

Results for the First Quarter ended June 30, 2010

Meitec Corporation

Consolidated financial summary

1. Results for the First Quarter (April 1, 2010 to June 30, 2010)

(1) Consolidated operating results

(Millions of yen except per share data and percentage)

	Net Sales		Operating Income		Ordinary Income		Net Income	
	Millions of Yen	%	Millions of Yen	%	Millions of Yen	%	Millions of Yen	%
First Quarter FY ending March 31, 2011	14,140	5.0%	163	-	1,011	-	893	-
First Quarter FY ended March 31, 2010	13,462	-33.8%	(1,586)	-	(652)	-	(715)	-

	Net Income per Share	Diluted Net Income
	Yen	Yen
First Quarter FY ending March 31, 2011	26.95	-
First Quarter FY ended March 31, 2010	(21.58)	-

(2) Consolidated financial position

(Millions of yen except per share data and percentage)

	Total assets	Net assets	Equity ratio	Net assets per share
	Millions of Yen	Millions of Yen	%	Yen
First Quarter FY ending March 31, 2011	48,289	34,325	70.6	1,029.02
First Quarter FY ended March 31, 2010	47,625	33,443	69.8	1,002.58

(Note) Equity (defined as "Owners' equity" and "Valuation and translation adjustments"):

As of June 30, 2010: 34,112 million yen

As of June 30, 2009: 33,235 million yen

2. Dividends

(Record date)	Dividends per share				
	First Quarter dividends	Second Quarter dividends	Third Quarter dividends	Year-end dividends	Total
	Yen	Yen	Yen	Yen	Yen
FY ended March 31, 2010	—	24.50	—	0.00	24.50
FY ending March 31, 2011 (Forecast)	—	0.00	—	0.00	0.00

(Note) Revision of dividends forecast during the 1st quarter: None

3. Forecasts for Fiscal Year ending March 31, 2011(Reference)

(Millions of yen except per share data and percentage)

	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	
2nd Quarter FY ending March 31 2011	27,000	3.0	0	—	1,800	—	1,000	—	30.17	
FY ending March 31, 2011	55,000	2.3	100	—	3,400	—	1,900	—	57.31	

(Note) Revision of performance forecast during the 1st quarter: None

4. Others

(1) Significant changes involving subsidiaries during the term: None

(2) Simplified accounting procedures and unique accounting procedures used in the preparation of and quarterly consolidated financial statements: Yes

(3) Changes in rules, procedures and method of indication in the accounting procedures relating to the preparation of quarterly consolidated financial statements.

(Items indicated in the changes to pertinent items relating to the quarterly consolidated financial statement preparation principles)

i. Changes resulting from the revision of accounting standards : Yes

ii. Changes not relating to i. : None

(4) Number of issued shares (common stock)

i. Number of issued shares at period ends (including treasury stock)

1Q/FY ending March 31, 2011	35,100,000	FY ended March 31, 2010	35,100,000
-----------------------------	------------	-------------------------	------------

ii. Number of treasury shares at period end

1Q/FY ending March 31, 2011	1,949,783	FY ended March 31, 2010	1,949,655
-----------------------------	-----------	-------------------------	-----------

iii. Average number of shares during period

1Q/FY ending March 31, 2011	33,150,325	1Q/FY ended March 31, 2010	33,150,509
-----------------------------	------------	----------------------------	------------

*** Indication of quarterly review procedure implementation status**

At the time of disclosure of the financial results, the quarterly financial statement review procedures based upon the Financial Instruments and Exchange Act, have been completed.

*** Advice relating to appropriate use of financial forecasts and other relevant information**

The forecasts in this report are based on information available as of the date of release and assumptions considered reasonable. Actual results may differ from forecasts due to a range of factors. For further information regarding the suppositions on which earnings forecasts are based and other relevant information, please refer to page 6 of this document

1. Operating Results

(1) Analysis of Operating Results

(1)-1. Overview of Consolidated Operating Results

Figure 1: Summary of Consolidated Income Statement (April 1, 2010 to June 30, 2010)

