

Summary of Consolidated Financial Results for the Fiscal Year Ended March 31, 2021

[Japanese GAAP]

Company name: Helios Techno Holding Co., Ltd.

Listing: Tokyo

Stock code: 6927

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Scheduled date of General Meeting of Shareholders: June 22, 2021

Scheduled date of filing of Annual Securities Report: June 25, 2021

Scheduled date of payment of dividend: June 23, 2021

Preparation of supplementary materials for financial results: None

Holding of financial results meeting: None

Note: The original disclosure in Japanese was released on May 7, 2021 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, 2021 (April 1, 2020 – March 31, 2021)

(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, 2021	8,079	(42.3)	545	41.6	630	70.8	391	(31.9)
Fiscal year ended Mar. 31, 2020	13,996	(39.4)	385	(83.7)	369	(84.4)	575	(67.8)

Note: Comprehensive income (million yen) Fiscal year ended Mar. 31, 2021: 504 (down 3.6%)

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

	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, 2021	21.62	-	3.1	4.3	6.8
Fiscal year ended Mar. 31, 2020	31.79	-	4.6	2.2	2.8

Reference: Equity in earnings of affiliates (million yen) Fiscal year ended Mar. 31, 2021: - Fiscal year ended Mar. 31, 2020: -

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, 2021	15,040	13,021	86.6	718.67
As of Mar. 31, 2020	14,609	12,621	86.4	697.03

Reference: Equity (million yen)

As of Mar. 31, 2021: 13,021

As of Mar. 31, 2020: 12,621

(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, 2021	2,921	(104)	(84)	6,417
Fiscal year ended Mar. 31, 2020	(545)	908	(774)	3,682

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, 2020	-	0.00	-	6.00	6.00	108	18.9	0.9
Fiscal year ended Mar. 31, 2021	-	0.00	-	7.00	7.00	126	32.4	1.0
Fiscal year ending Mar. 31, 2022 (forecast)	-	0.00	-	8.00	8.00	-	-	-

3. Consolidated Forecast for the Fiscal Year Ending March 31, 2022 (April 1, 2021 – March 31, 2022)

(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	4,880	52.7	(103)	-	(93)	-	(66)	-	(3.64)
Full year	11,406	41.2	649	18.9	664	5.4	471	20.2	26.00

*** 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, 2021: 22,806,900 shares As of Mar. 31, 2020: 22,806,900 shares

2) Number of treasury shares at the end of period

As of Mar. 31, 2021: 4,687,914 shares As of Mar. 31, 2020: 4,699,399 shares

3) Average number of shares outstanding during the period

Fiscal year ended Mar. 31, 2021: 18,115,461 shares Fiscal year ended Mar. 31, 2020: 18,105,016 shares

Reference: Summary of Non-consolidated Financial Results

1. Non-consolidated Financial Results for the Fiscal Year Ended March 31, 2021 (April 1, 2020 – March 31, 2021)

(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, 2021	362	(32.4)	(32)	-	86	(83.1)	76	(94.4)
Fiscal year ended Mar. 31, 2020	536	6.0	(31)	-	510	(24.4)	1,367	102.7

	Net income per share (basic)	Net income per share (diluted)
	Yen	Yen
Fiscal year ended Mar. 31, 2021	4.21	-
Fiscal year ended Mar. 31, 2020	75.52	-

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, 2021	8,080	7,545	93.4	416.42
As of Mar. 31, 2020	7,968	7,460	93.6	412.01

Reference: Equity (million yen) As of Mar. 31, 2021: 7,545 As of Mar. 31, 2020: 7,460

2. Non-consolidated Forecast for the Fiscal Year Ending March 31, 2022 (April 1, 2021 – March 31, 2022)

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 experienced significant stagnation and slowdown in social and economic activities especially after the government declared a state of emergency to prevent the spread of the COVID-19 infection. While the economic activities started to slowly resume following the lifting of the declaration, the spread of the infection became even more serious with the number of newly infected people increasing again since the latter half of November 2020 and the second state of emergency was declared in January 2021. As a result, the outlook for the economy remained uncertain.

