May 6, 2016

Summary of Consolidated Financial Results for the Fiscal Year Ended March 31, 2016

[Japanese GAAP]

Company name: Helios Techno Holding Co., Ltd. Listing: Tokyo
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 24, 2016
Scheduled date of filing of Annual Securities Report: June 27, 2016
Scheduled date of payment of dividend: June 27, 2016
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 6, 2016 at 16:00 (GMT +9).

(Amounts are rounded down to the nearest million yen)

1. Consolidated Financial Results for the Fiscal Year Ended March 31, 2016 (April 1, 2015 – March 31, 2016)

(1) Consolidated results of operations (Percentages for net sales and incomes represent year-on-year changes)

	Net sales		Operating income		Recurring profit		Profit attributable to owners of parent	
	Million yen	%	Million yen	%	Million yen	%	Million yen	%
Fiscal year ended Mar. 31, 2016	25,769	73.9	1,182	38.8	1,168	49.8	807	6.6
Fiscal year ended Mar. 31, 2015	14,817	14.9	851	63.7	780	25.5	757	(14.8)

Note: Comprehensive income (million yen) Fiscal year ended Mar. 31, 2016: 796 (up 1.0%)
Fiscal year ended Mar. 31, 2015: 788 (down 17.0%)

	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, 2016	45.25	45.05	9.7	6.5	4.6
Fiscal year ended Mar. 31, 2015	43.97	43.59	9.9	4.8	5.7

Reference: Equity in earnings of affiliates (million yen) Fiscal year ended Mar. 31, 2016: - Fiscal year ended Mar. 31, 2015: -

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio	Net assets per share
	Million yen	Million yen	%	Yen
As of Mar. 31, 2016	14,663	8,645	58.9	480.79
As of Mar. 31, 2015	21,528	8,041	37.3	450.23

Reference: Equity (million yen) As of Mar. 31, 2016: 8,638 As of Mar. 31, 2015: 8,029

(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, 2016	4,503	(317)	(2,863)	3,102
Fiscal year ended Mar. 31, 2015	(3,508)	91	2,611	1,780

2. Dividends

	Dividend per share					Total dividends	Payout ratio (Consolidated)	Dividend on equity (Consolidated)
	End of first quarter	End of second quarter	End of third quarter	Year-end	Total			
	Yen	Yen	Yen	Yen	Yen	Million yen	%	%
Fiscal year ended Mar. 31, 2015	-	0.00	-	12.00	12.00	213	27.3	2.7
Fiscal year ended Mar. 31, 2016	-	0.00	-	15.00	15.00	269	33.2	3.2
Fiscal year ending Mar. 31, 2017 (forecast)	-	0.00	-	15.00	15.00		39.6	

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

(Percentages represent year-on-year changes)

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

*** Notes**

(1) Changes in significant subsidiaries during the period (changes in specified subsidiaries resulting in 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 the above: None

3) Changes in accounting-based estimates: None

4) Restatements: None

(3) Number of shares outstanding (common stock)

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

As of Mar. 31, 2016:	22,806,900 shares	As of Mar. 31, 2015:	22,806,900 shares

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

As of Mar. 31, 2016:	4,838,710 shares	As of Mar. 31, 2015:	4,973,710 shares

3) Average number of shares outstanding during the period

Fiscal year ended Mar. 31, 2016:	17,849,420 shares	Fiscal year ended Mar. 31, 2015:	17,235,138 shares

Reference: Summary of Non-consolidated Financial Results

1. Non-consolidated Financial Results for the Fiscal Year Ended March 31, 2016 (April 1, 2015 – March 31, 2016)

(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, 2016	382	9.3	42	37.7	270	3.2	261	(17.3)
Fiscal year ended Mar. 31, 2015	349	30.1	30	-	262	73.2	316	(37.5)

	Net income per share (basic)	Net income per share (diluted)
	Yen	Yen
Fiscal year ended Mar. 31, 2016	14.68	14.61
Fiscal year ended Mar. 31, 2015	18.38	18.22

(2) Non-consolidated financial position

	Total assets	Net assets	Equity ratio	Net assets per share
	Million yen	Million yen	%	Yen
As of Mar. 31, 2016	7,644	6,527	85.3	362.96
As of Mar. 31, 2015	9,302	6,473	69.5	362.30

Reference: Shareholders' equity (million yen) As of Mar. 31, 2016: 6,521 As of Mar. 31, 2015: 6,460

2. Non-consolidated Forecast for the Fiscal Year Ending March 31, 2017 (April 1, 2016 – March 31, 2017)

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 Act. 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 "1. Analysis of Results of Operations and Financial Position."

