



Consolidated Financial Statements

For the Fiscal Year ended March 31, 2024 [Japanese GAAP]

May 10, 2024

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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 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 FY 2023 (April 1, 2023 to March 31, 2024)

(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	%
FY2023	41,358	7.1	2,474	6.7	2,880	16.1	1,477	△ 11.3
FY2022	38,629	3.7	2,319	△ 10.3	2,480	△ 16.9	1,666	△ 24.1

[Note] Comprehensive income FY2023: 1,918 million yen (△17.7%) FY2022: 2,330 million yen (△19.5%)

	EPS	EPS, Diluted	ROE	ROA	Operating income to net sales
	yen sen	yen sen	%	%	%
FY2023	110.55	109.46	6.1	6.3	6.0
FY2022	126.95	123.68	7.3	5.9	6.0

[Reference] Equity in earnings (losses) of affiliated companies FY2023: - million yen FY2022: - million yen

(2) Consolidated Financial Position

	Total assets	Total net assets	Shareholders' equity ratio	BPS
	million yen	million yen	%	yen sen
FY2023	47,833	25,322	51.6	1,835.61
FY2022	43,629	24,589	54.1	1,796.30

[Reference] Net worth FY2023: 24,704 million yen FY2022: 23,605 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
FY2023	2,621	△ 1,444	808	8,243
FY2022	1,680	△ 1,692	△ 517	6,134

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			
FY2022	yen sen	yen sen	yen sen	yen sen	yen sen	million yen	%	%
FY2022	-	35.00	-	35.00	70.00	922	55.1	4.0
FY2023	-	35.00	-	35.00	70.00	944	63.3	3.9
FY2024 (outlook)	-	35.00	-	35.00	70.00		55.4	

3. Consolidated Business Outlook for FY2024 (April 1, 2024 to March 31, 2025)

(Percentages indicate year-on-year changes)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent		EPS
	million yen	%	million yen	%	million yen	%	million yen	%	yen sen
FY2024	43,500	5.2	2,500	1.0	2,550	△ 11.5	1,700	15.0	126.32

Notes to Consolidated Financial Statements

- (1) Change in significant subsidiaries during FY2023 : None
 Newly — (Name of Company) — Exception — (Name of Company) —
- (2) 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

(3) Number of shares outstanding (common shares)

- ① Total outstanding shares including treasury shares as of:

As of March 31, 2024:	13,700,000 shares	As of March 31, 2023:	13,700,000 shares
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- ② Outstanding treasury shares as of:

As of March 31, 2024:	241,614 shares	As of March 31, 2023:	558,918 shares
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- ③ Average outstanding shares as of:

Year ended March 31, 2024:	13,366,288 shares	Year ended March 31, 2023:	13,127,583 shares
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[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 March 31, 2024; 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 FY2024; 25,890 shares for FY2023).

(Reference) Summary of Non-consolidated Financial Results

Non-Consolidated Financial Highlights for FY2023 (April 1, 2023 to March 31, 2024)

(1) Non-Consolidated Operating Results (Percentages indicate year-on-year changes)

	Net sales		Operating profit		Ordinary profit		Profit	
	million yen	%	million yen	%	million yen	%	million yen	%
FY2023	14,762	△ 10.7	716	△ 25.3	1,832	△ 3.9	1,478	△ 6.3
FY2022	16,537	△ 4.0	959	△ 22.2	1,907	△ 15.8	1,578	△ 11.7

	EPS	EPS, Diluted
	yen sen	yen sen
FY2023	110.63	109.53
FY2022	120.24	117.13

(2) Non-Consolidated Financial Position

	Total assets	Total net assets	Shareholders' equity ratio	BPS
	million yen	million yen	%	yen sen
FY2023	32,567	19,351	59.4	1,436.24
FY2022	30,417	18,641	60.9	1,408.79

[Reference] Net worth FY2023: 19,329 million yen FY2022: 18,513 million yen

* This Summary of Consolidated Financial Results is outside the scope of external auditor's 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.

Consolidated Balance Sheets

(Thousands of yen)

	As of March 31, 2023	As of March 31, 2024
Assets		
Current assets		
Cash and deposits	6,598,397	8,876,950
Notes receivable - trade	252,534	333,986
Accounts receivable - trade	9,313,752	9,700,768
Contract assets	99,510	135,745
Merchandise and finished goods	4,839,267	5,485,515
Work in process	1,349,057	1,503,906
Raw materials	1,917,086	2,192,112
Other	1,593,453	2,077,892
Allowance for doubtful accounts	△5,525	△1,592
Total current assets	25,957,534	30,305,285
Non-current assets		
Property, plant and equipment		
Buildings and structures	8,736,726	8,823,759
Accumulated depreciation	△5,296,141	△5,557,041
Buildings and structures, net	3,440,585	3,266,718
Machinery, equipment and vehicles	2,920,082	3,169,236
Accumulated depreciation	△1,499,890	△1,325,977
Machinery, equipment and vehicles, net	1,420,192	1,843,259
Land	5,848,453	5,872,784
Other	1,794,107	1,790,458
Accumulated depreciation	△1,040,169	△1,143,082
Other, net	753,937	647,376
Total property, plant and equipment	11,463,168	11,630,139
Intangible assets		
Goodwill	1,005,860	817,981
Other	1,231,053	1,248,338
Total intangible assets	2,236,914	2,066,320
Investments and other assets		
Investment securities	1,734,408	1,479,596
Deferred tax assets	501,560	498,272
Retirement benefit asset	371,059	621,045
Other	1,364,619	1,233,041
Total investments and other assets	3,971,647	3,831,955
Total non-current assets	17,671,730	17,528,415
Total assets	43,629,265	47,833,701