(Millions of yen, rounded down)	1 st Q FY ended March 31, 2010 Consolidated Total	1 st Q FY ending March 31, 2011 Consolidated Total	(3 Month Total)	
			YoY Amount	% Change
Net Sales	13,462	14,140	+ 678	+5.0%
Cost of Sales	11,976	11,414	(561)	-4.7%
SG&A Expenses	3,073	2,562	(510)	-16.6%
Operating Income	(1,586)	163	+ 1,750	—
Other Income	934	848	(86)	-9.3%
Subsidies for employment adjustment	930	828	(101)	-10.9%
Ordinary Income	(652)	1,011	+ 1,663	—
Income before Income Taxes and Minority Interests	(647)	1,223	+ 1,871	—
Net Income	(715)	893	+ 1,609	—

For the subject quarter (3 month period from April 1, 2010 to June 30, 2010), although the performance of our customers, major manufacturers, are gradually recovering, difference of recovery depending on the company are continued to be large. Under such conditions, our core businesses, temporary engineer staffing business, have shown gradual improvements and our utilization ratio improved. As a result,, company's consolidated revenue for the 1st quarter increased by 678 million yen compare to the same period of the previous fiscal year to 14,140 million yen.

The consolidated cost of sales declined by 561 million yen compare to the same period of the previous fiscal year to 11,414 million yen. Main reason for this decline was due to the reduction of wedges.

And by further applying thorough measure for higher efficiency, cost of consolidated selling, general and administrative expenses decline by 510 million yen compare to the same period of previous fiscal year to 2,562 million yen.

As the result, the consolidated operating income increased by 1,750 million yen compared to the same period of previous fiscal year to post profit of 163 million yen.

As the Company disclosed on May 13, 2010 in the financial statement for the fiscal year ended March 31, 2010, if the actual operating profit exceed the forecasted amount, the Company is planning that the excess amount to be given priority to be used to returned to employee.

For this purpose, the Company has set a maximum amount of 2,390 million yen in consolidated basis which to be applied toward return to employee. And for the 1st quarter, we posted expected amount of 427 million yen in consolidated basis, of which 362 million yen for Meitec alone, and therefore the operating income became "zero".

The company continues to post 828 million yen of extraordinary income for the government subsidies for employment adjustment. And as a result, the Company posted consolidated ordinary income increased by 1,663 million yen increase compared to the same period of the previous fiscal year of 1,011 million yen. And the consolidated net income increase by 1,609 million yen to 893 million yen.

(1)-2. Overview of Results by Business Segment

Figure 2: Summary of Results by Business Segment for the 1st Quarter (April 1, 2010 to June 30, 2010)

(Millions of yen, rounded down)	Meitec Group (Consolidated) Total for 3 month	Temporary Staffing Business	Engineering Solutions Business	Global Business	Career Support Business	Eliminations / Corporate
Net Sales	14,140	13,404	695	19	102	(81)
%	100	94.8	4.9	0.1	0.7	-0.5
YoY Change	+678	+789	+149	(165)	(170)	+74
%	+5.0	+6.3	+27.3	(89.7)	-62.4	—
Operating Income	163	94	55	(15)	28	1
%	100	57.7	33.8	-9.7	17.3	-0.8
YoY Change	+1,750	+1,533	+57	+163	(0)	(3)
%	—	—	—	—	-1.8	-69.3

(1)-2.i Temporary Staffing Business

We have concentrated our effort on improving the utilization ratio in our core business, temporary engineer staffing business, which consist 90% of our consolidated revenue. Under a gradual recovery of market conditions, we have strengthened our sales force. And by obtaining more new contracts than contracts ended, our utilization ration gradually improved. In normal year, our utilization ratio for the 1st quarter would be less than 4th quarter of previous fiscal year because of newly graduated engineers would normally join us in April. But since we did not hire newly graduated engineer for this year, utilization ratio for the subject 1st quarter exceeded that of 4th quarter of previous fiscal year.

Mainly due to this improvement in utilization ratio, sales for the staffing business for the subject quarter increased for 789 million yen compared to that of 1st quarter of the previous fiscal year to 13,404 million yen.

Also as the sales increased, operating income increased by 1,533 million yen compared to the same period of the previous fiscal year to 94 million yen.

