

May 9, 2017

Summary of Consolidated Financial Results for the Fiscal Year Ended March 31, 2017

[Japanese GAAP]

Company name: Helios Techno Holding Co., Ltd. Listing: Tokyo
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Scheduled date of General Meeting of Shareholders: June 23, 2017

Scheduled date of filing of Annual Securities Report: June 26, 2017

Scheduled date of payment of dividend: June 26, 2017

Preparation of supplementary materials for financial results: Yes

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

Note: The original disclosure in Japanese was released on May 9, 2017 at 17:00 (GMT +9).

(Amounts are rounded down to the nearest million yen)

1. Consolidated Financial Results for the Fiscal Year Ended March 31, 2017 (April 1, 2016 – March 31, 2017)

(1) Consolidated results of operations (Percentages for net sales and profits 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, 2017	17,117	(33.6)	1,386	17.3	1,375	17.7	1,144	41.7
Fiscal year ended Mar. 31, 2016	25,769	73.9	1,182	38.8	1,168	49.8	807	6.6

Note: Comprehensive income (million yen) Fiscal year ended Mar. 31, 2017: 1,184 (up 48.8%)

Fiscal year ended Mar. 31, 2016: 796 (up 1.0%)

	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, 2017	63.67	63.53	12.6	8.8	8.1
Fiscal year ended Mar. 31, 2016	45.25	45.05	9.7	6.5	4.6

Reference: Equity in earnings of affiliates (million yen) Fiscal year ended Mar. 31, 2017: - Fiscal year ended Mar. 31, 2016: -

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio	Net assets per share
	Million yen	Million yen	%	Yen
As of Mar. 31, 2017	16,594	9,571	57.7	530.46
As of Mar. 31, 2016	14,663	8,645	58.9	480.79

Reference: Equity (million yen)

As of Mar. 31, 2017: 9,568 As of Mar. 31, 2016: 8,638

(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, 2017	1,727	(224)	(480)	4,125
Fiscal year ended Mar. 31, 2016	4,503	(317)	(2,863)	3,102

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, 2016	-	0.00	-	15.00	15.00	269	33.2	3.2
Fiscal year ended Mar. 31, 2017	-	0.00	-	20.00	20.00	360	31.4	4.0
Fiscal year ending Mar. 31, 2018 (forecast)	-	0.00	-	25.00	25.00		37.6	

3. Consolidated Forecast for the Fiscal Year Ending March 31, 2018 (April 1, 2017 – March 31, 2018)

(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	11,000	20.4	800	(26.0)	800	(22.4)	500	(30.0)	27.72
Full year	21,900	27.9	1,800	29.8	1,700	23.6	1,200	4.8	66.53

*** 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, 2017: 22,806,900 shares As of Mar. 31, 2016: 22,806,900 shares

2) Number of treasury shares at the end of period

As of Mar. 31, 2017: 4,768,710 shares As of Mar. 31, 2016: 4,838,710 shares

3) Average number of shares outstanding during the period

Fiscal year ended Mar. 31, 2017: 17,977,656 shares Fiscal year ended Mar. 31, 2016: 17,849,420 shares

Reference: Summary of Non-consolidated Financial Results

1. Non-consolidated Financial Results for the Fiscal Year Ended March 31, 2017 (April 1, 2016 – March 31, 2017)

(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, 2017	396	3.7	7	(82.9)	242	(10.4)	237	(9.3)
Fiscal year ended Mar. 31, 2016	382	9.3	42	37.7	270	3.2	261	(17.3)

	Net income per share (basic)		Net income per share (diluted)	
	Yen		Yen	
Fiscal year ended Mar. 31, 2017	13.22		13.19	
Fiscal year ended Mar. 31, 2016	14.68		14.61	

(2) Non-consolidated financial position

	Total assets		Net assets		Equity ratio		Net assets per share	
	Million yen		Million yen		%		Yen	
As of Mar. 31, 2017	7,550		6,586		87.2		365.01	
As of Mar. 31, 2016	7,644		6,527		85.3		362.96	

Reference: Shareholders' equity (million yen)

As of Mar. 31, 2017: 6,584 As of Mar. 31, 2016: 6,521

2. Non-consolidated Forecast for the Fiscal Year Ending March 31, 2018 (April 1, 2017 – March 31, 2018)

No non-consolidated forecast is shown because Helios Techno Holding Co., Ltd. has no sales to external customers since the Company is a pure holding company.

