

Consolidated Business Results for FY 2012

May 14, 2012

Name of listed company: Nihon Micro Coating Co., Ltd.

Stock Exchange: Osaka Securities Exchange Co., Ltd. JASDAQ

Stock Code: 5381

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

Representative: Jun Watanabe, President

Inquiry to: Susumu Orito, General Manager Tel: (042)-543-4711

Expected date of the shareholders' meeting: Jun 28, 2012

Expected date of the release of Asset Security Report: Jun 29, 2012

1. Consolidated Business Results for FY2012 (April 1, 2011 to March 31, 2012) (Figures are rounded down to the nearest million)

(1) Consolidated Operating Results (% implies the rate of increase/decrease year-on-year)

	Net sales		Operating income		Ordinary income		Net income	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
FY2012	3,045	- 3.5	18	- 82.9	- 9	—	- 82	—
FY2011	3,157	4.8	105	—	17	—	- 9	—

Note: Comprehensive Income: -83 million yen(—%) for FY2012, -66million yen(—%) for FY2011

	Net income per share	Net income per share after latent share adjustment	Net income /capital equity	Ordinary income /total assets	Net income /net sales
	Yen	Yen	%	%	%
FY2012	- 8.08	—	- 2.2	- 0.2	0.6
FY2011	- 0.97	—	- 0.3	0.3	3.3

Note: Equity in earnings of affiliated companies: — million yen for FY2012, — million yen for FY2011

(2) Consolidated Financial Position

	Total assets	Net assets	Equity capital ratio	Net assets per share
	Millions of Yen	Millions of Yen	%	Yen
FY2012	5,631	3,749	66.0	364.87
FY2011	5,663	3,823	67.1	373.09

Note: Equity capital: 3,714 million yen for FY2012, 3,798 million yen for FY2011

(3) Consolidated Statement of Cash Flows

	Cash flows from operating activities	Cash flows from investment activities	Cash flows from financing activities	Cash and cash equivalent at end of year
	Millions of Yen	Millions of Yen	Millions of Yen	Millions of Yen
FY2012	186	- 21	- 23	858
FY2011	544	- 108	- 235	722

2. Status of Distribution

	Dividend per share			Total dividend (Year)	Dividend ratio (Consolidated)	Net asset dividend rate (Consolidated)
	Interim term end	Term end	Full Year			
	Yen	Yen	Yen	Millions of Yen	%	%
FY2012	0.00	0.00	0.00	0	—	—
FY2011	0.00	0.00	0.00	0	—	—
FY2013 (Expected)	0.00	0.00	0.00		—	

3. Forecast results for FY2013 (April 1, 2012 to March 31, 2013)

(% for full year and interim term implies the rate of increase/decrease year-on-year and term-on-term, respectively)

	Net sales		Operating income		Ordinary income		Net income		Net income per share
	Millions of Yen	%	Millions of Yen	%	Millions of Yen	%	Millions of Yen	%	Yen
1 st half, FY2013	1,610	3.9	- 11	—	- 22	—	- 21	—	- 2.12
Full FY2013	3,527	15.8	75	319.8	61	—	30	—	2.97

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. Other

(1) Changes to major subsidiaries during the current fiscal year: Yes

(2) Changes to accounting principles, procedures, and presentation when preparing consolidated financial statements.

① Changes accompanying the revision of accounting standards: Yes

② Changes other than ① : No

(3) Number of shares issued (common shares)

① The number of shares issued at the end of the fiscal year (including own shares)	FY2012	10,696,320 shares
	FY2011	10,696,320 shares
② The number of shares buybacks	FY2012	515,148 shares
	FY2011	515,028 shares
③ The average number of shares	FY2012	10,181,221 shares
	FY2011	10,181,299 shares

Consolidated Financial Statements
(1) Consolidated Balance Sheets

(Thousands of Yen)

