

**Results of Meitec Group  
For the Interim Period Ended  
September 30, 2007**

**Report of Meitec Group  
<Consolidated>**

## <FY2008 Interim Period : Market Conditions>

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

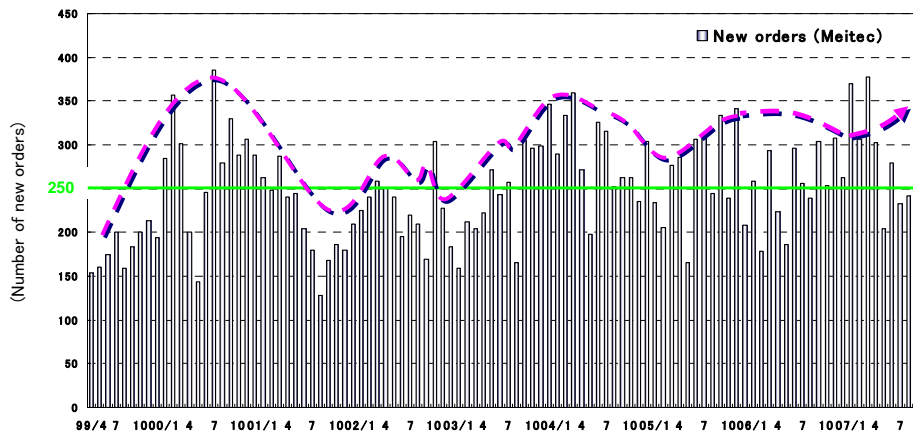
- Investment in development and capital investment are both strong, irrespective of business sector.
- Some companies and businesses are trimming budgets.

### 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 .

**Meitec Group's Present Status : We have made an advancement in the measures to increase our engineers which is essential in order to carry out our group growth strategies.**

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



<Consolidated Results For the Interim Period Ended September 30, 2007 >

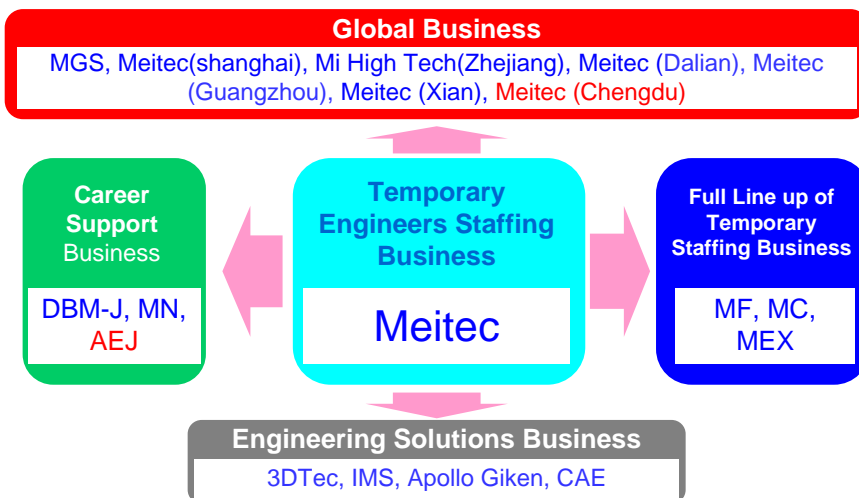
(Million of Yen)

		Net Sales	Operating Income	Ordinary Income	Net Income
Results of Interim Period	FY2007	<b>40,215</b>	<b>5,281</b>	<b>5,276</b>	<b>2,595</b>
	FY2006	<b>42,009</b>	<b>5,929</b>	<b>5,889</b>	<b>-2,702</b>
	Change(%)	-4.3%	-10.9%	-10.4%	-

(May, 2007)	<b>Previous forecast</b>	<b>40,500</b>	<b>5,000</b>	<b>5,000</b>	<b>2,500</b>
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<Meitec Group's Business Domain Expansion Strategy Global Vision21>

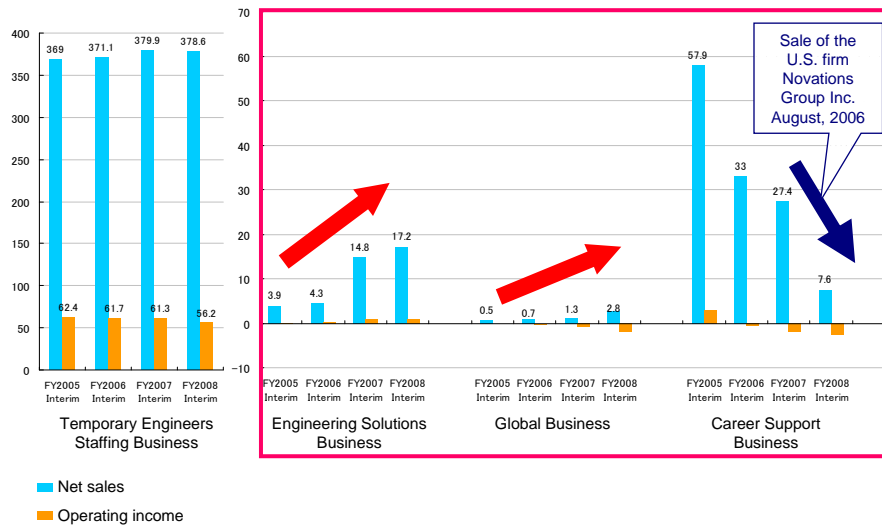
Strategy for expanding the group's business domains through utilization of Meitec's brand name, engineer resources and marketing channels.



