

Results for the Second Quarter ended September 30, 2010

Meitec Corporation

Consolidated financial summary

1. Results for the Second Quarter (April 1, 2010 to September 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	%
Second Quarter FY ending March 31, 2011	29,357	12.0%	662	-	2,087	-	1,615	-
Second Quarter FY ended March 31, 2010	26,203	-36.7%	(3,248)	-	(850)	-	(1,214)	-

	Net Income per Share	Diluted Net Income
	Yen	Yen
Second Quarter FY ending March 31, 2011	48.74	—
Second Quarter FY ended March 31, 2010	(36.65)	—

(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
Second Quarter FY ending March 31, 2011	50,811	35,050	68.5	1,050.52
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 September 30, 2010: 34,824 million yen As of March 31, 2010: 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
Second Quarter FY ending March 31, 2011	—	0.00	—	—	0.00
FY ending March 31, 2011 (Forecast)	—	—	—	Not decided	Not decided

(Note) Revision of dividends forecast during the 2nd quarter: Yes

The year end dividend forecast for the fiscal year ending March 31, 2011 has not been decided.

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	
FY ending March 31, 2011	59,500	10.6	1,600	—	4,100	—	2,900	—	87.48	

(Note) Revision of performance forecast during the 2nd quarter: None

Please refer to the "Revision of the Financial Forecast and the Dividend Forecast for the Fiscal Year Ending March 31, 2011" released today, November 12, 2010, for the revision of the consolidated financial forecast.

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)
- | | | | |
|-----------------------------|------------|-------------------------|------------|
| 2Q/FY ending March 31, 2011 | 35,100,000 | FY ended March 31, 2010 | 35,100,000 |
|-----------------------------|------------|-------------------------|------------|
- ii. Number of treasury shares at period end
- | | | | |
|-----------------------------|-----------|-------------------------|-----------|
| 2Q/FY ending March 31, 2011 | 1,949,850 | FY ended March 31, 2010 | 1,949,655 |
|-----------------------------|-----------|-------------------------|-----------|
- iii. Average number of shares during period
- | | | | |
|-----------------------------|------------|----------------------------|------------|
| 2Q/FY ending March 31, 2011 | 33,150,267 | 2Q/FY ended March 31, 2010 | 33,150,485 |
|-----------------------------|------------|----------------------------|------------|

*** 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 year end dividend forecast for the fiscal year ending March 31, 2011 has not been decided. The Company is planning to announce the year end dividend forecast by the late March 2011 as the financial performance for the fiscal year become more firm. 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 September 30, 2010)

(Millions of yen, rounded down)	2 nd Q FY ended March 31, 2010 Consolidated Total	2 nd Q FY ending March 31, 2011 Consolidated Total	(6 Month Total)	
			YoY Amount	% Change
Net Sales	26,203	29,357	+ 3,153	+12.0%
Cost of Sales	23,478	23,628	+ 149	+0.6%
SG&A Expenses	5,973	5,065	(907)	-15.2%
Operating Income	(3,248)	662	+ 3,911	—
Other Income	2,397	1,424	(973)	-40.6%
Subsidies for employment adjustment	2,407	1,401	(1,005)	-41.8%
Ordinary Income	(850)	2,087	+ 2,938	—
Income before Income Taxes and Minority Interests	(850)	2,302	+ 3,152	—
Net Income	(1,214)	1,615	+ 2,830	—

For the first half of the fiscal year (6 month period from April 1, 2010 to September 30, 2010), although the performances of our customers, major manufacturers, are firmly recovering and resumption of R&D investment are gradually expanding, gaps between companies are continue to be large. Under such conditions, for our core businesses, temporary engineer staffing business, we have actively conducted sales efforts toward our current customers, and our utilization ratio had continued to improve. As a result, company's consolidated revenue to the 2nd quarter increased by 3,153 million yen compare to the same period of the previous fiscal year to 29,357 million yen.

The consolidated cost of sales increased by 149 million yen compared to the same period of the previous fiscal year to 23,628 million yen. Main reason for this increase was due to the increase of wedges.

