Annual Report 2011

Year ended March 31, 2011

PEOPLE AND TECHNOLOGY
LEADING THE WAY TO THE FUTURE

MEITEC
THE ENGINEERING OUTSOURCING® COMPANY

What is Meitec?

The Leading Company in Its Industry

Since its establishment as an engineers staffing company in 1974, Meitec has helped develop technologies at over 4,000 manufacturers, as the leading company in the industry for more than 30 years.

About 7,000 Engineers (in the Meitec Group)

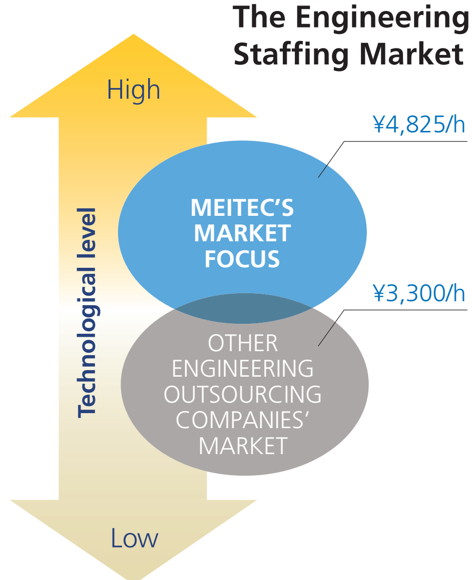
Meitec is Japan's largest engineers staffing group, with approximately 7,000 regularly employed engineers, who are engaged in design and development of such products as machinery, electrical and electronic products and semiconductor design in all manufacturing industries, including electric machinery producers and carmakers.

Serving Highly Technological Domains

Meitec, with its outstanding expertise in the engineering staffing market, virtually dominates areas that require a high technological level. The average hourly billing rate per Meitec engineer is ¥4,825*[1], compared with the market average of about ¥3,300*[2].

*[1] Meitec's actual results in the year ended March 2011
*[2] The Company's estimate

The Engineering Staffing Market



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Forward-Looking Statements

The projected Meitec results, management strategies, and beliefs about the future presented in this Annual Report 2011 are based on Meitec determinations obtained from information available at the time of writing. Readers are requested to be aware of the potential for a large discrepancy between the forecasts contained here and actual business results, as these predictions contain elements of uncertainty as well as known and unknown risks.

Management Policies

Group Management Concept

Mutual Growth & Prosperity

Core Concept

Using engineering outsourcing (EO) services and management resources (people and information) to continue developing in step with industry and society

Basic Policy on Company Management

The MEITEC Group, based on its group management concept "Mutual Growth & Prosperity", will maximize the corporate value of our group originating from the value provided to our employees.

1 Value to Employees
Continue to provide opportunities and placement for all professional engineers.

2 Value to Customers
To be a "reliable strategic partner" for Japanese manufacturers who are undergoing major changes.

3 Value to Shareholders
To be a company which maximize mid and long-term shareholders return by realizing sustainable growth.

4 Value to the Society
To be a pioneer to create a professional labor market in Japan, through establishing a career style of "lifetime professional engineers".

To Our Shareholders

On an Improving Performance Trend

I would like to extend my deepest sympathies to those people who have been affected by the Great East Japan Earthquake and hope for earliest recovery.

For the consolidated performance of the fiscal year ended March 31, 2011, we were able to achieve operating profit for the entire fiscal year which was our management goal for the subject fiscal year.

During the subject fiscal year (from April 1, 2010 to March 31, 2011), although the cost cutting measures had continued among our main customer, major Japanese manufacturing industries, as their effort in technological development investment for future growth have made firm advances, for our core business, temporary engineer staffing business, we were able to continuously improve the utilization ratio. We have also focus to develop new customers as well as extending positive sales effort to our existing customers.

As a result, for Meitec alone, we were able to improve the utilization ratio to 91.3% for the month of March 2011 from that of 78.6% for the month of March 2010. And like wise, our subsidiary, Meitec Fielders Inc. was able to improve their utilization ratio to 96.0% for the month of March 2011. In addition, almost all other group companies, such as Meitec Next Corporation who specializes in job placement, made improvement in operating income. Although we could not achieve operating profit at our Chinese operations, job placement business and vocational training business, operating loss had improved over 500 million yen compared to the previous fiscal year. The Great East Japan Earthquake occurred in the end of the fiscal year had affected the utilization ratio of Meitec and Meitec Fielders, but it was minor.

As a result, consolidated sales had improved for 14.9% to 61,790 million yen, consolidated operating income had improved to 3,032 million yen of profit from loss of 4,928 million yen for the previous fiscal year. And with grant from the government subsidies for the employment adjustment, we were able to post consolidated ordinary income of 5,000 million yen which is more than the operating income.

There are anxiety that the Great East Japan Earthquake would impose unexpected effects to the performances of our main customers, major Japanese manufacturing industries, as well as society and economy. Although receiving the government subsidies for the employment adjustment have ended by the fiscal year ended March 31, 2011, for the fiscal year ending March 31, 2012, entire group will continue our efforts to return to your expectations by improving our performances.

From the fiscal year ending March 31, 2012, we have started New Mid-term Management Plan "Co-creation21" which defined the value to the shareholders as "To be a company which maximize the mid and long-term value of shareholder returns by realizing sustainable growth".

I would like to express my sincere appreciation for your further understanding and support to our group.

June 2011

Kosuke Nishimoto
President, CEO and COO

Consolidated Financial Highlights

MEITEC CORPORATION and Subsidiaries
For the Years Ended March 31

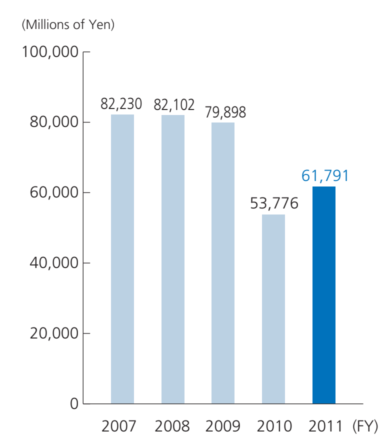
	Millions of yen			Thousands of U.S. dollars (Note 1)
For the year	**2011**	2010	2009	**2011**
Net sales	**¥61,791**	¥53,776	¥ 79,898	**$744,463**
Operating income	**3,033**	(4,928)	9,281	**36,541**
Net income (loss)	**3,938**	(905)	4,304	**47,444**
At year-end				
Total assets	**55,549**	47,625	54,231	**669,271**
Total equity	**37,342**	33,443	36,169	**449,904**

Per share of common stock	Yen			U.S. Dollars (Note 1)
Total equity	**¥1,120.16**	¥1,002,58	¥ 1,081.85	**$13.50**
Cash dividends	**27.50**	24.50	75.00	**0.33**
Basic net income (loss) (Note 2)	**118.80**	(27.30)	127.31	**1.43**

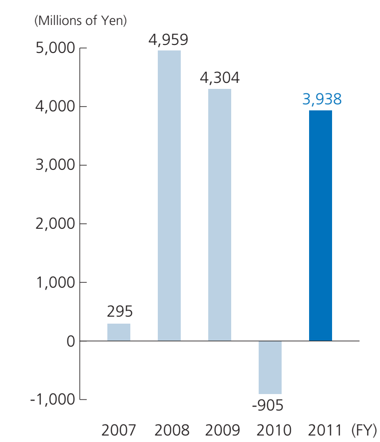
Ratio	%		
Return on average equity	**11.2**	(2.6)	11.8
Equity ratio	**66.8**	69.8	66.1
Dividend payout ratio (Note 3)	**23.1**	—	58.9

Notes: 1. U.S. dollar amounts are translated from Japanese yen, for convenience only, at the rate of ¥83 to US$1, the approximate rate of exchange at March 31, 2011.
2. Basic net income per share is computed based on the weighted average number of shares outstanding during each term.
3. Due to net income being a net loss for the fiscal year ended March 31, 2010, the dividend payout ratio for the year is not shown.

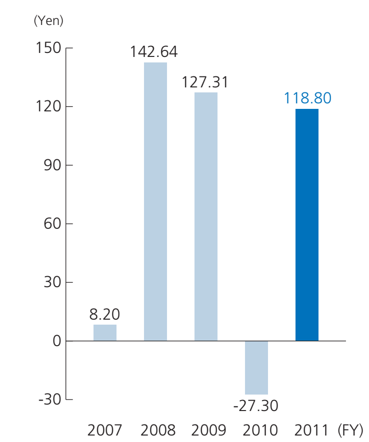
NET SALES



NET INCOME (LOSS)



NET INCOME (LOSS) PER SHARE



Management Answers Common Investor Questions

Q1 How did market conditions impact for the fiscal year ended March 31, 2011?

Regarding the status of our main customers, manufacturing industries, their cost cutting measures have been very severe since the Lehman Shock. On the other hand, R&D investments in their growth strategies for the rising nations markets have made firm advances. As a result, although there are factors for uncertainty such as high yen exchanging rate, we have started to see some large scale R&D investments from the companies who have made recovery. In addition, although the Great East Japan Earthquake had occurred, effect to our performance of the fiscal year ended March 31, 2011 was limited. With such market conditions, we were able to continue to improve our utilization ratio. Especially for the fiscal year ended March 31, 2011, we extended our sales efforts to not only to our existing customers but to develop new customers.

Q2 How did you achieve your Group Management Target for the fiscal year 2011?

For the fiscal year ended March 31, 2011, we have achieved operating profits consolidated and non-consolidated basis. (Profit by our core business)

We have set a group management policy of "Achieving self-supporting corporate continuation" for the fiscal year ended March 31, 2011. Although we posted consolidated operating loss of 4,900 million yen for the fiscal year ended March 31, 2010, due to the non-operating income from the government subsidies for employment adjustment, a public fund, we did not damage our financial position significantly. But our target of the group management policy was to be sure to build a system which realizes self-supporting corporate continuation without depending on such public funds. And it is important that we, not just turning to make a profit, but were able to achieve consolidated and non-consolidated profit without conducting restructuring such as employment adjustment. Our business is a human resources business. And our engineers are most important management resources and human capital. It is significant that we were able to overcome the crisis without damaging these resources and capital. It is directly connected to strengths of our brand name which are confidence of our customer and reliability in the labor market as we proceed with recruitments. We would like to fully utilize this strengths of the brand name which overcame the crisis in our future business.

Policy and Targets for FY2011

1. Group Management Policy : Achieving self-supporting corporate continuation

Building a corporate system which can sustain the business without depending on the government subsidies for employment adjustment

2. Group Management Target : Achieving the operating profits for the fiscal year

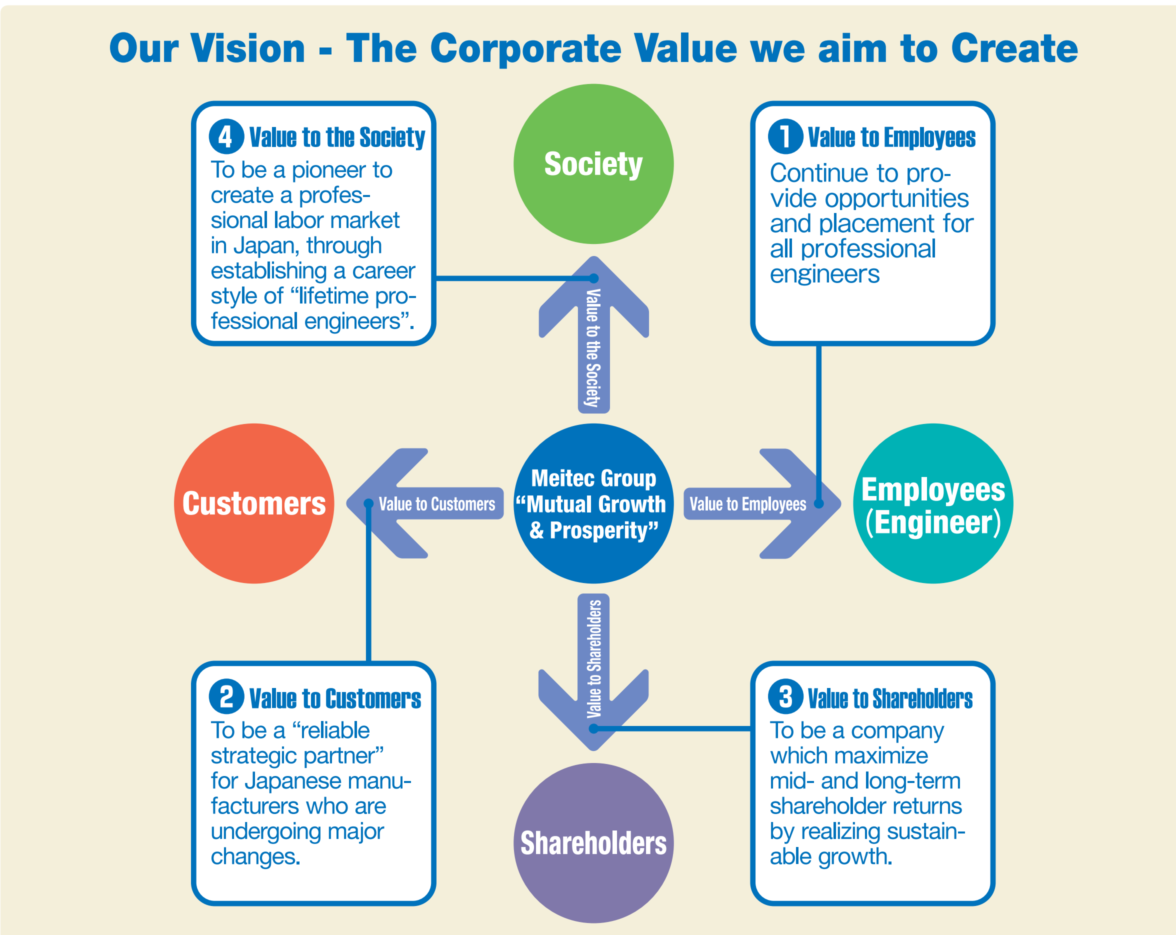
Achieving profits in consolidated and non-consolidated basis for fiscal year

Q3 Could you tell us about the Company's Mid-term Management plan, "Co-creation 21" for the fiscal years 2012 to 2014?

