

## Corrections of Annual Report 2011 (Year ended March 31, 2011)

MEITEC CORPORATION (the “Company”) submitted corrections pertaining to errors on certain items of its annual securities report for the year ended March 31, 2011 on November 8, 2011.

It was revealed that there were differences in employees’ bonuses and the legal welfare expenses recorded for the year ended March 31, 2011 in estimating these expenses for the second quarter ended September 30, 2011. The Company concluded that the differences should have been recorded for the year ended March 31, 2011, and recalculated and recorded them accordingly. With regards to deferred tax assets, the effect resulting from the above differences was recalculated and recorded accordingly.

These corrections also need to be reflected accordingly in the financial information of the Company’s Annual Report 2011, which was originally released on August 31, 2011. The parts to be corrected are listed below:

	<u>Original page</u>
- Consolidated Balance Sheets	page 16 and 17
- Consolidated Statements of Operations	page 18
- Consolidated Statement of Comprehensive Income	page 19
- Consolidated Statements of Changes in Equity	page 20
- Consolidated Statements of Cash Flows	page 21
- Notes to Consolidated Financial Statements	
11. INCOME TAXES	page 32
13. NET INCOME PER SHARE	page 34
15. SEGMENT INFORMATION	page 35 and 36
- Supplemental Non-Consolidated Balance Sheets (Unaudited)	page 40 and 41
- Supplemental Non-Consolidated Statements of Income (Unaudited)	page 42

The details of the corrections are presented below with the revised figures underlined.

**Consolidated Balance Sheets**  
**March 31, 2011 and 2010**

<u>ASSETS</u>	<u>Millions of Yen</u>		<u>Thousands of</u> <u>U.S. Dollars</u> <u>(Note 1)</u>
	<u>2011</u>	<u>2010</u>	<u>2011</u>
<b>CURRENT ASSETS:</b>			
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)	<u>2,036</u>	1,537	<u>24,535</u>
Prepaid expenses and other	<u>1,203</u>	<u>2,443</u>	<u>14,491</u>
Total current assets	<u>37,661</u>	28,444	<u>453,749</u>
<b>PROPERTY AND EQUIPMENT:</b>			
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	<u>431</u>	<u>239</u>	<u>5,200</u>
Total	<u>26,072</u>	<u>26,110</u>	<u>314,124</u>
Accumulated depreciation	<u>(14,383)</u>	<u>(14,041)</u>	<u>(173,296)</u>
Net property and equipment	11,689	12,069	140,828
<b>INVESTMENTS AND OTHER ASSETS:</b>			
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)	<u>125</u>	<u>135</u>	<u>1,516</u>
Total investments and other assets	6,364	7,112	76,682

TOTAL	<u>¥55,714</u>	<u>¥47,625</u>	<u>\$671,259</u>
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See notes to consolidated financial statements.

<u>LIABILITIES AND EQUITY</u>	Millions of Yen		Thousands of U.S. Dollars (Note 1)
	2011	2010	2011
<b>CURRENT LIABILITIES:</b>			
Trade accounts payable (Note 4)	¥168	¥124	\$2,026
Income taxes payable (Note 4)	1,732	147	20,862
Accrued expenses	<u>5,958</u>	4,865	<u>71,778</u>
Other (Note 4)	<u>2,159</u>	<u>1,257</u>	<u>26,009</u>
Total current liabilities	<u>10,017</u>	6,393	<u>120,675</u>
<b>LONG-TERM LIABILITIES:</b>			
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	<u>109</u>	<u>6</u>	<u>1,317</u>
Total long-term liabilities	8,603	7,789	103,661
<b>EQUITY (Note 8):</b>			
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	<u>12,406</u>	8,716	<u>149,470</u>
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	<u>(11)</u>	<u>(4)</u>	<u>(138)</u>
Total	<u>36,858</u>	33,236	<u>444,066</u>
Minority interests	<u>236</u>	<u>207</u>	<u>2,857</u>
Total equity	<u>37,094</u>	<u>33,443</u>	<u>446,923</u>
TOTAL	<u>¥55,714</u>	<u>¥47,625</u>	<u>\$671,259</u>

