Helios Techno

May 10, 2013

Summary of Consolidated Financial Results for the Fiscal Year Ended March 31, 2013

[Japanese GAAP]

Company name: Helios Techno Holding Co., Ltd. Listings: Tokyo and Osaka
Stock code: 6927 URL: http://www.heliostec-hd.co.jp/
Representative: Sadaichi Saito, President and Representative Director
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Scheduled date of General Meeting of Shareholders: June 21, 2013
Scheduled date of filing of Annual Securities Report: June 24, 2013
Scheduled date of payment of dividend: June 24, 2013
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 10, 2013 at 16:00 (GMT +9).

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

1. Consolidated Financial Results for the Fiscal Year Ended March 31, 2013 (April 1, 2012 – March 31, 2013)

(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, 2013	11,139	10.8	351	-	431	-	443	-
Fiscal year ended Mar. 31, 2012	10,056	(27.8)	(533)	-	(315)	-	(1,256)	-

Note: Comprehensive income (million yen) Fiscal year ended Mar. 31, 2013: 467 (n.a.)
Fiscal year ended Mar. 31, 2012: (1,258) (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, 2013	26.82	-	7.3	4.7	3.2
Fiscal year ended Mar. 31, 2012	(75.95)	-	(19.3)	(3.0)	(5.3)

Reference: Equity in earnings of affiliates (million yen) Fiscal year ended Mar. 31, 2013: - Fiscal year ended Mar. 31, 2012: -

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio	Net assets per share
	Million yen	Million yen	%	Yen
As of Mar. 31, 2013	9,131	6,340	69.2	381.81
As of Mar. 31, 2012	9,246	5,850	63.3	353.58

Reference: Shareholders' equity (million yen) As of Mar. 31, 2013: 6,317 As of Mar. 31, 2012: 5,850

(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, 2013	840	(234)	(629)	1,585
Fiscal year ended Mar. 31, 2012	84	(166)	93	1,608

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, 2012	-	0.00	-	0.00	0.00	-	-	-
Fiscal year ended Mar. 31, 2013	-	0.00	-	8.00	8.00	132	29.8	2.2
Fiscal year ending Mar. 31, 2014 (forecast)	-	0.00	-	8.00	8.00		33.1	

3. Consolidated Forecast for the Fiscal Year Ending March 31, 2014 (April 1, 2013 – March 31, 2014)

(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	5,000	22.1	80	-	(110)	-	(50)	-	(3.02)
Full year	13,000	16.7	550	56.7	550	27.3	400	(9.9)	24.17

*** 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: Yes

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

3) Changes in accounting-based estimates: Yes

4) Restatements: None

Note: Subject to "Changes in Accounting Policies that are Difficult to Distinguish from Changes in Accounting-based Estimates" since the Company has revised its depreciation method from the first quarter. Please refer to "3. Consolidated Financial Statements, (5) Notes to Consolidated Financial Statements" on page 15 of the attachments for further information.

(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, 2013:	22,806,900 shares	As of Mar. 31, 2012:	22,806,900 shares

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

As of Mar. 31, 2013:	6,259,410 shares	As of Mar. 31, 2012:	6,259,410 shares

3) Average number of shares outstanding during the period

Fiscal year ended Mar. 31, 2013:	16,547,490 shares	Fiscal year ended Mar. 31, 2012:	16,547,490 shares

Reference: Summary of Non-consolidated Financial Results

1. Non-consolidated Financial Results for the Fiscal Year Ended March 31, 2013 (April 1, 2012 – March 31, 2013)

(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, 2013	259	(57.9)	(80)	-	(52)	-	82	-
Fiscal year ended Mar. 31, 2012	616	44.5	231	-	283	403.9	(1,541)	-

	Net income per share (basic)	Net income per share (diluted)
	Yen	Yen
Fiscal year ended Mar. 31, 2013	5.00	-
Fiscal year ended Mar. 31, 2012	(93.18)	-

(2) Non-consolidated financial position

	Total assets	Net assets	Equity ratio	Net assets per share
	Million yen	Million yen	%	Yen
As of Mar. 31, 2013	6,500	5,624	86.2	338.53
As of Mar. 31, 2012	6,955	5,507	79.2	332.83

Reference: Shareholders' equity (million yen) As of Mar. 31, 2013: 5,601 As of Mar. 31, 2012: 5,507

2. Non-consolidated Forecast for the Fiscal Year Ending March 31, 2014 (April 1, 2013 – March 31, 2014)

No non-consolidated forecast is shown because Helios Techno Holding Co., Ltd. has no sales to external customers since the Company is a pure 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. These materials are not promises by the Company regarding future performance. 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 and Financial Position."

