

# Results for the 1st Quarter of the Fiscal Year Ending March 31, 2024

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July 27, 2023

## MEITEC CORPORATION

President and CEO, COO MEITEC Group CEO

Hideyo Kokubun

人と技術で次代を拓く

**MEITEC**

Engineering Firm at The Core

## Disclaimer

Earnings forecasts and other forward-looking statements in this release are based on data currently available to management and certain assumptions that management believes are reasonable.

Actual results may therefore differ materially from these statements for various reasons.

Some important factors that might have an effect on business performance pertain to Business Risks stated in the Company's annual securities report and other information already released, but factors influencing business performance are not limited to those released.

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**MEITEC**

Engineering Firm at The Core

## Results for the 1st Quarter of the Fiscal Year Ending March 31, 2024 (Group Consolidated)

- ✓ Net sales rose 9.3% year on year ⇒ Increased number of engineers and promotion of assignments led to both an increase in number of engineers assigned to clients and improvement in the utilization ratio
- ✓ Operating profit rose 13.8% ⇒ Increase in net sales absorbed increases in labor expenses and other costs, and SG&A expenses

(Fractions of one million yen are rounded down)	1Q ended June. 30, 2022	1Q ended June. 30, 2023	YoY Amount	% Change	Initial Forecast for 2Q, announced on May 2023	% Change
Net sales	28,632	31,302	+2,670	+9.3%	62,400	50.2%
Cost of sales	20,896	22,889	+1,992	+9.5%	45,800	
Cost of sales to Net sales	73.0%	73.1%	+0.1%			
SG&A Expenses	4,010	4,175	+164	+4.1%	8,800	
Operating profit	3,725	4,238	+512	+13.8%	7,800	54.3%
Operating profit margins	13.0%	13.5%	+0.5%		12.5%	
Ordinary profit	3,741	4,225	+483	+12.9%	7,900	53.5%
Extraordinary income & loss	0	0	—			
Profit before income taxes	3,740	4,224	+483	+12.9%		
Profit attributable to owners of parent	2,370	2,638	+268	+11.3%	5,200	50.7%
Profit margins	8.3%	8.4%	+0.2%			

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## Results for the 1st Quarter of the Fiscal Year Ending March 31, 2024 (Meitec)

- ✓ Net sales rose 8.6% year on year ⇒ Increased number of engineers and promotion of assignments led to both an increase in number of engineers assigned to clients and improvement in the utilization ratio
- ✓ Operating profit rose 15.3% year on year ⇒ Increase in net sales absorbed increases in labor expenses and other costs, and SG&A expenses

(Fractions of one million yen are rounded down)	1Q ended June. 30, 2022	1Q ended June. 30, 2023	YoY Amount	% Change	Initial Forecast for 2Q, announced on May 2023	% Change
Net sales	20,199	21,930	+1,730	+8.6%	43,400	50.5%
Operating profit	2,974	3,428	+454	+15.3%	6,100	56.2%
Operating profit margins	14.7%	15.6%	+0.9%		14.1%	
Ordinary profit	3,864	4,630	+765	+19.8%	7,400	62.6%
Profit	2,732	3,298	+566	+20.7%	5,200	63.4%
Utilization ratio (Company-wide)	93.5%	94.5%	+1.0%		96.0%	
Working Hours<h/day>	8.35	8.33	(0.02)	(0.2%)	8.34	
Number of Engineers	7,868	8,060	+192	+2.4%		

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## Results for the 1st Quarter of the Fiscal Year Ending March 31, 2024 (Meitec Fielders)

- ✓ Net sales rose 13.2% year on year ⇒ Increased number of engineers and promotion of assignments led to both an increase in number of engineers assigned to clients and improvement in the utilization ratio
- ✓ Operating profit rose 14.1% year on year ⇒ Increase in net sales absorbed increases in labor expenses and other costs, and SG&A expenses

(Fractions of one million yen are rounded down)	1Q ended June. 30, 2022	1Q ended June. 30, 2023	YoY Amount	% Change	Initial Forecast for 2Q, announced on May 2023	% Change
Net sales	7,228	8,184	+955	+13.2%	16,600	49.3%
Operating profit	547	624	+77	+14.1%	1,350	46.2%
Operating profit margins	7.6%	7.6%	+0.1%		8.1%	
Ordinary profit	547	624	+77	+14.1%	1,350	46.2%
Profit	376	429	+53	+14.2%	900	47.7%
Utilization ratio (Company-wide)	87.5%	90.6%	+3.1%		92.6%	
Working Hours〈h/day〉	8.26	8.19	(0.07)	(0.8%)	8.24	
Number of Engineers	4,218	4,517	+299	+7.1%		

