

## **Results of Meitec Group for 2Q/FY2009**

**-For the 6 months ended September 30,2008-**

**November 11, 2008**

## **Report of Meitec Group <Consolidated>**

**<Consolidated Results for 2Q/FY2009>**  
**-For 6 months ended Sept 30, 2008-**

(Million of Yen)

		Net Sales	Operating Income	Ordinary Income	Net Income
Results for Second Quarter	FY2009 '08/4-9	41,396	5,375	5,395	3,039
	FY2008 '07/4-9	40,215	5,281	5,276	2,595
	Change(%)	2.9%	1.8%	2.3%	17.1%

&lt;NOTE: Forecasts Fiscal Year Ending March 31, 2009&gt;

Revised Earnings Forecast September 30, 2008	41,500	5,300	5,300	3,000
Initial Forecasts	42,500	5,500	5,500	3,200

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**<Core Business (Temporary engineers staffing business) Results for 2Q/FY2009>**  
**-For 6 months ended Sept 30, 2008-**

	Meitec + MF + MGS	Meitec	Meitec Fielders	MGS
Utilization Ratio	93.9%	95.7%	93.9%	47.9%
	95.3%	96.5%	93.7%	49.0%
Operating Hours	-	9.05h/day	9.10h/day	8.78h/day
	-	9.15h/day	9.21h/day	9.05h/day
Average Rate Revision	-	1.8% up	2.4% up	1.4% up
	-	2.0% up	2.9% up	4.5% up

Number of Engineers	Meitec	MF	MGS	M-CAE	Total
	6,000	1,452	253	70	7,775
	5,906	1,381	156	58	7,501

※ Lower figure is the previous year's result

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## <The Second Quarter 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.

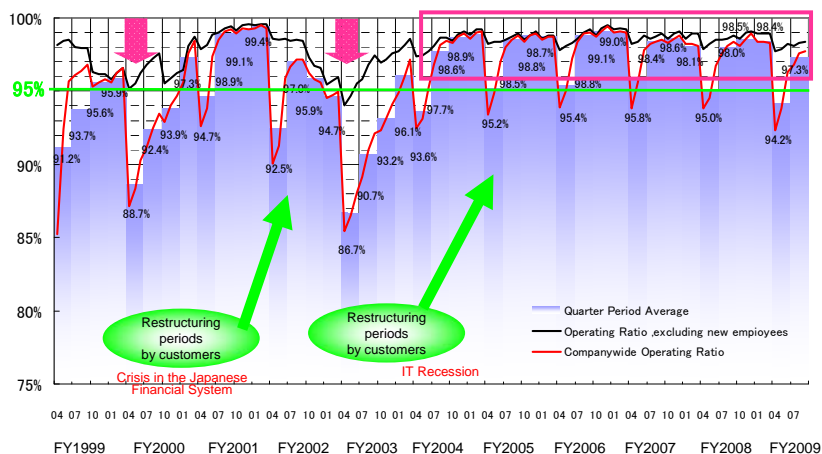
### 2. Conditions in Meitec's principal market (Temporary engineers staffing business)

- The climate for orders continues to be strong.
- Client companies are hiring more permanent staff, but that is not affecting orders for staffing .

#### - Current Market View -

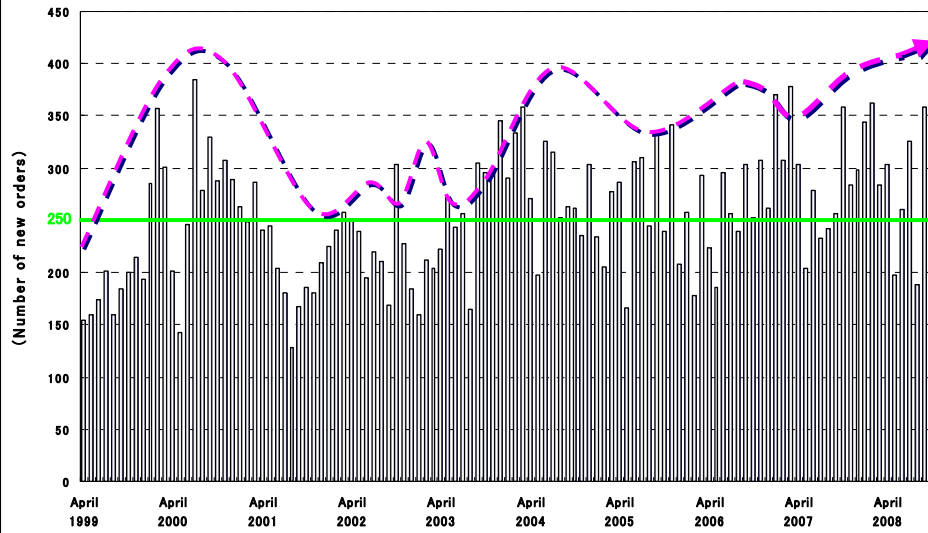
The economy is slowing, and has begun to impact the R&D investment of our client companies.  
Caution is required regarding future changes in the market.

## <Utilization Ratio (Non-Consolidated)>



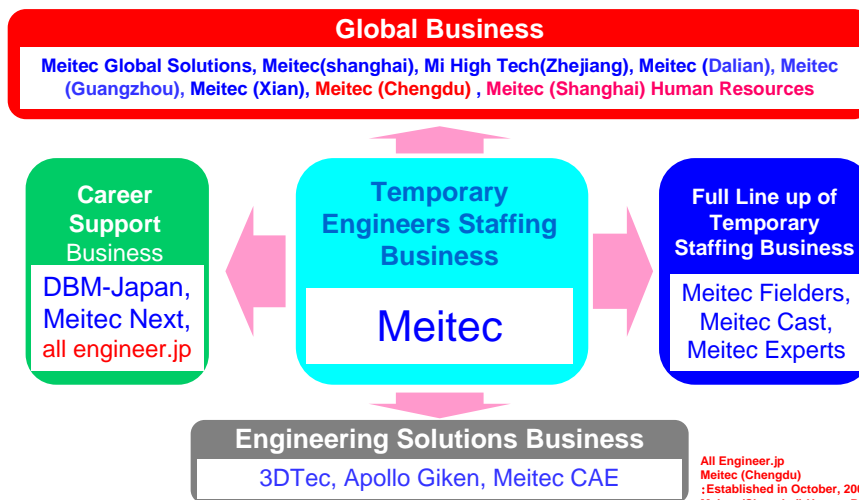
•Meitec Fielders Utilization Date is on appendix 3

