

Meltex | Fact Book
2010. Interim

Growing to “Global TSP”

Since the foundation of 1960's, Meltex has grown as the surface finishing chemical supplier for printed-wiring board and electronic devices, based on the basic spirit of “Proud and rejoice by making a social contribution through the business”.

The previous term (The fiscal year May. 2009) was the massive reform year for Meltex. The business depression, starting from autumn of 2009, provides deep impact to us as well. Under harsh management circumstances, we undertake structural reforms such as reviewing operating base, reestablishing earnings model, and consolidating manufacturing sites to single location. etc. As the result, we have improved earning structure in the second quarter and continue the renovations to ward to the fiscal year end of May.2010. Meltex will mark its 50th anniversary on October 2010. We address deepening development in core technology area, reducing cost by full enterprise activity, enhancing sales activity in Southeast Asia, fortifying further cooperation with alliance partners, and embracing the depression as a momentum for the next stage.

Meltex will advance toward an even greater goal to be a “Global TSP” to provide our customer's technology with a supreme solution and manufacturing stronghold spread world wide with a basic stance of “Always beside customer, always provide the requested technology”, catering to advanced demand from fast-evolving electronics industry.

T S P=Technology Solution Provider

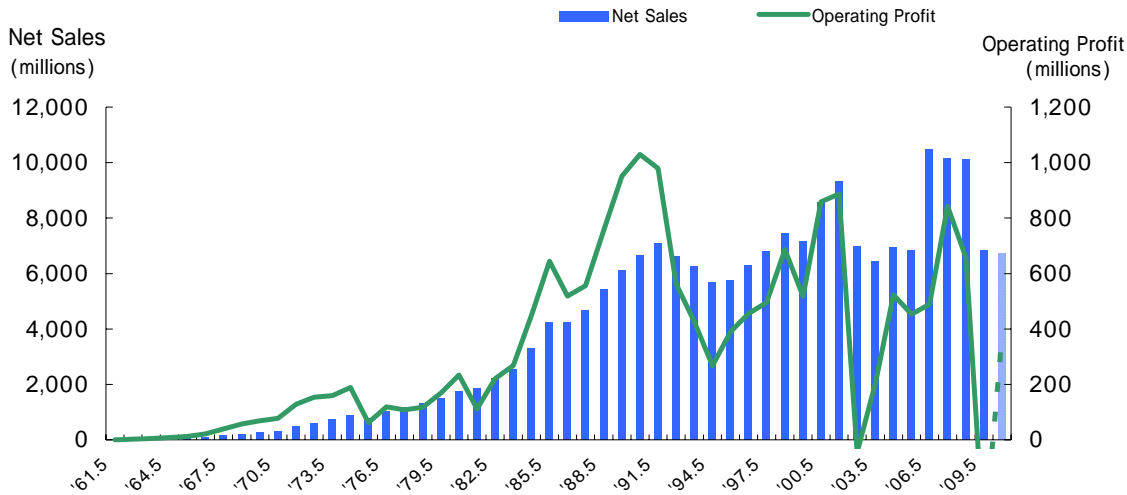
Meltex Corporate Message

Together we lead the way,
to unveil our brilliant future.

MELTEX INC.
President & CEO
Keitaro Iwaki

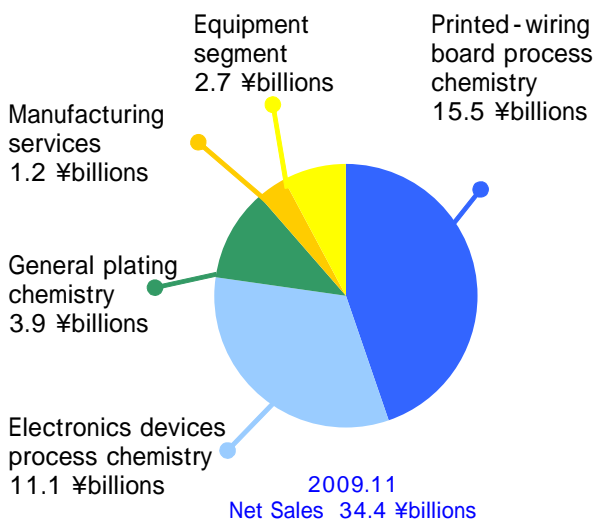
Consolidated Operating Summary

Historical Data (Net Sales & Operating Profit)

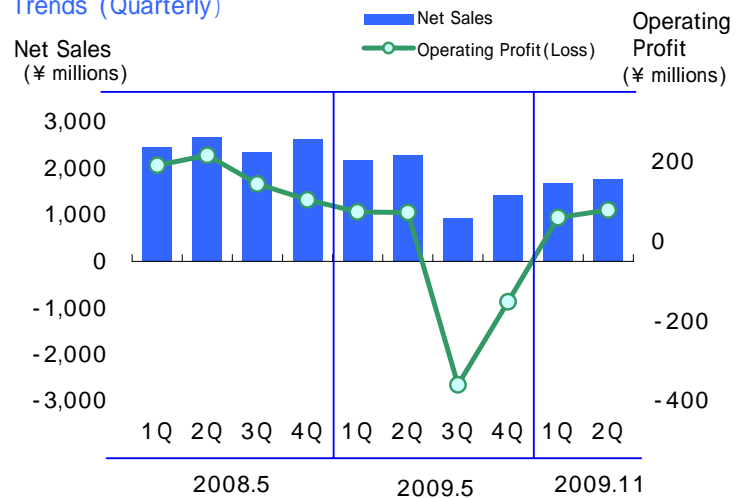


Business Performance at November 2009

Although the demand recovered by economic stimulus policy by the government in addition to advancement of inventory adjustment in the market, business earnings are still at hostile situation in this industry. Under this circumstance, Meltex group played out aggressive sales action providing environmental friendly products, proposing new customers in Semiconductor industry as well as ensuring earnings by drastic cost reduction and streamlining of operation by structural reforms. As the result, consolidate sales in 2QT was ¥3.44 billion (-22.8% to the 2QT of 2009), operating profits was ¥130 million (-5.4% to the 2QT of 2009).



