

November 7, 2017

**Summary of Consolidated Financial Results for the Second Quarter
of Fiscal Year Ending March 31, 2018
(Six Months Ended September 30, 2017)**

[Japanese GAAP]

Company name: Helios Techno Holding Co., Ltd. Listing: Tokyo
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 Scheduled date of filing of Quarterly Report: November 10, 2017
 Scheduled date of payment of dividend: -
 Preparation of supplementary materials for quarterly financial results: Yes
 Holding of quarterly financial results meeting: Yes (for institutional investors and securities analysts)

Note: The original disclosure in Japanese was released on November 7, 2017 at 16:00 (GMT +9).

(Amounts are rounded down to the nearest million yen)

1. Consolidated Financial Results for the Six Months Ended September 30, 2017

(April 1, 2017 – September 30, 2017)

(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	%
Six months ended Sep. 30, 2017	11,362	24.3	1,705	57.7	1,654	60.4	1,180	65.3
Six months ended Sep. 30, 2016	9,138	22.8	1,081	30.2	1,031	24.7	713	26.4

Note: Comprehensive income (million yen) Six months ended Sep. 30, 2017: 1,369 (up 98.3%)

Six months ended Sep. 30, 2016: 690 (up 22.4%)

	Net income per share (basic)	Net income per share (diluted)
	Yen	Yen
Six months ended Sep. 30, 2017	65.26	65.22
Six months ended Sep. 30, 2016	39.74	39.58

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio
	Million yen	Million yen	%
As of Sep. 30, 2017	19,055	10,585	55.6
As of Mar. 31, 2017	16,594	9,571	57.7

Reference: Equity (million yen)

As of Sep. 30, 2017: 10,585

As of Mar. 31, 2017: 9,568

2. Dividends

	Dividend per share				
	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, 2017	-	0.00	-	20.00	20.00
Fiscal year ending Mar. 31, 2018	-	0.00	-	-	-
Fiscal year ending Mar. 31, 2018 (forecast)	-	-	-	25.00	25.00

Note: Revisions to the most recently announced dividend forecast: None

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
Full year	23,500	37.3	2,600	87.5	2,600	89.0	1,800	57.3	99.54

Note: Revisions to the most recently announced consolidated forecast: Yes

*** Notes**

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

(2) Application of special accounting methods in the preparation of quarterly consolidated financial statements: None

(3) 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

(4) Number of shares outstanding (common stock)

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

As of Sep. 30, 2017:	22,806,900 shares	As of Mar. 31, 2017:	22,806,900 shares
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2) Number of treasury shares at the end of period

As of Sep. 30, 2017:	4,708,710 shares	As of Mar. 31, 2017:	4,768,710 shares
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3) Average number of shares outstanding during the period

Six months ended Sep. 30, 2017:	18,083,764 shares	Six months ended Sep. 30, 2016:	17,968,190 shares
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Note 1: The current quarterly financial report is not subject to quarterly review procedures.

Note 2: Cautionary statement with respect to forward-looking statements and other special items

Earnings forecasts

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 4 of the attachments "1. Qualitative Information on Quarterly Consolidated Financial Results, (3) Explanation of Consolidated Forecast and Other Forward-looking Statements."

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. Qualitative Information on Quarterly Consolidated Financial Results	2
(1) Explanation of Results of Operations	2
(2) Explanation of Financial Position	3
(3) Explanation of Consolidated Forecast and Other Forward-looking Statements	4
2. Quarterly Consolidated Financial Statements and Notes	5
(1) Consolidated Balance Sheets	5
(2) Consolidated Statements of Income and Consolidated Statements of Comprehensive Income	7
(3) Consolidated Statements of Cash Flows	9
(4) Notes to Quarterly Consolidated Financial Statements	11
Going Concern Assumption	11
Significant Changes in Shareholders' Equity	11
Segment Information	11

1. Qualitative Information on Quarterly Consolidated Financial Results

(1) Explanation of Results of Operations

The capital investment in production facilities of liquid crystal panels—a key market for the Helios Techno Group (“the Group”) has continued to enjoy robust demand primarily in G8.5 and G10 type panels, and we also expect such buoyant demand to continue going forward. We can see a surge demand for capital investment in 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. Regarding the large orders of high-precision inkjet printers received from a number of customers in the previous fiscal year, we reported sales in the second quarter of the current fiscal year.