Our Vision - The Corporate Value we aim to Create

We have overcome the crisis by the Lehman Shock. But we believe that we should not forget what we have experienced from this. What we need to learn from the Lehman Shock are facts that we damaged the value to employee, value to customers, and value to shareholders, and what do we need to do to protect these values in future. Answer is to realize sustainable growth in mid-to long-term regardless of the market environments, under crisis or not.

What we have to consider is to build system to avoid losses in the same scale even if we have to face a crisis in the same level as the Lehman Shock. We have now sharing recognition of "the emergency will continue even recovered from the crisis" within our company. The Great East Japan Earthquake was unexpected, but we will proceed with management of the company under tension of similar economic crisis in same level as the Lehman Shock might occur again. With these lessons and recognition of subjects, in a view of building a company which will not be affected by change of conditions, we will reconsider our corporate value while we proceed with our business operation under uncertainty. We have re-defined value of our company, value to employees, value to customers, value to shareholders and value to the society.



Outline of New Mid-term Management Plan

We will carry out our new mid-term management plan from this year for period of three years to achieve ideal state of Meitec Group. And we have set the profit target and strategic target plan.

Sales, Profit and Strategic Target

1. Sales and Profit Target (Fiscal Year Ending March 2014)

- Consolidated Sales: over 77,000 million yen
  * Non-consolidated sales to be recovered to level before the Lehman Shock
- Consolidated Operating Income: over 7,500 million yen
  * Non-consolidated operating income ratio to be over 10%
- Consolidated ROE: over 10%

2. Strategic Target (Meitec alone)

Build a stronger business base to realize the continuous growth in mid-to long-term regardless of whether the market is in crisis or not

First, the profit target is to achieve consolidated sales of over 77,000 million yen by the fiscal year ending March 31, 2014. And we will try to recover to the non-consolidated sales to level before the Lehman Shock, 60,000 million yen. And we have set our targets of; consolidated operating income of over 7,500 million yen, non-consolidated operating income ratio of better than 10%, and consolidated ROE of over 10%. You may point out that this income level is lower than that of before the Lehman Shock. But as strategic target, we have set "build a stronger business base to realize the continuous growth in mid-to long-term regardless of whether the market is in crisis or not", and we need to make some strategic investments to realize this. Therefore, we expect that our income level would not recover to level before the Lehman Shock. But after achieving these targets of the plan, we are thinking of setting higher target for the operating income.

7 Strategic Targets (Meitec alone)

We plan to carry out our business according to these seven target of strategies; target of sales and engineer management strategy, target of career support strategy, target of recruiting strategy, target of compliance strategy, target of administrative operation strategy, target of IT strategy, and target of financial strategy.

Key Points of New Mid-term Management Plan

- Meitec will build stronger business base according to the 7 strategic targets of the plan.
- Due to the strategic investments according to the plan, operating income will be lower than that of before the Lehman Shock for next three years. Main purpose is to avoid losses in the scale of the recent crisis, even if we have to face a crisis in the same level as the Lehman Shock.
- After achieving the targets of the plan, we will set higher target for the operating income.

Q4 What is your outlook for the fiscal year 2012?

Assumptions for the Fiscal Year Ending March 2012

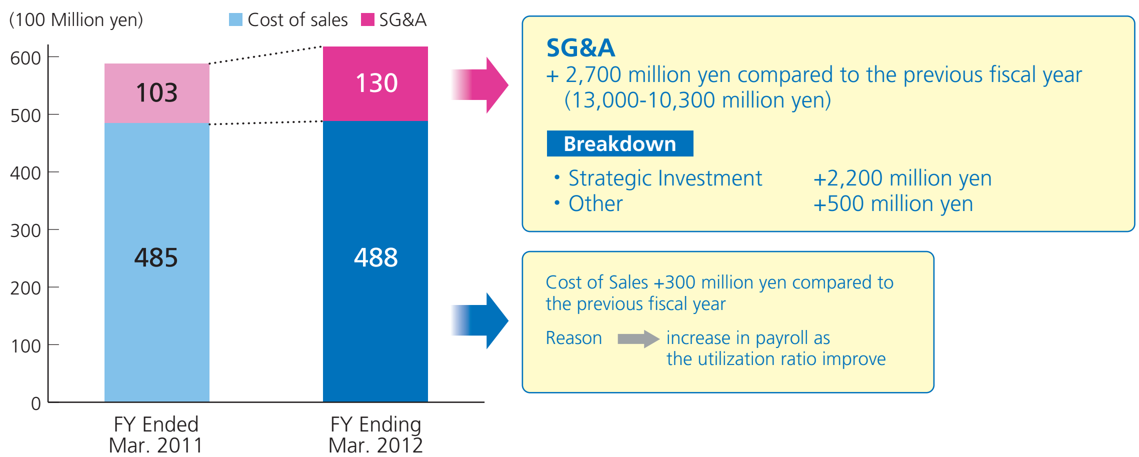
For the fiscal year ending March 31, 2012, we will seek to recover to the level before the Lehman Shock by increasing the sales and the profit. First, although the uncertainty of the economy is growing due to the Grate East Japan Earthquake, we expect the loss of the order will be offset by the increasing demand the recovery efforts from the disaster. Secondary, we plan to resume recruiting activities in full scale. As third, we will execute the strategic investment plan to build stronger business base in order to realize the mid-to long-term continuous growth regardless of whether if we are in crisis or not. And fourth assumption is that income from the government subsidies for the employment adjustment will be zero. This is because that we will not be eligible to receive the grant as our performances recover.

Change of Cost

This graph shows comparison between forecast of the cost of sales and SG&A for the fiscal year ending March 31, 2012 to the result of fiscal year ended March 31, 2011. We expect the cost of sales to be 48,800 million yen for the fiscal year ending March 31, 2012 where it was 48,500 million yen for the fiscal year ended March 31, 2011. Main reason for increase of 300 million yen is increase of labor cost as the utilization ratio improve, thus, we take it as a positive factor in sales operations. On the other hand, we expect the SG&A cost to be 13,000 million yen for the fiscal year ending March 31, 2012 where it was 10,300 million yen for the fiscal year ended March 31, 2011. We are planning to increase the SG&A cost by 2,700 million yen (13,000-10,300 million yen). Of which 2,200 million yen is for the investment needed for the seven strategic targets and 500 million yen for other reasons. But we will be executing the 2,200 million yen for the strategic investment under a condition of tightening if the condition falls into a crisis condition.

Change of Consolidated Cost

For the Fiscal Year Ending March 31, 2012



Forecasts

We plan to increase the consolidated sales by 7.5% compared to the previous fiscal year to 66,500 million yen, and consolidated operating income to increase by 55.0% to 4,700 million yen. Consolidated ordinary income and net income is expected to decrease by 6% and 34% respectively. Main reason is because the income from the government subsidies for employment adjustment would be zero.

(Millions of yen)

		Net Sales	Operating Income	Ordinary Income	Net Income
Consolidated	The 1st Half of FY2012 11/4-9	32,500	2,200	2,200	1,000
	The 1st Half of FY2011 10/4-9	29,357	662	2,087	1,615
	Change (%)	10.7%	231.9%	5.4%	(38.1%)
	FY2012	66,500	4,700	4,700	2,600
	FY2011	61,790	3,032	5,000	3,937
	Change (%)	7.6%	55.0%	(6.0%)	(34.0%)

Q5 What is Meitec's policy regarding shareholder returns going forward?

We plan to reconsider and change the policy that was in place before the Lehman Shock for shareholder returns.
But, we have not changed the method of shareholder return to be done by dividends and acquisition of treasury stocks.
But we have set a new upper limit that total return ratio to be within 100% for the total shareholder return. Dividend will be within this upper limit. But there are no change in methods, the dividend related to performance to be equal or more than 50% of consolidated net profit and minimum dividend to be equal or more than dividend on equity ratio (DOE) 5%. Also there is no change in method of holding the treasury stocks, retaining maximum of 2 million shares and retire excess of it.
Before the Lehman Shock, we have assumed the working capital to be equivalent to two months of net sales, and have used excess of it for the acquisition of treasury stocks, unless we expect major capital demands. From now on, we have set our cash position to be equivalent to three months of net sales. For the cash position, our assumption of working capital to be two months of net sales had not been changed. But we also assumed that cash needed to continue our business with our own capital to be one month of net sales if we have to face a level of utilization ratio as during the Lehman Shock, 70%.
And we have re-set the basic idea of the cash position to be working capital equivalent of two months worth of the net sales plus one month worth of the net sales for cash needed to strengthen the financial position. Excess of above will be applied to be used for the acquisition of the treasury stocks. But since we have set the upper limit of total return to be within 100% as basic rule, shareholder return will be executed by the dividend and the acquisition of the treasury stock within this limit.

	Before	After Change	
Shareholders Return		**Total Return Ratio** Basically within 100%	Changed
Dividend	**Dividend related to performances** Equal or more than 50% of consolidated net profit		Not Changed
	Minimum Dividend Equal or more than Dividend on Equity ratio (DOE) 5%		
Treasury Stock Acquisition	**Acquisition of treasury stock** Cash excess of working capital (2 months of net sales) to be applied to the acquisition of the treasury stock	**Acquisition of treasury stock** Consolidated cash position excess of 3 months net sales to be planned for acquisition of the treasury stock	Changed
	Retain Maximum of 2 million shares	**Retired** Excess above maximum to be retired	Not Changed

We are proud to disclose full information to shareholders, including this annual report, in our IR homepage.
More details are available at http://www.meitec.co.jp/e/ir/tabid/346/Default.aspx

Corporate Governance

Basic Stance

The MEITEC Group has adopted as its management principle, "Mutual Growth and Prosperity." The underlying concept for this principle is to "develop together with industry by making business resources (people and information) publicly available through the engineering outsourcing business of the MEITEC Group."
The MEITEC Group, based on its group management concept "Mutual Growth and Prosperity", will maximize the corporate value of our group originating from the value provided to our employees.

1. Value to Employees
Continue to provide opportunities and placement for all professional engineers.

2. Value to Customers
To be a "reliable strategic partner" for Japanese manufacturers who are undergoing major changes.

3. Value to Shareholders
To be a company which maximize mid and long-term shareholders return by realizing sustainable growth.

4. Value to the Society
To be a pioneer to create a professional labor market in Japan, through establishing a career style of "lifetime professional engineers".

The MEITEC Group's management policy is to improve the value provided to the employees, customers, shareholders and society as above. Our importance is in conducting clear and healthy management without violating social ethics.

Corporate System

1. Directors and the Board of Directors
MEITEC's Board of Directors consists of eight directors (of which, two is an outside director). The board meeting is basically held once a month. Its function is to make importance business decisions regarding the corporate group and oversight the execution of directors. Also with the neutral and objective view of outside directors and outside auditors, the Company is strengthening the appropriate management decision making and oversight. Also by adopting the executive officer system, the Company grant necessary authority, and strive for prompt and appropriate decision making.

2. Auditors and the Board of Corporate Auditors
MEITEC Board of Corporate Auditors consisting of three outside auditors (of which one is standing outside statutory auditor). The meeting is basically held once a month. Its function is to decide auditing plan, report result of audit by each auditor, discusses matters which need opinion and recommendations. Also, each auditor are, according to the auditing rules for the Board of Auditor and auditing plan, through attending the board of director's meeting and observing the business operation and status of assets, oversight the business execution by the directors.

3. Corporate Governance Committee
This committee comprises all directors, and is chaired by an outside director. It conducts self-checks to strengthen the corporate governance and CSR of the corporate group. The committee meets once each half fiscal year.

4. The CEO Nominating Committee
This committee comprises all directors with the exception of the current CEO of the MEITEC Group, and is chaired by an outside director. Its purpose is to objectively debate and select the ideal candidate for CEO of the MEITEC Group.
The committee meets in December of the year prior to the fiscal year in which directors are elected. The candidate for CEO of the MEITEC Group may propose other candidates for nomination to director.

Internal Control System

MEITEC's Board of Directors determines the basic policy regarding the internal control system in accordance with the Companies Act. The implementation status of MEITEC's internal control system is as follows.

a) Framework to ensure compliance by directors and employees with laws, regulations and the Company's articles of incorporation in the course of the execution of their duties
b) Framework for storing and managing information relating to the directors' execution of duties
c) Framework for risk management
d) Framework to ensure the efficient execution of duties by directors and employees
e) Framework for employees to be assigned to assist corporate auditors carry out their duties and to ensure that these employees retain their independence from the directors
f) Framework for reporting by directors and employees to the corporate auditors and framework to ensure other auditing activities by the corporate auditors are carried out effectively
g) Framework to ensure sound business operations within the Company and the Meitec Group

Defense from Hostile TOB

Company has not introduced the measure for the defense from hostile TOB, poison pill. The Company sees the shareholder, customer and employee as main stakeholder of the company, and providing improved satisfaction to them would heighten the value of the company, and will realize the defense for the hostile TOB.

* The outline of our corporate governance can be viewed at the following:
Meitec homepage: http://www.meitec.co.jp/e/company/governance/tabid/279/Default.aspx

Five-Year Summary

MEITEC CORPORATION and Subsidiaries
For the Years Ended March 31

Millions of Yen

For the Year	2011	2010	2009	2008	2007
Net sales	**¥61,791**	¥53,776	¥79,898	¥82,102	¥82,230
Cost of sales	**48,463**	46,765	57,177	57,777	57,702
Gross profit on sales	**13,328**	7,011	22,721	24,325	24,528
Selling, general and administrative expenses	**10,295**	11,939	13,440	12,960	12,946
Operating income	**3,033**	(4,928)	9,281	11,365	11,582
Net income (loss)	**3,938**	(905)	4,304	4,959	295

At Year-end	2011	2010	2009	2008	2007
Total assets	**¥55,549**	¥47,625	¥54,231	¥57,785	¥57,479
Current assets	**37,496**	28,444	33,296	35,356	35,564
Net property and equipment	**11,689**	12,069	12,819	13,374	14,549
Liabilities	**18,207**	14,182	18,062	20,186	18,795
Total equity	**37,342**	33,443	36,169	37,599	38,684

Yen

Per share	2011	2010	2009	2008	2007
Basic net income (loss)	**¥118.80**	¥(27.30)	¥127.31	¥142.64	¥8.20
Cash dividends	**27.50**	24.50	75.00	72.00	89.00
Total equity	**1,120.16**	1,002.58	1,081.85	1,086.71	1,092.80

%

Ratios	2011	2010	2009	2008	2007
Gross profit margin	**21.6%**	13.0%	28.4%	29.6%	29.8%
Operating income margin	**4.9**	(9.2)	11.6	13.8	14.1
Net profit margin	**6.4**	(1.7)	5.4	6.0	0.4
Return on average equity	**11.2**	(2.6)	11.8	13.1	0.7
Current ratio	**390.4**	444.9	301.9	256.9	283.2
Equity ratio	**66.8**	69.8	66.1	64.6	66.9
Dividend payout ratio	**23.1**	—	58.9	50.5	1,085.7
Price-earnings ratio	**14.0**	—	9.6	21.2	463.4

Major operating data	2011	2010	2009	2008	2007
Number of shares issued	**35,100,000**	33,150,000	33,150,553	34,326,962	35,186,074
Share price (yen)	**1,664**	1,831	1,216	3,020	3,800
Number of shareholders	**6,724**	7,059	6,664	6,452	8,434
Number of employees (non-consolidated)	**6,065**	6,345	6,300	6,197	6,214
Number of employees (consolidated)	**7,722**	8,368	8,588	8,398	8,280

Overview of the Economy

For the first half of the subject fiscal year, Japanese economy was moving toward gradual recovery. But during the second half of the year, recovery was slowed down by the factors such as the rapid rise of the exchange rate of the yen. In addition, due to the Great East Japan Earthquake, uncertainty about prospect of the economy is increasing.

