



## Consolidated Financial Report For the Fiscal Year Ended March 31, 2013

May 9, 2013

Company Name: Meitec Corporation  
Representative: Kosuke Nishimoto  
President, Group CEO  
Code No.: 9744 TSE 1<sup>ST</sup> Section

### 1. Consolidated Results for the Fiscal Year Ended March 31, 2013 (April 1, 2012 to March 31, 2013)

(Fractions of one million yen are rounded down)

#### (1) 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 ended March 31, 2013	70,330	5.0	6,354	16.6	6,427	16.2	5,993	112.0
FY ended March 31, 2012	66,955	8.4	5,450	108.0	5,531	20.6	2,827	(23.4)

(Note) Comprehensive Income; FY ended March 31, 2013: 5,983 million yen [111.7%]  
FY ended March 31, 2012: 2,826 million yen [(23.6%)]

	Net Income per Share	Diluted Net Income per Share	Return on Equity	Ordinary Income to Total Assets ratio	Operating Income per Net Sales
	Yen	Yen	%	%	%
FY ended March 31, 2013	186.08	—	15.9	11.1	9.0
FY ended March 31, 2012	85.45	—	7.6	9.8	8.1

#### (2) Consolidated financial position

	Total assets	Net assets	Equity ratio	Net Assets per share
	Millions of Yen	Millions of Yen	%	Yen
As of March 31, 2013	58,002	38,422	66.1	1,229.62
As of March 31, 2012	57,559	37,209	64.5	1,135.10

Reference: Shareholders' Equity; as of March 31, 2013: 38,360 million yen  
as of March 31, 2012: 37,121 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
As of March 31, 2013	5,205	(465)	(4,837)	26,592
As of March 31, 2012	5,753	(292)	(2,769)	26,686

### 2. Dividends

	Annual Dividends per Share					Total Amount (Annual)	Dividend Payout ratio (Consolidated)	Dividend on Equity (Consolidated)
	1st Quarter	2nd Quarter	3rd Quarter	Year-end	Total			
	Yen	Yen	Yen	Yen	Yen	Millions of Yen	%	%
FY ended March 31, 2012	—	29.00	—	29.50	58.50	1,925	68.5	5.2
FY ended March 31, 2013	—	30.00	—	69.00	99.00	3,133	53.2	8.4
FY ending March 31, 2014 (Forecast)	—	31.50	—	40.50	72.00		56.2	

### 3. Consolidated Forecasts for the Fiscal Year Ending March 31, 2014 (April 1, 2013 to March 31, 2014)

(% 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	%	
Six months ending September 30, 2013	35,500	4.0	2,600	(10.1)	2,600	(11.7)	1,500	(11.3)	48.08
FY ending March 31, 2014	73,500	4.5	6,400	0.7	6,400	(0.4)	4,000	(33.3)	128.22

#### Notes to Financial Statements

- (1) Significant changes involving subsidiaries during the term: None  
(Changes in specific subsidiaries that affected the scope of consolidation)
- (2) Change in accounting principle, procedure and presentation method for preparing the consolidated financial statements
  - i. Change in accounting principle : Yes
  - ii. Changes not relating to i. : None
  - iii. Changes in accounting estimates : Yes
  - iv. Restatements : None
- (3) Number of shares issued (common stock)
  - i. Number of shares issued at the fiscal year end (including treasury shares)
 

FY ended March 31, 2013:	33,000,000
FY ended March 31, 2012:	34,700,000
  - ii. Number of treasury shares at the fiscal year end
 

FY ended March 31, 2013:	1,802,520
FY ended March 31, 2012:	1,996,719
  - iii. Average number of shares outstanding during the period
 

FY ended March 31, 2013:	32,207,554
FY ended March 31, 2012:	33,088,344

(Reference)

1. Non-Consolidated Results for the Fiscal Year Ended March 31, 2013

(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 ended March 31, 2013	55,822	5.0	5,402	17.1	5,698	14.2	6,056	133.8
FY ended March 31, 2012	53,188	10.2	4,613	167.5	4,988	40.5	2,590	21.0

	Net Income per Share	Diluted Net Income
	Yen	Yen
FY ended March 31, 2013	188.04	—
FY ended March 31, 2012	78.28	—

(2) Non-Consolidated financial position

	Total assets	Net assets	Equity ratio	Net Assets per share
	Millions of Yen	Millions of Yen	%	%
As of March 31, 2013	55,918	36,507	65.3	1,170.20
As of March 31, 2012	55,504	35,203	63.4	1,076.45

Reference: Shareholders' Equity; as of March 31, 2013: 36,507 million yen  
as of March 31, 2012: 35,203 million yen

2. Non-Consolidated Forecasts for the Fiscal Year Ending March 31, 2014

(% 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	%	
Six months ending September 30, 2013	28,000	3.2	2,200	(10.6)	2,600	(5.1)	1,650	3.6	52.89
FY ending March 31, 2014	58,000	3.9	5,400	(0.1)	5,800	1.8	3,600	(40.6)	115.39

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 earning forecasts, please refer to "(1)-4. Forecast for the Fiscal Year Ending March 31, 2014" under "1. Analysis of Operating Results and Financial Position" on Page 8.

