

For Immediately Release

Consolidated Financial Statements

For the Third Quarter ended December 31, 2004

INNOTECH CORPORATION

Stock Listed: JASDAQ Securities Exchange
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 U.S. Accounting Principle: Not adopted

Consolidated Financial Highlights for the Third Quarter ended December 31, 2004

(October 1, 2004 to December 31, 2004)

(1) Consolidated Operating Results

(Millions of Yen)

	between April 1 and September 30		ended March 31, 2004	
	FY2005	% change	FY2004	FY2003
Net Sales	27,085	(-7.8%)	29,386	37,119
Operating Income	1,183	-	(11)	31
Recurring Profit	1,124	-	(356)	(542)
Net Income	1,102	-	(166)	(785)
Net Income per Share(¥)	¥62.48	-	(¥9.03)	(¥43.42)
Net Income per Share, Diluted(¥)	¥59.75	-	-	-

Note (1) Changes in accounting method: None

Note (2) Percentages shown for net sales, operating income, recurring profit and net income are the increase and decrease compared with the previous same term.

Qualitative information on operating results (consolidated)

At Semiconductor Design Division, its profit was increased, by strengthened to develop new customer from semiconductor companies, and also supporting services for product design of LSI by Sanei Hytechs (a consolidated subsidiary) was increased. The net sales fell, due to sold its major business partly, electronic design automation software developed by Cadence Design Systems Inc.,U.S.A.

In Manufacturing Equipment Division, the demand continues quite stable in the second half, especially Hitachi-GST hard disc drive has expanded in the background of market expansion of digital device and the diversification of the usage.

As a result, net sales in 3rd quarter were JPY 27.08 bil, a 7.8% decrease from the same period in the previous year, sales income in same period were 1.1bil, net income in same period were 1.1bil.

(2) Consolidated Financial Position

(Millions of Yen)

	between October 1 and December 31		ended March 31, 2004
	FY2005	FY2004	FY2004
Total Assets	40,547	43,974	42,682
Shareholders' Equity	16,003	15,907	14,801
Shareholders' Equity Ratio (%)	39.5%	36.2%	34.7%
Shareholders' Equity per Share (¥)	¥885.68	¥863.37	¥840.80

Qualitative information on change of financial condition (consolidated)

Total assets at the end of this 3rd quarter became JPY 40.5 bil decreasing 2.1bil compared with the end of the end of previous term, from a decrease of the secured income receivable and accrued expense related to the transfer of business with Japan Cadens Co.

Consolidated Balance Sheets (Unaudited)

(Thousands of Yen)

ASSETS:	Third Quarter		Change	Fiscal Year	Fiscal Year
	From October 1 to December 30	From October 1 to December 30			
	FY2005	FY2004	%		
ASSETS:					
Current Assets:					
Cash and bank deposits	1,730,120	4,906,608	3,176,487	64.7	6,471,341
Notes and accounts receivable, trade	12,803,946	8,957,637	3,846,309	42.9	8,795,035
Inventories	2,981,279	3,105,861	124,581	4.0	2,027,551
Deferred tax assets	529,089	135,634	393,455	290.1	381,307
Other	2,678,283	4,858,673	2,180,389	44.9	3,183,833
Allowance for doubtful accounts	10,140	12,145	2,005	16.5	38,901
Total current assets	20,712,581	21,952,269	1,239,688	5.6	20,820,167
Fixed Assets:					
Property, Plant and Equipment:					
Buildings and structures	5,967,804	5,986,942	19,138	0.3	6,180,793
Land	5,951,312	5,943,755	7,557	0.1	5,943,755
Other	609,663	952,866	343,203	36.0	648,906
Intangible Assets:					
Consolidation adjustments account	1,089,098	1,404,387	315,289	22.5	1,201,763
Other	501,831	654,990	153,159	23.4	427,579
Investments and Other Assets:					
Investments in securities	2,004,521	1,629,912	374,608	23.0	2,245,948
Other	3,845,519	5,621,979	1,776,460	31.6	5,321,173
Allowance for doubtful accounts	135,103	172,189	37,086	21.5	107,646
Total fixed assets	19,834,647	22,022,644	2,187,997	9.9	21,862,273
Total assets	40,547,228	43,974,913	3,427,685	7.8	42,682,441
LIABILITIES:					
Current Liabilities:					
Notes and accounts payable, trade	2,324,684	2,724,236	399,552	14.7	2,959,441
Short-term borrowings	11,419,132	10,036,439	1,382,692	13.8	10,370,033
Other	2,650,413	8,103,730	5,453,316	67.3	6,119,842
Total current liabilities	16,394,230	20,864,407	4,470,176	21.4	19,449,318
Long-term Liabilities:					
Corporate bonds	830,000	-	830,000	-	-
Long-term debt	6,603,322	6,481,400	121,922	1.9	7,792,788
Allowance for retirement and severance benefits	285,215	380,694	95,478	25.1	309,174
Other	151,450	101,080	50,369	49.8	94,040
Total long-term liabilities	7,869,987	6,963,175	906,812	13.0	8,196,003
Total liabilities	24,264,218	27,827,582	3,563,364	12.8	27,645,322
Minority interests in consolidated subsidiaries	279,218	239,713	39,505	16.5	236,065
SHAREHOLDERS' EQUITY:					
Total shareholders' equity	16,003,790	15,907,617	96,172	0.6	14,801,054
Total liabilities and shareholders' equity	40,547,228	43,974,913	3,427,685	7.8	42,682,441

Consolidated Statements of Income (Unaudited)

(Thousands of Yen)

	Third Quarter		Change		Fiscal Year
	From October 1 to December 31		Amount	%	Ended march 31
	FY2005	FY2004			
Net Sales	27,085,989	29,386,077	2,300,088	7.8	37,119,523
Cost of Goods Sold	22,166,482	24,329,615	2,163,133	8.9	30,333,290
Gross Profit on Sales	4,919,507	5,056,461	136,954	2.7	6,786,232
Selling, General and Administrative Expenses	3,735,993	5,067,981	1,331,987	26.3	6,754,868
Operating income	1,183,513	11,519	1,195,032	-	31,363
Total non-operating income	661,670	640,291	21,379	3.3	755,414
Total non-operating expenses	720,279	984,889	264,609	26.9	1,329,216
Ordinary Profit	1,124,904	356,116	1,481,021	-	542,438
Total extraordinary gain	299,423	3,124,363	2,824,939	90.4	3,202,506
Total extraordinary loss	269,436	2,209,608	1,940,171	87.8	3,158,197
Income before Income Taxes	1,154,891	558,637	596,253	106.7	498,129
Income taxes and Deferred income taxes	3,794	735,738	739,532	-	296,681
Minority interests in income (losses) of consolidated subsidiaries	56,281	10,551	66,832	-	8,836
Net income	1,102,404	166,549	1,268,954	-	785,973