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May 10, 2012

## Financial Highlights for the Fiscal Year ended March 31, 2012

**Meitec Corporation**

### 1. Consolidated Operating Results for the Fiscal Year ended March 31, 2012

#### **(1) Consolidated operating results**

((Fractions of one million yen are round off))

	Net Sales		Operating Income		Ordinary Income		Net Income	
	Millions of Yen	%	Millions of Yen	%	Millions of Yen	%	Millions of Yen	%
FY 2011 (2012/3)	66,955	8.4%	5,450	108.0%	5,531	20.6%	2,827	△23.4%
FY 2010 (2011/3)	61,790	14.9%	2,620	—	4,588	—	3,690	—

(Note) Comprehensive Income for the years ended March 31, 2012 and 2011 were 2,826 million yen [(23.6%)] and 3,697 million yen [(- %)] respectively.

	Net Income per Share	Diluted Net Income	Return on Equity	Ordinary Income to Total Assets ratio	Operating Income per Net Sales
	Yen	Yen	Yen	Yen	Yen
FY 2011 (2012/3)	85.45	—	7.6	9.8	8.1
FY 2010 (2011/3)	111.33	—	10.5	8.9	4.2

#### **(2) Consolidated financial position**

	Total assets	Net assets	Equity ratio	Net Assets per share
	Millions of Yen	Millions of Yen	%	Yen
FY 2011 (2012/3)	57,559	37,209	64.5	1,135.10
FY 2010 (2011/3)	55,714	37,094	66.2	1,112.69

(Note) Shareholders' Equity as of Mar. 31, 2012 was 37,121 million yen and as of Mar. 31, 2011 was 36,857 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 2011 (2012/3)	5,753	(292)	(2,769)	26,686
FY 2010 (2011/3)	9,291	287	(104)	23,999

## 2. Dividends

(Record date)	Annual Dividends per Share					Total Amount (Annual) Millions of Yen	Dividend Payout ratio (Consolidated) %	Dividend on Equity (Consolidated) %
	1st Quarter dividends	2nd Quarter dividends	3rd Quarter dividends	Year-end dividends	Total			
	Yen	Yen	Yen	Yen	Yen			
FY ended March 31, 2011	—	0.00	—	27.50	27.50	910	24.7	2.6
FY ended March 31, 2012	—	29.00	—	29.50	58.50	1,925	68.5	5.2
FY ending March 31, 2013 (Forecast)	—	29.50	—	66.00	95.50		56.8	

## 3. Forecasts for Fiscal Year ending March 31, 2013

(% 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 <sup>st</sup> Half of FY 2012 (2012/4-9)	33,200	4.0	2,100	(9.8)	2,100	(10.6)	1,200	(7.4)	36.69
FY 2012 (2012/4-2013/3)	69,500	3.8	5,500	0.9	5,500	(0.6)	5,500	94.5	168.18

## 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
  - i. Changes due to amendment to accounting standard: None
  - ii. Changes due to other than the above: None
- (3) Number of shares issued (common stock)
  - i. Number of shares issued at the fiscal year end (including treasury shares)
 

FY2011	34,700,000	FY2010	35,100,000
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  - ii. Number of treasury shares at the fiscal year end
 

FY2011	1,996,719	FY2010	1,975,243
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  - iii. Average number of shares outstanding during the period
 

FY2011	33,088,344	FY2010	33,148,172
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### (Reference)

#### 1. Non-Consolidated Operating Results for the Fiscal Year ended March 31, 2012

##### (1) Non-Consolidated Operating Results

(% 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 2011 (2012/3)	53,188	10.2	4,613	167.5	4,988	40.5	2,590	21.0
FY 2010 (2011/3)	48,260	16.8	1,724	—	3,550	331.9	2,141	—

	Net Income per Share	Diluted Net Income
	Yen	Yen
FY 2011 (2012/3)	78.28	—
FY 2010 (2011/3)	64.60	—

## (2) Non-Consolidated financial position

	Total assets		Net assets		Equity ratio		Net Assets per share	
	Millions of Yen		Millions of Yen		%		Yen	
FY 2011 (2012/3)	55,504		35,203		63.4		1,076.45	
FY 2010 (2011/3)	56,772		35,176		62.0		1,061.95	

(Note) Shareholders' Equity as of Mar. 31, 2012 was 35,203 million yen and as of Mar. 31, 2011 was 35,176 million yen.

## 2. Non-Consolidated Forecasts for Fiscal Year ending March 31, 2013

(% 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 <sup>st</sup> Half of FY 2012 (2012/4-9)	26,400	4.5	1,800	(7.4)	2,100	(7.2)	1,300	(4.1)	39.75	
FY 2012 (2012/4-2013/3)	55,200	3.8	4,700	1.9	5,000	0.2	5,700	120.1	174.29	

### Disclosure Regarding Audit Procedures

As of the date of disclosure of this earnings release, an audit of the consolidated financial statements according to the Financial Instruments and Exchange Act has not been completed.

