



**Summary of Consolidated Financial Results for the Second Quarter
of Fiscal Year Ending March 31, 2024
(Six Months Ended September 30, 2023)**

[Japanese GAAP]

Company name: Helios Techno Holding Co., Ltd.

Listing: Tokyo

Stock code: 6927

URL: <https://www.heliostec-hd.co.jp/>

Representative: Yoshihisa Sato, President and Representative Director

Contact: Yasushi Akiba, Managing Director, Chief, President Office,

General Manager, General Administration Department

Tel: +81-3-6264-9510

Scheduled date of filing of Quarterly Report:

November 7, 2023

Scheduled date of payment of dividend:

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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 November 7, 2023 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, 2023**(April 1, 2023–September 30, 2023)**

(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, 2023	3,415	(20.1)	88	(83.0)	84	(85.2)	1,230	219.2
Six months ended Sep. 30, 2022	4,273	18.7	518	-	571	-	385	-

Note: Comprehensive income (million yen) Six months ended Sep. 30, 2023: 228 (down 62.6 %)

Six months ended Sep. 30, 2022: 611 (up 682.0 %)

	Net income per share (basic)	Net income per share (diluted)
	Yen	Yen
Six months ended Sep. 30, 2023	67.80	-
Six months ended Sep. 30, 2022	21.25	-

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio
	Million yen	Million yen	%
As of Sep. 30, 2023	17,732	15,100	85.2
As of Mar. 31, 2023	17,639	15,013	85.1

Reference: Equity (million yen) As of Sep. 30, 2023: 15,100

As of Mar. 31, 2023: 15,013

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, 2023	-	0.00	-	8.00	8.00
Fiscal year ending Mar. 31, 2024	-	0.00	-	-	-
Fiscal year ending Mar. 31, 2024 (forecast)	-	-	-	25.00	25.00

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

3. Consolidated Forecast for the Fiscal Year Ending March 31, 2024 (April 1, 2023–March 31, 2024)

(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	10,400	30.2	1,130	167.7	1,150	133.6	1,970	626.4	108.57

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 issued (common stock)

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

As of Sep. 30, 2023:	22,806,900 shares	As of Mar. 31, 2023:	22,806,900 shares
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2) Number of treasury shares at the end of period

As of Sep. 30, 2023:	4,659,041 shares	As of Mar. 31, 2023:	4,662,537 shares
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3) Average number of shares outstanding during the period

Six months ended Sep. 30, 2023:	18,145,776 shares	Six months ended Sep. 30, 2022:	18,137,207 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

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 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."

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1. Qualitative Information on Quarterly Consolidated Financial Results

(1) Explanation of Results of Operations

In the first half of the current fiscal year (the “period under review”), the Japanese economy showed a gradual recovery trend as economic activities were returning to normal due to the reclassification of COVID-19 into Class 5. However, the world economy continued to face an uncertain outlook, given the prolonged Ukraine situation, surging energy prices, supply constraints due to raw material shortages, the yen depreciation, and concerns about inflation.

Also, in the Asian markets centering on China, the Group’s main market, economic growth slowed in some areas, as evidenced partly by the cautious attitude toward capital investment in China, and the outlook remained uncertain.

Under such a business environment, the Group’s operating results are showing a trend that is biased toward the second half of the current fiscal year. As a result, the Group’s net sales for the period under review were 3,415 million yen (down 858 million yen, or 20.1%, from a year earlier). Operating profit was 88 million yen (down 430 million yen, or 83.0%, from a year earlier). Recurring profit was 84 million yen (down 486 million yen, or 85.2%, from a year earlier). Profit attributable to owners of parent was 1,230 million yen (up 844 million yen, or 219.2%, from a year earlier).

In accordance with the Group’s policy of cross-shareholdings, the Group sold investment securities held by a consolidated subsidiary to pursue greater efficiency of owned assets and strengthen its financial position. As a result, the Group recorded a gain on sale of investment securities of 1,653 million yen under extraordinary income for the period under review.

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

i) Lamp Business

In the Lamp Business, shipments of light source lamps for exposure equipment, our core industrial lamp products, exceeded the plan in the period under review, thanks to some front-loaded deliveries at customers’ request. For industrial LEDs and other products under development, sales remained sluggish as we failed to meet the targets due to the extended evaluation period for developed products and a delay in obtaining orders for mass production. Nevertheless, we will continue active sales operations and product development to meet customers’ needs while establishing a system for mass production and expanding sales channels.

