

Results for the 2nd Quarter of the Fiscal Year Ending March 31, 2024

November 9, 2023

MEITEC Group Holdings Inc.

President and CEO, COO, MEITEC Group CEO
Hideyo Kokubun

Develop a new era by People and Technology
MEITEC
Engineering Firm at The Core
MEITEC GROUP HOLDINGS

- 1. Results for the 2nd Quarter of the Fiscal Year
Ending March 31, 2024**
- 2. Forecast for the Fiscal Year Ending March 31, 2024**
- 3. Reference Materials**

(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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- I will now discuss the results for the second quarter and first half of the fiscal year ending March 31, 2024, and the forecast for the full year.

1. Results for the 2nd Quarter of the Fiscal Year Ending March 31, 2024

- I will begin by discussing results for the second quarter of the fiscal year ending March 31, 2024.

Results for the 2nd Quarter of the Fiscal Year Ending March 31, 2024 (Group Consolidated)

- ✓ Net sales rose 7.8% 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 13.7% year on year ⇒ Increase in net sales absorbed increases in labor expenses and other costs, and SG&A expenses

(Fractions of one million yen are rounded down)	2Q ended Sep. 30, 2022	2Q ended Sep. 30, 2023	YoY Amount	% Change	Initial Forecast for 2Q, announced on May 2023	Progress toward the FY forecast
Net sales	58,029	62,553	+ 4,523	+ 7.8%	62,400	+ 153
Cost of sales	42,357	45,672	+ 3,315	+ 7.8%	45,800	(128)
Cost of sales to Net sales	73.0%	73.0%	—			
SG&A Expenses	8,088	8,259	+ 171	+ 2.1%	8,800	(541)
Operating profit	7,584	8,620	+ 1,036	+ 13.7%	7,800	+ 820
Operating profit margins	13.1%	13.8%	+ 0.7%		12.5%	+ 1.3%
Ordinary profit	7,635	8,625	+ 989	+ 13.0%	7,900	+ 725
Extraordinary income & loss	0	(5)	(5)			
Profit before income taxes	7,635	8,619	+ 984	+ 12.9%		
Profit attributable to owners of parent	5,107	5,750	+ 643	+ 12.6%	5,200	+ 550
Profit margins	8.8%	9.2%	+ 0.4%			

- This shows the Group's consolidated results.
- In the first half of the fiscal year ending March 31, 2024, despite a moderate recovery in the economy the economic outlook remained uncertain due to a tense international situation, higher resource prices, further depreciation of the yen, and other factors.
- Meanwhile, the major manufacturing firms that are the Group's main clients have continued to invest in technological development with a focus on the next generation, which led to a favorable environment for our orders.
- Under these conditions, the Group achieved increases in both the number of engineers assigned to clients and the utilization ratio by increasing the number of engineers and promoting assignments.
- As a result, net sales rose 7.8% year on year to ¥62,553 million, operating profit rose 13.7% to ¥8,620 million and profit attributable to owners of parent rose 12.6% to ¥5,750 million.

**Results for the 2nd Quarter of the Fiscal Year Ending March 31, 2024
(Business Domains)**

✓ Both sales and profit decreased in the Recruiting & Placement Business for Engineers year on year.

(Fractions of one million yen are rounded down)	2Q ended Sep. 30, 2022	2Q ended Sep. 30, 2023	YoY Amount	% Change
Sales of Engineering Solutions Business	57,160	61,844	+4,683	+8.2%
Component ratio	98.5%	98.9%	+0.4%	
Operating profit	7,257	8,384	+1,127	+15.5%
Sales of Recruiting & Placement Business for Engineers	912	728	(184)	(20.2%)
Component ratio	1.6%	1.2%	(0.4%)	
Operating profit	327	235	(91)	(28.0%)

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- This shows the results for the Meitec Group by business domain.
- Both sales and profit increased year on year in the Engineering Solutions Business, but the Recruiting & Placement Business for Engineers recorded year-on-year decreases in both sales and profit.
- With continued strong demand from the corporate side, the job openings-to-applicants ratio remains at a high level.
- Meanwhile, there is strong demand from individuals looking to switch jobs.
However, the significant rise in the use of scout-based job searches, which have become common in recent years, has led to individuals being faced with too many options, which is said to be making it more difficult for them to choose.
- The lower sales and profit are the result of an increase in the number of individuals taking time to come to a decision or ultimately not deciding at all, which has made it more difficult to conduct matching or achieve a decision.

Results for the 2nd Quarter of the Fiscal Year Ending March 31, 2024 (Meitec)

- ✓ Net sales rose 6.9% 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 12.6% year on year ⇒ Increase in net sales absorbed increases in labor expenses and other costs, and SG&A expenses

(Fractions of one million yen are rounded down)	2Q ended Sep. 30, 2022	2Q ended Sep. 30, 2023	YoY Amount	% Change	Initial Forecast for 2Q, announced on May 2023	Progress toward the FY forecast
Net sales	40,899	43,740	+2,840	+6.9%	43,400	+340
Cost of sales	29,634	31,458	+1,823	+6.2%	31,500	(42)
Cost of sales to Net sales	72.5%	71.9%	(0.5%)		72.6%	(0.7%)
SG&A Expenses	5,176	5,428	+251	+4.9%	5,800	(372)
Operating profit	6,088	6,853	+765	+12.6%	6,100	+753
Operating profit margins	14.9%	15.7%	+0.8%		14.1%	+1.6%
Ordinary profit	6,986	8,062	+1,076	+15.4%	7,400	+662
Extraordinary income & loss	0	(4)	(4)			
Profit before income taxes	6,986	8,058	+1,072	+15.3%		
Profit	4,937	5,746	+809	+16.4%	5,200	+546
Utilization ratio (Company-wide)	95.6%	96.5%	+0.9%		96.0%	+0.5%
Working Hours<h/day>	8.34	8.26	(0.08)	(1.0%)	8.34	(0.08)
Number of Engineers	7,815	8,012	+197	+2.5%		

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- This shows the results for Meitec.
- Net sales increased 6.9% year on year to ¥43,740 million, operating profit increased 12.6% to ¥6,853 million, and profit increased 16.4% to ¥5,746 million.
- The utilization ratio progressed steadily as a result of promoting assignments for new employees.
As a result, the utilization ratio rose 0.9% year on year to 96.5%.
- On the other hand, working hours fell slightly below both the year-earlier level and our initial forecast.

Results for the 2nd Quarter of the Fiscal Year Ending March 31, 2024 (Meitec Fielders)

- ✓ Net sales rose 12.1% 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 29.9% year on year ⇒ The increase in SG&A expenses was small compared to the increase in net sales

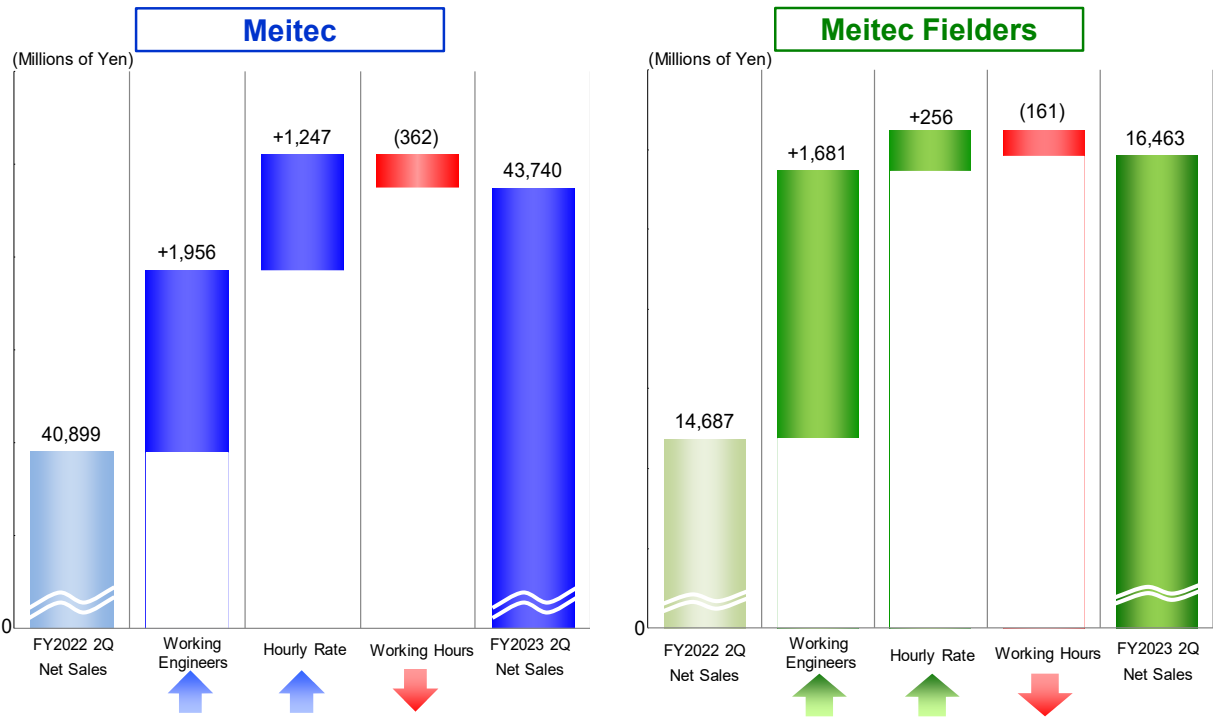
(Fractions of one million yen are rounded down)	2Q ended Sep. 30, 2022	2Q ended Sep. 30, 2023	YoY Amount	% Change	Initial Forecast for 2Q, announced on May 2023	Progress toward the FY forecast
Net sales	14,687	16,463	+1,776	+12.1%	16,600	(137)
Cost of sales	11,414	12,838	+1,424	+12.5%	12,950	(112)
Cost of sales to Net sales	77.7%	78.0%	+0.3%		78.0%	—
SG&A Expenses	2,171	2,193	+22	+1.0%	2,300	(107)
Operating profit	1,101	1,431	+329	+29.9%	1,350	+81
Operating profit margins	7.5%	8.7%	+1.2%		8.1%	+0.6%
Ordinary profit	1,102	1,432	+330	+30.0%	1,350	+82
Extraordinary income & loss	0	0	—			
Profit before income taxes	1,102	1,432	+330	+30.0%		
Profit	757	985	+227	+30.1%	900	+85
Utilization ratio (Company-wide)	90.2%	93.1%	+2.9%		92.6%	+0.5%
Working Hours<h/day>	8.23	8.14	(0.09)	(1.1%)	8.24	(0.10)
Number of Engineers	4,258	4,511	+253	+5.9%		

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- This shows the results for Meitec Fielders.
- Net sales increased 12.1% year on year to ¥16,463 million, operating profit increased 29.9% to ¥1,431 million, and profit increased 30.1% to ¥985 million.
- As was the case for Meitec itself, by promoting assignments for new employees the utilization ratio progressed steadily, leading to a year-on-year increase of 2.9%, to 93.1%.
- Similarly to Meitec, working hours fell slightly below both the year-earlier level and our initial forecast.

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”.

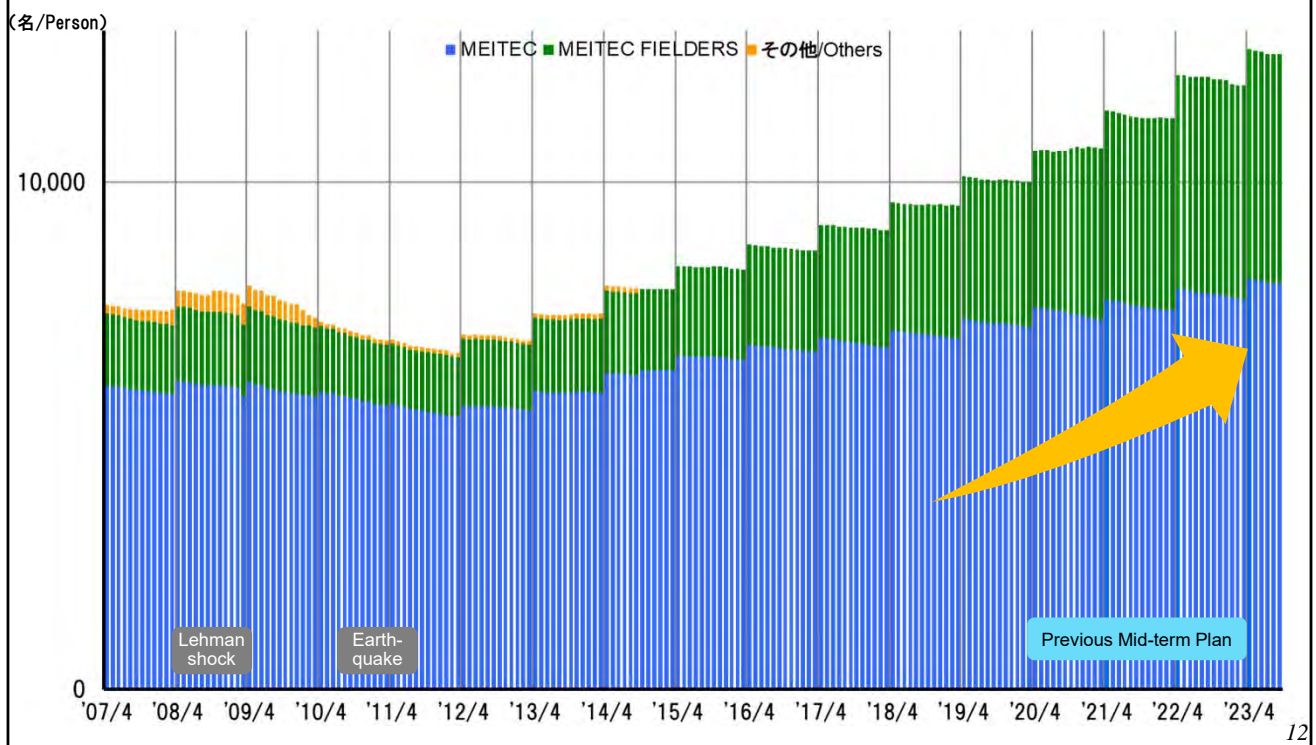


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- Next is a breakdown of factors affecting changes in net sales year on year at Meitec and Meitec Fielders.
- The “increase in the number of engineers assigned to clients” and “increase in hourly rate” contributed significantly to the increase in net sales.

