

Results for the First Quarter ended June 30, 2011

Meitec Corporation

Consolidated financial summary

1. Results for the First Quarter (April 1, 2011 to June 30, 2011)

(1) Consolidated operating results

(Millions of yen except per share data and percentage)

	Net Sales		Operating Income		Ordinary Income		Net Income	
	Millions of Yen	%	Millions of Yen	%	Millions of Yen	%	Millions of Yen	%
First Quarter FY ending March 31, 2012	15,557	10.0	966	491.8	986	(2.5)	486	(45.6)
First Quarter FY ended March 31, 2011	14,140	5.0	163	-	1,011	-	893	-

(Note) Comprehensive Income of first quarter for the years ending March 31, 2012 and ended 2011 were 482 million yen and 882 million yen respectively.

	Net Income per Share	Diluted Net Income
	Yen	Yen
First Quarter FY ending March 31, 2012	14.68	-
First Quarter FY ended March 31, 2011	26.95	-

(2) Consolidated financial position

(Millions of yen except per share data and percentage)

	Total assets	Net assets	Equity ratio
	Millions of Yen	Millions of Yen	%
First Quarter FY ending March 31, 2012	<u>52,756</u>	<u>36,665</u>	<u>69.1</u>
FY ended March 31, 2011	<u>55,714</u>	<u>37,094</u>	<u>66.2</u>

(Note) Equity (defined as "Owners' equity" and "Valuation and translation adjustments"):

As of June 30, 2011: 36,435 million yenAs of March 31, 2011: 36,857 million yen

2. Dividends

(Record date)	Dividends per share				
	1st Quarter dividends	2nd Quarter dividends	3rd Quarter dividends	Year-end dividends	Total
	Yen	Yen	Yen	Yen	Yen
FY ended March 31, 2011	—	0.00	—	27.50	27.50
FY ending March 31, 2012	—				
FY ending March 31, 2012 (Forecast)		29.00	—	29.00	58.00

(Note) Revision of dividends forecast during the 1st quarter: None

3. Forecasts for Fiscal Year ending March 31, 2012

(Millions of yen except per share data and percentage)

	Net Sales		Operating Income		Ordinary Income		Net Income		Net Income per Share
	Millions of Yen	%	Millions of Yen	%	Millions of Yen	%	Millions of Yen	%	Yen
2nd Quarter FY ending March 31 2012	32,500	10.7	2,200	231.9	2,200	5.4	1,000	(38.1)	30.19
FY ending March 31, 2012	66,500	7.6	4,700	<u>79.4</u>	4,700	<u>2.4</u>	2,600	<u>(29.5)</u>	78.49

(Note) Revision of performance forecast during the 1st quarter: None

4. Others

- (1) Significant changes involving subsidiaries during the term: None
- (2) Simplified accounting procedures and unique accounting procedures used in the preparation of and quarterly consolidated financial statements: Yes
- (3) Changes in rules, procedures and method of indication in the accounting procedures relating to the preparation of quarterly consolidated financial statements.
(Items indicated in the changes to pertinent items relating to the quarterly consolidated financial statement preparation principles)
 - i. Changes resulting from the revision of accounting standards : None
 - ii. Changes not relating to i. : None
- (4) Number of issued shares (common stock)
 - i. Number of issued shares at period ends (including treasury stock)

1Q of FY ending March 31, 2012	35,100,000	FY ended March 31, 2011	35,100,000
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 - ii. Number of treasury shares at period end

1Q of FY ending March 31, 2012	1,975,243	FY ended March 31, 2011	1,975,243
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 - iii. Average number of shares during period

1Q of FY ending March 31, 2012	33,124,757	1Q of FY ended March 31, 2011	33,150,325
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*** Indication of quarterly review procedure implementation status**

At the time of disclosure of the financial results, the quarterly financial statement review procedures based upon the Financial Instruments and Exchange Act, have not been completed.

