Helios Techno

May 15, 2009

Financial Results for the Fiscal Year Ended March 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/
Representative: Hiroya Tahara, President
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Scheduled date of filing of General Meeting of Shareholders: June 23, 2009
Scheduled date of filing of Annual Securities Report: June 24, 2009
Scheduled date of payment of dividend: June 24, 2009

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

1. Consolidated Financial Results (April 1, 2008 – March 31, 2009)

(1) Consolidated results of operations

(Percentages for net sales, operating income, recurring profit and net income represent year-on-year changes)

	Net sales		Operating income		Recurring profit		Net income	
	Million yen	%	Million yen	%	Million yen	%	Million yen	%
Fiscal year ended Mar. 2009	6,113	(32.1)	(240)	-	(237)	-	(947)	-
Fiscal year ended Mar. 2008	9,005	(16.5)	972	(49.1)	787	(58.6)	361	(67.5)

	Net income per share (basic)	Net income per share (diluted)	ROE	Recurring profit to total assets	Operating income to net sales
	Yen	Yen	%	%	%
Fiscal year ended Mar. 2009	(43.97)	-	(10.5)	(2.4)	(3.9)
Fiscal year ended Mar. 2008	16.25	-	3.7	6.9	10.8

Reference) Equity in earnings of affiliates (million yen) Mar. 2009: - Mar. 2008: -

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio	Net assets per share
	Million yen	Million yen	%	Yen
As of Mar. 31, 2009	9,038	8,330	92.2	402.85
As of Mar. 31, 2008	10,894	9,645	88.5	444.92

Reference) Shareholders' equity (million yen) Mar. 31, 2009: 8,330 Mar. 31, 2008: 9,645

(3) Consolidated cash flow position

	Cash flows from operating activities	Cash flows from investing activities	Cash flows from financing activities	Cash and cash equivalents at end of period
	Million yen	Million yen	Million yen	Million yen
Fiscal year ended Mar. 2009	1,183	19	(592)	2,250
Fiscal year ended Mar. 2008	1,423	(2,184)	(1,044)	1,641

2. Dividends

	Dividend per share					Total dividends (Annual)	Payout ratio (Consolidated)	Dividend on equity (Consolidated)
Record date	1Q-end	2Q-end	3Q-end	Year-end	Annual			
	Yen	Yen	Yen	Yen	Yen	Million yen	%	%
Fiscal year ended Mar. 2008	-	5.00	-	5.00	10.00	219	61.5	2.3
Fiscal year ended Mar. 2009	-	2.25	-	2.25	4.50	95	-	1.1
Fiscal year ending Mar. 2010 (forecast)	-	0.00	-	2.00	2.00		-	

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
First half	3,850	6.7	(241)	-	(249)	-	(259)	-	(11.80)
Full year	8,969	46.7	(23)	-	(32)	-	(85)	-	(3.90)

4. Others

(1) Changes in consolidated subsidiaries during the period (changes in scope of consolidation): None

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

1) Changes caused by revision of accounting standards: Yes

2) Other changes: Yes

Note: Please refer to "Significant Accounting Policies in the Preparation of the Consolidated Financial Statements" on page 17 for further information.

(3) Number of shares outstanding (common shares)

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

As of Mar. 31, 2009: 22,806,900 shares As of Mar. 31, 2008: 22,806,900 shares

2) Number of treasury stock at the end of period

As of Mar. 31, 2009: 2,128,476 shares As of Mar. 31, 2008: 1,128,422 shares

Note: Please refer to "Per Share Data" on page 32 for the number of shares used in calculating consolidated net income per share.

Summary of Non-consolidated Financial Results

1. Non-consolidated Financial Results (April 1, 2008 – March 31, 2009)

(1) Non-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	%
Fiscal year ended Mar. 2009	5,307	(33.7)	(293)	-	(282)	-	(974)	-
Fiscal year ended Mar. 2008	8,001	(17.9)	920	(50.3)	745	(59.7)	412	(62.0)

	Net income per share (basic)	Net income per share (diluted)
	Yen	Yen
Fiscal year ended Mar. 2009	(45.18)	-
Fiscal year ended Mar. 2008	18.54	-

(2) Non-consolidated financial position

	Total assets	Net assets	Equity ratio	Net assets per share
	Million yen	Million yen	%	Yen
As of Mar. 31, 2009	8,756	8,131	92.9	393.21
As of Mar. 31, 2008	10,624	9,472	89.2	436.94

Reference) Shareholders' equity (million yen) Mar. 31, 2009: 8,131 Mar. 31, 2008: 9,472

* Cautionary statement with respect to forward-looking statements

A non-consolidated forecast for the fiscal year ending on March 31, 2010 is not shown because non-consolidated performance represents the operations of holding company Helios Techno Holding Co., Ltd.

1. Results of Operations

(1) Analysis of Results of Operations

1) Overview

During the fiscal year under review, turmoil in global financial and capital markets originating with the U.S. subprime mortgage crisis began to have an impact on the real economy. Along with the rapid appreciation of the yen, this resulted in a steep economic downturn in Japan due to falling corporate earnings, weak consumer spending and other items. Recessions in the United States and Europe were followed by slowing growth in emerging economies, resulting in a worldwide recession.

The economic downturn caused demand to plummet in the projector market, where the Company sells its products, particularly in the United States and Europe. Orders for projector lamps were much lower because of weakness in the projector market and unit prices fell due to price-based competition. The result was a 36.1% decrease in projector lamp sales to 3,652,228 thousand yen.

Lamps for rear projection television (RPTV) are sold only as replacement parts because companies stopped manufacturing these televisions in the second half of the previous fiscal year that ended on March 31, 2008. Consequently, sales of RPTV lamps were down 47.4% to 519,008 thousand yen.

Sales of exposure equipment lamps decreased 27.9% to 75,605 thousand yen as customers adopted a more cautious stance regarding capital expenditures.

The Company took many actions aimed at cutting the cost of sales and operating expenses. For the procurement of raw materials, the Company established ties with new suppliers, including outside Japan. For manufacturing, there were measures to make production processes more streamlined and labor-efficient. Other actions targeted reductions in administrative and other expenses for the entire company.

Despite these initiatives, net sales decreased 32.1% to 6,113,751 thousand yen and there was an operating loss of 240,600 thousand yen and a recurring loss of 237,158 thousand yen.

Due to the decline in earnings in the projector lamp business, in accordance with the “Accounting Standard for Impairment of Fixed Assets,” an impairment loss of 470,099 thousand yen was recorded as an extraordinary loss.

Furthermore, the Company thoroughly reviewed the possibility of recovering its deferred tax assets. This review was conducted in accordance with Handling of Audits Concerning Decisions for the Possibility of Recovering Deferred Tax Assets (Audit Committee Report No. 66). This review resulted in the elimination of the portion of deferred tax assets that the Company does not expect to recover. As a result, the Company posted income taxes-deferred of 215,712 thousand yen. Net loss totaled 947,985 thousand yen.

2) Results by business segment

Based on the similarity of its products and how they are manufactured, the Group operates in a single business segment, the lamp business. For this reason, results are presented here by product category.

Product category	Net sales (Thousands of yen)	Composition (%)
Lamps for projector	3,652,228	59.7
Lamps for RPTV	519,008	8.5
Lamps for exposure equipment	75,605	1.2
Other halogen lamps	989,284	16.2
Purchased products	877,624	14.4
Total	6,113,751	100.0

3) Results by geographical segment

Results by geographical segment are not presented because Japan accounts for 100% of the total sales of all geographical segments.

4) Outlook for new fiscal year

The Company changed its name to Helios Techno Holding Co., Ltd. on April 1, 2009. A divestiture was conducted in April 7, 2009 that resulted in the establishment of operating company PHOENIX Electric Co., Ltd. In addition, the Company purchased part of the stock of Nippon Gijutsu Center Co., Ltd. on April 1, 2009 and on May 1, 2009 conducted an exchange of stock that made Nippon Gijutsu Center a wholly owned subsidiary.

Regarding the outlook, more time will probably be needed until benefits of economic stimulus programs by countries worldwide bring an end to the economic downturn. The operating environment will thus remain uncertain, making it difficult to predict corporate earnings. The companies of the Helios Techno Group are taking the following actions in order to improve sales and earnings.

In the lamp business, demand is expected to remain weak in projector market, the primary source of sales at PHOENIX Electric. However, lower-priced products will probably account for a rising share of sales even if there is a recovery in demand for projectors used for business, academic and household applications. One goal is increasing sales by establishing relationships with new customers. Another goal is to become more cost-competitive by cutting costs through greater collaboration for sales, technology, production and procurement activities. Regarding LED lamps, demand is expected to increase rapidly because of rising social needs involving environmental issues. The Company has already developed these lamps and the first lamps commercialized have been very successful. Demand is strong for brighter LED lamps. To meet this demand, the Company is increasing efforts to develop and sell these products with the goal of significantly increasing sales of LED lamps.

