Results of Meitec Group

- For the Fiscal Year ended March 31, 2010 -

May 13, 2010

Ⅰ. Report of Meitec Group <Consolidated>

First I would like explain the description of the Consolidated Performances.

MEITEC

<Consolidated Results for FY2010>

- For the Fiscal Year ended March 31, 2010 -

(Million of Yen)		Net Sales	Operating Income	Ordinary Income	Net Income
Consolidated	FY2010	53,776	(4,928)	(276)	(904)
	FY2009	79,898	9,280	9,260	4,303
	Change (%)	(32.7%)	-	-	-
Non-Consolidated	FY2010	41,319	(2,964)	822	53
	FY2009	60,457	8,807	9,294	2,998
	Change (%)	(31.7%)	-	(91.2%)	(98.2%)

<NOTE:Forecasts Fiscal Year Ending March 31, 2009>

(Million of Yen)		Net Sales	Operating Income	Ordinary Income	Net Income
Feb. 12, 2010 Revision	Consolidated	52,500	(5,800)	(800)	(1,200)
	Non-Consolidated	40,500	(3,500)	400	(200)

Consolidated net sales for the subject fiscal year ended March 31, 2010 had decreased by 32.7% to53.7 billion yen. And the operating income was 4.9 billion yen of loss.

But we were able to achieve increase of 1.2 billion yen in sales and 0.8 billion yen operating income compared with the upward revision of the forecast we disclose on Feb. 12, 2010.

As the performance of major manufacturing industries who are our main customer improve, and their R&D investment are also improving from the latter half of the fiscal year, our performance are also improving.

Although the operating income is loss of 4.9 billion yen, because of receiving 4.6 billion yen in the government subsidies for employment adjustment, the ordinary income, loss of 2.76 billion yen and the net income, loss of 9.04 billion yen, remained nominal compared with the operating loss.

And for Meitec alone, because of this government grant, we were able to post profit in both ordinary income and net income.

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Change of Scenario

< Disclosed at Nov. 12, 2009 IR Meeting >

- for the 2nd Quarter of FY Ending March 31, 2010 -

We have revised our recovery scenario set at beginning of the fiscal year.

- In the beginning of the fiscal year, at the May 13, 2009 IR meeting (for FY ended 03/31/2009), company had announced a scenario that it anticipated the performance will turn to gradual recovery with April being a "bottom" of performance.
- On Nov. 12, 2009, company had revised its scenario to the gradual recovery with August being a "bottom" of performance.

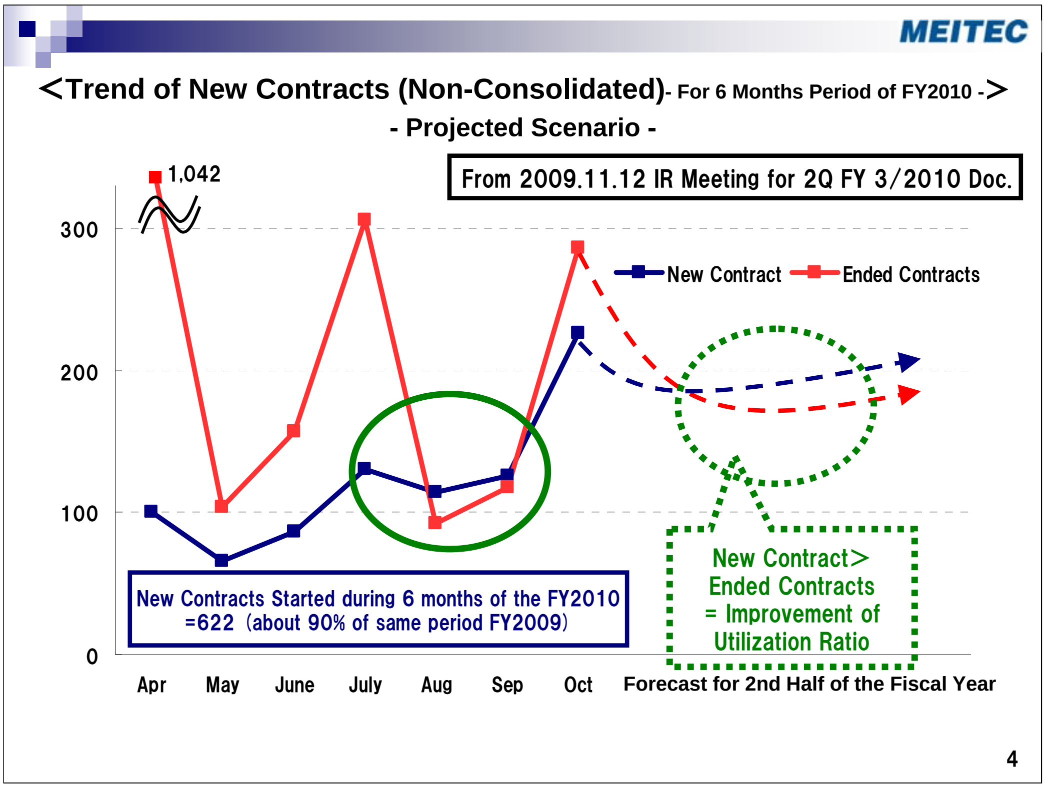
< RESULT >

Performance recovered as we projected in the revised scenario

In the beginning of the fiscal year, company had anticipated the performance will turn to gradual recovery with April being a "bottom" of performance.

On Nov. 12, 2009, company had revised its scenario to the gradual recovery with August being a "bottom" of performance.

And as a result, performance recovered as we projected in the revised scenario.



Main reason for Improvement in the performance is due to improvement in utilization ratio.

Highlight in the recovery of our performance is the improve.

It is necessary for us to continue to receive more new contract than ending contract each month.

Red line shows number of ending contracts for each month, and blue line shows start of new contracts for each month.

From the April to September, red line was above blue line and resulted decrease in utilization ratio down to lowest level, 67.1%, in August.

But at November IR meeting, we forecasted that the blue line will exceed above red line and the utilization ratio to improve.

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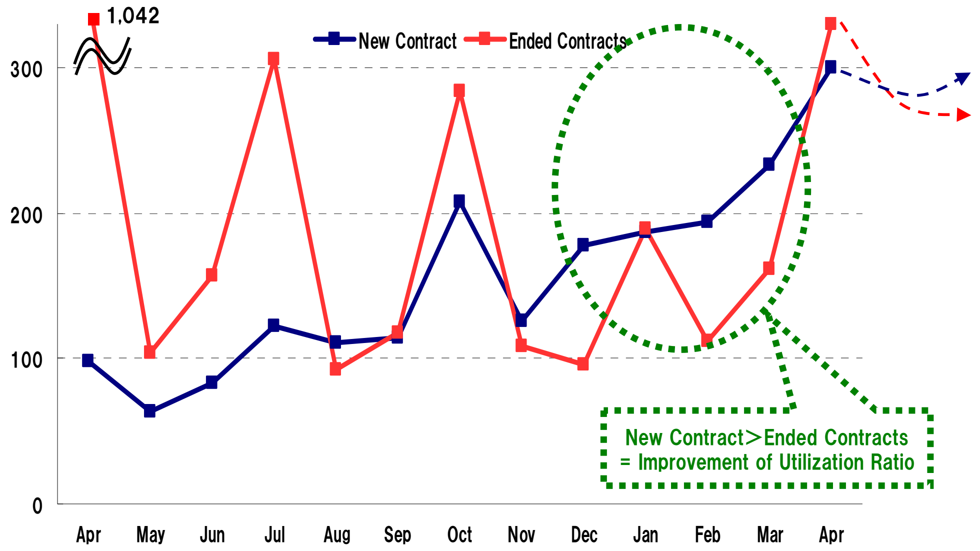
<Trend of New Contracts (Non-Consolidated)>

- For 12 Months Period of FY2010 -



In the latter half of the year, the utilization ratio improved as we were able to achieve more new contract compared with the ending contracts.

Because the improvement in utilization ratio was faster than anticipated in November, we revised our forecast upward in Feb.

Cumulative number of contracts started for 1st half of the year was 600, and 1100 for the 2nd half, total for the year was 1,700 excluding the contracts started for newly graduated.

Especially the 1,100 for 2nd half is a very large number we never experienced in recent years.

In normal year, it is typical to start 600 to 700 new contract in half year. It can not be simply compared to that of normal year due to the difference in conditions. But we can say that we were able to achieve more results than normal year.

On the other hand, number of ending contract has not been reduced to that of normal year level.

Last year, manufacturing industries were revising their budget at each quarter, and cost cutting activities were significant in non-profiting divisions.

As you can see, there is a peak between 1st and 2nd quarter from June to July. There is another peak between 2nd and 3rd quarter around September and October. Cost cutting activities at end of each quarter at manufacturing industries are effecting the termination of contracts.

But also you can see, between 3rd and 4th quarter, around January 2010, number of ending contracts has started to stay low and the utilization ratio had improved in latter half of the year.

In the current fiscal year, number of starting contract in April was about 300, displaying the high level of obtaining new contracts. On the other hand we did have about 390 ending contracts at the end of previous fiscal year. We believe that this number shows what was result of selection and concentration, and termination of business at the end of fiscal year by manufacturing companies.

＜Improvement from the "Bottom" ＞

Non-Consolidated	For the Month of Aug. 2009 (Bottom)	For the Month of March 2010	Improvement
Utilization Ratio	67.1%	78.6%	＋ 11.5
Working Hours	8.12h/day	8.86h/day	＋ 0.74

Compared to the "Bottom", 67.1% utilization ratio, for last August, we were able to improve it by 11.5% to 78.6% at the March 2010.

For working hours which is another key factor effecting the revenue, we were able to improve it by 0.74 hours from 8.12 hours per day in last August, as "Bottom", to 8.86 hours per day for March 2010.

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<Market Outline: 2nd Half of the FY Ended March 31, 2010>

1. Condition Surrounding Our Customer, Mfg. Industries

- Recovery of business of our main customers, major Japanese manufacturing industries, have been gradually but steady. But there is a gap depend on the companies or between the divisions within a company. Therefore, yet we have not seen a real strong recovery of entire manufacturing industries.

- Many of the customers are still in strong cost cutting position. Additionally, many of them are still continuing their reduction and termination of certain business.

2. Outline of Our Core Business, Temporary Engineer Staffing Business

- The utilization ratio had gradually improved as we were able to obtain rebounding orders from customers who were in ahead in its recovery after October 2009.
- Working hours, at the same time, have improved above our projections.

Now, I would like to brief you on the market condition for the 2nd Half of the Fiscal Year ended March 31, 2010.

In the manufacturing industry which is our main customer, many of our customer are achieving firm recovery.

On the other hand it is clear that the recovery is different depend on company or divisions within same company, meaning that the not entire manufacturing industry is in recovery.

Because of this, cost cutting measures are continuing among our customers, and many of them are continuing selection and reduction, or selection and concentration, of their business.

