



**Summary of Consolidated Financial Results for the Third Quarter
of Fiscal Year Ending March 31, 2022
(Nine Months Ended December 31, 2021)**

[Japanese GAAP]

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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 February 3, 2022 at 16:00 (GMT +9).

(Amounts are rounded down to the nearest million yen)

**1. Consolidated Financial Results for the Nine Months Ended December 31, 2021
(April 1, 2021 – December 31, 2021)**

(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	%
Nine months ended Dec. 31, 2021	5,611	-	64	-	109	-	61	-
Nine months ended Dec. 31, 2020	5,865	(48.0)	370	175.0	443	203.7	266	-

Note: Comprehensive income (million yen) Nine months ended Dec. 31, 2021: 171 (-%)
 Nine months ended Dec. 31, 2020: 361 (up 330.3%)

	Net income per share (basic)		Net income per share (diluted)	
	Yen		Yen	
Nine months ended Dec. 31, 2021	3.41		-	
Nine months ended Dec. 31, 2020	14.69		-	

Note: Beginning with the first quarter of the fiscal year ending on March 31, 2022, Helios Techno Holding is applying Accounting Standard for Revenue Recognition (ASBJ Statement No. 29, March 31, 2020). All figures for the nine months ended December 31, 2021 incorporate this accounting standard and comparisons with the first nine months of the previous fiscal year are omitted.

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio
	Million yen	Million yen	%
As of Dec. 31, 2021	15,984	13,070	81.8
As of Mar. 31, 2021	15,040	13,021	86.6

Reference: Equity (million yen) As of Dec. 31, 2021: 13,070 As of Mar. 31, 2021: 13,021

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, 2021	-	0.00	-	7.00	7.00
Fiscal year ending Mar. 31, 2022	-	0.00	-	-	-
Fiscal year ending Mar. 31, 2022 (forecast)	-	-	-	8.00	8.00

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

3. Consolidated Forecast for the Fiscal Year Ending March 31, 2022 (April 1, 2021 – March 31, 2022)

(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	9,040	-	350	-	350	-	250	-	13.79

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

Beginning with the first quarter of the fiscal year ending on March 31, 2022, Helios Techno Holding is applying Accounting Standard for Revenue Recognition (ASBJ Statement No. 29, March 31, 2020). Figures for the consolidated forecast incorporate this accounting standard and year-on-year changes are omitted.

*** 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: Yes

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 Dec. 31, 2021:	22,806,900 shares	As of Mar. 31, 2021:	22,806,900 shares
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2) Number of treasury shares at the end of period

As of Dec. 31, 2021:	4,674,441 shares	As of Mar. 31, 2021:	4,687,914 shares
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3) Average number of shares outstanding during the period

Nine months ended Dec. 31, 2021:	18,127,069 shares	Nine months ended Dec. 31, 2020:	18,114,308 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 Helios Techno Holding. Actual results are affected by various factors and may differ substantially. For discussion of the assumptions and other factors considered by Helios Techno Holding 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 nine months of the current fiscal year (the “period under review”), the Japanese economy continued to be unstable due to the prolonged effect of COVID-19 with the risk of infection re-emerging driven by the spread of highly infectious variants although economic activities were on a gradual recovery track due to the widespread use of vaccinations and the government’s economic stimulus measures.

In the Asian market, particularly China, the Helios Techno Holding Group’s main market, the impact of COVID-19 was limited and economic activities are on a recovery track. However, the outlook continued to be uncertain with many concerns such as the global shortage of semiconductors and the prolonged U.S.-China trade issues.

Net sales of the Group for the period under review were 5,611 million yen (compared with net sales of 5,865 million yen a year earlier). Operating profit was 64 million yen (compared with operating profit of 370 million yen). Recurring profit was 109 million yen (compared with recurring profit of 443 million yen). Profit attributable to owners of parent was 61 million yen (compared with loss attributable to owners of parent of 266 million yen).

Beginning with the first quarter of the fiscal year ending on March 31, 2022, Helios Techno Holding is applying Accounting Standard for Revenue Recognition (ASBJ Statement No. 29, March 31, 2020). As a result, revenue is accounted for differently from that for the first nine months of the previous fiscal year. Therefore, in Explanation of Results of Operations, the amount of increase or decrease and year-on-year percentage change are not stated.