All Engineer.jp  
Meitec (Chengdu)  
:Established in October, 2007

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

(100 million yen)



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**MEITEC**

## <Core Business (Temporary engineers staffing business) Results FY2008 Interim Period - Meitec & MF Results Data ->

\* Meitec + Meitec Fielders (Net sales 36.0 billion Yen, 89.6% of Consolidated Net Sales)

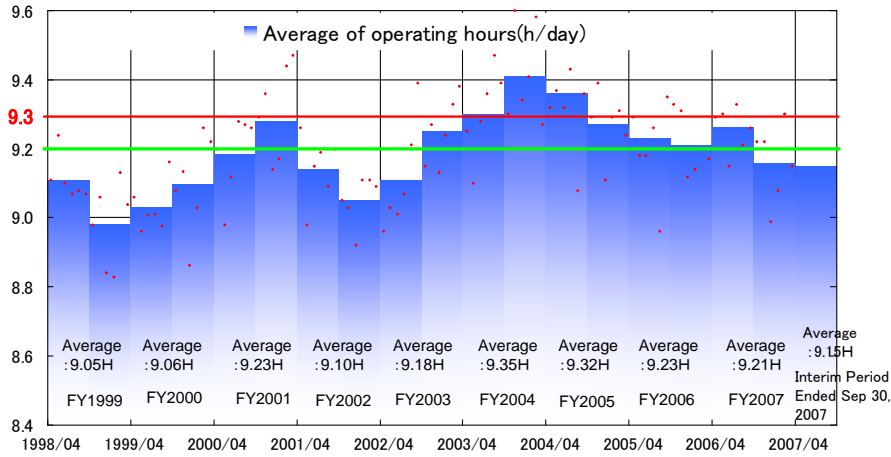
	Meitec + MF	Meitec	Meitec Fielders			
Utilization Ratio	96.0%	96.5%	93.7%			
	96.8%	97.1%	95.7%			
Operating Hours	-	9.15h/day	9.21h/day			
	-	9.26h/day	9.41h/day			
Average Rate Revision	-	1.8% up	3.0% up			
	-	1.8% up	3.0% up			
Number of Engineers	Meitec	MF	MGS	MEX	M-CAE	Total
	5,906	1,381	156	28	58	7,529
	5,852	1,372	46	21	47	7,338

※ Lower figure is the previous year's result

※ Net Sales = (Engineers × Utilization Ratio × Operating Hours × Rate)

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<Operating Hours (Non-Consolidated)>

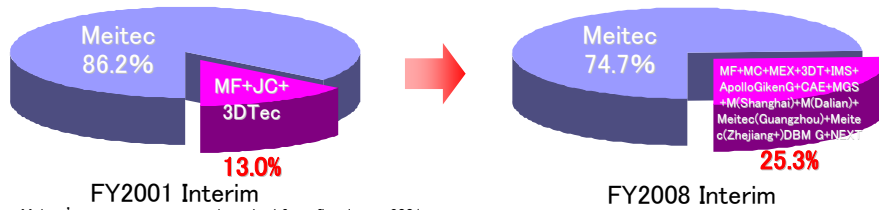


<Meitec Group Results For the Interim Period Ended September 30, 2007 >

		Net Sales		Operating Income		Ordinary Income		Net Income	
			Change		Change		Change		Change
Full year	Meitec (MT)	30,753	-0.1%	4,898	-8.5%	5,175	-46.9%	2,871	-
	Meitec Fielders (MF)	5,284	-2.2%	620	-4.8%	624	-4.5%	365	-5.2%
	Meitec Cast (MC)	1,999	1.9%	104	11.9%	104	11.5%	58	10.5%
	Meitec Experts (MEX)	74	166.0%	-17	-	-18	-	-18	-
	3D Tec (3DT)	320	2.8%	21	-19.1%	21	-16.7%	12	-11.5%
	IMS	185	-14.2%	-7	-	-7	-	-7	-
	Apollo Giken	954	32.7%	71	3368.8%	70	3579.8%	70	-
	Meitec CAE (CAE)	261	11.8%	15	-59.7%	15	-59.6%	8	-60.8%
	Meitec Global Solutions (MSS)	241	105.1%	-109	-	-108	-	-109	-
	Meitec Shanghai	18	62.0%	-10	-	-10	-	-10	-
	Meitec Dalian	11	169.7%	-13	-	-13	-	-13	-
	Meitec Guangzhou	7	-	-27	-	-27	-	-27	-
	Meitec Zhejiang	6	-	-19	-	-19	-	-19	-
	DBM-Japan Group (DBM)	4	-	-21	-	-25	-	-25	-
	Meitec Next (NEXT)	662	-75.8%	-129	-	-131	-	-157	-
All engineer.jp	97	-	-105	-	-105	-	-105	-	
<b>Consolidated</b>	<b>40,215</b>	<b>-4.3%</b>	<b>5,281</b>	<b>-10.9%</b>	<b>5,276</b>	<b>-10.4%</b>	<b>2,595</b>		

\*Amounts for each company are non-consolidated basis

<Growth in Group Net sales FY2008 Interim Period >



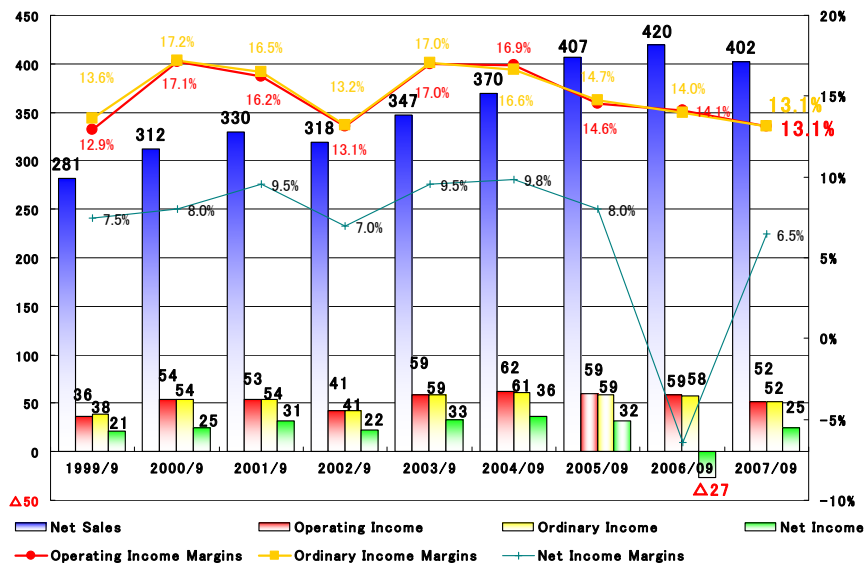
\*Meitec's group strategy was launched from fiscal year 2001

