Financial Announcement for the Year Ended March 31, 2013
[Japanese Standard] (consolidated)

May 10, 2013

Company Name: MEC COMPANY LTD. Stock exchange listingTokyo Stock Exchange
Stock Code No. 4971 Company URL http://www.mec-co.com/
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Date of General Meeting of Shareholders (Scheduled)	June 21, 2013	Commencement Date of Dividend Payment (Scheduled)	June 4, 2013
Date of Filing the Financial Report (Scheduled)	June 24, 2013		
Creation of reference materials supplementary to the results:	Yes		
Holding of briefing sessions regarding the results:	Yes (for institutional investors)		

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

1. Consolidated Results for the Year Ended March 31, 2013 (April 1, 2012 to March 31, 2013)

(1) Results of operations (Percentages represent 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, 2013	6,703	6.6	917	25.2	956	39.3	626	963.1
Year ended March 31, 2012	6,286	(10.8)	733	(20.3)	686	(21.7)	58	(56.8)

Note: Comprehensive income for fiscal year ended March 31, 2013:1,103 million yen (—%);fiscal year ended March 31, 2012: -89 million yen (—%)

	Net income per share	Diluted net income per share	Return on equity	Ordinary income to total assets	Operating income to net sales
	Yen	Yen	%	%	%
Year ended March 31, 2013	31.24	—	7.6	9.1	13.7
Year ended March 31, 2012	2.94	—	0.7	6.7	11.7

(Reference) Investment profit or loss according to the equity method:Year ended March 31, 2013: - million yen Year ended March 31, 2012: - million yen

(2) Financial position

	Total assets	Net assets	Equity ratio	Book value per share
	Millions of yen	Millions of yen	%	Yen
Year ended March 31, 2013	10,883	8,669	79.7	431.94
Year ended March 31, 2012	10,052	7,726	76.9	384.95

(Reference) Shareholder’s equity:Year ended March 31, 2012: 8,669 million yen Year ended March 31, 2012: 7,726 million yen

(3) Cash flow

	Cash flow from operating activities	Cash flow from investment activities	Cash flow 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, 2013	352	(102)	(400)	1,749
Year ended March 31, 2012	767	(700)	(359)	1,817

2. Dividends

	Annual dividend					Total cash dividends (Annual)	Payout ratio (Consolidated)	Dividends on equity (Consolidated)
	1Q	2Q	3Q	4Q	Annual			
	Yen	Yen	Yen	Yen	Yen	Millions of yen	%	%
Year ended March 31, 2012	—	4.00	—	4.00	8.00	160	272.1	2.0
Year ended March 31, 2013	—	4.00	—	6.00	10.00	200	32.0	2.4
Year ending March 31, 2014 (Estimated)	—	5.00	—	5.00	10.00		28.7	

3. Consolidated Forecast for the Year Ending March 31, 2014 (April 1, 2013 to March 31, 2014)

(Percentages show rates of change that are year-on-year comparisons for the full year and quarter-on-quarter comparisons for the quarter)

	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
2Q (year to date)	3,470	8.7	400	2.4	400	8.2	246	(7.3)	12.26
Full year	7,300	8.9	1,050	14.4	1,050	9.7	700	11.7	34.88

* Notes

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

Newly consolidated companies — (company name) Excluded companies —(company name)

(2) Changes of principles, procedures, presentation methods, etc., in accounting procedures

(1) Changes that accompany amendment of accounting standards, etc. : Yes
(2) Changes other than those of (1): No
(3) Expected changes to accounting standards: Yes
(4) Restatements: No

(3) Number of shares outstanding (Common stock)

1) Number of shares outstanding (including treasury stock) issued as of:	Year ended March 31, 2013	20,071,093 shares	Year ended March 31, 2012	20,071,093 shares
2) Number of shares of treasury stock:	Year ended March 31, 2013	34 shares	Year ended March 31, 2012	34 shares
3) Average number of shares during the period:	Year ended March 31, 2013	20,071,059 shares	Year ended March 31, 2012	20,071,067 shares

* Display on the status of implementation of audit procedures

At the time of disclosing the financial results, auditing procedures on the financial statements are being carried out based on the Financial Instruments and Exchange Law.

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

The business forecasts and such like stated in this material are based on the information currently available to the Company and certain assumptions that are judged to be rational. Actual results may vary significantly from the forecasts due to various factors. In addition, for matters concerning the above forecasts, please refer to "1. Results of Operations (1) Analysis of results of operations" on page 2 of the attachment.

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1. Analysis relating to the operating results and financial situation

(1) Analysis of results of operations

[Outline of the current period]

The world economy saw moderate expansion in the consolidated fiscal year under review (April 1, 2012 to March 31, 2013) owing to a growth in consumer spending and recovery in housing investment in the U.S. However, because of a downturn in the European economy and uncertainty regarding some emerging economies that had been seeing high growth it has proved hard to dispel uncertainty about the future.

In Japan, personal consumption and public investment increased but because of factors like sluggish capital investment by companies accompanying the decline in exports to Europe, the situation seems set to remain difficult, as ever.

In the electronics industry, shipments of smartphones and tablet PCs grew considerably compared to the previous fiscal year (April 1, 2011 to March 31, 2012). However, because these products have come to the forefront the market for conventional mobile phones has seen a slowdown, and even if companies introduce new PC products it does not link to a drastic improvement in product capabilities, and the market is continuing to change.

The electronic parts industry fared well, the same as the electronics industry, due to increased demand for smartphones, tablet PCs, and server applications, but sales of products for computer applications were sluggish.

Under these circumstances, the Company’s Group has been focused on the development and sale of chemicals for smartphones and tablet PCs, and has continued to promote sales and technical support for markets in China, Taiwan, South Korea, and Southeast Asia as well as in the previous fiscal period. As a result, net sales for the consolidated fiscal year under review amounted to 6,703 million yen (up 6.6% year-on-year), operating income was 917 million yen (up 25.2% year-on-year), ordinary income was 956 million yen (up 39.3% year-on-year), and net income for the fiscal year was 626 million yen (up 963.1% year-on-year).

[Prospects for the next period]

In regard to the outlook for the next fiscal term, Japan’s economy is expected to see a recovery, but the opaque situation is forecast to continue regarding the economy in Europe and emerging countries.

In the electronics industry, we have high hopes for continued growth of smartphones and tablet PCs, but demand for personal computers is on a downward trend, and we expect the business environment surrounding the Company’s Group to be unclear.

Based on this environment, the Company’s Group will focus on developing and selling chemicals for displays such as those used in tablet PCs and smartphones, which are items that can be expected to continue growing in the future, and LCD TVs, and aim to further strengthen our competitiveness.

Based on this situation, the full-year consolidated forecasts for the year ending March 31, 2014 (April 1, 2013 to March 31, 2014) are as follows.

	Year ended March 31, 2013 (Millions of yen)	Year ending March 31, 2014 (Millions of yen)	Percentage change (%)
Net sales	6,703	7,300	8.9
Operating income	917	1,050	14.4
Ordinary income	956	1,050	9.7
Net income	626	700	11.7

Information on risks pertaining to outlooks

Forward-looking statements are based on currently available information and certain assumptions that the Company considers to be reasonable at the moment. Actual results may differ materially from these forward-looking statements owing to various factors.
Of them, the main ones include but are not limited to the following. Risks, uncertainties and other factors are also described in our securities report, so please refer to it for details.

- Rapid changes in the economic conditions in the Japanese and world markets, and in demand for products and services
- Demand trends of the industry
- Supply shortages of raw materials or rises in their prices
- Changes in social infrastructure due to rapid technological change
- Rapid changes in exchange rates
- Movements in the businesses of companies that the Company's Group has tie-ups with or cooperates with
- The possibility of incurring expenses resulting from any defect in our products or services
- Changes in the market value of assets such as land held or investment securities, changes in the appraisal value of deferred tax assets, and changes in other accounting policies
- The occurrence of natural disasters such as earthquakes or floods and other possible elements that could cause confusion in our business activities
- Enforcing of tax systems that potentially could have adverse consequences such as issues with transfer pricing taxation or increases in the corporate tax rate

(2) Analysis relating to the financial situation

[Analysis of the financial situation]

As a result of repaying loans the amount of cash on hand and in banks fell, but there was an increase in notes and accounts receivable due to higher sales. Hence, assets came to 10,883 million yen, up 831 million yen compared with the end of the previous fiscal year.

Looking at liabilities, there was a decrease in short-term debt as a result of debt repayment but there was an increase in notes payable-facilities in Japan and a reduction of retained earnings at a subsidiary due to its payment of dividends. Thus, liabilities came to 2,214 million yen, down 112 million yen compared with the end of the previous fiscal year.

In terms of net assets, there was an increase in retained earnings due to an increase in net income and a decrease of foreign currency translation adjustments (credit balance) due to exchange rate differences with our overseas subsidiaries. Consequently, net assets came to 8,669 million yen, up 943 million yen compared with the end of the previous fiscal year.

As a result of the above, the equity ratio reached 79.7%.

