

Summary of Consolidated Financial Results for the Fiscal Year Ended March 31, 2022

[Japanese GAAP]

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Scheduled date of General Meeting of Shareholders: June 22, 2022
 Scheduled date of filing of Annual Securities Report: June 24, 2022
 Scheduled date of payment of dividend: June 23, 2022
 Preparation of supplementary materials for financial results: None
 Holding of financial results meeting: None

Note: The original disclosure in Japanese was released on May 6, 2022 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, 2022 (April 1, 2021 – March 31, 2022)

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

	Net sales		Operating profit		Recurring profit		Profit attributable to owners of parent	
	Million yen	%	Million yen	%	Million yen	%	Million yen	%
Fiscal year ended Mar. 31, 2022	8,952	-	519	-	577	-	414	-
Fiscal year ended Mar. 31, 2021	8,079	(42.3)	545	41.6	630	70.8	391	(31.9)

Note: Comprehensive income (million yen) Fiscal year ended Mar. 31, 2022: 523 (up 3.6%)
 Fiscal year ended Mar. 31, 2021: 504 (down 3.6%)

	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, 2022	22.87	-	3.1	3.8	5.8
Fiscal year ended Mar. 31, 2021	21.62	-	3.1	4.3	6.8

Reference: Equity in earnings of affiliates (million yen) Fiscal year ended Mar. 31, 2022: - Fiscal year ended Mar. 31, 2021: -

Note: Beginning with the fiscal year ended on March 31, 2022, Helios Techno Holding is applying Accounting Standard for Revenue Recognition (ASBJ Statement No. 29, March 31, 2020). All figures for the fiscal year ended March 31, 2022 incorporate this accounting standard and comparisons with the previous fiscal year are omitted.

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio	Net assets per share
	Million yen	Million yen	%	Yen
As of Mar. 31, 2022	15,629	13,422	85.9	740.24
As of Mar. 31, 2021	15,040	13,021	86.6	718.67

Reference: Equity (million yen) As of Mar. 31, 2022: 13,422 As of Mar. 31, 2021: 13,021

(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, 2022	1,743	(47)	(271)	7,851
Fiscal year ended Mar. 31, 2021	2,921	(104)	(84)	6,417

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, 2021	-	0.00	-	7.00	7.00	126	32.4	1.0
Fiscal year ended Mar. 31, 2022	-	0.00	-	8.00	8.00	145	35.0	1.1
Fiscal year ending Mar. 31, 2023 (forecast)	-	0.00	-	9.00	9.00		32.6	

3. Consolidated Forecast for the Fiscal Year Ending March 31, 2023 (April 1, 2022 – March 31, 2023)

(Percentages represent year-on-year changes)

	Net sales		Operating profit		Recurring profit		Profit attributable to owners of parent		Net income per share (basic)
	Million yen	%	Million yen	%	Million yen	%	Million yen	%	Yen
First half	5,100	41.6	490	-	510	-	360	-	19.86
Full year	10,000	11.7	680	31.0	700	21.2	500	20.6	27.58

* 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: Yes

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, 2022: 22,806,900 shares As of Mar. 31, 2021: 22,806,900 shares

2) Number of treasury shares at the end of period

As of Mar. 31, 2022: 4,674,441 shares As of Mar. 31, 2021: 4,687,914 shares

3) Average number of shares outstanding during the period

Fiscal year ended Mar. 31, 2022: 18,128,398 shares Fiscal year ended Mar. 31, 2021: 18,115,461 shares

Reference: Summary of Non-consolidated Financial Results

1. Non-consolidated Financial Results for the Fiscal Year Ended March 31, 2022 (April 1, 2021 – March 31, 2022)

(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, 2022	373	3.1	4	-	152	77.2	145	90.1
Fiscal year ended Mar. 31, 2021	362	(32.4)	(32)	-	86	(83.1)	76	(94.4)

	Net income per share (basic)	Net income per share (diluted)
	Yen	Yen
Fiscal year ended Mar. 31, 2022	8.00	-
Fiscal year ended Mar. 31, 2021	4.21	-

(2) Non-consolidated financial position

	Total assets	Net assets	Equity ratio	Net assets per share
	Million yen	Million yen	%	Yen
As of Mar. 31, 2022	8,162	7,676	94.0	423.34
As of Mar. 31, 2021	8,080	7,545	93.4	416.42