And by further applying thorough measure for higher efficiency, cost of consolidated selling, general and administrative expenses decline by 907 million yen compare to the same period of previous fiscal year to 5,065 million yen.

As the result, the consolidated operating income increased by 3,911 million yen compared to the same period of previous fiscal year to post profits of 662 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 profits 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 2,453 million yen in consolidated basis which to be applied toward return to employee. And at the end of the 2nd quarter, we posted maximum amount for first half, 1,225 million yen in consolidated basis, of which 1,073 million yen for Meitec alone, and therefore the operating income became 239 million yen.

The company continues to post 1,401 million yen of extraordinary income for the government subsidies for employment adjustment. And as a result, the Company posted consolidated ordinary income increased by 2,938 million yen compared to the same period of the previous fiscal year to 2,087 million yen. And the consolidated net income increase by 2,830 million yen to 1,615 million yen.

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

Figure 2: Summary of Results by Business Segment to the 2nd Quarter (April 1, 2010 to September 30, 2010)

(Millions of yen, rounded down)	Meitec Group (Consolidated) Total for 6 month	Temporary Staffing Business	Engineering Solutions Business	Global Business	Career Support Business	Eliminations / Corporate
Net Sales	29,357	27,785	1,544	43	219	(235)
%	100	94.6	5.3	0.1	0.7	-0.8
YoY Change	+3,153	+3,175	+325	(300)	(131)	+85
%	12.0	12.9	26.7	-87.4	-37.4	—
Operating Income	662	525	113	(30)	52	2
%	100	79.2	17.0	-4.6	7.9	0.4
YoY Change	+3,911	+3,427	+100	+352	+36	(6)
%	—	—	775.2	—	240.7	—

(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 conducted active sales efforts mainly toward our current customers, reinforcing our sales strength. As a result, we have achieved more new contracts than contracts ended, and our utilization ratio continues to firmly improve.

Mainly due to this improvement in utilization ratio, sales for the staffing business for the subject quarter increased for 3,175 million yen compared to that of first half of the previous fiscal year to 27,785 million yen.

Also as the sales increased, operating income increased by 3,427 million yen compared to the same period of the previous fiscal year to 525 million yen.

Figure 3: Meitec Group Temporary Engineers Staffing Business

		September 30, 2009 2 nd Q FY ended March 31, 2010	September 30, 2010 2 nd Q FY ending March 31, 2011	
MT + MF + CAE + MGS		Period-End Engineering Staff ¹²	7,682	7,058
MT + MF		Period-End Engineering Staff ¹²	7,302	6,971
		Utilization ratio (Company-wide)	69.3%	82.1%
		Utilization ratio(Excluding new hires ^{3a})	74.5%	84.3%
Meitec Corporation (MT)		Period-End Engineering Staff ¹²	5,878	5,746
		Of which assigned to internal engineering projects ²	249	144
		Utilization ratio (Company-wide)	70.2%	80.7%
		Utilization ratio(Excluding new hires ³)	75.0%	81.4%
Meitec Fielders, Inc. (MF)		Period-End Engineering Staff	1,424	1,225
		Utilization ratio (Company-wide)	65.6%	88.3%
		Utilization ratio(Excluding new hires ⁴)	72.7%	99.1%
Meitec CAE Corporation (CAE)		Period-End Engineering Staff	84	87
Meitec Global Solutions, Inc.(MGS) ¹		Period-End Engineering Staff ¹	296	

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%	83.4%
MF	97.5%	91.6%	96.2%	95.4%	88.8%	66.0%	65.1%	70.5%	78.5%	84.7%	92.0%

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 does 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 first half increased by 325 million yen compared to the same period of the previous fiscal year to 1,544 million yen, and operating income increased by 100 million yen compared to the same period of the previous fiscal year to 113 million yen.

Meitec CAE had achieved increase in revenue compared to the same period of previous fiscal year and progressing in the operating income. Apollo Giken had achieved increase in revenue and regained profits where it was a loss in previous fiscal year as the market condition recovery and improvement from strengthening the sales.

