

News Release Dated November 10, 2010

Company name: Helios Techno Holding Co., Ltd.
 (URL: <http://www.heliostec-hd.co.jp>)
 Stock code: 6927
 Stock exchange listing: Tokyo Stock Exchange (First Section) and Osaka Securities Exchange (JASDAQ)
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Disposal of Treasury Stock Using Private Placement

The Board of Directors of Helios Techno Holding Co., Ltd. on November 10, 2010 approved a resolution to conduct the disposal of treasury stock using private placement as follows.

1. Summary of disposal

(1) Deadline for disposal	November 29, 2010
(2) Treasury stock to be sold	881,000 shares
(3) Disposal price	227 yen per share
(4) Amount of funds to be raised	199,987,000 yen
(5) Subscription or disposal method	Private placement
(6) Purchaser	KAGA ELECTRONICS CO., LTD.
(7) Other items	The submission of a securities registration statement pursuant to the Financial Instruments and Exchange Law is a requirement for this private placement.

2. Purpose and reason for this disposal

The Helios Techno Group completed the development of LED lamps and started selling these lamps two years ago. The strong customer response to these lamps indicates that demand will grow significantly. Helios Techno already purchases some components for LED lamps from KAGA ELECTRONICS. Starting in 2010, KAGA ELECTRONICS is assisting with the sales of these lamps as well by using its sales network to increase lamp sales. Helios Techno has decided to sell treasury stock to KAGA ELECTRONICS in order to build a collaborative relationship for the purpose of increasing corporate value. One aim is to further deepen ties with KAGA ELECTRONICS concerning the Helios Techno LED lamp business. Plans also include moving quickly to increase business relationships between KAGA ELECTRONICS and other businesses of the Helios Techno Group.

3. Amount procured, use of funds and estimated time of expenditures

(1) Amount procured

Total amount of disposal	199,987 thousand yen
Issuing expenses	100 thousand yen
Approximate net proceeds	199,887 thousand yen

(2) Specific use of funds procured

Helios Techno plans to use the proceeds for loans to subsidiary PHOENIX Electric Co., Ltd. to provide working capital for this company. This subsidiary requires funds for R&D activities and the purchase of materials in order to increase sales of LED lamps.

(3) Estimated time of expenditures

Expenditures are planned for late November 2010.

4. Justification for this use of funds

Funds procured from this disposal of treasury stock will be used for the business operations of the Helios Techno Group, particularly to increase sales of LED lamps. This product category has excellent prospects for growth. In addition, Helios Techno expects that the proceeds will increase the soundness of its financial condition. For these reasons, Helios Techno believes that this is a proper use of the proceeds.

5. Justification for the terms of the treasury stock disposal

(1) Basis for decision that terms of the disposal (disposal price, etc.) are reasonable

The disposal price is 227 yen, which is the closing price of Helios Techno stock on the Tokyo Stock Exchange on November 9, 2010, the day before the Board of Directors resolution to conduct this disposal. Helios Techno believes that this is a reasonable price because it is an objective indication of the recent value of Helios Techno stock. The average closing price on the Tokyo Stock Exchange of Helios Techno stock during the one-month period prior to the Board of Directors resolution (October 10, 2010 to November 9, 2010) is 192 yen (fractions rounded down). The disposal price is 18% higher than this average. The average closing price on the Tokyo Stock Exchange of Helios Techno stock during the three-month period prior to the Board of Directors resolution (August 10, 2010 to November 9, 2010) is 202 yen (fractions rounded down). The disposal price is 12% higher than this average. The average closing price on the Tokyo Stock Exchange of Helios Techno stock during the six-month period prior to the Board of Directors resolution (May 10, 2010 to November 9, 2010) is 233 yen (fractions rounded down). The disposal price is 3% lower than this average.

The three auditors of Helios Techno, including two outside auditors, have submitted an opinion to the Board of Directors stating that the determination of the disposal price by the directors does not constitute a disposal at a price this is particularly favorable as prescribed in the Companies Law.

(2) Basis for decision that the number of shares disposed and amount of stock dilution are reasonable

The 881,000 shares of treasury stock to be sold will result in a dilution of only 5.33% of Helios Techno stock currently issued (based on voting rights). Consequently, the effect of the dilution will be very limited. In addition, Helios Techno believes that the sale of this treasury stock will increase the corporate value of the Helios Techno Group by deepening its relationship with KAGA ELECTRONICS. For these reasons, Helios Techno believes that the number of shares and amount of dilution are reasonable.

