

Results for the 3rd Quarter of the Fiscal Year Ending March 31, 2024

February 1, 2024

MEITEC Group Holdings Inc.

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, 2024 (Group Consolidated)

- ✓ Net sales rose 7.7% 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 15.7% year on year ⇒ Due to a situation where the increase in net sales absorbed 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, 2022	3Q ended Dec. 31, 2023	YoY Amount	% Change	Past Forecast	% Change
Net sales	88,696	95,497	+6,800	+7.7%	126,500	75.5%
Cost of sales	64,180	68,877	+4,696	+7.3%	92,000	
Cost of sales to Net sales	72.4%	72.1%	(0.2%)			
SG&A Expenses	12,130	12,292	+162	+1.3%	17,100	
Operating profit	12,385	14,327	+1,941	+15.7%	17,400	82.3%
Operating profit margins	14.0%	15.0%	+1.0%		13.8%	
Ordinary profit	12,447	14,335	+1,887	+15.2%	17,400	82.4%
Extraordinary income & loss	0	(6)	(5)			
Profit before income taxes	12,447	14,329	+1,882	+15.1%		
Profit attributable to owners of parent	8,490	9,804	+1,313	+15.5%	11,900	82.4%
Profit margins	9.6%	10.3%	+0.7%			

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Results for the 3rd Quarter of the Fiscal Year Ending March 31, 2024 (Meitec)

- ✓ Year on year, net sales rose 6.8% while operating profit rose 13.8% and the number of engineers increased 2.2%
- ✓ Utilization ratio increased 0.7% 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, 2022	3Q ended Dec. 31, 2023	YoY Amount	% Change	Past Forecast	% Change
Net sales	62,443	66,714	+4,270	+6.8%	88,000	75.8%
Operating profit	9,863	11,227	+1,363	+13.8%	13,800	81.4%
Operating profit margins	15.8%	16.8%	+1.0%		15.7%	
Ordinary profit	10,764	12,440	+1,676	+15.6%	15,000	82.9%
Profit	7,608	8,758	+1,149	+15.1%	10,500	83.4%
Utilization ratio (Company-wide)	96.6%	97.3%	+0.7%		97.5%	
Working Hours<h/day>	8.36	8.29	(0.07)	(0.8%)	8.33	
Number of Engineers	7,764	7,936	+172	+2.2%		

* Figures are on an actual basis reflecting the sum of results for Meitec under the former structure in the first half of the fiscal year prior to the transition to a holding company structure and the new Meitec since October 1, 2023.

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Results for the 3rd Quarter of the Fiscal Year Ending March 31, 2024 (Meitec Fielders)

- ✓ Year on year, net sales rose 11.7% while operating profit rose 29.4% and the number of engineers increased 5.2%
- ✓ Utilization ratio increased 2.5% 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, 2022	3Q ended Dec. 31, 2023	YoY Amount	% Change	Past Forecast	% Change
Net sales	22,642	25,299	+2,656	+11.7%	33,700	75.1%
Operating profit	1,990	2,575	+585	+29.4%	2,900	88.8%
Operating profit margins	8.8%	10.2%	+1.4%		8.6%	
Ordinary profit	1,990	2,578	+587	+29.5%	2,900	88.9%
Profit	1,369	1,774	+405	+29.6%	2,000	88.7%
Utilization ratio (Company-wide)	92.1%	94.6%	+2.5%		94.9%	
Working Hours<h/day>	8.25	8.18	(0.07)	(0.8%)	8.21	
Number of Engineers	4,250	4,471	+221	+5.2%		

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Results for the 3rd 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