(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 300 million yen compared to the same period of previous fiscal year to 43 million yen. But as we apply measures for higher efficiency such as the reduction of vocational training facilities locations (Dalian, Guangzhou and Beijing subsidiaries are under liquidation process), and reinforcing the sales force at the Meitec Shanghai Human Resources operating loss had greatly improved by 352 million yen compared to the same period of the previous fiscal year to a loss of 30 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 first half had decreased by 131 million yen compared to the same period of the previous fiscal year to 219 million yen. But we were able to post operating profits of 52 million yen.

For the Meitec Next Corporation, as they reduced their sales offices from latter half of the previous fiscal year and by effect of cost reduction measures, they have regained operating profits.

(2)Analysis of Financial Position

(2)-1. Assets

Total consolidated assets at the end of the 2nd quarter ended September 30, 2010, increased by 3,185 million yen, compared to the end of the previous fiscal year ended March 31, 2010, to 50,811 million yen. It is mainly due to the increase of current asset by 3,765 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 first half of the year.

(2)-2. Liabilities

Total consolidated liabilities at the end of the 2nd quarter increased by 1,578 million yen compared to the end of the previous fiscal year ended March 31, 2010 to 15,760 million yen. This was mainly due to increase of consolidated current liabilities by 1,096 million yen compared to the end of previous fiscal year ended March 31, 2010.

Reason for increase in current liabilities was due to allocating a bonus expense which to be used as a return to the employees.

(2)-3. Net Assets

The consolidated net assets at the end of the 2nd quarter increased by 167 million yen compared to the end of previous fiscal year ended March 31, 2010, to 35,050 million yen. This was mainly due to increase of retained earnings resulted by business performance during the first half of the year.

(3) Information regarding the consolidated forecast.

(3)-1. Forecast

The Company revises its forecast for the fiscal year ending March 31, 2011 as follows considering the current trend in our utilization ratio for our core business, temporary engineer staffing business.

The following forecasts include 2,453 million yen for consolidated base and 2,149 million yen for non-consolidated base of expenses for return to the employee. The amount considered is maximum amount allocated for the fiscal year. Please refer page 18 for the details of the return to the employee.

Since the Meitec Group employee large number of engineers on full time basis, the company applies for the government subsidies for the employment adjustment. But considering the improvements of utilization ratio, we have revised the expected amount to be received to 2,400 million yen from 3,200 million yen and included in below forecast.

Figure 4: Revision of the Consolidated Performance Forecast (for period from April 1, 2010 to March 31, 2011)

(Millions of yen)	Net Sales	Operating Income	Ordinary Income	Net Profit
Previous Forecast (A) (Announced on May 13, 2010)	55,000	100	3,400	1,900
Revised Forecast (B)	59,500	1,600	4,100	2,900
Difference (B-A)	+4,500	+1,500	+700	+1,000

Figure 5: Revision of the Non-Consolidated Performance Forecast (for period from April 1, 2010 to March 31, 2011)

(Millions of yen)	Net Sales	Operating Income	Ordinary Income	Net Profit
Previous Forecast (A) (Announced on May 13, 2010)	43,000	0	2,800	1,600
Revised Forecast (B)	46,500	1,000	3,300	1,900
Difference (B-A)	+3,500	+1,000	+500	+300

Figure 6: Conditions for the Revision of the Financial Forecast (April 1, 2010 to March 31, 2011)

	Meitec	MF
	Revised Forecast	Revised Forecast
Utilization Ratio for the Year	83.2%	90.7%
Actual for 1st Half of the Year	80.7%	88.3%
Forecast for the 2nd Half	85.8%	93.3%
Operating Hour	8.80h/day	8.83h/day

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

The forecast of the dividend for the fiscal year ending March 31, 2011 was disclosed by an announcement dated May 13, 2010 as below.

[Summary of a note regarding the forecast of dividend for the fiscal year ending March 31, 2011 which was noted in the financial result for the fiscal year ended March 31, 2010 disclosed on May 13, 2010]

The Company forecast not issue the dividend at the end of fiscal year ending March 31, 2011 .
 If the performances of the company exceed beyond the current assumptions to realize the revenue above disclosed forecasts during the fiscal year ending March 31, 2011, company plans to give priority to apply the amount of operating profits above forecast to restore the bonus reduction which to be applied to the employee. But if even after such restoration measure, we were able to achieve more operating profits beyond our forecast, we plan to consider execution of dividend pay which corresponds to the amount of such excess profits.

