

# **FY2012/3**

# **Financial Announcement**

**( April 1, 2011- March 31, 2012 )**

May 14, 2012 (Mon.) Tokyo

**MEC COMPANY LTD.**

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Securities Code:4971

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

# Points of FY2012/3

(from April 1, 2011 to March 31, 2012)

1)		FY2011/3 (2010.4-2011.3)	FY2012/3 (2011.4-2012.3)	YoY
	Net sales	7,049 million	6,286 million	- 10.8%
	Operating income	919 million	733 million	- 20.3%
	Ordinary income	877 million	686 million	- 21.7%
	Net income	136 million	58 million	- 56.8%
2)	Chemical sales	6,215 million	5,632 million	-9.4%
	Ratio of Net sales	88.2%	89.6%	( + 1.4 point)
3)	Overseas sales ratio	43.6%	47.1% (note)	
4)	CZ series sales ratio of chemical sales	3,364 million 54.1%	3,144 million 55.8%	- 6.6% ( + 1.7 point)
5)	Gross margin rate	58.2%	61.1%	+ 2.9%

Note: If the foreign chemical sales achieved by domestic agents is added to the foreign sales, the ratio becomes 57.5%. (Previous year: 52.1%)

# Consolidated Statements of Income (Summary)

(FY2012: from April 1, 2011 to March 31, 2012)

(Millions of yen)

	FY2011/3 (2010.4-2011.3)		FY2012/3 (2011.4-2012.3)		Income/Decrease	
	Amount	%	Amount	%	Amount	%
Net sales	7,049	100.0	6,286	100.0	(762)	
Cost of sales	2,945	41.8	2,443	38.9	(502)	-2.9
Gross profit	4,104	58.2	3,843	61.1	(260)	2.9
Selling general administrative expenses	3,184	45.2	3,110	49.5	(74)	4.3
Operating income	919	13.0	733	11.7	(186)	-1.3
Non-operating income	59	0.9	43	0.7	(16)	-0.2
Non-operating expenses	102	1.4	90	1.4	(11)	-0.0
Ordinary income	877	12.4	686	10.9	(190)	-1.5
Extraordinary income	3	0.0	4	0.1	(1)	0.1
Extraordinary loss	536	7.6	61	1.0	(474)	-6.6
Income before income taxes	344	4.9	629	10.0	285	5.1
Income taxes	207	3.0	570	9.1	362	6.1
Net income	136	1.9	58	0.9	(77)	-1.0

# Sales by Region

(April 1, 2011 to March 31, 2012)

Slowdown in all regions in the fourth quarter. In the second half of the year we had a tough time, but sales in Europe were strong, showing 110.9% year-on-year growth.