The Group’s net sales for the first six months of the current fiscal year (“the period under review”) increased 2,223 million yen, or 24.3%, year on year to 11,362 million yen with operating profit of 1,705 million yen (up 624 million yen, or 57.7%, year on year), recurring profit of 1,654 million yen (up 623 million yen, or 60.4%, year on year), and profit attributable to owners of parent of 1,180 million yen (up 466 million yen, or 65.3%, year on year).

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

i) Lamp Business

In the Lamp Business, sales of UV lamps increased as those of light source units for exposure equipment increased steadily, which helped offset a decline in sales of general lighting lamps including LED lamps.

Consequently, the segment sales for the period under review increased 0.6% year on year to 1,592 million yen with a segment loss of 6 million yen (compared with a segment profit of 20 million yen for the same period of the previous fiscal year).

ii) Manufacturing Equipment Business

In the Manufacturing Equipment Business, we have successfully delivered a large project for high-precision inkjet printers, and reported sales of alignment layer manufacturing equipment used for large flat-panel displays that was initially expected to be delivered in the second half of the current fiscal year. Furthermore, sales of light source units for exposure equipment remained solid, exceeding our initial plan.

Consequently, the segment sales for the period under review increased 33.6% year on year to 7,738 million yen with a segment profit of 1,827 million yen, up 55.7% year on year.

Furthermore, the order backlog as of the end of the period under review reached 11,934 million yen.

iii) Human Resource Service Business

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

Consequently, the segment sales for the period under review increased 15.5% year on year to 2,060 million yen with a segment profit of 94 million yen, up 4.2% year on year.

(2) Explanation of Financial Position

i) Assets, liabilities and net assets

Assets

Current assets increased 2,250 million yen from the end of the previous fiscal year to 16,081 million yen. This was mainly due to an 890 million yen increase in cash and deposits with banks, a 1,303 million yen increase in work in process, and a 336 million yen increase in advance payments, while there was a 225 million yen decrease in accounts receivable-other included in "others" of the current assets section.

Fixed assets increased 210 million yen from the end of the previous fiscal year to 2,974 million yen. This was mainly due to a 222 million yen increase in investment securities included in the investments and other assets section.

As a result, total assets increased 2,461 million yen, or 14.8%, from the end of the previous fiscal year to 19,055 million yen.

Liabilities

Current liabilities increased 1,074 million yen from the end of the previous fiscal year to 7,647 million yen. This was mainly due to an 823 million yen increase in notes and accounts payable, a 451 million yen increase in short-term borrowings, and a 216 million yen increase in accrued income taxes, while there was a 606 million yen decrease in advances received.

Long-term liabilities increased 372 million yen from the end of the previous fiscal year to 822 million yen. This was mainly due to a 289 million yen increase in long-term borrowings.

As a result, total liabilities increased 1,446 million yen, or 20.6%, from the end of the previous fiscal year to 8,469 million yen.

Net assets

Net assets increased 1,014 million yen, or 10.6%, from the end of the previous fiscal year to 10,585 million yen. This was mainly due to the reporting of profit attributable to owners of parent of 1,180 million yen, which was partly offset by the payment of dividends from surplus of 360 million yen.

Since total assets and liabilities increased as stated above, the equity ratio fell 2.1 percentage points from the end of the previous fiscal year to 55.6% at the end of the period under review.

ii) Cash flows

Cash flows from operating activities

Net cash provided by operating activities was 233 million yen, compared with 572 million yen of net cash provided one year earlier. The main factors were profit before income taxes of 1,653 million yen, a 1,064 million yen increase in inventories (leading to a decrease in net cash) and income taxes paid of 302 million yen.

