

**Summary of Consolidated Financial Results for the Second Quarter
of Fiscal Year Ending March 31, 2023
(Six Months Ended September 30, 2022)**

[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 November 4, 2022 at 16:00 (GMT +9).

(Amounts are rounded down to the nearest million yen)

**1. Consolidated Financial Results for the Six Months Ended September 30, 2022
(April 1, 2022 – September 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	%
Six months ended Sep. 30, 2022	4,273	18.7	518	–	571	–	385	–
Six months ended Sep. 30, 2021	3,601	–	(74)	–	(36)	–	(21)	–

Note: Comprehensive income (million yen) Six months ended Sep. 30, 2022: 611 (up 682.0%)
 Six months ended Sep. 30, 2021: 78 (-%)

	Net income per share (basic)	Net income per share (diluted)
	Yen	Yen
Six months ended Sep. 30, 2022	21.25	–
Six months ended Sep. 30, 2021	(1.20)	–

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

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio
	Million yen	Million yen	%
As of Sep. 30, 2022	16,689	14,216	85.2
As of Mar. 31, 2022	15,953	13,746	86.2

Reference: Equity (million yen) As of Sep. 30, 2022: 14,216 As of Mar. 31, 2022: 13,746

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	–	0.00	–	–	–
Fiscal year ending Mar. 31, 2023 (forecast)	–	–	–	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
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 outstanding (common stock)

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

As of Sep. 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 Sep. 30, 2022:	4,662,537 shares	As of Mar. 31, 2022:	4,674,441 shares
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3) Average number of shares outstanding during the period

Six months ended Sep. 30, 2022:	18,137,207 shares	Six months ended Sep. 30, 2021:	18,124,360 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 half of the current fiscal year (the “period under review”), the Japanese economy started to show a sign of recovery of socioeconomic activities after the relaxing of the movement restrictions imposed under the spread of COVID-19 infections. However, the world economy continued facing an uncertain outlook, given the prolonged Ukraine situation, the surging oil price, the supply constraints due to the shortage of raw materials, and furthermore, the rapid yen depreciation, and the rising concern about inflation.

Also in the Asian market, particularly China, the Helios Techno Holding Group’s main market, future market changes still need to be carefully monitored as seen in the restrictions on the country's economic activities during the lockdown under the Chinese government's zero-corona policy.

Under such business environment, net sales of the Group for the period under review were 4,273 million yen (672 million yen, or 18.7%, up from a year earlier). Operating profit was 518 million yen (compared with operating loss of 74 million yen a year earlier). Recurring profit was 571 million yen (compared with recurring loss of 36 million yen a year earlier). Profit attributable to owners of parent was 385 million yen (compared with loss attributable to owners of parent of 21 million yen 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 general lighting lamps was mostly in line with the initial plan. On the other hand, the number of shipments of light source units for exposure equipment, which are our core industrial lamp products, fell short of the plan due to decreased production of LCD panels in response to the decline in their market price.

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 1,076 million yen (1.1% up from a year earlier) with a segment loss of 10 million yen (compared with a segment loss of 51 million yen a year earlier).

ii) Manufacturing Equipment Business

In the Manufacturing Equipment Business, we delivered the light source units for exposure equipment and their related parts to our customers as planned. In addition, we mostly made favorable progress for printing equipment for alignment layers, which are the Group's core product, and related large-scale modification. However, sales fell short of the plan due to changes in schedule of shipment or receiving inspection of certain printing equipment for alignment layers.

We 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 were 3,203 million yen (25.8% up from a year earlier) with a segment profit of 757 million yen (361.9% up from a year earlier).

(2) Explanation of Financial Position

i) Assets, liabilities and net assets

Assets

Current assets increased 480 million yen from the end of the previous fiscal year to 13,273 million yen. This was mainly due to an 845 million yen increase in cash and deposits with banks, a 79 million yen increase in electronically recorded monetary claims - operating, a 300 million yen increase in work in process, and a 60 million yen increase in advance payments, which were partially offset by a 911 million yen decrease in notes and accounts receivable, and contract assets.

