

Results for the Fiscal Year ended March 31, 2009

Meitec Corporation

Consolidated financial summary

1. Results for the Fiscal Year (April 1, 2008 to March 31, 2009)

(1) Consolidated operating results

(Millions of yen except per share data and percentage)

	Net Sales		Operating Income		Ordinary Income		Net Income	
	Millions of Yen	%	Millions of Yen	%	Millions of Yen	%	Millions of Yen	%
FY 2009 (2009/3)	79,898	-2.7%	9,280	-18.3%	9,260	-18.3%	4,303	-13.2%
FY 2008 (2008/3)	82,102	-0.2%	11,365	-1.9%	11,334	-1.3%	4,958	—

	Net Income per Share	Diluted Net Income	Return on Equity	Return on Assets	Operating Income per Revenues
	Yen	Yen	%	%	%
FY 2009 (2009/3)	127.31	-	11.8	16.5	11.6
FY 2008 (2008/3)	142.64	142.64	13.1	19.7	13.8

(2) Consolidated financial position

(Millions of yen except per share data and percentage)

	Total assets	Net assets	Equity ratio	Net assets per share
	Millions of Yen	Millions of Yen	%	Yen
FY 2009 (2009/3)	54,230	36,169	66.1	1,081.85
FY 2008 (2008/3)	57,784	37,598	64.5	1,086.71

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

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

As of Mar. 31, 2008: 37,303 million yen

(3) Consolidated cash flows

	Cash flows from	Operating activities Cash flows from	Investing activities Cash flows from	Financial activities Cash and cash
	Millions of Yen	Millions of Yen	Millions of Yen	Millions of Yen
FY 2009 (2009/3)	6,308	623	-5,580	17,926
FY 2008 (2008/3)	8,486	124	-5,997	16,612

2. Dividends

(Record date)	Dividends per share					Dividend Paid (Year) Millions of Yen	Dividend payout ratio (Consolidated) %	Dividend on equity (Consolidated) %
	First Quarter	Second Quarter dividends	Third Quarter	Year-end dividends	Total			
	Yen	Yen	Yen	Yen	Yen			
FY 2008 (2008/3)	—	37.50	—	34.50	72.00	2,488	50.5	6.5
FY 2009 (2009/3)	—	47.00	—	28.00	75.00	2,518	58.9	6.9
FY 2010 (2010/3) Forecast	—	25.00	—	24.50	49.50			

3. Forecasts for Fiscal Year ending March 31, 2010 (Reference)

(Millions of yen except per share data and percentage)

	Net Sales		Operating Income		Ordinary Income		Net Income		Net Income per Share	
	Millions of Yen %		Millions of Yen %		Millions of Yen %		Millions of Yen %		Yen	
Second Quarter FY 2010 (2009/4-9)	27,500	-33.6	-3,200	—	-3,200	—	-3,250	—	-98.04	
FY 2010 (2010/3)	59,000	-26.2	-3,100	—	-3,100	—	-3,200	—	-96.53	

4. Others

- (1) Significant changes involving subsidiaries during the term : None
(changes in specific subsidiaries that affected the scope of consolidation)
- (2) Change in accounting principle, procedure and presentation for preparing the consolidated financial statements
(noted on changes in “Change in the basis of financial statements for the fiscal year ended March 31, 2009”)
 - i. Change due to amendment to accounting standard : Yes
 - ii. Change due to other than above : None
- (3) Number of issued shares (common stock)
 - i. Number of issued shares at period end (including treasury stock)

FY2009	35,100,000	FY2008	35,442,255
--------	------------	--------	------------
 - ii. Number of treasury shares at period end

FY2009	1,949,447	FY2008	1,115,293
--------	-----------	--------	-----------

(Reference)

Non-Consolidated financial summary

1. Results for the Fiscal Year (April 1, 2008 to March 31, 2009)

(1) Non-Consolidated operating results

(Millions of yen except per share data and percentage)

	Net Sales		Operating Income		Ordinary Income		Net Income	
	Millions of Yen	%	Millions of Yen	%	Millions of Yen	%	Millions of Yen	%
FY 2009 (2009/3)	60,457	-4.0%	8,807	-15.8%	9,294	-13.7%	2,998	-39.3%
FY 2008 (2008/3)	62,956	1.9%	10,460	-1.5%	10,768	-30.5%	4,938	—

	Net Income per Share	Diluted Net Income
	Yen	Yen
FY 2009 (2009/3)	88.70	—
FY 2008 (2008/3)	142.05	142.05

(2) Non-Consolidated financial position

(Millions of yen except per share data and percentage)

	Total assets	Net assets	Equity ratio	Net assets per share
	Millions of Yen	Millions of Yen	%	Yen
FY 2009 (2009/3)	54,412	34,774	63.9	1,048.98
FY 2008 (2008/3)	59,003	37,446	63.5	1,090.87

(Note) Equity (defined as “Owners’ equity” and “Valuation and translation adjustments”):

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

As of Mar. 31, 2008: 37,446 million yen

1. Operating Results

(1) Analysis of Operating Results

(1)-1. Economy Overview

The Japanese economy during the subject fiscal year (April 1, 2008 to March 31, 2009) remained fairly stable during the first half, despite elements of uncertainty arising from the appreciation in raw material costs that had continued from the previous fiscal year. The second half, however, presented unprecedented difficulties, with marked declines in corporate earnings and rapid deterioration in employment conditions stemming from the acute weakening of economic conditions sparked by the financial crisis in the United States. Circumstances changed particularly dramatically for the major manufacturers who account for the majority of the Meitec Group business, with a combined appreciation of the yen and substantial falloff in exports, and the business conditions diffusion index (business confidence index) falling to historically low levels.

(1)-2. Overview of Consolidated Operating Results

Figure 1: Summary of Consolidated Income Statement

(Millions of yen, rounded down)	FYE March 2008	FYE March 2009				
	Full Year	First Half	Second Half	Full Year	YoY Variance Amount	YoY Percentag e Change
Net Sales	82,102	41,396	38,501	79,898	-2,204	-2.7%
Cost of Sales	57,777	29,429	27,747	57,177	-599	-1.0%
Cost Rate	70.4%	71.1%	72.1%	71.6%	+1.2%	
SG&A Expenses	12,959	6,591	6,848	13,439	+480	+3.7%
Operating Income	11,365	5,375	3,905	9,280	-2,084	-18.3%
Ordinary Income	11,334	5,395	3,864	9,260	-2,074	-18.3%
Extraordinary Gains/Losses (net)	-1,819	-50	-1,030	-1,081	+738	
Income before Income Taxes and Minority Interests	9,514	5,345	2,833	8,178	-1,336	-14.0%
Net Income	4,958	3,039	1,264	4,303	-654	-13.2%

Consolidated net sales for the subject fiscal year (April 1, 2008 to March 31, 2009) decreased ¥2,204 million from the previous fiscal year to ¥79,898 million. Meitec had managed to secure revenue increases through the third quarter, but was forced to accept a decline in sales for the full year mainly because the acute downturn in the real economy caused dramatic changes in circumstances for the major manufacturers who form the core of the Meitec Group business, which had a profound impact particularly on the Temporary Staffing Business.

The cost of sales declined ¥599 million from the previous fiscal year to ¥57,177 million. Despite increases in labor-related expenses and higher health insurance costs related to an increase from the number of engineers—the main driver for growth—the cost of sales fell slightly as these were exceeded by declines in labor-related expenses stemming mainly from a decline in utilization hours. The cost of sales ratio rose to 1.2 percentage points to 71.6%, due mainly to a decline in the utilization ratio in the Temporary Staffing Business, where numerous engineers are employed as full-time, regular employees.

Selling, general and administrative expenses rose ¥480 million from the previous fiscal year to ¥13,439 million. This was due mainly to an increase in depreciation related to the new core IT system that began operating during the second half of the period, along with greater up-front investment expenses for business domain expansion, mainly during the first half.