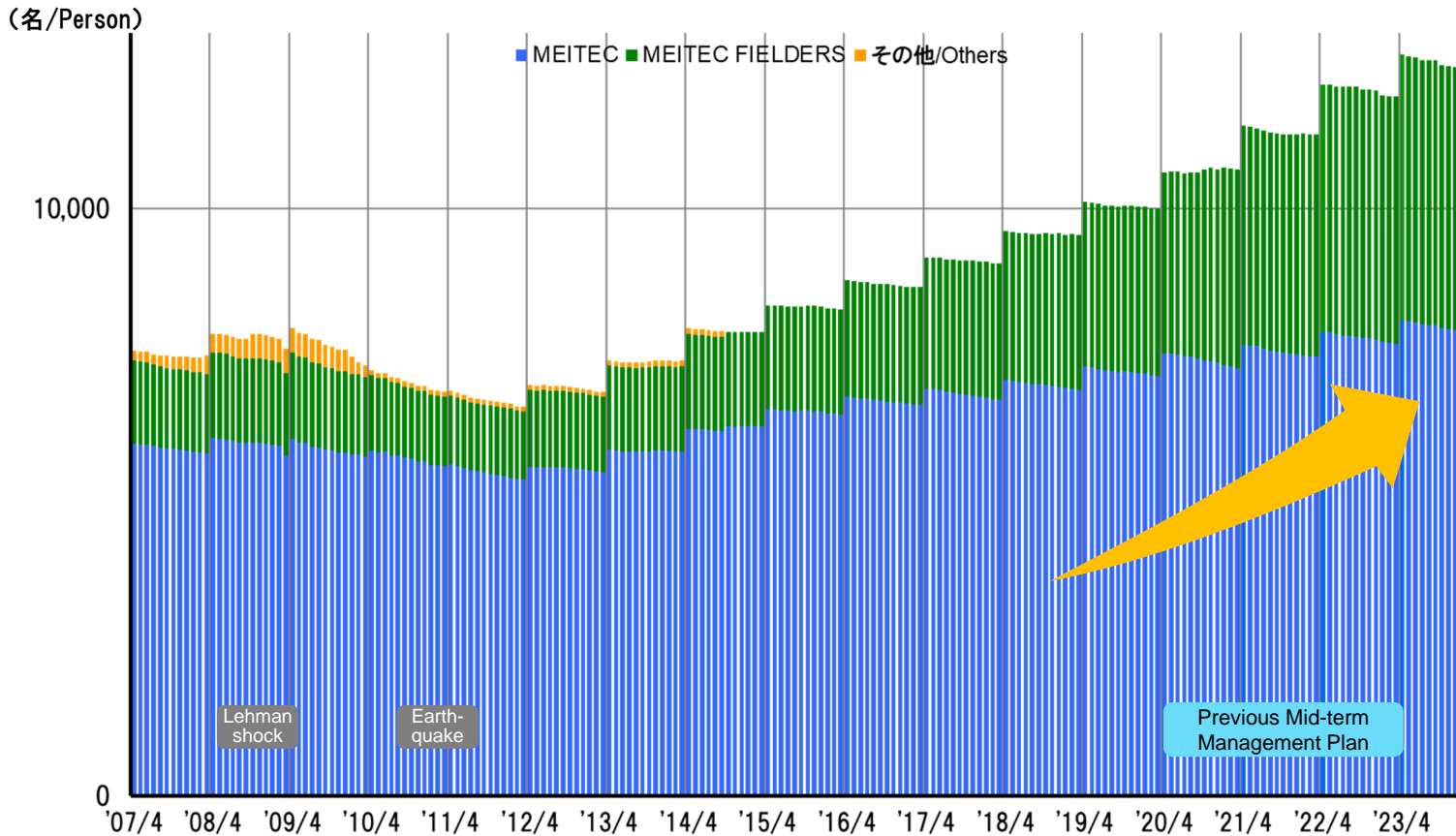
(Fractions of one million yen are rounded down)	Engineering Solutions Business			Recruiting & Placement Business for Engineers
	Meitec (※)	Meitec Fielders	Meitec Cast	Meitec Next
Net sales	66,714	25,299	2,604	1,017
YoY Amount	+4,270	+2,656	+128	(257)
% Change	+6.8%	+11.7%	+5.2%	(20.2%)
Operating profit	11,227	2,575	176	309
YoY Amount	+1,363	+585	+15	(106)
% Change	+13.8%	+29.4%	+9.3%	(25.7%)
Ordinary profit	12,440	2,578	176	309
Profit	8,758	1,774	120	213

* Figures are on an actual basis reflecting the sum of results for Meitec under the former structure in the first half of the fiscal year prior to the transition to a holding company structure and the new Meitec since October 1, 2023.