	Full FY 2011 (March 31,2011)	Full FY 2012 (March 31,2012)
(Assets)		
Current assets		
Cash and deposits	872,492	1,008,597
Notes and accounts receivable-trade	845,597	794,038
Merchandise and finished goods	202,516	272,663
Work in process	384,462	339,507
Raw materials and supplies	138,074	132,890
Deferred tax assets	14,188	12,949
Accounts receivable-other	30,039	22,915
Others	28,347	118,119
Allowance for doubtful accounts	- 5,129	- 2,396
Total current assets	2,510,589	2,699,284
Noncurrent assets		
Property, plant and equipment		
Buildings and structures	5,462,921	4,563,589
Machinery, equipment and vehicles	1,359,663	1,165,914
Tools, furniture and fixtures	275,481	214,768
Land	1,053,575	1,053,575
Lease assets	145,338	141,933
Construction in progress	—	425
Accumulated depreciation	- 5,214,055	- 4,250,535
Total property, plant and equipment	3,082,925	2,889,672
Intangible assets	19,707	4,524
Investments and other assets		
Deferred tax assets	2,931	149
Others	54,452	44,546
Allowance for doubtful accounts	- 6,644	- 6,644
Total investments and other assets	50,739	38,051
Total noncurrent assets	3,153,372	2,932,248
Total assets	5,663,962	5,631,532

Consolidated Financial Statements
(1) Consolidated Balance Sheets

(Thousands of Yen)

	Full FY 2011 (March 31,2011)	Full FY 2012 (March 31,2012)
(Liabilities)		
Current liabilities		
Notes and accounts payable-trade	288,457	188,881
Short-term loans payable	858,000	858,000
Current portion of long-term loans payable	243,089	117,085
Income taxes payable	28,669	27,125
Provision for bonuses	11,853	50,670
Others	76,921	202,980
Total current liabilities	1,506,991	1,444,743
Noncurrent liabilities		
Long-term loans payable	202,855	304,939
Deferred tax liabilities	—	1,954
Provision for retirement benefits	111,403	114,678
Others	18,870	15,741
Total noncurrent liabilities	333,130	437,314
Total liabilities	1,840,121	1,882,058
(Net assets)		
Shareholders' equity		
Capital stock	1,998,700	1,998,700
Capital surplus	2,953,700	2,953,700
Retained earnings	- 637,304	- 719,528
Treasury stock	- 481,314	- 481,329
Total shareholders' equity	3,833,781	3,751,542
Accumulated other comprehensive income		
Foreign currency translation adjustment	- 35,275	- 36,777
Total accumulated other comprehensive income	- 35,275	- 36,777
Subscription rights to shares	25,335	34,708
Total net assets	3,823,840	3,749,473
Total liabilities and net assets	5,663,962	5,631,532

Consolidated Financial Statements

(2) Consolidated Income Statements & Comprehensive Income

(Thousands of Yen)

