

The 3rd Quarter Financial Results Ended Dec 31, 2007
(For the fiscal year ending March 31, 2008)

January 29, 2008

Company Name: MEC COMPANY LTD. Stock exchange listing: 1st Section of TSE
 Securities Code.: 4971 Hercules of OSE
 U R L : <http://www.mec-co.com/>
 Representative: Kazuo MAEDA
 President & CEO
 Contact: Yoshihiro SAKAMOTO
 General Manager CEO OFFICE
 Phone: +81-6-6414-3451

(Amount Amounts of less than one million yen has have been disregarded.)

1 . Financial Results for the Nine Months Ended December 31, 2007 (October 1, 2007 – December 31, 2007)

(1) Results of Operations

(% represented annual changes over the preceding year unless otherwise stated)

	Net Sales		Operating income		Ordinary income		Net income	
	Millions of yen	Change (%)	Millions of yen	Change (%)	Millions of yen	Change (%)	Millions of yen	Change (%)
Nine months ended Dec. 31, 2007	6,704	14.5	1,613	11.9	1,615	11.2	1,134	17.4
Nine months ended Dec. 31, 2006	5,855	22.3	1,442	28.6	1,453	23.5	966	25.6
Year ended March 31, 2007	7,823	-	1,784	-	1,800	-	1,184	-

	Net income per share	Diluted income per share
	Yen	Yen
Nine months ended Dec. 31, 2007	55.69	-
Nine months ended Dec. 31, 2006	47.44	-
Year ended March 31, 2007	58.13	-

(2) Financial Positions

	Total assets	Net assets	Equity ratio	Net assets per share
	Millions of yen	Millions of yen	%	yen
Dec. 31, 2007	11,284	8,608	76.3	422.56
Dec. 31, 2006	9,993	7,577	75.8	371.94
March 31, 2007	10,530	7,831	74.4	384.42

(3) Cash Flow

	Cash flow from operating activities	Cash flow from investment activities	Cash flow from financial activities	Cash and cash equivalents at fiscal year end
	Millions of yen	Millions of yen	Millions of yen	Millions of yen
Nine months ended Dec.31, 2007	1,106	(1,142)	(340)	2,640
Nine months ended Dec. 31, 2006	-	-	-	-
Year ended March 31, 2007	1,469	(821)	(385)	3,033

2 . Dividends Dividends

(Record date)	Dividends Dividends per share		
	Interim	Year End	Annual
Year ended March 31, 2007	yen 5.00	yen 9.00	yen 14.00
Year ending March 31, 2008	6.00	6.00	12.00
Year ending March 31 , 2008 (Forecast)			

Note: Additional An additional dividend of ¥2 was paid for the term ending March 31, 2007 to commemorate the listing of the company's shares on in the 1st First Section of the Tokyo Stock Exchange.

3 . Forecast for the Year Ending March 31, 2008 (April 1, 2007 - March 31, 2008)

	Net Sales		Operating income		Ordinary income		Net income		Net income per share
	Millions of yen	Change (%)	Millions of yen	Change (%)	Millions of yen	Change (%)	Millions of yen	Change (%)	yen
Full year	8,713	11.4	2,073	16.2	2,061	14.5	1,394	17.7	68.45

4 . Others

- (1) Changes of major subsidiary companies during the period (Change of specific subsidiary companies that involves changes in the scope of consolidation) : No
- (3) Adoption of concise accounting procedures : Yes
- (4) Changes in accounting procedures from the previous procedures : No

[Note: For details, please refer to “Qualitative Information/ Financial Statements” 4. Other, p.4]

* Explanation relating to appropriate application of the business forecast
 The business forecast is prepared, based on information available as of the day of announcement of this these data.
 It is possible that the actual business performance may differ from the business forecast due to various factors.

【Qualitative information/ Financial Statements】

1. Qualitative information concerning consolidated operating results

The Japanese economy in this 3rd quarter has maintained momentum towards recovery due to the improvement of corporate results and robust personal consumption. Further, although business activity in developing countries, centered on China, has continued to tend towards expansion, the sense of uncertainty over future direction has also heightened due to factors such as the sub-prime loan problem in the USA and high global oil and raw material costs.

As for the electronics industry, areas such as PCs, flat-screen TVs and mobile phones continued to do comparatively well and demand also expanded in the electronic substrate industry, centering on high density electronic substrates.

In such circumstances, MEC group has been pouring its energies into the development of new chemicals for use with electronic substrates and the expansion of sales of these products. In regard to new product development, MEC began sales of 24 new products this quarter and applied for 31 patents. On the sales front, we have been focusing on the expansion of sales of new products for universal electronic substrates, centering on China.