But, after last October, we have clearly started to see rebounding orders from the customer who are ahead in their recovery.

As the result, as we showed in the previous page, our utilization ration have gradually improve and working hours have recovered beyond our forecast.

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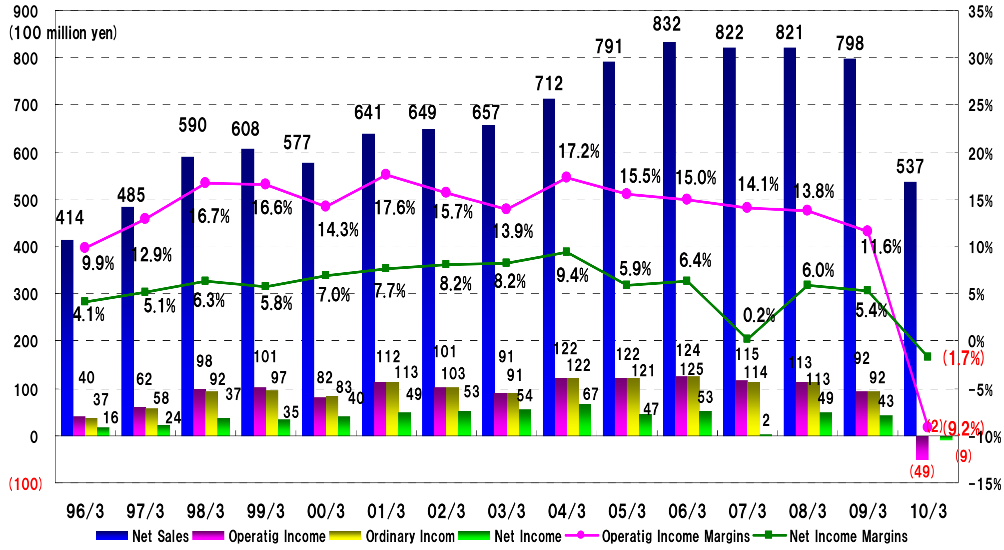
＜ Consolidated Operating Results ：FY2010＞

- For the Fiscal Year ended March 31, 2010 -



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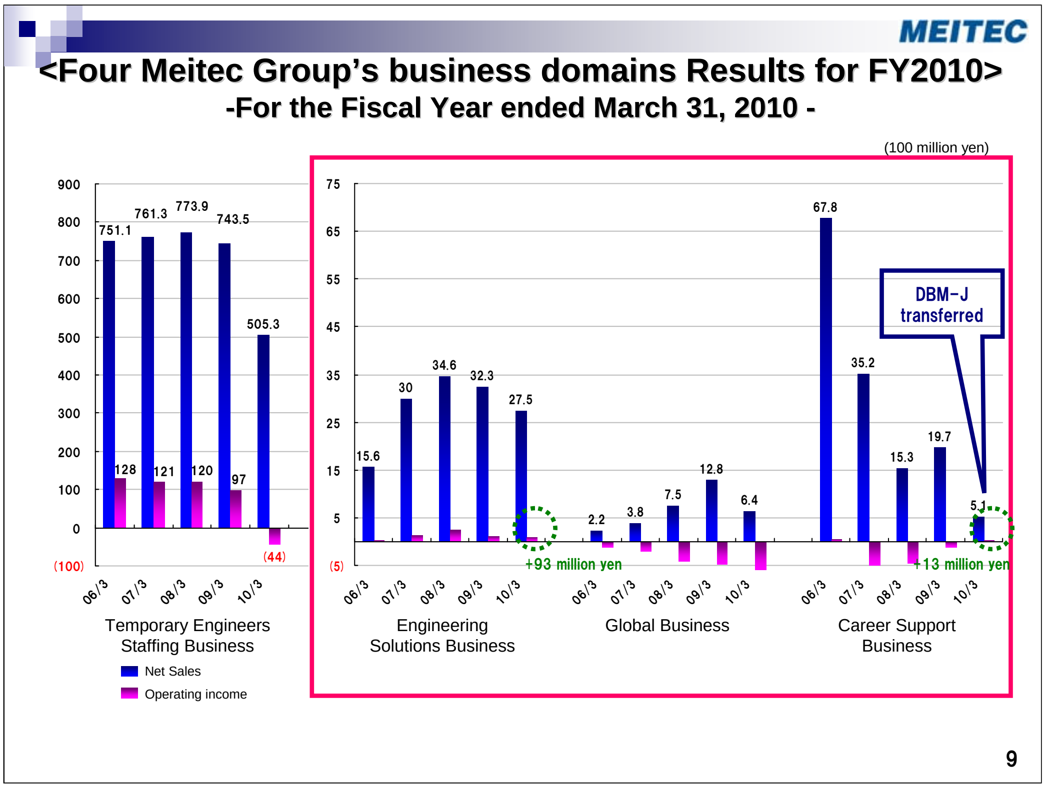
This shows the trend of our consolidated performance from past.



This page shows revenue and operating income by the 4 business segments of Meitec Group.

Far left is temporary staffing business which is our main business. Meitec alone consist 77% and with Meitec Fielders, temporary engineer staffing business would consist about 90% of the consolidated revenue. 4% is for the general staffing business conducted by Meitec Cast and others, totaling 94% of the consolidated revenue.

Three business in right are, as new business, the business we have been working on to strategically expand our business.

But we have decided to "freeze the expansion strategy" from previous fiscal year.

At the same time, we also have set a goal of achieving profit even for the new business.

As a result, we were able to achieve profit in the engineering solution business.

For the career supporting business, although revenue have decreased as we have sold our outplacement business which was conducted by Drake Beam Morin Japan, we were able to achieve slight profit.

On the other hand, the global business had to post 600 million yen of operating loss.

And of which 400 million yen of loss came from the bridge engineer business.

We have been working on the dispatching bridge engineer who were trained in our education subsidiaries in China, since 4 years ago, and have brought up to 300 engineers from China,.

When the utilization ratio for this business was below 50%, we had experience the Riemann shock. Because of this, with large number of un-assigned engineer, we had to post 400 million yen of operating loss. But we have shrunk the number of bridge engineer to 100 from 300 within previous fiscal year, and have merged it to Meitec business.

MEITEC

<Meitec Group Results for FY2010>

- For the Fiscal Year ended March 31, 2010 -

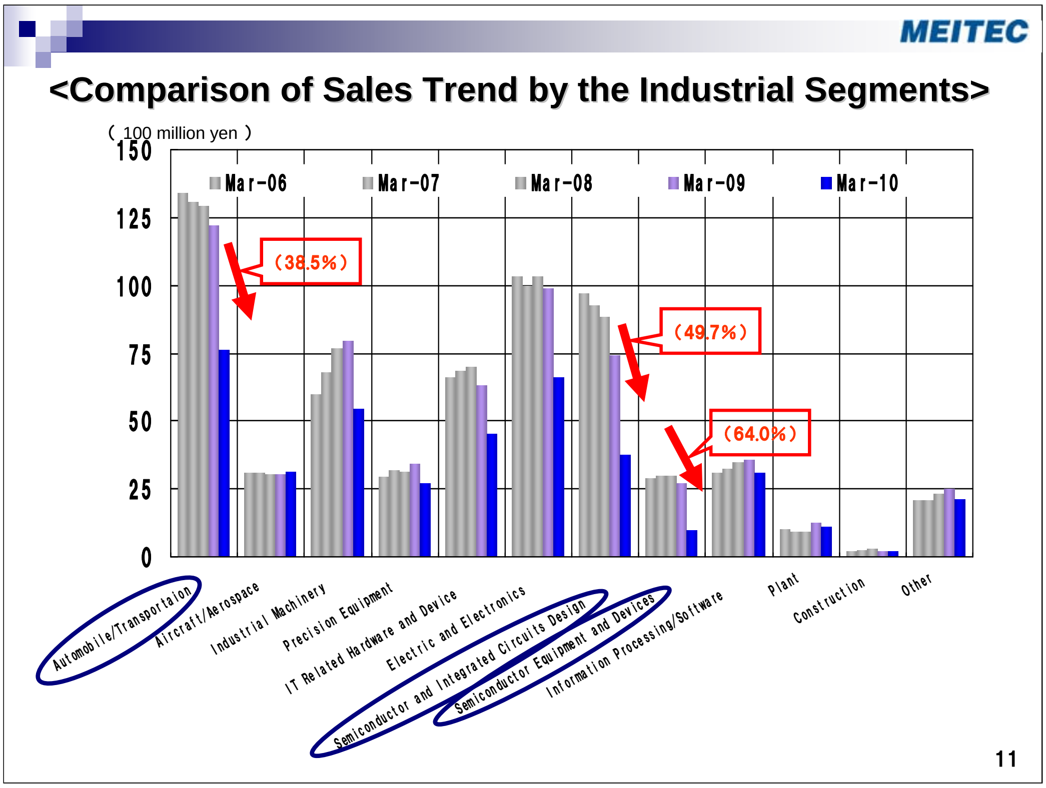
	(Millions of Yen)	Net Sales	Operating Income	Ordinary Income	Net Income
Results for FY2010	Meitec	41, 319	(2, 964)	822	53
	Meitec Fielders	7, 050	(1, 461)	(618)	(933)
	Meitec Cast	2, 267	(32)	(33)	(38)
	Meitec Experts	207	(4)	(3)	(4)
	Meitec CAE	1, 167	152	152	84
	Apollo Giken Group	1, 565	(51)	11	56
	Meitec Global Solutions	555	(432)	(158)	(161)
	Meitec Shanghai	25	(13)	(11)	(13)
	Meitec Dalian ＊1	25	(25)	(27)	(31)
	Meitec Guangzhou ＊1	1	(17)	(17)	(16)
	Meitec Xian	9	(26)	(25)	(37)
	Meitec Chengdu	6	(37)	(37)	(42)
	Meitec Shanghai HR	21	(17)	(18)	(18)
	Meitec Next	334	(14)	(12)	(14)
	all engineer.jp	13	(2)	(2)	(2)
	BMOA ＊2	173	23	16	235
Consolidated		53, 776	(4, 928)	(276)	(904)

※Amounts for each company are non-consolidated basis

＊1. Vocational training business at Meitec Dalian and Meitec Guangzhou are currently suspended.

＊2. Include the result DBM-J for the month of April 2009. (DBM-J was sold to Tempstaff as of May 1, 2009.)

This chart show the performance of our group companies for the fiscal year ending March 2010.



