

Results for the Second Quarter ended September 30, 2009

Meitec Corporation

Consolidated financial summary

1. Results for the Second Quarter (April 1, 2009 to September 30, 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	%
Second Quarter FY 2010	26,203	(36.7)	(3,248)	—	(850)	—	(1,214)	—
Second Quarter FY 2009	41,396	—	5,375	—	5,395	—	3,039	—

	Net Income per Share	Diluted Net Income
	Yen	Yen
Second Quarter FY 2010	(36.65)	—
Second Quarter FY 2009	88.91	—

(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
Second Quarter FY 2010	47,214	34,028	71.5	1,018.23
FY 2009	54,230	36,169	66.1	1,081.85

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

As of September 30, 2009: 33,754 million yen As of March 31, 2009: 35,864 million yen

2. Dividends

Dividends per share (Record date)					Total
	First Quarter dividends	Second Quarter dividends	Third Quarter dividends	Year-end dividends	
	Yen	Yen	Yen	Yen	Yen
Years ended FY 2009	—	47.00	—	28.00	75.00
Second Quarter FY2010	—	24.50			
Years ending FY 2010 (Forecast)			—	0.00	24.50

(Note) Change in expected dividends : Yes

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
FY 2010	51,000 (36.2)	(7,600) —	(2,600) —	(2,500) —	(75.41)

(Note) Revision in dividends scheduled for the quarter: Yes

4. Others

- (1) Significant changes involving subsidiaries during the term : None
- (2) Simplified accounting procedures and unique accounting procedures used in the preparation of and quarterly consolidated financial statements : Yes
- (3) Changes in rules, procedures and method of indication in the accounting procedures relating to the preparation of quarterly consolidated financial statements
(Items indicated in the changes to pertinent items relating to the quarterly consolidated financial statement preparation principles)
- i. Changes resulting from the revision of accounting standards : None
 - ii. Changes not relating to i. : None
- (4) Number of issued shares (common stock)
- i. Number of issued shares at period end (including treasury stock)

2Q/FY2010	35,100,000	FY2009	35,100,000
-----------	------------	--------	------------
 - ii. Number of treasury shares at period end

2Q/FY2010	1,949,567	FY2009	1,949,447
-----------	-----------	--------	-----------
 - iii. Average number of shares during period

2Q/FY2010	33,150,485	2Q/FY2009	34,184,304
-----------	------------	-----------	------------

1. Operating Results

(1) Analysis of Operating Results

(1)-1. Overview of Consolidated Operating Results

Figure 1: Summary of Consolidated Income Statement (April 1, 2009 to September 30, 2009)

(Millions of yen, rounded down)	Same Period of Previous Fiscal Year Consolidated Total	Current Period (6 Month Total)		
		Consolidated Total	YoY Amount	% Change
Net Sales	41,396	26,203	(15,193)	(36.7%)
Cost of Sales	29,429	23,478	(5,951)	(20.2%)
SG&A Expenses	6,591	5,973	(618)	(9.4%)
Operating Income	5,375	(3,248)	(8,623)	—
Other Income	20	2,397	2,377	—
Subsidies For employment adjustment	—	2,407	2,407	—
Ordinary Income	5,395	(850)	(6,246)	—
Income before Income Taxes and Minority Interests	5,345	(850)	(6,195)	—
Net Income	3,039	(1,214)	(4,254)	—

For the subject quarter (6 month period from April 1, 2009 to September 30, 2009), although there are some improvement among the major manufacturing companies who are our major customers, their cost reduction measures including the R & D budgets are continuing and our business environments are still in harsh condition.

Under such conditions, due to the decrease in the utilization ratio in our core engineer staffing business, consolidated revenue for the first half of the fiscal year had dropped for 15,193 million yen compared to the same period of previous fiscal year to 26,203 million yen.

The consolidated cost of sales for the first half of the fiscal year had declined 5,951 million yen compared to the same period of previous fiscal year to 23,478 million yen. For the consolidated selling, general and administrative expenses of the first half of the fiscal year, although there are still increasing effect from the educational training cost for the un-assigned engineers, as we continue to restrain other expenses such as the recruiting cost had, it had decreased for 618 million yen compared to the same period of previous fiscal year to 5,973 million yen. As the result, consolidated operating loss for the first half of the fiscal year was 3,248 million yen.

