



**Summary of Consolidated Financial Results for the First Quarter
of Fiscal Year Ending March 31, 2019
(Three Months Ended June 30, 2018)**

[Japanese GAAP]

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Scheduled date of filing of Quarterly Report: August 7, 2018

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 3, 2018 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, 2018 (April 1, 2018 – June 30, 2018)**(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, 2018	5,836	106.1	622	-	629	-	442	-
Three months ended Jun. 30, 2017	2,832	(46.8)	(201)	-	(207)	-	(275)	-

Note: Comprehensive income (million yen) Three months ended Jun. 30, 2018: 425 (-%)

Three months ended Jun. 30, 2017: (228) (-%)

	Net income per share (basic)	Net income per share (diluted)
	Yen	Yen
Three months ended Jun. 30, 2018	24.44	-
Three months ended Jun. 30, 2017	(15.24)	-

Note: Net income per share (diluted) for the three months ended June 30, 2017 is not presented as Helios Techno has dilutive shares, though posted a net loss. Net income per share (diluted) for the three months ended June 30, 2018 is not presented, too, 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, 2018	17,432	11,374	65.2
As of Mar. 31, 2018	18,463	11,492	62.2

Reference: Equity (million yen) As of Jun. 30, 2018: 11,374 As of Mar. 31, 2018: 11,492

Note: Starting with the beginning of the first quarter of the fiscal year ending March 31, 2019, Helios Techno is applying "Partial Amendments to Accounting Standard for Tax Effect Accounting" (Accounting Standards Board of Japan (ASBJ) Statement No. 28, February 16, 2018). Total assets and equity ratio as of March 31, 2018 have been adjusted retroactively to conform with this accounting standard.

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, 2018	-	0.00	-	30.00	30.00
Fiscal year ending Mar. 31, 2019	-	-	-	-	-
Fiscal year ending Mar. 31, 2019 (forecast)	-	0.00	-	30.00	30.00

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

3. Consolidated Forecast for the Fiscal Year Ending March 31, 2019 (April 1, 2018 – March 31, 2019)

(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	12,700	11.8	900	(47.2)	900	(45.6)	600	(49.2)	33.17
Full year	24,600	4.8	1,900	(37.5)	1,900	(36.3)	1,400	(35.3)	77.39

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

*** 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, 2018:	22,806,900 shares	As of Mar. 31, 2018:	22,806,900 shares
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2) Number of treasury shares at the end of period

As of Jun. 30, 2018:	4,708,710 shares	As of Mar. 31, 2018:	4,708,710 shares
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3) Average number of shares outstanding during the period

Three months ended Jun. 30, 2018:	18,098,190 shares	Three months ended Jun. 30, 2017:	18,069,179 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

There remained robust demand for the capital investment in production facilities of liquid crystal panels—a key market for the Helios Techno Group (“the Group”) as a series of large-scale capital investment projects that have continued for the past several years in China is being carried out as scheduled. In addition, there was a brisk demand for capital investment in organic EL displays although it is no longer as buoyant as it once was.

In this business environment, the Group achieved steady sales of alignment layer manufacturing equipment used for large flat-panel displays and light source units for exposure equipment. In addition, sales in the Human Resource Service Business remained strong thanks to an increase in the number of staff dispatched.

In the first quarter of the current fiscal year (“the period under review”), net sales increased 3,004 million yen, or 106.1%, year on year to 5,836 million yen, operating profit increased 824 million yen (compared with operating loss of 201 million yen for the same period of the previous fiscal year) to 622 million yen, recurring profit increased 837 million yen (compared with recurring loss of 207 million yen for the same period of the previous fiscal year) to 629 million yen, and profit attributable to owners of parent increased 717 million yen (compared with loss attributable to owners of parent of 275 million yen for the same period of the previous fiscal year) to 442 million yen.

Operation 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 lamps for the light source units for exposure equipment continued to rise steadily, but sales of general lighting lamps including LED lamps failed to achieve an increase despite the sale activities proceeded as planned. Having invested in development for a new product, the Group reported a segment loss for the period under review due to an increase in R&D expenses.