As a result, operating income decreased ¥2,084 million from the previous fiscal year to ¥9,280 million, with ordinary income down ¥2,074 million to ¥9,260 million.

In extraordinary items (the net of extraordinary gains and losses), Meitec posted a net extraordinary loss of ¥1,081 million, an improvement of ¥738 million from the extraordinary loss of ¥1,819 million the previous fiscal year. Meitec recorded extraordinary losses of ¥1,094 million, including valuation losses following the reassessment of assets during the business divestiture of a subsidiary implemented on May 1, and a disposal loss on the former IT system following the switchover to a new system.

As a result, consolidated net income for the subject fiscal year declined ¥654million from the previous year to ¥4,303 million.

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

Figure 2: Summary of Results by Business Segment

(Millions of yen, rounded down)	Meitec Group (Consolidated)	Temporary Staffing Business	Engineering Solutions Business	Global Business	Career Support Business	Eliminations / Corporate
Net Sales	79,898	74,354	3,235	1,281	1,975	-948
%	100%	93.1%	4.0%	1.6%	2.5%	-1.2%
YoY Change	-2,204	-3,037	-227	+528	+438	+92
Operating Income	9,280	9,710	122	-474	-117	40
%	100%	104.6%	1.3%	-5.1%	-1.3%	0.4%
YoY Change	-2,084	-2,248	-123	-69	+342	+14

(1)-3.i Temporary Staffing Business

The Temporary Staffing Business accounts for more than 90% of consolidated net sales. This business, particularly the core temporary engineers staffing business, experienced a marked decline in utilization hours and the utilization ratio from the second half of the subject fiscal year, impacted by the dramatic changes in circumstances for the major manufacturers who form the core of the Meitec Group business.

Net sales for the Temporary Staffing Business during the subject fiscal year, despite a boost to revenue during the first half from the increase in the number of engineers, declined ¥3,037 million from the previous fiscal year to ¥74,354 million, due mainly to a decline in utilization hours and the utilization ratio during the second half. Non-consolidated segment sales for Meitec Corporation remained basically unchanged, with five business areas (Automobile/Transportation; Electric and Electronics; Industrial Machinery; Semiconductors and Integrated Circuit Design; and IT-Related Hardware and Devices) accounting for 73% of sales during the subject fiscal year (fiscal 2008 total: 74%).

Operating income decreased ¥2,248 million from the previous fiscal year to ¥9,710 million. This was due mainly to the impact from the falloff in sales and deterioration in the cost rate, along with a rise in depreciation for the core IT system that began operations during the second half.

Although the foundation for growth in this business has been steadily expanded with the increase in number of engineers, considering the rapid deterioration in the real economy and other changes in the business environment, Meitec is working to establish a structure for mutual support across the Group, such as with the introduction of the area administer system in March 2009, that will strengthen cooperation among sales offices and enhance flexible and aggressive marketing capabilities, and improve the utilization ratio.

Figure 3: Meitec Group Temporary Engineers Staffing Business

		FYE March 2008 (prior fiscal year)	FYE March 2009 (Current fiscal year)	
MT ^{*1} +MF ^{*2} +MGS ^{*3} +CAE ^{*4}		Period-End Engineering Staff ¹	7,497	7,612
MT ^{*1} +MF ^{*2} +MGS ^{*3}		Period-End Engineering Staff ¹	7,436	7,533
		Utilization ratio (Company-wide)	96.2%	92.8%
		Utilization ratio (Excluding new hires) ²	97.8%	94.8%
Meitec Corporation (MT) ^{*1}		Period-End Engineering Staff ¹	5,822	5,788
		Utilization ratio (Company-wide)	97.5%	95.0%
		Utilization ratio (Excluding new hires) ²	98.7%	96.7%
Meitec Fielders, Inc. (MF) ^{*2}		Period-End Engineering Staff ¹	1,364	1,414
		Utilization ratio (Company-wide)	95.7%	93.1%
		Utilization ratio (Excluding new hires) ²	98.6%	96.3%
Meitec Global Solutions Inc. (MGS) ^{*3}		Period-End Engineering Staff ¹	250	331
		Utilization ratio (Company-wide)	50.0%	43.6%
		Utilization ratio (Excluding new hires) ²	53.3%	45.2%
Meitec CAE Corporation (CAE) ^{*4}		Period-End Engineering Staff	61	79

^{*1} MT: Meitec Corporation

^{*2} MF: Meitec Fielders Inc.

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

^{*4} CAE: Meitec CAE Corporation

Note 1: Meitec Corporation figures do not include internal staff placements working on internal engineering projects (FYE March 2008 = 34; FYE March 2009 = 158)

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

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

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

(1)-3.ii Engineering Solutions Business

The Engineering Solutions Business consists of technology support for 3D CAD, printed-circuit boards and analytical technology, utilizing the temporary engineering network.

Net sales for the Engineering Solutions Business in the subject fiscal year declined ¥227 million from the previous fiscal year to ¥3,235 million, with operating income down ¥123 million to ¥122 million.

Net sales at Apollo Giken Co., Ltd. and Meitec CAE Corporation rose as a result of expanded service offerings and stepped-up sales activity.

Operation income was up at Meitec CAE, but down at Three D Tec and Apollo Giken. The decline in profitability at Three D Tec and Apollo Giken was due mainly to increases in the cost rate arising from more stringent customer demands regarding cost as a result of deteriorating business conditions, and a rise in selling, general and administrative expenses to bolster sales capabilities.

Considering the dramatic changes in circumstances for the major manufacturers who form the core of Meitec's business, as part of the revision of group strategies from the standpoint of the continued existence and growth of the group's core temporary engineers staffing business, the Company has decided to transfer Three D Tec's business to Meitec CAE.

(1)-3.iii Global Business

The Global Business consists of human resource development, mainly in China, and the supply of human resources within Japan.

Net sales for the Global Business in the subject fiscal year rose ¥528 million from the previous fiscal year to ¥1,281 million.

In terms of profitability, however, the business posted an operating loss of ¥474 million for the subject fiscal year as a result of up-front investments related to the securing and training of Chinese engineers, and the time required to place bridge engineers in Japan.

As part of the revision of group strategies, for the vocational training for Chinese engineers in China, the Company has decided to terminate the vocational training business at MEITEC Guangzhou TechnoCenter Co., Ltd. at the end of March 2009, and at MEITEC Hangzhou TechnoCenter Co., Ltd. at the end of April 2009. We will continue to closely watch trends in the temporary engineers staffing business, shifts in the labor market, and structural changes in the social and economic environment, and revise our strategies appropriately.

(1)-3.iv Career Support Business

The Career Support Business includes the outplacement business (reemployment support), the engineer placement business, and the information portal site business.

Net sales for the Career Support Business in the subject fiscal year rose ¥438 million from the previous fiscal year to ¥1,975 million.

The business posted an operating loss of ¥117 million, but this represents a substantial improvement of ¥342 million from the previous fiscal year.

Drake Beam Morin-Japan, Inc., as a result of improvement in the business environment and the positive effects of restructuring, recorded an increase in sales of ¥199 million from the previous fiscal year, with profitability improving ¥215 million from an operating loss the previous fiscal year, to

operating income of ¥13 million. The reemployment support business of Drake Beam Morin-Japan, as part of the revision of group strategies, was transferred to Tempstaff Co., Ltd. on May 1, 2009.

Meitec Next Corporation, which provides a placement business specifically for engineers with a track record in the core temporary engineers staffing business, recorded net sales up ¥228 million from the previous fiscal year to ¥480 million. The subsidiary posted an operating loss due to ongoing up-front investments to expand the business, which we believe has now established a foundation that will allow it to continually post sales at a level that exceeds the break-even point.

In the information portal site business, under the concept of “Every option for every engineer,” Meitec will continue to steadily expand content and service offerings beneficial to engineers.

