Results of Meitec Group for 2nd Quarter of the Fiscal Year Ending March 31, 2012

- For the 6 months period ended September 30, 2011 -

November 8, 2011

Ⅰ.Revision to the Results of the Previous Fiscal Year Ended March 31, 2011

MEITEC

< Revision to the Results of the Previous Fiscal Year Ended March 31, 2011 >

Difference of 412 million yen for bonuses and welfare expenses for the fiscal year ended March 31, 2011 was found between actual and announced result of the fiscal year.

*Major reason was a error made in posting expenses when the company had made return to the employee to compensate for the payroll cut measures applied during the crisis.

Below correction was made to the "Financial Highlights for the Fiscal Year ended March 31, 2011"

Consolidated P/L (Millions of Yen)	Net Sales	Cost		Operating Income	Ordinary Income	Income Tax deferred	Net Income
		Cost of Sales	SG&A				
Before Revision	61,790	48,462	10,294	3,032	5,000	(589)	3,937
After Revision	61,790	48,832	10,337	2,620	4,588	(754)	3,690
Difference	-	+369	+42	(412)	(412)	(164)	(247)

Consolidated B/S (Millions of Yen)	Total Assets	Of which Total Current Assets	Total Liabilities	Of which Total Current Liabilities	Total Equity	Of which Retained Earnings	Total Liabilities and Equity
Before Revision	55,459	37,496	18,207	9,603	37,324	12,653	55,549
After Revision	55,714	37,661	18,619	10,016	37,094	12,405	55,714
Difference	+164	+164	+412	+412	(247)	(247)	+164

We hereby make a correction in the amounts of employees' bonuses and legal welfare expenses posted for the fiscal year ended March 31, 2011, as a result of finding an accounting error of 412 million yen in total.

Although the Company had applied a measure to cut employees' payroll during the previous fiscal year, we achieved greater-than-expected improvement in business performance. Therefore, at the end of the previous fiscal year, the company made return to employee to compensate for the payroll cut applied.

But a error was found in the accounting process for this, and the company have announced correction this time.

Specifically, the error was about the accounting of expenses and does not affect the Company's net sales. A total increase of 412 million yen in cost of sales and SG&A expenses leads to a reduction of 412 million yen in both operating income and ordinary income. Net income declines 247 million yen after income before income taxes and minority interest .

On the Balance Sheets, a reduction of 247 million yen in net income is reflected in net assets. The Balance Sheets in the financial statements for the fiscal period under review reflects this correction. There is no impact on the Statements of Income for the current fiscal year.

We apologize for any inconvenience this mistake may have caused.

Ⅰ. Report of Meitec Group <Consolidated>

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<Consolidated Results for 2Q of FY Ending March 31, 2012>
- For 6-months period ended Sept 30, 2011 -

(Millions of Yen)			Net Sales	Operating Income	Ordinary Income	Net Income
Results for Second Quarter	Consolidated	Apr-11 to Sep-11	31,937	2,328	2,350	1,295
		Previous FY Apr-10 to Sep-10	29,357	662	2,087	1,615
		Change(%)	8.8%	251.3%	12.6%	(19.8%)
	Non-Consolidated	Apr-11 to Sep-11	25,256	1,944	2,262	1,356
		Previous FY Apr-10 to Sep-10	22,698	239	1,573	900
		Change(%)	11.3%	712.2%	43.8%	50.5%

＜NOTE:Forecasts for 1st Half of the Fiscal Year Ending March 31, 2012＞

Initial Forecasts May 12, 2011 (Millions of Yen)	Consolidated	32,500	2,200	2,200	1,000
	Non-Consolidated	25,500	1,800	2,100	1,100

(Millions of yen)	1st Half of FY ended Mar. 2011	1st Half of FY ending Mar. 2012		
			YoY	Change %
Subsidies for employment adjustment	1,401	13	(1,388)	(99.0%)

An overview of the consolidated operating results for the six-month period ended September 30, 2011, is shown.

Consolidated net sales increased 8.8% from a year earlier to 31,937 million yen.

Operating income was 2,328 million yen, up 251.3% from a year earlier. Ordinary income was 2,350 million yen, up 12.6% from the same period of the previous year. Net income was 1,295 million yen, down 19.8% from a year earlier.

Non-consolidated operating results were likewise, although net income for the six-month period ended September 30, 2011, advanced.

Net sales for the first half of the fiscal year ending March 31, 2012, were close to our projection.

Reason for the ordinary income and net income had not changed much compared to that of first half of the previous fiscal year is, as shown in this table, because of a significant reduction in subsidies for employment adjustments received to 13 million yen for the first half of the current fiscal year compared to 1,401 million yen for the first half of the previous fiscal year

For the current fiscal year, Meitec Corporation and Meitec Fielders Inc. did not apply for the subsidies for employment adjustments, and only Apollo Giken Group, a subsidiary of the Company had applied for the subsidies.

The decline in consolidated net income was due to an increase in tax expenses resulting from income generation.

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＜Overview of the market for the 1st Half of the Fiscal Year Ending March 31, 2012＞

1. Status of Meitec Group's main customer, manufacturers

- During the consolidated six months（from April 1, 2011 to September 30, 2011）, the Great East Japan Earthquake caused power shortages, disrupted supply chains and other negative factors, and impacted domestic production activities among leading manufacturers, which are the major customers of the Company. Nonetheless, investments in technological development, which had resumed after the Lehman Shock, continued on the whole.
- And many customers applied restrictions on overtime work and a change in days off.
- Also, rapid yen appreciation and other factors led to increasing cost reductions among these customers.

2. Status of our core business, temporary engineer staffing

- As many customers continued investments in technological development, the Company was able to continue to land new contracts from the previous quarter.
- On the other hand, the customers tend to cut back on their cost as well. This resulted in more completed contracts than we expected.

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This is an overview of the market for the first half of the fiscal year ending March 31, 2012.

We have noted three conditions among leading Japanese manufacturers, which are the major customers of the Company.

We first indicated that during the consolidated six months (from April 1, 2011, to September 30, 2011), the Great East Japan Earthquake caused power shortages, disrupted supply chains and caused other negative factors, impacting domestic production activities to some extent among leading Japanese manufacturers. Nonetheless, we acknowledged that many companies continued investments in technological development, which had resumed after the Lehman Shock.

The second point was that many customers restricted overtime work and changed the number of days of operation (change in days off).

As we had commented at our previous presentation, the Great East Japan Earthquake largely disrupted supply chains, followed by power shortages.

Given all these factors, we foresaw a slowdown of our customers' production activities and decline in their business performance, and were concerned about the impact on the execution of their budget for investments in technological development for the new fiscal year. Nonetheless, most customers continued investments in technological development despite the disaster.

On the other hand, restrictions on overtime work and a change in days off caused by the power shortage had affected our business as well.

Especially during the second quarter, the peak period of electricity use, our customers had to significantly increase the number of days off and restricted overtime work to reduce hours of operation, which had a negative impact on working hours of our engineers.

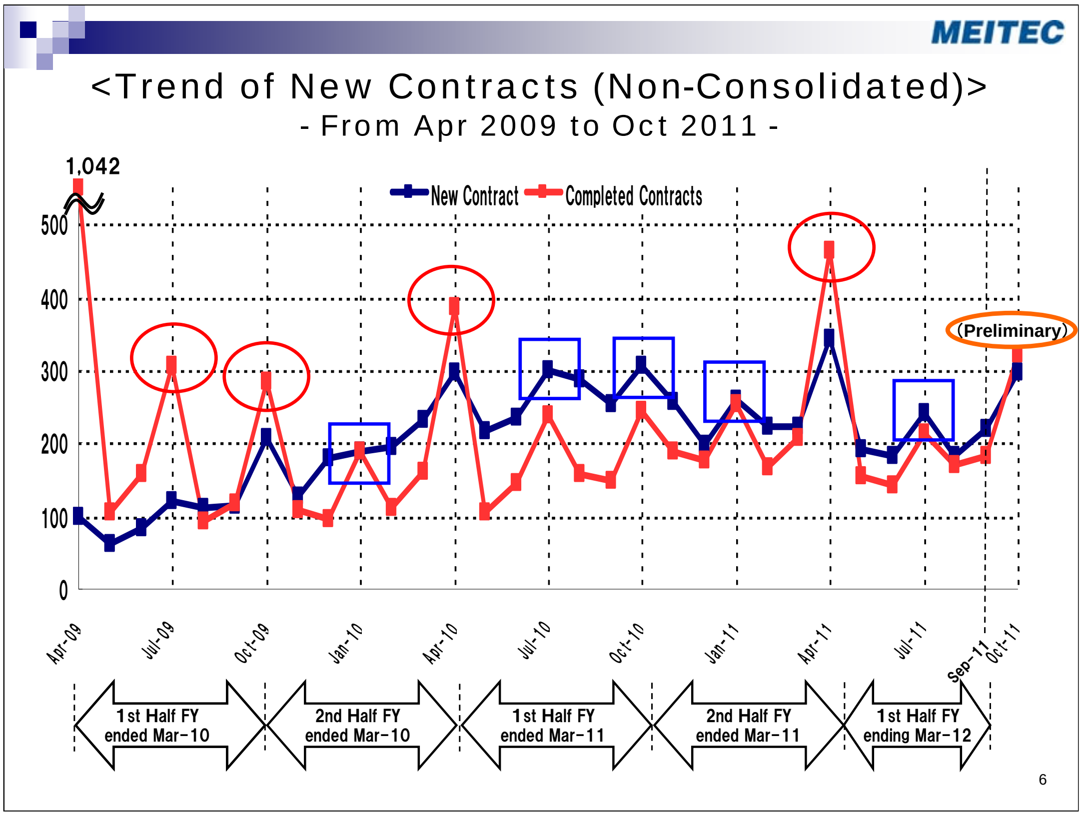
The third point we made was that rapid yen appreciation and other factors led to a strong tendency of our customers to reduce costs including those for large-scale investments in technological development.

At the beginning of 2011, before the Great East Japan Earthquake, we sensed in our marketing activities that our customers tend to be active toward investments in technological development. However, due to the disaster and the subsequent high yen appreciation, it appears that our customers' appetite for technological investments has weakened to some extent.

Based on these trends, we gave an overview of our temporary engineer staffing business.

Because many customers continued investments in technological development, the Company was able to continue to land new contracts from the previous quarter. On the other hand, customers tended to cut back on costs as well, which resulted in a larger number of completed contracts than we expected.

However, more contracts completed than we expected, which is shown in the chart on the slide 6.



With the change of the fiscal year at the beginning of the first quarter, our customers reviewed their budgets, resulting in a peak of contracts completed and the new ones.

Although there is a tendency for more contracts to complete at this time, afterward the blue steadily exceeds red, showing improvement of the utilization ratio.

Compared with the previous fiscal year ended March 2011, slightly more contracts completed in April 2011 at the change of the fiscal year, with 400 contracts completed in April 2010 versus 470 completed in April 2011.

Before the Great East Japan Earthquake, our marketing activities indicated that about 400 contracts would complete in April 2011, the same level as the previous year. The result was approximately 70 more contracts completed due to the impact of the disaster.

Since then, the number of new contracts has exceeded the number of completed contracts.

Although we projected the number of completed contracts would be smaller than the actual number, many contracts are completed as the previous fiscal year.

A significant factor is that customers are extremely cost-conscious and are therefore shortening contract periods.

An increasing number of customers is renewing contracts every three months, reflecting a tendency for customers to strictly monitor their budgets quarterly. And use of outside resources by our customers are changing toward utilize only necessary number only when needed.

