2009 – Dec. 31, 2009)
Net sales	1,457,872	2,164,504
Cost of goods sold	1,137,320	1,653,124
Gross profit	320,551	511,379
Selling, general, and administrative expenses	408,435	639,685
Operating loss	(87,883)	(128,306)
Non-operating income		
Interest income	4,491	1,053
Dividend income	-	123
Foreign exchange gains	-	5,585
Subsidy income	20,147	-
Fiduciary obligation fee	-	40,306
Amortization of negative goodwill	-	9,228
Miscellaneous revenue	3,176	3,079
Total non-operating income	27,814	59,377
Non-operating expenses		
Interest expense	394	3,847
Loss on valuation of investment securities	2,933	-
Foreign exchange losses	69,187	-
Miscellaneous loss	-	1,870
Total non-operating expenses	72,515	5,718
Recurring loss	(132,583)	(74,646)
Loss before income taxes	(132,583)	(74,646)
Income taxes-current	(51,804)	(51,336)
Income taxes-deferred	196,174	11,005
Total income taxes	144,370	(40,330)
Net loss	(276,954)	(34,315)

(3) Consolidated Statements of Cash Flows

(Thousands of yen)

	First nine months of FY3/09 (Apr. 1, 2008 – Dec. 31, 2008)	First nine months of FY3/10 (Apr. 1, 2009 – Dec. 31, 2009)
Cash flows from operating activities		
Income (loss) before income taxes	38,987	(121,117)
Depreciation and amortization	417,366	300,079
Impairment losses	3,467	-
Loss on valuation of inventories	8,576	-
Amortization of goodwill	-	30,149
Increase (decrease) in accrued bonuses	(116,723)	(103,440)
Increase (decrease) in allowance for doubtful accounts	(1,287)	2,230
Increase (decrease) in provision for loss on construction contracts	-	5,970
Increase (decrease) in provision for product warranties	8,500	2,537
Interest and dividend income	(11,904)	(6,124)
Interest expense	1,509	10,652
Loss (gain) on valuation of investment securities	-	(419)
Loss (gain) on sale of property, plant and equipment	(52)	-
Loss on disposal of fixed assets	29	164
Decrease (increase) in notes and accounts receivable	606,949	422,372
Increase (decrease) in advances received	-	839,954
Decrease (increase) in inventories	56,436	(680,421)
Decrease (increase) in other accounts receivable	210,850	704,126
Increase (decrease) in notes and accounts payable	(21,987)	(460,726)
Increase (decrease) in accrued consumption taxes	(411)	(88,189)
Increase (decrease) in other accounts payable	(13,206)	(46,297)
Others	(55,417)	(309,504)
Subtotal	1,131,681	501,995
Interests and dividends received	7,196	10,533
Interests paid	(1,509)	(10,652)
Income taxes refund	-	122,442
Income taxes paid	(160,876)	(17,279)
Net cash provided by operating activities	976,492	607,039
Cash flows from investing activities		
Proceeds from time deposits	-	1,259,913
Payment for purchase of securities	-	(500,000)
Proceeds from sale of securities	-	500,151
Proceeds from cancellation of insurance funds	-	57,159
Payment for purchase of property, plant and equipment	(139,244)	(209,183)
Proceeds from sale of property, plant, and equipment	63	-
Payment for purchase of intangible assets	(7,018)	(10,296)
Payment for purchase of investment securities	-	(91)
Proceeds from purchase of investments in subsidiaries resulting in change in scope of consolidation	-	211,421
Payment for purchase of investments in subsidiaries resulting in change in scope of consolidation	-	(1,738,850)
Others	(189)	(13,796)
Net cash used in investing activities	(146,389)	(443,572)

(Thousands of yen)

	First nine months of FY3/09 (Apr. 1, 2008 – Dec. 31, 2008)	First nine months of FY3/10 (Apr. 1, 2009 – Dec. 31, 2009)
Cash flows from financing activities		
Repayment of long-term borrowings	(157,660)	(55,665)
Payment for equipment notes payable	61,619	(20,098)
Decrease in accounts payable-equipment	(4,754)	5,794
Payment for acquisition of treasury stock	-	(255)
Cash dividends paid	(157,169)	(46,526)
Net cash used in financing activities	(257,964)	(116,750)
Increase (decrease) in cash and cash equivalents	572,138	46,716
Cash and cash equivalents at beginning of period	1,641,068	2,250,675
Cash and cash equivalents at end of period	2,213,206	2,297,392

(4) Going Concern Assumption

Not applicable.

