

Daiwa Investment Conference Tokyo 2022

February 15, 2022

MEITEC CORPORATION

President and CEO, COO
MEITEC Group CEO
Hideyo Kokubun

Disclaimer regarding forward-looking statements

Earnings forecasts and other forward-looking statements in this release are based on data currently available to management and certain assumptions that management believes are reasonable.

Actual results may therefore differ materially from these statements for various reasons.

Some important factors that might have an effect on business performance pertain to Business Risks stated in the Company's annual securities report and other information already released, but factors influencing business performance are not limited to those released.

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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 CEO, COO
MEITEC Group CEO 國分 秀世

Essence of Meitec Group

Engineering Firm at The Core

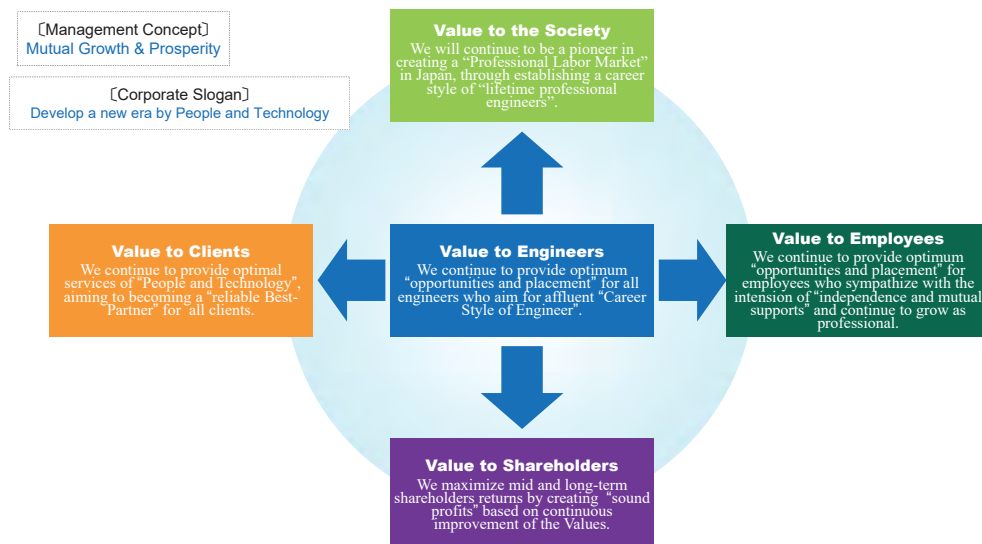
We are a group of engineers that plays a core role in manufacturing through its “People and Technology.”

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.

“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.



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.

Top 10 Clients by Sales (Meitec)

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

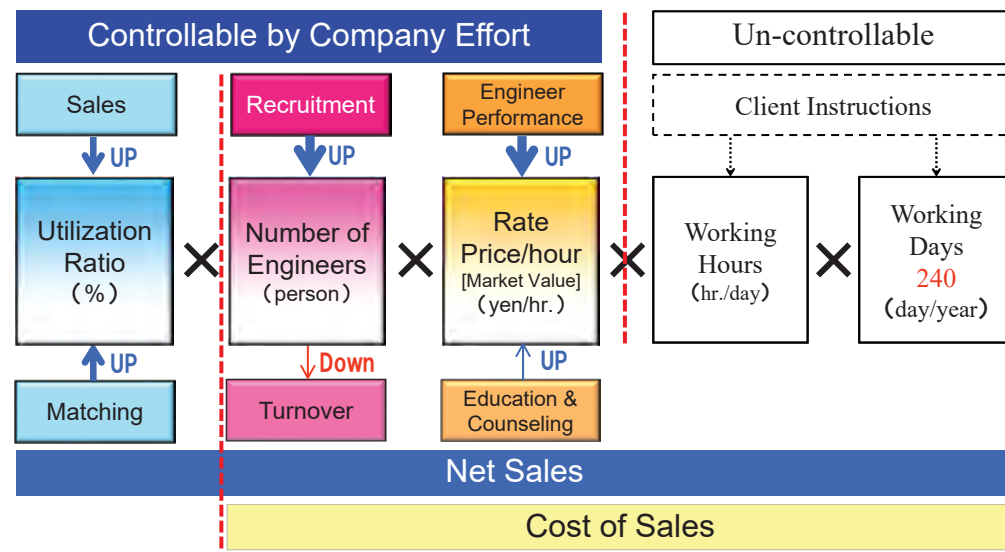
(Millions of yen)

2nd Q FY2016		2nd Q FY2020		2nd Q FY2021	
1 Mitsubishi Heavy Industries		1 Mitsubishi Heavy Industries		1 Denso	
2 Denso		2 Denso		2 Mitsubishi Heavy Industries	
3 Canon		3 Sony Semiconductor Solutions		3 Sony Semiconductor Solutions	
4 Panasonic		4 Panasonic		4 Panasonic	
5 Nikon		5 Nikon		5 Nikon	
6 Sony Semiconductor Solutions		6 Toyota Motor		6 Hitachi High-Tech	
7 Toyota Motor		7 Denso Ten		7 Toyota Motor	
8 Kawasaki Heavy Industries		8 Subaru		8 Subaru	
9 Mitsubishi Aircraft		9 Hitachi High-Tech		9 Denso Ten	
10 Omron		10 Nippon Steel		10 Terumo	
Top 10 Total	8,428 24.7%	Top 10 Total 8,321 23.9%		Top 10 Total 9,009 24.5%	
Top 20 Total	11,885 34.9%	Top 20 Total 11,939 34.3%		Top 20 Total 13,000 35.3%	
Others	22,188 65.1%	Others 22,907 65.7%		Others 23,842 64.7%	
Total	34,073 100.0%	Total 34,846 100.0%		Total 36,841 100.0%	

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Sales and Cost (Dispatch-type)

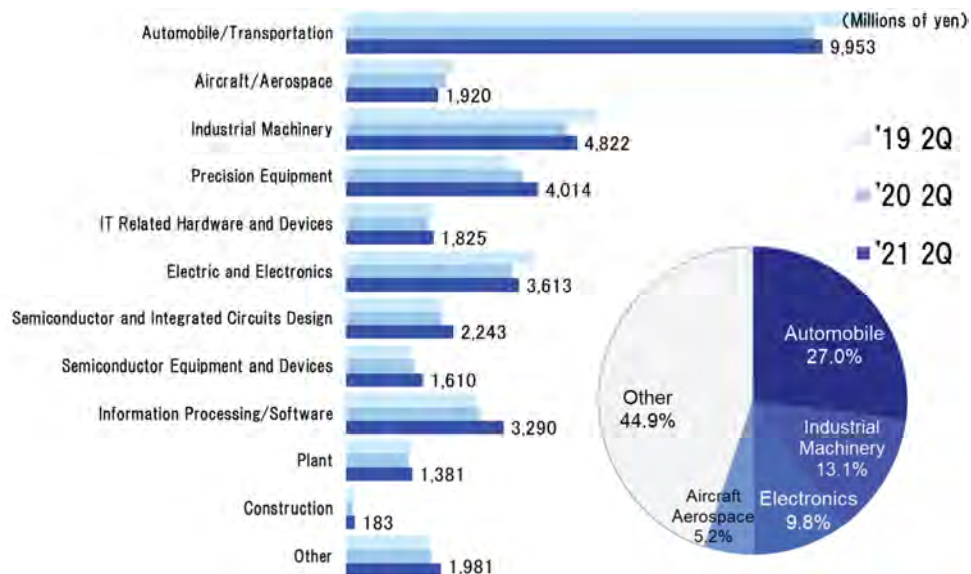
- Increasing the number of engineers and sustaining and improving the high "utilization ratio and prices" are the key to a growth.



