

For Immediately Release

Consolidated Financial Statements

For the Second Quarter ended September 30, 2010

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 Second Quarter ended September 30, 2010

(April 1, 2010 to September 30, 2010)

(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	%
second quarter ended								
September 30, 2010	12,923	16.0	687	409.4	679	201.6	274	-
September 30, 2009	11,137	△ 34.1	134	△ 84.0	225	△ 73.4	-12	-

	EPS	EPS, Diluted
	yen	yen
second quarter ended		
September 30, 2010	15.72	15.59
September 30, 2009	△ 0.64	-

(2) Consolidated Financial Position

	Total Assets	Total Net Assets	Shareholders' Equity Ratio	BPS
	millions of yen	millions of yen	%	yen
As of				
September 30, 2010	27,487	21,233	76.1	1,196.56
March 31, 2010	27,863	21,091	74.8	1,191.79

(Reference) Shareholders' equity as of September 30, 2010: 20,928 million yen; March 31, 2010: 20,844 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, 2010	-	2.00	-	3.00	5.00
ending Mar. 31, 2011	-	4.00			
ending Mar. 31, 2011(Forecast)			-	6.00	10.00

Note: Revision of dividend forecast for this period: None

3.Earnings Forecasts for the Fiscal Year ending March 31, 2011 (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, 2011	26,000	6.2	1,500	144.3	1,500	102.4

	Net Income		EPS
	millions of yen	%	yen
Fiscal year ending Mar. 31, 2011	700	310.0	40.02

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: yes

② Other changes: None

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

① Total outstanding shares including treasury shares as of:

September 30, 2010 23,218,901 shares March 31, 2010 23,218,901 shares

② Outstanding treasury shares as of:

September 30, 2010 5,728,747 shares March 31, 2010 5,728,728shares

③ Average outstanding shares for the first quarter ended:

September 30, 2010 17,490,168 shares September 30, 2009 19,507,699 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)

	Second Quarter as of September 30 ,2010	Full year as of March 31 ,2010
ASSETS:		
Current Assets:		
Cash and deposits	2,512,623	2,324,926
Notes and accounts receivable-trade	6,916,086	7,436,641
Merchandise and finished goods	2,338,639	2,282,972
Advance payments-trade	2,906,548	2,897,985
Other	485,835	473,366
Allowance for doubtful accounts	△2,403	△1,373
Total current assets	15,157,329	15,414,519
Noncurrent Assets:		
Property, plant and equipment:		
Buildings and structures	7,963,026	7,966,533
Accumulated depreciation	△3,362,761	△3,281,525
Buildings and structures, net	4,600,264	4,685,008
Land	5,687,498	5,687,498
Other	708,103	689,347
Accumulated depreciation	△471,073	△458,093
Other, net	237,029	231,253
Total property, plant and equipment	10,524,793	10,603,760
Intangible Assets:		
Goodwill	352,133	441,333
Other	61,527	77,254
Total intangible assets	413,661	518,588
Investments and Other Assets:		
Investment securities	546,749	579,997
Other	986,328	916,939
Allowance for doubtful accounts	△141,054	△169,862
Total investments and other assets	1,392,023	1,327,074
Total noncurrent assets	12,330,477	12,449,423
Total assets	27,487,806	27,863,942
LIABILITIES:		
Current Liabilities:		
Notes and accounts payable-trade	1,672,655	1,707,281
Short-term loans payable	1,700,000	2,550,000
Income taxes payable	285,070	35,601
Provision for bonuses	58,471	—
Provision for directors' bonuses	5,200	—
Other	2,031,808	2,039,577
Total current liabilities	5,753,205	6,332,459
Noncurrent Liabilities:		
Provision for retirement benefits	295,964	280,996
Provision for directors' retirement benefits	29,315	23,200
Other	176,019	136,110
Total noncurrent liabilities	501,299	440,307
Total liabilities	6,254,504	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	3,490,634	3,268,130
Treasury stock	△2,266,276	△2,266,268
Total shareholders' equity	21,037,232	20,814,736
Valuation and Translation Adjustments:		
Valuation difference on available-for-sale securities	△12,336	28,165
Deferred gains or losses on hedges	20,432	△16,388
Foreign currency translation adjustment	△117,262	18,111
Total valuation and translation adjustments	△109,166	29,889
Subscription rights to shares	95,760	69,412
Minority interests	209,476	177,137
Total net assets	21,233,302	21,091,175
Total liabilities and net assets	27,487,806	27,863,942