Also, because the Meitec Group employ large number of engineers as full time employee, we have applied for the government subsidies for the employment adjustment. Therefore we have posted this government grants as extraordinary income in amount of 2,407 million yen. As a result, we posted the consolidated loss before income taxes and minority interest 850 million yen, and the consolidated net loss of 1,214 million yen.

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

Figure 2: Summary of Results by Business Segment (April 1, 2009 to September 30, 2009)

(Millions of yen, rounded down)	Meitec Group (Consolidat ed)	Temporary Staffing Business	Engineering Solutions Business	Global Business	Career Support Business	Eliminations / Corporate
Net Sales	26,203	24,610	1,219	343	350	(320)
%	100	93.9	4.7	1.3	1.3	(1.2)
YoY Change	(15,193)	(13,852)	(520)	(289)	(684)	153
%	(36.7)	(36.0)	(29.9)	(45.7)	(66.1)	—
Operating Income	(3,248)	(2,902)	12	(382)	15	8
%	100	89.4	(0.4)	11.8	(0.5)	(0.3)
YoY Change	(8,623)	(8,418)	(73)	(174)	48	(5)

(1)-2.i Temporary Staffing Business

As affected from the restrain on the R&D budget at major manufactures who are our main customer, our staffing business which consist 90% of our consolidated revenue, and especially in the temporary engineer staffing business, although the number of starting the new contracts are increasing as a result of our sales effort, we continue to experience lower utilization ratio which started from the beginning of the fiscal year.

Revenue from the temporary staffing business for the first half of the fiscal year had decreased for 13,852 million yen compared to the same period of previous fiscal year to 24,610 million yen due to the lower utilization ratio.

Although we have taken the measures to decrease the selling, general and administrative expenses for the payroll and recruiting cost, it was not enough to off-set the decrease in the revenue, and we posted 2,902 million yen of the operating loss.

Although we continue to be under the difficult business environment, by taking offensive reinforcement in sales forces and restructuring the sales offices to match the market movements, we are continuing our effort to catch the offensive R&D investment needs by customers to improve our utilization ratio.

Figure 3: Meitec Group Temporary Engineers Staffing Business

		September 30, 2008 Second Quarter FY 2009	September 30, 2009 Second Quarter FY 2010	
MT ^{*1} + MF ^{*2} + MGS ^{*3} + CAE ^{*4}		Period-End Engineering Staff ¹	7,775	7,682
MT ^{*1} + MF ^{*2} + MGS ^{*3}		Period-End Engineering Staff ¹	7,705	7,598
		Utilization ratio (Company-wide)	93.9%	67.4%
		Utilization ratio (Excluding new hires) ²	96.6%	74.1%
Meitec Corporation (MT) ^{*1}		Period-End Engineering Staff ¹	6,000	5,878
		Utilization ratio (Company-wide)	95.7%	70.2%
		Utilization ratio (Excluding new hires) ²	98.1%	75.0%
Meitec Fielders, Inc. (MF) ^{*2}		Period-End Engineering Staff ¹	1,452	1,424
		Utilization ratio (Company-wide)	93.9%	65.6%
		Utilization ratio (Excluding new hires) ²	98.1%	72.7%
Meitec Global Solutions Inc. (MGS) ^{*3}		Period-End Engineering Staff ¹	253	296
		Utilization ratio (Company-wide)	47.9%	24.2%
		Utilization ratio (Excluding new hires) ³	50.1%	52.0%
Meitec CAE Corporation (CAE) ^{*4}		Period-End Engineering Staff ¹	70	84

		FY2009			FY2010	
		Second Quarter (3 month)	Third Quarter (3 month)	Fourth Quarter (3 month)	First Quarter (3 month)	Second Quarter (3 month)
MT ^{*1}	Period-End Engineering Staff ¹	6,000	5,982	5,788	5,995	5,878
	Utilization ratio (Company-wide)	97.3%	96.7%	91.7%	71.6%	68.7%
Excluded in-house assigned engineers ⁴	Period-End Engineering Staff	33	33	158	201	249
MF ^{*2}	Period-End Engineering Staff ¹	1,452	1,454	1,414	1,465	1,424
	Utilization ratio (Company-wide)	96.2%	95.4%	88.8%	66.0%	65.1%

^{*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 projects⁴

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

Note 3: Total of excluded new hires are consisted by mid-career hires and engineers who are on temporary standby.

