

## Financial Statement for the Nine Months Ended December 31, 2010

February 10, 2011

Trade Name: **Nihon Micro Coating Co., Ltd.**

Stock Code: 5381

Name and Title of Representative: Jun Watanabe, President

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Quarterly Report Filing Date (as planned): February 10, 2011

Stock Exchange: JQ

(URL <http://www.mipox.co.jp>)

### 1. Summary of Consolidated Financial Results.

#### 1. Financial Result for the Fiscal Year Ended December 31, 2010

##### (1) Consolidated Operating Result

Amounts to nearest Million yen

	Net Sales		Operating Income		Ordinary Income		Net Income	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
December 31, 2010	2,322	5.4	22		71		103	
December 31, 2009	2,202	21.0	464		488		1,015	

	Net Income or, Net loss ( ) Per Share		Net Income or, Net loss ( ) Per Share(diluted)	
	Yen		Yen	
December 31, 2010	10.	14		
December 31, 2009	99.	71		

##### (2) Consolidated Financial Position

	Total Assets		Total Net Assets		Shareholders' Equity Ratio		Total Net Assets Per Share	
	Millions of Yen	%	Millions of Yen	%	%		Yen	
December 31, 2010	5,535		3,696		66.4		361.	00
March 31, 2010	5,901		3,878		65.5		379.	61

(Note) Equity capital (Millions of Yen):

As of December 31, 2010 3,675

As of March 31, 2010 3,864

### 2. Dividends

	Dividends per share				
	First quarter end	Second quarter end	Third quarter end	Year end	Full year
Fiscal Year ended	Yen		Yen		Millions of Yen
March 31, 2010		0. 00		0.00	0.00 %
March 31, 2011		0. 00			
March 31, 2011 (estimate)				0.00	0.00

### 3. Financial forecasts for the Consolidated Fiscal Year Ending March 31, 2011

(%changes as compared with the previous fiscal year and the corresponding period of the previous fiscal year)

	Net Sales		Operating Income		Ordinary Income		Net Income		Net Income Per Share	
March 31, 2011	3,082	2.3	37		83		116		11.40	

(Note)Revision of forecast for dividends in the Second quarter: None

#### Notes: Request for appropriate use of the business outlook and other special remarks

(1) Some corrections have not been made to the documentation for the fiscal year concerning the Consolidated Financial Forecast announced on November 11, 2010

(2) Forecasts are based on information available to the management at the time of an announcement. Forecasts contain a lot of the element of the uncertainty. Actual results may differ from the figures provided above due to changes in business conditions.

#### 4.Others

(1)Change in important subsidiaries during the period (Changes in certain specified subsidiaries resulting in revised scope of consolidation): None

(2)Adoptions of simplified accounting methods and accounting methods particular to the presentation of quarterly financial statements: Yes

(3)Changes in accounting principles, presentation methods, etc., pertaining to preparation of consolidated financial statements

(Those to be stated as significant accounting policies)

1. Changes associated with revision in accounting standards: Yes
2. Others changes: None

(4)Shares outstanding

1. Numbers of shares outstanding (including treasury stock)

December 31, 2010	10,696,320	March 31,2010	10,696,320
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2. Numbers of treasury stock

December 31, 2010	515,028	March 31,2010	514,988
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3. Numbers of average shares outstanding (cumulative, consolidated at the end of the first quarter)

December 31, 2010	10,181,301	December 31, 2009	10,181,350
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Consolidated Financial Statement  
(1) Consolidated Balance Sheet

(Thousands of yen)

