

# For Immediately Release

## Consolidated Financial Statements

Ended March 31, 2009

### 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 FY 2008 (April 1, 2008 to March 31, 2009)

#### (1) Consolidated Operating Results

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

Years ended March 31	Net Sales		Operating Income		Ordinary Income		Net Income	
	millions of yen	%	millions of yen	%	millions of yen	%	millions of yen	%
March 31,2009	30,018	△ 43.2	1,230	△ 63.1	1,218	△ 62.4	475	△ 69.6
March 31,2008	52,836	△ 8.8	3,332	2.0	3,237	5.4	1,564	12.6

Years ended March 31	EPS	EPS, Diluted	ROE	ROA	Operating Income Margin
	yen	yen	%	%	%
March 31,2009	21.84	21.69	2.1	3.4	4.1
March 31,2008	67.59	67.21	6.9	7.9	6.3

#### (2) Consolidated Financial Position

Years ended March 31	Total Assets	Total Net Assets	Shareholders' Equity Ratio	BPS
	millions of yen	millions of yen	%	yen
March 31,2009	32,230	22,232	68.2	1,088.20
March 31,2008	40,439	23,525	57.6	1,006.84

(Reference) Shareholders' equity as of March 31, 2009: 21,975 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
ended Mar. 31, 2009	-	8.00	-	12.00	20.00
ending Mar. 31, 2010(Forecast)	-	2.00	-	3.00	5.00

	Amount of Dividends (Annual)	Payout Ratio (Consolidated)	DOE (consolidated)
Fiscal year	millions of yen	%	%
ended Mar. 31, 2008	416	26.6	1.8
ended Mar. 31, 2009	417	91.6	1.9
ending Mar. 31, 2010(Forecast)		91.8	

## 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	%
Second Quarter as of September.30,2009	10,600	△ 37.3	50	△ 94.1	80	△ 90.5
Fiscal year ending Mar. 31, 2010	24,500	△ 18.4	450	△ 63.4	500	△ 59.0

	Net Income		EPS
	millions of yen	%	yen
Second Quarter as of September.30,2009	-	-	-
Fiscal year ending Mar. 31, 2010	110	△ 76.9	5.45

## Consolidated Balance Sheets

(Thousands of Yen)

	Full year as of March 31 2008	Full year as of March 31 2009
<b>ASSETS:</b>		
Current Assets:		
Cash and deposits	3,134,442	2,823,324
Notes and accounts receivable-trade	12,950,536	6,783,955
Inventories	3,282,675	-
Merchandise and finished goods	-	3,087,989
Advance payments-trade	6,018,111	5,042,181
Deferred tax assets	168,822	221,180
Other	500,862	893,580
Allowance for doubtful accounts	△ 11,864	△ 1,455
Total current assets	26,043,585	18,850,756
Noncurrent Assets:		
Property, plant and equipment:		
Buildings and structures	8,073,796	8,001,333
Accumulated depreciation	△ 2,936,181	△ 3,133,334
Buildings and structures, net	5,137,615	4,867,999
Land	5,702,397	5,687,498
Other	759,563	686,581
Accumulated depreciation	△ 480,785	△ 417,606
Other, net	278,777	268,974
Total property, plant and equipment	11,118,790	10,824,472
Intangible Assets:		
Goodwill	798,130	619,731
Other	258,843	155,150
Total Intangible Assets	1,056,974	774,882
Investments and Other Assets:		
Investment securities	1,006,221	749,269
Long-term loans receivable	167,154	139,303
Deferred tax assets	785,257	751,243
Other	455,281	311,855
Allowance for doubtful accounts	△ 194,036	△ 171,761
Total investments and other assets	2,219,877	1,779,910
Total noncurrent assets	14,395,642	13,379,265
Total assets	40,439,228	32,230,022
<b>LIABILITIES:</b>		
Current Liabilities:		
Notes and accounts payable-trade	3,504,150	2,107,035
Short-term loans payable	4,379,000	2,710,400
Accounts payable-other	487,029	408,376
Income taxes payable	1,043,266	74,045
Advances received	4,527,495	3,244,136
Deferred tax liabilities	-	2,691
Other	411,689	268,085
Total current liabilities	14,352,631	8,814,769
Noncurrent Liabilities:		
Long-term loans payable	2,160,400	750,000
Provision for retirement benefits	227,855	265,188
Provision for directors' retirement benefits	7,100	20,600
Other	165,555	147,181
Total Noncurrent liabilities	2,560,911	1,182,970
Total liabilities	16,913,542	9,997,740
<b>NET ASSETS:</b>		
Shareholders' equity:		
Capital stock	10,504,094	10,517,159
Capital surplus	9,282,678	9,295,713
Retained earnings	3,307,949	3,376,608
Treasury stock	△ 23,997	△ 1,070,148
Total Shareholders' equity	23,070,725	22,119,333
Valuation and Translation Adjustments:		
Valuation difference on available-for-sale securities	176,443	36,351
Deferred gains or losses on hedges	43,576	△ 56,428
Foreign currency translation adjustment	8,257	△ 123,362
Total valuation and translation adjustments	228,277	△ 143,438
Subscription rights to shares	71,708	69,412
Minority interests	154,973	186,974
Total net assets	23,525,685	22,232,282
Total liabilities and net assets	40,439,228	32,230,022