### 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 6.

**1. Qualitative Information on the Operating Results for the Fiscal year ended March 31 2012**  
**(April 1, 2011 to Mar 31, 2012)**

**(1) Qualitative Information on the Consolidated Operating Results**

Figure 1: Summary of Consolidated Income Statement

(Millions of yen, rounded down)	FYE March 2011 Full Year	FYE March 2012				
		First Half	Second Half	Full Year	YoY Variance Amount	YoY Percentage Changed
Net Sales	61,790	31,937	35,017	66,955	+ 5,164	+ 8.4%
Cost of Sales	48,832	24,052	25,822	49,875	+ 1,042	+ 2.1%
SG&A Expenses	10,337	5,556	6,073	11,629	+ 1,292	+ 12.5%
Operating Income	2,620	2,328	3,121	5,450	+ 2,829	+ 108.0%
Other Income	1,967	21	59	81	(1,886)	(95.9%)
Subsidies for employment adjustment	2,036	13	5	19	(2,017)	(99.1%)
Ordinary Income	4,588	2,350	3,181	5,531	+ 943	+ 20.6%
Income before Income Taxes and Minority Interests	4,732	2,347	3,179	5,526	+ 794	+ 16.8%
Net Income	3,690	1,295	1,531	2,827	(862)	(23.4%)

Figure 2: Summary of Results by Business Segment

(Millions of yen, rounded down)	Meitec Group (Consolidated)					
	Temporary Staffing Business	Engineering Solutions Business	Global Business	Recruiting & Placement Business	Eliminations / Corporate	
Net Sales	66,955	63,827	3,005	27	599	(504)
Component Ratio	100.0%	95.3%	4.5%	0.0%	0.9%	(0.8%)
YoY Amount	+ 5,164	+ 5,151	(126)	(50)	+ 154	+ 36
% Change	+ 8.4%	+ 8.8%	(4.1%)	(64.5%)	+ 34.7%	—
Operating Income	5,450	5,225	141	(70)	148	5
Component Ratio	100.0%	95.9%	2.6%	(1.3%)	2.7%	0.1%
YoY Amount	+ 2,829	+ 2,855	(66)	(5)	+ 46	+ 0
% Change	+ 108.0%	+ 120.5%	(32.0%)	—	+ 45.4%	—

Figure 3: Summary of Meitec Group Results

(millions of yen, rounded down)		Net Sales		Operating Income		Ordinary Income		Net Income	
		YoY Amount	YoY Amount	YoY Amount	YoY Amount	YoY Amount	YoY Amount		
Temporary Staffing Business	Meitec	53,188	+ 4,928	4,613	+ 2,889	4,988	+ 1,438	2,590	+ 448
	Meitec Fielders	8,510	+ 335	537	(38)	540	(217)	275	(668)
	Meitec Cast	2,370	(48)	67	7	68	+ 6	33	(4)
Engineering Solutions Business	Meitec CAE	1,150	(62)	124	(43)	124	(47)	70	(27)
	Apollo Giken Gr.	1,855	+ 36	19	(40)	23	(67)	(0)	(49)
Global Business	Meitec Shanghai	0	(24)	(9)	(5)	(9)	+ 3	(9)	+ 3
	Meitec Xian	4	(3)	(20)	(4)	(20)	(5)	(20)	(5)
	Meitec Chengdu	2	(3)	(16)	+ 7	(16)	+ 6	(16)	+ 6
	Meitec Shanghai Human Resources	19	(13)	(22)	(10)	(22)	(10)	(22)	(10)
Recruiting & Placement Business	Meitec Next	593	+ 154	147	+ 42	147	+ 41	147	+ 41
	all engineer. jp	9	(0)	1	+ 3	1	+ 3	1	+ 12

Figure 4: Meitec Group Temporary Engineer Staffing Business

		FYE March 31, 2011 (Prior fiscal year)	FYE March 31, 2012 (Subject fiscal year)
MT + MF + CAE		6,886	6,634
MT + MF	Period-End Engineering Staff <sup>1</sup>	6,801	6,552
	Utilization ratio (Company-wide)	86.4%	93.6%
	Utilization ratio(Excluding new hires <sup>2-3</sup> )	87.7%	94.1%
Meitec Corporation(MT)	Period-End Engineering Staff <sup>1</sup>	5,600	5,385
	Of which assigned to internal engineering projects <sup>1</sup>	95	62
	Utilization ratio (Company-wide)	85.1%	93.2%
	Utilization ratio(Excluding new hires <sup>2</sup> )	85.5%	93.5%
	Working Hours	8.83h/day	8.83h/day
Meitec Fielders, Inc. (MF)	Period-End Engineering Staff	1,201	1,167
	Utilization ratio (Company-wide)	92.2%	95.5%
	Utilization ratio(Excluding new hires <sup>2-3</sup> )	98.6%	96.7%
	Working Hours	8.89h/day	8.84h/day
Meitec CAE Corporation(CAE)	Period-End Engineering Staff	85	82

Trend of Utilization Ratio by Quarter for Meitec (Non-consolidated)

	Fiscal Year Ended March 31, 2010				Fiscal Year Ended March 31, 2011				FY Ended March 31, 2012			
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q
MT	71.6%	68.7%	70.4%	76.9%	78.1%	83.4%	88.3%	90.8%	90.0%	91.9%	94.6%	96.2%

Note 1: Number of engineers for Meitec do not include engineers who are assigned to our internal engineering projects and lecturer for internal training.

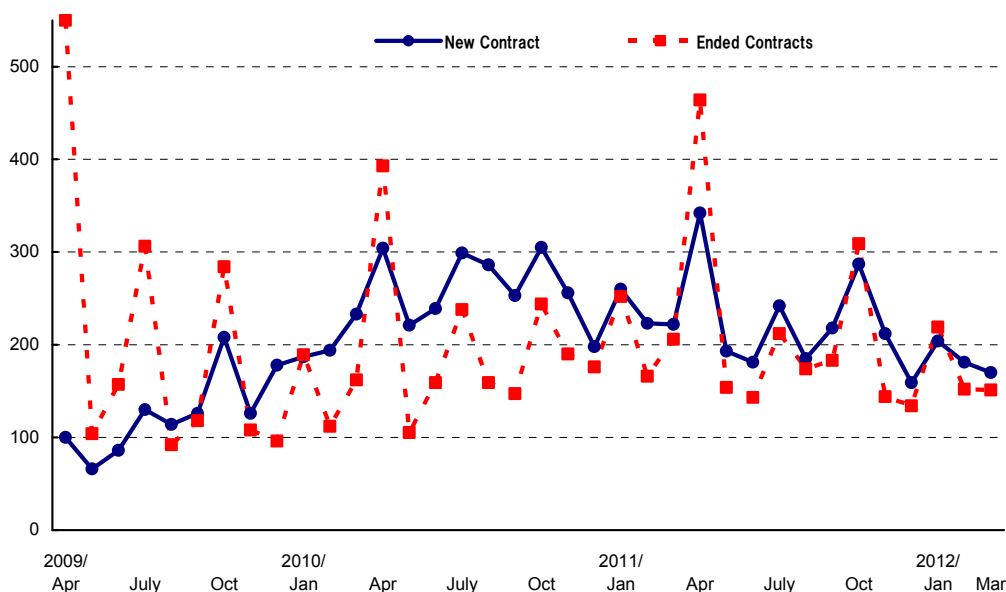
Note 2: Engineers who never been assigned to job are excluded.