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Number of Engineers (Group Consolidated)

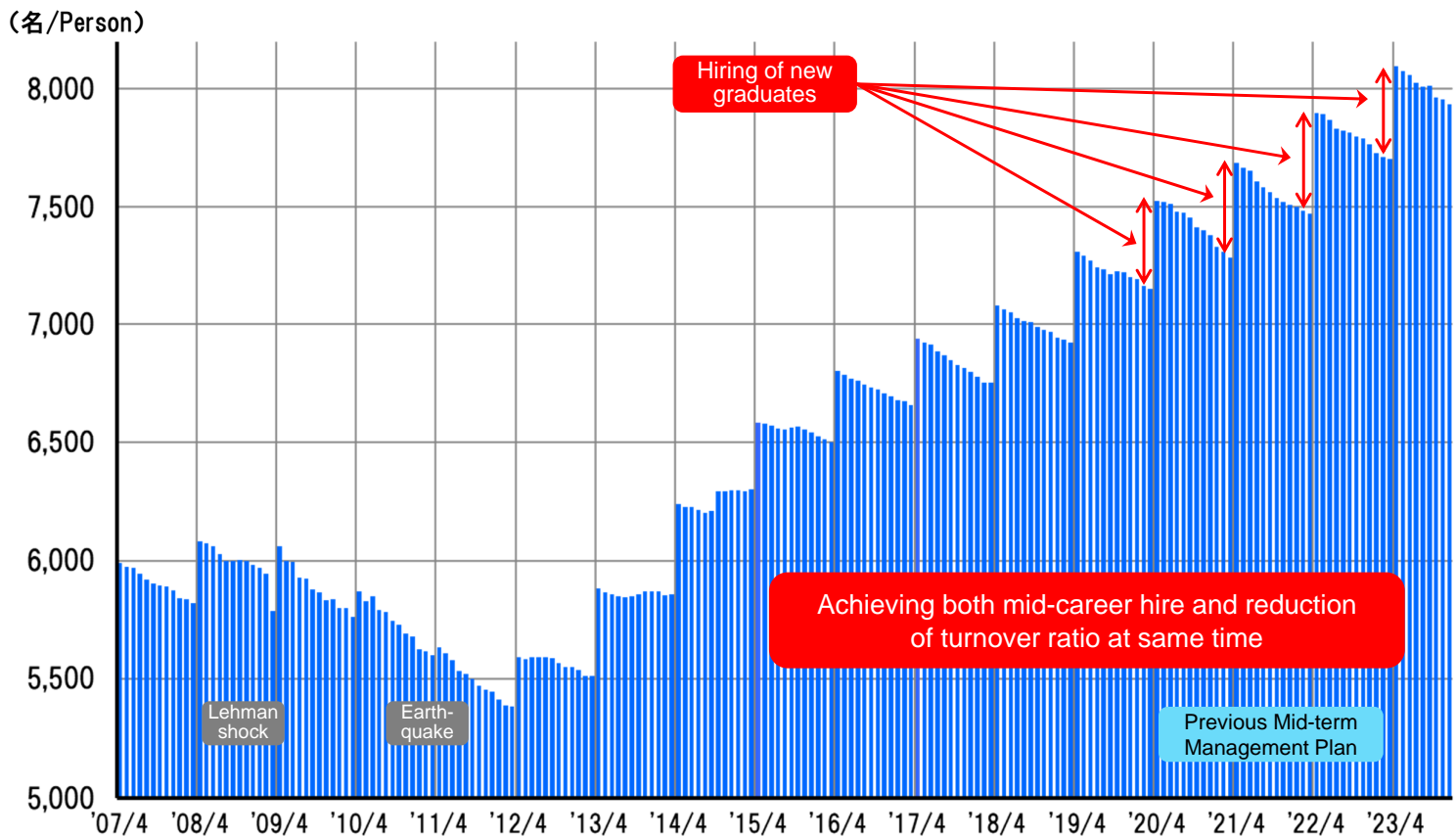
✓ The number of engineers as of December 31, 2023 was 12,407, an increase of 393 engineers, or 3.3%, compared to December 31, 2022.



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Number of Engineers (Meitec)

✓ The number of engineers as of December 31, 2023 was 7,936, an increase of 172 engineers, or 2.2%, compared to December 31, 2022.

