

Non-Consolidated Financial Statement for the Six Months Ended September 30, 2003

November 20, 2003

Trade Name: **Nihon Micro Coating Co., Ltd.**
 Stock Code: 5381 (URL <http://www.mipox.co.jp>)
 Name and Title of Representative: Nobuyoshi Watanabe, President
 Contact: Tokio Tonami, Executive Managing Director Tel: (042)543-4711
 Interim Board of Directors Meeting: November 20, 2003
 Date of Interim Dividend Payment: Not started

Stock Exchange: JQ

1. Summary of Non-Consolidated Interim Financial Result

1. Financial Result for the Six Months Ended September 30, 2003

(1) Operating Result

Amounts to nearest Million Yen

	Net Sales		Operating Income		Ordinary Income	
	Millions of Yen	%	Millions of Yen	%	Millions of Yen	%
Six months ended						
September 30, 2003	3,046	(40.8)	378	(710.7)	336	()
September 30, 2002	2,163	(7.4)	46	(71.5)	7	()
Year ended March 31, 2003	4,448		38		111	

	Net Income		Net Income Per Share	
	Millions of Yen	%	Yen	
Six months ended				
September 30, 2003	131	()	24	75
September 30, 2002	14	()	2	72
Year ended March 31, 2003	125		23	53

(Note) 1. Average number of shares outstanding

During the six months ended September 30, 2003	5,298,927 shares
During the six months ended September 30, 2002	5,337,564 shares
During the year ended March 31, 2003	5,323,834 shares

2. Change in Accounting methods: None

3. Percentages for net sales, operating income, ordinary income and net income indicate change from previous year

(2) Dividends

	Dividend Per share for Year (Interim)	Dividend Per share for Year (Year-End)
Six months ended	Yen	Yen
September 30, 2003	0 . 00	
September 30, 2002	0 . 00	
Year ended March 31, 2003		15 . 00

(3) Financial Position

	Total Assets	Shareholders' Equity	Shareholders' Equity to Total Asset	Shareholders' Equity Per Share
Six months ended	Millions of Yen	Millions of Yen	%	Yen
September 30, 2003	12,115	7,404	61.1	1,402 73
September 30, 2002	12,508	7,507	60.0	1,406 75
Year ended March 31, 2003	12,135	7,368	60.7	1,389 37

(Note) 1. Number of shares outstanding

As of September 30, 2003	5,278,371 shares
As of September 30, 2002	5,336,631 shares
As of March 31, 2003	5,303,691 shares

2. Number of Treasury Stock

As of September 30, 2003	69,789 shares
As of September 30, 2002	11,529 shares
As of March 31, 2003	44,469 shares

2. Financial Forecasts for the Fiscal Year Ending March 31, 2004

	Net Sales	Ordinary Income	Net Income	Dividend Per Share for Year	
				Year-End	
Year ending	Millions of Yen	Millions of Yen	Millions of Yen	Yen	Yen
March 31, 2004	6,100	620	260	15 00	15 00

(Reference) Expected net income per share: 49.07 Yen

*Above estimates were based on the available information as of the day of publication of this report, so that actual results may be different from these figures due to the various factors afterwards. Please refer to page 9 of the attached documents regarding forecasts.

Financial Statement for the Six Months ended September 30, 2003

(1) Non-Consolidated Balance Sheet

(Unit: Thousand Yen)

Item	Period		Six months ended September 30, 2002 (From April 1, 2002 to September 30, 2002)		Six months ended September 30, 2003 (From April 1, 2003 to September 30, 2003)		Summary of Non-Consolidated Balance Sheet for Previous Fiscal Year (From April 1, 2002 to March 31, 2003)	
	Amount	%	Amount	%	Amount	%		
(Assets)		%		%		%		
Current Assets								
1 Cash and Cash Equivalents	3,473,267		2,362,504		2,469,412			
2 Notes Receivable	235,209		76,068		392,548			
3 Accounts Receivable, Trade	1,173,323		1,627,477		1,201,186			
4 Inventories	589,225		720,784		702,705			
5 Others	323,696		238,607		428,193			
6 Doubtful Notes and Accounts	1,310		1,420		1,440			
Total Current Assets	5,793,411	46.3	5,024,022	41.5	5,192,608	42.8		
Fixed Assets								
1 Tangible Fixed Assets								
(1) Buildings	3,253,479		3,114,502		3,187,773			
(2) Land	1,279,083		1,450,103		1,279,933			
(3) Others	621,886		597,845		612,413			
Total Tangible Fixed Assets	5,154,449	41.2	5,162,451	42.6	5,080,120	41.9		
2 Intangible Fixed Assets								
(1) Others	34,385		26,524		30,455			
Total Intangible Fixed Assets	34,385	0.3	26,524	0.2	30,455	0.2		
3 Investments and Other Assets								
(1) Investment in Affiliated Company	794,246		864,239		840,649			
(2) Others	747,711		1,059,129		1,011,349			
(3) Allowance for Doubtful Debts	15,393		20,953		19,373			
Total Investments and Other Assets	1,526,564	12.2	1,902,415	15.7	1,832,625	15.1		
Total Fixed Assets	6,715,399	53.7	7,091,392	58.5	6,943,201	57.2		
Total Assets	12,508,810	100.0	12,115,415	100.0	12,135,810	100.0		