*** Advice relating to appropriate use of financial forecasts and other relevant information**

The forecasts in this report are based on information available as of the date of release and assumptions considered reasonable. Actual results may differ from forecasts due to a range of factors. For further information regarding the suppositions on which earnings forecasts are based and other relevant information, please refer to page 6 of this document

1. Operating Results

(1) Analysis of Operating Results

Figure 1: Summary of Consolidated Income Statement

(Millions of yen, rounded down)	1st Q FY ended March 31, 2011 Consolidated Total	1st Q FY ending March 31, 2012 Consolidated Total	(3 Month Total)	
			YoY Amount	% Change
Net Sales	14,140	15,557	+ 1,416	+ 10.0%
Cost of Sales	11,414	11,761	+ 347	+ 3.0%
SG&A Expenses	2,562	2,829	+ 266	+ 10.4%
Operating Income	163	966	+ 803	+ 491.8%
Non-operating Income	848	19	(828)	(97.7%)
Subsidy income	828	6	(822)	(99.2%)
Ordinary Income	1,011	986	(25)	(2.5%)
Income before income taxes	1,223	984	(239)	(19.6%)
Net Income	893	486	(407)	(45.6%)

Figure 2: Summary of Results by Business Segment for the 1st Quarter (April 1, 2011 to June 30, 2011)

(Millions of yen, rounded down)	Meitec Group (Consolidated) Total for 3 month					
	Temporary Staffing Business	Engineering Solutions Business	Global Business	Recruiting & Placement Business	Eliminations / Corporate	
Net Sales	15,557	14,919	594	5	153	(115)
Component Ratio	100.0%	95.9%	3.8%	0.0%	1.0%	(0.7%)
YoY Amount	+ 1,416	+ 1,515	(101)	(13)	+ 50	(33)
% Change	+ 10.0%	+ 11.3%	(14.6%)	(69.7%)	+ 49.1%	—
Operating Income	966	933	(12)	(16)	59	1
Component Ratio	100.0%	96.6%	(1.3%)	(1.7%)	6.2%	0.1%
YoY Amount	+ 803	+ 839	(67)	(0)	+ 31	+ 0
% Change	+ 491.8%	+ 889.8%	—	—	+ 112.3%	0.0%

Figure 3: Meitec Group Results for the 1st Quarter (April 1, 2011 to June 30, 2011)

(millions of yen, rounded down)		Net Sales		Operating Income		Ordinary Income		Net Income	
		YoY Amount	YoY Amount	YoY Amount	YoY Amount	YoY Amount			
Temporary Staffing Business	Meitec	12,334	+ 1,425	792	+ 792	1,113	+ 317	667	+ 228
	Meitec Fielders	2,051	+ 128	118	+ 39	120	(49)	72	(89)
	Meitec Cast	578	(50)	15	+ 1	16	+ 1	9	+ 3
Engineering Solutions Business	Meitec CAE	247	(14)	18	(28)	18	(30)	11	(18)
	Apollo Giken	346	(60)	(30)	(42)	(23)	(44)	(24)	(20)
Global Business	Meitec Shanghai	0	(2)	(1)	+ 0	(1)	+ 0	(1)	+ 0
	Meitec Xian	0	(3)	(5)	(3)	(4)	(3)	(4)	(3)
	Meitec Chengdu	0	(2)	(4)	+ 2	(4)	+ 2	(4)	+ 2
	Meitec Shanghai Human Resources	4	(3)	(5)	(2)	(5)	(2)	(5)	(2)
Recruiting & Placement Business	Meitec Next	151	+ 51	59	+ 31	59	+ 31	59	+ 31
	all engineer. Jp	2	(1)	0	+ 0	0	+ 0	0	+ 0