How to view supplementary information at the financial results meeting

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. Analysis of Results of Operations and Financial Position

(1) Analysis of Results of Operations

Overview of the current fiscal year

1. General economic and market trends

In the current fiscal year, corporations in Japan started to recover from the setback of Great East Japan Earthquake and signs of a comeback started to emerge in consumer spending. Overseas, uncertainties continued due to the European debt crisis and slowing growth in China and other emerging economies. However, encouraging signs began to appear late in 2012 as the yen weakened and stock prices rose due to heightening expectations for an economic recovery as the new Japanese government took office.

Under these circumstances, benefits began to emerge at the Helios Techno Group from the structural reforms, such as a voluntary retirement program and consolidation of assets used for business activities, that had been implemented in the previous fiscal year. These actions were taken based on management's belief that sales were going to decline for several more years because of the yen's strength. Furthermore, in the electronics industry, the Group took aggressive actions in the manufacturing equipment business in association with the very strong demand for smartphones and tablet devices.

In the current fiscal year, net sales increased 1,083 million yen or 10.8% from one year earlier to 11,139 million yen, operating income increased 884 million yen to 351 million yen, recurring profit increased 747 million yen to 431 million yen and net income increased 1,700 million yen to 443 million yen.

2. Operation results by segment *(Millions of yen, %)*

Business segment	FY3/12			FY3/13		
	Net sales	Composition	Operating income	Net sales	Composition	Operating income
Lamp business	4,743	47.2	26	4,087	36.7	210
Manufacturing equipment business	3,015	30.0	(261)	4,933	44.3	440
Inspection equipment business	701	7.0	(4)	586	5.3	38
Staffing services business	1,901	18.9	86	1,818	16.3	8
Adjustment	(305)	(3.1)	(380)	(287)	(2.6)	(347)
Total	10,056	100.0	(533)	11,139	100.0	351

i) Lamp business

In the lamp business, despite slowing global economic growth, chiefly in industrialized countries, demand for projectors used in companies and schools and other applications resumed strong growth, but the yen's strength continued to have a severe impact on the performance of this business segment. As a result, sales of projector lamps fell by 37.4% to 1,375 million yen. In general lighting lamps, sales of LED lamps showed good growth amid calls for electricity conservation, while halogen and other core lamps trended well, and sales rose by 21.0% to 1,750 million yen. Sales of light sources for exposure equipment decreased by 28.9% to 403 million yen, compared with the previous fiscal year.

Overall, segment sales in the current fiscal year decreased by 13.8% to 4,087 million yen, compared with the previous fiscal year.

ii) Manufacturing equipment business

In the manufacturing equipment business, the Company expects strong growth in capital investment associated with touch-screen panel manufacturing equipment for smartphones and tablet devices. In response, the Company has actively developed new types of equipment and worked hard on capturing orders for this equipment. Furthermore, the Company has concentrated its R&D resources into the printed electronics field, which has been turning into sales from the second half of the current fiscal year.

The inspection for acceptance of a manufacturing line, which is a large project for a customer in China, was finally completed in the fourth quarter after a delay. As a result, segment sales in the current fiscal year increased by 63.6% to 4,933 million yen, compared with the previous fiscal year.

iii) Inspection equipment business

In the inspection equipment business, there were extensive activities involving the S-Light which was newly developed in the previous fiscal year, deliveries of macro inspection equipment (penetrant testing devices) for smartphones and tablet devices, and deliveries of UV exposure equipment.

