

Results for the 3rd Quarter of the Fiscal Year Ending March 31, 2023

January 31, 2023

MEITEC CORPORATION

President and CEO, COO
MEITEC Group CEO
Hideyo Kokubun

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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Results for the 3rd Quarter of the Fiscal Year Ending March 31, 2023 (Group Consolidated)

- ✓ Net sales rose 12.4% ⇒ Achieved an increase in the number of engineers assigned to clients due to growth in the number of engineers and improvement of utilization ratio
- ✓ Operating profit rose 29.5% ⇒ Due to the increase in net sales absorbing the increase in labor expenses and other costs associated with growth in the number of engineers, and the increase in SG&A expenses

(Fractions of one million yen are rounded down)	3Q ended Dec. 31, 2021	3Q ended Dec. 31, 2022	YoY Amount	% Change	Past Forecast	% Change
Net sales	78,936	88,696	+9,760	+12.4%	119,500	74.2%
Cost of sales	58,079	64,180	+6,101	+10.5%	86,700	
Cost of sales to Net sales	73.6%	72.4%	(1.2%)			
SG&A Expenses	11,294	12,130	+835	+7.4%	17,000	
Operating profit	9,562	12,385	+2,822	+29.5%	15,800	78.4%
Operating profit margins	12.1%	14.0%	+1.8%		13.2%	
Ordinary profit	9,667	12,447	+2,780	+28.8%	15,900	78.3%
Extraordinary income & loss	(4)	0	+3			
Profit before income taxes	9,662	12,447	+2,784	+28.8%		
Profit attributable to owners of parent	6,492	8,490	+1,998	+30.8%	10,900	77.9%
Profit margins	8.2%	9.6%	+1.3%			

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Results for the 3rd Quarter of the Fiscal Year Ending March 31, 2023 (Meitec)

- ✓ Year on year, net sales rose 9.8% while operating profit rose 26.3% and the number of engineers increased 3.4%
- ✓ Utilization ratio improved 3.6 points year on year ⇒ We proceeded with the assignment of engineering staff in response to orders.

(Fractions of one million yen are rounded down)	3Q ended Dec. 31, 2021	3Q ended Dec. 31, 2022	YoY Amount	% Change	Past Forecast	% Change
Net sales	56,880	62,443	+5,563	+9.8%	83,500	74.8%
Operating profit	7,809	9,863	+2,054	+26.3%	12,700	77.7%
Operating profit margins	13.7%	15.8%	+2.1%		15.2%	
Ordinary profit	8,388	10,764	+2,376	+28.3%	13,600	79.1%
Profit	5,793	7,608	+1,814	+31.3%	9,600	79.3%
Utilization ratio (Company-wide)	93.0%	96.6%	+3.6%		96.5%	
Working Hours<h/day>	8.37	8.36	(0.01)	(0.1%)	8.41	
Number of Engineers	7,511	7,764	+253	+3.4%		

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Results for the 3rd Quarter of the Fiscal Year Ending March 31, 2023 (Meitec Fielders)

- ✓ Year on year, net sales rose 20.0% while operating profit rose 45.2% and the number of engineers increased 13.4%
- ✓ Utilization ratio improved 5.1 points year on year ⇒ We proceeded with the assignment of engineering staff in response to orders.

(Fractions of one million yen are rounded down)	3Q ended Dec. 31, 2021	3Q ended Dec. 31, 2022	YoY Amount	% Change	Past Forecast	% Change
Net sales	18,874	22,642	+3,768	+20.0%	31,000	73.0%
Operating profit	1,370	1,990	+619	+45.2%	2,400	82.9%
Operating profit margins	7.3%	8.8%	+1.5%		7.7%	
Ordinary profit	1,371	1,990	+618	+45.1%	2,400	82.9%
Profit	941	1,369	+427	+45.3%	1,650	83.0%
Utilization ratio (Company-wide)	87.0%	92.1%	+5.1%		93.1%	
Working Hours(h/day)	8.35	8.25	(0.10)	(1.2%)	8.34	
Number of Engineers	3,749	4,250	+501	+13.4%		

