

# Results for the Fiscal Year Ended March 31, 2022

May 12, 2022

## **MEITEC CORPORATION**

President and CEO, COO  
MEITEC Group CEO

Hideyo Kokubun

- 1. Results for the Fiscal Year Ended March 31, 2022**
- 2. Progress on Mid-term Management Plan**
- 3. Forecast for the Fiscal Year Ending March 31, 2023**
- 4. 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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- Thank you for attending today's Meitec results briefing.
- I will now discuss on the following:
  1. Results for the Fiscal Year Ended March 31, 2022;
  2. Progress on Mid-term Management Plan; and
  3. Forecast for the Fiscal Year Ending March 31, 2023.
- Please see the Reference Materials later.

# 1. Results for the Fiscal Year Ended March 31, 2022



- I will begin by discussing results for the fiscal year ended March 31, 2022.

## Results for the Fiscal Year Ended March 31, 2022 (Group Consolidated)

- ✓ Net sales rose 10.9% year on year while operating profit rose 25.2%
- ✓ Profit rose 31.5% 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, 2021	FY ended March. 31, 2022	YoY Amount	% Change	Past Forecast	Progress toward the FY forecast
Net sales	96,626	107,140	+10,514	+10.9%	107,000	+140
Cost of sales	72,203	78,917	+6,714	+9.3%	78,600	+317
Cost of sales to Net sales	74.7%	73.7%	(1.1%)			
SG&A Expenses	14,188	15,405	+1,217	+8.6%	16,100	(695)
Operating profit	10,234	12,817	+2,582	+25.2%	12,300	+517
Operating profit margins	10.6%	12.0%	+1.4%		11.5%	+0.5%
Ordinary profit	10,306	12,948	+2,641	+25.6%	12,500	+448
Extraordinary income & loss	(4)	(5)	—			
Profit before income taxes	10,301	12,942	+2,640	+25.6%		
Profit attributable to owners of parent	7,028	9,240	+2,211	+31.5%	8,400	+840
Profit margins	7.3%	8.6%	+1.4%			
Return on Equity (ROE)	15.8%	20.6%	+4.8%			
Ordinary profit to total assets ratio	13.5%	16.5%	+3.0%			

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- This shows the Group's consolidated results.
- For the fiscal year ended March 31, 2022, the outlook remained uncertain due to the impact of COVID-19, including restrictions on economic activities placed intermittently. However, as economic activities began to normalize, efforts to restore investment in technological development looking to the next generation gradually progressed at leading manufacturers that are our clients, and orders received by the Company also recovered steadily.
- Under such circumstances, net sales rose 10.9% year on year to ¥107,140 million, operating profit rose 25.2% to ¥12,817 million and profit attributable to owners of parent rose 31.5% to ¥9,240 million.
- Net sales exceeded our forecast as the utilization ratio and working hours were higher than our expectations, and operating profit also exceeded our forecast due to the fact that SG&A expenses were lower than expected.

## Results for the Fiscal Year Ended March 31, 2022 (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, 2021	FY ended March. 31, 2022	YoY Amount	% Change
Sales of Engineering Solutions Business	95,521	105,715	+10,194	+10.7%
Component ratio	98.9%	98.7%	(0.2%)	
Operating profit	9,960	12,343	+2,382	+23.9%
Sales of Recruiting & Placement Business for Engineers	1,216	1,530	+313	+25.8%
Component ratio	1.3%	1.4%	+0.2%	
Operating profit	273	474	+200	+73.1%

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- This shows results for the Group's business domains.
- In the Engineering Solutions Business, sales rose 10.7% year on year, operating profit rose 23.9% year on year.
- In the Recruiting & Placement Business for Engineers, both sales and profit increased due to an increase in the number of job placements, etc.

## Results for the Fiscal Year Ended March 31, 2022 (Meitec)

- ✓ Net sales rose 7.8% year on year ⇒ Due to an increase in the number of engineers assigned to clients associated with growth in the number of engineers and improvement of utilization rate.
- ✓ Operating profit rose 22.6% year on year ⇒ Due to a situation where the increase in net sales absorbed the increase in labor expenses and other costs associated with growth in the number of engineers, and the increase in SG&A expenses.

(Fractions of one million yen are rounded down)	FY ended March. 31, 2021	FY ended March. 31, 2022	YoY Amount	% Change	Past Forecast	Progress toward the FY forecast
Net sales	71,452	77,010	+ 5,557	+ 7.8%	77,000	+ 10
Cost of sales	53,438	56,503	+ 3,064	+ 5.7%	56,300	+ 203
Cost of sales to Net sales	74.8%	73.4%	(1.4%)		73.1%	+ 0.3%
SG&A Expenses	9,414	9,960	+ 546	+ 5.8%	10,500	(540)
Operating profit	8,600	10,546	+ 1,946	+ 22.6%	10,200	+ 346
Operating profit margins	12.0%	13.7%	+ 1.7%		13.2%	+ 0.4%
Ordinary profit	9,547	11,125	+ 1,578	+ 16.5%	10,800	+ 325
Extraordinary income & loss	(4)	(5)	—			
Profit before income taxes	9,542	11,120	+ 1,577	+ 16.5%		
Profit	6,823	8,051	+ 1,228	+ 18.0%	7,500	+ 551
Utilization ratio (Company-wide)	90.4%	94.3%	+ 3.9%		93.8%	+ 0.5%
Working Hours<h/day>	8.31	8.42	+ 0.11	+ 1.3%	8.40	+ 0.02
Number of Recruitment	562	628	+ 66	+ 11.7%	702	(74)
Newly graduated	399	462	+ 63	+ 15.8%	462	—
Mid-career	163	166	+ 3	+ 1.8%	In-house target 240	(74)
Turnover Ratio	5.6%	5.8%	+ 0.2%		5.4%	+ 0.4%
Number of Engineers	7,281	7,472	+ 191	+ 2.6%		

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- This shows results for Meitec.
- Growth in the number of engineers due to active hiring, as well as in the number of engineers assigned to clients due to the improvement of the utilization ratio, we forecast net sales of ¥77,010 billion, up 7.8% year on year, operating profit of ¥10,546 billion, up 22.6% year on year, and profit of ¥8,051 billion, up 18.0% year on year.
- The number of engineers increased 2.6% year on year. The utilization ratio rose 3.9 percentage points year on year to 94.3%, as we proceeded with assignments for orders received following a recovery of the order environment.
- Working hours increased year on year to 8.42 hours per day because overtime hours bounced back.

## Results for the Fiscal Year Ended March 31, 2022 (Meitec Fielders)

- ✓ Net sales rose 21.1% year on year while operating profit rose 46.9% and number of engineers increased 11.8%
- ✓ Profit year on year increased 66.0% due to decrease in the tax burden.

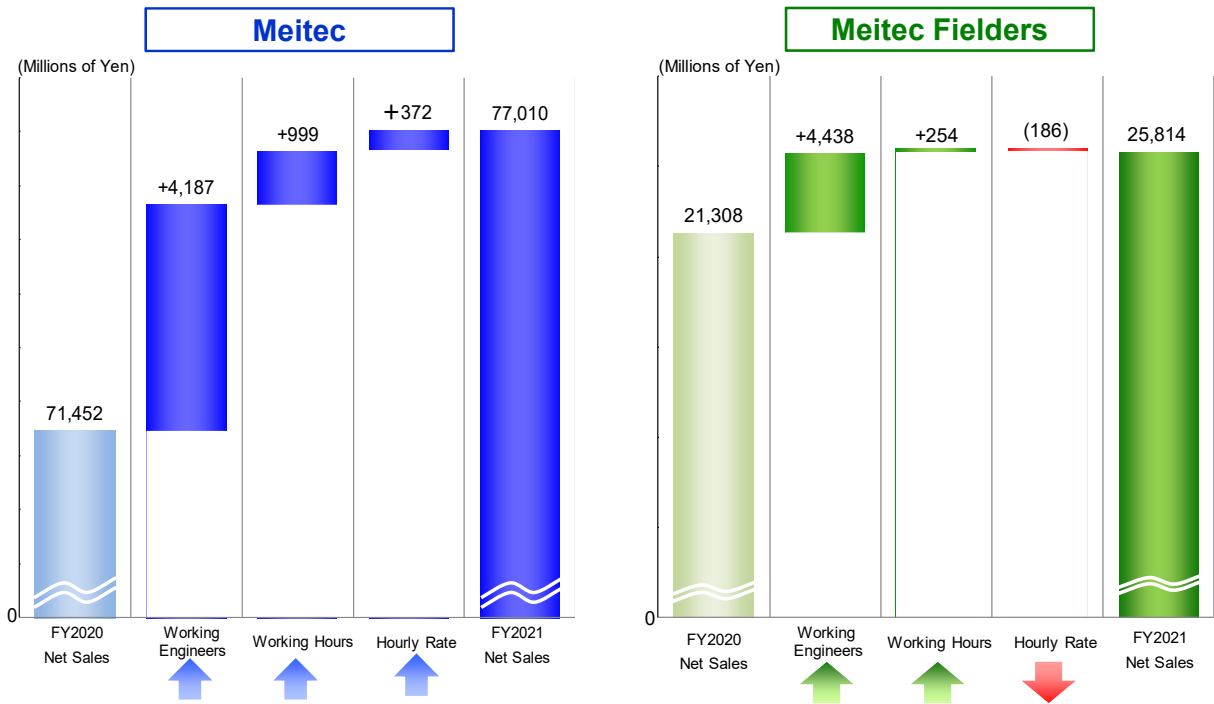
(Fractions of one million yen are rounded down)	FY ended March. 31, 2021	FY ended March. 31, 2022	YoY Amount	% Change	Past Forecast	Progress toward the FY forecast
Net sales	21,308	25,814	+ 4,505	+ 21.1%	25,600	+ 214
Cost of sales	16,542	20,015	+ 3,472	+ 21.0%	19,750	+ 265
Cost of sales to Net sales	77.6%	77.5%	(0.1%)		77.1%	+ 0.4%
SG&A Expenses	3,586	4,067	+ 480	+ 13.4%	4,300	(233)
Operating profit	1,178	1,731	+ 552	+ 46.9%	1,550	+ 181
Operating profit margins	5.5%	6.7%	+ 1.2%		6.1%	+ 0.7%
Ordinary profit	1,177	1,732	+ 555	+ 47.1%	1,550	+ 182
Extraordinary income & loss	—	—	—			
Profit before income taxes	1,177	1,732	+ 555	+ 47.1%		
Profit	805	1,337	+ 531	+ 66.0%	1,060	+ 277
Utilization ratio (Company-wide)	85.0%	89.0%	+ 4.0%		88.7%	+ 0.3%
Working Hours<h/day>	8.29	8.39	+ 0.10	+ 1.2%	8.38	+ 0.01
Number of Recruitment	839	913	+ 74	+ 8.8%	1,102	(189)
Newly graduated	217	302	+ 85	+ 39.2%	302	—
Mid-career	622	611	(11)	(1.8%)	In-house target 800	(189)
Turnover Ratio	9.3%	13.5%	+ 4.2%		12.5%	+ 1.0%
Number of Engineers	3,394	3,793	+ 399	+ 11.8%		

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- This shows results for Meitec Fielders.
- As with Meitec, net sales increased 21.1% year on year to ¥25,814 million, operating profit increased 46.9% year on year to ¥1,731 million, and profit increased 66.0% year on year to ¥1,337 million, mainly due to growth in the number of engineers, as well as in the number of engineers assigned to clients.
- Due to active hiring, the number of engineers significantly increased by 11.8% year on year.
- The utilization ratio rose 4.0 percentage points year on year to 89.0% as we proceeded with assignments following the recovery of the order environment as with Meitec, despite the increase in the number of engineers.
- Furthermore, working hours increased compared to the previous fiscal year to 8.39 hours per day due to the same reason as that with 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 working hours”.



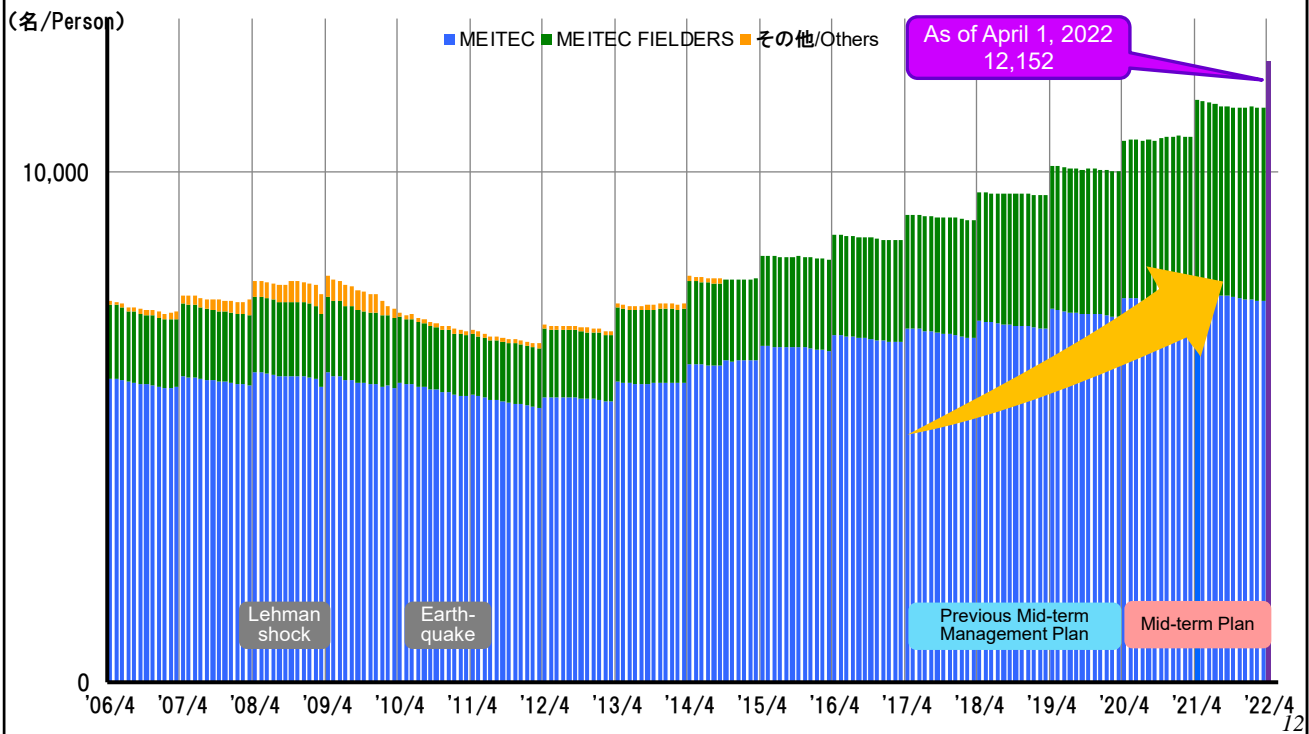
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- This is a breakdown of factors affecting changes in net sales year on year at Meitec and Meitec Fielders.
- For both Meitec and Meitec Fielders, the main factors behind the increase in net sales were the “increase in the number of engineers assigned to clients” and “increase in working hours.” The amounts of these impacts are shown in the graph.



