

Summary of Consolidated Financial Results for the Fiscal Year Ended March 31, 2019

[Japanese GAAP]

Company name: Helios Techno Holding Co., Ltd.

Listing: Tokyo

Stock code: 6927

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

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Scheduled date of General Meeting of Shareholders: June 21, 2019

Scheduled date of filing of Annual Securities Report: June 24, 2019

Scheduled date of payment of dividend: June 24, 2019

Preparation of supplementary materials for financial results: Yes

Holding of financial results meeting: Yes (for institutional investors and securities analysts)

Note: The original disclosure in Japanese was released on May 9, 2019 at 16:00 (GMT +9).

(Amounts are rounded down to the nearest million yen)

1. Consolidated Financial Results for the Fiscal Year Ended March 31, 2019 (April 1, 2018 – March 31, 2019)

(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	%
Fiscal year ended Mar. 31, 2019	23,090	(1.7)	2,364	(22.2)	2,371	(20.5)	1,788	(17.4)
Fiscal year ended Mar. 31, 2018	23,483	37.2	3,039	119.2	2,983	116.9	2,164	89.1

Note: Comprehensive income (million yen)

Fiscal year ended Mar. 31, 2019: 1,684 (down 26.0%)

Fiscal year ended Mar. 31, 2018: 2,276 (up 92.1%)

	Net income per share (basic)	Net income per share (diluted)	ROE	Recurring profit on total assets	Operating profit to net sales
	Yen	Yen	%	%	%
Fiscal year ended Mar. 31, 2019	98.80	-	14.8	12.9	10.2
Fiscal year ended Mar. 31, 2018	119.66	119.62	20.6	17.1	12.9

Reference: Equity in earnings of affiliates (million yen)

Fiscal year ended Mar. 31, 2019: -

Fiscal year ended Mar. 31, 2018: -

Notes:

- Net income per share (diluted) for the fiscal year ended March 31, 2019 is not presented since there is no outstanding potential stock.
- Starting with the beginning of the fiscal year ended March 31, 2019, Helios Techno has applied "Partial Amendments to Accounting Standard for Tax Effect Accounting" (Accounting Standards Board of Japan (ASBJ) Statement No. 28, February 16, 2018). Recurring profit on total assets for the fiscal year ended March 31, 2018 has been adjusted retroactively to conform with this accounting standard.

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio	Net assets per share
	Million yen	Million yen	%	Yen
As of Mar. 31, 2019	18,207	12,634	69.4	698.11
As of Mar. 31, 2018	18,463	11,492	62.2	635.02

Reference: Equity (million yen)

As of Mar. 31, 2019: 12,634

As of Mar. 31, 2018: 11,492

Note: Starting with the beginning of the fiscal year ended March 31, 2019, Helios Techno has applied "Partial Amendments to Accounting Standard for Tax Effect Accounting" (ASBJ Statement No. 28, February 16, 2018). Total assets and equity ratio as of March 31, 2018 have been adjusted retroactively to conform with this accounting standard.

(3) Consolidated cash flows

	Cash flows from operating activities	Cash flows from investing activities	Cash flows from financing activities	Cash and cash equivalents at end of period
	Million yen	Million yen	Million yen	Million yen
Fiscal year ended Mar. 31, 2019	1,154	(521)	(672)	4,085
Fiscal year ended Mar. 31, 2018	385	(370)	(323)	4,109

Note: Cash flows from operating activities for the fiscal year ended March 31, 2018 is reclassified to reflect the change in classification.

2. Dividends

	Dividend per share					Total dividends	Payout ratio (Consolidated)	Dividend on equity (Consolidated)
	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, 2018	-	0.00	-	30.00	30.00	542	25.1	5.1
Fiscal year ended Mar. 31, 2019	-	0.00	-	30.00	30.00	542	30.4	4.5
Fiscal year ending Mar. 31, 2020 (forecast)	-	0.00	-	30.00	30.00		-	

3. Consolidated Forecast for the Fiscal Year Ending March 31, 2020 (April 1, 2019 – March 31, 2020)

(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	9,800	(21.5)	500	(68.2)	500	(68.3)	350	(68.5)	19.34
Full year	23,400	1.3	2,000	(15.4)	2,000	(15.6)	1,400	(21.7)	77.36

*** Notes**

(1) Changes in significant subsidiaries during the period (changes in specified subsidiaries resulting in changes in scope of consolidation): None

(2) 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

(3) Number of shares outstanding (common stock)

