

Daiwa Investment Conference Tokyo 2021

February 26, 2021

MEITEC CORPORATION

President and CEO, COO

MEITEC Group CEO

Hideyo Kokubun

Disclaimer regarding forward-looking statements

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

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

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

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

Hideyo Kokubun
President CEO, COO
MEITEC Group CEO

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Engineering Firm at The Core

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

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

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

Engineering Firm

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

The Core

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

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

Top 10 Clients by Sales (Meitec)

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

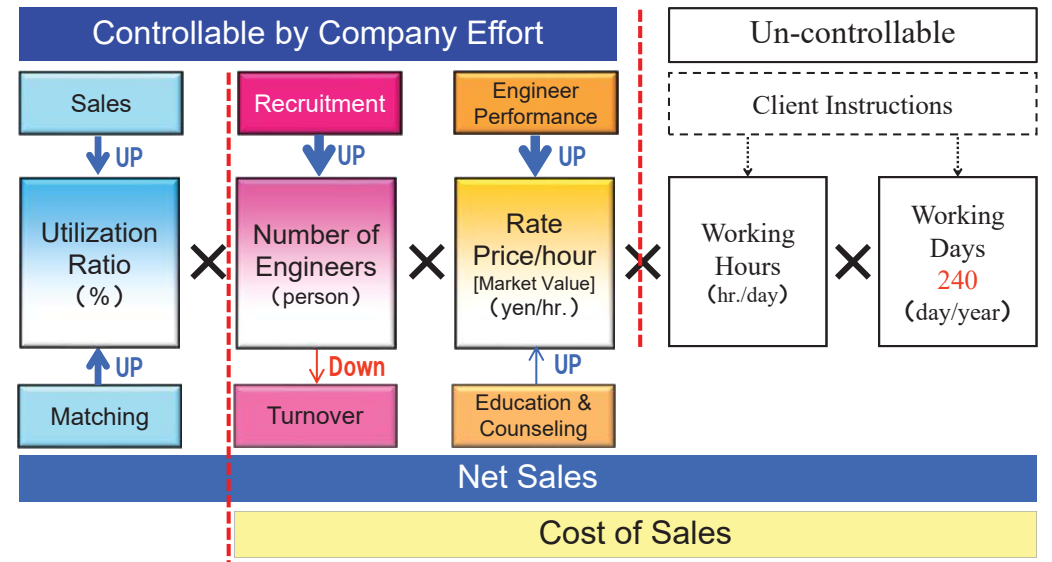
(Millions of yen)

2nd Q FY2015	2nd Q FY2019		2nd Q FY2020			
1 Canon	1 Mitsubishi Heavy Industries	1 Mitsubishi Heavy Industries	1 Mitsubishi Heavy Industries	1 Mitsubishi Heavy Industries		
2 Mitsubishi Heavy Industries	2 Denso	2 Denso	2 Denso	2 Denso		
3 Denso	3 Sony Semiconductor Solutions	3 Sony Semiconductor Solutions	3 Sony Semiconductor Solutions	3 Sony Semiconductor Solutions		
4 Panasonic	4 Panasonic	4 Panasonic	4 Panasonic	4 Panasonic		
5 Nikon	5 Toyota Motor	5 Nikon	5 Nikon	5 Nikon		
6 Kawasaki Heavy Industries	6 Nikon	6 Toyota Motor	6 Toyota Motor	6 Toyota Motor		
7 Omron	7 Canon	7 Denso Ten	7 Denso Ten	7 Denso Ten		
8 Sony	8 Denso Ten	8 Subaru	8 Subaru	8 Subaru		
9 Mitsubishi Aircraft	9 Nippon Steel	9 Hitachi High-Tech	9 Hitachi High-Tech	9 Hitachi High-Tech		
10 Toyota Motor	10 Olympus	10 Nippon Steel	10 Nippon Steel	10 Nippon Steel		
Top 10 Total	8,517	25.7%	8,649	23.4%	8,321	23.9%
Top 20 Total	11,854	35.8%	12,740	34.5%	11,939	34.3%
Others	21,276	64.2%	24,236	65.5%	22,907	65.7%
Total	33,130	100.0%	36,976	100.0%	34,846	100.0%

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Sales and Cost (Dispatch-type)

