MEITEC
THE ENGINEERING OUTSOURCING® COMPANY

ANNUAL REPORT 2008

YEAR ENDED MARCH 31, 2008

PEOPLE AND TECHNOLOGY LEADING THE WAY TO THE FUTURE

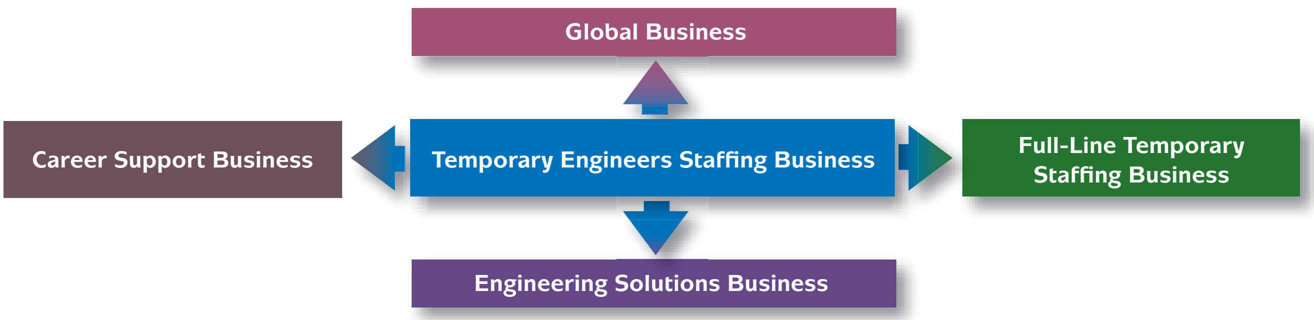
Following the concept of "Mutual Growth and Prosperity, "Meitec Corporation's Engineering Outsourcing services have supported the technological development of more than 4,000 companies throughout Japan. As the leading company in the industry, Meitec launched its consolidated management plan, True Global Vision 21, in April 2008 to ensure that it continues to play a vital role as an ultimate personal office and engineering division for the entire manufacturing industry, and contributes to society by utilizing the full potential of engineers, an invaluable management resource.

GROUP STRATEGY

The Meitec Group focuses on its core temporary engineers staffing business, from which it extends into four areas: the full-line temporary staffing business; the engineering solutions business; the global business; and the career support business. Each Group company forms organic connections with the others while making effective use of its own strengths, as the Group grows in these four directions.

This "gateway strategy" allows us to provide on a Group-wide basis the various resources and services necessary to the business processes of the manufacturing industry, our principal client.

MEITEC GROUP'S BUSINESS DOMAINS



Temporary Staffing Business	Temporary Engineers Staffing Business	Meitec Corporation	Temporary Engineers Staffing Business, the core business of the Group
	Full-Line Temporary Staffing Business	Meitec Fielders Inc.	Middle-range temporary engineers staffing business
		Meitec Cast Inc.	Registration-type temporary staffing business mainly for the manufacturing industry
		Meitec Experts Corporation	Registration-type temporary engineers staffing business specializing in senior staff
Engineering Solutions Business		Three D Tec Inc.	Engineering solutions business specializing in three-dimensional CAD design technology
		Information Management System Co., Ltd.	Engineering solutions business specializing centered on printed circuit board design
		Apollo Giken Co., Ltd.	
		Shanghai Apomac Science & Technology	
		Meitec CAE Corporation	Engineering solutions business specializing mainly in analysis-related technologies
Global Business		Meitec Global Solutions Inc.	Personnel supply business for the global business in Japan
		Meitec Shanghai	Personnel supply business for the global business in China
		MEITEC Dalian TechnoCenter Co., Ltd.	Personnel training business for the global business in China
		MEITEC Guangzhou TechnoCenter Co., Ltd.	
		MEITEC Xian TechnoCenter Co., Ltd.	
		MEITEC Chengdu TechnoCenter Co., Ltd.	
		ZHEJIANG MI High Technology Co., Ltd.	
Career Support Business		Drake Beam Morin-Japan, Inc.	Outplacement business
		Meitec Next Corporation	Job placement business specializing in engineers
		All engineer.jp Corporation	Internet-based information services

TO OUR SHAREHOLDERS

I would like to express my sincere appreciation for your continuing support of Meitec Corporation ("Meitec" or "the Company"). I am pleased to present our business report for the fiscal year ended March 31, 2008.

Meitec posted overall declines in both sales and earnings for the subject fiscal year (ended March 31, 2008), but the results were basically in line with our initial forecasts. The Meitec Group consists of 17 companies in four business areas: (1) the temporary staffing business, centered on the Group's mainstay temporary engineers staffing business; (2) the engineering solutions business, combining staffing with engineering services (prototypes, printed circuit boards, analysis, etc.); (3) the global business (staffing business placing engineers from overseas, mainly China); and (4) the career support business (human resources business specializing in engineers). We are working to expand all of these businesses, and during the subject fiscal year achieved sales increases in all but the career support business.

One of the successes of the year was a growth of more than 1,000 engineers throughout the Group for the first time in the Company's history. This is up significantly from the rise of 699 engineers a year earlier. The majority of the expansion was in mid-career hires and bridge (Chinese) engineers, the result of the personnel increase strategies we have pursued over the past three years (initiatives to reduce our dependence on large numbers of new graduates and boost diverse human resources throughout the Group). This personnel increase strategy has underpinned our policy of establishing a new foundation for growth in both sales and earnings in the fiscal year ending March 31, 2009.

The direction of the Japanese economy has grown increasingly unclear since the U.S. subprime loan crisis last year, but by strengthening our relationship with client companies—who continue to invest in technology development over the medium to long term—we expect to reach our targets and meet the expectations of shareholders.

Thank you for your continued support of Meitec.

June 2008

Kosuke Nishimoto

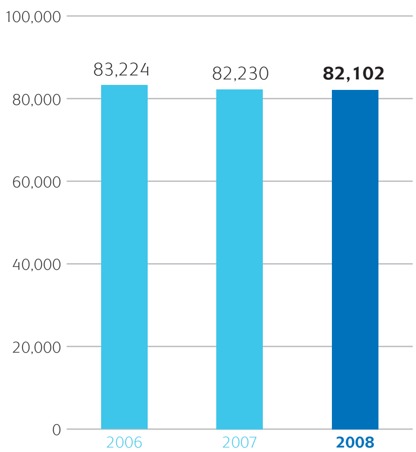
President, CEO & COO

CONSOLIDATED FINANCIAL HIGHLIGHTS

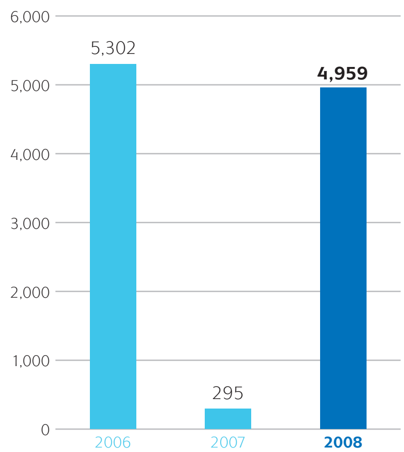
	Millions of Yen			Thousands of U.S. Dollars (Note 1)
	2008	2007	2006	**2008**
Net sales	**¥ 82,102**	¥ 82,230	¥ 83,224	**¥821,023**
Operating income	**11,365**	11,582	12,485	**113,653**
Net income	**4,959**	295	5,302	**49,585**
Total assets	**57,785**	57,479	67,185	**577,848**
Total equity (Note 2)	**37,599**	38,684	46,668	**375,985**
	Yen			U.S. Dollars (Note 1)
Per Share of Common Stock:				
Total equity (Note 2)	**¥1,086.71**	¥1,092.80	¥1,274.10	**$10.87**
Cash dividends	**72.00**	89.00	90.50	**0.72**
Basic net income (Note 3)	**142.64**	8.20	138.93	**1.43**
	%			
Return on average equity	**13.1**	0.7	11.1	

Notes: 1. U.S. dollar amounts are translated from Japanese yen, for convenience only, at the rate of ¥100 to $1, the approximate exchange rate prevailing as of March 31, 2008.
2. The amount of total equity and total equity per share at March 31, 2006, respectively, represents the value of total shareholders' equity and total shareholders' equity per share, respectively.
3. Basic net income per share is computed based on the weighted average number of shares outstanding during each term.

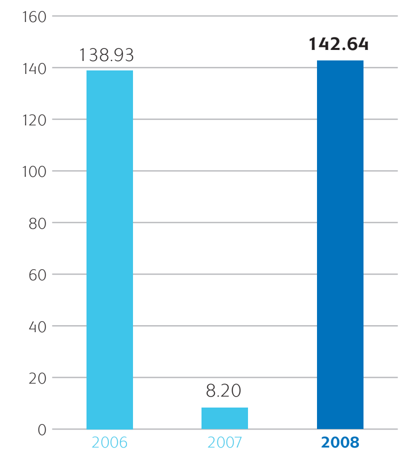
NET SALES
(Millions of Yen)



NET INCOME
(Millions of Yen)

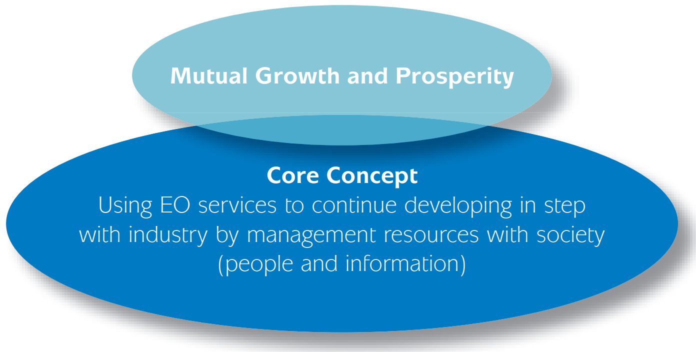


NET INCOME PER SHARE
(Yen)



MANAGEMENT POLICIES

GROUP MANAGEMENT CONCEPT



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 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.

Initiatives for Highly Transparent Management and Sound Development of the Industry

Meitec is enhancing its corporate governance structure from a shareholder-oriented perspective, and provides shareholder returns in a highly transparent manner. We are also committed to the sound development of the outsourcing industry.

Basic Policy on Corporate Governance

The Meitec Group regards that corporate value consists of shareholder value, customer value, employee value, and social value. As such, 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. This is the foundation of our corporate governance. We therefore believe that in terms of a company's relationship with society, the conduct of sound and highly transparent operations which comply with laws and regulations and do not conflict with social ethics—and as a precondition of such, managers who approach their role with a keen ethical sense—are essential to the conduct of business that will provide sustainable and ongoing growth in corporate value.

Participation in the Founding of the Nippon Engineering Outsourcing Association

Meitec was one of an alliance of companies that established the Nippon Engineering Outsourcing Association (NEOA), an industry organization for engineering outsourcers.

The NEOA's objective is to ensure the soundness of the outsourcing industry and fair competition among companies, and to contribute to the development of the manufacturing industry and society by supporting the career advancement of engineers.

Going forward, Meitec will seek proactive discussion with alliance partners in its efforts to emphasize compliance and governance, build relationships of trust with user companies, observe the basic principles of the human resources business by protecting the rights of workers, and support the training and development of personnel.