As a result of these activities, consolidated sales for this quarter finished at ¥6,704 million (up 14.5% in comparison to the same period the previous year), operating profit was ¥1,613 million (up 11.9%), ordinary profit was ¥1,615 million (up 11.2%), and quarterly net profit was ¥1,134 million (up 17.4%).

2. Qualitative information concerning the consolidated financial situation

In regard to the MEC's financial situation during this 3rd quarter of the consolidated accounting period, total assets increased ¥754 million in comparison to the end of the previous consolidated accounting year to finish at ¥11,284 million. The main causes of this increase were increases in notes receivable and accounts receivable due to increased sales, building and structures due to new manufacturing plant construction, and investment securities due to share purchases and increased valuation differences. Liabilities decreased ¥22 million to finish at ¥2,676 million. Net assets increased ¥776 million to finish at ¥8,608 million. The main cause of this increase was an increase in retained earnings.

As a result of the above, MEC's capital adequacy ratio finished at 76.3%.

3. Qualitative information concerning the consolidated results forecast

Because consolidated results continued largely according to plan in this 3rd quarter, there will be no revisions from the results forecast for the full term announced on November 8, 2007.

4. Other

(1) Transfers of important subsidiary companies during the period (transfers of specified subsidiary companies in accordance with changes in the scope of consolidation)

N/A

(2) Adoption of simple methods for account processing

Corporate income tax, etc, has been calculated using an annual forecast tax rate based on the normal effective statutory tax rate.

(3) Changes in account processing methods from the most recent consolidated accounting year

N/A

5. Consolidated Financial Statement

(1) Consolidated Balance Sheet

	As of Dec. 31, 2006			As of Dec. 31, 2007			Increase-decrease		As of March 31, 2007		
	Amount		Composition	Amount		Composition			Amount		Composition
		1,000yen	%		1,000yen	%	1,000yen	%		1,000yen	%
(Assets)											
Current assets											
1 Cash and deposits		3,077,265			3,368,538					3,591,240	
2 Notes and accounts receivable-trade		2,358,589			2,629,951					2,142,442	
3 Marketable securities		50,000			50,000					50,000	
4 Inventories		455,856			445,832					495,312	
5 Deferred tax assets		104,477			99,864					118,610	
6 Others		70,575			66,959					58,442	
Allowance for doubtful accounts		(14,579)			(13,304)					(12,831)	
Current assets		6,102,184	61.1		6,647,841	58.9	545,657	8.9		6,443,216	61.2
Fixed assets											
1 Property, plant and equipment											
(1) Buildings and structures	1,026,777			1,343,573					1,046,263		
(2) Machinery, equipment and vehicles	400,033			412,164					467,311		
(3) Land	1,293,861			1,289,628					1,306,678		
(4) Others	205,013	2,925,686	29.2	359,716	3,405,083	30.2	479,396		317,165	3,137,417	29.8
2 Intangible fixed assets											
(1) Goodwill	31,600			22,537					27,531		
(2) Others	76,370	107,970	1.1	61,771	84,308	0.7	(23,662)		71,446	98,978	0.9
3 Investments and other assets											
(1) Investment securities	607,740			904,437					601,616		
(2) Others	277,427			264,738					270,763		
Allowance for doubtful accounts	(27,264)	857,903	8.6	(21,583)	1,147,592	10.2	289,688		(21,574)	850,805	8.1
Fixed assets		3,891,560	38.9		4,636,984	41.1	745,423	19.2		4,087,201	38.8
Assets		9,993,745	100.0		11,284,826	100.0	1,291,080	12.9		10,530,418	100.0