Fixed assets increased 255 million yen from the end of the previous fiscal year to 3,415 million yen. This was mainly due to a 324 million yen increase in investment securities included in investments and other assets, which was partially offset by a 26 million yen decrease in buildings and structures, net, and a 29 million yen decrease in machinery, equipment and vehicles included in others, net of property, plant and equipment.

As a result, total assets increased 735 million yen, or 4.6 %, from the end of the previous fiscal year to 16,689 million yen.

Liabilities

Current liabilities increased 198 million yen from the end of the previous fiscal year to 2,161 million yen. This was mainly due to a 506 million yen increase in contract liabilities, which was partially offset by a 140 million yen decrease in notes and accounts payable, a 62 million yen decrease in electronically recorded obligations - operating, and a 60 million yen decrease in accrued income taxes.

Long-term liabilities increased 66 million yen from the end of the previous fiscal year to 310 million yen. This was mainly due to a 95 million yen increase in deferred tax liabilities included in others of long-term liabilities, which was partially offset by a 21 million yen decrease in long-term accounts payable - other included in others of long-term liabilities.

As a result, total liabilities increased 265 million yen, or 12.0%, from the end of the previous fiscal year to 2,472 million yen.

Net assets

Net assets increased 469 million yen, or 3.4%, from the end of the previous fiscal year to 14,216 million yen. This was mainly due to unrealized holding gain on other securities of 226 million yen and the recording of profit attributable to owners of parent of 385 million yen, which were partially offset by the payment of dividends from surplus of 145 million yen.

As a result, the equity ratio decreased 1.0 percentage point from the end of the previous fiscal year to 85.2% at the end of the period under review, reflecting the increases in total assets and liabilities as described above.

ii) Cash flows

Cash flows from operating activities

Net cash provided by operating activities was 1,022 million yen, compared with net cash provided of 1,297 million yen a year earlier. The main factors were profit before income taxes of 534 million yen, a decrease in notes and accounts receivable, and contact assets of 831 million yen, an increase in inventories of 396 million yen, a decrease in notes and accounts payable of 203 million yen, an increase in contract liabilities of 506 million yen, and income taxes paid of 201 million yen.

Cash flows from investing activities

Net cash used in investing activities was 32 million yen, compared with net cash used of 23 million yen a year earlier. The main factor was payment for purchase of property, plant and equipment of 32 million yen.

Cash flows from financing activities

Net cash used in financing activities was 158 million yen, compared with net cash used of 113 million yen a year earlier. The main factor was cash dividends paid of 145 million yen.

As a result of the above, cash and cash equivalents as of the end of the period under review increased 845 million yen from the end of the previous fiscal year to 8,696 million yen.

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

There are no revisions to the full-year consolidated 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)	Second quarter of FY3/23 (As of Sep. 30, 2022)
Assets		
Current assets		
Cash and deposits with banks	7,851,015	8,696,967
Notes and accounts receivable, and contract assets	2,615,467	1,704,346
Electronically recorded monetary claims - operating	168,507	248,276
Merchandise and finished goods	181,220	215,755
Work in process	1,031,651	1,332,505
Raw materials and supplies	734,601	795,414
Advance payments	94,955	155,076
Others	116,124	125,362
Allowance for doubtful accounts	(114)	(70)
Total current assets	12,793,429	13,273,633
Fixed assets		
Property, plant and equipment		
Buildings and structures, net	728,453	701,943
Land	722,733	722,733
Others, net	454,195	420,831
Total property, plant and equipment	1,905,383	1,845,509
Intangible assets		
Others	20,110	16,201
Total intangible assets	20,110	16,201
Investments and other assets		
Others	1,272,561	1,591,466
Allowance for doubtful accounts	(37,506)	(37,488)
Total investments and other assets	1,235,055	1,553,977
Total fixed assets	3,160,548	3,415,687
Total assets	15,953,977	16,689,320

