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July 31, 2025

Consolidated Financial Report For the Three Months Ended June 30, 2025 (Japanese GAAP)

Company Name: Meitec Group Holdings Inc.
Listed Stock Exchange: Tokyo
Code No.: 9744
URL: <https://www.meitecgroup-holdings.com/en/index.html>
Representative: Masato UEMURA, President, Group CEO
Inquiries: Toru YAMASHITA, Executive officer Group Accounting and Finance
Scheduled date to commence dividend payments: —
Preparation of supplementary material on financial results: Yes
Holding of financial results briefing: None

[Fractions of one million yen are rounded down]

1. Consolidated Results for the 1st Quarter (April 1, 2025 to June 30, 2025)

(1) Consolidated operating results

(% is comparison to the previous fiscal year)

	Net Sales		Operating Profit		Ordinary Profit		Profit Attributable to Owners of Parent	
	Millions of Yen	%	Millions of Yen	%	Millions of Yen	%	Millions of Yen	%
Three months ended June 30, 2025	34,084	3.6	4,879	2.3	4,911	2.7	3,332	3.4
Three months ended June 30, 2024	32,910	5.1	4,767	12.5	4,780	13.2	3,223	22.2

(Note) Comprehensive Income; Three months ended June 30, 2025: 3,309 million yen [2.6 %]
Three months ended June 30, 2024: 3,226 million yen [20.9 %]

	Earnings per Share	Diluted Net Income per Share
	Yen	Yen
Three months ended June 30, 2025	43.16	—
Three months ended June 30, 2024	41.75	—

(2) Consolidated financial position

	Total Assets	Net Assets	Equity Ratio
	Millions of Yen	Millions of Yen	%
As of June 30, 2025	80,835	43,593	53.9
As of March 31, 2025	93,605	48,776	52.1

Reference: Shareholders' Equity; as of June 30, 2025: 43,593 million yen
as of March 31, 2025: 48,776 million yen

2. Dividends

	Annual Dividends per Share				
	1st Quarter	2nd Quarter	3rd Quarter	Year-end	Total
	Yen	Yen	Yen	Yen	Yen
FY ended March 31, 2025	—	88.00	—	110.00	198.00
FY ending March 31, 2026	—	—	—	—	—
FY ending March 31, 2026 (Forecast)	—	86.00	—	89.00	175.00

(Note) Revision of dividends forecast from recent forecast: None

(Note) Breakdown of dividends for FY ending March 31, 2025: ordinary dividend of ¥168.00 and commemorative dividend of ¥30.00 (the 50th anniversary commemorative dividend)

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3. Consolidated Forecasts for Fiscal Year ending March 31, 2026 (April 1, 2025 to March 31, 2026)

(% is comparison to the same period of previous fiscal year)

	Net Sales		Operating Profit		Ordinary Profit		Profit Attributable to Owners of Parent		Earnings per Share
	Millions of Yen	%	Millions of Yen	%	Millions of Yen	%	Millions of Yen	%	Yen
Six months ending September 30, 2025	68,500	4.0	9,600	6.4	9,600	6.1	6,600	19.2	85.48
FY ending March 31, 2026	137,300	3.2	19,700	4.6	19,600	3.6	13,400	5.2	173.56

(Note) Revision of performance forecast from recent forecast: None

Notes to Financial Statements

(1) Significant changes in the scope of consolidation during the period: None

Newly consolidated: —

Excluded: —

(2) Adoption of special accounting treatment for preparing quarterly consolidated financial statements: Yes

(3) Changes in accounting policies, changes in accounting estimates, and restatements

i. Change in accounting policies : None

ii. Changes not relating to i. : None

iii. Changes in accounting estimates : None

iv. Restatements : None

(4) Number of shares issued (common stock)

i. Number of shares issued at the fiscal year end (including treasury shares)

