

Non-Consolidated Financial Statement for the Fiscal Year Ended March 31, 2003

May 23, 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
 Board of Directors Meeting: May 23, 2003
 Shareholder's Meeting: June 25, 2003

1. Summary of Non-Consolidated Financial Result

1. Financial Result for the Fiscal Year Ended March 31, 2003

(1) Operating Result

Amounts to nearest Million Yen

Fiscal Year ended	Net Sales		Operating Income		Ordinary Income	
	Millions of Yen	%	Millions of Yen	%	Millions of Yen	%
March 31, 2003	4,448	(21.2)	38	()	111	()
March 31, 2002	3,671	(46.5)	201	()	159	()

Fiscal Year ended	Net Income		Net Income Per Share	Diluted Net Income Per Share	Ratio of Net Income to Shareholders' Equity	Ratio of Ordinary Income to Total Assets	Ratio of Ordinary Income to Sales
	Millions of yen	%	Yen	Yen	%	%	%
March 31, 2003	125	()	23 . 53		1.7	0.9	2.5
March 31, 2002	137	()	16 . 16		1.8	1.2	4.3

(Note) 1. Average number of shares outstanding During the fiscal year ended March 31, 2003 5,323,834 shares
 During the fiscal year ended March 31, 2002 5,268,271 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

Fiscal Year ended	Dividend Per share for Year			Dividend Amount(Total)	Dividends/ Net Income	Dividends/ Shareholders Equity
	Yen	Interim	Year-End			
March 31, 2003	15.00	Yen	15.00	79	%	1.1
March 31, 2002	15.00	Yen	15.00	80	%	1.0

(3) Financial Position

Fiscal Year ended	Total Assets	Shareholders' Equity	Shareholders' Equity to Total Asset	Shareholders' Equity Per Share
	Millions of Yen	Millions of Yen	%	Yen
March 31, 2003	12,135	7,368	60.7	1,389. 37
March 31, 2002	12,289	7,604	61.9	1,427. 21

(Note) 1. Number of shares outstanding As of March 31, 2003 5,303,691 shares
 As of March 31, 2002 5,339,171 shares
 2. Number of Treasury Stock As of March 31, 2003 44,469 shares
 As of March 31, 2002 8,989 shares

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

Year ending	Net Sales	Ordinary Income	Net Income	Dividend Per Share for Year		
				Interim	Year-End	Yen
September 30, 2003	2,500	80	40	Yen	Yen	Yen
March 31, 2004	5,300	225	100		15.00	15.00

(Reference) Expected net income per share: 18.85 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.

**Non- Consolidated Financial
 Statement Summary
 for the Fiscal Year Ended
 March 31, 2003**

	Fiscal Year ended March 31, 2002 〔 From April 1, 2001 To March 31, 2002 〕	Fiscal Year ended March 31, 2003 〔 From April 1, 2002 To March 31, 2003 〕	Percentage of net income indicate changes from previous year
	Millions of Yen	Millions of Yen	%
Net Sales	3,671	4,448	21.2
Operating Income	201	38	
Ordinary Income	159	111	
Net Income	137	125	
Net Income Per Share	Yen 26.16	Yen 23.53	%

Financial Statement for the Fiscal year ended March 31, 2003

(1) Non-Consolidated Balance Sheet

(Unit: Thousand Yen)