	As of Dec. 31, 2006			As of Dec. 31, 2007			Increase-decrease		As of March 31, 2007		
	Amount		Composition	Amount		Composition			Amount		Composition
		1,000yen	%		1,000yen	%	1,000yen	%		1,000yen	%
(Liabilities)											
Current liabilities											
1 Notes and accounts payable-trade	745,565			1,007,059					780,128		
2 Short-term loans payable	130,000			280,000					130,000		
3 Current portion of long-term loans payable	200,000			200,000					400,000		
4 Others	202,576			174,048					317,335		
5 Reserve for bonuses	96,591			116,466					127,475		
6 Reserve for directors' bonuses	16,042			18,548					21,406		
7 Others	407,350			426,886					497,611		
Current liabilities	1,798,126	18.0		2,223,008	19.7		424,882	23.6	2,273,956	21.6	
Non-current liabilities											
1 Long-term loans payable	200,000			—					—		
2 Deferred tax liabilities	318,055			345,279					321,520		
3 Others	100,542			108,437					103,830		
Non-current liabilities	618,597	6.2		453,717	4.0	(164,879)	(26.7)		425,350	4.0	
Liabilities	2,416,723	24.2		2,676,726	23.7	260,002	10.8		2,699,307	25.6	
(Net assets)											
Owners' equity											
1 Capital stock	594,142	5.9		594,142	5.3	—	—		594,142	5.6	
2 Capital surplus	446,358	4.5		446,358	4.0	—	—		446,358	4.2	
3 Retained earnings	6,188,361	61.9		7,226,075	64.0	1,037,714	16.8		6,397,168	60.8	
4 Treasury stock	—	—		(47)	0.0	(47)	—		(47)	0.0	
Owners' equity	7,228,862	72.3		8,266,529	73.3	1,037,667	14.4		7,437,621	70.6	
Valuation and translation adjustments											
1 Valuation difference on available-for-sale securities	256,663	2.6		243,755	2.2	(12,908)	(5.0)		250,563	2.4	
2 Translation adjustment	91,495	0.9		97,815	0.8	6,319	6.9		142,925	1.4	
Valuation and translation adjustments	348,159	3.5		341,570	3.0	(6,589)	(1.9)		393,489	3.8	
Net assets	7,577,021	75.8		8,608,099	76.3	1,031,077	13.6		7,831,111	74.4	
Liabilities and net assets	9,993,745	100.0		11,284,826	100.0	1,291,080	12.9		10,530,418	100.0	

(2) Consolidated Statements of Income

	Nine months ended Dec. 31, 2006			Nine months ended Dec. 31, 2007			Increase-decrease		Year ended March 31, 2007		
	From April 1, 2006 To Dec. 31, 2006			From April 1, 2007 To Dec. 31, 2007					From April 1, 2006 To March 31, 2007		
	Amount		Propotion	Amount		Propotion			Amount		Propotion
		1,000yen	%			1,000yen	%			1,000yen	%
Net sales		5,855,092	100.0		6,704,848	100.0	849,755	14.5		7,823,706	100.0
Cost of sales		2,145,144	36.6		2,579,152	38.5	434,008	20.2		2,933,447	37.5
Gross profit		3,709,948	63.4		4,125,696	61.5	415,747	11.2		4,890,259	62.5
Selling, general and administrative expenses		2,267,505	38.8		2,512,186	37.4	244,680	10.8		3,105,860	39.7
Operating income		1,442,443	24.6		1,613,510	24.1	171,066	11.9		1,784,398	22.8
Non-operating income											
1 Interest income	8,140			17,124					14,413		
2 Dividends income	2,237			6,849					3,181		
3 Machine rent revenue	11,919			8,646					15,651		
4 Foreign exchange gains	9,292			—					3,288		
5 Others	10,573	42,163	0.7	12,636	45,256	0.7	3,093	7.3	20,776	57,311	0.7
Non-operating expenses											
1 Interest expenses	6,570			5,717					9,031		
2 Loss on valuation of investment securities	2,660			—					2,660		
3 Loss on abandonment of inventories	3,343			—					—		
4 Rental machine rent expenses	12,555			7,998					15,675		
5 Foreign exchange losses	—			17,194					—		
6 Others	6,192	31,321	0.5	11,929	42,839	0.7	11,518	36.8	14,065	41,433	0.5
Ordinary income		1,453,285	24.8		1,615,927	24.1	162,641	11.2		1,800,277	23.0
Extraordinary income											
1 Gain on sales of fixed assets	968	968	0.0	2,405	2,405	0.0	1,436	148.3	987	987	0.0
Extraordinary loss											
1 Loss on sales of fixed assets	317			—					505		
2 Loss on retirement of fixed assets	8,391	8,708	0.1	9,520	9,520	0.1	811	9.3	11,941	12,447	0.1
Income before income taxes		1,445,545	24.7		1,608,811	24.0	163,266	11.3		1,788,817	22.9
Income taxes-current		479,225	8.2		474,333	7.1	(4,891)	(1.0)		604,665	7.8
Net income		966,319	16.5		1,134,478	16.9	168,158	17.4		1,184,152	15.1

(3) Statements of Changes in Net Assets

From April 1, 2006 to Dec. 31, 2006

(Thousands of yen)

	Owners' equity				Valuation and translation adjustments			Net assets
	Capital stock	Capital surplus	Retained earnings	Owners' equity	Valuation difference on available-for-sale securities	Translation adjustment	Valuation and translation adjustments	
Balance as of March 31, 2006	594,142	446,358	5,472,012	6,512,513	296,057	67,437	363,495	6,876,008
Changes of items during the period								
Dividends from surplus *Note			(132,414)	(132,414)				(132,414)
Dividends from surplus (Interim)			(101,856)	(101,856)				(101,856)
Bonus for director *Note			(15,700)	(15,700)				(15,700)
Net income			966,319	966,319				966,319
Net changes of items other than owners' equity					(39,394)	24,058	(15,335)	(15,335)
Changes of items during the period	—	—	716,348	716,348	(39,394)	24,058	(15,335)	701,013
Balances as of Dec. 31, 2006	594,142	446,358	6,188,361	7,228,862	256,663	91,495	348,159	7,577,021

Note: These are items of appropriation of earned surplus approved at the ordinary general meeting of shareholders held in June 2006.

