

Results for the Fiscal Year Ended March 31, 2023

May 11, 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

- 1. Results for the Fiscal Year Ended March 31, 2023**
- 2. New Mid-term Management Plan [2023-2025]**
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(Note) This document has been translated from the Japanese original for reference purposes only. In the event of any discrepancy between this translation and the Japanese original, the original shall prevail.

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- Now, I would like to present the results for the fiscal year ended March 31, 2023, the Group's new three-year Mid-term Management Plan, and our forecasts for the fiscal year ending March 31, 2024.

1. Results for the Fiscal Year Ended March 31, 2023



- First, I would like to present the results for the fiscal year ended March 31, 2023.

Results for the Fiscal Year Ended March 31, 2023 (Group Consolidated)

- ✓ Net sales rose 11.1% year on year while operating profit rose 28.4%
- ✓ Profit rose 32.6% year on year due to decreased tax burden on Meitec and Meitec Fielders

(Fractions of one million yen are rounded down)	FY ended March. 31, 2022	FY ended March. 31, 2023	YoY Amount	% Change	Past Forecast	Progress toward the FY forecast
Net sales	107,140	119,069	+11,928	+11.1%	119,500	(431)
Cost of sales	78,917	86,360	+7,442	+9.4%	86,700	(340)
Cost of sales to Net sales	73.7%	72.5%	(1.1%)			
SG&A Expenses	15,405	16,245	+840	+5.5%	17,000	(755)
Operating profit	12,817	16,462	+3,645	+28.4%	15,800	+662
Operating profit margins	12.0%	13.8%	+1.9%		13.2%	+0.6%
Ordinary profit	12,948	16,540	+3,592	+27.7%	15,900	+640
Extraordinary income & loss	(5)	(3)	+2			
Profit before income taxes	12,942	16,537	+3,594	+27.8%		
Profit attributable to owners of parent	9,240	12,252	+3,011	+32.6%	10,900	+1,352
Profit margins	8.6%	10.3%	+1.7%			
Return on Equity (ROE)	20.6%	26.6%	+6.0%			
Ordinary profit to total assets ratio	16.5%	19.9%	+3.4%			

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- This shows the Group's consolidated results.
- In the fiscal year ended March 31, 2023, the economy continued its moderate recovery with the gradual easing of restrictions on movement caused by COVID-19 as well as the progress made in the normalization of social and economic activities. That said, the economic outlook remained uncertain due to a tense international situation, higher resource prices, and other factors.
- Meanwhile, major manufacturing firms that are our main clients have continued to invest in technological development, which also led to a favorable environment for our orders.
- As a result, net sales rose 11.1% year on year to ¥119,069 million and operating profit rose 28.4% year on year to ¥16,462 million.
Profit attributable to owners of parent increased by 32.6% year on year to ¥12,252 million mainly due to the decrease in the tax burden for both Meitec and Meitec Fielders from the application of tax credits for promotion of salary increases.
- Net sales fell slightly short of our forecast due to lower working hours than in our forecast.

Results for the Fiscal Year Ended March 31, 2023 (Business Domains)

- ✓ Both sales and profit increased in the Engineering Solutions Business and the Recruiting & Placement Business for Engineers year on year.

(Fractions of one million yen are rounded down)	FY ended March. 31, 2022	FY ended March. 31, 2023	YoY Amount	% Change
Sales of Engineering Solutions Business	105,715	117,456	+11,740	+11.1%
Component ratio	98.7%	98.6%	(0.0%)	
Operating profit	12,343	15,915	+3,572	+28.9%
Sales of Recruiting & Placement Business for Engineers	1,530	1,681	+151	+9.9%
Component ratio	1.4%	1.4%	(0.0%)	
Operating profit	474	547	+72	+15.3%

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- This shows the results for the Meitec Group by business domains.
- Both sales and profit increased year on year in the Engineering Solutions Business as well as the Recruiting & Placement Business for Engineers.

Results for the Fiscal Year Ended March 31, 2023 (Meitec)

- ✓ Year on year, net sales rose 8.8% while operating profit rose 25.3% and the number of engineers increased 3.1%
- ✓ Profit rose 33.1% year on year due mainly to decreased tax burden

(Fractions of one million yen are rounded down)	FY ended March. 31, 2022	FY ended March. 31, 2023	YoY Amount	% Change	Past Forecast	Progress toward the FY forecast
Net sales	77,010	83,765	+ 6,754	+ 8.8%	83,500	+ 265
Cost of sales	56,503	60,117	+ 3,613	+ 6.4%	60,000	+ 117
Cost of sales to Net sales	73.4%	71.8%	(1.6%)		71.9%	(0.1%)
SG&A Expenses	9,960	10,436	+ 475	+ 4.8%	10,800	(364)
Operating profit	10,546	13,212	+ 2,665	+ 25.3%	12,700	+ 512
Operating profit margins	13.7%	15.8%	+ 2.1%		15.2%	+ 0.6%
Ordinary profit	11,125	14,113	+ 2,988	+ 26.9%	13,600	+ 513
Extraordinary income & loss	(5)	(3)	+ 2			
Profit before income taxes	11,120	14,110	+ 2,990	+ 26.9%		
Profit	8,051	10,719	+ 2,667	+ 33.1%	9,600	+ 1,119
Utilization ratio (Company-wide)	94.3%	97.2%	+ 2.9%		96.5%	+ 0.7%
Working Hours (h/day)	8.42	8.38	(0.04)	(0.5%)	8.41	(0.03)
Number of Recruitment	628	699	+ 71	+ 11.3%	754	(55)
Newly graduated	462	474	+ 12	+ 2.6%	474	—
Mid-career	166	225	+ 59	+ 35.5%	280	(55)
Turnover Ratio	5.8%	6.0%	+ 0.2%		5.8%	+ 0.2%
Number of Engineers	7,472	7,703	+ 231	+ 3.1%		

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- This shows the results for Meitec.
- Net sales increased 8.8% year on year to ¥83,765 million, operating profit increased 25.3% year on year to ¥13,212 million, and profit increased 33.1% year on year to ¥10,719 million due to the increase in the number of engineers assigned to clients and the rise in the hourly rate as well as the decrease in the tax burden.
- The number of engineers increased 3.1% year on year.
- The utilization ratio increased 2.9% year on year to 97.2% mainly due to the improvement in the pace of assignments for new employees compared to the previous year and the steady assignment of engineers in rapid response to orders.
- On the other hand, working hours were down year on year and fell short of the initial forecast. This was due to reductions in overtime hours at some clients.

Results for the Fiscal Year Ended March 31, 2023 (Meitec Fielders)

- ✓ Year on year, net sales rose 18.0% while operating profit rose 46.4% and the number of engineers increased 10.8%
- ✓ Profit rose 43.1% year on year due mainly to decreased tax burden

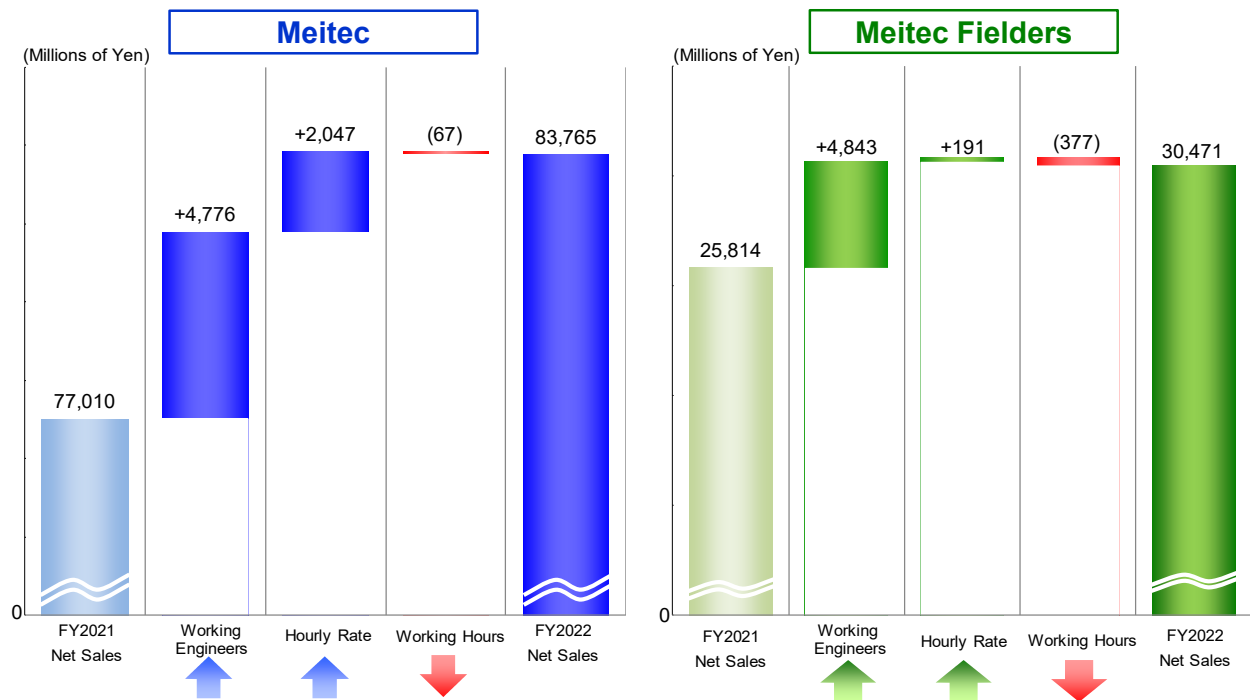
(Fractions of one million yen are rounded down)	FY ended March. 31, 2022	FY ended March. 31, 2023	YoY Amount	% Change	Past Forecast	Progress toward the FY forecast
Net sales	25,814	30,471	+4,657	+18.0%	31,000	(529)
Cost of sales	20,015	23,561	+3,545	+17.7%	23,950	(389)
Cost of sales to Net sales	77.5%	77.3%	(0.2%)		77.3%	+0.1%
SG&A Expenses	4,067	4,375	+308	+7.6%	4,650	(275)
Operating profit	1,731	2,534	+803	+46.4%	2,400	+134
Operating profit margins	6.7%	8.3%	+1.6%		7.7%	+0.6%
Ordinary profit	1,732	2,535	+802	+46.3%	2,400	+135
Extraordinary income & loss	—	—	—			
Profit before income taxes	1,732	2,535	+802	+46.3%		
Profit	1,337	1,913	+576	+43.1%	1,650	+263
Utilization ratio (Company-wide)	89.0%	93.3%	+4.3%		93.1%	+0.2%
Working Hours(h/day)	8.39	8.26	(0.13)	(1.5%)	8.34	(0.08)
Number of Recruitment	913	1,008	+95	+10.4%	1,211	(203)
Newly graduated	302	411	+109	+36.1%	411	—
Mid-career	611	597	(14)	(2.3%)	800	(203)
Turnover Ratio	13.5%	13.9%	+0.4%		13.0%	+0.9%
Number of Engineers	3,793	4,203	+410	+10.8%		

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- This shows the results for Meitec Fielders.
- With growth in the number of engineers and growth in the number of engineers assigned to clients due to the improvement of the utilization ratio, net sales increased 18.0% year on year to ¥30,471 million, operating profit increased 46.4% to ¥2,534 million and profit increased 43.1% to ¥1,913 million, mainly due to the decrease in the tax burden.
- The number of engineers increased 10.8% year on year.
- The utilization ratio improved 4.3% year on year to 93.3%.
- The reasons for the decline in working hours are the same as for Meitec.

Comparison of Net Sales

- ✓ For both Meitec and Meitec Fielders, net sales increased due to the “increase in the number of engineers assigned to clients” and “increase in hourly rate”.

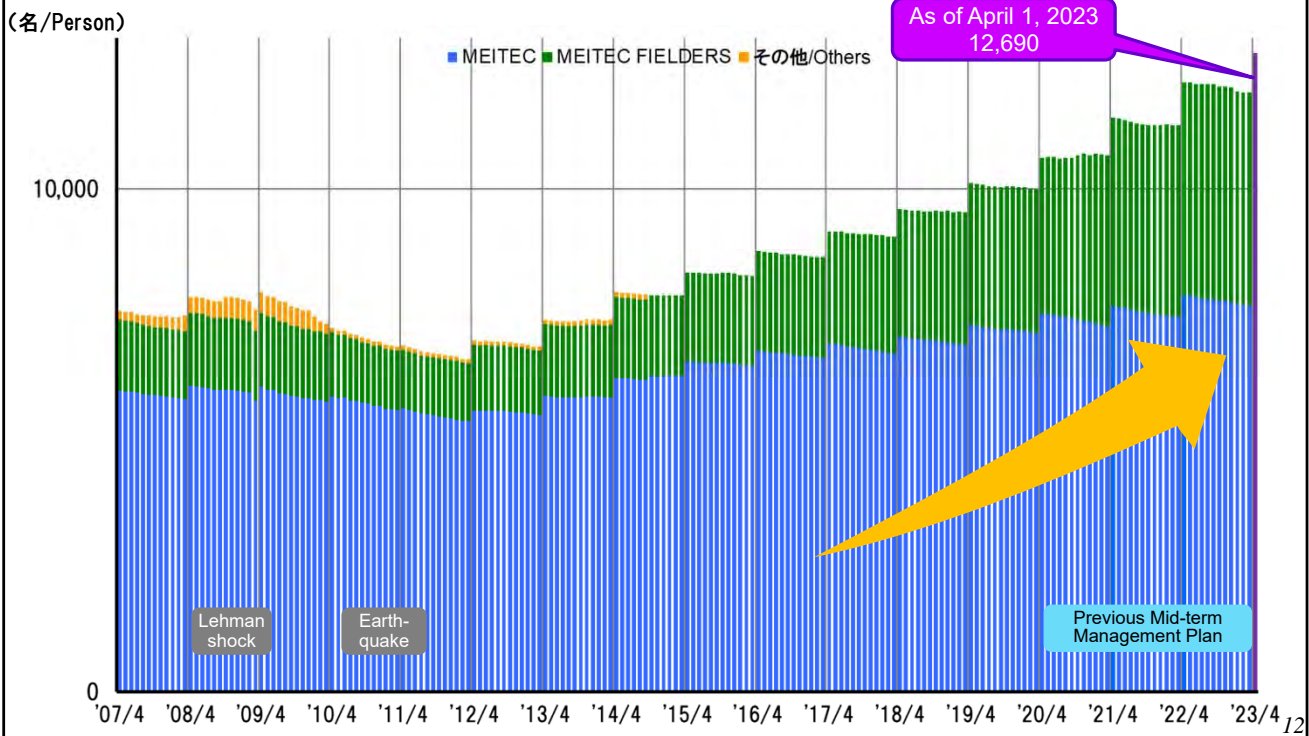


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- Next is a breakdown of factors affecting changes in net sales year on year at Meitec and Meitec Fielders. As you can see, there were two major factors at Meitec: The increase in the number of engineers assigned to clients and the increase in hourly rate.
- The major factor at Meitec Fielders was the increase in the number of engineers assigned to clients.