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＜Breakdown of the Utilization＞【Non-Consolidated】

Number of engineers utilized at the end of September 2011, increased by 43 compared to the end of previous fiscal year. Since the remaining number of engineer on the special scheme, a lower rate assignment for younger engineer, had improved to 26 from 158 of the end of previous fiscal year, actual number of assigned engineers had improved for 175 [(A)－(B)].

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This chart shows whether the number of assigned engineers increased or decreased as a result of the completed and new contracts during the first half ended September 30, 2011.

The number of assigned engineers at March 31, 2011 (the number of engineers corresponding to the posted net sales), was 5,031.

The number of assigned engineers at September 30, 2011, was 5,074, a slight improvement of 43 engineers assigned.

What we would like to explain especially in this chart is a red portion where we call it “Special Scheme”.

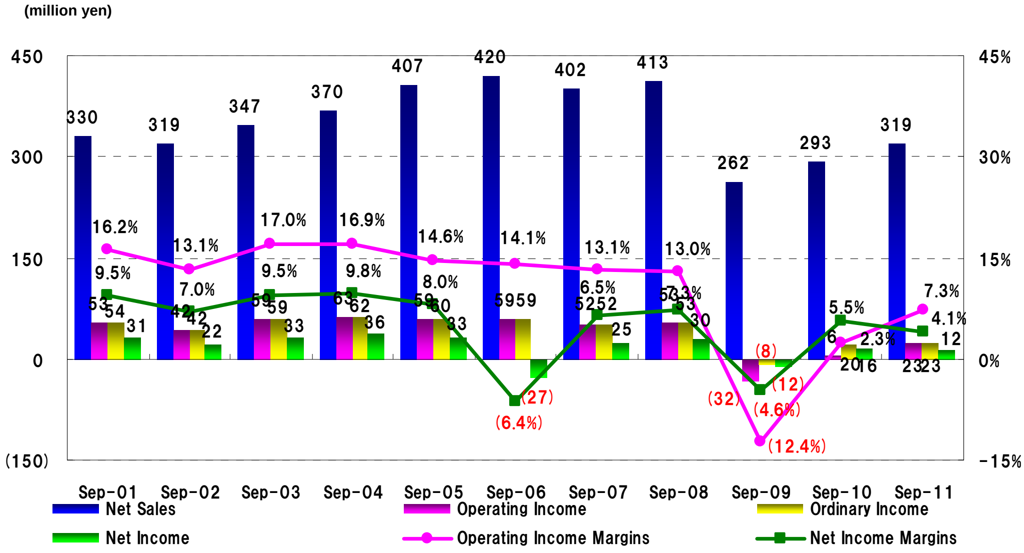
As we mentioned at our last two IR presentations, the current market wants already trained engineers who can begin working immediately without training. Therefore, the assignment of new graduates or young engineers with little or no experience is extremely difficult. To address this situation, we have adopted a measure called the “Special Scheme,” which deploys new graduates or young engineers in operational fields—even close to production—at low rates, if necessary, after which they are rotated into regular engineering operations based on six months to one year of actual work experience. There were 158 engineers under the Special Scheme at March 31, 2011, but only 26 at September 30, 2011.

Therefore, in reality, we have made improvement equivalent to 175 engineers.

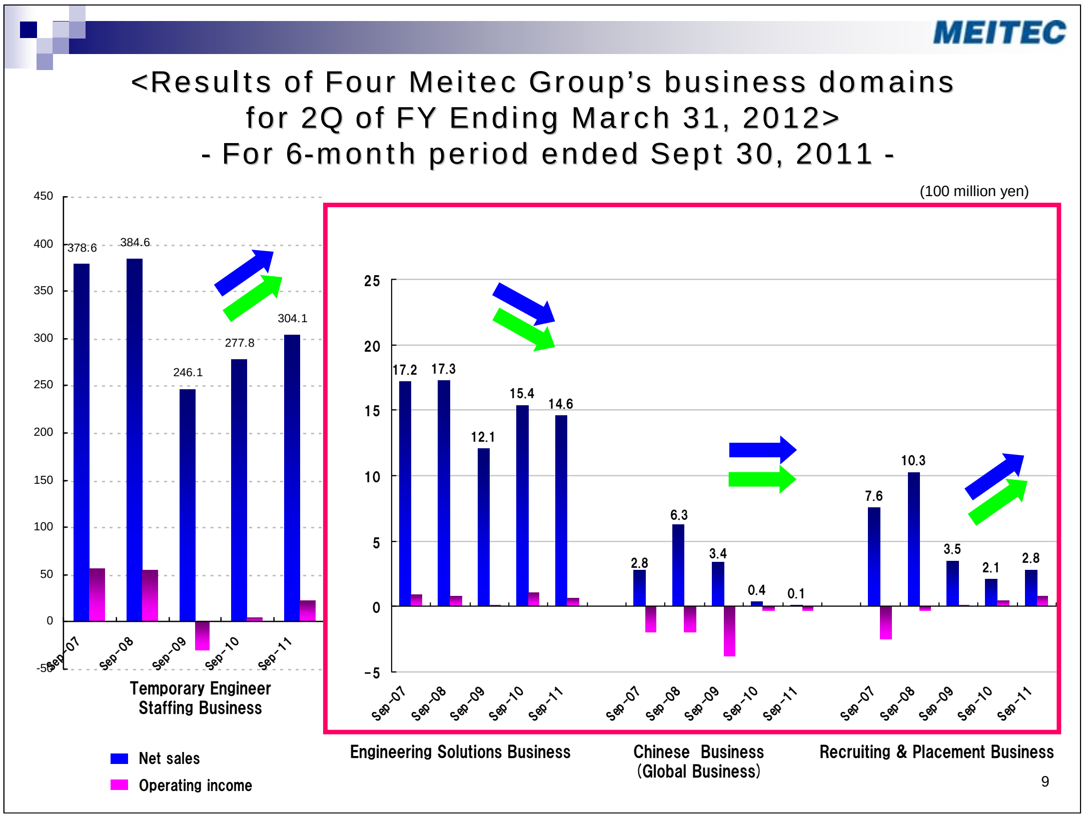
At this time, we believe that almost all 26 engineers can be deployed to regular engineering positions, at regular rates.

MEITEC

<Consolidated Operating Results for 2Q of FY Ending March 31, 2012>
- For 6-month period ended Sept 30, 2011 -



This chart shows past and current consolidated operating results.



The Temporary Staffing Business, the Group's core business accounting for 95% of consolidated net sales, is conducted by Meitec Corporation and its subsidiary Meitec Fielders Inc., which conducts the temporary engineer staffing business, as well as Meitec Cast Inc., which conducts the temporary staffing of registered workers for all types of office work.

In the Engineering Solutions Business, we provides analytical services using computers and make prototypes of and mass-produce printed circuit boards.

In the Chinese Business, our new business, we nurture newly graduated Chinese engineers for six months at our training bases in China and place them at Japanese companies operating in the country.

The Recruiting & Placement Business, which we conduct in Japan, is specialized for job placement intended for engineers.

In the mainstay Temporary Staffing Business, net sales and operating income are steadily recovering.

In the Engineering Solutions Business, net sales and operating income declined slightly.

The business results in the Chinese Business were at the same level as the first half of the previous year.

The Recruiting & Placement Business have made steady improvement as core Temporary Engineer Staffing Business improved.

<Meitec Group Results for 2Q of FY Ending March 31, 2012>

- For 6-month period ended Sept 30, 2011 -

(Millions of Yen)

			Net Sales	Operating Income	Ordinary Income	Net Income
Results for 2Q FYE Mar-12	Temporary Engineers Staffing Business	Meitec	25,256	1,944	2,262	1,356
		Meitec Fielders	4,113	240	242	145
		Meitec Cast	1,160	26	26	16
	Engineering Solutions Business	Meitec CAE	536	63	63	38
		Apollo Giken Group	924	2	17	(1)
	Chinese Business (Global Business)	Meitec Shanghai *1	9	(34)	(34)	(34)
	Recruiting & Placement Business	Meitec Next	283	80	80	80
		all engineer.jp	4	1	1	0
	Consolidated		31,937	2,328	2,350	1,295

Amounts for each company are non-consolidated basis

*1 Chinese business (Global Business) is total of Meitec Shanghai, Meitec Xian, Meitec Chengdu and Meitec Shanghai Human Resources.

The operating results of each Group company in the four business fields are shown in the table.

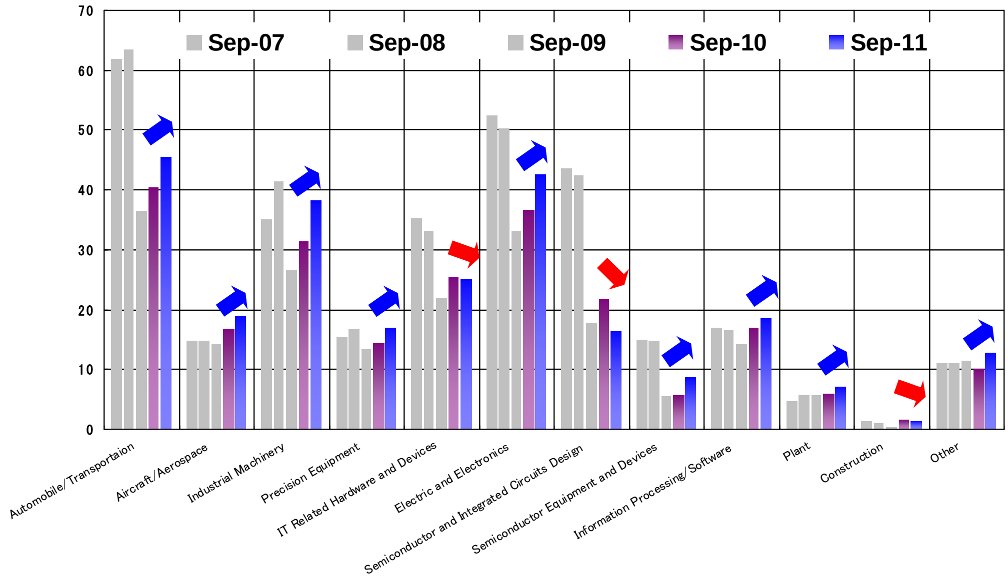
As for operating income, all businesses other than the Chinese Business, in which we are building our new business model, achieved profitability during the period.

