

Consolidated/Non-consolidated Results of Interim Period Ended September 30, 2007

Consolidated

1. Results of Interim Period Ended September 30, 2007

(1) Statements of Income

	Net sales		Operating Income		Ordinary Income	
	Million yen	%	Million yen	%	Million yen	%
FY2008 Interim	40,215	-4.3	5,281	-10.9	5,276	-10.4
FY2007 Interim	42,009	3.2	5,929	-0.1	5,889	-1.8
FY2007	82,229	-1.2	11,581	-7.2	11,487	-8.6

	Net Income		Net Income per Share		Diluted Net Income	
	Million yen	%	yen		Yen	
FY2008 Interim	2,595	-	74.02		74.02	
FY2007 Interim	-2,702	-	-74.32		-	
FY2007	295	-94.4	8.20		8.20	

(2) Financial Statements

	Total Assets		Equity		Equity Ratio		Equity per Share	
	Million yen		Million yen		%		Yen	
FY2008 Interim	58,146		38,148		65.2		1,089.78	
FY2007 Interim	59,422		39,791		66.6		1,103.51	
FY2007	57,479		38,683		66.9		1,092.80	

(3) Statements of Cash Flows

	Activities Investing		Activities Financing		Activities Cash and Cash		Equivalents	
	Million yen		Million yen		Million yen		Million yen	
FY2008 Interim	5,066		-535		-3,143		15,395	
FY2007 Interim	3,095		-254		-4,233		15,888	
FY2007	6,016		-955		-8,366		13,977	

2. Statements of Dividend

Dividend	Dividend per Share					
	First Quarter	First half	Third Quarter	second half	others	Year
FY2007	-	44.00	-	45.00	-	89.00
FY2008 Interim	-	37.50	-	-	-	71.50
FY2008(forecast)	-	-	-	34.00	-	

3. Forecasts for Fiscal Year Ending March 31, 2008

	Net sales		Operating Income		Ordinary Income		Net Income		Projection of Net Income per Share	
	Million yen	%	Million yen	%	Million yen	%	Million yen	%	Yen	
FY2008	83,000	0.9	11,000	-5.0	11,000	-4.2	5,000	-	143.81	

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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 methods : Yes No

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

Non-consolidated

1.Results of Interim Period Ended September 30, 2007

(1)Statements of Income

	Net sales		Operating Income		Ordinary Income	
	Million yen	%	Million yen	%	Million yen	%
FY2008 Interim	30,753	-0.1	4,898	-8.5	5,175	-46.9
FY2007 Interim	30,799	1.4	5,353	-0.5	9,745	70.1
FY2007	61,795	0.6	10,621		11,500	34.1

	Net Income		Net Income per Share	
	Million yen	%	yen	
FY2008 Interim	2,871	-	81.88	
FY2007 Interim	-3,379	-	-92.92	
FY2007	-83		-2.33	

(2)Financial Statements

	Total Assets	Equity	Equity Ratio	Equity per Share
	Million yen	Million yen	%	Yen
FY2008 Interim	59,923	38,312	63.9	1,101.21
FY2007 Interim	59,099	39,471	66.8	1,100.21
FY2007	58,912	38,620	65.6	1,097.61

Operating Results

(1) Analysis of Results

1. Operating Environment

The outlook for the Japanese economy during the first half of fiscal 2008 (April 1, 2007 through September 30, 2007) was clouded by concerns arising from such factors as the appreciation of fuel costs, and a lack of transparency in the U.S. economy arising from the subprime loan problem. However, the economy grew overall against a backdrop of improvement in corporate earnings and robust personal consumption. In particular, Meitec's main client base, the manufacturing industry, despite disparity among companies continued to investments for development in strategic fields, and capital expenditures.