As a result, segment sales decreased 16.3% to 586 million yen.

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 and provide services that meet customers' needs and further strengthen sales activities. Nevertheless, segment sales decreased by 4.4% to 1,818 million yen.

Future outlook

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. Although customers continue to prefer lower-priced projectors, the significant change in the yen's value has created an opportunity to increase sales by deepening relationships 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

Strong demand for smartphones and tablets is prompting companies, along with the widespread use of these products, to make substantial capital expenditures for high-resolution LCDs and touch-screen panels. Against this backdrop, following a reexamination of flexo printing equipment, we have been taking many actions in addition to conducting aggressive sales activities as in the past. We 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. In this business, we plan to strengthen operations by upgrading the quality of the workers we provide to client companies and offering services that precisely match the needs of these companies. Our plans also include the use of mergers and acquisitions, alliances, and other aggressive growth-oriented actions in order to increase sales and earnings.

Based on this outlook, the Company forecasts consolidated net sales of 13,000 million yen, operating income of 550 million yen, recurring profit of 550 million yen and net income of 400 million yen in the fiscal year ending on March 31, 2014.

(2) Analysis of Financial Position

Analysis of balance sheet position and cash flows

1) Balance sheet position

Assets

Current assets increased 30 million yen from the end of the previous fiscal year to 6,081 million yen. This was mainly the net result of a 325 million yen increase in work in process and decreases of 56 million yen in merchandise and finished goods, 93 million yen in raw materials and supplies and 139 million yen in others, which includes other accounts receivable and other items.

Fixed assets decreased 146 million yen from the end of the previous fiscal year to 3,049 million yen. This was mainly the net result of a 77 million yen decrease in property, plant and equipment, mostly the result of increases from the purchase of land and capital expenditures and a decrease due to depreciation, and a 92 million yen decrease in intangible assets.

As a result of these changes, total assets were 9,131 million yen, down 115 million yen, or 1.3%, from the end of the previous fiscal year.

Liabilities

Current liabilities decreased 426 million yen from the end of the previous fiscal year to 2,141 million yen. This was mainly the net result of a 158 million yen increase in notes and accounts payable and decreases of 300 million yen in short-term borrowings and 332 million yen in the current portion of long-term borrowings because of repayments.

Long-term liabilities decreased 179 million yen from the end of the previous fiscal year to 649 million yen. This was mainly the result of decreases of 104 million yen in deferred tax liabilities and 51 million yen in long-term accounts payable.

As a result, total liabilities were 2,790 million yen, down 605 million yen, or 17.8%, from the end of the previous fiscal year.

Net assets

Total net assets increased 489 million yen, or 8.4%, from the end of the previous fiscal year to 6,340 million yen. The main reasons were the net income of 443 million yen, a 23 million yen increase in unrealized holding gain on other securities and a 22 million yen increase resulting from the establishment of a stock option system.

Consequently, the equity ratio increased 5.9 percentage points from the end of the previous fiscal year to 69.2%.

2) Cash flows

Cash flows from operating activities

Net cash provided by operating activities was 840 million yen compared with 84 million yen one year earlier. The main factors were income before income taxes of 431 million yen, depreciation and amortization of 319 million yen, a non-cash expense included in income before income taxes and minority interests, a 175 million yen increase in inventories (a decrease in cash), a 158 million yen increase in notes and accounts payable (an increase in cash).

Cash flows from investing activities

Net cash used in investing activities was 234 million yen compared with 166 million yen one year earlier. The main factor was the payments of 209 million yen for the purchase of land and other property, plant and equipment.

Cash flows from financing activities

Net cash used in financing activities was 629 million yen compared with net cash provided of 93 million yen one year earlier. The main factors were the proceeds of 300 million yen from long-term borrowings and the repayment of 902 million yen in short-term and long-term borrowings.

As a result of the above, cash and cash equivalents at the end of the current fiscal year decreased 23 million yen from the end of the previous fiscal year to 1,585 million yen.