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



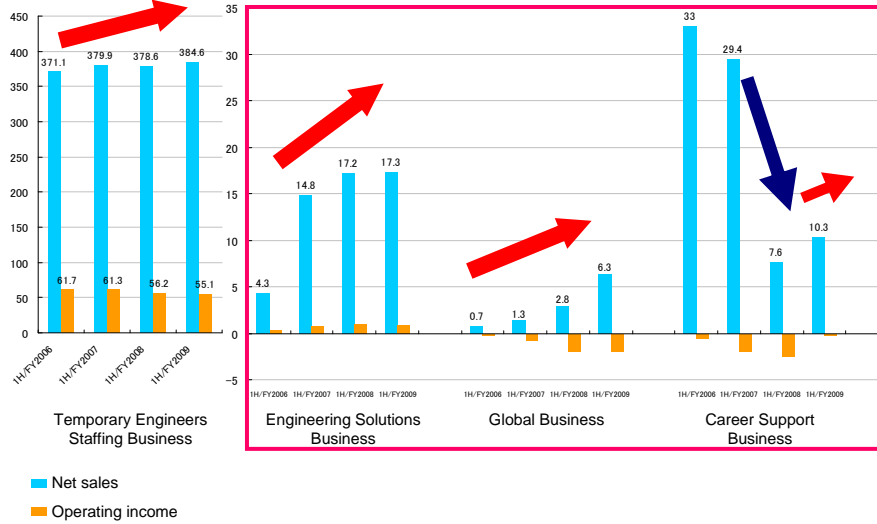
<Meitec Group's Business Domain Expansion Strategy Global Vision21>

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



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

(100 million yen)



<Meitec Group Results for 2Q/FY2009>  
-For 6 months ended Sept 30, 2008-

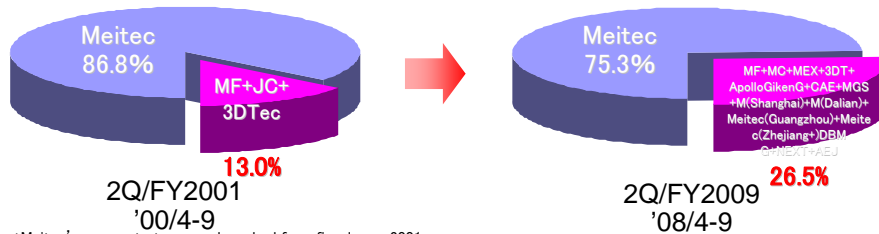
(million yen)

		Net Sales	Change	Operating Income	Change	Ordinary Income	Change	Net Income	Change
Second Quarter FY2009 '08/4-9	Meitec (MT)	31,163	1.3%	4,985	1.8%	5,471	5.7%	3,402	18.5%
	Meitec Fielders (MF)	5,531	4.7%	469	-24.3%	474	-24.0%	276	-24.3%
	Meitec Cast (MC)	1,836	-8.1%	58	-44.2%	58	-44.0%	32	-44.9%
	Meitec Experts (MEX)	160	116.3%	-4	-	-4	-	-4	-
	3D Tec (3DT)	356	11.1%	27	29.2%	27	24.1%	15	24.5%
	Apollo Giken Group (AP)	1,030	8.0%	35	-50.8%	40	-42.0%	39	-44.5%
	Meitec CAE (CAE)	353	35.1%	22	50.0%	22	48.4%	12	47.1%
	Meitec Global Solutions (MGS)	575	138.4%	-132	-	-132	-	-133	-
	Meitec Shanghai	13	-26.4%	-9	-	-8	-	-8	-
	Meitec Dalian	22	101.0%	-4	-	-5	-	-5	-
	Meitec Guangzhou	6	-13.2%	-16	-	-16	-	-16	-
	Meitec Zhejiang	7	16.1%	-9	-	-9	-	-9	-
	Meitec Xian	7	80.8%	-13	-	-16	-	-16	-
	Meitec Chengdu	0	-	-23	-	-28	-	-28	-
	Meitec (Shanghai) Human Resources	-	-	-	-	-	-	-	-
	DBM-Japan Group (DBM)	752	13.7%	6	-	24	-	10	-
	Meitec Next (NEXT)	275	182.0%	-14	-	-14	-	-14	-
All engineer.jp	7	-	-13	-	-13	-	-13	-	
Consolidated	41,396	2.9%	5,375	1.8%	5,395	2.3%	3,039	17.1%	

\*Amounts for each company are non-consolidated basis

All the group companies, except for the general temporary staffing business (MC) and the overseas operation, had realized increase in sales.