During the subject fiscal year (from April 1, 2010 to March 31, 2011), although the cost cutting measures had continued among our main customer, major Japanese manufacturing industries, their effort in technological development investment for future growth had made firm advances. Under such environment, for our core business, temporary engineer staffing business, our sales efforts had extended not just only to our existing customers but to develop new customers. And our utilization ratio of engineers had improved.

Net Sales

Consolidated net sales for the subject fiscal year (April 1, 2010 to March 31, 2011) had increased by 8,014 million yen compared to the previous fiscal year to 61,790 million yen.

Cost of Sales

As the utilization ratio improved, the cost of sales increased by 1,697 million yen compared to the previous fiscal year to 48,462 million yen.

Selling, General and Administrative Expenses

Consolidated selling, general and administrative expenses had decreased by 1,644 million yen compared to the previous fiscal year to 10,294 million yen as a result of such factors as the continuing cost cutting efforts and reduction in training and education expenses for the un-assigned engineers.

Operating Income

Consolidated operating income had increased by 7,961 million yen compared to the previous fiscal year turning to profit of 3,032 million yen from loss posted in previous fiscal year after making the return of the bonus and salary cut which was applied from the April 1, 2010 according to an agreement with the employee union.

Other Income (Expenses)

During the subject fiscal year, we have posted 2,036 million yen of grant from the government subsidies for the employment adjustment as other income. As a result, other income was ¥ 2,112 million, which is a decrease of ¥2,442 million from the amount of ¥4,554 million for the previous fiscal year.

Income (Loss) before Income Taxes and Minority Interests

Income (loss) before income taxes and minority interests returned to profitability, to ¥ 5,144 million, which is an increase of ¥ 5,518 million from the amount of ¥ 374 million of loss for the previous fiscal year.

Net Income

Net income had increased by 4,842 million yen compared to the previous fiscal year to 3,937 million yen.

Overview of Results by Business Segment

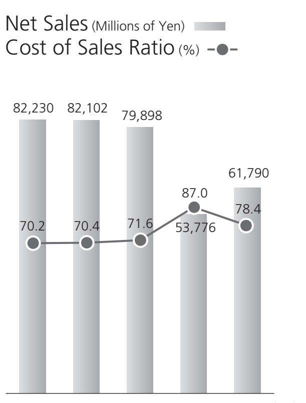
Temporary Staffing Business

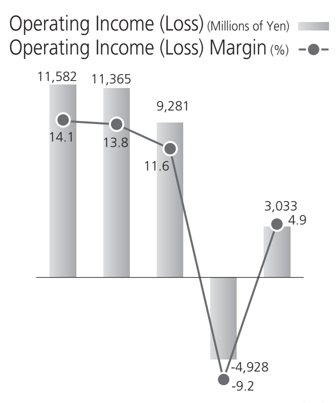
For the Temporary Staffing Business which accounts for more than 90% of consolidated net sales, particularly the core temporary engineers staffing business, as the market environments gradually improve, we have made extended efforts, not just to our existing customers, but to develop new customers, focusing to propose assignment of our un-assigned engineers who were continuing their technical training. As a result, we were able to obtain more number of new orders compared to the number of contracts ended.

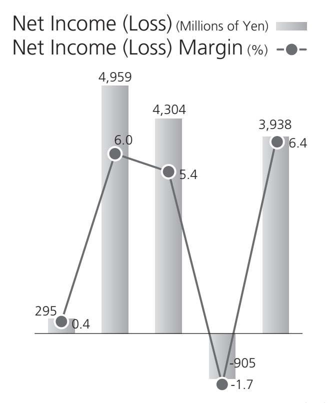
And our non-consolidated average utilization ratio during the fiscal year had improved to 85.1% compared to 71.9% of the previous fiscal year. Especially during the 4th quarter, the utilization ratio had improved to 90.8%.

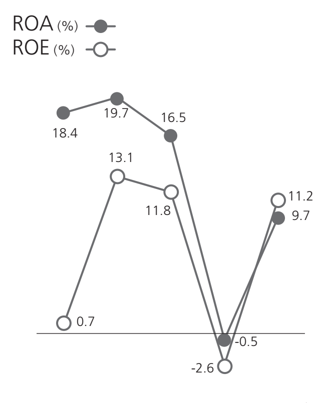
As a result of this improvement of the utilization ratio, consolidated sale in the temporary staffing business for the subject fiscal year had increased by 8,142 million yen compared to the previous fiscal year to 58,675 million yen.

Also as the sales increased, consolidated operating income had increased by 7,239 million yen compared to the previous fiscal year to 2,781 million yen, turning to post profits from loss of previous fiscal year.









Engineering Solutions Business

The engineering solutions business consists of technology support for printed-circuit boards, prototype production, casting and metal mold production and analytical technology.

Revenue of the engineering solutions business had increased by 378 million yen compared to the previous fiscal year to 3,132 million yen, and operating profit had increased by 115 million yen compared to the previous fiscal year to 208 million yen.

Meitec CAE who conducts analytical engineering business was able to achieve increase in both revenue and profit for three consecutive fiscal years as the result of expanding its services and strengthening its sales efforts.

Apollo Giken Group also achieved increase in both revenue and profit, turning to profit from loss of the previous fiscal year, as the result of its sales effort as well as the improved market.

Meitec Global Solutions, which we have moved its business segment from the Global Business to the Engineering Solutions Business for the subject fiscal year, was merged by Meitec on March 1, 2011 to strengthen the cooperative sales and management efficiency improvement.

Global Business

The Global Business consists of job placement business and vocational training business in China.

The sales of the Global Business in the subject fiscal year had decreased by 568 million yen to 78 million yen mainly due to the segment change of Meitec Global Solutions.

But as we continues our effort to improve the efficiency by business reduction measures, such as closing MEITEC Dalian TechnoCenter Co., Ltd., MEITEC Guangzhou TechnoCenter Co., Ltd. and Meitec Beijin, and concentration of sales force to the Meitec Shanghai Company Ltd., operating loss had improved by 525 million yen to a loss of 65 million yen.

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 had decreased by 72 million yen to 444 million yen mainly due to a sale of the outplacement business on May 1, 2009 of previous fiscal year. But the operating income has increased by 89 million yen to profits of 102 million yen.

Meitec Next Corporation, although undergoing a reduction of sales locations, was able to achieve increase in sales and turned to post profits compared to the previous fiscal year as result of cost reduction efforts.

Forecasts for the Fiscal Year Ending March 31, 2012

Summary of Consolidated Forecasts for the fiscal year ending March 31, 2012

Millions of Yen, rounded down	Net Sales	Operating Income	Net Income
Forecast for 2nd Q of FY2012	32,500	2,200	1,000
Comparison to 2nd Q of FY2011	+3,142	+1,537	(615)
Forecast for FY2012	66,500	4,700	2,600
Comparison to FY2011	+4,709	+1,667	(1,337)
Actual for 2nd Q of FY2011	29,357	662	1,615
Actual for FY2011	61,790	3,032	3,937

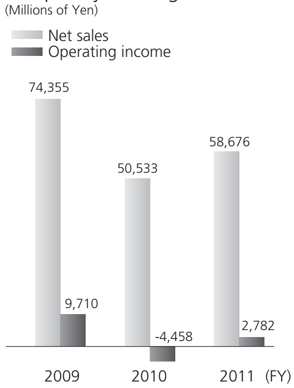
Although the prospect of the economy is uncertain because of the Great East Japan Earthquake, the company disclosed its forecast of the consolidated performances for the fiscal year ending March 31, 2012 with consideration of current trend of the utilization ratio and with prerequisites for the performance forecast as noted in figure 6.

For the fiscal year ending March 31, 2012, with resuming the recruiting activities and expected increase in engineers on assignments from continuing aggressive sales efforts, we forecast the consolidated sales to increase by 4,709 million yen to 66,500 million yen.

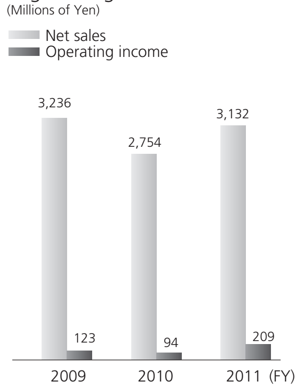
We forecast the consolidated operating profit to increase by 1,667 million yen to 4,700 million yen considering our positive investment plan to strengthening our two strong points, "strength of the engineers" and "strong customer basis" which we see as major reasons that took us out of the crisis started by the Lehman Shock, to exist on our own and to increase our power for growth.

On the other hand we forecast the consolidated ordinary income to decrease by 300 million yen to 4,700 million yen as the income from the government subsidies for the employment adjustment to reduce in large. And we forecast the consolidated net income to reduce by 1,337 million yen to 2,600 million yen as the extraordinary income reduce and tax expense increase.

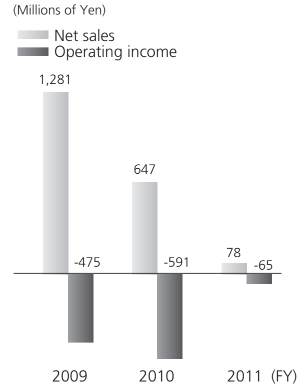
Temporary Staffing Business
(Millions of Yen)



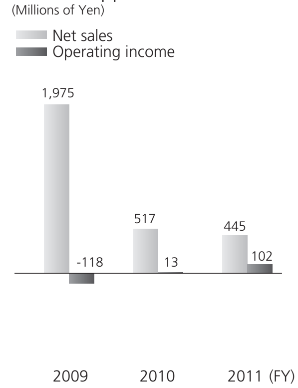
Engineering Solutions Business
(Millions of Yen)



Global Business
(Millions of Yen)



Career Support Business
(Millions of Yen)



Financial Position

• Assets

Consolidated total assets at the end of the subject fiscal year (March 31, 2011) increased by 7,924 million yen compared to the previous fiscal year (March 31, 2010) to 55,549 million yen. This was mainly due to the increase of current assets by 9,051 million yen compared to the end of the previous fiscal year as the cash and cash equivalent increased. Reason for increase of cash and cash equivalent was mainly due to the good performance in the subject fiscal year.

• Liabilities

Consolidated total liabilities at the end of the subject fiscal year increased by 4,025 million yen compared to the end of the previous fiscal year to 18,207 million yen. This was mainly due to the increase of current liabilities by 3,210 million yen at the end of the subject fiscal year.

The reason for increase of the current liabilities was an increase of corporate tax as the income increased.

• Total Equity

Consolidated total Equity at the end of the subject fiscal year had increased by 3,898 million yen compared to the end of the previous fiscal year to 37,342 million yen. This was mainly due to the increase of retained earnings as a result of good performances.

Cash Flows

Consolidated cash and cash equivalents (hereafter, Cash) had increased by 9,467 million yen compared to the previous fiscal year to 23,999 million yen.

• Cash Flow from Operating Activities

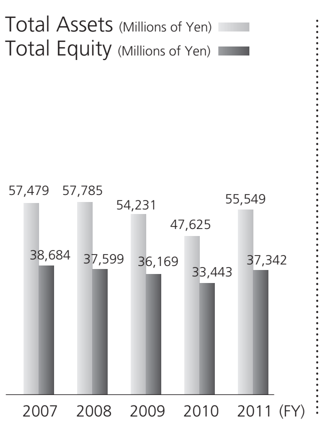
Cash gained from the operating activities increased by 10,836 million yen compared to the previous fiscal year to 9,291 million yen. Major portion of the gain was 5,144 million yen from the income before tax adjustments and decrease of other current asset by 1,484 million yen mainly due to the decrease of notes and accounts receivable.

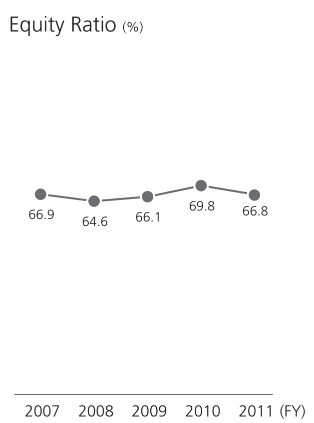
• Cash Flow from Investing Activities

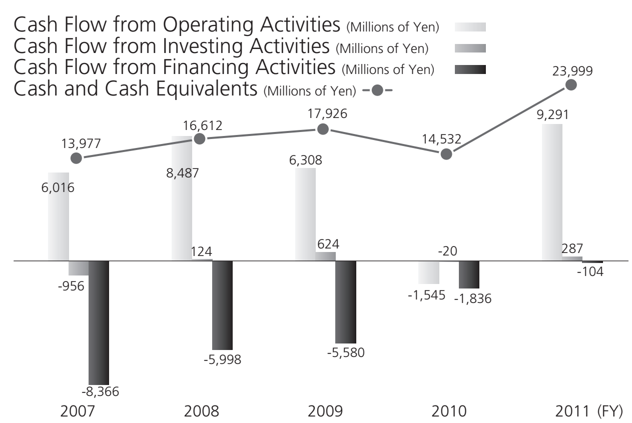
Cash gained from the investment activities increased by 306 million yen compared to the previous fiscal year to 287 million yen. Major portion of the gain was 200 million yen from a withdrawal of time deposit and 158 million yen from sale of investment securities.

