

**Summary of Consolidated Financial Results for the First Quarter
of Fiscal Year Ending March 31, 2022
(Three Months Ended June 30, 2021)**

[Japanese GAAP]

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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 6, 2021 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, 2021 (April 1, 2021 – June 30, 2021)

(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, 2021	1,610	-	(12)	-	12	-	12	-
Three months ended Jun. 30, 2020	1,512	(62.7)	(136)	-	(121)	-	(128)	-

Note: Comprehensive income (million yen) Three months ended Jun. 30, 2021: 79 (-%)

Three months ended Jun. 30, 2020: (94) (-%)

	Net income per share (basic)		Net income per share (diluted)	
	Yen		Yen	
Three months ended Jun. 30, 2021	0.68		-	
Three months ended Jun. 30, 2020	(7.10)		-	

Note: Beginning with the first quarter of the fiscal year ending on March 31, 2022, Helios Techno Holding is applying Accounting Standard for Revenue Recognition (ASBJ Statement No. 29, March 31, 2020). All figures for the first quarter incorporate this accounting standard and comparisons with the first quarter of the previous fiscal year are omitted.

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio
	Million yen	Million yen	%
As of Jun. 30, 2021	15,445	12,973	84.0
As of Mar. 31, 2021	15,040	13,021	86.6

Reference: Equity (million yen) As of Jun. 30, 2021: 12,973 As of Mar. 31, 2021: 13,021

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, 2021	-	0.00	-	7.00	7.00
Fiscal year ending Mar. 31, 2022	-	-	-	-	-
Fiscal year ending Mar. 31, 2022 (forecast)	-	0.00	-	8.00	8.00

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

3. Consolidated Forecast for the Fiscal Year Ending March 31, 2022 (April 1, 2021 – March 31, 2022)

(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	4,880	-	(103)	-	(93)	-	(66)	-	(3.64)
Full year	11,406	-	649	-	664	-	471	-	26.00

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

Beginning with the first quarter of the fiscal year ending on March 31, 2022, Helios Techno Holding is applying Accounting Standard for Revenue Recognition (ASBJ Statement No. 29, March 31, 2020). Figures for the consolidated forecast incorporate this accounting standard and year-on-year changes are omitted.

*** 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: Yes

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, 2021:	22,806,900 shares	As of Mar. 31, 2021:	22,806,900 shares
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2) Number of treasury shares at the end of period

As of Jun. 30, 2021:	4,687,914 shares	As of Mar. 31, 2021:	4,687,914 shares
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3) Average number of shares outstanding during the period

Three months ended Jun. 30, 2021:	18,118,986 shares	Three months ended Jun. 30, 2020:	18,107,405 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 was expected to recover amid the ongoing spread of COVID-19, backed by the normalization of economic activities alongside vaccination rollouts and increased exports due to the recovery of overseas economies. However, the situation remained unstable as the number of people infected with variants of the virus increased sharply again.

In the Asian market, particularly China, the Group’s main market, the outlook continued to be uncertain. Although economic activities were on a recovery track due to the early containment of the spread of COVID-19 infection, there were many concerns such as the global shortage of semiconductors and the prolonged U.S.-China trade issues.

Net sales of the Group for the period under review were 1,610 million yen (compared with net sales of 1,512 million yen a year earlier). Operating loss was 12 million yen (compared with operating loss of 136 million yen). Recurring profit was 12 million yen (compared with recurring loss of 121 million yen). Profit attributable to owners of parent was 12 million yen (compared with loss attributable to owners of parent of 128 million yen).

Beginning with the first quarter of the fiscal year ending on March 31, 2022, Helios Techno Holding is applying Accounting Standard for Revenue Recognition (ASBJ Statement No. 29, March 31, 2020). As a result, revenue is accounted for differently from that for the first quarter of the previous fiscal year. Therefore, in Explanation of Results of Operations, the amount of increase or decrease and year-on-year percentage change are not stated.

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

i) Lamp Business

In the Lamp Business, the number of shipments of general lighting lamps largely remained at the expected level. On the other hand, the number of shipments of light source units for exposure equipment, our core industrial lamp products, fell short of the plan.

Additionally, industrial LEDs are expected to be used as a light source in a wide range of industrial fields, including many kinds of inspection and security equipment. While continuing to advance practical applications of the products with various companies, we are making company-wide efforts to develop this sector into a pillar of our future business.

Consequently, the segment sales for the period under review were 506 million yen (compared with segment sales of 558 million yen a year earlier) with a segment loss of 43 million yen (compared with a segment loss of 3 million yen a year earlier).

ii) Manufacturing Equipment Business

As for light source units for exposure equipment, capital investments were brought forward due to the increased production of LCD panels. On the other hand, there were events such as the postponement of planned launching activities for alignment layer manufacturing equipment due to customer circumstances.