[Analysis of cash flow]

Looking at the financial position in the current consolidated fiscal year, cash and cash equivalents (hereinafter referred to as “cash”) fell 68 million yen compared with the previous year to record 1,749 million yen.

Outlines of cash flow conditions and reasons for fluctuations for the current fiscal period are as follows:

(Cash flow from operating activities)

Cash from operating activities amounted to 352 million yen (down 414 million yen year-on-year). This was mainly due to an increase in funds because of net income before income taxes of 993 million yen. However, factors in a reduction of funds were an increase in accounts receivable of 449 million yen and payment of income taxes of 386 million yen, and these partially offset the increase in funds.

(Cash flow from investment activities)

As a result of investment activities, cash used amounted to 102 million yen (down 597 million yen year-on-year). This was mainly due to an expenditure of 275 million yen to acquire tangible fixed assets. However, a payout of time deposits came to a net amount of 177 million yen and this partially offset the fall in funds.

(Cash flow from financial activities)
As a result of financial activities, cash used amounted to 400 million yen (up 40 million yen year-on-year). This was because of a repayment of short-term borrowings in the amount of 240 million yen and a payment of dividends in the amount of 160 million yen.

Changes in cash flow indicators for a five-year period including the current fiscal year are as follows.

	Year ended March 31, 2009	Year ended March 31, 2010	Year ended March 31, 2011	Year ended March 31, 2012	Year ended March 31, 2013
Equity ratio (%)	80.0	78.4	77.7	76.9	79.7
Equity ratio based on market value (%)	74.3	97.1	74.4	62.7	95.0
Debt repayment period (years)	0.4	0.5	0.5	0.6	0.7
Interest coverage ratio	172.0	167.4	213.1	309.7	230.1

Note: Equity ratio: Equity / total assets
Equity ratio based on market value: Stock market capitalization / total assets
Debt repayment period: Interest-bearing debt / cash flow from operating activities
Interest coverage ratio: Cash flow from operating activities / interest payment

1 Each of these indicators was calculated on a consolidated basis.
2 Stock market capitalization is calculated by multiplying the closing share price by the number of shares outstanding at the end of the period.
3 The figures for operating cash flow come from the "cash flow from operating activities" in the consolidated statements of cash flows. Interest-bearing debt consists of all liabilities on which interest is paid that are recorded in the consolidated balance sheet. Further, the figures for interest payment come from the amount of interest paid as stated in the consolidated statements of cash flows.

(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 a 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 areas such as future growth, including moves to strengthen R&D, increase production capacity, and reinforce our overseas business base with the aim of maintaining and increasing 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 fiscal period according to the policy of a consistently stable dividend payout.
For this fiscal period, we will distribute a year-end dividend of ¥6 per share, making for a total annual dividend of ¥10 per share when combined with the interim dividend paid of ¥4 per share.
For the next fiscal term, given the sense of uncertainty over future economic prospects, we will distribute an interim dividend of ¥5 per share and a year-end dividend of ¥5 per share, for a total annual dividend of ¥10 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 amount of production in the PCB industry. Therefore, future production trends 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 five consolidated subsidiaries. We are establishing a business structure that can be applied 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 markets of China, Taiwan and South Korea as our future main targets.

However, if sales in these markets become dull or if geopolitical risk occurs in the area, our financial results could be negatively affected.

4 Hollowing out of the Japanese economy

The Company has dealings with almost all the PCB manufacturers in Japan. More and more companies in the PCB industry are moving their bases overseas, aiming to cut production costs. As a result, there is decreased production of PCBs in Japan. If this trend accelerates in the future it could affect our financial results.

5 Foreign currency risk

The Group's operations are developed not only in the domestic market but also worldwide. Hence, our year-end accounts receivable and such like may be affected by fluctuations in exchange rates.

6 Surging prices of crude oils and raw materials

While inorganic materials are the main materials of chemicals for PCBs, the Group's key products, we use crude oil or copper-based materials as a part of the raw materials. In addition, the Group's chemical products are kept in polyethylene containers, which are significantly affected by crude oil prices.

Although we in the Group endeavor to implement cost-cutting measures including the alteration of raw materials and large-scale and lump-sum procurement, if raw material prices surge in future, our financial results could be negatively affected.

7 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 apply 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.

8 Environmental regulations

As the chemicals for printed circuit boards, the Company's Group makes use a variety of chemical substances. There are regulations in countries around the world, including Japan, regarding the use of chemicals in consideration of health problems and their impact on the environment.

While we consider such regulations to be a major business opportunity, if the development of new products is delayed beyond our expectations, our financial results could be negatively affected

9 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 the staff required to maintain our business, our financial results could be negatively affected.

10 Change in prices of marketable securities held

The Group owns equity shares in other companies as strategic investments with the aim of building and maintaining business relationships, particularly with 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 a considerable decrease in stock prices or deterioration of financial conditions or bankruptcy of the investment target company, the recording of impairment losses on equity shares held and the occurrence of evaluation loss could have a negative impact on our financial results.

11 Evaluation of land held

Of the pieces of land owned by the Group, some are currently unused. In the event that their evaluation value falls and an impairment loss on land is recorded in accordance with Accounting Standards Implementation Guidance No. 6, there may be an impact on the earnings and financial condition of the Group.

12 Evaluation of recoverability of deferred tax assets

The Group determines recoverability after estimating reasonable future taxable income against future deductible amounts, 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.

13 Risk of effects of disasters

So that the production activities of the Company’s Group is not impeded by natural disasters such as earthquakes and floods, and other disasters, we have established production bases that are spread apart geographically. However, we cannot guarantee that we will be able to fully mitigate the impact of any disasters.

If our production or shipments stop for a long period in multiple sites, or if there is decreased production of end products such as electronic equipment due to a break in the supply chain, and electronic substrates are also subsequently affected, there is a possibility that the Group’s earnings and financial condition may be impacted.

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) on June 25, 2012), disclosure is omitted.

3. Management Policy

(1) Basic management policy

The significance of the existence of advanced electronic equipment, centered on semiconductors, as a key industry in all areas of technology, including information processing technology, automobiles, the environment and energy, continues to increase. Competition between enterprises in the PCB manufacturing industry, which provides the base technology supporting all of those other technologies, is undergoing further globalization.

Under these circumstances, we are using the competitiveness we enjoy in the domestic PCB industry to focus on expanding sales in the East Asian market, centered on China, Taiwan and South Korea, by taking maximum advantage of the unrivalled technological knowhow that we have accumulated to this point and putting new technology to practical use.

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 higher-density circuits and higher-reliability lines, with a basic approach of eliminating waste and lowering costs from the perspectives of the environment and energy saving. Moreover, along with strengthening our market response capabilities, including subsidiaries, we are developing new products that apply the copper surface treatment technology and metal surface treatment technology that are our forte to various applications.

(2) Targeted management indicators

The Company uses management indicators emphasizing ordinary profit and net profit in non-consolidated business, and operating profit likewise in consolidated business, in order to return profits to shareholders in accordance with profit levels.

(3) Medium- to Long-term company management strategies

The Company is addressing the following themes in order for the Group to continue growing.

i) Handling of high-density PCB and high-reliability PCB technology

The Company's CZ Series of micro-etching solutions for copper surfaces has taken an exclusive share of the market as pre-processing agents that improve the adhesion between copper and resin in package PCB manufacturing processes typical of high-density PCBs. Currently, while digital information appliances and electronics are being fused together, the miniaturization of copper wiring is advancing rapidly in the same way as package PCBs in all areas in order for higher density PCBs aimed at improving performance. At the same time, high reliability in hard-use environments is also being called for more strongly, centered on PCBs for use in automobiles.

As a result, the Group is aggressively pursuing the horizontal development of copper surface treatment agents including the CZ Series in markets other than package PCBs, and is expanding sales of the following series of products: direct laser processing DL, HE for etching down, and CA/CB micro-etching agents.

Furthermore, while deepening surface etching technology on the one hand, we are also advancing a wide range of technological development as the industry's leading company in the area of strengthening the adhesion of smooth surfaces. In addition, we will focus on the practical application of technology to form micro-wiring accurately and cheaply using the subtract method, and on the development of microfabrication technology in various areas using selective etching technology represented by the CH/NH series of products.

ii) Handling products other than printed circuit boards

We have developed and sell a variety of chemicals for treating the surface of metals, mainly copper. We always look for sales opportunities to expand into new areas.

As our recent track record, we have seen good results in the field of displays for products like smartphones and tablet PCs, and LCD TVs in particular, and our products have become the industry standard.

The Company's Group intends to continue promoting horizontal expansion of its chemicals for markets other than the printed circuit board market and expand sales further

iii) Handling of environment and energy-saving technology

In addition to cost and performance, the question of how considerate a product is to the environment is also now an important evaluation factor for the commercial value of electronic products and automobiles. As a result, manufacturers are continuing to shift to materials that create a low environmental burden for use in electronic parts for these products.

The Company's chemical processes, such as the BO series of multilayer PCB pre-treatment agents for strengthening adhesion, the DL series for pre-processing of via hole drilling of fine wiring, and the PJ series to replace the conventional process for the removal of Pd, are designed so that materials with a low environmental burden can exhibit sufficient performance and also, the chemical process itself is considered in environmentally-friendly terms. We position these as strategic items and the whole Group will work together on the spread of their adoption by leading customers.

