

Results for the Fiscal Year ended March 31, 2010

Meitec Corporation

Consolidated financial summary

1. Results for the Fiscal Year (April 1, 2009 to March 31, 2010)

(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	%
FY 2010 (2010/3)	53,776	(32.7%)	(4,928)	—	(276)	—	(904)	—
FY 2009 (2009/3)	79,898	(2.7%)	9,280	(18.3%)	9,260	(18.3%)	4,303	(13.2%)

	Net Income per Share	Diluted Net Income	Return on Equity	Return on Assets	Operating Income per Revenues
	Yen	Yen	%	%	%
FY 2010 (2010/3)	(27.30)	—	(2.6)	(0.5)	(9.2)
FY 2009 (2009/3)	127.31	—	11.8	16.5	11.6

(2) Consolidated financial position

(Millions of yen except per share data and percentage)

	Total assets	Net assets	Equity ratio	Net assets per share
	Millions of Yen	Millions of Yen	%	Yen
FY 2010 (2010/3)	47,625	33,443	69.8	1,002.58
FY 2009 (2009/3)	54,230	36,169	66.1	1,081.85

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

As of Mar. 31, 2010: 33,235 million yen

As of Mar. 31, 2009: 35,864 million yen

(3) Consolidated cash flows

	Cash flows from Operating activities	Cash flows from Investing activities	Cash flows from Financial activities	Balance of Cash and Cash Equivalent at the end of the Fiscal Year
	Millions of Yen	Millions of Yen	Millions of Yen	Millions of Yen
FY 2010 (2010/3)	(1,545)	(19)	(1,835)	14,532
FY 2009 (2009/3)	6,308	623	(5,580)	17,926

2. Dividends

(Record date)	Dividends per share					Dividend Paid (Year)	Dividend payout ratio (Consolidated)	Dividend on equity (Consolidated)
	First Quarter	Second Quarter dividends	Third Quarter	Year-end dividends	Total			
	Yen	Yen	Yen	Yen	Yen			
FY 2009 (2009/3)	—	47.00	—	28.00	75.00	2,518	58.9	6.9
FY 2010 (2010/3)	—	24.50	—	0.00	24.50	812	—	2.4
FY 2011 (2011/3) Forecast	—	0.00	—	0.00	0.00		—	

3. Forecasts for Fiscal Year ending March 31, 2011 (Reference)

(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
Second Quarter FY 2011 (2010/4-9)	27,000 3.0%	0 —	1,800 —	1,000 —	30.17
FY 2011 (2011/3)	55,000 2.3%	100 —	3,400 —	1,900 —	57.31

4. Others

- (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 for preparing the consolidated financial statements
(noted on changes in "Change in the basis of financial statements for the fiscal year ended March 31, 2010")
 - i. Change due to amendment to accounting standard : Yes
 - ii. Change due to other than above : None
- (3) Number of issued shares (common stock)
 - i. Number of issued shares at period end (including treasury stock)

FY2010	35,100,000	FY2009	35,100,000
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 - ii. Number of treasury shares at period end

FY2010	1,949,655	FY2009	1,949,447
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(Reference)

Non-Consolidated financial summary

1. Results for the Fiscal Year (April 1, 2009 to March 31, 2010)

(1) Non-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	%
FY 2010 (2010/3)	41,319	(31.7%)	(2,964)	—	822	(91.2%)	53	(98.2%)
FY 2009 (2009/3)	60,457	(4.0%)	8,807	(15.8%)	9,294	(13.7%)	2,998	(39.3%)

	Net Income per Share	Diluted Net Income
	Yen	Yen
FY 2010 (2010/3)	1.61	—
FY 2009 (2009/3)	88.70	—

(2) Non-Consolidated financial position

(Millions of yen except per share data and percentage)

	Total assets	Net assets	Equity ratio	Net assets per share
	Millions of Yen	Millions of Yen	%	Yen
FY 2010 (2010/3)	50,021	33,096	66.2	998.37
FY 2009 (2009/3)	54,412	34,774	63.9	1,048.98

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

As of Mar. 31, 2010: 33,096 million yen

As of Mar. 31, 2009: 34,774 million yen

2. Forecasts for Fiscal Year ending March 31, 2011

(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
Second Quarter FY 2011 (2010/4-9)	21,000 4.5%	0 —	1,500 —	800 —	24.13
FY 2011 (2011/3)	43,000 2.3%	0 —	2,800 240.6%	1,600 —	48.26

1. Operating Results

(1) Analysis of Operating Results

(1)-1. Economy Overview

The Japanese economy during the subject fiscal year had started out its year under un-experienced harsh conditions due to the rapid deterioration of the world economy started from the latter half of the 2008.

On the other hand, during the subject fiscal year, the Diffusion Index (DI) has started to show some recovery, and productions at the major manufacturing industries who are our main customer have shown continuous recovery in their productions. The decrease of equipments investments seems to hitting its bottom, and anxiety on the further deterioration of the ratio of active opening to the job applicants seems to have been wiped.

But the equipments investment or ratio of active opening to the job applicants are still at low level and recovery is gradual. Therefore, management environments for the company continue to be severe during the subject fiscal year.

(1)-2. Overview of Consolidated Operating Results

Figure 1: Summary of Consolidated Income Statement (from April 1, 2009 to March 31, 2010)

(Millions of yen, rounded down)	FYE March 2009	FYE March 2010				
	Full Year	First Half	Second Half	Full Year	YoY Variance Amount	YoY Percentage Change
Net Sales	79,898	26,203	27,572	53,776	(26,122)	(32.7%)
Cost of Sales	57,177	23,478	23,286	46,765	(10,412)	(18.2%)
SG&A Expenses	13,439	5,973	5,965	11,939	(1,500)	(11.2%)
Operating Income	9,280	(3,248)	(1,679)	(4,928)	(14,209)	—
Other Income	(20)	2,397	2,254	4,652	+4,672	—
Subsidies for employment adjustment	—	2,407	2,236	4,643	+4,643	—
Ordinary Income	9,260	(850)	574	(276)	(9,536)	—
Income before Income Taxes and Minority Interests	8,178	(850)	476	(374)	(8,553)	—
Net Income	4,303	(1,214)	309	(904)	(5,208)	—

Consolidated net sales for the subject fiscal year (April 1, 2009 to March 31, 2010) had decreased by 26,122 million yen compared to the previous fiscal year to 53,776 million yen. This was mainly due to the continuation of lower utilization ratio for the temporary engineer staffing business throughout the fiscal year due to the large cut in the R&D budget at the major manufacturing industries who are our main customers.

The cost of sales had declined by 10,412 million yen compared to the previous fiscal year to 46,765 mainly due to the decrease in payroll for the temporary engineer staffing business.

Consolidated selling, general and administrative expenses had decreased by 1,500 million yen to 11,939 million yen as a result of the various cost cutting measures and effort despite the increase in training the education expenses for the un-assigned engineers.

As a result, consolidated operating income had decreased by 14,209 million yen compared to the previous fiscal year to loss of 4,928 million yen.