Consolidated Net Sales & Operating Profit (Loss) Trends (Quarterly)

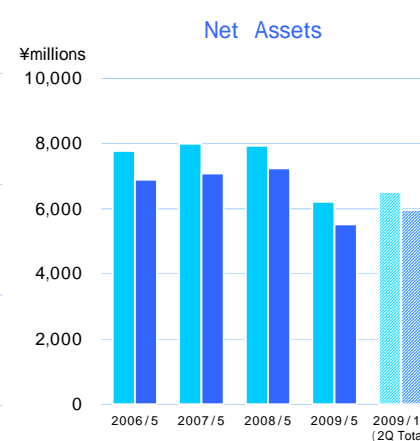
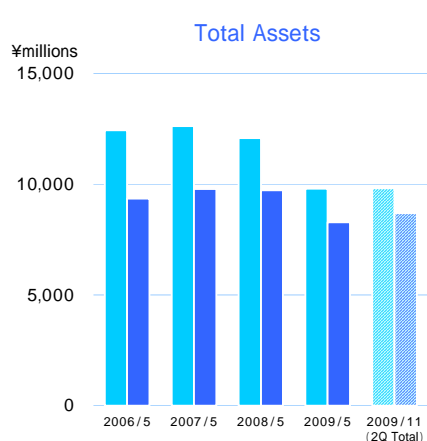
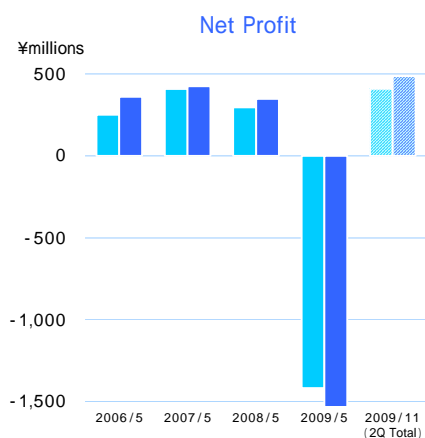
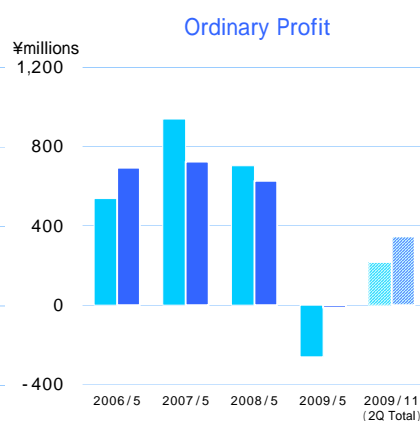
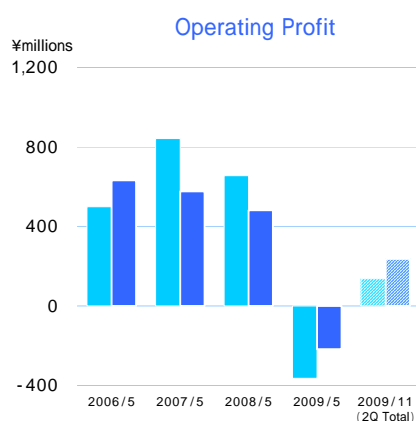
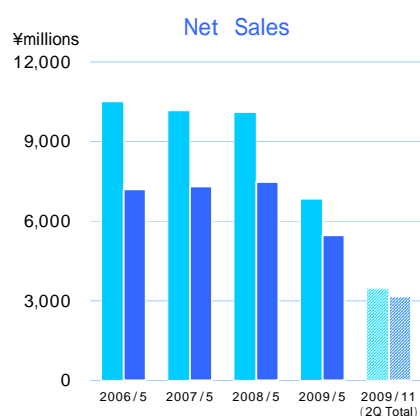


Financial Highlights (Consolidated / Non-consolidated)

	¥Millions				
Consolidated	2006/5	2007/5	2008/5	2009/5	2009/11 (2Q Total)
Net Sales	10,498	10,161	10,099	6,832	3,447
Gross Profit	3,125	3,517	3,403	2,099	1,301
Operating Profit	499	843	656	364	138
Ordinary Profit	537	939	704	262	215
Net Profit	251	409	296	1,417	410
Total Assets	12,432	12,623	12,082	9,798	9,823
Net Assets	7,775	8,002	7,936	6,212	6,514

	¥Millions				
Non-consolidated	2006/5	2007/5	2008/5	2009/5	2009/11 (2Q Total)
Net Sales	7,199	7,308	7,475	5,467	3,167
Gross Profit	2,778	2,788	2,698	1,828	1,224
Operating Profit	633	577	481	217	237
Ordinary Profit	694	725	628	14	347
Net Profit	361	426	348	1,551	487
Total Assets	9,359	9,785	9,723	8,279	8,701
Net Assets	6,891	7,085	7,246	5,519	5,960

