

Consolidated Business Results for FY 2013

May 13, 2013

Name of listed company: Nihon Micro Coating Co., Ltd.
 Stock Code: 5381 (URL <http://www.mipox.co.jp>)
 Representative: Jun Watanabe, President
 Inquiry to: Susumu Orito, General Manager Tel: +81-42-543-4711
 Expected date of the shareholders' meeting: June 27, 2013
 Expected date of the release of Asset Security Report: June 27, 2013

Stock Exchange: Osaka Securities Exchange, Inc. JASDAQ

1. Consolidated Business Results for FY2013 (April 1, 2012 to March 31, 2013) (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	%
FY2013	3,409	12.0	275	—	300	—	154	—
FY2012	3,045	-3.5	18	-82.9	-9	—	-82	—

Note: Comprehensive Income: 319 million yen (—%) for FY2013, -83 million yen (—%) for FY2012

	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	%	%	%
FY2013	15.20	15.03	4.0	5.5	8.1
FY2012	-8.08	—	-2.2	-0.2	0.6

(2) Consolidated Financial Position

	Total assets	Net assets	Equity capital ratio	Net assets per share
	Millions of Yen	Millions of Yen	%	Yen
FY2013	5,280	3,975	74.5	401.18
FY2012	5,631	3,749	66.0	364.87

Note: Equity capital: 3,936 million yen for FY2013, 3,714 million yen for FY2012

(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
FY2013	419	507	-663	1,189
FY2012	186	-21	-23	858

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	—	—
FY2013	0.00	0.00	0.00	0	—	—
FY2014 (Expected)	0.00	5.00	5.00		25.9	

3. Forecast results for FY2014 (April 1, 2013 to March 31, 2014)

(% 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, FY2014	1,819	1.8	124	-40.9	117	-35.4	76	-55.9	7.54
Full FY2014	3,750	10.0	292	6.1	276	-8.0	196	27.2	19.33

Forecasts are based on information available to the management at the time of an announcement. Forecasts contain 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

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

(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)	FY2013	10,696,320 shares
	FY2012	10,696,320 shares
② The number of shares buybacks	FY2013	884,708 shares
	FY2012	515,148 shares
③ The average number of shares	FY2013	10,153,035 shares
	FY2012	10,181,221 shares

Consolidated Financial Statements
(1) Consolidated Balance Sheets

(Thousands of Yen)

	Full FY 2012 (March 31,2012)	Full FY 2013 (March 31,2013)
(Assets)		
Current assets		
Cash and deposits	1,008,597	1,341,964
Notes and accounts receivable-trade	794,038	810,947
Merchandise and finished goods	272,663	229,522
Work in process	339,507	380,382
Raw materials and supplies	132,890	123,167
Deferred tax assets	12,949	22,000
Others	141,034	44,677
Allowance for doubtful accounts	- 2,396	- 2,276
Total current assets	2,699,284	2,950,387
Noncurrent assets		
Property, plant and equipment		
Buildings and structures	4,563,589	4,565,808
Machinery, equipment and vehicles	1,165,914	1,244,327
Tools, furniture and fixtures	214,768	230,956
Land	1,053,575	515,267
Lease assets	141,933	198,885
Construction in progress	425	63,451
Accumulated depreciation	- 4,250,535	- 4,573,579
Total property, plant and equipment	2,889,672	2,245,116
Intangible assets	4,524	36,539
Investments and other assets		
Deferred tax assets	149	112
Others	44,546	55,119
Allowance for doubtful accounts	- 6,644	- 6,644
Total investments and other assets	38,051	48,587
Total noncurrent assets	2,932,248	2,330,244
Total assets	5,631,532	5,280,631

Consolidated Financial Statements
(1) Consolidated Balance Sheets

(Thousands of Yen)

	Full FY 2012 (March 31,2012)	Full FY 2013 (March 31,2013)
(Liabilities)		
Current liabilities		
Notes and accounts payable-trade	188,881	147,632
Short-term loans payable	858,000	290,000
Current portion of long-term loans payable	117,085	133,347
Lease obligations	2,997	16,548
Income taxes payable	27,125	35,213
Provision for bonuses	50,670	55,003
Others	199,983	128,982
Total current liabilities	1,444,743	806,728
Noncurrent liabilities		
Long-term loans payable	304,939	304,503
Lease obligations	3,156	59,157
Deferred tax liabilities	1,954	2,543
Provision for retirement benefits	114,678	118,370
Others	12,585	13,597
Total noncurrent liabilities	437,314	498,172
Total liabilities	1,882,058	1,304,900
(Net assets)		
Shareholders' equity		
Capital stock	1,998,700	1,998,700
Capital surplus	2,953,700	2,948,262
Retained earnings	- 719,528	△565,183
Treasury stock	- 481,329	△574,239
Total shareholders' equity	3,751,542	3,807,540
Accumulated other comprehensive income		
Foreign currency translation adjustment	- 36,777	128,682
Total accumulated other comprehensive income	- 36,777	128,682
Subscription rights to shares	34,708	39,508
Total net assets	3,749,473	3,975,730
Total liabilities and net assets	5,631,532	5,280,631