Furthermore, in the development of new processes in the future, we will focus on the development of technology that supports both environmental considerations and cost and performance factors.

ⅳ) Handling of overseas markets

In the domestic Japanese PCB market, the Company is confident that it has built a strong position as an enterprise that contributes to the determination of cost and technology issues at customer manufacturers. Moreover, we believe in regard to future trends in the Japanese PCB industry that the Company's strengths will be exhibited even further because the area of high-density PCBs with ultrafine patterns will expand.

In the Asian market also, we have focused on acquiring customers other than Japanese affiliated ones, and had some success in doing that. In future, we will continue with our policy to strengthen the technological support capabilities of all overseas subsidiaries, and make contributions to the stable procurement of materials and development of chemicals for overseas markets. In this way, we will work to promote the improvement of customer satisfaction in all regions and continue to expand sales in overseas markets.

Based on the development of these management strategies, the Group will aim to acquire a position in the global PCB industry that has multiple areas where we are the only company or the number one company, taking metal surface treatment technology, including copper surface treatment technology, as our core technology. We will also aim in the medium-term to apply metal surface treatment technology to various applications and will do our utmost to continue realizing high growth on an ongoing basis.

(4) Issues to be addressed

The Company's Group is aware that it needs to address the following issues.

i) Use of existing core technology to develop products in new areas and establishment of businesses

The Group specializes in PCB material production and has the risk of being strongly affected by the amount of production in the PCB industry. To reduce the risk mentioned above, we will focus on utilizing the technology we have accumulated so far to develop products that can be applied in new areas, and enhance their selling power. More specifically, while creating a variety of interfaces, such as chemicals for displays of products such as LCD TVs, to develop business areas other than electronic substrates, we will also contribute to the evolution of mobile devices in the electronic substrate business with products that have a completely new concept.

ii) Strategy for overseas markets

The Company's Group is building a strong sales network that covers the printed circuit board market in Japan. In the Asian market also, we have focused on acquiring customers other than Japanese affiliated ones, and had some success in doing that.

On the other hand we will strategically select general chemicals, which are products for which the Company cannot demonstrate the superiority of its chemical processes, and offer support for them so that we can secure orders while controlling risk. In order to resourcefully and strategically respond to these challenges, we will continue to remain focused on strengthening the customer support offered at the overseas bases of the Company's Group.

iii) Securing and nurturing of human resources

The Company's Group is actively working to recruit excellent staff to strengthen its R&D system and selling power. However, that alone is not enough to fully strengthen the Group as a whole. In the future we will strive to secure the necessary employees by hiring people with specialist knowledge and nurturing our staff in each field

iv) Improving business efficiency

We in the Group expect to continue seeing the weight of a large portion of our business being more and more concentrated overseas. Accompanying that, in order to ensure the efficiency and appropriateness of the overall business, we will introduce people with expert knowledge and strive to eliminate various risks.

4. Consolidated Financial Statements

(1) Consolidated balance sheet

(in thousands of yen)

	Previous fiscal year As of March 31, 2012	Current fiscal year As of March 31, 2013
ASSETS		
Current assets:		
Cash and deposits	2,827,517	2,708,651
Notes and accounts receivable-trade	*2 1,681,216	*2 2,236,528
Merchandise and finished goods	204,056	267,249
Work in process	28,286	36,068
Raw materials and supplies	201,777	236,919
Deferred tax assets	97,346	165,496
Other	59,848	85,528
Allowance for doubtful accounts	(9,272)	(9,393)
Total current assets	5,090,776	5,727,049
Non-current assets:		
Property, plant and equipment		
Buildings and structures	2,791,339	3,029,804
Accumulated depreciation	(1,553,250)	(1,688,246)
Buildings and structures, net	*1 1,238,089	*1 1,341,558
Machinery, equipment and vehicles	1,510,954	1,606,835
Accumulated depreciation	(1,152,471)	(1,223,745)
Machinery, equipment and vehicles, net	*1 358,482	*1 383,089
Tools, furniture and fixtures	558,054	596,444
Accumulated depreciation	(443,902)	(468,038)
Tools, furniture and fixtures, net	114,152	128,406
Land	*1 2,723,504	*1 2,789,376
Construction in progress	30,289	36,287
Total property, plant and equipment	4,464,518	4,678,718
Intangible assets	47,167	44,651
Investments and other assets		
Investment securities	352,697	332,591
Deferred tax assets	1,193	4,092
Other	116,778	114,617
Allowance for doubtful accounts	(20,444)	(17,997)
Total investments and other assets	450,224	433,303
Total noncurrent assets	4,961,910	5,156,672
Total	10,052,686	10,883,722

(in thousands of yen)

	Previous fiscal year As of March 31, 2012	Current fiscal year As of March 31, 2013
LIABILITIES		
Current liabilities:		
Notes and accounts payable-trade	543,005	688,215
Short-term loans payable	480,000	240,000
Accounts payable-other	302,762	240,411
Accrued expenses	44,743	50,139
Accrued income taxes	105,186	270,886
Deferred tax liabilities	1,354	-
Reserve for bonuses	131,525	132,302
Provision for directors' bonuses	7,200	11,350
Other	142,296	219,699
Total current liabilities	1,758,074	1,853,004
Noncurrent liabilities:		
Deferred tax liabilities	363,566	246,631
Provision for retirement benefits	108,800	85,561
Other	95,971	29,102
Total noncurrent liabilities	568,337	361,295
Total	2,326,412	2,214,300
NET ASSETS		
Shareholders' equity:		
Capital stock	594,142	594,142
Capital surplus	446,358	446,358
Retained earnings	7,478,645	7,945,033
Treasury stock	(12)	(12)
Total shareholders' equity	8,519,134	8,985,521
Total of other comprehensive income		
Valuation difference on available-for-sale securities	51,574	32,842
Foreign currency translation and adjustment	(844,434)	(348,942)
Total of other comprehensive income	(792,859)	(316,100)
Total net assets	7,726,274	8,669,421
Total liabilities and net assets	10,052,686	10,883,722

(2) Consolidated statement of income and consolidated statement of comprehensive income

Consolidated statements of income

(in thousands of yen)

	Previous fiscal year (April 1, 2011 to March 31, 2012)	Current fiscal year (April 1, 2012 to March 31, 2013)
Net sales	6,286,918	6,703,970
Costs of sales	*1 2,443,223	*1 2,554,622
Gross profit	3,843,695	4,149,347
Selling, general and administrative expenses	*2, *3 3,110,462	*2, *3 3,231,583
Operating income	733,233	917,763
Non-operating income		
Interest income	21,011	29,145
Dividends income	8,831	7,831
Revenue income form trial products	3,470	-
Other	10,602	13,478
Non-operating income	43,916	64,612
Non-operating expenses		
Interest expenses	3,707	1,603
Sales discounts	4,611	3,389
Provision for doubtful accounts	15,100	-
Loss on valuation of investment securities	41,328	-
Foreign exchange losses	23,791	16,949
Other	1,966	3,598
Non-operating expenses	90,503	25,520
Ordinary income	686,645	956,835
Extraordinary income		
Gain on sales of noncurrent assets	*4 2,204	*4 2,898
Surrender value of insurance	2,744	1,571
Gain on reversal of lawsuits	-	45,135
Extraordinary income	4,949	49,605
Extraordinary loss		
Loss on sales of noncurrent assets	*5 474	*5 2,057
Loss on retirement of noncurrent assets	*6 4,296	*6 10,827
Impairment loss	*7 57,000	*7 -
Extraordinary loss	61,771	12,884
Income before income taxes	629,823	993,557
Income taxes-current	254,774	544,928
Tax payment or tax refund arising from correction of tax system and revision order	284,663	-
Income taxes-deferred	31,408	(178,327)
Income taxes	570,847	366,600
Income before minority interests	58,976	626,956
Net income	58,976	626,956

Consolidated statement of income and consolidated statement of comprehensive income

(in thousands of yen)

	Previous fiscal year (April 1, 2011 to March 31, 2012)	Current fiscal year (April 1, 2012 to March 31, 2013)
Income before minority interests	58,976	626,956
Other comprehensive income		
Valuation difference on available for sales securities	(18,943)	(18,731)
Foreign currency translation adjustment	(129,376)	495,491
Other comprehensive income	* (148,320)	* 476,759
Comprehensive income	(89,343)	1,103,715
(Breakdown)		
Comprehensive income attributable to owners of the parent	(89,343)	1,103,715
Comprehensive income attributable to minority interests	-	-

(3) Statements of changes in net assets

(in thousands of yen)