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

As of Mar. 31, 2019: 22,806,900 shares As of Mar. 31, 2018: 22,806,900 shares

2) Number of treasury shares at the end of period

As of Mar. 31, 2019: 4,708,717 shares As of Mar. 31, 2018: 4,708,710 shares

3) Average number of shares outstanding during the period

Fiscal year ended Mar. 31, 2019: 18,098,188 shares Fiscal year ended Mar. 31, 2018: 18,090,957 shares

Reference: Summary of Non-consolidated Financial Results

1. Non-consolidated Financial Results for the Fiscal Year Ended March 31, 2019 (April 1, 2018 – March 31, 2019)

(1) Non-consolidated results of operations (Percentages represent year-on-year changes)

	Net sales		Operating profit		Recurring profit		Net income	
	Million yen	%	Million yen	%	Million yen	%	Million yen	%
Fiscal year ended Mar. 31, 2019	505	15.2	25	-	674	104.9	674	120.2
Fiscal year ended Mar. 31, 2018	439	10.7	(6)	(189.9)	329	35.7	306	28.9

	Net income per share (basic)	Net income per share (diluted)
	Yen	Yen
Fiscal year ended Mar. 31, 2019	37.26	-
Fiscal year ended Mar. 31, 2018	16.93	16.93

Note: Net income per share (diluted) for the fiscal year ended Mar. 31, 2019 is not presented since there is no outstanding potential stock.

(2) Non-consolidated financial position

	Total assets	Net assets	Equity ratio	Net assets per share
	Million yen	Million yen	%	Yen
As of Mar. 31, 2019	7,356	6,681	90.8	369.20
As of Mar. 31, 2018	8,015	6,653	83.0	367.65

Reference: Equity (million yen) As of Mar. 31, 2019: 6,681 As of Mar. 31, 2018: 6,653

Note: Starting with the beginning of the fiscal year ended March 31, 2019, Helios Techno has applied "Partial Amendments to Accounting Standard for Tax Effect Accounting" (ASBJ Statement No. 28, February 16, 2018). Total assets and equity ratio as of March 31, 2018 have been adjusted retroactively to conform with this accounting standard.

2. Non-consolidated Forecast for the Fiscal Year Ending March 31, 2020 (April 1, 2019 – March 31, 2020)

No non-consolidated forecast is shown because Helios Techno has no sales to external customers since it is a pure holding company.

Note 1: This financial report is not subject to audit 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 2 of the attachments "1. Overview of Results of Operations."

How to view supplementary information at the financial results meeting

Each year, the Company holds information meetings for securities analysts for results of operations for the first half and for the full fiscal year. Materials distributed at these events are available on the Company's website.

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1. Overview of Results of Operations

(1) Results of Operations

1. General economic and market trends

There remained robust demand for the capital investment in production facilities of liquid crystal panels—a key market for the Helios Techno Group (“the Group”)—particularly for G8.5 and G10 type panels. However, a series of large-scale capital investment projects for the past several years has reached a final phase. In turn, we have identified a new business opportunity in capital investments for production of 8K TV panels. We have also seen new growth products such as in-vehicle panels and liquid panels for curved surface implementation that attract much attention and become hot spots for development.

In this business environment, the Group’s sales and profits largely trended in line with plans. Specifically, it continued achieving steady sales of (flexo) printing equipment for alignment layers and light source units for UV exposure equipment. In addition, sales in the Human Resource Service Business remained strong due to an increase in the number of staff dispatched. However, the Group’s sales and profits decreased year on year because sales of highly profitable new manufacturing equipment were concentrated in the previous fiscal year.

The Group’s net sales for the current fiscal year decreased 393 million yen, or 1.7%, year on year to 23,090 million yen with operating profit of 2,364 million yen (down 674 million yen, or 22.2%, year on year), recurring profit of 2,371 million yen (down 612 million yen, or 20.5%, year on year), and profit attributable to owners of parent of 1,788 million yen (down 376 million yen, or 17.4%, year on year).

2. Operation results by segment

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

i) Lamp Business

The Lamp Business saw an increase in sales of UV lamps thanks to continued steady sales of light source units for UV exposure equipment. However, such an increase in sales was more than offset by a decline in sales of general lighting lamps including LED lamps as a newly designed LED lamp is still under development with our customers for commercialization.

Consequently, the segment sales for the current fiscal year decreased 7.3% year on year to 3,370 million yen with a segment loss of 58 million yen (compared with a segment profit of 3 million yen a year earlier).

ii) Manufacturing Equipment Business

The Manufacturing Equipment Business remained strong in sales as we successfully delivered (flexo) printing equipment for alignment layers used for large flat-panel displays, high resolution inkjet equipment, and light source units for UV exposure equipment as planned. In addition, we have successfully delivered relocation projects for used equipment in the second quarter of the current fiscal year.

