

# Results for the 2nd Quarter of the Fiscal Year Ending March 31, 2022

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October 28, 2021

**MEITEC CORPORATION**

President and CEO, COO  
MEITEC Group CEO

Hideyo Kokubun

## Disclaimer

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

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

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

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- 1. Results for the 2nd Quarter of the Fiscal Year Ending March 31, 2022**
- 2. Forecast for the Fiscal Year Ending March 31, 2022**
- 3. Reference Materials**

(Note) This document has been translated from the Japanese original for reference purposes only. In the event of any discrepancy between this translation and the Japanese original, the original shall prevail.

5

## **1. Results for the 2nd Quarter of the Fiscal Year Ending March 31, 2022**

## Results for the 2nd Quarter of the Fiscal Year Ending March 31, 2022 (Group Consolidated)

- ✓ Net sales rose 8.1% year on year ⇒ Due to the increase in the number of engineers and longer working hours.
- ✓ Operating profit rose 9.4% ⇒ Increase in net sales absorbed the increase in labor expenses associated with a growth in the number of engineers and the increase in SG&A expenses.

(Fractions of one million yen are rounded down)	2Q ended Sep. 30, 2020	2Q ended Sep. 30, 2021	YoY Amount	% Change	Initial Forecast for 2Q, announced on May 2021	Progress toward the FY forecast
Net sales	47,091	50,915	+ 3,823	+ 8.1%	51,800	(885)
Cost of sales	35,307	38,074	+ 2,766	+ 7.8%	38,600	(526)
Cost of sales to Net sales	75.0%	74.8%	(0.2%)			
SG&A Expenses	6,905	7,503	+ 598	+ 8.7%	8,000	(497)
Operating profit	4,878	5,336	+ 458	+ 9.4%	5,200	+ 136
Operating profit margins	10.4%	10.5%	+ 0.1%		10.0%	+ 0.4%
Ordinary profit	4,907	5,405	+ 497	+ 10.1%	5,200	+ 205
Extraordinary income & loss	(4)	(4)	—			
Profit before income taxes	4,903	5,401	+ 498	+ 10.2%		
Profit attributable to owners of parent	3,138	3,549	+ 410	+ 13.1%	3,500	+ 49
Profit margins	6.7%	7.0%	+ 0.3%			

7

## Results for the 2nd Quarter of the Fiscal Year Ending 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)	2Q ended Sep. 30, 2020	2Q ended Sep. 30, 2021	YoY Amount	% Change
Sales of Engineering Solutions Business	46,492	50,233	+ 3,741	+ 8.0%
Component ratio	98.7%	98.7%	(0.1%)	
Operating profit	4,703	5,122	+ 419	+ 8.9%
Sales of Recruiting & Placement Business for Engineers	665	732	+ 67	+ 10.2%
Component ratio	1.4%	1.4%	+ 0.0%	
Operating profit	174	214	+ 39	+ 22.5%

8

## Results for the 2nd Quarter of the Fiscal Year Ending March 31, 2022 (Meitec)

- ✓ Net sales rose 5.7% year on year, operating profit rose 12.4% YoY, and the number of engineers increased 1.5% YoY.
- ✓ Utilization ratio improved 1.5% year on year ⇒ Orders recovered, and assignment improved for new employees joining in April compared to the previous fiscal year.

(Fractions of one million yen are rounded down)	2Q ended Sep. 30, 2020	2Q ended Sep. 30, 2021	YoY Amount	% Change	Initial Forecast for 2Q, announced on May 2021	Progress toward the FY forecast
Net sales	34,846	36,841	+1,995	+5.7%	37,400	(559)
Cost of sales	26,213	27,476	+1,263	+4.8%	27,900	(424)
Cost of sales to Net sales	75.2%	74.6%	(0.6%)		74.6%	(0.0%)
SG&A Expenses	4,676	4,917	+240	+5.2%	5,200	(283)
Operating profit	3,956	4,447	+490	+12.4%	4,300	+147
Operating profit margins	11.4%	12.1%	+0.7%		11.5%	+0.6%
Ordinary profit	4,899	5,027	+128	+2.6%	4,800	+227
Extraordinary income & loss	(4)	(4)	—			
Profit before income taxes	4,894	5,023	+128	+2.6%		
Profit	3,429	3,470	+40	+1.2%	3,400	+70
Utilization ratio (Company-wide)	89.5%	91.0%	+1.5%		92.2%	(1.2%)
Working Hours<h/day>	8.17	8.36	+0.19	+2.3%	8.44	(0.08)
Number of Engineers	7,454	7,564	+110	+1.5%		

9

## Results for the 2nd Quarter of the Fiscal Year Ending March 31, 2022 (Meitec Fielders)

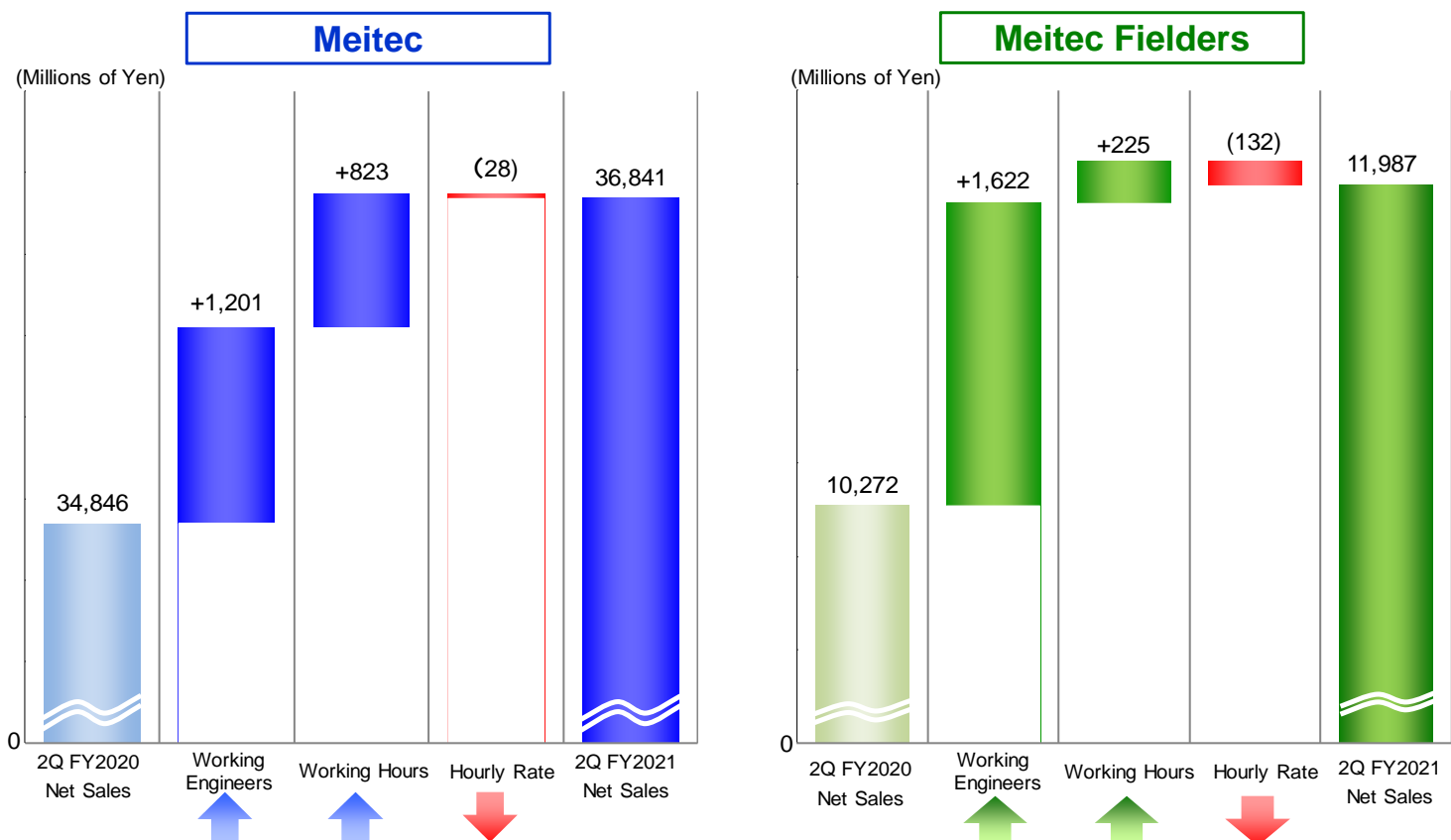
- ✓ Net sales rose 16.7% year on year, operating profit fell 3.9% YoY, and the number of engineers increased 17.3% YoY.
- ✓ Utilization ratio dropped 1.9% year on year ⇒ The pace of assignments has been slower than the rate of increase in the number of engineers due to active hiring.

(Fractions of one million yen are rounded down)	2Q ended Sep. 30, 2020	2Q ended Sep. 30, 2021	YoY Amount	% Change	Initial Forecast for 2Q, announced on May 2021	Progress toward the FY forecast
Net sales	10,272	11,987	+1,714	+16.7%	12,100	(113)
Cost of sales	8,007	9,425	+1,418	+17.7%	9,500	(75)
Cost of sales to Net sales	77.9%	78.6%	+0.7%		78.5%	+0.1%
SG&A Expenses	1,601	1,924	+322	+20.2%	2,000	(76)
Operating profit	664	638	(26)	(3.9%)	600	+38
Operating profit margins	6.5%	5.3%	(1.1%)		5.0%	+0.4%
Ordinary profit	663	639	(24)	(3.6%)	600	+39
Extraordinary income & loss	—	—	—			
Profit before income taxes	663	639	(24)	(3.6%)		
Profit	454	438	(16)	(3.7%)	400	+38
Utilization ratio (Company-wide)	85.8%	83.9%	(1.9%)		84.2%	(0.3%)
Working Hours<h/day>	8.16	8.34	+0.18	+2.2%	8.41	(0.07)
Number of Engineers	3,163	3,711	+548	+17.3%		

10

# Comparison of Net Sales

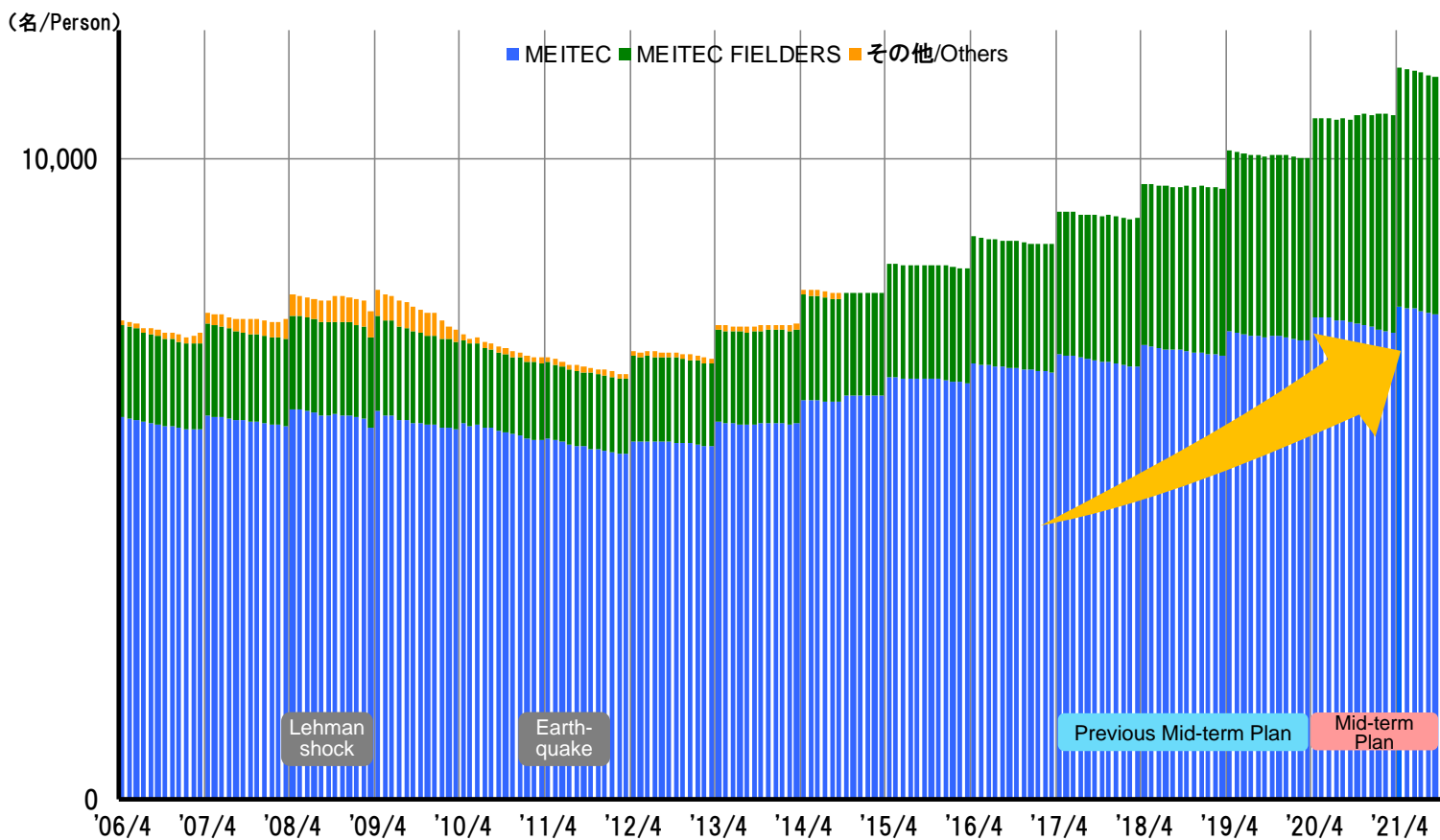
- ✓ For both Meitec and Meitec Fielders, net sales increased due to the “increase in the number of engineers assigned to clients” and “increase in working hours”.



