



# Consolidated Financial Statements

## For the Second Quarter ended September 30, 2023 [Japanese GAAP]

November 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  
 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, 2023

(April 1, 2023 to September 30, 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	%
Second Quarter, FY2023	19,471	△1.5	854	△32.3	1,206	△21.0	833	△9.7
Second Quarter, FY2022	19,763	4.8	1,261	△24.9	1,528	△21.7	923	△34.4

[NOTE] Comprehensive income Second Quarter, FY2023 1,342 million yen (△24.4%) Second Quarter, FY2022 1,774 million yen (△5.7%)

	Profit attributable to owners of parent per share	Diluted profit attributable to owners of parent per share
	yen sen	yen sen
Second Quarter, FY2023	62.75	61.79
Second Quarter, FY2022	70.39	68.58

#### (2) Consolidated Financial Position

	Total assets	Net assets	Equity Ratio
	million yen	million yen	%
Second Quarter, FY2023	46,450	25,183	52.9
FY2022	43,629	24,589	54.1

[Reference] Net worth Second Quarter, FY2023 24,576 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	2,900	16.9	1,950	17.0	145.20

[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. : 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:  
September 30, 2023 13,700,000 shares March 31, 2023 13,700,000 shares

② Outstanding treasury shares as of:  
September 30, 2023 269,918 shares March 31, 2023 558,918 shares

③ Average outstanding shares for the second quarter ended:  
September 30, 2023 13,278,787 shares September 30, 2022 13,114,879 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 September 30, 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 six months ended September 30, 2023; 9,869 shares for the six months ended September 30, 2022).

[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, 2023	As of September 30, 2023
<b>Assets</b>		
<b>Current assets</b>		
Cash and deposits	6,598,397	7,003,424
Notes and accounts receivable - trade, and contract assets	9,665,796	9,984,654
Merchandise and finished goods	4,839,267	5,719,434
Work in process	1,349,057	1,624,988
Raw materials	1,917,086	2,224,263
Other	1,593,453	2,182,422
Allowance for doubtful accounts	△5,525	△5,134
<b>Total current assets</b>	<b>25,957,534</b>	<b>28,734,053</b>
<b>Non-current assets</b>		
<b>Property, plant and equipment</b>		
Buildings and structures	8,736,726	8,803,644
Accumulated depreciation	△5,296,141	△5,441,092
<b>Buildings and structures, net</b>	<b>3,440,585</b>	<b>3,362,552</b>
Land	5,848,453	5,848,453
Other	4,714,190	4,621,261
Accumulated depreciation	△2,540,060	△2,306,306
<b>Other, net</b>	<b>2,174,129</b>	<b>2,314,955</b>
<b>Total property, plant and equipment</b>	<b>11,463,168</b>	<b>11,525,961</b>
<b>Intangible assets</b>		
Goodwill	1,005,860	935,375
Other	1,231,053	1,281,923
<b>Total intangible assets</b>	<b>2,236,914</b>	<b>2,217,298</b>
<b>Investments and other assets</b>		
Investment securities	1,734,408	1,928,398
Other	2,237,239	2,044,715
<b>Total investments and other assets</b>	<b>3,971,647</b>	<b>3,973,113</b>
<b>Total non-current assets</b>	<b>17,671,730</b>	<b>17,716,373</b>
<b>Total assets</b>	<b>43,629,265</b>	<b>46,450,426</b>

(Thousands of yen)

	As of March 31, 2023	As of September 30, 2023
<b>Liabilities</b>		
Current liabilities		
Notes and accounts payable - trade	3,053,286	2,808,042
Short-term borrowings	5,240,966	6,783,779
Current portion of bonds payable	2,200,000	1,000,000
Current portion of long-term borrowings	630,016	803,288
Income taxes payable	439,423	380,554
Advances received	3,118,406	5,259,161
Provision for bonuses	317,395	498,823
Provision for bonuses for directors (and other officers)	6,200	7,275
Other	2,062,759	1,241,431
Total current liabilities	17,068,453	18,782,356
Non-current liabilities		
Long-term borrowings	1,073,280	1,560,000
Provision for retirement benefits for directors (and other officers)	174,453	159,533
Provision for share awards	18,598	27,254
Retirement benefit liability	301,560	320,561
Other	402,931	417,080
Total non-current liabilities	1,970,824	2,484,429
Total liabilities	19,039,278	21,266,785
<b>Net assets</b>		
Shareholders' equity		
Share capital	10,517,159	10,517,159
Capital surplus	4,242,744	4,030,923
Retained earnings	8,697,421	9,069,300
Treasury shares	△651,358	△307,948
Total shareholders' equity	22,805,967	23,309,435
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	100,295	183,147
Deferred gains or losses on hedges	△44,960	5,366
Foreign currency translation adjustment	756,761	1,087,664
Remeasurements of defined benefit plans	△12,686	△9,548
Total accumulated other comprehensive income	799,409	1,266,629
Share acquisition rights	128,849	21,730
Non-controlling interests	855,760	585,845
Total net assets	24,589,987	25,183,640
<b>Total liabilities and net assets</b>	<b>43,629,265</b>	<b>46,450,426</b>

## Quarterly Consolidated Statements of Income

(Thousands of yen)

