

**Summary of Consolidated Financial Results for the Third Quarter
of Fiscal Year Ending March 31, 2024
(Nine Months Ended December 31, 2023)**

[Japanese GAAP]

Company name: Helios Techno Holding Co., Ltd.

Listing: Tokyo

Stock code: 6927

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Scheduled date of filing of Quarterly Report:

February 6, 2024

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 5, 2024 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, 2023
(April 1, 2023–December 31, 2023)**

(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, 2023	5,706	(6.0)	315	(22.2)	324	(30.5)	1,415	410.2
Nine months ended Dec. 31, 2022	6,071	8.2	405	526.6	467	327.7	277	348.5

Note: Comprehensive income (million yen) Nine months ended Dec. 31, 2023: 362 (down 35.6%)

Nine months ended Dec. 31, 2022: 563 (up 362.8%)

	Net income per share (basic)	Net income per share (diluted)
	Yen	Yen
Nine months ended Dec. 31, 2023	78.02	-
Nine months ended Dec. 31, 2022	15.30	-

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio
	Million yen	Million yen	%
As of Dec. 31, 2023	19,091	15,234	79.8
As of Mar. 31, 2023	17,639	15,013	85.1

Reference: Equity (million yen) As of Dec. 31, 2023: 15,234

As of Mar. 31, 2023: 15,013

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, 2023	-	0.00	-	8.00	8.00
Fiscal year ending Mar. 31, 2024	-	0.00	-	-	-
Fiscal year ending Mar. 31, 2024 (forecast)	-	-	-	25.00	25.00

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

3. Consolidated Forecast for the Fiscal Year Ending March 31, 2024 (April 1, 2023–March 31, 2024)

(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	10,400	30.2	1,130	167.7	1,150	133.6	1,970	626.4	108.57

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 issued (common stock)

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

As of Dec. 31, 2023:	22,806,900 shares	As of Mar. 31, 2023:	22,806,900 shares
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2) Number of treasury shares at the end of period

As of Dec. 31, 2023:	4,659,041 shares	As of Mar. 31, 2023:	4,662,537 shares
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3) Average number of shares outstanding during the period

Nine months ended Dec. 31, 2023:	18,146,473 shares	Nine months ended Dec. 31, 2022:	18,139,601 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

Note concerning forward-looking statements

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 nine months of the current fiscal year (the “period under review”), the Japanese economy showed a gradual recovery trend, such as improved consumer spending and corporate earnings, due to the reclassification of COVID-19 into Class 5. However, the world economy continued to face an uncertain outlook, given the prolonged conflicts, surging energy prices, supply constraints due to raw material shortages, the yen depreciation, and concerns about inflation.

Also, in the Asian markets centering on China, the Group’s main market, the economic outlook remained uncertain due in part to economic growth slowdown in some areas as evidenced by the cautious attitude toward capital investment in China.

Under such a business environment, the Group’s net sales for the period under review were 5,706 million yen (down 365 million yen, or 6.0%, from a year earlier). Operating profit was 315 million yen (down 90 million yen, or 22.2%, from a year earlier). Recurring profit was 324 million yen (down 142 million yen, or 30.5%, from a year earlier). Profit attributable to owners of parent was 1,415 million yen (up 1,138 million yen, or 410.2%, from a year earlier).

In accordance with the Group’s policy of cross-shareholdings, the Group sold investment securities held by a consolidated subsidiary to pursue greater efficiency of owned assets and strengthen its financial position. As a result, the Group recorded a gain on sale of investment securities of 1,653 million yen under extraordinary income for the first half of the current fiscal year.

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

i) Lamp Business

In the Lamp Business, shipments of light source lamps for exposure equipment, our core industrial lamp products, exceeded the plan in the period under review, thanks to a limited reactionary decline from the front-loaded deliveries we had made at customers’ request up to the first half of the current fiscal year, resulting in higher-than-expected shipments. The strong shipments were also driven by orders placed by customers for some industrial LEDs and other developed products, for which we had faced a delay in obtaining orders, after the evaluation period. Although shipments of developed products remain small in number at this time, we will continue active sales operations and product development to meet customers’ needs while establishing a system for mass production and expanding sales channels.

