



# Consolidated Financial Statements

## For the Second Quarter ended September 30, 2022 [Japanese GAAP]

November 10, 2022

Listed Company Name: INNOTECH CORPORATION  
 Stock Listed: Prime Market of the Tokyo Stock Exchange  
 Code No.: 9880  
 URL: <https://www.innotech.co.jp/>  
 Headquarters: 3-17-6, Shinyokohama, Kouhoku-ku, Yokohama-shi 222-8580 JAPAN  
 TEL: 81-45-474-9000 / FAX: 81-45-474-9089  
 President and Representative Director: Nobuyuki Otsuka

(Amounts are rounded down to the nearest million yen.)

### 1. Consolidated Financial Highlights for the Second Quarter ended September 30, 2022

(April 1, 2022 to September 30, 2022)

#### (1) Consolidated Operating Results

(Percentages indicate year-on-year changes)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent	
	million yen	%	million yen	%	million yen	%	million yen	%
Second Quarter, FY2022	19,763	4.8	1,261	△ 24.9	1,528	△ 21.7	923	△ 34.4
Second Quarter, FY2021	18,863	26.3	1,681	268.2	1,952	226.0	1,406	383.6

[NOTE] Comprehensive income Second Quarter, FY2022 1,774 million yen (△5.7%) Second Quarter, FY2021 1,882 million yen (774.3%)

	Profit attributable to owners of parent per share	Diluted profit attributable to owners of parent per share
	yen sen	yen sen
Second Quarter, FY2022	70.39	68.58
Second Quarter, FY2021	108.89	104.68

#### (2) Consolidated Financial Position

	Total assets	Net assets	Equity Ratio
	million yen	million yen	%
Second Quarter, FY2022	45,691	24,500	51.5
FY2021	40,541	23,167	54.8

[Reference] Shareholders' equity Second Quarter, FY2022 23,546 million yen FY2021 22,213 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
FY2021	—	30.00	—	35.00	65.00
FY2022	—	35.00			
FY2022(outlook)			—	35.00	70.00

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

### 3. Consolidated Business Outlook for FY2022 (April 1, 2022 to March 31, 2023)

(Percentages indicate year-on-year changes)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent		Profit attributable to owners of parent
	million yen	%	million yen	%	million yen	%	million yen	%	yen sen
FY2022	40,000	7.4	2,500	△ 3.3	2,800	△ 6.2	1,750	△ 20.3	133.21

[Note] Change made in figures of the consolidated business outlook as of the end of the current quarter from the previous announcement: Yes

## Notes to Consolidated Financial Statements

- (1) Change in significant subsidiaries during the second 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:  
September 30, 2022 13,700,000 shares March 31, 2022 13,700,000 shares
  - ② Outstanding treasury shares as of:  
September 30, 2022 563,318 shares March 31, 2022 591,818 shares
  - ③ Average outstanding shares for the second quarter ended:  
September 30, 2022 13,114,879 shares September 30, 2021 12,917,530 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, 2022	As of September 30, 2022
<b>Assets</b>		
Current assets		
Cash and deposits	6,664,498	6,179,106
Notes and accounts receivable - trade, and contract assets	8,826,491	12,262,351
Merchandise and finished goods	3,491,775	3,588,515
Work in process	1,229,036	1,767,471
Raw materials	1,380,964	1,896,483
Other	1,602,755	2,086,233
Allowance for doubtful accounts	△5,790	△5,734
Total current assets	23,189,730	27,774,428
Non-current assets		
Property, plant and equipment		
Buildings and structures	8,562,810	8,725,351
Accumulated depreciation	△5,078,938	△5,209,134
Buildings and structures, net	3,483,872	3,516,217
Land	5,832,882	5,832,882
Other	3,840,409	4,654,891
Accumulated depreciation	△2,315,036	△2,627,758
Other, net	1,525,373	2,027,132
Total property, plant and equipment	10,842,129	11,376,232
Intangible assets		
Goodwill	1,212,345	1,164,108
Other	1,211,707	1,276,701
Total intangible assets	2,424,053	2,440,810
Investments and other assets		
Investment securities	1,771,486	1,875,299
Other	2,313,828	2,224,920
Total investments and other assets	4,085,315	4,100,220
Total non-current assets	17,351,497	17,917,263
Total assets	40,541,227	45,691,691

(Thousands of yen)