6. Reasons for selection of purchaser

(1) Profile of purchaser

(1) Name:	KAGA ELECTRONICS CO., LTD.
(2) Location:	Sumitomo Fudosan Akihabara Building, 3-12-8, Soto-Kanda, Chiyoda-ku, Tokyo
(3) Representative:	Isao Tsukamoto, Founder & CEO Tomohisa Tsukamoto, President & COO
(4) Business activities:	General trading company for electronics with no ties to any corporate groups
(5) Capital:	12,133 million yen
(6) Established:	September, 1968
(7) Number of shares outstanding:	28,702,118 shares
(8) Fiscal year end:	March
(9) Number of employees:	(consolidated) 5,361
(10) Major customers:	FUJITSU LIMITED, Sharp Corporation, KYOCERA Corporation
(11) Main banks:	The Bank of Tokyo-Mitsubishi UFJ, Ltd., Mizuho Bank, Ltd.
(12) Major shareholders and shareholding ratios:	Japan Trustee Services Bank, Ltd. (12.05%) Trust & Custody Services Bank, Ltd. (5.31%) Isao Tsukamoto (4.53%)
(13) Relationships:	
Capital	There is no significant capital relationship between the two companies, and there are no significant capital relationships between persons or companies affiliated with Helios Techno, and persons or companies affiliated with KAGA ELECTRONICS.
Personal	There is no significant personal relationship between the two companies, and there are no significant personal relationships between persons or companies affiliated with Helios Techno, and persons or companies affiliated with KAGA ELECTRONICS.
Business	There is no significant transactional relationship between the two companies. Helios Techno subsidiary PHOENIX Electric has been purchasing some components for its products from KAGA ELECTRONICS. Furthermore, KAGA ELECTRONICS is a sales agent for the products of Helios Techno. And there are no significant transactional relationships between persons or companies affiliated with Helios Techno, excluding PHOENIX Electric, and persons or companies affiliated with KAGA ELECTRONICS.
Other relationships	KAGA ELECTRONICS is not related to Helios Techno, and no persons or companies affiliated with KAGA ELECTRONICS are related to Helios Techno.

(14) Results of operations and financial conditions for the last three (3) years			
Fiscal year end	FY3/08	FY3/09	FY3/10
Consolidated net assets (Million yen)	52,192	49,560	48,553
Consolidated total assets (Million yen)	130,423	117,251	113,962
Consolidated net assets per share (Yen)	1,858.26	1,730.98	1,697.27
Consolidated net sales (Million yen)	291,331	273,610	239,391
Consolidated operating income (Million yen)	7,786	2,249	1,582
Consolidated recurring profit (Million yen)	7,040	2,208	1,280
Consolidated net income (Million yen)	3,684	(806)	(318)
Consolidated net income per share (Yen)	128.93	(28.91)	(11.55)
Consolidated dividend per share (Yen)	25.00	15.00	15.00

(2) Reason for selection of KAGA ELECTRONICS

KAGA ELECTRONICS is a supplier of the lamp business of PHOENIX Electric, which belongs to the Helios Techno Group. In particular, there has been a growing volume of transactions with KAGA ELECTRONICS involving the supply of LED components and sales agent activities for LED lamps. Helios Techno believes that it is important to build a collaborative relationship with KAGA ELECTRONICS that is aimed at increasing corporate value. Helios Techno wants to further strengthen ties with KAGA ELECTRONICS with regard to the PHOENIX Electric LED lamp business. Helios Techno also wants to aggressively deepen business ties with other operations of group companies. KAGA ELECTRONICS was selected as the purchaser for this disposal of treasury stock for these reasons.

(3) Policy of KAGA ELECTRONICS for Helios Techno stock

Although KAGA ELECTRONICS has stated that it intends to become a medium to long-term holder of the treasury stock to be sold, no arrangement has been reached between Helios Techno and KAGA ELECTRONICS concerning the holding period of this stock. Helios Techno and KAGA ELECTRONICS plan to sign a pledge concerning the transfer of all or part of treasury stock purchased through this private placement during the two-year period beginning on the allocation date. If such a transfer takes place, KAGA ELECTRONICS will pledge to immediately notify Helios Techno in writing of the name and address of the recipient of the stock, the number of shares transferred, the transfer date, the price, reason for the transfer, transfer method and other items. Furthermore, Helios Techno will submit information about the transfer received from KAGA ELECTRONICS to the Tokyo Stock Exchange and this information will be made available to the public.

