

November 8, 2011

**Notice of Revision to
“Financial Highlights for the Fiscal Year ended March 31, 2011”**

Meitec Corporation

Meitec Corporation announces revisions to its “Financial Highlights for the Fiscal Year ended March 31, 2011” which was announced on May 12, 2011.

Since the revisions were made to various portions of the document, entire document before and after the revisions are attached with underlines to where the revisions were made to.

END

Financial Highlights for the Fiscal Year ended March 31, 2011

Meitec Corporation

1. Consolidated Operating Results for the Fiscal Year ended March 31, 2011**(1) Net Sales and Income**

	Net Sales		Operating Income		Ordinary Income		Net Income	
	Millions of Yen	%	Millions of Yen	%	Millions of Yen	%	Millions of Yen	%
FY 2010 (2011/3)	61,790	14.9	<u>3,032</u>	—	<u>5,000</u>	—	<u>3,937</u>	—
FY 2009 (2010/3)	53,776	(32.7)	(4,928)	—	(276)	—	(904)	—

(Note) Comprehensive Income for the years ended March 31, 2011 and 2010 were 3,944 million yen and (890) million yen respectively.

	Net Income per share	Net Income per share (diluted basis)	Return on Equity	Ordinary Income to Total Assets ratio	Operating Income per Net Sales
	Yen	Yen	%	%	%
FY 2010 (2011/3)	<u>118.80</u>	—	<u>11.2</u>	<u>9.7</u>	<u>4.9</u>
FY 2009 (2010/3)	(27.30)	—	(2.6)	(0.5)	(9.2)

(2) Assets and Shareholders' Equity

	Total Assets	Net Assets	Equity ratio	Net Assets per share
	Millions of Yen	Millions of Yen	%	Yen
FY 2010 (2011/3)	<u>55,549</u>	<u>37,342</u>	<u>66.8</u>	<u>1,120.16</u>
FY 2009 (2010/3)	47,625	33,443	69.8	1,002.58

(Note) Shareholders' Equity as of Mar. 31, 2011 was 37,104 million yen and as of Mar. 31, 2010 was 33,235 million yen.**(3) Consolidated cash flows**

	Cash flows from Operating activities	Cash flows from Investing activities	Cash flows from Financial activities	Cash and Cash Equivalent end of year
	Millions of Yen	Millions of Yen	Millions of Yen	Millions of Yen
FY 2010 (2011/3)	9,291	287	(104)	23,999
FY 2009 (2010/3)	(1,545)	(19)	(1,835)	14,532

2. Dividends

(Record date)	Annual Dividend per share					Total Amount (Annual) Millions of Yen	Dividend Payout ratio (Consolidated) %	Dividend on Equity (Consolidated) %
	First Quarter	Second Quarter	Third Quarter	Year-end	Total			
	Yen	Yen	Yen	Yen	Yen			
FY 2009 (2010/3)	—	24.50	—	0.00	24.50	812	—	2.4
FY 2010 (2011/3)	—	0.00	—	27.50	27.50	910	<u>23.1</u>	2.6
FY 2011 (2012/3) Forecast	—	29.00	—	29.00	58.00		73.9	

3. Forecasts for Fiscal Year ending March 31, 2012

(% is comparison to the same period of previous fiscal year)

	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
The 1 st Half of FY 2011 (2011/4-9)	32,500	10.7	2,200	231.9	2,200	5.4	1,000	(38.1)	30.19
FY 2011 (2011/4- 2012/3)	66,500	7.6	4,700	<u>55.0</u>	4,700	<u>(6.0)</u>	2,600	<u>(34.0)</u>	78.49

4. Others

- (1) Significant changes involving subsidiaries during the term: None
(Changes in specific subsidiaries that affected the scope of consolidation)
- (2) Changes in accounting principle, procedure and presentation method for preparing the consolidated financial statements
- Changes due to amendment to accounting standard: Yes
 - Changes due to other than the above: None
- (3) Number of shares issued (common stock)
- Number of shares issued at the fiscal year end (including treasury shares)
FY2010 35,100,000 FY2009 35,100,000
 - Number of treasury shares at the fiscal year end
FY2010 1,975,243 FY2009 1,949,655
 - Average number of shares outstanding during the period
FY2010 33,148,172 FY2009 33,150,467

(Reference)

1. Non-Consolidated Operating Results for the Fiscal Year ended March 31, 2011

(1) Net Sales and Income

(% is comparison to the same period of previous fiscal year)

	Net Sales		Operating Income		Ordinary Income		Net Income	
	Millions of Yen	%	Millions of Yen	%	Millions of Yen	%	Millions of Yen	%
FY 2010 (2011/3)	48,260	16.8	<u>2,087</u>	—	<u>3,913</u>	<u>376.0</u>	<u>2,358</u>	—
FY 2009 (2010/3)	41,319	(31.7)	(2,964)	—	822	(91.2)	53	(98.2)

	Net Income per share	Net Income per share (diluted basis)
	Yen	Yen
FY 2010 (2011/3)	<u>71.16</u>	—
FY 2009 (2010/3)	1.61	—

(2) Assets and Shareholders' Equity

	Total Assets	Net Assets	Equity ratio	Net Assets per share
	Millions of Yen	Millions of Yen	%	Yen
FY 2010 (2011/3)	<u>56,627</u>	<u>35,394</u>	<u>62.5</u>	<u>1,068.52</u>
FY 2009 (2010/3)	50,021	33,096	66.2	998.37

(Note) Shareholders' Equity as of Mar. 31, 2011 was 35,394 million yen and as of Mar. 31, 2010 was 33,096 million yen.

2. Forecasts for Fiscal Year ending March 31, 2012

(% is comparison to the same period of previous fiscal year)

	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
The 1 st Half of FY 2011 (2011/4-9)	25,500	12.3	1,800	651.8	2,100	33.4	1,100	22.1	33.21
FY 2011 (2011/4- 2012/3)	52,500	8.8	3,900	<u>86.9</u>	4,200	<u>7.3</u>	2,400	<u>1.7</u>	72.45

Disclosure Regarding Audit Procedures

As of the date of disclosure of this earnings release, an audit of the consolidated financial statements is being carried out in accordance with the Financial Instruments and Exchange Act.

Forward-looking Statements

Earnings forecasts and other forward-looking statements in this release are based on data currently available to management and certain assumptions that management believes are reasonable, and there may be latent risks, uncertainties and other factors embedded. Actual results may therefore differ materially from these statements for various reasons. For cautionary notes concerning assumptions for earnings forecasts and use of earnings forecasts, please refer to "(1) Analysis of Operating Results" under "1. Operating Results" on Page 5.

1. Operating Results

(1) Analysis of Operating Results

(1)-1. Economy Overview

For the first half of the subject fiscal year, Japanese economy was moving toward gradual recovery. But during the second half of the year, recovery was slowed down by the factors such as the rapid rise of the exchange rate of the yen. In addition, due to the Great East Japan Earthquake, uncertainty about prospect of the economy is increasing.

(1)-2. Overview of Consolidated Operating Results

Figure 1: Summary of Consolidated Income Statement (from April 1, 2010 to March 31, 2011)

(Millions of yen, rounded down)	FYE March 2010	FYE March 2011				
	Full Year	First Half	Second Half	Full Year	YoY Variance Amount	YoY Percentage Changed
Net Sales	53,776	29,357	32,433	61,790	+8,014	+14.9%
Cost of Sales	46,765	23,628	24,834	48,462	+1,697	+3.6%
SG&A Expenses	11,939	5,065	5,228	10,294	(1,644)	(13.8%)
Operating Income	(4,928)	662	2,370	3,032	+7,961	—
Other Income	4,652	1,424	542	1,967	(2,684)	(57.7%)
Subsidies for employment adjustment	4,643	1,401	634	2,036	(2,607)	(56.2%)
Ordinary Income	(276)	2,087	2,912	5,000	+5,276	—
Income before Income Taxes and Minority Interests	(374)	2,302	2,842	5,144	+5,518	—
Net Income	(904)	1,615	2,322	3,937	+4,842	—

During the subject fiscal year (from April 1, 2010 to March 31, 2011), although the cost cutting measures had continued among our main customer, major Japanese manufacturing industries, their effort in technological development investment for future growth had made firm advances. Under such environment, for our core business, temporary engineer staffing business, our sales efforts had extended not just only to our existing customers but to develop new customers. And our utilization ratio of engineers had improved.

As a result of this, consolidated net sales for the subject fiscal year (April 1, 2010 to March 31, 2011) had increased by 8,014 million yen compared to the previous fiscal year to 61,790 million yen. And as the utilization ratio improved, the cost of sales increased by 1,697 million yen compared to the previous fiscal year to 48,462 million yen. On the other hand, consolidated selling, general and administrative expenses had decreased by 1,644 million yen compared to the previous fiscal year to 10,294 million yen as a result of such factors as the continuing cost cutting efforts and reduction in training and education expenses for the un-assigned engineers.

As a result, consolidated operating income had increased by 7,961 million yen compared to the previous fiscal year turning to profit of 3,032 million yen from loss posted in previous fiscal year after making the return of the bonus and salary cut which was applied from the April 1, 2010 according to an agreement with the employee union.

During the subject fiscal year, we have posted 2,036 million yen of grant from the government subsidies for the employment adjustment as non-operating income. And the consolidated ordinary income had increased by 5,276 million yen compared to the previous fiscal year to 5,000 million yen. And consolidated net profit had increased by 4,842 million yen compared to the previous fiscal year to 3,937 million yen.

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

Figure 2: Summary of Results by Business Segment (from April 1, 2010 to March 31, 2011)

(Millions of yen, rounded down)	Meitec Group (Consolidated)	Temporary Staffing Business	Engineering Solutions Business	Global Business	Career Support Business	Eliminations / Corporate
Net Sales	61,790	58,675	3,132	78	444	(540)
%	100%	95.0%	5.1%	0.1%	0.7%	(0.9%)
YoY Change	+8,014	+8,142	+378	(568)	(72)	+133
%	+14.9%	+16.1%	+13.8%	(87.9%)	(14.0%)	—
Operating Income	3,032	2,781	208	(65)	102	5
%	100%	91.7%	6.9%	(2.2%)	3.4%	0.2%
YoY Change	+7,961	+7,239	+115	+525	+89	(8)
%	—	—	+123.2%	—	+675.5%	(59.6%)

(1)-3.i Temporary Staffing Business

For the Temporary Staffing Business which accounts for more than 90% of consolidated net sales, particularly the core temporary engineers staffing business, as the market environments gradually improve, we have made extended efforts, not just to our existing customers, but to develop new customers, focusing to propose assignment of our un-assigned engineers who were continuing their technical training. As a result, we were able to obtain more number of new orders compared to the number of contracts ended. And our non-consolidated average utilization ratio during the fiscal year had improved to 85.1% compared to 71.9% of the previous fiscal year. Especially during the 4th quarter, the utilization ratio had improved to 90.8%.

As a result of this improvement of the utilization ratio, consolidated sale in the temporary staffing business for the subject fiscal year had increased by 8,142 million yen compared to the previous fiscal year to 58,675 million yen.

Also as the sales increased, consolidated operating income had increased by 7,239 million yen compared to the previous fiscal year to 2,781 million yen, turning to post profits from loss of previous fiscal year.

Figure 3: Meitec Group Temporary Engineers Staffing Business

		FYE March 2010 (prior fiscal year)	FYE March 2011 (Subject fiscal year)
MT + MF + CAE + MGS		7,324	6,886
MT + MF	Period-End Engineering Staff ^{1,2}	7,125	6,801
	Utilization ratio (Company-wide)	71.6%	86.4%
	Utilization ratio(Excluding new hires ^{3,4})	75.3%	87.7%
Meitec Corporation (MT)	Period-End Engineering Staff ^{1,2}	5,765	5,600
	Of which assigned to internal engineering projects ²	219	95
	Utilization ratio (Company-wide)	71.9%	85.1%
	Utilization ratio (Excluding new hires ³)	75.4%	85.5%
Meitec Fielders, Inc. (MF)	Period-End Engineering Staff	1,360	1,201
	Utilization ratio (Company-wide)	70.0%	92.2%
	Utilization ratio (Excluding new hires ⁴)	74.8%	98.6%
Meitec CAE Corporation (CAE)	Period-End Engineering Staff	87	85
Meitec Global Solutions, Inc.(MGS)	Period-End Engineering Staff ¹	112	

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 ended March 31, 2011			
		4Q	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q	1Q	2Q	3Q
MT	98.4%	94.2%	97.3%	96.7%	91.7%	71.6%	68.7%	70.4%	76.9%	78.1%	83.4%	88.3%	90.8%
MF	97.5%	91.6%	96.2%	95.4%	88.8%	66.0%	65.1%	70.5%	78.5%	84.7%	92.0%	96.1%	96.3%

Note 1: Engineering staff of Meitec Global Solutions had been transferred to Meitec Corporation on April 1, 2010.

Note 2: Engineering staff of Meitec Corporation who are on the internal engineering projects such as the teaching staff for the un-assigned engineers are excluded since they are counted as the administrative staff.

Note 3: Engineering staff who had not been assigned to a job since they have been hired are excluded (including the engineering staff transferred from Meitec Global Solutions).

Note 4: Engineering staff who had not been assigned to a job since they have been hired and engineering staff who are on temporary leave (during a period of April 2010 to December 2010) are excluded.

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

(1)-3.ii Engineering Solutions Business

The engineering solutions business consists of technology support for printed-circuit boards, prototype production, casting and metal mold production and analytical technology.

Revenue of the engineering solutions business had increased by 378 million yen compared to the previous fiscal year to 3,132 million yen, and operating profit had increased by 115 million yen compared to the previous fiscal year to 208 million yen.

Meitec CAE who conducts analytical engineering business was able to achieve increase in both revenue and profit for three consecutive fiscal years as the result of expanding its services and strengthening its sales efforts.

Apollo Giken Group also achieved increase in both revenue and profit, turning to profit from loss of the previous fiscal year, as the result of its sales effort as well as the improved market.