### <Growth in Group Net sales 2Q/FY2009 >

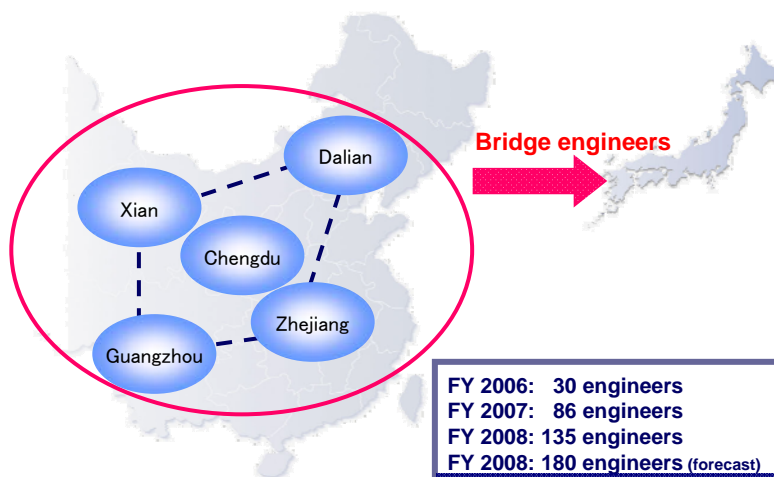


\*Meitec's group strategy was launched from fiscal year 2001

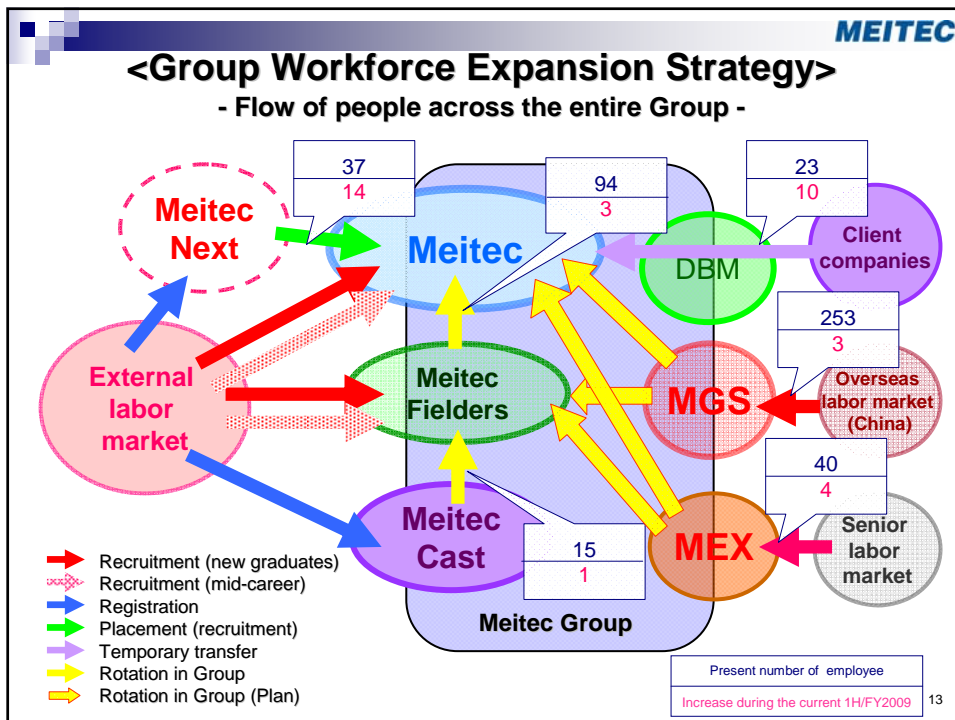
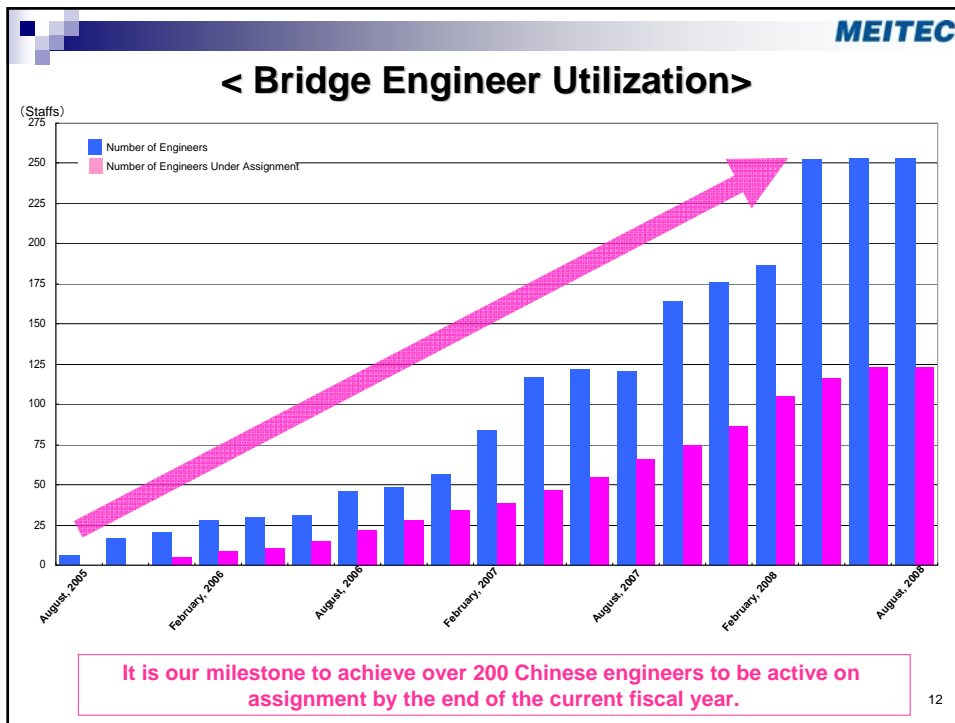
(Hundred Million of Yen)

	2Q/FY2001 '00/4-9	2Q/FY2009 '08/4-9	Change	Change(%)
Meitec	271.4	311.6	40.2	14.8%
Group Companies excluding Meitec	41.0	109.8	68.8	167.8%
Consolidated NetSales	312.5	413.9	101.4	32.4%
Composition Ratios Excluding Meitec ※	13.0%	26.5%	-	-

### <Promotion of Global Strategy >



FY 2006: 30 engineers
FY 2007: 86 engineers
FY 2008: 135 engineers
FY 2008: 180 engineers (forecast)
253 engineers (September 30, 2008)



