

**Consolidated Financial Results for the First Quarter of the Fiscal Year Ending March 31, 2014
[Japanese Standard] (consolidated)**

July 31, 2013
Stock Exchange Listing: TSE

Company Name: MEC COMPANY LTD.
Securities Code: 4971 URL <http://www.mec-co.com/>
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Scheduled date for submitting quarterly reports: August 9, 2013

Commencement Date of Dividend Payment (Scheduled): -

Creation of reference materials supplementary to the quarterly results: Yes

Holding of briefing sessions regarding the quarterly results: Yes (for institutional investors)

(Amounts less than one million yen have been disregarded)

1. Consolidated financial results (April 1, 2013 - June 30, 2013)

(1) Financial results

Note: Percentages indicate year-on-year changes for quarter.

	Net sales		Operating income		Ordinary income		Net income for quarter	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Three months ended June 30, 2013	1,737	11.0	203	11.8	257	50.9	165	26.1
Three months ended June 30, 2012	1,564	(10.1)	181	(36.6)	170	(38.0)	131	-

(Note) Comprehensive: June 30, 2013: 422 million yen (26.1 %) June 30, 2012: 334 million yen (— %)

	Net income per share for quarter	Diluted net income per share for quarter	
	Yen	Yen	Yen
Three months ended June 30, 2013	8.25	—	—
Three months ended June 30, 2012	6.55	—	—

(2) Financial position

	Total assets	Net assets	Equity ratio	Book value per share
	Millions of yen	Millions of yen	%	Yen
June 30, 2013	10,927	8,971	82.1	446.97
March 31, 2013	10,883	8,669	79.7	431.94

(Note) Shareholders' equity: June 30, 2013: 8,971 million yen March 31, 2013: 8,669 million yen

2. Dividends

	Annual dividend				
	1Q	2Q	3Q	4Q	Annual
	Yen	Yen	Yen	Yen	Yen
Year ended March 31, 2013	—	4.00	—	6.00	10.00
Year ending March 31, 2014	—	—	—	—	—
Year ending March 31, 2014 (forecast)	—	5.00	—	5.00	10.00

(Note) Revision of recently announced dividends forecast: None

3. Consolidated financial forecast for the year ending March 31, 2014 (April 1, 2013 – 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

(Note) Revision of recently announced earnings forecast: None

* Notes

- (1) Changes in important subsidiaries during this quarter (changes to specified subsidiaries accompanying changes in the scope of consolidation): None
 Newly consolidated companies — (company name) Excluded companies — (company name)
- (2) Application of concise accounting procedures or particular accounting procedures in the creation of consolidated financial statements during this quarter: Yes
 Note: For details, please see “Summary of concise accounting procedures or particular accounting procedures” on page 3 of the attached materials.
- (3) Changes of principles, procedures, presentation methods, etc., in accounting procedures
 [1] Changes that accompany amendment of accounting standards, etc.: No
 [2] Changes other than those in [1]: No
 [3] Changes in accounting estimates: No
 [4] Restatements: No
- (4) Number of outstanding shares (Common shares)

[1] Number of outstanding shares at end of term (including treasury stock)	Three months ended June 30, 2013	20,071,093 shares	Year ended March 31, 2013	20,071,093 shares
[2] Number of treasury stock at end of term	Three months ended June 30, 2013	34 shares	Year ended March 31, 2013	34 shares
[3] Average number of shares during term (Quarterly consolidated year to date)	Three months ended June 30, 2013	20,071,059 shares	Three months ended June 30, 2012	20,071,059 shares

* Presentation of implementation status of procedures for the quarterly review

These Consolidated Financial Results for the First Quarter are outside the scope of procedures for quarterly review covered by the Financial Instruments and Exchange Act. Thus, at the time of announcing these Consolidated Financial Results for the First Quarter, we have not yet to complete the procedures for quarterly review covered by the Financial Instruments and Exchange Act

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

Earnings forecasts have been created based on the available information as of the date of announcing this material and certain assumptions that are judged to be rational and a commitment to the achievement. Actual results may differ from the forecast figures for a variety of reasons. For details of the earnings forecasts, refer to “Qualitative information on consolidated earnings forecasts” on page 2.