# Number of Engineers (Group Consolidated)

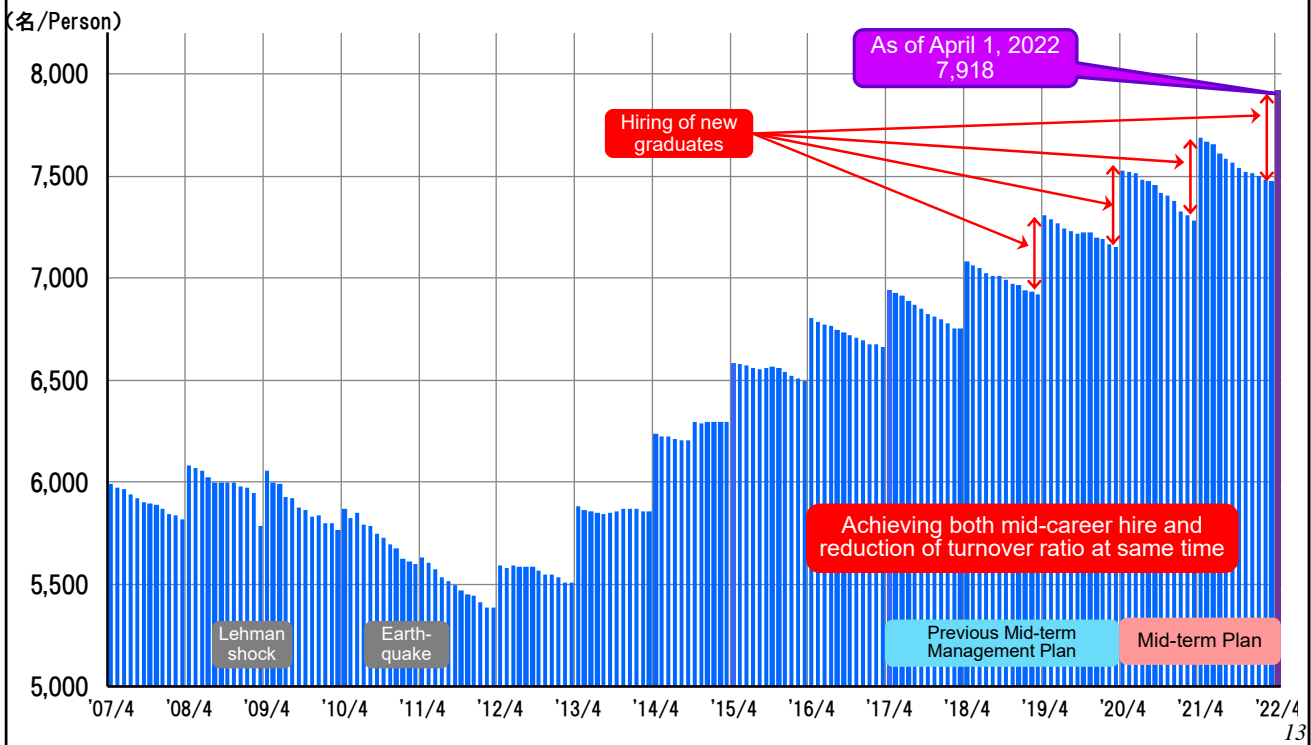
- ✓ The number of engineers as of March 31, 2022 was 11,265, an increase of 590 engineers, or 5.5%, compared to March 31, 2021.
- ✓ As of April 1, 2022, the number of engineers has reached 12,152 engineers, which is a record high.



- This shows the trend in the number of engineers across the Group.
- As of March 31, 2022, the number of engineers was 11,265, increased 590, or 5.5%, compared to March 31, 2021. On April 1, 2022, new graduates joined the Group and we started the new fiscal year with a record high 12,152 engineers.
- The number of engineers at both Meitec and Meitec Fielders is steadily increasing.

# Number of Engineers (Meitec)

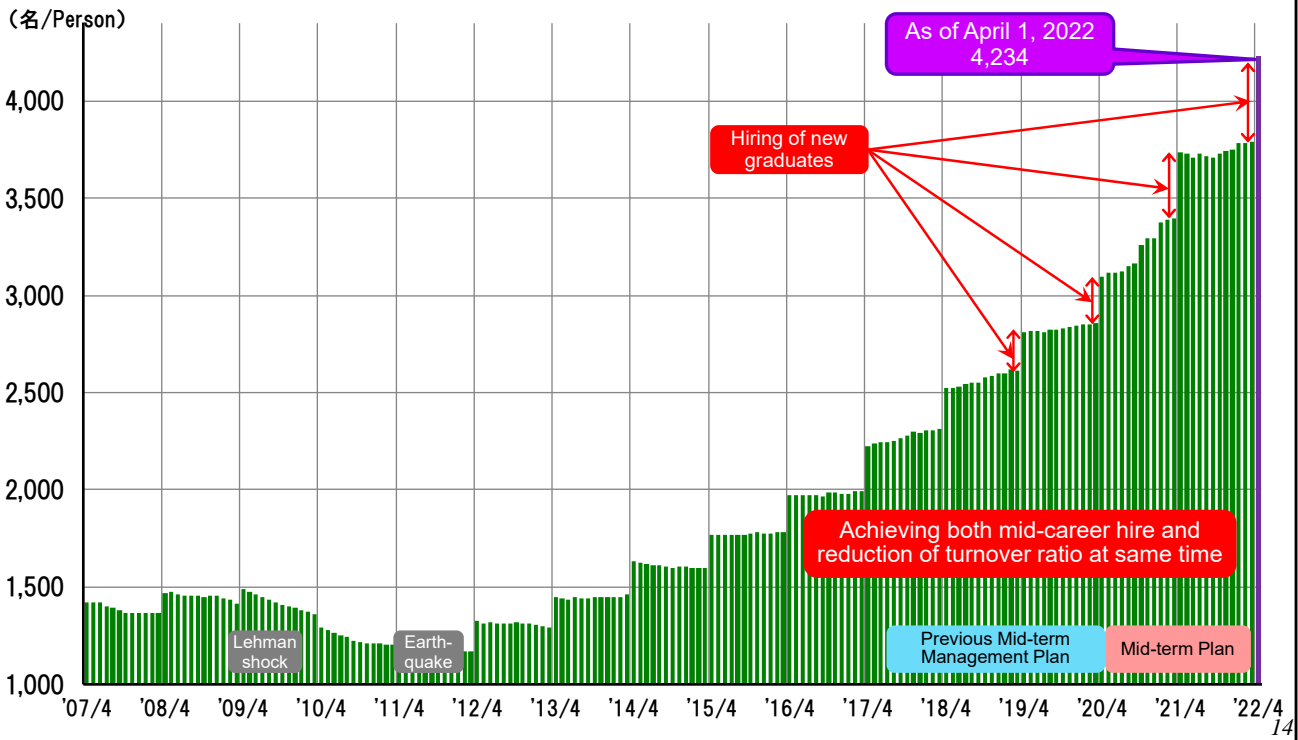
- ✓ The number of engineers as of March 31, 2022 was 7,472, an increase of 191 engineers, or 2.6%, compared to March 31, 2021.
- ✓ 474 new graduates joined the company on April 1, 2022, and we started the new fiscal year with a record high 7,918 engineers.



- Moving on, this shows the trend in the number of engineers at Meitec.
- As of March 31, 2022, the number of engineers was 7,472, increased 191, or 2.6%, compared to March 31, 2021. On April 1, 2022, 474 new graduates joined the company and we started the new fiscal year with a record high 7,918 engineers.

# Number of Engineers (Meitec Fielders)

- ✓ The number of engineers as of March 31, 2022 was 3,793, an increase of 399 engineers, or 11.8%, compared to March 31, 2021.
- ✓ 411 new graduates joined the company on April 1, 2022, and we started the new fiscal year with a record high 4,234 engineers.



- This shows the trend in the number of engineers at Meitec Fielders.
- As of March 31, 2022, the number of engineers was 3,793, increased 399, or 11.8%, compared to March 31, 2021. On April 1, 2022, 411 new graduates joined the company and we started the new fiscal year with a record high 4,234 engineers.

**Mid-career (FY 2022/3)**

- The need for work-ready engineers is even more intense than before the COVID-19 pandemic, and the hiring environment continues to be competitive.
- ✓ While maintaining hiring standards, we are promoting active recruitment with an eye on medium- to long-term growth and development
- ✓ Striving to form an effective workforce by expanding recruitment channels

**New Graduates (Joined April 2022)**

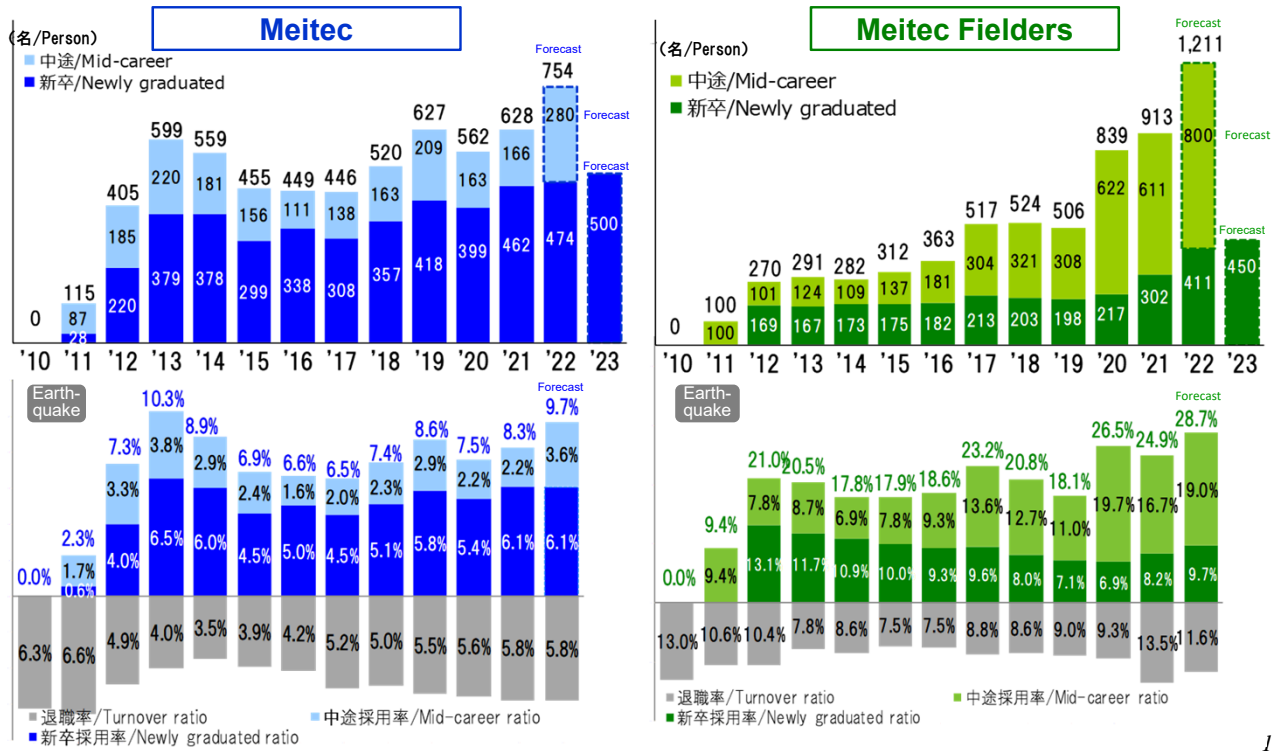
- Companies' hiring needs for science students are further increasing, and hiring competition is intensifying with student's job searching methods and selection of companies becoming more diverse amid the COVID-19 pandemic.
- ✓ The number of persons who received job offers increased year on year
- ✓ This was mainly due to the fact that, while placing the highest priority on securing the safety of students, even during the COVID-19 crisis we were able to emphasize the importance of a student's inclination (a desire to grow, etc.) and implement recruitment activities that appealed the workstyle of a lifetime professional engineer

(person)	Fiscal Year Ended March 31, 2022								Fiscal Year Ending March 31, 2023				
	New Graduates April 2020	Mid-career					Total	YoY	New Graduates April 2022				
		Initial In-house target	10/28/21 Revised In-house target		To Initial In-house target	To 10/28/21 Revised In-house target			Initial Forecast	10/28/21 Expected Number		To Initial Forecast	YoY
Meitec	462	240	240	166	(74)	(74)	628	+66	480	499	474	(6)	+12
Meitec Fielders	302	1000	800	611	(389)	(189)	913	+74	400	424	411	+11	+109
Total	764	1240	1040	777	(463)	(263)	1,541	+140	880	923	885	+5	+121
Comparison to previous year	+148			(8)			+140			To 10/28/21 Revised In-house target	(38)		

- This shows the recruitment trends for the Group.
- First, as for mid-career hires, hiring activities toward post-COVID-19 expansion and growth at various companies are becoming more intense, given the increased need for work-ready engineers. Although the hiring environment continues to be competitive, we promoted active hiring by expanding our hiring channels and using various creative ideas, while maintaining hiring standards. As a result, we managed to hire employees as shown here, although the number of new recruits across the entire Group fell short of internal targets.
- Next, newly graduated engineers.
- Companies' hiring needs for science students remain strong overall. In this difficult environment, we achieved a year-on-year increase of 121 new recruits across the entire Group. This was the result of coming up with various flexible and agile innovative ideas to make students, their families, and faculty of their universities feel safe and secure amid the COVID-19 pandemic, while maintaining our hiring standards as a matter of course.