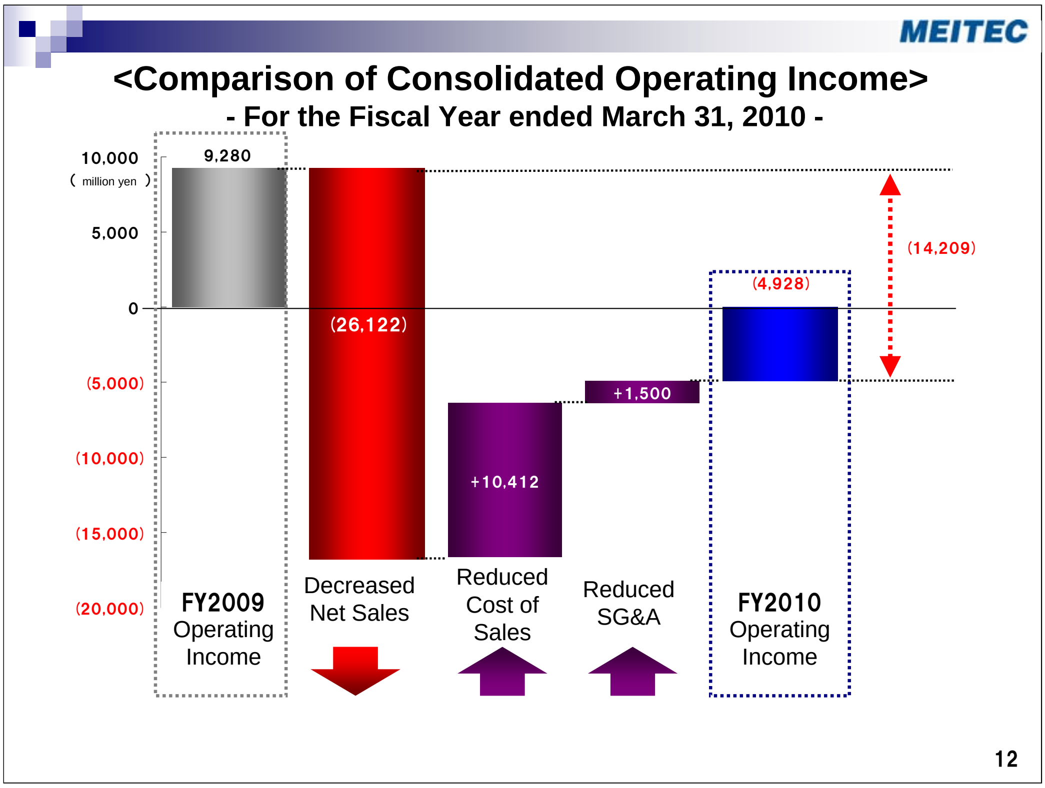
This figure shows the trend of revenue by industrial segments for Meitec alone.

Revenue for Meitec alone decreased by 31.7%. But automotive and semi-conductor related segments have suffered decrease of more than 31.7%.

But if we compare by half of the year, for instance of automotive segment, decrease was 42.6% in first half of year. This means that there were improvement in latter half of the year.

For the semi-conductor and LSI segment too, as decrease was 58.2% in the first half of the year where it was 49.7% decrease for the year, displaying improvement.

We also confirm the improvement trend in semi-conductor manufacturing segment from the beginning of current fiscal year.



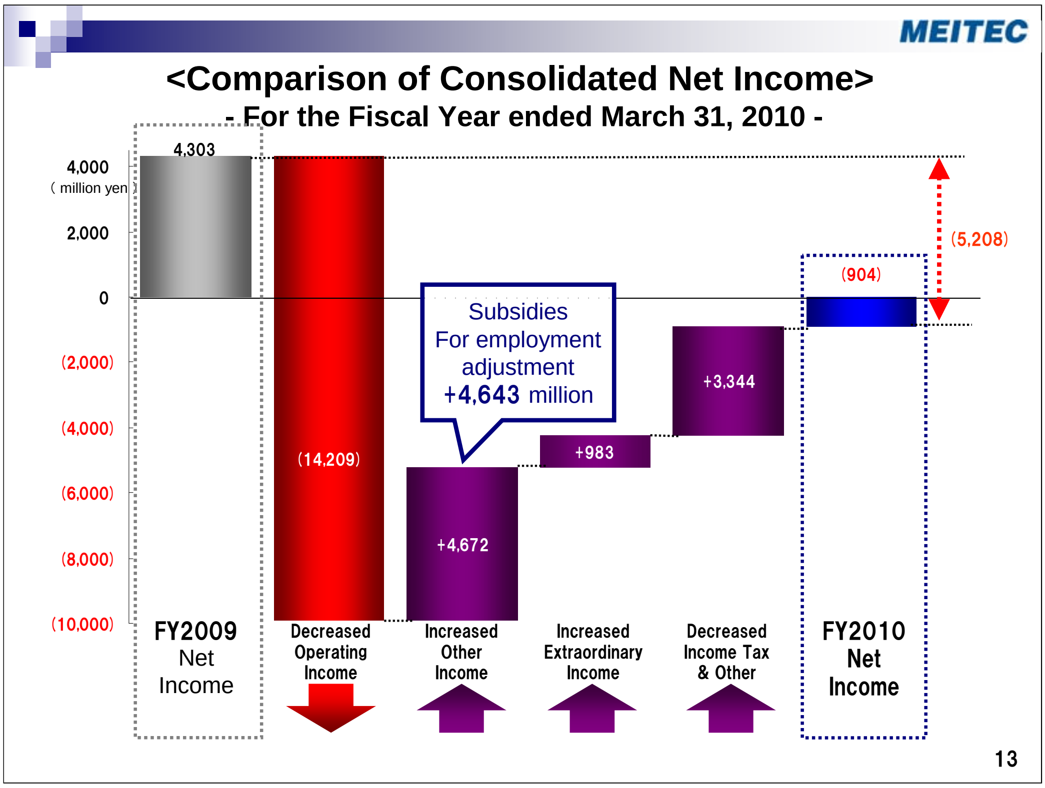
This graph shows comparison of consolidated operating income to that of year before.

Reason for loss is decrease in revenue.

Consolidated operating income was profit of 9.2 billion yen for the fiscal year ended March 31, 2009. But it was 4.9 billion yen in loss, 14.2 billion yen separation.

Of which, 26.1 billion yen was due to decrease in revenue.

On the other hand, we have made effort in cutting our cost for entire company. As a result, cost of sales had decreased by 10.4 billion yen, SG&A have decreased for 1.5 billion yen, resulting 4.9 billion of consolidated operating loss.



This graph shows analysis of consolidated net profit.

It was 4.3 billion yen of loss for the fiscal year ended March 31, 2009.

But since it was 0.9 billion yen of loss for the fiscal year ended March 31, 2010, with separation of 5.2 billion yen.

Main reason for this is due to the decrease of operating income for 14.2 billion yen. But by large contribution from 4.6 billion yen of government subsidies for the employment adjustment, and decrease in un-ordinary loss and corporate tax, final operating income was 0.9 billion yen of loss.

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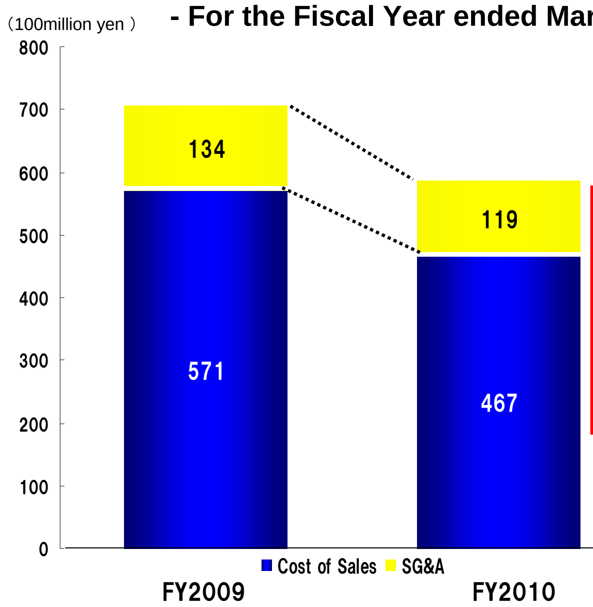
<Comparison of Consolidated Cost Structure>

- For the Fiscal Year ended March 31, 2010 -



<Change>

SG&A	（1.5 billion yen）
COST OF SALES	（10.4 billion yen）
	（11.9 billion yen）

Main factor in the cost reduction was the performance relating pay system

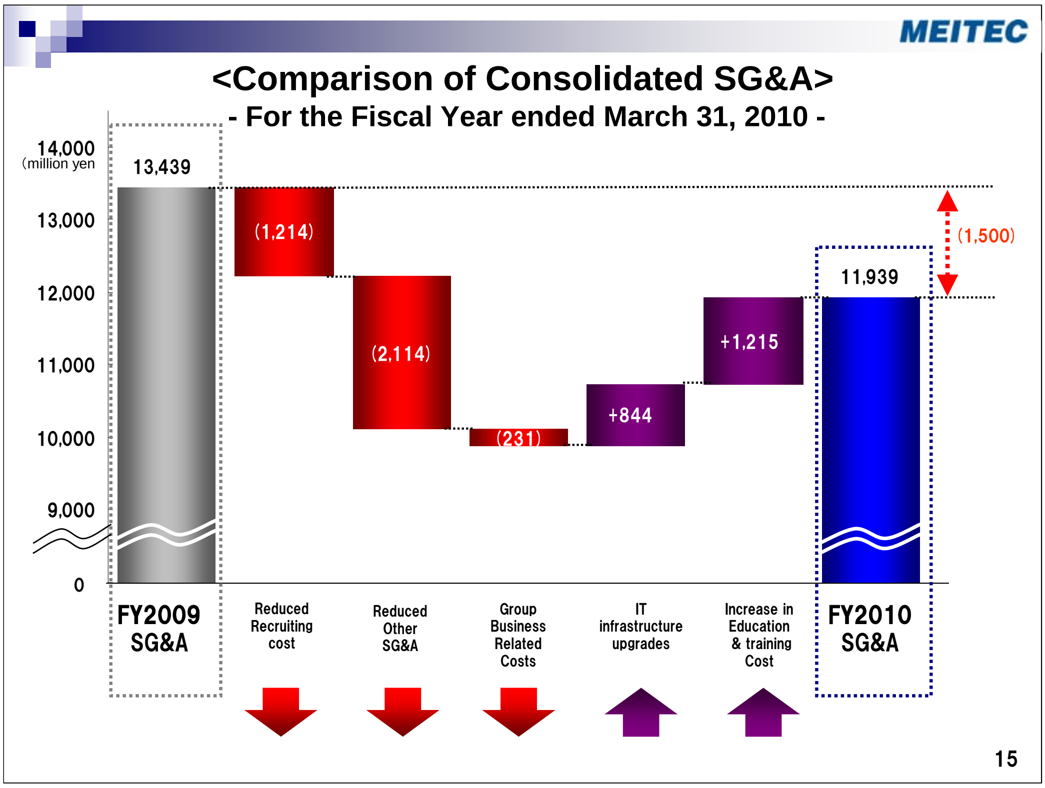
This graph display effect of our cost cutting measures.

Blue stands for Cost of Sales, and yellow stand for SG&A.