In the industrial equipment business, by taking advantage of the suitability of lamps for exposure equipment for use as high-energy illumination sources, the Company is conducting R&D to diversify the applications for these lamps in order to increase orders received. In the industrial equipment business of Nippon Gijutsu Center, the goal is to increase sales and earnings by expanding the product lineup. This will be accomplished by combining the know-how of Nippon Gijutsu Center with the customer base and information of PHOENIX Electric.

In the staffing business of Nippon Gijutsu Center, the downturn in performance is expected to be small because this business handles primarily engineers. Operations in this business will be further upgraded by improving the quality of the staff and offering services that precisely meet customers' needs.

Based on this outlook, the Company is forecasting consolidated net sales of 8,969 million yen, operating loss of 23 million yen, recurring loss of 32 million yen and net loss of 85 million yen in the fiscal year ending on March 31, 2010.

(2) Analysis of Financial Position

1) Balance sheet position

i) Assets

Current assets decreased 891,609 thousand yen. The primary causes were a 1,097,232 thousand yen decrease in notes and accounts receivable as sales declined and the reversal of all deferred tax assets based on a conservative evaluation of the possibility of recovering these assets. As for fixed assets, property, plant and equipment decreased 863,140 thousand yen, mainly due to a 470,099 thousand yen impairment loss on such assets and depreciation of 478,235 thousand yen. As a result of the above, total assets decreased 1,856,040 thousand yen to 9,038,935 thousand yen.

ii) Liabilities

Liabilities decreased 541,175 thousand yen to 708,547 thousand yen. There were declines of current portion of long-term borrowings of 250,840 thousand yen, notes and accounts payable of 160,900 thousand yen, and accrued bonuses of 63,485 thousand yen.

iii) Net assets

Net assets decreased 1,314,864 thousand yen to 8,330,388 thousand yen. This was primarily the result of net loss of 947,985 thousand yen, the repurchase of 1,000 thousand shares of treasury stock from the market at a cost of 191,711 thousand yen, and dividend payments of 157,169 thousand yen.

2) Cash flow position

Cash and cash equivalents as of March 31, 2009 totaled 2,250,675 thousand yen, a net increase of 609,607 thousand yen compared with one year earlier.

A summary of cash flows and major components follows.

Operating activities:

Net cash provided by operating activities was 1,183,012 thousand yen compared with 1,423,519 thousand yen one year earlier. Although there was a loss before income taxes of 707,219 thousand yen (a 667,701 thousand yen in income one year earlier), depreciation and amortization was 569,402 thousand yen, impairment losses totaled 470,099 thousand yen, and notes and accounts receivable declined 1,097,232 thousand yen.

Investing activities:

Net cash provided by investing activities was 19,520 thousand yen compared with net cash used of 2,184,344 thousand yen one year earlier. Proceeds from cancellation of time deposits were 200,000 thousand yen, and payment for purchases of property, plant and equipment was 167,503 thousand yen.

Financing activities:

Net cash used in financing activities was 592,925 thousand yen compared with 1,044,919 thousand yen one year earlier. The principal uses of cash were 191,711 thousand yen for repurchase of treasury stock from the market, 157,169 thousand yen in cash dividends paid, and 250,840 thousand yen in repayment of borrowings.

(Reference) Cash Flow Indicators

	FY3/05	FY3/06	FY3/07	FY3/08	FY3/09
Shareholders' equity ratio	68.3	75.3	83.8	88.5	92.2
Shareholders' equity ratio at market cap	335.0	204.2	109.6	53.7	41.9
Interest-bearing debt to cash flow ratio	1.0	0.3	0.3	0.2	0.0
Interest coverage ratio	64.1	187.0	176.5	164.8	663.8

Shareholders' equity ratio: shareholders' equity/ total assets

Shareholders' equity ratio at market cap: market capitalization/ total assets

Interest coverage ratio: operating cash flow/ interests paid

* All of the above indicators are calculated using figures from the consolidated financial statements.
* Market capitalization is calculated by multiplying the share price at the end of the period by the number of shares outstanding (net of treasury stock) at the end of the period.
* Operating cash flows refers to "net cash provided by operating activities" as shown on the consolidated statements of cash flows. Interest-bearing debt refers to the total of liabilities shown on the consolidated balance sheets on which interest is paid. Interests paid refer to "interests paid" as shown in the consolidated statements of cash flows.

(3) Fundamental Policy Regarding Distribution of Earnings and Dividends for FY3/09 and FY3/10

Returning earnings to shareholders is one of the Company's highest priorities. The Company plans to pay a year-end dividend of 2.25 yen per share. Since the interim dividend was also 2.25 yen per share, this will result in a dividend of 4.50 yen per share applicable to the current fiscal year.

The fundamental policy is to pay a dividend that is linked to earnings by, in principle, maintaining a dividend payout ratio of 25%. However, the operating environment is expected to remain extremely challenging in the next fiscal year ending on March 31, 2010. In particular, earnings in this fiscal year will depend greatly on whether or not the projector market starts to recover in the second half. Based on this outlook, in order to express its gratitude to shareholders for their support, the Company plans to pay no interim dividend and a year-end dividend of 2 yen per share for the next fiscal year.

(4) Business Risks

The following section presents significant information regarding business and financial matters that may affect the decisions of investors. Nippon Gijutsu Center Co., Ltd. became a member of the Helios Techno Group through management integration on April 1, 2009. Therefore, the following risks concern the operations of the new corporate group starting with the fiscal year ending on March 31, 2010. The Company makes no guarantee that this list covers all risks. Furthermore, investors are cautioned that results of operations may be affected by other risk factors.

The discussion of these risks includes forward-looking statements. Such statements are based on the judgments of management as of March 31, 2009.

1) Exchange rate volatility

Group company PHOENIX Electric Co., Ltd., which is engaged in the lamp business, exports its products to North America, Asia and other areas of the world. Overseas sales were 51.5% of consolidated sales in the previous fiscal year and 38.2% of consolidated sales in the current fiscal year.

Most export sales are denominated in U.S. dollars, with some transactions using the euro instead. In addition, PHOENIX Electric purchases some components and finished products from overseas suppliers. Large part of raw materials used to make lamps is procured directly or indirectly from outside Japan.

On a non-consolidated basis, sales denominated in U.S. dollars totaled 34,791 thousand dollars in the previous fiscal year and 20,784 thousand dollars in the current fiscal year. Purchases denominated in U.S. dollars totaled 5,753 thousand dollars in the previous fiscal year and 1,601 thousand dollars in the current fiscal year. As a result, changes in foreign exchange rates could have an effect on operating results.

2) New product development competition and decline in prices due to intensifying competition

a) Development competition involving performance

There is intense competition to develop projectors that are smaller and lighter yet produce images that are brighter and sharper. Because of this, the product life cycle is only about one to two years.

The projector market is now expanding beyond the core application of business presentations. New applications include home theaters, education, commercial displays, surveillance monitors and digital cinemas. These applications are generating demands for lamps that are even more efficient, have a higher output and longer life, and carry a lower price. Because of this, there is heated competition among lamp manufacturers.

The Group generates a large percentage of its sales from projector lamps in the lamp business. Therefore, the outcome of competition to develop lamps or delays (if any) in the development of projector lamps may have a significant impact on operating results.

b) Risk of price declines due to intensifying competition

There is currently heated price competition among set manufacturers in the market for projector. This competition is causing the average sales price for lamps to decline as well. If the Group is unable to offset the effect of these price declines by raising sales volume and cutting costs, there may be an impact on operating results.

3) Risk of potential patent disputes

All projector lamp manufacturers are exposed to the risk of becoming involved in a potential patent dispute. The Group pays very close attention to patents and places importance on patents as a means of protecting its own intellectual property as a defensive measure. Accordingly, the Group acts quickly to apply for and receive patents as required.

When developing new products, the Group exercises extreme care to avoid infringing on patents. Nevertheless, this does not completely eliminate the possibility that the Group could be the target of a patent infringement lawsuit. Depending on the nature and outcome of these disputes, there may be an impact on operating results.

4) Recruiting activities

To meet the various requirements of its customers, the staffing business of the Group must recruit outstanding engineers and conduct training activities. This business constantly maintains a large number of engineers for assignment to client companies. Consequently, declines in the number or percentage of engineers on assignment, working time, number of days worked, unit price for temporary staffing, and other items may cause an increase in the cost of sales ratio, there may be an impact on operating results.