Reference: Equity (million yen)

As of Mar. 31, 2022: 7,676 As of Mar. 31, 2021: 7,545

2. Non-consolidated Forecast for the Fiscal Year Ending March 31, 2023 (April 1, 2022 – March 31, 2023)

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 outlook of Japanese economy continued to be uncertain due to the prolonged effect of the pandemic with the resurgence of COVID-19 with new variants as well as the number of newly infected people staying at a high level. Given such a situation, we did not reach a point where we can predict when the pandemic will end although economic activities were on a gradual recovery track due to the widespread use of vaccinations and the government's economic stimulus measures.

Also in the Asian market, particularly China, the Helios Techno Holding Group's main market, the pace of economic recovery slowed down and the outlook continued to be uncertain with many concerns such as the increasingly intense situation in Ukraine, the global shortage of semiconductors and the prolonged U.S.-China trade issues, in addition to the resurgence of COVID-19.

Net sales of the Group for the current fiscal year were 8,952 million yen (compared with 8,079 million yen a year earlier). Operating profit was 519 million yen (compared with operating profit of 545 million yen). Recurring profit was 577 million yen (compared with recurring profit of 630 million yen). Profit attributable to owners of parent was 414 million yen (compared with profit attributable to owners of parent of 391 million yen).

From the beginning of the current fiscal year, Helios Techno Holding has applied Accounting Standard for Revenue Recognition (ASBJ Statement No. 29, March 31, 2020) and other related standards. As a result, revenue is accounted for differently from that for the previous fiscal year. Therefore, the amount and percentage of year-on-year change are not stated in the explanation of results of operations above.

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 number of shipments of general lighting lamps largely reached at the expected level. On the other hand, the number of shipments of light source units for exposure equipment, our core industrial lamp products, fell short of our expectation, remaining in tough situation. Among the factors behind the failure to ship the expected volume of products were restrictions on sales activities and the entry of other companies' products into the market.

Additionally, industrial LEDs are expected to be used as a light source in a wide range of industrial fields, including many kinds of inspection and security equipment. While continuing to advance practical applications of the products with various companies, we are making company-wide efforts to develop this sector into a pillar of our future business.

Consequently, the segment sales for the current fiscal year were 2,459 million yen (compared with 2,998 million yen a year earlier) with a segment profit of 42 million yen (compared with a segment profit of 259 million yen a year earlier).

ii) Manufacturing Equipment Business

In the Manufacturing Equipment Business, the spread of the COVID-19 infection continued to significantly restrict our sales and launching activities in overseas markets, resulting in delay in shipments. On the other hand, capital investments continued to remain strong in association with steady demand for LCD panels supported by the needs required for teleworking in response to measures against the new coronavirus infection as well as those driven by the expenditure for staying at home due to voluntary restraint from going out.

Against a backdrop of a surge in demand for high resolution LCD panels, we have won a large contract for our mainstay printing equipment for alignment layers, for which we are scheduled to record sales for fiscal year ending March 31, 2023. (For details, please refer to the "Notice Concerning the Receipt of a Large Order" released on

December 24, 2021).

Consequently, the segment sales for the current fiscal year was 6,510 million yen (compared with 5,093 million yen a year earlier) with a segment profit of 842 million yen (compared with a segment profit of 678 million yen).

(2) Financial Position

Assets

Current assets increased 501 million yen from the end of the previous fiscal year to 12,793 million yen. This was mainly due to a 1,397 million yen increase in cash and deposits with banks, which was partially offset by a 198 million yen decrease in notes and accounts receivable, and contract assets, a 118 million yen decrease in electronically recorded monetary claims – operating, a 476 million yen decrease in work in process and an 89 million yen decrease in raw materials and supplies.

Fixed assets increased 87 million yen from the end of the previous fiscal year to 2,836 million yen. This was mainly due to a 156 million yen increase in investment securities and a 78 million yen increase in deferred tax assets, which were partially offset by a 46 million yen decrease in buildings and structures, net, a 76 million yen decrease in machinery, equipment and vehicles, net, and an 18 million yen decrease in construction in progress.

As a result, total assets increased 588 million yen, or 3.9%, from the end of the previous fiscal year to 15,629 million yen.

