July 31, 2008

Results for the First Quarter ended June 30, 2008

Meitec Corporation

Consolidated

1. Results for the First Quarter (April 1, 2008 to June 30, 2008)

(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 2009	20,322	―――	2,292	―――	2,326	―――	1,363	―――
First Quarter FY 2008	19,935	-5.3%	2,470	-16.5%	2,501	-14.6%	1,330	-19.5%

	Net Income per Share	Diluted Net Income
	Yen	Yen
First Quarter FY 2009	39.71	39.71
First Quarter FY 2008	37.80	37.80

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio	Net assets per share
	Millions of Yen	Millions of Yen	%	Yen
First Quarter FY 2009	55,385	37,760	67.7	1,091.56
FY2008(Full Year)	57,784	37,598	64.5	1,086.71

2. Dividends

Dividends per share (Record date)	First quarter dividends	Interim dividends	Third quarter dividends	Year-end dividends	Total
	Yen	Yen	Yen	Yen	Yen
Years ended FY 2008	―	37.50	―	34.50	72.00
First Quarter FY 2009	―				
Years ending FY 2009 (Forecast)		47.00	―	48.50	95.50

3. Forecasts for Fiscal Year ending March 31, 2009 (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 shaae
	Millions of Yen	%	Millions of Yen	%	Millions of Yen	%	Millions of Yen	%	Yen
FY2009 interim	42,500	5.7	5,500	4.1	5,500	4.2	3,200	23.3	93.22
FY2009	86,000	4.7	11,500	1.2	11,500	1.5	6,500	31.1	189.36

4. Others

(1) Significant changes involving subsidiaries during the term

(changes in specific subsidiaries that affected the scope of consolidation)

(2) Simplified accounting procedures and unique accounting procedures used in the preparation of and quarterly consolidated financial statements

Note: Please see page 8 “Qualitative Information/Financial Statements, 4. Other” for more details.

(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

ii. Changes not relating to i.

(Note) Please see page 8 “Qualitative Information/Financial Statements, 4. Other” for more details.

(4) Number of issued shares (regular shares)

i. Number of issued shares at period end (including treasury stock)

FY2009 Q1	35,442,255	FY2008	35,442,255

ii. Number of treasury shares at period end

FY2009 Q1	1,115,794	FY2008	1,115,293

iii. Average number of shares during period

FY2009 Q1	34,326,737	FY2008 Q1	35,185,774

*Explanation of the proper use of earnings forecasts

・From the current fiscal year, “Quarterly Consolidated Financial Statement Accounting Standards” (Corporate Accounting Standard No. 12) and “Quarterly Consolidated Financial Statement Accounting Standards Application Guidelines” (Corporate Accounting Standards Application Guideline No. 14) will be applied. Furthermore, quarterly consolidated financial statement standards are prepared in accordance with “Quarterly Consolidated Financial Statement Regulations.”

・The figures that are forecast have been prepared based on the information presently available, including many uncertain items. Actual results may differ from the above figures due to changes in results.

Qualitative Information/Financial Statements

1. Qualitative Information Related to Consolidated Operating Results

(1) Consolidated Operating Results

Table 1 Overview of Quarterly Consolidated Results (April 1, 2008 through June 30, 2008)

(Rounded to Nearest Million Yen)	Comparison with the Same Quarter Last Year Consolidated Total	Current Quarter (Three-Month Total) Consolidated Total	Change
Net Sales	19,935	20,322	＋387
Cost of Sales	14,209	14,592	＋383
Selling, General and Administrative Expenses	3,255	3,437	＋181
Operating Income	2,470	2,292	-177
Ordinary Income	2,501	2,326	-175
Income before Income Taxes and Minority Interests	2,499	2,336	-162
Net Income	1,330	1,363	＋32

Net sales for the current consolidated quarter (the three-month period from April 1, 2008 through June 30, 2008) were higher due to a rise in the number of engineers in the temporary engineering staffing business, one of the core businesses of the Company, and the emergence of the effects of the business domain expansion strategy, increasing ¥387 million yen compared with same quarter of the previous fiscal year, for a total of ¥20,322 million yen.

