

## Summary of Consolidated Financial Results for the Fiscal Year Ended March 31, 2020

[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 23, 2020

Scheduled date of filing of Annual Securities Report: June 30, 2020

Scheduled date of payment of dividend: June 24, 2020

Preparation of supplementary materials for financial results: None

Holding of financial results meeting: None

Note: The original disclosure in Japanese was released on May 25, 2020 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, 2020 (April 1, 2019 – March 31, 2020)

#### (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, 2020	13,996	(39.4)	385	(83.7)	369	(84.4)	575	(67.8)
Fiscal year ended Mar. 31, 2019	23,090	(1.7)	2,364	(22.2)	2,371	(20.5)	1,788	(17.4)

Note: Comprehensive income (million yen)

Fiscal year ended Mar. 31, 2020: 523 (down 68.9%)

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

	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, 2020	31.79	-	4.6	2.2	2.8
Fiscal year ended Mar. 31, 2019	98.80	-	14.8	12.9	10.2

Reference: Equity in earnings of affiliates (million yen)

Fiscal year ended Mar. 31, 2020: -

Fiscal year ended Mar. 31, 2019: -

Note: Net income per share (diluted) is not presented since there is no outstanding potential stock.

#### (2) Consolidated financial position

	Total assets	Net assets	Equity ratio	Net assets per share
	Million yen	Million yen	%	Yen
As of Mar. 31, 2020	14,609	12,621	86.4	697.03
As of Mar. 31, 2019	18,207	12,634	69.4	698.11

Reference: Equity (million yen)

As of Mar. 31, 2020: 12,621

As of Mar. 31, 2019: 12,634

#### (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, 2020	(545)	908	(774)	3,682
Fiscal year ended Mar. 31, 2019	1,154	(521)	(672)	4,085

### 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, 2019	-	0.00	-	30.00	30.00	542	30.4	4.5
Fiscal year ended Mar. 31, 2020	-	0.00	-	6.00	6.00	108	18.9	0.9
Fiscal year ending Mar. 31, 2021 (forecast)	-	-	-	-	-	-	-	-

Note: We have not yet determined the dividend forecast for the fiscal year ending Mar. 31, 2021.

### 3. Consolidated Forecast for the Fiscal Year Ending March 31, 2021 (April 1, 2020 – March 31, 2021)

The consolidated forecast for the fiscal year ending on March 31, 2021 has not been determined since it is difficult to reasonably estimate the impact of the COVID-19 pandemic at this time. The consolidated forecast will be disclosed promptly when it becomes available for disclosure.

**\* Notes**

(1) Changes in significant subsidiaries during the period (changes in specified subsidiaries resulting in changes in scope of consolidation): Yes

Newly added: - Excluded: 1 (Nippon Gijutsu Center Co., Ltd.)

(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, 2020: 22,806,900 shares As of Mar. 31, 2019: 22,806,900 shares

2) Number of treasury shares at the end of period

As of Mar. 31, 2020: 4,699,399 shares As of Mar. 31, 2019: 4,708,717 shares

3) Average number of shares outstanding during the period

Fiscal year ended Mar. 31, 2020: 18,105,016 shares Fiscal year ended Mar. 31, 2019: 18,098,188 shares

**Reference: Summary of Non-consolidated Financial Results**

**1. Non-consolidated Financial Results for the Fiscal Year Ended March 31, 2020 (April 1, 2019 – March 31, 2020)**

(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, 2020	536	6.0	(31)	-	510	(24.4)	1,367	102.7
Fiscal year ended Mar. 31, 2019	505	15.2	25	-	674	104.9	674	120.2

	Net income per share (basic)	Net income per share (diluted)
	Yen	Yen
Fiscal year ended Mar. 31, 2020	75.52	-
Fiscal year ended Mar. 31, 2019	37.26	-

Note: Net income per share (diluted) 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, 2020	7,968	7,460	93.6	412.01
As of Mar. 31, 2019	7,356	6,681	90.8	369.20

Reference: Equity (million yen)

As of Mar. 31, 2020: 7,460 As of Mar. 31, 2019: 6,681

**2. Non-consolidated Forecast for the Fiscal Year Ending March 31, 2021 (April 1, 2020 – March 31, 2021)**

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."

