

For Immediately Release

Consolidated Financial Statements

For the Third Quarter ended December 31, 2007

INNOTECH CORPORATION

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

Consolidated Financial Highlights for the Third Quarter ended December 31, 2007

(April 1, 2007 to December 31, 2007)

(1) Consolidated Operating Results

(Millions of Yen)

	Third Half				Full Year
	between April 1 and December 31				Full year ended March 31, 2007
	2007	% change	2006	% change	
Net Sales.	42,084	-0.3%	42,226	28.9%	57,959
Operating Income.	2,674	3.9%	2,573	74.2%	3,267
Recurring Profit.	2,586	5.4%	2,452	63.9%	3,071
Net Income.	1,346	-0.7%	1,355	137.8%	1,390
Net Income per Share(¥).	¥58.16	-	¥58.97	-	¥60.37
Net Income per Share, Diluted(¥).	¥57.83	-	¥58.29	-	¥59.79

Note (1) Adopting concise accounting method:

- ① A part of Laundering about allowance for doubtful general accounts receivable is adopted concise accounting method.
- ② 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)

	Third Half		Full Year
	between April 1 and December 31		Full year ended March 31, 2007
	2007	2006	
Total Assets.	40,445	43,360	41,435
Shareholders' Equity.	23,249	22,332	22,429
Shareholders' Equity Ratio (%).	56.9%	51.1%	53.8%
Shareholders' Equity per Share (¥).	¥995.35	¥958.02	¥961.93

	Third Half		Full Year
	between April 1 and December 31		Full year ended March 31, 2007
	2007	2006	
Net cash provided by (used in) operating activities.	3,953	-2,406	-550
Net cash provided by (used in) investing activities.	-87	1,310	1,225
Net cash provided by (used in) financing activities.	-3,955	894	-1,329
Cash and cash equivalents at end of period.	2,534	3,117	2,660

Consolidated Balance Sheets

(Thousands of Yen)

ASSETS:	Third Quarter as of December 31		Change	%	Full year as of March 31 ,2007
	2007	2006			
Current Assets:					
Cash and bank deposits	2,534,295	3,117,198	△ 582,903	△ 18.7	2,660,288
Notes and accounts receivable,trade	15,721,086	17,890,322	△ 2,169,235	△ 12.1	17,324,904
Inventories	2,813,408	3,546,675	△ 733,266	△ 20.7	3,516,352
Deferred tax assets	272,300	242,793	29,506	12.2	298,841
Other	4,354,142	2,656,779	1,697,363	63.9	2,151,981
Allowance for doubtful accounts	△ 14,618	△ 7,826	△ 6,791	—	△ 8,524
Total current assets	25,680,615	27,445,943	△ 1,765,328	△ 6.4	25,943,842
Fixed Assets:					
Property, Plant and Equipment:					
Buildings and structures	5,192,389	5,383,766	△ 191,376	△ 3.6	5,334,712
Land	5,702,397	5,702,397	—	—	5,702,397
Other	284,537	579,698	△ 295,161	△ 50.9	378,561
Intangible Assets:	1,090,917	1,333,998	△ 243,081	△ 18.2	1,252,471
Investments and Other Assets:					
Investments in securities	1,392,489	1,839,661	△ 447,172	△ 24.3	1,865,864
Deferred tax assets	660,887	447,650	213,236	47.6	532,714
Other	646,743	779,472	△ 132,728	△ 17.0	646,757
Allowance for doubtful accounts	△ 205,040	△ 152,195	△ 52,845	—	△ 221,666
Total fixed assets	14,765,323	15,914,451	△ 1,149,128	△ 7.2	15,491,813
Total assets	40,445,938	43,360,395	△ 2,914,457	△ 6.7	41,435,655
LIABILITIES:					
Current Liabilities:					
Notes and accounts payable,trade	3,976,855	3,953,750	23,105	0.6	4,258,456
Short-term borrowings	5,504,863	9,039,315	△ 3,534,452	△ 39.1	7,401,733
Other	4,721,689	2,662,423	2,059,266	77.3	2,543,234
Total current liabilities	14,203,409	15,655,489	△ 1,452,080	△ 9.3	14,203,424
Long-term Liabilities:					
Long-term debt	2,621,600	5,007,200	△ 2,385,600	△ 47.6	4,429,400
Allowance for retirement and severance benefits	208,221	202,972	5,249	2.6	211,173
Other	162,991	162,587	404	0.2	161,955
Total long-term liabilities	2,992,812	5,372,759	△ 2,379,946	△ 44.3	4,802,529
Total liabilities	17,196,222	21,028,249	△ 3,832,026	△ 18.2	19,005,953
NET ASSETS:					
Owners' Equity:					
Common stock	10,504,094	10,498,838	5,256	0.1	10,504,094
Capital reserves	9,282,678	9,277,435	5,243	0.1	9,282,678
Retained earnings	3,089,683	2,032,449	1,057,234	52.0	2,067,297
Treasury stock	△ 23,997	△ 626	△ 23,371	—	△ 708
Total owners' equity	22,852,459	21,808,097	1,044,362	4.8	21,853,362
Valuation and Translation Adjustments:					
Unrealized gain(loss) on other securities	243,916	345,720	△ 101,804	△ 29.4	406,274
Deferred losses on hedges	△ 11,036	△ 4,067	△ 6,969	—	△ 6,654
Foreign currency translation adjustments	△ 52,212	24,155	△ 76,368	—	29,433
Total valuation and translation adjustr	180,666	365,809	△ 185,142	△ 50.6	429,053
Share Warrant	71,708	34,201	37,507	109.7	34,201
Minority interests in consolidated subsidiaries	144,881	124,038	20,842	16.8	113,085
Total net assets	23,249,715	22,332,146	917,569	4.1	22,429,702
Total liabilities and net assets	40,445,938	43,360,395	△ 2,914,457	△ 6.7	41,435,655