Basic Policy on Earnings Distribution

Meitec returns profits to shareholders through cash dividends, as well as the acquisition, holding, and retirement of treasury stock. The Company's dividend policy is to distribute earnings commensurate with operating performance, at a dividend payout ratio of 50% or more of consolidated net income, provided there is no need for large-scale capital for investment in the successive half-year period. The minimum dividend will be 5% or more of the consolidated dividend on equity (DOE) ratio.

For the acquisition of treasury stock, Meitec designates as funds for stock acquisition the amount of cash and cash equivalents at the end of the fiscal period in excess of two months' monthly operating revenue. Acquired shares are held as treasury stock up to a limit of two million shares, with the excess portion retired at each half-year.

RESULTS OF GLOBAL VISION 21

The Meitec Group Management Plan

The Meitec Group has formulated the new business plan, True Global Vision 21, for the three-year period from April 1, 2008 to March 31, 2011. This new plan will build further on the basic themes established under the recently concluded five-year Group business plan, Global Vision 21 (April 1, 2003 to March 31, 2008), and will launch a new series of initiatives aimed at realizing our goal of being the true leading corporate group in the industry.

Results of Global Vision 21

The business environment for the Meitec Group is undergoing significant change. The working population is shrinking due to the declining birthrate and aging of society, and fewer people are opting for engineering careers. Our main client base, the manufacturing industry, is also outsourcing more of its operations and continues to globalize. Through Global Vision 21, the management plan launched in 2003, the Meitec Group instituted a series of structural reforms that sought to address these changes in the external environment, while also achieving sustainable growth. We made measurable progress toward achieving this goal, through measures based on two main themes.

The first was to establish a growth model for the entire corporate Group. Meitec's growth model when the plan was launched was for Meitec alone to achieve growth through development of the engineer staffing business. We expanded our business base through a program of M&A, and as of March 2009 had shifted to a business model with 19 Group companies working together to achieve growth for the Group overall.

The second theme was to establish a career advancement support model for all Group employees. By putting in place various systems and structures to support the advancement of engineers, we successfully transitioned to a business model in which the career growth of engineers was translated directly into growth for the Meitec Group.

Through these reforms, Meitec has become the leading company in the industry in terms of both customer and employee satisfaction, and has laid the foundation for sustainable growth.

OUR STRENGTHS

The Leading Company in the Temporary Engineers Staffing Industry

Meitec was Japan's first staffing company for engineers, founded in 1974. For more than three decades, we have led the industry, providing support for technical development in the manufacturing industry at more than 4,000 companies.

A Total of 7,850 Engineers across the Meitec Group

Meitec is Japan's largest engineering staffing group. Meitec Corporation has approximately 6,100 regular employees specializing in the design and development of machinery, electronic appliances and components, semiconductor design and other areas, with subsidiaries Meitec Fielders Inc. and Meitec Global Solutions Inc. with 1,490 and 250 engineers, respectively.

A Strong Base of More than 700 Regular Client Companies

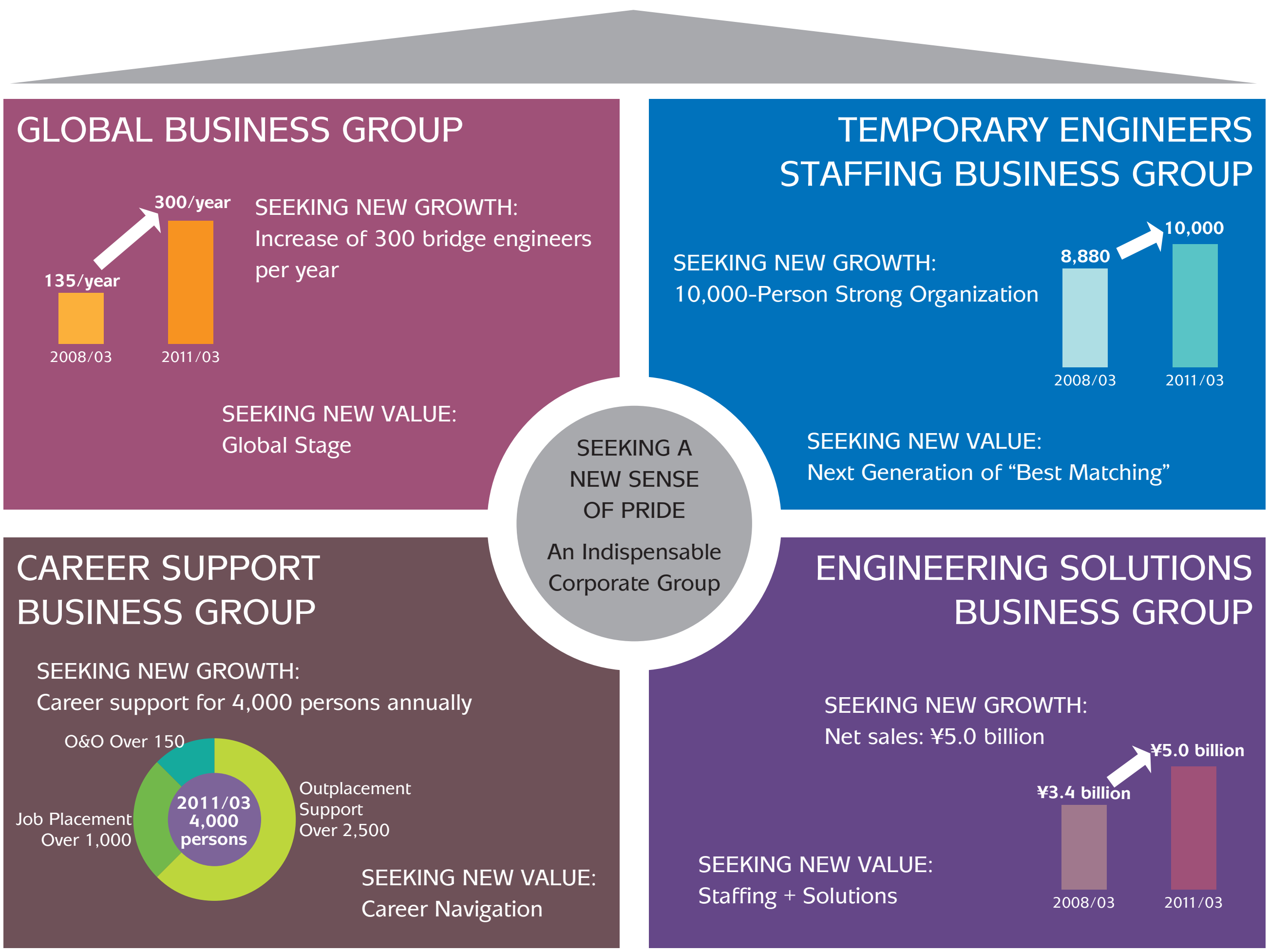
Meitec covers electronics, automotive and all aspects of the manufacturing industry. We provide engineers on a standing basis to the technology development divisions of more than 700 major manufacturers.

Goals of True Global Vision 21

The Meitec Group's new management plan, True Global Vision 21, was launched in April 2008. The basic concept for this plan is to make the Meitec Group the acknowledged industry leader, with the term "true" incorporating our desire to be a corporate group that continually provides assured quality to all stakeholders.

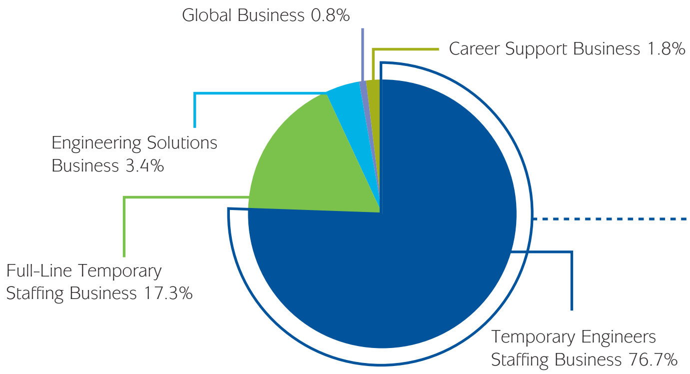
The basic guideline for the new management plan is to adhere to the strategies and measures undertaken for Global Vision 21, and by implementing higher dimensional measures to establish a solid business base that can respond flexibly to changes in the external environment. It sets new growth targets for the four business areas that have been expanded and strengthened under Global Vision 21, rooted in the themes of "growth," "value" and "pride." Through constant refinements to our strengths as a group of engineering professionals, we will move steadily toward achieving these growth targets and becoming the corporate group acknowledged as the "true industry leader."

Growth Targets for True Global Vision 21 Meitec Group
Consolidated Net Sales ¥100.0 billion

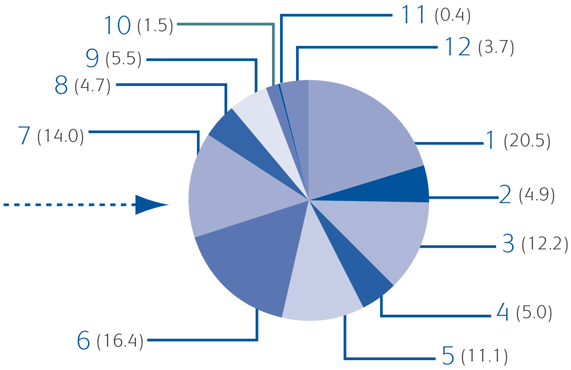


OPERATIONAL REVIEW

REVENUE BY MEITEC GROUP'S BUSINESS DOMAIN

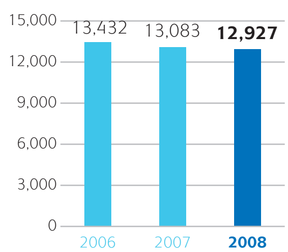


MEITEC REVENUES BY CUSTOMER



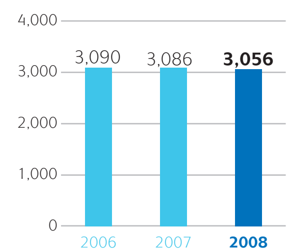
1 Automobile/Transportation 20.5%

NET SALES (Millions of Yen)



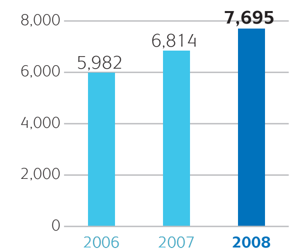
2 Aircraft/Aerospace 4.9%

NET SALES (Millions of Yen)



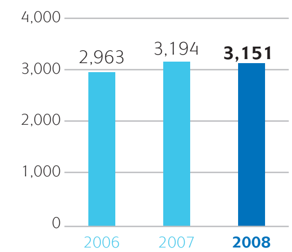
3 Industrial Machinery 12.2%

NET SALES (Millions of Yen)



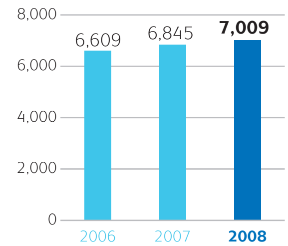
4 Precision Equipment 5.0%

NET SALES (Millions of Yen)