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## Results for the 1st Quarter of the Fiscal Year Ending March 31, 2024 (Group Overview)

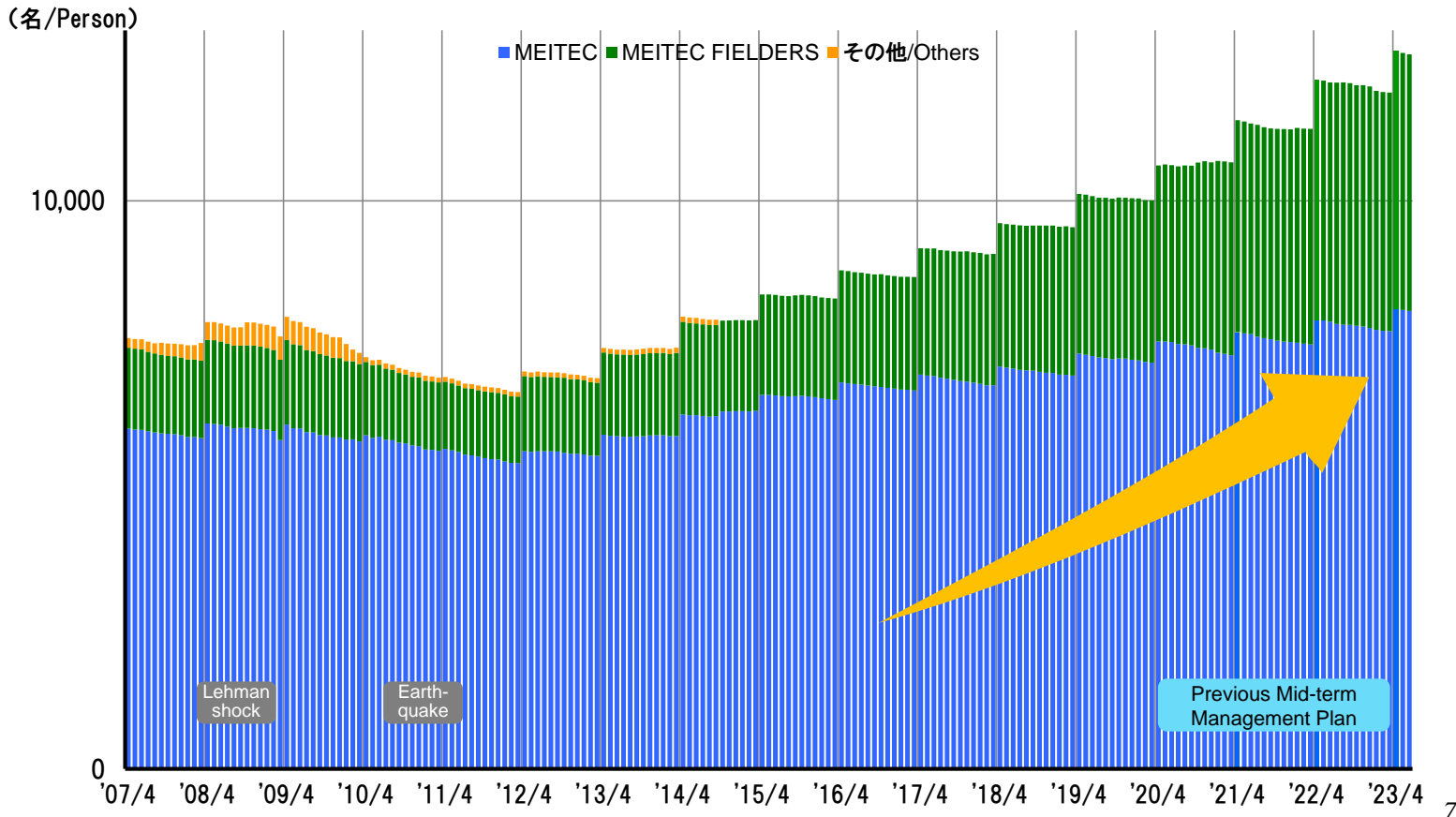
- ✓ Both sales and profit decreased YoY for the Recruiting & Placement Business for Engineers due to a decline in the number of job placements