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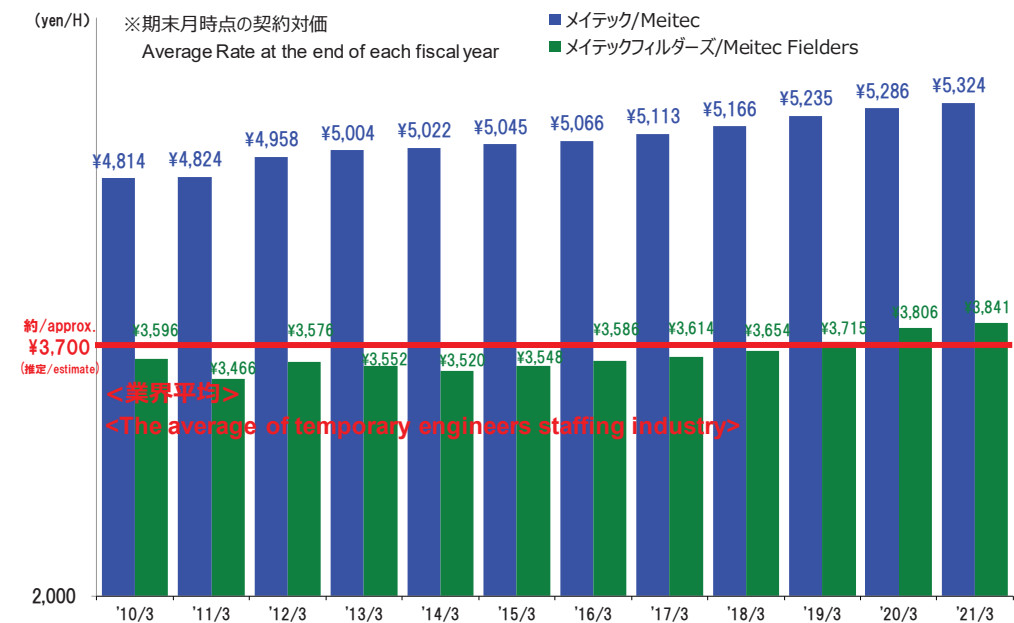
Sales by the Industrial Segments (Meitec)

- 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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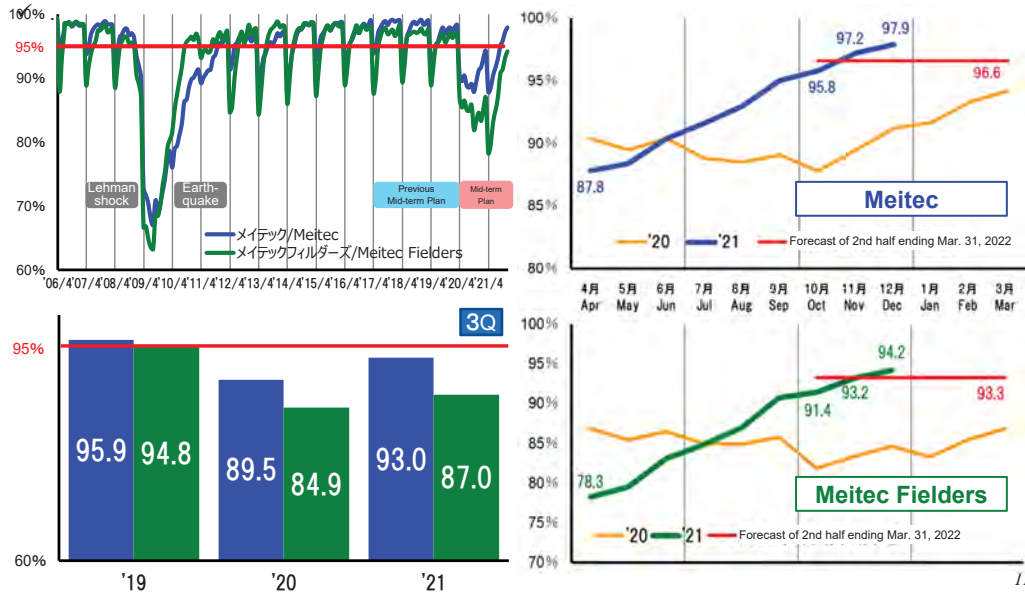
Trend in Average Rate = (Market Value)



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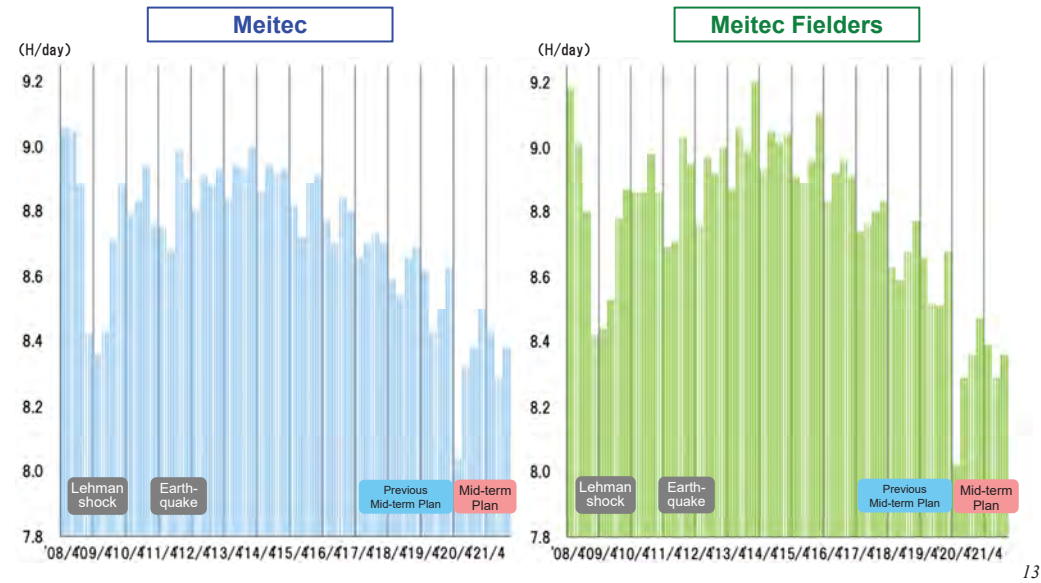
Utilization Ratio

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



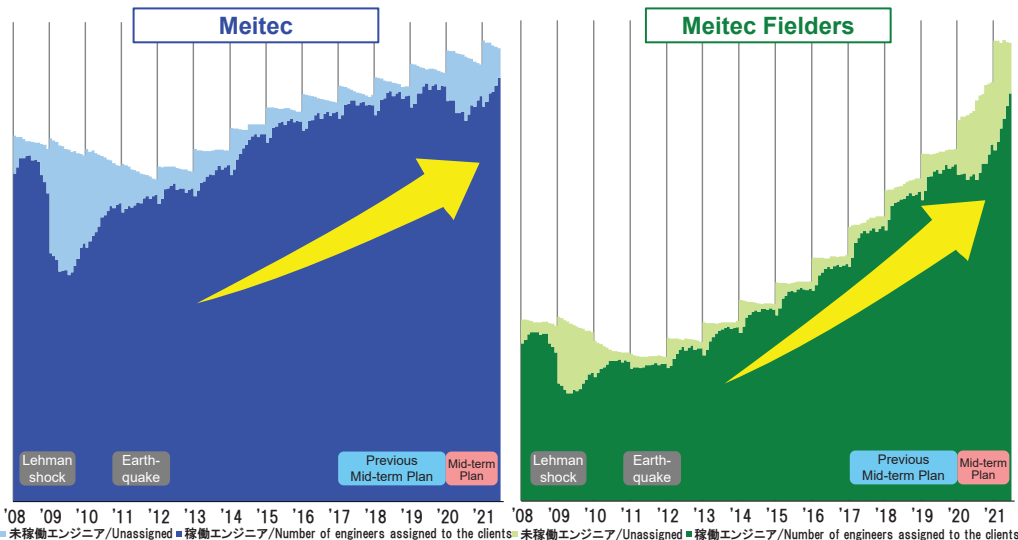
Working Hours

✓ Working hours were longer due to the bounce back in overtime work, which had fallen sharply the year before.