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Results for the 3rd Quarter of the Fiscal Year Ending March 31, 2023 (Group Overview)

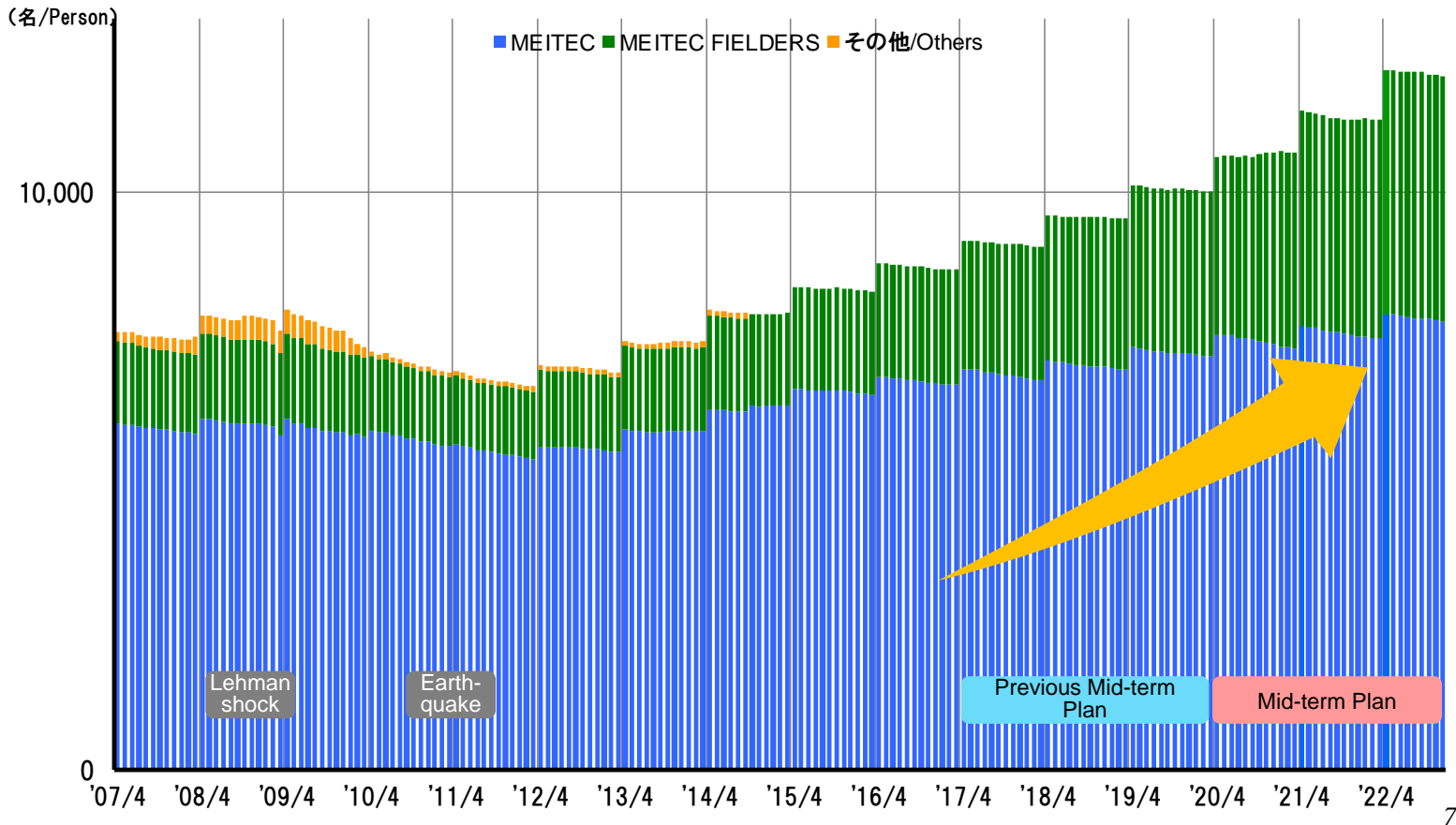
- ✓ Both sales and profit increased YoY for Meitec Next. ⇒ An increase in the number of job placements.