Consequently, the segment sales for the current fiscal year decreased 5.3% year on year to 14,591 million yen with a segment profit of 2,644 million yen, down 18.3% year on year.

Furthermore, the order backlog as of the end of the current fiscal year reached 3,938 million yen.

iii) Human Resource Service Business

The Human Resource Service Business includes the temporary staffing for engineers, design subcontracting and temporary staffing to the manufacturing sector. Because temporary staffing for engineers and design subcontracting are closely linked to the geographical areas served, we have achieved stable performance by strengthening our sales capabilities with improved quality of workers and services that meet customers’ needs. In the temporary staffing to the manufacturing sector, we have achieved an increase in the number of staff dispatched to both existing and new customers with efforts to secure human resources for staffing.

Consequently, the segment sales for the current fiscal year increased 15.6% year on year to 5,233 million yen with a segment profit of 258 million yen, up 19.0% year on year.

(2) Financial Position

Starting with the beginning of the fiscal year ended March 31, 2019, Helios Techno has applied “Partial Amendments to Accounting Standard for Tax Effect Accounting” (ASBJ Statement No. 28, February 16, 2018). The financial position has been analyzed by comparing the figures for the current fiscal year with those for the previous year adjusted for retrospective application of the said standard.

Assets

Current assets decreased 330 million yen from the end of the previous fiscal year to 14,943 million yen. This was mainly due to a 1,526 million yen decrease in work in process and a 539 million yen decrease in advanced payments, while there were a 1,275 million yen increase in notes and accounts receivable, a 311 million yen increase in electronically recorded monetary claims - operating, and a 109 million yen increase in raw materials and supplies.

Fixed assets increased 74 million yen from the end of the previous year to 3,263 million yen. This was mainly due to a 124 million yen increase in buildings and structures, net while there was a 48 million yen decrease in deferred tax assets.

As a result, total assets decreased 256 million yen, or 1.4%, from the end of the previous fiscal year to 18,207 million yen.

Liabilities

Current liabilities decreased 1,295 million yen from the end of the previous fiscal year to 5,194 million yen. This was mainly due to a 229 million yen decrease in notes and accounts payable, a 502 million yen decrease in accrued income taxes, and a 345 million yen decrease in advances received.

Long-term liabilities decreased 102 million yen from the end of the previous fiscal year to 378 million yen. This was mainly due to a 30 million yen decrease in long-term borrowings and a 55 million yen decrease in other long-term accounts payable.

As a result, total liabilities decreased 1,397 million yen, or 20.1%, from the end of the previous fiscal year to 5,572 million yen.

Net assets

Net assets increased 1,141 million yen, or 9.9%, from the end of the previous fiscal year to 12,634 million yen. This was mainly due to the reporting of profit attributable to owners of parent of 1,788 million yen, which was partially offset by the payment of dividends from surplus of 542 million yen.

The equity ratio rose 7.2 percentage points from the end of the previous fiscal year to 69.4% at the end of the current fiscal year mainly because total assets and total liabilities decreased as stated above.

(3) Cash Flows

Cash flows from operating activities

Net cash provided by operating activities was 1,154 million yen, compared with 385 million yen of net cash provided one year earlier. The main factors were profit before income taxes of 2,367 million yen, depreciation and amortization of 244 million yen (non-cash expenses included in profit before income taxes), a 1,592 million yen increase in notes and accounts receivable, a 1,418 million yen decrease in inventories, a 345 million yen decrease in advances received, and income taxes paid of 1,050 million yen.

Cash flows from investing activities

Net cash used in investing activities was 521 million yen, compared with net cash used of 370 million yen one year earlier. The main factors were payments of 362 million yen for purchase of property, plant and equipment, and 142 million yen for purchase of investment securities.

Cash flows from financing activities

Net cash used in financing activities was 672 million yen, compared with net cash used of 323 million yen one year earlier. The main factors were net increase in short-term borrowings of 100 million yen, proceeds from long-term borrowings of 100 million yen, repayment of long-term borrowings of 327 million yen, and cash dividends paid of 542 million yen.

As a result of the above, cash and cash equivalents as of the end of the current fiscal year decreased 24 million yen from the end of the previous fiscal year to 4,085 million yen.