• Cash Flow from Financing Activities

Cash used in the financing activities was 104 million yen. Major portion was the 46 million yen used to buy the treasury share according to the share purchase demand.







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INDEPENDENT AUDITORS' REPORT

To the Board of Directors of
MEITEC CORPORATION:

We have audited the accompanying consolidated balance sheets of MEITEC CORPORATION (the "Company") and subsidiaries as of March 31, 2011 and 2010, and the related consolidated statements of operations for the years then ended, the consolidated statement of comprehensive income for the year ended March 31, 2011, and the related consolidated statements of changes in equity, and cash flows for the years then ended, all expressed in Japanese yen. These consolidated financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these consolidated financial statements based on our audits.

We conducted our audits in accordance with auditing standards generally accepted in Japan. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the consolidated financial position of MEITEC CORPORATION and subsidiaries as of March 31, 2011 and 2010, and the consolidated results of their operations and their cash flows for the years then ended in conformity with accounting principles generally accepted in Japan.

Our audits also comprehended the translation of Japanese yen amounts into U.S. dollar amounts and, in our opinion, such translation has been made in conformity with the basis stated in Note 1. Such U.S. dollar amounts are presented solely for the convenience of readers outside Japan.

Deloitte Touche Tohmatsu LLC

June 23, 2011

Member of
Deloitte Touche Tohmatsu Limited

Consolidated Balance Sheets

	Millions of Yen		Thousands of U.S. Dollars (Note 1)
ASSETS	**2011**	2010	**2011**
CURRENT ASSETS:			
Cash and cash equivalents (Note 4)	**¥23,999**	¥14,532	**$289,146**
Short-term investments (Notes 3 and 4)		200	
Notes and accounts receivable (Note 4):			
Trade notes and accounts	**10,246**	9,583	**123,439**
Allowance for doubtful accounts	**(20)**	(4)	**(238)**
Inventories (Note 5)	**197**	153	**2,376**
Deferred tax assets (Note 11)	**1,871**	1,537	**22,547**
Prepaid expenses and other	**1,203**	2,443	**14,491**
Total current assets	**37,496**	28,444	**451,761**
PROPERTY AND EQUIPMENT:			
Land	**3,585**	3,585	**43,191**
Buildings and structures (Note 10)	**19,702**	19,885	**237,368**
Furniture and fixtures (Note 10)	**2,354**	2,401	**28,365**
Other	**431**	239	**5,200**
Total	**26,072**	26,110	**314,124**
Accumulated depreciation	**(14,383)**	(14,041)	**(173,296)**
Net property and equipment	**11,689**	12,069	**140,828**
INVESTMENTS AND OTHER ASSETS:			
Investment securities (Notes 3 and 4)	**312**	468	**3,755**
Software (Note 10)	**1,864**	2,591	**22,460**
Leasehold deposits	**679**	797	**8,176**
Deferred tax assets (Note 11)	**3,384**	3,121	**40,775**
Other (Note 10)	**125**	135	**1,516**
Total investments and other assets	**6,364**	7,112	**76,682**
TOTAL	**¥55,549**	¥47,625	**$669,271**

See notes to consolidated financial statements.

LIABILITIES AND EQUITY	Millions of Yen 2011	2010	Thousands of U.S. Dollars (Note 1) 2011
CURRENT LIABILITIES:			
Trade accounts payable (Note 4)	**¥168**	¥124	**$2,026**
Income taxes payable (Note 4)	**1,732**	147	**20,862**
Accrued expenses	**5,545**	4,865	**66,809**
Other (Note 4)	**2,159**	1,257	**26,009**
Total current liabilities	**9,604**	6,393	**115,706**
LONG-TERM LIABILITIES:			
Liability for retirement benefits (Note 7)	**8,452**	7,740	**101,836**
Deferred tax liabilities (Note 11)		1	
Deferred tax liabilities for land revaluation (Notes 2.j and 11)	**42**	42	**508**
Other	**109**	6	**1,317**
Total long-term liabilities	**8,603**	7,789	**103,661**
EQUITY (Note 8):			
Common stock—authorized, 142,854 thousand shares in 2011 and 2010; issued, 35,100 thousand shares in 2011 and 2010	**16,826**	16,826	**202,721**
Capital surplus	**14,451**	14,451	**174,113**
Retained earnings	**12,654**	8,716	**152,451**
Treasury stock—at cost, 1,975 thousand shares in 2011 and 1,950 thousand shares in 2010	**(5,937)**	(5,891)	**(71,535)**
Accumulated other comprehensive income:			
Unrealized gain on available-for-sale securities	**6**	21	**74**
Land revaluation difference (Note 2.j)	**(883)**	(883)	**(10,639)**
Foreign currency translation adjustments	**(11)**	(4)	**(138)**
Total	**37,106**	33,236	**447,047**
Minority interests	**236**	207	**2,857**
Total equity	**37,342**	33,443	**449,904**
TOTAL	**¥55,549**	¥47,625	**$669,271**

Consolidated Statements of Operations

MEITEC CORPORATION and Subsidiaries
Years Ended March 31, 2011 and 2010

	Millions of Yen		Thousands of U.S. Dollars (Note 1)
	2011	2010	**2011**
NET SALES	**¥61,791**	¥53,776	**$744,463**
COST OF SALES	**48,463**	46,765	**583,890**
Gross profit	**13,328**	7,011	**160,573**
SELLING, GENERAL AND ADMINISTRATIVE EXPENSES	**10,295**	11,939	**124,032**
Operating income (loss)	**3,033**	(4,928)	**36,541**
OTHER INCOME (EXPENSES):			
Interest and dividend income	**13**	18	**162**
Gain on sales of investment securities	**158**	13	**1,905**
Subsidy income	**2,036**	4,644	**24,532**
Foreign exchange loss	**(19)**	(14)	**(228)**
Loss on investments in partnerships	**(18)**	(28)	**(226)**
Loss on sales and disposals of property and equipment	**(109)**	(48)	**(1,319)**
Impairment loss (Note 10)	**(16)**	(71)	**(192)**
Reversal of allowance for doubtful accounts	**216**	19	**2,600**
Provision for allowance for doubtful accounts	**(17)**	(1)	**(202)**
Contribution	**(100)**		**(1,204)**
Loss on adjustment for changes in accounting standard for asset retirement obligations	**(77)**		**(925)**
Other—net	**45**	22	**539**
Other income—net	**2,112**	4,554	**25,442**
INCOME (LOSS) BEFORE INCOME TAXES AND MINORITY INTERESTS	**5,145**	(374)	**61,983**
INCOME TAXES (Note 11):			
Current	**1,763**	198	**21,247**
Deferred	**(589)**	337	**(7,102)**
Total income taxes	**1,174**	535	**14,145**
NET INCOME (LOSS) BEFORE MINORITY INTERESTS	**3,971**	(909)	**47,838**
MINORITY INTERESTS IN NET INCOME (LOSS)	**33**	(4)	**394**
NET INCOME (LOSS)	**¥3,938**	¥(905)	**$47,444**

	Yen		U.S. Dollars (Note 1)
	2011	2010	**2011**
PER SHARE OF COMMON STOCK (Notes 2.r and 13):			
Basic net income (loss)	**¥118.80**	¥(27.30)	**$1.43**
Cash dividends applicable to the year	**27.50**	24.50	**0.33**

See notes to consolidated financial statements.

Consolidated Statement of Comprehensive Income

	Millions of Yen	Thousands of U.S. Dollars (Note 1)
	2011	**2011**
NET INCOME BEFORE MINORITY INTERESTS	**¥3,971**	**$47,838**
OTHER COMPREHENSIVE INCOME (Note 14):		
Unrealized loss on available-for-sale securities	**(15)**	**(179)**
Foreign currency translation adjustments	**(11)**	**(129)**
Total other comprehensive income	**(26)**	**(308)**
Comprehensive income (Note 14)	**¥3,945**	**$47,530**
TOTAL COMPREHENSIVE INCOME ATTRIBUTABLE TO (Note 14):		
Owners of the parent	**¥3,916**	**$47,174**
Minority interests	**29**	**356**

See notes to consolidated financial statements.

	Thousands	Millions of Yen									
						Accumulated Other Comprehensive Income					
	Number of Shares of Common Stock Outstanding	Common Stock	Capital Surplus	Retained Earnings	Treasury Stock	Unrealized Gain on Available-for-Sale Securities	Land Revaluation Difference	Foreign Currency Translation Adjustments	Total	Minority Interests	Total Equity
BALANCE, MARCH 31, 2009	33,151	¥16,826	¥14,452	¥11,361	¥(5,891)	¥ 11	¥(883)	¥(12)	¥35,864	¥305	¥36,169
Net loss				(905)					(905)		(905)
Cash dividends, ¥52.5 per share				(1,740)					(1,740)		(1,740)
Purchase of treasury stock	(1)				(1)				(1)		(1)
Disposal of treasury stock			(1)		1						
Net change in the year						10		8	18	(98)	(80)
BALANCE, MARCH 31, 2010	33,150	¥16,826	¥14,451	¥8,716	¥(5,891)	¥21	¥(883)	¥(4)	¥33,236	¥207	¥33,443
Net income				3,938					3,938		3,938
Purchase of treasury stock	(25)				(46)				(46)		(46)
Net change in the year						(15)		(7)	(22)	29	7
BALANCE, MARCH 31, 2011	**33,125**	**¥16,826**	**¥14,451**	**¥12,654**	**¥(5,937)**	**¥6**	**¥(883)**	**¥(11)**	**¥37,106**	**¥236**	**¥37,342**

	Thousands of U.S. Dollars (Note 1)									
					Accumulated Other Comprehensive Income					
	Common Stock	Capital Surplus	Retained Earnings	Treasury Stock	Unrealized Gain on Available-for-Sale Securities	Land Revaluation Difference	Foreign Currency Translation Adjustments	Total	Minority Interests	Total Equity
BALANCE, MARCH 31, 2010	$202,721	$174,113	$105,007	$(70,979)	$252	$(10,639)	$(45)	$400,430	$2,501	$402,931
Net income			47,444					47,444		47,444
Purchase of treasury stock				(556)				(556)		(556)
Net change in the year					(178)		(93)	(271)	356	85
BALANCE, MARCH 31, 2011	**$202,721**	**$174,113**	**$152,451**	**$(71,535)**	**$74**	**$(10,639)**	**$(138)**	**$447,047**	**$2,857**	**$449,904**

See notes to consolidated financial statements.

Consolidated Statements of Cash Flows

	Millions of Yen		Thousands of U.S. Dollars (Note 1)
	2011	2010	**2011**
OPERATING ACTIVITIES:			
Income (loss) before income taxes and minority interests	**¥5,145**	¥(374)	**$61,983**
Adjustments for:			
Income taxes—paid	**(198)**	(1,313)	**(2,381)**
Income taxes—refund	**63**		**760**
Depreciation and amortization	**1,333**	1,374	**16,058**
Gain on sales of investment securities	**(158)**	(13)	**(1,905)**
Loss on sales and disposals of property and equipment	**102**	48	**1,228**
Loss on investments in partnerships	**18**	28	**226**
Impairment loss	**16**	71	**192**
Loss on adjustment for changes in accounting standard for asset retirement obligations	**77**		**925**
Changes in assets and liabilities:			
(Increase) decrease in trade receivables	**(663)**	1,344	**(7,988)**
Increase in inventories	**(44)**	(30)	**(528)**
Increase in trade payables	**45**	39	**536**
Increase (decrease) in accrued expenses	**680**	(2,116)	**8,199**
Increase (decrease) in consumption taxes payable	**791**	(475)	**9,527**
Decrease in allowance for doubtful accounts	**(149)**	(21)	**(1,798)**
Increase in liability for retirement benefits	**713**	751	**8,587**
Decrease (increase) in other current assets	**1,484**	(1,215)	**17,884**
Increase in other current liabilities	**18**	448	**220**
Other—net	**18**	(91)	**218**
Total adjustments	**4,146**	(1,171)	**49,960**
Net cash provided by (used in) operating activities	**9,291**	(1,545)	**111,943**
INVESTING ACTIVITIES:			
Proceeds from sales of short-term investments	**200**	400	**2,410**
Proceeds from sales of investment securities	**158**	106	**1,905**
Payments for sales of investments in subsidiaries resulting in a change in a scope of consolidation		(201)	
Purchases of property and equipment	**(48)**	(129)	**(575)**
Purchases of other investments and assets	**(24)**	(197)	**(287)**
Other—net	**1**	1	**6**
Net cash provided by (used in) investing activities	**287**	(20)	**3,459**
FINANCING ACTIVITIES:			
Acquisition of treasury stock	**(46)**	(1)	**(556)**
Dividends paid	**(4)**	(1,740)	**(52)**
Dividends paid to minority shareholders		(13)	
Proceeds from issuance of common stock to minority shareholders		(81)	
Other—net	**(54)**	(1)	**(648)**
Net cash used in financing activities	**(104)**	(1,836)	**(1,256)**
FOREIGN CURRENCY TRANSLATION ADJUSTMENTS ON CASH AND CASH EQUIVALENTS	**(7)**	7	**(84)**
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	**9,467**	(3,394)	**114,062**
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	**14,532**	17,926	**175,084**
CASH AND CASH EQUIVALENTS, END OF YEAR	**¥23,999**	¥14,532	**$289,146**

See notes to consolidated financial statements.

1. BASIS OF PRESENTING CONSOLIDATED FINANCIAL STATEMENTS

The accompanying consolidated financial statements have been prepared in accordance with the provisions set forth in the Japanese Financial Instruments and Exchange Act and its related accounting regulations, and in conformity with accounting principles generally accepted in Japan ("Japanese GAAP"), which are different in certain respects as to application and disclosure requirements of International Financial Reporting Standards.

Under Japanese GAAP, a consolidated statement of comprehensive income is required from the fiscal year ended March 31, 2011 and has been presented herein. Accordingly, accumulated other comprehensive income is presented in the consolidated balance sheet and the consolidated statement of changes in equity. Information with respect to other comprehensive income for the year ended March 31, 2010 is disclosed in Note 14. In addition, "net income (loss) before minority interests" is disclosed in the consolidated statement of operations from the year ended March 31, 2011.