Note 1: The current financial report is not subject to audit procedures.

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 Helios Techno. Actual results are affected by various factors and may differ substantially. For discussion of the assumptions and other factors considered by the Company in preparing the above projections, please refer to page 2 of the attachments "1. Overview of Results of Operations."

How to view supplementary information at the financial results meeting

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

Contents of Attachments

1. Overview of Results of Operations	2
(1) Results of Operations	2
(2) Financial Position	3
(3) Cash Flows	4
(4) Outlook	4
2. Basic Approach to the Selection of Accounting Standards	5
3. Consolidated Financial Statements and Notes	6
(1) Consolidated Balance Sheets	6
(2) Consolidated Statements of Income and Consolidated Statements of Comprehensive Income	8
(3) Consolidated Statements of Changes in Equity	10
(4) Consolidated Statements of Cash Flows	12
(5) Notes to Consolidated Financial Statements	14
Going Concern Assumption	14
Changes in Accounting Policies	14
Segment Information	14
Per-share Data	17
Subsequent Events	17

1. Overview of Results of Operations

(1) Results of Operations

1. General economic and market trends

The market for production facilities of liquid crystal panels—a key market for the Helios Techno Group (“the Group”) has continued to enjoy robust demand for capital investments primarily in G8.5 and G10 type panels, and we expect such buoyant demand to continue going forward. In addition, there has been a surge of demand for production facilities of organic EL displays.

In this business environment, the Group continued to achieve solid sales of products such as flexo printing equipment for alignment layers, light source units for exposure equipment, as well as high-precision inkjet printers used for a variety of applications including organic EL displays. Furthermore, large orders of high-precision inkjet printers from a number of customers resulted an increase in order backlog to 14,483 million yen at the end of the fiscal year. Leadtech Co., Ltd, which we have acquired for the purpose of exporting used machines to China and enhancing capacity for installation units, also contributed to manufacturing and installing these printers to fulfill the above mentioned orders.

In the current fiscal year, net sales decreased 8,652 million yen or 33.6% from one year earlier to 17,117 million yen due to sale of large relocation projects for used equipment in the previous fiscal year. However, operating profit increased 204 million yen or 17.3% to 1,386 million yen, recurring profit increased 207 million yen or 17.7% to 1,375 million yen, and profit attributable to owners of parent increased 336 million yen or 41.7% to 1,144 million yen thanks to gain on sale of investment securities (65 million yen) and the effect of deferred tax accounting (117 million yen).

2. Operation results by segment

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

Effective from the current fiscal year, we have changed the classification of reportable segments. Following the change, the amounts for the previous fiscal year have been reclassified in accordance with the new segment classification for the purpose of the year-on-year comparisons.

i) Lamp Business

While sales of light source units for exposure equipment increased steadily, sales of projector lamps decreased, and sales of general lighting lamps including LED lamps remained largely the same as those for the same period of the previous fiscal year.

In this segment, net sales increased by 1.8% to 3,621 million yen and operating profit decreased by 19.7% to 105 million yen, compared with the previous fiscal year.

ii) Manufacturing Equipment Business

In the manufacturing equipment business, we had additional sales of the maintenance and modification of the existing equipment including those from reconstruction of facilities damaged by the South Taiwan Earthquake, in addition to flexo printing equipment used for alignment layers for liquid crystal panels, used equipment and high-precision inkjet printers. We expect to report increased sales of high-precision inkjet printers for the next fiscal year thanks to the large orders received from a number of customers. We also achieved solid orders and sales of light source units for exposure equipment. Furthermore, we completed the development of the larger equipment for G10 LCD panels, which started contributing to sales and orders in addition to existing equipment for G8.6 LCD panels.

