



**Non-Consolidated Financial Statements
for the Three Months Ended June 30, 2005**



August 1, 2005

Trade Name: Nihon Micro Coating Co., Ltd.
Stock Code: 5381 (URL <http://www.mipox.co.jp>)
Name and Title of Representative: Nobuyoshi Watanabe, President
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1. Items pertaining to preparation of quarterly consolidated statements of income, etc.

Change in the use of concise accounting procedure: Yes or No

Change in the way of accounting procedure on the current business year: Yes or No

2. Financial Result for the Three months Ended June 30, 2005

(1) Non-consolidated Operating Result

Amounts to nearest Million yen

Three months Ended	Net Sales		Operating Income		Ordinary Income	
	Millions of yen	%	Millions of yen	%	Millions of yen	%
June 30,2005	1,807	(19.3)	48	(80.3)	66	(74.9)
June 30,2004	2,240	()	246	()	266	()
(Reference) Year Ended March 31, 2005	10,248		996		1,070	

Three months Ended	Net Income		Net Income Per Share	Diluted Net Income Per Share
	Millions of yen	%	Yen	Yen
June 30,2005	41	(73.4)	4.08	4.08
June 30,2004	157	()	15.13	15.13
(Reference) Year Ended March 31, 2005	611		55.45	55.33

(Note) 1.Number of shares outstanding As of June 30,2005 10,258,855shares As of March 31,2005 10,360,328shares
As of June 30,2004 5,199,731shares

2.Percentages for net sales and operating income indicate change from previous year.

3.We have done 2-for-1 stock split on November 22, 2004

Non-consolidated basis net sales by application for the Three months ended June 30, 2005 are as follows.

Sales by Applications (Unit: Million Yen)

	Net Sales	Composition(%)	Year-over-year basis(%)
Coating Manufacturing Service	631	35.0	90.0
Hard Disks	436	24.2	46.0
Silicon Wafers	254	14.1	145.3
Fiber Optics	165	9.1	101.1
LCD Panels	163	9.0	192.3
Magnetic Heads/FDs/VTs	93	5.2	109.9
Others	62	3.4	77.4
Total	1,807	100.0	80.7

(Note) Amount of sales is the total sales of current three months

(2) Financial Position

	Total Assets	Shareholders' Equity	Shareholders' Equity Total Assets	Shareholders' Equity Per Share
	Millions of Yen	Millions of Yen	%	Yen
Three months Ended June 30,2005	13,356	7,590	56.8	739. 74
June 30,2004	12,690	7,536	59.4	723. 89
(Reference) Year Ended March 31, 2005	14,509	7,777	53.6	754. 64

3. Forecasts of Non-consolidated financial result for the fiscal year ended June 30, 2005

(2). Revision of forecast of financial result for the fiscal year ended March 31, 2006 (Millions of Yen)

	Net Sales	Ordinary Income	Net Income
Present Forecast (A)	7,800	482	274
Previous Forecast (B)	10,300	1,115	635
Increase and Decrease (A-B)	2,500	633	361
Rate of Change	24.3%	56.8%	56.9%

