

Consolidated Financial Results for the Third Quarter Ended December 31, 2008

January 30, 2008

Company Name: MEC COMPANY LTD.
 Stock Exchange Listing: Tokyo Stock Exchange - 1st Section
 Osaka Stock Exchange - Hercules
 Securities Code : 4971
 U R L : <http://www.mec-co.com/>
 Representative: President & CEO Kazuo MAEDA
 Contact: General Manager CEO OFFICE Yoshihiro SAKAMOTO
 Phone: +81-6-6414-3451
 Scheduled date to submit securities report: February 13, 2009

(Amount less than one million yen has been disregarded)

1 . Consolidated Financial Results for the 3rd Quarter Ended Dec. 31, 2008 (From April 1, 2008 to Dec. 31 2008)

(1) Consolidated Financial Results

Note: % indicate changes from previous year.

	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, 2008	6,153	-	1,189	-	1,064	-	750	-
Nine months ended Dec. 31, 2007	6,704	14.5	1,613	11.9	1,615	11.2	1,134	17.4

	Net income per share	Diluted income per share
	Yen	Yen
Nine months ended Dec. 31, 2008	36.86	-
Nine months ended Dec. 31, 2007	55.69	-

(2) Consolidated Financial Position

	Total assets	Net assets	Equity ratio	Net assets per share
	Millions of yen	Millions of yen	%	yen
Dec. 31, 2008	10,874	8,738	80.4	428.95
March 31, 2008	11,578	8,746	75.5	429.34

(Note) Shareholders' equity: Dec. 31, 2008 ¥8,738 million Mar. 31, 2008 ¥8,746 million

2 . Dividends

(Record date)	Dividends per share				
	1 st quarter	2 nd quarter	3 rd quarter	4 th quarter	Annual
Year ended March 31, 2008	-	6.00	-	10.00	16.00
Year ending March 31, 2009	-	8.00	-	-	-
Year ending March 31, 2009 (forecast)	-	-	-	8.00	16.00

(Note) Revise of dividends forecast : None

3 . Consolidated Forecast for the Year Ending March 31, 2009 (From April 1, 2008 to March 31, 2009)

	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
Fiscal year ending March, 2009	6,858	(24.8)	745	(64.6)	536	(73.9)	320	(77.5)	15.72

(Note) Revise of consolidated forecast: None

4 . Other

- (1) Changes in important subsidiaries during this term (changes of specified subsidiaries entailing changes in the scope of consolidation) : None
- (2) Application of concise accounting procedures or particular accounting procedures in the creation of consolidated financial statements during this quarter : Yes

Note: For details, see "4. Others", p.4 "Qualitative Information, Financial Statements, etc"

- (3) Changes of principles, procedures, presentation methods, etc, in accounting procedures related to the creation of quarterly consolidated financial statements (Items recorded in changes of basic, important matters, etc, for the creation of quarterly consolidated financial statements)

① Changes in association with a revision of accounting standards, etc: Yes

② Changes other than those in ①: No

Note: For details, see "4. Others", p.4 "Qualitative Information, Financial Statements, etc"

- (4) Number of outstanding shares (Common shares)

① Number of outstanding shares at end of term (including treasury stock)

Nine months ended Dec. 31, 2008 : 20,371,392 shares

Year ended March 31, 2008 : 20,371,392 shares

② Number of treasury stock

Nine months ended Dec. 31, 2008 : 33 shares

Year ended March 31, 2008 : 33 shares

③ Average number of shares during term (Quarterly consolidated, cumulative period)

Nine months ended Dec. 31, 2008 : 20,371,359 shares

Nine months ended Dec. 31, 2007 : 20,371,359 shares

Explanation of appropriate use of earnings forecasts. Other points of note.

- 1 . Earnings forecasts are made based on the information available at the time, which includes a number of uncertain elements. Please be aware in advance that as a consequence, actual earnings results may differ significantly from the forecast included in this document.
- 2 . From this consolidated accounting year, the company is applying the "Accounting Standard for Quarterly Financial Reporting" (ASBJ Statement No.12) and the "Guideline for Application of the Accounting Standard for Quarterly Financial Reporting" (ASBJ Statement No.14). In addition, the company is creating quarterly consolidated financial statements in accordance with the "Regulations for Quarterly Consolidated Financial Statements".