In this segment, net sales decreased by 47.4% to 9,862 million yen due to lack of large relocation projects for

used equipment that we had in the previous fiscal year, but operating profit increased by 19.2% to 1,488 million yen, compared with the previous fiscal year.

As described above, the balance of orders as of the end of the current fiscal year reached 14,483 million yen.

As most of the products previously included in the “Inspection Equipment Business” are used for light source units for exposure equipment and are expected to be so in the future, they are included in the “Manufacturing Equipment Business” segment and the “Inspection Equipment Business” segment was discontinued from the current fiscal year.

iii) Human Resource Service Business

The Human Resource Service Business includes the temporary staffing for engineers, design subcontracting and temporary staffing to the manufacturing sector. Because temporary staffing for engineers and design subcontracting are closely linked to the geographical areas served, we have achieved stable performance by strengthening our sales capabilities with improved quality of workers and services that meet customers’ needs. Regarding the staffing to the manufacturing sector, the Group strove to increase the number of staff dispatched.

In this segment, net sales increased by 5.6% to 3,656 million yen and operating profit increased by 44.9% to 181 million yen, compared with the previous fiscal year.

(2) Financial Position

Assets

Current assets increased 1,932 million yen from the end of the previous fiscal year to 13,830 million yen. This was mainly due to a 1,022 million yen increase in cash and deposits with banks, a 411 million yen increase in notes and accounts receivable, and a 293 million yen increase in accounts receivable-other included in “others” of the current assets section.

Fixed assets decreased 2 million yen from the end of the previous fiscal year to 2,763 million yen. This was mainly due to a 116 million yen decrease in property, plant and equipment due to sale of land, while there was a 110 million yen increase in investments and other assets due to purchase of investment securities.

As a result, total assets increased 1,930 million yen, or 13.2%, from the end of the previous fiscal year to 16,594 million yen.

Liabilities

Current liabilities increased 1,172 million yen from the end of the previous fiscal year to 6,573 million yen. This was mainly due to a 636 million yen increase in notes and accounts payable and a 491 million yen increase in advances received.

Long-term liabilities decreased 168 million yen from the end of the previous fiscal year to 449 million yen. This was mainly due to a 181 million yen decrease in long-term borrowings.

As a result, total liabilities increased 1,004 million yen, or 16.7%, from the end of the previous fiscal year to 7,022 million yen.

Net assets

Net assets increased 926 million yen, or 10.7%, from the end of the previous fiscal year to 9,571 million yen. This was mainly due to the payment of dividends from surplus of 269 million yen and profit attributable to owners of parent of 1,144 million yen.

Since total assets and liabilities increased as stated above, the equity ratio fell 1.2 percentage point from the end of the previous fiscal year to 57.7% at the end of current fiscal year.

(3) Cash Flows

Cash flows from operating activities

Net cash provided by operating activities was 1,727 million yen, compared with 4,503 million yen of net cash provided one year earlier. The main factors were profit before income taxes of 1,428 million yen, depreciation and amortization of 231 million yen (a non-cash expense included in profit before income taxes), a 411 million yen increase in notes and accounts receivable, a 232 million yen increase in inventories, a 636 million yen increase in notes and accounts payable, and a 491 million yen increase in advances received, and income taxes paid of 474 million yen.

Cash flows from investing activities

Net cash used in investing activities was 224 million yen, compared with net cash used of 317 million yen one year earlier. The main factors were payment of 181 million yen for purchase of property, plant and equipment, proceeds of 77 million yen from sales of investment securities, and payments of 110 million yen for loans receivable.

Cash flows from financing activities

Net cash used in financing activities was 480 million yen, compared with net cash used of 2,863 million yen one year earlier. The main factors were repayment of 219 million yen in long-term borrowings and cash dividends paid of 269 million yen.

As a result of the above, cash and cash equivalents as of the end of the current fiscal year increased 1,022 million yen from the end of the previous fiscal year to 4,125 million yen.