Number of Engineers (Group Consolidated)

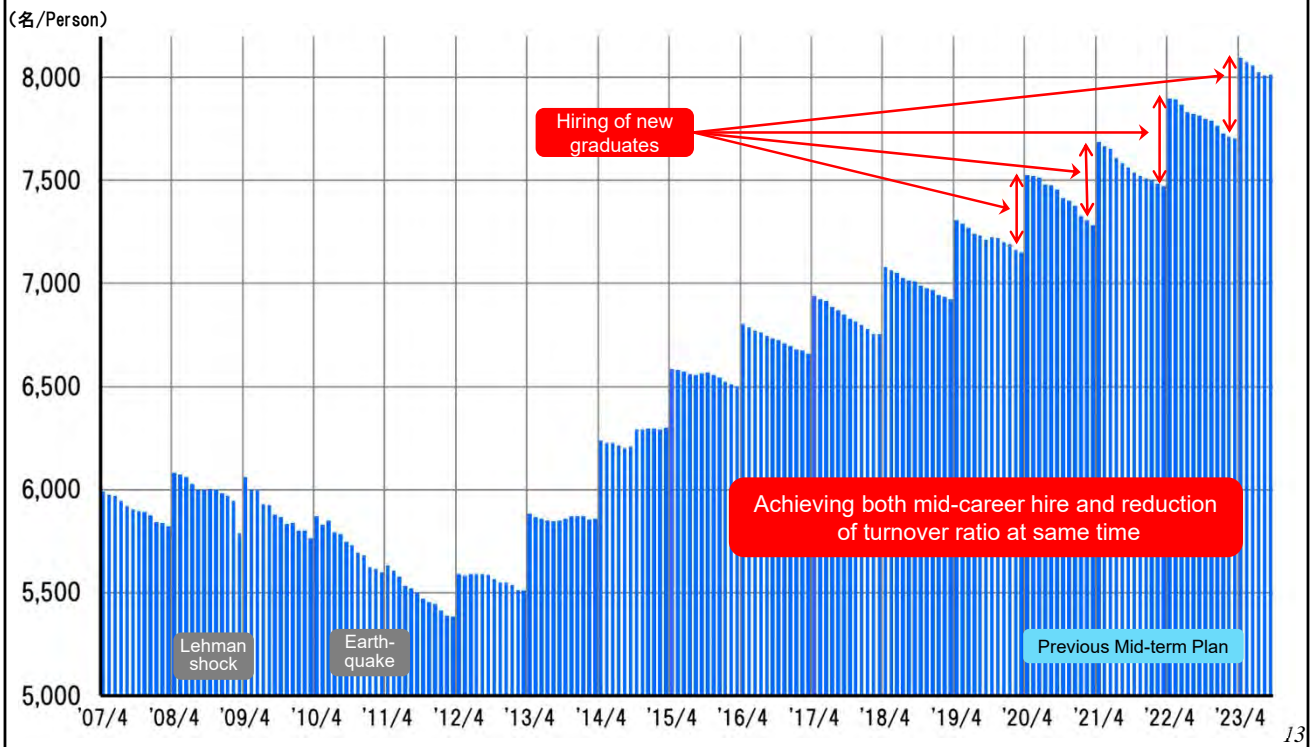
✓ The number of engineers as of September 30, 2023 was 12,523, an increase of 450 engineers, or 3.7%, compared to September 30, 2022.



- This shows the trend in the number of engineers across the entire Group.
- The number of engineers as of September 30, 2023 was 12,523, an increase of 450, or 3.7%, compared to September 30, 2022.
- There has been no change in the upward trend in the number of engineers at either Meitec or Meitec Fielders.

Number of Engineers (Meitec)

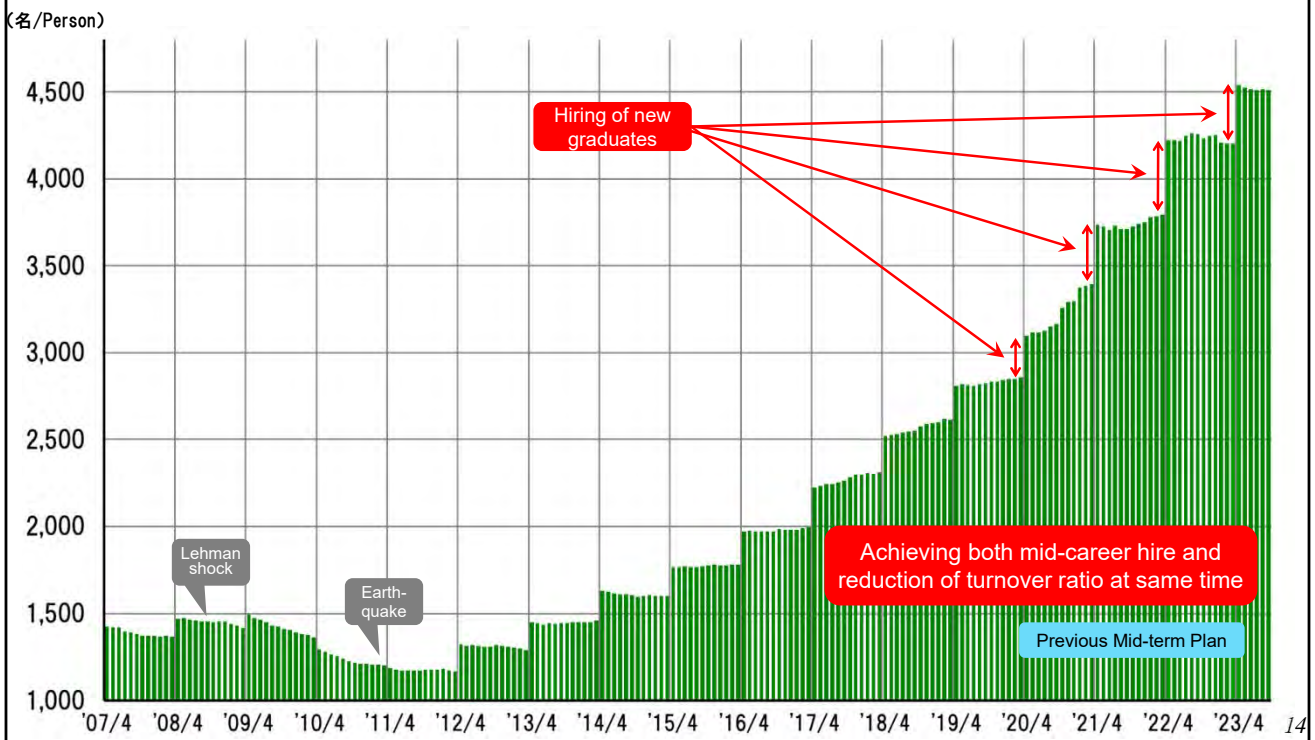
✓ The number of engineers as of September 30, 2023 was 8,012, an increase of 197 engineers, or 2.5%, compared to September 30, 2022.



- Moving on, this shows the trend in the number of engineers at Meitec.
- The number of engineers as of September 30, 2023 was 8,012, an increase of 197, or 2.5%, compared to September 30, 2022.

Number of Engineers (Meitec Fielders)

✓ The number of engineers as of September 30, 2023 was 4,511, an increase of 253 engineers, or 5.9%, compared to September 30, 2022.



- This shows the trend in the number of engineers at Meitec Fielders.
- The number of engineers as of September 30, 2023 was 4,511, an increase of 253, or 5.9%, compared to September 30, 2022.

Hiring Target for the Fiscal Year Ending March 31, 2024

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.

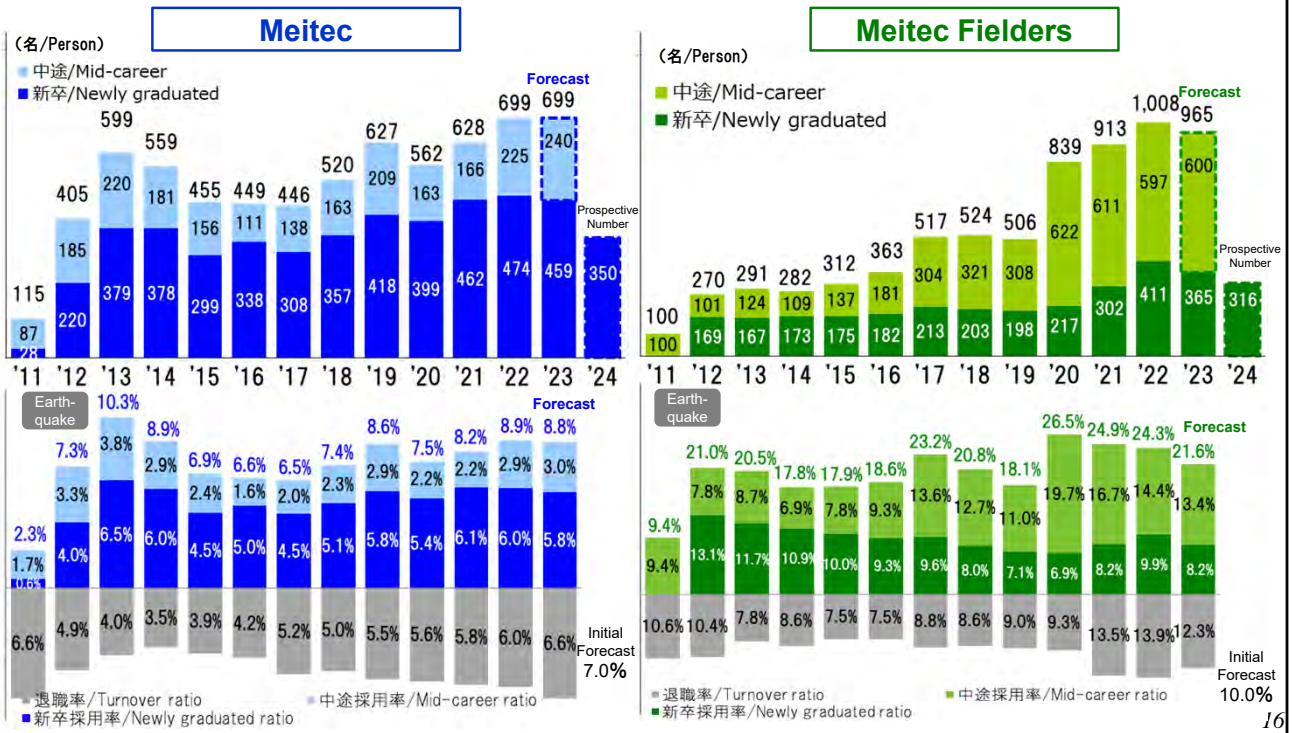
(person)	Fiscal Year Ending March 31, 2024					Fiscal Year Ending March 31, 2025	
	New Graduates April 2023 (Actual)	Mid-career		Total	Comparison to Initial Forecast	New Graduates April 2024	
		< Target >	Comparison to Initial Forecast			< Target >	Comparison to Initial Forecast
Meitec	459	240	—	699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

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- This shows the recruitment trends for the Group. First, we look at mid-career hires.
- The job openings-to-applicants ratio for engineers remains high. In order to continue to provide high added value we have maintained our hiring standards, and we are not simply pursuing increases in the number of people.
- With major manufacturers strengthening their recruitment for roles in which the place of work is limited, the hiring environment remains difficult, but we are aiming to achieve our recruitment objectives by actively disseminating the “lifetime professional engineer” career style, as well as our approach to career advancement and to improving the technical capabilities of each individual in order to provide services matched to the needs of the market.
- Next, we look at newly graduated engineers who will join the Group in April 2024.
- Corporate appetite for hiring of new graduates remains extraordinarily strong, and job offer rates are at unprecedentedly high levels.
- Job-hunting activities by students are also beginning earlier and lasting longer. Against this background, recruitment activities are becoming increasingly diverse.
- In this environment, although we maintained our hiring standards and focused on creating contact points with numerous students, the prospective number of newly graduated employees as of October 1, 2023 was, unfortunately, lower than the initial forecast.
- According to newspaper reports, the Meitec Group ranked in fifth place for the number of hires in science and engineering among all Japanese companies.
- We will continue to further strengthen the Meitec Group’s hiring brand while publicly promoting a style of career that emphasizes the engineering profession and the opportunities that we provide in that respect.

Recruitment and Turnover

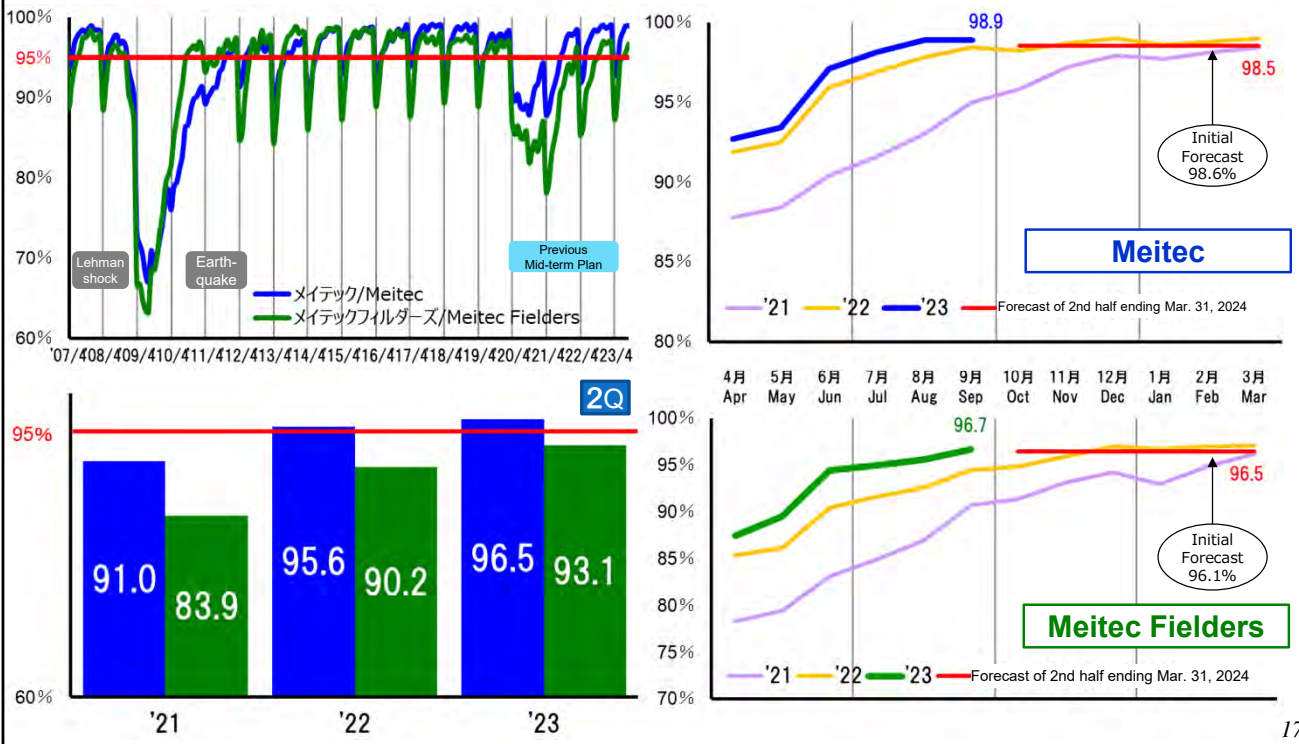
✓ Our forecasts for the number of recruitment and the turnover ratio as of the release of 2Q results are as follows. ※We plan to announce the actual recruitment and turnover ratios in May 2024.



- Next, we have the current forecast for the number of hires and the turnover ratio.
- In this graph, the area shaded gray in the lower part represents the turnover ratio. We release the forecast turnover ratio on a full-year basis, but based on actual trends in the first half of the current fiscal year we have revised our forecast for Meitec from 7.0% to 6.6%, and for Meitec Fielders from 10% to 12.3%.