(Fractions of one million yen are rounded down)	Engineering Solutions Business				Recruiting & Placement Business for Engineers
	Meitec	Meitec Fielders	Meitec Cast	Meitec EX	Meitec Next
Net sales	21,930	8,184	875	87	360
YoY Amount	+1,730	+955	+60	+4	(81)
% Change	+8.6%	+13.2%	+7.4%	+5.2%	(18.4%)
Operating profit	3,428	624	72	0	118
YoY Amount	+454	+77	+11	+3	(39)
% Change	+15.3%	+14.1%	+19.2%	—	(24.8%)
Ordinary profit	4,630	624	72	0	118
Profit	3,298	429	49	0	81

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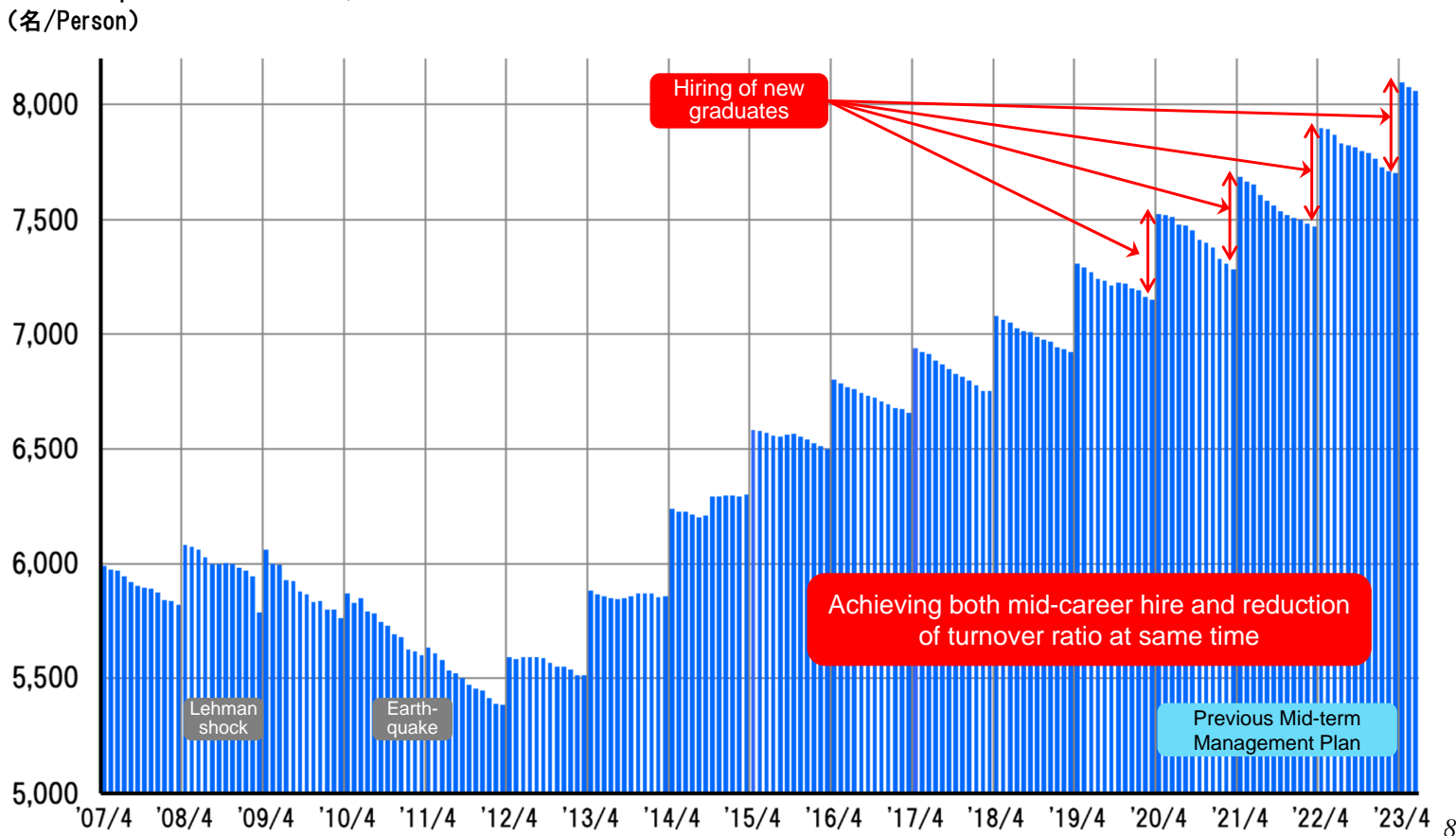
# Number of Engineers (Group Consolidated)

✓ The number of engineers as of June 30, 2023 was 12,577, an increase of 491 engineers, or 4.1%, compared to June 30, 2022.