(Reference) Cash Flow Indicators

	FY3/13	FY3/14	FY3/15	FY3/16	FY3/17
Shareholders' equity ratio (%)	69.2	66.9	37.3	58.9	57.7
Shareholders' equity ratio at market cap. (%)	38.8	50.7	41.4	48.3	73.6
Interest-bearing debt to cash flow ratio (years)	0.9	1.3	-	0.2	0.4
Interest coverage ratio (time)	61.1	127.9	-	351.0	176.1

Shareholders' equity ratio: (total net assets – subscription rights to shares) / total assets

Shareholders' equity ratio at market cap: market capitalization (Note 2)/ total assets

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

Interest coverage ratio: operating cash flows/ interests paid

Note 1 All of the above indicators are calculated using figures from the consolidated financial statements.

Note 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 stock) at the end of the period.

Note 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.

Note 4 Ratio of interest-bearing debt to cash flows and interest coverage ratio for FY3/15 are not listed because operating cash flows were negative.

(4) Outlook

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

i) Lamp Business

The Group will expand the business, primarily focusing on the development of UV and IR lamps for new applications.

The Group has developed a broader lineup of LED lamps, including high-intensity lamps, and will endeavor to

expand sales through agencies while seeking to improve sales performance, primarily by substituting LED lamps for mercury lamps in the fields of illumination of factories and other facilities.

ii) Manufacturing Equipment Business

Through collaboration with Chinese manufacturers and investment funds as well as mergers and acquisitions and capital alliance, the Group will seek to accelerate its sales growth particularly in the East Asia, based on equipment development and production technologies of Japanese manufacturers. In the existing manufacturing equipment sector, we are primarily focusing on expanding sales of high-precision inkjet printers, and we are also exploring new applications for the manufacturing equipment including organic EL. In the used equipment sector, we will also focus on the semiconductor market, which is anticipated to expand significantly in the years to come.

Moreover, we have promoted maintenance services, and the development and sales of printing plates in order to alleviate the impact of demand fluctuations on specific equipment. We are seeing steady growth of these services and plan to further grow them as our new core businesses.

iii) Human Resource Service Business

The Group will expand the business, primarily focusing on the manufacturing sector, which will grow increasingly in years to come. Recruiting necessary personnel through a variety of channels and pursuing further mergers and acquisitions shall be the key to expanding the business.

Based on this outlook, the Group forecasts its operating results for the fiscal year ending March 31, 2018 as follows: consolidated net sales to increase by 27.9% year-on-year to 21.9 billion yen; operating profit to increase by 29.8% year-on-year to 1.8 billion yen; recurring profit to increase by 23.6% year-on-year to 1.7 billion yen; and profit attributable to owners of parent to increase by 4.8% to 1.2 billion yen.

A year-end dividend of 25 yen per share for the fiscal year ended March 31, 2018 is planned as a gratitude to the Group's shareholders for their continuous support.

2. Basic Approach to the Selection of Accounting Standards

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

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

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

	<i>(Thousands of yen)</i>	
	FY3/16	FY3/17
	(As of Mar. 31, 2016)	(As of Mar. 31, 2017)
Assets		
Current assets		
Cash and deposits with banks	3,158,833	4,181,297
Notes and accounts receivable	4,884,399	5,295,829
Merchandise and finished goods	318,558	327,077
Work in process	2,384,001	2,548,426
Raw materials and supplies	487,041	547,003
Deferred tax assets	119,663	236,660
Advance payments	419,213	229,597
Others	127,013	467,672
Allowance for doubtful accounts	(433)	(2,613)
Total current assets	11,898,292	13,830,950
Fixed assets		
Property, plant and equipment		
Buildings and structures, net	786,162	723,951
Machinery, equipment and vehicles, net	450,238	434,166
Land	860,626	800,623
Leased assets, net	6,991	5,342
Construction in progress	9,462	29,772
Others, net	68,353	71,192
Total property, plant and equipment	2,181,835	2,065,049
Intangible assets		
Goodwill	53,360	32,016
Others	55,695	81,345
Total intangible assets	109,056	113,361
Investments and other assets		
Investment securities	394,568	483,800
Deferred tax assets	1,719	4,844
Others	142,107	152,891
Allowance for doubtful accounts	(63,834)	(56,754)
Total investments and other assets	474,561	584,780
Total fixed assets	2,765,452	2,763,191
Total assets	14,663,744	16,594,142