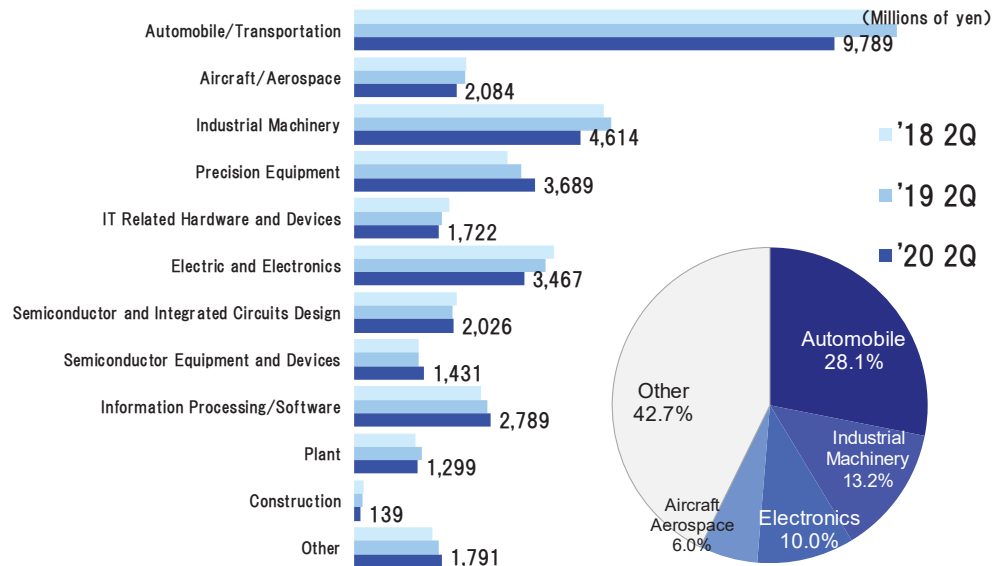
- Increasing the number of engineers and sustaining and improving the high "utilization ratio and prices" are the key to a growth.



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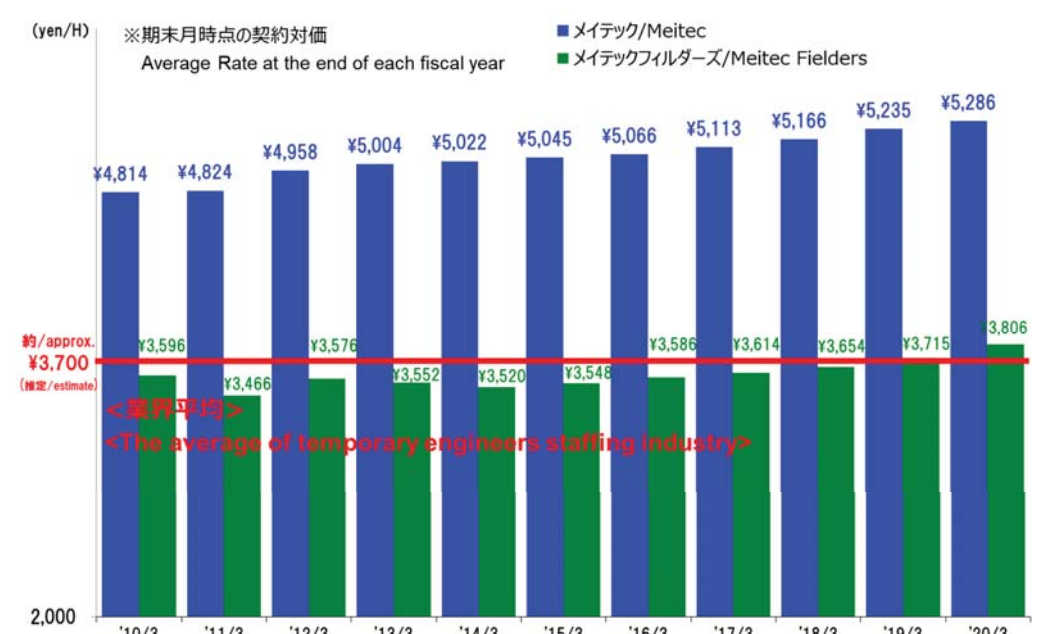
Sales by the Industrial Segments (Meitec)

- Due to confidentiality reasons we refrain from disclosing the breakdown and outlook for specific clients (individual companies) (figures are stated in Reference Materials)



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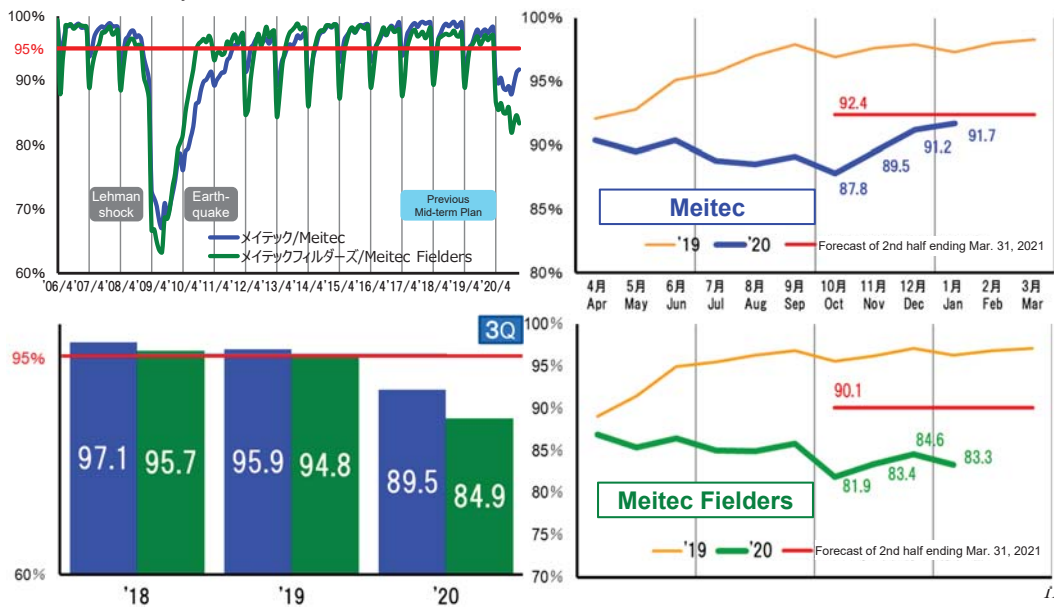
Trend in Average Rate = (Market Value)