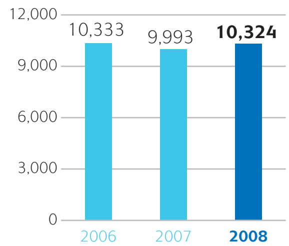
5 IT-Related Hardware and Devices 11.1%

NET SALES (Millions of Yen)



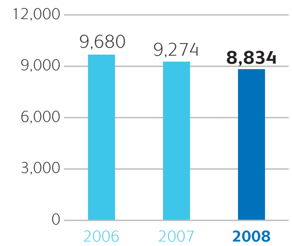
6 Electric and Electronics 16.4%

NET SALES (Millions of Yen)



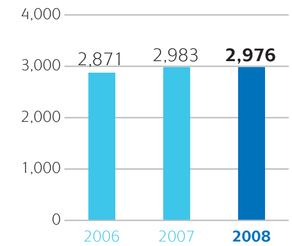
7 Semiconductors and Integrated Circuit Design 14.0%

NET SALES (Millions of Yen)



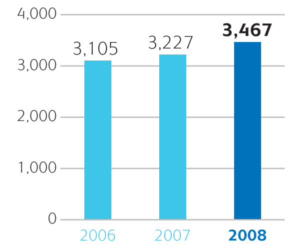
8 Semiconductor Equipment and Devices 4.7%

NET SALES (Millions of Yen)



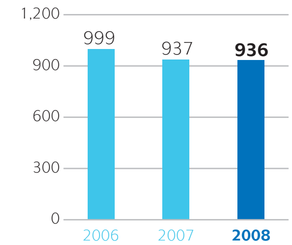
9 Information Processing Software 5.5%

NET SALES (Millions of Yen)



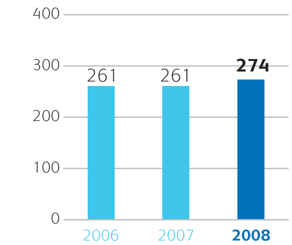
10 Plant 1.5%

NET SALES (Millions of Yen)



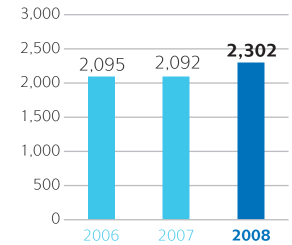
11 Construction 0.4%

NET SALES (Millions of Yen)



12 Other 3.7%

NET SALES (Millions of Yen)



TOPICS

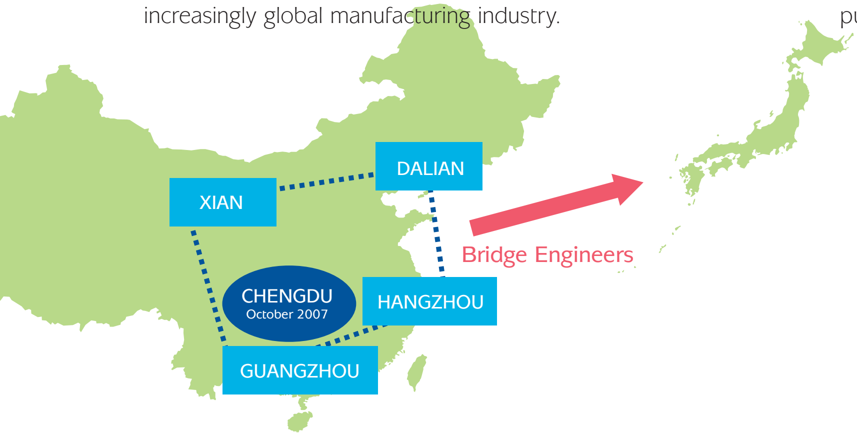
This section highlights some of the major events in the Meitec Group during the fiscal year ended March 31, 2008.

MEITEC Chengdu TechnoCenter Co., Ltd. Established as a Training Facility in China

The Meitec Group established an engineer training company in Chengdu, Sichuan Province, in the interior of China, in October 2007. Meitec has been focusing on the bridge engineer business, in which the Group hires Chinese engineers as regular employees and dispatches them to manufacturers in Japan. These training companies have already placed 250 engineers, and we plan to increase this number to more than 300 engineers annually by the fiscal year ending March 31, 2011. Meitec will continue to actively expand its global business to meet demand in an increasingly global manufacturing industry.

Central Recruitment for the Meitec Group

Competition to recruit engineering personnel has intensified with the declining birthrate and the declining popularity of the sciences. The Meitec Group, in an effort to establish an effective and efficient personnel supply structure, in October 2007 established the Group Recruitment Center, a centralized facility that consolidates the recruiting of new graduates from university and graduate programs. During the subject fiscal year, this facility exceeded its recruitment target of 1,000 engineers, including mid-career hires. Strategies for increasing the number of personnel remain an important management issue, and we will continue to pursue measures aimed at securing skilled human resources.



理系♥メイテック

From October 2007,
Meitec's recruitment promotions utilize this design logo,
which says that science and Meitec go together.

FOCUS ON MEITEC ENGINEERS

TOKYO ENGINEERING CENTER (EC)
IZUMI KUMAZAWA

I'm currently doing camera design work at a major precision instruments manufacturer. I've worked at many companies in the manufacturing industry, and they've all been good matches. This is because Meitec has more than 700 client companies across a wide range of fields, and uses the Best Matching System to find the best fit for each company and engineer.

The matching system allows engineers to find positions with extremely specific criteria, and by quantifying skills and job requirements displays the necessary knowledge, experience and abilities, giving engineers the ability to design a specific career plan. This system is in a sense Meitec's greatest strength, since it also allows client companies to find the perfect person they need for the job.

FIVE-YEAR SUMMARY

CONSOLIDATED

Performance and Ratios

	Millions of yen, except where noted				
	2008	2007	2006	2005	2004
Net sales	**¥ 82,102**	¥ 82,230	¥ 83,224	¥ 79,120	¥ 71,255
Operating income	**11,365**	11,582	12,485	12,289	12,267
Operating income margin (%)	**13.8**	14.1	15.0	15.5	17.2
Net income	**¥ 4,959**	¥ 295	¥ 5,302	¥ 4,708	¥ 6,709
Net profit margin (%)	**6.0**	0.4	6.4	6.0	9.4
Return on average equity (%)	**13.1**	0.7	11.1	10.2	15.2

Capital Safety

Total assets	**¥ 57,785**	¥ 57,479	¥ 67,185	¥ 68,675	¥ 60,882
Equity ratio (%)	**64.6**	66.9	69.5	71.7	70.1
Ratio of SG&A expenses to net sales (%)	**15.8**	15.7	16.9	15.6	13.1

Per Share Indicators

	Yen				
Basic net income	**¥ 142.64**	¥ 8.20	¥ 138.93	¥ 126.61	¥ 185.69
Cash dividends	**72.00**	89.00	90.50	64.00	78.00
Total equity	**1,086.71**	1,092.80	1,274.10	1,295.04	1,228.41

NON-CONSOLIDATED

Performance and Ratios

	Millions of yen, except where noted				
	2008	2007	2006	2005	2004
Net sales	**¥ 62,956**	¥ 61,795	¥ 61,426	¥ 61,110	¥ 59,519
Operating income	**10,461**	10,621	11,132	11,219	10,758
Operating income margin (%)	**16.6**	17.2	18.1	18.4	18.1
Net income (loss)	**¥ 4,938**	¥ (84)	¥ 6,820	¥ 6,854	¥ 6,044
Net profit margin (%)	**7.8**	—	11.1	11.2	10.2
Return on average equity (%)	**13.0**	—	14.3	15.6	14.6

Capital Safety

Total assets	**¥ 59,004**	¥ 58,912	¥ 69,727	¥ 65,501	¥ 58,994
Equity ratio (%)	**63.5**	65.6	67.8	73.8	67.1
Ratio of SG&A expenses to net sales (%)	**13.7**	13.0	12.9	12.8	13.2

Per Share Indicators

	Yen				
Basic net income	**¥ 142.05**	¥ (2.33)	¥ 179.94	¥ 185.84	¥ 167.03
Total equity	**1,090.87**	1,097.61	1,290.69	1,271.33	1,138.81

CONSOLIDATED FINANCIAL REVIEW

TOTAL ASSETS

At the end of the subject fiscal year (March 31, 2008), total assets on a consolidated basis increased ¥306 million, or 0.5% from the end of the previous fiscal year, to ¥57,785 million. This mainly reflected a decrease of ¥1,175 million or 8.1% in net property and equipment centered on the sale of company housing, which was offset by an increase of ¥1,498 million or 71.8% in intangible fixed assets centered on development of a new core IT system.

TOTAL LIABILITIES

Total liabilities increased ¥1,391 million or 7.4% from the end of the previous fiscal year, to ¥20,186 million. This was due mainly to an increase of ¥1,076 million in income taxes payable in total current liabilities.

TOTAL NET ASSETS

Total net assets declined ¥1,085 million or 2.8% from the end of the previous fiscal year, to ¥37,599 million. This primarily reflected increases in retained earnings from results for the subject fiscal year offset by decreases in retained earnings for 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

Cash Flow from Operating Activities

Net cash provided by operating activities amounted to ¥8,487 million, an increase of 41.1% from the previous fiscal year. This was due mainly to inflows of ¥9,515 million in income before income taxes and minority interests, and ¥998 million in depreciation and amortization, against outflows of ¥3,698 million in income taxes—paid.

Cash Flow from Investing Activities

Net cash provided by investing activities amounted to ¥124 million. This was due mainly to ¥2,102 million in purchases of other investments and assets, mainly for the development of a core IT system, offset by ¥2,051 million in proceeds from sales of investment securities.

Cash Flow from Financing Activities

Net cash used in financing activities amounted to ¥5,998 million. This was due mainly to ¥3,107 million in acquisition of treasury stock, and ¥2,886 million in dividends paid.

Cash and Cash Equivalents

As a result, cash and cash equivalents at the end of the subject fiscal year increased ¥2,635 million or 18.9% from the end of the previous fiscal year, to ¥16,612 million.

CONSOLIDATED BALANCE SHEETS

MEITEC CORPORATION and Subsidiaries

Years Ended March 31, 2008 and 2007

ASSETS	Millions of Yen 2008	Millions of Yen 2007	Thousands of U.S. Dollars (Note 1) 2008
CURRENT ASSETS:			
Cash and cash equivalents	¥ 16,612	¥ 13,977	$ 166,123
Short-term investments (Note 3)	1,900	4,471	19,000
Notes and accounts receivable:			
Trade notes and accounts	12,841	13,257	128,411
Allowance for doubtful accounts	(11)	(12)	(107)
Inventories (Note 4)	357	425	3,574
Deferred tax assets (Note 11)	2,613	2,524	26,126
Prepaid expenses and other	1,044	922	10,434
Total current assets	35,356	35,564	353,561
PROPERTY AND EQUIPMENT:			
Land	3,585	3,909	35,849
Buildings and structures	20,221	21,377	202,210
Furniture and fixtures	3,118	3,153	31,177
Others	466	299	4,661
Total	27,390	28,738	273,897
Accumulated depreciation	(14,016)	(14,189)	(140,155)
Net property and equipment	13,374	14,549	133,742
INVESTMENTS AND OTHER ASSETS:			
Investment securities (Note 3)	1,306	1,341	13,058
Consolidation goodwill	552	719	5,520
Software in process	2,559	754	25,585
Leasehold deposits	1,178	1,144	11,779
Deferred tax assets (Note 11)	2,640	2,328	26,400
Other	820	1,080	8,203
Total investments and other assets	9,055	7,366	90,545
TOTAL	¥ 57,785	¥ 57,479	$ 577,848

See notes to consolidated financial statements.