	Previous fiscal year (April 1, 2011 to March 31, 2012)	Current fiscal year (April 1, 2012 to March 31, 2013)
Shareholders' equity:		
Capital stock		
Balance at the beginning of current period	594,142	594,142
Changes of items during the period		
Total changes of items during the period	-	-
Balance at the end of current period	594,142	594,142
Capital surplus		
Balance at the beginning of current period	446,358	446,358
Changes of items during the period		
Total changes of items during the period	-	-
Balance at the end of current period	446,358	446,358
Retained earnings		
Balance at the beginning of current period	7,780,948	7,478,645
Changes of items during the period		
Dividends from surplus	(361,279)	(160,568)
Net income	58,976	626,956
Total changes of items during the period	(302,303)	466,387)
Balance at the end of current period	7,478,645	7,945,033
Treasury stock		
Balance at the beginning of current period	-	(12)
Changes of items during the period		
Purchase of treasury stock	(12)	-
Total changes of items during the period	(12)	-
Balance at the end of current period	(12)	(12)
Total shareholders' equity		
Balance at the beginning of current period	8,821,449	8,519,134
Changes of items during the period		
Dividends from surplus	(361,279)	(160,568)
Net income	58,976	626,956
Purchase of treasury stock	(12)	-
Total changes of items during the period	(302,315)	466,387
Balance at the end of current period	8,519,134	8,985,521

(in thousands of yen)

	Previous fiscal year (April 1, 2011 to March 31, 2012)	Current fiscal year (April 1, 2012 to March 31, 2013)
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities		
Balance at the beginning of current period	70,517	51,574
Changes of items during the period		
Net changes of items other than shareholders' equity	(18,943)	(18,731)
Total changes of items during the period	(18,943)	(18,731)
Balance at the end of current period	51,574	32,842
Foreign currency translation adjustment		
Balance at the beginning of current period	(715,057)	(844,434)
Changes of items during the period		
Net changes of items other than shareholders' equity	(129,376)	495,491
Total changes of items during the period	(129,376)	495,491
Balance at the end of current period	(844,434)	(348,942)
Accumulated other comprehensive income		
Balance at the beginning of current period	(644,539)	(792,859)
Changes of items during the period		
Net changes of items other than shareholders' equity	(148,320)	476,759
Total changes of items during the period	(148,320)	476,759
Balance at the end of current period	(792,859)	(316,100)
Total net assets		
Balance at the beginning of current period	8,176,910	7,726,274
Changes of items during the period		
Dividends from surplus	(361,279)	(160,568)
Net income	58,976	626,956
Purchase of treasury stock	(12)	-
Net changes of items other than shareholders' equity	(148,320)	476,759
Total changes of items during the period	(450,635)	943,147
Balance at the end of current period	7,726,274	8,669,421

(4) Consolidated statement of cash flow

(in thousands of yen)

	Previous fiscal year (April 1, 2011 to March 31, 2012)	Current fiscal year (April 1, 2012 to March 31, 2013)
Cash flow from operating activities		
Income before income taxes	629,823	993,557
Depreciation and amortization	287,154	299,653
Impairment loss	57,000	-
Increase (decrease) in allowance for doubtful accounts	7,427	(3,659)
Increase (decrease) in provision for bonuses	(19,474)	776
Increase (decrease) in provision for directors' bonuses	7,200	4,150
Increase (decrease) in provision for retirement benefits	9,663	(36,977)
Interest and dividends income	(29,843)	1,603
Interest expenses	3,707	1,603
Surrender value of insurance	(2,744)	(1,571)
	-	(45,135)
Loss (gain) on valuation of investment securities	41,328	-
Decrease (increase) in notes and accounts receivable-trade	202,040	(449,268)
Decrease (increase) in inventories	24,159	(52,615)
Increase (decrease) in notes and accounts payable-trade	(32,098)	115,052
Other	77,009	(66,754)
Subtotal	1,262,352	735,572
Interest and dividends income received	29,016	36,065
Interest expenses paid	(2,477)	(1,532)
Income tax refund	5,447	2,873
Income tax paid	(268,709)	(386,923)
Tax payment arising from correction of tax system and revision order	(258,270)	(33,420)
Cash flow from operating activities	767,357	352,635
Cash flow from investment activities		
Payments into time deposits	(1,884,765)	(1,534,970)
Proceeds from withdrawal of time deposits	1,565,551	1,712,803
Purchase of property, plant and equipment	(377,424)	(275,542)
Proceeds from sales of property, plant and equipment	2,714	4,955
Purchase of intangible assets	(11,764)	(2,400)
Purchase from sales of investment securities	(10,390)	(8,976)
Proceeds from maturity of insurance funds	5,780	3,844
Other	9,991	(2,651)
Net cash provided by (used in) investing activities	(700,305)	(102,937)
Cash flow from financing activities		
Net increase (decrease) in short-term loans payable	290,000	(140,000)
Increase in short-term loans payable	190,000	160,000
Decrease in short-term loans payable	(480,000)	(260,000)
Purchase of treasury stock	(12)	-
Cash dividends paid	(359,780)	(160,063)
Cash flow from financial activities	(359,792)	(400,063)
Effect of exchange rate change on cash and cash equivalents	(38,070)	81,946
Net increase (decrease) in cash and cash equivalents	(330,811)	(68,419)
Cash and cash equivalents at the beginning of the period	2,148,640	1,817,828
Cash and cash equivalents at the end of the period	*1 1,817,828	*1 1,749,409

(5) Notes to Consolidated Financial Statements

(Notes on the premise of a going concern)

N/A

(Basis of presentation and summary of significant accounting policies for the preparation of consolidated financial statements)

1 Scope of Consolidation

Number of consolidated subsidiaries: 5

Name of 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.

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.

3 Summary of Significant Accounting Policies

(1) Basis and Methods of Valuation of Significant Assets

[1] 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 fiscal year (evaluation differences are reported in a component of shareholders' equity, with the cost of securities sold being calculated by the moving-average method).

Securities with no determinable market value:

Cost is determined by the moving-average method

[2] Derivatives

Stated at the market value method

[3] Basis and method of valuation of inventories

(i) Goods, products (chemicals), raw materials, work in process, inventories of merchandise and supplies:

Stated at cost based on the periodic 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)

(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, 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

[2] Intangible Assets

Intangible assets are amortized using the straight-line method

(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.

[2] Allowance for Bonuses

The Company provides allowance for bonuses for employees and exective officers not directors based on the estimated amount of payment in the current consolidated year.

[3] Provision for directors' bonuses

The Company provides allowance for bonuses for Directors based on the estimated amount of payment in the current consolidated 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.

(4) Basis of translation of significant assets and liabilities denominated in foreign currencies into Japanese yen

Monetary receivables and payables denominated in foreign currencies are translated into yen using the prevailing spot exchange rate on the consolidated balance sheet date and any exchange differences are accounted for as profit or loss. Assets and liabilities of overseas subsidiaries are translated into yen at the prevailing spot rate at the balance sheet date of subsidiaries. The profit and loss of consolidated subsidiaries are translated into yen at the average spot rate during the period and any exchange differences are recorded as foreign currency translation and adjustment under net assets.

(5) Cash and cash equivalent in the consolidated statement of cash flow

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.

(6) Other significant matters for the preparation of consolidated financial statements

Accounting for consumption taxes

Consumption taxes are excluded from the revenue and expense accounts which are subject to taxes.

(Changes in accounting policies)

(Change in depreciation method)

Accompanying the revision to the Corporation Tax Law, from the current fiscal year the Company has changed the depreciation method it applies to tangible fixed assets acquired on or after April 1, 2012 to a depreciation method based on the revised Corporate Tax Law.

The impact that this change has on the Company’s profit and loss is immaterial.

(Unapplied accounting standards etc.)

-"Accounting Standard for Retirement Benefits" (ASBJ Statement No. 26, May 17, 2012)

-"Guidance on Accounting Standard for Retirement Benefits" (ASBJ Statement No. 25, May 17, 2012)

(1) Outline

These accounting standards were revised mainly to enhance ways of handling differences in unrecognized actuarial values and unrecognized prior service cost, and methods of disclosing and calculating retirement benefit obligations and service costs. The revisions were done from the viewpoint of improving financial reporting and in light of international trends.

(2) Planned application date

The plan is to apply the revised standards from the end of the fiscal year ending March 31, 2014. However, the revised standard that relates to the method of calculating retirement benefit obligations and service cost is expected to be applied from the beginning of the fiscal year ending March 31, 2015.

(3) Effect of adopting the accounting standards, etc.

We are currently assessing the amount of the effect at the time of creating these consolidated financial statements.

(Changes in the presentation of the financial statements)

(Consolidated statements of income)

In the previous fiscal year, "Proceeds from sale of prototypes, etc.", which was included in "Other" in "Non-operating income," exceeded 10% of total non-operating income, and hence it is to be reported separately from the current consolidated fiscal year. To reflect this change in the display method, we have reclassified the consolidated financial statements of the previous fiscal year.

As a result, with regards to the amount of 14,072 thousand yen that was shown in "Other" in "Non-operating income" in the consolidated statements of income for the previous fiscal year, the amount of 3,470 thousand yen has been reclassified as "Proceeds from sale of prototypes, etc." while 10,602 thousand yen has been reclassified as "Other."

In the previous fiscal year, "Sales discount," which was included in "Other" in "Non-operating expenses," exceeded 10% of total non-operating income, and hence it is to be reported separately from the current consolidated fiscal year. To reflect this change in the display method, we have reclassified the consolidated financial statements of the previous fiscal year.