	<i>(Thousands of yen)</i>	
	FY3/16	FY3/17
	(As of Mar. 31, 2016)	(As of Mar. 31, 2017)
Liabilities		
Current liabilities		
Notes and accounts payable	1,417,229	2,053,728
Short-term borrowings	300,000	300,000
Current portion of long-term borrowings	219,996	181,663
Accrued income taxes	289,284	241,480
Accrued bonuses	286,337	316,463
Provision for product warranties	46,931	25,914
Advances received	2,294,785	2,786,158
Others	546,235	667,623
Total current liabilities	5,400,800	6,573,032
Long-term liabilities		
Long-term borrowings	434,178	252,515
Deferred tax liabilities	70,947	84,750
Long-term accounts payable - other	103,616	103,616
Others	9,154	8,844
Total long-term liabilities	617,897	449,726
Total liabilities	6,018,697	7,022,758
Net assets		
Shareholders' equity		
Common stock	2,133,177	2,133,177
Capital surplus	2,563,867	2,563,867
Retained earnings	5,047,180	5,919,007
Treasury shares	(1,211,662)	(1,194,133)
Total shareholders' equity	8,532,562	9,421,918
Accumulated other comprehensive income		
Unrealized holding gain on other securities	106,374	146,645
Total accumulated other comprehensive income	106,374	146,645
Subscription rights to shares	6,110	2,820
Total net assets	8,645,047	9,571,383
Total liabilities and net assets	14,663,744	16,594,142

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

	FY3/16 (Apr. 1, 2015 – Mar. 31, 2016)	FY3/17 (Apr. 1, 2016 – Mar. 31, 2017)
Net sales	25,769,486	17,117,009
Cost of goods sold	21,456,153	12,671,807
Gross profit	4,313,332	4,445,202
Selling, general and administrative expenses	3,131,306	3,058,565
Operating profit	1,182,026	1,386,636
Non-operating income		
Interest income	161	555
Dividend income	10,975	14,083
Operations consignment fee	12,400	3,600
Income of rent	3,606	277
Miscellaneous revenue	9,743	9,978
Total non-operating income	36,886	28,495
Non-operating expenses		
Interest expense	12,933	9,985
Foreign exchange loss	15,982	7,286
Commission for syndicate loan	19,564	19,999
Miscellaneous loss	1,723	1,943
Total non-operating expenses	50,204	39,215
Recurring profit	1,168,708	1,375,916
Extraordinary income		
Gain on sales of fixed assets	1,903	-
Gain on sales of investment securities	-	65,017
Total extraordinary income	1,903	65,017
Extraordinary loss		
Loss on disposal of fixed assets	7,381	5,755
Loss on sales of fixed assets	-	6,201
Impairment loss	3,540	-
Office transfer expenses	6,578	-
Total extraordinary losses	17,500	11,956
Profit before income taxes	1,153,111	1,428,977
Income taxes-current	396,165	401,938
Income taxes-deferred	(50,806)	(117,559)
Total income taxes	345,359	284,378
Profit	807,751	1,144,598
Profit attributable to owners of parent	807,751	1,144,598

Consolidated Statements of Comprehensive Income

	<i>(Thousands of yen)</i>	
	FY3/16	FY3/17
	(Apr. 1, 2015 – Mar. 31, 2016)	(Apr. 1, 2016 – Mar. 31, 2017)
Profit	807,751	1,144,598
Other comprehensive income		
Unrealized holding gain on other securities	(11,445)	40,271
Total other comprehensive income	(11,445)	40,271
Comprehensive income	796,306	1,184,869
Comprehensive income attributable to		
Owners of parent	796,306	1,184,869
Non-controlling interests	-	-