(Reference) Cash Flow Indicators

The Group's trend of cash flow indicators are as follows:

	FY3/15	FY3/16	FY3/17	FY3/18	FY3/19
Shareholders' equity ratio (%)	37.3	58.9	57.7	62.2	69.4
Shareholders' equity ratio at market cap. (%)	41.4	48.3	73.6	92.3	66.1
Interest-bearing debt to cash flow ratio (years)	-	0.2	0.4	2.0	0.6
Interest coverage ratio (time)	-	351.0	176.1	30.5	104.9

Shareholders' equity ratio: (total net assets – share acquisition rights) / total assets

Shareholders' equity ratio at market cap: market capitalization / total assets

Interest-bearing debt to cash flow ratio: interest-bearing debt / operating cash flows

Interest coverage ratio: operating cash flows / interests paid

- Notes
- All of the above indicators are calculated using figures from the consolidated financial statements.
 - Market capitalization is calculated by multiplying the closing share price at the end of the period by the number of shares outstanding (net of treasury shares) at the end of the period.
 - Operating cash flows refer to “net cash provided by operating activities” as shown on the consolidated statements of cash flows. Interest-bearing debt refers to the total of liabilities shown on the consolidated balance sheets on which interests are paid. Interests paid refer to “interests paid” as shown in the consolidated statements of cash flows.
 - Interest-bearing debt to cash flow ratio and interest coverage ratio for FY3/15 are not listed because operating cash flows were negative.
 - Starting with the beginning of the fiscal year ended March 31, 2019, Helios Techno has applied “Partial Amendments to Accounting Standard for Tax Effect Accounting” (ASBJ Statement No. 28, February 16, 2018). The shareholders' equity ratio and the shareholders' equity ratio at market cap. for FY3/18 have been adjusted for retrospective application of the said standard.

(4) Outlook

The Group is committed to improving its business performance. The medium-term initiatives toward that goal are as follows:

i) Lamp Business

The Group will expand the business, primarily focusing on the development of UV LED and IR LED lamps for new applications. In addition, we are vigorously putting effort into expanding the sales channels for the broadband LED, etc., which was announced last year.

As sales of light source units for UV exposure equipment has caused an increase in the number of units under operation, we expect to enjoy a rise in demand for UV lamps, leading to a drastic increase or a long-term expansion in sales and profit.

ii) Manufacturing Equipment Business

Despite the influence of the U.S.-China trade friction, the Group will seek to accelerate its sales growth particularly in the East Asia using equipment development and production technologies of Japanese manufacturers through mergers and acquisitions and capital alliance.

In the existing manufacturing equipment sector, we are primarily focusing on development and sales expansion of high resolution inkjet equipment and exploring new applications including organic EL. Further in the used equipment sector, we will focus on the semiconductor market, which is anticipated to expand significantly in the years to come.

Moreover, we have promoted maintenance of the existing equipment, and the development and sales of printing plates in order to alleviate the impact of demand fluctuations on specific equipment. This effort is beginning to pay off as these services have become our core business generating a steady revenue stream.

iii) Human Resource Service Business

The Group will expand the business by recruiting necessary personnel through a variety of channels. In addition, by actively utilizing the staff with engineering background and improving the quality of the entire temporary placement staff, we will build a firm foundation of the staffing business and concurrently expand it with a multiple-perspective approach.

Based on this outlook, the Group forecasts its operating results for the fiscal year ending March 31, 2020 as follows: consolidated net sales to increase by 1.3% year-on-year to 23.4 billion yen; operating profit to decrease by 15.4% year-on-year to 2.0 billion yen; recurring profit to decrease by 15.6% year-on-year to 2.0 billion yen; and profit attributable to owners of parent to decrease by 21.7% to 1.4 billion yen.

As for the year-end dividend for the fiscal year ending March 31, 2020, the Group will strive as one to expand the business performance so as to maintain the same year-end dividend of 30 yen per share as in the current fiscal year as a gratitude to the Group's shareholders for their continuous support.

2. Basic Approach to the Selection of Accounting Standards

The Group will continue to prepare its consolidated financial statements generally accepted accounting principles in Japan for the time being to enable comparisons with prior year results and with financial data of other companies.

Application of International Financial Reporting Standards will be carefully considered by looking into circumstances in Japan and other countries.

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

	FY3/18 (As of Mar. 31, 2018)	FY3/19 (As of Mar. 31, 2019)
Assets		
Current assets		
Cash and deposits with banks	4,165,806	4,141,751
Notes and accounts receivable	4,685,341	5,961,141
Electronically recorded monetary claims - operating	1,284,762	1,596,315
Merchandise and finished goods	202,264	200,062
Work in process	3,401,949	1,875,562
Raw materials and supplies	565,844	675,628
Advance payments	854,510	315,067
Others	117,170	179,621
Allowance for doubtful accounts	(3,675)	(1,471)
Total current assets	15,273,974	14,943,679
Fixed assets		
Property, plant and equipment		
Buildings and structures, net	815,972	940,460
Machinery, equipment and vehicles, net	359,374	463,643
Land	841,913	841,913
Leased assets, net	3,694	1,702
Construction in progress	105,856	19,852
Others, net	95,607	109,490
Total property, plant and equipment	2,222,419	2,377,063
Intangible assets		
Goodwill	10,672	-
Others	78,965	66,480
Total intangible assets	89,637	66,480
Investments and other assets		
Investment securities	594,870	588,686
Deferred tax assets	231,194	182,491
Others	98,460	105,594
Allowance for doubtful accounts	(46,932)	(56,437)
Total investments and other assets	877,592	820,334
Total fixed assets	3,189,649	3,263,878
Total assets	18,463,623	18,207,557