	Q3 FY 2011 (As of Dece 30,2010)	FY 2010 (As of March 31,2010)
<b>(Assets)</b>		
<b>Current Assets</b>		
Cash and Cash Equivalents	795,676	712,482
Notes Receivable and Accounts Receivable	746,826	890,284
Merchandises and Finished Goods	200,120	257,696
Work in Progress	367,035	423,135
Raw Materials and Stored goods	120,195	113,838
Deferred Tax Assets	8,110	11,623
Others	61,755	124,006
Allowance for Bud Debt	3,145	16,697
<b>Total Current Assets</b>	<b>2,296,575</b>	<b>2,516,370</b>
<b>Fixed Assets</b>		
<b>Tangible Fixed Assets</b>		
Buildings and Structures	5,455,814	5,523,116
Equipment and Vehicles	1,421,200	1,528,681
Land	1,053,575	1,054,163
Others	422,453	316,523
Accumulated Depreciation	5,231,534	5,226,019
<b>Total Tangible Fixed Assets</b>	<b>3,121,510</b>	<b>3,196,465</b>
<b>Intangible Fixed Assets</b>		
Others	33,275	84,224
<b>Total Intangible Fixed Assets</b>	<b>33,275</b>	<b>84,224</b>
<b>Investments and Other Assets</b>		
Investment Securities	37,836	42,084
Deferred Tax Assets	230	203
Others	52,932	68,340
Allowance for Doubtful Debts	6,644	6,644
<b>Total Investments and Other Assets</b>	<b>84,354</b>	<b>103,983</b>
<b>Total Fixed Assets</b>	<b>3,239,139</b>	<b>3,384,673</b>
<b>Total Assets</b>	<b>5,535,715</b>	<b>5,901,043</b>

Consolidated Financial Statement  
(1) Consolidated Balance Sheet

	(Thousands of yen)	
	Q3 FY 2011	FY 2010
	(As of Dece 30,2010)	(As of March 31,2010)
<b>(Liabilities)</b>		
<b>Current Liabilities</b>		
Notes Receivable and Accounts Payable	209,759	192,127
Short-term Borrowings	858,000	858,000
Current Position of Long-term Borrowings	269,232	320,092
Accrued Income Taxes and Other Taxes	6,687	26,578
Reserve for Employees' Bonuses		3,203
Others	104,729	122,079
<b>Total Current Liabilities</b>	<b>1,448,408</b>	<b>1,522,080</b>
<b>Fixed Liabilities</b>		
Long-term Borrowings	250,449	357,819
Reserve for Employees' Retirement Benefits	108,779	100,373
Deferred Tax Liabilities	16,781	21,138
Others	14,507	21,593
<b>Total Fixed Liabilities</b>	<b>390,517</b>	<b>500,924</b>
<b>Total Liabilities</b>	<b>1,838,925</b>	<b>2,023,005</b>
<b>(Net Assets)</b>		
<b>Shareholders' Equity</b>		
Capital Stock	1,998,700	1,998,700
Capital Surplus	2,953,700	2,953,700
Earned Surplus	730,690	627,451
Treasury Stock	481,314	481,309
<b>Total Shareholders' Equity</b>	<b>3,740,394</b>	<b>3,843,639</b>
<b>Valuation and Foreign Currency Translation</b>		
Revaluation of Other Investment Securities	13,842	16,361
Foreign Currency Translation Adjustments	78,762	4,936
<b>Total Valuation and Foreign Currency Translation</b>	<b>64,920</b>	<b>21,298</b>
<b>New Stock Reservation Rights</b>	<b>21,314</b>	<b>13,100</b>
<b>Total Net Assets</b>	<b>3,696,789</b>	<b>3,878,038</b>
<b>Total Liabilities and Net Assets</b>	<b>5,535,715</b>	<b>5,901,043</b>

(2) Consolidated Statement of Income  
 FY 2011 (From April 1,2010 To December 31,2010)

(Thousands of yen)