<Comparison of Sales Trend by the Industrial Segments>

【Non-Consolidated】

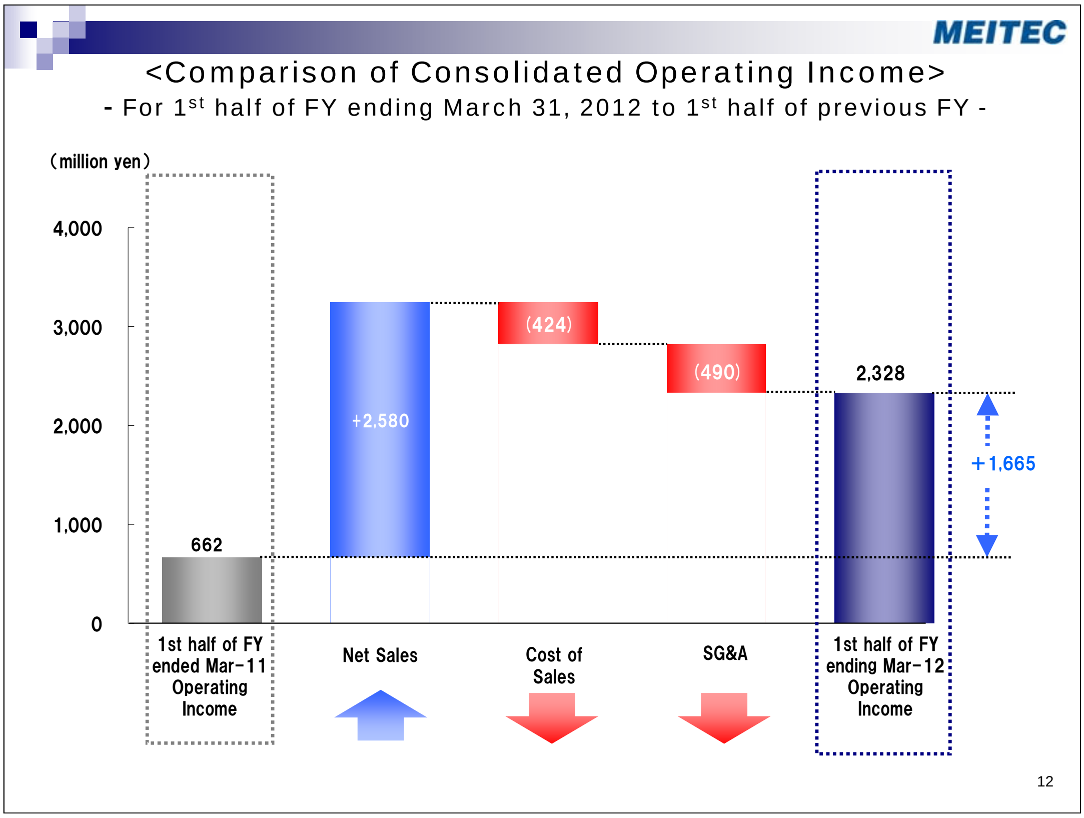
- For the 1st half period of FY ended March 31, 2008 to FY ending March 31, 2012 -

（100 million yen）



A comparison of Meitec Corporation’s non-consolidated net sales trend by industrial segment is shown in the chart.

Although all fields showed increased revenue at September 2010 compared with a year earlier, recovering from the financial crisis, at September 2011, revenues in the IT-Related Hardware and Devices, Semiconductor and Integrated Circuits Design and Construction fields declined from a year earlier.



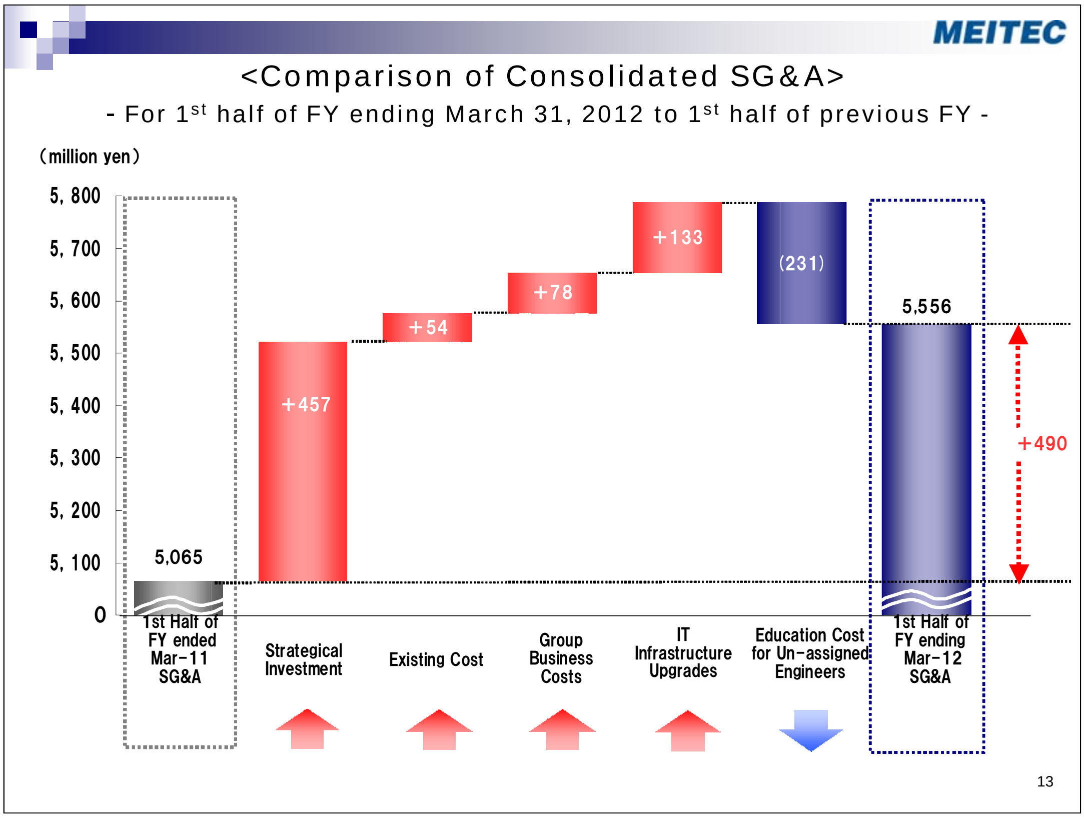
This is a comparison of consolidated operating income for the first half of the fiscal year ending March 31, 2012, with a year earlier.

Operating income for the first half of the fiscal year ending March 31, 2012, increased 1,665 million yen compared with the first half of the previous fiscal year. One factor contributed to increasing income and there were two income-reducing factors.

An increase in net sales pushed up operating income by 2,580 million yen.

Factors reducing income were a rise in cost of sales of 424 million yen due to an increase in labor costs for engineers along with the increase in net sales.

Another factor is a rise of 490 million yen in SG&A expenses. Details are shown in next page.



The biggest factor increasing consolidated SG&A expenses was strategic investments.

These investments are important for the Group's future growth as explained at the previous presentation.

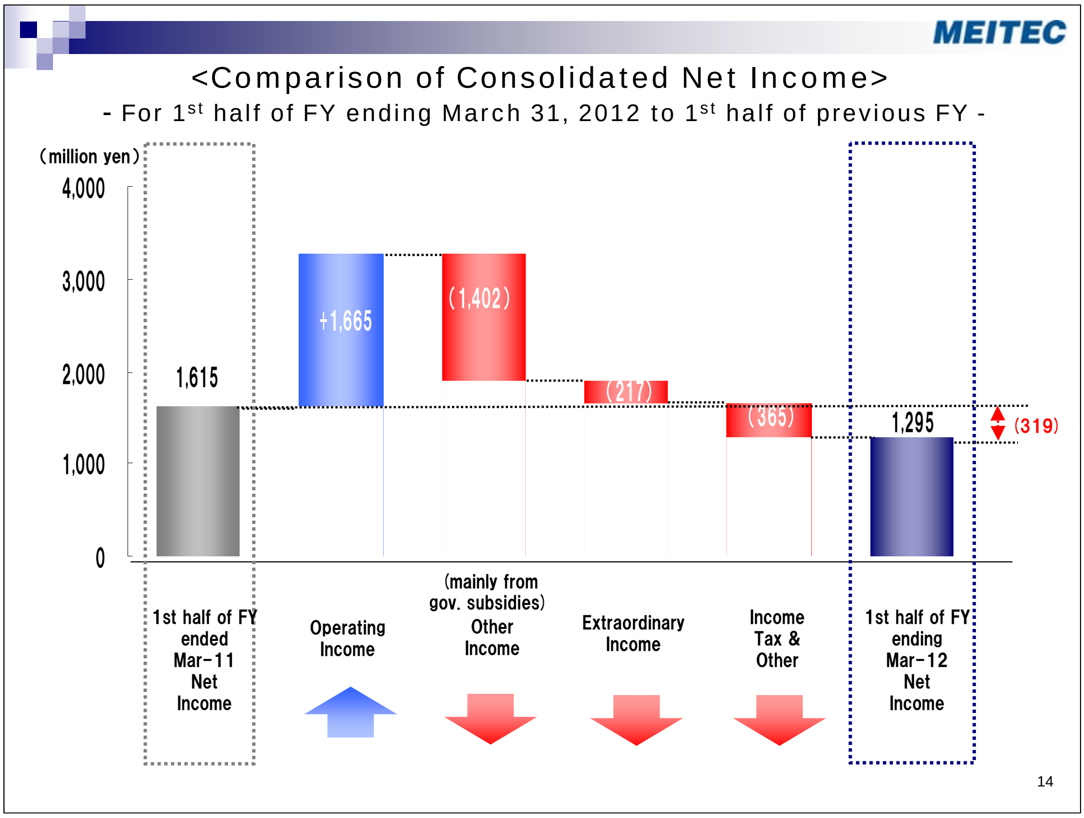
Specifically, strategic investments include costs associated with our recruiting strategies.

There are three other factors that contributed to increasing costs: Existing operational costs, group business costs and costs for IT infrastructure upgrades increased.

One cost-reduction factor was a decrease of 231 million yen in education cost for unassigned engineers.

As the utilization ratio improved, the number of unassigned engineers who need education and training decreased. Therefore, education and training costs, mainly labor costs for trainers and lecturers, decreased.

As a result, consolidated SG&A expenses increased 490 million yen.



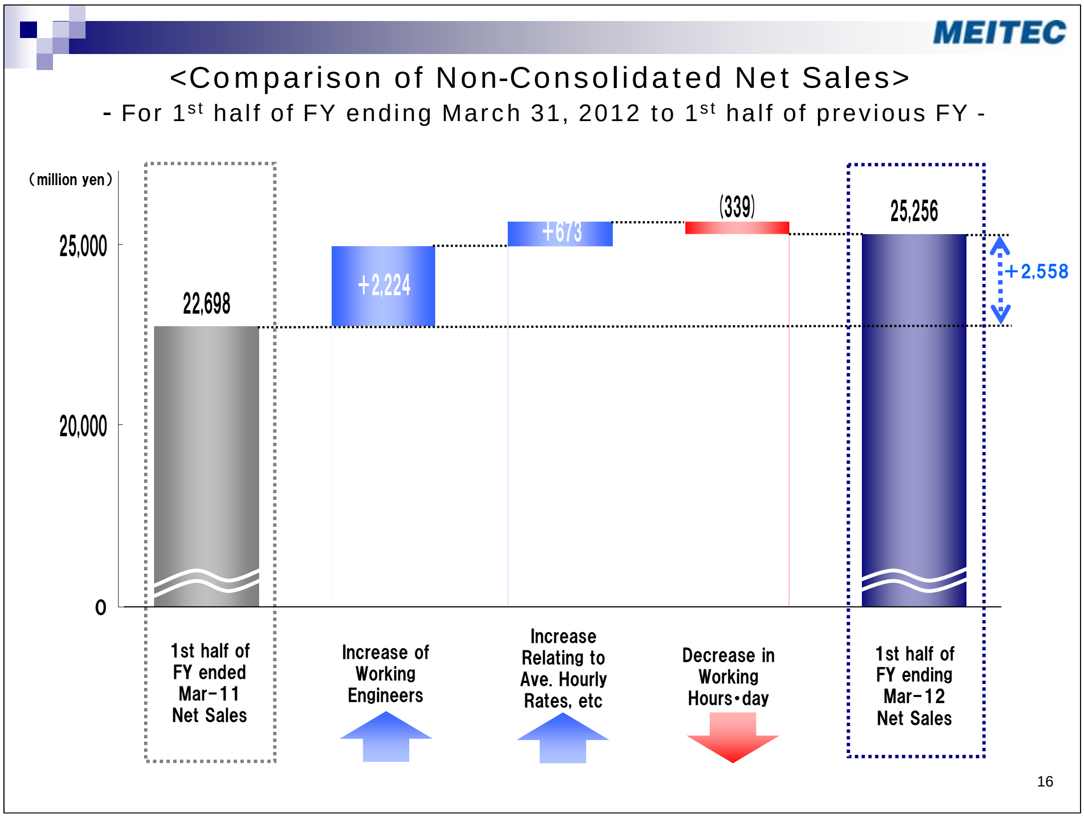
This is a comparison of consolidated net income for the first half of the fiscal year ending March 31, 2012, with a year earlier.

