Financial Review for the Year Ended March 31, 2009

May 14, 2009

Company Name:	MEC COMPANY LTD.	Stock exchange listing	1st Section of TSE,
Stock Code No.	4971		Hercules of OSE
Company URL	http://www.mec-co.com/		
Representative:	Kazuo MAEDA CEO & President		
Contact	Yoshihiro SAKAMOTO General Manager President Office Phone: 06-6414-3451		

Date of General Meeting of Shareholders (Scheduled)	June 23, 2009
Commencement Date of Dividend Payment (Scheduled)	June 8, 2009
Date of Filing the Financial Report (Scheduled)	June 24, 2009

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

1. Consolidated Results for the Year Ended March 31, 2009 (April 1, 2008 to March 31, 2009)

(1) Consolidated Results of Operations

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

	Net sales		Operating income		Ordinary income		Net income	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Year ended March 31, 2009	6,954	(23.7)	878	(58.3)	733	(64.3)	287	(79.8)
Year ended March 31, 2008	9,115	16.5	2,103	17.9	2,057	14.3	1,426	20.5

	Net income per share	Diluted net income per share	Return on equity	Ordinary income to total assets	Operating income to net sales
	Yen	Yen	Yen	Yen	Yen
Year ended March 31, 2009	14.16	-	3.5	6.9	12.6
Year ended March 31, 2008	70.02	-	17.2	18.6	23.1

(Reference) Investment profit or loss according to the equity method:
Year ended March 31, 2009 - million yen Year ended March 31, 2008 - million yen

(2) Consolidated Financial Position

	Total assets	Net assets	Equity ratio	Book value per share
	Millions of yen	Millions of yen	%	Yen
Year ended March 31, 2009	9,731	7,780	80.0	387.64
Year ended March 31, 2008	11,578	8,746	75.5	429.34

(Reference) Shareholder's equity:
Year ended March 31, 2009 7,780 million yen Year ended March 31, 2008 8,746 million yen

(3)Consolidated Cashflow

	Cashflow from operating activities	Cashflow from investment activities	Cashflow from financial activities	Cash and cash equivalents at fiscal year end
	Millions of yen	Millions of yen	Millions of yen	Millions of yen
Year ended March 31, 2009	1,104	(1,067)	(458)	2,209
Year ended March 31, 2008	1,566	(1,447)	(334)	2,792

2. Dividends

	Cash dividends per share					Total cash dividends (Annual)	Payout ratio (Consolidated)	Dividends on equity (Consolidated)
(Record date)	1st quarter	2nd quarter	3rd quarter	4th quarter	Annual			
	Yen	Yen	Yen	Yen	Yen	Millions of yen	%	%
Year ended March 31, 2009	-	6.00	-	10.00	16.00	325	22.8	3.9
Year ended March 31, 2008	-	8.00	-	8.00	16.00	323	113.0	3.9
Year ending March 31, 2010 (Estimated)	-	4.00	-	4.00	8.00		1,904.8	

3. Consolidated Forecast for the Year Ending March 31, 2010 (April 1, 2009 to March 31, 2010)

(% representing annual changes over the preceding year and changes over the quarter in the preceding year for the six months ending September.)

	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
Six months ending Sep. 30, 2009	2,367	(46.8)	(97)	-	(99)	-	(238)	-	(11.75)
Year ending March 31, 2010	5,428	(21.9)	199	(77.3)	188	(74.3)	8	(97.0)	0.42

4. Other

(1) Changes of major subsidiary companies during the period (Change of specific subsidiary companies that involves changes in the scope of consolidation) No

New: _________________ companies (Company name)

Excluded: _____________ companies (Company name)

(2) Changes in accounting principles, procedures, indicating methods, etc. relating to preparing of consolidated financial statements (Those mentioned in the changes of important items that form the basis for preparing consolidated financial statements)

1) Changes that accompany amendment of accounting standards, etc. Yes

2) Changes other than those of 1) No

[Note: For details, refer to page 14, “Important items that form the basis for preparing consolidated financial statements” and to page 18, “Changes in important items that form the basis for preparing consolidated financial statements.”]

(3) Number of shares outstanding (Common stock)

1) Number of shares outstanding (including treasury stock) issued as of:
March 31, 2009 20,371,392 shares March 31, 2008 20,371,392 shares

2) Number of shares of treasury stock:
March 31, 2009 300,033 shares March 31, 2008 33 shares

Note: In regard to the number of shares, which is the basis for calculating current net income (consolidated) per share, refer to page 34, “Information per share.”

(References) Summary of Non-consolidated Results

1. Non-consolidated Results for the Year Ended March 31, 2009 (April 1, 2008 to March 31, 2009)

(1) Non-consolidated Results of Operations

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

	Net sales		Operating income		Ordinary income		Net income	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Year ended March 31, 2009	4,673	(29.1)	(121)	-	(8)	-	11	(98.4)
Year ended March 31, 2008	6,589	20.5	857	7.1	1,054	5.1	754	13.5

	Net income per share	Diluted net income per share
	Yen	Yen
Year ended March 31, 2009	0.59	-
Year ended March 31, 2008	37.02	-

(2)Non-consolidated Financial Position

	Total assets	Net assets	Equity ratio	Book value per share
	Millions of yen	Millions of yen	%	Yen
Year ended March 31, 2009	6,733	5,561	82.6	277.08
Year ended March 31, 2008	8,192	6,107	74.5	299.81

Reference: Shareholder’s equity:
Year ended March 31, 2009 5,561 million yen Year ended March 31, 2008 6,107 million yen

2. Non-consolidated Forecast for the Year Ending March 31, 2010 (April 1, 2009 to March 31, 2010)

(% representing annual changes over the preceding year and changes over the quarter in the preceding year for the 6 months ending September.)

	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
Six months ending Sep. 30, 2009	1,719	(42.9)	(294)	-	(304)	-	(289)	-	(14.24)
Year ending March 31, 2010	3,821	(18.2)	(378)	-	(110)	-	(99)	-	(4.88)

* Explanation relating to appropriate application of the business forecast and other special matters

The business forecast is prepared based on information available as of the date of announcement of this data. It is possible that the actual business performance may differ from the business forecast due to various factors. For items relating to the business forecast, refer to page 4, “1. Analysis relating to results of operations.”

1. Results of Operations

(1) Analysis of results of operations

[Outline of the current period]

For the current consolidated period, the world economy saw increasing severity of the global financial turmoil, led by the financial crisis in the U.S., and the real economy worsened rapidly in all regions in the second half of the year. In Japan, with worsening corporate earnings due to a sharp drop in exports and a sudden appreciation of the yen coupled with weakening stock prices, personal consumption and capital investment started decreasing very rapidly and the economy suffered an economic freefall that can be said to happen “once every 100 years.”

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, in-vehicle electronics, and flat-screen televisions and resulting in shrinking production and thorough adjustments of inventories of electronic boards, the most vital for the preceding products. The business environment surrounding our Company is becoming increasingly severe.

Despite such business conditions, the Company has strived to develop new products of chemicals for advanced electronic boards, including chemicals for next-generation electronic boards, and for general-purpose electronic boards, which are optimized to suit specific demand characteristics in each market, and to increase sales. In regard to new product development, for the current consolidated fiscal year, we launched 8 new products and applied for 54 patents. On the sales front, we achieved sales promotion results for chemicals for higher-reliability electronic boards particularly in China.

However, as the impact of acute production adjustments and reduction in capital investment in the electronics industry was so large, for the current consolidated fiscal year, consolidated sales came to ¥6,954 million, a decrease of 23.7% compared with the previous year, consolidated operating profit was ¥878 million, a decrease of 58.3% compared with the previous year, consolidated ordinary profit was ¥733 million, a decrease of 64.3% compared with the previous year, and consolidated net income for the current period was ¥287 million, a decrease of 79.8% compared with the previous year.

[Prospects for the next year]

In 2009, the future of the world economy is ever more unclear, but orders have shown partially clear signs of recovery in and after April, which may be attributable to the efforts made to minimize inventories in the electronic appliance and automobile industries at the end of last year. Also, China’s demand is showing some favorable signs thanks to economic stimulus measures taken by the Chinese government. However, the considerably deteriorated consumer confidence in the United States, triggered by the so-called Lehman Brothers shock, remains as a major factor impeding recovery of global demand, and the timing of full-scale economic recovery is still unpredictable.

Despite these business conditions, the Group will keep making the best use of our capability to develop advanced technologies in contributing to our customers’ cost reduction and curbing the environmental burden through improvement of efficiency in electronic board processing processes, keep striving to boost our competitiveness further through the utilization of the Group network that supports global markets, and keep making efforts to secure new orders particularly for new products with the aim of fortifying profitability.

In regard to the outlook for the next fiscal term, we expect severe conditions to remain in the first half of the year, but the economy will show a moderate recovery trend in the second half and thereafter. Accordingly, for fiscal 2009, we expect consolidated sales of ¥5,428 million, down 21.9% compared to the current year, operating profits of ¥199 million yen, down 77.3%, ordinary profits of ¥188 million, down 74.3%, and net profits of ¥8 million, down 97.0%.

(2) Analysis relating to the financial situation

[Analysis of the financial situation]

The financial position in the current consolidated fiscal year recorded total assets of ¥9,731 million, a decrease of ¥1,847 million compared with the previous year. This was mainly due to a decrease in notes and accounts receivable stemming from sales decline as well as a decrease in investment securities. Liabilities were ¥1,951 million, a decrease of ¥881 million from the previous year as a result of a decrease in notes and accounts payable as well as a decrease in accrued income taxes. Net assets were ¥7,780 million, down ¥965 million year on year due to the impact of foreign exchanges. As a result, the equity ratio reached 80.0%.

[Analysis of cashflow]

As of the end of the current fiscal year, cash and cash equivalents (hereinafter, called “fund”) decreased by ¥582 million compared with the previous year as net profit before taxes decreased by ¥1,214 million year on year to ¥829 million, the net balance of time deposits increased, and tangible assets were purchased. As a result, the year-end fund balance came to ¥2,209 million.