Qualitative information, Financial statements, etc.

1. Consolidated operating results

In the 3rd quarter of the 2008 consolidated business year, the global economy was considerably affected by the turmoil in the financial and capital markets worldwide, led by the financial crisis in the U.S. Amid sudden appreciation of the yen and weakening stock prices, corporate earnings are rapidly worsening, personal consumption and corporate capital investment are decreasing, and rapid slow-down in business is becoming increasingly apparent in an unparalleled manner.

In the electronics industry, not only corporate demand but also consumer sentiment is deteriorating causing a notably significant decrease in the sales of home information appliances and in-vehicle electronics, flat-screen televisions, and shrinking production of electronic boards, the most vital for the preceding products. The business environment surrounding our Company is becoming increasingly severe.

Under these conditions, the Company has strived to develop new products of chemicals for electronic boards and increase the sales. The Company had submitted 40 patent applications by the 3rd quarter of the 2008 consolidated business year. As regards sales, the Company has strived to increase the sales of chemicals for general purpose electronic boards particularly in China.

However, as the impact of acute production adjustments and reduction in capital investment in the electronic industry was so large, sales for the 3rd quarter of the 2008 consolidated business year came to ¥6,153 million, operating profit was ¥1,189 million, ordinary profit was ¥1,064 million, and the quarterly net income was ¥740 million.

2. Consolidated financial position

Total assets at the end of the 3rd quarter came to ¥10,874 million, down ¥704 million from the end of the previous consolidated accounting year. This is primarily because notes and accounts receivable-trade and investment securities decreased ¥550 million and ¥298 million, respectively. Net assets stood at ¥8,738 million, down ¥7 million from the end of the previous consolidated accounting year.

(State of cash flows)

Cash and cash equivalent (hereinafter referred to as the "Funds") at the end of the 3rd quarter decreased ¥489 million from the end of the previous consolidated accounting year to reach ¥2,303 million.

State of cash flows in the 3rd quarter and related factors are as follows:

(Net cash provided by (used in) operating activities)

Funds obtained as a result of operating activities were ¥779 million. The primary factors in generating the Funds are a quarterly profit of ¥1,142 million before income taxes and others, and a decrease of ¥479 million in accounts receivable, which contributed to an increase in the Funds, whereas there were a decrease of ¥300 million in notes and accounts payable-trade, and payment of income taxes, etc. of ¥558 million as factors reducing the Funds, which partially offset

the increases in the same.

(Net cash provided by (used in) investing activities)

The Funds used as a result of investing activities came to ¥864 million. This amount was primarily due to the deposit of a net amount of ¥567 million in time deposits and income with a cash surrender value of ¥214 million, despite expenditures of ¥493 million following the acquisition of tangible fixed assets.

(Net cash provided by (used in) financing activities)

The Funds used as a result of financing activities were ¥364 million. This is due to dividend payments of ¥364 million.

3. Concerning the consolidated earnings forecast

As we announced in the "Announcement of a Revision of the Earnings Forecast" as of January 30, 2009, we have made downward revisions to our earnings forecast announced on November 27, 2008 for the 2008 business year.

Demand started decreasing in November last year, but even after that, decreases in demand far in excess of those imagined have continued and there is no prospect of a demand recovery for the time being. Consequently, the Company judged it necessary to revise the earnings forecast for the current term again.

4. Other

(1) Changes in important subsidiaries during the term (changes in specified subsidiaries entailing changes in the scope of consolidation):

N/A

(2) Application of concise accounting procedures or particular accounting procedures in the creation of consolidated financial statements during this quarter:

Concise accounting procedures

With respect to judgment on the collectability of deferred income tax assets, in cases where no marked changes have been recognized in the management environment, etc, as well as in the occurrence of temporary differences since the end of the previous consolidated accounting year, the Company determines the collectability of deferred income tax assets based on the method of using the future earnings forecast and tax planning used in the settlement of accounts for the previous consolidated accounting year. In cases where marked changes have been recognized in the management environment, etc, or in the occurrence of temporary differences since the end of the previous consolidated accounting year, the Company determines the collectability of deferred income tax assets based on the method of using the future earnings forecast and tax planning used in the settlement of accounts for the previous consolidated accounting year and by taking into consideration the said significant effects of changes.

