

For Immediately Release

Consolidated Financial Statements

For the Second Quarter ended September 30, 2011

INNOTECH CORPORATION

Stock Listed: Tokyo Stock Exchange Section 1
 Code No.: 9880
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 President and CEO: Makoto Sumita
 U.S. Accounting Principle: Not adopted

1. Consolidated Financial Highlights for the Second Quarter ended September 30, 2011

(April 1, 2011 to September 30, 2011)

(1) Consolidated Operating Results

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

	Net Sales		Operating Income		Ordinary Income		Net Income	
	millions of yen	%	millions of yen	%	millions of yen	%	millions of yen	%
second quarter ended								
September 30, 2011	13,098	1.4	892	29.8	969	42.6	526	91.4
September 30, 2010	12,923	16.0	687	409.4	679	201.6	274	-

(Note) Comprehensive income: 532 million yen (216.2%) for the second quarter ended September 30, 2011
 168 million yen (-%) for the second quarter ended September 30, 2010

	EPS	EPS, Diluted
	yen	yen
second quarter ended		
September 30, 2011	30.08	29.73
September 30, 2010	15.72	15.59

(2) Consolidated Financial Position

	Total Assets	Total Net Assets	Shareholders' Equity Ratio
	millions of yen	millions of yen	%
As of			
September 30, 2011	27,569	22,124	78.9
March 31, 2011	27,501	21,693	77.7

(Reference) Shareholders' equity as of September 30, 2011: 21,760 million yen; March 31, 2011: 21,368 million yen

2.Dividends on Stock

	Dividends per Share				
	1st quarter-end	2nd quarter-end	3rd quarter-end	Fiscal year-end	Annual
Fiscal year	yen	yen	yen	yen	yen
ended Mar. 31, 2011	-	4.00	-	8.00	12.00
ending Mar. 31, 2012	-	7.00			
ending Mar. 31, 2012(Forecast)			-	7.00	14.00

(Note) Revision of dividend forecast for this period: None

3.Earnings Forecasts for the Fiscal Year ending March 31, 2012 (Consolidated)

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

	Net Sales		Operating Income		Ordinary Income	
	millions of yen	%	millions of yen	%	millions of yen	%
Fiscal year ending Mar. 31, 2012	26,500	2.4	1,700	16.8	1,800	17.5

	Net Income		EPS
	millions of yen	%	yen
Fiscal year ending Mar. 31, 2012	950	23.4	54.29

(Note) Revision of consolidated earnings forecast for this period: None

4. Others

(1) Important changes in subsidiaries (Changes on specific subsidiaries with changes in scope of consolidation): None

(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:

September 30, 2011 18,218,901 shares March 31, 2011 23,218,901 shares

② Outstanding treasury shares as of:

September 30, 2011 715,195 shares March 31, 2011 5,728,795 shares

③ Average outstanding shares for the first quarter ended:

September 30, 2011 17,497,463 shares September 30, 2010 17,490,168 shares

Note: Information about quarterly review procedure execution:

This release on the overview of quarterly business results is outside the scope of the quarterly report review procedures under the Financial Instruments and Exchange Act in Japan but as of the day of the disclosure of this release, the quarterly report review procedures under the Financial Instruments and Exchange Act had been completed.

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)

	Full year as of March 31 ,2011	Second Quarter as of September 30 ,2011
ASSETS:		
Current Assets:		
Cash and deposits	3,250,942	3,181,967
Notes and accounts receivable—trade	7,390,113	7,464,503
Merchandise and finished goods	2,509,512	2,096,153
Other	2,184,934	2,859,401
Allowance for doubtful accounts	△1,530	△574
Total current assets	15,333,971	15,601,449
Noncurrent Assets:		
Property, plant and equipment:		
Buildings and structures	7,910,416	7,912,198
Accumulated depreciation	△3,405,727	△3,485,088
Buildings and structures, net	4,504,689	4,427,110
Land	5,672,632	5,672,632
Other	686,349	736,277
Accumulated depreciation	△455,796	△477,413
Other, net	230,552	258,863
Total property, plant and equipment	10,407,874	10,358,606
Intangible Assets:		
Goodwill	262,934	173,734
Other	82,257	145,691
Total intangible assets	345,192	319,426
Investments and Other Assets:		
Investment securities	667,159	568,701
Other	846,583	728,334
Allowance for doubtful accounts	△99,023	△7,310
Total investments and other assets	1,414,719	1,289,725
Total noncurrent assets	12,167,785	11,967,757
Total assets	27,501,757	27,569,207
LIABILITIES:		
Current Liabilities:		
Notes and accounts payable—trade	2,041,292	2,486,655
Short-term loans payable	1,000,000	—
Income taxes payable	418,514	472,060
Provision for bonuses	—	114,926
Provision for directors' bonuses	—	16,300
Other	1,819,604	1,838,650
Total current liabilities	5,279,411	4,928,592
Noncurrent Liabilities:		
Provision for retirement benefits	310,187	290,702
Provision for directors' retirement benefits	35,430	31,739
Other	183,215	193,980
Total noncurrent liabilities	528,832	516,423
Total liabilities	5,808,244	5,445,015
NET ASSETS:		
Shareholders' Equity:		
Capital stock	10,517,159	10,517,159
Capital surplus	9,295,713	7,320,858
Retained earnings	3,912,721	4,299,063
Treasury stock	△2,266,303	△282,930
Total shareholders' equity	21,459,291	21,854,152
Valuation and Translation Adjustments:		
Valuation difference on available-for-sale securities	13,062	△15,857
Deferred gains or losses on hedges	△10,560	10,379
Foreign currency translation adjustment	△93,537	△88,306
Total valuation and translation adjustments	△91,034	△93,784
Subscription rights to shares	95,760	125,628
Minority interests	229,495	238,194
Total net assets	21,693,513	22,124,191
Total liabilities and net assets	27,501,757	27,569,207