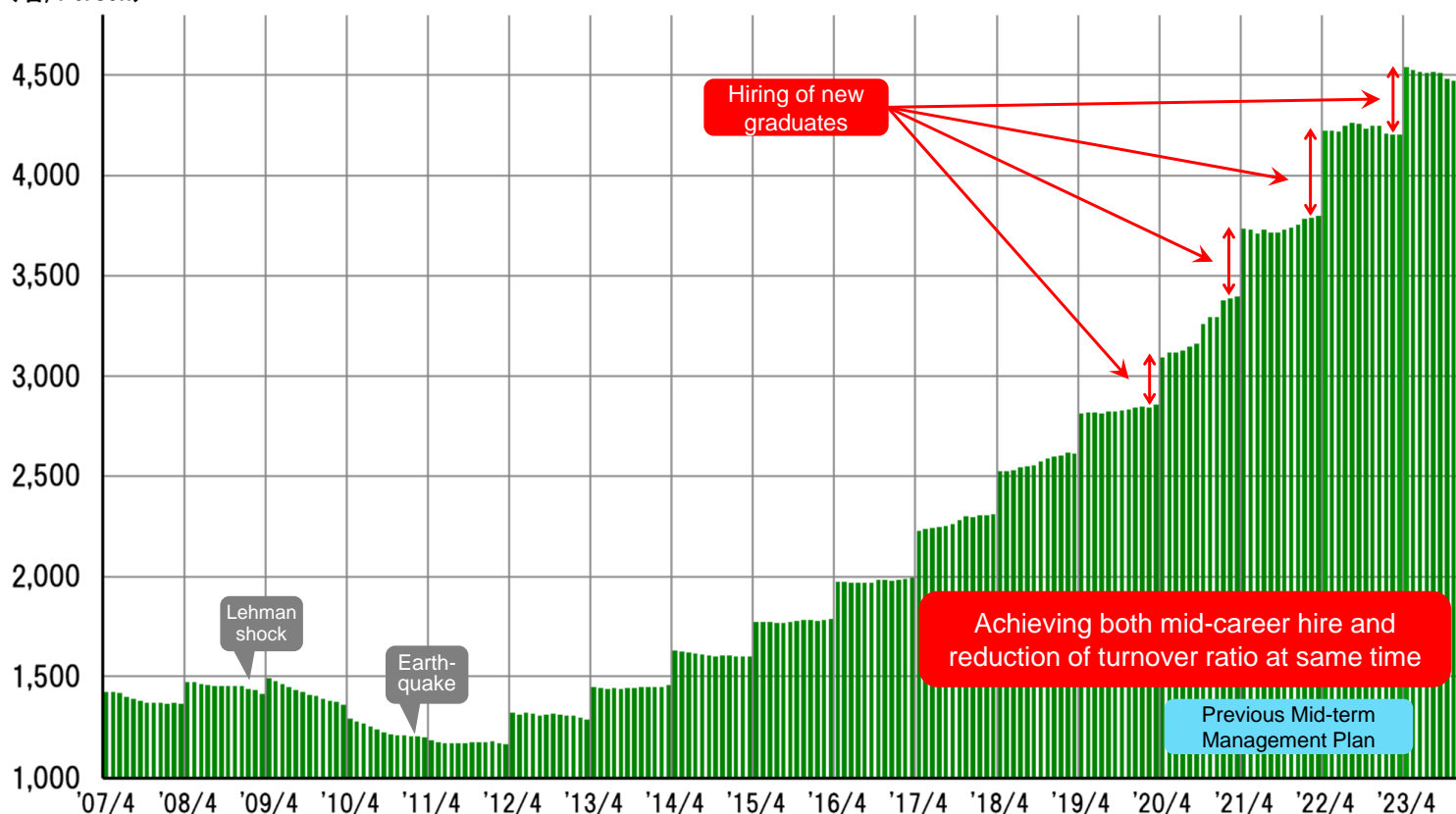


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Number of Engineers (Meitec Fielders)

- ✓ The number of engineers as of December 31, 2023 was 4,471, an increase of 221 engineers, or 5.2%, compared to December 31, 2022.

(名/Person)



Hiring Target for the Fiscal Year Ending March 31, 2024 Re-posted

Mid-career

- ✓ The job openings-to-applicants ratio continues to remain high. We continue to maintain hiring standards to ensure high added value in design and development operations that involve state-of-the-art technologies.
- ✓ Hiring environment remains challenging due to factors including the strengthening of work location-based hiring by major manufacturing companies.
- ✓ We will continue to actively disseminate the “lifetime professional engineer” career style and our approach to career advancement, and place great importance on the creation of contact points that get close to individual applicants.

