

Non-Consolidated Financial Statement for the Six Months Ended September 30, 2006

November 24, 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
 Contact: Tokio Tonami, Executive Managing Director Tel: (042)543-4711
 Interim Board of Directors Meeting: November 24, 2006
 Date of Interim Dividend Payment: Not started

Stock Exchange: JQ

1. Summary of Non-Consolidated Interim Financial Result

1. Financial Result for the Six Months Ended September 30, 2006

(1) Operating Result

Amounts to nearest Million yen

Six months ended	Net Sales		Operating Income		Ordinary Income	
	Millions of Yen	%	Millions of Yen	%	Millions of Yen	%
September 30, 2006	4,262	(22.4)	448	(102.3)	458	(88.7)
September 30, 2005	3,481	(29.3)	221	(47.1)	243	(47.6)
Year ended March 31, 2006	8,038		715		748	

Six months ended	Net Income		Net Income Per Share	
	Millions of Yen	%	Yen	
September 30, 2006	286	(105.6)	28.	13
September 30, 2005	139	(49.2)	13.	60
Year ended March 31, 2006	455		42.	00

(Note) 1) Average number of shares outstanding: During the six months ended September 30, 2006 10,182,682 shares
 During the six months ended September 30, 2005 10,248,705 shares
 During the year ended March 31, 2006 10,216,265 shares

2) Change in Accounting methods: None

3) Percentages for net sales, operating income, ordinary income and net income indicate change from previous year

(2) Financial Position

	Total Assets	Total Net Assets	Shareholders' Equity Ratio	Total Net Assets Per Share
	Millions of Yen	Millions of Yen	%	Yen
As of September 30, 2006	13,181	8,103	61.5	795. 86
As of September 30, 2005	12,711	7,675	60.4	750. 94
Year ended March 31, 2006	13,571	7,981	58.8	781. 27

(Note) 1) Number of shares outstanding: As of September 30, 2006 10,182,462 shares
 As of September 30, 2005 10,221,782 shares
 As of March 31, 2006 10,182,862 shares
 2) Number of Treasury Stock As of September 30, 2006 513,858shares
 As of September 30, 2005 474,538shares
 As of March 31, 2006 513,458shares

2. Financial Forecasts for the Fiscal Year Ending March 31, 2007

	Net Sales	Ordinary Income	Net Income
Year ending	Millions of Yen	Millions of Yen	Millions of Yen
March 31, 2007	8,200	776	442

(Reference) Expected net income per share: 43.44 Yen

3. Dividends

Cash dividends	Cash dividends per share		
	Interim	Year ended	For the Year
Fiscal Year 2005		13.00	13.00
Fiscal Year 2006 (results)			14.23
Fiscal Year 2006 (forecasts)		14.23	

*Above estimates were based on the available information as of the day of publication of this report, so that actual results may be different from these figures due to the various factors afterwards.

Financial Statement for the Six Months ended September 30, 2006

(1) Non-Consolidated Balance Sheet

(Unit: Thousand Yen)

	As of September 30, 2005		As of September 30, 2006		Condensed Non-Consolidated Balance Sheet for Previous Fiscal Year (As of March 31, 2006)	
	Amount	%	Amount	%	Amount	%
(Assets)		%		%		%
Current Assets						
1 Cash and Cash Equivalents	2,769,634		1,601,365		2,952,273	
2 Notes Receivable	463,872		572,022		161,224	
3 Accounts Receivable	1,787,978		2,891,924		2,832,980	
4 Inventories	752,086		1,111,472		691,648	
5 Others	186,139		210,492		226,898	
6 Doubtful Notes and Accounts	2,212		5,914		2,430	
Total Current Assets	5,957,498	46.9	6,381,363	48.4	6,862,595	50.6
Fixed Assets						
1 Tangible Fixed Assets						
(1) Buildings	2,938,828		2,759,208		2,856,951	
(2) Land	1,444,289		1,444,289		1,444,289	
(3) Others	485,490		523,545		469,468	
Total Tangible Fixed Assets	4,868,608	38.3	4,727,044	35.9	4,770,709	35.2
2 Intangible Fixed Assets						
(1) Others	31,547		247,759		112,920	
Total Intangible Fixed Assets	31,547	0.2	247,759	1.9	112,920	0.8
3 Investments and Other Assets						
(1) Investment in Affiliated Company	938,399		882,686		882,686	
(2) Others	926,769		954,364		953,950	
(3) Allowance for Doubtful Debts	11,793		11,497		11,497	
Total Investments and Other Assets	1,853,375	14.6	1,825,554	13.8	1,825,140	13.4
Total Fixed Assets	6,753,532	53.1	6,800,357	51.6	6,708,770	49.4
Total Assets	12,711,030	100.0	13,181,721	100.0	13,571,366	100.0