Millions of yen

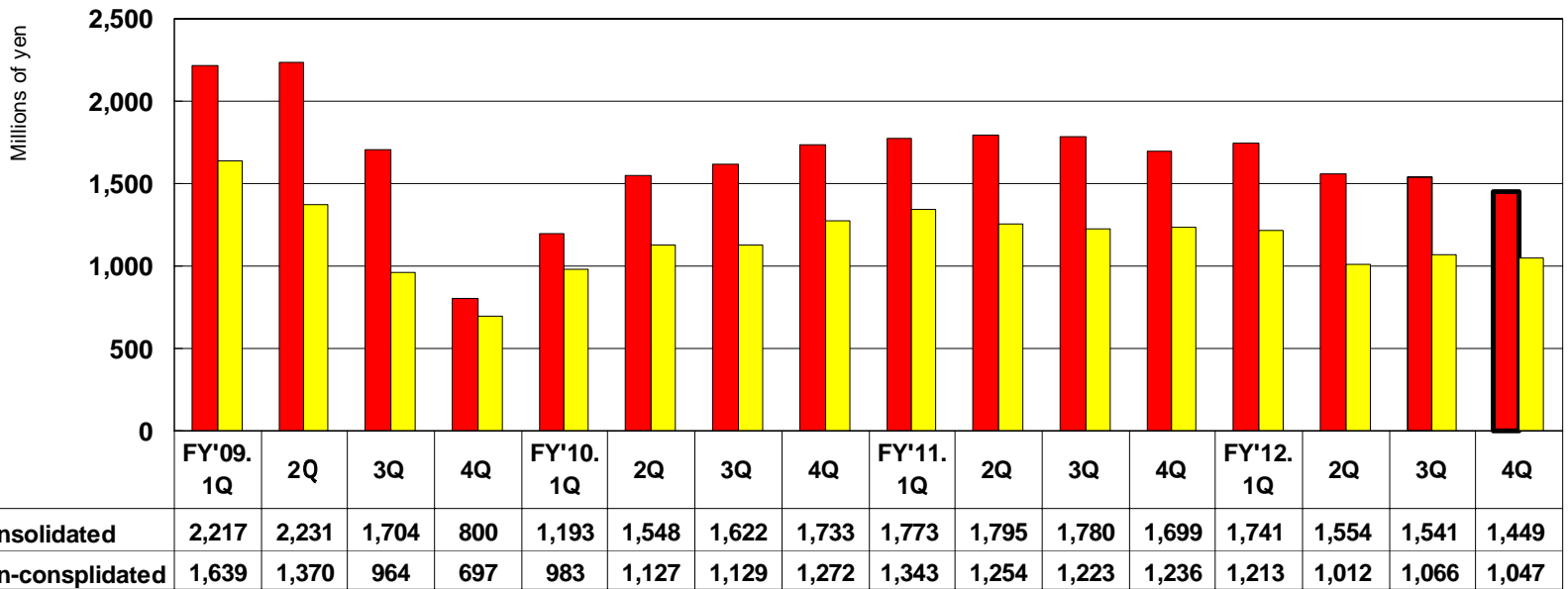
	Japan		Taiwan		HK (HK, Zhuhai)		China(Suzhou)		Europe		TTL	
	FY2011	FY2012	FY2011	FY2012	FY2011	FY2012	FY2011	FY2012	FY2011	FY2012	FY2011	FY2012
1Q	1,102	1,015	248	237	135	150	161	134	124	202	1,773	1,741
2Q	1,019	840	281	265	179	141	186	141	129	165	1,795	1,554
3Q	1,014	856	241	251	193	158	180	162	152	113	1,780	1,541
4Q	1,034	858	236	223	165	135	158	145	104	85	1,699	1,449
TTL	4,170	3,571	1,008	978	673	586	686	583	511	566	7,049	6,286

Unit: %

YoY	85.6	97.0	87.1	85.1	110.9	89.2
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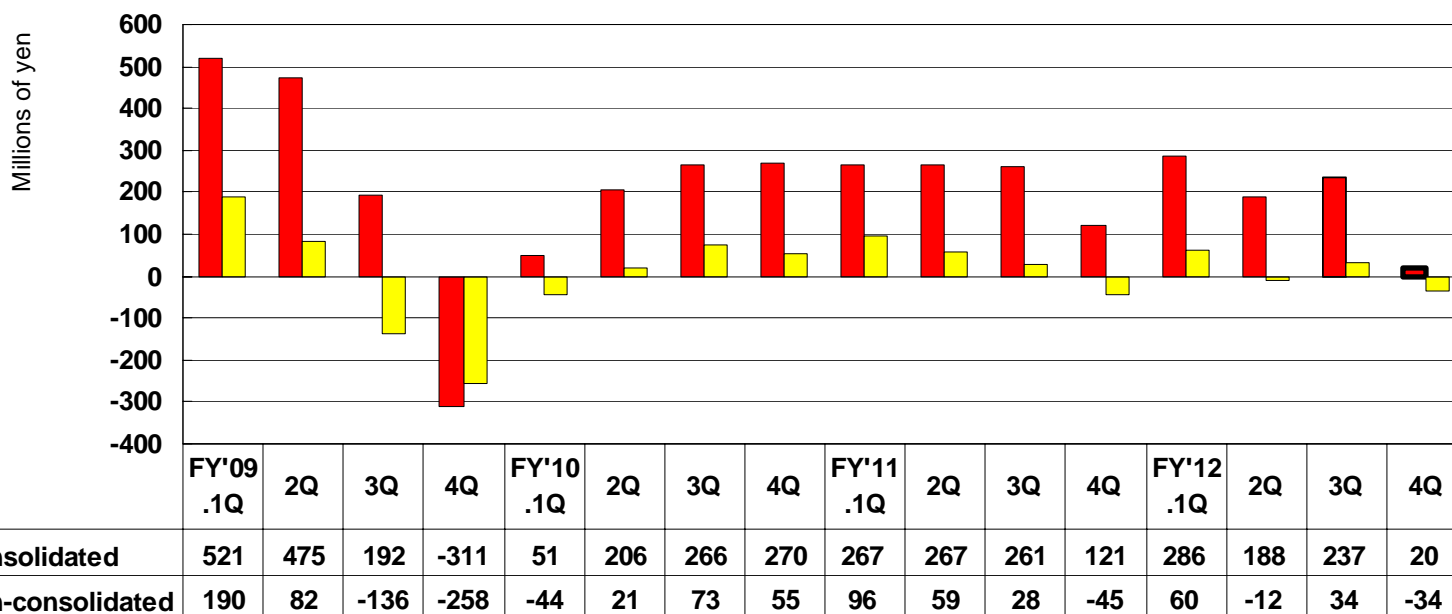
# Net Sales

Very badly affected by the floods in Thailand in the fourth quarter and sales fell compared to the third quarter and year-on-year.