Cost of sales had decreased by 10.4 billion yen from 57.1 billion yen for the fiscal year ended March 31, 2009 to 46.7 billion yen for fiscal year ended March 31, 2010.

SG&A had decreased by 1.5 billion yen from 13.4 billion yen to 11.9 billion yen, realizing total cost cut of 11.9 billion yen.

But since our business is human resource business, our cost of sale is almost entirely consisted by payroll, and the reduction of cost was mainly due to the effect from performance linked compensation system at each group companies.



This graph show details of expense cutting result in consolidated SG&A.

SG&A for the fiscal year ended March 31, 2009 was 13.4 billion yen. But the it was for 11.9 billion yen in the fiscal year ended March 31, 2010, achieving total expense reduction of 1.5 billion yen.

Since we have frozen the recruiting activities last year, recruiting expense was reduced by 1.2 billion yen.

By reducing everyday operating expenses, we achieved 2.1 billion yen reduction in ordinary expenses.

By termination or reduction of new business, group business related expense was reduced by 0.2 billion yen.

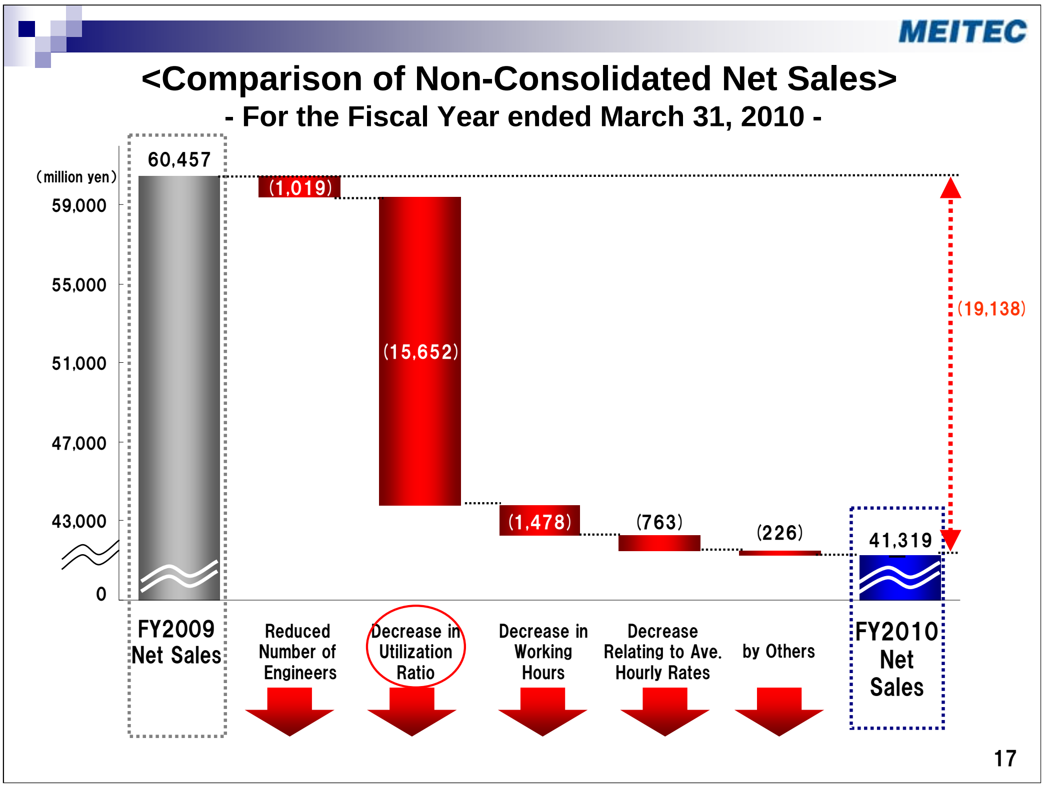
On the other hand, we have increased expenses in renewing our IT infrastructure and training activities for the un-assigned engineers. Renewal of IT infrastructure was due because of its age, and by this, we believe it will contribute to the future cost reduction.

Main portion of expense for the training activity is trainer cost. Since the trainer is assigned from our own engineer, cost of those engineer is posted in SG&A instead of cost of sales.

As a result, total reduction in consolidated SG&A was 1.5 billion yen.

Ⅱ. Report of Meitec <Non-Consolidated>

From here we will explain about non-consolidated performance.



This graph shows comparison of non-consolidated sales for Meitec.

For the Fiscal year ended March 31, 2010, sales wad reduced by 19.1 billion yen to 41.3 billion yen from 60.4 billion yen of the fiscal year ended March 31, 2009.

There are four key factor effecting the sales as noted in Red, number of engineer, utilization ratio, working hours per day, and rate per hour.

80% of reason for decrease of revenue for the subject year is because of the lower utilization ratio.

We are continuing our policy of maintaining our price even the market is not good. Therefore, the reduction of 0.9 billion yen due to average rate is mainly because of special measure only applied to the assignment of newly graduated engineers.

We hired about 300 newly graduated engineers in April of 2009. But we were only able to assign 10% of them at the normal new engineer price range. For the lest of 90%, we were not able to get assignment for the duration of first half of the fiscal year.

If newly graduated engineers were not to be assigned for the entire year, it would leave major affect even in future. Therefore, in order avoid this, we have widened the scope of their job to promote assignment. And we have completed assigning all of the them by the end of fiscal year.

This widening of the scope of the job had lowered their rate, and affected the average rate.

For those newly graduated engineers who were assigned at lower job phase, we will try to reassign them to the normal job phase to improve the average rate.

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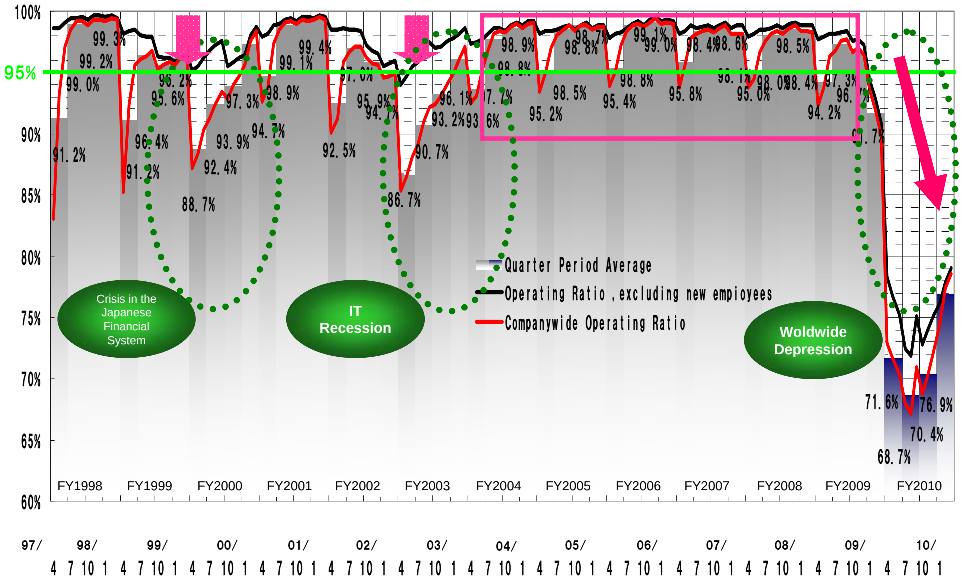
<Utilization Ratio (Non-Consolidated)>

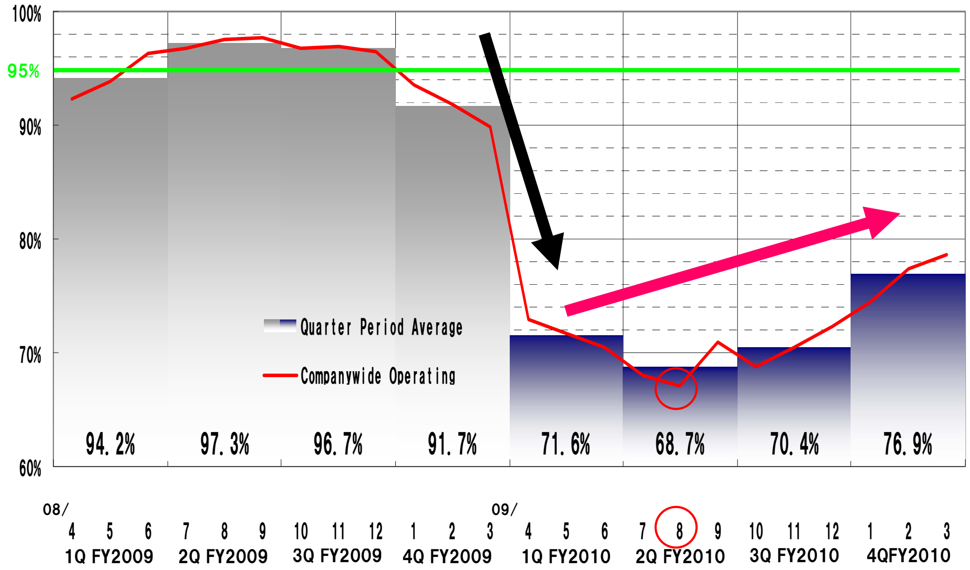


This graph shows the trend in utilization ratio.

As you can see, it had rapidly decreased after the Riemann shock.

MEITEC

<Utilization Ratio (Non-Consolidated) Apr-2008 to Mar-2010>



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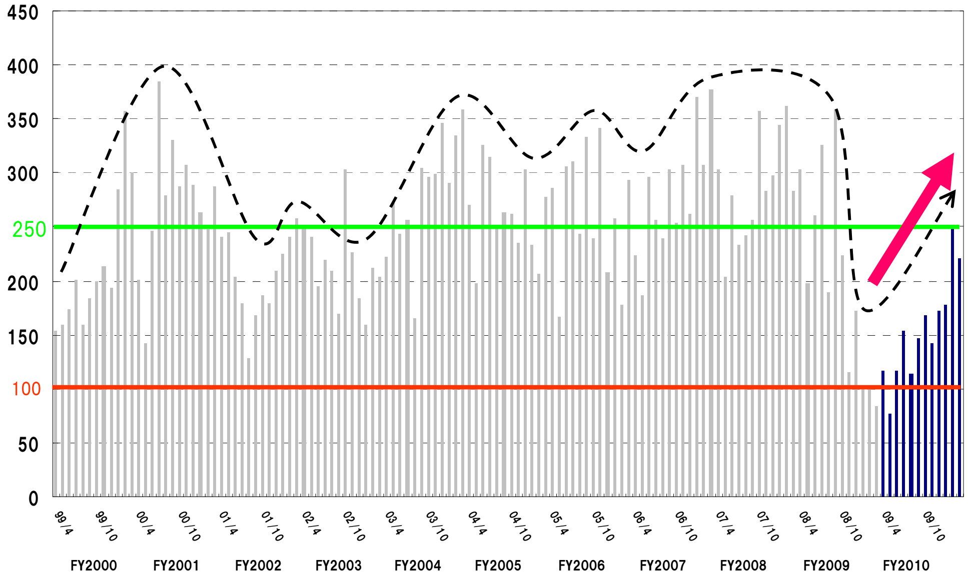
This graph shows trend of utilization ratio

In April of 2009, our utilization ratio had dropped to 70% which is below our break even point, continue further down to 67.1 in August.

