

## Summary of Consolidated Financial Results for the First Quarter of Fiscal Year Ending March 31, 2020 (Three Months Ended June 30, 2019)

[Japanese GAAP]

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Scheduled date of filing of Quarterly Report: August 9, 2019

Scheduled date of payment of dividend: -

Preparation of supplementary materials for quarterly financial results: None

Holding of quarterly financial results meeting: None

Note: The original disclosure in Japanese was released on August 2, 2019 at 16:00 (GMT +9).

(Amounts are rounded down to the nearest million yen)

### 1. Consolidated Financial Results for the Three Months Ended June 30, 2019 (April 1, 2019 – June 30, 2019)

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

	Net sales		Operating profit		Recurring profit		Profit attributable to owners of parent	
	Million yen	%	Million yen	%	Million yen	%	Million yen	%
Three months ended Jun. 30, 2019	4,059	(30.5)	41	(93.3)	48	(92.2)	4	(99.1)
Three months ended Jun. 30, 2018	5,836	106.1	622	-	629	-	442	-

Note: Comprehensive income (million yen) Three months ended Jun. 30, 2019: (62) (-%)

Three months ended Jun. 30, 2018: 425 (-%)

	Net income per share (basic)	Net income per share (diluted)
	Yen	Yen
Three months ended Jun. 30, 2019	0.23	-
Three months ended Jun. 30, 2018	24.44	-

Note: Net income per share (diluted) is not presented since there is no outstanding potential stock.

### (2) Consolidated financial position

	Total assets	Net assets	Equity ratio
	Million yen	Million yen	%
As of Jun. 30, 2019	16,568	12,028	72.6
As of Mar. 31, 2019	18,207	12,634	69.4

Reference: Equity (million yen)

As of Jun. 30, 2019: 12,028

As of Mar. 31, 2019: 12,634

### 2. Dividends

	Dividend per share				
	End of first quarter	End of second quarter	End of third quarter	Year-end	Total
	Yen	Yen	Yen	Yen	Yen
Fiscal year ended Mar. 31, 2019	-	0.00	-	30.00	30.00
Fiscal year ending Mar. 31, 2020	-	-	-	-	-
Fiscal year ending Mar. 31, 2020 (forecast)	-	0.00	-	30.00	30.00

Note: Revisions to the most recently announced dividend forecast: None

### 3. Consolidated Forecast for the Fiscal Year Ending March 31, 2020 (April 1, 2019 – March 31, 2020)

(Percentages represent year-on-year changes)

	Net sales		Operating profit		Recurring profit		Profit attributable to owners of parent		Net income per share (basic)
	Million yen	%	Million yen	%	Million yen	%	Million yen	%	Yen
First half	9,800	(21.5)	500	(68.2)	500	(68.3)	350	(68.5)	19.34
Full year	23,400	1.3	2,000	(15.4)	2,000	(15.6)	1,400	(21.7)	77.36

Note: Revisions to the most recently announced consolidated forecast: None

**\* Notes**

(1) Changes in significant subsidiaries during the period (changes in specified subsidiaries resulting in changes in scope of consolidation): None

(2) Application of special accounting methods in the preparation of quarterly consolidated financial statements: None

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

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

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

3) Changes in accounting-based estimates: None

4) Restatements: None

(4) Number of shares outstanding (common stock)

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

As of Jun. 30, 2019:	22,806,900 shares	As of Mar. 31, 2019:	22,806,900 shares
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2) Number of treasury shares at the end of period

As of Jun. 30, 2019:	4,708,717 shares	As of Mar. 31, 2019:	4,708,717 shares
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3) Average number of shares outstanding during the period

Three months ended Jun. 30, 2019:	18,098,183 shares	Three months ended Jun. 30, 2018:	18,098,190 shares
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Note 1: The quarterly financial report is not subject to quarterly review by certified public accountants or auditing firms.

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

Earnings forecasts

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 3 of the attachments "1. Qualitative Information on Quarterly Consolidated Financial Results, (3) Explanation of Consolidated Forecast and Other Forward-looking Statements."