Figure 3: Meitec Group Temporary Engineers Staffing Business

		June 30, 2009 1 st Q FY ended March 31, 2010	June 30, 2010 1 st Q FY ending March 31, 2011	
MT + MF + CAE + MGS		Period-End Engineering Staff ¹²	7,866	7,203
MT + MF		Period-End Engineering Staff ¹²	7,460	7,116
		Utilization ratio (Company-wide)	70.5%	79.3%
		Utilization ratio(Excluding new hires ^{3d})	76.1%	82.1%
Meitec Corporation		Period-End Engineering Staff ¹²	5,995	5,850
		Of which assigned to internal engineering projects ²	201	144
(MT)		Utilization ratio (Company-wide)	71.6%	78.1%
		Utilization ratio(Excluding new hires ³)	76.7%	78.9%
Meitec Fielders, Inc.		Period-End Engineering Staff	1,465	1,266
(MF)		Utilization ratio (Company-wide)	66.0%	84.7%
		Utilization ratio(Excluding new hires ⁴)	73.7%	98.9%
Meitec CAE Corporation (CAE)		Period-End Engineering Staff	81	87
Meitec Global Solutions, Inc.(MGS)		Period-End Engineering Staff ¹	325	-

Trend of Utilization Ratio by Quarter for MT and MF

	FY ended March 31, 2008	FY ended March 31, 2009				FY ended March 31, 2010				FY ending March 31, 2011
	4Q	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q	1Q
MT	98.4%	94.2%	97.3%	96.7%	91.7%	71.6%	68.7%	70.4%	76.9%	78.1%
MF	97.5%	91.6%	96.2%	95.4%	88.8%	66.0%	65.1%	70.5%	78.5%	84.7%

Note 1: Meitec had integrated MGS's Bridge Engineer business by a company split on April 1, 2010.

Note 2: Number of engineer for Meitec do not include engineers who are assigned to our internal engineering projects and lecturer for internal training.

Note 3: Engineers who never been assigned to job (including the Bridge Engineers from MGS) are excluded.

Note 4: Engineers who never been assigned to job and engineers on temporary leave are excluded.

See the Meitec homepage for monthly and quarterly utilization ratio figures:
<http://www.meitec.co.jp/e/ir/financial/index.htm>

(1)-2.ii Engineering Solutions Business

The Engineering Solution Business consists of analytical technology, printed circuit boards design, die and molding technologies, prototype manufacturing.

Net sales for the Engineering Solution Business for the 1st quarter increased by 149 million yen compared to the same period of the previous fiscal year to 695 million yen, and operating income increased by 57 million yen compared to the same period of the previous fiscal year to 55 million yen.

Meitec CAE continues to post increase in sales and income as it was during previous fiscal year.

As a result of market recovery and strengthening its sales effort, Apollo Giken Co., Ltd. group had achieved increase in sales compared to the same period of previous fiscal year and turned to post a profit.

From the current fiscal year, the Company had moved the business segmentation of Meitec Global Solutions (MGS) to the "Engineering Solutions Business" as their business is providing a total solutions services for cost reduction in cooperation with the Chinese partner companies.

(1)-2.iii Global Business

The Global Business is consisted by vocational training business and human resource placement businesses.

Mainly due to the integration of the Bridge Engineer Business of MGS to Meitec and moving its business segmentation to the "Engineering Solutions Business", sales had declined by 165 million yen compared to the same period of previous fiscal year to 19 million yen. But as we apply measures for higher efficiency such as the reduction of vocational training facilities locations, operating loss had greatly improved by 163 million yen compared to the same period of the previous fiscal year to a loss of 15 million yen.

(1)-2.iv Career Support Business

The Career Support Business is consisted mainly of the placement business and information portal site business specializes in the engineers.

Mainly due to a sale of outplacement business last May, revenue for the Career Support Business for the 1st quarter had decreased by 170 million yen compared to the same period of the previous fiscal year to 102 million yen. But we were able to post an operating profit of 28 million yen.

For the Meitec Next Corporation, as they reduced their sales offices from latter half of the previous fiscal year and effect of cost reduction measures, sales had increased compared to the same period of the previous fiscal year and operating profit increased by 29 million yen compared to the same period of the previous fiscal year to 28 million yen, turning to post profits.

(2) Analysis of Financial Position

(2)-1. Assets

Total consolidated assets at the end of the 1st quarter ended June 30, 2010, increased by 664 million yen, compared to the end of the previous fiscal year ended March 31, 2010, to 48,289 million yen. It is mainly due to the increase of current asset by 899 million yen compared to the end of the previous fiscal year ended March 31, 2010.