### <Personnel Increases in FY2009>

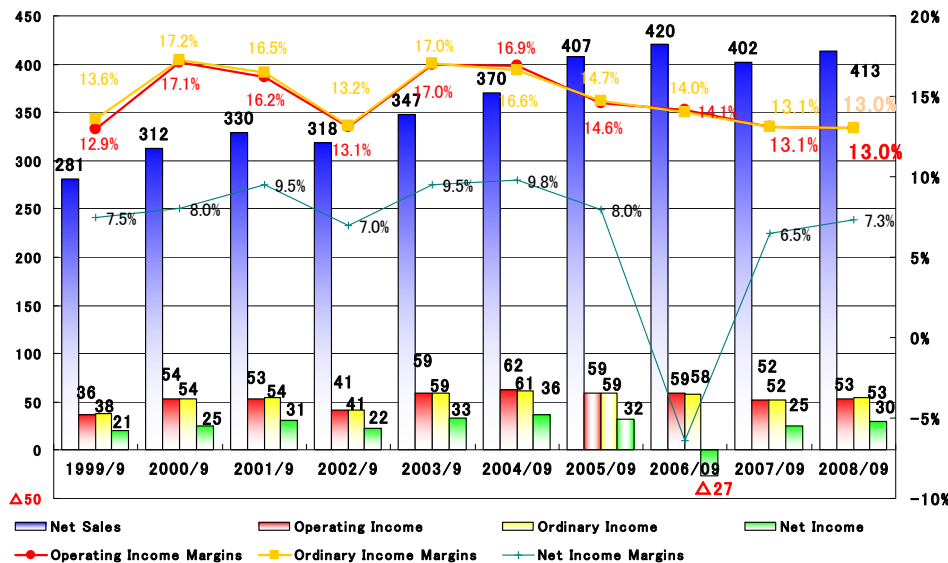
		FY2006	FY2008	FY2009 (Forecasts)	
new graduates	Meitec	213名	282名	325名	+44 from the previous year
	Meitec Fielders	118名	124名	125名	
	total	331名	406名	450名	+23 from the previous year
mid-career	Meitec	148名	283名	300名	
	Meitec Fielders	106名	144名	150名	
	total	254名	427名	450名	
Bridge engineers(Chines engineers)		86名	135名	180名	
Meitec Next		2名	26名	45名	
Meitec Experts(Senior engineers)		16名	43名	39名	
O&O(Client's engineers)		12名	11名	45名	+142 from the previous year
Total		699名	1022名	1164名	

※Number of new graduates for each fiscal year noted had joined the companies on April of the following fiscal year. Number of FY2009 is a forecast who we expect to join our group on April, 2009.  
 ※Number for Meitec Next (job placement) are the mid carrier hiring.

-We will continue our strategy to increase the number of engineers to realize mid to long term growth.  
 -But depending upon changes in the economic environments, we may restrain our mid-career recruitments.

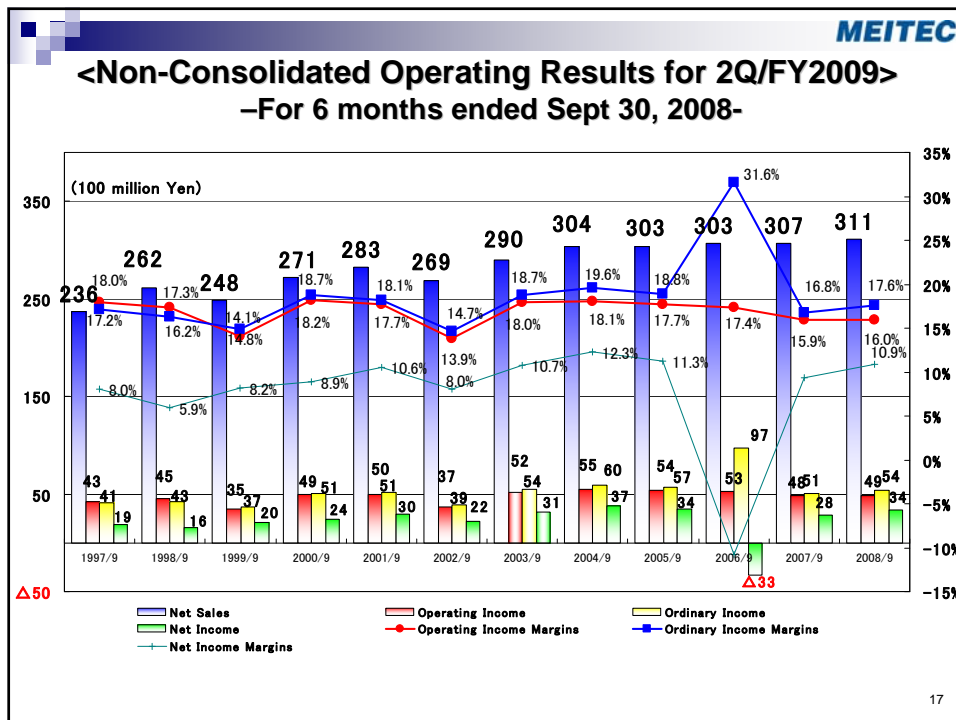
### <Consolidated Operating Results for 2Q/FY2009>

-For 6 months ended Sept 30, 2008-



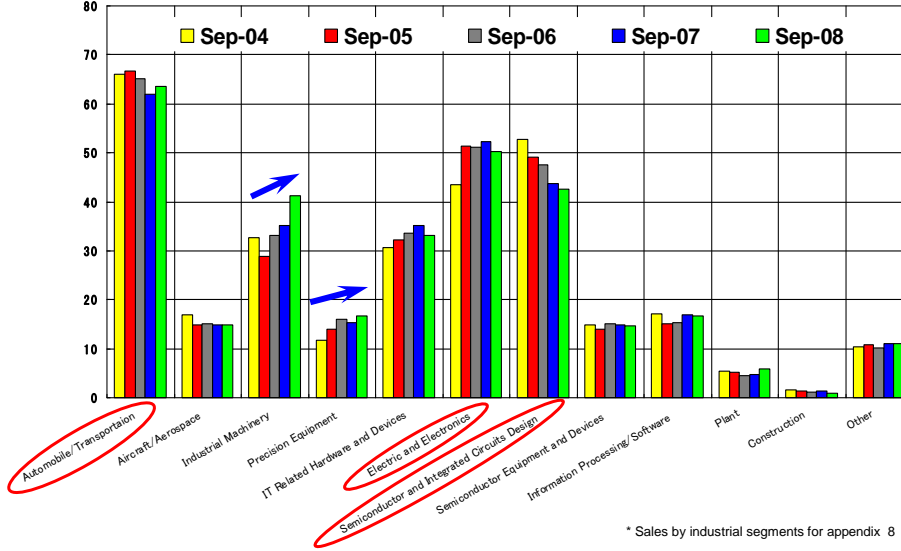


# Report of Meitec <Non-Consolidated>



<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)

