

November 10, 2011

**FY 2011 1st Half**

# Financial Results



# Agenda

**1** FY2011 1H Results

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**2** FY2011 Outlook

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**3** Future Steps

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# FY2011 1H Highlights

43% Increase in Ordinary Income

semiconductor design business increased both its sales and profit

Electronic Component business decreased its sales due to weak demand for TVs and other related products

Subsidiaries' businesses are slow but Innotech business itself is strong covering their slowness; substantial increase in profitability on a consolidated basis

# FY2011 1H Results

[mil. yen]

	Innotech		Sanei Hytechs		IT Access		Consolidated		YoY
	FY2011 1H	FY2010 1H	FY2011 1H	FY2010 1H	FY2011 1H	FY2010 1H	FY2011 1H	FY2010 1H	
Net Sales	10,343	9,515	1,199	1,325	1,647	2,081	13,098	12,923	1%
Gross Profit	2,583 (25.0%)	1,866 (19.6%)	204 (17.0%)	353 (26.6%)	478 (29.1%)	636 (30.6%)	3,286 (25.1%)	2,932 (22.7%)	12%
Operating Income	853 (8.3%)	229 (2.4%)	34 (2.9%)	210 (15.9%)	129 (7.8%)	331 (15.9%)	892 (6.8%)	687 (5.3%)	30%
Ordinary Income	948 (9.2%)	216 (2.3%)	36 (3.0%)	217 (16.4%)	138 (8.4%)	334 (16.1%)	969 (7.4%)	679 (5.3%)	43%
Net Profit	578 (5.6%)	71 (0.8%)	19 (1.6%)	130 (9.8%)	80 (4.9%)	198 (9.5%)	526 (4.0%)	274 (2.1%)	91%

(\*) Rounded down to the whole number.

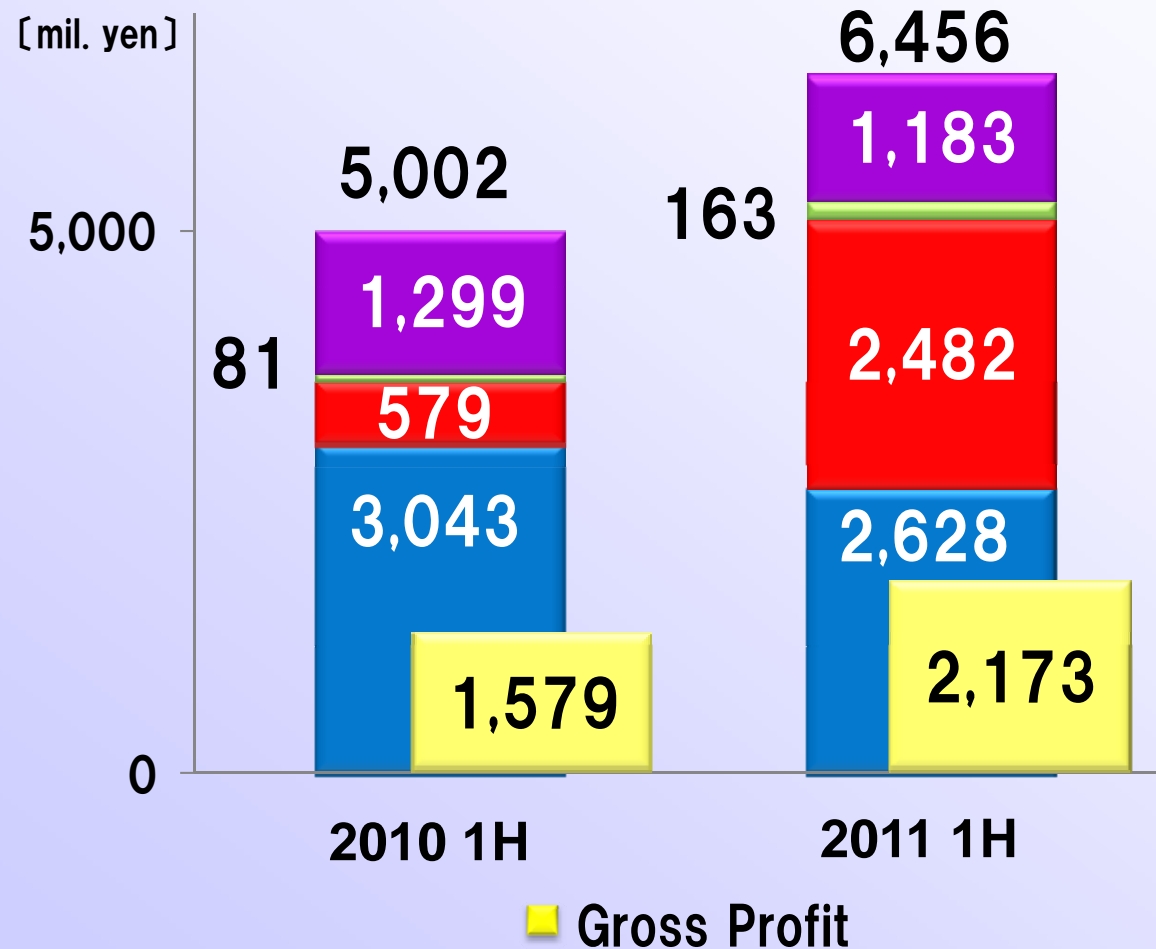
(\*) Consolidated numbers are the numbers after the consolidated adjustment.