Main reason for an increase of current asset was due to business performance during the 1st quarter.

(2)-2. Liabilities

Total consolidated liabilities at the end of the 1st quarter decreased by 217 million yen compared to the end of the previous fiscal year ended March 31, 2010 to 13,964 million yen. This was mainly due to decrease of consolidated current liabilities by 530 million yen compared to the end of previous fiscal year ended March 31, 2010.

Reason for decrease in current liabilities was because of decrease in unpaid expenses such as bonus payment.

(2)-3. Net Assets

The consolidated net assets at the end of the 1st quarter increased by 882 million yen compared to the end of previous fiscal year ended March 31, 2010, to 34,325 million yen. This was mainly due to increase of retained earnings resulted by business performance during the 1st quarter.

(3) Information regarding the consolidated forecast.

(3)-1. Forecast

Because there are elements for uncertainty in economic conditions, the Company has not revised its forecast for 2nd quarter and entire fiscal year.

(3)-2. Dividends for the Subject Fiscal Year

Since we have not revised our forecast as noted above, we have not revised the dividend forecast.

As we have disclosed in the financial statement for the fiscal year ended March 31, 2010 released on May 13, 2010, if even after considering the return to the employee, if we can post an operating income, we plan to set the year end dividend according to the dividend policy.

Note: The forecasts in this report are based on information available as of the date of release and assumptions considered reasonable. Actual results may differ from forecasts due to a range of factors. Actual performance may vary from the forecasted figures due to the various reasons. Important elements which may affect actual performance include but not limited to the "Risks of the Business" noted in the disclosed materials such as the Securities Report.

(4) Others

**(4)-1. Change in number of significant subsidiaries during this period
(due to change in the scope of consolidation):** None

**(4)-2. Adoption of simplified accounting methods and special accounting methods used specifically
for quarterly consolidated financial statements**
: Yes

(4)-2. i Method of calculating the depreciation of the fixed assets

Amount of acquisition, disposal and depreciation of the fixed assets which to be applied to the quarter is calculated by distributing the amount quoted or budgeted according to the length of the period. For the fixed assets which a fixed rate of depreciation is applied, depreciation is calculated by distributing the total amount to be depreciated for the entire fiscal year according to the length of period.

(4)-2. ii Calculation of corporate and other taxes, deferred tax assets and deferred tax liabilities

In judging the recoverability of deferred tax assets, when it is deemed that there are no material changes in the management environment and temporary variances since the end of previous fiscal year, we use the previous year's future business results forecasts and tax planning

(4)-2. iii Tax Expenses

Tax Expenses is calculated by multiplying the earning before income tax for the subjected quarter with the estimated actual tax rate which is determined by applying the tax effect accounting to the earning before income tax.

**(4)-3. Changes in accounting principles, method and presentation method in preparation
of the quarterly consolidated financial statement:**

**(4)-3. i Adoption of accounting standard for completed Accounting Standards for Asset Retirement
Obligations**

From the first quarter of the fiscal year under review, the "Accounting Standards for Asset Retirement Obligations" (ASBJ Statement No. 18, March 31, 2008) and the "Guidance on Accounting Standards for Asset Retirement Obligations" (ASBJ Guidance No. 21, March 31, 2008), were adopted.

As a result, both operating income and ordinary income decreased by 1,745 thousand yen, and income before tax adjustment for the 1st quarter decreased by 78,496 thousand yen. And change in Other of Investment and other assets due to application of this standards is 76,751 thousand yen.

Change in Presentation

By adoption of the Cabinet Office Ordinance on Terminology, Forms and Preparation of Financial Statements (Cabinet Office Ordinance No. 5, March 24, 2009) based on the Accounting Standard for Consolidated Financial Statements (ASBJ Guidance No. 22, December 26, 2008), "Income before minority interests" was added in the financial statement.

(4)-3. ii Change other than (4)-3.i : None

(Additional Information)

Allowance for Bonus

In order to apply for the bonus which to be paid to employee, expected amount is posted.

In past, by considering the cost of bonus as fixed expenses, the Company had posted expected amount for employee bonus in un-paid expense.