From the latter half of the subject fiscal year, as the economical condition had started to show gradual recovery, the investment in R&D had started to come back at the major manufacturing industries, and our business environment had started to improved gradually. Also as we have continued training and educational programs to our un-assigned engineers, it had contributed to obtain more new orders. By these efforts, we were able to improve the utilization ratio of temporary engineer staffing for Meitec alone to 76.9% by the end of 4th quarter (78.6% for the month of March) from 68.7% at the end of 2nd quarter (67.1% for the month of August). With the improvement in utilization ratio, the consolidated sales had improved to 27,572 million yen for the second half of the fiscal year from 26,203 million yen of sales for the 1st half of the fiscal year. And the consolidated operating loss had decreased to 1,679 million yen for the 2nd half of the fiscal year from 3,248 million yen of loss for the 1st half of the fiscal year.

Since the Meitec Group employs larger number of engineers on regular employee basis, we have applied for the government subsidies for the employment adjustment, and we posted 4,643 million yen of the grant as non-operating income. As a result, the consolidated ordinary loss was 276 million yen, and the

consolidated net loss was 904 million yen for the subject fiscal year.

As the improvement in the operating income, due to the improvement in the utilization ratio for the temporary engineers staffing business, the consolidated ordinary income had improved to profit of 574 million yen for the 2nd half of the fiscal year from loss of 850 million yen for the 1st half of the fiscal year. Also the consolidated net profit for 2nd half of the fiscal year had turned to 309 million of profit from loss of 1,214 million yen for the 1st half of the fiscal year. We believe that, although it is gradual, we were able to show the improvement in our performances.

(1)-3. Overview of Results by Business Segment

Figure 2: Summary of Results by Business Segment (from April 1, 2009 to March 31, 2010)

(Millions of yen, rounded down)	Meitec Group (Consolidated)	Temporary Staffing Business	Engineering Solutions Business	Global Business	Career Support Business	Eliminations / Corporate
Net Sales	53,776	50,532	2,753	646	517	(674)
%	100%	94.0%	5.1%	1.2%	1.0%	(1.3%)
YoY Change	(26,122)	(23,821)	(482)	(634)	(1,457)	+274
%	(32.7%)	(32.0%)	(14.9%)	(49.5%)	(73.8%)	—
Operating Income	(4,928)	(4,457)	93	(590)	13	13
%	100%	90.5%	(1.9%)	12.0%	(0.3%)	(0.3%)
YoY Change	(14,209)	(14,167)	(28)	(116)	+130	(27)

(1)-3.i Temporary Staffing Business

The Temporary Staffing Business which accounts for more than 90% of consolidated net sales, particularly the core temporary engineers staffing business, experienced a lower utilization ratio from the start of the fiscal year due to significant cut back on the R&D budget at the major manufacturing industries who are our main customers. Mainly due to this lower utilization ratio, the sales in the temporary staffing business for the subject fiscal year had decreased by 23,821 million yen compared to the previous fiscal year to 50,532 million yen.

For the operating income of the temporary staffing business, even though we have applied number of management rationalization measures to reduce expenses such as cut back on the payroll cost and restraint of recruiting cost, we were not totally able to off set the effect of reduction in sales, and we had to post 4,457 million yen of operating loss.

As the company was able to promote obtaining new orders as we capture the improvement in the market condition from the latter half of the fiscal year, the utilization ratio of temporary engineer staffing for Meitec alone improved to 76.9% at the end of 4th quarter (78.6% for the month of March) from 68.7% at the end of 2nd quarter (67.1% for the month of August).

Also to integrate the general staffing business scattered among our group companies, we have separated business other than the specified worker dispatching business in Meitec Fielders, and separated the registered type temporary staffing business specialized in senior age engineers from Meitec Experts and merged them with the general staffing business of Meitec Cast.

Figure 3: Meitec Group Temporary Engineers Staffing Business

		FYE March 2009 (prior fiscal year)	FYE March 2010 (Current fiscal year)	
MT ^{*1} + MF ^{*2} + MGS ^{*3} + CAE ^{*4}		Period-End Engineering Staff ¹	7,612	7,324
MT ^{*1} + MF ^{*2} + MGS ^{*3}		Period-End Engineering Staff ¹	7,533	7,237
		Utilization ratio (Company-wide)	92.8%	70.0%
Meitec Corporation (MT) ^{*1}		Utilization ratio (Excluding new hires) ²	94.8%	75.1%
		Period-End Engineering Staff ¹	5,788	5,765
		Utilization ratio (Company-wide)	95.0%	71.9%
Meitec Fielders, Inc. (MF) ^{*2}		Utilization ratio (Excluding new hires) ²	96.7%	75.4%
		Period-End Engineering Staff	1,414	1,360
		Utilization ratio (Company-wide)	93.1%	70.0%
Meitec Global Solutions Inc. (MGS) ^{*3}		Utilization ratio (Excluding new hires) ²	96.3%	74.8%
		Period-End Engineering Staff	331	112
		Utilization ratio (Company-wide)	43.6%	26.6%
Meitec CAE Corporation (CAE) ^{*4}		Utilization ratio (Excluding new hires) ³	45.2%	60.8%
		Period-End Engineering Staff	79	87

		FYE March 2009	FYE March 2010			
		Fourth Quarter (3 month)	First Quarter (3 month)	Second Quarter (3 month)	Third Quarter (3 month)	Fourth Quarter (3 month)
MT ^{*1}	Period-End Engineering Staff ¹	5,788	5,995	5,878	5,837	5,765
	Utilization ratio (Company-wide)	91.7%	71.6%	68.7%	70.4%	76.9%
Excluded in-house assigned engineers ⁴	Period-End Engineering Staff	158	201	249	218	219
MF ^{*2}	Period-End Engineering Staff	1,414	1,465	1,424	1,392	1,360
	Utilization ratio (Company-wide)	88.8%	66.0%	65.1%	70.5%	78.5%

^{*1} MT: Meitec Corporation

^{*2} MF: Meitec Fielders Inc.

^{*3} MGS: Meitec Global Solutions Inc.

^{*4} CAE: Meitec CAE Corporation

Note 1: Meitec Corporation figures do not include internal staff placements working on internal engineering projects⁴

Note 2: "New hires" is the total of new graduates and mid-career hires.

Note 3: Total of excluded new hires are consisted by mid-career hires and engineers who are on temporary standby.

Note 4: In-house assigned engineers who were excluded are working as the lecturer for idling engineers.

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

<http://www.meitec.co.jp/e/ir/financial/index.htm>

(1)-3.ii Engineering Solutions Business

The engineering solutions business consists of technology support for printed-circuit boards and analytical technology.

Revenue of the engineering solutions business had decreased by 482 million yen compared to the previous fiscal year to 2,753 million yen, and operating profit had decreased by 28 million yen compared to the previous fiscal year to 93 million yen.

Meitec CAE who conducts analytical engineering business was able to achieve increase in both revenue and profit. It was not only because of integrating the 3D Tec business, but it was result of expanding their services, strengthening their sales and good business condition in the aircraft related business.

On the other hand, Apollo Giken Group who specializes in the printed-circuit board business had suffered deterioration of market condition from the beginning of the fiscal year, and posted decrease in the revenue and operating loss. But as the market had started to improve in latter half of the fiscal year, they were able to post operating profit for the 2nd half of the fiscal year.

(1)-3.iii Global Business

The Global Business consists of job placement business and vocational training business in China, and the Bridge Engineer business which is supplying Chinese engineer within Japan.

The sales of the Global Business in the subject fiscal year had decreased by 634 million yen to 646 million yen. And the operating income was 590 million yen of loss due to the lower utilization ratio of the Chinese engineers.

