

**Summary of Consolidated Financial Results for the Third Quarter
of Fiscal Year Ending March 31, 2023
(Nine Months Ended December 31, 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 Report:

February 6, 2023

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 February 3, 2023 at 16:00 (GMT +9).

(Amounts are rounded down to the nearest million yen)

**1. Consolidated Financial Results for the Nine Months Ended December 31, 2022
(April 1, 2022 – December 31, 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	%
Nine months ended Dec. 31, 2022	6,071	8.2	405	526.6	467	327.7	277	348.5
Nine months ended Dec. 31, 2021	5,611	-	64	-	109	-	61	-

Note: Comprehensive income (million yen) Nine months ended Dec. 31, 2022: 563 (up 362.8%)

Nine months ended Dec. 31, 2021: 121 (-%)

	Net income per share (basic)		Net income per share (diluted)	
	Yen		Yen	
Nine months ended Dec. 31, 2022	15.30		-	
Nine months ended Dec. 31, 2021	3.41		-	

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 nine months ended December 31, 2021 are omitted.

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio
	Million yen	Million yen	%
As of Dec. 31, 2022	16,495	14,168	85.9
As of Mar. 31, 2022	15,953	13,746	86.2

Reference: Equity (million yen) As of Dec. 31, 2022: 14,168 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)				8.00	8.00

Note: Revisions to the most recently announced dividend forecast: Yes

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	8,000	(10.6)	100	(80.7)	170	(70.6)	60	(85.5)	3.31

Note: Revisions to the most recently announced consolidated forecast: Yes

*** 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 Dec. 31, 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 Dec. 31, 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

Nine months ended Dec. 31, 2022:	18,139,601 shares	Nine months ended Dec. 31, 2021:	18,127,069 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."

Contents of Attachments

1. Qualitative Information on Quarterly Consolidated Financial Results	2
(1) Explanation of Results of Operations	2
(2) Explanation of Financial Position	3
(3) Explanation of Consolidated Forecast and Other Forward-looking Statements	3
2. Quarterly Consolidated Financial Statements and Notes	4
(1) Consolidated Balance Sheets	4
(2) Consolidated Statements of Income and Consolidated Statements of Comprehensive Income	6
(3) Notes to Quarterly Consolidated Financial Statements	8
Going Concern Assumption	8
Significant Changes in Shareholders' Equity	8
Changes in Accounting Policies	8
Segment Information	8
Additional Information	9

1. Qualitative Information on Quarterly Consolidated Financial Results

(1) Explanation of Results of Operations

In the first nine months of the current fiscal year (the “period under review”), the Japanese economy showed a movement toward normalization of socioeconomic activities after the lessening of the impact of 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 since the economic growth has slowed down due to 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 6,071 million yen (459 million yen, or 8.2%, up from a year earlier). Operating profit was 405 million yen (340 million yen, or 526.6%, up from a year earlier). Recurring profit was 467 million yen (357 million yen, or 327.7%, up from a year earlier). Profit attributable to owners of parent was 277 million yen (215 million yen, or 348.5%, 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 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 inventory adjustment in response to the decline in LCD panel prices and increased market shares of our competitors’ lamp products. In the end, the results for the period under review were sluggish compared with the plan, although the effect of the decreased shipments was partially made up for by customers’ fiscal year-end demand before the end of their fiscal year and front-loaded demand to prepare for the Chinese New Year vacation.

For industrial LEDs, we have received orders from customers for product evaluation due to active sales activities and steady product development. However, the evaluation period after which the mass production is expected to start has been longer than expected. The time to expand the business will probably be the next fiscal year or later. We will continue our effort to grow this product into one of the pillars of our future business.

Consequently, the segment sales for the period under review were 1,749 million yen (0.7% down from a year earlier) with a segment loss of 7 million yen (compared with a segment profit of 28 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. However, the results were sluggish compared with the plan due to partial changes in schedule of shipment or receiving inspection of printing equipment for alignment layers and inkjet printing systems, which are the Group's core products, and failure to close a deal that was factored in the plan.

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 4,329 million yen (12.1% up from a year earlier) with a segment profit of 755 million yen (143.1% up from a year earlier).