(Reference) Expected net income per share: 26.70 yen

Financial Statement for the three months ended June 30, 2005

(1) Summary of Non-Consolidated Balance Sheet

Item	Period	As of June 30, 2005	As of June 30, 2004	Increase and Decrease		As of March 31, 2005
		Amount	Amount	Amount	Rate of Change	Amount
(Assets)						
Current Assets						
1	Cash and Cash Equivalents	2,425,057	1,731,665	693,392		3,174,730
2	Notes Receivable	499,450	144,476	354,973		405,152
3	Accounts Receivable	2,459,811	2,724,798	264,986		2,881,892
4	Merchandise	47,280	42,355	4,924		123,935
5	Finished Goods	139,054	87,159	51,895		179,700
6	Semi-Finished Goods	204,347	155,761	48,585		184,646
7	Raw Materials	396,228	524,124	127,895		374,144
8	Work in Progress	73,654	59,593	14,061		75,361
9	Supplies	36,832	11,763	25,068		19,662
10	Advances		225,644	225,644		
11	Prepaid Expenses	34,791	25,171	9,619		24,505
12	Deferred Tax Assets	137,607	52,872	84,734		135,217
13	Short-term Loans to Affiliates		32,183	32,183		
14	Other Accounts Receivable	17,025	13,039	3,985		104,220
15	Others	74,635	15,545	59,090		16,489
	Doubtful Notes and Accounts	2,456	2,176	280		2,526
	Total Current Assets	6,543,320	5,843,979	699,341	12.0	7,697,133
Fixed Assets						
1	Tangible Fixed Assets					
(1)	Buildings	3,009,898	2,899,416	110,482		3,031,854
(2)	Structures	99,185	88,794	10,391		97,958
(3)	Machinery and Equipment	322,316	349,016	26,700		328,166
(4)	Automotive Equipment	14,927	10,111	4,815		13,755
(5)	Tools	67,013	65,877	1,135		67,185
(6)	Land	1,444,289	1,451,203	6,913		1,444,289
	Total Tangible Fixed Assets	4,957,630	4,864,419	93,211	1.9	4,983,210
2	Intangible Fixed Assets					
(1)	Patent Property	8,375	10,497	2,122		8,999
(2)	Software	23,105	20,450	2,655		18,246
(3)	Telephone Rights	1,763	1,724	38		1,763
	Total Intangible Fixed Assets	33,244	32,673	570	1.7	29,009
3	Investments and Other Assets					
(1)	Investment Securities	410,474	419,665	9,191		394,977
(2)	Investment in Affiliated Company	916,339	864,239	52,100		916,339
(3)	Long-term Loans to Affiliates		153,753	153,753		
(4)	Long-term Prepaid Expenses	45,813	44,586	1,226		34,410
(5)	Deferred Tax Assets	241,991	248,581	6,590		239,375
(6)	Insurance Reserve Fund	158,810	161,540	2,729		157,851
(7)	Golf-Club Membership	13,143	35,773	22,630		29,643
(8)	Others	47,492	41,718	5,774		42,863
	Allowance for Doubtful Debts	12,160	20,895	8,734		15,239
	Total Investments and Other Assets	1,821,904	1,948,965	127,060	6.5	1,800,222
	Total Fixed Assets	6,812,779	6,846,057	33,278	0.5	6,812,441
	Total Assets	13,356,100	12,690,036	666,063	5.2	14,509,575

tem	Period	As of June 30,2005	As of June 30,2004	Increase and Decrease		As of March 31,2005
		Amount	Amount	Amount	Rate of Change	Amount
(Liabilities)						
Current Liabilities						
1	Accounts Payable	996,852	1,075,720	78,867		1,355,458
2	Short-term Borrowings	1,550,000	1,350,000	200,000		1,550,000
3	Current Position of Long-term Borrowings	753,712	538,492	215,220		753,712
4	Accrued Liabilities	361,323	253,571	107,751		461,264
5	Accrued Expenses	51,526	37,163	14,362		61,903
6	Income Taxes Payable	35,056	134,000	98,943		447,745
7	Deposits Received	1,057	178,290	178,290		2,946
8	Advances	28,099	14,673	13,426		31,489
9	Reserve for Employees' Bonuses	247,544	135,006	112,538		145,000
10	Others	1,906	1,939	1,024		109
Total Current Liabilities		4,027,078	3,718,856	308,221	8.3	4,809,629
Fixed Liabilities						
1	Long-term Borrowings	1,250,236	968,998	281,238		1,438,664
2	Reserve for Employees' Retirement Benefits	173,387	150,512	22,875		168,323
3	Reserve for Directors' Retirement Benefits	315,217	315,217			315,217
Total Fixed Liabilities		1,738,841	1,434,728	304,113	21.2	1,922,205
Total Liabilities		5,765,919	5,153,584	612,334	11.9	6,731,835
(Shareholders' Equity)						
Capital Stock		1,998,700	1,998,700			1,998,700
Capital Surplus						
Capital Appropriation		2,953,700	2,953,700			2,953,700
Total Capital Surplus		2,953,700	2,953,700			2,953,700
Earned Surplus						
1	Earned Surplus Reserve	60,000	60,000			60,000
2	Voluntary Reserve					
(1)	Contingent Reserve	2,410,000	2,300,000	110,000		2,300,000
3	Unappropriated Profits	544,853	405,728	139,124		845,075
Total Earned Surplus		3,014,853	2,765,728	249,124	9.0	3,205,075
Revaluation of Investment Securities		42,243	46,274	4,031	8.7	41,355
Treasury Stock		419,315	227,950	191,365	84.0	421,090
Total Shareholders' Equity		7,590,180	7,536,452	53,728	0.7	7,777,740
Total Liabilities and Shareholders' Equity		13,356,100	12,690,036	666,063	5.2	14,509,575