Note 3: Engineers who never been assigned to job and engineers 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>

Figure 5: Trend of New Contracts for Meitec (Non-Consolidated)



## 1. Operating Results

### (1) Analysis of Operating Results

#### (1)-1. Economy Overview

Throughout the fiscal year ended March 31, 2012 (from April 1, 2011 to March 31, 2012), the Japanese economy continued to face significant uncertainty about its prospects due to power shortages and the disruption of supply chains in the wake of the Great East Japan Earthquake during the first half, and the deceleration of overseas economies and the sharp appreciation of the yen during the second half.

#### (1)-2. Overview of Consolidated Operating Results

During the fiscal year ended March 31, 2012, domestic production activities among leading Japanese manufacturers, which are the major customers of Meitec Group (the Company), were affected by the Great East Japan Earthquake and other factors. Nonetheless, investments in technological development, which resumed after Lehman Shock, continued on the whole. However yen appreciation and other factors led to more cost reductions trend among these customers.

Under these circumstances, the utilization ratio significantly improved in the Group's core business—temporary engineer staffing as many customers continued investments in technological development and the Company was able to continue to land new contracts from the previous fiscal year.

Primarily for this reason, consolidated net sales for the year under review increased ¥5,164 million from the previous year to ¥66,955 million. Consolidated cost of sales rose ¥1,042 million to ¥49,875 million, mainly reflecting increased labor costs due to the improvement of the utilization ratio. Consolidated selling, general and administrative expenses advanced ¥1,292 million to ¥11,629 million, primarily due to an increase in strategic investments. As a result, consolidated operating income jumped ¥2,829 million from a year earlier to ¥5,450 million.

Consolidated ordinary income increased ¥943 million to ¥5,531 million compared with a year earlier, although non-operating income declined ¥1,886 million due to a decrease in subsidies for the temporary staffing business as a result of the expiry of employment adjustment subsidies.

Consolidated net income for the period under review decreased ¥862 million to ¥2,827 million due to a decrease in extraordinary income and a rise in tax expenses that included the reversal of deferred tax assets resulting from the promulgation of a law related to a reduction of income taxes. The effect of the reversal of deferred tax assets amounted to ¥520 million.

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

##### (1)-3.i Temporary Staffing Business

The Temporary Staffing Business accounts for more than 90% of consolidated net sales. Particularly in temporary engineer staffing, the core business of this segment, many customers continued investments in technological development, and the Company was therefore able to continue to land new contracts steadily, which helped significantly improve the Meitec's non-consolidated average utilization ratio (overall) from 85.1% a year earlier to 93.2% in the period under review.

As a result of these improvements of the utilization ratio, consolidated net sales in the Temporary Staffing Business segment for this consolidated fiscal year had increased ¥5,151 million compared to the previous fiscal year to ¥63,827 million.

The rise in net sales raised operating income by ¥2,855 million to ¥5,225 million.

##### (1)-3.ii Engineering Solutions Business

In the Engineering Solutions Business, the Company provides engineering services related to analytical technologies, prototype production, casting/metal mold production and technology support for printed-circuit boards.

Consolidated net sales in the Engineering Solutions Business segment for this fiscal year fell ¥126 million from a year earlier to ¥3,005 million, and operating income declined ¥66 million from a year earlier to ¥141 million.

Meitec CAE maintained profitability despite a decrease in income due to a reduced number of orders received as a result of the impact of the Great East Japan Earthquake. The operating profit was secured although the Apollo Giken Co., group also had a decrease of ordering, and bad debt expense appropriation.

##### (1)-3.iii Global Business

In the Global Business segment, the Company engages in vocational training and job placement in China.

In vocational training, efforts were made to optimize the size of staff and facilities for human resource development. As a result, the Global Business segment's consolidated net sales for this fiscal year decreased ¥50 million to ¥27 million and an operating loss of ¥70 million was posted, a loss ¥5 million larger than a year earlier.

**(1)-3.iv Recruiting & Placement**

The Recruiting & Placement Business segment involves the job placement and an information portal site business intended for engineers.

Consolidated net sales of the Recruiting & Placement Business segment advanced ¥154 million from a year earlier to ¥599 million, and operating income grew ¥46 million to ¥148 million.

Meitec Next Corporation achieved revenue and profit growth due to a higher number of job openings.