(\*) Sales and Profit Ratio is shown in the bracket ( ).

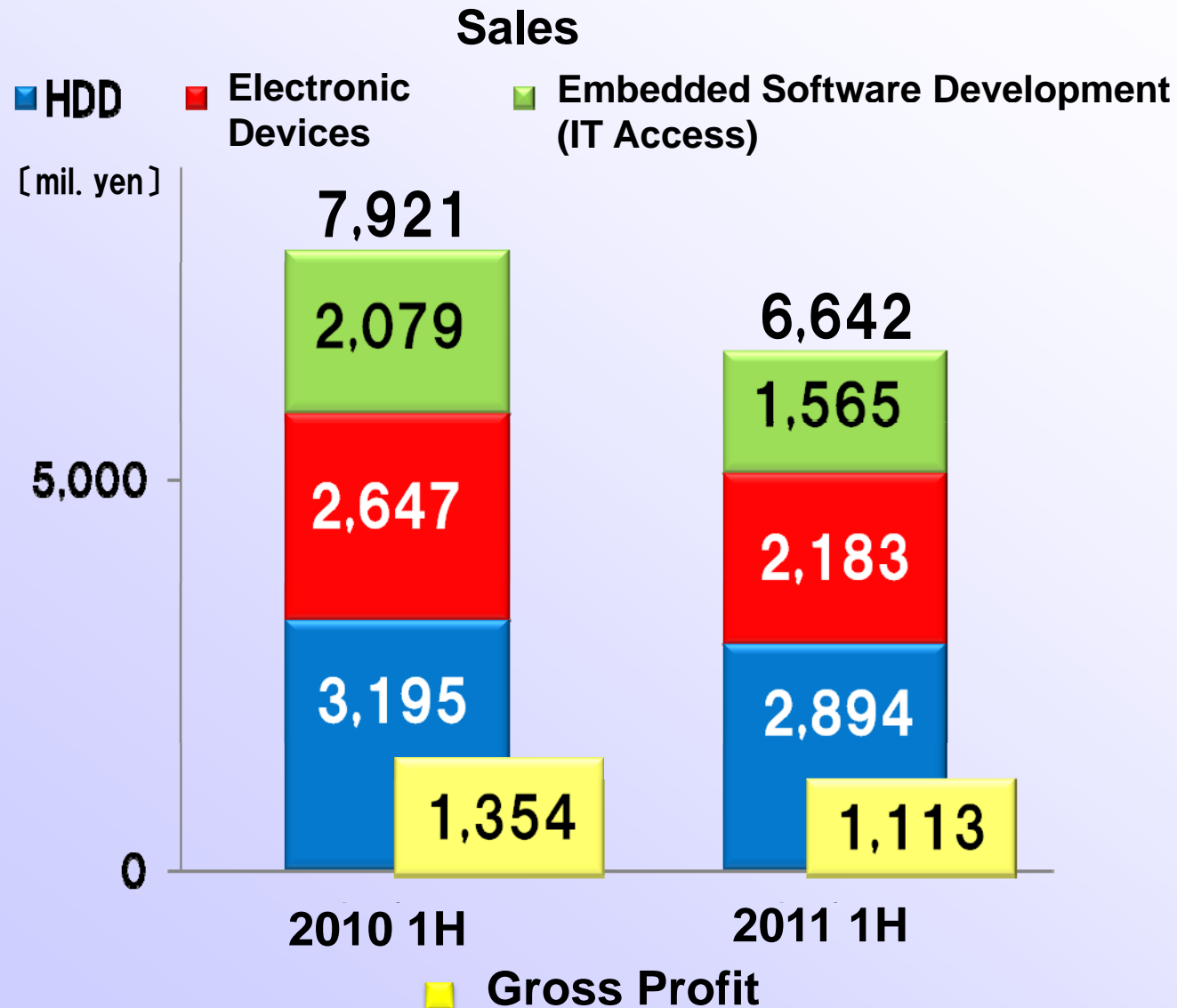
# FY2011 1H Semiconductor Design Business

## Sales

EDA Tester ASIC Design Consignment (Sanei Hytechs)



# FY2011 1H Electronic Component Business



# Semiconductor Design Business

## EDA

Contracts with large-scale customers are renewed as planned; gain on revenue stably

## Testers

Strong business for flash memory testers driven by the smartphone market

## ASIC

Product portfolio is reviewed; sales increase

## Sanei

Decrease in design consignment orders due to schedule delays in customers' development projects; Also less work days for dispatched engineers due to electricity-saving measures