Note 4: In-house assigned engineers who were excluded are working as the lecturer for idling engineers.

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

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

(1)-2.ii Engineering Solutions Business

The Engineering Solution Business consists of analytical technology, printed circuit boards design, die and molding technologies, prototype manufacturing.

Net sales for the Engineering Solution Business for the first half of the fiscal year decreased for 520 million yen compared to the same period of previous fiscal year to 1,219 million yen, and the operating income decreased for 73 million yen compared to the same period of previous fiscal to 12 million yen.

Meitec CAE, which provides the engineering service related analytical technology achieved increase in revenue and profit as a result of their effort in sales reinforcement activities and expansion of the services they provide.

Apollo Giken Co., Ltd. which provides printed circuit board related business had suffered decrease in sales as the market condition deteriorates, and posted decrease in revenue, operating loss and net loss.

(1)-2.iii Global Business

The Global Business is mainly consisted by the Bridge Engineer Business which we dispatch the Chinese engineers who were trained at our Chinese educational facilities in Japan, and vocational training business and human resource placement businesses.

Revenue for the Global Business for the first half of the fiscal year had declined 289 million yen compared to the same period of previous fiscal year to 343 million yen. Also because of the sales cost increase due to the increase time needed to assign the bridge engineers, we posted operating loss of 382 million yen.

(1)-2.iv Career Support Business

The Career Support Business is consisted mainly of the placement business and information portal site business specializes in the engineers.

Revenue for the Career Support Business for the first half of the fiscal year had decreased for 684 million yen compared to the same period of previous fiscal year to 350 million yen, mainly due to the transfer of the business at Drake Beam Morin Japan to Tempstaff. But the operating profit had increased for 48 million yen compared to the same period of previous fiscal year and posted 15 million yen of profit.

Meitec Next Corporation, which provides a placement business specifically for engineers utilizing our expertise in core engineer staffing business, had to post operating loss due to the deterioration of the market. But the amount of the net loss compared to the previous fiscal year is improving.

(2) Analysis of Financial Position

(2)-1. Assets

Total consolidated assets at the end of the first half of the fiscal year ended September 30, 2009 had decreased for 7,016 million compared to the end of the previous fiscal year ended March 31, 2009, to 47,214 million yen. It is mainly due to the decrease of cash and account receivables which decreased the current asset for 5,904 million yen compared to end of the previous fiscal year ended March 31, 2009.

The decrease of cash was due to the result of performance for the first half of the fiscal year and the cash payment of dividend for the previous fiscal year.

(2)-2. Liabilities

Total consolidated liabilities at the end of the first half of the fiscal year ended September 30, 2009 decreased 4,875 million, compared to the end of the previous fiscal year ended March 31, 2009, to 13,185 million yen. This was because the consolidated current liabilities decreased for 5,263 million yen compared to the end of previous fiscal year.

Reason for the decrease in current liabilities was because of decrease in unpaid expenses due to the bonus payment and decrease in unpaid corporate income tax as we paid the tax.

(2)-3. Net Assets

The consolidated net assets at the end of the first half of the fiscal year decreased 2,140 million compared to the end of previous fiscal year ended March 31, 2009, to 34,028 million yen. This was due mainly to a 2,143 million decrease in shareholders' equity compared to the end of the previous fiscal year.

The decrease in shareholders' equity was due to the result of performance for the first half of the fiscal year and the dividend payment for the previous fiscal year.

(3) Information regarding the consolidated forecast.

(3)-1. Forecast

(3)-1-i. Forecast of Consolidated Performance (April 1, 2009 to March 31, 2010)

Considering the current status of core engineer staffing business such as the utilization ratio, we have revised the forecast for the current fiscal year ending March 31, 2010 as following.

Also, because the Meitec Group employ large number of engineers as full time employee, we have applied for the government subsidies for the employment adjustment. Therefore the forecast include the projected amount of the government grant to receive at this point.