**(1)-4. Forecast for the Fiscal Year Ending March 31, 2013****Figure 6: Summary of Consolidated Forecasts for the fiscal year ending March 31, 2013**

(April 1, 2012 to March 31, 2013)

(Millions of yen, rounded down)	Net Sales	Operating Income	Ordinary Income	Net Income
Forecast for the 1st Half of FYE 3/2013	33,200	2,100	2,100	1,200
Comparison to the 1st half of FYE 3/2012	+ 1,262	(228)	(250)	(95)
Forecast for FYE 3/2013	69,500	5,500	5,500	5,500
Comparison to FYE 3/2012	+ 2,544	+ 49	(31)	+ 2,672
Result for the 1st Half of FYE 3/2012	31,937	2,328	2,350	1,295
Result for FYE 3/2012	66,955	5,450	5,531	2,827

**Figure 7: Summary of Non-Consolidated Forecasts for the fiscal year ending March 31, 2013**

(April 1, 2012 to March 31, 2013)

(Millions of yen, rounded down)	Net Sales	Operating Income	Ordinary Income	Net Income
Forecast for the 1st Half of FYE 3/2013	26,400	1,800	2,100	1,300
Comparison to the 1st half of FYE 3/2012	+ 1,143	(144)	(162)	(56)
Forecast for FYE 3/2013	55,200	4,700	5,000	5,700
Comparison to FYE 3/2012	+ 2,011	+ 86	+ 11	+ 3,109
Result for the 1st Half of FYE 3/2012	25,256	1,944	2,262	1,356
Result for FYE 3/2012	53,188	4,613	4,988	2,590

**Figure 8: Forecasts for the Meitec Group; Fiscal Year Ending March 31, 2013**

(millions of yen)	Net Sales	Operating Income	Ordinary Income	Net Income
Meitec	55,200	4,700	5,000	5,700
Meitec Fielders	8,800	430	430	260
Meitec Cast	2,400	50	50	30
Meitec CAE	1,200	130	130	80
Apollo Giken Gr.	1,800	30	30	30
Meitec Shanghai	0	(10)	(10)	(10)
Meitec Xian	10	(20)	(20)	(20)
Meitec Chengdu	5	(20)	(20)	(20)
Meitec Shanghai Human Resources	65	0	0	0
Meitec Next	740	150	150	140
all engineer.jp	80	0	0	0

**Figure 9: Prerequisites for the Performance Forecasts for the Fiscal Year Ending March 31, 2013**

	Meitec	Meitec Fielders
Utilization Ratio(Compnay-wide)	94.8%	89.9%
First half	92.9%	86.5%
Second Half	96.5%	93.2%
Working Hours	8.81h/day	8.85h/day
Newly Graduate Hired*	220	169
Previous Fiscal Year	28	0
Mid-career Hireing	240	180
Previous Fiscal Year	88	100
Turnover Ratio	6.5%	11.2%

\*Number of engineers hired as of April 1, 2012, who were recent graduates

Although uncertainty about the economic future is expected to continue due to uneasiness about such concerns as yen appreciation and power shortages, the consolidated forecasts for the fiscal year ending March 31, 2013, have been produced based on assumptions, including the utilization ratio, in Figure 9. These forecasts reflect expected year-on-year increases in new graduate hired and mid-career hiring.

The forecast of consolidated net sales for the fiscal year ending March 31, 2013, is ¥69,500 million, or a year-on-year rise of ¥2,544 million, because increased employment through aggressive and continuous recruiting activities and steady demand for engineers are expected. Consolidated operating income is expected to be same level as from a year earlier at ¥5,500 million, considering active investment plans to be included in selling, general and administrative expenses. Consolidated ordinary income is also expected to be same level as from a year earlier at ¥5,500 million. Consolidated net income is expected to jump ¥2,672 million to ¥5,500 million, reflecting a decline in tax expenses in connection with the dissolution of a subsidiary planned during the second half of the year ending March 31, 2013.

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

Figure 10: Overview of the Consolidated Financial Position

(millions of yen)		As of March 31, 2011	As of March 31, 2012		
				YoY Amount	Change(%)
	Total current assets	37,661	40,643	+ 2,982	+ 7.9%
	Total noncurrent assets	18,053	16,915	(1,137)	(6.3%)
	Total assets	55,714	57,559	+ 1,844	+ 3.3%
	Total current liabilities	10,016	11,165	+ 1,149	+ 11.5%
	Total noncurrent liabilities	8,603	9,183	+ 580	+ 6.7%
	Total liabilities	18,619	20,349	+ 1,729	+ 9.3%
	Total shareholders' equity	37,745	38,017	+ 271	+ 0.7%
	Valuation and translation adjustments	(888)	(895)	(7)	-
	Minority interests	237	87	(149)	(62.9%)
	Total net assets	37,094	37,209	+ 114	+ 0.3%
	Total liabilities and net assets	55,714	57,559	+ 1,844	+ 3.3%

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

#### (2)-1.i Assets

Total consolidated assets at the end of this fiscal year (March 31, 2012) increased ¥1,844 million from March 31, 2011, to ¥57,559 million, mainly due to an increase of ¥2,982 million in current assets from the previous fiscal year end, reflecting a rise in cash and cash equivalent.

Reason for the increase of cash and cash equivalent was mainly due to reflections of results of operations in this fiscal year.

#### (2)-1.ii Liabilities

Total consolidated liabilities at the end of this fiscal year (March 31, 2012) increased ¥1,729 million from March 31, 2011, to ¥20,349 million, primarily due to an increase of ¥1,149 million in current liabilities from the previous fiscal year.

The major factors responsible for the increase in current liabilities included a rise in the provision for bonuses.

#### (2)-1.iii Net Assets

Total consolidated net assets at the end of this fiscal year (March 31, 2012) increased ¥114 million from March 31, 2011, to ¥37,209 million. This was mainly due to the increase of retained earnings as results of operations for this fiscal year.

### (2)-2. Cash Flows

Consolidated cash and cash equivalents (hereafter, Cash) had increased by ¥2,687 million compared to the previous fiscal year to ¥26,686 million.

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 decreased by ¥3,538 million compared to the previous fiscal year to ¥5,753 million. Major portion of the gain was ¥5,526 million from the income before tax adjustments.

#### Cash Flow from Investing Activities

Cash used in the investing activities was ¥292 million. Major portion was the ¥225 million used for acquisition of intangible assets.