But for the month of March 2010, it had improved to 78.6%, showing moderate recovery is on the way after latter half of the year.

MEITEC

<Trend in New Orders by Month (Non-Consolidated)>



This graph shows trend in number of new orders which tend to changes just little before the utilization ratio changes.

It is our standard that if we can obtain 250 new orders by month, we are in good condition.

But after Riemann shock last September, it had sharply dropped.

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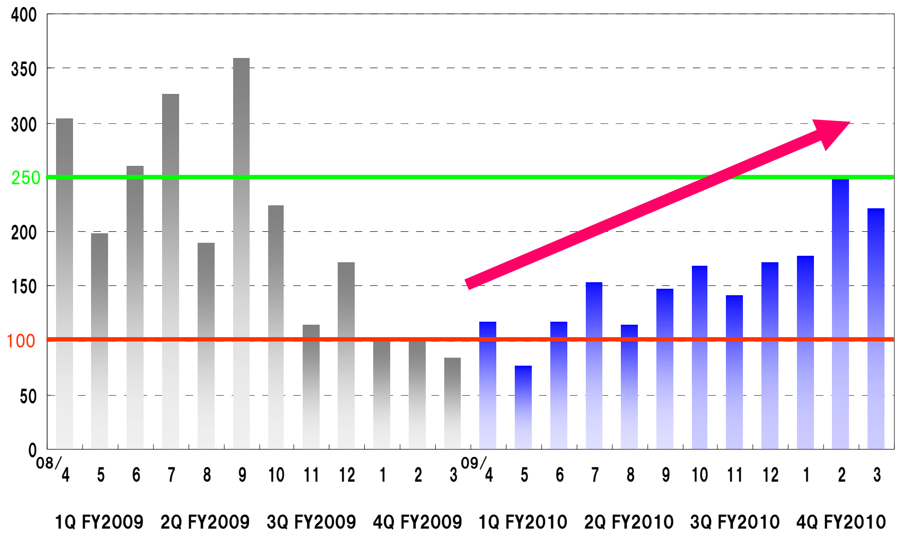
<Trend in New Orders by Month (Non-Consolidated) Apr-2008 to Mar-2010>



During the month of March and May 2009, number of new order dropped at minimum. But after that, it had gradually recovered to 251 order at the month of Feb. 2010.

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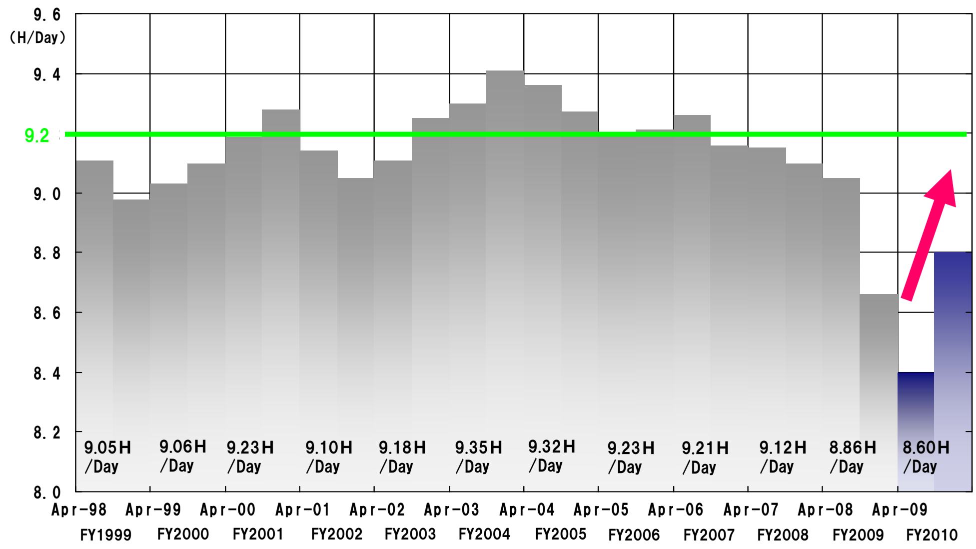
<Trend of Working Hours (Non-Consolidated)>

- Annual Average from April 1998 to March 2010-



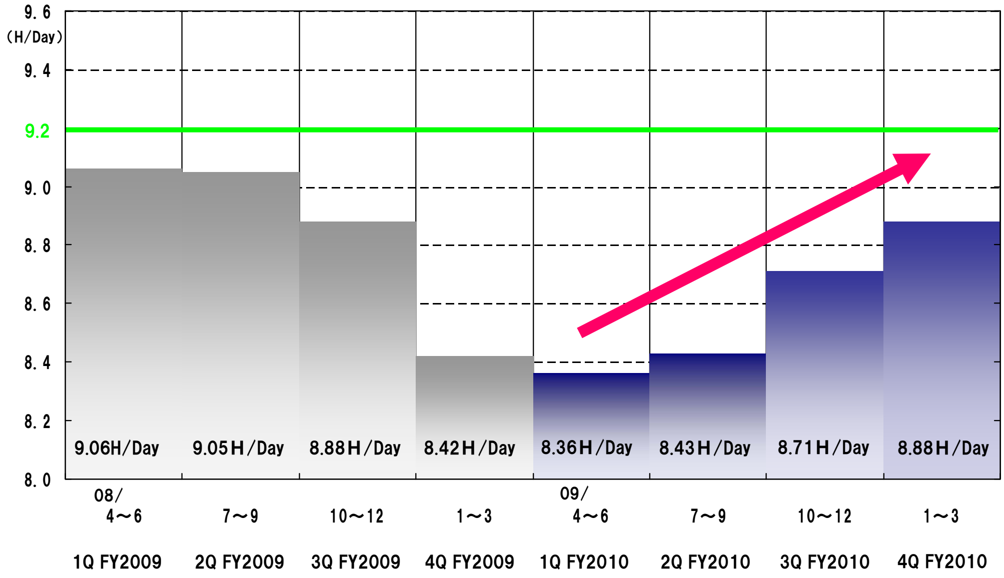
This graph shows trend of working hours.

In past, our working hours per day was around 9 hours. And if the working hours changes by 0.1 hour per day, it will affect our revenue by 1%.

Trend of the working hours was similar to that of utilization ratio.

<Trend of Working Hours (Non-Consolidated)>

- Quarterly Average from 1Q FY2009 to 4Q FY2010 -



Working hour too have recovered firmly at each quarter. It had recovered to 8.86 hours per day by month of March 2010.

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<Comparison of New Orders, Started New Contracts and Working Hours>

- between 1Q and 4Q FY2010 -

Orders and resulting new contract or working hours, factor which comes little ahead of utilization ratio, for each quarter too have shown firm recovery through 1st quarter to 4th quarter.

But although it is in recovery trend, during the previous fiscal year, each factor has not yet returned to that of peak time.

Ⅲ. Performance Forecast

Now, I would like to talk about forecast.

MEITEC

<Management Policy and Target for FY ending March 31, 2011>

1. Group Management Policy:

   "Achieving Self-supporting Corporate Continuation"

   →Build a system to realize corporate continuation without the government subsidies for the employment adjustment (Public Fund)

2. Group Management Target:

   "Achieving the Operating Profit for the Fiscal Year"

   →Achieving the consolidated and non-consolidated operating profit for the fiscal year

Management Rationalization Measures(disclosed on Feb. 23, 2010): Total cost reduction of up to 2.88 billion yen.

Our management policy for the fiscal year ending March 31, 2011 is "Achieving Self-supporting Corporate Continuation".

This means that we are to build a business system which we can continue our business without depending on the governmental subsidies for the employment adjustment.

And we are making great effort to achieve operating profit for consolidated and non-consolidated.

Regarding this policy, we have obtained understanding from our works union and our employee of each group company, we have disclosed on Feb. 23, 2010. In addition, we also have obtained understand of reducing the payroll cost in order to achieve profit by saving up to 2.88 billion yen.

<Assumption on the Market for the FY Ending March 31, 2011>

1. Gradual recovery trend in the manufacturing industries will continue as it has been since the latter half of the previous fiscal year.
2. The utilization ratio of Meitec alone, accordingly, will gradually recover. But we would not anticipate rapid recovery.
3. Each group companies will gradually recover as Meitec.

Assumption in this year's market condition are as above.

We assume that recovery at manufacturing industries will continue as it has been from the latter half of the previous year.

Therefore, we forecast that our utilization ratio will also recover gradually with them.

But, our customer are also still working on to cut their expenses, reduce or exit from their business. Therefore, we are not expecting very quick recovery.

Since the customer of Meitec Group is also the manufacturing industries, forecast for Group is same as for Meitec itself.

＜Forecasts ; Fiscal Year Ending March 31,2011＞

(Million of Yen)

		Net Sales	Operating Income	Odrdinary Income	Net Income
Consolidated	Second Quarter FY2011 10/4-9	27, 000	0	1, 800	1, 000
	Second Quarter FY2010 09/4-9	26, 203	(3, 248)	(850)	(1, 214)
	Change (%)	3. 0%	—	—	—
	FY2011	55, 000	100	3, 400	1, 900
	FY2010	53, 776	(4, 928)	(276)	(904)
	Change (%)	2. 3%	—	—	—
Non-consolidated	Second Quarter FY2011 10/4-9	21, 000	0	1, 500	800
	Second Quarter FY2010 09/4-9	20, 097	(1, 931)	109	31
	Change (%)	4. 5%	—	1276. 1%	2480. 6%
	FY2011	43, 000	0	2, 800	1, 600
	FY2010	41, 319	(2, 964)	822	53
	Change (%)	4. 1%	—	240. 6%	2918. 9%

This is forecast for the fiscal year ending March 31, 2011.

We forecast that our consolidated revenue to be 55 billion yen and operating income to be 0.1 billion yen.

As we plan to file request for the government subsidies for the employment adjustment during this year for 3.2 billion yen, by including this, we forecast 3.4 billion yen of ordinary income and 1.9 billion yen of net profit.

As we look ahead of the market trend, we believe that we should not be optimistic.

But it is fact that the recovery is on way among manufacturing industries. If their offensive R&D investments increase instead of just the cost cutting measures above the latter half of previous year, we may see improvement beyond our forecasts.

