

MEITEC CORPORATION

Results for the 1st Quarter of the Fiscal Year Ending March 31, 2019

July 31, 2018

9744 TSE

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.

IR Contact

E-mail : ir@meitec.com

Tel : 03-6778-5023

人と技術で次代を拓く

MEITEC
Engineering Firm at The Core

Results for the 1st Quarter of the Fiscal Year Ending March 31, 2019 (Group Consolidated)

- ✓ Net sales rose 4.4 % year on year and operating profit was up 9.1%
- ✓ Cost of sales to Net sales was down 0.4% YoY ← Due to the improvement of the utilization ratio of Meitec Fielders

(Fractions of one million yen are rounded down)	1Q ended June. 30, 2017	1Q ended June. 30, 2018	YoY Amount	% Change	Initial Forecast for 2Q, announced on May 2018	% Change
Net sales	22,763	23,755	+ 991	+ 4.4%	47,600	49.9%
Cost of sales	16,801	17,426	+ 624	+ 3.7%	35,000	
Cost of sales to Net sales	73.8%	73.4%	(0.4%)			
SG&A Expenses	3,208	3,324	+ 116	+ 3.6%	7,100	
Operating profit	2,753	3,004	+ 250	+ 9.1%	5,500	54.6%
Operating profit margins	12.1%	12.6%	+ 0.5%		11.6%	
Ordinary profit	2,752	3,006	+ 253	+ 9.2%	5,500	54.7%
Extraordinary income & loss	(10)	(1)	+ 8			
Profit before income taxes	2,742	3,005	+ 262	+ 9.6%		
Profit attributable to owners of parent	1,695	1,899	+ 204	+ 12.0%	3,600	52.8%
Profit margins	7.4%	8.0%	+ 0.6%			

3

Results for the 1st Quarter of the Fiscal Year Ending March 31, 2019 (Meitec)

- ✓ Net sales rose 1.7% year on year and operating profit was up 4.9%
- ✓ The utilization ratio declined ← Due to a greater number of newly graduated engineers compared with the previous year.

(Fractions of one million yen are rounded down)	1Q ended June. 30, 2017	1Q ended June. 30, 2018	YoY Amount	% Change	Initial Forecast for 2Q, announced on May 2018	% Change
Net sales	17,723	18,026	+ 303	+ 1.7%	36,200	49.8%
Operating profit	2,351	2,466	+ 114	+ 4.9%	4,400	56.0%
Operating profit margins	13.3%	13.7%	+ 0.4%		12.2%	
Ordinary profit	3,091	3,205	+ 114	+ 3.7%	5,100	62.8%
Profit	2,182	2,264	+ 82	+ 3.8%	3,600	62.9%
Utilization ratio (Company-wide)	95.2%	94.4%	(0.8%)		95.5%	
Working Hours〈h/day〉	8.66	8.59	(0.07)	(0.8%)	8.68	
Number of Engineers	6,916	7,050	+ 134	+ 1.9%		

4

Results for the 1st Quarter of the Fiscal Year Ending March 31, 2019 (Meitec Fielders)

- ✓ Net sales rose 16.0% year on year and operating profit was up 38.0 %
- ✓ The utilization ratio improved ← Due to steady progress in assigning newly graduated engineers who were fewer in number compared with the previous year.

(Fractions of one million yen are rounded down)	1Q ended June. 30, 2017	1Q ended June. 30, 2018	YoY Amount	% Change	Initial Forecast for 2Q, announced on May 2018	% Change
Net sales	4,001	4,643	+ 641	+ 16.0%	9,100	51.0%
Operating profit	262	362	+ 99	+ 38.0%	700	51.7%
Operating profit margins	6.6%	7.8%	+ 1.2%		7.7%	
Ordinary profit	260	362	+ 102	+ 39.5%	700	51.7%
Profit	178	250	+ 72	+ 40.8%	450	55.6%
Utilization ratio (Company-wide)	90.9%	92.7%	+ 1.8%		92.4%	
Working Hours (h/day)	8.74	8.63	(0.11)	(1.3%)	8.75	
Number of Engineers	2,244	2,529	+ 285	+ 12.7%		

5

Results for the 1st Quarter of the Fiscal Year Ending March 31, 2019 (Group Overview)