Item	Period	As of March 31, 2002		As of March 31, 2003		Increase (Decrease)
		Amount	Composition	Amount	Composition	
(Assets)			%		%	
I	Current Assets					
1	Cash and Cash Equivalents	3,525,650		2,469,412		1,056,238
2	Notes Receivable	235,812		392,548		156,735
3	Accounts Receivable, Trade	1,164,598		1,201,186		36,587
4	Merchandise	194,902		109,913		84,989
5	Finished Goods	64,185		98,776		34,591
6	Semi-Finished Goods	130,240		219,964		89,723
7	Raw Materials	128,516		233,178		104,661
8	Work in Progress	19,587		25,766		6,179
9	Supplies	12,683		15,108		2,425
10	Advances	58,065		164,206		106,141
11	Prepaid Expenses	19,367		15,546		3,821
12	Deferred Tax Assets	138,834		171,855		33,020
13	Short-term Loans to Affiliates	39,938		37,682		2,256
14	Other Accounts Receivable	93,168		24,729		68,438
15	Others	258		14,172		13,914
	Doubtful Notes and Accounts	3,510		1,440		2,070
	Total Current Assets	5,822,300	47.4	5,192,608	42.8	629,692
II	Fixed Assets					
1	Tangible Fixed Assets					
(1)	Buildings	2,911,859		3,187,773		275,913
(2)	Structures	124,729		106,924		17,805
(3)	Machinery and Equipment	456,490		436,934		19,556
(4)	Automotive Equipment	16,463		16,388		75
(5)	Tools	59,956		52,167		7,789
(6)	Land	1,279,083		1,279,933		850
(7)	Construction in Progress	25,243				25,243
	Total Tangible Fixed Assets	4,873,827	39.7	5,080,120	41.9	206,293
2	Intangible Fixed Assets					
(1)	Patent Property	16,491		13,993		2,497
(2)	Software	20,138		14,774		5,363
(3)	Telephone Rights	1,601		1,686		85
	Total Intangible Fixed Assets	38,230	0.3	30,455	0.3	7,775
3	Investments and Other Assets					
(1)	Investment Securities	98,375		369,510		271,135
(2)	Investment in Affiliated Company	794,246		840,649		46,403
(3)	Other Investments	60				60
(4)	Long-term Loans to Affiliates	156,688		103,660		53,027
(5)	Long-term Prepaid Expenses	62,502		53,230		9,272
(6)	Deferred Tax Assets	217,522		243,814		26,292
(7)	Insurance Reserve Fund	142,665		143,484		819
(8)	Golf-Club Membership	36,773		35,773		1,000
(9)	Others	62,218		61,875		342
	Allowance for Doubtful Debts	15,663		19,373		3,710
	Total Investments and Other Assets	1,555,389	12.6	1,832,625	15.1	277,236
	Total Fixed Assets	6,467,447	52.6	6,943,201	57.2	475,754
	Total Assets	12,289,748	100.0	12,135,810	100.0	153,937

(Unit: Thousand Yen)

Item	Period	As of March 31, 2002		As of March 31, 2003		Increase (Decrease)
		Amount	Composition	Amount	Composition	
			%		%	
(Liabilities)						
I	Current Liabilities					
1	Accounts Payable, Trade	549,822		515,861		33,960
2	Short-term Borrowings	600,000		1,250,000		650,000
3	Current Position of Long-term Borrowings	589,596		669,592		79,996
4	Accrued Liabilities	103,953		95,283		8,670
5	Accrued Expenses	6,958		8,964		2,006
6	Income Taxes Payable	2,290		4,580		2,290
7	Deposits Received	7,874		8,096		221
8	Advances	139,919		165,274		25,354
9	Reserve for Employees' Bonuses	81,000		85,000		4,000
10	Facilities Bills Payable	400,857				400,857
11	Others	1,472		8,712		7,240
	Total Current Liabilities	2,483,744	20.2	2,811,365	23.2	327,621
II	Fixed Liabilities					
1	Long-term Borrowings	1,796,546		1,515,188		281,358
2	Reserve for Employees' Retirement Benefits	117,119		133,197		16,077
3	Reserve for Directors' Retirement Benefits	288,235		307,260		19,025
	Total Fixed Liabilities	2,201,900	17.9	1,955,645	16.1	246,255
	Total Liabilities	4,685,645	38.1	4,767,011	39.3	81,365
(Shareholders' Equity)						
I	Capital Stock	1,998,700	16.3			1,998,700
II	Capital Surplus	2,953,700	24.0			2,953,700
III	Earned Surplus Reserve	60,000	0.5			60,000
IV	Other Surplus					
1	Voluntary Reserve					
(1)	Contingent Reserve	2,300,000				2,300,000
2	Unappropriated Profits	317,938				317,938
	Total Other Surplus	2,617,938	21.3			2,617,938
V	Revaluation of Investment Securities	2,416	0.0			2,416
VI	Treasury Stock	28,653	0.2			28,653
	Total Shareholders' Equity	7,604,102	61.9			7,604,102
I	Capital Stock			1,998,700	16.5	1,998,700
II	Capital Surplus					
	Capital Appropriation			2,953,700		2,953,700
	Total Capital Surplus			2,953,700	24.3	2,953,700
III	Earned Surplus					
1	Earned Surplus Reserve			60,000		60,000
2	Voluntary Reserve					
(1)	Contingent Reserve			2,300,000		2,300,000
3	Unappropriated Profits			112,570		112,570
	Total Earned Surplus			2,472,570	20.4	2,472,570
V	Revaluation of Investment Securities			2,720	0.0	2,720
VI	Treasury Stock			58,892	0.5	58,892
	Total Shareholders' Equity			7,368,799	60.7	7,368,799
	Total Liabilities and Shareholders' Equity	12,289,748	100.0	12,135,810	100.0	153,937