11

# Number of Engineers (Group Consolidated)

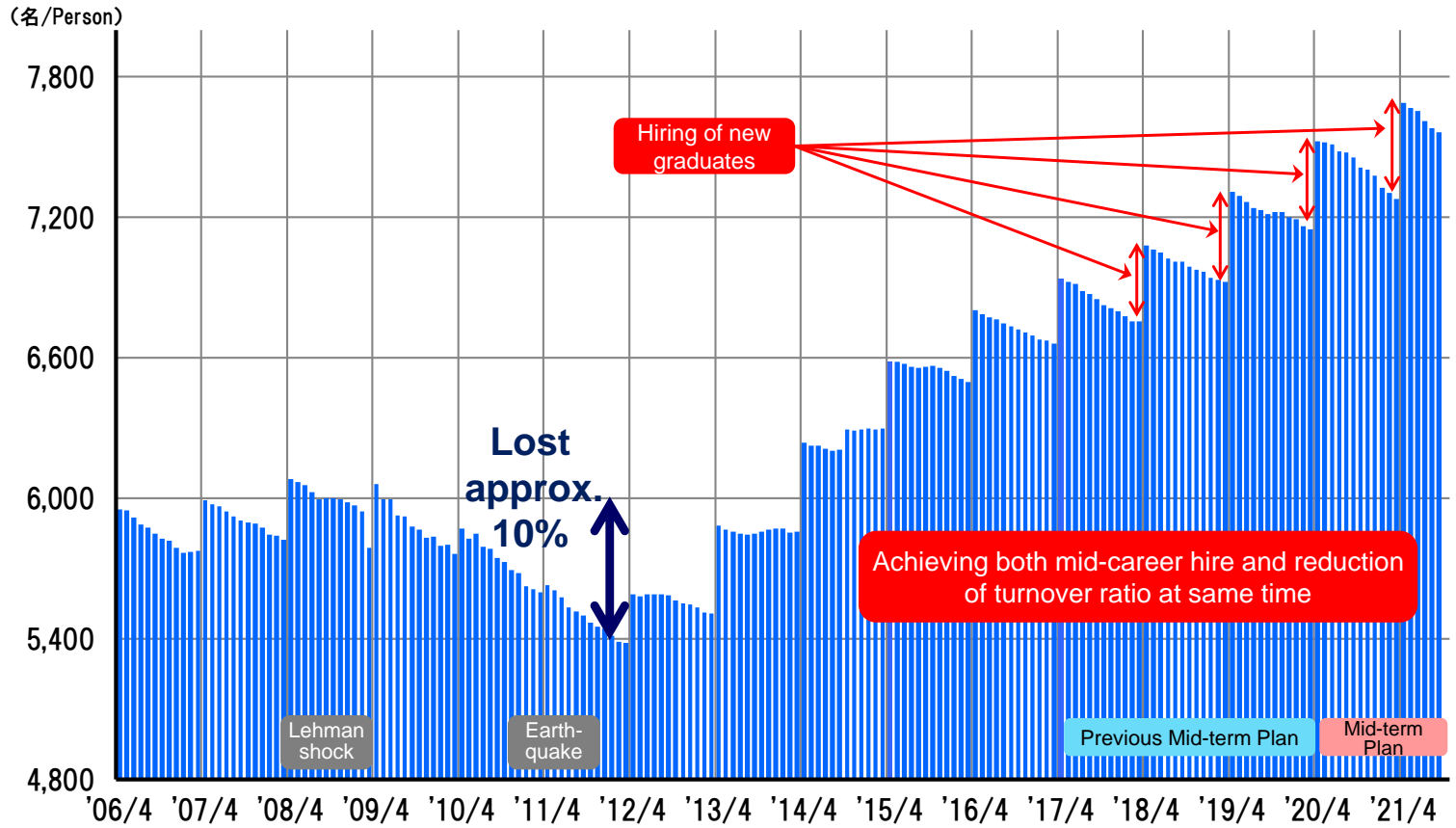
- ✓ The number of engineers as of September 30, 2021 was 11,275, an increase of 658 engineers, or 6.2%, compared to September 30, 2020.



12

# Number of Engineers (Meitec)

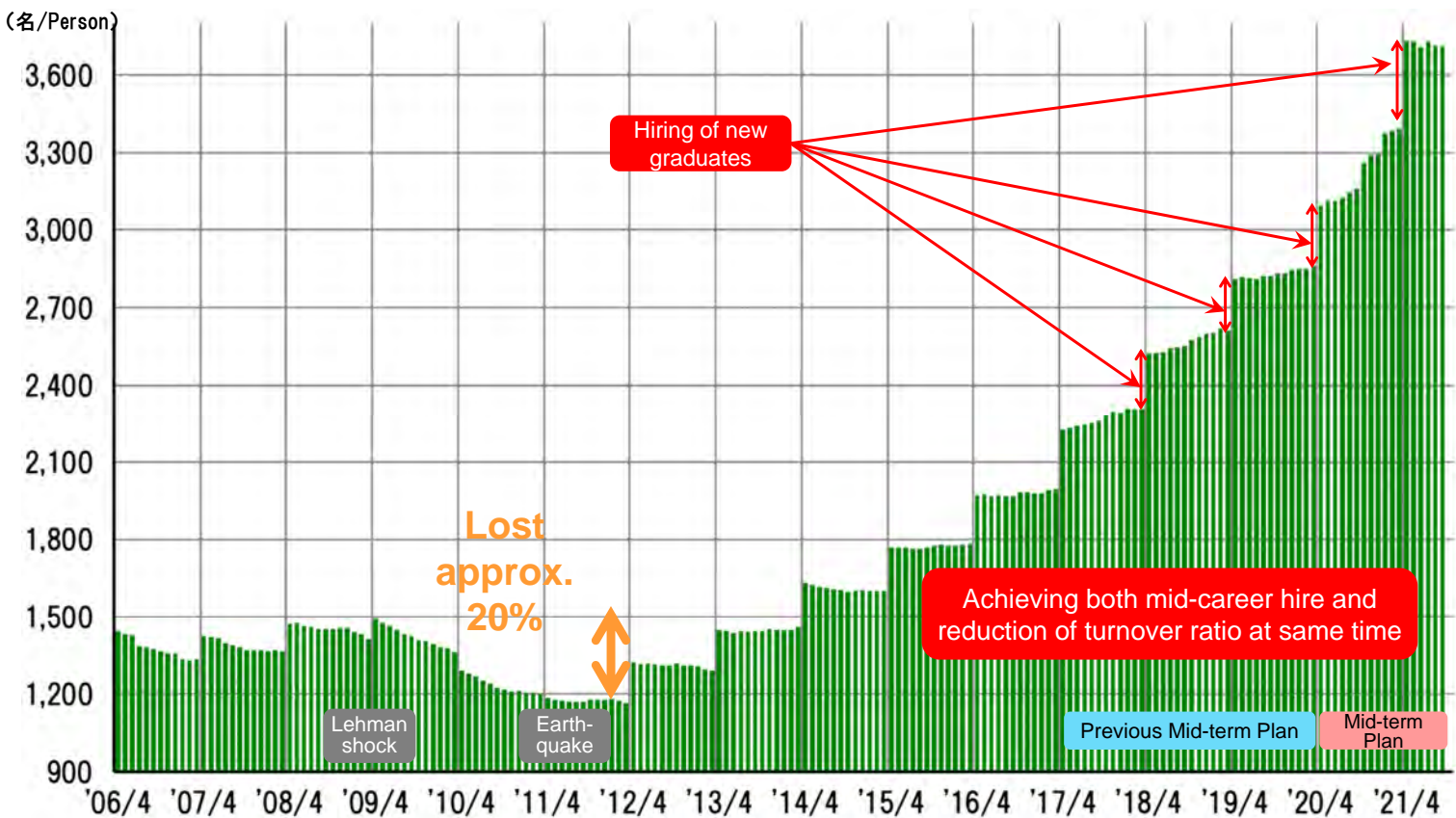
- ✓ The number of engineers as of September 30, 2021 was 7,564, an increase of 110 engineers, or 1.5%, compared to September 30, 2020.



13

# Number of Engineers (Meitec Fielders)

- ✓ The number of engineers as of September 30, 2021 was 3,711, an increase of 548 engineers, or 17.3%, compared to September 30, 2020.



14



## 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)

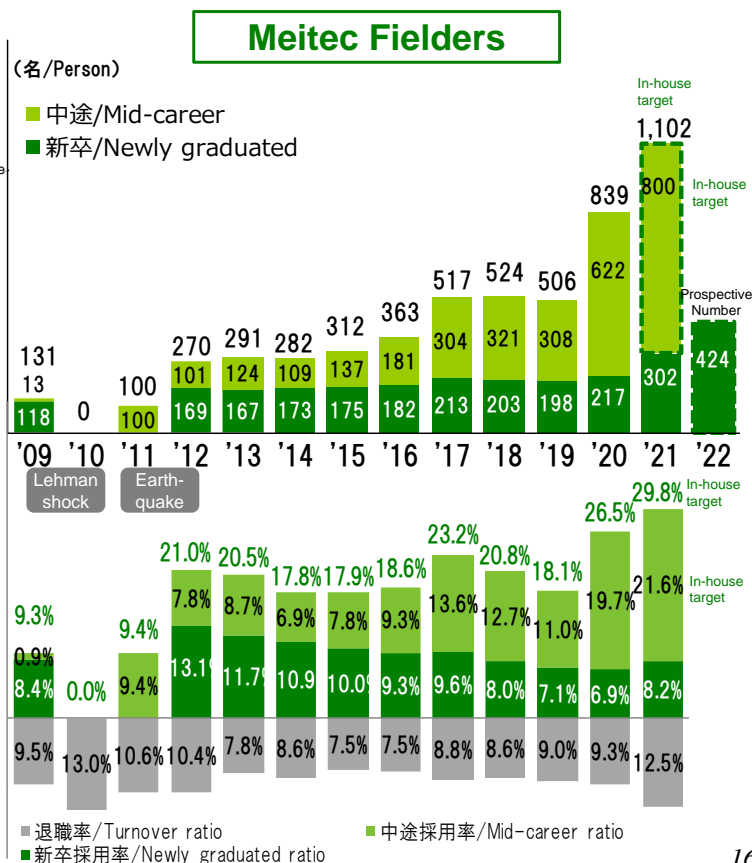
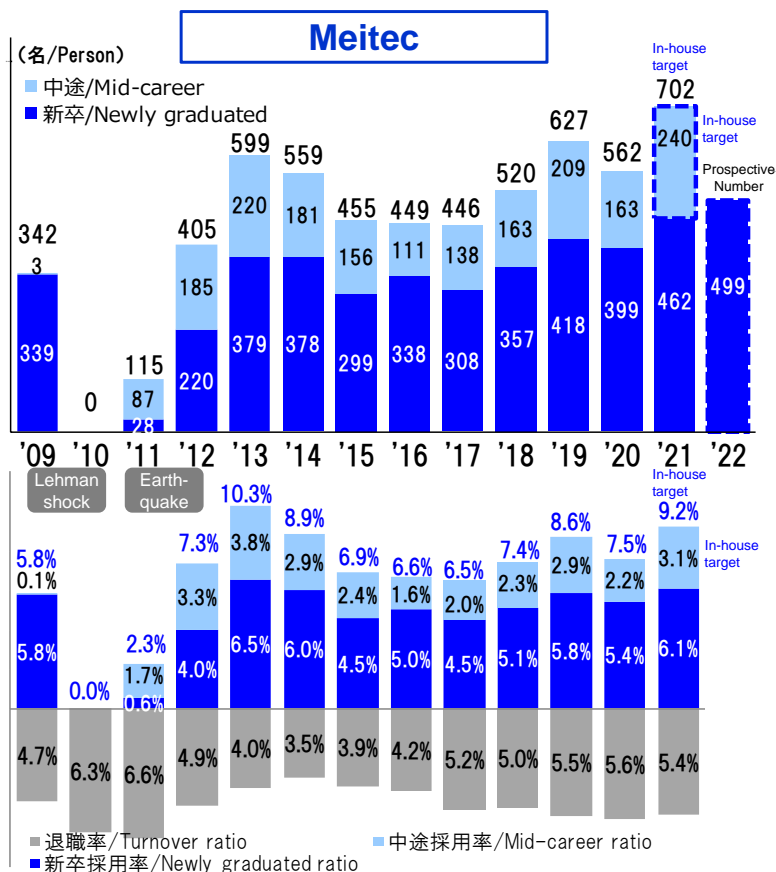
- Companies' hiring needs for science students are further increasing, and hiring competition is intensifying with student's job searching methods and companies' selection processes becoming more diverse amid the COVID-19 pandemic.
- The number of persons who received job offers as of October 1, 2021, 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			