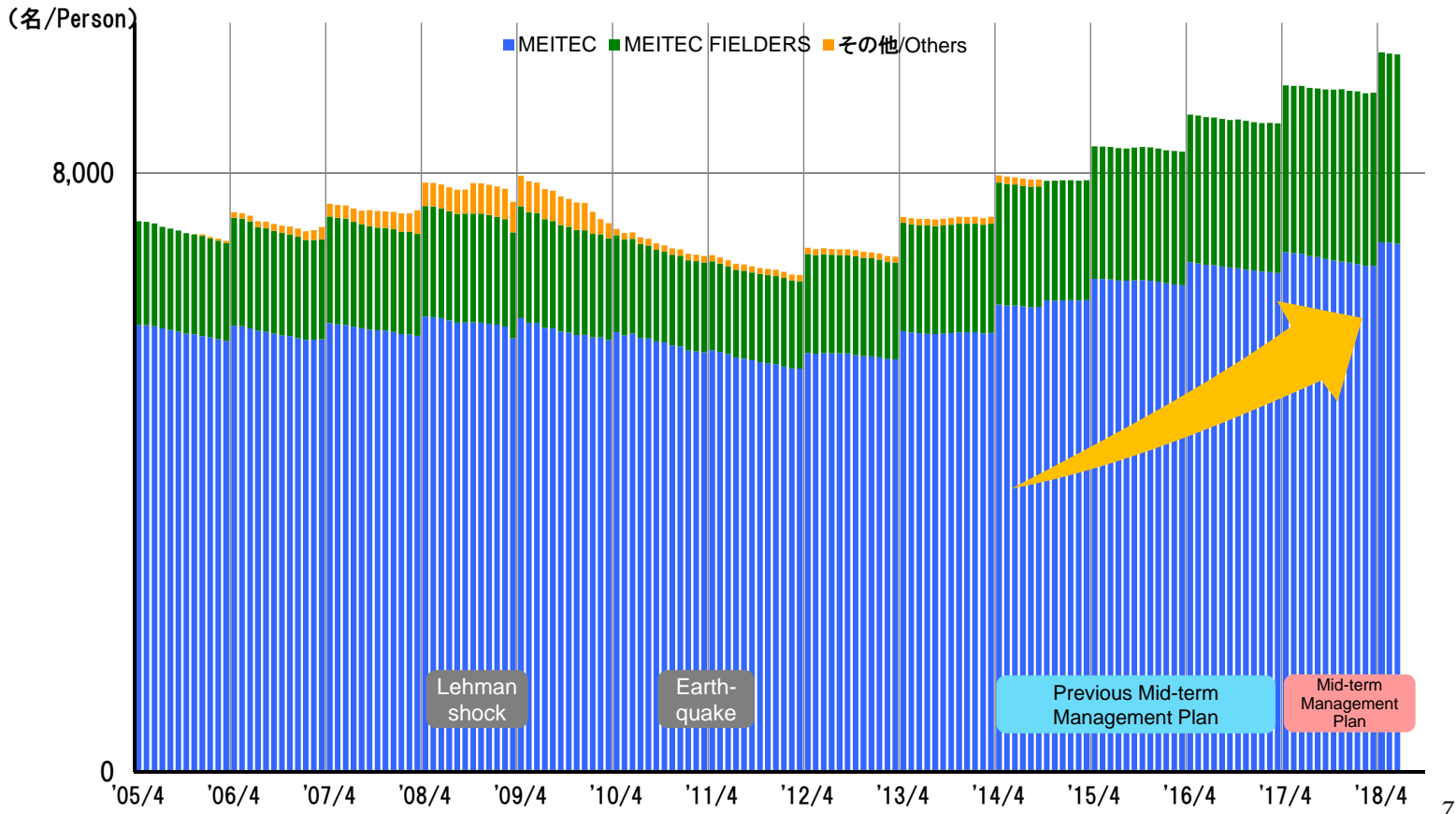
- ✓ Operating results of show strong growth.

(Millions of yen)	Engineering Solutions Business				Recruiting & Placement Business for Engineers
	Meitec	Meitec Fielders	Meitec Cast	Meitec EX	Meitec Next
Net sales	18,026	4,643	716	26	431
YoY Amount	+ 303	+ 641	(3)	(1)	+ 56
% Change	+ 1.7%	+ 16.0%	(0.5%)	(6.2%)	+ 15.0%
Operating profit	2,466	362	42	(5)	131
YoY Amount	+ 114	+ 99	+ 8	+ 0	+ 25
% Change	+ 4.9%	+ 38.0%	+ 26.0%	—	+ 24.4%
Ordinary profit	3,205	362	42	(5)	131
Profit	2,264	250	29	(5)	91