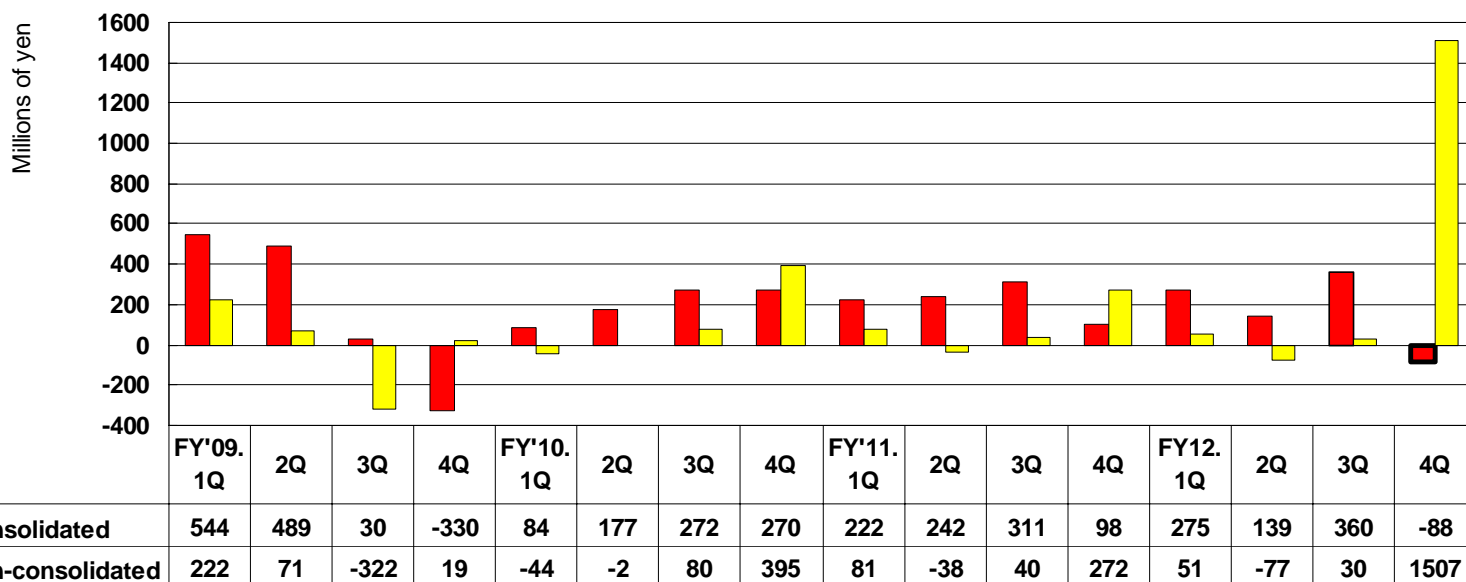
# Operating Income

Affected by lower sales, operating income decreased compared with the same period of the previous year and compared to the third quarter.