Figure 4: Meitec Group Temporary Engineers Staffing Business

		1st Q FY ended March 31, 2011	1st Q FY ending March 31, 2012
MT + MF + CAE	Period-End Engineering Staff ¹	7,203	6,832
MT + MF	Period-End Engineering Staff ¹	7,116	6,750
	Utilization ratio (Company-wide)	79.3%	90.7%
	Utilization ratio(Excluding new hires ²)	82.1%	91.2%
Meitec Corporation(MT)	Period-End Engineering Staff ¹	5,850	5,577
	Of which assigned to internal engineering projects ¹	144	54
	Utilization ratio (Company-wide)	78.1%	90.0%
	Utilization ratio(Excluding new hires ²)	78.9%	90.4%
	Working Hours	8.79h/day	8.75h/day
Meitec Fielders, Inc. (MF)	Period-End Engineering Staff	1,266	1,173
	Utilization ratio (Company-wide)	84.7%	94.0%
	Utilization ratio(Excluding new hires ²)	98.9%	94.7%
	Working Hours	8.86h/day	8.69h/day
Meitec CAE Corporation(CAE)	Period-End Engineering Staff	87	82

Trend of Utilization Ratio by Quarter for Meitec Alone

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

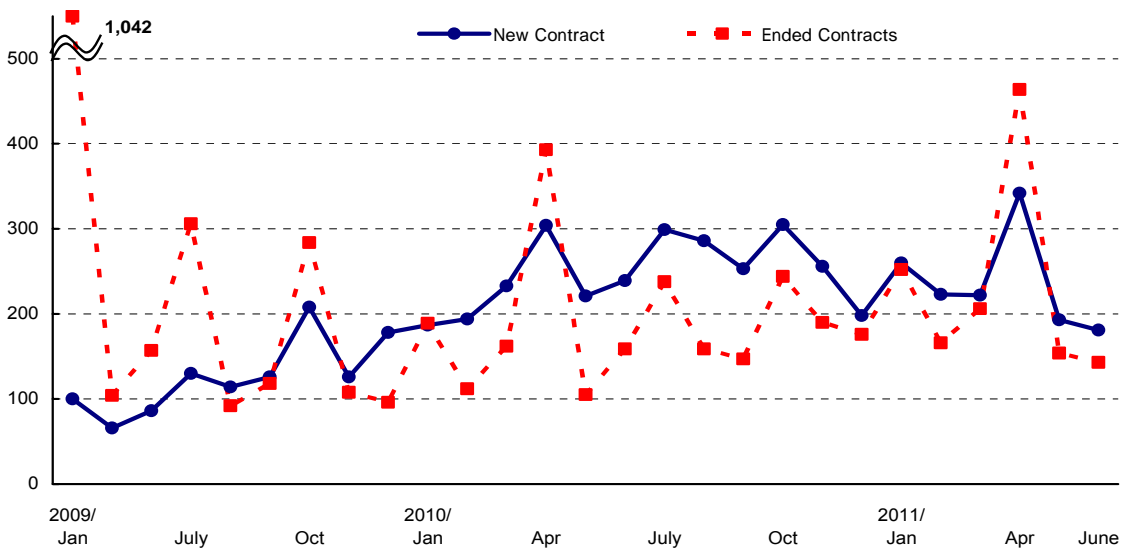
Note 1: Number of engineer for Meitec do not include engineers who are assigned to our internal engineering projects and lecturer for internal training.

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

Note 3: Engineers who never been assigned to job and engineers on temporary leave (during a period of April 2010 to December 2010) are excluded.

See the Meitec homepage for monthly and quarterly utilization ratio figures:
<http://www.meitec.co.jp/e/ir/financial/index.htm>

Figure 5: Trend of New Contracts(Non-Consolidated)
 For the First Quarter ended June 30, 2011 【Meitec alone】 *



(1)-1. Consolidated Operating Results

During the first quarter (from April 1, 2011, to June 30, 2011), disrupted supply chains and restricted power supply due to the Great East Japan Earthquake led to a significant decrease in production among leading manufacturers, which are the major customers of the Company. However, their investments in technological development continue to be active on the whole.

Under these circumstances, the Group's core business—temporary engineer staffing—maintained a high utilization ratio, which had been improved during the previous fiscal year, leading to a significant year-on-year gain in operating results. Primarily for this reason, consolidated net sales for the period under review increased ¥1,416 million compared with the same period in the previous fiscal year to ¥15,557 million. The consolidated cost of sales advanced ¥347 million to ¥11,761 million, chiefly due to higher labor costs. Selling, general and administrative expenses went up ¥266 million to ¥2,829 million mainly because of a rise in strategic investments. As a result, consolidated operating income rose ¥803 million to ¥966 million.