For the 1st quarter of this fiscal year, since the amount of bonus to be paid to employee includes un-certain portion (bonus payment made according to the agreement with union, and expected amount to be returned to employee to restore the reduced bonus, wages, etc.), the Company posted total amount for bonus including the un-certain portion as unpaid expenses.

Consolidated Financial statements

(1) Supplemental Consolidated Balance Sheets 【First Quarter】

	(Thousands of Yen)	
	The First Quarter ended June 30, 2010	Fiscal year ended March 31, 2010
ASSETS		
CURRENT ASSETS		
Cash and cash equivalents	16,506,391	14,732,005
Notes and accounts receivable	9,252,210	9,582,444
Work in process	396,309	153,363
Other	3,193,686	3,980,151
Allowance for doubtful accounts	(4,260)	(3,595)
Total current assets	<u>29,344,337</u>	<u>28,444,368</u>
FIXED ASSETS		
PROPERTY AND EQUIPMENT		
Buildings and structures-net	8,002,503	8,100,740
Other	4,126,255	3,968,508
Total Tangible fixed assets	<u>12,128,759</u>	<u>12,069,249</u>
INTANGIBLE FIXED ASSETS	<u>2,517,597</u>	<u>2,704,131</u>
INVESTMENTS AND OTHER ASSETS		
Other	4,458,866	4,698,756
Allowance for doubtful accounts	(159,629)	(291,276)
Total investments and other assets	<u>4,299,236</u>	<u>4,407,480</u>
Total fixed assets	<u>18,945,593</u>	<u>19,180,861</u>
TOTAL ASSETS	<u>48,289,931</u>	<u>47,625,229</u>
LIABILITIES		
CURRENT LIABILITIES		
Notes and accounts payable	123,707	123,667
Accrued expenses	2,015,020	4,864,630
Income taxes payable	331,263	146,958
Allowance for bonus payable	1,504,460	-
Other	1,887,388	1,257,452
Total current liabilities	<u>5,861,839</u>	<u>6,392,708</u>
LONG-TERM LIABILITIES		
Liability for retirement benefits	7,910,990	7,739,553
Other	191,781	49,710
Total long-term liabilities	<u>8,102,771</u>	<u>7,789,263</u>
TOTAL LIABILITIES	<u>13,964,611</u>	<u>14,181,971</u>
EQUITY		
Stockholder's equity		
Common stock	16,825,881	16,825,881
Capital surplus	14,451,367	14,451,416
Retained earnings	9,609,051	8,715,540
Treasury stock	(5,891,415)	(5,891,264)
Total Stockholder's equity	<u>34,994,885</u>	<u>34,101,573</u>
Valuation and translation adjustments		
Unrealized gain on available-for-sale securities	3,757	20,893
Land revaluation difference	(883,049)	(883,049)
Foreign currency translation adjustments	(3,196)	(3,706)
Valuation and translation adjustments Total	<u>(882,489)</u>	<u>(865,862)</u>
Minority interests	212,923	207,546
Total equity	<u>34,325,319</u>	<u>33,443,257</u>
TOTAL LIABILITIES AND EQUITY	<u>48,289,931</u>	<u>47,625,229</u>

(2) Supplemental Consolidated Statements of operations
【First Quarter】

(Thousands of Yen)

	The First Quarter ended June 30, 2009	The First Quarter ended June 30, 2010
NET SALES	13,462,736	14,140,791
COST OF SALES	11,976,401	11,414,555
Gross profit	1,486,335	2,726,236
SELLING, GENERAL AND MINISTRATIVE EXPENSES	3,073,328	2,562,933
Operating income (loss)	(1,586,993)	163,302
OTHER INCOME		
Interest income	2,516	1,965
Dividend income	2,801	2,563
Lease income	3,377	2,936
Subsidies for employment adjustment	930,839	828,988
Other	14,821	29,428
TOTAL OTHER INCOME	954,356	865,882
OTHER EXPENSES		
Interest expense	3	—
Commitment fee	5,176	5,176
Foreign exchange profit	7,511	9,914
Other	6,717	2,702
TOTAL OTHER EXPENSES	19,408	17,792
ORDINARY INCOME (LOSS)	(652,045)	1,011,392
EXTRAORDINARY INCOME		
Profit from the sale of the investment securities	—	158,121
Reversal of allowance for doubtful accounts	8,084	131,947
Other	—	457
TOTAL EXTRAORDINARY INCOME	8,084	290,525
EXTRAORDINARY LOSSES		
Loss on sale of fixed assets	2	—
Loss on sale and disposal of fixed assets	237	1,049
Loss on cancellation of lease agreements	2,260	—
The effect of adoption of accounting standards for asset retirement obligations	—	76,751
Other	920	140
Total extraordinary losses	3,420	77,941
Income (loss) before Income Taxes	(647,380)	1,223,977
Income Taxes	77,014	325,081
Income before minority interests	—	898,895
Minority interests in net income (loss)	(8,854)	5,383
NET INCOME (LOSS)	(715,541)	893,511