## 1. Qualitative Information on the Consolidated Results for the Fiscal Year Ended March 31, 2013

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

Figure 1: Summary ; Consolidated Operating Results

(Millions of yen, rounded down)	FY ended Mar. 31, 2012	FY ended Mar. 31, 2013				
		First Half	Second Half	Full Year	YoY Amount	Change(%)
Net Sales	66,955	34,130	36,199	70,330	+3,375	+5.0%
Cost of Sales	49,875	25,119	26,519	51,639	+1,763	+3.5%
SG&A Expenses	11,629	6,119	6,218	12,337	+707	+6.1%
Operating Income	5,450	2,891	3,462	6,354	+903	+16.6%
Ordinary Income	5,531	2,945	3,481	6,427	+895	+16.2%
Income before income taxes and minority interests	5,526	2,786	3,484	6,270	+743	+13.5%
Net Income	2,827	1,692	4,301	5,993	+3,165	+112.0%

Figure 2: Summary ; Results of Four Business Domains

(Millions of yen, rounded down)	Meitec Group (Consolidated)					
	Temporary Staffing Business	Engineering Solutions Business	Global Business	Recruiting & Placement Business	Eliminations / Corporate	
Net Sales	70,330	67,281	2,660	69	739	(420)
Component Ratio	100.0%	95.7%	3.8%	0.1%	1.0%	(0.6%)
YoY Amount	+3,375	+3,454	(344)	+41	+140	+83
%Change	+5.0%	+5.4%	(11.5%)	+148.9%	+23.4%	—
Operating Income	6,354	6,144	87	(59)	176	5
Component Ratio	100.0%	96.7%	1.4%	(0.9%)	2.7%	0.1%
YoY Amount	+903	+918	(54)	+11	+27	(0)
%Change	+16.6%	+17.6%	(38.2%)	—	+18.8%	0.0%

Figure 3: Summary ; 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	55,822	+2,633	5,402	+789	5,698	+709	6,056	+3,466
	Meitec Fielders	9,349	+838	648	+111	651	+111	378	+103
	Meitec Cast	2,409	+39	84	+16	86	+17	53	+19
Engineering Solutions Business	Meitec CAE	1,102	(48)	127	+3	127	+3	73	+3
	Apollo Giken Gr.	1,558	(297)	(37)	(56)	(31)	(54)	2	+2
Global Business	Meitec Shanghai	0	(0)	(9)	(0)	(8)	+0	(8)	+0
	Meitec Xian	12	+7	(17)	+2	(17)	+2	(17)	+2
	Meitec Chengdu	11	+9	(16)	+0	(16)	+0	(16)	+0
	Meitec Shanghai HR	44	+24	(15)	+6	(16)	+6	(16)	+6
Recruiting & Placement Business	Meitec Next	734	+140	221	+74	221	+73	201	+54
	all engineer.jp	8	(0)	(43)	(45)	(43)	(45)	(44)	(45)

Figure 4: Meitec Group Temporary Engineer Staffing Business

		FY ended March 31, 2012	FY ended March 31, 2013
MT* <sup>1</sup> +MF* <sup>2</sup> +CAE* <sup>3</sup>	Period-End Engineering Staff <sup>d</sup>	6,634	6,878
MT* <sup>1</sup> +MF* <sup>2</sup>	Period-End Engineering Staff <sup>d</sup>	6,552	6,800
	Utilization ratio (Company-wide)	93.6%	95.1%
	Utilization ratio (Excluding new hires <sup>2</sup> )	94.1%	96.7%
MT* <sup>1</sup>	Period-End Engineering Staff <sup>d</sup>	5,385	5,510
	Of which assigned to internal engineering projects <sup>1</sup>	62	61
	Utilization ratio (Company-wide)	93.2%	95.4%
	Utilization ratio (Excluding new hires <sup>2</sup> )	93.5%	96.5%
	Working Hours	8.83h/day	8.88h/day
MF* <sup>2</sup>	Period-End Engineering Staff	1,167	1,290
	Utilization ratio (Company-wide)	95.5%	94.1%
	Utilization ratio (Excluding new hires <sup>2</sup> )	96.7%	97.6%
	Working Hours	8.84h/day	8.92h/day
CAE* <sup>3</sup>	Period-End Engineering Staff	82	78

\*1 : Meitec Corporation    \*2 : Meitec Fielders, Inc    \*3 : Meitec CAE Corporation

Note 1: Number of engineers for Meitec does 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.

See the Meitec homepage for monthly and quarterly utilization ratio figures:

<http://www3.meitec.co.jp/e/ir/index/tabid/633/Default.aspx>

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

During the fiscal year ended March 31, 2013 (from April 1, 2012, to March 31, 2013), expectations increased for a recovery of the Japanese economy. The Japanese economy remained highly uncertain until the third quarter due to European financial problems, the deceleration of the Chinese economy, persistent yen appreciation and other factors. However, during the fourth quarter, the excessively high yen appreciation was corrected and stock prices rose, partly because of the effect of economic measures implemented by the new government administration and rising expectations of an end to deflation.

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

During the fiscal year under review, many leading manufacturers, which are the major customers of the Company, steadily continued investments in technological development looking to the next generation despite the near-term economic uncertainty. Under such circumstances, we continued to improve the utilization ratio via aggressive recruiting activities to increase the number of engineers and reinforcing sales activities.