(1)-4. Forecast for the Fiscal Year Ending March 31, 2010

Figure 4: Summary of Consolidated Forecasts

(Millions of yen, rounded down)	Net Sales	Operating Income	Ordinary Income	Net Income
FYE March 2009 Interim	41,396	5,375	5,395	3,039
FYE March 2009	79,898	9,280	9,260	4,303
FYE March 2010 Interim Forecast	27,500	-3,200	-3,200	-3,250
YoY	-33.6%	—	—	—
FYE March 2010 Forecast	59,000	-3,100	-3,100	-3,200
YoY	-26.2%	—	—	—

Figure 5: Major Indicators Forming the Assumptions Underlying Forecasts for the Fiscal Year Ending March 31, 2010

	Meitec	Meitec Fielders	Meitec Global Solutions
Utilization Ratio (Company-wide)	77.1%	71.4%	36.9%
First Half	72.0%	64.8%	31.6%
Second Half	82.1%	78.4%	42.1%
Utilization Hours	8.69h/day	8.45h/day	8.07h/day
New Graduate Hires*	339	113	None
Mid-Career Hires	Undecided	Undecided	Undecided
Turnover	5.9%	10.0%	3.7%

Note: Number of new graduate engineers who joined the company on April 1, 2009

While the business conditions diffusion index (business confidence index) for the major manufacturers who form the core of the Meitec Group business has fallen to record low levels, we have formulated our forecasts on the assumption that the economy will reach its lowest point during the fiscal year ending March 31, 2010, and on the basis of the major indicators presented in Figure 5. Because we are currently facing an unprecedented economic situation that makes any prediction about the future difficult, there is a greater possibility than usual that these forecasts will be revised in the coming months.

Considering the status of the utilization ratio and utilization hours that form the base of the temporary engineers staffing business, and incorporating the loss of revenue from the transfer of subsidiary businesses, we are reluctantly projecting declines in both revenue and earnings in our consolidated forecasts for the fiscal year ending March 31, 2010.

In view of this harsh earnings forecast, Meitec is implementing a reduction of executive compensation from April 2009. Specifically, the monthly compensation of full-time directors will be reduced by 30% for representative directors and 10% for other directors. Monthly compensation for full-time auditors will also be reduced by 10% from April, following accepting an offer of voluntary return of compensation from full-time auditor. These reductions are reflected in the earnings forecasts presented above. Meitec and its group companies that employ numerous engineers as full-time, regular employees also plan to utilize government subsidies for employment adjustment and other forms of public support, but since it is difficult to make a reasonable predication as to the number of applicants who will receive such subsidies, this has not been included in the earnings forecasts.

Caution Regarding Forward-Looking Statements

Earnings forecasts and other forward-looking statements presented in this report are based on information and certain assumptions deemed reasonable at the time of preparation. Actual results may vary considerably due to a variety of factors. Significant factors that may impact actual results include the “Business and Other Risks” listed in the previously released annual securities report. Other factors may also have an impact on earnings.

(1)-5. Status of the Medium-Term Business Plan

As announced in “Revision of the Financial Forecast and Dividends for the Fiscal Year Ending March 31, 2009” released on February 12, 2009, in consideration of the dramatic changes in circumstances brought on by the acute downturn in the real economy for the major manufacturers who form the core of the Meitec Group business, Meitec has decided to suspend the target set in the “True Global Vision 21” management plan of 100 billion yen in consolidated annual sales by fiscal 2011 (ending March 31, 2011). We plan to set a revised target when feasible, bearing in mind external factors.

(2) Analysis of Financial Position

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

(2)-1.i Assets

Total assets at the end of the subject fiscal year (March 31, 2009) decreased ¥3,554 million, compared to the end of the previous fiscal year (March 31, 2008), for a total of ¥54,230 million. This was due mainly to a ¥2,060 million decline in current assets from the end of the previous fiscal year.

The decline in total current assets was due mainly to a ¥1,855 million decrease in trade notes and accounts receivable.

(2)-1.ii Liabilities

Total liabilities at the end of the subject fiscal year decreased ¥2,125 million, compared to the end of the previous fiscal year, for a total of ¥18,061 million. This was due mainly to a ¥2,737 million decline in total current liabilities from the end of the previous fiscal year.

The decline in total current liabilities was due mainly to decreases in unpaid expenditures for bonuses, and unpaid corporate taxes following a lightening of tax obligation.

(2)-1.iii Net Assets

Net assets at the end of the subject fiscal year decreased ¥1,429 million, compared to March 31, 2008, for a total of ¥36,169 million. This was due mainly to a ¥1,301 million decrease in shareholders' equity compared to the end of the previous fiscal year.

Shareholders' equity increased by ¥4,303 million due to the positive business results from the subject fiscal year, but this was offset by ¥5,573 million in decreases, consisting of ¥1,184 million in year-end dividend payments for the previous fiscal year, ¥1,589 million in interim dividend payments in the current fiscal year, and ¥2,799 million for acquisition of treasury stock. As a result, shareholders' equity declined ¥1,301 million from the end of the previous fiscal year.

(2)-1.iv Cash Flows

Cash and cash equivalents ("cash") amounted to ¥17,926 million for the subject fiscal year, an increase of ¥1,313 million from the previous fiscal year. Cash flow categories and the main factors affecting them are as follows.

Cash Flow from Operating Activities

Cash provided by operating activities amounted to ¥6,308 million, a decline of 25.7% from the previous fiscal year. This was due mainly to revenues of ¥8,178 million in income before income taxes; and ¥1,226 million in depreciation; against expenditures of ¥4,932 million in corporate taxes paid.

Cash Flow from Investing Activities

Cash provided by investing activities amounted to ¥623 million, an increase of 401.6% from the previous fiscal year. This was due mainly to revenues of ¥1,300 million in time deposit refunds; against expenditures of ¥1,035 million in acquisition of intangible fixed assets.

Cash Flow from Financing Activities

Cash used in financing activities amounted to ¥5,580million, a decrease of 7.0% from the previous fiscal year. This was due mainly to expenditures of ¥2,805 million in acquisition of treasury stock, and ¥2,775 million in dividends paid by the parent company.

Cash Flow-Related Indicators

Figure 6: Cash Flow-Related Indicators

	FYE March 2006	FYE March 2007	FYE March 2008	FYE March 2009
Capital Adequacy Ratio	69.5%	66.9%	64.5%	66.1%
Capital Adequacy Ratio on a Market Value Basis	210.5%	232.6%	179.4%	74.3%
Debt Redemption	0.0 Years	—	—	—
Interest Coverage Ratio	3,407.8	26,799.9	41,457.0	30,138.1

Capital Adequacy Ratio:

Shareholders' Equity / Total Assets

Capital Adequacy Ratio on a Market Value Basis:

Market Capitalization / Total Assets

Debt Redemption:

Interest-Bearing Debt / Operating Cash Flow

Interest Coverage Ratio:

Operating Cash Flow / Interest Payments

Notes

1. All figures have been calculated based on consolidated financial numbers.
2. Total market value of shares is calculated based on the total number of shares issued excluding treasury stock.
3. Interest-bearing debt includes all liabilities recorded on the consolidated balance sheets that pay interest.

(2)-2. Forecast for the Fiscal Year Ending March 31, 2010

As indicated in Section (1)-4., based on the consolidated forecasts for the difficult business environment, at this point Meitec anticipates that it will be difficult to secure cash flow at the same level as previous years. At the same time, however, we do not expect any significant outflow of cash.

For its group cash management, Meitec strives to ensure timely and appropriate administration from the standpoint of the continued existence and growth of the group's core temporary engineers staffing business, in order to secure and maintain a level of working capital necessary for operations, while revising group strategies and maintaining consistency.