(3) SEGMENT INFORMATION

Operating Segment Information

The companies' operating segment information at and for First Quarter ended June 30, 2010 is as follows

(Thousands of Yen)

	Temporary Staffing Business	Engineering Solutions Business	Global Business	Career Support Business	Total	Adjustments and Eliminations	Consolidated
. NET SALES							
External customers	12,589,882	444,525	155,423	272,905	13,462,736	—	13,462,736
Inter-segment	24,989	102,227	28,776	254	156,247	(156,247)	—
Total	12,614,871	546,753	184,200	273,159	13,618,984	(156,247)	13,462,736
Operating income (loss: ())	(1,439,075)	(1,886)	(179,262)	28,770	(1,591,454)	4,460	(1,586,993)

The companies' operating segment information at and for First Quarter ended June 30, 2010 is as follows

(Thousands of Yen)

	Temporary Staffing Business	Engineering Solutions Business	Global Business	Career Support Business	Total
. NET SALES					
External customers	13,392,359	626,769	19,040	102,621	14,140,791
Inter-segment	12,477	69,144	—	—	81,622
Total	13,404,837	695,914	19,040	102,621	14,222,413
Operating income (loss: ())	94,302	55,162	(15,785)	28,255	161,934

The adjustment of figures in consolidated of operating income

(Thousands of Yen)

Operating income (loss: ())	Amount
Total income in the reporting segments	161,934
Elimination of inter segment transactions	1,368
Operating income in the consolidated statement of operations for the 1st quarter of the fiscal year.	163,302

(Additional Information)

From the 1st quarter of fiscal year ending March 31, 2011, “Revised Accounting Standard for Disclosures about Segments of an Enterprise and Related Information” (Accounting Standards Board of Japan (ASBJ) Statement No. 17 released on March 27, 2009) and the “Guidance on Accounting Standard for Disclosures about Segments of an Enterprise and Related Information” (ASBJ Guidance No. 20 released on March 21, 2008), were adopted.

(5) Significant changes in shareholders' equity: None

「reference data」

(1) Consolidated Balance Sheets

(Thousands of Yen)

	The First Quarter ended June 30, 2010	Fiscal year ended March 31, 2010	A-B	
	A	B	A-B	%
Cash and cash equivalents	16,506,391	14,732,005	1,774,386	12.0
Notes and accounts receivable	9,252,210	9,582,444	(330,233)	-3.4
Work in process	396,309	153,363	242,946	158.4
Other	3,193,686	3,980,151	(786,465)	-19.8
Allowance for doubtful accounts	(4,260)	(3,595)	(664)	18.5
Total current assets	29,344,337	28,444,368	899,969	3.2
Property and Equipment				
Buildings and structures-net	8,002,503	8,100,740	(98,236)	-1.2
Other	4,126,255	3,968,508	157,747	4.0
Total Tangible fixed assets	12,128,759	12,069,249	59,510	0.5
Intangible fixed assets	2,517,597	2,704,131	(186,533)	-6.9
Investments and other assets	4,299,236	4,407,480	(108,243)	-2.5
Total fixed assets	18,945,593	19,180,861	(235,267)	-1.2
Total assets	48,289,931	47,625,229	664,701	1.4
Notes and accounts payable	123,707	123,667	40	0.0
Accrued expenses	2,015,020	4,864,630	(2,849,610)	-58.6
Income taxes payable	331,263	146,958	184,304	125.4
Other	3,391,848	1,257,452	2,134,396	169.7
Total current liabilities	5,861,839	6,392,708	(530,868)	-8.3
Liability for retirement benefits	7,910,990	7,739,553	171,437	2.2
Other	191,781	49,710	142,070	285.8
Total long-term liabilities	8,102,771	7,789,263	313,508	4.0
Total liabilities	13,964,611	14,181,971	(217,360)	-1.5
Common stock	16,825,881	16,825,881	-	-
Capital surplus	14,451,367	14,451,416	(48)	0.0
Retained earnings	9,609,051	8,715,540	893,511	10.3
Treasury stock	(5,891,415)	(5,891,264)	(150)	0.0
Total Stockholder's equity	34,994,885	34,101,573	893,311	2.6
Unrealized gain on available-for-sale securities	3,757	20,893	(17,136)	-82.0
Land revaluation difference	(883,049)	(883,049)	-	-
Foreign currency translation adjustments	(3,196)	(3,706)	509	-13.8
Valuation and translation adjustments Total	(882,489)	(865,862)	(16,626)	1.9
Minority interests	212,923	207,546	5,376	2.6
Total equity	34,325,319	33,443,257	882,062	2.6
Total liabilities and equity	48,289,931	47,625,229	664,701	1.4