Primarily for this reason, consolidated net sales increased ¥3,375 million, or 5.0%, from the previous year to ¥70,330 million. Consolidated cost of sales advanced ¥1,763 million, or 3.5%, from a year earlier to ¥51,639 million, chiefly because of increased labor costs due to an increase in the number of engineers. Consolidated selling, general and administrative expenses rose ¥707 million, or 6.1%, to ¥12,337 million, primarily due to increased strategic investments. As a result, consolidated operating income jumped ¥903 million, or 16.6%, from a year earlier to ¥6,354 million. Consolidated ordinary income increased ¥895 million, or 16.2%, from a year earlier to ¥6,427 million. Consolidated net income for the fiscal year under review increased ¥3,165 million, or 112.0%, from a year earlier to ¥5,993 million due to a temporary decline in tax expenses mainly associated with the dissolution of a subsidiary.

#### (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, we were able to increase the number of engineers through aggressive and ongoing recruiting activities. We also steadily secured orders received and landed new contracts by reinforcing sales activities, resulting in the Company's non-consolidated average utilization ratio (overall) of 95.4% (compared with 93.2% a year earlier). Also, working hours were steady at 8.88 hours/day (8.83 hours/day for the previous year).

Mainly for this reason, net sales in the Temporary Staffing Business for the fiscal year under review increased ¥3,454 million, or 5.4%, from a year earlier to ¥67,281 million, and operating income raised ¥918 million, or 17.6%, to ¥6,144 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.

Net sales in the Engineering Solutions Business for the fiscal year under review decreased ¥344 million, or 11.5%, from a year earlier to ¥2,660 million. Operating income decreased ¥54 million, or 38.2%, from a year earlier to ¥87 million.

Meitec CAE had a year-over-year decrease in net sales due to a reduced number of orders but achieved increased profits through cost reduction. The Apollo Giken Group recorded an operating loss, reflecting a decrease in orders from some of its customers.

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

The Global Business engages in job placement and vocational training for students to supply human resources for Japanese manufacturers that operate in the coastal areas of China.

Net sales in the Global Business for the fiscal year under review increased ¥41 million, or 148.9%, from a year earlier to ¥69 million, and an operating loss of ¥59 million was posted compared with a loss of ¥70 million a year earlier.

##### (1)- 3.iv Recruiting & Placement Business

The Recruiting & Placement Business involves the job placement and an information portal site business intended for engineers. Net sales in the Recruiting & Placement Business advanced ¥140 million, or 23.4%, from a year earlier to ¥739 million, and operating income increased ¥27 million, or 18.8%, to ¥176 million.

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

(1)-4. Earnings Forecasts

Figure 5: Consolidated Forecast (April 1, 2013 to March 31, 2014)

(Millions of Yen)	Net Sales	Operating Income	Ordinary Income	Net Income
Forecast for the six months ending Sept. 30 2013	35,500	2,600	2,600	1,500
Comparison to the six months ended Sept. 30 2012	+1,369	(291)	(345)	(192)
Forecast for FY ending Mar. 31 2014	73,500	6,400	6,400	4,000
Comparison to FY ended Mar. 31 2013	+3,169	+45	(27)	(1,993)
Result for the six months ended Sept. 30 2012	34,130	2,891	2,945	1,692
Result for FY ended Mar. 31 2013	70,330	6,354	6,427	5,993

Figure 6: Non-consolidated Forecast (April 1, 2013 to March 31, 2014)

(Millions of Yen)	Net Sales	Operating Income	Ordinary Income	Net Income
Forecast for the six months ending Sept. 30 2013	28,000	2,200	2,600	1,650
Comparison to the six months ended Sept. 30 2012	+874	(260)	(139)	+56
Forecast for FY ending Mar. 31 2014	58,000	5,400	5,800	3,600
Comparison to FY ended Mar. 31 2013	+2,177	(2)	+101	(2,456)
Result for the six months ended Sept. 30 2012	27,125	2,460	2,739	1,593
Result for FY ended Mar. 31 2013	55,822	5,402	5,698	6,056

Figure 7: Forecasts for Meitec Group for the FY Ending March 31, 2014 (April 1, 2013 to March 31, 2014)

(Millions of Yen)	Net Sales	Operating Income	Ordinary Income	Net Income
Meitec	58,000	5,400	5,800	3,600
Meitec Fielders	9,500	540	540	330
Meitec Cast	2,400	60	60	30
Meitec CAE	1,100	140	140	80
Apollo Giken Gr.	1,800	40	40	30
Meitec Shanghai	0	(15)	(15)	(15)
Meitec Xian	10	(20)	(20)	(20)
Meitec Chengdu	10	(25)	(25)	(25)
Meitec Shanghai Human Resources	80	(10)	(10)	(10)
Meitec Next	880	200	200	190
All engineer.jp	50	(20)	(20)	(20)

Figure 8: Prerequisites for the Forecast (April 1, 2013 to March 31, 2014)

	Meitec	Meitec Fielders
Utilization Ratio(Company-wide)	95.0%	91.4%
First half	93.5%	87.3%
Second Half	96.6%	95.5%
Working Hours	8.88h/day	8.92h/day
Newly graduated hires*	379	167
Previous Fiscal Year	220	169
Mid-career Hire	250	125
Previous Fiscal Year	185	101
Turnover Ratio	6.0%	11.0%

