

For Immediately Release

Consolidated Financial Statements

Ended March 31, 2010

INNOTECH CORPORATION

Stock Listed: Tokyo Stock Exchange Section 2
 Code No.: 9880
 URL: <http://www.innotech.co.jp>
 Headquarters: 3-17-6, Shinyokohama, Kouhoku-ku, Yokohama-shi 222-8580 JAPAN
 TEL: 81-45-474-9000 / FAX: 81-45-474-9089
 President and CEO: Makoto Sumita
 U.S. Accounting Principle: Not adopted

1. Consolidated Financial Highlights for FY2009 (April 1, 2009 to March 31, 2010)

(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 31,2010	24,492	△ 18.4	613	△ 50.1	740	△ 39.2	170	△ 64.1
March 31,2009	30,018	△ 43.2	1,230	△ 63.1	1,218	△ 62.4	475	△ 69.6

Years ended March 31	EPS	EPS, Diluted	ROE	ROA	Operating Income Margin
	yen	yen	%	%	%
March 31,2010	9.06	8.99	0.8	2.5	2.5
March 31,2009	21.84	21.69	2.1	3.4	4.1

(Reference) Investment profit or loss on equity method:

year ended March 31,2010: △4 million yen

year ended March 31,2009: 30 million yen

(2) Consolidated Financial Position

As of	Total Assets	Total Net Assets	Shareholders' Equity Ratio	BPS
	millions of yen	millions of yen	%	yen
March 31, 2010	27,863	21,091	74.8	1,191.79
March 31, 2009	32,230	22,232	68.2	1,088.20

(Reference) Shareholders' equity as of March 31, 2010: 20,844 million yen; March 31, 2009: 21,975 million yen

(3) Consolidated Cash Flows

As of	Net Cash Provided By Operating Activities	Net Cash Provided By Investing Activities	Net Cash Provided By Financing Activities	Cash And Cash Equivalents At End Of Period
	millions of yen	millions of yen	millions of yen	millions of yen
March 31, 2010	1,994	△ 108	△ 2,390	2,324
March 31, 2009	4,213	△ 134	△ 4,167	2,823

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	-	3.00	5.00
ending Mar. 31, 2011(Forecast)		4.00		6.00	10.00

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	%
Six months ending Sep. 30, 2010	12,500	12.2	330	144.6	300	33.1
Fiscal year ending Mar. 31, 2011	28,500	16.4	1,150	87.3	1,100	48.5

	Net Income		EPS
	millions of yen	%	yen
Six months ending Sep. 30, 2010	100	-	5.72
Fiscal year ending Mar. 31, 2011	510	198.7	29.16

4. Others

(1) Important changes in subsidiaries (Changes on specific subsidiaries with changes in scope of consolidation):None

(2) Changes in principles, procedures and display of accounting method concerning consolidated statement policies.

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

① Changes in accounting policies: Yes

② Other changes: None

(3) Number of shares outstanding (common stock)

① Total outstanding shares including treasury shares as of:

March 31, 2010 23,218,901 shares March 31, 2009 23,218,901 shares

② Outstanding treasury shares as of:

March 31, 2010 5,728,728 shares March 31, 2009 3,024,228 shares

(Reference) Summary of Non-Consolidated Financial Results

1. Non-Consolidated Financial Highlights for FY2009 (April 1, 2009 to March 31, 2010)

(1) Non-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, 2010	19,406	△ 18.3	392	△ 55.9	503	△ 46.1	204	△ 43.2
March 31, 2009	23,763	△ 36.6	889	△ 62.6	935	△ 62.3	360	△ 71.4

Years ended March 31	EPS	EPS, Diluted
	yen	yen
March 31, 2010	10.84	10.77
March 31, 2009	16.54	16.43

(2) Non-Consolidated Financial Position

As of	Total Assets	Total Net Assets	Shareholders' Equity Ratio	BPS
	millions of yen	millions of yen	%	yen
March 31, 2010	26,118	20,359	77.7	1,160.11
March 31, 2009	30,823	21,601	69.9	1,066.24

(Reference) Shareholders' equity as of March 31, 2010: 20,290 million yen; March 31, 2009: 21,532 million yen