Meitec Global Solutions, which we have moved its business segment from the Global Business to the Engineering Solutions Business for the subject fiscal year, was merged by Meitec on March 1, 2011 to strengthen the cooperative sales and management efficiency improvement.

(1)-3.iii Global Business

The Global Business consists of job placement business and vocational training business in China.

The sales of the Global Business in the subject fiscal year had decreased by 568 million yen to 78 million yen mainly due to the segment change of Meitec Global Solutions.

But as we continues our effort to improve the efficiency by business reduction measures, such as closing MEITEC Dalian TechnoCenter Co., Ltd., MEITEC Guangzhou TechnoCenter Co., Ltd. and Meitec Beijin, and concentration of sales force to the Meitec Shanghai Company Ltd., operating loss had improved by 525 million yen to a loss of 65 million yen.

(1)-3.iv Career Support Business

The Career Support Business includes the job placement business specialized in engineers, and the information portal site business.

Consolidated net sales for the Career Support Business in the subject fiscal year had decreased by 72 million yen to 444 million yen mainly due to a sale of the outplacement business on May 1, 2009 of previous fiscal year. But the operating income has increased by 89 million yen to profits of 102 million yen.

Meitec Next Corporation, although undergoing a reduction of sales locations, was able to achieve increase in sales and turned to post profits compared to the previous fiscal year as result of cost reduction efforts.

(1)-4. Forecast for the Fiscal Year Ending March 31, 2012

Figure 4: Summary of Consolidated Forecasts for the fiscal year ending March 31, 2012

(Millions of yen, rounded down)	Net Sales	Operating Income	Ordinary Income	Net Income
Forecast for the 1 st Half of FYE 3/2012	32,500	2,200	2,200	1,000
Comparison to the 1 st half of FYE 3/2011	+3,142	+1,537	+112	(615)
Forecast for FYE 3/2012	66,500	4,700	4,700	2,600
Comparison to FEY3/2011	+4,709	+1,667	(300)	(1,337)
Result for the 1 st Half of FYE 3/2011	29,357	662	2,087	1,615
Result for FYE 3/2011	61,790	3,032	5,000	3,937

Figure 5: Summary of Non-Consolidated Forecasts for the fiscal year ending March 31, 2012

(Millions of yen, rounded down)	Net Sales	Operating Income	Ordinary Income	Net Income
Forecast for the 1 st Half of FYE 3/2012	25,500	1,800	2,100	1,100
Comparison to the 1 st half of FYE 3/2011	+2,801	+1,560	+526	+199
Forecast for FYE 3/2012	52,500	3,900	4,200	2,400
Comparison to FYE 3/2011	+4,239	+1,812	+286	+41
Result for the 1 st Half of FYE 3/20101	22,698	239	1,573	900
Result for FYE 3/2011	48,260	2,087	3,913	2,358

Figure 6: Prerequisites for the Performance Forecasts for the Fiscal Year Ending March 31, 2012

	Meitec	Meitec Fielders
Utilization Ratio (Company-wide)	90.6%	94.4%
First Half	89.3%	93.2%
Second Half	91.9%	95.6%
Utilization Hours	8.88h/day	9.00h/day
Newly Graduate Hire ¹	28	0
Mid-career Hire	300	150
Turnover	6.5%	11.8%

Note 1: Number of newly graduates hired on April 1, 2011.

Although the prospect of the economy is uncertain because of the Great East Japan Earthquake, the company disclosed its forecast of the consolidated performances for the fiscal year ending March 31, 2012 with consideration of current trend of the utilization ratio and with prerequisites for the performance forecast as noted in figure 6.

For the fiscal year ending March 31, 2012, with resuming the recruiting activities and expected increase in engineers on assignments from continuing aggressive sales efforts, we forecast the consolidated sales to increase by 4,709 million yen to 66,500 million yen.

We forecast the consolidated operating profit to increase by 1,667 million yen to 4,700 million yen considering our positive investment plan to strengthening our two strong points, "strength of the engineers" and "strong customer basis" which we see as major reasons that took us out of the crisis started by the Lehman Shock, to exist on our own and to increase our power for growth.

On the other hand we forecast the consolidated ordinary income to decrease by 300 million yen to 4,700 million yen as the income from the government subsidies for the employment adjustment to reduce in large. And we forecast the consolidated net income to reduce by 1,337 million yen to 2,600 million yen as the extraordinary income reduce and tax expense increase.

The forecasts have been determined based on the information available to management at the time of the disclosure. Actual performance may vary from the forecasted figures due to the various reasons. Important factor which may affect actual performances are items noted in pre-released documents such as in "Risk for the business" section of the Annual Securities Report. But factor which may affect performance is not limited to these.

(2) Analysis of Financial Position

(2)-1. Analysis of Assets, Liabilities, Net Assets

(2)-1.i Assets

Consolidated total assets at the end of the subject fiscal year (March 31, 2011) increased by 7,924 million yen compared to the previous fiscal year (March 31, 2010) to 55,549 million yen. This was mainly due to the increase of current assets by 9,051 million yen compared to the end of the previous fiscal year as the cash and cash equivalent increased. Reason for increase of cash and cash equivalent was mainly due to the good performance in the subject fiscal year.

(2)-1.ii Liabilities

Consolidated total liabilities at the end of the subject fiscal year increased by 4,025 million yen compared to the end of the previous fiscal year to 18,207 million yen. This was mainly due to the increase of current liabilities by 3,210 million yen at the end of the subject fiscal year.

The reason for increase of the current liabilities was an increase of corporate tax as the income increased.

(2)-1.iii Net Assets

Consolidated net assets at the end of the subject fiscal year had increased by 3,898 million yen compared to the end of the previous fiscal year to 37,342 million yen. This was mainly due to the increase of retained earnings as a result of good performances.

(2)-2. Cash Flows

Consolidated cash and cash equivalents (hereafter, Cash) had increased by 9,467 million yen compared to the previous fiscal year to 23,999 million yen. Status and factors of the cash flow of the subject year for are as following:

Cash Flow from Operating Activities

Cash gained from the operating activities increased by 10,836 million yen compared to the previous fiscal year to 9,291 million yen. Major portion of the gain was 5,144 million yen from the income before tax adjustments and decrease of other current asset by 1,484 million yen mainly due to the decrease of notes and accounts receivable.

Cash Flow from Investing Activities

Cash gained from the investment activities increased by 306 million yen compared to the previous fiscal year to 287 million yen. Major portion of the gain was 200 million yen from a withdrawal of time deposit and 158 million yen from sale of investment securities.

Cash Flow from Financing Activities

Cash used in the financing activities was 104 million yen. Major portion was the 46 million yen used to buy the treasury share according to the share purchase demand.

Cash Flow-Related Indicators

Figure 7: Cash Flow-Related Indicators

	FYE March 2007	FYE March 2008	FYE March 2009	FYE March 2010	FYE March 2011
Equity Ratio	66.9%	64.6%	66.1%	69.8%	<u>66.8%</u>
Equity Ratio on a Market Value Basis	232.6%	179.4%	74.3%	127.4%	<u>99.2%</u>
Ratio of Interest-bearing Debt to Operating Cash Flow	—	—	—	—	—
Interest Coverage Ratio	26,799.9	41,457.0	30,138.1	(465,512.2)	

Equity Ratio:

Shareholders' Equity / Total Assets

Equity Ratio on a Market Value Basis:

Market Capitalization / Total Assets

Ratio of Interest-bearing Debt to Operating Cash Flow

: Interest-bearing Debt / Operating Cash Flow

Interest Coverage Ratio:

Operating Cash Flow / Interest Payments

Notes

1. All figures have been calculated based on consolidated financial amounts.

2. Total market value of shares was calculated based on the total number of shares issued excluding treasury stock.
3. Interest-bearing debt includes all liabilities recorded on the consolidated balance sheets that company pays interest.

(2)-3. Forecast for the Fiscal Year Ending March 31, 2012

Although the uncertainty of the future is increasing due to the Great East Japan Earthquake, we expect to achieve the proper cash flow appropriate to the performance forecast by carrying out the measures to meet the goal of the plan.

(3)Basic Policy Regarding Profit Distribution, and Dividend Outlook

(3)-1. Basic Policy Regarding Profit Distribution

The company's objective is to maximize the shareholders return in mid to long term through realizing the sustainable growth of the company. The basic policy of the Company is to distribute profit in accordance with operating results. In view of maximizing shareholder's return in mid to long term, unless major investment demands are expected, total return ratio to be within 100% for the total shareholders return by dividend and acquisition of treasury shares. Payout ratio for the dividend to be equal or more than 50%, and interim dividend and year end dividend are to be paid. Minimum level of payout ratio is to be consolidated Dividend on Equity ratio (DOE) 5%.

The amount of working capital required to continue our business has been set at the equivalent of three (3) months of consolidated net sales in our group cash management plan. Therefore acquisition of treasury shares will be executed with consideration of our total return ratio if the consolidated cash position at the end of previous fiscal year exceeds the three (3) month net sales and there are no major investment demands expected.

Treasury shares will be continued to be held by the company up to two million (2,000,000) shares. Treasury shares in excess of two million (2,000,000) shares will be retired by the end of the fiscal year.

(Note)

Total Return Ratio = Total shareholders return for the year / Consolidated net profit

Total Shareholders Return for Year = Total dividend paid (interim and year end) + Amount used to acquire the treasury shares during the fiscal year

Payout Ratio = Total dividend paid (interim and year end) / Consolidated net profit

Dividend on Equity Ratio (DOE) = Dividend / consolidated shareholder's equity

Three Month Net Sales = Working capital : Consolidated two month net sales + Fund for strengthening the financial base (a fund to sustain the business operation in the event of a crisis equivalent to that of fiscal year ended March 2010) : consolidated one month net sales

Working capital is determined according to such factors as account receivables.

To realize the flexible financial position, for the implementation of future growth strategies and response to the risk associated in achieving the goals of the management plan, treasury shares will be held by the company.

Figure 8: Results and Forecast of Dividend per Share

	Full Year				
	First Quarter	Second Quarter	Third Quarter	Year-End	
FYE March 2010		¥24.50		¥0.00	¥24.50
FYE March 2011		¥0.00		¥27.50	¥27.50
FYE March 2012 (Forecast)		¥29.00		¥29.00	¥58.00

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

The year end dividend for the fiscal year ended March 2011 was determined to be 27.5 yen per share, based on our consolidated operating income which is our profits earned in our business operation, not

affected by the government subsidies for the employment adjustment, and according to a calculation result of the company's profit distribution policy "payout ratio: equal or more than 50% of consolidated net profit (after tax)". By this dividend, payout ratio for the subject fiscal year became 23.1%, and dividend per share increased by 3 yen compared to the total dividend for the previous fiscal year which was 24.5 yen per share.

(3)-3. Dividend Forecast for the Fiscal Year Ending March 31, 2012

In consideration of the performance forecast and according to the dividend policy, the company forecast the dividend for the fiscal year ending March 2012 to be 58 yen per share per year, equivalent to the minimum level of payout ratio which is consolidated Dividend on Equity ratio (DOE) 5%, increase of 30.5 yen compared to the subject fiscal year. We forecast the total amount of dividend to be 1,900 million yen.

(3)-4. Treasury Stock Acquisition for the Fiscal Year Ended March 31, 2011

Since the consolidated cash position exceed the amount equivalent to the three (3) month net sales and there are no major investment demands expected, we plan to execute the acquisition of treasury stock equivalent to 700 million yen during the fiscal year ending March 2012 according to our profit distribution policy.

Total Return Ratio 100% = (total amount of expected dividend: 1,900 million yen + total amount to be used for the acquisition of the treasury stock: 700 million yen) / Consolidated net profit: 2,600 million yen

2. Management Policies

(1) Basic Policy on Company Management

The MEITEC Group, based on its group management concept "Mutual Growth & Prosperity", will maximize the corporate value of our group originating from the value provided to our employees.

(1)-1. Value to Employees

Continue to provide good opportunities for all professional engineers.

(1)-2. Value to Customers

To be a "reliable strategic partner" for Japanese manufacturers who are undergoing major changes.

(1)-3. Value to Shareholders

To be a company which maximize mid and long-term shareholders return by realizing sustainable growth.

(1)-4. Value to the Society

To be a pioneer to create a professional labor market in Japan, through establishing a career style of "lifetime professional engineers".

(2) Medium- to Long-Term Company Management Strategies and Target Indicators

Although the Meitec Group had faced a crisis which may affect the continuation of our business by the Lehman Shock, with execution of various counter measures, we were able to recover from the crisis. But because the economy itself is still in very unstable conditions, we acknowledge that we should be aware of possibility for crisis of the same level might occur again.

Therefore, we will continue to recognize "the emergency will continue even recovered from the crisis" and sustain the tension. And to improve our strength for the power for growth and sustain the business even if we were to face the similar crisis, we have started our New Mid -Term Management Plan "Co-creation 21" from April 2011.

(2)-1. Outline of the New Mid-Term Management Plan

- (i) Group's performance target after three years are;
 - a Consolidated sales of over 77,000 million yen
 - * Non-consolidated sales to be recovered to the level before the Lehman Shock
 - b Consolidated operating income of over 7,500 million yen

* Non-consolidated operating income ratio to be equal or more than 10%

- c Consolidated ROE to be equal or more than 10%
- (ii) Strategic target of the core business, temporary engineer staffing business (Meitec alone)
 - a Target of Sales and Engineer Management Strategy
Build stronger customer basis
 - b Target of Carrier Support Strategy
Build a system which actively support employee to improve the “Technological strength multiplied by Human strength equals Total Strength”
 - c Target of Recruiting Strategy
Build a recruiting system which will allow us to hire more than 600 engineers per year (newly graduated and mid-career)
 - d Target of Compliance Strategy
Build an operating system which ensures compliance so that we will be selected by more customers
 - e Target of Administrative Operation Strategy
Build a system which would continuously support improvement of career for the “Group of Professional Engineers”
 - f Target of IT Strategy
Build an IT infrastructures to improve the productivities and competitiveness
 - g Target of Financial Strategy
Build a financial base to protect the employment and improve the value of shareholders return by sustainable growth

(2)-2. Key Points of New Mid-Term Management Plan

- (i) Meitec will build stronger business base according to the 7 strategic targets of the plan.
- (ii) Due to the strategic investments according to the plan, operating income will be lower than that of before the Lehman Shock for next three years.
- (iii) Main purpose is to avoid losses in the scale of the recent crisis, even if we have to face a crisis in the same level as the Lehman Shock.
- (iv) After achieving the targets of the plan, we will set higher target for the operating income.