Accounting treatment specific to the preparation of quarterly consolidated financial statements

For tax expenses, the Company reasonably estimates the effective tax rate after the application of the tax effect accounting to net income before income taxes for the consolidated accounting year by multiplying the quarterly net income before income taxes by such estimated effective tax rate. However, in cases where the result of the

calculation using the said effective tax rate turns out to be significantly unreasonable, the Company uses the legal tax rate.

With this in mind, the figure for income taxes deferred is stated in the income taxes item.

(3) Changes of principles, procedures, presentation methods, etc. in accounting procedures related to the creation of quarterly consolidated financial statements

Changes in association with a revision of accounting standards, etc

1. From this consolidated accounting year, the company is applying the "Accounting Standard for Quarterly Financial Reporting" (ASBJ Statement No.12) and the "Guideline for Application of the Accounting Standard for Quarterly Financial Reporting" (ASBJ Statement No.14). In addition, the company is creating quarterly consolidated financial statements in accordance with the "Regulations for Quarterly Consolidated Financial Statements".

2. Inventory assets held for normal sales purposes were formerly mainly calculated using a cost accounting method based on the gross average method. However, in association with the application from this 1st quarter consolidated accounting period of the "Accounting Standard for Measurement of Inventories" (ASBJ Statement No.9, July 5, 2006), such inventories are calculated using a cost accounting method based on the gross average method (book price devaluation based on the decrease in profitability of balance sheet values).

The impact on profit and loss due to this change will be minor.

3. The company is applying the "Practical Solution on Unification of Accounting Policies Applied to Foreign Subsidiaries for Consolidated Financial Statements" (Practical Issues Task Force No.18, May 17, 2006) from this 1st quarter consolidated accounting period and has made the necessary corrections in the consolidated financial settlement of accounts.

The impact on profit and loss due to this change will be minor.

(Additional information)

Previously, the life span of the company's machinery and equipment has been set at periods of 4 to 12 years, but this has been changed to a period of 4 to 10 years from this 1st quarter consolidated accounting period. This change is due to the revision of the status of use, etc, of assets, taking the opportunity of the amendment of the corporation tax law.

The impact on profit and loss due to this change will be minor.

5 . Consolidated quarterly financial statements

(1) Consolidated quarterly balance sheets

(unit : 1,000yen)

	As of Dec.31, 2008	As of Mar. 31, 2008
(Assets)		
Current assets		
Cash and deposits	3,687,397	3,667,056
Notes and accounts receivable-trade	2,104,342	2,654,855
Short-term investment securities	50,000	50,000
Merchandise and finished goods	329,211	245,230
Raw materials and supplies	271,433	251,024
Deferred tax assets	94,622	125,916
Income taxes receivable	99,150	-
Other	60,921	66,793
Allowance for doubtful adccounts	(15,572)	(14,295)
Current assets	6,681,505	7,046,582
Noncurrent assets		
Property, plant and equipment		
Buildings and structures	2,798,507	2,582,617
Accumulated depreciation	(1,306,685)	(1,244,493)
Buildings and structures, net	1,491,822	1,338,124
Machinrery, equipment and vehicles	1,507,999	1,409,265
Accumulated depreciation	(1,023,120)	(970,203)
Machinery, equipment and vehicles, net	484,878	439,062
Tools, furniture and fixtures	546,061	540,761
Accumulated depreciation	(377,258)	(339,938)
Tools, furniture and fixtures, net	168,803	200,822
Land	1,238,162	1,286,750
Construction in progress	243,220	280,856
Property, plant and equipment	3,626,886	3,545,615
Intangible assets		
Goodwill	15,877	20,872
Other	51,908	57,589
Intangible assets	67,786	78,461
Investments and other assets		
Investment securities	358,065	656,440
Other	165,259	261,277
Allowance for doubtful accounts	(24,817)	(9,672)
Investments and other assets	498,507	908,046
Noncurrent assets	4,193,180	4,532,123
Assets	10,874,685	11,578,706