15

## 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.

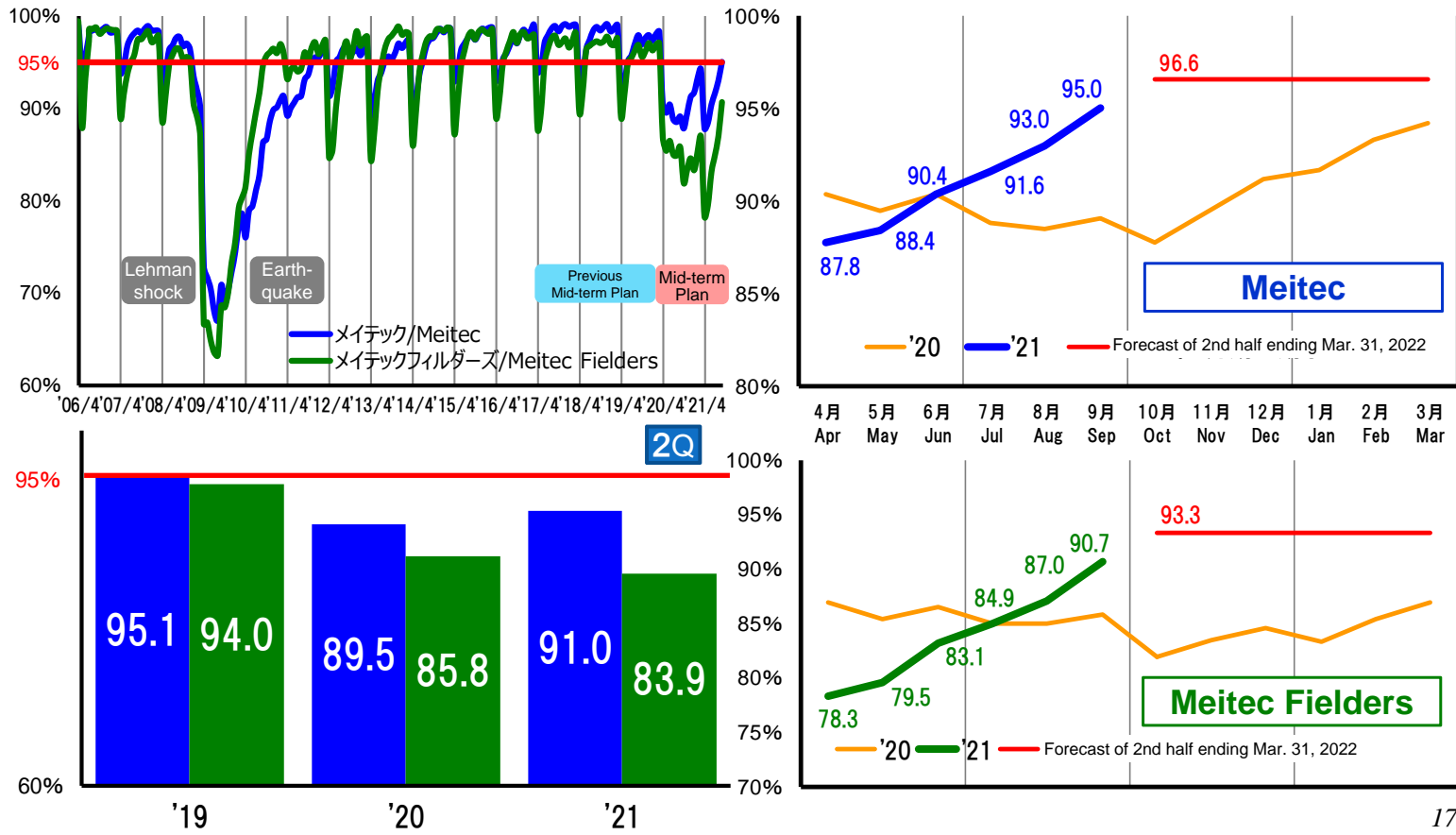


16



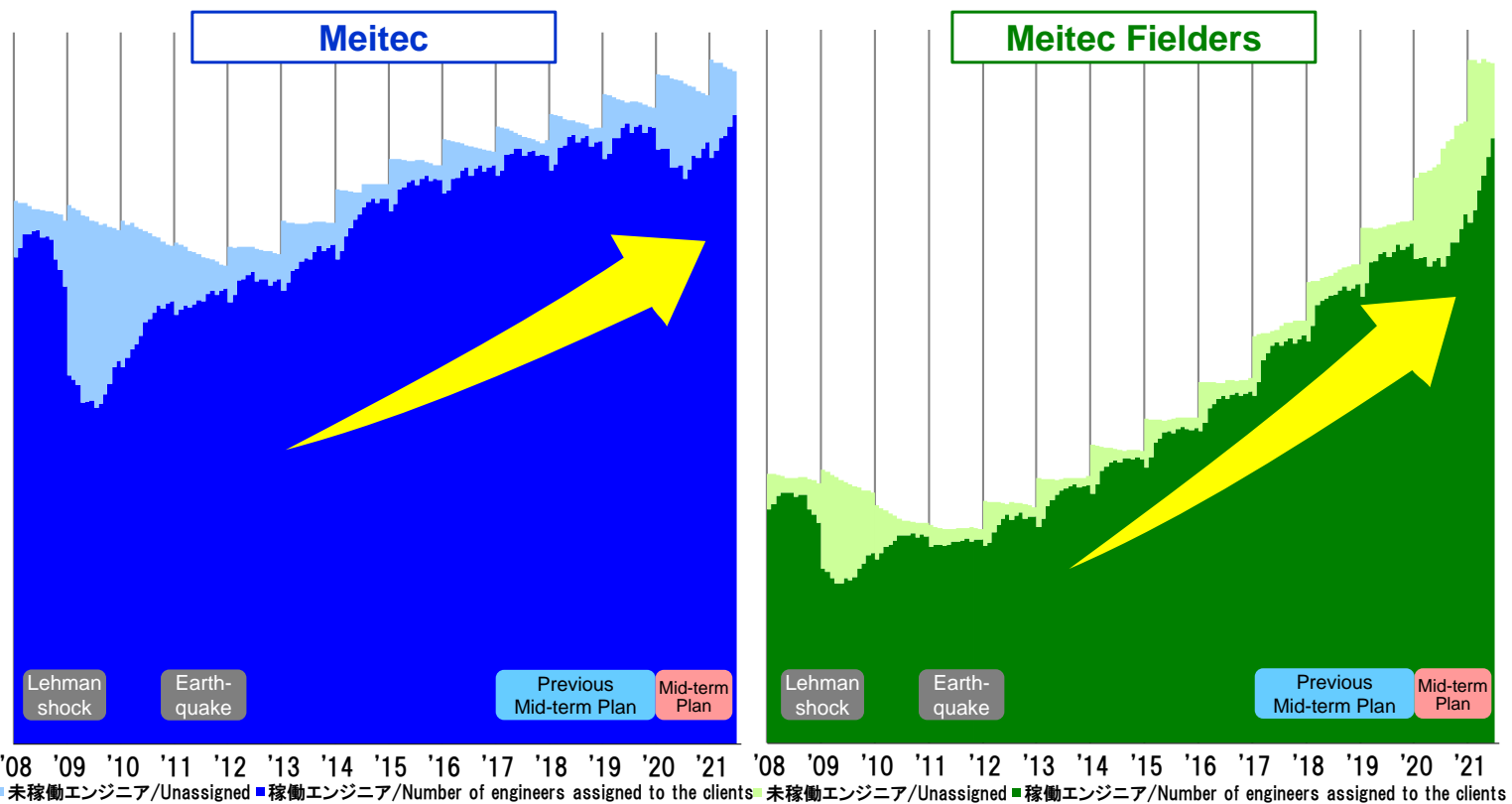
# Utilization Ratio

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

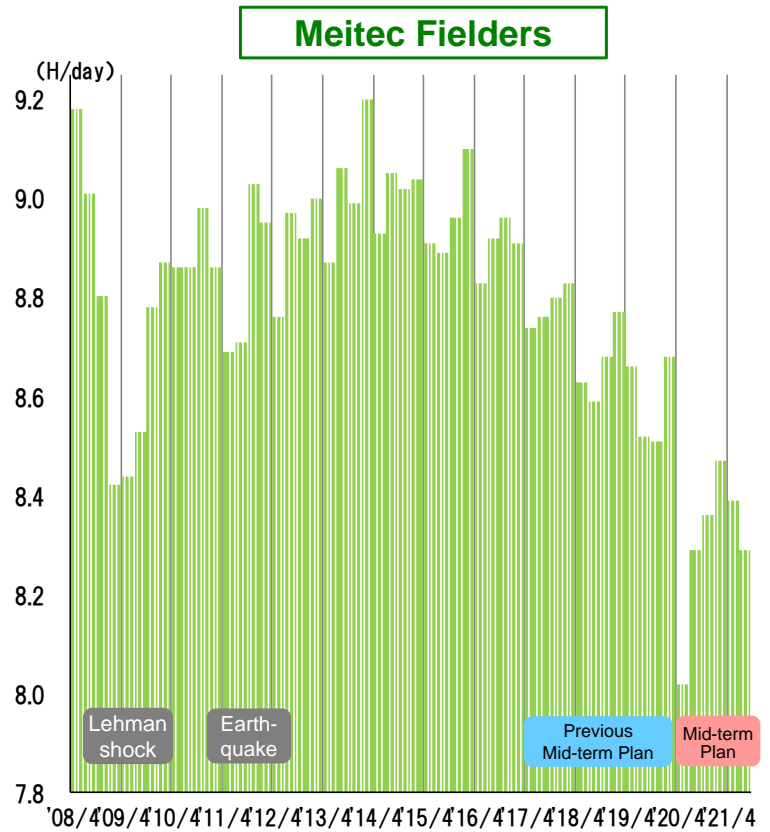
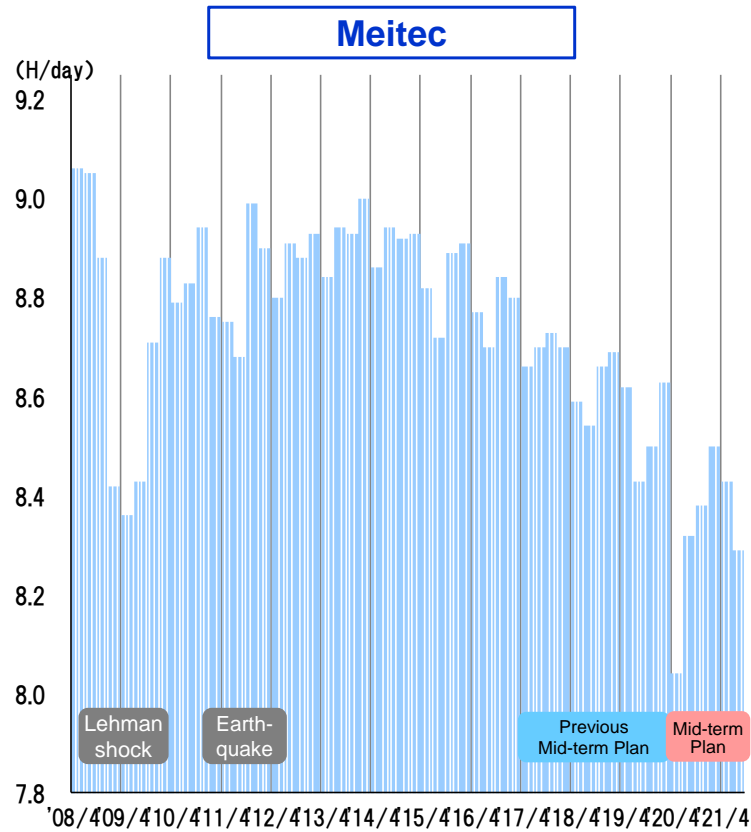


# Number of Engineers Assigned to the Clients (Key factor of Sales)

✓ 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.