# Recruitment and Turnover

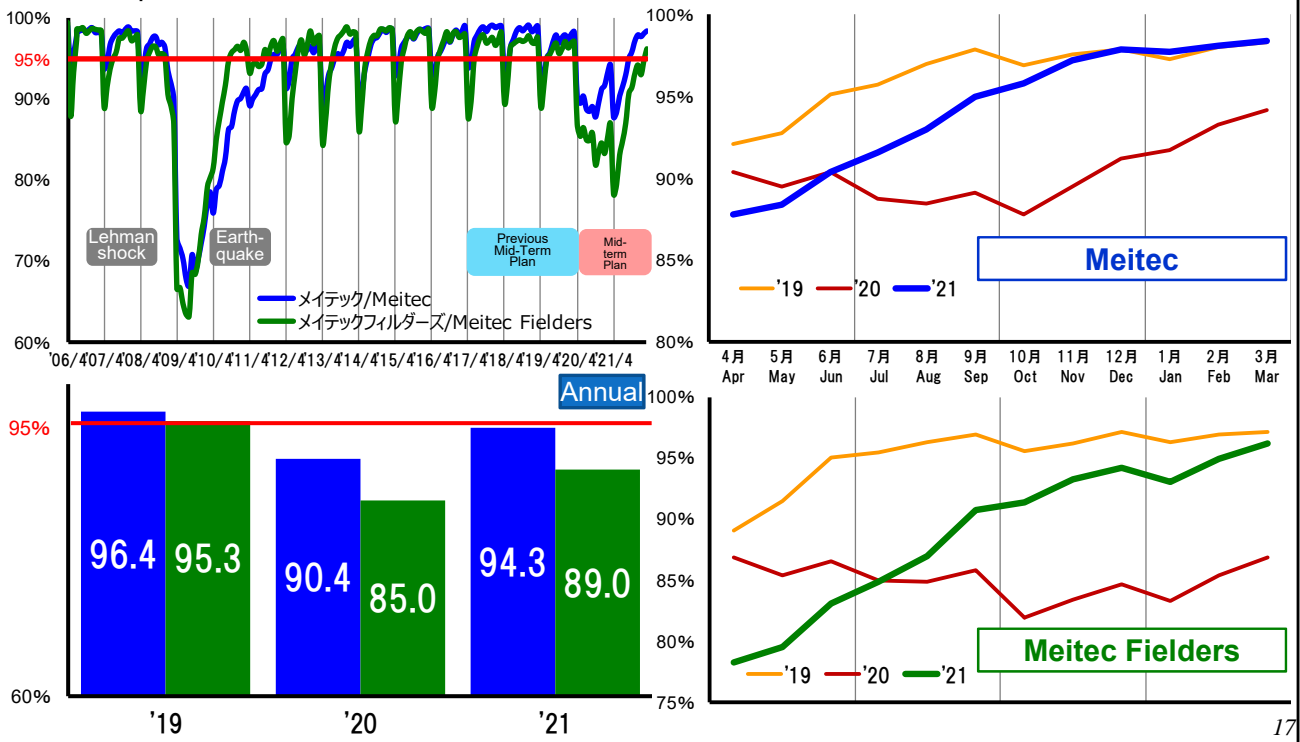
✓ The hiring environment is challenging, but we maintained hiring standards.



- This shows trends in the number of recruitment and ratios for recruitment and turnover.
- Meitec’s recruitment ratio in the fiscal year ended March 31, 2022, was 8.3%, and the growth rate increased from the previous fiscal year.
- However, the turnover ratio remained low at 5.8%, as a result, it contributed to increasing the number of engineers.
- Meitec Fielders’ recruitment ratio in the fiscal year ended March 31, 2022, was 24.9%, and the growth rate remained high albeit slightly decreasing from the previous fiscal year.  
The turnover ratio increased year on year to 13.5%.
- We are expecting an increase in mid-career hires continuing on from the previous year at Meitec Fielders in the forecast for the fiscal year ending March 31, 2023.
- I will discuss this in more detail later on.

# Utilization Ratio

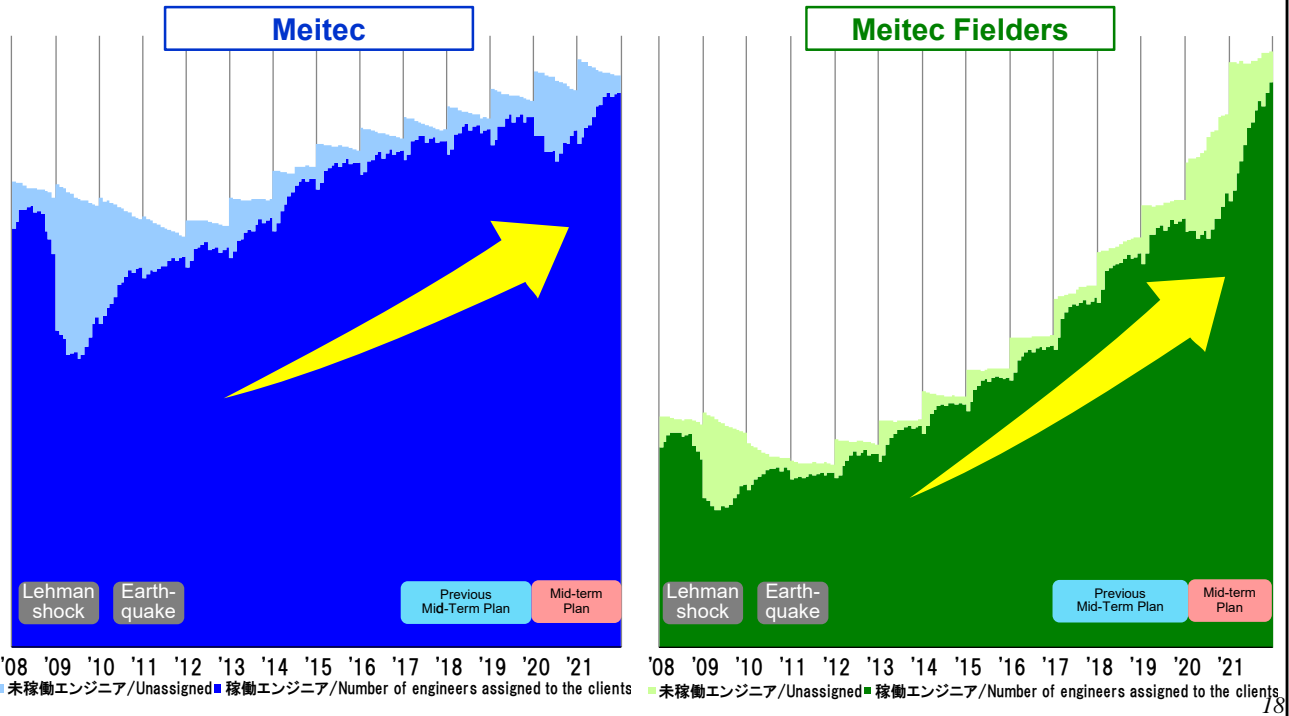
✓ Utilization ratio remained steady ⇒ We proceeded with the assignment of engineering staff in response to orders.



- This shows the trend in utilization ratios.
- Utilization ratio rose steadily at both Meitec and Meitec Fielders, as a result of proceeding with assignments in response to orders following the recovery of the order environment.

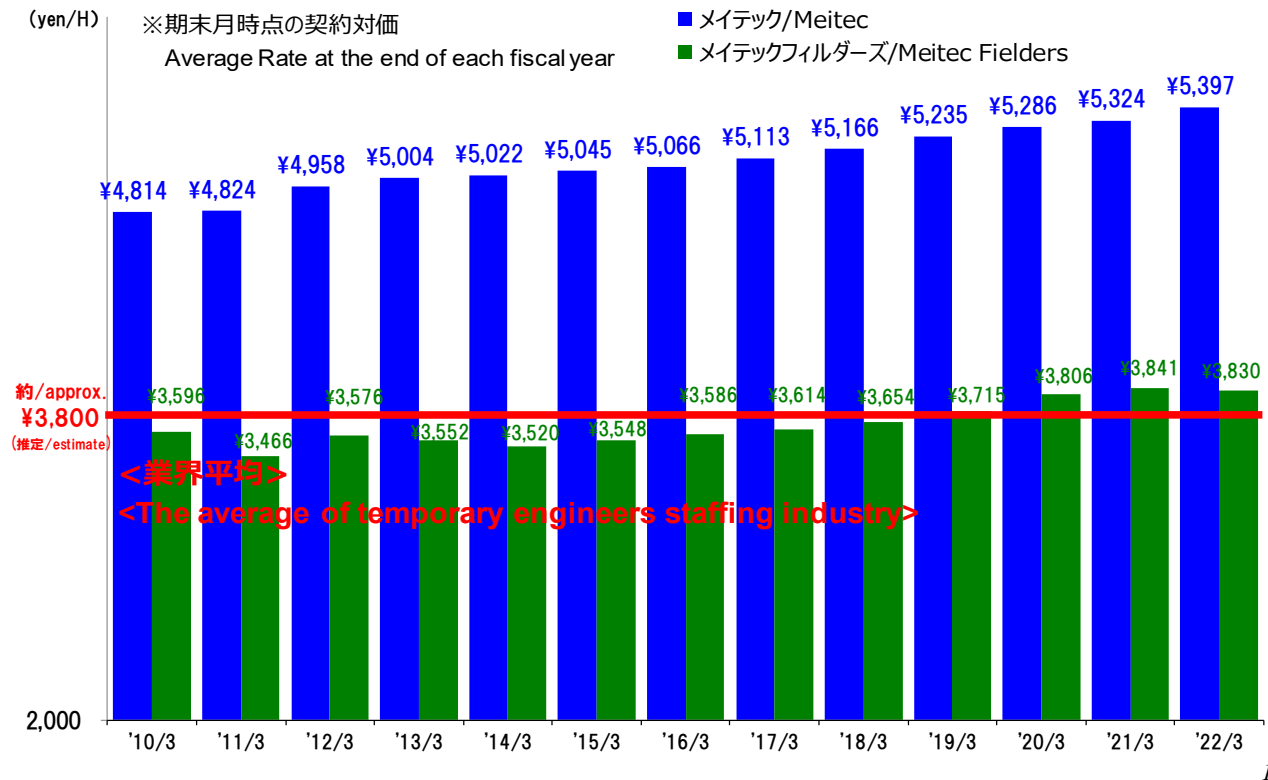
# Number of Engineers Assigned to the Clients (Key factor of Sales)

✓ 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 number of engineers assigned to clients.
- As a result of active hiring since before the spread of infections leading to an “increase in the number of engineers” and proceeding with assignments in response to orders, the number of engineers assigned to clients is growing firmly.

## Trend in Average Rate = (Market Value)

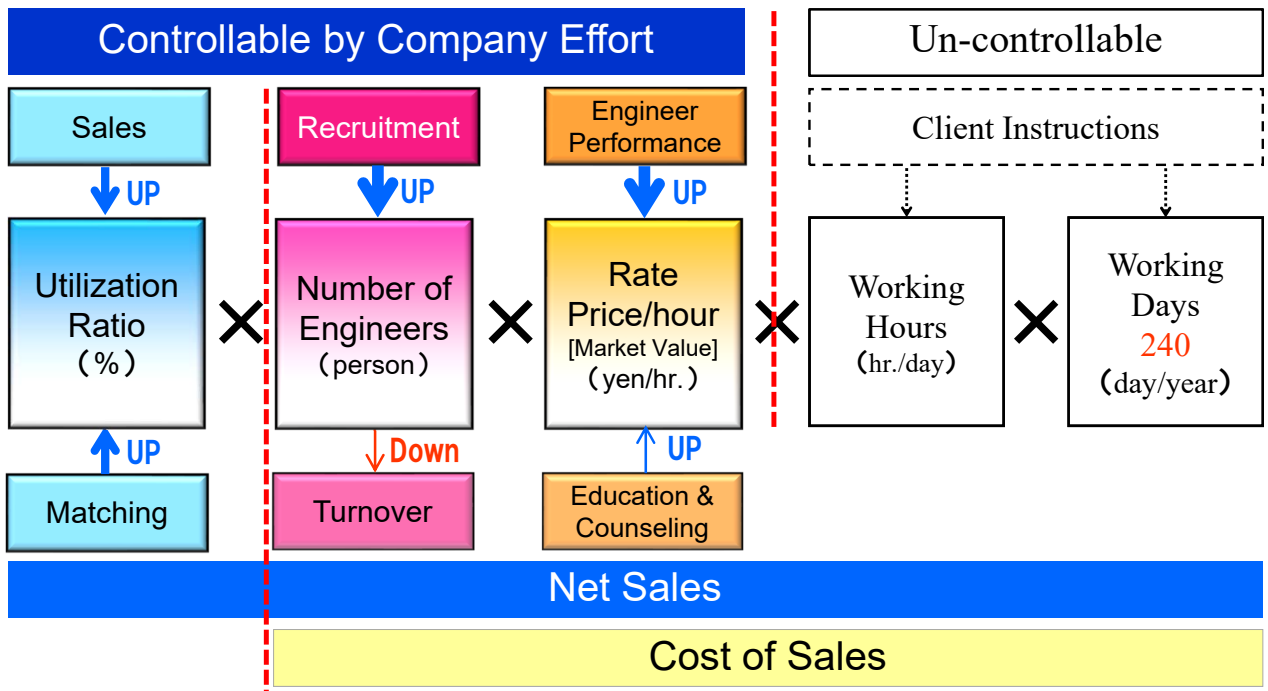


- This shows the trend in average pay rates for engineers.
- We are focusing on maintaining high quality. Meitec's pay rate levels were approximately ¥5,400, much higher than the industry average.  
 To ensure the average pay rate remains high, it is essential that we maintain our hiring standards and career building in line with the technology demanded by the market.
- Going forward, we will continue to work on obtaining an appropriate rate. Specifically, rather than obtaining a rate based on supply and demand, we will create conditions in which every one of our engineers can secure fair pay rates based on their high outputs.