(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	62,443	22,642	2,476	249	1,274
YoY Amount	+5,563	+3,768	+246	+12	+157
% Change	+9.8%	+20.0%	+11.0%	+5.3%	+14.0%
Operating profit	9,863	1,990	161	(1)	416
YoY Amount	+2,054	+619	+21	(0)	+77
% Change	+26.3%	+45.2%	+15.1%	—	+23.0%
Ordinary profit	10,764	1,990	161	(1)	416
Profit	7,608	1,369	111	(1)	288

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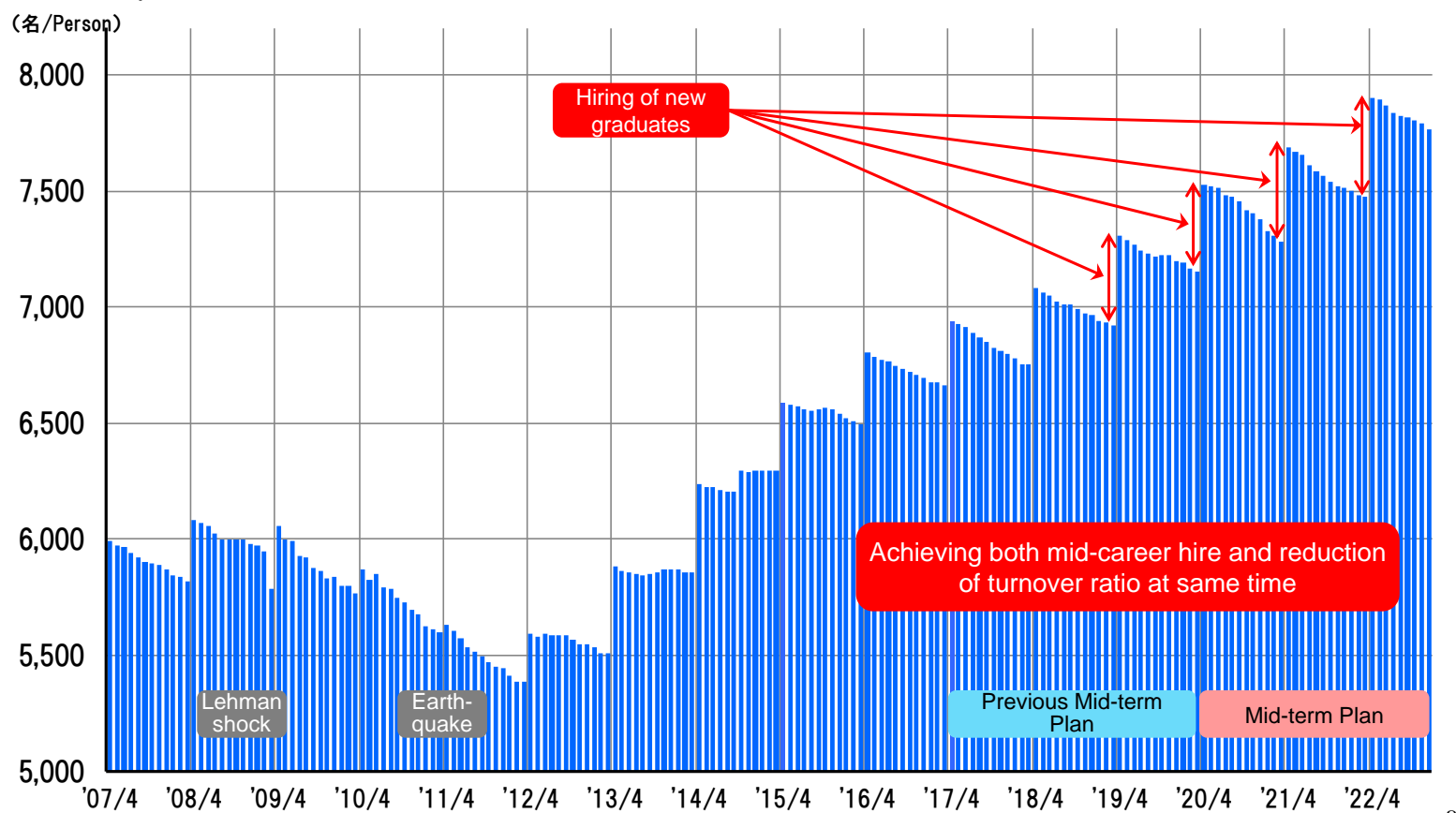
Number of Engineers (Group Consolidated)

