August 7, 2013

Consolidated Financial Statements

For the First Quarter ended June 30, 2013

INNOTECH CORPORATION

Stock Listed: Tokyo Stock Exchange Section 1

Code No.: 9880

URL: http://www.innotech.co.jp

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President and COO: Toshihiko Ono

U.S. Accounting Principle: Not adopted

(Amounts below one million are rounded down)

1. Consolidated Financial Highlights for the First Quarter ended June 30, 2013

(April 1, 2013 to June 30, 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 for the first quarter	
	million yen	%	million yen	%	million yen	%	million yen	%
First Quarter, FY2013	4,575	△ 13.8	61	△ 74.6	133	△ 55.2	△ 185	-
First Quarter, FY2012	5,309	△ 18.7	241	△ 37.3	297	△ 31.0	180	△ 28.4

[Note] Comprehensive income First Quarter, FY2013: △168 million yen (-%) First Quarter, FY2012: 266 million yen (△11.8%)

	Net income per share for the first quarter	Diluted net income per share for the first quarter
	yen sen	yen sen
First Quarter, FY2013	△ 10.62	-
First Quarter, FY2012	10.31	10.17

[Note] Diluted net income per share for the first quarter, FY2013 has not been recorded, because, although there are residual securities, the Company posted a net loss per share.

(2) Consolidated Financial Position

	Total assets	Net assets	Net worth ratio
	million yen	million yen	%
First Quarter, FY2013	26,196	22,397	84.0
FY2012	26,527	22,683	84.0

[Reference] Net worth First Quarter, FY2013: 21,996 million yen First Quarter, FY2012: 22,288 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
FY2012	-	7.00	-	7.00	14.00
FY2013	-				
FY2013 (outlook)		7.00	-	7.00	14.00

[Note] Revision made in the forecast dividend as of the end of the current quarter: None

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		Operating income		Net income		Net income per share
	million yen	%	million yen	%	million yen	%	million yen	%	yen sen
FY2013	23,000	11.9	1,100	44.5	1,200	30.6	450	△ 13.9	25.71

[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 first 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:

June 30, 2013	18,218,901 shares	March 31, 2013	18,218,901 shares

② Outstanding treasury shares as of:

June 30, 2013	715,359 shares	March 31, 2013	715,359 shares

③ Average outstanding shares for the first quarter ended:

June 30, 2013	17,503,542 shares	June 30, 2012	17,503,602 shares

[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 consolidated business outlook, etc. for the full year of FY2013 is updated from the previous announcement made on May 10, 2013. For the details, please refer to "Notice Regarding the Accounting of an Extraordinary Loss and Revisions to the Earnings Forecast" released on August 7, 2013.
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, 2013	As of June 30, 2013
Consolidated quarterly balance sheets		
Assets		
Current assets		
Cash and deposits	4,902,539	4,089,087
Notes and accounts receivable-trade	6,346,203	5,968,013
Securities	-	499,603
Merchandise and finished goods	1,163,110	1,510,577
Other	1,962,753	1,995,044
Allowance for doubtful accounts	△1,302	△8,751
Total current assets	14,373,305	14,053,574
Noncurrent assets		
Property, plant and equipment		
Buildings and structures	7,698,072	7,700,463
Accumulated depreciation	△3,596,369	△3,628,919
Buildings and structures, net	4,101,703	4,071,544
Land	5,668,131	5,668,131
Other	799,480	803,708
Accumulated depreciation	△545,627	△555,978
Other, net	253,852	247,729
Total property, plant and equipment	10,023,687	9,987,405
Intangible assets		
Goodwill	134,620	123,060
Other	140,668	137,558
Total intangible assets	275,289	260,619
Investments and other assets		
Investment securities	1,106,845	1,045,160
Other	755,974	907,259
Allowance for doubtful accounts	△7,697	△57,700
Total investments and other assets	1,855,122	1,894,719
Total noncurrent assets	12,154,098	12,142,744
Total assets	26,527,404	26,196,318
Liabilities		
Current liabilities		
Accounts payable-trade	1,265,754	1,126,416
Income taxes payable	167,401	60,739
Provision for bonuses	30,597	33,534
Provision for directors' bonuses	-	3,140
Other	1,911,176	2,106,980
Total current liabilities	3,374,930	3,330,810
Noncurrent liabilities		
Provision for retirement benefits	234,936	229,194
Provision for directors' retirement benefits	58,770	61,636
Other	175,578	176,855
Total noncurrent liabilities	469,284	467,686
Total liabilities	3,844,215	3,798,496
Net assets		
Shareholders' equity		
Capital stock	10,517,159	10,517,159
Capital surplus	7,320,858	7,320,858
Retained earnings	4,672,896	4,364,425
Treasury stock	△283,010	△283,010
Total shareholders' equity	22,227,903	21,919,432
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	53,372	66,489
Deferred gains or losses on hedges	△5,497	△6,879
Foreign currency translation adjustment	12,947	17,933
Total accumulated other comprehensive income	60,822	77,543
Subscription rights to shares	183,089	188,514
Minority interests	211,373	212,329
Total net assets	22,683,189	22,397,821
Total liabilities and net assets	26,527,404	26,196,318

（Unit: thousand yen）

	1Q FY2012 (From April 1, 2012 to June 30, 2012)	1Q FY2013 (From April 1, 2013 to June 30, 2013)
Consolidated quarterly statements of (comprehensive) income		
Net sales	5,309,497	4,575,648
Cost of sales	3,880,494	3,322,128
Gross profit	1,429,003	1,253,520
Selling, general and administrative expenses	1,187,604	1,192,202
Operating income	241,398	61,317
Non-operating income		
Real estate rent	109,453	111,617
Other	35,165	50,369
Total non-operating income	144,618	161,987
Non-operating expenses		
Rent expenses on real estates	81,792	82,683
Other	6,230	7,047
Total non-operating expenses	88,023	89,731
Ordinary income	297,993	133,573
Extraordinary loss		
Loss on valuation of investment securities	-	216,264
Total extraordinary losses	-	216,264
Income (loss) before income taxes and minority interests	297,993	△82,690
Income taxes	112,623	102,298
Income (loss) before minority interests	185,369	△184,989
Minority interests in income	4,926	956
Net income (loss)	180,443	△185,945

（Unit: thousand yen）

	1Q FY2012 (From April 1, 2012 to June 30, 2012)	1Q FY2013 (From April 1, 2013 to June 30, 2013)
Consolidated quarterly statements of comprehensive income		
Income (loss) before minority interests	185,369	△184,989
Other comprehensive income		
Valuation difference on available-for-sale securities	△16,687	13,116
Deferred gains or losses on hedges	21,240	△1,381
Foreign currency translation adjustment	76,148	4,986
Total other comprehensive income	80,701	16,721
Comprehensive income	266,071	△168,267
Comprehensive income attributable to		
Comprehensive income attributable to owners of the parent	261,145	△169,224
Comprehensive income attributable to minority interests	4,926	956