

Financial Statement for the Six Months Ended September 30, 2009

November 13, 2009

Trade Name: **Nihon Micro Coating Co., Ltd.**

Stock Code: 5381

Name and Title of Representative: Jun Watanabe, President

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Quarterly Report Filing Date (as planned): November 13, 2009

Stock Exchange: JQ

(URL <http://www.mipox.co.jp>)

1. Summary of Consolidated Financial Results.

1. Financial Result for the Fiscal Year Ended September 30, 2009

(1) Consolidated Operating Result

Amounts to nearest Million yen

	Net Sales		Operating Income		Ordinary Income		Net Income	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
September 30, 2009	1,377	△30.9	△400	—	△427	—	△938	—
September 30, 2008	1,994	—	△456	—	△449	—	△205	—

	Net Income or, Net loss (△) Per Share		Net Income or, Net loss (△) Per Share(diluted)	
	Yen		Yen	
September 30, 2009	△92.	19	—	—
September 30, 2008	△20.	21	—	—

(2) Consolidated Financial Position

	Total Assets	Total Net Assets	Shareholders' Equity Ratio	Total Net Assets Per Share
	Millions of Yen	Millions of Yen	%	Yen
September 30, 2009	6,569	4,077	61.9	399. 65
March 31, 2009	8,736	5,064	57.9	496. 91

(Note) Equity capital (Millions of Yen):

As of September 30, 2009 4,068

As of March 31, 2009 5,059

2. Dividends

	Dividends per share				
	First quarter end	Second quarter end	Third quarter end	Year end	Full year
Fiscal Year ended	Yen		Yen		Millions of Yen
March 31, 2009	—	0. 00	—	0.00	0.00
March 31, 2010	—	0. 00	—	—	—
March 31, 2010 (estimate)	—	—	—	0.00	0.00

(Note)Revision of forecast for dividends in the Second quarter: Yes

3. Financial forecasts for the Consolidated Fiscal Year Ending March 31, 2010

(%changes as compared with the previous fiscal year and the corresponding period of the previous fiscal year)

	Net Sales	Operating Income	Ordinary Income	Net Income	Net Income Per Share
March 31, 2010	2,985 △7.8	△693 —	△736 —	△1,342 —	△131.80

(Note)Revision of forecast in the Second quarter: Yes

Notes: Request for appropriate use of the business outlook and other special remarks

(1) The present consolidated Financial Forecast has been changed from the consolidated Financial Forecast announced on May 20, 2009. Please refer to the "Notice of Revision of the consolidated Financial Forecast" on this date of today (November 13, 2009)

(2) Forecasts are based on information available to the management at the time of an announcement. Forecasts contain a lot of the element of the uncertainty. Actual results may differ from the figures provided above due to changes in business conditions.

4.Others

(1)Change in important subsidiaries during the period (Changes in certain specified subsidiaries resulting in revised scope of consolidation): None

(2)Adoptions of simplified accounting methods and accounting methods particular to the presentation of quarterly financial statements: Yes

(3)Changes in accounting principles, presentation methods, etc., pertaining to preparation of consolidated financial statements

(Those to be stated as significant accounting policies)

1. Changes associated with revision in accounting standards: None

2. Others changes: None

(4)Shares outstanding

1. Numbers of shares outstanding (including treasury stock)

September 30, 2009	10,696,320	March 31, 2009	10,696,320
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2. Numbers of treasury stock

September 30, 2009	514,988	March 31, 2009	514,948
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3. Numbers of average shares outstanding (cumulative, consolidated at the end of the first quarter)

September 30, 2009	10,181,359	September 30, 2008	10,181,619
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Consolidated Financial Statement
(1) Consolidated Balance Sheet

(Thousands of yen)

	Q2 FY 2010 (As of Sept 30,2009)	FY 2009 (As of March 31,2009)
(Assets)		
Current Assets		
Cash and Cash Equivalents	1,057,680	2,800,583
Notes Receivable and Accounts Receivable	808,006	594,599
Merchandises and Finished Goods	172,200	190,129
Work in Progress	524,686	558,170
Raw Materials and Stored goods	198,711	206,914
Deferred Tax Assets	10,686	25,003
Others	93,928	91,332
Allowance for Bud Debt	△3,650	△ 23,421
Total Current Assets	2,862,251	4,443,313
Fixed Assets		
Tangible Fixed Assets		
Buildings and Structures	5,504,194	5,498,089
Equipment and Vehicles	1,572,586	1,558,386
Construction in Progress	1,830	23,635
Others	333,273	324,241
Accumulated Depreciation	△5,149,046	△ 4,572,931
Land	1,223,843	1,223,843
Total Tangible Fixed Assets	3,486,681	4,055,266
Intangible Fixed Assets		
Others	97,780	124,689
Total Intangible Fixed Assets	97,780	124,689
Investments and Other Assets		
Investment Securities	59,718	48,264
Deferred Tax Assets	808	987
Others	74,437	76,192
Allowance for Doubtful Debts	△12,487	△ 12,118
Total Investments and Other Assets	122,477	113,325
Total Fixed Assets	3,706,939	4,293,281
Total Assets	6,569,190	8,736,594

Consolidated Financial Statement
(1) Consolidated Balance Sheet

(Thousands of yen)