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## 1. Qualitative Information on Quarterly Consolidated Financial Results

### (1) Explanation of Results of Operations

In the first quarter of the current fiscal year (“the period under review”), the Japanese economy remained on a gradual recovery track due to solid corporate earnings and improvement in employment. However, the outlook remains uncertain due to factors such as the effects of the coming consumption tax increase, the impact of developments of the U.S.-China trade issues, an evident slowdown in the Chinese economy, and the Brexit issue.

Additionally, a series of capital investments in the liquid crystal panel industry—a key market for the Helios Techno Group (“the Group”)—continued primarily in China as TV panels became larger, but its momentum remained on a declining trend because the outlook for the future is unclear due to the U.S.-China trade issues.

In this business environment, the Group’s net sales for the period under review decreased 1,777 million yen, or 30.5%, year on year to 4,059 million yen, operating profit decreased 580 million yen, or 93.3%, to 41 million yen, recurring profit decreased 580 million yen, or 92.2%, to 48 million yen, and profit attributable to owners of parent decreased 438 million yen, or 99.1%, to 4 million yen.

Operating results by business segment are described below. Each of the amounts shown includes inter-segment transactions.

#### i) Lamp Business

The Lamp Business reported a segment loss because the expected sales of lamps for the light source units for exposure equipment during the period under review has been postponed to the next quarter and onwards and because we proactively invested in the development of new products.

Consequently, the segment sales for the period under review decreased 20.8% year on year to 612 million yen with a segment loss of 86 million yen (compared with a segment loss of 21 million yen for the same period of the previous fiscal year).

#### ii) Manufacturing Equipment Business

The Manufacturing Equipment Business remained strong in sales as we successfully delivered mainly light source units for exposure equipment as planned. It is noted that we delivered alignment layer manufacturing equipment used for large flat-panel displays during the same period of the previous fiscal year.

Consequently, the segment sales for the period under review decreased 44.3% year on year to 2,122 million yen with a segment profit of 212 million yen, down 69.5% year on year.

#### iii) Human Resource Service Business

The Human Resource Service Business includes the temporary staffing for engineers, design subcontracting, and temporary staffing to the manufacturing sector. We have achieved stable performance for temporary staffing for engineers and design subcontracting by educating human resources to improve their skills and creating an environment for engineers to grow in response to customers’ needs. In the temporary staffing to the manufacturing sector, we have achieved good performance thanks to the continuously increasing number of staff dispatched to both existing and new customers. We are also proactively making investments for securing human resources for staffing.

Consequently, the segment sales for the period under review increased 5.3% year on year to 1,344 million yen with a segment profit of 52 million yen, down 26.4% year on year.

## (2) Explanation of Financial Position

### Assets

Current assets decreased 1,513 million yen from the end of the previous fiscal year to 13,430 million yen. This was mainly due to a 547 million yen decrease in cash and deposits with banks, a 924 million yen decrease in notes and accounts receivable, and a 283 million yen decrease in electronically recorded monetary claims – operating, while there was a 113 million yen increase in income taxes receivable included in “Others” of the current assets section.

Fixed assets decreased 126 million yen from the end of the previous fiscal year to 3,137 million yen. This was mainly due to a 96 million yen decrease in investment securities included in “Others” of the investments and other assets section.

As a result, total assets decreased 1,639 million yen, or 9.0%, from the end of the previous fiscal year to 16,568 million yen.

### Liabilities

Current liabilities decreased 997 million yen from the end of the previous fiscal year to 4,196 million yen. This was mainly due to a 310 million yen decrease in notes and accounts payable, a 261 million yen decrease in accrued bonuses, and a 420 million yen decrease in advances received.

Long-term liabilities decreased 35 million yen from the end of the previous fiscal year to 342 million yen. This was mainly due to a 25 million yen decrease in long-term borrowings.

As a result, total liabilities decreased 1,033 million yen, or 18.5%, from the end of the previous fiscal year to 4,539 million yen.