\*Number of engineers hired as of April 1, 2013, who were recent graduates

We announced our forecast for the fiscal year ending March 31, 2014, based on the aforementioned Figure 8: Prerequisites for the Performance Forecasts for the Fiscal Year Ending March 31, 2014, considering economic uncertainty despite rising expectations for an economic recovery going forward and assuming a continuous increase in the number of engineers from our aggressive and ongoing recruiting activities and steady demand for engineers. We forecast consolidated net sales of ¥73,500 million, a year-on-year increase of ¥3,169 million, or 4.5%. Consolidated operating income is projected to increase ¥45 million, or 0.7%, from a year earlier to ¥6,400 million, considering strategic investment plans to be included in consolidated selling, general and administrative expenses. Consolidated ordinary income is forecast to decline ¥27 million, or 0.4%, from a year earlier to ¥6,400 million. Consolidated net income is estimated to decrease ¥1,993 million, or 33.3%, from a year earlier to ¥4,000 million because a temporary decrease in tax expenses in the previous fiscal year will return to a normal level.

Note: 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. Actual results may therefore differ materially from these statements for various reasons.

Some important factors that might have an effect on business performance pertain to Business Risks stated in the Company's annual securities report and other information already released, but factors influencing business performance are not limited to those released.



## (2) Qualitative Information on the Consolidated Financial Position

Figure 9: Overview of the Consolidated Financial Position

(Millions of yen, rounded down)	As of March 31, 2012	As of March 31, 2013	YoY Amount	Change(%)
Total current assets	40,643	41,802	+1,158	+2.9%
Total noncurrent assets	16,915	16,199	(715)	(4.2%)
Total assets	57,559	58,002	+443	+0.8%
Total current liabilities	11,165	9,683	(1,482)	(13.3%)
Total noncurrent liabilities	9,183	9,895	+711	+7.8%
Total liabilities	20,349	19,579	(770)	(3.8%)
Total shareholders' equity	38,017	39,264	+1,246	+3.3%
Valuation and translation adjustments	(895)	(903)	(7)	-
Minority interests	87	61	(26)	(29.9%)
Total net assets	37,209	38,422	+1,213	+3.3%
Total liabilities and net assets	57,559	58,002	+443	+0.8%

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

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

Total consolidated assets at the end of this fiscal year (March 31, 2013) increased ¥443 million from March 31, 2012, to ¥58,002 million, mainly due to an increase of ¥1,158 million in current assets from the previous fiscal year end.

The increase in current assets was chiefly due to an increase in income taxes receivable.

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

Total consolidated liabilities at the end of this fiscal year (March 31, 2013) decreased ¥770 million from March 31, 2012, to ¥19,579 million, primarily due to a decrease in ¥1,482 million in current liabilities from the previous fiscal year end.

The major factors responsible for the decrease in current liabilities included a decrease in the income taxes payable.

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

Total consolidated net assets at the end of this fiscal year (March 31, 2013) increased ¥1,213 million from March 31, 2012, to ¥38,422 million. This was mainly due to the increase in retained earnings according to the operating results of the fiscal year under review.

## (2)-2. Cash Flows

Figure 10: Cash Flow-Related Indicators

	FYE Mar-09	FYE Mar-10	FYE Mar-11	FYE Mar-12	FYE Mar-13
Equity Ratio	66.1%	69.8%	66.2%	64.5%	66.1%
Equity Ratio on a Market Value Basis	74.3%	127.4%	98.9%	94.8%	133.3%
Ratio of Interest-bearing Debt to Operating Cash Flow	—	—	—	—	—
Interest Coverage Ratio	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.

Consolidated cash and cash equivalents (hereafter, Cash) had decreased by ¥93 million compared to the previous fiscal year end to ¥26,592 million.

Status and factors of the cash flow of the fiscal year under review for are as following:

### (2)-2.i Cash Flow from Operating Activities

Cash gained from the operating activities decreased by ¥547 million compared to the previous fiscal year to ¥5,205 million.

Major portion of the gain was ¥6,270 million from income before income taxes and minority interests.

### (2)-2.ii Cash Flow from Investing Activities

Cash used in the investing activities increased by ¥173 million compared to the previous fiscal year to ¥465 million.

Major portion was the ¥357 million used for purchase of intangible assets.

### (2)-2.iii Cash Flow from Financing Activities

Cash used in the financing activities increased by ¥2,068 million compared to the previous fiscal year to ¥4,837 million.

Major portion was ¥2,800 million from purchase of treasury stock and ¥1,945 million from cash dividends paid.

## (2)-3. Forecast for the Fiscal Year Ending March 31, 2014

By steadily implementing various measures to meet the goal of our plans, we expect to secure sufficient cash flows to achieve our performance forecasts and no significant change in financial position from the end of this fiscal year (March 31, 2013).

### (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 11: Results and Forecast of Dividend per Share

	1st Quarter	2nd Quarter	3rd Quarter	Year-end	Full Year
	Yen	Yen	Yen	Yen	Yen
FY ended March 31, 2012	—	29.00	—	29.50	58.50
FY ended March 31, 2013	—	30.00	—	69.00	99.00
FY ending March 31, 2014 (Forecast)	—	31.50	—	40.50	72.00

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

The year-end dividend for the fiscal year ended March 31, 2013 was determined to be ¥69 per share, accounting for a 50% payout ratio of net income for the second half, which is in line with our basic policy regarding profit distribution.

