August 7, 2015

Consolidated Financial Statements

For the First Quarter ended June 30, 2015

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 First Quarter ended June 30, 2015

(April 1, 2015 to June 30, 2015)

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

	Net sales		Operating income		Ordinary income		Profit attributable to owners of parent	
	million yen	%	million yen	%	million yen	%	million yen	%
First Quarter, FY2015	7,496	19.9	203	△ 36.8	264	△ 24.8	166	△ 35.9
First Quarter, FY2014	6,252	36.6	322	425.4	352	163.5	260	-

[Note] Comprehensive income First Quarter, FY2015: 80 million yen (△63.5%) First Quarter, FY2014: 220 million yen (-%)

	Profit attributable to owners of parent per share	Diluted profit attributable to owners of parent per share
	yen sen	yen sen
First Quarter, FY2015	9.49	9.24
First Quarter, FY2014	14.81	14.50

(2) Consolidated Financial Position

	Total assets	Net assets	Net worth ratio
	million yen	million yen	%
First Quarter, FY2015	30,801	23,712	75.4
FY2014	29,996	23,752	77.5

[Reference] Net worth First Quarter, FY2015: 23,223 million yen FY2014: 23,261 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
FY2014	-	7.00	-	7.00	14.00
FY2015	-				
FY2015 (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 FY2015 (April 1, 2015 to March 31, 2016)

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

	Net sales		Operating income		Ordinary income		Profit attributable to owners of parent		Profit attributable to owners of parent per share
	million yen	%	million yen	%	million yen	%	million yen	%	yen sen
FY2015	30,000	13.3	800	10.7	900	△ 4.1	550	△ 0.6	31.31

[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, 2015 18,218,901 shares March 31, 2015 18,218,901 shares
② Outstanding treasury shares as of:
June 30, 2015 653,459 shares March 31, 2015 653,459 shares
③ Average outstanding shares for the first quarter ended:
June 30, 2015 17,565,442 shares June 30, 2014 17,565,442 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, 2015	As of June 30, 2015
Quarterly Consolidated Balance Sheets		
Assets		
Current assets		
Cash and deposits	3,553,473	3,646,364
Notes and accounts receivable-trade	7,718,270	7,487,958
Merchandise and finished goods	2,311,566	3,071,393
Other	2,554,730	2,661,879
Allowance for doubtful accounts	△13,548	△17,143
Total current assets	16,124,493	16,850,452
Non-current assets		
Property, plant and equipment		
Buildings and structures	7,931,014	7,935,979
Accumulated depreciation	△4,016,344	△4,052,535
Buildings and structures, net	3,914,669	3,883,443
Land	5,731,631	5,731,631
Other	1,658,082	1,681,453
Accumulated depreciation	△1,148,156	△1,180,238
Other, net	509,925	501,215
Total property, plant and equipment	10,156,225	10,116,290
Intangible assets		
Goodwill	1,387,135	1,341,058
Other	344,891	337,514
Total intangible assets	1,732,026	1,678,572
Investments and other assets		
Investment securities	745,276	900,734
Other	1,244,068	1,261,067
Allowance for doubtful accounts	△5,724	△5,751
Total investments and other assets	1,983,620	2,156,050
Total non-current assets	13,871,873	13,950,913
Total assets	29,996,366	30,801,365
Liabilities		
Current liabilities		
Notes and accounts payable-trade	2,080,302	2,588,567
Income taxes payable	106,914	185,800
Provision for bonuses	128,651	152,751
Provision for directors' bonuses	-	2,726
Other	3,349,921	3,581,230
Total current liabilities	5,665,789	6,511,075
Non-current liabilities		
Provision for directors' retirement benefits	89,114	72,918
Net defined benefit liability	157,559	159,767
Other	331,122	345,270
Total non-current liabilities	577,797	577,956
Total liabilities	6,243,586	7,089,032
Net assets		
Shareholders' equity		
Capital stock	10,517,159	10,517,159
Capital surplus	7,323,460	7,324,094
Retained earnings	5,324,689	5,368,355
Treasury shares	△258,521	△258,521
Total shareholders' equity	22,906,787	22,951,087
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	119,006	143,290
Deferred gains or losses on hedges	△14,497	△10,283
Foreign currency translation adjustment	164,385	60,510
Remeasurements of defined benefit plans	86,074	78,948
Total accumulated other comprehensive income	354,968	272,466
Subscription rights to shares	231,714	231,714
Non-controlling interests	259,309	257,064
Total net assets	23,752,780	23,712,333
Total liabilities and net assets	29,996,366	30,801,365

（Unit: thousand yen）

	Three months ended June 30, 2014	Three months ended June 30, 2015
Quarterly Consolidated Statements of Income		
Net sales	6,252,235	7,496,565
Cost of sales	4,643,421	5,625,340
Gross profit	1,608,813	1,871,225
Selling, general and administrative expenses	1,286,661	1,667,630
Operating income	322,152	203,594
Non-operating income		
Real estate rent	110,906	109,574
Other	17,553	62,439
Total non-operating income	128,459	172,014
Non-operating expenses		
Rent expenses on real estates	83,303	86,637
Other	15,279	24,407
Total non-operating expenses	98,583	111,044
Ordinary income	352,028	264,564
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 sales of investment securities	5,416	-
Total extraordinary losses	5,416	-
Income before income taxes	346,946	264,564
Income taxes	88,045	106,991
Profit	258,901	157,573
Loss attributable to non-controlling interests	△1,244	△9,051
Profit attributable to owners of parent	260,145	166,624

（Unit: thousand yen）

	Three months ended June 30, 2014	Three months ended June 30, 2015
Quarterly Consolidated Statements of Comprehensive Income		
Profit	258,901	157,573
Other comprehensive income		
Valuation difference on available-for-sale securities	9,607	24,284
Deferred gains or losses on hedges	3,601	4,214
Foreign currency translation adjustment	△46,855	△98,573
Remeasurements of defined benefit plans, net of tax	△5,245	△7,126
Total other comprehensive income	△38,892	△77,201
Comprehensive income	220,008	80,371
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	221,253	84,122
Comprehensive income attributable to non-controlling interests	△1,244	△3,751