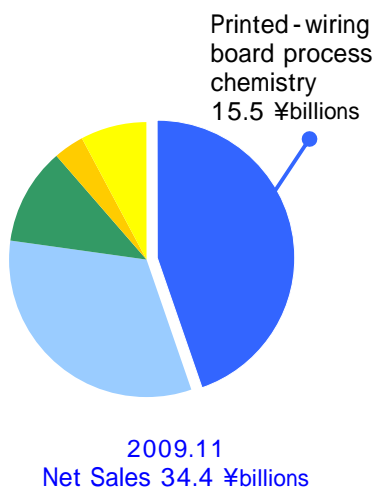
■ Consolidated
■ Non-consolidated



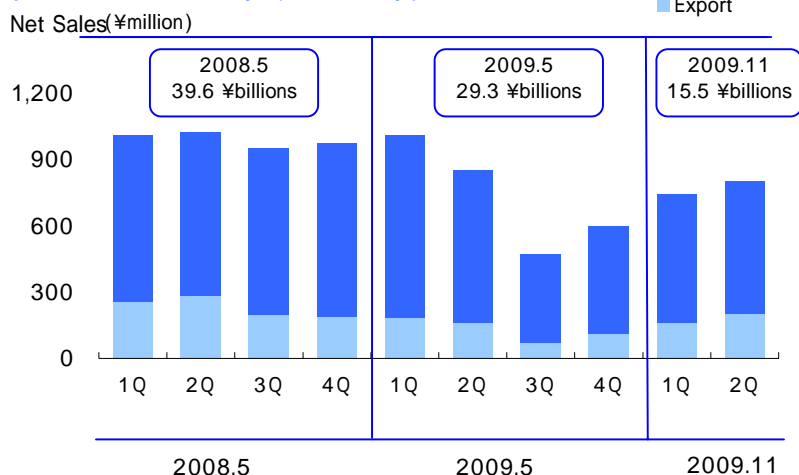
Segment Information (Surface finishing chemical Business)

(Printed -wiring board process chemistry)

The sales for printed-wiring board segment recovered to 80% to the past. We will develop demanding business such as launching a newly developed acid copper brightener.

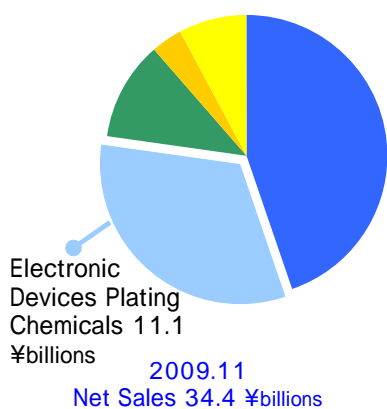


Trend In Sales of Printed -wiring board process chemistry (Quarterly)

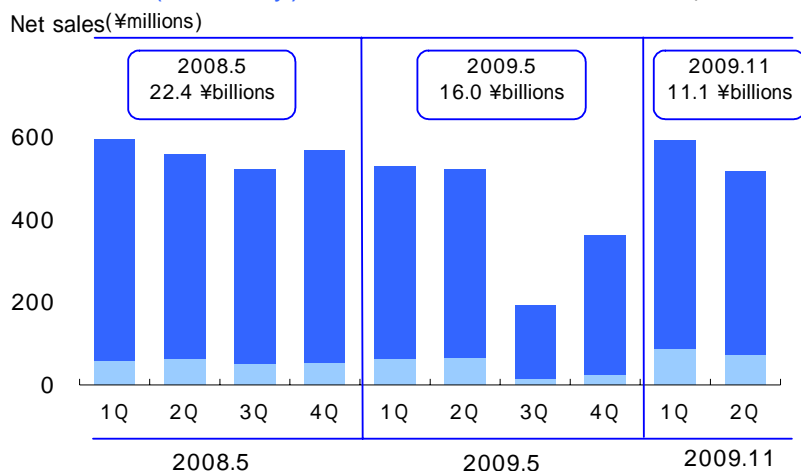


(Electronics devices process chemistry)

The sales for Electronics device industry recovered in full to the past. We will expand market share focusing in Sn plating bath and Etchant for Semiconductor process.

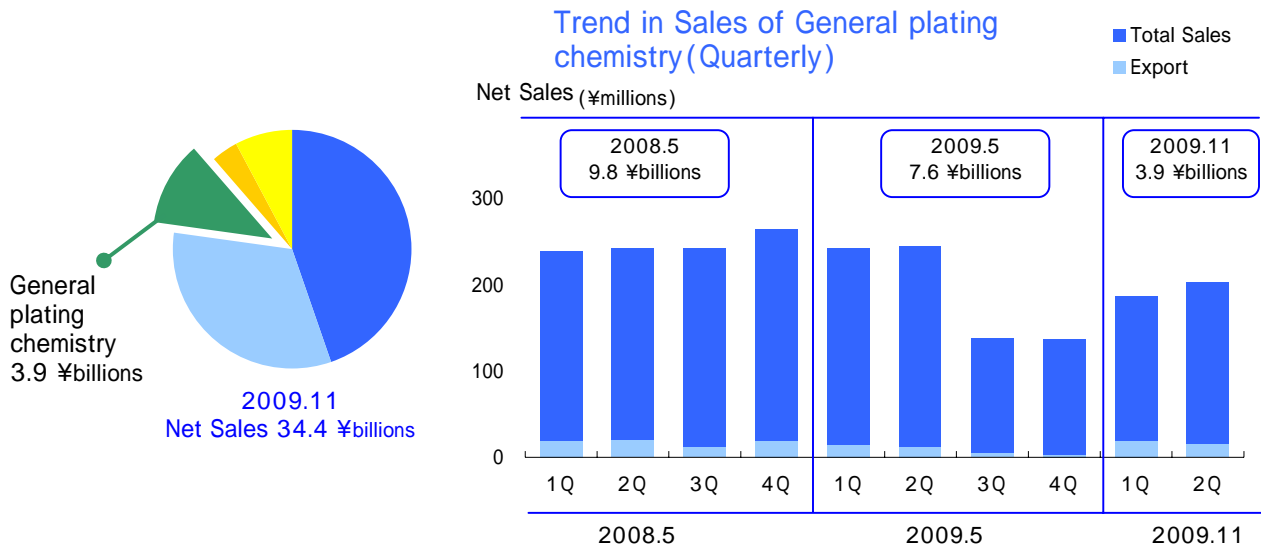


Trend In Sales of Electronic Devices Plating Chemicals (Quarterly)