Combined with the interim dividend of ¥30 per share, the annual dividend for the fiscal year under review is ¥99 per share, or an increase of ¥40.50 from the previous fiscal year. The payout ratio is 53%.

#### (3)-3. Dividend Forecast for the Fiscal Year Ending March 31, 2014

In consideration of the performance forecast and according to its profit distribution policy, the Company forecasts dividends for the fiscal year ending March 31, 2014 as follows. The interim dividend is forecast to be ¥31.50 per share, or a consolidated DOE ratio of 5%. The year-end dividend is projected to be ¥40.50 per share, or a payout ratio of 50% of net income for the second half of the year. The resulting annual dividend would therefore be ¥72 per share, a decrease of ¥27 from the preceding year. We forecast the total amount of dividend to be about ¥2,200 million.

#### (3)-4. Treasury Stock Acquisition for the Fiscal Year Ending March 31, 2014

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 purchase of treasury stock amounting to ¥1,800 million during the fiscal year ending March 31, 2014, which is within the amount equivalent to a total return ratio of 100%, in accordance with our profit distribution policy.

※Total return ratio of 100% = (Estimated amount of dividends [¥2,200 million] + Scheduled amount of treasury stock purchase [¥1,800 million]) / Estimated amount of consolidated net income [¥4,000 million]

## 2. Management Policies

### (1) Basic Policy on Company Management

Related disclosure is omitted because there have been no significant changes from the content of the Financial Highlights for the Fiscal Year Ended March 31, 2011 (submitted on May 12, 2011).

Please see below URL for the financial highlights.

Meitec Homepage

<http://www3.meitec.co.jp/e/ir/data/tabid/352/Default.aspx>

Tokyo Stock Exchange Homepage

<http://www.tse.or.jp/listing/compsearch/index.html>

### (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 were modified in April 2012 after one year of efforts under the Plan. Performance targets on consolidated and non-consolidated bases have been revised after two years of engagement to those set for the fiscal year ending March 31, 2014, as follows.

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

##### (i) Group’s performance targets after three years:

a Consolidated sales of over ¥73,500 million (revised)

\* Non-consolidated sales of over ¥58,000 million (revised)

b Consolidated operating income of over ¥6,400 million (revised)

\* Non-consolidated operating income ratio to be equal or more than 9% (revised)

c Consolidated ROE to be equal or more than 10%

##### (ii) Strategic targets of the core business, temporary engineer staffing business (Meitec Alone)

Related disclosure is omitted because there have been no significant changes from the content of the Financial Highlights for the Fiscal Year Ended March 31, 2012 (submitted on May 10, 2012).

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

Related disclosure is omitted because there have been no significant changes from the content of the Financial Highlights for the Fiscal Year Ended March 31, 2011 (submitted on May 12, 2011).

### 3. Consolidated Financial statements

#### (1) Consolidated Balance Sheets

(Thousands of Yen)

	Fiscal year ended March 31, 2012	Fiscal year ended March 31, 2013
<b>Assets</b>		
Current assets		
Cash and deposits	26,686,586	26,592,997
Notes and accounts receivable-trade	10,675,469	10,887,556
Work in process	276,722	286,234
Deferred tax assets	2,131,336	2,490,466
Income taxes receivable	—	663,796
Other	888,233	892,024
Allowance for doubtful accounts	(14,787)	(10,670)
Total current assets	40,643,560	41,802,406
Noncurrent assets		
Property, plant and equipment		
Buildings and structures, net	7,319,367	6,858,455
Tools, furniture and fixtures, net	227,400	278,199
Land	3,584,867	3,584,867
Construction in progress	—	116,519
Other, net	125,850	70,515
Total property, plant and equipment	11,257,485	10,908,556
Intangible assets		
Software	1,300,845	686,560
Software in progress	53,728	259,600
Other	75,315	81,084
Total intangible assets	1,429,889	1,027,245
Investments and other assets		
Investment securities	325,548	137,140
Deferred tax assets	3,228,593	3,510,804
Other	766,550	639,732
Allowance for doubtful accounts	(92,600)	(23,709)
Total investments and other assets	4,228,090	4,263,967
Total noncurrent assets	16,915,466	16,199,770
Total assets	57,559,026	58,002,176

(Thousands of Yen)

	Fiscal year ended March 31, 2012	Fiscal year ended March 31, 2013
<b>Liabilities</b>		
Current liabilities		
Accounts payable-trade	150,709	104,196
Accrued expenses	2,508,955	2,610,457
Income taxes payable	1,733,120	296,558
Accrued consumption taxes	687,569	649,390
Provision for directors' bonuses	57,000	125,644
Provision for bonuses	4,688,707	4,662,319
Other	1,339,722	1,235,188
Total current liabilities	<u>11,165,783</u>	<u>9,683,754</u>
Noncurrent liabilities		
Deferred tax liabilities	261	—
Deferred tax liabilities for land revaluation	37,366	37,366
Provision for retirement benefits	9,079,274	9,843,318
Other	67,002	15,138
Total noncurrent liabilities	<u>9,183,904</u>	<u>9,895,824</u>
Total liabilities	<u>20,349,688</u>	<u>19,579,578</u>
<b>Net assets</b>		
Shareholders' equity		
Capital stock	16,825,881	16,825,881
Capital surplus	13,343,429	9,299,905
Retained earnings	13,378,463	17,425,800
Treasury stock	(5,530,419)	(4,287,298)
Total shareholders' equity	<u>38,017,355</u>	<u>39,264,288</u>
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	12,979	6,378
Revaluation reserve for land	(878,313)	(878,313)
Foreign currency translation adjustment	(30,644)	(31,401)
Total accumulated other comprehensive income	<u>(895,978)</u>	<u>(903,336)</u>
Minority interests	<u>87,961</u>	<u>61,645</u>
Total net assets	<u>37,209,338</u>	<u>38,422,597</u>
Total liabilities and net assets	<u>57,559,026</u>	<u>58,002,176</u>

