



Consolidated Financial Statements

For the Fiscal Year ended March 31, 2023 [Japanese GAAP]

May 12, 2023

Listed Company Name: INNOTECH CORPORATION
 Stock Listed: Prime Market of the Tokyo Stock Exchange
 Code No.: 9880
 URL: <https://www.innotech.co.jp/>
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 President and Representative Director: Nobuyuki Otsuka

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

1. Consolidated Financial Highlights for FY 2022 (April 1, 2022 to March 31, 2023)

(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	%
FY2022	38,629	3.7	2,319	△ 10.3	2,480	△ 16.9	1,666	△ 24.1
FY2021	37,238	14.5	2,585	32.3	2,984	21.3	2,194	43.0

[Note] Comprehensive income FY2022: 2,330 million yen (△19.5%) FY2021: 2,894 million yen (128.7%)

	EPS	EPS, Diluted	ROE	ROA	Operating income to net sales
	yen sen	yen sen	%	%	%
FY2022	126.95	123.68	7.3	5.9	6.0
FY2021	168.65	163.21	10.4	7.6	6.9

[Reference] Equity in earnings (losses) of affiliated companies FY2022: 0 million yen FY2021: 1 million yen

(2) Consolidated Financial Position

	Total assets	Total net assets	Shareholders' equity ratio	BPS
	million yen	million yen	%	yen sen
FY2022	43,629	24,589	54.1	1,796.30
FY2021	40,541	23,167	54.8	1,694.65

[Reference] Net worth FY2022: 23,605 million yen FY2021: 22,213 million yen

(3) Consolidated Cash Flows

	CF from operating activities	CF from investing activities	CF from financial activities	Cash and cash equivalents at the end of the period
	million yen	million yen	million yen	million yen
FY2022	1,680	△ 1,692	△ 517	6,134
FY2021	2,741	△ 1,150	△ 900	6,480

2. Dividend Payment Results and Outlook

	Annual dividend per share Total					Total amount of dividends paid/payable (full-year)	Dividend payout ratio (consolidated)	Rate of dividend to net assets (consolidated)
	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	million yen	%	%
FY2021	-	30.00	-	35.00	65.00	852	38.5	4.0
FY2022	-	35.00	-	35.00	70.00	922	55.1	4.0
FY2023 (outlook)	-	35.00	-	35.00	70.00		46.0	

3. Consolidated Business Outlook for FY2023 (April 1, 2023 to March 31, 2024)

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

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent		EPS
	million yen	%	million yen	%	million yen	%	million yen	%	yen sen
FY2023	43,000	11.3	3,000	29.3	3,000	20.9	2,000	20.0	152.19

Notes to Consolidated Financial Statements

(1) Change in significant subsidiaries during FY2022 : None
 Newly — (Name of Company) — Exception — (Name of Company) —

(2) 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

(3) Number of shares outstanding (common shares)

- ① Total outstanding shares including treasury shares as of:
 As of March 31, 2023: 13,700,000 shares As of March 31, 2022: 13,700,000 shares
 ② Outstanding treasury shares as of:
 As of March 31, 2023: 558,918 shares As of March 31, 2022: 591,818 shares
 ③ Average outstanding shares as of:
 Year ended March 31, 2023: 13,127,583 shares Year ended March 31, 2022: 13,012,595 shares

(Reference) Summary of Non-consolidated Financial Results

Non-Consolidated Financial Highlights for FY2022 (April 1, 2022 to March 31, 2023)

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

	Net sales		Operating profit		Ordinary profit		Profit	
	million yen	%	million yen	%	million yen	%	million yen	%
FY2022	16,537	△ 4.0	959	△ 22.2	1,907	△ 15.8	1,578	△ 11.7
FY2021	17,218	16.5	1,233	55.6	2,265	29.3	1,788	30.0

	EPS		EPS, Diluted	
	yen sen		yen sen	
FY2022	120.24		117.14	
FY2021	137.42		132.99	

(2) Non-Consolidated Financial Position

	Total assets		Total net assets		Shareholders' equity ratio		BPS	
	million yen		million yen		%		yen sen	
FY2022	30,417		18,641		60.9		1,408.79	
FY2021	29,105		17,852		60.9		1,352.10	

[Reference] Net worth FY2022: 18,513 million yen FY2021: 17,723 million yen

[Note] Information about audit 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.