Utilization Ratio

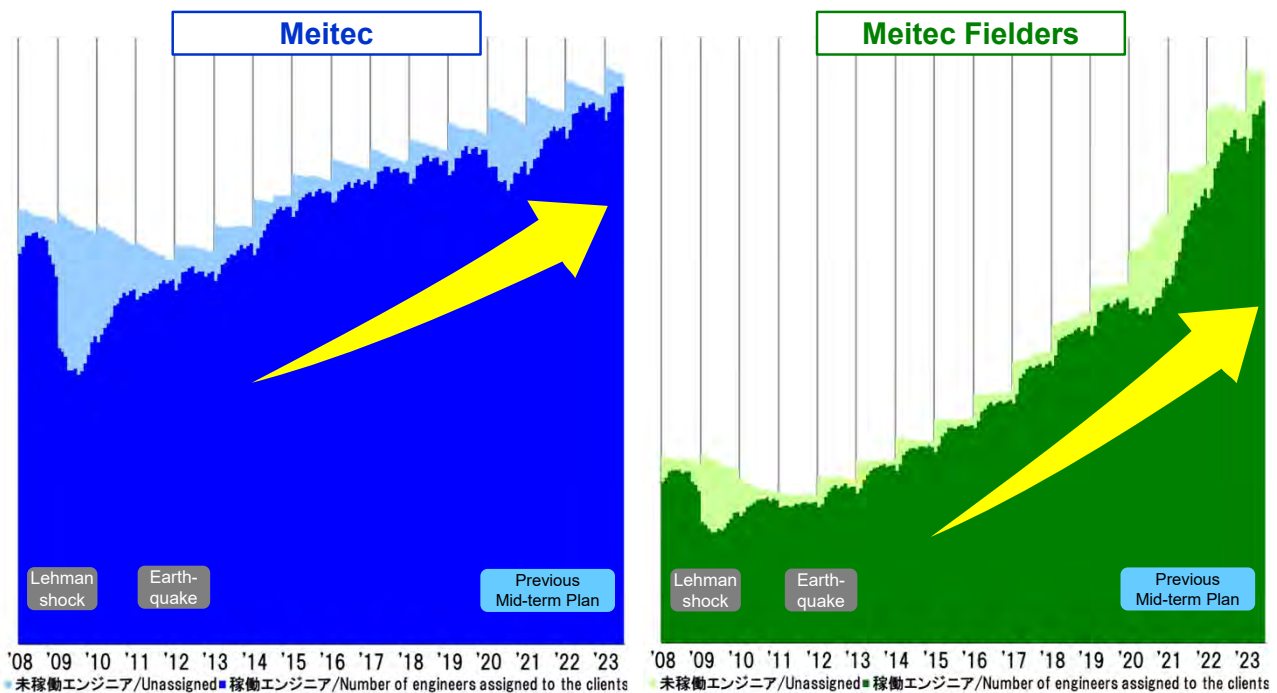
✓ Increase in utilization ratio ⇒ Promoting the assignments of new employees (graduate and career hires) and existing employees.



- This shows the status of utilization ratios.
- Because Meitec and Meitec Fielders have both made satisfactory progress in assigning new employees who joined the Company in April this year and in assigning existing employees, the utilization ratio increased steadily.

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

- ✓ Due to proactive recruitment the number of engineers rose, and we proceeded with assignments in response to orders, resulting also in an increase in the number of engineers assigned to clients

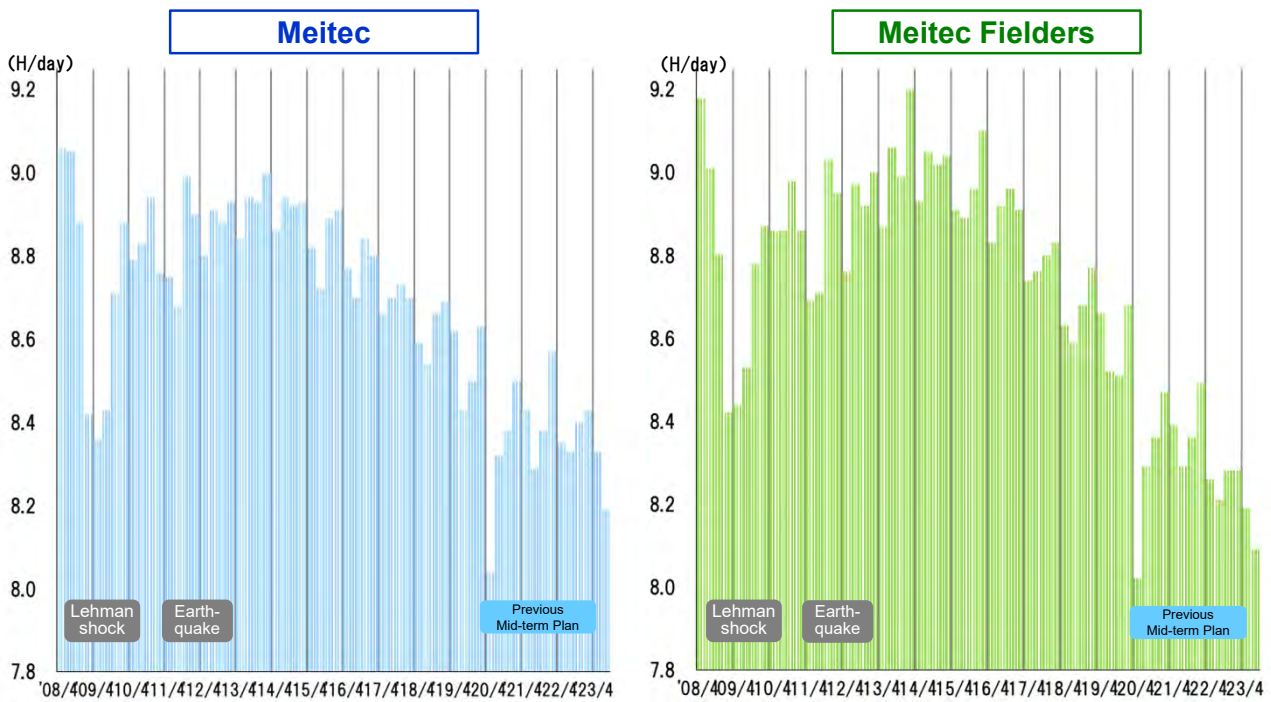


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- This shows the trend in the number of engineers assigned to clients.
- Meitec is shown on the left-hand side of the graph, and Meitec Fielders is shown on the right-hand side. By continuing to actively increase the number of engineers while promoting assignments, both Meitec and Meitec Fielders succeeded in raising the number of engineers assigned to clients.

Working Hours

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



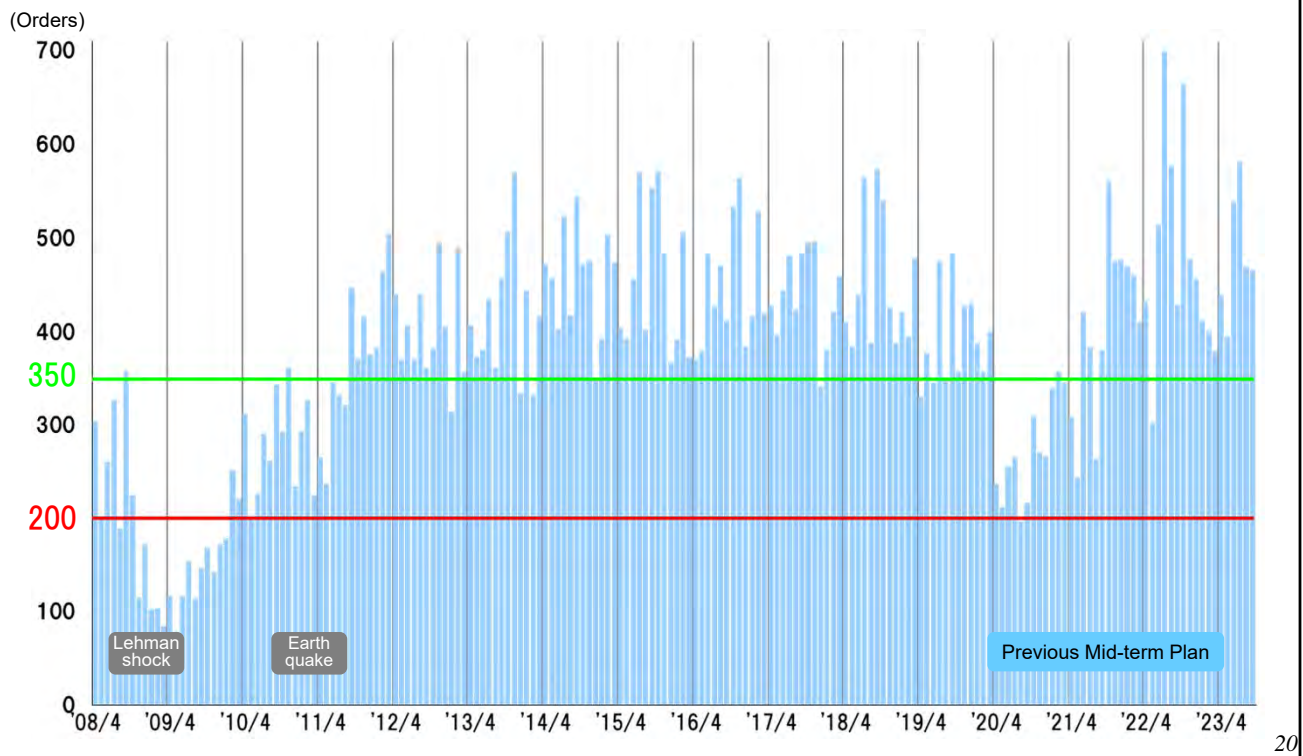
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- This shows the trend in working hours.
- Working hours fell slightly below the year-earlier level due to a decrease in overtime work.
- This decrease in overtime work reflects not only the situation at individual clients but also the overall societal trend towards lower working hours.

The number of working hours is determined by our clients, and is not something we can control. However, because it acts as a performance indicator where a change in working hours of approximately 0.1 hours results in a fluctuation of approximately 1% in total sales, we will continue to focus attention on it considering that it is one of indicators that have a significant impact on earnings.

Trend in New Orders by Month (Meitec)

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



- This shows the trend in new monthly orders.
- Meitec clients continue to invest in technological development from a long-term perspective.
- Due in part to proactive sales efforts with clients, Meitec's new monthly orders have remained above the 350 level and unchanged from the previous fiscal year.
- Going forward we will remain on the offensive in our sales approach, while taking steps to capture new orders and promote assignments, with the aim of providing our clients with even higher value-added services, and of expanding services so that our clients recognize the high level of value that we add.

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)

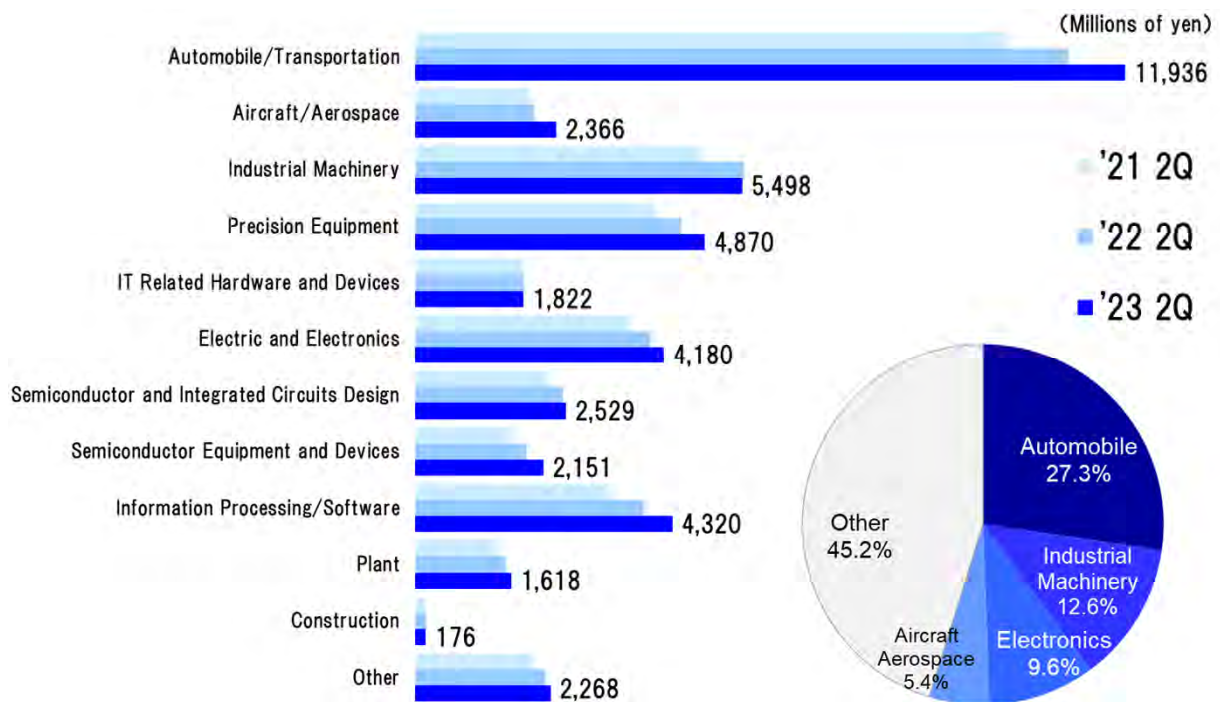
2nd Q FY2018			2nd Q FY2022			2nd Q FY2023		
1	Denso		1	Denso		1	Denso	
2	Mitsubishi Heavy Industries		2	Sony Semiconductor Solutions		2	Sony Semiconductor Solutions	
3	Panasonic		3	Mitsubishi Heavy Industries		3	Mitsubishi Heavy Industries	
4	Sony Semiconductor Solutions		4	Nikon		4	Nikon	
5	Canon		5	Hitachi High-Tech		5	Hitachi High-Tech	
6	Toyota Motor		6	Denso Ten		6	Denso Ten	
7	Nikon		7	Toyota Motor		7	Subaru	
8	Honda R&D		8	Subaru		8	Panasonic	
9	Olympus		9	Panasonic		9	Honda Motor	
10	Omron		10	Yamaha Motor		10	Aisin	
Top 10 Total	8,584	23.8%	Top 10 Total	9,391	23.0%	Top 10 Total	10,370	23.7%
Top 20 Total	12,324	34.1%	Top 20 Total	13,680	33.4%	Top 20 Total	15,304	35.0%
Others	23,792	65.9%	Others	27,219	66.6%	Others	28,435	65.0%
Total	36,116	100.0%	Total	40,899	100.0%	Total	43,740	100.0%

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- Next, we have Meitec's top 10 clients by sales.
- There are no major changes in the clients making up the top 10. However, there are significant changes in clients' business activities compared with five years ago.
- In accordance with investments in technological development by clients in response to the technological innovation that has been occurring in the world, both the Meitec Group and Meitec itself are aggressively shifting engineers to those areas.
- Meitec constantly promotes the rotation of engineers into new areas of operations in order to ensure that engineers can participate actively throughout their working lives, and we continuously implement initiatives aimed at raising their technical capabilities and increasing the added value that we provide to clients.
- One of the strengths of Meitec is that it continuously develops a wide range of services between which it can shift in accordance with market and engineering trends, without depending on certain clients and industries.
We will continue to utilize this strength 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 for Meitec.
- The automobile/transportation segment makes up a very high percentage of sales.
In other areas we have also taken a proactive sales approach in response to trends in technical development in the wider world, with the results you see before you.
- Our clients are proactively investing in development to shape the future with a view to creating a sustainable society.
The Meitec Group is also striving to provide high value-added services that address this area.
- This concludes my discussion of the results for the second quarter of the fiscal year ending March 31, 2024.

