



Consolidated Financial Statements

For the Third Quarter ended December 31, 2023 [Japanese GAAP]

February 9, 2024

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 Third Quarter ended December 31, 2023

(April 1, 2023 to December 31, 2023)

(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, FY2023	30,325	7.8	1,839	28.6	2,182	31.2	994	0.4
Third Quarter, FY2022	28,122	0.6	1,430	△ 38.1	1,663	△ 37.1	990	△ 49.2

[Note] Comprehensive income Third Quarter, FY2023: 1,741 million yen (△25.0%) Third Quarter, FY2022: 2,323 million yen (△7.6%)

	Profit attributable to owners of parent per share	Diluted profit attributable to owners of parent per share
	yen sen	yen sen
Third Quarter, FY2023	74.59	73.72
Third Quarter, FY2022	75.48	73.54

(2) Consolidated Financial Position

	Total assets	Net assets	Equity Ratio
	million yen	million yen	%
Third Quarter, FY2023	47,128	25,146	52.1
FY2022	43,629	24,589	54.1

[Reference] Net worth Third Quarter, FY2023: 24,538 million yen FY2022: 23,605 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
FY2022	—	35.00	—	35.00	70.00
FY2023	—	35.00	—		
FY2023 (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 FY2023 (April 1, 2023 to March 31, 2024)

(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 share
	million yen	%	million yen	%	million yen	%	million yen	%	yen sen
FY2023	42,000	8.7	2,500	7.8	2,800	12.9	1,450	△ 13.0	107.74

[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 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. : None
- 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, 2023 13,700,000 shares March 31, 2023 13,700,000 shares
- ② Outstanding treasury shares as of:
December 31, 2023 241,564 shares March 31, 2023 558,918 shares
- ③ Average outstanding shares for the third quarter ended:
December 31, 2023 13,335,801 shares December 31, 2022 13,123,165 shares

[Note] The number of treasury shares at the end of the period includes the Company's stock held by trust accounts of ESOP (42,000 shares as of December 31, 2023; 42,000 shares as of March 31, 2023). Also, the Company's stock held by trust accounts is included in treasury shares that are deducted in the calculation of the average number of shares during the period (42,000 shares for the nine months ended December 31, 2023; 20,618 shares for the nine months ended December 31, 2022).

* This Summary of Consolidated Financial Results is outside the scope of external auditor's quarterly review procedures under the Financial Instruments and Exchange Act.

* 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, 2023	As of December 31, 2023
Assets		
Current assets		
Cash and deposits	6,598,397	8,110,937
Notes and accounts receivable - trade, and contract assets	9,665,796	9,890,124
Merchandise and finished goods	4,839,267	5,706,273
Work in process	1,349,057	1,707,852
Raw materials	1,917,086	2,358,086
Other	1,593,453	2,218,760
Allowance for doubtful accounts	△5,525	△5,433
Total current assets	25,957,534	29,986,601
Non-current assets		
Property, plant and equipment		
Buildings and structures	8,736,726	8,813,939
Accumulated depreciation	△5,296,141	△5,499,010
Buildings and structures, net	3,440,585	3,314,929
Land	5,848,453	5,848,453
Other	4,714,190	4,747,191
Accumulated depreciation	△2,540,060	△2,402,416
Other, net	2,174,129	2,344,774
Total property, plant and equipment	11,463,168	11,508,157
Intangible assets		
Goodwill	1,005,860	877,836
Other	1,231,053	1,268,114
Total intangible assets	2,236,914	2,145,951
Investments and other assets		
Investment securities	1,734,408	1,378,815
Other	2,237,239	2,108,648
Total investments and other assets	3,971,647	3,487,463
Total non-current assets	17,671,730	17,141,573
Total assets	43,629,265	47,128,174

(Thousands of yen)