# Number of Engineers (Meitec)

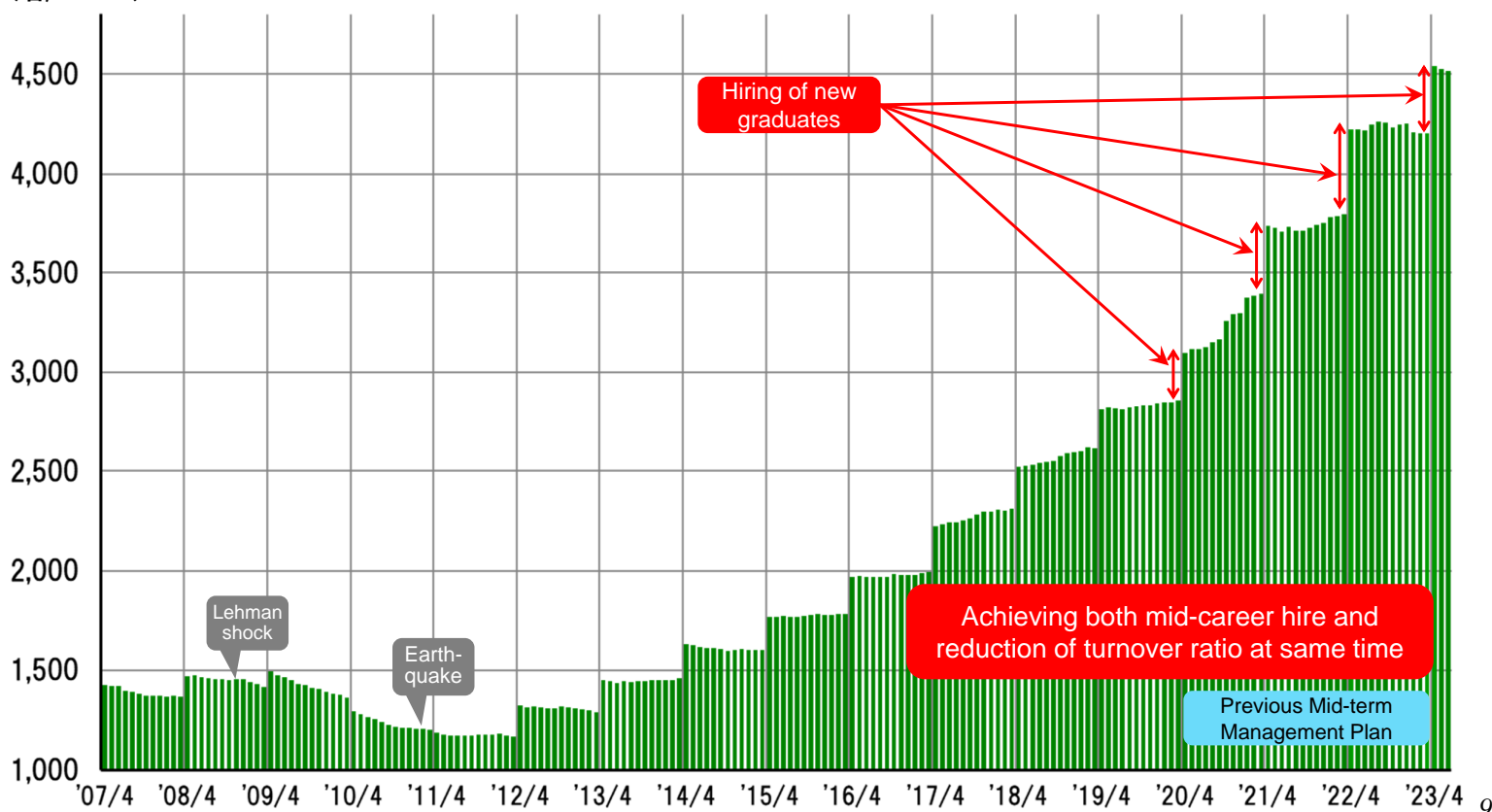
✓ The number of engineers as of June 30, 2023 was 8,060, an increase of 192 engineers, or 2.4%, compared to June 30, 2022.