One factor contributed to increasing income and there were three negative factors. A positive contributing factor was an increase of 1,665 million yen in operating income.

Negative factors were a reduction of 1,402 million yen in non-operating income due to a decline of subsidies for employment adjustments received during the current period, a decrease of 217 million yen in extraordinary income and an increase of 365 million yen in income taxes and other.

As a result, net income decreased 319 million yen compared with a year earlier.

Ⅱ.Report of Meitec
<Non-Consolidated>



This is an overview of the non-consolidated operating results of Meitec Corporation.

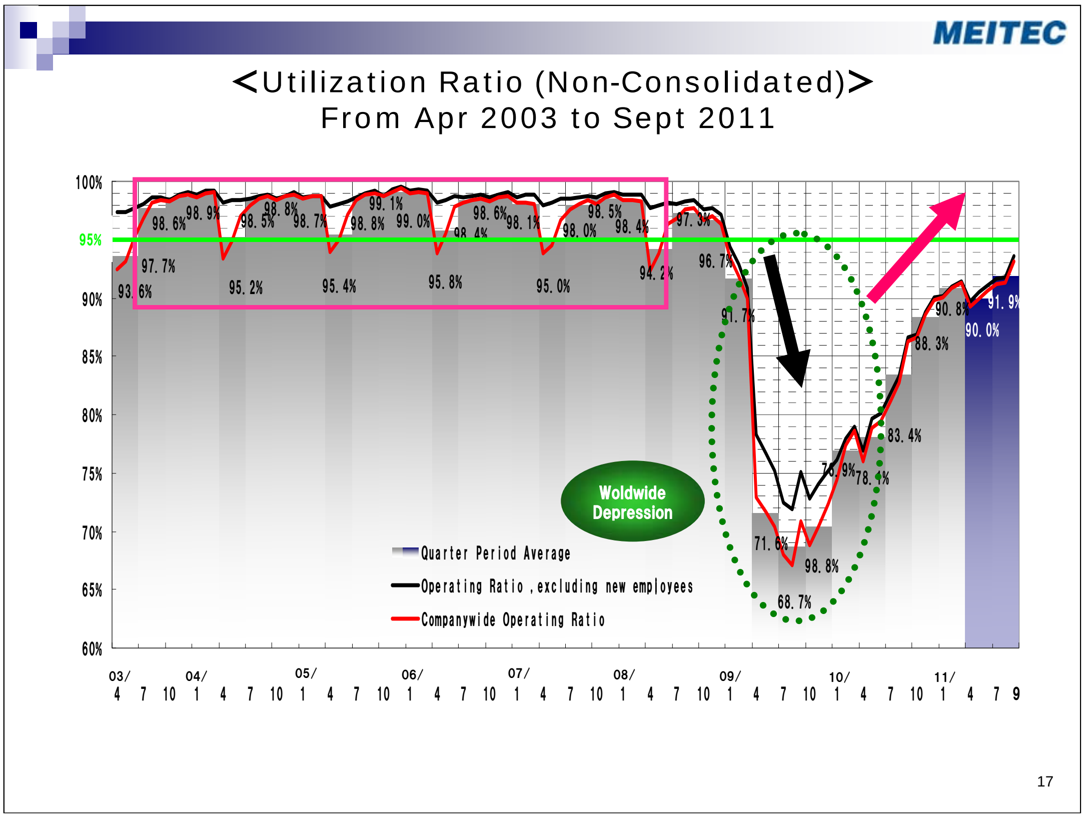
Non-consolidated net sales of Meitec Corporation increased 2,558 million yen from a year earlier .

The biggest factor was a significant improvement of the utilization ratio, which increased the number of assigned engineers and boosted net sales by 2,224 million yen.

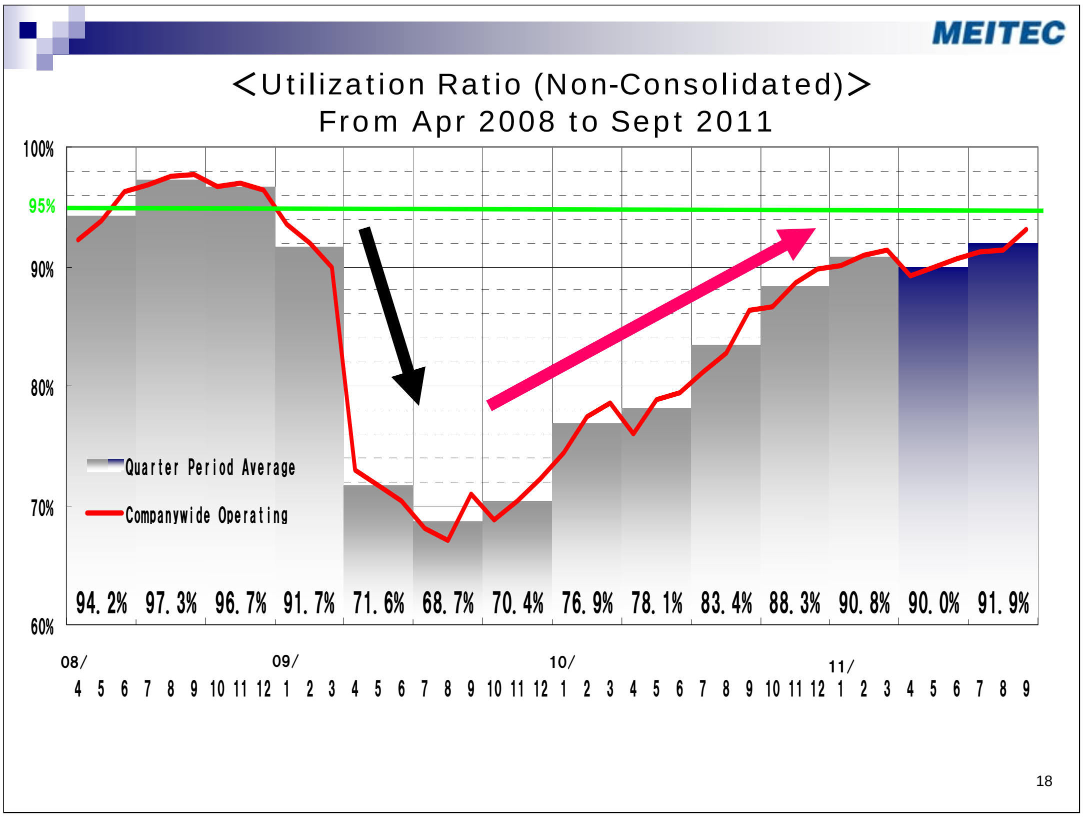
On a non-consolidated basis of Meitec Corporation, given that the utilization ratio for the first half of the previous fiscal year ended March 2011 was 80.7% and the utilization ratio for the first half of the current fiscal year ending March 2012 was 90.9%, this improvement of approximately 10 percentage points in the utilization ratio is reflected in the revenue increase.

Another factor was an increase of 673 million yen due to the increase in average hourly rates, as a result of the improvement in hourly rates due to a decrease in the number of engineers on the Special Scheme, boosting net sales.

A negative factor was a 339 million yen decrease due to a reduction of working hours and days worked. The power shortage caused customers to increase non-operating days and restrict overtime work, resulting in shorter working hours.



This chart shows Meitec Corporation’s utilization ratio on a non-consolidated basis for the past 10 years.



This chart shows a significant change in the utilization ratio after the Lehman Shock.

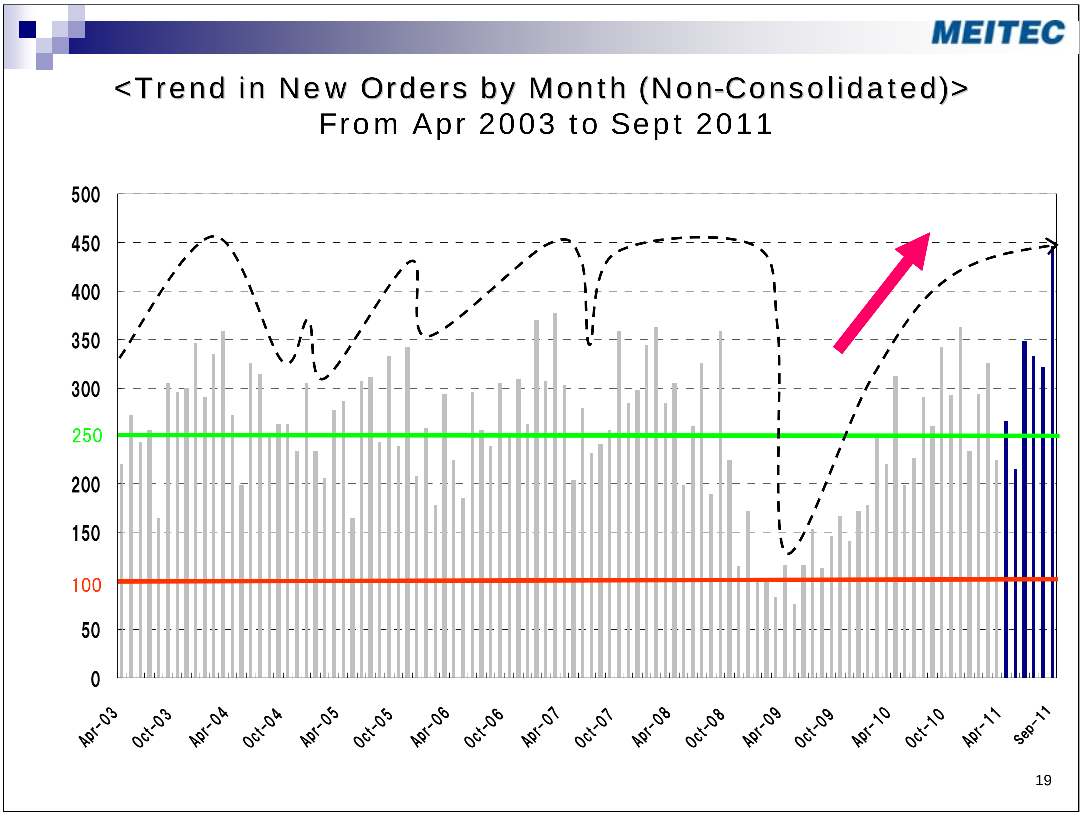
In April 2009, at the beginning of the fiscal year after the Lehman Shock, the utilization ratio plunged.

The lowest rate was 68.7% for the second quarter of the fiscal year ended March 2010.

After that, the utilization ratio improved steadily for six consecutive quarters before the first quarter of the current fiscal year, from April 1, 2011, to June 30, 2011, in which the utilization ratio was down slightly from the prior quarter.

This decrease was a result of the impact of the unexpected completion of 70 more contracts at the end of the fiscal year.