(5) Segment Information

Operating segment information

First nine months of FY3/09 (Apr. 1, 2008 – Dec. 31, 2008)
Given the similarities in the type of products, manufacturing methods and markets, the Group can be considered to operate in a single industry categorized as lamps. Accordingly, no operational segment information is presented.

First nine months of FY3/10 (Apr. 1, 2009 – Dec. 31, 2009) *(Thousands of yen)*

	Lamp business	Industrial equipment business	Staffing services business	Total	Elimination or corporate	Consolidated
Net sales						
(1) Sales to third parties	3,601,870	2,048,309	1,290,930	6,941,109	-	6,941,109
(2) Intergroup sales and transfers	-	3,052	9,849	12,902	(12,902)	-
Total	3,601,870	2,051,362	1,300,779	6,954,012	(12,902)	6,941,109
Operating income (loss)	95,839	89,731	(13,574)	171,995	(344,785)	(172,789)

Notes: 1. Business classification is based on categories adopted for purpose of internal management.
2. Major products in businesses
(1) Lamp business: Projector lamps, general halogen lamps, and LED lamps
(2) Industrial equipment business: Industrial machinery, inspection and measurement equipment, alignment layer printing machine, specialty printing machine
(3) Staffing services business: Temporary placement of engineers, temporary placement of manufacturing workers

Geographical segment information

First nine months of FY3/09 (Apr. 1, 2008 – Dec. 31, 2008)
The geographical segment information is not presented since the combined segment sales in Japan represented more than 100% of total sales.

First nine months of FY3/10 (Apr. 1, 2009 – Dec. 31, 2009)
The geographical segment information is not presented since the combined segment sales in Japan represented more than 100% of total sales.

Overseas sales

First nine months of FY3/09 (Apr. 1, 2008 – Dec. 31, 2008) *(Thousands of yen)*

	N. America	Asia	Other regions	Total
I. Overseas sales	252,984	1,707,987	19,834	1,980,806
II. Consolidated sales	-	-	-	5,065,855
III. Overseas sales as a percentage of consolidated sales (%)	5.0	33.7	0.4	39.1

Notes: 1. The geographic segmentation is decided primarily by geographic proximity.
2. Major countries and regions, excluding Japan, included in geographic segmentation:
* North America: The United States, Canada, and Mexico
* Asia: China, Taiwan, Hong Kong, Malaysia, Singapore, India, Saudi Arabia, etc.
* Other regions: Europe, Oceania, South America, Africa, etc.
3. Overseas sales represent sales of the Company and its consolidated subsidiaries, excluding sales in Japan.

First nine months of FY3/10 (Apr. 1, 2009 – Dec. 31, 2009) *(Thousands of yen)*

	N. America	Asia	Other regions	Total
I. Overseas sales	288,050	2,117,744	38,060	2,443,855
II. Consolidated sales	-	-	-	6,941,109
III. Overseas sales as a percentage of consolidated sales (%)	4.1	30.5	0.5	35.2

Notes: 1. The geographic segmentation is decided primarily by geographic proximity.

2. Major countries and regions, excluding Japan, included in geographic segmentation:
   - * North America: The United States, Canada, and Mexico
   - * Asia: China, Taiwan, Hong Kong, Malaysia, Singapore, India, Saudi Arabia, etc.
   - * Other regions: Europe, Oceania, South America, Africa, etc.

3. Overseas sales represent sales of the Company and its consolidated subsidiaries, excluding sales in Japan.

(6) Significant Changes in Shareholders' Equity

First nine months of FY3/10 (Apr. 1, 2009 – Dec. 31, 2009) *(Thousands of yen)*

	Common stock	Capital surplus	Retained earnings	Treasury stock	Total shareholders' equity
Balance at the end of previous period	2,133,177	2,563,867	4,384,368	(754,979)	8,326,433
Changes of items during the period					
Dividends from surplus			(46,526)		(46,526)
Net income			(197,634)		(197,634)
Purchase of treasury stock				(255)	(255)
Disposal of treasury stock (exchange of stock)				507,108	507,108
Deduction by exchange of stock		(252,121)			(252,121)
Total changes items during the period		(252,121)	(244,161)	506,853	10,570
Balance at the end of current period	2,133,177	2,311,745	4,140,207	(248,126)	8,337,004

6. Other Information

Not applicable.

Note: This is a translation of Japanese kessan Tanshin (including attachments), 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.