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

- Next, I will discuss our forecasts for the fiscal year ending March 31, 2024. Following the transition to a holding company structure we made a small revision based on recent conditions, so I will give a summary of that.

Disclaimer regarding earnings forecasts

- ✓ In line with the transition to a holding company structure implemented on October 1, 2023, the Company's business name has been changed to MEITEC Group Holdings Inc. The engineering solutions business has been inherited by the successor company Meitec Corporation (business name changed from Meitec Split Preparatory Company on the same date).
- ✓ In accordance with the above, the values in our forecasts for the fiscal year ending March 31, 2024, are the 2H non-consolidated forecasts for after the transition to a holding company structure reflecting the results for 1H (April 1 to September 30, 2023), so there may be discrepancies with the forecasts announced in May 2023. (For details, see Notice Regarding Revisions to Non-consolidated Earnings Forecasts)
- ✓ For comparisons of forecasts that do not factor in the transition to a holding company structure (based on actual conditions) to the initial forecasts and to the previous fiscal year, see p. 29 and p. 30 of this material.

- First, I will explain the transition to a holding company structure.
- On October 1, 2023, the new Meitec Corporation, which is the successor company, inherited the Engineering Solutions Business and at the same time we changed our business name to MEITEC Group Holdings Inc.
- The impact on consolidated results of the transition to this structure will be negligible.
- Going forward, the sales of the Company (which is now the holding company) will be limited to dividends from operating companies under the Group umbrella, leading to a discrepancy with the forecasts announced in May 2023, and so today we released "Notice Regarding Revisions to Non-consolidated Earnings Forecasts."
For further details, please refer to that document.
- With regard to the earnings forecasts that I will shortly explain, in order to enable the actual state of Meitec's business to be easily understood, we have presented the figures without taking into account the transition to the new structure, in the form of the previous Meitec in the first half and the new Meitec in the second half, for ease of comprehension.

**Forecasts for the Fiscal Year Ending March 31, 2024 (Group Consolidated)
Comparison to the Initial Forecasts at the beginning of the Fiscal Year**

- ✓ Net sales ±¥0mn vs. initial forecast = [1H + ¥100mn] + [2H -¥100mn]
- ✓ Operating profit +¥600mn vs. initial forecast = [1H + ¥800mn] + [2H -¥200mn]
Moreover, SG&A expenses -¥600mn vs. initial forecast = [1H -¥500mn] + [2H -¥100mn]
- ✓ Net profit +¥400mn vs. initial forecast = [1H + ¥500mn] + [2H -¥100mn]

(Fractions of one million yen are rounded down)	Forecast FY ending March 31, 2024	Comparison to Initial Forecast	% Change	2Q ended Sept. 30, 2023	Forecast 2nd Half	Comparison to Initial Forecast	% Change
Net sales	126,500	—	—	62,553	63,947	(153)	(0.2%)
Cost of sales	92,000	—	—	45,672	46,328	+128	+0.3%
SG&A Expenses	17,100	(600)	(3.4%)	8,259	8,841	(59)	(0.7%)
Operating profit	17,400	+600	+3.6%	8,620	8,780	(220)	(2.4%)
Operating profit margins	13.8%	+0.5%	/	13.8%	13.7%	(0.3%)	/
Ordinary profit	17,400	+600	+3.6%	8,625	8,775	(125)	(1.4%)
Profit attributable to owners of parent	11,900	+400	+3.5%	5,750	6,150	(150)	(2.4%)
Earnings per Share	151.74	+5.10	/	73.33			

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- This shows a comparison between our new consolidated forecasts for the fiscal year ending March 31, 2024 and our initial forecasts at the beginning of the fiscal year.
- Our projection for consolidated net sales is unchanged from the initial forecast at ¥126.5 billion, but operating profit has been revised to ¥17.4 billion, up ¥0.6 billion from the initial forecast. This is because we expect a decrease in SG&A expenses. We revised our forecast for profit attributable to owners of parent to ¥11.9 billion, up ¥0.4 billion from the initial forecast.

Forecasts for the Fiscal Year Ending March 31, 2024 (Group Consolidated) Comparison to the Previous Fiscal Year

- ✓ Net sales forecast to rise 6.2% year on year ⇒ Expecting growth in the number of engineers assigned to clients due to proactive recruitment and the increase in the utilization ratio
- ✓ Operating profit forecast to rise 5.7% year on year ⇒ Expecting increasing hiring-related expenses and other SG&A expenses to be absorbed by the increase in net sales
- ✓ Profit forecast to decrease 2.9% year on year ⇒ No expectation of factors such as a 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	2Q ended Sept. 30, 2023	Forecast 2nd Half	YoY Amount	% Change
Net sales	126,500	+7,430	+6.2%	62,553	63,947	+2,907	+4.8%
Cost of sales	92,000	+5,639	+6.5%	45,672	46,328	+2,325	+5.3%
SG&A Expenses	17,100	+854	+5.3%	8,259	8,841	+683	+8.4%
Operating profit	17,400	+937	+5.7%	8,620	8,780	(98)	(1.1%)
Operating profit margins	13.8%	—	/	13.8%	13.7%	(0.8%)	/
Ordinary profit	17,400	+859	+5.2%	8,625	8,775	(130)	(1.5%)
Profit attributable to owners of parent	11,900	(352)	(2.9%)	5,750	6,150	(995)	(13.9%)
Earnings per Share	151.74	(1.18)	/	73.33			

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- Next, this shows a comparison with our previous fiscal year results.
- We forecast an increase in net sales of ¥7,430 million, or 6.2% year on year, and an increase in operating profit of ¥937 million, or 5.7% year on year, but because we do not expect a decreased tax burden of the kind experienced in the previous fiscal year, we forecast a decrease in profit attributable to owners of parent of ¥352 million, or 2.9% year on year.

Effect on Balance Sheets

As of September 30, 2023

Millions of Yen

Meitec (Until 9/30)

Cash and deposits	38,785	Total liabilities	32,141
Other Current assets	15,013	Current liabilities	15,270
Non-current assets	16,205	Non-current liabilities	16,871
Total assets	70,003	Net assets	37,862

Meitec Split Preparatory Company

Cash and deposits	992	Total liabilities	4
Total assets	992	Net assets	989

As of October 1, 2023

Millions of Yen

Meitec Group Holdings

Cash and deposits	24,777	Total liabilities	4,287
Non-current assets	6,706	Current liabilities	4,287
Of which shares of Meitec	1,000	Net assets	27,649

Meitec (After 10/1)

Cash and deposits	15,000	Total liabilities	27,858
Other Current assets	14,560	Current liabilities	10,987
Non-current assets	9,499	Non-current liabilities	16,871
Total assets	39,059	Net assets	11,202

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- Next, I will explain how the transition to the new structure affects results at the non-consolidated level.
- First, the impact on the balance sheet is as you see before you.
- The assets and liabilities of the Engineering Solutions Business in which the non-consolidated entity had previously been engaged were inherited by the new Meitec on October 1, 2023.

Effect on Statements of Income

1st half(Result)

Millions of Yen

A : Meitec (Until 9/30)

Net sales	43,740
Cost of sales	31,458
Selling, general and administrative expenses	5,428
Operating profit	6,853

Meitec Split Preparatory Company

Selling, general and administrative expenses	10
Operating profit	(10)

2nd half(Forecast)

Millions of Yen

Meitec Group Holdings

Net sales (subsidiary dividends, etc.)	2,500
Selling, general and administrative expenses	454

B : Meitec (After 10/1)

Net sales	44,260
Cost of sales	31,542
Selling, general and administrative expenses	5,772
Operating profit	6,947

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- The impact on the statement of income is as shown here.
- Sales of the non-consolidated entity, which is now the holding company, will be limited to dividend income, etc. from subsidiaries.

Forecasts for the Fiscal Year Ending March 31, 2024 (Meitec) Comparison to the Initial Forecasts at the beginning of the Fiscal Year

- ✓ Net sales +¥500mn vs. initial forecast ⇒ Expecting growth in the number of engineers assigned to clients due to improvement in the utilization ratio
- ✓ Operating profit +¥600mn ⇒ Expecting decrease in SG&A expenses, including hiring-related expenses, compared to the initial forecast

(Fractions of one million yen are rounded down)	Forecast FY ending March 31, 2024	Comparison to Initial Forecast	% Change	A:Meitec	B:Meitec (After 10/1)	Comparison to Initial Forecast	% Change
				2Q ended Sept. 30, 2023	Forecast 2nd Half		
Net sales	88,000	+ 500	+ 0.6%	43,740	44,260	+ 160	+ 0.4%
Cost of sales	63,000	+ 200	+ 0.3%	31,458	31,542	+ 242	+ 0.8%
Cost of sales to Net sales	71.6%	(0.2%)	/	71.9%	71.3%	+ 0.3%	/
SG&A Expenses	11,200	(300)	(2.6%)	5,428	5,772	+ 72	+ 1.3%
Operating profit	13,800	+ 600	+ 4.5%	6,853	6,947	(153)	(2.2%)
Operating profit margins	15.7%	+ 0.6%	/	15.7%	15.7%	(0.4%)	/
Ordinary profit	15,000	+ 600	+ 4.2%	8,062	6,938	(62)	(0.9%)
Profit	10,500	+ 200	+ 1.9%	5,746	4,754	(346)	(6.8%)
Utilization ratio (Company-wide)	97.5%	+ 0.2%	Comparison to Initial Forecast + 0.5%	96.5%	98.5%	(0.1%)	
Working Hours(h/day)	8.33	(0.05)		8.26	8.41	(0.01)	
Number of Recruitment	699	—		Expected New Graduates for April 2024		Comparison to Initial Forecast	
Newly graduated	459	—		350		(150)	
Mid-career	240	—					
Turnover Ratio	6.6%	(0.4%)					

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- This shows a comparison between our new forecasts and our initial forecasts for Meitec.
- As you can see, these figures consist of the total of actual results for the Company for the first half and forecasts for Meitec for the second half.
- Due to an expected increase in the number of engineers assigned to clients through improvements in the utilization ratio, net sales are seen rising ¥500 million from the initial forecast to ¥88.0 billion, and operating profit is forecast to rise ¥600 million from the initial forecast to ¥13.8 billion as a result of decreases in SG&A expenses and other factors.
We also raised our estimate for profit compared with our initial forecast.

Forecasts for the Fiscal Year Ending March 31, 2024 (Meitec) Comparison to the Previous Fiscal Year

- ✓ Net sales and operating profit forecast to rise 5.1% and 4.5% respectively ⇒ Expecting growth in the number of engineers assigned to clients due to increase in the utilization ratio
- ✓ Profit forecast to decrease 2.0% ⇒ No expectation of factors such as a decreased tax burden like in the previous fiscal year

	Forecast FY ending March 31, 2024	YoY Amount	% Change	A:Meitec	B:Meitec (After 10/1)	YoY Amount	% Change
				2Q ended Sept. 30, 2023	Forecast 2nd Half		
Net sales	88,000	+4,234	+5.1%	43,740	44,260	+1,393	+3.3%
Cost of sales	63,000	+2,882	+4.8%	31,458	31,542	+1,059	+3.5%
Cost of sales to Net sales	71.6%	(0.2%)		71.9%	71.3%	+0.2%	
SG&A Expenses	11,200	+763	+7.3%	5,428	5,772	+512	+9.7%
Operating profit	13,800	+587	+4.5%	6,853	6,947	(176)	(2.5%)
Operating profit margins	15.7%	(0.1%)		15.7%	15.7%	(0.9%)	
Ordinary profit	15,000	+886	+6.3%	8,062	6,938	(189)	(2.7%)
Profit	10,500	(219)	(2.0%)	5,746	4,754	(1,027)	(17.8%)
Utilization ratio (Company-wide)	97.5%	0.3%		96.5%	98.5%	(0.2%)	
Working Hours⟨h/day⟩	8.33	(0.05)		8.26	8.41	—	
Number of Recruitment	699	—					
Newly graduated	459	(15)					
Mid-career	240	+15					
Turnover Ratio	6.6%	+0.7%					
				Expected New Graduates for April 2024		To Apr. 2023	
				350		(109)	

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- Next, this shows a comparison with our previous fiscal year results for Meitec.
- We forecast an increase in net sales of ¥4,234 million, or 5.1% year on year, and an increase in operating profit of ¥587 million, or 4.5% year on year, but because we do not expect a decreased tax burden of the kind experienced in the previous fiscal year, we forecast a decrease in profit attributable to owners of parent of ¥219 million, or 2.0% year on year.

Forecasts for the Fiscal Year Ending March 31, 2024 (Meitec Fielders) Comparison to the Initial Forecasts at the beginning of the Fiscal Year

- ✓ Net sales -¥300mn ⇒ Expecting a decrease in the number of engineers assigned to clients and in working hours due to an increase in the turnover ratio
- ✓ Operating profit +¥50mn ⇒ Expecting decrease in SG&A expenses, including hiring-related expenses, compared to the initial forecast

(Fractions of one million yen are rounded down)	Forecast FY ending March 31, 2024	Comparison to Initial Forecast	% Change	2Q ended Sept. 30, 2023	Forecast 2nd Half	Comparison to Initial Forecast	% Change
Net sales	33,700	(300)	(0.9%)	16,463	17,237	(163)	(0.9%)
Cost of sales	26,200	(250)	(0.9%)	12,838	13,362	(138)	(1.0%)
Cost of sales to Net sales	77.7%	(0.1%)		78.0%	77.5%	(0.1%)	
SG&A Expenses	4,600	(100)	(2.1%)	2,193	2,407	+7	+0.3%
Operating profit	2,900	+50	+1.8%	1,431	1,469	(31)	(2.1%)
Operating profit margins	8.6%	+0.2%		8.7%	8.5%	(0.1%)	
Ordinary profit	2,900	+50	+1.8%	1,432	1,468	(82)	(5.3%)
Profit	2,000	+50	+2.6%	985	1,015	(35)	(3.3%)
Utilization ratio (Company-wide)	94.9%	+0.5%	Comparison to Initial Forecast +0.5%	93.1%	96.5%	+0.4%	
Working Hours〈h/day〉	8.21	(0.05)		8.14	8.28	(0.01)	
Number of Recruitment	965	—		Expected New Graduates for April 2024		Comparison to Initial Forecast	
Newly graduated	365	—		316	(134)		
Mid-career	600	—					
Turnover Ratio	12.3%	+2.3%					

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- This shows a comparison between our new forecasts and our initial forecasts for Meitec Fielders.
- We forecast a fall in the number of engineers assigned to clients and a decline in working hours due to an increase in the turnover ratio, leading to net sales falling ¥300 million from the initial forecast to ¥33.7 billion, and we project that operating profit will increase ¥50 million from the initial forecast to ¥2.9 billion, due to expected decreases in SG&A expenses.