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

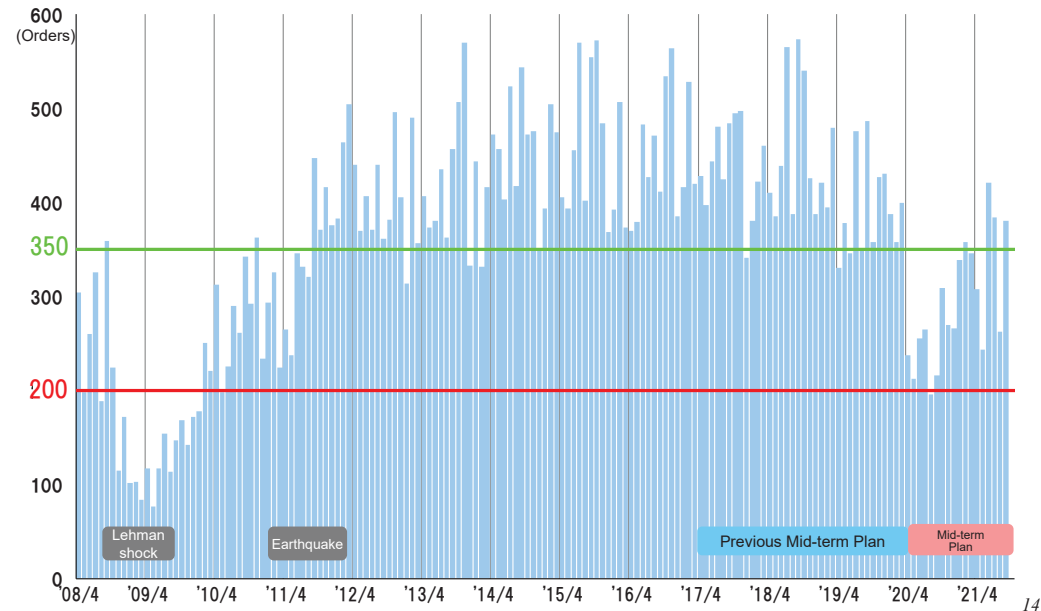
✓ The number of engineers increased due to active hiring, and the number of active employees also increased as we proceeded with the assignment of new employees.



'08 '09 '10 '11 '12 '13 '14 '15 '16 '17 '18 '19 '20 '21
 ■ 未稼働エンジニア/Unassigned ■ 稼働エンジニア/Number of engineers assigned to the clients ■ 未稼働エンジニア/Unassigned ■ 稼働エンジニア/Number of engineers assigned to the clients

Trend in New Orders by Month (Meitec)

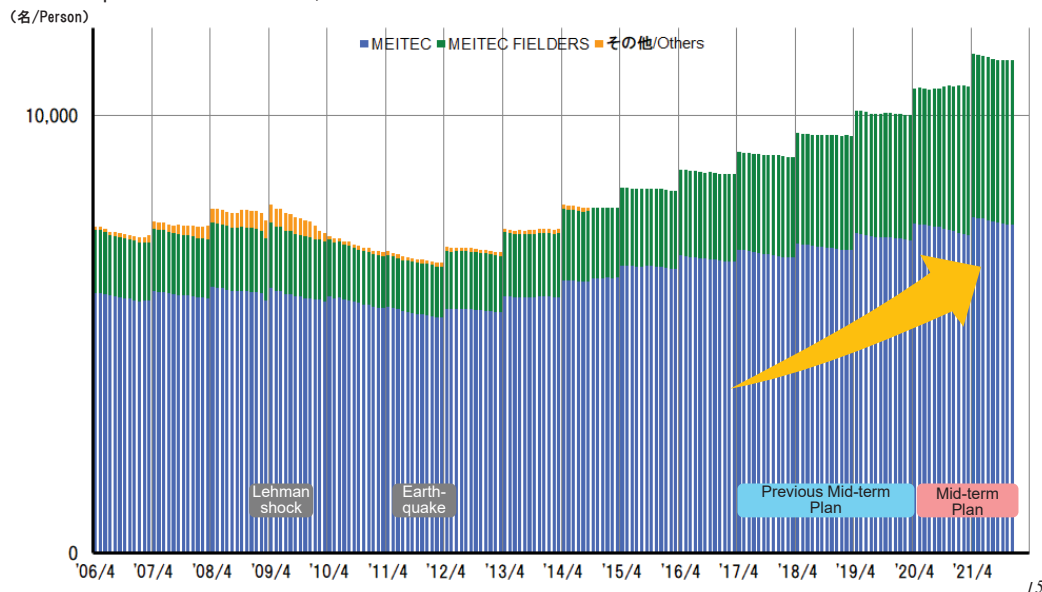
✓ For Meitec, new monthly orders are expected to recover.



Number of Engineers (Group Consolidated)

Re-posted **MEITEC**
Engineering Firm of The Core

✓ The number of engineers as of December 31, 2021 was 11,260, an increase of 585 engineers, or 5.5%, compared to December 31, 2020.

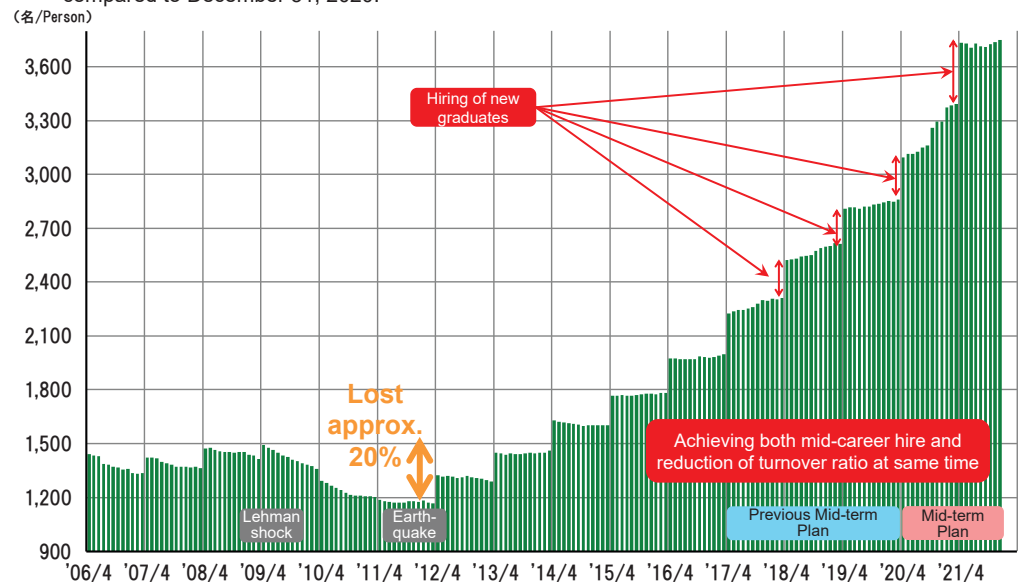


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Number of Engineers (Meitec Fielders)

Re-posted **MEITEC**
Engineering Firm of The Core

✓ The number of engineers as of December 31, 2021 was 3,749, an increase of 453 engineers, or 13.7%, compared to December 31, 2020.

