

**Results of Meitec Group
For the fiscal year ended
March 31, 2007**

**Report of Meitec Group
<Consolidated>**

<FY2007 : Market Conditions>

1. Conditions in the manufacturing sector, Meitec Group's main customer segment

- Investment in development and capital investment are both strong, irrespective of business sector.
- But some companies and businesses are trimming budgets.

2. Conditions in Meitec's principal market (temporary engineering staff business)

- The climate for orders continues to be strong.
- Client companies are hiring more permanent staff, but that is not affecting orders for staffing .

The Meitec Group's most important business issue is increasing engineers, and in that respect, the strategic shift to mid-career recruitment is beginning to firm up (see latter).

<Consolidated Results For the FY2007>

(Million of Yen)

		Net Sales	Operating Income	Ordinary Income	Net Income
Results of Interim Period	FY2007	42,009	5,929	5,889	-2,702
	FY2006	40,723	5,935	5,996	3,250
	Change(%)	3.2%	-0.1%	-1.8%	-
Results of Fiscal Year	FY2007	82,229	11,581	11,487	295
	FY2006	83,223	12,485	12,562	5,302
	Change(%)	-1.2%	-7.2%	-8.6%	-94.4%

* Note: Main reason for decline is the sale of the U.S. firm Novations Group Inc.

<Extraordinary Losses in the FY2007>

<Consolidated>

Impairment loss due to decrease of DBM-J's goodwill: - 4,292 million yen

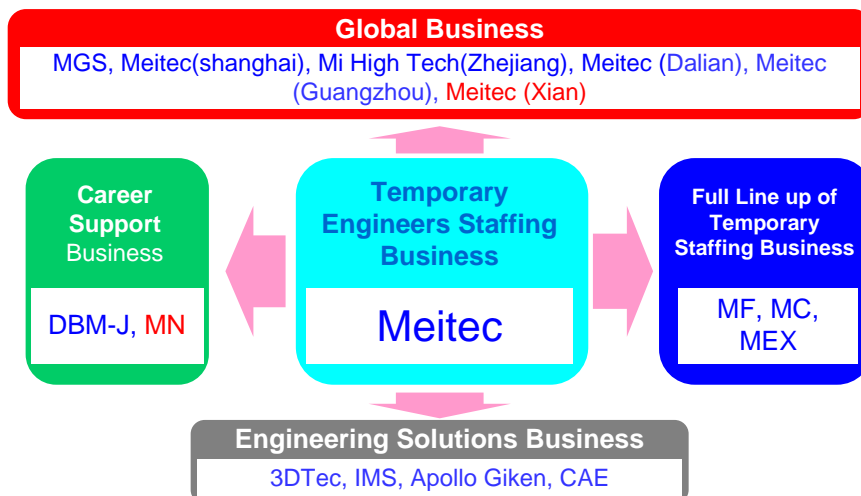
➡ Resulting from impairment tests conducted by the auditors at each accounts closing.

Loss on sales of foreign operations: -673 million yen

➡ Sale of the U.S. firm Novations Group Inc.

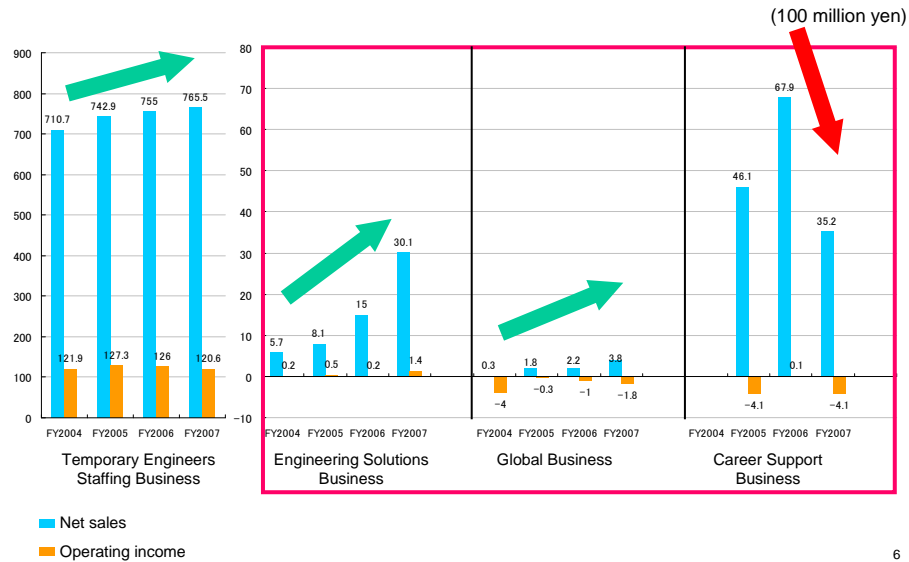
<Meitec Group's Business Domain Expansion Strategy in Global Vision21>

Strategy for expanding the group's business domains through utilization of Meitec's brand name, engineer resources and marketing channels.



Meitec (Xian), Meitec Next
:Established in FY2007

<Growth in the four Meitec Group's business domains>



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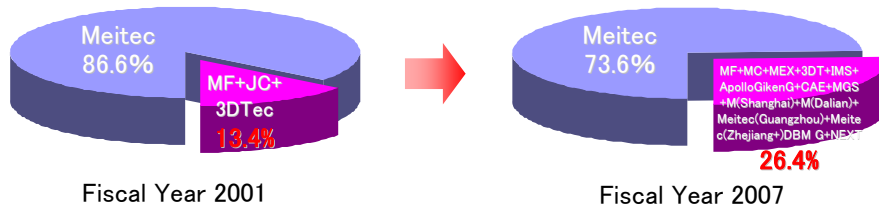
<Meitec Group Results For the FY2007>

(million yen)

		Net Sales	Change	Operating Income	Change	Ordinary Income	Change	Net Income	Change
Full year	Meitec(MT)	61,795	0.6%	10,621	-4.6%	15,500	34.1%	-83	-
	Meitec Fielders(MF)	10,748	3.5%	1,308	-4.5%	1,310	-4.6%	768	-5.9%
	Meitec Cast(MC)	3,919	3.7%	174	-19.6%	175	-18.9%	98	-23.7%
	Meitec Experts(MEX)	87	-	-39	-	-39	-	-39	-
	3 D Tec(3DT)	614	22.6%	52	20.9%	52	20.9%	28	20.3%
	IMS	409	2.1%	4	-78.0%	4	-78.2%	2	-81.6%
	Apollo Giken	1,478	122.1%	21	-	20	-	16	-
	Meitec CAE(CAE)	508	-	70	-	70	-	40	-
	Meitec Global Solutions(MGS)	337	73.6%	-85	-	-85	-	-85	-
	Meitec Shanghai	27	7.2%	-21	-	-22	-	-22	-
	Meitec Dalian	14	213.6%	-41	-	-42	-	-42	-
	Meitec Guangzhou	2	-	-30	-	-32	-	-32	-
	Meitec Zhejiang	3	-	-8	-	-8	-	-8	-
	DBM-Japan Group(DBM)	3,518	-48.2%	-214	-	-242	-	-1,025	-
	Meitec Next(NEXT)	8	-	-198	-	-198	-	-199	-
Consolidated	82,229	-1.2%	11,581	-7.2%	11,487	-8.6%	295	-94.4%	