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< Note① to Forecast for FY ending 3/31/2011 >

- Meitec Group has set its management policy for the fiscal year ending March 31, 2011 as "Achieving Self-supporting Corporate Continuation". Meitec Group have set its management target as "Achieving the Operating Profit for the Fiscal Year (consolidated, non-consolidated and for each companies). In order to achieve the management target, company will apply following management rationalizations measures under an agreement with employee union.
- Even if the performances of the company exceed beyond the current assumptions to realize the revenue above disclosed forecasts, operating profit might land at same level as it was forecasted. In such event, with additional discussions with the employee union, the amount of operating profit above forecast is planned to be given priority to be used to restore the bonus reduction .

Management Rationalization Measures and its Expected Effects

(100 Millions of yen)	Expected Cost Reduction Effect (for year)	
	Consolidated	Non-consolidated
Reduction and return of director's compensations, Voluntary return of auditor's compensation	0.4	0.4
Payroll reduction for executive officers and (non-union) managers	1.9	1.6
Allowance and bonus reduction for general employee (union) member)	26.5	16.5
TOTAL	28.8	18.5

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This page shows our management rationalization measures.

For the fiscal year ending March 31, 2011, we will make effort on management rationalization measures targeting 1.85 billion yen for Meitec alone and 2.88 billion yen for entire group to meet with the achievement of operating profit for consolidated and non-consolidated.

As you can see above, details of the management rationalization measures are almost all about reducing payroll. And if we can achieve result above our target, we would like to set a priority on supplementing the reduced payroll first.

At this moment, we suspect that if the revenue exceed for about 2 billion yen above forecast, operating income would reach the level of our forecast.

But we would like to make effort to achieve increase revenue for more than 2 billion yen.

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<Note② to Forecast for FY ending 3/31/2011>

- **Since the Meitec Group employs larger number of engineers on regular employee basis, we are planning to continue applying for the government subsidies for the employment adjustment. Above forecast include 3,200 million yen of income from the government grant.**

(million yen)	FY2010 (Actual)	FY2011 (Forecast)
Meitec	3,466	2,750
Meitec Fielders	839	440
Meitec Global Solutions	275	0
Apollo Giken	61	10
Consolidated	4,643	3,200

What is "Government Subsidies for Employment Adjustment (GSEA)"
(From the Homepage of Ministry of Health, Labour and Welfare)

The GSEA was established in 1981 for preventing increased unemployment. Through the subsidies, the Ministry of Labour supports employers who are obliged to downsize their business activities because of economic fluctuations, changes in the industrial structure, and for other economic reasons, but are making efforts to maintain employment levels via temporary suspension of business, education and training, or transferring employees to related companies.

* Meitec Group is applying this government grants in purpose of supporting our educational training for un-assigned engineers

This table shows details of the government subsidies for employment adjustment.

We received 4.6 billion yen for the fiscal year ended March 31, 2010. And we expect receive 3.2 billion yen in the fiscal year ending March 31, 2011.

But if the utilization improve above our forecast, meaning more engineer would be assigned, then the government subsidies for the employment adjustment would reduce.

MEITEC

<Forecasts for Meitec Group; Fiscal Year Ending March 31, 2011>

	(million Yen)	Net Sales	Operating Income	Ordinary Income	Net Income
FY2011	Meitec	43,000	0	2,800	1,600
	Meitec Fielders	7,000	0	450	300
	Meitec Cast	2,400	5	5	0
	Meitec CAE	1,100	150	150	90
	Apollo Giken Group	1,700	50	60	50
	Meitec Global Solutions *1	200	10	10	10
	Meitec Shanghai	25	0	0	0
	Meitec Guangzhou *2	15	0	0	0
	Meitec Xian	10	(15)	(15)	(15)
	Meitec Chengdu	10	(25)	(25)	(25)
	Meitec Shanghai HR	60	0	0	0
	Meitec Next	300	0	0	0
	all engineer.jp	10	0	0	0

※1：Meitec had integrated MGS's Bridge Engineer business by a company split on April 1, 2010.

※2：Meitec Guangzhou had suspended their vocational training business and conducting only the human resource introduction business.

This table shows the performance forecast for each group companies in the fiscal year ending March 31, 2011.

<Prerequisites of Performance Forecast>

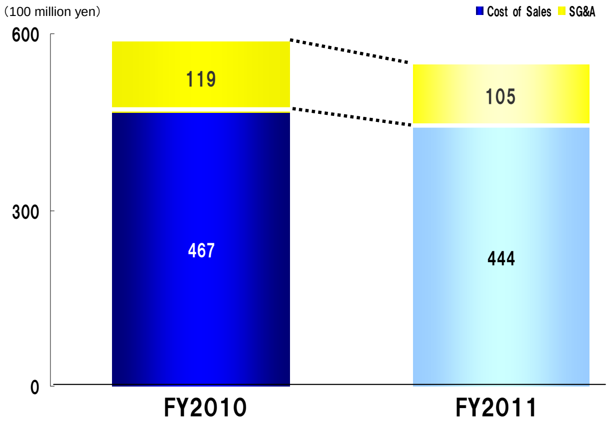
- (MT+MF) for FY2011 -

		MT	MF
Utilization ratio	1H FY2011	76.7%	77.1%
	2H FY2011	79.4%	80.8%
	FY2011	78.0%	78.9%
Operating Hours	1H FY2011	8.82h/day	8.89h/day
	2H FY2011	8.79h/day	8.85h/day
	FY2011	8.80h/day	8.87h/day

This table shows key parameters, utilization ration and working hours, for the fiscal year ending March 31, 2011 by first half, second half and entire year for the main company, Meitec and Meitec Fielders.

MEITEC

<Forecast of Consolidated Cost Structure For FY2011>



＜ Change ＞

SG&A	△1.4billion yen
Cost of Sales	△2.3billion yen
	△3.7billion yen

2.88 billion yen was effect of management rationalization

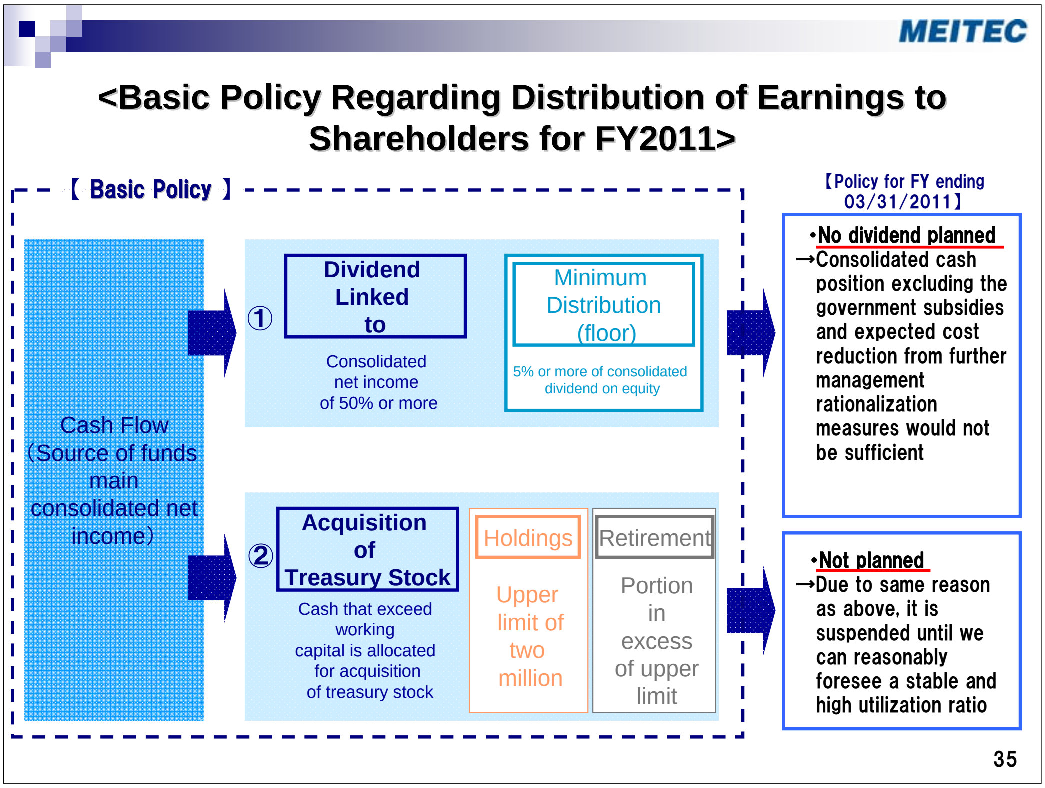
This graph shows our effort on cost cutting measure for the fiscal year ending March 31, 2011.

We are working on to cut 1.4 billion yen in SG&A and 2.3 billion yen in cost of sales, totaling 3.7 billion yen.

But of which 2.88 billion yen to be achieved by management rationalization measures.

Ⅳ. About Dividend

Now we would like to explain about the dividend.



Basic scheme of returning profit to the shareholders is, to return the profit in form of dividend, and also to return the excess capital above working capital by obtaining treasury stocks.

But at the present condition, without the government subsidies for employment adjustment, we are not in condition of securing necessary working capital.

Therefore, for the fiscal year ending March 31, 2011, we are projecting not to issue the dividend.

<Dividend Forecast for the Fiscal Year Ending March 31, 2011>

	First quarter dividends	Second quarter dividends	Third quarter dividends	Year-end dividends	Total
Forcast, Previous Fiscal Year ended march 31, 2011		0.00		0.00	0.00
Actual, Previous Fiscal Year ended march 31, 2010		24.50		0.00	24.50

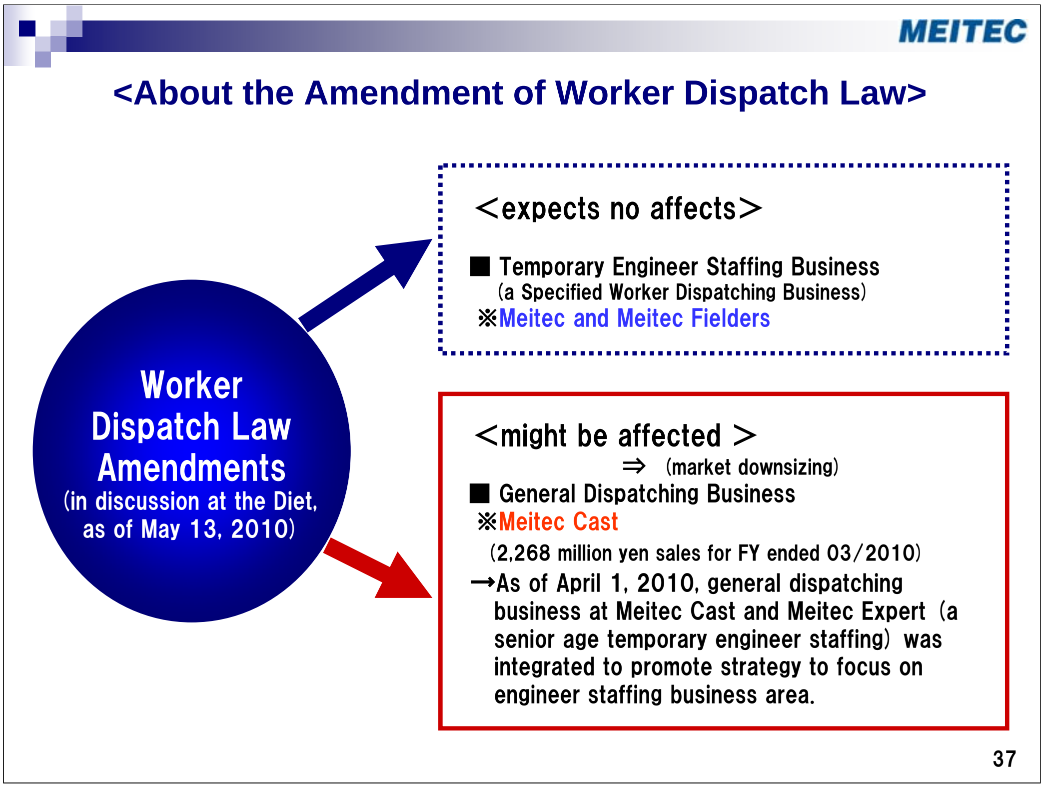
- At this point, considering the government subsidies for the employment adjustment and expected reduction in expense from additional cost cut measures, company believes that our financial position for securing the necessary working capital for next fiscal year would not be sufficient. Therefore, to our regret, we are projecting not to issue the dividend for the fiscal year ending March 31, 2011.

