Helios Techno

May 11, 2012

Summary of Consolidated Financial Results for the Fiscal Year Ended March 31, 2012

[Japanese GAAP]

Company name: Helios Techno Holding Co., Ltd. Listings: Tokyo and Osaka
Stock code: 6927 URL: http://www.heliostec-hd.co.jp/
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Scheduled date of General Meeting of Shareholders: June 22, 2012
Scheduled date of filing of Annual Securities Report: June 25, 2012
Scheduled date of payment of dividend: -
Preparation of supplementary materials for financial results: Yes
Holding of financial results meeting: Yes (for institutional investors and securities analysts)

Note: The original disclosure in Japanese was released on May 11, 2012 at 17:00 (GMT +9)

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

1. Consolidated Financial Results for the Fiscal Year Ended March 31, 2012 (April 1, 2011 – March 31, 2012)

(1) Consolidated results of operations (Percentages for net sales and incomes 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. 31, 2012	10,056	(27.8)	(533)	-	(315)	-	(1,256)	-
Fiscal year ended Mar. 31, 2011	13,921	32.1	259	-	470	-	360	-

Note: Comprehensive income (million yen) Fiscal year ended Mar. 31, 2012: (1,258) (n.a.)
Fiscal year ended Mar. 31, 2011: 352 (n.a.)

	Net income per share (basic)	Net income per share (diluted)	ROE	Recurring profit on total assets	Operating income to net sales
	Yen	Yen	%	%	%
Fiscal year ended Mar. 31, 2012	(75.95)	-	(19.3)	(3.0)	(5.3)
Fiscal year ended Mar. 31, 2011	19.33	-	4.7	3.9	1.9

Reference: Equity in earnings of affiliates (million yen) Fiscal year ended Mar. 31, 2012: - Fiscal year ended Mar. 31, 2011: -

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio	Net assets per share
	Million yen	Million yen	%	Yen
As of Mar. 31, 2012	9,246	5,850	63.3	353.58
As of Mar. 31, 2011	11,516	7,200	62.5	435.13

Reference: Shareholders' equity (million yen) As of Mar. 31, 2012: 5,850 As of Mar. 31, 2011: 7,200

(3) Consolidated cash flows

	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. 31, 2012	84	(166)	93	1,608
Fiscal year ended Mar. 31, 2011	189	(206)	(1,074)	1,597

2. Dividends

	Dividend per share					Total dividends	Payout ratio (Consolidated)	Dividend on equity (Consolidated)
	1Q-end	2Q-end	3Q-end	Year-end	Total			
	Yen	Yen	Yen	Yen	Yen	Million yen	%	%
Fiscal year ended Mar. 31, 2011	-	0.00	-	5.50	5.50	91	28.5	1.4
Fiscal year ended Mar. 31, 2012	-	0.00	-	0.00	0.00	-	-	-
Fiscal year ending Mar. 31, 2013 (forecast)	-	0.00	-	8.00	8.00		25.4	

3. Consolidated Forecast for the Fiscal Year Ending March 31, 2013 (April 1, 2012 – March 31, 2013)

(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	4,598	(7.8)	(83)	-	(74)	-	(21)	-	(1.27)
Full year	12,220	21.5	479	-	508	-	521	-	31.49

*** Notes**

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

(2) Changes in accounting policies and accounting-based estimates, and restatements

1) Changes in accounting policies due to revisions in accounting standards, others: None

2) Changes in accounting policies other than 1) above: None

3) Changes in accounting-based estimates: None

4) Restatements: None

(3) Number of shares outstanding (common stock shares)

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

As of Mar. 31, 2012:	22,806,900 shares	As of Mar. 31, 2011:	22,806,900 shares

2) Number of treasury stock shares at the end of period

As of Mar. 31, 2012:	6,259,410 shares	As of Mar. 31, 2011:	6,259,410 shares

3) Average number of shares outstanding during the period

Fiscal year ended Mar. 31, 2012:	16,547,490 shares	Fiscal year ended Mar. 31, 2011:	18,628,847 shares

Reference: Summary of Non-consolidated Financial Results

1. Non-consolidated Financial Results for the Fiscal Year Ended March 31, 2012 (April 1, 2011 – March 31, 2012)

(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. 31, 2012	616	44.5	231	-	283	403.9	(1,541)	-
Fiscal year ended Mar. 31, 2011	426	(2.1)	0	(95.6)	56	(17.3)	120	80.0

	Net income per share (basic)	Net income per share (diluted)
	Yen	Yen
Fiscal year ended Mar. 31, 2012	(93.18)	-
Fiscal year ended Mar. 31, 2011	6.46	-

(2) Non-consolidated financial position

	Total assets	Net assets	Equity ratio	Net assets per share
	Million yen	Million yen	%	Yen
As of Mar. 31, 2012	6,955	5,507	79.2	332.83
As of Mar. 31, 2011	8,325	7,142	85.8	431.61

Reference: Shareholders' equity (million yen) As of Mar. 31, 2012: 5,507 As of Mar. 31, 2011: 7,142

2. Non-consolidated Forecast for the Fiscal Year Ending March 31, 2013 (April 1, 2012 – March 31, 2013)

No non-consolidated forecast is shown because Helios Techno Holding Co., Ltd. has no sales to external customers following the Company's conversion to a holding company.