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<Growth in Group Net sales FY2007>



*Meitec's group strategy was launched from fiscal year 2001

(Hundred Million of Yen)

	Fiscal 2001	Fiscal 2007	Change	Change(%)
Meitec	555.4	617.9	62.5	11.3%
Other Group Companies	85.7	216.7	131.0	152.9%
Consolidated NetSales	640.7	822.2	181.5	28.3%
Composition Ratios of Other Group Companies ※	13.4%	26.4%	-	-

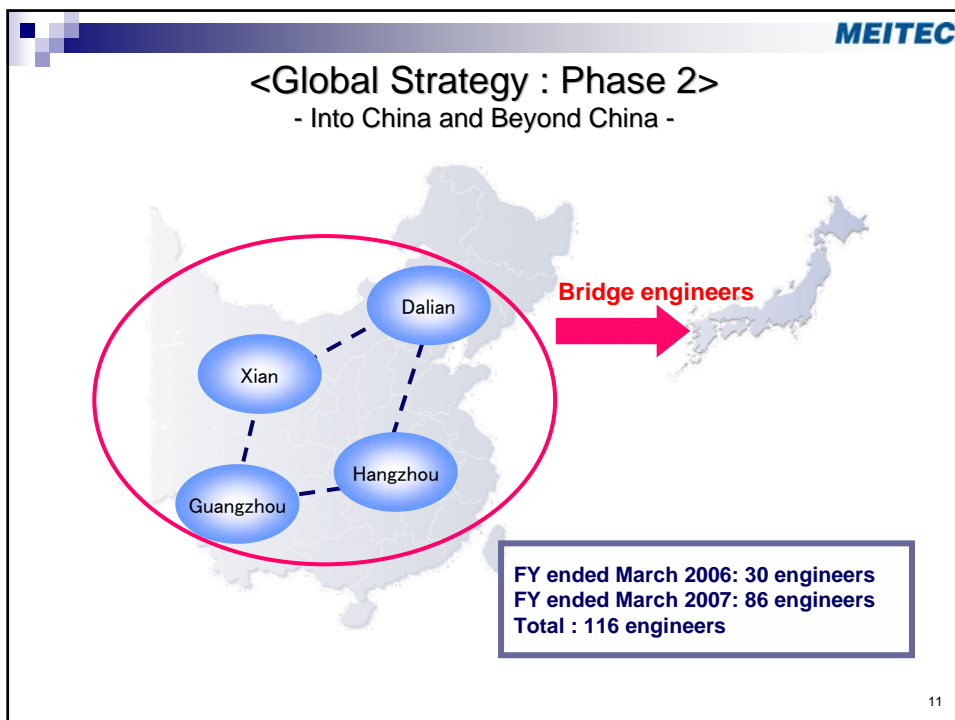
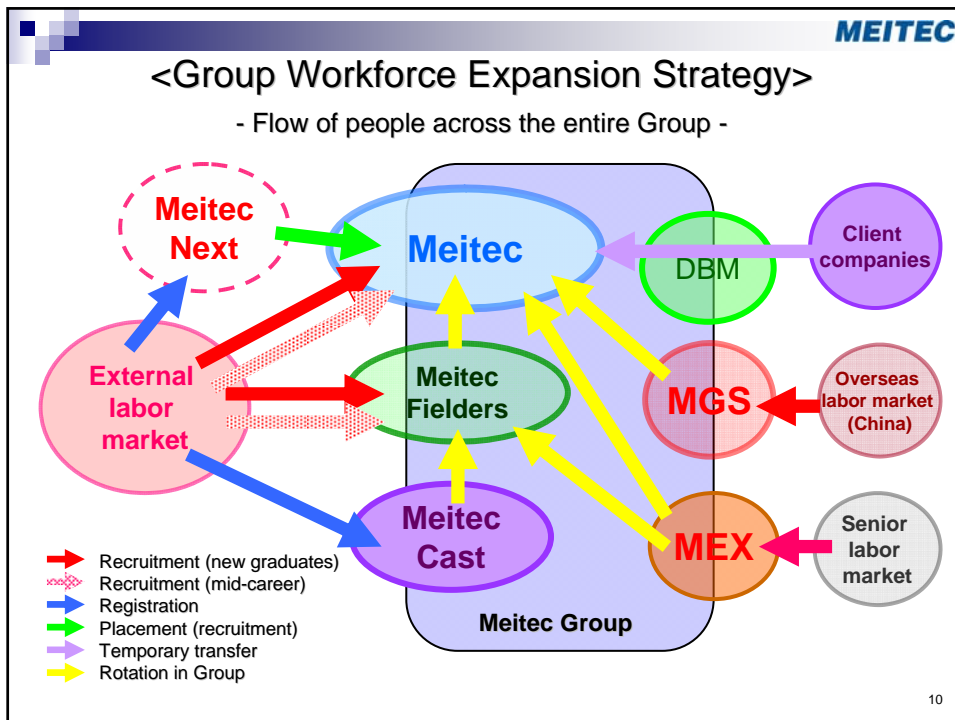
*Amounts for each companies are non-consolidated basis

<Personnel Increases in FY2007>

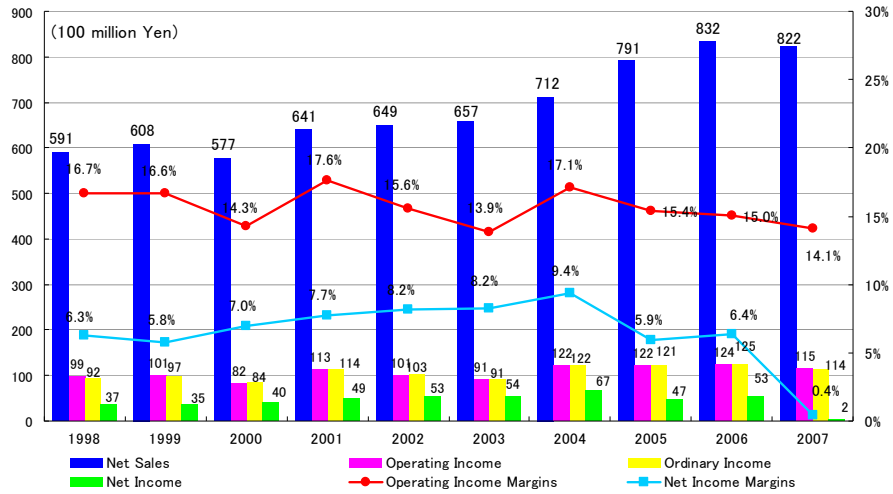
Shortfall in recruitment of new graduates supplemented by mid-career hires

		FY2006	FY2007	
new graduates	Meitec	272	282	
	MF	182	167	
	total	454	449	
mid-career	Meitec	61	148	+173 from the previous year
	MF	20	106	
	total	81	254	
Bridge engineers		30	86	
Meitec Next		-	2	
Meitec Experts		-	23	
O&O		6	12	+255 from the previous year
Total		571	826	