(2) Non-Consolidated Statement of Income

(Unit: Thousand Yen)

Item	Period	As of March 31, 2002		As of March 31, 2003		Increase (Decrease)
		Amount	%	Amount	%	
			%		%	
I	Net Sales	3,671,319	100.0	4,448,809	100.0	777,489
II	Cost of Sales	2,345,545	63.9	2,892,110	65.0	546,564
	Gross Profit	1,325,773	36.1	1,556,698	35.0	230,924
III	Selling and General	1,527,712	41.6	1,595,380	35.9	67,668
	Operating Losses	201,938	5.5	38,681	0.9	163,256
IV	Non-Operating Income	88,827	2.4	35,219	0.8	53,607
1	Interest Income	9,033		8,669		363
2	Foreign Exchange Gain	60,765				60,765
3	Rent Income			11,778		11,778
4	Miscellaneous Income	19,029		14,771		4,257
V	Non-Operating Expenses	46,434	1.3	108,482	2.4	62,047
1	Interest Expenses	35,230		49,407		14,176
2	New Share Issuing Expenses	3,773				3,773
3	Foreign Exchange Losses			57,009		57,009
4	Loss on Revaluation of	5,711				5,711
5	Casualty Losses	1,718		2,065		346
	Ordinary Losses	159,545	4.4	111,944	2.5	47,601
	Extraordinary Gains	5,980	0.2	3,010	0.1	2,969
1	Gain on Doubtful Debts	5,980		2,360		3,620
2	Loss on sale of Fixed Assets			650		650
	Extraordinary Losses	61,456	1.7	71,095	1.6	9,638
1	Loss on Disposal of Fixed Assets	10,223		1,681		8,541
2	Loss on Revaluation of	44,733		29,646		15,087
3	Doubtful Debts	2,000		4,000		2,000
4	Loss on Revaluation of Investment	4,500		1,000		3,500
5	Loss on Disposal of Inventories			25,940		25,940
6	Loss on Insurance			8,826		8,826
	Net Losses Before Tax	215,021	5.9	180,028	4.0	34,992
	Income Taxes	5,835	0.2	4,689	0.1	1,145
	Refunded Corporate Tax	83,037	2.3	59,438	1.3	23,598
	Net Losses	137,819	3.8	125,280	2.8	12,539
	Retained Earnings at the	455,758		237,851		217,907
	Unappropriated Profits	317,938		112,570		205,368

(3) Non-Consolidated Statement of Retained Earnings

(Unit: Thousand Yen)

Item	Period	As of March 31, 2002		As of March 31, 2003		Increase (Decrease)
		Amount		Amount		
I Unappropriated Profits			317,938		112,570	205,368
II Appropriations						
1 Dividends		80,087 (¥15 per share)	80,087	79,555 (¥15 per share)	79,555	532
III Retained Earnings to be carried forward to the next Fiscal year			237,851		33,015	204,835

Sales by Item (Unit: Million Yen)

	Fiscal Year Ended March 31, 1999	Fiscal Year Ended March 31, 2000	Fiscal Year Ended March 31, 2001	Fiscal Year Ended March 31, 2002	Fiscal Year Ended March 31, 2003
Polishing Films	2,103	2,493	3,575	1,557	1,571
Polishing Liquid	240	522	495	479	678
Coating Manufacturing Service	40	283	348	372	939
Other Products	132	156	103	81	168
Polishing Machines	712	1,006	1,034	689	605
Polishing Pads	615	904	1,012	180	188
Polishing Coolants	89	113	202	225	193
Other Merchandises	94	122	86	86	104
Total	4,028	5,603	6,858	3,671	4,448

Sales by Applications (Unit: Million Yen)

	Fiscal Year Ended March 31, 1999	Fiscal Year Ended March 31, 2000	Fiscal Year Ended March 31, 2001	Fiscal Year Ended March 31, 2002	Fiscal Year Ended March 31, 2003
Hard Disks	1,560	2,055	1,172	1,107	1,286
Coating Manufacturing Service	40	283	348	372	939
LCD Panels	133	636	390	246	597
Magnetic Heads/FDs/VTs	512	527	506	371	506
Fiber Optics	581	1,101	2,117	586	392
Silicon Wafers	771	536	879	613	283
Others	427	463	443	373	443
Total	4,028	5,603	6,858	3,671	4,448