As a result, with regards to the amount of 6,577 thousand yen that was shown in "Other" in "Non-operating expenses" in the consolidated statements of income for the previous fiscal year, the amount of 4,611 thousand yen has been reclassified as "Sales discount" while 1,966 thousand yen has been reclassified as "Other."

(Notes to consolidated balance sheet)

*1 Assets pledged in collateral

	Previous fiscal year (As of March 31, 2012)	Current fiscal year (As of March 31, 2013)
Buildings and structures	13,080 thousand yen	9,840 thousand yen
Machinery, equipment and vehicles	5,065 thousand yen	-
Land	21,159 thousand yen	24,093 thousand yen
Total	39,305 thousand yen	33,933 thousand yen

There is no obligation corresponding to the above pledged assets.

*2 Notes maturing at end of current fiscal year

In accounting for notes maturing at the end of the current fiscal year, we process payments using the date of the notes. Please note that because the last day of the fiscal year under review was a holiday for financial institutions, notes maturing on the last day of the next fiscal year are included in the balance of bills on the last day of the fiscal year under review.

	Previous fiscal year (As of March 31, 2012)	Current fiscal year (As of March 31, 2013)
Notes receivable-trade	19,625 thousand yen	22,881 thousand yen

(Notes to consolidated statements of income)

*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 the following loss on valuation of inventories is included in costs of sales.

Previous fiscal year (April 1, 2011 to March 31, 2012)	Current fiscal year (April 1, 2012 to March 31, 2013)
1,325 thousand yen	1,387 thousand yen

*2 Breakdown of selling, general, and administrative expenses:

	Previous fiscal year (April 1, 2011 to March 31, 2012)	Current fiscal year (April 1, 2012 to March 31, 2013)
Salaries and bonuses	821,677 thousand yen	883,819 thousand yen
Machinery, equipment and vehicles	696,406 thousand yen	740,870 thousand yen
Packing and transportation expenses	308,870 thousand yen	324,949 thousand yen
Provision for allowance for bonuses	79,922 thousand yen	81,301 thousand yen
Provision for directors' bonuses	7,200 thousand yen	11,350 thousand yen

*3 Research and development expenses included in general expenses were as follows.

Previous fiscal year (April 1, 2011 to March 31, 2012)	Current fiscal year (April 1, 2012 to March 31, 2013)
696,406 thousand yen	740,870 thousand yen

*4 Breakdown of profit on sale of fixed assets is as follows:

	Previous fiscal year (April 1, 2011 to March 31, 2012)	Current fiscal year (April 1, 2012 to March 31, 2013)
Machinery, equipment and vehicles	2,204 thousand yen	2,313 thousand yen
Tools, furniture and fixtures	-	584 thousand yen
	2,204 thousand yen	2,898 thousand yen

*5 Breakdown of loss on sale of fixed assets is as follows:

	Previous fiscal year (April 1, 2011 to March 31, 2012)	Current fiscal year (April 1, 2012 to March 31, 2013)
Machinery, equipment and vehicles	237 thousand yen	1,087 thousand yen
Tools, furniture and fixtures	236 thousand yen	969 thousand yen
Total	474 thousand yen	2,057 thousand yen

*6 Breakdown of loss on sale of fixed assets is as follows:

	Previous fiscal year (April 1, 2011 to March 31, 2012)	Current fiscal year (April 1, 2012 to March 31, 2013)
Buildings and structures	115 thousand yen	1,304 thousand yen
Machinery, equipment and vehicles	3,946 thousand yen	3,095 thousand yen
Tools, furniture and fixtures	207 thousand yen	134 thousand yen
“Other” in investment and other assets	26 thousand yen	-
Fixed asset removal costs	-	6,292 thousand yen
Total	4,296 thousand yen	10,827 thousand yen

*7 Impairment loss

Previous consolidated fiscal year (April 1, 2011 to March 31, 2012)

In the consolidated fiscal year under review, the Company posted an impairment loss of 57,000 thousand yen as an extraordinary loss for the following assets.

Place	Use	Type	Amount
Amagasaki City, Hyogo Prefecture	Idle assets	Land	57,000 thousand yen

(Reason for the recognition of impairment losses)

Some land became an idle asset because of the cancellation of the plan to build a new plant. This land is currently unused, and there are no concrete plans to use it for business. Thus, we reduced its book value to the recoverable amount. The recoverable amount is based on the amount shown in a report produced by real estate appraisers.

(Method of grouping assets)

In principle, assets are grouped on the basis of their production and sales system and by reportable segment, while idle assets are grouped in units of individual properties.

Current consolidated fiscal year (April 1, 2012 to March 31, 2013)

N/A

(Matters related to consolidated statement of comprehensive income)

* Amount of reclassification adjustment and tax effect amount pertaining to other comprehensive income

	Previous fiscal year (April 1, 2011 to March 31, 2012)	Current fiscal year (April 1, 2012 to March 31, 2013)
Valuation difference on available-for-sale securities:		
Amount arising in the current fiscal year under review	(79,939 thousand yen)	(29,082 thousand yen)
Amount of reclassification adjustment	41,328	-
Before income tax effect	(38,611)	(29,082)
Income tax effect	19,668	10,350
Valuation difference on available-for-sale securities	(18,943)	(18,731)
Foreign currency translation and adjustment:		
Amount arising in the current fiscal year under review	(129,376)	495,491
Other comprehensive income	(148,320)	476,759

(Matters related to consolidated statement of changes in shareholders' equity)

Previous fiscal year (April 1, 2011 to March 31, 2012)

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

	Number of shares at the beginning of the current 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	20,071,093	-	-	20,071,093
Total	20,071,093	-	-	20,071,093
Treasury stock				
Common stock	-	34	-	34
Total	-	34	-	34

Note: 1 Treasury stock increased by 34 common shares due to the purchase of shares of less than one unit.

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
May 25, 2011 Board of directors' meeting	Common stock	280,995	14	March 31, 2011	June 8, 2011
October 31, 2011 Board of directors' meeting	Common stock	80,284	4	September 30, 2010	December 6, 2011

(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
May 23, 2012 Board of directors' meeting	Common stock	80,284	Retained earnings	4	March 31, 2012	June 5, 2012

Current fiscal year (April 1, 2012 to March 31, 2013)

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

	Number of shares at the beginning of the current 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	20,071,093	-	-	20,071,093
Total	20,071,093	-	-	20,071,093
Treasury stock				
Common stock	34	-	-	34
Total	34	-	-	34

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
May 23, 2012 Board of directors' meeting	Common stock	80,284	4	March 31, 2012	June 5, 2012
October 31, 2012 Board of directors' meeting	Common stock	80,284	4	September 30, 2012	December 4, 2012

(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
May 23, 2013 Board of directors' meeting	Common stock	120,426	Retained earnings	6	March 31, 2013	June 4, 2013

(Consolidated statement of cash flow)

*Reconciliation of cash and cash equivalents at the end of the fiscal year with the consolidated balance sheet accounts

	Previous fiscal year (April 1, 2011 to March 31, 2012)	Current fiscal year (April 1,2012 to March 31,2013)
Cash and deposits	2,827,517 thousand yen	2,708,651 thousand yen
Less: Time deposits with maturities extending over three months	(1,009,688 thousand yen)	(959,242 thousand yen)
Cash and cash equivalents	1,817,828 thousand yen	1,749,409 thousand yen

(Omission of disclosure)

The Company has omitted notes on transactions of financial instruments, securities, derivatives, asset retirement obligations, and real estate for rent because their disclosure in this financial review is not considered necessary.

(Retirement benefit)

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:

[1] Funded status of the whole scheme as of March 31, 2013

	As of March 31, 2011	As of March 31, 2012
Plan assets (thousands of yen)	47,907,547	45,788,970
Benefit obligation based on the calculation of pension financing in the scheme (thousands of yen)	49,265,064	53,682,857
Net amount (thousands of yen)	(1,357,517)	(7,893,887)

[2] Percentage of the Company’s salaries of the whole scheme

1.492% (April 1, 2010 to March 31, 2011)

1.557% (April 1, 2011 to March 31, 2012)

[3] Supplemental information

The net amount in [1] above was mainly due to a surplus (585,117 thousand yen in the previous fiscal year and 585,117 thousand yen in the current fiscal year), an insufficient amount of money calculated in a pension calculation (— thousand yen in the previous fiscal year and 6,883,526 thousand yen in the current fiscal year), and a prior service obligation balance (1,942,634 thousand yen in the previous fiscal year and 1,595,477 thousand yen in the current fiscal year). The method of amortizing past service liability in this system is to evenly amortize the principal and interest over a period of 6 years and 4 months, and in the Company’s consolidated financial statements for the fiscal year ended March 31, 2013, we processed a special premium of 6,493 thousand yen in the previous fiscal year and we are processing cost in the amount of 6,684 thousand yen for the current fiscal year.