	<i>(Thousands of yen)</i>	
	FY3/18 (As of Mar. 31, 2018)	FY3/19 (As of Mar. 31, 2019)
Liabilities		
Current liabilities		
Notes and accounts payable	1,719,312	1,489,379
Electronically recorded obligations - operating	713,915	682,588
Short-term borrowings	100,000	200,000
Current portion of long-term borrowings	327,528	130,051
Accrued income taxes	583,697	80,836
Accrued bonuses	466,001	441,337
Provision for product warranties	27,807	41,086
Advances received	1,373,711	1,028,256
Others	1,177,773	1,100,567
Total current liabilities	6,489,746	5,194,102
Long-term liabilities		
Long-term borrowings	336,625	306,574
Deferred tax liabilities	31,849	15,694
Other long-term accounts payable	104,284	49,175
Others	8,378	7,404
Total long-term liabilities	481,137	378,849
Total liabilities	6,970,884	5,572,951
Net assets		
Shareholders' equity		
Common stock	2,133,177	2,133,177
Capital surplus	2,563,867	2,563,867
Retained earnings	7,716,343	8,961,449
Treasury shares	(1,179,109)	(1,179,114)
Total shareholders' equity	11,234,278	12,479,379
Accumulated other comprehensive income		
Unrealized holding gain on other securities	258,460	155,226
Total accumulated other comprehensive income	258,460	155,226
Total net assets	11,492,738	12,634,605
Total liabilities and net assets	18,463,623	18,207,557

(2) Consolidated Statements of Income and Consolidated Statements of Comprehensive Income**Consolidated Statements of Income**

	<i>(Thousands of yen)</i>	
	FY3/18	FY3/19
	(Apr. 1, 2017 - Mar. 31, 2018)	(Apr. 1, 2018 - Mar. 31, 2019)
Net sales	23,483,498	23,090,183
Cost of goods sold	16,450,446	16,903,805
Gross profit	7,033,051	6,186,377
Selling, general and administrative expenses	3,993,813	3,821,834
Operating profit	3,039,237	2,364,543
Non-operating income		
Interest income	219	1,301
Dividend income	14,308	16,308
Income of rent	120	120
Miscellaneous revenue	14,488	14,361
Total non-operating income	29,136	32,090
Non-operating expenses		
Interest expense	12,787	11,012
Foreign exchange loss	21,667	6,354
Commission for syndicate loan	44,666	2,993
Miscellaneous loss	5,272	5,251
Total non-operating expenses	84,394	25,611
Recurring profit	2,983,979	2,371,022
Extraordinary income		
Gain on sales of fixed assets	103	213
Total extraordinary income	103	213
Extraordinary loss		
Loss on disposal of fixed assets	5,155	3,635
Loss on sales of fixed assets	-	18
Impairment loss	13,164	-
Total extraordinary losses	18,320	3,653
Profit before income taxes	2,965,763	2,367,582
Income taxes-current	832,318	501,507
Income taxes-deferred	(31,305)	78,023
Total income taxes	801,012	579,531
Profit	2,164,750	1,788,051
Profit attributable to owners of parent	2,164,750	1,788,051

Consolidated Statements of Comprehensive Income*(Thousands of yen)*

	FY3/18 (Apr. 1, 2017 - Mar. 31, 2018)	FY3/19 (Apr. 1, 2018 - Mar. 31, 2019)
Profit	2,164,750	1,788,051
Other comprehensive income		
Unrealized holding gain on other securities	111,814	(103,234)
Total other comprehensive income	111,814	(103,234)
Comprehensive income	2,276,565	1,684,817
Comprehensive income attributable to		
Owners of parent	2,276,565	1,684,817
Non-controlling interests	-	-

(3) Consolidated Statements of Changes in Equity

FY3/18 (Apr. 1, 2017 – Mar. 31, 2018)

(Thousands of yen)

