

Financial Statement for the Six Months Ended September 30, 2008

November 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): November 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 September 30, 2008

(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	%
September 30, 2008	1,994	—	△456	—	△449	—	△205	—
September 30, 2007	3,101	—	△335	—	△364	—	△165	—

	Net Income Per Share		Net Income Per Share(diluted)	
	Yen		Yen	
September 30, 2008	△20.	21	—	—
September 30, 2007	△16.	27	—	—

(2) Consolidated Financial Position

	Total Assets	Total Net Assets	Shareholders' Equity Ratio	Total Net Assets Per Share
	Millions of yen	Millions of yen	%	Yen
September 30, 2008	10,647	6,446	60.5	632.61
March 31, 2008	11,714	6,713	57.3	658.75

(Note) Equity capital (Millions of Yen): As of September 30, 2008 6,440 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, 2008	—	—	—	5.00	5.00
March 31, 2009	—	—	—	—	—
March 31, 2009 (estimate)	—	—	—	5.00	5.00

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

(%changes as compared with 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
March 31, 2009	5,439	△10.6	△441	—	△436	—	△192	—	△18.90

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

(Note)The above-mentioned performance forecast is the forecast indicated on August 1. and a present performance forecast is being examined closely now.

About consolidated achievement, the uncertainty of the magnetic disk business and the semiconductor business that had a big influence on the achievement of our group extended for recently financial turmoil and stock down, and our estimated sale became difficult.

Therefore, the industry, the customer situation, and our group estimated sale are examined closely, and we will indicate it properly as soon as it is possible to confirm it.

※ other special remarks

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. Othe changes: None

(4)Shares outstanding

1. Numbers of shares outstanding (including treasury stock)

September 30,2008	10,696,320	March 31,2008	10,696,320
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2. Numbers of treasury stock

September 30,2008	514,748	March 31,2008	514,628
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3. Numbers of average shares outstanding (cumulative, consolidated at the end of the first quarter)

September 30, 2008	10,181,619	September 30, 2007	10,181,868
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5. Consolidated Financial Statement for the Second Quarter
 (1) Quarterly Consolidated Balance Sheet

(Thousands of yen)

	Q2 FY 2009 (As of September 30,2008)	FY 2008 (As of March 31,2008)
(Assets)		
Current Assets		
Cash and Cash Equivalents	3,383,605	2,908,705
Notes Receivable and Accounts Receivable	1,196,371	1,833,413
Merchandises	28,950	35,966
Finished Goods	215,154	204,809
Raw Materials	193,209	243,981
Work in Progress	679,208	716,683
stored goods	27,287	33,859
accrued revenue	149,561	302,720
Deferred Tax Assets	15,284	13,048
Others	68,897	75,402
Allowance for bud debt	△4,264	△6,277
Total Current Assets	5,953,268	6,362,313
Fixed Assets		
Tangible Fixed Assets		
Buildings and Structures	5,761,249	5,626,272
Equipment and Vehicles ⁰	1,471,609	1,534,635
Construction in Progress	15,603	171,994
Others	462,667	413,783
Accumulated Depreciation	△4,552,375	△4,459,277
Land	1,223,843	1,454,819
Total Tangible Fixed Assets	4,382,597	4,742,228
Intangible Fixed Assets		
Others	154,758	175,668
Total Intangible Fixed Assets	154,758	175,668
Investments and Other Assets		
Investment Securities	113,455	106,528
Deferred Tax Assets	3,883	1,022
Insurance reserve	0	130,470
Others	54,240	208,196
Allowance for Doubtful Debts	△14,660	△11,777
Total Investments and Other Assets	156,918	434,441
Total Fixed Assets	4,694,274	5,352,337
Total Assets	10,647,543	11,714,650

(Thousands of yen)

	Q2 FY 2009 (As of September 30,2008)	FY 2008 (As of March 31,2008)
(Liabilities)		
Current Liabilities		
Notes Receivable and Accounts Receivable	328,838	548,548
Short-term Borrowings	2,440,432	2,705,122
Lease Obligation	28,046	25,104
Accrued Income Taxes and Other Taxes	24,263	13,376
Reserve for Employees' Bonuses	73,684	107,000
Deferred Tax Liabilities	2,784	0
Others	173,815	220,648
Total Current Liabilities	3,071,864	3,619,798
Fixed Liabilities		
Long-term Borrowings	758,960	738,676
Lease Obligation	103,566	110,744
Reserve for Employees' Retirement Benefits	226,870	223,146
Deferred Tax Liabilities	23,438	30,256
Others	16,072	278,074
Total Fixed Liabilities	1,128,907	1,380,897
Total Liabilities	4,200,772	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	1,864,468	2,134,984
Treasury Stock	△481,282	△481,255
Total Shareholders' Equity	6,335,585	6,606,129
Valuation and Foreign Currency Translation		
Revaluation of Other Investment Securities	34,899	30,791
Foreign Currency Translation Adjustments	70,499	70,279
Total Valuation and Foreign Currency Translation	105,399	101,071
New Stock Reservation Righ	5,785	6,754
Total Net Assets	6,446,770	6,713,954
Total Liabilities and Net Assets	11,647,543	11,714,650

(2) Quarterly Consolidated Statement of Income
Q2 FY 2009 (From April 1,2008 To September 30,2008)

(Thousands of yen)

	Q2 FY 2009 (From April 1,2008To September 30,2008)
Net Sales	1,994,195
Cost of Sales	1,367,830
Gross Profit	626,364
Selling and General Administrative Expenses	1,083,250
Operating Income or Losses (△)	△456,885
Non-Operating Income	
Interest Income	5,128
Rent Income	6,635
Foreign Currency Exchange Gain	13,426
Others	14,419
Total Non-Operating Income	39,610
Non-Operating Expenses	
Interest Expenses	28,670
Others	3,186
Total Non-Operating Expense	31,857
Ordinary Income or Losses (△)	△449,132
Extraordinary Gains	
Gain from sale of fixed assets	3,629
Gain on Sale of Investment Securities	300,000
Others	969
Total Extraordinary Gains	304,598
Extraordinary Losses	
Loss on Disposal of Fixed Assets	11,914
Others	1,300
Total Extraordinary Losses	13,214
Net Income or Losses Before Tax (△)	△157,748
Income Taxes-Current	49,452
Income Taxes-Deferred	△1,418
Total Income Taxes	48,033
Net Income or Losses (△)	△205,782