

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

October 28, 2021

MEITEC CORPORATION

President and CEO, COO

MEITEC Group CEO

Hideyo Kokubun

- 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.

2

- I will now discuss the results for the second quarter and first half of the fiscal year ending March 31, 2022, and forecasts for the fiscal year ending March 31, 2022.
- Please see the Reference Materials later.

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

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Engineering Firm at The Core

- I will begin by discussing results for the second 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%			

4

- This shows the Group's consolidated results.
- For the second quarter of the fiscal year ending March 31, 2022, the continuous impact of the novel coronavirus disease (COVID-19) restricted economic activities.

Although the situation continued to present harsh business conditions and a sense of uncertainty regarding the future, efforts to restore investment in technology development progressed at the major manufacturing firms that are our main customers, and the environment for the Company's orders showed a sign of recovery.

- As a result, net sales rose 8.1% year on year to ¥50,915 million, operating profit rose 9.4% to ¥5,336 million and profit attributable to owners of parent rose 13.1% to ¥3,549 million.
- As working hours and utilization ratio fell both compared to the initial forecasts, net sales fell slightly short of our forecast.

**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%

5

- This shows results for the Meitec Group by business domains.
- In the Engineering Solutions Business and Recruiting & Placement Business for Engineers, both sales and profit increased year on year.

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%		

6

- This shows results for Meitec.
- Due to the increase in the number of engineers assigned to clients and longer working hours, net sales increased 5.7% year on year to ¥36,841 million. Operating profit increased 12.4% to ¥4,447 million and profit increased 1.2% to ¥3,470 million.
- Regarding the utilization ratio, the assignment of new employees has improved due to recovery in orders. Therefore, the ratio improved 1.5% year on year to 91.0%.
- Working hours and utilization ratio slightly fell both compared to the initial forecasts.

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.

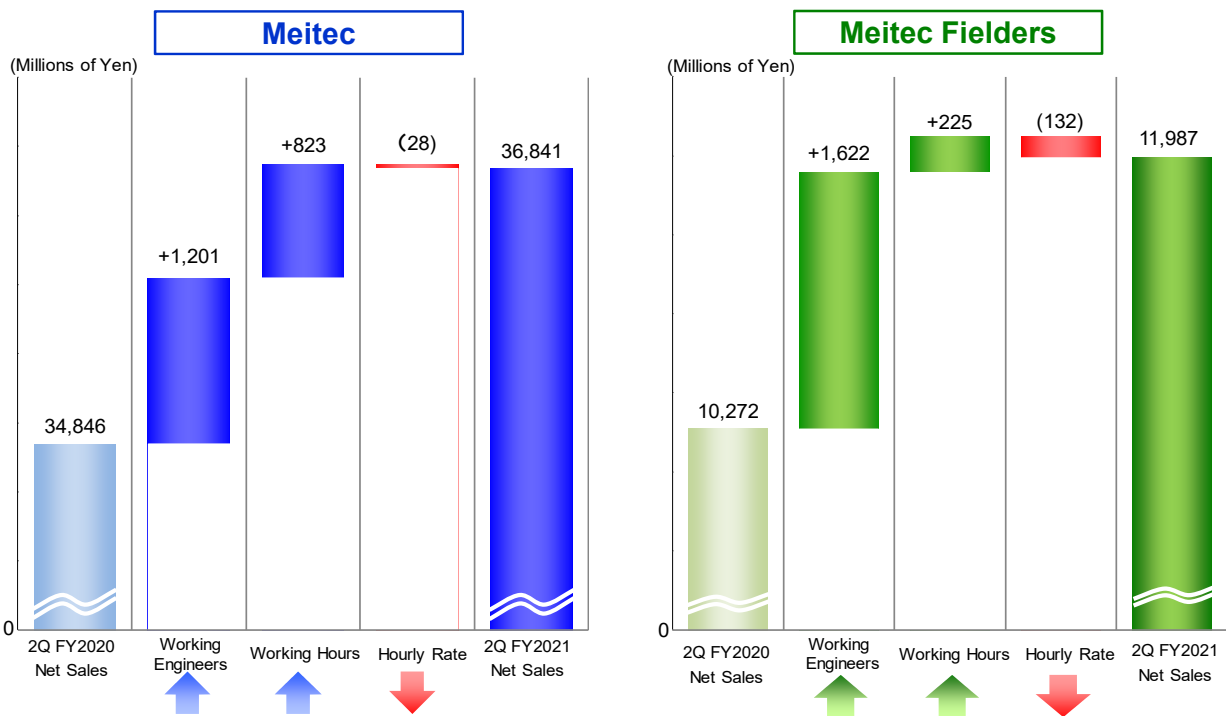
(Fractions of one million yen are rounded down)	2Q ended Sep. 30, 2020	2Q ended Sep. 30, 2021	YoY Amount	% Change	Initial Forecast for 2Q, announced on May 2021	Progress toward the FY forecast
Net sales	10,272	11,987	+1,714	+16.7%	12,100	(113)
Cost of sales	8,007	9,425	+1,418	+17.7%	9,500	(75)
Cost of 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%		

7

- This shows results for Meitec Fielders.
- The number of engineers assigned to clients and the working hours both increased due to a significant 17.3% increase in the number of engineers as a result of active hiring. On the other hand, proactive recruitment also drove an increase in SG&A expenses, so that net sales increased 16.7% year on year to ¥11,987 million, operating profit decreased 3.9% to ¥638 million, and profit decreased 3.7% to ¥438 million.
- The utilization ratio dropped 1.9 % year on year to 83.9% as a result of a slight slowdown in the pace of engineer assignments compared to the rate of increase in the number of engineers due to active hiring.
- As with Meitec, working hours and utilization ratio fell both compared to the initial forecasts.

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”.

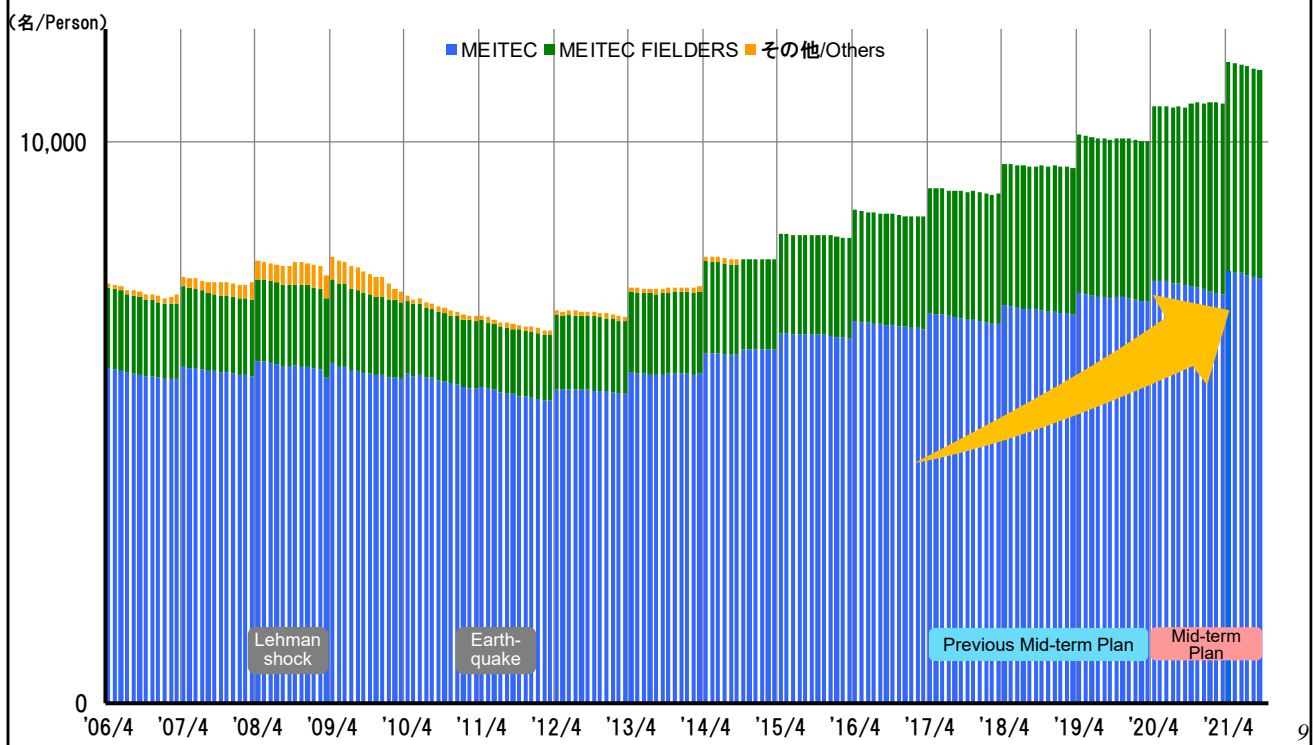


8

- This is a breakdown of factors affecting changes in net sales year on year at Meitec and Meitec Fielders.
- The main factors for the increase in net sales for both Meitec and Meitec Fielders are 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)