2. Overview of Consolidated Results

[Reference 1] Overview of Consolidated Results for the Subject Interim Period (April 1, 2007 – September 30, 2007)

(Millions of yen, rounded down)	FY2007	FY2008	
	Interim	Interim	YoY Amount
Net Sales	42,009	40,215	-1,793
Operating Income	5,929	5,281	-648
Ordinary Income	5,889	5,276	-612
Extraordinary Gains and Losses	-5,001	-420	+4,581
Net Income (Loss)	-2,702	2,595	+5,298

Net sales for the subject interim period declined ¥1,793 million from the same period of the previous fiscal year to ¥40,215 million, due mainly to a lessening of the downside risk that had underlain the business since the previous fiscal year, specifically the impact from reduced revenue following the sales of the Novations Group Inc. in August 2006. Operating income, as a result of increases in recruitment-related costs in the Temporary Staffing Business and other factors, also fell ¥648 million to ¥5,281 million, and ordinary income was down ¥648 million to ¥5,276 million.

Net income, however, increased ¥5,298 million from the same period of the previous fiscal year to ¥2,595 million due to the elimination of a loss coverage related to a substantial lessening of risk factors compared to the same period of the previous fiscal year.

3. Overview of Results by Segment

[Reference 2] Overview of Results by Segment for the Subject Interim Period (April 1, 2007 – September 30, 2007)

(Millions of yen, rounded down)	Group	Temporary	Engineering	Global	Career	Intercompany
	Consolidated	Staffing Business	Solutions Business	Business	Support Business	Eliminations
Net Sales	40,215	37,861	1,722	289	760	-417
%	100.0%	94.1%	4.3%	0.7%	1.9%	-1.0%
Indicate year-on-year increase/decrease	-1,793	-134	+241	+156	-1,982	-74
%	-4.3%	-0.4%	-16.3%	+117.4%	-72.3%	-
Operating Income	5,281	5,624	96	-201	-250	11
%	100.0%	106.5%	1.8%	-3.8%	-4.7%	0.2%
Indicate year-on-year increase/decrease	-648	-511	+21	-118	-46	+6
%	-10.9%	-8.3%	+28.1%	-	-	+

Temporary Staffing Business

The Temporary Staffing Business accounts for more than 90% of Meitec's consolidated net sales. In this particularly 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 for the subject interim period, declined ¥ 134 million from the same period of the previous fiscal year, mainly due to a decrease in utilization times likely the result of shorter hours. By industry, sales remained strong in the automotive, electronic devices, and semiconductor fields.

Operating income declined, primarily because of an increase in up-front investment costs to increase the number of engineers. Such investments, although adding to bottom-line costs and putting pressure on earnings, by increasing the number of engineers can be expected to result in increases in both revenue and earnings in a "J" shaped curve. The number of engineers during the subject interim period was up by 184 from the same period of the previous fiscal year to 7,501 engineers (Reference 3), which we believe gives sufficient reason to expect increases in revenue and earnings during the second half of the subject fiscal year, compared to the same period a year earlier (see "Forecasts for Fiscal 2008").

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

		FY2007 Interim	FY2008 Interim	
MT ^{*1} +MF ^{*2} +MGS ^{*3} +CAE ^{*4}		Engineering Staff, Period-End ¹	7,317	7,501
MT ^{*1} +MF ^{*2} +MGS ^{*3}		Engineering Staff, Period-End ¹	7,270	7,443
		Utilization Ratio(Company-wide)	96.6%	95.3%
		Utilization Ratio (Entry Level Staff ² Excluded)	98.5%	97.7%
MEITEC ^{*1}		Engineering Staff, Period-End ¹	5,852	5,906
		Utilization Ratio(Company-wide)	97.1%	96.5%
		Utilization Ratio (Entry Level Staff ² Excluded))	98.6%	98.4%
Meitec Fielders ^{*2}		Engineering Staff, Period-End	1,372	1,381
		Utilization Ratio(Company-wide)	95.7%	93.7%
		Utilization Ratio (Entry Level Staff ² Excluded))	99.0%	98.2%
Meitec Global Solutions ^{*3}		Engineering Staff, Period-End	46	156
		Utilization Ratio(Company-wide)	50.7%	49.0%
		Utilization Ratio (Entry Level Staff ² Excluded))	58.6%	52.3%
Meitec CAE ^{*4}		Engineering Staff, Period-End	47	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 (Sep 06 = 21 engineers; Sep 07 = 33 engineers).
2. Total of new graduates and mid-career hires.

