

Consolidated Financial Statements

For the First Quarter ended June 30, 2021

INNOTECH CORPORATION

Stock Listed: Tokyo Stock Exchange Section 1
 Code No.: 9880
 URL: <https://www.innotech.co.jp/>
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 TEL: 81-45-474-9000
 President and Representative Director: Nobuyuki Otsuka
 U.S. Accounting Principle: Not adopted

(Amounts below one million are rounded down)

1. Consolidated Financial Highlights for the First Quarter ended June 30, 2021

(April 1, 2021 to June 30, 2021)

(1) Consolidated Operating Results (% represents the change from the same period in the previous fiscal year)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent	
	million yen	%	million yen	%	million yen	%	million yen	%
First Quarter, FY2021	9,228	36.1	812	815.2	954	372.8	640	669.0
First Quarter, FY2020	6,782	5.9	88	177.9	201	478.8	83	—

[Note] Comprehensive income First Quarter, FY2021: 1,026 million yen (—%) First Quarter, FY2020: Δ36 million yen (—%)

	Profit attributable to owners of parent per share	Diluted profit attributable to owners of parent per share
	yen sen	yen sen
First Quarter, FY2021	50.24	47.65
First Quarter, FY2020	6.55	6.21

(2) Consolidated Financial Position

	Total assets	Net assets	Net worth ratio
	million yen	million yen	%
First Quarter, FY2021	40,967	21,683	50.5
FY2020	37,680	21,127	53.3

[Reference] Net worth First Quarter, FY2021: 20,676 million yen FY2020: 20,094 million yen

2. Dividend Payment Results and Outlook

	Annual dividend per share Total				
	As of Q1-end	As of Q2-end	As of Q3-end	As of Fiscal Year-end	Full Year
	yen sen	yen sen	yen sen	yen sen	yen sen
FY2020	—	20.00	—	30.00	50.00
FY2021	—	—	—	—	—
FY2021 (outlook)	—	30.00	—	30.00	60.00

[Note] Revision made in the forecast dividend as of the end of the current quarter: None

3. Consolidated Business Outlook for FY2021 (April 1, 2021 to March 31, 2022)

(% represents the change from the same period in the previous fiscal year)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent		Profit attributable to owners of parent per share
	million yen	%	million yen	%	million yen	%	million yen	%	yen sen
FY2021	34,000	4.5	2,300	17.7	2,400	Δ 2.5	1,500	Δ 2.3	117.64

[Note] Change made in figures of the consolidated business outlook as of the end of the current quarter from the previous announcement: None

Notes to Consolidated Financial Statements

(1) Change in significant subsidiaries during the first quarter : None
Newly — (Name of Company) — Exception — (Name of Company) —

(2) Application of peculiar methods for accounting procedures : None

(3) Changes in accounting procedures:
① Related to accounting standard revisions etc. : Yes
② Other changes : None
③ Changes in accounting estimates : None
④ Modified restatements : None

(4) Number of shares outstanding (common stock)

① Total outstanding shares including treasury shares as of:				
June 30, 2021	13,700,000 shares	March 31, 2021		13,700,000 shares
② Outstanding treasury shares as of:				
June 30, 2021	948,918 shares	March 31, 2021		967,318 shares
③ Average outstanding shares for the first quarter ended:				
June 30, 2021	12,740,449 shares	June 30, 2020		12,702,582 shares

[Note] Information about quarterly review procedure execution:

This earnings release report is not subject to audit procedures based on the Financial Instruments and Exchange Act. At the time of disclosure of this report, the audit procedures for the financial statements are in progress.

[Note] Request for appropriate use of the business outlook and other special remarks:

The information provided in this documentation includes forward looking statements based on current expectations, forecasts or beliefs. Such forward looking statements include a number of preliminary assumptions about future events that are subject to factors and uncertainties that could cause actual results to differ materially from those described in the forward looking statements.