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

(Thousands of Yen)

	Fiscal year ended March 31, 2012	Fiscal year ended March 31, 2013
Net sales	66,955,318	70,330,667
Cost of sales	49,875,407	51,639,012
Gross profit	17,079,910	18,691,655
Selling, general and administrative expenses	11,629,618	12,337,497
Operating income	5,450,292	6,354,158
Non-operating income		
Interest income	6,808	6,916
Dividends income	4,828	5,024
Rent income	10,741	9,823
Reversal of allowance for doubtful accounts	25,858	51,177
Other	65,845	24,433
Total non-operating income	114,081	97,375
Non-operating expenses		
Commitment fee	5,808	5,220
Loss on investments in partnership	—	9,166
Other	27,021	9,732
Total non-operating expenses	32,829	24,119
Ordinary income	5,531,544	6,427,414
Extraordinary income		
Gain on sales of investment securities	—	10,695
Settlement received	—	47,903
Total extraordinary income	—	58,599
Extraordinary loss		
Impairment loss	—	202,406
Other	4,936	13,058
Total extraordinary losses	4,936	215,465
Income before income taxes and minority interests	5,526,608	6,270,548
Income taxes-current	2,649,542	914,467
Income taxes-deferred	58,762	(633,866)
Total income taxes	2,708,304	280,600
Income before minority interests	2,818,303	5,989,948
Minority interests in income (loss)	(9,176)	(3,235)
Net income	2,827,479	5,993,183

(Consolidated Statements of Comprehensive Income)

(Thousands of Yen)

	Fiscal year ended March 31, 2012	Fiscal year ended March 31, 2013
Income before minority interests	2,818,303	5,989,948
Other comprehensive income		
Valuation difference on available-for-sale securities	4,398	(6,723)
Revaluation reserve for land	4,736	—
Foreign currency translation adjustment	(1,268)	581
Total other comprehensive income	7,867	(6,141)
Comprehensive income	2,826,170	5,983,806
Comprehensive income attributable to		
Comprehensive income attributable to owners of the parent	2,834,986	5,985,857
Comprehensive income attributable to minority interests	(8,815)	(2,051)



## (3) Consolidated Statements of Changes in Equity

(Thousands of Yen)

	Fiscal year ended March 31, 2012	Fiscal year ended March 31, 2013
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	16,825,881	16,825,881
Capital surplus		
Balance at the beginning of current period	14,451,367	13,343,429
Changes of items during the period		
Retirement of treasury stock	(1,107,901)	(4,043,454)
Disposal of treasury stock	(36)	(69)
Total changes of items during the period	(1,107,938)	(4,043,523)
Balance at the end of current period	13,343,429	9,299,905
Retained earnings		
Balance at the beginning of current period	12,405,944	13,378,463
Changes of items during the period		
Dividends from surplus	(1,871,540)	(1,945,846)
Net income	2,827,479	5,993,183
Change of scope of consolidation	16,579	—
Total changes of items during the period	972,518	4,047,337
Balance at the end of current period	13,378,463	17,425,800
Treasury stock		
Balance at the beginning of current period	(5,937,434)	(5,530,419)
Changes of items during the period		
Purchase of treasury stock	(700,961)	(2,800,516)
Retirement of treasury stock	1,107,901	4,043,454
Disposal of treasury stock	75	182
Total changes of items during the period	407,015	1,243,120
Balance at the end of current period	(5,530,419)	(4,287,298)
Total shareholders' equity		
Balance at the beginning of current period	37,745,759	38,017,355
Changes of items during the period		
Dividends from surplus	(1,871,540)	(1,945,846)
Net income	2,827,479	5,993,183
Purchase of treasury stock	(700,961)	(2,800,516)
Disposal of treasury stock	38	113
Change of scope of consolidation	16,579	—
Total changes of items during the period	271,596	1,246,933
Balance at the end of current period	38,017,355	39,264,288

(Thousands of Yen)

	Fiscal year ended March 31, 2012	Fiscal year ended March 31, 2013
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities		
Balance at the beginning of current period	6,191	12,979
Changes of items during the period		
Net changes of items other than shareholders' equity	6,787	(6,601)
Total changes of items during the period	6,787	(6,601)
Balance at the end of current period	12,979	6,378
Revaluation reserve for land		
Balance at the beginning of current period	(883,049)	(878,313)
Changes of items during the period		
Net changes of items other than shareholders' equity	4,736	—
Total changes of items during the period	4,736	—
Balance at the end of current period	(878,313)	(878,313)
Foreign currency translation adjustment		
Balance at the beginning of current period	(11,454)	(30,644)
Changes of items during the period		
Net changes of items other than shareholders' equity	(19,190)	(756)
Total changes of items during the period	(19,190)	(756)
Balance at the end of current period	(30,644)	(31,401)
Remeasurements of defined benefit plans		
Changes of items during period		
Total accumulated other comprehensive income		
Balance at the beginning of current period	(888,312)	(895,978)
Changes of items during the period		
Net changes of items other than shareholders' equity	(7,666)	(7,357)
Total changes of items during the period	(7,666)	(7,357)
Balance at the end of current period	(895,978)	(903,336)
Minority interests		
Balance at the beginning of current period	237,113	87,961
Changes of items during the period		
Net changes of items other than shareholders' equity	(149,151)	(26,316)
Total changes of items during the period	(149,151)	(26,316)
Balance at the end of current period	87,961	61,645