(3) Issues to Be Addressed

Main business of our corporate group is the temporary engineer staffing business. Based on our group management concept “Mutual Growth & Prosperity”, will maximize the corporate value of our group originating from the value provided to our employees.

Future performances of the temporary engineer staffing business depend on higher number of engineers and higher utilization ratio. Therefore we recognize that most important objective is to realize the sustainable growth by continued strengthening the sales effort to obtain new orders, recruitment and increasing the employee and supporting employee career advancement in consideration of the environmental changes.

(3)-1. Sales effort to obtain new orders

Main business of our corporate group, temporary engineer staffing business, is also a business of supporting career advancement of the engineers. Not limited to obtaining the orders to sustain or improve the number of engineers on job and utilization ratio, it is the most important to continue providing the chance and place for expansion of their work segments so that they can widen their selection of career advancement. Therefore, we will try to build stronger customer basis where we can obtain orders in any economic conditions regardless of under crisis or not. We will continue to improve our sales system to strengthen our sales ability.

(3)-2. Recruitment and increasing employee

For Meitec Group, as the largest “Group of professional engineers” in Japan, hiring more excellent engineers and staffs would be the source of growth. Therefore, we will establish a brand name with reliability and sense of security as the leader of the industry in the human resource market, and reinforce our recruiting ability. We will continue to execute efficient recruiting effort and increase the employee to meet with the changing market condition regardless of under crisis or not.

(3)-3. Supporting employee career advancement

It is essential to provide close support to each and every engineer for their career advancement in order to sustain and improve the quality of the largest “Group of professional engineers” in Japan. To provide proper and timely support, we have determined that the quality of services which the engineers provide to be “Technological strength multiplied by Human strength equals Total Strength”. We will continue our effort to provide the extended support to the career advancement needs initiated from the engineers and

strengthen the career advancement support led by the company. We will continue our effort in strengthening the efficient support for the career advancement by timely catching the changes and expansion of the customer needs.

3 . Consolidated Financial statements

(1) CONSOLIDATED BALANCE SHEETS

(Thousands of Yen)

	Fiscal year ended March 31, 2010	Fiscal year ended March 31, 2011
ASSETS		
CURRENT ASSETS		
Cash and cash equivalents	14,732,005	23,999,127
Trade notes and account receivables	9,582,444	10,245,458
Work in process	153,363	197,221
Deferred tax assets	1,537,314	<u>1,871,394</u>
Others	2,442,836	1,202,707
Allowance for doubtful receivables	(3,595)	(19,760)
Total Current Assets	<u>28,444,368</u>	<u>37,496,148</u>
FIXED ASSETS		
Property and Equipment		
Buildings and structures net	8,100,740	7,653,630
Furniture and fixtures net	362,409	285,004
Land	3,584,867	3,584,867
Others net	21,232	165,244
Total Property and Equipment	<u>12,069,249</u>	<u>11,688,746</u>
Intangible Fixed Assets		
Software	2,591,349	1,864,150
Others	112,782	136,897
Total Intangible Fixed Assets	<u>2,704,131</u>	<u>2,001,048</u>
Investments and Other Assets		
Investment securities	467,801	311,685
Deferred tax assets	3,120,590	3,384,304
Others	1,110,364	793,469
Allowance for doubtful receivables	(291,276)	(125,911)
Total Investments and Other Assets	<u>4,407,480</u>	<u>4,363,548</u>
Total Fixed Assets	<u>19,180,861</u>	<u>18,053,342</u>
TOTAL ASSETS	<u>47,625,229</u>	<u>55,549,491</u>
LIABILITIES		
CURRENT LIABILITIES		
Accounts payable	123,667	168,172
Accrued expenses	4,864,630	<u>5,545,117</u>
Income taxes payable	146,958	1,731,516
Consumption taxes payable	58,832	849,593
Others	1,198,620	1,309,238
Total current liabilities	<u>6,392,708</u>	<u>9,603,638</u>
LONG-TERM LIABILITIES		
Deferred tax liabilities	518	307
Deferred tax liabilities for land revaluation	42,103	42,103
Provision for retirement benefits	7,739,553	8,452,309
Others	7,088	109,112
Total long-term liabilities	<u>7,789,263</u>	<u>8,603,833</u>
TOTAL LIABILITIES	<u>14,181,971</u>	<u>18,207,471</u>
EQUITY		
STOCKHOLDERS' EQUITY		
Common stock	16,825,881	16,825,881
Capital Surplus	14,451,416	14,451,367
Retained earnings	8,715,540	<u>12,653,404</u>
Less treasury stock	(5,891,264)	(5,937,434)
Total Stockholder's equity	<u>34,101,573</u>	<u>37,993,219</u>
ACCUMULATED OTHER COMPREHENSIVE INCOME		
Net unrealized gains on available-for-sale securities	20,893	6,191
Land revaluation difference	(883,049)	(883,049)
Foreign currency translation adjustments	(3,706)	(11,454)
Total accumulated other comprehensive income	<u>(865,862)</u>	<u>(888,312)</u>
MINORITY INTERESTS	207,546	237,113
TOTAL EQUITY	<u>33,443,257</u>	<u>37,342,020</u>
TOTAL LIABILITIES AND EQUITY	<u>47,625,229</u>	<u>55,549,491</u>

(2) CONSOLIDATED STATEMENTS OF INCOME AND COMPREHENSIVE INCOME

(Consolidated Statements of Income)

(Thousands of Yen)

	Fiscal year ended March 31, 2010	Fiscal year ended March 31, 2011
NET SALES	53,776,025	61,790,447
COST OF SALES	46,765,175	48,462,878
GROSS PROFIT	7,010,849	13,327,569
SELLING, GENERAL AND ADMINISTRATIVE EXPENSES	11,939,211	10,294,649
OPERATING INCOME/LOSSES	(4,928,362)	3,032,919
NON-OPERATING INCOME		
Interest income	12,512	8,437
Dividend income	5,747	5,041
Rent	11,667	10,982
Subsidies for employment adjustment	4,643,792	2,036,164
Miscellaneous income	55,470	85,388
Total Non-Operating Income	4,729,191	2,146,013
NON-OPERATING EXPENSES		
Interest expense	3	-
Commitment fee	20,999	14,682
Loss on sale of marketable securities	27,681	18,721
Foreign exchange losses	13,636	18,953
Allowance for doubtful receivables	891	16,755
Charitable contribution	-	100,000
Miscellaneous expenses	13,847	9,348
Total Non-Operating Expenses	77,059	178,462
ORDINARY INCOME/LOSSES	(276,230)	5,000,471
EXTRAORDINARY INCOME		
Gain on the sale of investment securities	13,058	158,121
Gain on reversal of allowance for doubtful receivables	18,752	215,794
Others	679	4,825
Total extraordinary income	32,490	378,742
EXTRAORDINARY LOSSES		
Loss on sale of fixed assets	9,149	-
Loss on sale and disposal of fixed assets	39,229	109,448
Impairment loss	70,740	15,966
Loss on adjustment for changes of accounting standard for asset	-	76,751
Retirement obligations		
Others	11,411	32,497
Total extraordinary losses	130,529	234,664
INCOME BEFORE INCOME TAXES AND MINORITY INTERESTS	(374,270)	5,144,549
INCOME TAXES	197,929	1,763,486
CORPORATE TAX ADJUSTMENTS	336,607	(589,493)
TOTAL INCOME TAXES	534,536	1,173,992
INCOME BEFORE MINORITY INTERESTS	(908,806)	3,970,556
MINORITY INTERESTS	(3,832)	32,691
NET INCOME/LOSSES	(904,974)	3,937,864

(Consolidated Statements of Comprehensive Income)

(Thousands of Yen)

	Fiscal year ended March 31, 2010	Fiscal year ended March 31, 2011
Net Income before minority interests	-	3,970,556
Other Comprehensive income		
Net unrealized gains on available-for-sale securities	-	(14,847)
Foreign currency translation adjustments	-	(10,727)
Total other comprehensive income	-	(25,574)
Comprehensive Income	-	3,944,981
Comprehensive income attributable to Meitec shareholders	-	3,915,414
Comprehensive income attributable to minority shareholders	-	29,566

(3) CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

	(Thousands of Yen)	
	Fiscal year ended March 31, 2010	Fiscal year ended March 31, 2011
Shareholder's Equity		
Common stock		
Balance at end of previous period	16,825,881	16,825,881
Changes during period		
Total changes during period	-	-
Balance at end of period	16,825,881	16,825,881
Capital surplus		
Balance at end of previous period	14,451,738	14,451,416
Changes during period		
Disposal of treasury stock	(321)	(48)
Total changes during period	(321)	(48)
Balance at end of period	14,451,416	14,451,367
Retained earnings		
Balance at end of previous period	11,360,915	8,715,540
Changes during period		
Cash Dividends	(1,740,401)	-
Net income/losses	(904,974)	3,937,864
Total changes during period	(2,645,375)	3,937,864
Balance at end of period	8,715,540	12,653,404
Treasury stock		
Balance at end of previous period	(5,891,268)	(5,891,264)
Changes during period		
Acquisition of treasury stock	(619)	(46,297)
Disposal of treasury stock	623	127
Total changes during period	3	(46,170)
Balance at end of period	(5,891,264)	(5,937,434)
Total Shareholder's Equity		
Balance at end of previous period	36,747,267	34,101,573
Changes during period		
Cash Dividends	(1,740,401)	-
Net income/losses	(904,974)	3,937,864
Acquisition of treasury stock	(619)	(46,297)
Disposal of treasury stock	301	78
Total changes during period	(2,645,693)	3,891,645
Balance at end of period	34,101,573	37,993,219
Accumulated Other Comprehensive Income		
Net unrealized gains on available-for-sale securities		
Balance at end of previous period	11,443	20,893
Changes during period		
Changes for the items other than shareholders equity (net)	9,449	(14,701)
Total changes during period	9,449	(14,701)
Balance at end of period	20,893	6,191
Land revaluation difference		
Balance at end of previous period	(883,049)	(883,049)
Changes during period		
Total changes during period	-	-
Balance at end of period	(883,049)	(883,049)
Foreign currency translation adjustments		
Balance at end of previous period	(11,644)	(3,706)
Changes during period		
Changes for the items other than shareholders equity (net)	7,938	(7,748)
Total changes during period	7,938	(7,748)
Balance at end of period	(3,706)	(11,454)
Total Accumulated Other Comprehensive Income		
Balance at end of previous period	(883,250)	(865,862)
Changes during period		
Changes for the items other than shareholders equity (net)	17,387	(22,449)
Total changes during period	17,387	(22,449)
Balance at end of period	(865,862)	(888,312)

	(Thousands of Yen)	
	Fiscal year ended March 31, 2010	Fiscal year ended March 31, 2011
Minority Interests		
Balance at end of previous period	305,379	207,546
Changes during period		
Changes for the items other than shareholders equity	(97,833)	29,566
(net) Total changes during period	(97,833)	29,566
Balance at end of period	207,546	237,113
Total Equity		
Balance at end of previous period	36,169,396	33,443,257
Changes during period		
Cash Dividends	(1,740,401)	-
Net income/losses	(904,974)	3,937,864
Acquisition of treasury stock	(619)	(46,297)
Disposal of treasury stock	301	78
Changes for the items other than shareholders equity	(80,445)	7,116
(net) Total changes during period	(2,726,138)	3,898,762
Balance at end of period	33,443,257	37,342,020

(4) CONSOLIDATED STATEMENTS OF CASH FLOWS

	(Thousands of Yen)	
	Fiscal year ended March 31, 2010	Fiscal year ended March 31, 2011
OPERATING ACTIVITIES		
Income before income taxes and minority interests	(374,270)	<u>5,144,549</u>
Depreciation and amortization	1,374,122	1,332,849
Impairment loss	70,740	15,966
Increase(decrease) in allowance for doubtful receivables	(20,705)	(149,200)
Increase(decrease) in provision for bonuses to directors	(92,820)	-
Increase(decrease) in provision for retirement benefits	751,149	712,756
Interest and dividend income	(18,259)	(13,478)
Interest expense	3	-
Gains/Losses on sale of fixed assets	9,149	-
Loss on sale and disposal of fixed assets	39,210	101,902
Amortization of goodwill	55	-
Gains/Losses on sale of investment securities	(13,058)	(158,121)
Gains/Losses on sale of marketable securities	27,681	18,721
Increase(decrease) in notes and accounts receivable	1,343,954	(663,014)
Increase(decrease) in inventories	(29,550)	(43,858)
Increase(decrease) in other current assets	(1,215,149)	1,484,343
Increase(decrease) in notes and accounts payable	38,962	44,505
Increase(decrease) in accrued expenses	(2,116,284)	<u>680,486</u>
Increase(decrease) in income taxes payable	(475,165)	790,761
Increase(decrease) in other current liabilities	447,829	18,269
Loss on adjustment for changes of accounting standard for asset retirement obligations	-	76,751
Others	-	17,350
Subtotal	<u>(252,406)</u>	<u>9,411,540</u>
Interest received and dividends received	19,780	14,212
Interest paid	(3)	-
Income taxes paid	(1,312,871)	(197,585)
Income taxes refunded	-	63,064
Net cash provided by operating activities	<u>(1,545,500)</u>	<u>9,291,232</u>
INVESTING ACTIVITIES		
Proceeds from repayment of time deposits	400,000	200,000
Acquisition of property and equipment	(128,693)	(47,689)
Proceeds from sale of property and equipment	494	-
Acquisition of investment securities	(387,687)	(60,730)
Proceeds from sale of investment securities	105,745	158,121
Increase(decrease) in investments and other assets	190,623	36,915
Proceeds from collections of short term loans	271	468
Proceeds from sale of investment in subsidiaries	(200,601)	-
Net cash provided by investing activities	<u>(19,848)</u>	<u>287,086</u>
FINANCING ACTIVITIES		
Acquisition of treasury stock	(619)	(46,297)
Disposal of treasury stock	301	78
Dividend paid	(1,740,566)	(4,299)
Dividends paid to minority shareholders	(12,896)	-
Cash paid to minority shareholders to purchase their interests	(80,598)	-
Others	(1,440)	(53,757)
Net cash provided by financing activities	<u>(1,835,819)</u>	<u>(104,276)</u>
FOREIGN CURRENCY TRANSLATION ADJUSTMENTS ON CASH AND CASH EQUIVALENTS	6,930	(6,919)
INCREASE(DECREASE) IN CASH AND CASH EQUIVALENTS	<u>(3,394,237)</u>	<u>9,467,121</u>
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	17,926,243	14,532,005
CASH AND CASH EQUIVALENTS, END OF YEAR	<u>14,532,005</u>	<u>23,999,127</u>

