

For Immediately Release

Consolidated Financial Statements

For the Third Quarter ended December 31, 2008

INNOTECH CORPORATION

Stock Listed: Tokyo Stock Exchange Section 2
 Code No.: 9880
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 President and CEO: Makoto Sumita
 U.S. Accounting Principle: Not adopted

1. Consolidated Financial Highlights for the Third Quarter ended December 31, 2008

(April 1, 2008 to December 31, 2008)

(1) Consolidated Operating Results

(% represents the change from the same period in the previous fiscal year)

	Net Sales		Operating Income		Ordinary Profit		Net Income	
third quarter ended	millions of yen	%	millions of yen	%	millions of yen	%	millions of yen	%
December 31, 2008	24,274	-	1,108	-	1,115	-	629	-
December 31, 2007	42,084	(0.3)	2,674	3.9	2,586	5.4	1,346	(0.7)

	Net Income per Share	Net Income per Share, Diluted
third quarter ended	yen	yen
December 31, 2008	28.28	28.08
December 31, 2007	58.16	57.83

(2) Consolidated Financial Position

	Total Assets	Total Net Assets	Shareholders' Equity Ratio	Shareholders' Equity per Share
As of	millions of yen	millions of yen	%	yen
December 31, 2008	34,525	22,505	64.5	1,096.86
March 31, 2008	40,439	23,525	57.6	1,006.84

(Reference) Shareholders' equity as of December 31, 2008: 22,256 million yen; March 31, 2008: 23,299 million yen

2. Dividends on Stock

	Dividends per Share				
	1st quarter-end	2nd quarter-end	3rd quarter-end	Fiscal year-end	Annual
Fiscal year	yen	yen	yen	yen	yen
ended Mar. 31, 2008	-	8.00	-	10.00	18.00
ending Mar. 31, 2009	-	8.00	-	—	—
ending Mar. 31, 2009(Forecast)	—	—	—	12.00	20.00

Note: Revision of dividend forecast for this period: None

3. Earnings Forecasts for the Fiscal Year ending March, 31(Consolidated)

(% represents the change from the same period in the previous fiscal year)

	Net Sales		Operating Income		Ordinary Profit	
	millions of yen	%	millions of yen	%	millions of yen	%
Fiscal year ending Mar. 31, 2009	29,500	(44.2)	1,100	(67.0)	1,100	(66.0)

	Net Income		Net Income per Share
	millions of yen	%	yen
Fiscal year ending Mar. 31, 2009	500	(68.1)	22.45

Note: Revision of consolidated earnings forecast for this period: None

4. Others

- (1) Important changes in subsidiaries (Changes on specific subsidiaries with changes in scope of consolidation):None
- (2) Use of simplified accounting method and special accounting policy for quarterly financial reporting: yes
- (3) Changes in principles, procedures and display of accounting method concerning quarterly consolidated statement policies.

(Listed as changes in basis of presentation of consolidated financial statement)

① Changes in accounting policies: yes

② Other changes: yes

- (4) Number of shares outstanding (common stock)

① Total outstanding shares including treasury shares as of:

December 31, 2008 23,218,901 shares March 31, 2008 23,164,901 shares

② Outstanding treasury shares as of:

December 31, 2008 2,927,528 shares March 31, 2008 24,228 shares

③ Average outstanding shares for the first quarter ended:

December 31, 2008 22,270,329 shares December 31, 2007 23,156,385 shares

Consolidated Balance Sheets

(Thousands of Yen)

	First Quarter as of December 31 ,2008	Full year as of March 31 ,2008
ASSETS:		
Current Assets:		
Cash and bank deposits	1,479,467	3,134,442
Notes and accounts receivable, trade	8,866,972	12,950,536
Merchandise and finished goods	3,959,886	3,206,561
Advance payments-trade	5,318,176	6,018,111
Other	1,136,046	745,798
Allowance for doubtful accounts	(1,658)	(11,864)
Total current assets	20,758,890	26,043,585
Noncurrent Assets:		
Property, Plant and Equipment:		
Buildings and structures	8,078,757	8,073,796
Accumulated depreciation	(3,083,276)	(2,936,181)
Buildings and structures, net	4,995,481	5,137,615
Land	5,702,397	5,702,397
Other	698,595	759,563
Accumulated depreciation	(415,108)	(480,785)
Other, net	283,486	278,777
Total Noncurrent Assets	10,981,365	11,118,790
Intangible Assets:		
Goodwill	664,331	798,130
Other	199,459	258,843
Total Intangible Assets	863,790	1,056,974
Investments and Other Assets:		
Investment securities	850,634	1,006,221
Other	1,234,983	1,407,692
Allowance for doubtful accounts	(163,829)	(194,036)
Total Investments and Other Assets	1,921,789	2,219,877
Total Noncurrent assets	13,766,945	14,395,642
Total assets	34,525,835	40,439,228
LIABILITIES:		
Current Liabilities:		
Notes and accounts payable-trade	2,826,858	3,504,150
Short-term loans payable	2,521,600	4,379,000
Income taxes payable	42,921	1,043,266
Advances received	4,198,552	4,527,495
Provision for bonuses	189,788	—
Provision for directors' bonuses	24,102	—
Other	699,951	898,719
Total current liabilities	10,503,775	14,352,631
Noncurrent Liabilities:		
Long-term loans payable	1,100,000	2,160,400
Provision for retirement benefits	251,539	227,855
Provision for directors' retirement benefits	17,015	7,100
Other	148,163	165,555
Total Noncurrent liabilities	1,516,717	2,560,911
Total liabilities	12,020,493	16,913,542
NET ASSETS:		
Shareholders' equity:		
Capital stock	10,517,159	10,504,094
Capital surplus	9,295,713	9,282,678
Retained earnings	3,530,883	3,307,949
Treasury stock	(1,048,588)	(23,997)
Total Shareholders' equity	22,295,169	23,070,725
Valuation and Translation Adjustments:		
Valuation difference on available-for-sale securities	(11,969)	176,443
Deferred gains or losses on hedges	24,333	43,576
Foreign currency translation adjustment	(50,694)	8,257
Total valuation and translation adjustments	(38,330)	228,277
Subscription rights to shares	69,412	71,708
Minority interests	179,090	154,973
Total net assets	22,505,342	23,525,685
Total liabilities and net assets	34,525,835	40,439,228

