



# Non-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

## 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	2,240	( )	246	( )	266	( )
June 30, 2003	( )	( )	( )	( )	( )	( )
(Reference)						
Year Ended March 31, 2004	6,759		766		714	

	Net Income		Net Income Per Share	Diluted Net Income Per Share
	Millions of yen	%	Yen	Yen
Three months Ended				
June 30,2004	157	( )	30 .26	30 .23
June 30,2003	( )	( )		
(Reference)				
Year Ended March 31, 2004	320		57. 24	57.17

(2) Financial Position

	Total Assets	Shareholders' Equity	Shareholders' Equity Total Assets	Shareholders' Equity Per Share
	Millions of Yen	Millions of Yen	%	Yen
Three months Ended				
June 30,2004	12,690	7,536	59.4	1,447. 79
June 30,2003				
(Reference)				
Year Ended March 31, 2004	12,216	7,452	61.0	1,432 36

Non-consolidated basis net sales by application for the three months ended June 30, 2004 are as follows.

Sales by Applications

(Unit: Million Yen)

	Net Sales	Composition
Hard Disks	949	42.4
Coating Manufacturing Service	703	31.4
LCD Panels	84	3.8
Magnetic Heads/FDs/VTs	85	3.8
Fiber Optics	163	7.3
Silicon Wafers	174	7.8
Others	79	3.5
Total	2,240	100.0

(Note) Amount of sales is the total sales of current three months.

### 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)	4,324	451	242
Previous Forecast (B)	3,850	431	230
Increase and Decrease (A-B)	474	20	12
Rate of Change	12.3%	4.6%	5.2%

(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)	9,488	1,017	546
Previous Forecast (B)	8,230	931	505
Increase and Decrease (A-B)	1,258	86	41
Rate of Change	15.2%	9.2%	8.1%

(Reference) Expected net income per share: 104.90 yen

Financial Statement for the Three months Ended June 30, 2004

(1) Summary of Non-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	1,731,655		2,176,591	
2	Notes Receivable	144,476		122,064	
3	Accounts Receivable, Trade	2,724,798		2,138,354	
4	Merchandise	42,355		44,082	
5	Finished Goods	87,159		73,585	
6	Semi-Finished Goods	155,761		136,809	
7	Raw Materials	524,124		424,240	
8	Work in Progress	59,593		76,450	
9	Supplies	11,763		13,771	
10	Advances	255,644			
11	Prepaid Expenses	25,171		14,284	
12	Deferred Tax Assets	52,872		52,655	
13	Short-term Loans to Affiliates	32,183		31,040	
14	Other Accounts Receivable	13,039		4,320	
15	Others	15,545		9,007	
	Doubtful Notes and Accounts	2,176		1,749	
	Total Current Assets	5,843,979	46.1	5,315,509	43.5
II	Fixed Assets				
1	Tangible Fixed Assets				
(1)	Buildings	2,899,416		2,966,814	
(2)	Structures	88,794		92,004	
(3)	Machinery and Equipment	349,016		362,957	
(4)	Automotive Equipment	10,111		11,007	
(5)	Tools	65,877		65,913	
(6)	Land	1,451,203		1,451,203	
	Total Tangible Fixed Assets	4,864,419	38.3	4,949,900	40.5
2	Intangible Fixed Assets				
(1)	Patent Property	10,497		11,496	
(2)	Software	20,450		9,410	
(3)	Telephone Rights	1,724		1,724	
	Total Intangible Fixed Assets	32,673	0.2	22,632	0.2
3	Investments and Other Assets				
(1)	Investment Securities	419,665		412,388	
(2)	Investment in Affiliated Company	864,239		864,239	
(3)	Long-term Loans to Affiliates	153,753		157,739	
(4)	Long-term Prepaid Expenses	44,586		49,071	
(5)	Deferred Tax Assets	248,581		227,765	
(6)	Insurance Reserve Fund	161,540		160,581	
(7)	Golf-Club Membership	35,773		35,773	
(8)	Others	41,718		41,789	
	Allowance for Doubtful Debts	20,895		20,549	
	Total Investments and Other Assets	1,948,965	15.4	1,928,807	15.8
	Total Fixed Assets	6,846,057	53.9	6,901,340	56.5
	Total Assets	12,690,036	100.0	12,216,850	100.0