In preparing these consolidated financial statements, certain reclassifications and rearrangements have been made to the consolidated financial statements issued domestically in order to present them in a form that is more familiar to readers outside Japan. In addition, certain reclassifications have been made in the 2010 consolidated financial statements to conform to the classifications used in 2011.

The consolidated financial statements are stated in Japanese yen, the currency of the country in which MEITEC CORPORATION (the "Company") is incorporated and operates. The translations of Japanese yen amounts into U.S. dollar amounts are included solely for the convenience of readers outside Japan and have been made at the rate of ¥83 to $1, the approximate rate of exchange at March 31, 2011. Such translations should not be construed as representations that the Japanese yen amounts could be converted into U.S. dollars at that or any other rate.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

a. *Consolidation* — The consolidated financial statements as of March 31, 2011 include the accounts of the Company and its fourteen (sixteen in 2010) subsidiaries (together, the "Group").

In fiscal 2011, two subsidiaries were excluded from the scope of consolidation as one was liquidated and the other was merged with the Company. In fiscal 2010, two subsidiaries were excluded from the scope of consolidation as they were liquidated.

Under the control or influence concept, those companies in which the Company, directly or indirectly, is able to exercise control over operations are fully consolidated, and those companies over which the Group has the ability to exercise significant influence are accounted for by the equity method.

The excess of the cost of an acquisition over the fair value of the net assets of the acquired subsidiary at the date of acquisition is being amortized over a period of 20 years.

All significant intercompany balances and transactions have been eliminated in consolidation. All material unrealized profit included in assets resulting from transactions within the Group is eliminated.

b. *Unification of Accounting Policies Applied to Foreign Subsidiaries for the Consolidated Financial Statements* — In May 2006, the Accounting Standards Board of Japan ("ASBJ") issued ASBJ Practical Issues Task Force (PITF) No. 18, "Practical Solution on Unification of Accounting Policies Applied to Foreign Subsidiaries for the Consolidated Financial Statements."

PITF No. 18 prescribes that: (1) the accounting policies and procedures applied to a parent company and its subsidiaries for similar transactions and events under similar circumstances should in principle be unified for the preparation of the consolidated financial statements, (2) financial statements prepared by foreign subsidiaries in accordance with either International Financial Reporting Standards or the generally accepted accounting principles in the United States tentatively may be used for the consolidation process, (3) however, the following items should be adjusted in the consolidation process so that net income is accounted for in accordance with Japanese GAAP unless they are not material:

(a) amortization of goodwill,
(b) scheduled amortization of actuarial gain or loss of pensions that has been directly recorded in the equity,
(c) expensing capitalized development costs of R&D,
(d) cancellation of the fair value model accounting for property, plant, and equipment and investment properties and incorporation of the cost model accounting,
(e) recording the prior years' effects of changes in accounting policies in the income statement where retrospective adjustments to the financial statements have been incorporated
(f) exclusion of minority interests from net income, if contained.

c. *Business Combination* — In October 2003, the Business Accounting Council issued a Statement of Opinion, "Accounting for Business Combinations," and in December 2005, the ASBJ issued ASBJ Statement No. 7, "Accounting Standard for Business Divestitures" and ASBJ Guidance No. 10, "Guidance for Accounting Standard for Business Combinations and Business Divestitures."

The accounting standard for business combinations allows companies to apply the pooling-of-interests method of accounting only when certain specific criteria are met such that the business combination is essentially regarded as a uniting-of-interests.

For business combinations that do not meet the uniting-of-interests criteria, the business combination is considered to be an acquisition and the purchase method of accounting is required. This standard also prescribes the accounting for combinations of entities under common control and for joint ventures.

In December 2008, the ASBJ issued a revised accounting standard for business combinations, ASBJ Statement No.21, "Accounting Standard for Business Combinations." Major accounting changes under the revised accounting standard are as follows;

(1) The revised standard requires accounting for business combinations only by the purchase method. As a result, the pooling of interests method of accounting is no longer allowed.

(2) The current accounting standard accounts for the research and development costs to be charged to income as incurred. Under the revised standard, in-process research and development (IPR&D) acquired in the business combination is capitalized as an intangible asset.

(3) The previous accounting standard provided for a bargain purchase gain (negative goodwill) to be systematically amortized over a period not exceeding 20 years. Under the revised standard, the acquirer recognizes the bargain purchase gain in profit or loss immediately on the acquisition date after reassessing and confirming that all of the assets acquired and all of the liabilities assumed have been identified after a review of the procedures used in the purchase allocation.

This standard is applicable to business combinations undertaken on or after April 1, 2010 with early adoption permitted for fiscal years beginning on or after April 1, 2009.

d. *Cash Equivalents* — Cash equivalents are short-term investments that are readily convertible into cash and that are exposed to insignificant risk of changes in value. Cash equivalents include time deposits, all of which mature within three months from the date of acquisition.

e. *Inventories* — Inventories are measured at cost determined by the specific identification method and stated at the lower of cost or net selling value.

f. *Investment Securities* — Investment securities are classified and accounted for, depending on management's intent, as follows: (1) trading securities, which are held for the purpose of earning capital gains in the near term, are reported at fair value, and the related unrealized gains and losses are included in earnings, (2) held-to-maturity debt securities, which are expected to be held to maturity with the positive intent and ability to hold to maturity, are reported at amortized cost, and (3) available-for-sale securities, which are not classified as either of the aforementioned securities, are reported at fair value, with unrealized gains and losses, net of applicable taxes, reported in a separate component of equity.

Non-marketable available-for-sale securities are stated at cost determined by the moving-average method.

For other than temporary declines in fair value, investment securities are reduced to net realizable value by a charge to income.

g. *Property and Equipment* — Property and equipment other than lease assets are stated at cost. Depreciation is principally computed by the declining-balance method based on the estimated useful lives of the assets, while the straight-line method is applied to certain buildings. The range of useful lives is principally from 7 to 50 years for buildings and structures, and from 2 to 15 years for furniture and fixtures.

h. *Long-lived Assets* — The Group reviews its long-lived assets for impairment whenever events or changes in circumstance indicate the carrying amount of an asset or asset group may not be recoverable. An impairment loss would be recognized if the carrying amount of an asset or asset group exceeds the sum of the undiscounted future cash flows expected to result from the continued use and eventual disposition of the asset or asset group. The impairment loss would be measured as the amount by which the carrying amount of the asset exceeds its recoverable amount, which is the higher of the discounted cash flows from the continued use and eventual disposition of the asset or the net selling price at disposition.

i. *Leases* — Lease assets under finance lease transactions that are not deemed to transfer ownership of the leased property to the lessee are capitalized and depreciated by the straight-line method over their respective lease term with zero residual value, except for leases that commenced prior to April 1, 2008, which are accounted for as operating leases.

Effective for fiscal 2009, the Company adopted ASBJ Statement No.13, "Accounting Standard for Lease Transactions" (issued on March 30,2007) which revised the previous accounting standard for lease transactions issued on June 17, 1993, and ASBJ Guidance No.16, "Guidance for Accounting Standard for Lease Transactions" (issued on March

30,2007). The revised accounting standards require that all finance lease transactions that are not deemed to transfer ownership of leased properties are capitalized recognizing lease assets and lease obligations in the balance sheet, except for leases that commenced prior to April 1, 2008 that are accounted for as operating leases. All other leases are accounted for as operating leases.

j. Land Revaluation — Under the "Law of Land Revaluation," the Company elected a one time revaluation of its own use land to a value based on real estate appraisal information as of March 31, 2000. The resulting land revaluation difference represents an unrealized devaluation of land and is stated, net of income taxes, as a component of equity. Continuous readjustment is not permitted unless the land value subsequently declines significantly such that the amount of the decline in value should be removed from the land revaluation difference account.

As of March 31, 2011, the carrying amount of the land after the one-time revaluation exceeded the market value by ¥1,515 million ($18,252 thousand).

k. Retirement and Pension Plan — The Company and certain subsidiaries have unfunded retirement benefit plans. The Company also has a contributory funded pension plan covering substantially all of its employees.

On July 31, 2008, the ASBJ issued ASBJ Statement No.19, "Partial Amendments to Accounting Standard for Retirement Benefits (Part 3)." The Company and certain domestic consolidated subsidiaries applied the statement at the end of the fiscal years ending on or after March 31, 2010. There was no effect of this application on the consolidated statements of income for the year ended March 31, 2010.

l. Asset Retirement Obligations — In March 2008, the ASBJ published a new accounting standard for asset retirement obligations, ASBJ Statement No.18 "Accounting Standard for Asset Retirement Obligations" and ASBJ Guidance No.21 "Guidance on Accounting Standard for Asset Retirement Obligations." Under this accounting standard, an asset retirement obligation is defined as a legal obligation imposed either by law or contract that results from the acquisition, construction, development and the normal operation of a tangible fixed asset and is associated with the retirement of such tangible fixed asset.

The asset retirement obligation is recognized as the sum of the discounted cash flows required for the future asset retirement and is recorded in the period in which the obligation is incurred if a reasonable estimate can be made. If a reasonable estimate of the asset retirement obligation cannot be made in the period the asset retirement obligation is incurred, the liability should be recognized when a reasonable estimate of asset retirement obligation can be made. Upon initial recognition of a liability for an asset retirement obligation, an asset retirement cost is capitalized by increasing the carrying amount of the related fixed asset by the amount of the liability. The asset retirement cost is subsequently allocated to expense through depreciation over the remaining useful life of the asset. Over time, the liability is accreted to its present value each period. Any subsequent revisions to the timing or the amount of the original estimate of undiscounted cash flows are reflected as an increase or a decrease in the carrying amount of the liability and the capitalized amount of the related asset retirement cost.

This standard was effective for the years beginning on or after April 1, 2010.

The Company has applied this accounting standard effective April 1, 2010. As a result, operating income decreased by ¥7 million ($83 thousand) and income before income taxes and minority interests decreased by ¥84 million ($1,008 thousand) for the year ended March 31, 2011.

m. Stock Options — In December 2005, the ASBJ issued ASBJ Statement No. 8, "Accounting Standard for Stock Options" and related guidance. The new standard and guidance are applicable to stock options newly granted on and after May 1, 2006. This standard requires companies to recognize compensation expense for employee stock options based on the fair value at the date of grant and over the vesting period as consideration for receiving goods or services. The standard also requires companies to account for stock options granted to non-employees based on the fair value of either the stock option or the goods or services received. In the balance sheet, the stock option is presented as a stock acquisition right as a separate component of equity until exercised. The standard covers equity settled, share-based payment transactions, but does not cover cash settled, share-based payment transactions. In addition, the standard allows unlisted companies to measure options at their intrinsic value if they cannot reliably estimate fair value.

The Company has applied this accounting standard for stock options to those granted on and after May 1, 2006.

n. Bonuses to Directors and Corporate Auditors — Bonuses to directors and corporate auditors are accrued at the year end to which such bonuses are attributable.

o. Income Taxes — The provision for current income taxes is computed based on the pretax income included in the consolidated statements of operations. The asset and liability approach is used to recognize deferred tax assets and liabilities for the expected future tax consequences of temporary differences between the carrying amounts and the tax basis of assets and liabilities. Deferred taxes are measured by applying currently enacted tax laws to the temporary differences.

p. Foreign Currency Transactions — All short-term and long-term monetary receivables and payables denominated in foreign currencies are translated into Japanese yen at the current exchange rates at the consolidated balance sheet date. The foreign exchange gains and losses from translation are recognized in the consolidated statements of operations to the extent that they are not hedged by foreign exchange forward contracts.

q. Foreign Currency Financial Statements — The balance sheet accounts of the consolidated foreign subsidiaries are translated into Japanese yen at the current exchange rate as of the consolidated balance sheet date except for equity, which is translated at the historical rate. Differences arising from such translation were shown as "foreign currency translation adjustments" in a separate component of equity.

Revenue and expense accounts of consolidated foreign subsidiaries are translated into yen at the average exchange rate.

r. Per Share Information — Basic net income (loss) per share is computed by dividing net income available to common shareholders by the weighted-average number of common shares outstanding for the period, retroactively adjusted for stock splits.

Diluted net income per share reflects the potential dilution that could occur if securities were exercised or converted into common stock. Diluted net income per share of common stock assumes full conversion of the outstanding convertible notes and bonds at the beginning of the year (or at the time of issuance, if later) with an applicable adjustment for related interest expense, net of tax, and full exercise of outstanding warrants.

Cash dividends per share presented in the accompanying consolidated statements of operations are dividends applicable to the respective years including dividends to be paid after the end of the years.

s. New Accounting Pronouncements

Accounting Changes and Error Corrections

In December 2009, ASBJ issued ASBJ Statement No. 24 "Accounting Standard for Accounting Changes and Error Corrections" and ASBJ Guidance No. 24 "Guidance on Accounting Standard for Accounting Changes and Error Corrections." Accounting treatments under this standard and guidance are as follows;

(1) Changes in Accounting Policies:
When a new accounting policy is applied with revision of accounting standards, a new policy is applied retrospectively unless the revised accounting standards include specific transitional provisions. When the revised accounting standards include specific transitional provisions, an entity shall comply with the specific transitional provisions.

(2) Changes in Presentations
When the presentation of financial statements is changed, prior period financial statements are reclassified in accordance with the new presentation.

(3) Changes in Accounting Estimates
A change in an accounting estimate is accounted for in the period of the change if the change affects that period only, and is accounted for prospectively if the change affects both the period of the change and future periods.

(4) Corrections of Prior Period Errors
When an error in prior period financial statements is discovered, those statements are restated.

This accounting standard and the guidance are applicable to accounting changes and corrections of prior period errors which are made from the beginning of the fiscal year that begins on or after April 1, 2011.

