

# 2Q FY2011 Financial Announcement

2Q FY2011: July 1, 2010 - September 30, 2010  
FY2011: April 1, 2010 - March 31, 2011

- Presentation -

Date: October 29, 2010 Place: Hyogo

Date: November 4, 2010 Place: Tokyo

**MEC COMPANY LTD.**

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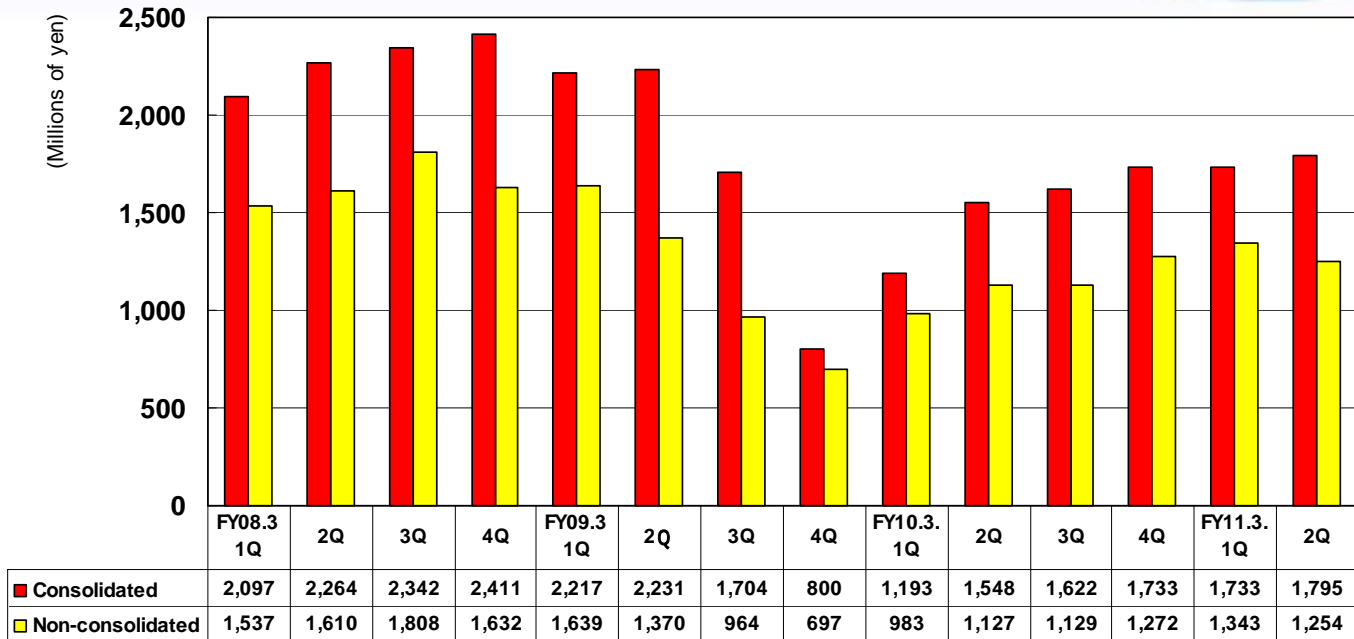
Securities Code:4971