Outlines of cashflow conditions and reasons for fluctuations for the current fiscal year are as follows:

[Cashflow by business activities]

The net fund provided by operating activities was ¥1,104 million, down ¥462 million over the previous year. This was mainly due to a decrease in net profit before taxes of ¥829 million, a decrease of ¥1,214 million compared to the previous year, and a decrease in notes and accounts receivable of ¥1,088 million, up ¥1,608 million year on year, which contributed to the increase in funds, but the increase in funds was partially offset by factors reducing funds that included a decrease in notes and accounts payable of ¥506 million, down ¥689 million compared with the previous year, and the amount of income tax paid of ¥529 million.

(Cashflow by investment activities)

The net fund used in investing activities was ¥1,067 million, a decrease of ¥379 million compared to the previous year. This was mainly due to proceeds from savings-type insurance of ¥214 million, a net balance of time deposits of ¥674 million, an increase of ¥342 million compared to the previous year, and the purchase of tangible fixed assets of ¥584 million, a decrease of ¥205 million compared to the previous year.

(Cashflow by financial activities)

The net fund used in financing activities was ¥458 million, an increase of ¥124 million compared to the previous year. This was mainly due to dividends paid of ¥365 million, an increase of ¥77 million compared to the previous year, and the acquisition of treasury stock of ¥92 million.

(3) Basic policy for profit distribution and dividends for the current and next period

The Company is committed to distributing retained earnings while carefully considering the necessity of reinvesting in businesses to enhance our corporate value in future and our consolidated business performance in this and future terms, while maintaining consistently stable dividend payout to our stakeholders including stockholders in a comprehensive manner. To reinvest in our business activities, we plan to fund investments targeting future growth, including moves to strengthen R&D, increase production capacity, and reinforce our overseas business base with the aim of maintaining and growing our competitiveness. In addition, we also strive to increase retained profits for establishing sound financial conditions in order to support continuous growth. Dividends will be paid reflecting the profits of this term according to the policy of consistently stable dividend payout.

For fiscal 2008, we will distribute a year-end dividend of ¥8 per share, which is to lead the total annual dividend of ¥16 per share aggregating the interim dividend paid of ¥8 per share.

For fiscal 2009, as the bleak operating environment the Company faces is expected to continue and uncertainties about the future persist, it is with deep regret that we will distribute an interim dividend of ¥4 per share and a year-end dividend of ¥4 per share, and thus, the total annual dividend will be ¥8 per share.

(4) Risks of business, etc.

The following section provides an overview of the principal risks that could affect the business results and financial condition of the Group.

1) High dependence on the print circuit board (PCB) industry

The Group specializes in PCB material production and is strongly affected by the production of the PCB industry. Therefore, the future production trend in the PCB industry could have a significant impact on our financial results.

2) Research and development expenses

The Group aggressively develops new products, mainly chemicals for PCBs. As technical innovations are remarkable in the PCB field, to supply products applying such new technologies, we have to make sufficient research and development investment. Therefore, our policy provides for investing approximately 10% of sales in R&D studies.

We will strive to create new demand or enhance sales for new products, which are the outcome of our R&D investment. However, large R&D expenses could have a negative impact on our financial results if sales of new products are below our expectations.

In addition, if we misanalyze market needs and fall behind in developing new products or if we cannot apply technical innovations, sales of our products will decrease to negatively affect our financial results.

3) Overseas operations
The Group consists of the Company and six consolidated subsidiaries. We establish a business structure to apply to the world's major PCB markets in a comprehensive manner. In particular, to reinforce sales in East Asia where the production of PCBs is rapidly increasing, the whole Group including R&D, sales, and production set the China market as our future main target.
However, if sales in the China market become dull or if geopolitical risk occurs in the area, our financial results could be negatively affected.
4) Foreign currency risk
The Group's operations are developed not only in the domestic market but also worldwide. As exports from the Company to foreign subsidiaries are denominated in local currencies, receivables as of the balance sheet date are affected by the applicable exchange rate. Profits and losses are converted into Yen using the prevailing exchange rate as of the balance sheet date of each foreign subsidiary. As a result, profits and losses of the Group could be affected by fluctuation of the exchange rate.
5) Surging prices of crude oils and raw materials
While inorganic materials are the main materials of chemicals for PCBs, our key products, we use crude oil or copper-based materials as a part of the raw materials. In addition, our chemical products are kept in polyethylene containers, which are significantly affected by crude oil prices. Although we endeavor to implement cost-cutting measures including the alteration of raw materials and large-scale and lump-sump procurement, if raw material prices surge in future, our financial results could be negatively affected.
6) Intellectual property rights
The Company has prioritized the management of intellectual property rights for chemical products as one of the key management issues regarding risk management. We established a specialized department for the management of intellectual property rights to deal with the control of our patent rights worldwide according to our patent strategy. However, we cannot assure that all patents we applied for are registered or that there are no infringements of our patent rights by third parties. Such circumstances, if they occurred, could have a negative impact on our financial results.
7) Environmental regulations
Part of the chemical products for PCBs, our mainstream, includes chemicals for soldering boards and solder-related chemicals to melt solder. According to the RoHS Directive (Restriction of Hazardous Substances) issued by the European Union, the use of lead, which is a major element of solder, was banned in 2006 and electronics devices containing lead cannot be sold in Europe.
In accordance with this regulation, more manufacturers of PCBs and electronic devices are using lead-free solder for their products. While we consider such change of business environment to be a major business opportunity, if the development of new products is delayed beyond our expectations, our financial results could be negatively affected.
8) Recruiting and training of human resources
In light of the further enhancement of R&D and sales competitiveness aiming at reinforcing overseas operations, the Group has aggressively undertaken to recruit and train talented people. If we cannot recruit and train sufficient staff required to maintain our business, our financial results could be negatively affected.
9) Change in prices of marketable securities held
The Group owns other companies' equity shares as strategic investment with the aim of building and maintaining business relationships particularly with banks and business partners. However, in cases where the value of equity shares held decreases considerably and also where no recoverability is recognized as a result of considerable decrease in stock prices or deterioration of financial conditions or bankruptcy of the investment target company, recording of impairment loss on equity shares held and occurrence of evaluation loss could have a negative impact on our financial results.
10) Evaluation of recoverability of deferred tax assets
The Group determines recoverability after estimating reasonable future taxable income against future deductible amounts and carry forward of net losses for tax purposes, and records deferred tax assets. However, if a question arises regarding recoverability as a result of an actual taxable income differing from the forecast or if a change occurs in the taxation of a country including change of tax rate, re-evaluation of deferred tax assets will be required. In this case, if transfer from deferred tax assets becomes necessary, our financial results could be negatively affected.

2. Situation of the Corporate Group

Since there is no change of the "Business System Chart (Business contents)" in the latest Securities

Report (submitted by MEC COMPANY LTD. (4971) Financial Review for the Year Ended March 31, 2009 on June 25, 2008), disclosure is omitted.

3. Management Policy

The penetration of advanced electronic equipment around the world plays a major role in creating affluent societies not only in the existing major markets of Japan, the United States, and European countries but also people around the world, centering on people in newly industrializing countries. And with the enhancement and spread of electronic products, competition between enterprises of the PCB manufacturing industry that comprise the central component of electronic products is undergoing further globalization.

Under these circumstances, for the horizontal expansion of our competitiveness we enjoy in the domestic PCB industry to markets abroad, we have established manufacturing and sales bases in the main markets of the world. Together with working to reinforce sales strength and communizing of information and strategies through cooperation among Group companies, we are placing emphasis on sales expansion of the East Asian market, centering on China, which has become a huge market for PCBs.

Also, in regard to research and development, which is the basis of our competitiveness, we are further reinforcing our product development system to meet the needs of customers, including finer, higher-density circuits and higher-reliability lines, with a basic approach to eliminating waste and lowering costs from the perspectives of the environment and energy saving. Moreover, at present, with copper surface treatment technology, which is our forte, we are aggressively launching new products for sophisticated multilayer substrates centering on digital information home appliances and car electronics.

4. Financial Statements

1. Consolidated Balance Sheet

(Unit: 1,000yen)

		As of March 31, 2008		As of March 31, 2009
ASSETS				
Current assets:				
Cash and deposits		3,667,056		3,584,544
Notes and accounts receivable-trade		2,654,855		1,377,451
Short-term investment securities		50,000		50,000
Inventories		496,255		-
Merchandise and finished goods		-		231,015
Raw materials and supplies		-		238,558
Deferred tax assets		125,916		38,074
Income taxes receivable		-		150,349
Other		66,793		64,478
Allowance for doubtful accounts		(14,295)		(11,626)
Total current assets		7,046,582		5,722,846
Non-current assets:				
Property, plant and equipment				
Buildings and structures		2,582,617		2,693,134
Accumulated depreciation		(1,244,493)		(1,304,122)
Buildings and structures, net	*1	1,338,124	*1	1,389,012
Machinery, equipment and vehicles		1,409,265		1,409,721
Accumulated depreciation		(970,203)		(1,031,013)
Machinery, equipment and vehicles, net	*1	439,062	*1	459,707
Tools, furniture and fixtures		540,761		531,159
Accumulated depreciation		(339,938)		(380,419)
Tools, furniture and fixtures, net		200,822		150,739
Land	*1	1,286,750	*1	1,167,488
Construction in progress		280,856		248,373
Total property, plant and equipment		3,545,615		3,415,321
Intangible assets				
Goodwill		20,872		14,212
Other		57,589		47,542
Total intangible assets		78,461		61,754
Investments and other assets				
Investment sevurities		656,440		381,297
Other		261,277		178,771
Allowance for doubtful accounts		(9,672)		(28,530)
Total investments and other assets		908,046		531,537
Total non-current assets		4,532,123		4,008,613
Total		11,578,706		9,731,460

(Unit: 1,000yen)