Liabilities

Current liabilities increased 193 million yen from the end of the previous fiscal year to 1,963 million yen. This was mainly due to a 31 million yen increase in notes and accounts payable, a 189 million yen increase in contract liabilities, a 133 million yen increase in other accounts payables included in others of current liabilities, which were partially offset by a 93 million yen decrease in current portion of long-term borrowings and a 68 million yen decrease in deposits received included in others of current liabilities.

Long-term liabilities decreased 5 million yen from the end of the previous fiscal year to 244 million yen. This was mainly due to a 19 million yen decrease in long-term borrowings.

As a result, total liabilities increased 187 million yen, or 9.3%, from the end of the previous fiscal year to 2,207 million yen.

Net assets

Net assets increased 400 million yen, or 3.1%, from the end of the previous fiscal year to 13,422 million yen. This was mainly due to a 108 million yen increase in unrealized holding gain on other securities and the recording of profit attributable to owners of parent of 414 million yen, which were partially offset by the payment of dividends from surplus of 126 million yen.

As a result, the equity ratio decreased 0.7 percentage points from the end of the previous fiscal year to 85.9% at the end of the period under review, 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 1,743 million yen, compared with net cash provided of 2,921 million yen one year earlier. The main factors were profit before income taxes of 553 million yen, depreciation of 211 million yen, a 317 million yen decrease in notes and accounts receivable, and contract assets, a 638 million yen decrease in inventories, and a 121 million yen increase in other accounts payable, a 189 million yen increase in contract liabilities, and income taxes paid of 305 million yen.

Cash flows from investing activities

Net cash used in investing activities was 47 million yen, compared with net cash used of 104 million yen one year

earlier. The main factors were proceeds from withdrawal of time deposits of 36 million yen, payment for purchase of property, plant and equipment of 103 million yen, and proceeds from sale of property, plant, and equipment of 19 million yen.

Cash flows from financing activities

Net cash used in financing activities was 271 million yen, compared with net cash used of 84 million yen one year earlier. The main factors were repayment of long-term borrowings of 113 million yen and cash dividends paid of 126 million yen.

As a result of the above, cash and cash equivalents as of the end of the current fiscal year increased 1,433 million yen from the end of the previous fiscal year to 7,851 million yen.

(Reference) Cash Flow Indicators

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

	FY3/18	FY3/19	FY3/20	FY3/21	FY3/22
Shareholders' equity ratio (%)	62.2	69.4	86.4	86.6	85.9
Shareholders' equity ratio at market cap. (%)	92.3	66.1	39.2	52.2	34.0
Interest-bearing debt to cash flow ratio (years)	2.0	0.6	-	14.8	17.1
Interest coverage ratio (time)	30.5	104.9	-	631.1	730.1

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 due to the frequent mutations of the virus, and it is still hard to tell when the COVID-19 pandemic will end. Furthermore, with the continuous concerns such as the increasingly intense situation in Ukraine, the global semiconductor shortage, and the prolonged U.S.-China trade issues, it is anticipated that 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

Fluorescent lamps, light bulbs, and mercury lamps, which had been the mainstay items of general lighting, have now been replaced by LED apparatus, and industrial lamps are also shifting to LED. It is expected that such changes are only going to get accelerated in the future.

The general lighting lamps sector will continue to face challenging business environment, affected by the continued spread of COVID-19. On the other hand, in the industrial lamps sector, product development using LED is desired

in a wide range of fields and the Group is working with various companies to develop such products for practical use.

The Group will strive for further business growth by leveraging its elemental technologies, which are abundant optical design technologies cultivated to date, ingenious high-level mechanical design technologies developed through the design and manufacture of its own manufacturing equipment, and electrical circuit design technologies based on its accumulated lighting technologies with a deep knowledge of lamp characteristics.

ii) Manufacturing Equipment Business

Demand for LCD panels significantly increased due to demand related to the spread of COVID-19 such as for remote work and stay-at-home consumption. The trend is expected to be sustained for a certain period of time. In addition, displays with various forms and functions that increase added value are expected to emerge, and capital investment in display manufacturing equipment is expected to remain relatively high.

Since inkjet printers will continue to be adopted for various production purposes in a wide range of industries, we will develop printers focusing on development of “coating technology for irregularly shaped and curved surfaces” and “colorization technology” to develop equipment for higher value-added panels.

