

# Non-Consolidated Financial Statement for the Six Months Ended September 30, 2005

November 24, 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  
 Contact: Tokio Tonami, Executive Managing Director Tel: (042)543-4711  
 Interim Board of Directors Meeting: November 24, 2005  
 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, 2005

#### (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, 2005	3,481	( 29.3 )	221	( 47.1 )	243	( 47.6 )
September 30, 2004	4,926	( 61.7 )	418	( 10.7 )	463	( 38.0 )
Year ended March 31, 2005	10,248		996		1,070	

	Net Income		Net Income Per Share	
	Millions of Yen	%	Yen	
Six months ended				
September 30, 2005	139	( 49.2 )	13.	60
September 30, 2004	274	( 109.2 )	52.	76
Year ended March 31, 2005	611		55.	45

(Note) 1. Average number of shares outstanding

During the six months ended September 30, 2005	10,248,705 shares
During the six months ended September 30, 2004	5,199,987 shares
During the year ended March 31, 2005	10,360,328 shares

We have done 2-for-1 stock split on November 22, 2004.

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, 2005	0 . 00	
September 30, 2004	0 . 00	
Year ended March 31, 2005		19 . 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, 2005	12,711	7,675	60.4	750. 94
September 30, 2004	13,342	7,568	56.7	1,460. 62
Year ended March 31, 2005	14,509	7,777	53.6	754. 64

(Note) 1. Number of shares outstanding

As of September 30, 2005	10,221,782 shares
As of September 30, 2004	5,182,011 shares
As of March 31, 2005	10,257,462 shares

2. Number of Treasury Stock

As of September 30, 2005	474,538 shares
As of September 30, 2004	166,149 shares
As of March 31, 2005	438,858 shares

We have done 2-for-1 stock split on November 22, 2004.

### 2. Financial Forecasts for the Fiscal Year Ending March 31, 2006

	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, 2006	7,800	482	274	8. 00	8. 00

(Reference) Expected net income per share: 26.81 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.

Financial Statement for the Six Months ended September 30, 2005

(1) Non-Consolidated Balance Sheet

(Unit: Thousand Yen)

Item	Six months ended September 30, 2004 (From April 1, 2004 to September 30, 2004)		Six months ended September 30, 2005 (From April 1, 2005 to September 30, 2005)		Summary of Non-Consolidated Balance Sheet for Previous Fiscal Year (From April 1, 2004 to March 31, 2005)	
	Amount	%	Amount	%	Amount	%
(Assets)		%		%		%
Current Assets						
1 Cash and Cash Equivalents	2,626,730		2,769,634		3,174,730	
2 Notes Receivable	155,568		463,872		405,152	
3 Accounts Receivable	2,909,685		1,787,978		2,881,892	
4 Inventories	876,081		752,086		957,448	
5 Others	194,358		186,139		280,431	
6 Doubtful Notes and Accounts	2,372		2,212		2,526	
Total Current Assets	6,760,052	50.7	5,957,498	46.9	7,697,133	53.0
Fixed Assets						
1 Tangible Fixed Assets						
(1) Buildings	2,832,658		2,938,828		3,031,854	
(2) Land	1,451,203		1,444,289		1,444,289	
(3) Others	496,351		485,490		507,064	
Total Tangible Fixed Assets	4,780,212	35.8	4,868,608	38.3	4,983,210	34.4
2 Intangible Fixed Assets						
(1) Others	30,453		31,547		29,009	
Total Intangible Fixed Assets	30,453	0.2	31,547	0.2	29,009	0.2
3 Investments and Other Assets						
(1) Investment in Affiliated Company	864,239		938,399		916,339	
(2) Others	929,558		926,769		899,119	
(3) Allowance for Doubtful Debts	21,618		11,793		15,239	
Total Investments and Other Assets	1,772,179	13.3	1,853,375	14.6	1,800,222	12.4
Total Fixed Assets	6,582,845	49.3	6,753,532	53.1	6,812,441	47.0
Total Assets	13,342,897	100.0	12,711,030	100.0	14,509,575	100.0

(Unit: Thousand Yen)