	Six months ended September 30, 2022	Six months ended September 30, 2023
Net sales	19,763,849	19,471,374
Cost of sales	13,547,663	13,472,983
Gross profit	6,216,185	5,998,390
Selling, general and administrative expenses	4,954,468	5,143,990
Operating profit	1,261,717	854,399
Non-operating income		
Rental income from real estate	225,669	234,075
Foreign exchange gains	276,873	281,661
Other	45,803	100,545
Total non-operating income	548,346	616,282
Non-operating expenses		
Rental expenses on real estate	164,071	188,822
Other	117,920	75,185
Total non-operating expenses	281,992	264,008
Ordinary profit	1,528,071	1,206,673
Extraordinary income		
Gain on sale of non-current assets	—	1,612
Total extraordinary income	—	1,612
Profit before income taxes	1,528,071	1,208,286
Income taxes	606,979	345,498
Profit	921,091	862,788
Profit (loss) attributable to non-controlling interests	△2,067	29,500
Profit attributable to owners of parent	923,159	833,287

## Quarterly Consolidated Statements of Comprehensive Income

(Thousands of yen)

	Six months ended September 30, 2022	Six months ended September 30, 2023
Profit	921,091	862,788
Other comprehensive income		
Valuation difference on available-for-sale securities	9,101	82,852
Deferred gains or losses on hedges	111,515	50,327
Foreign currency translation adjustment	731,525	343,239
Remeasurements of defined benefit plans, net of tax	1,596	3,137
Total other comprehensive income	853,740	479,556
Comprehensive income	1,774,832	1,342,344
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	1,753,298	1,300,507
Comprehensive income attributable to non-controlling interests	21,533	41,836

## Quarterly Consolidated Statements of Cash Flows

(Thousands of yen)

	Six months ended September 30, 2022	Six months ended September 30, 2023
<b>Cash flows from operating activities</b>		
Profit before income taxes	1,528,071	1,208,286
Depreciation	601,603	634,250
Amortization of goodwill	118,863	118,309
Increase (decrease) in allowance for doubtful accounts	△55	△391
Increase (decrease) in provision for bonuses	233,698	164,114
Increase (decrease) in retirement benefit liability	17,724	△909
Increase (decrease) in provision for share awards	—	8,656
Interest and dividend income	△9,095	△17,888
Interest expenses	20,910	44,078
Foreign exchange losses (gains)	△219,058	△329,265
Loss (gain) on investments in investment partnerships	32,884	21,703
Decrease (increase) in trade receivables	△3,138,188	△13,029
Decrease (increase) in inventories and advance payments	△1,332,949	△1,560,196
Increase (decrease) in trade payables	389,226	△361,275
Increase (decrease) in advances received	1,832,860	2,094,278
Other, net	△202,921	△869,771
Subtotal	△126,425	1,140,949
Interest and dividends received	8,579	17,997
Interest paid	△20,836	△44,238
Income taxes refund (paid)	△562,498	△470,289
Net cash provided by (used in) operating activities	△701,180	644,419
<b>Cash flows from investing activities</b>		
Payments into time deposits	△120	△147,440
Purchase of property, plant and equipment	△691,848	△296,446
Purchase of intangible assets	△265,879	△268,926
Purchase of long-term prepaid expenses	△61,112	△27,243
Purchase of investment securities	△50,060	△60
Proceeds from distributions from investment partnerships	106,462	—
Purchase of insurance funds	△39,023	△16,400
Proceeds from cancellation of insurance funds	185,734	120,778
Other, net	△1,815	△1,582
Net cash provided by (used in) investing activities	△817,662	△637,320
<b>Cash flows from financing activities</b>		
Net increase (decrease) in short-term borrowings	1,456,508	1,334,874
Proceeds from long-term borrowings	—	1,000,000
Repayments of long-term borrowings	△240,008	△340,008
Redemption of bonds	—	△1,200,000
Dividends paid	△458,310	△459,657
Dividends paid to non-controlling interests	△44,833	△22,500
Repayments to non-controlling shareholders	—	△306,826
Other, net	△885	△4,589
Net cash provided by (used in) financing activities	712,470	1,292
Effect of exchange rate change on cash and cash equivalents	294,433	207,971
Net increase (decrease) in cash and cash equivalents	△511,940	216,363
Cash and cash equivalents at beginning of period	6,480,661	6,134,616
Cash and cash equivalents at end of period	5,968,721	6,350,979

## (Segment Information)

## I. Second Quarter, FY2022 (April 1, 2022 to September 30, 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	4,046,987	—	—	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

II. Second Quarter, FY2023 (April 1, 2023 to September 30, 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	1,165,723	—	—	1,165,723	—	1,165,723
STAr Technologies	5,751,143	—	—	5,751,143	—	5,751,143
EDA and Others	—	4,199,466	—	4,199,466	—	4,199,466
Sanei Hytechs	—	2,054,432	—	2,054,432	—	2,054,432
MoDeCH	—	110,873	—	110,873	—	110,873
Embedded System and Others	—	—	1,402,919	1,402,919	—	1,402,919
IT Access	—	—	2,652,376	2,652,376	—	2,652,376
GAIO Technology	—	—	1,945,302	1,945,302	—	1,945,302
Regulus	—	—	189,135	189,135	—	189,135
Revenue from Contracts with Customers	6,916,867	6,364,772	6,189,734	19,471,374	—	19,471,374
Revenues from external customers	6,916,867	6,364,772	6,189,734	19,471,374	—	19,471,374
Transactions with other segments	—	746	18,862	19,609	△19,609	—
Net sales	6,916,867	6,365,519	6,208,596	19,490,983	△19,609	19,471,374
Operating profit (loss)	80,332	323,639	681,339	1,085,311	△230,911	854,399