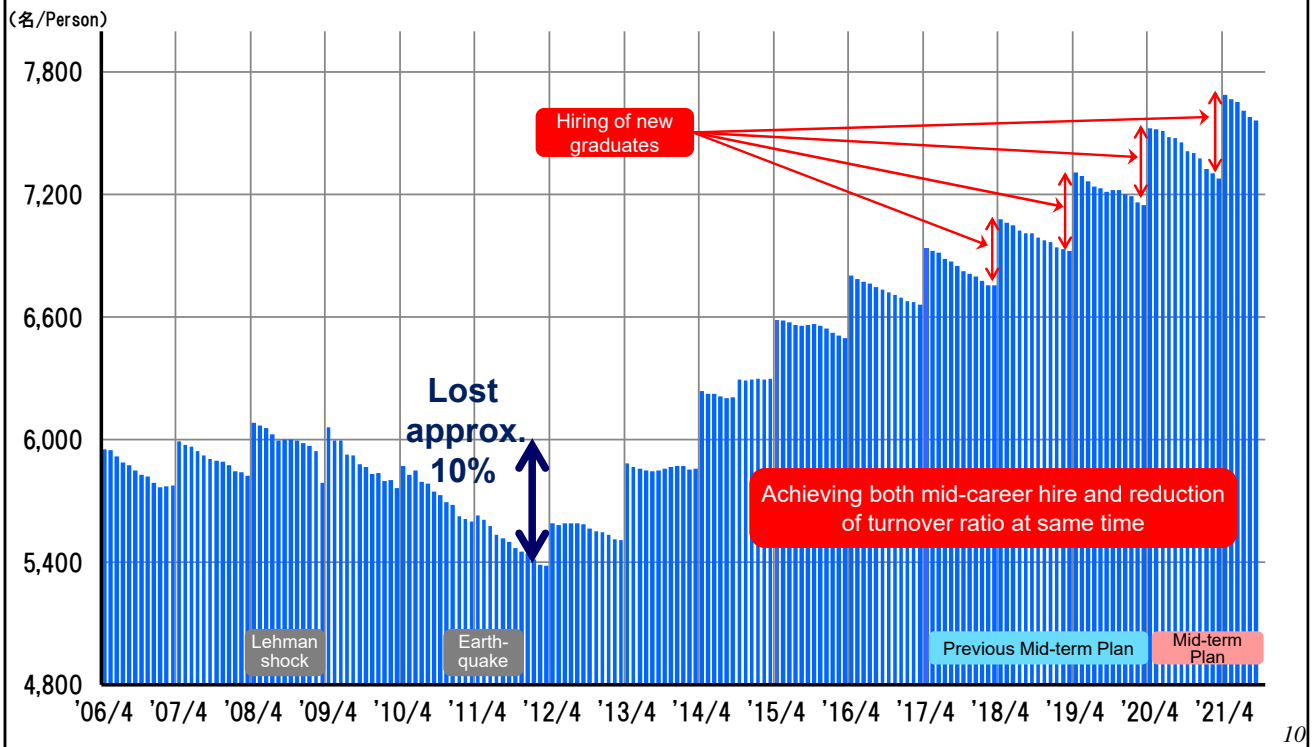
✓ The number of engineers as of September 30, 2021 was 11,275, an increase of 658 engineers, or 6.2%, compared to September 30, 2020.



- This shows the trend in the number of engineers across the Group.
- As of September 30, 2021, the number of engineers was 11,275 with the number exceeding 10,000, increased 658, or 6.2%, compared to September 30, 2020.
 We have increased our headcount at Meitec and Meitec Fielders to form a team that can meet customers' expectations.

Number of Engineers (Meitec)

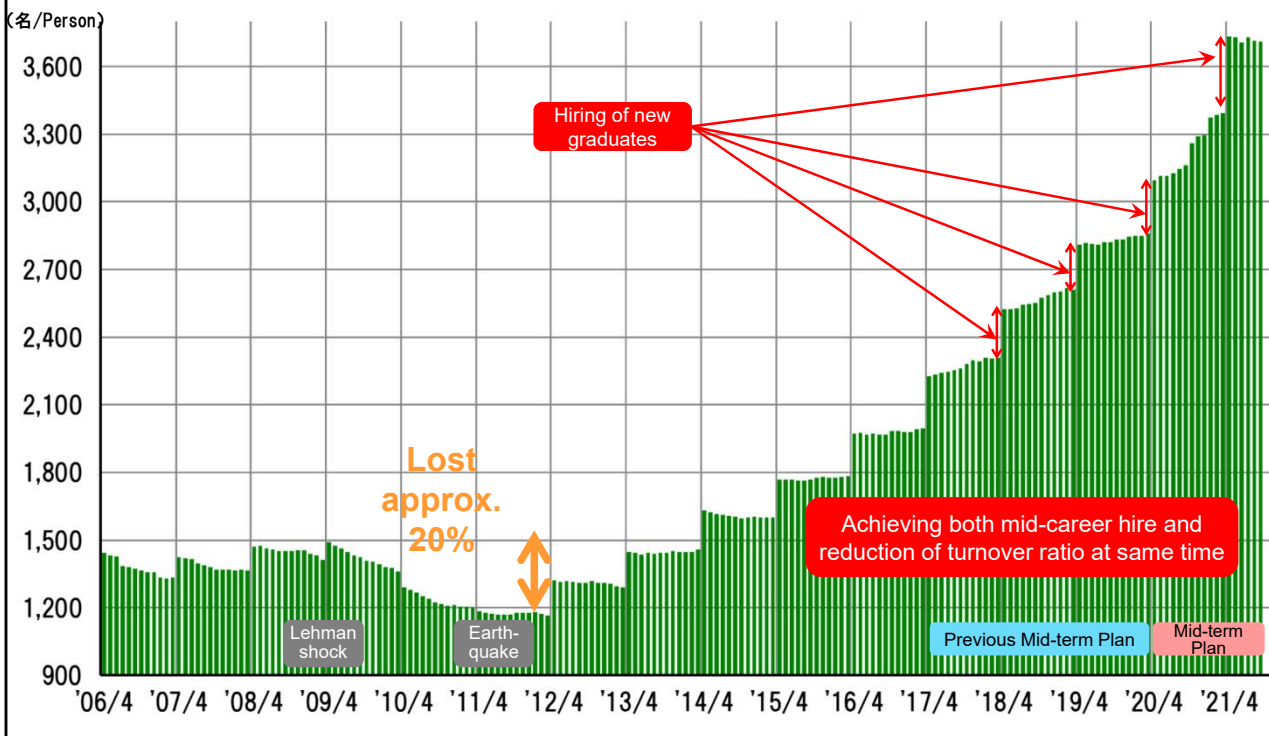
✓ The number of engineers as of September 30, 2021 was 7,564, an increase of 110 engineers, or 1.5%, compared to September 30, 2020.



- Moving on, this shows the trend in the number of engineers at Meitec.
- As of September 30, 2021, the number of engineers was 7,564, increased 110, or 1.5%, compared to September 30, 2020.

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.



11

- This shows the trend in the number of engineers at Meitec Fielders.
- As of September 30, 2021, the number of engineers was 3,711, increased 548, or 17.3%, compared to September 30, 2020.

Hiring Target for the Fiscal Year Ending March 31, 2022

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.

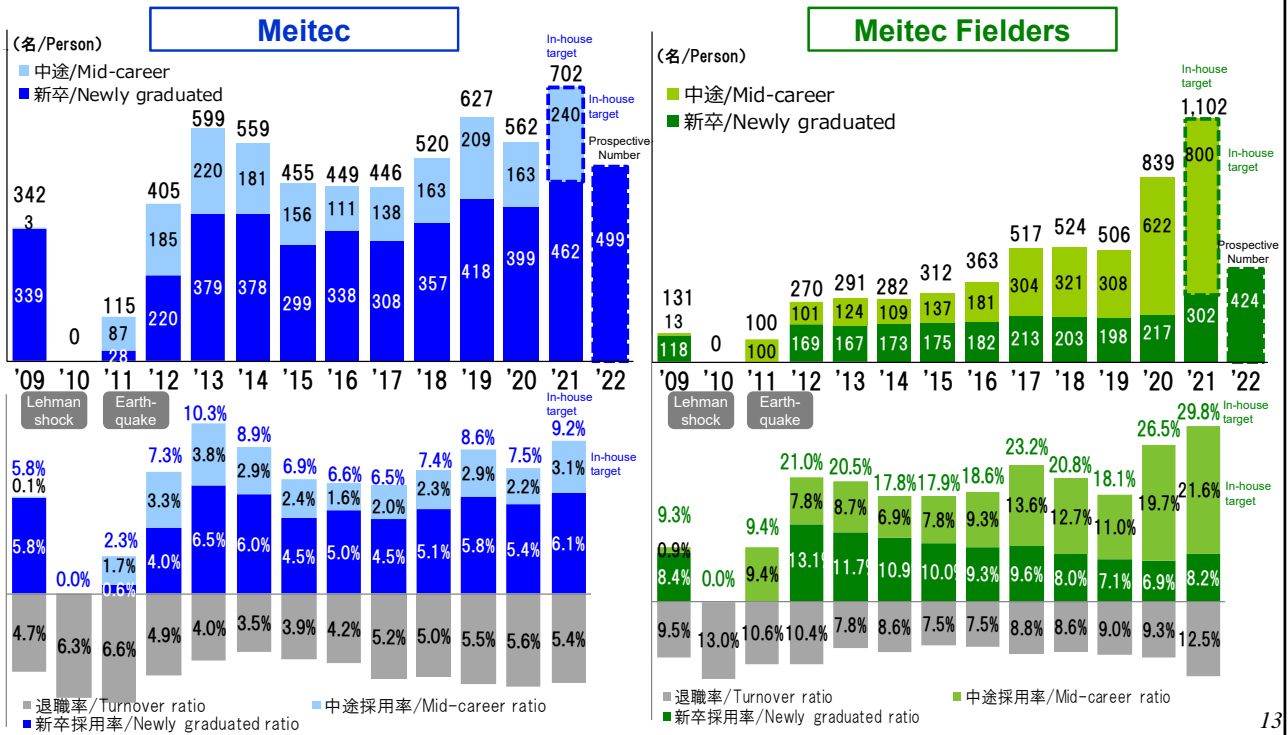
(person)	Fiscal Year Ending March 31, 2022					Fiscal Year Ending March 31, 2023	
	New Graduates April 2021 (Actual)	Mid-career		Total		New Graduates April 2022	
		In-house target	Comparison to Initial Forecast	In-house target	Comparison to Initial Forecast	Prospective Number as of Oct. 2021	Comparison 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			