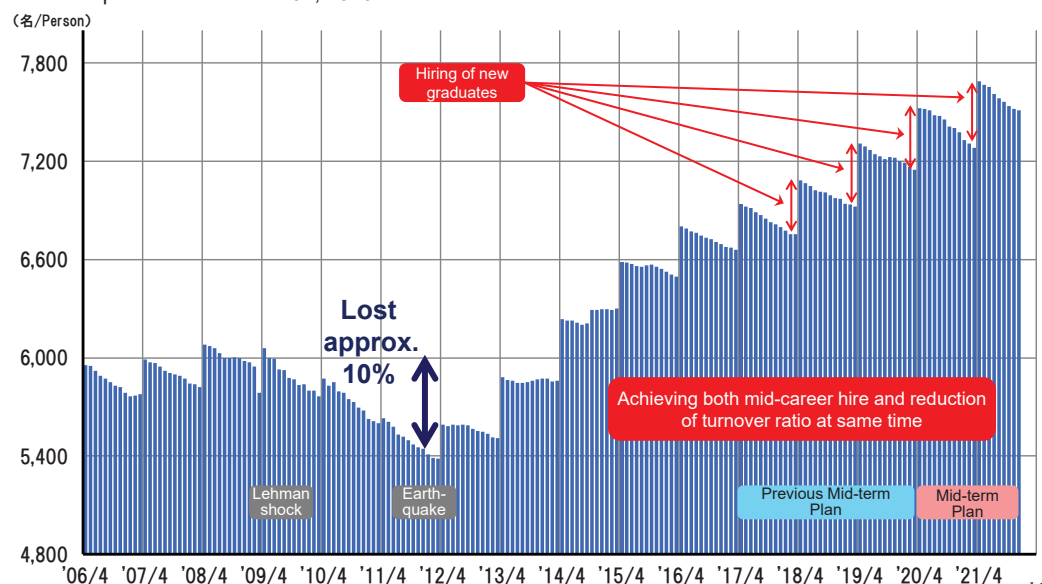


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Number of Engineers (Meitec)

Re-posted **MEITEC**
Engineering Firm of The Core

✓ The number of engineers as of December 31, 2021 was 7,511, an increase of 132 engineers, or 1.8%, compared to December 31, 2020.



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Hiring Target for the Fiscal Year Ending March 31, 2022

Re-posted **MEITEC**
Engineering Firm of The Core

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. However, we have revised our internal targets in light of the hiring environment and assignment situation.
- ✓ 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.

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 companies' selection processes becoming more diverse amid the COVID-19 pandemic.
- ✓ The number of persons who received job offers as of October 1, 2021, exceeded the initial forecast.
- ✓ 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 Ending March 31, 2022					Fiscal Year Ending March 31, 2023	
	New Graduates April 2021 (Actual)	Mid-career In-house target	Comparison to Initial Forecast	Total In-house target	Comparison to Initial Forecast	New Graduates April 2022 (Prospective Number as of Oct. 2021)	Comparison to Initial Forecast
Meitec	462	240	—	702	—	499	+19
Meitec Fielders	302	800	(200)	1,102	(200)	424	+24
Total	764	1,040	(200)	1,804	(200)	923	+43
Comparison to previous year	—	+255		+255			

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New Mid-term Management Plan [3 years]



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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Commitment for solving social issues (SDGs)



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
<p>9 INDUSTRY, INNOVATION AND INFRASTRUCTURE</p> <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>8 DECENT WORK AND ECONOMIC GROWTH</p> <p>Contribute to sustainable economic growth through creating a Professional Labor Market</p>	<p>4 QUALITY EDUCATION</p> <p>Promote higher technical education and lifelong learning</p>
		<p>5 GENDER EQUALITY</p> <p>Provide fair “opportunities and placement” regardless of nationality, gender or age</p>
		<p>16 PEACE, JUSTICE AND STRONG INSTITUTIONS</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]



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

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Mid-term Management Plan of Meitec Group [2020 – 2022]

The Transformation

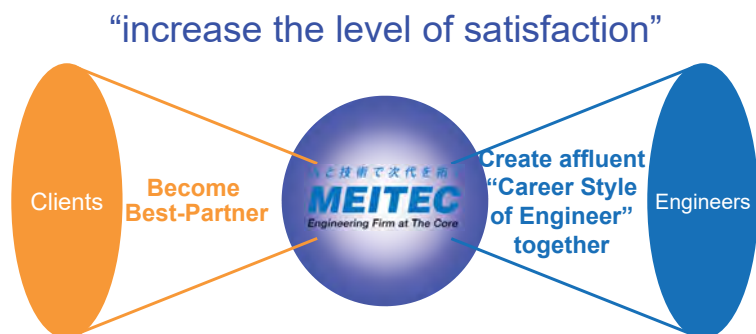
The Group will “Transform the business model” not with the current extension line, but by itself, in line with the changes and evolution of society and clients, pursue high added value as a unified group maintaining the quality cultivated up until now, and transform into a company that is “The Only One.”

FY2022 Mid-term Management Plan	Group Consolidated	billion yen		
		Engineering Solutions Business		Recruiting&Placement Business for Engineers
		Meitec	Meitec Fielders	
Net Sales	135.0	90.0	40.0	2.5
Operating Profit	18.0	13.5	3.6	0.8
Margin	13%	15%	9%	32%
Profit	12.0			
ROE	25% or more			

Page19 : Disclaimer regarding the description of the medium-term management plan
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.

Purpose to pursued

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



Basic policy and priority measures

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

Basic Policy	Sales Expansion		Improving Profit Margin
	Profit Enhancement		
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) *Redefine operational requirements *Promoting digitization

Performance goals

See page 19: Disclaimer regarding the description of the medium-term management plan

The Transformation

Consolidated net sales



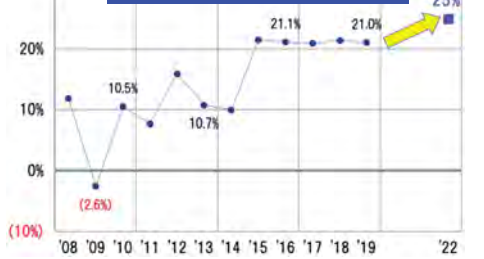
Consolidated operating profit and operating profit margins



Consolidated profit and margins



Consolidated ROE



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Results for the 3rd Quarter of the Fiscal Year Ending March 31, 2022 (Group Consolidated)



- ✓ Net sales rose 10.4% 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 ratio.
- ✓ Operating profit rose 26.7% year on year ⇒ Due to a situation where the increase in net sales absorbed the increase in labor expenses and other costs associated with growth in the number of engineers, and the increase in SG&A expenses.