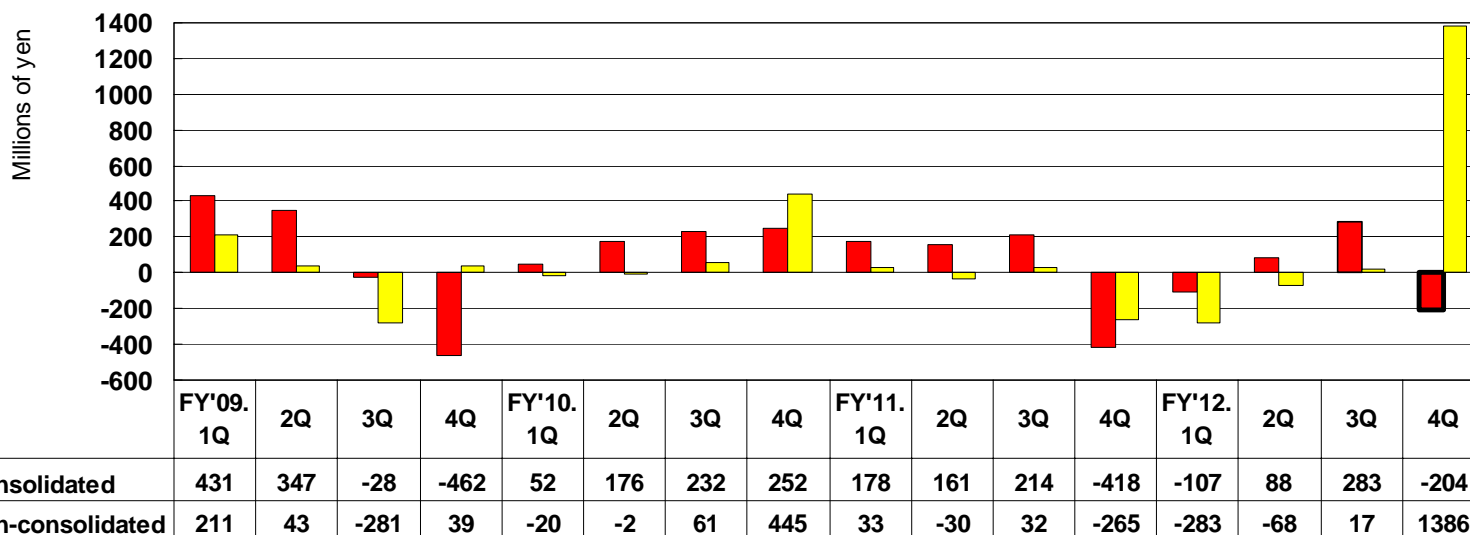
# Ordinary Income

To strengthen the financial structure of the Group, we moved the surplus of a foreign subsidiary so that we could use it to pay a dividend.



# Net Income

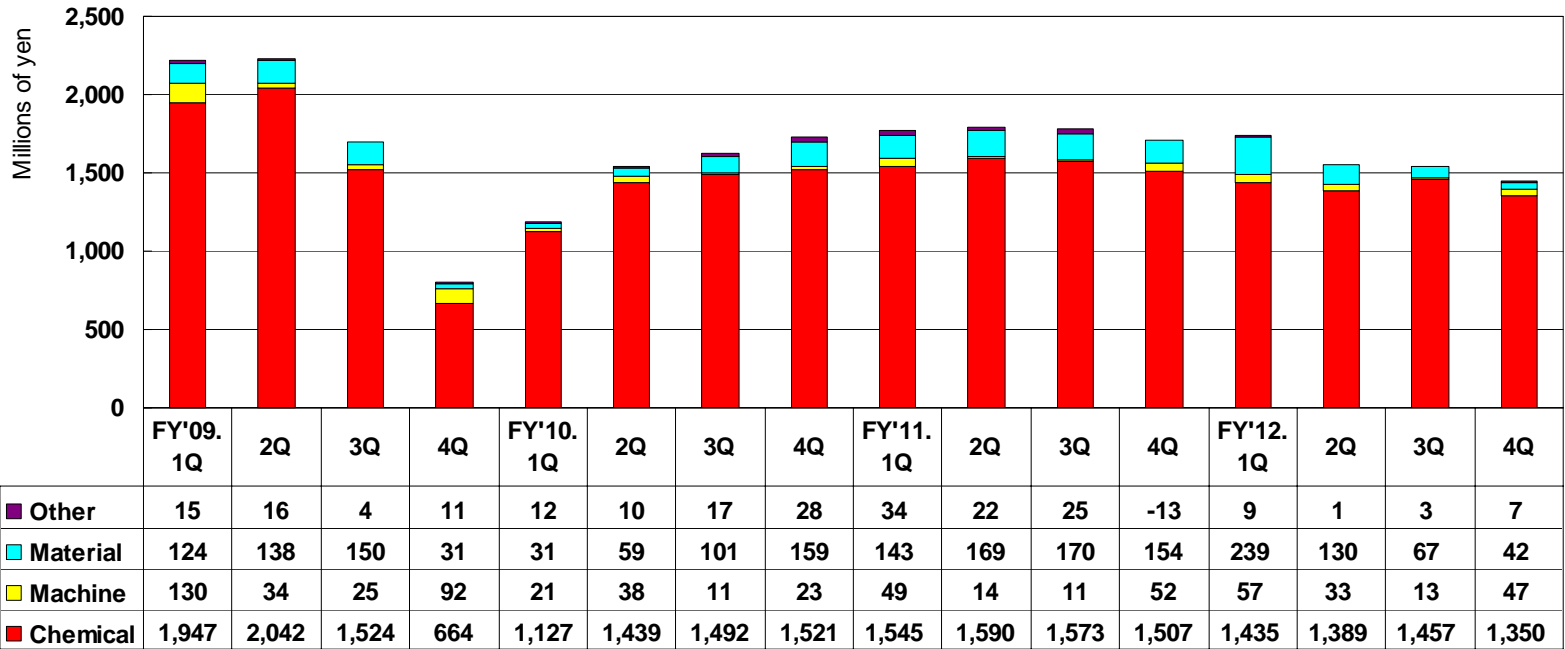
Up compared with the same period of the previous year, but down compared with the third quarter.