5) Management of customer and personal information

The Group's staffing business has a large number of highly skilled engineers who, when on assignments, have direct access to the confidential information of client companies. Building customer relationships based on strong mutual trust is essential for direct involvement in product design and development activities and other highly confidential activities of client companies. The Group is aware that a leak or other inappropriate handling of customers' confidential information poses the serious risk of losing a customer's trust. Consequently, there are extensive activities to make employees aware of information security rules and other rules. However, if there is an information leak or other incident despite these activities, there may be an impact on operating results.

In addition, the Group's staffing business handles an enormous volume of personal information. The Group is aware of its social obligation to properly manage, store and use personal and other information acquired through its business activities. If a leak or other incident involving personal information occurs, there may be an impact on operating results.

6) Legal restrictions

a) Projector lamps and lamps for RPTVs, the core product of the Group's lamp business, are a type of electrical discharge lamp. To achieve this discharge with maximum ease, lamps incorporate mercury as well as tiny amounts of a radioactive isotope in the fluorescent tube.

   Group company PHOENIX Electric has received permission to handle radioactive isotopes by the Ministry of Education, Culture, Sports, Science and Technology, based on Article 3 Paragraph 1 of the Law of Prevention Radiation Hazards Associated With Radioactive Isotopes, etc. Laws and regulations prescribe no period of validity or deadline for this permission. However, Article 26 Paragraph 1 and Paragraph 2 of this law defines reasons for the termination or suspension of this permission.

   At present, there are no factors that present a risk involving the continuation of the Company's ability to handle radioactive materials. In the event that an event occurs that results in the termination or suspension of this permission, the Group would have difficulty conducting its core business activities and there may be a substantial impact on operating results.

b) The staffing business of Group company Nippon Gijutsu Center must be licensed as an ordinary staffing services business by the Minister of Health, Labour and Welfare as stipulated in the Worker Dispatch Law. This company is aware of the importance of conducting operations in a manner that complies with labor laws and regulations and exercises care to ensure compliance. However, if there is a violation of a law or regulation, Nippon Gijutsu Center may lose its staffing services business license and/or be ordered to suspend operations, the Group would have difficulty conducting its core business activities and there may be a substantial impact on operating results.

2. Corporate Group

The Helios Techno Group (the Group) is made up of Helios Techno Holding Co., Ltd. (the Company) and one subsidiary. The Group is engaged primarily in the manufacture and sale of lamps for projectors, large-screen rear projection televisions (RPTVs), general halogen lamps, automotive halogen lamps, general metal halide lamps and exposure equipment lamps.

(1) Business activities of group companies are as follows.

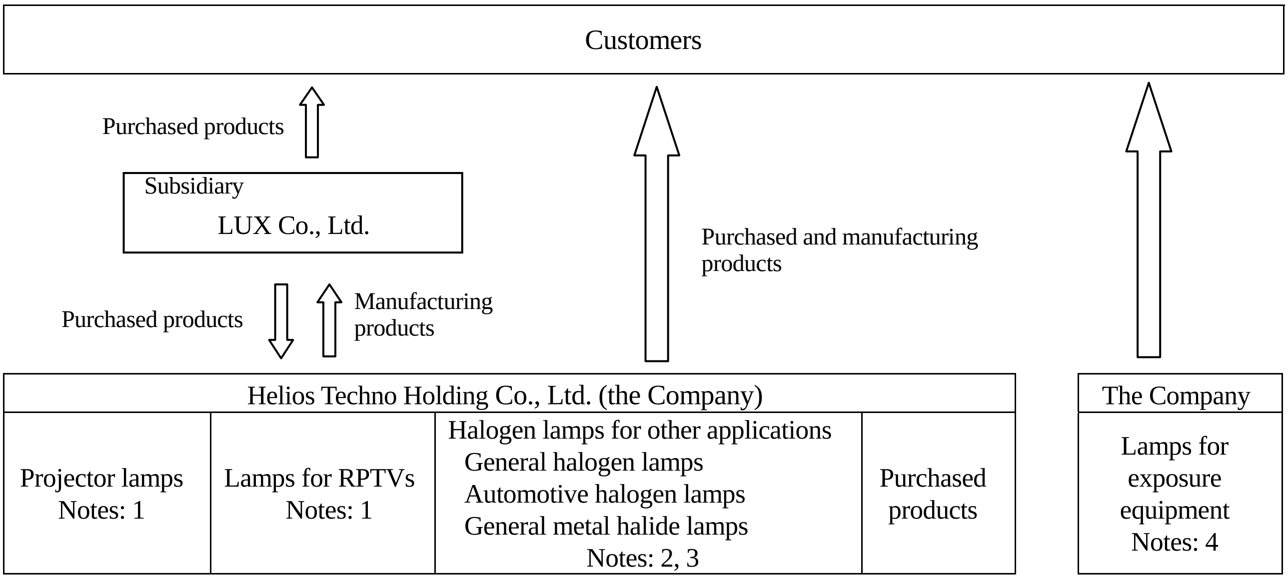
Company	Location	Major activities
PHOENIX Electric Co., Ltd.	Hyogo Prefecture	Manufacture and sale of lamps for projectors, lamps for RPTVs, other halogen lamps, lamps for exposure equipment and other products
LUX Co., Ltd.	Hyogo Prefecture	Sale of illumination lamps and illumination products

Notes: 1. Business activities of Group companies are as of March 31, 2009.

The Group switched to a holding company structure on April 1, 2009 as was explained in "1. Results of Operations, (1) Analysis of Results of Operations, 4) Outlook for new fiscal year."

2. LUX Co., Ltd. is a wholly owned consolidated subsidiary of the Company.

(2) A schematic of workflows is shown below.



Notes: 1. LUX Co., Ltd. is a wholly owned consolidated subsidiary of the Company.

2. Halogen lamp—Conventional incandescent light bulbs are filled with an inert gas such as nitrogen to reduce evaporation, or sublimation, of the tungsten filament. In halogen lamps, halogen is used in addition to an inert gas, reducing lamp size to about 3% of a comparable incandescent light bulb. Other advantages are a longer life and the ability to generate light that is brighter and closer to the color of sunlight.

3. Metal halide lamp—A high-intensity discharge lamp that uses metal halide gases to produce greater brightness (lumens) per watt.

4. Exposure equipment lamps use super-high-pressure mercury lamps as the light source of exposure equipment used for manufacturing LCD and similar products. These lamps are capable of producing the consistent, high-luminance light that is best suited for exposure equipment.

5. LUX Co., Ltd. purchases halogen lamps and general metal halide lamps from the Company for sale to external customers and purchases lamps manufactured by other companies for sale to its customers.

The Company purchases lighting fixtures from LUX Co., Ltd. for sale to external customers as part of its lamp business.

3. Management Policies

(1) Fundamental Management Policies

Corporate Vision

The philosophy of the Helios Techno Group is to extend to the maximum possibilities for optical-technology products by basing activities on the slogan “supplying products that have outstanding quality and satisfy all customer demands.”

The Company’s vision is to be a research-driven organization capable of sustained growth, a company that regards manufacturing as a fine art and strives to be the first choice of customers by supplying original products that have outstanding performance and quality for the benefit of shareholders, employees, suppliers and society.

Management Policies

1) Maintain a sound and flexible corporate structure

Build a powerful corporate infrastructure capable of sustaining growth while also having the flexibility required to quickly adapt to change.

2) Conduct management in an organized and open manner

Helios Techno Holding is committed to contributing to society by ensuring a transparent, open corporate organization that is fair and equitable to all stakeholders, including shareholders, employees, suppliers and the society in which the Company operates.

3) Conduct streamlined, scientific operations

Based on the theme that “Information is an asset for everyone to use, so everyone should use information to generate profits,” the Company has adopted an ERP system and makes substantial investments in data warehouse software and other IT systems. The goal is to make the Company even stronger by conducting streamlined and scientific management practices aimed at reducing inventories, cutting costs, shortening lead times and achieving other improvements.

4) Deliver industry-leading performance and quality

In order to increase the volume of business with all customers, particularly customers outside Japan, the goal is to meet global standards such as ISO9001 and ISO14001 as well as supply products with the best performance and quality in the industry.

(2) Medium- and Long-term Management Strategies

The Group’s objective is to use the recently adopted holding company structure with Helios Techno Holding Co., Ltd. as the parent company to conduct stable business operations made up of three profit centers: the lamp business, industrial equipment business and staffing services business.

