Consolidated Financial Statements
For the Third Quarter ended December 31, 2024 [Japanese GAAP]

February 10, 2025

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, 2024

(April 1, 2024 to December 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	%
Third Quarter, FY2024	29,922	△ 1.3	1,165	△ 36.6	1,280	△ 41.3	995	0.1
Third Quarter, FY2023	30,325	7.8	1,839	28.6	2,182	31.2	994	0.4

[Note] Comprehensive income Third Quarter, FY2024: 1,304 million yen (△25.1%) Third Quarter, FY2023: 1,741 million yen (△25.0%)

	Profit attributable to owners of parent per share	Diluted profit attributable to owners of parent per share
	yen sen	yen sen
Third Quarter, FY2024	74.03	73.70
Third Quarter, FY2023	74.59	73.72

(2) Consolidated Financial Position

	Total assets	Net assets	Net worth ratio
	million yen	million yen	%
Third Quarter, FY2024	46,069	25,532	54.0
FY2023	47,833	25,322	51.6

[Reference] Net worth Third Quarter, FY2024: 24,871 million yen FY2023: 24,704 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
FY2023	-	35.00	-	35.00	70.00
FY2024	-	35.00	-		
FY2024 (outlook)				35.00	70.00

[Note] Revisions to the forecast of cash dividends most recently announced: None

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		Profit attributable to owners of parent per share
	million yen	%	million yen	%	million yen	%	million yen	%	yen sen
FY2024	41,500	0.3	1,800	△ 27.3	1,800	△ 37.5	1,350	△ 8.6	101.07

[Note] Revisions to the financial forecast most recently announced: None

Notes to Consolidated Financial Statements

(1) Significant changes in the scope of consolidation during the period : 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, 2024 13,700,000 shares March 31, 2024 13,700,000 shares
② Outstanding treasury shares as of:
December 31, 2024 343,414 shares March 31, 2024 241,614 shares
③ Average outstanding shares for the third quarter ended:
December 31, 2024 13,450,003 shares December 31, 2023 13,335,801 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, 2024; 42,000 shares as of March 31, 2024). 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, 2024; 42,000 shares for the nine months ended December 31, 2023).

* Review of the quarterly consolidated financial statements by a certified public accountant or auditing firm: None

* 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, 2024	As of December 31, 2024
Assets		
Current assets		
Cash and deposits	8,876,950	7,230,999
Notes and accounts receivable - trade, and contract assets	10,170,499	9,329,798
Merchandise and finished goods	5,485,515	5,933,541
Work in process	1,503,906	1,766,188
Raw materials	2,192,112	1,952,111
Other	2,077,892	2,423,086
Allowance for doubtful accounts	△1,592	－
Total current assets	30,305,285	28,635,727
Non-current assets		
Property, plant and equipment		
Buildings and structures	8,823,759	8,834,905
Accumulated depreciation	△5,557,041	△5,674,884
Buildings and structures, net	3,266,718	3,160,020
Land	5,872,784	5,872,784
Other	4,959,695	3,609,759
Accumulated depreciation	△2,469,059	△2,233,873
Other, net	2,490,636	1,375,886
Total property, plant and equipment	11,630,139	10,408,691
Intangible assets		
Goodwill	817,981	641,262
Other	1,248,338	1,203,928
Total intangible assets	2,066,320	1,845,191
Investments and other assets		
Investment securities	1,479,596	2,819,338
Other	2,352,359	2,360,256
Total investments and other assets	3,831,955	5,179,594
Total non-current assets	17,528,415	17,433,477
Total assets	47,833,701	46,069,204

(Thousands of yen)

	As of March 31, 2024	As of December 31, 2024
Liabilities		
Current liabilities		
Notes and accounts payable - trade	2,778,142	2,886,150
Short-term borrowings	9,479,991	7,874,245
Current portion of long-term borrowings	660,000	450,000
Income taxes payable	489,044	358,991
Advances received	4,142,390	4,627,703
Provision for bonuses	449,826	732,856
Provision for bonuses for directors (and other officers)	4,000	8,750
Other	2,257,576	1,743,377
Total current liabilities	20,260,971	18,682,075
Non-current liabilities		
Long-term borrowings	1,280,000	950,000
Provision for retirement benefits for directors (and other officers)	168,097	91,916
Provision for share awards	35,992	46,564
Retirement benefit liability	358,727	384,868
Other	407,601	380,987
Total non-current liabilities	2,250,418	1,854,337
Total liabilities	22,511,390	20,536,412
Net assets		
Shareholders' equity		
Share capital	10,517,159	10,517,159
Capital surplus	4,044,529	4,069,017
Retained earnings	9,242,163	9,292,816
Treasury shares	△275,721	△414,677
Total shareholders' equity	23,528,132	23,464,316
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	258,584	298,359
Deferred gains or losses on hedges	△85,861	14,573
Foreign currency translation adjustment	864,545	967,844
Remeasurements of defined benefit plans	138,919	126,494
Total accumulated other comprehensive income	1,176,186	1,407,271
Share acquisition rights	21,730	21,730
Non-controlling interests	596,260	639,473
Total net assets	25,322,310	25,532,792
Total liabilities and net assets	47,833,701	46,069,204