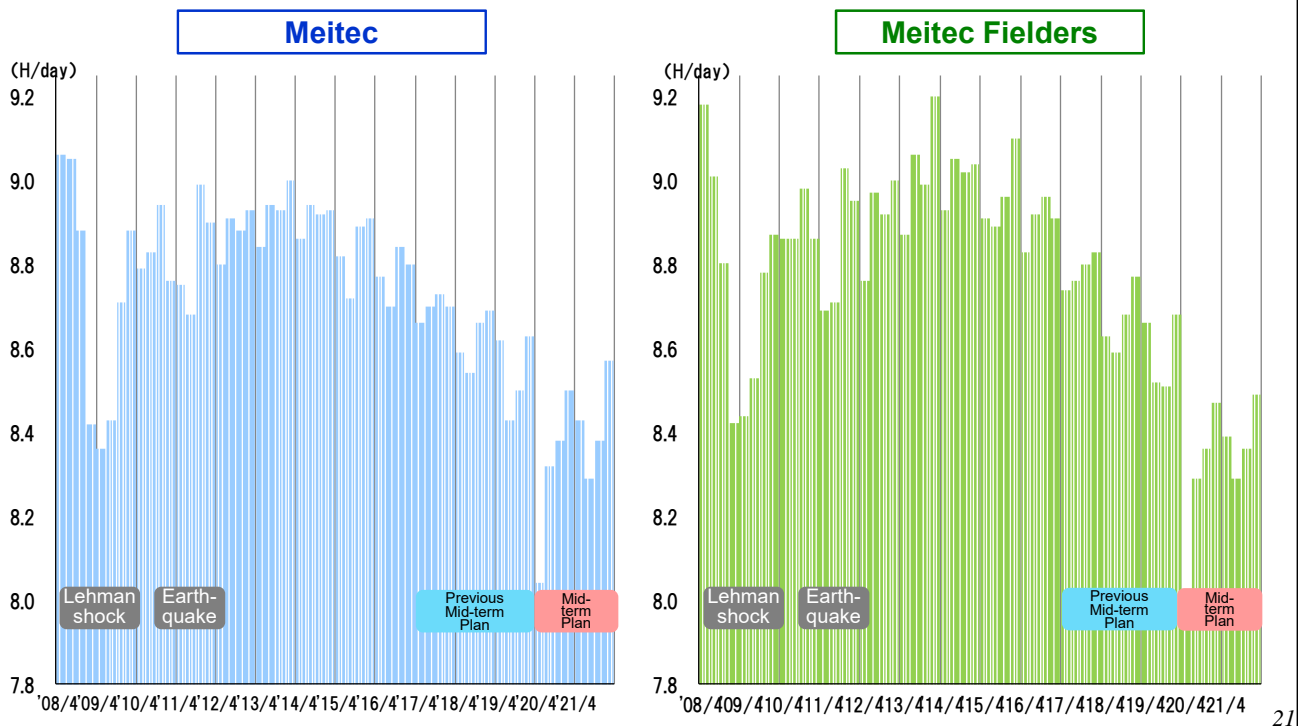
# Sales and Cost

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



- This slide shows components of net sales and cost of sales for the Engineering Solutions Business.

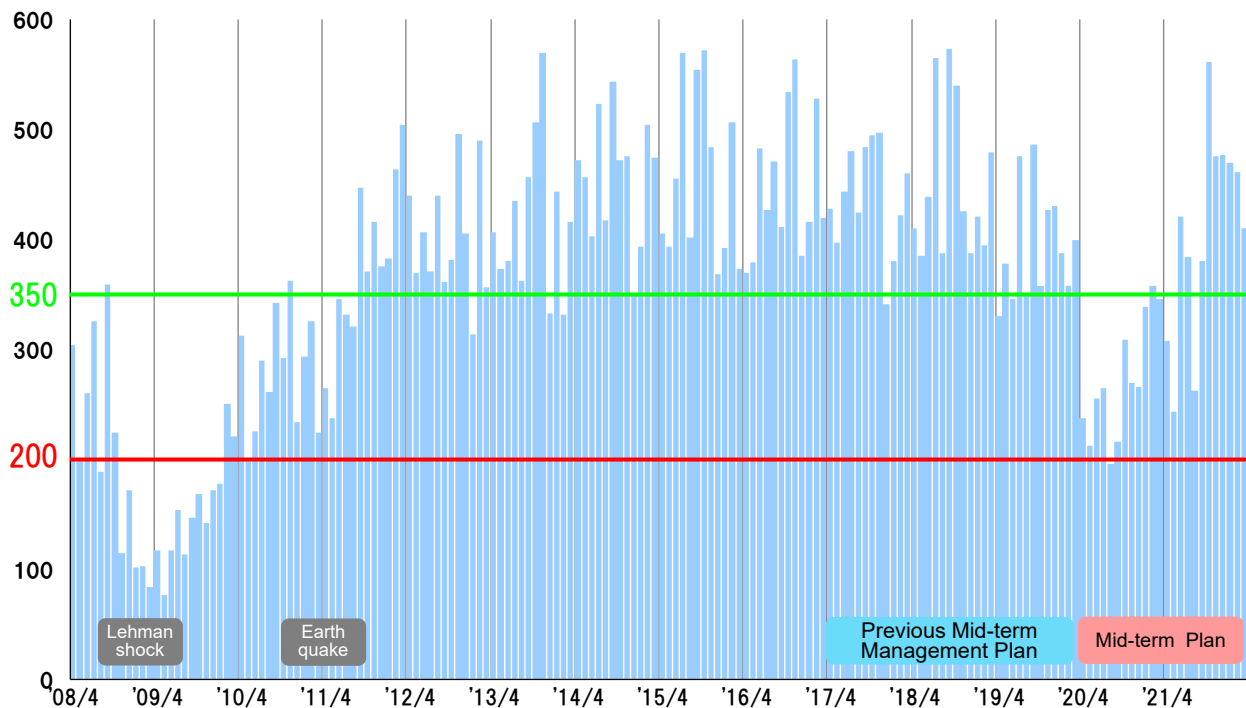
✓ There was a bounce back in overtime hours and working hours were longer



- This shows the trend in working hours.
- Working hours increased significantly year on year, following a bounce back in overtime hours that had declined substantially in the previous fiscal year.
- 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, this is one indicator that has a significant impact on earnings, and, accordingly, it is one on which we will continue to focus attention.

## Trend in New Orders by Month (Meitec)

✓ For Meitec, new monthly orders are expected to recover.



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- This shows the trend in new monthly orders.
- The number of orders, which had fell sharply to around 200 in the previous fiscal year due to the impact of the spread of COVID-19, is gradually recovering thanks to clients' moves with a view to post-COVID-19 expansion and growth. At the same time, we have enhanced our proposal-based sales of engineering solutions, which is a focus of the current Mid-term Management Plan. The Company's aggressive sales activities led to new monthly orders exceeding 350.
- There is still no outlook for the end of the COVID-19 pandemic, and more recently, there is a lot of uncertainties around the impact of a global energy crisis caused by the Ukraine-Russia conflict, food shortage and other events that would affect the global economy, the weakening of the yen due to the U.S. increasing its benchmark rate, and lockdowns and quarantines in China due to COVID-19, all of which may affect the corporate economic climate and business results. While we must remain vigilant, there are no signs of direct impact to the Company's business activities at the moment.
- We will continue implementing strategies to capture new orders and promoting assignments while conducting proactive sales activities with a close eye on economic trends.

## 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)

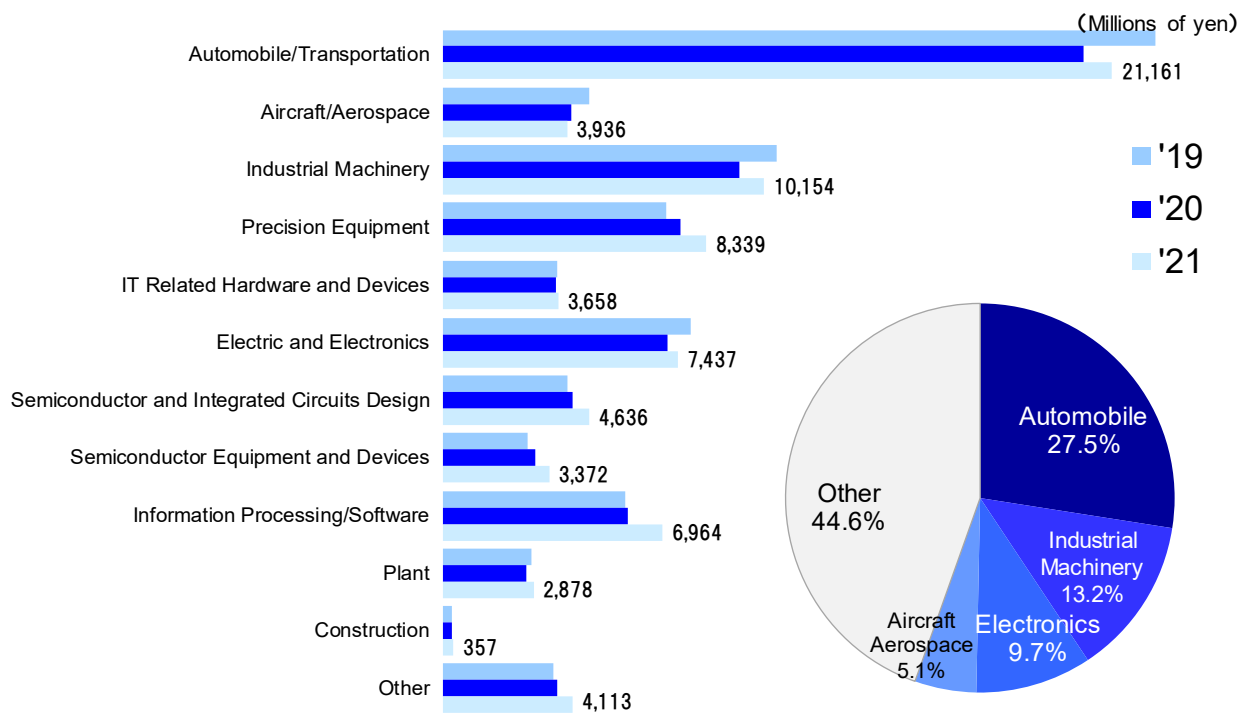
FY2016			FY2020			FY2021		
1	Mitsubishi Heavy Industries		1	Mitsubishi Heavy Industries		1	Denso	
2	Denso		2	Denso		2	Sony Semiconductor Solutions	
3	Canon		3	Sony Semiconductor Solutions		3	Mitsubishi Heavy Industries	
4	Panasonic		4	Toyota Motor		4	Panasonic	
5	Toyota Motor		5	Panasonic		5	Nikon	
6	Nikon		6	Nikon		6	Toyota Motor	
7	Sony Semiconductor Solutions		7	Denso Ten		7	Hitachi High-Tech	
8	Kawasaki Heavy Industries		8	Hitachi High-Tech		8	Subaru	
9	Mitsubishi Aircraft		9	Subaru		9	Denso Ten	
10	Omron		10	Nippon Steel		10	Terumo	
Top 10 Total	17,673	25.2%	Top 10 Total	17,589	24.6%	Top 10 Total	18,937	24.6%
Top 20 Total	24,788	35.4%	Top 20 Total	25,145	35.2%	Top 20 Total	27,186	35.3%
Others	45,295	64.6%	Others	46,308	64.8%	Others	49,824	64.7%
Total	70,083	100.0%	Total	71,452	100.0%	Total	77,010	100.0%

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- This shows Meitec's top 10 clients by sales.
- It seems that there are no major changes in the clients making up the top 10. However, as the speed of technological innovation accelerates even further, their business activities are changing year after year. Please note that, while the names of clients have not changed, the details of our operations are constantly changing, as we have taken the initiative in changing them.
- At Meitec, we are changing contracts to offer operations that can answer customer needs aligned with development themes in a wide range of fields.
- In addition to constantly changing the details of operations, we deliberately rotate engineers constantly to new technology domains in an effort to help with their career development. In this way, we are working to provide customers with high value added services.
- Offering services for a wide range of work segments without depending on certain clients is truly one of the strengths of Meitec that we will continue to utilize the 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 sales trends by industrial segment.
- The automobile/transportation segment continues to make up a high percentage of sales, a trend we also saw in the previous fiscal year. That said, please note that this field is totally different from five or ten years ago.
- With electrification as a keyword, they are in the process of transitioning to incorporate all types of fields, including power trains and associated drive trains for EVs, FCVs, and hybrid vehicles, as well as sensing and control introduced by automated driving, rather than traditional power trains using internal combustion engines. While meeting these needs, we are also making a shift into other industries and fields, so that our engineers can purposefully develop their careers and increase their market value in a wide variety of fields such as automobile/transportation; unmanned, automated, and other industrial machinery for improving productivity; electric and electronics; and software.
- We are working to continue responding to every single need of our clients.
- This concludes my discussion of the results for the fiscal year ended March 31, 2022 and relevant indicators.

## 2. Progress on Mid-term Management Plan

### Disclaimer regarding the description of the medium-term management plan

1. The quantitative goals in this document, which disclose the medium-term management plan, differ from the performance forecasts.  
The impact of COVID-19 (Novel Coronavirus) expansion and long-term concerns on business performance is not reflected.
2. The quantitative goals and other information in this document merely show medium- to long-term strategies based on the strong will of the management team. The company is not obligated to update such information.
3. Please see the disclosures in the Consolidated Financial Results for the official earnings forecast, based on the rules of Stock Exchange, Inc.

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- I will now discuss the progress on Mid-term Management Plan.
- The Mid-term Management Plan, “The Transformation,” that was started in April 2020, is now in its third and final fiscal year.
- The current Mid-term Management Plan began amid the COVID-19 pandemic that we are still in the midst of today. Regardless, in order to contribute to the creation of a sustainable future, the Group will transform the business model, pursue high added value as a unified group while maintaining the high quality cultivated up until now, and work to transform into a corporate group that is “The Only One.”

Transform the business model by pursuing high added value as a unified group

Basic Policy

**Sales Expansion**

**Profit Enhancement**

**Improving Profit Margin**

Priority measures

✓ **Providing the Prime engineering solutions**

Directly under the control of top management the Prime engineering solutions of  
 \*Create a group of engineers  
 \*Build a technical sales team

✓ **Greatly increase digitization of design and development**

\*Accelerate Quantitative expansion and digitization and transition to growth areas

\*Innovate systems and standards to make swift decisions

✓ **Transfer authority to region (area/block)**

✓ **Improve efficiency by promoting standerdization of operations**

\*Redefine operational requirements

\*Promoting digitization

- This slide shows our three basic policies and four priority measures.

