



Consolidated Financial Statements

For the Third Quarter ended December 31, 2022 [Japanese GAAP]

February 9, 2023

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
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 President and Representative Director: Nobuyuki Otsuka

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

1. Consolidated Financial Highlights for the Third Quarter ended December 31, 2022

(April 1, 2022 to December 31, 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	%
Third Quarter, FY2022	28,122	0.6	1,430	△ 38.1	1,663	△ 37.1	990	△ 49.2
Third Quarter, FY2021	27,954	17.9	2,311	89.0	2,643	76.8	1,949	120.5

[Note] Comprehensive income Third Quarter, FY2022: 2,323 million yen (△7.6%) Third Quarter, FY2021: 2,513 million yen (224.5%)

	Profit attributable to owners of parent per share	Diluted profit attributable to owners of parent per share
	yen sen	yen sen
Third Quarter, FY2022	75.48	73.54
Third Quarter, FY2021	150.21	145.04

(2) Consolidated Financial Position

	Total assets	Net assets	Equity Ratio
	million yen	million yen	%
Third Quarter, FY2022	46,011	24,613	51.3
FY2021	40,541	23,167	54.8

[Reference] Shareholders' equity Third Quarter, FY2022: 23,621 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	-	-	-	-	-
FY2022 (outlook)	-	35.00	-	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 per
	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	133.17

[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 third 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:
December 31, 2022 13,700,000 shares March 31, 2022 13,700,000 shares
- ② Outstanding treasury shares as of:
December 31, 2022 558,918 shares March 31, 2022 591,818 shares
- ③ Average outstanding shares for the third quarter ended:
December 31, 2022 13,123,165 shares December 31, 2021 12,981,312 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 December 31, 2022
Assets		
Current assets		
Cash and deposits	6,664,498	7,349,640
Notes and accounts receivable - trade, and contract assets	8,826,491	10,114,158
Merchandise and finished goods	3,491,775	4,269,695
Work in process	1,229,036	1,974,720
Raw materials	1,380,964	2,095,254
Other	1,602,755	2,209,021
Allowance for doubtful accounts	△5,790	△5,651
Total current assets	23,189,730	28,006,839
Non-current assets		
Property, plant and equipment		
Buildings and structures	8,562,810	8,736,973
Accumulated depreciation	△5,078,938	△5,260,676
Buildings and structures, net	3,483,872	3,476,296
Land	5,832,882	5,848,453
Other	3,840,409	4,822,399
Accumulated depreciation	△2,315,036	△2,671,997
Other, net	1,525,373	2,150,401
Total property, plant and equipment	10,842,129	11,475,152
Intangible assets		
Goodwill	1,212,345	1,100,308
Other	1,211,707	1,266,241
Total intangible assets	2,424,053	2,366,549
Investments and other assets		
Investment securities	1,771,486	1,989,497
Other	2,313,828	2,173,611
Total investments and other assets	4,085,315	4,163,109
Total non-current assets	17,351,497	18,004,811
Total assets	40,541,227	46,011,651

(Thousands of yen)

	As of March 31, 2022	As of December 31, 2022
Liabilities		
Current liabilities		
Notes and accounts payable - trade	2,333,841	2,593,730
Short-term borrowings	5,169,227	6,960,682
Current portion of bonds payable	—	2,200,000
Current portion of long-term borrowings	480,016	680,016
Income taxes payable	542,083	311,481
Provision for bonuses	303,804	628,846
Provision for bonuses for directors (and other officers)	2,160	46,074
Other	4,781,105	5,801,123
Total current liabilities	13,612,239	19,221,953
Non-current liabilities		
Bonds payable	2,200,000	—
Long-term borrowings	753,296	1,193,284
Provision for retirement benefits for directors (and other officers)	155,362	169,637
Retirement benefit liability	267,859	295,254
Other	385,234	517,596
Total non-current liabilities	3,761,751	2,175,772
Total liabilities	17,373,991	21,397,725
Net assets		
Shareholders' equity		
Share capital	10,517,159	10,517,159
Capital surplus	4,228,916	4,242,744
Retained earnings	7,950,878	8,021,392
Treasury shares	△681,517	△651,358
Total shareholders' equity	22,015,436	22,129,938
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	65,744	112,941
Deferred gains or losses on hedges	△93,248	21,427
Foreign currency translation adjustment	233,787	1,362,763
Remeasurements of defined benefit plans	△7,886	△5,490
Total accumulated other comprehensive income	198,397	1,491,641
Share acquisition rights	128,849	128,849
Non-controlling interests	824,552	863,495
Total net assets	23,167,236	24,613,925
Total liabilities and net assets	40,541,227	46,011,651

