

For Immediately Release

Consolidated Financial Statements

For the Third Quarter ended December 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 the Third Quarter ended December 31, 2009

(April 1, 2009 to December 31, 2009)

(1) Consolidated Operating Results

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

	Net Sales		Operating Income		Ordinary Income		Net Income	
	millions of yen	%	millions of yen	%	millions of yen	%	millions of yen	%
third quarter ended								
December 31, 2009	17,534	△27.8	349	△68.4	436	△60.9	65	△89.6
December 31, 2008	24,274	-	1,108	-	1,115	-	629	-

	EPS	EPS, Diluted
third quarter ended	yen	yen
December 31, 2009	3.42	3.40
December 31, 2008	28.28	28.08

(2) Consolidated Financial Position

	Total Assets	Total Net Assets	Shareholders' Equity Ratio	BPS
As of	millions of yen	millions of yen	%	yen
December 31, 2009	28,605	21,255	73.4	1,156.21
March 31, 2009	32,230	22,232	68.2	1,088.20

(Reference) Shareholders' equity as of December 31, 2009: 21,010 million yen; March 31, 2009: 21,975 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, 2009	-	8.00	-	12.00	20.00
ending Mar. 31, 2010	-	2.00			
ending Mar. 31, 2010(Forecast)			-	3.00	5.00

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 Income	
	millions of yen	%	millions of yen	%	millions of yen	%
Fiscal year ending Mar. 31, 2010	24,500	△ 18.4	550	△ 55.3	600	△ 50.7

	Net Income		EPS
	millions of yen	%	yen
Fiscal year ending Mar. 31, 2010	150	△ 68.5	7.84

Note: Revision of consolidated earnings forecast for this period: Yes

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: None

② Other changes: None

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

① Total outstanding shares including treasury shares as of:

December 31, 2009 23,218,901 shares March 31, 2009 23,218,901 shares

② Outstanding treasury shares as of:

December 31, 2009 5,046,928 shares March 31, 2009 3,024,228 shares

③ Average outstanding shares for the second quarter ended:

December 31, 2009 19,128,074 shares December 31, 2008 22,270,329 shares

※The information provided in this documentation includes forward looking statements based on current expectations, forecasts or beliefs. Such forward looking statements include a number of preliminary assumptions about future events that are subject to factors and uncertainties that could cause actual results to differ materially from those described in the forward looking statements.

Consolidated Balance Sheets

(Thousands of Yen)

	Third Quarter as of December 31 ,2009	Full year as of March 31 ,2009
ASSETS:		
Current Assets:		
Cash and deposits	2,785,210	2,823,324
Notes and accounts receivable-trade	6,488,859	6,783,955
Merchandise and finished goods	2,296,256	3,087,989
Advance payments-trade	3,752,050	5,042,181
Other	625,915	1,114,760
Allowance for doubtful accounts	△ 1,120	△ 1,455
Total current assets	15,947,172	18,850,756
Noncurrent Assets:		
Property, plant and equipment:		
Buildings and structures	7,964,486	8,001,333
Accumulated depreciation	△ 3,236,994	△ 3,133,334
Buildings and structures, net	4,727,491	4,867,999
Land	5,687,498	5,687,498
Other	690,015	686,581
Accumulated depreciation	△ 449,093	△ 417,606
Other, net	240,921	268,974
Total property, plant and equipment	10,655,912	10,824,472
Intangible Assets:		
Goodwill	485,932	619,731
Other	93,268	155,150
Total intangible assets	579,201	774,882
Investments and Other Assets:		
Investment securities	688,415	749,269
Other	923,408	1,202,402
Allowance for doubtful accounts	△ 188,403	△ 171,761
Total investments and other assets	1,423,420	1,779,910
Total noncurrent assets	12,658,534	13,379,265
Total assets	28,605,706	32,230,022
LIABILITIES:		
Current Liabilities:		
Notes and accounts payable-trade	1,390,884	2,107,035
Short-term loans payable	2,700,000	2,710,400
Income taxes payable	10,529	74,045
Provision for bonuses	44,697	-
Provision for directors' bonuses	2,600	-
Other	2,805,125	3,923,289
Total current liabilities	6,953,837	8,814,769
Noncurrent Liabilities:		
Long-term loans payable	-	750,000
Provision for retirement benefits	277,147	265,188
Provision for directors' retirement benefits	21,425	20,600
Other	98,018	147,181
Total noncurrent liabilities	396,591	1,182,970
Total liabilities	7,350,428	9,997,740
NET ASSETS:		
Shareholders' Equity:		
Capital stock	10,517,159	10,517,159
Capital surplus	9,295,713	9,295,713
Retained earnings	3,162,815	3,376,608
Treasury stock	△ 1,902,149	△ 1,070,148
Total shareholders' equity	21,073,540	22,119,333
Valuation and Translation Adjustments:		
Valuation difference on available-for-sale securities	21,475	36,351
Deferred gains or losses on hedges	△ 3,498	△ 56,428
Foreign currency translation adjustment	△ 80,931	△ 123,362
Total valuation and translation adjustments	△ 62,953	△ 143,438
Subscription rights to shares	69,412	69,412
Minority interests	175,279	186,974
Total net assets	21,255,277	22,232,282
Total liabilities and net assets	28,605,706	32,230,022