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

i) Lamp Business

In the Lamp Business, the number of shipments of general lighting lamps largely remained at the expected level. On the other hand, the number of shipments of light source units for exposure equipment, our core industrial lamp products, fell short of the plan. Among the factors behind the failure to ship the expected volume of products were restrictions on sales activities caused by the spread of COVID-19 infections and the use of other companies’ products in some cases.

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

Consequently, the segment sales for the period under review were 1,761 million yen (compared with segment sales of 2,123 million yen a year earlier) with a segment profit of 28 million yen (compared with a segment profit of 199 million yen a year earlier).

ii) Manufacturing Equipment Business

The number of shipments did not reach the expected level and fell short of the plan because some projects were postponed due to customer circumstances. Those postponed include planned launching activities for alignment layer manufacturing equipment that was delayed to the next quarter and the introduction of inkjet printing systems considered by customers for research, prototyping, or mass production.

Consequently, the segment sales for the period under review was 3,863 million yen (compared with segment sales of 3,749 million yen a year earlier) with a segment profit of 310 million yen (compared with segment profit of 486 million yen).

(2) Explanation of Financial Position

i) Assets, liabilities and net assets

Assets

Current assets increased 906 million yen from the end of the previous fiscal year to 13,198 million yen. This was mainly due to a 1,209 million yen increase in cash and deposits with banks, a 198 million yen increase in electronically recorded monetary claims – operating and a 421 million yen increase in work in process, which were partially offset by a 1,005 million yen decrease in notes and accounts receivable, and contract assets.

Fixed assets increased 36 million yen from the end of the previous fiscal year to 2,785 million yen. This was mainly due to a 157 million yen increase in investment securities included in others of investments and other assets, which were partially offset by a 34 million yen decrease in buildings and structures, net, a 37 million yen decrease in machinery, equipment and vehicles included in others, net of the property, plant and equipment and a 21 million yen decrease in deferred tax assets included in others of the investments and other assets.

As a result, total assets increased 943 million yen, or 6.3%, from the end of the previous fiscal year to 15,984 million yen.

Liabilities

Current liabilities increased 882 million yen from the end of the previous fiscal year to 2,651 million yen. This was mainly due to a 1,114 million yen increase in contract liabilities, which were partially offset by a 205 million yen decrease in accrued income taxes.

Long-term liabilities increased 11 million yen from the end of the previous fiscal year to 261 million yen. This was mainly due to a 9 million yen increase in deferred tax liabilities included in others of long-term liabilities and an 8 million yen increase in lease obligations, which were partially offset by a 6 million yen decrease in long-term borrowings.

As a result, total liabilities increased 894 million yen, or 44.3%, from the end of the previous fiscal year to 2,913 million yen.

Net assets

Net assets increased 49 million yen, or 0.4%, from the end of the previous fiscal year to 13,070 million yen. This was mainly due to a profit attributable to owners of parent of 61 million yen and a 109 million yen increase in unrealized holding gain on other securities, which were partially offset by the payment of dividends from surplus of 126 million yen.

As a result, the equity ratio decreased 4.8 percentage points from the end of the previous fiscal year to 81.8% at the end of the period under review, mainly reflecting the increases in total assets and liabilities as described above.

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

Based on the results for the period under review, we have revised the consolidated forecast for the fiscal year ending March 31, 2022 announced on May 7, 2021. For more details, please refer to the press release titled “Notice of Revisions to the Consolidated Forecast,” which was announced today on February 3, 2022.

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

	FY3/21 (As of Mar. 31, 2021)	Third quarter of FY3/22 (As of Dec. 31, 2021)
Assets		
Current assets		
Cash and deposits with banks	6,453,163	7,663,006
Notes and accounts receivable	2,814,195	-
Notes and accounts receivable, and contract assets	-	1,808,846
Electronically recorded monetary claims - operating	286,765	484,905
Merchandise and finished goods	264,410	198,708
Work in process	1,507,938	1,929,630
Raw materials and supplies	824,499	802,985
Advance payments	38,406	102,325
Others	102,711	208,393
Allowance for doubtful accounts	(149)	(73)
Total current assets	12,291,943	13,198,728
Fixed assets		
Property, plant and equipment		
Buildings and structures, net	775,290	740,807
Land	722,733	722,733
Others, net	552,259	492,648
Total property, plant and equipment	2,050,283	1,956,190
Intangible assets		
Others	20,529	17,074
Total intangible assets	20,529	17,074
Investments and other assets		
Others	722,438	856,432
Allowance for doubtful accounts	(44,421)	(44,314)
Total investments and other assets	678,017	812,118
Total fixed assets	2,748,830	2,785,383
Total assets	15,040,773	15,984,111