From April 1, 2007 to Dec. 31, 2007

(Thousands of yen)

	Owners' equity					Valuation and translation adjustments			Net assets
	Capital stock	Capital surplus	Retained earnings	Treasury stock	Owners' equity	Valuation difference on available-for-sale securities	Translation adjustment	Valuation and translation adjustments	
Balance as of March 31, 2007	594,142	446,358	6,397,168	(47)	7,437,621	250,563	142,925	393,489	7,831,111
Changes of items during the period									
Dividends from surplus			(183,342)		(183,342)				(183,342)
Dividends from surplus (Interim)			(122,228)		(122,228)				(122,228)
Net income			1,134,478		1,134,478				1,134,478
Net changes of items other than owners' equity						(6,808)	(45,110)	(51,919)	(51,919)
Changes of items during the period	—	—	828,907	—	828,907	(6,808)	(45,110)	(51,919)	776,988
Balance as of Dec. 31, 2007	594,142	446,358	7,226,075	(47)	8,266,529	243,755	97,815	341,570	8,608,099

From April 1, 2006 to March 31, 2007

(Thousands of yen)

	Owners' equity					Valuation and translation adjustments			Net assets
	Capital stock	Capital surplus	Retained earnings	Treasury stock	Owners' equity	Valuation difference on available-for-sale	Translation adjustment	Valuation and translation adjustments	
Balance as of March 31, 2006	594,142	446,358	5,472,012	—	6,512,513	296,057	67,437	363,495	6,876,008
Changes of items during the period									
Dividends from surplus *Note			(132,414)		(132,414)				(132,414)
Dividends from surplus (Interim)			(101,856)		(101,856)				(101,856)
Bonus for directors			(15,700)		(15,700)				(15,700)
Net income			1,184,152		1,184,152				1,184,152
Others			(9,025)		(9,025)				(9,025)
Purchase of treasury stock				(47)	(47)				(47)
Net changes of items other than owners' equity						(45,494)	75,488	29,994	29,994
Changes of items during the period	—	—	925,155	(47)	925,108	(45,494)	75,488	29,994	955,102
Balance as of March 31, 2007	594,142	446,358	6,397,168	(47)	7,437,621	250,563	142,925	393,489	7,831,111

Note: These are items of appropriation of earned surplus approved at the ordinary general meeting of shareholders held in June 2006.

(4) Consolidated Cash Flow

	Nine months ended Dec. 31, 2007	Year ended March 31, 2007
	From April 1, 2007 To Dec. 31, 2007	From April 1, 2006 To March 31, 2007
	Amount	Amount
	1,000yen	1,000yen
Net cash provided by operating activities		
Income before income taxes	1,608,811	1,788,817
Depreciation	228,401	268,584
Increase in allowance for doubtful accounts	4,842	11,361
Increase (decrease) in reserve for bonuses	(11,009)	7,735
Increase (decrease) in reserve for directors' bonuses	(2,857)	21,406
Interest and dividends income	(23,973)	(17,595)
Interest expenses	5,717	9,031
Loss on valuation of investment securities	-	2,660
Decrease (increase) in notes and accounts receivable-trade	(496,116)	26,471
Decrease (increase) in inventories	52,862	(101,047)
Increase (decrease) in notes and accounts payable-trade	229,461	(26,603)
Directors' bonuses paid	-	(15,700)
Others	59,726	59,484
Subtotal	1,655,866	2,034,606
Interest and dividends income received	24,918	17,182
Interest expenses paid	(7,048)	(10,223)
Income paid refund	(567,655)	(571,684)
Net cash provided by operating activities	1,106,081	1,469,881
Net cash used in investment activities		
Payments into time deposits	(1,111,609)	(1,060,190)
Proceeds from withdrawal of time deposits	926,629	1,125,536
Purchase of property, plant and equipment	(640,896)	(866,107)
Proceeds from sales of property, plant and equipment	4,637	2,380
Purchase of intangible fixed assets	(3,980)	(9,900)
Purchase of investment securities	(314,291)	(14,917)
Others	(2,703)	2,039
Net cash used in investment activities	(1,142,213)	(821,158)
Net cash used in financing activities		
Increase in short-term loans payable	180,000	100,000
Decrease in short-term loans payable	(30,000)	(247,595)
Repayment of long-term loans payable	(200,000)	—
Cash dividends paid	(291,696)	(232,908)
Cash dividends paid to minority shareholders	-	(1,738)
Others	1,402	(3,591)
Net cash used in financing activities	(340,293)	(385,834)
Effect of exchange rate change on cash and cash equivalents	(16,497)	17,177
Increase (decrease) in cash and cash equivalents resulting from change of scope of consolidation	(392,922)	280,066
Cash and cash equivalents	3,033,255	2,753,189
Cash and cash equivalents	2,640,332	3,033,255