(Reference) Cash Flow Indicators

	FY3/09	FY3/10	FY3/11	FY3/12	FY3/13
Shareholders' equity ratio (%)	92.2	64.1	62.5	63.3	69.2
Shareholders' equity ratio at market cap (%)	41.9	52.3	28.6	25.4	38.8
Interest-bearing debt to cash flow ratio (years)	0.0	1.0	6.2	16.0	0.9
Interest coverage ratio (times)	663.9	54.5	10.5	4.3	61.1

Shareholders' equity ratio: (total net assets – subscription rights to shares) / total assets
Shareholders' equity ratio at market cap: market capitalization/ total assets
Interest-bearing debt to cash flow ratio: interest-bearing debt/ operating cash flows
Interest coverage ratio: operating cash flows/ interests paid

Note 1. All of the above indicators are calculated using figures from the consolidated financial statements.

Note 2. Market capitalization is calculated by multiplying the closing share price at the end of the period by the number of shares outstanding (net of treasury stock) at the end of the period.

Note 3. Operating cash flows refer 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 interests are paid. Interests paid refer to "interests paid" as shown in the consolidated statements of cash flows.

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) Targets and Performance Indicators

The Group will aim for further growth and is placing priority on the consolidated sales and consolidated operating income.

(3) 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."

(4) 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)

	FY3/12 (As of Mar. 31, 2012)	FY3/13 (As of Mar. 31, 2013)
Assets		
Current assets		
Cash and deposits with banks	1,638,928	1,632,778
Notes and accounts receivable	2,808,368	2,794,709
Merchandise and finished goods	273,739	217,280
Work in process	551,960	876,968
Raw materials and supplies	547,780	454,398
Deferred tax assets	1,150	1,212
Others	252,617	113,538
Allowance for doubtful accounts	(23,484)	(9,309)
Total current assets	6,051,062	6,081,576
Fixed assets		
Property, plant and equipment		
Buildings and structures, net	910,752	880,273
Machinery and vehicles, net	399,474	331,483
Land	1,190,227	1,260,686
Lease assets, net	29,624	12,452
Construction in progress	75,729	82,368
Others, net	74,424	35,286
Total property, plant and equipment	2,680,234	2,602,550
Intangible assets		
Goodwill	120,411	60,205
Others	122,607	90,547
Total intangible assets	243,019	150,753
Investments and other assets		
Investment securities	229,128	247,271
Deferred tax assets	29	273
Others	90,740	97,779
Allowance for doubtful accounts	(47,381)	(49,107)
Total investments and other assets	272,517	296,216
Total fixed assets	3,195,770	3,049,520
Total assets	9,246,832	9,131,096

(Thousands of yen)

	FY3/12 (As of Mar. 31, 2012)	FY3/13 (As of Mar. 31, 2013)
Liabilities		
Current liabilities		
Notes and accounts payable	751,992	910,521
Short-term borrowings	500,000	200,000
Current portion of long-term borrowings	572,330	239,400
Lease obligations	22,103	14,506
Accrued income taxes	18,793	88,737
Accrued bonuses	131,414	195,131
Provision for product warranties	14,178	16,582
Provision for loss on construction contracts	44,193	35
Others	512,594	476,124
Total current liabilities	2,567,600	2,141,038
Long-term liabilities		
Long-term borrowings	237,800	268,400
Lease obligations	14,506	-
Deferred tax liabilities	297,841	193,772
Long-term accounts payable	186,073	134,712
Negative goodwill	90,344	50,191
Others	1,850	2,221
Total long-term liabilities	828,417	649,297
Total liabilities	3,396,018	2,790,336
Net assets		
Shareholders' equity		
Common stock	2,133,177	2,133,177
Capital surplus	2,563,867	2,563,867
Retained earnings	2,718,104	3,161,830
Treasury stock	(1,567,420)	(1,567,420)
Total shareholders' equity	5,847,728	6,291,455
Accumulated other comprehensive income		
Unrealized holding gain on other securities	3,085	26,480
Total accumulated other comprehensive income	3,085	26,480
Subscription rights to shares	-	22,825
Total net assets	5,850,814	6,340,760
Total liabilities and net assets	9,246,832	9,131,096