	As of March 31, 2023	As of December 31, 2023
Liabilities		
Current liabilities		
Notes and accounts payable - trade	3,053,286	2,659,259
Short-term borrowings	5,240,966	8,316,950
Current portion of bonds payable	2,200,000	—
Current portion of long-term borrowings	630,016	698,284
Income taxes payable	439,423	229,617
Advances received	3,118,406	5,452,108
Provision for bonuses	317,395	616,210
Provision for bonuses for directors (and other officers)	6,200	10,362
Other	2,062,759	1,657,164
Total current liabilities	17,068,453	19,639,957
Non-current liabilities		
Long-term borrowings	1,073,280	1,445,000
Provision for retirement benefits for directors (and other officers)	174,453	163,815
Provision for share awards	18,598	31,449
Retirement benefit liability	301,560	337,696
Other	402,931	363,598
Total non-current liabilities	1,970,824	2,341,559
Total liabilities	19,039,278	21,981,516
Net assets		
Shareholders' equity		
Share capital	10,517,159	10,517,159
Capital surplus	4,242,744	4,044,529
Retained earnings	8,697,421	8,759,226
Treasury shares	△651,358	△275,625
Total shareholders' equity	22,805,967	23,045,290
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	100,295	153,553
Deferred gains or losses on hedges	△44,960	△15,741
Foreign currency translation adjustment	756,761	1,363,357
Remeasurements of defined benefit plans	△12,686	△7,979
Total accumulated other comprehensive income	799,409	1,493,189
Share acquisition rights	128,849	21,730
Non-controlling interests	855,760	586,446
Total net assets	24,589,987	25,146,657
Total liabilities and net assets	43,629,265	47,128,174

Quarterly Consolidated Statements of Income

(Thousands of yen)

	Nine months ended December 31, 2022	Nine months ended December 31, 2023
Net sales	28,122,460	30,325,438
Cost of sales	19,229,123	20,555,327
Gross profit	8,893,336	9,770,110
Selling, general and administrative expenses	7,462,846	7,930,251
Operating profit	1,430,490	1,839,859
Non-operating income		
Rental income from real estate	335,866	357,317
Foreign exchange gains	186,921	201,650
Other	107,759	151,529
Total non-operating income	630,547	710,497
Non-operating expenses		
Rental expenses on real estate	244,203	284,181
Other	153,341	83,522
Total non-operating expenses	397,544	367,704
Ordinary profit	1,663,492	2,182,652
Extraordinary income		
Subsidy income	—	2,039
Gain on sale of non-current assets	579	1,610
Total extraordinary income	579	3,649
Extraordinary losses		
Loss on valuation of investment securities	—	561,160
Other	—	2,039
Total extraordinary losses	—	563,199
Profit before income taxes	1,664,072	1,623,102
Income taxes	655,918	589,548
Profit	1,008,154	1,033,554
Profit attributable to non-controlling interests	17,599	38,818
Profit attributable to owners of parent	990,555	994,735

Quarterly Consolidated Statements of Comprehensive Income

(Thousands of yen)

	Nine months ended December 31, 2022	Nine months ended December 31, 2023
Profit	1,008,154	1,033,554
Other comprehensive income		
Valuation difference on available-for-sale securities	47,197	53,258
Deferred gains or losses on hedges	114,676	29,219
Foreign currency translation adjustment	1,151,522	621,109
Remeasurements of defined benefit plans, net of tax	2,395	4,706
Total other comprehensive income	1,315,791	708,293
Comprehensive income	2,323,945	1,741,848
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	2,283,799	1,688,516
Comprehensive income attributable to non-controlling interests	40,145	53,331

(Segment Information)

I. Third Quarter, FY2022 (April 1, 2022 to December 31, 2022)

(Thousands of yen)

	Reportable segments				Reconciling items	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

II. Third Quarter, FY2023 (April 1, 2023 to December 31, 2023)

(Thousands of yen)

	Reportable segments				Reconciling items	Quarterly consolidated financial statements
	Test Solution Business	Semiconductor Design-related Business	System and Service Business	Reportable segments		
Sales						
Testers	2,421,213	—	—	2,421,213	—	2,421,213
STAr Technologies	8,915,916	—	—	8,915,916	—	8,915,916
EDA and Others	—	6,358,425	—	6,358,425	—	6,358,425
Sanei Hytechs	—	3,005,559	—	3,005,559	—	3,005,559
MoDeCH	—	148,315	—	148,315	—	148,315
Embedded System and Others	—	—	2,168,346	2,168,346	—	2,168,346
IT Access	—	—	3,924,716	3,924,716	—	3,924,716
GAIO Technology	—	—	3,024,198	3,024,198	—	3,024,198
Regulus	—	—	358,746	358,746	—	358,746
Revenue from Contracts with Customers	11,337,129	9,512,300	9,476,008	30,325,438	—	30,325,438
Revenues from external customers	11,337,129	9,512,300	9,476,008	30,325,438	—	30,325,438
Transactions with other segments	—	1,636	32,104	33,740	△33,740	—
Net sales	11,337,129	9,513,936	9,508,113	30,359,179	△33,740	30,325,438
Operating profit (loss)	634,262	423,783	1,177,227	2,235,272	△395,413	1,839,859