The Company aims to further improve its user support capabilities by upgrading technological skills of PHOENIX Electric Co., Ltd. as a manufacturer specializing in lamps.

The Company also places priority on taking advantage of its small scale to be of greater assistance to customers. The goal is to become number one in niche markets where the Company can best leverage its unique competitive strengths.

In the industrial equipment business, one goal is to make the Group’s businesses more efficient by increasing assignments of employees to different jobs within the Group. This is to be accomplished by using the inspection equipment expertise of Nippon Gijutsu Center, which recently joined the Group through management integration, in the Group’s exposure equipment lamp operations, too.

In the staffing services business, the Group plans to recruit engineers in fields where demand is strong in order to expand this business into a consistent source of earnings.

Group resources will continue to be channeled to these businesses, including this field.

The Company strives to achieve further refinements in its operations in the following respects:

- A unique strategy for competing successfully
- Consistent growth
- A solid base of operations
- A prominent industry stature
- A sophisticated management system
- Unique attributes that competitors cannot match
- Happy shareholders, suppliers and employees
- A solid number-one position among customers

The objective is to become a “true middle-market company.”

(3) Important Issues

The Group is dedicated to rewarding all its stakeholders, including shareholders, customers, suppliers, employees and society. For this purpose, the entire Group is dedicated to improving operating results, increasing corporate value and fulfilling its social obligations.

The management integration with Nippon Gijutsu Center was conducted for the purposes of allowing this company and Helios Techno Holding to supplement each other’s resources and building a more powerful base of operations. The ultimate objective is to expand businesses and create shareholder value by pursuing synergies and speeding up the pace of growth. Therefore, following this management integration, the Group has undergone a qualitative transformation to concentrate mainly on the lamp development and manufacturing business and the equipment development and manufacturing business.

In this environment, the Group will continue to allocate resources only to carefully selected business fields. Other goals are building a powerful management structure and sustaining growth in business operations. To accomplish these goals, the Group is concentrating on the following issues.

1) Increase collaboration among sales, technology, manufacturing and procurement divisions to become more cost-competitive and make effective use of information sharing within the Group and the Group’s human resources

2) Develop lamps that meet customer demands for better performance (longer life and superior brightness) and better reliability

3) Start full-scale operations in the exposure equipment lamp business and commercialize newly developed products (LED lamps)

4) Take specific actions to establish a framework based on the “Fundamental Policy for Internal Control Systems”

(4) Other Important Matters

No reportable information.

4. Consolidated Financial Statements

(1) Consolidated Balance Sheets

(Thousands of yen)

	FY3/08 (As of Mar. 31, 2008)	FY3/09 (As of Mar. 31, 2009)
Assets		
Current assets		
Cash and deposits with banks	3,641,068	*4 4,050,675
Notes and accounts receivable	*2 2,148,726	*2 1,051,493
Inventories	793,869	-
Merchandise and finished goods	-	207,017
Work in process	-	190,606
Raw materials and supplies	-	340,690
Deferred tax assets	147,828	1,084
Others	253,373	249,901
Allowance for doubtful accounts	(3,410)	(1,624)
Total current assets	6,981,455	6,089,846
Fixed assets		
Property, plant and equipment		
Buildings and structures, net	*1 1,185,041	*1 1,103,708
Machinery and vehicles, net	*1 1,420,574	*1 668,753
Land	1,001,437	1,001,437
Construction in progress	8,710	-
Others, net	*1 86,362	*1 65,085
Total property, plant and equipment	3,702,125	2,838,985
Intangible assets	29,768	29,404
Investments and other assets		
Investment securities	81,505	46,176
Deferred tax assets	56,692	2,728
Others	45,336	41,324
Allowance for doubtful accounts	(1,909)	(9,531)
Total investments and other assets	181,625	80,698
Total fixed assets	3,913,519	2,949,088
Total assets	10,894,975	9,038,935

(Thousands of yen)

	FY3/08 (As of Mar. 31, 2008)	FY3/09 (As of Mar. 31, 2009)
Liabilities		
Current liabilities		
Notes and accounts payable	*2 465,866	*2 304,966
Current portion of long-term borrowings	250,840	-
Accrued income taxes	13,665	9,947
Accrued bonuses	138,627	75,142
Provision for product warranties	-	7,900
Others	*2 265,432	*2 223,951
Total current liabilities	1,134,431	621,908
Long-term liabilities		
Long-term accounts payable	115,291	82,736
Deferred tax liabilities	-	2,702
Others	-	1,200
Total long-term liabilities	115,291	86,639
Total liabilities	1,249,722	708,547
Net assets		
Shareholders' equity		
Common stock	2,133,177	2,133,177
Capital surplus	2,563,867	2,563,867
Retained earnings	5,489,523	4,384,368
Treasury stock	(563,267)	(754,979)
Total shareholders' equity	9,623,300	8,326,433
Valuation and translation adjustments		
Unrealized holding gain on other securities	21,952	3,954
Total valuation and translation adjustments	21,952	3,954
Total net assets	9,645,252	8,330,388
Total liabilities and net assets	10,894,975	9,038,935

(2) Consolidated Statements of Income

(Thousands of yen)

	FY3/08 (Apr. 1, 2007 – Mar. 31, 2008)	FY3/09 (Apr. 1, 2008 – Mar. 31, 2009)
Net sales	9,005,637	6,113,751
Cost of goods sold	*5 6,015,860	*5 4,691,743
Gross profit	2,989,776	1,422,008
Selling, general, and administrative expenses	*1,*2 2,017,277	*1,*2 1,662,608
Operating income (loss)	972,499	(240,600)
Non-operating income		
Interest income	6,072	15,298
Dividend income	512	712
Subsidy income	21,775	20,147
Rent income	1,311	-
Miscellaneous revenue	4,907	7,549
Total non-operating income	34,578	43,706
Non-operating expenses		
Interest expense	5,421	1,782
Foreign exchange losses	202,414	33,186
Loss on valuation of investment securities	-	5,028
Loss on sales of notes payable	-	267
Miscellaneous loss	12,178	-
Total non-operating expenses	220,015	40,265
Recurring profit (loss)	787,063	(237,158)
Extraordinary income		
Reversal from allowance for doubtful accounts	-	500
Gain on sales of fixed assets	74	52
Total extraordinary income	74	552
Extraordinary loss		
Loss on disposal of fixed assets	*3 4,805	*3 513
Impairment losses	*4 23,965	*4 470,099
Loss on valuation of inventories	*5 90,665	-
Total extraordinary loss	119,436	470,613
Income (loss) before income taxes	667,701	(707,219)
Income taxes-current	279,281	25,054
Income taxes-deferred	27,125	215,712
Total income taxes	306,406	240,766
Net income (loss)	361,294	(947,985)

(3) Consolidated Statements of Changes in Shareholders' Equity

(Thousands of yen)

	FY3/08 (Apr. 1, 2007 – Mar. 31, 2008)	FY3/09 (Apr. 1, 2008 – Mar. 31, 2009)
Shareholders' equity		
Common stock		
Balance at the end of previous period	2,133,177	2,133,177
Balance at the end of current period	2,133,177	2,133,177
Capital surplus		
Balance at the end of previous period	2,563,867	2,563,867
Balance at the end of current period	2,563,867	2,563,867
Retained earnings		
Balance at the end of previous period	5,353,214	5,489,523
Changes of items during the period		
Dividends from surplus	(224,985)	(157,169)
Net income	361,294	(947,985)
Total changes of items during the period	136,309	(1,105,154)
Balance at the end of current period	5,489,523	4,384,368
Treasury stock		
Balance at the end of previous period	(79)	(563,267)
Changes of items during the period		
Purchase of treasury stock	(563,187)	(191,711)
Total changes of items during the period	(563,187)	(191,711)
Balance at the end of current period	(563,267)	(754,979)
Total shareholders' equity		
Balance at the end of previous period	10,050,179	9,623,300
Changes of items during the period		
Dividends from surplus	(224,985)	(157,169)
Net income	361,294	(947,985)
Purchase of treasury stock	(563,187)	(191,711)
Total changes of items during the period	(426,878)	(1,296,866)
Balance at the end of current period	9,623,300	8,326,433
Valuation and translation adjustments		
Unrealized holding gain on other securities		
Balance at the end of previous period	55,156	21,952
Changes of items during the period		
Net changes of items other than shareholders' equity	(33,204)	(17,998)
Total changes of items during the period	(33,204)	(17,998)
Balance at the end of current period	21,952	3,954
Foreign currency translation adjustments		
Balance at the end of previous period	4,707	-
Changes of items during the period		
Net changes of items other than shareholders' equity	(4,707)	-
Total changes of items during the period	(4,707)	-
Balance at the end of current period	-	-