	As of March 31, 2008	As of March 31, 2009
LIABILITES		
Current liabilities:		
Notes and accouts payable-trade	999,500	392,210
Short-term loans payable	480,000	480,000
Accounts payable-other	332,821	149,240
Accrued expenses	85,778	29,210
Accrued income taxes	298,856	126,320
Reserve for bonuses	154,752	103,716
Other	99,636	123,825
Total current liabilities	2,451,345	1,404,523
Non-current liabilities:		
Deferred tax liabilities	270,936	427,002
Provision for retirement benefits	-	16,704
Other	110,256	102,827
Total non-current liabilities	381,193	546,534
Total	2,832,538	1,951,057
NET ASSETS		
Shareholders' equity:		
Capiral stock	594,142	594,142
Capiral surplus	446,358	446,358
Reráined earnings	7,503,558	7,424,761
Treasury stock	(47)	(92,677)
Total shareholders' equity	8,544,011	8,372,585
Valuation and translation adjustments:		
Valuation difference on avalable-for-sale securities	94,013	(4,714)
Foreign currency transtation and adjustment	108,143	(587,468)
Total valuation and transtation adjustment	202,156	(592,182)
Total net assets	8,746,167	7,780,402
Total liabilities and net assets	11,578,706	9,731,460

(2).Consolidated Statement of Income

(Unit: 1,000yen)

		Year ended March 31, 2008 From April 1, 2007 To March 31,2008		Year ended March 31, 2009 From Aril 1, 2008 To March 31, 2009
Net sales		9,115,964		6,954,549
Costs of sales		3,615,697	*1	2,969,254
Gross profit		5,500,266		3,985,294
Selling, general and administrative expenses	*2,*3	3,396,596	*2,*3	3,107,025
Operating income		2,103,670		878,268
Non-operating income				
Interest income		26,648		40,386
Dividends income		6,849		13,638
Rent income on facilities		11,525		11,522
Other		14,638		14,555
Non-operating income		59,661		80,103
Non-operating expenses				
Interest expenses		7,862		6,483
Loss on valuation of investment securities		-		148,534
Loss on abandonment of inventories		67,839		53,203
Rent expenses on facilities		10,875		1,391
Other		18,949		15,132
Non-operating expenses		105,527		224,745
Ordinary income		2,057,804		733,627
Extraordinary income				
Gain on sales of non-current assets	*4	2,499	*4	1,404
Surrender value of insurance		-		116,482
Extraordinary income		2,499		117,886
Extraordinary loss				
Loss on sales of non-current assets	*5	1,065	*5	105
Loss on retirement of non-current assets	*6	15,535	*6	5,985
Impairment loss		-	*7	15,997
Extraordinary loss		16,601		22,088
Income before income taxes		2,043,703		829,425
Income taxes-current		568,109		252,199
Income taxes-deferred		49,132		289,338
Income taxes		617,241		541,538
Net income		1,426,461		287,887

(2) Statements of changes in net assets

(Unit: 1,000 yen)

	Year ended March 31, 2008 From April 1, 2007 To March 31, 2008	Year ended March 31, 2009 From April 1, 2008 To March 31, 2009
Shareholders' equity		
Capital stock		
Balance at the end of previous period	594,142	594,142
Changes of items during the period		
Total changes of items during the period	-	-
Balance at the end of currenst period	594,142	594,142
Capital surplus		
Balance at the end of previous period	446,358	446,358
Changes of items during the period		
Total changes of items during the period	-	-
Balance at the end of currenst period	446,358	446,358
Retained earnings		
Balance at the end of previous period	6,397,168	7,503,558
Changes of items during the period		
Dividends from surplus	(305,570)	(366,684)
Net income	1,426,461	287,887
Other	(14,500)	-
Total changes of items during the period	1,106,389	(78,796)
Balance at the end of currenst period	7,503,558	7,424,761
Treasury stock		
Balance at the end of previous period	(47)	(47)
Changes of items during the period		
Purchase of treasury stock	-	(92,629)
Total changes of items during the period	-	(92,629)
Balance at the end of currenst period	(47)	(92,677)
Total shareholders' equity		
Balance at the end of previous period	7,437,621	8,544,011
Changes of items during the period		
Dividends from surplus	(305,570)	(366,684)
Net income	1,426,461	287,887
Purchase of treasury stock	-	(92,629)
Other	(14,500)	-
Total changes of items during the period	1,106,389	(171,426)
Balance at the end of currenst period	8,544,011	8,372,585

	Year ended March 31, 2008 From April 1, 2007 To March 31, 2008	Year ended March 31, 2009 From April 1, 2008 To March 31, 2009
Valuation and translation adjustments		
Valuation difference on available-for-sale securities		
Balance at the end of previous period	250,563	94,013
Changes of items during the period		
Net changes of items other than shareholders' equity	(156,550)	(98,727)
Total changes of items during the period	(156,550)	(98,727)
Balance at the end of currenst period	94,013	(4,714)
Foreign currency translation adjustment		
Balance at the end of previous period	142,925	108,143
Changes of items during the period		
Net changes of items other than shareholders' equity	(34,782)	(695,611)
Total changes of items during the period	(34,782)	(695,611)
Balance at the end of currenst period	108,143	(587,468)
Total valuation and translation adjustments		
Balance at the end of previous period	393,489	202,156
Changes of items during the period		
Net changes of items other than shareholders' equity	(191,333)	(794,339)
Total changes of items during the period	(191,333)	(794,339)
Balance at the end of current period	202,156	(592,182)
Total net assets		
Legal capital surplus	7,831,111	8,746,167
Changes of items during the period		
Dividends from surplus	(305,570)	(366,684)
Net income (loss)	1,426,461	287,887
Purchase of treasury stock	-	(92,629)
Other	(14,500)	-
Net changes of items other than shareholders' equity	(191,333)	(794,339)
Total changes of items during the period	915,056	(965,765)
Balance at the end of current period	8,746,167	7,780,402

(4) Consolidated Statement of Cash Flow

(Unit: 1,000 yen)

	Year ended March 31, 2008 From April 30, 2007 To March 31,2008	Year ended March 31, 2009 From April 30, 2008 To March31, 2009
Cash flow from operating activities		
Income before income taxes	2,043,703	829,425
Depreciation and amortization	325,427	366,873
Impairment loss	-	15,997
Increase (decrease) in allowance for doubtful accounts	(1,935)	17,547
Increase (decrease) in provision for bonuses	27,277	(51,035)
Increase (decrease) in provision for directors' bonuses	(21,406)	-
Increase (decrease) in provision for retirement benefits	-	16,704
Interest and dividends income	(33,498)	(54,025)
Interest expenses	7,862	6,483
Insurance premium refunded cancellation	-	(116,482)
Loss (gain) on valuation of investment securities	-	148,534
Decrease (increase) in notes and accounts receivable-trade	(519,978)	1,088,921
Decrease (increase) in inventories	(11,864)	(41,870)
Increase (decrease) in notes and accounts payable-trade	182,877	(506,732)
Other	133,254	(132,111)
Subtotal	2,131,719	1,588,230
Interest and debidends income received	33,673	52,497
Interset expenses paid	(8,221)	(6,424)
Income tax paid	(590,182)	(529,401)
Net cash provided by (used in)operating activities	1,566,989	1,104,902
Cash flow from investment activities		
Payments into time deposits	(1,355,969)	(1,792,389)
Proceeds from withdrawal of time deposits	1,023,753	1,117,433
Purchase of property, plant and quipment	(789,985)	(584,067)
Proceeds from sales of property, plant and equipment	5,287	20,083
Purchase of intangible assets	(6,991)	(6,940)
Purchase of investment securities	(318,555)	(19,160)
Proceeds from maturity of insurance funds	-	214,394
Other	(5,057)	(16,928)
Net cash provided by (used in) investment activities	(1,447,517)	(1,067,574)
Cash flow from financing activities		
Increase in short-term loans payable	480,000	480,000
Decrease in short-term loans payable	(130,000)	(480,000)
Repayment of long-term loans payable	(400,000)	-
Purchase of treasury stock	-	(92,629)
Cash dividends paid	(288,479)	(365,608)
Other	4,452	-
Net cash provided by (used in) financing activities	(334,027)	(458,237)
Effect of exchange rate changeon cash and cash equipments	(26,253)	(161,590)
Net increase (decrease) in cash and cash equivalents	(240,808)	(582,501)
Cash and Cash equivalents at the bigining og the period	3,033,255	2,792,447
Cash and Cash equivalents at the end od the period	2,792,447	2,209,945

Notes to the going concern assumption

Not applicable

Basis of Presentation and Summary of Significant Accounting Policies for the Preparation of Consolidated Financial Statements

Item	From April 1, 2007 to March 31, 2008	From April 1, 2008 to March 31, 2009
1. Scope of Consolidation	The number of consolidated subsidiaries: 6 Principal consolidated subsidiaries: MEC TAIWAN COMPANY LTD. MEC (HONG KONG) LTD. MEC FINE CHEMICAL (ZHUHAI) LTD. MEC CHINA SPECIALTY PRODUCTS (SUZHOU) CO., LTD. MEC EUROPE NV. MEC USA SPECIALTY PRODUCTS INC.	Same as fiscal year ended Mar. 2008
2. Fiscal Year-End of Consolidated Subsidiaries	The fiscal year-end of all consolidated subsidiaries is December 31. In preparing the consolidated financial statements, the Company uses the financial statements of these companies as of their fiscal year-end. For major intervening transactions that occurred between the fiscal year-end of those companies and March 31, appropriate adjustments have been made in the consolidated financial statements.	Same as fiscal year ended Mar. 2008
3. Summary of Significant Accounting Policies (1) Basis and Methods of Valuation of Significant Assets	(1) Basis and method of valuation of marketable securities Other securities Securities with determinable market value: Stated at the market value method based on the quoted market prices at the end of the consolidated fiscal year Unrealized holding gains and losses are reported in a component of shareholders' equity, with the cost of securities sold being calculated by the moving-average method. Securities without determinable market value: Stated at cost based on the moving-average method (2) Derivatives Stated at the market value method (3) Basis and method of valuation of	(1) Basis and method of valuation of marketable securities Other securities Securities with determinable market value: Same as Fiscal 2007 Securities without determinable market value: Same as Fiscal 2007 (2) Derivatives Same as fiscal year ended Mar. 2008 (3) Basis and method of valuation of inventories (i) Goods, products (chemicals), raw materials, inventories of merchandise and supplies Stated at cost based on the periodic