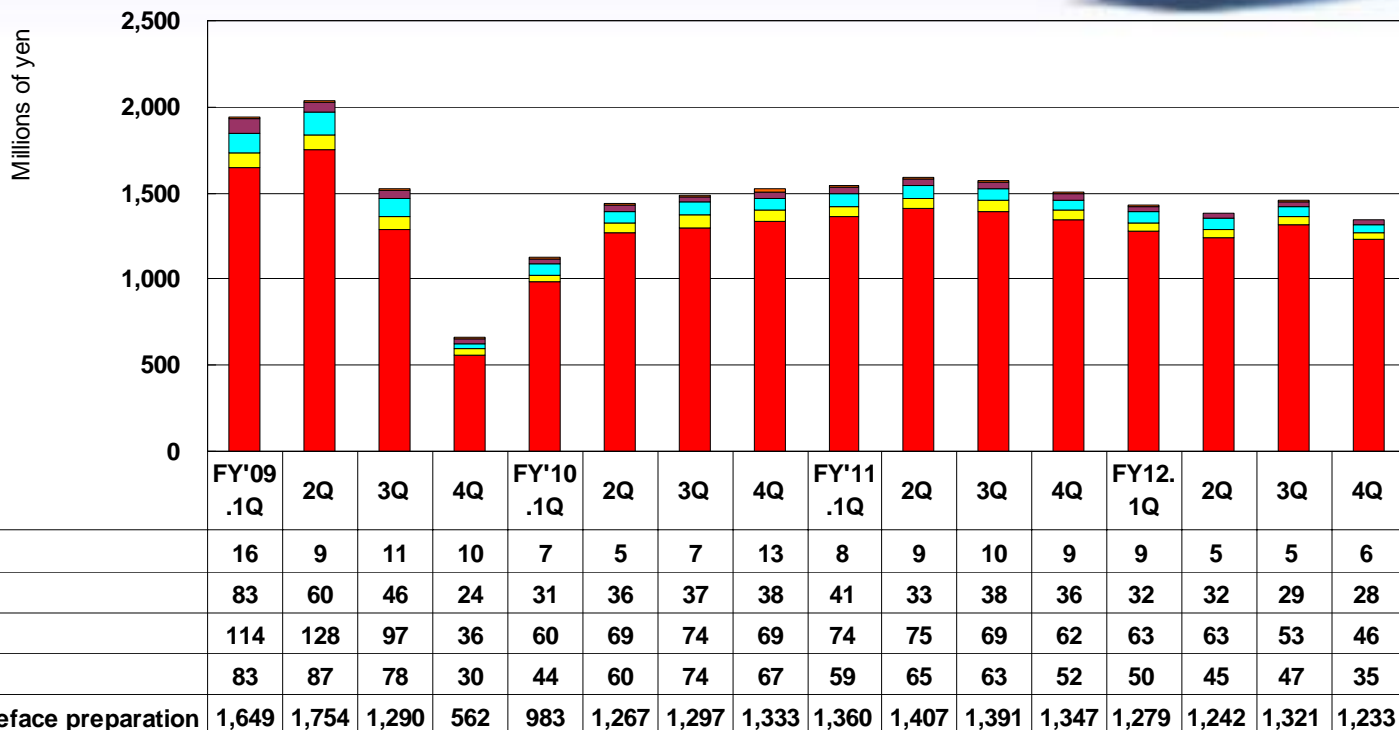
# Trends by Product (Consolidated)

Affected by the floods in Thailand, sales were down overall.