#### Cash Flow from Financing Activities

Cash used in the financing activities increased by ¥2,664 million compared to the previous fiscal year to ¥2,769 million. Major portion was ¥1,872 million from payment for dividends and ¥700 million from acquisition of the treasury shares.

## Cash Flow-Related Indicators

**Figure 11 Cash Flow-Related Indicators**

	FYE Mar-08	FYE Mar-09	FYE Mar-10	FYE Mar-11	FYE Mar-12
Equity Ratio	64.6%	66.1%	69.8%	66.2%	64.5%
Equity Ratio on a Market Value Basis	179.4%	74.3%	127.4%	98.9%	94.8%
Ratio of Interest-bearing Debt to Operating Cash Flow	—	—	—	—	—
Interest Coverage Ratio	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, 2013

Although uncertainty about the economic future continues to be significant due to appreciation of the yen, power shortages and other concerns, we expect to secure sufficient cash flows to achieve our performance forecasts by steadily carrying out various measures to meet the goals of our plans.

## (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 12: Results and Forecast of Dividend per Share**

					Full Year
	First Quarter	Second Quarter	Third Quarter	Year-End	
FYE March 2011		¥0.00		¥27.50	¥27.50
FYE March 2012		¥29.00		¥29.50	¥58.50
FYE March 2013 (Forecast)		¥29.50		¥66.00	¥95.50

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

The year-end dividend for the fiscal year ended March 2012 was determined to be ¥29.50 per share, or a consolidated DOE ratio of 5% based on the Company's profit distribution policy.

Combined with the interim dividend of ¥29 per share, the annual dividend for the fiscal year under review is ¥58.50 per share, or an increase of ¥31 from the previous fiscal year. The payout ratio is 68.5%

**(3)-3. Dividend Forecast for the Fiscal Year Ending March 31, 2013**

In consideration of the performance forecast and according to its profit distribution policy, the company forecasts dividends for the fiscal year ending March 2013 as follows. The interim dividend is forecast to be ¥29.50 per share, or a consolidated DOE ratio of 5%. The year-end dividend is projected to be ¥66 per share, or a payout ratio of 50% of consolidated net income for the second half of the year. The resulting annual dividend would therefore be ¥95.50 per share, an increase of ¥37 from the preceding year. We forecast the total amount of dividend to be about ¥3,100 million.

**(3)-4. Treasury Stock Acquisition for the Fiscal Year Ending March 31, 2013**

Since the consolidated cash position at the previous year end exceeded an amount equivalent to net sales for three months and no major investment demand is expected, we plan to execute the acquisition of treasury stock amounting to ¥2,400 million during the fiscal year ending March 2013, which is within the amount equivalent to a total return ratio of 100%, in accordance with our profit distribution policy.

Total Return Ratio 100% = (total amount of expected dividend: ¥3,100 million + total amount to be used for the acquisition of the treasury stock: ¥2,400 million) / Consolidated net profit: ¥5,500 million

**2. Management Policies**

**(1) Basic Policy on Company Management**

Since there is no significant change to "Basic Policy on Company Management" which was disclosed by the Financial Highlights for the Fiscal Year ended March 31, 2011 on May 12, 2011, it is omitted.

Please see below URL for the financial highlights.

Meitec Homepage

<http://www.meitec.co.jp/e/news/2011/tabid/687/Default.aspx>

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

Although the Meitec Group had faced a crisis which could 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.

Some strategic targets have been modified after our engagement in efforts under the Plan for the past year since 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 <revised>  
Build a strong customer base with all 1,000 clients
  - 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 <revised>  
Build a system which actively support improvement of "Specialized Ability multiplied by Human Strength equal Total Strength" for self-sustainment and growth as professional administrator
  - f Target of IT Strategy <revised>  
Build a system with flexibility and expandability which meet the environmental changes agilely
  - 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**

Since there is no significant change to "Issues to Be Addressed" which was disclosed by the Financial Highlights for the Fiscal Year ended March 31, 2011 on May 12, 2011, it is omitted.

Please see below URL for the financial highlights.

Meitec Homepage

<http://www.meitec.co.jp/e/news/2011/tabid/687/Default.aspx>.

### 3. Consolidated Financial statements

#### (1) Consolidated Balance Sheets

(Thousands of Yen)

	Fiscal year ended March 31, 2011	Fiscal year ended March 31, 2012
<b>Assets</b>		
Current assets		
Cash and deposits	23,999,127	26,686,586
Notes and accounts receivable-trade	10,245,458	10,675,469
Work in process	197,221	276,722
Deferred tax assets	2,036,368	2,131,336
Other	1,202,707	888,233
Allowance for doubtful accounts	(19,760)	(14,787)
Total current assets	<u>37,661,122</u>	<u>40,643,560</u>
Noncurrent assets		
Property, plant and equipment		
Buildings and structures, net	7,653,630	7,319,367
Tools, furniture and fixtures, net	285,004	227,400
Land	3,584,867	3,584,867
Other, net	165,244	125,850
Total property, plant and equipment	<u>11,688,746</u>	<u>11,257,485</u>
Intangible assets		
Software	1,864,150	1,300,845
Other	136,897	129,044
Total intangible assets	<u>2,001,048</u>	<u>1,429,889</u>
Investments and other assets		
Investment securities	311,685	325,548
Deferred tax assets	3,384,304	3,228,593
Other	793,469	766,550
Allowance for doubtful accounts	(125,911)	(92,600)
Total investments and other assets	<u>4,363,548</u>	<u>4,228,090</u>
Total noncurrent assets	<u>18,053,342</u>	<u>16,915,466</u>
Total assets	<u>55,714,465</u>	<u>57,559,026</u>
<b>Liabilities</b>		
Current liabilities		
Notes and accounts payable-trade	168,172	150,709
Accrued expenses	5,957,551	2,508,955
Income taxes payable	1,731,516	1,733,120
Accrued consumption taxes	849,593	687,569
Provision for directors' bonuses	—	57,000
Provision for bonuses	—	4,688,707
Other	1,309,238	1,339,722
Total current liabilities	<u>10,016,072</u>	<u>11,165,783</u>
Noncurrent liabilities		
Deferred tax liabilities	307	261
Deferred tax liabilities for land revaluation	42,103	37,366
Provision for retirement benefits	8,452,309	9,079,274
Other	109,112	67,002
Total noncurrent liabilities	<u>8,603,833</u>	<u>9,183,904</u>
Total liabilities	<u>18,619,905</u>	<u>20,349,688</u>
<b>Net assets</b>		
Shareholders' equity		
Capital stock	16,825,881	16,825,881
Capital surplus	14,451,367	13,343,429
Retained earnings	12,405,944	13,378,463
Treasury stock	(5,937,434)	(5,530,419)
Total shareholders' equity	<u>37,745,759</u>	<u>38,017,355</u>
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	6,191	12,979
Revaluation reserve for land	(883,049)	(878,313)
Foreign currency translation adjustment	(11,454)	(30,644)
Total accumulated other comprehensive income	<u>(888,312)</u>	<u>(895,978)</u>
Minority interests	237,113	87,961
Total net assets	<u>37,094,559</u>	<u>37,209,338</u>
Total liabilities and net assets	<u>55,714,465</u>	<u>57,559,026</u>