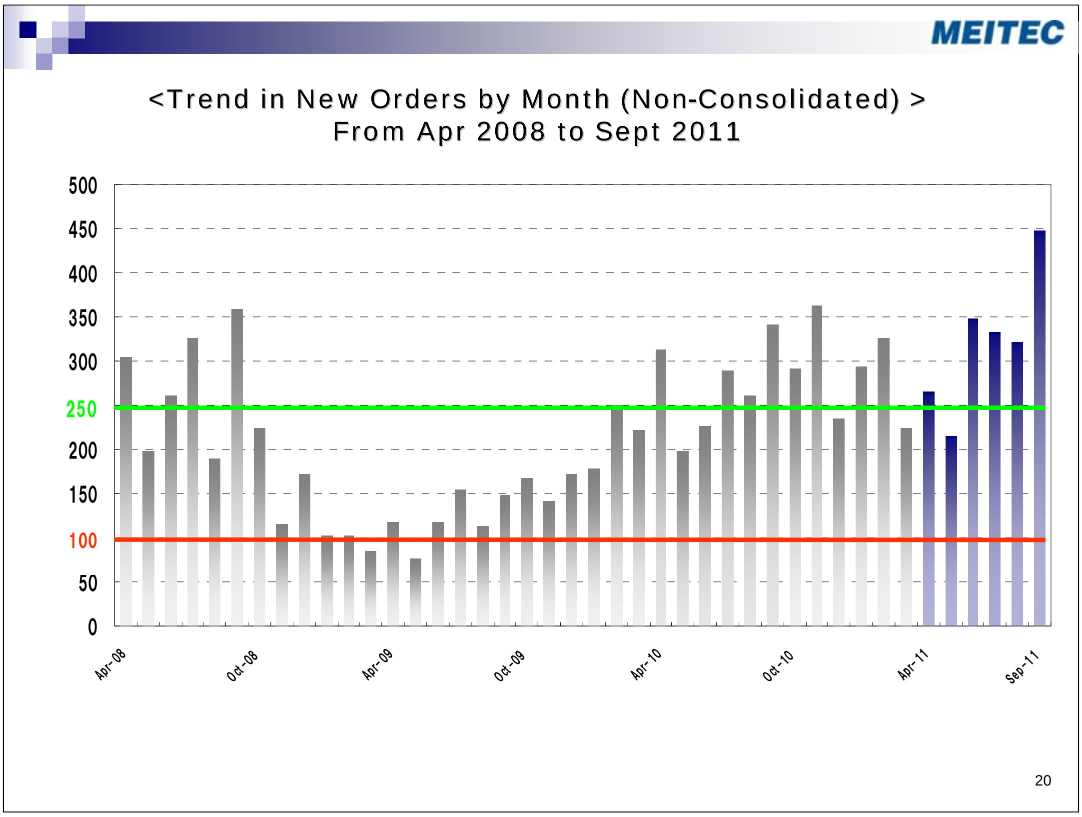
However, the utilization ratio improved to 91.9% for the second quarter ended September 30, 2011, exceeding the level of 90.8% for the fourth quarter of the previous fiscal year before the downturn.



This is the trend for new orders received each month.

This number is an indicator, ahead of the utilization ratio, to predict the future performance of the Company.

This number also plunged due to the Lehman Shock.



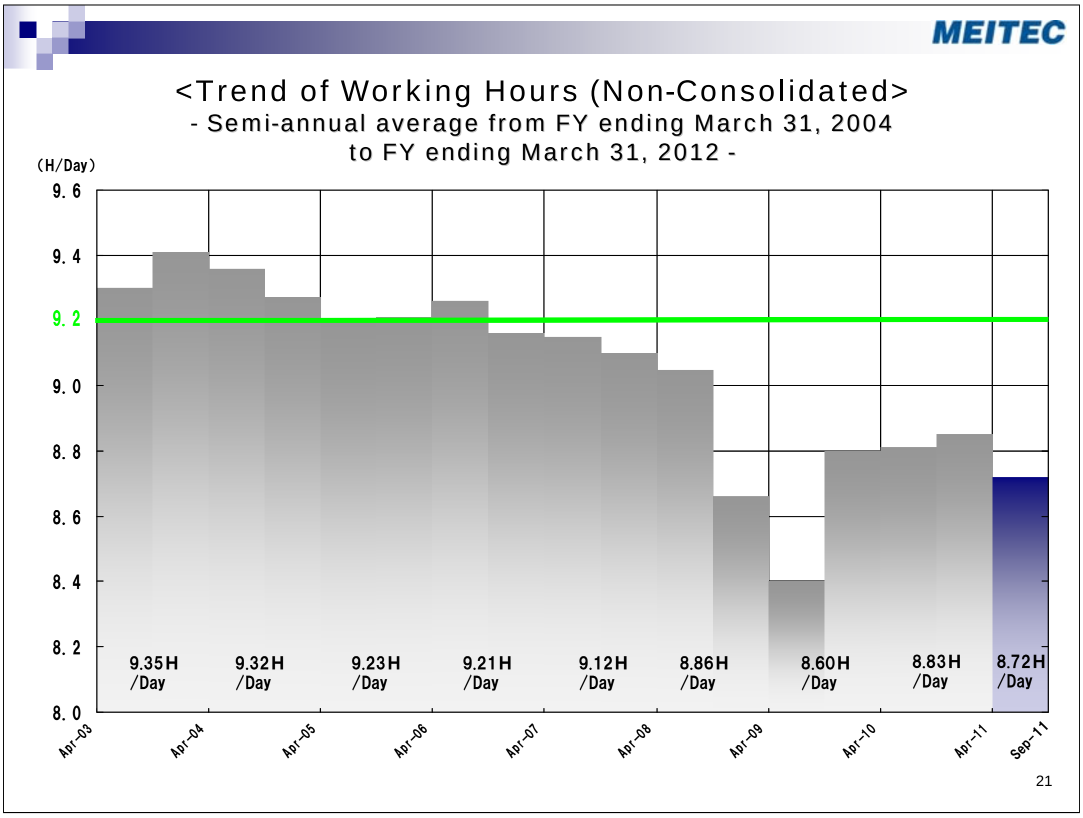
We usually view our business as steady if we receive more than 250 new orders a month.

This chart shows that the number of new orders received has returned to a steady level.

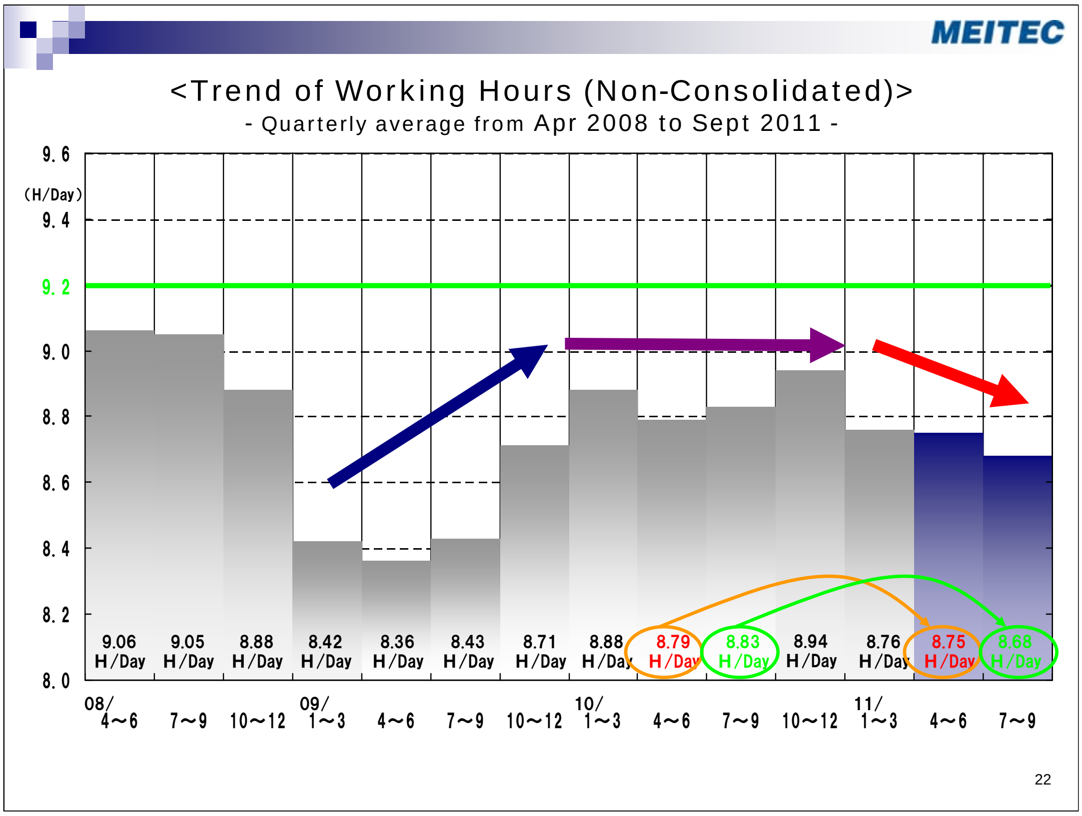
However, as I mentioned at the previous presentation, the market environment before the Lehman Shock was so good that we had been receiving more than 250 new orders without aggressive marketing activities.

The current number of new orders received is, however, a result of our aggressive marketing efforts, which is largely different from the past.

Although the number of orders may appear steady, the market environment has not yet recovered to the favorable condition before the Lehman Shock.



This is the trend of working hours on a non-consolidated basis , showing a similar trend as the utilization ratio.



Working hours, which had plunged due to the Lehman Shock, recovered just as the utilization ratio did. After the recovery, working hours stayed high at 8.8 to 8.9 hours a day, which later declined due to the impact of the Great East Japan Earthquake.

The orange indicates the comparison of working hours for the first quarter of the previous fiscal year and those for the first quarter of the current fiscal year. The green shows the comparison of working hours for the second quarters of the previous and current fiscal years.

The first-quarter comparison shows a decline of 0.04 hour/day from a year earlier, whereas the second quarter comparison shows a bigger decline of 0.15 hour/day from a year earlier.

Because the second quarter (July through September) falls in a peak season of electricity use, many customers, especially in the automobile industry, increased non-operating days or strictly restricted overtime work, which adversely affected the Company’s working hours.

Ⅲ. Performance Forecast

<Assumptions of the Market in 2nd Half of the Year>
- For the Fiscal Year ending March 31, 2012 -

1. Although there are many uncertainties such as foreign exchange, etc., manufactures are sustaining their investments in technological development.
2. Customers are increasingly cost-conscious, which led to the number of completed contracts being higher than our initial projection.
3. We expect same trend as Meitec for other business at group companies.

Regarding the market conditions for the second half of the current fiscal year, based on the business performance for the first half ended September 2011, we have three observations.

First, despite much uncertainty, such as exchange rates, manufacturing companies will continue a moderate level of investments in technological development .

The chart on slide 6 includes an immediately released number, showing that 300 contracts completed and the same number of contracts started in October 2011. The beginning of the second half of the current fiscal year was reasonably stable.

Second, customers are increasingly cost-conscious, which led to the number of completed contracts being higher than our initial projection.

The tendency for the number of completed contracts to become higher than initial projection as contracts shorten, which was seen in the first half, will continue during the second half.

Third, as to the Group companies' businesses, because their customers are almost the same as those of Meitec Corporation, the projected trend is almost the same as that for the non-consolidated forecast of the Company alone.