6

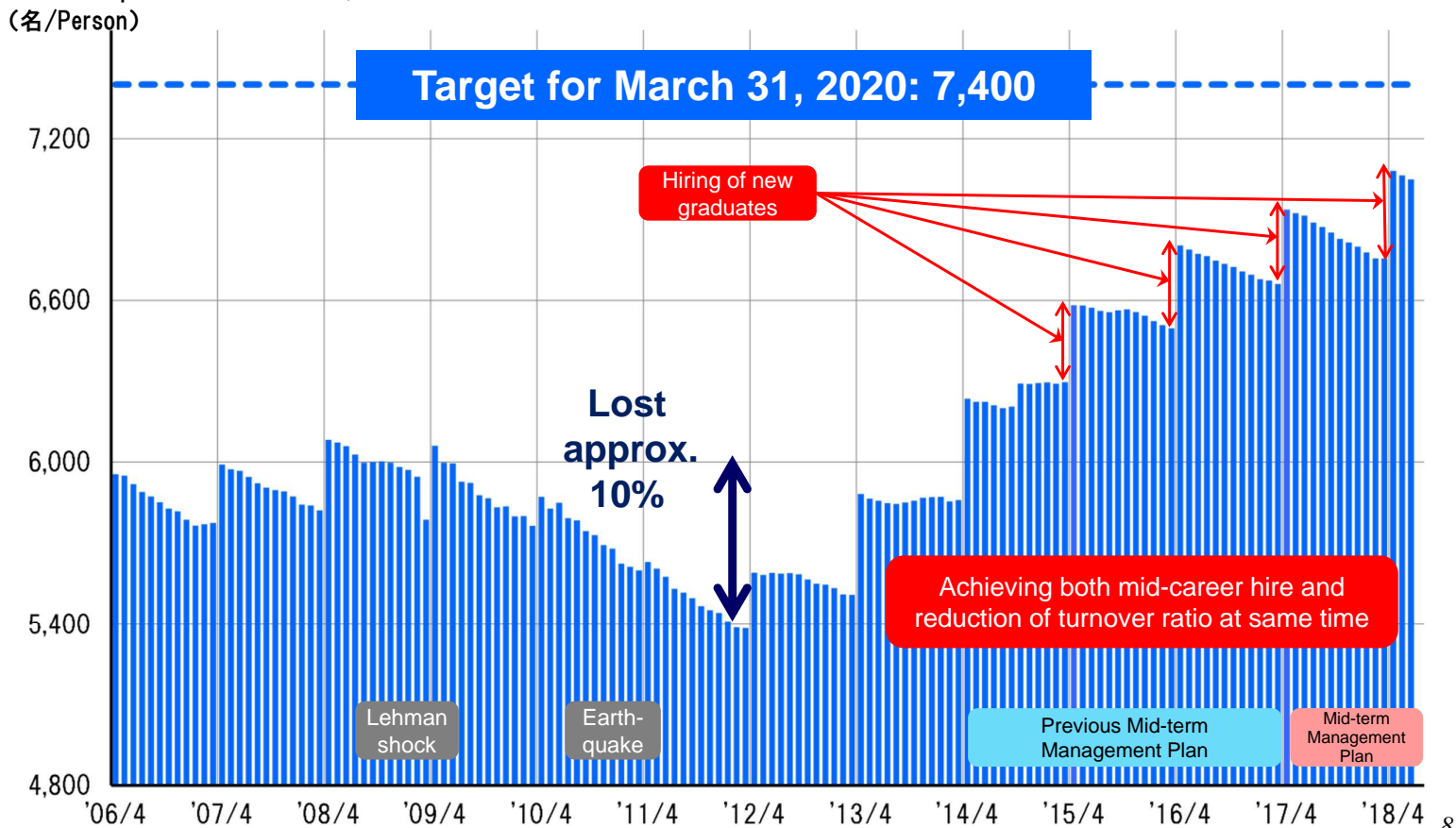
Number of Engineers (Group Consolidated)

✓ The number of engineers as of June 30, 2018 was 9,579, an increase of 419 engineers, or 4.6%, compared to June 30, 2017.