Furthermore, sales activities were affected by the continuing restrictions on overseas travel and other factors that resulted in lower-than-expected results.

Consequently, the segment sales for the period under review was 1,111 million yen (compared with segment sales of 959 million yen a year earlier) with a segment profit of 128 million yen (compared with segment profit of 11 million yen).

(2) Explanation of Financial Position

Assets

Current assets increased 349 million yen from the end of the previous fiscal year to 12,641 million yen. This was mainly due to an 880 million yen increase in cash and deposits with banks and a 169 million yen increase in work in process, which was partially offset by a 536 million yen decrease in notes and accounts receivable-trade, and contract assets and a 175 million yen decrease in electronically recorded monetary claims - operating.

Fixed assets increased 55 million yen from the end of the previous fiscal year to 2,804 million yen. This was mainly due to a 96 million yen increase in investment securities included in others of investments and other assets, which was partially offset by a 19 million yen decrease in machinery, equipment and vehicles, net, included in others, net of the property, plant and equipment, a 13 million yen decrease in buildings and structures, net, and a 5 million yen decrease in deferred tax assets included in others of the investments and other assets.

As a result, total assets increased 404 million yen, or 2.7%, from the end of the previous fiscal year to 15,445 million yen.

Liabilities

Current liabilities increased 453 million yen from the end of the previous fiscal year to 2,222 million yen. This was mainly due to a 607 million yen increase in contract liabilities and an 82 million yen increase in electronically recorded obligations - operating, which were partially offset by a 198 million yen decrease in accrued income taxes.

As a result, total liabilities increased 452 million yen, or 22.4%, from the end of the previous fiscal year to 2,471 million yen.

Net assets

Net assets decreased 47 million yen, or 0.4%, from the end of the previous fiscal year to 12,973 million yen. This was mainly due to a 66 million yen increase in unrealized holding gain on other securities and a profit attributable to owners of parent of 12 million yen, which were partially offset by the payment of dividends from surplus of 126 million yen.

As a result, the equity ratio decreased 2.6 percentage points from the end of the previous fiscal year to 84.0% at the end of the period under review, mainly reflecting the increases in total assets and liabilities as described 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 7, 2021.

2. Quarterly Consolidated Financial Statements and Notes**(1) Consolidated Balance Sheets***(Thousands of yen)*

	FY3/21 (As of Mar. 31, 2021)	First quarter of FY3/22 (As of Jun. 30, 2021)
Assets		
Current assets		
Cash and deposits with banks	6,453,163	7,333,971
Notes and accounts receivable	2,814,195	-
Notes and accounts receivable-trade, and contract assets	-	2,277,889
Electronically recorded monetary claims - operating	286,765	110,913
Merchandise and finished goods	264,410	271,075
Work in process	1,507,938	1,677,664
Raw materials and supplies	824,499	821,876
Advance payments	38,406	43,596
Others	102,711	104,115
Allowance for doubtful accounts	(149)	(83)
Total current assets	12,291,943	12,641,020
Fixed assets		
Property, plant and equipment		
Buildings and structures, net	775,290	762,170
Land	722,733	722,733
Others, net	552,259	529,588
Total property, plant and equipment	2,050,283	2,014,493
Intangible assets		
Others	20,529	20,950
Total intangible assets	20,529	20,950
Investments and other assets		
Others	722,438	813,628
Allowance for doubtful accounts	(44,421)	(44,421)
Total investments and other assets	678,017	769,207
Total fixed assets	2,748,830	2,804,651
Total assets	15,040,773	15,445,672

(Thousands of yen)

	FY3/21 (As of Mar. 31, 2021)	First quarter of FY3/22 (As of Jun. 30, 2021)
Liabilities		
Current liabilities		
Notes and accounts payable	462,501	405,655
Electronically recorded obligations - operating	73,254	155,586
Short-term borrowings	130,000	100,000
Current portion of long-term borrowings	113,416	91,534
Income taxes payable	207,776	9,374
Provision for bonuses	151,071	177,312
Provision for product warranties	12,245	13,028
Provision for loss on construction contracts	1,280	10,663
Advances received	146,197	-
Contract liabilities	-	753,948
Others	471,554	505,624
Total current liabilities	1,769,297	2,222,727
Long-term liabilities		
Long-term borrowings	187,566	181,104
Others	62,393	68,034
Total long-term liabilities	249,959	249,138
Total liabilities	2,019,256	2,471,865
Net assets		
Shareholders' equity		
Common stock	2,133,177	2,133,177
Capital surplus	2,568,397	2,568,397
Retained earnings	9,277,183	9,162,667
Treasury shares	(1,173,730)	(1,173,730)
Total shareholders' equity	12,805,027	12,690,511
Accumulated other comprehensive income		
Unrealized holding gain on other securities	216,489	283,295
Total accumulated other comprehensive income	216,489	283,295
Total net assets	13,021,516	12,973,807
Total liabilities and net assets	15,040,773	15,445,672