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## 1. Overview of Results of Operations

### (1) Results of Operations

#### 1. General economic and market trends

In the current fiscal year, the Japanese economy remained on a gradual recovery track thanks to continuing solid corporate earnings and improvement in employment. However, the outlook remains unclear because of weakness mainly in exports, which has been affected by uncertainties in overseas economies such as the prolonged U.S.-China trade issues and slowdown in the Chinese economy, as well as evident downside risks to the world economy posed by the novel coronavirus disease (COVID-19) pandemic.

The liquid crystal panel industry—a key market for the Company is no exception, continuing to face a difficult business environment with a growing tendency to hold down capital investment. In fact, demand for such investment has been decelerating in China and other Asian markets.

As a result, net sales of the Helios Techno Group (“the Group”) for the current fiscal year decreased 9,093 million yen, or 39.4%, year on year to 13,996 million yen, operating profit decreased 1,979 million yen, or 83.7%, to 385 million yen, recurring profit decreased 2,001 million yen, or 84.4%, to 369 million yen, and profit attributable to owners of parent decreased 1,212 million yen, or 67.8%, to 575 million yen.

#### 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 faced a difficult situation primarily because the light source units for exposure equipment fell short of the Company’s initial business plan due to a decrease in the number of shipment caused by customers’ inventory adjustment in the first half of the current fiscal year.

On the other hand, we have been proactively developing a carbon fiber reinforced plastic (CFRP) surface treatment unit using semiconductor lasers that utilize recombination emission as well as a super-wide band LED element toward its commercialization or modularization.

Consequently, the segment sales for the current fiscal year decreased 5.2% year on year to 3,193 million yen with a segment loss of 56 million yen (compared with a segment loss of 58 million yen a year earlier).

##### ii) Manufacturing Equipment Business

The Manufacturing Equipment Business continued to face a difficult situation as we had to hold shipments of alignment layer manufacturing equipment and other products due primarily to a delay in plant construction by flat-panel display (FPD) manufacturers, which was impacted by a slowdown in demands for capital investment in China and other Asian markets.

Consequently, the segment sales for the current fiscal year decreased 54.2% year on year to 6,686 million yen with a segment profit of 807 million yen, down 69.5% year on year.

##### iii) Human Resource Service Business

The Human Resource Service Business included the temporary staffing for engineers, design subcontracting, and temporary staffing to the manufacturing sector. However, on December 9, 2019, the Board of Directors of the Company approved a resolution to sell all of its owned shares of the consolidated subsidiary Nippon Gijutsu Center Co., Ltd., which operates human resource service business, and the non-consolidated subsidiary Technolink Co., Ltd. The transfer of these shares was completed on January 6, 2020.

Accordingly, the segment sales for the first nine months of the current fiscal year decreased 20.3% year on year to 4,168 million yen with a segment profit of 200 million yen, down 22.4% year on year.

**(2) Financial Position****Assets**

Current assets decreased 3,002 million yen from the end of the previous fiscal year to 11,940 million yen. This was mainly due to a 423 million yen decrease in cash and deposits with banks, a 1,508 million yen decrease in notes and accounts receivable, and a 1,014 million yen decrease in electronically recorded monetary claims - operating.

Fixed assets decreased 594 million yen from the end of the previous year to 2,668 million yen. This was mainly due to a 113 million yen decrease in buildings and structures, net, a 119 million yen decrease in land, a 217 million yen decrease in investment securities, and a 102 million yen decrease in deferred tax assets.

As a result, total assets decreased 3,597 million yen, or 19.8%, from the end of the previous fiscal year to 14,609 million yen.

**Liabilities**

Current liabilities decreased 3,468 million yen from the end of the previous fiscal year to 1,726 million yen. This was mainly due to an 875 million yen decrease in notes and accounts payable, a 463 million yen decrease in electronically recorded obligations - operating, a 299 million yen decrease in accrued bonuses, a 948 million yen decrease in advances received, and a 399 million yen decrease in accounts payable - other included in others of current liabilities.

Long-term liabilities decreased 116 million yen from the end of the previous fiscal year to 262 million yen. This was mainly due to a 100 million yen decrease in long-term borrowings and a 14 million yen decrease in long-term accounts payable - other.

As a result, total liabilities decreased 3,584 million yen, or 64.3%, from the end of the previous fiscal year to 1,988 million yen.

**Net assets**

Net assets decreased 13 million yen, or 0.1%, from the end of the previous fiscal year to 12,621 million yen. This was mainly due to the payment of dividends from surplus of 542 million yen and a 51 million yen decrease in unrealized holding gain on other securities, which were mostly offset by the reporting of profit attributable to owners of parent of 575 million yen.