	3Q ended Dec. 31, 2020	3Q ended Dec. 31, 2021	YoY Amount	% Change	Past Forecast	% Change
Net sales	71,487	78,936	+7,448	+10.4%	107,000	73.8%
Cost of sales	53,460	58,079	+4,618	+8.6%	78,600	
Cost of sales to Net sales	74.8%	73.6%	(1.2%)			
SG&A Expenses	10,480	11,294	+814	+7.8%	16,100	
Operating profit	7,546	9,562	+2,015	+26.7%	12,300	77.7%
Operating profit margins	10.6%	12.1%	+1.6%		11.5%	
Ordinary profit	7,598	9,667	+2,068	+27.2%	12,500	77.3%
Extraordinary income & loss	(4)	(4)	—			
Profit before income taxes	7,593	9,662	+2,068	+27.2%		
Profit attributable to owners of parent	5,016	6,492	+1,475	+29.4%	8,400	77.3%
Profit margins	7.0%	8.2%	+1.2%			

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Performance goals

See page 19: Disclaimer regarding the description of the medium-term management plan

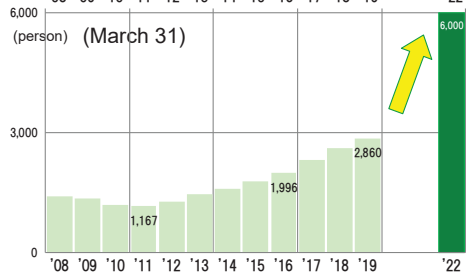
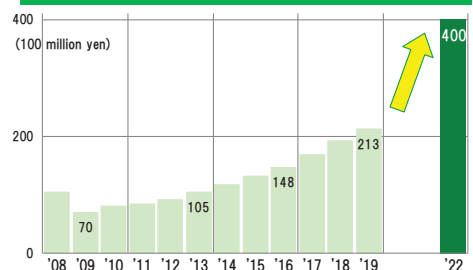
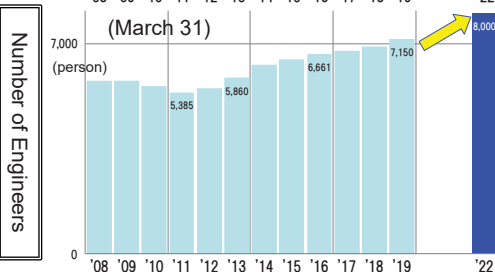
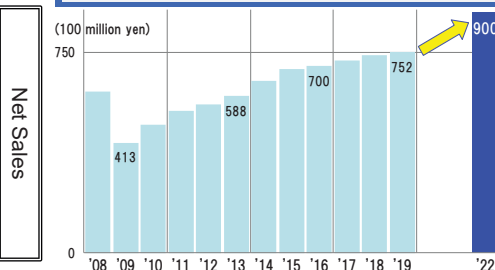
The Transformation

Meitec

Transform the business model by pursuing high added value <Sell Core Technologies>

Meitec Fielders

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



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Results for the 3rd Quarter of the Fiscal Year Ending March 31, 2022 (Meitec)



- ✓ Net sales rose 7.5% 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 ratio.
- ✓ Operating profit rose 23.1% 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.

	3Q ended Dec. 31, 2020	3Q ended Dec. 31, 2021	YoY Amount	% Change	Past Forecast	% Change
Net sales	52,888	56,880	+3,991	+7.5%	77,000	73.9%
Operating profit	6,344	7,809	+1,464	+23.1%	10,200	76.6%
Operating profit margins	12.0%	13.7%	+1.7%		13.2%	
Ordinary profit	7,288	8,388	+1,099	+15.1%	10,800	77.7%
Profit	5,103	5,793	+690	+13.5%	7,500	77.2%
Utilization ratio (Company-wide)	89.5%	93.0%	+3.5%		93.8%	
Working Hours(h/day)	8.24	8.37	+0.13	+1.6%	8.40	
Number of Engineers	7,379	7,511	+132	+1.8%		

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Results for the 3rd Quarter of the Fiscal Year Ending March 31, 2022 (Meitec Fielders)

- ✓ Net sales rose 20.1% 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 ratio.
- ✓ Operating profit rose 53.1% year on year ⇒ Due to a situation where the increase in net sales absorbed the increase in hiring-related expenses associated with active hiring.

(Fractions of one million yen are rounded down)	3Q ended Dec. 31, 2020	3Q ended Dec. 31, 2021	YoY Amount	% Change	Past Forecast	% Change
Net sales	15,717	18,874	+3,156	+20.1%	25,600	73.7%
Operating profit	895	1,370	+475	+53.1%	1,550	88.4%
Operating profit margins	5.7%	7.3%	+1.6%		6.1%	
Ordinary profit	894	1,371	+477	+53.4%	1,550	88.5%
Profit	612	941	+329	+53.7%	1,060	88.8%
Utilization ratio (Company-wide)	84.9%	87.0%	+2.1%		88.7%	
Working Hours<h/day>	8.22	8.35	+0.13	+1.6%	8.38	
Number of Engineers	3,296	3,749	+453	+13.7%		

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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 maximum 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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Results for the 3rd Quarter of the Fiscal Year Ending March 31, 2022 (Group Overview)

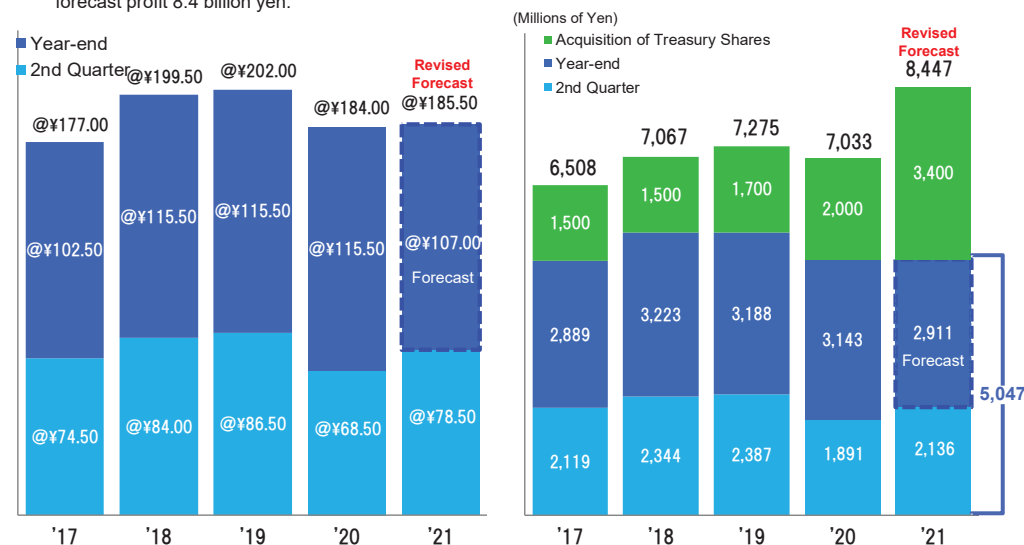
- ✓ Both sales and profit increased YoY for Meitec Next. ⇒ An increase in the number of job placements.

(Fractions of one million yen are rounded down)	Engineering Solutions Business				Recruiting & Placement Business for Engineers
	Meitec	Meitec Fielders	Meitec Cast	Meitec EX	Meitec Next
Net sales	56,880	18,874	2,230	236	1,117
YoY Amount	+3,991	+3,156	+71	+109	+215
% Change	+7.5%	+20.1%	+3.3%	+86.6%	+23.9%
Operating profit	7,809	1,370	140	0	338
YoY Amount	+1,464	+475	(25)	+14	+151
% Change	+23.1%	+53.1%	(15.3%)	—	+80.6%
Ordinary profit	8,388	1,371	140	0	338
Profit	5,793	941	95	(1)	232

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Results and Forecast of Profit Distribution

- ✓ Following the announcement of our annual earnings forecast, in line with the 100% total return ratio (60% dividend payout, 40% acquisition of treasury shares), we determined our profit distribution.
- ✓ Total return ratio 100% = (ordinary dividends 5.0 billion yen + acquisition of treasury shares 3.4 billion yen) ÷ forecast profit 8.4 billion yen.