(Thousands of Yen)

	Fiscal year ended March 31, 2012	Fiscal year ended March 31, 2013
Total net assets		
Balance at the beginning of current period	37,094,559	37,209,338
Changes of items during the period		
Dividends from surplus	(1,871,540)	(1,945,846)
Net income	2,827,479	5,993,183
Purchase of treasury stock	(700,961)	(2,800,516)
Disposal of treasury stock	38	113
Change of scope of consolidation	16,579	—
Net changes of items other than shareholders' equity	(156,817)	(33,674)
Total changes of items during the period	114,778	1,213,259
Balance at the end of current period	37,209,338	38,422,597

## (4) Consolidated Statements of Cash Flows

(Thousands of Yen)

	Fiscal year ended March 31, 2012	Fiscal year ended March 31, 2013
Net cash provided by (used in) operating activities		
Income before income taxes and minority interests	5,526,608	6,270,548
Depreciation and amortization	1,273,280	1,286,970
Impairment loss	—	202,406
Increase (decrease) in allowance for doubtful accounts	(38,282)	(73,009)
Increase (decrease) in provision for directors' bonuses	57,000	68,644
Increase (decrease) in provision for bonuses	4,688,707	(26,387)
Increase (decrease) in provision for retirement benefits	626,964	764,044
Interest and dividends income	(11,636)	(11,940)
Amortization of goodwill	1,607	3,715
Loss (gain) on sales of investment securities	—	(10,695)
Loss (gain) on investments in partnership	(10,599)	9,166
Decrease (increase) in notes and accounts receivable-trade	(430,057)	(212,087)
Decrease (increase) in inventories	(79,892)	(9,511)
Decrease (increase) in other current assets	327,475	45,523
Increase (decrease) in notes and accounts payable-trade	(17,462)	(46,513)
Increase (decrease) in accrued expenses	(3,447,886)	101,502
Increase (decrease) in accrued consumption taxes	(161,954)	(38,179)
Settlement package	—	(47,903)
Increase (decrease) in other current liabilities	47,205	(111,490)
Other, net	2,726	7,826
Subtotal	8,353,803	8,172,629
Interest and dividends income received	11,647	11,940
Settlement package received	—	47,903
Income taxes paid	(2,612,320)	(3,027,108)
Net cash provided by (used in) operating activities	5,753,131	5,205,365
Net cash provided by (used in) investing activities		
Purchase of property, plant and equipment	(72,256)	(330,298)
Purchase of intangible assets	(225,717)	(357,226)
Proceeds from sales of investment securities	—	152,797
Decrease (increase) in other investments	362	47,465
Collection of loans receivable	1,414	—
Other, net	4,000	21,816
Net cash provided by (used in) investing activities	(292,197)	(465,446)

(Thousands of Yen)

	Fiscal year ended March 31, 2012	Fiscal year ended March 31, 2013
Net cash provided by (used in) financing activities		
Purchase of treasury stock	(700,961)	(2,800,516)
Proceeds from sales of treasury stock	38	113
Cash dividends paid	(1,872,012)	(1,945,120)
Repayments to minority shareholders	(140,040)	(34,290)
Other, net	(56,222)	(57,988)
Net cash provided by (used in) financing activities	<u>(2,769,197)</u>	<u>(4,837,801)</u>
Effect of exchange rate change on cash and cash equivalents	140	4,295
Net increase (decrease) in cash and cash equivalents	<u>2,691,876</u>	<u>(93,588)</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>23,999,127</u>	<u>26,686,586</u>
Cash and cash equivalents at end of period	<u>26,686,586</u>	<u>26,592,997</u>

#### 4. Non-Consolidated Financial statements

##### (1) Non-Consolidated Balance Sheets

(Thousands of Yen)