(3) Consolidated Statements of Changes in Equity

FY3/16 (Apr. 1, 2015 – Mar. 31, 2016)

(Thousands of yen)

	Shareholders' equity				
	Common stock	Capital surplus	Retained earnings	Treasury stock	Total Shareholders' equity
Balance at beginning of current period	2,133,177	2,563,867	4,459,692	(1,245,467)	7,911,269
Changes of items during period					
Dividends of surplus			(213,998)		(213,998)
Profit attributable to owners of parent			807,751		807,751
Disposal of treasury stock		(6,265)		33,805	27,540
Transfer of loss on disposal of treasury stock		6,265	(6,265)		-
Net changes of items other than shareholders' equity					
Total changes of items during period	-	-	587,488	33,805	621,293
Balance at end of current period	2,133,177	2,563,867	5,047,180	(1,211,662)	8,532,562

	Accumulated other comprehensive income		Subscription rights to shares	Total net assets
	Unrealized holding gain on other securities	Total valuation and translation adjustments		
Balance at beginning of current period	117,820	117,820	12,455	8,041,544
Changes of items during period				
Dividends of surplus				(213,998)
Profit attributable to owners of parent				807,751
Disposal of treasury stock				27,540
Transfer of loss on disposal of treasury stock				-
Net changes of items other than shareholders' equity	(11,445)	(11,445)	(6,345)	(17,790)
Total changes of items during period	(11,445)	(11,445)	(6,345)	603,502
Balance at end of current period	106,374	106,374	6,110	8,645,047

FY3/17 (Apr. 1, 2016 – Mar. 31, 2017)

(Thousands of yen)

	Shareholders' equity				
	Common stock	Capital surplus	Retained earnings	Treasury stock	Total Shareholders' equity
Balance at beginning of current period	2,133,177	2,563,867	5,047,180	(1,211,662)	8,532,562
Changes of items during period					
Dividends of surplus			(269,522)		(269,522)
Profit attributable to owners of parent			1,144,598		1,144,598
Disposal of treasury stock		(3,248)		17,528	14,280
Transfer of loss on disposal of treasury stock		3,248	(3,248)		-
Net changes of items other than shareholders' equity					
Total changes of items during period	-	-	871,826	17,528	889,355
Balance at end of current period	2,133,177	2,563,867	5,919,007	(1,194,133)	9,421,918

	Accumulated other comprehensive income		Subscription rights to shares	Total net assets
	Unrealized holding gain on other securities	Total valuation and translation adjustments		
Balance at beginning of current period	106,374	106,374	6,110	8,645,047
Changes of items during period				
Dividends of surplus				(269,522)
Profit attributable to owners of parent				1,144,598
Disposal of treasury stock				14,280
Transfer of loss on disposal of treasury stock				-
Net changes of items other than shareholders' equity	40,271	40,271	(3,290)	36,981
Total changes of items during period	40,271	40,271	(3,290)	926,336
Balance at end of current period	146,645	146,645	2,820	9,571,383

(4) Consolidated Statements of Cash Flows

	<i>(Thousands of yen)</i>	
	FY3/16	FY3/17
	(Apr. 1, 2015 – Mar. 31, 2016)	(Apr. 1, 2016 – Mar. 31, 2017)
Cash flows from operating activities		
Profit before income taxes	1,153,111	1,428,977
Depreciation and amortization	248,582	231,751
Amortization of goodwill	21,344	21,344
Impairment loss	3,540	-
Increase (decrease) in accrued bonuses	37,649	30,125
Increase (decrease) in allowance for doubtful accounts	17,109	(6,820)
Increase (decrease) in provision for product warranties	28,617	(21,016)
Interest and dividend income	(11,136)	(14,638)
Interest expense	12,933	9,985
Loss (gain) on sales of investment securities	-	(65,017)
Loss (gain) on sales of fixed assets	(1,903)	6,201
Loss on disposal of fixed assets	7,381	5,755
Decrease (increase) in notes and accounts receivable	(671,210)	(411,429)
Decrease (increase) in inventories	8,955,010	(232,905)
Decrease (increase) in other accounts receivable	121,478	(181,638)
Decrease (increase) in advance payments	(170,785)	189,616
Increase (decrease) in notes and accounts payable	145,497	636,498
Decrease/increase in consumption taxes receivable/payable	(68,511)	(68,547)
Increase (decrease) in other accounts payable	(226,246)	57,073
Increase (decrease) in advances received	(4,927,200)	491,372
Others	85,618	90,222
Subtotal	4,760,879	2,196,909
Interests and dividends received	11,130	14,639
Interests paid	(12,829)	(9,807)
Income taxes paid	(255,978)	(474,246)
Net cash provided by (used in) operating activities	4,503,201	1,727,495