- If the performances of the company exceed beyond the current assumptions to realize the revenue above disclosed forecasts during the fiscal year ending March 31, 2011, company plans to give priority to apply the amount of operating profit above forecast to restore the bonus reduction which to be applied to the general employee (union member). But if even after such restoration measure, we were able to achieve more operating profit beyond our forecast, we plan to consider execution of dividend pay which corresponds to the amount of such excess profit.

To our regret, we are projecting not to issue the dividend for interim period and year end of the fiscal year ending March 31, 2011.

If the performances of the company exceed beyond the current assumptions, company would like to give priority to apply it to restore the reduced payroll of the employee.

If the revenue exceed above our forecast for about 2 billion yen, we can achieve normal operating profit. Then, we would like to consider the dividend corresponds to the profit. We would like to continue our effort to reach this level.



This page shows what our group would be subjected to the revision of the worker dispatch law which is under discussion in the diet.

We acknowledge that it is in direction to strengthening the restriction in the so called general worker dispatching business which is unstable type of dispatching.

But since in our main business, temporary engineer dispatching, is full-time employment type as regular companies, and is not subjected to the restrictions. Therefore, our core business at the Meitec and Meitec Fielders would not be affected by this revision of the law.

But, since Meitec Cast is a general worker dispatching business, their market might be in trend of reduction.

Therefore we have taken a strategy to merging the general dispatching business specialized in senior age engineer conducted by Meitec Expert to that of Meitec Cast, and also to concentrate its business target to engineer dispatching to counter the strengthening of the restrictions.

MEITEC

<About Change of Strategy for Chinese Business>

1. Bridge Engineer Business

- As of April 1, 2010, it was integrated in to Meitec. (about 100 engineers)

2. Chinese local business

- Reduction of vocational training business locations to two from five locations.
- Turned to focus on introducing trained Chinese engineer to subsidiaries of Japanese manufactures located in China.
  - ＊ About 100 engineers introduced for FY ended 3/2010
  - ＊ Planned to introduce 200 engineers for FY ending 3/2011

Sifting our Chinese business toward providing services to local Chinese companies

This page describe our global business.

We have condensed the bridge engineer business to 100 engineer, and merged with Meitec business.

At the time of Riemann shock, there was a accelerated flow of globalization among Japanese manufacturing industries. And there was movement to sifting R&D function to China.

Also, engineer needs were higher in China, after condensing the bridge engineer to 100, we were able to introduce jobs to remaining 200 bridge engineer within China.

To leave the means to meet with such need, as a mid to long term strategy, we are planning to keep the Chinese business at small scale

As a result, we have concentrated our educational location in China to two locations. And by focusing our Chinese business to be introduction of engineers trained at these location to the Japanese manufacture' in China, we would like to preserve our global business.

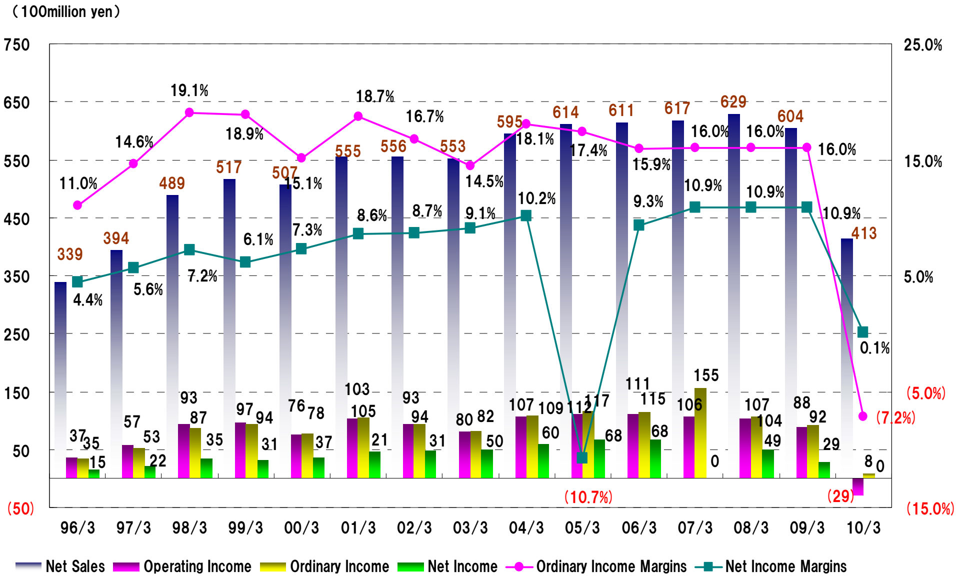
Since the manufacturing industries are still seeking to sift its production to China, Meitec Group also would like to keep the means to meet this trend.

Our Chinese business would experience minor loss, but we forecast that the engineering solution business would be slightly profitable. Therefore, we will make our effort to achieve profit on consolidated basis.

MEITEC

<Non-Consolidated Operating Results for the FY2010>

- For the fiscal year ended March 31, 2010 -



Appendix-1

<Core Business(Temporary engineers staffing business)Results FY2010>

			MT+MF+ MGS+CAE	MT+MF +MGS	MT	MF	MGS	CAE
FY2010	Utilization Ratio	Actual	-	70.0%	71.9%	74.8%	26.6%	-
		FY2009	-	92.8%	95.0%	96.3%	43.6%	-
	Operating Hours	Actual	-	-	8.60h/day	8.66h/day	7.95h/day	-
		FY2009	-	-	8.86h/day	8.90h/day	8.54h/day	-
	Number of Engineers	Actual	7,324	7,237	5,765	1,360	112	87
		FY2009	7,612	7,533	5,788	1,414	331	79

MEITEC

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

(Millions of yen)

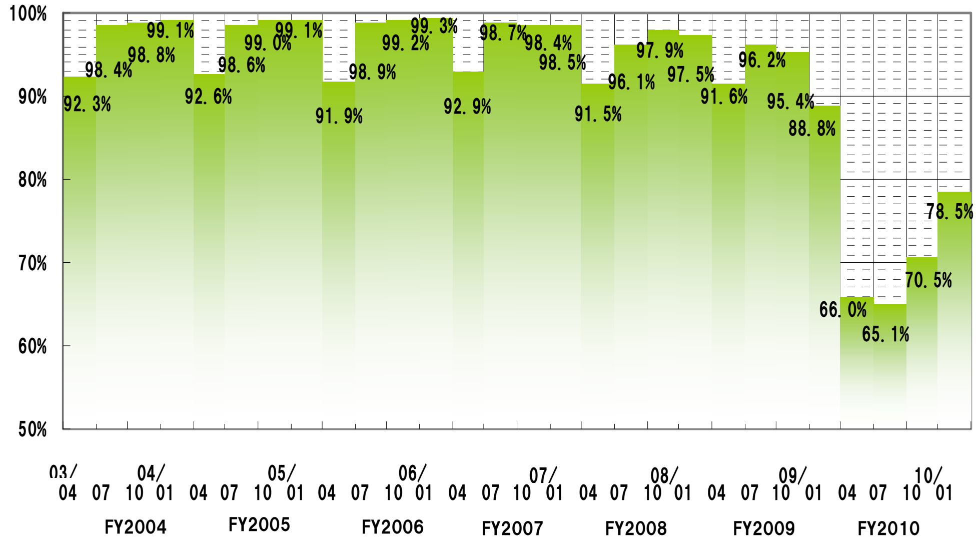
Segment	FY2006	FY2007	FY2008	FY2009	FY2010			
	Nete Sales				Net Sales	Total Net Sales (%)	Change	Change (%)
Automobile/Transportation	13,432	13,083	12,927	12,408	7,629	18.5%	(4,779)	(38.5%)
Aircraft/Aerospace	3,090	3,086	3,056	3,029	3,156	7.6%	127	+4.2%
Industrial Machinery	5,982	6,814	7,695	7,988	5,464	13.2%	(2,524)	(31.6%)
Precision Equipment	2,963	3,194	3,151	3,411	2,711	6.6%	(700)	(20.5%)
IT Related Hardware and Devices	6,609	6,845	7,009	6,312	4,519	10.9%	(1,793)	(28.4%)
Electric and Electronics	10,333	9,993	10,324	9,860	6,624	16.0%	(3,236)	(32.8%)
Semiconductors and Integrated Circuits Design	9,680	9,274	8,834	7,459	3,750	9.1%	(3,709)	(49.7%)
Semiconductor Equipment and Devices	2,871	2,983	2,976	2,676	962	2.3%	(1,714)	(64.0%)
Information Processing/Software	3,105	3,227	3,467	3,510	3,100	7.5%	(410)	(11.7%)
Plant	999	937	936	1,274	1,118	2.7%	(156)	(12.2%)
Construction	260	261	274	190	179	0.4%	(11)	(5.5%)
Others	2,095	2,092	2,302	2,335	2,106	5.1%	(229)	(9.8%)
Total	61,425	61,795	62,956	60,457	41,319	100.0%	(19,138)	(31.7%)