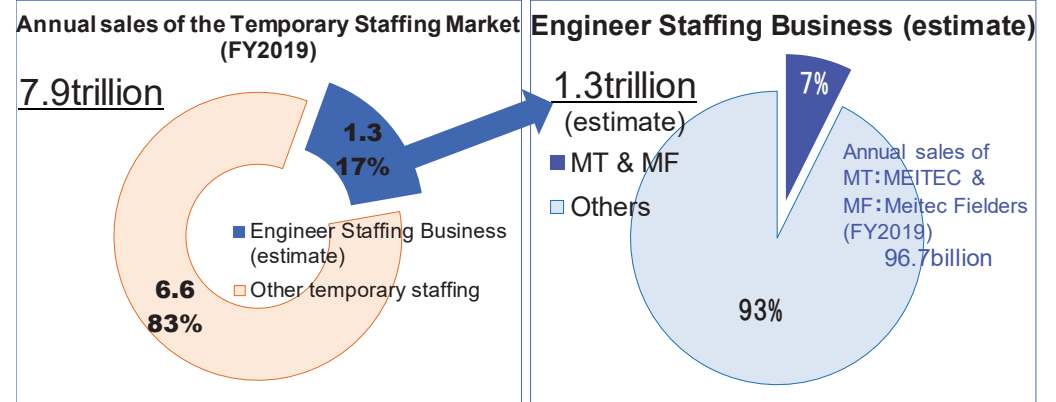


※Fractions of one million yen are rounded 34

Reference Materials



Market of Engineer Staffing Business (estimate)



March-2021		Engineer Staffing (estimate)
Meitec	Meitec Fielders	
¥5,324	¥3,841	approx. ¥3,700

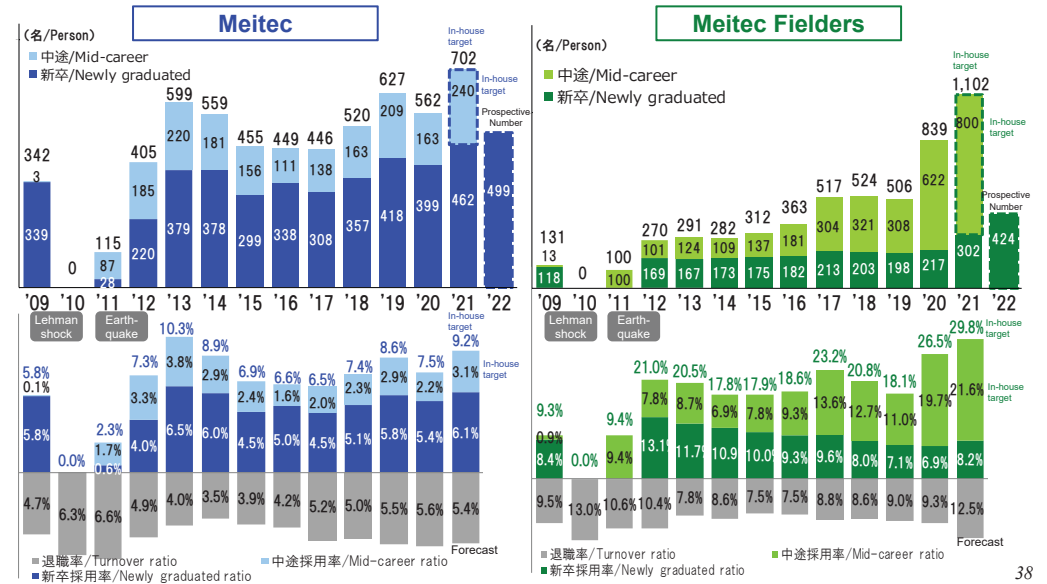
Source: MHLW statistics . We calculated the estimate originally. * We assume no responsibility for our estimation.

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Recruitment and Turnover

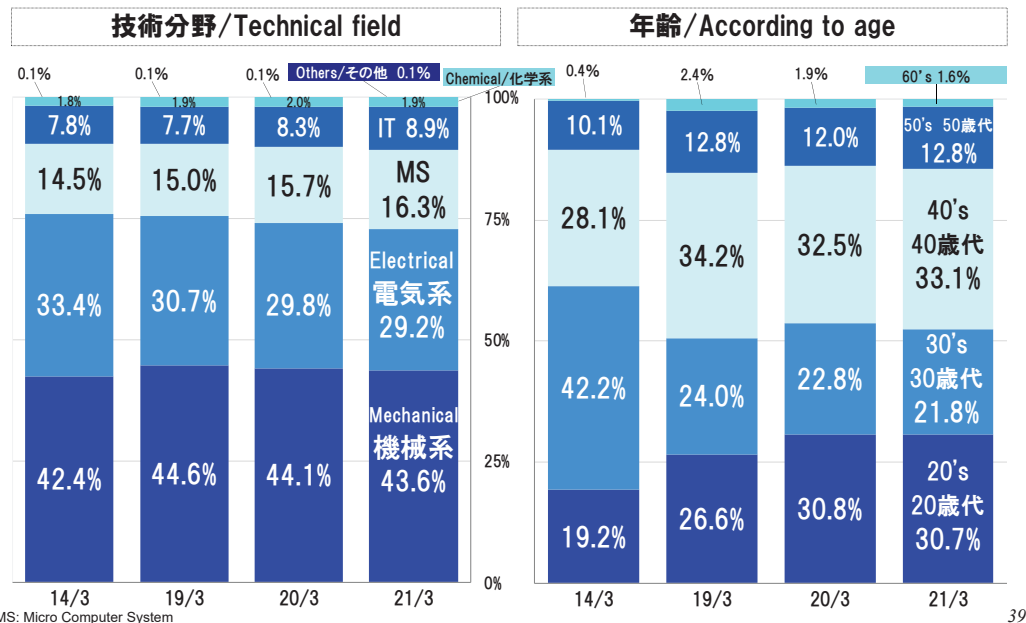


✓ Our forecasts for the number of recruitment and the turnover ratio as of the release of 2Q results are as follows. ※We plan to announce the actual recruitment and turnover ratios in May 2022.

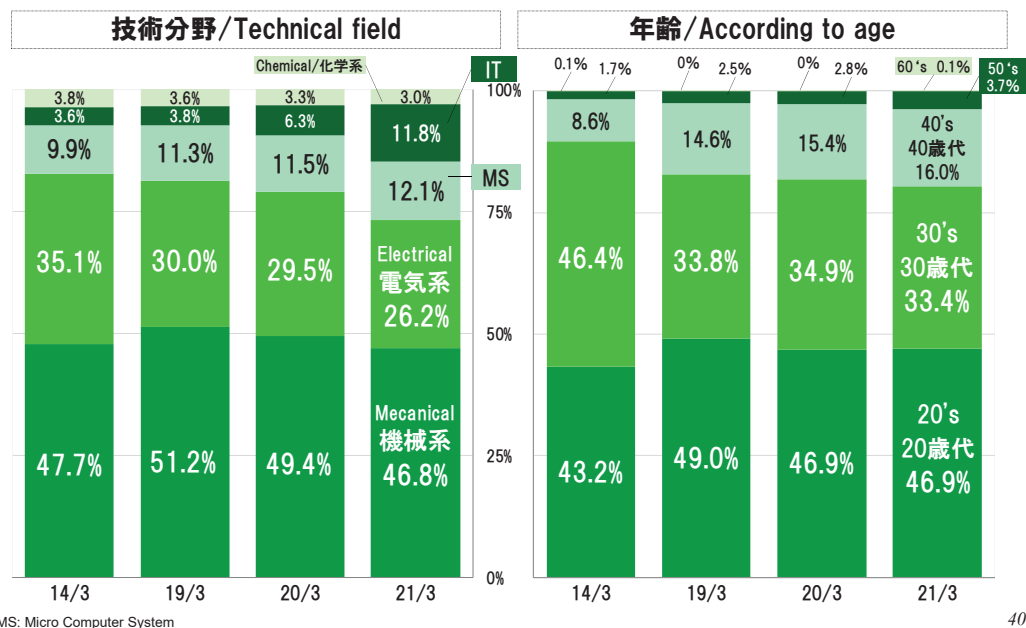


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Distribution of Engineers by Technical Fields and Age (Meitec)