URL <http://www.mec-co.com/>

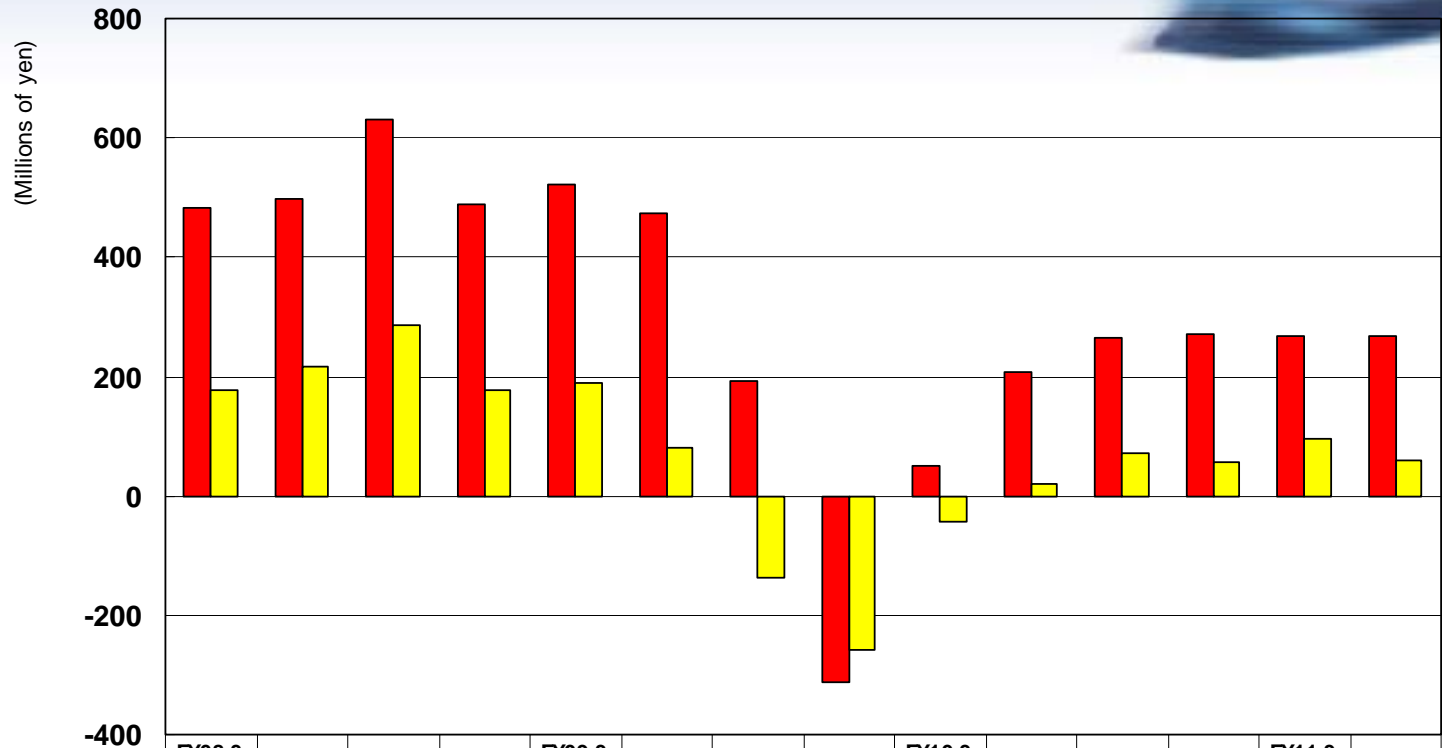
# Points of 2Q/FY2011

1. <b>Net Sales</b>	<b>¥ 3,569 million</b>	<b>YOY+30.2%</b>
<b>Operating income</b>	<b>¥ 535 million</b>	<b>YOY+105.3%</b>
<b>Ordinary income</b>	<b>¥ 466 million</b>	<b>YOY+78.6%</b>
<b>Net income</b>	<b>¥ 340 million</b>	<b>YOY+48.7%</b>
2. <b>Chemical sales for PCBs</b>	<b>¥ 3,135 million</b>	<b>Accounting for 87.8% of the total sales [ 2QFY2010 ¥ 2,567 million, 93.6 % ]</b>
3. <b>Ratio of overseas sales</b>	<b>43.3 %</b>	<b>2Q/FY2010 42.7%</b>
4. <b>CZ series sales</b>	<b>¥ 173 million</b>	<b>Accounting for 54.3% of the chemicals sales [ 2QFY2010 ¥ 1,424million, 55.5% ]</b>