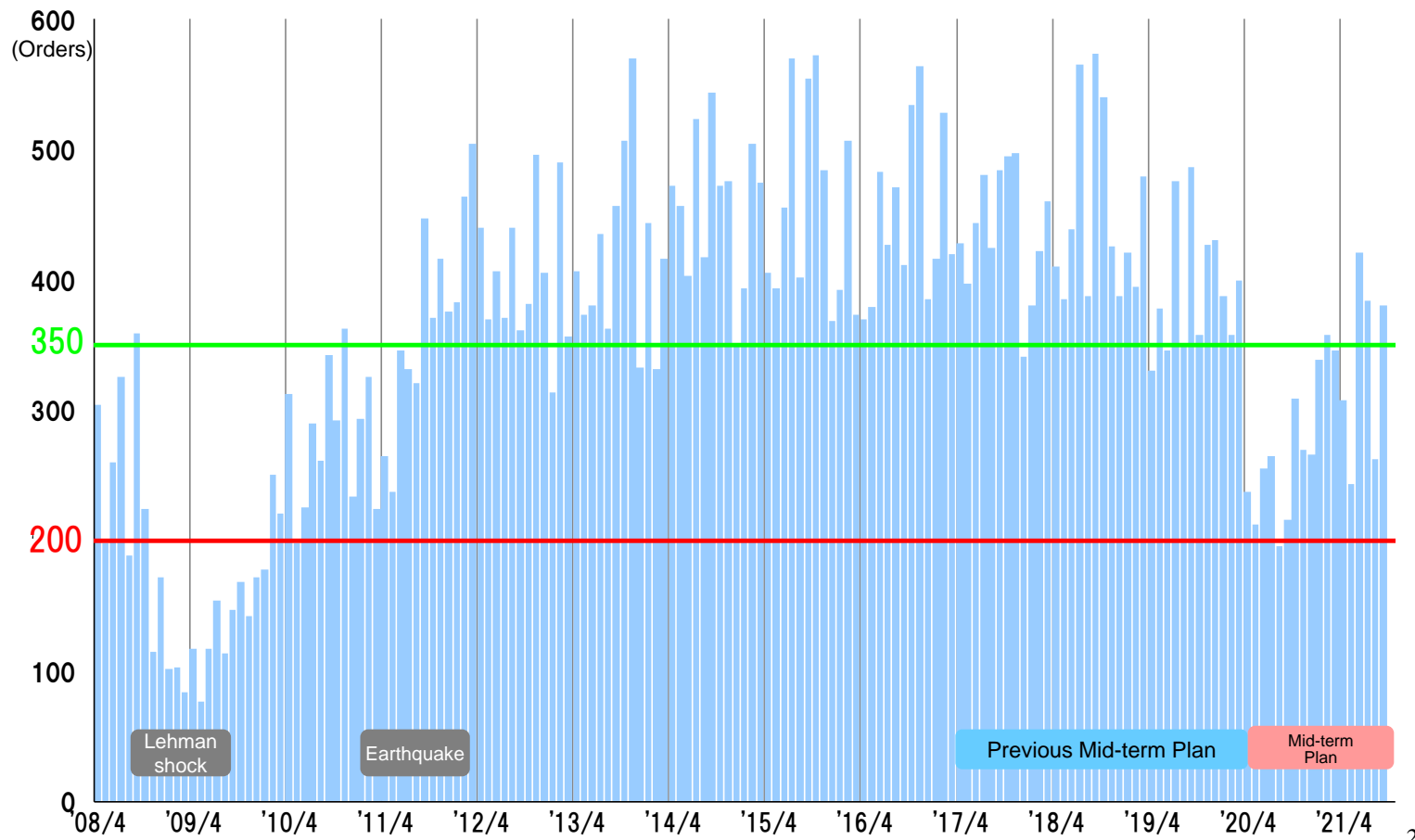


- ✓ Working hours were longer due to the bounceback in overtime work, which had fallen sharply the year before.



## Trend in New Orders by Month (Meitec)

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



# Top 10 Clients by Sales (Meitec)

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

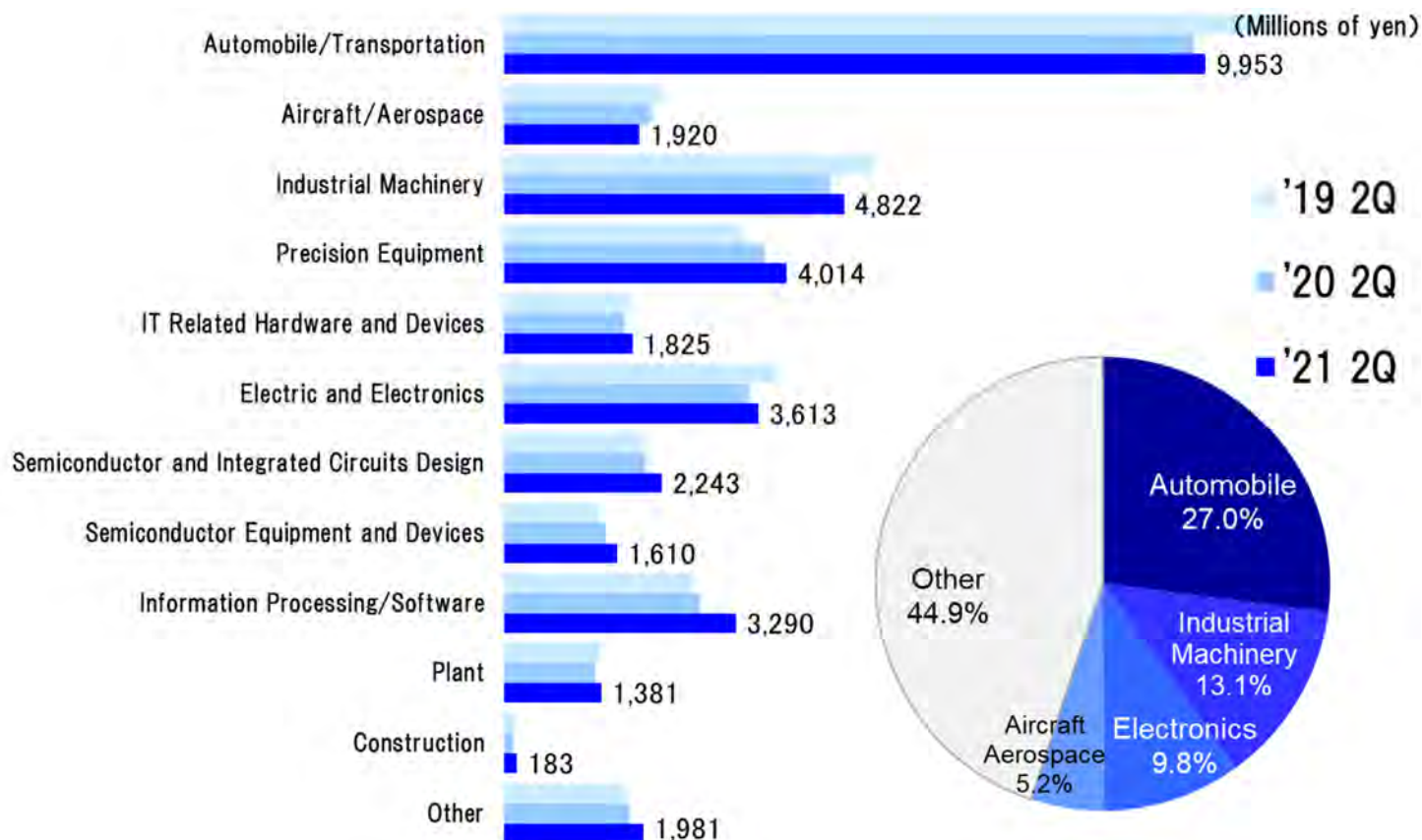
(Millions of yen)

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%

21

# 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)



22

## 2. Forecast for the Fiscal Year Ending March 31, 2022

### Forecasts for the Fiscal Year Ending March 31, 2022 (Group Consolidated) Comparison to the Previous Fiscal Year

- ✓ Net sales is expected to rise 10.7% year on year ⇒ Expect an increase in the number of active employees due to a growth in the number of engineers and improvement of utilization ratio.
- ✓ Operating profit is expected to rise 20.2% year on year ⇒ The increase in net sales is expected to absorb the increase in SG&A expenses, such as hiring costs.

	(Fractions of one million yen are rounded down)	Forecast FY ending March 31, 2022	YoY Amount	% Change	2Q ended Sept. 30, 2021	Forecast 2nd Half	YoY Amount	% Change
Net sales		107,000	+10,373	+10.7%	50,915	56,085	+6,550	+13.2%
Cost of sales		78,600	+6,396	+8.9%	38,074	40,526	+3,630	+9.8%
SG&A Expenses		16,100	+1,911	+13.5%	7,503	8,597	+1,313	+18.0%
Operating profit		12,300	+2,065	+20.2%	5,336	6,964	+1,607	+30.0%
Operating profit margins		11.5%	+0.9%		10.5%	12.0%	+1.2%	
Ordinary profit		12,500	+2,193	+21.3%	5,405	7,095	+1,696	+31.4%
Profit attributable to owners of parent		8,400	+1,371	+19.5%	3,549	4,851	+960	+24.7%
Earnings per Share		308.72	+52.94		130.44			

## Forecasts for the Fiscal Year Ending March 31, 2022 (Meitec) Comparison to the Previous Fiscal Year

- ✓ Net sales is expected to rise 7.8% year on year, while operating profit is expected to increase 18.6% year on year ⇒ Expect an increase in the number of active employees due to a growth in the number of engineers and improvement of utilization ratio.

(Fractions of one million yen are rounded down)	Forecast FY ending March 31, 2022	YoY Amount	% Change	2Q ended Sept. 30, 2021	Forecast 2nd Half	YoY Amount	% Change
Net sales	77,000	+5,547	+7.8%	36,841	40,159	+3,552	+9.7%
Cost of sales	56,300	+2,858	+5.3%	27,476	28,824	+1,595	+5.9%
Cost of sales to Net sales	73.1%	(1.7%)		74.6%	71.8%	+72.2%	
SG&A Expenses	10,500	+1,085	+11.5%	4,917	5,583	+845	+17.8%
Operating profit	10,200	+1,602	+18.6%	4,447	5,752	+1,111	+23.9%
Operating profit margins	13.2%	+1.2%		12.1%	14.3%	+1.6%	
Ordinary profit	10,800	+1,255	+13.1%	5,027	5,773	+1,127	+24.3%
Profit	7,500	+679	+10.0%	3,470	4,030	+639	+18.8%
Utilization ratio (Company-wide)	93.8%	3.4%		91.0%	96.6%	+5.3%	
Working Hours<(h/day)>	8.40	+0.09		8.36	8.44	—	
Number of Recruitment	702	+140					
Newly graduated	462	+63					
Mid-career	In-house target 240	+77					
Turnover Ratio	5.4%	(0.2%)		499		+37	
				Expected New Graduates for April 2022		To Apr. 2021	

25

## Forecasts for the Fiscal Year Ending March 31, 2022 (Meitec Fielders) Comparison to the Previous Fiscal Year

- ✓ Net sales is expected to rise 20.1% year on year and operating profit is expected to rise 31.3% YoY ⇒ Expect an increase in the number of engineers through active recruitment and a improvement in utilization ratio due to acceleration of assignment pace.