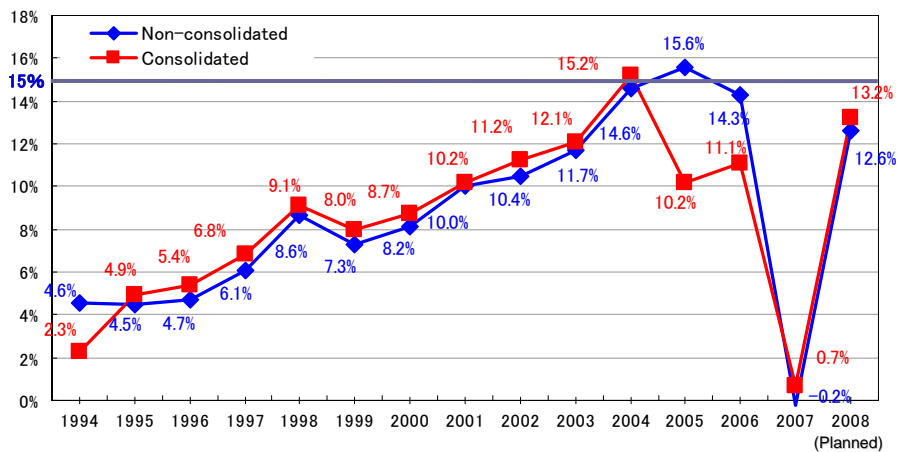
➡ Strategies to strengthen mid-career recruitment contributed to personnel increase



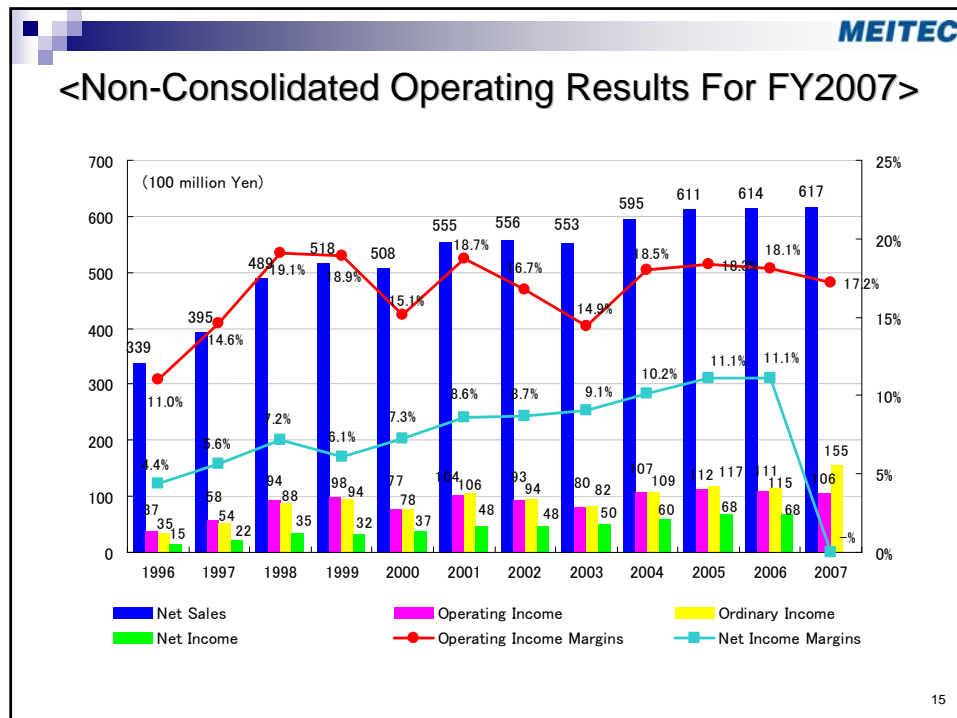
<Consolidated Operating Results For the FY2007>



<Return on Equity (ROE) From the FY1994 to the FY2007>



Report of Meitec <Non-Consolidated>



<Breakdown of Non-consolidated Net Sales>

Meitec's non-consolidated net sales
 = 61.79 billion yen
 = Core Business (Temporary engineers staffing business)
 + **New Business (Gateway Business)**
 = 60.83 billion yen + 0.96 billion yen

* Net sales of new business in previous year were 0.62 billion yen.

* Net sales from new businesses are primarily from the cooperative marketing results with 3D Tec, IMS, Meitec Global Solutions and Meitec CAE and customer transactions were posted to Meitec's account.

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 <Core Business (Temporary engineers staffing business) Results FY2007>
 - Meitec & MF Results Data -

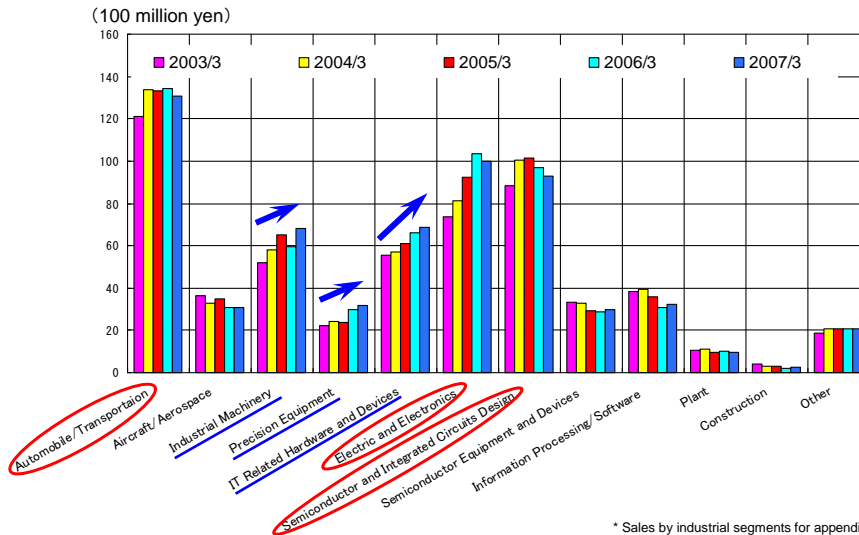
* Meitec + Meitec Fielders (Net sales 72.5 billion Yen, 88.2% of Consolidated Net Sales)

	Meitec + MF	Meitec	Meitec Fielders
Utilization Ratio	97.6%	97.7%	97.1%
	97.9%	98.1%	97.3%
Operating Hours	-	9.21h/day	9.33h/day
	-	9.23h/day	9.33h/day
Average Rate Revision	-	1.8% up	3.0% up
	-	1.5% up	2.3% up
Number of Engineers	7,110	5,776	1,334
	7,060	5,755	1,305

※ Lower figure is the previous year's result

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<Comparison of Sales Trend by the Industrial Segments>



<Top 10 Clients by Sales and Shares of Net Sales>
(Non-consolidated)

< Five years ago >

< Current > (million yen)

Companies Name			Companies Name			Companies Name		
1	Sony Corp.		1	Matsushita Electric		1	Matsushita Electric	
2	Seiko Epson		2	Sony Corp.		2	Sony Corp.	
3	Matsushita Electric		3	Canon Inc.		3	Canon Inc.	
4	Mitsubishi Heavy		4	Toyota Motor		4	Mitsubishi Heavy	
5	Canon Inc.		5	Omron Corp.		5	Toyota Motor	
6	Toyota Motor		6	Mitsubishi Heavy		6	Omron Corp.	
7	Nikon Corp.		7	Nikon Corp.		7	Nikon Corp.	
8	Jatoco T.T.		8	Seiko Epson		8	Denso Corporation	
9	Omron Corp.		9	Denso Corporation		9	Seiko Epson	
10	Kawasaki Heavy		10	Kawasaki Heavy		10	Kawasaki Heavy	
Top 10 Total	19,462	35.0%	Top 10 Total	21,059	34.3%	Top 10 Total	20,875	33.8%
Top 20 Total	26,357	47.4%	Top 20 Total	28,099	45.7%	Top 20 Total	27,315	44.2%
Others	29,281	52.6%	Others	33,326	54.3%	Others	34,480	55.8%
Total	55,638	100.0%	Total	61,425	100.0%	Total	61,795	100.0%

<Current status and future of the engineering staffing market>

Fake contractor issue apparent since last year

➔ Elimination of problem contractors

Future moves

➔ Select appropriate companies and cull

Japan Engineering Outsourcing Association established in February 2007

➔ Five listed companies representing the industry are the proponents, and the focus of activities is building a healthy industry.

