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INNOTECH CORPORATION Revises Earnings and Dividend Forecasts

INNOTECH CORPORATION has announced a downward revision of its earnings forecast for the first-half ended September 30, 2003, as well as its interim dividend per share forecast.

1. Details of the revisions to the consolidated forecast

1) Revision to first-half consolidated forecast

(April 1, 2003 to September 30, 2003)

(Millions of yen)

	Net Sales	Ordinary Profit	Net Income
Previous Forecast (as of May 23, 2003)	21,500	150	700
Revised Forecast	21,500	(250)	(100)
Difference	0	(400)	(800)
% Change	0		

Consolidated net sales remain the same as the original forecast, but ordinary profit has been revised to a loss of 250 million yen, decreasing 400 million yen from the previous forecast, and the sales to profit ratio decreases in all divisions excepting the electric devices division. INNOTECH is also revising the forecast of its net loss to 100 million yen, through the addition of "inventory disposal losses" and "valuation losses on securities" to extraordinary losses in previous forecast.

2) Revision to consolidated forecast

(April 1, 2003 to March 31, 2004)

(Millions of yen)

	Net Sales	Recurring Profit	Net Income
Previous Forecast (as of May 23, 2003)	39,000	450	800
Revised Forecast	39,000	(900)	(800)
Difference	0	(1,350)	(1,600)
% Change	0		

Consolidated ordinary losses have been revised to 900 million yen, as several subsidiaries and divisions, excepting the electronic devices division, have revised sales estimates downward. INNOTECH has revised net losses to 800 million yen, as the result of ordinary losses and extraordinary losses, and through the addition of "accrued restructuring expenses".

3) Financial results in last fiscal year

(April 1, 2002 to March 31, 2003)

(Millions of yen)

	Net Sales	Recurring Profit	Net Income
Interim period	27,991	(438)	(436)
Fiscal year-end	54,927	(642)	(1,852)

2. Details of the revisions to non-consolidated forecast

1) Revision to first-half non-consolidated forecast

(April 1, 2003 to September 30, 2003)

(Millions of yen)

	Net Sales	Recurring Profit	Net Income
Previous Forecast (as of May 23, 2003)	10,000	150	275
Revised Forecast	11,000	(130)	(380)
Difference	1,000	(280)	(655)
% Change	10.0		

Non-consolidated net sales have increased marginally from the original forecast, but ordinary profit has been revised to a loss of 130 million yen, a decrease of 280 million yen from the previous forecast. Sales to profit ratio decreases in all divisions excepting the electric devices division. INNOTECH is also revising the forecast of its net loss to 380 million yen through the addition of "inventory disposal losses" and "valuation losses on securities" to extraordinary losses in the previous forecast.

2) Revision to non-consolidated forecast

(April 1, 2003 to March 31, 2004)

(Millions of yen)

	Net Sales	Recurring Profit	Net Income
Previous Forecast (as of May 23, 2003)	17,000	250	320
Revised Forecast	18,500	(700)	(900)
Difference	1,500	(950)	(1,220)
% Change	8.8		

INNOTECH has revised non-consolidated net sales to reflect the merger with its subsidiary, INNO MICRO, in March 2004. INNO MICRO's net sales in March 2004 shall be added to INNOTECH's previous net sales. Ordinary losses have been revised to 700 million yen, as net sales in several divisions were revised down due to the continuous slowdown in demand, excepting the electronics devices division. INNOTECH have revised ordinary losses to 900

million yen, as a result of ordinary losses and extraordinary losses, and through the addition of "accrued restructuring expences".

3) Financial results for the last fiscal year

(April 1, 2002 to March 31, 2003)

(Millions of yen)

	Net Sales	Recurring Profit	Net Income
Interim period	16,904	251	125
Fiscal year-end	33,416	407	(965)

3. Revision to interim and fiscal year dividend forecast

As a result of the revision of its half-year earnings and fiscal year earnings forecast, INNOTECH will not be able to pay a dividend in this fiscal year despite its continuous efforts.

In order to pay, the dividend in next fiscal year, INNOTECH will make its best efforts effecting structure change across the entire company to enhance operating efficiency, narrowing the non-profitable business, curtail expenditures, and strengthen earnings capability.

(April 1, 2003 to March 31, 2004)

(Yen)

	Interim Dividend	Dividend fiscal year end	Dividend for year
Previous Forecast (as of May 23, 2003)	7.5	7.5	15
Revised Forecast	0	0	0