Number of Engineers (Group Consolidated)

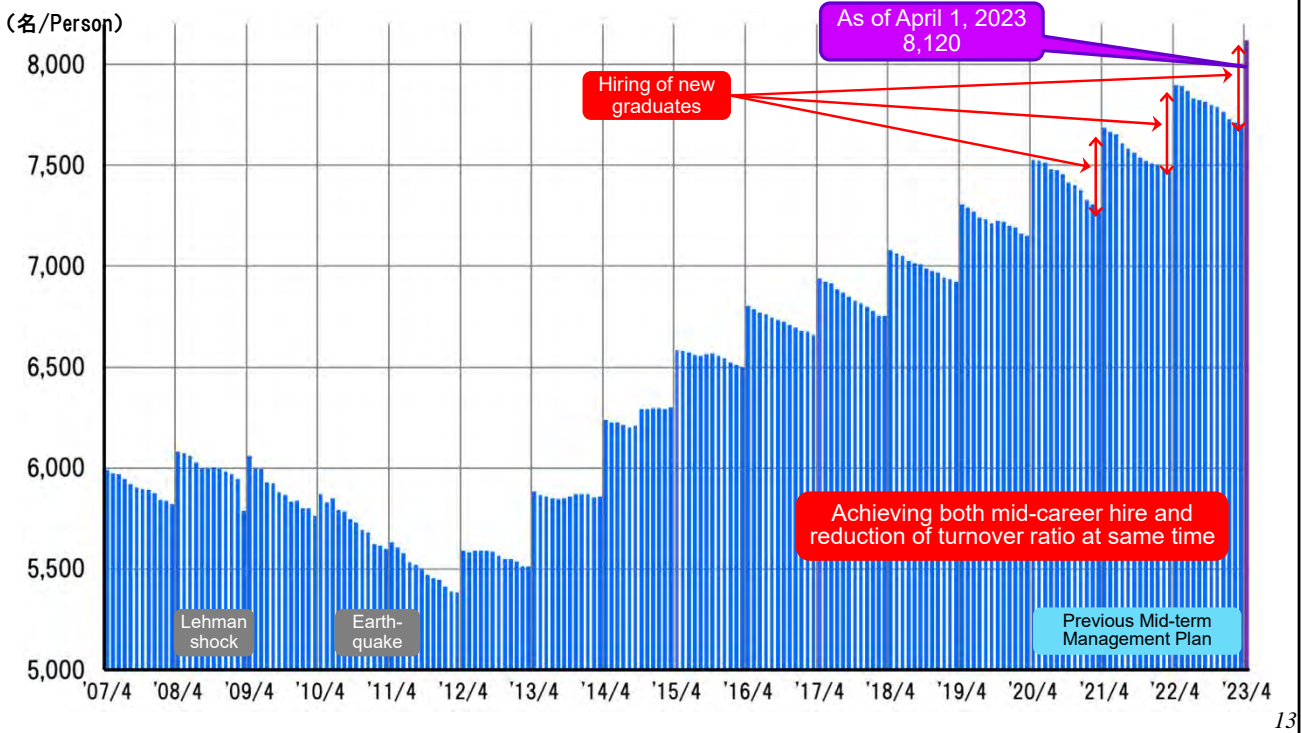
- ✓ The number of engineers as of March 31, 2023 was 11,906, an increase of 641 engineers, or 5.7%, compared to March 31, 2022.
- ✓ As of April 1, 2023, the number of engineers has reached 12,690 engineers, which is a record high.



- This shows the trend in the number of engineers across the entire Group.
- The number of engineers as of March 31, 2023 was 11,906, an increase of 641, or 5.7%, compared to March 31, 2022. New graduates joined the Group on April 1, 2023 and we started the new fiscal year with a record high 12,690 engineers.
- The number of engineers at both Meitec and Meitec Fielders is steadily increasing.

Number of Engineers (Meitec)

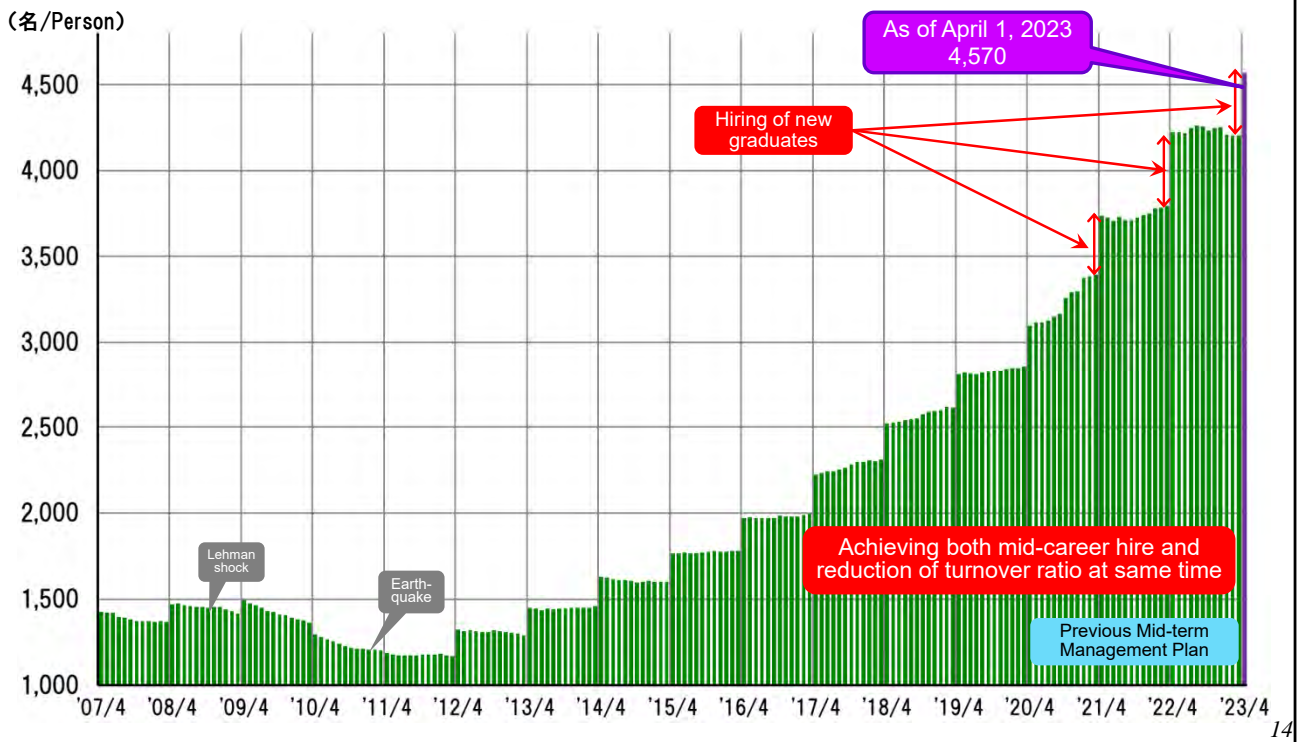
- ✓ The number of engineers as of March 31, 2023 was 7,703, an increase of 231 engineers, or 3.1%, compared to March 31, 2022.
- ✓ 459 new graduates joined the company on April 1, 2023, and we started the new fiscal year with a record high 8,120 engineers.



- Moving on, this shows the trend in the number of engineers at Meitec.
- The number of engineers as of March 31, 2023 was 7,703, an increase of 231, or 3.1%, compared to March 31, 2022. On April 1, 2023, 459 new graduates joined the company and we started the new fiscal year with a record high 8,120 engineers.

Number of Engineers (Meitec Fielders)

- ✓ The number of engineers as of March 31, 2023 was 4,203, an increase of 410 engineers, or 10.8%, compared to March 31, 2022.
- ✓ 365 new graduates joined the company on April 1, 2023, and we started the new fiscal year with a record high 4,570 engineers.



- This shows the trend in the number of engineers at Meitec Fielders.
- The number of engineers as of March 31, 2023 was 4,203, an increase of 410, or 10.8%, compared to March 31, 2022.
- On April 1, 2023, 365 new graduates joined the company and, as was the case with Meitec, we started the new fiscal year with a record high 4,570 engineers.

Mid-career

- ✓ We worked to maintain hiring standards from a medium-term perspective in overheating markets that continue to have a high openings-to-applicants ratio.
- ✓ We were unable to achieve targets for the Group's total figures despite turning positive in comparison to the previous fiscal year. In particular, we faced challenges in the middle zone due to strong competition.
- ✓ We recognize that we must further increase cooperation between the recruiting division and the regional sales division in order to be selected by applicants.

New Graduates

- ✓ We worked to maintain hiring standards from a medium-term perspective amid companies' hiring demand for new graduates continuing to be extremely strong.
- ✓ Amid difficulties securing applicant numbers due to continuing strong preference for local jobs, the amount of time the window for hiring new graduates is open has increased, the number of prospective hires decreased from October, and we struggled even more.

(person)	Fiscal Year Ended March 31, 2023						Fiscal Year Ending March 31, 2024				
	New Graduates April 2022	Mid-career			Total	YoY	New Graduates April 2023				
		Initial Forecast		To Initial Forecast			Initial Forecast	10/27/22 Expected Number		To Initial Forecast	YoY
Meitec	474	280	225	(55)	699	+71	500	483	459	(41)	(15)
Meitec Fielders	411	800	597	(203)	1008	+95	450	391	365	(85)	(46)
Total	885	1080	822	(258)	1,707	+166	950	874	824	(126)	(61)
Comparison to previous year	+121		+45		+166			To 10/27/22 Revised	(50)		

- This shows the recruitment trends for the Group.
- First, we look at mid-career hires.
- The high need to recruit engineers has not diminished and the challenging circumstances persist.
- We implemented recruitment activities that worked to maintain hiring standards from a medium-term perspective, but the situation was difficult.

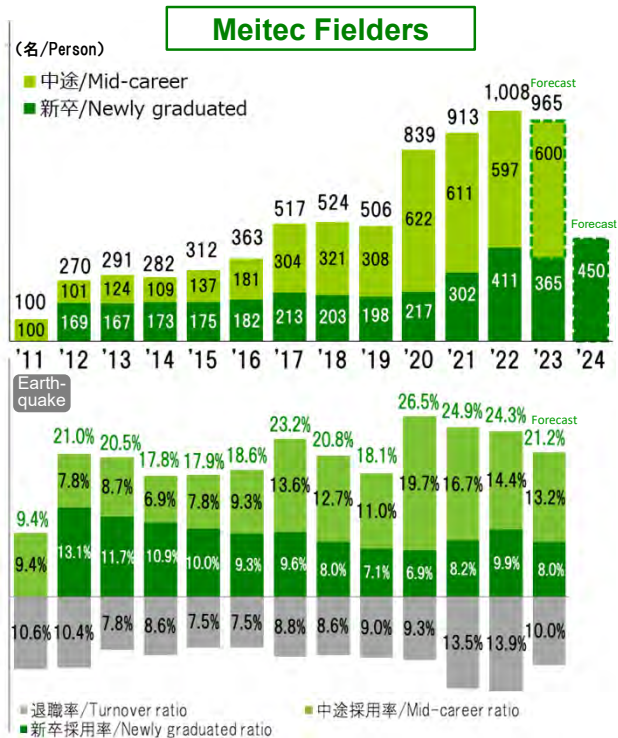
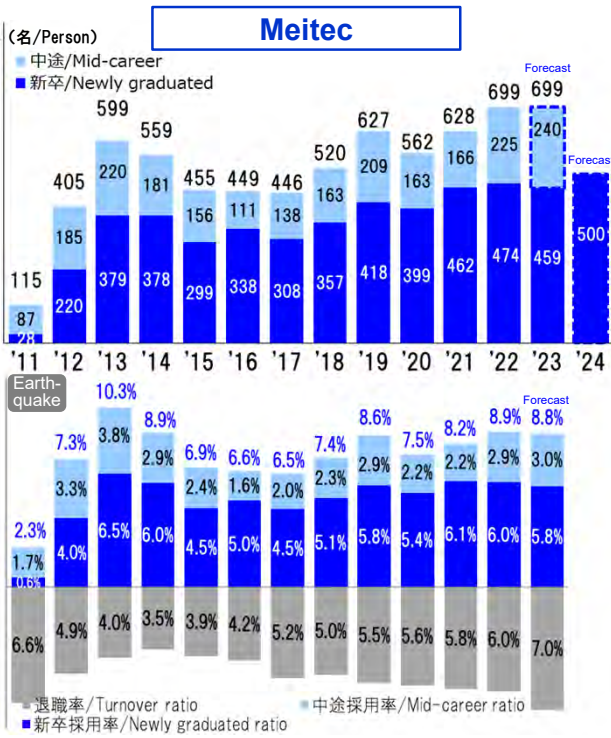
As a result, Meitec recruited 225 mid-career hires, 55 fewer than the initial forecast, while Meitec Fielders recruited 597, 203 fewer than the initial forecast, with 822 mid-career hires recruited across the entire Meitec Group.

While the level is not necessarily small, the result fell short of our initial plans.

- Next, newly graduated engineers.
- Companies' hiring demand is extremely high and the intense competition in the recruiting market is growing. We conducted hiring activities while maintaining hiring standards, but the strong preference for local jobs continues, and we struggled. As a result, Meitec recruited 459 newly graduated engineers, 41 fewer than the initial forecast, while Meitec Fielders recruited 365, 85 fewer than the initial forecast. This was also not necessarily a low level and 824 newly graduated engineers were recruited across the entire Meitec Group.

Recruitment and Turnover

✓ The hiring environment is challenging, but we maintained hiring standards.

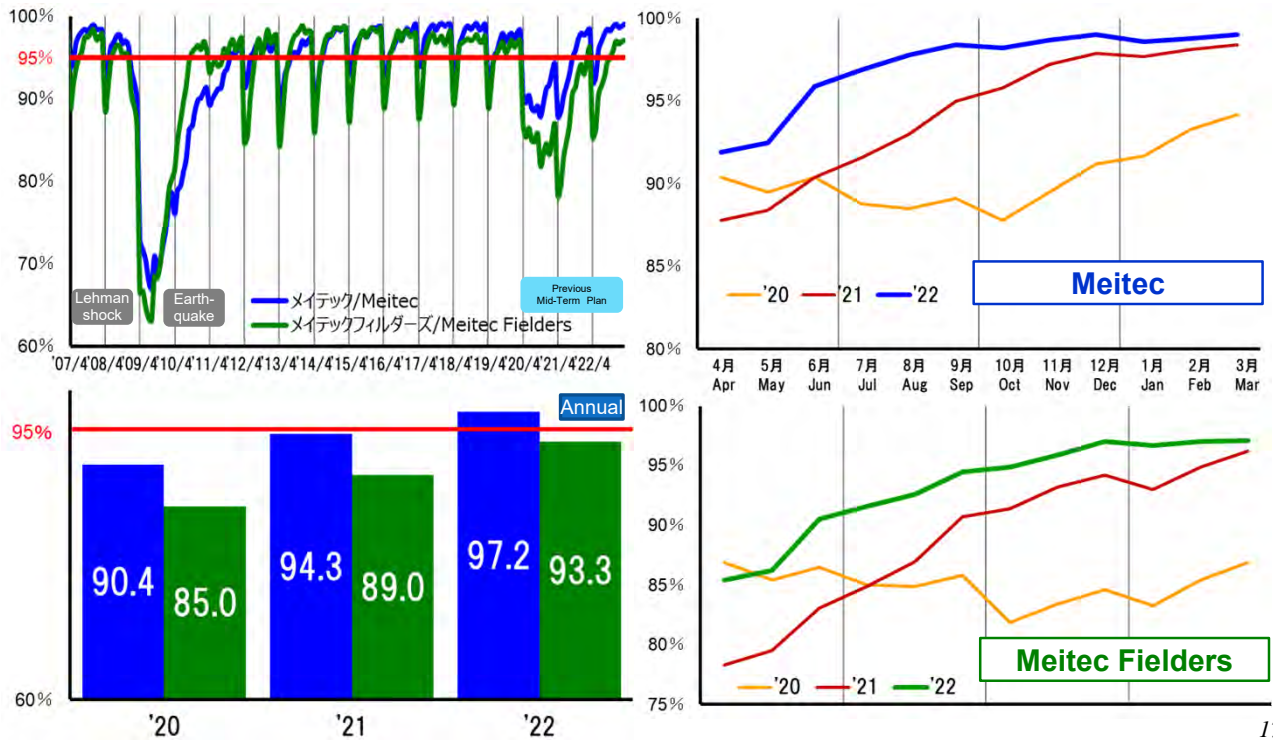


- This shows the trends in the number of recruitment and ratios for recruitment and turnover.
- Meitec’s recruitment ratio in the fiscal year ended March 31, 2023, was 8.9%, and the growth rate increased from the previous fiscal year. However, we maintained a low turnover ratio of 6.0% which contributed to the increase in the number of engineers.
- Meitec Fielders’ recruitment ratio in the fiscal year ended March 31, 2023, was 24.3%, and the growth rate was high albeit slightly lower than the previous fiscal year.
- The turnover ratio was 13.9%, on a par with the previous year.
- We are expecting an increase in the number of mid-career hires continuing on from the previous year at Meitec Fielders in the forecast for the fiscal year ending March 31, 2024.

I will discuss this in more detail later on.

