

## Summary of Consolidated Financial Results for the First Quarter of Fiscal Year Ending March 31, 2023 (Three Months Ended June 30, 2022)

[Japanese GAAP]

Company name: Helios Techno Holding Co., Ltd.

Listing: Tokyo

Stock code: 6927

URL: <https://www.heliostec-hd.co.jp/>

Representative: Yoshihisa Sato, President and Representative Director

Contact: Yasushi Akiba, Managing Director, Chief, President Office,

General Manager, General Administration Department

Tel: +81-3-6264-9510

Scheduled date of filing of Quarterly Securities Report:

August 8, 2022

Scheduled date of payment of dividend:

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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 5, 2022 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, 2022 (April 1, 2022 – June 30, 2022)

## (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, 2022	1,886	17.1	193	-	239	-	161	-
Three months ended Jun. 30, 2021	1,610	-	(12)	-	12	-	12	-

Note: Comprehensive income (million yen)

Three months ended Jun. 30, 2022: 131 (up 66.5%)

Three months ended Jun. 30, 2021: 79 (-%)

	Net income per share (basic)		Net income per share (diluted)	
	Yen		Yen	
Three months ended Jun. 30, 2022	8.92		-	
Three months ended Jun. 30, 2021	0.68		-	

Note: Beginning with the first quarter of the fiscal year ended March 31, 2022, Helios Techno Holding has applied Accounting Standard for Revenue Recognition (ASBJ Statement No. 29, March 31, 2020). Accordingly, year-on-year changes for the three months ended Jun. 30, 2021 are omitted.

## (2) Consolidated financial position

	Total assets	Net assets	Equity ratio
	Million yen	Million yen	%
As of Jun. 30, 2022	15,642	13,408	85.7
As of Mar. 31, 2022	15,629	13,422	85.9

Reference: Equity (million yen)

As of Jun.30, 2022: 13,408

As of Mar. 31, 2022: 13,422

### 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, 2022	-	0.00	-	8.00	8.00
Fiscal year ending Mar. 31, 2023	-	-	-	-	-
Fiscal year ending Mar. 31, 2023 (forecast)	-	0.00	-	9.00	9.00

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

### 3. Consolidated Forecast for the Fiscal Year Ending March 31, 2023 (April 1, 2022 – March 31, 2023)

(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	5,100	41.6	490	-	510	-	360	-	19.86
Full year	10,000	11.7	680	31.0	700	21.2	500	20.6	27.58

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: 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 issued (common stock)

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

As of Jun. 30, 2022:	22,806,900 shares	As of Mar. 31, 2022:	22,806,900 shares
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2) Number of treasury shares at the end of period

As of Jun. 30, 2022:	4,674,441 shares	As of Mar. 31, 2022:	4,674,441 shares
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3) Average number of shares outstanding during the period

Three months ended Jun. 30, 2022:	18,132,459 shares	Three months ended Jun. 30, 2021:	18,118,986 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 Helios Techno Holding. Actual results are affected by various factors and may differ substantially. For discussion of the assumptions and other factors considered by Helios Techno Holding 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 continued facing an uncertain outlook, given the tense Ukraine situation, the surging price of oil and raw materials, the rapid yen depreciation, and the rising concern about inflation, although economic and social activities were expected to be normalized after the relaxing of the movement restrictions imposed under the spread of COVID-19 infections.

Also in the Asian market, particularly China, the Helios Techno Holding Group’s main market, future development need to be carefully monitored partly because of the effects of the re-spread of COVID-19 infections on the society and economy, such as the long-term lockdown in Shanghai.

Under such business environment, net sales of the Group for the period under review were 1,886 million yen (275 million yen, or 17.1%, up from a year earlier). Operating profit was 193 million yen (compared with operating loss of 12 million yen a year earlier). Recurring profit was 239 million yen (227 million yen, or 1,838.3%, up from a year earlier). Profit attributable to owners of parent was 161 million yen (149 million yen, or 1,212.9%, up from a year earlier).

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 light source units for exposure equipment, which are our core industrial lamp products, and of general lighting lamps was mostly in line with the initial plan, while sales activities were still restricted under the impact of the spread of COVID-19 infections.

Additionally, the number of orders received for industrial LEDs gradually increased due to active sales activities and steady product development. We will grow this product into one of the pillars of our future business.

Consequently, the segment sales for the period under review were 529 million yen (4.5% up from a year earlier) with a segment profit of 17 million yen (compared with a segment loss of 43 million yen a year earlier).