(Unit: Thousand Yen)

Item	Period	Six months ended September 30, 2002 (From April 1, 2002 to September 30, 2002)		Six months ended September 30, 2003 (From April 1, 2003 to September 30, 2003)		Summary of Non-Consolidated Balance Sheet for Previous Fiscal Year (From April 1, 2002 to March 31, 2003)	
		Amount	%	Amount	%	Amount	%
			%		%		%
(Liabilities)							
Current Liabilities							
1 Accounts Payable, Trade		468,214		561,674		515,861	
2 Short-term Borrowings		1,400,000		1,350,000		1,250,000	
3 Current Portion of Long-term Borrowings		589,596		713,992		669,592	
4 Income Taxes Payable		2,290		2,290		4,580	
5 Reserve for Employees' Bonuses		82,000		84,000		85,000	
6 Facilities Bills Payable		349,593					
7 Others		186,893		249,278		286,331	
Total Current Liabilities		3,078,587	24.6	2,961,234	24.4	2,811,365	23.2
Fixed Liabilities							
1 Long-term Borrowings		1,496,648		1,310,992		1,515,188	
2 Reserve for Employees' Retirement Benefits		128,412		133,898		133,197	
3 Reserve for Directors' Retirement Benefits		297,872		305,155		307,260	
Total Fixed Liabilities		1,922,932	15.4	1,750,046	14.5	1,955,645	16.1
Total Liabilities		5,001,520	40.0	4,711,280	38.9	4,767,011	39.3
(Shareholders' Equity)							
Capital Stock		1,998,700	16.0	1,998,700	16.5	1,998,700	16.5
Capital Surplus							
Capital Appropriation		2,953,700	23.6	2,953,700	24.4	2,953,700	24.3
Total Capital Surplus		2,953,700		2,953,700		2,953,700	
Earned Surplus							
1 Earned Surplus Reserve		60,000		60,000		60,000	
2 Voluntary Reserve		2,300,000		2,300,000		2,300,000	
3 Unappropriated Profits		223,331		164,139		112,570	
Total Earned Surplus		2,583,331	20.7	2,524,139	20.8	2,472,570	20.4
Revaluation of Investment Securities		3,475	0.0	19,375	0.2	2,720	0.0
Treasury Stock		31,916	0.3	91,780	0.8	58,892	0.5
Total Shareholders' Equity		7,507,290	60.0	7,404,134	61.1	7,368,799	60.7
Total Liabilities and Shareholders' Equity		12,508,810	100.0	12,115,415	100.0	12,135,810	100.0

(2) Non-Consolidated Statement of Income

(Unit: Thousand Yen)

Item	Period	Six months ended September 30, 2002 (From April 1, 2002 to September 30, 2002)		Six months ended September 30, 2003 (From April 1, 2003 to September 30, 2003)		Summary of Non-Consolidated Statement of Income for Previous Fiscal Year (From April 1, 2002 to March 31, 2003)	
		Amount	%	Amount	%	Amount	%
Net Sales		2,163,509	100.0	3,046,063	100.0	4,448,809	100.0
Cost of Sales		1,355,306	62.6	1,856,136	60.9	2,892,110	65.0
Gross Profit		808,203	37.4	1,189,926	39.1	1,556,698	35.0
Selling and General Administrative Expenses		761,522	35.2	811,511	26.7	1,595,380	35.9
Operating Income (Loss ())		46,680	2.2	378,415	12.4	38,681	0.9
Non-Operating Income		18,653	0.9	15,109	0.5	35,219	0.8
Non-Operating Expenses		72,564	3.4	57,224	1.8	108,482	2.4
Ordinary Income (Loss ())		7,231	0.3	336,299	11.1	111,944	2.5
Extraordinary Gains		2,470	0.1	1,250	0.0	3,010	0.1
Extraordinary Losses		9,657	0.5	99,884	3.3	71,095	1.6
Net Income (Loss ()) Before Tax		14,418	0.7	237,665	7.8	180,028	4.0
Income Taxes		2,399	0.1	2,290	0.1	4,689	0.1
Refunded Corporate Tax		2,298	0.1	104,251	3.4	59,438	1.3
Net Income (Loss ())		14,520	0.7	131,123	4.3	125,280	2.8
Retained Earnings at the Beginning of the Period		237,851		33,015		237,851	
Unappropriated Profits		223,331		164,139		112,570	