	FY 2011 (April 1, 2010 to March 31, 2011)	FY 2012 (April 1, 2011 to March 31, 2012)
Net sales	3,157,282	3,045,450
Cost of sales	1,879,757	1,920,701
Gross profit	1,277,525	1,124,749
Selling, general and administrative expenses		
Packing and transportation expenses	58,145	36,369
Directors' compensations	58,150	58,016
Salaries and bonuses	386,652	408,788
Provision for bonuses	7,463	25,636
Retirement benefit expenses	20,993	22,721
Depreciation	100,981	63,670
Research and development expenses	60,633	30,219
Others	478,761	461,234
Total selling, general and administrative expenses	1,171,781	1,106,656
Operating income	105,743	18,092
Non-operating income		
Interest income	430	474
Dividends income	648	—
Rent income	18,930	21,224
Others	6,045	8,868
Total non-operating income	26,054	30,568
Non-operating expenses		
Interest expenses	37,689	34,416
Foreign exchange losses	67,681	16,702
Rent expenses	7,620	6,134
Others	1,342	524
Total non-operating expenses	114,333	57,777
Ordinary income (loss)	17,464	- 9,116
Extraordinary income		
Gain on sales of noncurrent assets	4,873	3,022
Gain on sales of investment securities	25,467	—
Gain on reversal of subscription rights to shares	3,049	498
Total extraordinary income	33,390	3,520
Extraordinary loss		
Loss on retirement of noncurrent assets	4,482	10,594
Impairment loss	14,887	15,679
Loss on sale of membership	5,584	—
Loss on valuation of membership	7,750	11,380
Others	930	—
Total extraordinary losses	33,634	37,653
Income (loss) before income taxes	17,221	- 43,249
Income taxes-current	42,218	33,122
Income taxes-deferred	- 15,144	5,852
Total income taxes	27,074	38,974
Net income (loss)	- 9,852	- 82,224
Other comprehensive income		
Valuation difference on available-for-sale securities	- 16,361	—
Foreign currency translation adjustment	- 40,212	- 1,501
Total other comprehensive income	- 56,573	- 1,501
Comprehensive income	- 66,425	- 83,725

Consolidated Financial Statements
(3) Consolidated Statements of Cash Flows

(Thousands of Yen)

	FY 2011 (April 1, 2010 to March 31, 2011)	FY 2012 (April 1, 2011 to March 31, 2012)
Cash flows from operating activities		
Income (loss) before income taxes	17,221	- 43,249
Depreciation and amortization	293,692	213,988
Impairment loss	14,887	15,679
Increase (decrease) in allowance for doubtful accounts	- 10,362	- 2,669
Increase (decrease) in provision for bonuses	8,808	38,723
Increase (decrease) in provision for retirement benefits	11,030	3,274
Interest and dividends income	- 1,078	- 474
Interest expenses	37,689	34,416
Foreign exchange losses (gains)	67,681	16,702
Loss (gain) on sale of investment securities	- 25,467	—
Loss (gain) on sale of membership	5,584	—
Loss on valuation of membership	7,750	11,380
Loss (gain) on sales of noncurrent assets	- 4,873	- 3,022
Loss on retirement of noncurrent assets	4,482	10,594
Decrease (increase) in notes and accounts receivable-trade	21,544	51,892
Decrease (increase) in inventories	52,406	- 16,123
Increase (decrease) in notes and accounts payable-trade	99,362	- 97,789
Other	6,484	25,070
Sub total	606,843	258,392
Interest and dividends income received	1,425	474
Interest expenses paid	- 37,177	- 34,479
Income taxes paid	- 38,564	- 38,048
Income taxes refund	11,626	—
Net cash provided by operating activities	544,154	186,339
Cash flows from investing activities		
Payments into time deposits	- 600	—
Proceeds from withdrawal of time deposits	1,200	—
Proceeds from sales of investment securities	39,742	—
Purchases of property, plant and equipment	- 158,162	- 40,042
Proceeds from sales of property, plant and equipment	4,754	3,518
Proceeds from earnest related sales of property ,plant and equipment	—	61,221
Purchases of intangible assets	- 1,509	—
Removal loss of property,plant and equipment	—	- 46,595
Other	5,959	- 86
Net cash used in investing activities	- 108,614	- 21,984
Cash flows from financing activities		
Proceeds from long-term loans payable	97,461	240,000
Repayment of long-term loans payable	- 330,035	- 261,060
Purchases of treasury stock	- 5	- 14
Repayments of lease obligations	- 2,549	- 2,692
Cash dividends paid	- 39	- 18
Net cash used in financing activities	- 235,168	- 23,786
Effect of exchange rate change on cash and cash equivalents	- 40,118	- 4,682
Net increase (decrease) in cash and cash equivalents	160,252	135,885
Cash and cash equivalents at beginning of period	562,212	722,464
Cash and cash equivalents at end of period	722,464	858,350