The Company did not issue a dividend for the interim period as it was forecasted at the beginning of the fiscal year.

Since we forecast the consolidated operating income to be 1,600 million yen for the year even after considering the expenses for the return to the employee as noted above “3” financial forecast, the Company plans to consider regarding the end of the year dividend according to the operating profits.

But since the operating profits after considering the expenses for return to the employee is not definite, the Company revises its forecast for the dividend to “not decide” from “zero”.

And the Company is planning to announce more firm forecast of the end of year dividend as the financial performance for the fiscal year become more firm by the late March 2011.

The Company shall make it best effort to meet the shareholders expectation. And the Company would appreciate it for your understanding.

Figure 7: Revised Forecast of Dividends

	Dividend per Share (Yen)				
	First Quarter	Second Quarter	Third Quarter	Year-end	Total
Previous Forecast (Announced May 13, 2010)	/	0.00	/	0.00	0.00
Revised Forecast	/	/	/	Not decided	Not decided
Actual. Current Period	/	0.00	/	—	—

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 2nd 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.

During the first half 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.

(5) Consolidated Financial statements

(5)-1 Supplemental Consolidated Balance Sheets 【 Second Quarter 】

(Thousands of Yen)

	The Second Quarter ended September 30, 2010	Fiscal year ended March 31, 2010
ASSETS		
CURRENT ASSETS		
Cash and cash equivalents	19,548,614	14,732,005
Notes and accounts receivable	9,389,113	9,582,444
Work in process	367,597	153,363
Other	2,909,623	3,980,151
Allowance for doubtful accounts	(4,720)	(3,595)
Total current assets	32,210,228	28,444,368
FIXED ASSETS		
PROPERTY AND EQUIPMENT		
Buildings and structures-net	7,903,129	8,100,740
Other	4,083,469	3,968,508
Total Tangible fixed assets	11,986,598	12,069,249
INTANGIBLE FIXED ASSETS	2,331,486	2,704,131
INVESTMENTS AND OTHER ASSETS		
Other	4,444,067	4,698,756
Allowance for doubtful accounts	(161,302)	(291,276)
Total investments and other assets	4,282,764	4,407,480
Total fixed assets	18,600,849	19,180,861
TOTAL ASSETS	50,811,077	47,625,229
LIABILITIES		
CURRENT LIABILITIES		
Notes and accounts payable	150,579	123,667
Accrued expenses	1,797,665	4,864,630
Income taxes payable	695,559	146,958
Allowance for bonus payable	3,538,916	-
Other	1,306,174	1,257,452
Total current liabilities	7,488,895	6,392,708
LONG-TERM LIABILITIES		
Liability for retirement benefits	8,093,211	7,739,553
Other	178,269	49,710
Total long-term liabilities	8,271,480	7,789,263
TOTAL LIABILITIES	15,760,376	14,181,971
EQUITY		
Stockholder's equity		
Common stock	16,825,881	16,825,881
Capital surplus	14,451,367	14,451,416
Retained earnings	10,331,231	8,715,540
Treasury stock	(5,891,513)	(5,891,264)
Total Stockholder's equity	35,716,967	34,101,573
Valuation and translation adjustments		
Unrealized gain on available-for-sale securities	(1,555)	20,893
Land revaluation difference	(883,049)	(883,049)
Foreign currency translation adjustments	(7,432)	(3,706)
Valuation and translation adjustments Total	(892,037)	(865,862)
Minority interests	225,771	207,546
Total equity	35,050,701	33,443,257
TOTAL LIABILITIES AND EQUITY	50,811,077	47,625,229

(5)-2 Supplemental Consolidated Statements of operations
【 Second Quarter 】

(Thousands of Yen)

