

For Immediately Release

Consolidated Financial Statements

For the First Quarter ended June 30, 2007

INNOTECH CORPORATION

Stock Listed: JASDAQ Securities Exchange
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 U.S. Accounting Principle: Not adopted

Consolidated Financial Highlights for the First Quarter ended June 30, 2007

(April 1, 2007 to June 30, 2007)

(1) Consolidated Operating Results

(Millions of Yen)

	between April 1 and June 30				Full year ended March 31, 2007
	2007	% change	2006	% change	
Net Sales	13,762	10.1%	12,497	26.5%	57,959
Operating Income	875	11.8%	782	38.4%	3,267
Recurring Profit	869	24.1%	700	19.2%	3,071
Net Income	475	28.9%	369	313.2%	1,390
Net Income per Share(¥)	¥20.54	-	¥16.13	-	¥60.37
Net Income per Share, Diluted(¥)	¥20.45	-	¥15.89	-	¥59.79

Note (1) Employs brief accounting method:

A part of Laundering about allowance for doubtful general accounts receivable is applied in brief method.

Tax expenses on consolidate subsidiaries are 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)

	First Half		Full Year
	between April 1 and June 30		Full year ended
	2007	2006	March 31, 2007
Total Assets	40,751	41,299	41,435
Shareholders' Equity	22,789	21,437	22,429
Shareholders' Equity Ratio (%)	55.5%	51.6%	53.8%
Shareholders' Equity per Share (¥)	¥975.52	¥925.09	¥961.93

	First Half		Full Year
	between April 1 and June 30		Full year ended
	2007	2006	March 31, 2007
Net cash provided by (used in) operating activities . .	1,007	940	550
Net cash provided by (used in) investing activities . .	160	960	1,225
Net cash provided by (used in) financing activities . .	2,719	1,082	1,329
Cash and cash equivalents at end of period	775	4,139	2,660

Consolidated Balance Sheets

(Thousands of Yen)

	First Quarter as of June 30		Change	Full year as of March 31	
	2007	2006		%	,2007
ASSETS:					
Current Assets:					
Cash and bank deposits	775,204	4,139,716	3,364,512	81.3	2,660,288
Notes and accounts receivable,trade	15,618,349	14,487,823	1,130,526	7.8	17,324,904
Inventories	4,737,179	3,339,481	1,397,697	41.9	3,516,352
Deferred tax assets	224,870	691,997	467,127	67.5	298,841
Other	3,932,075	2,042,337	1,889,738	92.5	2,151,981
Allowance for doubtful accounts	8,524	8,844	319	3.6	8,524
Total current assets	25,279,154	24,692,512	586,641	2.4	25,943,842
Fixed Assets:					
Property, Plant and Equipment:					
Buildings and structures	5,264,167	5,459,244	195,077	3.6	5,306,048
Land	5,702,397	5,702,397	-	-	5,702,397
Other	398,995	606,206	207,211	34.2	407,225
Intangible Assets:	1,211,638	1,475,622	263,983	17.9	1,252,471
Investments and Other Assets:					
Investments in securities	1,905,930	2,187,600	281,670	12.9	1,865,864
Deferred tax assets	517,530	283,178	234,351	82.8	532,714
Other	693,366	1,046,603	353,237	33.8	646,757
Allowance for doubtful accounts	221,666	153,437	68,229	44.5	221,666
Total fixed assets	15,472,359	16,607,417	1,135,057	6.8	15,491,813
Total assets	40,751,513	41,299,929	548,415	1.3	41,435,655
LIABILITIES:					
Current Liabilities:					
Notes and accounts payable,trade	5,843,195	5,505,085	338,110	6.1	4,258,456
Short-term borrowings	5,169,593	5,968,045	798,452	13.4	7,401,733
Other	2,547,875	2,112,290	435,584	20.6	2,543,233
Total current liabilities	13,560,664	13,585,422	24,757	0.2	14,203,424
Long-term Liabilities:					
CB with warrant					
Long-term debt	4,028,400	5,894,600	1,866,200	31.7	4,429,400
Allowance for retirement and severance benefits	210,688	218,517	7,828	3.6	211,173
Other	161,955	164,358	2,402	1.5	161,955
Total long-term liabilities	4,401,044	6,277,475	1,876,430	29.9	4,802,529
Total liabilities	17,961,708	19,862,897	1,901,188	9.6	19,005,953
NET ASSETS:					
Owners' Equity:					
Common stock	10,504,094	10,465,547			10,504,094
Capital reserves	9,282,678	9,244,227			9,282,678
Retained earnings	2,404,043	1,161,168			2,067,297
Treasury stock	798	451			708
Total owners' equity	22,190,019	20,870,491			21,853,362
Valuation and Translation Adjustments:					
Unrealized gain(loss) on other securities	429,786	400,763			406,274
Deferred losses on hedges	22,293	7,169			6,654
Foreign currency translation adjustments	196	37,859			29,433
Total valuation and translation adjustm	407,297	431,453			429,053
Share Warrant	71,905	34,201			34,201
Minority interests in consolidated subsidiaries	120,583	100,886			113,085
Total net assets	22,789,804	21,437,032			22,429,702
Total liabilities and net assets	40,751,513	41,299,929			41,435,655

