

Financial Statement for the Nine Months Ended December 31, 2012

February 8, 2013

Name of listed company: Nihon Micro Coating Co., Ltd.
 Stock Code: 5381 (URL http://www.mipox.co.jp)
 Name and Title of Representative: Jun Watanabe, President
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 Quarterly Report Filing Date (as planned): February 8, 2013

Stock Exchange: Osaka Securities Exchange, Inc. JASDAQ

1. Consolidated Financial Result for the Nine Months Ended December 31, 2012 (April 1, 2012 – December 31, 2012)

(Figures are rounded down to the nearest million)

(1) Consolidated Operating Result (% 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 | % |
| December 31, 2012 | 2,573 | 12.3 | 232 | 653.6 | 236 | — | 216 | — |
| December 31, 2011 | 2,290 | -1.4 | 30 | -39.3 | -2 | — | -60 | — |

Note: Comprehensive Income: 286 million yen (- %) for the nine months ended December 31, 2012
 -141 million yen (- %) for the nine months ended December 31, 2011

| | Net Income Per Share | | Net Income Per Share (diluted) | |
|-------------------|----------------------|--|--------------------------------|--|
| | Yen | | Yen | |
| December 31, 2012 | 21.25 | | 21.09 | |
| December 31, 2011 | -5.92 | | — | |

(2) Consolidated Financial Position

| | Total Assets | | Total Net Assets | | Shareholders' Equity Ratio | |
|-------------------|-----------------|--|------------------|--|----------------------------|--|
| | Millions of Yen | | Millions of Yen | | % | |
| December 31, 2012 | 5,171 | | 4,041 | | 77.4 | |
| March 31, 2012 | 5,631 | | 3,749 | | 66.0 | |

(Note) Equity capital (Millions of Yen): As of December 31, 2012 4,001
 As of March 31, 2012 3,714

2. Status of Distribution

| | Dividends per share | | | | |
|-------------------|---------------------|--------------------|-------------------|----------|-----------|
| | First quarter end | Second quarter end | Third quarter end | Year end | Full year |
| FY2012 | — Yen | 0.00 Yen | — Yen | 0.00 Yen | 0.00 Yen |
| FY2013 | — | 0.00 | — | | |
| FY2013 (Expected) | | | | 0.00 | 0.00 |

Note: Revisions to dividend forecasts published most recently: None

3. Consolidated Financial Forecasts for the Fiscal Year Ending March 31, 2013 (April 1, 2012– March 31, 2013)

(%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 | |
|--------|-----------------|------|------------------|---|-----------------|---|-----------------|---|----------------------|--|
| | Millions of Yen | % | Millions of Yen | % | Millions of Yen | % | Millions of Yen | % | Yen | |
| FY2013 | 3,710 | 21.8 | 274 | — | 264 | — | 222 | — | 21.88 | |

(Note)Revision of forecast for dividends published most recently: None

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

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): Yes

Newly establishment: MIPOX Abrasives India Pvt. Ltd. (MAI)

(2) Adoptions of simplified accounting methods and accounting methods particular to the presentation of quarterly financial statements: None

(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, 2012 | 10,696,320 | March 31, 2012 | 10,696,320 |
|-------------------|------------|----------------|------------|

2. Numbers of treasury stock

| | | | |
|-------------------|---------|----------------|---------|
| December 31, 2012 | 513,728 | March 31, 2012 | 515,148 |
|-------------------|---------|----------------|---------|

3. Numbers of average shares outstanding (cumulative, consolidated at the end of the first quarter)

| | | | |
|-------------------|------------|-------------------|------------|
| December 31, 2012 | 10,181,274 | December 31, 2011 | 10,181,236 |
|-------------------|------------|-------------------|------------|

Consolidated Financial Statements

(1) Consolidated Balance Sheets

(Thousands of Yen)

| | End of previous fiscal year (March 31, 2012) | End of third quarter of current fiscal year (December 31, 2012) |
|---------------------------------------|--|---|
| Assets | | |
| Current assets | | |
| Cash and deposits | 1,008,597 | 1,253,311 |
| Notes and accounts receivable - trade | 794,038 | 759,263 |
| Merchandise and finished goods | 272,663 | 249,584 |
| Work in process | 339,507 | 342,817 |
| Raw materials and supplies | 132,890 | 119,141 |
| Deferred tax assets | 12,949 | 13,113 |
| Accounts receivable - non trade | 22,915 | 10,981 |
| Other | 118,119 | 27,763 |
| Allowance for doubtful accounts | -2,396 | -2,093 |
| Total current assets | <u>2,699,284</u> | <u>2,773,882</u> |
| Non-current assets | | |
| Property, plant and equipment | | |
| Buildings and structures | 4,563,589 | 4,558,062 |
| Machinery, equipment and vehicles | 1,165,914 | 1,214,002 |
| Land | 1,053,575 | 515,267 |
| Other | 357,127 | 457,747 |
| Accumulated depreciation | -4,250,535 | -4,395,194 |
| Total property, plant and equipment | <u>2,889,672</u> | <u>2,349,886</u> |
| Intangible assets | 4,524 | 5,876 |
| Investments and other assets | | |
| Deferred tax assets | 149 | 137 |
| Other | 44,546 | 48,655 |
| Allowance for doubtful accounts | -6,644 | -6,644 |
| Total investments and other assets | <u>38,051</u> | <u>42,147</u> |
| Total non-current assets | <u>2,932,248</u> | <u>2,397,910</u> |
| Total assets | <u>5,631,532</u> | <u>5,171,793</u> |