2. Earnings Forecasts for the Fiscal Year ending March, 31 (Non-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	%
Six months ending Sep. 30, 2010	10,100	13.4	140	△ 3.6	120	△ 46.8
Fiscal year ending Mar. 31, 2011	23,100	19.0	730	85.9	700	39.0

	Net Income		EPS
	millions of yen	%	yen
Six months ending Sep. 30, 2010	70	3.9	4.00
Fiscal year ending Mar. 31, 2011	420	105.5	24.01

※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)

	Full year as of March 31 ,2009	Full year as of March 31 ,2010
ASSETS:		
Current Assets:		
Cash and deposits	2,823,324	2,324,926
Notes and accounts receivable-trade	6,783,955	7,436,641
Merchandise and finished goods	3,087,989	2,282,972
Advance payments-trade	5,042,181	2,897,985
Deferred tax assets	221,180	258,468
Other	893,580	214,897
Allowance for doubtful accounts	△ 1,455	△ 1,373
Total current assets	18,850,756	15,414,519
Noncurrent Assets:		
Property, plant and equipment:		
Buildings and structures	8,001,333	7,966,533
Accumulated depreciation	△ 3,133,334	△ 3,281,525
Buildings and structures, net	4,867,999	4,685,008
Land	5,687,498	5,687,498
Other	686,581	689,347
Accumulated depreciation	△ 417,606	△ 458,093
Other, net	268,974	231,253
Total property, plant and equipment	10,824,472	10,603,760
Intangible Assets:		
Goodwill	619,731	441,333
Other	155,150	77,254
Total intangible assets	774,882	518,588
Investments and Other Assets:		
Investment securities	749,269	579,997
Long-term loans receivable	139,303	130,681
Deferred tax assets	751,243	540,277
Other	311,855	245,980
Allowance for doubtful accounts	△ 171,761	△ 169,862
Total investments and other assets	1,779,910	1,327,074
Total noncurrent assets	13,379,265	12,449,423
Total assets	32,230,022	27,863,942

(Thousands of Yen)

	Full year as of March 31 ,2009	Full year as of March 31 ,2010
LIABILITIES:		
Current Liabilities:		
Notes and accounts payable-trade	2,107,035	1,707,281
Short-term loans payable	2,710,400	2,550,000
Accounts payable-other	408,376	-
Income taxes payable	74,045	35,601
Advances received	3,244,136	1,500,177
Deferred tax liabilities	2,691	7,095
Other	268,085	532,304
Total current liabilities	8,814,769	6,332,459
Noncurrent Liabilities:		
Long-term loans payable	750,000	-
Provision for retirement benefits	265,188	280,996
Provision for directors' retirement benefits	20,600	23,200
Other	147,181	136,110
Total noncurrent liabilities	1,182,970	440,307
Total liabilities	9,997,740	6,772,767
NET ASSETS:		
Shareholders' Equity:		
Capital stock	10,517,159	10,517,159
Capital surplus	9,295,713	9,295,713
Retained earnings	3,376,608	3,268,130
Treasury stock	△ 1,070,148	△ 2,266,268
Total shareholders' equity	22,119,333	20,814,736
Valuation and Translation Adjustments:		
Valuation difference on available-for-sale securities	36,351	28,165
Deferred gains or losses on hedges	△ 56,428	△ 16,388
Foreign currency translation adjustment	△ 123,362	18,111
Total valuation and translation adjustments	△ 143,438	29,889
Subscription rights to shares	69,412	69,412
Minority interests	186,974	177,137
Total net assets	22,232,282	21,091,175
Total liabilities and net assets	32,230,022	27,863,942

Consolidated Statements of Income

(Thousands of Yen)