2Q/FY2004 ('03/4-9)			2Q/FY2008 ('07/4-9)			2Q/FY2009 ('08/4-9)		
Companies Name			Companies Name			Companies Name		
1	Panasonic		1	Panasonic		1	Panasonic	
2	Sony Corp.		2	Canon Inc.		2	Canon Inc.	
3	Toyota Motor		3	Sony Corp.		3	Sony Corp.	
4	Mitsubishi Heavy		4	Mitsubishi Heavy		4	Omron Corp.	
5	Canon Inc.		5	Omron Corp.		5	Denso Corporation	
6	Seiko Epson		6	Nikon Corp.		6	Mitsubishi Heavy	
7	Nikon Corp.		7	Denso Corporation		7	Nikon Corp.	
8	Omron Corp.		8	Toyota Motor		8	Toyota Motor	
9	Jatoco T.T.		9	Seiko Epson		9	Seiko Epson	
10	Sony EMCS		10	Yazaki Parts		10	Yazaki Parts	
Top 10 Total		10,761 37.1%	Top 10 Total		9,989 32.5%	Top 10 Total		10,310 33.1%
Top 20 Total		14,149 48.8%	Top 20 Total		13,280 43.2%	Top 20 Total		13,637 43.8%
Others		14,855 51.2%	Others		17,473 56.8%	Others		17,526 56.2%
Total		29,004 100.0%	Total		30,753 100.0%	Total		31,163 100.0%

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

1. Pressure to reduce costs will increase, particularly among companies highly dependent on exports.

➡ We are beginning to see some increases in pressure to cut back on cost even in the R&D fields, not just limited to the production, in the manufacturing industries.

➡ Our business may see some effect in utilization ration of our engineers as well as number of active hours of our engineers.

2. Market conditions are difficult, which may encourage restructuring of the engineer staffing industry overall.

➡ Meitec's basic acquisition strategy: Acquisition price ≤ Hiring costs

**<Forecasts; Fiscal Year Ending March 31, 2009>**

(Millions of Yen)

		Net Sales	Operating Income	Ordinary Income	Net Income
Consolidated	FY2009	84,000	10,500	10,500	6,000
	FY2008	82,102	11,365	11,334	4,958
	Change(%)	2.3%	-7.6%	-7.4%	21.0%
Non-consolidated	FY2009	63,000	9,800	10,300	5,700
	FY2008	62,956	10,460	10,768	4,938
	Change(%)	0.1%	-6.3%	-4.3%	15.4%

- As of November 11, 2008, we have not seen any termination of large contract nor the drastic decrease in number of new orders.  
 - Therefore, we have not changed our forecast from what we had disclosed on September 30, 2008. But we will continue to watch and examine the market trend.

## <Factors Affecting Forecasts for FY2009>

→ **planned at the beginning of the fiscal year**

(Previous forecast FY2009)

**<Increase in SG&A expenses: +¥1,050 million>**

Increase in strategic investments for business expansion: +¥1,250 million

Decrease in existing costs: -¥200 million



### <Breakdown of Strategic Investments>

#### 1. Strengthening of Existing Business

Strengthening recruitment for the staff business : ¥300 million

#### 2. New Business Development

- Increase in number of bridge engineers : ¥50 million

- Establishment of Meitec Next

(Job placement business) : ¥200 million

- Establishment of all engineer.jp : ¥100 million

#### 3. Increase in Group Office Locations

Establishment of new domestic offices : ¥50 million

#### 4. Reinforcement in education and company infrastructure

- Construction of the new corporate information system,  
introduction of new corporate housing  
management system : ¥400 million

- Reinforcement in education : ¥150 million

**Total  
¥1,250 million**

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## <Forecasts; Fiscal Year Ending March 31, 2009>

(Millions of Yen)

		Net Sales	Operating Income	Ordinary Income	Net Income
Fiscal Year	Meitec	63,000	9,800	10,300	5,700
	Meitec Fielders	11,000	1,000	1,000	600
	Meitec Cast	3,800	150	150	90
	Meitec Experts	370	0	0	0
	3D Tec	760	60	60	30
	Apollo Giken Group	2,150	90	90	90
	Meitec CAE	790	70	70	35
	Meitec Global Solutions	1,400	-350	-350	-350
	Meitec Shanghai	25	-20	-20	-20
	Meitec Dalian	60	0	0	0
	Meitec Guangzhou	20	-25	-25	-25
	Meitec Zhejiang	40	0	0	0
	Meitec Xian	25	-25	-30	-30
	Meitec Chengdu	5	-40	-50	-50
	DBM-Japan	1,500	30	50	10
	Meitec Next	550	-55	-55	-55
	all engineer.jp	20	-25	-25	-25
Consolidated	84,000	10,500	10,500	6,000	