	As of March 31, 2022	As of September 30, 2022
<b>Liabilities</b>		
Current liabilities		
Notes and accounts payable - trade	2,333,841	2,821,087
Short-term borrowings	5,169,227	6,802,715
Current portion of bonds payable	—	1,200,000
Current portion of long-term borrowings	480,016	480,016
Income taxes payable	542,083	673,966
Provision for bonuses	303,804	560,679
Provision for bonuses for directors (and other officers)	2,160	33,526
Other	4,781,105	6,165,568
Total current liabilities	13,612,239	18,737,558
Non-current liabilities		
Bonds payable	2,200,000	1,000,000
Long-term borrowings	753,296	513,288
Provision for retirement benefits for directors (and other officers)	155,362	164,820
Retirement benefit liability	267,859	306,027
Other	385,234	469,151
Total non-current liabilities	3,761,751	2,453,287
Total liabilities	17,373,991	21,190,845
<b>Net assets</b>		
Shareholders' equity		
Share capital	10,517,159	10,517,159
Capital surplus	4,228,916	4,241,989
Retained earnings	7,950,878	8,415,251
Treasury shares	△681,517	△656,486
Total shareholders' equity	22,015,436	22,517,914
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	65,744	74,846
Deferred gains or losses on hedges	△93,248	18,267
Foreign currency translation adjustment	233,787	941,712
Remeasurements of defined benefit plans	△7,886	△6,289
Total accumulated other comprehensive income	198,397	1,028,536
Share acquisition rights	128,849	128,849
Non-controlling interests	824,552	825,545
Total net assets	23,167,236	24,500,845
Total liabilities and net assets	40,541,227	45,691,691

## Quarterly Consolidated Statements of Income

(Thousands of yen)

	Six months ended September 30, 2021	Six months ended September 30, 2022
Net sales	18,863,432	19,763,849
Cost of sales	12,994,931	13,547,663
Gross profit	5,868,500	6,216,185
Selling, general and administrative expenses	4,187,480	4,954,468
Operating profit	1,681,020	1,261,717
Non-operating income		
Rental income from real estate	231,972	225,669
Foreign exchange gains	73,777	276,873
Other	183,936	45,803
Total non-operating income	489,685	548,346
Non-operating expenses		
Rental expenses on real estate	163,968	164,071
Other	54,199	117,920
Total non-operating expenses	218,167	281,992
Ordinary profit	1,952,538	1,528,071
Extraordinary income		
Subsidy income	57,994	—
Other	7,810	—
Total extraordinary income	65,804	—
Extraordinary losses		
Loss on tax purpose reduction entry of non-current assets	57,760	—
Total extraordinary losses	57,760	—
Profit before income taxes	1,960,582	1,528,071
Income taxes	521,574	606,979
Profit	1,439,008	921,091
Profit (loss) attributable to non-controlling interests	32,402	△2,067
Profit attributable to owners of parent	1,406,606	923,159

## Quarterly Consolidated Statements of Comprehensive Income

(Thousands of yen)

	Six months ended September 30, 2021	Six months ended September 30, 2022
Profit	1,439,008	921,091
Other comprehensive income		
Valuation difference on available-for-sale securities	16,855	9,101
Deferred gains or losses on hedges	17,946	111,515
Foreign currency translation adjustment	408,392	731,525
Remeasurements of defined benefit plans, net of tax	214	1,596
Total other comprehensive income	443,409	853,740
Comprehensive income	1,882,418	1,774,832
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	1,835,000	1,753,298
Comprehensive income attributable to non-controlling interests	47,417	21,533

## Quarterly Consolidated Statements of Cash Flows

(Thousands of yen)