Furthermore, along with making proposals for modification work to improve the functionality, productivity, and quality of existing equipment by taking advantage of its track record of delivering numerous printing equipment, we will focus on further expanding sales of the printing plates which are best fitted for respective customers, aiming to stabilize earnings.

In addition, as a new business area, we will also continue to 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, 2023 as follows: consolidated net sales to increase by 11.7% year-on-year to 10 billion yen; operating profit to increase by 31.0% year-on-year to 680 million yen; recurring profit to increase by 21.2% year-on-year to 700 million yen; and profit attributable to owners of parent to increase by 20.6% year-on-year to 500 million yen.

A year-end dividend of 9 yen per share is planned for the fiscal year ending March 31, 2023.

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**

	<i>(Thousands of yen)</i>	
	FY3/21 (As of Mar. 31, 2021)	FY3/22 (As of Mar. 31, 2022)
Assets		
Current assets		
Cash and deposits with banks	6,453,163	7,851,015
Notes and accounts receivable	2,814,195	-
Notes and accounts receivable, and contract assets	-	2,615,467
Electronically recorded monetary claims - operating	286,765	168,507
Merchandise and finished goods	264,410	181,220
Work in process	1,507,938	1,031,651
Raw materials and supplies	824,499	734,601
Advance payments	38,406	94,955
Others	102,711	116,124
Allowance for doubtful accounts	(149)	(114)
Total current assets	12,291,943	12,793,429
Fixed assets		
Property, plant and equipment		
Buildings and structures, net	775,290	728,453
Machinery, equipment and vehicles, net	439,732	363,555
Land	722,733	722,733
Construction in progress	38,619	20,532
Others, net	73,907	70,107
Total property, plant and equipment	2,050,283	1,905,383
Intangible assets		
Others	20,529	20,110
Total intangible assets	20,529	20,110
Investments and other assets		
Investment securities	534,590	691,010
Deferred tax assets	111,378	190,086
Others	76,469	66,978
Allowance for doubtful accounts	(44,421)	(37,506)
Total investments and other assets	678,017	910,567
Total fixed assets	2,748,830	2,836,061
Total assets	15,040,773	15,629,490

	<i>(Thousands of yen)</i>	
	FY3/21	FY3/22
	(As of Mar. 31, 2021)	(As of Mar. 31, 2022)
Liabilities		
Current liabilities		
Notes and accounts payable	462,501	494,405
Electronically recorded obligations - operating	73,254	95,939
Short-term borrowings	130,000	100,000
Current portion of long-term borrowings	113,416	19,814
Accrued income taxes	207,776	173,642
Provision for bonuses	151,071	172,747
Provision for product warranties	12,245	18,914
Advances received	146,197	-
Contract liabilities	-	335,622
Provision for loss on construction contracts	1,280	-
Others	471,554	552,016
Total current liabilities	1,769,297	1,963,102
Long-term liabilities		
Long-term borrowings	187,566	167,752
Deferred tax liabilities	24,598	33,055
Long-term accounts payable - other	34,194	34,194
Others	3,600	9,099
Total long-term liabilities	249,959	244,101
Total liabilities	2,019,256	2,207,203
Net assets		
Shareholders' equity		
Common stock	2,133,177	2,133,177
Capital surplus	2,568,397	2,569,524
Retained earnings	9,277,183	9,564,929
Treasury shares	(1,173,730)	(1,170,357)
Total shareholders' equity	12,805,027	13,097,273
Accumulated other comprehensive income		
Unrealized holding gain on other securities	216,489	325,013
Total accumulated other comprehensive income	216,489	325,013
Total net assets	13,021,516	13,422,286
Total liabilities and net assets	15,040,773	15,629,490