	The Second Quarter ended September 30, 2009	The Second Quarter ended September 30, 2010
NET SALES	26,203,450	29,357,173
COST OF SALES	23,478,523	23,628,435
Gross profit	2,724,926	5,728,738
SELLING, GENERAL AND MINISTRATIVE EXPENSES	5,973,381	5,065,899
Operating income (loss)	(3,248,454)	662,838
OTHER INCOME		
Interest income	6,307	5,196
Dividend income	2,801	2,563
Lease income	6,127	5,246
Subsidies for employment adjustment	2,407,548	1,401,607
Other	33,850	52,987
TOTAL OTHER INCOME	2,456,635	1,467,602
OTHER EXPENSES		
Interest expense	3	—
Commitment fee	10,450	10,450
Foreign exchange profit	24,295	17,095
Loss on investments in partnership	—	9,620
Other	24,074	5,758
TOTAL OTHER EXPENSES	58,824	42,925
ORDINARY INCOME (LOSS)	(850,644)	2,087,515
EXTRAORDINARY INCOME		
Profit from the sale of the investment securities	—	158,121
Reversal of allowance for doubtful accounts	26,580	139,342
Other	—	457
TOTAL EXTRAORDINARY INCOME	26,580	297,921
EXTRAORDINARY LOSSES		
Loss on sale of fixed assets	2	—
Loss on sale and disposal of fixed assets	23,258	6,307
Loss on cancellation of lease agreements	2,260	140
The effect of adoption of accounting standards for asset retirement obligations	—	76,751
Other	936	—
Total extraordinary losses	26,457	83,199
Income (loss) before Income Taxes	(850,521)	2,302,238
Income Taxes	383,511	666,907
Income before minority interests	—	1,635,330
Minority interests in net income (loss)	(19,203)	19,638
NET INCOME (LOSS)	(1,214,829)	1,615,691

(5)-3 SEGMENT INFORMATION

Operating Segment Information

The companies' operating segment information at and for Second Quarter ended September 30, 2009 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	24,565,160	1,008,184	279,666	350,439	26,203,450	—	26,203,450
Inter-segment	44,983	211,076	64,278	254	320,592	(320,592)	—
Total	24,610,143	1,219,260	343,945	350,693	26,524,043	(320,592)	26,203,450
Operating income (loss: ())	(2,902,805)	12,912	(382,869)	15,367	(3,257,396)	8,941	(3,248,454)

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

(Thousands of Yen)

	Temporary Staffing Business	Engineering Solutions Business	Global Business	Career Support Business	Total
. NET SALES					
External customers	27,760,242	1,334,718	43,293	218,919	29,357,173
Inter-segment	24,960	210,013	—	543	235,517
Total	27,785,202	1,544,732	43,293	219,462	29,592,690
Operating income (loss: ())	525,100	113,010	(30,364)	52,356	660,102

The adjustment of figures in consolidated of operating income

(Thousands of Yen)

Operating income (loss: ())	Amount
Total income in the reporting segments	660,102
Elimination of inter segment transactions	2,736
Operating income in the consolidated statement of operations for the 1st quarter of the fiscal year.	662,838

(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.

(6) Significant changes in shareholders' equity: None

「reference data 」

(1)Consolidated Balance Sheets

(Thousands of Yen)