(Thousands of yen)

	As of March 31, 2023	As of March 31, 2024
Liabilities		
Current liabilities		
Notes and accounts payable - trade	3,053,286	2,778,142
Short-term borrowings	5,240,966	9,479,991
Current portion of bonds payable	2,200,000	—
Current portion of long-term borrowings	630,016	660,000
Income taxes payable	439,423	489,044
Advances received	3,118,406	4,142,390
Provision for bonuses	317,395	449,826
Provision for bonuses for directors (and other officers)	6,200	4,000
Other	2,062,759	2,257,576
Total current liabilities	17,068,453	20,260,971
Non-current liabilities		
Long-term borrowings	1,073,280	1,280,000
Provision for retirement benefits for directors (and other officers)	174,453	168,097
Provision for share awards	18,598	35,992
Retirement benefit liability	301,560	358,727
Other	402,931	407,601
Total non-current liabilities	1,970,824	2,250,418
Total liabilities	19,039,278	22,511,390
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	9,242,163
Treasury shares	△651,358	△275,721
Total shareholders' equity	22,805,967	23,528,132
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	100,295	258,584
Deferred gains or losses on hedges	△44,960	△85,861
Foreign currency translation adjustment	756,761	864,545
Remeasurements of defined benefit plans	△12,686	138,919
Total accumulated other comprehensive income	799,409	1,176,186
Share acquisition rights	128,849	21,730
Non-controlling interests	855,760	596,260
Total net assets	24,589,987	25,322,310
Total liabilities and net assets	43,629,265	47,833,701

Consolidated Statements of Income

(Thousands of yen)

	Fiscal year ended March 31, 2023	Fiscal year ended March 31, 2024
Net sales	38,629,761	41,358,384
Cost of sales	26,387,679	28,198,202
Gross profit	12,242,082	13,160,181
Selling, general and administrative expenses	9,922,471	10,685,905
Operating profit	2,319,610	2,474,275
Non-operating income		
Rental income from real estate	447,271	480,824
Foreign exchange gains	112,448	229,455
Other	160,015	187,866
Total non-operating income	719,734	898,145
Non-operating expenses		
Rental expenses on real estate	336,097	353,550
Interest expenses	50,975	95,719
Other	171,377	43,042
Total non-operating expenses	558,449	492,312
Ordinary profit	2,480,895	2,880,108
Extraordinary income		
Subsidy income	980	2,039
Gain on sale of non-current assets	1,555	1,604
Total extraordinary income	2,535	3,643
Extraordinary losses		
Loss on tax purpose reduction entry of non-current assets	980	2,039
Loss on valuation of investment securities	—	532,085
Total extraordinary losses	980	534,124
Profit before income taxes	2,482,451	2,349,626
Income taxes - current	864,839	915,583
Income taxes - deferred	△97,318	△98,204
Total income taxes	767,521	817,378
Profit	1,714,930	1,532,247
Profit attributable to non-controlling interests	48,346	54,574
Profit attributable to owners of parent	1,666,583	1,477,673

Consolidated Statements of Comprehensive Income

(Thousands of yen)

	Fiscal year ended March 31, 2023	Fiscal year ended March 31, 2024
Profit	1,714,930	1,532,247
Other comprehensive income		
Valuation difference on available-for-sale securities	34,550	158,288
Deferred gains or losses on hedges	48,287	△40,901
Foreign currency translation adjustment	537,592	116,926
Remeasurements of defined benefit plans, net of tax	△4,800	151,605
Total other comprehensive income	615,630	385,920
Comprehensive income	2,330,561	1,918,167
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	2,267,595	1,854,450
Comprehensive income attributable to non-controlling interests	62,965	63,717

Consolidated Statements of Changes in Equity
 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-control ling 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

FY2023 (From April 1, 2023 to March 31, 2024)

(Thousands of yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	10,517,159	4,242,744	8,697,421	△651,358	22,805,967
Changes during period					
Dividends of surplus			△932,930		△932,930
Profit attributable to owners of parent			1,477,673		1,477,673
Purchase of treasury shares				△174	△174
Disposal of treasury shares		△198,098		375,811	177,713
Change in ownership interest of parent due to transactions with non-controlling interests		△116			△116
Net changes in items other than shareholders' equity					
Total changes during period	—	△198,214	544,742	375,637	722,165
Balance at end of period	10,517,159	4,044,529	9,242,163	△275,721	23,528,132

