



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
Change in the use of the Equity method Yes or No

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

(1) Consolidated Operating Result Amounts to nearest Million yen

	Net Sales		Operating Income		Ordinary Income	
	Millions of yen	%	Millions of yen	%	Millions of yen	%
Three months Ended						
June 30,2005	2,115	(10.1)	81	(73.3)	104	(67.6)
June 30,2004	2,353	()	305	()	321	()
(Reference)						
Year Ended March 31, 2005	10,799		1,202		1,280	

	Net Income		Net Income Per Share	Diluted Net Income Per Share
	Millions of yen	%	Yen	Yen
Nine months Ended				
June 30,2005	66	(68.8)	6.48	6.48
June 30,2004	212	()	20.46	20.46
(Reference)				
Year Ended March 31, 2005	738		67.73	67.59

(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

(2) Financial Position

	Total Assets	Shareholders' Equity	Shareholders' Equity Total Assets	Shareholders' Equity Per Share
	Millions of Yen	Millions of Yen	%	Yen
As of				
June 30,2005	13,410	7,530	56.1	733.95
June 30,2004	12,581	7,371	58.6	708.08
(Reference)				
Year Ended March 31, 2005	14,429	7,676	53.2	744.78

3. Forecasts of Consolidated financial result for the fiscal year ended March 31, 2006

(1). 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)	8,700	567	323
Previous Forecast (B)	11,500	1,375	755
Increase and Decrease (A-B)	2,800	808	432
Rate of Change	24.3%	58.8%	57.2%

(Reference) Expected net income per share: 31.48 yen

As forecasts are based on the available information as of the day of publication of this report, so that the actual result can be different from these figures due to the various factors afterwards.

Financial Statement for the three months ended June 30, 2005

(1) Summary of 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	2,959,374	2,454,013	505,360		3,626,364
2	Notes Receivable	2,868,498	2,565,654	302,844		3,154,592
3	Inventories	1,088,270	1,066,362	21,908		1,110,325
4	Deferred Tax Assets	173,129	133,957	39,171		174,119
5	Others	100,281	290,005	189,724		189,648
	Doubtful Notes and Accounts	6,296	5,785	511		6,341
	Total Current Assets	7,183,257	6,504,209	679,047	10.4	8,248,708
Fixed Assets						
1	Tangible Fixed Assets					
	(1) Buildings and Structures	5,608,934	5,177,231	431,702		5,521,038
	(2) Equipment and Vehicles	1,342,082	1,279,820	62,261		1,267,757
	(3) Others	369,500	351,609	17,891		364,216
	Total Depreciation	3,487,902	3,178,530	309,371		3,413,760
	(4) Land	1,444,289	1,451,203	6,913		1,444,289
	Total Tangible Fixed Assets	5,276,904	5,081,333	195,571	3.8	5,183,542
2	Intangible Fixed Assets					
	(1) Others	35,113	32,673	2,440		29,009
	Total intangible Fixed Assets	35,113	32,673	2,440	7.5	29,009
3	Investments and Other Assets					
	(1) Investment Securities	410,474	443,255	32,781		470,667
	(2) Deferred Tax Assets	241,991	248,581	6,590		239,375
	(3) Others	274,642	292,181	17,538		273,728
	Allowance for Doubtful Debts	12,160	20,742	8,581		15,239
	Total Investments and Other Assets	914,947	963,276	48,328	5.0	968,531
	Total Fixed Assets	6,226,966	6,077,283	149,682	2.5	6,181,083
	Total Assets	13,410,223	12,581,493	828,730	6.6	14,429,791

	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 Notes Receivable	1,048,213	1,046,889	1,323		1,348,130
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 Income Taxes and Other Taxes	35,056	134,000	98,943		447,745
5 Reserve for Employees Bonuses	247,544	135,006	112,538		145,000
6 Others	506,090	570,530	64,440		586,490
Total Current Liabilities	4,140,615	3,774,918	365,697	9.7	4,831,078
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	5,879,457	5,209,646	669,810	12.9	6,753,283
(Minority Interests)					
Minority Interests					
(Shareholders' Equity)					
Capital Stock	1,998,700	1,998,700			1,998,700
Capital Surplus	2,953,700	2,953,700			2,953,700
Earned Surplus	2,905,809	2,565,274	340,535	13.3	3,071,020
Revaluation of Investment Securities	42,243	46,274	4,031	8.7	41,355
Foreign Currency Translation Adjustments	49,629	35,848	13,781	38.4	32,821
Treasury Stock	419,315	227,950	191,365	84.0	421,090
Total Shareholders' Equity	7,530,766	7,371,846	158,919	2.2	7,676,507
Total Liabilities and Shareholders' Equity	13,410,223	12,581,493	828,730	6.6	14,429,791

(2) Summary of Consolidated Statement of Income

Item \ Period	Three months ended June 30, 2005 (From April 1, 2005 to June 30, 2005)	Three months ended June 30, 2004 (From April 1, 2004 to June 30, 2004)	Increase and Decrease		Consolidated Statement of Income for Previous Fiscal Year (From April 1, 2004 to March 31, 2005)
	Amount	Amount	Amount	Rate of Change	Amount
Net Sales	2,115,458	2,353,610	238,152	10.1	10,799,530
Cost of Sales	1,422,202	1,563,124	140,921	9.0	7,310,850
Gross Profit	693,255	790,486	97,230	12.3	3,488,680
Selling and General Administrative Expenses	611,671	485,323	126,347	26.0	2,286,115
Operating Income	81,584	305,162	223,578	73.3	1,202,564
Non-Operating Income	35,213	27,678	7,535	27.2	124,835
1 Interest Income	448	684	236		2,494
2 Dividend Income	6,748	7,001	253		
3 Rent Income	6,440	2,556	3,884		33,380
4 Foreign Currency Exchange Gain	13,297	13,961	663		35,056
5 Others	8,279	3,474	4,805		53,903
Non-Operating Expenses	12,736	11,376	1,359	12.0	46,982
1 Interest Expenses	12,422	10,981	1,440		43,499
2 Others	314	394	80		3,482
Ordinary Income	104,061	321,464	217,403	67.6	1,280,418
Extraordinary Gains	2,449	412	2,037	493.7	14,622
1 Gain on Doubtful Debts		190	190		
2 Gain on Sale of Fixed Assets	1,949	222	1,727		1,690
3 Gain on Sale of Investment Securities					12,932
4 Gain on Sale of Golf-Club Membership	500		500		
Extraordinary Losses	2,739	447	2,291	511.6	114,824
1 Loss on Sale of Fixed Assets					20,565
2 Loss on Disposal of Fixed Assets	2,144	97	2,047		41,524
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 Obsolete Inventories					25,735
6 Loss on Revaluation of Obsolete Inventories					26,021
Net Income before Tax	103,771	321,429	217,658	67.7	1,180,216
Income Taxes-Current	40,938	133,368	92,429	69.3	494,226
Income Taxes-Deferred	3,646	24,764	21,117	85.3	52,706
Net Income	66,478	212,824	146,345	68.8	738,696