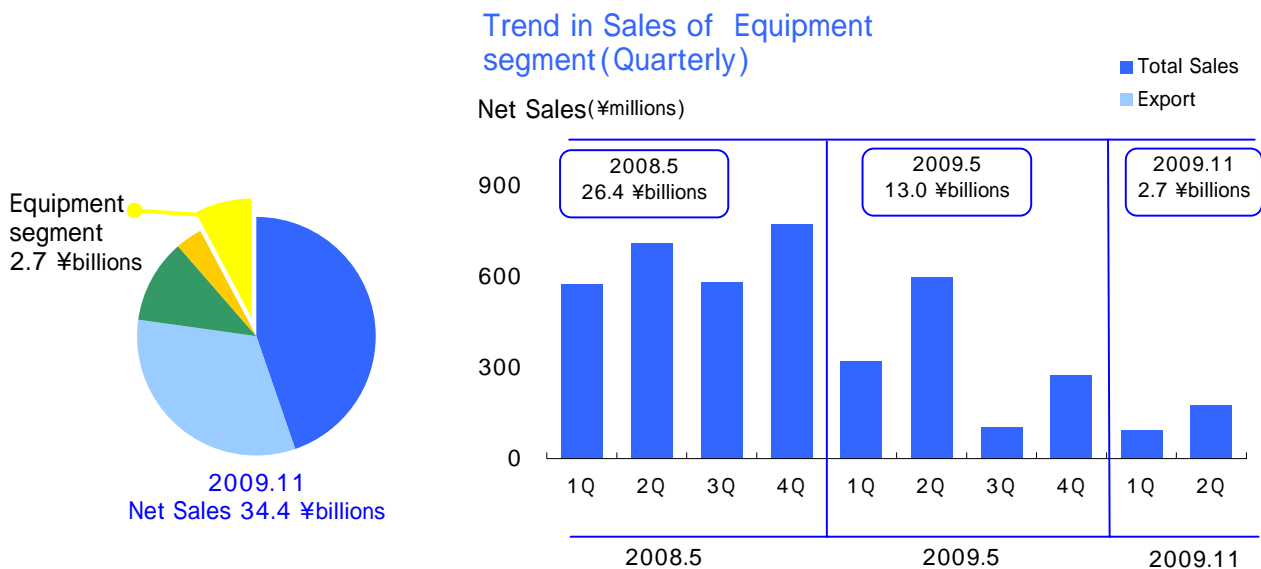
(General plating chemistry)

The sales for general plating segment recovered to 80% to the past. We will get new market by improving product line up of environmental friendly “Non-discharging cleaning system”.



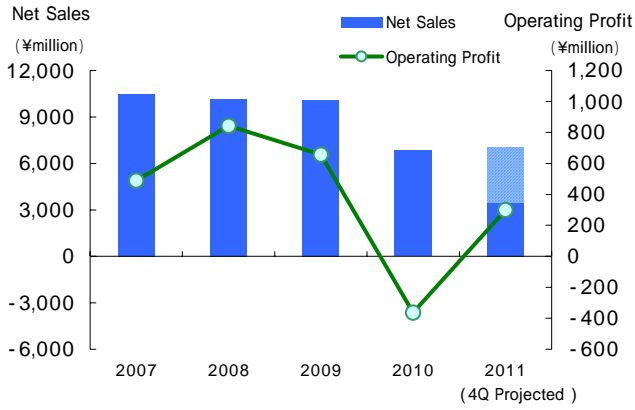
Segment Information (Equipment Business)

The sales for equipment segment recovered to 20% only to the past. We will expand sales of existing products as well as development of new product in new area.



Forecasts of Business Results 2010

V-Shaped Recovery Expected

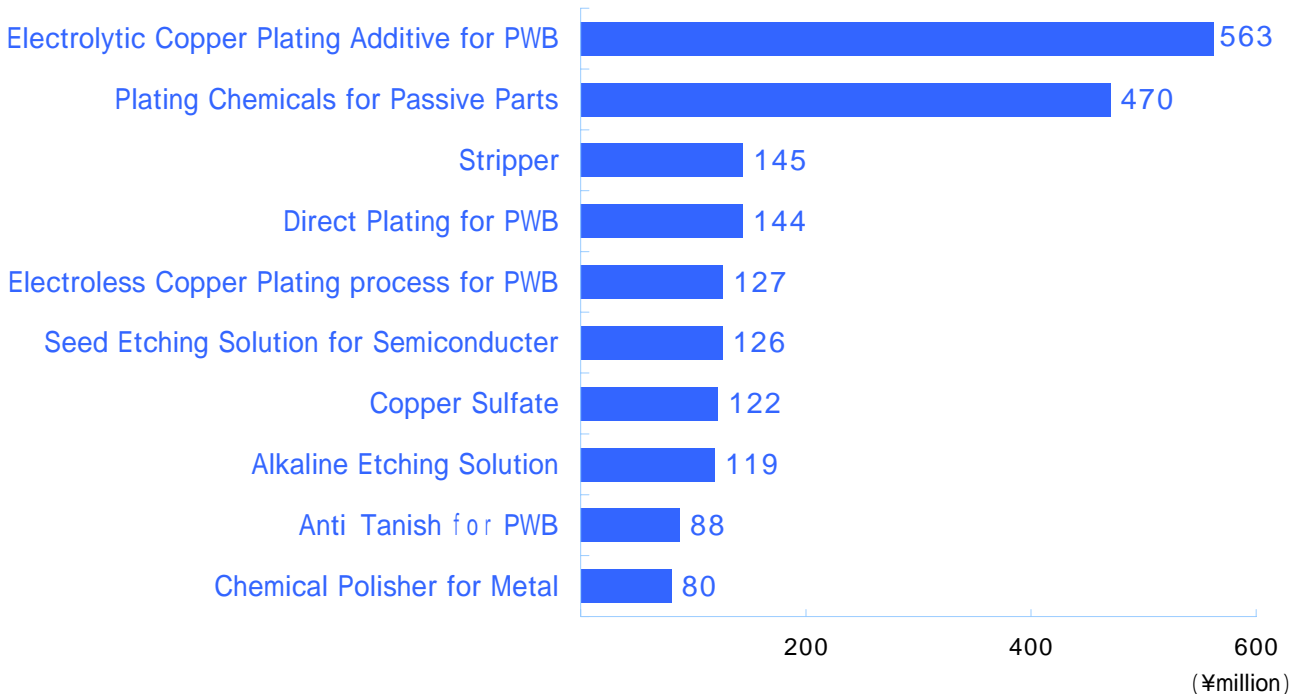


Forecasts of Business Results 2010 (Consolidated)