Consolidated Balance Sheets

(Thousands of yen)

	As of March 31, 2022	As of March 31, 2023
Assets		
Current assets		
Cash and deposits	6,664,498	6,598,397
Notes receivable - trade	241,344	252,534
Accounts receivable - trade	8,532,145	9,313,752
Contract assets	53,001	99,510
Merchandise and finished goods	3,491,775	4,839,267
Work in process	1,229,036	1,349,057
Raw materials	1,380,964	1,917,086
Other	1,602,755	1,593,453
Allowance for doubtful accounts	△5,790	△5,525
Total current assets	23,189,730	25,957,534
Non-current assets		
Property, plant and equipment		
Buildings and structures	8,562,810	8,736,726
Accumulated depreciation	△5,078,938	△5,296,141
Buildings and structures, net	3,483,872	3,440,585
Machinery, equipment and vehicles	2,343,246	2,920,082
Accumulated depreciation	△1,323,616	△1,499,890
Machinery, equipment and vehicles, net	1,019,630	1,420,192
Land	5,832,882	5,848,453
Other	1,497,163	1,794,107
Accumulated depreciation	△991,419	△1,040,169
Other, net	505,743	753,937
Total property, plant and equipment	10,842,129	11,463,168
Intangible assets		
Goodwill	1,212,345	1,005,860
Other	1,211,707	1,231,053
Total intangible assets	2,424,053	2,236,914
Investments and other assets		
Investment securities	1,771,486	1,734,408
Deferred tax assets	420,163	501,560
Retirement benefit asset	345,110	371,059
Other	1,548,554	1,364,619
Total investments and other assets	4,085,315	3,971,647
Total non-current assets	17,351,497	17,671,730
Total assets	40,541,227	43,629,265

(Thousands of yen)

	As of March 31, 2022	As of March 31, 2023
Liabilities		
Current liabilities		
Notes and accounts payable - trade	2,333,841	3,053,286
Short-term borrowings	5,169,227	5,240,966
Current portion of bonds payable	—	2,200,000
Current portion of long-term borrowings	480,016	630,016
Income taxes payable	542,083	439,423
Advances received	2,563,282	3,118,406
Provision for bonuses	303,804	317,395
Provision for bonuses for directors (and other officers)	2,160	6,200
Other	2,217,823	2,062,759
Total current liabilities	13,612,239	17,068,453
Non-current liabilities		
Bonds payable	2,200,000	—
Long-term borrowings	753,296	1,073,280
Provision for retirement benefits for directors (and other officers)	155,362	174,453
Provision for share awards	—	18,598
Retirement benefit liability	267,859	301,560
Other	385,234	402,931
Total non-current liabilities	3,761,751	1,970,824
Total liabilities	17,373,991	19,039,278
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	8,697,421
Treasury shares	△681,517	△651,358
Total shareholders' equity	22,015,436	22,805,967
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	65,744	100,295
Deferred gains or losses on hedges	△93,248	△44,960
Foreign currency translation adjustment	233,787	756,761
Remeasurements of defined benefit plans	△7,886	△12,686
Total accumulated other comprehensive income	198,397	799,409
Share acquisition rights	128,849	128,849
Non-controlling interests	824,552	855,760
Total net assets	23,167,236	24,589,987
Total liabilities and net assets	40,541,227	43,629,265

Consolidated Statements of Income

(Thousands of yen)