Note 1: Indication of audit procedure implementation status

This summary report is not subject to the audit procedures based on the Financial Instruments and Exchange Law. At the time when this report is released, the audit procedures for financial statements have not been completed.

Note 2: Cautionary statement with respect to forward-looking statements and other special items

Note concerning forward-looking statements

Forecasts of future performance in this report are based on assumptions judged to be valid and information currently available to the Company. Actual results are affected by various factors and may differ substantially. For discussion of the assumptions and other factors considered by the Company in preparing the above projections, please refer to page 2 of the attachments "Analysis of Results of Operations."

How to view supplementary information about performance

Each year, Helios Techno Holding holds an information meeting for securities analysts for results of operations for the first half and for the full fiscal year. Materials distributed at this event are available on the Company's website.

Contents of Attachments

1. Results of Operations	2
(1) Analysis of Results of Operations	2
(2) Analysis of Financial Position	4
2. Management Policies	6
(1) Fundamental Management Policies	6
(2) Medium- and Long-term Management Strategies	6
(3) Important Issues	6
3. Consolidated Financial Statements	8
(1) Consolidated Balance Sheets	8
(2) Consolidated Statements of Income and Consolidated Statements of Comprehensive Income	10
(3) Consolidated Statements of Changes in Shareholders' Equity	12
(4) Consolidated Statements of Cash Flows	14
(5) Going Concern Assumption	16
(6) Notes to Consolidated Financial Statements	16
Segment Information	16
Per-share Data	18
Subsequent Events	18
4. Others	18
(1) Changes in Directors	18

1. Results of Operations

(1) Analysis of Results of Operations

Overview of the current fiscal year

1. General economic and market trends

In the fiscal year that ended on March 31, 2012, there was a recovery in some sectors of the Japanese economy but the Great East Japan Earthquake had a severe impact on the economy. The result was an extremely difficult economic environment caused by problems involving the supply of electricity and other energy sources, the yen's strength associated with financial instability linked to the European debt crisis, and other events.

Under these difficult circumstances, the Helios Techno Group is developing and introducing new products ahead of schedule, making every effort to reduce production material costs and fixed expenses, as well as taking many other actions. In response to these challenges, the Group has been implementing structural reforms that include a voluntary retirement program, the consolidation of assets used for business activities and other measures. These initiatives reflect the large drop in sales and management's belief that sales will continue to decline over the next several years because of the yen's strength.

As a result, net sales in the current fiscal year decreased 3,865 million yen or 27.8% over the previous fiscal year to 10,056 million yen and there were an operating loss of 533 million yen, a recurring loss of 315 million yen. After the posting of extraordinary losses for impairment losses and business structure improvement expenses, both in association with the above-mentioned structural reforms, there was a net loss of 1,256 million yen.

2. Operation results by segment

i) Lamp business

In the lamp business, market demand for projectors used in companies, schools and other applications decreased because of slowing global economic growth, chiefly in industrialized countries, and inventory reductions. Furthermore, the yen's strength had a severe impact on the performance of this business. As a result, sales of the Company's projector lamps fell 33.2% to 2,196 million yen. As for the general lighting lamps, sales of LED lamps have been increasingly growing since June 2011. However, demand for halogen lamps and other core lamps is decreasing, even after excluding the temporary negative effect on demand from the need to conserve electricity following the earthquake. The result was a 19.9% decrease in sales to 1,446 million yen. Sales of light sources for exposure equipment rose to 567 million yen, 50.2% higher than one year earlier.

Overall, segment sales in the current fiscal year decreased by 24.7% to 4,743 million yen, compared with the previous fiscal year.

ii) Manufacturing equipment business

In the manufacturing equipment business, there have been capital expenditures in the flat-panel display sector to meet growing demand for these displays in Asia, primarily China. But now that these expenditures have been largely completed, we have shifted focus onto developing new types of equipment and working hard on capturing orders for this equipment. These activities are in anticipation of demand associated with substantial investments in emerging markets. The Company also expects growth in investments associated with alignment layer manufacturing equipment and touch-screen panel manufacturing equipment used for smartphones and tablet devices. The Company regards performance in this business in the current fiscal year as a reflection of the fluctuations that are a characteristic of the manufacturing equipment industry as well as the result of the current period of transition to new products. The segment sales in the current fiscal year decreased by 45.0% to 3,015 million yen, compared with the previous fiscal year.

iii) Inspection equipment business

In the inspection equipment business, demand is emerging in Japan for macro inspection equipment (penetrant testing devices) for smartphones and tablet devices. There were extensive activities involving the newly developed S-Light and orders were received for macro inspection equipment. As a result, segment sales in the current fiscal year increased by 7.6% to 701 million yen, compared with the previous fiscal year.

iv) Staffing services business

In the staffing services business, performance is generally stable because this business handles primarily engineers. We made efforts to improve the quality of the staffing services workforce, provide services that meet customers' needs and further strengthen sales activities. As a result, segment sales in the current fiscal year increased by 4.0% to 1,901 million yen, compared with the previous fiscal year.