	Full year From April 1 to March 31 2008	Full year From April 1 to March 31 2009
Net Sales	52,836,234	30,018,814
Cost of sales	44,271,778	23,669,324
Gross profit	8,564,456	6,349,489
Selling, general and administrative expenses	5,232,451	5,118,848
Operating income	3,332,004	1,230,641
Non-operating income		
Real estate rent	662,341	501,924
Other	76,732	117,121
Total Non-operating income	739,073	619,046
Non-operating expenses		
Interest expenses	260,779	71,143
Rent expenses on real estates	466,778	418,217
Foreign exchange losses	-	97,070
Other	105,678	45,215
Total Non-operating expenses	833,236	631,646
Ordinary income	3,237,841	1,218,040
Extraordinary income		
Gain on sales of investment securities	39,413	1,661
Reversal of allowance for doubtful accounts	23,738	3,217
Gain on sales of noncurrent assets	10,736	-
Gain on transfer of business	10,000	-
Gain on change in equity	-	7,953
Total Extraordinary income	83,887	12,832
Extraordinary loss		
Loss on valuation of investment securities	308,176	166,467
Employees' allowances on prior periods adjustment	55,491	-
Impairment loss	-	121,963
Loss on adjustment for changes of accounting standard for measurement of inventories	-	38,258
Business structure improvement expenses	-	43,032
Other	49,159	10,452
Total extraordinary losses	412,827	380,173
Income before Income Taxes	2,908,902	850,700
Income taxes-current	1,301,034	193,723
Income taxes-deferred	△ 782	147,251
Total income taxes	1,300,251	340,975
Minority interests in income	43,698	34,286
Net income	1,564,951	475,437

## Consolidated Statements of changes in net assets

(Thousands of Yen)

	Full year From April 1 to March 31 2008	Full year From April 1 to March 31 2009
<b>Shareholders' equity</b>		
<b>Capital stock</b>		
Balance at the end of previous period	10,504,094	10,504,094
Changes of items during the period		
Issuance of new shares-exercise of subscription rights to shares	-	13,065
Total changes of items during the period	-	13,065
Balance at the end of current period	10,504,094	10,517,159
<b>Capital surplus</b>		
Balance at the end of previous period	9,282,678	9,282,678
Changes of items during the period		
Issuance of new shares-exercise of subscription rights to shares	-	13,035
Total changes of items during the period	-	13,035
Balance at the end of current period	9,282,678	9,295,713
<b>Retained earnings</b>		
Balance at the end of previous period	2,067,297	3,307,949
Changes of items during the period		
Dividends from surplus	△ 324,299	△ 406,779
Net income	1,564,951	475,437
Total changes of items during the period	1,240,652	68,658
Balance at the end of current period	3,307,949	3,376,608
<b>Treasury stock</b>		
Balance at the end of previous period	△ 708	△ 23,997
Changes of items during the period		
Purchase of treasury stock	△ 23,288	△ 1,046,150
Total changes of items during the period	△ 23,288	△ 1,046,150
Balance at the end of current period	△ 23,997	△ 1,070,148
<b>Total shareholders' equity</b>		
Balance at the end of previous period	21,853,362	23,070,725
Changes of items during the period		
Issuance of new shares-exercise of subscription rights to shares	-	26,100
Dividends from surplus	△ 324,299	△ 406,779
Net income	1,564,951	475,437
Purchase of treasury stock	△ 23,288	△ 1,046,150
Total changes of items during the period	1,217,363	△ 951,392
Balance at the end of current period	23,070,725	22,119,333
<b>Valuation and translation adjustments</b>		
<b>Valuation difference on available-for-sale securities</b>		
Balance at the end of previous period	406,274	176,443
Changes of items during the period		
Net changes of items other than shareholders' equity	△ 229,831	△ 140,092
Total changes of items during the period	△ 229,831	△ 140,092
Balance at the end of current period	176,443	36,351
<b>Deferred gains or losses on hedges</b>		
Balance at the end of previous period	△ 6,654	43,576
Changes of items during the period		
Net changes of items other than shareholders' equity	50,230	△ 100,004
Total changes of items during the period	50,230	△ 100,004
Balance at the end of current period	43,576	△ 56,428
<b>Foreign currency translation adjustment</b>		
Balance at the end of previous period	29,433	8,257
Changes of items during the period		
Net changes of items other than shareholders' equity	△ 21,176	△ 131,619
Total changes of items during the period	△ 21,176	△ 131,619
Balance at the end of current period	8,257	△ 123,362
<b>Total valuation and translation adjustments</b>		
Balance at the end of previous period	429,053	228,277
Changes of items during the period		
Net changes of items other than shareholders' equity	△ 200,776	△ 371,715
Total changes of items during the period	△ 200,776	△ 371,715
Balance at the end of current period	228,277	△ 143,438
<b>Subscription rights to shares</b>		
Balance at the end of previous period	34,201	71,708
Changes of items during the period		
Net changes of items other than shareholders' equity	37,507	△ 2,295
Total changes of items during the period	37,507	△ 2,295
Balance at the end of current period	71,708	69,412
<b>Minority interests</b>		
Balance at the end of previous period	113,085	154,973
Changes of items during the period		
Net changes of items other than shareholders' equity	41,888	32,000
Total changes of items during the period	41,888	32,000
Balance at the end of current period	154,973	186,974
<b>Net assets</b>		
Balance at the end of previous period	22,429,702	23,525,685
Changes of items during the period		
Issuance of new shares-exercise of subscription rights to shares	-	26,100
Dividends from surplus	△ 324,229	△ 406,779
Net income	1,564,951	475,437
Purchase of treasury stock	△ 23,288	△ 1,046,150
Net changes of items other than shareholders' equity	△ 121,380	△ 342,010
Total changes of items during the period	1,095,982	△ 1,293,402
Balance at the end of current period	23,525,685	22,232,282