LIABILITIES AND EQUITY	Millions of Yen 2008	Millions of Yen 2007	Thousands of U.S. Dollars (Note 1) 2008
CURRENT LIABILITIES:			
Accounts payable	¥ 65	¥ 120	$ 648
Income taxes payable	2,601	1,525	26,014
Accrued expenses	8,329	8,041	83,288
Other	2,769	2,873	27,692
Total current liabilities	13,764	12,559	137,642
LONG-TERM LIABILITIES:			
Liability for retirement benefits (Note 6)	6,379	6,176	63,787
Deferred tax liabilities (Note 11)	1	3	13
Deferred tax liabilities for land revaluation (Note 2.h)	42	42	421
Other		15	
Total long-term liabilities	6,422	6,236	64,221
EQUITY (Note 7):			
Common stock—authorized, 142,854 thousand shares in 2008 and 2007; issued, 35,442 thousand shares in 2008 and 2007	16,826	16,826	168,259
Capital surplus	15,481	15,481	154,805
Retained earnings	9,857	7,847	98,569
Unrealized gain on available-for-sale securities	100	223	1,013
Land revaluation difference (Note 2.h)	(883)	(944)	(8,830)
Foreign currency translation adjustments	37	28	367
Treasury stock—at cost, 1,115 thousand shares in 2008 and 256 thousand shares in 2007	(4,115)	(1,009)	(41,151)
Total	37,303	38,452	373,032
Minority interests	296	232	2,953
Total equity	37,599	38,684	375,985
TOTAL	¥ 57,785	¥ 57,479	$ 577,848

CONSOLIDATED STATEMENTS OF INCOME

MEITEC CORPORATION and Subsidiaries

Years Ended March 31, 2008 and 2007

	Millions of Yen		Thousands of U.S. Dollars (Note 1)
	2008	2007	2008
NET SALES	¥ 82,102	¥ 82,230	$ 821,023
COST OF SALES	57,777	57,702	577,773
Gross profit	24,325	24,528	243,250
SELLING, GENERAL AND ADMINISTRATIVE EXPENSES	12,960	12,946	129,597
Operating income	11,365	11,582	113,653
OTHER INCOME (EXPENSES):			
Interest and dividend income	33	34	333
Interest expense			(2)
Gain (loss) on sales of marketable and investment securities—net	(143)	6	(1,427)
Foreign exchange loss	(68)	(44)	(680)
Equity in loss of an associated company		(11)	
Loss on investments in partnership—net	(4)	(77)	(45)
Loss on sales and disposals of property and equipment—net	(60)	(100)	(603)
Impairment loss (Notes 9 and 10)	(525)	(4,292)	(5,246)
Loss on sales of foreign operations (Note 10)		(674)	
Loss on change in pension plans (Note 6)	(1,080)		(10,798)
Other—net	(3)	(24)	(36)
Other income (expenses)—net	(1,850)	(5,182)	(18,504)
INCOME BEFORE INCOME TAXES AND MINORITY INTERESTS	9,515	6,400	95,149
INCOME TAXES (Note 11):			
Current	4,775	5,370	47,751
Deferred	(299)	721	(2,992)
Total income taxes	4,476	6,091	44,759
MINORITY INTERESTS IN NET INCOME	80	14	805
NET INCOME	¥ 4,959	¥ 295	$ 49,585

	Yen		U.S. Dollars
	2008	2007	2008
PER SHARE OF COMMON STOCK (Notes 2.q and 13):			
Basic net income	¥142.64	¥8.20	$1.43
Diluted net income	142.64	8.20	1.43
Cash dividends applicable to the year	72.00	89.00	0.72

See notes to consolidated financial statements.

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

MEITEC CORPORATION and Subsidiaries

Years Ended March 31, 2008 and 2007

	Thousands	Millions of Yen								
	Outstanding Number of Shares of Common Stock	Common Stock	Capital Surplus	Retained Earnings	Unrealized Gain on Available-for-sale Securities	Land Revaluation Difference	Foreign Currency Translation Adjustments	Treasury Stock	Total	Minority Interests
BALANCE, APRIL 1, 2006	36,536	¥ 16,826	¥ 15,481	¥ 16,228	¥ 286	¥ (944)	¥ (11)	¥ (1,198)	¥ 46,668	
Reclassified balance as of March 31, 2006 (Note 2.k)										¥ 192
Net income				295					295	
Cash dividends, ¥90.5 per share				(3,277)					(3,277)	
Bonuses to directors				(118)					(118)	
Purchase of treasury stock	(1,355)							(5,107)	(5,107)	
Disposal of treasury stock	5			(3)				18	15	
Retirement of treasury stock				(5,278)				5,278		
Net change in the year					(63)		39		(24)	40
BALANCE, MARCH 31, 2007	35,186	16,826	15,481	7,847	223	(944)	28	(1,009)	38,452	232
Net income				4,959					4,959	
Cash dividends, ¥82.5 per share				(2,888)					(2,888)	
Purchase of treasury stock	(859)							(3,107)	(3,107)	
Disposal of treasury stock								1	1	
Reversal of land revaluation difference				(61)		61				
Net change in the year					(123)		9		(114)	64
BALANCE, MARCH 31, 2008	34,327	¥ 16,826	¥ 15,481	¥ 9,857	¥ 100	¥ (883)	¥ 37	¥ (4,115)	¥ 37,303	¥ 296

	Thousands of U.S. Dollars (Note 1)								
	Common Stock	Capital Surplus	Retained Earnings	Unrealized Gain on Available-for-sale Securities	Land Revaluation Difference	Foreign Currency Translation Adjustments	Treasury Stock	Total	Minority Interests
BALANCE, MARCH 31, 2007	$ 168,259	$ 154,806	$ 78,469	$ 2,236	$ (9,443)	$ 276	$ (10,090)	$ 384,513	$ 2,322
Net income			49,585					49,585	
Cash dividends, $0.83 per share			(28,872)					(28,872)	
Purchase of treasury stock							(31,068)	(31,068)	
Disposal of treasury stock		(1)					7	6	
Reversal of land revaluation difference			(613)		613				
Net change in the year				(1,223)		91		(1,132)	631
BALANCE, MARCH 31, 2008	$ 168,259	$ 154,805	$ 98,569	$ 1,013	$ (8,830)	$ 367	$ (41,151)	$ 373,032	$ 2,953

See notes to consolidated financial statements.

CONSOLIDATED STATEMENTS OF CASH FLOWS

MEITEC CORPORATION and Subsidiaries

Years Ended March 31, 2008 and 2007

	Millions of Yen		Thousands of U.S. Dollars (Note 1)
	2008	2007	2008
OPERATING ACTIVITIES:			
Income before income taxes and minority interests	¥ 9,515	¥ 6,400	$ 95,149
Adjustments for:			
Income taxes—paid	(3,698)	(7,323)	(36,977)
Depreciation and amortization	998	1,108	9,980
(Gain) loss on sales of marketable and investment securities—net	143	(6)	1,427
Equity in loss of an associated company		11	
Amortization of consolidation goodwill	80	113	797
Loss on sales and disposals of fixed assets—net	51	77	506
Loss on sales of foreign operations		671	
Loss on investments in partnership—net	4	77	45
Impairment loss	525	4,292	5,246
Changes in assets and liabilities:			
(Increase) decrease in trade receivables	420	(506)	4,200
Decrease in inventories	68	378	684
Increase in accrued expenses	172	432	1,716
Increase (decrease) in consumption taxes payable	(282)	248	(2,820)
Increase in liability for retirement benefits	202	746	2,024
Increase (decrease) in other current liabilities	255	(649)	2,551
Other—net	34	(53)	337
Total adjustments	(1,028)	(384)	(10,284)
Net cash provided by operating activities	8,487	6,016	84,865
INVESTING ACTIVITIES:			
Purchases of short-term investments	(372)	(300)	(3,724)
Proceeds from sales of short-term investments	742	50	7,425
Purchases of investment securities	(202)		(2,017)
Proceeds from sales of investment securities	2,051	45	20,513
Investments in and advances to subsidiaries	(49)	(39)	(495)
Proceeds from sales of investment in and advances to subsidiaries			1
Proceeds from disposal of investments in subsidiaries		207	
Purchases of property and equipment	(430)	(192)	(4,298)
Proceeds from sales of property and equipment	355		3,552
Purchases of other investments and assets	(2,102)	(929)	(21,021)
Proceeds from sales of other investments and assets	131	202	1,307
Net cash provided by (used in) investing activities	124	(956)	1,243

	Millions of Yen		Thousands of U.S. Dollars (Note 1)
	2008	2007	2008
FINANCING ACTIVITIES:			
Acquisition of treasury stock	(3,107)	(5,107)	(31,068)
Dividends paid	(2,886)	(3,275)	(28,859)
Dividends paid to minority shareholders	(6)		(57)
Proceeds from sales of treasury stock	1	16	6
Net cash used in financing activities	(5,998)	(8,366)	(59,978)
FOREIGN CURRENCY TRANSLATION ADJUSTMENTS ON CASH AND CASH EQUIVALENTS	22	8	219
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	2,635	(3,298)	26,349
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	13,977	17,275	139,774
CASH AND CASH EQUIVALENTS, END OF YEAR	¥ 16,612	¥ 13,977	$ 166,123

See notes to consolidated financial statements.

1. BASIS OF PRESENTING CONSOLIDATED FINANCIAL STATEMENTS

The accompanying consolidated financial statements have been prepared in accordance with the provisions set forth in the Japanese Financial Instruments and Exchange Law (formerly, the Japanese Securities and Exchange Law) and its related accounting regulations, and in conformity with accounting principles generally accepted in Japan ("Japanese GAAP"), which are different in certain respects as to application and disclosure requirements of International Financial Reporting Standards.

In preparing these consolidated financial statements, certain reclassifications and rearrangements have been made to the consolidated financial statements issued domestically in order to present them in a form which is more familiar to readers outside Japan. In addition, certain reclassifications have been made in the 2007 consolidated financial statements to conform to the classifications used in 2008.

The consolidated financial statements are stated in Japanese yen, the currency of the country in which MEITEC CORPORATION (the "Company") is incorporated and operates. The translations of Japanese yen amounts into U.S. dollar amounts are included solely for the convenience of readers outside Japan and have been made at the rate of ¥100 to $1, the approximate rate of exchange at March 31, 2008. Such translations should not be construed as representations that the Japanese yen amounts could be converted into U.S. dollars at that or any other rate.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

a. Consolidation—The consolidated financial statements as of March 31, 2008 include the accounts of the Company and its eighteen (sixteen in 2007) subsidiaries (together, the "Group").

In the current fiscal year, two subsidiaries were newly established and consolidated.

Under the control or influence concept, those companies in which the Company, directly or indirectly, is able to exercise control over operations are fully consolidated, and those companies over which the Group has the ability to exercise significant influence are accounted for by the equity method.