Number of engineers in the Meitec Global Solutions decrease compared to the previous fiscal year and was 112 engineers at the end of March 31, 2010. This was mainly due to sifting its business to job placement business from temporary staffing business in Japan.

As we are under way to reduce Chinese business, we have suspended the vocational training business at MEITEC Guangzhou TechnoCenter Co., Ltd. on March 31, 2009, MEITEC Hangzhou TechnoCenter Co.,Ltd. on April 30, 2009, and MEITEC Dalian TechnoCenter Co., Ltd. on December 31, 2009. We also have separated engineer staffing business (mainly the Bridge Engineer business) of Meitec Global Solutions and integrated it into Meitec.

(1)-3.iv Career Support Business

The Career Support Business includes the job placement business specialized in engineers, and the information portal site business.

Consolidated net sales for the Career Support Business in the subject fiscal year decreased by 1,457 million yen to 517 million yen mainly due to the effect from transferring the outplacement business of BMOA Corporation* to Tempstaff Co., Ltd. on May 1, 2009. But the operating income has increased by 130 million yen to a profit of 13 million yen.

Meitec Next Corporation, which provides a placement business specifically for engineers, posted operating loss under severe market environment. But the amount of loss had significantly been decreased compared to that of previous fiscal year.

*On May 1, 2009, Drake Beam Morin-Japan, Inc was split by incorporation-type split and changed its name to BMOA Corporation, and transferred most of its business to the new company, now called Drake Beam Morin Japan, Inc.

(1)-4. Forecast for the Fiscal Year Ending March 31, 2011

Figure 4: Summary of Consolidated Forecasts for the fiscal year ending March 31, 2011

(Millions of yen, rounded down)	Net Sales	Operating Income	Ordinary Income	Net Income
Forecast to 2 nd Q of FY 2010	27,000	0	1,800	1,000
Comparison to 2 nd Q of FY2009	+796	+3,248	+2,650	+2,214
Forecast for FY 2010	55,000	100	3,400	1,900
Comparison to FY2009	+1,223	+5,028	+3,676	+2,804
Actual to 2 nd Q of FY 2009	26,203	(3,248)	(850)	(1,214)
Actual for FY 2009	53,776	(4,928)	(276)	(904)

Figure 5: Summary of Non-Consolidated Forecasts for the fiscal year ending March 31, 2011

(Millions of yen, rounded down)	Net Sales	Operating Income	Ordinary Income	Net Income
Forecast to 2 nd Q of FY 2010	21,000	0	1,500	800
Comparison to 2 nd Q of FY2009	+902	+1,931	+1,390	+768
Forecast for FY 2010	43,000	0	2,800	1,600
Comparison to FY2009	+1,680	+2,964	+1,977	+1,546
Actual to 2 nd Q of FY 2009	20,097	(1,931)	109	31
Actual for FY 2009	41,319	(2,964)	822	53

Figure 6: Assumptions of the Major Indicators for the Forecasts of the Fiscal Year Ending March 31, 2011

	Meitec	Meitec Fielders
Utilization Ratio (Company-wide)	78.0%	78.9%
First Half	76.7%	77.1%
Second Half	79.4%	80.8%
Utilization Hours	8.80h/day	8.87h/day
Turnover	4.7%	9.7%

Note : no new graduates were hired on April 1, 2010.

Forecast of the consolidated performances for the fiscal year ending March 31, 2011 is determined with assumptions of our major indicators as noted in figure 6 and the R&D investments at major manufacturing industries who are our customer will continue to improve gradually.

As we disclosed in "Notice Concerning Management Rationalization Measures" on February 23, 2010, Meitec Group has set its management policy for the fiscal year ending March 31, 2011 as "Achieving Self-supporting Corporate Continuation". With a precondition of each Meitec Group companies will carry out measures appropriate to condition for the each companies are in, accordance to this management policy, 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.

Figure 7: Management Rationalization Measures and its Expected Effects

(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	40	40
Payroll reduction for executive officers and (non-union) managers	190	160
Allowance and bonus reduction for general employee (union) member	2,650	1,650
TOTAL	2,880	1,850

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 which to be applied to the employee as described in the Figure 7

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.

Please see page 27 for the forecast of the each subsidiaries for the fiscal year ending March 31, 2011.

The forecasts have been determined based on the information we were able to obtain at the time of the disclosure. Actual performance may vary from the forecasted figures due to the various reasons.

(2) Analysis of Financial Position

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

(2)-1.i Assets

Total assets at the end of the subject fiscal year (March 31, 2010) decreased by 6,605 million yen compared to the previous fiscal year (March 31, 2009) to 47,625 million yen.

Total current assets at the end of the subject fiscal year (March 31, 2010) decreased by 4,851 million yen compared to the previous fiscal year (March 31, 2009), to 28,444 million yen. Total fixed assets at the end of the subject fiscal year (March 31, 2010) decreased by 1,753 million yen compared to the previous fiscal year (March 31, 2009), to 19,180 million yen. Reduction of the current asset was due to reduction of cash and cash equivalent, and reduction of account receivables and un-cashed bill.

(2)-1.ii Liabilities

Total liabilities at the end of the subject fiscal year decreased by 3,879 million yen compared to the end of the previous fiscal year to 14,181 million yen. Total current liabilities at the end of the subject fiscal year decreased by 4,633 million yen compared to the end of the previous fiscal year to 6,392 million yen. Total fixed liabilities at the end of the subject fiscal year increased by 754 million yen compared to the end of the previous fiscal year to 7,789 million yen. Reduction of current liabilities was mainly due to decrease in unpaid expenses including decrease of reserve for bonus. Reason for increase of fixed liabilities was mainly due to increase in allowance for employee retirement benefits.

(2)-1.iii Net Assets

Net assets at the end of the subject fiscal year decreased by 2,726 million yen compared to the end of the previous fiscal year to 33,443 million yen.

Shareholders' equity decreased by 2,645 million yen compared to the end of the previous fiscal year to 34,101 million yen. Reason for the decrease was mainly due to the result of the performances and payment of dividend.

(2)-2. Cash Flows

Cash Flow from Operating Activities

Cash used in the operating activities decreased by 7,853 million yen to 1,545 million yen. This was mainly due to payment of corporate taxes.

Cash Flow from Investing Activities

Cash used in the investment activities decreased by 643 million yen to 19 million yen. This was mainly due to obtaining fixed asset.

Cash Flow from Financing Activities

Cash used in the financing activities increased by 3,744 million yen to 1,835 million yen. This was mainly due to payment of dividends.

Balance of Cash and Cash Equivalent at the end of the Fiscal Year.

As the result of above cash related activities, balance of cash and cash equivalents at the end of subject fiscal year decreased by 3,394 million yen to 14,532 million yen.

Cash Flow-Related Indicators

Figure 8: Cash Flow-Related Indicators

	FYE March 2006	FYE March 2007	FYE March 2008	FYE March 2009	FYE March 2010
Capital Adequacy Ratio	69.5%	66.9%	64.6%	66.1%	69.8%
Capital Adequacy Ratio on a Market Value Basis	210.5%	232.6%	179.4%	74.3%	127.4%
Debt Redemption	—	—	—	—	—
Interest Coverage Ratio	3,407.8	26,799.9	41,457.0	30,138.1	(465,512.2)

Capital Adequacy Ratio:

Shareholders' Equity / Total Assets

Capital Adequacy Ratio on a Market Value Basis:

Market Capitalization / Total Assets

Debt Redemption:

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 numbers.
2. Total market value of shares is 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 pay interest.