(Thousands of yen)

	FY3/08 (Apr. 1, 2007 – Mar. 31, 2008)	FY3/09 (Apr. 1, 2008 – Mar. 31, 2009)
Total valuation and translation adjustments		
Balance at the end of previous period	59,864	21,952
Changes of items during the period		
Net changes of items other than shareholders' equity	(37,912)	(17,998)
Total changes of items during the period	(37,912)	(17,998)
Balance at the end of current period	21,952	3,954
Total net assets		
Balance at the end of previous period	10,110,043	9,645,252
Changes of items during the period		
Dividends from surplus	(224,985)	(157,169)
Net income	361,294	(947,985)
Purchase of treasury stock	(563,187)	(191,711)
Net changes of items other than shareholders' equity	(37,912)	(17,998)
Total changes of items during the period	(464,790)	(1,314,864)
Balance at the end of current period	9,645,252	8,330,388

(4) Consolidated Statements of Cash Flows

(Thousands of yen)

	FY3/08 (Apr. 1, 2007 – Mar. 31, 2008)	FY3/09 (Apr. 1, 2008 – Mar. 31, 2009)
Cash flows from operating activities		
Income before income taxes	667,701	(707,219)
Depreciation and amortization	634,171	569,402
Impairment losses	23,965	470,099
Loss on valuation of inventories	132,418	50,799
Increase (decrease) in accrued bonuses	(40,262)	(63,485)
Increase (decrease) in allowance for doubtful accounts	(2,904)	5,835
Increase (decrease) in provision for product warranties	-	7,900
Interest and dividend income	(6,584)	(16,010)
Interest expense	5,421	1,782
Loss (gain) on sale of affiliate stock	(74)	-
Loss (gain) on valuation of investment securities	-	5,028
Loss (gain) on sales of fixed assets	-	(52)
Loss on disposal of fixed assets	4,805	513
Decrease (increase) in notes and accounts receivable	287,649	1,097,232
Decrease (increase) in inventories	235,709	2,754
Decrease (increase) in other accounts receivable	154,125	196,334
Increase (decrease) in notes and accounts payable	(223,324)	(160,899)
Increase (decrease) in accrued consumption taxes	-	(416)
Increase (decrease) in other accounts payable	(129,021)	(79,770)
Others	13,231	(55,969)
Subtotal	1,757,029	1,323,860
Interests and dividends received	3,578	13,698
Interests paid	(5,516)	(1,782)
Income taxes paid	(331,572)	(152,763)
Net cash provided by operating activities	1,423,519	1,183,012
Cash flows from investing activities		
Payment for time deposits	(2,000,000)	200,000
Payment for purchases of securities	(2,188,943)	(750,000)
Proceeds from sale of securities	2,190,080	750,506
Payment for sale of affiliate stock	(20,869)	-
Payment for purchases of property, plant and equipment	(151,111)	(167,503)
Payment for purchases of intangible assets	(24,208)	(7,018)
Proceeds from sale of property, plant, and equipment	7,982	63
Others	2,725	(6,527)
Net cash provided by (used in) investing activities	(2,184,344)	19,520
Cash flows from financing activities		
Repayment of long-term borrowings	(253,160)	(250,840)
Payment for equipment notes payable	(3,586)	18,362
Decrease in accounts payable-equipment	-	(11,567)
Payment for acquisition of treasury stock	(563,187)	(191,711)
Cash dividends paid	(224,985)	(157,169)
Net cash used in financing activities	(1,044,919)	(592,925)
Effect of exchange rate changes on cash and cash equivalents	(1,652)	-
Increase (decrease) in cash and cash equivalents	(1,807,397)	609,607
Cash and cash equivalents at beginning of period	3,448,465	1,641,068
Cash and cash equivalents at end of period	1,641,068	2,250,675

(5) Conditions and Events that Might Raise Critical Questions about the Validity of the Going-concern Assumption

Not applicable.

(6) Significant Accounting Policies in the Preparation of the Consolidated Financial Statements

Item	FY3/08 (Apr. 1, 2007 – Mar. 31, 2008)	FY3/09 (Apr. 1, 2008 – Mar. 31, 2009)
1. Scope of consolidation	The accompanying financial statements include the accounts of the Company and its Company's one consolidated subsidiary. Name of subsidiary: LUX Co., Ltd. PEC LAMP USA CORP. is excluded from the consolidation as it was sold on November 1, 2007.	The accompanying financial statements include the accounts of the Company and its Company's one consolidated subsidiary. Name of subsidiary: LUX Co., Ltd. ―――――
2. Application of equity method	The Company has no affiliates.	Same as on the left.
3. Accounting period end of consolidated subsidiaries	At the consolidated subsidiary, the accounting year ends on December 31. The financial statements of the relevant consolidated subsidiary as of its closing date is incorporated therein after necessary adjustments applied for consolidation purposes regarding the material transactions that have occurred between its closing date of December 31 and the consolidated balance sheets date, March 31.	Same as on the left.
4. Significant accounting standards (1) Valuation criteria and methods for significant assets	a. Valuation criteria and methods for securities Other securities Securities with market quotations Carried at fair value on the balance sheet date. (Unrealized holding gain or loss is included in the net assets. The cost of securities sold is determined by the moving-average method.) Securities without market quotations Stated at cost, cost being determined by the moving-average method. Money in trusts other than money trusts Stated at cost, cost being determined by the moving-average method. b. Assets and liabilities deriving from derivatives Carried at fair value. c. Valuation criteria and methods for inventories Inventories are valued at cost (method in which book value is reduced when profitability declines). The Company carries inventories at cost, cost being determined by the weighted average method. Consolidated subsidiary carries inventories at cost, cost being determined by the first-in-first-out method.	a. Valuation criteria and methods for securities Other securities Securities with market quotations Same as on the left. Securities without market quotations Same as on the left. Money in trusts other than money trusts Same as on the left. b. Assets and liabilities deriving from derivatives ――――― c. Valuation criteria and methods for inventories Same as on the left.

<table>
<tr><th>Item</th><th>FY3/08
(Apr. 1, 2007 – Mar. 31, 2008)</th><th>FY3/09
(Apr. 1, 2008 – Mar. 31, 2009)</th></tr>
<tr><td></td><td>(Changes in accounting method)
Effective from the current fiscal year, the Company has adopted “Accounting Standard for Measurement of Inventories” (ASBJ Statement No. 9: Accounting Standards Board of Japan, July 5, 2006).
The effect of this change was to decrease gross profit, operating income and recurring profit by 41 million yen each, income before income taxes by 132 million yen, and net income by 78 million yen compare to the previous method.
In the first half of the current fiscal year, the Company was not prepared to begin using the new accounting standard for inventories. The new standard was applied starting at the end of the current fiscal year. If the new standard for inventories had been used in the first half of the current fiscal year, gross profit, operating income and recurring profit would have been 42 million yen lower, income before income taxes 145 million yen lower and net income 86 million yen lower compared to the previous method.</td><td>―――――</td></tr>
<tr><td>(2) Depreciation method for significant depreciable assets</td><td>a. Property, plant and equipment
Depreciation of property, plant and equipment at the Company and its consolidated subsidiaries is computed by the declining-balance method. The useful and residual value is based on a method similar to that provided in the Corporation Tax Law. However, depreciation of buildings (excluding equipment and fixtures) acquired on or after April 1, 1998 at the Company and its consolidated subsidiaries, is calculated using the straight-line method in accordance with the Corporation Tax Law.
Useful lives of principal assets are as follows (years):
Buildings and structures: 7-38
Machinery and vehicles: 4-15

(Changes in accounting method)
Pursuant to an amendment to the Corporation Tax Law (Partial Revision of Income Tax Law, Law No. 6, March 30, 2007) and Partial Revision of Corporation Tax Law Enforcement Ordinance, Cabinet Order No. 83, March 30, 2007), the Company and its consolidated subsidiary have changed the treatment of depreciation on property, plant and equipment acquired on or after April 1, 2007 to the method stipulated in the amended Corporation Tax Law.
This change in accounting policy has no significant effect on profits.</td><td>a. Property, plant and equipment
Same as on the left.