However, an expansion in labor costs including increased health insurance costs led to an increase in selling costs of 383 million yen compared with the same quarter of the previous fiscal year. Furthermore, selling, general and administrative expenses rose 181 million yen compared with the same quarter of the previous fiscal year, due mainly to growth in related hiring costs for the increased number of engineers.

As a result, operating income decreased 177 million yen compared the same quarter of the previous fiscal year, and ordinary income decreased 175 million yen during the same period, leading to a decrease in income before income taxes and minority interests compared with the previous quarter of 2,336 million yen.

In this way, while earnings fell due to continued forward investment in the first quarter toward the establishment of a sustainable growth base, the Company was successful in promoting new businesses to enhance existing ones, and in its effort toward business domain expansion, while achieving increased earnings.

Furthermore, consolidated net income for the quarter rose 32 million yen compared with the same quarter of the previous fiscal year, due to decreased group-wide corporate taxes, and totaled 1,363 million yen.

(2) Operating Results by Segment

Table 2 Overview of First Quarter Operating Results by Segment (April 1, 2008 through June 30, 2008)

(Rounded to Nearest Million Yen)		Group Consolidated (Three-Month Total)	Temporary Staffing Business	Engineering Solutions Business	Global Business	Career Support Business	Eliminations/ Corporate
Net Sales		20,322	19,001	697	283	544	-202
	%	100.0%	93.5%	3.4%	1.4%	2.7%	-1.0%
	YOY Change	＋387	＋212	-132	＋158	＋165	-16
	%	＋1.9%	＋1.1%	-15.9%	＋126.5%	＋43.6%	—
Operating Income		2,292	2,398	-6	-113	7	6
	%	100.0%	104.6%	-0.3%	-4.9%	0.3%	0.3%
	YOY Change	-177	-265	-52	＋4	＋135	＋0
	%	-7.2%	-10.0%	—	—	—	＋0.8%

(1) Temporary Staffing Business

The temporary staffing business, which makes up 90% of net sales, and particularly the temporary engineers staffing business, a core business of the Group, has continued to enjoy a high utilization ratio, with appropriate progress in contract unit prices.

Temporary staffing business net sales for the quarter faced downward pressure from reduced operational time from decreased working hours and a reduction in work days due to the extended holiday. However, increased earnings from the enhanced temporary engineers staffing business made up for these decreases, with earnings rising or 212 million yen from the same quarter of the previous fiscal year, totaling 19,001 million yen. Furthermore, as shown in Table 3, there were 7,843 engineers at period-end, an increase of 279 compared with the previous period.

Furthermore, five business areas, Automobile/Transportation, Electric and Electronics, Semiconductors and Integrated Circuit Design, Industrial Machinery, and IT-Related Hardware and Devices, made up 74% of net sales for the quarter (results from the previous fiscal year: 74%), showing continued strength.

Operating income decreased 265 million yen from the same quarter of the previous fiscal year, totaling 2,398 million yen. The main reason was an increase in benefit costs including health insurance costs and higher labor costs from an expansion in salary costs and hiring costs arising from the greater number of engineers.

The utilization ratio remained high, falling only slightly year on year. This was due to an increase in the amount of training for newly hired graduates over the previous year*, and an increase in the number of mid-career hires, which require a two-month training period after hiring. (Note: The total number of graduates for MT*[1]/MT*[2], previous year: 331, current year: 406 [increase of 75].)

In this way, first-quarter earnings rose, and as the number of engineers, which make up the growth base for the business in question, has steadily risen, we can expect increased yearly revenue and profit.

Table 3 Meitec Group Temporary Engineers Staffing Business

		June 30, 2007 First-Quarter Prior Fiscal Year	June 30, 2008 First-Quarter Current Fiscal Year
MT*1+MF*2+MGS*3+CAE*4	Period-End Engineering Staff*1	7,564	7,843
MT*1+MF*2+MGS*3	Period-End Engineering Staff*1	7,508	7,778
	Utilization Ratio (Company-wide)	93.6%	92.1%
	Utilization Ratio (Excluding New Hires)*2	97.5%	96.5%
Meitec Corporation*1	Period-End Engineering Staff*1	5,968	6,059
	Utilization Ratio (Company-wide)	95.0%	94.2%
	Utilization Ratio (Excluding New Hires)*2	98.2%	97.9%
Meitec Fielders Inc.*2	Period-End Engineering Staff	1,418	1,465
	Utilization Ratio (Company-wide)	91.5%	91.6%
	Utilization Ratio (Excluding New Hires)*2	98.0%	98.5%
Meitec Global Solutions Inc.*3	Period-End Engineering Staff	122	254
	Utilization Ratio (Company-wide)	44.9%	45.6%
	Utilization Ratio (Excluding New Hires)*2	50.0%	49.6%
Meitec CAE Corporation *4	Period-End Engineering Staff	56	65