# Number of Engineers (Meitec Fielders)

- ✓ The number of engineers as of June 30, 2023 was 4,517, an increase of 299 engineers, or 7.1%, compared to June 30, 2022.

(名/Person)



## Hiring Target for the Fiscal Year Ending March 31, 2024

### Mid-career

- ✓ Despite maintaining record-high recruitment numbers, we will continue to focus on maintaining hiring standards in order to carry out design and development operations that involve state-of-the-art technologies.
- ✓ Amid sudden changes in recruitment methods due to the rise of scouting-based recruitment, we will continue to place great importance on the creation of contact points that get close to individuals and work to achieve our targets as we are beginning to hear opinions from individuals who receive a large number of scout messages that judging all of them is annoying.

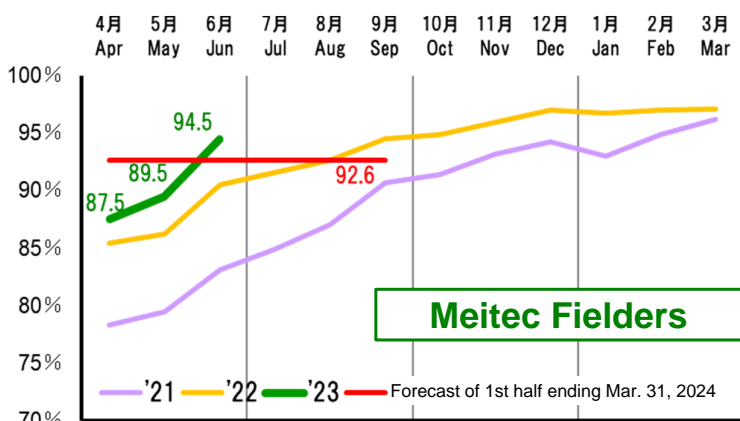
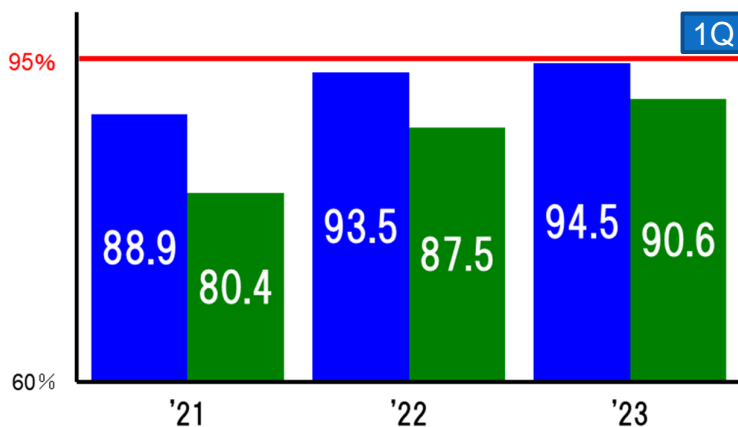
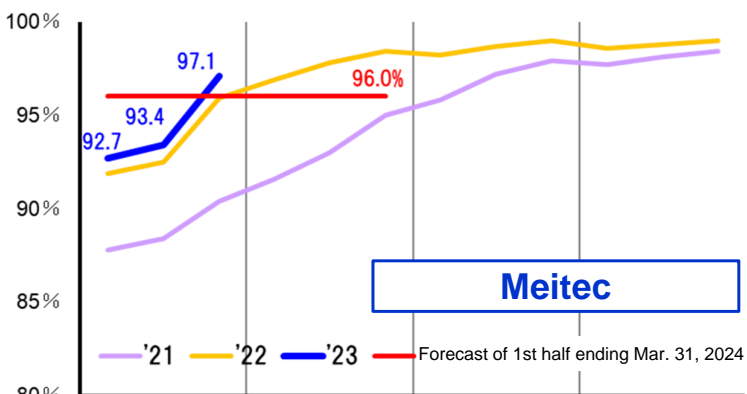
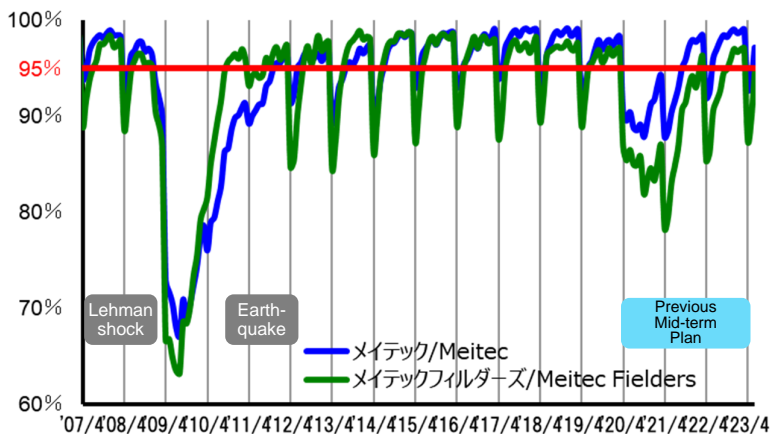
### New Graduates