Consolidated Statements of Income

(Thousands of Yen)

	First Quarter From April 1 to June 30		Change		Full year as of March 31 ,2007
	2007	2006	Amount	%	
Net Sales	13,762,502	12,497,099	1,265,403	10.1	57,959,903
Cost of Goods Sold	11,592,707	10,434,395	1,158,312	11.1	49,640,106
Gross Profit on Sales	2,169,794	2,062,703	107,090	5.2	8,319,796
Selling, General and Administrative Expenses	1,294,684	1,280,161	14,522	1.1	5,052,140
Opreating income	875,110	782,542	92,568	11.8	3,267,656
Total non-operating income	207,664	191,018	16,645	8.7	764,750
Total non-operating expenses	212,853	272,792	59,939	22.0	961,399
Ordinary Profit	869,921	700,768	169,153	24.1	3,071,007
Total extraordinary gain	-	9,492	9,492	-	195,913
Total extraordinary loss	-	3,779	3,779	-	802,380
Income before Income Taxes	869,921	706,481	163,439	23.1	2,464,540
Income taxes and Deferred income taxes	384,881	336,626	48,255	14.3	1,028,943
Minority interests in income (losses) of consolidated subsidiaries	9,308	693	8,614	1,241.6	45,172
Net income	475,731	369,161	106,570	28.9	1,390,424

Consolidated Statements of Cash Flows

(Thousands of Yen)

	First Quarter		Change		Full year as of March 31 ,2007
	From April 1 to June 30 2007	2006	Amount	%	
Net cash provided by (used in) operating activities:					
Income before income taxes	869,921	706,481	-	-	2,464,540
Depreciation expenses	153,617	123,691	-	-	485,407
Increase (decrease) in allowance for retirement and severance bene	485	4,353	-	-	11,696
Interest and dividend income	5,572	4,191	-	-	11,387
Interest expenses	70,530	77,122	-	-	327,606
Equity in losses of affiliated companies	-	10,186	-	-	126,907
Decrease (increase) in trade receivables	1,679,517	958,180	-	-	3,767,575
Decrease (increase) in inventories and advances to suppliers	2,925,703	1,208,587	-	-	1,685,726
Increase (decrease) in trade payables	1,598,680	2,345,443	-	-	1,076,315
Other	134,754	129,429	-	-	1,101,387
Subtotal	1,575,259	1,217,042	-	-	105,780
Interest and dividends received	4,376	4,191	-	-	11,387
Interest paid	70,638	63,023	-	-	321,843
Payment (refund) of corporate income taxes	501,456	217,342	-	-	345,624
Total	1,007,540	940,868	-	-	550,299
Net cash provided by (used in) investing activities:					
Payments for purchase of property, plant and equipment	25,463	6,665	-	-	76,786
Proceeds from sales of property, plant and equipment	1,370	32,405	-	-	32,405
Payments for purchase of investment securities	12,361	11,298	-	-	59,092
Proceeds from sales of investment securities	12,947	13,790	-	-	255,216
Proceeds from collection of long-term loans	1,338	10,318	-	-	16,902
Proceeds from transfer of distribution rights	-	900,518	-	-	900,518
Other	138,613	21,236	-	-	156,453
Total	160,781	960,306	-	-	1,225,617
Net cash provided by (used in) financing activities:					
Net increase (decrease) in short-term borrowings	1,945,033	360,786	-	-	3,051,664
Payments of long-term debt	662,170	704,950	-	-	4,272,886
Payments for purchase of treasury stock	89	357	-	-	618
Dividends paid by parent company	110,635	7,924	-	-	197,839
Dividends paid to minority shareholders	1,810	1,810	-	-	1,810
Other	-	6,730	-	-	91,961
Total	2,719,738	1,082,559	-	-	1,329,529
Effect of exchange rate changes on cash and cash equivalents	12,105	15,827	-	-	9,225
Increase (decrease) in cash and cash equivalents	1,885,084	834,442	-	-	644,985
Cash and cash equivalents at beginning of year	2,660,288	3,305,273	-	-	3,305,273
Cash and cash equivalents at end of year	775,204	4,139,716	-	-	2,660,288