	The Second Quarter ended September 30, 2010	Fiscal year ended March 31, 2010	A-B	
	A	B	A-B	%
Cash and cash equivalents	19,548,614	14,732,005	4,816,609	32.7
Notes and accounts receivable	9,389,113	9,582,444	(193,330)	-2.0
Work in process	367,597	153,363	214,234	139.7
Other	2,909,623	3,980,151	(1,070,528)	-26.9
Allowance for doubtful accounts	(4,720)	(3,595)	(1,124)	31.3
Total current assets	32,210,228	28,444,368	3,765,859	13.2
Property and Equipment				
Buildings and structures-net	7,903,129	8,100,740	(197,611)	-2.4
Other	4,083,469	3,968,508	114,960	2.9
Total Tangible fixed assets	11,986,598	12,069,249	(82,650)	-0.7
Intangible fixed assets	2,331,486	2,704,131	(372,645)	-13.8
Investments and other assets	4,282,764	4,407,480	(124,715)	-2.8
Total fixed assets	18,600,849	19,180,861	(580,011)	-3.0
Total assets	50,811,077	47,625,229	3,185,848	6.7
Notes and accounts payable	150,579	123,667	26,912	21.8
Accrued expenses	1,797,665	4,864,630	(3,066,964)	-63.0
Income taxes payable	695,559	146,958	548,600	373.3
Allowance for bonus payable	3,538,916	-	3,538,916	-
Other	1,306,174	1,257,452	48,722	3.9
Total current liabilities	7,488,895	6,392,708	1,096,187	17.1
Liability for retirement benefits	8,093,211	7,739,553	353,658	4.6
Other	178,269	49,710	128,558	258.6
Total long-term liabilities	8,271,480	7,789,263	482,217	6.2
Total liabilities	15,760,376	14,181,971	1,578,404	11.1
Common stock	16,825,881	16,825,881	-	-
Capital surplus	14,451,367	14,451,416	(48)	0.0
Retained earnings	10,331,231	8,715,540	1,615,691	18.5
Treasury stock	(5,891,513)	(5,891,264)	(248)	0.0
Total Stockholder's equity	35,716,967	34,101,573	1,615,393	4.7
Unrealized gain on available-for-sale securities	(1,555)	20,893	(22,449)	-107.4
Land revaluation difference	(883,049)	(883,049)	-	-
Foreign currency translation adjustments	(7,432)	(3,706)	(3,726)	100.5
Valuation and translation adjustments Total	(892,037)	(865,862)	(26,175)	3.0
Minority interests	225,771	207,546	18,225	8.8
Total equity	35,050,701	33,443,257	1,607,443	4.8
Total liabilities and equity	50,811,077	47,625,229	3,185,848	6.7

「reference data」

(2) Consolidated Statements of Income

(Thousands of Yen)

	The Second Quarter ended September 30, 2009	The Second Quarter ended September 30, 2010	A-B	
	A	B	A-B	%
Net Sales	26,203,450	29,357,173	3,153,722	12.0
Cost of Sales	23,478,523	23,628,435	149,911	0.6
Gross profit	2,724,926	5,728,738	3,003,811	110.2
Selling, General and Administrative Expenses	5,973,381	5,065,899	(907,481)	-15.2
Operating income (loss)	(3,248,454)	662,838	3,911,293	-
Other Income	2,456,635	1,467,602	(989,032)	-40.3
Subsidies for employment adjustment	2,407,548	1,401,607	(1,005,941)	-41.8
Other Expenses	58,824	42,925	(15,899)	-27.0
Ordinary Income (loss)	(850,644)	2,087,515	2,938,159	-
Extraordinary income	26,580	297,921	271,341	1,020.8
Extraordinary losses	26,457	83,199	56,741	214.5
Income (loss) before Income Taxes	(850,521)	2,302,238	3,152,759	-
Income Taxes	383,511	666,907	283,396	73.9
Minority interests in net income (loss)	(19,203)	19,638	38,842	-
Net Income (Loss)	(1,214,829)	1,615,691	2,830,521	-

「reference data」

(3)Non-Consolidated Financial statements

(3)-1 Supplemental Non-Consolidated Balance Sheets
【 Second Quarter】

(Thousands of Yen)