	<i>(Thousands of yen)</i>	
	FY3/21 (As of Mar. 31, 2021)	Third quarter of FY3/22 (As of Dec. 31, 2021)
Liabilities		
Current liabilities		
Notes and accounts payable	462,501	372,690
Electronically recorded obligations - operating	73,254	207,392
Short-term borrowings	130,000	-
Current portion of long-term borrowings	113,416	40,958
Accrued income taxes	207,776	1,857
Provision for bonuses	151,071	72,065
Provision for product warranties	12,245	19,109
Provision for loss on construction contracts	1,280	-
Advances received	146,197	-
Contract liabilities	-	1,260,944
Others	471,554	676,876
Total current liabilities	1,769,297	2,651,894
Long-term liabilities		
Long-term borrowings	187,566	181,104
Others	62,393	80,546
Total long-term liabilities	249,959	261,650
Total liabilities	2,019,256	2,913,544
Net assets		
Shareholders' equity		
Common stock	2,133,177	2,133,177
Capital surplus	2,568,397	2,569,524
Retained earnings	9,277,183	9,212,224
Treasury shares	(1,173,730)	(1,170,357)
Total shareholders' equity	12,805,027	12,744,568
Accumulated other comprehensive income		
Unrealized holding gain on other securities	216,489	325,998
Total accumulated other comprehensive income	216,489	325,998
Total net assets	13,021,516	13,070,567
Total liabilities and net assets	15,040,773	15,984,111

(2) Consolidated Statements of Income and Consolidated Statements of Comprehensive Income**Consolidated Statements of Income****(For the Nine-month Period)**

	<i>(Thousands of yen)</i>	
	First nine months of FY3/21 (Apr. 1, 2020 – Dec. 31, 2020)	First nine months of FY3/22 (Apr. 1, 2021 – Dec. 31, 2021)
Net sales	5,865,213	5,611,829
Cost of goods sold	3,841,003	3,763,279
Gross profit	2,024,210	1,848,550
Selling, general and administrative expenses	1,653,544	1,783,809
Operating profit	370,666	64,740
Non-operating income		
Interest income	1,952	12
Dividend income	15,508	20,558
Subsidy income	52,578	33,886
Miscellaneous revenue	14,282	5,461
Total non-operating income	84,320	59,917
Non-operating expenses		
Interest expense	3,441	2,182
Foreign exchange loss	6,389	7,601
Compensation expenses	-	4,418
Commission for syndicated loans	1,183	1,183
Miscellaneous loss	84	66
Total non-operating expenses	11,098	15,452
Recurring profit	443,887	109,205
Extraordinary income		
Gain on sale of fixed assets	318	163
Total extraordinary income	318	163
Extraordinary loss		
Loss on COVID-19	72,110	-
Loss on retirement of fixed assets	1,296	2
Total extraordinary losses	73,407	2
Profit before income taxes	370,798	109,367
Income taxes-current	137,803	65,268
Income taxes-deferred	(33,142)	(17,775)
Total income taxes	104,661	47,493
Profit	266,137	61,873
Profit attributable to owners of parent	266,137	61,873

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

	<i>(Thousands of yen)</i>	
	First nine months of FY3/21 (Apr. 1, 2020 – Dec. 31, 2020)	First nine months of FY3/22 (Apr. 1, 2021 – Dec. 31, 2021)
Profit	266,137	61,873
Other comprehensive income		
Unrealized holding gain on other securities	94,942	109,509
Total other comprehensive income	94,942	109,509
Comprehensive income	361,079	171,383
Comprehensive income attributable to		
Owners of parent	361,079	171,383
Non-controlling interests	-	-

(3) Notes to Quarterly Consolidated Financial Statements

Going Concern Assumption

Not applicable.