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

	<i>(Thousands of yen)</i>	
	FY3/21	FY3/22
	(Apr. 1, 2020 - Mar. 31, 2021)	(Apr. 1, 2021 - Mar. 31, 2022)
Net sales	8,079,675	8,952,482
Cost of goods sold	5,351,665	6,081,135
Gross profit	2,728,010	2,871,346
Selling, general and administrative expenses	2,182,220	2,352,318
Operating profit	545,790	519,027
Non-operating income		
Interest income	1,987	20
Dividend income	15,508	20,558
Subsidy income	65,488	41,926
Miscellaneous revenue	18,151	6,540
Total non-operating income	101,136	69,045
Non-operating expenses		
Interest expense	4,547	2,562
Foreign exchange loss	9,833	1,276
Compensation expenses	-	4,418
Commission for syndicated loans	2,174	2,174
Miscellaneous loss	127	144
Total non-operating expenses	16,682	10,576
Recurring profit	630,243	577,496
Extraordinary income		
Gain on sale of fixed assets	318	163
Total extraordinary income	318	163
Extraordinary loss		
Loss on COVID-19	72,110	-
Loss on retirement of fixed assets	3,515	2
Loss on business liquidation	-	23,704
Total extraordinary losses	75,626	23,706
Profit before income taxes	554,935	553,953
Income taxes-current	234,440	257,520
Income taxes-deferred	(71,249)	(118,146)
Total income taxes	163,190	139,374
Profit	391,744	414,578
Profit attributable to owners of parent	391,744	414,578

Consolidated Statements of Comprehensive Income

	<i>(Thousands of yen)</i>	
	FY3/21	FY3/22
	(Apr. 1, 2020 - Mar. 31, 2021)	(Apr. 1, 2021 - Mar. 31, 2022)
Profit	391,744	414,578
Other comprehensive income		
Unrealized holding gain on other securities	112,995	108,524
Total other comprehensive income	112,995	108,524
Comprehensive income	504,739	523,102
Comprehensive income attributable to		
Owners of parent	504,739	523,102
Non-controlling interests	-	-

(3) Consolidated Statements of Changes in Equity

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

FY3/22 (Apr. 1, 2021 – Mar. 31, 2022)

(Thousands of yen)

	Shareholders' equity				
	Common stock	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	2,133,177	2,568,397	9,277,183	(1,173,730)	12,805,027
Changes during period					
Dividends of surplus			(126,832)		(126,832)
Profit attributable to owners of parent			414,578		414,578
Disposal of treasury shares		1,126		3,373	4,499
Net changes in items other than shareholders' equity					
Total changes during period	-	1,126	287,745	3,373	292,245
Balance at end of period	2,133,177	2,569,524	9,564,929	(1,170,357)	13,097,273

	Accumulated other comprehensive income		Total net assets
	Unrealized holding gain on other securities	Total accumulated other comprehensive income	
Balance at beginning of period	216,489	216,489	13,021,516
Changes during period			
Dividends of surplus			(126,832)
Profit attributable to owners of parent			414,578
Disposal of treasury shares			4,499
Net changes in items other than shareholders' equity	108,524	108,524	108,524
Total changes during period	108,524	108,524	400,769
Balance at end of period	325,013	325,013	13,422,286

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

	FY3/21 (Apr. 1, 2020 - Mar. 31, 2021)	FY3/22 (Apr. 1, 2021 - Mar. 31, 2022)
Cash flows from operating activities		
Profit before income taxes	554,935	553,953
Depreciation and amortization	220,532	211,554
Increase (decrease) in accrued bonuses	9,352	21,676
Increase (decrease) in allowance for doubtful accounts	507	(6,949)
Increase (decrease) in provision for product warranties	(9,203)	6,668
Increase (decrease) in provision for loss on construction contracts	1,280	(1,280)
Interest and dividend income	(17,495)	(20,578)
Subsidy income	(65,488)	(41,926)
Interest expense	4,547	2,562
Loss (gain) on sales of fixed assets	(318)	(163)
Loss on disposal of fixed assets	3,515	2
Loss on business liquidation	-	23,704
Decrease (increase) in notes and accounts receivable	1,933,393	-
Decrease (increase) in notes and accounts receivable and contract assets	-	317,100
Decrease (increase) in inventories	148,219	638,342
Decrease (increase) in other accounts receivable	(10,874)	15,134
Decrease (increase) in advance payments	4,859	(56,549)
Increase (decrease) in notes and accounts payable	(296,256)	54,589
Decrease/increase in consumption taxes receivable/payable	36,575	4,191
Increase (decrease) in other accounts payable	(4,790)	121,552
Increase (decrease) in advances received	66,232	-
Increase (decrease) in contract liabilities	-	189,425
Others	59,322	(51,482)
Subtotal	2,638,848	1,981,527
Interests and dividends received	17,495	20,578
Interests paid	(4,628)	(2,388)
Proceeds from subsidy income	61,858	41,926
Income taxes paid	(58,304)	(305,267)
Income taxes refund	266,066	7,518
Net cash provided by (used in) operating activities	2,921,337	1,743,894
Cash flows from investing activities		
Proceeds from time deposits	-	36,000
Payment for purchase of property, plant and equipment	(101,972)	(103,549)
Proceeds from sale of property, plant, and equipment	318	19,125
Payment for purchase of intangible assets	(2,408)	(8,184)
Others	(265)	9,574
Net cash provided by (used in) investing activities	(104,327)	(47,034)
Cash flows from financing activities		
Net increase (decrease) in short-term borrowings	30,000	(30,000)
Proceeds from long-term borrowings	140,000	-
Repayment of long-term borrowings	(145,592)	(113,416)
Repayment of lease obligations	(613)	(1,062)
Cash dividends paid	(108,645)	(126,832)
Net cash provided by (used in) financing activities	(84,850)	(271,311)
Effect of exchange rate change on cash and cash equivalents	2,449	8,303
Net increase (decrease) in cash and cash equivalents	2,734,609	1,433,851
Cash and cash equivalents at beginning of period	3,682,554	6,417,163
Cash and cash equivalents at end of period	6,417,163	7,851,015