4 . Non-Consolidated Financial statements
(1) Supplemental Non-Consolidated Balance Sheets

(Thousands of Yen)

	Fiscal year ended March 31, 2010	Fiscal year ended March 31, 2011
ASSETS		
CURRENT ASSETS		
Cash and cash equivalents	13,881,749	22,832,785
Note receivables-trade	-	3,012
Account Receivables	7,664,339	8,250,111
Work in process	47,812	72,878
Prepaid expenses	354,096	310,353
Deferred tax assets	1,520,159	<u>1,591,241</u>
Short-term loans for subsidiaries	700,000	100,000
Others	1,932,297	943,483
Allowance for doubtful receivables	<u>(1,642)</u>	<u>(16,537)</u>
Total current assets	<u>26,098,810</u>	<u>34,087,327</u>
FIXED ASSETS		
Property and Equipment		
Buildings (net)	7,996,836	7,557,917
Structures (net)	91,374	83,105
Machinery and equipment (net)	10,864	9,004
Furniture and fixtures (net)	335,538	263,421
Land	3,582,544	3,582,544
Others	4,801	152,404
Total Property and Equipment	<u>12,021,959</u>	<u>11,648,398</u>
Intangible Fixed Assets		
Software	2,405,650	1,730,189
Software in process	15,215	25,236
Telephone subscription right	62,236	62,236
Total intangible fixed assets	<u>2,483,102</u>	<u>1,817,661</u>
Investments and Other Assets		
Investment securities	465,723	310,135
Investment in subsidiaries	4,858,151	4,620,337
Advances to subsidiaries	89,429	19,391
Long-term loan for subsidiaries	187,000	145,000
long-term prepaid expenses	7,249	2,805
Deferred tax assets	3,114,775	3,378,632
Deposits	692,648	596,800
Memberships	2,000	-
Others	15,435	55,516
Allowance for doubtful receivables	<u>(14,835)</u>	<u>(54,916)</u>
Total investments and other assets	<u>9,417,578</u>	<u>9,073,703</u>
Total fixed assets	<u>23,922,640</u>	<u>22,539,763</u>
TOTAL ASSETS	<u>50,021,451</u>	<u>56,627,091</u>

(Thousands of Yen)

	Fiscal year ended March 31, 2010	Fiscal year ended March 31, 2011
LIABILITIES		
CURRENT LIABILITIES		
Short-term debts	827,220	558,395
Other accrued expenses	3,837,240	<u>4,495,048</u>
Income taxes payable	67,470	1,564,660
Consumption taxes payable	39,553	643,431
Advances from customers	239,244	494,127
Deposits from subsidiaries	4,098,204	4,739,354
Others	63,214	171,911
Total current liabilities	<u>9,172,148</u>	<u>12,666,928</u>
LONG-TERM LIABILITIES		
Deferred tax liabilities for land revaluation	42,103	42,103
Provision for retirement benefits	7,706,535	8,416,275
Others	4,365	107,380
Total long-term liabilities	<u>7,753,004</u>	<u>8,565,758</u>
TOTAL LIABILITIES	<u>16,925,152</u>	<u>21,232,687</u>
EQUITY		
SHAREHOLDERS' EQUITY		
Common stock	16,825,881	16,825,881
Capital surplus		
Capital reserve	4,210,000	4,210,000
Other capital surplus	10,241,416	10,241,367
Total capital surplus	<u>14,451,416</u>	<u>14,451,367</u>
Retained earnings		
Unappropriated		
Retained earnings carried forward	8,570,542	<u>10,929,398</u>
Total Retained earnings	<u>8,570,542</u>	<u>10,929,398</u>
Treasury stock	<u>(5,891,264)</u>	<u>(5,937,434)</u>
Total Shareholder's equity	<u>33,956,576</u>	<u>36,269,213</u>
VALUATION AND TRANSLATION ADJUSTMENTS		
Net unrealized gains on available-for-sale securities	22,771	8,240
Land revaluation difference	<u>(883,049)</u>	<u>(883,049)</u>
Valuation and translation adjustments Total	<u>(860,277)</u>	<u>(874,808)</u>
TOTAL EQUITY	<u>33,096,298</u>	<u>35,394,404</u>
TOTAL LIABILITIES AND EQUITY	<u>50,021,451</u>	<u>56,627,091</u>

(2) Supplemental Non-Consolidated Statements of operations

(Thousands of Yen)

	Fiscal year ended March 31, 2010	Fiscal year ended March 31, 2011
NET SALES	41,319,419	48,260,300
COST OF SALES	36,074,161	38,449,172
GROSS PROFIT	5,245,257	9,811,127
SELLING, GENERAL AND ADMINISTRATIVE EXPENSES	8,210,244	7,724,022
OPERATING INCOME/LOSSES	(2,964,987)	2,087,104
NON-OPERATING INCOME		
Interest income	16,610	9,595
Dividend income	304,562	47,077
Rent	28,986	25,507
Subsidies for employment adjustment	3,466,899	1,839,987
Miscellaneous income	23,900	53,983
Total Non-Operating Income	3,840,959	1,976,151
NON-OPERATING EXPENSES		
Interest expense	3,421	2,350
Commitment fee	20,999	14,682
Loss on sale of marketable securities	27,681	18,721
Charitable contribution	-	100,000
Miscellaneous expenses	1,764	14,313
Total Non-Operating Expenses	53,867	150,069
ORDINARY INCOME/LOSSES	822,104	3,913,187
EXTRAORDINARY INCOME		
Gain on the sale of investment securities	1,112	-
Gain on reversal of allowance for doubtful receivables	1,145	-
Gain on sale of membership rights	-	1,000
Others	-	2,648
Total extraordinary Income	2,258	3,648
EXTRAORDINARY LOSSES		
Loss on sale of fixed assets	9,147	-
Loss on sale and disposal of fixed assets	25,062	107,331
Impairment loss	31,735	6,684
Loss on revaluation of investment in subsidiaries	375,176	14,001
Loss on revaluation of advances to subsidiaries	151,768	70,037
Loss on adjustment for changes of accounting standard for asset retirement obligations	-	64,827
Others	33,856	55,232
Total extraordinary losses	626,747	318,114
INCOME BEFORE INCOME TAXES	197,615	3,598,720
Corporate tax, corporate inhabitant tax and enterprise tax	92,996	1,566,504
Corporate tax adjustments	51,192	(326,639)
Total income taxes	144,188	1,239,865
NET INCOME (LOSSES)	53,427	2,358,855

SEGMENT INFORMATION

Operating Segment Information

The companies' operating segment information at and for the years ended March 31,2010 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	50,455,761	2,288,178	514,852	517,232	53,776,025		53,776,025
Inter-segment	77,086	465,590	131,754	254	674,686	(674,686)	
Total	50,532,848	2,753,769	646,606	517,487	54,450,712	(674,686)	53,776,025
Operating expenses	54,990,586	2,660,304	1,237,434	504,305	59,392,630	(688,243)	58,704,387
Operating income(losses)	(4,457,737)	93,464	(590,827)	13,181	(4,941,918)	13,556	(4,928,362)
Assets, Depreciation and amortization, Impairment loss , and capital expenditures							
Assets	46,169,430	1,112,371	358,016	3,257,807	50,897,625	(3,272,396)	47,625,229
Depreciation and amortization	1,290,529	59,301	11,639	12,652	1,374,122		1,374,122
Impairment loss	32,922		25,367	12,450	70,740		70,740
capital expenditures	244,040	135,246	2,221	5,976	387,484		387,484

The companies' operating segment information at and for the years ended March 31,2011 is as follows

(Thousands of Yen)

	Reported Segments				Total
	Temporary Staffing Business	Engineering Solutions Business	Global Business	Career Support Business	
. NET SALES					
External customers	58,629,576	2,641,412	78,317	441,141	61,790,447
Inter-segment	46,181	491,075		3,736	540,993
Total	58,675,758	3,132,487	78,317	444,878	62,331,441
Income or loss by segment	2,781,876	208,609	(65,263)	102,224	3,027,447
Assets of segment	53,772,187	1,302,995	63,964	3,707,208	58,846,355
Others					
Depreciation and amortization	1,269,942	58,560		4,347	1,332,849
Increase of Property, plant and equipment and Intangible assets	343,526	32,855		1,820	378,201

5. Others

(1) Executive Appointments

(1)-1. Change in Representative Director

None

(1)-2. Appointments and Retirement of other Executive Officers (as of June 23, 2011)

Candidate for Newly Appointed Director

Director: Hidenori Nagasaka

Currently: Executive officer for the Business Execution Divisions, Executive officer for the Sales Promotion Department, General Manager of the Sales Promotion Department

Outside Director: Minao Shimizu

Currently Attorney at Law

Outside Director: Hiroyuki Kishi

Currently; Professor at Graduate School of Media Design, Keio University, and Director of Avex Management Inc.

Retiring Director

Outside Director: Kiyoshi Mamizu

(2). Others

None

「reference data」

(1) Key Performance Indicators

(Operating Hours)	The years ended March 31, 2010	The years ended March 31, 2011	change
Meitec (MT)	8.60h/day	8.83h/day	+ 0.23h/day
Meitec Fielders (MF)	8.66h/day	8.89h/day	+ 0.23h/day

(2) Meitec Group Results For the years ended March 31, 2011

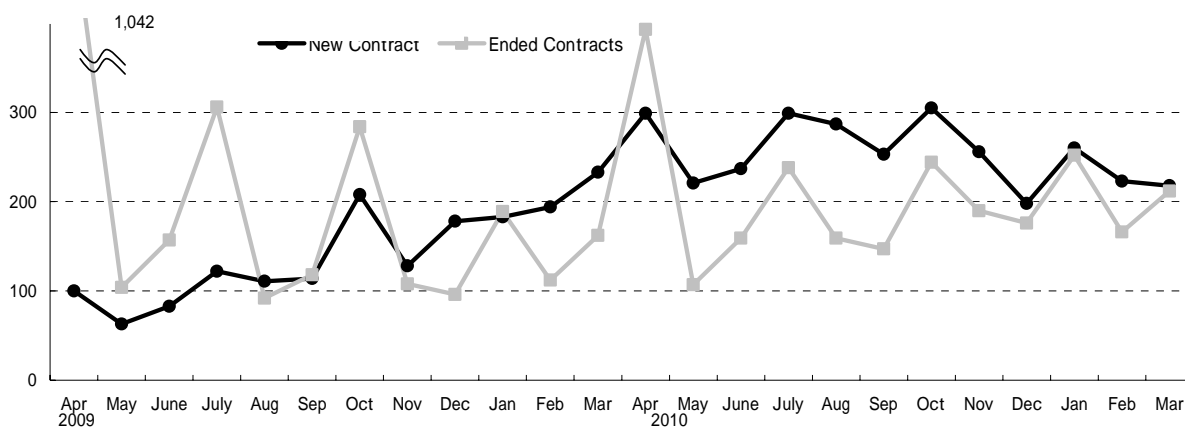
(millions of yen)		Net Sales		Operating Income		Ordinary Income		Net Income	
			Change		Change		Change		Change
Temporary Engineers Staffing Business	Meitec	48,260	+ 6,940	2,087	+ 5,052	3,913	+ 3,091	2,358	+ 2,305
	Meitec Fielders	8,175	+ 1,124	625	+ 2,087	807	+ 1,425	973	+ 1,907
	Meitec Cast	2,418	+ 150	60	+ 93	62	+ 95	38	+ 76
Engineering Solutions Business	Meitec CAE	1,212	+ 44	168	+ 16	171	+ 19	97	+ 13
	Apollo Giken	1,819	+ 254	60	+ 112	90	+ 78	49	(7)
	Meitec Global Solutions *1	102	(453)	(22)	+ 410	(19)	+ 139	(19)	+ 141
Global Business	Meitec Shanghai	24	(0)	(4)	+ 9	(12)	(1)	(12)	+ 0
	Meitec Xian	8	(1)	(15)	+ 11	(14)	+ 10	(14)	+ 22
	Meitec Chengdu	5	(0)	(23)	+ 13	(23)	+ 13	(23)	+ 19
	Meitec Shanghai Human Resources	33	+ 11	(11)	+ 5	(11)	+ 6	(11)	+ 6
Career Support Business	Meitec Next	438	+ 103	104	+ 119	106	+ 119	105	+ 119
	all engineer. Jp	9	(4)	(1)	+ 0	(1)	+ 0	(11)	(8)

*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

(3) Forecasts for Meitec Group; Fiscal Year Ending March 31, 2012

(millions of yen)	Net Sales	Operating Income	Ordinary Income	Net Income
Meitec	52,500	3,900	4,200	2,400
Meitec Fielders	8,600	500	500	300
Meitec Cast	2,300	40	40	20
Meitec CAE	1,200	120	120	70
Apollo Giken	1,800	10	20	5
Meitec Shanghai	0	(10)	(10)	(10)
Meitec Xian	10	(15)	(15)	(15)
Meitec Chengdu	5	(20)	(20)	(20)
Meitec Shanghai Human Resources	50	5	5	5
Meitec Next	500	100	100	100
all engineer. Jp	15	0	0	0

(4) Trend of New Contracts(Non-Consolidated) For the years ended March 31, 2011 [Meitec only] *



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

Financial Highlights for the Fiscal Year ended March 31, 2011**Meitec Corporation****1. Consolidated Operating Results for the Fiscal Year ended March 31, 2011****(1) Net Sales and Income**

	Net Sales		Operating Income		Ordinary Income		Net Income	
	Millions of Yen	%	Millions of Yen	%	Millions of Yen	%	Millions of Yen	%
FY 2010 (2011/3)	61,790	14.9	<u>2,620</u>	—	<u>4,588</u>	—	<u>3,690</u>	—
FY 2009 (2010/3)	53,776	(32.7)	(4,928)	—	(276)	—	(904)	—

(Note) Comprehensive Income for the years ended March 31, 2011 and 2010 were 3,697 million yen and (890) million yen respectively.