# Electronic Component Business

## HDD

Sales relatively solid with minimum impact of an aftermath of the earthquake

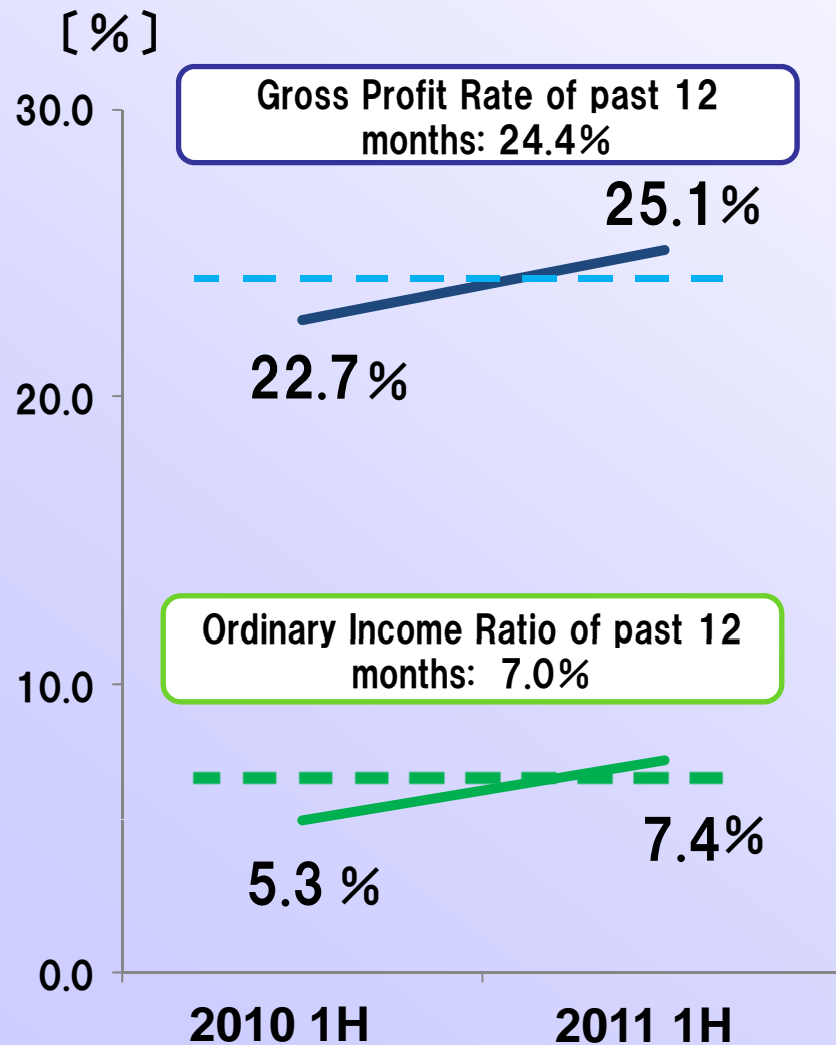
## Electronic Devices

Sales from embedded boards and other devices than key devices covered the substantial decrease in semiconductor business for TVs

## ITA

Prolonged development cycles for design consignment; license business for TV browsers declined.