The equity ratio rose 17.0 percentage points from the end of the previous fiscal year to 86.4% 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 used in operating activities was 545 million yen, compared with net cash provided of 1,154 million yen one year earlier. The main factors were a 240 million yen decrease in accrued bonuses, a 1,125 million yen decrease in notes and accounts payable, a 962 million yen decrease in advances received, and income taxes paid of 298 million yen, which were partially offset by profit before income taxes of 719 million yen and a 1,450 million yen decrease in notes and accounts receivable.

**Cash flows from investing activities**

Net cash provided by investing activities was 908 million yen, compared with net cash used of 521 million yen one year earlier. The main factor was proceeds from sales of shares of subsidiaries resulting in change in scope of consolidation of 856 million yen.

**Cash flows from financing activities**

Net cash used in financing activities was 774 million yen, compared with net cash used of 672 million yen one year earlier. The main factors were a net decrease in short-term borrowings of 100 million yen, repayment of long-term borrowings of 130 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 403 million yen from the end of the previous fiscal year to 3,682 million yen.

#### (Reference) Cash Flow Indicators

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

	FY3/16	FY3/17	FY3/18	FY3/19	FY3/20
Shareholders' equity ratio (%)	58.9	57.7	62.2	69.4	86.4
Shareholders' equity ratio at market cap. (%)	48.3	73.6	92.3	66.1	39.2
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
1. All of the above indicators are calculated using figures from the consolidated financial statements.
  2. 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.
  3. 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.
  4. Interest-bearing debt to cash flow ratio and interest coverage ratio for FY3/20 are not listed because operating cash flows were negative.
  5. 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 COVID-19 pandemic has posed downside risks to the world economy represented by a drop in global spending and a decline in demand for capital investment, deepening concern over a prolonged uncertain situation.

In this business environment, the Group is committed to improving its business performance. The initiatives toward that goal are as follows:

##### i) Lamp Business

The Lamp Business was supported to a certain extent by sales of replacement lamps for the light source units for exposure equipment. The recently introduced industrial LED lamps have attracted attention from a wide range of industrial users, such as those using inspection equipment of various types and those providing security services. The Group will further enrich the lineup of products that utilizes a super-wide band LED element and engage in full-scale activities to increase sales of such products.

##### ii) Manufacturing Equipment Business

In the Manufacturing Equipment Business, we have been primarily focusing on development of high-resolution inkjet equipment as the market for multi-purpose inkjet printers is anticipated to keep expanding. We will continue to develop such equipment with outstanding precision, productivity, stability and cost-effectiveness so that our products will be adopted for more applications in the manufacturing field.

In addition, we have promoted maintenance and modification of the existing equipment, and sales expansion of printing plates. We will continue to vigorously put effort into expanding sales of these services so that they can evolve into steady revenue streams.

Furthermore, the Group will develop equipment for the semiconductor industry by incorporating our nurtured expertise and new technologies, and expand sales of related components and others.

iii) Others

In response to the shortage of production and supply of face masks caused by the global COVID-19 pandemic, Nakan Techno Co., Ltd. has started selling face mask production machines, and Phoenix Electric Co., Ltd. has started producing and selling non-woven face masks, both of which are consolidated subsidiaries of the Company.

The Group will strive as one to respond to demand for face masks nationwide.

The consolidated forecast for the fiscal year ending on March 31, 2021 has not been determined since it is difficult to reasonably estimate the impact of the COVID-19 pandemic at this time. The consolidated forecast will be disclosed promptly when it becomes available for disclosure.

The year-end dividend for the fiscal year ending March 31, 2021 has not been determined either at this time due to the above-mentioned circumstances.

**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)*

	FY3/19 (As of Mar. 31, 2019)	FY3/20 (As of Mar. 31, 2020)
<b>Assets</b>		
Current assets		
Cash and deposits with banks	4,141,751	3,718,554
Notes and accounts receivable	5,961,141	4,453,017
Electronically recorded monetary claims - operating	1,596,315	581,362
Merchandise and finished goods	200,062	204,925
Work in process	1,875,562	1,813,160
Raw materials and supplies	675,628	726,982
Advance payments	315,067	43,265
Others	179,621	399,886
Allowance for doubtful accounts	(1,471)	(162)
Total current assets	14,943,679	11,940,993
Fixed assets		
Property, plant and equipment		
Buildings and structures, net	940,460	827,225
Machinery, equipment and vehicles, net	463,643	479,569
Land	841,913	722,733
Leased assets, net	1,702	567
Construction in progress	19,852	44,519
Others, net	109,490	82,735
Total property, plant and equipment	2,377,063	2,157,351
Intangible assets		
Others	66,480	27,654
Total intangible assets	66,480	27,654
Investments and other assets		
Investment securities	588,686	371,640
Deferred tax assets	182,491	79,979
Others	105,594	76,189
Allowance for doubtful accounts	(56,437)	(43,900)
Total investments and other assets	820,334	483,908
Total fixed assets	3,263,878	2,668,914
Total assets	18,207,557	14,609,908



