

## Non-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  
Contact: Tokio Tonami, Managing Director Tel: (042)543-4711

### 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 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	7,874	( )	735	( )	735	( )
December 31, 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
Nine months Ended				
December 31, 2004	454	( )	43.76	43.65
December 31, 2003	( )	( )		
(Reference)				
Year Ended March 31, 2004	320		57.25	57.18

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
Nine months Ended				
December 31, 2004	13,470	7,718	57.3	747.19
December 31, 2003				
(Reference)				
Year Ended March 31, 2004	12,216	7,452	61.0	1,432.36

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.

Non-consolidated basis net sales by application for the Nine months ended December 31, 2004 are as follows.

Sales by Applications (Unit: Million Yen)

	Net Sales	Composition
Hard Disks	2,943	37.4
Coating Manufacturing Service	2,148	27.3
Silicon Wafers	954	12.1
LCD Panels	940	12.0
Fiber Optics	421	5.3
Magnetic Heads/FDs/VTs	239	3.0
Others	225	2.9
Total	7,874	100.0

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

### 3. Forecasts of Non-consolidated financial result for the fiscal year ended December 31, 2004

(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)	10,100	945	555
Previous Forecast (B)	9,850	983	550
Increase and Decrease (A-B)	250	38	5
Rate of Change	2.5%	3.9%	0.9%

(Reference) Expected net income per share: 53.73 yen

## Financial Statement for the Nine months Ended December 31, 2004

### (1) Summary of Non-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	1,803,124		2,176,591	
2	Notes Receivable	206,930		122,064	
3	Accounts Receivable	3,743,762		2,138,354	
4	Merchandise	61,440		44,082	
5	Finished Goods	96,507		73,585	
6	Semi-Finished Goods	162,610		136,809	
7	Raw Materials	508,231		424,240	
8	Work in Progress	46,276		76,450	
9	Supplies	21,274		13,771	
10	Prepaid Expenses	21,565		14,284	
11	Deferred Tax Assets	93,841		52,655	
12	Short-term Loans to Affiliates	-		31,040	
13	Other Accounts Receivable	82,151		4,320	
14	Others	10,812		9,007	
	Doubtful Notes and Accounts	3,223		1,749	
	Total Current Assets	6,855,305	50.9	5,315,509	43.5
II	Fixed Assets				
1	Tangible Fixed Assets				
(1)	Buildings	2,772,219		2,966,814	
(2)	Structures	83,833		92,004	
(3)	Machinery and Equipment	335,534		362,957	
(4)	Automotive Equipment	15,213		11,007	
(5)	Tools	65,856		65,913	
(6)	Land	1,451,203		1,451,203	
(7)	Construction in Progress	67,155		-	
	Total Tangible Fixed Assets	4,791,015	35.6	4,949,900	40.5
2	Intangible Fixed Assets				
(1)	Patent Property	9,623		11,496	
(2)	Software	18,697		9,410	
(3)	Telephone Rights	1,724		1,724	
	Total Intangible Fixed Assets	30,045	0.2	22,632	0.2
3	Investments and Other Assets				
(1)	Investment Securities	417,414		412,388	
(2)	Investment in Affiliated Company	864,239		864,239	
(3)	Long-term Loans to Affiliates	-		157,739	
(4)	Long-term Prepaid Expenses	42,904		49,071	
(5)	Deferred Tax Assets	237,236		227,765	
(6)	Insurance Reserve Fund	175,410		160,581	
(7)	Golf-Club Membership	35,773		35,773	
(8)	Others	42,864		41,789	
	Allowance for Doubtful Debts	21,506		20,549	
	Total Investments and Other Assets	1,794,338	13.3	1,928,807	15.8
	Total Fixed Assets	6,615,400	49.1	6,901,340	56.5
	Total Assets	13,470,705	100.0	12,216,850	100.0