We also would like to note that there is a larger possibility, un-comparable to the past, to make revision to the forecast at later date, because forecasting the economic condition itself is un-comparably difficult today.

(Millions of Yen)	Net Sales	Operating Income	Ordinary Income	Net Income
FY 2009	79,898	9,280	9,260	4,303
FY 2010	51,000	(7,600)	(2,600)	(2,500)
YoY Change	(28,898)	(16,880)	(11,860)	(6,803)

(3)-1-ii. Forecast of Non Consolidated Performance (April 1, 2009 to March 31, 2010)

(Millions of Yen)	Net Sales	Operating Income	Ordinary Income	Net Income
FY 2009	60,457	8,807	9,294	2,998
FY 2010	39,000	(5,000)	(1,100)	(1,500)
YoY Change	(21,457)	(13,807)	(10,394)	(4,498)

(3)-1-iii. Conditions for the Forecast (April 1, 2009 to March 31, 2009)

	MT	MF	MGS
Utilization ratio (Company-wide)	70.2%	66.0%	23.1%
1H Actual	70.2%	65.6%	24.2%
2H Forecast	70.2%	66.4%	21.9%
Operating Hours	8.47h/day	8.57h/day	7.86h/day

(3)-2. Dividends Forecast

Company had made below announcement regarding the dividends on May 13, 2009.

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. If there is a possibility that should the Company anticipates 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.

Interim Dividends is calculated as equivalent to 5% of DOE based on the shareholders' equity excluding the increased portion due to the government grants.

But, at this point, excluding the government grant, we believe that our financial position for securing the necessary working capital would not be sufficient. Therefore, to our regret, we are planning to not to issue the dividend for the end of the year.

We will continue our effort to soon regain our performances to meet with shareholder's expectations. We would like to express our appreciation to your understanding.

(Basis Date)	First quarter dividends	Second quarter dividends	Third quarter dividends	Year-end dividends	Total
FY2009 Actual		47.00		28.00	75.00
FY2010 Forecast		24.50		0.00	24.50

(4) Others

(4)-1. Change in number of significant subsidiaries during this period (due to change in the scope of consolidation): None

(4)-2. Adoption of simplified accounting methods and special accounting methods used specifically for quarterly consolidated financial statements
: Yes

(4)-2.i Method of calculating the depreciation of the fixed assets

Amount of acquisition, disposal and depreciation of the fixed assets which to be applied to the quarter is calculated by distributing the amount quoted or budgeted according to the length of the period. For the fixed assets which a fixed rate of depreciation is applied, depreciation is calculated by distributing the total amount to be depreciated for the entire fiscal year according to the length of period.

(4)-2.ii Tax Expenses

Tax Expenses is calculated by multiplying the earning before income tax for the subjected quarter with the estimated actual tax rate which is determined by applying the tax effect accounting to the earning before income tax.

(4)-3. Changes in accounting principles, method and presentation method in preparation of the quarterly consolidated financial statement: None

Consolidated Financial statements

(1) Supplemental Consolidated Balance Sheets [Second Quarter]