(Fractions of one million yen are rounded down)	Forecast FY ending March 31, 2022	YoY Amount	% Change	2Q ended Sept. 30, 2021	Forecast 2nd Half	YoY Amount	% Change
Net sales	25,600	+4,291	+20.1%	11,987	13,613	+2,577	+23.4%
Cost of sales	19,750	+3,209	+19.4%	9,425	10,325	+1,791	+21.0%
Cost of sales to Net sales	77.1%	(0.5%)		78.6%	75.8%	(1.5%)	
SG&A Expenses	4,300	+713	+19.9%	1,924	2,376	+390	+19.7%
Operating profit	1,550	+369	+31.3%	638	912	+395	+76.5%
Operating profit margins	6.1%	+0.6%		5.3%	6.7%	+2.0%	
Ordinary profit	1,550	+370	+31.4%	639	911	+394	+76.4%
Profit	1,060	+252	+31.2%	438	622	+268	+76.2%
Utilization ratio (Company-wide)	88.7%	+3.7%		83.9%	93.3%	+9.0%	
Working Hours<(h/day)>	8.38	+0.09		8.34	8.41	—	
Number of Recruitment	1,102	+263					
Newly graduated	302	+85					
Mid-career	In-house target 800	+178					
Turnover Ratio	12.5%	+3.2%		424		+122	
				Expected New Graduates for April 2022		To Apr. 2021	

26

- ✓ 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 related to performances : Equal or more than 50% of consolidated profit

Minimum Dividend : Consolidated Dividend on Equity ratio (DOE) 5%

**Dividend**

**Acquire : Carry out as appropriate, taking the total return ratio and dividend payout ratio levels into consideration**

Treasury shares acquisition, possession and retirement

**Possess**  
Maximum of 5% of shares issued

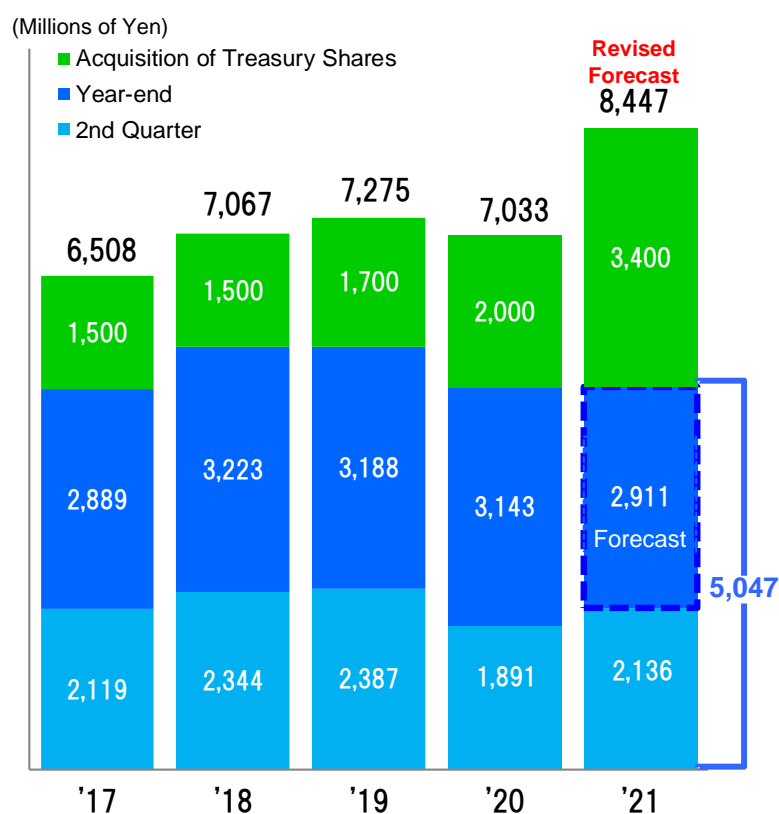
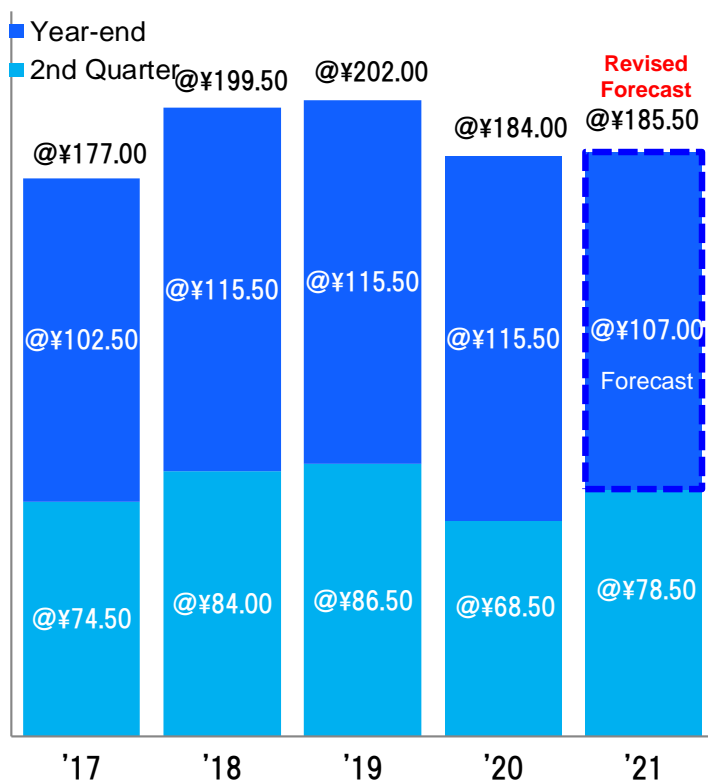
Retired  
Excess above maxim to be retired by the end of the fiscal year

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

27

## 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

28



### 3. Reference Materials

A portrait of Hideyo Kokubun, President CEO, COO of MEITEC Group. He is an elderly man with dark hair, wearing a dark pinstriped suit, a white shirt, and a dark patterned tie. He is sitting in a light-colored leather armchair, with his hands clasped in his lap. The background is a bright, modern office interior with large windows and a green plant on the left.

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.

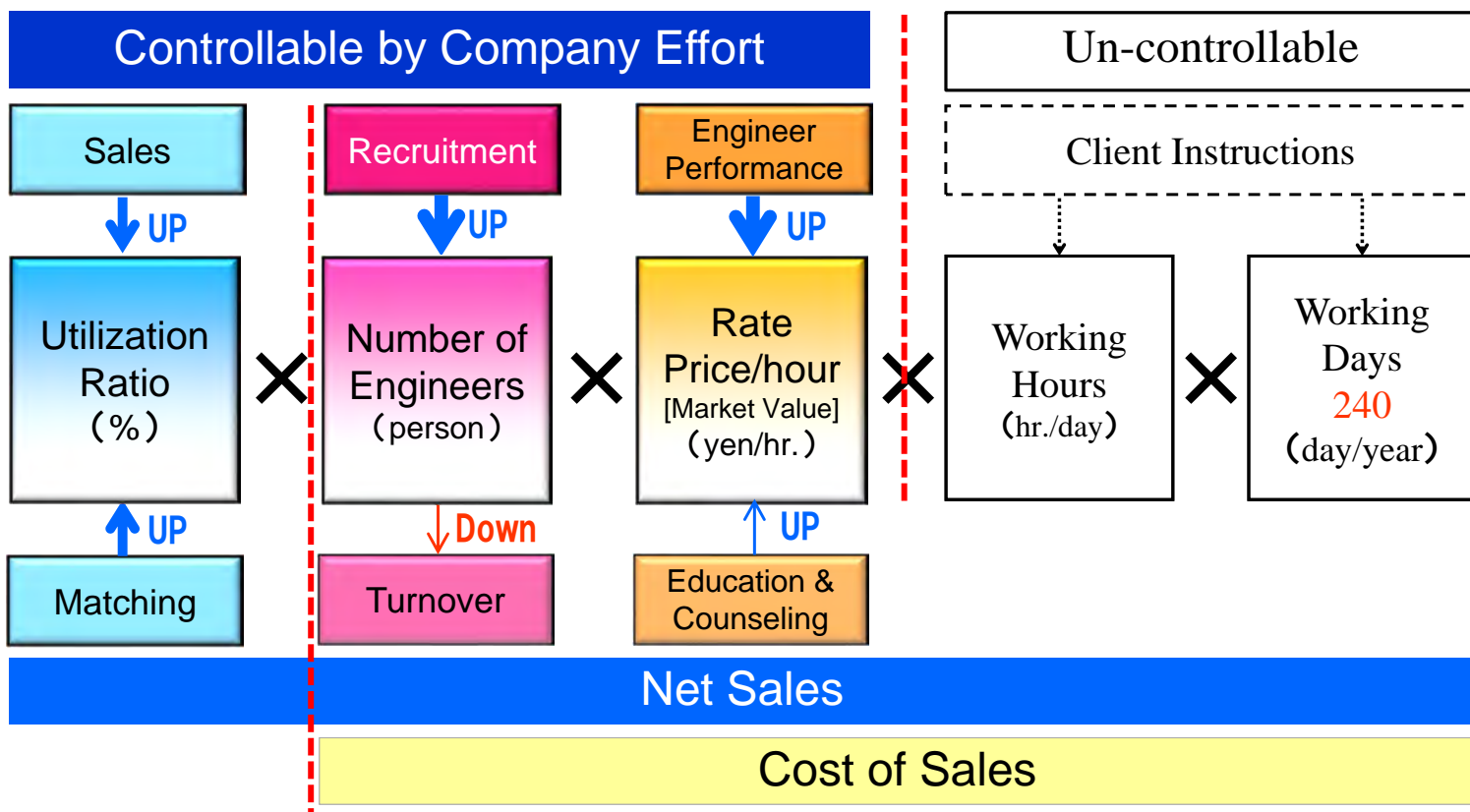
Hideyo Kokubun  
President CEO,COO  
MEITEC Group CEO

國分 秀世



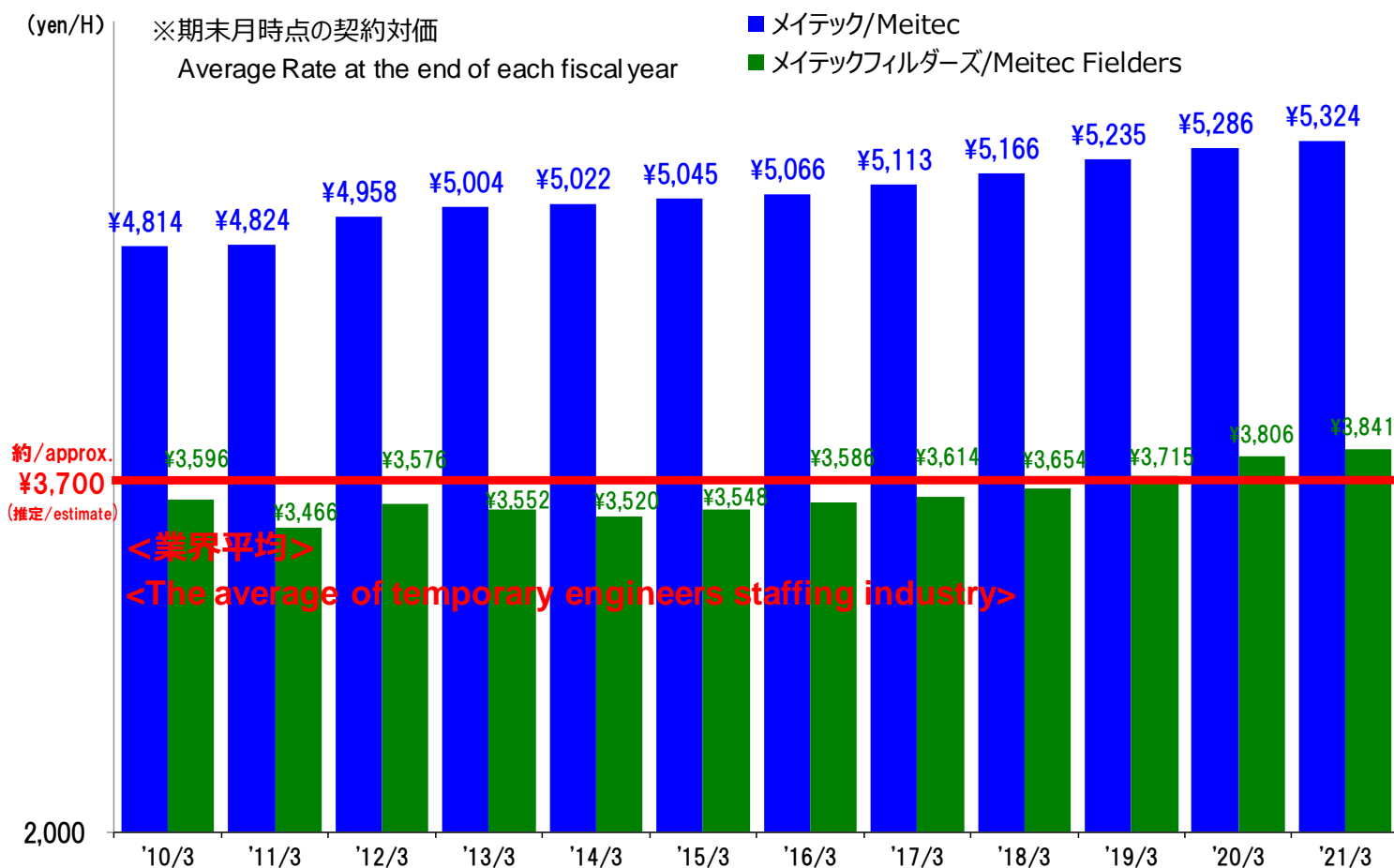
# Sales and Cost (Dispatch-type)

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



31

## Trend in Average Rate = (Market Value)



32

## Results for the 2nd Quarter of the Fiscal Year Ending March 31, 2022 (Group Companies)

	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	36,841	11,987	1,469	144	732
YoY Amount	+1,995	+1,714	+41	+64	+67
% Change	+5.7%	+16.7%	+2.9%	+80.0%	+10.2%
Operating profit	4,447	638	94	0	214
YoY Amount	+490	(26)	(11)	+9	+39
% Change	+12.4%	(3.9%)	(10.5%)	—	+22.5%
Ordinary profit	5,027	639	94	—	214
Profit	3,470	438	64	0	146