Consequently, the segment sales for the period under review were 1,337 million yen (up 24.3% from a year earlier), with a segment profit of 198 million yen (compared with a segment loss of 10 million yen a year earlier).

ii) Manufacturing Equipment Business

In the Manufacturing Equipment Business, sales remained sluggish compared with the same period of the previous year, but exceeded the plan thanks to some front-loaded deliveries of light source units for exposure equipment. The sales were sluggish because the schedules of shipments and receiving inspections for the Group’s core products, such as printing equipment for alignment layers, inkjet printing systems, and light source units for exposure equipment, are concentrated in the third quarter of the current fiscal year or later.

We will continue to put effort into promoting the business to proceed with shipments and receiving inspections for large-scale projects as planned in the third quarter and beyond.

Consequently, the segment sales for the period under review were 2,087 million yen (down 34.8% from a year earlier), with a segment profit of 104 million yen (down 86.2% from a year earlier).

(2) Explanation of Financial Position

i) Assets, liabilities and net assets

Assets

Current assets increased 1,329 million yen from the end of the previous fiscal year to 14,359 million yen. This was mainly due to a 504 million yen increase in cash and deposits with banks, a 784 million yen increase in work in

process, and a 142 million yen increase in accounts receivable - other included in others of current assets, which were partially offset by a 100 million yen decrease in income taxes refund receivable included in others of current assets.

Fixed assets decreased by 1,236 million yen from the end of the previous fiscal year to 3,372 million yen. This was mainly due to a 1,432 million yen decrease in investment securities, which was partially offset by a 48 million yen increase in leased assets included in others, net of property, plant and equipment, and a 110 million yen increase in leasehold and guarantee deposits included in others of investments and other assets.

As a result, total assets increased 92 million yen, or 0.5%, from the end of the previous fiscal year to 17,732 million yen.

Liabilities

Current liabilities increased 374 million yen from the end of the previous fiscal year to 2,382 million yen. This was mainly due to a 112 million yen increase in electronically recorded obligations - operating, and a 515 million yen increase in accrued income taxes, which were partially offset by a 100 million yen decrease in short-term borrowings and a 159 million yen decrease in contract liabilities.

Long-term liabilities decreased by 368 million yen from the end of the previous fiscal year to 248 million yen. This was mainly due to a 414 million yen decrease in deferred tax liabilities included in others of long-term liabilities, which was partially offset by a 50 million yen increase in lease obligations included in others of long-term liabilities.

As a result, total liabilities increased 5 million yen, or 0.2%, from the end of the previous fiscal year to 2,631 million yen.

Net assets

Net assets increased 87 million yen, or 0.6%, from the end of the previous fiscal year to 15,100 million yen. This was mainly due to the recording of profit attributable to owners of parent of 1,230 million yen, which was partially offset by the payment of dividends from a surplus of 145 million yen and a 1,001 million yen decrease in unrealized holding gain on other securities.

As a result, the equity ratio increased 0.1 percentage points from the end of the previous fiscal year to 85.2% at the end of the period under review, mainly reflecting the increases in total assets and liabilities as described above.

ii) Cash flows

Cash flows from operating activities

Net cash used in operating activities was 713 million yen, compared with net cash provided of 1,022 million yen a year earlier. The main factors were profit before income taxes of 1,738 million yen, gain on sale of investment securities of 1,653 million yen, a 698 million yen increase in inventories, a 135 million yen increase in notes and accounts payable, and a 159 million yen decrease in contract liabilities.

Cash flows from investing activities

Net cash provided by investing activities was 1,465 million yen, compared with net cash used of 32 million yen a year earlier. The main factors were payment for purchase of property, plant and equipment of 77 million yen, proceeds from sale of investment securities of 1,653 million yen, and payments of leasehold and guarantee deposits included in others of 110 million yen.

Cash flows from financing activities

Net cash used in financing activities was 251 million yen, compared with net cash used of 158 million yen a year earlier. The main factors were a net decrease in short-term borrowings of 100 million yen and cash dividends paid of 145 million yen.

As a result of the above, cash and cash equivalents as of the end of the period under review increased 504 million yen from the end of the previous fiscal year to 8,713 million yen.

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

Considering the results for the period under review, we have revised the consolidated forecast and dividend forecast for the fiscal year ending March 31, 2024 announced on June 21, 2023 and May 8, 2023, respectively. For more details, please refer to the press release titled “Notice of Differences between the Consolidated Forecast and Results for the First Half of FY3/24 and Revisions to the Consolidated Forecast and Dividend Forecast for the Full-year FY3/24,” which was announced on November 7, 2023.