	(Thousands of Yen)	
	The Second Quarter ended September 30, 2009	Fiscal year ended March 31, 2009
ASSETS		
CURRENT ASSETS		
Cash and cash equivalents	14,851,309	18,526,243
Trade notes and accounts	8,016,799	10,985,629
Work in process	278,191	434,673
Others	4,250,079	3,362,980
Allowance for doubtful accounts	(4,946)	(13,686)
Total current assets	<u>27,391,433</u>	<u>33,295,840</u>
FIXED ASSETS		
PROPERTY AND EQUIPMENT		
Buildings and structures-net	8,308,264	8,637,957
Others-net	4,082,639	4,180,921
Total Accumulated depreciation	<u>12,390,903</u>	<u>12,818,878</u>
INTANGIBLE FIXED ASSETS		
Goodwill	-	195,000
Others	2,985,604	3,292,548
Total intangible fixed assets	<u>2,985,604</u>	<u>3,487,548</u>
INVESTMENTS AND OTHER ASSETS		
Others	4,730,934	4,956,676
Allowance for doubtful accounts	(284,339)	(328,287)
Total investments and other assets	<u>4,446,595</u>	<u>4,628,389</u>
Total fixed assets	<u>19,823,103</u>	<u>20,934,816</u>
TOTAL ASSETS	<u>47,214,536</u>	<u>54,230,657</u>
LIABILITIES		
CURRENT LIABILITIES		
Notes payable and Accounts payable	83,138	84,218
Other accrued expenses	4,879,153	7,000,354
Income taxes payable	64,204	1,214,421
Allowance for bonus payable to directors	-	92,820
Others	736,018	2,634,693
Total current liabilities	<u>5,762,514</u>	<u>11,026,508</u>
LONG-TERM LIABILITIES		
Liability for retirement benefits	7,377,448	6,988,404
Others	45,808	46,348
Total long-term liabilities	<u>7,423,256</u>	<u>7,034,752</u>
TOTAL LIABILITIES	<u>13,185,770</u>	<u>18,061,260</u>
EQUITY		
Stockholder's equity		
Common stock	16,825,881	16,825,881
Capital surplus	14,451,480	14,451,738
Retained earnings	9,217,870	11,360,915
Treasury stock	(5,891,174)	(5,891,268)
Total Stockholder's equity	<u>34,604,058</u>	<u>36,747,267</u>
Valuation and translation adjustments		
Unrealized gain on available-for-sale securities	27,449	11,443
Land revaluation difference	(883,049)	(883,049)
Foreign currency translation adjustments	6,297	(11,644)
Valuation and translation adjustments Total	<u>(849,302)</u>	<u>(883,250)</u>
Minority interests	274,009	305,379
Total equity	<u>34,028,766</u>	<u>36,169,396</u>
TOTAL LIABILITIES AND EQUITY	<u>47,214,536</u>	<u>54,230,657</u>

(2) Supplemental Consolidated Statements of operations
[Second Quarter]

(Thousands of Yen)

	The Second Quarter ended September 30, 2008	The Second Quarter ended September 30, 2009
NET SALES	41,396,861	26,203,450
COST OF SALES	29,429,961	23,478,523
Gross profit	11,966,899	2,724,926
SELLING, GENERAL AND MINISTRATIVE EXPENSES	6,591,655	5,973,381
Operating income(loss)	5,375,244	(3,248,454)
OTHER INCOME		
Interest income	9,976	6,307
Dividend income	4,211	2,801
Lease Income	6,624	6,127
Subsidies for employment adjustment	-	2,407,548
PROPERTY AND EQUIPMENT	928	-
Other	20,811	33,850
TOTAL OTHER INCOME	42,552	2,456,635
OTHER EXPENSES		
Interest expense	97	3
Commitment fee	10,483	10,450
Foreign exchange profit	-	24,295
Other	11,388	24,074
TOTAL OTHER EXPENSES	21,969	58,824
ORDINARY INCOME(LOSS)	5,395,827	(850,644)
EXTRAORDINARY INCOME		
Profit from the sale of the investment securities	4,940	-
Allowance for doubtful accounts	2,939	26,580
Other	2,341	-
TOTAL EXTRAORDINARY INCOME	10,221	26,580
EXTRAORDINARY LOSSES		
Loss on sale of fixed assets	-	2
Loss on sale and disposal of fixed assets	4,417	23,258
Loss on valuation of golf memberships	400	-
Losses on Dissolution of lease	-	2,260
Loss on change in pension plans	55,926	-
Other	-	936
Total extraordinary losses	60,743	26,457
Income before Income Taxes and Minority(loss)	5,345,305	(850,521)
Income Tax	2,280,201	383,511
Minority interests in net income(loss)	25,779	(19,203)
NET INCOME(LOSS)	3,039,324	(1,214,829)

SEGMENT INFORMATION

Operating Segment Information

The companies' operating segment information at and for Second Quarter ended September 30, 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	38,366,068	1,494,646	535,144	1,001,001	41,396,861	—	41,396,861
Inter-segment	96,743	245,294	98,071	34,195	474,304	(474,304)	—
Total	38,462,812	1,739,940	633,215	1,035,196	41,871,165	(474,304)	41,396,861
Operating income(loss: -)	5,515,898	86,482	(208,280)	(33,174)	5,360,926	14,318	5,375,244