	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	100,295	△44,960	756,761	△12,686	799,409	128,849	855,760	24,589,987
Changes during period								
Dividends of surplus								△932,930
Profit attributable to owners of parent								1,477,673
Purchase of treasury shares								△174
Disposal of treasury shares								177,713
Change in ownership interest of parent due to transactions with non-controlling interests								△116
Net changes in items other than shareholders' equity	158,288	△40,901	107,784	151,605	376,777	△107,119	△259,500	10,158
Total changes during period	158,288	△40,901	107,784	151,605	376,777	△107,119	△259,500	732,323
Balance at end of period	258,584	△85,861	864,545	138,919	1,176,186	21,730	596,260	25,322,310

Consolidated Statements of Cash Flows

(Thousands of yen)

	Fiscal year ended March 31, 2023	Fiscal year ended March 31, 2024
Cash flows from operating activities		
Profit before income taxes	2,482,451	2,349,626
Depreciation	1,197,719	1,288,857
Amortization of goodwill	232,166	230,076
Increase (decrease) in allowance for doubtful accounts	△264	△3,932
Increase (decrease) in provision for bonuses	5,163	117,154
Increase (decrease) in retirement benefit liability	△382	21,573
Increase (decrease) in provision for share awards	18,598	17,393
Interest and dividend income	△20,291	△38,480
Interest expenses	50,975	95,719
Foreign exchange losses (gains)	△10,155	△378,028
Loss (gain) on investments in investment partnerships	88,700	9,758
Loss (gain) on valuation of investment securities	—	532,085
Loss on tax purpose reduction entry of non-current assets	980	2,039
Decrease (increase) in trade receivables	△730,518	△235,019
Decrease (increase) in inventories and advance payments	△1,946,228	△999,552
Increase (decrease) in trade payables	683,763	△377,686
Increase (decrease) in advances received	539,281	982,810
Other, net	97,783	△79,319
Subtotal	2,689,742	3,535,074
Interest and dividends received	18,181	38,940
Interest paid	△51,002	△88,551
Income taxes paid	△977,793	△863,987
Income taxes refund	1,035	—
Net cash provided by (used in) operating activities	1,680,162	2,621,476
Cash flows from investing activities		
Payments into time deposits	△265,712	△141,965
Proceeds from withdrawal of time deposits	—	560
Purchase of property, plant and equipment	△1,076,068	△704,668
Purchase of intangible assets	△493,926	△499,379
Purchase of long-term prepaid expenses	△116,640	△90,801
Purchase of investment securities	△50,120	△120
Proceeds from distributions from investment partnerships	180,602	6,140
Net decrease (increase) in short-term loans receivable	—	△92,400
Purchase of insurance funds	△81,286	△56,037
Proceeds from cancellation of insurance funds	213,356	135,700
Other, net	△2,707	△1,605
Net cash provided by (used in) investing activities	△1,692,504	△1,444,577
Cash flows from financing activities		
Net increase (decrease) in short-term borrowings	6,943	4,055,625
Proceeds from long-term borrowings	1,000,000	1,000,000
Repayments of long-term borrowings	△530,016	△763,296
Redemption of bonds	—	△2,200,000
Dividends paid	△918,132	△930,823
Dividends paid to non-controlling interests	△73,458	△28,700
Repayments to non-controlling shareholders	—	△315,424
Other, net	△2,580	△8,876
Net cash provided by (used in) financing activities	△517,244	808,503
Effect of exchange rate change on cash and cash equivalents	183,541	122,989
Net increase (decrease) in cash and cash equivalents	△346,045	2,108,391
Cash and cash equivalents at beginning of period	6,480,661	6,134,616
Cash and cash equivalents at end of period	6,134,616	8,243,008

(Segment Information)

I . 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

II. Fiscal Year, FY2023(April 1, 2023 to March 31, 2024)

(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	3,171,877	—	—	3,171,877	—	3,171,877
STAr Technologies	12,713,205	—	—	12,713,205	—	12,713,205
EDA and Others	—	8,641,558	—	8,641,558	—	8,641,558
Sanei Hytechs	—	3,995,664	—	3,995,664	—	3,995,664
MoDeCH	—	246,814	—	246,814	—	246,814
Embedded System and Others	—	—	2,815,079	2,815,079	—	2,815,079
IT Access	—	—	5,160,687	5,160,687	—	5,160,687
GAIO Technology	—	—	4,072,684	4,072,684	—	4,072,684
Regulus	—	—	540,813	540,813	—	540,813
Revenue from Contracts with Customers	15,885,082	12,884,037	12,589,264	41,358,384	—	41,358,384
Revenues from external customers	15,885,082	12,884,037	12,589,264	41,358,384	—	41,358,384
Transactions with other segments	—	1,686	62,450	64,137	△64,137	—
Net sales	15,885,082	12,885,724	12,651,715	41,422,521	△64,137	41,358,384
Operating profit	812,299	575,933	1,616,877	3,005,110	△530,835	2,474,275
Other items						
Depreciation	525,284	131,911	478,246	1,135,442	75,274	1,210,717
Amortization of goodwill	189,010	41,066	—	230,076	—	230,076