(5) Notes to Consolidated Financial Statements

Going Concern Assumption

Not applicable.

Changes in Accounting Policies

Application of the Accounting Standard for Revenue Recognition

Helios Techno Holding started to apply the Accounting Standard for Revenue Recognition (ASBJ Statement No. 29, March 31, 2020) and other related standards at the beginning of the current fiscal year. Based on this standard, revenue expected to be received in exchange for the provision of goods and services is recognized when the control of the goods and services is transferred to customers.

For sales of manufacturing equipment, revenue was previously recognized when the equipment was installed at the customer's site and confirmed to be operational. However, under the new standard, Helios Techno Holding will recognize revenue for a separate performance obligation as to adjustments and witnessing work at the customer's site after the equipment is confirmed to be operational.

For the application of the Accounting Standard for Revenue Recognition and other related standards, in accordance with the transitional measures in the proviso to Paragraph 84 of this standard, the cumulative effect of the retrospective application of the new accounting standard, if it is applied prior to the beginning of the current fiscal year, is added to or subtracted from retained earnings at the beginning of the current fiscal year. The new standard is then applied beginning with this amount of retained earnings. However, Helios Techno Holding has applied the method prescribed in Paragraph 86 of this standard and has not retrospectively applied the new accounting policy to contracts in which almost all revenue were recognized in accordance with the previous treatment prior to the beginning of the current fiscal year. In addition, pursuant to the method prescribed in item (1) of the supplementary provision of Paragraph 86 of the Accounting Standard for Revenue Recognition, Helios Techno Holding has accounted for contract changes made prior to the beginning of the current fiscal year in accordance with the contract terms after reflecting all of the contract changes. The cumulative effect of such changes was added to or subtracted from the balance of retained earnings at the beginning of the current fiscal year.

As a result, the application of the new standard resulted in reductions of 408,345 thousand yen in net sales, 229,443 thousand yen in cost of goods sold, and 178,901 thousand yen in operating profit, recurring profit and profit before income taxes, respectively. There is no effect on retained earnings at the beginning of the current fiscal year.

Due to the application of the Accounting Standard for Revenue Recognition and other related standards, "Notes and accounts receivable" that was presented in the current assets section of the consolidated balance sheet in the previous fiscal year is presented under "Notes and accounts receivable, and contract assets" from the current fiscal year. In addition, "Advances received" that was presented in the current liabilities section in the previous fiscal year is presented under "Contract liabilities" from the current fiscal year. However, in accordance with the transitional treatment prescribed in Paragraph 89-2 of the Accounting Standard for Revenue Recognition, no reclassification has been made to the prior year's consolidated financial statements to conform to the new presentation. Furthermore, in accordance with the transitional treatment prescribed in Paragraph 89-3 of the Accounting Standard, Helios Techno Holding has not presented information on notes on revenue recognition for the previous fiscal year.

