February 14, 2008

Results for the Third Quarter ended December 31, 2007

Meitec Corporation

Consolidated

1. Results for the Third Quarter (April 1, 2007 to December 31, 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	%
Third Quarter FY 2008	61,266	-1.5%	8,747	-4.4%	8,750	-4.0%	4,511	—
Third Quarter FY 2007	62,214	0.8%	9,146	-0.9%	9,116	-2.2%	-938	—
FY2007(Full Year)	82,229	—	11,581	—	11,487	—	295	—

	Net Income per Share	Diluted Net Income
	Yen	Yen
Third Quarter FY 2008	129.29	129.28
Third Quarter FY 2007	-25.98	—
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
Third Quarter FY 2008	54,972	37,126	67.1	1,073.86
Third Quarter FY 2007	53,499	37,998	70.7	1,069.82
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
Third Quarter FY 2008	5,147	-775	-5,999	12,367
Third Quarter FY 2007	1,302	-488	-7,816	10,275
FY2007(Full Year)	6,016	-955	-8,366	13,977

2. Dividends

Regarding the status of business performance, there is no change in the dividend forecast announced on November 7, 2007. Meitec does not pay quarterly dividends.

Dividends per share (Record date)	First quarter dividends Yen	Interim dividends Yen	Third quarter dividends Yen	Year-end dividends Yen	Total Yen
Years ended FY 2007	—	44.00	—	45.00	89.00
Years ending FY 2008	—	37.50	—		
Years ending FY 2008 (Forecast)			—	34.00	71.50

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
Fiscal year	83,000	0.9	11,000	-5.0	11,000	-4.2	5,000	－	143.81

Because business results during the third quarter have been basically in line with the Company's plan, no revision is made to results forecasts.
For further details on forecasts as of the date of announcement, please see Results of Interim Period Ended September 30, 2007 released November 7, 2007, and the IR briefing materials provided on the Company's homepage.

4. Others

(1) Significant changes involving subsidiaries during the term (changes in specified subsidiaries that affected the scope of consolidation) : Yes No

［Newly added subsidiaries （Company name ） Eliminated subsidiaries（Company name ）］

(2) Significant changes in the adoption of simplified accounting methods : Yes No

(3) Significant changes involving accounting methods from recent consolidated fiscal years : Yes No

[Note: See page 7 "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 subject consolidated fiscal period (the nine months from April 1, 2007 through December 31, 2007), net sales decreased ¥947 million from the same period of the previous fiscal year to ¥61,266 million, mainly as a result of efforts ongoing from the previous fiscal year to lessen the downside risk to the business, specifically the sale of Novations Group Inc. in August 2006, which led to a falloff in revenue. Operating income fell ¥399 million to ¥8,747 million and ordinary income ¥365 million to ¥8,750million, due to an increase in hiring-related costs, investment in new businesses, strengthening of Group business locations, and other factors. Net income for the subject period, however, was up ¥5,450 million from the same period of the previous fiscal year to ¥4,511 million, the result of eliminating losses related to a significant lessening of risk factors in the previous fiscal year.

As noted in the preceding paragraph, operating income for the subject nine-month period was contracted due to up-front investments to increase the number of engineers. However, over the three months of the third quarter (October 1, 2007 through December 31, 2007) both revenues and earnings rose from the same period of the previous fiscal year (October 1, 2006 through December 31, 2006) on a "J"-shaped curve in line with the Company's plan, due to the steady increase in the number of engineers and other factors.

[Reference 1] Overview of Third Quarter Operating Results (April 1, 2007 through December 31, 2007)

(Millions of yen, rounded down)	Third Quarter (April 1, 2007 through December 31, 2007) ①	(April 1, 2007 through September 30, 2007) ②	(October 1, 2007 through December 31, 2007) ※①−②
Net Sales	61,266	40,215	21,051
Indicate year-on-year increase/ (decrease)	-947	-1,793	＋846
Operating Income	8,747	5,281	3,466
Indicate year-on-year increase/ (decrease)	-399	-648	＋249
Ordinary Income	8,750	5,276	3,474
Indicate year-on-year increase/ (decrease)	-365	-612	＋247
Extraordinary Gains and Losses	-444	-420	-24
Indicate year-on-year increase/ (decrease)	＋4,609	＋4,581	＋27
Net Income (Loss)	4,511	2,595	1,915
Indicate year-on-year increase/ (decrease)	＋5,450	＋5,298	＋151

[Note: Third-quarter (three-month) figures are simple subtraction of interim results from nine-month results.]

[Reference 2] Overview of Third Quarter Operating Results by Segment (April 1, 2007 through December 31, 2007)

(Nearest 1 million yen)	Group Consolidated	Temporary Staffing Business	Engineering Solutions Business	Global Business	Career Support Business	Intercompany Eliminations
Net Sales	61,266	57,788	2,501	497	1,171	△692
%	100.0%	94.3%	4.1%	0.8%	1.9%	△1.1%
Indicate year-on-year increase/ (decrease)	-947	＋578	＋324	＋269	-1,958	-160
%	-1.5%	＋1.0%	＋14.9%	＋117.9%	-62.6%	—
Operating Income	8,747	9,226	123	-279	-341	18
%	100.0%	105.5%	1.4%	-3.2%	-3.9%	0.2%
Indicate year-on-year increase/ (decrease)	-399	-256	＋18	-138	-11	-12
%	-4.4%	-2.7%	＋18.2%	—	—	-39.1%

1) Temporary Staffing Business

The Temporary Staffing Business accounts for more than 90% of Meitec's consolidated net sales. Particularly in this mainstay business, Meitec maintained a high utilization rate against a backdrop of continued strong orders, as well as implemented appropriate increases in contract amounts.