(Unit: Thousand Yen)

	As of September 30, 2005		As of September 30, 2006		Condensed Non-Consolidated Balance Sheet for Previous Fiscal Year (As of March 31, 2006)	
	Amount	%	Amount	%	Amount	%
(Liabilities)		%		%		%
Current Liabilities						
1 Accounts Payable	478,201		1,256,894		1,260,134	
2 Short-term Borrowings	1,550,000		1,550,000		1,550,000	
3 Current Portion of Long-term Borrowings	770,956		426,561		609,438	
4 Income Taxes Payable	25,000		186,500		204,500	
5 Reserve for Employees' Bonuses	110,000		120,000		130,000	
6 Others	461,838		309,321		416,249	
Total Current Liabilities	3,395,996	26.7	3,849,277	29.2	4,170,321	30.7
Fixed Liabilities						
1 Long-term Borrowings	1,144,564		721,350		912,564	
2 Reserve for Employees' Retirement Benefits	179,266		196,180		191,682	
3 Reserve for Directors' Retirement Benefits	315,217					
4 Accrued Directors' Retirement Benefits			311,050		315,217	
Total Fixed Liabilities	1,639,048	12.9	1,228,581	9.3	1,419,463	10.5
Total Liabilities	5,035,044	39.6	5,077,858	38.5	5,589,785	41.2
(Shareholders' Equity)						
Capital Stock	1,998,700	15.7			1,998,700	14.7
Capital Surplus						
Capital Appropriation	2,953,700				2,953,700	
Total Capital Surplus	2,953,700	23.2			2,953,700	21.8
Earned Surplus						
1 Earned Surplus Reserve	60,000				60,000	
2 Voluntary Reserve	2,410,000				2,410,000	
3 Un appropriated Net Income	641,696				957,402	
Total Earned Surplus	3,111,696	24.5			3,427,402	25.2
Revaluation of Other Investment Securities	60,887	0.5			82,194	0.6
Treasury Stock	448,997	3.5			480,415	3.5
Total Shareholders' Equity	7,675,985	60.4			7,981,580	58.8
Total Liabilities and Shareholders' Equity	12,711,030	100.0			13,571,366	100.0

(Unit: Thousand Yen)

	As of September 30, 2005		As of September 30, 2006		Condensed Non-Consolidated Balance Sheet for Previous Fiscal Year (As of March 31, 2006)	
	Amount	%	Amount	%	Amount	%
(Net Assets)		%		%		%
Shareholders' Equity						
1 Capital Stock			1,998,700	15.2		
2 Capital Surplus						
(1)Capital Appropriation			2,953,700			
Total Capital Surplus			2,953,700	22.4		
3 Earned Surplus						
(1)Earned Surplus Reserve			60,000			
(2)Other Earned Surplus						
Contingent reserve			2,510,000			
Earned Surplus carried Forward			985,509			
Total Earned Surplus			3,555,509	27.0		
4 Treasury Stock			480,756	3.7		
Total Shareholders' Equity			8,027,152	60.9		
Valuation and Translation Adjustments						
1 Revaluation of Other Investment Securities			76,709			
Total Valuation and Translation Adjustments			76,709	0.6		
Total Net Assets			8,103,862	61.5		
Total Liabilities and Net Assets			13,181,721	100.0		