# Profitability Increase



Gross Profit Rate of past 12 months: 24.4%

Gross Profit Rate increase by 2.4% points

Semiconductor Design: increase by 2.1% along with a growth of Tester business

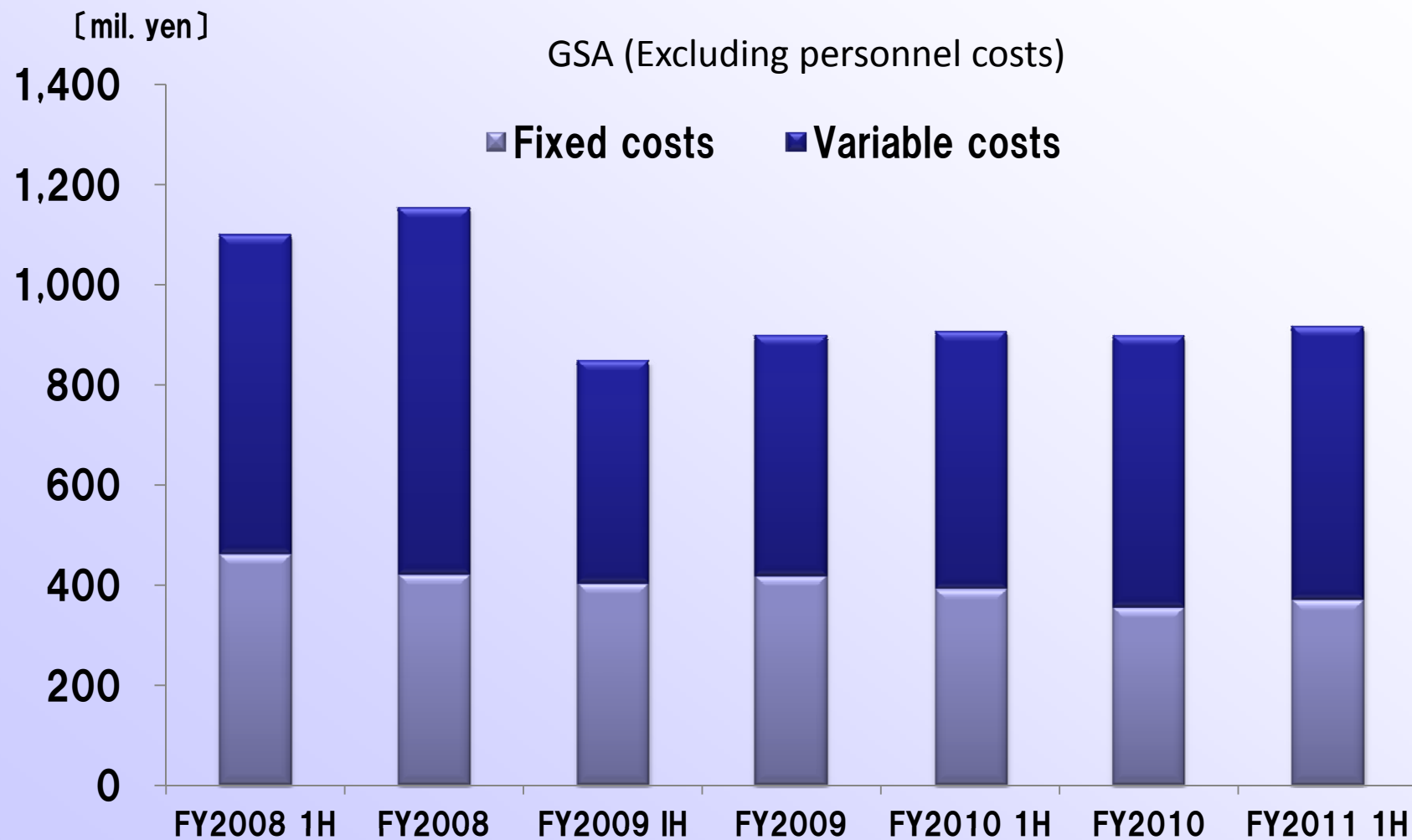
Electronic Component: 0.3% decrease due to decline in sales of embedded software

Ordinary Income Ratio of past 12 months: 7.0%

Ordinary Income Ratio increase by 2.1% points

GSA: Maintaining the cost reduction effect

# Cost reduction effect



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---

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# Highlights of FY2011 Estimate

Tester Business is expected to be the driving force due to strong demand for flash memories

HDD business may substantially decline due to an aftermath of the earthquake in Japan and flooding in Thailand

Increase in profitability regardless of natural disasters and tough market environment

# FY2011 Estimate

[ mil. yen ]

