PEOPLE AND TECHNOLOGY
LEADING THE WAY
TO THE FUTURE

Annual Report 2010

Year ended March 31, 2010

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 7,500 Engineers (in the Meitec Group)

Meitec is Japan's largest engineers staffing group, with approximately 7,500 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.

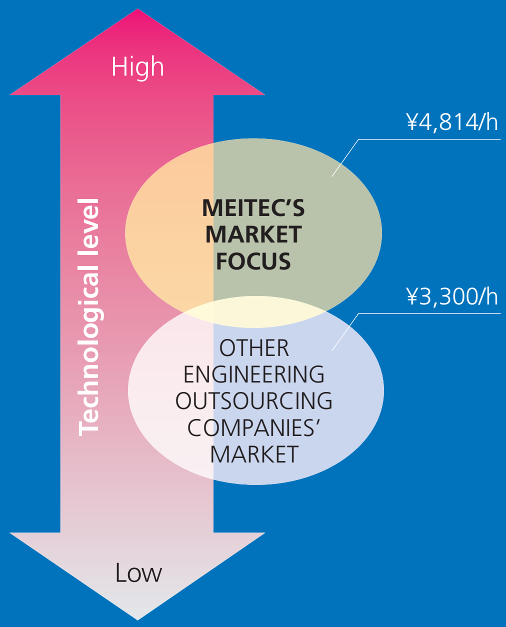
> Serving Highly Technological Domains

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 ¥4,814*[1], compared with the market average of about ¥3,300*[2].

*[1] Meitec's actual results in the year ended March 2010

*[2] The Company's estimate

The Engineering Staffing Market



Forward-Looking Statements

The projected Meitec results, management strategies, and beliefs about the future presented in this Annual Report 2010 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.

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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 MANAGEMENT POLICY

The Meitec Group has established as a basic policy of its management to “contribute to the advancement of society, and realize mutual growth and prosperity for shareholders, customers and employees through its outsourcing services.” As one of the leading companies in the industry, Meitec has adopted the following management policies to develop along with society.

1. **Increase Shareholder Satisfaction:**
   We will strive to maximize the value of shareholder returns.

2. **Increase Customer Satisfaction:**
   We will be a strategic partner for our clients, sharing our business resources (engineers and information) and developing our businesses together.

3. **Increase Employee Satisfaction:**
   We will support the career advancement of all employees working to increase their market value together with the Company.

4. **Increase Society’s Satisfaction:**
   We will contribute to the healthy development of society through our business.

We believe that raising corporate value means contributing to society and raising the social value through our business by means of a well-balanced increase in the three areas of shareholder, customer and employee value.

On an Improving Performance Trend

For the fiscal year ended March 31, 2010, we suffered a large decrease in revenue and profit. The main reason was that the worldwide recession had a large impact on our main business, the temporary engineers staffing business, from the beginning of the fiscal year. The major Japanese manufacturing companies who are our main customers have cut back on their R&D investment budgets as a counter measure to the recession. As a result, Meitec engineers' utilization ratio had dropped to 67.1% in August 2009. But as the world economy started to improve especially for the emerging economies, R&D activities also started to comeback among the main companies of the Japanese manufacturing industry, and the business environment for us began to improve as well. In addition, we continued our efforts in training our unassigned engineers, and the job readiness of our engineers contributed to new contracts. As a result, our utilization ratio improved to 78.6% by the end of fiscal year. With this trend of improvement in our performance, our operating loss decreased to ¥362 million for the 4th quarter where it was ¥1,661 million in the 2nd quarter. And as a result of receiving government subsidies for employment adjustments, our consolidated ordinary income for the fiscal year was ¥276 million, and ¥822 million for non-consolidated ordinary income. We have also made great efforts to reduce our SG&A expenses by applying various cost-cutting management measures throughout the fiscal year. As a result, excluding the cost of training our engineers, we have saved ¥2,715 million compared with the previous year. We will continue with our efforts to improve our efficiency and productivity.

In our Group businesses, we have frozen expansion strategies and concentrated on our main business from the end of the previous fiscal year. To counter developments in the amendment of the Worker Dispatching Law, we have integrated our general worker dispatching business from our Group companies into Meitec Cast in April 2010. Since the business of Meitec and Meitec Fielders is categorized as Specified Worker Dispatching (which employs its workers as fulltime employees), there will be almost no effect from the amendment of this law.

Although our performance is on a gradual improvement trend, the world economy and market conditions are unpredictable. The Company will seek to realize further management improvement. With the understanding and cooperation of our workers' union, and by applying a payroll cut toward all employees, we are determined to achieve consolidated operating profit for the fiscal year ending March 31, 2011, as the most important management target.

I ask our shareholders for their continued understanding and support of Meitec.

May 13, 2010

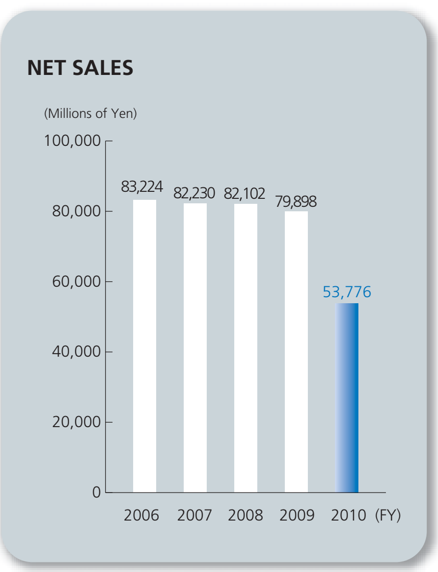
Kosuke Nishimoto
President, CEO & COO

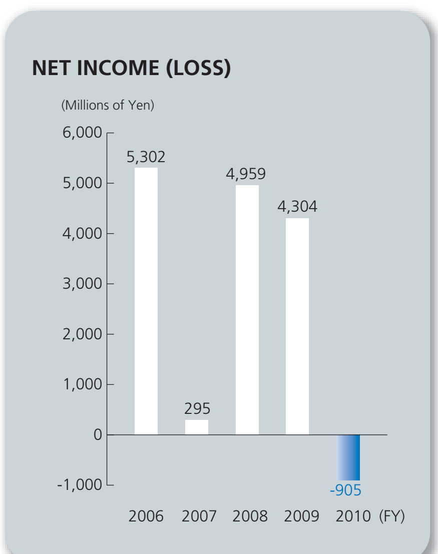
Consolidated Financial Highlights

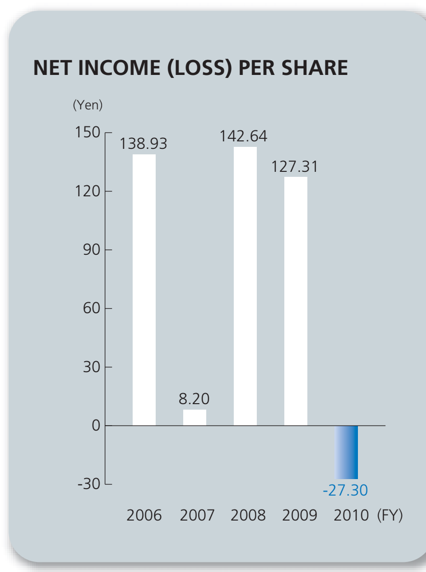
MEITEC CORPORATION and Subsidiaries
For the Years Ended March 31

	Millions of yen			Thousands of U.S. dollars (Note 1)
For the year	**2010**	2009	2008	**2010**
Net sales	**¥53,776**	¥ 79,898	¥ 82,102	**$578,237**
Operating income	**(4,928)**	9,281	11,365	**(52,993)**
Net income (loss)	**(905)**	4,304	4,959	**(9,731)**
At year-end				
Total assets	**47,625**	54,231	57,785	**512,099**
Total equity	**33,443**	36,169	37,599	**359,605**
Per share of common stock		Yen		U.S. Dollars (Note 1)
Total equity	**¥1,002,58**	¥ 1,081.85	¥ 1,086.71	**$10.78**
Cash dividends	**24.50**	75.00	72.00	**0.26**
Basic net income (loss) (Note 2)	**(27.30)**	127.31	142.64	**(0.29)**
Ratio		%		
Return on average equity	**(2.6)**	11.8	13.1	
Equity ratio	**69.8**	66.1	64.6	
Dividend payout ratio (Note 3)	**—**	58.9	9	

Notes: 1. U .S. dollar amounts are translated from Japanese yen, for convenience only, at the rate of ¥93 to US$1, the approximate exchange rate prevailing as of March 31, 2010.
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.







Management Answers Common Investor Questions

Q1 How did the market change over the fiscal year ended March 31, 2010 (FY2010)?

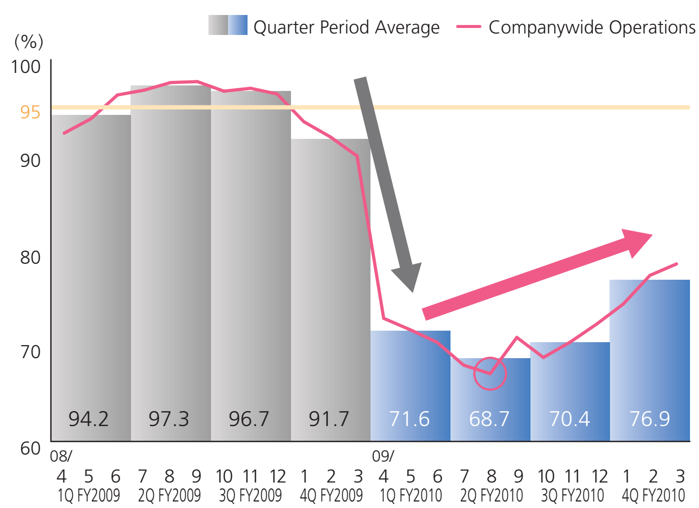
In the manufacturing industry which is our main customer, many of our customers are achieving firm recovery. On the other hand, it is clear that the recovery is different depending on the company or divisions within the same company, meaning that not the entire manufacturing industry is in recovery. Because of this, cost-cutting measures are continuing among our customers, and many of them are continuing selection and reduction, or selection and concentration, of their businesses. But, after last October, we have clearly started to see rebounding orders from the customers who are ahead in their recovery. As a result, as we show below, our utilization ratio has gradually improved and working hours have recovered beyond our forecast.