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

	FY3/23 (As of Mar. 31, 2023)	Second quarter of FY3/24 (As of Sep. 30, 2023)
Assets		
Current assets		
Cash and deposits with banks	8,208,538	8,713,156
Notes and accounts receivable, and contract assets	1,940,591	2,006,548
Electronically recorded monetary claims - operating	85,162	94,722
Merchandise and finished goods	143,521	81,522
Work in process	1,601,368	2,385,666
Raw materials and supplies	755,054	730,797
Advance payments	31,128	41,798
Others	268,362	307,740
Allowance for doubtful accounts	(3,474)	(2,120)
Total current assets	13,030,254	14,359,832
Fixed assets		
Property, plant and equipment		
Buildings and structures, net	683,181	658,162
Land	722,733	722,733
Others, net	354,673	428,302
Total property, plant and equipment	1,760,588	1,809,198
Intangible assets		
Others	15,961	13,553
Total intangible assets	15,961	13,553
Investments and other assets		
Investment securities	2,786,913	1,354,310
Others	78,214	234,757
Allowance for doubtful accounts	(32,493)	(39,407)
Total investments and other assets	2,832,634	1,549,659
Total fixed assets	4,609,184	3,372,410
Total assets	17,639,438	17,732,243

	<i>(Thousands of yen)</i>	
	FY3/23 (As of Mar. 31, 2023)	Second quarter of FY3/24 (As of Sep. 30, 2023)
Liabilities		
Current liabilities		
Notes and accounts payable	631,407	654,298
Electronically recorded obligations - operating	22,761	135,080
Short-term borrowings	100,000	-
Current portion of long-term borrowings	107,752	107,197
Accrued income taxes	41,069	556,814
Provision for bonuses	179,309	139,104
Provision for product warranties	11,263	10,836
Provision for loss on construction contracts	36,124	40,247
Contract liabilities	400,140	240,527
Others	478,980	498,769
Total current liabilities	2,008,810	2,382,875
Long-term liabilities		
Long-term borrowings	60,000	54,995
Others	557,094	193,651
Total long-term liabilities	617,094	248,646
Total liabilities	2,625,905	2,631,521
Net assets		
Shareholders' equity		
Common stock	2,133,177	2,133,177
Capital surplus	2,570,043	2,572,667
Retained earnings	9,691,058	10,776,168
Treasury shares	(1,167,377)	(1,166,501)
Total shareholders' equity	13,226,902	14,315,511
Accumulated other comprehensive income		
Unrealized holding gain on other securities	1,786,631	785,211
Total accumulated other comprehensive income	1,786,631	785,211
Total net assets	15,013,533	15,100,722
Total liabilities and net assets	17,639,438	17,732,243

(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 FY3/23 (Apr. 1, 2022–Sep. 30, 2022)	First six months of FY3/24 (Apr. 1, 2023–Sep. 30, 2023)
Net sales	4,273,969	3,415,573
Cost of goods sold	2,520,236	2,165,663
Gross profit	1,753,732	1,249,909
Selling, general and administrative expenses	1,235,664	1,161,863
Operating profit	518,068	88,045
Non-operating income		
Interest income	10	1,507
Dividend income	15,900	25,100
Foreign exchange profit	29,951	–
Subsidy income	2,296	–
Miscellaneous revenue	7,804	6,069
Total non-operating income	55,962	32,677
Non-operating expenses		
Interest expenses	1,300	1,251
Foreign exchange loss	–	5,599
Commission expenses	–	28,111
Commission for syndicated loans	1,089	–
Miscellaneous loss	83	1,085
Total non-operating expenses	2,473	36,048
Recurring profit	571,557	84,675
Extraordinary income		
Gain on sale of fixed assets	–	28
Gain on sale of investment securities	–	1,653,641
Total extraordinary income	–	1,653,670
Extraordinary loss		
Loss on retirement of fixed assets	515	154
Retirement benefits for directors	36,681	–
Total extraordinary losses	37,196	154
Profit before income taxes	534,361	1,738,191
Income taxes-current	145,423	530,030
Income taxes-deferred	3,553	(22,102)
Total income taxes	148,976	507,927
Profit	385,384	1,230,264
Profit attributable to owners of parent	385,384	1,230,264

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

	<i>(Thousands of yen)</i>	
	First six months of FY3/23 (Apr. 1, 2022–Sep. 30, 2022)	First six months of FY3/24 (Apr. 1, 2023–Sep. 30, 2023)
Profit	385,384	1,230,264
Other comprehensive income		
Unrealized holding gain on other securities	226,066	(1,001,419)
Total other comprehensive income	226,066	(1,001,419)
Comprehensive income	611,451	228,844
Comprehensive income attributable to:		
Owners of parent	611,451	228,844
Non-controlling interests	–	–

