

October 28, 2014

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 Representative: Hideyo Kokubun
 President, Group CEO
 Code No.: 9744 TSE 1st Section

Notice Regarding Recording of Extraordinary Losses and Revision to Earnings Forecasts for Six Months Ended September 30, 2014

Meitec Corporation (the Company) announces that, at the Board of Directors meeting held today, it decided to suspend its use of several training facilities and other facility, which is expected to result in the recording of extraordinary losses in line with the recognition of impairment losses. The Company also announces that, at the same meeting, it resolved to revise its earnings forecasts for the six months ended September 30, 2014 (April 1, 2014 to September 30, 2014), which were originally announced on May 8, 2014, after taking into account recent earnings trends in addition to the above-mentioned extraordinary losses.

1. Recording of extraordinary losses

(1) Reason for suspension of use of facilities

The facilities shown in the table below have reached the point at which their construction occurred 17 to 29 years ago, causing a considerable burden from maintenance costs; the usage ratio of the facilities has declined due to a high utilization ratio at the professional staffing business for engineers and other factors; and the usage ratio is unlikely to improve substantially in the future. In view of such factors, the Company has decided to suspend its use of the facilities to reduce the risk of future cost increases and lighten the load of maintenance costs in the near term. The Company intends to liquidate these facilities after turning them into the vacant lots in order to insure reduction of the maintenance costs and promptly obtain benefit of cost reduction effects.

After suspension of these facilities, two Techno-Center will remain. But since we have 12 smaller training centers, "EO Center" supplementing the Techno-Center, located closer to local areas, we see that there will be no problems in conducting our education and trainings in terms of quality and quantities.

(2) Details of extraordinary losses resulting from suspension of use

The Company expects to recognize impairment losses based on the Accounting Standards for Impairment of Fixed Assets and record them as extraordinary losses.

Name	Location	Use	Impairment Loss (estimate)
i) Kobe Techno-Center	Nishi-ku, Kobe, Hyogo	Training center, sales office, etc.	Approx. 1.9 billion yen
ii) Atsugi Techno-Center employee dormitory	Atsugi, Kanagawa	Company housing/ dormitory for training	Approx. 0.8 billion yen
iii) Nisshin Techno-Center	Nisshin, Aichi	Training center and sales office	Approx. 0.6 billion yen
iv) Nagoya EOC/ Mechatronics Center	Nishi-ku, Nagoya, Aichi	Training center	Approx. 0.2 billion yen
4 facilities in total		All land and buildings	Approx. 3.5 billion yen

(Note) This document has been translated from the Japanese original for reference purposes only. In the event of any discrepancy between this translation and the Japanese original, the original shall prevail.

2. Revisions to earnings forecasts for six months ended September 30, 2014 (April 1, 2014 to September 30, 2014)

(1) Revisions to consolidated earnings forecasts

(millions of yen)	Net Sales	Operating Income	Ordinary Income	Net Income	Net Income per Share
Previously announced forecasts (A)	38,200	3,300	3,300	2,050	67.09 yen
Revised forecasts (B)	39,300	3,990	4,010	190	6.22 yen
Change (B-A)	+1,100	+690	+710	(1,860)	
Change (%)	+2.9%	+20.9%	+21.5%	(90.7%)	
Reference: Results of six months ended September 30, 2013	35,754	2,907	2,931	1,706	54.68 yen

(2) Revisions to non-consolidated earnings forecasts

(millions of yen)	Net Sales	Operating Income	Ordinary Income	Net Income	Net Income per Share
Previously announced forecasts (A)	29,800	2,700	3,100	2,050	67.09 yen
Revised forecasts (B)	30,600	3,260	3,690	170	5.56 yen
Change (B-A)	+800	+560	+590	(1,880)	
Change (%)	+2.7%	+20.7%	+19.0%	(91.7%)	
Reference: Results of six months ended September 30, 2013	28,150	2,392	2,791	1,745	55.94 yen

(3) Reasons for revisions

Net sales, operating income and ordinary income are expected to exceed the previously announced forecasts, primarily because the number of engineers assigned to clients at the professional staffing business for engineers, a core business of the Company, has steadily exceeded the Company's internal plan. Net income, however, is expected to fall short of the previously announced forecasts due to the above-mentioned recording of extraordinary losses. The details will be announced at the time of the release of the financial results for the six months ended September 30, 2014, which is scheduled for November 6, 2014.

Reference

- ◇ The forecast for the interim dividend has not been revised from the below-mentioned forecast, which was announced on May 8, 2014.
Second quarter-end: 44 yen per share <Regular dividends 34 yen + 40th anniversary commemorative dividends (Interim) 10 yen>
- ◇ The full-year earnings forecasts for the fiscal year ending March 31, 2015, will be announced at the time of the release of the financial results for the six months ended September 30, 2014, which is scheduled for November 6, 2014, following a careful examination of earnings estimates including the above-mentioned extraordinary losses. In parallel, in accordance with the basic policy regarding profit distribution, the year-end dividend forecast based on the earnings forecasts for the year and the planned amount of acquisition of treasury shares will also be announced at the time of the release of the financial results for the six months ended September 30, 2014.

End

Note: The above forecasts were made based on information available as of the date of this release. Actual results may differ from the above forecasts due to a various factors hereafter.