Utilization Ratio

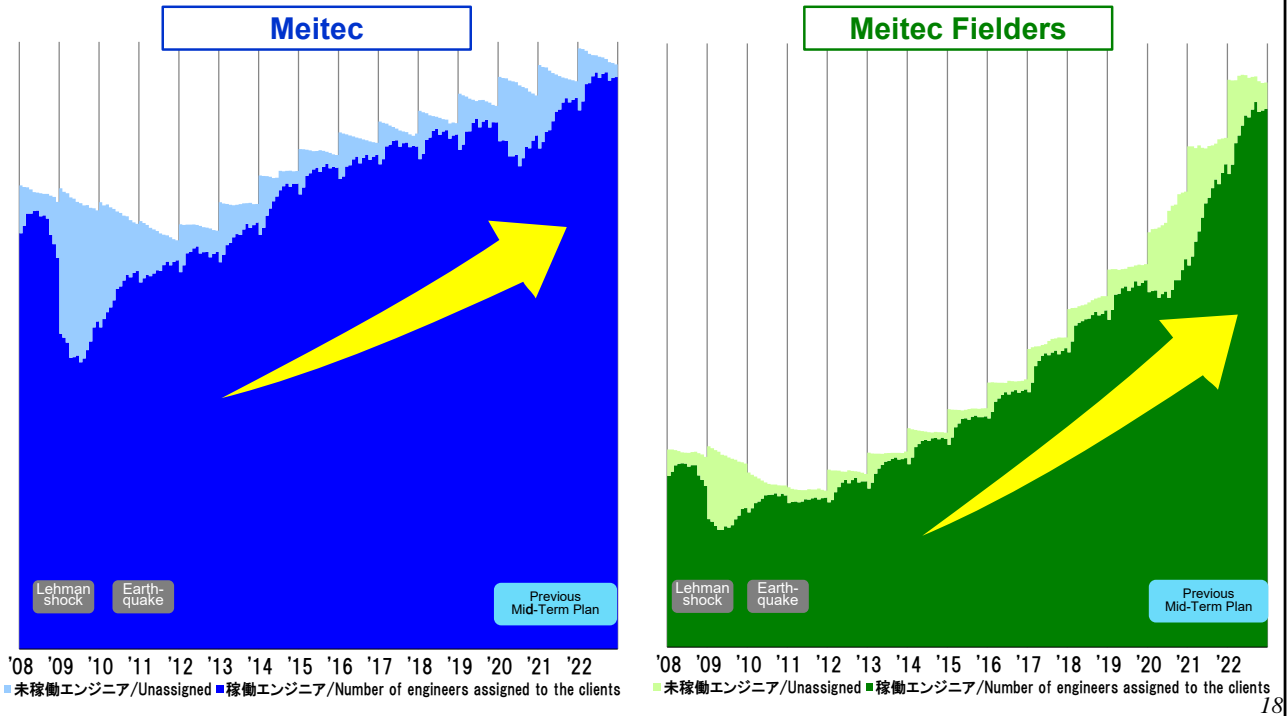
✓ Utilization ratio remained steady ⇒ We proceeded with the assignment of engineering staff in response to orders.



- This shows the trend in utilization ratios.
- Utilization ratios at both Meitec and Meitec Fielders were already higher than the year-earlier levels at the beginning of the fiscal year, and were steady, mainly due to the progress in the rapid assignment of engineers in response to orders and the improvement in the pace of assignments for new employees.
- As shown in the graph on the right, we started at a high level in April, which was then steady due to the continued promotion of assignments.

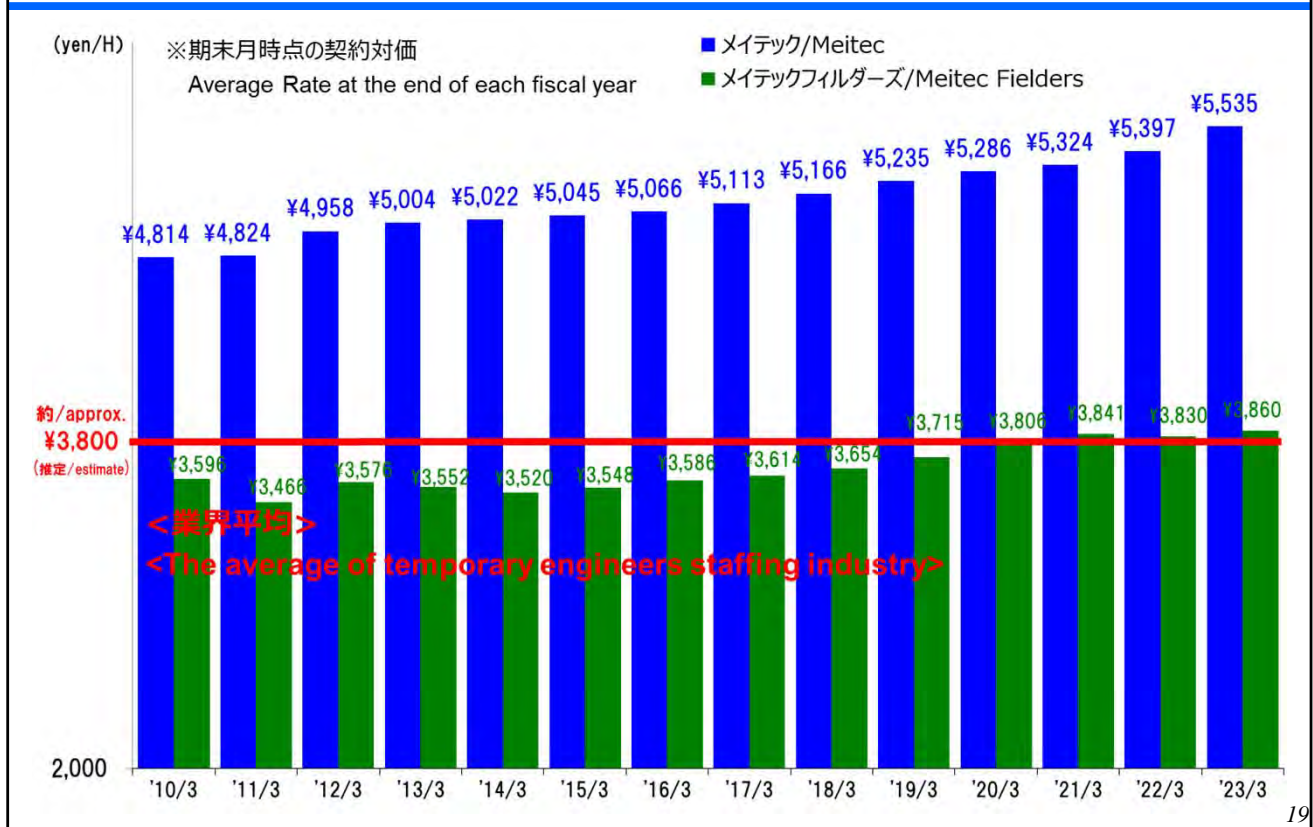
Number of Engineers Assigned to the Clients (Key factor of Sales)

✓ With active hiring the number of engineers increased, and the number of engineers assigned to clients also increased as a result of proceeding with assignments in response to orders



- This shows the trend in the number of engineers assigned to clients.
- The increase in the number of engineers has continued, and we have proceeded with assignments. As a result, the number of engineers assigned to clients is growing steadily at both Meitec and Meitec Fielders.

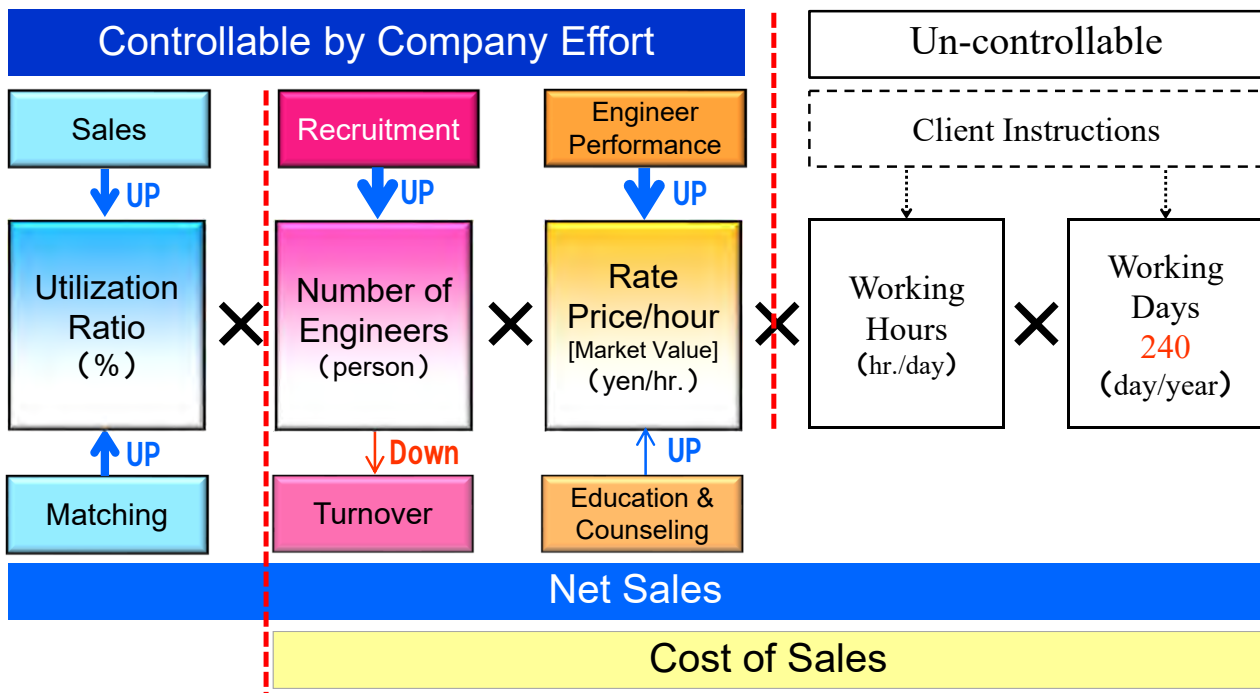
Trend in Average Rate = (Market Value)



- This shows the trend in average pay rates for engineers.
- As a result of Meitec pursuing high added value, the average pay rate increased to levels in excess of ¥5,500.
It is essential that we maintain our hiring standards to ensure average pay rates remain high, while at the same time, how we provide career support is important for improving the technical capabilities of each individual engineer and for career building.
- Meitec Fielders' pay rate is over ¥3,800, and exceeds the average of the temporary engineers staffing industry.
Going forward, as a Group, we want to continue initiatives to attract and negotiate with clients and, regardless of the state of the economy, to acquire fair pay rates based on each individual's output and performance rather than obtaining pay rates based on supply and demand.

Sales and Cost

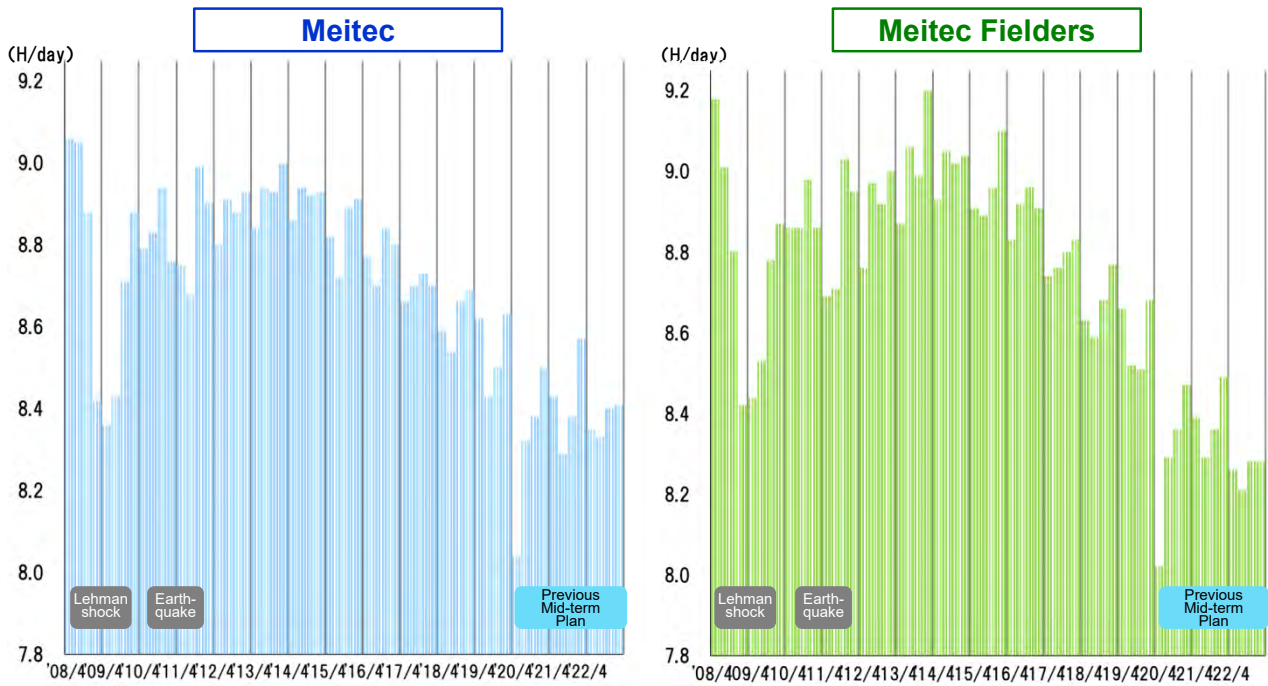
- ✓ Increasing the number of engineers and sustaining and improving the high "utilization ratio and prices" are the key to a growth.



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- This slide shows components of net sales and cost of sales for the Engineering Staffing Solutions Business.
- There are five main indicators. Of these, management is engaged in improving three indicators: the utilization ratio, number of engineers, and raising pay rate.

✓ Working hours declined year on year due to reductions in overtime hours.

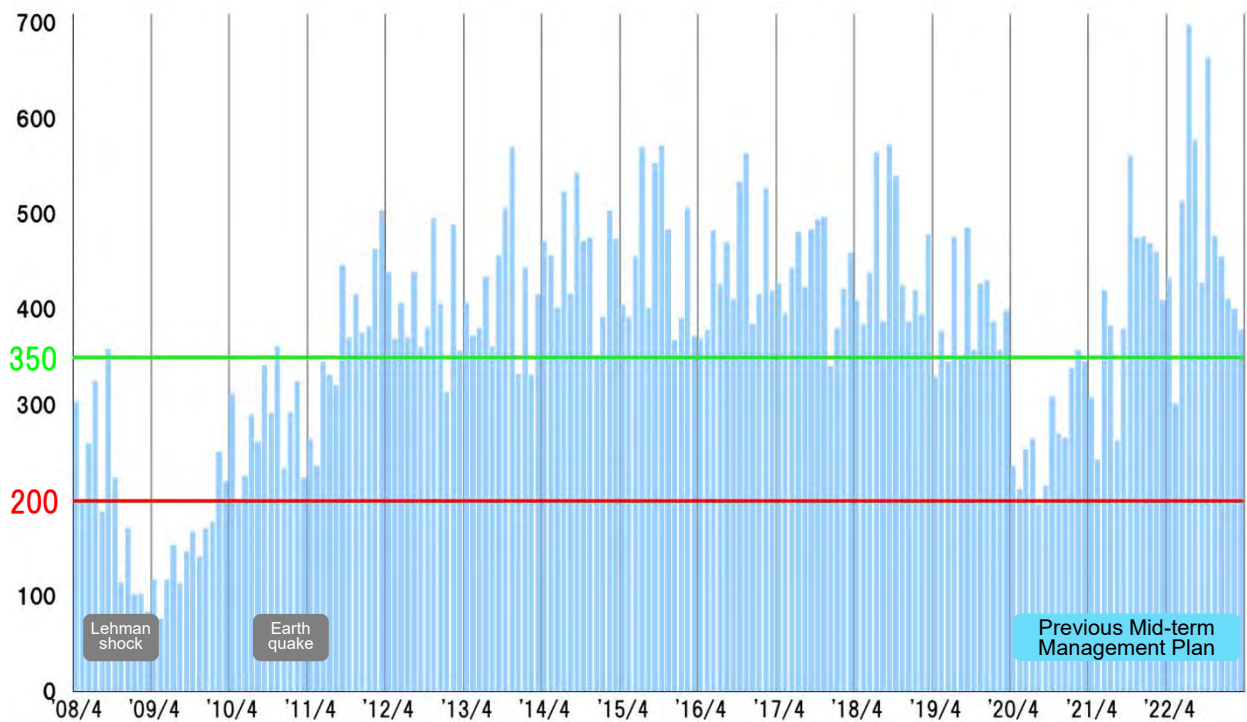


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- This shows the trend in working hours.
- Working hours declined slightly year on year for both Meitec and Meitec Fielders due to the reductions in overtime hours.
- The number of working hours is determined by our clients, and is uncontrollable for us. As a fluctuation in working hours of 0.1 hours equates to a fluctuation of 1% of total net sales, we will focus attention on this as a major indicator of earnings.
- So, the question is whether or not the number of working hours will return to previous levels in future. Working-style reforms continue at all companies and it is hard to see the world returning to figures such as 9 hour-days that were evident in the past.