Affected by uncertainties in overseas economies caused by the prolonged U.S.-China trade issues, Asian markets centered in China, the key market for the Helios Techno Group (the “Group”), continued to face difficult business environments with curtailed demand for capital investment, and the Group focused on implementing the cost-cutting measures. Nevertheless, the effects of the spread of COVID-19 infection were limited, and the economic activities were on a track to recovery.

Net sales of the Group for the current fiscal year decreased 5,916 million yen, or 42.3%, year on year to 8,079 million yen. Operating profit increased 160 million yen, or 41.6%, year on year to 545 million yen. Recurring profit increased 261 million yen, or 70.8%, year on year to 630 million yen. Profit attributable to owners of parent decreased 183 million yen, or 31.9%, year on year to 391 million yen.

Please note that the Group sold all of the shares of its consolidated subsidiary Nippon Gijutsu Center Co., Ltd. and excluded it from the scope of consolidation during the previous fiscal year. Accordingly, the Human Resource Service Business was eliminated from the reportable segment structure from the current fiscal year.

2. Operation results by segment

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

i) Lamp Business

In the Lamp Business, the general lighting lamps sector turned to a moderate recovery trend in the latter half of the current fiscal year, while sales and production activities were restricted due to the spread of the COVID-19 infection, the number of orders received decreased, and their delivery timings were delayed. On the other hand, the number of shipments of industrial lamps including light source units for exposure equipment, our core product, continued to increase steadily.

Consequently, the segment sales for the current fiscal year decreased 6.1% year on year to 2,998 million yen with a segment profit of 259 million yen (compared with a segment loss of 56 million yen a year earlier).

ii) Manufacturing Equipment Business

The Manufacturing Equipment Business continued to face extremely challenging environments. While the demand for capital investment was on a track to moderate recovery in Asian markets centered in China, our key market, the spread of the COVID-19 infection continued to significantly restrict our sales and launching activities in overseas markets, resulting in delay in shipments and inspection work of alignment layer manufacturing equipment and other products.

Consequently, the segment sales for the current fiscal year decreased 23.8% year on year to 5,093 million yen with a segment profit of 678 million yen, down 15.9% year on year.

(2) Financial Position**Assets**

Current assets increased 350 million yen from the end of the previous fiscal year to 12,291 million yen. This was mainly due to a 2,734 million yen increase in cash and deposits with banks, which was partially offset by a 1,638 million yen decrease in notes and accounts receivable, a 294 million yen decrease in electronically recorded monetary claims – operating, a 305 million yen decrease in work in process and a 253 million yen decrease in income taxes receivable included in others of current assets.

Fixed assets increased 79 million yen from the end of the previous fiscal year to 2,748 million yen. This was mainly due to a 162 million yen increase in investment securities, which was partially offset by a 51 million yen decrease in buildings and structures, net, and a 39 million yen decrease in machinery, equipment and vehicles, net.

As a result, total assets increased 430 million yen, or 2.9%, from the end of the previous fiscal year to 15,040 million yen.

Liabilities

Current liabilities increased 43 million yen from the end of the previous fiscal year to 1,769 million yen. This was mainly due to a 30 million yen increase in short-term borrowings, a 187 million yen increase in accrued income taxes, a 66 million yen increase in advances received and a 53 million yen increase in deposits received included in others of current liabilities, which were partially offset by a 150 million yen decrease in notes and accounts payable and a 145 million yen decrease in electronically recorded obligations - operating.

Long-term liabilities decreased 12 million yen from the end of the previous fiscal year to 249 million yen. This was mainly due to an 18 million yen decrease in long-term borrowings, which was partially offset by a 10 million yen increase in deferred tax liabilities.

As a result, total liabilities increased 30 million yen, or 1.6%, from the end of the previous fiscal year to 2,019 million yen.

Net assets

Net assets increased 400 million yen, or 3.2%, from the end of the previous fiscal year to 13,021 million yen. This was mainly due to a 112 million yen increase in unrealized holding gain on other securities and a profit attributable to owners of parent of 391 million yen, which were partially offset by the payment of dividends from surplus of 108 million yen.

As a result, the equity ratio increased 0.2 percentage points from the end of the previous fiscal year to 86.6% at the end of the current fiscal year, mainly reflecting the increases in total assets and liabilities as described above.