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<Status of Global Vision21>

1. Expansion of staff business with temporary engineering staff business at the core

* Increase personnel for MEITEC + Meitec Fielders (MF) + Meitec Cast (MC)
+ MGS + MEX

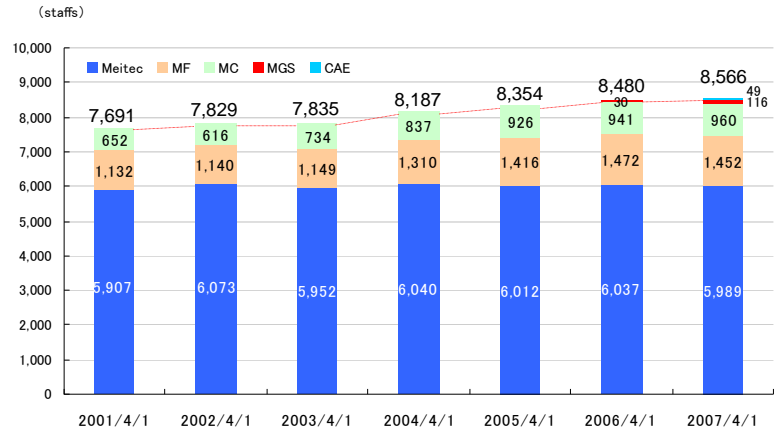
2. Expansion of gateway business with temporary engineering staff business at the core

* Foray into solutions business, in addition to staff business

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<Status of Global Vision 21>

- Trend in Number of Staffs<Meitec + MF + MC + MGS + CAE> -

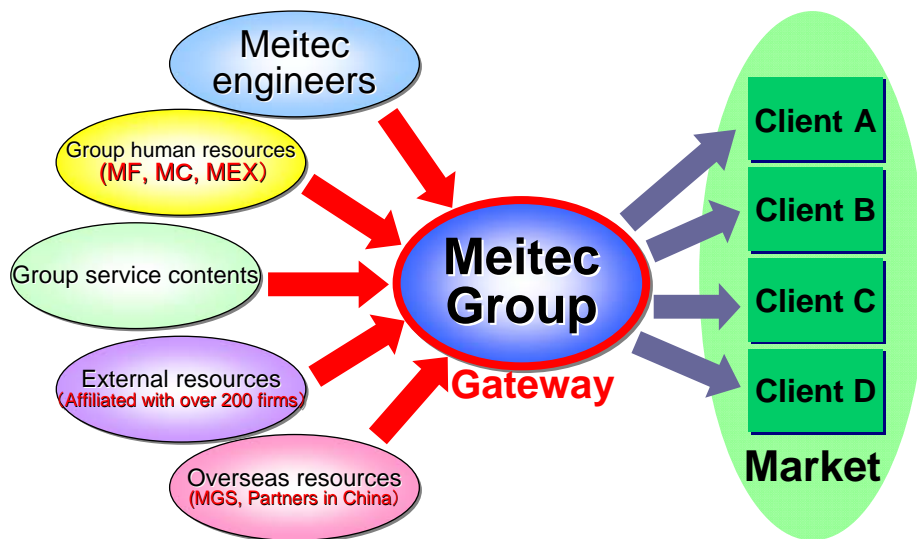


Group currently shifting to personnel increase model

※ Meitec cast's number is that of registered employees on job.

<Status of Global Vision 21>

- Gateway for the Resources and Services-



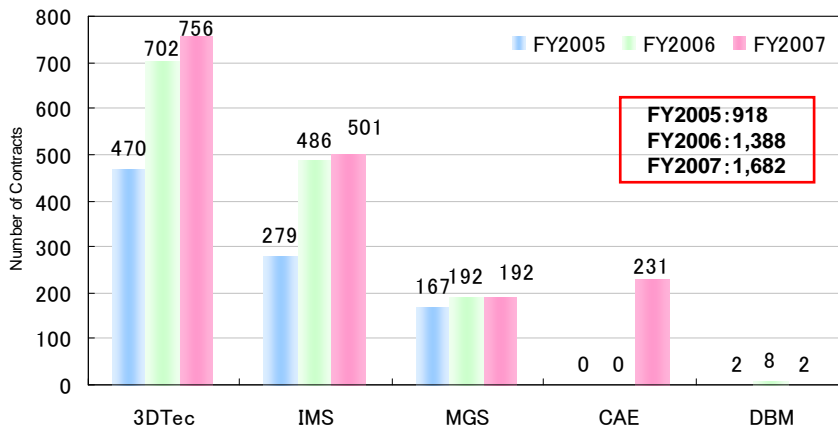
<Results of Gateway Strategy (Group collaboration)>
- Number of orders -

<Establishment of Cross-selling structure>

<Number of Orders> Apr. 2006 to Mar. 2007

→	Meitec	MF	MC	MEX	3DTec	IMS	AP	MGS	CAE	DBM	Total	Previous fiscal year
Meitec		415	606	52	898	608	33	254	255	26	3,147	3,118
MF			86		68	11		10		2	177	263
MC		12								2	14	117
MEX			2								2	
3DTec		1	1			3		14			19	5
IMS					4			1			5	
AP	1										1	
MGS	3		1		1					1	6	33
CAE												
DBM	18	5	48					1			72	60
Total	22	433	744	52	971	622	33	280	255	31	3,443	
Previous fiscal year	162	763	903		805	582		295		86		3,596

<Results of Gateway Strategy (Group collaboration)>
-Number of contracts-



<Forecasts; Fiscal Year Ending March 31, 2008>

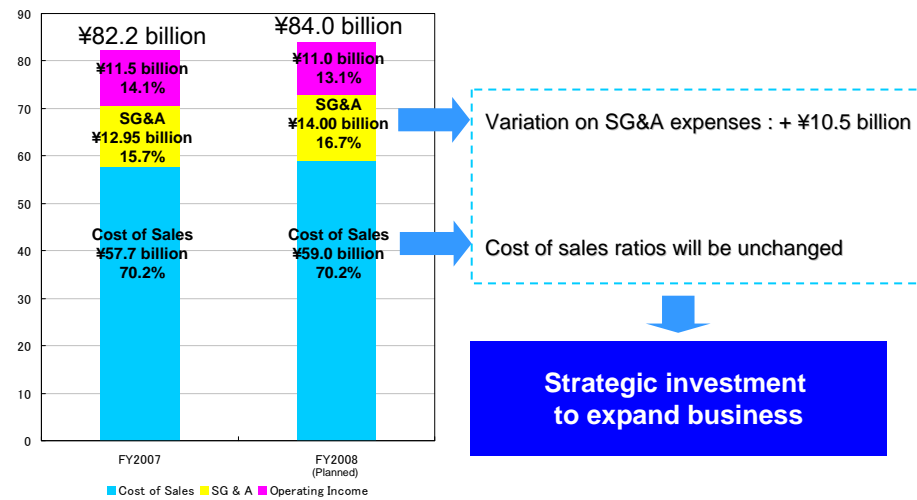
(Millions of Yen)