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



Trend of Performances (Group Consolidated)

(Millions of Yen)	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Net sales	83,223	82,229	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
Cost of sales	56,685	57,701	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
Gross profit	26,538	24,528	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
Selling, general and administrative expenses	14,053	12,946	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
SG&A expenses to Net sales	16.9%	15.7%	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%
Operating profit	12,485	11,581	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
Operating profit margin	15.0%	14.1%	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%
Non-operating income	137	74	84	87	4,729	2,146	114	97	50	113	29	20	19	15	55	81
Non-operating expenses	59	169	115	107	77	178	32	24	51	10	58	17	11	7	6	9
Ordinary profit	12,562	11,487	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
Ordinary profit margin	15.1%	14.0%	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%
Extraordinary income	538	5	6	13	32	378	—	58	—	20	1,084	31	337	26	—	—
Extraordinary loss	2,235	5,092	1,826	1,094	130	234	4	215	146	3,621	65	45	262	18	3	4
Profit before income taxes	10,866	6,400	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
Total income taxes and others	5,563	6,105	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
Profit attributable to owners of parent	5,302	295	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
Profit margin	6.4%	0.4%	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%

Trend of Performances (Meitec)

(Millions of Yen)	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Net sales	61,425	61,795	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
Cost of sales	42,380	43,134	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
Gross profit	19,045	18,660	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
Selling, general and administrative expenses	7,913	8,039	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
SG&A expenses to Net sales	12.9%	13.0%	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%
Operating profit	11,131	10,621	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
Operating profit margin	18.1%	17.2%	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%
Non-operating income	458	4,988	356	564	3,840	1,976	389	314	426	523	517	601	769	769	913	956
Non-operating expenses	33	109	48	76	53	150	14	19	426	10	52	16	6	6	5	8
Ordinary interests in income	11,556	15,500	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
Ordinary profit margin	18.8%	25.1%	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%
Extraordinary income	102	5	3	7	2	3	—	462	—	324	1,088	200	364	16	—	—
Extraordinary loss	132	10,202	2,084	2,912	626	318	66	228	372	3,673	50	222	261	52	2	4
Profit before income taxes	11,526	5,304	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
Total income taxes	4,706	5,388	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
Profit	6,820	(83)	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
Profit margin	11.1%	(0.1%)	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%

Trend of Performances (Meitec Fielders)

Re-posted MEITEC
Engineering Firm at The Core

(Millions of Yen)	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Net sales	10,382	10,748	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
Cost of sales	7,655	7,888	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
Cost of sales to Net sales	73.7%	73.4%	72.2%	73.2%	93.9%	77.8%	75.1%	75.5%	76.4%	76.9%	77.2%	77.6%	77.3%	77.3%	77.1%	77.6%
Gross profit	2,727	2,859	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
Selling, general and administrative expenses	1,357	1,551	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
SG&A expenses to Net sales	13.1%	14.4%	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%
Operating profit	1,369	1,308	1,310	819	(1,461)	575	537	648	856	1,073	1,204	1,346	1,456	1,734	1,944	1,178
Operating profit margin	13.2%	12.2%	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%
Non-operating income	3	3	10	6	848	182	3	3	1	—	—	1	—	1	1	—
Non-operating expenses	—	1	1	—	5	1	—	—	15	—	—	1	4	—	—	2
Ordinary profit	1,373	1,310	1,319	825	(618)	757	540	651	841	1,074	1,205	1,346	1,452	1,735	1,945	1,177
Ordinary profit margin	13.2%	12.2%	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%
Extraordinary income	6	—	—	—	1	—	—	—	—	—	—	—	1	—	—	—
Extraordinary loss	3	4	5	13	2	1	—	—	—	5	7	—	—	—	—	—
Profit before income taxes	1,376	1,306	1,314	811	(620)	756	540	651	841	1,068	1,198	1,346	1,453	1,735	1,945	1,177
Total income taxes	560	537	544	344	313	(187)	264	272	358	420	412	301	422	444	484	370
Profit	816	768	769	467	(933)	943	275	378	483	648	786	1,045	1,031	1,291	1,461	805
Profit margin	7.9%	7.1%	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%

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Trend of Performances (Meitec Next)

Re-posted MEITEC
Engineering Firm at The Core

(Millions of Yen)	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Net sales		8	252	480	334	438	593	734	872	1,131	1,321	1,483	1,662	1,762	1,639	1,216
Cost of sales																
Cost of sales to Net sales																
Gross profit		8	252	480	334	438	593	734	872	1,131	1,321	1,483	1,662	1,762	1,639	1,216
Selling, general and administrative expenses		207	470	559	349	333	446	512	577	746	887	966	1,116	1,203	1,204	942
SG&A expenses to Net sales		2,587.5%	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%
Operating profit		(198)	(217)	(78)	(14)	104	147	221	295	385	433	517	545	559	434	273
Operating profit margin		(2,475.0%)	(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%
Non-operating income		—	—	—	2	2	—	—	—	—	—	—	—	—	—	—
Non-operating expenses		—	—	—	—	—	—	—	—	—	—	—	—	—	1	—
Ordinary profit		(198)	(217)	(78)	(12)	106	147	221	295	385	433	517	545	559	432	274
Ordinary profit margin		(2,475.0%)	(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%
Extraordinary income		—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Extraordinary loss		—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Profit before income taxes		(198)	(217)	(78)	(13)	106	147	221	295	385	433	517	544	559	432	274
Total income taxes		—	—	1	—	—	—	19	95	141	145	182	193	198	152	96
Profit		(199)	(217)	(79)	(14)	105	147	201	200	243	288	334	350	361	279	177
Profit margin		(2,487.5%)	(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%

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Trend of Balance Sheets (Group Consolidated)

Re-posted MEITEC
Engineering Firm at The Core

(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
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
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
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
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
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
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
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
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
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
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
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)
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

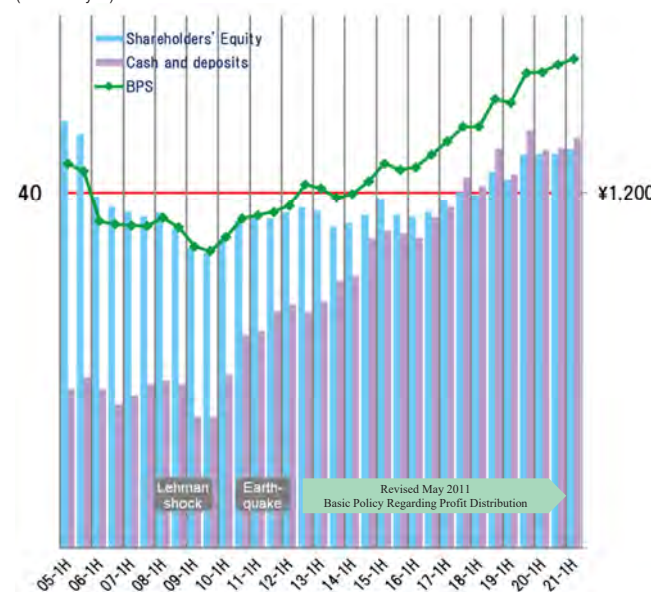
Cash flows from operating activities	6,010	8,486	6,308	(1,545)	9,291	5,753	5,205	8,893	8,434	6,910	10,186	10,957	10,273	9,837	5,487
Cash flows from investing activities	(955)	124	623	(19)	287	(292)	(465)	(398)	(275)	1,487	(325)	(464)	(240)	(536)	(307)
Cash flows from financing activities	(8,366)	(5,997)	(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)
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)

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Shareholders' Equity and Cash and Deposit

Re-posted MEITEC
Engineering Firm at The Core

(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 Profit Distributions and Forecast