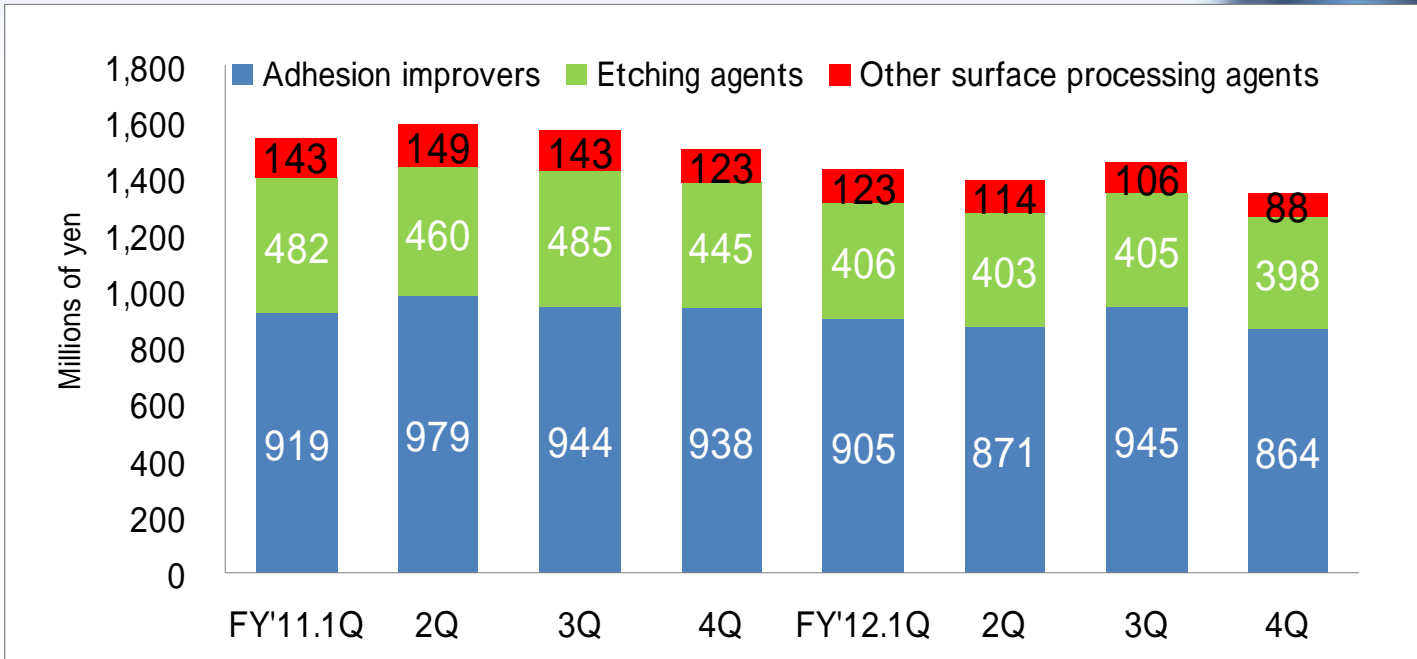


# Trends by Chemical Product (Consolidated)

Affected by the adjustment of smartphones, sales fell.