✓ The number of engineers as of December 31, 2022 was 12,014, an increase of 754 engineers, or 6.7%, compared to December 31, 2021.



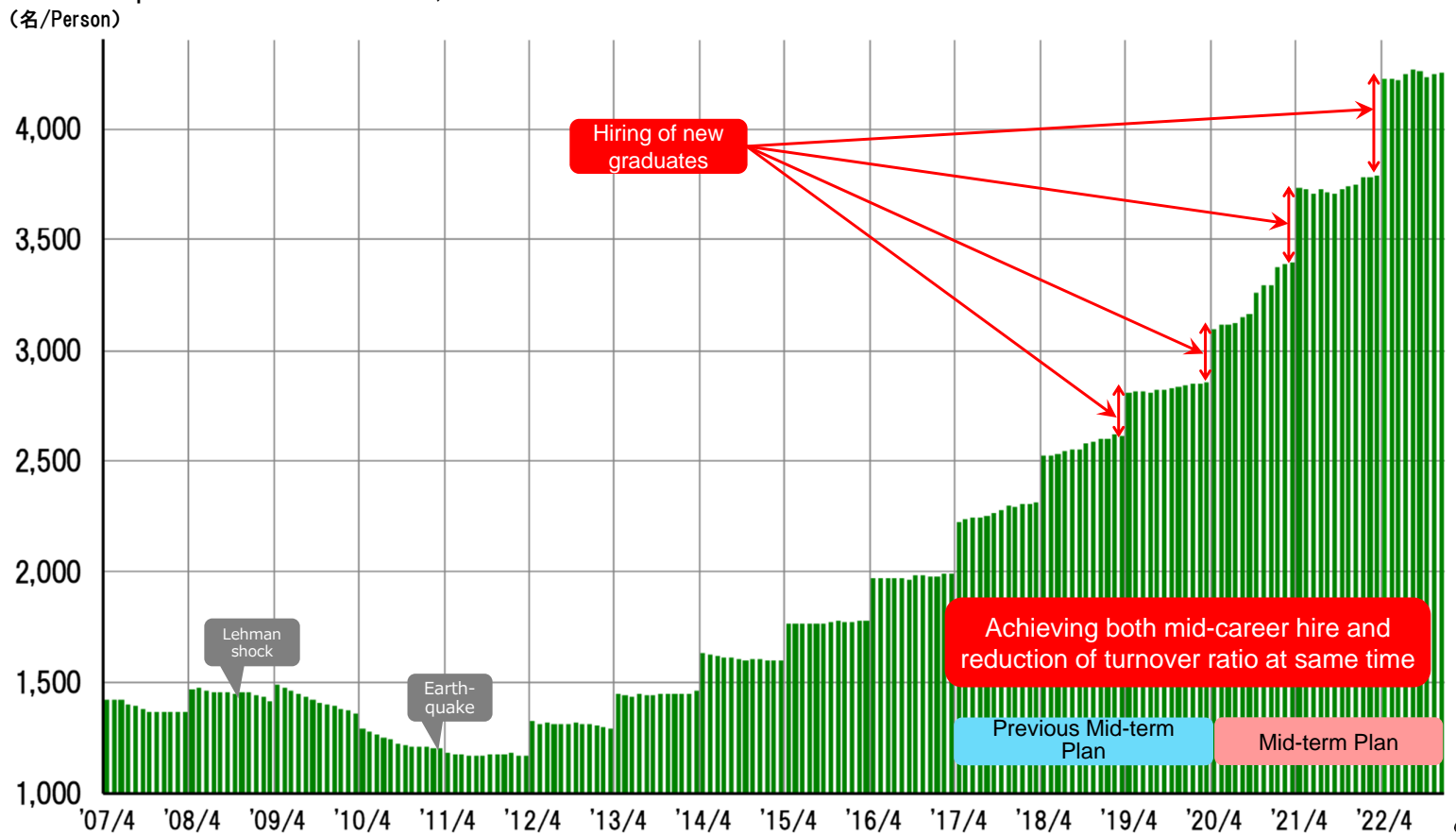
Number of Engineers (Meitec)