		Net Sales	Operating Income	Ordinary Income	Net Income
Consolidated	Interim FY2008	40,500	5,000	5,000	2,500
	Interim FY2007	42,009	5,929	5,889	-2,702
	Change(%)	-3.6%	-15.7%	-15.1%	-
	FY2008	84,000	11,000	11,000	* 5,000
	FY2007	82,229	11,581	11,487	295
Change(%)	2.2%	-5.0%	-4.2%	1593.4%	
Non-consolidated	Interim FY2008	31,000	4,700	5,000	2,700
	Interim FY2007	30,799	5,353	9,745	-3,379
	Change(%)	0.7%	-12.2%	-48.7%	-
	FY2008	63,000	10,200	10,500	4,800
	FY2007	61,795	10,621	15,500	-83
Change(%)	1.9%	-4.0%	-32.3%	-	

* Extraordinary losses (consolidated and non-consolidated) recorded for FY2008 included, respectively, ¥1.0 billion to shift Meitec's retirement bonus system from a defined-benefit to defined-contribution type, and ¥0.5 billion for retirement of Meitec Corporation's existing IT system in preparation for a system renewal (planned for April 2008)

<Factors Affecting Forecasts for FY2008 (1)>

(billion yen)



<Factors Affecting Forecasts for FY2008 (2)>

<Increase in SG&A expenses: ¥1,050 million>

Increase in strategic investments for business expansion: +¥1,300 million

Decrease in existing costs: -¥250 million



<Breakdown of Strategic Investments>

1. Strengthening of Existing Business

Strengthening recruitment for the staff business: ¥700 million

* Meitec: ¥500 million; Meitec Fielders: ¥200 million

2. New Business Development

- Increase in number of bridge engineers: ¥120 million

- Establishment of Meitec Next
(Job placement business): ¥350 million

3. Increase in Group Office Locations

Establishment of new domestic offices: ¥130 million

Total
¥1,300 million

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<Precondition for the Forecasts of the FY2008>

- Meitec+MF+MGS -

		Meitec	MF	MGS
Utilization Ratio	First Half	96.7%	94.6%	68.7%
	Second Half	97.9%	97.0%	72.3%
	Fiscal Year	97.3%	95.8%	70.9%
Assignment of New Graduate		100% by end of August	100% by end of August	—
Operating Hours per day (Average for the year)		9.18h/day	9.26h/day	9.18h/day
Rate Revision (Compared to the previous year)		1.8% up	3.0% up	3.0% up
Mid-career Recruitment during fiscal year		350	200	130 (*)

* Per annum increase in number of bridge engineers

Reference	Meitec	MF	Total
New graduates Recruitment as of April 2008(planned)	220	180	400

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<Forecasts; Fiscal Year Ending March 31, 2008>

(Millions of Yen)

	Net Sales	Operating Income	Ordinary Income	Net Income	
Interim Period	Meitec	31,000	4,700	5,000	2,700
	Meitec Fielders	5,500	500	500	250
	Meitec Cast	2,000	100	100	50
	Meitec Experts	70	-20	-20	-20
	3D Tec	360	30	30	15
	IMS	220	-10	-10	-10
	Apollo Giken Group	780	-5	-5	-5
	Meitec CAF	280	30	30	20
	Meitec Global Solutions	400	-20	-20	-20
	Meitec Shanghai	30	0	0	0
	Meitec Dalian	25	0	0	0
	Meitec Guanzhou	15	-10	-10	-10
	Meitec Zhejiang	20	0	0	0
	Meitec Xian	10	-10	-10	-10
	DBM-Japan	700	-50	-50	-70
	Meitec Next	75	-170	-170	-170
Consolidated	40,500	5,000	5,000	2,500	
Fiscal Year	Meitec	63,000	10,200	10,500	4,800
	Meitec Fielders	11,300	1,100	1,100	600
	Meitec Cast	4,200	200	200	100
	Meitec Experts	200	-25	-25	-25
	3D Tec	740	60	60	35
	IMS	500	0	0	0
	Apollo Giken Group	1,650	25	25	15
	Meitec CAF	630	65	65	40
	Meitec Global Solutions	1,030	30	30	30
	Meitec Shanghai	80	15	15	15
	Meitec Dalian	60	0	0	0
	Meitec Guanzhou	50	-10	-10	-10
	Meitec Zhejiang	40	0	0	0
	Meitec Xian	20	-10	-10	-10
	DBM-Japan	1,650	0	0	-20
	Meitec Next	340	-220	-220	-220
Consolidated	84,000	11,000	11,000	5,000	

*Amounts for each company are non-consolidated basis

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<Resetting Global Vision 21 goals>

New numeric targets will be announced next year.


Basic vision for growth.



Based on establishment of an organic growth model

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<Targets of number of engineers for new business (within three to four years)>

Bridge engineer business (MGS)	- bring in at least 300 engineers per year
Seniors staffing business (MEX)	- build up a cadre of 200 seniors
Job placement (NEXT)	- at least 1,200 engineers per year
 The number of placement in Meitec Group out of above	- 300 engineers per year

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<Measures to Improve the Capital Efficiency & Returns to shareholders >

Planned amounts in the retirement of treasury stock = ¥ 3.1 billion



**Funds for retirement of treasury stock =
 (cash position at end of fiscal year)
 - (the group's Net sales for 2 month)
 =17.1 billion yen – 14.0 billion yen
 =3.1 billion yen**

※ It is our policy to carry out treasury stock acquisitions during each fiscal half-year in which no large-scale investments are made, to the value of 50% of the planned annual amount. Consequently, during the interim period ending September 30, 2007, we plan to carry out treasury stock acquisitions totaling ¥1.55 billion. Furthermore, if there are no large-scale investments pending as of October 2007, we will carry out additional treasury stock acquisitions totaling ¥1.55 billion during the six-month period ending March 31, 2008.

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<Additional matters relating to returns to shareholders>

The company's returns to shareholders are achieved by the following two means, based on a consolidated cash management.