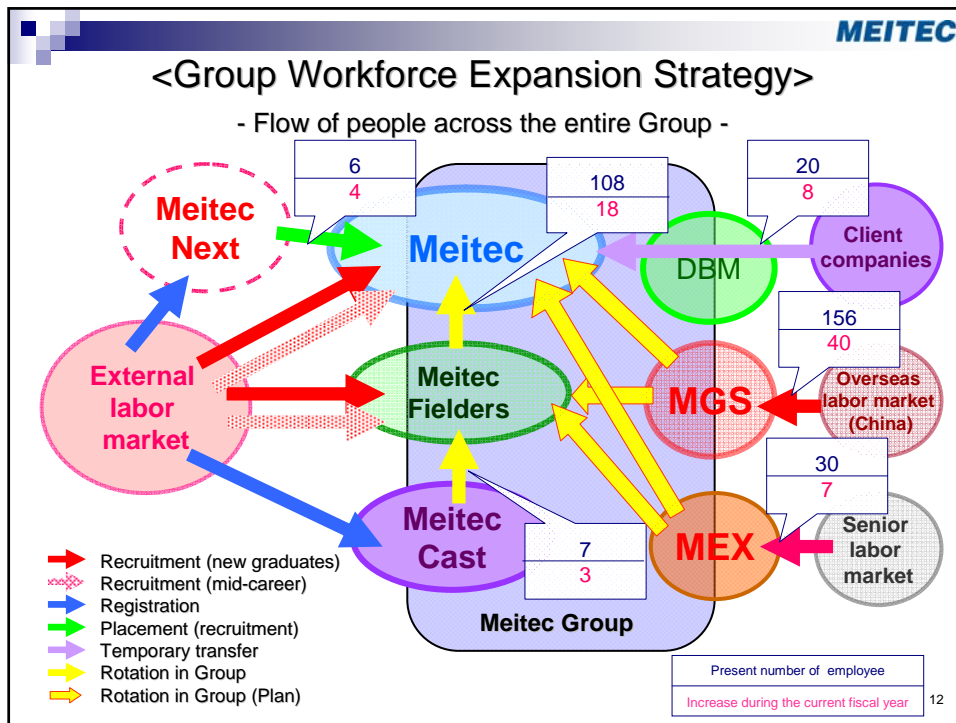
(Hundred Million of Yen)

	FY2001 Interim	FY2008 Interim	Change	Change(%)
Meitec	271.4	307.5	36.1	13.3%
Group Companies excluding Meitec	41.0	101.6	60.6	147.8%
Consolidated Net Sales	312.5	402.1	89.6	28.7%
Composition Ratios Excluding Meitec ※	13.0%	25.3%	-	-

\*Amounts for each companies are non-consolidated basis

<Consolidated Operating Results For the Interim Period Ended September 30, 2007 >





**MEITEC**

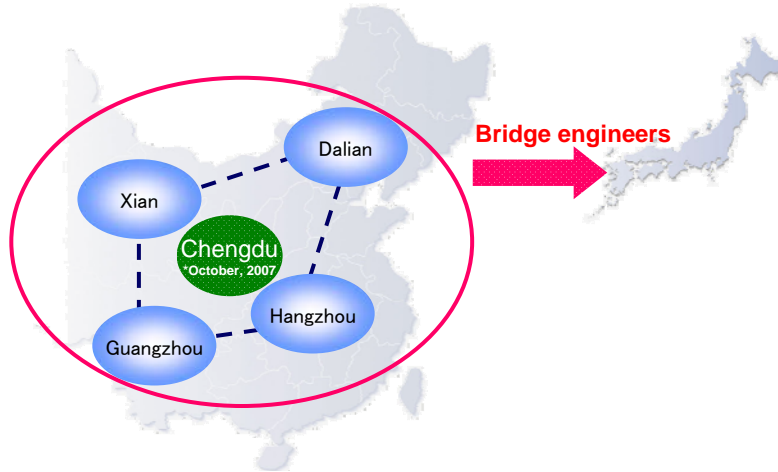
### <Personnel Increases in FY2008>

		FY2006	FY2007	FY2008	
new graduates	Meitec	282名	213名	265名	+44 from the previous year
	MF	167名	118名	110名	
	total	449名	331名	375名	
mid-career	Meitec	61名	148名	330名	+246 from the previous year
	MF	20名	106名	170名	
	total	81名	254名	500名	
Bridge engineers		30名	86名	130名	
Meitec Next		-	2名	35名	
Meitec Experts		-	23名	65名	+387 from the previous year
O&O		6名	12名	25名	
Total		566名	708名	1095名	

※Number of new graduates for each fiscal year noted had joined the companies on April of the following fiscal year. Number of FY2008 is a forecast who we expect to join our group on April, 2008.  
 ※Number for Meitec Next (job placement) are the mid carrier hiring.

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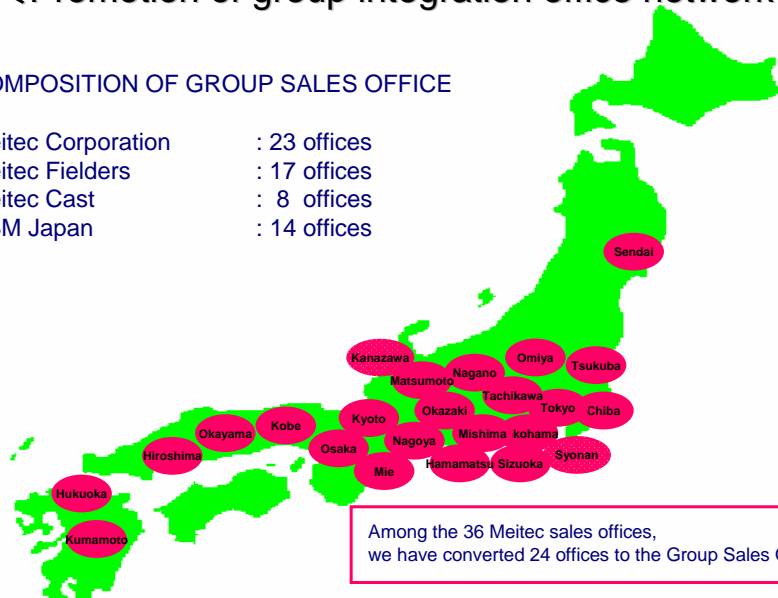
<Promotion of Global Strategy >



