

Results for the First Quarter ended June 30, 2007

Meitec Corporation

Consolidated

1. Results for the First Quarter (April 1, 2007 to June 30, 2007)

(1) Consolidated operating results

Percentages indicate year-on-year increase/ (decrease)

	Net Sales		Operating Income		Ordinary Income		Net Income	
	Millions of Yen	%	Millions of Yen	%	Millions of Yen	%	Millions of Yen	%
First Quarter FY 2008	19,935	-5.3%	2,470	-16.5%	2,501	-14.6%	1,330	-19.5%
First Quarter FY 2007	21,060	5.8%	2,956	13.9%	2,931	11.8%	1,651	29.2%
FY2007(Full Year)	82,229	-	11,581	-	11,487	-	295	-

	Net Income per Share	Diluted Net Income
	Yen	Yen
First Quarter FY 2008	37.80	37.80
First Quarter FY 2007	45.20	45.19
FY2007(Full Year)	8.20	8.20

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio	Net assets per share
	Millions of Yen	Millions of Yen	%	Yen
First Quarter FY 2008	55,426	38,476	69.0	1,086.76
First Quarter FY 2007	63,218	46,692	73.6	1,272.67
FY2007(Full Year)	57,479	38,683	66.9	1,092.80

(3) Consolidated cash flows

	Cash flows from operating activities	Cash flows from investing activities	Cash flows from financial activities	Cash and cash equivalents at end of year
	Millions of Yen	Millions of Yen	Millions of Yen	Millions of Yen
First Quarter FY 2008	-62	-666	-1,485	11,781
First Quarter FY 2007	-1,546	-78	-1,684	13,976
FY2007(Full Year)	6,010	-955	-8,366	13,977

2. Dividends

Considering recent operating results, etc., the Company has made no change to dividend projections as announced May 10, 2007. The Company does not make quarterly dividend distributions.

Dividends per share (Record date)					Total
	First quarter dividends Yen	Interim dividends Yen	Third quarter dividends Yen	Year-end dividends Yen	Yen
Years ended FY 2007	—	44.00	—	45.00	89.00
First Quarter FY 2008	—				
Years ending FY 2008 (Forecast)		35.50	—	35.50	71.00

3. Forecasts for Fiscal Year ending March 31, 2008 (Reference)

(Percentages are fiscal year vs. prior fiscal year, and interim vs. prior fiscal year interim)

	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
Interim period	40,500	-3.6	5,000	-15.7	5,000	-15.1	2,500	—	71.05
Fiscal year	84,000	2.2	11,000	-5.0	11,000	-4.2	5,000	1,593.4	142.10

First Quarter operating results have progressed generally in line with initial plans. Accordingly, the Company has not revised operating projections.

For more detail related to projections of Company operating results as of this date, please see the Company's May 10, 2007 announcement of the FYE March 2007 Financial Results and the Company's IR data posted on the Meitec Corporation website.

4. Others

- (1) Significant changes involving subsidiaries during the term : Yes No
 (changes in specified subsidiaries that affected the scope of consolidation)
 [Newly added subsidiaries (Company name) Eliminated subsidiaries (Company name)]
- (2) Significant changes in the adoption of simplified accounting : Yes No
 methods
- (3) Significant changes involving accounting methods from recent : Yes No
 consolidated fiscal years

[Note: See page 9 "Qualitative Information/ Financial Statements 4. Other" for more details.]

[Qualitative Information/ Financial Statements]

1 . Qualitative Information related to Consolidated Operating Results

Consolidated Operating Results

For the three-month period representing the First Quarter of FYE March 2008, the Company recorded revenues of 19,935 million yen, or a decline of -5.3% when compared with the First Quarter of the prior fiscal period. This decrease is mainly attributed to the August 2006 sale of Novations Group Inc. and the associated decrease in revenues. At the same time, the sale of the entity served to reduce latent downside risk in the Career Support Business segment.

Consequently, Operating Income were 2,470 million yen, respectively, respective decreases of -16.5% compared to the same quarter in the prior fiscal period.

