

Financial Statement for the Three Months Ended June 30, 2010

August 13, 2010

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

Stock Code: 5381

Name and Title of Representative: Jun Watanabe, President

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Quarterly Report Filing Date (as planned): August 13, 2010

Stock Exchange: JQ

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

1. Summary of Consolidated Financial Results.

1. Financial Result for the Fiscal Year Ended June 30, 2010

(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	%
June 30, 2010	779	24.6	13		12		33	
June 30, 2009	625	39.4	246		250		260	

	Net Income or, Net loss () Per Share		Net Income or, Net loss () Per Share(diluted)	
			Yen	
June 30, 2010	3.	28		
June 30, 2009	25.	60		

(2) Consolidated Financial Position

	Total Assets	Total Net Assets	Shareholders' Equity Ratio	Total Net Assets Per Share
	Millions of Yen	Millions of Yen	%	Yen
June 30, 2010	5,731	3,796	66.0	371. 25
March 31, 2010	5,901	3,878	65.5	379. 61

(Note) Equity capital (Millions of Yen):

As of June 30, 2010 3,779

As of March 31, 2010 3,864

2. Dividends

	Dividends per share				
	First quarter end	Second quarter end	Third quarter end	Year end	Full year
Fiscal Year ended	Yen	Yen	Yen	Millions of Yen	%
March 31, 2010		0. 00		0.00	0.00
March 31, 2011					
March 31, 2011 (estimate)		0. 00		0.00	0.00

3. Financial forecasts for the Consolidated Fiscal Year Ending March 31, 2011

(%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	
	Millions of Yen	%	Millions of Yen	%	Millions of Yen	%	Millions of Yen	%	Yen	
September 31, 2010	1,641	19.2	57		48		45		4. 44	
March 31, 2011	3,408	13.1	130		103		94		9.24	

(Note)Revision of forecast for dividends in the Second quarter: None

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

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: Yes

(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: Yes
2. Others changes: None

(4)Shares outstanding

1. Numbers of shares outstanding (including treasury stock)

June 30, 2010	10,696,320	March 31,2010	10,696,320
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2. Numbers of treasury stock

June 30, 2010	515,028	March 31,2010	514,988
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3. Numbers of average shares outstanding (cumulative, consolidated at the end of the first quarter)

June 30, 2010	10,181,319	June 30, 2009	10,181,372
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Consolidated Financial Statement
(1) Consolidated Balance Sheet

(Thousands of yen)

	Q1 FY 2011 (As of June 30,2010)	FY 2010 (As of March 31,2010)
(Assets)		
Current Assets		
Cash and Cash Equivalents	792,949	712,482
Notes Receivable and Accounts Receivable	794,360	890,284
Merchandises and Finished Goods	226,899	257,696
Work in Progress	410,776	423,135
Raw Materials and Stored goods	117,024	113,838
Deferred Tax Assets	12,529	11,623
Others	117,820	124,006
Allowance for Bud Debt	21,249	16,697
Total Current Assets	2,451,112	2,516,370
Fixed Assets		
Tangible Fixed Assets		
Buildings and Structures	5,513,235	5,523,116
Equipment and Vehicles	1,494,994	1,528,681
Land	1,054,163	1,054,163
Others	315,293	316,523
Accumulated Depreciation	5,256,055	5,226,019
Total Tangible Fixed Assets	3,121,632	3,196,465
Intangible Fixed Assets		
Others	70,330	84,224
Total Intangible Fixed Assets	70,330	84,224
Investments and Other Assets		
Investment Securities	33,336	42,084
Deferred Tax Assets	185	203
Others	61,157	68,340
Allowance for Doubtful Debts	6,644	6,644
Total Investments and Other Assets	88,034	103,983
Total Fixed Assets	3,279,997	3,384,673
Total Assets	5,731,109	5,901,043