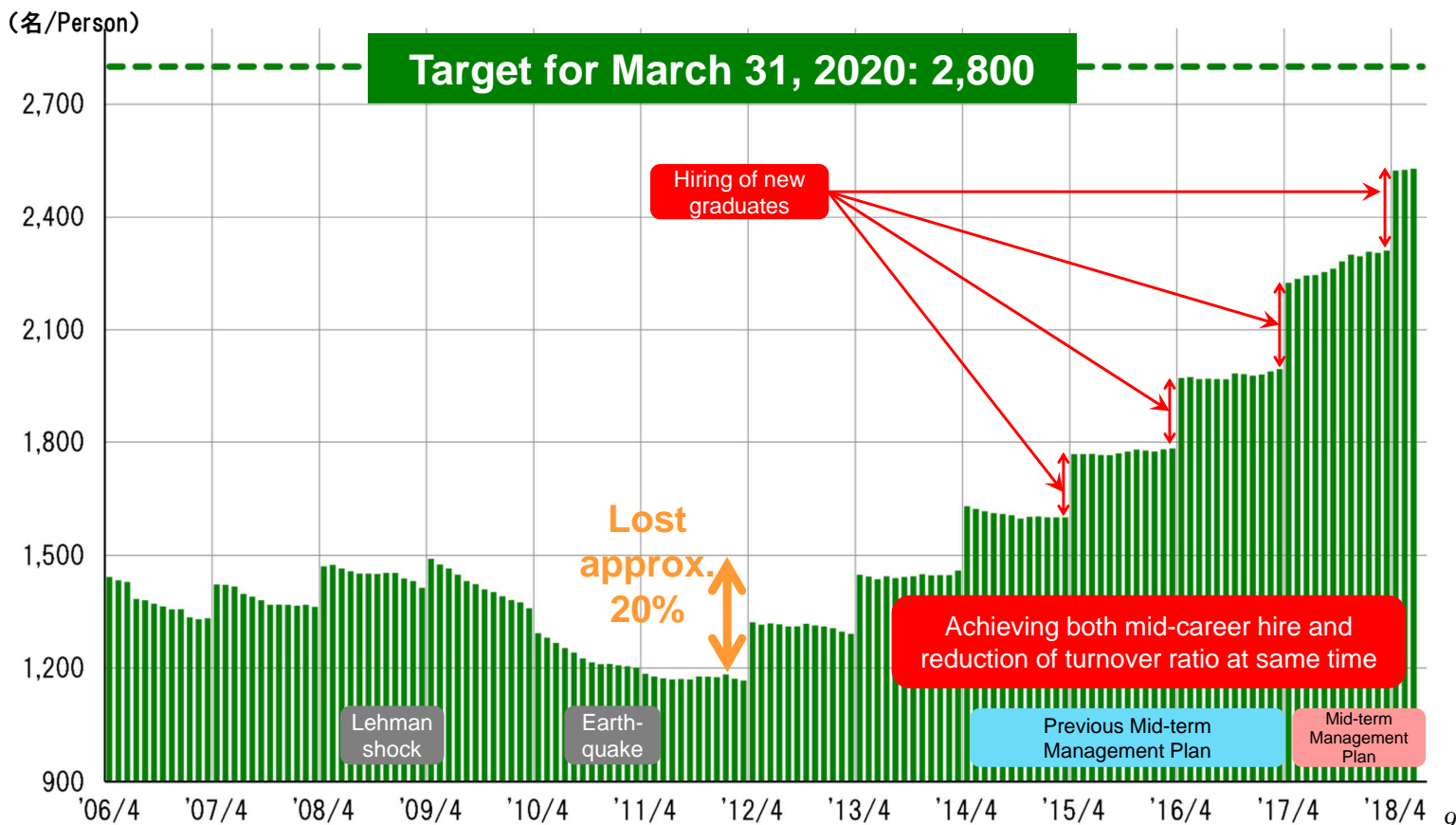
Number of Engineers (Meitec)

✓ The number of engineers as of June 30, 2018 was 7,050, an increase of 134 engineers, or 1.9%, compared to June 30, 2017.



Number of Engineers (Meitec Fielders)

- ✓ The number of engineers as of June 30, 2018 was 2,529, an increase of 285 engineers, or 12.7%, compared to June 30, 2017.