**Transform the business model by pursuing high added value as a unified group**

Priority measures	Progress of the 2nd term
<ul style="list-style-type: none"> <li>✓ <b>Providing the Prime engineering solutions</b></li> </ul>	<ul style="list-style-type: none"> <li>• Development in proposal-based solution sales through high technical capabilities</li> <li>• Fostering engineers' willingness to take on new challenges based on track records</li> </ul>
<ul style="list-style-type: none"> <li>✓ <b>Greatly increase digitization of design and development</b></li> </ul>	<ul style="list-style-type: none"> <li>• Strengthening proposal-based sales based on market and technology trends</li> <li>• Expanding technical training required for operations</li> <li>• Continuing active hiring</li> </ul>
<ul style="list-style-type: none"> <li>✓ <b>Transfer authority to region (area/block)</b></li> </ul>	<ul style="list-style-type: none"> <li>• Promoting training and hiring tailored to regional characteristics</li> </ul>
<ul style="list-style-type: none"> <li>✓ <b>Improve efficiency by promoting standardization of operations</b></li> </ul>	<ul style="list-style-type: none"> <li>• Focusing on identifying operations that increase productivity</li> </ul>

- This shows the status of our progress in each priority measure.
- In the second term, we steadily implemented priority measures such as promotion of solution-based sales that make use of our strong engineering expertise and active hiring, albeit some revisions to the implementation periods and methods of certain measures as the impact of COVID-19 pandemic continued intermittently.
- In the third term, the final year of the Mid-term Management Plan, we will continue endeavoring to establish proposal-based sales of engineering solutions founded on Prime and high value-added services we offer, increase the number of engineers while ensuring their quality, and increase the speed of our decision-making.



# Forecast • Progress on Mid-term Management Plan

The Transformation

See page 25: Disclaimer regarding the description of the medium-term management plan

		FY2020	FY2021	FY2022	Mid-Term Management Plan
(Billion Yen)		Actual	Actual	Forecast	Target
<b>Group Consolidated</b>	<b>Net Sales</b>	96.6	107.1	119.0	135.0
	<b>Operating Profit</b>	10.2	12.8	15.4	18.0
	<b>Margin</b>	10.6%	12.0%	12.9%	13%
	<b>Profit</b>	7.0	9.2	10.5	12.0
	<b>ROE</b>	15.8%	20.6%	23.3%	25% or more
<b>Meitec</b>	<b>Net Sales</b>	71.5	77.0	83.0	90.0
	<b>Operating Profit</b>	8.6	10.5	12.3	13.5
	<b>Margin</b>	12.0%	13.7%	14.8%	15%
<b>Meitec Fielders</b>	<b>Net Sales</b>	21.3	25.8	31.0	40.0
	<b>Operating Profit</b>	1.2	1.7	2.2	3.6
	<b>Margin</b>	5.5%	6.7%	7.1%	9%

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- This slide shows the results of the second term. The actual results fell short of the forecast made at the beginning of the period, due in part to revisions to the implementation periods and methods of certain measures in response to the pandemic.
- However, in terms of the forecast for the third period, from the perspective of making preparations for our next step, we will continue carrying out priority measures under the Mid-term Management Plan with the aim of improving satisfaction rates of our clients and engineers.

### 3. Forecast for the Fiscal Year Ending March 31, 2023

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

- I will now discuss our forecasts for the fiscal year ending March 31, 2023.

## Forecast for the Fiscal Year Ending March 31, 2023 (Group Consolidated)

- ✓ Net sales +11.1% year on year at ¥119 billion with operating profit +20.1% year on year at ¥15.4 billion and profit + 13.6% year on year at ¥10.5 billion
- ✓ SG&A expenses +12.9% year on year ⇒ Expect to increase sales positions by increasing the number of engineers

(Fractions of one million yen are rounded down)	Forecast FY ending March 31, 2023	YoY Amount	% Change	Forecast 1st half ending Sept.30, 2022	YoY Amount	% Change	Forecast 2nd Half
Net sales	119,000	+11,859	+11.1%	57,300	+6,384	+12.5%	61,700
Cost of sales	86,200	+7,282	+9.2%	42,000	+3,925	+10.3%	44,200
SG&A Expenses	17,400	+1,994	+12.9%	8,500	+996	+13.3%	8,900
Operating profit	15,400	+2,582	+20.1%	6,800	+1,463	+27.4%	8,600
Operating profit margins	12.9%	+0.9%		11.9%	+1.4%		14.0%
Ordinary profit	15,500	+2,551	+19.7%	6,800	+1,394	+25.8%	8,700
Profit attributable to owners of parent	10,500	+1,259	+13.6%	4,500	+950	+26.8%	6,000
Earnings per Share	131.04	(210.52)		56.16	(74.28)		

※ Earnings per Share (EPS) are calculated based on the assumption that the stock split was conducted at a ratio of 3 shares per common stock as of July 1, 2022.  
Earnings per Share for the fiscal year would be ¥168.48 for the second quarter (cumulative) and ¥393.13 for the full year, without taking into consideration the stock split.

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- This shows our consolidated forecasts for the Group.
- Expecting our recent operating status, growth in the number of engineers, as well as in the number of engineers assigned to clients due to the improvement of the utilization ratio, we forecast net sales of ¥119 billion, up 11.1% year on year, operating profit of ¥15.4 billion, up 20.1% year on year, and profit of ¥10.5 billion, up 13.6% year on year.
- We are expecting SG&A expenses to increase 12.9% year on year.

## Forecast for the Fiscal Year Ending March 31, 2023 (Meitec)

- ✓ Forecast net sales +7.8% year on year, operating profit + 16.6% year on year, and profit +14.3% year on year
- ✓ SG&A expenses +10.4% year on year ⇒ Expect to increase sales positions by increasing engineer hiring targets

(Fractions of one million yen are rounded down)	Forecast FY ending March 31, 2023	YoY Amount	% Change	Forecast 1st half ending Sept.30, 2022	YoY Amount	% Change	Forecast 2nd Half
Net sales	83,000	+ 5,989	+ 7.8%	40,000	+ 3,158	+ 8.6%	43,000
Cost of sales	59,700	+ 3,196	+ 5.7%	29,200	+ 1,723	+ 6.3%	30,500
Cost of sales to Net sales	71.9%	(1.5%)		73.0%	(1.6%)		70.9%
SG&A Expenses	11,000	+ 1,039	+ 10.4%	5,500	+ 582	+ 11.9%	5,500
Operating profit	12,300	+ 1,753	+ 16.6%	5,300	+ 852	+ 19.2%	7,000
Operating profit margins	14.8%	+ 1.1%		13.3%	+ 1.2%		16.3%
Ordinary profit	13,200	+ 2,074	+ 18.6%	6,200	+ 1,172	+ 23.3%	7,000
Profit	9,200	+ 1,148	+ 14.3%	4,300	+ 829	+ 23.9%	4,900
Utilization ratio (Company-wide)	95.8%	1.5%		94.2%	+ 3.2%		97.4%
Working Hours<h/day>	8.42	—		8.36	—		8.47
Number of Recruitment	754	+ 126					
Newly graduated	474	+ 12					
Mid-career	280	+ 114					
Turnover Ratio	5.8%	—					
				Target of the New Graduates to be hired for April 2023	To Apr. 2022		
				500	+ 26		

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- This shows our forecasts for Meitec.
- We forecast net sales of ¥83.0 billion, up 7.8% year on year, and operating profit of ¥12.3 billion, up 16.6% year on year.
- The reasons for the increase in SG&A expenses are the expected increase in hiring-related expenses due to increased engineer hiring targets, as well as the expected increase in expenses associated with increasing sales positions.
- In light of this, we forecast profit of ¥9.2 billion, up 14.3% year on year.
- Furthermore, we forecast that the utilization ratio will increase by 1.5% year on year to 95.8%, considering our current operating status and expectation that new employees (new graduates and mid-career hires) will be given assignments quickly.

## Forecast for the Fiscal Year Ending March 31, 2023 (Meitec Fielders)

- ✓ Net sales +20.1% year on year, operating profit +30% year on year → Expect to significantly increase the number of engineers assigned to clients
- ✓ SG&A expenses +18% year on year ⇒ Expect increase in engineer hiring targets and number of sales positions

(Fractions of one million yen are rounded down)	Forecast FY ending March 31, 2023	YoY Amount		Forecast 1st half ending Sept.30, 2022	YoY Amount	% Change	Forecast 2nd Half
<b>Net sales</b>	<b>31,000</b>	+5,185	+20.1%	<b>14,600</b>	+2,612	+21.8%	<b>16,400</b>
Cost of sales	23,950	+3,934	+19.7%	11,450	+2,024	+21.5%	12,500
Cost of sales to Net sales	77.3%	(0.2%)		78.4%	(0.2%)		76.2%
SG&A Expenses	4,800	+732	+18.0%	2,200	+275	+0.0%	2,600
<b>Operating profit</b>	<b>2,250</b>	+518	+30.0%	<b>950</b>	+311	+48.9%	<b>1,300</b>
Operating profit margins	7.3%	+0.6%		6.5%	+1.2%		7.9%
Ordinary profit	2,250	+517	+29.9%	950	+310	+48.6%	1,300
<b>Profit</b>	<b>1,550</b>	+212	+15.9%	<b>650</b>	+211	+48.4%	<b>900</b>
Utilization ratio (Company-wide)	93.3%	+4.3%		90.2%	+6.3%		96.2%
Working Hours<h/day>	8.39	—		8.34	—		8.43
Number of Recruitment	1,211	+298					
Newly graduated	411	+109					
Mid-career	800	+189					
Turnover Ratio	11.6%	(1.9%)					
				Target of the New Graduates to be hired for April 2023		To Apr. 2022	
				450		+39	

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- This shows our forecasts for Meitec Fielders.
- We forecast net sales of ¥31.0 billion, up 20.1% year on year, and operating profit of ¥2.250 billion, up 29.9% year on year.
- We are expecting SG&A expenses to increase 18.0% year on year due to aiming of an increase in the number of recruitment.
- Furthermore, we forecast that the utilization ratio will increase by 4.3% year on year to 93.3%, as we expect an increase in the number of engineers assigned to clients following an increase in the overall number of engineers, and an acceleration in the pace of assignments.

# Hiring Target for the Fiscal Year Ending March 31, 2023

## Mid-career (FY 2023/3)

- The need for work-ready engineers is higher than before the COVID-19 pandemic, and the hiring environment continues to be competitive
- ✓ Expanding recruitment channels and actively communicating the “lifetime professional engineer” career style and our approach to career advancement, aiming to secure the number of hires
- ✓ While maintaining hiring standards, we are promoting active recruitment with an eye on medium- to long-term growth and development

## New Graduates (Joined April 2023)

- Amidst the ongoing sellers' market in recent years, the recruitment activities of companies are accelerating and recruitment competition is intensifying
- ✓ Through internships, etc., attract students with “career styles centered on the occupation” as a lifelong professional engineer
- ✓ While placing the highest priority on securing the safety of students, continue recruitment activities that emphasize the importance of a student's inclination (a desire to grow, etc.)
- ※ As we are working to continuously realize the provision of solutions that are involved in the development of state-of-the-art technology and the latest products at the design and development department, the hiring standard cannot be lowered

(person)	Fiscal Year Ending March 31, 2023					Fiscal Year Ending March 31, 2024	
	New Graduates April 2022 (Actual)	Mid-career		Total		New Graduates April 2023	
		<Target>	Comparison to Previous Year	<Target>	Comparison to Previous Year	<Target>	Comparison to Previous Year
Meitec	474	280	+40	754	+52	500	+26
Meitec Fielders	411	800	(200)	1,211	(91)	450	+39
Total	885	1,080	(160)	1,965	(39)	950	+65

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- This shows our hiring target.
- Mid-career hiring targets for the fiscal year ending March 31, 2023 are 280 hires by Meitec and 800 hires by Meitec Fielders.
- The need for work-ready engineers is high and the hiring environment is competitive, but Meitec Fielders will continue hiring actively with the aim of becoming No. 1 in the Mid-range Zone.
- For new graduate recruitment, we have set a hiring target of 950 hires across the entire Group, exceeding the number of hires in April 2022 by 65.

Meitec ranks 16th among Japanese companies, and second for the number of science and engineering graduates, according to a ranking of new graduates hiring targets noted in a newspaper article. This illustrates how we continue to have ambitious hiring target.

- While the targets are high, the Group is working to welcome many people as members of the Meitec Group, to create an environment where mostly science and engineering graduates can be active as lifetime engineers, and to promote business activities that contribute to our clients' technological development, as we work to strengthen hiring.

# 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 <b>Profit distribution policy</b>	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)	
	<b>Total Return Ratio : Basically within 100%</b>	
<b>Dividend</b>	Dividend related to performances : Equal or more than 50% of consolidated profit	
	Minimum Dividend : Consolidated Dividend on Equity ratio (DOE) 5%	
<b>Treasury shares acquisition, possession and retirement</b>	<b>Acquire : Carry out as appropriate, taking the total return ratio and dividend payout ratio levels into consideration</b>	
	<b>Possess Maximum of 5% of shares issued</b>	Retired Excess above maxim to be retired by the end of the fiscal year

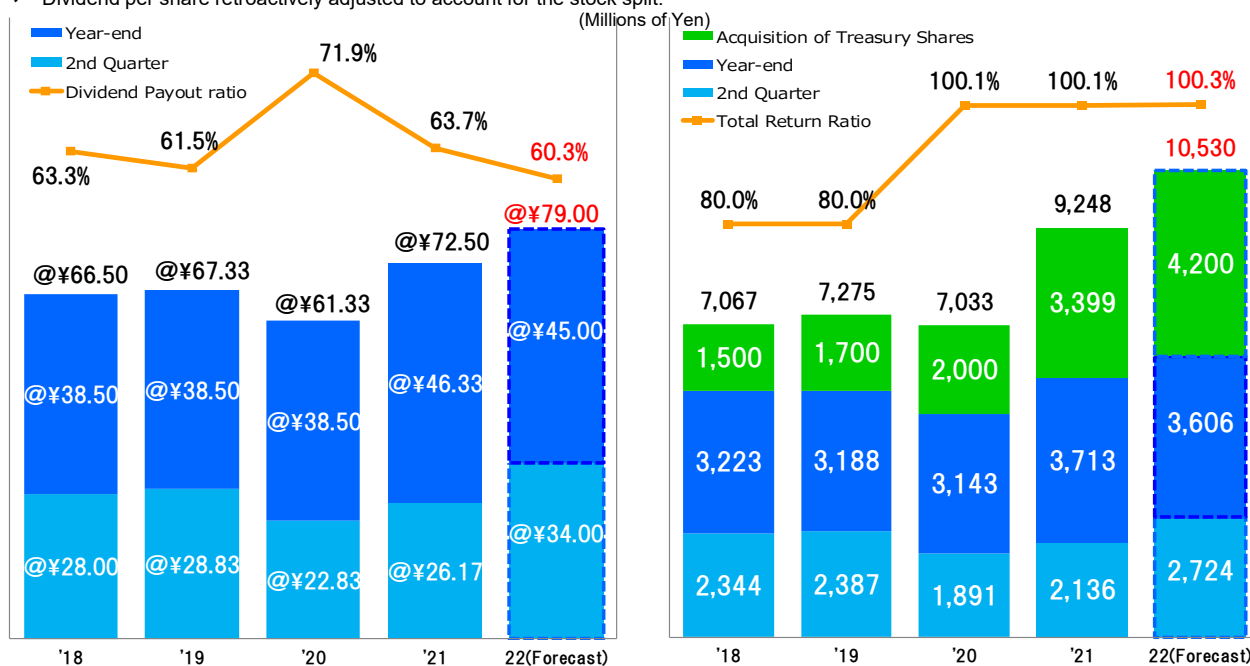
- ✓ To realize the flexible financial position, for the implementation of future growth strategies and response to the risk associated in achieving the goals of the management plan, treasury shares will be held by the company.