Consequently, the segment sales for the period under review decreased 1.1% year on year to 773 million yen with a segment loss of 21 million yen (compared with a segment profit of 19 million yen for the same period of the previous fiscal year).

ii) Manufacturing Equipment Business

The Manufacturing Equipment Business posted a robust increase in sales as we successfully delivered alignment layer manufacturing equipment used for large flat-panel displays and light source units for exposure equipment as planned.

Consequently, the segment sales for the period under review increased 255.1% year on year to 3,809 million yen with a segment profit of 698 million yen (compared with a segment loss of 162 million yen for the same period of the previous fiscal year).

Furthermore, the order backlog as of the end of the period under review reached 7,954 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 by means of continued improvement in quality of workers and provision of services that meet customers’ needs. The staffing to the manufacturing sector also grew steadily, owing to the fact that we successfully continued to increase the number of staff dispatched to both existing and new customers.

Consequently, the segment sales for the period under review increased 28.9% year on year to 1,276 million yen with a segment profit of 70 million yen, up 33.0%, year on year.

(2) Explanation of Financial Position

Assets

Current assets decreased 911 million yen from the end of the previous fiscal year to 14,362 million yen. This was mainly due to a 296 million yen decrease in notes and accounts receivable and a 628 million yen decrease in work in process, while there was a 103 million yen increase in electronically recorded monetary claims - operating.

Fixed assets decreased 118 million yen from the end of the previous fiscal year to 3,070 million yen. This was mainly due to an 89 million yen decrease in deferred tax assets included in "Others" of the investment and other assets section and a 24 million yen decrease in investment securities.

As a result, total assets decreased 1,030 million yen, or 5.6%, from the end of the previous fiscal year to 17,432 million yen.

Liabilities

Current liabilities decreased 805 million yen from the end of the previous fiscal year to 5,683 million yen. This was mainly due to a 515 million yen decrease in accrued income taxes and a 500 million yen decrease in advances received, while there was a 238 million yen increase in other accounts payable included in "Others" of the current liabilities section.

Long-term liabilities decreased 106 million yen from the end of the previous fiscal year to 374 million yen. This was mainly due to a 50 million yen decrease in long-term borrowings and a 54 million yen decrease in other accounts payable included in "Others" of the long-term liabilities section.

As a result, total liabilities decreased 912 million yen, or 13.1%, from the end of the previous fiscal year to 6,058 million yen.

Net assets

Net assets decreased 117 million yen from the end of the previous fiscal year to 11,374 million yen. This was mainly due to the reporting of profit attributable to owners of parent of 442 million yen, which was more than offset by the payment of dividends from surplus of 542 million yen.

As both total assets and total liabilities decreased as stated above, the equity ratio rose 3.0 percentage points from the end of the previous fiscal year to 65.2% at the end of the period under review.

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

There are no revisions to the first-half and the full-year consolidated earnings forecast released on May 8, 2018.

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

	<i>(Thousands of yen)</i>	
	FY3/18 (As of Mar. 31, 2018)	First quarter of FY3/19 (As of Jun. 30, 2018)
Assets		
Current assets		
Cash and deposits with banks	4,165,806	4,015,163
Notes and accounts receivable	4,685,341	4,388,433
Electronically recorded monetary claims - operating	1,284,762	1,388,622
Merchandise and finished goods	202,264	166,335
Work in process	3,401,949	2,773,537
Raw materials and supplies	565,844	654,446
Advance payments	854,510	881,172
Others	117,170	95,846
Allowance for doubtful accounts	(3,675)	(1,376)
Total current assets	15,273,974	14,362,182
Fixed assets		
Property, plant and equipment		
Buildings and structures, net	815,972	815,507
Land	841,913	841,913
Others, net	564,533	581,460
Total property, plant and equipment	2,222,419	2,238,880
Intangible assets		
Goodwill	10,672	5,336
Others	78,965	75,999
Total intangible assets	89,637	81,336
Investments and other assets		
Others	924,524	795,273
Allowance for doubtful accounts	(46,932)	(44,673)
Total investments and other assets	877,592	750,600
Total fixed assets	3,189,649	3,070,816
Total assets	18,463,623	17,432,998

(Thousands of yen)