Quarterly Consolidated Statements of Income

(Thousands of yen)

	Nine months ended December 31, 2021	Nine months ended December 31, 2022
Net sales	27,954,192	28,122,460
Cost of sales	19,378,326	19,229,123
Gross profit	8,575,865	8,893,336
Selling, general and administrative expenses	6,264,297	7,462,846
Operating profit	2,311,567	1,430,490
Non-operating income		
Rental income from real estate	343,282	335,866
Foreign exchange gains	112,399	186,921
Other	219,082	107,759
Total non-operating income	674,765	630,547
Non-operating expenses		
Rental expenses on real estate	245,617	244,203
Other	97,340	153,341
Total non-operating expenses	342,958	397,544
Ordinary profit	2,643,374	1,663,492
Extraordinary income		
Subsidy income	57,994	—
Gain on sale of non-current assets	1,630	579
Other	6,772	—
Total extraordinary income	66,396	579
Extraordinary losses		
Loss on tax purpose reduction entry of non-current assets	57,760	—
Other	7,331	—
Total extraordinary losses	65,091	—
Profit before income taxes	2,644,679	1,664,072
Income taxes	633,847	655,918
Profit	2,010,831	1,008,154
Profit attributable to non-controlling interests	60,965	17,599
Profit attributable to owners of parent	1,949,866	990,555

Quarterly Consolidated Statements of Comprehensive Income

(Thousands of yen)

	Nine months ended December 31, 2021	Nine months ended December 31, 2022
Profit	2,010,831	1,008,154
Other comprehensive income		
Valuation difference on available-for-sale securities	15,929	47,197
Deferred gains or losses on hedges	38,673	114,676
Foreign currency translation adjustment	448,124	1,151,522
Remeasurements of defined benefit plans, net of tax	322	2,395
Total other comprehensive income	503,050	1,315,791
Comprehensive income	2,513,881	2,323,945
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	2,434,867	2,283,799
Comprehensive income attributable to non-controlling interests	79,014	40,145

(Segment Information)

I. Third Quarter, FY2021 (April 1, 2021 to December 31, 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	5,911,904	—	—	5,911,904	—	5,911,904
STAr Technologies	5,328,641	—	—	5,328,641	—	5,328,641
EDA and Others	—	6,023,082	—	6,023,082	—	6,023,082
Sanei Hytechs	—	2,843,706	—	2,843,706	—	2,843,706
MoDeCH	—	169,146	—	169,146	—	169,146
Embedded System and Others	—	—	1,500,820	1,500,820	—	1,500,820
IT Access	—	—	3,202,878	3,202,878	—	3,202,878
GAIO Technology	—	—	2,386,696	2,386,696	—	2,386,696
Regulus	—	—	587,314	587,314	—	587,314
Revenue from Contracts with Customers	11,240,546	9,035,935	7,677,710	27,954,192	—	27,954,192
Revenues from external customers	11,240,546	9,035,935	7,677,710	27,954,192	—	27,954,192
Transactions with other segments	—	15,663	17,689	33,353	△33,353	—
Net sales	11,240,546	9,051,598	7,695,400	27,987,545	△33,353	27,954,192
Operating profit (loss)	1,432,577	557,918	868,959	2,859,455	△547,887	2,311,567

II. Third Quarter, FY2022 (April 1, 2022 to December 31, 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	4,266,857	—	—	4,266,857	—	4,266,857
STAr Technologies	5,621,996	—	—	5,621,996	—	5,621,996
EDA and Others	—	6,882,872	—	6,882,872	—	6,882,872
Sanei Hytechs	—	2,955,639	—	2,955,639	—	2,955,639
MoDeCH	—	218,323	—	218,323	—	218,323
Embedded System and Others	—	—	1,637,532	1,637,532	—	1,637,532
IT Access	—	—	3,625,341	3,625,341	—	3,625,341
GAIO Technology	—	—	2,569,068	2,569,068	—	2,569,068
Regulus	—	—	344,828	344,828	—	344,828
Revenue from Contracts with Customers	9,888,853	10,056,835	8,176,770	28,122,460	—	28,122,460
Revenues from external customers	9,888,853	10,056,835	8,176,770	28,122,460	—	28,122,460
Transactions with other segments	54	43	10,264	10,362	△10,362	—
Net sales	9,888,908	10,056,878	8,187,035	28,132,822	△10,362	28,122,460
Operating profit (loss)	466,809	510,990	931,690	1,909,490	△478,999	1,430,490