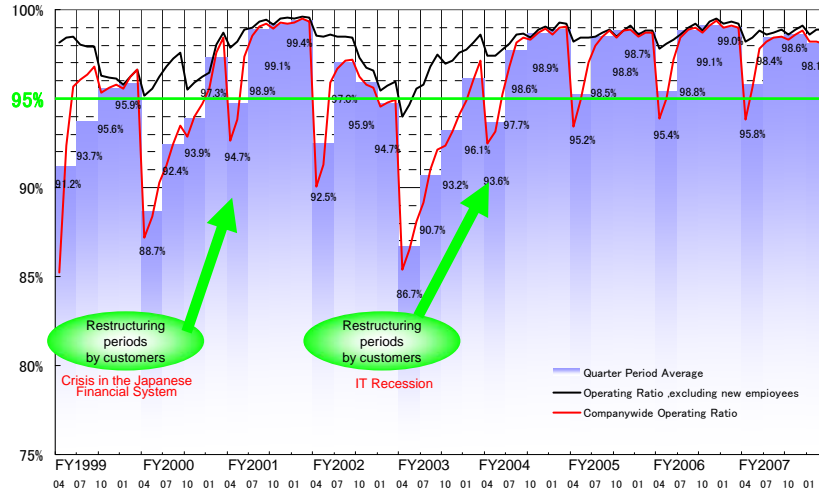
1. Distribution of at least 50% of consolidated net income for the period
2. Retire of shares by the cash that amounts twice or more of the consolidated monthly sales

At the annual shareholder's meeting due to be held in June 2007, it is intended to propose that the non-consolidated retained earnings (In order to secure financial resources for payment of dividends) and capital surplus (In order to secure financial resources for retirement of stock) be drawn down, because as of May 2007, the amount of dividend following the above policies will exceed non-consolidated capital funds available for dividend for there is a legal requirement for shareholder returns to be on non-consolidated bases.

<Summary for Meitec Group>

Meitec (Shanghai)		Meitec Global Solutions	
FY 2007 Net Sales	¥10,748Million	FY 2007 Net Sales	¥373Million
Capitalization	¥288Million	Capitalization	¥200Million
Employees	1,528	Employees	124
Establishment	December, 1979	Establishment	April, 2003
Business Description	Temporary engineering staff business	Business Description	International outsourcing services
Meitec Cash		Meitec (Shanghai)	
FY 2007 Net Sales	¥3,819Million	FY 2007 Net Sales	¥27Million
Capitalization	¥100Million	Capitalization	¥1,200,000
Employees	80	Employees	8
Establishment	February, 2000	Establishment	September, 2003
Business Description	Registered-style temporary staffing business and employment agency	Business Description	Corporate management consultation
Meitec (Beijing)		Meitec (Chengde)	
FY 2007 Net Sales	¥37Million	FY 2007 Net Sales	¥14Million
Capitalization	¥100Million	Capitalization	RMB 8,000,000
Employees	4	Employees	12
Establishment	April, 2006	Establishment	November, 2004
Business Description	Temporary senior engineering staff business	Business Description	Training business in China
3D Tec		Meitec (Changzhou)	
FY 2007 Net Sales	¥614Million	FY 2007 Net Sales	¥2Million
Capitalization	¥291Million	Capitalization	RMB 8,000,000
Employees	24	Employees	12
Establishment	December, 2000	Establishment	December, 2005
Business Description	R&D support utilizing 3-D CAD design services	Business Description	Training business in China
Mei		Meitec (Xi'an)	
FY 2007 Net Sales	¥409Million	FY 2007 Net Sales	¥3Million
Capitalization	¥10Million	Capitalization	RMB 9,000,000
Employees	24	Employees	14
Establishment	September, 1983	Establishment	July, 2004
Business Description	Designing and manufacturing printed circuits board	Business Description	Training business in China
Apollo Silicon		Meitec (Xian)	
FY 2007 Net Sales	¥1,474Million	FY 2007 Net Sales	-
Capitalization	¥311Million	Capitalization	¥1,200,000
Employees	177	Employees	13
Establishment	August, 1978	Establishment	September, 2006
Business Description	Designing and manufacturing printed circuits board	Business Description	Training business in China
Meitec (Zhejiang) (Hangzhou)		Meitec (Beijing)	
FY 2007 Net Sales	¥53Million	FY 2007 Net Sales	¥1,981Million
Capitalization	¥25,000	Capitalization	¥450Million
Employees	37	Employees	183
Establishment	August, 1997	Establishment	October, 1982
Business Description	Designing and manufacturing printed circuits board	Business Description	Outplacement Service
Meitec (GAE)		Meitec (Nant)	
FY 2007 Net Sales	¥268Million	FY 2007 Net Sales	¥8Million
Capitalization	¥100Million	Capitalization	¥400Million
Employees	48	Employees	22
Establishment	April, 2006	Establishment	July, 2006
Business Description	Contract work and temporary staffing related to structural analysis	Business Description	Job placement for engineers

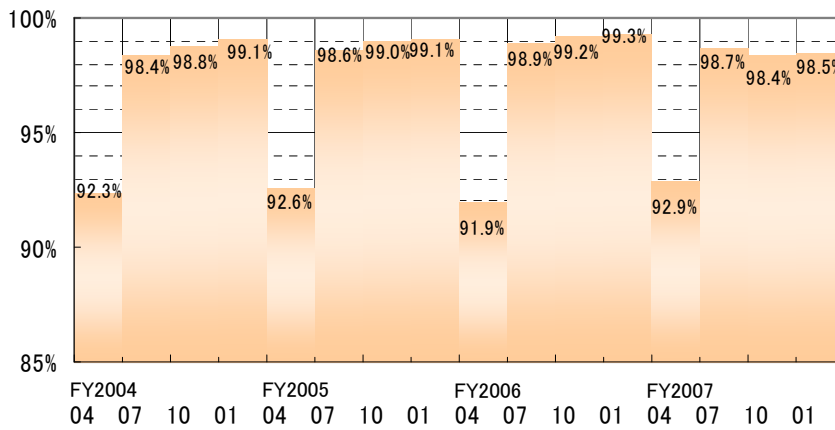
<Utilization Ratio (Non-Consolidated)>



* Meitec Fielders Utilization Date is on appendix

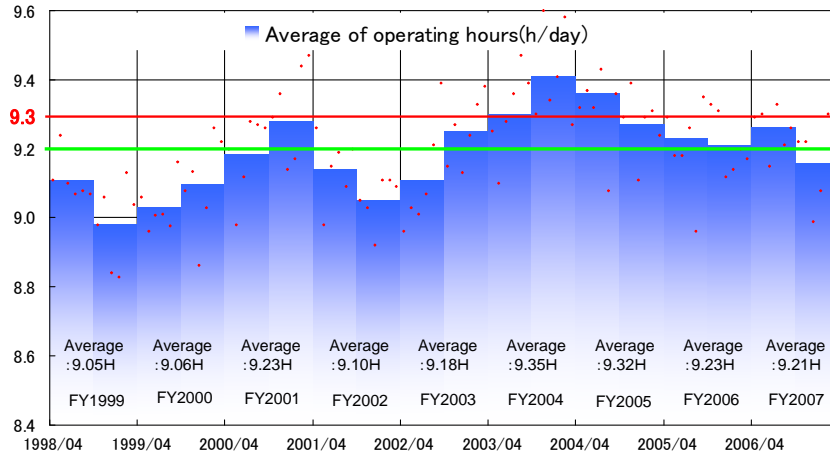
(Appendix-2)