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- This shows our profit distribution.
- At present, because we have mostly enhanced “quality and quantity” of shareholders’ equity, 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 FY2021 will be ¥139 per share, and together with the interim dividend of ¥78.50 per share, this will result in an annual dividend of ¥217.50 per share.
- ✓ With July 1, 2022 as the effective date, a stock split will be implemented at a ratio of 3 shares per common
- ⇒ With annual dividend of ¥79 per share, total return ratio is expected to be 100.3% with anticipated dividend payout ratio of 60.3%
- ✓ \*Dividend per share retroactively adjusted to account for the stock split.



- Lastly, I will discuss our results and forecast of profit distribution.
- As for the year-end dividend of the fiscal year ended March 31, 2022, we increase our dividend by ¥32.00 per share to ¥ 139 per share from the forecast of ¥107 per share announced in October 2021, 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 ¥78.50 per share, this will result in an annual dividend of ¥217.50 per share, up ¥33.50 per share.
- As announced today, during this fiscal year, a stock split will be implemented at a ratio of 3 shares per common share with July 1, 2022 as the effective date.

In line with this stock split, dividends per share shown in this material have been retrospectively adjusted to figures that account for the stock split.

- Accordingly, for the fiscal year ending March 31, 2023, we forecast an annual dividend of ¥79 per share. As for profit distribution, total return ratio is expected to be 100.3% with anticipated dividend payout ratio of 60.3% in accordance with our basic policy.

- That ends my presentation today. We appreciate your continuing support and understanding. Thank you for listening.



## 4. Reference Materials



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

# Results for the Fiscal Year Ended March 31, 2022

	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	77,010	25,814	2,998	319	1,530
YoY Amount	+5,557	+4,505	+98	+137	+313
% Change	+7.8%	+21.1%	+3.4%	+75.2%	+25.8%
Operating profit	10,546	1,731	189	(4)	474
YoY Amount	+1,946	+552	(32)	(4)	+200
% Change	+22.6%	+46.9%	(14.8%)	—	+73.1%
Ordinary profit	11,125	1,732	189	(4)	474
Profit	8,051	1,337	121	(4)	305

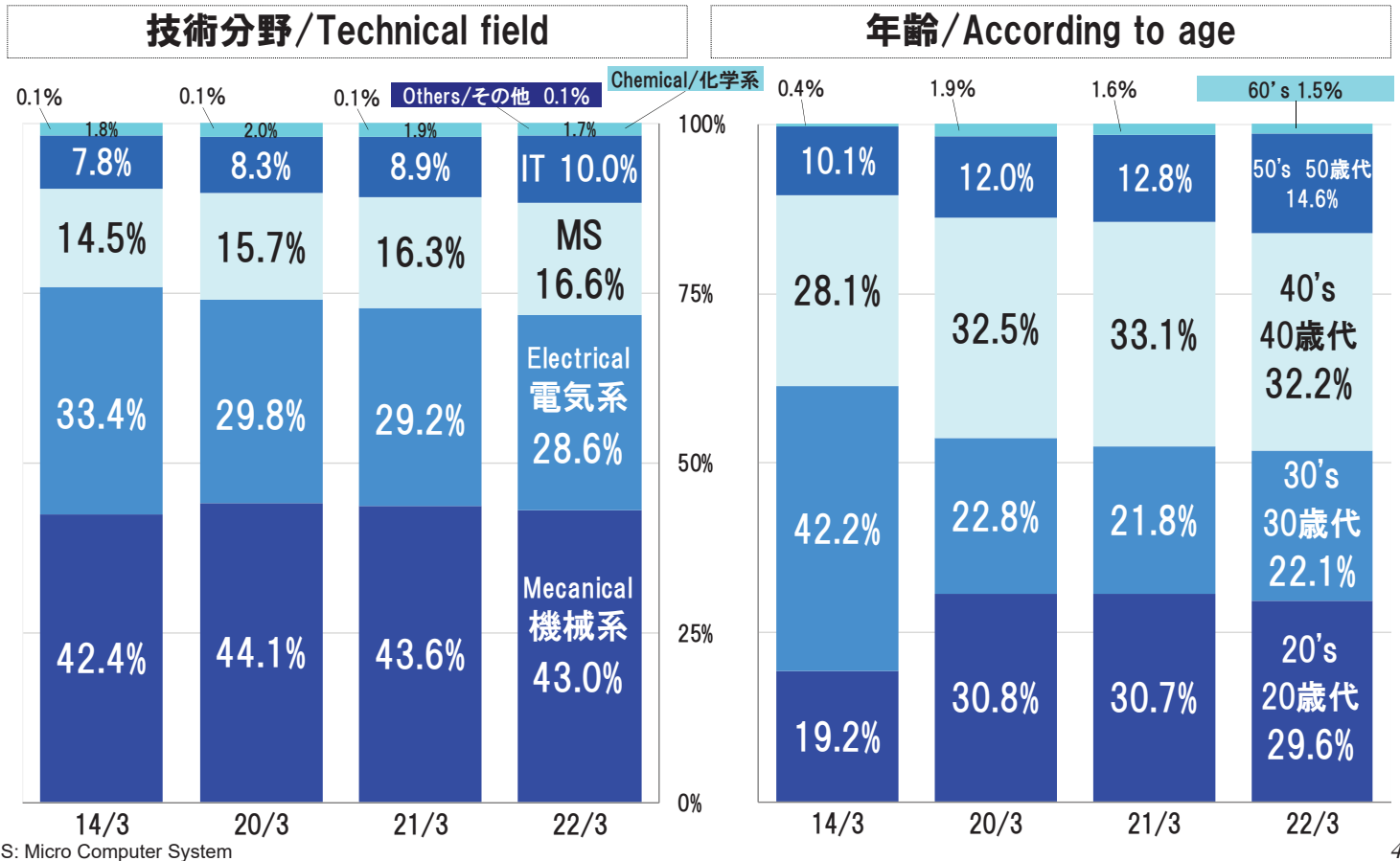
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# Forecast for the Fiscal Year Ending March 31, 2023

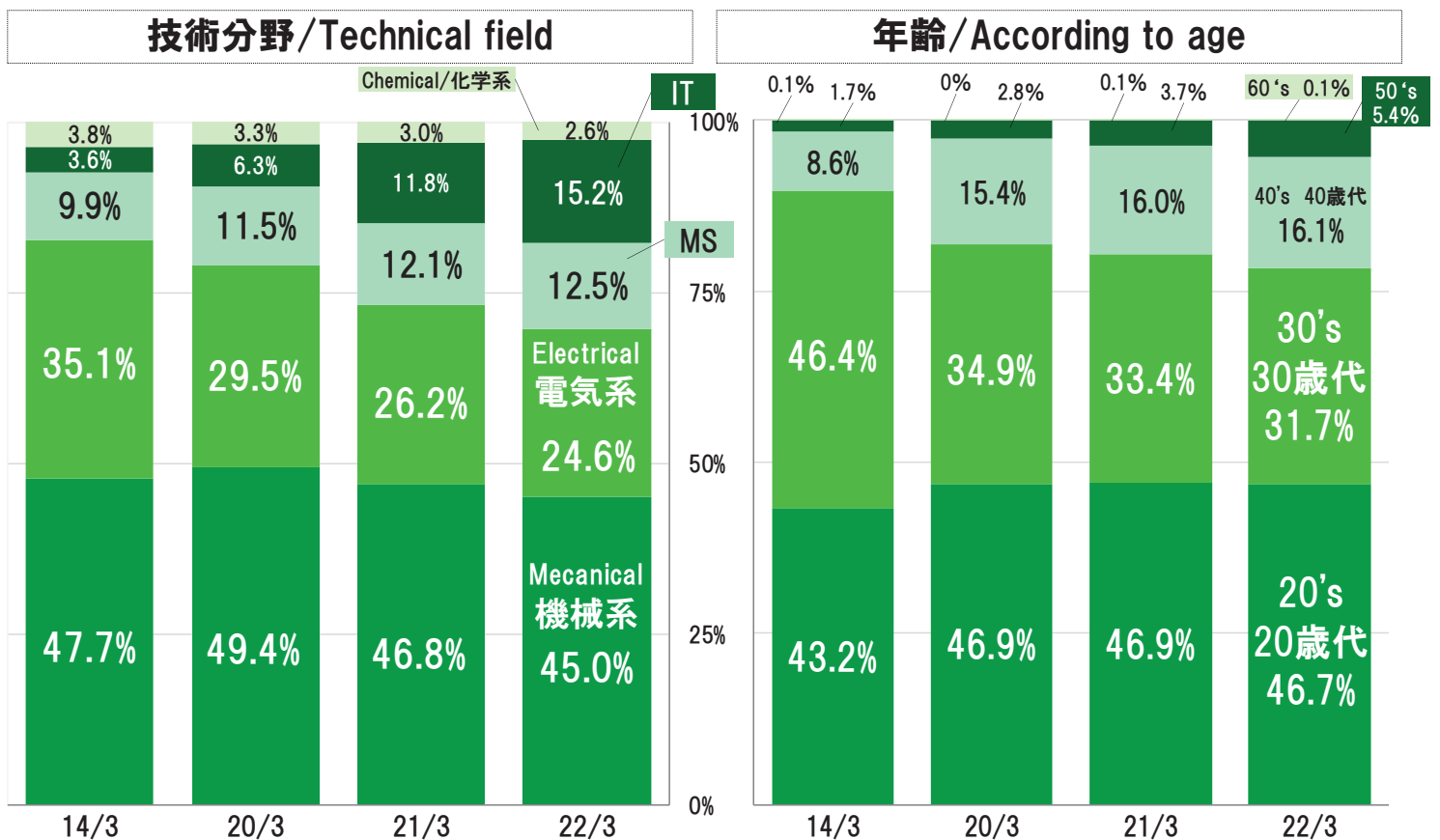
	Engineering Solutions Business				Recruiting & Placement Business for Engineers
	Meitec	Meitec Fielders	Meitec Cast	Meitec EX	Meitec Next
(Millions of yen)					
Net sales	83,000	31,000	3,370	380	1,980
YoY Amount	+5,989	+5,185	+371	+60	+449
% Change	+7.8%	+20.1%	+12.4%	+18.9%	+29.4%
Operating profit	12,300	2,250	260	0	630
YoY Amount	+1,753	+518	+70	+4	+155
% Change	+16.6%	+30.0%	+37.0%	—	+32.8%
Ordinary profit	13,200	2,250	260	0	630
Profit	9,200	1,550	170	0	410

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



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



# Sales by the Industrial Segments (Meitec)

Millions of Yen

Meitec	FY2017	FY2018	FY2019	FY2020	FY2021			
	Net Sales				Net Sales	Total Net Sales(%)	Change	Change (%)
Automobile/Transportation	21,183	22,214	22,513	20,239	21,161	27.5%	+922	+ 4.6%
Aircraft/Aerospace	5,026	4,646	4,636	4,084	3,936	5.1%	(148)	(3.6%)
Industrial Machinery	10,123	10,425	10,544	9,373	10,154	13.2%	+780	+ 8.3%
Precision Equipment	5,809	6,389	7,069	7,516	8,339	10.8%	+822	+10.9%
IT Related Hardware and Devices	4,005	3,831	3,615	3,604	3,658	4.8%	+54	+ 1.5%
Electric and Electronics	8,405	8,172	7,831	7,119	7,437	9.7%	+317	+ 4.5%
Semiconductors and Integrated Circuits Design	4,088	4,159	3,962	4,107	4,636	6.0%	+528	+ 12.9%
Semiconductor Equipment and Devices	2,345	2,649	2,698	2,942	3,372	4.4%	+430	+ 14.6%
Information Processing/Software	5,233	5,347	5,778	5,871	6,964	9.0%	+1,092	+ 18.6%
Plant	2,547	2,608	2,823	2,664	2,878	3.7%	+214	+ 8.0%
Construction	389	357	295	290	357	0.5%	+67	+ 23.3%
Others	3,095	3,234	3,526	3,638	4,113	5.3%	+474	+13.1%
Total	72,252	74,036	75,297	71,452	77,010	100.0%	+5,557	+ 7.8%

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# Sales by the Industrial Segments (Meitec Fielders)

Millions of Yen

Meitec Fielders	FY2017	FY2018	FY2019	FY2020	FY2021			
	Net Sales				Net Sales	Total Net Sales(%)	Change	Change (%)
Automobile/Transportation	5,843	6,406	6,761	6,117	6,996	27.1%	+879	+ 14.4%
Aircraft/Aerospace	388	359	401	397	420	1.6%	+23	+ 5.9%
Industrial Machinery	2,621	3,280	3,984	4,012	4,699	18.2%	+686	+ 17.1%
Precision Equipment	2,149	2,395	2,709	2,838	3,375	13.1%	+536	+ 18.9%
IT Related Hardware and Devices	651	693	782	644	629	2.4%	(15)	(2.4%)
Electric and Electronics	1,984	2,169	2,231	2,191	2,549	9.9%	+358	+ 16.3%
Semiconductors and Integrated Circuits Design	610	690	702	731	882	3.4%	+150	+ 20.6%
Semiconductor Equipment and Devices	950	1,311	1,351	1,163	1,476	5.7%	+313	+ 26.9%
Information Processing/Software	466	513	766	1,142	1,881	7.3%	+739	+ 64.7%
Plant	588	601	710	922	1,079	4.2%	+156	+ 17.0%
Construction	83	103	11	9	27	0.1%	+18	+ 186.7%
Others	642	809	969	1,136	1,795	7.0%	+659	+ 58.0%
Total	16,981	19,336	21,383	21,308	25,814	100.0%	+4,505	+ 21.1%