However, consolidated ordinary income declined ¥25 million to ¥986 million due to a significant decrease in subsidies for the temporary staffing business as a result of the expiry of employment adjustment subsidies.

Consolidated net income for the period under review decreased ¥407 million to ¥486 million, reflecting a year-on-year decline in extraordinary income and a climb in tax expenses.

(1)-2. Operating Results by Business Segment

1)-2. i Temporary Staffing

The Temporary Staffing Business accounts for more than 90% of consolidated net sales. Within the temporary engineer staffing, the core business of this segment, the Company's non-consolidated working hours declined from 8.79 hours/day a year earlier to 8.75 hours/day, mostly affected by the Great East Japan Earthquake. The number of completed contracts in April 2011 was higher compared with the same month of the previous year, resulting in a 0.8% decline in the utilization ratio from the fourth quarter of the previous fiscal year. However, the Company achieved a significant improvement in the non-consolidated average utilization ratio from 78.1% a year earlier to 90.0% in the period under review, due to efforts to acquire new customers and to propose customers unassigned engineers, who have in the meantime continued their vocational training, as well as aggressive marketing efforts aimed at existing customers. Mainly for this reason, consolidated net sales in the Temporary Staffing Business segment for the period under review increased ¥1,515 million from a year earlier to ¥14,919 million.

The rise in net sales raised operating income by ¥839 million to ¥933 million.

1)-2. ii Engineering Solutions

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

Consolidated net sales in the Engineering Solutions Business segment for the period under review fell ¥101 million from a year earlier to ¥594 million, and an operating loss of ¥12 million was recorded.

Meitec CAE posted profitability despite a decrease in income due to a reduced number of orders received as a result of the Japanese earthquake and other reasons. Apollo Giken Group recorded an operating loss, reflecting a decrease in orders and provision for bad debt expenses.

1)-2. iii Global

In the Global Business segment, the Company engages in vocational training and job placement in China. In vocational training, efforts were made to optimize the size of staff and facilities for human resource development. As a result, the Global Business segment's operating loss remained at the same level as a year earlier at ¥16 million, despite a ¥13 million decline in consolidated net sales to ¥5 million.

1)-2. iv Recruiting & Placement

Effective from April 1, 2011, this segment was renamed the Recruiting & Placement Business, instead of the Career Support Business. The Recruiting & Placement Business segment involves the job placement and an information portal site business intended for engineers.

Consolidated net sales of the Recruiting & Placement Business segment advanced ¥50 million from a year earlier to ¥153 million, and operating income grew ¥31 million to ¥59 million.

Meitec Next Corporation achieved revenue and profit growth due to a higher number of job openings, reflecting the recovery of market conditions, and increasingly active mid-career employment.

(2) Qualitative Information on the Consolidated Financial Position

[Table 6] Overview of the Consolidated Financial Position

(millions of yen)	FY ended March 31, 2011 Consolidated Total	1st Q FY ending March 31, 2012 Consolidated Total	YoY Amount	% Change
Total current assets	37,661	34,958	(2,702)	(7.2%)
Total noncurrent assets	18,053	17,798	(254)	(1.4%)
Total assets	55,714	52,756	(2,957)	(5.3%)
Total current liabilities	10,016	7,330	(2,685)	(26.8%)
Total noncurrent liabilities	8,603	8,761	+ 157	+ 1.8%
Total liabilities	18,619	16,091	(2,528)	(13.6%)
Total shareholders' equity	37,745	37,337	(408)	(1.1%)
Valuation and translation adjustments	(888)	(901)	(13)	—
Minority interests	237	229	(7)	(3.3%)
Total net assets	37,094	36,665	(429)	(1.2%)
Total liabilities and net assets	55,714	52,756	(2,957)	(5.3%)

(2)-1. Assets

Total assets as of June 30, 2011, declined ¥2,957 million from March 31, 2011, to ¥52,756 million, mainly due to a decrease of ¥2,702 million in current assets from the previous fiscal year-end, reflecting a decrease in cash and cash equivalents.