	Net Income per share	Net Income per share (diluted basis)	Return on Equity	Ordinary Income to Total Assets ratio	Operating Income per Net Sales
	Yen	Yen	%	%	%
FY 2010 (2011/3)	<u>111.33</u>	—	<u>10.5</u>	<u>8.9</u>	<u>4.2</u>
FY 2009 (2010/3)	(27.30)	—	(2.6)	(0.5)	(9.2)

(2) Assets and Shareholders' Equity

	Total Assets	Net Assets	Equity ratio	Net Assets per share
	Millions of Yen	Millions of Yen	%	Yen
FY 2010 (2011/3)	<u>55,714</u>	<u>37,094</u>	<u>66.2</u>	<u>1,112.69</u>
FY 2009 (2010/3)	47,625	33,443	69.8	1,002.58

(Note) Shareholders' Equity as of Mar. 31, 2011 was 36,857 million yen and as of Mar. 31, 2010 was 33,235 million yen.**(3) Consolidated cash flows**

	Cash flows from Operating activities	Cash flows from Investing activities	Cash flows from Financial activities	Cash and Cash Equivalent end of year
	Millions of Yen	Millions of Yen	Millions of Yen	Millions of Yen
FY 2010 (2011/3)	9,291	287	(104)	23,999
FY 2009 (2010/3)	(1,545)	(19)	(1,835)	14,532

2. Dividends

(Record date)	Annual Dividend per share					Total Amount (Annual) Millions of Yen	Dividend Payout ratio (Consolidated) %	Dividend on Equity (Consolidated) %
	First Quarter	Second Quarter	Third Quarter	Year-end	Total			
	Yen	Yen	Yen	Yen	Yen			
FY 2009 (2010/3)	—	24.50	—	0.00	24.50	812	—	2.4
FY 2010 (2011/3)	—	0.00	—	27.50	27.50	910	<u>24.7</u>	2.6
FY 2011 (2012/3) Forecast	—	29.00	—	29.00	58.00		73.9	

3. Forecasts for Fiscal Year ending March 31, 2012

(% is comparison to the same period of previous fiscal year)

	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
The 1 st Half of FY 2011 (2011/4-9)	32,500	10.7	2,200	231.9	2,200	5.4	1,000	(38.1)	30.19
FY 2011 (2011/4- 2012/3)	66,500	7.6	4,700	<u>79.4</u>	4,700	<u>2.4</u>	2,600	<u>(29.5)</u>	78.49

4. Others

- (1) Significant changes involving subsidiaries during the term: None
(Changes in specific subsidiaries that affected the scope of consolidation)
- (2) Changes in accounting principle, procedure and presentation method for preparing the consolidated financial statements
- Changes due to amendment to accounting standard: Yes
 - Changes due to other than the above: None
- (3) Number of shares issued (common stock)
- Number of shares issued at the fiscal year end (including treasury shares)
FY2010 35,100,000 FY2009 35,100,000
 - Number of treasury shares at the fiscal year end
FY2010 1,975,243 FY2009 1,949,655
 - Average number of shares outstanding during the period
FY2010 33,148,172 FY2009 33,150,467

(Reference)

1. Non-Consolidated Operating Results for the Fiscal Year ended March 31, 2011

(1) Net Sales and Income

(% is comparison to the same period of previous fiscal year)

	Net Sales		Operating Income		Ordinary Income		Net Income	
	Millions of Yen	%	Millions of Yen	%	Millions of Yen	%	Millions of Yen	%
FY 2010 (2011/3)	48,260	16.8	<u>1,724</u>	—	<u>3,550</u>	<u>331.9</u>	<u>2,141</u>	—
FY 2009 (2010/3)	41,319	(31.7)	(2,964)	—	822	(91.2)	53	(98.2)

	Net Income per share	Net Income per share (diluted basis)
	Yen	Yen
FY 2010 (2011/3)	<u>64.60</u>	—
FY 2009 (2010/3)	1.61	—

(2) Assets and Shareholders' Equity

	Total Assets	Net Assets	Equity ratio	Net Assets per share
	Millions of Yen	Millions of Yen	%	Yen
FY 2010 (2011/3)	<u>56,772</u>	<u>35,176</u>	<u>62.0</u>	<u>1,061.95</u>
FY 2009 (2010/3)	50,021	33,096	66.2	998.37

(Note) Shareholders' Equity as of Mar. 31, 2011 was 35,176 million yen and as of Mar. 31, 2010 was 33,096 million yen.

2. Forecasts for Fiscal Year ending March 31, 2012

(% is comparison to the same period of previous fiscal year)

	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
The 1 st Half of FY 2011 (2011/4-9)	25,500	12.3	1,800	651.8	2,100	33.4	1,100	22.1	33.21
FY 2011 (2011/4- 2012/3)	52,500	8.8	3,900	<u>126.2</u>	4,200	<u>18.3</u>	2,400	<u>12.1</u>	72.45

Disclosure Regarding Audit Procedures

As of the date of disclosure of this earnings release, an audit of the consolidated financial statements is being carried out in accordance with the Financial Instruments and Exchange Act.

Forward-looking Statements

Earnings forecasts and other forward-looking statements in this release are based on data currently available to management and certain assumptions that management believes are reasonable, and there may be latent risks, uncertainties and other factors embedded. Actual results may therefore differ materially from these statements for various reasons. For cautionary notes concerning assumptions for earnings forecasts and use of earnings forecasts, please refer to "(1) Analysis of Operating Results" under "1. Operating Results" on Page 5.

1. Operating Results

(1) Analysis of Operating Results

(1)-1. Economy Overview

For the first half of the subject fiscal year, Japanese economy was moving toward gradual recovery. But during the second half of the year, recovery was slowed down by the factors such as the rapid rise of the exchange rate of the yen. In addition, due to the Great East Japan Earthquake, uncertainty about prospect of the economy is increasing.

(1)-2. Overview of Consolidated Operating Results

Figure 1: Summary of Consolidated Income Statement (from April 1, 2010 to March 31, 2011)

(Millions of yen, rounded down)	FYE March 2010	FYE March 2011				
	Full Year	First Half	Second Half	Full Year	YoY Variance Amount	YoY Percentage Changed
Net Sales	53,776	29,357	32,433	61,790	+8,014	+14.9%
Cost of Sales	46,765	23,628	25,204	48,832	+2,067	+4.4%
SG&A Expenses	11,939	5,065	5,271	10,337	(1,601)	(13.4%)
Operating Income	(4,928)	662	1,957	2,620	+7,548	—
Other Income	4,652	1,424	542	1,967	(2,684)	(57.7%)
Subsidies for employment adjustment	4,643	1,401	634	2,036	(2,607)	(56.2%)
Ordinary Income	(276)	2,087	2,500	4,588	+4,864	—
Income before Income Taxes and Minority Interests	(374)	2,302	2,429	4,732	+5,106	—
Net Income	(904)	1,615	2,074	3,690	+4,595	—

During the subject fiscal year (from April 1, 2010 to March 31, 2011), although the cost cutting measures had continued among our main customer, major Japanese manufacturing industries, their effort in technological development investment for future growth had made firm advances. Under such environment, for our core business, temporary engineer staffing business, our sales efforts had extended not just only to our existing customers but to develop new customers. And our utilization ratio of engineers had improved.

As a result of this, consolidated net sales for the subject fiscal year (April 1, 2010 to March 31, 2011) had increased by 8,014 million yen compared to the previous fiscal year to 61,790 million yen. And as the utilization ratio improved, the cost of sales increased by 2,067 million yen compared to the previous fiscal year to 48,832 million yen. On the other hand, consolidated selling, general and administrative expenses had decreased by 1,601 million yen compared to the previous fiscal year to 10,337 million yen as a result of such factors as the continuing cost cutting efforts and reduction in training and education expenses for the un-assigned engineers.

As a result, consolidated operating income had increased by 7,548 million yen compared to the previous fiscal year turning to profit of 2,620 million yen from loss posted in previous fiscal year after making the return of the bonus and salary cut which was applied from the April 1, 2010 according to an agreement with the employee union.

During the subject fiscal year, we have posted 2,036 million yen of grant from the government subsidies for the employment adjustment as non-operating income. And the consolidated ordinary income had increased by 4,864 million yen compared to the previous fiscal year to 4,588 million yen. And consolidated net profit had increased by 4,595 million yen compared to the previous fiscal year to 3,690 million yen.

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

Figure 2: Summary of Results by Business Segment (from April 1, 2010 to March 31, 2011)

(Millions of yen, rounded down)	Meitec Group (Consolidated)	Temporary Staffing Business	Engineering Solutions Business	Global Business	Career Support Business	Eliminations / Corporate
Net Sales	61,790	58,675	3,132	78	444	(540)
%	100%	95.0%	5.1%	0.1%	0.7%	(0.9%)
YoY Change	+8,014	+8,142	+378	(568)	(72)	+133
%	+14.9%	+16.1%	+13.8%	(87.9%)	(14.0%)	—
Operating Income	2,620	2,369	208	(65)	102	5
%	100%	90.4%	8.0%	(2.5%)	3.9%	0.2%
YoY Change	+7,548	+6,827	+115	+525	+89	(8)
%	—	—	+123.2%	—	+675.5%	(59.6%)

(1)-3.i Temporary Staffing Business

For the Temporary Staffing Business which accounts for more than 90% of consolidated net sales, particularly the core temporary engineers staffing business, as the market environments gradually improve, we have made extended efforts, not just to our existing customers, but to develop new customers, focusing to propose assignment of our un-assigned engineers who were continuing their technical training. As a result, we were able to obtain more number of new orders compared to the number of contracts ended. And our non-consolidated average utilization ratio during the fiscal year had improved to 85.1% compared to 71.9% of the previous fiscal year. Especially during the 4th quarter, the utilization ratio had improved to 90.8%.

As a result of this improvement of the utilization ratio, consolidated sale in the temporary staffing business for the subject fiscal year had increased by 8,142 million yen compared to the previous fiscal year to 58,675 million yen.

Also as the sales increased, consolidated operating income had increased by 6,827 million yen compared to the previous fiscal year to 2,369 million yen, turning to post profits from loss of previous fiscal year.

Figure 3: Meitec Group Temporary Engineers Staffing Business

		FYE March 2010 (prior fiscal year)	FYE March 2011 (Subject fiscal year)
MT + MF + CAE + MGS		7,324	6,886
MT + MF	Period-End Engineering Staff ^{1,2}	7,125	6,801
	Utilization ratio (Company-wide)	71.6%	86.4%
	Utilization ratio(Excluding new hires ^{3,4})	75.3%	87.7%
Meitec Corporation (MT)	Period-End Engineering Staff ^{1,2}	5,765	5,600
	Of which assigned to internal engineering projects ²	219	95
	Utilization ratio (Company-wide)	71.9%	85.1%
	Utilization ratio (Excluding new hires ³)	75.4%	85.5%
Meitec Fielders, Inc. (MF)	Period-End Engineering Staff	1,360	1,201
	Utilization ratio (Company-wide)	70.0%	92.2%
	Utilization ratio (Excluding new hires ⁴)	74.8%	98.6%
Meitec CAE Corporation (CAE)	Period-End Engineering Staff	87	85
Meitec Global Solutions, Inc.(MGS)	Period-End Engineering Staff ¹	112	

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 ended March 31, 2011			
		4Q	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q	1Q	2Q	3Q
MT	98.4%	94.2%	97.3%	96.7%	91.7%	71.6%	68.7%	70.4%	76.9%	78.1%	83.4%	88.3%	90.8%
MF	97.5%	91.6%	96.2%	95.4%	88.8%	66.0%	65.1%	70.5%	78.5%	84.7%	92.0%	96.1%	96.3%

Note 1: Engineering staff of Meitec Global Solutions had been transferred to Meitec Corporation on April 1, 2010.

Note 2: Engineering staff of Meitec Corporation who are on the internal engineering projects such as the teaching staff for the un-assigned engineers are excluded since they are counted as the administrative staff.

Note 3: Engineering staff who had not been assigned to a job since they have been hired are excluded (including the engineering staff transferred from Meitec Global Solutions).

Note 4: Engineering staff who had not been assigned to a job since they have been hired and engineering staff who are on temporary leave (during a period of April 2010 to December 2010) are excluded.

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

(1)-3.ii Engineering Solutions Business

The engineering solutions business consists of technology support for printed-circuit boards, prototype production, casting and metal mold production and analytical technology.

Revenue of the engineering solutions business had increased by 378 million yen compared to the previous fiscal year to 3,132 million yen, and operating profit had increased by 115 million yen compared to the previous fiscal year to 208 million yen.

Meitec CAE who conducts analytical engineering business was able to achieve increase in both revenue and profit for three consecutive fiscal years as the result of expanding its services and strengthening its sales efforts.

Apollo Giken Group also achieved increase in both revenue and profit, turning to profit from loss of the previous fiscal year, as the result of its sales effort as well as the improved market.

Meitec Global Solutions, which we have moved its business segment from the Global Business to the Engineering Solutions Business for the subject fiscal year, was merged by Meitec on March 1, 2011 to strengthen the cooperative sales and management efficiency improvement.

(1)-3.iii Global Business

The Global Business consists of job placement business and vocational training business in China.

The sales of the Global Business in the subject fiscal year had decreased by 568 million yen to 78 million yen mainly due to the segment change of Meitec Global Solutions.