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

Consolidated Statements of Income

(Thousands of yen)

	FY3/12 (Apr. 1, 2011 – Mar. 31, 2012)	FY3/13 (Apr. 1, 2012 – Mar. 31, 2013)
Net sales	10,056,348	11,139,671
Cost of goods sold	8,101,816	8,344,988
Gross profit	1,954,531	2,794,683
Selling, general and administrative expenses	2,488,221	2,443,653
Operating income (loss)	(533,689)	351,030
Non-operating income		
Interest income	158	157
Dividend income	7,132	7,231
Fiduciary obligation fee	162,588	41,322
Amortization of negative goodwill	40,153	40,153
Foreign exchange gains	-	11,977
Reversal from allowance for doubtful accounts	67,696	16,012
Miscellaneous revenue	22,816	16,330
Total non-operating income	300,546	133,185
Non-operating expenses		
Interest expense	16,892	14,188
Foreign exchange losses	38,886	-
Loss on valuation of investment securities	24,463	18,441
Commission for syndicate loan	-	13,970
Miscellaneous loss	2,389	5,641
Total non-operating expenses	82,630	52,241
Recurring profit (loss)	(315,773)	431,973
Extraordinary income		
Gain on sales of fixed assets	17,651	-
Gain on revision of retirement benefit plan	67,033	-
Total extraordinary income	84,685	-
Extraordinary loss		
Loss on disposal of fixed assets	21,601	-
Loss on sales of fixed assets	477	-
Impairment losses	680,514	-
Business structure improvement expenses	358,339	-
Total extraordinary losses	1,060,933	-
Income (loss) before income taxes and minority interests	(1,292,021)	431,973
Income taxes-current	21,947	105,680
Income taxes-deferred	(57,160)	(117,433)
Total income taxes	(35,213)	(11,752)
Income (loss) before minority interests	(1,256,808)	443,726
Net income (loss)	(1,256,808)	443,726

Consolidated Statements of Comprehensive Income

(Thousands of yen)

	FY3/12 (Apr. 1, 2011 – Mar. 31, 2012)	FY3/13 (Apr. 1, 2012 – Mar. 31, 2013)
Income (loss) before minority interests	(1,256,808)	443,726
Other comprehensive income		
Unrealized holding gain (loss) on other securities	(1,610)	23,394
Total other comprehensive income	(1,610)	23,394
Comprehensive income	(1,258,418)	467,121
Comprehensive income attributable to		
Comprehensive income attributable to owners of the parent	(1,258,418)	467,121
Comprehensive income attributable to minority interests	-	-

(3) Consolidated Statements of Changes in Shareholders' Equity

(Thousands of yen)

	FY3/12 (Apr. 1, 2011 – Mar. 31, 2012)	FY3/13 (Apr. 1, 2012 – Mar. 31, 2013)
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	4,065,923	2,718,104
Changes of items during the period		
Dividends from surplus	(91,011)	-
Net income (loss)	(1,256,808)	443,726
Total changes of items during the period	(1,347,819)	443,726
Balance at the end of current period	2,718,104	3,161,830
Treasury stock		
Balance at the beginning of current period	(1,567,420)	(1,567,420)
Balance at the end of current period	(1,567,420)	(1,567,420)
Total shareholders' equity		
Balance at the beginning of current period	7,195,548	5,847,728
Changes of items during the period		
Dividends from surplus	(91,011)	-
Net income (loss)	(1,256,808)	443,726
Total changes of items during the period	(1,347,819)	443,726
Balance at the end of current period	5,847,728	6,291,455
Accumulated other comprehensive income		
Unrealized holding gain on other securities		
Balance at the beginning of current period	4,696	3,085
Changes of items during the period		
Net changes of items other than shareholders' equity	(1,610)	23,394
Total changes of items during the period	(1,610)	23,394
Balance at the end of current period	3,085	26,480
Total accumulated other comprehensive income		
Balance at the beginning of current period	4,696	3,085
Changes of items during the period		
Net changes of items other than shareholders' equity	(1,610)	23,394
Total changes of items during the period	(1,610)	23,394
Balance at the end of current period	3,085	26,480