Net sales through the third quarter, despite squeezing of revenues due to falling utilization rates as working hours shortened, rose mainly due to the increased number of engineers, up ¥578 million from the same period of the previous fiscal to ¥57,788 million. By industry, sales remained strong in the IT, automotive, electronic devices, and semiconductor fields.

Operating income through the third quarter declined ¥256 million to ¥9,226 million, primarily because of an increase in up-front investment costs to increase the number of engineers. However, because the number of engineers as of the end of the subject fiscal period (December 31, 2007) increased by 225 persons to 7,477 engineers compared to a year earlier (December 31, 2006, see "Reference 3"), we believe there is sufficient reason to expect both revenue and earnings to increase year on year during the second half of the subject fiscal year.

[Reference 3] Performance of the Meitec Group Temporary Engineers Staffing Business

		Third Quarter FY 2007	Third Quarter FY 2008
MT*1＋MF*2＋MGS*3＋CAE*4	Engineering Staff, Period-End*1	7,252	7,477
MT*1＋MF*2＋MGS*3	Engineering Staff, Period-End*1	7,203	7,419
	Utilization Ratio(Company-wide)	98.3%	97.2%
	Utilization Ratio (Entry Level Staff*2 Excluded)	98.7%	97.9%
MEITEC*1	Engineering Staff, Period-End*1	5,788	5,874
	Utilization Ratio(Company-wide)	98.6%	98.5%
	Utilization Ratio (Entry Level Staff*2 Excluded))	98.9%	98.9%
Meitec Fielders*2	Engineering Staff, Period-End	1,358	1,369
	Utilization Ratio(Company-wide)	98.4%	97.9%
	Utilization Ratio (Entry Level Staff*2 Excluded))	98.9%	98.9%
Meitec Global Solutions*3	Engineering Staff, Period-End	57	176
	Utilization Ratio(Company-wide)	56.0%	45.8%
	Utilization Ratio (Entry Level Staff*2 Excluded))	63.1%	49.7%
Meitec CAE *4	Engineering Staff, Period-End	49	58

*1: Meitec
*2: Meitec Fielders
*3: Meitec Global Solutions
*4: Meitec CAE

Notes:

1. The number of engineers at Meitec Corporation excludes internal temporary engineers engaged in in-house engineering work (22 engineers in December 2006 and 29 engineers in December 2007).
2. Total of new graduates and mid-career hires.

2) Engineering Solutions Business

The Engineering Solutions Business utilizes the temporary engineer staffing network to provide engineering support mainly for three-dimensional CAD design, printed circuit board design, and analysis-related technologies.

During the subject fiscal period this business, despite a continued difficult business climate arising for customer demands for higher quality and lower costs, recorded increases in both revenue and earnings over the same period of the previous fiscal year, with sales of ¥2,501 million and operating income of ¥123 million.

Three D Tec Inc., Apollo Giken Co., Ltd. and MEITEC CAE CORPORATION achieved greater year-on-year revenues due to enhancement of service content and strengthened operating activities, with Apollo Giken recording increases in both revenue and profit. At the same time, operating income at Three D Tec, Information Management System Co., Ltd. and Meitec CAE declined slightly as a result of greater up-front investment costs to enhance service content, through these were basically in line with the Company's expectations.

3) Global Business

The Global Business consists primarily of personnel training mainly in China, and supply in Japan.

As a result of focusing on developing latent demand in the "bridge engineer" business (in which Chinese engineers are trained at Meitec's facilities in China and referred or dispatched to companies in Japan), net sales for the subject fiscal period more than doubled from the same period of the previous fiscal year to ¥497 million, continuing to make an increasingly larger contribution to consolidated sales.

This business is still in the start-up stage, however, and we expect up-front costs required to retain and train Chinese engineers to continue to exceed revenues for some time.

The number of Chinese engineers employed by Meitec Global Solutions Inc. at the end of the subject fiscal period (December 31, 2007) rose more than three-fold compared to a year earlier (December 31, 2006), reaching 176 as the retention of Chinese engineers steadily grows. At the same time, however, because of our priority on increasing engineer numbers the utilization rate over the three-months of the third quarter was under 50%. The capability of Chinese engineers is slowly being recognized, and the number of utilized personnel steadily rising, but to achieve a substantial jump in the utilization rate we are particularly focused on stimulating demand.

4) Career Support Business

The Career Support Business consists of an outplacement business and human resources business. The outplacement business continues to face a difficult environment for orders in the face of a cooling of corporate personnel cuts and other restructuring measures. The human resources business, which specializes in engineers, also faces an extremely difficult business climate.