**Consolidated Statements of Operations**  
**Years Ended March 31, 2011 and 2010**

	Millions of Yen		Thousands of U.S. Dollars (Note 1)
	<u>2011</u>	<u>2010</u>	<u>2011</u>
NET SALES	¥61,791	¥53,776	\$744,463
COST OF SALES	<u>48,833</u>	<u>46,765</u>	<u>588,344</u>
Gross profit	<u>12,958</u>	7,011	<u>156,119</u>
SELLING, GENERAL AND ADMINISTRATIVE EXPENSES	<u>10,338</u>	<u>11,939</u>	<u>124,547</u>
Operating income (loss)	<u>2,620</u>	(4,928)	<u>31,572</u>
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	<u>45</u>	<u>22</u>	<u>539</u>
Other income—net	<u>2,112</u>	<u>4,554</u>	<u>25,442</u>
INCOME (LOSS) BEFORE INCOME TAXES AND MINORITY INTERESTS	<u>4,732</u>	(374)	<u>57,014</u>

INCOME TAXES (Note 11):

Current	1,763	198	21,247
Deferred	<u>(754)</u>	<u>337</u>	<u>(9,090)</u>
Total income taxes	<u>1,009</u>	<u>535</u>	<u>12,157</u>
NET INCOME (LOSS) BEFORE MINORITY INTERESTS	<u>3,723</u>	<u>(909)</u>	<u>44,857</u>
MINORITY INTERESTS IN NET INCOME (LOSS)	<u>33</u>	<u>(4)</u>	<u>394</u>
NET INCOME (LOSS)	<u>¥ 3,690</u>	<u>¥ (905)</u>	<u>\$ 44,463</u>

	Yen		U.S. Dollars (Note 1)
	<u>2011</u>	<u>2010</u>	<u>2011</u>
PER SHARE OF COMMON STOCK (Notes 2.r and 13):			
Basic net income (loss)	<u>¥111.33</u>	<u>¥(27.30)</u>	<u>\$1.34</u>
Cash dividends applicable to the year	<u>27.50</u>	<u>24.50</u>	<u>0.33</u>

See notes to consolidated financial statements.

**Consolidated Statement of Comprehensive Income**  
**Year Ended March 31, 2011**

	Millions of Yen	Thousands of U.S. Dollars (Note 1)
	<u>2011</u>	<u>2011</u>
NET INCOME BEFORE MINORITY INTERESTS	<u>¥3,723</u>	<u>\$44,857</u>
OTHER COMPREHENSIVE INCOME (Note 14):		
Unrealized loss on available-for-sale securities	(15)	(179)
Foreign currency translation adjustments	<u>(11)</u>	<u>(129)</u>
Total other comprehensive income	<u>(26)</u>	<u>(308)</u>
Comprehensive income (Note 14)	<u>¥3,697</u>	<u>\$44,549</u>
TOTAL COMPREHENSIVE INCOME ATTRIBUTABLE TO (Note 14):		
Owners of the parent	<u>¥3,668</u>	<u>\$44,193</u>
Minority interests	<u>29</u>	<u>356</u>

See notes to consolidated financial statements.

**Consolidated Statements of Changes in Equity**  
**Years Ended March 31, 2011 and 2010**

	Thousands		Millions of Yen								
	Number of Shares of Common Stock Outstanding	Common Stock	Capital Surplus	Retained Earnings	Treasury Stock	Accumulated Other Comprehensive Income				Minority Interests	Total Equity
						Unrealized	Land	Foreign	Total		
						Gain on Available-for- Sale Securities	Revaluation Difference	Currency Translation Adjustments			
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				<u>3,690</u>					<u>3,690</u>		<u>3,690</u>
Purchase of treasury stock	(25)				(46)				(46)		(46)
Net change in the year						(15)		(7)	(22)	29	7
BALANCE, MARCH 31, 2011	<u>33,125</u>	<u>¥16,826</u>	<u>¥14,451</u>	<u>¥12,406</u>	<u>¥(5,937)</u>	<u>¥6</u>	<u>¥(883)</u>	<u>¥(11)</u>	<u>¥36,858</u>	<u>¥236</u>	<u>¥37,094</u>



Thousands of U.S. Dollars (Note 1)

	Accumulated Other Comprehensive Income									
	Common Stock	Capital Surplus	Retained Earnings	Treasury Stock	Unrealized	Land	Foreign	Total	Minority Interests	Total Equity
					Gain on Available-for- Sale Securities	Revaluation Difference	Currency Translation Adjustments			
BALANCE, MARCH 31, 2010	\$202,721	\$174,113	\$105,007	\$(70,979)	\$252	\$(10,639)	\$(45)	\$400,430	\$2,501	\$402,931
Net income			<u>44,463</u>					<u>44,463</u>		<u>44,463</u>
Purchase of treasury stock				(556)				(556)		(556)
Net change in the year					(178)		(93)	(271)	356	85
BALANCE, MARCH 31, 2011	<u>\$202,721</u>	<u>\$174,113</u>	<u>\$149,470</u>	<u>\$(71,535)</u>	<u>\$74</u>	<u>\$(10,639)</u>	<u>\$(138)</u>	<u>\$ 444,066</u>	<u>\$2,857</u>	<u>\$446,923</u>

See notes to consolidated financial statements.