	Fiscal year ended March 31, 2022	Fiscal year ended March 31, 2023
Net sales	37,238,244	38,629,761
Cost of sales	26,018,813	26,387,679
Gross profit	11,219,431	12,242,082
Selling, general and administrative expenses	8,634,056	9,922,471
Operating profit	2,585,374	2,319,610
Non-operating income		
Rental income from real estate	456,005	447,271
Subsidy income	149,721	78,651
Foreign exchange gains	216,279	112,448
Other	86,787	81,363
Total non-operating income	908,794	719,734
Non-operating expenses		
Rental expenses on real estate	325,753	336,097
Loss on investments in investment partnerships	122,898	88,700
Other	60,784	133,651
Total non-operating expenses	509,436	558,449
Ordinary profit	2,984,733	2,480,895
Extraordinary income		
Subsidy income	57,994	980
Gain on sale of non-current assets	1,687	1,555
Other	13,188	—
Total extraordinary income	72,870	2,535
Extraordinary losses		
Loss on tax purpose reduction entry of non-current assets	57,760	980
Loss on valuation of investment securities	15,916	—
Other	7,516	—
Total extraordinary losses	81,193	980
Profit before income taxes	2,976,409	2,482,451
Income taxes - current	823,738	864,839
Income taxes - deferred	△130,676	△97,318
Total income taxes	693,061	767,521
Profit	2,283,347	1,714,930
Profit attributable to non-controlling interests	88,804	48,346
Profit attributable to owners of parent	2,194,543	1,666,583

Consolidated Statements of Comprehensive Income

(Thousands of yen)

	Fiscal year ended March 31, 2022	Fiscal year ended March 31, 2023
Profit	2,283,347	1,714,930
Other comprehensive income		
Valuation difference on available-for-sale securities	21,962	34,550
Deferred gains or losses on hedges	△4,063	48,287
Foreign currency translation adjustment	599,805	537,592
Remeasurements of defined benefit plans, net of tax	△6,872	△4,800
Total other comprehensive income	610,831	615,630
Comprehensive income	2,894,179	2,330,561
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	2,777,218	2,267,595
Comprehensive income attributable to non-controlling interests	116,961	62,965

Consolidated Statements of Changes in Equity
 FY2021 (From April 1, 2021 to March 31, 2022)

(Thousands of yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	10,517,159	4,468,928	6,606,521	△1,113,930	20,478,678
Cumulative effects of changes in accounting policies			△65,703		△65,703
Restated balance	10,517,159	4,468,928	6,540,817	△1,113,930	20,412,974
Changes during period					
Dividends of surplus			△775,225		△775,225
Profit attributable to owners of parent			2,194,543		2,194,543
Disposal of treasury shares		△240,011		432,413	192,401
Change in scope of equity method			△9,256		△9,256
Net changes in items other than shareholders' equity					
Total changes during period	—	△240,011	1,410,060	432,413	1,602,461
Balance at end of period	10,517,159	4,228,916	7,950,878	△681,517	22,015,436

	Accumulated other comprehensive income					Share acquisition rights	Non-controlling interests	Total net assets
	Valuation difference on available-for-sale securities	Deferred gains or losses on hedges	Foreign currency translation adjustment	Remeasurements of defined benefit plans	Total accumulated other comprehensive income			
Balance at beginning of period	43,782	△89,184	△337,861	△1,013	△384,277	273,336	759,437	21,127,174
Cumulative effects of changes in accounting policies								△65,703
Restated balance	43,782	△89,184	△337,861	△1,013	△384,277	273,336	759,437	21,061,470
Changes during period								
Dividends of surplus								△775,225
Profit attributable to owners of parent								2,194,543
Disposal of treasury shares								192,401
Change in scope of equity method								△9,256
Net changes in items other than shareholders' equity	21,962	△4,063	571,649	△6,872	582,674	△144,486	65,115	503,303
Total changes during period	21,962	△4,063	571,649	△6,872	582,674	△144,486	65,115	2,105,765
Balance at end of period	65,744	△93,248	233,787	△7,886	198,397	128,849	824,552	23,167,236