1st quarter ended June 30, 2025: 78,000,000

FY ended March 31, 2025: 78,000,000

ii. Number of treasury shares at the fiscal year end

1st quarter ended June 30, 2025: 792,998

FY ended March 31, 2025: 792,998

iii. Average number of shares outstanding during the period (first quarter cumulative)

1st quarter ended June 30, 2025: 77,207,002

1st quarter ended June 30, 2024: 77,207,486

*** Review of the Japanese-language originals of the attached consolidated quarterly financial statements by certified public accountants or an audit firm : None**

*** Advice relating to appropriate use of financial forecasts and other relevant information**

The current economic outlook is extremely uncertain, making it difficult to formulate highly accurate forecasts. 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, and it is not intended to promise its achievement. 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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1. Overview of Operating Results

(1) Overview of operating results for the 1st Quarter

During the first quarter of the current fiscal year (the three months from April 1, 2025 to June 30, 2025), the economic outlook remained uncertain due to the continued unstable international situation and other items.

MEITEC (MT) and MEITEC Fielders (MF), which are responsible for the Engineering Solutions Business that accounts for more than 90% of the Group's consolidated net sales, saw orders remain strong as leading manufacturers that constitute the Group's major clients invested in technological development focused on the next generation of products.

Furthermore, the Company continued proactive recruitment that adheres to high standards even in a challenging hiring situation, with an eye on medium- and long-term growth. As a result, 645 (MT: 308, MF: 337) new employees joined the Group in April 2025. The number of engineers (total for MT and MF) as of June 30, 2025 decreased slightly year on year to 12,588 (down 98, or -0.8% compared to June 30, 2024). The utilization ratio remained at the same level year on year due to factors such as promoting early assignments of new employees and assignments of existing employees in response to orders. Furthermore, working hours decreased slightly year on year, mainly due to a decrease in overtime work.

As a result, consolidated net sales for the period under review increased ¥1,173 million, or 3.6%, from a year earlier to ¥34,084 million. Consolidated cost of sales increased ¥1,013 million, or 4.2%, from a year earlier to ¥24,931 million, due mainly to an increase in labor expenses, and consolidated selling, general and administrative expenses increased ¥48 million, or 1.1%, from a year earlier to ¥4,273 million. As a result, consolidated operating profit increased ¥111 million, or 2.3%, from a year earlier to ¥4,879 million. Consolidated ordinary profit increased ¥130 million, or 2.7%, from a year earlier to ¥4,911 million, while profit attributable to owners of parent increased ¥109 million, or 3.4%, from a year earlier to ¥3,332 million.

For details, please refer to the "Results for the 1st Quarter of the Fiscal Year Ending March 31, 2026" released today on the Tokyo Stock Exchange's Timely Disclosure network (TDnet Company Announcements Service) and the Company's website.

The following information highlights performance by segment:

(1)-1. Engineering Solutions Business

Net sales in the Engineering Solutions Business segment, especially in the temporary engineer staffing business, our core business, increased ¥1,159 million, or 3.6%, from a year earlier to ¥33,729 million on the back of the steady performance of the utilization ratio and other factors. Operating profit increased ¥148 million, or 3.2%, from a year earlier to ¥4,863 million.

The overall utilization ratio remained at the same level year on year with 96.4% at MT (95.8% in the previous fiscal year) and 93.3% at MF (93.5% in the previous fiscal year). Working hours decreased slightly year on year to 8.26 hours/day at MT (8.37 hours/day in the previous fiscal year) and to 8.13 hours/day at MF (8.21 hours/day in the previous fiscal year).

(1)-2. Recruiting & Placement Business for Engineers

MEITEC NEXT operates a job placement business for engineers. Net sales increased ¥9 million, or 2.7%, from a year earlier to ¥354 million due to factors including increases in the determined unit price. Operating profit increased ¥12 million, or 10.2%, from a year earlier to ¥131 million due to factors including an increase in the determined unit price.

