

Financial Statement for the Three Months Ended June 30, 2008

August 12, 2008

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 14, 2008

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, 2008

(1) Consolidated Operating Result

Amounts to nearest Million yen

	Net Sales		Operating Income		Ordinary Income		Net Income or, Net loss()	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
June 30, 2008	1,032	—	179	—	161	—	177	—
June 30, 2007	1,511	37.3	133	—	99	—	58	—

	Net Income or, Net loss () Per Share		Net Income or, Net loss () Per Share(diluted)	
	Yen		Yen	
June 30, 2008	11.	57	—	—
June 30, 2007	5.	74	—	—

(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, 2008	11,626	—	6,842	—	58.8		671. 43	
March 31, 2007	11,714	—	6,713	—	57.3		658. 75	

(Note) Equity capital (Millions of Yen):

As of June 30, 2008 6,836

As of March 31, 2007 6,707

2. Dividends

	Dividends per share				
	First quarter end	Second quarter end	Third quarter end	Year end	Full year
Fiscal Year ended	Yen		Yen		Millions of Yen
March 31, 2007	—	0. 00	—	5.00	5.00
March 31, 2008	—	—	—	—	—
March 31, 2009 (estimate)	—	0. 00	—	5.00	5.00

3. Financial forecasts for the Consolidated Fiscal Year Ending March 31, 2009

(%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	
June 30, 2008	2,109	32.0	500	—	482	—	218	—	21. 50	
March 31, 2009	5,439	10.6	441	—	436	—	192	—	18. 90	

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

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

(1)Some corrections have been made to the documentation for the fiscal year concerning the Consolidated Financial Forecast announced on August 1, 2008.

(2) 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.

(3) The Company has adopted "Accounting Standard for Quarterly Financial Reporting" (ASBJ Statement No. 12) and "Implementation Guidance on Accounting Standard for Quarterly Financial Reporting" (ASBJ Guidance No. 14) issued by Accounting Standards Board of Japan (ASBJ), effective from the fiscal year ending April 30, 2009. The Company has also developed consolidated financial statements for each quarter by following "Rules for Quarterly Consolidated Financial Statements."

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, 2008	10,696,320	March 31,2007	10,696,320
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2. Numbers of treasury stock

June 30, 2008	514,708	March 31,2007	514,628
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3. Numbers of average shares outstanding (cumulative, consolidated at the end of the first quarter)

June 30, 2008	10,181,638	June 30, 2007	10,181,868
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5. Consolidated Financial Statement for the First Quarter

(1) Quarterly Consolidated Balance Sheet

(Thousands of yen)

	Q1 FY 2009 (As of June 30,2008)	FY 2008 (As of March 31,2008)
(Assets)		
Current Assets		
Cash and Cash Equivalents	3,553,002	2,908,705
Notes Receivable and Accounts Receivable	1,514,041	1,833,413
Merchandises	55,979	35,966
Finished Goods	177,699	204,809
Raw Materials	254,603	243,981
Work in Progress	689,729	716,683
stored goods	35,518	33,859
accrued revenue	86,728	302,720
Deferred Tax Assets	16,236	13,048
Others	92,386	75,402
Allowance for bud debt	6,977	6,277
Total Current Assets	6,468,948	6,362,313
Fixed Assets		
Tangible Fixed Assets		
Buildings and Structures	5,722,028	5,626,272
Equipment and Vehicles ⁰	1,522,736	1,534,635
Construction in Progress	105,959	171,994
Others	421,367	413,783
Accumulated Depreciation	4,551,235	4,459,277
Land	1,454,819	1,454,819
Total Tangible Fixed Assets	4,675,675	4,742,228
Intangible Fixed Assets		
Others	167,482	175,668
Total Intangible Fixed Assets	167,482	175,668
Investments and Other Assets		
Investment Securities	124,705	106,528
Deferred Tax Assets	5,143	1,022
Insurance reserve	130,470	130,470
Others	65,956	208,196
Allowance for Doubtful Debts	12,078	11,777
Total Investments and Other Assets	314,198	434,441
Total Fixed Assets	5,352,337	5,352,337
Total Assets	11,626,306	11,714,650

(Thousands of yen)

	Q1 FY 2009 (As of June 30,2008)	FY 2008 (As of March 31,2008)
(Liabilities)		
Current Liabilities		
Notes Receivable and Accounts Receivable	366,418	548,548
Short-term Borrowings	2,696,791	2,705,122
Lease Obligation	27,924	25,104
Accrued Income Taxes and Other Taxes	25,017	13,376
Reserve for Employees' Bonuses	148,098	107,000
Others	477,962	220,648
Total Current Liabilities	3,742,212	3,619,798
Fixed Liabilities		
Long-term Borrowings	654,068	738,676
Lease Obligation	113,046	110,744
Reserve for Employees' Retirement Benefits	226,868	223,146
Deferred Tax Liabilities	36,879	30,256
Others	10,349	278,074
Total Fixed Liabilities	1,041,211	1,380,897
Total Liabilities	4,783,424	5,000,696
(Net Assets)		
Shareholders' Equity		
Capital Stock	1,998,700	1,998,700
Capital Surplus	2,953,700	2,953,700
Earned Surplus	2,201,868	2,134,984
Treasury Stock	481,276	481,255
Total Shareholders' Equity	6,672,992	6,606,129
Valuation and Foreign Currency Translation		
Revaluation of Other Investment Securities	41,570	30,791
Foreign Currency Translation Adjustments	121,678	70,279
Total Valuation and Foreign Currency Translation	163,249	101,071
New Stock Reservation Rights	6,640	6,754
Total Net Assets	6,842,882	6,713,954
Total Liabilities and Net Assets	11,626,306	11,714,650

(2) Quarterly Consolidated Statement of Income
Q1 FY 2009 (From April 1,2008 To June 30,2008)

(Thousands of yen)

	Q1 FY 2009 (From April 1,2008 To June 30,2008)
Net Sales	1,032,033
Cost of Sales	707,471
Gross Profit	324,561
Selling and General Administrative Expenses	504,212
Operating Income or Losses ()	179,650
Non-Operating Income	
Interest Income	1,864
Rent Income	4,015
Foreign Currency Exchange Gain	21,145
Others	5,259
Total Non-Operating Income	32,285
Non-Operating Expenses	
Interest Expenses	13,823
Others	285
Total Non-Operating Expense	14,109
Ordinary Income or Losses ()	161,471
Extraordinary Gains	
Gain on Sale of Investment Securities	300,000
Other	114
Total Extraordinary Gains	300,114
Extraordinary Losses	
Loss on Disposal of Fixed Assets	1,213
Others	275
Total Extraordinary Losses	1,488
Net Income or Losses Before Tax ()	137,150
Income Taxes-Current	23,225
Income Taxes-Deferred	3,867
Total Income Taxes	19,358
Net Income or Losses ()	117,792