	<i>(Thousands of yen)</i>	
	FY3/19 (As of Mar. 31, 2019)	FY3/20 (As of Mar. 31, 2020)
<b>Liabilities</b>		
<b>Current liabilities</b>		
Notes and accounts payable	1,489,379	613,400
Electronically recorded obligations - operating	682,588	218,611
Short-term borrowings	200,000	100,000
Current portion of long-term borrowings	130,051	100,032
Accrued income taxes	80,836	20,711
Accrued bonuses	441,337	141,718
Provision for product warranties	41,086	21,449
Advances received	1,028,256	79,964
Others	1,100,567	430,167
<b>Total current liabilities</b>	<b>5,194,102</b>	<b>1,726,054</b>
<b>Long-term liabilities</b>		
Long-term borrowings	306,574	206,542
Deferred tax liabilities	15,694	14,494
Long-term accounts payable - other	49,175	34,194
Others	7,404	7,116
<b>Total long-term liabilities</b>	<b>378,849</b>	<b>262,346</b>
<b>Total liabilities</b>	<b>5,572,951</b>	<b>1,988,401</b>
<b>Net assets</b>		
<b>Shareholders' equity</b>		
Common stock	2,133,177	2,133,177
Capital surplus	2,563,867	2,567,357
Retained earnings	8,961,449	8,994,084
Treasury shares	(1,179,114)	(1,176,606)
<b>Total shareholders' equity</b>	<b>12,479,379</b>	<b>12,518,013</b>
<b>Accumulated other comprehensive income</b>		
Unrealized holding gain on other securities	155,226	103,494
<b>Total accumulated other comprehensive income</b>	<b>155,226</b>	<b>103,494</b>
<b>Total net assets</b>	<b>12,634,605</b>	<b>12,621,507</b>
<b>Total liabilities and net assets</b>	<b>18,207,557</b>	<b>14,609,908</b>

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

	<i>(Thousands of yen)</i>	
	FY3/19	FY3/20
	(Apr. 1, 2018 - Mar. 31, 2019)	(Apr. 1, 2019 - Mar. 31, 2020)
Net sales	23,090,183	13,996,345
Cost of goods sold	16,903,805	10,197,146
Gross profit	6,186,377	3,799,199
Selling, general and administrative expenses	3,821,834	3,413,795
Operating profit	2,364,543	385,403
Non-operating income		
Interest income	1,301	2,362
Dividend income	16,308	16,508
Income of rent	120	30
Miscellaneous revenue	14,361	25,627
Total non-operating income	32,090	44,527
Non-operating expenses		
Interest expense	11,012	5,961
Foreign exchange loss	6,354	18,741
Commission for syndicated loans	2,993	30,112
Miscellaneous loss	5,251	6,061
Total non-operating expenses	25,611	60,877
Recurring profit	2,371,022	369,054
Extraordinary income		
Gain on sales of fixed assets	213	164
Gain on sales of shares of subsidiaries and associates	-	354,865
Total extraordinary income	213	355,030
Extraordinary loss		
Loss on disposal of fixed assets	3,635	4,151
Loss on sales of fixed assets	18	-
Total extraordinary losses	3,653	4,151
Profit before income taxes	2,367,582	719,933
Income taxes-current	501,507	60,973
Income taxes-deferred	78,023	83,379
Total income taxes	579,531	144,353
Profit	1,788,051	575,580
Profit attributable to owners of parent	1,788,051	575,580

**Consolidated Statements of Comprehensive Income**

	<i>(Thousands of yen)</i>	
	FY3/19	FY3/20
	(Apr. 1, 2018 - Mar. 31, 2019)	(Apr. 1, 2019 - Mar. 31, 2020)
Profit	1,788,051	575,580
Other comprehensive income		
Unrealized holding gain on other securities	(103,234)	(51,731)
Total other comprehensive income	(103,234)	(51,731)
Comprehensive income	1,684,817	523,848
Comprehensive income attributable to		
Owners of parent	1,684,817	523,848
Non-controlling interests	-	-