Improvement after "Bottoming out"

Non-Consolidated	For the Month of Aug. 2009 (Bottomed out)	For the Month of March 2010	Improvement
Utilization Ratio	67.1%	78.6%	+11.5
Working Hours	8.12h/day	8.86h/day	+0.74

Compared to the "Bottomed out" 67.1% utilization ratio, for last August, we were able to improve it by 11.5% to 78.6% by March 2010. For working hours, which is another key factor affecting revenue, we were able to improve them by 0.74 hours from 8.12 hours per day last August, the "Bottomed out" level, to 8.86 hours per day for March 2010.

Utilization Ratio (Non-Consolidated) Apr-2008 to Mar-2010



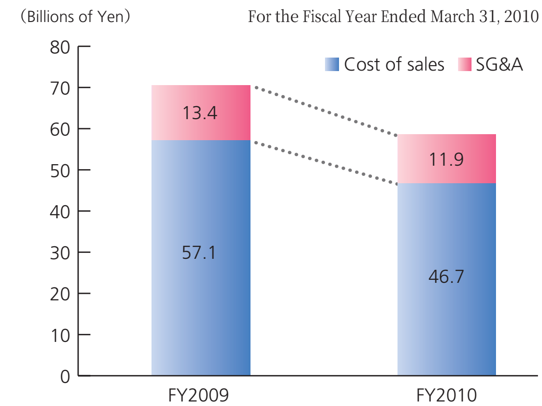
This graph shows the trend in the utilization ratio. In April of 2009, our utilization ratio dropped to 70% which is below our break even point, and continued further down to 67.1% in August. But by the month of March 2010, it had improved to 78.6%, showing moderate recovery is on the way after the latter half of the year.

Q2 With decreasing net sales, what measures have you implemented?

Cost-Cutting Measures

Cost of sales decreased by ¥10.4 billion from ¥57.1 billion for the fiscal year ended March 31, 2009 to ¥46.7 billion for the fiscal year ended March 31, 2010. SG&A decreased by ¥1.5 billion from ¥13.4 billion to ¥11.9 billion, realizing total cost cuts of ¥11.9 billion. But since our business is human resources, our cost of sales almost entirely consists of payroll, and the reduction in costs was mainly due to the effect from the performance-linked compensation system at each Group company.

Comparison of Consolidated Cost Structure



Change

SG&A	(1.5 billion yen)
COST OF SALES	(10.4 billion yen)
	(11.9 billion yen)

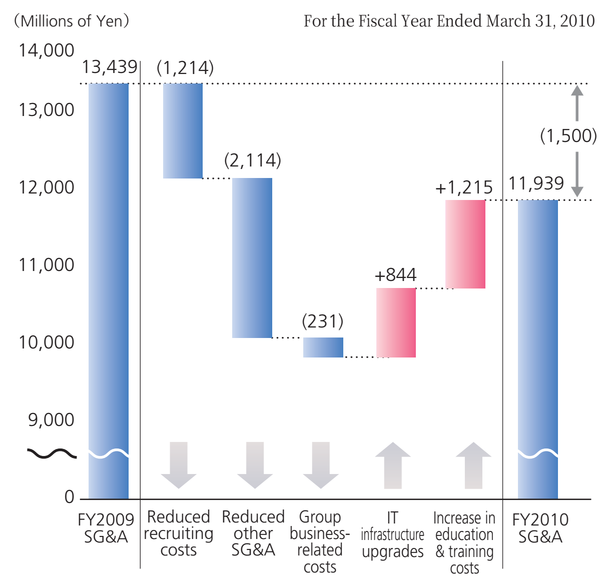
Main factor in the cost reduction was the performance-related pay system

Expense-Cutting Within SG&A

SG&A for the fiscal year ended March 31, 2009 was ¥13.4 billion. But it was ¥11.9 billion in the fiscal year ended March 31, 2010, achieving a total expenses reduction of ¥1.5 billion. Since we have frozen recruiting activities last year, recruiting expenses were reduced by ¥1.2 billion. By reducing everyday operating expenses, we achieved a ¥2.1 billion reduction in ordinary expenses. By the termination or reduction of new businesses, Group business-related expenses were reduced by ¥0.2 billion.

On the other hand, we have increased expenses in renewing our IT infrastructure and training activities for unassigned engineers. A renewal of the IT infrastructure was due because of its age, and by this, we believe it will contribute to future cost reductions. The main portion of expenses for training activities is trainer costs. Since the trainer is assigned from our own engineers, the cost of those engineers is posted in SG&A instead of cost of sales. As a result, the total reduction in consolidated SG&A was ¥1.5 billion.

Comparison of Consolidated SG&A



Q3 What is the philosophy behind your Group policy and what are your performance targets for fiscal year ending March 31, 2011?

Our management policy for the fiscal year ending March 31, 2011 is "Achieving Self-Supporting Corporate Continuation." This means that we are to build a business system which can continue our business without depending on government subsidies for employment adjustments. And we are making great efforts to achieve operating profit, both consolidated and non-consolidated. Regarding this policy, we have obtained understanding from our workers' union and employees of each Group company, disclosed on Feb. 23, 2010. In addition, we have also obtained understanding for reducing payroll costs in order to achieve profit and saving up to ¥2.88 billion.

Management Policy and Target for FY Ending March 31, 2011

1 **Group Management Policy: "Achieving Self-Supporting Corporate Continuation"**

Build a system to realize corporate continuation without government subsidies for employment adjustments (Public Fund)

2 **Group Management Target: "Achieving Operating Profit for the Fiscal Year"**

Achieving consolidated and non-consolidated operating profit for the fiscal year

Management Rationalization Measures (disclosed on Feb. 23, 2010): Total cost reduction of up to ¥2.88 billion.

Q4 What does the Group seek to achieve in fiscal year ending March 31, 2011?

Assumptions for this year's market conditions' are as above. We assume that recovery of the manufacturing industry will continue as it has done from the latter half of the previous year. Therefore, we forecast that our utilization ratio will also recover gradually with that. But, our customers are still working to cut their expenses, reduce or exit from their businesses. Therefore, we are not expecting very quick recovery. Since the customer of Meitec Group is also the manufacturing industry, forecasts for the Group is the same as for Meitec itself.

Forecasts—Fiscal Year Ending March 31, 2011

(Millions of Yen)

		Net Sales	Operating Income	Odrdinary Income	Net Income
Consolidated	Second Quarter FY2011 10/4-9	27,000	0	1,800	1,000
	Second Quarter FY2010 09/4-9	26,203	(3,248)	(850)	(1,214)
	Change (%)	3.0%	—	—	—
	FY2011	55,000	100	3,400	1,900
	FY2010	53,776	(4,928)	(276)	(904)
	Change (%)	2.3%	—	—	—
Non-consolidated	Second Quarter FY2011 10/4-9	21,000	0	1,500	800
	Second Quarter FY2010 09/4-9	20,097	(1,931)	106	31
	Change (%)	4.5%	—	1,276.1%	2,480.6%
	FY2011	43,000	0	2,800	1,600
	FY2010	41,319	(2,964)	822	53
	Change (%)	4.1%	—	240.6%	2,918.9%

This is the forecast for the fiscal year ending March 31, 2011. We forecast our consolidated revenue to be ¥55 billion and operating income to be ¥0.1 billion. As we plan to file a request for government subsidies for employment adjustments during this year of ¥3.2 billion, by including this, we forecast ¥3.4 billion in ordinary income and ¥1.9 billion in net profit. As we look ahead at the market trend, we believe that we should not be too optimistic. But it is a fact that recovery is on its way among manufacturing companies. If their assertive R&D investments increase instead of just their cost-cutting measures above those of the latter half of the previous year, we may see improvements beyond our forecasts.

Q5 What are Meitec's policies regarding returns to shareholders?

The basic scheme of returning profits to shareholders is to return profits in the form of dividends, and also to return excess capital (above the working capital) by obtaining treasury stocks. But in the present condition, without government subsidies for employment adjustments, we are not in a condition to secure the necessary working capital. Therefore, for the fiscal year ending March 31, 2011, we are projecting not to issue dividends.

Basic Policy Regarding Distribution of Earnings to Shareholders for fiscal year ending March 31, 2011

Basic Policy

Cash Flows
(Source of funds mainly from consolidated net income)

1 **Dividend linked to**
consolidated net income of 50% or more

Minimum Distribution (floor)
5% or more of consolidated dividend on equity

2 **Acquisition of Treasury Stock**
cash that exceeds working capital is allocated for acquisition of treasury stock

Holdings
Upper limit of two million

Retirement
Portion in excess of upper limit

Policy for FY Ending March 31, 2011

No dividend planned
Consolidated cash position excluding government subsidies and expected cost reductions from further management rationalization measures would not be sufficient

Not planned
Due to the same reason as above, it is suspended until we can reasonably foresee a stable and high utilization ratio

Q6 How will the amendment to the Worker Dispatch Law impact Meitec?