3. SHORT-TERM INVESTMENTS AND INVESTMENT SECURITIES

Short-term investments and investment securities as of March 31, 2011 and 2010 consisted of the following:

	Millions of Yen		Thousands of U.S. Dollars
	2011	2010	**2011**
Short-term investments:			
Time deposits		¥200	
Total		¥200	
Investment securities:			
Equity securities	**¥268**	¥313	**$3,229**
Other	**44**	155	**526**
Total	**¥312**	¥468	**$3,755**

The costs and aggregate fair values of investment securities as of March 31, 2011 and 2010 were as follows:

	Millions of Yen			
March 31, 2011	Cost	Unrealized Gains	Unrealized Losses	Fair Value
Available-for-sale:				
Equity securities	**¥211**	**¥18**	**¥(25)**	**¥204**

	Millions of Yen			
March 31, 2010	Cost	Unrealized Gains	Unrealized Losses	Fair Value
Available-for-sale:				
Equity securities	¥211	¥51	¥(13)	¥249

	Thousands of U.S. Dollars			
March 31, 2011	Cost	Unrealized Gains	Unrealized Losses	Fair Value
Available-for-sale:				
Equity securities	**$2,541**	**$222**	**$(304)**	**$2,459**

Available-for-sale securities whose fair value is not readily determinable as of March 31, 2011 and 2010 were as follows:

	Carrying Amount		
	Millions of Yen		Thousands of U.S. Dollars
	2011	2010	**2011**
Equity securities	**¥64**	¥64	**$770**
Other	**44**	155	**526**
Total	**¥108**	¥219	**$1,296**

Proceeds from sales of available-for-sale securities for the years ended March 31, 2011 and 2010 were ¥158 million ($1,905 thousand) and ¥106 million, respectively. Gross realized gains and losses on these sales, computed on the moving average cost basis, were ¥158 million ($1,905 thousand) and nil, respectively, for the year ended March 31, 2011 and ¥13 million and nil, respectively, for the year ended March 31, 2010.

The impairment loss on available-for-sale equity securities for the year ended March 31, 2011, was as follows:

	Millions of Yen	Thousands of U.S. Dollars
	2011	
Equity securities with fair value	**¥21**	**$257**

4. FINANCIAL INSTRUMENTS AND RELATED DISCLOSURES

On March 10, 2008, the ASBJ revised ASBJ Statement No.10 "Accounting Standard for Financial Instruments" and issued ASBJ Guidance No.19 "Guidance on Accounting Standard for Financial Instruments and Related Disclosures." This accounting standard and the guidance are applicable to financial instruments and related disclosures at the end of the fiscal years ending on or after March 31, 2010 with early adoption permitted from the beginning of the fiscal years ending before March 31, 2010. The Group applied the revised accounting standard and the new guidance effective March 31, 2010.

(1) Group policy for financial instruments

The Group is fully self-financed. Temporary excess funds are invested in low risk financial instruments such as short-term bank deposits.

(2) Nature and extent of risks arising from financial instruments

Receivables such as trade notes and accounts are exposed to customer credit risk. Investments securities mainly consist of securities of companies with which a business relationship has been established or a business and capital tie-up has been formed. These are exposed to market fluctuation risk. Payables such as trade accounts are mostly due within one year.

(3) Risk management for financial instruments

Credit risk (risk of default by the counterparties) management

The Group manages its credit risk from receivables following the sales management rules, which include examining customers' credit conditions. The respective departments monitor the customers' credit conditions periodically and manage the due date and balance per customer to identify and mitigate the default risk of customers at an early stage. The maximum credit risk exposure of financial assets is limited to their carrying amounts as of March 31, 2011.

Market risk (risk of foreign currency fluctuations and interest rate) management

For investment securities, the Group regularly reviews the fair value and issuers' financial condition and adjusts the Group's portfolio on an ongoing basis considering the business relationship with counterparties.

Liquidity risk (risk of default in payment at the due dates) management

The Group prepares and updates its cash management plans appropriately based on the reports from each department and manages its liquidity risk by maintaining adequate level of working capital equivalent to two months' consolidated sales volume considering investment proposals.

(4) Fair values of financial instruments

Fair values of financial instruments are based on quoted prices in active markets.

Fair value of financial instruments:

	Millions of Yen		
March 31, 2011	Carrying amount	Fair value	Unrealized gain/loss
Cash and cash equivalents	**¥23,999**	¥23,999	
Notes and accounts receivable	**10,246**	10,246	
Investment securities:			
Available-for-sale equity securities	**204**	204	
Total assets	**¥34,449**	¥34,449	
Trade accounts payable	**¥168**	¥168	
Income taxes payable	**1,732**	1,732	
Accrued consumption taxes (Current liabilities—other)	**849**	849	
Total liabilities	**¥2,749**	¥2,749	

	Millions of Yen		
March 31, 2010	Carrying amount	Fair value	Unrealized gain/loss
Cash and cash equivalents	**¥14,532**	¥14,532	
Short-term investments	**200**	200	
Notes and accounts receivable	**9,583**	9,583	
Investment securities:			
Available-for-sale equity securities	**249**	249	
Total assets	**¥24,564**	¥24,564	
Trade accounts payable	**¥124**	¥124	
Income taxes payable	**147**	147	
Accrued consumption taxes (Current liabilities—other)	**59**	59	
Total liabilities	**¥330**	¥330	

	Thousands of U.S. Dollars		
March 31, 2011	Carrying amount	Fair value	Unrealized gain/loss
Cash and cash equivalents	**$289,146**	$289,146	
Notes and accounts receivable	**123,439**	123,439	
Investment securities:			
Available-for-sale equity securities	**2,459**	2,459	
Total assets	**$415,044**	$415,044	
Trade accounts payable	**$2,026**	$2,026	
Income taxes payable	**20,862**	20,862	
Accrued consumption taxes (Current liabilities—other)	**10,236**	10,236	
Total liabilities	**$33,124**	$33,124	

Unlisted securities and others whose fair values cannot be reliably determined amounted to ¥108 million ($1,296 thousand) and ¥219 million as of March 31, 2011 and 2010, respectively, and were not included in the above tables.

Valuation methods for fair value of financial instruments and information on securities were as follows:

Cash and cash equivalents

The carrying values of cash and cash equivalents approximate fair value because of their short maturities.

Short-term investments

The carrying values of short-term investments approximate fair value because of their short maturities.

Notes and accounts receivable

The carrying values of notes and accounts receivable approximate fair value because of their short maturities.

Investment securities

The fair values of investment securities are measured at the quoted market price of the stock exchange for the equity instruments. Information on the fair value of investment securities by classification is included in Note 3.

Trade accounts payable

The carrying values of trade accounts payable approximate fair value because of their short maturities.

Income taxes payable

The carrying values of income taxes payable approximate fair value because of their short maturities.

Accrued consumption taxes (Current liabilities—other)

The carrying values of accrued consumption taxes approximate fair value because of their short maturities.

Maturity analysis for financial assets with contractual maturities subsequent to March 31, 2011 and 2010 was as follows:

March 31, 2011	Millions of Yen Due in one year or less	Due after one year through five years	Due after five years through ten years	Due after ten years
Cash and cash equivalents	¥23,999			
Notes and accounts receivable	10,246			
Total	¥34,245			

March 31, 2010	Millions of Yen Due in one year or less	Due after one year through five years	Due after five years through ten years	Due after ten years
Cash and cash equivalents	¥14,532			
Short-term investments	200			
Notes and accounts receivable	9,583			
Total	¥24,315			

March 31, 2011	Thousands of U.S. Dollars Due in one year or less	Due after one year through five years	Due after five years through ten years	Due after ten years
Cash and cash equivalents	$289,146			
Notes and accounts receivable	123,439			
Total	$412,585			

5. INVENTORIES

Inventories at March 31, 2011 and 2010 consisted mainly of work in process related to career support and engineering outsourcing.

6. LONG-TERM DEBT

As of March 31, 2011, the Company had loan commitments from five banks and one insurance company in an aggregate amount of ¥3,000 million ($36,145 thousand). As of March 31, 2010, the Company had loan commitments from six banks and two insurance companies in an aggregate amount of ¥6,000 million. There were no loans utilized and outstanding under these arrangements as of March 31, 2011 and 2010.

7. RETIREMENT AND PENSION PLAN

The Company and certain subsidiaries have severance payment plans for employees, which include a contributory funded defined benefit pension plan for the Company. Under most circumstances, employees terminating their employment are entitled to retirement benefits determined based on the rate of pay at the time of termination, years of service and certain other factors. Such retirement benefits are made in the form of a lump sum severance payment from the Company or from certain consolidated subsidiaries and annuity payments from a trustee. Employees are entitled to larger payments if the termination is involuntary, by retirement at the mandatory retirement age, by death, or by voluntary retirement at certain specific ages prior to the mandatory retirement age.

On April 1, 2008, according to the enactment of the Defined Contribution Pension Plan Law, the Company implemented a defined contribution pension plan and a supplemental severance plan by which the former qualified contributory funded defined benefit pension plan was terminated.

The liability for employees' retirement benefits as of March 31, 2011 and 2010 consisted of the following:

	Millions of Yen		Thousands of U.S. Dollars
	2011	2010	**2011**
Projected benefit obligation	**¥9,140**	¥8,505	**$110,125**
Fair value of plan assets	**(82)**	(78)	**(988)**
Unrecognized prior service cost		1	
Unrecognized actuarial loss	**(606)**	(688)	**(7,302)**
Net liability	**¥8,452**	¥7,740	**$(101,835)**

The components of net periodic retirement benefit costs for the years ended March 31, 2011 and 2010 were as follows:

	Millions of Yen		Thousands of U.S. Dollars
	2011	2010	**2011**
Service cost	**¥636**	¥603	**$7,660**
Interest cost	**168**	155	**2,023**
Recognized actuarial loss	**161**	163	**1,943**
Contribution in defined contribution pension plan	**805**	849	**9,696**
Net periodic benefit costs	**¥1,770**	¥1,770	**$21,322**

Assumptions used for the years ended March 31, 2011 and 2010 were set forth as follows:

	2011	2010
Discount rate	**2.0%**	**2.0%**
Amortization period of prior service cost	**10 years**	**10 years**
Recognition period of actuarial gain/loss	**10 years**	**10 years**

8. EQUITY

Japanese companies are subject to the Companies Act of Japan (the "Companies Act"), which reformed and replaced the Commercial Code of Japan. The significant provisions in the Companies Act that affect financial and accounting matters are summarized below:

a. Dividends

Under the Companies Act, companies can pay dividends at any time during the fiscal year in addition to the year-end dividend upon resolution at the shareholders meeting. For companies that meet certain criteria such as; (1) having the Board of Directors, (2) having independent auditors, (3) having the Board of Corporate Auditors, and (4) the term of service of the directors is prescribed as one year rather than two years of normal term by its articles of incorporation, the Board of Directors may declare dividends (except for dividends in kind) at any time during the fiscal year if the company has prescribed so in its articles of incorporation. The Company does not meet all the above criteria.

The Companies Act permits companies to distribute dividends-in-kind (non cash assets) to shareholders subject to a certain limitation and additional requirements.

Semiannual interim dividends may also be paid once a year, upon resolution by the Board of Directors if the articles of incorporation of the company so stipulate. The Companies Act provides certain limitations on the amounts available for dividends or the purchase of treasury stock. The limitation is defined as the amount available for distribution to the shareholders, but the amount of net assets after dividends must be maintained at no less than ¥3 million.

b. Increases/Decreases and Transfer of Common Stock, Reserve and Surplus

The Companies Act requires that an amount equal to 10% of dividends must be appropriated as a legal reserve (a component of retained earnings) or as additional paid-in capital (a component of capital surplus) depending on the equity account charged upon the payment of such dividends until the total of aggregate amount of legal reserve and additional paid-in capital equals 25% of the common stock. Under the Companies Act, the total amount of additional paid-in capital and legal reserve may be reversed without limitation. The Companies Act also provides that common stock, legal reserve, additional paid in capital, other capital surplus and retained earnings can be transferred among the accounts under certain conditions upon resolution of the shareholders.

c. Treasury Stock and Treasury Stock Acquisition Rights

The Companies Act also provides for companies to purchase treasury stock and dispose of such treasury stock by resolution of the Board of Directors. The amount of treasury stock purchased cannot exceed the amount available for distribution to the shareholders which is determined by specific formula. Under the Companies Act, stock acquisition rights, which were previously presented as a liability, are now presented as a separate component of equity. The Companies Act also provides that companies can purchase both treasury stock acquisition rights and treasury stock. Such treasury stock acquisition rights are presented as a separate component of equity or deducted directly from stock acquisition rights.

9. STOCK OPTION PLANS

The stock options outstanding as of March 31, 2011 were as follows:

Stock Option	Persons Granted	Number of Options Granted	Date of Approval	Exercise Price	Exercise Period
2001 Stock Option	7 directors and 79 key employees	139,000	June 26, 2001	¥4,280 ($52)	From June 27, 2003 to June 26, 2011
2002 Stock Option	6 directors, 6 directors of subsidiaries, and 105 key employees of the Group	129,000	June 25, 2002	¥3,066 ($37)	From June 27, 2004 to June 26, 2012

The stock option activity was as follows:

For the Year Ended March 31, 2010	1999 Stock Option	2000 Stock Option	2001 Stock Option	2002 Stock Option
	Shares			
Non-vested:				
March 31, 2009 — outstanding				
Canceled				
Vested				
March 31, 2010 — outstanding				
Vested:				
March 31, 2009 — outstanding	6,500	11,000	12,000	2,000
Vested				
Exercised				
Canceled	6,500	11,000	11,000	1,000
March 31, 2010 — outstanding			1,000	1,000
Exercise price	¥3,997	¥4,280	¥4,280	¥3,066
Average stock price at exercise				

For the Year Ended March 31, 2011	2001 Stock Option	2002 Stock Option
	Shares	
Non-vested:		
March 31, 2010 — outstanding		
Canceled		
Vested		
March 31, 2011 — outstanding		
Vested:		
March 31, 2010 — outstanding	1,000	1,000
Vested		
Exercised		
Canceled		
March 31, 2011 — outstanding	1,000	1,000
Exercise price	¥4,280 ($52)	¥3,066 ($37)
Average stock price at exercise		

The balance of treasury stock recorded in equity as of March 31, 2011 and 2010 included treasury stock purchased for the purpose of reissuance in connection with the expected stock options exercised under the above plans.

The Company has granted the above stock options on seven occasions before May 1, 2006, as an incentive to improve performance to which ASBJ Statement No. 8, “Accounting Standard for Stock Options” and related guidance are not applicable.

10. LONG-LIVED ASSETS

The Group decided to sell certain business properties related to outsourcing business, and as a result, recognized an impairment loss of ¥30 million for the year ended March 31, 2010, due to a write-down of the relevant assets to their recoverable amount. The recoverable amount of the related assets was measured by its net selling value based on the expected sales price.