(3) Cash Flows**Cash flows from operating activities**

Net cash provided by operating activities was 2,921 million yen, compared with net cash used of 545 million yen one year earlier. The main factors were profit before income taxes of 554 million yen, depreciation of 220 million yen, a 1,933 million yen decrease in notes and accounts receivable, a 296 million yen decrease in notes and accounts payable, and income taxes refund of 266 million yen.

Cash flows from investing activities

Net cash used in investing activities was 104 million yen, compared with net cash provided of 908 million yen one year earlier. The main factor was payment for purchase of property, plant and equipment of 101 million yen.

Cash flows from financing activities

Net cash used in financing activities was 84 million yen, compared with net cash used of 774 million yen one year earlier. The main factors were a net increase in short-term borrowings of 30 million yen, proceeds from long-term borrowings of 140 million yen, repayment of long-term borrowings of 145 million yen, and cash dividends paid of

108 million yen.

As a result of the above, cash and cash equivalents as of the end of the current fiscal year increased 2,734 million yen from the end of the previous fiscal year to 6,417 million yen.

(Reference) Cash Flow Indicators

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

	FY3/17	FY3/18	FY3/19	FY3/20	FY3/21
Shareholders' equity ratio (%)	57.7	62.2	69.4	86.4	86.6
Shareholders' equity ratio at market cap. (%)	73.6	92.3	66.1	39.2	52.2
Interest-bearing debt to cash flow ratio (years)	0.4	2.0	0.6	-	14.8
Interest coverage ratio (time)	176.1	30.5	104.9	-	631.1

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 FY3/20 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” (Accounting Standards Board of Japan (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

Though the spread of COVID-19 infection once showed signs of shrinking owing to the effect of infection control, the number of infected people rebounded and remains high with the emergence of mutant strains, and it is still hard to tell when the COVID-19 pandemic will end. With the concerns for prolonged U.S.-China trade issues on top of it, the economic outlook will continue to be uncertain and critical.

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 general lighting lamps sector will continue to face challenging business environment with curtailed demand for capital investment, affected by the spread of COVID-19.

In the industrial lamps sector, lamps for light source units for exposure equipment will continue to remain strong, following the increased production of liquid crystal panels due to the global demand for monitors. Regarding the industrial LED lamps, of which application as a light source is expected in a wide range of industries including inspection equipment of various types and security services, the Group has been conducting the joint product development with partner companies toward commercialization, and will make company-wide efforts to grow them as a core business in the future.

ii) Manufacturing Equipment Business

For light source units for exposure equipment, while overall capital investment is on a declining trend, capital investment associated with the increased production of liquid crystal panels will be sustained for a certain period of time due to demand related to the spread of COVID-19 such as for remote work and stay-at-home consumption.

For printing equipment, we have focused on the development of inkjet printers which enable printing on the surface of various shapes of products made of various materials. Since inkjet printers will continue to be adopted for various production purposes in a wide range of industries, we will develop printers with greater cost competitiveness through materializing “higher precision” and “higher stability.”

For printing equipment which we delivered to our customers in the past, we will aim to stabilize profitability through continuously proposing modification for the improvement of productivity and efficiency in maintenance, as well as expanding sales of printing plates which are best fitted for respective customers.

In addition to the technologies we have nurtured, as a new business area, we will also strive to develop equipment for the semiconductor industry and expand sales of related components and others.

Based on this outlook, the Group forecasts its operating results for the fiscal year ending March 31, 2022 as follows: consolidated net sales to increase by 41.2% year-on-year to 11.4 billion yen; operating profit to increase by 18.9% year-on-year to 649 million yen; recurring profit to increase by 5.4% year-on-year to 664 million yen; and profit attributable to owners of parent to increase by 20.2% year-on-year to 471 million yen.

A year-end dividend of 8 yen per share is planned for the fiscal year ending March 31, 2022.