The excess of the cost of an acquisition over the fair value of the net assets of the acquired subsidiary at the date of acquisition is being amortized over a period of 20 years.

All significant intercompany balances and transactions have been eliminated in consolidation. All material unrealized profit included in assets resulting from transactions within the Group is eliminated.

b. Business Combination—In October 2003, the Business Accounting Council issued a Statement of Opinion, "Accounting for Business Combinations," and on December 27, 2005, the Accounting Standards Board of Japan (the "ASBJ") issued ASBJ Statement No. 7, "Accounting Standard for Business Divestitures" and ASBJ Guidance No. 10, "Guidance for Accounting Standard for Business Combinations and Business Divestitures." These new accounting pronouncements are effective for fiscal years beginning on or after April 1, 2006.

The accounting standard for business combinations allows companies to apply the pooling of interests method of accounting only when certain specific criteria are met such that the business combination is essentially regarded as a uniting-of-interests.

For business combinations that do not meet the uniting-of-interests criteria, the business combination is considered to be an acquisition and the purchase method of accounting is required. This standard also prescribes the accounting for combinations of entities under common control and for joint ventures.

Under the accounting standard for business divestitures, in a business divestiture where the interests of the investor no longer continue and the investment is settled, the difference between the fair value of the consideration received for the transferred business and the book value of net assets transferred to the divested business is recognized as a gain or loss on business divestiture in the consolidated statement of income. In a business divestiture where the interests of the investor continue and the investment is not settled, no such gain or loss on business divestiture is recognized.

c. ***Cash Equivalents—***Cash equivalents are short-term investments that are readily convertible into cash and that are exposed to insignificant risk of changes in value.

Cash equivalents include time deposits, all of which mature due within three months from the date of acquisition.

d. ***Inventories—***Inventories are stated at cost determined by the specific identification method.

e. ***Marketable and Investment Securities—***Marketable and investment securities are classified and accounted for, depending on management's intent, as follows: (1) trading securities, which are held for the purpose of earning capital gains in the near term are reported at fair value, and the related unrealized gains and losses are included in earnings, (2) held-to-maturity debt securities, which are expected to be held to maturity with the positive intent and ability to hold to maturity are reported at amortized cost and (3) available-for-sale securities, which are not classified as either of the aforementioned securities, are reported at fair value, with unrealized gains and losses, net of applicable taxes, reported in a separate component of equity.

Non-marketable available-for-sale securities are stated at cost determined by the moving-average method.

For other than temporary declines in fair value, investment securities are reduced to net realizable value by a charge to income.

f. ***Property and Equipment—***Property and equipment are stated at cost. Depreciation is principally computed by the declining-balance method at rates based on the estimated useful lives of the assets, while the straight-line method is applied to certain buildings. The range of useful lives is principally from 7 to 50 years for buildings and structures, and from 2 to 15 years for furniture and fixtures.

g. ***Long-lived Assets—***The Group reviews its long-lived assets for impairment whenever events or changes in circumstance indicate the carrying amount of an asset or asset group may not be recoverable. An impairment loss would be recognized if the carrying amount of an asset or asset group exceeds the sum of the undiscounted future cash flows expected to result from the continued use and eventual disposition of the asset or asset group. The impairment loss would be measured as the amount by which the carrying amount of the asset exceeds its recoverable amount, which is the higher of the discounted cash flows from the continued use and eventual disposition of the asset or the net selling price at disposition.

h. ***Land Revaluation*—**Under the "Law of Land Revaluation," the Company elected a one-time revaluation of its own-use land to a value based on real estate appraisal information as of March 31, 2000. The resulting land revaluation difference represents an unrealized devaluation of land and is stated, net of income taxes, as a component of equity. Continuous readjustment is not permitted unless the land value subsequently declines significantly such that the amount of the decline in value should be removed from the land revaluation difference account.

In the year ended March 31, 2007, the Group reviewed collectibility of deferred tax assets relating to land revaluation difference and, as a result, a valuation allowance of ¥672 million was provided. The effect is included in income taxes—deferred in the consolidated statement of income.

As at March 31, 2008, the carrying amount of the land after the one-time revaluation exceeded the market value by ¥1,505 million ($15,055 thousand).

i. ***Retirement and Pension Plan*—**The Company and certain subsidiaries have unfunded retirement benefit plans. The Company also has a contributory funded pension plan covering substantially all of its employees.

j. ***Stock Options*—**On December 27, 2005, the ASBJ issued ASBJ Statement No. 8, "Accounting Standard for Stock Options" and related guidance. The new standard and guidance are applicable to stock options newly granted on and after May 1, 2006. This standard requires companies to recognize compensation expense for employee stock options based on the fair value at the date of grant and over the vesting period as consideration for receiving goods or services. The standard also requires companies to account for stock options granted to non-employees based on the fair value of either the stock option or the goods or services received. In the balance sheet, the stock option is presented as a stock acquisition right as a separate component of equity until exercised. The standard covers equity-settled, share-based payment transactions, but does not cover cash-settled, share-based payment transactions. In addition, the standard allows unlisted companies to measure options at their intrinsic value if they cannot reliably estimate fair value.

The Company applied this accounting standard for stock options to those granted on and after May 1, 2006.

k. ***Presentation of Equity*—**On December 9, 2005, the ASBJ published a new accounting standard for presentation of equity. Under this accounting standard, certain items which were previously presented as liabilities or assets, as the case may be, are now presented as components of equity. Such items include minority interests, stock acquisition rights (if applicable), and any deferred gain or loss on derivatives accounted for under hedge accounting. This standard was effective for fiscal years ending on or after May 1, 2006. The balances of such items as of March 31, 2006 were reclassified as separate components of equity as of April 1, 2006 in the consolidated statement of changes in equity.

l. ***Leases*—**Under Japanese accounting standards for leases, finance leases that deem to transfer ownership of the leased property to the lessee are to be capitalized, while other finance leases are permitted to be accounted for as operating lease transactions if certain "as if capitalized" information is disclosed in the notes to the lessee's financial statements. All other leases are accounted for as operating leases.

m. ***Bonuses to Directors and Corporate Auditors*—**Bonuses to directors and corporate auditors are accrued at the year end to which such bonuses are attributable.

n. ***Income Taxes*****—**The provision for current income taxes is computed based on the pretax income included in the consolidated statements of income. The asset and liability approach is used to recognize deferred tax assets and liabilities for the expected future tax consequences of temporary differences between the carrying amounts and the tax basis of assets and liabilities. Deferred taxes are measured by applying currently enacted tax laws to the temporary differences.

o. ***Foreign Currency Transactions*****—**All short-term and long-term monetary receivables and payables denominated in foreign currencies are translated into Japanese yen at the current exchange rates at the balance sheet date. The foreign exchange gains and losses from translation are recognized in the consolidated statements of income to the extent that they are not hedged by forward exchange contracts.

p. ***Foreign Currency Financial Statements*****—**The balance sheet accounts of the consolidated foreign subsidiary are translated into Japanese yen at the current exchange rate as of the balance sheet date except for equity, which is translated at the historical rate. Differences arising from such translation were shown as "Foreign currency translation adjustments" in a separate component of equity.

Revenue and expense accounts of consolidated foreign subsidiaries are translated into yen at the average exchange rate.

q. ***Per Share Information*****—**Basic net income/loss per share is computed by dividing net income available to common shareholders by the weighted-average number of common shares outstanding for the period, retroactively adjusted for stock splits.

Diluted net income per share reflects the potential dilution that could occur if securities were exercised or converted into common stock. Diluted net income per share of common stock assumes full conversion of the outstanding convertible notes and bonds at the beginning of the year (or at the time of issuance, if later) with an applicable adjustment for related interest expense, net of tax, and full exercise of outstanding warrants.

Cash dividends per share presented in the accompanying consolidated statements of income are dividends applicable to the respective years including dividends to be paid after the end of the years.

r. ***New Accounting Pronouncements***

Measurement of Inventories**—**Under Japanese GAAP, inventories are currently measured either by the cost method, or at the lower of cost or market. On July 5, 2006, the ASBJ issued ASBJ Statement No. 9, "Accounting Standard for Measurement of Inventories," which is effective for fiscal years beginning on or after April 1, 2008 with early adoption permitted. This standard requires that inventories held for sale in the ordinary course of business be measured at the lower of cost or net selling value, which is defined as the selling price less additional estimated manufacturing costs and estimated direct selling expenses. The replacement cost may be used in place of the net selling value, if appropriate. The standard also requires that inventories held for trading purposes be measured at the market price.

Lease Accounting**—**On March 30, 2007, the ASBJ issued ASBJ Statement No. 13, "Accounting Standard for Lease Transactions," which revised the existing accounting standard for lease transactions issued on June 17, 1993. The revised accounting standard requires that all finance lease transactions should be capitalized. The revised accounting standard for lease transactions is effective for fiscal years beginning on or after April 1, 2008 with early adoption permitted for fiscal years beginning on or after April 1, 2007.

Lessee

Under the existing accounting standard, finance leases that deem to transfer ownership of the leased property to the lessee are to be capitalized, however, other finance leases are permitted to be accounted for as operating lease transactions if certain "as if capitalized" information is disclosed in the note to the lessee's financial statements. The revised accounting standard requires that all finance lease transactions shall be capitalized recognizing lease assets and lease obligations in the balance sheet.

Unification of Accounting Policies Applied to Foreign Subsidiaries for the Consolidated Financial Statements—Under Japanese GAAP, a company currently can use the financial statements of its foreign subsidiaries which have been prepared in accordance with generally accepted accounting principles in their respective jurisdictions for its consolidation process unless they are clearly unreasonable. On May 17, 2006, the ASBJ issued ASBJ Practical Issues Task Force (PITF) No. 18, "Practical Solution on Unification of Accounting Policies Applied to Foreign Subsidiaries for the Consolidated Financial Statements." The new standard prescribes: (1) the accounting policies and procedures applied to a parent company and its subsidiaries for similar transactions and events under similar circumstances should in principle be unified for the preparation of the consolidated financial statements, (2) financial statements prepared by foreign subsidiaries in accordance with either International Financial Reporting Standards or the generally accepted accounting principles in the United States tentatively may be used for the consolidation process, (3) however, the following items should be adjusted in the consolidation process so that net income is accounted for in accordance with Japanese GAAP unless they are not material;

(1) Amortization of goodwill
(2) Actuarial gains and losses of defined benefit plans recognized outside profit or loss
(3) Capitalization of intangible assets arising from development phases
(4) Fair value measurement of investment properties, and the revaluation model for property, plant and equipment, and intangible assets
(5) Retrospective application when accounting policies are changed
(6) Accounting for net income attributable to a minority interest

The new task force is effective for fiscal years beginning on or after April 1, 2008 with early adoption permitted.

