



**Non-Consolidated Financial Statements
for the three Months Ended June 30, 2006**



August 4, 2006

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, 2006

(1) Non-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, 2006	2,223	(23.0)	292	(501.1)	290	(334.0)
June 30, 2005	1,807	(19.3)	48	(80.3)	66	(74.9)
(Reference)						
Year Ended March 31, 2006	8,038		715		748	

	Net Income		Net Income Per Share	Diluted Net Income Per Share
	Millions of yen	%	Yen	Yen
Three months Ended				
June 30, 2006	179	(327.6)	17.59	17.59
June 30, 2005	41	(73.4)	4.08	4.08
(Reference)				
Year Ended March 31, 2006	455		42.00	41.99

(Note) 1.Number of shares outstanding As of June 30, 2006 10,182,768shares. As of March 31, 2006 10,216,265shares
As of June 30, 2005 10,258,855shares.

2.Percentages for Net Sales, Operating Income, Ordinary Income and Net Income indicate change from previous year.

Non-consolidated basis net sales by application for the Three months ended June 30, 2006 are as follows.

Sales by Applications (Unit: Million Yen)

	Net Sales	Composition(%)	Year-over-year basis(%)
Magnetic Heads	80	3.6	86.5
Hard Disks	604	27.2	138.3
Fiber Optics	176	7.9	106.5
LCD Panels	179	8.1	109.8
Silicon Wafers	224	10.1	88.3
Coating Manufacturing Service	865	38.9	137.1
Others	92	4.2	148.0
Total	2,223	100.0	123.0

(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
Three months Ended	Millions of Yen	Millions of Yen	%	Yen
June 30, 2006	13,569	8,001	59.0	785.75
June 30, 2005	13,356	7,590	56.8	739.74
(Reference) Year Ended March 31, 2006	13,571	7,981	58.8	781.27

(Note) 1. Number of shares outstanding

As of June 30, 2006	10,182,702 shares
As of June 30, 2005	10,260,642 shares
As of March 31, 2006	10,182,862 shares

3. Forecasts of Non-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, 2007 (Millions of Yen)

	Net Sales	Ordinary Income	Net Income
Present Forecast (A)	8,200	776	442
Previous Forecast (B) (May 26, 2006)	8,200	776	442
Increase and Decrease (A-B)	-	-	-
Rate of Change	-	-	-

(Reference) Expected net income per share: 43.44 yen

Financial Statement for the three months ended June 30, 2006

(1) Summary of Non-Consolidated Balance Sheet

Item	Period	As of Jun 30, 2006	As of Jun 30, 2005	Increase and Decrease		As of March 31, 2006
		Amount	Amount	Amount	Rate of Change	Amount
(Assets)						
Current Assets						
1	Cash and Cash Equivalents	2,373,762	2,425,057	51,295		2,952,273
2	Notes Receivable	493,656	499,450	5,794		161,224
3	Accounts Receivable	2,740,553	2,459,811	280,742		2,832,980
4	Merchandise	38,914	47,280	8,366		43,756
5	Finished Goods	65,480	139,054	73,574		69,814
6	Semi-Finished Goods	157,711	204,347	46,636		142,752
7	Raw Materials	483,820	396,228	87,592		327,076
8	Work in Progress	80,036	73,654	6,382		79,432
9	Supplies	43,890	36,832	7,058		28,814
10	Advance	29,141		29,141		29,653
11	Prepaid Expenses	44,582	34,791	9,791		42,176
12	Deferred Tax Assets	120,155	137,607	17,452		93,572
13	Other Accounts Receivable	26,803	17,025	9,778		52,674
14	Others	53,535	74,635	21,100		8,819
	Doubtful Notes and Accounts	2,535	2,456	79		2,430
Total Current Assets		6,749,509	6,543,320	206,189	3.2	6,862,595
Fixed Assets						
1 Tangible Fixed Assets						
(1)	Buildings	2,814,727	3,009,898	195,171		2,856,951
(2)	Structures	84,055	99,185	15,130		87,337
(3)	Machinery and Equipment	348,287	322,316	25,971		294,318
(4)	Automotive Equipment	9,242	14,927	5,685		10,096
(5)	Tools	62,840	67,013	4,173		59,252
(6)	Land	1,444,289	1,444,289			1,444,289
(7)	Construction in Progress					18,463
Total Tangible Fixed Assets		4,763,443	4,957,630	194,187	3.9	4,770,709
2 Intangible Fixed Assets						
(1)	Patent Property	5,878	8,375	2,497		6,502
(2)	Software	19,943	23,105	3,162		21,589
(3)	Software in process Account	193,057		193,057		83,065
(4)	Telephone Rights	1,763	1,763			1,763
Total Intangible Fixed Assets		220,642	33,244	187,398	563.7	112,920
3 Investments and Other Assets						
(1)	Investment Securities	491,392	410,474	80,918		479,125
(2)	Investment in Affiliated Company	882,686	916,339	33,653		882,686
(3)	Long-term Prepaid Expenses	30,767	45,813	15,046		35,396
(4)	Deferred Tax Assets	212,453	241,991	29,538		209,418
(5)	Insurance Reserve Fund	162,637	158,810	3,827		162,637
(6)	Golf-Club Membership	19,143	13,143	6,000		19,143
(7)	Others	47,889	47,492	397		48,229
	Allowance for Doubtful Debts	11,497	12,160	663		11,497
Total Investments and Other Assets		1,835,474	1,821,904	13,570	0.7	1,825,140
Total Fixed Assets		6,819,560	6,812,779	6,781	0.1	6,708,770
Total Assets		13,569,070	13,356,100	212,970	1.6	13,571,366