	FY 2010 (From April 1,2009 To Decem 31,2009)	FY 2011 (From April 1,2010 To Decem 31,2010)
Net Sales	2,202,505	2,322,022
Cost of Sales	1,405,374	1,383,320
Gross Profit	797,131	938,702
Selling and General Administrative Expenses	1,261,700	916,510
Operating Income or Losses ( )	464,569	22,191
Non-Operating Income		
Interest Income	1,546	348
Dividend Income	1,650	648
Rent Income	13,327	13,614
Subsidy Income	5,967	
Others	5,144	4,326
Total Non-Operating Income	27,636	18,936
Non-Operating Expenses		
Interest Expenses	31,160	28,707
Foreign Currency Exchange Losses	14,250	77,442
Others	6,549	6,154
Total Non-Operating Expense	51,960	112,304
Ordinary Income or Losses ( )	488,893	71,176
Extraordinary Gains		
Gain from Sales of Fixed assets	907	685
Gain from Sales of Investment Securities	10,567	
Gain from Doubtful Debts	6,132	2,263
Gain from New Stock Reservation Rights		3,049
Others	1,995	
Total Extraordinary Gains	19,602	5,998
Extraordinary Losses		
Loss on Disposal of Fixed Assets	43	849
Impairment Loss	441,133	8,791
Loss on Sale of Membership		5,584
Loss on Valuation of Membership		7,750
Expenses for Extraordinary Retirement Benefits	59,000	
Loss on liquidation of business	1,996	
Others	2,371	942
Total Extraordinary Losses	504,545	23,919
Net Income or Losses Before Tax ( )	973,836	89,097
Income Taxes-Current	25,322	13,127
Deferred Income Taxes	16,023	1,014
Total Income Taxes	41,346	14,142
Net Income or Losses Before Minority interest adjustment		103,239
Net Income or Losses ( )	1,015,182	103,239

(3) Consolidated Statement of Cash Flows  
 FY 2011 (From April 1, 2010 To December 31, 2010)

	(Thousands of yen)	
	FY 2010 (From April 1, 2009 To Decem	FY 2011 (From April 1, 2010 To Decem
<b>Cash Flow from Operating Activities</b>		
Net Income or Losses Before Taxes	973,836	89,097
Depreciation Expenses	243,091	220,428
Impairment Loss	441,133	8,791
Increase/Decrease in Allowance for Employees' Bonuses (Decrease ( ))	8,914	3,022
Increase/Decrease in Allowance for Employees' Retirement Benefits (Decrease( ))	61,403	8,405
Interest and Dividends Income	3,196	996
Interest Expenses	31,160	28,707
Gain from Sales of Investment Securities	10,567	
Increase/Decrease in Accounts Receivable (Increase ( ))	309,580	106,358
Increase/Decrease in Inventories (Increase ( ))	21,594	79,507
Increase/Decrease in accounts payable (Decrease ( ))	113,994	25,302
Increase/Decrease in Allowance for Bud Debts (Decrease( ))	6,579	12,384
Loss on Disposal of Fixed Assets	43	849
Other	88,241	99,608
<b>Sub Total</b>	<b>434,817</b>	<b>472,459</b>
Interest and Dividends Received	3,812	1,342
Interest Paid	35,405	28,647
Income Taxes Paid	29,334	31,013
Income Taxes Refund		11,775
Special Retirement Expenses Paid	193,064	
<b>Net Cash Provided by Operating Activities</b>	<b>688,809</b>	<b>425,916</b>
<b>Cash Flows from Investing Activities</b>		
Proceeds from Time Deposits Refunds	213,916	1,200
Payments for Time Deposits	600	600
Proceeds for Investment Securities	21,312	
Payments for Tangible Fixed Assets	61,431	143,102
Other	642	5,939
<b>Net Cash Provided by Investing Activities</b>	<b>172,554</b>	<b>136,562</b>
<b>Cash Flows from Financing Activities</b>		
Increase/Decrease in Short-term Borrowings (Decrease ( ))	1,050,000	
Proceeds from Long-term Loans	150,000	97,746
Repayments of Long-term Loans	333,657	252,646
Payments for Lease Obligation	1,141	1,898
Payments for Purchases of Treasury Stock	9	5
Payments for Dividends	125	36
<b>Net Cash Provided by Financing Activities</b>	<b>1,234,933</b>	<b>156,840</b>
Effect of Exchange Rate Changes on Cash and Equivalents	22,770	48,674
Increase/Decrease in Cash and Cash Equivalents (Decrease ( ))	1,773,958	83,837
Cash and Cash Equivalents at Beginning of Year	2,437,831	562,212
Cash and Cash Equivalents at Mid year Ending (Year Ending)	663,872	646,050