3. SHORT-TERM INVESTMENTS AND INVESTMENT SECURITIES

Short-term investments and investment securities at March 31, 2008 and 2007 consisted of the following:

	Millions of Yen		Thousands of U.S. Dollars
	2008	2007	2008
Short-term investments:			
Time deposits	¥ 1,900	¥ 2,500	$ 19,000
Other		1,971	
Total	¥ 1,900	¥ 4,471	$ 19,000
Investment securities:			
Equity securities	¥ 640	¥ 902	$ 6,399
Debt securities		198	
Other	666	241	6,659
Total	¥ 1,306	¥ 1,341	$ 13,058

The carrying amounts and aggregate fair values of marketable and investment securities at March 31, 2008 and 2007 were as follows:

March 31, 2008

	Millions of Yen			
	Cost	Unrealized Gains	Unrealized Losses	Fair Value
Available-for-sale:				
Equity securities	¥ 414	¥ 166	¥ (15)	¥ 565
Other	449	5		454

	Thousands of U.S. Dollars			
	Cost	Unrealized Gains	Unrealized Losses	Fair Value
Available-for-sale:				
Equity securities	$ 4,142	$ 1,657	$ (149)	$ 5,650
Other	4,488	51		4,539

March 31, 2007

	Millions of Yen			
	Cost	Unrealized Gains	Unrealized Losses	Fair Value
Available-for-sale:				
Equity securities	¥ 414	¥ 412	¥ (4)	¥ 822
Debt securities	199		(1)	198

Available-for-sale securities whose fair value is not readily determinable at March 31, 2008 and 2007 were as follows:

	Carrying Amount		
	Millions of Yen		Thousands of U.S. Dollars
	2008	2007	2008
Equity securities	¥ 75	¥ 80	$ 749
Other	212	241	2,120
Total	¥ 287	¥ 321	$ 2,869

Proceeds from sales of available-for-sale securities for the years ended March 31, 2008 and 2007 were ¥2,494 million ($24,937 thousand) and ¥45 million, respectively. Gross realized gains and losses on these sales, computed on the moving average cost basis, were ¥3 million ($35 thousand) and ¥146 million ($1,462 thousand), respectively, for the year ended March 31, 2008 and ¥6 million and nil, respectively, for the year ended March 31, 2007.

The carrying values of debt securities by contractual maturities for securities classified as available-for-sale at March 31, 2008 and 2007 are as follows:

	Millions of Yen	
	2008	2007
	Available-for-sale	Available-for-sale
Due in one year or less		¥ 593
Due in one year to five years	¥ 251	687
Due in five years to ten years	203	298
Total	¥ 454	¥ 1,578

	Thousands of U.S. Dollars
	2008
	Available-for-sale
Due in one year to five years	$ 2,508
Due in five years to ten years	2,031
Total	$ 4,539

4. INVENTORIES

Inventories at March 31, 2008 and 2007 consisted mainly of work in process related to career support and engineering outsourcing.

5. LONG-TERM DEBT

At March 31, 2008 and 2007, the Company had loan commitments from six banks and two insurance companies in an aggregate amount of ¥6,000 million ($60,000 thousand). There were no loans utilized and outstanding under these arrangements at March 31, 2008 and 2007.

6. RETIREMENT AND PENSION PLAN

The Company and certain subsidiaries have severance payment plans for employees, which include a contributory funded defined benefit pension plan for the Company. Under most circumstances, employees terminating their employment are entitled to retirement benefits determined based on the rate of pay at the time of termination, years of service and certain other factors. Such retirement benefits are made in the form of a lump-sum severance payment from the Company or from certain consolidated subsidiaries and annuity payments from a trustee. Employees are entitled to larger payments if the termination is involuntary, by retirement at the mandatory retirement age, by death, or by voluntary retirement at certain specific ages prior to the mandatory retirement age.

On April 1, 2008, according to the Defined Contribution Pension Plan Law, the Company implemented a defined contribution pension plan and a supplemental severance plan by which the former qualified contributory funded defined benefit pension plan was terminated. The Company applied accounting treatments specified in the guidance issued by the ASBJ, and recorded a loss on change in pension plans of ¥1,080 million ($10,798 thousand) in the consolidated statement of income for the year ended March 31, 2008.

The liability for employees' retirement benefits at March 31, 2008 and 2007 consisted of the following:

	Millions of Yen		Thousands of U.S. Dollars
	2008	2007	2008
Projected benefit obligation	¥ 6,959	¥ 13,198	$ 69,586
Fair value of plan assets	(62)	(4,970)	(620)
Unrecognized prior service cost	1	17	14
Unrecognized actuarial loss	(519)	(2,069)	(5,193)
Net liability	¥ 6,379	¥ 6,176	$ 63,787

The components of net periodic retirement benefit costs for the years ended March 31, 2008 and 2007 were as follows:

	Millions of Yen		Thousands of U.S. Dollars
	2008	2007	2008
Service cost	¥ 896	¥ 957	$ 8,964
Interest cost	262	240	2,620
Expected return on plan assets	(75)	(66)	(745)
Amortization of prior service cost	(3)	(3)	(33)
Recognized actuarial loss	450	410	4,497
Other	76	77	764
Net periodic benefit costs	¥ 1,606	¥ 1,615	$ 16,067

Assumptions used for the years ended March 31, 2008 and 2007 were set forth as follows:

	2008	2007
Discount rate	2.0%	2.0%
Expected rate of return on plan assets	1.5%	1.5%
Amortization period of prior service cost	10 years	10 years
Recognition period of actuarial gain/loss	10 years	10 years

7. EQUITY

Since May 1, 2006, Japanese companies have been subject to the Corporate Law of Japan (the "Corporate Law"), which reformed and replaced the Commercial Code of Japan. The significant provisions in the Corporate Law that affect financial and accounting matters are summarized below:

a. Dividends

Under the Corporate Law, companies can pay dividends at any time during the fiscal year in addition to the year-end dividend upon resolution at the shareholders meeting. For companies that meet certain criteria such as; (1) having the Board of Directors, (2) having independent auditors, (3) having the Board of Corporate Auditors, and (4) the term of service of the directors is prescribed as one year rather than two years of normal term by its articles of incorporation, the Board of Directors may declare dividends (except for dividends in kind) at any time during the fiscal year if the company has prescribed so in its articles of incorporation. The Company does not meet all the above criteria.

The Corporate Law permits companies to distribute dividends-in-kind (non-cash assets) to shareholders subject to a certain limitation and additional requirements.

Semiannual interim dividends may also be paid once a year upon resolution by the Board of Directors if the articles of incorporation of the company so stipulate. The Corporate Law provides certain limitations on the amounts available for dividends or the purchase of treasury stock. The limitation is defined as the amount available for distribution to the shareholders, but the amount of net assets after dividends must be maintained at no less than ¥3 million.

b. Increases/Decreases and Transfer of Common Stock, Reserve and Surplus

The Corporate Law requires that an amount equal to 10% of dividends must be appropriated as a legal reserve (a component of retained earnings) or as additional paid-in capital (a component of capital surplus) depending on the equity account charged upon the payment of such dividends until the total of aggregate amount of legal reserve and additional paid-in capital equals 25% of the common stock. Under the Corporate Law, the total amount of additional paid-in capital and legal reserve may be reversed without limitation. The Corporate Law also provides that common stock, legal reserve, additional paid-in capital, other capital surplus and retained earnings can be transferred among the accounts under certain conditions upon resolution of the shareholders.

c. Treasury Stock and Treasury Stock Acquisition Rights

The Corporate Law also provides for companies to purchase treasury stock and dispose of such treasury stock by resolution of the Board of Directors. The amount of treasury stock purchased cannot exceed the amount available for distribution to the shareholders which is determined by specific formula. Under the Corporate Law, stock acquisition rights, which were previously presented as a liability, are now presented as a separate component of equity. The Corporate Law also provides that companies can purchase both treasury stock acquisition rights and treasury stock. Such treasury stock acquisition rights are presented as a separate component of equity or deducted directly from stock acquisition rights.

8. STOCK OPTION PLANS

The stock option outstanding as of March 31, 2008 is as follows:

Stock Option	Persons Granted	Number of Options Granted	Date of Approval	Exercise Price	Exercise Period
1998 Stock Option	11 directors 44 key employees	121,500	June 26, 1998	¥ 5,530 ($55)	From June 27, 2000 to June 26, 2008
1999 Stock Option	9 directors 46 key employees	118,500	June 29, 1999	¥ 3,997 ($40)	From June 30, 2001 to June 29, 2009
2000 Stock Option	9 directors 71 key employees	141,000	June 29, 2000	¥ 4,280 ($43)	From June 30, 2002 to June 29, 2010
2001 Stock Option	7 directors 79 key employees	139,000	June 26, 2001	¥ 4,280 ($43)	From June 27, 2003 to June 26, 2011
2002 Stock Option	6 directors 6 directors of subsidiaries 105 key employees of the Group	129,000	June 25, 2002	¥ 3,066 ($31)	From June 27, 2004 to June 26, 2012
2004 Stock Option	5 directors 89 key employees	111,000	June 24, 2004	¥ 4,370 ($44)	From June 25, 2006 to June 24, 2008

The stock option activity is as follows:

	1998 Stock Option	1999 Stock Option	2000 Stock Option	2001 Stock Option
		(Shares)		
For the Year Ended March 31, 2007				
Non-vested:				
March 31, 2006—outstanding				
Canceled				
Vested				
March 31, 2007—outstanding				
Vested:				
March 31, 2006—outstanding	6,300	6,500	11,000	12,000
Vested				
Exercised				
Canceled				
March 31, 2007—outstanding	6,300	6,500	11,000	12,000

	2002 Stock Option	2003 Stock Option	2004 Stock Option
		(Shares)	
For the Year Ended March 31, 2007			
Non-vested:			
March 31, 2006—outstanding			93,000
Canceled			1,000
Vested			92,000
March 31, 2007—outstanding			
Vested:			
March 31, 2006—outstanding	14,000	117,000	
Vested			92,000
Exercised	5,000		
Canceled	7,000	2,000	1,000
March 31, 2007—outstanding	2,000	115,000	91,000

	1998 Stock Option	1999 Stock Option	2000 Stock Option	2001 Stock Option
		(Shares)		
For the Year Ended March 31, 2008				
Non-vested:				
March 31, 2007—outstanding				
Canceled				
Vested				
March 31, 2008—outstanding				
Vested:				
March 31, 2007—outstanding	6,300	6,500	11,000	12,000
Vested				
Exercised				
Canceled				
March 31, 2008—outstanding	6,300	6,500	11,000	12,000
Exercise price	¥5,530 ($55)	¥3,997 ($40)	¥4,280 ($43)	¥4,280 ($43)
Average stock price at exercise				

	2002 Stock Option	2003 Stock Option	2004 Stock Option
		(Shares)	
For the Year Ended March 31, 2008			
Non-vested:			
March 31, 2007—outstanding			
Canceled			
Vested			
March 31, 2008—outstanding			
Vested:			
March 31, 2007—outstanding	2,000	115,000	91,000
Vested			
Exercised			
Canceled		115,000	6,000
March 31, 2008—outstanding	2,000		85,000
Exercise price	¥ 3,066 ($31)		¥4,370 ($44)
Average stock price at exercise			

The balance of treasury stock recorded in equity at March 31, 2008 and 2007 included treasury stock purchased for the purpose of reissuance in connection with the expected stock options exercised under the above plans.

The Company has granted stock options on seven occasions in the past as an incentive to improve performance. Beginning in fiscal year 2006 the Company decided to stop offering stock options as incentives and changed to a system of performance-linked bonuses for the following reasons. (1) A performance-linked bonus system is more effective in improving performance by directors and employees. (2) The proportion of dormant stock options, which is high, is not functioning effectively as an incentive system. (3) The new accounting procedure to report stock options as expenses from March 2007 is expected to have a direct influence on the Company's performance.

