



Public Announcement

March 23, 2003

Company: INNOTECH CORPORATION
(JASDAQ code no. 9880)

Representative: Ryoichi Kawashima
President & COO

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Director
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Innotech to Merge With InnolInvestment

On March 23, 2003, the Board of Directors of INNOTECH CORPORATION made the decision to merge with InnolInvestment K.K. on July 11 of this year. Details of the merger are outlined below.

1. Outline of the Merger

InnolInvestment K.K. is a wholly owned subsidiary of Innotech Corporation. The company was purchased in July 1997 from Cadence Technology Limited as part of Innotech's efforts to strengthen its alliance with Cadence in the circuit design industry.

InnolInvestment's core operating activities consist of purchasing and investing activities relating to circuit design software. Innotech, having recently made an announcement regarding revisions of its sales contracts with Cadence, has taken the decision to merge with InnolInvestment in order to introduce a new level of efficiency to management activities.

2. Merger Details

(1) Merger Schedule

Board Meeting for Approval of the Merger Contract	May 23, 2003
Signing of the Merger Contract	May 23, 2003
Merger Date	July 11, 2003 (planned)
Merger Registration Date	July 11, 2003 (planned)

(2) Merger Type

Innotech Corporation will be the surviving entity after the merger, with InnolInvestment being dissolved.

(3) Merger Ratio

Innotech Corporation currently holds 100% of the stock in InnolInvestment. As such, the merger will not be accompanied by the issue of any new stock or any new influx of capital.



(4) Monies Exchanged With Merger

Innotech Corporation currently holds 100% of the stock in InnolInvestment. As such, the merger will not be accompanied by the exchange of any monies.

3. Outlines of Companies Involved in the Merger (As of March 31, 2003)

Name	Innotech Corporation (surviving entity)	InnoInvestment K.K. (entity to be dissolved)
Major Operating Activities	1. Development, manufacture, purchase, sales, import and export of industrial and commercial-use electronic equipment (semiconductor manufacturing devices, computer devices, measuring devices, etc.), and components, raw materials, accessories and software for those devices 2. R&D and R&D consulting services for the range of products listed above 3. Purchase, sales and go-between services related to patents and other industrial property rights 4. All activities related to the above items	1. Design, manufacture, production, purchase, licensing, sales, leasing, rental, technical support and maintenance services for integrated circuits, electronic devices, electronic fittings and related software 2. R&D and R&D consulting services for the range of products and software listed above 3. Purchase and holding of marketable securities 4. Investment consulting 5. Investment business-related accounting and investigation services by consignment 6. All activities related to the above items
Date of Establishment	May 1, 1987	April 3, 1989
Head Office	3-17-6, Shinyokohama, Kouhoku-ku, Yokohama-shi, Kanagawa 222-8580, Japan	3-17-6, Shinyokohama, Kouhoku-ku, Yokohama-shi, Kanagawa 222-8580, Japan
President	Ryoichi Kawashima, President and Chief Executive Officer	Makoto Sumita, President and Chief Executive Officer
Capital	8,483 million yen	311 million yen
Number of Shares Issued and Outstanding	18,440,000 (as of March 31, 2003)	6,222 (as of March 31, 2003)
Shareholders' Equity	22,087 million yen	700 million yen
Total Assets	41,222 million yen	706 million yen



Fiscal Year-End	March 31	March 31
Number of Employees	255	0
Main Business Partners	Fujitsu Co., Ltd., Hitachi Co., Ltd.	Innotech Corporation
Main Shareholders and Shareholding Ratios	Cadence Technology Limited (14.6%)	Innotech Corporation (100%)

Name	Innotech Corporation (surviving entity)	InnoInvestment K.K. (entity to be dissolved)
Major Banks	Mizuho Bank, Ltd. Sumitomo Mitsui Banking Corporation The Bank of Tokyo-Mitsubishi, Ltd. The Sumitomo Trust and Banking Company, Ltd.	Mizuho Bank, Ltd.
No. of Shareholders	11,809	1

Relationship	Capital Relationships	Innotech Corporation owns 100% of the stock in the entity to be dissolved
	Personnel Relationships	Innotech Corporation director Makoto Sumita also acts as CEO of Inno Investment, and the companies share one other director
	Transaction Relationships	Purchasing agent for circuit design software

Business Results for Last Three Fiscal Years

(millions of yen)

Fiscal Year Ended	Innotech			InnoInvestment		
	March 2000	March 2001	March 2002	March 2000	March 2001	March 2002
Net Sales	36,221	32,073	33,416	181	7	3
Ordinary Profit	3,653	472	407	1	1	0
Net Income	765	(162)	(965)	0	0	0
Net Income Per Share (yen)	41.54	(8.82)	(52.37)	45.44	63.13	6.28
Dividends Paid Per Share (yen)	20	7.5	*7.5	-	-	-
Shareholders' Equity Per Share (yen)	1,304	1,270	1,197	111,299	113,526	112,529

*predicted

4. Merger Status



Name:	Innotech Corporation	
Operating Activities:	<ol style="list-style-type: none"> 1. Development, manufacture, purchase, sales, import and export of industrial and commercial-use electronic equipment (semiconductor manufacturing devices, computer devices, measuring devices, etc.), and components, raw materials, accessories and software for those devices 2. R&D and R&D consulting services for the range of products listed above 3. Purchase, sales and go-between services related to patents and other industrial property rights 4. All activities related to the above items 	
Head Office:	3-17-6, Shinyokohama, Kouhoku-ku, Yokohama-shi, Kanagawa 222-8580, Japan	
President:	Ryoichi Kawashima, CEO and Representative Director	
Capital:	8,483 million yen (this figure will be unaffected by the merger)	
Total Assets:	Total assets will not be significantly affected by the merger	
Fiscal Year-End:	March 31	
Number of Shares Issued and Outstanding:	18,440,000 (as of March 31, 2003)	
Effect of the Merger on Business Results:	<p>The merger will have no effect on results. Items listed under 'subsidiaries' will be cancelled out by equivalent changes to 'other additional paid-in capital.' With regards to the scope of consolidation, Innotech recognizes that 'exclusive sales rights' will disappear, and that depreciation expenses will therefore cease to be recorded. As such, selling, general and administrative expenses will decrease.</p>	
Consolidated Post-Merger Result Forecasts	Year Ended March 2004	
	Consolidated net sales	39,000 million yen (0 million yen)
	Consolidated operating income	1,150 million yen (411 million yen)
	Consolidated ordinary profit	450 million yen (411 million yen)
	Consolidated net income	800 million yen (411 million yen)

Notes:

- 1) Figures in parentheses refer to predicted effects of the merger.
- 2) Net income could differ from the figure above due to tax-effect accounting and other such factors.

About INNOTECH

Founded in 1987, INNOTECH is Japan's premier importer of high-end semiconductor devices and equipment and a skilled support partner to many of Japan's top electronics makers. The Company maintains direct relationships with every major semiconductor manufacturer in Japan. Today's INNOTECH is a high-paced company that prides itself on making swift but informed decisions to keep up with the pace of an ever-changing electronics market. In recent years INNOTECH has begun to leverage its built-up corporate knowledge and technological expertise to expand in development, and licensing of our own patented technology in Japan.