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

(3)-1. Basic Policy Regarding Profit Distribution

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

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

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

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

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

Notes

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

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

The year-end dividend for the subject fiscal year, in accordance with the Company’s dividend policy outlined in the preceding section, will be 28 yen per share, equivalent to the minimum dividend payout is 5% of consolidated dividend on equity ratio (DOE). If calculated as 50% of consolidated net income for the second half, the year-end dividend per share would be 19.50 yen per share.

As a result, dividends for the subject fiscal year amount to 75 yen per share (including the interim dividend of 47 yen per share), for a payout ratio of 58.9%, and representing an increase of 3 yen per share from the 72 yen per share in the previous fiscal year.

(3)-3. Dividend Forecast for the Fiscal Year Ending March 31, 2010

Figure 7: Forecast Dividend per Share

	First Quarter	Second Quarter	Third Quarter	Year-End	Full Year
FYE March 2009	/	¥47.00	/	¥28.00	¥75.00
FYE March 2010 (Forecast)	/	¥25.00	/	¥24.50	¥49.50

The forecast dividend for the fiscal year ending March 31, 2010, in view of the bleak earnings forecast, has been set at in accordance with the basic policy at 5% of consolidated dividend on equity ratio (DOE), as shown in Figure 7. Also, any increase in shareholders’ equity stemming from government subsidies for employment adjustment and other forms of public support, which has not been including in the earnings forecast, will be excluded from the dividend calculation as not consistent with the intentions of government subsidies.

The forecast dividend for the fiscal year ending March 31, 2011, is premised on the Company being able to secure adequate levels of working capital. There is a possibility that should the Company anticipate a considerable deterioration in capital, it will revise the dividend ratio from the standpoint of ensuring the continued existence and growth for the Group's core temporary engineers staffing business.

(3)-4. Treasury Stock Acquisition for the Fiscal Year Ending March 31, 2010

Because of the bleak outlook for the utilization rate, which has a strong correlation to operating results and cash flow, the Company anticipates that it will be difficult to secure surplus cash in excess of working capital. As a result, acquisition of treasury stock will be suspended until there is a reasonable expectation of a stable and strong utilization ratio.

(4)Business and Other Risks

Business and other risks have been omitted from this report, as there are no additional risks requiring prompt disclosure from those in the most recent annual securities report (submitted June 25, 2008).

The subject annual securities report (in Japanese) can be viewed at the following:

Meitec homepage: <http://www.meitec.co.jp/ir/data/dat00200.htm>
Financial Services homepage (EDINET): <http://info.edinet-fsa.go.jp/>

2. Status of the Corporate Group

The Business Diagram (Business Content) has been omitted from this report, as there are no significant changes to that presented in the most recent quarterly report (released February 13, 2009).

The subject quarterly reports (in Japanese) can be viewed at the following:

Meitec homepage: <http://www.meitec.co.jp/ir/data/dat00200.htm>
Financial Services homepage (EDINET): <http://info.edinet-fsa.go.jp/>

3. Management Policies

(1) Basic Policy on Company Management

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

The subject earning report (in Japanese) can be viewed at the following:

Meitec homepage: <http://www.meitec.co.jp/ir/data/index.htm>
Tokyo Stock Exchange Company Search Page: <http://www.tse.or.jp/listing/compsearch/index.html>

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

As noted in “1. Operating Results; (1) Analysis of Operating Results; (1)-5. Status of the Medium-Term Business Plan”, the Company has decided to suspend the target of 100 billion yen in consolidated annual sales by fiscal 2011 (ending March 31, 2011). We plan to set a revised target when feasible, bearing in mind external factors.

(3) Issues to Be Addressed

The core business of the Meitec Group is the temporary engineers staffing business. The Group's top priority is to broaden, enhance and deepen this business.

The future performance of the temporary engineers staffing business is inexorably linked to the number of highly skilled engineers, and the utilization ratio. Accordingly, the Meitec Group recognizes that the most important issue it faces is to continually strengthen its sales, recruitment and career support operations, while maintaining an appropriate balance among them.

1) Sales Efforts

The Meitec Group's core temporary engineers staffing business also supports the career advancement for its engineers. While securing a level of orders necessary to support the increase in the number of engineers and to maintain and improve the utilization rate, it is also extremely important for us to broaden the scope of our business so as to expand career options for engineers. To strengthen the sales capacities that allow us to obtain these orders, the Meitec Group is working to provide intra-group platforms and shared sales channels that will strengthen ties among group sales forces, and establish a framework for the sharing of information. Meitec will continue to reform its sales styles, and work to continually enhance its sales capabilities.

2) Recruitment and Personnel Increases

The Meitec Group is the largest engineer staffing organization in Japan, and securing a large number of exceptional human resources in the engineering field is an extremely important issue. The Meitec Group, in view of the labor shortages stemming from the declining birth rate and aging of society, and to provide for broad business development without regard to age, nationality or other factors, will continually work toward effective and efficient recruitment and personnel increases that include not just new graduates and mid-career hires, and will pursue timely and accurate response to changes in the business environment by consolidating the collective efforts of the Meitec Group.

3) Career Support

It is essential for Meitec to offer comprehensive career support for every engineer in order to maintain and improve its quality as a highly skilled engineering group. To ensure such timely and meaningful career support, the Meitec Group is working to establish a structural framework that will allow for increases in the number of engineers, and provide for their needs (i.e., the quality demanded by the client). Specifically, we have integrated the intra-group training system and opened it to all personnel, enhanced the educational curriculum, and are improving the communication tools that allow for the sharing of information on career advancement, such as potential client opportunities, and various training systems.

Meitec considers the interval between customer assignments to be a time for education and training, a period in which engineers are able to take stock of the type of assignments they are able to handle, and to undergo training for new placements that will enhance their market value and aid professional development. Accordingly, for the engineers engaged in training their duties are to take courses that will enhance their skills for clients. To improve and develop these training courses, Meitec is seeking to establish through the proactive cooperation of all employees participating in training, an educational structure developed in partnership between engineers and the Company. Specifically, we are working to establish at all training facilities a “mutual support training framework” in which engineers across technical fields, from young to mid-level and veteran employees, utilize the mutual support capabilities that also form the Group’s corporate DNA, to interact with and help each other learn and develop. To achieve this, Meitec is working to expand and develop a training curriculum for mutual growth and strengthen its support structure, in order to allow each engineer to share not just knowledge and the acquisition of skills, but the knowledge, information and expertise he or she has acquired through practical experience.

Meitec will continue to work to accurately assess the changing and expanding needs of its engineers, and consistently strengthen its efficient career support structure.

4. Consolidated Financial statements

(1) Consolidated Balance Sheets

	(Thousands of Yen)	
	Fiscal year ended March 31, 2008	Fiscal year ended March 31, 2009
ASSETS		
CURRENT ASSETS		
Depreciation and amortization	18,512,303	18,526,243
Trade notes and accounts	12,841,126	10,985,629
Inventories	357,381	—
Work in process	—	434,673
Deferred tax assets	2,612,570	2,182,488
Others	1,043,461	1,180,492
Allowance for doubtful accounts	-10,673	-13,686
Total current assets	<u>35,356,169</u>	<u>33,295,840</u>
FIXED ASSETS		
PROPERTY AND EQUIPMENT		
Buildings and structures—net	9,049,479	8,637,957
Furniture and fixtures—net	517,821	575,609
Loss on sale of marketable securities	3,584,867	3,584,867
Others	221,997	20,444
Total Accumulated depreciation	<u>13,374,165</u>	<u>12,818,878</u>
INTANGIBLE FIXED ASSETS		
Consolidation goodwill	551,954	195,000
Software	392,236	3,157,647
Others	3,033,506	134,901
Total intangible fixed assets	<u>3,585,460</u>	<u>3,487,548</u>
INVESTMENTS AND OTHER ASSETS		
Investment securities	1,305,795	572,535
Deferred tax assets	2,640,047	2,818,331
Others	1,527,645	1,565,809
Allowance for doubtful receivables	-4,453	-328,287
Total investments and other assets	<u>5,469,035</u>	<u>4,628,389</u>
Total Depreciation	<u>22,428,661</u>	<u>20,934,816</u>
TOTAL	<u>57,784,830</u>	<u>54,230,657</u>