Forecasts for the Fiscal Year Ending March 31, 2024 (Meitec Fielders) Comparison to the Previous Fiscal Year

- ✓ Net sales and operating profit forecast to rise 10.6% and 14.4% year on year respectively
- ✓ ⇒ Expecting growth in the number of engineers assigned to clients due to increases in the number of engineers and utilization ratio

(Fractions of one million yen are rounded down)	Forecast FY ending March 31, 2024	YoY Amount	% Change	2Q ended Sept. 30, 2023	Forecast 2nd Half	YoY Amount	% Change
Net sales	33,700	+ 3,228	+ 10.6%	16,463	17,237	+ 1,452	+ 9.2%
Cost of sales	26,200	+ 2,638	+ 11.2%	12,838	13,362	+ 1,215	+ 10.0%
Cost of sales to Net sales	77.7%	+ 0.4%		78.0%	77.5%	+ 0.5%	
SG&A Expenses	4,600	+ 224	+ 5.1%	2,193	2,407	+ 202	+ 9.2%
Operating profit	2,900	+ 365	+ 14.4%	1,431	1,469	+ 36	+ 2.5%
Operating profit margins	8.6%	+ 0.3%		8.7%	8.5%	(0.6%)	
Ordinary profit	2,900	+ 364	+ 14.4%	1,432	1,468	+ 34	+ 2.4%
Profit	2,000	+ 86	+ 4.5%	985	1,015	(141)	(12.2%)
Utilization ratio (Company-wide)	94.9%	+ 1.6%		93.1%	96.5%	+ 0.1%	
Working Hours<h/day>	8.21	(0.05)		8.14	8.28	—	
Number of Recruitment	965	(43)					
Newly graduated	365	(46)					
Mid-career	600	+ 3					
Turnover Ratio	12.3%	(1.6%)					
				Expected New Graduates for April 2024	To Apr. 2023		
				316	(49)		

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- Next, this shows a comparison with our previous fiscal year results for Meitec Fielders.
- Net sales is forecast to rise ¥3,228 million year on year, or 10.6%, while operating profit is forecast to increase by ¥365 million year on year, or 14.4%, and profit is expected to rise ¥86 million year on year, or 4.5%.

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

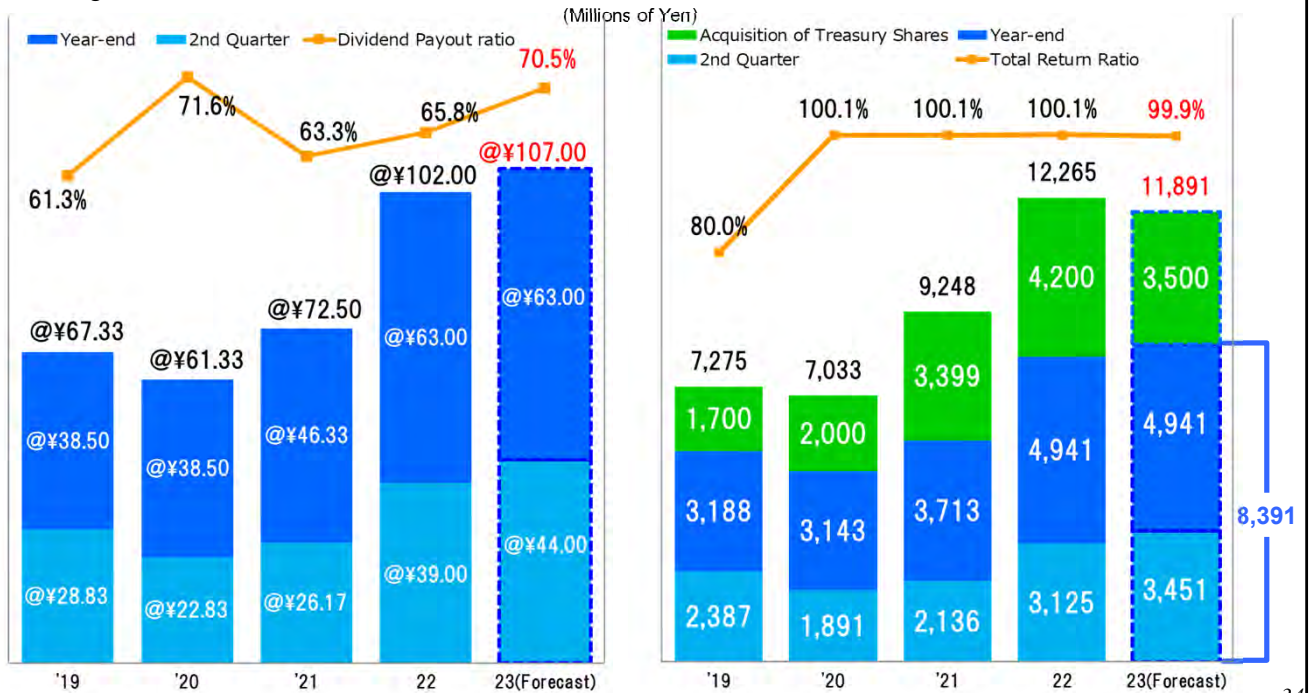
- ✓ To realize the flexible financial position, for the implementation of future growth strategies and response to the risk associated in achieving the goals of the management plan, treasury shares will be held by the company.

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- This is our Basic Policy Regarding Profit Distribution. With regard to profit distribution under the current Mid-term Management Plan, this slide explains how we will execute that policy based on the adequacy of quality and quantity of capital and funds. There has been no change in the content.

Results and Forecast of Profit Distribution

- ✓ Annual total return ratio was 100%, as announced in May of this year
- ✓ Dividend to share buyback ratio changed from the 6:4 initially forecast to 7:3
⇒ The result of multifaceted consideration based on the many opinions and requests received through dialogue with shareholders and investors

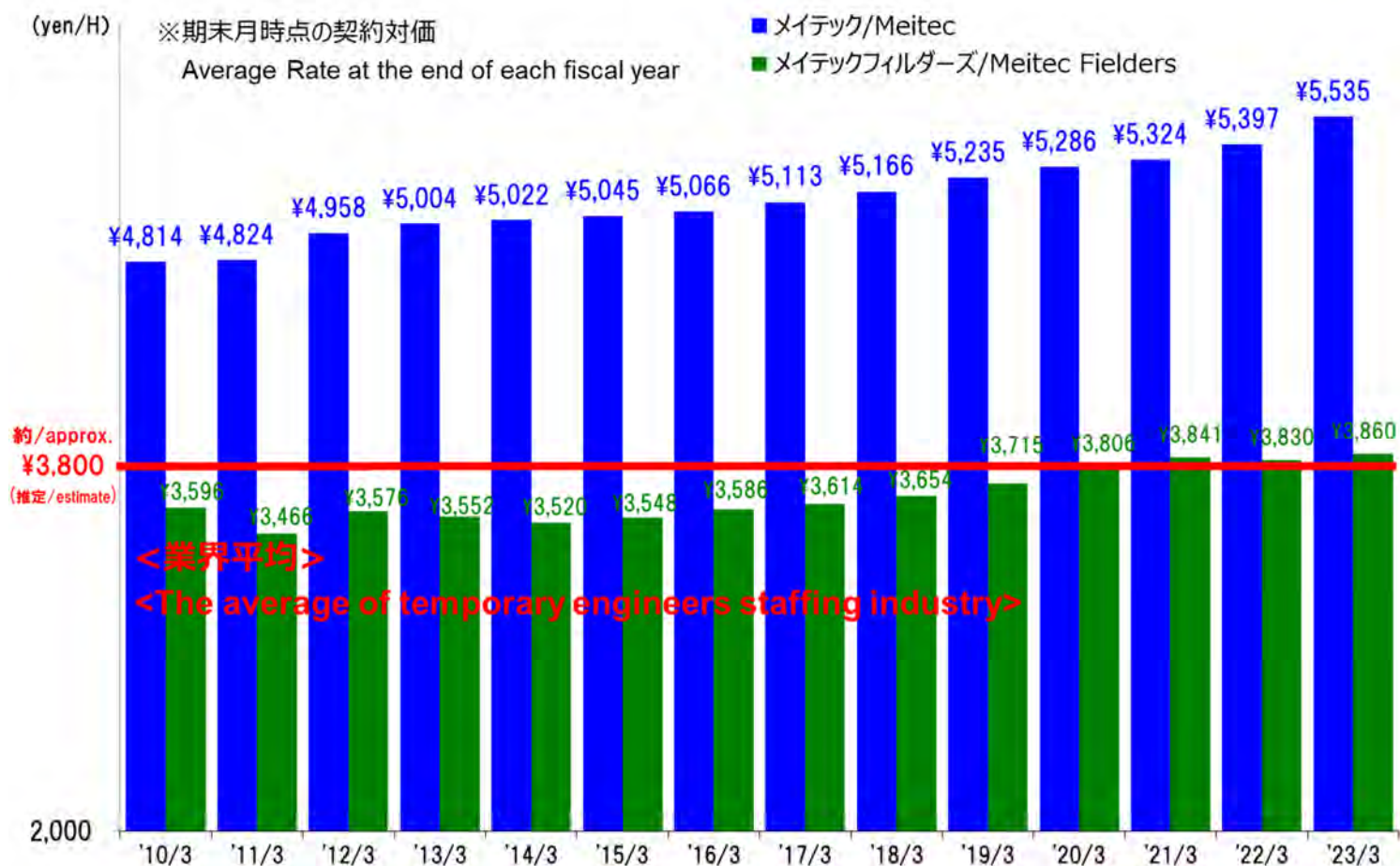


- Lastly, I will discuss our results and forecast of profit distribution.
- The interim dividend has been revised in accordance with our initially announced dividend payout ratio of 60% to reflect the fact that profit exceeded the initially announced forecast. Therefore, the interim dividend has been set at ¥44 per share.
This is a ¥4 increase from initial forecasts, and a ¥5 increase year on year.
- In terms of profit distribution, we have for some time been collecting multifaceted opinions and a variety of requests through dialogue with shareholders and investors.
Based on a large number of requests recently, we considered the issues from a number of different angles.
As a result, while maintaining the total return ratio of 100%, we have taken the decision to revise the ratio of distributions, in terms of dividends to Treasury share acquisitions, from the initial forecast of 6:4 to 7:3.
- As a result, the year-end dividend has been revised from an initial forecast of ¥49 per share to ¥63 per share, and the annual dividend is expected to be a total of approximately ¥8.4 billion, or ¥107 per share.
- We also decided to conduct a treasury share acquisition of ¥3.5 billion.
As we have announced today in the press release, the purchase will commence tomorrow.
- That concludes my explanation.
- Going forward, we will strive to manage the Group in such a way as to meet your expectations. In that regard, I once again ask for your continued understanding and support. Thank you for listening.

3. Reference Materials

Trend in Average Rate = (Market Value)

Re-posted



Results for the 2nd Quarter (Group Companies)

	Engineering Solutions Business			Recruiting & Placement Business for Engineers
	Meitec (※)	Meitec Fielders	Meitec Cast	Meitec Next
(Fractions of one million yen are rounded down)				
Net sales	43,740	16,463	1,720	728
YoY Amount	+2,840	+1,776	+87	(184)
% Change	+6.9%	+12.1%	+5.3%	(20.2%)
Operating profit	6,853	1,431	119	235
YoY Amount	+765	+329	+11	(91)
% Change	+12.6%	+29.9%	+10.7%	(28.0%)
Ordinary profit	8,062	1,432	119	235
Profit	5,746	985	82	162

* Shows 1H results for Meitec (business name changed to MEITEC Group Holdings Inc. on October 1) up to September 30.

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

	Engineering Solutions Business			Recruiting & Placement Business for Engineers
	Meitec(※)	Meitec Fielders	Meitec Cast	Meitec Next
(Fractions of one million yen are rounded down)				
Net sales	88,000	33,700	3,500	1,460
YoY Amount	+4,234	+3,228	+168	(221)
% Change	+5.1%	+10.6%	+5.1%	(13.2%)
Operating profit	13,800	2,900	230	470
YoY Amount	+587	+365	—	(77)
% Change	+4.5%	+14.4%	(0.0%)	(14.1%)
Ordinary profit	15,000	2,900	230	470
Profit	10,500	2,000	150	300

- Content is the combined total of the 1H results of Meitec (until 9/30) shown on p. 37 and the forecast for Meitec (after 10/1) (business name changed from MEITEC SPLIT PREPARATORY COMPANY on October 1).

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Sales by the Industrial Segments (Meitec)

Millions of Yen

Meitec (Fractions of one million yen are rounded down)	2Q FY2019	2Q FY2020	2Q FY2021	2Q FY2022	2Q FY2023			
	Net Sales				Net Sales	Total Net Sales(%)	Change	Change (%)
Automobile/Transportation	11,060	9,789	9,953	10,986	11,936	27.3%	+950	+ 8.7%
Aircraft/Aerospace	2,276	2,084	1,920	2,009	2,366	5.4%	+356	+ 17.7%
Industrial Machinery	5,232	4,614	4,822	5,537	5,498	12.6%	(39)	(0.7%)
Precision Equipment	3,400	3,689	4,014	4,475	4,870	11.1%	+394	+8.8%
IT Related Hardware and Devices	1,794	1,722	1,825	1,829	1,822	4.2%	(6)	(0.3%)
Electric and Electronics	3,896	3,467	3,613	3,961	4,180	9.6%	+218	+ 5.5%
Semiconductors and Integrated Circuits Design	2,002	2,026	2,243	2,483	2,529	5.8%	+46	+ 1.9%
Semiconductor Equipment and Devices	1,325	1,431	1,610	1,875	2,151	4.9%	+276	+ 14.7%
Information Processing/Software	2,719	2,789	3,290	3,836	4,320	9.9%	+484	+ 12.6%
Plant	1,374	1,299	1,381	1,518	1,618	3.7%	+100	+ 6.6%
Construction	167	139	183	189	176	0.4%	(13)	(6.9%)
Others	1,725	1,791	1,981	2,197	2,268	5.2%	+71	+3.3%
Total	36,976	34,846	36,841	40,899	43,740	100.0%	+2,840	+ 6.9%