How to view supplementary information at the financial results meeting

Each year, the Company holds information meetings for securities analysts for results of operations for the first half and for the full fiscal year. Materials distributed at these events 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 fiscal year under review, the Japanese economy generally continued on a mild recovery trend due to a weak yen created through such means as governmental economic and financial policies, an improving trend in areas including corporate profit and employment, and other factors. However, toward the end of the period under review, a reversal in exchange-rate and stock movements once again led to increasing uncertainty about the future.

Overseas, the U.S. economy performed strongly but the slowdown in growth in China, ASEAN, and other areas became readily apparent. In China, the disparities among the different sectors of the economy grew, and the demand for capital investment persisted from the previous period in the key markets of the Helios Techno Group (“the Group”) comprising G8.5 and G10 type liquid crystal panels. We can anticipate further buoyant demand in the coming fiscal year. The large-scale facility relocation projects for used equipment undertaken from the previous fiscal year also concluded without problems.

Against this economic backdrop, the Group’s sales of flexo printing equipment for alignment layers and UV exposure light source units continued to perform well from the previous period. Moreover, in the human resource service field, an improving domestic employment situation has increased the demand for the dispatch of personnel and design subcontracting.

In the fiscal year ended March 31, 2016, net sales increased 10,951 million yen, or 73.9%, over the previous fiscal year to 25,769 million yen; operating income increased 330 million yen, or 38.8%, to 1,182 million yen; recurring profit increased 388 million yen, or 49.8%, to 1,168 million yen; and profit attributable to owners of parent increased 49 million yen, or 6.6%, to 807 million yen.

2. Operation results by segment

Operation results by business segment are described below. Each of the amounts shown includes internal transactions between segments. Following the changes in the business administration segments within the Group, some of the business, which was included in the “Lamp Business” in prior periods, has been transferred to the “Inspection Equipment Business.” Moreover, changes have been made to the reported segment divisions from the first quarter of the current fiscal year onward. Following the changes, the revised values for the year-on-year comparisons have been incorporated into each segment.

i) Lamp Business

With a focus on sales promotion for built-in projector and replacement lamps against a backdrop of strong sales of light-source units for UV exposure equipment, sales of the applicable UV exposure lamps rose. However, sales of projector lamps fell 8.0% year-on-year to 1,431 million yen. Sales of general lightning lamps fell 7.4% to 1,457 million yen. LED lamp sales increased steadily as an awareness of energy conservation took hold, but were affected by a brief decline in the sales of halogen and other conventional lamps and a delay in the schedule for LED lamp installation.

In this segment, sales decreased by 6.9% to 3,556 million yen and operating income decreased by 29.0% to 130 million yen, compared with the previous fiscal year.

ii) Manufacturing Equipment Business

In the manufacturing equipment business, in addition to higher demand for alignment layer manufacturing equipment, orders for manufacturing equipment in the new fields grew steadily. Notably, sales of alignment layer manufacturing equipment were concentrated in the first half of the fiscal year. In addition, the Group took the initiative in pursuing orders to relocate used equipment overseas. Among them, a large project to relocate equipment to China, which was undertaken from the previous fiscal year, was completed and the sum of 11,700 million yen was recorded in sales in the current fiscal year.

In this segment, sales increased by 178.4% to 17,419 million yen and operating income increased by 67.4% to 1,111 million yen, compared with the previous fiscal year.

Moreover, we received a steady stream of orders, and the balance of orders as of the end of the fiscal year reached 4,671 million yen.

iii) Inspection Equipment Business

In the inspection equipment business, the Group sells light sources for inspection equipment. In addition, we proactively handled orders for UV exposure light source units but sales declined 22.8% to 943 million yen.

In this segment, sales decreased by 15.2% to 1,346 million yen and operating income decreased by 30.4% to 136 million yen, compared with the previous fiscal year.

iv) Human Resource Service Business

The human resource service business includes the temporary staffing for engineers, design subcontracting and temporary staffing to the manufacturing sector*. Temporary staffing for engineers and design subcontracting are showing signs of stable growth. In this business, which is closely linked to area served, sales activities were strengthened by improving the quality of workers and providing services that meet customers' needs. As for temporary staffing to the manufacturing sector, the numbers of staff dispatched grew steadily, reflecting the improving trends in corporate profits and employment.

* In April 2015, Nippon Gijutsu Center Co., Ltd. merged Techno Provider Co., Ltd., which was Helios Techno consolidated subsidiary that provides temporary staffing service for the manufacturing sector.

In this segment, sales increased by 8.3% to 3,463 million yen and operating income decreased by 7.2% to 125 million yen, compared with the previous fiscal year.