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

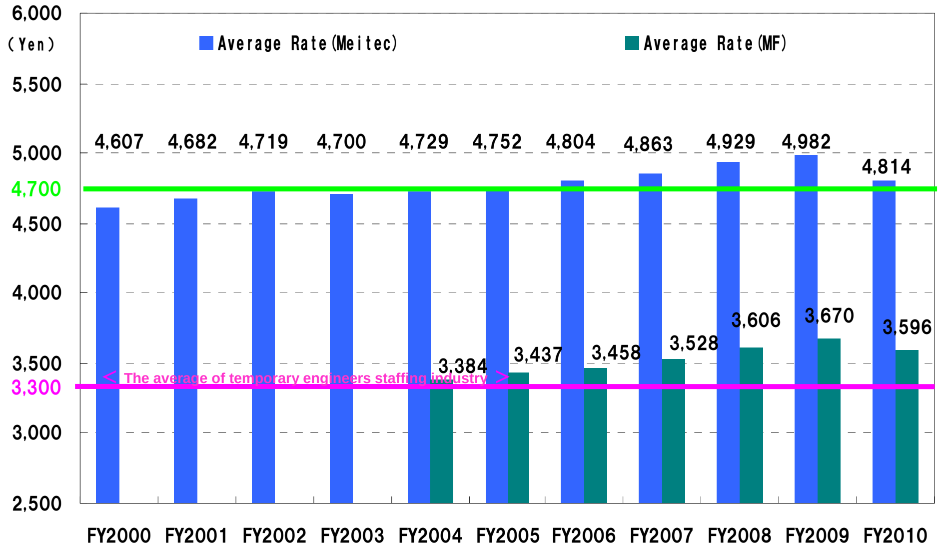
< Five years ago >　　　　< Current > (million yen)

Fiscal year ended March 31,2005			Fiscal year ended March 31,2009			Fiscal year ended March 31,2010		
Companies Name			Companies Name			Companies Name		
1 Panasonic			1 Panasonic			1 Panasonic		
2 Sony Corp.			2 Canon Inc.			2 Mitsubishi Heavy		
3 Toyota Motor			3 Sony Corp.			3 Canon Inc.		
4 Canon Inc.			4 Mitsubishi Heavy			4 Sony Corp.		
5 Mitsubishi Heavy			5 Denso Corporation			5 Toyota Motor		
6 Seiko Epson			6 Nikon Corp.			6 Denso Corporation		
7 Nikon Corp.			7 Omron Corp.			7 Nikon Corp.		
8 Omron Corp.			8 Toyota Motor			8 Kawasaki Heavy		
9 Kawasaki Heavy			9 Seiko Epson			9 Seiko Epson		
10 Sony EMCS			10 Yazaki Parts			10 Omron Corp.		
Top 10 Total	21,909	35.9%	Top 10 Total	20,610	34.1%	Top 10 Total	14,826	35.9%
Top 20 Total	29,050	47.5%	Top 20 Total	27,096	44.8%	Top 20 Total	19,281	46.7%
Others	32,059	52.5%	Others	33,361	55.2%	Others	22,039	53.3%
Total	61,109	100.0%	Total	60,457	100.0%	Total	41,319	100.0%

<Utilization Ratio (Meitec Fielders)>

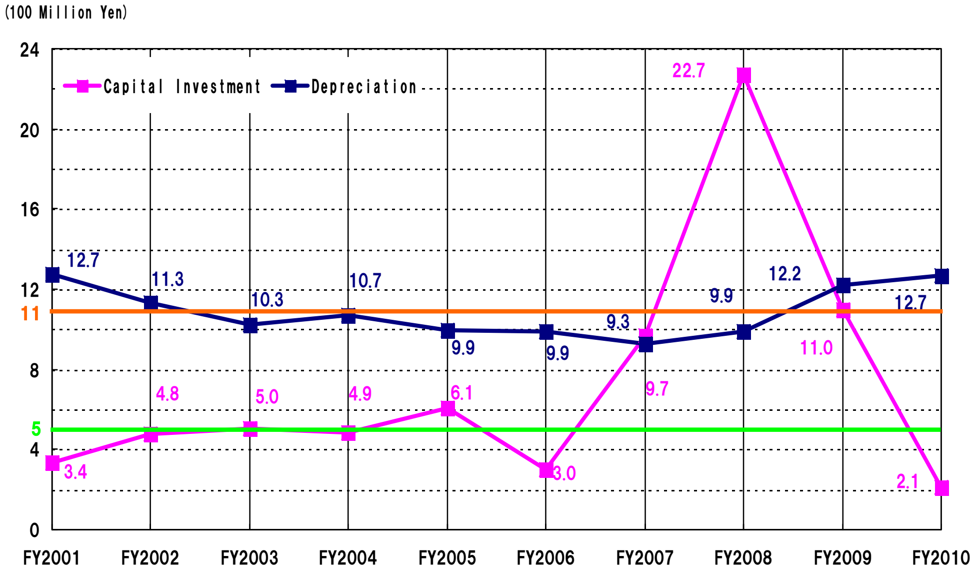


<Trend in Average Rate (Meitec, Meitec Fielders)>

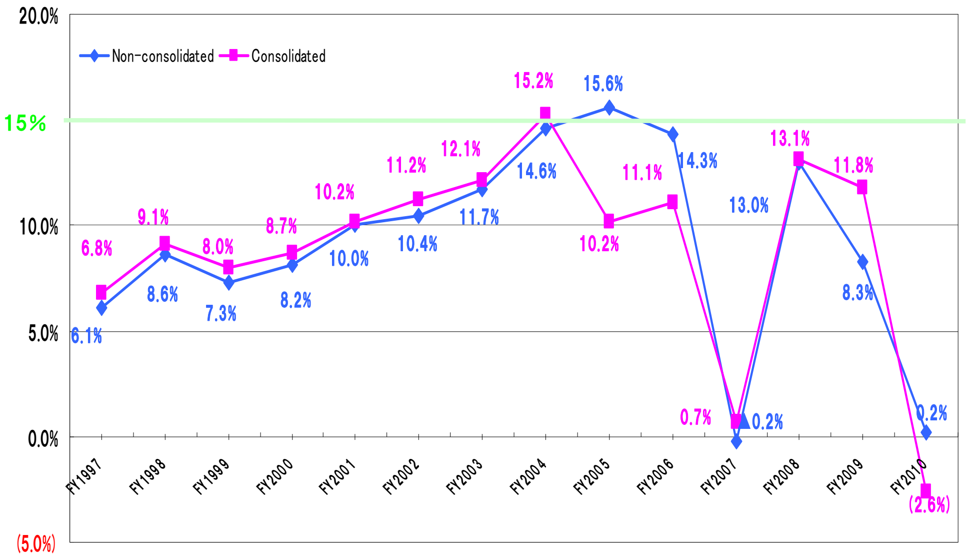


<Capital Investments and Depreciations (Non-Consolidated)>

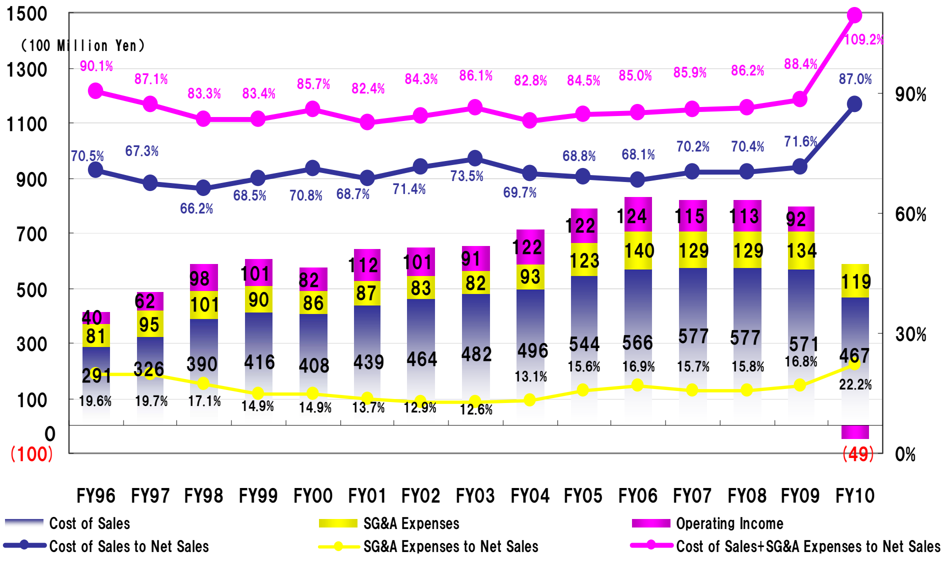
- From the FY2001 to the FY2010 -



<Return on Equity (ROE) From the FY1997 to the FY2010>

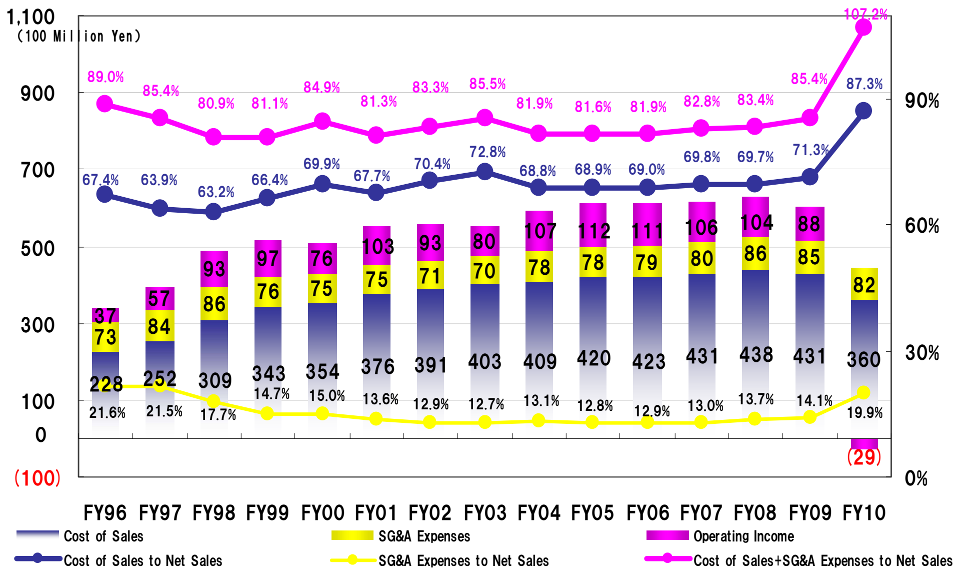


<Consolidated SG&A Expenses and Cost of Sales, and Their Ratio to the Sales>



Appendix-9

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



<Shareholders by Business Segments (Non-Consolidated)>

Shareholder Segment	(As of the Fiscal year ended March 31, 2010)			
	Shareholders	%	Shares Held	%
Banks	3	0.04%	1,137,401	3.24%
Trust Banks	23	0.33%	5,947,700	16.95%
Life and against loss insurance companies	27	0.38%	4,541,183	12.94%
Securities financing and other financial companies	3	0.04%	3,660	0.01%
Securities companies	30	0.42%	83,740	0.24%
Business concerns and other companies	119	1.69%	337,300	0.96%
Overseas companies and investors	145	2.05%	17,287,179	49.25%
Individuals and others	6,709	95.04%	5,761,837	16.41%
Total	7,059	100.0%	35,100,000	100.0%