Cash flows from investing activities

Net cash used in investing activities was 94 million yen, compared with net cash used of 53 million yen one year earlier. The main factors were payments of 71 million yen and 18 million yen for purchase of property, plant and equipment; and intangible assets, respectively.

Cash flows from financing activities

Net cash provided by financing activities was 458 million yen, compared with net cash used of 380 million yen one year earlier. The main factors were a net increase in short-term borrowings of 451 million yen, proceeds from long-term borrowings of 500 million yen, repayment of long-term borrowings of 140 million yen and cash dividends paid of 360 million yen.

As a result of the above, cash and cash equivalents at the end of the period under review increased 887 million yen from the end of the previous fiscal year to 5,013 million yen.

(3) Explanation of Consolidated Forecast and Other Forward-looking Statements

Based on the results for the period under review, the consolidated forecast for the fiscal year ending March 31, 2018 that was announced on May 9, 2017 has been revised. For more details, please see the press release titled “Notice of Differences between the Consolidated Forecast and Results for the First Half of FY3/18 and Revisions to the Consolidated Forecast for FY3/18” that was announced today (November 7, 2017).

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

	<i>(Thousands of yen)</i>	
	FY3/17 (As of Mar. 31, 2017)	Second quarter of FY3/18 (As of Sep. 30, 2017)
Assets		
Current assets		
Cash and deposits with banks	4,181,297	5,072,174
Notes and accounts receivable	5,295,829	5,164,623
Merchandise and finished goods	327,077	275,715
Work in process	2,548,426	3,851,672
Raw materials and supplies	547,003	669,906
Advance payments	229,597	565,651
Others	704,332	484,955
Allowance for doubtful accounts	(2,613)	(3,532)
Total current assets	13,830,950	16,081,166
Fixed assets		
Property, plant and equipment		
Buildings and structures, net	723,951	743,516
Land	800,623	841,913
Others, net	540,473	519,158
Total property, plant and equipment	2,065,049	2,104,588
Intangible assets		
Goodwill	32,016	21,344
Others	81,345	82,287
Total intangible assets	113,361	103,632
Investments and other assets		
Others	641,535	828,122
Allowance for doubtful accounts	(56,754)	(62,304)
Total investments and other assets	584,780	765,817
Total fixed assets	2,763,191	2,974,037
Total assets	16,594,142	19,055,204

(Thousands of yen)

	FY3/17 (As of Mar. 31, 2017)	Second quarter of FY3/18 (As of Sep. 30, 2017)
Liabilities		
Current liabilities		
Notes and accounts payable	2,053,728	2,877,005
Short-term borrowings	300,000	751,100
Current portion of long-term borrowings	181,663	252,528
Accrued income taxes	241,480	458,317
Accrued bonuses	316,463	270,597
Provision for product warranties	25,914	38,971
Advances received	2,786,158	2,179,679
Others	667,623	818,910
Total current liabilities	6,573,032	7,647,110
Long-term liabilities		
Long-term borrowings	252,515	541,639
Others	197,211	280,821
Total long-term liabilities	449,726	822,460
Total liabilities	7,022,758	8,469,570
Net assets		
Shareholders' equity		
Common stock	2,133,177	2,133,177
Capital surplus	2,563,867	2,563,867
Retained earnings	5,919,007	6,731,667
Treasury shares	(1,194,133)	(1,179,109)
Total shareholders' equity	9,421,918	10,249,603
Accumulated other comprehensive income		
Unrealized holding gain on other securities	146,645	336,030
Total accumulated other comprehensive income	146,645	336,030
Subscription rights to shares	2,820	-
Total net assets	9,571,383	10,585,633
Total liabilities and net assets	16,594,142	19,055,204