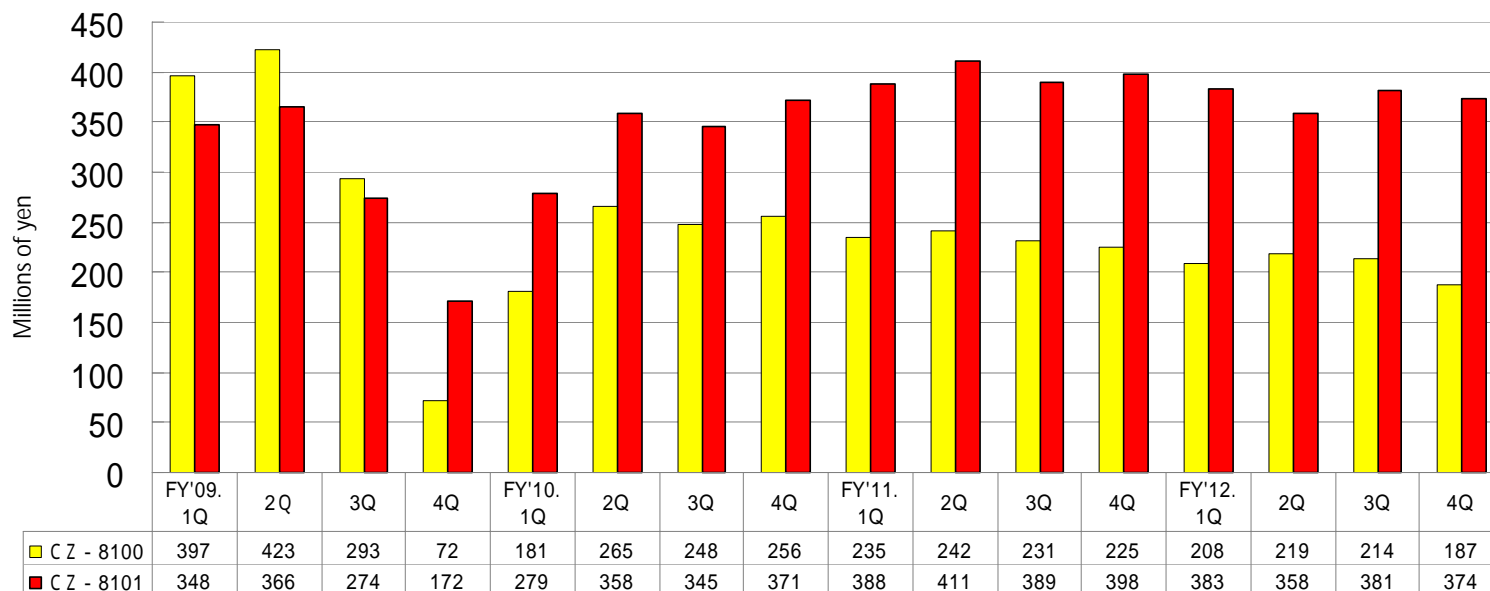


# Reorganization of Chemical Classifications



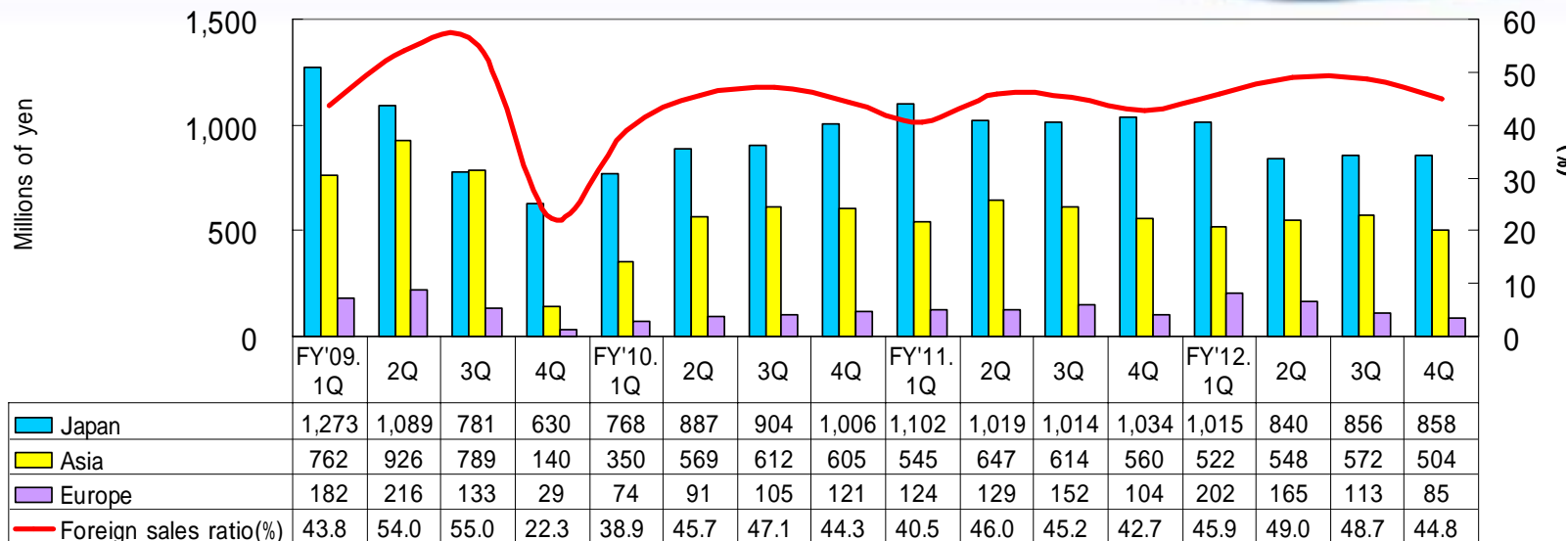
# Sales of CZ Series

The same as with chemicals, sales of the CZ series fell.