―――――</td></tr>
</table>

Item	FY3/08 (Apr. 1, 2007 – Mar. 31, 2008)	FY3/09 (Apr. 1, 2008 – Mar. 31, 2009)
	(Supplementary information) The Company and its consolidated subsidiary depreciate property, plant and equipment acquired on or before March 31, 2007 using the straight-line method over five years from the following year in which depreciation up to the depreciable amounts is completed.	(Supplementary information) The Company has changed its useful life of machinery from previously-applied eight years to seven years, following the revisions to the Corporation Tax Law. The effect of this change was to increase operating loss, recurring loss, and loss before income taxes by 41,807,000 yen each compare to the previous method.
	b. Intangible assets The development costs of software intended for internal use are amortized over an expected useful life of five years by the straight-line method.	b. Intangible assets Same as on the left.
(3) Significant allowances	a. Allowance for doubtful accounts To prepare for credit losses on accounts receivable. (a) General receivables Allowances equal to the estimated amount of uncollectible receivables are provided for general receivables based on the historical write-off ratio. (b) Bad receivables and claim in bankruptcy Bad receivables and claim in bankruptcy based on case-by-case determination of collectibility.	a. Allowance for doubtful accounts Same as on the left. (a) General receivables Same as on the left. (b) Bad receivables and claim in bankruptcy Same as on the left.
	b. Accrued bonuses To prepare for payment of bonuses to employees, an allowance is provided for an estimated accrued amount for the current fiscal year.	b. Accrued bonuses Same as on the left.
	―――――	c. Provision for product warranties (Changes in accounting method) The Company previously accounted for costs of replacement, repair, etc. of products during the free warranty period by expensing such costs when paid. However, effective from the current fiscal year, the Company has changed the method for reporting such costs by recognizing provision for product warranties based on the percentage of such costs incurred as compared to cost of goods sold. The change has been implemented because management believes that more appropriate periodic accounting of profit and loss can be achieved by matching the timing of recognition of expense for repairs, etc. during the free warranty period with revenue from sale of the products. The effect of this change was to increase operating loss, recurring loss, and loss before income taxes by 8,092,000 yen each compare to the previous method.
(4) Accounting for hedges	1) Accounting for hedges Special hedge accounting is applied to interest rate swap transactions that qualify for extraordinary treatment.	1) Accounting for hedges ―――――

Item	FY3/08 (Apr. 1, 2007 – Mar. 31, 2008)	FY3/09 (Apr. 1, 2008 – Mar. 31, 2009)
	2) Hedging instruments and risks hedged Hedging instrument: Interest rate swaps Risk hedged: Interest on borrowings 3) Hedging method The Company uses cash flow hedges comprising interest rate swaps to reduce its exposure to fluctuations in interest rates on its borrowings. 4) Evaluation of the effectiveness of a hedge The Company enters into interest rate swap transactions that meet the following conditions: I. The principal of the interest rate swap transaction matches the principal of long-term borrowings. II. The contract periods of the interest rate swap transaction match the repayment period of long-term borrowings. III. The index of the long-term borrowings and the floating interest rate index of the interest rate swap transaction match at TIBOR + 0.43%. IV. The conditions for the revision of the interest rate on the long-term borrowings match that of the interest rate swap transaction. V. The payment term for the interest rate swap transaction is fixed through the swap period. The effectiveness of the hedge on the balance sheet date is not evaluated since the interest rate swap transaction qualifies for extraordinary treatment.	2) Hedging instruments and risks hedged ――――― 3) Hedging method ――――― 4) Evaluation of the effectiveness of a hedge ―――――
(5) Other significant accounting policies in presentation of financial statements	a. Accounting for consumption taxes All amounts stated are exclusive of national and local consumption taxes.	a. Accounting for consumption taxes Same as on the left.
5. Evaluation of assets and liabilities of consolidated subsidiaries	Assets and liabilities of the consolidated subsidiaries are fully evaluated by the fair market value method.	Same as on the left.
6. Scope of cash and cash equivalents on consolidated statements of cash flows	For the purpose of consolidated statements of cash flows, cash and cash equivalents consists of vault cash, deposits that can be withdrawn on demand, and short-term investments, with original maturities of three months or less, that are readily convertible to known amounts of cash and present insignificant risk of change in value.	Same as on the left.

(7) Reclassification

FY3/08 (Apr. 1, 2007 – Mar. 31, 2008)	FY3/09 (Apr. 1, 2008 – Mar. 31, 2009)
―――――	(Consolidated Balance Sheets) With the adoption of “Cabinet Office Ordinance Partially Revising Regulation of Financial Statements” (Cabinet Office Ordinance No. 50, August 7, 2008), “Inventories” is divided into “Merchandise and finished goods,” “Work in process,” and “Raw materials and supplies” in the current fiscal year. The amount of “Merchandise and finished goods,” “Work in process,” and “Raw materials and supplies” included in “Inventories” in the previous fiscal year was 211 million yen, 229 million yen and 352 million yen, respectively.

(8) Notes to Consolidated Financial Statements

Notes to consolidated balance sheets

(Thousands of yen)

FY3/08 (As of Mar. 31, 2008)	FY3/09 (As of Mar. 31, 2009)
*1. Accumulated depreciation on property, plant and equipment 3,668,374	*1. Accumulated depreciation on property, plant and equipment 4,334,064 Of which accumulated impairment loss 386,540
*2. The settlement of trade notes maturing on the balance sheet date is accounted on the clearance date As the balance sheet date was a bank holiday, the trade notes maturing on the balance sheet date, in the following amounts were included in each account at the end of fiscal year. Notes and accounts receivable 1,949	*2. The settlement of trade notes maturing on the balance sheet date is accounted on the clearance date As the balance sheet date was a bank holiday, the trade notes maturing on the balance sheet date, in the following amounts were included in each account at the end of fiscal year. Notes and accounts receivable 4,152
――――	*3. Discounted notes and notes receivable endorsed Discounted notes receivable 96,825
――――	*4. Assets pledged Time deposits 20,000

Notes to consolidated statements of income

(Thousands of yen)

FY3/08 (Apr. 1, 2007 – Mar. 31, 2008)

*1. Significant components of selling, general and administrative expenses

Packing and transportation	91,779
Officers' remunerations	206,308
Employee' wages	374,663
Provision of accrued bonuses	85,412
Retirement benefit expenses	12,574
Other personnel expenses	94,011
Commissions paid	156,383
Depreciation and amortization	61,371
R&D expenses	366,113
Entertainment expenses	100,658
Others	468,000
Total	2,017,277

*2. Aggregate R&D expenses of 366,113,000 yen are presented as a component of general and administrative expenses.

*3. Significant components of loss on disposal of fixed assets

Loss on disposal of structures	4,109
Loss on disposal of machinery and vehicles	695
Total	4,805

*4. Impairment losses

The amounts of impairment losses with respect to the Group's assets are as follows (Thousands of yen):

Purpose	Type	Location	Amount
Idle assets	Machinery	Himeji City, Hyogo	23,965

(Explanation)

The above machinery is used mainly for finishing work on projector lamps at the second factory. Due to its obsolescence, the Company does not expect to use the above machinery any longer. Consequently, the decision was made to revalue the machinery at its net sales price (scrap price) and to recognize the difference as an impairment loss.

FY3/09 (Apr. 1, 2008 – Mar. 31, 2009)

*1. Significant components of selling, general and administrative expenses

Packing and transportation	64,259
Officers' remunerations	186,203
Employee' wages	334,315
Provision of accrued bonuses	41,048
Retirement benefit expenses	11,376
Other personnel expenses	78,807
Commissions paid	161,686
Depreciation and amortization	44,885
R&D expenses	344,919
Entertainment expenses	111,524
Others	283,580
Total	1,662,608

*2. Aggregate R&D expenses of 344,919,000 yen are presented as a component of general and administrative expenses.

*3. Significant components of loss on disposal of fixed assets

Loss on disposal of machinery and vehicles	513

*4. Impairment losses

The amounts of impairment losses with respect to the Group's assets are as follows (Thousands of yen):

(1) Impairment loss at idle facility

Purpose	Type	Location	Amount
Idle assets	Machinery	Himeji City, Hyogo	83,558

(Explanation)

The above machinery is used mainly for manufacturing projector lamps. Due to its obsolescence, the Company does not expect to use the above machinery any longer. Consequently, the decision was made to revalue the machinery at its net sales price (scrap price) and to recognize the difference as an impairment loss.

(2) Impairment loss resulting from lower profit margins of business

(Thousands of yen)

Category	Type	Amount
Manufacturing equipment of projector lamps	Machinery	378,019
	Tools, furniture and fixtures	8,520
	Total	386,540

(Method used for grouping)

Since product categories are used to group operations for internal accounting purposes, the same groupings are used for units producing cash flows.

(Calculation of amount that can be recovered)

Utilization value is used to determine the amount that can be recovered from manufacturing equipment in a particular business and future cash flows are discounted at an annual rate of 5%.

