

**Summary of Consolidated Financial Results for the First Quarter  
of Fiscal Year Ending March 31, 2021  
(Three Months Ended June 30, 2020)**

[Japanese GAAP]

Company name: Helios Techno Holding Co., Ltd.

Listing: Tokyo

Stock code: 6927

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Scheduled date of filing of Quarterly Report: August 7, 2020

Scheduled date of payment of dividend: -

Preparation of supplementary materials for quarterly financial results: None

Holding of quarterly financial results meeting: None

Note: The original disclosure in Japanese was released on August 7, 2020 at 16:00 (GMT +9).

(Amounts are rounded down to the nearest million yen)

**1. Consolidated Financial Results for the Three Months Ended June 30, 2020 (April 1, 2020 – June 30, 2020)**

## (1) Consolidated results of operations

(Percentages represent year-on-year changes)

	Net sales		Operating profit		Recurring profit		Profit attributable to owners of parent	
	Million yen	%	Million yen	%	Million yen	%	Million yen	%
Three months ended Jun. 30, 2020	1,512	(62.7)	(136)	-	(121)	-	(128)	-
Three months ended Jun. 30, 2019	4,059	(30.5)	41	(93.3)	48	(92.2)	4	(99.1)

Note: Comprehensive income (million yen) Three months ended Jun. 30, 2020: (94) (-%)  
Three months ended Jun. 30, 2019: (62) (-%)

	Net income per share (basic)	Net income per share (diluted)
	Yen	Yen
Three months ended Jun. 30, 2020	(7.10)	-
Three months ended Jun. 30, 2019	0.23	-

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

## (2) Consolidated financial position

	Total assets	Net assets	Equity ratio
	Million yen	Million yen	%
As of Jun. 30, 2020	14,751	12,418	84.2
As of Mar. 31, 2020	14,609	12,621	86.4

Reference: Equity (million yen) As of Jun. 30, 2020: 12,418 As of Mar. 31, 2020: 12,621

**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, 2020	-	0.00	-	6.00	6.00
Fiscal year ending Mar. 31, 2021	-	-	-	-	-
Fiscal year ending Mar. 31, 2021 (forecast)	-	-	-	-	-

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

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

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

**\* Notes**

(1) Changes in significant subsidiaries during the period (changes in specified subsidiaries resulting in changes in scope of consolidation): 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 Jun. 30, 2020:	22,806,900 shares	As of Mar. 31, 2020:	22,806,900 shares
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2) Number of treasury shares at the end of period

As of Jun. 30, 2020:	4,699,539 shares	As of Mar. 31, 2020:	4,699,399 shares
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3) Average number of shares outstanding during the period

Three months ended Jun. 30, 2020:	18,107,405 shares	Three months ended Jun. 30, 2019:	18,098,183 shares
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Note 1: The quarterly financial report is not subject to quarterly review by certified public accountants or auditing firms.

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

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## 1. Qualitative Information on Quarterly Consolidated Financial Results

### (1) Explanation of Results of Operations

In the first quarter of the current fiscal year (“the period under review”), the Japanese economy experienced significant stagnation and slowdown in social and economic activities because the government declared a state of emergency resulting from the spread of COVID-19 infections. Through this declaration, the government called on people to refrain from going out and moving around. As such, the outlook remained extremely uncertain.

Affected by uncertainties in overseas economies such as the prolonged U.S.-China trade issues, Asian markets centered in China—the key market for the Helios Techno Group (“the Group”)—continued to face very difficult business environments with curtailed demand for capital investment.

Under such business environments, net sales of the Group for the period under review decreased 2,546 million yen, or 62.7%, year on year to 1,512 million yen. Operating loss was 136 million yen (compared with operating profit of 41 million yen a year earlier). Ordinary loss was 121 million yen (compared with ordinary profit of 48 million yen a year earlier). Loss attributable to owners of parent was 128 million yen (compared with profit attributable to owners of parent of 4 million yen a year earlier).

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

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

#### i) Lamp Business

The number of shipments of light source units for exposure equipment that are our core product increased steadily. However, the number of orders received for general lamps and other types of lamps decreased due to curtailed capital investment, and their delivery timings were delayed.

Consequently, the segment sales for the period under review decreased 8.8% year on year to 558 million yen with a segment loss of 3 million yen (compared with a segment loss of 86 million yen a year earlier).

#### ii) Manufacturing Equipment Business

Demand for capital investment in China and other Asian markets remained stagnant. There were delays in shipments and inspection work of alignment layer manufacturing equipment and other products.

In addition, our sales activities were restricted substantially due to overseas travel restrictions resulting from the spread of COVID-19 infections.