33

## Forecast for the Fiscal Year Ending March 31, 2022 (Group Companies)

	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	77,000	25,600	3,080	320	1,590
YoY Amount	+5,547	+4,291	+188	+137	+373
% Change	+7.8%	+20.1%	+6.5%	+75.4%	+30.7%
Operating profit	10,200	1,550	210	0	480
YoY Amount	+1,602	+371	—	—	+206
% Change	+18.6%	+31.5%	+0.3%	—	+75.2%
Ordinary profit	10,800	1,550	210	0	480
Profit	7,500	1,060	130	0	310

34

# Sales by the Industrial Segments (Meitec)

Millions of Yen

Meitec (Fractions of one million yen are rounded down)	2Q FY2017	2Q FY2018	2Q FY2019	2Q FY2020	2Q FY2021			
	Net Sales				Net Sales	Total Net Sales(%)	Change	Change (%)
Automobile/Transportation	10,091	10,542	11,060	9,789	9,953	27.0%	+163	+ 1.7%
Aircraft/Aerospace	2,545	2,278	2,276	2,084	1,920	5.2%	(164)	(7.9%)
Industrial Machinery	5,070	5,094	5,232	4,614	4,822	13.1%	+207	+ 4.5%
Precision Equipment	2,831	3,123	3,400	3,689	4,014	10.9%	+325	+8.8%
IT Related Hardware and Devices	2,024	1,936	1,794	1,722	1,825	5.0%	+103	+ 6.0%
Electric and Electronics	4,229	4,080	3,896	3,467	3,613	9.8%	+145	+ 4.2%
Semiconductors and Integrated Circuits Design	2,012	2,095	2,002	2,026	2,243	6.1%	+216	+ 10.7%
Semiconductor Equipment and Devices	1,143	1,315	1,325	1,431	1,610	4.4%	+179	+ 12.5%
Information Processing/Software	2,603	2,587	2,719	2,789	3,290	8.9%	+500	+ 18.0%
Plant	1,284	1,259	1,374	1,299	1,381	3.8%	+82	+ 6.3%
Construction	194	198	167	139	183	0.5%	+44	+ 32.4%
Others	1,513	1,603	1,725	1,791	1,981	5.4%	+189	+10.6%
Total	35,544	36,116	36,976	34,846	36,841	100.0%	+1,995	+ 5.7%

35

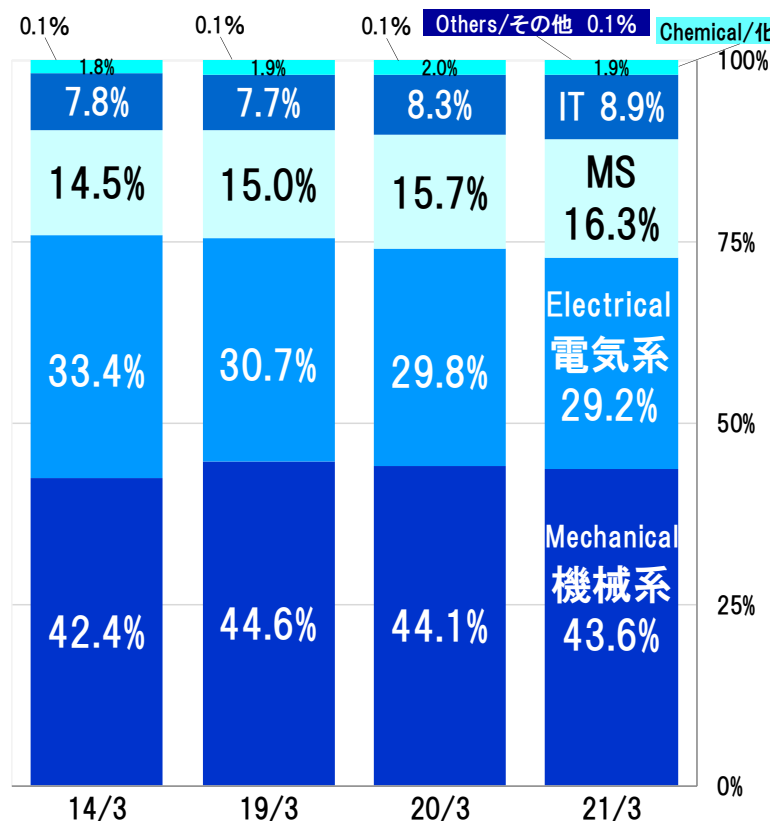
# Sales by the Industrial Segments (Meitec Fielders)

Millions of Yen

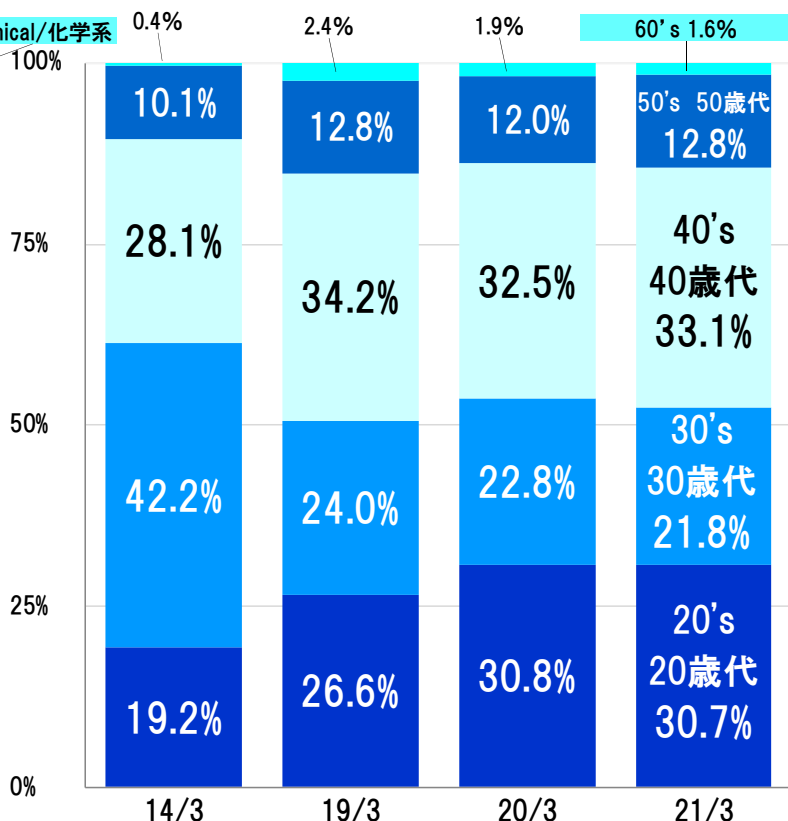
Meitec Fielders (Fractions of one million yen are rounded down)	2Q FY2017	2Q FY2018	2Q FY2019	2Q FY2020	2Q FY2021			
	Net Sales				Net Sales	Total Net Sales(%)	Change	Change (%)
Automobile/Transportation	2,861	3,101	3,418	3,015	3,277	27.3%	+261	+ 8.7%
Aircraft/Aerospace	193	174	182	195	203	1.7%	+8	+ 4.3%
Industrial Machinery	1,234	1,524	1,909	1,958	2,213	18.5%	+254	+ 13.0%
Precision Equipment	1,014	1,141	1,327	1,363	1,604	13.4%	+240	+ 17.7%
IT Related Hardware and Devices	314	331	371	341	308	2.6%	(32)	(9.5%)
Electric and Electronics	978	1,069	1,085	1,053	1,208	10.1%	+154	+ 14.7%
Semiconductors and Integrated Circuits Design	293	347	345	359	413	3.5%	+54	+ 15.0%
Semiconductor Equipment and Devices	399	654	688	568	644	5.4%	+76	+ 13.4%
Information Processing/Software	219	246	337	480	820	6.8%	+340	+ 70.8%
Plant	298	289	312	419	519	4.3%	+99	+ 23.7%
Construction	36	48	8	4	10	0.1%	+5	+ 129.4%
Others	317	383	453	512	764	6.4%	+252	+ 49.3%
Total	8,163	9,314	10,439	10,272	11,987	100.0%	+1,714	+ 16.7%

