February 7, 2014

Consolidated Financial Statements

For the Third Quarter ended December 31, 2013

INNOTECH CORPORATION

Stock Listed: Tokyo Stock Exchange Section 1

Code No.: 9880

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

Headquarters: 3-17-6, Shinyokohama, Kouhoku-ku, Yokohama-shi 222-8580 JAPAN

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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 Third Quarter ended December 31, 2013

(April 1, 2013 to December 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 for the third quarter	
	million yen	%	million yen	%	million yen	%	million yen	%
Third Quarter, FY2013	17,254	14.0	959	47.9	1,103	43.1	505	14.6
Third Quarter, FY2012	15,140	△ 22.7	648	△ 51.1	771	△ 45.9	441	△ 33.3

[Note] Comprehensive income Third Quarter, FY2013: 494 million yen (33.6%) Third Quarter, FY2012: 370 million yen (△41.3%)

	Net income per share for the third quarter	Diluted net income per share for the third quarter
	yen sen	yen sen
Third Quarter, FY2013	28.83	28.25
Third Quarter, FY2012	25.21	24.78

(2) Consolidated Financial Position

	Total assets	Net assets	Net worth ratio
	million yen	million yen	%
Third Quarter, FY2013	27,504	22,950	81.9
FY2012	26,527	22,683	84.0

[Reference] Net worth Third Quarter, FY2013: 22,540 million yen Third 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	-	7.00	-		
FY2013 (outlook)				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	500	△ 4.3	28.46

[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 third 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:
December 31, 2013 18,218,901 shares March 31, 2013 18,218,901 shares
② Outstanding treasury shares as of:
December 31, 2013 653,459 shares March 31, 2013 715,359 shares
③ Average outstanding shares for the third quarter ended:
December 31, 2013 17,544,283 shares December 31, 2012 17,503,562 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 August 7, 2013. For the details, please refer to "INNOTECH CORPORATION Revises Earnings Forecast" released on February 7, 2014.
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 December 31, 2013
Consolidated quarterly balance sheets		
Assets		
Current assets		
Cash and deposits	4,902,539	4,630,935
Notes and accounts receivable-trade	6,346,203	7,485,768
Merchandise and finished goods	1,163,110	1,573,199
Other	1,962,753	1,650,145
Allowance for doubtful accounts	△1,302	△19,229
Total current assets	14,373,305	15,320,820
Noncurrent assets		
Property, plant and equipment		
Buildings and structures	7,698,072	7,716,095
Accumulated depreciation	△3,596,369	△3,697,545
Buildings and structures, net	4,101,703	4,018,550
Land	5,668,131	5,668,131
Other	799,480	799,299
Accumulated depreciation	△545,627	△543,192
Other, net	253,852	256,107
Total property, plant and equipment	10,023,687	9,942,789
Intangible assets		
Goodwill	134,620	99,941
Other	140,668	178,989
Total intangible assets	275,289	278,930
Investments and other assets		
Investment securities	1,106,845	1,087,508
Other	755,974	880,671
Allowance for doubtful accounts	△7,697	△5,754
Total investments and other assets	1,855,122	1,962,426
Total noncurrent assets	12,154,098	12,184,146
Total assets	26,527,404	27,504,966
Liabilities		
Current liabilities		
Accounts payable-trade	1,265,754	1,336,115
Income taxes payable	167,401	303,923
Provision for bonuses	30,597	110,754
Provision for directors' bonuses	-	5,300
Other	1,911,176	2,330,768
Total current liabilities	3,374,930	4,086,861
Noncurrent liabilities		
Provision for retirement benefits	234,936	222,851
Provision for directors' retirement benefits	58,770	67,369
Other	175,578	177,560
Total noncurrent liabilities	469,284	467,780
Total liabilities	3,844,215	4,554,642
Net assets		
Shareholders' equity		
Capital stock	10,517,159	10,517,159
Capital surplus	7,320,858	7,323,460
Retained earnings	4,672,896	4,912,566
Treasury stock	△283,010	△258,521
Total shareholders' equity	22,227,903	22,494,664
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	53,372	109,800
Deferred gains or losses on hedges	△5,497	△32,618
Foreign currency translation adjustment	12,947	△31,703
Total accumulated other comprehensive income	60,822	45,478
Subscription rights to shares	183,089	194,815
Minority interests	211,373	215,365
Total net assets	22,683,189	22,950,324
Total liabilities and net assets	26,527,404	27,504,966

（Unit: thousand yen）

	3Q FY2012 (From April 1, 2012 to December 31, 2012)	3Q FY2013 (From April 1, 2013 to December 31, 2013)
Consolidated quarterly statements of (comprehensive) income		
Net sales	15,140,328	17,254,696
Cost of sales	11,003,865	12,616,034
Gross profit	4,136,463	4,638,661
Selling, general and administrative expenses	3,487,653	3,679,187
Operating income	648,810	959,473
Non-operating income		
Real estate rent	321,631	333,729
Other	65,561	83,352
Total non-operating income	387,192	417,082
Non-operating expenses		
Rent expenses on real estates	244,579	247,872
Other	20,340	25,141
Total non-operating expenses	264,919	273,014
Ordinary income	771,083	1,103,542
Extraordinary income		
Gain on sales of investment securities	23,372	83,580
Other	-	1,470
Total extraordinary income	23,372	85,050
Extraordinary loss		
Loss on valuation of investment securities	-	216,264
Loss on liquidation of subsidiaries and affiliates	-	77,746
Other	-	2
Total extraordinary losses	-	294,012
Income before income taxes and minority interests	794,455	894,580
Income taxes	345,624	384,828
Income before minority interests	448,830	509,751
Minority interests in income	7,652	3,992
Net income	441,178	505,759

（Unit: thousand yen）

	3Q FY2012 (From April 1, 2012 to December 31, 2012)	3Q FY2013 (From April 1, 2013 to December 31, 2013)
Consolidated quarterly statements of comprehensive income		
Income before minority interests	448,830	509,751
Other comprehensive income		
Valuation difference on available-for-sale securities	△39,514	56,427
Deferred gains or losses on hedges	△16,991	△27,121
Foreign currency translation adjustment	△22,143	△44,650
Total other comprehensive income	△78,649	△15,344
Comprehensive income	370,180	494,407
Comprehensive income attributable to		
Comprehensive income attributable to owners of the parent	362,528	490,415
Comprehensive income attributable to minority interests	7,652	3,992