Future outlook

The Helios Techno Group is committed to improving its business performance. The initiatives toward that goal are as follows:

1) Lamp Business

Regarding light source units for UV exposure equipment, the Group will press forward with the promotion and growth of lamp sales by proceeding with the creation of large-scale G10 units and exploring new applications.

The Group has developed a broad lineup of LED lamps, including high-intensity lamps, and will endeavor to promote agency sales while seeking to improve sales performance, primarily by substituting LED lamps for mercury lamps to illuminate factories and other facilities.

2) Manufacturing Equipment Business

We are proactively undertaking business initiatives for flexo printing equipment. Through developing Flexo, gravure, and inkjet precision printing equipment, we are endeavoring to explore the new field of printed electronics while developing that of organic EL manufacturing equipment. In the used equipment sector, we will also focus on the semiconductor market, which is anticipated to expand greatly in the years to come. To make progress in these ways, we will actively promote strategic alliances with other companies and undertake mergers and acquisitions.

Moreover, we will promote maintenance services and sales of printing plates in order to alleviate the impact of demand fluctuations on specific equipment. We plan to grow these services as our new core businesses.

3) Inspection Equipment Business

The Group seeks to expand the inspection equipment business by developing new equipment which can replace its light sources for inspection equipment and UV exposure light source units.

4) Human Resource Service Business

The Group will expand the business, primarily focusing on the manufacturing sector, which is growing increasingly in years to come.

Recruiting necessary personnel, establishing a strong administrative system, and pursuing further mergers and acquisitions shall be the key for expanding the business.

Based on this outlook, the Group forecasts its operating results for the fiscal year ending March 31, 2017 as follows: consolidated net sales to decrease by 31.3% year-on-year to 17,700 million yen; operating income to decrease by 11.2% year-on-year to 1,050 million yen; recurring profit to decrease by 11.0% year-on-year to 1,040 million yen; and profit attributable to owners of parent to decrease by 15.8% to 680 million yen.

A year-end dividend of 15 yen per share for the fiscal year ended March 31, 2016 is planned as a gratitude to the Group’s shareholders for their continuous support.

(2) Analysis of Financial Position

1) Balance sheet position

Assets

Current assets decreased 6,904 million yen from the end of the previous fiscal year to 11,898 million yen. This was mainly due to an 8,948 million yen decrease in work in process, while there were a 1,322 million yen increase in cash and deposits with banks and a 671 million yen increase in notes and accounts receivable.

Fixed assets increased 39 million yen from the end of the previous fiscal year to 2,765 million yen. This was mainly due to a 40 million yen decrease in intangible assets, while there was an 88 million yen increase in property, plant and equipment, including machinery and equipment, resulting from capital expenditures.

As a result, total assets decreased 6,864 million yen, or 31.9%, from the end of the previous fiscal year to 14,663 million yen.

Liabilities

Current liabilities decreased 7,228 million yen from the end of the previous fiscal year to 5,400 million yen. This was mainly due to a 4,927 million yen decrease in advances received and a 2,450 million yen decrease in short-term borrowings.

Long-term liabilities decreased 239 million yen from the end of the previous fiscal year to 617 million yen, mainly due to a 219 million yen decrease in long-term borrowings.

As a result, total liabilities decreased 7,468 million yen, or 55.4%, from the end of the previous fiscal year to 6,018 million yen.

Net assets

Net assets increased 603 million yen, or 7.5 %, from the end of the previous fiscal year to 8,645 million yen. This was mainly due to the payment of dividends from surplus of 213 million yen and profit attributable to owners of parent of 807 million yen.

Since total assets and liabilities decreased as stated above, the equity ratio rose 21.6 percentage points from the end of the previous fiscal year to 58.9% at the end of current fiscal year.

2) Cash flows

Cash flows from operating activities

Net cash provided by operating activities was 4,503 million yen, compared with 3,508 million yen of net cash used one year earlier. The main factors were income before income taxes and minority interests of 1,153 million yen, depreciation and amortization of 248 million yen (a non-cash expense included in income before income taxes and minority interests), a 4,927 million yen decrease in advances received, an 671 million yen increase in notes and accounts receivable, a 8,955 million yen decrease in inventories, and income taxes paid of 255 million yen.

Cash flows from investing activities

Net cash used in investing activities was 317 million yen, compared with net cash provided of 91 million yen one year earlier. The main factors were payment of 295 million yen for purchase of property, plant and equipment, and payment of 14 million yen for purchase of intangible assets.