Consequently, the segment sales for the period under review decreased 54.8% year on year to 959 million yen with a segment profit of 11 million yen, down 94.4% year on year.

## **(2) Explanation of Financial Position**

### **Assets**

Current assets increased 70 million yen from the end of the previous fiscal year to 12,011 million yen. This was mainly due to a 956 million yen increase in cash and deposits with banks, a 141 million yen increase in merchandise and finished goods, a 195 million yen increase in work in process, and a 113 million yen increase in raw materials and supplies, which were partially offset by a 1,316 million yen decrease in notes and accounts receivable.

Fixed assets increased 70 million yen from the end of the previous fiscal year to 2,739 million yen. This was mainly due to a 49 million yen increase in investment securities included in others of investments and other assets.

As a result, total assets increased 141 million yen, or 1.0%, from the end of the previous fiscal year to 14,751 million yen.

### **Liabilities**

Current liabilities increased 365 million yen from the end of the previous fiscal year to 2,091 million yen. This was mainly due to a 200 million yen increase in short-term borrowings, a 121 million yen increase in accounts payable-other included in others of current liabilities, and a 141 million yen increase in advances received, which were partially offset by a 148 million yen decrease in notes and accounts payable.

Long-term liabilities decreased 21 million yen from the end of the previous fiscal year to 240 million yen. This was mainly due to a 25 million yen decrease in long-term borrowings.

As a result, total liabilities increased 344 million yen, or 17.3%, from the end of the previous fiscal year to 2,332 million yen.

### **Net assets**

Net assets decreased 202 million yen, or 1.6%, from the end of the previous fiscal year to 12,418 million yen. This was mainly due to a loss attributable to owners of parent of 128 million yen and the payment of dividends from surplus of 108 million yen.

As a result, the equity ratio dropped 2.2 percentage points from the end of the previous fiscal year to 84.2% at the end of the period under review, reflecting the increases in both assets and liabilities as described above.

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

The first-half and full-year consolidated forecasts for the fiscal year ending on March 31, 2021 have not been determined since it is difficult to reasonably estimate the impact of the spread of COVID-19 infections at this time. The consolidated forecasts will be disclosed promptly when they become available for disclosure.

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

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

	FY3/20 (As of Mar. 31, 2020)	First quarter of FY3/21 (As of Jun. 30, 2020)
<b>Assets</b>		
Current assets		
Cash and deposits with banks	3,718,554	4,674,813
Notes and accounts receivable	4,453,017	3,136,956
Electronically recorded monetary claims - operating	581,362	615,105
Merchandise and finished goods	204,925	346,422
Work in process	1,813,160	2,008,820
Raw materials and supplies	726,982	840,478
Advance payments	43,265	33,576
Others	399,886	355,740
Allowance for doubtful accounts	(162)	(96)
Total current assets	11,940,993	12,011,817
Fixed assets		
Property, plant and equipment		
Buildings and structures, net	827,225	815,204
Land	722,733	722,733
Others, net	607,392	607,883
Total property, plant and equipment	2,157,351	2,145,821
Intangible assets		
Others	27,654	27,353
Total intangible assets	27,654	27,353
Investments and other assets		
Others	527,809	610,213
Allowance for doubtful accounts	(43,900)	(43,918)
Total investments and other assets	483,908	566,295
Total fixed assets	2,668,914	2,739,470
Total assets	14,609,908	14,751,287

(Thousands of yen)

	FY3/20 (As of Mar. 31, 2020)	First quarter of FY3/21 (As of Jun. 30, 2020)
<b>Liabilities</b>		
<b>Current liabilities</b>		
Notes and accounts payable	613,400	465,246
Electronically recorded obligations - operating	218,611	271,426
Short-term borrowings	100,000	300,000
Current portion of long-term borrowings	100,032	100,032
Accrued income taxes	20,711	11,701
Accrued bonuses	141,718	114,379
Provision for product warranties	21,449	19,921
Advances received	79,964	221,546
Others	430,167	587,670
<b>Total current liabilities</b>	<b>1,726,054</b>	<b>2,091,924</b>
<b>Long-term liabilities</b>		
Long-term borrowings	206,542	181,534
Others	55,804	59,063
<b>Total long-term liabilities</b>	<b>262,346</b>	<b>240,597</b>
<b>Total liabilities</b>	<b>1,988,401</b>	<b>2,332,522</b>
<b>Net assets</b>		
<b>Shareholders' equity</b>		
Common stock	2,133,177	2,133,177
Capital surplus	2,567,357	2,567,309
Retained earnings	8,994,084	8,756,847
Treasury shares	(1,176,606)	(1,176,641)
<b>Total shareholders' equity</b>	<b>12,518,013</b>	<b>12,280,692</b>
<b>Accumulated other comprehensive income</b>		
Unrealized holding gain on other securities	103,494	138,072
<b>Total accumulated other comprehensive income</b>	<b>103,494</b>	<b>138,072</b>
<b>Total net assets</b>	<b>12,621,507</b>	<b>12,418,765</b>
<b>Total liabilities and net assets</b>	<b>14,609,908</b>	<b>14,751,287</b>