Trend in New Orders by Month (Meitec)

✓ New monthly orders for Meitec (non-consolidated) were strong



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- This shows the trend in new monthly orders.
- Meitec clients continue to invest in technological development from a long-term perspective. Therefore, coupled with our proactive sales efforts, new monthly orders were very strong at over 350.
- We will remain on the offensive in our sales approach, while capturing new orders and promoting assignments, with a view to providing our clients with higher value-added services.

Top 10 Clients by Sales (Meitec)

- ✓ Due to confidentiality reasons we refrain from disclosing matters and specific figures related to clients (individual companies)

(Millions of yen)

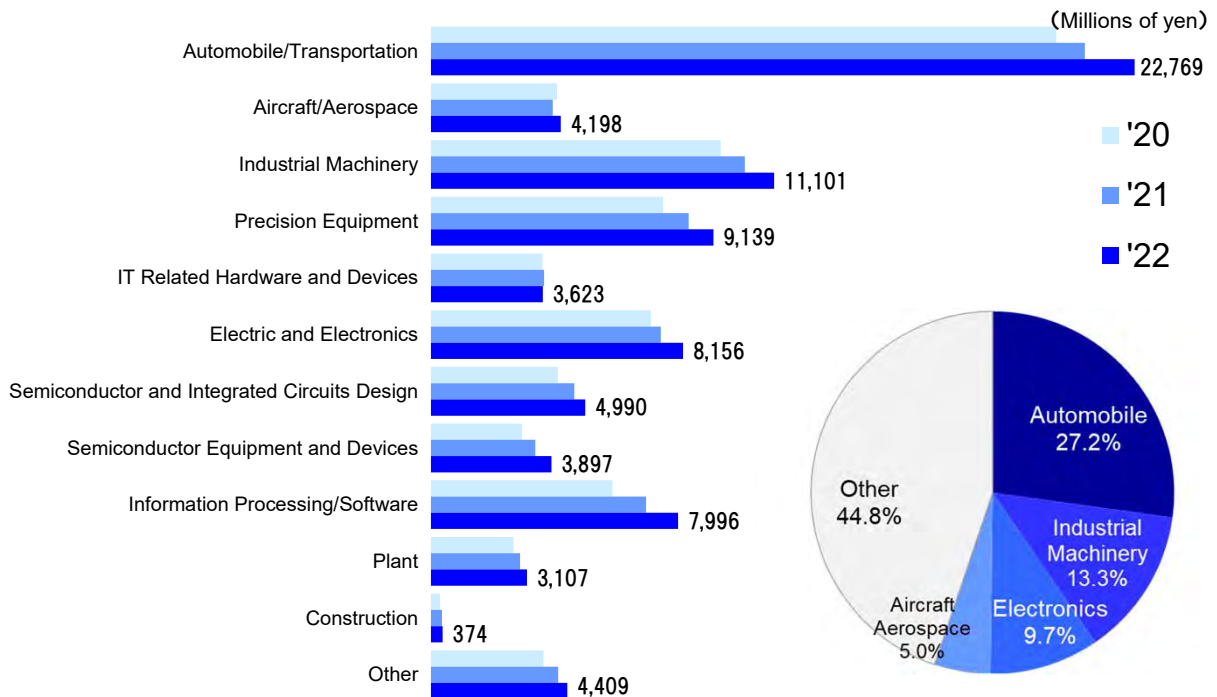
FY2017			FY2021			FY2022		
1	Mitsubishi Heavy Industries		1	Denso		1	Denso	
2	Denso		2	Sony Semiconductor Solutions		2	Sony Semiconductor Solutions	
3	Canon		3	Mitsubishi Heavy Industries		3	Mitsubishi Heavy Industries	
4	Panasonic		4	Panasonic		4	Nikon	
5	Toyota Motor		5	Nikon		5	Hitachi High-Tech	
6	Sony Semiconductor Solutions		6	Toyota Motor		6	Denso Ten	
7	Nikon		7	Hitachi High-Tech		7	Toyota Motor	
8	Autoliv		8	Subaru		8	Subaru	
9	Honda R&D		9	Denso Ten		9	Panasonic	
10	Omron		10	Terumo		10	Yamaha Motor	
Top 10 Total	17,654	24.4%	Top 10 Total	18,937	24.6%	Top 10 Total	19,608	23.4%
Top 20 Total	25,282	35.0%	Top 20 Total	27,186	35.3%	Top 20 Total	28,465	34.0%
Others	46,970	65.0%	Others	49,824	64.7%	Others	55,299	66.0%
Total	72,252	100.0%	Total	77,010	100.0%	Total	83,765	100.0%

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- This shows Meitec's top 10 clients by sales.
- As you can see, there have been some small movements in the order, but there has been no major change.
However, there are significant changes in each client's business activities compared with five years ago and with last year.
- Amid the accelerating pace of technological innovation, our clients are also working on product and technological developments that incorporate new technologies.
- By deliberately rotating our engineers constantly to new technology domains, and aiming to build the careers of our engineers and refine their engineering prowess, we will continue striving to increase the added value for our clients.
- Offering services for a wide range of work segments without depending on certain clients is truly one of the strengths of Meitec Group that we will continue to utilize going forward.

Sales by the Industrial Segments (Meitec)

- ✓ Due to confidentiality reasons we refrain from disclosing the breakdown and outlook for specific clients (individual companies) (figures are stated in Reference Materials)



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- This shows the sales trends by industrial segment.
- As you can see, this is as a result of our offensive sales approach in combination with the trends in society for technological development. It shows automobile related or so-called CASE and MaaS in the top line, with industrial machinery ranked third, then electric and electronics in the middle as well as information processing and software.
- In the technological reforms currently demanded by society, there are various keywords such as CASE and MaaS in the mobility sector or ICT, as well as robotics. We worked on initiatives in these sectors while undertaking an offensive sales approach, activities to achieve orders and to conclude contracts.
- This concludes my discussion of the results for the fiscal year ended March 31, 2023.

2. New Mid-term Management Plan [2023-2025]

- Next, I would like to talk about our new three-year Mid-term Management Plan that commences in the current fiscal year.

Overview of Previous Mid-term Management Plan

The Transformation

	(Billion Yen)	Mid-term Management Plan (Targets)	FY2022 (Result)	Compared to the plan	achievement ratio
Group Consolidated	Net Sales	135.0	119.0	(16.0)	(11.9%)
	Operating Profit	18.0	16.4	(1.6)	(8.9%)
	Margin	13%	13.8%	+0.4%	
	Profit	12.0	12.2	+0.2	+1.7%
	ROE	25% or more	26.6%	+1.6%	
Meitec	Net Sales	90.0	83.7	(6.3)	(7.0%)
	Operating Profit	13.5	13.2	(0.3)	(2.2%)
	Margin	15%	16%	+1.0%	
Meitec Fielders	Net Sales	40.0	30.4	(9.6)	(24.0%)
	Operating Profit	3.6	2.5	(1.1)	(30.6%)
	Margin	9%	9%	—	
Recruiting&Placement Business for Engineers	Net Sales	2.5	1.6	(0.9)	(36.0%)
	Operating Profit	0.8	0.5	(0.3)	(37.5%)
	Margin	32%	32%	—	

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- I will discuss the previous Mid-term Management Plan “The Transformation.”
- The three-year Mid-term Management Plan “The Transformation,” released in May 2020, showed medium- to long-term strategies based on the strong will of the management team.
- However, the global spread of COVID-19 from the beginning of 2020 led to three years of deterioration in the economy and the consequent deterioration in the environment for our orders.
- In addition, since we changed the operations of our business activities and training structure to prioritize the safety, security and health of our employees, the delays in assigning employees meant that net sales and operating profit figures fell short of targets.
- We are proud of the high growth rates we were able to achieve compared to the previous trends up to then.
- Meanwhile, we were able to achieve our ROE and margin targets as a result of maintaining the quality and quantity of our shareholders’ equity and through efficient management.

MEITEC Group will transform the two elements of The Core

The Core

1. The Core in how we see ourselves means that we are a group of companies that produces “important and indispensable” value for the technological innovation of manufacturers.

2. The Core in how we see ourselves also means that we are a group of companies that is able to offer an “important and indispensable” way of working, as engineers who consider their profession as the core of society.



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- I will now discuss the new Mid-term Management Plan.
- The new Mid-term Management Plan is a three-year plan.
- The theme is “transform the two elements of The Core.”
- The Core in how we see ourselves means that we are a group of companies that produces “important and indispensable” value for the technological innovation of manufacturers; and it also means that we are a group of companies that is able to offer an “important and indispensable” way of working, as engineers who consider their profession as the core of society.
- These two are considered important elements of the competitive edge of the Meitec Group.
- So we'll spend three years working on transforming the two elements of The Core.

Materiality common to many clients



M2CX

Engineering Firm at The Core

We are a group of engineers that plays a core role in manufacturing through its “People and Technology.”

The Core

- 1.The Core in how we see ourselves means that we are a group of companies that produces “important and indispensable” value for the technological innovation of manufacturers.
- 2.The Core in how we see ourselves also means that we are a group of companies that is able to offer an “important and indispensable” way of working, as engineers who consider their profession as the core of society.

Engineering Firm at The Core

We are a group of engineers that plays a core role in manufacturing through its “People and Technology.”



- Specifically, we will strive under the titles “MEITEC 2 Core Transformation” and “M2CX.”
- Through this, we will work with clients to solve social issues.
- Clients are addressing the development goals known as SDGs to create a sustainable society.

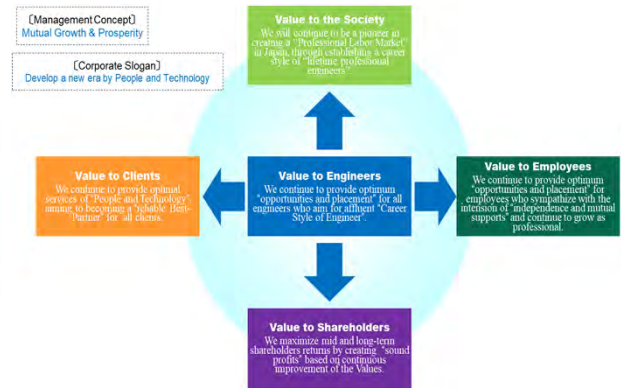
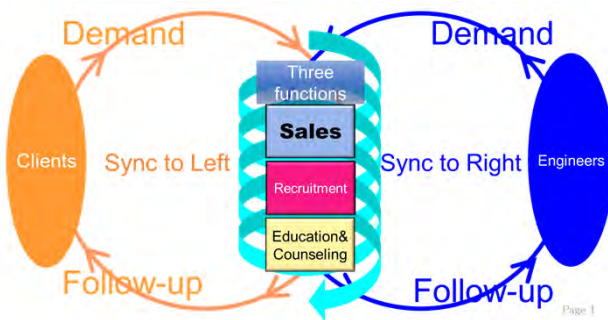
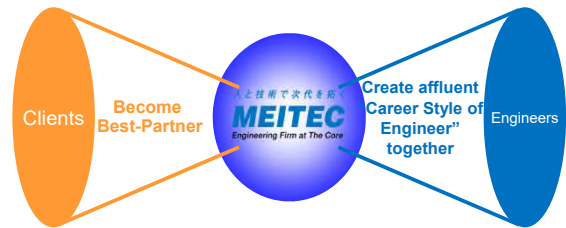
Under such circumstances, the Meitec Group provides value to the materiality common to many clients. That is, in respect of important issues.

Basic policy(1)

Always Market-oriented



Constant Bidirectional contact



- Our basic policy is to always take the ever-evolving market, technology trends and order-receiving trends as the starting points, and to be in a constant linked and connected state with the three functions of sales, recruitment and career support, in order to continue responding to the demands of clients and engineers. We will transform these initiatives.
- We will create a value chain by providing value to both parties and increase the five values.

1

Actively pursue further added value by combining (1) an approach oriented to the two groups of users of our services, and (2) diverse service variations

2

Actively enhance the “power of numbers” while continuing to compete based on quality

3

Synchronize and strongly promote (1) strengthening engagement, (2) efficiently pursuing aptitude, and (3) reducing operating expenses

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- To be specific, we have three policies.
- First. To pursue further added value by combining our group’s diverse services with two value destinations, customers and engineers.
- Second. To actively enhance the “power of numbers” while continuing to compete based on quality
- Third. To strengthen engagement, efficiently pursue aptitude, and reduce operating expenses
- We will synchronize and strongly promote these three.

Performance goals(1)

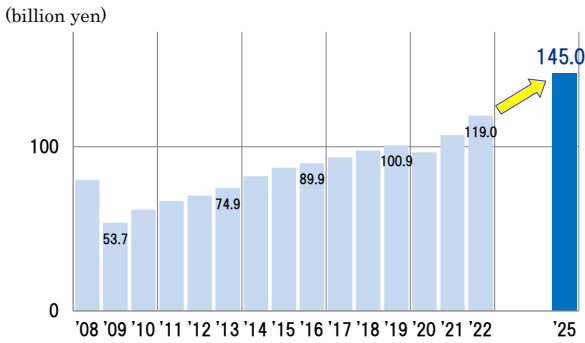
FY2025 Mid-term Management Plan	Group Consolidated	billion yen		
		Engineering Solutions Business		Recruiting&Placement Business for Engineers
		Meitec	Meitec Fielders	
Net Sales	145.0	95.0	44.5	1.8
Operating Profit	19.0	14.3	4.5	0.6
Margin	13%	15%	10%	33%
Profit	13.0			
ROE	30%			

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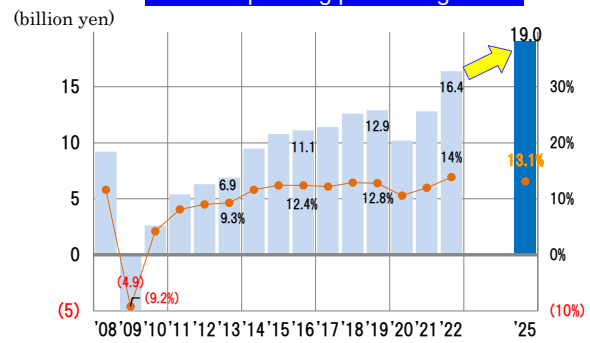
- Here are the three-year performance goals.
- The performance goals for the fiscal year ending March 31, 2026 on a Group consolidated basis are net sales of ¥145.0 billion, operating profit of ¥19.0 billion, margin of 13%, profit of ¥13.0 billion, and ROE of 30% or more.
- We are targeting record levels of sales, operating profit and margin.