	The Second Quarter ended September 30, 2010	Fiscal year ended March 31, 2010
ASSETS		
CURRENT ASSETS		
Cash and cash equivalents	18,596,763	13,881,749
Notes and accounts receivable	7,492,638	7,664,339
Work in process	251,562	47,812
Other	3,572,296	4,506,553
Allowance for doubtful accounts	(2,358)	(1,642)
Total current assets	29,910,901	26,098,810
FIXED ASSETS		
PROPERTY AND EQUIPMENT		
Buildings and structures-net	7,889,222	8,088,211
Other	4,052,909	3,933,748
Total Tangible fixed assets	11,942,131	12,021,959
INTANGIBLE FIXED ASSETS	2,135,939	2,483,102
INVESTMENTS AND OTHER ASSETS		
Other	9,140,198	9,432,414
Allowance for doubtful accounts	(13,646)	(14,835)
Total investments and other assets	9,126,551	9,417,578
Total fixed assets	23,204,622	23,922,640
TOTAL ASSETS	53,115,524	50,021,451
LIABILITIES		
CURRENT LIABILITIES		
Notes and accounts payable	1,340,225	3,837,240
Accrued expenses	622,837	67,470
Income taxes payable	4,910,879	4,098,204
Allowance for bonus payable	2,931,264	-
Other	1,103,475	1,169,233
Total current liabilities	10,908,682	9,172,148
LONG-TERM LIABILITIES		
Liability for retirement benefits	8,056,368	7,706,535
Other	175,805	46,468
Total long-term liabilities	8,232,174	7,753,004
TOTAL LIABILITIES	19,140,857	16,925,152
EQUITY		
Stockholder's equity		
Common stock	16,825,881	16,825,881
Capital surplus	14,451,367	14,451,416
Retained earnings	9,471,429	8,570,542
Treasury stock	(5,891,513)	(5,891,264)
Total Stockholder's equity	34,857,165	33,956,576
Valuation and translation adjustments		
Unrealized gain on available-for-sale securities	551	22,771
Land revaluation difference	(883,049)	(883,049)
Valuation and translation adjustments Total	(882,498)	(860,277)
Total equity	33,974,667	33,096,298
TOTAL LIABILITIES AND EQUITY	53,115,524	50,021,451

「reference data」

(3)-2 Supplemental Non-Consolidated Statements of operations
【Second Quarter】

(Thousands of Yen)

	The Second Quarter ended September 30, 2009	The Second Quarter ended September 30, 2010
NET SALES	20,097,930	22,698,848
COST OF SALES	18,015,676	18,629,531
Gross profit	2,082,254	4,069,316
SELLING, GENERAL AND MINISTRATIVE EXPENSES	4,013,952	3,829,879
Operating income (loss)	(1,931,698)	239,436
OTHER INCOME		
Interest income	7,658	5,858
Dividend income	301,616	44,600
Lease income	16,199	13,047
Subsidies for employment adjustment	1,732,951	1,251,528
Other	11,795	35,723
TOTAL OTHER INCOME	2,070,220	1,350,757
OTHER EXPENSES		
Interest expense	2,012	1,259
Commitment fee	10,450	10,450
Other	16,379	4,554
TOTAL OTHER EXPENSES	28,842	16,264
ORDINARY INCOME (LOSS)	109,679	1,573,929
EXTRAORDINARY INCOME		
Reversal of allowance for doubtful accounts	1,262	1,188
TOTAL EXTRAORDINARY INCOME	1,262	1,188
EXTRAORDINARY LOSSES		
Loss on sale and disposal of fixed assets	12,776	4,868
The effect of adoption of accounting standards for asset retirement obligations	-	64,956
Loss on liquidation of subsidiaries	-	3,814
Loss on cancellation of lease agreements	2,260	-
Total extraordinary losses	15,036	73,640
Income (loss) before Income Taxes	95,905	1,501,477
Income Taxes	64,355	600,590
NET INCOME (LOSS)	31,550	900,886

「reference data」

(4) Key Performance Indicators

(Operating Hours)	Second Quarter	Second Quarter	change
	ended September 30, 2009	ended September 30, 2010	
Meitec (MT)	8.40h/day	8.81h/day	+ 0.41h/day
Meitec Fielders (MF)	8.48h/day	8.86h/day	+ 0.38h/day