⑤ Segment information

1 Segment information by type of business

In the 3rd quarter of the previous consolidated accounting year, the 3rd quarter of the current consolidated accounting year, and the previous consolidated accounting year, the MEC Group manufactured and sold chemicals, machinery and equipment, polishing agents, etc. Belonging to the same industry segment as a manufacture specializing in products related to the business; therefore, this section is not applicable.

2 Segment information by location

Nine months ended Dec. 31, 2006 (April 1, 2006 - December 31, 2006)

(Thousands of yen)

	Japan	Asia	Europe	Others	Total	Eliminated or the entire company	Consolidated
Sales amount and operating profit and loss							
Sales amount							
(1) Sales amount to outside customers	3,198,098	2,138,663	518,331		5,855,092		5,855,092
(2) Internal sales amount or transferred amount between segments	943,966	742	1,531		946,240	(946,240)	
Total	4,142,065	2,139,406	519,862		6,801,333	(946,240)	5,855,092
Operating expenses	3,020,027	1,424,637	448,798	565	4,894,029	(481,379)	4,412,649
Operating profit (or operating loss)	1,122,037	714,768	71,064	(565)	1,907,304	(464,861)	1,442,443

(Note) 1 Method of dividing countries or regions and main countries or regions belonging to each division

Method of dividing countries or regions --- Divided by geographical proximity

Main countries and regions belonging to each division --- Asia: Taiwan, Hong Kong, China

Europe: Belgium

Others: U.S.A

2 Out of the operating expenses, the amount of operating expenses which cannot be allocated in items of the eliminated section or the entire company is 452,877 thousand yen, of the majority are expenses to be borne by our administrative divisions, etc.

3 Change in accounting policy:

From the 3rd quarter of the current consolidated accounting year, " Accounting Standard relating to Bonuses to Officers " (No.4 of corporate Accounting Standard : Nov. 29, 2005) have been adopted.

Accompanying this change in accounting policy is an increase in the operating expenses of 16,042 thousand yen, and the operating profit decreased by the same amount for " Japan " compared with the conventional method.

None months ended Dec. 31, 2007 (April 1, 2007 - December 31, 2007)

(Thousands of yen)

	Japan	Asia	Europe	Others	Total	Eliminated or the entire company	Consolidated
Sales amount and operating profit and loss							
Sales amount							
(1) Sales amount to outside customers	3,883,657	2,293,896	527,294		6,704,848		6,704,848
(2) Internal sales amount or transferred amount between segment	1,073,266	400	815		1,074,482	(1,074,482)	
Total	4,956,923	2,294,296	528,110		7,779,330	(1,074,482)	6,704,848
Operating expenses	3,811,709	1,437,588	492,221	617	5,742,137	(650,799)	5,091,338
Operating profit (or operating loss)	1,145,214	856,708	35,888	(617)	2,037,193	(423,683)	1,613,510

(Note) 1 Method of dividing countries or regions and main countries or regions belonging to each division

Method of dividing countries or regions --- Divided by geographical proximity

Main countries and regions belonging to each division --- Asia: Taiwan, Hong Kong, China

Europe: Belgium

Others: U.S.A.

- 2 Out of the operating expenses, the amount of operating expenses which cannot be allocated in items of the eliminated section or the entire company is 464,198 thousand yen, of the majority are expenses to be borne by our administrative divisions, etc.

Year ended March 31, 2007 (April 1, 2006 - March 31, 2007)

(Thousands of yen)

	Japan	Asia	Europe	Others	Total	Eliminated or the entire company	Consolidated
Sales amount and operating profit and loss							
Sales amount							
(1) Sales amount to outside customers	4,278,181	2,839,725	705,799		7,823,706		7,823,706
(2) Internal sales amount or transferred amount between segment	1,190,859	931	1,600		1,193,391	(1,193,391)	
Total	5,469,041	2,840,657	707,399		9,017,098	(1,193,391)	7,823,706
Operating expenses	4,057,955	1,890,895	632,866	571	6,582,288	(542,981)	6,039,307
Operating profit (operating loss)	1,411,085	949,762	74,532	(571)	2,434,809	(650,410)	1,784,398

(Note) 1 Method of dividing countries or regions and main countries or regions belonging to each division

Method of dividing countries or regions --- Divided by geographical proximity

Main countries and regions belonging to each division --- Asia: Taiwan, Hong Kong, China

Europe: Belgium

Others: U.S.A.

