February 9, 2015

Consolidated Financial Statements

For the Third Quarter ended December 31, 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

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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, 2014

(April 1, 2014 to December 31, 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 third quarter	
	million yen	%	million yen	%	million yen	%	million yen	%
Third Quarter, FY2014	19,501	13.0	588	△ 38.6	705	△ 36.1	405	△ 19.9
Third Quarter, FY2013	17,254	14.0	959	47.9	1,103	43.1	505	14.6

[Note] Comprehensive income Third Quarter, FY2014: 407 million yen (△17.5%) Third Quarter, FY2013: 494 million yen (33.6%)

	Net income per share for the third quarter	Diluted net income per share for the third quarter
	yen sen	yen sen
Third Quarter, FY2014	23.06	22.50
Third Quarter, FY2013	28.83	28.25

(2) Consolidated Financial Position

	Total assets	Net assets	Net worth ratio
	million yen	million yen	%
Third Quarter, FY2014	30,113	23,461	76.3
FY2013	28,058	23,137	81.0

[Reference] Net worth Third Quarter, FY2014: 22,984 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	-	7.00	-		
FY2014 (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 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	26,500	12.4	600	△ 45.2	750	△ 39.6	400	△ 24.2	22.77

[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 : Yes
Newly 1 (Name of Company) STAr Technologies, Inc. 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:
December 31, 2014 18,218,901 shares March 31, 2014 18,218,901 shares
② Outstanding treasury shares as of:
December 31, 2014 653,459 shares March 31, 2014 653,459 shares
③ Average outstanding shares for the third quarter ended:
December 31, 2014 17,565,442 shares December 31, 2013 17,544,283 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 December 31, 2014
Quarterly Consolidated Balance Sheets		
Assets		
Current assets		
Cash and deposits	4,700,658	4,054,967
Notes and accounts receivable-trade	6,612,860	7,794,475
Merchandise and finished goods	1,775,318	1,665,434
Other	1,954,762	2,702,317
Allowance for doubtful accounts	△12,664	△14,091
Total current assets	15,030,935	16,203,103
Non-current assets		
Property, plant and equipment		
Buildings and structures	7,834,516	7,916,042
Accumulated depreciation	△3,836,344	△3,976,825
Buildings and structures, net	3,998,172	3,939,216
Land	5,781,631	5,731,631
Other	907,285	1,616,887
Accumulated depreciation	△574,978	△1,103,860
Other, net	332,306	513,026
Total property, plant and equipment	10,112,110	10,183,875
Intangible assets		
Goodwill	553,989	1,520,249
Other	394,398	379,697
Total intangible assets	948,388	1,899,946
Investments and other assets		
Investment securities	1,072,861	743,498
Other	899,712	1,089,287
Allowance for doubtful accounts	△5,754	△5,724
Total investments and other assets	1,966,820	1,827,061
Total non-current assets	13,027,319	13,910,883
Total assets	28,058,254	30,113,986
Liabilities		
Current liabilities		
Notes and accounts payable-trade	1,307,340	1,143,743
Short-term loans payable	-	1,282,180
Current portion of long-term loans payable	245,215	144,408
Income taxes payable	303,033	93,185
Provision for bonuses	69,467	164,168
Provision for directors' bonuses	-	14,228
Other	2,299,053	3,272,415
Total current liabilities	4,224,109	6,114,330
Non-current liabilities		
Long-term loans payable	269,249	-
Provision for directors' retirement benefits	79,336	86,810
Net defined benefit liability	166,588	177,998
Other	181,369	273,675
Total non-current liabilities	696,542	538,484
Total liabilities	4,920,651	6,652,814
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	5,176,622
Treasury shares	△258,521	△258,521
Total shareholders' equity	22,516,675	22,758,720
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	103,884	110,071
Deferred gains or losses on hedges	△4,879	△33,565
Foreign currency translation adjustment	41,002	94,424
Remeasurements of defined benefit plans	70,469	54,731
Total accumulated other comprehensive income	210,476	225,662
Subscription rights to shares	194,213	231,714
Minority interests	216,236	245,074
Total net assets	23,137,602	23,461,172
Total liabilities and net assets	28,058,254	30,113,986

（Unit: thousand yen）

	Nine months ended December 31, 2013	Nine months ended December 31, 2014
Quarterly Consolidated Statements of (Comprehensive) Income		
Net sales	17,254,696	19,501,032
Cost of sales	12,616,034	14,965,352
Gross profit	4,638,661	4,535,680
Selling, general and administrative expenses	3,679,187	3,946,721
Operating income	959,473	588,958
Non-operating income		
Real estate rent	333,729	326,633
Other	83,352	66,899
Total non-operating income	417,082	393,532
Non-operating expenses		
Rent expenses on real estates	247,872	248,724
Other	25,141	28,377
Total non-operating expenses	273,014	277,102
Ordinary income	1,103,542	705,389
Extraordinary income		
Gain on sales of investment securities	83,580	7,229
Other	1,470	698
Total extraordinary income	85,050	7,928
Extraordinary loss		
Loss on valuation of investment securities	216,264	-
Loss on liquidation of subsidiaries and affiliates	77,746	-
Loss on step acquisitions	-	87,463
Other	2	466
Total extraordinary losses	294,012	87,929
Income before income taxes and minority interests	894,580	625,387
Income taxes	384,828	232,725
Income before minority interests	509,751	392,661
Minority interests in income (loss)	3,992	△12,344
Net income	505,759	405,005

（Unit: thousand yen）

	Nine months ended December 31, 2013	Nine months ended December 31, 2014
Quarterly Consolidated Statements of Comprehensive Income		
Income before minority interests	509,751	392,661
Other comprehensive income		
Valuation difference on available-for-sale securities	56,427	6,187
Deferred gains or losses on hedges	△27,121	△28,686
Foreign currency translation adjustment	△44,650	53,422
Remeasurements of defined benefit plans, net of tax	-	△15,737
Total other comprehensive income	△15,344	15,185
Comprehensive income	494,407	407,847
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	490,415	420,191
Comprehensive income attributable to minority interests	3,992	△12,344