(2)-3. Forecast for the Fiscal Year Ending March 31, 2011

Based on our consolidated forecast for the fiscal year ending March 31, 2011, we anticipate that it is difficult to obtain high level of cash flow from basic sales activities. On the other hand, we are not planning to use large amount of cash for the investment activities.

For its group cash management, Meitec strives to ensure timely and appropriate administration in order to secure and maintain a level of working capital necessary for operations, while maintaining consistency with revising strategies.

(3)Basic Policy Regarding Profit Distribution, and Dividend Outlook

(3)-1. Basic Policy Regarding Profit Distribution

The basic stance of the Company is to distribute profit in accordance with operating results. Profit distribution is conducted through a combination of dividends, and the acquisition, holding and retirement of treasury stock.

The Company pays dividends twice annually, at the interim and the end of the fiscal year. The Company has also established a policy of paying out dividends in excess of 50% of consolidated net income for the subject period, when no major capital demands are expected for the next fiscal half-year (Note 1). The minimum dividend payout is 5% of the consolidated dividend on equity ratio (DOE).

The acquisition of treasury stock is coordinated with Group cash management strategies. The amount of working capital required has been set at the equivalent of two (2) months of consolidated net sales. When no major capital demands are expected, the Company evaluates its consolidated cash position as of the end of the fiscal period, setting aside any cash in excess of working capital for treasury stock acquisitions in the following period. When no major capital demands are planned for a succeeding fiscal half-year (Note 1), 50% of the cash set aside is used to purchase treasury stock during the first half of the fiscal year (Note 2).

Treasury stock on hand is limited to a maximum of 2,000,000 shares in order to allow the Company to take advantage of flexible financial policies that facilitate the implementation of long-term future strategies, and to respond to risks associated with growth, thereby helping the company achieve management plan targets. In general, treasury stock held will be used for proactive investments, such as M&A that will contribute to the achievement of targets in line with management plans. It is also used to ensure the financial capacity necessary to respond to business expansion that provides growth, and the attendant increase in risk.

Any amount of treasury stock in excess of 2,000,000 shares will be retired regularly every fiscal half-year (Note 1).

Notes

1. A fiscal half-year is defined as two fiscal quarters (three-month quarter times two). The first and second fiscal quarters are the “first half,” and the third and fourth quarters the “second half.”
2. The fiscal first half is the six-month period combining fiscal quarters one and two.

Figure 9: Results and Forecast of Dividend per Share

	Full Year				
	First Quarter	Second Quarter	Third Quarter	Year-End	
FYE March 2009		¥47.00		¥28.00	¥75.00
FYE March 2010		¥24.50		¥0.00	¥24.50
FYE March 2011 (Forecast)		¥0.00		¥0.00	¥0.00

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

The interim period, company had paid 24.5 yen per share of dividends which is equivalent of 5% of consolidated dividend on equity ratio (DOE) based on the shareholder's equity excluding the income from the government subsidies for employment adjustment, considering the purpose of the grant.

At the end of fiscal year, considering the balance of the cash and forecast of the next fiscal year and exclusion of the income from the grant, company determined that our financial position for securing the necessary working capital for next fiscal year would not be sufficient. Therefore, to our regret, we have decided not to issue the dividend for the end of the year.

(3)-3. Dividend Forecast for the Fiscal Year Ending March 31, 2011

Meitec Group has set its management policy for the fiscal year ending March 31, 2011 as “Achieving Self-supporting Corporate Continuation”, and its management target as “Achieving the Operating Profit for the Fiscal Year (consolidated, non-consolidated and for each companies). And in order to meet the goal, we will be applying the management rationalization measures described above, and expect to achieve increase of operating income by 5,000 million yen to 100 million yen for the fiscal year ending March 31, 2011.

We are also planning to continue applying for the government subsidies for the employment adjustment during the fiscal year ending March 31, 2011.

Considering the above conditions, by excluding the government grant received during the subject fiscal year, expected amount of the grant to be received for the fiscal year ending March 31, 2011, 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 employee. 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.

We will continue our effort to soon regain our performances and resume dividend. We would like to express our appreciation for your understanding.

(3)-4. Treasury Stock Acquisition for the Fiscal Year Ending March 31, 2011

Because of the above reasons, company will suspend acquisition of treasury stock until there is a reasonable expectation of a stable and high utilization ratio.

(4)Business and Other Risks

Business and other risks have been omitted from this report, as there are no additional risks requiring prompt disclosure from those in the most recent annual securities report (submitted June 24, 2009).

The subject annual securities report (in Japanese) can be viewed at the following
Meitec homepage: <http://www.meitec.co.jp/ir/data/dat00200.htm>
Financial Services homepage (EDINET): <http://info.edinet-fsa.go.jp/>

2. Status of the Corporate Group

Business content and status of group companies have been omitted from this report, as there are no significant changes to that presented in the most recent annual securities report (submitted June 24, 2009).

The subject annual securities report (in Japanese) can be viewed at the following
Meitec homepage: <http://www.meitec.co.jp/ir/data/dat00200.htm>
Financial Services homepage (EDINET): <http://info.edinet-fsa.go.jp/>

3. Management Policies

(1)Basic Policy on Company Management

The basic policy on company management (Management Policies) has been omitted from this report, as there are no significant changes to that presented in the earnings report for the fiscal year ended March 31, 2008 (released May 13, 2008).

The subject earnings report (in Japanese) can be viewed at the following
Meitec homepage: <http://www.meitec.co.jp/ir/data/index.htm>
Tokyo Stock Exchange Company Search Page: <http://www.tse.or.jp/listing/compsearch/index.html>

(2)Medium- to Long-Term Company Management Strategies and Target Indicators

Considering the current management environments, company is suspending its medium to long term management targets for now.

Management policy and target for Meitec Group in the fiscal year ending March 31, 2011 are to build a system to realize self-supporting corporate continuation without governmental grants and achieving the operating profit for the fiscal year (consolidated, non-consolidated and for each companies).

(3)Issues to Be Addressed

The issues to be addressed has been omitted from this report, as there are no significant changes to that presented in the earnings report for the fiscal year ended March 31, 2009 (released May 13, 2009).