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Utilization Ratio

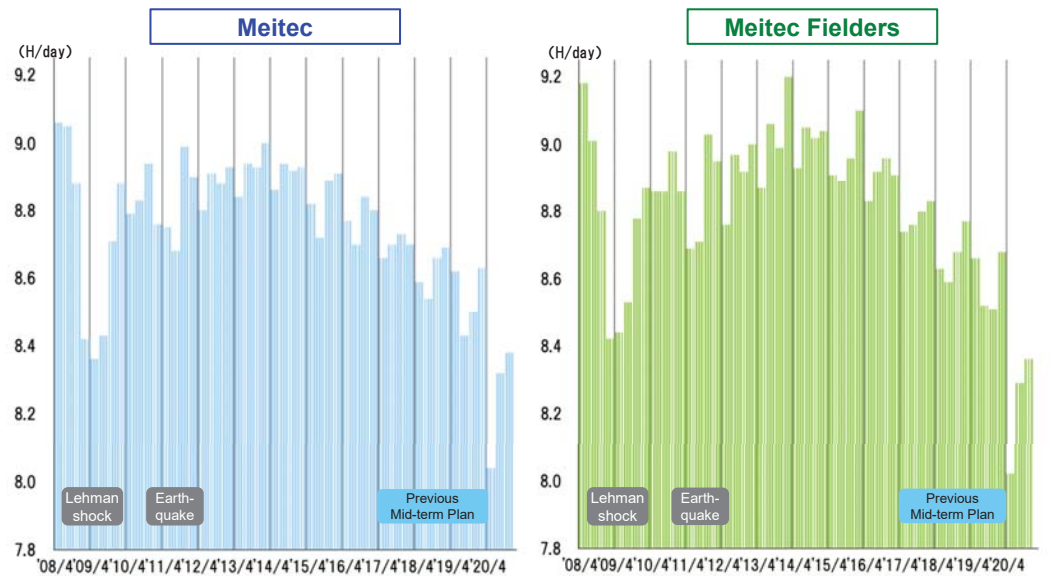
✓ Utilization ratio fell ⇒ Due to the fact that the assignment of new employees was delayed much more than normal years, as well as the harsh order environment.



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Working Hours

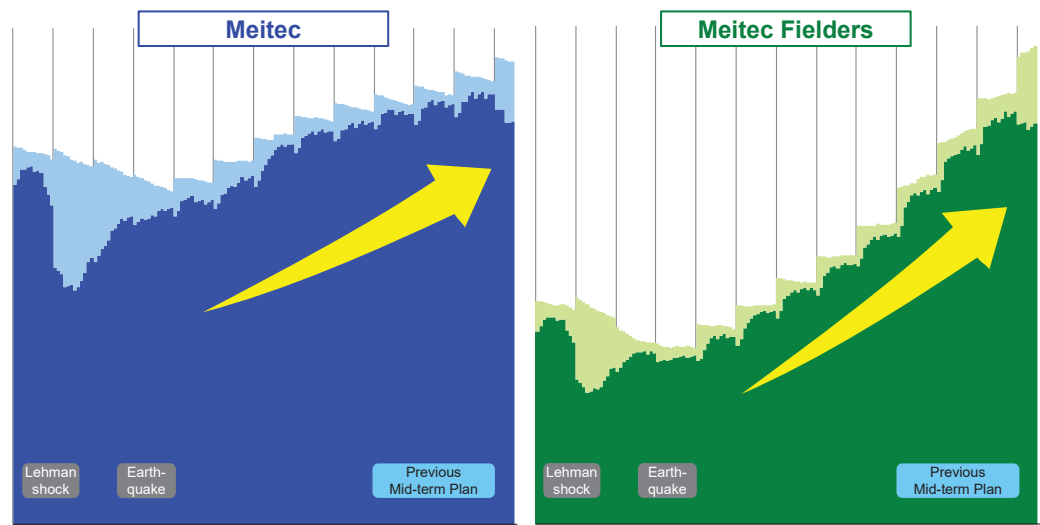
✓ Working hours decreased ⇒ Due to the fact that with requests for refraining from going out at night, clients' reduction of overtime hours was enhanced.



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

✓ Active hiring before the spread of infections led to an increase in the number of engineers and a drop in utilization ratio resulted in a lower number of engineers assigned to clients.