12

- This shows the recruitment trends for the Group.
 - First, looking at mid-career hires, the need for work-ready engineers, such as personnel related to digital transformation (DX) is even more intense than before the COVID-19 pandemic, and the hiring environment continues to be competitive. The Group is focusing on recruitment activities while maintaining its hiring standards with an emphasis on quality.
 - At Meitec Fielders, we had a high internal target, focused on our target for the three years of the Mid-term Management Plan. We have focused on active hiring efforts, but in consideration of factors such as the hiring environment and status of assignments, we revised our internal target downward from the initial forecast of 1,000 to 800.
 - This shows the state of newly graduated engineers who will join the Group in April 2022.
 - The needs for hiring science and engineering graduates, which the Group is targeting, have not diminished, and it has been extremely difficult. From the start of last year, we have conducted activities prioritizing the need to dispel student's fears, such as using online information distribution and interviews, while maintaining hiring standards.
- As a result, the number of new graduates to join in April 2022 as of October 1 amounted to 923 across the entire Group.
- According to newspaper reports, the number of recruitment placed the Meitec Group in the 4th for hiring, which includes liberal arts, and the 2nd specifically for science and engineering hiring among Japanese companies. We will continue to further strengthen the Meitec Group's hiring brand while publically promoting a style of career that emphasizes the engineering profession.

Recruitment and Turnover

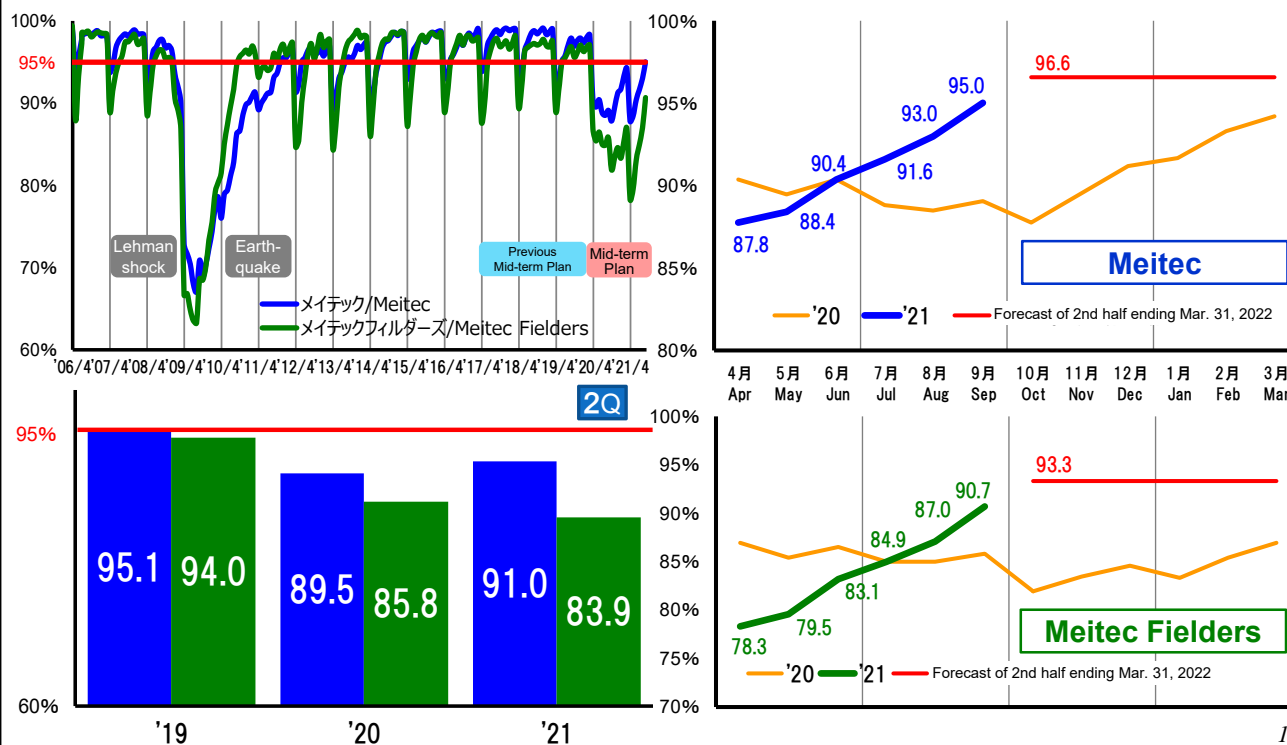
✓ Our forecasts for the number of recruitment and the turnover ratio as of the release of 2Q results are as follows. ※We plan to announce the actual recruitment and turnover ratios in May 2022.



- This shows our forecasts for the number of recruitment and the turnover ratio as of the release of 2Q results.
- Furthermore, based on the performance trend of the first half of the current fiscal year, the turnover ratios have been revised to 5.4% at Meitec and 12.5% at Meitec Fielders.

Utilization Ratio

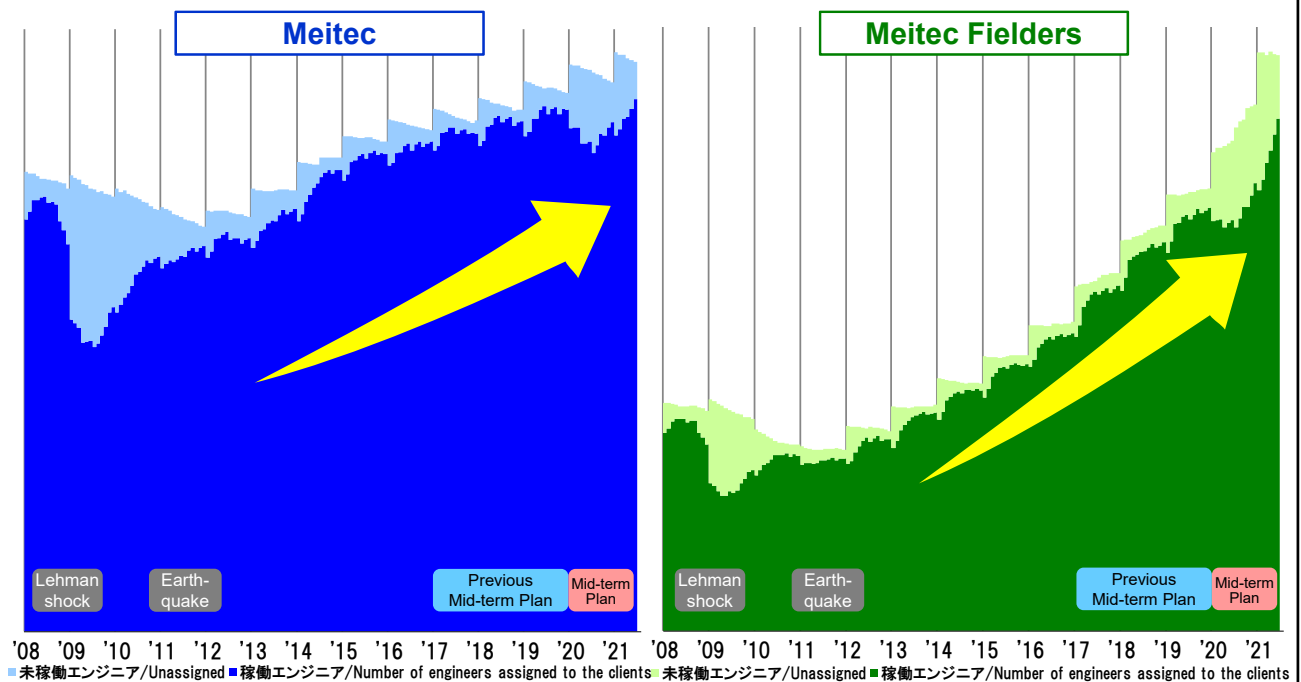
✓ Utilization ratio remained steady ⇒ We proceeded with the assignment of engineering staff in response to orders.