This table shows what our Group would be subjected to with the revision of the Worker Dispatch Law which is under discussion in the diet. We acknowledge that it is in the direction of strengthening the restrictions on the so-called general worker dispatching business which is an unstable type of dispatching. But since our main business, temporary engineer dispatching, is fulltime employment as regular companies, it is not subject to the restrictions. Therefore, our core business at Meitec and Meitec Fielders would not be affected by this revision of the law. But, since Meitec Cast is a general worker dispatching business, their market might be in a reduction trend of reduction. Therefore we have undertaken a strategy to merge the general dispatching business, specialized in senior age engineers conducted by Meitec Expert, to that of Meitec Cast, and also to concentrate its business on engineer dispatching to counter the strengthening of the restrictions.

About the Amendment of the Worker Dispatch Law

Worker Dispatch Law Amendments
(in discussion at the Diet, as of May 13, 2010)

expects no effects
- Temporary Engineer Staffing Business (a Specified Worker Dispatching Business)
  *Meitec and Meitec Fielders

might be affected (market downsizing)
- General Dispatching Business
  (¥2,268 million sales for FY ended March 31, 2010)
  As of April 1, 2010, the general dispatching business of Meitec Cast and Meitec Expert (a senior age temporary engineer staffing) was integrated to promote the strategy to focus on the engineer staffing business area.

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/index.htm**

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 has also established as a basic policy of its management to "contribute to the advancement of society, and realize mutual growth and prosperity for shareholders, customers and employees through its outsourcing services."As one of the leading companies in the industry, Meitec has adopted the following management policies in order to develop along with society.

(1) Increase Shareholder Satisfaction
We will strive to maximize the value of shareholder returns.

(2) Increase Customer Satisfaction
We will be a strategic partner for our clients, sharing our business resources (engineers and information) and developing our businesses together.

(3) Increase Employee Satisfaction
We will support the career advancement of all employees working to increase their market value together with the Company.

(4) Increase Society's Satisfaction
We will contribute to the healthy development of society through our business.

The Meitec Group regards corporate value to consist of shareholder value, customer value, employee value, and social value. As such, we believe that raising corporate value means contributing to society and raising the social value through our business by means of a wellbalanced increase in the three areas of shareholder, customer and employee value. This is the foundation of our corporate governance. We therefore believe that in terms of a company's relationship with society, the conduct of sound and highly transparent operations that comply with laws and regulations and do not conflict with social ethics, and as a precondition of such, managers who approach their role with a keen ethical sense, to be an essential to the conduct of business that will provide sustainable and ongoing growth in corporate value.

The Meitec Group's basic stance toward corporate governance, therefore, is to check whether management decision-making is conducted from the standpoint of raising value for shareholders, customers and employees, and whether or not it contributes to increases in social value, as well as to continually enhance its management structure to allow for correction when it does not.

Corporate System

1. Directors and the Board of Directors

Meitec's Board of Directors consists of six directors (of which, one is an outside director). It makes decisions regarding the operation of the Meitec Group in accordance with the Companies Act and related laws, and has the authority to oversee the conduct of the duties of directors.

2. Auditors and the Board of Corporate Auditors

MEITEC has adopted the auditing system, and has established a Board of Corporate Auditors consisting of three auditors (three of whom are outside auditors). Corporate auditors are authorized to attend meetings of the Board of Directors, as well as all meetings of Group companies. They provide effective auditing by attending important meetings and other activities.

3. Corporate Governance Committee

This committee comprises all directors, and is chaired by an outside director. It conducts such self-checks as review of the decisionmaking process of the Board of Directors. 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) Structures to Ensure That the Execution of Duties by Directors and Employees Complies with Laws and the Articles of Incorporation
b) Structures for the Storage and Management of Information on the Execution of Duties by Directors
c) Structures for Management of the Risk of Loss
d) Structures for Ensuring the Effective and Efficient Execution of Duties by Directors
e) Structures for Employees Assisting Corporate Auditors with Their Duties, and Structures for Ensuring the Independence of Such Employees from Directors
f) Structures for Directors and Employees to Report to Corporate Auditors, and Structures to Ensure Effective Auditing by Other Auditors
g) Structures to Ensure the Appropriateness of Meitec Corporation and Its Corporate 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/

Five-Year Summary

MEITEC CORPORATION and Subsidiaries
For the Years Ended March 31

	Millions of Yen				
For the Year	**2010**	2009	2008	2007	2006
Net sales	**¥53,776**	¥79,898	¥82,102	¥82,230	¥83,224
Cost of sales	**46,765**	57,177	57,777	57,702	56,685
Gross profit on sales	**7,011**	22,721	24,325	24,528	26,539
Selling, general and administrative expenses	**11,939**	13,440	12,960	12,946	14,054
Operating income	**(4,928)**	9,281	11,365	11,582	12,485
Net income (loss)	**(905)**	4,304	4,959	295	5,302
At Year-end					
Total assets	**¥47,625**	¥54,231	¥57,785	¥57,479	¥67,185
Current assets	**28,444**	33,296	35,356	35,564	39,127
Net property and equipment	**12,069**	12,819	13,374	14,549	15,215
Liabilities	**14,182**	18,062	20,186	18,795	20,325
Total equity	**33,443**	36,169	37,599	38,684	46,668
Per share					
Basic net income (loss)	**¥(27.30)**	¥127.31	¥142.64	¥8.20	¥138.93
Cash dividends	**24.50**	75.00	72.00	89.00	90.50
Total equity	**1,002.58**	1,081.85	1,086.71	1,092.80	1,274.10
Ratios					
Gross profit margin	**13.0%**	28.4%	29.6%	29.8%	31.9%
Operating income margin	**(9.2)**	11.6	13.8	14.1	15.0
Net profit margin	**(1.7)**	5.4	6.0	0.4	6.4
Return on average equity	**(2.6)**	11.8	13.1	0.7	11.1
Current ratio	**444.9**	301.9	256.9	283.2	264.0
Equity ratio	**69.8**	66.1	64.6	66.9	69.5
Dividend payout ratio	**—**	58.9	50.5	1,085.7	65.1
Price-earnings ratio	**—**	9.6	21.2	463.4	27.9
Major operating data					
Number of shares issued	**33,150,000**	33,150,553	34,326,962	35,186,074	36,535,695
Share price (yen)	**1,831**	1,216	3,020	3,800	3,870
Number of shareholders	**7,059**	6,664	6,452	8,434	8,305
Number of employees (non-consolidated)	**6,345**	6,300	6,197	6,214	6,058
Number of employees (consolidated)	**8,368**	8,588	8,398	8,280	7,927

Overview of the Economy

The Japanese economy during the fiscal year ended March 31, 2010, started out under harsh conditions due to the rapid deterioration of the world economy which began in the latter half of 2008. On the other hand, the Diffusion Index (DI) has started to show some recovery, and production at major manufacturers, who are our main customer, continues to show recovery. Curtailed equipment investment seemed to have hit bottom, and anxiety over the further deterioration of the ratio of job offers to seekers seems to have lessened. However, these developments are still at a low level and recovery is gradual. Therefore, the management environment remained severe this fiscal year.

Net sales

Consolidated net sales for this fiscal year (April 1, 2009 to March 31, 2010) decreased by ¥26,122 million compared with the previous fiscal year, to ¥53,776 million. This was mainly due to the continuation of a lower utilization ratio for the temporary engineer staffing business due to the large cut in R&D budgets at major manufacturing companies.

Cost of Sales

Cost of sales declined by ¥10,412 million compared with the previous fiscal year to ¥46,765, mainly due to the decrease in payroll in the temporary engineer staffing business.

Selling, General and Administrative Expenses

Consolidated selling, general and administrative expenses decreased by ¥1,500 million, to ¥11,939 million, as a result of various cost cutting measures and despite an increase in training and education expenses for the unassigned engineers.

Operating Income

Consolidated operating income decreased by ¥14,209 million compared with the previous fiscal year to a loss of ¥4,928 million. From the latter half of the fiscal year, as the economy started to gradually recover, investments in R&D also started to come back at major manufacturing companies, and our business environment showed some improvement. As well, ongoing training and educational programs for our unassigned engineers, contributed to more new orders.

Through such efforts, we were able to improve the utilization ratio of temporary engineer staff for Meitec alone to 76.9% by the end of the 4th quarter (78.6% for the month of March) from 68.7% at the end of 2nd quarter (67.1% for the month of August). With the better utilization ratio, the consolidated sales also improved to ¥27,572 million for the second half of the fiscal year from ¥26,203 million in the 1st half. The consolidated operating loss decreased to ¥1,679 million in the 2nd half of the fiscal year from a loss of ¥3,248 million in the 1st half.

Other Income (Expenses)

Since the Meitec Group employs a large number of engineers on a regular basis, we have applied for government subsidies for employment adjustments, and we posted ¥4,644 million of the grant as non-operating income. As a result, other income-net was ¥4,554 million, which is an increase of ¥5,656 million from the amount of ¥1,102 million in other expenses-net in fiscal 2009.

Income (Loss) before Income Taxes and Minority Interests

Income (loss) before income taxes and minority interests was a loss of ¥374 million and a difference of ¥8,553 million yen from fiscal 2009.

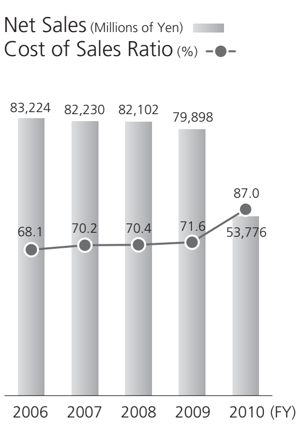
Net Income

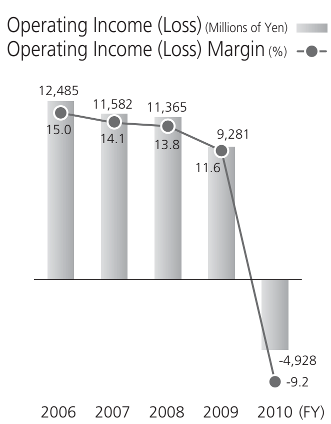
As a result, consolidated net income for the fiscal year declined by ¥5,209 million from the previous year, resulting in a net loss of ¥905 million.