Ordinary Income and Net Income for the First Quarter of the current fiscal year was 2,501 million and 1,330 million yen, or -14.6% and -19.5% decrease compared to the First Quarter of the prior fiscal period. However, the Company projects a Net Income (profits) of 2.5 billion yen for the current Interim Period, compared to net loss (deficits) of 2.702 billion yen recorded in the same period of the prior fiscal year, supported by the elimination of losses accompanying the elimination of risk factors in Career Support Business segment, the steady increase in engineering staff in our core business of the Temporary Staffing Business segment, and the continued achievement of high utilization ratios.

[Reference 1] Overview of First Quarter Operating Results by Segment (April 1, 2007 through June 30, 2007)

(Nearest 1 million yen)	Group Consolidated	Temporary Staffing Business	Engineering Solutions Business	Global Business	Career Support Business	Intercompany Eliminations
Net Sales	19,935	18,788	829	124	378	-185
%	100.0%	94.2%	4.2%	0.6%	1.9%	-0.9%
Indicate year-on-year increase/ (decrease)	-1,125	-118	+122	+67	-1,153	-42
%	-5.3%	-0.6%	+17.4%	+117.6%	-75.3%	+30.0%
Operating Income	2,470	2,663	45	-117	-128	6
%	100.0%	107.8%	1.8%	-4.8%	-5.2%	0.3%
Indicate year-on-year increase/ (decrease)	-486	-359	+16	-75	-142	+74
%	-16.5%	-11.9%	+59.3%	—	—	—

[Reference 2] Group Engineering Staff

		June 30, 2006	June 30, 2007
MT ^{*1} + MF ^{*2} + MGS ^{*3} + CAE ^{*4}	Month-End Engineering Staff	7,425	7,564

*1: Meitec Corporation; *2: Meitec Fielders Inc.; *3: Meitec Global Solutions Inc.; *4: Meitec CAE Corporation

[Reference 3] Overview of Group Temporary Engineers Staffing Business

(Utilization ratio is the average over the entire period)		June 30, 2006 First Quarter Prior Fiscal Year	June 30, 2007 First Quarter Current Fiscal Year
MT ^{*1} + MF ^{*2} + MGS ^{*3}	Month-End Engineering Staff	7,380	7,508
	Utilization Ratio (Company-wide)	95.1%	93.6%
	Utilization Ratio (Entry Level staff excluded□)	98.3%	97.5%

*1: Meitec Corporation; *2: Meitec Fielders Inc.; *3: Meitec Global Solutions Inc.

□ Combined total of New Graduate staff and Mid-Career staff

(Note) Figures do not include internal staff placements working on internal engineering projects.

(June 30, 2006: 23 → June 30, 2007: 31)

<Reference>

While utilization ratios remain high, current quarter figures have decreased slightly compared to the First Quarter of the prior fiscal period. This is mainly due to aggressive expansion in the Mid-Career hiring, which the Company believes will contribute significantly to future revenue and profits growth.

<Non-Consolidated Operating Results>

First Quarter non-consolidated operating results declined slightly compared to the same quarter in the prior fiscal period. Net Sales experienced a slight comparative decline, mostly due to a decline in comparative utilizable days and utilizable hours resulting from the number of work holidays included in the period, including the long holiday season in May. Operating Income was also somewhat lower compared to the First Quarter of the prior fiscal period, due to declines in Net Sales, but mainly due to increased anticipatory expenses to further augment the number of engineering staff available to the Company. To further comment on this anticipatory investment, the Company understands that the immediate result will be an increase in expenses and downward pressure on profits; however, the aim is to increase the number of engineering staff, which will, in the mind of Company management, lead to a J-shaped upward curve in company revenues and profits. Ordinary and net income for the subject quarter declined from the same period of the previous fiscal year mainly due to the fall in operating income, along with a decrease in dividend income from subsidiaries. However, First Quarter results are generally in line with internal corporate plans.