- ✓ With regard to the hiring of new graduates, which is a seller's market, we expect operational difficulties as the return to face-to-face activities will accelerate with the ending of the COVID-19 pandemic amid a mix of activities taking place earlier and taking longer and the steady diversification of students' activities.
- ✓ We will work to maintain hiring standards and achieve targets while taking into consideration the desire to take on challenges in order to grow personally while continuing to publicly promote a style of career centered on work as a lifelong professional.

(person)	Fiscal Year Ending March 31, 2024					Fiscal Year Ending March 31, 2025	
	New Graduates April 2023 (Actual)	Mid-career		Total		New Graduates April 2024	Comparison to Previous Year
		<Target>	Comparison to Previous Year	<Target>	Comparison to Previous Year		
Meitec	459	240	+15	699	—	500	+41
Meitec Fielders	365	600	+3	965	(43)	450	+85
Total	824	840	+18	1,664	(43)	950	+126

# Utilization Ratio

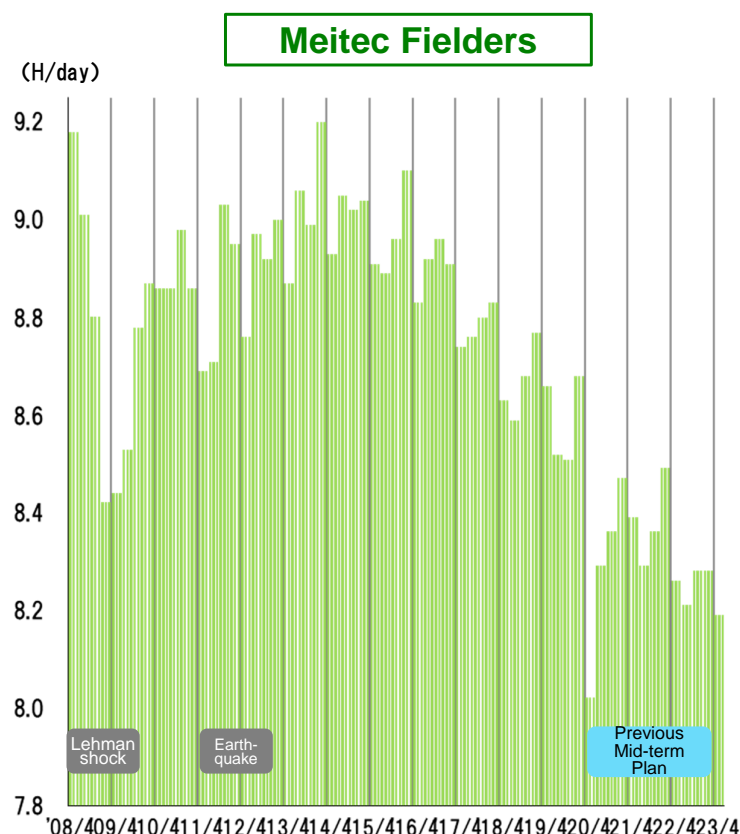
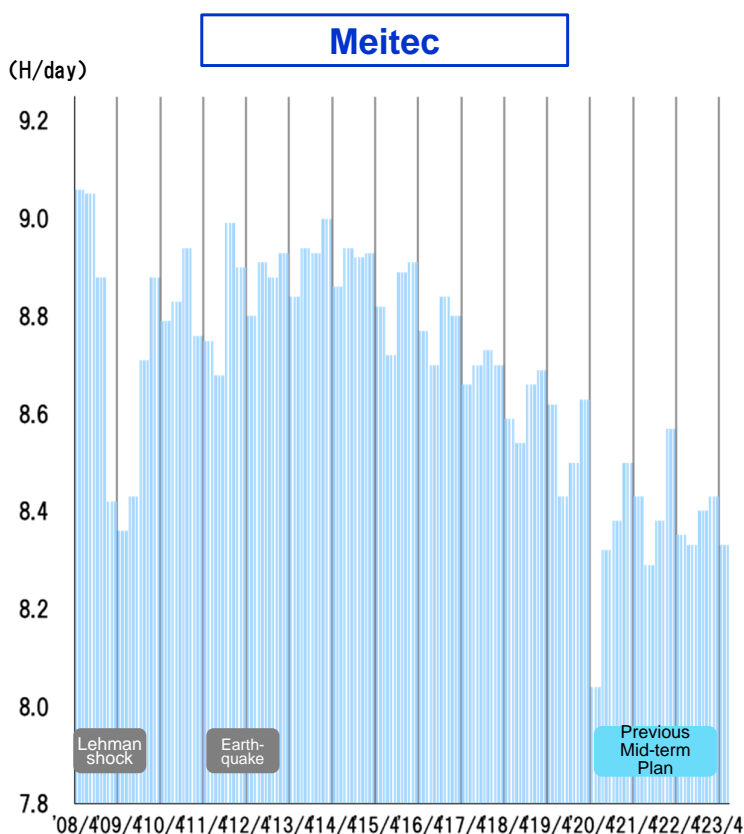
✓ Increase in utilization ratio ⇒ Steady assignments of new employees (graduate and career hires) and existing employees.