Item	From April 1, 2007 to March 31, 2008	From April 1, 2008 to March 31, 2009
	inventories Goods: Stated at cost based on the periodic average method Products (Chemicals): Stated at cost based on the periodic average method Certain overseas subsidiaries use the cost convention based on the identified cost method or the lower of cost or market by the weighted average cost method. Products (Machinery): Stated at cost based on the cost convention method Raw materials: Stated at the lower of cost or market by the periodic average method Certain overseas subsidiaries use the cost convention based on the identified cost method or the lower of cost or market by the weighted-average cost method. Inventories of merchandise and supplies: Stated at cost based on the periodic average method	average method (Book price devaluation based on the decrease in profitability of balance sheet values) (ii) Products (Machinery): Stated at cost based on the cost convention method (Book price devaluation based on the decrease in profitability of balance sheet values) (Changes in accounting policies) Effective in the current consolidated fiscal year, the Company adopted Financial Standards Board Statement No. 9 “Accounting Standards for Valuation of Inventories” issued on July 5, 2006. The net effect of this change was to decrease the operating profit, ordinary profit, and net profit before taxes by ¥17,580 thousand, respectively, compared with the amount based on the previous accounting methods. The effects on segment information are described in the relevant notes.
(2) Depreciation and Amortization of Significant Depreciable Assets	(1) Tangible fixed assets The Company accounts for depreciation of tangible fixed assets by the declining-balance method, except for buildings (excluding fixtures) acquired on and after April 1, 1998, which are accounted for by the straight-line method. Overseas consolidated subsidiaries account for the depreciation of property, plant, and equipment mainly by the straight-line method. The principal useful lives are as follows: Building and structures: 7 - 50 years Machinery and vehicles: 4 - 12 years Tools and equipment: 4 - 7 years (Changes in accounting policies) In accordance with the amendment of the Corporation Tax Law in Japan, effective from the fiscal year ended March 31, 2008, the Company changed the method of depreciation applied to all tangible fixed assets acquired on and after April 1, 2007 to that based on the revised law. The effects of this change on profit and loss were immaterial.	(1) Tangible fixed assets The Company accounts for depreciation of tangible fixed assets by the declining-balance method, except for buildings (excluding fixtures) acquired on and after April 1, 1998, which are accounted for by the straight-line method. Overseas consolidated subsidiaries account for the depreciation of property, plants, and equipment mainly by the straight-line method. The principal useful lives are as follows: Building and structures: 7 - 50 years Machinery and vehicles: 4 - 10 years Tools and equipment: 4 - 7 years (Additional information) Previously, the life span of the Company’s machinery and equipment was set at periods of 4 to 12 years, but this has been changed to a period of 4 to 10 years from the fiscal year ended March 31, 2008. 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 net effect of this change was to

Item	From April 1, 2007 to March 31, 2008	From April 1, 2008 to March 31, 2009
	(Additional information) In accordance with the amendment of the Corporation Tax Law in Japan, with respect to any tangible assets acquired on or before March 31, 2007, the Company has included the depreciation expenses of such tangible assets amounts representing the difference between the amounts of carrying costs for accounting purposes and 5% of the acquisition costs as derived from application of the depreciation method used prior to the legal revision. Such amounts are being depreciated in equal amounts over five years, starting in the year after the fiscal year in which accumulated depreciation based on the pre-revision method reached 5% of the acquisition costs. The effects of this change on profit and loss were immaterial. (2) Intangible Assets Intangible assets are amortized using the straight-line method	increase depreciation expenses by ¥12,821 thousand and to decrease the operating profit, ordinary profit, and net profit before taxes by ¥12,332 thousand, respectively, compared with the amount based on the previous accounting methods. (2) Intangible Assets Same as fiscal year ended Mar. 2008
(3) Method of Accounting for Significant Allowances	(1) Allowance for Doubtful Accounts The Company provides allowance for doubtful accounts in an amount sufficient to cover probable losses on collection. Provision for normal receivables is calculated by using the actual percentage of credit losses, while for certain identified doubtful receivables, recoverability is assessed separately to estimate the uncollectible amount. Overseas subsidiaries compute allowances mainly based on an individual estimate of certain identified doubtful receivables that may not be recoverable. (2) Allowance for Bonuses The Company provides allowance for bonuses for employees based on the estimated amount of payment in the current consolidated year. (3) ____________ (Additional information) In the previous consolidated fiscal year, the estimated amount of payment for bonuses for directors and corporate auditors was recorded as allowance for bonuses for directors and corporate auditors. In	(1) Allowance for Doubtful Accounts Same as fiscal year ended Mar. 2008 (2) Allowance for Bonuses Same as fiscal year ended Mar. 2008 (3) ____________

Item	From April 1, 2007 to March 31, 2008	From April 1, 2008 to March 31, 2009
	the current year, in line with the introduction of a performance bonus system in accordance with "Internal Regulations for Performance Bonuses for Directors and Corporate Auditors," accrued bonuses for directors and corporate auditors are included in the section of "Accrued payable." The amount included in "Accrued payable" in the current year was ¥24,983 thousand. (4) Allowance for retirement benefit The Company provides allowance for retirement benefit in the amount to be recognized on the consolidated balance sheet date based on the estimated amount of the projected benefit obligation and the fair value of plan assets at the end of the current consolidated fiscal year. For executive officers not directors, pursuant to the Company's regulations for retirement benefit for executive officers, 100% of the estimated payment amount on the consolidated balance sheet date is recognized. The Company adopts a defined benefit pension plan operated by multi-employers for the total balance of our retirement scheme except for those provided based on the regulations of retirement benefit for executive officers. As of March 31, 2008, the fair value of plan assets exceeded the projected benefit obligation (except for unrecognized actuarial differences) and such difference was recognized as prepaid pension expenses in the section of "Other" in investment and other assets. Prior service costs are amortized by the straight-line method over a certain period within the average estimated remaining service period of employees, which is 10 years, at the time of occurrence. Actuarial differences are amortized by the declining-balance method over a certain period within the average estimated remaining service period of employees at the time of occurrence of each year, which is 10 years, beginning from the following fiscal year.	(4) Allowance for retirement benefit The Company provides allowance for retirement benefit in the amount to be recognized on the consolidated balance sheet date based on the estimated amount of the projected benefit obligation and the fair value of plan assets at the end of the current consolidated fiscal year. For executive officers not directors, pursuant to the Company's regulations for retirement benefit for executive officers, 100% of the estimated payment amount on the consolidated balance sheet date is recognized. The Company adopts a defined benefit pension plan operated by multi-employers for the total balance of our retirement scheme except for those provided based on the regulations of retirement benefit for executive officers. Prior service costs are amortized by the straight-line method over a certain period within the average estimated remaining service period of employees, which is 10 years, at the time of occurrence. Actuarial differences are amortized by the declining-balance method over a certain period within the average estimated remaining service period of employees at the time of occurrence of each year, which is 10 years, beginning from the following fiscal year.

<table>
<tr><th>Item</th><th>From April 1, 2007 to March 31, 2008</th><th>From April 1, 2008 to March 31, 2009</th></tr>
<tr><td>(4) Basis of translation of significant assets and liabilities denominated in foreign currencies into Japanese yen</td><td>Monetary receivables and payables denominated in foreign currencies are translated into yen using the prevailing spot exchange rate at the consolidated balance sheet date and any exchange differences are accounted for profit or loss. Assets, liabilities and profit and loss of overseas subsidiaries are translated into yen using the prevailing spot rate at the balance sheet date of subsidiaries.</td><td>Same as fiscal year ended March 2008</td></tr>
<tr><td>(5) Other significant matters for the preparation of consolidated financial statements</td><td>Accounting of consumption taxes
Consumption taxes are excluded from the revenue and expense accounts which are subject to taxes.</td><td>Accounting method of consumption taxes
Same as fiscal year ended March 2008</td></tr>
<tr><td>4. Valuations of assets and liabilities of consolidated subsidiaries</td><td>The Company adopts the full fair value methods, in which all assets and liabilities including those of minority interests are valued at mark-to-market when the Company acquired the control of subsidiaries.</td><td>Same as fiscal year ended March 2008</td></tr>
<tr><td>5. Amortization of goodwill and negative goodwill</td><td>Goodwill and negative goodwill are amortized over five years using the straight-line method.</td><td>Same as fiscal year ended March 2008</td></tr>
<tr><td>6. Cash and cash equivalent in the consolidated statement of cash flow</td><td>Cash and cash equivalent comprise cash on hand, demand deposits and short-term, highly liquid investments that are readily convertible into known amounts of cash and which are subject to an insignificant risk of change in value, having been within three months of maturity at acquisition.</td><td>Same as fiscal year ended March 2008</td></tr>
</table>

Changes in significant matters for the preparation of a consolidated financial statement

<table>
<tr><th>From April 1, 2007 to March 31, 2008</th><th>From April 1, 2008 to March 31, 2009</th></tr>
<tr><td>———</td><td>(Practical Solution on Unification of Accounting Policies Applied to Foreign Subsidiaries for the Consolidated Financial Statements)
Effective in the current consolidated fiscal year, we applied the “Practical Solution on Unification of Accounting Policies Applied to Foreign Subsidiaries for the Consolidated Financial Statements” (Practical Issue Task Force (PITF) No. 18, May 17, 2006).
The net effect of this change was to decrease the operating profit, ordinary profit and net profit before taxes by ¥13,365 thousand, respectively, compared with the amount based on the previous accounting methods.</td></tr>
</table>

Changes in presentation

<table>
<tr><th>From April 1, 2007 to March 31, 2008</th><th>From April 1, 2008 to March 31, 2009</th></tr>
<tr><td>———</td><td>(Consolidated Balance Sheet)
“Cabinet Office Ordinance Partially Revising Regulation for Terminology, Forms and Preparation of Financial Statements” (Cabinet Office Ordinance No. 50, August 7, 2008) has been applied. In line with the application, the section of “Inventories” in the previous consolidated fiscal year was separately reported as “Goods and products” and “Raw materials and supplies,” effective in the current consolidated fiscal year.
In the previous consolidated fiscal year, “Goods and products” and “Raw materials and supplies,” which were included in “Inventories,” were ¥245,230 thousand and ¥251,024 thousand, respectively.</td></tr>
</table>

Notes to Consolidated Financial Statements

(Notes to consolidated balance sheet)

Year ended March 31, 2008		Year ended March 31, 2009	
*1 Assets pledged in collateral	(Thousands of yen)	*1 Assets pledged in collateral	(Thousands of yen)
Building and structures	58,983	Building and structures	38,699
Machinery, equipment, and vehicles	13,027	Machinery, equipment, and vehicles	19,762
Land	35,014	Land	26,883
Total	107,025	Total	85,345
There is no obligation corresponding to the above pledged assets.		There is no obligation corresponding to the above pledged assets.	