(Thousands of yen)

FY3/08 (Apr. 1, 2007 – Mar. 31, 2008)		FY3/09 (Apr. 1, 2008 – Mar. 31, 2009)	
*5. Reduction in book value due to decline in profitability of inventories held for regular sales purpose		*5. Reduction in book value due to decline in profitability of inventories held for regular sales purpose	
Cost of goods sold	41,753	Cost of goods sold	50,799
Extraordinary loss	90,665	Above figure is the net amount after subtracting the reduction posted in the previous fiscal year.	
Total	132,418		

Notes to consolidated statements of changes in shareholders' equity

FY3/08 (Apr. 1, 2007 – Mar. 31, 2008)

1. Type and number of outstanding stock

Type of share	Number of shares as of Mar. 31, 2007	Increase	Decrease	Number of shares as of Mar. 31, 2008
Common shares (shares)	22,806,900	-	-	22,806,900

2. Type and number of treasury stock

Type of share	Number of shares as of Mar. 31, 2007	Increase	Decrease	Number of shares as of Mar. 31, 2008
Common shares (shares)	99	1,128,323	-	1,128,422

Outline of changes:
Increase in the number of shares (itemized) as follows.
Increase due to the acquisition of odd lot shares: 23 shares
Increase due to the purchase of treasury stock: 1,128,300 shares

3. Dividends

(1) Dividend payment

Resolution	Type of share	Total amount of dividend (Thousand yen)	Dividend per share (Yen)	Record date	Effective date
General meeting of shareholders on Jun. 22, 2007	Common shares	114,034	5.00	Mar. 31, 2007	Jun. 25, 2007
Board of Directors meeting on Nov. 15, 2007	Common shares	110,951	5.00	Sep. 30, 2007	Dec. 10, 2007

(2) Dividends with a record date in the current fiscal year but an effective date in the following fiscal year

Resolution	Type of share	Source of funds	Total amount of dividend (Thousand yen)	Dividend per share (Yen)	Record date	Effective date
General meeting of shareholders on Jun. 24, 2008	Common shares	Retained earnings	108,392	5.00	Mar. 31, 2008	Jun. 25, 2008

FY3/09 (Apr. 1, 2008 – Mar. 31, 2009)

1. Type and number of outstanding stock

Type of share	Number of shares as of Mar. 31, 2008	Increase	Decrease	Number of shares as of Mar. 31, 2009
Common shares (shares)	22,806,900	-	-	22,806,900

2. Type and number of treasury stock

Type of share	Number of shares as of Mar. 31, 2008	Increase	Decrease	Number of shares as of Mar. 31, 2009
Common shares (shares)	1,128,422	1,000,054	-	2,128,476

Outline of changes:
Increase in the number of shares (itemized) as follows.
Increase due to the acquisition of odd lot shares: 54 shares
Increase due to the purchase of treasury stock: 1,000,000 shares

3. Dividends

(1) Dividend payment

Resolution	Type of share	Total amount of dividend (Thousand yen)	Dividend per share (Yen)	Record date	Effective date
General meeting of shareholders on Jun. 24, 2008	Common shares	108,392	5.00	Mar. 31, 2008	Jun. 25, 2008
Board of Directors meeting on Nov. 14, 2008	Common shares	48,776	2.25	Sep. 30, 2008	Dec. 5, 2008

(2) Dividends with a record date in the current fiscal year but an effective date in the following fiscal year

Resolution	Type of share	Source of funds	Total amount of dividend (Thousand yen)	Dividend per share (Yen)	Record date	Effective date
General meeting of shareholders on Jun. 23, 2009	Common shares	Retained earnings	46,526	2.25	Mar. 31, 2009	Jun. 24, 2009

Notes to consolidated statements of cash flows

(Thousands of yen)

FY3/08 (Apr. 1, 2007 – Mar. 31, 2008)	FY3/09 (Apr. 1, 2008 – Mar. 31, 2009)
Reconciliation of consolidated balance sheet items to cash and cash equivalents in consolidated statements of cash flows: (As of Mar. 31, 2008) Cash and deposits with banks 3,641,068 Time deposits with maturities longer than 3 months (2,000,000) Cash and cash equivalents 1,641,068 Assets and liabilities of PEC LAMP USA CORP. excluded from the consolidation due to sale of equity interest of this subsidiary in the current fiscal year: Assets 143,637 Liabilities 64,430	Reconciliation of consolidated balance sheet items to cash and cash equivalents in consolidated statements of cash flows: (As of Mar. 31, 2009) Cash and deposits with banks 4,050,675 Time deposits with maturities longer than 3 months (1,800,000) Cash and cash equivalents 2,250,675

Segment Information

1. Operating segment information

FY3/08 (Apr. 1, 2007 – Mar. 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.

FY3/09 (Apr. 1, 2008 – Mar. 31, 2009)

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.

2. Geographical segment information

FY3/08 (Apr. 1, 2007 – Mar. 31, 2008)

The geographic segment information is not presented since the combined segment sales and assets in Japan represented more than 90% of total sales and assets.

FY3/09 (Apr. 1, 2008 – Mar. 31, 2009)

The geographic segment information is not presented since the combined segment sales and assets in Japan represented more than 90% of total sales and assets.

3. Overseas sales

FY3/08 (Apr. 1, 2007 – Mar. 31, 2008)

(Thousands of yen)

	N. America	Asia	Other regions	Total
I. Overseas sales	519,925	4,066,943	52,922	4,639,791
II. Consolidated sales	-	-	-	9,005,637
III. Overseas sales as a percentage of consolidated sales (%)	5.8	45.2	0.6	51.5

Notes:

1. The geographic segmentation is decided 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.

FY3/09 (Apr. 1, 2008 – Mar. 31, 2009)

(Thousands of yen)

	N. America	Asia	Other regions	Total
I. Overseas sales	467,207	1,827,426	38,394	2,333,028
II. Consolidated sales	-	-	-	6,113,751
III. Overseas sales as a percentage of consolidated sales (%)	7.6	29.9	0.6	38.2

Notes:

1. The geographic segmentation is decided 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.

Deferred Income Taxes

(Thousands of yen)

FY3/08 (As of Mar. 31, 2008)			FY3/09 (As of Mar. 31, 2009)		
1. Significant components of deferred tax assets and liabilities			1. Significant components of deferred tax assets and liabilities		
Deferred tax assets:			Deferred tax assets:		
Loss on valuation of inventories		53,762	Allowance for doubtful accounts		3,061
Accrued officers' severance benefits		46,808	Accrued enterprise taxes		713
Impairment losses		19,906	Others		38
Accrued bonuses		55,334	Total deferred tax assets		3,813
Accrued enterprise taxes		2,125			
Accrued office taxes		7,259	Deferred tax liabilities:		
Others		34,329	Unrealized holding gain on securities		2,702
Less deferred tax liabilities		(15,004)	Deferred tax liabilities		2,702
Total deferred tax assets		204,521			
			Reconciliation of deferred tax assets as of March 31, 2009 with consolidated balance sheet accounts:		
Deferred tax liabilities:			Current assets:	Deferred tax assets	1,084
Unrealized holding gain on securities		(15,004)	Fixed assets:	Deferred tax assets	2,728
Less deferred tax assets		15,004			
Total deferred tax liabilities		-			
Net deferred tax assets		204,521			
Reconciliation of deferred tax assets as of March 31, 2008 with consolidated balance sheet accounts:					
Current assets:	Deferred tax assets	147,828			
Fixed assets:	Deferred tax assets	56,692			
2. Significant sources of difference between the statutory and effective tax rates			2. Significant sources of difference between the statutory and effective tax rates		
Statutory tax rate		40.6%	Not applicable because the Company reported loss before income taxes in the current fiscal year.		
Entertainment expenses not allowed to be included in expenses		6.1%			
Per capita residential tax		0.9%			
R&D tax credit		(6.2)%			
Tax not associated with elimination of gains on sale of affiliate stock for consolidation		4.6%			
Others		(0.1)%			
Effective tax rate		45.9%			

Securities

FY3/08 (Apr. 1, 2007 – Mar. 31, 2008)

1. Securities with market quotations classified as “Other securities”

(Thousands of yen)

Security	Acquisition cost	Carrying value	Unrealized gain
Securities whose carrying value exceeds their acquisition cost (1) Equity securities	23,344	60,300	36,956

2. Securities without market quotations

Securities classified as “Other securities”

(Thousands of yen)

Security	Carrying value
Unlisted foreign stock	21,205

FY3/09 (Apr. 1, 2008 – Mar. 31, 2009)

1. Securities with market quotations classified as “Other securities”

(Thousands of yen)

Security	Acquisition cost	Carrying value	Unrealized gain
Securities whose carrying value exceeds their acquisition cost (1) Equity securities	23,344	30,000	6,656