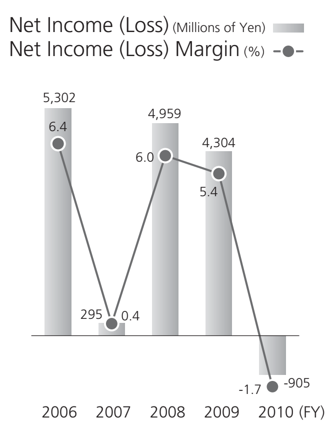
Overview of Results by Business Segment

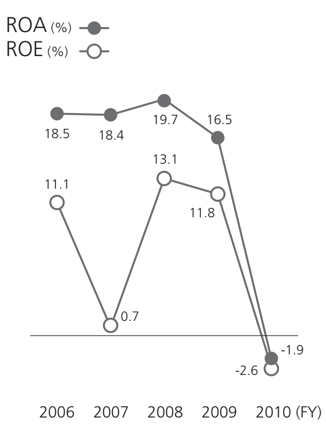
Temporary Staffing Business

The Temporary Staffing Business which accounts for more than 90% of consolidated net sales, particularly the core temporary engineers staffing business, experienced a lower utilization ratio from the start of the fiscal year due to significant cut backs in R&D budgets at the major manufacturing companies who are our main customers. Mainly due to this lower utilization ratio, sales in the temporary staffing business decreased by ¥23,822 million over the previous fiscal year to ¥50,533 million. Despite a number of management rationalization measures to reduce expenses, such as payroll costs and recruiting costs, we were not totally able to offset the effect of the reduction in sales, and thus posted ¥4,458 million in operating loss.









As the Company was able to solicit new orders in tandem with the improving market from the latter half of the fiscal year, the utilization ratio of temporary engineer staff for Meitec alone improved to 76.9% at the end of 4th quarter (78.6% for the month of March) from 68.7% at the end of 2nd quarter (67.1% for the month of August). To integrate the general staffing business scattered among our Group companies, we have separated out all outsourcing other than the specified worker dispatching business from Meitec Fielders, and separated the registered type temporary staffing business specialized in senior age engineers from Meitec Experts and merged them with the general staffing business of Meitec Cast.

Engineering Solutions Business

The engineering solutions business consists of technological support for printed-circuit boards and analytical technology. Revenue in the engineering solutions business decreased by ¥482 million compared with the previous fiscal year to ¥2,754 million, and operating income decreased by ¥29 million compared with the previous fiscal year to ¥94 million. Meitec CAE which is an analytical engineering business was able to achieve increases in both revenue and profit. This was due not only to its integrating the 3D Tec business, but also a result of its expanding services, strengthening sales and improving conditions in the aircraft-related business. On the other hand, Apollo Giken Group which specializes in the printed-circuit board business suffered a deterioration in market conditions from the beginning of the fiscal year, and posted a decrease in revenue and an operating loss. However, as the market started to improve in the latter half of the fiscal year, they were able to post an operating profit in the 2nd half of the fiscal year.

Global Business

The Global Business consists of job placement business and vocational training business in China, and the Bridge Engineer business which is supplying Chinese engineer within Japan. Sales in the Global Business this fiscal year decreased by ¥634 million to ¥647 million. The business segment posted a ¥591 million operating loss due to the lower utilization ratio of Chinese engineers. The number of engineers at Meitec Global Solutions decreased compared with the previous fiscal year to 112 engineers at the end of March 31, 2010. This was mainly due to shifting its business to job placement business from temporary staffing business in Japan.

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

Career Support Business

The career support business includes the job placement business specializing in engineers, and the information portal site business. Consolidated net sales for the career support business in the fiscal year under review decreased by ¥1,458 million to ¥517 million, mainly due to the effect of transferring the outplacement business of BMOA Corporation* to Tempstaff Co., Ltd., on May 1, 2009. Operating income however increased by ¥130 million to a profit of ¥13 million.

Meitec Next Corporation, which is a placement business specifically for engineers, posted an operating loss under a severe market environment. The amount of the loss was significantly less however compared with that of the previous fiscal year.

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

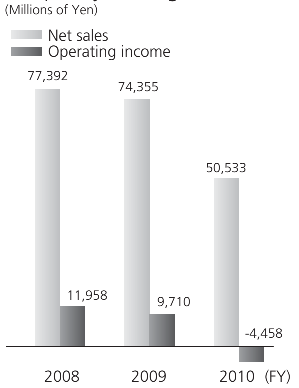
Forecasts for the Fiscal Year Ending March 31, 2011

Summary of consolidated forecasts for the fiscal year ending March 31, 2011

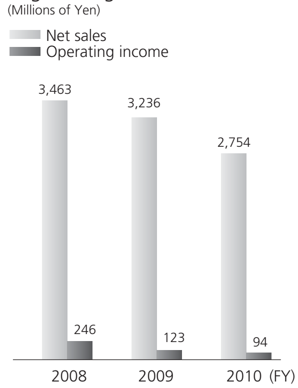
Millions of Yen, rounded down	Net Sales	Operating Income	Net Income
Forecast for 2nd Q of FY2011	27,000	0	1,000
Comparison to 2nd Q of FY2010	+796	+3,248	+2,214
Forecast for FY2011	55,000	100	1,900
Comparison to FY2010	+1,223	+5,028	+2,804
Actual for 2nd Q of FY2010	26,203	(3,248)	(1,214)
Actual for FY2010	53,776	(4,928)	(905)

The Meitec Group has set out its management policy for the fiscal year ending March 31, 2011, as "Achieving Self-Supporting Corporate Continuation." With the precondition that each Meitec Group company carry out measures appropriate to the conditions it

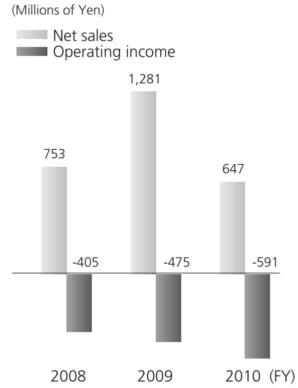
Temporary Staffing Business
(Millions of Yen)



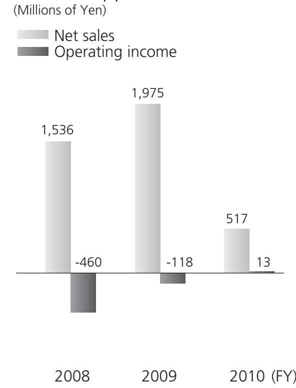
Engineering Solutions Business
(Millions of Yen)



Global Business
(Millions of Yen)



Career Support Business
(Millions of Yen)



finds itself in, in accordance with the management policy, the Meitec Group has set its management target as "Achieving Operating Profit for the Fiscal Year" (consolidated, non-consolidated and for each company). In order to achieve its management target, the Company will apply the following management rationalization measures under an agreement with the employees' union.

Management rationalization measures and their expected effects

Millions of Yen	Expected Cost Reduction Effect (for year) Consolidated	Non-consolidated
Reduction and return of directors' compensations, Voluntary return of auditors' compensation	40	40
Payroll reduction for executive officers and (non-union) managers	190	160
Allowance and bonus reduction fo general empoloyees (union members)	2,650	1,650
TOTAL	2,880	1,850

Even if the performance of the Company exceeds the current assumptions to realize revenue above that of the forecast, operating profit may land at the level that was forecasted. In such an event, and with additional discussions with the employees' union, the amount of operating profit above the forecast is planned to be used to restore the bonus reduction, and will be given priority.

Since the Meitec Group employs a large number of engineers on a regular basis, we are planning to continue applying for government subsidies for employment adjustments. The above forecast includes ¥3,200 million in income from a government subsidy.

Financial Position

• Assets

Total assets at the end of the fiscal year (March 31, 2010) decreased by ¥6,605 million compared with the previous fiscal year to ¥47,625 million. Total current assets at the end of the fiscal year decreased by ¥4,851 million compared with the previous fiscal year, to ¥28,444 million. Total fixed assets at the end of the fiscal year decreased by ¥1,753 million compared with the previous fiscal year, to ¥19,180 million. The reduction in current assets was due to a reduction in cash and cash equivalents, and a reduction in accounts receivable and uncashed bills.

• Liabilities

Total liabilities at the end of the fiscal year decreased by ¥3,879 million compared with the end of the previous fiscal year to ¥14,182 million. Total current liabilities at the end of the fiscal year decreased by ¥4,633 million compared with the end of the previous fiscal year to ¥6,393 million. Total long-term liabilities at the end of the fiscal year increased by ¥754 million compared with the end of the previous fiscal year to ¥7,789 million.

Reduced total current liabilities was mainly a result of a decrease in unpaid expenses including a decrease in the reserve for bonuses. The increase in fixed liabilities was mainly due to an increase in allowance for employee retirement benefits.

• Total Equity

Total equity at the end of the fiscal year decreased by ¥2,726 million compared with the end of the previous fiscal year to ¥33,443 million. Shareholders' equity decreased by ¥2,645 million compared with the end of the previous fiscal year to ¥34,101 million.

The decrease was mainly due to the result of performance and the payment of dividends.

Cash Flows

• Cash Flows from Operating Activities

Cash used in operating activities decreased by ¥7,853 million to ¥1,545 million. This was mainly due to the payment of income taxes of ¥1,313 million.