	Fiscal year ended March 31, 2012	Fiscal year ended March 31, 2013
<b>Assets</b>		
<b>Current assets</b>		
Cash and deposits	25,478,572	25,281,098
Accounts receivable-trade	8,654,233	8,886,118
Work in process	197,287	223,205
Income taxes receivable	—	663,796
Prepaid expenses	288,523	268,588
Deferred tax assets	1,818,070	2,111,592
Short-term loans receivable from subsidiaries and	50,000	30,000
Other	652,267	637,210
Allowance for doubtful accounts	(12,670)	(6,888)
<b>Total current assets</b>	<b>37,126,284</b>	<b>38,094,722</b>
<b>Noncurrent assets</b>		
<b>Property, plant and equipment</b>		
Buildings, net	7,230,824	6,780,636
Structures, net	77,447	69,511
Machinery and equipment, net	7,650	6,409
Tools, furniture and fixtures, net	208,434	259,660
Land	3,582,544	3,582,544
Construction in progress	—	116,519
Other	115,930	63,104
<b>Total property, plant and equipment</b>	<b>11,222,833</b>	<b>10,878,386</b>
<b>Intangible assets</b>		
Software	1,173,973	585,353
Software in progress	38,145	259,290
Other	62,163	62,163
<b>Total intangible assets</b>	<b>1,274,282</b>	<b>906,807</b>
<b>Investments and other assets</b>		
Investment securities	323,101	137,140
Stocks of subsidiaries and affiliates	1,523,177	1,510,116
Investments in capital of subsidiaries and affiliates	89,046	207,381
Long-term loans receivable from subsidiaries and	135,000	125,000
Deferred tax assets	3,223,311	3,504,586
Guarantee deposits	585,474	548,222
Other	41,382	25,928
Allowance for doubtful accounts	(38,958)	(19,912)
<b>Total investments and other assets</b>	<b>5,881,535</b>	<b>6,038,464</b>
<b>Total noncurrent assets</b>	<b>18,378,651</b>	<b>17,823,658</b>
<b>Total assets</b>	<b>55,504,935</b>	<b>55,918,380</b>

(Thousands of Yen)

	Fiscal year ended March 31, 2012	Fiscal year ended March 31, 2013
<b>Liabilities</b>		
<b>Current liabilities</b>		
Accounts payable-other	691,258	491,680
Accrued expenses	2,008,460	2,072,315
Income taxes payable	1,431,010	—
Accrued consumption taxes	579,258	498,961
Deposits received from subsidiaries and affiliates	1,861,963	1,883,798
Provision for directors' bonuses	57,000	122,000
Provision for bonuses	3,948,312	3,778,849
Other	550,289	653,825
<b>Total current liabilities</b>	<b>11,127,552</b>	<b>9,501,430</b>
<b>Noncurrent liabilities</b>		
Deferred tax liabilities for land revaluation	37,366	37,366
Provision for retirement benefits	9,045,174	9,816,128
Allowance for investment loss	25,048	45,228
Other	66,260	10,792
<b>Total noncurrent liabilities</b>	<b>9,173,849</b>	<b>9,909,516</b>
<b>Total liabilities</b>	<b>20,301,401</b>	<b>19,410,947</b>
<b>Net assets</b>		
<b>Shareholders' equity</b>		
Capital stock	16,825,881	16,825,881
<b>Capital surplus</b>		
Legal capital surplus	4,210,000	4,210,000
Other capital surplus	9,133,429	5,089,905
<b>Total capital surpluses</b>	<b>13,343,429</b>	<b>9,299,905</b>
<b>Retained earnings</b>		
Other retained earnings		
Retained earnings brought forward	11,430,328	15,540,880
<b>Total retained earnings</b>	<b>11,430,328</b>	<b>15,540,880</b>
<b>Treasury stock</b>	<b>(5,530,419)</b>	<b>(4,287,298)</b>
<b>Total shareholders' equity</b>	<b>36,069,220</b>	<b>37,379,368</b>
<b>Valuation and translation adjustments</b>		
Valuation difference on available-for-sale securities	12,626	6,378
Revaluation reserve for land	(878,313)	(878,313)
<b>Total valuation and translation adjustments</b>	<b>(865,686)</b>	<b>(871,935)</b>
<b>Total net assets</b>	<b>35,203,534</b>	<b>36,507,433</b>
<b>Total liabilities and net assets</b>	<b>55,504,935</b>	<b>55,918,380</b>

## (2) Non-Consolidated Statements of operations

(Thousands of Yen)

	Fiscal year ended March 31, 2012	Fiscal year ended March 31, 2013
Net sales	53,188,802	55,822,651
Cost of sales	39,987,935	41,240,611
Gross profit	13,200,866	14,582,040
Selling, general and administrative expenses	8,587,337	9,179,216
Operating income	4,613,528	5,402,824
Non-operating income		
Interest income	7,547	7,632
Dividends income	313,659	268,854
Other	67,922	38,198
Total non-operating income	389,129	314,685
Non-operating expenses		
Interest expenses	2,091	692
Commitment fee	5,808	5,220
Loss on investments in partnership	—	9,166
Other	6,252	4,004
Total non-operating expenses	14,152	19,084
Ordinary income	4,988,505	5,698,425
Extraordinary income		
Gain on sales of investment securities	—	9,814
Gain on liquidation of subsidiaries	—	451,582
Other	—	673
Total extraordinary income	—	462,070
Extraordinary loss		
Impairment loss	—	200,882
Provision of allowance for investment loss	25,048	20,180
Other	41,727	7,080
Total extraordinary losses	66,776	228,143
Income before income taxes	4,921,729	5,932,351
Income taxes-current	2,260,050	443,277
Income taxes-deferred	71,590	(567,323)
Total income taxes	2,331,640	(124,045)
Net income	2,590,088	6,056,397



## 5. Others

### (1) Executive Appointment

(1)-1. Appointment of Representative Director  
None

(1)-2. Appointment of other Executives (planned as of June 20, 2013)

Candidate for Newly Appointed Director

Director: Akiyoshi Ogasawara

Currently: Director and Executive officer for the Business Execution Divisions of Meitec Fielders Inc.\*

\* It is a wholly owned subsidiary of Meitec Corporation.

### (2). Others

None