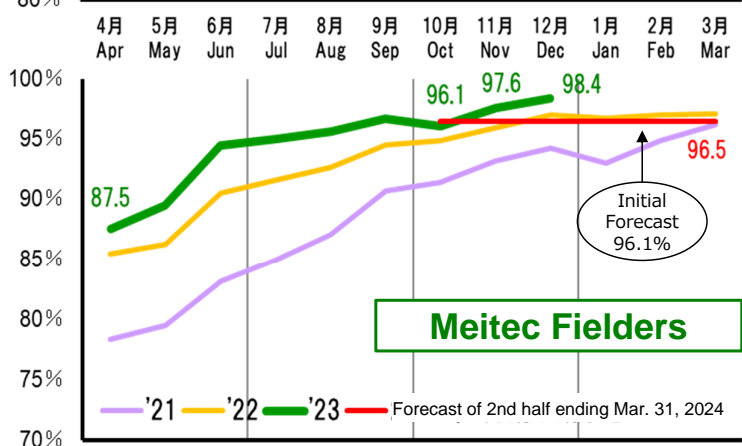
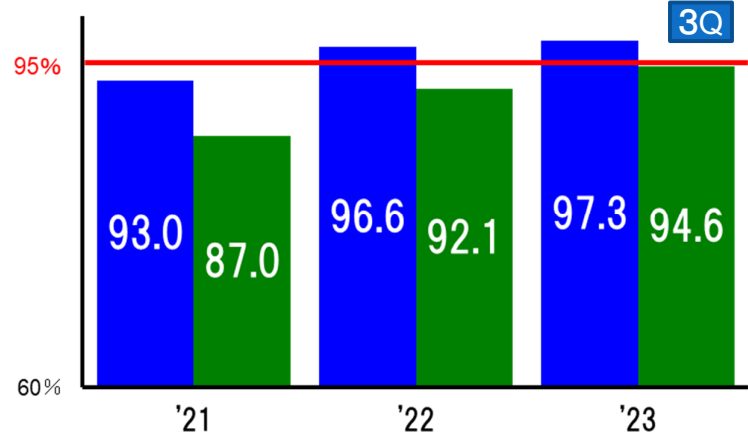
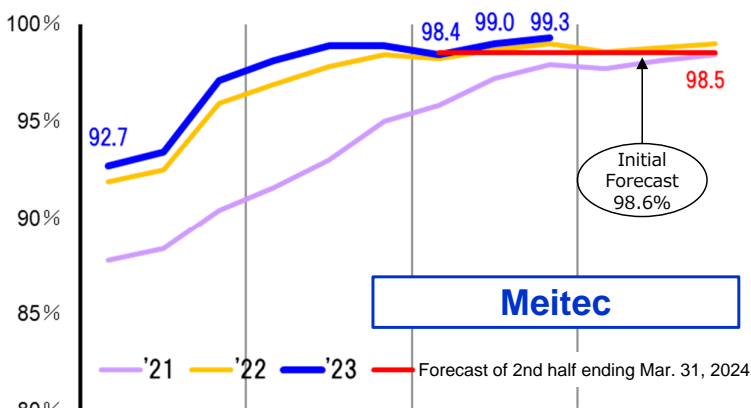
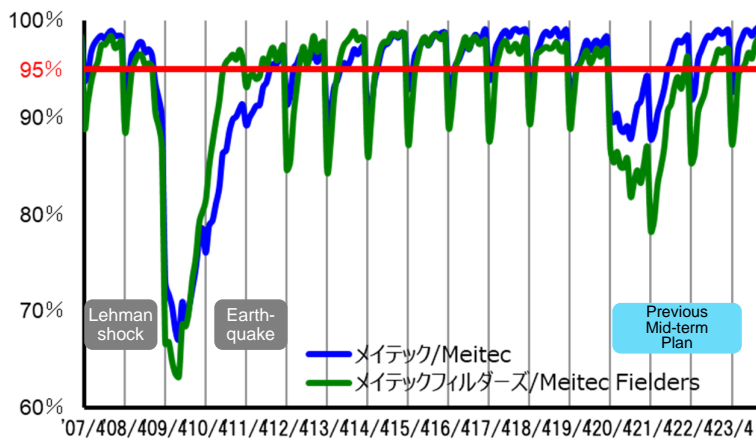
New Graduates

- ✓ Amid strong corporate appetite for hiring and high levels of job offer rate to new graduates, job hunting activities are taking place earlier and taking longer, and students’ activities are becoming more diverse.
- ✓ Although we maintained hiring standards while focusing on creating contact points with students, factors such as intensifying competition from manufacturing companies meant that both Meitec and Meitec Fielders, the prospective number of newly graduated employees for April 2024 was fewer than the initial forecast.