(unit : 1,000 yen)

	As of Dec. 31, 2008	As of Mar. 31, 2008
(LIABILITIES)		
Current liabilities		
Notes and accounts payable-trade	635,236	999,500
Short-term loans payable	480,000	480,000
Accounts payable-other	224,886	332,821
Accrued expenses	43,428	85,778
Income taxes payable	132,349	298,856
Provision for bonuses	71,987	154,752
Other	168,858	99,636
Current liabilities	1,756,747	2,451,345
Noncurrent liabilities		
Deferred tax liabilities	259,803	270,936
Provision for retirement benefits	10,202	-
Other	109,657	110,256
Noncurrent liabilities	379,663	381,193
Liabilities	2,136,410	2,832,538
(NET ASSETS)		
Shareholders' equity		
Capital stock	594,142	594,142
Capital surplus	446,358	446,358
Retained earnings	7,887,744	7,503,558
Treasury stock	(47)	(47)
Shareholders' equity	8,928,198	8,544,011
Valuation and translation adjustments		
Valuation difference on available-for-sales securities	(37,706)	94,013
Foreign currency translation adjustment	(152,216)	108,143
Valuation and translation adjustments	(189,923)	202,156
Net assets	8,738,275	8,746,167
Liabilities and net assets	10,874,685	11,578,706

(2) Consolidated quarterly statements of income

	(unit : 1,000yen)
	Nine months ended Dec. 31, 2008
	(From Apr. 1, 2008 To Dec. 31, 2008)
Net Sales	6,153,940
Cost of sales	2,473,841
Gross profit	3,680,098
Selling, general administrative expenses	2,490,328
Operating income	1,189,770
Non-operating income	
Interest income	28,399
Dividends income	13,465
Rent income on facilities	10,695
Other	11,280
Non-operating income	63,840
Non-operating expenses	
Interest expenses	4,320
Loss on valuation of investment securities	110,063
Foreign exchange losses	62,179
Rent expenses on facilities	1,620
Other	11,369
Non-operating expenses	189,552
Ordinary income	1,064,058
Extraordinary income	
Gain on sale of noncurrent assets	426
Surrender value of insurance	100,909
Extraordinary income	101,335
Extraordinary loss	
Loss on sale of noncurrent assets	54
Loss on retirement of noncurrent assets	4,544
Impairment loss	18,193
Extraordinary loss	22,791
Income before income taxes	1,142,602
Income taxes	391,731
Net income	750,871

(3) Consolidated quarterly statements of cash flows

(unit : 1,000yen)

	Nine months ended Dec. 31, 2008
	From Apr. 1, 2008
	To Dec. 31, 2008
Net cash provided by (used in) operating activities	
Income before income taxes	1,142,602
Depreciation and amortization	277,625
Impairment loss	18,193
Increase(decrease) in allowance for doubtful accounts	16,932
Increase(decrease) in provision for bonuses	(82,764)
Increase(decrease) in provision for retirement benefits	10,282
Interest and dividends income	(41,865)
Interest expenses	4,320
Gain on maturity of insurance contract	(100,909)
Loss(gain) in valuation of investment securities	110,063
Decrease(increase) in notes and accounts receivable-trade	479,309
Decrease(increase) in inventories	(132,936)
Increase(decrease) in notes and accounts payable-trade	(300,598)
Other,net	(98,038)
Subtotal	<u>1,302,216</u>
Interest and dividends income received	41,111
Interest expenses paid	(5,228)
Income taxes paid	(558,218)
Net cash provided by (use in) operating activities	<u>779,881</u>
Net cash provided by (used in) investment activities	
Payments into time deposits	(1,456,389)
Proceeds from with drawal of time deposits	889,132
Purchase of property, plant and equipment	(493,955)
Proceeds from sales of property, plant and equipment	19,119
Purchase of intangible assets	(6,940)
Purchase of investment securities	(15,408)
Proceeds from sales of investment securities	1,127
Proceeds from cancellation of insurance funds	214,394
Purchase of long-term prepaid expenses	(16,865)
Other,net	1,209
Net cash provided by (used in) investment activities	<u>(864,575)</u>
Net cash provided by (used in) financing activities	
Increase in short-term loans payable	280,000
Decrease in short-term loans payable	(280,000)
Cash dividends paid	(364,230)
Net cash provided by (used in) financing activities	<u>(364,230)</u>
Effect of exchange rate change on cash and cash equivalents	(40,141)
Net increase(decrease) in cash and cash equivalents	<u>(489,066)</u>
Initial balance of cash and cash equivalents	<u>2,792,447</u>
Closing balance of cash and cash equivalents	<u>2,303,381</u>