Consolidated Statements of Income

(Thousands of Yen)

	Second Quarter From April 1 to September 30 ,2010	Second Quarter From April 1 to September 30 ,2011
Net sales	12,923,794	13,098,391
Cost of sales	9,991,070	9,811,634
Gross profit	2,932,724	3,286,757
Selling, general and administrative expenses	2,245,329	2,394,334
Operating income	687,394	892,422
Non-operating income		
Real estate rent	123,005	212,751
Other	28,158	31,609
Total non-operating income	151,163	244,361
Non-operating expenses		
Rent expenses on real estates	144,054	164,499
Other	14,768	3,111
Total non-operating expenses	158,822	167,610
Ordinary income	679,735	969,173
Extraordinary income		
Reversal of allowance for doubtful accounts	348	—
Gain on abolishment of retirement benefit plan	—	49,359
Other	694	46
Total extraordinary income	1,043	49,405
Extraordinary loss		
Loss on valuation of investment securities	55,361	—
Loss on sales of investment securities	—	3,562
Other	7,094	790
Total extraordinary losses	62,455	4,352
Income before Income Taxes	618,322	1,014,226
Income taxes	310,776	478,682
Income before minority interests	307,546	535,544
Minority interests in income	32,571	9,280
Net income	274,974	526,263

Consolidated Statements of comprehensive income

(Thousands of Yen)

	Second Quarter From April 1 to September 30 ,2010	Second Quarter From April 1 to September 30 ,2011
Income before minority interests	307,546	535,544
Other comprehensive income		
Valuation difference on available-for-sale securities	△ 40,502	△ 28,920
Deferred gains or losses on hedges	36,820	20,939
Foreign currency translation adjustment	△ 135,374	5,231
Total other comprehensive income	△ 139,055	△ 2,749
Comprehensive income	168,490	532,794
Comprehensive income attributable to		
Comprehensive income attributable to owners of the parent	135,918	523,514
Comprehensive income attributable to minority interests	32,571	9,280

Consolidated Statements of Cash Flows

(Thousands of Yen)

	Second Quarter From April 1 to September 30 ,2010	Second Quarter From April 1 to September 30 ,2011
I Net cash provided by (used in) operating activities:		
Income before income taxes	618,322	1,014,226
Depreciation and amortization	141,348	154,240
Amortization of goodwill	89,199	89,199
Increase (decrease) in allowance for doubtful accounts	334	△1,552
Increase (decrease) in provision for retirement benefits	14,968	△19,484
Interest and dividends income	△4,551	△4,650
Interest expenses	4,914	50
Loss (gain) on valuation of investment securities	55,361	-
Decrease (increase) in notes and accounts receivable-trade	449,230	△81,701
Decrease (increase) in inventories and advance payments	△76,234	△301,221
Increase (decrease) in notes and accounts payable-trade	49,117	451,760
Increase (decrease) in advances received	125,928	199,010
Other, net	△143,061	49,932
Subtotal	1,324,878	1,549,809
Interest and dividends income received	4,510	4,650
Interest expenses paid	△5,065	△65
Income taxes paid	△7,314	△388,317
Net cash provided by (used in) operating activities	1,317,009	1,166,076
II Net cash provided by (used in) investing activities:		
Payments into time deposits	-	△300,000
Proceeds from withdrawal of time deposits	-	300,000
Purchase of property, plant and equipment	△16,282	△16,358
Purchase of intangible assets	△9,707	△60,667
Purchase of investment securities	△104,419	-
Proceeds from sales of investment securities	6,919	42,048
Payments of short-term loans receivable	△42,520	-
Other, net	△40,832	△55,034
Net cash provided by (used in) investing activities	△206,841	△90,012
III Net cash provided by (used in) financing activities:		
Net increase (decrease) in short-term loans payable	△300,000	△1,000,000
Repayment of long-term loans payable	△550,000	-
Cash dividends paid	△52,443	△138,402
Cash dividends paid to minority shareholders	△232	△581
Other, net	△1,974	△2,016
Net cash provided by (used in) financing activities	△904,650	△1,141,000
Effect of exchange rate change on cash and cash equivalents	△17,820	△4,039
Net increase (decrease) in cash and cash equivalents	187,697	△68,975
Cash and cash equivalents at beginning of period	2,324,926	2,950,942
Cash and cash equivalents at end of period	2,512,623	2,881,967