(Thousands of yen)

	FY3/12 (Apr. 1, 2011 – Mar. 31, 2012)	FY3/13 (Apr. 1, 2012 – Mar. 31, 2013)
Subscription rights to shares		
Balance at the beginning of current period	-	-
Changes of items during the period		
Net changes of items other than shareholders' equity	-	22,825
Total changes of items during the period	-	22,825
Balance at the end of current period	-	22,825
Total net assets		
Balance at the beginning of current period	7,200,244	5,850,814
Changes of items during the period		
Dividends from surplus	(91,011)	-
Net income (loss)	(1,256,808)	443,726
Net changes of items other than shareholders' equity	(1,610)	46,219
Total changes of items during the period	(1,349,430)	489,946
Balance at the end of current period	5,850,814	6,340,760

(4) Consolidated Statements of Cash Flows

(Thousands of yen)

	FY3/12 (Apr. 1, 2011 – Mar. 31, 2012)	FY3/13 (Apr. 1, 2012 – Mar. 31, 2013)
Cash flows from operating activities		
Income (loss) before income taxes	(1,292,021)	431,973
Depreciation and amortization	433,301	319,893
Amortization of goodwill	26,742	20,052
Impairment losses	680,514	-
Increase (decrease) in accrued bonuses	(44,735)	63,717
Increase (decrease) in allowance for doubtful accounts	(290,515)	(12,448)
Increase (decrease) in provision for loss on construction contracts	(44,180)	(44,158)
Increase (decrease) in provision for product warranties	(3,557)	2,403
Increase (decrease) in accrued employees' retirement benefits	(158,713)	-
Interest and dividend income	(7,291)	(7,389)
Interest expense	16,892	14,188
Loss (gain) on valuation of investment securities	24,449	18,441
Loss (gain) on sale of fixed assets	(17,173)	-
Loss on disposal of fixed assets	21,601	-
Decrease (increase) in notes and accounts receivable	33,106	11,932
Decrease (increase) in inventories	426,960	(175,165)
Decrease (increase) in other accounts receivable	5,532	12,340
Decrease (increase) in advance payments	168,310	43,934
Increase (decrease) in notes and accounts payable	(410,916)	158,529
Increase (decrease) in accrued consumption taxes	30,781	40,363
Increase (decrease) in other accounts payable	(77,165)	(170)
Increase (decrease) in advances received	(79,708)	11,087
Increase (decrease) in long-term accounts payable	74,451	(51,361)
Business structure improvement expenses	358,339	-
Others	810,463	23,632
Subtotal	685,468	881,795
Interests and dividends received	7,291	7,413
Interests paid	(19,589)	(13,755)
Income taxes refund	15,915	58,388
Income taxes paid	(298,031)	(42,035)
Expenditure associated with business structure improvement	(307,036)	(51,303)
Net cash provided by operating activities	84,018	840,503

(Thousands of yen)

	FY3/12 (Apr. 1, 2011 – Mar. 31, 2012)	FY3/13 (Apr. 1, 2012 – Mar. 31, 2013)
Cash flows from investing activities		
Payment for time deposits	(20,058)	(17,000)
Proceeds from time deposits	10,000	-
Payment for purchase of property, plant and equipment	(140,819)	(209,724)
Proceeds from sale of property, plant, and equipment	61,521	-
Payment for purchase of intangible assets	(77,262)	(2,468)
Payment for purchase of investment securities	(126)	(131)
Others	-	(5,142)
Net cash used in investing activities	(166,745)	(234,466)
Cash flows from financing activities		
Net increase (decrease) in short-term borrowings	500,000	(300,000)
Proceeds from long-term borrowings	-	300,000
Repayment of long-term borrowings	(241,020)	(602,330)
Increase (decrease) in equipment notes payable	746	(746)
Increase (decrease) in accounts payable-equipment	3,484	(4,011)
Repayment of lease obligations	(78,340)	(22,103)
Cash dividends paid	(91,011)	-
Net cash provided by (used in) financing activities	93,859	(629,191)
Increase (decrease) in cash and cash equivalents	11,132	(23,154)
Cash and cash equivalents at beginning of period	1,597,737	1,608,869
Cash and cash equivalents at end of period	1,608,869	1,585,715

(5) Notes to Consolidated Financial Statements

Going Concern Assumption

Not applicable.