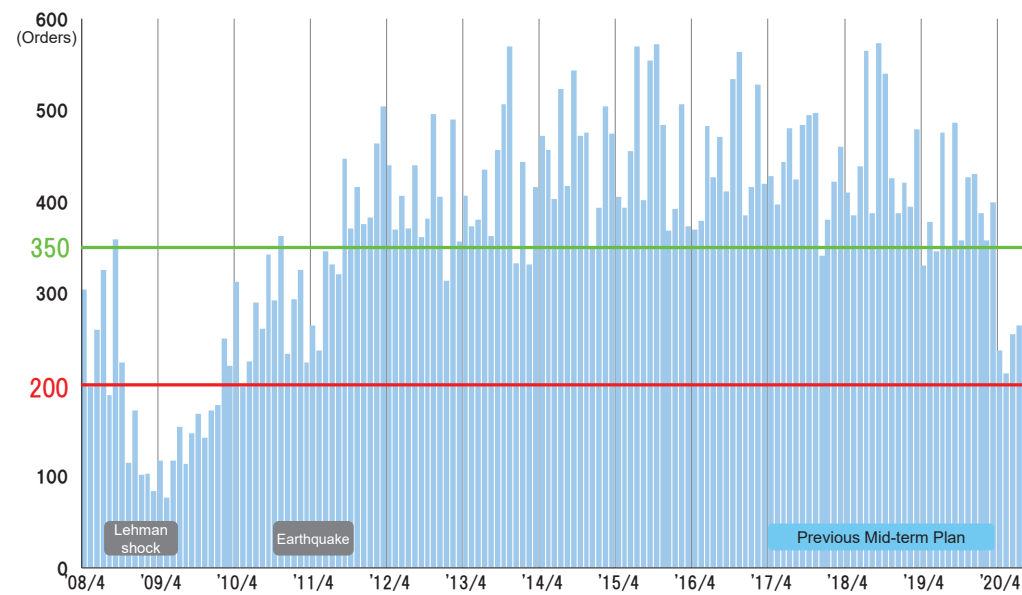


■ 未稼働エンジニア/Unassigned ■ 稼働エンジニア/Number of engineers assigned to the clients ■ 未稼働エンジニア/Unassigned ■ 稼働エンジニア/Number of engineers assigned to the clients

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Trend in New Orders by Month (Meitec)

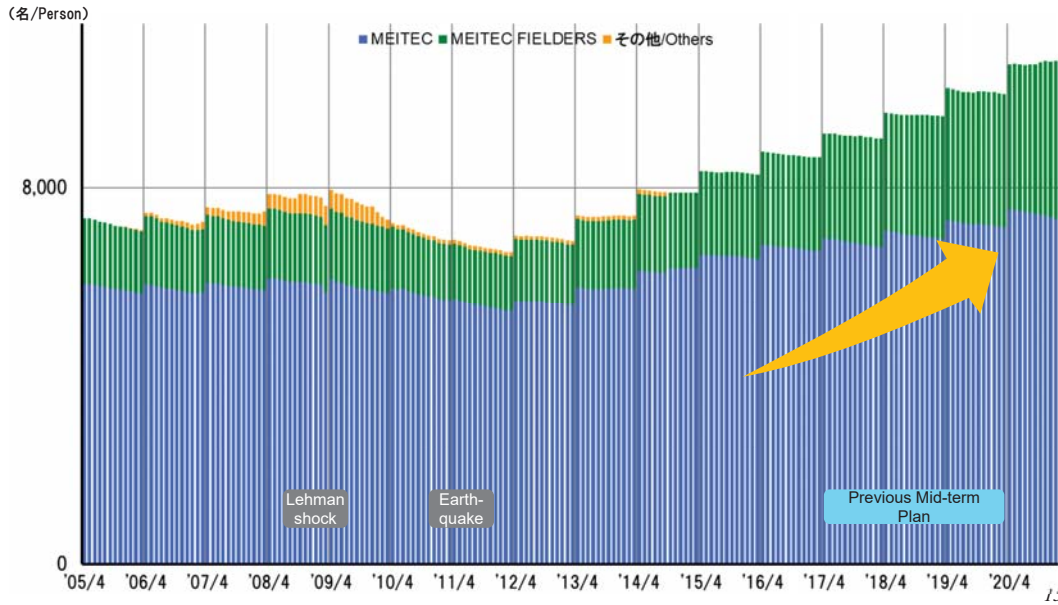
✓ New orders at Meitec decreased as a result of deterioration of the economic climate due to the spread of the infection.