(1)-3. Other

In businesses related to the group operations of Meitec Group Holdings Inc., operating revenue increased ¥5,707 million, or 74.3%, from a year earlier to ¥13,386 million, and operating profit increased ¥5,713 million, or 76.7%, from a year earlier to ¥13,163 million due to an increase in dividend income from subsidiaries.

(2) Overview of Financial Position for the 1st Quarter

Total consolidated assets at the end of the 1st quarter (June 30, 2025) decreased ¥12,770 million from March 31, 2025 to ¥80,835 million. This reflected a decrease of ¥12,890 million in current assets from the previous fiscal year-end as a result of a decrease in cash and deposits. Furthermore, the main factors for the decrease in cash and deposits were payment of bonuses, income taxes payable and year-end dividends of the previous fiscal year.

Total consolidated liabilities as of June 30, 2025 decreased ¥7,587 million from March 31, 2025 to ¥37,241 million. This reflected a decrease of ¥7,665 million in current liabilities from the previous fiscal year-end. The decrease in current liabilities was primarily due to a decrease in provision for bonuses associated with the payment of bonuses.

Total consolidated net assets as of June 30, 2025 decreased ¥5,183 million from March 31, 2025 to ¥43,593 million. This was mainly due to the payment of dividends.

2. Quarterly consolidated financial statements and principal notes

(1) Quarterly Consolidated Balance Sheets

	(Millions of Yen)	
	Fiscal year ended Mar. 31, 2025	The 1st Quarter ended Jun. 30, 2025
Assets		
Current assets		
Cash and deposits	53,005	42,298
Notes and accounts receivable - trade	18,106	19,551
Work in process	196	287
Consumption taxes refund receivable	3,659	—
Other	2,088	2,028
Allowance for doubtful accounts	(5)	(4)
Total current assets	77,050	64,160
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	2,724	2,694
Other, net	1,525	1,518
Total property, plant and equipment	4,250	4,212
Intangible assets		
Other	312	283
Total intangible assets	312	283
Investments and other assets		
Deferred tax assets	9,686	9,697
Other	2,321	2,491
Allowance for doubtful accounts	(16)	(10)
Total investments and other assets	11,991	12,178
Total non-current assets	16,554	16,674
Total assets	93,605	80,835
Liabilities		
Current liabilities		
Income taxes payable	4,539	1,703
Provision for bonuses for directors (and other officers)	70	70
Provision for bonuses	11,384	5,643
Other	12,011	12,922
Total current liabilities	28,005	20,339
Non-current liabilities		
Retirement benefit liability	16,823	16,902
Total non-current liabilities	16,823	16,902
Total liabilities	44,828	37,241
Net assets		
Shareholders' equity		
Share capital	5,000	5,000
Capital surplus	1,259	1,259
Retained earnings	43,942	38,782
Treasury shares	(1,693)	(1,693)
Total shareholders' equity	48,508	43,348
Accumulated other comprehensive income		
Revaluation reserve for land	(508)	(508)
Remeasurements of defined benefit plans	776	753
Total accumulated other comprehensive income	267	244
Total net assets	48,776	43,593
Total liabilities and net assets	93,605	80,835

(2) Quarterly Consolidated Statements of Income and Comprehensive Income
(Quarterly Consolidated Statements of Income)

	(Millions of Yen)	
	The 1st Quarter ended Jun. 30, 2024	The 1st Quarter ended Jun. 30, 2025
Net sales	32,910	34,084
Cost of sales	23,917	24,931
Gross profit	8,992	9,152
Selling, general and administrative expenses	4,224	4,273
Operating profit	4,767	4,879
Non-operating income		
Interest income	0	5
Subsidy income	3	9
Interest on tax refund	7	16
Other	3	1
Total non-operating income	14	34
Non-operating expenses		
Commitment fees	0	—
Loss on cancellation of rental contracts	—	1
Other	1	0
Total non-operating expenses	1	2
Ordinary profit	4,780	4,911
Extraordinary losses		
Loss on retirement of non-current assets	0	0
Impairment losses	—	10
Total extraordinary losses	0	11
Profit before income taxes	4,780	4,900
Income taxes	1,557	1,567
Profit	3,223	3,332
Profit attributable to owners of parent	3,223	3,332