(Notes to consolidated statements of profit and loss)

From April 1, 2007 to March 31, 2008	From April 1, 2008 to March 31, 2009
*1 ――――	*1 The inventories at the fiscal year end are the amounts after write-down of book value as a result of decrease in profitability and loss on valuation of inventories of ¥18,306 thousand is included in costs of sales.
*2 Breakdown of selling, general, and administrative expenses: (Thousands of yen) Salaries and bonuses 749,902 Research and development expenses 759,563 Packing and transportation expenses 541,128 Provision for allowance for bonuses 84,291	*2 Breakdown of selling, general, and administrative expenses: (Thousands of yen) Salaries and bonuses 714,635 Research and development expenses 802,524 Packing and transportation expenses 379,958 Provision for allowance for bonuses 54,336
*3 Research and development expenses included in general expenses were ¥759,563 thousand.	*3 Research and development expenses included in general expenses were ¥802,524 thousand.
*4 Breakdown of profit on sale of fixed assets is as follows: Machinery, equipment, and vehicles ¥2,499 thousand	*4 Breakdown of profit on sale of fixed assets is as follows: Machinery, equipment, and vehicles ¥1,404 thousand
*5 Breakdown of loss on sale of fixed assets is as follows: (Thousands of yen) Machinery, equipment, and vehicles 1,029 Tools, furniture, and fixtures 36 Total 1,065	*5 Breakdown of loss on sale of fixed assets is as follows: (Thousands of yen) Machinery, equipment, and vehicles 100 Tools, furniture, and fixtures 4 Total 105
*6 Breakdown of loss on disposal of fixed assets is as follows: (Thousands of yen) Buildings and structures 4,076 Machinery, equipment, and vehicles 9,000 Tools, furniture, and fixtures 2,459 Total 15,535	*6 Breakdown of loss on disposal of fixed assets is as follows: (Thousands of yen) Buildings and structures 258 Machinery, equipment, and vehicles 4,674 Tools, furniture, and fixtures 686 "Other" in investment and other assets 366 Total 5,985
*7 ――――	*7 In this consolidated fiscal year, the MEC Group recorded impairment loss for the following asset group.

Place	Use	Type
Suzhou, Jiangsu, People's Republic of China	Factory asset	Buildings and structures Machinery and equipment Tools, furniture, and fixtures Estimated amounts such as restoration costs Others

A MEC Group company, MEC CHINA SPECIALITY PRODUCTS (SUZHOU) CO., LTD., recorded

	impairment loss (¥15,997 thousand) as extraordinary loss as a result of their factory relocation. The breakdown of the impairment loss is ¥7,463 thousand for buildings and structures, machinery and equipment, and tools, furniture, and fixtures, ¥6,798 thousand for estimated amounts such as restoration costs, and ¥1,735 thousand for others. The recoverable amount for the asset is calculated based on the net selling price at disposition, which is evaluated and recorded at zero because of the difficulty associated with sale, etc. of the factory assets.

(Notes to Consolidated Statements of Changes in Net Assets)

From April 1, 2007 to March 31, 2008

1. Class and numbers of total shares issued and treasury stock held

	Number of shares at the end of the previous fiscal year	Increase in number of shares during the fiscal year	Decrease in number of shares during the fiscal year	Number of shares at the end of the fiscal year
Shares issued				
Common stock	20,371,392	-	-	20,371,392
Total	20,371,392	-	-	20,371,392
Treasury stock				
Common stock	33	-	-	33
Total	33	-	-	33

2. Dividends

(1) Amount of dividends paid

(Resolution)	Class of shares	Total amount of dividends (Thousands of yen)	Dividend per share (Yen)	Date of record	Effective date
Regular meeting of the Board of Directors on May 25, 2007	Common stock	183,342	9	March 31, 2007	June 7, 2007
Regular meeting of the Board of Directors on November 13, 2007	Common stock	122,228	6	September 30, 2007	December 10, 2007

(2) Dividends with a record date within the current fiscal year that become effective after the end of the fiscal year

(Resolution)	Class of shares	Total amount of dividends (Thousands of yen)	Source of dividends	Dividend per share (Yen)	Date of record	Effective date
Regular meeting of the Board of Directors on May 21, 2008	Common stock	203,713	Retained earnings	10	March 31, 2008	June 9, 2008

From April 1, 2008 to March 31, 2009

1. Class and numbers of total shares issued and treasury stock held

	Number of shares at the end of the previous fiscal year	Increase in number of shares during the fiscal year	Decrease in number of shares during the fiscal year	Number of shares at the end of the fiscal year
Shares issued				
Common stock	20,371,392	-	-	20,371,392
Total	20,371,392	-	-	20,371,392
Treasury stock				
Common stock	33	300,000	-	300,033
Total	33	300,000	-	300,033

(Note) The increase in the number of common stock held in treasury stock of 300,000 shares was due to acquisition of treasury shares based on a resolution made at the Board of Directors meeting.

2. Dividends

(1) Amount of dividends paid

(Resolution)	Class of shares	Total amount of dividends (Thousands of yen)	Dividend per share (Yen)	Date of record	Effective date
Regular meeting of the Board of Directors on May 21, 2008	Common stock	203,713	10	March 31, 2008	June 9, 2008
Regular meeting of the Board of Directors on October 31, 2008	Common stock	162,970	8	September 30, 2008	December 2, 2008

(2) Dividends with a record date within the current fiscal year that become effective after the end of the fiscal year

(Resolution)	Class of shares	Total amount of dividends (Thousands of yen)	Source of dividends	Dividend per share (Yen)	Date of record	Effective date
Regular meeting of the Board of Directors on May 22, 2009	Common stock	160,570	Retained earnings	8	March 31, 2009	June 8, 2009

(Notes to consolidated statement of cashflow)

From April 1, 2007 to March 31, 2008		From April 1, 2008 to March 31, 2009	
Reconciliation of cash and cash equivalents at the end of the fiscal year with the consolidated balance sheet accounts	(Thousands of yen)	Reconciliation of cash and cash equivalents at the end of the fiscal year with the consolidated balance sheet accounts	(Thousands of yen)
Cash and deposits	3,667,056	Cash and deposits	3,584,544
Marketable securities	50,000	Marketable securities	50,000
Total	3,717,056	Total	3,634,544
Less: Time deposits with maturities extending over three months	(924,608)	Less: Time deposits with maturities extending over three months	(1,424,598)
Cash and cash equivalent	2,792,447	Cash and cash equivalent	2,209,945

(Marketable and investment securities)

As of March 31, 2008

1. Other securities with determinable market value

	Class	Acquisition cost (thousand yen)	Reported amount in consolidated balance sheet (thousand yen)	Differences (thousand yen)
Securities in which the reported amounts in the consolidated balance sheet exceeded the acquisition costs	(1) Stock	237,993	465,.892	227,898
	(2) Bond	-	-	-
	1) Government and municipal bond	-	-	-
	2) Corporate bond	-	-	-
	3) Other	-	-	-
	(3) Other	-	-	-
	Sub total	237,993	465,892	227,898
Securities in which the acquisition costs exceeded the reported amounts in the consolidated balance sheet	(1) Stock	258,727	189,207	(69,520)
	(2) Bond	-	-	-
	1) Government and municipal bond	-	-	-
	2) Corporate bond	-	-	-
	3) Other	-	-	-
	(3) Other	-	-	-
	Sub total	258,727	189,207	(69,520)
Total		496,721	655,099	158,378

2. Breakdown of securities which were not market to market

	Reported amounts in the consolidated balance sheet (thousand yen)
Marketable securities	
Securities with the same nature as deposits	50,000
Investment securities	
Other securities	
Non-listed stock	1,341
Total	51,341

(Note)
For other securities with determinable market value, impairment loss is recognized when the fair value at the end of the consolidated fiscal year declines below 50% of the acquisition cost, and when the fair value at the end of the consolidated fiscal year declines below the acquisition cost to the extent of 30% to 50%, impairment loss is accounted for considering recoverability of such securities. As of March 31, 2008, there was no security applicable to these criteria and no impairment loss recorded.

As of March 31, 2009

1. Other securities with determinable market value

	Class	Acquisition cost (thousand yen)	Reported amount in consolidated balance sheet (thousand yen)	Differences (thousand yen)
Securities in which the reported amounts in the consolidated balance sheet exceeded the acquisition costs	(1) Stock	85,462	157,252	71,789
	(2) Bond	-	-	-
	1) Government and municipal bond	-	-	-
	2) Corporate bond	-	-	-
	3) Other	-	-	-
	(3) Other	-	-	-
	Sub total	85,462	157,252	71,789
Securities in which the acquisition costs exceeded the reported amounts in the consolidated balance sheet	(1) Stock	280,582	222,703	(57,878)
	(2) Bond	-	-	-
	1) Government and municipal bond	-	-	-
	2) Corporate bond	-	-	-
	3) Other	-	-	-
	(3) Other	-	-	-
	Sub total	280,582	222,703	(57,878)
Total		366,045	379,955	13,910

2. Breakdown of securities which were not market to market

	Reported amounts in the consolidated balance sheet (thousand yen)
Marketable securities	
Securities with the same nature as deposits	50,000
Investment securities	
Other securities	
Non-listed stock	1,341
Total	51,341

(Note)

1. “Acquisition costs” described in the table are book value amounts after recording impairment losses.
2. In the current consolidated fiscal year from April 1, 2008 to March 31, 2009, the company recorded a loss on valuation of investment securities of ¥ 148,534 thousand.
   For other securities with determinable market value, impairment loss is recognized when the fair value at the end of the consolidated fiscal year declines below 50% of the acquisition cost, and when the fair value at the end of the consolidated fiscal year declines below the acquisition cost to the extent of 30% to 50%, impairment loss is accounted for considering recoverability of such securities.