Application of the Accounting Standards for Measurement of Fair Value

Helios Techno Holding has applied the Accounting Standard for Measurement of Fair Value (ASBJ Statement No.30, July 4, 2019) and other related standards from the beginning of the current fiscal year, and has applied the new accounting policies prescribed in the Accounting Standard for Measurement of Fair Value prospectively in accordance with the transitional measures prescribed in Paragraph 19 of the Accounting Standard for Measurement of Fair Value and Paragraph 44-2 of the Accounting Standard for Financial Instruments (ASBJ Statement No.10, July 4, 2019). There is no effect of the application of these standards on the consolidated financial statements.

Additional Information

Impact of COVID-19

While it is difficult to reasonably predict when the COVID-19 pandemic will end at this time, the Group makes accounting estimates based primarily on external information, assuming that the impact will continue for a certain period of time.

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

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

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), Helios Techno Holding 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 industrial 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.

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.

As described in Changes in Accounting Policies, Helios Techno Holding has applied the Accounting Standard for Revenue Recognition and other related standards from the beginning of the current fiscal year and changed the accounting method for revenue recognition. The method for calculating profit or loss in business segments has been changed accordingly.

As a result, compared with the previous accounting method, net sales of the Manufacturing Equipment Business decreased by 408,345 thousand yen and segment profit decreased by 178,901 thousand yen.

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

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
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.

FY3/22 (Apr. 1, 2021 – Mar. 31, 2022)

(Thousands of yen)

	Reportable segment			Adjustment (Note 1)	Amounts shown on consolidated financial statements (Note 2)
	Lamp Business	Manufacturing Equipment Business	Total		
Net sales					
Japan	1,319,693	1,649,917	2,969,610	-	2,969,610
China	646,821	2,624,801	3,271,622	-	3,271,622
Asia (excluding China)	455,388	2,232,338	2,687,726	-	2,687,726
Others	20,936	2,586	23,522	-	23,522
Revenue from contracts with customers	2,442,839	6,509,642	8,952,482	-	8,952,482
Sales to external customers	2,442,839	6,509,642	8,952,482	-	8,952,482
Inter-segment sales and transfers	16,940	696	17,636	(17,636)	-
Total	2,459,779	6,510,339	8,970,119	(17,636)	8,952,482
Segment profit	42,587	842,411	884,999	(365,971)	519,027
Segment assets	2,726,081	7,360,106	10,086,187	5,543,302	15,629,490
Other items					
Depreciation and amortization	67,953	139,497	207,451	4,102	211,554
Impairment losses	-	12,670	12,670	-	12,670
Increases in property, plant and equipment and intangible assets	53,949	58,416	112,365	860	113,225

Notes: 1. The above adjustments are as follows.

- (1) The minus 365,971 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 5,543,302 thousand yen adjustment to segment assets includes (minus 1,950 thousand yen) in elimination of inter-segment receivables and payables and 5,545,253 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, marketable securities, etc.) that cannot be attributed to reportable segments.
- (3) The plus 860 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.
- (4) Impairment losses of 12,670 thousand in manufacturing equipment business are included and presented in loss on business liquidation under extraordinary loss.
2. Segment profit is adjusted to be consistent with operating profit shown on the consolidated statements of income.

Per-share Data

Item	FY3/21 (Apr. 1, 2020 - Mar. 31, 2021)	FY3/22 (Apr. 1, 2021 - Mar. 31, 2022)
Net assets per share (Yen)	718.67	740.24
Net income per share (basic) (Yen)	21.62	22.87

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	FY3/21 (Apr. 1, 2020 - Mar. 31, 2021)	FY3/22 (Apr. 1, 2021 - Mar. 31, 2022)
Net income per share		
Profit attributable to owners of parent	391,744	414,578
Profit not attributable to common shareholders	-	-
Profit attributable to common shareholders of parent	391,744	414,578
Average number of shares of common stock during the fiscal year (Shares)	18,115,461	18,128,398

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

(Thousands of yen unless otherwise stated)

Item	FY3/21 (As of Mar. 31, 2021)	FY3/22 (As of Mar. 31, 2022)
Total net assets	13,021,516	13,422,286
Deduction on total net assets	-	-
Net assets applicable to common stock at end of period	13,021,516	13,422,286
Number of common stock shares used in calculation of net assets per share (Shares)	18,118,986	18,132,459

Subsequent Events

Not applicable.