# Net sales

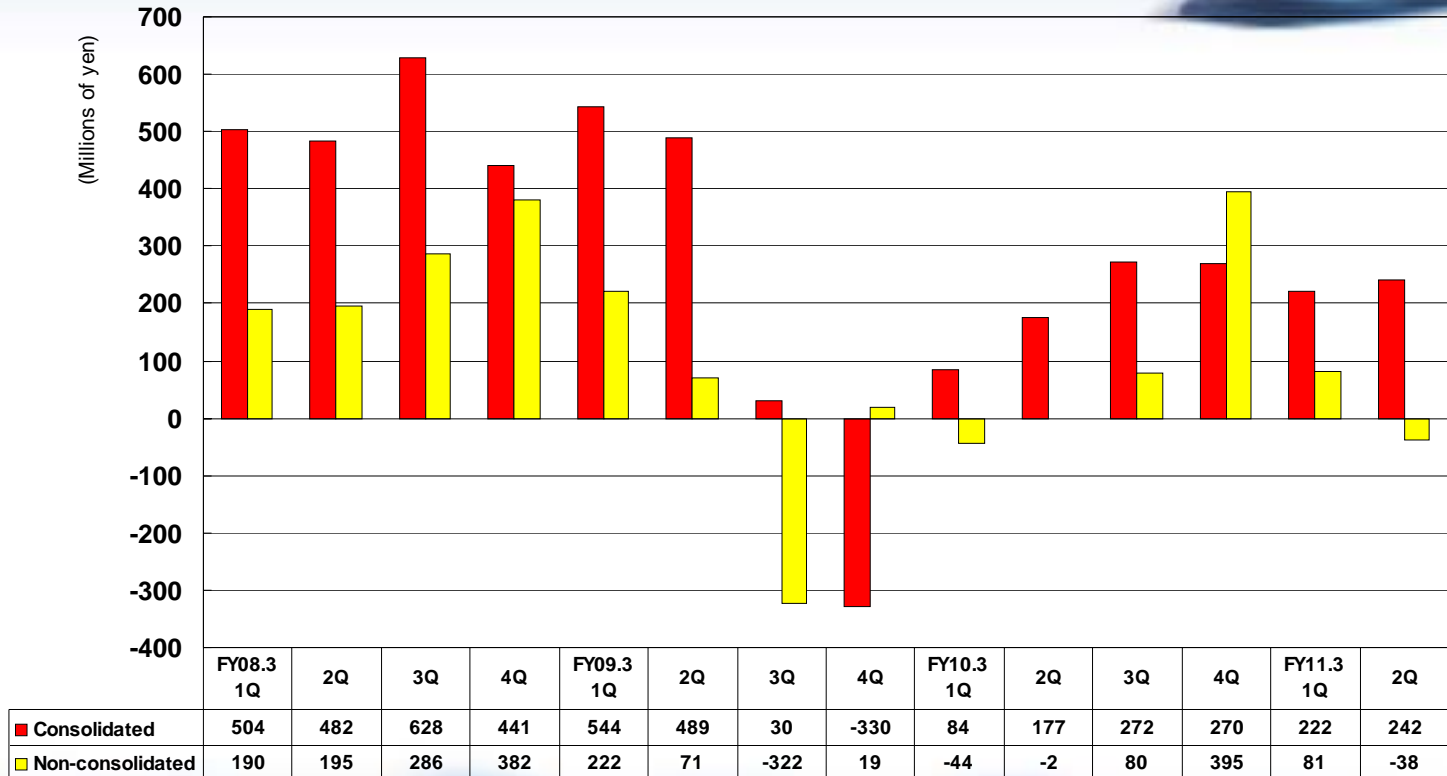


# Operating income

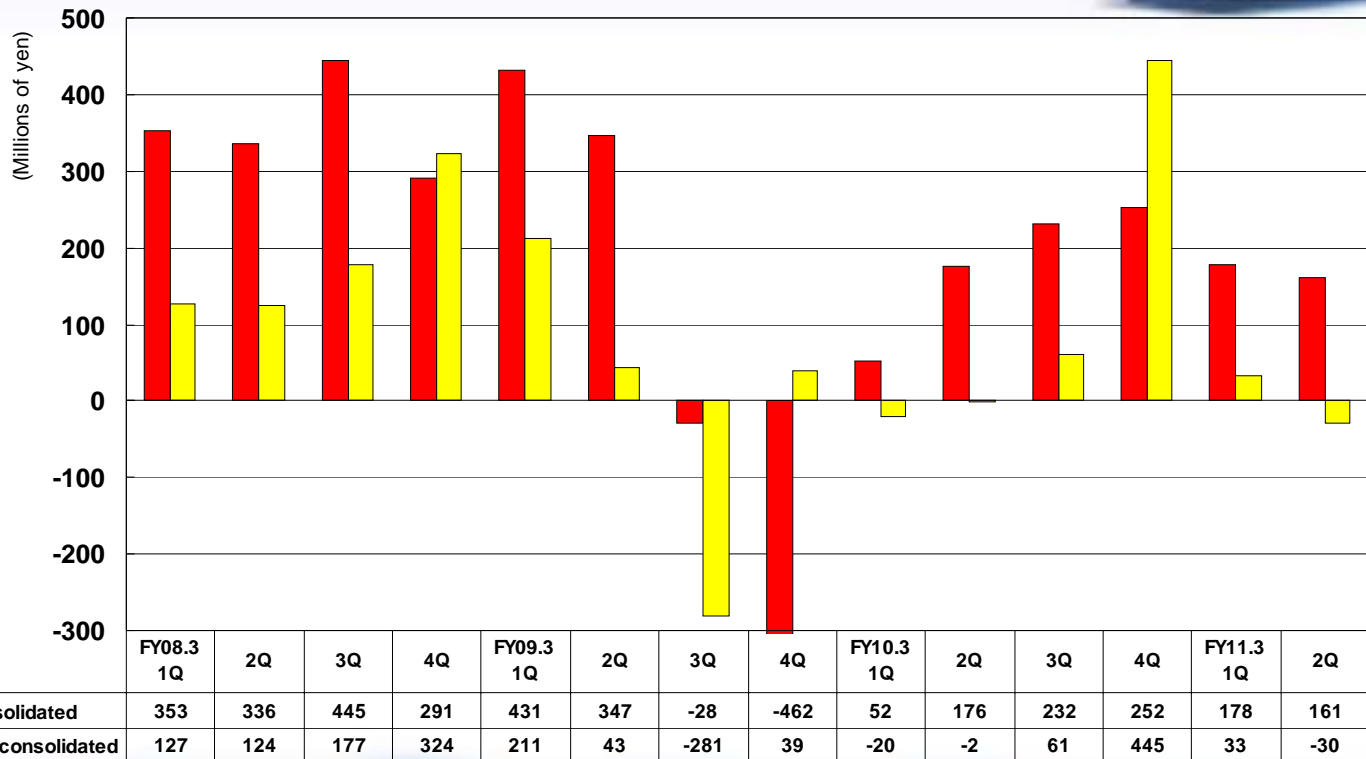


	FY08.3 1Q	2Q	3Q	4Q	FY09.3 1Q	2Q	3Q	4Q	FY10.3 1Q	2Q	3Q	4Q	FY11.3 1Q	2Q
■ Consolidated	484	497	631	490	521	475	192	-311	51	209	266	270	267	267
■ Non-consolidated	176	217	287	176	190	82	-136	-258	-44	21	73	55	96	59