	Net Sales	Operating Profit	Net Profit
2006.5	10,498	489	251
2007.5	10,161	843	409
2008.5	10,099	656	296
2009.5	6,832	-364	-1,417
2010.5 (2Q Total)	3,447	138	410
2010.5 (4Q Projected)	7,000	300	600

TOP10 Product Sales by Category

TOP10 Product Sales by Category 2010(2Q TOTAL)



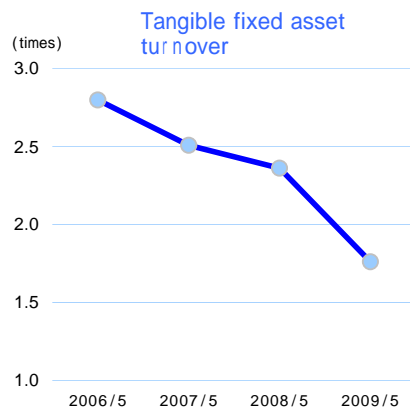
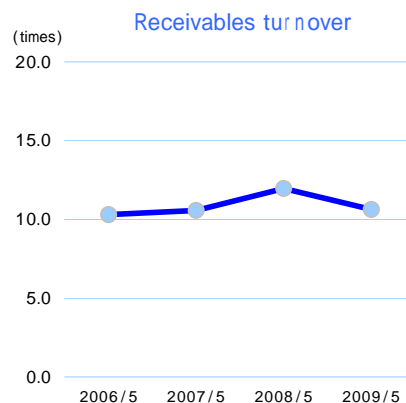
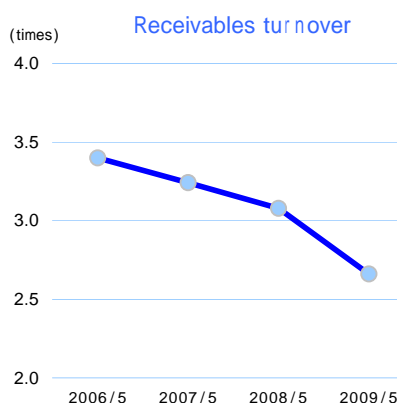
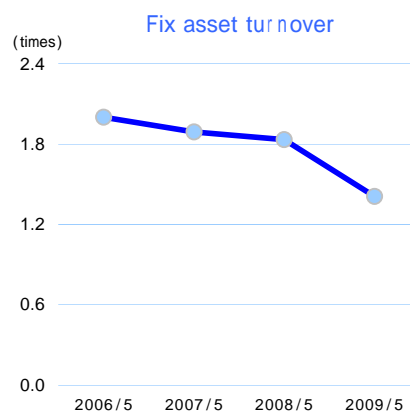
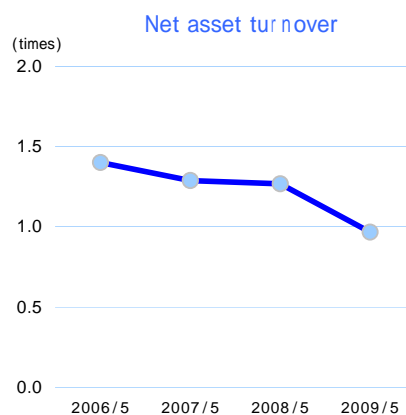
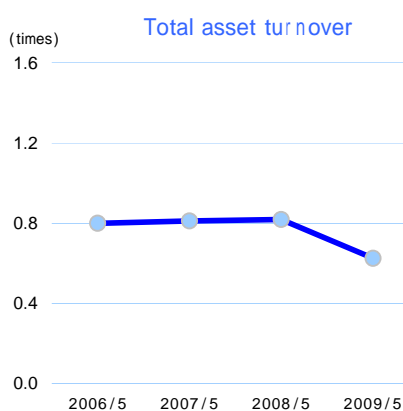
Main Financial Indicators (Consolidated)

We undertake structural reforms such as reviewing Operating base and Reestablishing profit model, etc. As the result, we have improved earning structure in the second quarter of May.2010 fiscal year. We will adopt ROIC (Return On Investment Capital) as the management indicator and apply it to further improvement of the property utilization and profitability from now on.

Efficiency

	(times)			
	2006/5	2007/5	2008/5	2009/5
Total asset turnover	0.8	0.8	0.8	0.6
Net asset turnover	1.4	1.3	1.3	1.0
Fixed asset turnover	2.0	1.9	1.8	1.4
Receivables turnover	3.4	3.2	3.1	2.7
Inventory turnover	10.3	10.6	12.0	10.6
Tangible fixed asset turnover	2.8	2.5	2.4	1.8