## (2) Consolidated Statements of Income and Comprehensive Income

(Consolidated Statements of Income)

(Thousands of Yen)

	Fiscal year ended March 31, 2011	Fiscal year ended March 31, 2012
Net sales	61,790,447	66,955,318
Cost of sales	48,832,532	49,875,407
Gross profit	12,957,915	17,079,910
Selling, general and administrative expenses	10,337,429	11,629,618
Operating income	2,620,485	5,450,292
Non-operating income		
Interest income	8,437	6,808
Dividends income	5,041	4,828
Reversal of allowance for doubtful accounts	—	25,858
Subsidy income	2,036,164	19,083
Other	96,370	57,502
Total non-operating income	2,146,013	114,081
Non-operating expenses		
Commitment fee	14,682	5,808
Loss on investments in partnership	18,721	—
Provision of allowance for doubtful accounts	16,755	—
Contribution	100,000	—
Other	28,301	27,021
Total non-operating expenses	178,462	32,829
Ordinary income	4,588,037	5,531,544
Extraordinary income		
Gain on sales of investment securities	158,121	—
Reversal of allowance for doubtful accounts	215,794	—
Other	4,825	—
Total extraordinary income	378,742	—
Extraordinary loss		
Loss on retirement of noncurrent assets	109,448	2,606
Impairment loss	15,966	—
Loss on adjustment for changes of accounting standard for asset retirement obligations	76,751	—
Loss on cancellation of leasehold contracts	—	1,875
Other	32,497	454
Total extraordinary losses	234,664	4,936
Income before income taxes and minority interests	4,732,115	5,526,608
Income taxes-current	1,763,486	2,649,542
Income taxes-deferred	(754,466)	58,762
Total income taxes	1,009,019	2,708,304
Income before minority interests	3,723,095	2,818,303
Minority interests in income (loss)	32,691	(9,176)
Net income	3,690,404	2,827,479

(Consolidated Statements of Comprehensive Income)

(Thousands of Yen)

	Fiscal year ended March 31, 2011	Fiscal year ended March 31, 2012
Income before minority interests	3,723,095	2,818,303
Other comprehensive income		
Valuation difference on available-for-sale securities	(14,847)	4,398
Revaluation reserve for land	—	4,736
Foreign currency translation adjustment	(10,727)	(1,268)
Total other comprehensive income	<u>(25,574)</u>	<u>7,867</u>
Comprehensive income	<u>3,697,520</u>	<u>2,826,170</u>
Comprehensive income attributable to		
Comprehensive income attributable to owners of the parent	3,667,954	2,834,986
Comprehensive income attributable to minority interests	29,566	(8,815)

## (3) Consolidated Statements of Changes in Equity

	(Thousands of Yen)	
	Fiscal year ended March 31, 2011	Fiscal year ended March 31, 2012
Shareholders' equity		
Capital stock		
Balance at the beginning of current period	16,825,881	16,825,881
Changes of items during the period		
Total changes of items during the period	—	—
Balance at the end of current period	<u>16,825,881</u>	<u>16,825,881</u>
Capital surplus		
Balance at the beginning of current period	14,451,416	14,451,367
Changes of items during the period		
Retirement of treasury stock	—	(1,107,901)
Disposal of treasury stock	(48)	(36)
Total changes of items during the period	<u>(48)</u>	<u>(1,107,938)</u>
Balance at the end of current period	<u>14,451,367</u>	<u>13,343,429</u>
Retained earnings		
Balance at the beginning of current period	8,715,540	12,405,944
Changes of items during the period		
Dividends from surplus	—	(1,871,540)
Net income	3,690,404	2,827,479
Change of scope of consolidation	—	16,579
Total changes of items during the period	<u>3,690,404</u>	<u>972,518</u>
Balance at the end of current period	<u>12,405,944</u>	<u>13,378,463</u>
Treasury stock		
Balance at the beginning of current period	(5,891,264)	(5,937,434)
Changes of items during the period		
Purchase of treasury stock	(46,297)	(700,961)
Retirement of treasury stock	—	1,107,901
Disposal of treasury stock	127	75
Total changes of items during the period	<u>(46,170)</u>	<u>407,015</u>
Balance at the end of current period	<u>(5,937,434)</u>	<u>(5,530,419)</u>
Total shareholders' equity		
Balance at the beginning of current period	34,101,573	37,745,759
Changes of items during the period		
Dividends from surplus	—	(1,871,540)
Net income	3,690,404	2,827,479
Purchase of treasury stock	(46,297)	(700,961)
Disposal of treasury stock	78	38
Change of scope of consolidation	—	16,579
Total changes of items during the period	<u>3,644,185</u>	<u>271,596</u>
Balance at the end of current period	<u>37,745,759</u>	<u>38,017,355</u>