	Shareholders' equity				
	Common stock	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of current period	2,133,177	2,563,867	5,919,007	(1,194,133)	9,421,918
Changes of items during period					
Dividends of surplus			(360,763)		(360,763)
Profit attributable to owners of parent			2,164,750		2,164,750
Purchase of treasury shares					-
Disposal of treasury shares		(2,784)		15,024	12,240
Transfer of loss on disposal of treasury shares		2,784	(2,784)		-
Change of scope of consolidation			(3,866)		(3,866)
Net changes of items other than shareholders' equity					
Total changes of items during period	-	-	1,797,335	15,024	1,812,360
Balance at end of current period	2,133,177	2,563,867	7,716,343	(1,179,109)	11,234,278

	Accumulated other comprehensive income		Share acquisition rights	Total net assets
	Unrealized holding gain on other securities	Total accumulated other comprehensive income		
Balance at beginning of current period	146,645	146,645	2,820	9,571,383
Changes of items during period				
Dividends of surplus				(360,763)
Profit attributable to owners of parent				2,164,750
Purchase of treasury shares				-
Disposal of treasury shares				12,240
Transfer of loss on disposal of treasury shares				-
Change of scope of consolidation				(3,866)
Net changes of items other than shareholders' equity	111,814	111,814	(2,820)	108,994
Total changes of items during period	111,814	111,814	(2,820)	1,921,355
Balance at end of current period	258,460	258,460	-	11,492,738

FY3/19 (Apr. 1, 2018 – Mar. 31, 2019)

(Thousands of yen)

	Shareholders' equity				
	Common stock	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of current period	2,133,177	2,563,867	7,716,343	(1,179,109)	11,234,278
Changes of items during period					
Dividends of surplus			(542,945)		(542,945)
Profit attributable to owners of parent			1,788,051		1,788,051
Purchase of treasury shares				(4)	(4)
Disposal of treasury shares					-
Transfer of loss on disposal of treasury shares					-
Change of scope of consolidation					-
Net changes of items other than shareholders' equity					
Total changes of items during period	-	-	1,245,106	(4)	1,245,101
Balance at end of current period	2,133,177	2,563,867	8,961,449	(1,179,114)	12,479,379

	Accumulated other comprehensive income		Share acquisition rights	Total net assets
	Unrealized holding gain on other securities	Total accumulated other comprehensive income		
Balance at beginning of current period	258,460	258,460	-	11,492,738
Changes of items during period				
Dividends of surplus				(542,945)
Profit attributable to owners of parent				1,788,051
Purchase of treasury shares				(4)
Disposal of treasury shares				-
Transfer of loss on disposal of treasury shares				-
Change of scope of consolidation				-
Net changes of items other than shareholders' equity	(103,234)	(103,234)	-	(103,234)
Total changes of items during period	(103,234)	(103,234)	-	1,141,866
Balance at end of current period	155,226	155,226	-	12,634,605

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

	FY3/18 (Apr. 1, 2017 - Mar. 31, 2018)	FY3/19 (Apr. 1, 2018 - Mar. 31, 2019)
Cash flows from operating activities		
Profit before income taxes	2,965,763	2,367,582
Depreciation and amortization	298,129	244,997
Amortization of goodwill	21,344	10,672
Impairment loss	13,164	-
Increase (decrease) in accrued bonuses	136,023	(24,664)
Increase (decrease) in allowance for doubtful accounts	6,537	7,301
Increase (decrease) in provision for product warranties	1,893	13,278
Interest and dividend income	(14,527)	(17,609)
Interest expense	12,787	11,012
Loss (gain) on sales of fixed assets	(103)	(195)
Loss on disposal of fixed assets	5,155	3,635
Decrease (increase) in notes and accounts receivable	(651,090)	(1,592,793)
Decrease (increase) in inventories	(436,892)	1,418,804
Decrease (increase) in other accounts receivable	192,366	(3,994)
Decrease (increase) in advance payments	(746,521)	539,443
Increase (decrease) in notes and accounts payable	(18,731)	(261,259)
Decrease/increase in consumption taxes receivable/payable	189,785	41,049
Increase (decrease) in other accounts payable	202,724	(121,090)
Increase (decrease) in advances received	(1,412,447)	(345,454)
Others	144,895	(92,063)
Subtotal	910,257	2,198,652
Interests and dividends received	14,525	17,607
Interests paid	(12,640)	(11,003)
Income taxes paid	(526,709)	(1,050,643)
Net cash provided by (used in) operating activities	385,432	1,154,611