FY2022 (From April 1, 2022 to March 31, 2023)

(Thousands of yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	10,517,159	4,228,916	7,950,878	△681,517	22,015,436
Changes during period					
Dividends of surplus			△920,040		△920,040
Profit attributable to owners of parent			1,666,583		1,666,583
Purchase of treasury shares				△56,154	△56,154
Disposal of treasury shares		13,828		86,313	100,141
Net changes in items other than shareholders' equity					
Total changes during period	—	13,828	746,543	30,159	790,530
Balance at end of period	10,517,159	4,242,744	8,697,421	△651,358	22,805,967

	Accumulated other comprehensive income					Share acquisition rights	Non-controlling interests	Total net assets
	Valuation difference on available-for-sale securities	Deferred gains or losses on hedges	Foreign currency translation adjustment	Remeasurements of defined benefit plans	Total accumulated other comprehensive income			
Balance at beginning of period	65,744	△93,248	233,787	△7,886	198,397	128,849	824,552	23,167,236
Changes during period								
Dividends of surplus								△920,040
Profit attributable to owners of parent								1,666,583
Purchase of treasury shares								△56,154
Disposal of treasury shares								100,141
Net changes in items other than shareholders' equity	34,550	48,287	522,973	△4,800	601,012	—	31,208	632,220
Total changes during period	34,550	48,287	522,973	△4,800	601,012	—	31,208	1,422,750
Balance at end of period	100,295	△44,960	756,761	△12,686	799,409	128,849	855,760	24,589,987

Consolidated Statements of Cash Flows

(Thousands of yen)

	Fiscal year ended March 31, 2022	Fiscal year ended March 31, 2023
Cash flows from operating activities		
Profit before income taxes	2,976,409	2,482,451
Depreciation	1,058,704	1,197,719
Amortization of goodwill	230,951	232,166
Increase (decrease) in allowance for doubtful accounts	483	△264
Increase (decrease) in provision for bonuses	77,235	5,163
Increase (decrease) in retirement benefit liability	60,035	△382
Increase (decrease) in provision for share awards	—	18,598
Interest and dividend income	△19,864	△20,291
Interest expenses	32,795	50,975
Foreign exchange losses (gains)	△239,869	△10,155
Loss (gain) on investments in investment partnerships	122,898	88,700
Loss (gain) on valuation of investment securities	15,916	—
Loss on tax purpose reduction entry of non-current assets	57,760	980
Decrease (increase) in trade receivables	△49,503	△730,518
Decrease (increase) in inventories and advance payments	△949,673	△1,946,228
Increase (decrease) in trade payables	285,323	683,763
Increase (decrease) in advances received	125,149	539,281
Other, net	△68,059	97,783
Subtotal	3,716,692	2,689,742
Interest and dividends received	19,724	18,181
Interest paid	△32,590	△51,002
Income taxes paid	△976,954	△977,793
Income taxes refund	14,999	1,035
Net cash provided by (used in) operating activities	2,741,872	1,680,162
Cash flows from investing activities		
Payments into time deposits	—	△265,712
Proceeds from withdrawal of time deposits	35,830	—
Purchase of property, plant and equipment	△639,052	△1,076,068
Purchase of intangible assets	△639,794	△493,926
Purchase of long-term prepaid expenses	△215,673	△116,640
Purchase of investment securities	△100,120	△50,120
Proceeds from sale of shares of subsidiaries and associates	41,070	—
Proceeds from distributions from investment partnerships	397,455	180,602
Purchase of insurance funds	△118,898	△81,286
Proceeds from cancellation of insurance funds	110,901	213,356
Payments for acquisition of businesses	△45,000	—
Other, net	22,656	△2,707
Net cash provided by (used in) investing activities	△1,150,625	△1,692,504
Cash flows from financing activities		
Net increase (decrease) in short-term borrowings	454,075	6,943
Proceeds from long-term borrowings	—	1,000,000
Repayments of long-term borrowings	△521,690	△530,016
Dividends paid	△771,052	△918,132
Dividends paid to non-controlling interests	△75,639	△73,458
Other, net	14,239	△2,580
Net cash provided by (used in) financing activities	△900,066	△517,244
Effect of exchange rate change on cash and cash equivalents	356,678	183,541
Net increase (decrease) in cash and cash equivalents	1,047,857	△346,045
Cash and cash equivalents at beginning of period	5,432,804	6,480,661
Cash and cash equivalents at end of period	6,480,661	6,134,616