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1. Qualitative information regarding consolidated results for this quarter

(1) Analysis of results of operations

In the world economy in the consolidated first quarter under review (April 1, 2013 to June 30, 2013), although there was economic stagnation and a sense of insecurity in areas such as China and Europe, a mild recovery trend was observed and there were signs that the economy had bottomed out. In Japan, the yen weakened and stocks rose because of the economic and monetary easing measures taken by the new administration and there was also a sense of expectation for the government's economic policies. Hence, signs of an economic recovery gradually appeared.

Under these circumstances, the electronics industry saw favorable sales of devices such as smartphones and tablet PCs. However, there have been difficult sales conditions for products such as flat-screen TVs and PCs, and overall no strong demand was observed.

The electronic circuit board industry, including high-density electronic boards, has generally been sluggish. As with the electronics industry, overall we have yet to see a clear recovery trend.

Under these circumstances, the Company's Group has been focused on the development of new products for high-density electronic substrates and development and sale of chemicals for displays to be used in smartphones, tablet PCs, LCD TVs and the like. Also, the Company's Group has poured its efforts into selling and offering technical support for chemicals for high-density electronic substrates to be sold in overseas markets, mainly China and Southeast Asia.

As a result, net sales for the consolidated first quarter under review amounted to 1,737 million yen (up 11.0% year-on-year). Operating income was 203 million yen (up 11.8% year-on-year), ordinary income was 257 million yen (up 50.9% year-on-year), and net income for the quarter was 165 million yen (up 26.1% year-on-year).

(2) Analysis relating to the financial situation

As a result of an increase in cash and deposits and a decrease in notes and accounts receivable, assets came to 10,927 million yen, up 43 million yen year on year.

Also, there was a decrease in income taxes payable and accounts payable and so liabilities came to 1,956 million yen, down 258 million yen year on year.

As a result of an increase in net foreign currency translation adjustments, net assets were 8,971 million yen, up 301 million yen compared with the same period of the previous fiscal year.

As a result of the above, the equity ratio reached 82.1%.

(3) Analysis of forward-looking information, such as the consolidated earnings forecast

There is no change to the consolidated earnings forecasts for the first half of the current fiscal year and the full year that were announced in the "Financial announcement for the Year Ended Mar. 31, 2013" on May 10, 2013.

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 supply 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. Matters on summary information (notes)

- (1) Changes in important subsidiaries during this quarter

N/A

- (2) Application of accounting procedures specified to create consolidated financial statements for quarter

For tax expenses, the Company has adopted the method of reasonably estimating the effective tax rate after the application of tax effect accounting to net income before income taxes for the consolidated accounting year and multiplying quarterly net income before income taxes by this estimated effective tax rate. However, in cases where the result of calculating using this effective tax rate lacks reasonableness in a striking manner, the Company bases calculations on the legal tax rate.

With this in mind, the value of income taxes deferred is included under income taxes.

- (3) Changes in accounting policies or accounting estimates, and restatement

N/A

3. Consolidated Quarterly Financial Statements

(1) Balance sheet

	(Unit: Thousands of yen)	
	As of March 31, 2013	As of June 30, 2013
ASSETS		
Current assets:		
Cash and deposits	2,708,651	2,810,979
Notes and accounts receivable-trade	2,236,528	2,073,143
Merchandise and finished goods	267,249	281,783
Work in process	36,068	55,791
Raw materials and supplies	236,919	260,543
Deferred tax assets	165,496	178,032
Other	85,528	57,209
Allowance for doubtful accounts	(9,393)	(9,414)
Total current assets	5,727,049	5,708,068
Non-current assets:		
Property, plant and equipment		
Buildings and structures	3,029,804	3,090,669
Accumulated depreciation	(1,688,246)	(1,735,253)
Buildings and structures, net	1,341,558	1,355,415
Machinery, equipment and vehicles	1,606,835	1,636,312
Accumulated depreciation	(1,223,745)	(1,262,467)
Machinery, equipment and vehicles, net	383,089	373,845
Tools, furniture and fixtures	596,444	628,602
Accumulated depreciation	(468,038)	(477,766)
Tools, furniture and fixtures, net	128,406	150,835
Land	2,789,376	2,815,354
Construction in progress	36,287	24,961
Total property, plant and equipment	4,678,718	4,720,412
Intangible assets	44,651	43,464
Investments and other assets		
Investment securities	332,591	349,852
Deferred tax assets	4,092	4,341
Other	114,617	116,320
Allowance for doubtful accounts	(17,997)	(15,100)
Total investments and other assets	433,303	455,415
Total non-current assets	5,156,672	5,219,292
Total assets	10,883,722	10,927,361