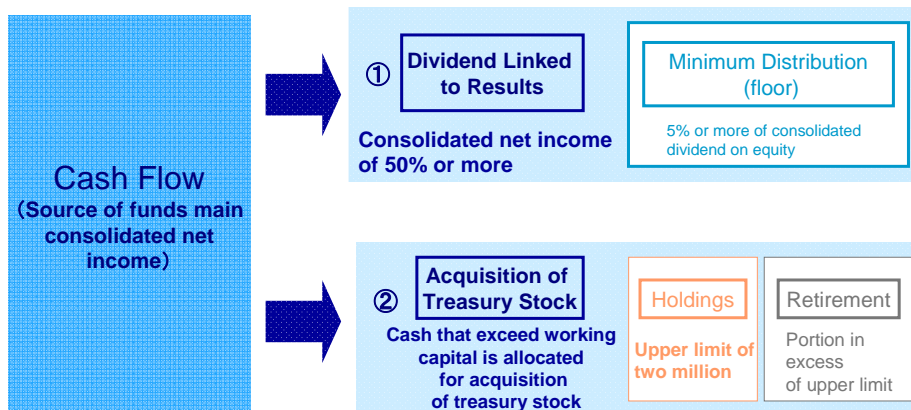
\*Amounts for each company are non-consolidated basis

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**<Precondition for the Forecasts of the FY2009>  
- Meitec+MF+MGS -**

		Meitec	MF	MGS
Utilization Ratio	First Half	95.7%	93.9%	47.9%
	Second Half	97.7%	97.0%	48.0%
	Fiscal Year	96.7%	95.5%	48.0%
Operating Hours per day	First Half	9.05h/day	9.10h/day	8.78h/day
	Second Half	9.03h/day	9.12h/day	8.78h/day
	Fiscal Year	9.04h/day	9.11h/day	8.78h/day

**<Basic Policy Regarding Distribution of Earnings to Shareholders>**



**Basic policy of conducting the M&A is to do it by cash**

## <Summary for Meitec Group>

<b>Meitec Folders</b>		<b>Meitec Global Solutions</b>	
Capitalization	¥268Million	Capitalization	¥425Million
Employees	1,431	Employees	287
Establishment	December, 1979	Establishment	April, 2003
Business Description	Temporary engineering staff business	Business Description	International outsourcing services
<b>Meitec Cast</b>		<b>Meitec (Shanghai)</b>	
Capitalization	¥100Million	Capitalization	\$1,200,000
Employees	46	Employees	9
Establishment	February, 2000	Establishment	September, 2003
Business Description	Registered-style temporary staffing business and employment agency	Business Description	Corporate management consultation
<b>Meitec Experts</b>		<b>Meitec (Dalian)</b>	
Capitalization	¥100Million	Capitalization	RMB 8,000,000
Employees	4	Employees	20
Establishment	April, 2006	Establishment	November, 2004
Business Description	Temporary senior engineering staff business	Business Description	Training business in China
<b>3D Tec</b>		<b>Meitec (Shanghai) New</b>	
Capitalization	¥20Million	Capitalization	RMB 10,000,000
Employees	20	Employees	12
Establishment	December, 2000	Establishment	December, 2005
Business Description	R&D support utilizing 3-D CAD design services	Business Description	Training business in China
<b>Apollo Giken</b>		<b>Meitec (Shenzhen)</b>	
Capitalization	¥311Million	Capitalization	RMB 9,000,000
Employees	188	Employees	10
Establishment	August, 1978	Establishment	July, 2004
Business Description	Designing and manufacturing printed circuits board	Business Description	Training business in China
<b>Shanghai Apomac Consolidated subsidiary of Apollo Giken</b>		<b>Meitec (Kian)</b>	
Capitalization	\$525,000	Capitalization	\$1,200,000
Employees	42	Employees	12
Establishment	August, 1997	Establishment	September, 2006
Business Description	Designing and manufacturing printed circuits board	Business Description	Training business in China
<b>Meitec CAE</b>		<b>Meitec (Changchun)</b>	
Capitalization	¥100Million	Capitalization	\$1,200,000
Employees	62	Employees	14
Establishment	April, 2006	Establishment	October, 2007
Business Description	Contract work and temporary staffing related to structural analysis	Business Description	Training business in China
<b>Drake Beam Motion</b>		<b>Meitec (Shanghai) Human Resources</b>	
Capitalization	¥450Million	Capitalization	\$300,000
Employees	55	Employees	1
Establishment	October, 1982	Establishment	September, 2003
Business Description	Outplacement Service	Business Description	Corporate management consultation
<b>Meitec Next</b>		<b>All Engineering</b>	
Capitalization	¥480Million	Capitalization	¥70Million
Employees	36	Employees	1
Establishment	July, 2006	Establishment	October, 2007
Business Description	Job placement for engineers	Business Description	Internet-based information services; etc.

(Appendix-1)

## <Breakdown of Non-consolidated Net Sales>

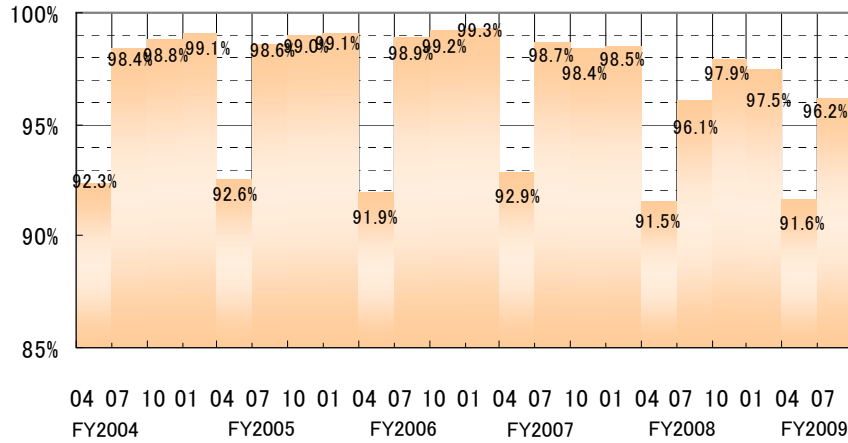
**Meitec's non-consolidated net sales**  
 = 31.16 billion yen  
 = Core Business (Temporary engineers staffing business)  
 + New Business (Gateway Business)  
 = 30.72 billion yen + 0.44 billion yen

\* 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, Apollo Giken, Meitec Global Solutions and Meitec CAE and customer transactions were posted to Meitec's account.