The subject earnings report (in Japanese) can be viewed at the following
Meitec homepage: <http://www.meitec.co.jp/ir/data/index.htm>
Tokyo Stock Exchange Company Search Page: <http://www.tse.or.jp/listing/compsearch/index.html>

4 . Consolidated Financial statements

(1)Consolidated Balance Sheets

	(Thousands of Yen)	
	Fiscal year ended March 31, 2009	Fiscal year ended March 31, 2010
ASSETS		
CURRENT ASSETS		
Cash and cash equivalents	18,526,243	14,732,005
Trade notes and accounts	10,985,629	9,582,444
Work in process	434,673	153,363
Deferred tax assets	2,182,488	1,537,314
Other	1,180,492	2,442,836
Allowance for doubtful accounts	(13,686)	(3,595)
Total current assets	<u>33,295,840</u>	<u>28,444,368</u>
FIXED ASSETS		
PROPERTY AND EQUIPMENT		
Buildings and structures net	8,637,957	8,100,740
Furniture and fixtures net	575,609	362,409
Land	3,584,867	3,584,867
Other	20,444	21,232
Total property and equipment	<u>12,818,878</u>	<u>12,069,249</u>
INTANGIBLE FIXED ASSETS		
Consolidation goodwill	195,000	
Software	3,157,647	2,591,349
Other	134,901	112,782
Total intangible fixed assets	<u>3,487,548</u>	<u>2,704,131</u>
INVESTMENTS AND OTHER ASEETS		
Investment securities	572,535	467,801
Deferred tax assets	2,818,331	3,120,590
Other	1,565,809	1,110,364
Allowance for doubtful receivables	(328,287)	(291,276)
Total investments and other assets	<u>4,628,389</u>	<u>4,407,480</u>
Total fixed assets	<u>20,934,816</u>	<u>19,180,861</u>
TOTAL	<u>54,230,657</u>	<u>47,625,229</u>

(Thousands of Yen)

	Fiscal year ended March 31, 2009	Fiscal year ended March 31, 2010
LIABILITIES		
CURRENT LIABILITIES		
Accounts payable	84,218	123,667
Accrued expenses	7,000,354	4,864,630
Income taxes payable	1,214,421	146,958
Consumption taxes payable	533,997	58,832
Bonuses to directors	92,820	
Other	2,100,696	1,198,620
Total current liabilities	11,026,508	6,392,708
LONG-TERM LIABILITIES		
Deferred tax liabilities	532	518
Deferred tax liabilities for land revaluation	42,103	42,103
Liability for retirement benefits	6,988,404	7,739,553
Other	3,712	7,088
Total long-term liabilities	7,034,752	7,789,263
TOTAL LIABILITIES	18,061,260	14,181,971
EQUITY		
Stockholder's equity		
Common stock	16,825,881	16,825,881
Capital surplus	14,451,738	14,451,416
Retained earnings	11,360,915	8,715,540
Treasury stock	(5,891,268)	(5,891,264)
Total stockholder's equity	36,747,267	34,101,573
Valuation and translation adjustments		
Unrealized gain on available-for-sale securities	11,443	20,893
Land revaluation difference	(883,049)	(883,049)
Foreign currency translation adjustments	(11,644)	(3,706)
Total valuation and translation adjustments	(883,250)	(865,862)
Minority interests	305,379	207,546
Total equity	36,169,396	33,443,257
TOTAL LIABILITIES AND EQUITY	54,230,657	47,625,229

(2) Consolidated Statements of Income

(Thousands of Yen)

	Fiscal year ended March 31, 2009	Fiscal year ended March 31, 2010
NET SALES	79,898,236	53,776,025
COST OF SALES	57,177,581	46,765,175
Gross profit	22,720,655	7,010,849
SELLING, GENERAL AND ADMINISTRATIVE EXPENSES	13,439,733	11,939,211
Operating income (loss)	9,280,921	(4,928,362)
OTHER INCOME		
Interest income	21,772	12,512
Dividend income	7,871	5,747
Lease income	13,044	11,667
Subsidies for employment adjustment		4,643,792
Miscellaneous income	44,431	55,470
Total other income	87,119	4,729,191
OTHER EXPENSES		
Interest expense	209	3
Commitment fee	21,032	20,999
Loss on investments in partnership	28,374	27,681
Foreign exchange loss	17,457	13,636
Provision for uncollectible	11,914	891
Miscellaneous losses	28,984	13,847
Total other expenses	107,973	77,059
Ordinary income (loss)	9,260,068	(276,230)
EXTRAORDINARY INCOME		
Gain on sale of fixed assets	258	
Profit from the sale of the investment securities	5,921	13,058
Return to the allowance for bad debts, Loan loss reserves	4,214	18,752
Other	2,765	679
Total extraordinary income	13,160	32,490
EXTRAORDINARY LOSSES		
Loss on sale of fixed assets	35,857	9,149
Loss on sale and disposal of fixed assets	343,994	39,229
Impairment loss	338,793	70,740
Loss on write-down of investment securities	18,816	
Loss on change in pension plans	55,926	
Provision for uncollectible	291,861	
Other	9,080	11,411
Total extraordinary losses	1,094,329	130,529
Income before income taxes and minority (loss)	8,178,898	(374,270)
corporate tax, corporate inhabitant tax and enterprise tax	3,565,044	197,929
Corporate tax adjustments	292,226	336,607
Total income tax	3,857,271	534,536
Minority interests in net income (loss)	18,058	(3,832)
NET INCOME (LOSS)	4,303,568	(904,974)

(3) CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

(Thousands of Yen)

	Fiscal year ended March 31, 2009	Fiscal year ended March 31, 2010
Stockholder's equity		
Common stock		
Balance, MARCH 31, 2009	16,825,881	16,825,881
Change for the fiscal year		
Total change for the fiscal year		
Balance, MARCH 31, 2010	16,825,881	16,825,881
Capital surplus		
Balance, MARCH 31, 2009	15,480,514	14,451,738
Change for the fiscal year		
Disposal of treasury stock	(580)	(321)
Reversal of capital reserve	(1,028,195)	
Total change for the fiscal year	(1,028,776)	(321)
Balance, MARCH 31, 2010	14,451,738	14,451,416
Retained earnings		
Balance, MARCH 31, 2009	9,857,024	11,360,915
Profit or loss due to change in the accounting method at overseas subsidiaries	(25,465)	
Change for the fiscal year		
Dividends of surplus	(2,774,211)	(1,740,401)
Net income (loss)	4,303,568	(904,974)
Total change for the fiscal year	1,529,356	(2,645,375)
Balance, MARCH 31, 2010	11,360,915	8,715,540
Treasury stock		
Balance, MARCH 31, 2009	(4,115,111)	(5,891,268)
Change for the fiscal year		
Purchase of treasury stock	(2,805,903)	(619)
Disposal of treasury stock	1,550	623
Retirement of treasury stock	1,028,195	
Total change for the fiscal year	(1,776,156)	3
Balance, MARCH 31, 2010	(5,891,268)	(5,891,264)
Total stockholder's equity		
Balance, MARCH 31, 2009	38,048,308	36,747,267
Profit or loss due to change in the accounting method at overseas subsidiaries	(25,465)	
Change for the fiscal year		
Dividends of surplus	(2,774,211)	(1,740,401)
Net income (loss)	4,303,568	(904,974)
Purchase of treasury stock	(2,805,903)	(619)
Disposal of treasury stock	970	301
Retirement of treasury stock		
Total change for the fiscal year	(1,275,576)	(2,645,693)
Balance, MARCH 31, 2010	36,747,267	34,101,573
Valuation and translation adjustments		
Unrealized gain on available-for-sale securities		
Balance, MARCH 31, 2009	101,321	11,443
Change for the fiscal year		
Change for items other than shareholders' equity (net amount)	(89,878)	9,449
Total change for the fiscal year	(89,878)	9,449
Balance, MARCH 31, 2010	11,443	20,893
Land revaluation difference		
Balance, MARCH 31, 2009	(883,049)	(883,049)
Change for the fiscal year		
Total change for the fiscal year		
Balance, MARCH 31, 2010	(883,049)	(883,049)
Exchange conversion adjustments		
Balance, MARCH 31, 2009	36,706	(11,644)
Change for the fiscal year		
Change for items other than shareholders' equity (net amount)	(48,351)	7,938
Total change for the fiscal year	(48,351)	7,938
Balance, MARCH 31, 2010	(11,644)	(3,706)