**Consolidated Statements of Cash Flows**  
**Years Ended March 31, 2011 and 2010**

	Millions of Yen		Thousands of U.S. Dollars (Note 1)
	2011	2010	2011
<b>OPERATING ACTIVITIES:</b>			
Income (loss) before income taxes and minority interests	<u>¥4,732</u>	<u>¥(374)</u>	<u>\$57,014</u>
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	<u>1,093</u>	<u>(2,116)</u>	<u>13,168</u>
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	<u>4,559</u>	<u>1,171</u>	<u>54,929</u>
Net cash provided by (used in) operating activities	9,291	(1,545)	111,943
<b>INVESTING ACTIVITIES:</b>			
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	<u>1</u>	<u>1</u>	<u>6</u>
Net cash provided by (used in) investing activities	<u>287</u>	<u>(20)</u>	<u>3,459</u>
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	<u>(54)</u>	<u>(1)</u>	<u>(648)</u>
Net cash used in financing activities	<u>(104)</u>	<u>(1,836)</u>	<u>(1,256)</u>
FOREIGN CURRENCY TRANSLATION ADJUSTMENTS ON CASH AND CASH EQUIVALENTS			
	<u>(7)</u>	<u>7</u>	<u>(84)</u>
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	9,467	(3,394)	114,062
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	<u>14,532</u>	<u>17,926</u>	<u>175,084</u>
CASH AND CASH EQUIVALENTS, END OF YEAR	<u>¥23,999</u>	<u>¥14,532</u>	<u>\$289,146</u>

See notes to consolidated financial statements.

**Notes to Consolidated Financial Statements**  
**Years Ended March 31, 2011 and 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
	<u>2011</u>	<u>2010</u>	<u>2011</u>
Deferred tax assets:			
Accrued bonuses	¥1,498	¥1,143	\$18,045
Accrued social security on accrued bonuses	<u>372</u>	157	<u>4,487</u>
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	<u>(3,626)</u>	<u>(4,643)</u>	<u>(43,686)</u>
Total	<u>5,426</u>	4,671	<u>65,379</u>
Deferred tax liabilities—Unrealized gain on available-for-sale securities	6	14	70
Land revaluation difference	<u>42</u>	<u>42</u>	<u>507</u>
Total	<u>48</u>	<u>56</u>	<u>577</u>

Net deferred tax assets

<u>¥5,378</u>	<u>¥4,615</u>	<u>\$64,802</u>
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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:

	<u>2011</u>	<u>2010</u>
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	<u>(0.7)</u>	0.4
Per capita tax	<u>2.2</u>	(28.8)
Valuation allowance	<u>(20.3)</u>	(140.4)
Investment loss of subsidiaries		13.3
Elimination of gain on sales of investments in subsidiaries and associated companies		(20.8)
Other—net	<u>0.1</u>	
Actual effective tax rate	<u>21.3%</u>	<u>(142.8)%</u>

### 13. NET INCOME PER SHARE

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

	Millions of Yen	Thousands of Shares	Yen	U.S. Dollars
Year Ended March 31, 2011	Net Income	Weighted-average Shares	EPS	
Basic EPS—Net income available to common shareholders	<u>¥3,690</u>	<u>33,148</u>	<u>¥111.33</u>	<u>\$1.34</u>

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

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

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

## 15. SEGMENT INFORMATION

### 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)	¥ 2,368	¥ 209	¥ (65)	¥ 102	¥ 2,614
Segment assets	¥ 53,937	¥ 1,303	¥ 64	¥ 3,707	¥59,011
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)	<u>\$28,547</u>	<u>\$2,513</u>	<u>\$(786)</u>	<u>\$1,232</u>	<u>\$31,506</u>
Segment assets	<u>\$649,845</u>	<u>\$15,699</u>	<u>\$771</u>	<u>\$44,665</u>	<u>\$710,980</u>
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	¥ 2,614	\$ 31,506
Intersegment eliminations	6	66
Operating income on consolidated statements of operations	¥ 2,620	\$ 31,572
	Total assets	
	Millions of Yen	Thousands of U.S. Dollars
	2011	
Total reportable segments	¥ 59,011	\$ 710,980
Intersegment eliminations	(3,297)	(39,721)
Total assets on consolidated balance sheets	¥ 55,714	\$ 671,259