Under such circumstances, along with the impact from the sale of Novations Group Inc. in August 2006 (see “Reference 4”), the Career Support Business recorded a ¥1,958 million year-on-year decrease in revenue to ¥1,171 million compared to the same period of the previous fiscal year. For the three months of the third quarter (October 1, 2007 through December 31, 2007), however, revenues were up year on year and the operating loss narrowed due to ongoing efforts to improve the earnings structure, and a leveling out of the tough business climate for orders.

[Reference 4] Operating Results for Novations Group Inc.

(Millions of yen, rounded down)	Net Sales	Operating Income	Ordinary Income	Net Income
1H FY07 (= full year*)	1,536	-66	-111	-76
1H FY08	—	—	—	—

Note: Novations Group Inc., the U.S. subsidiary of the Company's subsidiary Drake Beam Morin-Japan, Inc. (DBM-J), was sold on August 21, 2006, and was removed from the scope of consolidation from the second half of the previous fiscal year. Consequently, interim results for Novations Group are the same as those for the full year.

2. Qualitative Information related to Consolidated Financial Status

Assets, Liabilities and Owners' Equity

Total assets at the end of the third quarter (December 31, 2007) decreased ¥2,506 million (4.4%) from the end of the previous fiscal year (March 31, 2007) to ¥54,972 million. This mainly reflected a decrease of ¥1,910 million (11.8%) in net cash and cash equivalents in current assets to ¥14,267 million, the result of payments of bonuses, income and other taxes, and dividends.

Total liabilities declined slightly from the end of the previous fiscal year to ¥17,845 million. This was due mainly to a ¥2,311 million decrease in accrued expenses in current liabilities.

Net assets declined slightly from the end of the previous fiscal year to ¥37,126 million. This mainly reflected increases in retained earnings from third quarter results offset by decreases for the payment of dividends for the previous fiscal year, along with a decline in net assets following the acquisition of treasury stock during the subject fiscal year.

Cash Flows

Net cash provided by operating activities through the third quarter of the subject fiscal year amounted to ¥5,147 million, an increase of ¥3,844 million (295.1%) from the same period of the previous fiscal year. This was due mainly to a decline of ¥3,653 million (49.8%) in income tax and other tax payments to ¥3,680 million.

The increase of ¥4,243 million (104.5%) in income before income taxes and minority interests to ¥8,306 million stemmed from a ¥4,292 million impairment loss recorded in the same period of the previous fiscal year, and was unrelated to the use of cash. Accordingly, cash flow from operating activities excluding payments of income and other taxes was essentially unchanged from the previous year, increasing by ¥191 million.

Net cash used in investing activities amounted to ¥775 million, an increase of ¥286 million (58.7%) from the same period of the previous fiscal year. This mainly reflected a ¥947 million (517.2%) increase in expenditures for the acquisition of intangible fixed assets to ¥1,131 million, mainly for the development of a core IT system, partially offset by ¥600 million in proceeds from repayment of time deposits (compared to ¥300 million in the same period of the previous fiscal year).

Proceeds from the sale of overseas business recorded during the same period of the previous fiscal year following a change in the scope of consolidation were not generated during the subject period.

Net cash used in financing activities amounted to ¥5,999 million, a decrease of ¥1,817 million (23.2%) from the same period of the previous fiscal year. This was due mainly to a decline of ¥389 million (11.9%) in dividend payments by the parent company to ¥2,888 million; and a decline of ¥1,449 million (31.8%) in expenditures for the acquisition of treasury stock to ¥3,105 million.

As a result, cash and cash equivalents at the end of the subject third quarter decreased ¥1,610 million (11.5%) from the end of the previous fiscal year to ¥12,367 million.

3. Qualitative Information related to Projected Consolidated Operating Results

1) Forecasts for the Fiscal Year Ending March 31, 2008

Because business results have been basically in line with the Company's initial plan, no revision is made to results forecasts.

For further details on results forecasts as of the date of announcement, please see Results of Interim Period Ended September 30, 2007 released November 7, 2007, and the IR briefing materials provided on the Company's homepage.

2) Forecasts for the Fiscal Year Ending March 31, 2009

Current forecasts for the next fiscal year ending March 31, 2009, are as follows.

Because of the increasing difficulty of forecasting results due to severe changes in the business climate, as in the previous fiscal year we are providing a certain range of figures as a reference. Final forecasts for the fiscal year ending March 31, 2009, will be announced in the financial statement for the current fiscal year in May 2008.

(Millions of yen)		Sales	Operating Income
Consolidated		87,000～89,000	11,000～12,000
	Non Consolidated	64,000～66,000	10,000～10,500

Forward-Looking Statements

Forecasts are created based on information available as of the date of this statement. Actual results may vary from forecasts due to a variety of factors.

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.83 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 to a method based on the revised corporate tax code. The impact on profit and loss as a result of this change is minor.

[Note: For further information see page 15, Significant Factors Forming the Basis for Preparation of the Third Quarter Financial Statements; 4. Items Related to Accounting Standards; (2) Depreciation Method for Significant Depreciable Assets.]