May 10, 2013

Consolidated Financial Statements

Ended March 31, 2013

INNOTECH CORPORATION

Stock Listed: Tokyo Stock Exchange Section 1

Code No.: 9880

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U.S. Accounting Principle: Not adopted

(Amounts below one million are rounded down)

1. Consolidated Financial Highlights for FY2012 (April 1, 2012 to March 31, 2013)

(1) Consolidated Operating Results

(% represents the change from the same period in the previous fiscal year)

	Net sales		Operating income		Ordinary income		Net income	
	million yen	%	million yen	%	million yen	%	million yen	%
FY2012	20,548	△ 18.4	761	△ 51.0	918	△ 45.5	522	△ 29.9
FY2011	25,181	△ 2.7	1,554	6.8	1,685	10.0	745	△ 3.2

[Note] Comprehensive income FY2012: 621 million yen (△25.1%) FY2011: 829 million yen (18.2%)

	Net income per share	Diluted net income per share	Net income to net worth	Ordinary income to total assets	Operating income to net sales
	yen sen	yen sen	%	%	%
FY2012	29.85	29.34	2.4	3.4	3.7
FY2011	42.58	42.05	3.4	6.2	6.2

[Reference] Equity in earnings(losses) of affiliates FY2012: △18 million yen FY2011: - million yen

(2) Consolidated Financial Position

	Total assets	Net assets	Net worth ratio	Net assets per share
	million yen	million yen	%	yen sen
FY2012	26,527	22,683	84.0	1,273.38
FY2011	27,042	22,261	81.1	1,253.22

[Reference] Net worth FY2012: 22,288 million yen FY2011: 21,935 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
FY2012	2,686	△ 906	△ 389	4,402
FY2011	1,916	△ 604	△ 1,269	2,970

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			
	yen sen	yen sen	yen sen	yen sen	yen sen	million yen	%	%
FY2011	-	7.00	-	7.00	14.00	245	32.9	1.1
FY2012	-	7.00	-	7.00	14.00	245	46.9	1.1
FY2013 (outlook)	-	7.00	-	7.00	14.00		40.8	

3. Consolidated Business Outlook for FY2013 (April 1, 2013 to March 31, 2014)

(% represents the change from the same period in the previous fiscal year)

	Net sales		Operating income		Ordinary income		Net income		Net income per share
	million yen	%	million yen	%	million yen	%	million yen	%	yen sen
FY2013	23,000	11.9	1,000	31.4	1,100	19.8	600	14.8	34.28

4. Notes to Consolidated Financial Statements

(1) Change in significant subsidiaries during FY2012 : None
Newly — (Name of Company) — Exception — (Name of Company) —

(2) Changes in accounting procedures:
① Related to accounting standard revisions etc. : Yes
② Other changes : None
③ Changes in accounting estimates : Yes
④ Modified restatements : None

(3) Number of shares outstanding (common stock)
① Number of shares outstanding at end of period (including treasury stock)
As of March 31, 2013: 18,218,901 shares As of March 31, 2012: 18,218,901 shares
② Number of treasury stock at end of period
As of March 31, 2013: 715,359 shares As of March 31, 2012: 715,245 shares
③ Average number of shares outstanding during the term
Year ended March 31, 2013: 17,503,557 shares Year ended March 31, 2012: 17,500,576 shares

(Reference) Summary of Non-consolidated Financial Results

Non-Consolidated Financial Highlights for FY2012 (April 1, 2012 to March 31, 2013)

(1) Non-Consolidated Operating Results (% represents the change from the same period in the previous fiscal year)

	Net sales		Operating income		Ordinary income		Net income	
	million yen	%	million yen	%	million yen	%	million yen	%
FY2012	14,578	△ 26.2	270	△ 82.5	456	△ 73.5	296	△ 68.5
FY2011	19,755	2.8	1,550	113.6	1,721	115.8	940	100.1

	Net income per share	Diluted net income per share
	yen sen	yen sen
FY2012	16.93	16.64
FY2011	53.71	53.04

(2) Non-Consolidated Financial Position

	Total assets	Net assets	Net worth ratio	Net assets per share
	million yen	million yen	%	yen sen
FY2012	24,193	21,594	88.5	1,223.26
FY2011	25,555	21,507	83.6	1,220.86

[Reference] Net worth FY2012: 21,411 million yen FY2011: 21,369 million yen

[Note] Information about audit 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.