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)*

	FY3/20 (As of Mar. 31, 2020)	FY3/21 (As of Mar. 31, 2021)
Assets		
Current assets		
Cash and deposits with banks	3,718,554	6,453,163
Notes and accounts receivable	4,453,017	2,814,195
Electronically recorded monetary claims - operating	581,362	286,765
Merchandise and finished goods	204,925	264,410
Work in process	1,813,160	1,507,938
Raw materials and supplies	726,982	824,499
Advance payments	43,265	38,406
Others	399,886	102,711
Allowance for doubtful accounts	(162)	(149)
Total current assets	11,940,993	12,291,943
Fixed assets		
Property, plant and equipment		
Buildings and structures, net	827,225	775,290
Machinery, equipment and vehicles, net	479,569	439,732
Land	722,733	722,733
Leased assets, net	567	-
Construction in progress	44,519	38,619
Others, net	82,735	73,907
Total property, plant and equipment	2,157,351	2,050,283
Intangible assets		
Others	27,654	20,529
Total intangible assets	27,654	20,529
Investments and other assets		
Investment securities	371,640	534,590
Deferred tax assets	79,979	111,378
Others	76,189	76,469
Allowance for doubtful accounts	(43,900)	(44,421)
Total investments and other assets	483,908	678,017
Total fixed assets	2,668,914	2,748,830
Total assets	14,609,908	15,040,773

	<i>(Thousands of yen)</i>	
	FY3/20	FY3/21
	(As of Mar. 31, 2020)	(As of Mar. 31, 2021)
Liabilities		
Current liabilities		
Notes and accounts payable	613,400	462,501
Electronically recorded obligations - operating	218,611	73,254
Short-term borrowings	100,000	130,000
Current portion of long-term borrowings	100,032	113,416
Accrued income taxes	20,711	207,776
Accrued bonuses	141,718	151,071
Provision for product warranties	21,449	12,245
Advances received	79,964	146,197
Provision for loss on construction contracts	-	1,280
Others	430,167	471,554
Total current liabilities	1,726,054	1,769,297
Long-term liabilities		
Long-term borrowings	206,542	187,566
Deferred tax liabilities	14,494	24,598
Long-term accounts payable - other	34,194	34,194
Others	7,116	3,600
Total long-term liabilities	262,346	249,959
Total liabilities	1,988,401	2,019,256
Net assets		
Shareholders' equity		
Common stock	2,133,177	2,133,177
Capital surplus	2,567,357	2,568,397
Retained earnings	8,994,084	9,277,183
Treasury shares	(1,176,606)	(1,173,730)
Total shareholders' equity	12,518,013	12,805,027
Accumulated other comprehensive income		
Unrealized holding gain on other securities	103,494	216,489
Total accumulated other comprehensive income	103,494	216,489
Total net assets	12,621,507	13,021,516
Total liabilities and net assets	14,609,908	15,040,773

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

	FY3/20 (Apr. 1, 2019 - Mar. 31, 2020)	FY3/21 (Apr. 1, 2020 - Mar. 31, 2021)
Net sales	13,996,345	8,079,675
Cost of goods sold	10,197,146	5,351,665
Gross profit	3,799,199	2,728,010
Selling, general and administrative expenses	3,413,795	2,182,220
Operating profit	385,403	545,790
Non-operating income		
Interest income	2,362	1,987
Dividend income	16,508	15,508
Subsidy income	-	65,488
Income of rent	30	-
Miscellaneous revenue	25,627	18,151
Total non-operating income	44,527	101,136
Non-operating expenses		
Interest expense	5,961	4,547
Foreign exchange loss	18,741	9,833
Commission for syndicated loans	30,112	2,174
Miscellaneous loss	6,061	127
Total non-operating expenses	60,877	16,682
Recurring profit	369,054	630,243
Extraordinary income		
Gain on sales of fixed assets	164	318
Gain on sale of shares of subsidiaries and associates	354,865	-
Total extraordinary income	355,030	318
Extraordinary loss		
Loss on COVID-19	-	72,110
Loss on retirement of fixed assets	4,151	3,515
Total extraordinary losses	4,151	75,626
Profit before income taxes	719,933	554,935
Income taxes-current	60,973	234,440
Income taxes-deferred	83,379	(71,249)
Total income taxes	144,353	163,190
Profit	575,580	391,744
Profit attributable to owners of parent	575,580	391,744

Consolidated Statements of Comprehensive Income

	<i>(Thousands of yen)</i>	
	FY3/20	FY3/21
	(Apr. 1, 2019 - Mar. 31, 2020)	(Apr. 1, 2020 - Mar. 31, 2021)
Profit	575,580	391,744
Other comprehensive income		
Unrealized holding gain on other securities	(51,731)	112,995
Total other comprehensive income	(51,731)	112,995
Comprehensive income	523,848	504,739
Comprehensive income attributable to		
Owners of parent	523,848	504,739
Non-controlling interests	-	-