Reference

The utilization rate remains high, but has declined slightly compared to the same period of the previous fiscal year. This is due mainly to active recruitment of mid-career engineers, a policy the Company believes will contribute to greater revenue and earnings going forward.

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.

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.

In particular, both Apollo Giken and Meitec Shanghai achieved profitability during the subject interim period, reversing the losses recorded during the same period a year earlier as the benefits of business restructuring measures began to take effect. Three D Tec, Information Management System, and Meitec CAE, however, recorded slight decreases as a result of greater up-front investment costs to enhance service content and strengthen operating activities, through these were basically in line with the Company's expectations.

Global Business

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

The "bridge engineer" business (in which Chinese engineers are trained at Meitec's facilities in China and referred or dispatched to companies in Japan) focused on developing latent demand. Net sales in the Global Business more than doubled from the same period of the previous fiscal year, making 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 continually stimulate demand, along with to secure and train Chinese engineers, to exceed revenues for some time.

At the same time, the number of Chinese engineers secured is steadily growing, with the number of engineers employed by Meitec Global Solutions reaching 156 at the end of the subject interim period, and we believe the business will make a higher degree of contribution to greater revenue and earnings in the future.

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 decreases in both revenue and earnings compared to the same period of the previous fiscal year.

However, the business is making a determined effort to improve its earnings structure through such measures as consolidation of business offices in response to business scale, and the introduction of a performance-linked human resource structure.

[Reference 4] Business Results for Novations Group Inc.

(Millions of yen, rounded down)	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.

4. Forecasts for Fiscal 2008

[Reference 5] Overview of Consolidated Results Forecasts (April 1, 2007 – March 31, 2008)

	Sales	Operating Income	Ordinary Income	Net Income
FY07 Results	82,229	11,581	11,487	295
Previously Announced Forecast	84,000	11,000	11,000	5,000
Current Forecast	83,000	11,000	11,000	5,000

Note: Fiscal 2008 forecasts were announced on May 10, 2007.

[Reference 6] Overview of Consolidated Net Sales and Operating Income Forecasts (April 1, 2007 – March 31, 2008)

(Millions of yen, rounded down)		Net Sales			Operating Income		
		FY07	FY08	YoY (amount)	FY07	FY08	YoY (amount)
1H FY08	42,009	40,215	-1,793	5,929	5,281	-648	
Full Year	82,229	83,000	+770	11,581	11,000	-581	
2H FY08	40,220	42,784	+2,563	5,652	5,718	+66	

Note: Second half figures are a simple subtraction of first half results from full-year forecasts.

Although the outlook for the U.S. economy remains uncertain, Meitec is announcing its forecasts for the full year of fiscal 2008 in the expectation of continued growth in the worldwide and Japanese economy. Meitec's current forecast for net sales is ¥ 83,000 million, down ¥ 1,000 million from the initial forecast. The main reasons for the revision, compared with the time of the initial forecast, are a softening of utilization hours and other factors stemming from shorter working hours in the Temporary Staffing Business, and the Global Business falling slightly short of its target utilization rate, as well as a reflection of the difficult business environment in the Career Support Business. However, we believe that there is sufficient leeway for cost control, and have made no change to forecasts for operating income, ordinary income, or net income. At the same time, for the second half of fiscal 2008 the Company is forecasting increases in both revenue and earnings compared to the same period of the previous fiscal year. This is because of the elimination of the decline caused by the sale of Novations Group Inc., along with an increase in the number of engineers for the Temporary Staffing Business due to aggressive mid-career hiring, and an expectation of a high utilization rate against a backdrop of robust orders. Operating income is expected to grow at a slower pace because of ongoing up-front investment costs to increase the number of engineers, but we will strive to achieve our targets through steady increases in earnings along a "J" shaped curve.