But as we continues our effort to improve the efficiency by business reduction measures, such as closing MEITEC Dalian TechnoCenter Co., Ltd., MEITEC Guangzhou TechnoCenter Co., Ltd. and Meitec Beijin, and concentration of sales force to the Meitec Shanghai Company Ltd., operating loss had improved by 525 million yen to a loss of 65 million yen.

(1)-3.iv Career Support Business

The Career Support Business includes the job placement business specialized in engineers, and the information portal site business.

Consolidated net sales for the Career Support Business in the subject fiscal year had decreased by 72 million yen to 444 million yen mainly due to a sale of the outplacement business on May 1, 2009 of previous fiscal year. But the operating income has increased by 89 million yen to profits of 102 million yen.

Meitec Next Corporation, although undergoing a reduction of sales locations, was able to achieve increase in sales and turned to post profits compared to the previous fiscal year as result of cost reduction efforts.

(1)-4. Forecast for the Fiscal Year Ending March 31, 2012

Figure 4: Summary of Consolidated Forecasts for the fiscal year ending March 31, 2012

(Millions of yen, rounded down)	Net Sales	Operating Income	Ordinary Income	Net Income
Forecast for the 1 st Half of FYE 3/2012	32,500	2,200	2,200	1,000
Comparison to the 1 st half of FYE 3/2011	+3,142	+1,537	+112	(615)
Forecast for FYE 3/2012	66,500	4,700	4,700	2,600
Comparison to FEY3/2011	+4,709	+2,079	+111	(1,090)
Result for the 1 st Half of FYE 3/2011	29,357	662	2,087	1,615
Result for FYE 3/2011	61,790	2,620	4,588	3,690

Figure 5: Summary of Non-Consolidated Forecasts for the fiscal year ending March 31, 2012

(Millions of yen, rounded down)	Net Sales	Operating Income	Ordinary Income	Net Income
Forecast for the 1 st Half of FYE 3/2012	25,500	1,800	2,100	1,100
Comparison to the 1 st half of FYE 3/2011	+2,801	+1,560	+526	+199
Forecast for FYE 3/2012	52,500	3,900	4,200	2,400
Comparison to FYE 3/2011	+4,239	+2,175	+649	+258
Result for the 1 st Half of FYE 3/20101	22,698	239	1,573	900
Result for FYE 3/2011	48,260	1,724	3,550	2,141

Figure 6: Prerequisites for the Performance Forecasts for the Fiscal Year Ending March 31, 2012

	Meitec	Meitec Fielders
Utilization Ratio (Company-wide)	90.6%	94.4%
First Half	89.3%	93.2%
Second Half	91.9%	95.6%
Utilization Hours	8.88h/day	9.00h/day
Newly Graduate Hire ¹	28	0
Mid-career Hire	300	150
Turnover	6.5%	11.8%

Note 1: Number of newly graduates hired on April 1, 2011.

Although the prospect of the economy is uncertain because of the Great East Japan Earthquake, the company disclosed its forecast of the consolidated performances for the fiscal year ending March 31, 2012 with consideration of current trend of the utilization ratio and with prerequisites for the performance forecast as noted in figure 6.

For the fiscal year ending March 31, 2012, with resuming the recruiting activities and expected increase in engineers on assignments from continuing aggressive sales efforts, we forecast the consolidated sales to increase by 4,709 million yen to 66,500 million yen.

We forecast the consolidated operating profit to increase by 2,079 million yen to 4,700 million yen considering our positive investment plan to strengthening our two strong points, "strength of the engineers" and "strong customer basis" which we see as major reasons that took us out of the crisis started by the Lehman Shock, to exist on our own and to increase our power for growth.

On the other hand we forecast the consolidated ordinary income to increase by 111 million yen to 4,700 million yen as the income from the government subsidies for the employment adjustment to reduce in large. And we forecast the consolidated net income to reduce by 1,090 million yen to 2,600 million yen as the extraordinary income reduce and tax expense increase.

The forecasts have been determined based on the information available to management at the time of the disclosure. Actual performance may vary from the forecasted figures due to the various reasons. Important factor which may affect actual performances are items noted in pre-released documents such as in "Risk for the business" section of the Annual Securities Report. But factor which may affect performance is not limited to these.

(2) Analysis of Financial Position

(2)-1. Analysis of Assets, Liabilities, Net Assets

(2)-1.i Assets

Consolidated total assets at the end of the subject fiscal year (March 31, 2011) increased by 8,089 million yen compared to the previous fiscal year (March 31, 2010) to 55,714 million yen. This was mainly due to the increase of current assets by 9,216 million yen compared to the end of the previous fiscal year as the cash and cash equivalent increased. Reason for increase of cash and cash equivalent was mainly due to the good performance in the subject fiscal year.

(2)-1.ii Liabilities

Consolidated total liabilities at the end of the subject fiscal year increased by 4,437 million yen compared to the end of the previous fiscal year to 18,619 million yen. This was mainly due to the increase of current liabilities by 3,623 million yen at the end of the subject fiscal year.

The reason for increase of the current liabilities was an increase of corporate tax as the income increased.

(2)-1.iii Net Assets

Consolidated net assets at the end of the subject fiscal year had increased by 3,651 million yen compared to the end of the previous fiscal year to 37,094 million yen. This was mainly due to the increase of retained earnings as a result of good performances.

(2)-2. Cash Flows

Consolidated cash and cash equivalents (hereafter, Cash) had increased by 9,467 million yen compared to the previous fiscal year to 23,999 million yen. Status and factors of the cash flow of the subject year for are as following:

Cash Flow from Operating Activities

Cash gained from the operating activities increased by 10,836 million yen compared to the previous fiscal year to 9,291 million yen. Major portion of the gain was 4,732 million yen from the income before tax adjustments and decrease of other current asset by 1,484 million yen mainly due to the decrease of notes and accounts receivable.

Cash Flow from Investing Activities

Cash gained from the investment activities increased by 306 million yen compared to the previous fiscal year to 287 million yen. Major portion of the gain was 200 million yen from a withdrawal of time deposit and 158 million yen from sale of investment securities.

Cash Flow from Financing Activities

Cash used in the financing activities was 104 million yen. Major portion was the 46 million yen used to buy the treasury share according to the share purchase demand.

Cash Flow-Related Indicators

Figure 7: Cash Flow-Related Indicators

	FYE March 2007	FYE March 2008	FYE March 2009	FYE March 2010	FYE March 2011
Equity Ratio	66.9%	64.6%	66.1%	69.8%	<u>66.2%</u>
Equity Ratio on a Market Value Basis	232.6%	179.4%	74.3%	127.4%	<u>98.9%</u>
Ratio of Interest-bearing Debt to Operating Cash Flow	—	—	—	—	—
Interest Coverage Ratio	26,799.9	41,457.0	30,138.1	(465,512.2)	

Equity Ratio:

Shareholders' Equity / Total Assets

Equity Ratio on a Market Value Basis:

Market Capitalization / Total Assets

Ratio of Interest-bearing Debt to Operating Cash Flow

: Interest-bearing Debt / Operating Cash Flow

Interest Coverage Ratio:

Operating Cash Flow / Interest Payments

Notes

1. All figures have been calculated based on consolidated financial amounts.

2. Total market value of shares was calculated based on the total number of shares issued excluding treasury stock.
3. Interest-bearing debt includes all liabilities recorded on the consolidated balance sheets that company pays interest.

(2)-3. Forecast for the Fiscal Year Ending March 31, 2012

Although the uncertainty of the future is increasing due to the Great East Japan Earthquake, we expect to achieve the proper cash flow appropriate to the performance forecast by carrying out the measures to meet the goal of the plan.

(3)Basic Policy Regarding Profit Distribution, and Dividend Outlook

(3)-1. Basic Policy Regarding Profit Distribution

The company's objective is to maximize the shareholders return in mid to long term through realizing the sustainable growth of the company. The basic policy of the Company is to distribute profit in accordance with operating results. In view of maximizing shareholder's return in mid to long term, unless major investment demands are expected, total return ratio to be within 100% for the total shareholders return by dividend and acquisition of treasury shares. Payout ratio for the dividend to be equal or more than 50%, and interim dividend and year end dividend are to be paid. Minimum level of payout ratio is to be consolidated Dividend on Equity ratio (DOE) 5%.

The amount of working capital required to continue our business has been set at the equivalent of three (3) months of consolidated net sales in our group cash management plan. Therefore acquisition of treasury shares will be executed with consideration of our total return ratio if the consolidated cash position at the end of previous fiscal year exceeds the three (3) month net sales and there are no major investment demands expected.

Treasury shares will be continued to be held by the company up to two million (2,000,000) shares. Treasury shares in excess of two million (2,000,000) shares will be retired by the end of the fiscal year.

(Note)

Total Return Ratio = Total shareholders return for the year / Consolidated net profit

Total Shareholders Return for Year = Total dividend paid (interim and year end) + Amount used to acquire the treasury shares during the fiscal year

Payout Ratio = Total dividend paid (interim and year end) / Consolidated net profit

Dividend on Equity Ratio (DOE) = Dividend / consolidated shareholder's equity

Three Month Net Sales = Working capital : Consolidated two month net sales + Fund for strengthening the financial base (a fund to sustain the business operation in the event of a crisis equivalent to that of fiscal year ended March 2010) : consolidated one month net sales

Working capital is determined according to such factors as account receivables.

To realize the flexible financial position, for the implementation of future growth strategies and response to the risk associated in achieving the goals of the management plan, treasury shares will be held by the company.

Figure 8: Results and Forecast of Dividend per Share

	Full Year				
	First Quarter	Second Quarter	Third Quarter	Year-End	
FYE March 2010		¥24.50		¥0.00	¥24.50
FYE March 2011		¥0.00		¥27.50	¥27.50
FYE March 2012 (Forecast)		¥29.00		¥29.00	¥58.00

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

The year end dividend for the fiscal year ended March 2011 was determined to be 27.5 yen per share, based on our consolidated operating income which is our profits earned in our business operation, not

affected by the government subsidies for the employment adjustment, and according to a calculation result of the company's profit distribution policy "payout ratio: equal or more than 50% of consolidated net profit (after tax)". By this dividend, payout ratio for the subject fiscal year became 24.7%, and dividend per share increased by 3 yen compared to the total dividend for the previous fiscal year which was 24.5 yen per share.

(3)-3. Dividend Forecast for the Fiscal Year Ending March 31, 2012

In consideration of the performance forecast and according to the dividend policy, the company forecast the dividend for the fiscal year ending March 2012 to be 58 yen per share per year, equivalent to the minimum level of payout ratio which is consolidated Dividend on Equity ratio (DOE) 5%, increase of 30.5 yen compared to the subject fiscal year. We forecast the total amount of dividend to be 1,900 million yen.

(3)-4. Treasury Stock Acquisition for the Fiscal Year Ended March 31, 2011

Since the consolidated cash position exceed the amount equivalent to the three (3) month net sales and there are no major investment demands expected, we plan to execute the acquisition of treasury stock equivalent to 700 million yen during the fiscal year ending March 2012 according to our profit distribution policy.

Total Return Ratio 100% = (total amount of expected dividend: 1,900 million yen + total amount to be used for the acquisition of the treasury stock: 700 million yen) / Consolidated net profit: 2,600 million yen

2. Management Policies

(1) Basic Policy on Company Management

The MEITEC Group, based on its group management concept "Mutual Growth & Prosperity", will maximize the corporate value of our group originating from the value provided to our employees.

(1)-1. Value to Employees

Continue to provide good opportunities for all professional engineers.

(1)-2. Value to Customers

To be a "reliable strategic partner" for Japanese manufacturers who are undergoing major changes.

(1)-3. Value to Shareholders

To be a company which maximize mid and long-term shareholders return by realizing sustainable growth.

(1)-4. Value to the Society

To be a pioneer to create a professional labor market in Japan, through establishing a career style of "lifetime professional engineers".

(2) Medium- to Long-Term Company Management Strategies and Target Indicators

Although the Meitec Group had faced a crisis which may affect the continuation of our business by the Lehman Shock, with execution of various counter measures, we were able to recover from the crisis. But because the economy itself is still in very unstable conditions, we acknowledge that we should be aware of possibility for crisis of the same level might occur again.

Therefore, we will continue to recognize "the emergency will continue even recovered from the crisis" and sustain the tension. And to improve our strength for the power for growth and sustain the business even if we were to face the similar crisis, we have started our New Mid -Term Management Plan "Co-creation 21" from April 2011.

(2)-1. Outline of the New Mid-Term Management Plan

- (i) Group's performance target after three years are;
 - a Consolidated sales of over 77,000 million yen
 - * Non-consolidated sales to be recovered to the level before the Lehman Shock
 - b Consolidated operating income of over 7,500 million yen

* Non-consolidated operating income ratio to be equal or more than 10%

- c Consolidated ROE to be equal or more than 10%
- (ii) Strategic target of the core business, temporary engineer staffing business (Meitec alone)
 - a Target of Sales and Engineer Management Strategy
Build stronger customer basis
 - b Target of Carrier Support Strategy
Build a system which actively support employee to improve the “Technological strength multiplied by Human strength equals Total Strength”
 - c Target of Recruiting Strategy
Build a recruiting system which will allow us to hire more than 600 engineers per year (newly graduated and mid-career)
 - d Target of Compliance Strategy
Build an operating system which ensures compliance so that we will be selected by more customers
 - e Target of Administrative Operation Strategy
Build a system which would continuously support improvement of career for the “Group of Professional Engineers”
 - f Target of IT Strategy
Build an IT infrastructures to improve the productivities and competitiveness
 - g Target of Financial Strategy
Build a financial base to protect the employment and improve the value of shareholders return by sustainable growth

(2)-2. Key Points of New Mid-Term Management Plan

- (i) Meitec will build stronger business base according to the 7 strategic targets of the plan.
- (ii) Due to the strategic investments according to the plan, operating income will be lower than that of before the Lehman Shock for next three years.
- (iii) Main purpose is to avoid losses in the scale of the recent crisis, even if we have to face a crisis in the same level as the Lehman Shock.
- (iv) After achieving the targets of the plan, we will set higher target for the operating income.