	<i>(Thousands of yen)</i>	
	FY3/22 (As of Mar. 31, 2022)	Second quarter of FY3/23 (As of Sep. 30, 2022)
Liabilities		
Current liabilities		
Notes and accounts payable	494,405	353,739
Electronically recorded obligations - operating	95,939	33,305
Short-term borrowings	100,000	100,000
Current portion of long-term borrowings	19,814	13,344
Accrued income taxes	173,642	113,080
Provision for bonuses	172,747	157,998
Provision for product warranties	18,914	11,956
Contract liabilities	335,622	842,452
Others	552,016	535,890
Total current liabilities	1,963,102	2,161,767
Long-term liabilities		
Long-term borrowings	167,752	161,080
Others	76,349	149,806
Total long-term liabilities	244,101	310,886
Total liabilities	2,207,203	2,472,654
Net assets		
Shareholders' equity		
Common stock	2,133,177	2,133,177
Capital surplus	2,569,524	2,570,043
Retained earnings	9,564,929	9,805,254
Treasury shares	(1,170,357)	(1,167,377)
Total shareholders' equity	13,097,273	13,341,098
Accumulated other comprehensive income		
Unrealized holding gain on other securities	649,500	875,567
Total accumulated other comprehensive income	649,500	875,567
Total net assets	13,746,774	14,216,665
Total liabilities and net assets	15,953,977	16,689,320

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

	<i>(Thousands of yen)</i>	
	First six months of FY3/22 (Apr. 1, 2021 – Sep. 30, 2021)	First six months of FY3/23 (Apr. 1, 2022 – Sep. 30, 2022)
Net sales	3,601,413	4,273,969
Cost of goods sold	2,567,160	2,520,236
Gross profit	1,034,253	1,753,732
Selling, general and administrative expenses	1,108,587	1,235,664
Operating profit (loss)	(74,334)	518,068
Non-operating income		
Interest income	9	10
Dividend income	10,758	15,900
Foreign exchange profit	–	29,951
Subsidy income	26,916	2,296
Miscellaneous revenue	4,420	7,804
Total non-operating income	42,104	55,962
Non-operating expenses		
Interest expense	1,684	1,300
Foreign exchange loss	1,635	–
Commission for syndicated loans	1,089	1,089
Miscellaneous loss	55	83
Total non-operating expenses	4,465	2,473
Recurring profit (loss)	(36,695)	571,557
Extraordinary loss		
Loss on retirement of fixed assets	2	515
Retirement benefits for directors	–	36,681
Total extraordinary losses	2	37,196
Profit (loss) before income taxes	(36,697)	534,361
Income taxes-current	57,145	145,423
Income taxes-deferred	(72,109)	3,553
Total income taxes	(14,963)	148,976
Profit (loss)	(21,733)	385,384
Profit (loss) attributable to owners of parent	(21,733)	385,384

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

	<i>(Thousands of yen)</i>	
	First six months of FY3/22 (Apr. 1, 2021 – Sep. 30, 2021)	First six months of FY3/23 (Apr. 1, 2022 – Sep. 30, 2022)
Profit (loss)	(21,733)	385,384
Other comprehensive income		
Unrealized holding gain on other securities	99,924	226,066
Total other comprehensive income	99,924	226,066
Comprehensive income	78,190	611,451
Comprehensive income attributable to		
Owners of parent	78,190	611,451
Non-controlling interests	–	–