(Quarterly Consolidated Statements of Comprehensive Income)

	(Millions of Yen)	
	The 1st Quarter ended Jun. 30, 2024	The 1st Quarter ended Jun. 30, 2025
Profit	3,223	3,332
Other comprehensive income		
Remeasurements of defined benefit plans, net of tax	3	(23)
Total other comprehensive income	3	(23)
Comprehensive income	3,226	3,309
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	3,226	3,309

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(3) Notes to Quarterly Consolidated Financial Statements
(Notes to Financial Statements Regarding Going Concern)

None

(Significant Changes in Shareholders' Equity)

None

(Notes to Quarterly Consolidated Statements of Cash Flows)

Quarterly consolidated statements of cash flows are not prepared for the three months ended June 30, 2025.

Depreciation (including amortization of intangible assets) for the three-month period under review is as follows:

	(Millions of Yen)	
	Three months ended June 30, 2024 (from April 1, 2024 to June 30, 2024)	Three months ended June 30, 2025 (from April 1, 2025 to June 30, 2025)
Depreciation	75	72

(Notes to Segment Information, etc.)

[Segment Information]

I Three months ended June 30, 2024 (from April 1, 2024 to June 30, 2024)

1. Disclosure of Sales and Profit (Loss) for Each Reportable Segment • Matters regarding changes to reporting segments, etc.

(Millions of Yen)

	Reportable segments			Total
	Engineering Solutions Business	Recruiting & Placement Business for Engineers	Other	
Net sales				
Revenues from external customers	32,569	340	—	32,910
Intersegment sales and transfers	0	4	7,679	7,684
Total	32,570	345	7,679	40,594
Segment profit	4,714	119	7,450	12,284

Note: The "Other" segment represents the Company's business as a holding company, mainly engaged in the management of Group companies and real estate.

2. Difference between the Total Amount of Profit (Loss) for Reportable Segments and the Amount Recorded in the Quarterly Consolidated Financial Statements and the Main Details of Such Difference (Matters Concerning Reconciliation)

(Millions of Yen)

Profit	Amount
Reportable segment total	12,284
Intersegment eliminations	(7,517)
Operating profit in quarterly consolidated financial statements	4,767

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II Three months ended June 30, 2025 (from April 1, 2025 to June 30, 2025)

1. Disclosure of Sales and Profit (Loss) for Each Reportable Segment

(Millions of Yen)

	Reportable segments			Total
	Engineering Solutions Business	Recruiting & Placement Business for Engineers	Other	
Net sales				
Revenues from external customers	33,729	354	—	34,084
Intersegment sales and transfers	0	—	13,386	13,387
Total	33,729	354	13,386	47,471
Segment profit	4,863	131	13,163	18,159

Note: The “Other” segment represents the Company’s business as a holding company, mainly engaged in the management of Group companies and real estate.

2. Difference between the Total Amount of Profit (Loss) for Reportable Segments and the Amount Recorded in the Quarterly Consolidated Financial Statements and the Main Details of Such Difference (Matters Concerning Reconciliation)

(Millions of Yen)

Profit	Amount
Reportable segment total	18,159
Intersegment eliminations	(13,280)
Operating profit in quarterly consolidated financial statements	4,879

(Application of special accounting for preparing quarterly consolidated financial statements)

Tax expenses

Tax expenses are calculated by multiplying the profit before income taxes by the reasonably estimated effective tax rates after the application of tax effect accounting to the profit before income taxes for the fiscal year including the first quarter ended June 30, 2025.