	Q2 FY 2010 (As of Sept 30,2009)	FY 2009 (As of March 31,2009)
(Liabilities)		
Current Liabilities		
Notes Receivable and Accounts Receivable	212,472	163,238
Short-term Borrowings	1,420,192	2,440,432
Accrued Income Taxes and Other Taxes	11,349	10,732
Reserve for Employees' Bonuses	21,818	19,372
Others	210,444	309,092
Total Current Liabilities	1,876,277	2,942,868
Fixed Liabilities		
Long-term Borrowings	388,768	538,744
Deferred Tax Liabilities	26,523	15,667
Reserve for Employees' Retirement Benefits	168,611	161,006
Others	31,901	14,077
Total Fixed Liabilities	615,803	729,495
Total Liabilities	2,492,081	3,672,363
(Net Assets)		
Shareholders' Equity		
Capital Stock	1,998,700	1,998,700
Capital Surplus	2,953,700	2,953,700
Earned Surplus	△365,624	572,970
Treasury Stock	△481,309	△ 481,299
Total Shareholders' Equity	4,105,466	5,044,070
Valuation and Foreign Currency Translation		
Revaluation of Other Investment Securities	20,446	13,654
Foreign Currency Translation Adjustments	△56,933	1,461
Total Valuation and Foreign Currency Translation	△36,486	15,115
New Stock Reservation Rights	8,129	5,044
Total Net Assets	4,077,109	5,064,231
Total Liabilities and Net Assets	6,569,190	8,736,594

(2) Consolidated Statement of Income
 FY 2010 (From April 1,2009 To September 30,2009)

(Thousands of yen)

	FY 2009 (From April 1,2008 To Sept 30,2008)	FY 2010 (From April 1,2009 To Sept 30,2009)
Net Sales	1,994,195	1,377,040
Cost of Sales	1,367,830	844,536
Gross Profit	626,364	532,503
Selling and General Administrative Expenses	1,083,250	932,753
Operating Income or Losses ()	456,885	400,249
Non-Operating Income		
Interest Income	5,128	1,370
Dividend Income	1,722	1,398
Rent Income	6,635	8,876
Foreign Currency Exchange Gain	13,426	-
Subsidy Income	-	5,967
Others	12,697	3,857
Total Non-Operating Income	39,610	21,470
Non-Operating Expenses		
Interest Expenses	28,670	21,541
Foreign Currency Exchange Losses	-	22,519
Others	3,186	4,690
Total Non-Operating Expense	31,857	48,751
Ordinary Income or Losses ()	449,132	427,531
Extraordinary Gains		
Gain from Sales of Fixed assets	3,629	-
Gain from Sales of Investment in Affiliated company	300,000	-
Gain from allowance for Bad Debt	-	19,093
Others	969	-
Total Extraordinary Gains	304,598	19,093
Extraordinary Losses		
Loss on Sale of Fixed Assets	11,914	-
Impairment Loss	-	435,171
Expenses for Extraordinary Retirement Benefits	-	59,000
Loss on Sales of Business	-	1,996
Others	1,300	-
Total Extraordinary Losses	13,214	496,167
Net Income or Losses Before Tax()	157,748	904,605
Income Taxes-Current	49,452	20,511
Deferred Income Taxes	1,418	13,477
Total Income Taxes	48,033	33,989
Net Income or Losses ()	205,782	938,594

(3) Consolidated Statement of Cash Flows
 FY 2010 (From April 1, 2009 To September 30, 2009)

(Thousands of yen)

	FY 2009 (From April 1, 2008 To Sept 30, 2008)	FY 2010 (From April 1, 2009 To Sept 30, 2009)
Cash Flow from Operating Activities		
Net Income or Losses Before Taxes	157,748	904,605
Depreciation Expenses (Decrease ())	196,122	168,807
Loss on Impairment	-	435,171
Increase/Decrease in Allowance for Employees' Bonuses (Decrease ())	33,315	2,446
Increase/Decrease in Allowance for Employees' Retirement Benefits (Decrease ())	3,724	7,604
Interest and Dividends Income	6,850	2,768
Interest Expenses	28,670	21,541
Increase/Decrease in Accounts Receivable (Increase ())	637,042	213,406
Increase/Decrease in Inventories (Increase ())	91,489	59,615
Increase/Decrease in accounts payable (Decrease ())	252,747	49,233
Increase/Decrease in Allowance for Bud Debts (Decrease ())	-	19,402
Loss on sale of Affiliate company (Gain ())	300,000	-
Other	28,895	90,340
Sub Total	235,281	305,423
Interest and Dividends Received	6,551	3,479
Interest Paid	29,169	25,303
Income Taxes Paid	38,434	16,778
Payments for Retirement Benefits for directors	267,725	-
Special Retirement Expenses Paid	-	143,216
Net Cash Provided by Operating Activities	93,495	487,242
Cash Flows from Investing Activities		
Proceeds from Time Deposits Refunds	300,000	213,916
Payments for Time Deposits	9,003	300
Proceeds from sale of Affiliate company	300,000	-
Proceeds from Tangible Fixed Assets	341,506	-
Payments for Tangible Fixed Assets	123,565	55,847
Proceeds from Sale of Business	283,697	-
Other	51,365	1,845
Net Cash Provided by Investing Activities	1,144,001	159,614
Cash Flows from Financing Activities		
Proceeds from Long-term Loans	300,000	-
Repayments of Long-term Loans	194,406	220,216
Proceeds from Short-term Loans (Payment ())	350,000	950,000
Payments for Lease Obligation	-	495
Payments for Purchases of Treasury Stock	26	9
Payments for Dividends	50,973	90
Net Cash Provided by Financing Activities	295,406	1,170,811
Effect of Exchange Rate Changes on Cash and Equivalents	14,406	30,511
Increase/Decrease in Cash and Cash Equivalents (Decrease ())	769,506	1,528,950
Cash and Cash Equivalents at Beginning of Year	2,255,096	2,437,831
Cash and Cash Equivalents at Mid year Ending (Year Ending)	3,024,602	908,880