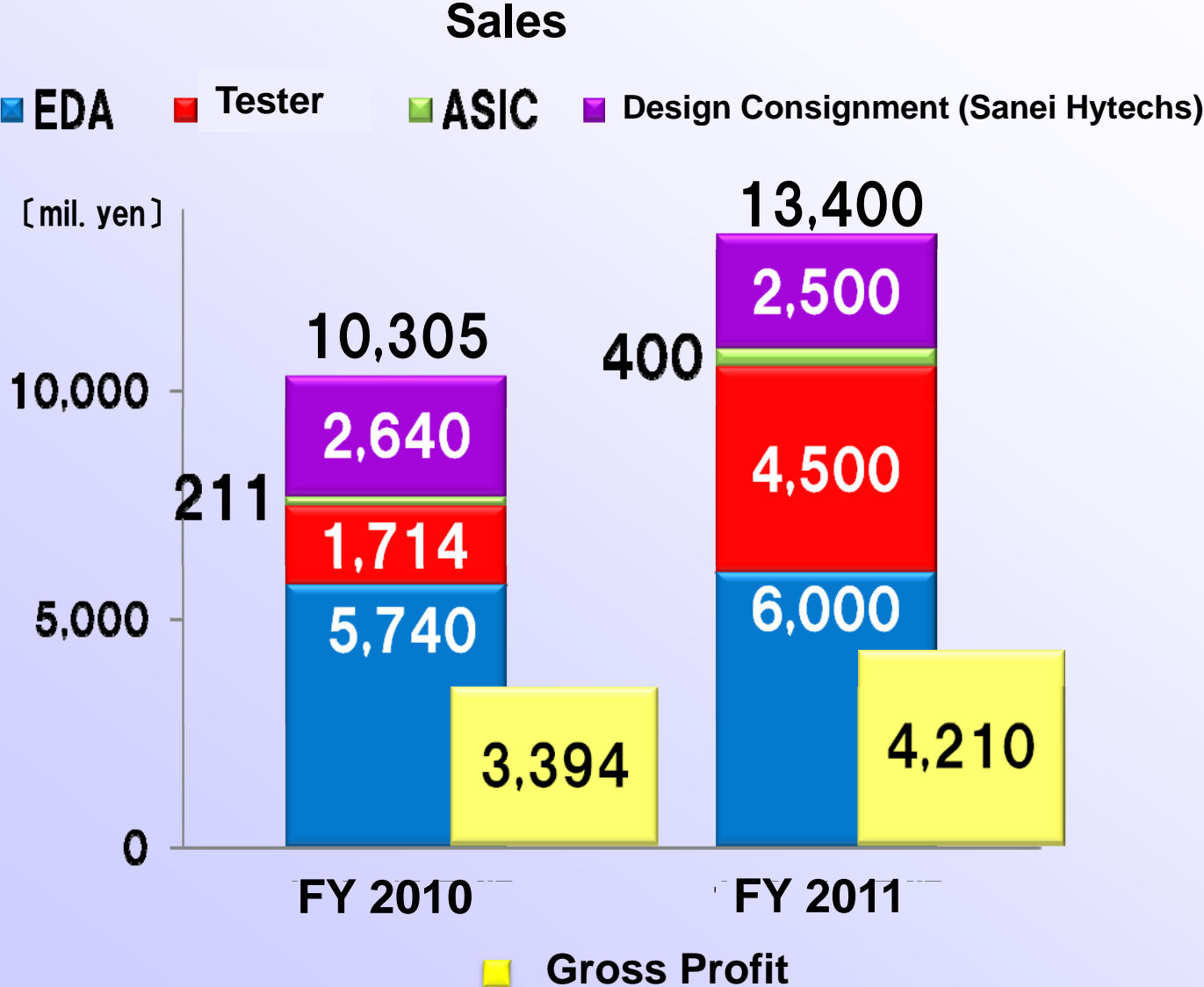
	Innotech		Sanei Hytechs		IT ACCESS		Consolidated		YoY
	FY2011	FY2010	FY2011	FY2010	FY2011	FY2010	FY2011	FY2010	
Net Sales	21,200	19,211	2,500	2,691	3,400	3,804	26,500	25,882	2%
Gross Profit	4,840 (22.8%)	4,035 (21.0%)	560 (22.4%)	670 (24.9%)	990 (29.1%)	1,096 (28.8%)	6,480 (24.5%)	6,004 (23.2%)	8%
Operating Income	1,430 (6.7%)	725 (3.8%)	200 (8.0%)	351 (13.1%)	280 (8.2%)	466 (12.3%)	1,700 (6.4%)	1,455 (5.6%)	17%
Ordinary Income	1,550 (7.3%)	797 (4.2%)	200 (8.0%)	360 (13.4%)	280 (8.2%)	473 (12.4%)	1,800 (6.8%)	1,532 (5.9%)	18%
Net Profit	930 (4.4%)	469 (2.4%)	120 (4.8%)	215 (8.0%)	160 (4.7%)	276 (7.3%)	950 (3.6%)	769 (3.0%)	23%

(\*) Rounded down to the whole number.