(Thousands of Yen)

	Fiscal year ended March 31, 2011	Fiscal year ended March 31, 2012
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities		
Balance at the beginning of current period	20,893	6,191
Changes of items during the period		
Net changes of items other than shareholders' equity	(14,701)	6,787
Total changes of items during the period	<u>(14,701)</u>	<u>6,787</u>
Balance at the end of current period	<u>6,191</u>	<u>12,979</u>
Revaluation reserve for land		
Balance at the beginning of current period	(883,049)	(883,049)
Changes of items during the period		
Net changes of items other than shareholders' equity	—	4,736
Total changes of items during the period	<u>—</u>	<u>4,736</u>
Balance at the end of current period	<u>(883,049)</u>	<u>(878,313)</u>
Foreign currency translation adjustment		
Balance at the beginning of current period	(3,706)	(11,454)
Changes of items during the period		
Net changes of items other than shareholders' equity	(7,748)	(19,190)
Total changes of items during the period	<u>(7,748)</u>	<u>(19,190)</u>
Balance at the end of current period	<u>(11,454)</u>	<u>(30,644)</u>
Total accumulated other comprehensive income		
Balance at the beginning of current period	(865,862)	(888,312)
Changes of items during the period		
Net changes of items other than shareholders' equity	(22,449)	(7,666)
Total changes of items during the period	<u>(22,449)</u>	<u>(7,666)</u>
Balance at the end of current period	<u>(888,312)</u>	<u>(895,978)</u>
Minority interests		
Balance at the beginning of current period	207,546	237,113
Changes of items during the period		
Net changes of items other than shareholders' equity	29,566	(149,151)
Total changes of items during the period	<u>29,566</u>	<u>(149,151)</u>
Balance at the end of current period	<u>237,113</u>	<u>87,961</u>
Total net assets		
Balance at the beginning of current period	33,443,257	37,094,559
Changes of items during the period		
Dividends from surplus	—	(1,871,540)
Net income	3,690,404	2,827,479
Purchase of treasury stock	(46,297)	(700,961)
Disposal of treasury stock	78	38
Change of scope of consolidation	—	16,579
Net changes of items other than shareholders' equity	7,116	(156,817)
Total changes of items during the period	<u>3,651,301</u>	<u>114,778</u>
Balance at the end of current period	<u>37,094,559</u>	<u>37,209,338</u>

## (4) Consolidated Statements of Cash Flows

(Thousands of Yen)

	Fiscal year ended March 31, 2011	Fiscal year ended March 31, 2012
Net cash provided by (used in) operating activities		
Income before income taxes and minority interests	4,732,115	5,526,608
Depreciation and amortization	1,332,849	1,273,280
Impairment loss	15,966	—
Increase (decrease) in allowance for doubtful accounts	(149,200)	(38,282)
Increase (decrease) in provision for directors' bonuses	—	57,000
Increase (decrease) in provision for bonuses	—	4,688,707
Increase (decrease) in provision for retirement benefits	712,756	626,964
Interest and dividends income	(13,478)	(11,636)
Loss on retirement of noncurrent assets	101,902	2,272
Amortization of goodwill	—	1,607
Loss (gain) on sales of investment securities	(158,121)	—
Loss (gain) on investments in partnership	18,721	(10,599)
Loss on adjustment for changes of accounting standard for asset retirement obligations	76,751	—
Decrease (increase) in notes and accounts receivable-trade	(663,014)	(430,057)
Decrease (increase) in inventories	(43,858)	(79,892)
Decrease (increase) in other current assets	1,484,343	327,475
Increase (decrease) in notes and accounts payable-trade	44,505	(17,462)
Increase (decrease) in accrued expenses	1,092,921	(3,447,886)
Increase (decrease) in accrued consumption taxes	790,761	(161,954)
Increase (decrease) in other current liabilities	18,269	47,205
Other	17,350	454
Subtotal	<u>9,411,540</u>	<u>8,353,803</u>
Interest and dividends income received	14,212	11,647
Income taxes paid	(197,585)	(2,612,320)
Income taxes refund	63,064	—
Net cash provided by (used in) operating activities	<u>9,291,232</u>	<u>5,753,131</u>
Net cash provided by (used in) investing activities		
Proceeds from withdrawal of time deposits	200,000	—
Purchase of property, plant and equipment	(47,689)	(72,256)
Purchase of intangible assets	(60,730)	(225,717)
Proceeds from sales of investment securities	158,121	—
Decrease (increase) in other investments	36,915	362
Collection of loans receivable	468	1,414
Other	—	4,000
Net cash provided by (used in) investing activities	<u>287,086</u>	<u>(292,197)</u>
Net cash provided by (used in) financing activities		
Purchase of treasury stock	(46,297)	(700,961)
Proceeds from sales of treasury stock	78	38
Cash dividends paid	(4,299)	(1,872,012)
Repayments to minority shareholders	—	454
Other	(53,757)	(56,222)
Net cash provided by (used in) financing activities	<u>(104,276)</u>	<u>(2,769,197)</u>
Effect of exchange rate change on cash and cash equivalents	(6,919)	140
Net increase (decrease) in cash and cash equivalents	<u>9,467,121</u>	<u>2,691,876</u>
Increase (decrease) in cash and cash equivalents resulting from change of scope of consolidation	—	(4,417)
Cash and cash equivalents at beginning of period	<u>14,532,005</u>	<u>23,999,127</u>
Cash and cash equivalents at end of period	<u>23,999,127</u>	<u>26,686,586</u>