Net sales and operating income by business segment *(Millions of yen, %)*

Business segment	FY3/11			FY3/12		
	Net sales	Composition	Operating income	Net sales	Composition	Operating income
Lamp business	6,300	45.3	205	4,743	47.2	26
Manufacturing equipment business	5,486	39.4	508	3,015	30.0	(261)
Inspection equipment business	651	4.7	(38)	701	7.0	(4)
Staffing services business	1,828	13.1	18	1,901	18.9	86
Adjustments	(345)	(2.5)	(435)	(305)	(3.1)	(380)
Total	13,921	100.0	259	10,056	100.0	(533)

Outlook for new fiscal year

The Helios Techno Group foresees no significant changes in its assumptions regarding the operating environment, which includes slowing economic growth primarily in industrialized countries, a stronger yen and weaker euro, and other items. We believe that we are responding to this situation with effective measures. The Helios Techno Group is committed to improving its business performance. The initiatives toward that goal are as follows:

1) Lamp business

In the projector market, there is little growth in demand for business and school projectors in industrialized countries but demand is expected to continue to increase in developing countries. However, sales of projectors have fallen sharply because of the continuing growth in the market share of lower-priced products and the impact of the strong yen and weak euro. We are working on increasing sales by deepening ties with current customers and establishing relationships with new customers. Another goal is to become more cost competitive by reducing costs through greater collaboration among sales, technology, production and procurement activities as well as by reexamining our manufacturing network. In the LED lamp sector, the Company expects sales to post steady growth. One reason is that sales activities are raising awareness of these lamps. Another reason is the development of high-intensity lamps, which makes it possible to offer a broad lineup of LED lamps. There is substantial demand for these lamps at operators of restaurants, hotels and retail stores and another source of demand is factory illumination lamps.

2) Manufacturing equipment business

Capital expenditures in the flat-panel display sector are sluggish because of the severe impact of weak sales of personal computers and televisions. But companies are starting to make substantial capital expenditures for high-resolution LCD production because of the rapid growth in sales of smartphones and tablet devices. Following a reexamination of flexo printing equipment, we have been taking many actions in addition to conducting aggressive sales activities as in the past. This company completed the development of precision printing equipment that uses inkjet and other high-resolution technologies. We also started working on touch-panel manufacturing equipment. In addition, the Helios Techno Group succeeded in moving outside the LCD category to establish a foothold in the printed electronics market.

3) Inspection equipment business

In the inspection equipment business, the Company will actively promote its newly developed penetrant testing device (S-Light) to continue to expand its inspection equipment business.

4) Staffing services business

We do not believe the staffing services business is significantly vulnerable to changes in the economy because this business handles primarily engineers. Sales and earnings in this business are expected to increase along with measures to strengthen operations by upgrading the quality of the staff and offering services that precisely meet the needs of customers.

Based on this outlook, the Company forecasts consolidated net sales of 12,220 million yen, operating income of 479 million yen, recurring profit of 508 million yen and net income of 521 million yen in the fiscal year ending on March 31, 2013.

(2) Analysis of Financial Position

Analysis of balance sheet position and cash flows

1) Balance sheet position

Assets

Current assets decreased by 734 million yen from the end of the last fiscal year. The main factors of decrease were a 341 million yen fall in work in process, a 92 million yen fall in raw materials and supplies, and a 168 million yen fall in advance payments and a 91 million yen fall in advances paid that are included in others under current assets.

Fixed assets decreased by 1,535 million yen from the end of the last fiscal year. The main factor of increase was a 288 million yen fall in allowance for doubtful accounts, a contra account. The main factors of decrease were a 1,006 million yen fall in property, plant and equipment, and a 726 million yen fall in long-term accounts receivable-other.

As a result of the above, total assets decreased 19.7% from the end of the last fiscal year to 9,246 million yen.

Liabilities

Current liabilities decreased by 37 million yen from the end of the last fiscal year. The main factors of increase were a 500 million yen rise in short-term borrowings, and a 317 million yen rise in current portion of long-term borrowings. The main factors of decrease were a 410 million yen fall in notes and accounts payable, and a 213 million yen fall in accrued income taxes.

Long-term liabilities decreased by 882 million yen from the end of the last fiscal year. The main factors of decrease were a 558 million yen fall in long-term borrowings, 158 million yen fall in accrued employees' retirement benefits, and a 144 million yen fall in deferred tax liabilities.

As a result, total liabilities decreased 21.3% from the end of the last fiscal year to 3,396 million yen.