(3) Consolidated Statements of Cash Flows*(Thousands of yen)*

	First six months of FY3/22 (Apr. 1, 2021 – Sep. 30, 2021)	First six months of FY3/23 (Apr. 1, 2022 – Sep. 30, 2022)
Cash flows from operating activities		
Profit (loss) before income taxes	(36,697)	534,361
Depreciation and amortization	103,931	95,049
Increase (decrease) in accrued bonuses	(827)	(14,748)
Increase (decrease) in allowance for doubtful accounts	(186)	(62)
Increase (decrease) in provision for product warranties	3,181	(6,958)
Interest and dividend income	(10,767)	(15,910)
Subsidy income	(26,916)	(2,296)
Retirement benefits for directors	–	36,681
Interest expense	1,684	1,300
Loss on disposal of fixed assets	2	515
Decrease (increase) in notes and accounts receivable and contract assets	733,109	831,370
Decrease (increase) in inventories	(271,861)	(396,201)
Decrease (increase) in other accounts receivable	15,134	(12)
Decrease (increase) in advance payments	20,278	(60,120)
Increase (decrease) in notes and accounts payable	318,637	(203,299)
Decrease/increase in consumption taxes receivable/payable	(15,299)	(22,774)
Increase (decrease) in other accounts payable	(33,292)	(8,184)
Increase (decrease) in contract liabilities	703,889	506,829
Others	(49,516)	(86,598)
Subtotal	1,454,481	1,188,940
Interests and dividends received	10,767	15,910
Interests paid	(1,563)	(1,406)
Proceeds from subsidy income	26,916	2,296
Income taxes paid	(200,271)	(201,259)
Income taxes refund	7,518	17,891
Net cash provided by (used in) operating activities	1,297,849	1,022,372
Cash flows from investing activities		
Payment for purchase of property, plant and equipment	(42,156)	(32,254)
Proceeds from sale of property, plant, and equipment	18,961	–
Payment for purchase of intangible assets	(3,072)	(528)
Others	2,586	(121)
Net cash provided by (used in) investing activities	(23,681)	(32,904)
Cash flows from financing activities		
Net increase (decrease) in short-term borrowings	70,000	–
Repayment of long-term borrowings	(56,688)	(13,142)
Repayment of lease obligations	–	(796)
Cash dividends paid	(126,832)	(145,059)
Net cash provided by (used in) financing activities	(113,520)	(158,998)
Effect of exchange rate change on cash and cash equivalents	1,101	15,482
Net increase (decrease) in cash and cash equivalents	1,161,748	845,952
Cash and cash equivalents at beginning of period	6,417,163	7,851,015
Cash and cash equivalents at end of period	7,578,912	8,696,967

(4) 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 six months of FY3/22 (Apr. 1, 2021 – Sep. 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	594,008	896,214	1,490,222	–	1,490,222
China	222,808	919,240	1,142,049	–	1,142,049
Asia (excluding China)	227,581	706,807	934,388	–	934,388
Others	10,788	23,965	34,753	–	34,753
Revenue from contracts with customers	1,055,186	2,546,227	3,601,413	–	3,601,413
Sales to external customers	1,055,186	2,546,227	3,601,413	–	3,601,413
Inter-segment sales and transfers	9,320	–	9,320	(9,320)	–
Total	1,064,506	2,546,227	3,610,733	(9,320)	3,601,413
Segment profit (loss)	(51,312)	164,003	112,691	(187,025)	(74,334)

Notes: 1. The minus 187,025 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 six months of FY3/23 (Apr. 1, 2022 – Sep. 30, 2022)

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	582,494	615,438	1,197,932	–	1,197,932
China	293,916	1,681,450	1,975,366	–	1,975,366
Asia (excluding China)	184,700	905,381	1,090,082	–	1,090,082
Others	9,516	1,071	10,587	–	10,587
Revenue from contracts with customers	1,070,627	3,203,341	4,273,969	–	4,273,969
Sales to external customers	1,070,627	3,203,341	4,273,969	–	4,273,969
Inter-segment sales and transfers	5,387	–	5,387	(5,387)	–
Total	1,076,015	3,203,341	4,279,356	(5,387)	4,273,969
Segment profit (loss)	(10,900)	757,584	746,683	(228,614)	518,068

Notes: 1. The minus 228,614 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 profit 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.