From this consolidated accounting year, the company is applying the "Accounting Standard for Quarterly Financial Reporting" (ASBJ Statement No.12) and the "Guideline for Application of the Accounting Standard for Quarterly Financial Reporting" (ASBJ Statement No.14). In addition, the company is creating quarterly consolidated financial statements in accordance with the "Regulations for Quarterly Consolidated Financial Statements"

(4) Notes on premises as a going concern
N/A

(5) Segment information

[Information by operating segment]

Nine months ended Dec. 31, 2008 (From April 1, 2008 to Dec.31, 2008)

The Company is a manufacturer specializing in PCB related products and operates manufacturing and sales of chemicals, machinery, equipment and grinding materials that belong to the same segment.

[Information by geographical segment]

Nine months ended Dec. 31, 2008 (From April 1, 2008 to Dec.31, 2008)

(Unit: 1,000 yen)

	Japan	Asia	Europe	Other	Total	Elimination or corporate	Consolidated
Net Sales							
(1) Outside customers	3,144,288	2,477,998	531,653	-	6,153,940	-	6,153,940
(2) Inter-segment sales and transfers	831,122	591	-	-	831,714	(831,714)	-
Total	3,975,411	2,478,589	531,653	-	6,985,655	(831,714)	6,153,940
Operating profit/(loss)	576,634	975,302	41,179	(580)	1,592,535	(402,765)	1,189,770

(Notes)

- Method of classifying geographical segments and countries and regions included in each segment
Method of classifying geographical segments: Classified on the basis of geographical proximity
Countries and regions included in each segment:
Asia: Taiwan, Hong Kong and China
Europe: Belgium
Other: the United States

[Overseas sales]

Nine months ended Dec. 31, 2008 (From April 1, 2008 to Dec. 31, 2008)

	Asia	Europe	Other	Total
I Overseas sales (thousands of yen)	2,601,664	482,887	28,935	3,113,488
II Consolidated sales (thousands of yen)				6,153,940
III Percentage of overseas sales to consolidated sales (%)	42.3	7.8	0.5	50.6

(Notes)

- Method of classifying geographical segments and countries and regions included in each segment
Method of classifying geographical segments: Classified on the basis of geographical proximity
Countries and regions included in each segment:
Asia: Taiwan, Hong Kong, China and Singapore
Europe: Spain, Germany and Italy
Other: the United States, Mexico
- Overseas sales are sales of the Company and its consolidated subsidiaries which were transacted in countries and regions outside of Japan.

(6) Notes in the case of marked changes in shareholder capital
N/A

Reference information

Consolidated quarterly financial statements of the previous year

(1) Consolidated quarterly statements of income (Summary)

(unit : 1,000yen)

	Nine months ended Dec. 31, 2007 (From Apr. 1, 2007 To Dec. 31, 2007)
Net Sales	6,704,848
Cost of sales	2,579,152
Gross profit	4,125,696
Selling, general administrative expenses	2,512,186
Operating income	1,613,510
Non-operating income	45,256
1 Interest income	17,124
2 Dividends income	6,849
3 Rent income on facilities	8,646
4 Other	12,636
Non-operating expenses	42,839
1 Interest expenses	5,717
2 Rent expenses on facilities	7,998
3 Foreign exchange losses	17,194
4 Other	11,929
Ordinary income	1,615,927
Extraordinary income	2,405
1 Gain on sales of noncurrent assets	2,405
Extraordinary loss	9,520
1 Loss on retirement of noncurrent assets	9,520
Income before income taxes	1,608,811
Income taxes	474,333
Net income	1,134,478