	Full year as of March 31 ,2009	Full year as of March 31 ,2010
Net sales	30,018,814	24,492,498
Cost of sales	23,669,324	19,559,203
Gross profit	6,349,489	4,933,295
Selling, general and administrative expenses	5,118,848	4,319,326
Operating income	1,230,641	613,968
Non-operating income		
Real estate rent	501,924	390,511
Other	117,121	96,718
Total Non-operating income	619,046	487,229
Non-operating expenses		
Interest expenses	71,143	28,397
Rent expenses on real estates	418,217	301,869
Foreign exchange losses	97,070	-
Other	45,215	29,999
Total non-operating expenses	631,646	360,265
Ordinary income	1,218,040	740,931
Extraordinary income		
Gain on sales of investment securities	1,661	45,497
Reversal of allowance for doubtful accounts	3,217	-
Gain on change in equity	7,953	-
Other	-	9,129
Total extraordinary income	12,832	54,626
Extraordinary loss		
Loss on valuation of investment securities	166,467	229,892
Loss on valuation of inventories	121,963	-
Gain on adjustment for changes of accounting standard for measurement of inventories	38,258	-
Business structure improvement expenses	43,032	47,746
Other	10,452	64,448
Total extraordinary losses	380,173	342,086
Income before Income Taxes	850,700	453,471
Income taxes		
Income taxes-current	193,723	112,470
Income taxes-deferred	147,251	156,158
Total income taxes	340,975	268,628
Minority interests in income	34,286	14,106
Net income	475,437	170,735

Statements of changes in net assets

(Thousands of Yen)

	Full year as of March 31 ,2009	Full year as of March 31 ,2010
Shareholders' equity		
Capital stock		
Balance at the end of previous period	10,504,094	10,517,159
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	<u>13,065</u>	<u>—</u>
Balance at the end of current period	<u>10,517,159</u>	<u>10,517,159</u>
Capital surplus		
Balance at the end of previous period	9,282,678	9,295,713
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	<u>13,035</u>	<u>—</u>
Balance at the end of current period	<u>9,295,713</u>	<u>9,295,713</u>
Retained earnings		
Balance at the end of previous period	3,307,949	3,376,608
Changes of items during the period		
Dividends from surplus	△ 406,779	△ 279,213
Net income	475,437	170,735
Total changes of items during the period	<u>68,658</u>	<u>△ 108,477</u>
Balance at the end of current period	<u>3,376,608</u>	<u>3,268,130</u>
Treasury stock		
Balance at the end of previous period	△ 23,997	△ 1,070,148
Changes of items during the period		
Purchase of treasury stock	△ 1,046,150	△ 1,196,119
Total changes of items during the period	<u>△ 1,046,150</u>	<u>△ 1,196,119</u>
Balance at the end of current period	<u>△ 1,070,148</u>	<u>△ 2,266,268</u>
Total shareholders' equity		
Balance at the end of previous period	23,070,725	22,119,333
Changes of items during the period		
Issuance of new shares—exercise of subscription rights to shares	26,100	—
Dividends from surplus	△ 406,779	△ 279,213
Net income	475,437	170,735
Purchase of treasury stock	△ 1,046,150	△ 1,196,119
Total changes of items during the period	<u>△ 951,392</u>	<u>△ 1,304,597</u>
Balance at the end of current period	<u>22,119,333</u>	<u>20,814,736</u>

(Thousands of Yen)