Item	Period	Six months ended September 30, 2004 ( From April 1, 2004 to September 30, 2004 )		Six months ended September 30, 2005 ( From April 1, 2005 to September 30, 2005 )		Summary of Non-Consolidated Balance Sheet for Previous Fiscal Year ( From April 1, 2004 to March 31, 2005 )	
		Amount	%	Amount	%	Amount	%
			%		%		%
	(Liabilities)						
	Current Liabilities						
1	Accounts Payable	1,382,632		478,201		1,355,458	
2	Short-term Borrowings	1,850,000		1,550,000		1,550,000	
3	Current Portion of Long-term Borrowings	530,992		770,956		753,712	
4	Income Taxes Payable	234,000		25,000		447,745	
5	Reserve for Employees' Bonuses	160,000		110,000		145,000	
6	Others	305,577		461,838		557,712	
	Total Current Liabilities	4,463,201	33.5	3,395,996	26.7	4,809,629	33.2
	Fixed Liabilities						
1	Long-term Borrowings	840,000		1,144,564		1,438,664	
2	Reserve for Employees' Retirement Benefits	155,529		179,266		168,323	
3	Reserve for Directors' Retirement Benefits	315,217		315,217		315,217	
	Total Fixed Liabilities	1,310,746	9.8	1,639,048	12.9	1,922,205	13.2
	Total Liabilities	5,773,948	43.3	5,035,044	39.6	6,731,835	46.4
	(Shareholders' Equity)						
	Capital Stock	1,998,700	15.0	1,998,700	15.7	1,998,700	13.8
	Capital Surplus						
	Capital Appropriation	2,953,700		2,953,700		2,953,700	
	Total Capital Surplus	2,953,700	22.1	2,953,700	23.2	2,953,700	20.4
	Earned Surplus						
1	Earned Surplus Reserve	60,000		60,000		60,000	
2	Voluntary Reserve	2,300,000		2,410,000		2,300,000	
3	Unappropriated Profits	513,646		641,696		845,075	
	Total Earned Surplus	2,873,646	21.5	3,111,696	24.5	3,205,075	22.1
	Revaluation of Investment Securities	38,483	0.3	60,887	0.5	41,355	0.2
	Treasury Stock	295,581	2.2	448,997	3.5	421,090	2.9
	Total Shareholders' Equity	7,568,948	56.7	7,675,985	60.4	7,777,740	53.6
	Total Liabilities and Shareholders' Equity	13,342,897	100.0	12,711,030	100.0	14,509,575	100.0

## ( 2 ) Non-Consolidated Statement of Income

(Unit: Thousand Yen)

Item	Period	Six months ended September 30, 2004 ( From April 1, 2004 to September 30, 2004 )		Six months ended September 30, 2005 ( From April 1, 2005 to September 30, 2005 )		Summary of Non-Consolidated Statement of Income for Previous Fiscal Year ( From April 1, 2004 to March 31, 2005 )	
		Amount	%	Amount	%	Amount	%
Net Sales		4,926,300	100.0	3,481,978	100.0	10,248,512	100.0
Cost of Sales		3,472,071	70.5	2,201,055	63.2	7,111,225	69.4
Gross Profit		1,454,228	29.5	1,280,922	36.8	3,137,287	30.6
Selling and General Administrative Expenses		1,035,283	21.0	1,059,484	30.4	2,141,120	20.9
Operating Income		418,945	8.5	221,438	6.4	996,166	9.7
Non-Operating Income		68,362	1.4	46,973	1.3	121,199	1.2
Non-Operating Expenses		23,377	0.5	25,128	0.7	46,943	0.5
Ordinary Income		463,930	9.4	243,283	7.0	1,070,422	10.4
Extraordinary Gains		222	0.0	2,428	0.1	13,280	0.1
Extraordinary Losses		14,927	0.3	9,671	0.3	78,426	0.7
Net Income Before Tax		449,226	9.1	236,040	6.8	1,005,276	9.8
Income Taxes-Current		224,861		16,173		487,598	
Income Taxes-Deferred		49,991	3.5	80,528	2.8	93,757	3.9
Net Income		274,356	5.6	139,337	4.0	611,436	5.9
Retained Earnings at the Beginning of the Period		253,763		503,183		253,763	
Loss on Sale of Treasury Stock		14,473		824		20,124	
Unappropriated Profits		513,646		641,696		845,075	