<Promotion of group integration office network >

COMPOSITION OF GROUP SALES OFFICE

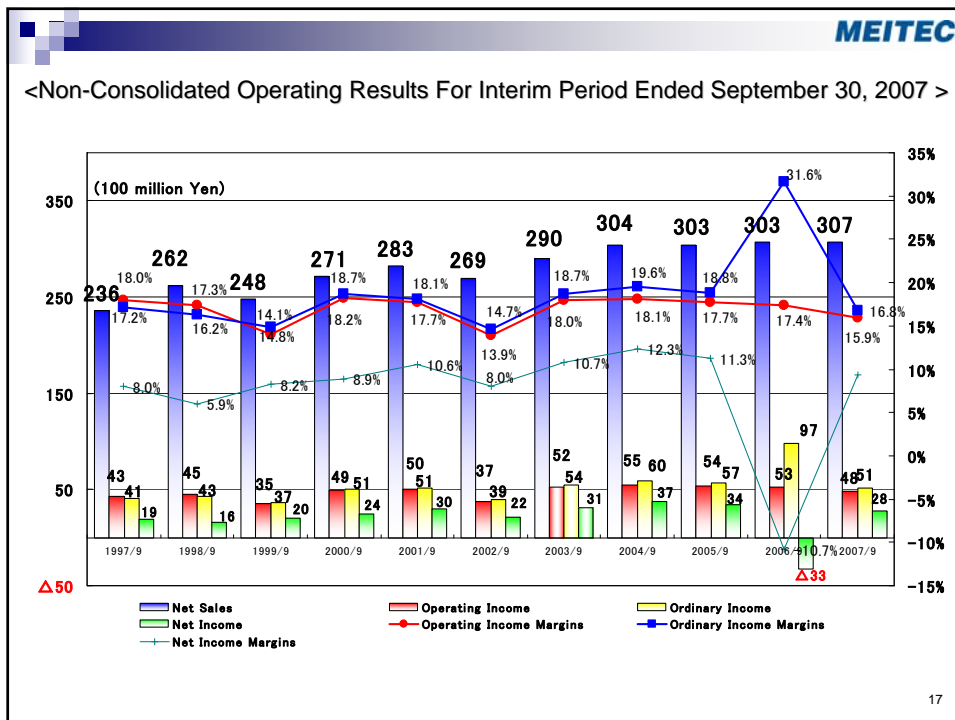
- Meitec Corporation : 23 offices
- Meitec Fielders : 17 offices
- Meitec Cast : 8 offices
- DBM Japan : 14 offices



Among the 36 Meitec sales offices, we have converted 24 offices to the Group Sales Offices

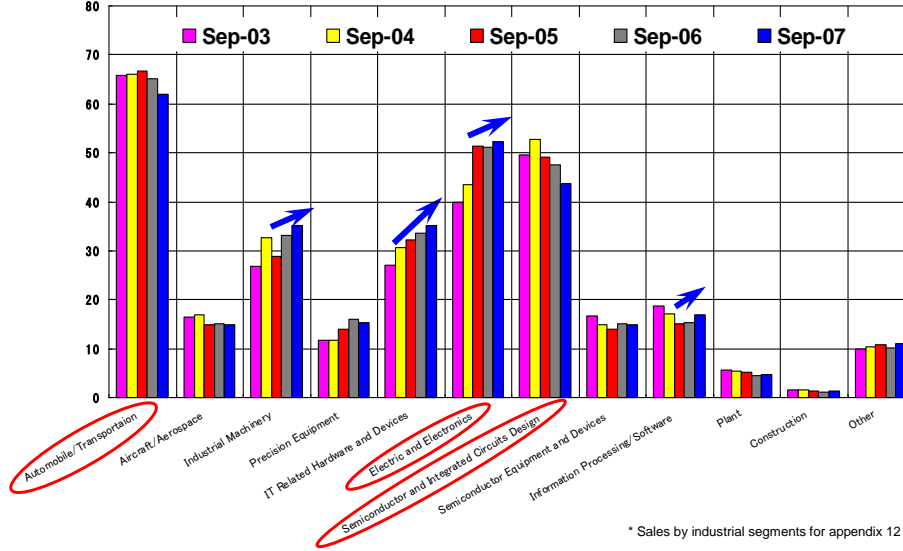


# Report of Meitec <Non-Consolidated>



### <Comparison of Sales Trend by the Industrial Segments>

(100 million yen)



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

< Five years ago >

< Current > (million yen)

Interim Period Ended September 30, 2002			Interim Period Ended September 30, 2006			Interim Period Ended September 30, 2007		
Companies Name			Companies Name			Companies Name		
1	Matsushita Electric		1	Matsushita Electric		1	Matsushita Electric	
2	Sony Corp.		2	Sony Corp.		2	Canon Inc.	
3	Seiko Epson		3	Canon Inc.		3	Sony Corp.	
4	Mitsubishi Heavy		4	Mitsubishi Heavy		4	Mitsubishi Heavy	
5	Toyota Motor		5	Omron Corp.		5	Omron Corp.	
6	Canon Inc.		6	Nikon Corp.		6	Nikon Corp.	
7	Jatoco T.T.		7	Toyota Motor		7	Denso Corporation	
8	Nikon Corp.		8	Seiko Epson		8	Toyota Motor	
9	Kawasaki Heavy		9	Denso Corporation		9	Seiko Epson	
10	Omron Corp.		10	Kawasaki Heavy		10	Yazaki Parts	
Top 10 Total	9,733	36.2%	Top 10 Total	10,514	34.1%	Top 10 Total	9,989	32.5%
Top 20 Total	12,769	47.5%	Top 20 Total	13,836	44.9%	Top 20 Total	13,280	43.2%
Others	14,132	52.5%	Others	16,963	55.1%	Others	17,473	56.8%
Total	26,901	100.0%	Total	30,799	100.0%	Total	30,753	100.0%