### Net assets

Net assets decreased 605 million yen, or 4.8%, from the end of the previous fiscal year to 12,028 million yen. This was mainly due to the payment of dividends from surplus of 542 million yen.

As a result, the equity ratio rose 3.2 percentage points from the end of the previous fiscal year to 72.6% at the end of the period under review mainly because both assets and liabilities decreased as stated above.

## (3) Explanation of Consolidated Forecast and Other Forward-looking Statements

There are no revisions to the first-half and full-year consolidated earnings forecast released on May 9, 2019.

## 2. Quarterly Consolidated Financial Statements and Notes

### (1) Consolidated Balance Sheets

(Thousands of yen)

	FY3/19 (As of Mar. 31, 2019)	First quarter of FY3/20 (As of Jun. 30, 2019)
Assets		
Current assets		
Cash and deposits with banks	4,141,751	3,593,874
Notes and accounts receivable	5,961,141	5,036,862
Electronically recorded monetary claims - operating	1,596,315	1,313,141
Merchandise and finished goods	200,062	267,058
Work in process	1,875,562	1,948,276
Raw materials and supplies	675,628	782,490
Advance payments	315,067	180,101
Others	179,621	309,984
Allowance for doubtful accounts	(1,471)	(1,336)
Total current assets	14,943,679	13,430,453
Fixed assets		
Property, plant and equipment		
Buildings and structures, net	940,460	924,588
Land	841,913	841,913
Others, net	594,689	598,654
Total property, plant and equipment	2,377,063	2,365,156
Intangible assets		
Others	66,480	62,052
Total intangible assets	66,480	62,052
Investments and other assets		
Others	876,772	766,882
Allowance for doubtful accounts	(56,437)	(56,437)
Total investments and other assets	820,334	710,445
Total fixed assets	3,263,878	3,137,654
Total assets	18,207,557	16,568,107

(Thousands of yen)

	FY3/19 (As of Mar. 31, 2019)	First quarter of FY3/20 (As of Jun. 30, 2019)
<b>Liabilities</b>		
<b>Current liabilities</b>		
Notes and accounts payable	1,489,379	1,179,160
Electronically recorded obligations - operating	682,588	567,490
Short-term borrowings	200,000	100,000
Current portion of long-term borrowings	130,051	105,032
Accrued income taxes	80,836	4,968
Accrued bonuses	441,337	180,244
Provision for product warranties	41,086	27,221
Provision for loss on construction contracts	-	20,794
Advances received	1,028,256	607,864
Others	1,100,567	1,403,593
<b>Total current liabilities</b>	<b>5,194,102</b>	<b>4,196,369</b>
<b>Long-term liabilities</b>		
Long-term borrowings	306,574	281,566
Others	72,275	61,347
<b>Total long-term liabilities</b>	<b>378,849</b>	<b>342,913</b>
<b>Total liabilities</b>	<b>5,572,951</b>	<b>4,539,282</b>
<b>Net assets</b>		
<b>Shareholders' equity</b>		
Common stock	2,133,177	2,133,177
Capital surplus	2,563,867	2,563,867
Retained earnings	8,961,449	8,422,658
Treasury shares	(1,179,114)	(1,179,114)
<b>Total shareholders' equity</b>	<b>12,479,379</b>	<b>11,940,589</b>
<b>Accumulated other comprehensive income</b>		
Unrealized holding gain on other securities	155,226	88,235
<b>Total accumulated other comprehensive income</b>	<b>155,226</b>	<b>88,235</b>
<b>Total net assets</b>	<b>12,634,605</b>	<b>12,028,824</b>
<b>Total liabilities and net assets</b>	<b>18,207,557</b>	<b>16,568,107</b>

**(2) Consolidated Statements of Income and Consolidated Statements of Comprehensive Income****Consolidated Statements of Income****(For the Three-month Period)***(Thousands of yen)*