- 2 Out of the operating expenses, the amount of operating expenses which cannot be allocated in items of the eliminated section or the entire company is 610,125 thousand yen, of which the majority are

expenses to be borne by our administrative divisions, etc.

3 Change in accounting policy:

From the current consolidated accounting year, " Accounting Standard relating to Bonuses to Officers " (No. 4 of Corporate Accounting Standards: November 29, 2005) have been adopted.

Accompanying this change in accounting policy is an increase in the operating expenses of 21,406 thousand yen, and the operating profit decreased by the same amount for " Japan " compared with the conventional method.

3 Overseas sales

Nine months ended Dec. 31, 2006 (April 1, 2006 - December 31, 2006)

(Thousands of yen)

	Asia	Europe	Others	Total
Overseas sales	2,293,592	463,672	16,850	2,774,115
Consolidated sales				5,855,092
Ratio(%) of overseas sales to consolidated sales	39.2	7.9	0.3	47.4

(Note) 1 Method of categorization of countries or regions, major countries or regions belonging to each category:

Method of categorization of countries or regions --- According to geographical vicinity.

Major countries or regions belonging to each category --- Asia: Taiwan, Hong Kong, China, Singapore

Europe: Germany, Spain, Italy

Others: U.S.A.

2 Overseas sales represent sales in countries or regions other than Japan by MEC and consolidated subsidiary companies.

Nine months ended Dec. 31, 2007 (April 1, 2007 - December 31, 2007)

(Thousands of yen)

	Asia	Europe	Others	Total
Overseas sales	2,501,921	426,013	21,983	2,949,918
Consolidated sales				6,704,848
Ratio(%) of overseas sales to consolidated sales	37.3	6.4	0.3	44.0

(Note) 1 Method of categorization of countries or regions, and major countries or regions belonging to each category:

Method of categorization of countries or regions --- According to geographical vicinity.

Major countries or regions belonging to each category --- Asia: Taiwan, Hong Kong, China, Singapore

Europe: Germany, Spain, Italy

Others: U.S.A. Mexico

2 Overseas sales represent sales in countries or regions other than Japan by MEC and consolidated subsidiary companies.

Year ended March 31, 2007 (April 1, 2006 - March 31, 2007)

(Thousands of yen)

	Asia	Europe	Others	Total
Overseas sales	3,044,160	631,843	16,874	3,692,879
Consolidated sales				7,823,706
Ratio(%) of overseas sales to consolidated sales	38.9	8.1	0.2	47.2

(Note) 1 Method of categorization of countries or regions, and major countries or regions belonging to each category:

Method of categorization of countries or regions --- According to geographical vicinity.

Major countries or regions belonging to each category --- Asia: Taiwan, Hong Kong, China, Singapore

Europe: Austria, Germany, Italy

Others: U.S.A.

- 2 Overseas sales represent sales in countries or regions other than Japan by MEC and consolidate subsidiary companies.

6. Balance sheets

(1) Balance sheets

	As of Dec. 31, 2006		As of Dec. 31, 2007		Increase-decrease		As of March 31, 2007	
	Amount	Composition	Amount	Composition			Amount	Composition
	1,000yen	%	1,000yen	%	1,000yen	%	1,000yen	%
(Assets)								
Current assets								
1 Cash and deposits	1,621,334		1,757,485				1,990,315	
2 Notes receivable-trade	445,547		370,090				387,194	
3 Accounts receivable-trade	1,348,204		1,542,302				1,200,175	
4 Marketable securities	50,000		50,000				50,000	
5 Inventories	245,762		217,972				229,592	
6 Deferred tax assets	76,603		80,324				80,324	
7 Others	32,992		27,109				220,133	
Allowance for doubtful accounts	(7,190)		(10,730)				(9,070)	
Current assets	3,813,253	51.2	4,034,554	50.8	221,300.0	5.8	4,148,666	52.8
Fixed assets								
1 Property, plant and equipment								
(1) Buildings	876,557		842,585				872,864	
(2) Machinery and equipment	279,329		296,906				339,489	
(3) Land	725,036		725,036				725,036	
(4) Others	125,146		165,612				152,543	
Total	2,006,069	27.0	2,030,140	25.6	24,071.0	1.2	2,089,934	26.6
2 Intangible fixed assets	74,931	1.0	61,153	0.8	(13,778.0)	(18.4)	70,187	0.9
3 Investments and other assets								
(1) Investment securities	1,295,723		1,592,420				1,289,599	
(2) Insurance funds	132,545		132,545				132,545	
(3) Others	243,336		206,307				237,368	
Allowance for doubtful accounts	(120,507)		(117,459)				(115,831)	
Total	1,551,098	20.8	1,813,814	22.8	262,716.0	16.9	1,543,681	19.7
Fixed assets	3,632,099	48.8	3,905,108	49.2	273,008.0	7.5	3,703,804	47.2
Assets	7,445,353	100.0	7,939,662	100.0	494,309.0	6.6	7,852,470	100.0