Consolidated Statements of Income

(Thousands of Yen)

	First Quarter From April 1 to December 31 2008
Net Sales	24,274,340
Cost of sales	19,306,881
Gross profit	4,967,458
Selling, general and administrative expenses	3,859,457
Operating income	1,108,001
Non-operating income	
Real estate rent	374,235
Other	90,424
Total Non-operating income	464,659
Non-operating expenses	
Interest expenses	59,997
Rent expenses on real estates	315,280
Other	81,684
Total Non-operating expenses	456,962
Ordinary Profit	1,115,698
Extraordinary income	
Reversal of allowance for doubtful accounts	8,992
Gain on change in equity	7,953
Other	1,661
Total Extraordinary income	18,607
Extraordinary loss	
Loss on valuation of investment securities	16,851
Loss on valuation of inventories	38,258
Other	5,476
Total Extraordinary loss	60,586
Income before Income Taxes	1,073,719
Income taxes	417,213
Minority interests in income	26,793
Net income	629,713

Consolidated Statements of Cash Flows

(Thousands of Yen)

	First Quarter From April 1 to December 31 2008
I Net cash provided by (used in) operating activities:	
Income before income taxes	1,073,719
Depreciation and amortization	300,349
Amortization of goodwill	133,799
Increase (decrease) in allowance for doubtful accounts	(8,992)
Increase (decrease) in provision for retirement benefits	23,683
Interest and dividends income	(11,957)
Interest expenses	59,997
Decrease (increase) in notes and accounts receivable-trade	3,915,942
Decrease (increase) in inventories and advance payments	(119,994)
Increase (decrease) in notes and accounts payable-trade	(562,288)
Increase (decrease) in advances received	(328,943)
Other	(55,897)
Subtotal	4,419,418
Interest and dividends income received	10,760
Interest expenses paid	(70,169)
Income taxes paid	(1,629,438)
Total	2,730,570
II Net cash provided by (used in) investment activities:	
Purchase of property, plant and equipment	(44,531)
Purchase of investment securities	(150,105)
Other	74,641
Total	(119,996)
III Net cash provided by (used in) financing activities:	
Net increase (decrease) in short-term loans payable	(977,120)
Repayment of long-term loans payable	(1,771,400)
Purchase of treasury stock	(1,028,404)
Cash dividends paid	(386,387)
Cash dividends paid to minority shareholders	(1,810)
Other	(1,192)
Total	(4,166,314)
Effect of exchange rate change on cash and cash equivalents	(99,234)
Net increase (decrease) in cash and cash equivalents	(1,654,975)
Cash and cash equivalents at beginning of year	3,134,442
Cash and cash equivalents at end of year	1,479,467

(Reference)
Consolidated Statements of Income

(Thousands of Yen)

	First Quarter From April 1 to December 31 2007
Net Sales	42,084,587
Cost of Goods Sold	35,551,312
Gross Profit on Sales	6,533,275
Selling, General and Administrative Expenses	3,858,766
Operating income	2,674,508
Total non-operating income	565,484
Total non-operating expenses	653,966
Ordinary Profit	2,586,025
Extraordinary income	67,382
Extraordinary loss	236,258
Income before Income Taxes	2,417,150
Income taxes and Deferred income taxes	1,036,858
Minority interests in income (losses) of consolidated subsidiaries	33,606
Net income	1,346,685

Consolidated Statements of Cash Flows

(Thousands of Yen)

	First Quarter From April 1 to December 31 2007
I Net cash provided by (used in) operating activities:	
Income before income taxes	2,417,150
Depreciation expenses	390,644
Increase (decrease) in allowance for retirement and severance benefits	(2,952)
Interest and dividend income	(13,309)
Interest expenses	208,149
Decrease (increase) in trade receivables	1,517,382
Decrease (increase) in inventories and advances to suppliers	(1,399,602)
Increase (decrease) in trade payables	(244,388)
Other	2,067,924
Subtotal	4,940,998
Interest and dividends received	12,099
Interest paid	(207,104)
Payment (refund) of corporate income taxes	(792,815)
Total	3,953,177
II Net cash provided by (used in) investing activities:	
Payments for purchase of property, plant and equipment	(54,434)
Proceeds from sales of property, plant and equipment	83,002
Payments for purchase of investment securities	(42,061)
Proceeds from sales of investment securities	89,703
Proceeds from collection of long-term loans	2,432
Proceeds from transfer of business	10,000
Other	(176,450)
Total	(87,807)
III Net cash provided by (used in) financing activities:	
Net decrease in short-term borrowings	(1,801,897)
Payments of long-term debt	(1,815,170)
Payments for purchase of treasury stock	(24,255)
Dividends paid by parent company	(312,005)
Dividends paid to minority shareholders	(1,810)
Total	(3,955,139)
Effect of exchange rate changes on cash and cash equivalents	(36,223)
Increase (decrease) in cash and cash equivalents	(125,993)
Cash and cash equivalents at beginning of year	2,660,288
Cash and cash equivalents at end of year	2,534,295