	Six months ended September 30, 2021	Six months ended September 30, 2022
<b>Cash flows from operating activities</b>		
Profit before income taxes	1,960,582	1,528,071
Depreciation	519,432	601,603
Amortization of goodwill	114,268	118,863
Increase (decrease) in allowance for doubtful accounts	△159	△55
Increase (decrease) in provision for bonuses	237,442	233,698
Increase (decrease) in retirement benefit liability	△4,735	17,724
Interest and dividend income	△11,449	△9,095
Foreign exchange losses (gains)	7,863	△219,058
Loss (gain) on investments in investment partnerships	7,237	32,884
Share of loss (profit) of entities accounted for using equity method	△1,903	—
Loss on tax purpose reduction entry of non-current assets	57,760	—
Decrease (increase) in trade receivables	△894,679	△3,138,188
Decrease (increase) in inventories and advance payments	△964,068	△1,332,949
Increase (decrease) in trade payables	198,415	389,226
Increase (decrease) in advances received	1,687,543	1,832,860
Other, net	△662,595	△182,011
Subtotal	2,250,954	△126,425
Interest and dividends received	12,825	8,579
Interest paid	△15,800	△20,836
Income taxes refund (paid)	△613,457	△562,498
Net cash provided by (used in) operating activities	1,634,522	△701,180
<b>Cash flows from investing activities</b>		
Payments into time deposits	△120	△120
Proceeds from withdrawal of time deposits	17,130	—
Purchase of property, plant and equipment	△404,191	△691,848
Purchase of intangible assets	△305,673	△265,879
Purchase of long-term prepaid expenses	△74,064	△61,112
Purchase of investment securities	△60	△50,060
Proceeds from distributions from investment partnerships	204,477	106,462
Purchase of insurance funds	△54,535	△39,023
Proceeds from cancellation of insurance funds	95,016	185,734
Payments for acquisition of businesses	△45,000	—
Other, net	△5,416	△1,815
Net cash provided by (used in) investing activities	△572,435	△817,662
<b>Cash flows from financing activities</b>		
Net increase (decrease) in short-term borrowings	△33,063	1,456,508
Repayments of long-term borrowings	△281,682	△240,008
Dividends paid	△379,926	△458,310
Dividends paid to non-controlling interests	△23,313	△44,833
Other, net	15,860	△885
Net cash provided by (used in) financing activities	△702,125	712,470
Effect of exchange rate change on cash and cash equivalents	132,232	294,433
Net increase (decrease) in cash and cash equivalents	492,193	△511,940
Cash and cash equivalents at beginning of period	5,432,804	6,480,661
Cash and cash equivalents at end of period	5,924,998	5,968,721

## (Segment Information)

## I. Second Quarter, FY2021 (April 1, 2021 to September 30, 2021)

(Thousands of yen)

	Reportable segments				Reconciling items	Per quarterly consolidated financial statements
	Test Solution Business	Semiconductor Design-related Business	System and Service Business	Reportable segments		
Sales						
Testers	4,552,593	—	—	4,552,593	—	4,552,593
STAr Technologies	3,136,509	—	—	3,136,509	—	3,136,509
EDA and Others	—	4,031,258	—	4,031,258	—	4,031,258
Sanei Hytechs	—	1,848,066	—	1,848,066	—	1,848,066
MoDeCH	—	141,317	—	141,317	—	141,317
Embedded System and Others	—	—	994,449	994,449	—	994,449
IT Access	—	—	2,126,602	2,126,602	—	2,126,602
GAIO Technology	—	—	1,633,331	1,633,331	—	1,633,331
Regulus	—	—	399,304	399,304	—	399,304
Revenue from Contracts with Customers	7,689,102	6,020,641	5,153,688	18,863,432	—	18,863,432
Revenues from external customers	7,689,102	6,020,641	5,153,688	18,863,432	—	18,863,432
Transactions with other segments	—	10,912	9,684	20,596	△20,596	—
Net sales	7,689,102	6,031,554	5,163,372	18,884,029	△20,596	18,863,432
Operating profit (loss)	1,136,180	347,426	608,809	2,092,416	△411,395	1,681,020

II. Second Quarter, FY2022 (April 1, 2022 to September 30, 2022)

(Thousands of yen)

	Reportable segments				Reconciling items	Per quarterly consolidated financial statements
	Test Solution Business	Semiconductor Design-related Business	System and Service Business	Reportable segments		
Sales						
Testers	4,046,987	—	—	4,046,987	—	4,046,987
STAr Technologies	3,724,040	—	—	3,724,040	—	3,724,040
EDA and Others	—	4,668,094	—	4,668,094	—	4,668,094
Sanei Hytechs	—	1,929,109	—	1,929,109	—	1,929,109
MoDeCH	—	152,175	—	152,175	—	152,175
Embedded System and Others	—	—	1,080,536	1,080,536	—	1,080,536
IT Access	—	—	2,349,407	2,349,407	—	2,349,407
GAIO Technology	—	—	1,640,451	1,640,451	—	1,640,451
Regulus	—	—	173,045	173,045	—	173,045
Revenue from Contracts with Customers	7,771,028	6,749,379	5,243,441	19,763,849	—	19,763,849
Revenues from external customers	7,771,028	6,749,379	5,243,441	19,763,849	—	19,763,849
Transactions with other segments	21	29	5,616	5,667	△5,667	—
Net sales	7,771,049	6,749,408	5,249,057	19,769,516	△5,667	19,763,849
Operating profit (loss)	750,997	327,060	557,656	1,635,714	△373,996	1,261,717