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

	First three months of FY3/20 (Apr. 1, 2019 – Jun. 30, 2019)	First three months of FY3/21 (Apr. 1, 2020 – Jun. 30, 2020)
Net sales	4,059,327	1,512,987
Cost of goods sold	3,069,001	1,035,138
Gross profit	990,326	477,849
Selling, general and administrative expenses	948,480	614,359
Operating profit (loss)	41,845	(136,509)
Non-operating income		
Interest income	512	1,004
Dividend income	9,758	8,758
Miscellaneous revenue	3,381	8,616
Total non-operating income	13,652	18,379
Non-operating expenses		
Interest expense	1,566	1,336
Foreign exchange loss	4,842	1,928
Miscellaneous loss	259	138
Total non-operating expenses	6,668	3,402
Recurring profit (loss)	48,830	(121,533)
Extraordinary income		
Gain on sales of fixed assets	103	-
Total extraordinary income	103	-
Extraordinary loss		
Loss on COVID-19	-	33,350
Total extraordinary losses	-	33,350
Profit (loss) before income taxes	48,933	(154,883)
Income taxes-current	6,333	18,268
Income taxes-deferred	38,445	(44,560)
Total income taxes	44,778	(26,292)
Profit (loss)	4,154	(128,591)
Profit (loss) attributable to owners of parent	4,154	(128,591)

**Consolidated Statements of Comprehensive Income****(For the Three-month Period)***(Thousands of yen)*

	First three months of FY3/20 (Apr. 1, 2019 – Jun. 30, 2019)	First three months of FY3/21 (Apr. 1, 2020 – Jun. 30, 2020)
Profit (loss)	4,154	(128,591)
Other comprehensive income		
Unrealized holding gain on other securities	(66,990)	34,578
Total other comprehensive income	(66,990)	34,578
Comprehensive income	(62,835)	(94,013)
Comprehensive income attributable to		
Owners of parent	(62,835)	(94,013)
Non-controlling interests	-	-

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

Not applicable.

**Significant Changes in Shareholders' Equity**

Not applicable.

**Segment Information**

## I. First three months of FY3/20 (Apr. 1, 2019 – Jun. 30, 2019)

## 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	603,700	2,122,583	1,333,043	4,059,327	-	4,059,327
Inter-segment sales and transfers	8,866	-	11,452	20,319	(20,319)	-
Total	612,567	2,122,583	1,344,496	4,079,647	(20,319)	4,059,327
Segment profit (loss)	(86,589)	212,732	52,250	178,392	(136,546)	41,845

Notes: 1. The minus 136,546 thousand yen adjustment to segment profit (loss) represents the elimination of inter-segment transactions of 691 thousand yen and company-wide expenses of minus 137,238 thousand yen that are not 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.

## II. First three months of FY3/21 (Apr. 1, 2020 – Jun. 30, 2020)

## 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	Total		
Net sales					
Sales to external customers	554,566	958,421	1,512,987	-	1,512,987
Inter-segment sales and transfers	4,169	949	5,118	(5,118)	-
Total	558,735	959,371	1,518,106	(5,118)	1,512,987
Segment profit (loss)	(3,657)	11,816	8,158	(144,668)	(136,509)

Notes: 1. The minus 144,668 thousand yen adjustment to segment profit (loss) represents company-wide expenses that are not 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 loss shown on the consolidated statements of income.

## 2. Change in reportable segments

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

## **Additional Information**

(Impact of COVID-19)

While it is difficult to reasonably estimate the impact of the spread of COVID-19 infections at this time, the Group makes accounting estimates based primarily on external information, assuming that the impact will continue for a certain period of time in the fiscal year ending March 31, 2021.

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" (Accounting Standards Board of Japan (ASBJ) Practical Issues Task Force (PITF) No. 39, issued on March 31, 2020), the Company and certain domestic consolidated subsidiaries did not apply the provision of Paragraph 44 of the "Implementation Guidance on Tax Effect Accounting" (ASBJ Guidance No. 28, issued on February 16, 2018). Accordingly, the amounts of deferred tax assets and deferred tax liabilities are based on the provisions of the tax laws before the revision.

*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.*