

# For Immediately Release

## Consolidated Financial Statements

For the First Quarter ended June 30, 2005

### INNOTECH CORPORATION

Stock Listed: JASDAQ Securities Exchange  
 Code No.: 9880  
 URL: <http://www.innotech.co.jp>  
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 President and CEO: Takashi Tsumori  
 U.S. Accounting Principle: Not adopted

## Consolidated Financial Highlights for the First Quarter ended June 30, 2005

(April 1, 2005 to June 30, 2005)

### (1) Consolidated Operating Results

(Millions of Yen)

	between April 1 and June 30				Full year ended March 31, 2005
	2005	% change	2004	% change	
Net Sales . . . . .	9,882	33.6%	7,396	-40.2%	36,308
Operating Income . . . . .	565	93.3%	292	-	1,498
Recurring Profit . . . . .	587	45.8%	403	-	1,411
Net Income . . . . .	89	-61.4%	231	-	911
Net Income per Share( ¥) . . . . .	¥4.76	-	¥13.16	-	¥49.61
Net Income per Share, Diluted( ¥) . . . . .	¥4.69	-	-	-	¥47.19

Note (1) Changes in accounting method:

Laundaring about allowance for doubtful general accounts receivable was not put into effect.

Tax expenses on consolidate subsidiaries were accounted by the estimated effect tax rate.

Note (2) Percentages shown for net sales, operating income, recurring profit and net income are the increase and decrease compared with the previous same term.

### (2) Consolidated Financial Position

(Millions of Yen)

	between April 1 and June 30		Full year ended March 31, 2005
	2005	2004	
Total Assets . . . . .	39,387	39,053	39,653
Shareholders' Equity . . . . .	16,400	14,892	15,234
Shareholders' Equity Ratio (%) . . . . .	41.6%	38.1%	38.4%
Shareholders' Equity per Share ( ¥) . . . . .	¥850.68	¥846.64	¥873.20

**Consolidated Balance Sheets (Unaudited)**

(Thousands of Yen)

ASSETS:	First Quarter as of June 30		Change %	Full year as of March 31 ,2005	
	2005	2004			
<b>Current Assets:</b>					
Cash and bank deposits	3,506,395	4,443,247	936,851	21.1	2,877,420
Notes and accounts receivable,trade	11,845,383	8,932,945	2,912,438	32.6	12,003,608
Inventories	2,587,223	2,022,805	564,418	27.9	2,372,152
Deferred tax assets	756,999	195,504	561,495	287.2	784,620
Other	2,171,185	2,712,525	541,340	20.0	2,558,581
Allowance for doubtful accounts	1,492	67,783	66,291	97.8	26,744
<b>Total current assets</b>	<b>20,865,695</b>	<b>18,239,243</b>	<b>2,626,452</b>	<b>14.4</b>	<b>20,569,639</b>
<b>Fixed Assets:</b>					
<b>Property, Plant and Equipment:</b>					
Buildings and structures	5,719,819	6,116,416	396,597	6.5	5,846,697
Land	5,717,727	5,943,755	226,027	3.8	5,844,284
Other	621,203	663,376	42,172	6.4	621,357
<b>Intangible Assets:</b>					
Consolidation adjustments account	1,288,727	1,164,208	124,519	10.7	1,333,327
Other	469,216	403,308	65,908	16.3	470,001
<b>Investments and Other Assets:</b>					
Investments in securities	2,143,680	2,029,169	114,510	5.6	2,198,586
Deferred tax assets	768,812	1,287,308	518,496	40.3	975,427
Other	1,874,354	3,314,510	1,440,156	43.5	1,824,796
Allowance for doubtful accounts	81,448	107,646	26,197	24.3	30,945
<b>Total fixed assets</b>	<b>18,522,092</b>	<b>20,814,406</b>	<b>2,292,313</b>	<b>11.0</b>	<b>19,083,533</b>
<b>Total assets</b>	<b>39,387,788</b>	<b>39,053,650</b>	<b>334,138</b>	<b>0.9</b>	<b>39,653,172</b>
<b>LIABILITIES:</b>					
<b>Current Liabilities:</b>					
Notes and accounts payable,trade	2,990,387	2,828,906	161,480	5.7	2,509,993
Short-term borrowings	11,421,216	10,894,812	526,404	4.8	12,101,132
Other	2,368,152	1,891,990	476,161	25.2	3,042,650
<b>Total current liabilities</b>	<b>16,779,755</b>	<b>15,615,708</b>	<b>1,164,046</b>	<b>7.5</b>	<b>17,653,776</b>
<b>Long-term Liabilities:</b>					
CB with warrant	323,500	-	323,500	-	539,000
Long-term debt	5,390,706	7,873,638	2,482,932	31.5	5,727,656
Allowance for retirement and severance benefits	249,560	305,187	55,627	18.2	261,539
Other	156,179	137,245	18,934	13.8	151,857
<b>Total long-term liabilities</b>	<b>6,119,946</b>	<b>8,316,071</b>	<b>2,196,125</b>	<b>26.4</b>	<b>6,680,052</b>
<b>Total liabilities</b>	<b>22,899,702</b>	<b>23,931,780</b>	<b>1,032,078</b>	<b>4.3</b>	<b>24,333,828</b>
Minority interests in consolidated subsidiaries	87,432	229,469	142,037	61.9	84,956
<b>SHAREHOLDERS' EQUITY:</b>					
<b>Total shareholders' equity</b>	<b>16,400,654</b>	<b>14,892,400</b>	<b>1,508,254</b>	<b>10.1</b>	<b>15,234,386</b>
<b>Total liabilities, minority interests and shareholders'equity</b>	<b>39,387,788</b>	<b>39,053,650</b>	<b>334,138</b>	<b>0.9</b>	<b>39,653,172</b>

**Consolidated Statements of Income (Unaudited)**

(Thousands of Yen)

	First Quarter From April 1 to June 30		Change		Full year as of March 31 ,2005
	2005	2004	Amount	%	
<b>Net Sales</b>	9,882,106	7,396,826	2,485,279	33.6	36,308,620
Cost of Goods Sold	8,157,278	5,805,164	2,352,113	40.5	29,624,479
Gross Profit on Sales	1,724,828	1,591,662	133,165	8.4	6,684,140
Selling, General and Administrative Expenses	1,159,595	1,299,194	139,599	10.7	5,185,939
<b>Operating income</b>	565,232	292,467	272,765	93.3	1,498,201
Total non-operating income	241,165	324,335	83,170	25.6	830,395
Total non-operating expenses	218,450	213,537	4,912	2.3	917,184
<b>Ordinary Profit</b>	587,947	403,265	184,681	45.8	1,411,412
Total extraordinary gain	4,500	49,058	44,558	90.8	365,094
Total extraordinary loss	244,039	-	244,039	-	711,462
<b>Income before Income Taxes</b>	348,407	452,324	103,916	23.0	1,065,044
Income taxes and Deferred income taxes	253,638	214,225	39,412	18.4	57,391
Minority interests in income (losses) of consolidated subsidiaries	5,432	6,563	1,130	17.2	96,341
<b>Net income</b>	89,336	231,535	142,198	61.4	911,311