36

## 技術分野/Technical field



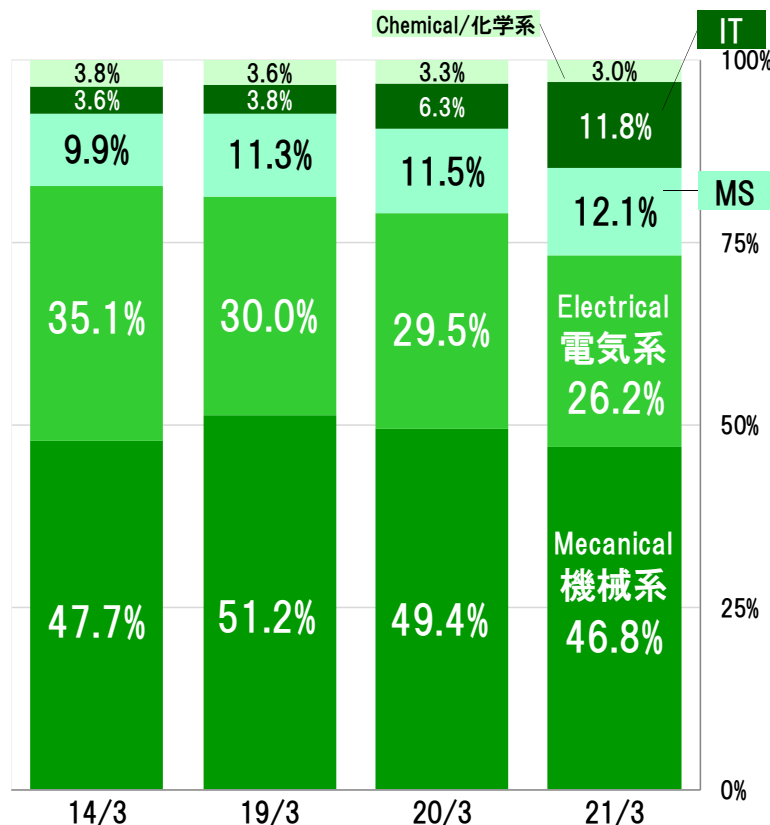
## 年齢/According to age



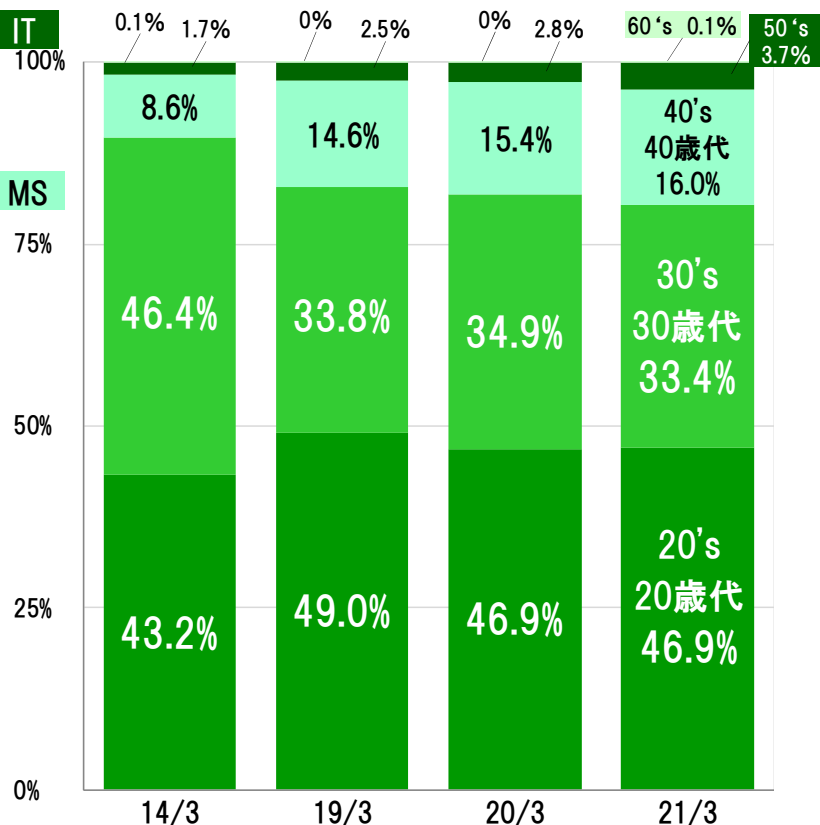
MS: Micro Computer System

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

## 技術分野/Technical field



## 年齢/According to age



MS: Micro Computer System

# Trend of Performances (Consolidated)

(Millions of Yen)	2010-2Q	2011-2Q	2012-2Q	2013-2Q	2014-2Q	2015-2Q	2016-2Q	2017-2Q	2018-2Q	2019-2Q	2020-2Q	2021-2Q
Net sales	29,357	31,937	34,130	35,754	39,300	42,143	44,111	45,867	47,621	49,577	47,091	50,915
Cost of sales	23,628	24,052	25,119	26,607	29,366	31,321	32,861	34,049	35,288	36,461	35,307	38,074
Cost of sales to Net sales	80.5%	75.3%	73.6%	74.4%	74.7%	74.3%	74.5%	74.2%	74.1%	73.5%	75.0%	74.8%
Gross profit	5,728	7,885	9,010	9,146	9,934	10,821	11,249	11,817	12,332	13,116	11,783	12,840
Selling, general and administrative expenses	5,065	5,556	6,119	6,239	5,941	6,077	6,178	6,375	6,505	7,113	6,905	7,503
SG&A expenses to Net sales	17.3%	17.4%	17.9%	17.4%	15.1%	14.4%	14.0%	13.9%	13.7%	14.3%	14.7%	14.7%
Operating profit	662	2,328	2,891	2,907	3,992	4,744	5,071	5,442	5,827	6,003	4,878	5,336
Operating profit margins	2.3%	7.3%	8.5%	8.1%	10.2%	11.3%	11.5%	11.9%	12.2%	12.1%	10.4%	10.5%
Non-operating profit	1,468	46	74	33	24	14	11	9	7	22	31	70
Non-operating expenses	43	24	20	9	3	35	7	5	5	4	1	1
Ordinary profit	2,087	2,350	2,945	2,931	4,012	4,723	5,074	5,447	5,830	6,020	4,907	5,405
Ordinary profit margins	7.1%	7.4%	8.6%	8.2%	10.2%	11.2%	11.5%	11.9%	12.2%	12.1%	10.4%	10.6%
Extraordinary income	297	—	47	—	7	1,084	2	—	11	—	—	—
Extraordinary loss	83	2	206	18	3,464	30	3	60	1	2	4	4
Profit before income taxes	2,302	2,347	2,786	2,913	555	5,777	5,073	5,386	5,840	6,018	4,903	5,401
Total income taxes	686	1,051	1,094	1,207	361	1,979	1,607	1,860	1,954	2,047	1,764	1,852
Profit attributable to owners of parent	1,615	1,295	1,692	1,706	194	3,798	3,466	3,526	3,885	3,970	3,138	3,549
Profit margins	5.5%	4.1%	5.0%	4.8%	0.5%	9.0%	7.9%	7.7%	8.2%	8.0%	6.7%	7.0%

39

# Trend of Performances (Meitec)

(Millions of Yen)	2010-2Q	2011-2Q	2012-2Q	2013-2Q	2014-2Q	2015-2Q	2016-2Q	2017-2Q	2018-2Q	2019-2Q	2020-2Q	2021-2Q
Net sales	22,698	25,256	27,125	28,150	30,682	33,131	34,073	35,544	36,116	36,976	34,846	36,841
Cost of sales	18,629	19,180	20,081	21,094	23,091	24,758	25,545	26,601	26,969	27,307	26,213	27,476
Cost of sales to Net sales	82.1%	75.9%	74.0%	74.9%	75.3%	74.7%	75.0%	74.8%	74.7%	73.8%	75.2%	74.6%
Gross profit	4,069	6,075	7,043	7,056	7,590	8,372	8,527	8,942	9,146	9,669	8,633	9,365
Selling, general and administrative expenses	3,829	4,131	4,583	4,664	4,325	4,444	4,426	4,512	4,502	4,907	4,676	4,917
SG&A expenses to Net sales	16.9%	16.4%	16.9%	16.6%	14.1%	13.4%	13.0%	12.7%	12.5%	13.3%	13.4%	13.3%
Operating profit	239	1,944	2,460	2,392	3,265	3,927	4,100	4,430	4,644	4,762	3,956	4,447
Operating profit margins	1.1%	7.7%	9.1%	8.5%	10.6%	11.9%	12.0%	12.5%	12.9%	12.9%	11.4%	12.1%
Non-operating profit	1,350	337	291	403	435	497	585	751	749	902	943	581
Non-operating expenses	16	19	11	4	3	30	6	2	4	3	1	1
Ordinary profit	1,573	2,262	2,739	2,791	3,697	4,395	4,679	5,179	5,388	5,661	4,899	5,027
Ordinary profit margins	6.9%	9.0%	10.1%	9.9%	12.0%	13.3%	13.7%	14.6%	14.9%	15.3%	14.1%	13.6%
Extraordinary income	1	—	—	—	8	1,084	15	30	11	—	—	—
Extraordinary loss	73	2	210	43	3,463	43	3	60	1	2	4	4
Profit before income taxes	1,501	2,260	2,528	2,748	242	5,437	4,691	5,149	5,398	5,658	4,894	5,023
Total income taxes	600	904	935	1,003	69	1,687	1,411	1,541	1,589	1,661	1,464	1,553
Profit	900	1,356	1,593	1,745	172	3,749	3,279	3,608	3,808	3,997	3,429	3,470
Profit margins	4.0%	5.4%	5.9%	6.2%	0.6%	11.3%	9.6%	10.2%	10.5%	10.8%	9.8%	9.4%

40

# Trend of Performances (Meitec Fielders)

(Millions of Yen)	2010-2Q	2011-2Q	2012-2Q	2013-2Q	2014-2Q	2015-2Q	2016-2Q	2017-2Q	2018-2Q	2019-2Q	2020-2Q	2021-2Q
Net sales	3,942	4,113	4,513	5,037	5,753	6,386	7,218	8,163	9,314	10,439	10,272	11,987
Cost of sales	3,138	3,134	3,436	3,879	4,453	4,965	5,637	6,357	7,245	8,095	8,007	9,425
Cost of sales to Net sales	79.6%	76.2%	76.1%	77.0%	77.4%	77.7%	78.1%	77.9%	77.8%	77.5%	77.9%	78.6%
Gross profit	804	978	1,076	1,157	1,300	1,421	1,580	1,806	2,069	2,344	2,265	2,562
Selling, general and administrative expenses	549	738	807	806	813	873	939	1,129	1,256	1,413	1,601	1,924
SG&A expenses to Net sales	13.9%	17.9%	17.9%	16.0%	14.1%	13.7%	13.0%	13.8%	13.5%	13.5%	15.6%	16.1%
Operating profit	254	240	269	351	486	547	641	677	812	930	664	638
Operating profit margins	6.4%	5.8%	6.0%	7.0%	8.5%	8.6%	8.9%	8.3%	8.7%	8.9%	6.5%	5.3%
Non-operating profit	136	2	1	1	—	—	—	—	—	—	—	1
Non-operating expenses	—	—	—	—	—	—	1	2	—	—	1	0
Ordinary profit	389	242	270	352	486	548	639	674	812	930	663	639
Ordinary profit margins	9.9%	5.9%	6.0%	7.0%	8.5%	8.6%	8.9%	8.3%	8.7%	8.9%	6.5%	5.3%
Extraordinary income	—	—	—	—	—	—	—	—	—	—	—	—
Extraordinary loss	1	—	—	—	—	—	—	—	—	—	—	—
Profit before income taxes	389	242	270	352	486	548	639	674	812	930	663	639
Total income taxes	15	96	102	133	189	198	116	211	250	286	208	201
Profit	373	145	167	218	297	349	523	462	561	644	454	438
Profit margins	9.5%	3.5%	3.7%	4.3%	5.2%	5.5%	7.3%	5.7%	6.0%	6.2%	4.4%	3.7%

41

# Trend of Performances (Meitec Next)

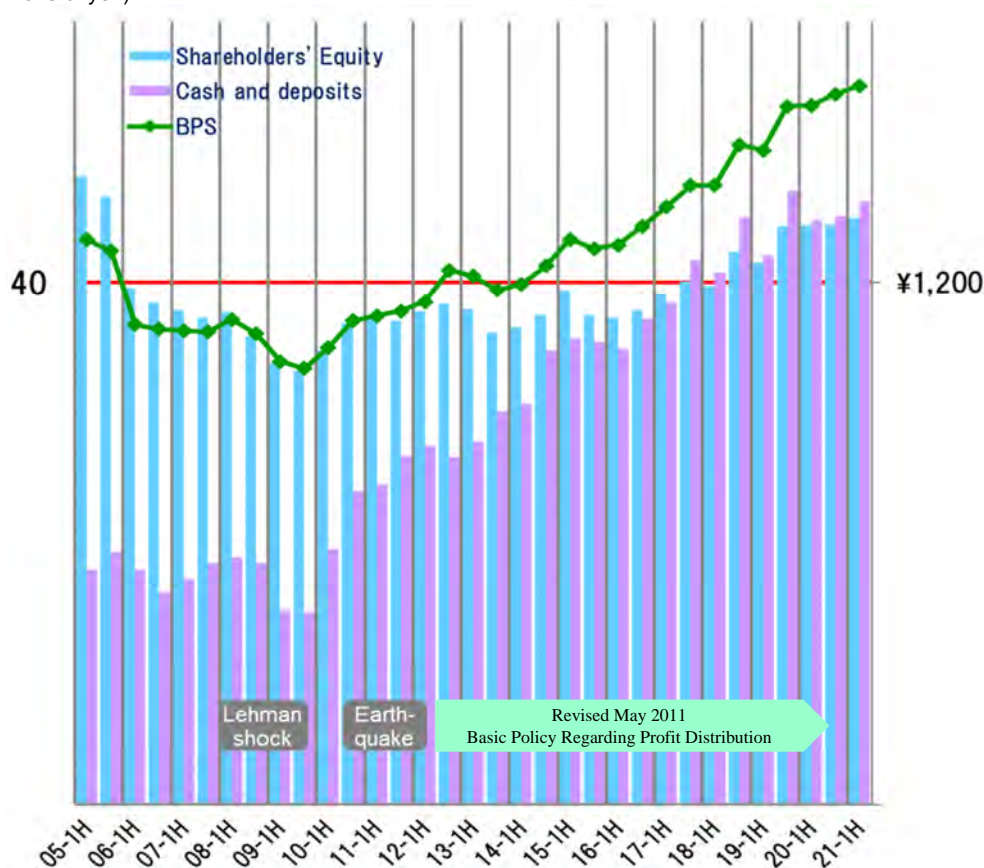
(Millions of Yen)	2010-2Q	2011-2Q	2012-2Q	2013-2Q	2014-2Q	2015-2Q	2016-2Q	2017-2Q	2018-2Q	2019-2Q	2020-2Q	2021-2Q
Net sales	215	283	368	447	536	639	758	818	894	867	665	732
Cost of sales												
Cost of sales to Net sales												
Gross profit	215	283	368	447	536	639	758	818	894	867	665	732
Selling, general and administrative expenses	162	203	246	278	355	435	475	539	602	629	490	518
SG&A expenses to Net sales	75.1%	71.7%	67.0%	62.2%	66.3%	68.0%	62.6%	65.9%	67.4%	72.6%	73.7%	70.8%
Operating profit	53	80	121	169	180	204	283	279	291	237	174	214
Operating profit margins	24.9%	28.3%	33.0%	37.8%	33.7%	32.0%	37.4%	34.1%	32.6%	27.4%	26.3%	29.2%
Non-operating profit	1	—	—	—	—	—	—	—	—	—	—	0
Non-operating expenses	—	—	—	—	—	—	—	—	—	1	—	0
Ordinary profit	55	80	121	169	180	204	283	279	291	235	174	214
Ordinary profit margins	25.5%	28.4%	33.0%	37.9%	33.7%	32.0%	37.4%	34.1%	32.6%	27.2%	26.3%	29.2%
Extraordinary income	—	—	—	—	—	—	—	—	—	—	—	—
Extraordinary loss	—	—	—	—	—	—	—	—	—	—	—	—
Profit before income taxes	54	80	121	169	180	204	283	278	291	235	174	214
Total income taxes	—	—	9	55	64	67	90	87	89	72	54	67
Profit	54	80	112	114	116	136	193	191	202	163	119	146
Profit margins	25.1%	28.4%	30.5%	25.5%	21.6%	21.4%	25.5%	23.4%	22.6%	18.8%	18.0%	20.1%