Item	Period	As of December 31, 2004		As of March 31, 2004	
		Amount	Composition	Amount	Composition
( Liabilities )			%		%
I Current Liabilities					
(1)	Accounts Payable	1,381,266		845,435	
(2)	Short-term Borrowings	1,550,000		1,350,000	
(3)	Current Position of Long-term Borrowings	559,712		569,992	
(4)	Accrued Liabilities	373,599		159,651	
(5)	Accrued Expenses	54,331		39,736	
(6)	Income Taxes Payable	303,228		114,000	
(7)	Deposits Received	857		996	
(8)	Advances	21,734		22,979	
(9)	Reserve for Employees' Bonuses	146,261		90,000	
(10)	Others	221		13,757	
	Total Current Liabilities	4,391,212	32.6	3,206,548	26.2
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	10.1	1,557,739	12.8
	Total Liabilities	5,752,282	42.7	4,764,288	39.0
( Shareholders' Equity )					
I Capital Stock		1,998,700	14.8	1,998,700	16.4
II Capital Surplus					
	Capital Appropriation	2,953,700	21.9	2,953,700	24.2
	Total Capital Surplus	2,953,700		2,953,700	
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	693,645		351,599	
	Total Earned Surplus	3,053,645	22.7	2,711,599	22.2
V Revaluation of Investment Securities		44,939	0.3	41,958	0.3
VI Treasury Stock		332,562	2.4	253,396	2.1
	Total Shareholders' Equity	7,718,422	57.3	7,452,561	61.0
	Total Liabilities and Shareholders' Equity	13,470,705	100.0	12,216,850	100.0

(2) Summary of Non-Consolidated Statement of Income

Item	Period	Nine months ended December 31, 2004 ( From April 1, 2004 to December 31, 2004 )		Non-Consolidated Statement of Income for Previous Fiscal Year ( From April 1, 2003 to March 31, 2004 )	
		Amount	%	Amount	%
			%		%
I	Net Sales	7,874,315	100.0	6,759,339	100.0
II	Cost of Sales	5,558,447	70.6	4,200,741	62.1
	Gross Profit	2,315,868	29.4	2,558,597	37.9
III	Selling and General Administrative Expenses	1,580,788	20.1	1,791,777	26.5
	Operating Income	735,079	9.3	766,820	11.4
IV	Non-Operating Income	52,791	0.7	45,748	0.7
1	Interest Income	2,636		7,688	
2	Rent Income	8,047		22,137	
3	Gain on Revaluation of Investment Securities	-		5,925	
4	Foreign Exchange Gain	22,764		-	
5	Miscellaneous Income	19,343		9,997	
V	Non-Operating Expenses	34,568	0.4	98,029	1.5
1	Interest Expenses	32,712		44,776	
2	Foreign Exchange Loss	-		49,959	
3	Miscellaneous Losses	1,856		3,293	
	Ordinary Income	753,301	9.6	714,540	10.6
	Extraordinary Gains	348	0.0	1,250	0.0
1	Gain on sale of Fixed Assets	348			
2	Gain on Directors' Retirement Benefits			1,250	
	Extraordinary Losses	17,195	0.2	171,682	2.6
1	Loss on Sale of Fixed Assets			1,209	
2	Loss on Disposal of Fixed Assets	4,718		27,990	
3	Loss on Sale of Investment Securities	-		2,128	
4	Loss on Allowance for Doubtful Debts	1,113		1,118	
5	Loss on Disposal of Inventories	11,363		139,234	
	Net Income Before Tax	736,454	9.4	544,107	8.0
	Income Taxes-Current	334,801	4.3	114,951	1.7
	Income Taxes-Deferred	52,702	0.7	108,327	1.6
	Net Income	454,355	5.8	320,828	4.7
	Retained Earnings at the Beginning of the Period	253,763		33,015	
	Loss of Sale of Treasury Stock	14,473		2,244	
	Unappropriated Profits	693,645		351,599	