Significant Changes in Shareholders' Equity

Not applicable.

Changes in Accounting Policies

Application of the Accounting Standard for Revenue Recognition

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

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

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

As a result, the application of the new standard resulted in reductions of 117,648 thousand yen in sales, 67,649 thousand yen in cost of goods sold, and 49,998 thousand yen in operating profit, recurring profit and profit before income taxes, respectively. There is no effect on retained earnings at the beginning of the current fiscal year.

Due to the application of the Accounting Standard for Revenue Recognition, the notes and accounts receivable that was presented in the current assets section of the consolidated balance sheet in the previous fiscal year is, from the first quarter of the current fiscal year, presented as notes and accounts receivable, and contract assets and the advances received that was presented in the current liabilities section is presented as contract liabilities. In accordance with the transitional treatment prescribed in Paragraph 89-2 of the Accounting Standard for Revenue Recognition, no reclassification has been made to the prior year's consolidated financial statements to conform to the new presentation. Furthermore, in accordance with the transitional treatment prescribed in Paragraph 28-15 of the Accounting Standard for Quarterly Financial Reporting (ASBJ Statement No. 12, March 31, 2020), Helios Techno Holding has not presented information on revenue from contracts with customers broken down for the first nine months of the previous fiscal year.

Application of the Accounting Standards for Measurement of Fair Value

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

Segment Information

I. First nine months of FY3/21 (Apr. 1, 2020 – Dec. 31, 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	2,115,386	3,749,827	5,865,213	-	5,865,213
Inter-segment sales and transfers	8,220	-	8,220	(8,220)	-
Total	2,123,606	3,749,827	5,873,434	(8,220)	5,865,213
Segment profit	199,876	486,818	686,695	(316,029)	370,666

Notes: 1. The minus 316,029 thousand yen adjustment to segment profit 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 is adjusted to be consistent with operating profit shown on the consolidated statements of income.

II. First nine months of FY3/22 (Apr. 1, 2021 – Dec. 31, 2021)

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

(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					
Japan	888,294	1,477,834	2,366,128	-	2,366,128
China	461,523	1,160,543	1,622,067	-	1,622,067
Asia (excluding China)	376,840	1,195,580	1,572,420	-	1,572,420
Others	21,927	29,285	51,212	-	51,212
Revenue from contracts with customers	1,748,586	3,863,243	5,611,829	-	5,611,829
Sales to external customers	1,748,586	3,863,243	5,611,829	-	5,611,829
Inter-segment sales and transfers	12,842	580	13,422	(13,422)	-
Total	1,761,428	3,863,823	5,625,252	(13,422)	5,611,829
Segment profit	28,964	310,791	339,756	(275,015)	64,740

Notes: 1. The minus 275,015 thousand yen adjustment to segment profit 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 is adjusted to be consistent with operating profit shown on the consolidated statements of income.

2. Change in reportable segments

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

As a result, compared with the previous accounting method, net sales in the Manufacturing Equipment Business decreased by 117,648 thousand yen and segment profit decreased by 49,998 thousand yen.

Additional Information

Impact of COVID-19

The Helios Techno Holding Group makes accounting estimates based on the assumption that the impact of COVID-19 infections will continue for a certain period of time, and there have been no significant changes in the assumptions used for these accounting estimates since the previous fiscal year.

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

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

With regard to the transition to the group tax sharing system established under the "Act for Partial Amendment of the Income Tax Act, etc." (Act No. 8 of 2020) and the items for which the non-consolidated taxation system was revised in line with the transition to the group tax sharing system, pursuant to Paragraph 3 of the "Practical Solution on the Treatment of Tax Effect Accounting for the Transition from the Consolidated Taxation System to the Group Tax Sharing System" (ASBJ Practical Issues Task Force (PITF) No. 39, issued on March 31, 2020), Helios Techno Holding and certain domestic consolidated subsidiaries did not apply the provision of Paragraph 44 of the "Implementation Guidance on Tax Effect Accounting" (ASBJ Guidance No. 28, issued on February 16, 2018). Accordingly, the amounts of deferred tax assets and deferred tax liabilities are based on the provisions of the tax laws before the revision.

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.