Net assets

Total net assets decreased 1,349 million yen from the end of the last fiscal year. The main factor of decrease was a 1,347 million yen fall in retained earnings. Retained earnings decreased mainly due to a 1,256 million yen net loss and 91 million yen for cash dividends paid.

As a result, total net asset declined 18.7% from the end of the last fiscal year to 5,850 million yen.

Consequently, shareholders' equity ratio declined from 62.5% at the end of the last fiscal year to 63.3% at the end of the period under review.

2) Cash flows

Cash flows from operating activities

Net cash provided by operating activities was 84 million yen compared with 189 million yen one year earlier. Major sources of cash were impairment losses of 680 million yen, depreciation and amortization of 433 million yen, decrease (increase) in inventories of 426 million yen, and decrease (increase) in advance payments of 168 million yen. Major uses of cash included loss before income taxes of 1,292 million yen, and increase (decrease) in notes and accounts payable of 410 million yen.

Cash flows from investing activities

Net cash used in investing activities was 166 million yen compared with 206 million yen one year earlier. While major source of cash was proceeds of 61 million yen from the sales of property, plant and equipment, there were payments of 140 million yen for the purchase of property, plant and equipment and payments of 77 million yen for the purchase of intangible assets.

Cash flows from financing activities

Net cash provided by financing activities was 93 million yen compared with net cash used of 1,074 million yen one year earlier. While major source of cash was net increase (decrease) in short-term loans payable of 500 million yen, major uses of cash include repayment of long-term borrowings of 241 million yen, cash dividends paid of 91 million yen, and repayment of lease obligations of 78 million yen.

As a result of the above, cash and cash equivalents at the end of the current fiscal year increased 11 million yen from the end of the previous fiscal year to 1,608 million yen.

(Reference) Cash Flow Indicators

	FY3/08	FY3/09	FY3/10	FY3/11	FY3/12
Shareholders’ equity ratio (%)	88.5	92.2	64.1	62.5	63.3
Shareholders’ equity ratio at market cap (%)	53.7	41.9	52.3	28.6	25.4
Interest-bearing debt to cash flow ratio (years)	0.2	0.0	1.0	6.2	16.0
Interest coverage ratio	258.0	663.9	54.5	10.5	4.3

Shareholders’ equity ratio: shareholders’ equity/ total assets
Shareholders’ equity ratio at market cap: market capitalization/ total assets
Interest-bearing debt to cash flow ratio: interest-bearing debt/ cash flow
Interest coverage ratio: cash flow/ interests paid

Note 1. All of the above indicators are calculated using figures from the consolidated financial statements.
Note 2. Market capitalization is calculated based on the number of outstanding shares (net of treasury stock).
Note 3. Cash flows refer to “net cash provided by operating activities” as shown on the statements of cash flows.
Note 4. Interest-bearing debt refers to the total of liabilities shown on the consolidated balance sheets on which interest is paid.

2. Management Policies

(1) Fundamental Management Policies

The Group's fundamental policy is to develop and offer value-added products and services that competitors cannot match in all of its businesses: the lamp business, manufacturing equipment business, inspection equipment business and staffing services business. The fundamental policy also includes expanding business operations and building a stable foundation for operations by generating synergies among different business activities and accelerating growth.

The Helios Techno Group is also dedicated to meeting the expectations of shareholders, customers, suppliers, employees, communities and all other stakeholders. For this purpose, the Group is committed to using its collective strengths to increase sales and earnings, maximize corporate value and fulfill its obligations as a responsible corporate citizen.

(2) Medium- and Long-term Management Strategies

The Group's objective is to use the holding company structure with Helios Techno Holding Co., Ltd. as the parent company to expand the scale of operations and establish a stable base of operations with four profit centers: the lamp business, manufacturing equipment business, inspection equipment business and staffing services business.

In the lamp business, PHOENIX Electric Co., Ltd. bases its operations on a code of conduct that places priority on taking advantage of the company's small scale to be of greater assistance to customers. This company aims to establish a distinctive presence in niche markets where it can create distinctive competitive strategies and leverage its unique competitive strengths. In the newly created LED lamp sector as well, the goal is to grow by using distinctive competitive strategies.

In the manufacturing equipment business, the core precision printing technology expertise of NAKAN Techno Co., Ltd. will be further upgraded to enter new market sectors and develop new products.

In the inspection equipment business, the Group plans to combine the expertise of Nippon Gijutsu Center Co., Ltd. involving many types of inspection equipment and the optical design technologies of PHOENIX Electric Co., Ltd. to develop new inspection equipment that can contribute to the growth of the inspection equipment business.

The staffing services business, which has a staff of engineers with highly advanced specialized technical skills, will be expanded to become a consistent source of earnings for the Group.

- 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 Company strives to achieve further refinements in its operations in the above respects to become a "true middle-market company."

(3) Important Issues

The Group allocates 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) Make each business more competitive and more profitable by optimizing the Group's business portfolio that includes the lamp business, manufacturing equipment business, inspection equipment business and staffing services business.

2) Combine technologies in the fields of lamps, optics, precision printing, equipment design and image processing, using new product development and other activities to contribute to the rapid growth of the equipment business.