（Unit: thousand yen）

	As of March 31, 2012	As of March 31, 2013
Consolidated balance sheets		
Assets		
Current assets		
Cash and deposits	3,470,444	4,902,539
Notes and accounts receivable-trade	8,533,083	6,346,203
Merchandise and finished goods	1,185,209	1,163,110
Deferred tax assets	152,108	162,756
Other	1,932,892	1,799,996
Allowance for doubtful accounts	△1,151	△1,302
Total current assets	15,272,585	14,373,305
Noncurrent assets		
Property, plant and equipment		
Buildings and structures	7,690,139	7,698,072
Accumulated depreciation	△3,449,846	△3,596,369
Buildings and structures, net	4,240,292	4,101,703
Land	5,668,131	5,668,131
Other	741,453	799,480
Accumulated depreciation	△493,494	△545,627
Other, net	247,959	253,852
Total property, plant and equipment	10,156,383	10,023,687
Intangible assets		
Goodwill	84,535	134,620
Other	168,484	140,668
Total intangible assets	253,020	275,289
Investments and other assets		
Investment securities	682,454	1,106,845
Deferred tax assets	303,074	166,898
Other	383,171	589,076
Allowance for doubtful accounts	△7,697	△7,697
Total investments and other assets	1,361,002	1,855,122
Total noncurrent assets	11,770,406	12,154,098
Total assets	27,042,992	26,527,404
Liabilities		
Current liabilities		
Accounts payable-trade	1,865,989	1,265,754
Income taxes payable	697,022	167,401
Provision for bonuses	-	30,597
Other	1,699,299	1,911,176
Total current liabilities	4,262,311	3,374,930
Noncurrent liabilities		
Provision for retirement benefits	284,022	234,936
Provision for directors' retirement benefits	37,050	58,770
Other	198,208	175,578
Total noncurrent liabilities	519,280	469,284
Total liabilities	4,781,592	3,844,215
Net assets		
Shareholders' equity		
Capital stock	10,517,159	10,517,159
Capital surplus	7,320,858	7,320,858
Retained earnings	4,395,430	4,672,896
Treasury stock	△282,956	△283,010
Total shareholders' equity	21,950,491	22,227,903
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	64,487	53,372
Deferred gains or losses on hedges	△7,076	△5,497
Foreign currency translation adjustment	△71,955	12,947
Total accumulated other comprehensive income	△14,543	60,822
Subscription rights to shares	137,543	183,089
Minority interests	187,908	211,373
Total net assets	22,261,400	22,683,189
Total liabilities and net assets	27,042,992	26,527,404