Performance goals(2)

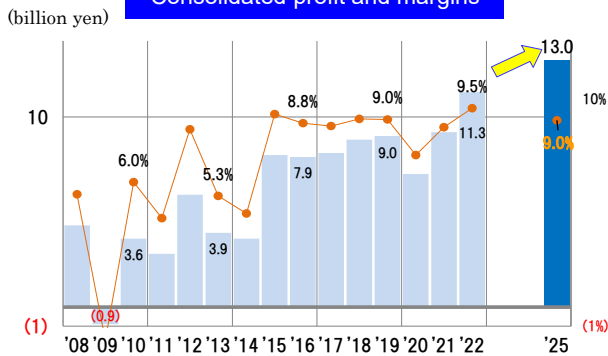
Consolidated net sales



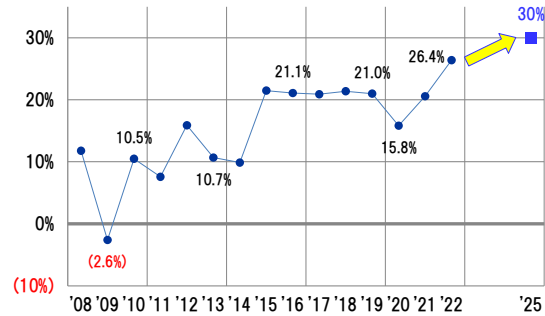
Consolidated operating profit and operating profit margins



Consolidated profit and margins



Consolidated ROE

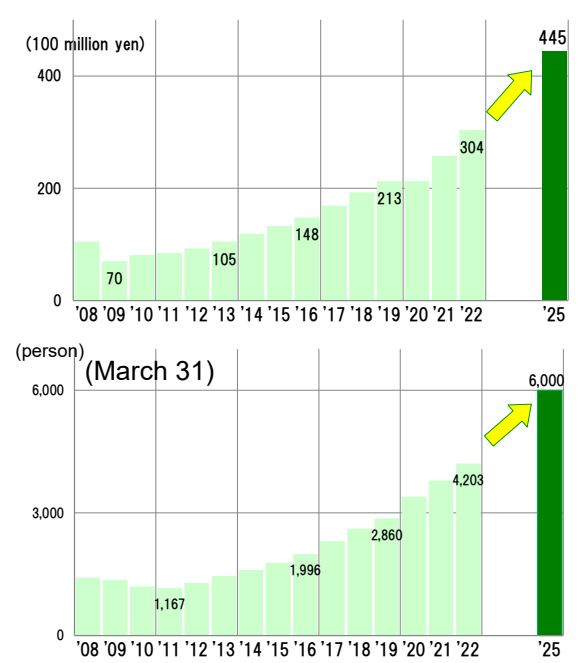
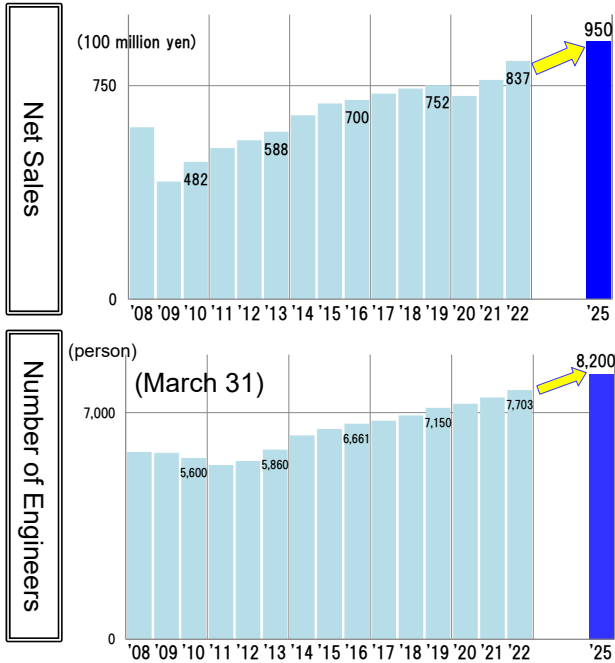


- The specific breakdown is shown on the next slide. Net sales is on the top left and operating profit is on the top right. As they respectively indicate, we aim to achieve the goals with a high growth rate.

Performance goals(3)

Meitec
Accelerate with a focus on operations that increase value for customers of the two services

Meitec Fielders
Aiming to be No. 1 in the Midrange Zone, strive to increase speed (expansion, transfer, decision)



- Next, we show the goals for Meitec and Meitec Fielders side by side.
- Meitec is aiming for net sales of ¥95.0 billion and 8,200 engineers, while Meitec Fielders is aiming for net sales of ¥44.5 billion and 6,000 engineers.

1. Type of organization

company with audit and supervisory committee

2. Composition of the Board of directors, etc.

- A) Approximately 10 directors
- B) Majority are Independent outside directors
- C) At least 2 Internal directors
- D) Gender and male/female ratio of at least 10% each
- E) Number of directors who are not Audit and supervisory committee member \geq Number of directors who are Audit and Supervisory Committee member
- F) Tenure of an Independent outside director is up to eight years
- G) Independent outside directors may serve concurrently at no more than three listed companies, including the Company

3. The Company established following distinctive committee chaired by an outside director.

- ✓ Officer Appointment Advisory Committee

Chairman: Outside Director;

Members: CEO and Outside Directors

Evaluating appropriateness of processes

- Appointment/dismissal of Representative Director & CEO

- Nomination of directors candidates

- Performance evaluation and Remuneration of inside executive directors

4. Calculation Method of Executive Remuneration

Remuneration Amounts to Individual Executives ¥1K=JPY1,000-

	Yearly payment		Monthly	
CEO, President, Representative	¥28,800K	(Monthly	¥2,400K)
Senior Vice President	¥24,000K	(Monthly	¥2,000K)
Executive	¥19,200K	(Monthly	¥1,600K)
Chairman of the Audit and Supervisory Committee	¥24,000K	(Monthly	¥2,000K)
Independent Outside	¥10,800K	(Monthly	¥900K)

Performance-linked Remuneration for internal Executive Directors(only).

Consolidated profit (not including performance-linked directors' remuneration)	x within 2.5%
	Upper limit: 250 million yen annually

Of which the equivalent to 20% of post-tax value	Allocated for purchase of treasury shares (Directors shareholding association method)
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Independent Outside Directors and Directors who are Audit and Supervisory Committee Members are not eligible for payment.

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- Moving along, I would like to discuss corporate governance.
- As already announced, we will transition to a holding company structure and to a company with audit and supervisory committee in October this year.
- The corporate governance structure following transition is as indicated.
- We strive to achieve sustainable growth and to increase our corporate value, while working to continuously improve the five values and to enhance our corporate governance.
- That concludes my explanation about the three-year Mid-term Management Plan.

3. Forecast for the Fiscal Year Ending March 31, 2024



- With this in mind, next, I will discuss our forecasts for the fiscal year ending March 31, 2024.

Forecast for the Fiscal Year Ending March 31, 2024 (Group Consolidated)

- ✓ Net sales +6.2% year on year at ¥126.5 billion with operating profit +2.0% year on year at ¥16.8 billion
- ✓ SG&A expenses +9.0% year on year ⇒ Expect an increase in hiring-related expenses
- ✓ Profit -6.1% year on year at ¥11.5 billion ⇒ No expectation of decreased tax burden like in the previous fiscal year

	(Fractions of one million yen are rounded down)						
	Forecast FY ending March 31, 2024	YoY Amount	% Change	Forecast 1st half ending Sept.30, 2023	YoY Amount	% Change	Forecast 2nd Half
Net sales	126,500	+7,430	+6.2%	62,400	+4,370	+7.5%	64,100
Cost of sales	92,000	+5,639	+6.5%	45,800	+3,442	+8.1%	46,200
SG&A Expenses	17,700	+1,454	+9.0%	8,800	+711	+8.8%	8,900
Operating profit	16,800	+337	+2.0%	7,800	+215	+2.8%	9,000
Operating profit margins	13.3%	(0.5%)		12.5%	(0.6%)		14.0%
Ordinary profit	16,800	+259	+1.6%	7,900	+264	+3.5%	8,900
Profit attributable to owners of parent	11,500	(752)	(6.1%)	5,200	+92	+1.8%	6,300
Earnings per Share	146.64	(7.23)		66.31	+2.57		

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- This shows our consolidated forecasts for the Group.
- We forecast net sales to increase 6.2% year on year to ¥126.5 billion, operating profit to increase 2.0% year on year to ¥16.8 billion and profit attributable to owners of parent to decrease 6.1% year on year to ¥11.5 billion because we are unable to expect the same decrease in tax burden as the previous fiscal year.

Forecast for the Fiscal Year Ending March 31, 2024 (Meitec)

- ✓ Forecast net sales +4.5% year on year, operating profit -0.1% year on year, and profit -3.9% year on year
- ✓ SG&A expenses +10.2% year on year ⇒ Expect an increase in hiring-related expenses, etc.

(Fractions of one million yen are rounded down)	Forecast FY ending March 31, 2024	YoY Amount	% Change	Forecast 1st half ending Sept.30, 2023	YoY Amount	% Change	Forecast 2nd Half
Net sales	87,500	+ 3,734	+ 4.5%	43,400	+ 2,500	+ 6.1%	44,100
Cost of sales	62,800	+ 2,682	+ 4.5%	31,500	+ 1,865	+ 6.3%	31,300
Cost of sales to Net sales	71.8%	+ 0.0%		72.6%	+ 0.1%		71.0%
SG&A Expenses	11,500	+ 1,063	+ 10.2%	5,800	+ 623	+ 12.0%	5,700
Operating profit	13,200	(12)	(0.1%)	6,100	+ 11	+ 0.2%	7,100
Operating profit margins	15.1%	(0.7%)		14.1%	(0.8%)		16.1%
Ordinary profit	14,400	+ 286	+ 2.0%	7,400	+ 413	+ 5.9%	7,000
Profit	10,300	(419)	(3.9%)	5,200	+ 262	+ 5.3%	5,100
Utilization ratio (Company-wide)	97.3%	+ 0.1%		96.0%	+ 0.4%		98.6%
Working Hours〈h/day〉	8.38	—		8.34	—		8.42
Number of Recruitment	699	—					
Newly graduated	459	(15)					
Mid-career	240	+ 15					
Turnover Ratio	7.0%	+ 1.1%					
				Target of the New Graduates to be hired for April 2024	To Apr. 2023		
				500	+ 41		

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- This shows our forecasts for Meitec.
- We forecast net sales of ¥87.5 billion, up 4.5% year on year, and operating profit of ¥13.2 billion, down 0.1% year on year.
- The forecast decrease in operating profit is mainly due to the increase in SG&A expenses.
- We are expecting SG&A expenses to increase 10.2% year on year to ¥11.5 billion with the expectations for an increase in hiring-related expenses and other factors.
- We forecast profit attributable to owners of parent to decrease 3.9% year on year to ¥10.3 billion since we are unable to expect the same decrease in tax burden as the previous fiscal year.

Forecast for the Fiscal Year Ending March 31, 2024 (Meitec Fielders)

- ✓ Net sales +11.6% year on year, operating profit +12.4% year on year → Expect an accelerated pace of assignments and an increase in the number of engineers assigned to clients
- ✓ SG&A expenses +7.4% year on year ⇒ Expect an increase in hiring-related expenses, etc.

(Fractions of one million yen are rounded down)	Forecast FY ending March 31, 2024	YoY Amount	% Change	Forecast 1st half ending Sept.30, 2023	YoY Amount	% Change	Forecast 2nd Half
Net sales	34,000	+ 3,528	+ 11.6%	16,600	+ 1,912	+ 13.0%	17,400
Cost of sales	26,450	+ 2,888	+ 12.3%	12,950	+ 1,535	+ 13.5%	13,500
Cost of sales to Net sales	77.8%	+ 0.5%		78.0%	+ 0.3%		77.6%
SG&A Expenses	4,700	+ 324	+ 7.4%	2,300	+ 128	+ 5.9%	2,400
Operating profit	2,850	+ 315	+ 12.4%	1,350	+ 248	+ 22.5%	1,500
Operating profit margins	8.4%	+ 0.1%		8.1%	+ 0.6%		8.6%
Ordinary profit	2,850	+ 314	+ 12.4%	1,350	+ 247	+ 22.5%	1,500
Profit	1,950	+ 36	+ 1.9%	900	+ 142	+ 18.8%	1,050
Utilization ratio (Company-wide)	94.4%	+ 1.1%		92.6%	+ 2.4%		96.1%
Working Hours ⟨h/day⟩	8.26	—		8.24	—		8.29
Number of Recruitment	965	(43)					
Newly graduated	365	(46)					
Mid-career	600	+ 3					
Turnover Ratio	10.0%	(3.9%)					
				Target of the New Graduates to be hired for April 2024	To Apr. 2023		
				450	+ 85		

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- This shows our forecasts for Meitec Fielders.
- We forecast net sales of ¥34.0 billion, up 11.6% year on year, and operating profit of ¥2.85 billion, up 12.4% year on year.
- We are expecting SG&A expenses to increase 7.4% year on year due to our aim to increase the number of recruitment.
- We forecast profit attributable to owners of parent to increase 1.9% year on year to ¥1.95 billion, since, like Meitec, we are unable to expect a decrease in tax burden as the previous fiscal year.

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	
		<Target>	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

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- This shows our hiring target.
- Mid-career hiring targets are 240 hires by Meitec and 600 hires by Meitec Fielders.
- The hiring environment remains extremely challenging but we will continue to maintain hiring standards in order to carry out design and development operations that involve state-of-the-art technologies. We will proactively recruit, while placing great importance on the creation of contact points with every individual.
- The target of the new graduates to be hired in April 2024 is above last year's results.
- Meitec ranks 24th among Japanese companies, and third when only looking at the number of science and engineering graduates, according to a ranking of new graduates hiring targets reported in a newspaper article. This illustrates our extremely ambitious hiring target.
- Although the targets are high, we hope to achieve a situation where we welcome many people as members of the Meitec Group, while publicly promoting a style of career as a lifelong professional in the Group.

Basic Policy Regarding Profit Distribution

- ✓ Profit distribution of the New Medium-Term Management Plan follows the established policy based on adequacy of quality and quantity of capital and funds.

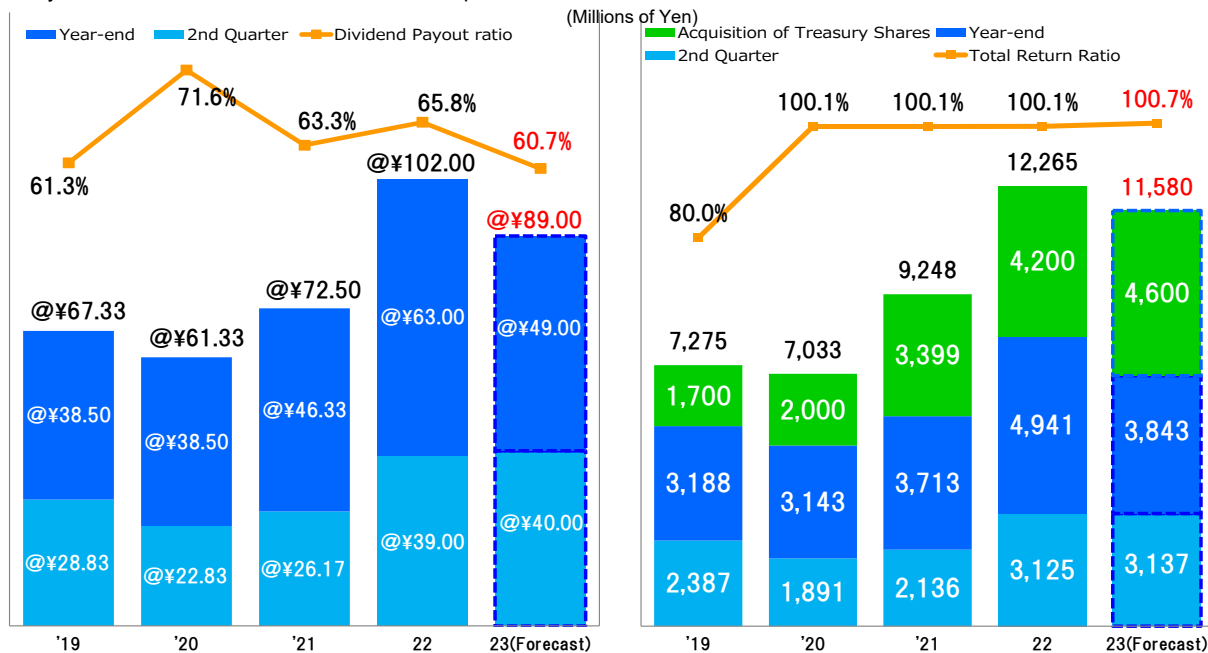
Revised Nov. 2018 Revised May 2017 Revised May 2011 Profit distribution policy	1. Enhance “quality and quantity” of the shareholders’ equity 2. Balance of funds exceeds the funds necessary for business operations* (*3 months consolidated net sales)	
	Total Return Ratio : Basically within 100%	
Dividend	Dividend related to performances : Equal or more than 50% of consolidated profit	
	Minimum Dividend : Consolidated Dividend on Equity ratio (DOE) 5%	
Treasury shares acquisition, possession and retirement	Acquire : Carry out as appropriate, taking the total return ratio and dividend payout ratio levels into consideration	
	Possess Maximum of 5% of shares issued	Retired Excess above maxim to be retired by the end of the fiscal year

- ✓ To realize the flexible financial position, for the implementation of future growth strategies and response to the risk associated in achieving the goals of the management plan, treasury shares will be held by the company.

- This shows our profit distribution.
- At present, we recognize that we have mostly enhanced “quality and quantity” of shareholders’ equity. Therefore, our approach in the new Mid-term Management Plan is that our total return ratio will be within 100%, in line with our basic policy.