- This shows the status in utilization ratios.
- Utilization ratios progressed steadily at both Meitec and Meitec Fielders.
- Last year's utilization ratios are presented on the orange graph. The assignment of new employees was significantly delayed compared to usual years as we were obliged to conduct training that prioritized preventing the spread of COVID-19. Furthermore, the assignment of existing engineers was also delayed due to a competitive order environment. As a result, the utilization ratios slumped.
- In the first half of the current fiscal year, the utilization ratios also dropped temporarily due to accepting new employees on April 1; however, the ratios have improved steadily with progress on assignments 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.

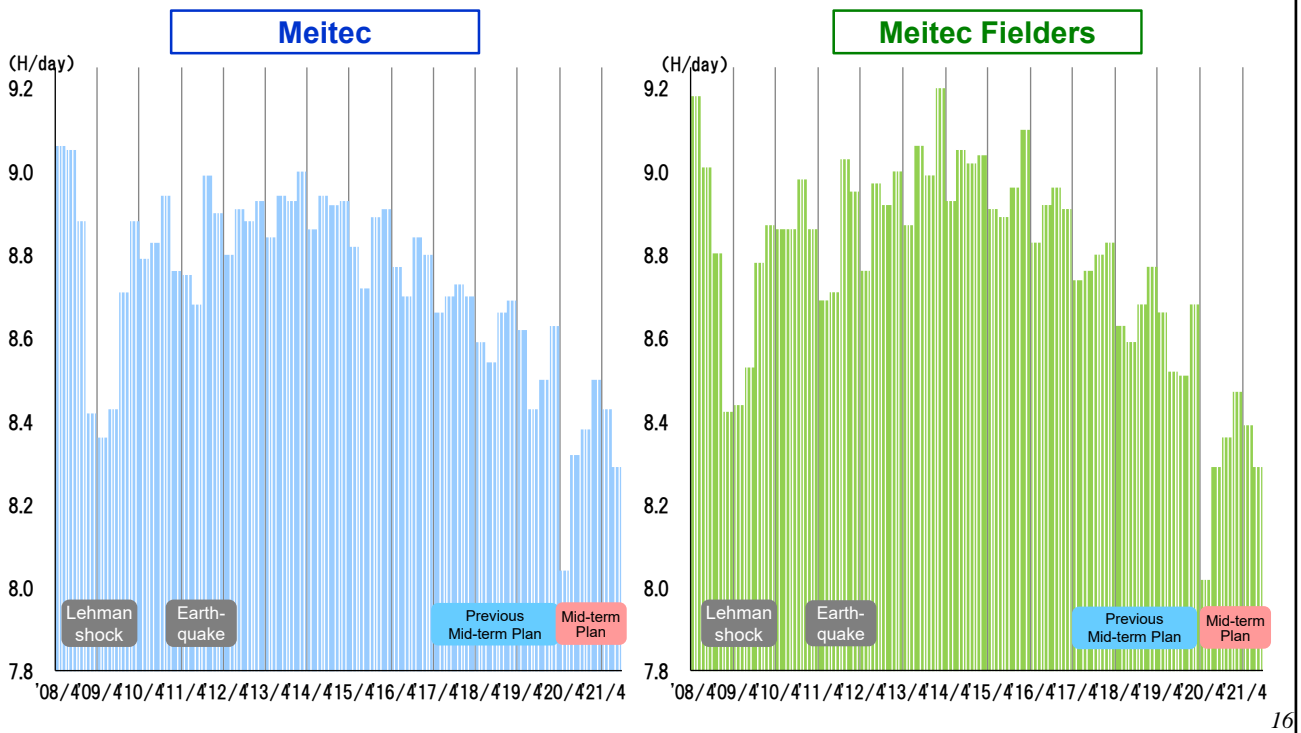


15

- This shows the trend in number of engineers assigned to clients.
- As a result of active hiring, the increase in the number of engineers has continued and we can see that orders are also recovering gradually. The number of engineers assigned to clients is growing steadily at both Meitec and Meitec Fielders.

Working Hours

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

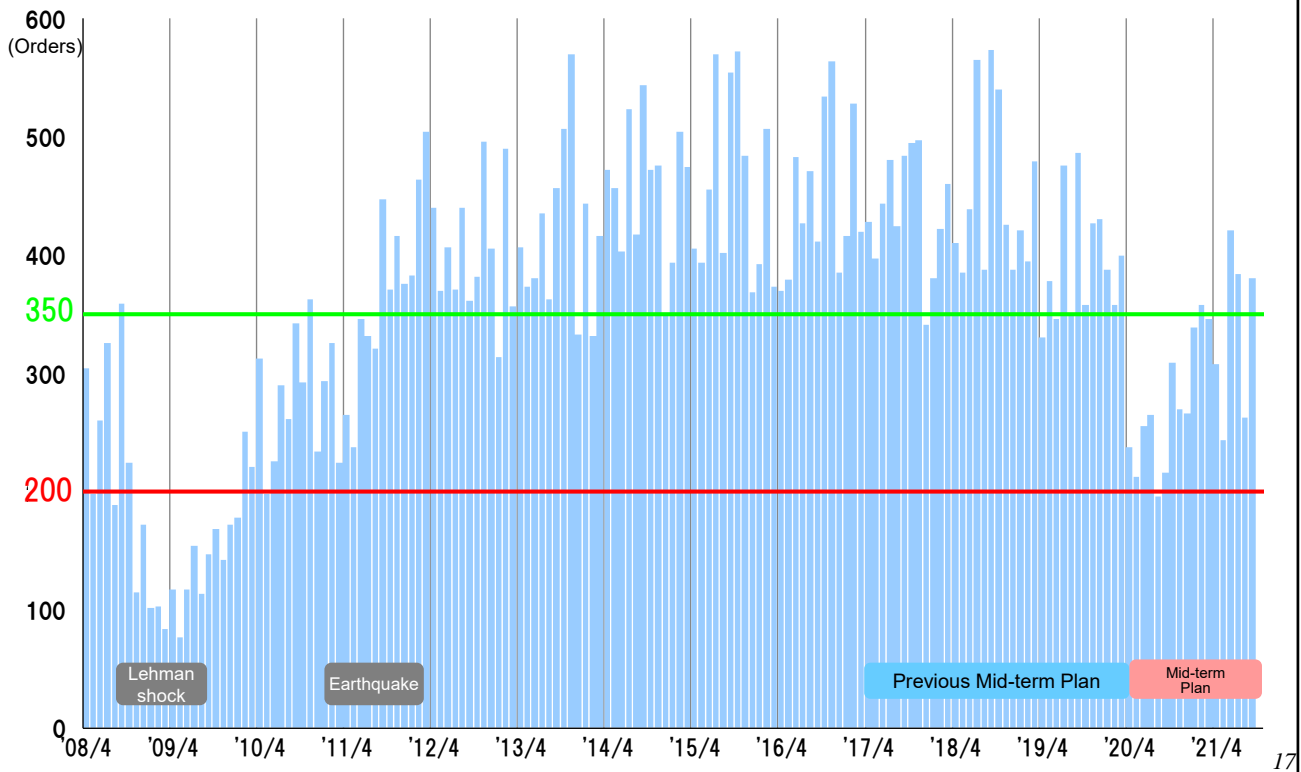


16

- This shows the trend in working hours.
- The number of working hours fell significantly in the same period of the previous fiscal year due to requests for people to refrain from going out at night and so forth, as well as reductions in overtime by customers. However, overtime work has recovered and working hours are also increasing.
- The number of working hours is determined by our clients, and is not something we can control. As a fluctuation in working hours of 0.1 hours equates to a fluctuation of approximately 1% of total net sales, we will continue to focus attention on this indicator considering that it is one of indicators that has a significant impact on earnings.

Trend in New Orders by Month (Meitec)

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



- This shows the trend in new monthly orders for the first half of the current fiscal year.
- During the first half of the previous fiscal year, business conditions deteriorated due to the spread of COVID-19, with the 2Q average monthly orders falling to around the 200 level. This fiscal year, customers' investment in technology development is recovering as they eye their next era, and orders are showing signs of recovery.
- Currently, Meitec has received an average of approximately 300 new monthly orders.
- The future outlook remains uncertain, but we will remain on the offensive in our sales approach which we are currently working on in the Mid-term Management Plan, while taking steps to capture new orders and promote assignments.