3) Develop lamps, with particular emphasis on LED lamps, that meet customer demands for better performance (longer life and greater brightness), improved reliability and help protect the environment.

4) Become more cost competitive by using collaboration among group companies.

5) Launch new businesses by targeting opportunities in new business fields.

3. Consolidated Financial Statements

(1) Consolidated Balance Sheets

(Thousands of yen)

	FY3/11 (As of Mar. 31, 2011)	FY3/12 (As of Mar. 31, 2012)
Assets		
Current assets		
Cash and deposits with banks	1,617,737	1,638,928
Notes and accounts receivable	2,841,474	2,808,368
Merchandise and finished goods	256,548	273,739
Work in process	893,180	551,960
Raw materials and supplies	640,714	547,780
Deferred tax assets	85,880	1,150
Others	475,036	252,617
Allowance for doubtful accounts	(25,085)	(23,484)
Total current assets	6,785,485	6,051,062
Fixed assets		
Property, plant and equipment		
Buildings and structures, net	1,532,976	910,752
Machinery and vehicles, net	611,919	399,474
Land	1,250,227	1,190,227
Lease assets, net	103,034	29,624
Construction in progress	121,015	75,729
Others, net	67,227	74,424
Total property, plant and equipment	3,686,400	2,680,234
Intangible assets		
Goodwill	200,685	120,411
Others	76,551	122,607
Total intangible assets	277,237	243,019
Investments and other assets		
Investment securities	257,230	229,128
Deferred tax assets	4,260	29
Long-term accounts receivable-other	773,353	47,107
Others	69,030	43,633
Allowance for doubtful accounts	(336,295)	(47,381)
Total investments and other assets	767,579	272,517
Total fixed assets	4,731,216	3,195,770
Total assets	11,516,701	9,246,832

(Thousands of yen)

	FY3/11 (As of Mar. 31, 2011)	FY3/12 (As of Mar. 31, 2012)
Liabilities		
Current liabilities		
Notes and accounts payable	1,162,908	751,992
Short-term borrowings	-	500,000
Current portion of long-term borrowings	254,820	572,330
Lease obligations	44,307	22,103
Accrued income taxes	231,987	18,793
Accrued bonuses	176,150	131,414
Provision for product warranties	17,736	14,178
Provision for loss on construction contracts	88,374	44,193
Others	629,126	512,594
Total current liabilities	2,605,410	2,567,600
Long-term liabilities		
Long-term borrowings	796,330	237,800
Lease obligations	70,643	14,506
Deferred tax liabilities	442,039	297,841
Accrued employees’ retirement benefits	158,713	-
Long-term accounts payable	111,622	186,073
Negative goodwill	130,497	90,344
Others	1,200	1,850
Total long-term liabilities	1,711,046	828,417
Total liabilities	4,316,457	3,396,018
Net assets		
Shareholders’ equity		
Common stock	2,133,177	2,133,177
Capital surplus	2,563,867	2,563,867
Retained earnings	4,065,923	2,718,104
Treasury stock	(1,567,420)	(1,567,420)
Total shareholders’ equity	7,195,548	5,847,728
Accumulated other comprehensive income		
Unrealized holding gain on other securities	4,696	3,085
Total accumulated other comprehensive income	4,696	3,085
Total net assets	7,200,244	5,850,814
Total liabilities and net assets	11,516,701	9,246,832

(2) Consolidated Statements of Income and Consolidated Statements of Comprehensive Income

Consolidated Statements of Income

(Thousands of yen)

	FY3/11 (Apr. 1, 2010 – Mar. 31, 2011)	FY3/12 (Apr. 1, 2011 – Mar. 31, 2012)
Net sales	13,921,378	10,056,348
Cost of goods sold	10,874,951	8,101,816
Gross profit	3,046,426	1,954,531
Selling, general and administrative expenses	2,787,096	2,488,221
Operating income (loss)	259,329	(533,689)
Non-operating income		
Interest income	1,123	158
Dividend income	1,504	7,132
Fiduciary obligation fee	294,355	162,588
Amortization of negative goodwill	40,153	40,153
Reversal from allowance for doubtful accounts	-	67,696
Miscellaneous revenue	30,228	22,816
Total non-operating income	367,365	300,546
Non-operating expenses		
Interest expense	17,202	16,892
Foreign exchange losses	118,973	38,886
Loss on valuation of investment securities	5,003	24,463
Miscellaneous loss	15,011	2,389
Total non-operating expenses	156,191	82,630
Recurring profit (loss)	470,503	(315,773)
Extraordinary income		
Gain on sales of fixed assets	2,560	17,651
Reversal from allowance for doubtful accounts	139,018	-
Gain on revision of retirement benefit plan	-	67,033
Total extraordinary income	141,578	84,685
Extraordinary loss		
Loss on disposal of fixed assets	242	21,601
Loss on sales of fixed assets	-	477
Impairment losses	-	680,514
Business structure improvement expenses	-	358,339
Total extraordinary losses	242	1,060,933
Income (loss) before income taxes and minority interests	611,839	(1,292,021)
Income taxes-current	336,377	21,947
Income taxes-deferred	(84,565)	(57,160)
Total income taxes	251,812	(35,213)
Income (loss) before minority interests	360,027	(1,256,808)
Net income (loss)	360,027	(1,256,808)