(Derivative transactions)

From April 1, 2007 to March 31, 2008	From April 1, 2008 to March 31, 2009
1. Conditions of derivative transactions The Company uses only the forward exchange transaction. For the purpose of reducing risks caused by fluctuations of exchange rate in the future, the Company enters into forward transaction only to the extent of monetary assets and liabilities denominated in foreign currencies held and there is no speculative transaction. Forward transactions that the Company uses are exposed to risk caused by a fluctuating exchange rate. All counterparties of the Company's forward transactions are domestic banks with high creditworthy, and the management believes that the risk of these parties is remote. The finance and treasury center of the Company has a responsibility to execute and control such transactions, and trading results are to be reported to the responsible director in each transaction. Overseas subsidiaries do not deal with derivative transactions.	1. Conditions of derivative transactions Same as fiscal year ended Mar. 2008
2. Fair values of transactions Not applicable because of no year-end balance	2. Fair values of transactions Same as fiscal year ended Mar. 2008

(Retirement benefit)

Fiscal year ended March, 2008

1. Outline of retirement benefit scheme applied

The Company adopts a contract-type defined benefit pension plan operated by multi-employers ("cash balance plan") based on the Defined Benefit Corporate Pension Law for its employees and with regard to executive officers not directors, a retirement benefit pension plan for executive directors is established. Certain overseas subsidiaries adopt a defined contribution pension scheme.

In addition to the above scheme, the Company is a member of the Employees' Pension Fund of the Japan Print Circuit Association, which is a scheme to be accounted for the exceptions provided by Section 33 of the Implementation Guideline for Retirement Benefit Accounting. The scheme operated by multiple employers that calculates the required amount of contribution for retirement benefit expenses is composed as follows:

(Thousands of yen)

1) Funded status of the whole scheme as of March 31, 2007

Plan assets	60,546,789
Benefit obligation based on the calculation of pension financing in the scheme	50,401,064
Net amount	10,145,725

2) Percentage of the Company's salaries of the whole scheme

(From April 1, 2006 to March 31, 2007)	1.066%

3) Supplemental information

The net amount in 1) above was mainly due to a prior service obligation in pension financing of ¥3,141,034 thousand and retained earnings of ¥13,286,759 thousand. The scheme amortizes prior service cost over 18 years by equal payment. The Company expensed a special contribution of ¥4,521 thousand in the current consolidated financial statement.

The percentage of the Company's salaries in 2) above did not match the percentage of actual contribution.

2. Retirement benefit obligation and its breakdown

As of March 31, 2008	
(1) Retirement benefit obligation	(790,160)
(2) Plan asset	545,038
(3) Unfunded projected benefit obligation (1) + (2)	(245,122)
(4) Unrecognized actuarial gain and loss	88,729
(5) Unrecognized prior service cost	165,232
(6) Net amount recognized in balance sheet	8,838
(7) Prepaid pension expenses	8,838
(8) Allowance for retirement benefit (6) - (7)	-

3. Breakdown of retirement benefit obligation

As of March 31, 2008	
(1) Service cost	62,974
(2) Interest cost on projected benefit obligations	13,656
(3) Expected return on plan assets	(11,175)
(4) Actuarial gain and loss	(5,136)
(5) Amortization of prior service cost	18,883
Sub total	79,203
(6) Contribution to Eemployees' Pension Fund 29,459	
(7) Contribution to defined contribution plans of consolidated subsidiaries	11,317
Total retirement benefit obligation	119,981

4. Basis of calculation of retirement benefit obligation

	As of March 31, 2008
(1) Assumed discount rate	2.0%
(2) Expected rate of return	2.0%
(3) Periodical allocation of estimated retirement benefits	Allocated to each period by the straight-line method
(4) Amortization of actuarial gain and loss	Amortized over 10 years from the year following that of the occurrence by the declining-balance method
(5) Amortization of prior service cost	Amortized over 10 years from the year of the occurrence by the straight-line method

(Additional information)

Effective in the current consolidated fiscal year, the Company adopted the partial amendment (part 2) of Financial Standards Board Statement No. 14 “Accounting Standard for Retirement Benefit” issued on May 15, 2007.

Fiscal year ended March 2009

1. Outline of retirement benefit scheme applied

The Company adopts a contract-type defined benefit pension plan operated by multi-employers ("cash balance plan") based on the Defined Benefit Corporate Pension Law for employees and with regard to executive officers not directors, a retirement benefit pension plan for executive directors is established. Certain overseas subsidiaries adopt a defined contribution pension scheme.

In addition to the above scheme, the Company is a member of the Employees' Pension Fund of the Japan Print Circuit Association, which is a scheme to be accounted for the exceptions provided by Section 33 of the Implementation Guideline for Retirement Benefit Accounting. The scheme operated by multi-employers which accounts the required amount of contribution for retirement benefit expenses is comprised as follows:

1) Funded status of the whole scheme as of March 31, 2008 (Thousands of yen)

Plan assets	52,428,022
Benefit obligation based on the calculation of pension financing in the scheme	54,440,432
Net amount	(2,012,410)

2) Percentage of the Company's salaries of the whole scheme (From April 1, 2007 to March 31, 2008) 1.107%

3) Supplemental information

The net amount in 1) above was mainly due to a prior service obligation in pension financing of ¥2,988,728 thousand and retained earnings of ¥976,318 thousand. The scheme amortizes prior service cost over 18 years by equal payment. The Company expensed a special contribution of ¥4,974 thousand in the current consolidated financial statement.

The percentage of the Company's salaries in 2) above did not match with the percentage of actual contribution.

2. Retirement benefit obligation and its breakdown

	As of March 31, 2009
(1) Retirement benefit obligation	(870,472)
(2) Plan asset	493,869
(3) Unfunded projected benefit obligation (1) + (2)	(376,602)
(4) Unrecognized actuarial gain and loss	213,549
(5) Unrecognized prior service cost	146,348
(6) Allowance for retirement benefit	(16,704)

3. Breakdown of retirement benefit obligation

As of March 31, 2009	
(1) Service cost	67,733
(2) Interest cost on projected benefit obligations	15,081
(3) Expected return on plan assets	(10,900)
(4) Actuarial gain and loss	18,278
(5) Amortization of prior service cost	18,883
Sub total	109,076
(6) Contribution to Employees' Pension Fund	27,664
(7) Contribution to defined contribution plans of consolidated subsidiaries	11,245
Total retirement benefit obligation	147,986

(Thousands of yen)

4. Basis of calculation of retirement benefit obligation

	As of March 31, 2009
(1) Assumed discount rate	2.0%
(2) Expected rate of return	2.0%
(3) Periodical allocation of estimated retirement benefits	Allocated to each period by the straight-line method
(4) Amortization of actuarial gain and loss	Amortized over 10 years from the year following that of the occurrence by the declining-balance method
(5) Amortization of prior service cost	Amortized over 10 years from the year of the occurrence by the straight-line method

(Deferred tax accounting)

As of March 31, 2008

1. Breakdown of deferred tax assets and deferred tax liabilities by major causes of occurrence:

Current Assets
(Deferred tax assets)

	(Thousands of yen)
Allowance for bonuses	62,891
Business tax payable	19,522
Unrealized profit on inventories	30,551
Other	12,951
Total deferred tax assets	125,916

Fixed Assets
(Deferred tax assets)

Retirement benefit payable for directors and corporate auditors	17,300
Investment securities	18,751
Carry forward of net losses of subsidiaries	53,881
Sales promotion expenses	21,195
Other	9,538
Sub total	120,666
Valuation allowance	(53,881)
Total deferred tax assets	66,785
(Deferred tax liabilities)	
Evaluation gains on other marketable securities	64,364
Retained earnings of overseas subsidiaries	268,945
Prepaid pension expenses	3,592
Other	819
Total deferred tax liabilities	337,722
Deferred tax liabilities, net	270,936

2. Breakdown of major causes of differences between the effective statutory rate and rates of income taxes after application of deferred tax accounting:

Effective statutory rate	40.6%
(Reconciliation)	
Permanent difference including entertainment and social expenses	0.3%
Inhabitant tax on per capita basis	0.3%
Deduction of research and development costs	(3.2%)
Tax on undistributed profits of overseas subsidiaries	1.4%
Tax benefits on new establishment of overseas subsidiaries	(6.9%)
Dividends payment from overseas subsidiaries	5.0%
Differences from overseas taxation	(8.1%)
Other	0.8%
Rates of income taxes after application of deferred tax accounting	30.2%

As of March 31, 2009

1. Breakdown of deferred tax assets and deferred tax liabilities by major causes of occurrence:

Current Assets
(Deferred tax assets)

	(Thousands of yen)
Allowance for bonuses	42,140
Social insurance premiums	5,088
Other	6,767
Total deferred tax assets	53,996
(Deferred tax liabilities)	
Business tax receivables	14,864
Other	1,056
Total deferred tax liabilities	15,921
Deferred tax assets, net	38,074

Fixed Assets
(Deferred tax assets)

Retirement benefit payable for directors and corporate auditors	17,296
Investment securities	8,038
Carry forward of net losses	58,327
Sales promotion expenses	28,153
Allowance for retirement benefit	6,787
Other	13,102
Sub total	131,705
Valuation allowance	(75,907)
Total deferred tax assets	55,797

(Deferred tax liabilities)

Evaluation gains on other marketable securities	18,624
Retained earnings of overseas subsidiaries	463,665
Other	510
Total deferred tax liabilities	482,800
Deferred tax liabilities, net	427,002

2. Breakdown of major causes of differences between the effective statutory rate and rates of income taxes after application of deferred tax accounting:

Effective statutory rate	40.6%
(Reconciliation)	
Permanent difference including entertainment and social expenses	0.1%
Inhabitant tax on per capita basis	0.2%
Overseas withholding taxes	2.6%
Tax on undistributed profits of overseas subsidiaries	3.2%
Tax benefits on new establishment of overseas subsidiaries	(7.5%)
Retained earnings of overseas subsidiaries	23.5%
Dividends payment from overseas subsidiaries	15.1%
Increase (decrease) in valuation allowance	4.0%
Unrecognized deferred tax asset or liability relating to unrealized profit	2.1%
Differences from overseas taxation	(19.4%)
Other	0.8%
Rates of income taxes after application of deferred tax accounting	65.3%

(Segment information)

a. Information by operating segment
Information by operating segment for the consolidated fiscal years ended March 31, 2007 and March 31, 2008, has been omitted because 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
From April 1, 2007 to March 31, 2008

(Thousands of yen)

	Japan	Asia	Europe	Other	Total	Elimination or corporate	Consolidated
I Sales and operating income							
Sales							
(1) Outside customers	5,198,879	3,226,325	690,759	-	9,115,964	-	9,115,964
(2) Inter-segment sales and transfers	1,390,340	480	831	-	1,391,652	(1,391,652)	-
Total	6,589,219	3,226,806	691,590	-	10,507,616	(1,391,652)	9,115,964
Operating expenses	5,124,315	2,041,392	642,433	640	7,808,781	(796,487)	7,012,294
Operating profit/(loss)	1,464,904	1,185,413	49,157	(640)	2,698,834	(595,164)	2,103,670
II Assets	5,900,711	4,238,691	400,804	5,907	10,546,116	1,032,590	11,578,706

(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. With regard to operating expenses, non-allocated operating expenses of ¥607,061 thousand were included in the “Elimination or corporate” segment and mainly expenses for the administrative section of the Company.
3. With regard to assets, the corporate assets of ¥2,264,949 thousand were included in the “Elimination or corporate” segment and comprised mainly investment of surplus funds (cash, deposit and securities), long-term investment (investment securities and insurance reserve fund) and assets related to the administrative section of the Company.

From April 1, 2008 to March 31, 2009

	Japan	Asia	Europe	Other	Total	Elimination or corporate	Consolidated
I Sales and operating income							
Sales							
(1) Outside customers	3,774,590	2,618,404	561,554	-	6,954,549	-	6,954,549
(2) Inter-segment sales and transfers	898,793	1,324	-	-	900,117	(900,117)	-
Total	4,673,383	2,619,728	561,554	-	7,854,666	(900,117)	6,954,549
Operating expenses	4,245,052	1,664,884	541,640	509	6,452,087	(375,806)	6,076,280
Operating profit/(loss)	428,330	954,844	19,914	(509)	1,402,579	(524,310)	878,268
II Assets	4,991,841	3,863,374	357,820	2,310	9,215,346	516,113	9,731,460

(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. With regard to operating expenses, non-allocated operating expenses of ¥550,137 thousand were included in the “Elimination or corporate” segment and mainly expenses for the administrative section of the Company.
3. With regard to assets, the corporate assets of ¥1,650,941 were included in the “Elimination or corporate” segment and comprised mainly investment of surplus funds (cash, deposit and securities), long-term investment (investment securities and insurance reserve fund) and assets related to the administrative section of the Company.
4. As a result of us recording impairment loss of ¥15,997 thousand for the current consolidated fiscal year, assets in the “Asian” segment decreased by ¥9,198 thousand.
5. Changes in accounting policies

(Accounting Standards for Measurement of Inventories)

As mentioned in 3.(1) (iii) of the “changes of important items that form the basis for preparing consolidated financial statements,” effective in the current consolidated fiscal year, we applied “Accounting Standards for Measurement of Inventories” (the Accounting Standard Board Statement No. 9, July 6, 2006). The effects of this change were to reduce operating profits in the “Japan” segment by ¥13,879 thousand and in the “Asian” segment by ¥3,700 thousand compared with the case in which those amounts are recorded in the previous method.

(Practical Solution on Unification of Accounting Policies Applied to Foreign Subsidiaries for the Consolidated Financial Statements)

As mentioned in the “changes of important items that form the basis for preparing consolidated financial statements,” effective in the current consolidated fiscal year, we applied the “Practical Solution on Unification of Accounting Policies Applied to Foreign Subsidiaries for the Consolidated Financial Statements” (Practical Issues Task Force (PITF) No. 18, May 17, 2006). The effects of this change were to decrease operating profits in the “Asian” segment by ¥13,365 thousand compared with the case in which those amounts are recorded in the previous method.

c. Overseas sales

From April 1, 2007 to March 31, 2008

	Asia	Europe	Other	Total
I Overseas sales (thousands of yen)	3,475,280	563,353	27,106	4,065,740
II Consolidated sales (thousands of yen)				9,115,964
III Percentage of overseas sales to consolidated sales (%)	38.1	6.2	0.3	44.6

(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.

From April 1, 2008 to March 31, 2009

	Asia	Europe	Other	Total
I Overseas sales (thousands of yen)	2,757,718	507,374	27,174	3,292,267
II Consolidated sales (thousands of yen)				6,954,549
III Percentage of overseas sales to consolidated sales (%)	39.7	7.3	0.3	47.3

(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.

(Related party transaction)

From April 1, 2007 to March 31, 2008

Relationship	Name	Address	Capital stock or equity capital	Contents of business or occupations	Percentage of ownership of voting rights	Explanation of relation		Nature of transaction	Transaction amounts	Item	Year-end balance
						Concurrent directors	Relation in business				
Close relative of directors (Notes 2)	Kosaku Maeda	-	-	Counselor of the Company	Direct 7.03%	-	-	Entrustment of advisory service (Notes 1)	Thousands of yen 2,400	-	-

(Notes)
1. Remuneration is determined based on the provisions of a separate agreement.
2. He is the father of Mr. Kazuo Maeda, CEO & president of the reporting company.

From April 1, 2008 to March 31, 2009

Not applicable

(Additional information)

Effective in the current consolidated fiscal year, the Company adopted Financial Standards Board Statement No. 11 “Accounting Standard for Disclosure of Related Parties” issued on October 17, 2006 and Financial Standards Board Statement No. 13 “Implementation Guidance on Accounting Standard for Disclosure of Related Parties” issued on October 17, 2006.

The scope of disclosure is not affected by this adoption.

(Per share information)

Item	From April 1, 2007 to March 31, 2008	From April 1, 2008 to March 31, 2009
Net assets per share	¥429.34	¥387.64
Net income per share	¥70.02	¥14.16
	Information of diluted net income per share is omitted because of no issue of potential stocks.	Information of diluted net income per share is omitted because of no issue of potential stocks.

(Note) Calculation of net earnings per share was based on the following numerators and denominators:

	From April 1, 2007 to March 31, 2008	From April 1, 2008 to March 31, 2009
Net profit (thousands of yen)	1,426,461	287,887
Amount not available for common shareholders (thousands of yen)	-	-
Net profit available for common stocks (thousands of yen)	1,426,461	287,887
Weighted-average number of common shares outstanding during the year (shares)	20,371,359	20,325,205

(Important subsequent events)

Not applicable

5. Non-consolidated Financial Statements

(1) Balance Sheet

(Unit: 1,000 yen)

	As of March 31, 2008	As of March 31, 2009
ASSETS		
Current assets		
Cash and deposits	1,910,650	1,490,841
Notes receivable-trade	481,723	238,118
Accounts receivable-trade	1,441,014	680,338
Short-term investment securities	50,000	50,000
Merchandise	1,489	-
Finished goods	84,982	-
Merchandise and finished goods	-	64,466
Raw materials	110,777	-
Supplies	7,833	-
Raw materials and supplies	-	123,071
Prepaid expenses	8,004	7,153
Deferred tax assets	94,046	34,233
Accounts recievable-other	251,899	327,365
Corporate tax receivable,etc	-	150,349
Other	11,316	5,926
Allowance for doubtful accounts	(11,660)	(4,380)
Total current assets	4,442,079	3,167,485
Non-current assets		
Property, plant and equipment :		
Buildings	1,786,497	1,793,286
Accumulated depreciation	(932,961)	(986,800)
Buildings (net)	853,535	806,485
Structures	160,282	160,364
Accumulated depreciation	(109,040)	(114,572)
Structures (net)	51,242	45,792
Machinery and equipment	1,023,887	1,126,560
Accumulated depreciation	(705,129)	(807,406)
Machinery and equipment (net)	318,757	319,153
Vehicles	51,447	53,154
Accumulated depreciation	(32,416)	(37,948)
Vehicles (net)	19,030	15,205
Tools, furniture and fixtures	358,896	368,421
Accumulated depreciation	(261,887)	(291,858)
Tools, furniture and fixtures (net)	97,009	76,562
Land	725,036	725,036
Construction in progress	1,463	248,373
Total property, plant and equipment	2,066,074	2,236,610

	As of March 31, 2008	As of March 31, 2009
Intangible assets :		
Leasehold right	29,380	29,380
Software	25,202	15,610
Other	2,590	2,506
Total intangible assets	57,173	47,496
Investments and other assets :		
Investment securities	656,440	381,297
Stocks of subsidiaries and affiliate	687,983	687,983
Invesrments in capital	105	55
Long-term loans receivable from employees	1,746	1,279
Long-term loansrecivable from subsidiaries and affiates	84,000	84,000
Claims provable in bankruptcy, claims provable in rehabilitation and other	32,366	47,068
Long-term prepaid expenses	895	467
Deferred tax assets	56,664	93,645
Insurance funds	132,545	-
Other	88,902	114,323
Allowance for doubtful accounts	(114,149)	(127,713)
Total investments and other assets	1,627,498	1,282,406
Total non-current assets	3,750,746	3,566,512
Total assets	8,192,826	6,733,998
LIABILITIES		
Current liabilities :		
Notes payable-trade	657,829	259,033
Accounts payable-trade	238,345	78,579
Short-term loans payable	480,000	480,000
Accounts payable-other	266,688	80,684
Accrued expenses	42,478	24,792
Accrued income taxes	137,178	-
Deposits received	21,331	9,976
Notes payable-facilities	-	70,416
Reserve for bonuses	154,752	103,716
Other	39,298	217
Total current liabilities	2,037,901	1,107,417
Non-current liabilities :		
Reserve for retirement benefits	-	16,704
Other	47,477	48,484
Total non-current liabilities	47,477	65,188
Total Liabilities	2,085,379	1,172,606