	FY3/18 (As of Mar. 31, 2018)	First quarter of FY3/19 (As of Jun. 30, 2018)
Liabilities		
Current liabilities		
Notes and accounts payable	2,433,227	2,632,496
Short-term borrowings	100,000	120,000
Current portion of long-term borrowings	327,528	312,548
Accrued income taxes	583,697	67,982
Accrued bonuses	466,001	169,256
Provision for product warranties	27,807	47,841
Advances received	1,373,711	873,220
Others	1,177,773	1,460,525
Total current liabilities	6,489,746	5,683,871
Long-term liabilities		
Long-term borrowings	336,625	286,598
Others	144,512	87,604
Total long-term liabilities	481,137	374,202
Total liabilities	6,970,884	6,058,073
Net assets		
Shareholders' equity		
Common stock	2,133,177	2,133,177
Capital surplus	2,563,867	2,563,867
Retained earnings	7,716,343	7,615,703
Treasury shares	(1,179,109)	(1,179,109)
Total shareholders' equity	11,234,278	11,133,638
Accumulated other comprehensive income		
Unrealized holding gain on other securities	258,460	241,285
Total accumulated other comprehensive income	258,460	241,285
Total net assets	11,492,738	11,374,924
Total liabilities and net assets	18,463,623	17,432,998

(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 FY3/18 (Apr. 1, 2017 – Jun. 30, 2017)	First three months of FY3/19 (Apr. 1, 2018 – Jun. 30, 2018)
Net sales	2,832,271	5,836,883
Cost of goods sold	2,149,560	4,280,050
Gross profit	682,711	1,556,832
Selling, general and administrative expenses	884,120	934,021
Operating profit (loss)	(201,408)	622,811
Non-operating income		
Interest income	13	15
Dividend income	7,658	8,658
Miscellaneous revenue	2,852	1,906
Total non-operating income	10,524	10,579
Non-operating expenses		
Interest expense	3,057	2,325
Foreign exchange loss	13,158	990
Miscellaneous loss	298	447
Total non-operating expenses	16,513	3,764
Recurring profit (loss)	(207,398)	629,626
Extraordinary loss		
Loss on disposal of fixed assets	-	1,667
Total extraordinary losses	-	1,667
Profit (loss) before income taxes	(207,398)	627,959
Income taxes-current	63,271	89,990
Income taxes-deferred	4,662	95,663
Total income taxes	67,933	185,653
Profit (loss)	(275,331)	442,306
Profit (loss) attributable to owners of parent	(275,331)	442,306

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

	<i>(Thousands of yen)</i>	
	First three months of FY3/18 (Apr. 1, 2017 – Jun. 30, 2017)	First three months of FY3/19 (Apr. 1, 2018 – Jun. 30, 2018)
Profit (loss)	(275,331)	442,306
Other comprehensive income		
Unrealized holding gain on other securities	46,365	(17,174)
Total other comprehensive income	46,365	(17,174)
Comprehensive income	(228,965)	425,131
Comprehensive income attributable to		
Owners of parent	(228,965)	425,131
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 FY3/18 (Apr. 1, 2017 – Jun. 30, 2017)**

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	773,203	1,072,584	986,482	2,832,271	-	2,832,271
Inter-segment sales and transfers	8,946	224	3,639	12,810	(12,810)	-
Total	782,150	1,072,808	990,122	2,845,081	(12,810)	2,832,271
Segment profit (loss)	19,715	(162,198)	53,374	(89,108)	(112,300)	(201,408)

Notes: 1. The minus 112,300 thousand yen adjustment to segment profit (loss) represents 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 loss shown on the consolidated statements of income.

II. First three months of FY3/19 (Apr. 1, 2018 – Jun. 30, 2018)

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	759,903	3,809,593	1,267,386	5,836,883	-	5,836,883
Inter-segment sales and transfers	13,855	-	9,038	22,894	(22,894)	-
Total	773,758	3,809,593	1,276,424	5,859,777	(22,894)	5,836,883
Segment profit (loss)	(21,258)	698,070	70,991	747,802	(124,991)	622,811

Notes: 1. The minus 124,991 thousand yen adjustment to segment profit (loss) represents 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.

Additional Information

Starting with the beginning of the first quarter of FY3/19, Helios Techno is applying “Partial Amendments to Accounting Standard for Tax Effect Accounting” (ASBJ Statement No. 28, February 16, 2018). Accordingly, deferred tax assets and deferred tax liabilities have been presented in the investments and other assets section and the long-term liabilities section of the balance sheet, respectively.

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.