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# Trend of Performances (Group Consolidated)

(Millions of Yen)	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Net sales	82,102	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
Cost of sales	57,777	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
Cost of sales to Net sales	70.4%	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%
Gross profit	24,324	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
Selling, general and administrative expenses	12,959	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
SG&A expenses to Net sales	15.8%	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%
Operating profit	11,365	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
Operating profit margins	13.8%	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%
Non-operating income	84	87	4,729	2,146	114	97	50	113	29	20	19	15	55	81	144
Non-operating expenses	115	107	77	178	32	24	51	10	58	17	11	7	6	9	13
Ordinary profit	11,334	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
Ordinary profit margins	13.8%	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%
Extraordinary income	6	13	32	378	—	58	—	20	1,084	31	337	26	—	—	—
Extraordinary loss	1,826	1,094	130	234	4	215	146	3,621	65	45	262	18	3	4	5
Profit before income taxes	9,514	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
Total income taxes and others	4,556	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
Profit attributable to owners of parent	4,958	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
Profit margins	6.0%	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%

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# Trend of Performances (Meitec)

(Millions of Yen)	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Net sales	62,956	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
Cost of sales	43,875	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
Cost of sales to Net sales	69.7%	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%
Gross profit	19,081	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
Selling, general and administrative expenses	8,620	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
SG&A expenses to Net sales	13.7%	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%
Operating profit	10,460	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
Operating profit margins	16.6%	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%
Non-operating income	356	564	3,840	1,976	389	314	426	523	517	601	769	769	913	956	592
Non-operating expenses	48	76	53	150	14	19	426	10	52	16	6	6	5	8	13
Ordinary interests in income	10,768	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
Ordinary profit margins	17.1%	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%
Extraordinary income	3	7	2	3	—	462	—	324	1,088	200	364	16	—	—	—
Extraordinary loss	2,084	2,912	626	318	66	228	372	3,673	50	222	261	52	2	4	5
Profit before income taxes	8,687	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
Total income taxes	3,749	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
Profit	4,938	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
Profit margins	7.8%	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%

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# Trend of Performances (Meitec Fielders)

(Millions of Yen)	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Net sales	10,747	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
Cost of sales	7,759	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
Cost of sales to Net sales	72.2%	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%
Gross profit	2,987	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
Selling, general and administrative expenses	1,677	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
SG&A expenses to Net sales	15.6%	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%
Operating profit	1,310	819	(1,461)	575	537	648	856	1,073	1,204	1,346	1,456	1,734	1,944	1,178	1,731
Operating profit margins	12.2%	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%
Non-operating income	10	6	848	182	3	3	1	—	—	1	—	1	1	—	1
Non-operating expenses	1	—	5	1	—	—	15	—	—	1	4	—	—	2	—
Ordinary profit	1,319	825	(618)	757	540	651	841	1,074	1,205	1,346	1,452	1,735	1,945	1,177	1,732
Ordinary profit margins	12.3%	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%
Extraordinary income	—	—	—	1	—	—	—	—	—	—	1	—	—	—	—
Extraordinary loss	5	13	2	1	—	—	—	5	7	—	—	—	—	—	—
Profit before income taxes	1,314	811	(620)	756	540	651	841	1,068	1,198	1,346	1,453	1,735	1,945	1,177	1,732
Total income taxes	544	344	313	(187)	264	272	358	420	412	301	422	444	484	370	395
Profit	769	467	(933)	943	275	378	483	648	786	1,045	1,031	1,291	1,461	805	1,337
Profit margins	7.2%	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%

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# Trend of Performances (Meitec Next)

(Millions of Yen)	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Net sales	252	480	334	438	593	734	872	1,131	1,321	1,483	1,662	1,762	1,639	1,216	1,530
Cost of sales															
Cost of sales to Net sales															
Gross profit	252	480	334	438	593	734	872	1,131	1,321	1,483	1,662	1,762	1,639	1,216	1,530
Selling, general and administrative expenses	470	559	349	333	446	512	577	746	887	966	1,116	1,203	1,204	942	1,055
SG&A expenses to Net sales	186.5%	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%
Operating profit	(217)	(78)	(14)	104	147	221	295	385	433	517	545	559	434	273	474
Operating profit margins	(86.1%)	(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%
Non-operating income	—	—	2	2	—	—	—	—	—	—	—	—	—	—	—
Non-operating expenses	—	—	—	—	—	—	—	—	—	—	—	—	1	—	—
Ordinary profit	(217)	(78)	(12)	106	147	221	295	385	433	517	545	559	432	274	474
Ordinary profit margins	(86.1%)	(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%
Extraordinary income	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Extraordinary loss	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Profit before income taxes	(217)	(78)	(13)	106	147	221	295	385	433	517	544	559	432	274	474
Total income taxes	—	1	—	—	—	19	95	141	145	182	193	198	152	96	169
Profit	(217)	(79)	(14)	105	147	201	200	243	288	334	350	361	279	177	305
Profit margins	(86.1%)	(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%

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# Trend of Balance Sheets (Group Consolidated)

(Millions of Yen)	2007/3/31	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
Cash and deposits	16,177	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
Notes and accounts receivable - trade	13,256	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
Total current assets	35,564	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
Property, plant and equipment	14,548	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
Total non-current assets	21,914	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
Total assets	57,479	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
Total current liabilities	12,559	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
Total non-current liabilities	6,236	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
Total liabilities	18,795	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
Shareholders' equity	39,144	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
Other net assets	(461)	(449)	(577)	(658)	(651)	(808)	(841)	(2,111)	(2,054)	(2,367)	(2,116)	(1,939)	(1,802)	(1,623)	(1,426)	(1,169)
Total net assets	38,683	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

Cash flows from operating activities	6,010	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
Cash flows from investing activities	(955)	124	623	(19)	287	(292)	(465)	(398)	(275)	1,487	(325)	(464)	(240)	(536)	(307)	(270)
Cash flows from financing activities	(8,366)	(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)
Net increase (decrease) in cash and cash equivalents	(3,303)	+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

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# Trend of Profit Distributions and Forecast

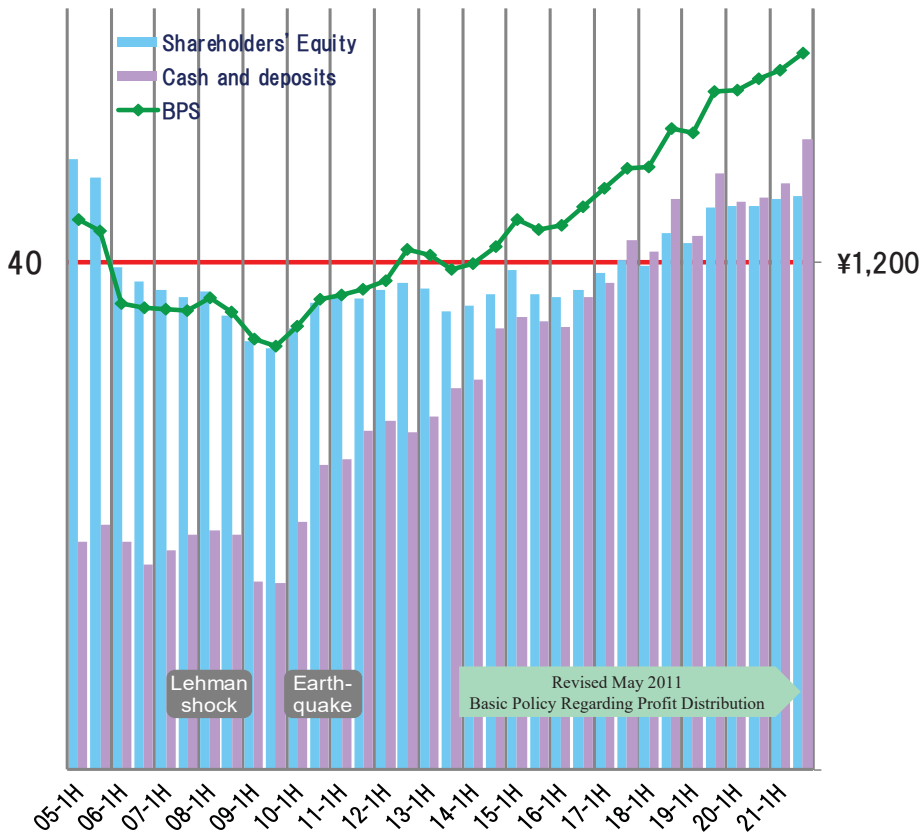
(Fractions of one million yen are rounded)	FY2011	FY2012	FY2013	FY2014	FY2015	FY2016	FY2017	FY2018	FY2019	FY2020	Actual FY2021	Forecast FY2022	
Total Return Ratio	92.9%	99.0%	101.2%	116.8%	100.0%	100.1%	80.0%	80.0%	80.0%	100.1%	100.1%	100.3%	
Dividend Payout ratio	68.5%	53.2%	56.1%	92.4%	53.5%	55.2%	61.8%	63.3%	61.5%	71.9%	63.7%	60.3%	
Dividend on Equity	5.2%	8.4%	6.0%	9.2%	11.4%	11.6%	12.9%	13.6%	12.9%	11.4%	13.1%		
Annual Dividends	Per Share	@ ¥19.50	@ ¥33.00	@ ¥24.00	@ ¥37.00	@ ¥48.00	@ ¥50.50	@ ¥59.00	@ ¥66.50	@ ¥67.33	@ ¥61.33	@ ¥72.50	@ ¥79.00
	Millions of Yen	1,925	3,134	2,220	3,373	4,286	4,344	5,008	5,567	5,575	5,033	5,848	6,330
2nd Quarter	Per Share	@ ¥9.67	@ ¥10.00	@ ¥10.50	@ ¥14.67	@ ¥21.00	@ ¥22.67	@ ¥24.83	@ ¥28.00	@ ¥28.83	@ ¥22.83	@ ¥26.17	@ ¥34.00
	Millions of Yen	961	981	983	1,344	1,908	1,968	2,119	2,344	2,387	1,891	2,136	2,724
Year-end	Per Share	@ ¥9.83	@ ¥23.00	@ ¥13.50	@ ¥22.33	@ ¥27.00	@ ¥27.83	@ ¥34.17	@ ¥38.50	@ ¥38.50	@ ¥38.50	@ ¥46.33	@ ¥45.00
	Millions of Yen	965	2,153	1,237	2,029	2,378	2,375	2,889	3,223	3,188	3,143	3,713	3,606
Acquisition of Treasury Shares	Thousands of shares	421	1,506	641	269	921	915	257	280	303	390	500	
	Millions of Yen	700	2,800	1,800	899	3,799	3,600	1,500	1,500	1,700	2,000	3,399	4,200
Total Shareholders Return	Millions of Yen	2,625	5,934	4,020	4,273	8,086	7,944	6,508	7,067	7,275	7,033	9,248	10,530
Retirement of Treasury Stock	Thousands of shares	400	1,700	500	300	900	1,300		700	300	400	500	
Stock Price TSE#9744	As of April 1	¥1,621	¥1,681	¥2,193	¥2,857	¥3,965	¥3,865	¥4,505	¥5,960	¥5,130	¥4,065	¥6,040	¥6,660
	As of March 31	¥1,669	¥2,343	¥2,930	¥4,025	¥3,935	¥4,520	¥5,890	¥5,030	¥4,300	¥6,110	¥6,650	
Earnings per Share		@ ¥28.48	@ ¥62.03	@ ¥42.77	@ ¥40.04	@ ¥89.75	@ ¥91.44	@ ¥95.55	@ ¥105.14	@ ¥109.45	@ ¥85.26	@ ¥9,240.84	@ ¥131.04
Net Assets per Share		@ ¥378.37	@ ¥409.87	@ ¥394.28	@ ¥412.93	@ ¥426.20	@ ¥443.52	@ ¥474.67	@ ¥506.14	@ ¥535.34	@ ¥544.81	@ ¥113.85	

\*1 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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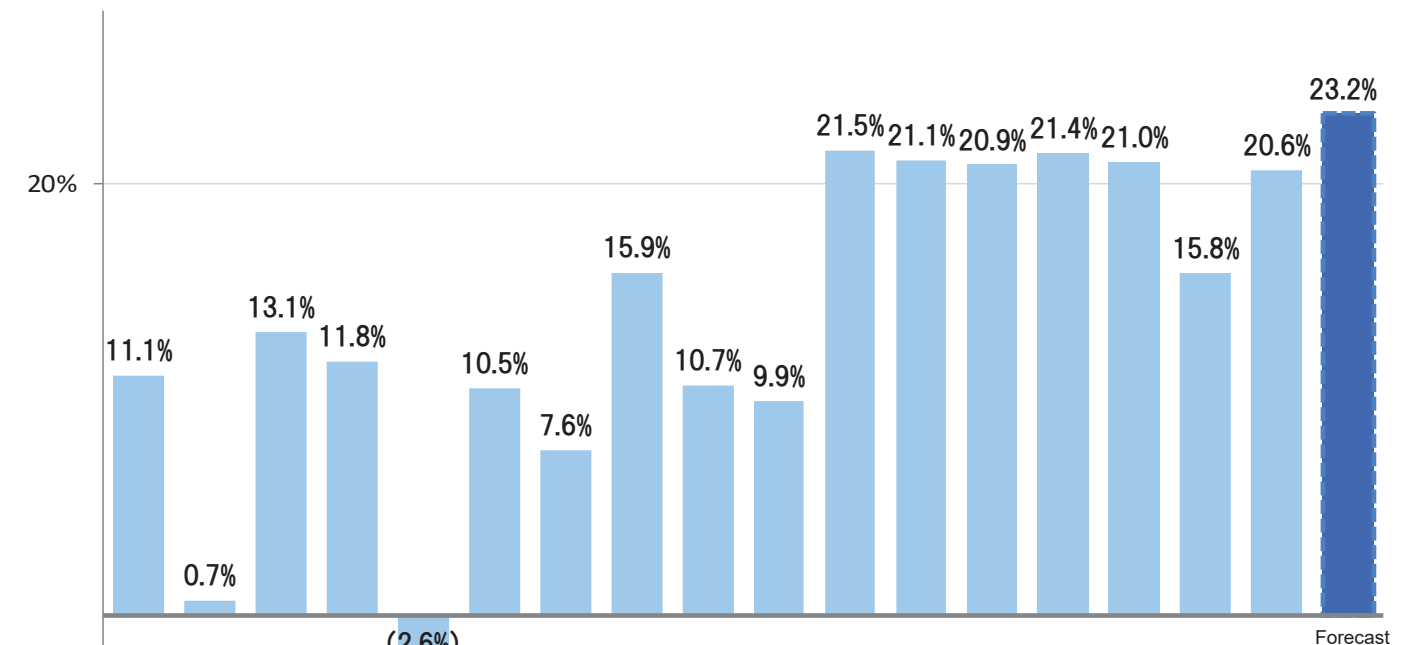
(billions of yen)