<Utilization Ratio (Meitec Fielders)>



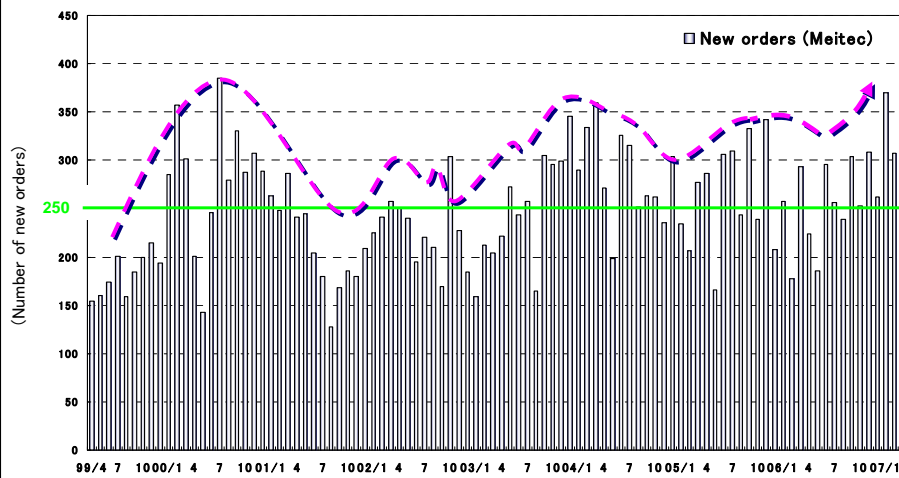
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<Operating Hours (Non-Consolidated)>



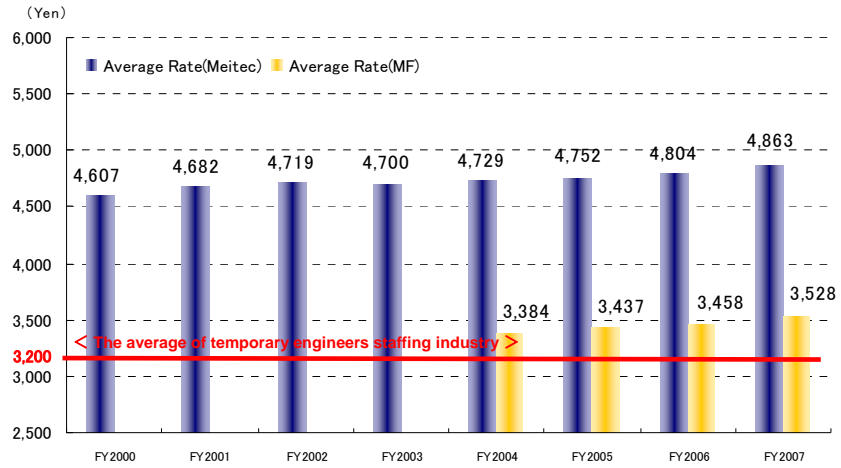
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<Trend in New Orders by Month (Non-Consolidated)>



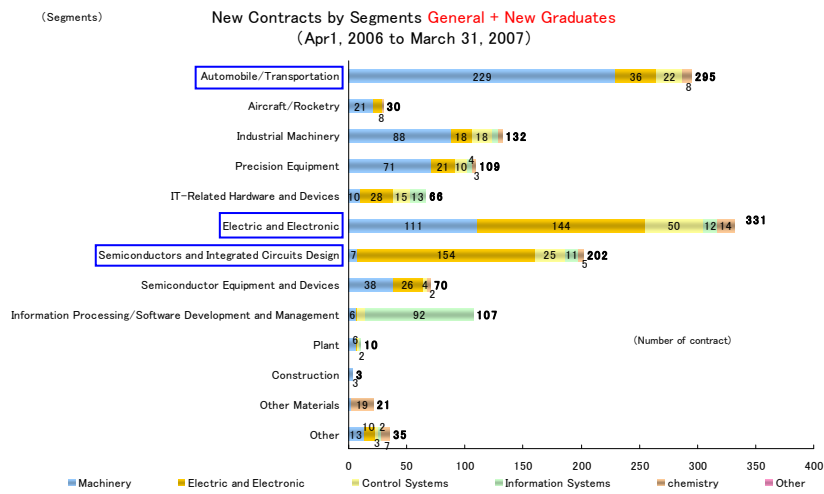
(Appendix-5)

<Trend in Average Rate (Meitec, MF)>



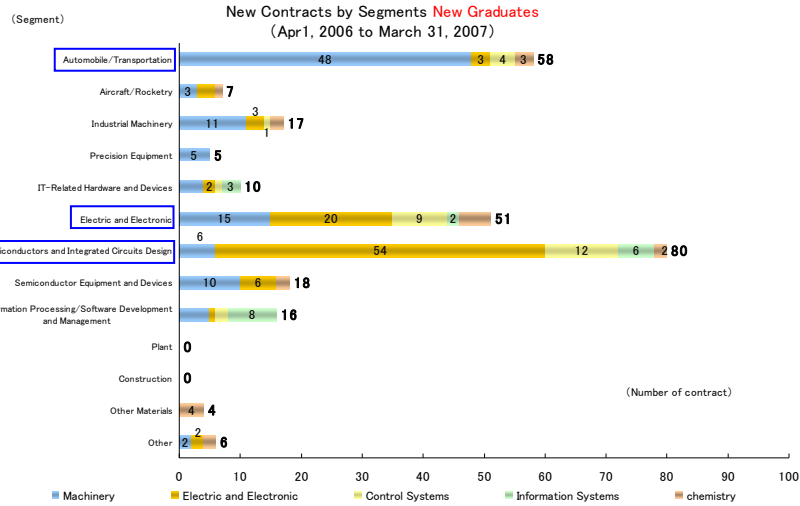
(Appendix-6)

<New Contract by the Industrial Segments> - General + New Graduates -



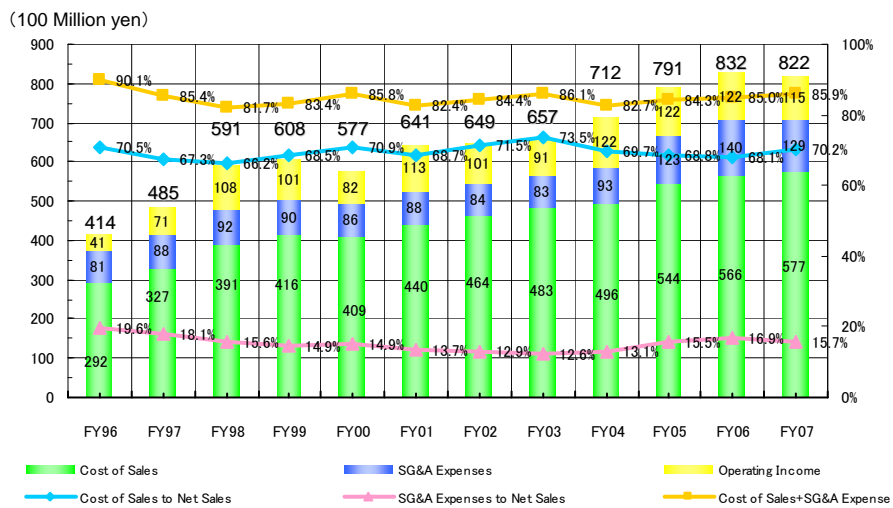
(Appendix-7)