PROPERTY AND EQUIPMENT

The companies' operating segment information at and for Second Quarter ended September 30, 2009 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	24,565,160	1,008,184	279,666	350,439	26,203,450	—	26,203,450
Inter-segment	44,983	211,076	64,278	254	320,592	(320,592)	—
Total	24,610,143	1,219,260	343,945	350,693	26,524,043	(320,592)	26,203,450
Operating income(loss: -)	(2,902,805)	12,912	(382,869)	15,367	(3,257,396)	8,941	(3,248,454)

「reference data」

(1) Consolidated Balance Sheets

(Thousands of Yen)

	The Second Quarter ended September 30, 2009	Fiscal year ended March 31, 2009	A-B	
	A	B	A-B	%
Cash and cash equivalents	14,851,309	18,526,243	(3,674,933)	(19.8)
Others	12,545,069	14,783,284	(2,238,214)	(15.1)
Allowance for doubtful accounts	(4,946)	(13,686)	8,740	(63.9)
Total current assets	27,391,433	33,295,840	(5,904,407)	(17.7)
Property and Equipment				
Buildings and structures	8,308,264	8,637,957	(329,693)	(3.8)
Others	4,082,639	4,180,921	(98,281)	(2.4)
Total Accumulated depreciation	12,390,903	12,818,878	(427,975)	(3.3)
Intangible fixed assets				
Goodwill	-	195,000	(195,000)	(100.0)
Others	2,985,604	3,292,548	(306,944)	(9.3)
Total intangible fixed assets	2,985,604	3,487,548	(501,944)	(14.4)
Investments and other assets	4,446,595	4,628,389	(181,793)	(3.9)
Total fixed assets	19,823,103	20,934,816	(1,111,713)	(5.3)
Total assets	47,214,536	54,230,657	(7,016,120)	(12.9)
Notes payable and Accounts payable	83,138	84,218	(1,080)	(1.3)
Other accrued expenses	4,879,153	7,000,354	(2,121,201)	(30.3)
Income taxes payable	64,204	1,214,421	(1,150,216)	(94.7)
Allowance for bonus payable to directors	-	92,820	(92,820)	(100.0)
Others	736,018	2,634,693	(1,898,675)	(72.1)
Total current liabilities	5,762,514	11,026,508	(5,263,994)	(47.7)
Liability for retirement benefits	7,377,448	6,988,404	389,044	5.6
Others	45,808	46,348	(539)	(1.2)
Total long-term liabilities	7,423,256	7,034,752	388,504	5.5
Total liabilities	13,185,770	18,061,260	(4,875,489)	(27.0)
Common stock	16,825,881	16,825,881	-	-
Capital surplus	14,451,480	14,451,738	(257)	(0.0)
Retained earnings	9,217,870	11,360,915	(2,143,045)	(18.9)
Treasury stock	(5,891,174)	(5,891,268)	94	(0.0)
Total Stockholder's equity	34,604,058	36,747,267	(2,143,208)	(5.8)
Unrealized gain on available-for-sale securities	27,449	11,443	16,005	139.9
Land revaluation difference	(883,049)	(883,049)	-	-
Foreign currency translation adjustments	6,297	(11,644)	17,942	-
Valuation and translation adjustments Total	(849,302)	(883,250)	33,948	(3.8)
Minority interests	274,009	305,379	(31,370)	(10.3)
Total equity	34,028,766	36,169,396	(2,140,630)	(5.9)
Total liabilities and equity	47,214,536	54,230,657	(7,016,120)	(12.9)

「reference data」

(2) Consolidated Statements of Income

(Thousands of Yen)