Group company forecasts for fiscal 2008 forecasts are presented in "Reference 7" on the following page.

[Reference 7] Fiscal 2008 Forecasts for Meitec Group Companies (April 1, 2007 – March 31, 2008)

(Millions of yen)	Net Sales	Operating Income	Ordinary Income	Net Income
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
Three D 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 Xian	10	-40	-40	-40
Zhejiang Mi High Technology	20	-30	-30	-30
DBM-J	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

(2) Analysis of Financial Position

Assets

Total assets at the end of the interim consolidated accounting period for the fiscal year ending March 2008 was ¥58,146 million.

Current assets increased by ¥576 million compared to the end of the previous consolidated fiscal year, totaling ¥36,141 million. This mainly reflects an increase in net cash and cash equivalents of ¥1,117 million resulting from high operating results (interim net income before adjustments for taxes, etc. was ¥4,856 million), income and other tax payments amounting to ¥1,541 million (down 64.1% from the previous fiscal year), expenditures for the acquisition of treasury stock amounting to ¥1,554 million (down 39.1% from the previous fiscal year), and expenditures for dividends paid amounting to ¥1,589 million (down 6.4% from the previous fiscal year), and other factors; as well as a decrease in notes receivable and accounts receivable of ¥569 million.

Fixed assets increased by ¥90 million compared to the end of the previous consolidated fiscal year, totaling ¥22,004 million. This mainly reflects a decrease in buildings and structures of ¥470 million and a decrease in land of ¥193 million resulting from depreciation of ¥512 million (down 10.4% from the previous fiscal year) and an impairment loss of ¥398 million due to the decision to sell the Kobe dormitory facility, and other factors; a decrease in investment securities of ¥195 million resulting from a decrease in the market price of investment securities, a partial transfer of investment securities to marketable securities, and other factors; and an increase in other assets recorded in investments and other assets of ¥397 million due to tax effects, etc. based on retirement allowance payments and impairment loss on sale of property, etc.; as well as other factors.

Liabilities

Total liabilities at the end of the interim consolidated accounting period for the fiscal year ending March 2008 was ¥19,997 million.

Current liabilities increased by ¥804 million compared to the end of the previous consolidated fiscal year, totaling ¥13,363 million. This mainly reflects an increase in income taxes and other taxes payable of ¥1,004 million and other factors. Fixed liabilities increased by ¥398 million compared to the end of the previous consolidated fiscal year, totaling ¥6,634 million. This mainly reflects an increase in reserves for employee retirement benefits amounting to ¥398 million and other factors.

Net Assets

Net assets at the end of the interim consolidated accounting period for the fiscal year ending March 2008 was ¥38,148 million, down ¥535 million compared to the end of the previous consolidated fiscal year. This mainly reflects an increase in retained earnings of ¥950 million due to our high operating results partially offset by the payment of dividends; an increase in treasury stock (a deduction) of ¥1,553 million due to the acquisition of treasury stock; and a decrease in appraisal surplus on land (a deduction) of ¥61 million resulting from impairment loss write-off due to the decision to sell the Kobe dormitory facility; as well as other factors.

Status of cash flows from operating activities

Net cash income from operating activities for the interim consolidated accounting period of the fiscal year ending March 2008 was ¥5,066 million (up 63.7% from the previous fiscal year). This mainly reflects a decrease in trade receivables of ¥578 million (an increase of ¥424 million was recorded for the same period of the previous fiscal year), an increase in inventories of ¥133 million (a decrease of ¥151 million was recorded for the same period of the previous fiscal year), a decrease in accrued expenses of ¥121 million (an increase of ¥262 million was recorded for the same period of the previous fiscal year), and income tax and other tax payments amounting to ¥1,541 million (a decrease of ¥2,747 million, down 64.1% from the previous fiscal year), and other factors.