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

	Previous fiscal year As of March 31, 2012	Current fiscal year As of March 31, 2013
(1) Retirement benefit obligation	(920,735 thousand yen)	(1,058,215 thousand yen)
(2) Plan assets	710,163 thousand yen	939,707 thousand yen
(3) Unfunded projected benefit obligation (1) + (2)	(210,572 thousand yen)	(118,508thousand yen)
(4) Unrecognized actuarial gain and loss	12,074 thousand yen	(37,866 thousand yen)
(5) Unrecognized prior service cost	89,697 thousand yen	70,813 thousand yen
(6) Allowance for retirement benefit	(108,800thousand yen)	(86,561thousand yen)

3 Breakdown of retirement benefit obligation

	Previous fiscal year (As of March 31, 2012)	Current fiscal year (As of March 31, 2013)
(1) Service cost	77,864 thousand yen	77,899 thousand yen
(2) Interest cost on projected benefit obligations	16,858 thousand yen	17,179 thousand yen
(3) Expected return on plan assets	(9,361thousand yen)	(7,101thousand yen)
(4) Actuarial gain and loss	12,303 thousand yen	2,487 thousand yen
(5) Amortization of prior service cost	18,883 thousand yen	18,883 thousand yen
Subtotal	116,548 thousand yen	109,348 thousand yen
(6) Contribution to Employees' Pension Fund	33,594 thousand yen	33,803 thousand yen
(7) Contribution to defined contribution plans of consolidated subsidiaries	15,361 thousand yen	20,244 thousand yen
Total retirement benefit obligation	165,504 thousand yen	163,395 thousand yen

4 Basis of calculation of retirement benefit obligation

(1) Assumed discount rate

Previous fiscal year (April 1, 2011 to March 31, 2012)	Current fiscal year (April 1, 2012 to March 31, 2013)
2.0%	1.0%

(2) Expected rate of return

Previous fiscal year (April 1, 2011 to March 31, 2012)	Current fiscal year (April 1, 2012 to March 31, 2013)
1.5%	1.0%

(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)

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

(Current assets)

	Previous fiscal year (As of March 31, 2012)	Current fiscal year (As of March 31, 2013)
Deferred tax assets		
Allowance for bonuses	49,927 thousand yen	50,221 thousand yen
Accrued enterprise tax	1,708 thousand yen	17,499 thousand yen
Social insurance premiums	7,001 thousand yen	7,450 thousand yen
Carry forward of foreign tax credits	27,300 thousand yen	5,500 thousand yen
Unrealized income on inventory assets	275 thousand yen	51,469 thousand yen
Other	12,640 thousand yen	33,699 thousand yen
Total deferred tax assets	98,853 thousand yen	165,840 thousand yen
Deferred tax liabilities		
Foreign exchange gains regarding overseas subsidiaries	1,984 thousand yen	313 thousand yen
Other	877 thousand yen	30 thousand yen
Total deferred tax liabilities	2,861 thousand yen	344 thousand yen
Deferred tax assets, net	95,991 thousand yen	165,496 thousand yen

The total net amount of deferred tax assets (95,991 thousand yen in the previous fiscal year and 165,496 thousand yen in the current fiscal year) is included in the following items in the consolidated balance sheet.

	Previous fiscal year (As of March 31, 2012)	Current fiscal year (As of March 31, 2013)
Current assets - deferred tax assets	97,346 thousand yen	165,496 thousand yen
Current liabilities - deferred tax liabilities	1,354 thousand yen	-

(Fixed Assets)

	Previous fiscal year (As of March 31, 2012)	Current fiscal year (As of March 31, 2013)
Deferred tax assets		
Unpaid directors' retirement benefits	15,150 thousand yen	5,096 thousand yen
Allowance for doubtful accounts	4,096 thousand yen	4,075 thousand yen
Provision for retirement benefits	38,722 thousand yen	30,451 thousand yen
Sales promotion expenses	4,403 thousand yen	1,051 thousand yen
Carry forward of foreign tax credits	120,900 thousand yen	44,000 thousand yen
Impairment loss	189,808 thousand yen	189,808 thousand yen
Other	6,423 yen	8,154 thousand yen
Subtotal	379,504 thousand yen	282,638 thousand yen
Valuation allowance	(289,998 thousand yen)	(235,162 thousand yen)
Total deferred tax assets	89,506 thousand yen	47,475 thousand yen
Deferred tax liabilities		
Valuation difference on available-for-sale securities	28,110 thousand yen	17,760 thousand yen
Retained earnings of overseas subsidiaries	423,572 thousand yen	272,220 thousand yen
Other	195 thousand yen	33 thousand yen
Total deferred tax liabilities	451,878 thousand yen	290,014 thousand yen
Deferred tax liabilities, net	362,372 thousand yen	242,539 thousand yen

The total net amount of deferred tax liabilities (362,372 thousand yen in the previous fiscal year and 242,539 thousand yen in the current fiscal year) is included in the following items in the consolidated balance sheet.

	Previous fiscal year (As of March 31, 2012)	Current fiscal year (As of March 31, 2013)
Fixed assets - deferred tax assets	1,193 thousand yen	4,092 thousand yen
Fixed liabilities - deferred tax liabilities	363,566 thousand yen	246,631 thousand yen

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

	Previous fiscal year (As of March 31, 2012)	Current fiscal year (As of March 31, 2013)
Effective statutory rate	40.6%	We have omitted any note because the difference between the tax rate after application of tax effect accounting and statutory tax rate is not more than 5% of the statutory tax rate.
(Reconciliation)		
Permanent difference including entertainment and social expenses	0.9%	
Inhabitant tax on per capita basis	0.2%	
Special tax deductions on research and development costs	(0.0%)	
Foreign tax deductions	7.6%	
Foreign tax credit	9.8%	
Decrease in deferred tax assets due to tax rate changes	6.2%	
Effect of revision to income taxes for prior periods	44.8%	
Retained earnings of overseas subsidiaries	(2.1%)	
Increase (decrease) in valuation	(4.9%)	
Unrecognized deferred tax asset or liability relating to unrealized profit	4.2%	
Differences from overseas taxation	(22.8%)	
Other	6.1%	
Rates of income taxes after application of deferred tax accounting	90.6%	

(Segment information)

【Information by operating segment】

1. Overview of reportable segments

The Company's reportable segments are those for which financial information on the Company's separate units is available and such information is used by the Board of Directors to decide how to allocate management resources and to evaluate achievements. Thus, they are subject to regular reviews.

The Company's Group mainly manufactures and sells chemicals involved in manufacturing PCBs. The Company is located in Japan. Overseas, it has bases in Taiwan, Hong Kong, China, and Europe (mainly Germany, Italy, and Austria). These are respectively overseen by MEC TAIWAN COMPANY LTD.; MEC (HONG KONG) LTD.; MEC FINE CHEMICAL (ZHUHAI) LTD.; MEC CHINA SPECIALTY PRODUCTS (SUZHOU) CO., LTD.; and MEC EUROPE NV. Each local corporation is an independent business unit. They formulate comprehensive strategies for each region with regards to the products they handle, and expand their business activities.

Therefore, the Company's Group consists of segments that are separated on the basis of their regional production and marketing systems. There are five reportable segments: Japan, Taiwan, Hong Kong (Hong Kong, Zhuhai), China (Suzhou), and Europe.

2. Method of calculating net sales, profit or loss, assets, liabilities and other items by reportable segment

The method of accounting treatment used for reportable business segments is approximately the same as that stated in "Basis of preparation and summary of significant accounting policies for the preparation of consolidated financial statements."

Figures for the profits at reportable segments are based on operating income (before goodwill amortization).

Inter-segment revenue and transfers are based on current market prices.

3. Method of calculating net sales, profit or loss, assets, liabilities and other items by reportable segment

Previous fiscal year (April 1, 2011 to March 31, 2012)

(in thousands of yen)

	Reportable segment					Total
	Japan	Taiwan	Hong Kong	China	Europe	
Net sales						
Sales to external customers	3,571,748	978,298	586,206	583,887	566,778	6,286,918
Inter-segment sales and transfers	768,659	15,839	489	2,729	-	787,717
Total	4,340,408	994,138	586,695	586,616	566,778	7,074,636
Segment profit	47,321	371,796	114,099	180,677	56,116	770,011
Segment assets	8,737,129	2,583,281	874,321	993,095	355,410	13,543,238
Other items						
Depreciation and amortization	191,612	40,229	16,239	22,619	16,467	287,169
Increase in property, plant and equipment and intangible assets	154,995	65,298	70,592	19,109	8,523	318,519

Current fiscal year (April 1, 2012 to March 31, 2013)

(in thousands of yen)

	Reportable segment					Total
	Japan	Taiwan	Hong Kong	China	Europe	
Net sales						
Sales to external customers	3,943,946	1,085,929	558,202	664,809	451,081	6,703,970
Inter-segment sales and transfers	1,032,704	5,126	961	259	31,550	1,070,603
Total	4,976,651	1,091,056	559,164	665.069	482,632	7,774,573
Segment profit	511,183	153,239	92,776	191,484	35,430	984,114
Segment assets	8,029,818	1,819,031	849,445	1,171,400	411,672	12,281,367
Other items						
Depreciation and amortization	183,114	58,103	21,414	25,171	11,864	299,668
Increase in property, plant and equipment and intangible assets	276,812	47,000	11,563	22,317	8,039	365,733