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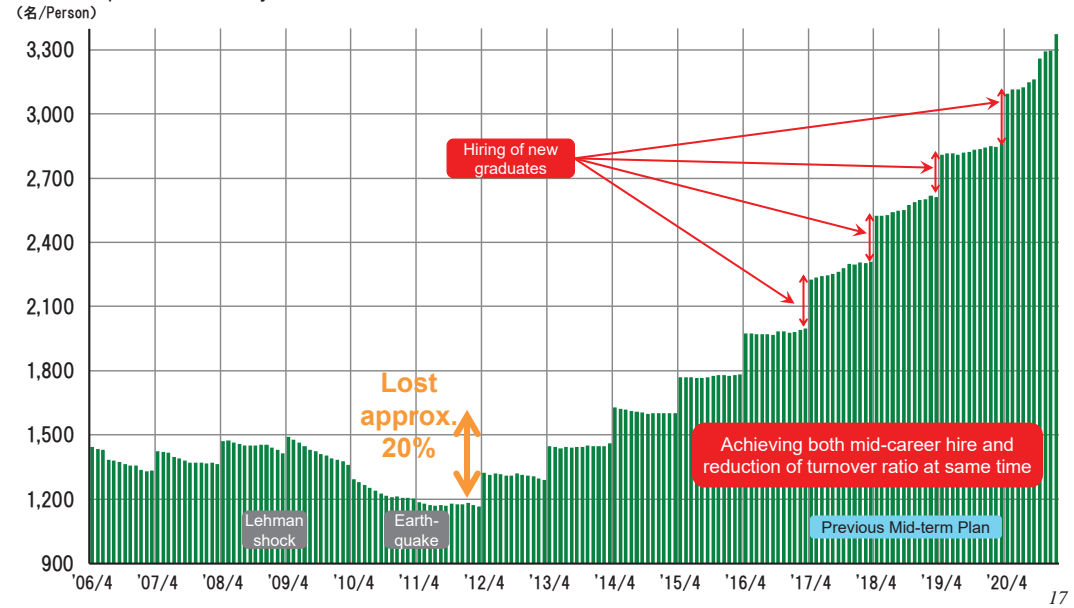
Number of Engineers (Group Consolidated)

✓ The number of engineers as of January 31, 2021 was 10,702, an increase of 661 engineers, or 6.6%, compared to January 31, 2020.



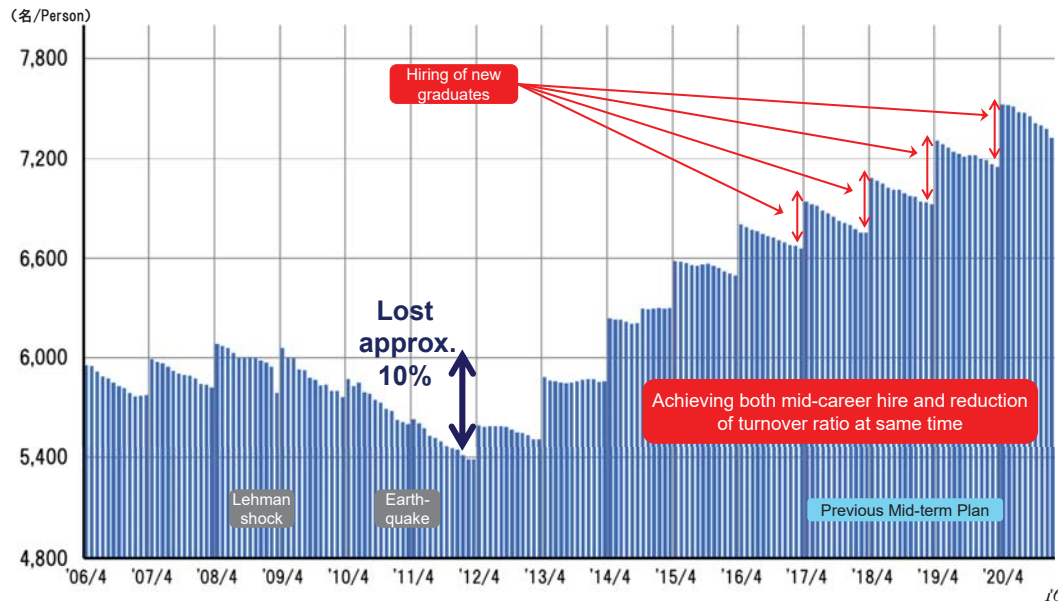
Number of Engineers (Meitec Fielders)

✓ The number of engineers as of January 31, 2021 was 3,374, an increase of 524 engineers, or 18.4%, compared to January 31, 2020.



Number of Engineers (Meitec)

✓ The number of engineers as of January 31, 2021 was 7,328, an increase of 137 engineers, or 1.9%, compared to January 31, 2020.



Hiring Target for the Fiscal Year Ending March 31, 2021

Mid-career (FY 2021/3)

- Overall recruitment needs have weakened, despite no end in sight to corporate demand for hiring DX personnel and other engineers with immediate working capabilities, and the hiring environment is expected to remain challenging.
- ✓ We will continue hiring activities maintaining our hiring standards.
- ✓ As a result of appealing to applicants by the fact that our business continually generates lifetime professional engineers and trying harder to attract more applicants, we are overall on track to achieve our internal goals at a higher level than ever.

New Graduates (Joined April 2021)

- Although companies' willingness to hire new graduates has weakened due to the COVID-19 crisis, the needs to hire science students have not diminished yet.
- ✓ The number of prospective employees as of October 1 exceeded the initial forecast.
- ✓ The main reason for this is that the switch to online interviews was made at an early stage in order to dispel students' fears regarding the spread of infections.