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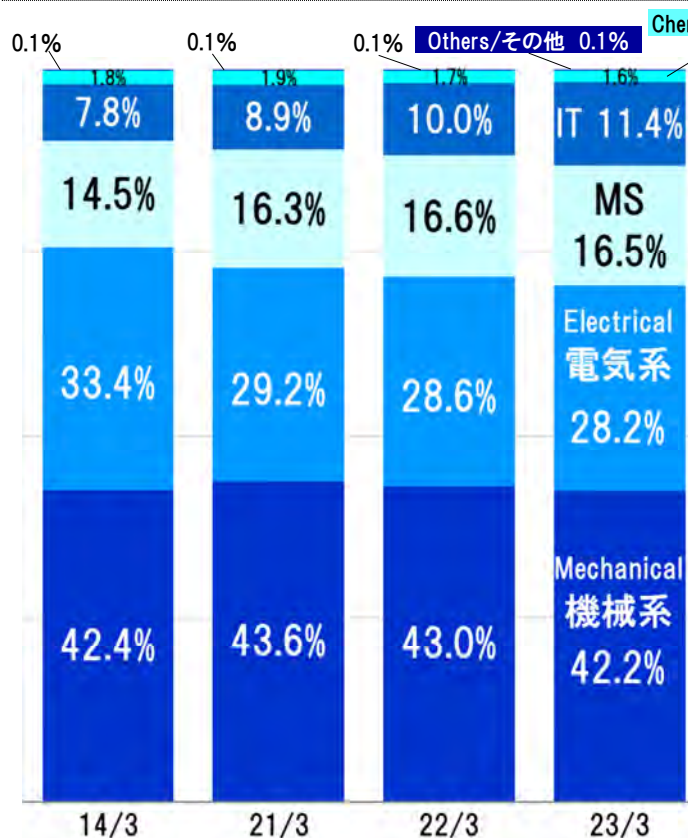
Sales by the Industrial Segments (Meitec Fielders)

Millions of Yen

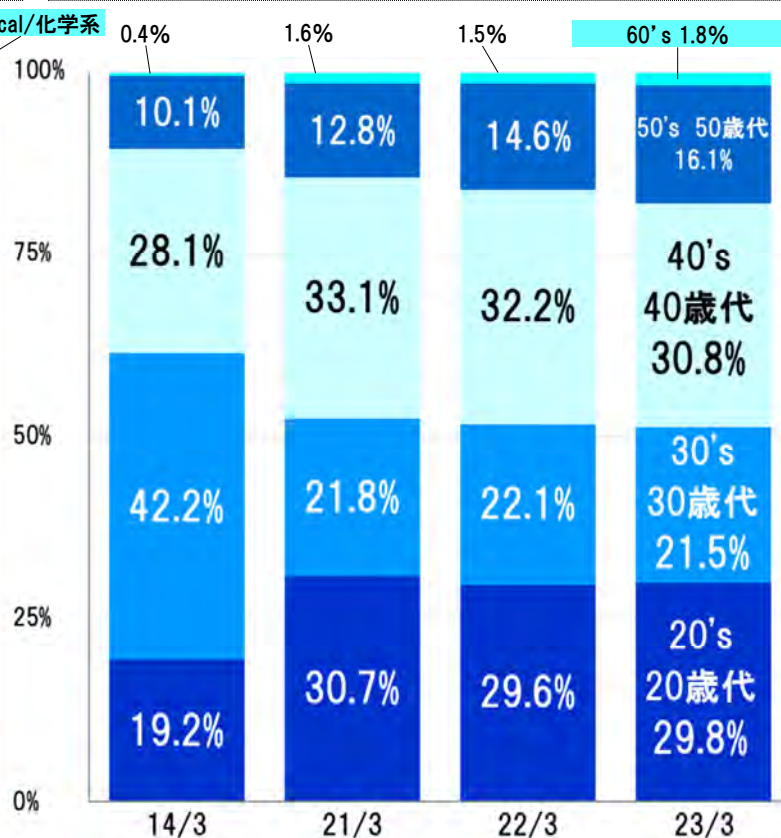
Meitec Fielders (Fractions of one million yen are rounded down)	2Q FY2019	2Q FY2020	2Q FY2021	2Q FY2022	2Q FY2023			
	Net Sales				Net Sales	Total Net Sales(%)	Change	Change (%)
Automobile/Transportation	3,418	3,015	3,277	3,771	4,297	26.1%	+525	+ 13.9%
Aircraft/Aerospace	182	195	203	181	222	1.3%	+40	+ 22.6%
Industrial Machinery	1,909	1,958	2,213	2,774	3,082	18.7%	+308	+ 11.1%
Precision Equipment	1,327	1,363	1,604	1,805	1,915	11.6%	+109	+ 6.1%
IT Related Hardware and Devices	371	341	308	316	391	2.4%	+75	+ 23.7%
Electric and Electronics	1,085	1,053	1,208	1,511	1,704	10.4%	+192	+ 12.8%
Semiconductors and Integrated Circuits Design	345	359	413	518	575	3.5%	+57	+ 11.0%
Semiconductor Equipment and Devices	688	568	644	881	925	5.6%	+43	+ 5.0%
Information Processing/Software	337	480	820	1,248	1,497	9.1%	+249	+ 20.0%
Plant	312	419	519	554	642	3.9%	+88	+ 15.9%
Construction	8	4	10	28	29	0.2%	+0	+ 2.8%
Others	453	512	764	1,094	1,179	7.2%	+84	+ 7.7%
Total	10,439	10,272	11,987	14,687	16,463	100.0%	+1,776	+ 12.1%

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技術分野/Technical field



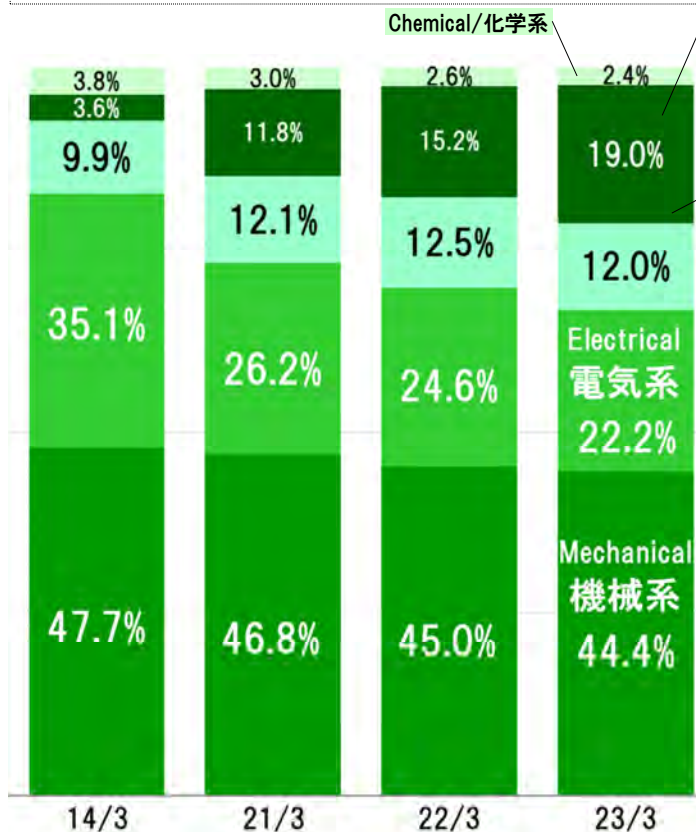
年齢/According to age



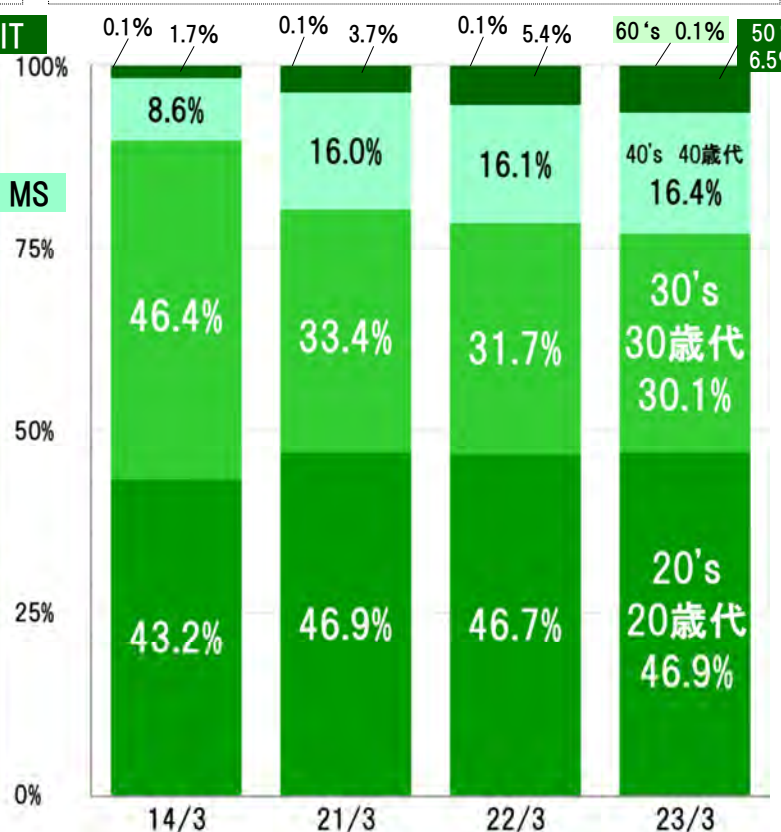
MS: Micro Computer System

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

技術分野/Technical field



年齢/According to age



MS: Micro Computer System

Trend of Performances (Consolidated)

(Millions of Yen)	2012-2Q	2013-2Q	2014-2Q	2015-2Q	2016-2Q	2017-2Q	2018-2Q	2019-2Q	2020-2Q	2021-2Q	2022-2Q	2023-2Q
Net sales	34,130	35,754	39,300	42,143	44,111	45,867	47,621	49,577	47,091	50,915	58,029	62,553
Cost of sales	25,119	26,607	29,366	31,321	32,861	34,049	35,288	36,461	35,307	38,074	42,357	45,672
Cost of sales to Net sales	73.6%	74.4%	74.7%	74.3%	74.5%	74.2%	74.1%	73.5%	75.0%	74.8%	73.0%	73.0%
Gross profit	9,010	9,146	9,934	10,821	11,249	11,817	12,332	13,116	11,783	12,840	15,672	16,880
Selling, general and administrative expenses	6,119	6,239	5,941	6,077	6,178	6,375	6,505	7,113	6,905	7,503	8,088	8,259
SG&A expenses to Net sales	17.9%	17.4%	15.1%	14.4%	14.0%	13.9%	13.7%	14.3%	14.7%	14.7%	13.9%	13.2%
Operating profit	2,891	2,907	3,992	4,744	5,071	5,442	5,827	6,003	4,878	5,336	7,584	8,620
Operating profit margins	8.5%	8.1%	10.2%	11.3%	11.5%	11.9%	12.2%	12.1%	10.4%	10.5%	13.1%	13.8%
Non-operating profit	74	33	24	14	11	9	7	22	31	70	52	24
Non-operating expenses	20	9	3	35	7	5	5	4	1	1	1	19
Ordinary profit	2,945	2,931	4,012	4,723	5,074	5,447	5,830	6,020	4,907	5,405	7,635	8,625
Ordinary profit margins	8.6%	8.2%	10.2%	11.2%	11.5%	11.9%	12.2%	12.1%	10.4%	10.6%	13.2%	13.8%
Extraordinary income	47	—	7	1,084	2	—	11	—	—	—	—	—
Extraordinary loss	206	18	3,464	30	3	60	1	2	4	4	0	5
Profit before income taxes	2,786	2,913	555	5,777	5,073	5,386	5,840	6,018	4,903	5,401	7,635	8,619
Total income taxes	1,094	1,207	361	1,979	1,607	1,860	1,954	2,047	1,764	1,852	2,527	2,868
Profit attributable to owners of parent	1,692	1,706	194	3,798	3,466	3,526	3,885	3,970	3,138	3,549	5,107	5,750
Profit margins	5.0%	4.8%	0.5%	9.0%	7.9%	7.7%	8.2%	8.0%	6.7%	7.0%	8.8%	9.2%

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Trend of Performances (Meitec)

(Millions of Yen)	2012-2Q	2013-2Q	2014-2Q	2015-2Q	2016-2Q	2017-2Q	2018-2Q	2019-2Q	2020-2Q	2021-2Q	2022-2Q	2023-2Q
Net sales	27,125	28,150	30,682	33,131	34,073	35,544	36,116	36,976	34,846	36,841	40,899	43,740
Cost of sales	20,081	21,094	23,091	24,758	25,545	26,601	26,969	27,307	26,213	27,476	29,634	31,458
Cost of sales to Net sales	74.0%	74.9%	75.3%	74.7%	75.0%	74.8%	74.7%	73.8%	75.2%	74.6%	72.5%	71.9%
Gross profit	7,043	7,056	7,590	8,372	8,527	8,942	9,146	9,669	8,633	9,365	11,264	12,281
Selling, general and administrative expenses	4,583	4,664	4,325	4,444	4,426	4,512	4,502	4,907	4,676	4,917	5,176	5,428
SG&A expenses to Net sales	16.9%	16.6%	14.1%	13.4%	13.0%	12.7%	12.5%	13.3%	13.4%	13.3%	12.7%	12.4%
Operating profit	2,460	2,392	3,265	3,927	4,100	4,430	4,644	4,762	3,956	4,447	6,088	6,853
Operating profit margins	9.1%	8.5%	10.6%	11.9%	12.0%	12.5%	12.9%	12.9%	11.4%	12.1%	14.9%	15.7%
Non-operating profit	291	403	435	497	585	751	749	902	943	581	899	1,228
Non-operating expenses	11	4	3	30	6	2	4	3	1	1	1	19
Ordinary profit	2,739	2,791	3,697	4,395	4,679	5,179	5,388	5,661	4,899	5,027	6,986	8,062
Ordinary profit margins	10.1%	9.9%	12.0%	13.3%	13.7%	14.6%	14.9%	15.3%	14.1%	13.6%	17.1%	18.4%
Extraordinary income	—	—	8	1,084	15	30	11	—	—	—	—	—
Extraordinary loss	210	43	3,463	43	3	60	1	2	4	4	0	4
Profit before income taxes	2,528	2,748	242	5,437	4,691	5,149	5,398	5,658	4,894	5,023	6,986	8,058
Total income taxes	935	1,003	69	1,687	1,411	1,541	1,589	1,661	1,464	1,553	2,048	2,311
Profit	1,593	1,745	172	3,749	3,279	3,608	3,808	3,997	3,429	3,470	4,937	5,746
Profit margins	5.9%	6.2%	0.6%	11.3%	9.6%	10.2%	10.5%	10.8%	9.8%	9.4%	12.1%	13.1%

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Trend of Performances (Meitec Fielders)