#### ii) Manufacturing Equipment Business

In the Manufacturing Equipment Business, the light source units for exposure equipment were delivered to our customers as planned, while sales activities were still restricted under the impact of the spread of COVID-19 infections. In addition, we have made favorable progress of large-scale modification and consumables sales in relation to printing equipment for alignment layers, which are the Group's core product.

We also continued to deliver inkjet printers for curved surface printing in automotive applications. This product is expected to be adopted in a wide range of production applications and industry sectors.

Consequently, the segment sales for the period under review was 1,362 million yen (22.6% up from a year earlier) with a segment profit of 283 million yen (119.5% up from a year earlier).

## **(2) Explanation of Financial Position**

### Assets

Current assets increased 101 million yen from the end of the previous fiscal year to 12,895 million yen. This was mainly due to a 146 million yen increase in cash and deposits with banks, a 116 million yen increase in electronically recorded monetary claims – operating, a 453 million yen increase in work in process, a 38 million yen increase in raw materials and supplies, and a 50 million yen increase in consumption taxes receivable included in others of current assets, which were partially offset by a 726 million yen decrease in notes and accounts receivable, and contract assets.

Fixed assets decreased 88 million yen from the end of the previous fiscal year to 2,747 million yen. This was mainly due to a 13 million yen decrease in buildings and structures, net, a 20 million yen decrease in machinery, equipment and vehicles, net, included in others of property, plant and equipment, and a 43 million yen decrease in investment securities included in others of investments and other assets.

As a result, total assets increased 12 million yen, or 0.1%, from the end of the previous fiscal year to 15,642 million yen.

### Liabilities

Current liabilities increased 50 million yen from the end of the previous fiscal year to 2,013 million yen. This was mainly due to a 198 million yen increase in contract liabilities, a 66 million yen increase in accounts payable – other included in others of current liabilities, a 43 million yen increase in deposits received, which were partially offset by a 79 million yen decrease in notes and accounts payable and a 157 million yen decrease in accrued income taxes.

Long-term liabilities decreased 23 million yen from the end of the previous fiscal year to 220 million yen. This was mainly due to a 21 million yen decrease in long-term accounts payable – other included in others of long-term liabilities.

As a result, total liabilities increased 26 million yen, or 1.2%, from the end of the previous fiscal year to 2,233 million yen.

### Net assets

Net assets decreased 13 million yen, or 0.1%, from the end of the previous fiscal year to 13,408 million yen. This was mainly due to the payment of dividends from surplus of 145 million yen and a 29 million yen decrease in unrealized holding gain on other securities, which were partially offset by the recording of profit attributable to owners of parent of 161 million yen.

As a result, the equity ratio decreased 0.2 percentage points from the end of the previous fiscal year to 85.7% 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 for the fiscal year ending March 31, 2023 released on May 6, 2022.

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

	FY3/22 (As of Mar. 31, 2022)	First quarter of FY3/23 (As of Jun. 30, 2022)
<b>Assets</b>		
Current assets		
Cash and deposits with banks	7,851,015	7,997,395
Notes and accounts receivable, and contract assets	2,615,467	1,889,282
Electronically recorded monetary claims - operating	168,507	285,451
Merchandise and finished goods	181,220	189,503
Work in process	1,031,651	1,485,609
Raw materials and supplies	734,601	772,918
Advance payments	94,955	111,211
Others	116,124	163,876
Allowance for doubtful accounts	(114)	(62)
Total current assets	12,793,429	12,895,186
Fixed assets		
Property, plant and equipment		
Buildings and structures, net	728,453	715,390
Land	722,733	722,733
Others, net	454,195	429,762
Total property, plant and equipment	1,905,383	1,867,886
Intangible assets		
Others	20,110	17,886
Total intangible assets	20,110	17,866
Investments and other assets		
Others	948,074	898,861
Allowance for doubtful accounts	(37,506)	(37,488)
Total investments and other assets	910,567	861,372
Total fixed assets	2,836,061	2,747,145
Total assets	15,629,490	15,642,332

*(Thousands of yen)*

	FY3/22 (As of Mar. 31, 2022)	First quarter of FY3/23 (As of Jun. 30, 2022)
<b>Liabilities</b>		
<b>Current liabilities</b>		
Notes and accounts payable	494,405	415,346
Electronically recorded obligations - operating	95,939	94,310
Short-term borrowings	100,000	100,000
Current portion of long-term borrowings	19,814	10,008
Accrued income taxes	173,642	16,132
Provision for bonuses	172,747	187,067
Provision for product warranties	18,914	14,268
Contract liabilities	335,622	533,793
Others	552,016	642,251
Total current liabilities	1,963,102	2,013,178
<b>Long-term liabilities</b>		
Long-term borrowings	167,752	167,752
Others	76,349	52,449
Total long-term liabilities	244,101	220,201
Total liabilities	2,207,203	2,233,380
<b>Net assets</b>		
<b>Shareholders' equity</b>		
Common stock	2,133,177	2,133,177
Capital surplus	2,569,524	2,569,524
Retained earnings	9,564,929	9,581,574
Treasury shares	(1,170,357)	(1,170,357)
Total shareholders' equity	13,097,273	13,113,918
<b>Accumulated other comprehensive income</b>		
Unrealized holding gain on other securities	325,013	295,034
Total accumulated other comprehensive income	325,013	295,034
Total net assets	13,422,286	13,408,952
Total liabilities and net assets	15,629,490	15,642,332