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

Note 1: Meitec Corp. figures do not include internal staff placements working on internal engineering projects (June 30, 2007: 31, June 30, 2008: 35).

Note 2: "New hires" includes both newly graduated hires and mid-career hires.

(2) Engineering Solutions Business

The engineering solutions business includes technology support for the 3D CAD business using the temporary engineering network, printed-circuit boards and analytical technology. Quarterly results for the engineering solutions business included a drop in net sales of 132 million yen compared to the same quarter of the previous fiscal year, totaling 697 million yen, while operating income fell 52 million yen compared with the previous period, for a loss of 6 million yen.

Concerning net sales for each firm, compared to the same quarter of the previous fiscal year, Meitec CAE Corporation was able to expand its service offer to succeed in increasing revenue, while Three D Tec Inc. and Apollo Giken Co., Ltd. saw increasingly demanding quality and cost requests from clients and longer periods required to complete contracts, resulting in decreased revenue. However, enhanced sales activities are beginning to take effect, and the number of completed contracts is starting to recover, leaving our yearly plans for increased revenue unchanged.

Year-on-year operating income for the quarter for Three D Tec Inc., Apollo Giken Co., Ltd. and Meitec CAE Corporation all fell. Looking at the reason for the fall in profit among each firm, an increase in forward investment costs relating to enhanced sales activities, and an increase in business locations were the main drivers of reduced revenue at Meitec CAE Corporation. Furthermore, Three D Tec Inc. and Apollo Giken Co., Ltd. were affected by reduced revenue.

(3) Global Business

Global business mainly involves human resource development in China and the supply of human resources within Japan.

The bridge engineer business (bringing Chinese engineers trained at Chinese vocational training centers to Japan for staffing) is being developed as an intergroup business. As a result, net sales of 283 million yen were recorded for global business in the current quarter, for increased revenue of 158 million yen (+126.5%) compared with the same quarter of the previous fiscal year, contributing to an overall increase in consolidated net sales.

With investment continuing to be required to secure Chinese engineers, operating income fell 113 million yen, but improved versus the same quarter of the previous fiscal year by 4 million yen compared with that period.

The number of Chinese engineers belonging to Meitec Global Solutions Inc. is shown in Table 3, having risen by 254 in the one year since the first quarter of the previous fiscal year, demonstrating the continued stable securing of Chinese engineers. However, the increase in personnel also led to a utilization rate (company-wide) of 45.6% for the quarter. The technological skills of Chinese engineers is gradually being recognized, and as the number of active personnel steadily increases, the Company will continue to work toward an increased utilization rate, further intergroup cooperation, and increased demand.

(4) Career Support Business

The career support business includes the outplacement business (reemployment support), the engineer placement business and the information portal support business.

The number of companies regularly using the reemployment support of the outplacement business is increasing, and it appears that we are beginning to see a bottoming out in the market.

The engineer placement business continues to see tough competition, with the Company developing services based on the temporary engineers staffing business and beginning to produce real results.

The information portal support business, under its motto “Every Choice for Every Engineer,” is currently in the planning phase of offering valuable information and services to engineers.

Within this type of business environment, net sales for the career support business for the current quarter increased 165 million yen from the previous quarter, totaling 544 million yen, with operating income shifting to profitability after losses through the previous fiscal year, increasing 135 million versus the same quarter of the previous year, to 7 million yen.

Drake Beam Morin-Japan, Inc. has succeeded thus far in improving its earnings structure, and shifted to profitability this quarter and recorded increased revenue and profits. However, competition for orders is becoming increasingly stiff, with the issue being how to cooperate with other group businesses to further boost orders.