NOTE Based on average amount for the year



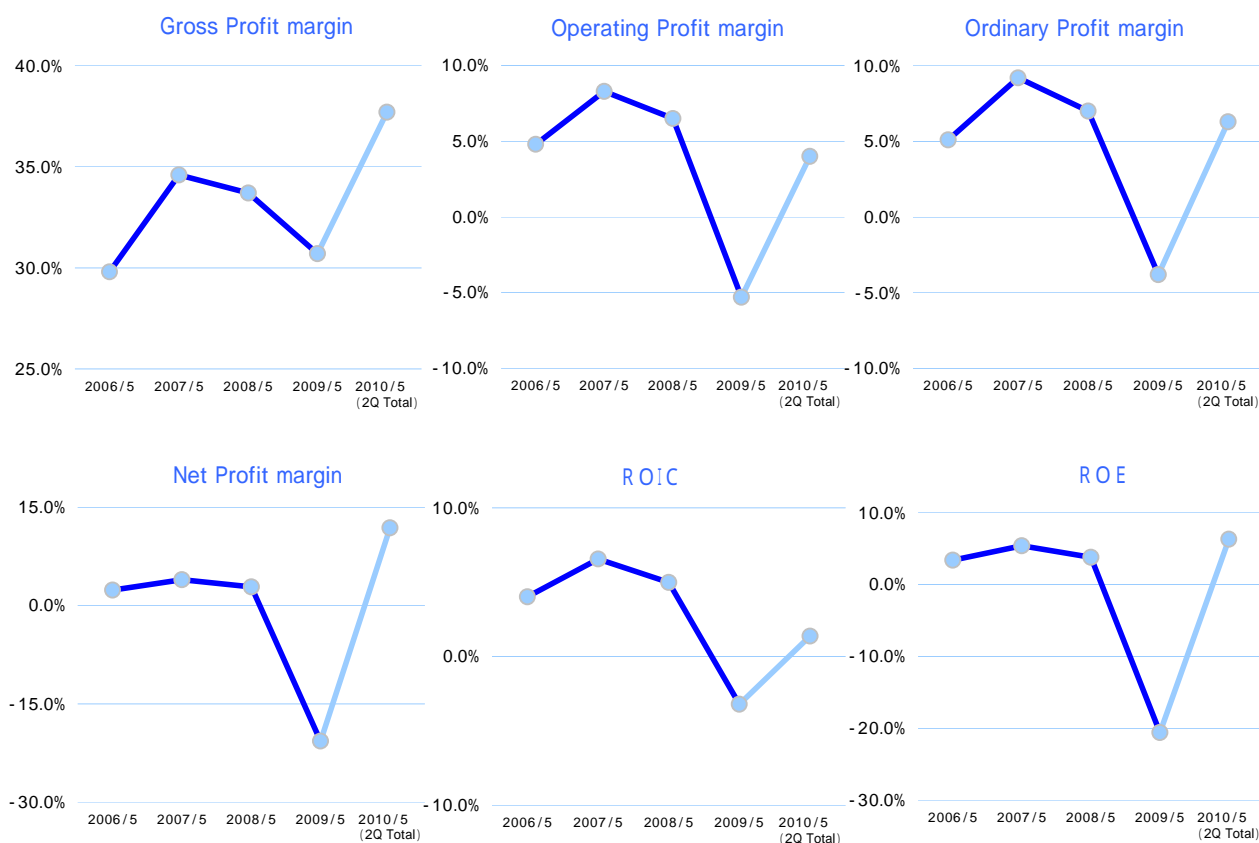
Main Financial Indicators (Consolidated)

Profitability

	2006/5	2007/5	2008/5	2009/5	2010/5 (2Q Total)
Gross profit margin	29.8%	34.6%	33.7%	30.7%	37.7%
Operating Profit margin	4.8%	8.3%	6.5%	5.3%	4.0%
Ordinary Profit margin	5.1%	9.2%	7.0%	3.8%	6.3%
Net Profit margin	2.4%	4.0%	2.9%	20.7%	11.9%
ROIC	4.0%	6.6%	5.0%	3.2%	1.4%
ROE	3.4%	5.4%	3.8%	20.6%	6.3%

NOTE ROIC : Net Operating Profit after tax ÷ (Fixed Asset + Inventory Asset + Receivables - Debt Payable)

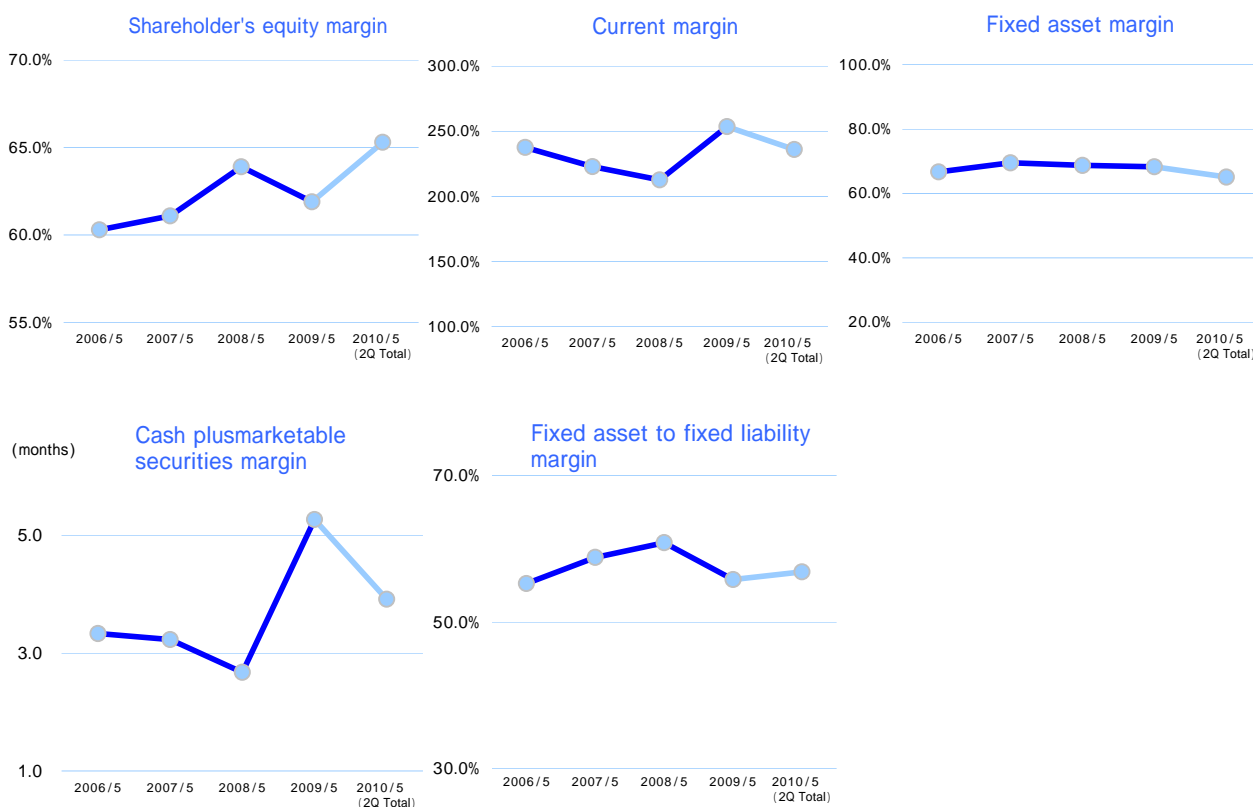
NOTE Based on average amount for the year