Consolidated Statements of Comprehensive Income

(Thousands of yen)

	FY3/11 (Apr. 1, 2010 – Mar. 31, 2011)	FY3/12 (Apr. 1, 2011 – Mar. 31, 2012)
Income (loss) before minority interests	360,027	(1,256,808)
Other comprehensive income		
Unrealized holding loss on other securities	(7,070)	(1,610)
Total other comprehensive income	(7,070)	(1,610)
Comprehensive income	352,956	(1,258,418)
Comprehensive income attributable to		
Comprehensive income attributable to owners of the parent	352,956	(1,258,418)
Comprehensive income attributable to minority interests	-	-

(3) Consolidated Statements of Changes in Shareholders' Equity

(Thousands of yen)

	FY3/11 (Apr. 1, 2010 – Mar. 31, 2011)	FY3/12 (Apr. 1, 2011 – Mar. 31, 2012)
Shareholders' equity		
Common stock		
Balance at the beginning of current 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 beginning of current 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 beginning of current period	3,770,739	4,065,923
Changes of items during the period		
Dividends from surplus	(44,219)	(91,011)
Net income (loss)	360,027	(1,256,808)
Disposal of treasury stock	(20,624)	-
Total changes of items during the period	295,183	(1,347,819)
Balance at the end of current period	4,065,923	2,718,104
Treasury stock		
Balance at the beginning of current period	(248,126)	(1,567,420)
Changes of items during the period		
Purchase of treasury stock	(1,539,905)	-
Disposal of treasury stock	220,611	-
Total changes of items during the period	(1,319,293)	-
Balance at the end of current period	(1,567,420)	(1,567,420)
Total shareholders' equity		
Balance at the beginning of current period	8,219,658	7,195,548
Changes of items during the period		
Dividends from surplus	(44,219)	(91,011)
Net income (loss)	360,027	(1,256,808)
Purchase of treasury stock	(1,539,905)	-
Disposal of treasury stock	199,987	-
Total changes of items during the period	(1,024,109)	(1,347,819)
Balance at the end of current period	7,195,548	5,847,728

(Thousands of yen)

	FY3/11 (Apr. 1, 2010 – Mar. 31, 2011)	FY3/12 (Apr. 1, 2011 – Mar. 31, 2012)
Accumulated other comprehensive income		
Unrealized holding gain on other securities		
Balance at the beginning of current period	11,766	4,696
Changes of items during the period		
Net changes of items other than shareholders' equity	(7,070)	(1,610)
Total changes of items during the period	(7,070)	(1,610)
Balance at the end of current period	4,696	3,085
Total accumulated other comprehensive income		
Balance at the beginning of current period	11,766	4,696
Changes of items during the period		
Net changes of items other than shareholders' equity	(7,070)	(1,610)
Total changes of items during the period	(7,070)	(1,610)
Balance at the end of current period	4,696	3,085
Total net assets		
Balance at the beginning of current period	8,231,425	7,200,244
Changes of items during the period		
Dividends from surplus	(44,219)	(91,011)
Net income (loss)	360,027	(1,256,808)
Purchase of treasury stock	(1,539,905)	-
Disposal of treasury stock	199,987	-
Net changes of items other than shareholders' equity	(7,070)	(1,610)
Total changes of items during the period	(1,031,180)	(1,349,430)
Balance at the end of current period	7,200,244	5,850,814

(4) Consolidated Statements of Cash Flows

(Thousands of yen)

	FY3/11 (Apr. 1, 2010 – Mar. 31, 2011)	FY3/12 (Apr. 1, 2011 – Mar. 31, 2012)
Cash flows from operating activities		
Income (loss) before income taxes	611,839	(1,292,021)
Depreciation and amortization	422,268	433,301
Amortization of goodwill	26,742	26,742
Impairment losses	-	680,514
Increase (decrease) in accrued bonuses	12,765	(44,735)
Increase (decrease) in allowance for doubtful accounts	(202,391)	(290,515)
Increase (decrease) in provision for loss on construction contracts	(16,171)	(44,180)
Increase (decrease) in provision for product warranties	3,903	(3,557)
Increase (decrease) in accrued employees' retirement benefits	-	(158,713)
Interest and dividend income	(2,627)	(7,291)
Interest expense	17,202	16,892
Loss (gain) on valuation of investment securities	5,003	24,449
Loss (gain) on sale of fixed assets	(2,560)	(17,173)
Loss on disposal of fixed assets	242	21,601
Decrease (increase) in notes and accounts receivable	(541,420)	33,106
Decrease (increase) in inventories	234,103	426,960
Decrease (increase) in other accounts receivable	74,364	5,532
Decrease (increase) in advance payments	(21,911)	168,310
Increase (decrease) in notes and accounts payable	229,454	(410,916)
Increase (decrease) in accrued consumption taxes	75,608	30,781
Increase (decrease) in other accounts payable	(12,611)	(77,165)
Increase (decrease) in advances received	(383,468)	(79,708)
Increase (decrease) in long-term accounts payable	(28,320)	74,451
Business structure improvement expenses	-	358,339
Others	(24,893)	810,463
Subtotal	477,121	685,468
Interests and dividends received	2,799	7,291
Interests paid	(18,043)	(19,589)
Income taxes refund	2,041	15,915
Income taxes paid	(274,863)	(298,031)
Expenditure associated with business structure improvement	-	(307,036)
Net cash provided by operating activities	189,055	84,018