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)

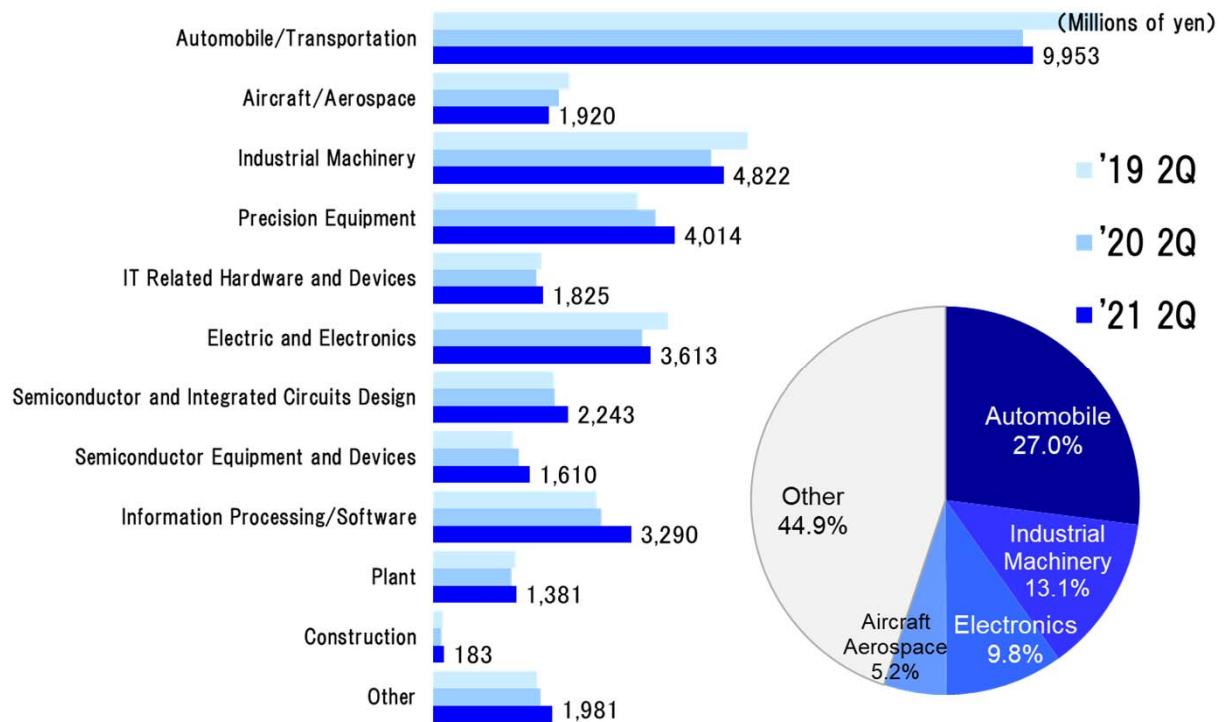
2nd Q FY2016			2nd Q FY2020			2nd Q FY2021		
1	Mitsubishi Heavy Industries		1	Mitsubishi Heavy Industries		1	Denso	
2	Denso		2	Denso		2	Mitsubishi Heavy Industries	
3	Canon		3	Sony Semiconductor Solutions		3	Sony Semiconductor Solutions	
4	Panasonic		4	Panasonic		4	Panasonic	
5	Nikon		5	Nikon		5	Nikon	
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%

18

- This shows Meitec's top 10 clients by sales.
- There is no significant change in rankings.
- There are no major changes in the customers appearing within the top 10 clients by sales; however, there are significant changes in their business activities compared with five years ago and with last year.
- We are changing contracts to operations that can answer customer needs aligned with technology innovation and development themes. Therefore, the details of operations are constantly changing and we deliberately rotate engineers constantly to new technology domains. In this way, we are working to provide customers with even higher value added services than before.
- One of the strengths of Meitec is that it offers a wide range of services without depending on certain clients and industries, and this strength will continue to be used 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)



19

- This shows sales trends by industrial segment.
- The automobile/transportation segment continues to make up a high percentage of sales.
- However, at the same time, amid the trend related to the major technological issue of digital transformation, we will rotate our engineers in future growth fields, including industrial equipment, precision equipment, electricity and electronics, and information processing, while responding to customers' expectations.
- This concludes my discussion of the results for the second quarter of the fiscal year ending March 31, 2022.

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

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- The consolidated forecasts for the fiscal year ending March 31, 2022, the release of which had been suspended, have been calculated based on currently available information. I will now discuss a summary of our forecasts.

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			

21

- This shows a comparison between our consolidated forecasts for the fiscal year ending March 31, 2022 and our previous fiscal year results.
- We forecast net sales of ¥107.0 billion, up 10.7% year on year, reflecting expectations for an increase in the number of engineers assigned to clients accompanying an increase in the number of engineers and an improved utilization ratio.
Operating profit is forecast to be ¥12.3 billion, up 20.2% year on year, with an increase in SG&A expenses, such as hiring expenses, expected to be absorbed by the increase in net sales.
- We forecast profit attributable to owners of parent of ¥8.4 billion, up 19.5% year on year.

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	<small>In-house target</small> 240	+77					
Turnover Ratio	5.4%	(0.2%)					
				Expected New Graduates for April 2022	To Apr. 2021		
				499	+37		

22

- This shows a comparison between our forecasts and our previous fiscal year results for Meitec.
- Expecting 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 ¥77.0 billion, up 7.8% year on year, operating profit of ¥10.2 billion, up 18.6% year on year, and profit of ¥7.5 billion, up 10% year on year.

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	<small>In-house target</small> 800	+178					
Turnover Ratio	12.5%	+3.2%					
					Expected New Graduates for April 2022	To Apr. 2021	
					424	+122	

23

- This shows a comparison between our forecasts and our previous fiscal year results for Meitec Fielders.
- We expect an increase in the number of engineers following active hiring, and an improvement in the utilization ratio due to an acceleration in the pace of assignments in the second half of the current fiscal year. Therefore, we forecast net sales of ¥25.6 billion, up 20.1% year on year, operating profit of ¥1.55 billion, up 31.3% year on year, and profit of ¥1.06 billion, up 31.2% year on year.

Basic Policy Regarding Profit Distribution

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

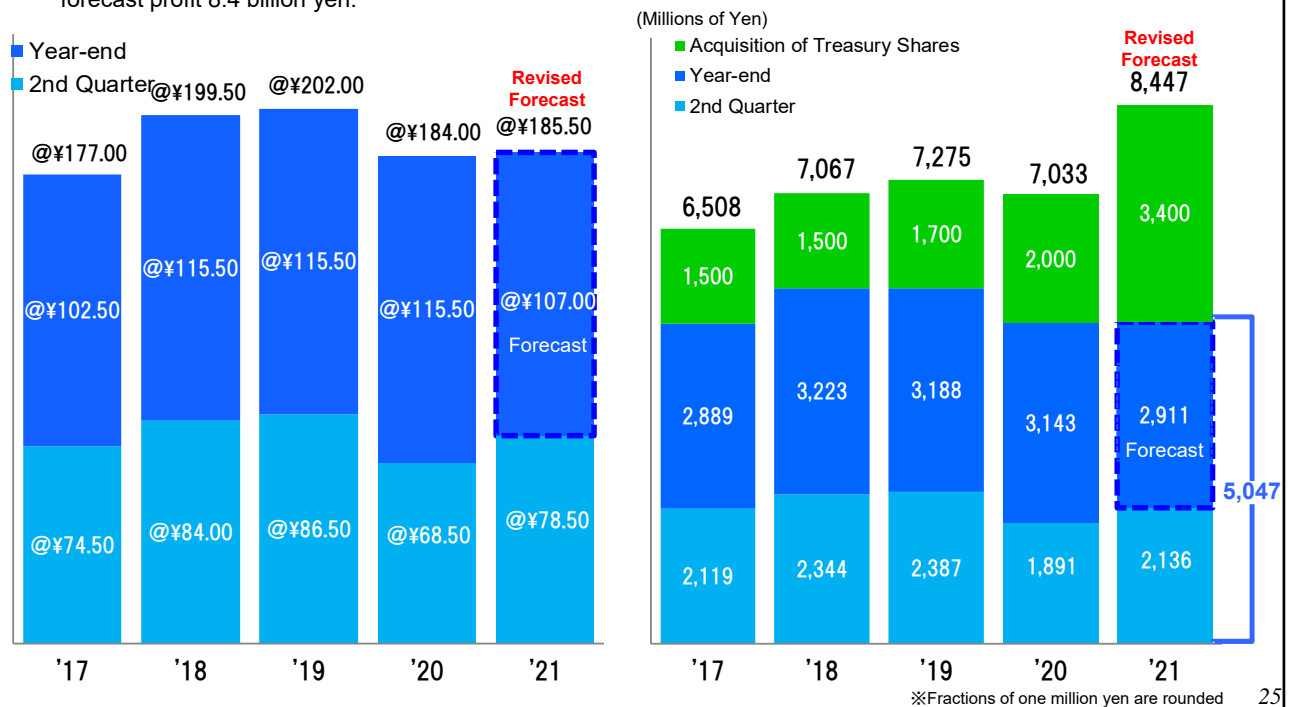
Revised Nov. 2018 Revised May 2017 Revised May 2011 Profit distribution policy	1. Enhance “quality and quantity” of the shareholders’ equity 2. Balance of funds exceeds the funds necessary for business operations* (*3 months consolidated net sales)	
	Total Return Ratio : Basically within 100%	
Dividend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

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

- I will discuss our profit distribution.
- Our “Basic Policy Regarding Profit Distribution” remains unchanged.

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.