(2) Non-Consolidated Statement of Income

(Unit: Thousand Yen)

	Six months ended September 30, 2005 (From April 1, 2005 to September 30, 2005)			Six months ended September 30, 2006 (From April 1, 2006 to September 30, 2006)			Condensed Non-Consolidated Statement of Income for Previous Fiscal Year (From April 1, 2005 to March 31, 2006)		
	Amount		%	Amount		%	Amount		%
Net Sales		3,481,978	100.0		4,262,892	100.0		8,038,187	100.0
Cost of Sales		2,201,055	63.2		2,699,037	63.3		5,131,889	63.8
Gross Profit		1,280,922	36.8		1,563,855	36.7		2,906,298	36.2
Selling and General Administrative Expenses		1,059,484	30.4		1,115,850	26.2		2,190,524	27.3
Operating Income		221,438	6.4		448,004	10.5		715,774	8.9
Non-Operating Income		46,973	1.3		33,175	0.8		81,292	1.0
Non-Operating Expenses		25,128	0.7		22,218	0.5		48,352	0.6
Ordinary Income		243,283	7.0		458,961	10.8		748,714	9.3
Extraordinary Gains		2,428	0.1					2,506	0.0
Extraordinary Losses		9,671	0.3		472	0.0		43,093	0.5
Net Income Before Tax		236,040	6.8		458,488	10.8		708,128	8.8
Income Taxes-Current	16,173			176,580			209,511		
Income Taxes-Deferred	80,528	96,702	2.8	4,575	172,005	4.1	43,572	253,084	3.1
Net Income		139,337	4.0		286,483	6.7		455,043	5.7
Retained Earnings at the Beginning of the Period		503,183						503,183	
Loss on Sale of Treasury Stock		824						824	
Unappropriated Profits		641,696						957,402	

(3) Non Consolidated Statement of Changes in Shareholders' Equity

Six months ended September 30, 2006 (From April 1, 2006 to September 30, 2006)

	Shareholders' Equity								
	Capital Stock	Capital Surplus		Earned Surplus			Treasury Stock	Total Shareholders' Equity	
		Capital Appropriation	Total Capital Surplus	Earned Surplus Reserve	Other Earned Surplus				Total Earned Surplus
					Contingent reserve	Earned Surplus carried Forward			
Balance as of March 31,2006 (Thousand Yen)	1,998,700	2,953,700	2,953,700	60,000	2,410,000	957,402	3,427,402	480,415	7,899,386
Changes during the period									
Contingent reserve					100,000	100,000			
Dividends of Retained Earnings						132,377	132,377		132,377
Director's Bonuses						26,000	26,000		26,000
Net Income						286,483	286,483		286,483
Purchase of Treasury Stock								340	340
Net Changes in Items other than Shareholders' Equity									
Total Changes during the period (Thousand Yen)					100,000	28,106	128,106	340	127,766
Balance as of September 30,2006 (Thousand Yen)	1,998,700	2,953,700	2,953,700	60,000	2,510,000	985,509	3,555,509	480,756	8,027,152

	Valuation and Translation Adjustments		Total Net Assets
	Revaluation of Other Investment Securities	Total Valuation and Translation Adjustments	
Balance as of March 31,2006 (Thousand Yen)	82,194	82,194	7,981,580
Changes during the period			
Contingent reserve			
Dividends of Retained Earnings			132,377
Director's Bonuses			26,000
Net Income			286,483
Purchase of Treasury Stock			340
Net Changes in Items other than Shareholders' Equity	5,484	5,484	5,484
Total Changes during the period (Thousand Yen)	5,484	5,484	122,281
Balance as of September 30,2006 (Thousand Yen)	76,709	76,709	8,103,862