• Cash Flows from Investing Activities

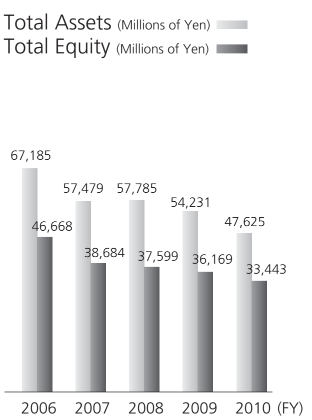
Cash used in investing activities decreased by ¥644 million to ¥20 million. This was mainly due to obtaining fixed assets of ¥516 million.

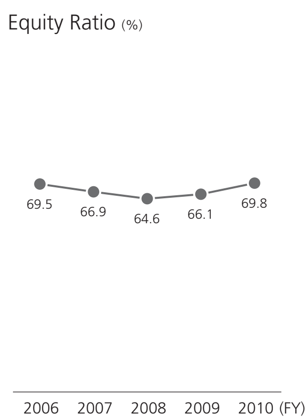
• Cash Flows from Financing Activities

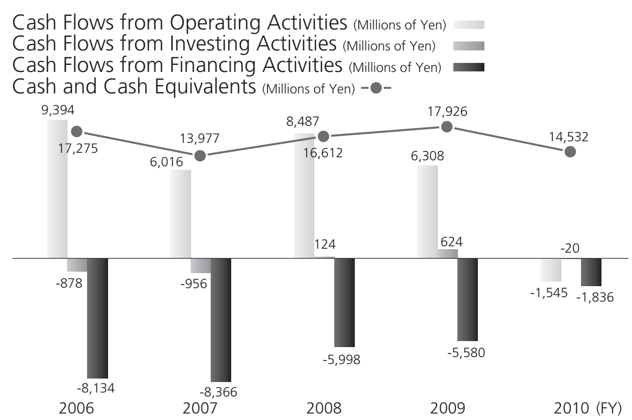
Cash used in financing activities increased by ¥3,744 million to ¥1,836 million. This was mainly due to the payment of dividends of ¥1,740 million.

• Balance of Cash and Cash Equivalents at the End of the Fiscal Year

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







Deloitte.

Deloitte Touche Tohmatsu LLC
MS Shibaura Building
4-13-23, Shibaura
Minato-ku, Tokyo 108-8530
Japan

Tel:+81 (3) 3457 7321
Fax:+81 (3) 3457 1694
www.deloitte.com/jp

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, 2010 and 2009, and the related consolidated statements of operations, 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, 2010 and 2009, 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 24, 2010

Member of
Deloitte Touche Tohmatsu

Consolidated Balance Sheets

MEITEC CORPORATION and Subsidiaries
March 31, 2010 and 2009

ASSETS	Millions of Yen 2010	Millions of Yen 2009	Thousands of U.S. Dollars (Note 1) 2010
CURRENT ASSETS:			
Cash and cash equivalents (Note 4)	**¥14,532**	¥17,926	**$156,258**
Short-term investments (Notes 3 and 4)	**200**	600	**2,151**
Notes and accounts receivable (Note 4):			
Trade notes and accounts	**9,583**	10,986	**103,037**
Allowance for doubtful accounts	**(4)**	(14)	**(39)**
Inventories (Note 5)	**153**	435	**1,649**
Deferred tax assets (Note 11)	**1,537**	2,183	**16,530**
Prepaid expenses and other	**2,443**	1,180	**26,267**
Total current assets	**28,444**	33,296	**305,853**
PROPERTY AND EQUIPMENT:			
Land	**3,585**	3,585	**38,547**
Buildings and structures	**19,885**	20,249	**213,823**
Furniture and fixtures	**2,401**	2,762	**25,817**
Other	**239**	239	**2,566**
Total	**26,110**	26,835	**280,753**
Accumulated depreciation	**(14,041)**	(14,016)	**(150,976)**
Net property and equipment	**12,069**	12,819	**129,777**
INVESTMENTS AND OTHER ASSETS:			
Investment securities (Notes 3 and 4)	**468**	573	**5,030**
Consolidation goodwill		195	
Software	**2,591**	3,158	**27,864**
Leasehold deposits	**797**	1,196	**8,574**
Deferred tax assets (Note 11)	**3,121**	2,818	**33,555**
Other	**135**	176	**1,446**
Total investments and other assets	**7,112**	8,116	**76,469**
TOTAL	**¥47,625**	¥54,231	**$512,099**

See notes to consolidated financial statements.

LIABILITIES AND EQUITY	Millions of Yen 2010	2009	Thousands of U.S. Dollars (Note 1) 2010
CURRENT LIABILITIES:			
Trade accounts payable (Note 4)	**¥124**	¥84	**$1,330**
Income taxes payable (Note 4)	**147**	1,215	**1,580**
Accrued expenses	**4,865**	7,093	**52,308**
Other (Note 4)	**1,257**	2,635	**13,521**
Total current liabilities	**6,393**	11,027	**68,739**
LONG-TERM LIABILITIES:			
Liability for retirement benefits (Note 7)	**7,740**	6,988	**83,221**
Deferred tax liabilities (Note 11)	**1**	1	**6**
Deferred tax liabilities for land revaluation (Notes 2.j and 11)	**42**	42	**453**
Other	**6**	4	**75**
Total long-term liabilities	**7,789**	7,035	**83,755**
EQUITY (Note 8):			
Common stock—authorized, 142,854 thousand shares in 2010 and 2009; issued, 35,100 thousand shares in 2010 and 2009	**16,826**	16,826	**180,923**
Capital surplus	**14,451**	14,452	**155,392**
Retained earnings	**8,716**	11,361	**93,715**
Unrealized gain on available-for-sale securities	**21**	11	**225**
Land revaluation difference (Note 2.j)	**(883)**	(883)	**(9,495)**
Foreign currency translation adjustments	**(4)**	(12)	**(40)**
Treasury stock—at cost, 1,950 thousand shares in 2010 and 1,949 thousand shares in 2009	**(5,891)**	(5,891)	**(63,347)**
Total	**33,236**	35,864	**357,373**
Minority interests	**207**	305	**2,232**
Total equity	**33,443**	36,169	**359,605**
TOTAL	**¥47,625**	¥54,231	**$512,099**

Consolidated Statements of Operations

	Millions of Yen		Thousands of U.S. Dollars (Note 1)
	2010	2009	**2010**
NET SALES	**¥53,776**	¥79,898	**$578,237**
COST OF SALES	**46,765**	57,177	**502,852**
Gross profit	**7,011**	22,721	**75,385**
SELLING, GENERAL AND ADMINISTRATIVE EXPENSES	**11,939**	13,440	**128,378**
Operating income (loss)	**(4,928)**	9,281	**(52,993)**
OTHER INCOME (EXPENSES):			
Interest and dividend income	**18**	30	**197**
Gain on sales of investment securities	**13**	6	**140**
Subsidy income	**4,644**		**49,934**
Foreign exchange loss	**(14)**	(17)	**(147)**
Loss on investments in partnerships	**(28)**	(28)	**(298)**
Loss on sales and disposals of property and equipment	**(48)**	(380)	**(520)**
Impairment loss (Note 10)	**(71)**	(339)	**(761)**
Loss on change in pension plans (Note 7)		(56)	
Provision for allowance for doubtful accounts	**(1)**	(304)	**(10)**
Other—net	**41**	(14)	**434**
Other income (expenses)—net	**4,554**	(1,102)	**48,969**
INCOME (LOSS) BEFORE INCOME TAXES AND MINORITY INTERESTS	**(374)**	8,179	**(4,024)**
INCOME TAXES (Note 11):			
Current	**198**	3,565	**2,129**
Deferred	**337**	292	**3,619**
Total income taxes	**535**	3,857	**5,748**
MINORITY INTERESTS IN NET INCOME (LOSS)	**(4)**	18	**(41)**
NET INCOME (LOSS)	**¥(905)**	¥ 4,304	**$(9,731)**

	Yen		U.S. Dollars (Note 1)
	2010	2009	**2010**
PER SHARE OF COMMON STOCK (Notes 2.q and 13):			
Basic net income (loss)	**¥(27.30)**	¥127.31	**$(0.29)**
Cash dividends applicable to the year	**24.50**	75.00	**0.26**

See notes to consolidated financial statements.

	Thousands	Millions of Yen									
	Number of Shares of Common Stock Outstanding	Common Stock	Capital Surplus	Retained Earnings	Unrealized Gain on Availablefor-sale Securities	Land Revaluation Difference	Foreign Currency Translation Adjustment	Treasury Stock	Total	Minority Interests	Total Equity
BALANCE, MARCH 31, 2008	34,327	¥16,826	¥15,481	¥9,857	¥100	¥(883)	¥37	¥(4,115)	¥37,303	¥296	¥37,599
Decrease due to accounting changes in overseas subsidiaries (Note 2.b)				(26)					(26)		(26)
Net income				4,304					4,304		4,304
Cash dividends, ¥81.5 per share				(2,774)					(2,774)		(2,774)
Purchase of treasury stock	(1,176)							(2,806)	(2,806)		(2,806)
Disposal of treasury stock			(1)					2	1		1
Retirement of treasury stock			(1,028)					1,028			
Net change in the year					(89)		(49)		(138)	9	(129)
BALANCE, MARCH 31, 2009	33,151	¥16,826	¥14,452	¥11,361	¥ 11	¥(883)	¥(12)	¥(5,891)	¥35,864	¥305	¥36,169
Net income				(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**	**¥21**	**¥(883)**	**¥(4)**	**¥(5,891)**	**¥33,236**	**¥207**	**¥33,443**

	Thousands of U.S. Dollars (Note 1)									
	Common Stock	Capital Surplus	Retained Earnings	Unrealized Gain on Availablefor-sale Securities	Land Revaluation Difference	Foreign Currency Translation Adjustment	Treasury Stock	Total	Minority Interests	Total Equity
BALANCE, MARCH 31, 2009	$180,923	$155,395	$122,160	$123	$(9,495)	$(125)	$(63,347)	$385,634	$3,284	$388,918
Net loss			(9,731)					(9,731)		(9,731)
Cash dividends, $0.56 per share			(18,714)					(18,714)		(18,714)
Purchase of treasury stock							(7)	(7)		(7)
Disposal of treasury stock		(3)					7	4		4
Net change in the year				102		85		187	(1,052)	(865)
BALANCE, MARCH 31, 2010	**$180,923**	**$155,392**	**$93,715**	**$225**	**$(9,495)**	**$(40)**	**$(63,347)**	**$357,373**	**$2,232**	**$359,605**

See notes to consolidated financial statements.