[Reference 4] Meitec Non-Consolidated First Quarter Operating Results (April 1, 2007 through June 30, 2007)

(Nearest million) (% = Compared to Same Quarter in Prior Fiscal Year)	Net Sales		Operating Income		Ordinary Income		Net Income	
	Millions of Yen	%	Millions of Yen	%	Millions of Yen	%	Millions of Yen	%
First Quarter, FYE March 2008	15,227	-0.6%	2,388	-11.3%	2,660	-17.2%	1,635	-21.1%
First Quarter, FYE March 2007	15,322	2.3%	2,692	6.5%	3,212	13.4%	2,073	26.7%
FYE March 2007	61,795	—	10,621	—	15,500	—	-83	—

(1) Temporary Staffing Business

Temporary Engineers Staffing Business	Meitec Corporation	Temporary Engineers Staffing Business, the core business segment of the Meitec Group
Full-Line Temporary Staffing Business	Meitec Fielders, Inc.	Mid-range temporary engineers staffing business
	Meitec Cast, Inc.	Registration-type temporary staffing business, mainly to manufacturing industry clients
	Meitec Experts Corporation	Registration-type temporary engineers staffing business specialized in senior human resources

Market Trends

Orders for Temporary Staffing Business in general continue to be strong.

In particular, the Company continues to experience steady orders for core Temporary Engineers Staffing Business from the Electronics/ Electric Device, Automotive, and Industrial Equipment industries.

Operating Results

The Temporary Staffing Business segment represents more than 90% of Company consolidated net sales. As the core business of the Temporary Staffing Business segment, Temporary Engineers Staffing Business has continued to enjoy a high utilization ratio, with appropriate continued progress in contract unit prices.

However, a reduced number of utilizable days (related to an increase in holiday days for the period), and an increase in anticipatory expenses to invest in augmenting the number of engineering staff available to the Company have resulted in a decline in revenues and profits for the First Quarter of the current fiscal period, as compared to the First Quarter of the prior fiscal period.

But since the increase in number of engineering staff progressed nearly in line with internal corporate plans, the Company expects such investment to contribute to future revenue and profits growth.

[Reference 5] First Quarter Temporary Staffing Business Operating Results (April 1, 2007 through June 30, 2007)

(nearest million)	Prior Fiscal Year FIRST QUARTER	Current Fiscal Year FIRST QUARTER	Increase/ Decrease	
			Increase/ Decrease	%
Net Sales	18,906	18,788	-118	-0.6%
Operating Income	3,023	2,663	-359	-11.9%

[Reference 6] Temporary Engineers Staffing Business

(Utilization ratio is the average over the entire period)		June 30, 2006 First Quarter Prior Fiscal Year	June 30, 2007 First Quarter Current Fiscal Year
Meitec Corporation	Month-End Engineering Staff	5,919	5,968
	Utilization Ratio (Company-wide)	95.8%	95.0%
	Utilization Ratio (Entry Level Staff Excluded □)	98.5%	98.2%
Meitec Fielders Inc.	Month-End Engineering Staff	1,430	1,418
	Utilization Ratio (Company-wide)	92.9%	91.5%
	Utilization Ratio (Entry Level Staff Excluded □)	98.8%	98.0%

□ Combined total of new graduate hires and mid-career hires

(Note) Meitec Corporation figures do not include internal staff placements working on internal engineering projects.

(June 30, 2006: 23 → June 30, 2007: 31)

Reference

The main reason for the slight decline in the utilization ratio was due to the aggressive recruitment of mid-career engineers and related idle hours.

(2)Engineering Solutions Business

Three D Tec Inc.	Engineering Solutions Business specialized in 3D CAD design engineers
Information Management System Co. Ltd.	Engineering Solutions Business, mainly in connection with printed circuit boards
Apollo Giken Co., Ltd.	
Shanghai Apomac	
Meitec CAE Corporation	Engineering Solutions Business specialized in analytical engineering

Market Trends

While there have been no notable trend changes in orders, customer demands in terms of quality and cost have been trending toward much higher standards.

Operating Results

With increasing customer demand, the Engineering Solutions Business segment has recorded greater revenues and profits in comparison to the First Quarter of the prior fiscal year. In particular, Apollo

Giken Co., Ltd. and Shanghai Apomac Science & Technology have enjoyed the benefits of business restructuring, breaking away from losses recorded during the First Quarter of the prior fiscal period, and recording current quarter profits. Although Three D Tec Inc., Information Management System Co., Ltd., and Meitec CAE Corporation have experienced slightly decrease in profit, mainly due to increased anticipatory expenses incurred for the purpose of expanding service offerings and sales activities, But their performances are generally in line with internal corporate plans.