(3) Issues to Be Addressed

Main business of our corporate group is the temporary engineer staffing business. Based on our group management concept “Mutual Growth & Prosperity”, will maximize the corporate value of our group originating from the value provided to our employees.

Future performances of the temporary engineer staffing business depend on higher number of engineers and higher utilization ratio. Therefore we recognize that most important objective is to realize the sustainable growth by continued strengthening the sales effort to obtain new orders, recruitment and increasing the employee and supporting employee career advancement in consideration of the environmental changes.

(3)-1. Sales effort to obtain new orders

Main business of our corporate group, temporary engineer staffing business, is also a business of supporting career advancement of the engineers. Not limited to obtaining the orders to sustain or improve the number of engineers on job and utilization ratio, it is the most important to continue providing the chance and place for expansion of their work segments so that they can widen their selection of career advancement. Therefore, we will try to build stronger customer basis where we can obtain orders in any economic conditions regardless of under crisis or not. We will continue to improve our sales system to strengthen our sales ability.

(3)-2. Recruitment and increasing employee

For Meitec Group, as the largest “Group of professional engineers” in Japan, hiring more excellent engineers and staffs would be the source of growth. Therefore, we will establish a brand name with reliability and sense of security as the leader of the industry in the human resource market, and reinforce our recruiting ability. We will continue to execute efficient recruiting effort and increase the employee to meet with the changing market condition regardless of under crisis or not.

(3)-3. Supporting employee career advancement

It is essential to provide close support to each and every engineer for their career advancement in order to sustain and improve the quality of the largest “Group of professional engineers” in Japan. To provide proper and timely support, we have determined that the quality of services which the engineers provide to be “Technological strength multiplied by Human strength equals Total Strength”. We will continue our effort to provide the extended support to the career advancement needs initiated from the engineers and

strengthen the career advancement support led by the company. We will continue our effort in strengthening the efficient support for the career advancement by timely catching the changes and expansion of the customer needs.

3 . Consolidated Financial statements

(1) CONSOLIDATED BALANCE SHEETS

(Thousands of Yen)

	Fiscal year ended March 31, 2010	Fiscal year ended March 31, 2011
ASSETS		
CURRENT ASSETS		
Cash and cash equivalents	14,732,005	23,999,127
Trade notes and account receivables	9,582,444	10,245,458
Work in process	153,363	197,221
Deferred tax assets	1,537,314	<u>2,036,368</u>
Others	2,442,836	1,202,707
Allowance for doubtful receivables	(3,595)	(19,760)
Total Current Assets	<u>28,444,368</u>	<u>37,661,122</u>
FIXED ASSETS		
Property and Equipment		
Buildings and structures net	8,100,740	7,653,630
Furniture and fixtures net	362,409	285,004
Land	3,584,867	3,584,867
Others net	21,232	165,244
Total Property and Equipment	<u>12,069,249</u>	<u>11,688,746</u>
Intangible Fixed Assets		
Software	2,591,349	1,864,150
Others	112,782	136,897
Total Intangible Fixed Assets	<u>2,704,131</u>	<u>2,001,048</u>
Investments and Other Assets		
Investment securities	467,801	311,685
Deferred tax assets	3,120,590	3,384,304
Others	1,110,364	793,469
Allowance for doubtful receivables	(291,276)	(125,911)
Total Investments and Other Assets	<u>4,407,480</u>	<u>4,363,548</u>
Total Fixed Assets	<u>19,180,861</u>	<u>18,053,342</u>
TOTAL ASSETS	<u>47,625,229</u>	<u>55,714,465</u>
LIABILITIES		
CURRENT LIABILITIES		
Accounts payable	123,667	168,172
Accrued expenses	4,864,630	<u>5,957,551</u>
Income taxes payable	146,958	1,731,516
Consumption taxes payable	58,832	849,593
Others	1,198,620	1,309,238
Total current liabilities	<u>6,392,708</u>	<u>10,016,072</u>
LONG-TERM LIABILITIES		
Deferred tax liabilities	518	307
Deferred tax liabilities for land revaluation	42,103	42,103
Provision for retirement benefits	7,739,553	8,452,309
Others	7,088	109,112
Total long-term liabilities	<u>7,789,263</u>	<u>8,603,833</u>
TOTAL LIABILITIES	<u>14,181,971</u>	<u>18,619,905</u>
EQUITY		
STOCKHOLDERS' EQUITY		
Common stock	16,825,881	16,825,881
Capital Surplus	14,451,416	14,451,367
Retained earnings	8,715,540	<u>12,405,944</u>
Less treasury stock	(5,891,264)	(5,937,434)
Total Stockholder's equity	<u>34,101,573</u>	<u>37,745,759</u>
ACCUMULATED OTHER COMPREHENSIVE INCOME		
Net unrealized gains on available-for-sale securities	20,893	6,191
Land revaluation difference	(883,049)	(883,049)
Foreign currency translation adjustments	(3,706)	(11,454)
Total accumulated other comprehensive income	<u>(865,862)</u>	<u>(888,312)</u>
MINORITY INTERESTS	207,546	237,113
TOTAL EQUITY	<u>33,443,257</u>	<u>37,094,559</u>
TOTAL LIABILITIES AND EQUITY	<u>47,625,229</u>	<u>55,714,465</u>

(2) CONSOLIDATED STATEMENTS OF INCOME AND COMPREHENSIVE INCOME

(Consolidated Statements of Income)

(Thousands of Yen)

	Fiscal year ended March 31, 2010	Fiscal year ended March 31, 2011
NET SALES	53,776,025	61,790,447
COST OF SALES	46,765,175	<u>48,832,532</u>
GROSS PROFIT	7,010,849	<u>12,957,915</u>
SELLING, GENERAL AND ADMINISTRATIVE EXPENSES	11,939,211	<u>10,337,429</u>
OPERATING INCOME/LOSSES	(4,928,362)	<u>2,620,485</u>
NON-OPERATING INCOME		
Interest income	12,512	8,437
Dividend income	5,747	5,041
Rent	11,667	10,982
Subsidies for employment adjustment	4,643,792	2,036,164
Miscellaneous income	55,470	85,388
Total Non-Operating Income	4,729,191	2,146,013
NON-OPERATING EXPENSES		
Interest expense	3	-
Commitment fee	20,999	14,682
Loss on sale of marketable securities	27,681	18,721
Foreign exchange losses	13,636	18,953
Allowance for doubtful receivables	891	16,755
Charitable contribution	-	100,000
Miscellaneous expenses	13,847	9,348
Total Non-Operating Expenses	77,059	178,462
ORDINARY INCOME/LOSSES	(276,230)	<u>4,588,037</u>
EXTRAORDINARY INCOME		
Gain on the sale of investment securities	13,058	158,121
Gain on reversal of allowance for doubtful receivables	18,752	215,794
Others	679	4,825
Total extraordinary income	32,490	378,742
EXTRAORDINARY LOSSES		
Loss on sale of fixed assets	9,149	-
Loss on sale and disposal of fixed assets	39,229	109,448
Impairment loss	70,740	15,966
Loss on adjustment for changes of accounting standard for asset retirement obligations	-	76,751
Others	11,411	32,497
Total extraordinary losses	130,529	234,664
INCOME BEFORE INCOME TAXES AND MINORITY INTERESTS	(374,270)	<u>4,732,115</u>
INCOME TAXES	197,929	1,763,486
CORPORATE TAX ADJUSTMENTS	336,607	<u>(754,466)</u>
TOTAL INCOME TAXES	534,536	<u>1,009,019</u>
INCOME BEFORE MINORITY INTERESTS	(908,806)	<u>3,723,095</u>
MINORITY INTERESTS	(3,832)	32,691
NET INCOME/LOSSES	(904,974)	<u>3,690,404</u>

(Consolidated Statements of Comprehensive Income)

(Thousands of Yen)

	Fiscal year ended March 31, 2010	Fiscal year ended March 31, 2011
Net Income before minority interests	-	3,723,095
Other Comprehensive income		
Net unrealized gains on available-for-sale securities	-	(14,847)
Foreign currency translation adjustments	-	(10,727)
Total other comprehensive income	-	<u>(25,574)</u>
Comprehensive Income	-	<u>3,697,520</u>
Comprehensive income attributable to Meitec shareholders	-	3,667,954
Comprehensive income attributable to minority shareholders	-	29,566

(3) CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

	(Thousands of Yen)	
	Fiscal year ended March 31, 2010	Fiscal year ended March 31, 2011
Shareholder's Equity		
Common stock		
Balance at end of previous period	16,825,881	16,825,881
Changes during period		
Total changes during period	-	-
Balance at end of period	16,825,881	16,825,881
Capital surplus		
Balance at end of previous period	14,451,738	14,451,416
Changes during period		
Disposal of treasury stock	(321)	(48)
Total changes during period	(321)	(48)
Balance at end of period	14,451,416	14,451,367
Retained earnings		
Balance at end of previous period	11,360,915	8,715,540
Changes during period		
Cash Dividends	(1,740,401)	-
Net income/losses	(904,974)	3,690,404
Total changes during period	(2,645,375)	3,690,404
Balance at end of period	8,715,540	12,405,944
Treasury stock		
Balance at end of previous period	(5,891,268)	(5,891,264)
Changes during period		
Acquisition of treasury stock	(619)	(46,297)
Disposal of treasury stock	623	127
Total changes during period	3	(46,170)
Balance at end of period	(5,891,264)	(5,937,434)
Total Shareholder's Equity		
Balance at end of previous period	36,747,267	34,101,573
Changes during period		
Cash Dividends	(1,740,401)	-
Net income/losses	(904,974)	3,690,404
Acquisition of treasury stock	(619)	(46,297)
Disposal of treasury stock	301	78
Total changes during period	(2,645,693)	3,644,185
Balance at end of period	34,101,573	37,745,759
Accumulated Other Comprehensive Income		
Net unrealized gains on available-for-sale securities		
Balance at end of previous period	11,443	20,893
Changes during period		
Changes for the items other than shareholders' equity (net)	9,449	(14,701)
Total changes during period	9,449	(14,701)
Balance at end of period	20,893	6,191
Land revaluation difference		
Balance at end of previous period	(883,049)	(883,049)
Changes during period		
Total changes during period	-	-
Balance at end of period	(883,049)	(883,049)
Foreign currency translation adjustments		
Balance at end of previous period	(11,644)	(3,706)
Changes during period		
Changes for the items other than shareholders' equity (net)	7,938	(7,748)
Total changes during period	7,938	(7,748)
Balance at end of period	(3,706)	(11,454)
Total Accumulated Other Comprehensive Income		
Balance at end of previous period	(883,250)	(865,862)
Changes during period		
Changes for the items other than shareholders' equity (net)	17,387	(22,449)
Total changes during period	17,387	(22,449)
Balance at end of period	(865,862)	(888,312)

	(Thousands of Yen)	
	Fiscal year ended March 31, 2010	Fiscal year ended March 31, 2011
Minority Interests		
Balance at end of previous period	305,379	207,546
Changes during period		
Changes for the items other than shareholders' equity (net)	(97,833)	29,566
Total changes during period	(97,833)	29,566
Balance at end of period	<u>207,546</u>	<u>237,113</u>
Total Equity		
Balance at end of previous period	36,169,396	33,443,257
Changes during period		
Cash Dividends	(1,740,401)	-
Net income/losses	(904,974)	3,690,404
Acquisition of treasury stock	(619)	(46,297)
Disposal of treasury stock	301	78
Changes for the items other than shareholders' equity (net)	(80,445)	7,116
Total changes during period	(2,726,138)	3,651,301
Balance at end of period	<u>33,443,257</u>	<u>37,094,559</u>

(4) CONSOLIDATED STATEMENTS OF CASH FLOWS

(Thousands of Yen)

	Fiscal year ended March 31, 2010	Fiscal year ended March 31, 2011
OPERATING ACTIVITIES		
Income before income taxes and minority interests	(374,270)	4,732,115
Depreciation and amortization	1,374,122	1,332,849
Impairment loss	70,740	15,966
Increase(decrease) in allowance for doubtful receivables	(20,705)	(149,200)
Increase(decrease) in provision for bonuses to directors	(92,820)	-
Increase(decrease) in provision for retirement benefits	751,149	712,756
Interest and dividend income	(18,259)	(13,478)
Interest expense	3	-
Gains/Losses on sale of fixed assets	9,149	-
Loss on sale and disposal of fixed assets	39,210	101,902
Amortization of goodwill	55	-
Gains/Losses on sale of investment securities	(13,058)	(158,121)
Gains/Losses on sale of marketable securities	27,681	18,721
Increase(decrease) in notes and accounts receivable	1,343,954	(663,014)
Increase(decrease) in inventories	(29,550)	(43,858)
Increase(decrease) in other current assets	(1,215,149)	1,484,343
Increase(decrease) in notes and accounts payable	38,962	44,505
Increase(decrease) in accrued expenses	(2,116,284)	1,092,921
Increase(decrease) in income taxes payable	(475,165)	790,761
Increase(decrease) in other current liabilities	447,829	18,269
Loss on adjustment for changes of accounting standard for asset retirement obligations	-	76,751
Others	-	17,350
Subtotal	(252,406)	9,411,540
Interest received and dividends received	19,780	14,212
Interest paid	(3)	-
Income taxes paid	(1,312,871)	(197,585)
Income taxes refunded	-	63,064
Net cash provided by operating activities	(1,545,500)	9,291,232
INVESTING ACTIVITIES		
Proceeds from repayment of time deposits	400,000	200,000
Acquisition of property and equipment	(128,693)	(47,689)
Proceeds from sale of property and equipment	494	-
Acquisition of investment securities	(387,687)	(60,730)
Proceeds from sale of investment securities	105,745	158,121
Increase(decrease) in investments and other assets	190,623	36,915
Proceeds from collections of short term loans	271	468
Proceeds from sale of investment in subsidiaries	(200,601)	-
Net cash provided by investing activities	(19,848)	287,086
FINANCING ACTIVITIES		
Acquisition of treasury stock	(619)	(46,297)
Disposal of treasury stock	301	78
Dividend paid	(1,740,566)	(4,299)
Dividends paid to minority shareholders	(12,896)	-
Cash paid to minority shareholders to purchase their interests	(80,598)	-
Others	(1,440)	(53,757)
Net cash provided by financing activities	(1,835,819)	(104,276)
FOREIGN CURRENCY TRANSLATION ADJUSTMENTS ON CASH AND CASH EQUIVALENTS	6,930	(6,919)
INCREASE(DECREASE) IN CASH AND CASH EQUIVALENTS	(3,394,237)	9,467,121
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	17,926,243	14,532,005
CASH AND CASH EQUIVALENTS, END OF YEAR	14,532,005	23,999,127