### <Future market trends in the temporary engineer dispatching business>

1. Market indices all remain at high levels (for indices, see attached references for non-consolidated Meitec data on utilization ratios, total hours in utilization, and new orders).
2. Therefore, the market may be expected to remain strong unless risks emerge in the macro environment (sharp rises in crude oil and materials prices, declines in overseas markets, etc.).  
※ However, we notice a trend among some clients to start cutting back their development budgets.
3. In conjunction with the disguised contract labor problem in the staffing business which was uncovered since the end of last year, clients has started to exclude the company with such problems and selection of proper contractor has started.

➡ Japan Engineering Outsourcing Association, established on February 2007, is extending clean and healthy industry campaign.

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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

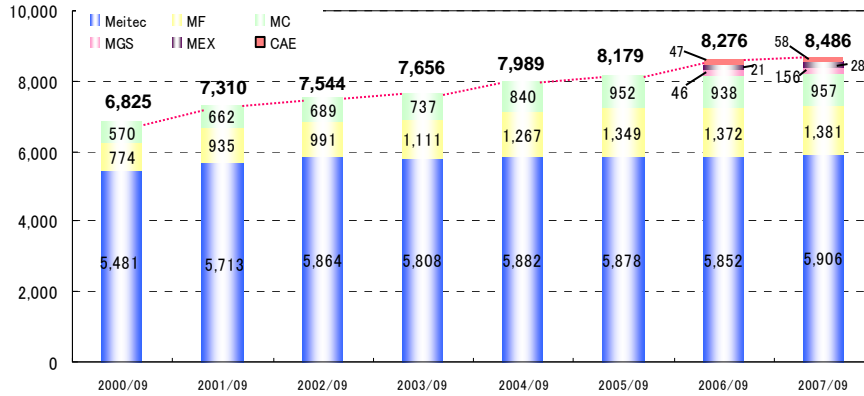
2. Expansion of gateway business with temporary engineering staff business at the core

\* 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> -

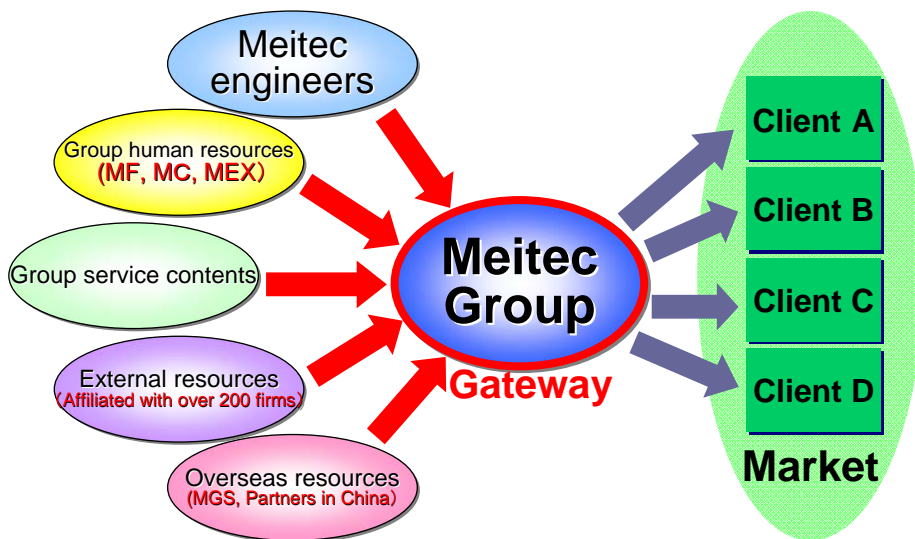


\*Both Meitec and Meitec Fielders' numbers are full-fledged engineers.  
 \*Meitec cast's number is that of registered employees on job.  
 \*MGS's numbers are bridge engineers.  
 \*CAE was spined off in FY 2007 Interim period

**Group currently shifting to personnel increase model**

### <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> April 2007 to September 2007											(Number of Orders)	
→	Meitec	MF	MC	MEX	3DTec	IMS	AP	MGS	CAE	DBM	Total	Previous fiscal year
Meitec		553	163	219	393	240	64	156	295	5	2,088	1,795
MF	209		20	48	61	10	2		71		421	100
MC		3							3		6	9
MEX	1								1		2	2
3DTec	1		1						12		14	8
IMS												2
AP												
MGS			1						1		2	
CAE			1								1	2
DBM	6		6						1		13	31
Total	217	556	192	267	454	250	66	156	384	5	2,547	
Previous fiscal year	7	330	552	14	403	356	7	131	126	23		1,949

<Forecasts; Fiscal Year Ending March 31, 2008>

(Millions of Yen)

		Net Sales	Operating Income	Ordinary Income	Net Income
Consolidated	FY2008	83,000	11,000	11,000	5,000
	FY2007	82,229	11,581	11,487	295
	Change(%)	0.9%	-5.0%	-4.2%	-
Non-consolidated	FY2008	63,000	10,200	10,500	4,800
	FY2007	61,795	10,621	15,500	-83
	Change(%)	1.9%	-4.0%	-32.3%	-

\* Correction; November, 2007

## <Factors Affecting Forecasts for FY2008>

(Previous forecast May 10, 2007)

### <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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## <Forecasts; Fiscal Year Ending March 31, 2008>

(Millions of Yen)