- 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



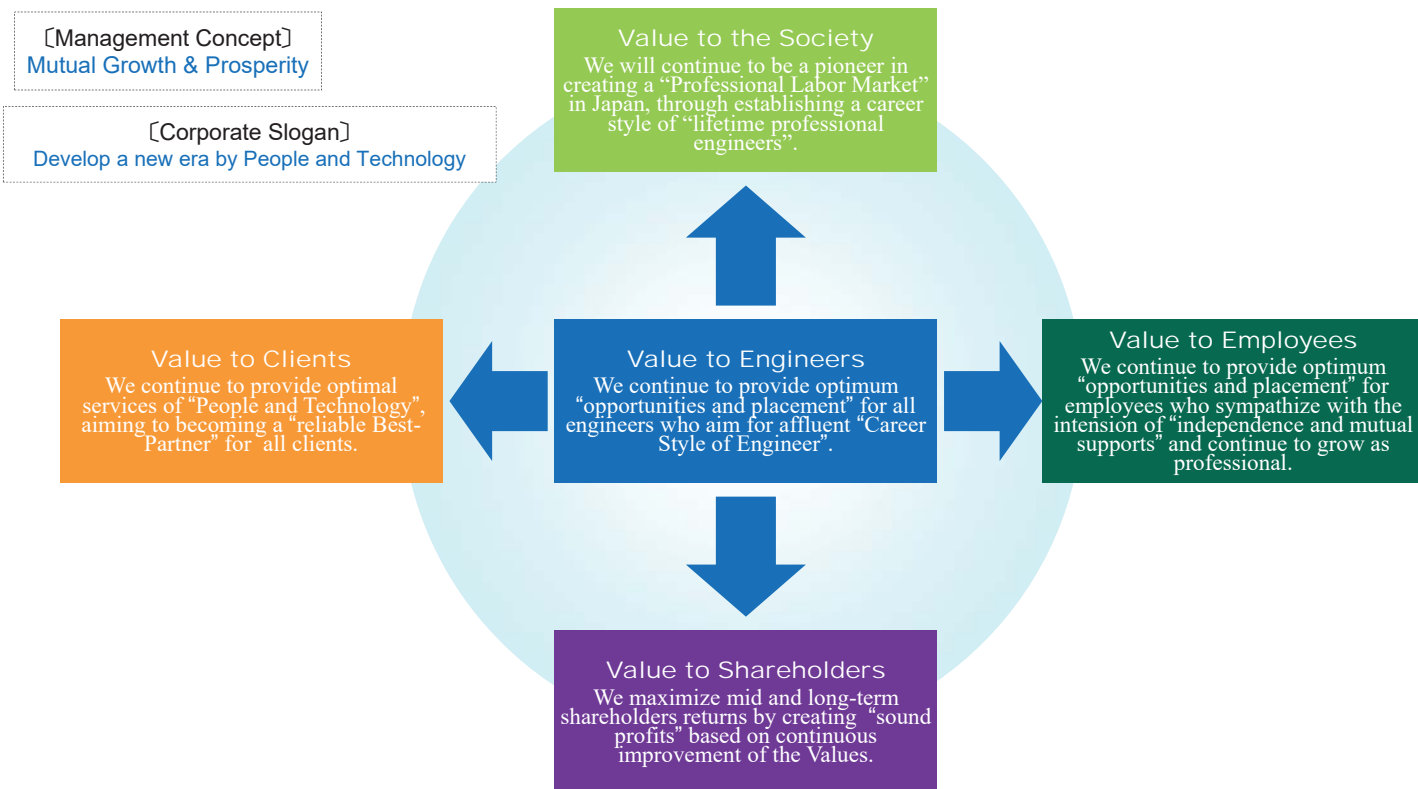
(3%)	'05	'06	'07	'08	'09	'10	'11	'12	'13	'14	'15	'16	'17	'18	'19	'20	'21	'22
ROE	11.1%	0.7%	13.1%	11.8%	(2.6%)	10.5%	7.6%	15.9%	10.7%	9.9%	21.5%	21.1%	20.9%	21.4%	21.0%	15.8%	20.6%	23.2%
Profit	5,302	295	4,958	4,303	(904)	3,690	2,827	5,993	3,973	3,659	8,084	7,937	8,132	8,829	9,093	7,028	9,240	10,500
Shareholders' Equity	46,668	38,451	37,303	35,864	33,235	36,857	37,121	38,360	36,142	37,516	37,544	37,851	40,136	42,371	44,327	44,472	45,288	45,175

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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.



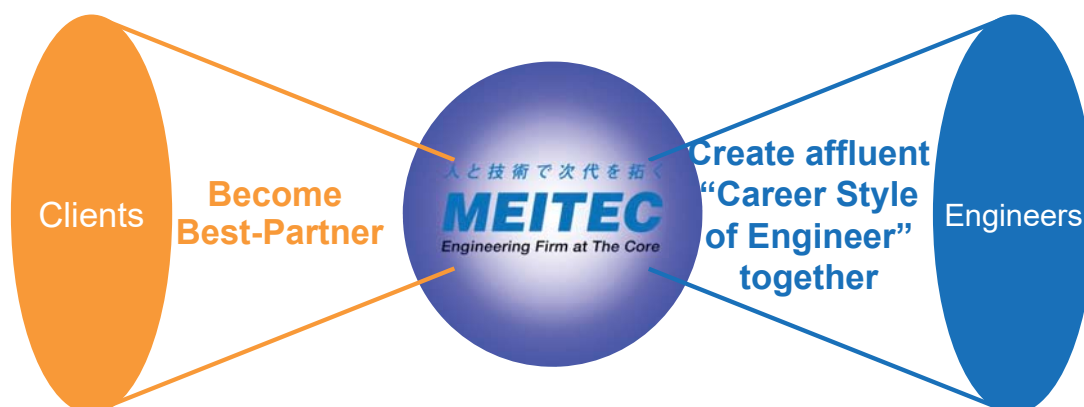
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## Purpose to pursued

The Transformation

# 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

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“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

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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"> <li>Contribute to solving environmental, energy, etc. issues by promoting technological innovation</li> <li>Contribute to the industry and economic growth by promoting technological innovation and innovation</li> </ul>	 <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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**9** INDUSTRY, INNOVATION AND INFRASTRUCTURE



人と技術で次代を拓く

**MEITEC**

Engineering Firm at The Core

[Management Concept]  
Mutual Growth & Prosperity

**8** DECENT WORK AND ECONOMIC GROWTH



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



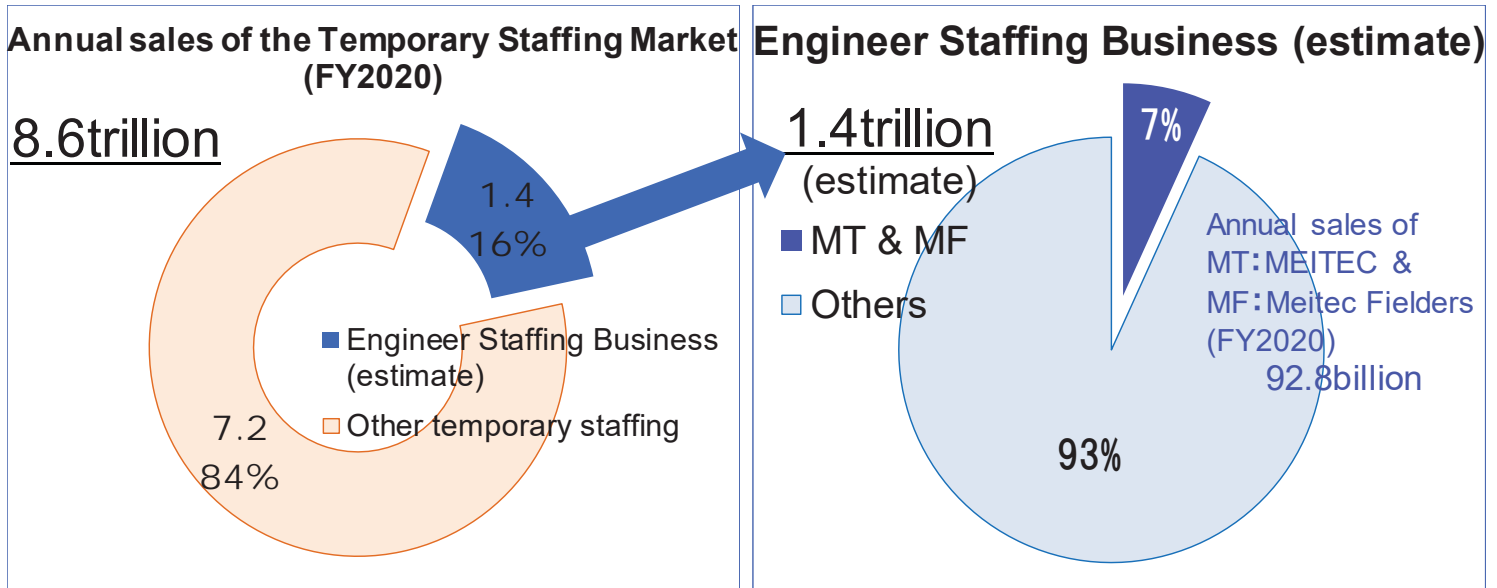
**13** CLIMATE ACTION



**17** PARTNERSHIPS FOR THE GOALS



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March-2022		Engineer Staffing (estimate)
Meitec	Meitec Fielders	
¥5,397	¥3,830	approx.¥3,800

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

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## Corporate Governance

### I. Organization of the Company

#### 1. Type of organization

Corporation with audit & supervisory board

#### 2.The Company established following two distinctive committee chaired by an outside director.

i . Corporate Governance Committee  
Chairman: Outside Director; Members: All Directors

- Evaluation and analysis of effectiveness of Board of Directors
- Discussion of basic matters of governance and other issues

ii . Officer Appointment Advisory Committee  
Chairman: Outside Director;  
Members: CEO and Outside Directors

#### Evaluating appropriateness of processes

- Appointment/dismissal of Representative Director & CEO
- Performance evaluation of inside executive directors
- Nomination of directors and audit & supervisory board member candidates
- Remuneration of inside executive directors

CEO Candidates Screening Council

### II. Executives(As of March 31, 2022)

	Directors	Audit & Supervisory Board Members	Total
Number	9	4	13
of which Independent & Outside	4	4	8
ratio	44%	100%	62% > One-third or more of attendees

### III. Calculation Method of Executive Remuneration

Remuneration Amounts to Individual Executives

¥1K=JPY1,000-	Revised March 2019	
CEO, MEITEC Group President and CEO, COO	Yearly payment	¥28,800K (Monthly ¥2,400K )
Senior Vice President and Director	Yearly payment	¥24,000K (Monthly ¥2,000K )
Director	Yearly payment	¥19,200K (Monthly ¥1,600K )
Outside Director	Yearly payment	¥9,000K (Monthly ¥750K )
Standing audit & supervisory board member	Yearly payment	¥24,000K (Monthly ¥2,000K )
Audit & supervisory board member	Yearly payment	¥7,800K (Monthly ¥650K )

Performance-linked Remuneration Paid to Directors(only).

	Revised:May 12, 2022
Consolidated profit (not including performance-linked directors' remuneration)	x within 2.5% Upper limit: 250 million yen annually
Of which Outside Directors	Not eligible for allocation
Of which the equivalent to 20% of post-tax value	Allocated for purchase of treasury shares (Directors shareholding association method)

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# Shareholders by Business Segments

Shareholder Segment	(As of the Fiscal year ended March 31, 2022)			
	Shareholders	%	Shares Held	%
Banks	10	0.2%	159,600	0.6%
Trust Banks	12	0.3%	6,869,400	24.5%
Life and nonlife insurance companies	19	0.4%	3,334,033	11.9%
Securities financing and other financial companies	5	0.1%	28,660	0.1%
Securities companies	31	0.7%	217,893	0.8%
Business concerns and other companies	64	1.5%	147,691	0.5%
Overseas companies and investors	235	5.4%	13,486,720	48.0%
Individuals and others	3,937	91.3%	3,856,003	13.7%
<b>Total</b>	<b>4,313</b>	<b>100.0%</b>	<b>28,100,000</b>	<b>100.0%</b>

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# Company Information

<b>Tokyo Headquarters</b>	<b>Taito-ku, Tokyo</b>
<b>Nagoya Headquarters</b>	<b>Nishi-ku Nagoya</b>
<b>Stock listings</b>	<b>Tokyo Stock Exchange, Prime Market(No. 9744)</b>
<b>Incorporated</b>	<b>July 17, 1974</b>
<b>C l i e n t s</b>	<b>Approximately 1,200 blue-chip companies, mostly listed in the Prime and Standard Market of Tokyo Stock Exchange</b>
<b>B r a n c h e s</b>	<b>41 Sales offices, including Tokyo, Osaka, Nagoya, and other major Japanese cities</b>
<b>Group Companies</b>	<p>[Engineering Solutions Business]</p> <ul style="list-style-type: none"> <li>■ MEITEC FIELDERS INC.</li> <li>■ MEITEC CAST INC.</li> <li>■ MEITEC EX CORPORATION</li> <li>■ MEITEC BUSINESS SERVICE CORPORATION</li> </ul> <p>[Recruiting &amp; Placement Business for engineers]</p> <ul style="list-style-type: none"> <li>■ MEITEC NEXT CORPORATION</li> </ul>

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