	Full year From April 1 to March 31 2008	Full year From April 1 to March 31 2009
<b>I Net cash provided by (used in) operating activities:</b>		
Income before income taxes	2,908,902	850,700
Depreciation and amortization	509,581	401,482
Impairment loss	-	121,963
Amortization of goodwill	178,432	178,398
Increase (decrease) in allowance for doubtful accounts	△ 49,817	△ 3,217
Increase (decrease) in provision for retirement benefits	16,681	37,333
Interest and dividends income	△ 17,396	△ 13,609
Interest expenses	260,779	71,143
Loss (gain) on sales of investment securities	△ 39,413	-
Loss (gain) on valuation of investment securities	308,176	166,467
Equity in (earnings) losses of affiliates	-	△ 30,292
Decrease (increase) in notes and accounts receivable-trade	4,256,178	5,771,756
Decrease (increase) in inventories and advance payments	△ 4,000,807	1,069,594
Increase (decrease) in notes and accounts payable-trade	△ 701,583	△ 1,114,846
Increase (decrease) in advances received	3,546,664	△ 1,283,359
Increase (decrease) in accrued consumption taxes	△ 8,163	△ 143,296
Decrease (increase) in other current assets	△ 70,389	42,924
Increase (decrease) in other current liabilities	△ 114,901	△ 145,719
Other	128,855	△ 72,465
Subtotal	7,111,781	5,904,956
Interest and dividends income received	17,396	12,412
Interest expenses paid	△ 271,062	△ 81,951
Income taxes paid	△ 798,299	△ 1,621,717
Net cash provided by (used in) operating activities	6,059,815	4,213,699
<b>II Net cash provided by (used in) investing activities</b>		
Purchase of property, plant and equipment	△ 61,756	△ 48,607
Purchase of investment securities	△ 42,061	△ 151,392
Proceeds from sales of investment securities	181,597	13,225
Other	△ 89,099	52,663
Net cash provided by (used in) investing activities	△ 11,319	△ 134,110
<b>III Net cash provided by (used in) financing activities</b>		
Net increase (decrease) in short-term loans payable	△ 2,779,041	△ 476,480
Repayment of long-term loans payable	△ 2,395,770	△ 2,232,600
Purchase of treasury stock	△ 24,255	△ 1,050,048
Cash dividends paid	△ 321,255	△ 404,797
Cash dividends paid to minority shareholders	△ 1,810	△ 1,810
Other	-	△ 2,128
Net cash provided by (used in) financing activities	△ 5,522,133	△ 4,167,864
Effect of exchange rate change on cash and cash equivalents	△ 52,208	△ 222,842
Net increase (decrease) in cash and cash equivalents	474,154	△ 311,117
Cash and cash equivalents at beginning of period	2,660,288	3,134,442
Cash and cash equivalents at end of period	3,134,442	2,823,324