- Lastly, I will discuss our results and forecast of profit distribution.
- The interim dividend has been revised in accordance with our initially announced dividend payout ratio of 60% to reflect the fact that profit exceeded the initially announced forecast. Therefore, the interim dividend has been set at ¥78.50 per share, up ¥1 from the initial forecast and up ¥10 from the previous fiscal year results.
- The total return ratio for the year has been set at 100%, and the year-end dividend has been set at ¥107 per share, linked with the full-year forecast for profit of ¥8.4 billion.
- As a result, the annual dividend is expected to be a total amount of approximately ¥5.0 billion, or ¥185.50 per share.
- The Company has also conducted a treasury share acquisition of ¥3.4 billion.

As we have announced today in the press release, the purchase will commence tomorrow.

- That ends my presentation today.
We will work to meet your expectations going forward.
We appreciate your continuing support and understanding.
Thank you for listening.

3. Reference Materials

A portrait of Hideyo Kokubun, President CEO, COO of MEITEC Group. He is an older 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 a large window and a green plant on the left.

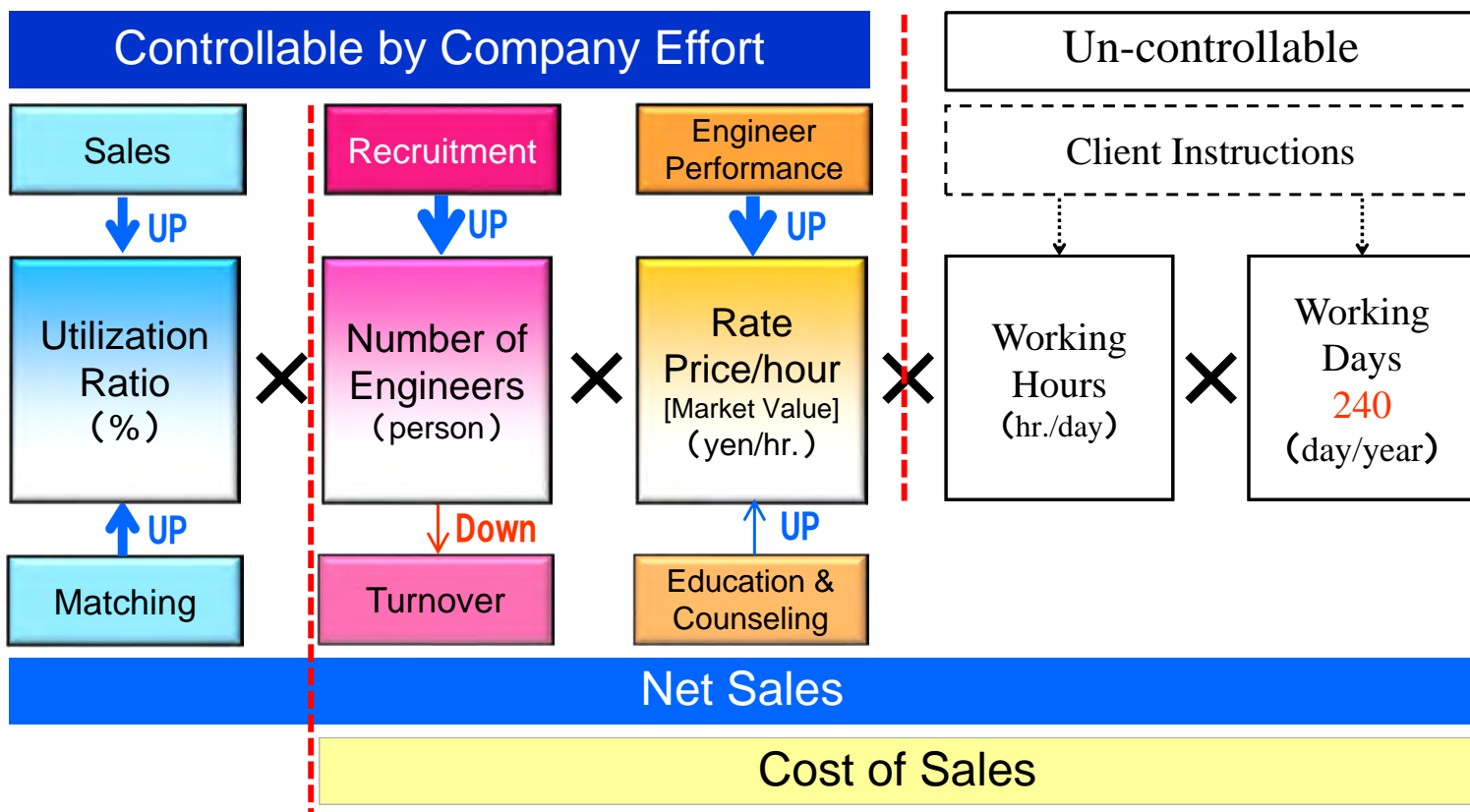
The Meitec Group aims to cater to as many corporate clients and engineers as possible to realize more inspiring and enjoyable job opportunities and placements.

Hideyo Kokubun
President CEO,COO
MEITEC Group CEO

國分 秀世

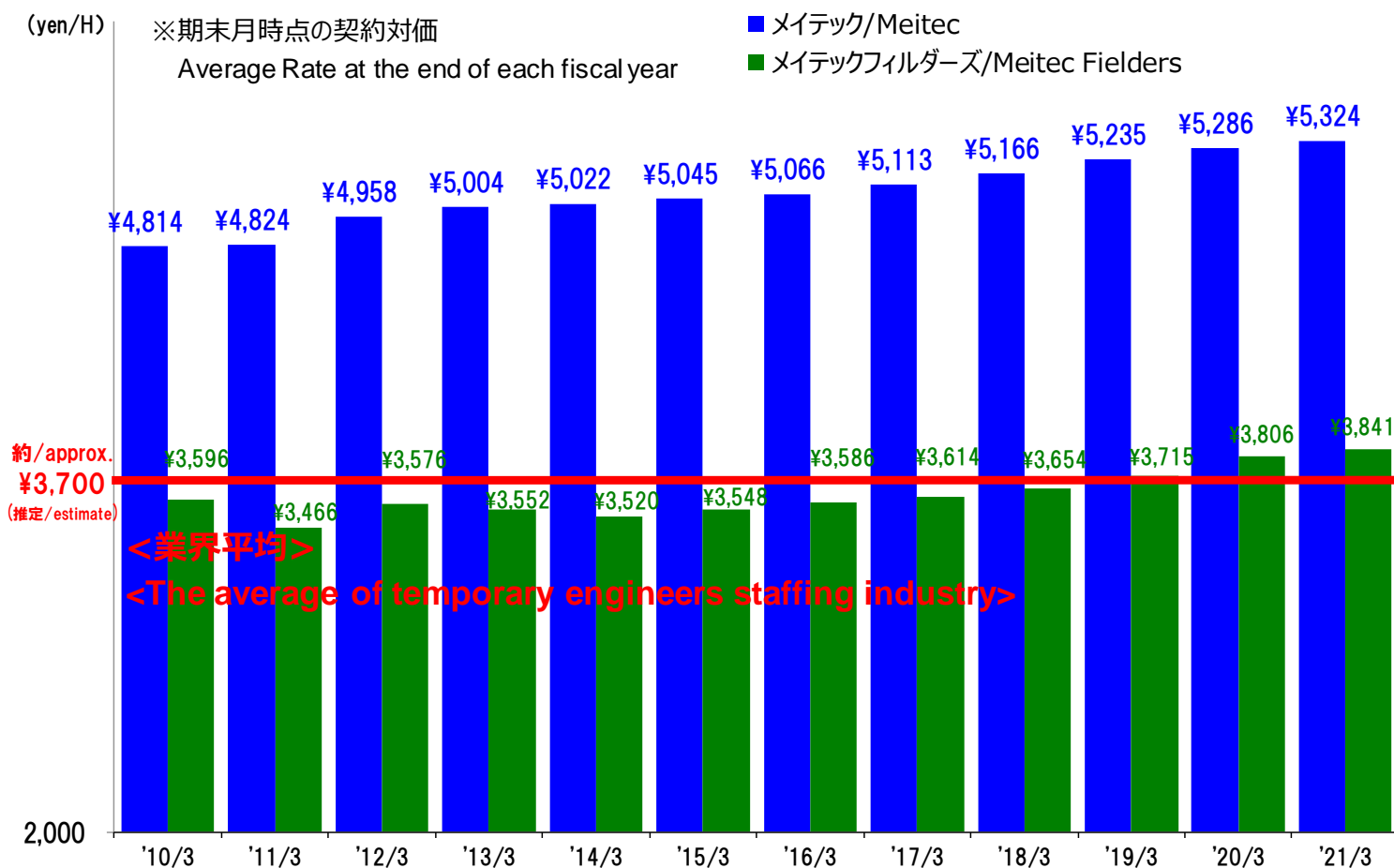
Sales and Cost (Dispatch-type)

- ✓ 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)