	The Second Quarter ended September 30, 2008	The Second Quarter ended September 30, 2009	A-B	
	A	B	A-B	%
Net Sales	41,396,861	26,203,450	(15,193,410)	(36.7)
Cost of Sales	29,429,961	23,478,523	(5,951,437)	(20.2)
Gross profit	11,966,899	2,724,926	(9,241,973)	(77.2)
Selling, General and Administrative Expense	6,591,655	5,973,381	(618,273)	(9.4)
Operating income	5,375,244	(3,248,454)	(8,623,699)	-
Other Income	42,552	2,456,635	2,414,082	5,673.2
Other Expenses	21,969	58,824	36,855	167.8
Ordinary Income	5,395,827	(850,644)	(6,246,472)	-
Extraordinary income	10,221	26,580	16,359	160.1
Extraordinary losses	60,743	26,457	(34,286)	(56.4)
Income before Income Taxes and Minority	5,345,305	(850,521)	(6,195,826)	-
Income Tax	2,280,201	383,511	(1,896,689)	(83.2)
Minority interests in net income	25,779	(19,203)	(44,982)	-
Net Income	3,039,324	(1,214,829)	(4,254,154)	-

「reference data」

(3) Non-consolidated Balance Sheets

(Thousands of Yen)

	The Second Quarter ended September 30, 2009	Fiscal year ended March 31, 2009
ASSETS		
CURRENT ASSETS		
Cash and cash equivalents	13,921,226	16,730,134
Trade notes and accounts	6,381,834	8,810,175
Work in process	158,104	19,668
Others	5,281,335	3,797,048
Allowance for doubtful accounts	(2,824)	(2,788)
Total current assets	25,739,676	29,354,239
FIXED ASSETS		
PROPERTY AND EQUIPMENT		
Buildings and structures-net	8,289,775	8,504,950
Others-net	4,010,208	4,080,898
Total Accumulated depreciation	12,299,984	12,585,849
INTANGIBLE FIXED ASSETS	2,752,849	3,035,192
INVESTMENTS AND OTHER ASSETS		
Others	9,475,651	9,454,281
Allowance for doubtful accounts	(15,416)	(16,897)
Total investments and other assets	9,460,234	9,437,383
Total fixed assets	24,513,067	25,058,424
TOTAL ASSETS	50,252,744	54,412,663

(Thousands of Yen)

	The Second Quarter ended September 30, 2009	Fiscal year ended March 31, 2009
LIABILITIES		
CURRENT LIABILITIES		
Other accrued expenses	3,812,698	5,579,960
Income taxes payable	4,662	1,121,248
Deposit from subsidiaries	4,476,875	4,352,045
Allowance for bonus payable to directors	-	87,000
Others	682,094	1,508,411
Total current liabilities	8,976,331	12,648,666
LONG-TERM LIABILITIES		
Liability for retirement benefits	7,340,966	6,947,763
Others	42,103	42,103
Total long-term liabilities	7,383,069	6,989,867
TOTAL LIABILITIES	16,359,400	19,638,533
EQUITY		
Stockholder's equity		
Common stock	16,825,881	16,825,881
Capital surplus	14,451,480	14,451,738
Retained earnings	9,360,851	10,257,517
Treasury stock	(5,891,174)	(5,891,268)
Total Stockholder's equity	34,747,040	35,643,868
Valuation and translation adjustments		
Unrealized gain on available-for-sale securities	29,353	13,310
Land revaluation difference	(883,049)	(883,049)
Valuation and translation adjustments Total	(853,696)	(869,738)
Total equity	33,893,343	34,774,129
TOTAL LIABILITIES AND EQUITY	50,252,744	54,412,663

「reference data」

(4) Non-consolidated Statements of Income

【Second Quarter】

(Thousands of Yen)

	The Second Quarter ended September 30, 2008	The Second Quarter ended September 30, 2009
NET SALES	31,163,403	20,097,930
COST OF SALES	22,095,503	18,015,676
Gross profit	9,067,900	2,082,254
SELLING, GENERAL AND MINISTRATIVE EXPENSES	4,082,381	4,013,952
Operating income(loss)	4,985,518	(1,931,698)
OTHER INCOME		
Interest income	10,976	7,658
Dividend income	466,216	301,616
Lease Income	24,673	16,199
PROPERTY AND EQUIPMENT	-	1,732,951
Other	8,552	11,795
TOTAL OTHER INCOME	510,418	2,070,220
OTHER EXPENSES		
Interest expense	4,461	2,012
Commitment fee	10,483	10,450
Other	9,923	16,379
TOTAL OTHER EXPENSES	24,868	28,842
ORDINARY INCOME	5,471,068	109,679
EXTRAORDINARY INCOME		
Profit from the sale of the investment securities	4,940	-
Allowance for doubtful accounts	-	1,262
Other	790	-
TOTAL EXTRAORDINARY INCOME	5,730	1,262
EXTRAORDINARY LOSSES		
Loss on sale and disposal of fixed assets	477	12,776
Losses on Dissolution of lease	-	2,260
Loss on change in pension plans	55,926	-
Total extraordinary losses	56,403	15,036
Income before Income Taxes and Minority	5,420,394	95,905
Income Tax	2,018,174	64,355
NET INCOME	3,402,220	31,550