Consolidated Statements of Income

(Thousands of Yen)

	Second Quarter From April 1 to September 30 ,2009	Second Quarter From April 1 to September 30 ,2010
Net sales	11,137,485	12,923,794
Cost of sales	8,845,287	9,991,070
Gross profit	2,292,197	2,932,724
Selling, general and administrative expenses	2,157,259	2,245,329
Operating income	134,938	687,394
Non-operating income		
Real estate rent	247,153	123,005
Other	55,199	28,158
Total non-operating income	302,353	151,163
Non-operating expenses		
Rent expenses on real estates	174,000	144,054
Other	37,881	14,768
Total non-operating expenses	211,882	158,822
Ordinary income	225,409	679,735
Extraordinary income		
Gain on sales of investment securities	29,289	694
Reversal of allowance for doubtful accounts	—	348
Total extraordinary income	29,289	1,043
Extraordinary loss		
Loss on valuation of investment securities	135,988	55,361
Business structure improvement expenses	47,746	—
Other	13,462	7,094
Total extraordinary losses	197,197	62,455
Income before Income Taxes	57,501	618,322
Income taxes	63,051	310,776
Income before minority interests	—	307,546
Minority interests in income	6,881	32,571
Net income (loss)	△12,432	274,974

Consolidated Statements of Cash Flows

(Thousands of Yen)

	Second Quarter From April 1 to September 30 ,2009	Second Quarter From April 1 to September 30 ,2010
I Net cash provided by (used in) operating activities:		
Income before income taxes	57,501	618,322
Depreciation and amortization	179,021	141,348
Amortization of goodwill	89,199	89,199
Increase (decrease) in allowance for doubtful accounts	1,054	334
Increase (decrease) in provision for retirement benefits	40,678	14,968
Interest and dividends income	△6,021	△4,551
Interest expenses	18,129	4,914
Loss (gain) on valuation of investment securities	135,988	55,361
Decrease (increase) in notes and accounts receivable-trade	1,041,409	449,230
Decrease (increase) in inventories and advance payments	1,336,301	△76,234
Increase (decrease) in notes and accounts payable-trade	△857,922	49,117
Increase (decrease) in advances received	△566,563	125,928
Other, net	76,743	△143,061
Subtotal	1,545,518	1,324,878
Interest and dividends income received	3,874	4,510
Interest expenses paid	△19,348	△5,065
Income taxes paid	△76,273	△7,314
Income taxes refund	518,970	-
Net cash provided by (used in) operating activities	1,972,742	1,317,009
II Net cash provided by (used in) investing activities:		
Purchase of property, plant and equipment	△10,374	△16,282
Purchase of investment securities	-	△104,419
Payments of short-term loans receivable	△79,928	△42,520
Other, net	50,293	△43,620
Net cash provided by (used in) investing activities	△40,008	△206,841
III Net cash provided by (used in) financing activities:		
Net increase (decrease) in short-term loans payable	100,000	△300,000
Repayment of long-term loans payable	△760,400	△550,000
Purchase of treasury stock	△735,573	△10
Cash dividends paid	△238,855	△52,443
Cash dividends paid to minority shareholders	△362	△232
Other, net	△1,871	△1,964
Net cash provided by (used in) financing activities	△1,637,062	△904,650
Effect of exchange rate change on cash and cash equivalents	17,862	△17,820
Net increase (decrease) in cash and cash equivalents	313,534	187,697
Cash and cash equivalents at beginning of period	2,823,324	2,324,926
Cash and cash equivalents at end of period	3,136,859	2,512,623