Significant Accounting Policies in the Preparation of the Consolidated Financial Statements

1. Scope of consolidation

Numbers of consolidated subsidiaries are four. All subsidiaries are included in the consolidation.

Name of subsidiaries:

PHOENIX Electric Co., Ltd.
LUX Co., Ltd.
Nippon Gijutsu Center Co., Ltd.
NAKAN Techno Co., Ltd.

2. Application of equity method

The Company has no affiliates.

3. Accounting period end of consolidated subsidiaries

Consolidated subsidiaries' fiscal years end on the balance sheet date for the consolidated financial statements.

4. Significant accounting standards

(1) Valuation criteria and methods for significant assets

a. Valuation criteria and methods for securities

Available-for-sale securities

Securities with market quotations

Carried at fair value using quoted market price 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.

b. Valuation criteria and methods for inventories

Inventories are valued at cost (cost being determined by method by which the carrying value on the balance sheet is written down to reflect the effect of lower profit margin).

The lamp business carries inventories at cost, cost being determined by the weighted average method, and the manufacturing equipment business and the inspection equipment business carry inventories at cost, cost being determined by the specific-identification method.

(2) Depreciation method for significant depreciable assets

a. Property, plant and equipment (excluding lease assets)

Depreciation of property, plant and equipment at the Company and its consolidated subsidiaries is computed by the declining-balance method. The useful life and residual value are 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: 3-38

Machinery and vehicles: 2-17

b. Intangible assets

Amortization of intangible assets is calculated using the straight-line method.

The development costs of software for internal use are amortized over an expected useful life of five years by the straight-line method.

c. Lease assets
Lease assets associated with finance lease transactions where there is no transfer of ownership
By the straight-line method, assuming the lease period to be the useful life and a residual value of zero.

(3) Significant allowances
a. Allowance for doubtful accounts
To prepare for credit losses on accounts receivable, allowances equal to the estimated amount of uncollectible receivables are provided for general receivables based on the historical write-off ratio. Bad receivables and claim in bankruptcy based on case-by-case determination of collectibility.

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.

c. Provision for product warranties
The Company maintains a provision for product warranties for the cost of repairs, replacements and other activities required during the free warranty period. The amount of this allowance is based on the percentage of such costs incurred as a percentage of the cost of sales in prior years.

d. Provision for loss on construction contracts
Among the transactions based on construction contracts, losses have been recognized for projects where the estimated cost of construction exceeds the value of the order as of the end of the current fiscal year.

(4) Recognition of significant revenue and expenses
The completed-contract standard
By the completion method due to difficulties to recognize the completed portion of a contracted work.

(5) Method and period of goodwill amortization
Goodwill is amortized over five years by the straight-line method.
Negative goodwill recorded on or before March 31, 2010 is amortized by the straight-line method over a period of five years.

(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 maturities of three months or less, that are highly liquid and readily convertible to known amounts of cash and present insignificant risk of change in value.

(7) Other significant accounting policies in presentation of financial statements
Accounting for consumption taxes
All amounts stated are exclusive of national and local consumption taxes.

Changes in Accounting Method

Changes in Accounting Policies that are Difficult to Distinguish from Changes in Accounting-based Estimates
Following tax law revisions, from the current fiscal year, the Company and its consolidated subsidiaries have changed the method of depreciation of property, plant and equipment acquired on or after April 1, 2012 in line with methods prescribed in the revised Corporation Tax Law.
The effect of this change on the earnings for the current fiscal year is insignificant.

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. Calculation methods for net sales, profits/losses, assets, and other items for each reportable segment

The accounting treatment methods for reportable segments are generally the same as those listed in "Significant Accounting Policies in the Preparation of Consolidated Financial Statements."

Profits for reportable segments are generally operating income figures. Intergroup sales and transfers are based on market prices.