	As of March 31, 2008	As of March 31, 2009
NET ASSETS		
Shareholders' equity:		
Capital stock	594,142	594,142
Capital surplus		
Legal capital surplus	446,358	446,358
Total capital surplus	446,358	446,358
Retained earnings		
Legal retained earnings	63,557	63,557
Other retained earnings		
General reserve	3,900,000	4,300,000
Retained earnings brought forward	1,009,422	254,725
Total retained earnings	4,972,980	4,618,282
Treasury stock	(47)	(92,677)
Total shareholders' equity	6,013,433	5,566,106
Valiation and translation adjustments:		
Valiation difference on available-for-sale securities	94,013	△4,714
Total valiation and translation adjustments	94,013	△4,714
Total net assets	6,107,446	5,561,392
Total liabilities and net assets	8,192,826	6,733,998

(2) Statement of income

(Unit: 1,000 yen)

	Year ended March 31, 2008 From April 1, 2007 To March 31, 2008	Year ended March 31, 2009 From April 1, 2008 To March 31, 2009
Net Sales		
Net sales of finished goods	5,703,386	3,895,634
Net sales of goods	462,294	409,579
Other sales	423,538	368,169
Net sales	6,589,219	4,673,383
Costs of sales		
Cost of finished goods sold		
Beginning finished goods	90,935	84,881
Purchase of finished goods	728,554	336,367
Cost of products manufactured	1,666,955	1,402,157
Transfer from other account	2,698	1,007
Total	2,489,145	1,824,415
Finished goods transfer to other account	27,026	28,611
Ending finished goods	84,881	63,265
Cost of finished goods sold	2,377,237	1,732,537
Cost of goods sold		
Ending goods	15,560	1,489
Cost of purchased goods	406,792	378,691
Goods transfer from other account	6,689	-
Total	429,042	380,181
Goods transfer to other account	19	244
Ending goods	1,489	856
Cost of goods sold	427,532	379,080
Other cost	242,738	196,379
Cost of sales	3,047,508	2,307,997
Gross profit	3,541,711	2,365,386
Selling,general and adoministrative expenses		
Packing and transportation expenses	397,126	261,669
Provision of allowance for doubtful accounts	3,203	7,847
Directors' compensations	152,003	125,347
Salaries and bonuses	529,360	524,553
Provision of reserve for bonuses	84,291	54,336
Retirement benefit expenses	54,369	67,634
Traveling and transportation expenses	142,240	145,700
Depreciation and amortization	37,455	41,370
Reserch and development expenses	759,563	802,524
Consulting expenses	83,678	-
Other	440,575	456,208
Selling, general and administrative expenses	2,683,868	2,487,192
Operating income (loss)	857,842	(121,806)

	Year ended March 31, 2008 From April 1, 2007 To March 31, 2008	Year ended March 31, 2009 From April 1, 2008 To March 31, 2009
Non-operating income		
Interest income	5,338	4,269
Interest on securities	244	395
Dividends income	258,471	322,690
Other	5,535	6,506
Non-operating expenses	269,590	333,861
Non-operating expenses :		
Interest expenses	6,055	6,567
Provision of allowance for doubtful accounts	1,929	-
Loss on valuation of investment securities	—	148,534
Compensation for damage	64,631	64,133
Other	287	1,531
Non-operating expenses	72,904	220,767
Ordinary income (loss)	1,054,527	(8,711)
Extraordinary income :		
Gain on sales of non-current assets	241	202
Reversal of allowance for doubtful accounts	-	1,582
Surrender value of insurance	-	116,482
Extraordinary income	241	118,267
Extraordinary loss:		
Loss on sales of non-current assets	1,007	6
Loss on retirement of non-current assets	14,306	4,990
Extraordinary loss	15,313	4,996
Income before income taxes	1,039,455	104,559
Income taxes-current	310,000	24,000
Income taxes-deferred	(24,695)	68,572
Income taxes	285,304	92,572
Net income	754,151	11,987

(2) Statements of changes in net assets

(Unit: 1,000 yen)

	Year ended March 31, 2008 From April 1, 2007 To March 31, 2008	Year ended March 31, 2009 From April 1, 2008 To March 31, 2009
Shareholders' equity		
Capital stock		
Balance at the end of previous period	594,142	594,152
Changes of items during the period		
Total changes of items during the period	-	-
Balance at the end of currenst period	594,142	594,142
Capital surplus		
Legal capital surplus		
Balance at the end of previous period	446,358	446,358
Changes of items during the period		
Total changes of items during the period	-	-
Balance at the end of currenst period	446,358	446,358
Total capital surplus		
Balance at the end of previous period	446,358	446,358
Changes of items during the period		
Total changes of items during the period	-	-
Balance at the end of currenst period	446,358	446,358
Retained earnings		
Legal retained earnings		
Balance at the end of previous period	63,557	63,557
Changes of items during the period		
Total changes of items during the period	-	-
Balance at the end of currenst period	63,557	63,557
Other retained earnings		
General reserve		
Balance at the end of previous period	3,600,000	3,900,000
Changes of items during the period		
Provision of general reserve	300,000	400,000
Total changes of items during the period	300,000	400,000
Balance at the end of currenst period	3,900,000	4,300,000
Retained earnings brought forward		
Balance at the end of previous period	860,841	1,009,422
Balance at the end of currenst period		
Provision of general reserve	(300,000)	(400,000)
Dividends from surplus	(305,570)	(366,684)
Net income	754,151	11,987
Total changes of items during the period	148,581	(754,697)
Balance at the end of currenst period	1,009,422	254,725
Total retained earnings		
Balance at the end of previous period	4,524,398	4,972,980

	Year ended March 31, 2008 From April 1, 2007 To March 31, 2008	Year ended March 31, 2009 From April 1, 2008 To March 31, 2009
Changes of items during the period		
Provision of general reserve	-	-
Dividends from surplus	(306,570)	(366,684)
Net income	754,151	11,987
Total changes of items during the period	448,581	(354,697)
Balance at the end of currenst period	4,972,980	4,618,282
Treasury stock		
Balance at the end of previous period	(47)	(47)
Changes of items during the period		
Purchase of treasury stock	-	(92,629)
Total changes of items during the period	-	(92,629)
Balance at the end of currenst period	(47)	(92,677)
Total shareholders' equity		
Balance at the end of previous period	5,564,852	6,013,433
Changes of items during the period		
Dividends from surplus	(305,570)	(366,684)
Net income	754,151	11,987
Purchase of treasury stock	-	(92,629)
Total changes of items during the period	448,581	(447,326)
Balance at the end of currenst period	6,013,433	5,566,106
Valuation and translation adjustments		
Valuation difference on available-for-sale securities		
Balance at the end of previous period	250,563	94,013
Changes of items during the period		
Net changes of items other than shareholders' equity	(156,550)	(98,727)
Total changes of items during the period	(156,550)	(98,727)
Balance at the end of currenst period	94,013	(4,714)
Total valuation and translation adjustments		
Balance at the end of previous period	250,563	94,013
Changes of items during the period		
Net changes of items other than shareholders' equity	(156,550)	(98,727)
Total changes of items during the period	(156,550)	(98,727)
Balance at the end of current period	94,013	(4,714)

	Year ended March 31, 2008 From April 1, 2007 To March 31, 2008	Year ended March 31, 2009 From April 1, 2008 To March 31, 2009
Total net assets		
Legal capital surplus	5,815,416	6,107,446
Changes of items during the period		
Dividends from surplus	(305,570)	(366,684)
Net income (loss)	754,151	11,987
Purchase of treasury stock	-	(92,629)
Net changes of items other than shareholders' equity	(156,550)	(98,727)
Total changes of items during the period	292,030	(546,054)
Balance at the end of current period	6,107,446	5,561,392

Notes to the going concern assumption
Not applicable

6. Other

Conditions of production, orders received and sales

1) Results of production

Classification	From April 1, 2008 to March 31, 2009	
	Amount (thousands of yen)	Year-on-year %
Chemicals for print circuit boards	2,295,462	93.0

(Note) The above figures did not include consumption taxes.

2) Results of orders received

Classification	From April 1, 2008 to March 31, 2009			
	Orders received (thousands of yen)	Year-on-year %	Orders received (thousands of yen)	Year-on-year %
Machinery for print circuit boards	217,257	44.9	15,051	18.5

(Note) 1. The above figures did not include consumption taxes.
2. The Company produces chemicals for print circuit boards by anticipated production based on the estimation of demand, not by orders received.

3) Results of sales

Classification	From April 1, 2008 to March 31, 2009	
	Amount (thousands of yen)	Year-on-year %
Chemicals for print circuit boards	6,178,868	78.7
Machinery for print circuit boards	283,561	39.4
Materials for print circuit boards	444,448	89.2
Other	47,670	113.3
Total	6,954,549	76.3

(Note) 1. The above figures did not include consumption taxes.
2. There is no customer for which the Company sells not less than 10% of the total sales amount.

Transfer of officers

1) Transfer of representative director

Not applicable

2) Transfer of other officers

- Candidate for new director (Outside director)

  Hiroshi NISHIKAWA, director

- Director scheduled to retire (Outside director)

  Noboru IWAKURA, director

- Candidate for new auditor (Outside auditor)

  Hideaki MATSUYAMA, director

- Auditor scheduled to retire (Outside auditor)

  Masayuki SEKIGAWA, auditor

- Operating officers scheduled to retire

  Yutaka KANDA, operating officer and head of the Business Management Center (Candidate for full-time counselor)

  Akira MITA, operating officer and head of the Production Center (Candidate for full-time counselor)

3) Scheduled transfer date

June 23, 2009