(Thousands of yen)

	FY3/11 (Apr. 1, 2010 – Mar. 31, 2011)	FY3/12 (Apr. 1, 2011 – Mar. 31, 2012)
Cash flows from investing activities		
Payment for time deposits	(220,000)	(20,058)
Proceeds from time deposits	510,000	10,000
Proceeds from cancellation of insurance funds	36,848	-
Payment for purchase of property, plant and equipment	(283,390)	(140,819)
Proceeds from sale of property, plant, and equipment	2,565	61,521
Payment for purchase of intangible assets	(53,508)	(77,262)
Payment for purchase of investment securities	(199,335)	(126)
Net cash used in investing activities	(206,820)	(166,745)
Cash flows from financing activities		
Net increase (decrease) in short-term borrowings	-	500,000
Proceeds from long-term borrowings	650,000	-
Repayment of long-term borrowings	(281,920)	(241,020)
Increase (decrease) in equipment notes payable	(5,595)	746
Increase (decrease) in accounts payable-equipment	526	3,484
Repayment of lease obligations	(53,192)	(78,340)
Payment for acquisition of treasury stock	(1,539,905)	-
Proceeds from sales of treasury stock	199,987	-
Cash dividends paid	(44,219)	(91,011)
Net cash provided by (used in) financing activities	(1,074,319)	93,859
Increase (decrease) in cash and cash equivalents	(1,092,084)	11,132
Cash and cash equivalents at beginning of period	2,689,821	1,597,737
Cash and cash equivalents at end of period	1,597,737	1,608,869

(5) Going Concern Assumption

Not applicable.

(6) Notes to Consolidated Financial Statements

Segment information

1. Overview of reportable segments

Segments used for financial reporting are the Group's constituent units for which separate financial information is available and for which the Board of Directors performs periodic studies for the purposes of determining the allocation of resources and evaluating performance.

The Group establishes comprehensive strategies for individual products and services and conducts associated business activities. This system is used to divide operations into four business segments: the lamp business, the manufacturing equipment business, the inspection equipment business and the staffing services business.

The lamp business includes the manufacture and sale of projector lamps, general halogen lamps and LED lamps. The manufacturing equipment business includes the manufacture and sale of alignment layer printing machines, specialty printing machines and other equipment. The inspection equipment business includes the manufacture and sale of industrial machinery and inspection and measurement equipment. The staffing services business includes the temporary placement of engineers, temporary placement of manufacturing workers and services provided on an outsourcing basis.

2. Information related to net sales, profit/losses, assets and other items for each reportable segment

FY3/11 (Apr. 1, 2010 – Mar. 31, 2011) *(Thousands of yen)*

	Reportable segment					Adjustment (Note 1)	Amounts shown on consolidated financial statements (Note 2)
	Lamp business	Manufacturing equipment business	Inspection equipment business	Staffing services business	Total		
Net sales							
Sales to third parties	6,297,541	5,486,923	410,674	1,726,239	13,921,378	-	13,921,378
Intergroup sales and transfers	2,974	-	240,762	102,122	345,860	(345,860)	-
Total	6,300,515	5,486,923	651,437	1,828,362	14,267,238	(345,860)	13,921,378
Segment profit	205,966	508,058	(38,246)	18,811	694,589	(435,259)	259,329
Segment assets	5,591,115	4,324,310	782,917	572,232	11,270,576	246,125	11,516,701
Other items							
Depreciation and amortization	234,892	165,743	12,543	4,929	418,109	4,158	422,268
Amortization of goodwill	-	-	6,689	60,205	66,895	-	66,895
Increases in property, plant and equipment, and intangible assets	81,316	208,252	11,631	9,368	310,570	24,390	334,960

Notes: 1. The above adjustments are as follows.

(1) The minus 435,259 thousand yen adjustment to segment profit (loss) includes 9,870 thousand yen in elimination of inter-segment transactions and 425,388 thousand yen in company-wide costs that cannot be allocated to reportable segments. Company-wide costs mainly include general and administrative expenses that cannot be attributed to reportable segments.