(Thousands of Yen)

	Fiscal year ended March 31, 2008	Fiscal year ended March 31, 2009
LIABILITIES		
CURRENT LIABILITIES		
Accounts payable	64,845	84,218
Accrued expenses	8,194,963	7,000,354
Income taxes payable	2,601,401	1,214,421
Consumption taxes payable	613,793	533,997
Bonuses to directors	133,810	92,820
Other	2,155,374	2,100,696
Total current liabilities	<u>13,764,188</u>	<u>11,026,508</u>
LONG-TERM LIABILITIES		
Deferred tax liabilities	1,327	532
Deferred tax liabilities for land revaluation	42,103	42,103
Liability for retirement benefits	6,378,678	6,988,404
Other	—	3,712
Total long-term liabilities	<u>6,422,108</u>	<u>7,034,752</u>
TOTAL LIABILITIES	<u>20,186,297</u>	<u>18,061,971</u>
EQUITY		
Stockholder's equity		
Common stock	16,825,881	16,825,881
Capital surplus	15,480,514	14,451,738
Retained earnings	9,857,024	11,360,915
Treasury stock	-4,115,111	-5,891,268
Total Stockholder's equity	<u>38,048,308</u>	<u>36,747,267</u>
Valuation and translation adjustments		
Unrealized gain on available-for-sale securities	101,321	11,443
Land revaluation difference	-883,049	-883,049
Foreign currency translation adjustments	36,706	-11,644
Valuation and translation adjustments Total	<u>-745,021</u>	<u>-883,250</u>
Minority interests	295,245	305,379
Total equity	<u>37,598,533</u>	<u>36,169,396</u>
TOTAL LIABILITIES AND EQUITY	<u>57,784,830</u>	<u>54,230,657</u>

(2) Consolidated Statements of Income

(Thousands of Yen)

	Fiscal year ended March 31, 2008	Fiscal year ended March 31, 2009
NET SALES	82,102,305	79,898,236
COST OF SALES	57,777,336	57,177,581
Depreciation and amortization	24,324,968	22,720,655
SELLING, GENERAL AND ADMINISTRATIVE EXPENSES	12,959,633	13,439,733
Operating income	11,365,334	9,280,921
OTHER INCOME		
Interest income	26,819	21,772
Dividend income	6,438	7,871
Lease Income	13,001	13,044
Miscellaneous income	38,712	44,431
Total Other Income	84,971	87,119
OTHER EXPENSES		
Interest expense	169	209
Commitment fee	20,999	21,032
Loss on sale of marketable securities	7,899	—
Loss on investments in partnership	4,486	28,374
Foreign exchange loss	68,022	17,457
Provision for uncollectible	—	11,914
Miscellaneous losses	14,047	28,984
Total other expenses	115,626	107,973
Ordinary income	11,334,680	9,260,068
EXTRAORDINARY INCOME		
Gains from sale of fixed assets	1,488	258
Profit from the sale of the investment securities	3,548	5,921
Return to the allowance for bad debts, Loan loss reserves	1,310	4,214
Others	—	2,765
Total extraordinary income	6,347	13,160
EXTRAORDINARY LOSSES		
Loss on sale of fixed assets	3,932	35,857
Loss on sale and disposal of fixed assets	57,894	343,994
Impairment loss	524,559	338,793
Loss on sale of investment securities	138,386	—
Loss on write-down of investment securities	—	55,926
Loss on change in pension plans	1,079,824	9,080
Provision for uncollectible	—	291,861
Others	21,483	315,702
Total extraordinary losses	1,826,081	1,094,329
Income before Income taxes and minority corporate tax, corporate inhabitant tax and enterprise tax	9,514,946	8,178,898
Corporate tax adjustments	-299,187	292,226
Total income tax	4,475,911	3,857,271
Minority interests in net income	80,488	18,058
NET INCOME	4,958,546	4,303,568

(3) CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

(Thousands of Yen)

	Fiscal year ended March 31, 2008	Fiscal year ended March 31, 2009
Stockholder's equity		
Common stock		
Depreciation and amortization	16,825,881	16,825,881
Change for the fiscal year		
Total change for the fiscal year	—	—
Balance, MARCH 31, 2009	16,825,881	16,825,881
Capital surplus		
Balance, MARCH 31, 2008	15,480,579	15,480,514
Change for the fiscal year		
Reversal of capital reserve	—	-1,028,195
Disposal of treasury stock	-65	-580
Total change for the fiscal year	-65	-1,028,776
Balance, MARCH 31, 2009	15,480,514	14,451,738
Retained earnings		
Balance, MARCH 31, 2008	7,846,983	9,857,024
Change for the fiscal year		
Dividends of surplus	-2,887,157	-2,774,211
Net income	4,958,546	4,303,568
Reversal of land revaluation	-61,347	—
Profit or loss due to change in the accounting method at overseas subsidiaries	—	-25,465
Total change for the fiscal year	2,010,040	1,529,356
Balance, MARCH 31, 2009	9,857,024	11,360,915
Treasury stock		
Balance, MARCH 31, 2008	-1,008,901	-4,115,111
Change for the fiscal year		
Purchase of treasury stock	-3,106,853	-2,805,903
Disposal of treasury stock	643	1,550
Retirement of treasury stock	—	1,028,195
Total change for the fiscal year	-3,106,209	-1,776,156
Balance, MARCH 31, 2009	-4,115,111	-5,891,268
Total Stockholder's equity		
Balance, MARCH 31, 2008	39,144,543	38,048,308
Change for the fiscal year		
Dividends of surplus	-2,887,157	-2,774,211
Net income	4,958,546	4,303,568
Purchase of treasury stock	-3,106,853	-2,805,903
Disposal of treasury stock	578	—
Retirement of treasury stock	—	1,028,195
Reversal of land revaluation	-61,347	—
Profit or loss due to change in the accounting method at overseas subsidiaries	—	-25,465
Total change for the fiscal year	-1,096,234	-1,275,576
Balance, MARCH 31, 2009	38,048,308	36,747,267
Valuation and translation adjustments		
Unrealized gain on available-for-sale securities		
Balance, MARCH 31, 2008	223,643	101,321
Change for the fiscal year		
Change for items other than shareholders' equity (net amount)	-122,321	-89,878
Total change for the fiscal year	-122,321	-89,878
Balance, MARCH 31, 2009	101,321	11,443
Land revaluation difference		
Balance, MARCH 31, 2008	-944,397	-883,049
Change for the fiscal year		
Reversal of land revaluation	61,347	—
Total change for the fiscal year	61,347	—
Balance, MARCH 31, 2009	-883,049	-883,049
Exchange conversion adjustments		
Balance, MARCH 31, 2008	27,614	36,706
Change for the fiscal year		
Change for items other than shareholders' equity (net amount)	9,092	-48,351
Total change for the fiscal year	9,092	-48,351
Balance, MARCH 31, 2009	36,706	-11,644

(Thousands of Yen)

