



**Consolidated Financial Statements  
for the Nine Months Ended December 31, 2004**



January 26, 2005

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 Nine months Ended December 31, 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	%
Nine months Ended						
December 31, 2004	8,236	( )	909	( )	959	( )
December 31, 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
Nine months Ended				
December 31, 2004	570	( )	54.95	54.82
December 31, 2003	( )	( )		
(Reference)				
Year Ended March 31, 2004	457		83.21	83.12

We have been disclosing quarterly financial information since first quarter of this financial year. We haven't disclose previous quarterly operating result and percentage change from previous quarter.

We have done 2-for-1 stock split on November 22, 2004. Net Income Per Share and Diluted Net Income Per Share are calculated by using of shares that is the amount adjusted to reflect stock splits assuming that stock split has done at the beginning of this fiscal period.

(2) Financial Position

	Total Assets	Shareholders' Equity	Shareholders' Equity Total Assets	Shareholders' Equity Per Share
	Millions of Yen	Millions of Yen	%	Yen
As of				
December 31, 2004	13,330	7,577	56.8	733.53
December 31, 2003				
(Reference)				
Year Ended March 31, 2004	12,105	7,212	59.6	1,386.03

We have done 2-for-1 stock split on November 22, 2004. Shareholders' Equity Per Share is calculated by using of shares that is the amount adjusted to reflect stock splits assuming that stock split has done at the beginning of this fiscal period.

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

(1). 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)	10,700	1,160	670
Previous Forecast (B)	10,150	1,130	650
Increase and Decrease (A-B)	550	30	20
Rate of Change	5.4%	2.7%	3.1%

(Reference) Expected net income per share: 64.86 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 nine months ended December 31, 2004

(1) Summary of Consolidated Balance Sheet

Item	Period	As of December 31, 2004		As of March 31, 2004	
		Amount	Composition	Amount	Composition
(Assets)			%		%
I Current Assets					
1 Cash and Cash Equivalents		2,274,438		2,821,716	
2 Notes Receivable		3,693,842		2,052,846	
3 Inventories		1,077,020		933,521	
4 Deferred Tax Assets		142,563		131,951	
5 Others		163,571		39,353	
Doubtful Notes and Accounts		6,808		5,539	
Total Current Assets		7,344,627	55.1	5,973,849	49.3
II Fixed Assets					
1 Tangible Fixed Assets					
(1) Buildings and Structures		5,103,451		5,173,035	
(2) Equipment and Vehicles		1,263,070		1,272,136	
(3) Others		421,819		345,744	
Total Depreciation		3,244,585		3,071,811	
(4) Land		1,451,203		1,451,203	
Total Tangible Fixed Assets		4,994,958	37.5	5,170,307	42.7
2 Intangible Fixed Assets					
(1) Others		30,045		22,632	
Total intangible Fixed Assets		30,045	0.2	22,632	0.2
3 Investments and Other Assets					
(1) Investment Securities		441,004		435,978	
(2) Deferred Tax Assets		237,236		227,765	
(3) Others		304,200		295,560	
Allowance for Doubtful Debts		21,506		20,392	
Total Investments and Other Assets		960,934	7.2	938,911	7.8
Total Fixed Assets		5,985,939	44.9	6,131,851	50.7
Total Assets		13,330,567	100.0	12,105,701	100.0

	As of December 31, 2004		As of March 31, 2004	
	Amount	Composition	Amount	Composition
(Liabilities)		%		%
I Current Liabilities				
1 Notes Receivable	1,371,050		830,230	
2 Short-term Borrowings	1,550,000		1,350,000	
3 Current Portion of Long Term Borrowings	559,712		569,992	
4 Accrued Income Taxes and Other Taxes	325,567		114,000	
5 Reserve for Employees' Bonuses	146,261		90,000	
6 Others	439,558		381,609	
Total Current Liabilities	4,392,149	33.0	3,335,832	27.5
II Fixed Liabilities				
1 Long-term Borrowings	884,049		1,097,996	
2 Reserve for Employees' Retirement Benefits	161,803		144,525	
3 Reserve for Directors' Retirement Benefits	315,217		315,217	
Total Fixed Liabilities	1,361,070	10.2	1,557,739	12.9
Total Liabilities	5,753,219	43.2	4,893,571	40.4
(Minority Interests)				
Minority Interests				
(Shareholders' Equity)				
I Capital Stock	1,998,700	15.0	1,998,700	16.5
II Capital Surplus	2,953,700	22.2	2,953,700	24.4
III Earned Surplus	2,908,566	21.8	2,450,285	20.2
IV Revaluation of Investment Securities	44,939	0.3	41,958	0.4
V Foreign Currency Translation Adjustments	4,003	0.0	20,881	0.2
VI Treasury Stock	332,562	2.5	253,396	2.1
Total Shareholders' Equity	7,577,347	56.8	7,212,129	59.6
Total Liabilities and Shareholders' Equity	13,330,567	100.0	12,105,701	100.0

## (2) Summary of Consolidated Statement of Income

Item	Period	Nine months ended December 30, 2004 (From April 1, 2004 to December 31, 2004)		Consolidated Statement of Income for Previous Fiscal Year ( From April 1, 2003 to March 31, 2004 )	
		Amount	%	Amount	%
I	Net Sales	8,236,529	100.0	7,197,913	100.0
II	Cost of Sales	5,642,503	68.5	4,398,880	61.1
	Gross Profit	2,594,025	31.5	2,799,033	38.9
III	Selling and General Administrative Expenses	1,685,002	20.5	1,948,748	27.1
	Operating Income	909,023	11.0	850,284	11.8
IV	Non-Operating Income	84,888	1.0	45,281	0.6
1	Interest Income	1,823		1,769	
2	Rent Income	8,047		22,137	
3	Gain on Revaluation of Investment Securities	-		5,925	
4	Foreign Currency Exchange Gain	10,917		-	
5	Others	64,100		15,450	
V	Non-Operating Expenses	34,598	0.4	123,405	1.7
1	Interest Expenses	32,712		45,015	
2	Foreign Currency Exchange Loss			75,067	
3	Others	1,885		3,322	
	Ordinary Income	959,313	11.6	772,160	10.7
VI	Extraordinary Gains	1,702	0.0	17,725	0.3
1	Gain on Doubtful Debts			14,276	
2	Gain on Sale of Fixed Assets	1,702		2,199	
3	Gain on Director's Retirement Benefits			1,250	
VII	Extraordinary Losses	53,925	0.6	171,682	2.4
1	Loss on Sale of Fixed Assets			1,209	
2	Loss on Disposal of Fixed Assets	41,449		27,990	
3	Loss on Revaluation of Investment Securities			2,128	
4	Loss on Allowance for Doubtful Debts	1,113		1,118	
5	Loss on Disposal of Obsolete Inventories	11,363		139,234	
	Net Income before Tax	907,090	11.0	618,203	8.6
	Income Taxes-Current	386,222	4.7	115,042	1.6
	Refunded Corporate Tax		0.0	21,521	0.3
	Income Taxes-Deferred	49,722	0.6	67,384	0.9
	Net Income	570,590	6.9	457,298	6.4