Results and Forecast of Profit Distribution

- ✓ The year-end dividend for FY2022 will be ¥63 per share, and together with the interim dividend of ¥39 per share, this will result in an annual dividend of ¥102 per share
- ✓ In FY2023, we are forecasting a total return ratio of 100% = an anticipated dividend payout ratio of 60% + an anticipated share buyback 40%, and an annual dividend of ¥89 per share



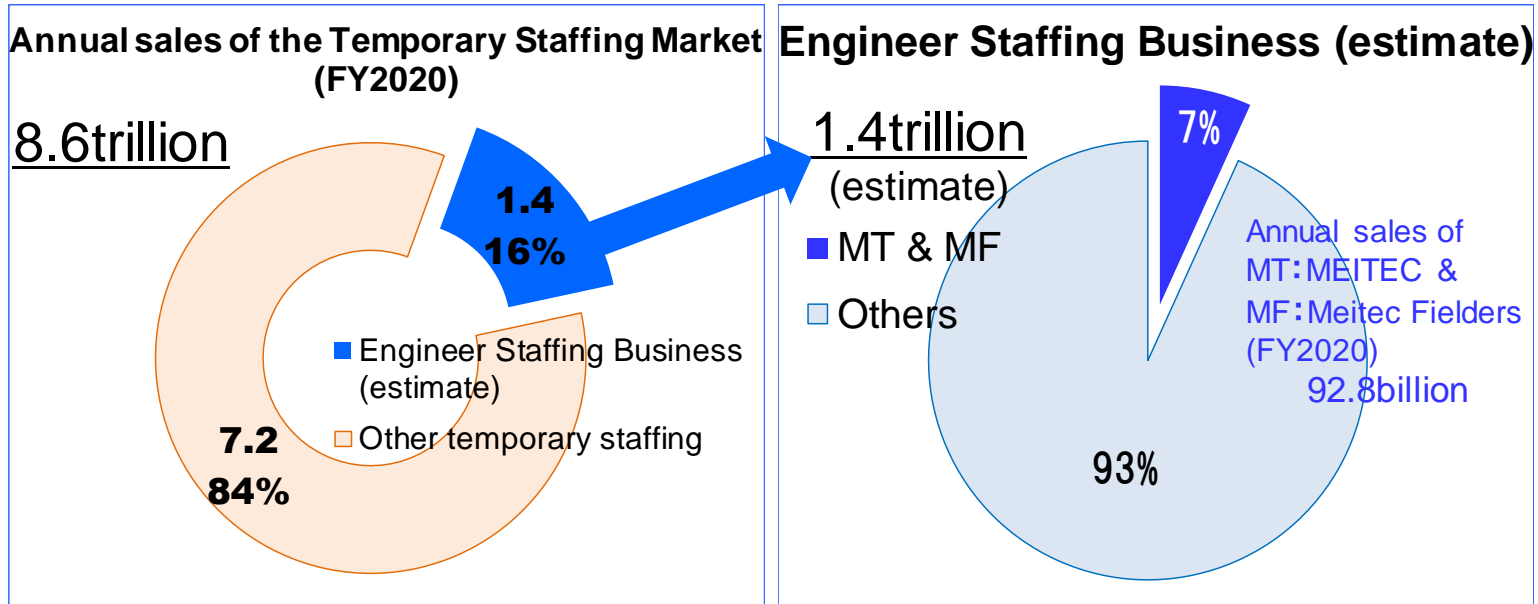
*1 The dividend payout ratio is the ratio of the total amount of dividends paid out to shareholders relative to the net income.

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- Lastly, I will discuss our results and forecast of profit distribution.
- As for the year-end dividend of the fiscal year ended March 31, 2023, we increased our dividend by ¥18 per share to ¥63 per share from the forecast of ¥45 per share announced in October 2022, because profit attributable to owners of parent exceeded our forecast. We will seek approval for this higher dividend at the general meeting of shareholders.
- Together with the interim dividend of ¥39 per share, this will result in an annual dividend of ¥102 per share, up ¥29.50 per share.
- In accordance with our basic policy, the forecast for the fiscal year ending March 31, 2024 will in principle be a total return ratio of within 100%.
- As noted earlier, the forecast for profit attributable to owners of parent is ¥11.5 billion. So, we forecast total annual ordinary dividends of about ¥6.9 billion, which is ¥89 per share, and we forecast a treasury share acquisition of ¥4.6 billion.
- That concludes my explanation. Going forward, the Meitec Group will strive to achieve even greater growth and to meet shareholders' expectations. We appreciate your continuing support and understanding.
Thank you for listening.

4. Reference Materials

Market of Engineer Staffing Business (estimate)



March-2023		Engineer Staffing (estimate)
Meitec	Meitec Fielders	
¥5,535	¥3,860	
		approx.¥3,800

Source: MHLW statistics . We calculated the estimate originally. * We assume no responsibility for our estimation.

Results for the Fiscal Year Ended March 31, 2023

	Engineering Solutions Business				Recruiting & Placement Business for Engineers
	Meitec	Meitec Fielders	Meitec Cast	Meitec EX	Meitec Next
(Fractions of one million yen are rounded down)					
Net sales	83,765	30,471	3,331	334	1,681
YoY Amount	+6,754	+4,657	+333	+14	+151
% Change	+8.8%	+18.0%	+11.1%	+4.5%	+9.9%
Operating profit	13,212	2,534	230	(0)	547
YoY Amount	+2,665	+803	+40	+4	+72
% Change	+25.3%	+46.4%	+21.2%	—	+15.3%
Ordinary profit	14,113	2,535	230	(0)	547
Profit	10,719	1,913	149	(0)	356

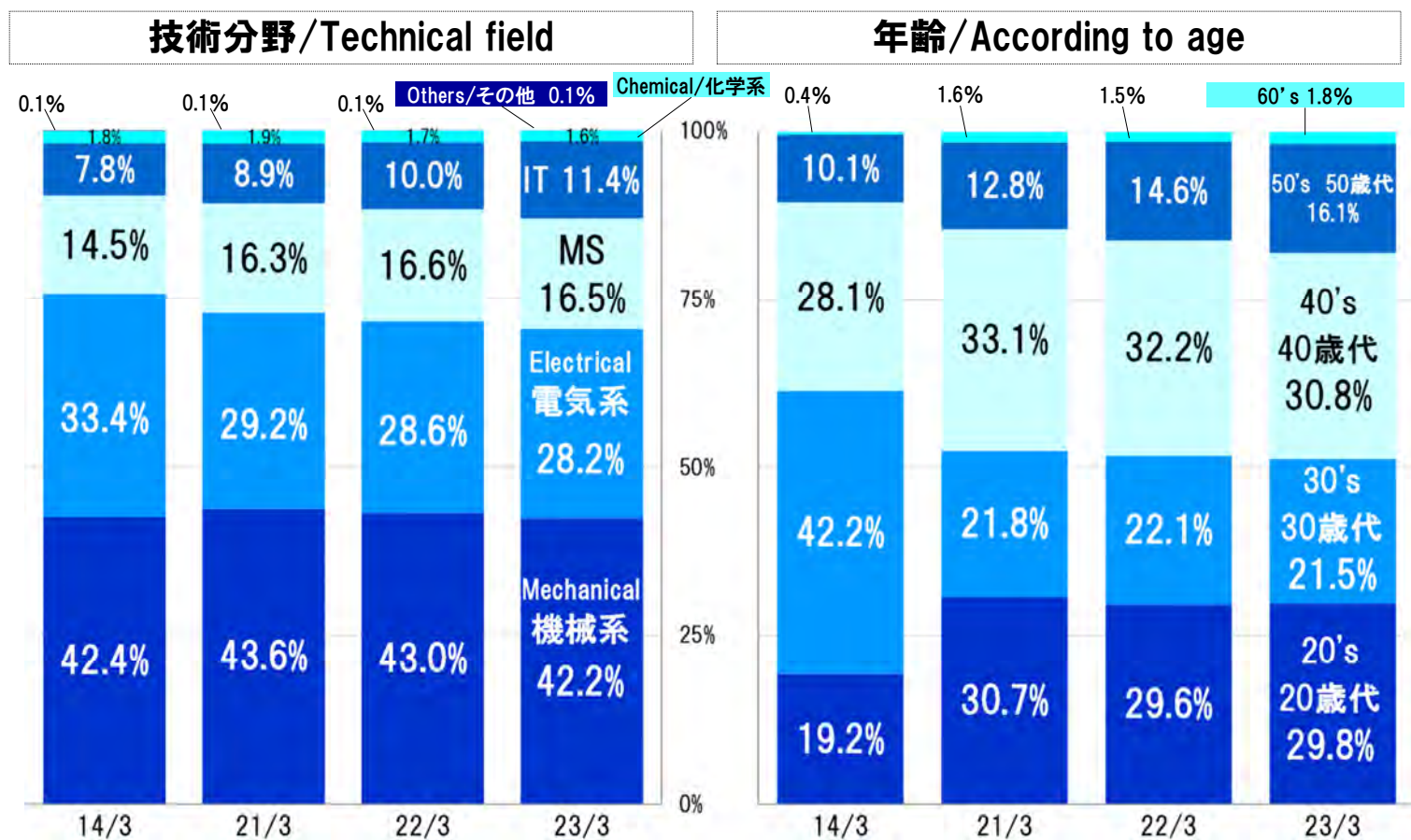
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Forecast for the Fiscal Year Ending March 31, 2024

	Engineering Solutions Business				Recruiting & Placement Business for Engineers
	Meitec	Meitec Fielders	Meitec Cast	Meitec EX	Meitec Next
(Millions of yen)					
Net sales	87,500	34,000	3,500	340	1,550
YoY Amount	+3,734	+3,528	+168	+5	(131)
% Change	+4.5%	+11.6%	+5.1%	+1.8%	(7.8%)
Operating profit	13,200	2,850	230	0	500
YoY Amount	(12)	+315	—	—	(47)
% Change	(0.1%)	+12.4%	(0.0%)	—	(8.6%)
Ordinary profit	14,400	2,850	230	0	500
Profit	10,300	1,950	140	0	310

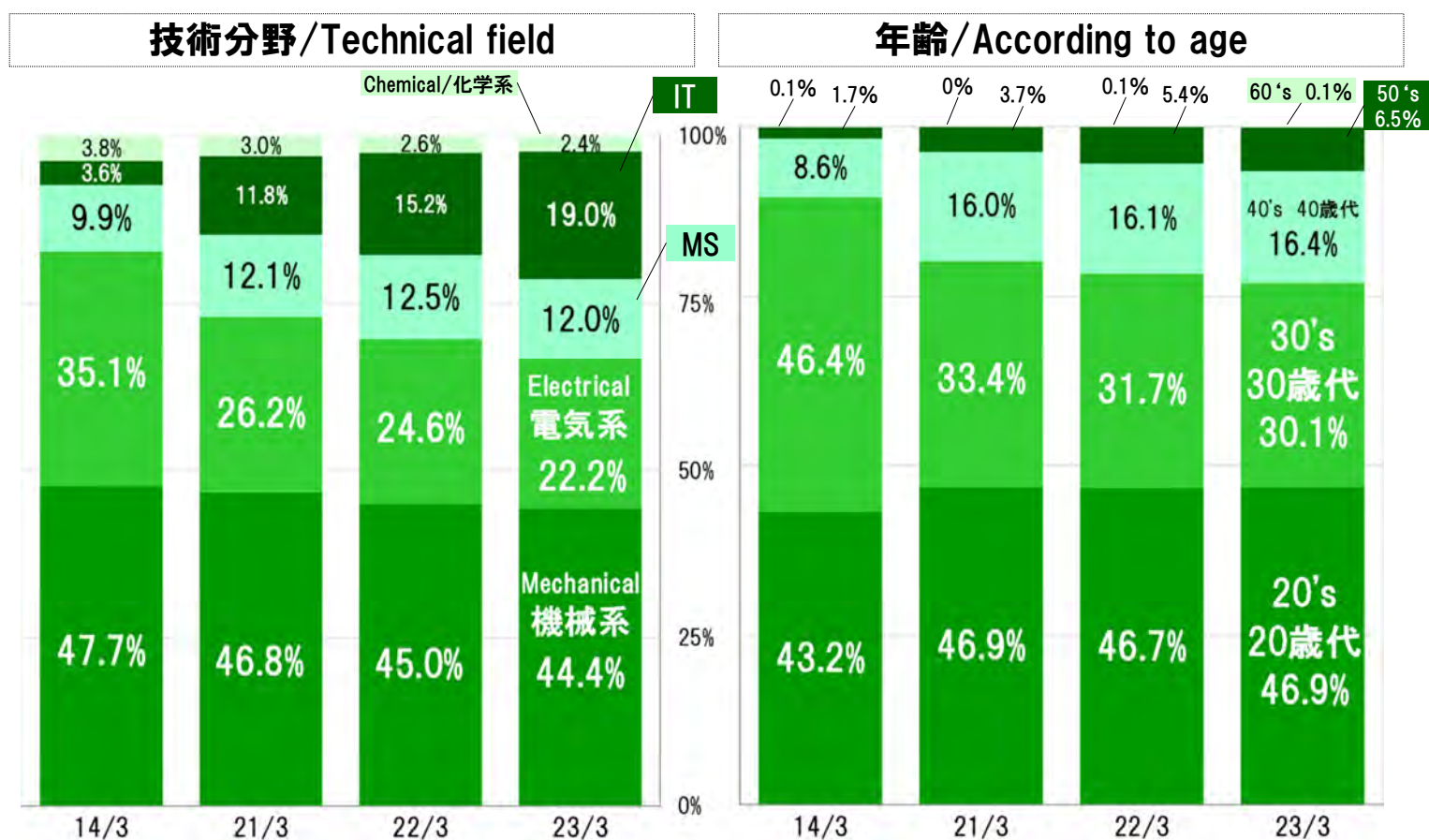
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Distribution of Engineers by Technical Fields and Age (Meitec)



MS: Micro Computer System

Distribution of Engineers by Technical Fields and Age (Meitec Fielders)



MS: Micro Computer System

Sales by the Industrial Segments (Meitec)

Millions of Yen

Meitec	FY2018	FY2019	FY2020	FY2021	FY2022			
	Net Sales				Net Sales	Total Net Sales(%)	Change	Change (%)
Automobile/Transportation	22,214	22,513	20,239	21,161	22,769	27.2%	+1,608	+ 7.6%
Aircraft/Aerospace	4,646	4,636	4,084	3,936	4,198	5.0%	+261	+ 6.7%
Industrial Machinery	10,425	10,544	9,373	10,154	11,101	13.3%	+947	+ 9.3%
Precision Equipment	6,389	7,069	7,516	8,339	9,139	10.9%	+800	+9.6%
IT Related Hardware and Devices	3,831	3,615	3,604	3,658	3,623	4.3%	(35)	(1.0%)
Electric and Electronics	8,172	7,831	7,119	7,437	8,156	9.7%	+719	+ 9.7%
Semiconductors and Integrated Circuits Design	4,159	3,962	4,107	4,636	4,990	6.0%	+353	+ 7.6%
Semiconductor Equipment and Devices	2,649	2,698	2,942	3,372	3,897	4.7%	+525	+ 15.6%
Information Processing/Software	5,347	5,778	5,871	6,964	7,996	9.5%	+1,032	+ 14.8%
Plant	2,608	2,823	2,664	2,878	3,107	3.7%	+229	+ 8.0%
Construction	357	295	290	357	374	0.4%	+16	+ 4.5%
Others	3,234	3,526	3,638	4,113	4,409	5.3%	+296	+7.2%
Total	74,036	75,297	71,452	77,010	83,765	100.0%	+6,754	+ 8.8%

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Sales by the Industrial Segments (Meitec Fielders)