[Reference 7] First Quarter Engineering Solutions Business Operating Results (April 1, 2007 through June 30, 2007)

(nearest million)	Prior Fiscal Year	Current Fiscal Year		
	First Quarter	First Quarter	Increase/ Decrease	%
Net Sales	706	829	+122	+17.4%
Operating Income	28	45	+16	+59.3%

(3)Global Business

Meitec Global Solutions Inc.	HR sourcing for domestic Global Business
Meitec Shanghai	HR sourcing for Chinese Global Business
Meitec Dalian TechnoCenter Co., Ltd.(*1) Meitec Guangzhou TechnoCenter Co., Ltd. Meitec Xian TechnoCenter Co., Ltd.(*2) Zhejiang Mi High Technology Co., Ltd.(*3)	HR training business for Chinese Global Business

(*1) Became a wholly owned subsidiary on January 10, 2007 through purchase of minority interest.

Accordingly, a simple comparison of the quarterly effect on Group consolidated figures with comparable periods in prior fiscal years is difficult.

(*2) Established as a wholly owned subsidiary on October 2, 2006.

Accordingly, profit and loss figures for the same period in the prior fiscal year have not been provided.

(*3) Became a consolidated subsidiary (ownership of 66.0% outstanding voting shares) on October 9, 2006 through allocation of new shares and official certification.

Accordingly, a simple comparison of the quarterly effect on Group consolidated figures with comparable periods in prior fiscal years is difficult.

Market Trends

The Company has focused efforts in developing latent demand for Bridge Engineer Business (bringing Chinese engineers trained at Chinese vocational training centers to Japan for staffing), and has started generating steady demand in this area.

Operating Results

Net Sales for the Company's Global Business have more than doubled, and are beginning to consistently contribute to increased consolidated net sales.

However, the business is still in the launch phase, and anticipatory expenses to generate continuing demand, as well as expenses for securing and training Chinese engineers, will outpace revenues for some time.

As the Company continues to secure Chinese engineers (122 engineering staff affiliated with Meitec Global Solutions as of June 30, 2007), the likelihood of the segment's significant contribution to future revenue and profit growth becomes more certain.

[Reference 8] First Quarter Global Business Operating Results (April 1, 2007 through June 30, 2007)

(nearest million)	Prior Fiscal Year	Current Fiscal Year		
	First Quarter	First Quarter	Increase/ Decrease	%
Net Sales	57	124	+ 67	+ 117.6%
Operating Income	-41	-117	-75	—

[Reference 9] Global Business Temporary Engineers Staffing Business

(Utilization ratio is the average over the entire period)		June 30, 2006 First Quarter Prior Fiscal Year	June 30, 2007 First Quarter Current Fiscal Year
Meitec Corporate Global Solutions Inc.	Month-End Engineering Staff	31	122
	Utilization Ratio (Company-wide)	42.2%	44.9%
	Utilization Ratio (Entry Level Staff Excluded □)	46.5%	50.0%

□ Combined total of new graduate hires and mid-career hires

(4) Career Support Business

Drake Beam Morin-Japan, Inc.	Outplacement Business (re-employment support)
Meitec Next Corporation (*4)	Placement Business for engineers

(*4) Established as a wholly owned subsidiary as of July 3, 2006. Accordingly, no profit/ loss figures have been recorded for the same quarter in the prior fiscal year.

Market Trends

The recent flurry of corporate restructuring, including staff downsizing, has abated, leaving a difficult environment for Outplacement Business orders. At the same time, Engineer Placement Business is experiencing a dramatic increase in competition based on significant market demand.

Operating Results

The August 2006 sale of Novations Group, Inc., as well as a downturn in the business environment, has contributed to an overall decrease in revenues and profits for the Career Support Business segment as compared with the same period in the prior fiscal year. However, the Company has already moved to consolidate the business locations in accordance with the scope of the market, and such activities are generally progressing in line with internal corporate plans.