		Net Sales	Operating Income	Ordinary Income	Net Income
Fiscal Year	Meitec	63,000	10,200	10,500	4,800
	Meitec Fielders	11,000	1,100	1,100	600
	Meitec Cast	4,000	200	200	100
	Meitec Experts	200	-25	-25	-25
	3D Tec	700	60	60	35
	IMS	450	0	0	0
	Apollo Giken Group	1,850	100	100	100
	Meitec CAE	630	40	40	25
	Meitec Global Solutions	700	-180	-180	-180
	Meitec Shanghai	50	0	0	0
	Meitec Dalian	40	-10	-10	-10
	Meitec Guangzhou	25	-40	-40	-40
	Meitec Zhejiang	20	-30	-30	-30
	Meitec Xian	10	-40	-40	-40
	DBM-Japan	1,300	-250	-250	-330
	Meitec Next	340	-200	-200	-200
	All engineer.jp	10	-50	-50	-50
Consolidated	83,000	11,000	11,000	5,000	

\*Amounts for each company are non-consolidated basis

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<Precondition for the Forecasts of the FY2008>  
- Meitec+MF+MGS -

		Meitec	MF	MGS
Utilization Ratio	First Half	96.5%	93.7%	49.0%
	Second Half	98.2%	97.4%	49.6%
	Fiscal Year	97.4%	95.6%	49.3%
Operating Hours per day	First Half	9.15h/day	9.21h/day	8.92h/day
	Second Half	9.03h/day	9.19h/day	8.81h/day
	Fiscal Year	9.09h/day	9.2h/day	8.86h/day

<Summary for Meitec Group>

Meitec, Folders	Meitec, Global Solutions
FY 2008 Interim Net Sales \$5,284Million	FY 2008 Interim Net Sales \$241Million
Capitalization \$268Million	Capitalization \$200Million
Employees 1,404	Employees 185
Establishment December, 1979	Establishment April, 2003
Business Description Temporary engineering staff business	Business Description International outsourcing services
Meitec, Sales	Meitec, Technical
FY 2008 Interim Net Sales \$1,999Million	FY 2008 Interim Net Sales \$18Million
Capitalization \$100Million	Capitalization \$1,200,000
Employees 55	Employees 5
Establishment February, 2000	Establishment September, 2003
Business Description Registered-style temporary staffing business and employment agency	Business Description Corporate management consultation
Meitec, Support	Meitec, Training
FY 2008 Interim Net Sales \$74Million	FY 2008 Interim Net Sales \$11Million
Capitalization \$100Million	Capitalization RMB 8,000,000
Employees 4	Employees 19
Establishment April, 2006	Establishment November, 2004
Business Description Temporary senior engineering staff business	Business Description Training business in China
Meitec, R&D	Meitec, Global
FY 2008 Interim Net Sales \$320Million	FY 2008 Interim Net Sales \$77Million
Capitalization \$201Million	Capitalization RMB 8,000,000
Employees 21	Employees 5
Establishment December, 2000	Establishment December, 2005
Business Description R&D support utilizing 3-D CAD design services	Business Description Training business in China
Meitec, Design	Meitec, Training
FY 2008 Interim Net Sales \$185Million	FY 2008 Interim Net Sales \$68Million
Capitalization \$100Million	Capitalization RMB 9,000,000
Employees 22	Employees 11
Establishment September, 1983	Establishment July, 2004
Business Description Designing and manufacturing printed circuits board	Business Description Training business in China
Meitec, Design	Meitec, Training
FY 2008 Interim Net Sales \$954Million	FY 2008 Interim Net Sales \$44Million
Capitalization \$311Million	Capitalization \$1,200,000
Employees 81	Employees 13
Establishment August, 1978	Establishment September, 2006
Business Description Designing and manufacturing printed circuits board	Business Description Training business in China
Meitec, Design	Meitec, Training
FY 2008 Interim Net Sales \$33Million	FY 2008 Interim Net Sales \$
Capitalization \$25,000	Capitalization \$1,200,000
Employees 17	Employees 5
Establishment August, 1997	Establishment October, 2007
Business Description Designing and manufacturing printed circuits board	Business Description Training business in China
Meitec, Design	Meitec, Training
FY 2008 Interim Net Sales \$261Million	FY 2008 Interim Net Sales \$662Million
Capitalization \$100Million	Capitalization \$450Million
Employees 60	Employees 110
Establishment April, 2006	Establishment October, 1982
Business Description Contract work and temporary staffing related to structural analysis	Business Description Outplacement Service
Meitec, Design	Meitec, Training
FY 2008 Interim Net Sales \$	FY 2008 Interim Net Sales \$97Million
Capitalization \$70Million	Capitalization \$480Million
Employees 2	Employees 23
Establishment October, 2007	Establishment July, 2006
Business Description Internet-based information services, etc.	Business Description Job placement for engineers

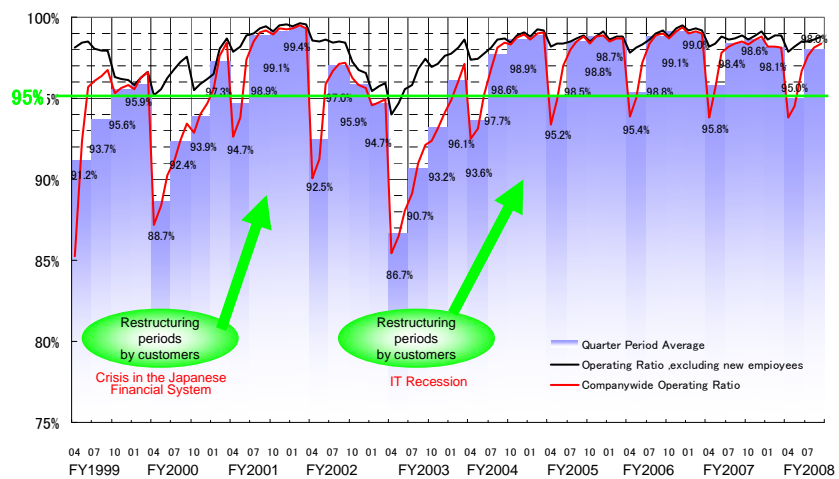
### <Breakdown of Non-consolidated Net Sales>

Meitec's non-consolidated net sales  
 = 30.75 billion yen  
 = Core Business (Temporary engineers staffing business)  
 + New Business (Gateway Business)  
 = 30.28 billion yen + 0.46 billion yen

- \* Net sales of new business in previous year were 0.44 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.