(Thousands of Yen)

	Fiscal year ended March 31, 2009	Fiscal year ended March 31, 2010
Valuation and translation adjustments Total		
Balance, MARCH 31, 2009	(745,021)	(883,250)
Change for the fiscal year		
Change for items other than shareholders' equity (net amount)	(138,229)	17,387
Total change for the fiscal year	(138,229)	17,387
Balance, MARCH 31, 2010	(883,250)	(865,862)
Minority interests		
Balance, MARCH 31, 2009	295,245	305,379
Change for the fiscal year		
Change for items other than shareholders' equity (net amount)	10,134	(97,833)
Total change for the fiscal year	10,134	(97,833)
Balance, MARCH 31, 2010	305,379	207,546
Total equity		
Balance, MARCH 31, 2009	37,598,533	36,169,396
Profit or loss due to change in the accounting method at overseas subsidiaries	(25,465)	
Change for the fiscal year		
Dividends of surplus	(2,774,211)	(1,740,401)
Net income (loss)	4,303,568	(904,974)
Purchase of treasury stock	(2,805,903)	(619)
Disposal of treasury stock	970	301
Change for items other than shareholders' equity (net amount)	(128,095)	(80,445)
Total change for the fiscal year	(1,403,671)	(2,726,138)
Balance, MARCH 31, 2010	36,169,396	33,443,257

(4) CONSOLIDATED STATEMENTS OF CASH FLOWS

(Thousands of Yen)

	Fiscal year ended March 31, 2009	Fiscal year ended March 31, 2010
OPERATING ACTIVITIES		
Income before income taxes and minority interests	8,178,898	(374,270)
Depreciation and amortization	1,226,654	1,374,122
Impairment loss	338,793	70,740
Loss on write-down of investment securities(income : -)	18,816	
Allowance for doubtful accounts(decrease : -)	326,847	(20,705)
Bonuses to directors(decrease : -)	(40,990)	(92,820)
Liability for retirement benefits(decrease : -)	609,725	751,149
Interest and dividend income	(29,643)	(18,259)
Interest expense	209	3
Loss on sale of fixed assets(income : -)	35,598	9,149
Loss on sale and disposal of fixed assets	342,049	39,210
Amortization of consolidation goodwill	33,787	55
Sale of investment securities(income : -)	(5,921)	(13,058)
Investments in partnership(income : -)	28,374	27,681
Decrease (increase) in notes and accounts receivable (increase : -)	1,855,496	1,343,954
Inventories(increase : -)	(77,291)	(29,550)
Other current assets(increase : -)	(165,086)	(1,215,149)
Increase (decrease) in notes and accounts payable (decrease : -)	19,373	38,962
Accrued expenses(decrease : -)	(1,194,608)	(2,116,284)
Income taxes payable(decrease : -)	(79,795)	(475,165)
Other current liabilities(decrease : -)	(215,505)	447,829
Other	6,223	
Subtotal	11,212,007	(252,406)
Interest received and dividends received	29,481	19,780
Interest expense	(209)	(3)
Income tax paid	(4,932,915)	(1,312,871)
Net cash provided by operating activities	6,308,363	(1,545,500)
INVESTING ACTIVITIES		
Proceeds from repayment of time deposits	1,300,000	400,000
Purchases of property and equipment	(168,243)	(128,693)
Proceeds from sales of property and equipment		494
Purchases of intangible fixed assets	(1,035,029)	(387,687)
Purchases of investment securities	(2,480)	
Proceeds from sales of investment securities	561,924	105,745
Investments and assets(increase : -)	(34,096)	190,623
Proceeds from collections of short term loans	1,567	271
Proceeds from sales of investment in and advances to subsidiaries		(200,601)
Net cash provided by investing activities	623,641	(19,848)
FINANCING ACTIVITIES		
Purchase of treasury stock	(2,805,903)	(619)
Disposal of treasury stock	970	301
Dividend paid	(2,775,626)	(1,740,566)
Dividends paid to minority shareholders	(6,662)	(12,896)
Proceeds from stock issuance to minority shareholders	9,703	
Cash paid to minority shareholders	(2,274)	(80,598)
Other	(247)	(1,440)
Net cash provided by financing activities	(5,580,039)	(1,835,819)
FOREIGN CURRENCY TRANSLATION ADJUSTMENTS ON CASH AND CASH EQUIVALENTS	(38,025)	6,930
CASH AND CASH EQUIVALENTS(decrease : -)	1,313,940	(3,394,237)
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	16,612,303	17,926,243
CASH AND CASH EQUIVALENTS, END OF YEAR	17,926,243	14,532,005

5 . Non-Consolidated Financial statements
(1) Supplemental Non-Consolidated Balance Sheets

(Thousands of Yen)

	Fiscal year ended March 31, 2009	Fiscal year ended March 31, 2010
ASSETS		
CURRENT ASSETS		
Cash and cash equivalents	16,730,134	13,881,749
Accounts	8,810,175	7,664,339
Work in process	19,668	47,812
Prepaid expenses	323,731	354,096
Deferred tax assets	1,878,867	1,520,159
Short-term loans for subsidiaries	700,000	700,000
Other	894,449	1,932,297
Allowance for doubtful accounts	(2,788)	(1,642)
Total current assets	<u>29,354,239</u>	<u>26,098,810</u>
FIXED ASSETS		
PROPERTY AND EQUIPMENT:		
Buildings net	8,404,549	7,996,836
structures net	100,400	91,374
Machinery and equipment net	12,958	10,864
Furniture and fixtures net	485,395	335,538
Land	3,582,544	3,582,544
Other		4,801
Total property and equipment	<u>12,585,849</u>	<u>12,021,959</u>
INTANGIBLE FIXED ASSETS		
Software	2,970,660	2,405,650
Software in process	2,361	15,215
Telephone subscription right	62,170	62,236
Total intangible fixed assets	<u>3,035,192</u>	<u>2,483,102</u>
INVESTMENTS AND OTHER ASSETS		
Investment securities	570,324	465,723
Investment in subsidiaries	4,656,160	4,858,151
Advances to subsidiaries	264,426	89,429
Long-term loans for subsidiaries	235,000	187,000
Long-term prepaid expenses	15,398	7,249
Deferred tax assets	2,813,566	3,114,775
Leasehold deposits	869,807	692,648
Memberships	12,100	2,000
Other	17,497	15,435
Allowance for doubtful accounts	(16,897)	(14,835)
Total investments and other assets	<u>9,437,383</u>	<u>9,417,578</u>
Total fixed assets	<u>25,058,424</u>	<u>23,922,640</u>
TOTAL ASSETS	<u>54,412,663</u>	<u>50,021,451</u>

(Thousands of Yen)