[Reference 10] First Quarter Career Support Business Operating Results (April 1, 2007 through June 30, 2007)

(nearest million)	Prior Fiscal Year	Current Fiscal Year		
	First Quarter	First Quarter	Increase/ Decrease	%
Net Sales	1,532	378	-1,153	-75.3%
Operating Income	14	-128	-142	—

[Reference 11] Novations Group Inc. Operating Results

(nearest million)	Prior Fiscal Year First Quarter	Prior Fiscal Year Interim (Annual)	Current Fiscal Year First Quarter
Net Sales	718	1,536	—
Operating Income	-32	-66	—
Ordinary Income	-79	-111	—
Current Net Income	-61	-76	—

Novations Group Inc., a U.S. subsidiary of Drake Beam Morin-Japan, Inc. (a subsidiary of Meitec Corporation) was sold on August 21, 2006. Accordingly, the entity has been removed from consolidated results as of the second half of the prior fiscal year.

(Consequently, the profit and loss figures for Novations Group full-year and interim results are the same)

2 . Qualitative Information related to Consolidated Financial Status

Assets, Liabilities and Owners' Equity

Total assets at the end of the subject quarter declined of ¥2,052 million compared with March 31, 2007, for a total of ¥55,426 million (down 3.6% year on year). This mainly reflected, in current assets, a ¥1,896 million reduction in cash and cash equivalents to ¥14,281 million (down 11.7% year on year) resulting from payment of bonuses, corporate and consumption taxes, dividends, and other external expenditures; and in current liabilities a ¥2,459 million decrease in accrued expenses to ¥5,562 million (down 30.7%), and a ¥402 million drop in income taxes payable to ¥1,122 million (down 26.4%). Net assets declined slightly, as increases in retained earnings from positive business results in the first quarter were offset by declines in retained earnings due to the payment of dividends recorded in the previous fiscal year.

Cash Flows

Net cash used in operating activities declined ¥1,483 million from the same period of the previous fiscal year to ¥62 million (down 96.0% year on year). The main factors affecting cash were a ¥444 million decrease in net income before income taxes and minority interests for the first quarter to ¥2,499 million (down 15.1%), against a ¥2,031 million decrease in expenditures in income taxes-paid to ¥1,540 million (down 56.9%).

Net cash used in investing activities increased ¥587 million from the same period of the previous fiscal year to ¥666 million (up 746.0% year on year). The main factors affecting cash were a ¥372 million expenditure for acquisition of marketable securities that did not occur in the previous fiscal year; a ¥137 million increase in expenditures for acquisition of tangible fixed assets to ¥162 million (up 567.3%); and a ¥64 million increase in expenditures for acquisition of intangible fixed assets to ¥156 million (up 69.0%).

Net cash used in financing activities declined ¥199 million from the same period of the previous fiscal year to ¥1,485 million (down 11.8% year on year). The main factors affecting cash were a ¥221 million decrease in dividends paid to ¥1,477 million (down 13.1%).

As a result of the above factors, cash and cash equivalents at the end of the subject first quarter, as ¥2,196 million decrease compared with March 31, 2007, was ¥11,781 million (down 15.7% year on year).

3 . Qualitative Information related to Projected Consolidated Operating Results

First Quarter operating results have progressed generally in line with initial plans. Accordingly, the Company has not revised operating projections.

For more detail related to projections of Company operating results as of this date, please see the Company's May 10, 2007 announcement of the FYE March 2007 Financial Results and the Company's IR data posted on the Meitec Corporation website.

4 . Other

- (1) Significant Changes in Subsidiaries (Changes in certain Subsidiaries Necessitating a Change in Consolidation) During the Period

Not applicable

- (2) Significant Changes in the Adoption of Simplified Accounting Methods

The Company has adopted a simplified method to calculate tax expenses

- (3) Significant Changes Involving Accounting Methods from Recent Consolidated Fiscal Years

Not applicable

Changes in accounting methods arising from changes in applicable laws and regulations are as follows.

In accordance with revisions to the corporate tax code (Act No. 6 of March 30, 2007, to revise a section of the law regarding income taxes; and Cabinet Order No. March 30, 2007, to revise a section of the enforcement order for the law regarding income taxes), accounting for fixed assets acquired on or after April 1, 2007, has been changed based on the revised corporate tax code. The impact on earnings as a result of this change is minor.