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

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 (loss)	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 minus 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 plus 1,053,144 thousand yen adjustment to segment assets includes minus 107,358 thousand yen in elimination of inter-segment receivables and payables and plus 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 plus 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. Total segment profit (loss) is adjusted to be consistent with operating loss shown on the consolidated statements of income.

FY3/13 (Apr. 1, 2012 – Mar. 31, 2013) *(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	4,025,034	4,933,535	440,039	1,741,062	11,139,671	-	11,139,671
Intergroup sales and transfers	62,593	150	146,913	77,765	287,422	(287,422)	-
Total	4,087,628	4,933,685	586,952	1,818,827	11,427,094	(287,422)	11,139,671
Segment profit	210,993	440,882	38,532	8,333	698,742	(347,712)	351,030
Segment assets	3,671,180	3,587,178	482,396	584,731	8,325,487	805,609	9,131,096
Other items							
Depreciation and amortization	164,819	140,406	2,921	6,668	314,816	5,076	319,893
Amortization of goodwill	-	-	-	60,205	60,205	-	60,205
Increases in property, plant and equipment, and intangible assets	50,046	90,371	3,427	67,981	211,826	365	212,192

Notes: 1. The above adjustments are as follows.

(1) The minus 347,712 thousand yen adjustment to segment profit includes minus 7,900 thousand yen in elimination of inter-segment transactions and minus 339,812 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 plus 805,609 thousand yen adjustment to segment assets includes minus 185,511 thousand yen in elimination of inter-segment receivables and payables and plus 991,121 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 plus 365 thousand yen adjustment to increase in property, plant and equipment and intangible assets includes capital investment associated with the head office.

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

Information Related to Impairment of Fixed Assets, etc. for Each Reportable Segment

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

FY3/13 (Apr. 1, 2012 – Mar. 31, 2013)

Not applicable.

Per-share Data

(Yen)

	FY3/12 (Apr. 1, 2011 – Mar. 31, 2012)	FY3/13 (Apr. 1, 2012 – Mar. 31, 2013)
Net assets per share	353.58	381.81
Net income (loss) per share	(75.95)	26.82

Notes: 1. Net income per share (diluted) is not presented since there is no outstanding potential dilutive share in FY3/13. Net income per share (diluted) is not presented since the Company posted net loss per share, and has no outstanding potential dilutive share in FY3/12.

2. Basis for calculation of net assets per share is as follows.

(Thousands of yen)

Item	FY3/12 (As of Mar. 31, 2012)	FY3/13 (As of Mar. 31, 2013)
Total net assets	5,850,814	6,340,760
Deduction on total net assets	-	22,825
[of which stock acquisition rights]	[-]	[22,825]
Net assets applicable to common stock	5,850,814	6,317,935
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

3. Basis for calculation of net income (loss) per share is as follows.

(Thousands of yen)

Item	FY3/12 (Apr. 1, 2011 – Mar. 31, 2012)	FY3/13 (Apr. 1, 2012 – Mar. 31, 2013)
Net income (loss)	(1,256,808)	443,726
Amount not attributable to common stock shareholders	-	-
Net income (loss) available to common stock	(1,256,808)	443,726
Average number of shares outstanding (shares)	16,547,490	16,547,490
Potential stock not included in the calculation of net income per share (diluted) since it did not have dilutive effect.	-	Stock acquisition rights issued on July 10, 2012 (Number of stock acquisition rights: 13,150) Board of Directors' resolution June 22, 2012 Exercise period From June 23, 2014 to June 22, 2017

Subsequent Events

Notice of Acquisition of Kansai Giken Using Stock Purchase and Exchange

The Board of Directors of the Company approved a resolution on May 10, 2013 to purchase the stock of Kansai Giken Co., Ltd., and also that, afterward, a simplified exchange of stock will be performed in which the Company is the wholly owning parent company and Kansai Giken is the wholly owned subsidiary. Agreements have been signed for the purchase of stock and exchange of stock.

For details, please see "Notice of Acquisition of Kansai Giken Using Stock Purchase and Exchange" released on May 10, 2013.

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.