Consolidated Statements of Cash Flows

	Millions of Yen		Thousands of U.S. Dollars (Note 1)
	2010	2009	**2010**
OPERATING ACTIVITIES:			
Income (loss) before income taxes and minority interests	**¥(374)**	¥8,179	**$(4,024)**
Adjustments for:			
Income taxes—paid	**(1,313)**	(4,933)	**(14,117)**
Depreciation and amortization	**1,374**	1,227	**14,775**
Gain on sales of investment securities	**(13)**	(6)	**(140)**
Amortization of consolidation goodwill		34	**1**
Loss on sales and disposals of property and equipment	**48**	378	**520**
Loss on investments in partnerships	**28**	28	**298**
Impairment loss	**71**	339	**761**
Changes in assets and liabilities:			
Decrease in trade receivables	**1,344**	1,855	**14,451**
Increase in inventories	**(30)**	(77)	**(318)**
Increase in trade payables	**39**	19	**419**
Decrease in accrued expenses	**(2,116)**	(1,195)	**(22,756)**
Decrease in consumption taxes payable	**(475)**	(80)	**(5,109)**
(Decrease) increase in allowance for doubtful accounts	**(21)**	327	**(223)**
Increase in liability for retirement benefits	**751**	610	**8,077**
Increase in other current assets	**(1,215)**	(165)	**(13,066)**
Increase (decrease) in other current liabilities	**448**	(216)	**4,815**
Other—net	**(91)**	(16)	**(982)**
Total adjustments	**(1,171)**	(1,871)	**(12,594)**
Net cash provided by (used in) operating activities	**(1,545)**	6,308	**(16,618)**
INVESTING ACTIVITIES:			
Proceeds from sales of short-term investments	**400**	1,300	**4,301**
Proceeds from sales of investment securities	**106**	562	**1,137**
Payments for sales of investments in subsidiaries resulting in a change in a scope of consolidation	**(201)**		**(2,157)**
Purchases of property and equipment	**(129)**	(168)	**(1,383)**
Purchases of other investments and assets	**(197)**	(1,069)	**(2,119)**
Other—net	**1**	(1)	**8**
Net cash provided by (used in) investing activities	**(20)**	624	**(213)**

	Millions of Yen		Thousands of U.S. Dollars (Note 1)
	2010	2009	**2010**
FINANCING ACTIVITIES:			
Acquisition of treasury stock	**(1)**	¥ (2,806)	**(7)**
Dividends paid	**(1,740)**	(2,776)	**(18,716)**
Dividends paid to minority shareholders	**(13)**	(7)	**(138)**
Proceeds from issuance of common stock to minority shareholders	**(81)**		**(867)**
Other—net	**(1)**	9	**(12)**
Net cash used in financing activities	**(1,836)**	(5,580)	**(19,740)**
FOREIGN CURRENCY TRANSLATION ADJUSTMENTS ON CASH AND CASH EQUIVALENTS	**7**	(38)	**74**
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	**(3,394)**	1,314	**(36,497)**
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	**17,926**	16,612	**192,755**
CASH AND CASH EQUIVALENTS, END OF YEAR	**¥14,532**	¥17,926	**$156,258**

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.

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 2009 consolidated financial statements to conform to the classifications used in 2010.

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 ¥93 to $1, the approximate rate of exchange at March 31, 2010. 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, 2010 include the accounts of the Company and its sixteen (eighteen in 2009) subsidiaries (together, the "Group").

In fiscal 2010, two subsidiaries were excluded from the scope of consolidation as they were liquidated. In fiscal 2009, one subsidiary was newly established and consolidated, while one was excluded from the scope of consolidation, being merged with another subsidiary.

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* — Effective from fiscal 2009, the Company adopted Practical Issues Task Force (PITF) No. 18, "Practical Solution on Unification of Accounting Policies Applied to Foreign Subsidiaries for the Consolidated Financial Statements" (issued by the Accounting Standards Board of Japan ("ASBJ") on May 17, 2006). In conformity with this PITF, the Company made required adjustments upon consolidation.

The new standard 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:

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

The Company applied this accounting standard effective April 1, 2008. In addition, the Company adjusted the beginning balance of retained earnings at April 1, 2008 as if this accounting standard had been retrospectively applied.

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.

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 due 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 were not deemed to transfer ownership of the leased property to the lessee are capitalized and depreciated by the straight-line method over their lease term with zero residual value, except those with lease commencement 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 were not deemed to transfer ownership of leased properties shall be capitalized recognizing lease assets and lease obligations in the balance sheet, except those with lease commencement 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, 2010, the carrying amount of the land after the one-time revaluation exceeded the market value by ¥1,446 million ($15,552 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 this fiscal year.

l. 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.

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

n. 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.

o. 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 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.

p. Foreign Currency Financial Statements — The balance sheet accounts of the consolidated foreign subsidiary are translated into Japanese yen at the current exchange rate as of the 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.

q. 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.

r. New Accounting Pronouncements

Accounting for Business Combinations

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 current accounting standard for business combinations allows companies to apply the pooling of interests method of accounting when certain specific criteria are met such that the business combination is essentially regarded as a uniting-of-interests. The revised standard requires to account for such business combination by the purchase method and 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, an in-process research and development (IPR&D) acquired by the business combination is capitalized as an intangible asset.

(3) The current accounting standard accounts for a bargain purchase gain (negative goodwill) to be systematically amortized within 20 years. Under the revised standard, the acquirer recognizes a bargain purchase gain in profit on the acquisition date after reassessing whether it has correctly

identified all of the assets acquired and all of the liabilities assumed with a review of such procedures used.

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.

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 is effective for fiscal years beginning on or after April 1, 2010 with early adoption permitted for fiscal years beginning on or before March 31, 2010.

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.

Segment Information Disclosures

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.

3. SHORT-TERM INVESTMENTS AND INVESTMENT SECURITIES

Short-term investments and investment securities as of March 31, 2010 and 2009 consisted of the following:

	Millions of Yen		Thousands of U.S. Dollars
	2010	2009	**2010**
Short-term investments:			
Time deposits	**¥200**	¥600	**$2,151**
Total	**¥200**	¥600	**$2,151**
Investment securities:			
Equity securities	**¥313**	¥390	**$3,363**
Other	**155**	183	**1,667**
Total	**¥468**	¥573	**$5,030**

The costs and aggregate fair values of investment securities as of March 31, 2010 and 2009 were as follows:

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

	Millions of Yen			
March 31, 2009	Cost	Unrealized Gains	Unrealized Losses	Fair Value
Available-for-sale:				
Equity securities	¥304	¥33	¥ (11)	¥326

	Thousands of U.S. Dollars			
March 31, 2010	Cost	Unrealized Gains	Unrealized Losses	Fair Value
Available-for-sale:				
Equity securities	**$2,268**	**$544**	**$(137)**	**$2,675**

Available-for-sale securities whose fair value is not readily determinable as of March 31, 2010 and 2009 were as follows:

	Carrying Amount		
	Millions of Yen		Thousands of U.S. Dollars
	2010	2009	**2010**
Equity securities	**¥64**	¥ 64	**$688**
Other	**155**	183	**1,667**
Total	**¥219**	¥247	**$2,355**

Proceeds from sales of available-for-sale securities for the years ended March 31, 2010 and 2009 were ¥106 million ($1,137 thousand) and ¥562 million, respectively. Gross realized gains and losses on these sales, computed on the moving average cost basis, were ¥13 million ($140 thousand) and nil, respectively, for the year ended March 31, 2010 and ¥6 million and nil, respectively, for the year ended March 31, 2009.

Loss on devaluation of available-for-sale securities for the year ended March 31, 2009, was as follows:

	Millions of Yen
	2009
Equity securities with fair value	¥3
Equity securities whose fair value is not readily determinable	16
Total	¥19

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 finances necessary funds by its own funds. Temporary excess funds for operations are provided by highly stable 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. Investment securities mainly consist of securities of companies in which a business relationship has been established or securities of companies in which 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 researching customer's 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, 2010.

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 holding adequate volumes of working capital at the level of 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, 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, 2010	Carrying amount	Fair value	Unrealized gain/loss
Cash and cash equivalents	**$156,258**	$156,258	
Short-term investments	**2,151**	2,151	
Notes and accounts receivable	**103,037**	103,037	
Investment securities:			
Available-for-sale equity securities	**2,675**	2,675	
Total assets	**$264,121**	$264,121	
Trade accounts payable	**$1,330**	$1,330	
Income taxes payable	**1,580**	1,580	
Accrued consumption taxes (Current liabilities—other)	**633**	633	
Total liabilities	**$3,543**	$3,543	

Unlisted securities and others of ¥219 million ($2,355 thousand) whose fair values cannot be reliably determined as of March 31, 2010 were not included in the above tables.