	(Unit: Thousands of yen)	
	As of March 31, 2013	As of June 30, 2013
LIABILITIES		
Current liabilities:		
Notes and accounts payable-trade	688,215	657,294
Short-term loans payable	240,000	240,000
Accounts payable-other	240,411	200,066
Accrued expenses	50,139	70,817
Income taxes payable	270,886	102,394
Provision for bonuses	132,302	114,806
Reserve for directors' bonuses	11,350	4,075
Other	219,699	194,235
Total current liabilities	1,853,004	1,583,690
Noncurrent liabilities:		
Deferred tax liabilities	246,631	282,924
Provision for retirement benefits	85,561	60,302
Other	29,102	29,346
Total non-current liabilities	361,295	372,573
Total liabilities	2,214,300	1,956,264
NET ASSETS		
Shareholders' equity:		
Capital stock	594,142	594,142
Capital surplus	446,358	446,358
Retained earnings	7,945,033	7,990,286
Treasury stock	(12)	(12)
Total shareholders' equity	8,985,521	9,030,774
Valuation and translation adjustment		
Valuation difference on available-for-sale securities	32,842	42,994
Foreign currency translation adjustment	(348,942)	(102,671)
Total valuation and translation adjustment	(316,100)	(59,677)
Total net assets	8,669,421	8,971,097
Total liabilities and net assets	10,883,722	10,927,361

(2) Quarterly consolidated statement of income and quarterly statements of comprehensive income

Statement of income

(Statement of income)

	(Unit: Thousands of yen)	
	Three months ended June 30, 2012	Three months ended June 30, 2013
	(From April 1, 2012 To June 30, 2012)	(From April 1, 2013 To June 30, 2013)
Net sales	1,564,603	1,737,001
Costs of sales	580,854	654,679
Gross profit	983,748	1,082,321
Selling, general and administrative expenses	801,775	878,843
Operating income	181,972	203,477
Nonoperating income		
Interest income	7,165	6,764
Dividends income	4,374	2,315
Revenue income from trial products	2,159	2,816
Foreign exchange gains	-	38,110
Other	2,132	5,246
Total nonoperating income	15,832	55,252
Nonoperating expenses		
Interest expenses	527	270
Share allocation	840	865
Foreign exchange losses	25,278	-
Other	557	154
Total Nonoperating expenses	27,203	1,290
Ordinary income	170,601	257,439
Total extraordinary income		
Gain on sales of noncurrent assets	11	-
Surrender value of insurance	1,571	-
Total extraordinary income	1,583	-
Extraordinary loss		
Loss on sales of noncurrent assets	1,173	1,329
Loss on retirement of noncurrent assets	558	236
Total extraordinary loss	1,731	1,566
Income before income taxes	170,453	255,873
Total income taxes	39,051	90,193
Income before minority interests	131,401	165,679
Net income	131,401	165,679

(Statements of comprehensive income)		(Unit: Thousands of yen)	
	Three months ended June 30, 2012 (From April 1, 2012) (To June 30, 2012)	Three months ended June 30, 2013 (From April 1, 2013) (To June 30, 2013)	
Income (loss) before minority interests	131,401	165,679	
Other comprehensive income			
Valuation defference on available for sales securities	(50,560)	10,151	
Foreign currency translation adjustment	253,842	246,271	
Other comprehensive income	203,282	256,422	
Comprehensive income	334,683	422,102	
[Comprehensive income attributable to]			
Comprehensive income attributable to owners of the parent	334,683	422,102	
Comprehensive income attributable to minority interests	-	-	

(3) Notes on quarterly consolidated financial statements

(Notes on the premise of a going concern)

N/A

(Notes on marked changes in the amount of shareholders' equity)

N/A