The Group decided to cancel certain office leases for the Company’s outsourcing business and MEITEC Cast Inc., and as a result, recognized an impairment loss of ¥3 million for the year ended March 31, 2010, due to a write-down of the relevant assets to their recoverable amount. The recoverable amount of the related assets was measured by its net selling value based on the expected sales price.

Due to the deteriorating business environment in the global business with unexpected fluctuations in the market, the Group wrote down the relevant asset groups in China related to the global business to the recoverable amount and recognized an impairment loss of ¥25 million for the year ended March 31, 2010. The recoverable amount of the related assets was measured at the present value of future cash flows as its value in use.

Due to the deteriorating business environment in the career support business with unexpected fluctuations in the market, the Group wrote down relevant asset groups of MEITEC Next Corporation to the recoverable amount and recognized an impairment loss of ¥13 million for the year ended March 31, 2010. The recoverable amount of the related assets was measured at the present value of future cash flows as its value in use.

The discount rate used for computation of the present value of future cash flows, where applicable, was 6.78% for the year ended March 31, 2010.

11. INCOME TAXES

The Company and its domestic subsidiaries are subject to Japanese national and local income taxes which, in the aggregate, resulted in a normal effective statutory tax rate of approximately 40% for the years ended March 31, 2011 and 2010.

The tax effects of significant temporary differences which resulted in deferred tax assets and liabilities as of March 31, 2011 and 2010 were as follows:

	Millions of Yen		Thousands of U.S. Dollars
	2011	2010	**2011**
Deferred tax assets:			
Accrued bonuses	**¥1,498**	¥1,143	**$18,045**
Accrued social security on accrued bonuses	**207**	157	**2,496**
Retirement benefits	**3,381**	3,096	**40,734**
Enterprise taxes payable	**137**	19	**1,649**
Impairment loss	**11**	18	**127**
Write-down of investment securities	**34**	483	**414**
Loss on revaluation of memberships		7	
Land revaluation surplus	**631**	631	**7,600**
Tax loss carryforwards	**2,787**	3,501	**33,584**
Other	**201**	259	**2,425**
Valuation allowance	**(3,626)**	(4,643)	**(43,686)**
Total	**5,261**	4,671	**63,388**
Deferred tax liabilities—Unrealized gain on available-for-sale securities	**6**	14	**70**
Land revaluation difference	**42**	42	**507**
Total	**48**	56	**577**
Net deferred tax assets	**¥5,213**	¥4,615	**$62,811**

A reconciliation between the normal effective statutory tax rate and the actual effective tax rate reflected in the accompanying consolidated statements of operations for the years ended March 31, 2011 and 2010 is as follows:

	2011	2010
Normal effective statutory tax rate	**40.0%**	40.0%
Expenses not deductible for income tax purposes		(6.5)
Revenues not recognized for income tax purposes	**(0.6)**	0.4
Per capita tax	**2.0**	(28.8)
Valuation allowance	**(18.5)**	(140.4)
Investment loss of subsidiaries		13.3
Elimination of gain on sales of investments in subsidiaries and associated companies		(20.8)
Other—net	**(0.1)**	
Actual effective tax rate	**22.8%**	(142.8)%

As of March 31, 2011, the Company and certain subsidiaries have tax loss carryforwards aggregating approximately ¥6,749 million ($81,319 thousand) which are available to be offset against taxable income of the Company and such subsidiaries in future years. These tax loss carryforwards, if not utilized, will expire as follows:

Year Ending March 31	Millions of Yen	Thousands of U.S. Dollars
2012	¥154	$1,852
2013	355	4,277
2014	4,556	54,898
2015	593	7,140
2016	99	1,200
2017	31	378
2018	961	11,574
Total	¥6,749	$81,319

12. LEASES

The Group leases certain buildings and structures and furniture and fixtures.

Finance lease transactions that are not deemed to transfer ownership of leased properties, which were accounted for as operating leases until fiscal 2008, are capitalized as on ordinary purchase lease, except for those that commenced prior to April 1, 2008 and are accounted for as operating leases.

Total rental expense including lease payments under finance leases that do not transfer ownership, with lease commencement prior to April 1, 2008, for the years ended March 31, 2011 and 2010 was ¥10 million ($115 thousand) and ¥13 million, respectively.

Pro forma information of leased property such as acquisition cost, accumulated depreciation, accumulated impairment loss, obligations under finance lease, depreciation expense, interest expense and other information under finance leases that do not transfer ownership, with lease commencement prior to April 1, 2008, on an "as if capitalized" basis for the years ended March 31, 2011 and 2010 was as follows:

	Millions of Yen						
	Buildings and Structures	Furniture and Fixtures	Total	Buildings and Structures	Furniture and Fixtures	Other	Total
Pro forma information	**2011**			2010			
Acquisition cost	**¥45**	**¥7**	**¥52**	¥45	¥12	¥20	¥77
Accumulated depreciation	**44**	**5**	**49**	35	10	20	65
Net leased property	**¥1**	**¥2**	**¥3**	¥10	¥2		¥12

	Thousands of U.S. Dollars		
	Buildings and Structures	Furniture and Fixtures	Total
Pro forma information	**2011**		
Acquisition cost	**$547**	**$79**	**$626**
Accumulated depreciation	**531**	**64**	**595**
Net leased property	**$16**	**$15**	**$31**

Depreciation expense, which was not reflected in the accompanying consolidated statements of operations computed by the straight line method, was ¥10 million ($115 thousand) and ¥13 million for the years ended March 31, 2011 and 2010, respectively.

Obligations under finance leases were as follows:

	Millions of Yen		Thousands of U.S. Dollars
Pro forma information	**2011**	2010	**2011**
Due within one year	**¥2**	¥9	**$28**
Due after one year	**1**	3	**3**
Total	**¥3**	¥12	**$31**

13. NET INCOME PER SHARE

Basic net income (loss) per share ("EPS") for the years ended March 31, 2011 and 2010 was as follows:

Year Ended March 31, 2011	Millions of Yen Net Income	Thousands of Shares Weighted-average Shares	Yen EPS	U.S. Dollars EPS
Basic EPS — Net income available to common shareholders	**¥3,938**	**33,148**	**¥118.80**	**$1.43**

Diluted EPS is not disclosed as there are no dilutive securities.

Year Ended March 31, 2010	Millions of Yen Net loss	Thousands of Shares Weighted-average Shares	Yen EPS
Basic EPS — Net loss available to common shareholders	¥(905)	33,150	¥(27.30)

Diluted EPS is not disclosed as there are no dilutive securities and as the Company is in a net loss position.

14. COMPREHENSIVE INCOME

For the year ended March 31, 2010

Other comprehensive income for the year ended March 31, 2010 consists of the following:

	Millions of Yen
	2010
Other comprehensive income:	
Unrealized gain on available-for-sale securities	¥9
Foreign currency translation adjustments	9
Total other comprehensive income	¥18

Total comprehensive income for the year ended March 31, 2010 comprises the following:

	Millions of Yen
	2010
Total comprehensive income attributable to:	
Owners of the parent	¥(888)
Minority interests	(3)
Total comprehensive income	¥(891)

15. SEGMENT INFORMATION

For the year ended March 31, 2011 and 2010

In March 2008, the ASBJ revised ASBJ Statement No.17 "Accounting Standard for Segment Information Disclosures" and issued ASBJ Guidance No.20 "Guidance on Accounting Standard for Segment Information Disclosures." Under the standard and guidance, an entity is required to report financial and descriptive information about its reportable segments. Reportable segments are operating segments or aggregations of operating segments that meet specified criteria. Operating segments are components of an entity about which separate financial information is available and such information is evaluated regularly by the chief operating decision maker in deciding how to allocate resources and in assessing performance. Generally, segment information is required to be reported on the same basis as is used internally for evaluating operating segment performance and deciding how to allocate resources to operating segments. This accounting standard and the guidance are applicable to segment information disclosures for the fiscal years beginning on or after April 1,2010. The segment information for the year ended March 31,2010 under the revised accounting standard is also disclosed hereunder as required.

a. Description of reportable segments

Reportable segments are part of the Group whose financial data can be obtained separately. The Board of Directors reviews the financial data periodically to evaluate earnings and determines how to allocate business resources.

The Group primarily operates in the temporary engineers staffing business as their core business. The Group, based on the nature of the business and similarities of the market, consists of four segments, "Outsourcing," "Engineering Solutions," "Global," and "Career Support."

"Outsourcing" provides temporary staffing service mainly focusing on temporary engineers staffing business.

"Engineering Solutions" consists of technology services including analytical technology, prototyping, and manufacturing of mold and technological support for printed-circuit boards.

"Global" consists of vocational training business and job placement business in China.

"Career Support" consists of the job placement business specializing in engineers, and the information portal site business.

b. Method of measurement for net sales, profit (loss), assets and other items for reportable segment

The accounting policies of each reportable segment are consistent to those disclosed in Note 2. "Summary of Significant Accounting Policies." Income by reportable segments is based on operating income. Intersegment transactions are based on prevailing market price.

c. Information of net sales, profit (loss), assets and other items

Information for the year ended March 31, 2010 is not disclosed as permitted since the equivalent segment information under the previous standard was disclosed in Note 15.i.

	Millions of Yen				
	Reportable segments				
	Outsourcing	Engineering Solutions	Global	Career Support	Total
	2011				
Net sales:					
Sales to external customers	¥ 58,630	¥2,642	¥78	¥441	¥61,791
Intersegment sales or transfers	46	491		4	541
Total net sales	58,676	3,133	78	445	62,332
Segment profit (loss)	¥ 2,781	¥ 209	¥ (65)	¥ 102	¥ 3,027
Segment assets	¥ 53,772	¥ 1,303	¥ 64	¥ 3,707	¥58,846
Other items:					
Depreciation and amortization	¥1,270	¥59		¥4	¥1,333
Increase in property and equipment, and intangible assets	343	33		2	378

	Thousands of U.S. dollars				
	Reportable segments				
	Outsourcing	Engineering Solutions	Global	Career Support	Total
	2011				
Net sales:					
Sales to external customers	$706,380	$31,824	$944	$5,315	$744,463
Intersegment sales or transfers	556	5,917		45	6,518
Total net sales	706,936	37,741	944	5,360	750,981
Segment profit (loss)	$33,516	$2,513	$(786)	$1,232	$36,475
Segment assets	$647,857	$15,699	$771	$44,665	$708,992
Other items:					
Depreciation and amortization	$15,300	$706		$52	$16,058
Increase in property and equipment, and intangible assets	4,139	396		22	4,557

d. Differences between total of each reportable segment amounts and the amounts shown on the accompanying consolidated financial statements

	Net sales	
	Millions of Yen	Thousands of U.S. Dollars
	2011	
Total reportable segments	¥62,332	$750,981
Intersegment eliminations	(541)	(6,518)
Net sales on consolidated statements of operations	¥61,791	$744,463

	Operating income	
	Millions of Yen	Thousands of U.S. Dollars
	2011	
Total reportable segments	¥3,027	$36,475
Intersegment eliminations	6	66
Operating income on consolidated statements of operations	¥3,033	$36,541

	Total assets	
	Millions of Yen	Thousands of U.S. Dollars
	2011	
Total reportable segments	¥58,846	$708,992
Intersegment eliminations	(3,297)	(39,721)
Total assets on consolidated balance sheets	¥55,549	$669,271

	Other items					
	Millions of Yen			Thousands of U.S. dollars		
	Total reportable segment	Adjustments	Consolidated	Total reportable segment	Adjustments	Consolidated
	2011					
Depreciation and amortization	¥1,333		¥1,333	$16,058		$16,058
Increase in property and equipment, and intangible assets	¥378		¥378	$4,557		$4,557

e. Information about products and services

Information about products and services is not disclosed since the classification by products and services is same as the reportable segment. Sales to external customers in "Outsourcing" segment make up more than 90% of net sales on the consolidated statements of operations.

f. Information by geographical areas

(1) Net sales

Information about net sales by geographical areas is not disclosed since sales to external customers in Japan make up more than 90% of net sales on the consolidated statements of operations.

(2) Property and equipment

Information about property and equipment by geographical areas is not disclosed since property and equipment in Japan make up more than 90% of property and equipment on the consolidated balance sheets.

g. Information about major customers

Information about major customers is not disclosed since there are no external customers making up more than 10% of net sales on the consolidated statements of operations.

h. Information about impairment loss by reportable segment

	Millions of Yen					
	Reportable segment				Corporate and Eliminations	Total
	Outsourcing	Engineering Solutions	Global	Career Support		
	2011					
Impairment loss	¥7			¥9		¥16

	Thousands of U.S. dollars					
	Reportable segment				Corporate and Eliminations	Total
	Outsourcing	Engineering Solutions	Global	Career Support		
	2011					
Impairment loss	$80			$112		$192

For the year ended March 31, 2010

The Group operates in the following industries:

The outsourcing segment consists of engineering outsourcing and general outsourcing.

The engineering solutions segment provides service contents including analysis, test manufacturing of mold, and designing of printed-circuit boards.

The global segment offers training and supply of foreign engineers.

The career support segment provides reemployment support to separated employees of its corporate clients on a contract basis and job referral service.

i. Industry Segments

(1) Sales and Operating Income (Loss)

	Millions of Yen					
	Outsourcing	Engineering Solutions	Global	Career Support	Eliminations/ Corporate	Consolidated
	2010					
Sales to customers	¥50,456	¥2,288	¥515	¥517		¥53,776
Intersegment sales	77	466	132		¥(675)	
Total sales	50,533	2,754	647	517	(675)	53,776
Operating expenses	54,991	2,660	1,238	504	(689)	58,704
Operating income (loss)	¥(4,458)	¥94	¥(591)	¥13	¥14	¥(4,928)

(2) Total Assets, Depreciation, Impairment Loss and Capital Expenditures

	Millions of Yen					
	Outsourcing	Engineering Solutions	Global	Career Support	Eliminations/ Corporate	Consolidated
	2010					
Total assets	¥46,169	¥1,112	¥358	¥3,258	¥(3,272)	¥47,625
Depreciation	1,290	59	12	13		1,374
Impairment loss	33		25	13		71
Capital expenditures	244	135	2	6		387

j. Geographical Segments

The information about geographical segments for the year ended March 31, 2010 is not disclosed because sales in Japan make up more than 90% of the total sales.

k. Sales to Foreign Customers

The information about sales to foreign customers for the year ended March 31, 2010 is not disclosed because sales to domestic customers make up more than 90% of the total sales.