4. Differences between the total amount at reportable segments and the amount stated in the consolidated financial statements, and main details of such differences (matters concerning reconciliation)

(in thousands of yen)

Net sales	Previous fiscal year	Current fiscal year
Reportable segment total	7,074,636	7,774,573
Intersegment eliminations	(787,717)	(1,070,603)
Sales stated in the Consolidated Financial Statements	6,286,918	6,703,970

(in thousands of yen)

Profit	Previous fiscal year	Current fiscal year
Reportable segment total	770,011	984,114
Intersegment eliminations	(36,778)	(66,351)
Operating income in the Consolidated Financial Statements	733,233	917,763

(in thousands of yen)

Assets	Previous fiscal year	Current fiscal year
Reportable segment total	13,543,238	12,281,367
Intersegment eliminations	(3,490,552)	(1,397,645)
Total assets in the Consolidated Financial Statements	10,052,686	10,883,722

(in thousands of yen)

Other items	Reportable segment total		Adjustment		Amount stated in the Consolidated Financial Statements	
	Previous fiscal year	Current fiscal year	Previous fiscal year	Current fiscal year	Previous fiscal year	Current fiscal year
Depreciation and amortization	287,169	299,668	(14)	(14)	281,154	299,653
Increase in property, plant and equipment and intangible assets	318,519	365,733	-	-	318,519	365,733

【Related Information】

Previous fiscal year (April 1, 2011 to March 31, 2012)

1. Information by product and by service

Because there is a single category of products and services, information by product or by service is omitted.

2. Information by geographical segment

(1) Net sales

(in thousands of yen)

Japan	Taiwan	China	Other	Total
3,324,530	976,260	1,170,793	815,334	6,286,918

Note: Net sales to customers are based on location, and are classified by country or region.

(2) Tangible fixed assets

(in thousands of yen)

Japan	Taiwan	Hong Kong	China	Europe	Total
3,364,563	611,134	173,343	267,325	48,151	4,464,518

3. Information on each major customer

Of sales to external customers, because there is no destination for 10% or more of net sales in the consolidated statements of income, the statement of such has been omitted in this material.

Current fiscal year (April 1, 2012 to March 31, 2013)

1. Information by product and by service

Because there is a single category of products and services, information by product or by service is omitted.

2. Information by geographical segment

(1) Net sales

(in thousands of yen)

Japan	Taiwan	China	Other	Total
3,624,951	1,077,258	1,223,011	778,747	6,703,970

Note: Net sales to customers are based on location, and are classified by country or region.

(2) Tangible fixed assets

(in thousands of yen)

Japan	Taiwan	Hong Kong	China	Europe	Total
3,453,899	699,180	177,311	297,664	50,663	4,678,718

3. Information on each major customer

Of sales to external customers, because there is no destination for 10% or more of net sales in the consolidated statements of income, the statement of such has been omitted in this material.

【Information on impairment of fixed assets by reportable segment】

Previous consolidated fiscal year (April 1, 2011 to March 31, 2012)

(in thousands of yen)

	Japan	Taiwan	Hong Kong	China	Europe	Total
Impairment loss	57,000	-	-	-	-	57,000

Current consolidated fiscal year (April 1, 2012 to March 31, 2013)

N/A

[Information on amortized and unamortized goodwill by reportable segment]

N/A

[Information on gain on negative goodwill by reportable segment]

N/A

(Per share information)

Item	Net assets per share (April 1, 2011 to March 31, 2012)	Current fiscal year (April 1, 2012 to March 31, 2013)
Net assets per share	384.95 yen	431.94 yen
Net income per share	2.94 yen	31.24 yen

Note: 1 Information of diluted net income per share is omitted because of no issue of potential stocks.

2 The basis for the calculation of net income per share is as follows.

Item	Previous fiscal year (April 1, 2011 to March 31, 2012)	Current fiscal year (April 1, 2012 to March 31, 2013)
Net income (thousands of yen)	58,976	626,956
Amount not available for common shareholders (thousands of yen)	-	-
Net profit available for common stocks (thousands of yen)	58,976	626,956
Weighted-average number of common shares outstanding during the year (shares)	20,071,067	20,071,059

(Important subsequent events)

N/A

5. Non-consolidated Financial Statements

(1) Balance Sheet

(in thousands of yen)

	Previous fiscal year (March 31, 2012)	Current fiscal year (March 31, 2013)
ASSETS		
Current assets		
Cash and deposits	1,090,722	1,134,973
Notes receivable-trade	214,058	503,827
Accounts receivable-trade	994,895	1,027,396
Merchandise and finished goods	87,395	76,635
Raw materials and supplies	116,163	157,626
Prepaid expenses	16,074	16,160
Deferred tax assets	89,678	112,842
Accounts receivable-other	1,555,071	395,922
Other	6,075	3,037
Allowance for doubtful accounts	(5,010)	(860)
Total current assets	4,165,125	3,427,562
Noncurrent assets:		
Property, plant and equipment		
Buildings	1,885,625	2,008,455
Accumulated depreciation	(1,141,172)	(1,193,575)
Buildings, net	744,452	814,879
Structures	164,261	174,398
Accumulated depreciation	(129,563)	(132,147)
Structures, net	34,698	42,250
Machinery and equipment	1,127,737	1,157,899
Accumulated depreciation	(942,237)	(949,512)
Machinery and equipment, net	185,500	208,386
Vehicles	52,446	53,756
Accumulated depreciation	(42,872)	(43,029)
Vehicles, net	9,573	10,727
Tools, furniture and fixtures	375,769	370,072
Accumulated depreciation	(330,687)	(328,151)
Tools, furniture and fixtures, net	45,082	41,921
Land	2,317,036	2,317,036
Construction in progress	28,248	18,712
Total property, plant and equipment	3,364,592	3,453,913
Intangible assets:		
Leasehold right	29,380	29,380
Software	15,533	13,100
Other	2,254	2,170
Total intangible assets	47,167	44,651

(in thousands of yen)

	Previous fiscal year (March 31, 2012)	Current fiscal year (March 31, 2013)
Investments and other assets		
Investment securities	352,697	332,591
Stocks of subsidiaries and affiliate	687,983	687,935
Investments in capital	5	5
Claims provable in bankruptcy, claims provable in rehabilitation and other	17,897	15,388
Long-term prepaid expenses	1,255	1,388
Deferred tax assets	60,106	25,595
Other	58,197	56,176
Allowance for doubtful accounts	(17,897)	(15,388)
Total investments and other assets	1,160,243	1,103,691
Total noncurrent assets	4,572,004	4,602,256
Total assets	8,737,129	8,029,818
LIABILITIES		
Current liabilities:		
Notes payable-trade	336,699	414,943
Accounts payable-trade	136,409	145,624
Short-term loans payable	480,000	240,000
Current portion of long-term loans payable to subsidiaries and affiliates	996,429	-
Accounts payable-other	191,618	137,823
Accrued expenses	47,489	40,592
Income taxes payable	35,670	185,660
Deposits received	22,951	19,498
Provision for bonuses	131,525	132,302
Provision for directors' bonuses	7,200	11,350
Notes payable-facilities	26,213	111,297
Other	3,471	4,066
Total current liabilities	2,415,678	1,443,159
Noncurrent liabilities:		
Provision for retirement benefits	108,800	85,561
Asset retirement obligations	3,327	3,379
Other	49,512	21,272
Total noncurrent liabilities	161,640	110,212
Total Liabilities	2,577,319	1,553,372

(in thousands of yen)

	Previous fiscal year (March 31, 2012)	Current fiscal year (March 31, 2013)
NET ASSETS		
Shareholders' equity:		
Capital stock	594,142	594,142
Capital surplus		
Legal capital surplus	446,358	446,358
Total capital surpluses	446,358	446,358
Retained earnings		
Legal retained earnings	63,557	63,557
Other retained earnings		
General reserve	3,900,000	4,500,000
Retained earnings brought forward	1,104,190	839,557
Total retained earnings	5,067,747	5,403,115
Treasury stock	(12)	(12)
Total shareholders' equity	6,108,235	6,443,603
Valuation and translation adjustments:		
Valuation difference on available-for-sale securities	51,574	32,842
Total valuation and translation adjustments	51,574	32,842
Total net assets	6,159,810	6,476,446
Total liabilities and net assets	8,737,129	8,029,818

(2) Statement of income

(in thousands of yen)