42

(Millions of Yen)	2010/9/30	2011/9/30	2012/9/30	2013/9/30	2014/9/30	2015/9/30	2016/9/30	2017/9/30	2018/9/30	2019/9/30	2020/9/30	2021/9/30
Cash and deposits	19,548	24,504	27,506	27,866	30,719	35,716	34,954	38,425	40,838	42,131	44,838	46,250
Notes and accounts receivable - trade	9,389	9,391	10,036	10,070	11,680	12,048	12,695	13,354	13,100	13,709	13,043	14,518
<b>Total current assets</b>	<b>32,210</b>	<b>37,128</b>	<b>40,935</b>	<b>42,090</b>	<b>46,427</b>	<b>52,071</b>	<b>52,568</b>	<b>55,645</b>	<b>55,348</b>	<b>57,148</b>	<b>59,437</b>	<b>62,260</b>
Property, plant and equipment	11,986	11,465	10,920	10,785	7,333	5,980	5,632	5,498	5,296	5,364	5,199	5,046
<b>Total non-current assets</b>	<b>18,600</b>	<b>17,494</b>	<b>16,215</b>	<b>15,799</b>	<b>12,393</b>	<b>12,271</b>	<b>11,183</b>	<b>11,743</b>	<b>14,168</b>	<b>14,408</b>	<b>14,525</b>	<b>13,897</b>
<b>Total assets</b>	<b>50,811</b>	<b>54,623</b>	<b>57,150</b>	<b>57,890</b>	<b>58,821</b>	<b>64,343</b>	<b>63,752</b>	<b>67,389</b>	<b>69,516</b>	<b>71,556</b>	<b>73,962</b>	<b>76,158</b>
<b>Total current liabilities</b>	<b>7,488</b>	<b>8,409</b>	<b>9,760</b>	<b>9,642</b>	<b>11,351</b>	<b>12,850</b>	<b>12,923</b>	<b>14,119</b>	<b>14,929</b>	<b>14,468</b>	<b>13,533</b>	<b>14,702</b>
<b>Total non-current liabilities</b>	<b>8,271</b>	<b>8,890</b>	<b>9,496</b>	<b>10,256</b>	<b>10,857</b>	<b>12,046</b>	<b>13,555</b>	<b>14,133</b>	<b>14,826</b>	<b>15,540</b>	<b>16,021</b>	<b>16,447</b>
<b>Total liabilities</b>	<b>15,760</b>	<b>17,299</b>	<b>19,257</b>	<b>19,898</b>	<b>22,209</b>	<b>24,897</b>	<b>26,478</b>	<b>28,252</b>	<b>29,755</b>	<b>30,009</b>	<b>29,555</b>	<b>31,150</b>
<b>Total shareholders' equity</b>	<b>35,716</b>	<b>38,146</b>	<b>38,744</b>	<b>38,816</b>	<b>38,401</b>	<b>41,387</b>	<b>39,570</b>	<b>41,118</b>	<b>41,575</b>	<b>43,219</b>	<b>45,900</b>	<b>46,303</b>
Other net assets	(666)	(822)	(851)	(824)	(1,789)	(1,941)	(2,296)	(1,981)	(1,813)	(1,672)	(1,492)	(1,295)
<b>Total net assets</b>	<b>35,050</b>	<b>37,324</b>	<b>37,893</b>	<b>37,991</b>	<b>36,612</b>	<b>39,445</b>	<b>37,273</b>	<b>39,136</b>	<b>39,761</b>	<b>41,547</b>	<b>44,407</b>	<b>45,008</b>

## Shareholders' Equity and Cash and Deposit

(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.



# Trend of Profit Distributions and Forecast

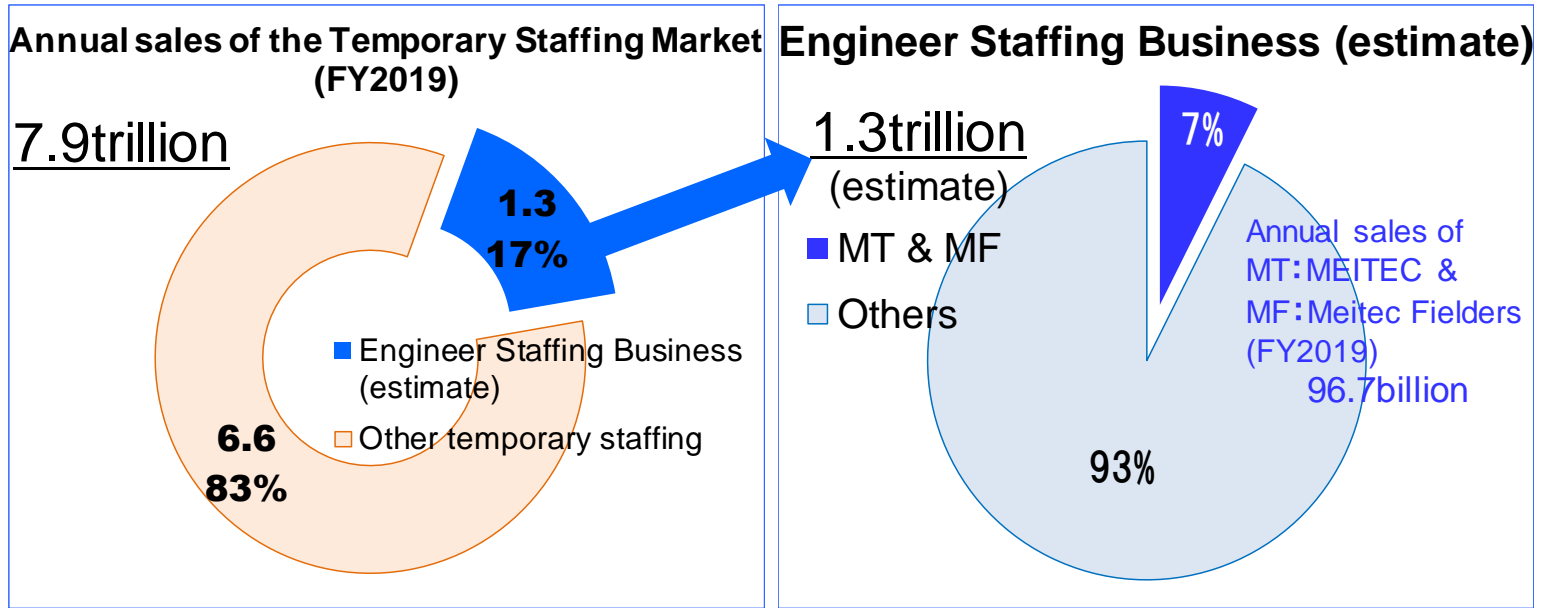
(Fractions of one million yen are rounded)											Actual	Forecast	
	FY2010	FY2011	FY2012	FY2013	FY2014	FY2015	FY2016	FY2017	FY2018	FY2019	FY2020	FY2021	
Total Return Ratio	24.7%	92.9%	99.0%	101.2%	116.8%	100.0%	100.1%	80.0%	80.0%	80.0%	100.1%	100.6%	
Dividend Payout ratio	24.7%	68.5%	53.2%	56.1%	92.4%	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	@¥27.50	@¥58.50	@¥99.00	@¥72.00	@¥111.00	@¥144.00	@¥151.50	@¥177.00	@¥199.50	@¥202.00	@¥184.00	@¥185.50
	Millions of Yen	911	1,925	3,134	2,220	3,373	4,286	4,344	5,008	5,567	5,575	5,033	5,047
2nd Quarter	Per Share		@¥29.00	@¥30.00	@¥31.50	@¥44.00	@¥63.00	@¥68.00	@¥74.50	@¥84.00	@¥86.50	@¥68.50	@¥78.50
	Millions of Yen		961	981	983	1,344	1,908	1,968	2,119	2,344	2,387	1,891	2,136
Year-end	Per Share	@¥27.50	@¥29.50	@¥69.00	@¥40.50	@¥67.00	@¥81.00	@¥83.50	@¥102.50	@¥115.50	@¥115.50	@¥115.50	@¥107.00
	Millions of Yen	911	965	2,153	1,237	2,029	2,378	2,375	2,889	3,223	3,188	3,143	2,911
Acquisition of Treasury Shares	Thousands of shares		421	1,506	641	269	921	915	257	280	303	390	
	Millions of Yen		700	2,800	1,800	899	3,799	3,600	1,500	1,500	1,700	2,000	3,400
Total Shareholders	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	¥1,893	¥1,621	¥1,681	¥2,193	¥2,857	¥3,965	¥3,865	¥4,505	¥5,960	¥5,130	¥4,065	¥6,040
	As of March 31	¥1,664	¥1,669	¥2,343	¥2,930	¥4,025	¥3,935	¥4,520	¥5,890	¥5,030	¥4,300	¥6,110	
Earnings per Share		@¥111.33	@¥85.45	@¥186.08	@¥128.30	@¥120.12	@¥269.24	@¥274.32	@¥286.64	@¥315.43	@¥328.36	@¥255.78	@¥308.72
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	

45

## 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%
<b>Total</b>	<b>4,395</b>	<b>100.0%</b>	<b>28,600,000</b>	<b>100.0%</b>

46



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

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

## 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 September 30, 2021)

	Directors	Audit & Supervisory Board Members	Total
Number	9	4	13
of which Independent & Outside	4	4	8
ratio	44%	100%	62% >

Policy of composition: 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 etc.**

	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)

## ***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***

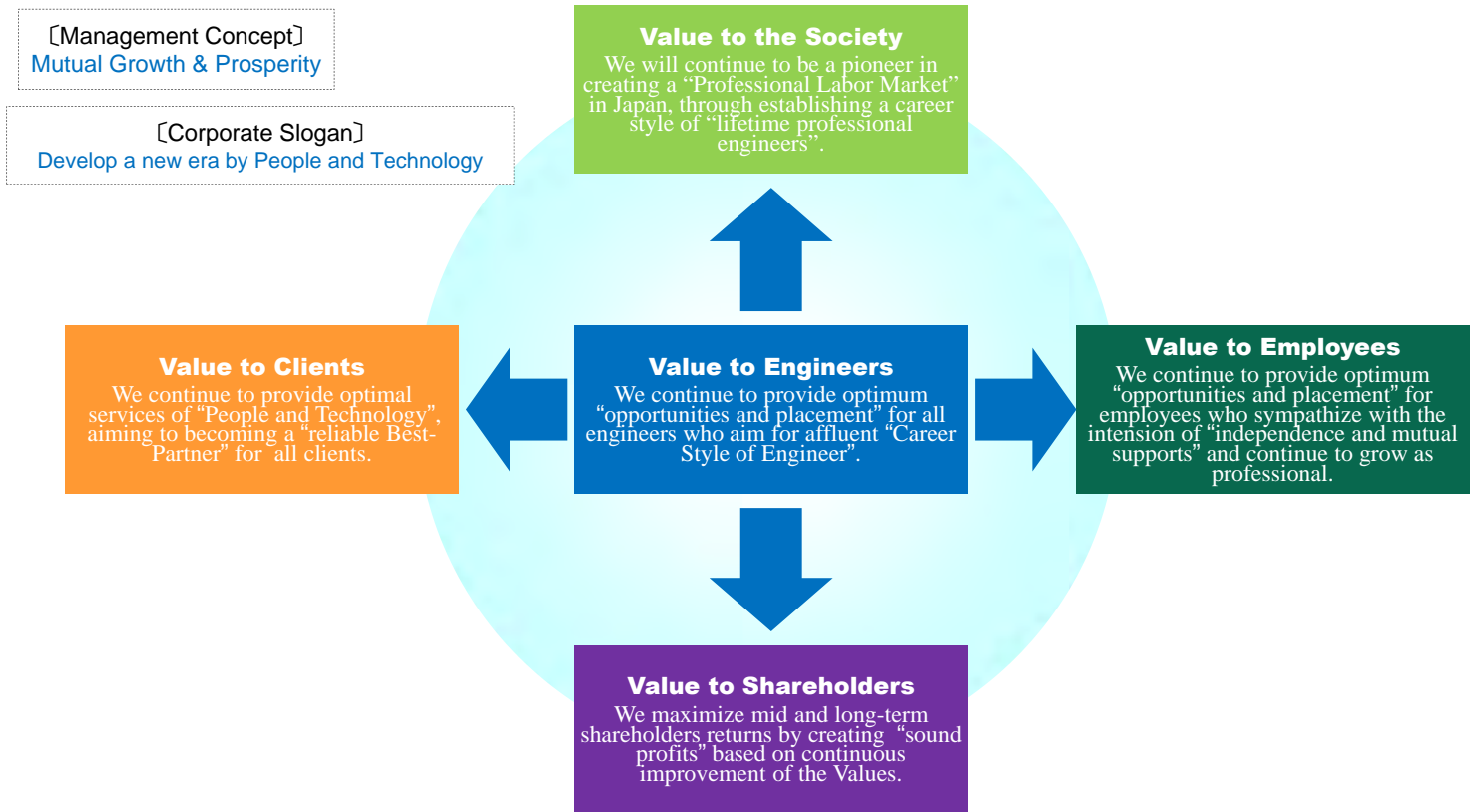
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The Core in how we see ourselves means that we are a group of companies that produces “important and indispensable” value for the technological innovation of manufacturers.

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.

# “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.



## 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.”



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)	✓ Improve efficiency by promoting standerdization of operations  *Redefine operational requirements  *Promoting digitization

53

## Performance Targets for the Fiscal Year Ending March 31, 2022

Re-posted
The Transformation

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	<b>Disclaimer regarding the description of the medium-term management plan</b> 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.		
ROE	25% or more			

54

<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, 1st Section (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 first and second sections 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>

人と技術で次代を拓く

**MEITEC**

**Engineering Firm at The Core**