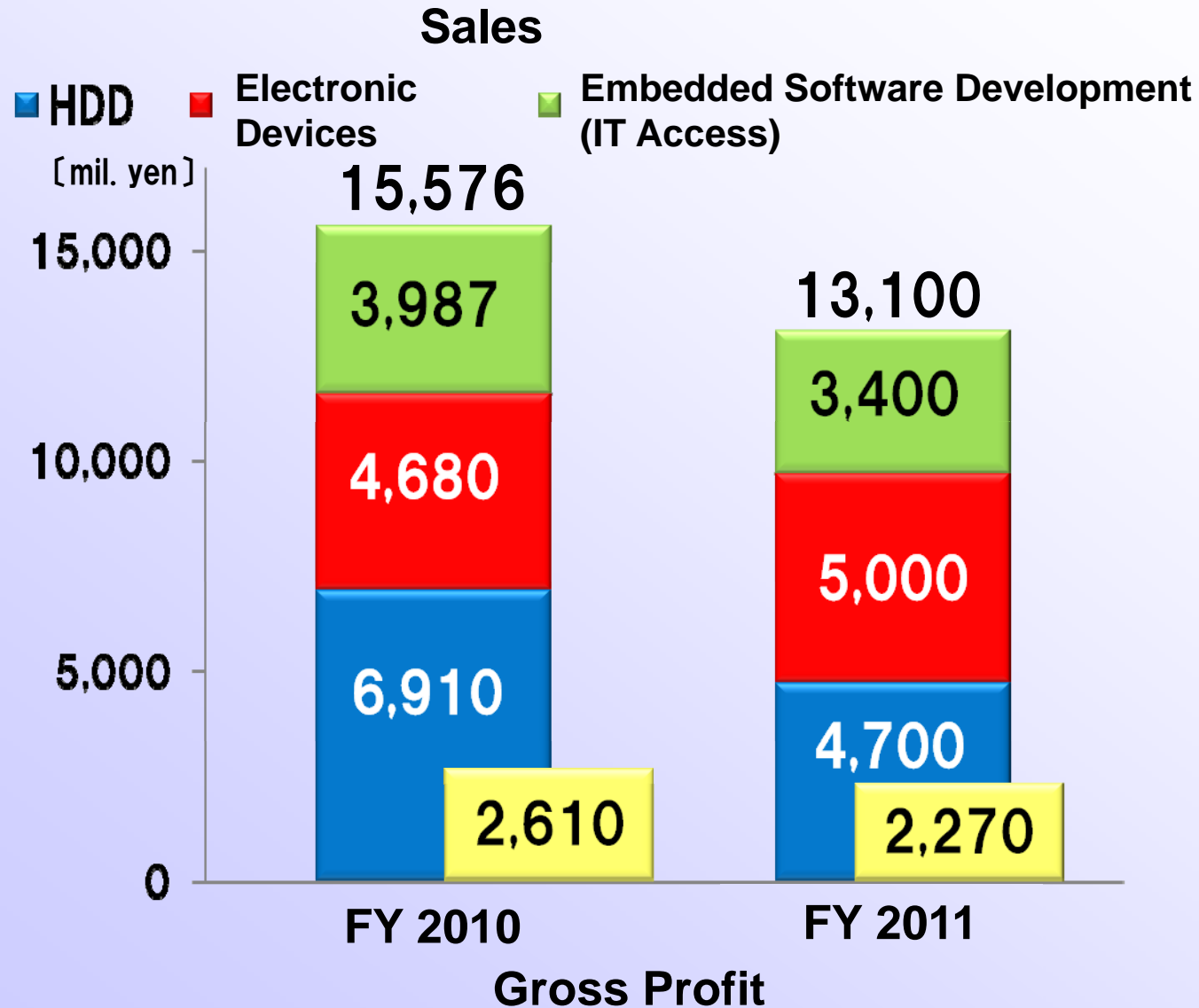
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# FY2011 Outlook: Semiconductor Design Business



# FY2011 Outlook: Electronic Component Business



# Dividends

- Dividends

	1H	2H	FY	Dividend Payout Ratio
FY2010	4 yen	8 yen	12 yen	27.3%
FY2011 (Estimate)	7 yen	7 yen	14 yen	25.8%

Our dividend payout ratio is planned to be more than 25% in a consolidated basis.

- Retirement of Treasury Stocks

Number of stocks retired: 5,000,000

Date of Retirement: June 30, 2011

	Pre Retirement (As of End of March 2011)	Post Retirement (As of End of Sept. 2011)
Total number of stocks issued	23,218,901	18,218,901
Number of treasury stocks	5,728,795	715,195
Ratio to the total number of stocks issue	24.7%	3.9%

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# Progress of Intel Business

June 16-17

Embedded Technology West 2011

- Exhibited various embedded boards and solutions
- Aggressive business development activities in the Kansai area

July 20-22

Board Computer Japan 2011

- Held an Intel-Innotech Joint Seminar (at the show site)

Oct. 7

Innotech Smart TV Seminar

- Held a seminar, inviting industry celebrities as speakers

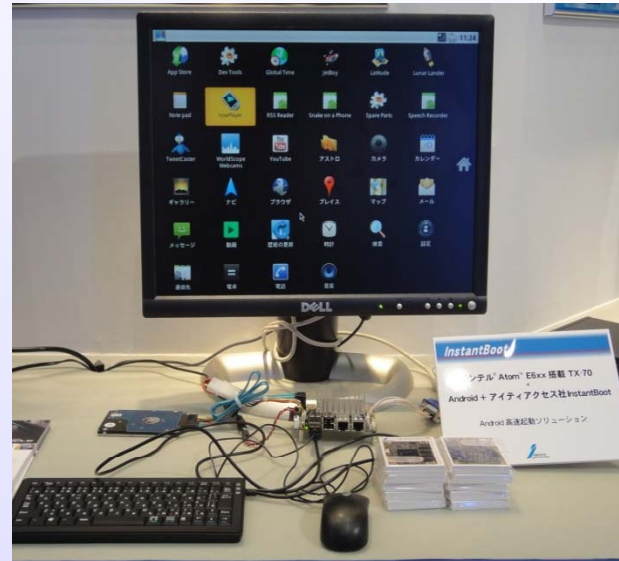
Nov. 16-18

Embedded Technology 2011

- Jointly developed demonstrations with partner companies
- Demonstrations on "High Performance" (Core series)

# Exhibited Items (Actual)

Atom™ CE4100 + ITAccess Turnkey



TX-70  
(E600 incorporated)  
+  
Android  
+  
Instant boot

Collaboration with ALTERA  
LOGIA=E600 + Cyclone IV



Collaboration with ALTERA  
4 screen output by E600 + AG10

Forum site 「EM-club」



# New Deployment of Test Solutions

For Flash Mainly



Expansion to  
Flash Wafer-level Testing

New Customer Development  
Including Overseas Companies

Partnership and M&A

Innotech will achieve stable growth by cultivating new applications and customer base leveraging its expertise in Memory test