(4) Confirmation that KAGA ELECTRONICS has the financial sources for the payment for the treasury stock

Helios Techno has confirmed that KAGA ELECTRONICS has the cash that is required and sufficient for the payment for the treasury stock. For this confirmation, Helios Techno checked net sales, total assets, net assets, cash and deposits with banks and other financial items in the *Yukashoken Hokokusho* (securities report), *Kessan Tanshin* (flash report) and other reports of KAGA ELECTRONICS for the most recent fiscal year (ended March 31, 2010) and quarter (ended June 30, 2010).

7. Major shareholders and shareholding ratios after disposal

Before disposal (As of September 30, 2010)		After disposal	
Japan Trustee Services Bank, Ltd. (Trust Account)	2.41%	KAGA ELECTRONICS CO., LTD.	5.33%
Japan Securities Finance Co., Ltd.	2.25%	Japan Trustee Services Bank, Ltd. (Trust Account)	2.29%
Takashi Takenaka	2.04%	Japan Securities Finance Co., Ltd.	2.13%
The Bank of Tokyo-Mitsubishi UFJ, Ltd.	1.44%	Takashi Takenaka	1.93%
The Master Trust Bank of Japan, Ltd. (Trust Account)	1.43%	The Bank of Tokyo-Mitsubishi UFJ, Ltd.	1.36%
The Chuo Mitsui Trust and Banking Company, Limited	1.42%	The Master Trust Bank of Japan, Ltd. (Trust Account)	1.36%
SBI SECURITIES Co., Ltd.	0.88%	The Chuo Mitsui Trust and Banking Company, Limited	1.34%
Masayuki Takenaka	0.78%	SBI SECURITIES Co., Ltd.	0.84%
KYOKUTO SANKI CO., LTD.	0.75%	Masayuki Takenaka	0.74%
Japan Trustee Services Bank, Ltd. (Trust Account)	0.71%	KYOKUTO SANKI CO., LTD.	0.71%

Note: The shareholder register as of September 30, 2010 was used as the basis for major shareholders and shareholding ratios following the disposal of treasury stock. In addition, treasury stock is not included in the above list of major shareholders. The shareholding ratio is the number of voting rights held in relation to the total number of voting rights.

8. Outlook

This disposal of treasury stock will have no effect on the forecast for the current fiscal year.

9. Item concerning procedure with regard to corporate code of conduct

This private placement of treasury stock will result in dilution of less than 25% and there will be no change in a controlling shareholder. As a result, there is no need for the receipt of an opinion from an independent third-party or a procedure to confirm the wishes of shareholders as prescribed in Article 432 of the Securities Listing Regulations established by the Tokyo Stock Exchange.

10. Business results for and equity finance executed in the last three (3) years

(1) Consolidated business results for the last three (3) years

	FY3/08	FY3/09	FY3/10
Net sales	9,005,637	6,113,751	10,536,437
Operating income (loss)	972,499	(240,600)	(157,391)
Recurring profit (loss)	787,063	(237,158)	(20,391)
Net income (loss)	361,294	(947,985)	(314,980)
Net income (loss) per share	16.25	(43.97)	(14.32)
Dividend per share	10.00	4.50	2.00
Net assets per share	444.92	402.85	372.30

(2) Current number of shares outstanding and dilutive shares (As of November 10, 2010)

	Number of shares	Ratio to total number of issued shares
Number of shares outstanding	22,806,900 shares	100.0%
Number of dilutive shares at current conversion price (exercise price)	- shares	- %
Number of dilutive shares at minimum conversion price (exercise price)	- shares	- %
Number of dilutive shares at maximum conversion price (exercise price)	- shares	- %

(3) Recent stock prices

1) Situation over the last three (3) years

	FY3/08	FY3/09	FY3/10
Open	584 yen	275 yen	186 yen
High	599 yen	297 yen	405 yen
Low	268 yen	110 yen	163 yen
Close	270 yen	194 yen	311 yen

2) Situation over the last six (6) months

	May	June	July	August	September	October
Open	298 yen	258 yen	255 yen	252 yen	205 yen	194 yen
High	298 yen	269 yen	266 yen	267 yen	215 yen	198 yen
Low	255 yen	250 yen	248 yen	194 yen	192 yen	173 yen
Close	261 yen	252 yen	260 yen	205 yen	196 yen	176 yen

3) Stock price as of the business day prior to the resolution for issuance

	As of November 9, 2010
Open	226
High	231
Low	218
Close	227

(4) Equity financing within the last three years
Not applicable.

11. Summary of disposal

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