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

	First six months of FY3/23 (Apr. 1, 2022 – Sep. 30, 2022)	First six months of FY3/24 (Apr. 1, 2023 – Sep. 30, 2023)
Cash flows from operating activities		
Profit before income taxes	534,361	1,738,191
Depreciation and amortization	95,049	86,792
Increase (decrease) in accrued bonuses	(14,748)	(40,205)
Increase (decrease) in allowance for doubtful accounts	(62)	5,559
Increase (decrease) in provision for product warranties	(6,958)	(427)
Increase (decrease) in provision for loss on construction contracts	–	4,123
Interest and dividend income	(15,910)	(26,607)
Subsidy income	(2,296)	–
Retirement benefits for directors	36,681	–
Interest expense	1,300	1,251
Loss (gain) on sale of investment securities	–	(1,653,641)
Loss (gain) on sale of fixed assets	–	(28)
Loss on disposal of fixed assets	515	154
Decrease (increase) in notes and accounts receivable and contract assets	831,370	(82,430)
Decrease (increase) in inventories	(396,201)	(698,041)
Decrease (increase) in other accounts receivable	(12)	(34,383)
Decrease (increase) in advance payments	(60,120)	(10,669)
Increase (decrease) in notes and accounts payable	(203,299)	135,209
Decrease/increase in consumption taxes receivable/payable	(22,774)	(97,937)
Increase (decrease) in other accounts payable	(8,184)	7,155
Increase (decrease) in contract liabilities	506,829	(159,613)
Others	(86,598)	(5,622)
Subtotal	1,188,940	(831,174)
Interests and dividends received	15,910	26,607
Interests paid	(1,406)	(1,256)
Proceeds from subsidy income	2,296	–
Income taxes paid	(201,259)	(40,525)
Income taxes refund	17,891	132,824
Net cash provided by (used in) operating activities	1,022,372	(713,524)
Cash flows from investing activities		
Payment for purchase of property, plant and equipment	(32,254)	(77,086)
Proceeds from sale of property, plant, and equipment	–	100
Payment for purchase of intangible assets	(528)	(612)
Proceeds from sale of investment securities	–	1,653,641
Others	(121)	(110,788)
Net cash provided by (used in) investing activities	(32,904)	1,465,253
Cash flows from financing activities		
Net increase (decrease) in short-term borrowings	–	(100,000)
Repayment of long-term borrowings	(13,142)	(5,560)
Repayment of lease obligations	(796)	(1,143)
Cash dividends paid	(145,059)	(145,154)
Net cash provided by (used in) financing activities	(158,998)	(251,858)
Effect of exchange rate change on cash and cash equivalents	15,482	4,747
Net increase (decrease) in cash and cash equivalents	845,952	504,618
Cash and cash equivalents at beginning of period	7,851,015	8,208,538
Cash and cash equivalents at end of period	8,696,967	8,713,156

(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 FY3/23 (Apr. 1, 2022–Sep. 30, 2022)

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	582,494	615,438	1,197,932	–	1,197,932
China	293,916	1,681,450	1,975,366	–	1,975,366
Asia (excluding China)	184,700	905,381	1,090,082	–	1,090,082
Others	9,516	1,071	10,587	–	10,587
Revenue from contracts with customers	1,070,627	3,203,341	4,273,969	–	4,273,969
Sales to external customers	1,070,627	3,203,341	4,273,969	–	4,273,969
Inter-segment sales and transfers	5,387	–	5,387	(5,387)	–
Total	1,076,015	3,203,341	4,279,356	(5,387)	4,273,969
Segment profit (loss)	(10,900)	757,584	746,683	(228,614)	518,068

Notes: 1. The minus 228,614 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 profit on the consolidated statements of income.

II. First six months of FY3/24 (Apr. 1, 2023–Sep. 30, 2023)

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	659,990	389,804	1,049,794	–	1,049,794
China	478,233	864,281	1,342,514	–	1,342,514
Asia (excluding China)	182,988	830,755	1,013,743	–	1,013,743
Others	7,030	2,488	9,519	–	9,519
Revenue from contracts with customers	1,328,242	2,087,330	3,415,573	–	3,415,573
Sales to external customers	1,328,242	2,087,330	3,415,573	–	3,415,573
Inter-segment sales and transfers	9,141	–	9,141	(9,141)	–
Total	1,337,384	2,087,330	3,424,714	(9,141)	3,415,573
Segment profit	198,596	104,198	302,794	(214,748)	88,045

Notes: 1. The minus 214,748 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 on the consolidated statements of income.

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.