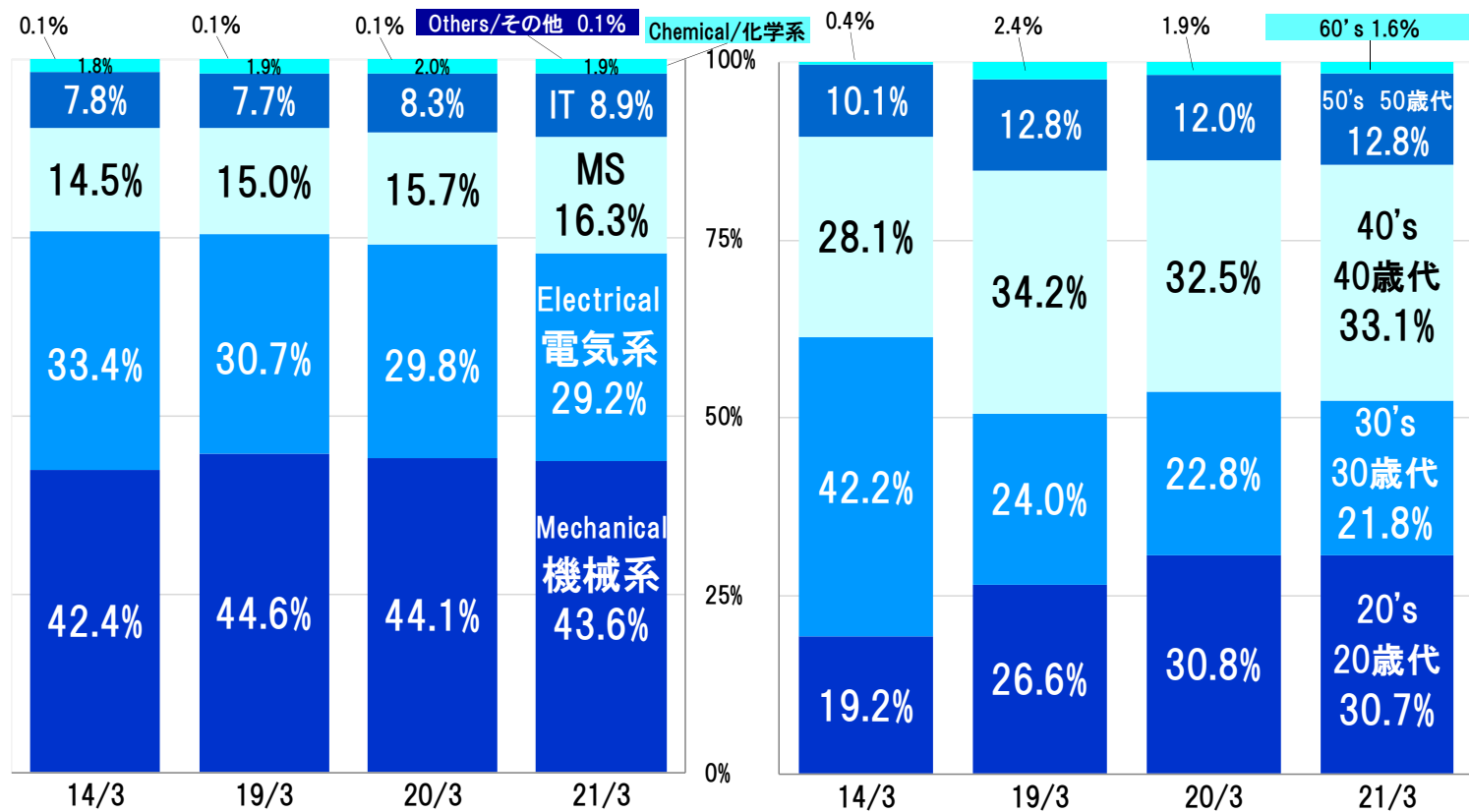
Millions of Yen

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



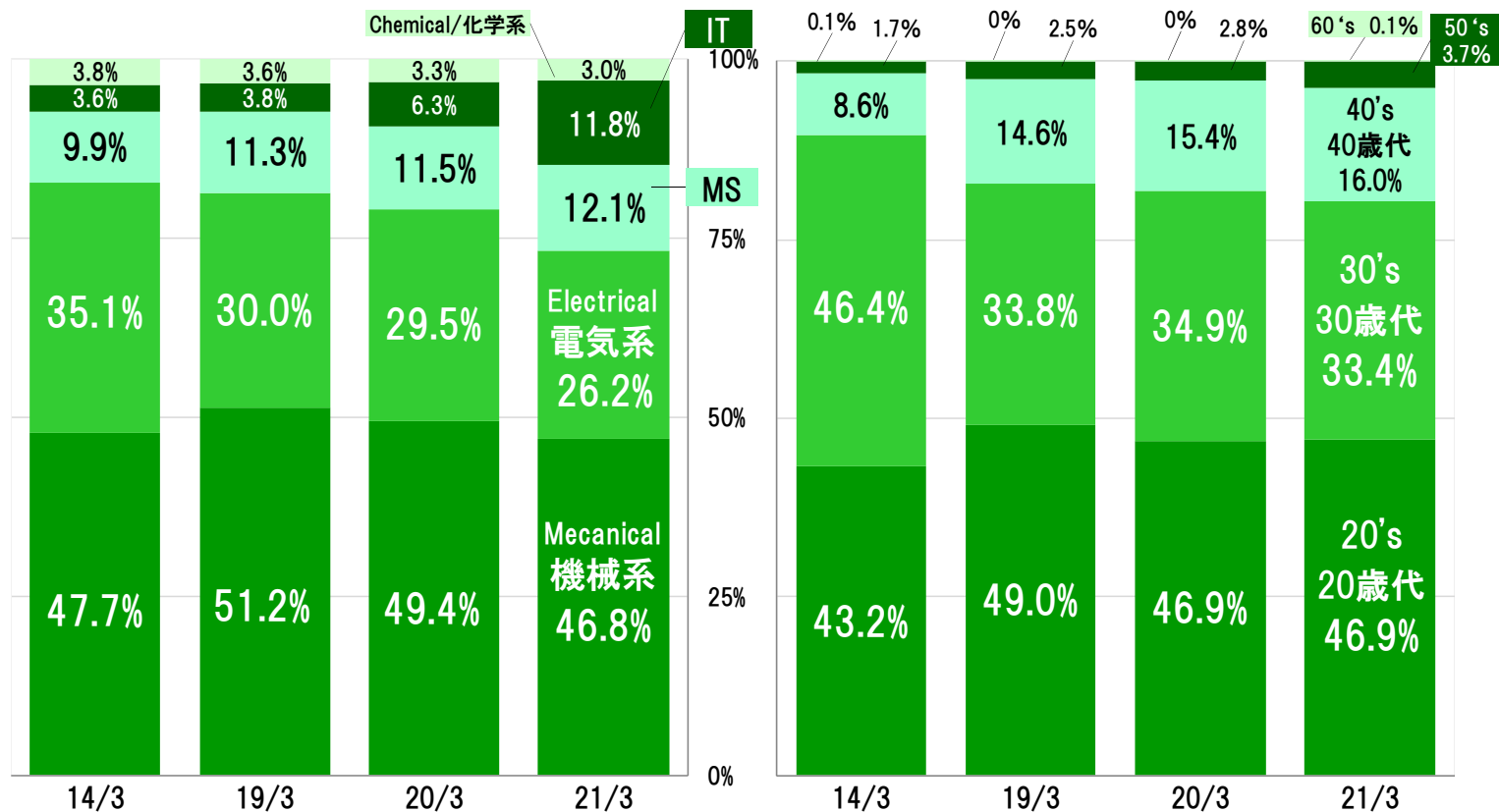
MS: Micro Computer System

37

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

38

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)

