



February 18, 2011

Company Name: MEC COMPANY LTD.
Representative: Kazuo MAEDA, CEO & President
(Securities code: 4971)
Contact: Yoshihiro SAKAMOTO, Deputy General
Manager, CEO's Office
Phone: +81-(0)6-6414-3451

Cancellation of the Plan to Construct the New Plant

We hereby notify you that at a meeting of the board of directors held on February 18, 2011, the Company decided to cancel the plan to construct the new plant, as described below. The Company initially announced this construction plan on April 15, 2010, and announced it would temporarily suspend it on October 27, 2010.

1. Overview of new plant whose construction has been cancelled

Location: 3-chome, Kuiseminami-shinmachi, Amagasaki, Hyogo

Site area: 14,214.88 square meters

Functions: Headquarters, production, and part of research development (quality control, etc.)

Planned investment: Construction fees of approximately 1.5 billion yen

2. Reason for cancelling construction

There has been no change to the uncertain business environment surrounding the Company since we announced the suspension of the new plant construction in October 2010. The situation is such that we need to fundamentally review our investment plans for the next fiscal year. For example, we must reconsider the need to invest in new business areas and the need to make investments to respond to changes in overseas markets. Judging that we need to re-examine our investment plans, we are cancelling the current construction plan.

3. Future outlook

As a result of cancelling the construction plan, a difference between the appraised value and acquisition value of the site for the planned construction has arisen; in addition, we have

booked the amount of 517 million yen in the construction in progress account as an extraordinary loss. The effects that these have on our business results for the fiscal year ending March 31, 2011 are as follows.

	Sales	Operating income	Ordinary income	Net income	Net income per share
	Millions of yen	Millions of yen	Millions of yen	Millions of yen	Yen
Previous forecast (A)	6,881	978	852	534	26.61
Currently revised forecast (B)	6,881	978	852	16	0.81
Change in value (B - A)	0	0	0	(517)	—
Rate of change (%)	0.0	0.0	0.0	(96.9)	—