	<i>(Thousands of yen)</i>	
	FY3/18	FY3/19
	(Apr. 1, 2017 - Mar. 31, 2018)	(Apr. 1, 2018 - Mar. 31, 2019)
Cash flows from investing activities		
Payment for purchase of property, plant and equipment	(343,850)	(362,067)
Proceeds from sale of property, plant, and equipment	150	237
Payment for purchase of intangible assets	(30,215)	(16,009)
Payment for purchase of investment securities	-	(142,526)
Others	3,002	(697)
Net cash provided by (used in) investing activities	(370,913)	(521,062)
Cash flows from financing activities		
Net increase (decrease) in short-term borrowings	(200,000)	100,000
Proceeds from long-term borrowings	500,000	100,000
Repayment of long-term borrowings	(270,025)	(327,528)
Repayment of lease obligations	(1,739)	(2,150)
Payment for purchase of treasury shares	-	(4)
Proceeds from disposal of treasury shares from exercise of share acquisition rights	9,420	-
Cash dividends paid	(360,763)	(542,945)
Net cash provided by (used in) financing activities	(323,108)	(672,628)
Effect of exchange rate change on cash and cash equivalents	2,920	15,023
Net increase (decrease) in cash and cash equivalents	(305,669)	(24,056)
Cash and cash equivalents at beginning of period	4,125,220	4,109,727
Increase in cash and cash equivalents from newly consolidated subsidiary	290,175	-
Cash and cash equivalents at end of period	4,109,727	4,085,671

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

Not applicable.

Reclassification

Consolidated statements of cash flows

“Effect of exchange rate change on cash and cash equivalents,” which was included in “Others” under “Cash flows from operating activities” in the previous fiscal year, is presented separately from the current fiscal year due to increased monetary materiality. The consolidated financial statements for the previous fiscal year have been reclassified to reflect this change in presentation.

Accordingly, “Others” of 147,815 thousand yen under “Cash flows from operating activities” for the previous fiscal year has been reclassified into “Others” of 144,895 thousand yen under “Cash flows from operating activities” and “Effect of exchange rate change on cash and cash equivalents” of 2,920 thousand yen.

Changes resulting from the application of Partial Amendments to Accounting Standard for Tax Effect Accounting

Starting with the beginning of the fiscal year ended March 31, 2019, Helios Techno has applied “Partial Amendments to Accounting Standard for Tax Effect Accounting” (ASBJ Statement No. 28, February 16, 2018). Accordingly, deferred tax assets and deferred tax liabilities have been presented in the investments and other assets section and the long-term liabilities section of the balance sheet, respectively.

Segment Information

1. Overview of reportable segments

Segments used for financial reporting are the Group’s constituent units for which separate financial information is available and for which the Board of Directors performs periodic studies for the purposes of determining the allocation of resources and evaluating performance.

The Group establishes comprehensive strategies for individual products and services and conducts associated business activities. This system is used to divide operations into three business segments: the Lamp Business, the Manufacturing Equipment Business, and the Human Resource Service Business.

The Lamp Business includes the manufacture and sale of projector lamps, general halogen lamps and LED lamps. The Manufacturing Equipment Business includes the manufacture and sale of (flexo) printing equipment for alignment layers, specialty printing machines, UV exposure light source units, inspection and measurement equipment, etc. The Human Resource Service Business includes the temporary staffing for engineers, design subcontracting, and temporary staffing to the manufacturing sector.

2. Calculation methods for net sales, profits/losses, assets, and other items for each reportable segment

The accounting methods for reportable segments are generally the same as those listed in “Significant Accounting Policies in the Preparation of Consolidated Financial Statements.”

Profits for reportable segments are generally operating profit figures. Intergroup sales and transfers are based on prevailing market prices.

3. Information related to net sales, profit/losses, assets and other items for each reportable segment

FY3/18 (Apr. 1, 2017 – Mar. 31, 2018)

(Thousands of yen)

	Reportable segment				Adjustment (Note 1)	Amounts shown on consolidated financial statements (Note 2)
	Lamp Business	Manufacturing Equipment Business	Human Resource Service Business	Total		
Net sales						
Sales to external customers	3,578,945	15,402,442	4,502,109	23,483,498	-	23,483,498
Inter-segment sales and transfers	55,162	609	24,472	80,244	(80,244)	-
Total	3,634,108	15,403,051	4,526,582	23,563,742	(80,244)	23,483,498
Segment profit	3,561	3,236,658	217,495	3,457,714	(418,476)	3,039,237
Segment assets	3,296,652	11,627,500	1,253,201	16,177,354	2,387,445	18,564,800
Other items						
Depreciation and amortization	89,700	183,004	17,780	290,485	7,643	298,129
Amortization of goodwill	-	-	21,344	21,344	-	21,344
Increases in property, plant and equipment and intangible assets	114,747	255,200	3,094	373,043	23,810	396,854

Notes: 1. The above adjustments are as follows.