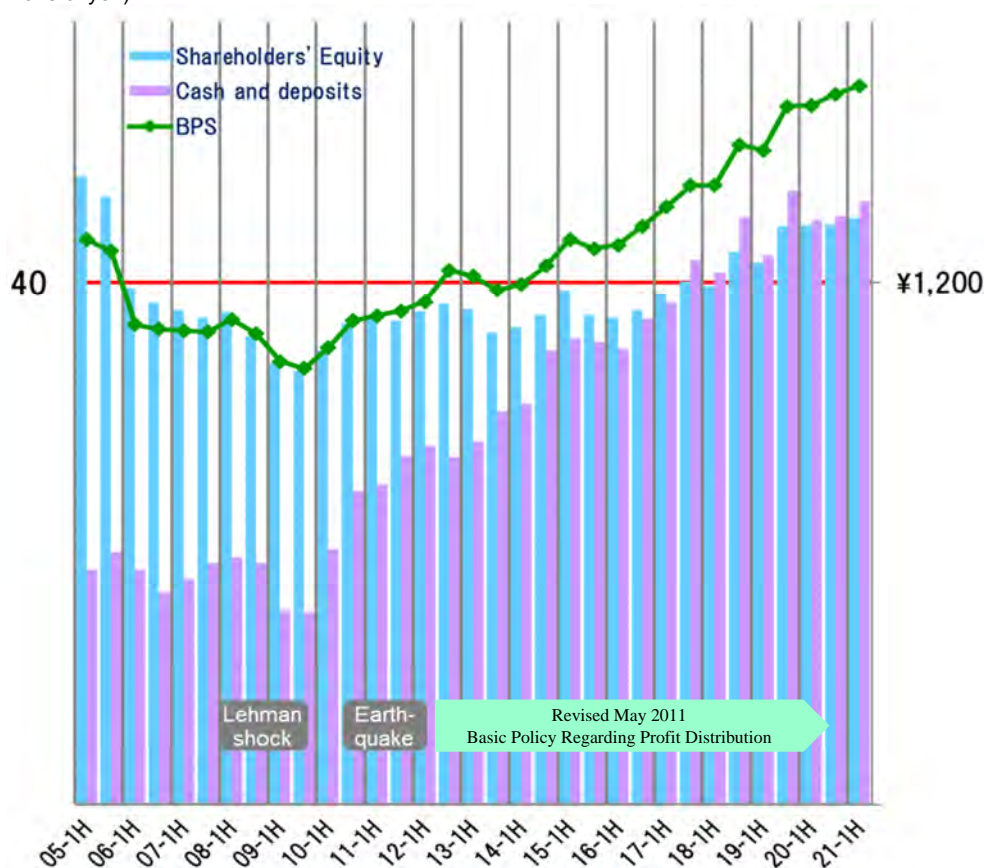
(Millions of Yen)	2010-2Q	2011-2Q	2012-2Q	2013-2Q	2014-2Q	2015-2Q	2016-2Q	2017-2Q	2018-2Q	2019-2Q	2020-2Q	2021-2Q
Net sales	215	283	368	447	536	639	758	818	894	867	665	732
Cost of sales												
Cost of sales to Net sales												
Gross profit	215	283	368	447	536	639	758	818	894	867	665	732
Selling, 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
Total current assets	32,210	37,128	40,935	42,090	46,427	52,071	52,568	55,645	55,348	57,148	59,437	62,260
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
Total non-current assets	18,600	17,494	16,215	15,799	12,393	12,271	11,183	11,743	14,168	14,408	14,525	13,897
Total assets	50,811	54,623	57,150	57,890	58,821	64,343	63,752	67,389	69,516	71,556	73,962	76,158
Total current liabilities	7,488	8,409	9,760	9,642	11,351	12,850	12,923	14,119	14,929	14,468	13,533	14,702
Total non-current liabilities	8,271	8,890	9,496	10,256	10,857	12,046	13,555	14,133	14,826	15,540	16,021	16,447
Total liabilities	15,760	17,299	19,257	19,898	22,209	24,897	26,478	28,252	29,755	30,009	29,555	31,150
Total shareholders' equity	35,716	38,146	38,744	38,816	38,401	41,387	39,570	41,118	41,575	43,219	45,900	46,303
Other net assets	(666)	(822)	(851)	(824)	(1,789)	(1,941)	(2,296)	(1,981)	(1,813)	(1,672)	(1,492)	(1,295)
Total net assets	35,050	37,324	37,893	37,991	36,612	39,445	37,273	39,136	39,761	41,547	44,407	45,008

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

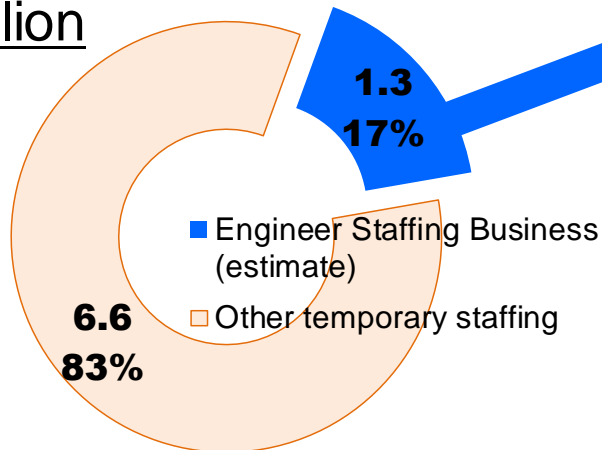
Shareholders by Business Segments

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%
Total	4,395	100.0%	28,600,000	100.0%

46

Annual sales of the Temporary Staffing Market (FY2019)

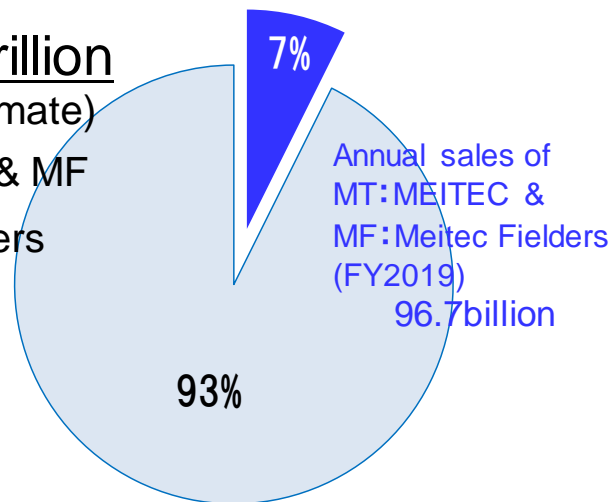
7.9trillion



Engineer Staffing Business (estimate)

1.3trillion (estimate)

- MT & MF
- Others



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.

47

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	Policy of composition
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 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)

48

Engineering Firm at The Core

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

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

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



Engineering Firm

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

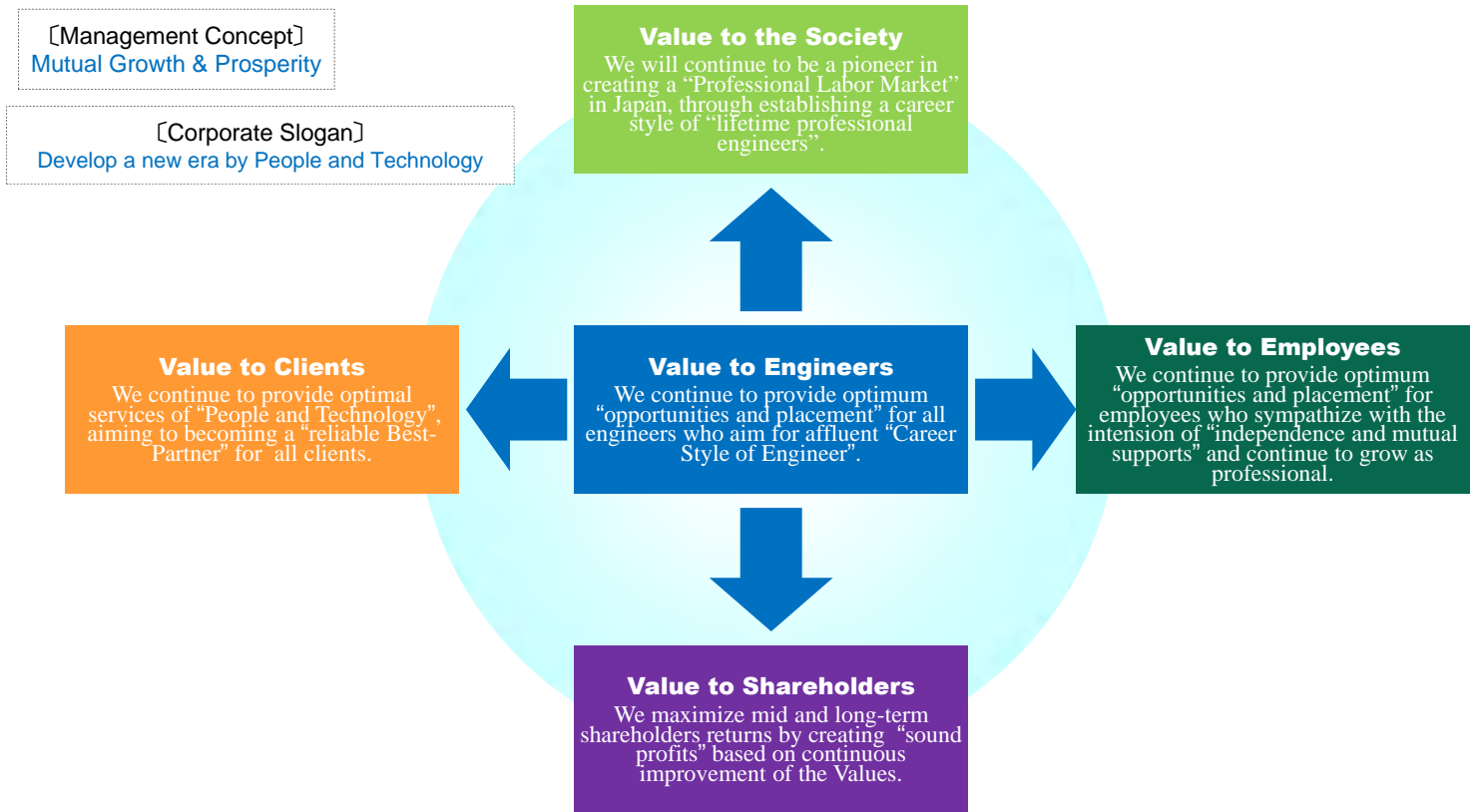
The Core

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

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

“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	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.		
ROE	25% or more			

54

Tokyo Headquarters	Taito-ku, Tokyo
Nagoya Headquarters	Nishi-ku Nagoya
Stock listings	Tokyo Stock Exchange, 1st Section (No. 9744)
Incorporated	July 17, 1974
C l i e n t s	Approximately 1,200 blue-chip companies, mostly listed in the first and second sections of Tokyo Stock Exchange
B r a n c h e s	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