# Cultivating Asian Market

Steadily developing transactions with local companies



## SANEI HYTECHS Chengdu Design Center

Technical support service ranging from system development to product design based on the expertise in LSI development assistance



## INNOMICRO Shanghai

Logistics support service and marketing in the Central and Northern China



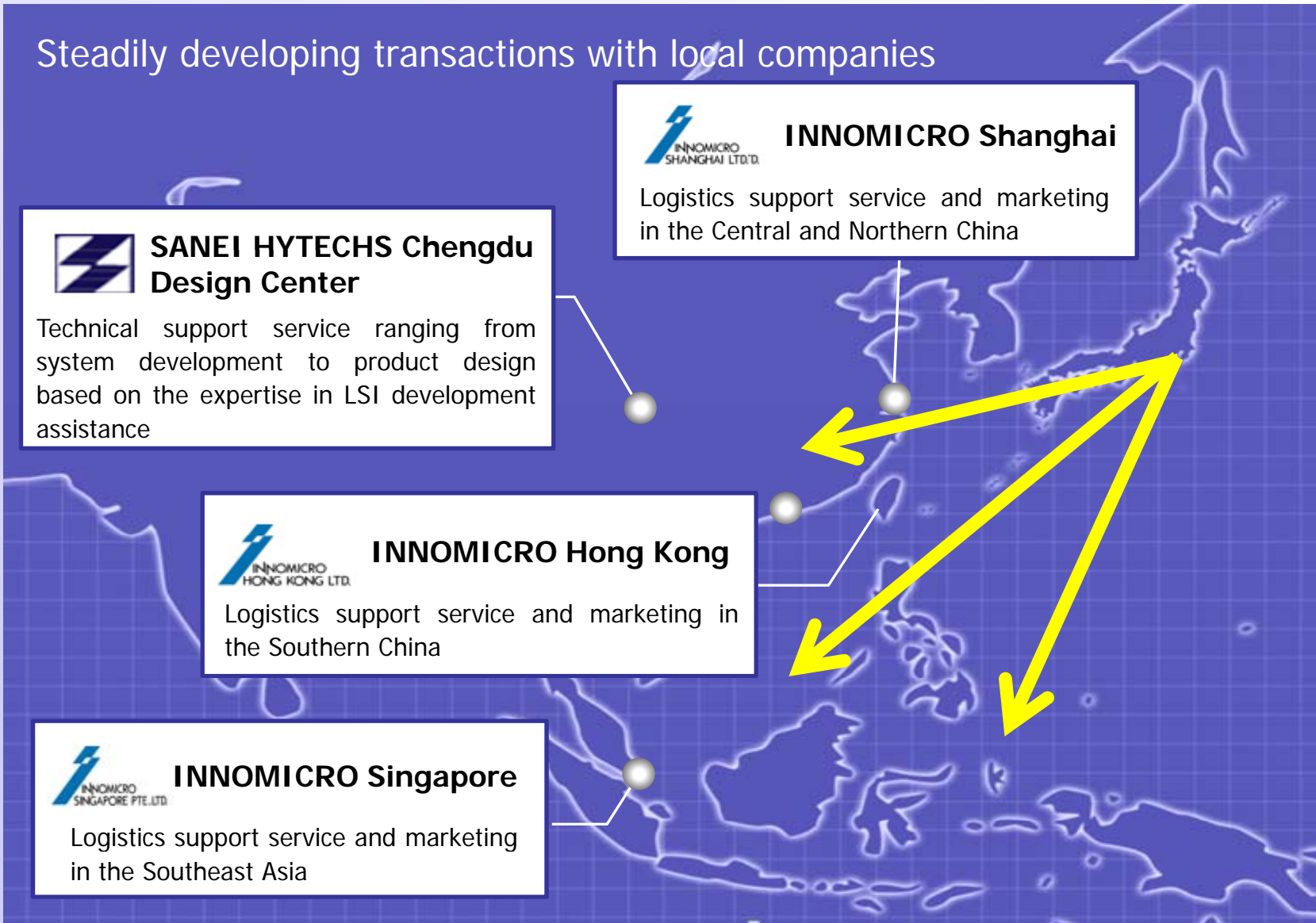
## INNOMICRO Hong Kong

Logistics support service and marketing in the Southern China