**(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 FY3/22 (Apr. 1, 2021 – Jun. 30, 2021)	First three months of FY3/23 (Apr. 1, 2022 – Jun. 30, 2022)
Net sales	1,610,878	1,886,810
Cost of goods sold	1,073,304	1,089,982
Gross profit	537,574	796,828
Selling, general and administrative expenses	549,908	603,105
Operating profit (loss)	(12,334)	193,723
Non-operating income		
Interest income	2	2
Dividend income	10,758	15,900
Foreign exchange profit	–	25,829
Subsidy income	15,579	630
Miscellaneous revenue	516	4,115
Total non-operating income	26,855	46,477
Non-operating expenses		
Interest expense	781	476
Foreign exchange loss	1,257	–
Miscellaneous loss	120	137
Total non-operating expenses	2,160	614
Recurring profit	12,360	239,585
Extraordinary loss		
Loss on retirement of fixed assets	2	515
Total extraordinary losses	2	515
Profit before income taxes	12,358	239,070
Income taxes-current	18,347	60,769
Income taxes-deferred	(18,306)	16,597
Total income taxes	41	77,366
Profit	12,316	161,704
Profit attributable to owners of parent	12,316	161,704



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

	<i>(Thousands of yen)</i>	
	First three months of FY3/22 (Apr. 1, 2021 – Jun. 30, 2021)	First three months of FY3/23 (Apr. 1, 2022 – Jun. 30, 2022)
Profit	12,316	161,704
Other comprehensive income		
Unrealized holding gain on other securities	66,806	(29,979)
Total other comprehensive income	66,806	(29,979)
Comprehensive income	79,122	131,725
Comprehensive income attributable to		
Owners of parent	79,122	131,725
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**

Helios Techno Holding has applied the Implementation Guidance on Accounting Standard for Measurement of Fair Value (ASBJ Guidance No.31, June 17, 2021; the "Implementation Guidance") from the beginning of the first quarter of the current fiscal year, and has applied the new accounting policies prescribed in the Implementation Guidance prospectively in accordance with the transitional measures prescribed in Paragraph 27-2 of the Implementation Guidance. There is no effect of this change in accounting policy on the quarterly consolidated financial statements.

**Segment Information**

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

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.

## II. First three months of FY3/23 (Apr. 1, 2022 – Jun. 30, 2022)

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	252,290	530,885	783,176	–	783,176
China	182,712	363,846	546,558	–	546,558
Asia (excluding China)	88,067	467,418	555,485	–	555,485
Others	1,093	496	1,590	–	1,590
Revenue from contracts with customers	524,164	1,362,646	1,886,810	–	1,886,810
Sales to external customers	524,164	1,362,646	1,886,810	–	1,886,810
Inter-segment sales and transfers	4,850	–	4,850	(4,850)	–
Total	529,014	1,362,646	1,891,661	(4,850)	1,886,810
Segment profit	17,534	283,196	300,731	(107,008)	193,723

Notes: 1. The minus 107,008 thousand yen adjustment to segment profit 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 is adjusted to be consistent with operating profit shown on the consolidated statements of income.

## **Additional Information**

### **Impact of COVID-19**

While it is difficult to reasonably predict when the COVID-19 pandemic will end at this time, the Group makes accounting estimates based primarily on external information, assuming that the impact will continue for a certain period of time.

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**

Beginning with the first quarter of the fiscal year ending March 31, 2023, the Company and its consolidated subsidiaries have shifted from the consolidated taxation system to the group tax sharing system. Accordingly, we have accounted for and disclosed corporation tax, local corporation tax, and tax effect accounting in accordance with the Practical Solution on the Treatment of Accounting and Disclosure for the Implementation of the Group Tax Sharing System (ASBJ Practical Issues Task Force (PITF) No. 42, August 12, 2021; "the PITF No. 42"). There is no effect of the change in accounting policy resulting from to the application of the PITF No. 42 pursuant to paragraph 32-1 of PITF No.42.

*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.*