MEITEC

<Forecasts; Fiscal Year Ending March 31, 2012>

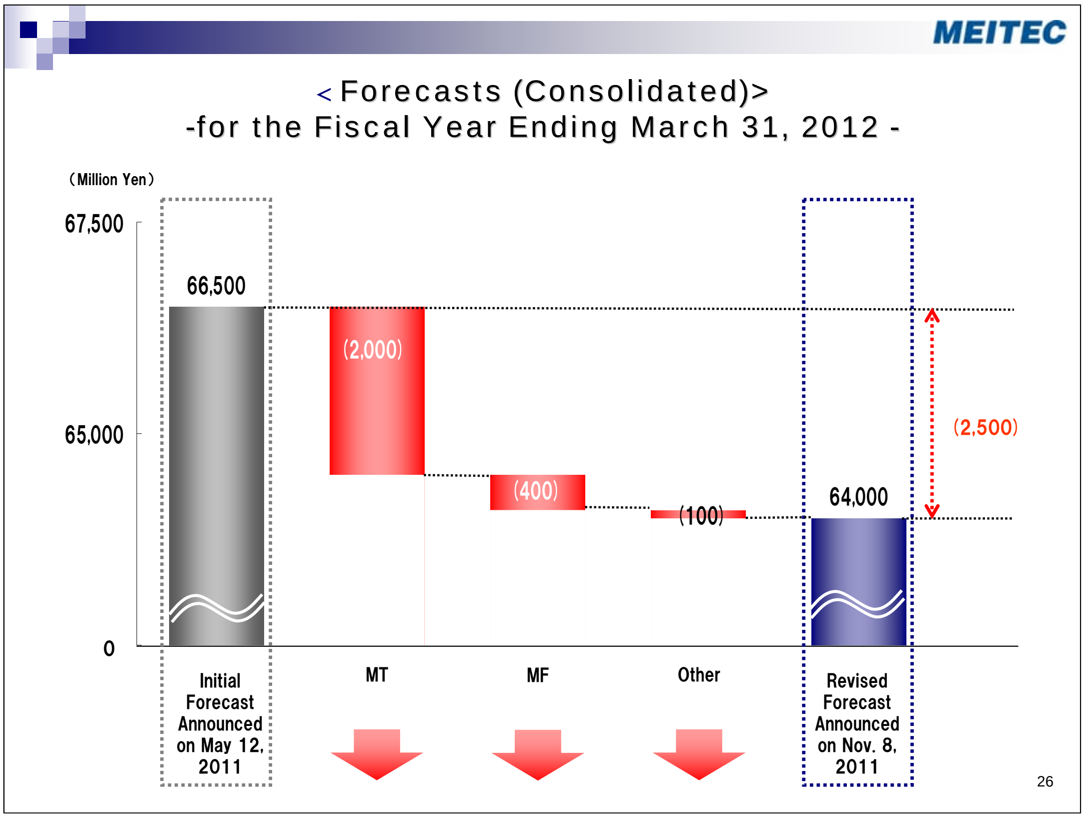
(Millions of Yen)		Net Sales	Operating Income	Ordinary Income	Net Income
Consolidated	FY Ending Mar-12	64,000	4,200	4,200	2,400
	FY Ended Mar-11	61,790	2,620	4,588	3,690
	Change(%)	3.6%	60.3%	(8.5%)	(35.0%)
Non-consolidated	FY Ending Mar-12	50,500	3,500	3,800	2,300
	FY Ended Mar-11	48,260	1,724	3,550	2,141
	Change(%)	4.6%	103.0%	7.0%	7.4%

(Millions of Yen)		Net Sales	Operating Income	Ordinary Income	Net Income
Announced May. 12, 2011 Initial Forecast	Consolidated	66,500	4,700	4,700	2,600
	Non consolidated	52,500	3,900	4,200	2,400

We have made a downward revision to our initial forecasts for the fiscal year ending March 31, 2012.

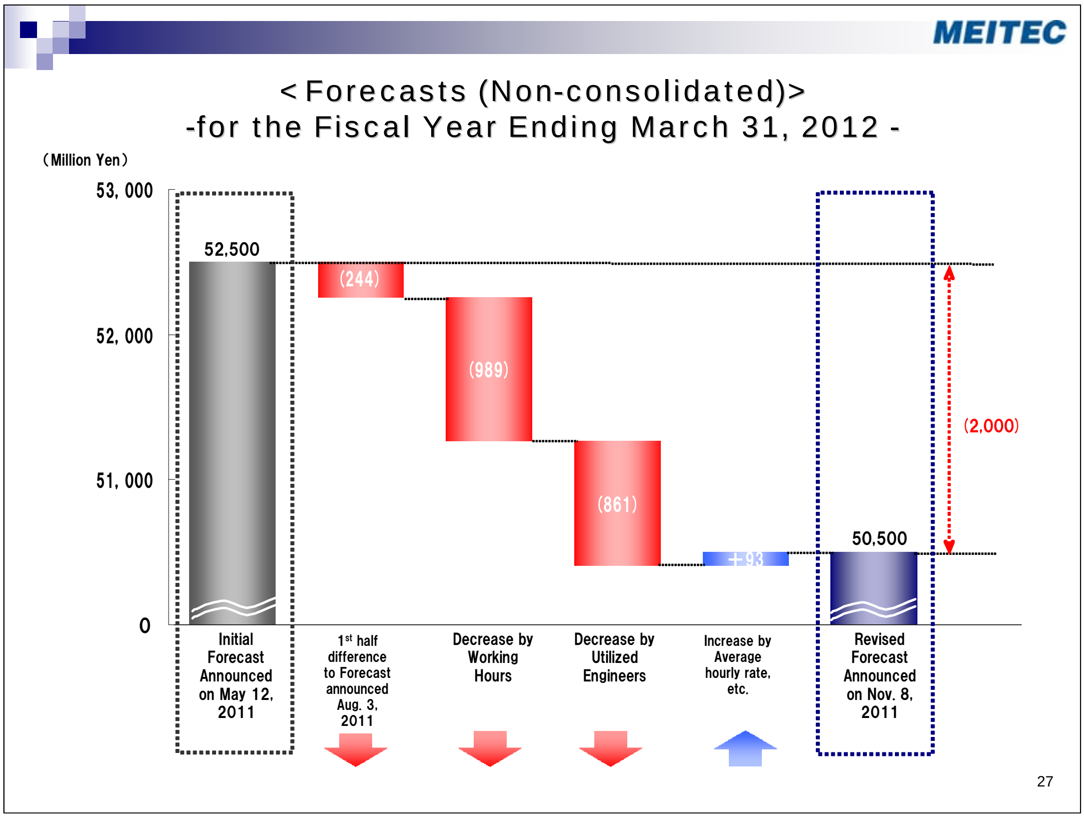
The initial projection of consolidated net sales of 66,500 million yen was lowered 2,500 million yen to 64,000 million yen.

The initial projection of consolidated operating income was reduced from 4,700 million yen to 4,200 million yen, that for ordinary income of 4,700 million yen was revised to 4,200 million yen and that for net income of 2,600 million yen lowered to 2,400 million yen. On a non-consolidated basis as well, downward revisions were made likewise.



The breakdown of the 2,500 million yen reduction in projected consolidated net sales by the operating company was 2,000 million yen by Meitec Corporation, 400 million yen by Meitec Fielders Inc. and 100 million yen by other Group companies.

A major reason for lowering the forecasts was the status of the Temporary Engineer Staffing Business, the Group’s core business, for Meitec Corporation and Meitec Fielders Inc.



Four factors led us to lower the forecast for Meitec Corporation's non-consolidated net sales for the fiscal year ending March 31, 2012, by 2,000 million yen.

First is a difference between the projected net sales for the first half ended September 2011 and the actual result. Because the initial target was not achieved, falling 244 million yen short, this shortage was directly reflected in the projection for annual net sales.

More influential are the second and third factors: Reduced working hours and fewer assigned engineers were significant factors that lowered projected net sales by 989 million yen and 861 million yen, respectively.

We predict that the reduction of working hours will continue in the second half of the current fiscal year as customers continue to change non-operation days and reduce hours of operation.

We project a decrease of 861 million yen due to a reduction of engineers to be assigned, which reflects our downward revision to the initial projection for the number of midcareer hires.

Lastly, a positive factor is 93 million yen due to a rise in average hourly rates .

As I mentioned before, the number of engineers under the Special Scheme decreased, which improved their hourly rates. This improvement will continue to be positive in the second half.

MEITEC

<Prerequisites of Performance Forecast>

- (MT+MF) for FY ending March 31, 2012 -

			MT	MF
Utilization ratio	1st Half	Initial Forecast	89.3%	93.2%
		Actual	90.9% (+)	94.4% (+)
	2nd Half	Initial Forecast	91.9%	95.6%
		Forecast	92.9% (+)	94.4% (-)
	Fiscal Year	Initial Forecast	90.6%	94.4%
		Forecast	91.9% (+)	94.4% (=)
Working Hours	1st Half	Initial Forecast	8.87h/day	9.02h/day
		Actual	8.72h/day (-)	8.70h/day (-)
	2nd Half	Initial Forecast	8.89h/day	8.97h/day
		Forecast	8.66h/day (-)	8.71h/day (-)
	Fiscal Year	Initial Forecast	8.88h/day	9.00h/day
		Forecast	8.69h/day (-)	8.71h/day (-)
Newly graduate hires (to Join on Apr. 1, 2012)		Initial Forecast	250	150
		Forecast	228 (-)	184 (+)
Mid-career hire		Initial Forecast	300	150
		Forecast	100 (-)	100 (-)

( ) indicate difference compared to initial forecast

This chart shows actual utilization ratios and working hours at Meitec Corporation and Meitec Fielders Inc. for the first half ended September 30, 2011, and the corresponding revised forecasts for the second half and the fiscal year ending March 31, 2012.

With regard to utilization ratios at Meitec Corporation, the actual results for the first half exceeded the initial projections and upward revisions were made to the initial forecasts for the second half and the fiscal year ending March 31, 2012. A similar tendency is seen for Meitec Fielders Inc.

On the other hand, the projection for working hours was revised downward with the impact of the results from the first half.

The lower tier explains the status of newly graduated hires and mid-career hires.

A total of 412 new graduates are scheduled to join the company in April 2012, slightly more than the initial projection of total of 400 for Meitec and Meitec Fielders.

At Meitec Corporation, although 250 new graduates were accepted as new employees in the hiring process, 228 persons will actually join the Company as the others withdrew.

For the current fiscal year, we achieved a smooth hiring process, finishing the process of newly graduated hires by the summer vacation season, for the first time since the Company's inception.

Such a smooth hiring process was achieved because we continued to employ new graduates even in the severe business environment following the Lehman Shock, which we believe was highly appreciated.

The forecast number of newly graduated hires at Meitec Fielders Inc. is higher than the initial projection because the company decided to do more hiring based on the high-quality employment it has achieved.

On the other hand, the forecast number of mid-career hires was lowered to 100 both at Meitec Corporation and Meitec Fielders Inc.

In February 2011, we were out of crisis after the Lehman Shock and resumed mid-career hires for the first time in three years. However, the Great East Japan Earthquake occurred in March , U.S. bonds were downgraded in August and the European economy is under close scrutiny, causing much uncertainty and fear. With all these negative factors, we recognized a need to assume significant future risks, resulting in the suspension of mid-career hires in August 2011.

In September 2011, we resumed recruiting activities for mid-career hires. We are not intentionally limiting employment but rather resetting the number with a strict assessment of the number that can actually be employed.