Status of cash flows from investing activities

Net cash used in investing activities for the interim consolidated accounting period of the fiscal year ending March 2008 was ¥535 million (up 106.7% from the previous fiscal year). This mainly reflects the fact that expenditures for the purchase of time deposits was zero (compared to ¥300 million for the same period of the previous fiscal year), proceeds from repayment amounted to ¥600 million (compared to zero for the same period of the previous fiscal year), expenditures for the acquisition of marketable securities was ¥372 million (compared to zero for the same period of the previous fiscal year), and expenditures for the acquisition of intangible fixed assets was ¥709 million (an increase of ¥573 million, up 420.0% from the previous fiscal year), as well as other factors.

Status of cash flows from financing activities

Net cash used in financing activities for the interim consolidated accounting period of the fiscal year ending March 2008 was ¥3,143 million (down 25.8% from the previous fiscal year). This mainly reflects the fact that expenditures for the acquisition of treasury stock amounted to ¥1,554 million (a decrease of ¥998 million, down 39.1% from the previous fiscal year) as well as other factors.

As a result of the above factors, cash and cash equivalents increased by ¥1,417 million compared to a decrease of ¥1,386 million in the same period of the previous year. In addition, cash and cash equivalents at the end of the interim consolidated fiscal period decreased by ¥493 million compared to the same period of the previous fiscal year amounting to ¥15,395 million.

(3) Basic Policy on Earnings Distribution and Fiscal 2008 Dividends

Meitec returns profits to shareholders through cash dividends and retirement of stock. The Company's basic policy is to distribute earnings based on operating performance.

Meitec's dividend policy, as of the fiscal year ended March 31, 2006, is to provide a dividend payout ratio of 50% or more of consolidated net income unless there is a need for large-scale capital for investment in the successive half-year period. This policy will be implemented for interim and year-end dividends.

The Company retires shares as a means of improving capital efficiency, linked to the Group's cash management. Specifically, Meitec considers two months of monthly revenue necessary for operation of the Meitec Group. When the Company's cash position at the end of the fiscal year exceeds this amount, retained earnings in excess of this amount (the portion exceeding two months of monthly revenue) are designated as funds for retirement of shares during the following fiscal year. When no investments with substantial capital demand are planned during the succeeding fiscal half-year, shares are retired at 50% the amount designated as funds for retirement of shares for the subject period.

Internal reserves serve not only to strengthen the Company's financial position, but also to fund investments in recruitment, training facilities and information systems, as well as improvement of the quality of services provided to customers. Reserves also fund the investments required for increasing the value added in our core business while expand the Company's business domain through alliances with other firms. These investments are directed at further increasing the Company's earnings, and are therefore in the best interests of shareholders.

Status of the Corporate Group

There are no major changes in the Business Organizational Chart (business content) and Status of Affiliated Companies from the most recent financial report (submitted June 22, 2007), so disclosure has been omitted.

Management Policy

(1) Basic Management Policy

The MEITEC Group has established as a basic policy of its management to "contribute to the advancement of society, and realize mutual growth and prosperity for shareholders, customers and employees through its outsourcing services." As one of the leading companies in the industry, MEITEC has adopted the following management policies in order to develop along with society.

1. Increase Shareholder Satisfaction

We will strive to maximize the value of shareholder returns.

2. Increase Customer Satisfaction

We will be a strategic partner for our clients, sharing our business resources (engineers and information) and developing our businesses together.

3. Increase Employee Satisfaction

We will support the career advancement of all employees working to increase their market value together with the Company.

4. Increase Society's Satisfaction

We will contribute to the healthy development of society through our business.

we believe that raising corporate value means contributing to society and raising the social value through our business by means of a well-balanced increase in the three areas of shareholder, customer and employee value.

(2) Management Goals

(3) Long-Term Management Strategy

(4) Issues Facing the Company

There are no major changes in the earnings report summary for FY3/07 (disclosed on May 10, 2007), so disclosure has been omitted.

The corresponding earnings report summary can be viewed at the following URL (Meitec's homepage):

http://www.meitec.co.jp/e/news/pdf/2007/070510_01.pdf