Valuation methods of fair value of financial instruments and information regarding 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 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:

	Millions of Yen			
March 31, 2010	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**			

	Thousands of U.S. Dollars			
March 31, 2010	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	**$156,258**			
Short-term investments	**2,151**			
Notes and accounts receivable	**103,037**			
Total	**$261,446**			

5. INVENTORIES

Inventories at March 31, 2010 and 2009 consisted mainly of work in process related to career support and engineering outsourcing.

6. LONG-TERM DEBT

As of March 31, 2010 and 2009, the Company had loan commitments from six banks and two insurance companies in an aggregate amount of ¥6,000 million ($64,516 thousand). There were no loans utilized and outstanding under these arrangements as of March 31, 2010 and 2009.

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 Company applied accounting treatments specified in the guidance issued by the ASBJ and recorded a loss on the change in pension plans of ¥56 million in the consolidated statements of operations for the year ended March 31, 2009.

The liability for employees' retirement benefits as of March 31, 2010 and 2009 consisted of the following:

	Millions of Yen		Thousands of U.S. Dollars
	2010	2009	**2010**
Projected benefit obligation	**¥8,505**	¥7,848	**$91,454**
Fair value of plan assets	**(78)**	(59)	**(844)**
Unrecognized prior service cost	**1**	1	**7**
Unrecognized actuarial loss	**(688)**	(802)	**(7,396)**
Net liability	**¥7,740**	¥6,988	**$83,221**

The components of net periodic retirement benefit costs for the years ended March 31, 2010 and 2009 were as follows:

	Millions of Yen		Thousands of U.S. Dollars
	2010	2009	**2010**
Service cost	**¥603**	¥ 567	**$6,485**
Interest cost	**155**	137	**1,666**
Recognized actuarial loss	**163**	158	**1,755**
Contribution in defined contribution pension plan	**849**	850	**9,129**
Net periodic benefit costs	**¥1,770**	¥1,712	**$19,035**

Assumptions used for the years ended March 31, 2010 and 2009 were set forth as follows:

	2010	2009
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, 2010 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 ($46)	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 ($33)	From June 27, 2004 to June 26, 2012

The stock option activity was as follows:

For the Year Ended March 31, 2009	1998 Stock Option	1999 Stock Option	2000 Stock Option	2001 Stock Option	2002 Stock Option	2004 Stock Option
	Shares					
Non-vested:						
March 31, 2008 — outstanding						
Canceled						
Vested						
March 31, 2009 — outstanding						
Vested:						
March 31, 2008 — outstanding	6,300	6,500	11,000	12,000	2,000	85,000
Vested						
Exercised						
Canceled	6,300					85,000
March 31, 2009 — outstanding		6,500	11,000	12,000	2,000	

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			11,000	1,000
March 31, 2010 — outstanding	6,500	11,000	1,000	1,000
Exercise price	¥3,997	¥4,280	¥4,280	¥3,066
	($43)	($46)	($46)	($33)
Average stock price at exercise				

The balance of treasury stock recorded in equity as of March 31, 2010 and 2009 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 in the past as an incentive to improve performance before May 1, 2006, to which ASBJ Statement No. 8, "Accounting Standard for stock Options" and related guidance is not applicable.

10. LONG-LIVED ASSETS

With regards to the consolidation goodwill of Drake Beam Morin-Japan, Inc., a subsidiary of the Company, the Group recognized an impairment loss of ¥179 million for the year ended March 31, 2009. While the recoverable amount of the consolidation goodwill was measured at its net selling value, reflecting the Company's decision to transfer the business as stated in Note 15.

The Group reviewed its overall group business strategy from the viewpoint of survival and growth of its core business, the temporary engineer outsourcing business, and decided to scale down its training business for Chinese engineers in China by suspending operations of two subsidiaries, MEITEC Guangzhou TechnoCenter Co., Ltd. and MEITEC Hangzhou TechnoCenter Co., Ltd. Accordingly, the Group recognized an impairment loss of ¥15 million for the year ended March 31, 2009, due to write-down of the relevant assets to their recoverable amount. The recoverable amount of the related assets was measured at the present value of future cash flows as its value in use.

The Group reviewed the business plan of a subsidiary, Apollo Giken Co., Ltd., and as a result, recognized an impairment loss of ¥145 million on consolidation goodwill relating to the subsidiary for the year ended March 31, 2009. The recoverable amount of the consolidation goodwill was measured by the discount-cash-flow method.

The Group decided to sell certain business properties related to outsourcing business, and as a result, recognized an impairment loss of ¥30 million ($322 thousand) 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 ($32 thousand) 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 ($273 thousand) 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 ($134 thousand) 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 rates used for computation of the present value of future cash flows, where applicable, were 6.78% and 5.60% for the years ended March 31, 2010 and 2009, respectively.

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, 2010 and 2009.

The tax effects of significant temporary differences which resulted in deferred tax assets and liabilities as of March 31, 2010 and 2009 were as follows:

	Millions of Yen		Thousands of U.S. Dollars
	2010	2009	**2010**
Deferred tax assets:			
Accrued bonuses	**¥1,143**	¥1,855	**$12,293**
Accrued social security on accrued bonuses	**157**	236	**1,688**
Retirement benefits	**3,096**	2,798	**33,288**
Enterprise taxes payable	**19**	99	**207**
Impairment loss	**18**	54	**196**
Write-down of investment securities	**483**	484	**5,195**
Loss on revaluation of memberships	**7**	9	**72**
Land revaluation surplus	**631**	631	**6,783**
Tax loss carryforwards	**3,501**	2,776	**37,649**
Other	**259**	436	**2,786**
Valuation allowance	**(4,643)**	(4,370)	**(49,924)**
Total	**4,671**	5,008	**50,233**
Deferred tax liabilities—Unrealized gain on available-for-sale securities	**14**	8	**154**
Land revaluation difference	**42**	42	**453**
Total	**56**	50	**607**
Net deferred tax assets	**¥4,615**	¥4,958	**$49,626**

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, 2010 and 2009 is as follows:

	2010	2009
Normal effective statutory tax rate	**40.0%**	40.0%
Expenses not deductible for income tax purposes	**(6.5)**	0.1
Revenues not recognized for income tax purposes	**0.4**	(0.1)
Per capita tax	**(28.8)**	1.5
Valuation allowance	**(140.4)**	3.4
Investment loss of subsidiaries	**13.3**	
Elimination of gain on sales of investments in subsidiaries and associated companies	**(20.8)**	
Other—net		2.2
Actual effective tax rate	**(142.8)%**	47.1%

As of March 31, 2010, the Company and certain subsidiaries have tax loss carryforwards aggregating approximately ¥8,753 million ($94,123 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
2011	¥97	$1,046
2012	137	1,473
2013	450	4,836
2014	4,879	52,461
2015	692	7,446
2016	435	4,681
2017	2,063	22,180
Total	¥8,753	$94,123

12. LEASES

The Group leases certain buildings and structures, furniture and fixtures and other assets.

As described in Note 2. i , effective for fiscal 2009, the Company adopted the revised accounting standards for lease transactions. In accordance with the revised accounting standards, finance lease transactions that were not deemed to transfer ownership of leased properties, which had been accounted for as operating leases until fiscal 2008, are capitalized as on ordinary purchase lease, except those with transaction commencement prior to April 1, 2008 that 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, 2010 and 2009 was ¥13 million ($141 thousand) and ¥15 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 of 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, 2010 and 2009 was as follows:

	Millions of Yen							
	Buildings and Structures	Furniture and Fixtures	Other	Total	Buildings and Structures	Furniture and Fixtures	Other	Total
Pro forma information	2010				2009			
Acquisition cost	**¥45**	**¥12**	**¥20**	**¥77**	¥45	¥17	¥20	¥82
Accumulated depreciation	**35**	**10**	**20**	**¥65**	27	9	16	52
Net leased property	**¥10**	**¥2**		**¥12**	¥18	¥8	¥4	¥30

Pro forma information	Thousands of U.S. Dollars			
	Buildings and Structures	Furniture and Fixtures	Other	Total
	2010			
Acquisition cost	**$488**	**$132**	**$209**	**$829**
Accumulated depreciation	**382**	**108**	**$209**	**699**
Net leased property	**$106**	**$24**		**$130**

Obligations under finance leases were as follows:

Pro forma information	Millions of Yen		Thousands of U.S. Dollars
	2010	2009	**2010**
Due within one year	**¥9**	¥14	**$102**
Due after one year	**3**	16	**28**
Total	**¥12**	¥30	**$130**

Depreciation expense, which was not reflected in the accompanying consolidated statements of operations computed by the straight line method, was ¥13 million ($141 thousand) and ¥15 million for the years ended March 31, 2010 and 2009, respectively.

13. NET INCOME PER SHARE

Basic net income (loss) per share (“EPS”) for the years ended March 31, 2010 and 2009 was as follows:

Year Ended March 31, 2010	Millions of Yen	Thousands of Shares	Yen	U.S. Dollars
	Net Income	Weighted-average Shares	EPS	
Basic EPS—Net loss available to common shareholders	**¥(905)**	**33,150**	**¥(27.30)**	**$(0.29)**

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

Year Ended March 31, 2009	Millions of Yen	Thousands of Shares	Yen
	Net Income	Weighted-average Shares	EPS
Basic EPS — Net income available to common shareholders	¥4,304	33,804	¥127.31

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

14. SEGMENT INFORMATION

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.