(Appendix-2)

### <Utilization Ratio (Non-Consolidated)>

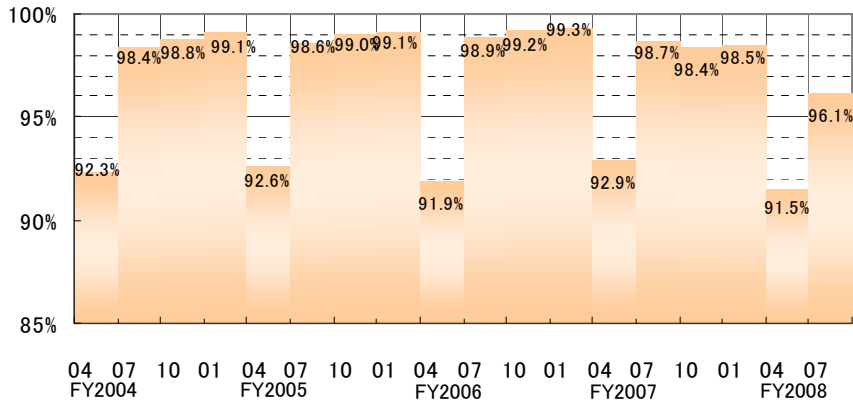


\* Meitec Fielders Utilization Date is on appendix

(Appendix-3)



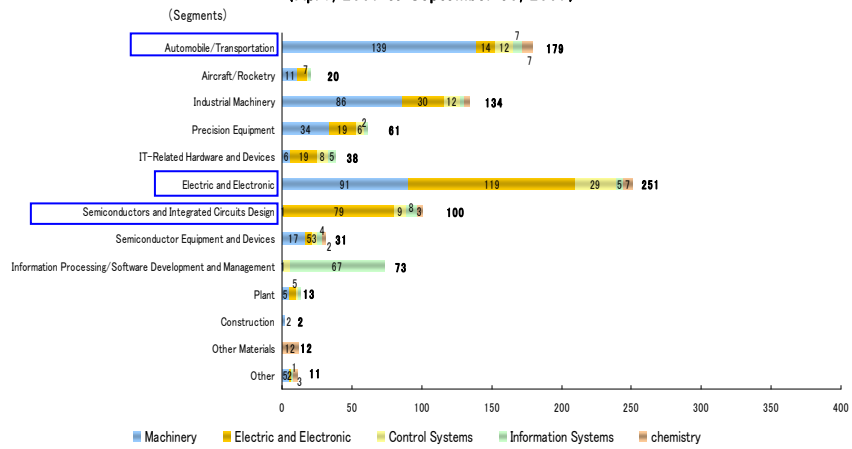
### <Utilization Ratio (Meitec Fielders)>



(Appendix-4)

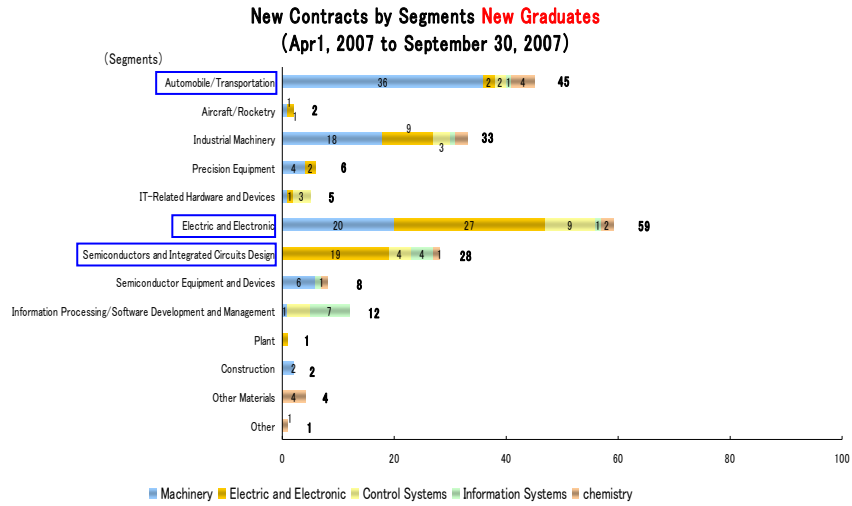
### <New Contract by the Industrial Segments> - General + New Graduates -

New Contracts by Segments **General + New Graduates**  
(Apr 1, 2007 to September 30, 2007)



(Appendix-5)

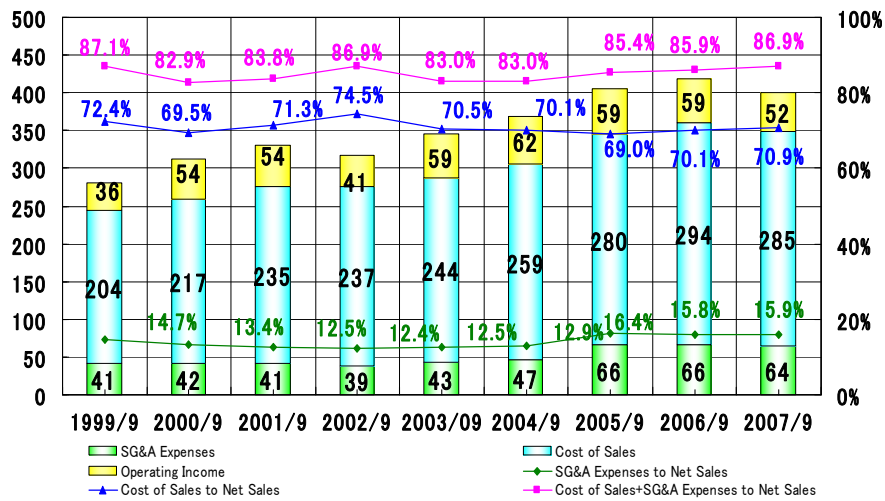
### <New Contract by the Industrial Segments> - New Graduates -