	Previous fiscal year (April 1, 2011 to March 31, 2012)	Current fiscal year (April 1, 2012 to March 31, 2013)
Net sales		
Net sales of finished goods	3,715,947	4,359,423
Net sales of goods	344,318	263,096
Other sales	280,141	354,131
Total net sales	4,340,408	4,976,651
Cost of sales		
Cost of finished goods sold		
Beginning finished goods	95,605	85,195
Purchase of finished goods	158,660	193,863
Cost of products manufactured	1,244,544	1,391,304
Transfer from other account	8,688	2,062
Total	1,507,497	1,672,424
Finished goods transfer to other account	16,177	20,284
Ending finished goods	85,195	76,481
Cost of finished goods sold	1,406,124	1,575,659
Cost of goods sold		
Beginning goods	433	-
Purchase of goods	321,778	244,758
Goods transfer from other account	173	-
Total	322,385	244,758
Cost of goods sold	322,385	244,758
Other cost	103,676	103,676
Total cost of sales	1,832,186	1,832,186
Gross profit	2,508,221	2,508,221
Selling, general and administrative expenses		
Packing and transportation expenses	218,214	218,214
Provision of allowance for doubtful accounts	(8,882)	(8,882)
Directors' compensations	95,970	95,970
Salaries and bonuses	612,741	612,741
Provision for bonuses	79,922	79,922
Provision for directors' bonuses	7,200	7,200
Retirement benefit expenses	86,102	86,102
Traveling and transportation expenses	136,344	136,344
Depreciation and amortization	31,147	31,147
Research and development expenses	696,406	696,406
Consulting expenses	117,807	117,807
Other	387,923	387,923
Total selling, general and administrative expenses	2,460,899	2,460,899
Operation income	47,321	47,321

(in thousands of yen)

	Previous fiscal year (April 1, 2011 to March 31, 2012)	Current fiscal year (April 1, 2012 to March 31, 2013)
Non-operating income		
Interest income	102	99
Dividends income	1,563,537	412,791
Other	9,480	23,023
Total non-operating income	1,573,121	435,914
Non-operating expenses:		
Interest expenses	25,784	4,641
Provision of allowance for doubtful accounts	15,100	-
Loss on valuation of investment securities	41,328	-
Foreign exchange losses	25,178	21,520
Other	258	698
Total non-operating expenses	107,650	26,860
Ordinary income	1,512,792	920,238
Extraordinary income:		
Gain on sales of noncurrent assets	84	12
Surrender value of insurance	2,744	1,571
Total extraordinary income	2,828	1,584
Extraordinary loss:		
Loss on sales of noncurrent assets	237	1,010
Loss on retirement of noncurrent assets	4,254	10,778
Impairment loss	57,000	-
Total extraordinary loss	61,492	11,788
Income (loss) before income taxes	1,454,129	910,034
Income taxes-current	73,600	392,400
Tax payment or tax refund arising from correction of tax system and revision order	284,663	-
Income taxes-deferred	43,028	21,698
Total income taxes	401,292	414,098
Net income (loss)	1,052,836	495,936

(3) Statements of changes in net assets

(in thousands of yen)

	Previous fiscal year (April 1, 2011 to March 31, 2012)	Current fiscal year (April 1, 2012 to March 31, 2013)
Shareholders' equity		
Capital stock		
Balance at the beginning of current period	594,142	594,142
Changes of items during the period		
Total changes of items during the period	-	-
Balance at the end of current period	594,142	594,142
Capital surplus		
Legal capital surplus		
Balance at the beginning of current period	446,358	446,358
Changes of items during the period		
Total changes of items during the period	-	-
Balance at the end of current period	446,358	446,358
Total capital surpluses		
Balance at the beginning of current period	446,358	446,358
Changes of items during the period		
Total changes of items during the period	-	-
Balance at the end of current period	446,358	446,358
Retained earnings		
Legal retained earnings		
Balance at the beginning of current period	63,557	63,557
Changes of items during the period		
Total changes of items during the period	-	-
Balance at the end of current period	63,557	63,557
Other retained earnings		
General reserve		
Balance at the beginning of current period	4,500,000	3,900,000
Changes of items during the period		
Provision of general reserve	-	600,000
Reversal of general reserve	(600,000)	-
Total changes of items during the period	(600,000)	600,000
Balance at the end of current period	3,900,000	4,500,000
Retained earnings brought forward		
Balance at the beginning of current period	(187,367)	1,104,190
Changes of items during the period		
Provision of general reserve	-	(600,000)
Reversal of general reserve	600,000	-
Dividends from surplus	(361,279)	(160,568)
Net income (loss)	1,052,836	495,936
Total changes of items during the period	1,291,557	(264,632)
Balance at the end of current period	1,104,190	839,557

(in thousands of yen)

	Previous fiscal year (April 1, 2011 to March 31, 2012)	Current fiscal year (April 1, 2012 to March 31, 2013)
Total retained earnings		
Balance at the beginning of current period	4,376,190	5,067,747
Changes of items during the period		
Provision of general reserve	-	-
Reversal of general reserve	-	-
Dividends from surplus	(361,279)	(160,568)
Net income (loss)	1,052,836	495,936
Total changes of items during the period	691,557	335,367
Balance at the end of current period	5,067,747	5,403,115
Treasury stock		
Balance at the beginning of current period	-	(12)
Changes of items during the period		
Purchase of treasury stock	(12)	-
Total changes of items during the period	(12)	-
Balance at the end of current period	(12)	(12)
Total shareholders' equity		
Balance at the beginning of current period	5,416,691	6,108,235
Changes of items during the period		
Dividends from surplus	(361,279)	(160,568)
Net income (loss)	1,052,836	495,936
Purchase of treasury stock	(12)	-
Total changes of items during the period	691,544	335,367
Balance at the end of current period	6,108,235	6,443,603
Valuation and translation adjustments:		
Valuation difference on available-for-sale securities		
Balance at the beginning of current period	70,517	51,574
Changes of items during the period		
Net changes of items other than shareholders' equity	(18,943)	(18,731)
Total changes of items during the period	(18,943)	(18,731)
Balance at the end of current period	51,574	32,842
Total valuation and translation adjustments		
Balance at the beginning of current period	70,517	51,574
Changes of items during the period		
Net changes of items other than shareholders' equity	(18,943)	(18,731)
Total changes of items during the period	(18,943)	(18,731)
Balance at the end of current period	51,574	32,842

(in thousands of yen)

	Previous fiscal year (April 1, 2011 to March 31, 2012)	Current fiscal year (April 1, 2012 to March 31, 2013)
Total net assets		
Balance at the beginning of current period	5,487,209	6,159,810
Changes of items during the period		
Dividends from surplus	(361,279)	(160,568)
Net income (loss)	1,052,836	495,936
Purchase of treasury stock	(12)	-
Net changes of items other than shareholders' equity	(18,943)	(18,731)
Total changes of items during the period	672,601	316,635
Balance at the end of current period	6,159,810	6,476,446

(4) Notes to Non-Consolidated Financial Statements

(Notes on the premise of a going concern)
N/A.

6. Other

(1) Conditions of production, orders received and sales

[1] Results of production

Results of production by segment for the consolidated fiscal year under review were as follows.

Segment name	Current fiscal year (April 1, 2012 to March 31, 2013)	
	Amount (thousand yen)	Comparison with the previous year (%)
Japan	1,391,304	111.8
Taiwan	552,743	151.0
Hong Kong (Hong Kong, Zhuhai)	259,001	99.4
China (Suzhou)	301,083	121.9
Europe	147,822	88.2
Total for reportable segments	2,651,954	116.0

Notes: 1 Monetary amounts are manufacturing costs of chemicals for printed circuit boards and are amounts before intracompany transfers between segments.

2 The above figures do not include consumption taxes.

[2] Results of orders

The products of the Company's Group are mainly produced for stock replenishment and the percentage of made-to-order products to total sales is negligible. Therefore, figures for orders are omitted.

[3] Results of sales

Results of sales by segment for the consolidated fiscal year under review are as follows:

Segment name	Current fiscal year (April 1, 2012 to March 31, 2013)	
	Amount (thousand yen)	Comparison with the previous year (%)
Japan	3,943,946	110.4
Taiwan	1,085,929	111.0
Hong Kong (Hong Kong, Zhuhai)	558,202	95.2
China (Suzhou)	664,809	113.9
Europe	451,081	79.6
Total for reportable segment	6,703,970	106.6

Notes: 1 Inter-segment transactions have been eliminated.

2 There is no customer for which the Company sells not less than 10% of the total sales amount.

3 The above figures do not include consumption taxes.

(2) Transfer of Directors

[1] Change of Representative Director

N/A

[2] Change of Other Directors

- Candidates for New Directors

  Director, Executive Operating Officer, Director of Operational Unit, Managing Director of MEC TAIWAN COMPANY LTD. Makoto NAGAI

- Scheduled to retire from post of Director

  N/A

- Candidate for New Auditor (Outside Auditor)

  N/A

- Scheduled to retire from the post of Auditor

  N/A

- Scheduled to retire from the post of Operating Officer

  Taro MATSUSHITA (scheduled to become Officer of Finance & Administration Unit)
  Hidetoshi NARITA (scheduled to become Advisor)
  Hatsuhiro MINAHARA (scheduled to become Officer of Research and Development Unit)

- Other transfers

  Kazuo MAEDA (scheduled to become Director of MEC CHINA SPECIALTY PRODUCTS (SUZHOU) CO., LTD)
  Hidetoshi NARITA (scheduled to retire from post of Director of the board of MEC CHINA SPECIALTY PRODUCTS (SUZHOU) CO., LTD)

[3] Scheduled date of transfer

June 21, 2013