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

	(Thousands of Yen)	
	Fiscal year ended March 31, 2011	Fiscal year ended March 31, 2012
<b>Assets</b>		
Current assets		
Cash and deposits	22,832,785	25,478,572
Notes receivable-trade	3,012	—
Accounts receivable-trade	8,250,111	8,654,233
Work in process	72,878	197,287
Prepaid expenses	310,353	288,523
Deferred tax assets	1,736,319	1,818,070
Short-term loans receivable from subsidiaries and affiliates	100,000	50,000
Other	943,483	652,267
Allowance for doubtful accounts	(16,537)	(12,670)
Total current assets	<u>34,232,406</u>	<u>37,126,284</u>
Noncurrent assets		
Property, plant and equipment		
Buildings, net	7,557,917	7,230,824
Structures, net	83,105	77,447
Machinery and equipment, net	9,004	7,650
Tools, furniture and fixtures, net	263,421	208,434
Land	3,582,544	3,582,544
Other	152,404	115,930
Total property, plant and equipment	<u>11,648,398</u>	<u>11,222,833</u>
Intangible assets		
Software	1,730,189	1,173,973
Software in progress	25,236	38,145
Telephone subscription right	62,236	62,163
Total intangible assets	<u>1,817,661</u>	<u>1,274,282</u>
Investments and other assets		
Investment securities	310,135	323,101
Stocks of subsidiaries and affiliates	4,620,337	1,523,177
Investments in capital of subsidiaries and affiliates	19,391	89,046
Long-term loans receivable from subsidiaries and affiliates	145,000	135,000
Deferred tax assets	3,378,632	3,223,311
Guarantee deposits	596,800	585,474
Other	58,321	41,382
Allowance for doubtful accounts	(54,916)	(38,958)
Total investments and other assets	<u>9,073,703</u>	<u>5,881,535</u>
Total noncurrent assets	<u>22,539,763</u>	<u>18,378,651</u>
Total assets	<u>56,772,170</u>	<u>55,504,935</u>

(Thousands of Yen)

	Fiscal year ended March 31, 2011	Fiscal year ended March 31, 2012
<b>Liabilities</b>		
Current liabilities		
Accounts payable-other	558,395	691,258
Accrued expenses	4,857,744	2,008,460
Income taxes payable	1,564,660	1,431,010
Accrued consumption taxes	643,431	579,258
Deposits received from subsidiaries and affiliates	4,739,354	1,861,963
Deposits received	494,127	—
Provision for directors' bonuses	—	57,000
Provision for bonuses	—	3,948,312
Other	171,911	550,289
Total current liabilities	<u>13,029,624</u>	<u>11,127,552</u>
Noncurrent liabilities		
Deferred tax liabilities for land revaluation	42,103	37,366
Provision for retirement benefits	8,416,275	9,045,174
Allowance for investment loss	—	25,048
Other	107,380	66,260
Total noncurrent liabilities	<u>8,565,758</u>	<u>9,173,849</u>
Total liabilities	<u>21,595,383</u>	<u>20,301,401</u>
<b>Net assets</b>		
Shareholders' equity		
Capital stock	16,825,881	16,825,881
Capital surplus		
Legal capital surplus	4,210,000	4,210,000
Other capital surplus	10,241,367	9,133,429
Total capital surplus	<u>14,451,367</u>	<u>13,343,429</u>
Retained earnings		
Other retained earnings		
Retained earnings brought forward	10,711,781	11,430,328
Total retained earnings	<u>10,711,781</u>	<u>11,430,328</u>
Treasury stock	<u>(5,937,434)</u>	<u>(5,530,419)</u>
Total shareholders' equity	<u>36,051,595</u>	<u>36,069,220</u>
Valuation and translation adjustments		
Valuation difference on available-for-sale securities	8,240	12,626
Revaluation reserve for land	(883,049)	(878,313)
Total valuation and translation adjustments	<u>(874,808)</u>	<u>(865,686)</u>
Total net assets	<u>35,176,787</u>	<u>35,203,534</u>
Total liabilities and net assets	<u>56,772,170</u>	<u>55,504,935</u>

## (2) Supplemental Non-Consolidated Statements of operations

(Thousands of Yen)

	Fiscal year ended March 31, 2011	Fiscal year ended March 31, 2012
Net sales	48,260,300	53,188,802
Cost of sales	38,777,339	39,987,935
Gross profit	9,482,960	13,200,866
Selling, general and administrative expenses	7,758,551	8,587,337
Operating income	1,724,409	4,613,528
Non-operating income		
Interest income	9,595	7,547
Dividends income	47,077	313,659
Subsidy income	1,839,987	—
Other	79,491	67,922
Total non-operating income	1,976,151	389,129
Non-operating expenses		
Interest expenses	2,350	2,091
Commitment fee	14,682	5,808
Loss on investments in partnership	18,721	—
Contribution	100,000	—
Other	14,313	6,252
Total non-operating expenses	150,069	14,152
Ordinary income	3,550,491	4,988,505
Extraordinary income		
Gain on liquidation of memberships	1,000	—
Other	2,648	—
Total extraordinary income	3,648	—
Extraordinary loss		
Loss on retirement of noncurrent assets	107,331	2,045
Impairment loss	6,684	—
Loss on valuation of stocks of subsidiaries and affiliates	14,001	—
Loss on valuation of investments in capital of subsidiaries and affiliates	70,037	37,353
Loss on adjustment for changes of accounting standard for asset retirement obligations	64,827	—
Provision of allowance for investment loss	—	25,048
Other	55,232	2,329
Total extraordinary losses	318,114	66,776
Income before income taxes	3,236,025	4,921,729
Income taxes-current	1,566,504	2,260,050
Income taxes-deferred	(471,717)	71,590
Total income taxes	1,094,786	2,331,640
Net income	2,141,238	2,590,088