(3) Consolidated Statements of Changes in Equity

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
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
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

FY3/21 (Apr. 1, 2020 – Mar. 31, 2021)

(Thousands of yen)

	Shareholders' equity				
	Common stock	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	2,133,177	2,567,357	8,994,084	(1,176,606)	12,518,013
Changes during period					
Dividends of surplus			(108,645)		(108,645)
Profit attributable to owners of parent			391,744		391,744
Disposal of treasury shares		1,039		2,875	3,915
Net changes in items other than shareholders' equity					
Total changes during period	-	1,039	283,099	2,875	287,014
Balance at end of period	2,133,177	2,568,397	9,277,183	(1,173,730)	12,805,027

	Accumulated other comprehensive income		Total net assets
	Unrealized holding gain on other securities	Total accumulated other comprehensive income	
Balance at beginning of period	103,494	103,494	12,621,507
Changes during period			
Dividends of surplus			(108,645)
Profit attributable to owners of parent			391,744
Disposal of treasury shares			3,915
Net changes in items other than shareholders' equity	112,995	112,995	112,995
Total changes during period	112,995	112,995	400,009
Balance at end of period	216,489	216,489	13,021,516

(4) Consolidated Statements of Cash Flows

	<i>(Thousands of yen)</i>	
	FY3/20	FY3/21
	(Apr. 1, 2019 - Mar. 31, 2020)	(Apr. 1, 2020 - Mar. 31, 2021)
Cash flows from operating activities		
Profit before income taxes	719,933	554,935
Depreciation and amortization	260,648	220,532
Increase (decrease) in accrued bonuses	(240,372)	9,352
Increase (decrease) in allowance for doubtful accounts	(11,935)	507
Increase (decrease) in provision for product warranties	(19,636)	(9,203)
Increase (decrease) in provision for loss on construction contracts	22,000	1,280
Interest and dividend income	(18,870)	(17,495)
Subsidy income	-	(65,488)
Interest expense	5,961	4,547
Loss (gain) on sales of fixed assets	(164)	(318)
Loss on disposal of fixed assets	4,151	3,515
Loss (gain) on sale of shares of subsidiaries and associates	(354,865)	-
Decrease (increase) in notes and accounts receivable	1,450,732	1,933,393
Decrease (increase) in inventories	(204,737)	148,219
Decrease (increase) in other accounts receivable	5,529	(10,874)
Decrease (increase) in advance payments	271,802	4,859
Increase (decrease) in notes and accounts payable	(1,125,127)	(296,256)
Decrease/increase in consumption taxes receivable/payable	(119,368)	36,575
Increase (decrease) in other accounts payable	(55,045)	(4,790)
Increase (decrease) in advances received	(962,859)	66,232
Others	112,327	59,322
Subtotal	(259,898)	2,638,848
Interests and dividends received	18,870	17,495
Interests paid	(6,008)	(4,628)
Proceeds from subsidy income	-	61,858
Income taxes paid	(298,899)	(58,304)
Income taxes refund	-	266,066
Net cash provided by (used in) operating activities	(545,936)	2,921,337
Cash flows from investing activities		
Proceeds from withdrawal of time deposits	20,080	-
Payment for purchase of property, plant and equipment	(256,548)	(101,972)
Proceeds from sale of property, plant, and equipment	164	318
Payment for purchase of intangible assets	(22,831)	(2,408)
Proceeds from sale of investment securities	100,000	-
Proceeds from collection of loans receivable	185,000	-
Proceeds from sale of shares of subsidiaries resulting in change in scope of consolidation	856,672	-
Others	26,046	(265)
Net cash provided by (used in) investing activities	908,584	(104,327)
Cash flows from financing activities		
Net increase (decrease) in short-term borrowings	(100,000)	30,000
Proceeds from long-term borrowings	-	140,000
Repayment of long-term borrowings	(130,051)	(145,592)
Repayment of lease obligations	(1,226)	(613)
Cash dividends paid	(542,945)	(108,645)
Net cash provided by (used in) financing activities	(774,222)	(84,850)
Effect of exchange rate change on cash and cash equivalents	8,458	2,449
Net increase (decrease) in cash and cash equivalents	(403,116)	2,734,609
Cash and cash equivalents at beginning of period	4,085,671	3,682,554
Cash and cash equivalents at end of period	3,682,554	6,417,163

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

Not applicable.