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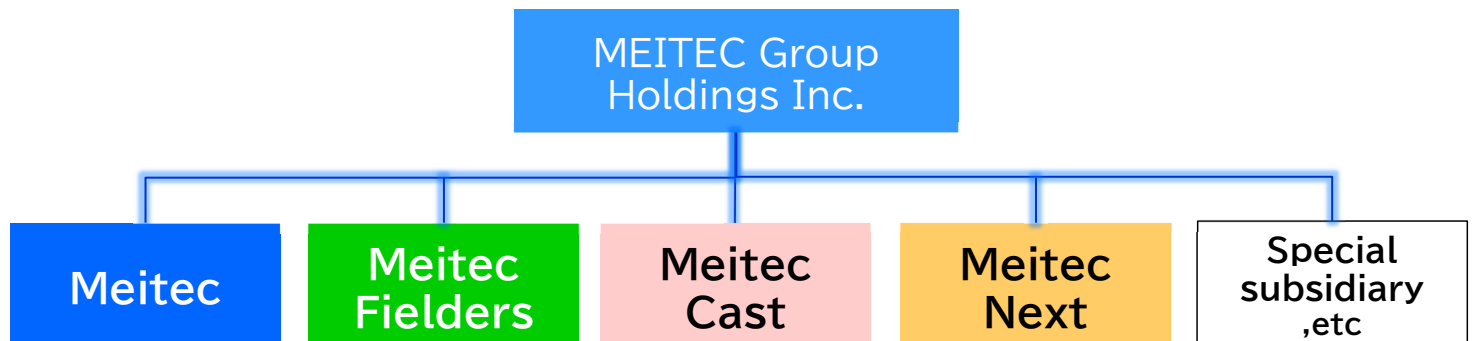
# Working Hours

✓ Slight year-on-year decrease due to decrease in overtime work and so forth.



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On October 1, 2023,  
Transition to holding company structure  
and a company with audit and supervisory committee



While aggressively pursuing opportunities for high added value,  
we continue to improve both earnings power and capital efficiency.

- Achieve strong leadership capable of carrying out bold management decisions
- Establish an environment capable of risk-taking and improve effectiveness of oversight of management resource allocation
- Reform mindset and conduct of the Group's executives and employees

*Develop a New Era by People and Technology*

人と技術で次代を拓く

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