9. LONG-LIVED ASSETS

The Group reviewed its long-lived assets for impairment as of March 31, 2008 and, as a result, recognized an impairment loss of ¥398 million ($3,981 thousand) due to a determination of sales of certain premises belonging to the outsourcing segment and the carrying amount of the relevant assets was written down to the recoverable amount. The recoverable amount of those assets was measured at its net selling price.

The Group recognized impairment loss of ¥127 million ($1,265 thousand) and ¥4,292 million on consolidation goodwill of Drake Beam Morin-Japan, Inc. and subsidiaries for the years ended March 31, 2008 and 2007, because it was not expected to earn revenue after the below sales as expected when the Group invested in them.

The recoverable amount of consolidation goodwill was measured by the discounted-cash-flow method and the discount rate used for computation of present value of future cash flows was 4.82% and 4.97% for the years ended March 31, 2008 and 2007, respectively.

10. SALES OF U.S. SUBSIDIARIES

The Group sold Novations Group Inc. and its subsidiary, U.S. subsidiaries of Drake Beam Morin-Japan, Inc., including the remaining balance of goodwill, to MCG Global, LLC in August 2006, and recorded the resulting loss of ¥674 million for the year ended March 31, 2007.

11. INCOME TAXES

The Company and its domestic subsidiaries are subject to Japanese national and local income taxes which, in the aggregate, resulted in a normal effective statutory tax rate of approximately 40% for the years ended March 31, 2008 and 2007.

The tax effects of significant temporary differences which resulted in deferred tax assets and liabilities at March 31, 2008 and 2007 were as follows:

	Millions of Yen		Thousands of U.S. Dollars
	2008	2007	2008
Deferred tax assets:			
Accrued bonuses	¥ 2,194	¥ 2,086	$ 21,939
Accrued social security on accrued bonuses	267	240	2,675
Retirement benefits	2,549	2,473	25,486
Enterprise taxes payable	162	179	1,618
Impairment loss	49	49	486
Write-down of investment securities	512	531	5,119
Loss on revaluation of memberships	9	19	89
Tax loss carryforwards	2,518	2,231	25,177
Unrealized loss on available-for-sale securities		12	
Other	405	259	4,054
Valuation allowance	(3,364)	(3,066)	(33,638)
Total	5,301	5,013	53,005
Deferred tax liabilities—Unrealized gain on available-for-sale securities	49	164	492
Total	49	164	492
Net deferred tax assets	¥ 5,252	¥ 4,849	$ 52,513

A reconciliation between the normal effective statutory tax rate and the actual effective tax rate reflected in the accompanying consolidated statements of income for the years ended March 31, 2008 and 2007 is as follows:

	2008	2007
Normal effective statutory tax rate	40.0 %	40.0 %
Expenses not deductible for income tax purposes	0.8	0.4
Revenues not recognized for income tax purposes		(0.2)
Per capita tax	1.8	2.6
Valuation allowance	3.1	24.1
Amortization of consolidation goodwill	0.3	0.7
Impairment loss on consolidation goodwill	0.5	26.8
Equity in losses of associated companies		0.1
Other—net	0.5	0.6
Actual effective tax rate	47.0 %	95.1 %

At March 31, 2008, certain subsidiaries have tax loss carryforwards aggregating approximately ¥6,294 million ($62,944 thousand) which are available to be offset against taxable income of such subsidiaries in future years. These tax loss carryforwards, if not utilized, will expire as follows:

Year Ending March 31	Millions of Yen	Thousands of U.S. Dollars
2009	¥ 31	$ 308
2010	45	455
2011	186	1,860
2012	350	3,498
2013	372	3,717
2014	4,617	46,169
2015	693	6,937
Total	¥ 6,294	$ 62,944

12. LEASES

The Group leases certain buildings and structures, furniture and fixtures and other assets.

Total rental expense including lease payments under finance leases for the years ended March 31, 2008 and 2007 was ¥18 million ($180 thousand) and ¥20 million, respectively.

Pro forma information of leased property such as acquisition cost, accumulated depreciation, obligations under finance leases, and depreciation expense of finance leases that do not transfer ownership of the leased property to the lessee on an "as if capitalized" basis for the years ended March 31, 2008 and 2007 was as follows:

	Millions of Yen							
	2008				2007			
	Buildings and Structures	Furniture and Fixtures	Other	Total	Buildings and Structures	Furniture and Fixtures	Other	Total
Acquisition cost	¥ 45	¥ 21	¥ 26	¥ 92	¥ 45	¥ 37	¥ 62	¥ 144
Accumulated depreciation	18	8	18	44	10	20	48	78
Net leased property	¥ 27	¥ 13	¥ 8	¥ 48	¥ 35	¥ 17	¥ 14	¥ 66

	Thousands of U.S. Dollars			
	2008			
	Buildings and Structures	Furniture and Fixtures	Other	Total
Acquisition cost	$ 454	$ 206	$ 264	$ 924
Accumulated depreciation	183	77	185	445
Net leased property	$ 271	$ 129	$ 79	$ 479

Obligations under finance leases:

	Millions of Yen		Thousands of U.S. Dollars
	2008	2007	2008
Due within one year	¥ 18	¥ 18	$ 176
Due after one year	30	48	303
Total	¥ 48	¥ 66	$ 479

Depreciation expense, which was not reflected in the accompanying consolidated statements of income computed by the straight-line method, was ¥18 million ($180 thousand) and ¥20 million for the years ended March 31, 2008 and 2007, respectively.

13. NET INCOME PER SHARE

Reconciliation of the differences between basic and diluted net income per share ("EPS") for the years ended March 31, 2008 and 2007 is as follows:

	Millions of Yen	Thousands of Shares	Yen	U.S. Dollars
Year Ended March 31, 2008	Net Income	Weighted-average Shares	EPS	
Basic EPS—Net income available to common shareholders	¥ 4,959	34,762	¥ 142.64	$ 1.43
Effect of dilutive securities—Warrants		1		
Diluted EPS—Net income for computation	¥ 4,959	34,763	¥ 142.64	$ 1.43
Year Ended March 31, 2007				
Basic EPS—Net income available to common shareholders	¥ 295	36,017	¥ 8.20	
Effect of dilutive securities—Warrants		1		
Diluted EPS—Net income for computation	¥ 295	36,018	¥ 8.20	

14. SUBSEQUENT EVENT

The following matter was approved at the Company's shareholders meeting held on June 24, 2008.

Appropriation of Retained Earnings

	Millions of Yen	Thousands of U.S. Dollars
Year-end cash dividends, ¥34.5 ($0.35) per share	¥ 1,184	$ 11,843

15. SEGMENT INFORMATION

The Group operates in the following industries:

The outsourcing segment consists of engineering outsourcing and general outsourcing.
The engineering solutions segment provides service contents including analysis, test manufacturing of mold, designing of printed-circuit board.
The global segment offers training and supply of foreign engineers.
The career support segment provides reemployment support to separated employees of its corporate clients on a contract basis and job referral service.

Information about industry segments, geographical segments and sales to foreign customers of the Company and subsidiaries for the years ended March 31, 2008 and 2007, is as follows:

a. Industry Segments

(1) Sales and Operating Income (Loss)

	Millions of Yen					
	2008					
	Outsourcing	Engineering Solutions	Global	Career Support	Eliminations/ Corporate	Consolidated
Sales to customers	¥ 77,202	¥ 2,785	¥ 618	¥ 1,497		¥ 82,102
Intersegment sales	190	678	135	39	¥ (1,042)	
Total sales	77,392	3,463	753	1,536	(1,042)	82,102
Operating expenses	65,434	3,217	1,158	1,996	(1,068)	70,737
Operating income (loss)	¥ 11,958	¥ 246	¥ (405)	¥ (460)	¥ 26	¥ 11,365

(2) Total Assets, Depreciation, Impairment Loss and Capital Expenditures

	Millions of Yen					
	2008					
	Outsourcing	Engineering Solutions	Global	Career Support	Eliminations/ Corporate	Consolidated
Total assets	¥ 53,876	¥ 1,703	¥ 970	¥ 4,526	¥ (3,290)	¥ 57,785
Depreciation	890	34	16	58		998
Impairment loss	398			127		525
Capital expenditures	2,204	44	32	36		2,316

(1) Sales and Operating Income (Loss)

	Thousands of U.S. Dollars					
	2008					
	Outsourcing	Engineering Solutions	Global	Career Support	Eliminations/ Corporate	Consolidated
Sales to customers	$ 772,018	$ 27,846	$ 6,183	$ 14,976		$ 821,023
Intersegment sales	1,902	6,784	1,344	386	$ (10,416)	
Total sales	773,920	34,630	7,527	15,362	(10,416)	821,023
Operating expenses	654,336	32,171	11,581	19,961	(10,679)	707,370
Operating income (loss)	$ 119,584	$ 2,459	$ (4,054)	$ (4,599)	$ 263	$ 113,653

(2) Total Assets, Depreciation, Impairment Loss and Capital Expenditures

	Thousands of U.S. Dollars					
	2008					
	Outsourcing	Engineering Solutions	Global	Career Support	Eliminations/ Corporate	Consolidated
Total assets	$ 538,755	$ 17,024	$ 9,703	$ 45,263	$ (32,897)	$ 577,848
Depreciation	8,904	341	157	578		9,980
Impairment loss	3,981			1,265		5,246
Capital expenditures	22,035	445	323	361		23,164

(1) Sales and Operating Income (Loss)

	Millions of Yen					
	2007					
	Outsourcing	Engineering Solutions	Global	Career Support	Eliminations/ Corporate	Consolidated
Sales to customers	¥ 75,988	¥ 2,439	¥ 290	¥ 3,513		¥ 82,230
Intersegment sales	145	571	96	14	¥ (826)	
Total sales	76,133	3,010	386	3,527	(826)	82,230
Operating expenses	64,020	2,870	587	4,031	(860)	70,648
Operating income (loss)	¥ 12,113	¥ 140	¥ (201)	¥ (504)	¥ 34	¥ 11,582

(2) Total Assets, Depreciation, Impairment Loss and Capital Expenditures

	Millions of Yen					
	2007					
	Outsourcing	Engineering Solutions	Global	Career Support	Eliminations/ Corporate	Consolidated
Total assets	¥ 53,323	¥ 1,621	¥ 572	¥ 5,230	¥ (3,267)	¥ 57,479
Depreciation	963	29	6	110		1,108
Impairment loss				4,292		4,292
Capital expenditures	1,022	55	72	33		1,182

Note: Effective April 1, 2006, the Group accrued bonuses to directors and corporate auditors at the period end to which such bonuses are attributable because of applying the new accounting standard. The effect of this change was to decrease operating income of outsourcing and engineering solutions for the year ended March 31, 2007 by ¥17 million and ¥1 million, respectively.

b. *Geographical Segments*

The information about geographical segments for the year ended March 31, 2008 is not disclosed because sales in Japan make up more than 90% of the total sales. Due to the sales of Novations Group Inc. in the previous fiscal year, the sales in foreign countries have become immaterial.