(person)	Fiscal Year Ending March 31, 2021					Fiscal Year Ending March 31, 2022	
	New Graduates April 2020 (Actual)	Mid-career In-house target	Comparison to Initial Forecast	Total In-house target	Comparison to Initial Forecast	New Graduates April 2021 (Prospective Number as of Oct. 2020)	Comparison to Initial Forecast
Meitec	399	225	+5	624	+5	484	+34
Meitec Fielders	217	675	—	892	—	305	+5
Total	616	900	+5	1,516	+5	789	+39
Comparison to previous year	—	+383		+383			

New Mid-term Management Plan [3 years]



Disclaimer regarding the description of the medium-term management plan

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

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Commitment for solving social issues (SDGs)



Engineering Firm at The Core

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

Environment	Social	Governance
<p>9 INDUSTRY, INNOVATION AND INFRASTRUCTURE</p> <ul style="list-style-type: none"> Contribute to solving environmental, energy, etc. issues by promoting technological innovation Contribute to the industry and economic growth by promoting technological innovation and innovation 	<p>8 DECENT WORK AND ECONOMIC GROWTH</p> <p>Contribute to sustainable economic growth through creating a Professional Labor Market</p>	<p>4 QUALITY EDUCATION</p> <p>Promote higher technical education and lifelong learning</p> <p>5 GENDER EQUALITY</p> <p>Provide fair “opportunities and placement” regardless of nationality, gender or age</p> <p>16 PEACE, JUSTICE AND STRONG INSTITUTIONS</p> <p>Ensure full compliance with the Employee Code of Conduct in the Group’s Basic Policy Regarding Corporate Governance</p>

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New Mid-term Management Plan

The Transformation

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

The Transformation

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

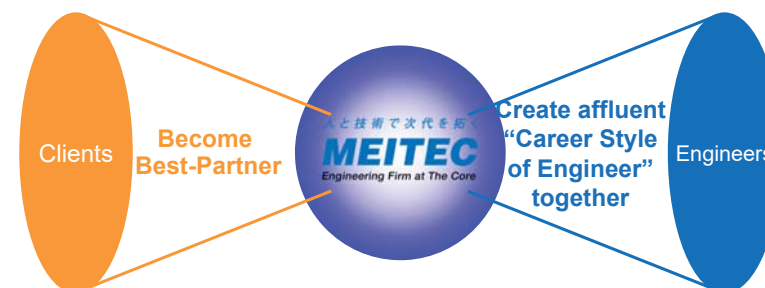
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Purpose to pursued

The Transformation

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

“increase the level of satisfaction”



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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	<p>Page19 : Disclaimer regarding the description of the medium-term management plan</p> <p>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.</p>		
ROE	25% or more			

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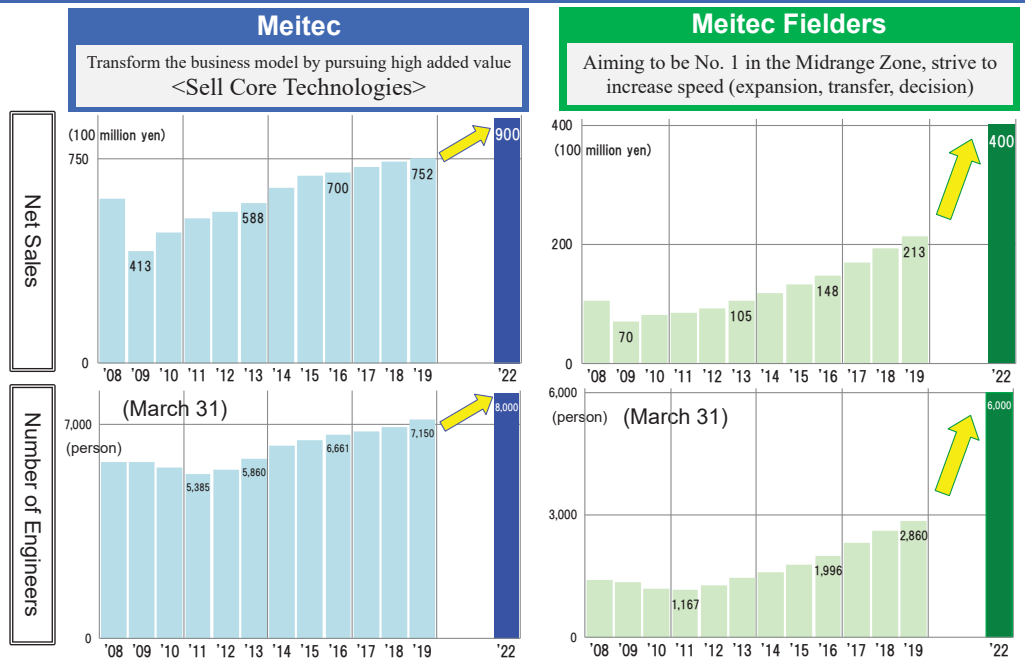
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Basic policy and priority measures

