



May 25, 2011

Company Name: MEC COMPANY LTD.
Representative: Kazuo Maeda, CEO & President
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Distribution of Surplus and Reversal of Other Reserve

We hereby notify you that at a meeting of the board of directors held on May 25, 2011, the Company decided to distribute surplus and reverse other reserve, with a record date of March 31, 2011, as follows.

1. Distribution of surplus with a record date of March 31, 2011

The Company has set forth in its articles of incorporation that it may, based on Article 459, paragraph Paragraph 1 of the Companies Act, flexibly distribute surplus upon resolution of the Board of Directors.

In the fiscal year ended March 31, 2011 we posted an extraordinary loss that meant we recorded a net loss for the term. However, we celebrated 10 years of being a listed company on January 30, 2011. Therefore, to thank all our shareholders for their daily support, we decided to pay a commemorative dividend of 10 yen per share as stated in announcement about the expected dividend on January 31, 2011. Thus, the year-end dividend per share consists of an ordinary dividend of 4 yen and this commemorative dividend, to make for a total of 14 yen per share. When added to the already paid interim dividend of 4 yen per share, the total dividend payment for the year comes to 18 yen per share.

	Determined amount	Most recent dividend forecast (announced on January 31, 2011)	Dividend in previous term (fiscal year ended March 2010)
Record date	March 31, 2011	March 31, 2011	March 31, 2011
Dividend per share	14 yen	14 yen	4 yen
Total dividend	280 million yen	—	80 million yen
Effective date	June 8, 2011	—	June 8, 2010
Dividend resource	Retained earnings	—	Retained earnings

Reference: Breakdown of annual dividend

Record date	Dividend per share		
	2 nd quarter	End of term	Annual
Current term (ended March 2011)	4 yen	14 yen	18 yen
Previous term (ended March 2010)	4 yen	4 yen	8 yen

2. Reversal of part of other reserve and transfer to retained earnings brought forward

(1) Details

- Item of reduced surplus and its amount: Other reserve 600,000,000 yen
- Item of surplus increase and its amount: Retained earnings brought forward 600,000,000 yen

(2) Reason

We will reverse the other reserve so that we can treat losses from retained earnings brought forward and pay the year-end dividend.

(3) Effective date

May 25, 2011