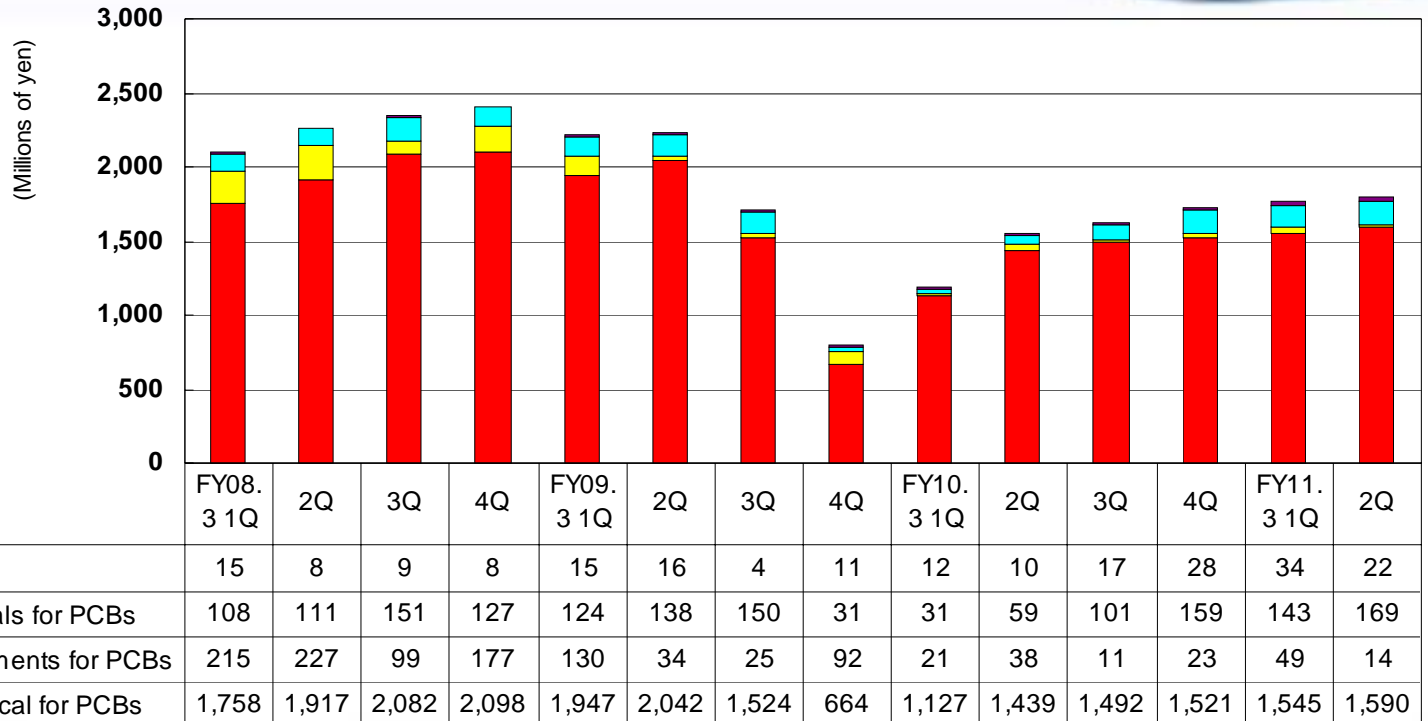
# Ordinary income



# Net income

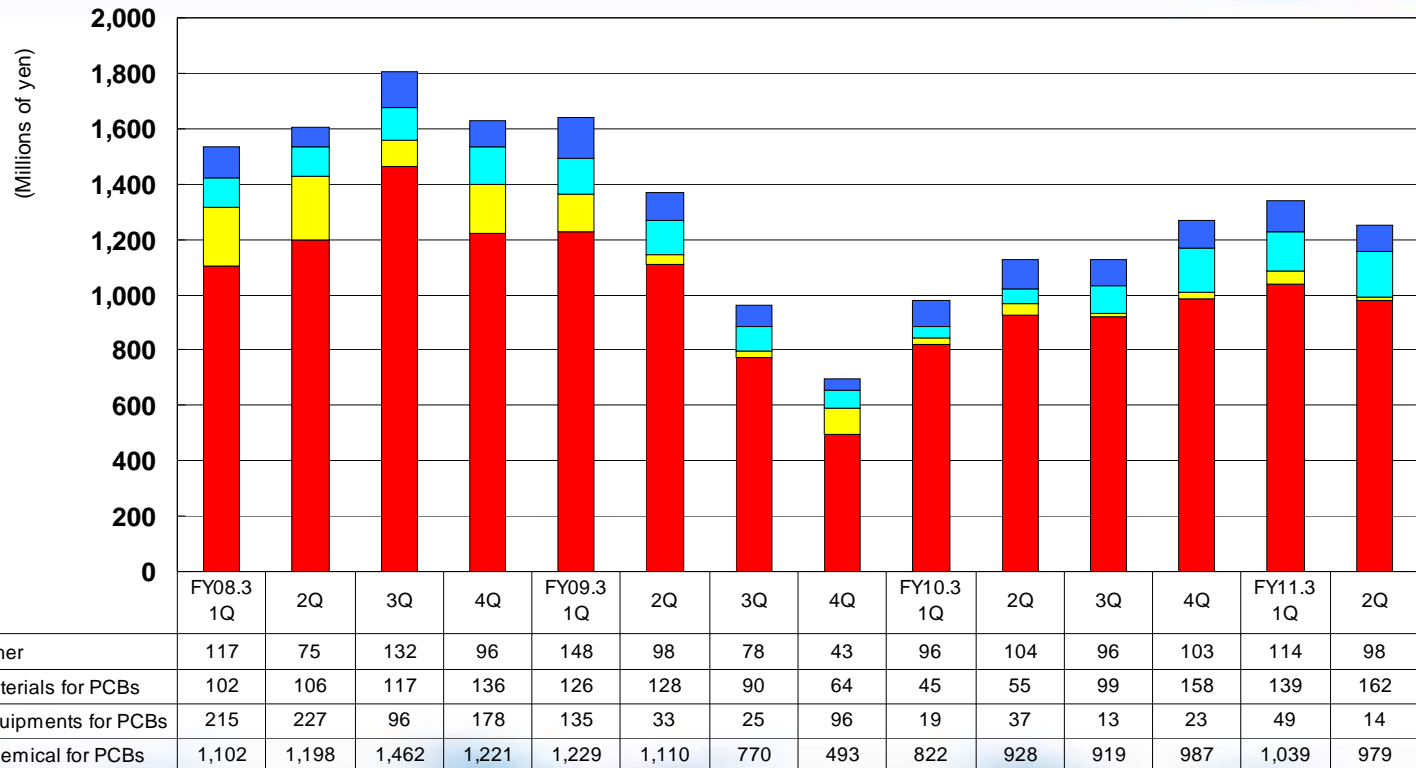


# Sales by products - Consolidated -



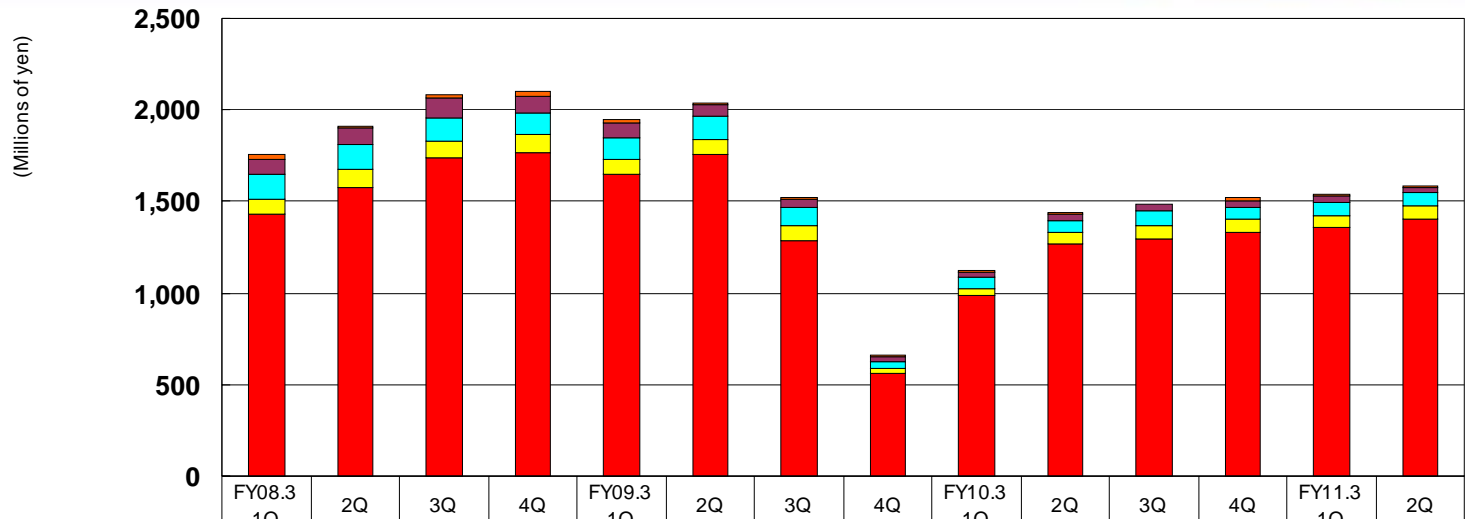
# Sales by products

## - Non-consolidated -





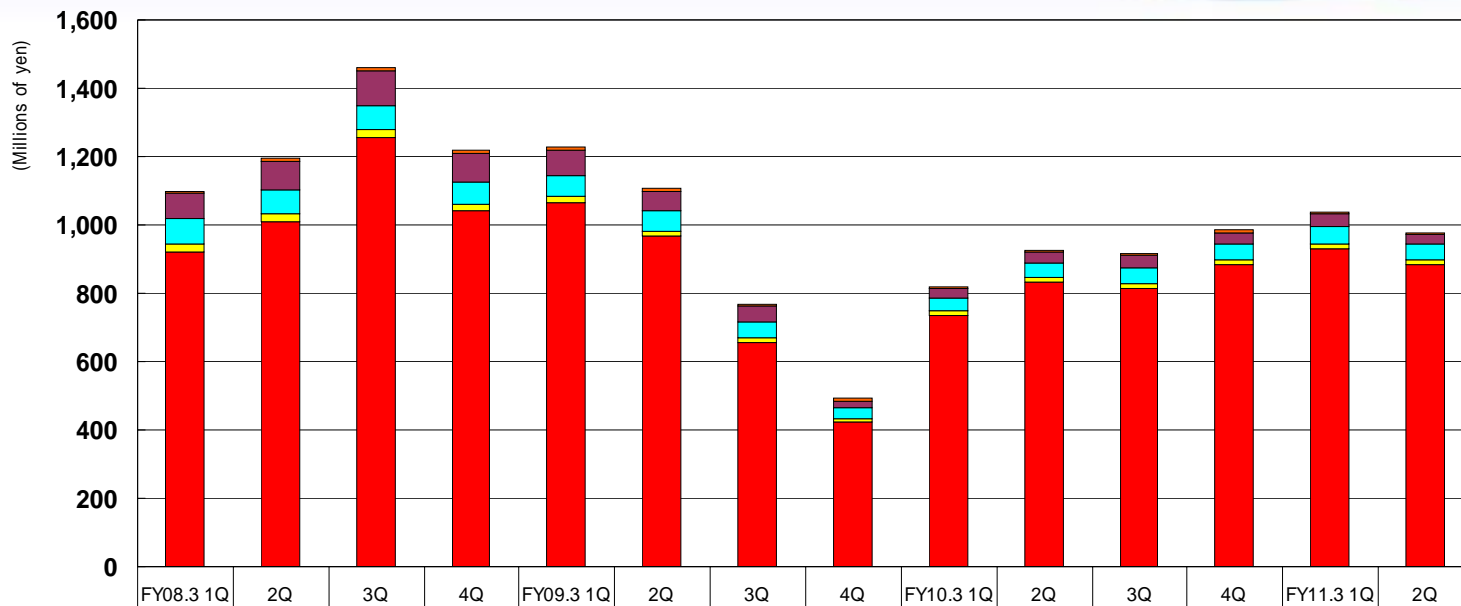
# Chemical sales - Consolidated -



Other	24	11	19	21	16	9	11	10	7	5	7	13	8	9
Stripping	79	89	103	92	83	60	46	24	31	36	37	38	41	33
Flux	138	139	126	122	114	128	97	36	60	69	74	69	74	75
Anti-tarnish	86	102	89	92	83	87	78	30	44	60	74	67	59	65
Copper surface preparation	1,428	1,574	1,743	1,770	1,649	1,754	1,290	562	983	1,267	1,297	1,333	1,360	1,407