Transform the business model by pursuing high added value as a unified group					
Basic Policy	Sales Expansion		Improving Profit Margin		
	Profit Enhancement				
Priority measures	<p>✓ Providing the Prime engineering solutions</p> <p>Directly under the control of top management the Prime engineering solutions of</p> <ul style="list-style-type: none"> *Create a group of engineers *Build a technical sales team 	<p>✓ Greatly increase digitization of design and development</p> <p>*Accelerate Quantitative expansion and digitization and transition to growth areas</p> <p>*Innovate systems and standards to make swift decisions</p>	<p>✓ Transfer authority to region (area/block)</p>	<p>✓ Improve efficiency by promoting standerzation of operations</p> <p>*Redefine operational requirements</p> <p>*Promoting digitization</p>	

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Performance goals



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Results for the 3rd Quarter of the Fiscal Year Ending March 31, 2021 (Group Consolidated)



- ✓ Net sales fell 4.9% year on year ⇒ Due to the effect of lower utilization ratio and shorter working hours as a result of the pandemic deteriorating the economic climate.
- ✓ Operating profit fell 23.5% YoY ⇒ Because the decline in net sales could not be offset by lower labor costs chiefly caused by shorter working hours and lower SG&A expenses.

(Fractions of one million yen are rounded down)	3Q ended Dec. 31, 2019	3Q ended Dec. 31, 2020	YoY Amount	% Change	Full-year Forecasts	% Change
Net sales	75,149	71,487	(3,661)	(4.9%)	97,500	73.3%
Cost of sales	54,709	53,460	(1,249)	(2.3%)	72,700	
Cost of sales to Net sales	72.8%	74.8%	+2.0%			
SG&A Expenses	10,572	10,480	(91)	(0.9%)	14,900	
Operating profit	9,867	7,546	(2,320)	(23.5%)	9,900	76.2%
Operating profit margins	13.1%	10.6%	(2.6%)		10.2%	
Ordinary profit	9,900	7,598	(2,302)	(23.3%)	10,000	76.0%
Extraordinary income & loss	(2)	(4)	(1)			
Profit before income taxes	9,898	7,593	(2,304)	(23.3%)		
Profit attributable to owners of parent	6,702	5,016	(1,686)	(25.2%)	6,600	76.0%
Profit margins	8.9%	7.0%	(1.9%)			

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Results for the 3rd Quarter of the Fiscal Year Ending March 31, 2021 (Meitec Fielders)



- ✓ Net sales fell 1.3% year on year ⇒ Because the impact of the decline in net sales caused by the lower utilization ratio and shorter working hours was curbed by the increase in the number of engineers assigned to clients as a result of the increase in the number of engineers.
- ✓ Operating profit fell 44.2% YoY ⇒ Hiring expenses, etc. increased due to active hiring.

(Fractions of one million yen are rounded down)	3Q ended Dec. 31, 2019	3Q ended Dec. 31, 2020	YoY Amount	% Change	Full-year Forecasts	% Change
Net sales	15,926	15,717	(208)	(1.3%)	21,800	72.1%
Operating profit	1,604	895	(709)	(44.2%)	1,330	67.3%
Operating profit margins	10.1%	5.7%	(4.4%)		6.1%	
Ordinary profit	1,605	894	(711)	(44.3%)	1,330	67.2%
Profit	1,111	612	(498)	(44.9%)	880	69.5%
Utilization ratio (Company-wide)	94.8%	84.9%	(9.9%)		88.1%	
Working Hours<h/day>	8.56	8.22	(0.34)	(4.0%)	8.27	
Number of Engineers	2,844	3,296	+452	+15.9%		

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Results for the 3rd Quarter of the Fiscal Year Ending March 31, 2021 (Meitec)



- ✓ Net sales fell 5.5% year on year ⇒ Due to the effect of lower utilization ratio and shorter working hours as a result of the pandemic deteriorating the economic climate.
- ✓ Operating profit fell 18.7% YoY ⇒ Because the decline in net sales could not be offset by lower labor costs chiefly caused by shorter working hours and lower SG&A expenses.

(Fractions of one million yen are rounded down)	3Q ended Dec. 31, 2019	3Q ended Dec. 31, 2020	YoY Amount	% Change	Full-year Forecasts	% Change
Net sales	55,978	52,888	(3,089)	(5.5%)	71,600	73.9%
Operating profit	7,803	6,344	(1,458)	(18.7%)	8,100	78.3%
Operating profit margins	13.9%	12.0%	(1.9%)		11.3%	
Ordinary profit	8,706	7,288	(1,418)	(16.3%)	9,000	81.0%
Profit	6,149	5,103	(1,045)	(17.0%)	6,300	81.0%
Utilization ratio (Company-wide)	95.9%	89.5%	(6.4%)		91.0%	
Working Hours<h/day>	8.51	8.24	(0.27)	(3.2%)	8.31	
Number of Engineers	7,201	7,379	+178	+2.5%		

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Results for the 3rd Quarter of the Fiscal Year Ending March 31, 2021 (Group Overview)



- ✓ Both sales and profit declined YoY for Meitec Next. ⇒ A decrease in the number of job placements.