✓ The number of engineers as of December 31, 2022 was 7,764, an increase of 253 engineers, or 3.4%, compared to December 31, 2021.



Number of Engineers (Meitec Fielders)

- ✓ The number of engineers as of December 31, 2022 was 4,250, an increase of 501 engineers, or 13.4%, compared to December 31, 2021.



Hiring Target for the Fiscal Year Ending March 31, 2023

Mid-career hires (FY 2023/3)

- The need for engineers continues to intensify and overheating, making the hiring environment extremely competitive
 - ✓ While maintaining its hiring standards, aim to achieve the target number of recruits by expanding recruiting channels
- ⇒ Continuing to disseminate the “lifetime professional engineer” career style and our approach to career advancement

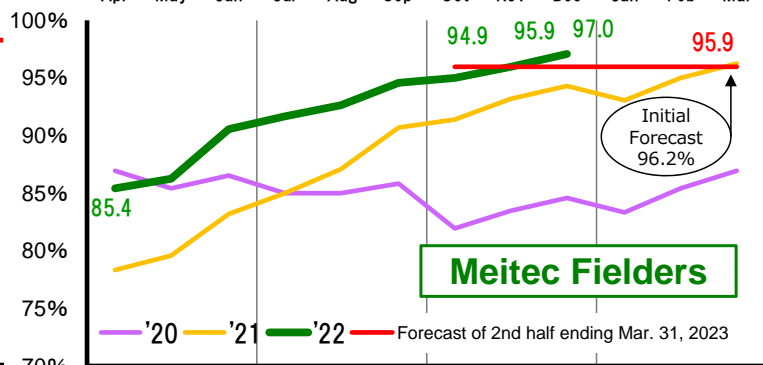
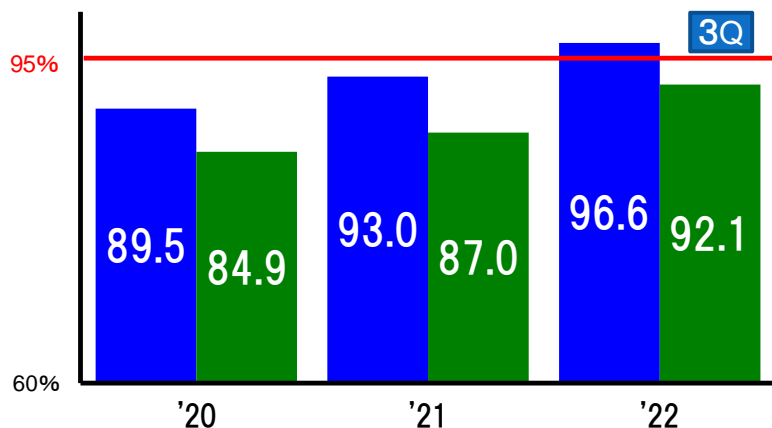
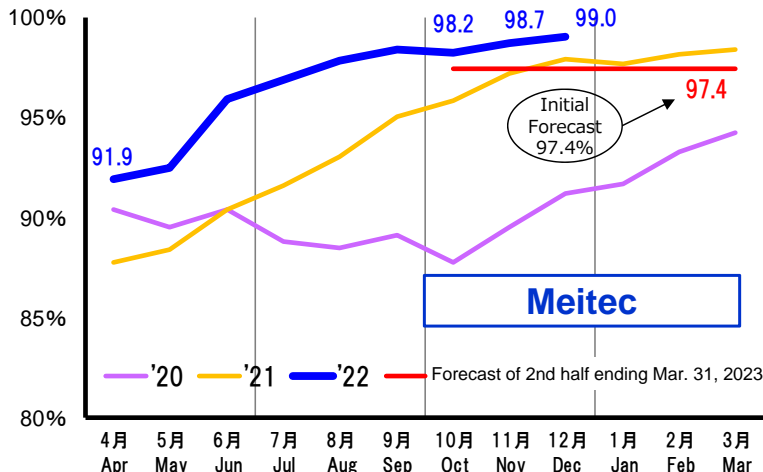
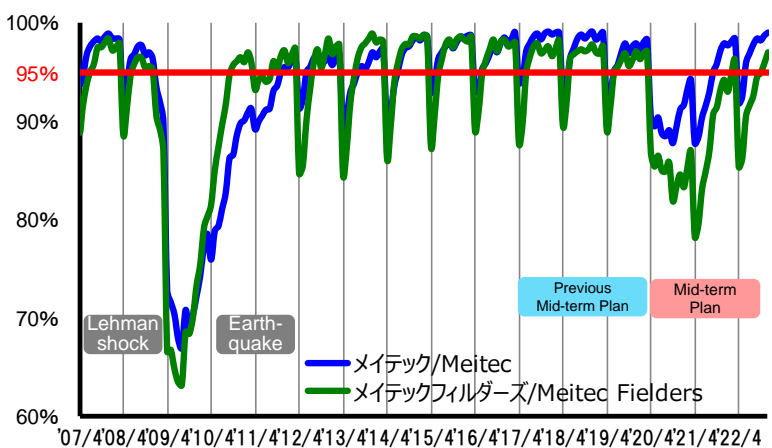
New Graduates (Joining April 2023)

- Corporate appetite for hiring new graduates remains at high levels, and competition is intensifying more than last year
- ✓ We strived to create contact points with many students, while maintaining our hiring standards and taking measures to prevent infection, keeping in mind the increasingly diverse inclinations of students
- ✓ However, due to robust hiring demand from manufacturers throughout the country and student preference for local jobs is strengthening, we are struggling to secure the required number of hires

(person)	Fiscal Year Ending March 31, 2023					Fiscal Year Ending March 31, 2024	
	New Graduates April 2022 (Actual)	Mid-career		Total		New Graduates April 2023	
		<Target>	Comparison to Initial Forecast	<Target>	Comparison to Initial Forecast	<Prospective Number as of Oct. 2022>	Comparison to Initial Forecast
Meitec	474	280	—	754	—	483	(17)
Meitec Fielders	411	800	—	1,211	—	391	(59)
Total	885	1,080	—	1,965	—	874	(76)
Comparison to previous year	+ 121	+ 303		+ 424			