	Fiscal year ended March 31, 2008	Fiscal year ended March 31, 2009
Valuation and translation adjustments Total		
Balance, MARCH 31, 2008	-693, 139	-745, 021
Change for the fiscal year		
Reversal of land revaluation	61, 347	—
Change for items other than shareholders' equity (net amount)	-113, 229	-138, 229
Total change for the fiscal year	-51, 881	-138, 229
Balance, MARCH 31, 2009	-745, 021	-883, 250
Minority interests		
Balance, MARCH 31, 2008	232, 106	295, 245
Change for the fiscal year		
Change for items other than shareholders' equity (net amount)	63, 139	10, 134
Total change for the fiscal year	63, 139	10, 134
Balance, MARCH 31, 2009	295, 245	305, 379
Total equity		
Balance, MARCH 31, 2008	38, 683, 510	37, 598, 533
Change for the fiscal year		
Dividends of surplus	-2, 887, 157	-2, 774, 211
Net income	4, 958, 546	4, 303, 568
Purchase of treasury stock	-3, 106, 853	-2, 805, 903
Disposal of treasury stock	578	970
Reversal of land revaluation	—	—
Profit or loss due to change in the accounting method at overseas subsidiaries	—	-25, 465
Change for items other than shareholders' equity (net amount)	-50, 089	-128, 095
Total change for the fiscal year	-1, 084, 976	-1, 403, 671
Balance, MARCH 31, 2009	37, 598, 533	36, 169, 396

(4) CONSOLIDATED STATEMENTS OF CASH FLOWS

(Thousands of Yen)

	Fiscal year ended March 31, 2008	Fiscal year ended March 31, 2009
OPERATING ACTIVITIES		
Income before income taxes and minority interests	9,514,946	8,178,898
Depreciation and amortization	997,954	1,226,654
Impairment loss	524,559	338,793
Loss on write-down of investment securities	—	18,816
Allowance for doubtful accounts(decrease : -)	-1,310	326,847
Bonuses to directors(decrease : -)	115,465	-40,990
Liability for retirement benefits(decrease : -)	202,383	609,725
Interest and dividend income	-33,258	-29,643
Interest expense	169	209
Loss on sale of marketable securities	7,899	—
Loss on sale of fixed assets(income : -)	2,444	35,598
Loss on sale and disposal of fixed assets	48,112	342,049
Amortization of consolidation goodwill	79,698	33,787
Sale of investment securities(income : -)	134,838	-5,921
Investments in partnership(income : -)	4,486	28,374
Decrease (increase) in notes and accounts receivable (increase : -)	420,000	1,855,496
Inventories(increase : -)	68,376	-77,291
Other current assets(increase : -)	15,643	-165,086
Increase (decrease) in notes and accounts payable (decrease : -)	-58,281	19,373
Accrued expenses(decrease : -)	171,629	-1,194,608
Income taxes payable(decrease : -)	-282,022	-79,795
Other current liabilities(decrease : -)	255,094	-215,505
Others	-37,050	6,223
Subtotal	12,151,781	11,212,007
Interest received and dividends received	32,614	29,481
Interest expense	-204	-209
Income tax paid	-3,697,687	-4,932,915
Net cash provided by operating activities	8,486,503	6,308,363
INVESTING ACTIVITIES		
Proceeds from repayment of time deposits	600,000	1,300,000
Purchases of marketable securities	-372,381	—
Proceeds from sales of marketable securities	142,506	—
Purchases of property and equipment	-429,839	-168,243
Proceeds from sales of property and equipment	355,237	—
Purchases of intangible fixed assets	-1,916,695	-1,035,029
Purchases of investment securities	-201,680	-2,480
Proceeds from sales of investment securities	2,051,349	561,924
Investments and assets(increase : -)	-56,623	-34,096
Proceeds from collections of short term loans	1,808	1,567
Investments in and advances to subsidiaries	-49,454	—
Proceeds from sales of investment in and advances to subsidiaries	100	—
Net cash provided by investing activities	124,326	623,641
FINANCING ACTIVITIES		
Purchase of treasury stock	-3,106,853	-2,805,903
Disposal of treasury stock	578	970
Dividend paid	-2,885,878	-2,775,626
Proceeds from stock issuance to minority shareholders	—	9,703
Cash paid to minority shareholders	—	-2,274
Dividends paid to minority shareholders	-5,760	-8,936
Others	—	-247
Net cash provided by financing activities	-5,997,914	-5,579,792
FOREIGN CURRENCY TRANSLATION ADJUSTMENTS ON CASH AND CASH EQUIVALENTS	22,004	-38,025
CASH AND CASH EQUIVALENTS(decrease : -)	2,634,919	1,313,940
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	13,977,383	16,612,303
CASH AND CASH EQUIVALENTS, END OF YEAR	16,612,303	17,926,243

5. Non-Consolidated Financial statements

(1) Supplemental Non-Consolidated Balance Sheets

(Thousands of Yen)

	Fiscal year ended March 31, 2008	Fiscal year ended March 31, 2009
ASSETS		
CURRENT ASSETS		
Cash and cash equivalents	16,743,442	16,730,134
Accounts	10,312,060	8,810,175
Work in process	17,607	19,668
Prepaid expenses	254,128	323,731
Deferred tax assets	2,238,388	1,878,867
Short-term loans for subsidiaries	1,065,000	700,000
Others	733,380	894,449
Allowance for doubtful accounts	-2,154	-2,788
Total current assets	31,361,853	29,354,239
FIXED ASSETS		
PROPERTY AND EQUIPMENT:		
Buildings—net	8,787,473	8,404,549
structures—net	110,520	100,400
Machinery and equipment—net	15,326	12,958
Furniture and fixtures—net	431,748	485,395
Land	3,582,544	3,582,544
Construction in progress	201,411	—
Total Accumulated depreciation	13,129,025	12,585,849
INTANGIBLE FIXED ASSETS		
Software	235,294	2,970,660
Software in process	2,520,111	2,361
Telephone subscription right	62,170	62,170
Total intangible fixed assets	2,817,576	3,035,192
INVESTMENTS AND OTHER ASSETS		
Investment securities	1,288,285	570,324
Investment in subsidiaries	6,217,299	4,656,160
Advances to subsidiaries	651,057	264,426
long-term prepaid expenses	20,539	15,398
Deferred tax assets	2,635,941	2,813,566
Leasehold deposits	869,655	869,807
Memberships	12,100	12,100
Others	5,053	252,497
Allowance for doubtful accounts	-4,453	-16,897
Total investments and other assets	11,695,478	9,437,383
Total fixed assets	27,642,080	25,058,424
TOTAL ASSETS	59,003,934	54,412,663

(Thousands of Yen)

	Fiscal year ended March 31, 2008	Fiscal year ended March 31, 2009
LIABILITIES		
CURRENT LIABILITIES		
Advances payments to suppliers	1,008,815	627,010
Other accrued expenses	6,497,653	5,579,960
Income taxes payable	2,227,979	1,121,248
Consumption taxes payable	444,294	396,304
Advances from customers	41,021	9,974
Deposits	252,951	224,482
Deposits from subsidiaries	4,437,040	4,352,045
Bonuses to directors	101,000	87,000
Others	151,296	250,639
Total current liabilities	<u>15,162,054</u>	<u>12,648,666</u>
LONG-TERM LIABILITIES		
Deferred tax liabilities for land revaluation	42,103	42,103
Liability for retirement benefits	6,353,488	6,947,763
Total long-term liabilities	<u>6,395,591</u>	<u>6,989,867</u>
TOTAL LIABILITIES	<u>21,557,645</u>	<u>19,638,533</u>
EQUITY		
Stockholder's equity		
Common stock	16,825,881	16,825,881
Capital surplus		
Capital reserve	4,210,000	4,210,000
Other capital surplus	11,270,514	10,241,738
Total capital surplus	<u>15,480,514</u>	<u>14,451,738</u>
Retained earnings		
Legal reserve	—	—
Unappropriated		
Retained earnings brought forward	10,033,380	10,257,517
Total Retained earnings	<u>10,033,380</u>	<u>10,257,517</u>
Treasury stock	<u>-4,115,111</u>	<u>-5,891,268</u>
Total Stockholder's equity	<u>38,224,665</u>	<u>35,643,868</u>
Valuation and translation adjustments		
Unrealized gain on available-for-sale securities	104,674	13,310
Land revaluation difference	-883,049	-883,049
Valuation and translation adjustments Total	<u>-778,375</u>	<u>-869,738</u>
Total equity	<u>37,446,289</u>	<u>34,774,129</u>
TOTAL LIABILITIES AND EQUITY	<u>59,003,934</u>	<u>54,412,663</u>