Millions of Yen

Meitec Fielders	FY2018	FY2019	FY2020	FY2021	FY2022			
	Net Sales				Net Sales	Total Net Sales(%)	Change	Change (%)
Automobile/Transportation	6,406	6,761	6,117	6,996	7,849	25.8%	+853	+ 12.2%
Aircraft/Aerospace	359	401	397	420	393	1.3%	(27)	(6.5%)
Industrial Machinery	3,280	3,984	4,012	4,699	5,764	18.9%	+1,064	+ 22.7%
Precision Equipment	2,395	2,709	2,838	3,375	3,654	12.0%	+279	+ 8.3%
IT Related Hardware and Devices	693	782	644	629	685	2.2%	+55	+ 8.8%
Electric and Electronics	2,169	2,231	2,191	2,549	3,108	10.2%	+558	+ 21.9%
Semiconductors and Integrated Circuits Design	690	702	731	882	1,087	3.6%	+205	+ 23.3%
Semiconductor Equipment and Devices	1,311	1,351	1,163	1,476	1,826	6.0%	+349	+ 23.6%
Information Processing/Software	513	766	1,142	1,881	2,693	8.8%	+812	+ 43.2%
Plant	601	710	922	1,079	1,139	3.7%	+60	+ 5.6%
Construction	103	11	9	27	48	0.2%	+20	+ 74.7%
Others	809	969	1,136	1,795	2,220	7.3%	+425	+ 23.7%
Total	19,336	21,383	21,308	25,814	30,471	100.0%	+4,657	+ 18.0%

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Trend of Performances (Group Consolidated)

(Millions of Yen)	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Net sales	79,898	53,776	61,790	66,955	70,330	74,906	82,136	87,888	89,979	93,618	97,736	100,995	96,626	107,140	119,069
Cost of sales	57,177	46,765	48,832	49,875	51,639	55,370	60,481	64,661	66,417	69,250	71,701	73,823	72,203	78,917	86,360
Cost of sales to Net sales	71.6%	87.0%	79.0%	74.5%	73.4%	73.9%	73.6%	73.6%	73.8%	74.0%	73.4%	73.1%	74.7%	73.7%	72.5%
Gross profit	22,720	7,010	12,957	17,079	18,691	19,536	21,654	23,227	23,561	24,368	26,035	27,171	24,422	28,223	32,708
Selling, general and administrative expenses	13,439	11,939	10,337	11,629	12,337	12,556	12,114	12,352	12,418	12,910	13,399	14,245	14,188	15,405	16,245
SG&A expenses to Net sales	16.8%	22.2%	16.7%	17.4%	17.5%	16.8%	14.7%	14.1%	13.8%	13.8%	13.7%	14.1%	14.7%	14.4%	13.6%
Operating profit	9,280	(4,928)	2,620	5,450	6,354	6,979	9,540	10,874	11,142	11,458	12,635	12,926	10,234	12,817	16,462
Operating profit margins	11.6%	(9.2%)	4.2%	8.1%	9.0%	9.3%	11.6%	12.4%	12.4%	12.2%	12.9%	12.8%	10.6%	12.0%	13.8%
Non-operating income	87	4,729	2,146	114	97	50	113	29	20	19	15	55	81	144	89
Non-operating expenses	107	77	178	32	24	51	10	58	17	11	7	6	9	13	11
Ordinary profit	9,260	(276)	4,588	5,531	6,427	6,978	9,643	10,845	11,145	11,465	12,643	12,975	10,306	12,948	16,540
Ordinary profit margins	11.6%	(0.5%)	7.4%	8.3%	9.1%	9.3%	11.7%	12.3%	12.4%	12.2%	12.9%	12.8%	10.7%	12.1%	13.9%
Extraordinary income	13	32	378	—	58	—	20	1,084	31	337	26	—	—	—	—
Extraordinary loss	1,094	130	234	4	215	146	3,621	65	45	262	18	3	4	5	3
Profit before income taxes	8,178	(374)	4,732	5,526	6,270	6,832	6,041	11,865	11,131	11,541	12,651	12,971	10,301	12,942	16,537
Total income taxes and others	3,875	530	1,041	2,699	277	2,858	2,381	3,781	3,193	3,409	3,822	3,878	3,272	3,701	4,285
Profit attributable to owners of parent	4,303	(904)	3,690	2,827	5,993	3,973	3,659	8,083	7,937	8,132	8,829	9,093	7,028	9,240	12,252
Profit margins	5.4%	(1.7%)	6.0%	4.2%	8.5%	5.3%	4.5%	9.2%	8.8%	8.7%	9.0%	9.0%	7.3%	8.6%	10.3%

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Trend of Performances (Meitec)

(Millions of Yen)	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Net sales	60,457	41,319	48,260	53,188	55,822	58,876	64,675	68,878	70,083	72,252	74,036	75,297	71,452	77,010	83,765
Cost of sales	43,109	36,074	38,777	39,987	41,240	43,742	47,857	50,884	52,013	53,861	54,620	55,138	53,438	56,503	60,117
Cost of sales to Net sales	71.3%	87.3%	80.4%	75.2%	73.9%	74.3%	74.0%	73.9%	74.2%	74.5%	73.8%	73.2%	74.8%	73.4%	71.8%
Gross profit	17,348	5,245	9,482	13,200	14,582	15,134	16,817	17,994	18,069	18,391	19,416	20,159	18,014	20,507	23,648
Selling, general and administrative expenses	8,540	8,210	7,758	8,587	9,179	9,382	8,891	8,932	8,856	9,048	9,258	9,776	9,414	9,960	10,436
SG&A expenses to Net sales	14.1%	19.9%	16.1%	16.1%	16.4%	15.9%	13.7%	13.0%	12.6%	12.5%	12.5%	13.0%	13.2%	12.9%	12.5%
Operating profit	8,807	(2,964)	1,724	4,613	5,402	5,751	7,925	9,061	9,213	9,342	10,157	10,382	8,600	10,546	13,212
Operating profit margins	14.6%	(7.2%)	3.6%	8.7%	9.7%	9.8%	12.3%	13.2%	13.1%	12.9%	13.7%	13.8%	12.0%	13.7%	15.8%
Non-operating income	564	3,840	1,976	389	314	426	523	517	601	769	769	913	956	592	913
Non-operating expenses	76	53	150	14	19	426	10	52	16	6	6	5	8	13	11
Ordinary interests in income	9,294	822	3,550	4,988	5,698	6,149	8,438	9,526	9,798	10,105	10,921	11,290	9,547	11,125	14,113
Ordinary profit margins	15.4%	2.0%	7.4%	9.4%	10.2%	10.4%	13.0%	13.8%	14.0%	14.0%	14.8%	15.0%	13.4%	14.4%	16.8%
Extraordinary income	7	2	3	—	462	—	324	1,088	200	364	16	—	—	—	—
Extraordinary loss	2,912	626	318	66	228	372	3,673	50	222	261	52	2	4	5	3
Profit before income taxes	6,389	197	3,236	4,921	5,932	5,776	5,089	10,563	9,776	10,208	10,885	11,287	9,542	11,120	14,110
Total income taxes	3,391	144	1,094	2,331	(124)	2,352	1,749	3,171	2,702	2,747	3,117	3,174	2,719	3,068	3,391
Profit	2,998	53	2,141	2,590	6,056	3,425	3,340	7,391	7,073	7,461	7,768	8,112	6,823	8,051	10,719
Profit margins	5.0%	0.1%	4.4%	4.9%	10.8%	5.8%	5.2%	10.7%	10.1%	10.3%	10.5%	10.8%	9.5%	10.5%	12.8%

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Trend of Performances (Meitec Fielders)

(Millions of Yen)	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Net sales	10,582	7,050	8,175	8,510	9,349	10,587	11,911	13,327	14,865	16,981	19,336	21,383	21,308	25,814	30,471
Cost of sales	7,744	6,621	6,361	6,387	7,061	8,084	9,154	10,288	11,540	13,173	14,941	16,476	16,542	20,015	23,561
Cost of sales to Net sales	73.2%	93.9%	77.8%	75.1%	75.5%	76.4%	76.9%	77.2%	77.6%	77.6%	77.3%	77.1%	77.6%	77.5%	77.3%
Gross profit	2,837	429	1,814	2,122	2,287	2,502	2,757	3,039	3,325	3,808	4,394	4,906	4,765	5,798	6,910
Selling, general and administrative expenses	2,018	1,890	1,238	1,585	1,639	1,646	1,682	1,834	1,978	2,351	2,660	2,962	3,586	4,067	4,375
SG&A expenses to Net sales	19.1%	26.8%	15.1%	18.6%	17.5%	15.5%	14.1%	13.8%	13.3%	13.8%	13.8%	13.9%	16.8%	15.8%	14.4%
Operating profit	819	(1,461)	575	537	648	856	1,073	1,204	1,346	1,456	1,734	1,944	1,178	1,731	2,534
Operating profit margins	7.7%	(20.7%)	7.0%	6.3%	6.9%	8.1%	9.0%	9.0%	9.1%	8.6%	9.0%	9.1%	5.5%	6.7%	8.3%
Non-operating income	6	848	182	3	3	1	—	—	1	—	1	1	—	1	—
Non-operating expenses	—	5	1	—	—	15	—	—	1	4	—	—	2	—	—
Ordinary profit	825	(618)	757	540	651	841	1,074	1,205	1,346	1,452	1,735	1,945	1,177	1,732	2,535
Ordinary profit margins	7.8%	(8.8%)	9.3%	6.3%	7.0%	7.9%	9.0%	9.0%	9.1%	8.6%	9.0%	9.1%	5.5%	6.7%	8.3%
Extraordinary income	—	—	1	—	—	—	—	—	—	1	—	—	—	—	—
Extraordinary loss	13	2	1	—	—	—	5	7	—	—	—	—	—	—	—
Profit before income taxes	811	(620)	756	540	651	841	1,068	1,198	1,346	1,453	1,735	1,945	1,177	1,732	2,535
Total income taxes	344	313	(187)	264	272	358	420	412	301	422	444	484	370	395	621
Profit	467	(933)	943	275	378	483	648	786	1,045	1,031	1,291	1,461	805	1,337	1,913
Profit margins	4.4%	(13.2%)	11.5%	3.2%	4.0%	4.6%	5.4%	5.9%	7.0%	6.1%	6.7%	6.8%	3.8%	5.2%	6.3%

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Trend of Performances (Meitec Next)

(Millions of Yen)	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Net sales	480	334	438	593	734	872	1,131	1,321	1,483	1,662	1,762	1,639	1,216	1,530	1,681
Cost of sales															
Cost of sales to Net sales															
Gross profit	480	334	438	593	734	872	1,131	1,321	1,483	1,662	1,762	1,639	1,216	1,530	1,681
Selling, general and administrative expenses	559	349	333	446	512	577	746	887	966	1,116	1,203	1,204	942	1,055	1,134
SG&A expenses to Net sales	116.5%	104.5%	76.0%	75.2%	69.8%	66.2%	66.0%	67.1%	65.1%	67.2%	68.2%	73.5%	77.5%	69.0%	67.5%
Operating profit	(78)	(14)	104	147	221	295	385	433	517	545	559	434	273	474	547
Operating profit margins	(16.3%)	(4.2%)	23.7%	24.8%	30.1%	33.8%	34.0%	32.8%	34.9%	32.8%	31.8%	26.5%	22.5%	31.0%	32.5%
Non-operating income	—	2	2	—	—	—	—	—	—	—	—	—	—	0	0
Non-operating expenses	—	—	—	—	—	—	—	—	—	—	—	1	—	0	—
Ordinary profit	(78)	(12)	106	147	221	295	385	433	517	545	559	432	274	474	547
Ordinary profit margins	(16.3%)	(3.6%)	24.2%	24.8%	30.1%	33.8%	34.0%	32.8%	34.9%	32.8%	31.7%	26.4%	22.5%	31.0%	32.5%
Extraordinary income	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Extraordinary loss	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Profit before income taxes	(78)	(13)	106	147	221	295	385	433	517	544	559	432	274	474	547
Total income taxes	1	—	—	—	19	95	141	145	182	193	198	152	96	169	190
Profit	(79)	(14)	105	147	201	200	243	288	334	350	361	279	177	305	356
Profit margins	(16.5%)	(4.2%)	24.0%	24.8%	27.4%	22.9%	21.5%	21.8%	22.6%	21.1%	20.5%	17.1%	14.6%	20.0%	21.2%

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Trend of Balance Sheets (Group Consolidated)

(Millions of Yen)	2008/3/31	2009/3/31	2010/3/31	2011/3/31	2012/3/31	2013/3/31	2014/3/31	2015/3/31	2016/3/31	2017/3/31	2018/3/31	2019/3/31	2020/3/31	2021/3/31	2022/3/31	2023/3/31
Cash and deposits	18,512	18,526	14,732	23,999	26,686	26,592	30,104	34,773	35,413	37,259	41,753	45,052	47,033	45,132	49,706	51,028
Notes and accounts receivable - trade	12,841	10,985	9,582	10,245	10,675	10,887	11,297	12,858	13,823	13,400	13,816	13,884	14,696	14,600	16,098	17,354
Total current assets	35,356	33,295	28,444	37,661	40,643	41,802	44,998	51,639	53,104	54,742	59,325	60,036	62,679	60,885	66,937	69,484
Property, plant and equipment	13,374	12,818	12,069	11,688	11,257	10,908	10,555	7,207	5,721	5,552	5,399	5,402	5,332	5,122	5,002	4,785
Total non-current assets	22,428	20,934	19,180	18,053	16,915	16,199	16,447	13,458	11,363	11,634	11,608	14,579	14,814	14,153	14,652	15,091
Total assets	57,784	54,230	47,625	55,714	57,559	58,002	61,445	65,098	64,468	66,377	70,934	74,615	77,493	75,038	81,590	84,576
Total current liabilities	13,764	11,026	6,392	10,016	11,165	9,683	12,589	15,797	13,650	14,662	16,176	16,927	17,228	14,272	19,669	20,824
Total non-current liabilities	6,422	7,034	7,789	8,603	9,183	9,895	12,667	11,735	13,212	13,860	14,617	15,317	15,937	16,294	16,633	17,032
Total liabilities	20,186	18,061	14,181	18,619	20,349	19,579	25,257	27,532	26,862	28,523	30,794	32,244	33,166	30,566	36,302	37,856
Shareholders' equity	38,048	36,747	34,101	37,745	38,017	39,264	38,299	39,619	39,973	39,970	42,078	44,173	45,950	45,898	46,457	47,671
Other net assets	(449)	(577)	(658)	(651)	(808)	(841)	(2,111)	(2,054)	(2,367)	(2,116)	(1,939)	(1,802)	(1,623)	(1,426)	(1,169)	(951)
Total net assets	37,598	36,169	33,443	37,094	37,209	38,422	36,188	37,565	37,605	37,854	40,139	42,371	44,327	44,472	45,287	46,719

Cash flows from operating activities	8,486	6,308	(1,545)	9,291	5,753	5,205	8,893	8,434	6,910	10,186	10,957	10,273	9,837	5,487	13,532	12,808
Cash flows from investing activities	124	623	(19)	287	(292)	(465)	(398)	(275)	1,487	(325)	(464)	(240)	(536)	(307)	(270)	(446)
Cash flows from financing activities	(5,997)	(5,580)	(1,835)	(104)	(2,769)	(4,837)	(4,991)	(3,495)	(7,752)	(8,011)	(5,999)	(6,734)	(7,319)	(7,080)	(8,688)	(11,040)
Net increase (decrease) in cash and cash equivalents	+2,634	+1,313	(3,394)	+9,467	+2,691	(93)	+3,511	+4,668	+643	+1,845	+4,493	+3,298	+1,980	(1,900)	+4,574	+1,321

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Trend of Profit Distributions and Forecast