Additional Information**Impact of COVID-19**

While it is difficult to reasonably estimate the impact of the spread of COVID-19 infections at this time, the Group makes accounting estimates based primarily on external information, assuming that the impact will continue for a certain period of time in the fiscal year ending March 31, 2022.

However, numerous uncertainties about the impact mentioned above may affect the Group's financial position and results of operations.

Application of tax effect accounting associated with the transition from the consolidated taxation system to the group tax sharing system

With regard to the transition to the group tax sharing system established under the "Act for Partial Amendment of the Income Tax Act, etc." (Act No. 8 of 2020) and the items for which the non-consolidated taxation system was revised in line with the transition to the group tax sharing system, pursuant to Paragraph 3 of the "Practical Solution on the Treatment of Tax Effect Accounting for the Transition from the Consolidated Taxation System to the Group Tax Sharing System" (ASBJ Practical Issues Task Force (PITF) No. 39, issued on March 31, 2020), the Company and certain domestic consolidated subsidiaries did not apply the provision of Paragraph 44 of the "Implementation Guidance on Tax Effect Accounting" (ASBJ Guidance No. 28, issued on February 16, 2018). Accordingly, the amounts of deferred tax assets and deferred tax liabilities are based on the provisions of the tax laws before the revision.

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 two business segments: the Lamp Business and the Manufacturing Equipment 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.

Please note that the Group sold all of the shares of its consolidated subsidiary Nippon Gijutsu Center Co., Ltd. and excluded it from the scope of consolidation during the previous fiscal year. Accordingly, the Human Resource Service Business was eliminated from the reportable segment structure from 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

FY3/20 (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.

FY3/21 (Apr. 1, 2020 – Mar. 31, 2021)

(Thousands of yen)

	Reportable segment			Adjustment (Note 1)	Amounts shown on consolidated financial statements (Note 2)
	Lamp Business	Manufacturing Equipment Business	Total		
Net sales					
Sales to external customers	2,988,581	5,091,094	8,079,675	-	8,079,675
Inter-segment sales and transfers	10,026	2,769	12,795	(12,795)	-
Total	2,998,607	5,093,863	8,092,471	(12,795)	8,079,675
Segment profit	259,811	678,958	938,769	(392,979)	545,790
Segment assets	2,930,512	7,045,091	9,975,604	5,065,168	15,040,773
Other items					
Depreciation and amortization	75,586	140,456	216,043	4,489	220,532
Amortization of goodwill	-	-	-	-	-
Increases in property, plant and equipment and intangible assets	30,288	77,751	108,040	5,434	113,474

Notes: 1. The above adjustments are as follows.

- (1) The minus 392,979 thousand yen adjustment to segment profit includes company-wide costs. Company-wide costs mainly include general and administrative expenses that cannot be attributed to the reportable segments.
- (2) The plus 5,065,168 thousand yen adjustment to segment assets includes 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 5,434 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 is adjusted to be consistent with operating profit shown on the consolidated statements of income.

Per-share Data

Item	FY3/20 (Apr. 1, 2019 – Mar. 31, 2020)	FY3/21 (Apr. 1, 2020 – Mar. 31, 2021)
Net assets per share (Yen)	697.03	718.67
Net income per share (basic) (Yen)	31.79	21.62

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	FY3/20 (Apr. 1, 2019 – Mar. 31, 2020)	FY3/21 (Apr. 1, 2020 – Mar. 31, 2021)
Net income per share		
Profit attributable to owners of parent	575,580	391,744
Profit not attributable to common shareholders	-	-
Profit attributable to common shareholders of parent	575,580	391,744
Average number of shares of common stock during the fiscal year (Shares)	18,105,016	18,115,461

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

(Thousands of yen unless otherwise stated)

Item	FY3/20 (As of Mar. 31, 2020)	FY3/21 (As of Mar. 31, 2021)
Total net assets	12,621,507	13,021,516
Deduction on total net assets	-	-
Net assets applicable to common stock at end of period	12,621,507	13,021,516
Number of common stock shares used in calculation of net assets per share (Shares)	18,107,501	18,118,986

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.