<New Contract by the Industrial Segments> - New Graduates -



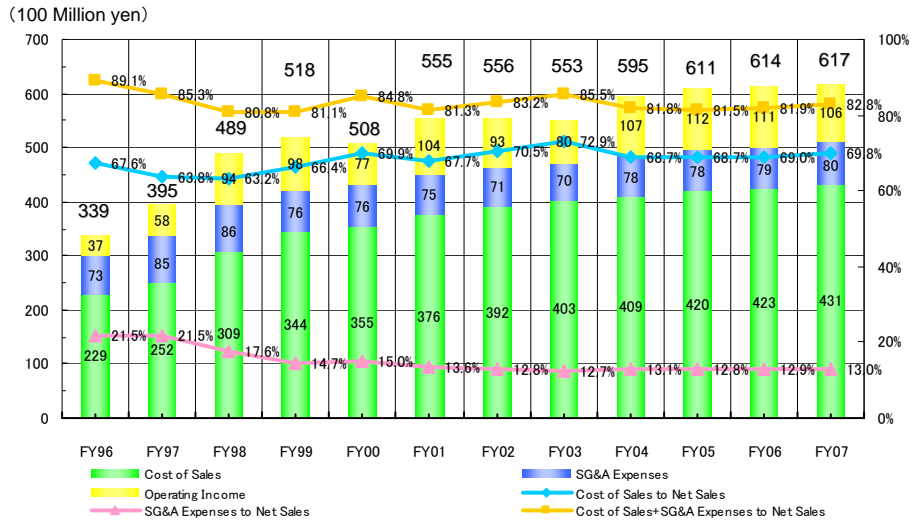
(Appendix-8)

<Consolidated SG&A Expenses and Cost of Sales, and Their Ratio to the Sales>



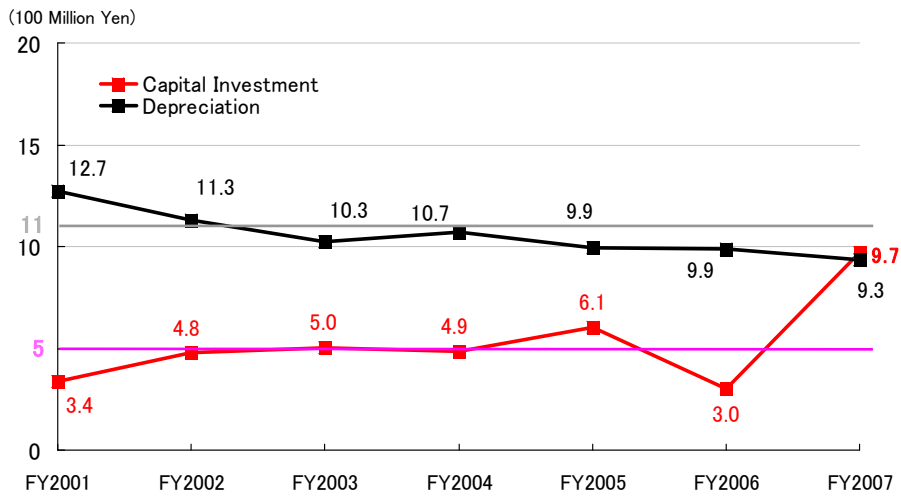
(Appendix-9)

<Non-Consolidated SG&A Expenses and Cost of Sales, and Their Ratio to the Sales>



(Appendix-10)

<Capital Investments and Depreciations (Non-Consolidated)> - From the FY2001 to the FY2007 -



(Appendix-11)

<Sales by the Industrial Segments (Non-Consolidated)>

(Millions of yen)

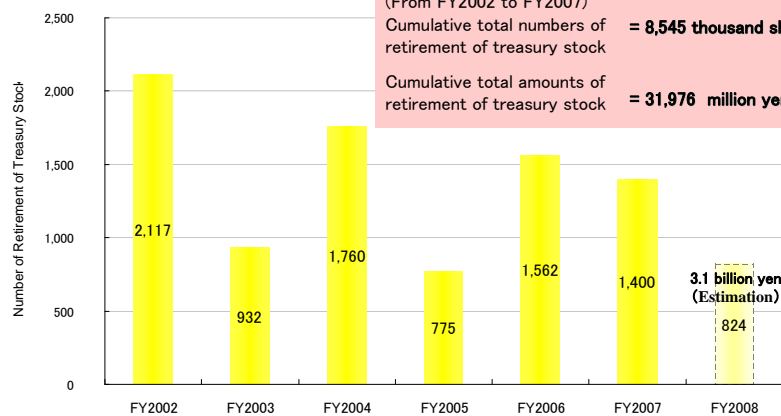
Segment	Fiscal 2003	Fiscal 2004	Fiscal 2005	Fiscal 2006	Fiscal 2007				
	Net Sales				Net Sales	Total Net Sales(%)	Change	Change (%)	
Automobile/Transportation	12,090	13,391	13,324	13,432	13,083	21.2%	-348	-2.6%	↓
Aircraft/Aerospace	3,656	3,296	3,470	3,090	3,086	5.0%	-4	-0.1%	↓
Industrial Machinery	5,213	5,810	6,501	5,982	6,814	11.0%	831	+13.9%	↑
Precision Equipment	2,215	2,434	2,385	2,963	3,194	5.2%	231	+7.8%	↑
IT Related Hardware and Devices	5,529	5,685	6,124	6,609	6,845	11.1%	236	+3.6%	↑
Electric and Electronics	7,359	8,127	9,269	10,333	9,993	16.2%	-339	-3.3%	↓
Semiconductors and Integrated Circuits Design	8,819	10,066	10,146	9,680	9,274	15.0%	-406	-4.2%	↓
Semiconductor Equipment and Devices	3,346	3,288	2,944	2,871	2,983	4.8%	112	+3.9%	↑
Information Processing/Software	3,859	3,922	3,588	3,105	3,227	5.2%	121	+3.9%	↑
Plant	1,041	1,111	984	999	937	1.5%	-62	-6.2%	↓
Construction	384	322	301	260	261	0.4%	1	+0.4%	↑
Others	1,862	2,061	2,070	2,095	2,092	3.4%	-2	-0.1%	↓
Total	55,379	59,518	61,109	61,425	61,795	100.0%	369	-	-

※ Yellow ink ; up compared to previous year

(Appendix-12)

<Results of Acquisition and Retirement of Treasury Stock>

(Thousands of share)



*Number of retirement of treasury stock for fiscal year 2008 was calculated average of closing price for the past three months (from February to April in 2007).

*A total of 3,799,950 new shares were issued in October 2004 for a share exchange with Drake Beam Morin-Japan, Inc.

(Appendix-13)

<Shareholders by Business Segments (Non-Consolidated)>

Shareholder Segment	(As of the Fiscal year ended March 31, 2007)			
	Shareholders	%	Shares Held	%
Banks	10	0.12%	1,476,401	4.17%
Trust Banks	27	0.32%	8,293,200	23.40%
Life and against loss insurance companies	26	0.31%	4,932,283	13.92%
Securities financing and other financial companies	12	0.14%	78,660	0.22%
Securities companies	29	0.34%	186,574	0.53%
Business concerns and other companies	148	1.75%	412,751	1.16%
Overseas companies and investors	213	2.53%	15,822,022	44.64%
Individuals and others	7,969	94.49%	4,240,364	11.96%
Total	8,434	100.0%	35,442,255	100.0%

(Appendix-14)