

Financial Statement for the Nine Months Ended December 31, 2009

February 15, 2010

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

Stock Code: 5381

Name and Title of Representative: Jun Watanabe, President

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Stock Exchange: JQ

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

1. Summary of Consolidated Financial Results.

1. Financial Result for the Fiscal Year Ended December 31, 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	%
December 31, 2009	2,202	△21.0	△464	—	△488	—	△1,015	—
December 31, 2008	2,787	—	△769	—	△795	—	△911	—

	Net Income or, Net loss (△) Per Share		Net Income or, Net loss (△) Per Share(diluted)	
	Yen		Yen	
December 31, 2009	△99.	71	—	—
December 31, 2008	△89.	53	—	—

(2) Consolidated Financial Position

	Total Assets	Total Net Assets	Shareholders' Equity Ratio	Total Net Assets Per Share
	Millions of Yen	Millions of Yen	%	Yen
December 31, 2009	6,366	4,024	63.1	394. 35
March 31, 2009	8,736	5,064	57.9	496. 91

(Note) Equity capital (Millions of Yen):

As of December 31, 2009 4,015 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: No

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: No

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

(1) Some corrections have not been made to the documentation for the fiscal year concerning the Consolidated Financial Forecast announced on 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: None

(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)

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

December 31, 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)

December 31, 2009	10,181,350	December 31, 2008	10,181,585
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Consolidated Financial Statement
(1) Consolidated Balance Sheet

(Thousands of yen)

	Q3 FY 2010	FY 2009
	(As of Dece 30,2009)	(As of March 31,2009)
(Assets)		
Current Assets		
Cash and Cash Equivalents	813,284	2,800,583
Notes Receivable and Accounts Receivable	904,180	594,599
Merchandises and Finished Goods	232,992	190,129
Work in Progress	542,268	558,170
Raw Materials and Stored goods	158,358	206,914
Deferred Tax Assets	8,137	25,003
Others	113,766	91,332
Allowance for Bud Debt	△16,541	△ 23,421
Total Current Assets	2,756,448	4,443,313
Fixed Assets		
Tangible Fixed Assets		
Buildings and Structures	5,511,960	5,498,089
Equipment and Vehicles	1,536,412	1,558,386
Construction in Progress	-	23,635
Others	323,260	324,241
Accumulated Depreciation	△5,173,380	△ 4,572,931
Land	1,223,843	1,223,843
Total Tangible Fixed Assets	3,422,096	4,055,266
Intangible Fixed Assets		
Others	84,408	124,689
Total Intangible Fixed Assets	84,408	124,689
Investments and Other Assets		
Investment Securities	38,340	48,264
Deferred Tax Assets	476	987
Others	76,960	76,192
Allowance for Doubtful Debts	△12,418	△ 12,118
Total Investments and Other Assets	103,358	113,325
Total Fixed Assets	3,609,863	4,293,281
Total Assets	6,366,311	8,736,594

Consolidated Financial Statement
(1) Consolidated Balance Sheet

(Thousands of yen)

	Q3 FY 2010 (As of Dece 30,2009)	FY 2009 (As of March 31,2009)
(Liabilities)		
Current Liabilities		
Notes Receivable and Accounts Receivable	277,233	163,238
Short-term Borrowings	1,314,602	2,440,432
Accrued Income Taxes and Other Taxes	5,780	10,732
Reserve for Employees' Bonuses	10,457	19,372
Others	154,086	309,092
Total Current Liabilities	1,762,159	2,942,868
Fixed Liabilities		
Long-term Borrowings	430,917	538,744
Deferred Tax Liabilities	22,396	15,667
Reserve for Employees' Retirement Benefits	99,603	161,006
Others	26,574	14,077
Total Fixed Liabilities	579,491	729,495
Total Liabilities	2,341,651	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	△443,401	572,970
Treasury Stock	△481,309	△ 481,299
Total Shareholders' Equity	4,027,689	5,044,070
Valuation and Foreign Currency Translation		
Revaluation of Other Investment Securities	14,141	13,654
Foreign Currency Translation Adjustments	△26,787	1,461
Total Valuation and Foreign Currency Translation	△12,646	15,115
New Stock Reservation Rights	9,617	5,044
Total Net Assets	4,024,660	5,064,231
Total Liabilities and Net Assets	6,366,311	8,736,594