# Regional and Foreign Sales Ratio

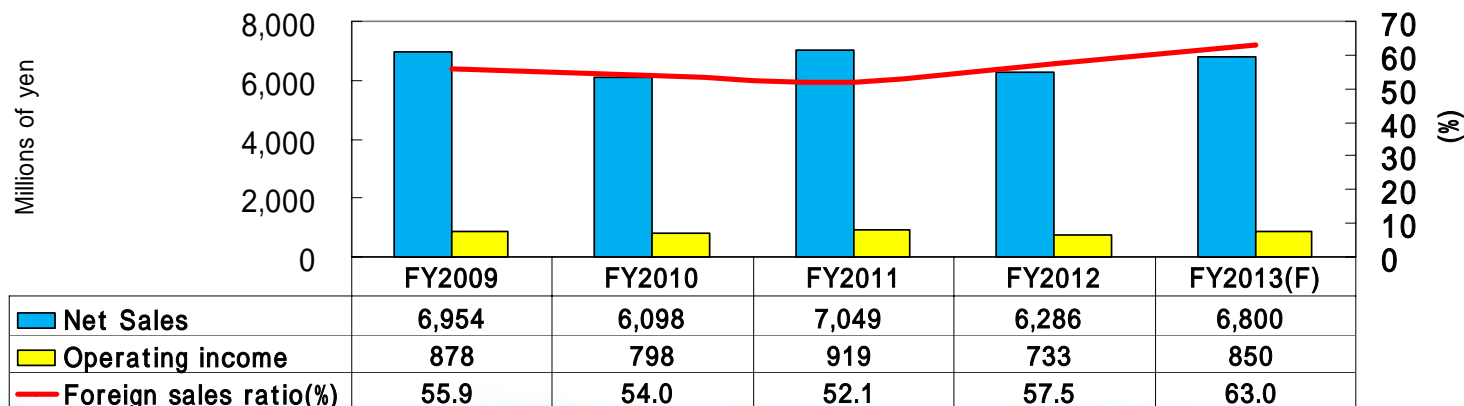
The foreign sales ratio has remained at the same level.



# Consolidated Earnings Forecast for FY2013

(April 1, 2012 to March 31, 2013)

	FY2012/3 (2011.4-2012.3)		FY2013/3 (2012.4-2013.3)(forecast)		
	Amount	Margin	Amount	Margin	YoY
Net sales	¥ 6,286 million		¥ 6,800 million		108.2%
Operating income	¥ 733 million	11.7%	¥ 850 million	12.5%	115.9%
Ordinary income	¥ 686 million	10.9%	¥ 800 million	11.8%	116.5%
Net income	¥ 58 million	0.9%	¥ 470 million	6.9%	796.9%



# Consolidated Statements of Income (Summary)

Millions of yen

	FY2012/3 (2011.4-2012.3)		FY2013/3 (2012.4-2012.3)forecast		Increase/Decrease	
	Amount	%	Amount	%	Amount	%
Net sales	6,286	100.0	6,800	100.0	513	
Cost of sales	2,443	38.9	2,600	38.2	156	-0.7
Gross profit	3,843	61.1	4,200	61.8	356	0.7
Selling general administrative expenses	3,110	49.5	3,350	49.3	239	-0.2
Operating income	733	11.7	850	12.5	116	0.8
Non-operating income	43	0.7	40	0.6	(3)	-0.1
Non-operating expenses	90	1.4	90	1.3	(0)	-0.1
Ordinary income	686	10.9	800	11.8	113	0.9
Extraordinary income	4	0.1			(4)	-0.1
Extraordinary loss	61	1.0			(61)	-1.0
Income before income taxes	629	10.0	800	11.8	170	1.8
Income taxes	570	9.1	330	4.9	(240)	-4.2
Net income	58	0.9	470	6.9	411	6.0

# Future Policy

1. Strengthen global expansion
2. Improve ability to develop new products
3. Strengthen the total quality assurance system



# Key Issues to Tackle this Term

## 1. Strengthen structure for global expansion

Placement of officers responsible, unified marketing for Taiwan and Huadong, improved ability to offer technical support to customers

## 2. Strengthen structure to improve ability to develop new products

Pour resources into research, such as by increasing the number of staff developing EXE and AMALPHA

## 3. Strengthen the total quality assurance system, comply with EICC

4. Have MEC's technology in all areas from PKG to motherboards penetrate from upstream to downstream

5. Promote the development of new businesses in core technologies