Main Financial Indicators (Consolidated)

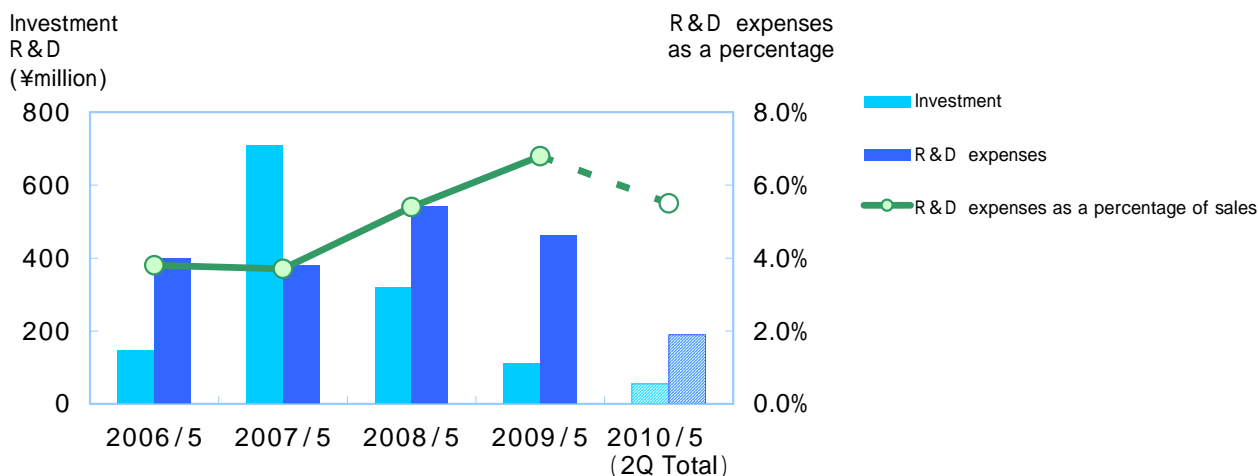
Stability

	2006/5	2007/5	2008/5	2009/5	2010/5 (2Q Total)
Shareholders' equity margin	60.3%	61.1%	63.9%	61.9%	65.3%
Current margin	237.6%	222.9%	212.7%	253.6%	236.0%
Fixed asset margin	66.7%	69.5%	68.7%	68.3%	65.1%
Cash Plus marketable securities margin (months)	3.3	3.2	2.7	5.3	3.9
Fixed asset to fixed liability margin	55.2%	58.8%	60.8%	55.8%	56.9%



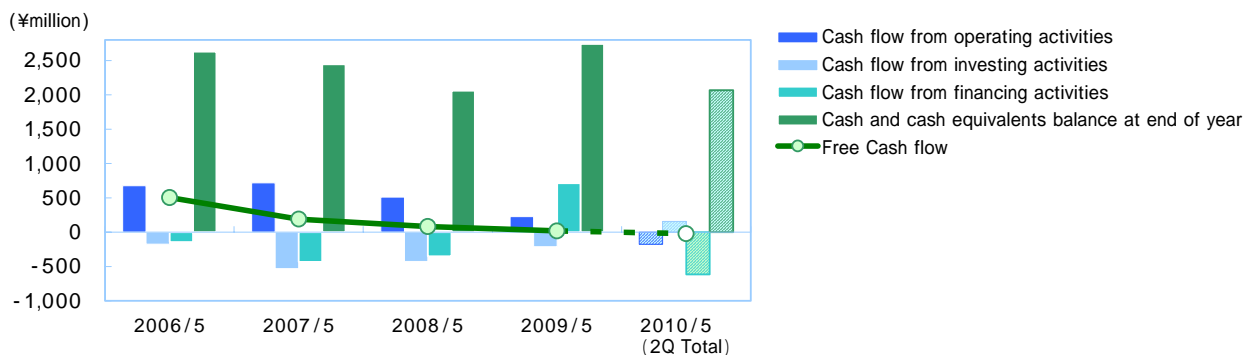
Main Financial Indicators (Consolidated)

Others



	(¥million)				
	2006/5	2007/5	2008/5	2009/5	2010/5 (2Q Total)
Investment	147	709	319	110	55
R&D expenses	399	380	543	462	190
R&D expenses as a percentage of sales	3.8%	3.7%	5.4%	6.8%	5.5%