(Thousands of yen)

	FY3/16 (Apr. 1, 2015 – Mar. 31, 2016)	FY3/17 (Apr. 1, 2016 – Mar. 31, 2017)
Cash flows from investing activities		
Payment for purchase of property, plant and equipment	(295,500)	(181,191)
Proceeds from sale of property, plant, and equipment	2,399	69,070
Payment for purchase of intangible assets	(14,670)	(36,817)
Payment for purchase of investment securities	(141)	(50,000)
Proceeds from sales of investment securities	-	77,521
Payment of loans receivable	-	(110,000)
Proceeds from collection of loans receivable	-	5,000
Others	(9,293)	1,677
Net cash provided by (used in) investing activities	(317,205)	(224,738)
Cash flows from financing activities		
Net increase (decrease) in short-term borrowings	(2,450,000)	-
Repayment of long-term borrowings	(219,996)	(219,996)
Repayment of lease obligations	(698)	(1,765)
Proceeds from disposal of treasury shares from exercise of subscription rights to shares	21,195	10,990
Cash dividends paid	(213,998)	(269,522)
Net cash provided by (used in) financing activities	(2,863,497)	(480,294)
Net increase (decrease) in cash and cash equivalents	1,322,498	1,022,462
Cash and cash equivalents at beginning of period	1,780,260	3,102,758
Cash and cash equivalents at end of period	3,102,758	4,125,220

(5) Notes to Consolidated Financial Statements

Going Concern Assumption

Not applicable.

Changes in Accounting Policies

Following the revision of the Corporation Tax Act, the Company has applied the “Practical Solution on a Change in Depreciation Method due to Tax Reform 2016” (Accounting Standards Board of Japan (ASBJ) Practical Issues Task Force (PITF) No. 32, June 17, 2016) from the first quarter of the current fiscal year, and changed the method for the depreciation of facilities attached to buildings and structures acquired on or after April 1, 2016, from the declining-balance method to the straight-line method.

The effect of this change on the consolidated financial statements for the current fiscal year is insignificant.

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 alignment layer printing machines, 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.

Following the changes in the business administration segments within the Group, the reportable segments have been reclassified during the current fiscal year. The segment information for the previous fiscal year is therefore prepared and disclosed based on the reclassified reportable segments.

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 adopted for preparation of the consolidated financial statements.

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

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

FY3/16 (Apr. 1, 2015 – Mar. 31, 2016)

(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 third parties	3,555,044	18,764,462	3,449,979	25,769,486	-	25,769,486
Inter-segment sales and transfers	1,142	1,316	13,606	16,065	(16,065)	-
Total	3,556,186	18,765,778	3,463,586	25,785,552	(16,065)	25,769,486
Segment profit	130,940	1,248,712	125,475	1,505,129	(323,102)	1,182,026
Segment assets	3,237,714	8,372,356	942,133	12,552,204	2,111,539	14,663,744
Other items						
Depreciation and amortization	126,372	104,484	15,379	246,237	2,345	248,582
Amortization of goodwill	-	-	21,344	21,344	-	21,344
Increases in property, plant and equipment, and intangible assets	58,271	253,091	11,646	323,008	9,971	332,980

Notes: 1. The above adjustments are as follows.