Cash flows from financing activities

Net cash used in financing activities was 2,863 million yen, compared with net cash provided of 2,611 million yen one year earlier. The main factors were repayment of 2,450 million yen in short-term borrowings, repayments of 219 million yen in long-term borrowings, and cash dividends paid of 213 million yen.

As a result of the above, cash and cash equivalents as of the end of the current fiscal year increased 1,322 million yen from the end of the previous fiscal year to 3,102 million yen.

(Reference) Cash Flow Indicators

	FY3/12	FY3/13	FY3/14	FY3/15	FY3/16
Shareholders’ equity ratio	63.3	69.2	66.9	37.3	58.9
Shareholders’ equity ratio at market cap	25.4	38.8	50.7	41.4	48.3
Interest-bearing debt to cash flow ratio	16.0	0.9	1.3	-	0.2
Interest coverage ratio	4.3	61.1	127.9	-	351.0

Shareholders’ equity ratio: (total net assets – subscription rights to shares) / total assets
Shareholders’ equity ratio at market cap: market capitalization (Note 2)/ 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.

Note 4: Ratio of interest-bearing debt to cash flows and interest coverage ratio for FY3/15 are not listed because operating cash flows were negative.

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 human resource service business. The fundamental policy also includes expanding business operations and building a stable foundation for operations by generating synergies among different business activities to accelerating growth.

The Group is also dedicated to meet the expectations of its 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. (pure holding company) as the parent company to expand the scale of operations and establish a stable base of operation with four profit centers: the lamp business, manufacturing equipment business, inspection equipment business and human resource service 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 human resource service 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 by dispatching appropriate human resources on a timely basis and thereby meeting customers’ satisfactions.

- 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 Group strives to achieve further refinements in its operations in the above respects to become a “true middle-market company.”

(4) Important Issues

The three companies, PHOENIX Electric Co., Ltd., Nippon Gijutsu Center Co., Ltd., and Nakan Techno Co., Ltd. plan to expand the business and enhance the profitability of the operations that they each manage independently while also collaborating to generate synergy effects.

1) PHOENIX Electric Co., Ltd.

Develop products with greater brightness, reduce costs, and enhance its sales and profitability in the areas of projector lamps, LED lamps, and lamps for exposure equipment.

2) Nippon Gijutsu Center Co., Ltd.

Expand business scale through proactive promotional activities and further mergers and acquisitions.

3) Nakan Techno Co., Ltd.

Focus on upgrading its existing facilities and promote its maintenance services as well as production and sales of its printing plates in order to enhance its management stability. Further, aim for developing inkjet precision printing equipment with highly refined exposure so it can be applied in new fields (printed electronics), while exploring new businesses by promoting strategic alliances outside the company or mergers and acquisitions.

4) Common areas

Develop new businesses to generate synergy effects by combining PHOENIX Electric’s lamp technology, Nippon Gijutsu Center’s planning and development prowess, and Nakan Techno’s sales ability.

3. Basic Approach to the Selection of Accounting Standards

The Group will continue to prepare its consolidated financial statements generally accepted accounting principles in Japan for the time being to enable comparisons with prior year results and with financial data of other companies.

Application of International Financial Reporting Standards will be carefully considered by looking into circumstances in Japan and other countries.

4. Consolidated Financial Statements

(1) Consolidated Balance Sheets

(Thousands of yen)

	FY3/15 (As of Mar. 31, 2015)	FY3/16 (As of Mar. 31, 2016)
Assets		
Current assets		
Cash and deposits with banks	1,836,331	3,158,833
Notes and accounts receivable	4,213,188	4,884,399
Merchandise and finished goods	337,474	318,558
Work in process	11,332,851	2,384,001
Raw materials and supplies	474,286	487,041
Deferred tax assets	80,853	119,663
Advance payments	248,428	419,213
Others	292,184	127,013
Allowance for doubtful accounts	(13,104)	(433)
Total current assets	18,802,495	11,898,292
Fixed assets		
Property, plant and equipment		
Buildings and structures, net	816,984	786,162
Machinery, equipment and vehicles, net	329,803	450,238
Land	864,166	860,626
Leased assets, net	2,396	6,991
Construction in progress	28,823	9,462
Others, net	50,897	68,353
Total property, plant and equipment	2,093,071	2,181,835
Intangible assets		
Goodwill	74,705	53,360
Others	74,501	55,695
Total intangible assets	149,207	109,056
Investments and other assets		
Investment securities	413,055	394,568
Deferred tax assets	5,374	1,719
Others	101,115	142,107
Allowance for doubtful accounts	(35,600)	(63,834)
Total investments and other assets	483,944	474,561
Total fixed assets	2,726,223	2,765,452
Total assets	21,528,718	14,663,744