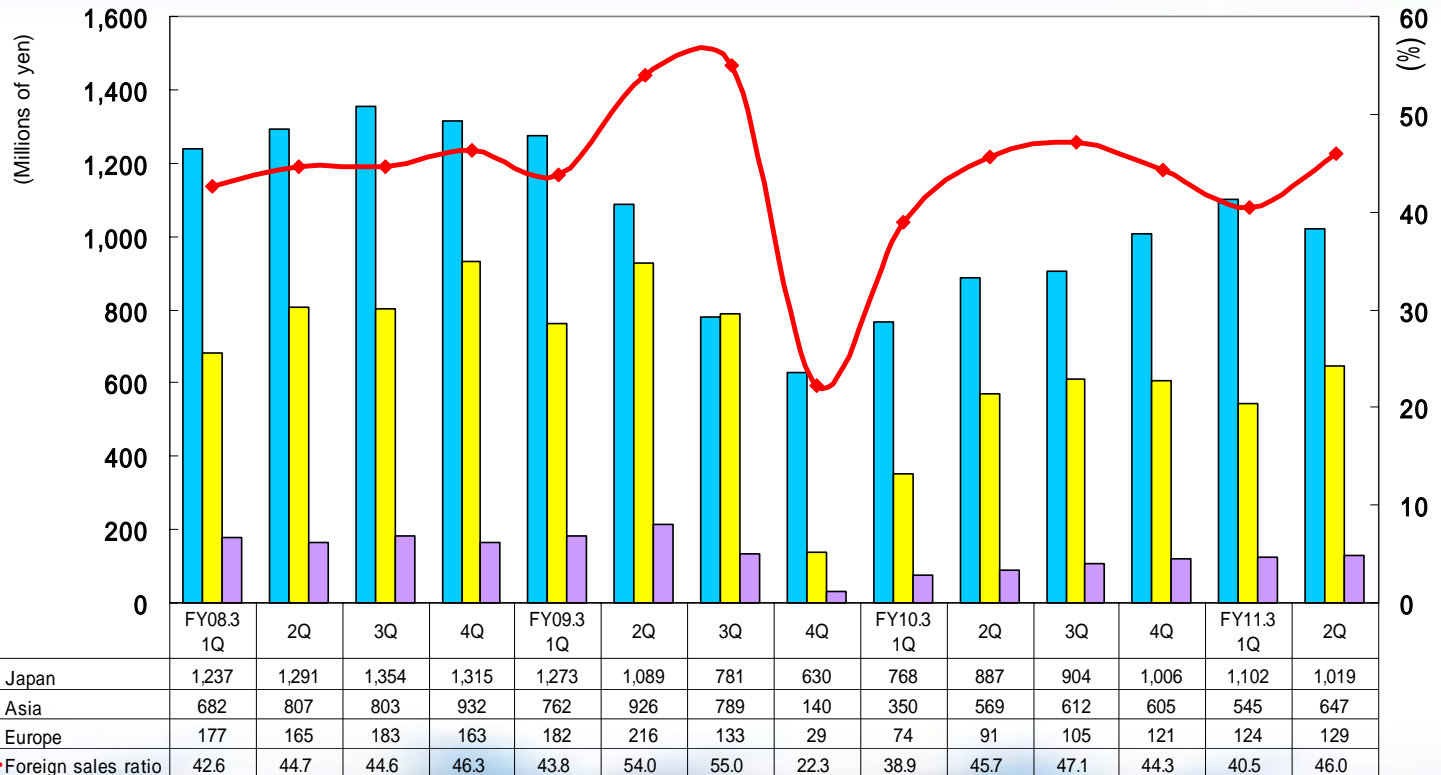
# Chemical sales

## - Non-consolidated -

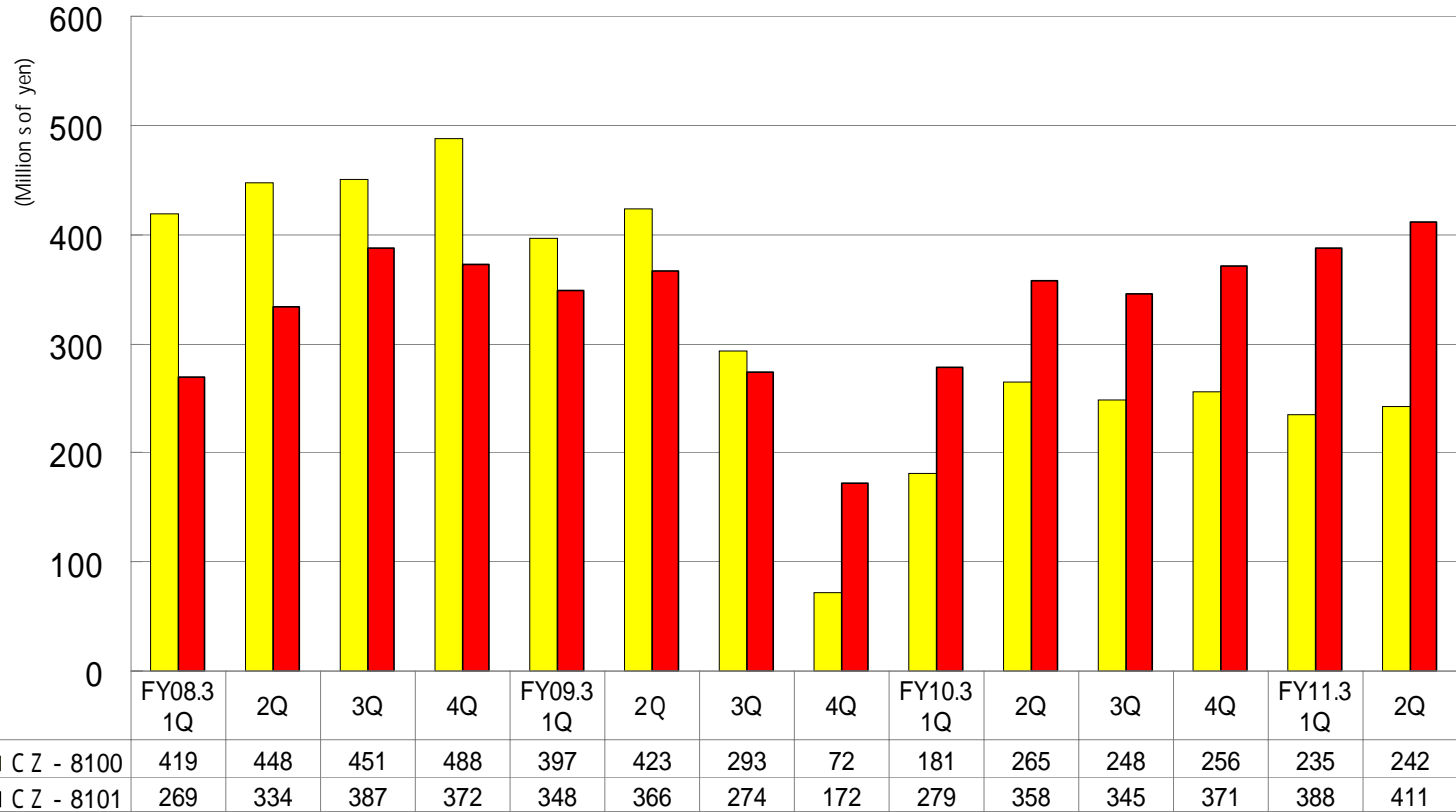


	FY08.3 1Q	2Q	3Q	4Q	FY09.3 1Q	2Q	3Q	4Q	FY10.3 1Q	2Q	3Q	4Q	FY11.3 1Q	2Q
Other	8	9	11	7	8	8	7	5	6	4	6	7	5	6
Stripping	74	84	99	87	77	56	44	23	29	34	34	35	38	29
Flux	73	69	70	63	59	60	50	29	35	43	49	46	48	46
Anti-tarnish	24	23	24	18	18	17	12	11	14	13	12	14	15	13
Copper surface preparation	921	1,010	1,257	1,043	1,065	966	656	423	735	832	815	884	931	883