4 . Non-Consolidated Financial statements
(1) Supplemental Non-Consolidated Balance Sheets

(Thousands of Yen)

	Fiscal year ended March 31, 2010	Fiscal year ended March 31, 2011
ASSETS		
CURRENT ASSETS		
Cash and cash equivalents	13,881,749	22,832,785
Note receivables-trade	-	3,012
Account Receivables	7,664,339	8,250,111
Work in process	47,812	72,878
Prepaid expenses	354,096	310,353
Deferred tax assets	1,520,159	<u>1,736,319</u>
Short-term loans for subsidiaries	700,000	100,000
Others	1,932,297	943,483
Allowance for doubtful receivables	(1,642)	(16,537)
Total current assets	<u>26,098,810</u>	<u>34,232,406</u>
FIXED ASSETS		
Property and Equipment		
Buildings (net)	7,996,836	7,557,917
Structures (net)	91,374	83,105
Machinery and equipment (net)	10,864	9,004
Furniture and fixtures (net)	335,538	263,421
Land	3,582,544	3,582,544
Others	4,801	152,404
Total Property and Equipment	<u>12,021,959</u>	<u>11,648,398</u>
Intangible Fixed Assets		
Software	2,405,650	1,730,189
Software in process	15,215	25,236
Telephone subscription right	62,236	62,236
Total intangible fixed assets	<u>2,483,102</u>	<u>1,817,661</u>
Investments and Other Assets		
Investment securities	465,723	310,135
Investment in subsidiaries	4,858,151	4,620,337
Advances to subsidiaries	89,429	19,391
Long-term loan for subsidiaries	187,000	145,000
long-term prepaid expenses	7,249	2,805
Deferred tax assets	3,114,775	3,378,632
Deposits	692,648	596,800
Memberships	2,000	-
Others	15,435	55,516
Allowance for doubtful receivables	(14,835)	(54,916)
Total investments and other assets	<u>9,417,578</u>	<u>9,073,703</u>
Total fixed assets	<u>23,922,640</u>	<u>22,539,763</u>
TOTAL ASSETS	50,021,451	<u>56,772,170</u>

(Thousands of Yen)

	Fiscal year ended March 31, 2010	Fiscal year ended March 31, 2011
LIABILITIES		
CURRENT LIABILITIES		
Short-term debts	827,220	558,395
Other accrued expenses	3,837,240	<u>4,857,744</u>
Income taxes payable	67,470	1,564,660
Consumption taxes payable	39,553	643,431
Advances from customers	239,244	494,127
Deposits from subsidiaries	4,098,204	4,739,354
Others	63,214	171,911
Total current liabilities	<u>9,172,148</u>	<u>13,029,624</u>
LONG-TERM LIABILITIES		
Deferred tax liabilities for land revaluation	42,103	42,103
Provision for retirement benefits	7,706,535	8,416,275
Others	4,365	107,380
Total long-term liabilities	<u>7,753,004</u>	<u>8,565,758</u>
TOTAL LIABILITIES	<u>16,925,152</u>	<u>21,595,383</u>
EQUITY		
SHAREHOLDERS' EQUITY		
Common stock	16,825,881	16,825,881
Capital surplus		
Capital reserve	4,210,000	4,210,000
Other capital surplus	10,241,416	10,241,367
Total capital surplus	<u>14,451,416</u>	<u>14,451,367</u>
Retained earnings		
Unappropriated		
Retained earnings carried forward	8,570,542	<u>10,711,781</u>
Total Retained earnings	<u>8,570,542</u>	<u>10,711,781</u>
Treasury stock	<u>(5,891,264)</u>	<u>(5,937,434)</u>
Total Shareholder's equity	<u>33,956,576</u>	<u>36,051,595</u>
VALUATION AND TRANSLATION ADJUSTMENTS		
Net unrealized gains on available-for-sale securities	22,771	8,240
Land revaluation difference	(883,049)	(883,049)
Valuation and translation adjustments Total	<u>(860,277)</u>	<u>(874,808)</u>
TOTAL EQUITY	<u>33,096,298</u>	<u>35,176,787</u>
TOTAL LIABILITIES AND EQUITY	<u>50,021,451</u>	<u>56,772,170</u>

(2) Supplemental Non-Consolidated Statements of operations

(Thousands of Yen)

	Fiscal year ended March 31, 2010	Fiscal year ended March 31, 2011
NET SALES	41,319,419	48,260,300
COST OF SALES	36,074,161	<u>38,777,339</u>
GROSS PROFIT	5,245,257	<u>9,482,960</u>
SELLING, GENERAL AND ADMINISTRATIVE EXPENSES	8,210,244	<u>7,758,551</u>
OPERATING INCOME/LOSSES	(2,964,987)	<u>1,724,409</u>
NON-OPERATING INCOME		
Interest income	16,610	9,595
Dividend income	304,562	47,077
Rent	28,986	25,507
Subsidies for employment adjustment	3,466,899	1,839,987
Miscellaneous income	23,900	53,983
Total Non-Operating Income	<u>3,840,959</u>	<u>1,976,151</u>
NON-OPERATING EXPENSES		
Interest expense	3,421	2,350
Commitment fee	20,999	14,682
Loss on sale of marketable securities	27,681	18,721
Charitable contribution	-	100,000
Miscellaneous expenses	1,764	14,313
Total Non-Operating Expenses	<u>53,867</u>	<u>150,069</u>
ORDINARY INCOME/LOSSES	822,104	<u>3,550,491</u>
EXTRAORDINARY INCOME		
Gain on the sale of investment securities	1,112	-
Gain on reversal of allowance for doubtful receivables	1,145	-
Gain on sale of membership rights	-	1,000
Others	-	2,648
Total extraordinary Income	<u>2,258</u>	<u>3,648</u>
EXTRAORDINARY LOSSES		
Loss on sale of fixed assets	9,147	-
Loss on sale and disposal of fixed assets	25,062	107,331
Impairment loss	31,735	6,684
Loss on revaluation of investment in subsidiaries	375,176	14,001
Loss on revaluation of advances to subsidiaries	151,768	70,037
Loss on adjustment for changes of accounting standard for asset retirement obligations	-	64,827
Others	33,856	55,232
Total extraordinary losses	<u>626,747</u>	<u>318,114</u>
INCOME BEFORE INCOME TAXES	197,615	<u>3,236,025</u>
Corporate tax, corporate inhabitant tax and enterprise tax	92,996	1,566,504
Corporate tax adjustments	51,192	<u>(471,717)</u>
Total income taxes	144,188	<u>1,094,786</u>
NET INCOME (LOSSES)	53,427	<u>2,141,238</u>

SEGMENT INFORMATION

Operating Segment Information

The companies' operating segment information at and for the years ended March 31, 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	50,455,761	2,288,178	514,852	517,232	53,776,025		53,776,025
Inter-segment	77,086	465,590	131,754	254	674,686	(674,686)	
Total	50,532,848	2,753,769	646,606	517,487	54,450,712		53,776,025
Operating expenses	54,990,586	2,660,304	1,237,434	504,305	59,392,630	(688,243)	58,704,387
Operating income(losses)	(4,457,737)	93,464	(590,827)	13,181	(4,941,918)	13,556	(4,928,362)
Assets, Depreciation and amortization, Impairment loss , and capital expenditures							
Assets	46,169,430	1,112,371	358,016	3,257,807	50,897,625	(3,272,396)	47,625,229
Depreciation and amortization	1,290,529	59,301	11,639	12,652	1,374,122		1,374,122
Impairment loss	32,922		25,367	12,450	70,740		70,740
capital expenditures	244,040	135,246	2,221	5,976	387,484		387,484

The companies' operating segment information at and for the years ended March 31, 2011 is as follows

(Thousands of Yen)

	Reported Segments				Total
	Temporary Staffing Business	Engineering Solutions Business	Global Business	Career Support Business	
. NET SALES					
External customers	58,629,576	2,641,412	78,317	441,141	61,790,447
Inter-segment	46,181	491,075		3,736	540,993
Total	58,675,758	3,132,487	78,317	444,878	62,331,441
Income or loss by segment	2,369,442	208,609	(65,263)	102,224	2,615,013
Assets of segment	53,937,161	1,302,995	63,964	3,707,208	59,011,329
Others					
Depreciation and amortization	1,269,942	58,560		4,347	1,332,849
Increase of Property, plant and equipment and Intangible assets	343,526	32,855		1,820	378,201

5. Others

(1) Executive Appointments

(1)-1. Change in Representative Director

None

(1)-2. Appointments and Retirement of other Executive Officers (as of June 23, 2011)

Candidate for Newly Appointed Director

Director: Hidenori Nagasaka

Currently: Executive officer for the Business Execution Divisions, Executive officer for the Sales Promotion Department, General Manager of the Sales Promotion Department

Outside Director: Minao Shimizu

Currently Attorney at Law

Outside Director: Hiroyuki Kishi

Currently; Professor at Graduate School of Media Design, Keio University, and Director of Avex Management Inc.

Retiring Director

Outside Director: Kiyoshi Mamizu

(2). Others

None

「reference data」

(1) Key Performance Indicators

(Operating Hours)	The years ended March 31, 2010	The years ended March 31, 2011	change
Meitec (MT)	8.60h/day	8.83h/day	+ 0.23h/day
Meitec Fielders (MF)	8.66h/day	8.89h/day	+ 0.23h/day

(2) Meitec Group Results For the years ended March 31, 2011

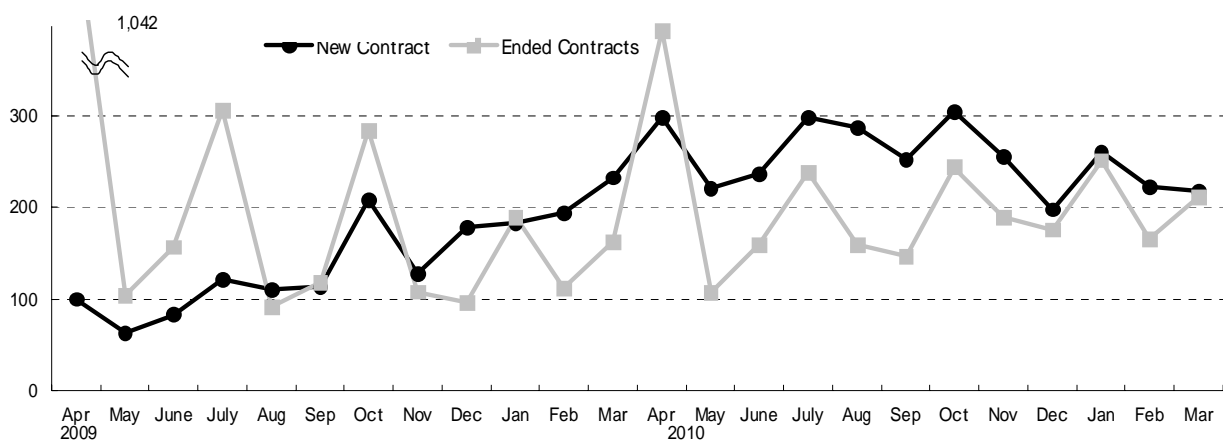
(millions of yen)		Net Sales		Operating Income		Ordinary Income		Net Income	
			Change		Change		Change		Change
Temporary Engineers Staffing Business	Meitec	48,260	+ 6,940	1,724	+ 4,689	3,550	+ 2,728	2,141	+ 2,087
	Meitec Fielders	8,175	+ 1,124	575	+ 2,037	757	+ 1,375	943	+ 1,877
	Meitec Cast	2,418	+ 150	60	+ 93	62	+ 95	38	+ 76
Engineering Solutions Business	Meitec CAE	1,212	+ 44	168	+ 16	171	+ 19	97	+ 13
	Apollo Giken	1,819	+ 254	60	+ 112	90	+ 78	49	(7)
	Meitec Global Solutions *1	102	(453)	(22)	+ 410	(19)	+ 139	(19)	+ 141
Global Business	Meitec Shanghai	24	(0)	(4)	+ 9	(12)	(1)	(12)	+ 0
	Meitec Xian	8	(1)	(15)	+ 11	(14)	+ 10	(14)	+ 22
	Meitec Chengdu	5	(0)	(23)	+ 13	(23)	+ 13	(23)	+ 19
	Meitec Shanghai Human Resources	33	+ 11	(11)	+ 5	(11)	+ 6	(11)	+ 6
Career Support Business	Meitec Next	438	+ 103	104	+ 119	106	+ 119	105	+ 119
	all engineer. Jp	9	(4)	(1)	+ 0	(1)	+ 0	(11)	(8)

*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

(3) Forecasts for Meitec Group; Fiscal Year Ending March 31, 2012

(millions of yen)	Net Sales	Operating Income	Ordinary Income	Net Income
Meitec	52,500	3,900	4,200	2,400
Meitec Fielders	8,600	500	500	300
Meitec Cast	2,300	40	40	20
Meitec CAE	1,200	120	120	70
Apollo Giken	1,800	10	20	5
Meitec Shanghai	0	(10)	(10)	(10)
Meitec Xian	10	(15)	(15)	(15)
Meitec Chengdu	5	(20)	(20)	(20)
Meitec Shanghai Human Resources	50	5	5	5
Meitec Next	500	100	100	100
all engineer. Jp	15	0	0	0

(4) Trend of New Contracts(Non-Consolidated) For the years ended March 31, 2011 [Meitec only] *



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