(Millions of Yen)	2012-2Q	2013-2Q	2014-2Q	2015-2Q	2016-2Q	2017-2Q	2018-2Q	2019-2Q	2020-2Q	2021-2Q	2022-2Q	2023-2Q
Net sales	4,513	5,037	5,753	6,386	7,218	8,163	9,314	10,439	10,272	11,987	14,687	16,463
Cost of sales	3,436	3,879	4,453	4,965	5,637	6,357	7,245	8,095	8,007	9,425	11,414	12,838
Cost of sales to Net sales	76.1%	77.0%	77.4%	77.7%	78.1%	77.9%	77.8%	77.5%	77.9%	78.6%	77.7%	78.0%
Gross profit	1,076	1,157	1,300	1,421	1,580	1,806	2,069	2,344	2,265	2,562	3,273	3,625
Selling, general and administrative expenses	807	806	813	873	939	1,129	1,256	1,413	1,601	1,924	2,171	2,193
SG&A expenses to Net sales	17.9%	16.0%	14.1%	13.7%	13.0%	13.8%	13.5%	13.5%	15.6%	16.1%	14.8%	13.3%
Operating profit	269	351	486	547	641	677	812	930	664	638	1,101	1,431
Operating profit margins	6.0%	7.0%	8.5%	8.6%	8.9%	8.3%	8.7%	8.9%	6.5%	5.3%	7.5%	8.7%
Non-operating profit	1	1	—	—	—	—	—	—	—	1	0	1
Non-operating expenses	—	—	—	—	1	2	—	—	1	0	0	0
Ordinary profit	270	352	486	548	639	674	812	930	663	639	1,102	1,432
Ordinary profit margins	6.0%	7.0%	8.5%	8.6%	8.9%	8.3%	8.7%	8.9%	6.5%	5.3%	7.5%	8.7%
Extraordinary income	—	—	—	—	—	—	—	—	—	—	—	—
Extraordinary loss	—	—	—	—	—	—	—	—	—	—	—	—
Profit before income taxes	270	352	486	548	639	674	812	930	663	639	1,102	1,432
Total income taxes	102	133	189	198	116	211	250	286	208	201	344	446
Profit	167	218	297	349	523	462	561	644	454	438	757	985
Profit margins	3.7%	4.3%	5.2%	5.5%	7.3%	5.7%	6.0%	6.2%	4.4%	3.7%	5.2%	6.0%

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Trend of Performances (Meitec Next)

(Millions of Yen)	2012-2Q	2013-2Q	2014-2Q	2015-2Q	2016-2Q	2017-2Q	2018-2Q	2019-2Q	2020-2Q	2021-2Q	2022-2Q	2023-2Q
Net sales	368	447	536	639	758	818	894	867	665	732	912	728
Cost of sales												
Cost of sales to Net sales												
Gross profit	368	447	536	639	758	818	894	867	665	732	912	728
Selling, general and administrative expenses	246	278	355	435	475	539	602	629	490	518	585	493
SG&A expenses to Net sales	67.0%	62.2%	66.3%	68.0%	62.6%	65.9%	67.4%	72.6%	73.7%	70.8%	64.1%	67.7%
Operating profit	121	169	180	204	283	279	291	237	174	214	327	235
Operating profit margins	33.0%	37.8%	33.7%	32.0%	37.4%	34.1%	32.6%	27.4%	26.3%	29.2%	35.9%	32.3%
Non-operating profit	—	—	—	—	—	—	—	—	—	0	0	0
Non-operating expenses	—	—	—	—	—	—	—	1	—	0	—	—
Ordinary profit	121	169	180	204	283	279	291	235	174	214	327	235
Ordinary profit margins	33.0%	37.9%	33.7%	32.0%	37.4%	34.1%	32.6%	27.2%	26.3%	29.2%	35.9%	32.3%
Extraordinary income	—	—	—	—	—	—	—	—	—	—	—	—
Extraordinary loss	—	—	—	—	—	—	—	—	—	—	—	0
Profit before income taxes	121	169	180	204	283	278	291	235	174	214	327	235
Total income taxes	9	55	64	67	90	87	89	72	54	67	100	72
Profit	112	114	116	136	193	191	202	163	119	146	226	162
Profit margins	30.5%	25.5%	21.6%	21.4%	25.5%	23.4%	22.6%	18.8%	18.0%	20.1%	24.8%	22.3%

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Trend of Balance Sheets (Consolidated)

(Millions of Yen)	2012/9/30	2013/9/30	2014/9/30	2015/9/30	2016/9/30	2017/9/30	2018/9/30	2019/9/30	2020/9/30	2021/9/30	2022/9/30	2023/9/30
Cash and deposits	27,506	27,866	30,719	35,716	34,954	38,425	40,838	42,131	44,838	46,250	49,128	50,572
Notes and accounts receivable - trade	10,036	10,070	11,680	12,048	12,695	13,354	13,100	13,709	13,043	14,518	16,425	17,872
Total current assets	40,935	42,090	46,427	52,071	52,568	55,645	55,348	57,148	59,437	62,260	67,233	70,247
Property, plant and equipment	10,920	10,785	7,333	5,980	5,632	5,498	5,296	5,364	5,199	5,046	4,895	4,757
Total non-current assets	16,215	15,799	12,393	12,271	11,183	11,743	14,168	14,408	14,525	13,897	14,513	15,417
Total assets	57,150	57,890	58,821	64,343	63,752	67,389	69,516	71,556	73,962	76,158	81,747	85,665
Total current liabilities	9,760	9,642	11,351	12,850	12,923	14,119	14,929	14,468	13,533	14,702	18,090	20,844
Total non-current liabilities	9,496	10,256	10,857	12,046	13,555	14,133	14,826	15,540	16,021	16,447	16,895	17,231
Total liabilities	19,257	19,898	22,209	24,897	26,478	28,252	29,755	30,009	29,555	31,150	34,986	38,075
Total shareholders' equity	38,744	38,816	38,401	41,387	39,570	41,118	41,575	43,219	45,900	46,303	47,850	48,480
Other net assets	(851)	(824)	(1,789)	(1,941)	(2,296)	(1,981)	(1,813)	(1,672)	(1,492)	(1,295)	(1,089)	(891)
Total net assets	37,893	37,991	36,612	39,445	37,273	39,136	39,761	41,547	44,407	45,008	46,761	47,589

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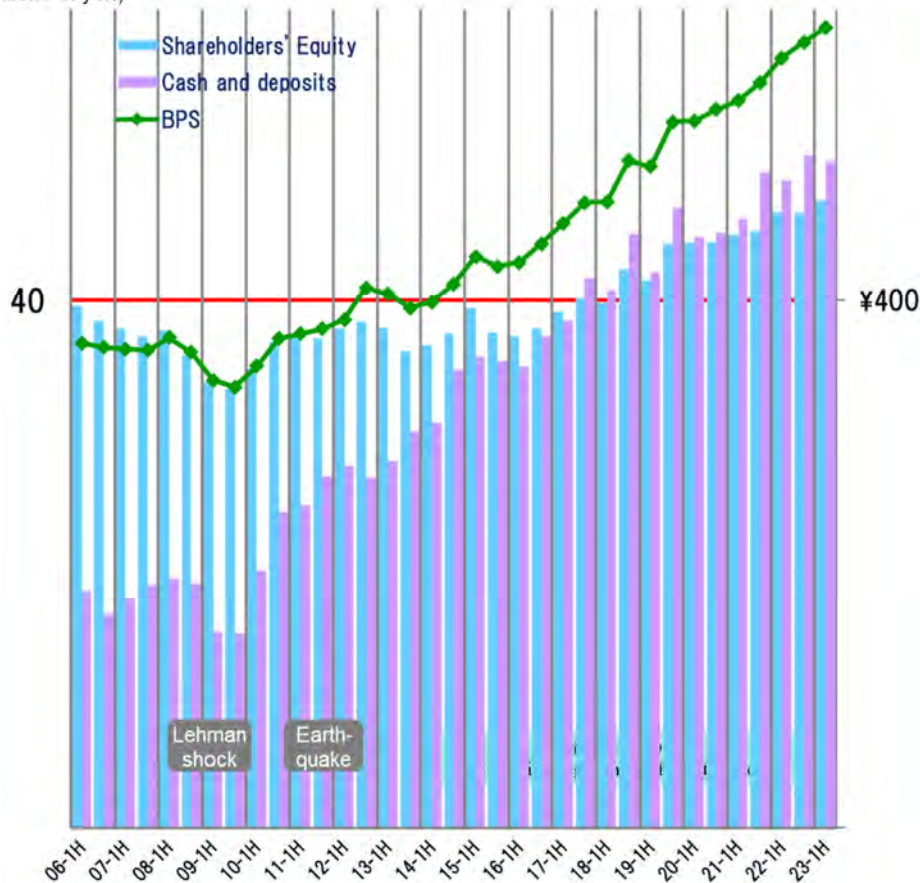
Trend of Profit Distributions and Forecast

(Fractions of one million yen are rounded)		FY2013	FY2014	FY2015	FY2016	FY2017	FY2018	FY2019	FY2020	FY2021	Actual FY2022	Forecast FY2023
Total Return Ratio		101.2%	116.8%	100.0%	100.1%	80.0%	80.0%	80.0%	100.1%	100.1%	100.1%	99.9%
Dividend Payout ratio		55.9%	92.2%	53.0%	54.7%	61.6%	63.1%	61.3%	71.6%	63.3%	65.8%	70.5%
Dividend on Equity		6.0%	9.2%	11.4%	11.6%	12.9%	13.6%	12.9%	11.4%	13.1%	17.6%	
Annual Dividends	Per Share	@¥24.00	@¥37.00	@¥48.00	@¥50.50	@¥59.00	@¥66.50	@¥67.33	@¥61.33	@¥72.50	@¥102.00	@¥107.00
	Millions of Yen	2,220	3,373	4,286	4,344	5,008	5,567	5,575	5,033	5,848	8,065	8,391
2nd Quarter	Per Share	@¥10.50	@¥14.67	@¥21.00	@¥22.67	@¥24.83	@¥28.00	@¥28.83	@¥22.83	@¥26.17	@¥39.00	@¥44.00
	Millions of Yen	983	1,344	1,908	1,968	2,119	2,344	2,387	1,891	2,136	3,125	3,451
Year-end	Per Share	@¥13.50	@¥22.33	@¥27.00	@¥27.83	@¥34.17	@¥38.50	@¥38.50	@¥38.50	@¥46.33	@¥63.00	@¥63.00
	Millions of Yen	1,237	2,029	2,378	2,375	2,889	3,223	3,188	3,143	3,713	4,941	4,941
Acquisition of Treasury Shares	Thousands of shares	641	269	921	915	257	280	303	390	500	1,704	1,400
	Millions of Yen	1,800	899	3,799	3,600	1,500	1,500	1,700	2,000	3,399	4,200	3,500
Total Shareholders Return	Millions of Yen	4,020	4,273	8,086	7,944	6,508	7,067	7,275	7,033	9,248	12,265	11,891
Retirement of Treasury Stock	Thousands of shares	500	300	900	1,300		700	300	400	500	1,800	
Stock Price TSE#9744	As of April 1	¥731	¥952	¥1,322	¥1,288	¥1,502	¥1,987	¥1,710	¥1,355	¥2,013	¥2,220	¥2,363
	As of March 31	¥977	¥1,342	¥1,312	¥1,507	¥1,963	¥1,677	¥1,433	¥2,037	¥2,217	¥2,364	
Profit	Millions of Yen	3,974	3,660	8,084	7,937	8,132	8,829	9,093	7,029	9,241	12,253	11,900
Earnings per Share		@¥42.77	@¥40.04	@¥89.75	@¥91.44	@¥95.55	@¥105.14	@¥109.45	@¥85.26	@¥113.85	@¥153.87	@¥151.74
Net Assets per Share		@¥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.

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(billions of yen)

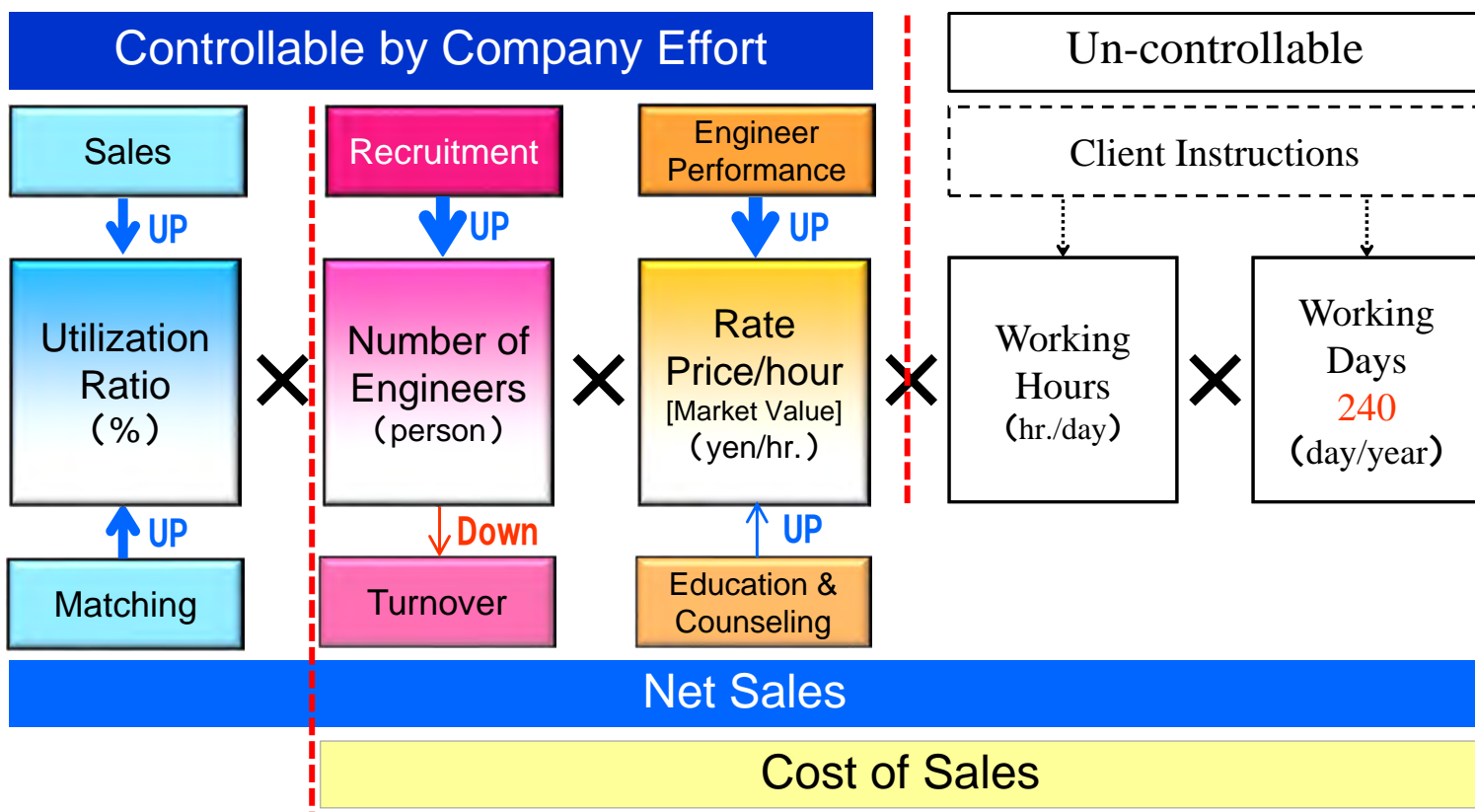


- Protecting employment of engineers under economic crisis is essential for sustainable growth for indefinite employment engineer staffing business.
→ Engineers can continue to concentrate on brushing up their own career under assumption of stable employment.
- With consideration of remaining fund, prioritize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