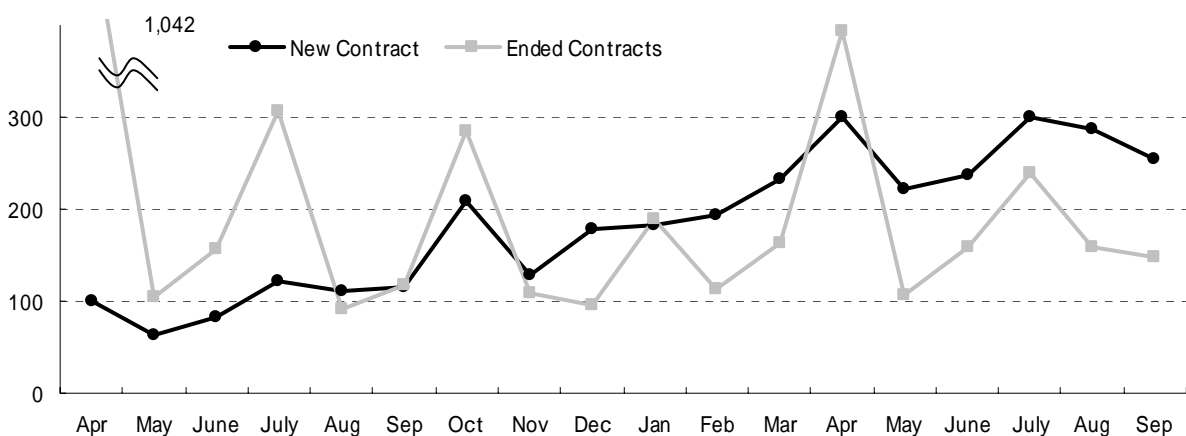
(5) Meitec Group Results For the Second Quarter ended September 30, 2010

(millions of yen)		Net Sales		Operating Income		Ordinary Income		Net Income	
			Change		Change		Change		Change
B S E T u t n e s a i p i f n o n i e a s n r r s g s y	Meitec	22,698	+ 2,600	239	+ 2,171	1,573	+ 1,464	900	+ 869
	Meitec Fielders	3,942	+ 540	254	+ 1,214	389	+ 896	373	+ 1,158
	Meitec Cast	1,241	+ 70	26	+ 40	28	+ 40	15	+ 23
B S E n u l g i s u n n i t i n n i g e e s o r s s i	Meitec CAE	581	+ 64	87	4	91	0	54	+ 5
	Apollo Giken	916	+ 236	37	+ 110	54	+ 84	27	+ 39
	Meitec Global Solutions *1	48	256	12	+ 274	10	+ 95	11	+ 96
B U G s l i o n b e a s l s	Meitec Shanghai	12	6	2	+ 1	11	9	11	9
	Meitec Guangzhou	1	+ 0	2	+ 10	2	+ 10	2	+ 10
	Meitec Xian	5	+ 2	5	+ 8	5	+ 8	5	+ 8
	Meitec Chengdu	3	+ 0	12	+ 6	12	+ 6	12	+ 6
	Meitec Shanghai Human Resources	19	+ 12	2	+ 6	2	+ 6	2	+ 6
B S C u u a s s i p s i t p n o e e r r	Meitec Next	215	+ 42	53	+ 60	55	+ 61	54	+ 61
	all engineer. Jp	5	1	0	+ 1	0	+ 1	0	+ 1

*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

(6) Trend of New Contracts(Non-Consolidated)

For the Second Quarter ended September 30, 2010 [Meitec only] *



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

(7) Additional Information on the Profits 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 Profits 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 first half of the fiscal year

(millions of yen)	Consolidated	Non-Consolidated
Expected Maximum Amount for Return to Employee (for Fiscal Year)	¹ 2,453	^{1,2} 2,149
Reduction and return of director 's compensations, voluntary return of auditor's compensation		
Payroll reduction for executive officers and (non-union) managers	¹ 205	¹ 154
Payroll reduction for executive officers		
Allowance and bonus, etc. reduction for general employee (union member)	¹ 2,247	^{1,2} 1,995
Expected Amount of Return to Employee for the 1 st half of FY ending March 31, 2011	1,225	1,073
Cost of Sales	1,094	964
SG&A	130	109

1 The Company have revised the maximum amount to be allocated as the return to the employee for the fiscal year as we reviewed the who the return to be applied to. (Maximum amount before revision for the year was 2,390 million yen for consolidated basis and 2,134 million yen for non-consolidated basis.

2 “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 profits excess of the disclosed forecasted amount of “zero.” Allocation of this excess profits 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 profits exceeds the maximum amount, the Company will post operating profits.

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.

End