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

	(Thousands of yen)	
	FY 2009 (From April 1,2008 To Dece 30,2008)	FY 2010 (From April 1,2009 To Dece 30,2009)
Net Sales	2,787,894	2,202,505
Cost of Sales	1,947,440	1,405,374
Gross Profit	840,453	797,131
Selling and General Administrative Expenses	1,609,977	1,261,700
Operating Income or Losses ()	769,523	464,569
Non-Operating Income		
Interest Income	5,377	1,546
Dividend Income	2,010	1,650
Rent Income	13,450	13,327
Subsidy Income	-	5,967
Others	21,576	5,144
Total Non-Operating Income	42,415	27,636
Non-Operating Expenses		
Interest Expenses	36,966	31,160
Foreign Currency Exchange Losses	27,683	14,250
Others	3,738	6,549
Total Non-Operating Expense	68,388	51,960
Ordinary Income or Losses ()	795,497	488,893
Extraordinary Gains		
Gain from Sales of Fixed assets	3,630	907
Gain from Sales of Investment Securities	-	10,567
Gain from Sales of Investment in Affiliated company	300,000	-
Gain from allowance for Bad Debt	-	6,132
Others	1,197	1,995
Total Extraordinary Gains	304,827	19,602
Extraordinary Losses		
Loss on Sale of Fixed Assets	248,662	43
Impairment Loss	-	441,133
Expenses for Extraordinary Retirement Benefits	-	59,000
Loss on Sales of Business	-	1,996
Others	133,905	2,371
Total Extraordinary Losses	382,568	504,545
Net Income or Losses Before Tax()	873,237	973,836
Income Taxes-Current	41,231	25,322
Deferred Income Taxes	2,888	16,023
Total Income Taxes	38,343	41,346
Net Income or Losses ()	911,580	1,015,182

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

(Thousands of yen)

	FY 2009 (From April 1, 2008 To Dec 30, 2008)	FY 2010 (From April 1, 2009 To Dec 30, 2009)
Cash Flow from Operating Activities		
Net Income or Losses Before Taxes	△ 873,237	△ 973,836
Depreciation Expenses (Decrease (△))	272,034	243,091
Loss on Impairment	-	441,133
Increase/Decrease in Allowance for Employees' Bonuses (Decrease (△))	△ 80,949	△ 8,914
Increase/Decrease in Allowance for Employees' Retirement Benefits (Decrease (△))	1,294	△ 61,403
Interest and Dividends Income	△ 7,387	△ 3,196
Interest Expenses	36,966	31,160
loss on Investment in Securities (Gain (△))	-	△ 10,567
Increase/Decrease in Accounts Receivable (Increase (△))	806,995	△ 309,580
Increase/Decrease in Inventories (Increase (△))	196,050	21,594
Increase/Decrease in accounts payable (Decrease (△))	△ 252,747	113,994
Increase/Decrease in Allowance for Bud Debts (Decrease (△))	-	△ 6,579
Loss on sale of Affiliate company (Gain (△))	△ 300,000	-
Loss on Disposal of Fixed Assets	248,662	43
Other	104,704	88,241
Sub Total	152,373	△ 434,817
Interest and Dividends Received	7,337	3,812
Interest Paid	△ 34,603	△ 35,405
Income Taxes Paid	△ 48,040	△ 29,334
Payments for Retirement Benefits for directors	△ 267,725	-
Special Retirement Expenses Paid	-	△ 193,064
Net Cash Provided by Operating Activities	△ 190,658	△ 688,809
Cash Flows from Investing Activities		
Proceeds from Time Deposits Refunds	300,291	213,916
Payments for Time Deposits	△ 7,857	△ 600
Proceeds for Investment Securities	-	21,312
Proceeds from sale of Affiliate company	300,000	-
Proceeds from Tangible Fixed Assets	354,467	-
Payments for Tangible Fixed Assets	△ 133,669	△ 61,431
Proceeds from Sale of Business	283,697	-
Other	135,370	△ 642
Net Cash Provided by Investing Activities	1,232,300	172,554
Cash Flows from Financing Activities		
Proceeds from Long-term Loans	300,000	150,000
Repayments of Long-term Loans	△ 304,514	△ 333,657
Proceeds from Short-term Loans (Payment (△))	△ 350,000	△ 1,050,000
Payments for Lease Obligation	-	△ 1,141
Payments for Purchases of Treasury Stock	△ 34	△ 9
Payments for Dividends	△ 51,170	△ 125
Net Cash Provided by Financing Activities	△ 405,718	△ 1,234,933
Effect of Exchange Rate Changes on Cash and Equivalents	△ 59,661	△ 22,770
Increase/Decrease in Cash and Cash Equivalents (Decrease (△))	576,261	△ 1,773,958
Cash and Cash Equivalents at Beginning of Year	2,255,096	2,437,831
Cash and Cash Equivalents at Mid year Ending (Year Ending)	2,831,358	663,872