（Unit: thousand yen）

	FY2011 (From April 1, 2011 to March 31, 2012)	FY2012 (From April 1, 2012 to March 31, 2013)
Consolidated statements of (comprehensive) income		
Net sales	25,181,730	20,548,892
Cost of sales	18,780,061	15,100,963
Gross profit	6,401,668	5,447,928
Selling, general and administrative expenses	4,847,470	4,686,676
Operating income	1,554,197	761,252
Non-operating income		
Real estate rent	428,428	431,952
Other	53,663	97,167
Total non-operating income	482,092	529,119
Non-operating expenses		
Rent expenses on real estates	325,287	317,370
Other	25,159	54,462
Total non-operating expenses	350,447	371,832
Ordinary income	1,685,842	918,539
Extraordinary income		
Gain on sales of investment securities	24,476	25,288
Gain on abolishment of retirement benefit plan	49,359	-
Total extraordinary income	73,835	25,288
Extraordinary loss		
Loss on valuation of investment securities	49,999	51,287
Impairment loss	119,254	-
Other	4,352	-
Total extraordinary losses	173,606	51,287
Income before income taxes and minority interests	1,586,072	892,540
Income taxes-current	721,955	245,782
Refund of income taxes	-	△59,741
Income taxes-deferred	111,353	160,518
Total income taxes	833,308	346,559
Income before minority interests	752,763	545,981
Minority interests in income	7,608	23,464
Net income	745,155	522,516
Consolidated statements of comprehensive income		
Income before minority interests	752,763	545,981
Other comprehensive income		
Valuation difference on available-for-sale securities	51,425	△11,114
Deferred gains or losses on hedges	3,484	1,578
Foreign currency translation adjustment	21,582	84,902
Total other comprehensive income	76,491	75,366
Comprehensive income	829,255	621,347
Comprehensive income attributable to		
Comprehensive income attributable to owners of the parent	821,647	597,882
Comprehensive income attributable to minority interests	7,608	23,464

（Unit: thousand yen）

	FY2011 (From April 1, 2011 to March 31, 2012)	FY2012 (From April 1, 2012 to March 31, 2013)
Consolidated statements of changes in net assets		
Shareholders' equity		
Capital stock		
Balance at the beginning of current period	10,517,159	10,517,159
Changes of items during the period		
Total changes of items during the period	-	-
Balance at the end of current period	10,517,159	10,517,159
Capital surplus		
Balance at the beginning of current period	9,295,713	7,320,858
Changes of items during the period		
Disposal of treasury stock	3,137	-
Retirement of treasury stock	△1,977,993	-
Total changes of items during the period	△1,974,855	-
Balance at the end of current period	7,320,858	7,320,858
Retained earnings		
Balance at the beginning of current period	3,912,721	4,395,430
Changes of items during the period		
Dividends from surplus	△262,446	△245,050
Net income	745,155	522,516
Total changes of items during the period	482,708	277,466
Balance at the end of current period	4,395,430	4,672,896
Treasury stock		
Balance at the beginning of current period	△2,266,303	△282,956
Changes of items during the period		
Purchase of treasury stock	△26	△53
Disposal of treasury stock	5,380	-
Retirement of treasury stock	1,977,993	-
Total changes of items during the period	1,983,346	△53
Balance at the end of current period	△282,956	△283,010
Total shareholders' equity		
Balance at the beginning of current period	21,459,291	21,950,491
Changes of items during the period		
Dividends from surplus	△262,446	△245,050
Net income	745,155	522,516
Purchase of treasury stock	△26	△53
Disposal of treasury stock	8,517	-
Retirement of treasury stock	-	-
Total changes of items during the period	491,199	277,412
Balance at the end of current period	21,950,491	22,227,903