	Millions of Yen				
	2007				
	Japan	North America	China	Eliminations/ Corporate	Consolidated
Sales to customers	¥ 80,641	¥ 1,537	¥ 52		¥ 82,230
Interarea transfer			49	¥ (49)	
Total sales	80,641	1,537	101	(49)	82,230
Operating expenses	68,863	1,604	230	(49)	70,648
Operating income (loss)	¥ 11,778	¥ (67)	¥ (129)		¥ 11,582
Total assets	¥ 57,033		¥ 463	¥ (17)	¥ 57,479

Notes: 1. North America consists of the United States of America and Canada.

2. Effective April 1, 2006, the Group accrued bonuses to directors and corporate auditors at the period end to which such bonuses are attributable because of applying new accounting standard. The effect of this change was to decrease operating income of Japan for the year ended March 31, 2007 by ¥18 million.

c. *Sales to Foreign Customers*

The information about sales to foreign customers for the year ended March 31, 2008 is not disclosed because sales in Japan make up more than 90% of the total sales. Due to the sales of Novations Group Inc. in the previous fiscal year, the sales in foreign countries have become immaterial.

	Millions of Yen		
	2007		
	North America	China	Total
Sales to foreign customers	¥ 1,537	¥52	¥ 1,589
Consolidated sales			82,230
The ratio of sales to foreign customers	1.9%	0.0%	1.9%

Note: North America consists of the United States of America and Canada.

16. SUPPLEMENTAL CASH FLOW INFORMATION

In August 2007, Novations Group Inc. and its subsidiary, U.S. subsidiaries of Drake Beam Morin-Japan, Inc., were sold, and they became out of the scope of consolidation. The assets and liabilities when at that time were as follows:

	Millions of Yen
Current assets	¥ 883
Fixed assets	1,223
Total assets	¥ 2,106
Current liabilities	¥ (1,359)
Long-term liabilities	(1,743)
Total liabilities	¥ (3,102)

INDEPENDENT AUDITORS' REPORT

To the Board of Directors of
MEITEC CORPORATION:

We have audited the accompanying consolidated balance sheets of MEITEC CORPORATION (the "Company") and subsidiaries (together, the "Group") as of March 31, 2008 and 2007, and the related consolidated statements of income, changes in equity, and cash flows for the years then ended, all expressed in Japanese yen. These consolidated financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these consolidated financial statements based on our audits.

We conducted our audits in accordance with auditing standards generally accepted in Japan. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the consolidated financial position of MEITEC CORPORATION and subsidiaries as of March 31, 2008 and 2007, and the consolidated results of their operations and their cash flows for the years then ended in conformity with accounting principles generally accepted in Japan.

Our audits also comprehended the translation of Japanese yen amounts into U.S. dollar amounts and, in our opinion, such translation has been made in conformity with the basis stated in Note 1. Such U.S. dollar amounts are presented solely for the convenience of readers outside Japan.

Deloitte Touche Tohmatsu

June 23, 2008

SUPPLEMENTAL NON-CONSOLIDATED BALANCE SHEETS

March 31, 2008 and 2007—Unaudited

ASSETS	Millions of Yen 2008	Millions of Yen 2007	Thousands of U.S. Dollars 2008
CURRENT ASSETS:			
Cash and cash equivalents	¥ 14,843	¥ 12,436	$ 148,434
Short-term investments	1,900	4,471	19,000
Notes and accounts receivable:			
Trade notes and accounts	10,287	10,827	102,872
Subsidiaries	25	15	249
Allowance for doubtful accounts	(2)	(2)	(22)
Inventories	18	19	176
Deferred tax assets	2,238	2,131	22,384
Prepaid expenses and other	2,053	2,568	20,525
Total current assets	31,362	32,465	313,618
PROPERTY AND EQUIPMENT:			
Land	3,583	3,906	35,825
Buildings and structures	19,852	20,980	198,522
Furniture and fixtures	2,669	2,670	26,686
Others	373	188	3,734
Total	26,477	27,744	264,767
Accumulated depreciation	(13,348)	(13,490)	(133,477)
Net property and equipment	13,129	14,254	131,290
INVESTMENTS AND OTHER ASSETS:			
Investment securities	1,288	1,316	12,883
Investments in and advances to subsidiaries and associated companies	6,868	6,553	68,684
Leasehold deposits	870	827	8,697
Deferred tax assets	2,636	2,302	26,359
Software in process	2,520	733	25,201
Other	331	462	3,307
Total investments and other assets	14,513	12,193	145,131
TOTAL	¥ 59,004	¥ 58,912	$ 590,039

The translations of Japanese yen amounts into U.S. dollar amounts have been made at the rate of ¥100 to $1, the approximate rate of ¥100 to $1, the approximate rate of exchange at March 31, 2008.

LIABILITIES AND EQUITY	Millions of Yen 2008	Millions of Yen 2007	Thousands of U.S. Dollars 2008
CURRENT LIABILITIES:			
Income taxes payable	¥ 2,228	¥ 1,153	$ 22,280
Deposits from subsidiaries	4,437	4,885	44,370
Accrued expenses	6,599	6,343	65,987
Other	1,898	1,792	18,983
Total current liabilities	15,162	14,173	151,620
LONG-TERM LIABILITIES:			
Liability for retirement benefits	6,354	6,077	63,535
Deferred tax liabilities for land revaluation	42	42	421
Total long-term liabilities	6,396	6,119	63,956
EQUITY:			
Common stock—authorized, 142,854 thousand shares in 2008 and 2007; issued, 35,442 thousand shares in 2008 and 2007	16,826	16,826	168,259
Capital surplus	15,481	15,481	154,805
Retained earnings:			
Legal reserve		4,203	
Unappropriated	10,033	3,841	100,334
Unrealized gain on available-for-sale securities	104	222	1,046
Land revaluation difference	(883)	(944)	(8,830)
Treasury stock—at cost, 1,115 thousand shares in 2008 and 256 thousand shares in 2007	(4,115)	(1,009)	(41,151)
Total equity	37,446	38,620	374,463
TOTAL	¥ 59,004	¥ 58,912	$ 590,039

SUPPLEMENTAL NON-CONSOLIDATED STATEMENTS OF OPERATIONS

March 31, 2008 and 2007—Unaudited

	Millions of Yen		Thousands of U.S. Dollars
	2008	2007	2008
NET SALES	¥ 62,956	¥ 61,795	$ 629,565
COST OF SALES	43,875	43,134	438,751
Gross profit	19,081	18,661	190,814
SELLING, GENERAL AND ADMINISTRATIVE EXPENSES	8,620	8,040	86,204
Operating income	10,461	10,621	104,610
OTHER INCOME (EXPENSES):			
Interest and dividend income	279	4,890	2,788
Interest expense	(8)	(5)	(84)
Loss on investments in partnership—net	(4)	(77)	(45)
Gain (loss) on sale of marketable and investment securities—net	(143)	6	(1,427)
Loss on write-down of investment securities		(2)	
Loss on sale and disposal of fixed assets—net	(15)	(46)	(148)
Loss on write-down of investments in subsidiaries	(433)	(10,155)	(4,329)
Impairment loss	(398)		(3,981)
Loss on change in pension plans	(1,080)		(10,798)
Other—net	29	72	294
Other income (expenses)—net	(1,773)	(5,317)	(17,730)
INCOME BEFORE INCOME TAXES	8,688	5,304	86,880
INCOME TAXES:			
Current	4,090	4,686	40,903
Deferred	(340)	702	(3,404)
Total income taxes	3,750	5,388	37,499
NET INCOME (LOSS)	¥ 4,938	¥ (84)	$ 49,381
	Yen		U.S. Dollars
PER SHARE OF COMMON STOCK:			
Basic net income (loss)	¥ 142.05	¥ (2.33)	$ 1.42
Diluted net income	142.05		1.42
Cash dividends applicable to the year	72.00	89.00	0.72

Notes:
1. The translations of Japanese yen amounts into U.S. dollar amounts have been made at the rate of ¥100 to $1, the approximate rate of exchange at March 31, 2008.
2. The computation of net income/loss per share is based on the weighted-average number of shares of common stock outstanding during each year.

   The weighted-average number of common shares used in the computation of basic net income/loss was 34,762 thousand shares for 2008 and 36,017 thousand shares for 2007.
3. Diluted net income per share for 2007 is not disclosed because of the Company's net loss position.

CORPORATE DATA (As of March 31, 2008)

MEITEC CORPORATION

Corporate Headquarters
8-5-26, Akasaka, Minato-ku, Tokyo 107-0052, Japan
Tel: +81-3-5413-2600

Registered Corporate Headquarters
2-20-1, Kousei Dori, Nishi-ku, Nagoya, Aichi 451-0075, Japan
Tel: +81-52-532-1811

Establishment
July 17, 1974

Common Stock
Authorized: 142,854,400 shares
Issued: 35,442,255 shares

Shareholders
7,228

Employees (consolidated)
8,412

Lines of Business
Providing engineering services to major Japanese manufacturing companies in the fields of high-technology research and development

Consolidated Subsidiaries

Full-Line Temporary Staffing Business
Meitec Fielders Inc.
Meitec Cast Inc.
Meitec Experts Corporation

Engineering Solutions Business
Three D Tec Inc.
Information Management System Co., Ltd.
Apollo Giken Co., Ltd.
Shanghai Apomac Science & Technology
Meitec CAE Corporation

Global Business
Meitec Global Solutions Inc.
Meitec Shanghai
MEITEC Dalian TechnoCenter Co., Ltd.
MEITEC Guangzhou TechnoCenter Co., Ltd.
MEITEC Xian TechnoCenter Co., Ltd.
MEITEC Chengdu TechnoCenter Co., Ltd.
ZHEJIANG MI High Technology Co., Ltd.

Career Support Business
Drake Beam Morin-Japan, Inc.
Meitec Next Corporation
All engineer.jp Corporation

Executive Officers, Directors and Corporate Auditors
(As of June, 25, 2008)

President and Representative Director
Kosuke Nishimoto

CEO & COO
Kosuke Nishimoto

Directors
Kanji Fukuda
Hideyo Kokubun
Hiroshi Yoneda
Kiyomasa Nakajima
Atsuhiko Umeda[1]
Kiyoshi Mamizu[1]

Corporate Auditors
Yoshinori Takamine
Masatoshi Saito[2]
Hiroshi Watanabe[2]

Executive Officers
Masato Uemura
Hideyo Kokubun
Hidenori Nagasaka
Kiyomasa Nakajima
Satoshi Yanagisawa

Notes: 1. Outside directors as provided for in Article 2, Paragraph 15, of the Corporation Law.
2. External auditors as provided for in Article 2, Paragraph 16, of the Corporation Law.

WEB SITE INFORMATION

Meitec Corporation has developed an Internet Web site to disclose its most current corporate information, including materials on such key management indicators as monthly operating ratios, as well as financial reports, interim reports, quarterly reports and performance-adjustment announcements.

MAIN CONTENTS

- Business Performance (monthly operating ratio of Meitec and Meitec Fielders, and other information)
- Stock Price
- Financial Results and Announcements
- Annual Report

Meitec offers a service that provides registered users of its mailing list with e-mail notification when new information is added to the Company's Web site.

Please see the URL below for details.

URL: http//www.meitec.co.jp/

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