The primary factors responsible for the decrease in cash and cash equivalents include the payment of bonuses, income taxes payable and year-end dividends for the previous fiscal year.

(2)-2. Liabilities

Total liabilities as of June 30, 2011, decreased ¥2,528 million from March 31, 2011, to ¥16,091 million, primarily due to a decrease of ¥2,685 million in current liabilities from the previous fiscal year-end.

The major factors responsible for the decrease in current liabilities include a decrease in accrued expenses mainly due to the payment of bonuses and a decrease in income taxes payable.

(2)-3. Equity

Total equity as of June 30, 2011, decreased ¥429 million from March 31, 2011, to ¥36,665 million, chiefly due to a decline in retained earnings caused by the payment of year-end dividends for the fiscal year ended March 31, 2011..

(3) Qualitative Information on Consolidated Earnings Forecasts

(3)-1. Earnings Forecasts

Because the consolidated operating results for the period under review were mostly as planned at the beginning of the quarter, the earnings forecasts for the fiscal year ending March 31, 2012, have not been revised.

For details of these forecasts, please refer to the Company's Financial Highlights for the Fiscal Year Ended March 31, 2011, released on May 12, 2011, and the IR presentation materials on the Company's website.

(3)-2. Dividend Forecasts

No revision has been made to the most recent dividend forecasts because the earnings forecasts for the fiscal year have not been revised as mentioned above.

Concerning our basic policy regarding profit distribution, please refer to the Company's Financial Highlights for the Fiscal Year Ended March 31, 2011, released on May 12, 2011, and the IR presentation materials on the Company's website.

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. Matters Concerning Summary Information (Other)

(1) Changes in important subsidiaries during the period under review:

None

(2) Adoption of special accounting treatment for preparing quarterly consolidated financial statements

Computation of tax expenses

After application of tax effect accounting to income before income taxes for the fiscal year ending March 31, 2012, which includes the first quarter under review, we estimate a reasonable tax rate and multiply income before income taxes (cumulative) by that rate.

(3) Changes in accounting policies, estimates and presentation of revision:

None

(Additional Information)

Provision for bonuses

With respect to the payment of bonuses to employees, the provision for bonuses is presented based on estimated payments.

Previously, the amount of bonus payments had been included in accrued expenses. However, a revision to the Company's personnel system has resulted in changes to the method for calculating the amount of bonus payments. As a result, the amount of bonus payments has become an approximation and is therefore presented as the provision for bonuses.

1 . Consolidated Financial statements

(1) Consolidated Balance Sheets 【 First Quarter 】

(Thousands of Yen)