	Fiscal year ended March 31, 2009	Fiscal year ended March 31, 2010
LIABILITIES		
CURRENT LIABILITIES		
Accrued amount payable	627,010	827,220
Other accrued expenses	5,579,960	3,837,240
Income taxes payable	1,121,248	67,470
Consumption taxes payable	396,304	39,553
Advances from customers	9,974	7,494
Deposits	224,482	239,244
Deposits from subsidiaries	4,352,045	4,098,204
Bonuses to directors	87,000	
Other	250,639	55,720
Total current liabilities	12,648,666	9,172,148
LONG-TERM LIABILITIES		
Deferred tax liabilities for land revaluation	42,103	42,103
Liability for retirement benefits	6,947,763	7,706,535
Lease debt		4,365
Total long-term liabilities	6,989,867	7,753,004
TOTAL LIABILITIES	19,638,533	16,925,152
EQUITY		
Stockholder's equity		
Common stock	16,825,881	16,825,881
Capital surplus		
Capital reserve	4,210,000	4,210,000
Other capital surplus	10,241,738	10,241,416
Total capital surplus	14,451,738	14,451,416
Retained earnings		
Unappropriated		
Retained earnings brought forward	10,257,517	8,570,542
Total retained earnings	10,257,517	8,570,542
Treasury stock	(5,891,268)	(5,891,264)
Total stockholder's equity	35,643,868	33,956,576
Valuation and translation adjustments		
Unrealized gain on available-for-sale securities	13,310	22,771
Land revaluation difference	(883,049)	(883,049)
Total valuation and translation adjustments	(869,738)	(860,277)
Total equity	34,774,129	33,096,298
TOTAL LIABILITIES AND EQUITY	54,412,663	50,021,451

(2) Supplemental Non-Consolidated Statements of operations

(Thousands of Yen)

	Fiscal year ended March 31, 2009	Fiscal year ended March 31, 2010
NET SALES	60,457,943	41,319,419
COST OF SALES	43,109,796	36,074,161
Gross profit	17,348,147	5,245,257
SELLING, GENERAL AND ADMINISTRATIVE EXPENSES	8,540,848	8,210,244
Operating income (loss)	8,807,298	(2,964,987)
OTHER INCOME		
Interest income	21,895	16,610
Securities interest	491	
Dividend income	469,876	304,562
Lease income	54,367	28,986
Subsidies for employment adjustment		3,466,899
Other	17,438	23,900
TOTAL OTHER INCOME	564,069	3,840,959
OTHER EXPENSES		
Interest expense	7,940	3,421
Commitment fee	21,032	20,999
Loss on investments in partnership	28,374	27,681
Miscellaneous losses	19,270	1,764
TOTAL OTHER EXPENSES	76,618	53,867
ORDINARY INCOME	9,294,750	822,104
EXTRAORDINARY INCOME		
Gains from sale of fixed assets	258	
Profit from the sale of the investment securities	5,921	1,112
Return to the allowance for bad debts, Loan loss reserves		1,145
Other	1,213	
TOTAL EXTRAORDINARY INCOME	7,394	2,258
EXTRAORDINARY LOSSES		
Loss on sale of fixed assets	35,398	9,147
Loss on sale and disposal of fixed assets	333,975	25,062
Impairment loss		31,735
Loss on write-down of investment securities	3,379	
Loss on revaluation of investment in subsidiaries	2,020,129	375,176
Loss on revaluation of investments in affiliates	463,734	151,768
Loss on change in pension plans	55,926	
Other		33,856
Total extraordinary losses	2,912,544	626,747
INCOME BEFORE INCOME TAXES	6,389,599	197,615
Corporate tax, corporate inhabitant tax and enterprise tax	3,168,925	92,996
Corporate tax adjustments	222,325	51,192
Total income taxes	3,391,250	144,188
NET INCOME	2,998,348	53,427

(3) Supplemental Non-Consolidated Statements Of Changes in Equity

(Thousands of Yen)

	Fiscal year ended March 31, 2009	Fiscal year ended March 31, 2010
Stockholder's equity		
Common stock		
Balance, MARCH 31, 2009	16,825,881	16,825,881
Change for the fiscal year		
Total change for the fiscal year		
Balance, MARCH 31, 2010	16,825,881	16,825,881
Capital surplus		
Capital reserve		
Balance, MARCH 31, 2009	4,210,000	4,210,000
Change for the fiscal year		
Total change for the fiscal year		
Balance, MARCH 31, 2010	4,210,000	4,210,000
Total capital surplus		
Balance, MARCH 31, 2009	11,270,514	10,241,738
Change for the fiscal year		
Disposal of treasury stock	(580)	(321)
Retirement of treasury stock	(1,028,195)	
Total change for the fiscal year	(1,028,776)	(321)
Balance, MARCH 31, 2010	10,241,738	10,241,416
Total Capital surplus		
Balance, MARCH 31, 2009	15,480,514	14,451,738
Change for the fiscal year		
Disposal of treasury stock	(580)	(321)
Retirement of treasury stock	(1,028,195)	
Total change for the fiscal year	(1,028,776)	(321)
Balance, MARCH 31, 2010	14,451,738	14,451,416
Retained earnings		
Unappropriated		
Retained earnings brought forward		
Balance, MARCH 31, 2009	10,033,380	10,257,517
Change for the fiscal year		
Dividends of surplus	(2,774,211)	(1,740,401)
Net income	2,998,348	53,427
Total change for the fiscal year	224,136	(1,686,974)
Balance, MARCH 31, 2010	10,257,517	8,570,542
Total Retained earnings		
Balance, MARCH 31, 2009	10,033,380	10,257,517
Change for the fiscal year		
Dividends of surplus	(2,774,211)	(1,740,401)
Net income	2,998,348	53,427
Total change for the fiscal year	224,136	(1,686,974)
Balance, MARCH 31, 2010	10,257,517	8,570,542

(Thousands of Yen)

	Fiscal year ended March 31, 2009	Fiscal year ended March 31, 2010
Treasury stock		
Balance, MARCH 31, 2009	(4,115,111)	(5,891,268)
Change for the fiscal year		
Purchase of treasury stock	(2,805,903)	(619)
Disposal of treasury stock	1,550	623
Retirement of treasury stock	1,028,195	
Total change for the fiscal year	(1,776,156)	3
Balance, MARCH 31, 2010	(5,891,268)	(5,891,264)
Total stockholder's equity		
Balance, MARCH 31, 2009	38,224,665	35,643,868
Change for the fiscal year		
Dividends of surplus	(2,774,211)	(1,740,401)
Net income	2,998,348	53,427
Purchase of treasury stock	(2,805,903)	(619)
Disposal of treasury stock	970	301
Total change for the fiscal year	(2,580,796)	(1,687,292)
Balance, MARCH 31, 2010	35,643,868	33,956,576
Valuation and translation adjustments		
Unrealized gain on available-for-sale securities		
Balance, MARCH 31, 2009	104,674	13,310
Change for the fiscal year		
Change for items other than shareholders' equity (net amount)	(91,363)	9,461
Total change for the fiscal year	(91,363)	9,461
Balance, MARCH 31, 2010	13,310	22,771
Land revaluation difference		
Balance, MARCH 31, 2009	(883,049)	(883,049)
Change for the fiscal year		
Total change for the fiscal year		
Balance, MARCH 31, 2010	(883,049)	(883,049)
Total Valuation and translation adjustments		
Balance, MARCH 31, 2009	(778,375)	(869,738)
Change for the fiscal year		
Change for items other than shareholders' equity (net amount)	(91,363)	9,461
Total change for the fiscal year	(91,363)	9,461
Balance, MARCH 31, 2010	(869,738)	(860,277)
Total equity		
Balance, MARCH 31, 2009	37,446,289	34,774,129
Change for the fiscal year		
Dividends of surplus	(2,774,211)	(1,740,401)
Net income	2,998,348	53,427
Purchase of treasury stock	(2,805,903)	(619)
Disposal of treasury stock	970	301
Change for items other than shareholders' equity (net amount)	(91,363)	9,461
Total change for the fiscal year	(2,672,159)	(1,677,830)
Balance, MARCH 31, 2010	34,774,129	33,096,298

