

November 8, 2007

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MEC Revises Financial Forecast for the Interim and Entire Periods

Based on our recent business performance trends, MEC have revised as follows, our financial forecast for the fiscal year ending March 31, 2008 (April 1, 2007 to March 31, 2008) announced on May 14, 2007.

1. Revised consolidated financial forecasts

(1) Revision of consolidated half-year financial forecast (April 1, 2007 – September 30, 2007)

	Net Sales	Operating income	Ordinary income	Net income
Forecast as of May 14, 2007 (A)	4,035	817	800	541
Forecast as of November 8, 2007(B)	4,362	982	987	689
Difference (B-A)	326	164	186	147
Difference (%)	8.1	20.1	23.4	27.3
(Reference) Six months ended September 30, 2006	3,867	944	942	630

(Unit of amounts: Million yen)

(2) Revision of consolidated full-year financial forecast (April 1, 2007 – March 31, 2008)

	Net Sales	Operating income	Ordinary income	Net income
Forecast as of May 14, 2007	8,345	1,864	1,833	1,218
Forecast as of November 8, 2007	8,713	2,073	2,061	1,394
Difference(B-A)	367	209	228	175
Difference (%)	4.4	11.2	12.4	14.4
(Reference) Fiscal year ended march 31, 2007	7,823	1,784	1,800	1,184

(Unit of amounts: Million yen)

2. Revised non-consolidated financial forecast

(1) Revision of non-consolidated half-year financial forecast (April 1, 2007 – September 30, 2007)

	Net Sales	Operating income	Ordinary income	Net income
Forecast as of May 14, 2007 (A)	2,997	351	332	219
Forecast as of November 8, 2007 (B)	3,148	393	385	252
Difference (B-A)	151	42	53	32
Difference (%)	5.0	12.1	16.0	14.9
(Reference) Six months ended September 30, 2006	2,733	439	438	280

(Unit of amounts: Million yen)

(2) Revision of consolidated full-year financial forecast (April 1, 2007 – March 31, 2008)

	Net Sales	Operating income	Ordinary income	Net income
Forecast as of May 14, 2007(A)	6,074	844	1,005	665
Forecast as of November 8, 2007 (B)	6,276	919	1,090	720
Difference (B-A)	201	75	85	54
Difference (%)	3.3	8.9	8.5	8.2
(Reference) Fiscal year ended march 31, 2007	5,469	800	1,003	664

(Unit of amounts: Million yen)

3. Reasons for Revision

(1) Consolidated business performance forecast for the interim period

Initially, sales for the current interim period proceeded just about as forecasted on May 14, 2007 with the affect by refrains on purchasing of PCs, a trend which had continued since last year and by the production adjustment of electronic parts by market adjustments in cellular phones, etc. It had been expected that the adjustments would continue up till the end of the interim period but a worldwide increase in demand was seen by the early advent of the repurchasing cycle for PCs mounting new OS, by lowered prices for flat panel T.V. sets and also by continued firm sales in general of digital cameras, digital audio equipment and such, inducing a recovery of production in substrates. As a result, sales of our chemical products progressed smoothly and with regard to profits, results which somewhat exceeded initial forecast figures were observed because of the sales increase of chemical products.

(2) Individual business performance forecast for the interim period

The reasons for the interim business performance forecast amendments are the same as those for the consolidated business performance forecast.

(3) Business performance forecast for the entire period

Based on the business performance outlook for the interim period, it is predicted that business will basically expand but with the affect of the U.S. subprime loan problem and high crude oil prices, it is believed that a non-transparent condition will continue.

The recovery of the substrate industry is seen by increased demand for PCs, flat panel T.V. sets and cellular phones but with increased consciousness for costs, affected by high crude oil prices, it is expected that pressure to reduce prices will increase.

The business performance for the entire period is revised based on the above forecasts.

Note: The business performance forecast has been compiled, based on all the available information as of the date of this announcement. It is possible that the actual business performance may differ from the business performance forecasts due to various factors which may be seen hereafter.

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