2. Qualitative Information Related to Consolidated Financial Status

(1) Assets

Consolidated total assets at the end of the first quarter decreased 2,399 million yen versus March 31, 2008, totaling 55,385 million yen. This was mainly due to a decrease in current assets of 2,219 million yen versus March 31, 2008.

The decrease in current assets was mainly due to a fall in deposits and savings of 1,831 million yen, reflecting the payment of period-end dividends for the previous consolidated fiscal year and payment of unpaid corporate taxes on March 31, 2008.

(2) Liabilities

Consolidated liabilities for the end of the first quarter decreased 2,561 million yen versus March 31, 2008, totaling 17,625 million yen. This was mainly due to a decrease in current liabilities of 2,713 million yen versus March 31, 2008.

(3) Net Assets

Consolidated net assets for the end of the first quarter increased 161 million yen versus March 31, 2008, totaling 37,760 million yen. This was mainly due to an increase in shareholders' equity of 151X million yen.

Shareholders' equity reflected the effects of business results for the quarter and retained earnings of 1,184 million yen. However, this was cancelled out by the use of retained earnings for the payment of period-end dividends for the previous consolidated fiscal year, resulting in an increase of 150 million yen compared to March 31, 2008.

3. Qualitative Information Related to Projected Consolidated Financial Results

(1) Results Forecast

As first-quarter operating results have been generally in line with initial plans, results forecasts have not been revised.

For more details on the current results forecasts, please see the announcement of the fiscal year ended March 31, 2008 results published on May 13, 2008 and the IR meeting materials posted on the Meitec Corporation website.

(2) Dividend Forecast

Per the above, as no changes have been made to results forecasts, dividend forecasts have not been revised.

Furthermore, please see the announcement of the fiscal year ended March 31, 2008 results published on May 13, 2008 and on the Meitec Corporation homepage concerning basic guidelines for profit-sharing guidelines.

4. Other

(1) There were no significant changes involving subsidiaries during the period (changes in specific subsidiaries that affected the scope of consolidation).

(2) Unique accounting methods used in the preparation of simplified accounting methods and quarterly consolidated financial statements

i. Calculation method for fixed asset depreciation costs

As the fixed-rate method is used in calculating depreciation costs, the amount of depreciation costs for the consolidated fiscal year is prorated over the period.

ii. Method of calculation for corporate tax, deferred tax assets and deferred tax liability

The method of calculation of the amount of corporate taxes paid is limited to the main additions and subtractions and tax-deductible items.

Concerning the decision of which tax-deferrable assets may be collected, as no marked changes in the business environment from the previous consolidated fiscal year and no isolated discrepancies were recognized to have occurred, the results forecast used in the previous consolidated fiscal year was used.

iii. Tax Expense Calculation

Tax expenses were estimated using the effective tax rate after the application of deferred tax accounting for pretax net profits for the consolidated fiscal year including the first quarter, with the corresponding estimated deferred tax rate applied to income before income taxes and minority interests for the quarter.

The amount of corporate tax adjustment is included with corporate taxes.

(3) Changes in rules, procedures and representative methods in the accounting methods relating to the preparation of quarterly consolidated financial statements

i. From the current fiscal year, “Quarterly Consolidated Financial Statement Accounting Standards” (Corporate Accounting Standards No. 12) and “Quarterly Consolidated Financial Statement Accounting Standards Application Guidelines” (Corporate Accounting Standards Application Guidelines No. 14) will be applied. Furthermore, quarterly consolidated financial statement standards are prepared in accordance with “Quarterly Consolidated Financial Statement Regulations.”

ii. From the current quarter, “Inventory Asset Accounting Standards” (July 5, 2006 Corporate Accounting Standards Meeting, Corporate Accounting Standard No. 9) will be applied, and valuation standards will be changed from the cost accounting method to the cost accounting method (book values written down in the event of decreased profitability).
As a result, the effect on profits will be minimal.
The effect on segment information is indicated in the corresponding areas.

iii. “Initial Handling of External Subsidiary Accounting in Consolidated Financial Statements” (Corporate Accounting Standards Meeting Report No. 18, May 17, 2006) applied from the first quarter, with required adjustments made to above consolidated results.
As a result, the effect on profits will be minimal.
The effect on segment information is indicated in the corresponding areas.

End