Consequently, the segment sales for the period under review were 2,025 million yen (up 15.8% from a year earlier), with a segment profit of 301 million yen (compared with a segment loss of 7 million yen a year earlier).

ii) Manufacturing Equipment Business

In the Manufacturing Equipment Business, the schedules of shipments and receiving inspections for the Group’s core products, such as printing equipment for alignment layers, inkjet printing systems, and light source units for exposure equipment, are concentrated in the third and fourth quarters of the current fiscal year. In the period under review, we proceeded with shipments and receiving inspections generally in line with the plans. Therefore, operating results for the current fiscal year are likely to exceed those for the previous fiscal year. We will continue to put effort into promoting the business by thoroughly managing the schedules of shipments and receiving inspections.

Consequently, the segment sales for the period under review were 3,720 million yen (down 14.1% from a year earlier), with a segment profit of 326 million yen (down 56.7% from a year earlier).

(2) Explanation of Financial Position

Assets

Current assets increased 2,764 million yen from the end of the previous fiscal year to 15,795 million yen. This was mainly due to a 1,273 million yen increase in cash and deposits with banks, a 226 million yen increase in electronically recorded monetary claims - operating, and a 1,255 million yen increase in work in process.

Fixed assets decreased by 1,313 million yen from the end of the previous fiscal year to 3,296 million yen. This was mainly due to a 1,506 million yen decrease in investment securities, which was partially offset by a 51 million yen increase in leased assets included in others, net of property, plant and equipment, and a 78 million yen increase in leasehold and guarantee deposits included in others of investments and other assets.

As a result, total assets increased 1,451 million yen, or 8.2%, from the end of the previous fiscal year to 19,091 million yen.

Liabilities

Current liabilities increased 1,595 million yen from the end of the previous fiscal year to 3,604 million yen. This was mainly due to a 157 million yen increase in electronically recorded obligations - operating, a 483 million yen increase in accrued income taxes, and a 1,064 million yen increase in contract liabilities, which were partially offset by a 101 million yen decrease in current portion of long-term borrowings.

Long-term liabilities decreased by 365 million yen from the end of the previous fiscal year to 251 million yen. This was mainly due to a 411 million yen decrease in deferred tax liabilities included in others of long-term liabilities, which was partially offset by a 52 million yen increase in lease obligations included in others of long-term liabilities.

As a result, total liabilities increased 1,230 million yen, or 46.9%, from the end of the previous fiscal year to 3,856 million yen.

Net assets

Net assets increased 221 million yen, or 1.5%, from the end of the previous fiscal year to 15,234 million yen. This was mainly due to the recording of profit attributable to owners of parent of 1,415 million yen, which was partially offset by the payment of dividends from a surplus of 145 million yen and a 1,052 million yen decrease in unrealized holding gain on other securities.

As a result, the equity ratio decreased 5.3 percentage points from the end of the previous fiscal year to 79.8% 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 full-year consolidated earnings forecast for the fiscal year ending March 31, 2024, released on November 7, 2023.

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

	FY3/23 (As of Mar. 31, 2023)	Third quarter of FY3/24 (As of Dec. 31, 2023)
Assets		
Current assets		
Cash and deposits with banks	8,208,538	9,481,801
Notes and accounts receivable, and contract assets	1,940,591	1,937,596
Electronically recorded monetary claims - operating	85,162	312,060
Merchandise and finished goods	143,521	86,501
Work in process	1,601,368	2,857,109
Raw materials and supplies	755,054	703,710
Advance payments	31,128	173,550
Others	268,362	246,258
Allowance for doubtful accounts	(3,474)	(3,412)
Total current assets	13,030,254	15,795,175
Fixed assets		
Property, plant and equipment		
Buildings and structures, net	683,181	669,307
Land	722,733	722,733
Others, net	354,673	427,756
Total property, plant and equipment	1,760,588	1,819,797
Intangible assets		
Others	15,961	36,794
Total intangible assets	15,961	36,794
Investments and other assets		
Investment securities	2,786,913	1,280,120
Others	78,214	198,848
Allowance for doubtful accounts	(32,493)	(39,407)
Total investments and other assets	2,832,634	1,439,561
Total fixed assets	4,609,184	3,296,153
Total assets	17,639,438	19,091,329