(Appendix-2)

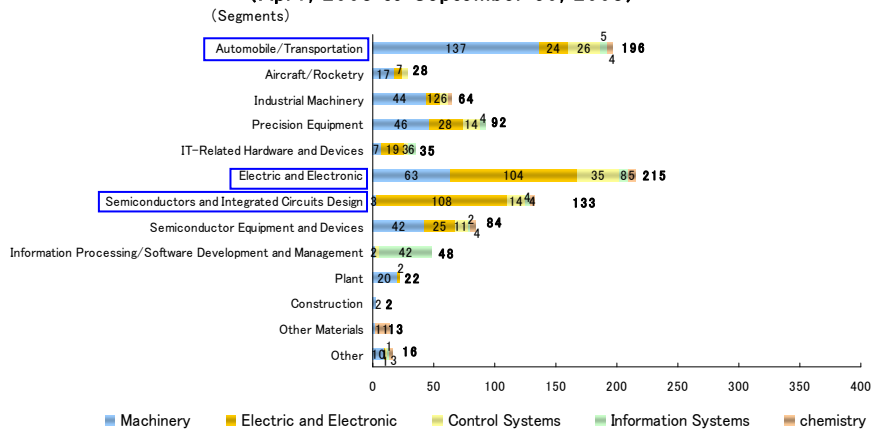
### <Utilization Ratio (Meitec Fielders)>



(Appendix-3)

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

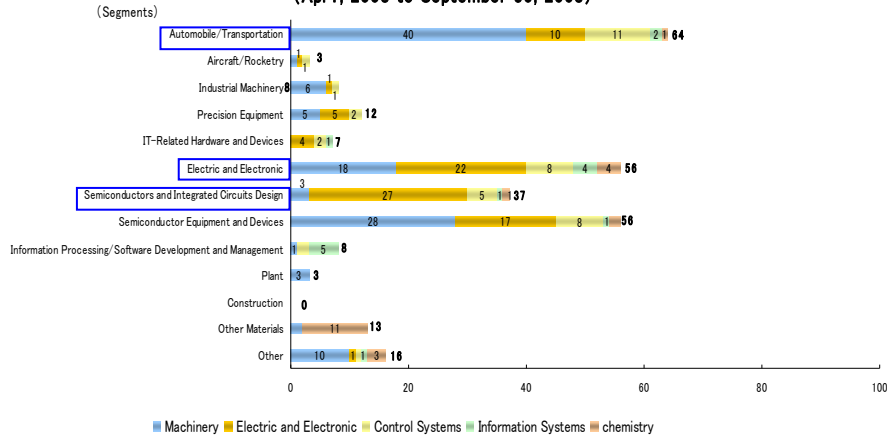
#### New Contracts by Segments **General + New Graduates** (Apr1, 2008 to September 30, 2008)



(Appendix-4)

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

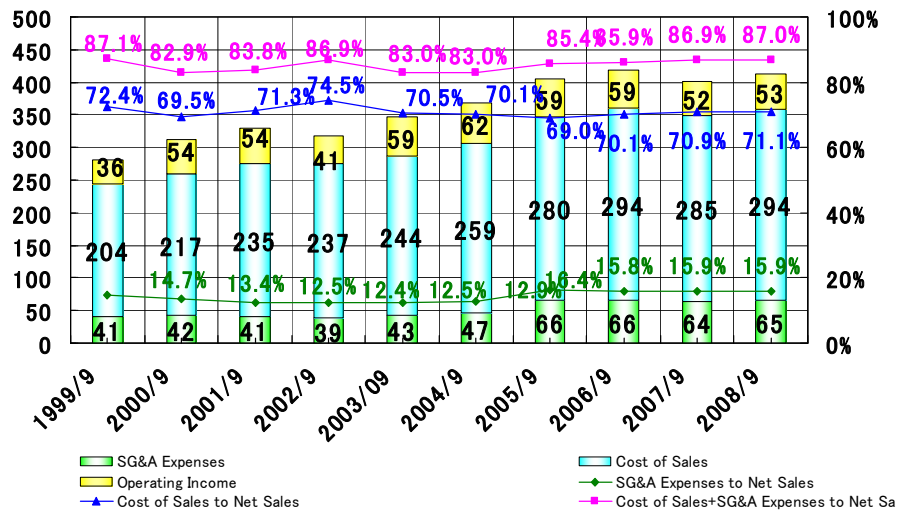
New Contracts by Segments **New Graduates**  
(Apr1, 2008 to September 30, 2008)



(Appendix-5)

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

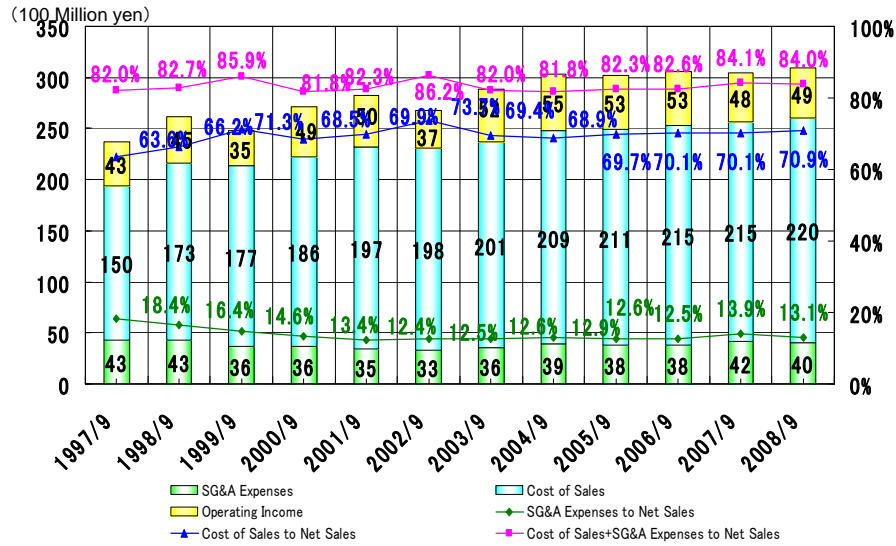
(100 Million yen)