Consolidated Financial Statements

(1) Consolidated Balance Sheets

| | (Thousands of Yen) | |
|---|--------------------------------|--|
| | End of previous fiscal year | End of third quarter of current fiscal year |
| | (March 31, 2012) | (December 31, 2012) |
| Liabilities | | |
| Current liabilities | | |
| Notes and accounts payable - trade | 188,881 | 123,310 |
| Short-term loans payable | 858,000 | 290,000 |
| Current portion of long-term loans payable | 117,085 | 119,802 |
| Income taxes payable | 27,125 | 31,244 |
| Provision for bonuses | 50,670 | 26,926 |
| Other | 202,980 | 145,123 |
| Total current liabilities | 1,444,743 | 736,408 |
| Non-current liabilities | | |
| Long-term loans payable | 304,939 | 247,019 |
| Allowance for employee retirement benefits | 114,678 | 119,802 |
| Deferred tax liabilities | 1,954 | 1,516 |
| Other | 15,741 | 26,033 |
| Total non-current liabilities | 437,314 | 394,371 |
| Total liabilities | 1,882,058 | 1,130,779 |
| Net assets | | |
| Shareholders' equity | | |
| Capital stock | 1,998,700 | 1,998,700 |
| Capital surplus | 2,953,700 | 2,952,612 |
| Retained earnings | -719,528 | -503,212 |
| Treasury shares | -481,329 | -479,944 |
| Total shareholders' equity | 3,751,542 | 3,968,155 |
| Accumulated other comprehensive income | | |
| Foreign currency translation adjustment | -36,777 | 33,455 |
| Total accumulated other comprehensive income | -36,777 | 33,455 |
| Subscription rights to shares | 34,708 | 39,402 |
| Total net assets | 3,749,473 | 4,041,013 |
| Total liabilities and net assets | 5,631,532 | 5,171,793 |

Consolidated Financial Statements
(2) Consolidated Income Statements & Comprehensive Income

(Thousands of Yen)

| | First nine-month period of previous fiscal year (April 1, 2011 to December 31, 2011) | First nine-month period of current fiscal year (April 1, 2012 to December 31, 2012) |
|--|---|--|
| Net sales | 2,290,466 | 2,573,103 |
| Cost of sales | 1,432,391 | 1,482,530 |
| Gross profit | 858,075 | 1,090,572 |
| Selling, general and administrative expenses | 827,159 | 857,594 |
| Operating income | 30,916 | 232,978 |
| Non-operating income | | |
| Interest income | 308 | 1,274 |
| Rent income | 15,910 | 17,676 |
| Foreign exchange gains | - | 6,180 |
| Other | 8,469 | 3,958 |
| Total non-operating income | 24,688 | 29,089 |
| Non-operating expenses | | |
| Interest expenses | 25,999 | 19,008 |
| Foreign exchange losses | 26,827 | - |
| Other | 5,008 | 6,657 |
| Total non-operating expenses | 57,835 | 25,666 |
| Ordinary income (loss) | -2,231 | 236,401 |
| Extraordinary income | | |
| Gain on sales of non-current assets | 3,022 | 39,460 |
| Other | - | 159 |
| Total extraordinary income | 3,022 | 39,620 |
| Extraordinary losses | | |
| Loss on retirement of non-current assets | 5,897 | 2,867 |
| Impairment loss | 15,679 | - |
| Loss on sale of membership | - | 850 |
| Loss on valuation of membership | 11,380 | - |
| Total extraordinary losses | 32,956 | 3,717 |
| Income (loss) before income taxes | -32,165 | 272,304 |
| Income taxes - current | 25,887 | 56,000 |
| Income taxes - deferred | 2,251 | -11 |
| Total income taxes | 28,139 | 55,989 |
| Net income (loss) before minority interests adjustment | -60,304 | 216,315 |
| Net income (loss) | -60,304 | 216,315 |
| Other comprehensive income | | |
| Foreign currency translation adjustment | -80,764 | 70,232 |
| Total other comprehensive income | -80,764 | 70,232 |
| Comprehensive income | -141,069 | 286,548 |
| Comprehensive income attributable to | | |
| Comprehensive income attributable to owners of parent | -141,069 | 286,548 |
| Comprehensive income attributable to non-controlling interests | - | - |