Quarterly Consolidated Statements of Income

(Thousands of yen)

	Nine months ended December 31, 2023	Nine months ended December 31, 2024
Net sales	30,325,438	29,922,833
Cost of sales	20,555,327	20,929,062
Gross profit	9,770,110	8,993,771
Selling, general and administrative expenses	7,930,251	7,828,096
Operating profit	1,839,859	1,165,674
Non-operating income		
Rental income from real estate	357,317	372,401
Surrender value of insurance policies	17,568	269,487
Other	335,610	70,698
Total non-operating income	710,497	712,586
Non-operating expenses		
Rental expenses on real estate	284,181	290,805
Other	83,522	307,086
Total non-operating expenses	367,704	597,892
Ordinary profit	2,182,652	1,280,369
Extraordinary income		
Gain on sale of businesses	—	318,350
Other	3,649	1,065
Total extraordinary income	3,649	319,415
Extraordinary losses		
Loss on valuation of investment securities	561,160	—
Other	2,039	—
Total extraordinary losses	563,199	—
Profit before income taxes	1,623,102	1,599,785
Income taxes	589,548	532,998
Profit	1,033,554	1,066,787
Profit attributable to non-controlling interests	38,818	71,062
Profit attributable to owners of parent	994,735	995,724

Quarterly Consolidated Statements of Comprehensive Income

(Thousands of yen)

	Nine months ended December 31, 2023	Nine months ended December 31, 2024
Profit	1,033,554	1,066,787
Other comprehensive income		
Valuation difference on available-for-sale securities	53,258	39,775
Deferred gains or losses on hedges	29,219	100,435
Foreign currency translation adjustment	621,109	110,230
Remeasurements of defined benefit plans, net of tax	4,706	△12,425
Total other comprehensive income	708,293	238,016
Comprehensive income	1,741,848	1,304,803
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	1,688,516	1,226,810
Comprehensive income attributable to non-controlling interests	53,331	77,993

(Segment Information)

I. 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	437,579	383,135	1,149,607	1,970,321	△130,462	1,839,859

II. Third Quarter, FY2024 (April 1, 2024 to December 31, 2024)

(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	1,260,874	—	—	1,260,874	—	1,260,874
STAr Technologies	8,345,858	—	—	8,345,858	—	8,345,858
EDA and Others	—	6,801,878	—	6,801,878	—	6,801,878
Sanei Hytechs	—	2,793,892	—	2,793,892	—	2,793,892
MoDeCH	—	165,383	—	165,383	—	165,383
Embedded System and Others	—	—	2,422,694	2,422,694	—	2,422,694
IT Access	—	—	4,101,865	4,101,865	—	4,101,865
GAIO Technology	—	—	3,694,056	3,694,056	—	3,694,056
Regulus	—	—	336,329	336,329	—	336,329
Revenue from Contracts with Customers	9,606,733	9,761,154	10,554,945	29,922,833	—	29,922,833
Revenues from external customers	9,606,733	9,761,154	10,554,945	29,922,833	—	29,922,833
Transactions with other segments	—	93	18,729	18,822	△18,822	—
Net sales	9,606,733	9,761,247	10,573,674	29,941,655	△18,822	29,922,833
Operating profit (△loss)	△654,689	355,069	1,480,048	1,180,428	△14,753	1,165,674

* Matters related to changes in reportable segments, etc.

From the first quarter of the year under review, we reviewed methods for allocating corporate expenses in order to more suitably manage the performances of reportable segments, changing the method for calculating Operating profit（△loss）by reportable segments.

The segment information of the third quarter of the previous term, is disclosed based on the changed method.