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Sales and Cost (Dispatch-type)

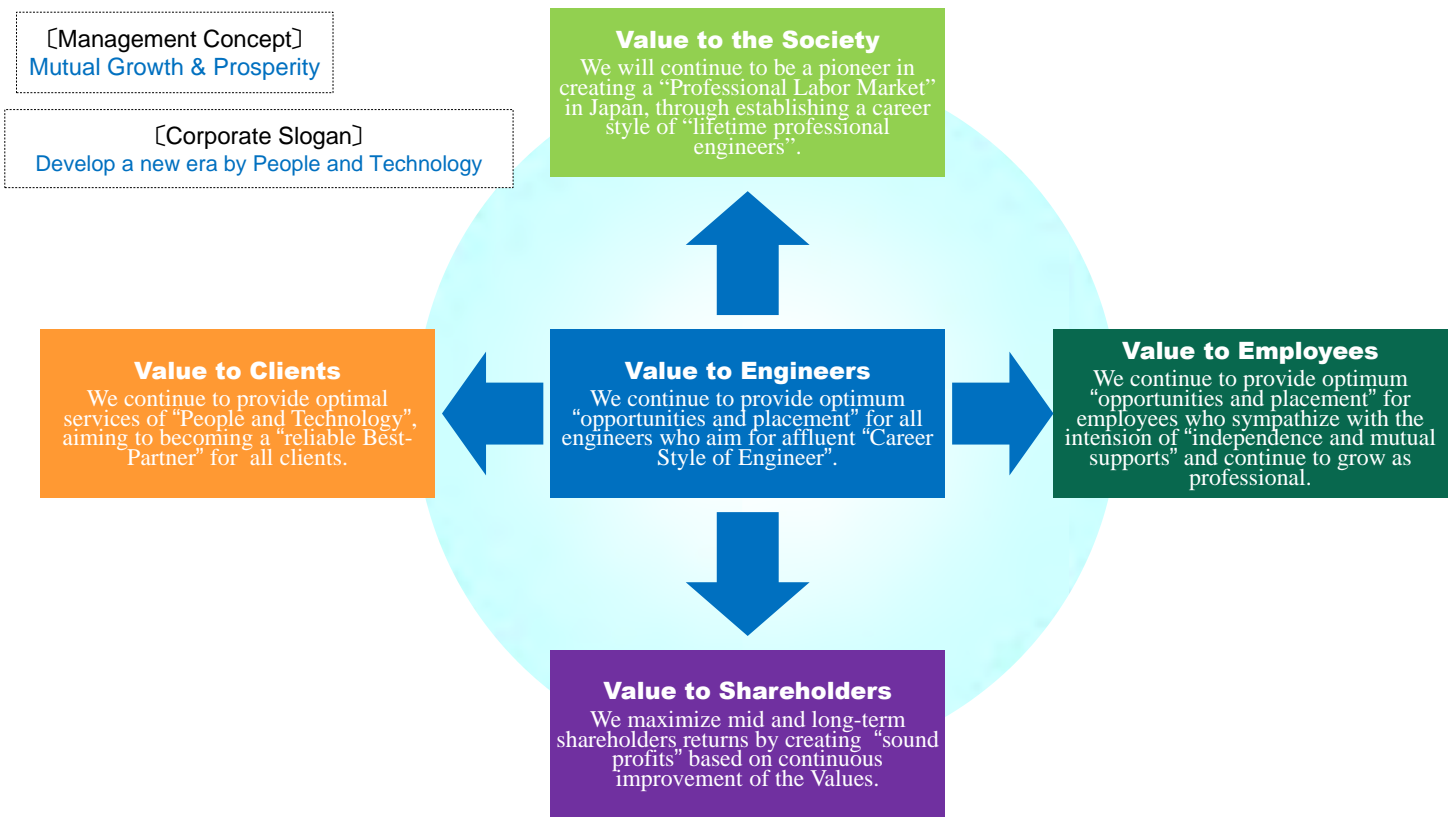
- ✓ Increasing the number of engineers and sustaining and improving the high "utilization ratio and prices" are the key to a growth.



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“Ideal State of the Meitec Group”

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.

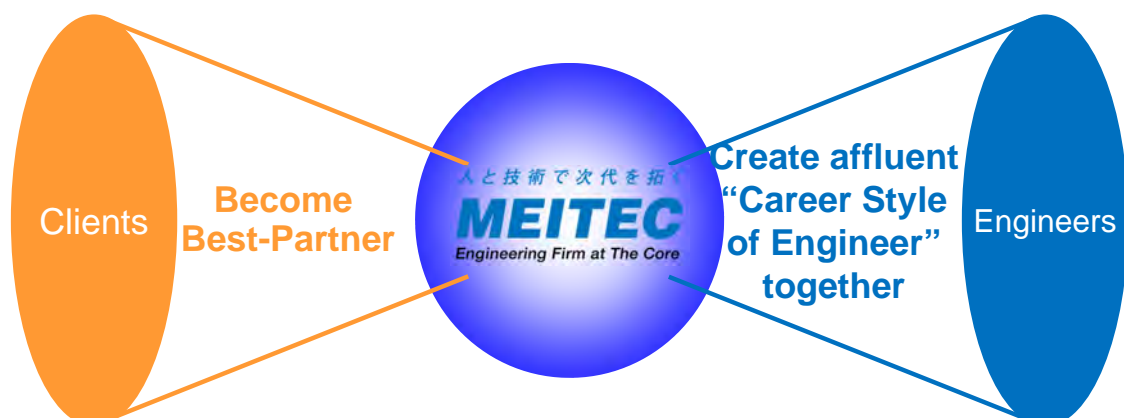


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Purpose to pursued

Further “increase the level of satisfaction” of clients and engineers

“increase the level of satisfaction”



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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

3 GOOD HEALTH AND WELL-BEING



7 AFFORDABLE AND CLEAN ENERGY



11 SUSTAINABLE CITIES AND COMMUNITIES



12 RESPONSIBLE CONSUMPTION AND PRODUCTION



13 CLIMATE ACTION



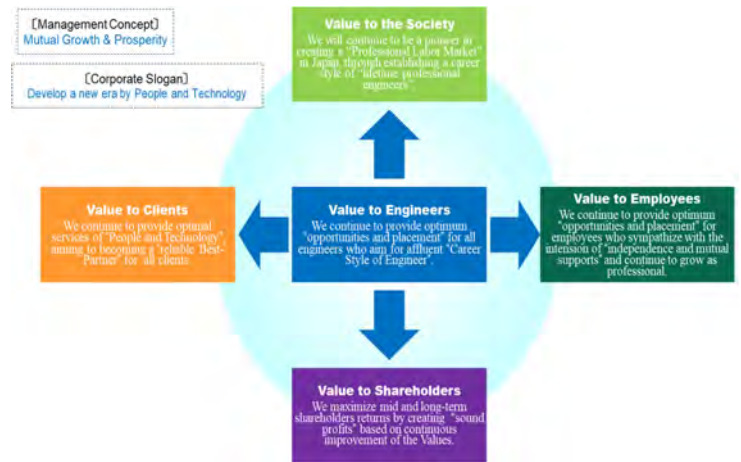
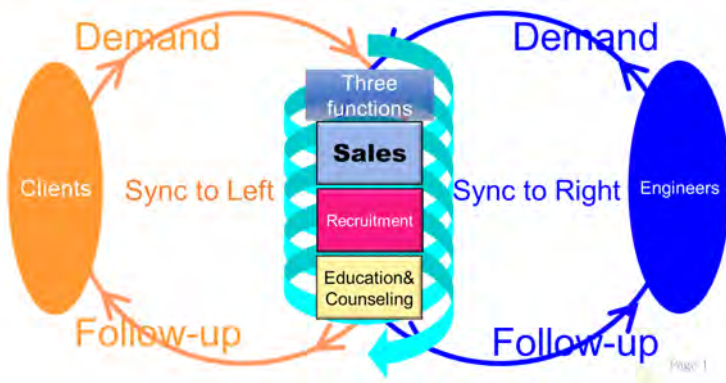
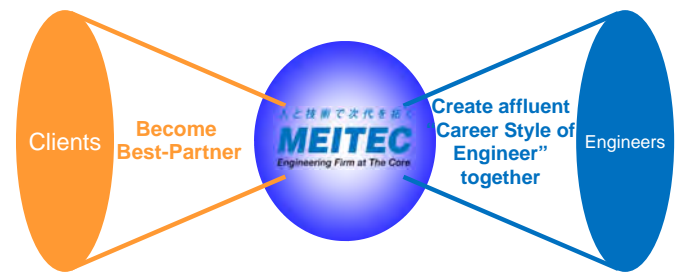
17 PARTNERSHIPS FOR THE GOALS



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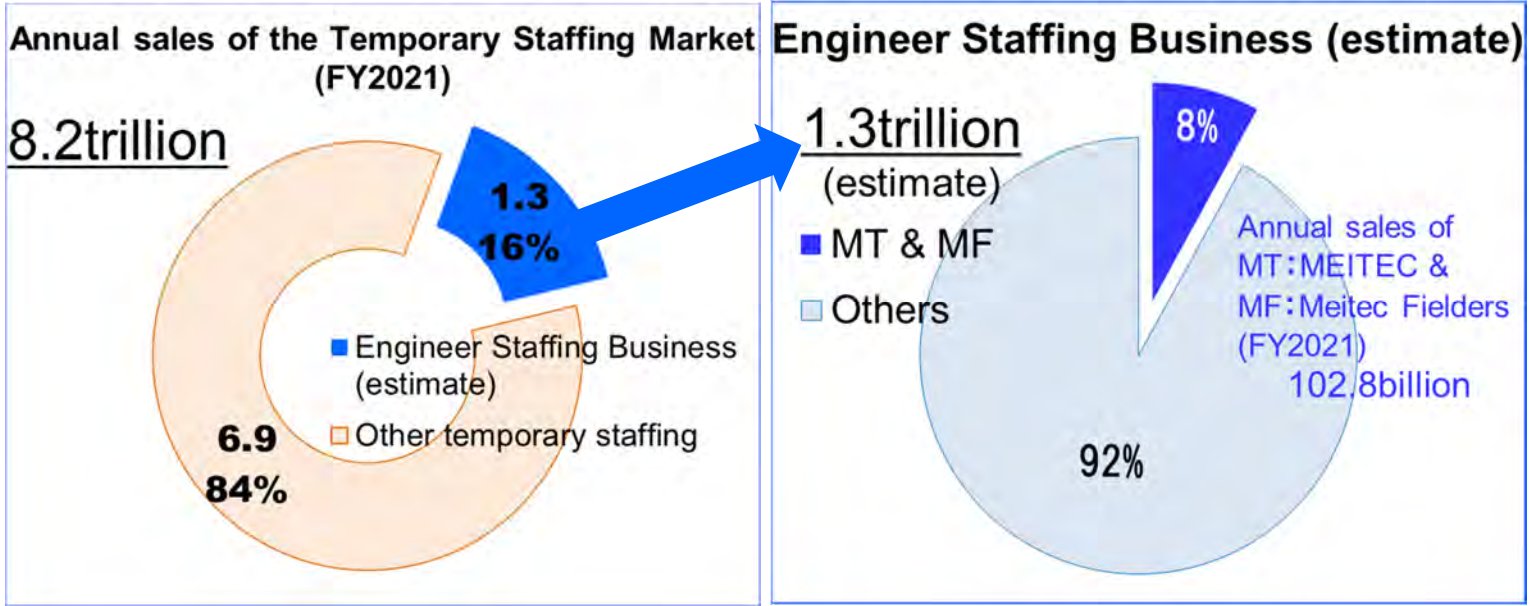
Always Market-oriented

Constant Bidirectional contact



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%			



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.

Corporate Governance

Re-posted

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

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

Consolidated profit (not including performance-linked directors' remuneration)	x within 2.5%
Of which the equivalent to 20% of post-tax value	Upper limit: 250 million yen annually Allocated for purchase of treasury shares (Directors shareholding association method)

Independent Outside Directors and Directors who are Audit and Supervisory Committee Members are not eligible for payment.

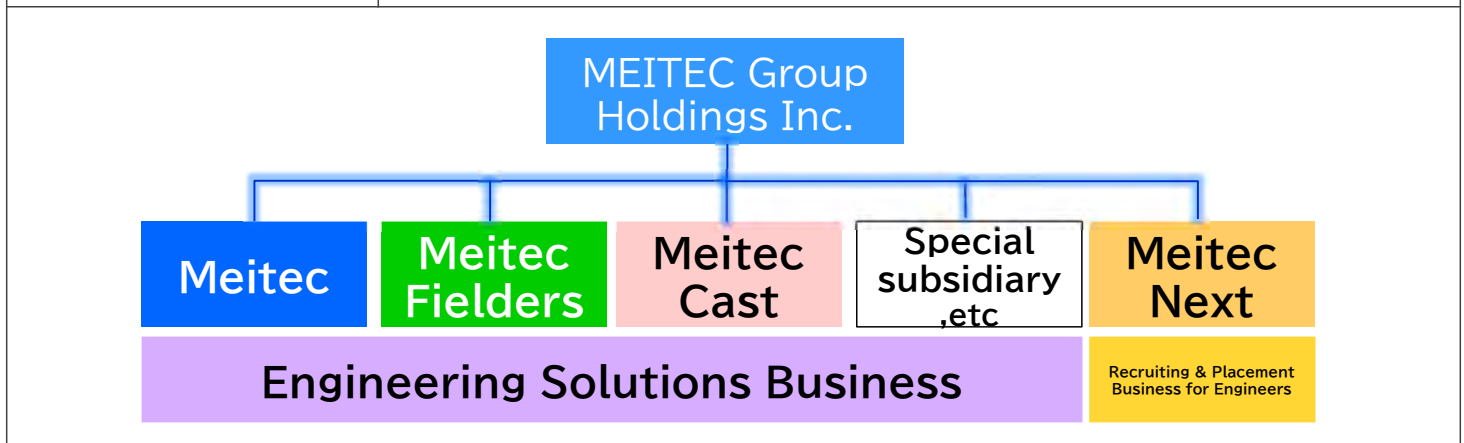
Shareholders by Business Segments

Shareholder Segment	As of September 30, 2023			
	Shareholders	%	Shares Held	%
Banks	7	0.1%	585,000	0.7%
Trust Banks	11	0.2%	20,663,000	25.1%
Life and nonlife insurance companies	25	0.4%	9,386,038	11.4%
Securities financing and other financial companies	4	0.1%	83,480	0.1%
Securities companies	31	0.6%	1,034,390	1.3%
Business concerns and other companies	69	1.2%	445,621	0.5%
Overseas companies and investors	260	4.6%	38,646,320	46.8%
Individuals and others	5,226	92.8%	11,656,151	14.1%
Total	5,633	100.0%	82,500,000	100.0%

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Company Information

Company Name	MEITEC Group Holdings Inc.
Tokyo Headquarters	Taito-ku, Tokyo
Atsugi Headquarters	Atsugi, Kanagawa
Stock listings	Tokyo Stock Exchange, Prime Market(No. 9744)
Incorporated	July 17, 1974



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