(2) The 246,125 thousand yen adjustment to segment assets includes 157,078 thousand yen in elimination of inter-segment receivables and payables and 403,203 thousand yen of company-wide assets that cannot be allocated to reportable segments. Company-wide assets mainly include operating assets (cash and deposits with banks, investment securities, etc.) that cannot be attributed to reportable segments.

(3) The 24,390 thousand yen adjustment to increase in property, plant and equipment and intangible assets includes capital investment associated with the computer systems in the head office.

2. Segment profit is adjusted to be consistent with operating income shown on the consolidated statements of income.

FY3/12 (Apr. 1, 2011 – Mar. 31, 2012) *(Thousands of yen)*

	Reportable segment					Adjustment (Note 1)	Amounts shown on consolidated financial statements (Note 2)
	Lamp business	Manufacturing equipment business	Inspection equipment business	Staffing services business	Total		
Net sales							
Sales to third parties	4,738,243	2,935,709	555,530	1,826,864	10,056,348	-	10,056,348
Intergroup sales and transfers	5,457	79,952	145,521	75,052	305,983	(305,983)	-
Total	4,743,700	3,015,661	701,052	1,901,916	10,362,331	(305,983)	10,056,348
Segment profit	26,717	(261,081)	(4,878)	86,546	(152,694)	(380,994)	(533,689)
Segment assets	3,972,045	2,996,758	625,416	599,468	8,193,688	1,053,144	9,246,832
Other items							
Depreciation and amortization	212,229	197,157	10,932	7,359	427,679	5,621	433,301
Amortization of goodwill	-	-	6,689	60,205	66,895	-	66,895
Increases in property, plant and equipment, and intangible assets	178,629	182,964	269	6,200	368,063	74,784	442,848

Notes: 1. The above adjustments are as follows.

(1) The minus 380,994 thousand yen adjustment to segment profit (loss) includes plus 3,206 thousand yen in elimination of inter-segment transactions and 384,201 thousand yen in company-wide costs that cannot be allocated to reportable segments. Company-wide costs mainly include general and administrative expenses that cannot be attributed to reportable segments.

(2) The 1,053,144 thousand yen adjustment to segment assets includes 107,358 thousand yen in elimination of inter-segment receivables and payables and 1,160,502 thousand yen of company-wide assets that cannot be allocated to reportable segments. Company-wide assets mainly include operating assets (cash and deposits with banks, investment securities, etc.) that cannot be attributed to reportable segments.

(3) The 74,784 thousand yen adjustment to increase in property, plant and equipment and intangible assets includes capital investment associated with the computer systems in the head office.

2. Segment profit is adjusted to be consistent with operating income shown on the consolidated statements of income.

3. Information related to impairment of fixed assets or goodwill, etc. for each reportable segment

Significant impairment losses related to fixed assets

FY3/11 (Apr. 1, 2010 – Mar. 31, 2011)

Not applicable.

FY3/12 (Apr. 1, 2011 – Mar. 31, 2012) *(Thousands of yen)*

	Reportable segment					Elimination or corporate	Total
	Lamp business	Manufacturing equipment business	Inspection equipment business	Staffing services business	Subtotal		
Impairment losses	65,642	9,168	34,345	-	109,156	571,357	680,514

Per-share Data

(Yen)

FY3/11 (Apr. 1, 2010 – Mar. 31, 2011)		FY3/12 (Apr. 1, 2011 – Mar. 31, 2012)	
Net assets per share	435.13	Net assets per share	353.58
Net income per share	19.33	Net loss per share	(75.95)
Net income per share (diluted) is not presented since there is no outstanding potential stock.		Net income per share (diluted) is not presented since the Company posted net loss, and has no outstanding potential stock.	

Note: Basis for calculation

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

Item	FY3/11 (As of Mar. 31, 2011)	FY3/12 (As of Mar. 31, 2012)
Total net assets on the consolidated balance sheets	7,200,244	5,850,814
Net assets applicable to common stock	7,200,244	5,850,814
Number of shares outstanding (shares)	22,806,900	22,806,900
Number of treasury stock shares (shares)	6,259,410	6,259,410
Number of common stock shares used in calculation of net assets per share (shares)	16,547,490	16,547,490

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

Item	FY3/11 (Apr. 1, 2010 – Mar. 31, 2011)	FY3/12 (Apr. 1, 2011 – Mar. 31, 2012)
Net income (loss) on the consolidated statements of income	360,027	(1,256,808)
Net income (loss) available to common stock	360,027	(1,256,808)
Amount not attributable to common stock shareholders	-	-
Average number of shares outstanding (shares)	18,628,847	16,547,490

Subsequent Events

Not applicable.

4. Others

(1) Changes in Directors

Please see “Notice of Changes of Directors and Representative Directors” disclosed May 11, 2012 for details.

Note: This is a translation of content extracted from the Company’s Kessan Tanshin (including attachments) in Japanese, a summary of financial statements prepared in accordance with accounting principles generally accepted in Japan. This translation is prepared and provided for the purpose of the reader’s convenience. All readers are recommended to refer to the original version in Japanese of the report for complete information.