**(3) Consolidated Statements of Changes in Equity**

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 period	2,133,177	2,563,867	7,716,343	(1,179,109)	11,234,278
Changes 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					-
Net changes in items other than shareholders' equity					
Total changes during period	-	-	1,245,106	(4)	1,245,101
Balance at end of period	2,133,177	2,563,867	8,961,449	(1,179,114)	12,479,379

	Accumulated other comprehensive income		Total net assets
	Unrealized holding gain on other securities	Total accumulated other comprehensive income	
Balance at beginning of period	258,460	258,460	11,492,738
Changes 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			-
Net changes in items other than shareholders' equity	(103,234)	(103,234)	(103,234)
Total changes during period	(103,234)	(103,234)	1,141,866
Balance at end of period	155,226	155,226	12,634,605

FY3/20 (Apr. 1, 2019 – Mar. 31, 2020)

(Thousands of yen)

	Shareholders' equity				
	Common stock	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	2,133,177	2,563,867	8,961,449	(1,179,114)	12,479,379
Changes during period					
Dividends of surplus			(542,945)		(542,945)
Profit attributable to owners of parent			575,580		575,580
Purchase of treasury shares					-
Disposal of treasury shares		3,490		2,507	5,998
Net changes in items other than shareholders' equity					
Total changes during period	-	3,490	32,634	2,507	38,633
Balance at end of period	2,133,177	2,567,357	8,994,084	(1,176,606)	12,518,013

	Accumulated other comprehensive income		Total net assets
	Unrealized holding gain on other securities	Total accumulated other comprehensive income	
Balance at beginning of period	155,226	155,226	12,634,605
Changes during period			
Dividends of surplus			(542,945)
Profit attributable to owners of parent			575,580
Purchase of treasury shares			-
Disposal of treasury shares			5,998
Net changes in items other than shareholders' equity	(51,731)	(51,731)	(51,731)
Total changes during period	(51,731)	(51,731)	(13,098)
Balance at end of period	103,494	103,494	12,621,507

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

	<i>(Thousands of yen)</i>	
	FY3/19	FY3/20
	(Apr. 1, 2018 - Mar. 31, 2019)	(Apr. 1, 2019 - Mar. 31, 2020)
Cash flows from operating activities		
Profit before income taxes	2,367,582	719,933
Depreciation and amortization	244,997	260,648
Amortization of goodwill	10,672	-
Increase (decrease) in accrued bonuses	(24,664)	(240,372)
Increase (decrease) in allowance for doubtful accounts	7,301	(11,935)
Increase (decrease) in provision for product warranties	13,278	(19,636)
Increase (decrease) in provision for loss on construction contracts	-	22,000
Interest and dividend income	(17,609)	(18,870)
Interest expense	11,012	5,961
Loss (gain) on sales of fixed assets	(195)	(164)
Loss on disposal of fixed assets	3,635	4,151
Loss (gain) on sales of shares of subsidiaries and associates	-	(354,865)
Decrease (increase) in notes and accounts receivable	(1,592,793)	1,450,732
Decrease (increase) in inventories	1,418,804	(204,737)
Decrease (increase) in other accounts receivable	(3,994)	5,529
Decrease (increase) in advance payments	539,443	271,802
Increase (decrease) in notes and accounts payable	(261,259)	(1,125,127)
Decrease/increase in consumption taxes receivable/payable	41,049	(119,368)
Increase (decrease) in other accounts payable	(121,090)	(55,045)
Increase (decrease) in advances received	(345,454)	(962,859)
Others	(92,063)	112,327
Subtotal	2,198,652	(259,898)
Interests and dividends received	17,607	18,870
Interests paid	(11,003)	(6,008)
Income taxes paid	(1,050,643)	(298,899)
Net cash provided by (used in) operating activities	1,154,611	(545,936)
Cash flows from investing activities		
Proceeds from withdrawal of time deposits	-	20,080
Payment for purchase of property, plant and equipment	(362,067)	(256,548)
Proceeds from sale of property, plant, and equipment	237	164
Payment for purchase of intangible assets	(16,009)	(22,831)
Purchase of investment securities	(142,526)	-
Proceeds from sales of investment securities	-	100,000
Collection of loans receivable	-	185,000
Proceeds from sales of shares of subsidiaries resulting in change in scope of consolidation	-	856,672
Others	(697)	26,046
Net cash provided by (used in) investing activities	(521,062)	908,584
Cash flows from financing activities		
Net increase (decrease) in short-term borrowings	100,000	(100,000)
Proceeds from long-term borrowings	100,000	-
Repayment of long-term borrowings	(327,528)	(130,051)
Repayment of lease obligations	(2,150)	(1,226)
Payment for purchase of treasury shares	(4)	-
Cash dividends paid	(542,945)	(542,945)
Net cash provided by (used in) financing activities	(672,628)	(774,222)
Effect of exchange rate change on cash and cash equivalents	15,023	8,458
Net increase (decrease) in cash and cash equivalents	(24,056)	(403,116)
Cash and cash equivalents at beginning of period	4,109,727	4,085,671
Cash and cash equivalents at end of period	4,085,671	3,682,554