Information about industry segments, geographical segments and sales to foreign customers of the Company and subsidiaries for the years ended March 31, 2010 and 2009, was as follows:

a. 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)**

	Millions of Yen					
	Outsourcing	Engineering Solutions	Global	Career Support	Eliminations/ Corporate	Consolidated
			2009			
Sales to customers	¥74,185	¥2,728	¥1,065	¥1,920		¥79,898
Intersegment sales	170	508	216	55	¥ (949)	
Total sales	74,355	3,236	1,281	1,975	(949)	79,898
Operating expenses	64,645	3,113	1,756	2,093	(990)	70,617
Operating income (loss)	¥ 9,710	¥ 123	¥ (475)	¥ (118)	¥ 41	¥ 9,281

	Thousands of U.S. Dollars					
	Outsourcing	Engineering Solutions	Global	Career Support	Eliminations/ Corporate	Consolidated
			2010			
Sales to customers	**$542,535**	**$24,604**	**$5,536**	**$5,562**		**$578,237**
Intersegment sales	**829**	**5,006**	**1,417**	**3**	**$(7,255)**	
Total sales	**543,364**	**29,610**	**6,953**	**5,565**	**(7,255)**	**578,237**
Operating expenses	**591,297**	**28,605**	**13,306**	**5,423**	**(7,401)**	**631,230**
Operating income (loss)	**$(47,933)**	**$1,005**	**$(6,353)**	**$142**	**$146**	**$(52,993)**

(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**

	Millions of Yen					
	Outsourcing	Engineering Solutions	Global	Career Support	Eliminations/ Corporate	Consolidated
			2009			
Total assets	¥50,709	¥1,611	¥949	¥4,439	¥ (3,477)	¥54,231
Depreciation	1,112	42	19	54		1,227
Impairment loss		145	15	179		339
Capital expenditures	920	114	23	48		1,105

	Thousands of U.S. Dollars					
	Outsourcing	Engineering Solutions	Global	Career Support	Eliminations/ Corporate	Consolidated
			2010			
Total assets	**$496,445**	**$11,961**	**$3,850**	**$35,030**	**$(35,187)**	**$512,099**
Depreciation	**13,876**	**638**	**125**	**136**		**14,775**
Impairment loss	**354**		**273**	**134**		**761**
Capital expenditures	**2,624**	**1,454**	**24**	**64**		**4,166**

b. Geographical Segments

The information about geographical segments for the years ended March 31, 2010 and 2009 is not disclosed because sales in Japan make up more than 90% of the total sales.

c. Sales to Foreign Customers

The information about sales to foreign customers for the years ended March 31, 2010 and 2009 is not disclosed because sales to domestic customers make up more than 90% of the total sales.

15. 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 ($968 thousand), and common stock of ¥50 million ($538 thousand).

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 ($4,839 thousand)
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 ($538 thousand)
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	Thousands of U.S. Dollars
Current assets	**¥878**	**$9,444**
Non-current assets	**365**	**3,920**
Total assets	**¥1,243**	**$13,364**
Current liabilities	**¥1,153**	**$12,396**
Total liabilities	**¥1,153**	**$12,396**

All shares of DBM-J held by BMOA were transferred to Tempstaff at the transfer price of ¥285 million ($3,065 thousand). 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 and 2009

	Millions of Yen		Thousands of U.S. Dollars
	2010	2009	**2010**
Net Sales	**¥174**	¥1,484	**$1,869**
Operating income	**27**	14	**289**

Supplemental Non-Consolidated Balance Sheets (Unaudited)

	Millions of Yen		Thousands of U.S. Dollars
ASSETS	2010	2009	2010
CURRENT ASSETS:			
Cash and cash equivalents	¥13,682	¥16,130	$147,116
Short-term investments	200	600	2,151
Notes and accounts receivable:			
Trade notes and accounts	7,664	8,806	82,407
Subsidiaries	1	4	5
Allowance for doubtful accounts	(2)	(3)	(18)
Inventories	48	20	514
Deferred tax assets	1,520	1,879	16,346
Short-term loans to subsidiaries	700	700	7,527
Prepaid expenses and other	2,286	1,218	24,584
Total current assets	26,099	29,354	280,632
PROPERTY AND EQUIPMENT:			
Land	3,583	3,583	38,522
Buildings and structures	19,855	19,882	213,499
Furniture and fixtures	2,284	2,330	24,563
Other	177	172	1,901
Total	25,899	25,967	278,485
Accumulated depreciation	(13,877)	(13,381)	(149,217)
Net property and equipment	12,022	12,586	129,268
INVESTMENTS AND OTHER ASSETS:			
Investment securities	466	570	5,008
Investments in and advances to subsidiaries	5,135	5,156	55,211
Software	2,405	2,971	25,867
Leasehold deposits	692	870	7,448
Deferred tax assets	3,115	2,814	33,492
Other	87	92	939
Total investments and other assets	11,900	12,473	127,965
TOTAL	¥50,021	¥54,413	$537,865

Note: The translations of Japanese yen amounts into U.S. dollar amounts have been made at the rate of ¥93 to $1, the approximate rate of exchange at March 31, 2010.

LIABILITIES AND EQUITY	Millions of Yen 2010	Millions of Yen 2009	Thousands of U.S. Dollars (Note 1) 2010
CURRENT LIABILITIES:			
Income taxes payable	**¥67**	¥ 1,121	**$725**
Deposits from subsidiaries	**4,098**	4,352	**44,067**
Accrued expenses	**3,837**	5,667	**41,261**
Other	**1,170**	1,509	**12,572**
Total current liabilities	**9,172**	12,649	**98,625**
LONG-TERM LIABILITIES:			
Liability for retirement benefits	**7,707**	6,948	**82,866**
Deferred tax liabilities for land revaluation	**42**	42	**453**
Other	**4**		**47**
Total long-term liabilities	**7,753**	6,990	**83,366**
EQUITY:			
Common stock—authorized, 142,854 thousand shares in 2010 and 2009; issued, 35,100 thousand shares in 2010 and 2009	**16,826**	16,826	**180,923**
Capital surplus:			
Additional paid-in capital	**4,210**	4,210	**45,269**
Other capital surplus	**10,241**	10,242	**110,123**
Retained earnings—unappropriated	**8,571**	10,257	**92,156**
Unrealized gain on available-for-sale securities	**22**	13	**245**
Land revaluation difference	**(883)**	(883)	**(9,495)**
Treasury stock—at cost, 1,950 thousand shares in 2010 and 1,949 thousand shares in 2009	**(5,891)**	(5,891)	**(63,347)**
Total equity	**33,096**	34,774	**355,874**
TOTAL	**¥50,021**	¥54,413	**$537,865**

	Millions of Yen		Thousands of U.S. Dollars (Note 1)
	2010	2009	**2010**
NET SALES	**¥41,319**	¥60,458	**$444,295**
COST OF SALES	**36,074**	43,110	**387,894**
Gross profit	**5,245**	17,348	**56,401**
SELLING, GENERA L AND ADMINISTRATIVE EXPENSES	**8,210**	8,541	**88,283**
Operating income (loss)	**(2,965)**	8,807	**(31,882)**
OTHER INCOME (EXPENSES):			
Interest and dividend income	**321**	492	**3,453**
Interest expense	**(3)**	(8)	**(37)**
Gain on sale of investment securities	**1**	6	**12**
Loss on devaluation of investment securities		(3)	
Loss on devaluation of investments in subsidiaries	**(527)**	(2,484)	**(5,666)**
Loss on investments in partnerships	**(28)**	(28)	**(298)**
Loss on sale and disposal of property and equipment	**(34)**	(369)	**(368)**
Subsidy income	**3,467**		**37,278**
Impairment loss	**(32)**		**(341)**
Loss on change in pension plans		(56)	
Other—net	**(2)**	33	**(27)**
Other income (expenses)—net	**3,163**	(2,417)	**34,006**
INCOME BEFORE INCOME TAXES	**198**	6,390	**2,124**
INCOME TAXES:			
Current	**93**	3,169	**1,000**
Deferred	**52**	223	**550**
Total income taxes	**145**	3,392	**1,550**
NET INCOME	**¥53**	¥ 2,998	**$574**

	Yen		U.S. Dollars (Note 1)
	2010	2009	**2010**
PER SHARE OF COMMON STOCK (Notes 2 and 3):			
Basic net income	**¥1.61**	¥88.70	**$0.02**
Cash dividends applicable to the year	**24.50**	75.00	**0.56**

Notes: 1. The translations of Japanese yen amounts into U.S. dollar amounts have been made at the rate of ¥93 to $1, the approximate rate of exchange at March 31, 2010.
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 33,150 thousand shares for 2010 and 33,804 thousand shares for 2009.
3. Diluted net income per share for 2010 and 2009 are not presented, since there were no potentially dilutive shares as of March 31, 2010 and 2009.

CORPORATE DATA

As of March 31, 2010

MEITEC CORPORATION
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
7,059

Employees (consolidated)
8,368

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.
Meitec Experts Corporation

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

Global Business
Meitec Global Solutions Inc.
Meitec Shanghai
Meitec Dalian TechnoCenter Co., Ltd.
Meitec Guangzhou TechnoCenter Co., Ltd.
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

Directors

As of July, 1, 2010

Kosuke Nishimoto
CEO, MEITEC Group
Representative Director and
President and CEO, COO of MEITEC CORPORATION
Executive officer for the Business Execution Divisions
Executive officer for business in China

Hideyo Kokubun
Director
Executive officer for the Group Career Support Center

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

Kiyomasa Nakajima
Director
Executive officer for the Office of the President, the Corporate Communication Department, the Sales Promotion Department, the Personnel Department, the Business Operations Management Department, the Internal Audit Office, the CSR Office, and the Group Recruiting Center

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

Kiyoshi Mamizu
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

Hidenori Nagasaka
Executive officer for the Central Japan Area

Akiyoshi Ogasawara
Executive officer for the Eastern Japan Area

Kouichi Nakagawa
Executive officer for the Western Japan Area

Jun Samukawa
Executive officer for the Kanagawa and Shizuoka Area

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.

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