tem	Period	As of Jun 30,2006	As of Jun 30,2005	Increase and Decrease		As of March 31,2006
		Amount	Amount	Amount	Rate of Change	Amount
	(Liabilities)					
	Current Liabilities					
1	Accounts Payable	1,369,551	996,852	372,699		1,260,134
2	Short-term Borrowings	1,550,000	1,550,000	-		1,550,000
3	Current Position of Long-term Borrowings	506,219	753,712	247,493		609,438
4	Accrued Liabilities	392,017	361,323	30,694		327,768
5	Accrued Expenses	47,666	51,526	3,860		57,712
6	Income Taxes Payable	145,500	35,056	110,444		204,500
7	Advances	25,480	28,099	2,619		30,514
8	Reserve for Employees' Bonuses	194,999	247,544	52,545		130,000
9	Others	6,634	2,964	3,670		253
	Total Current Liabilities	4,238,068	4,027,078	210,990	5.2	4,170,321
	Fixed Liabilities					
1	Long-term Borrowings	818,624	1,250,236	431,612		912,564
2	Reserve for Employees' Retirement Benefits	200,246	173,387	26,859		191,682
3	Reserve for Directors' Retirement Benefits		315,217	315,217		
4	Unpaid Amount Directors' Retirement Benefits	311,050		311,050		315,217
	Total Fixed Liabilities	1,329,921	1,738,841	408,920	23.5	1,419,463
	Total Liabilities	5,567,990	5,765,919	197,929	3.4	5,589,785
	(Equity Section)					
	Capital Stock		1,998,700			1,998,700
	Capital Surplus					
	Capital Appropriation		2,953,700			2,953,700
	Total Capital Surplus		2,953,700			2,953,700
	Earned Surplus					
1	Earned Surplus Reserve		60,000			60,000
2	Voluntary Reserve					
(1)	Contingent Reserve		2,410,000			2,410,000
3	Unappropriated Profits		544,853			957,402
	Total Earned Surplus		3,014,853			3,427,402
	Revaluation of Investment Securities		42,243			82,194
	Treasury Stock		419,315			480,415
	Total Equity Section		7,590,180			7,981,580
	Total Liabilities and Equity		13,356,100			13,571,366

tem	Period	As of Jun 30,2006	As of Jun 30,2005	Increase and Decrease		As of March 31,2006
		Amount	Amount	Amount	Rate of Change	Amount
	(Stockholders' Equity Section)					
	Shareholders' Equity					
	1 Capital Stock	1,998,700				
	2 Capital Surplus					
	(1) Capital Appropriation	2,953,700				
	Total Capital Surplus	2,953,700				
	3 Earned Surplus					
	(1) Earned Surplus Reserve	60,000				
	(2) Other Earned Surplus Reserve					
	Voluntary Reserve	2,510,000				
	Unappropriated Profits	878,105				
	Total Earned Surplus	3,448,105				
	4 Treasury Stock	480,542				
	Total Shareholders' Equity	7,919,963				
	Valuation and Foreign Currency Translation					
	1 Revaluation of Investment Securities	81,116				
	Total Valuation and Foreign Currency Translation	81,116				
	Stock Option					
	Total Shareholders' Equity Section	8,001,079				
	Total Liabilities and Shareholders' Equity	13,569,070				

(2) Summary of Non-Consolidated Statement of Income

	Three months ended Jun 30, 2006	Three months ended Jun 30, 2005	Increase and Decrease		for Previous Fiscal Year (From
	(From April 1, 2006 to Jun 30, 2006)	(From April 1, 2005 to Jun 30, 2005)	Amount	Rate of Change	April 1, 2005 to March 31, 2006)
	Amount	Amount	Amount		Amount
Net Sales	2,223,293	1,807,090	416,203	23.0	8,038,187
Cost of Sales	1,392,688	1,214,292	178,396	14.7	5,131,889
Gross Profit	830,604	592,798	237,806	40.1	2,906,298
Selling and General Administrative Expenses	538,407	544,184	5,777	1.1	2,190,524
Operating Income	292,197	48,613	243,584	501.1	715,774
Non-Operating Income	12,484	31,068	18,584	59.8	81,292
1 Interest Income	69	77	8		610
2 Dividend Income	6,984	6,748	236		6,748
3 Rent Income	2,711	3,187	476		10,777
4 Foreign Currency Exchange Gain		17,029	17,029		48,315
5 Miscellaneous Income	2,718	4,025	1,307		14,840
Non-Operating Expenses	14,095	12,733	1,362	10.7	48,352
1 Interest Expenses	9,952	12,422	2,470		46,292
2 Foreign Currency Exchange Losses	2,665		2,665		
3 Miscellaneous Losses	1,477	311	1,166		2,059
Ordinary Income	290,586	66,948	223,638	334.0	748,714
Extraordinary Gains		1,573	1,573	100.0	2,506
1 Gain on Doubtful Debts					933
2 Gain on sale of Fixed Assets		1,073	1,073		1,073
3 Gain on Sale of Golf-Club Membership		500	500		500
Extraordinary Losses		2,031	2,031	100.0	43,093
1 Loss on Sale of Fixed Assets					705
2 Loss on Disposal of Fixed Assets		1,436	1,436		29,498
3 Loss on Sale of Golf-Club Membership		595	595		595
4 Loss on Disposal of Inventories					12,295
Net Income Before Tax	290,586	66,490	224,096	337.0	708,128
Income Taxes-Current	140,384	30,224	110,160	364.5	209,511
Income Taxes-Deferred	28,878	5,615	23,262	414.3	43,572
Net Income	179,080	41,880	137,200	327.6	455,043
Retained Earnings at the Beginning of the Period		503,183			503,183
Loss of Sale of Treasury Stock		210			824
Unappropriated Profits		544,853			957,402