Item	Period	As of June 30, 2004		As of March 31, 2004	
		Amount	Composition	Amount	Composition
( Liabilities )			%		%
I	Current Liabilities				
(1)	Accounts Payable, Trade	1,075,720		845,435	
(2)	Short-term Borrowings	1,350,000		1,350,000	
(3)	Current Position of Long-term Borrowings	538,492		569,992	
(4)	Accrued Liabilities	253,571		159,651	
(5)	Accrued Expenses	37,163		39,736	
(6)	Income Taxes Payable	134,000		114,000	
(7)	Deposits Received	178,290		996	
(8)	Advances	14,673		22,979	
(9)	Reserve for Employees' Bonuses	135,006		90,000	
(10)	Others	1,939		13,757	
	Total Current Liabilities	3,718,856	29.3	3,206,548	26.2
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	11.3	1,557,739	12.8
	Total Liabilities	5,153,584	40.6	4,764,288	39.0
( Shareholders' Equity )					
I	Capital Stock	1,998,700	15.7	1,998,700	16.4
II	Capital Surplus				
	Capital Appropriation	2,953,700	23.3	2,953,700	
	Total Capital Surplus	2,953,700		2,953,700	24.2
III	Earned Surplus				
(1)	Earned Surplus Reserve	60,000		60,000	
(2)	Voluntary Reserve				
	Contingent Reserve	2,300,000		2,300,000	
(3)	Unappropriated Profits	405,728		351,599	
	Total Earned Surplus	2,765,728	21.8	2,711,599	22.2
V	Revaluation of Investment Securities	46,274	0.4	41,958	0.3
VI	Treasury Stock	227,950	1.8	253,396	2.1
	Total Shareholders' Equity	7,536,452	59.4	7,452,561	61.0
	Total Liabilities and Shareholders' Equity	12,690,036	100.0	12,216,850	100.0

(2) Summary of Non-Consolidated Statement of Income

Item	Period	Three months ended June 30, 2004 ( From April 1, 2004 to June 30, 2004 )		Non-Consolidated Statement of Income for Previous Fiscal Year ( From April 1, 2003 to March 31, 2004 )	
		Amount	%	Amount	%
			%		%
I	Net Sales	2,240,513	100.0	6,759,339	100.0
II	Cost of Sales	1,539,649	68.7	4,200,741	62.1
	Gross Profit	700,864	31.3	2,558,597	37.9
III	Selling and General Administrative Expenses	454,374	20.3	1,791,777	26.5
	Operating Income	246,490	11.0	766,820	11.4
IV	Non-Operating Income	31,852	1.4	45,748	0.7
1	Interest Income	1,984		7,688	
2	Dividends Income	7,001		1,051	
3	Rent Income	2,556		22,137	
4	Foreign Exchange Gain	18,626		-	
5	Gain on Revaluation of Investment Securities	-		5,925	
6	Miscellaneous Income	1,683		8,946	
V	Non-Operating Expenses	11,369	0.5	98,029	1.5
1	Interest Expenses	10,981		44,776	
2	Foreign Exchange Losses	-		49,959	
3	Miscellaneous Losses	388		3,293	
	Ordinary Income	266,972	11.9	714,540	10.6
	Extraordinary Gains	222	0.0	1,250	0.0
1	Gain on sale of Fixed Assets	222			
2	Gain on Directors' Retirement Benefits			1,250	
	Extraordinary Losses	447	0.0	171,682	2.6
1	Loss on Sale of Fixed Assets			1,209	
2	Loss on Disposal of Fixed Assets	97		27,990	
3	Loss on Sale of Investment Securities	-		2,128	
4	Doubtful Debts	350		1,118	
5	Loss on Disposal of Inventories			139,234	
	Net Income Before Tax	266,747	11.9	544,107	8.0
	Income Taxes	133,368	6.0	114,951	1.7
	Refunded Corporate Tax	23,995	1.1	108,327	1.6
	Net Income	157,373	7.0	320,828	4.7
	Retained Earnings at the Beginning of the Period	253,763		33,015	
	Loss of Sale of Treasury Stock	5,409		2,244	
	Unappropriated Profits	405,728		351,599	