(2) Consolidated quarterly statements of cash flow (Summary)

(unit : 1,000yen)

	Nine months ended Dec. 31, 2007 From Apr. 1, 2007 To Dec. 31, 2007
Net cash provided by (used in) operating activities	
Income before income taxes	1,608,811
Depreciation and amortization	228,401
Increase in allowance for doubtful accounts	4,842
Decrease in provision for bonuses	(11,009)
Decrease in provision for directors' bonuses	(2,857)
Interest and dividends income	(23,973)
Interest expenses	5,717
Increase in notes and accounts receivable-trade	(496,116)
Decrease in inventories	52,862
Increase in notes and accounts payable-trade	229,461
Other,net	59,726
Subtotal	1,655,866
Interest and dividends income received	24,918
Interest expenses paid	(7,048)
Income taxes paid	(567,655)
Net cash provided by (use in) operating activities	1,106,081
Net cash provided by (used in) investment activities	
Payments into time deposits	(1,111,609)
Proceeds from withdrawal of time deposits	926,629
Purchase of property, plant and equipment	(640,896)
Proceeds from sales of property, plant and equipment	4,637
Purchase of intangible assets	(3,980)
Purchase of investment securities	(314,291)
Other,net	(2,703)
Net cash provided by (used in) investment activities	(1,142,213)
Net cash provided by (used in) financing activities	
Increase in short-term loans payable	180,000
Decrease in short-term loans payable	(30,000)
3 Repayment of long-term loans payable	(200,000)
Cash dividends paid	(291,696)
Other,net	1,402
Net cash provided by (used in) financing activities	(340,293)
Effect of exchange rate change on cash and cash equivalents	(16,497)
Net decrease in cash and cash equivalents	(392,922)
Initial balance of cash and cash equivalents	3,033,255
Closing balance of cash and cash equivalents	2,640,332

(3) Segment information

a. Information by operating segment

Nine months ended Dec.31, 2007 (From Apr.1, 2007 to Dec.31, 2007)

The Company is a manufacturer specializing in PCB related products and operates manufacturing and sales of chemicals, machinery, equipment and grinding materials that belong to the same segment.

b. Information by geographical segment

Nine months ended Dec.31, 2007 (From Apr. 1, 2007 to Dec.31, 2007)

(Unit : 1,000 yen)

	Japan	Asia	Europe	Other	Total	Elimination or corporate	Consolidated
Net Sales							
(1) Outside customers	3,883,657	2,293,896	527,294	-	6,704,848	-	6,704,848
(2) Inter-segment sales and transfers	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 costs	3,811,709	1,437,588	492,221	617	5,742,137	(650,799)	5,091,338
Operating profit/(loss)	1,145,214	856,708	35,888	(617)	2,037,193	(423,683)	1,613,510

(Notes)

1. Method of classifying geographical segments and countries and regions included in each segment

Method of classifying geographical segments: Classified on the basis of geographical proximity

Countries and regions included in each segment:

Asia: Taiwan, Hong Kong and China

Europe: Belgium

Other: the United States

2. The value within operating costs of eliminated costs or unclassifiable operating costs included in company-wide accounts is ¥464,198 thousand yen, mainly for costs attributable to the company's administrative divisions, etc.

c. Overseas sales

Nine months ended Dec. 31, 2007 (From Apr. 1, 2007 to Dec.31, 2007)

	Asia	Europe	Other	Total
I Overseas sales (thousands of yen)	2,501,921	426,013	21,983	2,949,918
II Consolidated sales (thousands of yen)				6,704,848
III Percentage of overseas sales to consolidated sales (%)	37.3	6.4	0.3	44.0

(Notes)

1. Method of classifying geographical segments and countries and regions included in each segment

Method of classifying geographical segments: Classified on the basis of geographical proximity

Countries and regions included in each segment:

Asia: Taiwan, Hong Kong, China and Singapore

Europe: Germany, Spain and Italy

Other: the United States and Mexico

2. Overseas sales are sales of the Company and its consolidated subsidiaries which were transacted in countries and regions outside of Japan.