(Appendix-6)

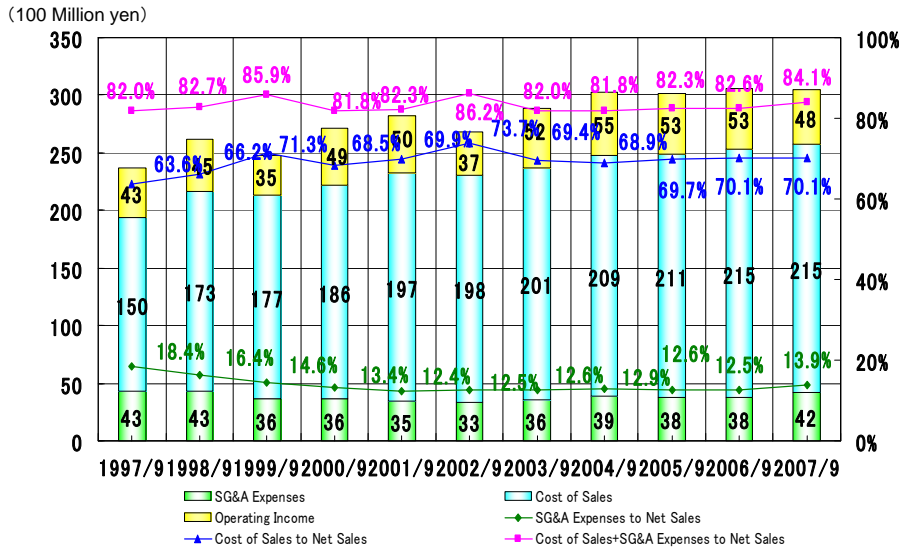
### <Consolidated SG&A Expenses and Cost of Sales, and Their Ratio to the Sales>

(100 Million yen)



(Appendix-7)

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



(Appendix-8)

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

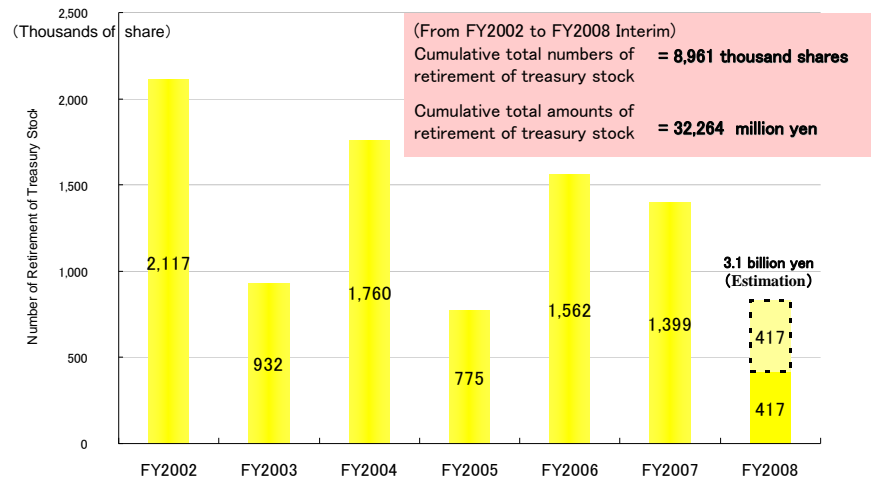
(Millions of yen)

Segment	Interim 2004	Interim 2005	Interim 2006	Interim 2007	Interim FY2008				
	Net Sales				Net Sales	Total Net Sales(%)	Change	Change (%)	
Automobile/Transportation	6,591	6,614	6,675	6,514	6,190	20.1%	-323	-5.0%	↓
Aircraft/Aerospace	1,641	1,700	1,495	1,514	1,478	4.8%	-35	-2.4%	↓
Industrial Machinery	2,674	3,264	2,883	3,306	3,518	11.4%	212	+6.4%	↑
Precision Equipment	1,174	1,165	1,397	1,590	1,541	5.0%	-49	-3.1%	↓
IT Related Hardware and Devices	2,706	3,059	3,231	3,358	3,522	11.5%	163	+4.9%	↑
Electric and Electronics	3,980	4,354	5,137	5,122	5,235	17.0%	112	+2.2%	↑
Semiconductors and Integrated Circuits Design	4,968	5,277	4,911	4,764	4,363	14.2%	-400	-8.4%	↓
Semiconductor Equipment and Devices	1,674	1,485	1,388	1,500	1,489	4.8%	-10	-0.7%	↓
Information Processing/Software	1,881	1,712	1,513	1,531	1,689	5.5%	158	+10.3%	↑
Plant	562	538	511	454	465	1.5%	10	+2.3%	↑
Construction	160	168	128	122	146	0.5%	23	+19.1%	↑
Others	987	1,041	1,091	1,018	1,112	3.6%	93	+9.2%	↑
<b>Total</b>	<b>29,005</b>	<b>30,384</b>	<b>30,366</b>	<b>30,799</b>	<b>30,753</b>	<b>100.0%</b>	<b>-46</b>	<b>-</b>	<b>-</b>

※ Yellow ink ; up compared to previous year

(Appendix-9)

<Results of Acquisition and Retirement of Treasury Stock>



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

(Appendix-10)

<Shareholders by Business Segments (Non-Consolidated)>

Shareholder Segment	(As of the Interim Period Ended September 30, 2007)			
	Shareholders	%	Shares Held	%
Banks	8	0.11%	1,324,401	3.74%
Trust Banks	26	0.35%	5,213,800	14.71%
Life and against loss insurance companies	22	0.30%	4,610,283	13.01%
Securities financing and other financial companies	10	0.14%	71,960	0.20%
Securities companies	31	0.42%	228,752	0.65%
Business concerns and other companies	129	1.75%	370,857	1.05%
Overseas companies and investors	195	2.65%	19,441,338	54.85%
Individuals and others	6,936	94.27%	4,180,864	11.80%
Total	7,357	100.0%	35,442,255	100.0%

(Appendix-11)