	As of Dec. 31, 2006			As of Dec. 31, 2007			Increase-decrease		As of March 31, 2007		
	Amount	1,000yen	Composition %	Amount	1,000yen	Composition %	1,000yen	%	Amount	1,000yen	Composition %
(Liabilities)											
Current liabilities											
1 Notes payable-trade	474,384			645,500					506,855		
2 Accounts payable-trade	204,419			254,935					182,086		
3 Short-term loans payable	130,000			280,000					130,000		
4 Current portion of long-term loans payable	200,000			200,000					400,000		
5 Accounts payable-other	186,804			186,825					223,883		
6 Accrued income taxes	93,657			62,283					177,634		
7 Reserve for bonuses	96,591			116,466					127,475		
8 Reserve for directors' bonuses	16,042			18,548					21,406		
9 Others	153,371			138,113					159,451		
Current liabilities		1,555,269	20.9		1,902,673	24.0	347,404	22.3		1,928,792	24.5
Non-current liabilities											
1 Long-term loans payable	200,000			—					—		
2 Deferred tax liabilities	59,480			56,828					61,489		
3 Others	46,771			47,474					46,771		
Non-current liabilities		306,252	4.1		104,302	1.3	(201,949)	(65.9)		108,261	1.4
Liabilities		1,861,521	25.0		2,006,976	25.3	145,454	7.8		2,037,054	25.9
(Net assets)											
Owners' equity											
1 Capital stock		594,142	8.0		594,142	7.5	—	—		594,142	7.6
2 Capital surplus											
(1) Legal capital surplus	446,358			446,358					446,358		
Capital surplus		446,358	6.0		446,358	5.6	—	—		446,358	5.7
3 Retained earnings											
(1) Legal retained earnings	63,557			63,557					63,557		
(2) Other retained earnings											
General reserve	3,600,000			3,900,000					3,600,000		
Retained earnings brought forward	623,109			684,920					860,841		
Retained earnings		4,286,667	57.6		4,648,477	58.5	361,810	8.4		4,524,398	57.6
4 Treasury stock		—	—		(47)	0.0	(47)	—		(47)	0.0
Owners' equity		5,327,168	71.6		5,688,931	71.6	361,763	6.8		5,564,852	70.9
Valuation and translation adjustments											
1 Valuation difference on available-for-sale securities	256,663		3.4	243,755		3.1	(12,908)	(5.0)		250,563	3.2
Valuation and translation adjustments	256,663		3.4	243,755		3.1	(12,908)	(5.0)		250,563	3.2
Net assets		5,583,831	75.0		5,932,686	74.7	348,854	6.2		5,815,416	74.1
Liabilities and net assets		7,445,353	100.0		7,939,662	100.0	494,309	6.6		7,852,470	100.0

(2) Statements of income

	Nine months ended Dec. 31, 2006			Nine months ended Dec. 31, 2007			Increase-decrease		Year ended March 31, 2007		
	From April 1, 2006 To Dec. 31, 2006			From April 1, 2007 To Dec. 31, 2007					From April 1, 2006 To March 31, 2007		
	Amount		Propotion	Amount		Propotion			Amount		Propotion
1,000yen		%	1,000yen		%	1,000yen		1,000yen		%	
Net sales	4,142,065	100.0	4,956,923	100.0	814,858	19.7	5,469,041	100.0			
Cost of sales	1,681,545	40.6	2,275,272	45.9	593,726	35.3	2,241,345	41.0			
Gross profit	2,460,519	59.4	2,681,651	54.1	221,132	9.0	3,227,695	59.0			
Selling, general and administrative expenses	1,791,359	43.2	2,000,635	40.4	209,275	11.7	2,426,736	44.4			
Operating income	669,159	16.2	681,016	13.7	11,856	1.8	800,959	14.6			
Non-operating income	15,453	0.4	14,440	0.3	(1,013)	(6.6)	214,842	3.9			
Non-operating expenses	9,665	0.3	23,656	0.4	13,990	144.7	12,321	0.2			
Ordinary income	674,947	16.3	671,800	13.6	(3,147)	(0.5)	1,003,480	18.3			
Extraordinary income	—	—	191	0.0	191	—	19	0.0			
Extraordinary loss	8,708	0.2	9,417	0.2	708	8.1	10,738	0.1			
Income before income taxes	666,239	16.1	662,574	13.4	(3,664)	(0.6)	992,762	18.2			
Income taxes-current	239,450	5.8	232,925	4.7	(6,525)	(2.7)	328,241	6.0			
Net income	426,788	10.3	429,649	8.7	2,860	0.7	664,520	12.2			