- (1) The minus 323,102 thousand yen adjustment to segment profit includes plus 17,080 thousand yen in elimination of inter-segment transactions and minus 340,182 thousand yen in company-wide costs that cannot be allocated to reportable segments. Company-wide costs mainly include general and administrative expenses that cannot be attributed to reportable segments.
- (2) The plus 2,111,539 thousand yen adjustment to segment assets includes minus 7,283 thousand yen in elimination of inter-segment receivables and payables and plus 2,118,823 thousand yen of company-wide assets that cannot be allocated to reportable segments. Company-wide assets mainly include operating assets (cash and deposits with banks, investment securities, etc.) that cannot be attributed to reportable segments.
- (3) The plus 9,971 thousand yen adjustment to increases in property, plant and equipment and intangible assets includes capital investment associated with the head office.

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

FY3/17 (Apr. 1, 2016 – Mar. 31, 2017)

(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 third parties	3,620,954	9,855,515	3,640,539	17,117,009	-	17,117,009
Inter-segment sales and transfers	1,018	6,749	15,946	23,714	(23,714)	-
Total	3,621,972	9,862,265	3,656,485	17,140,723	(23,714)	17,117,009
Segment profit	105,125	1,488,945	181,795	1,775,906	(389,269)	1,386,636
Segment assets	3,420,490	10,643,459	1,091,484	15,155,434	1,438,708	16,594,142
Other items						
Depreciation and amortization	99,563	121,089	8,925	229,578	2,173	231,751
Amortization of goodwill	-	-	21,344	21,344	-	21,344
Increases in property, plant and equipment, and intangible assets	50,930	131,065	29,315	211,312	12,709	224,021

Notes: 1. The above adjustments are as follows.

- (1) The minus 389,269 thousand yen adjustment to segment profit includes plus 3 thousand yen in elimination of inter-segment transactions and minus 389,272 thousand yen in company-wide costs that cannot be allocated to reportable segments. Company-wide costs mainly include general and administrative expenses that cannot be attributed to reportable segments.
- (2) The plus 1,438,708 thousand yen adjustment to segment assets includes minus 5,309 thousand yen in elimination of inter-segment receivables and payables and plus 1,444,017 thousand yen of company-wide assets that cannot be allocated to reportable segments. Company-wide assets mainly include operating assets (cash and deposits with banks, investment securities, etc.) that cannot be attributed to reportable segments.
- (3) The plus 12,709 thousand yen adjustment to increases in property, plant and equipment and intangible assets includes capital investment associated with the head office.

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

Per-share Data

Item	FY3/16 (Apr. 1, 2015 – Mar. 31, 2016)	FY3/17 (Apr. 1, 2016 – Mar. 31, 2017)
Net assets per share (Yen)	480.79	530.46
Net income per share (Yen)	45.25	63.67
Net income per share (diluted) (Yen)	45.05	63.53

Notes: 1. Basis for the calculation of net income per share and net income per share (diluted) is as follows.

(Thousands of yen)

Item	FY3/16 (Apr. 1, 2015 – Mar. 31, 2016)	FY3/17 (Apr. 1, 2016 – Mar. 31, 2017)
Net income per share		
Net income	807,751	1,144,598
Amount not attributable to common stock shareholders	-	-
Net income available to common stock	807,751	1,144,598
Average number of shares outstanding (Shares)	17,849,420	17,977,656
Net income per share (diluted)		
Adjusted to net income	-	-
Increase in common stock (Shares)	82,566	38,655
[of which stock acquisition rights] (Shares)	[82,566]	[38,655]
Potential stock not included in the calculation of net income per share (diluted) since it did not have dilutive effect.	-	-

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

(Thousands of yen)

Item	FY3/16 (As of Mar. 31, 2016)	FY3/17 (As of Mar. 31, 2017)
Total net assets	8,645,047	9,571,383
Deduction on total net assets	6,110	2,820
[of which stock acquisition rights]	[6,110]	[2,820]
Net assets applicable to common stock at end of period	8,638,937	9,568,563
Number of common stock shares used in calculation of net assets per share (Shares)	17,968,190	18,038,190

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.