



**Consolidated Financial Statements
for the Three Months Ended June 30, 2004**



July 26, 2004

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
Change in the use of the Equity method Yes or No

2. Financial Result for the Three months Ended June 30, 2004

(1) 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 30,2004	2,353	()	305	()	321	()
June 30, 2003	()	()	()	()	()	()
(Reference)						
Year Ended March 31, 2004	7,197		850		772	

	Net Income		Net Income Per Share	Diluted Net Income Per Share
	Millions of yen	%	Yen	Yen
Three months Ended				
June 30,2004	212	()	40.92	40.88
June 30, 2003	()	()		
(Reference)				
Year Ended March 31, 2004	457		83.21	83.11

(2) Financial Position

	Total Assets	Shareholders' Equity	Shareholders' Equity Total Assets	Shareholders' Equity Per Share
	Millions of Yen	Millions of Yen	%	Yen
Fiscal Year ended				
June 30,2004	12,581	7,371	58.6	1,416.17
June 30,2004				
(Reference)				
Year Ended March 31, 2004	12,105	7,212	59.6	1,386.02

3. Forecasts of Non-consolidated financial result for the fiscal year ended March 30, 2005

(1). Revision of forecast of financial result for the six months ended September 30, 2004 (Millions of Yen)

	Net Sales	Ordinary Income	Net Income
Present Forecast (A)	4,458	516	278
Previous Forecast (B)	4,119	454	243
Increase and Decrease (A-B)	339	62	35
Rate of Change	8.2%	13.6%	14.4%

(2). Revision of forecast of financial result for the fiscal year ended March 31, 2005 (Millions of Yen)

	Net Sales	Ordinary Income	Net Income
Present Forecast (A)	9,727	1,138	612
Previous Forecast (B)	8,740	976	531
Increase and Decrease (A-B)	987	171	81
Rate of Change	11.2%	17.6%	15.2%

(Reference) Expected net income per share: 117.59 yen

As forecasts are based on the available information as of the day of publication of this report, so that the actual result can be different from these figures due to the various factors afterwards.

Financial Statement for the three months ended June 30, 2004

(1) Summary of Consolidated Balance Sheet

Item	Period	As of July 30, 2004		As of March 31, 2004	
		Amount	Composition	Amount	Composition
(Assets)			%		%
I Current Assets					
1 Cash and Cash Equivalents		2,454,013		2,821,716	
2 Notes Receivable, Trade		2,565,654		2,052,846	
3 Inventories		1,066,362		933,521	
4 Deferred Tax		133,957		131,951	
5 Others		290,005		39,353	
Doubtful Notes and Accounts		5,785		5,539	
Total Current Assets		6,504,209	51.7	5,973,849	49.3
II Fixed Assets					
1 Tangible Fixed Assets					
(1) Buildings and Structures		5,177,231		5,173,035	
(2) Equipment and Vehicles		1,279,820		1,272,136	
(3) Others		351,609		345,744	
Total Depreciation		3,178,530		3,071,811	
(4) Land		1,451,203		1,451,203	
Total Tangible Fixed Assets		5,081,333	40.4	5,170,307	42.7
2 Intangible Fixed Assets					
(1) Others		32,673		22,632	
Total intangible Fixed Assets		32,673	0.3	22,632	0.2
3 Investments and Other Assets					
(1) Investment Securities		443,255		435,978	
(2) Deferred Tax		248,581		227,765	
(3) Others		292,181		295,560	
Allowance for Doubtful Debts		20,742		20,392	
Total Investments and Other Assets		963,276	7.6	938,911	7.8
Total Fixed Assets		6,077,283	48.3	6,131,851	50.7
Total Assets		12,581,493	100.0	12,105,701	100.0

	As of June 30, 2004		As of March 31, 2004	
	Amount	Composition	Amount	Composition
(Liabilities)		%		%
I Current Liabilities				
1 Notes Receivable, Trade	1,046,889		830,230	
2 Short-term Borrowings	1,350,000		1,350,000	
3 Current Portion of Long Term Borrowings	538,492		569,992	
4 Accrued Income Taxes and Other Taxes	134,000		114,000	
5 Reserve for Employees' Bonuses	135,006		90,000	
6 Others	570,530		381,609	
Total Current Liabilities	3,774,918	30.0	3,335,832	27.5
II Fixed Liabilities				
1 Long-term Borrowings	968,998		1,097,996	
2 Reserve for Employees' Retirement Benefits	150,512		144,525	
3 Reserve for Directors' Retirement Benefits	315,217		315,217	
Total Fixed Liabilities	1,434,728	11.4	1,557,739	12.9
Total Liabilities	5,209,646	41.4	4,893,571	40.4
(Minority Interests)				
Minority Interests				
(Shareholders' Equity)				
I Capital Stock	1,998,700	15.9	1,998,700	16.5
II Capital Surplus	2,953,700	23.5	2,953,700	24.4
III Earned Surplus	2,565,274	20.4	2,450,285	20.2
IV Revaluation of Investment Securities	46,274	0.3	41,958	0.4
V Foreign Currency Translation Adjustments	35,848	0.3	20,881	0.2
VI Treasury Stock	227,950	1.8	253,396	2.1
Total Shareholders' Equity	7,371,846	58.6	7,212,129	59.6
Total Liabilities and Shareholders' Equity	12,581,493	100.0	12,105,701	100.0

(2) Summary of Consolidated Statement of Income

Item	Period	Three months ended June 30, 2004 (From April 1, 2004 to June 30, 2004)		Consolidated Statement of Income for Previous Fiscal Year (From April 1, 2003 to March 31, 2004)	
		Amount	%	Amount	%
			%		%
I Net Sales		2,353,610	100.0	7,197,913	100.0
II Cost of Sales		1,563,124	66.4	4,398,880	61.1
Gross Profit		790,486	33.6	2,799,033	38.9
III Selling and General Administrative Expenses		485,323	20.6	1,948,748	27.1
Operating Income		305,162	13.0	850,284	11.8
IV Non-Operating Income		27,678	1.2	45,281	0.6
1 Interest Income		684		1,769	
2 Dividends Income		7,001		1,051	
3 Rent Income		2,556		22,137	
4 Foreign Currency Translation Adjustment		13,961			
5 Gain on Revaluation of Investment Securities		-		5,925	
6 Others		3,474		14,399	
V Non-Operating Expenses		11,376	0.5	123,405	1.7
1 Interest Expenses		10,981		45,015	
2 Foreign Exchange Loss				75,067	
3 Others		394		3,322	
Ordinary Income		321,464	13.7	772,160	10.7
VI Extraordinary Gains		412	0.0	17,725	0.3
1 Gain on Doubtful Debts		190		14,276	
2 Gain on Sale of Fixed Assets		222		2,199	
3 Gain on Director's Retirement Benefits				1,250	
VII Extraordinary Losses		447	0.0	171,682	2.4
1 Loss on Sale of Fixed Assets				1,209	
2 Loss on Disposal of Fixed Assets		97		27,990	
3 Loss on Revaluation of Investment Securities				2,128	
4 Loss on Allowance for Doubtful Debts		350		1,118	
5 Loss on Disposal of Obsolete Inventories				139,234	
Net Income before Tax		321,429	13.7	618,203	8.6
Income Taxes-Current		133,368	5.7	115,042	1.6
Refunded Corporate Tax				21,521	0.3
Income Taxes-Deferred		24,764	1.0	67,384	0.9
Net Income		212,824	9.0	457,298	6.4