2. Securities without market quotations

Securities classified as “Other securities”

(Thousands of yen)

Security	Carrying value
Unlisted foreign stock	16,176

Derivatives

1. Transaction details

FY3/08 (Apr. 1, 2007 – Mar. 31, 2008)	FY3/09 (Apr. 1, 2008 – Mar. 31, 2009)
1. Derivative transactions (Interest rate swap transaction) The Company uses interest rate swaps for converting the floating interest rate on certain borrowings from financial institutions into a fixed interest rate.	1. Derivative transactions ―――――
2. Purpose and policy (Interest rate swap transaction) The Company uses derivative transactions only to reduce its exposure to market risk from fluctuations in interest rates and does not hold or issue highly leveraged derivative instruments. Derivative transactions are executed for hedge accounting. 1) Hedging instruments and risks hedged Hedging instrument: Interest rate swaps Risk hedged: Interest on borrowings 2) Hedging method The Company uses cash flow hedges comprising interest rate swaps to reduce its exposure to fluctuations in interest rates on its borrowings. 3) Evaluation of the effectiveness of a hedge The Company enters into interest rate swap transactions that meet the following conditions: I. The principal of the interest rate swap transaction matches the principal of long-term borrowings. II. The contract periods of the interest rate swap transaction match the repayment period of long-term borrowings. III. The index of the long-term borrowings and the floating interest rate index of the interest rate swap transaction match at TIBOR + 0.43%. IV. The conditions for the revision of the interest rate on the long-term borrowings match that of the interest rate swap transaction. V. The payment term for the interest rate swap transaction is fixed through the swap period. The effectiveness of the hedge on the balance sheet date is not evaluated since the interest rate swap transaction qualifies for extraordinary treatment.	2. Purpose and policy ―――――
3. Transaction risks (Interest rate swap transaction) Interest rate swap transaction contains some risks on market rate fluctuation. The Company makes derivative transaction with major domestic banks with high credit rating, thus the Company is of the opinion that the default risk is nominal.	3. Transaction risks ―――――
4. Risk management (Interest rate swap transaction) The Board of Directors approves all derivative transactions the Company enters into. The Board of Directors approves interest rate swap transactions along with the approval of borrowings from financial institutions.	4. Risk management ―――――

2. Details of market value in transaction

FY3/08 (As of Mar. 31, 2008)

Currency related

No reportable information.

The Company uses interest rate swap transactions but no information is presented since these transactions are accounted for by the hedge method.

FY3/09 (As of Mar. 31, 2009)

No reportable information.

Retirement Benefits

(Thousands of yen)

FY3/08 (Apr. 1, 2007 – Mar. 31, 2008)	FY3/09 (Apr. 1, 2008 – Mar. 31, 2009)
1. Retirement benefit plans The Company and its subsidiaries on March 2004 switched to a defined-contribution pension plan. 2. Retirement benefit expenses Contribution for defined-contribution pension plan 45,866	1. Retirement benefit plans The Company and its subsidiaries on March 2004 switched to a defined-contribution pension plan. 2. Retirement benefit expenses Contribution for defined-contribution pension plan 46,043

Per Share Data

(Yen)

FY3/08 (Apr. 1, 2007 – Mar. 31, 2008)		FY3/09 (Apr. 1, 2008 – Mar. 31, 2009)	
Net assets per share	444.92	Net assets per share	402.85
Net income per share	16.25	Net loss per share	(43.97)
Net income per share (diluted) is not presented since there is no outstanding potential stock.		Same as on the left.	

Note: Basis for calculation of net assets per share is as follows:

1. Net assets per share *(Thousands of yen)*

	FY3/08 (As of Mar. 31, 2008)	FY3/09 (As of Mar. 31, 2009)
Total net assets on the consolidated balance sheets	9,645,252	8,330,388
Net assets applicable to common stock	9,645,252	8,330,388
Number of shares outstanding (shares)	22,806,900	22,806,900
Number of treasury stock (shares)	1,128,422	2,128,476
Number of common stock used in calculation of net assets per share (shares)	21,678,478	20,678,424

2. Net income per share *(Thousands of yen)*

	FY3/08 (Apr. 1, 2007 – Mar. 31, 2008)	FY3/09 (Apr. 1, 2008 – Mar. 31, 2009)
Net income per share		
Net income	361,294	(947,985)
Amount not attributable to common shareholders	-	-
Net income available to common stock	361,294	(947,985)
Average number of shares outstanding (shares)	22,233,568	21,561,495

Subsequent Events

FY3/08 (Apr. 1, 2007 – Mar. 31, 2008)

No reportable information.

FY3/09 (Apr. 1, 2008 – Mar. 31, 2009)

I. Management integration

On November 14, 2008, the Board of Directors of Helios Techno Holding Co., Ltd. approved a resolution to conduct management integration with Nippon Gijutsu Center Co., Ltd. using the following schedule. On the same day, stock purchase and sale and stock exchange agreements were signed.

April 1, 2009	Purchase part of the shares of Nippon Gijutsu Center
May 1, 2009	Exchange of the Company's stock for Nippon Gijutsu Center stock, making Nippon Gijutsu Center a wholly owned subsidiary of Helios Techno Holding

1. Summary of business combinations

(1) Name of company acquired and its business activity

Nippon Gijutsu Center Co., Ltd.

(Business activities: Engineering, design subcontracting, temporary staffing for engineers)

(2) Major reason for business combination, including summary of transaction

On November 14, 2008, the Board of Directors of Helios Techno Holding Co., Ltd. approved a resolution to sign on the same day stock purchase and sale and stock exchange agreements for the purpose of making Nippon Gijutsu Center Co., Ltd. a wholly owned subsidiary. The two companies plan to further strengthen their business operations through the mutually complementary use of their resources. This will provide a base for sustaining growth and creating shareholder value by capturing synergies and expanding business activities even faster.

On April 1, 2009, Helios Techno Holding Co., Ltd. purchased 30,244 shares of Nippon Gijutsu Center (62.1% of shares issued excluding treasury stock) from this company's current shareholders.

Helios Techno Holding Co., Ltd. conducted a stock swap on May 1, 2009 for all remaining shares of Nippon Gijutsu Center, and the Company made Nippon Gijutsu Center a wholly owned subsidiary.

(3) Date of business combination

April 1, 2009

(4) Method of business combination

Swap and acquisition of stock

(5) Name of the post-combination company

Helios Techno Holding Co., Ltd.

(6) Ratio of ownership

100.0%

2. Acquisition cost and other particulars

Stock of Nippon Gijutsu Center:	398 million yen
Cash expenditure for the acquisition	
Brokerage commissions:	55 million yen
Acquisition cost:	454 million yen

3. Stock swap ratio, calculation method, number of shares delivered, and valuation figure

(1) Type of shares and stock swap ratio

Common stock

One share of Nippon Gijutsu Center was exchanged for 77.5 shares of Helios Techno Holding.

(2) Calculation method

Third parties were selected by Helios Techno Holding and Nippon Gijutsu Center to calculate stock swap ratios. Based on ratios determined by these third parties and other information, the two companies agreed on the above swap ratio.

The third party selected by Helios Techno Holding used the average market price method and discounted cash flow method for Helios Techno Holding stock and the peer company comparison method and discounted cash flow method for Nippon Gijutsu Center stock. These results were then evaluated in a comprehensive manner.

The third party selected by Nippon Gijutsu Center used the average market price method and discounted cash flow method for Helios Techno Holding stock and the peer company comparison method and discounted cash flow method for Nippon Gijutsu Center stock. These results were then evaluated in a comprehensive manner.

(3) Number of shares delivered, and valuation figure

Number of shares delivered: 1,432,510 shares

Valuation figure: 254 million yen

4. Goodwill (negative goodwill) resulting from the business combination

(1) Goodwill: 299 million yen

(2) Source of goodwill

Since the market value of net assets was less than the acquisition cost when the companies were combined, the difference was recognized as goodwill.

(3) Amortization method and amortization period

Goodwill is amortized over five years by the straight-line method.

5. Amount of assets received and liabilities assumed on the date of the business combination

Assets: 2,799 million yen (current assets: 2,207 million yen, fixed assets: 591 million yen)

Liabilities: 2,389 million yen (current assets: 1,440 million yen, fixed assets: 948 million yen)

II. Change in business segments

In previous years, results of operations used only a single business segment: the lamp business. Beginning with the fiscal year ending on March 31, 2010, due to the management integration with Nippon Gijutsu Center, the Group will report its results of operations using three business segments: the lamp business, industrial equipment business and staffing services business.

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.