(2) Supplemental Non-Consolidated Statements of operations

(Thousands of Yen)

	Fiscal year ended March 31, 2008	Fiscal year ended March 31, 2009
NET SALES	62,956,452	60,457,943
COST OF SALES	43,875,061	43,109,796
Gross profit	19,081,391	17,348,147
SELLING, GENERAL AND ADMINISTRATIVE EXPENSES	8,620,394	8,540,848
Operating income	10,460,997	8,807,298
OTHER INCOME		
Interest income	15,431	21,895
Securities interest	12,693	491
Dividend income	250,700	469,876
Lease Income	59,151	54,367
Other	18,260	17,438
TOTAL OTHER INCOME	356,237	564,069
OTHER EXPENSES		
Interest expense	8,436	7,940
Commitment fee	20,999	21,032
Loss on sale of marketable securities	7,899	—
Loss on investments in partnership	4,486	28,374
Miscellaneous losses	7,026	19,270
TOTAL OTHER EXPENSES	48,848	76,618
ORDINARY INCOME	10,768,386	9,294,750
EXTRAORDINARY INCOME		
Gains from sale of fixed assets	—	258
Profit from the sale of the investment securities	3,548	5,921
Return to the allowance for bad debts, Loan loss reserves	81	—
Other	—	1,213
TOTAL EXTRAORDINARY INCOME	3,629	7,394
EXTRAORDINARY LOSSES		
Loss on sale of fixed assets	—	35,398
Loss on sale and disposal of fixed assets	14,839	333,975
Impairment loss	398,118	—
Loss on sale of investment securities	138,386	—
Loss on write-down of investment securities	—	3,379
Loss on Revaluation of Investment in Subsidiaries	432,878	2,020,129
Evaluation loss on investments in affiliates	—	463,734
Loss on change in pension plans	1,079,824	55,926
Other	20,000	—
Total extraordinary losses	2,084,047	2,912,544
INCOME BEFORE INCOME TAXES	8,687,968	6,389,599
Corporate tax, corporate inhabitant tax and enterprise tax	4,090,324	3,168,925
Corporate tax adjustments	-340,462	222,325
Total income taxes	3,749,861	3,391,250
NET INCOME (LOSS)	4,938,106	2,998,348

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

	(Thousands of Yen)	
	Fiscal year ended March 31, 2008	Fiscal year ended March 31, 2009
Stockholder's equity		
Common stock		
Balance, MARCH 31, 2008	16,825,881	16,825,881
Change for the fiscal year		
Total change for the fiscal year	—	—
Balance, MARCH 31, 2009	16,825,881	16,825,881
Capital surplus		
Capital reserve		
Balance, MARCH 31, 2008	15,480,579	4,210,000
Change for the fiscal year		
Reversal of Capital reserve	-11,270,579	—
Total change for the fiscal year	-11,270,579	—
Balance, MARCH 31, 2009	4,210,000	4,210,000
Total capital surplus		
Balance, MARCH 31, 2008	—	11,270,514
Change for the fiscal year		
Reversal of Capital reserve	11,270,579	—
Disposal of treasury stock	-65	-580
Retirement of treasury stock	—	-1,028,195
Total change for the fiscal year	11,270,514	-1,028,776
Balance, MARCH 31, 2009	11,270,514	10,241,738
Total Capital surplus		
Balance, MARCH 31, 2008	15,480,579	15,480,514
Change for the fiscal year		
Disposal of treasury stock	-65	-580
Retirement of treasury stock	—	-1,028,195
Total change for the fiscal year	-65	-1,028,776
Balance, MARCH 31, 2009	15,480,514	14,451,738
Retained earnings		
Legal reserve		
Balance, MARCH 31, 2008	4,202,596	—
Change for the fiscal year		
Reversal of legal reserve	-4,202,596	—
Total change for the fiscal year	-4,202,596	—
Balance, MARCH 31, 2009	—	—
Unappropriated		
Retained earnings brought forward		
Balance, MARCH 31, 2008	3,841,182	10,033,380
Change for the fiscal year		
Dividends of surplus	-2,887,157	-2,774,211
Net income	4,938,106	2,998,348
Reversal of legal reserve	4,202,596	—
Reversal of land revaluation difference	-61,347	—
Total change for the fiscal year	6,192,197	224,136
Balance, MARCH 31, 2009	10,033,380	10,257,517
Total Retained earnings		
Balance, MARCH 31, 2008	8,043,779	10,033,380
Change for the fiscal year		
Dividends of surplus	-2,887,157	-2,774,211
Net income	4,938,106	2,998,348
Reversal of legal reserve	—	—
Reversal of land revaluation difference	-61,347	—
Total change for the fiscal year	1,989,601	224,136
Balance, MARCH 31, 2009	10,033,380	10,257,517

	(Thousands of Yen)	
	Fiscal year ended March 31, 2008	Fiscal year ended March 31, 2009
Treasury stock		
Balance, MARCH 31, 2008	-1, 008, 901	-4, 115, 111
Change for the fiscal year		
Purchase of treasury stock	-3, 106, 853	-2, 805, 903
Disposal of treasury stock	643	1, 550
Retirement of treasury stock	—	1, 028, 195
Total change for the fiscal year	-3, 106, 209	-1, 776, 156
Balance, MARCH 31, 2009	-4, 115, 111	-5, 891, 268
Total Stockholder's equity		
Balance, MARCH 31, 2008	39, 341, 339	38, 224, 665
Change for the fiscal year		
Dividends of surplus	-2, 887, 157	-2, 774, 211
Net income	4, 938, 106	2, 998, 348
Purchase of treasury stock	-3, 106, 853	-2, 805, 903
Disposal of treasury stock	578	970
Retirement of treasury stock	—	—
Reversal of land revaluation difference	-61, 347	—
Total change for the fiscal year	-1, 116, 674	-2, 580, 796
Balance, MARCH 31, 2009	38, 224, 665	35, 643, 868
Valuation and translation adjustments		
Unrealized gain on available-for-sale securities		
Balance, MARCH 31, 2008	223, 516	104, 674
Change for the fiscal year		
Change for items other than shareholders' equity (net amount)	-118, 841	-91, 363
Total change for the fiscal year	-118, 841	-91, 363
Balance, MARCH 31, 2009	104, 674	13, 310
Land revaluation difference		
Balance, MARCH 31, 2008	-944, 397	-883, 049
Change for the fiscal year		
Reversal of land revaluation difference	61, 347	—
Total change for the fiscal year	61, 347	—
Balance, MARCH 31, 2009	-883, 049	-883, 049
Valuation and translation adjustments Total		
Balance, MARCH 31, 2008	-720, 881	-778, 375
Change for the fiscal year		
Reversal of land revaluation difference	61, 347	—
Change for items other than shareholders' equity (net amount)	-118, 841	-91, 363
Total change for the fiscal year	-57, 494	-91, 363
Balance, MARCH 31, 2009	-778, 375	-869, 738
Total equity		
Balance, MARCH 31, 2008	38, 620, 457	37, 446, 289
Change for the fiscal year		
Dividends of surplus	-2, 887, 157	-2, 774, 211
Net income	4, 938, 106	2, 998, 348
Purchase of treasury stock	-3, 106, 853	-2, 805, 903
Disposal of treasury stock	578	—
Retirement of treasury stock	—	1, 028, 195
Change for items other than shareholders' equity (net amount)	-118, 841	-91, 363
Total change for the fiscal year	-1, 174, 168	-2, 672, 159
Balance, MARCH 31, 2009	37, 446, 289	34, 774, 129

SEGMENT INFORMATION

Operating Segment Information

The companies' operating segment information at and for the years ended March 31, 2008 and 2007 is as follows