(2) Explanation of Financial Position

Assets

Current assets increased 234 million yen from the end of the previous fiscal year to 13,028 million yen. This was mainly due to a 641 million yen increase in cash and deposits with banks and a 466 million yen increase in work in process, which were partially offset by an 875 million yen decrease in notes and accounts receivable, and contract assets.

Fixed assets increased 306 million yen from the end of the previous fiscal year to 3,467 million yen. This was mainly due to a 410 million yen increase in investment securities included in others of investments and other assets, which was partially offset by a 37 million yen decrease in buildings and structures, net and a 52 million yen decrease in machinery, equipment and vehicles included in others, net of property, plant and equipment.

As a result, total assets increased 541 million yen, or 3.4%, from the end of the previous fiscal year to 16,495 million yen.

Liabilities

Current liabilities increased 96 million yen from the end of the previous fiscal year to 2,059 million yen. This was mainly due to a 92 million yen increase in current portion of long-term borrowings and 508 million yen increase in contract liabilities, which were partially offset by a 113 million yen decrease in notes and accounts payable, a 100 million yen decrease in short-term borrowings, a 166 million yen decrease in accrued income taxes, and an 88 million yen decrease in provision for bonuses.

Long-term liabilities increased 23 million yen from the end of the previous fiscal year to 267 million yen. This was mainly due to a 166 million yen increase in deferred tax liabilities included in others, which was partially offset by a 107 million yen decrease in long-term borrowings and a 34 million yen decrease in long-term accounts payable - other included in others.

As a result, total liabilities increased 119 million yen, or 5.4%, from the end of the previous fiscal year to 2,326 million yen.

Net assets

Net assets increased 421 million yen, or 3.1%, from the end of the previous fiscal year to 14,168 million yen. This was mainly due to unrealized holding gain on other securities of 285 million yen and the recording of profit attributable to owners of parent of 277 million yen, which were partially offset by the payment of dividends from surplus of 145 million yen.

As a result, the equity ratio decreased 0.3 percentage points from the end of the previous fiscal year to 85.9% at the end of the period under review, reflecting the increases in total assets and liabilities as described above.

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

Considering the results for the period under review, we have revised the consolidated forecast and dividend forecast for the fiscal year ending March 31, 2023 announced on May 6, 2022. For more details, please refer to the press release titled "Notice of Revisions to the Consolidated Forecast and Dividend Forecast," which was announced today on February 3, 2023.

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

	FY3/22 (As of Mar. 31, 2022)	Third quarter of FY3/23 (As of Dec. 31, 2022)
Assets		
Current assets		
Cash and deposits with banks	7,851,015	8,492,322
Notes and accounts receivable, and contract assets	2,615,467	1,739,673
Electronically recorded monetary claims - operating	168,507	109,423
Merchandise and finished goods	181,220	192,195
Work in process	1,031,651	1,497,807
Raw materials and supplies	734,601	757,842
Advance payments	94,955	7,341
Others	116,124	234,267
Allowance for doubtful accounts	(114)	(2,670)
Total current assets	12,793,429	13,028,204
Fixed assets		
Property, plant and equipment		
Buildings and structures, net	728,453	691,088
Land	722,733	722,733
Others, net	454,195	391,101
Total property, plant and equipment	1,905,383	1,804,923
Intangible assets		
Others	20,110	14,547
Total intangible assets	20,110	14,547
Investments and other assets		
Others	1,272,561	1,685,056
Allowance for doubtful accounts	(37,506)	(37,488)
Total investments and other assets	1,235,055	1,647,568
Total fixed assets	3,160,548	3,467,039
Total assets	15,953,977	16,495,243

(Thousands of yen)

	FY3/22 (As of Mar. 31, 2022)	Third quarter of FY3/23 (As of Dec. 31, 2022)
Liabilities		
Current liabilities		
Notes and accounts payable	494,405	380,541
Electronically recorded obligations - operating	95,939	52,071
Short-term borrowings	100,000	–
Current portion of long-term borrowings	19,814	112,200
Accrued income taxes	173,642	7,251
Provision for bonuses	172,747	84,245
Provision for product warranties	18,914	12,936
Provision for loss on construction contracts	–	20,196
Contract liabilities	335,622	844,177
Others	552,016	545,684
Total current liabilities	1,963,102	2,059,304
Long-term liabilities		
Long-term borrowings	167,752	60,000
Others	76,349	207,298
Total long-term liabilities	244,101	267,298
Total liabilities	2,207,203	2,326,603
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	9,697,371
Treasury shares	(1,170,357)	(1,167,377)
Total shareholders' equity	13,097,273	13,233,215
Accumulated other comprehensive income		
Unrealized holding gain on other securities	649,500	935,425
Total accumulated other comprehensive income	649,500	935,425
Total net assets	13,746,774	14,168,640
Total liabilities and net assets	15,953,977	16,495,243