Cash flow



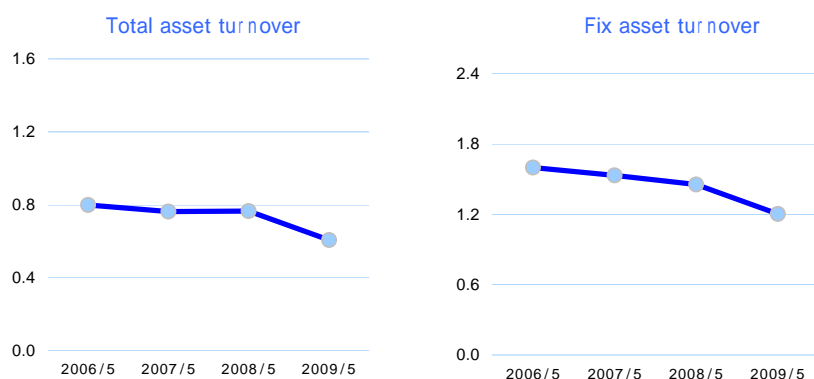
	(¥million)				
	2006/5	2007/5	2008/5	2009/5	2010/5 (2Q Total)
Cash flow from operating activities	677	720	509	229	177
Cash flow from investing activities	174	531	428	210	156
Cash flow from financing activities	143	435	354	714	617
Cash and cash equivalents balance at end of year	2,633	2,447	2,060	2,743	2,068
Free Cash flow	503	189	81	19	21

< Reference > Financial Indicators (Non-Consolidated)

Efficiency

	(times)			
	2006/5	2007/5	2008/5	2009/5
Total asset turnover	0.8	0.8	0.8	0.6
Fixed asset turnover	1.6	1.5	1.5	1.2

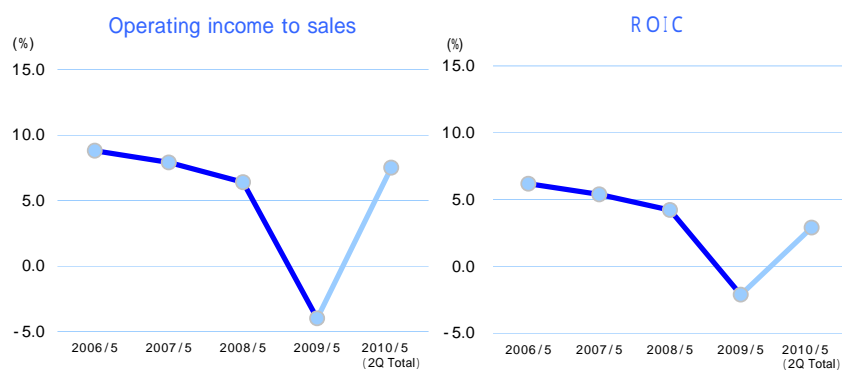
NOTE Based on average amount for the year



Profitability

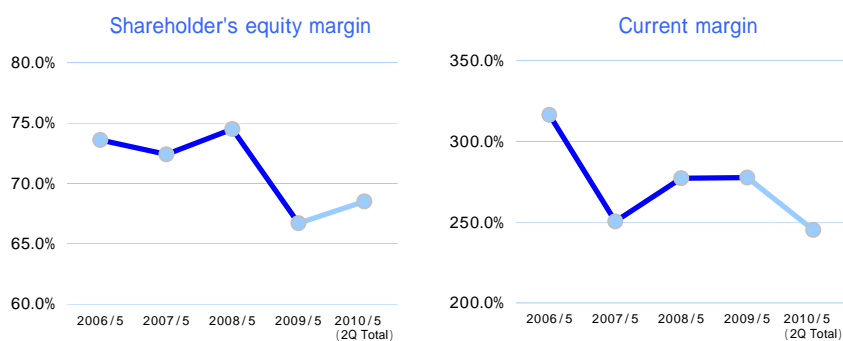
	2006/5	2007/5	2008/5	2009/5	2010/5 (2Q Total)
Operating Profit Margin	8.8%	7.9%	6.4%	4.0%	7.5%
ROIC	6.2%	5.4%	4.2%	2.1%	2.9%

NOTE Based on average amount for the year



Stability

	2006/5	2007/5	2008/5	2009/5	2010/5 (2Q Total)
Shareholders' equity margin	73.6%	72.4%	74.5%	66.7%	68.5%
Current margin	316.4%	250.5%	277.2%	277.6%	245.2%



Facilities / Consolidated Subsidiaries

Facilities

Head Office

Kyowa Bldg , 2-28-5 Higashi-Nihombashi , Chuo-ku ,Tokyo
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Osaka Sales office

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Overseas Section

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Saitama 331-0811
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Tohoku Sales office

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Kyushu Sales office

Iwaki Bldg.2F, 2-20-27 Higashi-Hie ,Hakata-ku,
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Nagoya Sales office

Iwaki Bldg.4F, 2-2-23 Maru-no-uchi ,Naka-ku,
Nagoya City, Aichi 460-0002
TEL: +81-052-211-6274

Production Department Kumagaya Factory

823-5 kamibayashi Miizugahara , Kumagaya City Saitama
360-0844
TEL: +81-048-533-4600

Consolidated Subsidiaries

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TOKYO KAKOKI CO.,LTD Head Office・Nagano Factory

14017-50 , Nakaminowa , Minowa , Kami-ina
Nagano 399-4601 Minamihara Industrial Estate
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MELTEX(HONG KONG) LIMITED

Rm 1-3,12/F.,Favor Industrial Center,2-6 Kin Hong Kong Street,
Kwai Chung,N.T.,Hong Kong
TEL: 852-24817708

As of November 30, 2009

Company name	Est.	Capital	Emp.	Fields
MELTEX INC.	1960.10	933,600 (Thousands of Yen)	188	Surface treatment Chemicals
TOKAI MELTEX INC.	1951.7	42,000 (Thousands of Yen)	15	Surface treatment Chemicals
MELTEX(HONG KONG) LIMITED	1973.2	HK\$500,000	16	Surface treatment Chemicals
TOKYO KAKOKI CO.,LTD	1966.5	97,500 (Thousands of Yen)	42	Machinery

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