Consolidated Statements of Income

(Thousands of Yen)

	Third Quarter From April 1 to December 31 ,2008	Third Quarter From April 1 to December 31 ,2009
Net sales	24,274,340	17,534,774
Cost of sales	19,306,881	13,971,763
Gross profit	4,967,458	3,563,010
Selling, general and administrative expenses	3,859,457	3,213,126
Operating income	1,108,001	349,883
Non-operating income		
Real estate rent	374,235	321,451
Other	90,424	75,066
Total Non-operating income	464,659	396,518
Non-operating expenses		
Interest expenses	59,997	-
Rent expenses on real estates	315,280	254,977
Other	81,684	54,959
Total non-operating expenses	456,962	309,937
Ordinary income	1,115,698	436,464
Extraordinary income		
Gain on sales of investment securities	-	29,289
Reversal of allowance for doubtful accounts	8,992	-
Gain on change in equity	7,953	-
Other	1,661	1,780
Total extraordinary income	18,607	31,069
Extraordinary loss		
Loss on valuation of investment securities	16,851	135,988
Loss on valuation of inventories	38,258	-
Business structure improvement expenses	-	47,746
Other	5,476	40,717
Total extraordinary losses	60,586	224,451
Income before Income Taxes	1,073,719	243,082
Income taxes	417,213	164,604
Minority interests in income	26,793	13,057
Net income	629,713	65,420

Consolidated Statements of Cash Flows

(Thousands of Yen)

	Third Quarter From April 1 to December 31 ,2008	Third Quarter From April 1 to December 31 ,2009
I Net cash provided by (used in) operating activities:		
Income before income taxes	1,073,719	243,082
Depreciation and amortization	300,349	267,191
Amortization of goodwill	133,799	142,414
Increase (decrease) in allowance for doubtful accounts	△ 8,992	17,093
Increase (decrease) in provision for retirement benefits	23,683	46,147
Interest and dividends income	△ 11,957	△ 7,668
Interest expenses	59,997	23,614
Loss (gain) on valuation of investment securities	-	135,988
Decrease (increase) in notes and accounts receivable-trade	3,915,942	290,933
Decrease (increase) in inventories and advance payments	△ 119,994	2,056,737
Increase (decrease) in notes and accounts payable-trade	△ 562,288	△ 710,936
Increase (decrease) in advances received	△ 328,943	△ 970,442
Other, net	△ 55,897	170,576
Subtotal	4,419,418	1,704,731
Interest and dividends income received	10,760	7,668
Interest expenses paid	△ 70,169	△ 25,331
Income taxes paid	△ 1,629,438	△ 184,631
Income taxes refund	-	521,978
Payment for the business structure improvement expenses	-	△ 56,413
Net cash provided by (used in) operating activities	2,730,570	1,968,003
II Net cash provided by (used in) investing activities:		
Purchase of property, plant and equipment	△ 44,531	△ 12,462
Purchase of investment securities	△ 150,105	△ 89,820
Proceeds from sales of investment securities	-	58,159
Payments of short-term loans receivable	-	△ 79,928
Purchase of investments in subsidiaries	-	△ 32,673
Other, net	74,641	23,162
Net cash provided by (used in) investing activities	△ 119,996	△ 133,563
III Net cash provided by (used in) financing activities:		
Net increase (decrease) in short-term loans payable	△ 977,120	300,000
Repayment of long-term loans payable	△ 1,771,400	△ 1,060,400
Purchase of treasury stock	△ 1,028,404	△ 834,240
Cash dividends paid	△ 386,387	△ 274,297
Cash dividends paid to minority shareholders	△ 1,810	△ 362
Other, net	△ 1,192	△ 2,807
Net cash provided by (used in) financing activities	△ 4,166,314	△ 1,872,107
Effect of exchange rate change on cash and cash equivalents	△ 99,234	△ 447
Net increase (decrease) in cash and cash equivalents	△ 1,654,975	△ 38,114
Cash and cash equivalents at beginning of period	3,134,442	2,823,324
Cash and cash equivalents at end of period	1,479,467	2,785,210