Quarterly Consolidated Balance Sheets

(Thousands of yen)

	As of March 31, 2021	As of June 30, 2021
Assets		
Current assets		
Cash and deposits	5,626,102	5,656,646
Notes and accounts receivable - trade	8,550,611	—
Notes and accounts receivable - trade, and contract assets	—	9,596,057
Merchandise and finished goods	3,063,070	3,446,065
Work in process	843,715	999,720
Raw materials	886,696	1,117,080
Other	1,511,271	2,583,973
Allowance for doubtful accounts	△5,260	△5,193
Total current assets	20,476,207	23,394,349
Non-current assets		
Property, plant and equipment		
Buildings and structures	8,490,409	8,510,424
Accumulated depreciation	△4,859,204	△4,918,882
Buildings and structures, net	3,631,205	3,591,542
Land	5,877,882	5,877,882
Other	3,093,267	3,367,144
Accumulated depreciation	△1,888,906	△2,034,331
Other, net	1,204,360	1,332,813
Total property, plant and equipment	10,713,449	10,802,238
Intangible assets		
Goodwill	1,270,585	1,289,972
Other	953,886	1,045,650
Total intangible assets	2,224,472	2,335,622
Investments and other assets		
Investment securities	2,059,944	2,201,091
Other	2,206,165	2,233,848
Allowance for doubtful accounts	△45	—
Total investments and other assets	4,266,064	4,434,940
Total non-current assets	17,203,986	17,572,801
Total assets	37,680,193	40,967,151

(Thousands of yen)

	As of March 31, 2021	As of June 30, 2021
Liabilities		
Current liabilities		
Notes and accounts payable - trade	1,947,360	2,645,352
Short-term borrowings	4,590,106	4,910,792
Current portion of long-term borrowings	521,690	480,016
Income taxes payable	654,806	399,377
Advances received	2,393,416	4,359,657
Provision for bonuses	209,848	324,886
Provision for bonuses for directors (and other officers)	—	25,969
Other	1,866,509	1,837,650
Total current liabilities	12,183,738	14,983,702
Non-current liabilities		
Bonds payable	2,200,000	2,200,000
Long-term borrowings	1,233,312	1,113,308
Provision for retirement benefits for directors (and other officers)	137,148	141,698
Retirement benefit liability	260,216	268,462
Other	538,603	576,359
Total non-current liabilities	4,369,280	4,299,828
Total liabilities	16,553,018	19,283,530
Net assets		
Shareholders' equity		
Share capital	10,517,159	10,517,159
Capital surplus	4,468,928	4,462,624
Retained earnings	6,606,521	6,798,942
Treasury shares	△1,113,930	△1,092,742
Total shareholders' equity	20,478,678	20,685,985
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	43,782	56,899
Deferred gains or losses on hedges	△89,184	△67,521
Foreign currency translation adjustment	△337,861	2,076
Remeasurements of defined benefit plans	△1,013	△905
Total accumulated other comprehensive income	△384,277	△9,450
Share acquisition rights	273,336	268,902
Non-controlling interests	759,437	738,182
Total net assets	21,127,174	21,683,620
Total liabilities and net assets	37,680,193	40,967,151

Quarterly Consolidated Statements of Income

(Thousands of yen)

	Three months ended June 30, 2020	Three months ended June 30, 2021
Net sales	6,782,231	9,228,281
Cost of sales	4,750,556	6,302,735
Gross profit	2,031,675	2,925,546
Selling, general and administrative expenses	1,942,862	2,112,757
Operating profit	88,812	812,789
Non-operating income		
Rental income from real estate	119,685	113,729
Subsidy income	634	64,115
Other	105,110	59,273
Total non-operating income	225,431	237,118
Non-operating expenses		
Rental expenses on real estate	84,639	81,840
Other	27,784	13,802
Total non-operating expenses	112,423	95,642
Ordinary profit	201,819	954,265
Profit before income taxes	201,819	954,265
Income taxes	127,228	311,317
Profit	74,591	642,947
Profit (loss) attributable to non-controlling interests	△8,649	2,842
Profit attributable to owners of parent	83,241	640,105

Quarterly Consolidated Statements of Comprehensive Income

(Thousands of yen)

	Three months ended June 30, 2020	Three months ended June 30, 2021
Profit	74,591	642,947
Other comprehensive income		
Valuation difference on available-for-sale securities	3,408	13,117
Deferred gains or losses on hedges	6,618	21,663
Foreign currency translation adjustment	△124,251	349,060
Remeasurements of defined benefit plans, net of tax	3,130	107
Total other comprehensive income	△111,093	383,949
Comprehensive income	△36,502	1,026,897
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	△15,320	1,014,932
Comprehensive income attributable to non-controlling interests	△21,181	11,964