(2) Consolidated Statements of Income and Consolidated Statements of Comprehensive Income**Consolidated Statements of Income****(For the Six-month Period)***(Thousands of yen)*

	First six months of FY3/17 (Apr. 1, 2016 – Sep. 30, 2016)	First six months of FY3/18 (Apr. 1, 2017 – Sep. 30, 2017)
Net sales	9,138,472	11,362,414
Cost of goods sold	6,561,043	7,879,118
Gross profit	2,577,429	3,483,295
Selling, general and administrative expenses	1,495,961	1,777,514
Operating profit	1,081,467	1,705,780
Non-operating income		
Interest income	119	77
Dividend income	8,046	7,658
Operations consignment fee	600	-
Miscellaneous revenue	4,217	7,504
Total non-operating income	12,983	15,239
Non-operating expenses		
Interest expense	6,803	5,973
Foreign exchange loss	38,230	13,834
Commission for syndicate loan	17,000	43,640
Miscellaneous loss	1,396	3,494
Total non-operating expenses	63,429	66,942
Recurring profit	1,031,021	1,654,077
Extraordinary income		
Gain on sales of fixed assets	-	103
Total extraordinary income	-	103
Extraordinary loss		
Loss on disposal of fixed assets	204	232
Loss on sales of fixed assets	9,345	-
Total extraordinary losses	9,549	232
Profit before income taxes	1,021,471	1,653,948
Income taxes-current	269,698	498,912
Income taxes-deferred	37,776	(25,039)
Total income taxes	307,474	473,873
Profit	713,997	1,180,075
Profit attributable to owners of parent	713,997	1,180,075

Consolidated Statements of Comprehensive Income
(For the Six-month Period)

(Thousands of yen)

	First six months of FY3/17 (Apr. 1, 2016 – Sep. 30, 2016)	First six months of FY3/18 (Apr. 1, 2017 – Sep. 30, 2017)
Profit	713,997	1,180,075
Other comprehensive income		
Unrealized holding gain on other securities	(23,547)	189,384
Total other comprehensive income	(23,547)	189,384
Comprehensive income	690,449	1,369,460
Comprehensive income attributable to		
Owners of parent	690,449	1,369,460
Non-controlling interests	-	-

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

	First six months of FY3/17 (Apr. 1, 2016 – Sep. 30, 2016)	First six months of FY3/18 (Apr. 1, 2017 – Sep. 30, 2017)
Cash flows from operating activities		
Profit before income taxes	1,021,471	1,653,948
Depreciation and amortization	111,774	114,526
Amortization of goodwill	10,672	10,672
Increase (decrease) in accrued bonuses	(63,929)	(59,380)
Increase (decrease) in allowance for doubtful accounts	(36)	6,267
Increase (decrease) in provision for product warranties	(14,761)	13,057
Interest and dividend income	(8,166)	(7,735)
Interest expense	6,803	5,973
Loss (gain) on sales of fixed assets	9,345	(103)
Loss on disposal of fixed assets	204	232
Decrease (increase) in notes and accounts receivable	586,297	154,516
Decrease (increase) in inventories	818,559	(1,064,127)
Decrease (increase) in other accounts receivable	(120,148)	182,843
Decrease (increase) in advance payments	261,041	(457,662)
Increase (decrease) in notes and accounts payable	146,472	425,046
Decrease/increase in consumption taxes receivable/payable	(31,174)	104,925
Increase (decrease) in other accounts payable	(19,563)	14,137
Increase (decrease) in advances received	(1,850,067)	(606,478)
Others	8,455	43,420
Subtotal	873,251	534,080
Interests and dividends received	8,167	7,734
Interests paid	(6,732)	(5,851)
Income taxes paid	(302,093)	(302,545)
Net cash provided by (used in) operating activities	572,593	233,417
Cash flows from investing activities		
Payment for purchase of property, plant and equipment	(94,801)	(71,731)
Proceeds from sale of property, plant, and equipment	68,941	150
Payment for purchase of intangible assets	(34,693)	(18,540)
Payment for purchase of investment securities	(71)	-
Others	6,935	(4,460)
Net cash provided by (used in) investing activities	(53,689)	(94,582)