(Thousands of yen)

	FY3/15 (As of Mar. 31, 2015)	FY3/16 (As of Mar. 31, 2016)
Liabilities		
Current liabilities		
Notes and accounts payable	1,271,732	1,417,229
Short-term borrowings	2,750,000	300,000
Current portion of long-term borrowings	219,996	219,996
Accrued income taxes	137,133	289,284
Accrued bonuses	248,688	286,337
Provision for product warranties	18,314	46,931
Advances received	7,221,986	2,294,785
Others	761,475	546,235
Total current liabilities	12,629,326	5,400,800
Long-term liabilities		
Long-term borrowings	654,174	434,178
Deferred tax liabilities	93,557	70,947
Long-term accounts payable - other	103,616	103,616
Others	6,499	9,154
Total long-term liabilities	857,848	617,897
Total liabilities	13,487,174	6,018,697
Net assets		
Shareholders’ equity		
Common stock	2,133,177	2,133,177
Capital surplus	2,563,867	2,563,867
Retained earnings	4,459,692	5,047,180
Treasury shares	(1,245,467)	(1,211,662)
Total shareholders’ equity	7,911,269	8,532,562
Accumulated other comprehensive income		
Unrealized holding gain on other securities	117,820	106,374
Total accumulated other comprehensive income	117,820	106,374
Subscription rights to shares	12,455	6,110
Total net assets	8,041,544	8,645,047
Total liabilities and net assets	21,528,718	14,663,744

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

Consolidated Statements of Income

(Thousands of yen)

	FY3/15 (Apr. 1, 2014 – Mar. 31, 2015)	FY3/16 (Apr. 1, 2015 – Mar. 31, 2016)
Net sales	14,817,734	25,769,486
Cost of goods sold	10,925,019	21,456,153
Gross profit	3,892,714	4,313,332
Selling, general and administrative expenses	3,041,266	3,131,306
Operating income	851,448	1,182,026
Non-operating income		
Interest income	153	161
Dividend income	8,588	10,975
Operations consignment fee	4,704	12,400
Income of rent	4,170	3,606
Amortization of negative goodwill	10,038	-
Miscellaneous revenue	13,509	9,743
Total non-operating income	41,163	36,886
Non-operating expenses		
Interest expense	65,659	12,933
Foreign exchange loss	27,633	15,982
Commission for syndicate loan	18,111	19,564
Miscellaneous loss	1,042	1,723
Total non-operating expenses	112,447	50,204
Recurring profit	780,165	1,168,708
Extraordinary income		
Gain on sales of fixed assets	-	1,903
Gain on redemption of investment securities	92,939	-
Total extraordinary income	92,939	1,903
Extraordinary loss		
Loss on disposal of fixed assets	-	7,381
Impairment loss	-	3,540
Office transfer expenses	-	6,578
Total extraordinary losses	-	17,500
Profit before income taxes	873,104	1,153,111
Income taxes-current	223,136	396,165
Income taxes-deferred	(107,787)	(50,806)
Total income taxes	115,349	345,359
Profit	757,755	807,751
Profit attributable to owners of parent	757,755	807,751

Consolidated Statements of Comprehensive Income

(Thousands of yen)

	FY3/15 (Apr. 1, 2014 – Mar. 31, 2015)	FY3/16 (Apr. 1, 2015 – Mar. 31, 2016)
Profit	757,755	807,751
Other comprehensive income		
Unrealized holding gain on other securities	30,931	(11,445)
Total other comprehensive income	30,931	(11,445)
Comprehensive income	788,687	796,306
Comprehensive income attributable to		
Owners of parent	788,687	796,306
Non-controlling interests	-	-

(3) Consolidated Statements of Changes in Equity

FY3/15 (Apr. 1, 2014 – Mar. 31, 2015)

(Thousands of yen)

	Shareholders' equity				
	Common stock	Capital surplus	Retained earnings	Treasury stock	Total Shareholders' equity
Balance at beginning of current period	2,133,177	2,563,867	3,915,586	(1,488,365)	7,124,265
Changes of items during period					
Dividend of surplus			(168,631)		(168,631)
Profit attributable to owners of parent			757,755		757,755
Disposal of treasury stock		(45,017)		242,897	197,880
Transfer of loss on disposal of treasury stock		45,017	(45,017)		-
Net changes of items other than shareholders' equity					
Total changes of items during period	-	-	544,106	242,897	787,004
Balance at end of current period	2,133,177	2,563,867	4,459,692	(1,245,467)	7,911,269

