

Consolidated Financial Statements

For the Third Quarter ended December 31, 2012

INNOTECH CORPORATION

Stock Listed: Tokyo Stock Exchange Section 1
 Code No.: 9880
 URL: <http://www.innotech.co.jp>
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 President and CEO: Makoto Sumita
 U.S. Accounting Principle: Not adopted

1. Consolidated Financial Highlights for the Third Quarter ended December 31, 2012

(April 1, 2012 to December 31, 2012)

(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, FY2012	15,140	Δ 22.7	648	Δ 51.1	771	Δ 45.9	441	Δ 33.3
Third Quarter, FY2011	19,585	Δ 0.1	1,326	16.3	1,425	25.1	661	26.7

[Note] Comprehensive income Third Quarter, FY2012: 370 million yen (Δ41.3%) Third Quarter, FY2011: 630 million yen (46.5%)

	Net income per share for the third quarter	Diluted net income per share for the third quarter
	yen sen	yen sen
Third Quarter, FY2012	25.21	24.78
Third Quarter, FY2011	37.79	37.33

(2) Consolidated Financial Position

	Total assets	Net assets	Net Worth ratio
	million yen	million yen	%
Third Quarter, FY2012	25,938	22,426	85.0
FY2011	27,042	22,261	81.1

[Reference] Net worth Third Quarter, FY2012: 22,053 million yen FY2011: 21,935 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
FY2011	-	7.00	-	7.00	14.00
FY2012	-	7.00	-		
FY2012 (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 FY2012 (April 1, 2012 to March 31, 2013)

(% 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
FY2012	21,000	Δ 16.6	850	Δ 45.3	950	Δ 43.6	450	Δ 39.6	25.71

[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 second 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 : Yes
 - ④ Modified restatements : None

(3) Number of shares outstanding (common stock)

① Total outstanding shares including treasury shares as of:			
December 31, 2012	18,218,901 shares	March 31, 2012	18,218,901 shares
② Outstanding treasury shares as of:			
December 31, 2012	715,359 shares	March 31, 2012	715,245 shares
③ Average outstanding shares for the first quarter ended:			
December 31, 2012	17,503,562 shares	December 31, 2011	17,499,552 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.

Consolidated Balance Sheets

(Thousands of Yen)

Description	As of March 31, 2012	As of December 31, 2012
(ASSETS)		
Current assets		
Cash and deposits	3,470,444	5,410,992
Notes and accounts receivable-trade	8,533,083	5,135,777
Merchandise and finished goods	1,185,209	1,201,048
Other	2,085,000	2,374,628
Allowance for doubtful accounts	△ 1,151	△ 786
Total current assets	15,272,585	14,121,660
Noncurrent assets		
Property, plant and equipment		
Buildings and structures	7,690,139	7,697,622
Accumulated depreciation	△ 3,449,846	△ 3,559,407
Buildings and structures, net	4,240,292	4,138,214
Land	5,668,131	5,668,131
Other	741,453	801,202
Accumulated depreciation	△ 493,494	△ 544,476
Other, net	247,959	256,725
Total property, plant and equipment	10,156,383	10,063,071
Intangible assets		
Goodwill	84,535	146,180
Other	168,484	147,110
Total intangible assets	253,020	293,290
Investments and other assets		
Investment securities	682,454	658,205
Other	686,246	810,383
Allowance for doubtful accounts	△ 7,697	△ 7,928
Total investments and other assets	1,361,002	1,460,659
Total noncurrent assets	11,770,406	11,817,021
Total assets	27,042,992	25,938,682
(LIABILITIES)		
Current liabilities		
Accounts payable-trade	1,865,989	631,411
Short-term loans payable	-	500,000
Income taxes payable	697,022	95,232
Provision for bonuses	-	69,329
Provision for directors' bonuses	-	12,200
Other	1,699,299	1,686,741
Total current liabilities	4,262,311	2,994,914
Noncurrent liabilities		
Provision for retirement benefits	284,022	285,411
Provision for directors' retirement benefits	37,050	56,039
Other	198,208	175,977
Total noncurrent liabilities	519,280	517,429
Total liabilities	4,781,592	3,512,343
(NET ASSETS)		
Shareholders' equity		
Capital stock	10,517,159	10,517,159
Capital surplus	7,320,858	7,320,858
Retained earnings	4,395,430	4,591,557
Treasury stock	△ 282,956	△ 283,010
Total shareholders' equity	21,950,491	22,146,565
Valuation and translation adjustments		
Valuation difference on available-for-sale securities	64,487	24,973
Deferred gains or losses on hedges	△ 7,076	△ 24,067
Foreign currency translation adjustment	△ 71,955	△ 94,098
Total valuation and translation adjustments	△ 14,543	△ 93,192
Subscription rights to shares	137,543	177,404
Minority interests	187,908	195,561
Total net assets	22,261,400	22,426,338
Total liabilities and net assets	27,042,992	25,938,682

Consolidated Statements of Income

(Thousands of Yen)

Description	3Q FY2011 (From April 1, 2011 to December 31, 2011)	3Q FY2012 (From April 1, 2012 to December 31, 2012)
Net sales	19,585,082	15,140,328
Cost of sales	14,636,706	11,003,865
Gross profit	4,948,376	4,136,463
Selling, general and administrative expenses	3,622,168	3,487,653
Operating income	1,326,207	648,810
Non-operating income		
Real estate rent	317,610	321,631
Other	42,216	65,561
Total Non-operating income	359,827	387,192
Non-operating expenses		
Rent expenses on real estates	246,560	244,579
Other	13,699	20,340
Total non-operating expenses	260,259	264,919
Ordinary income	1,425,775	771,083
Extraordinary income		
Gain on sales of investment securities	1,796	23,372
Gain on abolishment of retirement benefit plan	49,359	-
Total extraordinary income	51,156	23,372
Extraordinary loss		
Impairment loss	114,753	-
Other	4,352	-
Total extraordinary losses	119,106	-
Income before income taxes	1,357,825	794,455
Total income taxes	685,844	345,624
Income before minority interests	671,981	448,830
Minority interests in income	10,745	7,652
Net income	661,235	441,178

Consolidated Statements of comprehensive income

(Thousands of Yen)

Description	3Q FY2011 (From April 1, 2011 to December 31, 2011)	3Q FY2012 (From April 1, 2012 to December 31, 2012)
Income before minority interests	671,981	448,830
Other comprehensive income		
Valuation difference on available-for-sale securities	△ 30,999	△ 39,514
Deferred gains or losses on hedges	13,699	△ 16,991
Foreign currency translation adjustment	△ 23,929	△ 22,143
Total other comprehensive income	△ 41,229	△ 78,649
Comprehensive income	630,752	370,180
Comprehensive income attributable to		
Comprehensive income attributable to owners of the parent	620,006	362,528
Comprehensive income attributable to minority interests	10,745	7,652