August 7, 2014

Consolidated Financial Statements

For the First Quarter ended June 30, 2014

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

TEL: 81-45-474-9000 / FAX: 81-45-474-9089

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, 2014

(April 1, 2014 to June 30, 2014)

(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, FY2014	6,252	36.6	322	425.4	352	163.5	260	-
First Quarter, FY2013	4,575	△ 13.8	61	△ 74.6	133	△ 55.2	△ 185	-

[Note] Comprehensive income First Quarter, FY2014: 220 million yen (-%) First Quarter, FY2013: △168 million yen (-%)

	Net income per share for the first quarter	Diluted net income per share for the first quarter
	yen sen	yen sen
First Quarter, FY2014	14.81	14.50
First Quarter, FY2013	△ 10.62	-

[Note] Although the potential for stock dilution exists, diluted net income per share for the first quarter, FY2013 is not indicated here, as the Company posted a net loss for the first quarter, FY2013

(2) Consolidated Financial Position

	Total assets	Net assets	Net worth ratio
	million yen	million yen	%
First Quarter, FY2014	28,456	23,317	80.5
FY2013	28,058	23,137	81.0

[Reference] Net worth First Quarter, FY2014: 22,908 million yen FY2013: 22,727 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
FY2013	-	7.00	-	7.00	14.00
FY2014	-				
FY2014 (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 FY2014 (April 1, 2014 to March 31, 2015)

(% 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
FY2014	26,000	10.2	1,150	5.0	1,250	0.7	700	32.6	39.85

[Note] Change made in figures of the consolidated business outlook as of the end of the current quarter from the previous announcement: None

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. : 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:
June 30, 2014 18,218,901 shares March 31, 2014 18,218,901 shares
② Outstanding treasury shares as of:
June 30, 2014 653,459 shares March 31, 2014 653,459 shares
③ Average outstanding shares for the first quarter ended:
June 30, 2014 17,565,442 shares June 30, 2013 17,503,542 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 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, 2014	As of June 30, 2014
Consolidated quarterly balance sheets		
Assets		
Current assets		
Cash and deposits	4,700,658	4,673,121
Notes and accounts receivable-trade	6,612,860	6,571,618
Merchandise and finished goods	1,775,318	2,119,108
Other	1,954,762	2,013,785
Allowance for doubtful accounts	△12,664	△13,506
Total current assets	15,030,935	15,364,127
Noncurrent assets		
Property, plant and equipment		
Buildings and structures	7,834,516	7,834,105
Accumulated depreciation	△3,836,344	△3,869,535
Buildings and structures, net	3,998,172	3,964,570
Land	5,781,631	5,781,631
Other	907,285	914,258
Accumulated depreciation	△574,978	△594,591
Other, net	332,306	319,667
Total property, plant and equipment	10,112,110	10,065,868
Intangible assets		
Goodwill	553,989	525,185
Other	394,398	401,731
Total intangible assets	948,388	926,916
Investments and other assets		
Investment securities	1,072,861	1,064,372
Other	899,712	1,040,983
Allowance for doubtful accounts	△5,754	△5,759
Total investments and other assets	1,966,820	2,099,596
Total noncurrent assets	13,027,319	13,092,382
Total assets	28,058,254	28,456,509
Liabilities		
Current liabilities		
Accounts payable-trade	1,307,340	1,426,693
Current portion of long-term loans payable	245,215	41,232
Income taxes payable	303,033	43,168
Provision for bonuses	69,467	102,473
Provision for directors' bonuses	-	4,065
Other	2,299,053	2,802,519
Total current liabilities	4,224,109	4,420,152
Noncurrent liabilities		
Long-term loans payable	269,249	258,941
Provision for directors' retirement benefits	79,336	82,202
Net defined benefit liability	166,588	133,402
Other	181,369	244,443
Total noncurrent liabilities	696,542	718,989
Total liabilities	4,920,651	5,139,141
Net assets		
Shareholders' equity		
Capital stock	10,517,159	10,517,159
Capital surplus	7,323,460	7,323,460
Retained earnings	4,934,577	5,154,720
Treasury stock	△258,521	△258,521
Total shareholders' equity	22,516,675	22,736,818
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	103,884	113,491
Deferred gains or losses on hedges	△4,879	△1,277
Foreign currency translation adjustment	41,002	△5,853
Remeasurements of defined benefit plans	70,469	65,223
Total accumulated other comprehensive income	210,476	171,583
Subscription rights to shares	194,213	193,972
Minority interests	216,236	214,992
Total net assets	23,137,602	23,317,367
Total liabilities and net assets	28,058,254	28,456,509

（Unit: thousand yen）

	1Q FY2013 (From April 1, 2013 to June 30, 2013)	1Q FY2014 (From April 1, 2014 to June 30, 2014)
Consolidated quarterly statements of income		
Net sales	4,575,648	6,252,235
Cost of sales	3,322,128	4,643,421
Gross profit	1,253,520	1,608,813
Selling, general and administrative expenses	1,192,202	1,286,661
Operating income	61,317	322,152
Non-operating income		
Real estate rent	111,617	110,906
Other	50,369	17,553
Total non-operating income	161,987	128,459
Non-operating expenses		
Rent expenses on real estates	82,683	83,303
Other	7,047	15,279
Total non-operating expenses	89,731	98,583
Ordinary income	133,573	352,028
Extraordinary income		
Gain on reversal of subscription rights to shares	-	241
Gain on sales of investment securities	-	93
Total extraordinary income	-	334
Extraordinary loss		
Loss on valuation of investment securities	216,264	-
Loss on sales of investment securities	-	5,416
Total extraordinary losses	216,264	5,416
Income (loss) before income taxes and minority interests	△82,690	346,946
Income taxes	102,298	88,045
Income (loss) before minority interests	△184,989	258,901
Minority interests in income (loss)	956	△1,244
Net income (loss)	△185,945	260,145

（Unit: thousand yen）

	1Q FY2013 (From April 1, 2013 to June 30, 2013)	1Q FY2014 (From April 1, 2014 to June 30, 2014)
Consolidated quarterly statements of comprehensive income		
Income (loss) before minority interests	△184,989	258,901
Other comprehensive income		
Valuation difference on available-for-sale securities	13,116	9,607
Deferred gains or losses on hedges	△1,381	3,601
Foreign currency translation adjustment	4,986	△46,855
Remeasurements of defined benefit plans, net of tax	-	△5,245
Total other comprehensive income	16,721	△38,892
Comprehensive income	△168,267	220,008
Comprehensive income attributable to		
Comprehensive income attributable to owners of the parent	△169,224	221,253
Comprehensive income attributable to minority interests	956	△1,244