(3) Statements of changes in net assets

From April 1, 2006 to Dec. 31, 2006

(Thousands of yen)

	Owners' equity								Valuation and translation adjustments		Net assets
	Capital stock	Capital surplus		Legal retained earnings	Retained earnings			Owners' equity	Valuation difference on available-for-sale securities	Valuation and translation adjustments	
		Legal capital surplus	Capital surplus		Other retained earnings		Retained earnings				
					General reserve	Retained earnings brought forward					
Balance as of March 31, 2006	594,142	446,358	446,358	63,557	3,300,000	746,292	4,109,849	5,150,350	296,057	296,057	5,446,408
Changes of items during the period											
Provision of general reserve *Note					300,000	(300,000)	—	—			—
Dividends from surplus *Note						(132,414)	(132,414)	(132,414)			(132,414)
Dividends from surplus (Interim)						(101,856)	(101,856)	(101,856)			(101,856)
Directors' bonuses *Note						(15,700)	(15,700)	(15,700)			(15,700)
Net income						426,788	426,788	426,788			426,788
Net changes of items other than owners' equity									(39,394)	(39,394)	(39,394)
Changes of items during the period	—	—	—	—	300,000	(123,182)	176,817	176,817	(39,394)	(39,394)	137,422
Balance as of Dec.31, 2006	594,142	446,358	446,358	63,557	3,600,000	623,109	4,286,667	5,327,168	256,663	256,663	5,583,831

Note: These are items of appropriation of earned surplus approved at the ordinary general meeting of shareholders held in June 2006.

From April 1, 2007 to Dec. 31, 2007

(Thousands of yen)

	Owners' equity									Valuation and translation adjustments		Net assets
	Capital stock	Capital surplus		Legal retained earnings	Retained earnings			Treasury stock	Owners' equity	Valuation difference on available-for-sale securities	Valuation and translation adjustments	
		Legal capital surplus	Capital surplus		Other retained earnings		Retained earnings					
					General reserve	Retained earnings brought forward						
Balance as of March 31, 2007	594,142	446,358	446,358	63,557	3,600,000	860,841	4,524,398	47	5,564,852	250,563	250,563	5,815,416
Changes of items during the period												
Provision of general reserve					300,000	(300,000)	—		—			—
Dividends from surplus						(183,342)	(183,342)		(183,342)			(183,342)
Dividends from surplus (Interim)						(122,228)	(122,228)		(122,228)			(122,228)
Net income						429,649	429,649		429,649			429,649
Net changes of items other than owners' equity										(6,808)	(6,808)	(6,808)
Changes of items during the period	—	—	—	—	300,000	(175,921)	124,078	—	124,078	(6,808)	(6,808)	117,269
Balance as of Dec. 31, 2007	594,142	446,358	446,358	63,557	3,900,000	684,920	4,648,477	(47)	5,688,931	243,755	243,755	5,932,686

From April 1, 2006 to March 31, 2007

(Thousands of yen)

	Owners' equity									Valuation and translation adjustments		Net assets	
	Capital stock	Capital surplus		Legal retained earnings	Retained earnings			Treasury stock	Owners' equity	Valuation difference on available-for-sale securities	Valuation and translation adjustments		
		Legal capital surplus	Capital surplus		General reserve	Other retained earnings							Retained earnings
						Retained earnings brought forward							
Balance as of March 31, 2006	594,142	446,358	446,358	63,557	3,300,000	746,292	4,109,849	—	5,150,350	296,057	296,057	5,446,408	
Changes of items during the period													
Provision of general reserve (Note)					300,000	(300,000)	—		—			—	
Dividends from surplus *Note						(132,414)	(132,414)		(132,414)			(132,414)	
Dividends from surplus(Interim)						(101,856)	(101,856)		(101,856)			(101,856)	
Directors' bonuses *Note						(15,700)	(15,700)		(15,700)			(15,700)	
Net income						664,520	664,520		664,520			664,520	
Purchase of treasury stock								(47)	(47)			(47)	
Changes of items during the period										(45,494)	(45,494)	(45,494)	
Changes of items during the period	—	—	—	—	300,000	114,549	414,549	(47)	414,501	(45,494)	(45,494)	369,007	
Balance as of March 31, 2007	594,142	446,358	446,358	63,557	3,600,000	860,841	4,524,398	(47)	5,564,852	250,563	250,563	5,815,416	

Note: These are items of appropriation of earned surplus approved at the ordinary general meeting of shareholders held in June 2006.