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

	<i>(Thousands of yen)</i>	
	First three months of FY3/21 (Apr. 1, 2020 - Jun. 30, 2020)	First three months of FY3/22 (Apr. 1, 2021 - Jun. 30, 2021)
Net sales	1,512,987	1,610,878
Cost of goods sold	1,035,138	1,073,304
Gross profit	477,849	537,574
Selling, general and administrative expenses	614,359	549,908
Operating loss	(136,509)	(12,334)
Non-operating income		
Interest income	1,004	2
Dividend income	8,758	10,758
Subsidy income	2,000	15,579
Miscellaneous revenue	6,616	516
Total non-operating income	18,379	26,855
Non-operating expenses		
Interest expense	1,336	781
Foreign exchange loss	1,928	1,257
Miscellaneous loss	138	120
Total non-operating expenses	3,402	2,160
Recurring profit (loss)	(121,533)	12,360
Extraordinary loss		
Loss on COVID-19	33,350	-
Loss on retirement of fixed assets	-	2
Total extraordinary losses	33,350	2
Profit (loss) before income taxes	(154,883)	12,358
Income taxes-current	18,268	18,347
Income taxes-deferred	(44,560)	(18,306)
Total income taxes	(26,292)	41
Profit (loss)	(128,591)	12,316
Profit (loss) attributable to owners of parent	(128,591)	12,316

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

	<i>(Thousands of yen)</i>	
	First three months of FY3/21 (Apr. 1, 2020 - Jun. 30, 2020)	First three months of FY3/22 (Apr. 1, 2021 - Jun. 30, 2021)
Profit (loss)	(128,591)	12,316
Other comprehensive income		
Unrealized holding gain on other securities	34,578	66,806
Total other comprehensive income	34,578	66,806
Comprehensive income	(94,013)	79,122
Comprehensive income attributable to		
Owners of parent	(94,013)	79,122
Non-controlling interests	-	-

(3) Notes to Quarterly Consolidated Financial Statements

Going Concern Assumption

Not applicable.

Significant Changes in Shareholders' Equity

Not applicable.

Changes in Accounting Policies

Application of the Accounting Standard for Revenue Recognition

Helios Techno Holding started to apply the Accounting Standard for Revenue Recognition (ASBJ Statement No. 29, March 31, 2020) at the beginning of the first quarter of the current fiscal year. Based on this standard, revenue expected to be received in exchange for the provision of goods and services is recognized when the control of the goods and services is transferred to customers.

For sales of manufacturing equipment, revenue was previously recognized when the equipment was installed at the customer's site and confirmed to be operational. However, under the new standard, Helios Techno Holding will recognize revenue for a separate performance obligation as to adjustments and witnessing work at the customer's site after the equipment is confirmed to be operational.

For the application of the Accounting Standard for Revenue Recognition, in accordance with the transitional measures in the proviso to paragraph 84 of this standard, the cumulative effect of the retrospective application of the new accounting standard, if it is applied prior to the first quarter of the current fiscal year, is added to or subtracted from retained earnings at the beginning of the first quarter of the current fiscal year. The new standard is then applied beginning with this amount of retained earnings. However, Helios Techno Holding has applied the method prescribed in Paragraph 86 of this standard and has not retrospectively applied the new accounting policy to contracts in which almost all revenue were recognized in accordance with the previous treatment prior to the beginning of the first quarter of the current fiscal year. In addition, pursuant to the method prescribed in item (1) of the supplementary provision of Paragraph 86 of the Accounting Standard for Revenue Recognition, Helios Techno Holding has accounted for contract changes made prior to the beginning of the first quarter of the current fiscal year in accordance with the contract terms after reflecting all of the contract changes. The cumulative effect of such changes was added to or subtracted from the balance of retained earnings at the beginning of the first quarter of the current fiscal year.

As a result, the application of the new standard resulted in reductions of 62,971 thousand yen in sales, 35,234 thousand yen in cost of goods sold, and 27,400 thousand yen in operating profit, recurring profit and profit before income taxes, respectively. There is no effect on retained earnings at the beginning of the current fiscal year.