Consolidated Statements of Income

(Thousands of Yen)

	Third Quarter		Change		Full year as of March 31 ,2007
	From April 1 to December 31		Amount	%	
	2007	2006			
Net Sales	42,084,587	42,226,067	△ 141,480	△ 0.3	57,959,903
Cost of Goods Sold	35,551,312	35,934,921	△ 383,609	△ 1.1	49,640,106
Gross Profit on Sales	6,533,275	6,291,145	242,129	3.8	8,319,796
Selling, General and Administrative Expenses	3,858,766	3,717,904	140,862	3.8	5,052,140
Opreating income	2,674,508	2,573,241	101,266	3.9	3,267,656
Total non-operating income	565,484	591,318	△ 25,834	△ 4.4	764,750
Total non-operating expenses	653,966	711,903	△ 57,936	△ 8.1	961,399
Ordinary Profit	2,586,025	2,452,657	133,368	5.4	3,071,007
Total extraordinary gain	67,382	191,437	△ 124,055	△ 64.8	195,913
Total extraordinary loss	236,258	245,329	△ 9,071	△ 3.7	802,380
Income before Income Taxes	2,417,150	2,398,765	18,384	0.8	2,464,540
Income taxes and Deferred income taxes	1,036,858	1,019,115	17,743	1.7	1,028,943
Minority interests in income (losses) of consolidated subsidiaries	33,606	24,073	9,532	39.6	45,172
Net income	1,346,685	1,355,576	△ 8,890	△ 0.7	1,390,424

Consolidated Statements of Cash Flows

	Third Quarter		Full year
	From April 1 to December 31		as of March 31
	2007	2006	,2007
I Net cash provided by (used in) operating activities:			
Income before income taxes	2,417,150	2,398,765	2,464,540
Depreciation expenses	390,644	360,604	485,407
Increase (decrease) in allowance for retirement and severance bene	△2,952	△19,898	△ 11,696
Interest and dividend income	△13,309	△8,758	△ 11,387
Interest expenses	208,149	234,050	327,606
Equity in losses of affiliated companies	-	4,040	126,907
Decrease (increase) in trade receivables	1,517,382	△4,353,492	△ 3,767,575
Decrease (increase) in inventories and advances to suppliers	△1,399,602	△2,173,293	△ 1,685,726
Increase (decrease) in trade payables	△244,388	789,376	1,076,315
Other	2,067,924	903,493	1,101,387
Subtotal	4,940,998	△1,865,112	105,780
Interest and dividends received	12,099	7,549	11,387
Interest paid	△207,104	△222,037	△ 321,843
Payment (refund) of corporate income taxes	△792,815	△326,956	△ 345,624
Total	3,953,177	△2,406,557	△ 550,299
II Net cash provided by (used in) investing activities:			
Payments for purchase of property, plant and equipment	△54,434	△46,325	△ 76,786
Proceeds from sales of property, plant and equipment	83,002	32,405	32,405
Payments for purchase of investment securities	△42,061	△40,861	△ 59,092
Proceeds from sales of investment securities	89,703	248,495	255,216
Proceeds from collection of long-term loans	2,432	16,304	16,902
Proceeds from transfer of distribution rights	10,000	900,518	900,518
Other	△176,450	199,627	156,453
Total	△87,807	1,310,165	1,225,617
III Net cash provided by (used in) financing activities:			
Net increase (decrease) in short-term borrowings	△1,801,897	4,182,190	3,051,664
Payments of long-term debt	△1,815,170	△3,186,166	△ 4,272,886
Payments for purchase of treasury stock	△24,255	△536	△ 618
Dividends paid by parent company	△312,005	△192,689	△ 197,839
Dividends paid to minority shareholders	△1,810	△1,810	△ 1,810
Other	-	93,149	91,961
Total	△3,955,139	894,137	△ 1,329,529
Effect of exchange rate changes on cash and cash equivalents	△36,223	14,179	9,225
Increase (decrease) in cash and cash equivalents	△125,993	△188,075	△ 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	2,534,295	3,117,198	2,660,288

(3) Consolidated forecast (April 1, 2007 to March 31, 2008)

(Millions of Yen)

	Net Sales	Operating Profit	Ordinary Profit	Net Income	Net Income per share
Year ending March 31, 2008	56,000	3,500	3,300	1,850	79.91yen
%Change	△3.4%	7.1%	7.5%	33.1%	

Percentages shown represent year-on-year changes.