MEITEC

<Forecasts for Meitec Group; Fiscal Year Ending March 31, 2012>

(Millions of Yen)

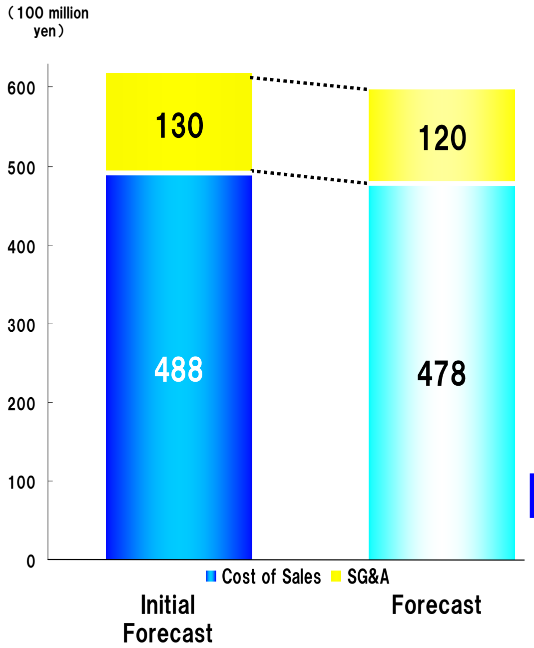
			Net Sales	Operating Income	Ordinary Income	Net Income
Mar. 31, 2012	Temporary Engineers Staffing Business	Meitec	50,500	3,500	3,800	2,300
		Meitec Fielders	8,200	450	450	270
		Meitec Cast	2,300	50	50	30
	Engineering Solutions Business	Meitec CAE	1,100	110	110	70
		Apollo Giken Group	1,800	10	20	10
	Chinese Business (Global Business)	Meitec Shanghai ＊1	25	(65)	(65)	(65)
	Recruiting & Placement Business	Meitec Next	560	120	120	120
		all engineer.jp	10	0	0	0

＊ Chinese business (Global Business) is total of Meitec Shanghai, Meitec Xian, Meitec Chengdu and Meitec Shanghai Human Resources.

Indicated here are forecasts for the Meitec Group companies' business performance for the fiscal year ending March 31, 2012.

MEITEC

<Change of Consolidated Cost>
For the Fiscal Year Ending March 31, 2012



SG&A

-1,000 million yen
compared to the initial forecast
（Breakdown）
・Strategic Investment
-600 million yen
(Initially 2,200 million yen, reduced by 1,600 million yen)
・Existing Cost
-400 million yen

Cost of Sales

-1,000 million yen
compared to the initial forecast

Reason ⇒ mainly decrease in payroll cost.

This is a review of forecasts for costs for the fiscal year ending March 31, 2012.

Cost of sales are in blue and SG&A expenses are in yellow.

The currently projected cost of sales declined 1,000 million yen compared with the initial forecast because we will control the number of new hire, which will save slightly on labor costs.

We will reduce SG&A expenses by 1,000 million yen in total.

Initially assumed strategic investments were 2,200 million yen, which was reduced 600 million yen to 1,600 million yen.

Existing costs will also be reduced by 400 million yen.

This cost analysis is reflected in the forecasts for business performance.

Ⅳ. About Dividend

MEITEC

＜Dividend Forecast for the Fiscal Year Ending March 31, 2012＞

	First quarter dividends	Second quarter dividends	Third quarter dividends	Year-end dividends	Total
Fiscal Year ending March 31, 2012		29.00		(Forecast) 29.00	58.00
Actual, Previous Fiscal Year ended March 31, 2011		0.00		27.50	27.50

- Based on our earnings forecasts and according to the Company's dividend policy, the dividend forecast for the fiscal year ending March 2012 stays at the minimum level of the payout ratio, which is a consolidated dividend on equity ratio (DOE) of 5%. Therefore, we have not reviewed our dividend forecast.

＊ 50% of Net Income (forecast) ＜ 5% of Dividend on Equity (DOE)

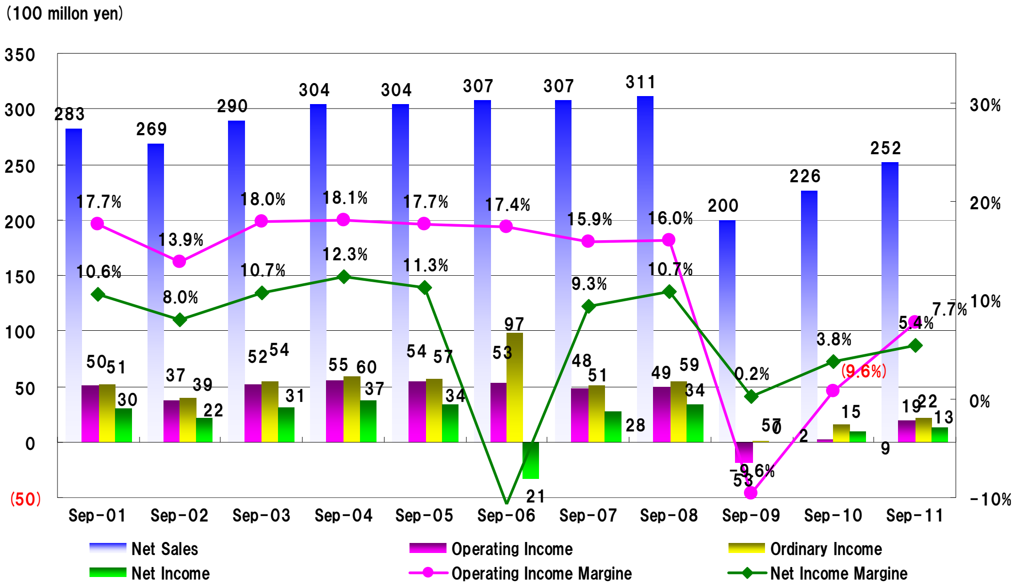
The last issue is dividends.

Our dividend forecast for the second quarter is 29 yen; the year-end dividend of 29 yen; and the annual dividend of 58 yen were not reviewed at this time.

As we explained at the release of financial results for the year ended March 2011, the Company's dividend policy is that 50% of net income is used for dividends. In case 50% of net income is less than 5% of the dividend on equity ratio (DOE), 5% of the DOE is directed to dividend payments. Therefore, there is no impact of our review of business performance at this time on dividends.

MEITEC

<Non-Consolidated Operating Results for 2Q of FY Ending March 31, 2012>
– For 6 months period ended Sept 30, 2011 -



Appendix-1

<Outline of the Core Business (Temporary Engineer Staffing)>

– For 6 months period ended Sept 30, 2011 -

<table>
<tr><th colspan="3"></th><th>MT+MF+ CAE</th><th>MT+MF</th><th>MT</th><th>MF</th><th>CAE</th></tr>
<tr><td rowspan="6">1st Half FY Ending Mar.31, 2012</td><td rowspan="2">Utilization ratio (Company -wide)</td><td>Apr-11 to Sep-11</td><td>-</td><td>91.5%</td><td>90.9%</td><td>94.4%</td><td>-</td></tr>
<tr><td>Previous FY Apr-10 to Sep-10</td><td>-</td><td>82.1%</td><td>80.7%</td><td>88.3%</td><td>-</td></tr>
<tr><td rowspan="2">Operating Hours</td><td>Apr-11 to Sep-11</td><td>-</td><td>-</td><td>8.72h/day</td><td>8.70h/day</td><td>-</td></tr>
<tr><td>Previous FY Apr-10 to Sep-10</td><td>-</td><td>-</td><td>8.81h/day</td><td>8.86h/day</td><td>-</td></tr>
<tr><td rowspan="2">Number of Engineers</td><td>Apr-11 to Sep-11</td><td>6,750</td><td>6,668</td><td>5,498</td><td>1,170</td><td>82</td></tr>
<tr><td>Previous FY Apr-10 to Sep-10</td><td>7,058</td><td>6,971</td><td>5,746</td><td>1,225</td><td>87</td></tr>
</table>

MEITEC

<Sales by the Industrial Segments (Non-Consolidated)>

– For 6 months period ended Sept 30, 2011 -

(million yen)

Segment	Apr-07 to Sep-07	Apr-08 to Sep-08	Apr-09 to Sep-09	Apr-10 to Sep-10	1st Half of FY Ending Mar-12 (Apr-11 to Sep-11)			
	Nete Sales				Net Sales	Total Net Sales (%)	Change	Change (%)
Automobile/Transportation	6,190	6,357	3,650	4,046	4,563	18.1%	+516	+12.8%
Aircraft/Aerospace	1,478	1,484	1,427	1,685	1,894	7.5%	+208	+12.4%
Industrial Machinery	3,518	4,135	2,671	3,126	3,834	15.2%	+708	+22.7%
Precision Equipment	1,541	1,670	1,342	1,431	1,697	6.7%	+266	+18.6%
IT Related Hardware and Devices	3,522	3,320	2,188	2,545	2,504	9.9%	(40)	(1.6%)
Electric and Electronics	5,235	5,029	3,322	3,661	4,268	16.9%	+606	+16.6%
Semiconductors and Integrated Circuits Design	4,363	4,248	1,776	2,167	1,633	6.5%	(534)	(24.7%)
Semiconductor Equipment and Devices	1,489	1,474	550	574	875	3.5%	+301	+52.4%
Information Processing/Software	1,689	1,665	1,418	1,700	1,863	7.4%	+162	+9.6%
Plant	465	577	565	599	706	2.8%	+106	+17.8%
Construction	146	97	46	158	141	0.6%	(16)	(10.5%)
Others	1,112	1,103	1,142	1,006	1,277	5.1%	+271	+26.9%
Total	30,753	31,163	20,098	22,698	25,256	100.0%	+2,557	+11.3%

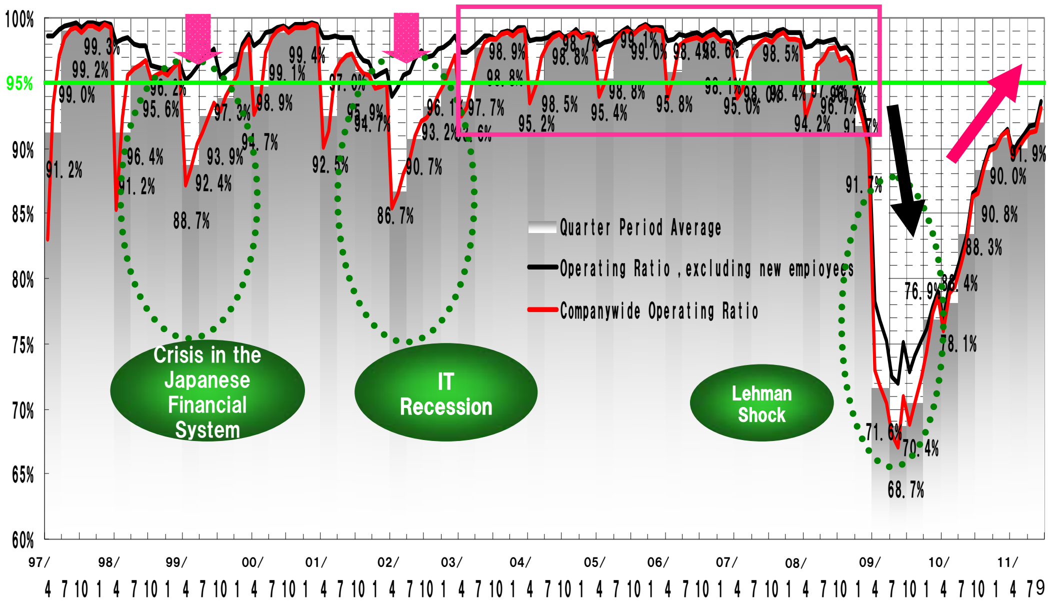
MEITEC

<Top 10 Clients by Sales and Shares of Net Sales>
(Non-consolidated)