	Accumulated other comprehensive income		Subscription rights to shares	Total net assets
	Unrealized holding gain on other securities	Total valuation and translation adjustments		
Balance at beginning of current period	86,888	86,888	50,791	7,261,944
Changes of items during period				
Dividend of surplus				(168,631)
Profit attributable to owners of parent				757,755
Disposal of treasury stock				197,880
Transfer of loss on disposal of treasury stock				-
Net changes of items other than shareholders' equity	30,931	30,931	(38,336)	(7,404)
Total changes of items during period	30,931	30,931	(38,336)	779,599
Balance at end of current period	117,820	117,820	12,455	8,041,544

FY3/16 (Apr. 1, 2015 – Mar. 31, 2016)

(Thousands of yen)

	Shareholders' equity				
	Common stock	Capital surplus	Retained earnings	Treasury stock	Total Shareholders' equity
Balance at beginning of current period	2,133,177	2,563,867	4,459,692	(1,245,467)	7,911,269
Changes of items during period					
Dividend of surplus			(213,998)		(213,998)
Profit attributable to owners of parent			807,751		807,751
Disposal of treasury stock		(6,265)		33,805	27,540
Transfer of loss on disposal of treasury stock		6,265	(6,265)		-
Net changes of items other than shareholders' equity					
Total changes of items during period	-	-	587,488	33,805	621,293
Balance at end of current period	2,133,177	2,563,867	5,047,180	(1,211,662)	8,532,562

	Accumulated other comprehensive income		Subscription rights to shares	Total net assets
	Unrealized holding gain on other securities	Total valuation and translation adjustments		
Balance at beginning of current period	117,820	117,820	12,455	8,041,544
Changes of items during period				
Dividend of surplus				(213,998)
Profit attributable to owners of parent				807,751
Disposal of treasury stock				27,540
Transfer of loss on disposal of treasury stock				-
Net changes of items other than shareholders' equity	(11,445)	(11,445)	(6,345)	(17,790)
Total changes of items during period	(11,445)	(11,445)	(6,345)	603,502
Balance at end of current period	106,374	106,374	6,110	8,645,047

(4) Consolidated Statements of Cash Flows

(Thousands of yen)

	FY3/15 (Apr. 1, 2014 – Mar. 31, 2015)	FY3/16 (Apr. 1, 2015 – Mar. 31, 2016)
Cash flows from operating activities		
Profit before income taxes	873,104	1,153,111
Depreciation and amortization	237,744	248,582
Amortization of goodwill	11,306	21,344
Impairment loss	-	3,540
Increase (decrease) in accrued bonuses	19,936	37,649
Increase (decrease) in allowance for doubtful accounts	(1,766)	17,109
Increase (decrease) in provision for loss on construction contracts	(13,547)	-
Increase (decrease) in provision for product warranties	3,439	28,617
Interest and dividend income	(8,741)	(11,136)
Interest expense	65,659	12,933
Loss (gain) on valuation of investment securities	(73)	223
Loss (gain) on redemption of investment securities	(92,939)	-
Loss (gain) on sale of fixed assets	-	(1,903)
Loss on disposal of fixed assets	-	7,381
Decrease (increase) in notes and accounts receivable	(882,859)	(671,210)
Decrease (increase) in inventories	(10,534,355)	8,955,010
Decrease (increase) in other accounts receivable	(122,172)	121,478
Decrease (increase) in advance payments	(194,074)	(170,785)
Increase (decrease) in notes and accounts payable	(148,841)	145,497
Increase (decrease) in accrued consumption taxes	82,285	(68,511)
Increase (decrease) in other accounts payable	189,538	(226,246)
Increase (decrease) in advances received	7,152,949	(4,927,200)
Increase (decrease) in long-term accounts payable - other	(1,131)	-
Others	39,179	85,394
Subtotal	(3,325,362)	4,760,879
Interests and dividends received	8,739	11,130
Interests paid	(65,675)	(12,829)
Income taxes refund	25,064	-
Income taxes paid	(150,955)	(255,978)
Net cash provided by (used in) operating activities	(3,508,189)	4,503,201

(Thousands of yen)