「reference data」

(2) Consolidated Statements of Income

(Thousands of Yen)

	The First Quarter ended June 30, 2009	The First Quarter ended June 30, 2010	A-B	
	A	B	A-B	%
Net Sales	13,462,736	14,140,791	678,054	5.0
Cost of Sales	11,976,401	11,414,555	(561,845)	-4.7
Gross profit	1,486,335	2,726,236	1,239,900	83.4
Selling, General and Administrative Expenses	3,073,328	2,562,933	(510,395)	-16.6
Operating income (loss)	(1,586,993)	163,302	1,750,296	-
Other Income	954,356	865,882	(88,474)	-9.3
Subsidies for employment adjustment	930,839	828,988	(101,851)	-10.9
Other Expenses	19,408	17,792	(1,616)	-8.3
Ordinary Income (loss)	(652,045)	1,011,392	1,663,438	-
Income (loss) before Income Taxes	(647,380)	1,223,977	1,871,358	-
Net Income (Loss)	(715,541)	893,511	1,609,053	-

「reference data」

(3) Key Performance Indicators

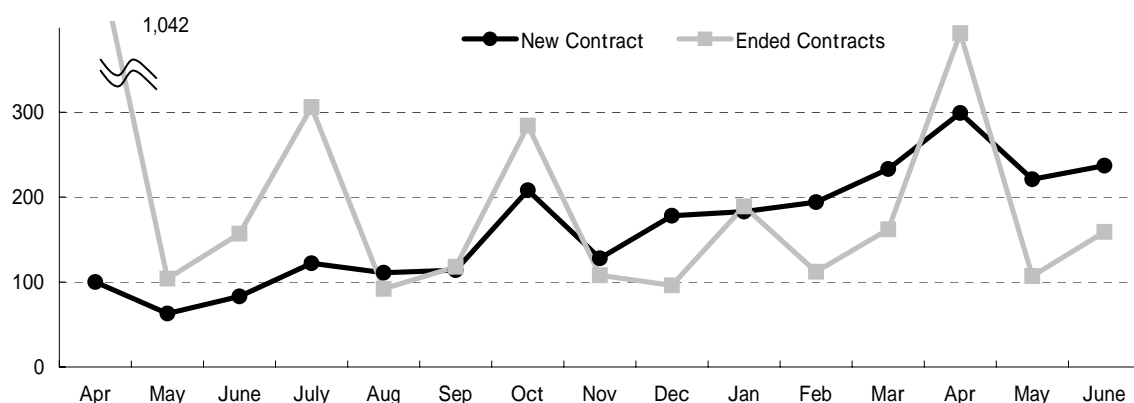
(Operating Hours)	First Quarter ended June 30, 2009	First Quarter ended June 30, 2010	change
	Meitec (MT)	8.36h/day	8.79h/day
Meitec Fielders (MF)	8.44h/day	8.86h/day	+ 0.42h/day