Consolidated Financial Statements

(2) Consolidated Income Statements & Comprehensive Income

(Thousands of Yen)

	FY 2012 (April 1, 2011 to March 31, 2012)	FY 2013 (April 1, 2012 to March 31, 2013)
Net sales	3,045,450	3,409,789
Cost of sales	1,920,701	1,965,829
Gross profit	1,124,749	1,443,960
Selling, general and administrative expenses		
Packing and transportation expenses	36,369	56,967
Directors' compensations	58,016	90,580
Salaries and bonuses	408,788	407,986
Provision for bonuses	25,636	19,929
Retirement benefit expenses	22,721	18,977
Depreciation	63,670	53,908
Research and development expenses	30,219	26,522
Others	461,234	493,839
Total selling, general and administrative expenses	1,106,656	1,168,711
Operating income	18,092	275,248
Non-operating income		
Interest income	474	1,394
Rent income	21,224	23,699
Foreign exchange gains	—	29,102
Others	8,868	4,686
Total non-operating income	30,568	58,882
Non-operating expenses		
Interest expenses	34,416	24,598
Foreign exchange losses	16,702	—
Rent expenses	6,134	6,170
Others	524	2,781
Total non-operating expenses	57,777	33,550
Ordinary income (loss)	- 9,116	300,580
Extraordinary income		
Gain on sales of noncurrent assets	3,022	39,460
Gain on reversal of subscription rights to shares	498	1,286
Total extraordinary income	3,520	40,746
Extraordinary loss		
Loss on retirement of noncurrent assets	10,594	6,584
Impairment loss	15,679	116,522
Loss on sale of membership	—	1,166
Loss on valuation of membership	11,380	—
Total extraordinary losses	37,653	124,273
Income (loss) before income taxes	- 43,249	217,053
Income taxes-current	33,122	69,192
Income taxes-deferred	5,852	△6,484
Total income taxes	38,974	62,708
Net income (loss)	- 82,224	154,345
Other comprehensive income		
Foreign currency translation adjustment	- 1,501	165,459
Total other comprehensive income	- 1,501	165,459
Comprehensive income	- 83,725	319,804

Consolidated Financial Statements
(3) Consolidated Statements of Cash Flows

(Thousands of Yen)

	FY 2012 (April 1, 2011 to March 31, 2012)	FY 2013 (April 1, 2012 to March 31, 2013)
Cash flows from operating activities		
Income (loss) before income taxes	- 43,249	217,053
Depreciation and amortization	213,988	188,448
Impairment loss	15,679	116,522
Increase (decrease) in allowance for doubtful accounts	- 2,649	- 428
Increase (decrease) in provision for bonuses	38,941	2,475
Increase (decrease) in provision for retirement benefits	3,274	3,692
Interest and dividends income	- 474	- 1,394
Interest expenses	34,416	24,598
Foreign exchange losses (gains)	16,702	- 29,102
Loss (gain) on sales of noncurrent assets	- 3,022	- 39,460
Loss on retirement of noncurrent assets	10,594	6,584
Loss (gain) on sale of membership	—	1,166
Loss on valuation of membership	11,380	—
Decrease (increase) in notes and accounts receivable-trade	43,885	36,617
Decrease (increase) in inventories	- 20,152	52,882
Increase (decrease) in notes and accounts payable-trade	- 94,895	- 45,134
Other	33,974	- 30,728
Sub total	258,392	503,793
Interest and dividends income received	474	1,394
Interest expenses paid	- 34,479	- 23,760
Income taxes paid	- 38,048	- 62,345
Net cash provided by operating activities	186,339	419,082
Cash flows from investing activities		
Payments into time deposits	—	- 765
Purchases of property, plant and equipment	- 40,042	- 131,689
Proceeds from sales of property, plant and equipment	3,518	638,029
Proceeds from earnest related sales of property ,plant and equipment	61,221	—
Purchases of intangible assets	—	- 3,828
Removal loss of property,plant and equipment	- 46,595	—
Proceeds from sale of membership	—	12,333
Other	- 86	- 6,770
Net cash used in investing activities	- 21,984	507,310
Cash flows from financing activities		
Net increase (decrease) in short-term loans payable	—	- 568,000
Proceeds from long-term loans payable	240,000	130,000
Repayment of long-term loans payable	- 261,060	- 121,102
Purchases of treasury stock	- 14	- 99,915
Proceeds from disposal of treasury stock	—	1,095
Repayments of lease obligations	- 2,692	- 5,236
Cash dividends paid	- 18	- 127
Net cash used in financing activities	- 23,786	- 663,286
Effect of exchange rate change on cash and cash equivalents	- 4,682	67,994
Net increase (decrease) in cash and cash equivalents	135,885	331,101
Cash and cash equivalents at beginning of period	722,464	858,350
Cash and cash equivalents at end of period	858,350	1,189,451