	FY3/15 (Apr. 1, 2014 – Mar. 31, 2015)	FY3/16 (Apr. 1, 2015 – Mar. 31, 2016)
Cash flows from investing activities		
Proceeds from time deposits	22,451	-
Payment for purchase of property, plant and equipment	(123,023)	(295,500)
Proceeds from sale of property, plant, and equipment	(165)	2,399
Payment for purchase of intangible assets	(33,339)	(14,670)
Payment for purchase of investment securities	(145)	(141)
Proceeds from redemption of investment securities	219,501	-
Collection of investments in capital	150	-
Others	6,524	(9,293)
Net cash provided by (used in) investing activities	91,953	(317,205)
Cash flows from financing activities		
Net increase (decrease) in short-term borrowings	2,450,000	(2,450,000)
Proceeds from long-term borrowings	500,000	-
Repayment of long-term borrowings	(321,730)	(219,996)
Repayment of lease obligations	(539)	(698)
Proceeds from disposal of treasury shares from exercise of subscription rights to shares	152,290	21,195
Cash dividends paid	(168,631)	(213,998)
Net cash provided by (used in) financing activities	2,611,388	(2,863,497)
Net increase (decrease) in cash and cash equivalents	(804,847)	1,322,498
Cash and cash equivalents at beginning of period	2,585,108	1,780,260
Cash and cash equivalents at end of period	1,780,260	3,102,758

(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 consolidated subsidiaries:

PHOENIX Electric Co., Ltd.

LUX Co., Ltd.

Nippon Gijutsu Center Co., Ltd.

Nakan Techno Co., Ltd.

Techno Provider Co., Ltd., a former consolidated subsidiary, is excluded from the consolidation because the company is absorbed in a merger with Nippon Gijutsu Center Co., Ltd., a subsidiary of the Group, on April 1, 2015.

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 by the periodic average method, and the manufacturing equipment business and the inspection equipment business carry inventories 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 is computed by the declining-balance method. However, depreciation of buildings (excluding equipment and fixtures) acquired on or after April 1, 1998 at the Company is calculated using the straight-line method.

Useful lives of principal assets are as follows (years):

Buildings and structures: 3-45

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
To prepare for product warranties for the cost of repairs, replacements and other activities required during the free warranty period, an allowance is provided for an estimated warranty expenses based on the percentage of such costs incurred as a percentage of the cost of sales in prior years.

(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.

(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
a. Accounting for consumption taxes
All amounts stated are exclusive of national and local consumption taxes.

b. Application of consolidated taxation system
The Company applies the consolidated taxation system.

Changes in Accounting Policies

The Company has applied the “Accounting Standard for Business Combinations” (Accounting Standards Board of Japan (ASBJ) Statement No. 21, September 13, 2013), “Accounting Standard for Consolidated Financial Statements” (ASBJ Statement No. 22, September 13, 2013), “Accounting Standard for Business Divestitures” (ASBJ Statement No. 7, September 13, 2013), etc. from the FY3/16. Accordingly, difference arising from changes in the Company’s ownership interests in subsidiaries in cases where control is retained is recognized in capital surplus, and the acquisition costs in connection with business combinations are recognized as expenses in the fiscal year in which they arise. Regarding business combinations that take place on or after the beginning of FY3/16, the Company has revised the method to reflect reviewed allocation of the acquisition costs arising from determination of the provisional accounting treatment on the consolidated financial statements to which the date of the business combination belongs. In addition, the presentation of net income has been revised. For consistency with these changes, the consolidated financial statements for the previous fiscal year have been revised.

The Company has adopted the Accounting Standard for Business Combinations, etc. from the beginning of the current fiscal year, in accordance with the transitional accounting treatments set forth in Article 58-2 (4) of the Accounting Standard for Business Combinations, Article 44-5 (4) of the Accounting Standard for Consolidated Financial Statements, and Article 57-4 (4) of the Accounting Standard for Business Divestitures.

In the consolidated statements of cash flows for the FY3/16, cash flows associated with purchase or sales of stocks of subsidiaries not resulting in changes in the scope of consolidation are included in cash flows from financing activities. On the other hand, cash flows associated with purchase or sales of stocks of subsidiaries resulting in changes in the scope of consolidation or expenses associated with purchase or sales of stocks of subsidiaries not resulting in changes in the scope of consolidation are included in cash flows from operating activities.

There was no impact on the consolidated financial statements and per-share data for the FY3/16.

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 human resource service 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 human resource service business includes the temporary placement of engineers, temporary placement of manufacturing workers and services provided on an outsourcing basis.

Following the changes in the business administration segments within the Group, some of the business, which was included in the "Lamp Business" in prior periods, has been transferred to the "Inspection Equipment Business" from the FY3/16. The segment information for the FY3/15 is prepared and disclosed based on the reportable segment categories after the revision.