(4) Meitec Group Results For the First Quarter ended June 30, 2010

(millions of yen)		Net Sales		Operating Income		Ordinary Income		Net Income	
			Change		Change		Change		Change
B S E T u t g m s a i p i f i n o r e i e r s n r r s g s y	Meitec	10,909	632	0	961	796	796	439	486
	Meitec Fielders	1,923	167	78	559	169	482	161	476
	Meitec Cast	628	22	13	11	14	11	6	7
B S E N u l u g i s u n g i i n t n e e s o n s r i s s	Meitec CAE	262	34	46	6	48	8	29	5
	Apollo Giken	407	109	12	46	21	28	(3)	2
	Meitec Global Solutions *1	25	(138)	(5)	125	(3)	38	(3)	39
B U G u s l i o s i o n b e a e s l s	Meitec Shanghai	3	(9)	(1)	(1)	(1)	(1)	(1)	(1)
	Meitec Guangzhou	0	(0)	(1)	8	(1)	8	(1)	8
	Meitec Xian	4	3	(1)	4	(1)	4	(1)	4
	Meitec Chengdu	2	1	(6)	2	(6)	2	(6)	2
	Meitec Shanghai Human Resources	8	4	(2)	1	(2)	1	(2)	1
B S C u u a s s p r s i t p e n o e e r r	Meitec Next	100	1	28	29	27	28	27	28
	all engineer. Jp	3	0	0	2	0	2	0	2

*1 : From the current fiscal year, the Company had moved the business segmentation of Meitec Global Solutions (MGS) to the "Engineering Solutions Business" as their business is providing a total solutions services for cost reduction in cooperation with the Chinese partner companies

(5) Trend of New Contracts(Non-Consolidated) For the First Quarter ended June 30, 2010 [Meitec only] *



* This information is disclosed as we consider it as one of the important index under the current difficult business environments.

(6) Additional Information on the Profit return to the Employee.

From “Results for the Fiscal Year ended March 31, 2010, (1)-4. Forecast for the Fiscal Year Ending March 31, 2011”

As the Company disclosed in “Notice Concerning Management Rationalization Measures” on February 23, 2010, Meitec Group has set its management policy for the fiscal year ending March 31, 2011 as “Achieving Self-supporting Corporate Continuation”. With a precondition of each Meitec Group companies will carry out measures appropriate to condition for the each companies are in, accordance to this management policy, Meitec Group has set its management target as “Achieving the Operating Profit for the Fiscal Year (consolidated, non-consolidated and for each companies). In order to achieve the management target, company will apply following management rationalizations measures under an agreement with employee union.

Management Rationalization Measures and its Expected Effects

(millions of yen)	Expected Amount of Cost Reduction (for year)	
	Consolidated	Non-consolidated
Reduction and return of director 's compensations, voluntary return of auditor's compensation	40	40
Payroll reduction for executive officers and (non-union) managers	190	160
Allowance and bonus, etc. reduction for general employee (union member)	2,650	1,650
Total	2,880	1,850

Operating income may stay within the same level as forecasted even if the amount of sales may exceed beyond forecasted amount disclosed as the business improve above present forecast. Although it is subjected to discussion between the Company and Union, if the operating income improve beyond our disclosed forecast, the Company is planning that the excess amount to be given priority to be used to return to employee

Expected Maximum Amount for Return to Employee and Amount for the 1st Quarter

(millions of yen)	Consolidated	Non-Consolidated
Expected Maximum Amount for Return to Employee (for Fiscal Year)	2,390	2,134
Expected Amount of Return to Employee for the 1 st Q FY ending March 31, 2011	427	362
Cost of Sales	386	328
SG&A	40	34

“Expected Maximum Amount to be Returned to Employees” corresponds to the “Allowance and bonus, etc. reduction for general employee (union member)” for Meitec alone is set by off-setting the amount of reduction in fee for sub-contract work from subsidiaries.

Note: Expected amount to be returned to employee will be posted as allowance according to the amount of operating profit excess of the disclosed forecasted amount of “zero.” Allocation of this excess profit up to the maximum amount as allowance is not fixed. Depending on the performance of the Company, the amount of allowance may not reach its maximum amount set. On the other hand, if the actual amount of operating profit exceeds the maximum amount, the Company will post operating profit.

Regarding the expected amount to be returned to employee, upon completion of discussion with the union, the Company plans to make the return with in current fiscal year.