	First three months of FY3/19 (Apr. 1, 2018 – Jun. 30, 2018)	First three months of FY3/20 (Apr. 1, 2019 – Jun. 30, 2019)
Net sales	5,836,883	4,059,327
Cost of goods sold	4,280,050	3,069,001
Gross profit	1,556,832	990,326
Selling, general and administrative expenses	934,021	948,480
Operating profit	622,811	41,845
Non-operating income		
Interest income	15	512
Dividend income	8,658	9,758
Miscellaneous revenue	1,906	3,381
Total non-operating income	10,579	13,652
Non-operating expenses		
Interest expense	2,325	1,566
Foreign exchange loss	990	4,842
Miscellaneous loss	447	259
Total non-operating expenses	3,764	6,668
Recurring profit	629,626	48,830
Extraordinary income		
Gain on sales of fixed assets	-	103
Total extraordinary income	-	103
Extraordinary loss		
Loss on disposal of fixed assets	1,667	-
Total extraordinary losses	1,667	-
Profit before income taxes	627,959	48,933
Income taxes-current	89,990	6,333
Income taxes-deferred	95,663	38,445
Total income taxes	185,653	44,778
Profit	442,306	4,154
Profit attributable to owners of parent	442,306	4,154

**Consolidated Statements of Comprehensive Income****(For the Three-month Period)**

	<i>(Thousands of yen)</i>	
	First three months of FY3/19 (Apr. 1, 2018 – Jun. 30, 2018)	First three months of FY3/20 (Apr. 1, 2019 – Jun. 30, 2019)
Profit	442,306	4,154
Other comprehensive income		
Unrealized holding gain on other securities	(17,174)	(66,990)
Total other comprehensive income	(17,174)	(66,990)
Comprehensive income	425,131	(62,835)
Comprehensive income attributable to		
Owners of parent	425,131	(62,835)
Non-controlling interests	-	-

**(3) Notes to Quarterly Consolidated Financial Statements****Going Concern Assumption**

Not applicable.

**Significant Changes in Shareholders' Equity**

Not applicable.

**Segment Information****I. First three months of FY3/19 (Apr. 1, 2018 – Jun. 30, 2018)**

Information related to net sales, profit and loss for each reportable segment

(Thousands of yen)

	Reportable segment				Adjustment (Note 1)	Amounts shown on consolidated statements of income (Note 2)
	Lamp Business	Manufacturing Equipment Business	Human Resource Service Business	Total		
Net sales						
Sales to external customers	759,903	3,809,593	1,267,386	5,836,883	-	5,836,883
Inter-segment sales and transfers	13,855	-	9,038	22,894	(22,894)	-
Total	773,758	3,809,593	1,276,424	5,859,777	(22,894)	5,836,883
Segment profit (loss)	(21,258)	698,070	70,991	747,802	(124,991)	622,811

Notes: 1. The minus 124,991 thousand yen adjustment to segment profit (loss) represents company-wide expenses that cannot be allocated to reportable segments. Company-wide expenses mainly include general and administrative expenses that cannot be attributed to reportable segments.

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

**II. First three months of FY3/20 (Apr. 1, 2019 – Jun. 30, 2019)**

Information related to net sales, profit and loss for each reportable segment

(Thousands of yen)

	Reportable segment				Adjustment (Note 1)	Amounts shown on consolidated statements of income (Note 2)
	Lamp Business	Manufacturing Equipment Business	Human Resource Service Business	Total		
Net sales						
Sales to external customers	603,700	2,122,583	1,333,043	4,059,327	-	4,059,327
Inter-segment sales and transfers	8,866	-	11,452	20,319	(20,319)	-
Total	612,567	2,122,583	1,344,496	4,079,647	(20,319)	4,059,327
Segment profit (loss)	(86,589)	212,732	52,250	178,392	(136,546)	41,845

Notes: 1. The minus 136,546 thousand yen adjustment to segment profit (loss) represents the elimination of inter-segment transactions of 691 thousand yen and company-wide expenses of minus 137,238 thousand yen that cannot be allocated to reportable segments. Company-wide expenses mainly include general and administrative expenses that cannot be attributed to reportable segments.

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

*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.*