## (5) Notes to Consolidated Financial Statements

### Going Concern Assumption

Not applicable.

### 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 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 placement of engineers, temporary placement of manufacturing workers and services provided on an outsourcing basis.

It is noted that Nippon Gijutsu Center Co., Ltd., the Company's consolidated subsidiary that engaged in the Human Resource Service Business, has been excluded from the scope of consolidation from the beginning of the fourth quarter of the current fiscal year because the Company sold all of its owned shares of the said company on January 6, 2020.

Accordingly, the amounts of net sales, profits/losses, assets, and other items shown for this business are those for the first nine months of the current fiscal year.

#### 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

FY3/19 (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 represents 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.



FY3/20 (Apr. 1, 2019 – Mar. 31, 2020)

(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	3,173,908	6,686,028	4,136,409	13,996,345	-	13,996,345
Inter-segment sales and transfers	19,893	-	31,868	51,761	(51,761)	-
Total	3,193,802	6,686,028	4,168,277	14,048,107	(51,761)	13,996,345
Segment profit (loss)	(56,163)	807,429	200,816	952,081	(566,677)	385,403
Segment assets	2,719,596	9,432,656	-	12,152,252	2,457,655	14,609,908
Other items						
Depreciation and amortization	98,454	148,212	9,947	256,614	4,033	260,648
Amortization of goodwill	-	-	-	-	-	-
Increases in property, plant and equipment and intangible assets	77,825	149,876	14,186	241,888	4,730	246,619

Notes: 1. The above adjustments are as follows.

- (1) The minus 566,677 thousand yen adjustment to segment profit (loss) includes elimination of inter-segment transactions of plus 691 thousand yen and company-wide costs of minus 567,369 thousand yen that cannot be allocated to the reportable segments. Company-wide costs mainly include general and administrative expenses that cannot be attributed to the reportable segments.
  - (2) The plus 2,457,655 thousand yen adjustment to segment assets includes minus 691,085 thousand yen in elimination of inter-segment receivables and payables and plus 3,148,741 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 the reportable segments.
  - (3) The plus 4,730 thousand yen adjustment to increases in property, plant and equipment and intangible assets represents 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.
  3. Nippon Gijutsu Center Co., Ltd., which falls in the Human Resource Service Business segment, has been excluded from the scope of consolidation from the current fiscal year as a result of the Company having sold all of its owned shares of the said company.

**Per-share Data**

Item	FY3/19 (Apr. 1, 2018 – Mar. 31, 2019)	FY3/20 (Apr. 1, 2019 – Mar. 31, 2020)
Net assets per share (Yen)	698.11	697.03
Net income per share (basic) (Yen)	98.80	31.79

Notes: 1. Net income per share (diluted) is not presented since there is no outstanding potential stock.

2. Basis for the calculation of net income per share is as follows.

*(Thousands of yen unless otherwise stated)*

Item	FY3/19 (Apr. 1, 2018 – Mar. 31, 2019)	FY3/20 (Apr. 1, 2019 – Mar. 31, 2020)
Net income per share		
Profit attributable to owners of parent	1,788,051	575,580
Profit not attributable to common shareholders	-	-
Profit attributable to common shareholders of parent	1,788,051	575,580
Average number of shares of common stock during the fiscal year (Shares)	18,098,188	18,105,016

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

*(Thousands of yen unless otherwise stated)*

Item	FY3/19 (As of Mar.31, 2019)	FY3/20 (As of Mar. 31, 2020)
Total net assets	12,634,605	12,621,507
Deduction on total net assets	-	-
Net assets applicable to common stock at end of period	12,634,605	12,621,507
Number of common stock shares used in calculation of net assets per share (Shares)	18,098,183	18,107,501

**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.*