Consolidated Financial Statement
(1) Consolidated Balance Sheet

	(Thousands of yen)	
	Q1 FY 2011	FY 2010
	(As of June 30,2010)	(As of March 31,2010)
(Liabilities)		
Current Liabilities		
Notes Receivable and Accounts Receivable	177,877	192,127
Short-term Borrowings	858,000	858,000
Current Position of Long-term Borrowings	310,582	320,092
Accrued Income Taxes and Other Taxes	37,059	26,578
Reserve for Employees' Bonuses	21,182	3,203
Others	108,439	122,079
Total Current Liabilities	1,513,140	1,522,080
Fixed Liabilities		
Long-term Borrowings	284,721	357,819
Reserve for Employees' Retirement Benefits	104,947	100,373
Deferred Tax Liabilities	14,805	21,138
Others	17,126	21,593
Total Fixed Liabilities	421,600	500,924
Total Liabilities	1,934,741	2,023,005
(Net Assets)		
Shareholders' Equity		
Capital Stock	1,998,700	1,998,700
Capital Surplus	2,953,700	2,953,700
Earned Surplus	660,825	627,451
Treasury Stock	481,314	481,309
Total Shareholders' Equity	3,810,260	3,843,639
Valuation and Foreign Currency Translation		
Revaluation of Other Investment Securities	11,173	16,361
Foreign Currency Translation Adjustments	41,586	4,936
Total Valuation and Foreign Currency Translation	30,412	21,298
New Stock Reservation Rights	16,520	13,100
Total Net Assets	3,796,368	3,878,038
Total Liabilities and Net Assets	5,731,109	5,901,043

(2) Consolidated Statement of Income
 FY 2011 (From April 1,2010 To June 30,2010)

(Thousands of yen)

	FY 2010 (From April 1,2009 To June 30,2009)	FY 2011 (From April 1,2010 To June 30,2010)
Net Sales	625,510	779,383
Cost of Sales	433,445	438,345
Gross Profit	192,064	341,038
Selling and General Administrative Expenses	438,306	327,524
Operating Income or Losses ()	246,242	13,513
Non-Operating Income		
Interest Income	404	165
Dividend Income	1,398	324
Rent Income	4,764	4,173
Subsidy Income	4,591	-
Others	2,685	2,924
Total Non-Operating Income	13,844	7,587
Non-Operating Expenses		
Interest Expenses	10,927	9,223
Foreign Currency Exchange Losses	4,833	22,528
Others	2,417	1,794
Total Non-Operating Expense	18,178	33,546
Ordinary Income or Losses ()	250,576	12,445
Extraordinary Losses		
Loss on Disposal of Fixed Assets	-	176
Loss on liquidation of business	1,882	-
Impairment Loss	-	9,337
Loss on Valuation of Membership	-	5,584
Others	375	942
Total Extraordinary Losses	2,257	16,041
Net Income or Losses Before Tax ()	252,834	28,486
Income Taxes-Current	8,519	8,580
Deferred Income Taxes	744	3,693
Total Income Taxes	7,775	4,887
Net Income or Losses Before Minority interest adjustment	-	33,373
Net Income or Losses ()	260,609	33,373

(3) Consolidated Statement of Cash Flows
 FY 2011 (From April 1, 2010 To June 30, 2010)

	(Thousands of yen)	
	FY 2010 (From April 1, 2009 To June 30, 2009)	FY 2011 (From April 1, 2010 To June 30, 2010)
Cash Flow from Operating Activities		
Net Income or Losses Before Taxes	252,834	28,486
Depreciation Expenses	94,720	72,776
Impairment Loss	-	9,337
Increase/Decrease in Allowance for Employees' Bonuses (Decrease ())	9,338	17,979
Increase/Decrease in Allowance for Employees' Retirement Benefits (Decrease ())	1,211	4,573
Interest and Dividends Income	1,802	489
Interest Expenses	10,927	9,223
Increase/Decrease in Accounts Receivable (Increase ())	144,138	95,924
Increase/Decrease in Inventories (Increase ())	69,870	39,969
Increase/Decrease in accounts payable (Decrease ())	13,552	14,250
Loss on Disposal of Fixed Assets	-	176
Other	13,784	8,572
Sub Total	240,043	215,306
Interest and Dividends Received	2,541	790
Interest Paid	14,926	8,970
Income Taxes Paid	5,457	12,202
Special Retirement Expenses Paid	143,216	-
Net Cash Provided by Operating Activities	401,102	194,924
Cash Flows from Investing Activities		
Proceeds from Time Deposits Refunds	200,000	-
Payments for Time Deposits	300	300
Payments for Tangible Fixed Assets	21,073	6,808
Other	1,747	3,617
Net Cash Provided by Investing Activities	180,373	10,725
Cash Flows from Financing Activities		
Increase/Decrease in Short-term Borrowings (Decrease ())	700,000	-
Repayments of Long-term Loans	110,108	82,608
Payments for Lease Obligation	-	624
Net Cash Provided by Financing Activities	810,108	83,232
Effect of Exchange Rate Changes on Cash and Equivalents	6,103	23,361
Increase/Decrease in Cash and Cash Equivalents (Decrease ())	1,036,939	77,604
Cash and Cash Equivalents at Beginning of Year	2,437,831	562,212
Cash and Cash Equivalents at Mid year Ending (Year Ending)	1,400,891	639,816