Hiring Target for the Fiscal Year Ending March 31, 2019

Re-posted

Mid-career (FY 2019/3)

- The number of placements for job seekers wishing to change to careers at manufacturers continues to rise and there is no end in sight to corporate demand for hiring.
⇒ The market for career change continues to be intensifying.
- ✓ We will continue activities while maintaining our hiring standards.
- ✓ Bolster the ability to attract applicants by having people understand the fact that our business continually generates lifetime professional engineers

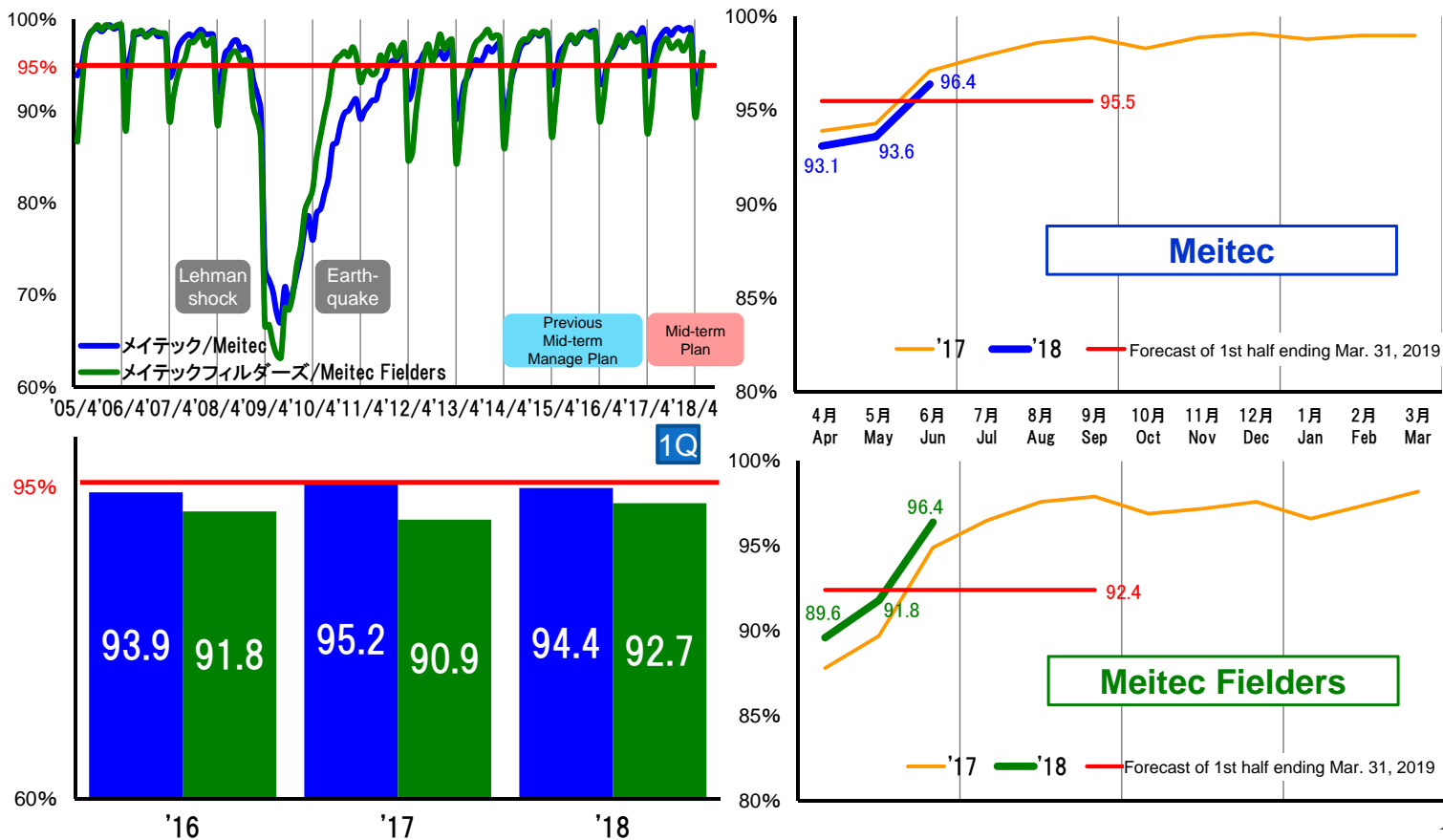
New Graduates (Joined April 2019)

- Since 2012, there has been a continual increase in the number of hiring companies and the number of planned hires, which has kept the environment highly competitive
 - ✓ Focus to promote understanding the career path to the lifetime engineer (Internship programs, etc.)
 - ✓ Continue hiring activities that value applicants' preferences
- ※Due to the nature of solutions provided by our engineer's involvement with the state-of-the-art technology and the latest product at the design and development department, hiring standard can not be lowered.