16. BUSINESS COMBINATIONS

For the year ended March 31, 2010

(1) Transaction under Common Control (Corporate Demerger for the Purpose of Stock Transfer to a Third Party)

a. Name of combined parties

Career support business of Drake Beam Morin-Japan, Inc. ("DBM-J"), renamed to BMOA CORPORATION ("BMOA") as of May 1, 2009

b. Description of business

General human resources consulting focusing on outplacement and career training

c. Legal form of the demerger

Incorporation-type physical demerger in which BMOA (renamed from DBM-J as of May 1, 2009), a subsidiary of the Company, shall be the demerged company, while the newly incorporated company BMOA, a wholly-owned subsidiary of DBM-J, shall be the successor company

d. New name of the companies after the demerger

Demerged company: BMOA CORPORATION, renamed from Drake Beam Morin-Japan, Inc. as of May 1, 2009
Newly-incorporated company: Drake Beam Morin-Japan, Inc.

e. Effective date of the demerger

May 1, 2009

f. Purpose of the demerger

In executing the transfer of the outplacement business managed by the Company's consolidated subsidiary BMOA (renamed from DBM-J as of May 1, 2009), the Company intended to exclude an appropriate amount of cash and deposits accumulated by DBM-J from the transferred assets. To facilitate this exclusion, DBM-J demerged the majority of its operation while the newly-incorporated subsidiary of DBM-J succeeded it, in a form of an incorporation-type corporate demerger.

g. Outline of transactions

The rights and obligations to be succeeded from the Company's subsidiary DBM-J by the newly-incorporated subsidiary of DBM-J included the assets, liabilities, employment contracts and other items related to the outplacement business as of the effective date of the demerger, unless otherwise provided in the corporate demerger plan dated March 24, 2009. (The majority of cash and deposits accumulated in the past by DBM-J were not succeeded by the newly-incorporated subsidiary.)
Since the new subsidiary incorporated in the course of the demerger is to be assigned the license from Drake Beam Morin, Inc. of the United States to use the name of Drake Beam Morin-Japan, Inc., the existing DBM-J, the demerged company, decided to change its corporate name to BMOA CORPORATION.

h. Outline of the accounting procedures applied

The assets, liabilities, employment contracts and other rights and obligations of the demerged company related to the outplacement business as of the effective date of the demerger, except an appropriate amount of cash and deposits accumulated by the demerged company and other items provided in the corporate demerger plan dated March 24, 2009, have been succeeded by the newly-incorporated company. The newly-incorporated company has net assets of ¥90 million, and common stock of ¥50 million.

i. Outline of the demerged company

Corporate name: BMOA CORPORATION (renamed upon the demerger from Drake Beam Morin-Japan, Inc.)
Head office location: 8-5-26 Akasaka, Minato-ku, Tokyo (relocated upon the demerger from 1-11-1 Osaki, Shinagawa-ku, Tokyo)
Common stock: ¥450 million
Number of outstanding shares: 7,039,000 shares

j. Outline of the newly-incorporated company

Corporate name: Drake Beam Morin-Japan, Inc.
Head office location: 1-11-1 Osaki, Shinagawa-ku, Tokyo
Common stock: ¥50 million
Number of outstanding shares: 100 shares

(2) Business Combination Concerning a Subsidiary (Transfer of Shares of a Subsidiary)

a. Name of the company the shares of which were transferred

Drake Beam Morin-Japan, Inc. ("DBM-J") (the subsidiary newly incorporated in the course of the incorporation-type demerger dated May 1, 2009)

b. The company to which the shares were transferred

Tempstaff Co., Ltd. ("Tempstaff") (Tempstaff is a third-party company which does not belong to the Meitec Group or has no capital or other business relationship.)
Head office location: 2-1-1 Yoyogi, Shibuya-ku, Tokyo

c. Businesses of Drake Beam Morin-Japan, Inc. and Tempstaff Co., Ltd.

DBM-J: Career support business (general human resources consulting focusing on outplacement and career training)
Tempstaff: Temporary staffing business, placement service business, and childcare service business

d. Purpose of the share transfer

Owing to the recent rapid deterioration in economic conditions, the Meitec Group has been reviewing its business strategy from the perspective of the survival and growth of its core temporary engineers staffing business. As a part of this review, the Company decided to transfer the outplacement business managed by its subsidiary DBM-J.

e. Effective date of business combination

May 1, 2009

f. Outline of transactions

All shares (100 shares) of DBM-J held by BMOA CORPORATION ("BMOA") were transferred to Tempstaff on May 1, 2009.

g. Outline of the accounting procedures applied

Carrying value related to the transferred business was as follows:

	Millions of Yen
Current assets	¥878
Non-current assets	365
Total assets	¥1,243
Current liabilities	¥1,153
Total liabilities	¥1,153

All shares of DBM-J held by BMOA were transferred to Tempstaff at the transfer price of ¥285 million. The Company has recorded an impairment loss on the consolidation goodwill for the year ended March 31, 2009, the amount of which was measured based on this transfer price (net selling value) as the recoverable amount.

h. Industry segment in which the accounts of DBM-J had been included

Career Support segment

i. Amounts of net sales and operating income of DBM-J included in the statement of operations for the years ended March 31, 2010

	Millions of Yen
	2010
Net Sales	¥174
Operating income	27

	Millions of Yen		Thousands of U.S. Dollars (Note1)
ASSETS	2011	2010	2011
CURRENT ASSETS:			
Cash and cash equivalents	¥22,833	¥13,682	$275,094
Short-term investments		200	
Notes and accounts receivable:			
Trade notes and accounts	8,248	7,664	99,374
Subsidiaries	5	1	61
Allowance for doubtful accounts	(17)	(2)	(199)
Inventories	73	48	878
Deferred tax assets	1,591	1,520	19,172
Short-term loans to subsidiaries	100	700	1,205
Prepaid expenses and other	1,254	2,286	15,106
Total current assets	34,087	26,099	410,691
PROPERTY AND EQUIPMENT:			
Land	3,583	3,583	43,163
Buildings and structures	19,679	19,855	237,100
Furniture and fixtures	2,248	2,284	27,090
Other	375	177	4,513
Total	25,885	25,899	311,866
Accumulated depreciation	(14,237)	(13,877)	(171,524)
Net property and equipment	11,648	12,022	140,342
INVESTMENTS AND OTHER ASSETS:			
Investment securities	310	466	3,737
Investments in and advances to subsidiaries	4,785	5,135	57,647
Software	1,730	2,405	20,846
Leasehold deposits	597	692	7,190
Deferred tax assets	3,379	3,115	40,706
Other	91	87	1,095
Total investments and other assets	10,892	11,900	131,221
TOTAL	¥56,627	¥50,021	$682,254

Note 1: The translations of Japanese yen amounts into U.S. dollar amounts have been made at the rate of ¥83 to $1, the approximate rate of exchange at March 31, 2011.

	Millions of Yen		Thousands of U.S. Dollars (Note 1)
LIABILITIES AND EQUITY	**2011**	2010	**2011**
CURRENT LIABILITIES:			
Income taxes payable	**¥1,565**	¥67	**$18,851**
Deposits from subsidiaries	**4,739**	4,098	**57,101**
Accrued expenses	**4,495**	3,837	**54,157**
Other	**1,868**	1,170	**22,504**
Total current liabilities	**12,667**	9,172	**152,613**
LONG-TERM LIABILITIES:			
Liability for retirement benefits	**8,416**	7,707	**101,401**
Deferred tax liabilities for land revaluation	**42**	42	**507**
Other	**108**	4	**1,294**
Total long-term liabilities	**8,566**	7,753	**103,202**
EQUITY:			
Common stock—authorized, 142,854 thousand shares in 2011 and 2010; issued, 35,100 thousand shares in 2011 and 2010	**16,826**	16,826	**202,721**
Capital surplus:			
Additional paid-in capital	**4,210**	4,210	**50,723**
Other capital surplus	**10,241**	10,241	**123,390**
Retained earnings-unappropriated	**10,929**	8,571	**131,680**
Unrealized gain on available-for-sale securities	**8**	22	**99**
Land revaluation difference	**(883)**	(883)	**(10,639)**
Treasury stock—at cost, 1,975 thousand shares in 2011 and 1,950 thousand shares in 2010	**(5,937)**	(5,891)	**(71,535)**
Total equity	**35,394**	33,096	**426,439**
TOTAL	**¥56,627**	¥50,021	**$682,254**

Supplemental Non-Consolidated Statements of Income (Unaudited)

	Millions of Yen		Thousands of U.S. Dollars (Note 1)
	2011	2010	2011
NET SALES	¥48,260	¥41,319	$581,449
COST OF SALES	38,449	36,074	463,243
Gross profit	9,811	5,245	118,206
SELLING, GENERAL AND ADMINISTRATIVE EXPENSES	7,724	8,210	93,060
Operating income (loss)	2,087	(2,965)	25,146
OTHER INCOME (EXPENSES):			
Interest and dividend income	57	321	683
Interest expense	(2)	(3)	(28)
Gain on sale of investment securities		1	
Loss on devaluation of investments in subsidiaries	(84)	(527)	(1,013)
Loss on investments in partnerships	(19)	(28)	(226)
Loss on sale and disposal of property and equipment	(107)	(34)	(1,293)
Subsidy income	1,840	3,467	22,169
Impairment loss	(7)	(32)	(81)
Provision for allowance for doubtful accounts	(7)		(90)
Contribution	(100)		(1,205)
Loss on adjustment for changes in accounting standard for asset retirement obligations	(65)		(781)
Other—net	6	(2)	77
Other income—net	1,512	3,163	18,212
INCOME BEFORE INCOME TAXES	3,599	198	43,358
INCOME TAXES:			
Current	1,567	93	18,873
Deferred	(327)	52	(3,935)
Total income taxes	1,240	145	14,938
NET INCOME	¥2,359	¥53	$ 28,420

	Yen		U.S. Dollars (Note 1)
	2011	2010	2011
PER SHARE OF COMMON STOCK (Notes 2 and 3):			
Basic net income	¥71.16	¥1.61	$0.86
Cash dividends applicable to the year	27.50	24.50	0.33

Notes: 1. The translations of Japanese yen amounts into U.S. dollar amounts have been made at the rate of ¥83 to $1, the approximate rate of exchange at March 31, 2011
2. The computation of net income per share is based on the weighted-average number of shares of common stock outstanding during each year. The weighted-average number of common shares used in the computation of basic net income was 33,148 thousand shares for 2011 and 33,150 thousand shares for 2010.
3. Diluted net income per share for 2011 and 2010 are not presented, since there were no potentially dilutive shares as of March 31, 2011 and 2010.

Corporate Data

MEITEC CORPORATION

As of March 31, 2011

Corporate Headquarters

8-5-26, Akasaka, Minato-ku, Tokyo 107-0052, Japan
Tel: +81-3-5413-2600

Registered Corporate Headquarters

2-20-1, Kousei Dori, Nishi-ku, Nagoya, Aichi 451-0075, Japan
Tel: +81-52-532-1811

Establishment

July 17, 1974

Common Stock

Authorized: 142,854,400 shares
Issued: 35,100,000 shares

Shareholders

6,724

Employees (consolidated)

6,065

Lines of Business

Providing engineering services to major Japanese manufacturing companies in the fields of high-technology research and development

Consolidated Subsidiaries

Full-Line Temporary Staffing Business

Meitec Fielders Inc.
Meitec Cast Inc.

Engineering Solutions Business

Apollo Giken Co., Ltd.
Shanghai Apomac Science & Technology
Meitec CAE Corporation

Global Business

Meitec Shanghai
Meitec XiAn TechnoCenter Co., Ltd.
Meitec Chengdu TechnoCenter Co., Ltd.
Meitec Shanghai Human Resources Co., Ltd.

Career Support Business

Meitec Next Corporation
all engineer.jp

Directors , Auditors and Executive Officers

As of July, 1, 2011

Directors

Kosuke Nishimoto
CEO, MEITEC Group
Representative Director
President and CEO, COO of MEITEC CORPORATION
Executive officer for the Internal Audit Department,
the CSR Department in charge of Meitec Cast Inc.,
Executive officer for business in China

Hideyo Kokubun
Director
Executive officer for the Career Support Divisions in charge of Apollo Giken Co., Ltd.

Hiroshi Yoneda
Director
in charge of Meitec Fielders Inc., Meitec Next Corporation

Kiyomasa Nakajima
Director
Executive officer for the Recruiting Divisions,
the Office of the President,
the Corporate Communication Department,
in charge of All engineer.jp CORPORATION

Masato Uemura
Director
Executive officer for the Management Information Department and the Accounting Department

Hidenori Nagasaka
Director
Executive officer for the Business Execution Divisions, the Sales Promotion Department in charge of Meitec CAE Corporation

Minao Shimizu
Outside Director (Independent Director)

Hiroyuki Kishi
Outside Director (Independent Director)

Auditors

Makoto Fukai
Standing Outside Corporate Auditor (Independent Auditor)

Masatoshi Saito
Outside Corporate Auditor (Independent Auditor)

Hiroshi Watanabe
Outside Corporate Auditor (Independent Auditor)

Executive Officers

Kouichi Nakagawa
Executive officer for the Western Japan Area

Jun Samukawa
Executive officer for the Eastern Japan Area

Tetsuya Yabe
Executive officer for the Kanagawa and Shizuoka Area

Hiroshi Yamada
Executive officer for the Central Japan Area

Keisuke Ito
Executive officer for the Personnel Department

Yusei Hidaka
Executive officer for the Business Operations Management Department

WEB SITE INFORMATION

Meitec Corporation has developed an Internet Web site to disclose its most current corporate information, including materials on such key management indicators as monthly utilization ratios, as well as financial reports, quarterly reports and performance-adjustment announcements.

MAIN CONTENTS

- Business Performance (monthly utilization ratio of Meitec and Meitec Fielders, and other information)
- Stock Price
- Financial Results and Announcements
- Annual Report

Meitec offers a service that provides registered users of its mailing list with e-mail notification when new information is added to the Company's Web site.

Please see the URL below for details.

URL: http://www.meitec.co.jp

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