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

	<i>(Thousands of yen)</i>	
	First nine months of FY3/22 (Apr. 1, 2021 – Dec. 31, 2021)	First nine months of FY3/23 (Apr. 1, 2022 – Dec. 31, 2022)
Net sales	5,611,829	6,071,665
Cost of goods sold	3,763,279	3,823,064
Gross profit	1,848,550	2,248,601
Selling, general and administrative expenses	1,783,809	1,842,956
Operating profit	64,740	405,644
Non-operating income		
Interest income	12	20
Dividend income	20,558	36,900
Foreign exchange profit	–	14,685
Subsidy income	33,886	3,959
Miscellaneous revenue	5,461	8,513
Total non-operating income	59,917	64,078
Non-operating expenses		
Interest expense	2,182	1,332
Foreign exchange loss	7,601	–
Compensation expenses	4,418	–
Commission for syndicated loans	1,183	1,183
Miscellaneous loss	66	122
Total non-operating expenses	15,452	2,639
Recurring profit	109,205	467,084
Extraordinary income		
Gain on sale of fixed assets	163	–
Total extraordinary income	163	–
Extraordinary loss		
Loss on retirement of fixed assets	2	599
Retirement benefits for directors	–	36,681
Total extraordinary losses	2	37,280
Profit before income taxes	109,367	429,803
Income taxes-current	65,268	98,015
Income taxes-deferred	(17,775)	54,286
Total income taxes	47,493	152,301
Profit	61,873	277,501
Profit attributable to owners of parent	61,873	277,501

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

	<i>(Thousands of yen)</i>	
	First nine months of FY3/22 (Apr. 1, 2021 – Dec. 31, 2021)	First nine months of FY3/23 (Apr. 1, 2022 – Dec. 31, 2022)
Profit	61,873	277,501
Other comprehensive income		
Unrealized holding gain on other securities	59,869	285,924
Total other comprehensive income	59,869	285,924
Comprehensive income	121,743	563,426
Comprehensive income attributable to		
Owners of parent	121,743	563,426
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 nine months of FY3/22 (Apr. 1, 2021 – Dec. 31, 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	888,294	1,477,834	2,366,128	–	2,366,128
China	461,523	1,160,543	1,622,067	–	1,622,067
Asia (excluding China)	376,840	1,195,580	1,572,420	–	1,572,420
Others	21,927	29,285	51,212	–	51,212
Revenue from contracts with customers	1,748,586	3,863,243	5,611,829	–	5,611,829
Sales to external customers	1,748,586	3,863,243	5,611,829	–	5,611,829
Inter-segment sales and transfers	12,842	580	13,422	(13,422)	–
Total	1,761,428	3,863,823	5,625,252	(13,422)	5,611,829
Segment profit	28,964	310,791	339,756	(275,015)	64,740

Notes: 1. The minus 275,015 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.

II. First nine months of FY3/23 (Apr. 1, 2022 – Dec. 31, 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	952,541	690,172	1,642,714	–	1,642,714
China	467,316	2,419,186	2,886,503	–	2,886,503
Asia (excluding China)	305,332	1,217,816	1,523,149	–	1,523,149
Others	16,987	2,311	19,298	–	19,298
Revenue from contracts with customers	1,742,178	4,329,487	6,071,665	–	6,071,665
Sales to external customers	1,742,178	4,329,487	6,071,665	–	6,071,665
Inter-segment sales and transfers	7,442	–	7,442	(7,442)	–
Total	1,749,621	4,329,487	6,079,108	(7,442)	6,071,665
Segment profit (loss)	(7,028)	755,396	748,368	(342,723)	405,644

Notes: 1. The minus 342,723 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.