(person)	Fiscal Year Ending March 31, 2019					Fiscal Year Ending March 31, 2020	
	New Graduates April 2018 (Actual)	Mid-career		Total		New Graduates April 2019	
		<Target>	Comparison to Previous Year	<Target>	Comparison to Previous Year	<Target>	Comparison to Previous Year
Meitec	357	160	+22	517	+71	400	+43
Meitec Fielders	203	280	(24)	483	(34)	240	+37
Total	560	440	(2)	1,000	+37	640	+80

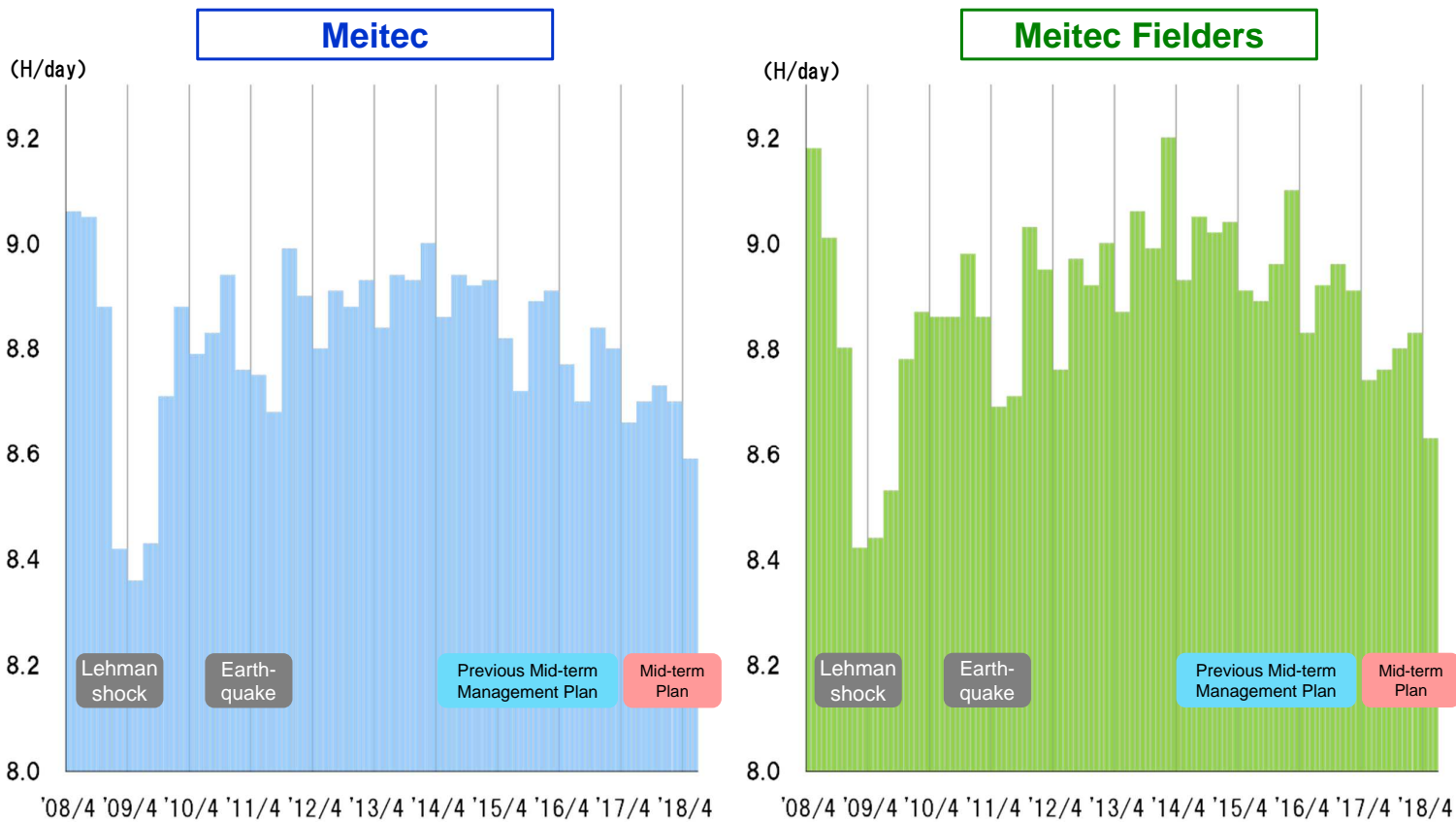
Utilization Ratio

✓ Under a firm environment for order, the utilization ratio remained high.



Working Hours

✓ Working hours declined year-on-year due to the reduction in overtime hours.



Develop a New Era by People and Technology

人と技術で次代を拓く

MEITEC

Engineering Firm at The Core