SEGMENT INFORMATION

Operating Segment Information

The companies' operating segment information at and for the years ended March 31, 2009 and 2008 is as follows

(Thousands of Yen)

	Temporary Staffing Business	Engineering Solutions Business	Global Business	Career Support Business	Total	Adjustments and Eliminations	Consolidated
. NET SALES							
External customers	74,185,038	2,727,621	1,065,689	1,919,887	79,898,236		79,898,236
Inter-segment	169,726	508,249	215,675	55,239	948,891	(948,891)	
Total	74,354,765	3,235,870	1,281,364	1,975,127	80,847,127	(948,891)	79,898,236
Operating expense	64,644,637	3,113,522	1,755,922	2,092,859	71,606,941	(989,627)	70,617,314
Operating income (loss)	9,710,127	122,348	(474,558)	(117,731)	9,240,185	40,735	9,280,921
. Assets, Depreciation and amortization, Impairment loss, and capital expenditures							
Assets	50,709,401	1,611,255	948,975	4,438,441	57,708,074	(3,477,417)	54,230,657
Depreciation and amortization	1,112,211	41,560	18,686	54,196	1,226,654		1,226,654
Impairment loss	-	144,626	14,760	179,406	338,793		338,793
capital expenditures	920,511	113,549	22,956	48,168	1,105,185		1,105,185

The companies' operating segment information at and for the years ended March 31, 2010 and 2009 is as follows

(Thousands of Yen)

	Temporary Staffing Business	Engineering Solutions Business	Global Business	Career Support Business	Total	Adjustments and Eliminations	Consolidated
. NET SALES							
External customers	50,455,761	2,288,178	514,852	517,232	53,776,025		53,776,025
Inter-segment	77,086	465,590	131,754	254	674,686	(674,686)	
Total	50,532,848	2,753,769	646,606	517,487	54,450,712	(674,686)	53,776,025
Operating expense	54,990,586	2,660,304	1,237,434	504,305	59,392,630	(688,243)	58,704,387
Operating income (loss)	(4,457,737)	93,464	(590,827)	13,181	(4,941,918)	13,556	(4,928,362)
. Assets, Depreciation and amortization, Impairment loss, and capital expenditures							
Assets	46,267,642	1,112,371	358,016	3,257,807	50,995,837	(3,272,396)	47,723,441
Depreciation and amortization	1,290,529	59,301	11,639	12,652	1,374,122		1,374,122
Impairment loss	32,922		25,367	12,450	70,740		70,740
capital expenditures	244,040	135,246	2,221	5,976	387,484		387,484

6. Others

(1) Executive Appointments

(1)-1. Change in Representative Director

None

(1)-2. Appointments and Retiring of other Executive Officer (as of June 24, 2010)

Candidate for Newly Appointed Auditor

Standing Outside Corporate Auditor: Makoto Fukai

Currently Outside Corporate Auditor at Nihon Plast Co., Ltd.

and Standing Auditor for Resona Business Service Co., Ltd.

Retiring Auditor

Standing Auditor: Yoshinori Takamine

(2). Others

None

「reference data」

(1) Key Performance Indicators

(Operating Hours)	The years ended March 31, 2009	The years ended March 31, 2010	change
Meitec (MT)	8.86h/day	8.60h/day	(0.26h/day)
Meitec Fielders (MF)	8.90h/day	8.66h/day	(0.24h/day)

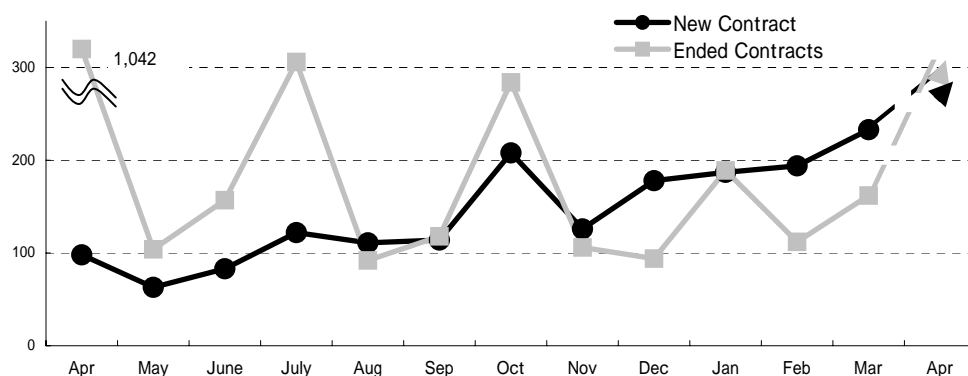
(2) Meitec Group Results For the years ended March 31, 2010

(millions of yen)		Net Sales		Operating Income		Ordinary Income		Net Income	
			Change		Change		Change		Change
Business Information Systems	Meitec	41,319	(19,138)	(2,964)	(11,772)	822	(8,472)	53	(2,944)
	Meitec Fielders	7,050	(3,531)	(1,461)	(2,280)	(618)	(1,443)	(933)	(1,400)
	Meitec Cast	2,267	(1,166)	(32)	(111)	(33)	(111)	(38)	(81)
	Meitec Experts	207	(120)	(4)		(3)		(4)	
Business Solutions	Meitec CAE	1,167	+ 370	152	+ 66	152	+ 67	84	+ 36
	Apollo Giken	1,565	(281)	(51)	(61)	11	(10)	56	+ 77
Business Global	Meitec Global Solutions	555	(598)	(432)	(106)	(158)	+ 168	(161)	+ 167
	Meitec Shanghai	25	+ 1	(13)	+ 5	(11)	+ 7	(13)	+ 5
	Meitec Dalian *1	25	(20)	(25)	(17)	(27)	(18)	(31)	(22)
	Meitec Guangzhou *1	1	(10)	(17)	+ 16	(17)	+ 17	(16)	+ 25
	Meitec Xian	9	(9)	(26)	+ 1	(25)	+ 4	(37)	(7)
	Meitec Chengdu	6	+ 3	(37)	+ 8	(37)	+ 12	(42)	+ 7
	Meitec Shanghai Human Resources	21	+ 18	(17)	(16)	(18)	(16)	(18)	(16)
Business Career	Meitec Next	334	(146)	(14)	+ 63	(12)	+ 65	(14)	+ 65
	all engineer. Jp	13	(1)	(2)	+ 19	(2)	+ 19	(2)	+ 19
	BMOA *2	173	(1,309)	23	+ 9	16	+ 11	235	+ 566

*1 : Vocational training business at Meitec Dalian and Meitec Guangzhou TechnoCenter Co., Ltd. had been suspended.

*2 : Figure include the result of DBM-J (the business has been transferred to Tempstaff Corporation, Ltd. as of May 1, 2009) for the month of April 2009.

(3) Trend of New Contracts(Non-Consolidated) For the years ended March 31, 2010 [Meitec only] *



* This information is disclosed as we consider it as one of the important index under the current difficult business environments.

(4) Forecasts for Meitec Group; Fiscal Year Ending March 31, 2011

(millions of yen)	Net Sales	Operating Income	Ordinary Income	Net Income
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	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 Human Resources	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.