Due to the application of the Accounting Standard for Revenue Recognition, the notes and accounts receivable that was presented in the current assets section of the consolidated balance sheet in the previous fiscal year is, from the first quarter of the current fiscal year, presented as notes and accounts receivable-trade, and contract assets and the advances received that was presented in the current liabilities section is presented as contract liabilities. In accordance with the transitional treatment prescribed in Paragraph 89-2 of the Accounting Standard for Revenue Recognition, no reclassification has been made to the prior year's consolidated financial statements to conform to the new presentation. Furthermore, in accordance with the transitional treatment prescribed in Paragraph 28-15 of the Accounting Standard for Quarterly Financial Reporting (ASBJ Statement No. 12, March 31, 2020), Helios Techno Holding has not presented information on revenue from contracts with customers broken down for the first quarter of the previous fiscal year.

Application of the Accounting Standards for Measurement of Fair Value

Helios Techno Holding has applied the Accounting Standard for Measurement of Fair Value (ASBJ Statement No.30, July 4, 2019) and other standards from the beginning of the first quarter of the current fiscal year, and has applied the new accounting policies prescribed in the Accounting Standard for Measurement of Fair Value prospectively in accordance with the transitional measures in the proviso to Paragraph 19 of the Accounting Standard for Measurement of Fair Value and Paragraph 44-2 of the Accounting Standard for Financial Instruments (ASBJ Statement No.10, July 4, 2019). There is no effect of the application of these standards on the quarterly consolidated financial statements.

Segment Information

I. First three months of FY3/21 (Apr. 1, 2020 – Jun. 30, 2020)

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	Total		
Net sales					
Sales to external customers	554,566	958,421	1,512,987	-	1,512,987
Inter-segment sales and transfers	4,169	949	5,118	(5,118)	-
Total	558,735	959,371	1,518,106	(5,118)	1,512,987
Segment profit (loss)	(3,657)	11,816	8,158	(144,668)	(136,509)

Notes: 1. The minus 144,668 thousand yen adjustment to segment profit (loss) represents company-wide expenses that are not 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 loss shown on the consolidated statements of income.

II. First three months of FY3/22 (Apr. 1, 2021 – Jun. 30, 2021)

1. Information related to net sales, profit and loss for each reportable segment and breakdown on revenue

(Thousands of yen)

	Reportable segment			Adjustment (Note 1)	Amounts shown on consolidated statements of income (Note 2)
	Lamp Business	Manufacturing Equipment Business	Total		
Net sales					
Japan	271,650	407,074	678,724	-	678,724
China	108,876	549,859	658,736	-	658,736
Asia (excluding China)	112,942	136,580	249,522	-	249,522
Others	8,514	15,380	23,894	-	23,894
Revenue from contracts with customers	501,983	1,108,894	1,610,878	-	1,610,878
Sales to external customers	501,983	1,108,894	1,610,878	-	1,610,878
Inter-segment sales and transfers	4,035	2,691	6,726	(6,726)	-
Total	506,019	1,111,586	1,617,605	(6,726)	1,610,878
Segment profit (loss)	(43,414)	128,993	85,578	(97,913)	(12,334)

Notes: 1. The minus 97,913 thousand yen adjustment to segment profit (loss) represents company-wide expenses that are not 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 loss shown on the consolidated statements of income.

2. Change in reportable segments

As described in Changes in Accounting Policies, Helios Techno Holding has applied the Accounting Standard for Revenue Recognition from the beginning of the first quarter of the current fiscal year and changed the accounting method for revenue recognition. The method for calculating profit or loss in business segments has been changed accordingly.

As a result, compared with the previous accounting method, net sales in the Manufacturing Equipment Business decreased by 62,971 thousand yen and segment profit decreased by 27,400 thousand yen.

Additional Information

Impact of COVID-19

While it is difficult to reasonably estimate the impact of the spread of COVID-19 infections at this time, the Helios Techno Holding Group makes accounting estimates based primarily on external information, assuming that the impact will continue for a certain period of time in the fiscal year ending March 31, 2022.

However, numerous uncertainties about the impact mentioned above may affect the Group's financial position and results of operations.

Application of tax effect accounting associated with the transition from the consolidated taxation system to the group tax sharing system

With regard to the transition to the group tax sharing system established under the "Act for Partial Amendment of the Income Tax Act, etc." (Act No. 8 of 2020) and the items for which the non-consolidated taxation system was revised in line with the transition to the group tax sharing system, pursuant to Paragraph 3 of the "Practical Solution on the Treatment of Tax Effect Accounting for the Transition from the Consolidated Taxation System to the Group Tax Sharing System" (ASBJ Practical Issues Task Force (PITF) No. 39, issued on March 31, 2020), Helios Techno Holding and certain domestic consolidated subsidiaries did not apply the provision of Paragraph 44 of the "Implementation Guidance on Tax Effect Accounting" (ASBJ Guidance No. 28, issued on February 16, 2018). Accordingly, the amounts of deferred tax assets and deferred tax liabilities are based on the provisions of the tax laws before the revision.

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.