		FY2010	FY2011	FY2012	FY2013	FY2014	FY2015	FY2016	FY2017	FY2018	FY2019	Actual FY2020	Forecast FY2021
(Fractions of one million yen are rounded)													
Total Return Ratio		24.7%	92.9%	99.0%	101.2%	116.8%	100.0%	100.1%	80.0%	80.0%	80.0%	100.1%	100.6%
Dividend Payout ratio		24.7%	68.5%	53.2%	56.1%	92.4%	53.5%	55.2%	61.8%	63.3%	61.5%	71.9%	60.1%
Dividend on Equity		2.6%	5.2%	8.4%	6.0%	9.2%	11.4%	11.6%	12.9%	13.6%	12.9%	11.4%	
Annual Dividends	Per Share Millions of Yen	@¥27.50 911	@¥58.50 1,925	@¥99.00 3,134	@¥72.00 2,220	@¥111.00 3,373	@¥144.00 4,286	@¥151.50 4,344	@¥177.00 5,008	@¥199.50 5,567	@¥202.00 5,575	@¥184.00 5,033	@¥185.50 5,047
	2nd Quarter Millions of Yen	@¥29.00 961	@¥30.00 981	@¥31.50 983	@¥44.00 1,344	@¥63.00 1,908	@¥68.00 1,968	@¥74.50 2,119	@¥84.00 2,344	@¥86.50 2,387	@¥68.50 1,891	@¥78.50 2,136	
	Year-end Millions of Yen	@¥27.50 911	@¥29.50 965	@¥69.00 2,153	@¥40.50 1,237	@¥67.00 2,029	@¥81.00 2,378	@¥83.50 2,375	@¥102.50 2,889	@¥115.50 3,223	@¥115.50 3,188	@¥115.50 3,143	@¥107.00 2,911
Acquisition of Treasury Shares	Thousands of shares Millions of Yen		421 700	1,506 2,800	641 1,800	269 899	921 3,799	915 3,600	257 1,500	280 1,500	303 1,700	390 2,000	3,400
Total Shareholders Return	Millions of Yen	911	2,625	5,934	4,020	4,273	8,086	7,944	6,508	7,067	7,275	7,033	8,447
Retirement of Treasury Stock	Thousands of shares		400	1,700	500	300	900	1,300		700	300	400	
Stock Price TSE#9744	As of April 1 As of March 31	¥1,893 ¥1,664	¥1,621 ¥1,669	¥1,681 ¥2,343	¥2,193 ¥2,930	¥2,857 ¥4,025	¥3,965 ¥3,935	¥3,865 ¥4,520	¥4,505 ¥5,890	¥5,960 ¥5,030	¥5,130 ¥4,300	¥4,065 ¥6,110	¥6,040
Earnings per Share	@ ¥	¥11.33	¥8.45	¥18.08	¥12.30	¥12.12	¥26.24	¥27.32	¥28.64	¥31.53	¥32.36	¥25.78	¥30.72
Net Assets per Share	@ ¥	¥1,112.69	¥1,135.10	¥1,229.62	¥1,182.85	¥1,238.78	¥1,278.59	¥1,330.57	¥1,424.01	¥1,518.42	¥1,606.03	¥1,634.43	

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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 (Revised December 21, 2021)

Until the next Ordinary General Meeting of Shareholders in June 2023, the independent outside directors are four (44%) out of the nine members of the board.

This policy on independent outside directors will be revised by the time of June 2023 Ordinary General Meeting of Shareholders.

III. Calculation Method of Executive Remuneration

Remuneration Amounts to Individual Executives

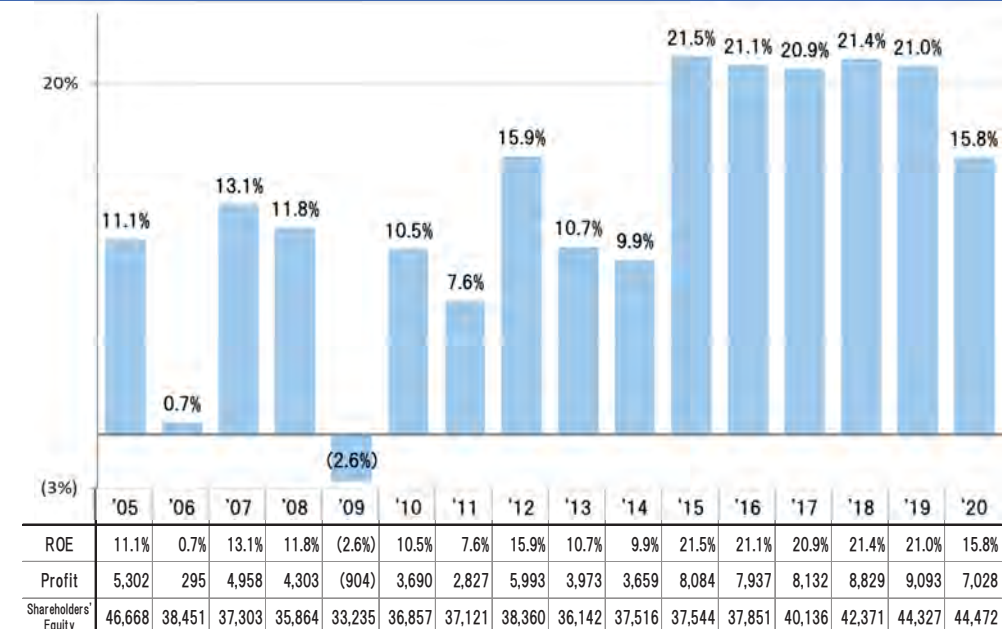
¥1K=JPY1,000-	Revised March 2019	
CEO, MEITEC Group President and CEO, COO	Yearly payment	¥28,800K (Monthly ¥2,400K)
Senior Vice President and Director	Yearly payment	¥24,000K (Monthly ¥2,000K)
Director	Yearly payment	¥19,200K (Monthly ¥1,600K)
Outside Director	Yearly payment	¥9,000K (Monthly ¥750K)
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: April 1, 2016
Consolidated profit (not including performance-linked directors' remuneration)	x 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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Trend of ROE



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Shareholders by Business Segments

Shareholder Segment	As of September 30, 2021			
	Shareholders	%	Shares Held	%
Banks	9	0.2%	213,900	0.8%
Trust Banks	14	0.3%	7,482,000	26.2%
Life and nonlife insurance companies	23	0.5%	3,502,633	12.2%
Securities financing and other financial companies	6	0.1%	26,560	0.1%
Securities companies	31	0.7%	275,458	1.0%
Business concerns and other companies	67	1.5%	167,051	0.6%
Overseas companies and investors	233	5.3%	13,059,412	45.7%
Individuals and others	4,012	91.3%	3,872,986	13.5%
Total	4,395	100.0%	28,600,000	100.0%

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Tokyo Headquarters	Taito-ku, Tokyo
Nagoya Headquarters	Nishi-ku Nagoya
Stock listings	Tokyo Stock Exchange, 1st Section (No. 9744)
Incorporated	July 17, 1974
Clients	Approximately 1,200 blue-chip companies, mostly listed in the first and second sections of Tokyo Stock Exchange
Branches	41 Sales offices, including Tokyo, Osaka, Nagoya, and other major Japanese cities
Group Companies	<p>[Engineering Solutions Business]</p> <ul style="list-style-type: none"> ■ MEITEC FIELDERS INC. ■ MEITEC CAST INC. ■ MEITEC EX CORPORATION ■ MEITEC BUSINESS SERVICE CORPORATION <p>[Recruiting & Placement Business for engineers]</p> <ul style="list-style-type: none"> ■ MEITEC NEXT CORPORATION

人と技術で次代を拓く

MEITEC

Engineering Firm at The Core