	<i>(Thousands of yen)</i>	
	FY3/23 (As of Mar. 31, 2023)	Third quarter of FY3/24 (As of Dec. 31, 2023)
Liabilities		
Current liabilities		
Notes and accounts payable	631,407	707,534
Electronically recorded obligations - operating	22,761	180,324
Short-term borrowings	100,000	50,000
Current portion of long-term borrowings	107,752	6,435
Accrued income taxes	41,069	524,311
Provision for bonuses	179,309	101,691
Provision for product warranties	11,263	8,691
Provision for loss on construction contracts	36,124	57,504
Contract liabilities	400,140	1,464,154
Others	478,980	504,017
Total current liabilities	2,008,810	3,604,664
Long-term liabilities		
Long-term borrowings	60,000	53,565
Others	557,094	198,338
Total long-term liabilities	617,094	251,903
Total liabilities	2,625,905	3,856,567
Net assets		
Shareholders' equity		
Common stock	2,133,177	2,133,177
Capital surplus	2,570,043	2,572,667
Retained earnings	9,691,058	10,961,680
Treasury shares	(1,167,377)	(1,166,501)
Total shareholders' equity	13,226,902	14,501,023
Accumulated other comprehensive income		
Unrealized holding gain on other securities	1,786,631	733,738
Total accumulated other comprehensive income	1,786,631	733,738
Total net assets	15,013,533	15,234,761
Total liabilities and net assets	17,639,438	19,091,329

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

	First nine months of FY3/23 (Apr. 1, 2022–Dec. 31, 2022)	First nine months of FY3/24 (Apr. 1, 2023–Dec. 31, 2023)
Net sales	6,071,665	5,706,284
Cost of goods sold	3,823,064	3,605,860
Gross profit	2,248,601	2,100,424
Selling, general and administrative expenses	1,842,956	1,784,893
Operating profit	405,644	315,531
Non-operating income		
Interest income	20	1,520
Dividend income	36,900	48,200
Foreign exchange profit	14,685	–
Subsidy income	3,959	–
Miscellaneous revenue	8,513	6,988
Total non-operating income	64,078	56,708
Non-operating expenses		
Interest expenses	1,332	6,701
Foreign exchange loss	–	11,636
Commission expenses	–	28,111
Commission for syndicated loans	1,183	–
Miscellaneous loss	122	1,235
Total non-operating expenses	2,639	47,684
Recurring profit	467,084	324,555
Extraordinary income		
Gain on sale of fixed assets	–	2,937
Gain on sale of investment securities	–	1,653,641
Total extraordinary income	–	1,656,579
Extraordinary loss		
Loss on sale of fixed assets	–	90
Loss on retirement of fixed assets	599	210
Office relocation expenses	–	21,046
Retirement benefits for directors	36,681	–
Total extraordinary losses	37,280	21,347
Profit before income taxes	429,803	1,959,787
Income taxes-current	98,015	537,337
Income taxes-deferred	54,286	6,672
Total income taxes	152,301	544,010
Profit	277,501	1,415,776
Profit attributable to owners of parent	277,501	1,415,776

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

	<i>(Thousands of yen)</i>	
	First nine months of FY3/23 (Apr. 1, 2022–Dec. 31, 2022)	First nine months of FY3/24 (Apr. 1, 2023–Dec. 31, 2023)
Profit	277,501	1,415,776
Other comprehensive income		
Unrealized holding gain on other securities	285,924	(1,052,892)
Total other comprehensive income	285,924	(1,052,892)
Comprehensive income	563,426	362,883
Comprehensive income attributable to:		
Owners of parent	563,426	362,883
Non-controlling interests	–	–

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

Not applicable.

Significant Changes in Shareholders' Equity

Not applicable.

Segment Information

I. First nine months of FY3/23 (Apr. 1, 2022–Dec. 31, 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	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.

II. First nine months of FY3/24 (Apr. 1, 2023–Dec. 31, 2023)

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	1,154,581	910,845	2,065,426	–	2,065,426
China	576,853	1,550,701	2,127,554	–	2,127,554
Asia (excluding China)	247,201	1,255,018	1,502,220	–	1,502,220
Others	7,030	4,052	11,083	–	11,083
Revenue from contracts with customers	1,985,667	3,720,617	5,706,284	–	5,706,284
Sales to external customers	1,985,667	3,720,617	5,706,284	–	5,706,284
Inter-segment sales and transfers	39,874	–	39,874	(39,874)	–
Total	2,025,541	3,720,617	5,746,159	(39,874)	5,706,284
Segment profit	301,830	326,729	628,559	(313,027)	315,531

Notes: 1. The minus 313,027 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 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.