(Appendix-6)



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



(Appendix-7)

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

(Millions of yen)

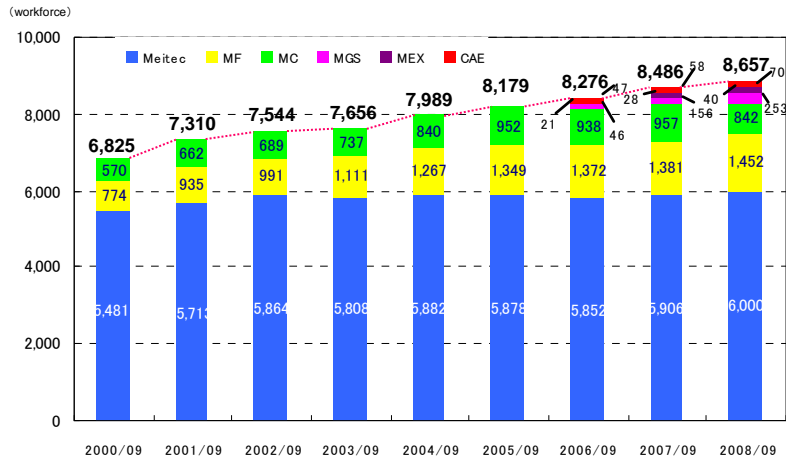
Segment	2Q/FY2005	2Q/FY2006	2Q/FY2007	2Q/FY2008	2Q/FY2009			
	('04/4-9)	('05/4-9)	('06/4-9)	('07/4-9)	Net Sales	Total Net Sales(%)	Change	Change (%)
Automobile/Transportation	6,614	6,675	6,514	6,190	6,357	20.4%	166	+2.7%
Aircraft/Aerospace	1,700	1,495	1,514	1,478	1,484	4.8%	6	+0.4%
Industrial Machinery	3,264	2,883	3,306	3,518	4,135	13.3%	616	+17.5%
Precision Equipment	1,165	1,397	1,590	1,541	1,670	5.4%	128	+8.4%
IT Related Hardware and Devices	3,059	3,231	3,358	3,522	3,320	10.7%	-201	-5.7%
Electric and Electronics	4,354	5,137	5,122	5,235	5,029	16.1%	-206	-3.9%
Semiconductors and Integrated Circuits Design	5,277	4,911	4,764	4,363	4,248	13.6%	-115	-2.6%
Semiconductor Equipment and Devices	1,485	1,388	1,500	1,489	1,474	4.7%	-15	-1.0%
Information Processing/Software	1,712	1,513	1,531	1,689	1,665	5.3%	-24	-1.4%
Plant	538	511	454	465	557	1.9%	112	+24.2%
Construction	168	128	122	146	97	0.3%	-48	-33.2%
Others	1,041	1,091	1,018	1,112	1,103	3.5%	-9	-0.8%
<b>Total</b>	<b>30,384</b>	<b>30,366</b>	<b>30,799</b>	<b>30,753</b>	<b>31,163</b>	<b>100.0%</b>	<b>409</b>	<b>1.3%</b>

※ Yellow ink : up compared to previous year

(Appendix-8)

### <Status of Global Vision 21>

- Trend in Number of Staffs<Meitec + MF + MC + MGS + MEX + CAE> -

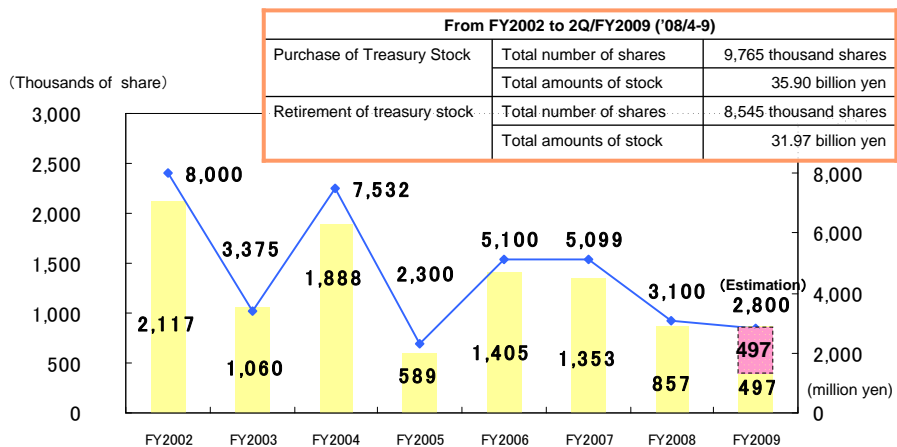


**Group currently shifting to personnel increase model**

- \* Number for Meitec and MF is the number of engineers
- \* Number for the MC and MEX is the number of people registered
- \* Number for the MGS is the number of the Bridge Engineers

(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.

\*Treasury stock held as of March 31, 2008 ; 1,115,293 shares

(Appendix-10)

## &lt;Shareholders by Business Segments (Non-Consolidated)&gt;

Shareholder Segment	(As of the Second Quarter Period Ended September 30, 2008)			
	Shareholders	%	Shares Held	%
Banks	7	0.10%	1,285,101	3.63%
Trust Banks	20	0.28%	5,244,314	14.80%
Life and against loss insurance companies	24	0.34%	4,913,783	13.86%
Securities financing and other financial companies	6	0.08%	61,860	0.17%
Securities companies	27	0.38%	256,930	0.72%
Business concerns and other companies	125	1.77%	343,482	0.97%
Overseas companies and investors	145	2.05%	18,219,290	51.41%
Individuals and others	6,711	94.98%	5,117,495	14.44%
Total	7,065	100.0%	35,442,255	100.0%