	Fiscal year ended March 31, 2011	The First Quarter ended June 30, 2011
Assets		
Current assets		
Cash and deposits	23,999,127	22,082,361
Notes and accounts receivable-trade	10,245,458	9,519,293
Work in process	197,221	646,583
Other	3,239,075	2,737,161
Allowance for doubtful accounts	(19,760)	(27,202)
Total current assets	<u>37,661,122</u>	<u>34,958,197</u>
Noncurrent assets		
Property, plant and equipment		
Buildings and structures, net	7,653,630	7,562,597
Other, net	4,035,116	4,027,729
Total property, plant and equipment	<u>11,688,746</u>	<u>11,590,327</u>
Intangible assets		
Other	2,001,048	1,834,058
Total intangible assets	<u>2,001,048</u>	<u>1,834,058</u>
Investments and other assets		
Other	4,489,459	4,499,841
Allowance for doubtful accounts	(125,911)	(125,650)
Total investments and other assets	<u>4,363,548</u>	<u>4,374,190</u>
Total noncurrent assets	<u>18,053,342</u>	<u>17,798,576</u>
Total assets	<u>55,714,465</u>	<u>52,756,773</u>
Liabilities		
Current liabilities		
Notes and accounts payable-trade	168,172	122,744
Income taxes payable	1,731,516	474,943
Provision for directors' bonuses	-	10,000
Provision for bonuses	-	1,908,711
Accrued expenses	5,957,551	2,423,428
Other	2,158,831	2,390,719
Total current liabilities	<u>10,016,072</u>	<u>7,330,547</u>
Noncurrent liabilities		
Provision for retirement benefits	8,452,309	8,609,406
Other	151,523	151,729
Total noncurrent liabilities	<u>8,603,833</u>	<u>8,761,135</u>
Total liabilities	<u>18,619,905</u>	<u>16,091,683</u>
Net assets		
Shareholders' equity		
Capital stock	16,825,881	16,825,881
Capital surplus	14,451,367	14,451,367
Retained earnings	12,405,944	11,997,721
Treasury stock	(5,937,434)	(5,937,434)
Total shareholders' equity	<u>37,745,759</u>	<u>37,337,536</u>
Valuation and translation adjustments		
Valuation difference on available-for-sale securities	6,191	6,246
Revaluation reserve for land	(883,049)	(883,049)
Foreign currency translation adjustment	(11,454)	(24,901)
Total valuation and translation adjustments	<u>(888,312)</u>	<u>(901,705)</u>
Minority interests	237,113	229,259
Total net assets	<u>37,094,559</u>	<u>36,665,090</u>
Total liabilities and net assets	<u>55,714,465</u>	<u>52,756,773</u>

(2) Consolidated Statements of Income and Comprehensive Income

(Consolidated Statements of Income)
【 First Quarter 】

(Thousands of Yen)

	The First Quarter ended June 30,2010	The First Quarter ended June 30,2011
Net sales	14,140,791	15,557,689
Cost of sales	11,414,555	11,761,853
Gross profit	2,726,236	3,795,836
Selling, general and administrative expenses	2,562,933	2,829,492
Operating income	163,302	966,344
Non-operating income		
Interest income	1,965	906
Dividends income	2,563	2,367
Rent income	2,936	2,648
Subsidy income	828,988	6,304
Reversal of allowance for doubtful accounts	-	5,369
Other	29,428	8,284
Total non-operating income	865,882	25,880
Non-operating expenses		
Commitment fee	5,176	1,495
Foreign exchange losses	9,914	2,270
Provision of allowance for doubtful accounts	-	1,238
Other	2,702	1,211
Total non-operating expenses	17,792	6,217
Ordinary income (loss)	1,011,392	986,007
Extraordinary income		
Gain on sales of investment securities	158,121	-
Reversal of allowance for doubtful accounts	131,947	-
Other	457	-
Total extraordinary income	290,525	-
Extraordinary loss		
Loss on retirement of noncurrent assets	1,049	38
Loss on adjustment for changes of accounting standard for asset retirement obligations	76,751	-
Loss on cancellation of leasehold contracts	140	1,875
Total extraordinary losses	77,941	1,913
Income (loss) before income taxes	1,223,977	984,093
Income taxes	325,081	506,273
Income before minority interests	898,895	477,820
Minority interests in income (loss)	5,383	(8,307)
Net income (loss)	893,511	486,127

(Consolidated Statements of Comprehensive Income)
【 First Quarter 】

	(Thousands of Yen)	
	The First Quarter ended June 30,2010	The First Quarter ended June 30,2011
Income before minority interests	898,895	477,820
Other comprehensive income		
Valuation difference on available-for-sale securities	(16,763)	36
Foreign currency translation adjustment	378	4,873
Total other comprehensive income	<u>(16,385)</u>	<u>4,909</u>
Comprehensive income	<u>882,510</u>	<u>482,729</u>
Comprehensive income attributable to		
Comprehensive income attributable to owners of the parent	877,133	490,291
Comprehensive income attributable to minority interests	5,376	(7,561)

(3) Notes to Financial Statements Regarding Going Concern: None

(4) Significant changes in shareholders' equity: None