- (1) The minus 418,476 thousand yen adjustment to segment profit is company-wide costs that cannot be allocated to reportable segments. Company-wide costs mainly include general and administrative expenses that cannot be attributed to the reportable segments.
- (2) The plus 2,387,445 thousand yen adjustment to segment assets includes minus 17,276 thousand yen in elimination of inter-segment receivables and payables and plus 2,404,721 thousand yen of company-wide assets that cannot be allocated to reportable segments. Company-wide assets mainly include operating assets (cash and deposits with banks, investment securities, etc.) that cannot be attributed to the reportable segments.
- (3) The plus 23,810 thousand yen adjustment to increases in property, plant and equipment and intangible assets includes capital investment associated with the head office.

2. Segment profit is adjusted to be consistent with operating profit shown on the consolidated statements of income.

FY3/19 (Apr. 1, 2018 – Mar. 31, 2019)

(Thousands of yen)

	Reportable segment				Adjustment (Note 1)	Amounts shown on consolidated financial statements (Note 2)
	Lamp Business	Manufacturing Equipment Business	Human Resource Service Business	Total		
Net sales						
Sales to external customers	3,315,251	14,591,051	5,183,880	23,090,183	-	23,090,183
Inter-segment sales and transfers	55,365	757	49,241	105,364	(105,364)	-
Total	3,370,616	14,591,809	5,233,122	23,195,548	(105,364)	23,090,183
Segment profit (loss)	(58,956)	2,644,768	258,798	2,844,610	(480,067)	2,364,543
Segment assets	2,789,510	12,003,245	1,270,298	16,063,054	2,144,503	18,207,557
Other items						
Depreciation and amortization	95,393	129,986	16,836	242,216	2,780	244,997
Amortization of goodwill	-	-	10,672	10,672	-	10,672
Increases in property, plant and equipment and intangible assets	159,107	214,425	2,828	376,360	15,404	391,765

Notes: 1. The above adjustments are as follows.

- (1) The minus 480,067 thousand yen adjustment to segment profit (loss) is company-wide costs that cannot be allocated to reportable segments. Company-wide costs mainly include general and administrative expenses that cannot be attributed to the reportable segments.
- (2) The plus 2,144,503 thousand yen adjustment to segment assets includes minus 5,509 thousand yen in elimination of inter-segment receivables and payables and plus 2,150,013 thousand yen of company-wide assets that cannot be allocated to the reportable segments. Company-wide assets mainly include operating assets (cash and deposits with banks, investment securities, etc.) that cannot be attributed to reportable segments.
- (3) The plus 15,404 thousand yen adjustment to increases in property, plant and equipment and intangible assets includes capital investment associated with the head office, which has not been allocated to the reportable segments.

2. Segment profit (loss) is adjusted to be consistent with operating profit shown on the consolidated statements of income.

Per-share Data

Item	FY3/18 (Apr. 1, 2017 – Mar. 31, 2018)	FY3/19 (Apr. 1, 2018 – Mar. 31, 2019)
Net assets per share (Yen)	635.02	698.11
Net income per share (basic) (Yen)	119.66	98.80
Net income per share (diluted) (Yen)	119.62	-

Notes: 1. Net income per share (diluted) for the fiscal year ended March 31, 2019 is not presented since there is no outstanding potential stock.

2. Basis for the calculation of net income per share and net income per share (diluted) is as follows.

(Thousands of yen unless otherwise stated)

Item	FY3/18 (Apr. 1, 2017 – Mar. 31, 2018)	FY3/19 (Apr. 1, 2018 – Mar. 31, 2019)
Net income per share		
Profit attributable to owners of parent	2,164,750	1,788,051
Profit not attributable to common shareholders	-	-
Profit attributable to common shareholders of parent	2,164,750	1,788,051
Average number of shares of common stock during the fiscal year (Shares)	18,090,957	18,098,188
Net income per share (diluted)		
Adjustment to profit attributable to owners of parent	-	-
Number of shares of common stock to be increased (Shares)	5,408	-
[Of which, number of share acquisition rights] (Shares)	[5,408]	[-]
Potential stock not included in the calculation of net income per share (diluted) since it did not have dilutive effect.	-	-

3. Basis for the calculation of net assets per share is as follows.

(Thousands of yen unless otherwise stated)

Item	FY3/18 (As of March 31, 2018)	FY3/19 (As of March 31, 2019)
Total net assets	11,492,738	12,634,605
Deduction on total net assets	-	-
[of which share acquisition rights]	[-]	[-]
Net assets applicable to common stock at end of period	11,492,738	12,634,605
Number of common stock shares used in calculation of net assets per share (Shares)	18,098,190	18,098,183

Subsequent Events

Not applicable.

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.