(Thousands of Yen)

	Temporary Staffing Business	Engineering Solutions Business	Global Business	Career Support Business	Total	Adjustments and Eliminations	Consolidated
I . NET SALES							
External customers	77,201,848	2,784,559	618,276	1,497,620	82,102,305	—	82,102,305
Inter-segment	190,195	678,394	134,462	38,541	1,041,594	(1,041,594)	—
Total	77,392,043	3,462,954	752,739	1,536,162	83,143,899	(1,041,594)	82,102,305
Operating expense	65,433,617	3,217,098	1,158,135	1,996,018	71,804,870	(1,067,899)	70,736,970
Operating income(loss: -)	11,958,425	245,855	-405,395	-459,856	11,339,028	26,305	11,365,334
II Assets, Depreciation and amortization, Impairment loss , and capital expenditures							
Assets	53,875,487	1,702,370	970,336	4,526,307	61,074,502	(3,289,672)	57,784,830
Depreciation and amortization	890,327	34,080	15,726	57,820	997,954	—	997,954
Impairment loss	398,118	—	—	126,441	524,559	—	524,559
capital expenditures	2,203,517	44,495	32,324	36,040	2,316,377	—	2,316,377

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

(Thousands of Yen)

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

6. Executive Appointments

(1) Newly appointed candidate for board of director

Masato Uemura
Currently Executive Officer for Corporate Planning Dept. and Financial & Accounting Center,
and General Manager of Corporate Planning Dept.

(2) Retiring board of director

Atsuhiko Umeda
currently Outside Director

(3) List of the board of directors and Auditors planned as of June 23, 2009.

Representative Director and President	Kosuke Nishimoto
Director	Kanji Fukuda
Director	Hideyo Kokubun
Director	Hiroshi Yoneda
Director	Kiyomasa Nakajima
Director	Masato Uemura *NEW
Outside Director	Kiyoshi Mamizu
Standing Auditor	Yoshinori Takamine
Outside Corporate Auditor	Masatoshi Saito
Outside Corporate Auditor	Hiroshi Watanabe

Note (1)

Precondition for the Forecasts of the FY2010 - Meitec + Meitec Fielders + Meitec Global Solutions -

		Meitec	MF	MGS
Utilization Ratio	First Half	72.0%	64.8%	31.6%
	Second Half	82.1%	78.4%	42.1%
	Fiscal Year	77.1%	71.4%	36.9%
Operating Hours per day	First Half	8.40h/day	8.43h/day	8.12h/day
	Second Half	8.96h/day	8.48h/day	8.02h/day
	Fiscal Year	8.69h/day	8.45h/day	8.07h/day
Mid-career Recruitment during fiscal year		Undecided	Undecided	Undecided

Note (2)

Results: Fiscal Year Ended March 31, 2009

		Net Sales		Operating Income		Ordinary Income		Net Income	
			Change		Change		Change		Change
FY2009	Meitec (MT)	60,457	-4.0	8,807	-15.8	9,294	-13.7	2,998	-39.3
	Meitec Fielders (MF)	10,582	-1.5	819	-37.5	825	-37.5	467	-39.3
	Meitec Cast (MC)	3,434	-13.3	78	-56.7	78	-56.6	42	-57.6
	Meitec Experts (MEX)	328	59.2	-3	-	-3	-	-3	-
	3D Tec (3DT)	593	-17.7	36	-36.9	35	-38.2	20	-38.2
	Apollo Giken Group (AP)	1,846	4.1	9	-89.6	22	-76.7	-20	-
	Meitec CAE (CAE)	796	24.7	85	52.6	85	51.7	47	49.8
	Meitec Global Solutions (MGS)	1,153	69.8	-326	-	-326	-	-329	-
	Meitec Shanghai	24	-31.5	-18	-	-18	-	-18	-
	Meitec Dalian	45	46.8	-8	-	-8	-	-8	-
	Meitec Guangzhou	11	-30.4	-33	-	-34	-	-42	-
	Meitec Zhejiang	21	17.8	-12	-	-13	-	-19	-
	Meitec Xian	19	67.1	-27	-	-29	-	-29	-
	Meitec Chengdu	2	-	-45	-	-49	-	-49	-
	Meitec (Shanghai) Human Resources	3	-	-1	-	-1	-	-1	-
	DBM-Japan Group (DBM)	1,483	15.6	13	-	5	-	-330	-
	Meitec Next (NEXT)	480	90.4	-78	-	-78	-	-79	-
All engineer.jp	15	-	-21	-	-21	-	-22	-	
Consolidated	79,898	-2.7	9,280	-18.3	9,260	-18.3	4,303	-13.2	

*Amounts for each company are non-consolidated basis

Note (3)

Forecasts: Fiscal Year Ending March 31, 2010

(Millions of Yen)

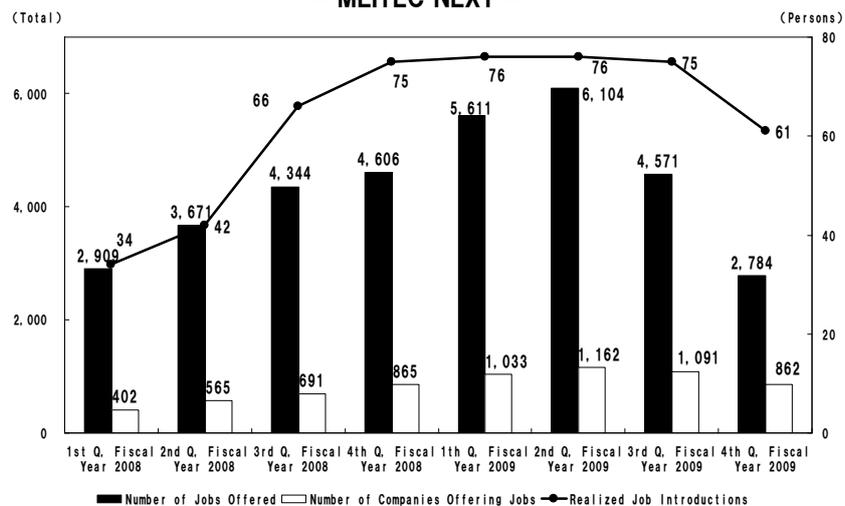
		Net Sales	Operating Income	Ordinary Income	Net Income
Fiscal Year	Meitec	45,500	-1,450	-1,150	-1,200
	Meitec Fielders	7,300	-1,300	-1,300	-1,300
	Meitec Cast	2,500	0	0	0
	Meitec Experts	240	0	0	0
	Apollo Giken Group	1,600	10	10	10
	Meitec CAE	1,050	80	80	40
	Meitec Global Solutions	1,000	-370	-370	-370
	Meitec Shanghai	20	-5	-5	-5
	Meitec Dalian	45	-15	-15	-15
	Meitec Xian	15	-25	-25	-25
	Meitec Chengdu	15	-30	-30	-30
	Meitec (Shanghai) Human Resources	30	-10	-10	-10
	DBM-Japan	180	30	30	30
	Meitec Next	390	0	0	0
	all engineer. Jp	15	0	0	0
	Consolidated	59,000	-3,100	-3,100	-3,200

*Amounts for each company are non-consolidated basis

- * Since the transfer of the business from Three D Tech to Meitec CAE will be carried out in step by step, figures for the Meitec CAE are total of both companies.
- * Because the business of DBM-Japan was transferred to Tempstaff Co., Ltd. as of May 1, 2009, figures for DBM-J are only for the month of April, 2009.
- * The vocational training business at MEITEC Guangzhou TechnoCenter Co., Ltd. and at MEITEC Hangzhou TechnoCenter Co., Ltd. has been terminated.

Note (4)

Number of Job Offer and Companies offering Jobs, and Realized Job Introductions - MEITEC NEXT -



Note (5)

Number of New Membership Registration - all engineer.jp -