(person)	Fiscal Year Ending March 31, 2024					Fiscal Year Ending March 31, 2025	
	New Graduates April 2023 (Actual)	Mid-career <Target>	Comparison to Initial Forecast	Total <Target>	Comparison to Initial Forecast	New Graduates April 2024 <Prospective Number as of Oct. 2023>	Comparison to Initial Forecast
Meitec	459	240	—	699	—	350	(150)
Meitec Fielders	365	600	—	965	—	316	(134)
Total	824	840	—	1,664	—	666	(284)
Comparison to previous year	(61)	+18		(43)			

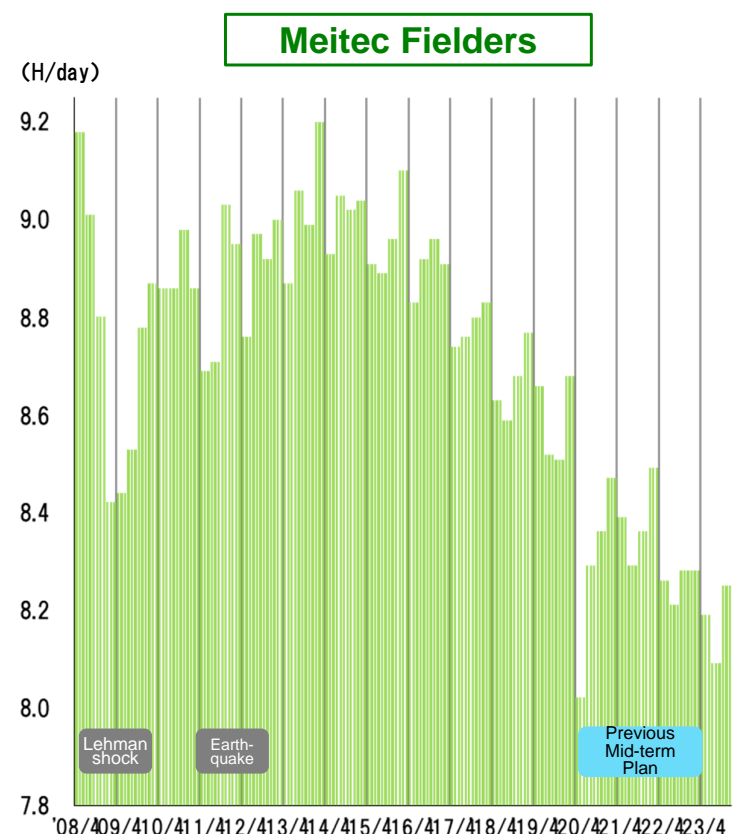
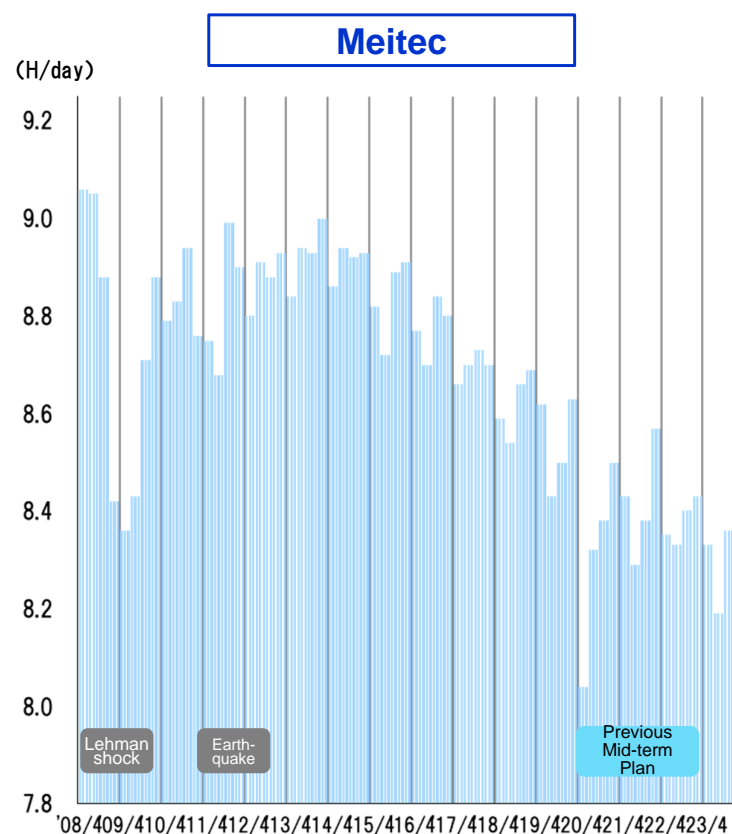
Utilization Ratio

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



Working Hours

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



Develop a new era by People and Technology

MEITEC

Engineering Firm at The Core

MEITEC GROUP HOLDINGS