「reference data」

(5) Key Performance Indicators

		Second Quarter ended September 30, 2008	Second Quarter ended September 30, 2009	Change
Operating Hours	Meitec	9.05h/day	8.40h/day	-0.65h/day
	Meitec Fielders	9.10h/day	8.48h/day	-0.62h/day

(6) Meitec Group Results For the Second Quarter ended September 30, 2009

(millions of yen)		Net Sales		Operating Income		Ordinary Income		Net Income	
			Change		Change		Change		Change
B S E T I n f o r M e i t e c G r o u p	Meitec	20,097	(11,065)	(1,931)	(6,917)	109	(5,361)	31	(3,370)
	Meitec Fielders	3,402	(2,128)	(960)	(1,429)	(506)	(980)	(785)	(1,061)
	Meitec Cast	1,170	(666)	(13)	(71)	(11)	(70)	(7)	(39)
	Meitec Experts	107	(53)	(0)	+3	(0)	+4	(0)	+4
B u s i n e s s i n g	Meitec CAE ※1	543	(166)	85	+35	93	+43	43	+15
	Apollo Giken	679	(350)	(73)	(108)	(30)	(71)	(12)	(51)
B u s i n e s s i n g	Meitec Global Solutions	304	(270)	(287)	(155)	(106)	+26	(107)	+25
	Meitec Shanghai	18	+5	(3)	+6	(2)	+6	(2)	+6
	Meitec Dalian	6	(16)	(21)	(16)	(23)	(17)	(23)	(17)
	Meitec Guangzhou ※2	1	(5)	(12)	+3	(12)	+4	(12)	+4
	Meitec Hangzhou ※2	—	(7)	(15)	(5)	(17)	(7)	(18)	(8)
	Meitec Xian	2	(4)	(14)	(0)	(13)	+2	(13)	+2
	Meitec Chengdu	2	+2	(19)	+4	(19)	+9	(19)	+9
	Meitec Shanghai Human Resources	7	—	(9)	—	(9)	—	(9)	—
B u s i n e s s i n g	Meitec Next	173	(101)	(6)	+7	(6)	+7	(7)	+7
	all engineer. Jp	6	(1)	(2)	+10	(2)	+10	(2)	+10
	BMOA ※3	173	(579)	17	+11	(0)	(24)	215	+205

※1: 3D Tech business has been transferred to Meitec CAE. Figure include the result of 3D Tech.

※2: Company has suspended the vocational training business at MEITEC Guangzhou TechnoCenter Co., Ltd. and at MEITEC Hangzhou TechnoCenter Co., Ltd.

※3: Figure include the result of DBM-J (the business has been transferred to Tempstaff Corporation, Ltd. as of May 1, 2009) for the month of April 2009.

(7) Trial figure from the consolidated financial statement which to be a basis for the dividend calculation (over the consolidated cumulative period to the 2nd quarter of the fiscal year ending March 31, 2010)

(millions of Yen)	Actual	Trial figure※	
			Difference
Revenue	26,203	26,203	—
Operating Profit	(3,248)	(3,248)	—
Ordinary Income	(850)	(3,258)	(2,407)
Net Profit for the Quarter	(1,214)	(3,622)	(2,407)

(millions of Yen)	Actual	Trial figure※	
			Difference
Total Equity	34,028	31,621	(2,407)
Stockholder's equity	34,604	32,196	(2,407)
Valuation and translation adjustments	(849)	(849)	—
Minority interests	274	274	—

※Trial figure does not account the effect from the government subsidies for employment adjustment