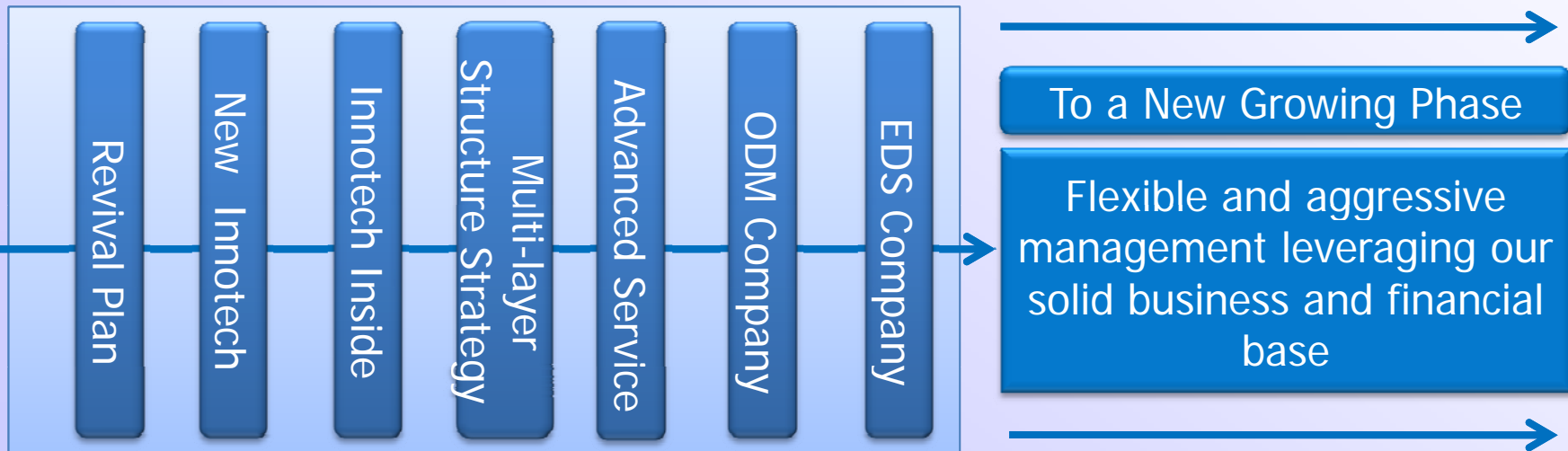
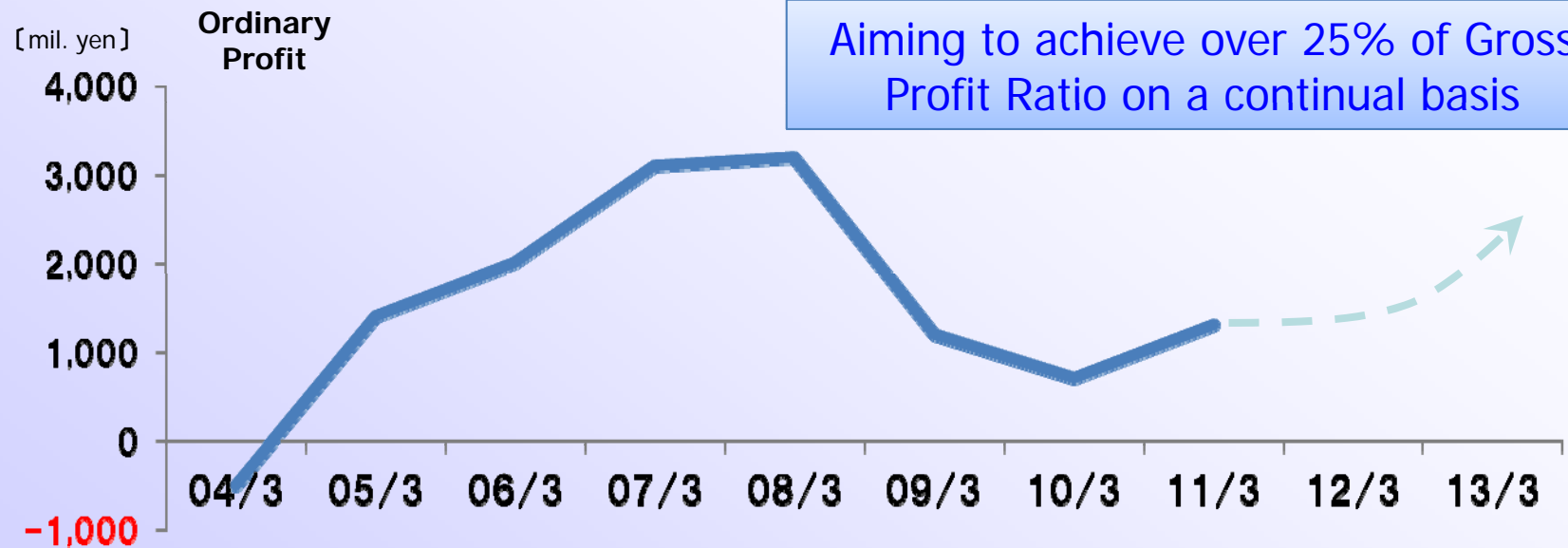


## INNOMICRO Singapore

Logistics support service and marketing in the Southeast Asia



# Achieving High Growth by Setting the EDS Business as a Core



## Note for Forward Looking Statements

The information provided in this presentation 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.

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