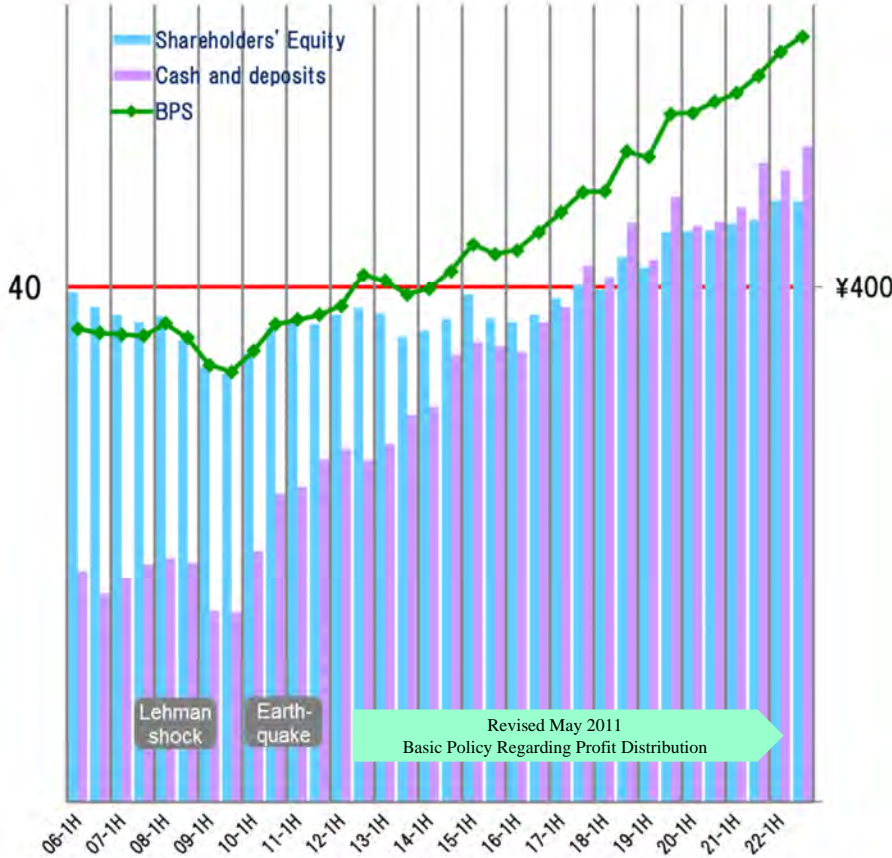
(Fractions of one million yen are rounded)	FY2012	FY2013	FY2014	FY2015	FY2016	FY2017	FY2018	FY2019	FY2020	FY2021	FY2022	FY2023
Total Return Ratio	99.0%	101.2%	116.8%	100.0%	100.1%	80.0%	80.0%	80.0%	100.1%	100.1%	100.1%	100.7%
¹ Dividend Payout ratio	52.3%	55.9%	92.2%	53.0%	54.7%	61.6%	63.1%	61.3%	71.6%	63.3%	65.8%	60.7%
Dividend on Equity	8.4%	6.0%	9.2%	11.4%	11.6%	12.9%	13.6%	12.9%	11.4%	13.1%	17.6%	
² Annual Dividends												
Per Share	@¥33.00	@¥24.00	@¥37.00	@¥48.00	@¥50.50	@¥59.00	@¥66.50	@¥67.33	@¥61.33	@¥72.50	@¥102.00	@¥89.00
Millions of Yen	3,134	2,220	3,373	4,286	4,344	5,008	5,567	5,575	5,033	5,848	8,065	6,980
² 2nd Quarter												
Per Share	@¥10.00	@¥10.50	@¥14.67	@¥21.00	@¥22.67	@¥24.83	@¥28.00	@¥28.83	@¥22.83	@¥26.17	@¥39.00	@¥40.00
Millions of Yen	981	983	1,344	1,908	1,968	2,119	2,344	2,387	1,891	2,136	3,125	3,137
² Year-end												
Per Share	@¥23.00	@¥13.50	@¥22.33	@¥27.00	@¥27.83	@¥34.17	@¥38.50	@¥38.50	@¥38.50	@¥46.33	@¥63.00	@¥49.00
Millions of Yen	2,153	1,237	2,029	2,378	2,375	2,889	3,223	3,188	3,143	3,713	4,941	3,843
Acquisition of Treasury Shares												
Thousands of shares	1,506	641	269	921	915	257	280	303	390	500	1,704	
Millions of Yen	2,800	1,800	899	3,799	3,600	1,500	1,500	1,700	2,000	3,399	4,200	4,600
Total Shareholders Return	5,934	4,020	4,273	8,086	7,944	6,508	7,067	7,275	7,033	9,248	12,265	11,580
Retirement of Treasury Stock	1,700	500	300	900	1,300		700	300	400	500	1,800	
Stock Price TSE#9744												
As of April 1	¥560	¥731	¥952	¥1,322	¥1,288	¥1,502	¥1,987	¥1,710	¥1,355	¥2,013	¥2,220	¥2,363
As of March 31	¥781	¥977	¥1,342	¥1,312	¥1,507	¥1,963	¥1,677	¥1,433	¥2,037	¥2,217	¥2,364	
Profit	5,993	3,974	3,660	8,084	7,937	8,132	8,829	9,093	7,029	9,241	12,253	11,500
² Earnings per Share	@¥62.03	@¥42.77	@¥40.04	@¥89.75	@¥91.44	@¥95.55	@¥105.14	@¥109.45	@¥85.26	@¥113.85	@¥153.87	@¥146.64
² Net Assets per Share	@¥409.87	@¥394.28	@¥412.93	@¥426.20	@¥443.52	@¥474.67	@¥506.14	@¥535.34	@¥544.81	@¥565.21	@¥595.74	

*1 The dividend payout ratio is the ratio of the total amount of dividends paid out to shareholders relative to the net income.

*2 Per share index calculated based on the number of shares after the stock split (3 shares per share) effective July 1, 2022.

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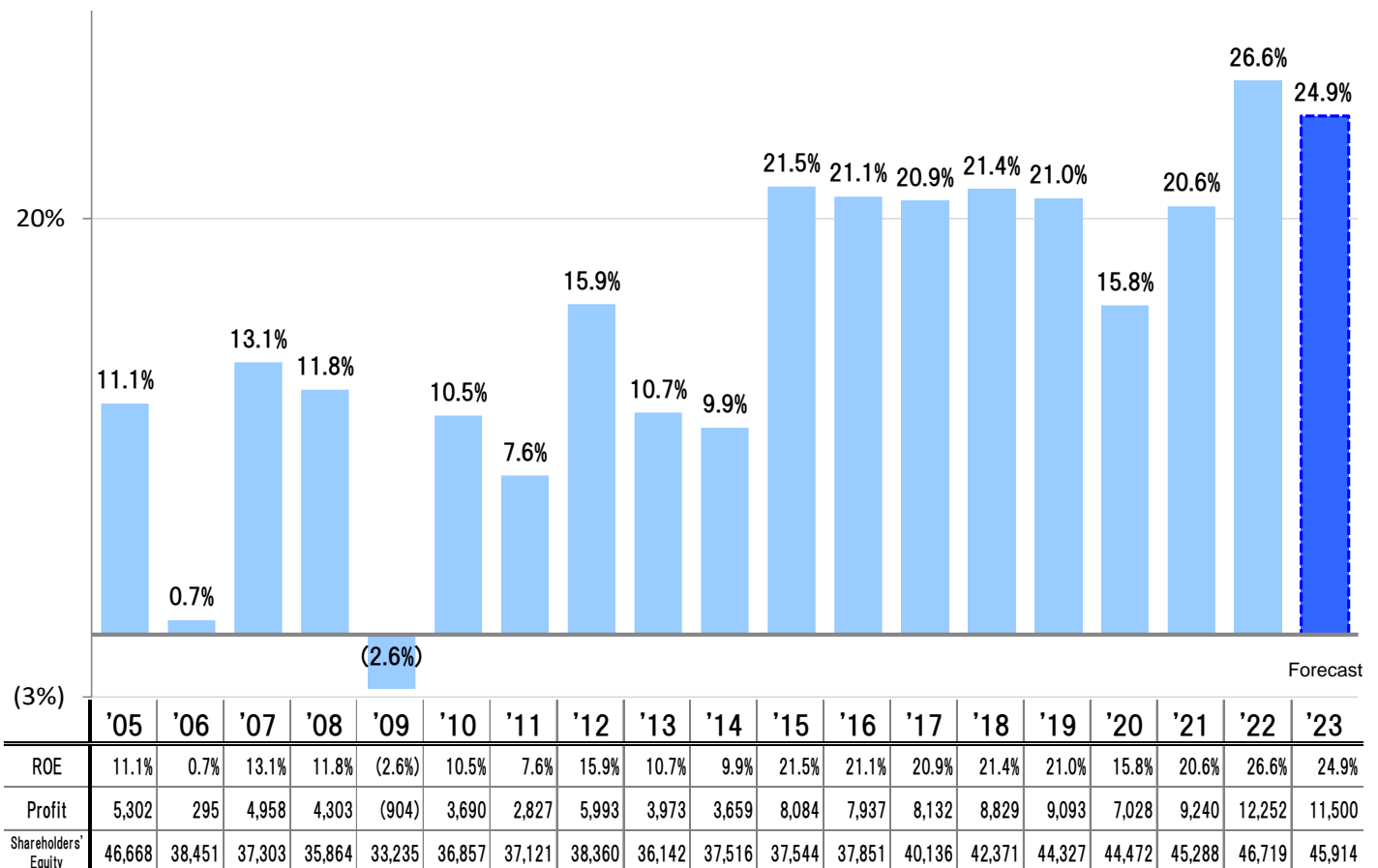
(billions of yen)



- Protecting employment of engineers under economic crisis is essential for sustainable growth for indefinite employment engineer staffing business.
→ Engineers can continue to concentrate on brushing up their own career under assumption of stable employment.
- With consideration of remaining fund, prioritize the “improvement of “quality and quantity” of shareholders’ equity” which would lead to the safeness of finance.

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Trend of ROE



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The Meitec Group aims to cater to as many corporate clients and engineers as possible to realize more inspiring and enjoyable job opportunities and placements.

Hideyo Kokubun
President and CEO, COO
MEITEC Group CEO

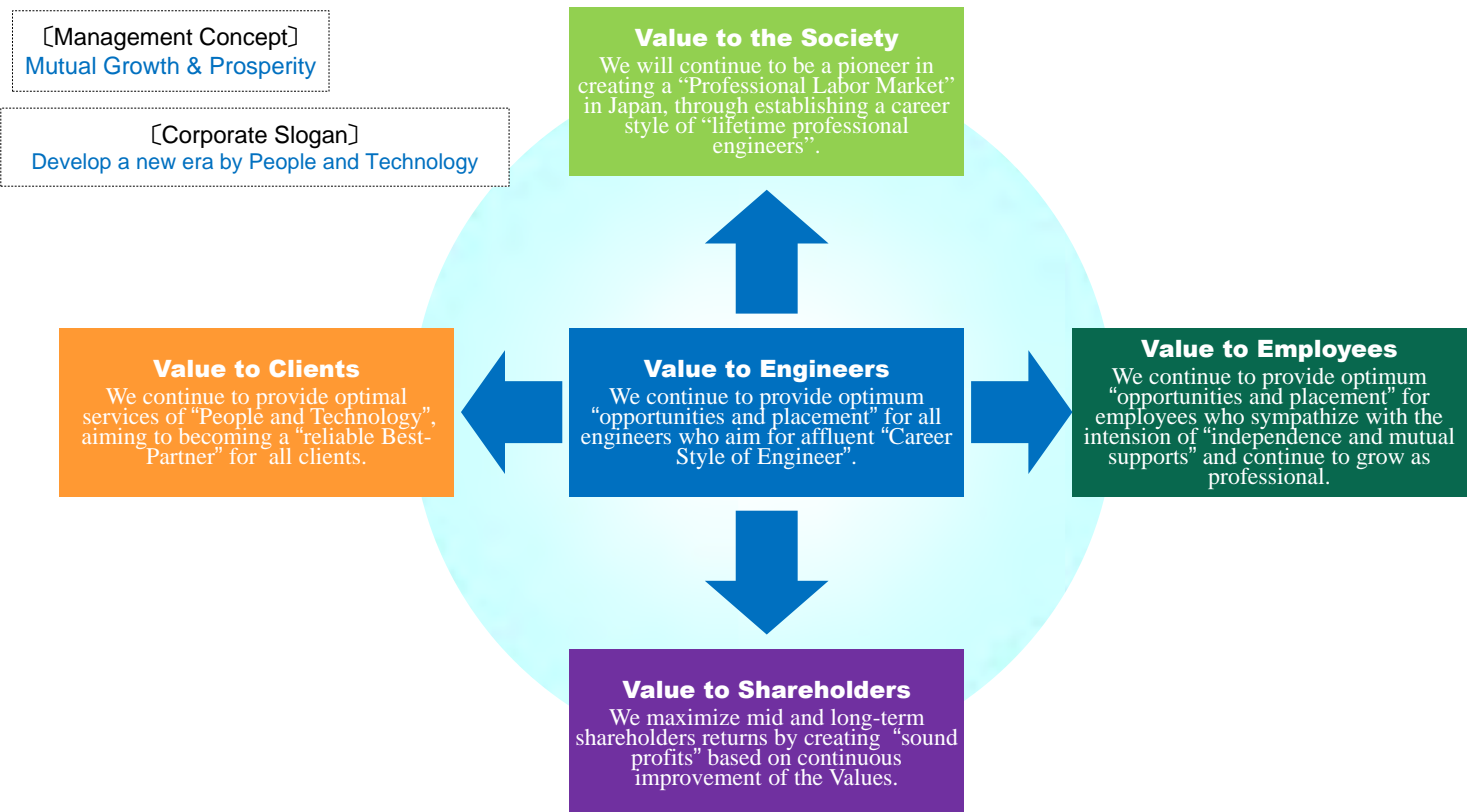
國分 秀世



“Ideal State of the Meitec Group”

人と技術で次代を拓く
MEITEC
Engineering Firm at The Core

We, the Meitec Group, with cooperation of all the employees, shall improve the five values continuously from the "Value to Engineers" as a starting point.



Engineering Firm at The Core

We are a group of engineers that plays a core role in manufacturing through its “People and Technology.”

We would like to be a group that creates affluent “Career Style of Engineer” to engineers, reaching the stage where our clients call us their truly, indispensable “Best Partner.”

We have developed a new era by people and technology up until now. Taking pride in that achievement, we will remain a group that plays a core role in both the engineer recruiting market, labor market and the market of design and development operations.



Engineering Firm

“Engineering Firm” in our description means that all the members of the Meitec Group belong to a group of engineering professionals who improve each other and keep growing with the spirit of “independence and mutual support.”

The Core

The Core in how we see ourselves means that we are a group of companies that produces “important and indispensable” value for the technological innovation of manufacturers.

The Core in how we see ourselves also means that we are a group of companies that is able to offer an “important and indispensable” way of working, as engineers who consider their profession as the core of society.

Engineering Firm at The Core

We are a group of engineers that plays a core role in manufacturing through its “People and Technology.”

Environment	Social	Governance
 <ul style="list-style-type: none"> Contribute to solving environmental, energy, etc. issues by promoting technological innovation Contribute to the industry and economic growth by promoting technological innovation and innovation 	 <p>Contribute to sustainable economic growth through creating a Professional Labor Market</p>	 <p>Promote higher technical education and lifelong learning</p>  <p>Provide fair “opportunities and placement” regardless of nationality, gender or age</p>  <p>Ensure full compliance with the Employee Code of Conduct in the Group’s Basic Policy Regarding Corporate Governance</p>

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Commitment for solving social issues (SDGs) [supplementary explanation]



人と技術で次代を拓く

MEITEC

Engineering Firm at The Core

[Management Concept]
Mutual Growth & Prosperity



We, a group of engineers, work with clients to solve social problems through their development work.

Materiality common to many clients



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Shareholders by Business Segments

Shareholder Segment	(As of the Fiscal year ended March 31, 2023)			
	Shareholders	%	Shares Held	%
Banks	7	0.1%	280,900	0.3%
Trust Banks	11	0.2%	20,238,000	24.5%
Life and nonlife insurance companies	22	0.4%	10,007,699	12.1%
Securities financing and other financial companies	3	0.1%	234,180	0.3%
Securities companies	37	0.6%	1,257,272	1.5%
Business concerns and other companies	68	1.2%	454,933	0.6%
Overseas companies and investors	254	4.5%	38,281,711	46.4%
Individuals and others	5,293	92.9%	11,745,305	14.2%
Total	5,695	100.0%	82,500,000	100.0%

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Company Information

Tokyo Headquarters	Taito-ku, Tokyo
Nagoya Headquarters	Nishi-ku Nagoya
Stock listings	Tokyo Stock Exchange, Prime Market(No. 9744)
Incorporated	July 17, 1974
C l i e n t s	Approximately 1,400 blue-chip companies, mostly listed in the Prime and Standard Market of Tokyo Stock Exchange
B r a n c h e s	42 Sales offices, including Tokyo, Osaka, Nagoya, and other major Japanese cities
Group Companies	<p>[Engineering Solutions Business]</p> <ul style="list-style-type: none"> ■ MEITEC FIELDERS INC. ■ MEITEC CAST INC. ■ MEITEC EX CORPORATION ■ MEITEC BUSINESS SERVICE CORPORATION <p>[Recruiting & Placement Business for engineers]</p> <ul style="list-style-type: none"> ■ MEITEC NEXT CORPORATION

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