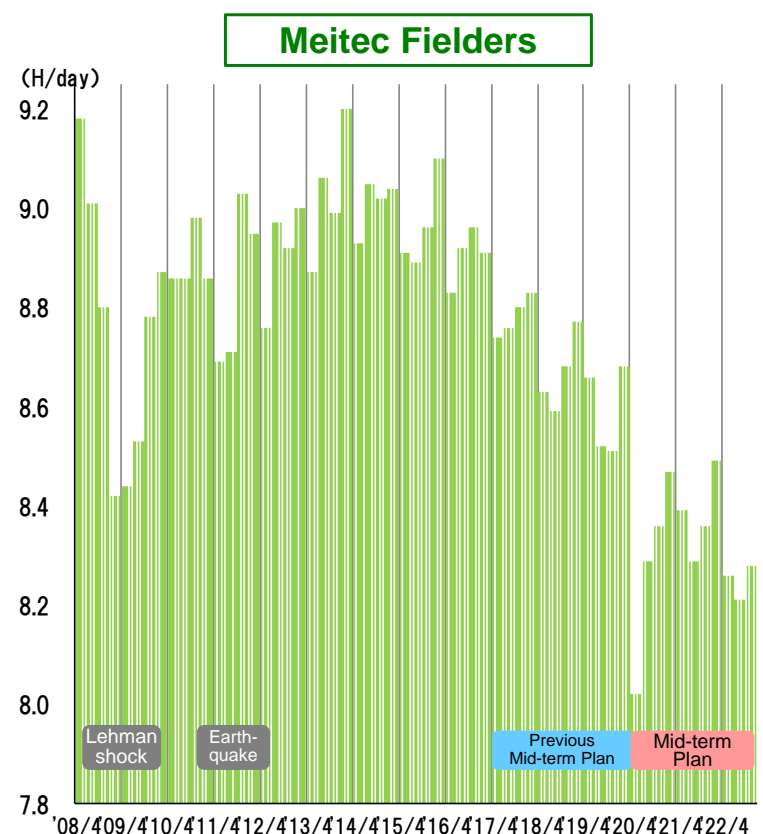
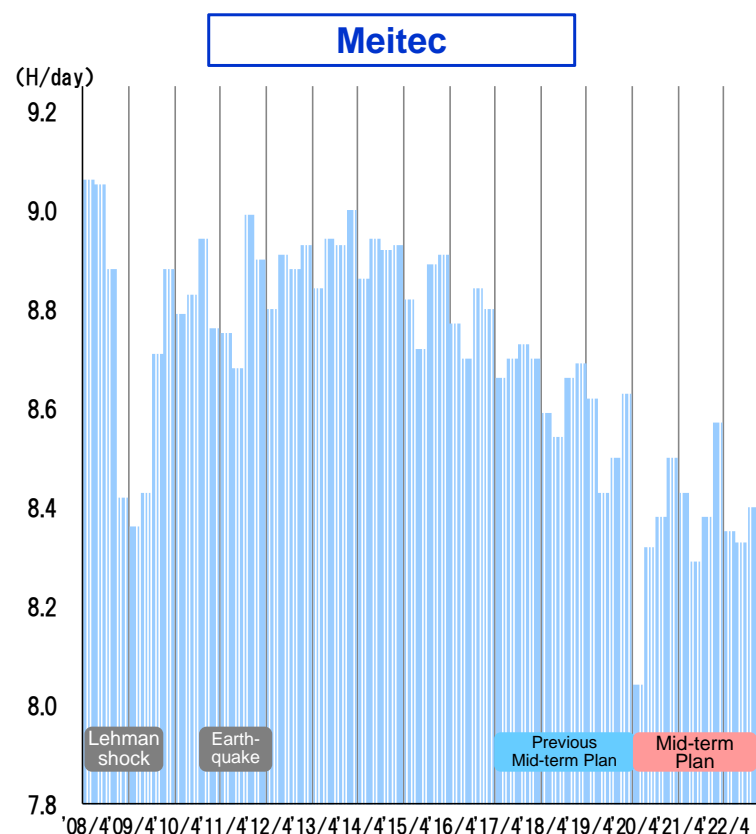
Utilization Ratio

✓ Utilization ratio remained steady ⇒ We proceeded with the assignment of engineering staff in response to orders.



Working Hours

✓ Working hours fell slightly year on year due mainly to a decrease in overtime work



Develop a New Era by People and Technology

人と技術で次代を拓く

MEITEC

Engineering Firm at The Core