(2) Summary of Non-Consolidated Statement of Income

	Three months ended June 30, 2005	Three months ended June 30, 2004	Increase and Decrease		for Previous Fiscal Year (From
	(From April 1, 2005 to June 30, 2005)	(From April 1, 2004 to June 30, 2004)	Amount	Rate of Change	April 1, 2004 to March 31, 2005)
	Amount	Amount	Amount		Amount
Net Sales	1,807,090	2,240,513	433,423	19.3	10,248,512
Cost of Sales	1,214,292	1,539,649	325,356	21.1	7,111,225
Gross Profit	592,798	700,864	108,066	15.4	3,137,287
Selling and General Administrative Expenses	544,184	454,374	89,809	19.8	2,141,120
Operating Income	48,613	246,490	197,876	80.3	996,166
Non-Operating Income	31,068	31,852	783	2.5	121,199
1 Interest Income	77	1,984	1,906		2,840
2 Dividend Income	6,748	7,001	253		38,540
3 Rent Income	3,187	2,556	631		10,504
4 Foreign Exchange Gain	17,029	18,626	1,597		45,602
5 Miscellaneous Income	4,025	1,683	2,342		23,710
Non-Operating Expenses	12,733	11,369	1,364	12.0	46,943
1 Interest Expenses	12,422	10,981	1,440		43,499
2 Miscellaneous Losses	311	388	76		3,444
Ordinary Income	66,948	266,972	200,023	74.9	1,070,422
Extraordinary Gains	1,573	222	1,350	606.6	13,280
1 Gain on sale of Fixed Assets	1,073	222	850		348
2 Gain on Sale of Investment Securities					12,932
3 Gain on Sale of Golf-Club Membership	500		500		
Extraordinary Losses	2,031	447	1,583	353.5	78,426
1 Loss on Sale of Fixed Assets					20,565
2 Loss on Disposal of Fixed Assets	1,436	97	1,338		5,126
3 Loss on Allowance for Doubtful Debts		350	350		21
4 Loss on Revaluation of Golf-Club Membership	595		595		955
5 Loss on Disposal of Inventories					25,735
6 Loss on Revaluation of Inventories					26,021
Net Income Before Tax	66,490	266,747	200,257	75.1	1,005,276
Income Taxes-Current	30,224	133,368	103,144	77.3	487,598
Income Taxes-Deferred	5,615	23,995	18,380	76.6	93,757
Net Income	41,880	157,373	115,493	73.4	611,436
Retained Earnings at the Beginning of the Period	503,183	253,763	249,419	98.3	253,763
Loss of Sale of Treasury Stock	210	5,409	5,198	96.1	20,124
Unappropriated Profits	544,853	405,728	139,124	34.3	845,075