(Thousands of yen)

	First six months of FY3/17 (Apr. 1, 2016 – Sep. 30, 2016)	First six months of FY3/18 (Apr. 1, 2017 – Sep. 30, 2017)
Cash flows from financing activities		
Net increase (decrease) in short-term borrowings	-	451,100
Proceeds from long-term borrowings	-	500,000
Repayment of long-term borrowings	(109,998)	(140,011)
Repayment of lease obligations	(882)	(882)
Proceeds from disposal of treasury shares from exercise of subscription rights to shares	-	9,420
Cash dividends paid	(269,522)	(360,763)
Net cash provided by (used in) financing activities	(380,403)	458,862
Net increase (decrease) in cash and cash equivalents	138,500	597,698
Cash and cash equivalents at beginning of period	3,102,758	4,125,220
Increase in cash and cash equivalents from newly consolidated subsidiary	-	290,175
Cash and cash equivalents at end of period	3,241,258	5,013,094

(4) Notes to Quarterly Consolidated Financial Statements**Going Concern Assumption**

Not applicable.

Significant Changes in Shareholders' Equity

Not applicable.

Segment Information

I. First six months of FY3/17 (Apr. 1, 2016 – Sep. 30, 2016)

1. Information related to net sales, profit and loss for each reportable segment

(Thousands of yen)

	Reportable segment				Adjustment (Note 1)	Amounts shown on consolidated statements of income (Note 2)
	Lamp Business	Manufacturing Equipment Business	Human Resource Service Business	Total		
Net sales						
Sales to external customers	1,571,117	5,790,173	1,777,180	9,138,472	-	9,138,472
Inter-segment sales and transfers	11,537	2,245	6,662	20,445	(20,445)	-
Total	1,582,655	5,792,419	1,783,843	9,158,918	(20,445)	9,138,472
Segment profit	20,461	1,174,124	90,261	1,284,847	(203,379)	1,081,467

Notes: 1. The minus 203,379 thousand yen adjustment to segment profit includes 3 thousand yen in elimination of inter-segment transactions and minus 203,382 thousand yen in company-wide expenses that cannot be allocated to reportable segments. Company-wide expenses mainly include general and administrative expenses that cannot be attributed to reportable segments.

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

II. First six months of FY3/18 (Apr. 1, 2017– Sep. 30, 2017)

1. Information related to net sales, profit and loss for each reportable segment

(Thousands of yen)

	Reportable segment				Adjustment (Note 1)	Amounts shown on consolidated statements of income (Note 2)
	Lamp Business	Manufacturing Equipment Business	Human Resource Service Business	Total		
Net sales						
Sales to external customers	1,569,216	7,738,363	2,054,834	11,362,414	-	11,362,414
Inter-segment sales and transfers	23,506	504	6,094	30,105	(30,105)	-
Total	1,592,723	7,738,867	2,060,928	11,392,519	(30,105)	11,362,414
Segment profit (loss)	(6,739)	1,827,896	94,023	1,915,180	(209,399)	1,705,780

Notes: 1. The minus 209,399 thousand yen adjustment to segment profit (loss) includes company-wide expenses that cannot be allocated to reportable segments. Company-wide expenses mainly include general and administrative expenses that cannot be attributed to reportable segments.

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

2. Information related to revisions for reportable segments

Effective from the first quarter of the current fiscal year, the Company revised the measurement method of the Lamp Business and the Manufacturing Equipment Business to ensure a more accurate understanding of the segments.

The segment information for the first six months of FY3/17 is prepared and disclosed based on the method after the revision.

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.