

# For Immediately Release

## Consolidated Financial Statements ended March 31, 2006

### 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

### Highlights

#### (1) Consolidated Operating Results

Years ended March 31; Millions of yen	2006	change	2005	change
Net Sales	45,053	24.1%	36,308	-2.2%
Operating Income	2,093	39.7%	1,498	-
Recurring Profit	2,006	42.2%	1,411	-
Net Income	766	-15.9%	911	-
Net Income per Share( ¥ )	37	-	¥49.61	-
Net Income per Share, Diluted( ¥ )	36	-	¥47.19	-

#### (2) Consolidated Financial Position

Years ended March 31; Millions of yen	2006	2005
Total Assets	39,581	39,653
Shareholders' Equity	19,096	15,234
Shareholders' Equity Ratio (%)	48.2%	38.4%
Shareholders' Equity per Share ( ¥ )	¥897.40	¥873.20

Note (1) Changes in accounting method:

Evaluation for inventory changed to mainly moving average method, still the influence to result is small.

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.

**Consolidated Balance Sheets**

Years ended March 31; Millions of yen

<b>ASSETS:</b>	2006	2005	Change	%
<b>Current Assets:</b>				
Cash and cash equivalents	3,305,273	2,877,420	427,853	115%
Notes and accounts receivable,trade	13,562,630	12,003,608	1,559,022	113%
Inventories	2,393,277	2,372,152	21,125	101%
Deferred tax assets	890,173	784,620	105,552	113%
Other	2,533,195	2,558,581	25,385	99%
Allowance for doubtful accounts	8,844	26,744	17,900	33%
	<u>22,675,707</u>	<u>20,569,639</u>	<u>2,106,067</u>	<u>110%</u>
<b>Fixed Assets:</b>				
<b>Property, Plant and Equipment:</b>				
Buildings and structures	5,569,088	5,885,104	316,016	95%
Land	5,717,727	5,844,284	126,557	98%
Other	578,157	582,949	4,792	99%
<b>Intangible Assets:</b>				
Consolidation adjustment account	1,154,928	1,333,327	178,398	87%
Other	393,216	470,001	76,784	84%
<b>Investments and Other Assets:</b>				
Investments in securities	2,252,153	2,198,586	53,567	102%
Other	1,393,758	2,800,223	1,406,465	50%
Allowance for doubtful accounts	153,437	30,945	122,492	496%
	<u>16,905,594</u>	<u>19,083,533</u>	<u>2,177,938</u>	<u>89%</u>
<b>Total assets</b>	<b>39,581,301</b>	<b>39,653,172</b>	<b>71,870</b>	<b>100%</b>
<b>LIABILITIES:</b>				
<b>Current Liabilities:</b>				
Notes and accounts payable,trade	3,180,153	2,509,993	670,160	127%
Short-term borrowings	6,257,216	12,101,132	5,843,915	52%
Other	1,957,232	3,042,650	1,085,418	64%
	<u>11,394,603</u>	<u>17,653,776</u>	<u>6,259,172</u>	<u>65%</u>
<b>Long-term Liabilities:</b>				
CB with warrant	1,900,000	539,000	1,361,000	353%
Long-term debt	6,698,420	5,727,656	970,764	117%
Allowance for retirement and severance benefits	222,870	261,539	38,669	85%
Other	166,499	151,857	14,641	110%
	<u>8,987,789</u>	<u>6,680,052</u>	<u>2,307,737</u>	<u>135%</u>
<b>Total liabilities</b>	<b>20,382,392</b>	<b>24,333,828</b>	<b>3,951,436</b>	<b>84%</b>
Minority interests in consolidated subsidiaries	102,406	84,956	17,449	121%
<b>SHAREHOLDERS' EQUITY:</b>				
<b>Total shareholders' equity</b>	<b>19,096,502</b>	<b>15,234,386</b>	<b>3,862,115</b>	<b>125%</b>
Total liabilities, minority interests and shareholders' equity	39,581,301	39,653,172	71,870	100%

**Consolidated Statements of Income**

Years ended March 31; Thousands of Yen	2006	2005	Change	%
<b>Net Sales</b>	45,053,407	36,308,620	8,744,787	124%
Cost of Goods Sold	38,080,840	29,624,479	8,456,360	129%
Gross Profit on Sales	6,972,567	6,684,140	288,426	104%
Selling, General and Administrative Expenses	4,878,959	5,185,939	306,980	94%
<b>Operating Profit</b>	2,093,608	1,498,201	595,406	140%
Total non-operating income	908,256	830,395	77,861	109%
Total non-operating expenses	994,929	917,184	77,744	108%
<b>Ordinary Profit</b>	2,006,935	1,411,412	595,523	142%
Total extraordinary gain	205,258	365,094	159,835	56%
Total extraordinary loss	943,275	711,462	231,812	133%
<b>Income before Income Taxes</b>	1,268,919	1,065,044	203,874	119%
Income taxes and Deferred income taxes	467,842	57,391	410,451	815%
Minority interest in income (losses) of consolidated subsidiaries	34,316	96,341	62,024	36%
<b>Net income</b>	766,759	911,311	144,552	84%