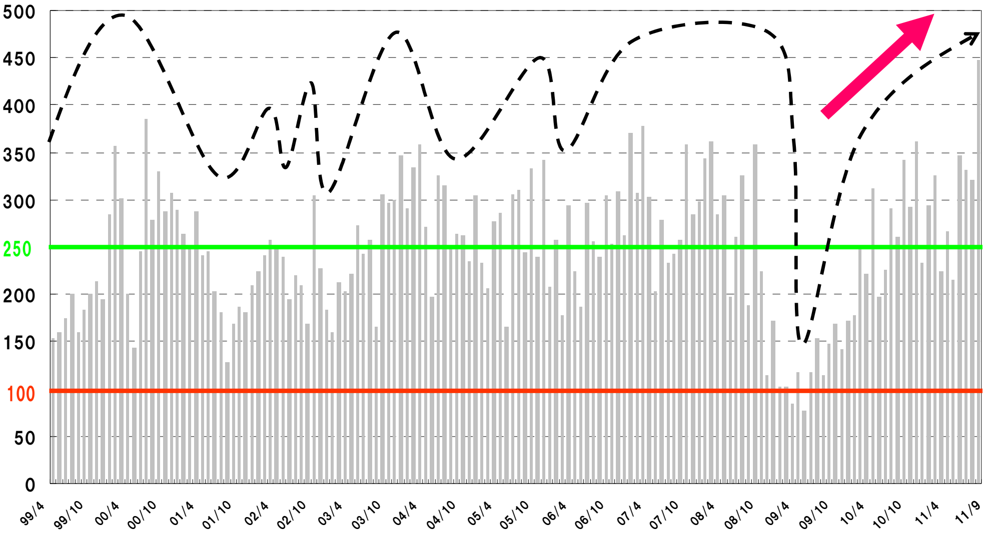
(million yen)

<Five years ago>			<Previous Year>			<Current>		
Apr-06 to Sep-06			Apr-10 to Sep-10			Apr-11 to Sep-11		
Companies Name			Companies Name			Companies Name		
1 Panasonic			1 Panasonic			1 Mitsubishi Heavy		
2 Sony Corp.			2 Mitsubishi Heavy			2 Panasonic		
3 Canon Inc.			3 Canon Inc.			3 Nikon Corp.		
4 Mitsubishi Heavy			4 Nikon Corp.			4 Canon Inc.		
5 Omron Corp.			5 Sony Corp.			5 Denso Corporation		
6 Nikon Corp.			6 Denso Corporation			6 Sony Corp.		
7 Toyota Motor			7 Toyota Motor			7 Kawasaki Heavy		
8 Seiko Epson			8 Kawasaki Heavy			8 Daikin Industries		
9 Denso Corporation			9 Seiko Epson			9 Toyota Motor		
10 Kawasaki Heavy			10 Daikin Industries			10 Mitsubishi Electric		
Top 10 Total	10,514	34.1%	Top 10 Total	7,205	31.7%	Top 10 Total	7,203	28.5%
Top 20 Total	13,836	44.9%	Top 20 Total	9,601	42.3%	Top 20 Total	9,737	38.6%
Others	16,963	55.1%	Others	13,098	57.7%	Others	15,519	61.4%
Total	30,799	100.0%	Total	22,698	100.0%	Total	25,256	100.0%

<Utilization Ratio (Non-Consolidated)>

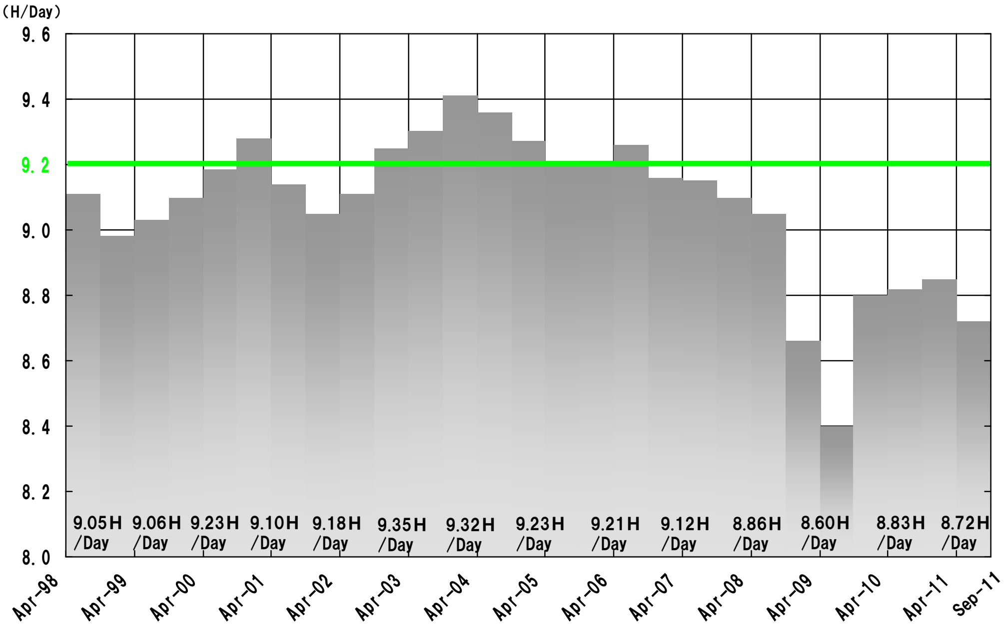


<Trend in New Orders by Month (Non-Consolidated)>
From Apr 1999 to Sept 2011



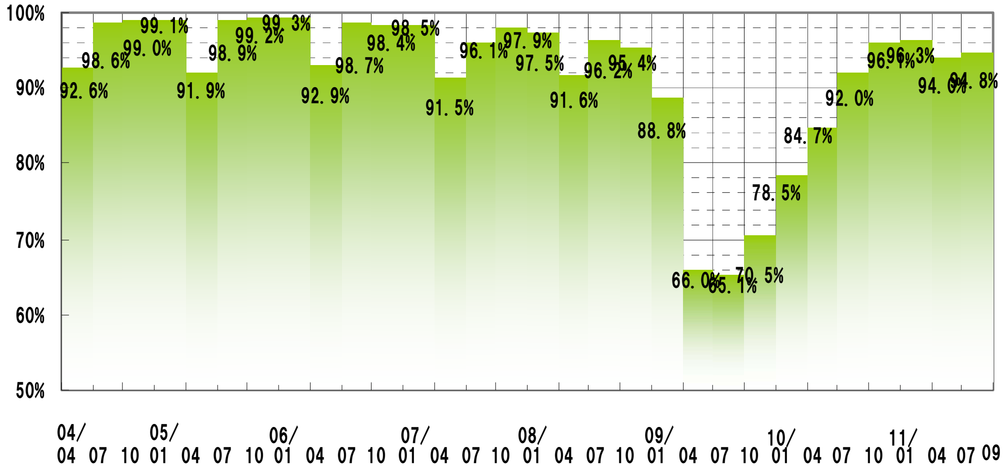
<Trend of Working Hours (Non-Consolidated)>

- Semi-annual average from FY ending March 31, 1999 to FY ending March 31, 2012 -



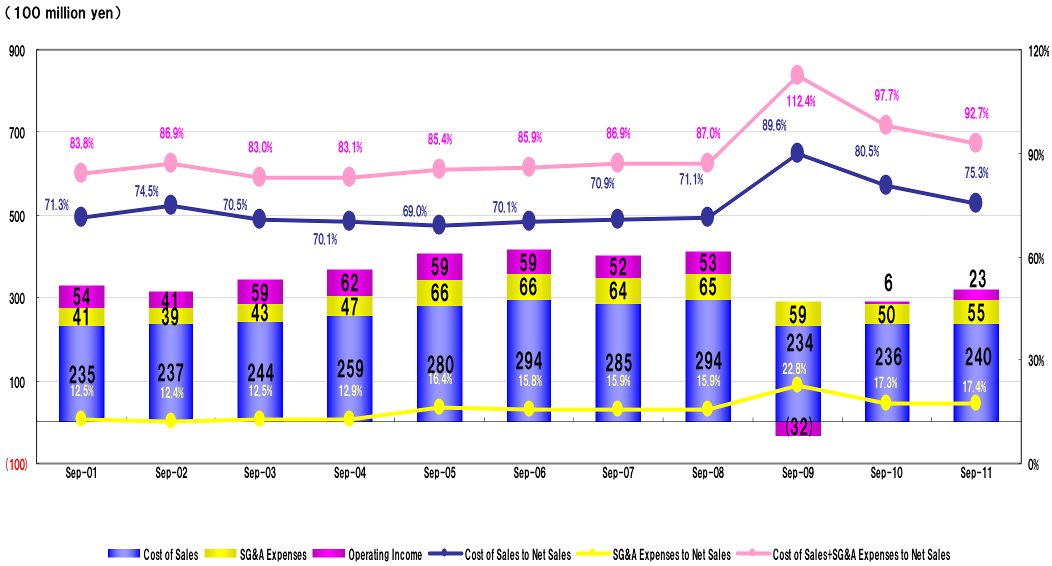
<Utilization Ratio (Meitec Fielders)>

- From FY ended March 31, 2005 to 2Q FY ending March 31, 2012 -



<Consolidated SG&A Expenses and Cost of Sales, and Their Ratio to the Sales>

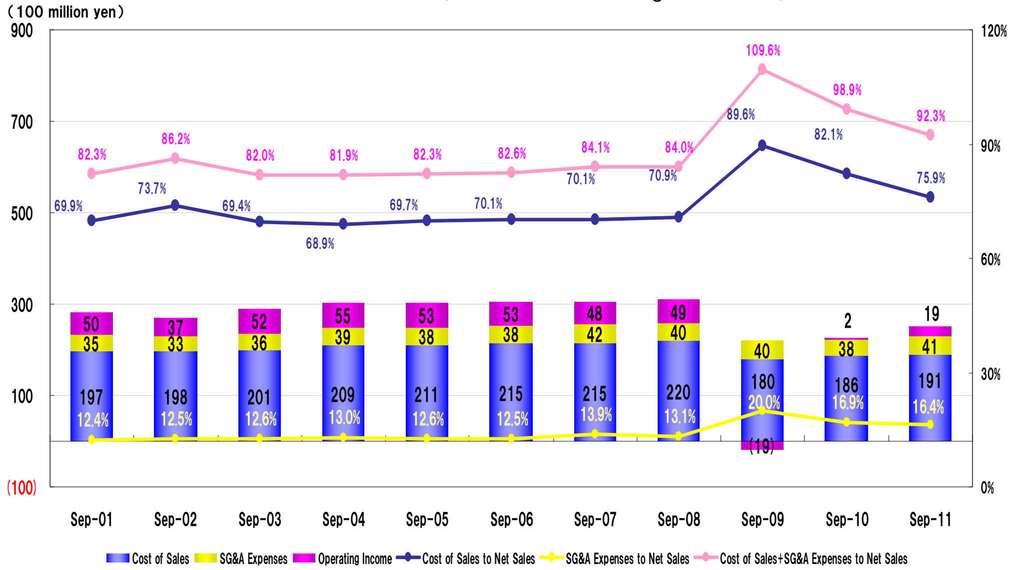
- Comparison at each end of half year
From FY ended March 31, 2002 to FY ending March 31, 2012 -



MEITEC

<Non-Consolidated SG&A Expenses and Cost of Sales, and Their Ratio to the Sales>

- Comparison at each end of half year
From FY ended March 31, 2002 to FY ending March 31, 2012 -



MEITEC

<Shareholders by Business Segments (Meitec)>
- At the end of 2Q of FY ending March 31, 2012 -

Shareholder Segment	(As of the Second Quarter Period Ended September 30, 2011)			
	Shareholders	%	Shares Held	%
Banks	3	0.04%	875,501	2.49%
Trust Banks	21	0.31%	6,297,500	17.94%
Life and nonlife insurance companies	16	0.23%	4,165,183	11.87%
Securities financing and other financial companies	4	0.06%	23,260	0.07%
Securities companies	35	0.51%	195,080	0.56%
Business concerns and other companies	116	1.69%	322,892	0.92%
Overseas companies and investors	143	2.09%	17,368,869	49.48%
Individuals and others	6,516	95.07%	5,851,715	16.67%
Total	6,854	100.0%	35,100,000	100.0%