(Segment Information)

I . Fiscal Year, FY2021(April 1, 2021 to March 31, 2022)

(Thousands of yen)

	Reportable segments				Reconciling items	Consolidated financial statements
	Test Solution Business	Semiconductor Design-related Business	System and Service Business	Reportable segments		
Sales						
Testers	6,768,278	—	—	6,768,278	—	6,768,278
STAr Technologies	7,679,478	—	—	7,679,478	—	7,679,478
EDA and Others	—	8,291,105	—	8,291,105	—	8,291,105
Sanei Hytechs	—	3,854,615	—	3,854,615	—	3,854,615
MoDeCH	—	283,861	—	283,861	—	283,861
Embedded System and Others	—	—	2,040,223	2,040,223	—	2,040,223
IT Access	—	—	4,256,685	4,256,685	—	4,256,685
GAIO Technology	—	—	3,232,491	3,232,491	—	3,232,491
Regulus	—	—	831,503	831,503	—	831,503
Revenue from Contracts with Customers	14,447,757	12,429,583	10,360,903	37,238,244	—	37,238,244
Revenues from external customers	14,447,757	12,429,583	10,360,903	37,238,244	—	37,238,244
Transactions with other segments	—	20,055	43,617	63,672	△63,672	—
Net sales	14,447,757	12,449,638	10,404,521	37,301,917	△63,672	37,238,244
Operating profit	1,534,453	606,166	1,114,996	3,255,616	△670,241	2,585,374
Other items						
Depreciation	393,831	159,089	374,541	927,462	53,997	981,459
Amortization of goodwill	184,087	46,863	—	230,951	—	230,951

II . Fiscal Year, FY2022(April 1, 2022 to March 31, 2023)

(Thousands of yen)

	Reportable segments				Reconciling items	Consolidated financial statements
	Test Solution Business	Semiconductor Design-related Business	System and Service Business	Reportable segments		
Sales						
Testers	5,042,352	—	—	5,042,352	—	5,042,352
STAr Technologies	8,895,663	—	—	8,895,663	—	8,895,663
EDA and Others	—	9,056,108	—	9,056,108	—	9,056,108
Sanei Hytechs	—	3,941,624	—	3,941,624	—	3,941,624
MoDeCH	—	289,832	—	289,832	—	289,832
Embedded System and Others	—	—	2,339,048	2,339,048	—	2,339,048
IT Access	—	—	4,890,626	4,890,626	—	4,890,626
GAIO Technology	—	—	3,507,986	3,507,986	—	3,507,986
Regulus	—	—	666,519	666,519	—	666,519
Revenue from Contracts with Customers	13,938,015	13,287,564	11,404,181	38,629,761	—	38,629,761
Revenues from external customers	13,938,015	13,287,564	11,404,181	38,629,761	—	38,629,761
Transactions with other segments	—	144	31,029	31,174	△31,174	—
Net sales	13,938,015	13,287,709	11,435,211	38,660,936	△31,174	38,629,761
Operating profit	957,603	632,079	1,333,308	2,922,991	△603,380	2,319,610
Other items						
Depreciation	423,859	166,330	460,136	1,050,327	72,526	1,122,854
Amortization of goodwill	183,053	49,113	—	232,166	—	232,166