## Supplemental Non-Consolidated Balance Sheets (Unaudited)

March 31, 2011 and 2010

ASSETS	Millions of Yen		Thousands of U.S. Dollars (Note 1)
	2011	2010	2011
<b>CURRENT ASSETS:</b>			
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	<u>1,736</u>	1,520	<u>20,920</u>
Short-term loans to subsidiaries	100	700	1,205
Prepaid expenses and other	<u>1,254</u>	<u>2,286</u>	<u>15,106</u>
<b>Total current assets</b>	<b><u>34,232</u></b>	<b>26,099</b>	<b><u>412,439</u></b>
<b>PROPERTY AND EQUIPMENT:</b>			
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	<u>375</u>	<u>177</u>	<u>4,513</u>
<b>Total</b>	<b><u>25,885</u></b>	<b><u>25,899</u></b>	<b><u>311,866</u></b>
Accumulated depreciation	<u>(14,237)</u>	<u>(13,877)</u>	<u>(171,524)</u>
<b>Net property and equipment</b>	<b>11,648</b>	<b>12,022</b>	<b>140,342</b>
<b>INVESTMENTS AND OTHER ASSETS:</b>			
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	<u>3,379</u>	<u>3,115</u>	<u>40,706</u>

Other	<u>91</u>	<u>87</u>	<u>1,095</u>
Total investments and other assets	<u>10,892</u>	<u>11,900</u>	<u>131,221</u>
TOTAL	<u><u>¥56,772</u></u>	<u><u>¥50,021</u></u>	<u><u>\$684,002</u></u>

Note1: 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.

LIABILITIES AND EQUITY	Millions of Yen		Thousands of U.S. Dollars (Note 1)
	2011	2010	2011
<b>CURRENT LIABILITIES:</b>			
Income taxes payable	¥1,565	¥67	\$18,851
Deposits from subsidiaries	4,739	4,098	57,101
Accrued expenses	<u>4,857</u>	3,837	<u>58,527</u>
Other	<u>1,868</u>	<u>1,170</u>	<u>22,504</u>
Total current liabilities	<u>13,029</u>	9,172	<u>156,983</u>
<b>LONG-TERM LIABILITIES:</b>			
Liability for retirement benefits	8,416	7,707	101,401
Deferred tax liabilities for land revaluation	42	42	507
Other	<u>108</u>	<u>4</u>	<u>1,294</u>
Total long-term liabilities	8,566	7,753	103,202
<b>EQUITY:</b>			
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	<u>10,712</u>	8,571	<u>129,058</u>
Unrealized gain on available-for-sale securities	8	22	99
Land revaluation difference	(883)	(883)	(10,639)
Treasury stock—at cost, 1975 thousand shares in 2011 and 1,950 thousand shares in 2010	<u>(5,937)</u>	<u>(5,891)</u>	<u>(71,535)</u>
Total equity	<u>35,177</u>	<u>33,096</u>	<u>423,817</u>
<b>TOTAL</b>	<u><u>¥56,772</u></u>	<u><u>¥50,021</u></u>	<u><u>\$684,002</u></u>

**Supplemental Non-Consolidated Statements of Income (Unaudited)**  
**Years Ended March 31, 2011 and 2010**

	Millions of Yen		Thousands of U.S. Dollars (Note 1)
	2011	2010	2011
NET SALES	¥48,260	¥41,319	\$581,449
COST OF SALES	<u>38,777</u>	<u>36,074</u>	<u>467,196</u>
Gross profit	<u>9,483</u>	5,245	<u>114,253</u>
SELLING, GENERAL AND ADMINISTRATIVE EXPENSES	<u>7,759</u>	<u>8,210</u>	<u>93,477</u>
Operating income (loss)	<u>1,724</u>	(2,965)	<u>20,776</u>
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 of accounting standard for asset retirement obligations	(65)		(781)
Other—net	<u>6</u>	<u>(2)</u>	<u>77</u>
Other income—net	<u>1,512</u>	<u>3,163</u>	<u>18,212</u>
INCOME BEFORE INCOME TAXES	<u>3,236</u>	198	<u>38,988</u>
INCOME TAXES:			

Current	1,567	93	18,873
Deferred	<u>(472)</u>	<u>52</u>	<u>(5,683)</u>
Total income taxes	<u>1,095</u>	<u>145</u>	<u>13,190</u>
NET INCOME	<u>¥ 2,141</u>	<u>¥ 53</u>	<u>\$ 25,798</u>

	Yen		U.S. Dollars (Note 1)
	<u>2011</u>	<u>2010</u>	<u>2011</u>
PER SHARE OF COMMON STOCK (Notes 2 and 3):			
Basic net income	<u>¥64.59</u>	¥1.61	<u>\$0.78</u>
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.