	Full year as of March 31 ,2009	Full year as of March 31 ,2010
Valuation and translation adjustments		
Valuation difference on available-for-sale securities		
Balance at the end of previous period	176,443	36,351
Changes of items during the period		
Net changes of items other than shareholders' equity	△ 140,092	△ 8,185
Total changes of items during the period	△ 140,092	△ 8,185
Balance at the end of current period	36,351	28,165
Deferred gains or losses on hedges		
Balance at the end of previous period	43,576	△ 56,428
Changes of items during the period		
Net changes of items other than shareholders' equity	△ 100,004	40,039
Total changes of items during the period	△ 100,004	40,039
Balance at the end of current period	△ 56,428	△ 16,388
Foreign currency translation adjustment		
Balance at the end of previous period	8,257	△ 123,362
Changes of items during the period		
Net changes of items other than shareholders' equity	△ 131,619	141,473
Total changes of items during the period	△ 131,619	141,473
Balance at the end of current period	△ 123,362	18,111
Total valuation and translation adjustments		
Balance at the end of previous period	228,277	△ 143,438
Changes of items during the period		
Net changes of items other than shareholders' equity	△ 371,715	173,327
Total changes of items during the period	△ 371,715	173,327
Balance at the end of current period	△ 143,438	29,889
Subscription rights to shares		
Balance at the end of previous period	71,708	69,412
Changes of items during the period		
Net changes of items other than shareholders' equity	△ 2,295	-
Total changes of items during the period	△ 2,295	-
Balance at the end of current period	69,412	69,412
Minority interests		
Balance at the end of previous period	154,973	186,974
Changes of items during the period		
Net changes of items other than shareholders' equity	32,000	△ 9,837
Total changes of items during the period	32,000	△ 9,837
Balance at the end of current period	186,974	177,137
Total net assets		
Balance at the end of previous period	23,525,685	22,232,282
Changes of items during the period		
Issuance of new shares—exercise of subscription rights to shares	26,100	-
Dividends from surplus	△ 406,779	△ 279,213
Net income	475,437	170,735
Purchase of treasury stock	△ 1,046,150	△ 1,196,119
Net changes of items other than shareholders' equity	△ 342,010	163,489
Total changes of items during the period	△ 1,293,402	△ 1,141,107
Balance at the end of current period	22,232,282	21,091,175

Consolidated Statements of Cash Flows

(Thousands of Yen)

	Full year as of March 31 ,2009	Full year as of March 31 ,2010
I Net cash provided by (used in) operating activities:		
Income before income taxes	850,700	453,471
Depreciation and amortization	401,482	354,677
Impairment loss	121,963	-
Amortization of goodwill	178,398	187,013
Increase (decrease) in allowance for doubtful accounts	△ 3,217	14,947
Increase (decrease) in provision for retirement benefits	37,333	49,996
Interest and dividends income	△ 13,609	△ 8,093
Interest expenses	71,143	28,397
Loss (gain) on valuation of investment securities	166,467	229,892
Equity in (earnings) losses of affiliates	△ 30,292	-
Decrease (increase) in notes and accounts receivable-trade	5,771,756	△ 646,069
Decrease (increase) in inventories and advance payments	1,069,594	2,922,043
Increase (decrease) in notes and accounts payable-trade	△ 1,114,846	△ 408,461
Increase (decrease) in advances received	△ 1,283,359	△ 1,743,958
Increase (decrease) in accrued consumption taxes	△ 143,296	-
Decrease (increase) in other current assets	42,924	204,238
Increase (decrease) in other current liabilities	△ 145,719	-
Other, net	△ 72,465	98,725
Subtotal	5,904,956	1,736,821
Interest and dividends income received	12,412	8,093
Interest expenses paid	△ 81,951	△ 30,665
Income taxes paid	△ 1,621,717	△ 182,890
Income taxes refund	-	522,142
Payment for the business structure improvement expenses	-	△ 59,363
Net cash provided by (used in) operating activities	4,213,699	1,994,137
II Net cash provided by (used in) investing activities:		
Purchase of property, plant and equipment	△ 48,607	△ 18,765
Purchase of investment securities	△ 151,392	△ 89,820
Proceeds from sales of investment securities	13,225	100,727
Payments of short-term loans receivable	-	△ 79,928
Purchase of investments in subsidiaries	-	△ 32,673
Other, net	52,663	12,455
Net cash provided by (used in) investing activities	△ 134,110	△ 108,004
III Net cash provided by (used in) financing activities:		
Net increase (decrease) in short-term loans payable	△ 476,480	500,000
Repayment of long-term loans payable	△ 2,232,600	△ 1,410,400
Purchase of treasury stock	△ 1,050,048	△ 1,199,260
Cash dividends paid	△ 404,797	△ 276,896
Cash dividends paid to minority shareholders	△ 1,810	△ 362
Other, net	△ 2,128	△ 3,742
Net cash provided by (used in) financing activities	△ 4,167,864	△ 2,390,661
Effect of exchange rate change on cash and cash equivalents	△ 222,842	6,129
Net increase (decrease) in cash and cash equivalents	△ 311,117	△ 498,398
Cash and cash equivalents at beginning of period	3,134,442	2,823,324
Cash and cash equivalents at end of period	2,823,324	2,324,926