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

The accounting 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

FY3/15 (Apr. 1, 2014 – Mar. 31, 2015) *(Thousands of yen)*

	Reportable segment					Adjustment (Note 1)	Amounts shown on consolidated financial statements (Note 2)
	Lamp Business	Manufacturing Equipment Business	Inspection Equipment Business	Human Resource Service Business	Total		
Net sales							
Sales to third parties	3,808,198	6,258,171	1,583,026	3,168,337	14,817,734	-	14,817,734
Inter-segment sales and transfers	11,131	-	4,910	30,223	46,265	(46,265)	-
Total	3,819,330	6,258,171	1,587,937	3,198,561	14,864,000	(46,265)	14,817,734
Segment profit	184,546	664,163	196,660	135,217	1,180,587	(329,139)	851,448
Segment assets	2,668,902	14,640,073	2,361,917	853,507	20,524,400	1,004,317	21,528,718
Other items							
Depreciation and amortization	116,026	104,585	4,166	10,393	235,172	2,572	237,744
Amortization of goodwill	-	-	-	21,344	21,344	-	21,344
Increases in property, plant and equipment, and intangible assets	48,058	61,957	6,241	19,592	135,849	9,465	145,315

Notes: 1. The above adjustments are as follows.

(1) The minus 329,139 thousand yen adjustment to segment profit includes minus 10,158 thousand yen in elimination of inter-segment transactions and minus 318,980 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 1,004,317 thousand yen adjustment to segment assets includes minus 934,403 thousand yen in elimination of

inter-segment receivables and payables and plus 1,938,721 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 9,465 thousand yen adjustment to increases in property, plant and equipment and intangible assets includes capital investment associated with the head office.

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

FY3/16 (Apr. 1, 2015 – Mar. 31, 2016) *(Thousands of yen)*

	Reportable segment					Adjustment (Note 1)	Amounts shown on consolidated financial statements (Note 2)
	Lamp Business	Manufacturing Equipment Business	Inspection Equipment Business	Human Resource Service Business	Total		
Net sales							
Sales to third parties	3,555,044	17,419,748	1,344,713	3,449,979	25,769,486	-	25,769,486
Inter-segment sales and transfers	1,142	-	1,316	13,606	16,065	(16,065)	-
Total	3,556,186	17,419,748	1,346,029	3,463,586	25,785,552	(16,065)	25,769,486
Segment profit	130,940	1,111,871	136,841	125,475	1,505,129	(323,102)	1,182,026
Segment assets	2,396,203	7,029,056	1,292,366	942,133	11,659,760	3,003,984	14,663,744
Other items							
Depreciation and amortization	126,372	100,593	3,890	15,379	246,237	2,345	248,582
Amortization of goodwill	-	-	-	21,344	21,344	-	21,344
Increases in property, plant and equipment, and intangible assets	58,271	230,939	22,151	11,646	323,008	9,971	332,980

Notes: 1. The above adjustments are as follows.

(1) The minus 323,102 thousand yen adjustment to segment profit includes 17,080 thousand yen in elimination of inter-segment transactions and minus 340,182 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 3,003,984 thousand yen adjustment to segment assets includes minus 7,283 thousand yen in elimination of inter-segment receivables and payables and plus 3,011,268 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 9,971 thousand yen adjustment to increases in property, plant and equipment and intangible assets includes capital investment associated with the head office.

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

Per-share Data

Item	FY3/15 (Apr. 1, 2014 – Mar. 31, 2015)	FY3/16 (Apr. 1, 2015 – Mar. 31, 2016)
Net assets per share (Yen)	450.23	480.79
Net income per share (Yen)	43.97	45.25
Net income per share (diluted) (Yen)	43.59	45.05

Notes: 1. Basis for the calculation of net income per share and net income per share (diluted) is as follows.

(Thousands of yen)

Item	FY3/15 (Apr. 1, 2014 – Mar. 31, 2015)	FY3/16 (Apr. 1, 2015 – Mar. 31, 2016)
Net income per share		
Net income	757,755	807,751
Amount not attributable to common stock shareholders	-	-
Net income available to common stock	757,755	807,751
Average number of shares outstanding (Shares)	17,235,138	17,849,420
Net income per share (diluted)		
Adjusted to net income	-	-
Increase in common stock (Shares)	150,304	82,566
[of which stock acquisition rights] (Shares)	[150,304]	[82,566]
Potential stock not included in the calculation of net income per share (diluted) since it did not have dilutive effect.	-	-

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

(Thousands of yen)

Item	FY3/15 (As of Mar. 31, 2015)	FY3/16 (As of Mar. 31, 2016)
Total net assets	8,041,544	8,645,047
Deduction on total net assets	12,455	6,110
[of which stock acquisition rights]	[12,455]	[6,110]
Net assets applicable to common stock at end of period	8,029,089	8,638,937
Number of common stock shares used in calculation of net assets per share (Shares)	17,833,190	17,968,190

Subsequent Events

Not applicable.

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