（Unit: thousand yen）

	FY2011 (From April 1, 2011 to March 31, 2012)	FY2012 (From April 1, 2012 to March 31, 2013)
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities		
Balance at the beginning of current period	13,062	64,487
Changes of items during the period		
Net changes of items other than shareholders' equity	51,425	△11,114
Total changes of items during the period	51,425	△11,114
Balance at the end of current period	64,487	53,372
Deferred gains or losses on hedges		
Balance at the beginning of current period	△10,560	△7,076
Changes of items during the period		
Net changes of items other than shareholders' equity	3,484	1,578
Total changes of items during the period	3,484	1,578
Balance at the end of current period	△7,076	△5,497
Foreign currency translation adjustment		
Balance at the beginning of current period	△93,537	△71,955
Changes of items during the period		
Net changes of items other than shareholders' equity	21,582	84,902
Total changes of items during the period	21,582	84,902
Balance at the end of current period	△71,955	12,947
Total accumulated other comprehensive income		
Balance at the beginning of current period	△91,034	△14,543
Changes of items during the period		
Net changes of items other than shareholders' equity	76,491	75,366
Total changes of items during the period	76,491	75,366
Balance at the end of current period	△14,543	60,822
Subscription rights to shares		
Balance at the beginning of current period	95,760	137,543
Changes of items during the period		
Net changes of items other than shareholders' equity	41,782	45,546
Total changes of items during the period	41,782	45,546
Balance at the end of current period	137,543	183,089
Minority interests		
Balance at the beginning of current period	229,495	187,908
Changes of items during the period		
Net changes of items other than shareholders' equity	△41,586	23,464
Total changes of items during the period	△41,586	23,464
Balance at the end of current period	187,908	211,373
Total net assets		
Balance at the beginning of current period	21,693,513	22,261,400
Changes of items during the period		
Dividends from surplus	△262,446	△245,050
Net income	745,155	522,516
Purchase of treasury stock	△26	△53
Disposal of treasury stock	8,517	-
Retirement of treasury stock	-	-
Net changes of items other than shareholders' equity	76,687	144,376
Total changes of items during the period	567,886	421,788
Balance at the end of current period	22,261,400	22,683,189

（Unit: thousand yen）

	FY2011 (From April 1, 2011 to March 31, 2012)	FY2012 (From April 1, 2012 to March 31, 2013)
Consolidated statements of cash flows		
Net cash provided by (used in) operating activities		
Income before income taxes and minority interests	1,586,072	892,540
Depreciation and amortization	332,123	334,826
Impairment loss	119,254	-
Amortization of goodwill	188,517	40,219
Increase (decrease) in allowance for doubtful accounts	△588	60
Increase (decrease) in provision for bonuses	-	25,584
Increase (decrease) in provision for retirement benefits	△26,164	△49,085
Interest and dividends income	△9,430	△10,059
Loss (gain) on valuation of investment securities	49,999	51,287
Decrease (increase) in notes and accounts receivable-trade	△1,190,916	2,454,404
Decrease (increase) in inventories and advance payments	1,553,242	340,010
Increase (decrease) in notes and accounts payable-trade	△117,044	△741,159
Increase (decrease) in advances received	△218,028	201,554
Other, net	255,706	△48,666
Subtotal	2,522,742	3,491,515
Interest and dividends income received	8,744	9,737
Interest expenses paid	△65	△711
Income taxes paid	△615,360	△813,705
Net cash provided by (used in) operating activities	1,916,060	2,686,835
Net cash provided by (used in) investing activities		
Payments into time deposits	△500,000	△500,000
Proceeds from withdrawal of time deposits	300,000	500,000
Purchase of property, plant and equipment	△36,862	△51,838
Purchase of intangible assets	△122,380	△43,495
Purchase of long-term prepaid expenses	△149,709	△78,399
Purchase of investment securities	△72,770	△535,849
Proceeds from sales of investment securities	44,128	53,428
Purchase of investments in subsidiaries	△58,731	-
Purchase of insurance funds	△25,449	△222,302
Purchase of investments in subsidiaries resulting in change in scope of consolidation	-	△116,760
Other, net	16,936	88,287
Net cash provided by (used in) investing activities	△604,837	△906,930
Net cash provided by (used in) financing activities		
Net increase (decrease) in short-term loans payable	△1,000,000	-
Cash dividends paid	△260,467	△243,749
Cash dividends paid to minority shareholders	△581	-
Other, net	△8,792	△145,601
Net cash provided by (used in) financing activities	△1,269,841	△389,351
Effect of exchange rate change on cash and cash equivalents	△21,879	41,542
Net increase (decrease) in cash and cash equivalents	19,501	1,432,095
Cash and cash equivalents at beginning of period	2,950,942	2,970,444
Cash and cash equivalents at end of period	2,970,444	4,402,539