May 13, 2009

Profit Distribution for the Fiscal Year Ending March 31, 2010

Meitec Corporation

Meitec Corporation, in view of the harsh economic outlook, at a meeting of its Board of Directors held on May 13, 2009, decided to revise its policies regarding dividend distributions from retained earnings and acquisition of treasury stock for the fiscal year ending March 31, 2010, as follows.

1. Dividends from Retained Earnings for the Fiscal Year Ending March 31, 2010

Dividends 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).

Also, any increase in shareholders' equity stemming from government subsidies for employment adjustment, or other forms of public support, has been excluded from the dividend calculation as not consistent with the intentions of government subsidies.

Dividend payments are premised on securing the working capital necessary for the following fiscal year, ending March 31, 2011. 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 core temporary engineers staffing business.

Note: See "Summary Earnings Report for the Fiscal Year Ended March 31, 2009" released this same day for the dividend forecast for the fiscal year ending March 31, 2011.

2. Acquisition of Treasury Stock 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.

(Reference) 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 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.

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