# Region and foreign sales ratio



# Net sales - CZ series -



# FY2011 Financial forecast

## Consolidated

( Millions of yen )

	FY2010	FY2011				
	Results	Forecast -announced on May 14, 2010	Forecast -announced on July 26, 2010	Revised forecast -announced on October 27, 2010	YOY (%)	Increase (Decrease)
Net Sales	6,098	6,885	7,314	6,881	112.8	783
Operating income	798	1,098	1,305	978	122.5	179
Ordinary income	804	1,060	1,264	852	105.9	47
Net income	713	716	852	534	74.8	(179)

## Non-consolidated

( Millions of yen )

	FY2010	FY2011				
	Results	Forecast -announced on May 14, 2010	Forecast -announced on July 26, 2010	Revised forecast -announced on October 27, 2010	YOY (%)	Increase (Decrease)
Net Sales	4,512	5,021	5,482	4,987	110.5	474
Operating income	105	305	517	232	219.5	126
Ordinary income	429	570	779	409	95.4	(19)
Net income	482	487	629	352	73.0	(130)

# We announced the suspension of the new factory and office construction on October 27

	Established	Land	Floor area	Production capacity	Number of personnel	Roles and summary
Nishinomiya Factory	June 1985	4,065 m <sup>2</sup>	1,880 m <sup>2</sup>	600 t/month	20	Conducts small-lot production of a variety of products. It is aging.
Nagaoka Factory	May 1993	20,877 m <sup>2</sup>	3,351 m <sup>2</sup>	1,800 t/month	11	Conducts mass production.
New factory and office	March 2012 (Scheduled)	14,214 m <sup>2</sup>	5,063 m <sup>2</sup> Office building 2,239 m <sup>2</sup> Production building 2,824 m <sup>2</sup>	200 t/month	About 90 -56 (Headquarters) -11 (Nishinomiya) Other researchers Max. of 150 persons	Headquarters and manufacturing will work as one, producing an aggregation effect that is close to research. It will manufacture prototypes and conduct small-lot production that are linked to research.

## Reason for suspending construction

1. Large changes to the business environment surrounding the Company.
2. We must examine the need for investing in new business areas.
3. There are concerns about the hollowing out of domestic industry, mainly due to the strong yen.

## Future outlook

1. The suspension will have only a minor influence on our consolidated results.
2. We will effectively use the existing factories.
3. We will cope by taking measures such as reviewing our organization to expand our research and development functions and improve the efficiency of operations.

# Applications that will expand in future

Electric vehicles



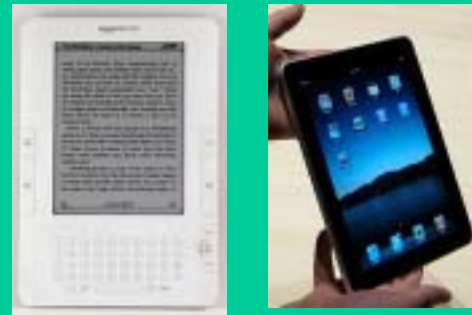
Medical electronics



Smartphone



Electronic books



# Various metal surface treatments (for new markets)

Note: The metal surface treatment may vary according to the situation.

		Metal surface treatments											
		Cu	Ni	Sn	Al	Cr	Co	Mo	In	Bi	Ta	Ni-Cr	ITO
Untreated metal surfaces	Cu		✓	✓	✓	✓	✓					✓	✓
	Ni	✓		✓	✓			✓					
	Sn	✓			✓			✓					
	Al	✓						✓	✓	✓	✓		
	Cr	✓	✓	✓	✓			✓	✓	✓	✓		✓
	Co	✓		✓	✓	✓		✓				✓	✓
	Mo	✓	✓	✓	✓	✓	✓		✓	✓	✓	✓	✓
	In	✓		✓	✓			✓					
	Bi	✓		✓	✓			✓					
	Ta	✓	✓	✓	✓	✓	✓	✓		✓		✓	✓
	Ni-Cr	✓	✓	✓	✓		✓	✓					
	ITO	✓	✓	✓	✓		✓	✓	✓	✓	✓		



Aluminium surface



Nickel surface



# Future planning points

1. Implement new processes for mass production of high-density boards.
2. Through the processes of multilayer PCB production, make efforts to help reduce customers' environmental impacts.
3. Go from copper surface treatment to other metal surface treatments. Aim to utilize it in various applications.