(Millions of yen)	Engineering Solutions Business				Recruiting & Placement Business for Engineers
	Meitec	Meitec Fielders	Meitec Cast	Meitec EX	Meitec Next
Net sales	52,888	15,717	2,158	127	902
YoY Amount	(3,089)	(208)	+8	+40	(360)
% Change	(5.5%)	(1.3%)	+0.4%	+46.6%	(28.6%)
Operating profit	6,344	895	165	(15)	187
YoY Amount	(1,458)	(709)	+31	(7)	(153)
% Change	(18.7%)	(44.2%)	+23.6%	—	(45.0%)
Ordinary profit	7,288	894	175	(15)	187
Profit	5,103	612	119	(15)	128

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Basic Policy Regarding Profit Distribution

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

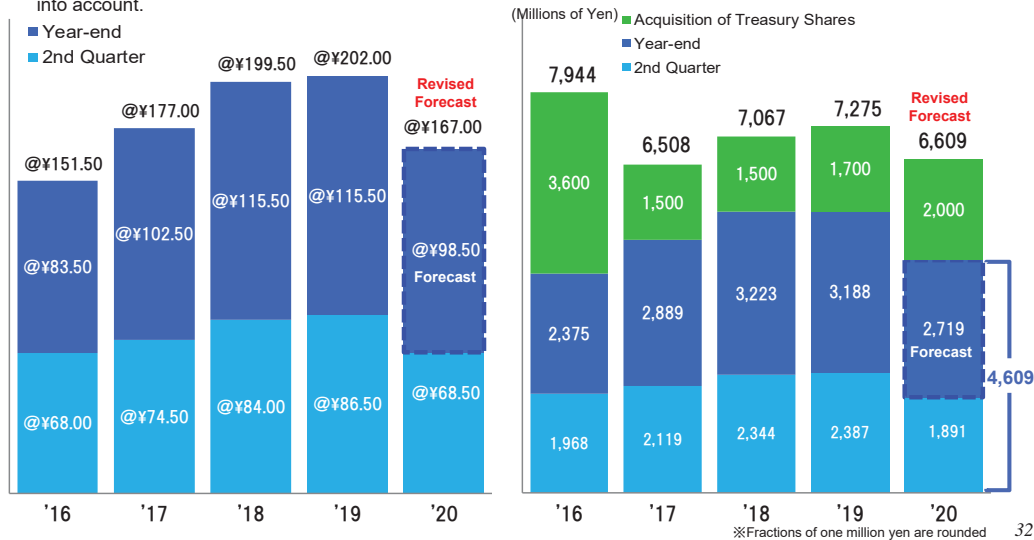
Revised Nov. 2018 Revised May 2017 Revised May 2011 Profit distribution policy	1. Enhance “quality and quantity” of the shareholders’ equity 2. Balance of funds exceeds the funds necessary for business operations* (*3 months consolidated net sales)	
	Total Return Ratio : Basically within 100%	
Dividend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

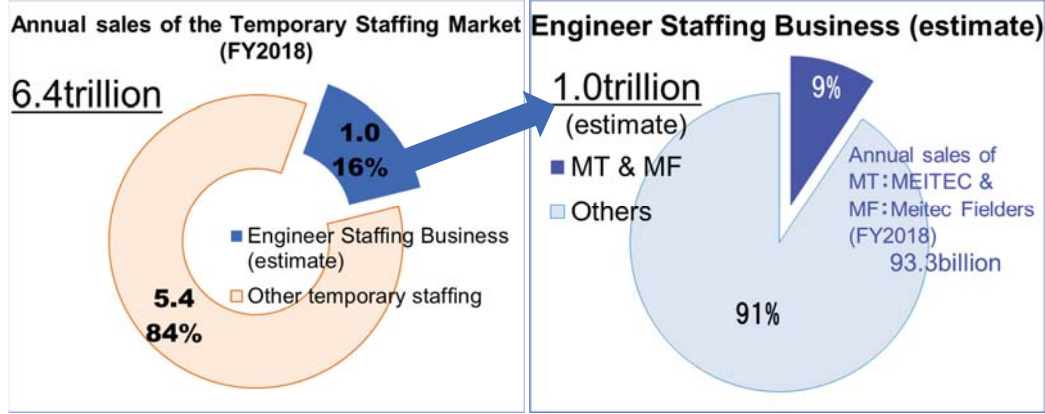
Reference Materials

Results and Forecast of Profit Distribution

- ✓ The annual total return ratio is 100%, up 20% year on year, as announced in May of this year.
- ✓ However, the previously announced breakdown of 6:4 (dividends and purchase of treasury shares) has been changed to 7:3 as a result of the following considerations:
 - Although the Company has not yet purchased treasury shares, there is a strong demand from investors; profit is expected to decrease by about 30% YoY; a reduction in the level of dividends linked to business performance is taken into account.



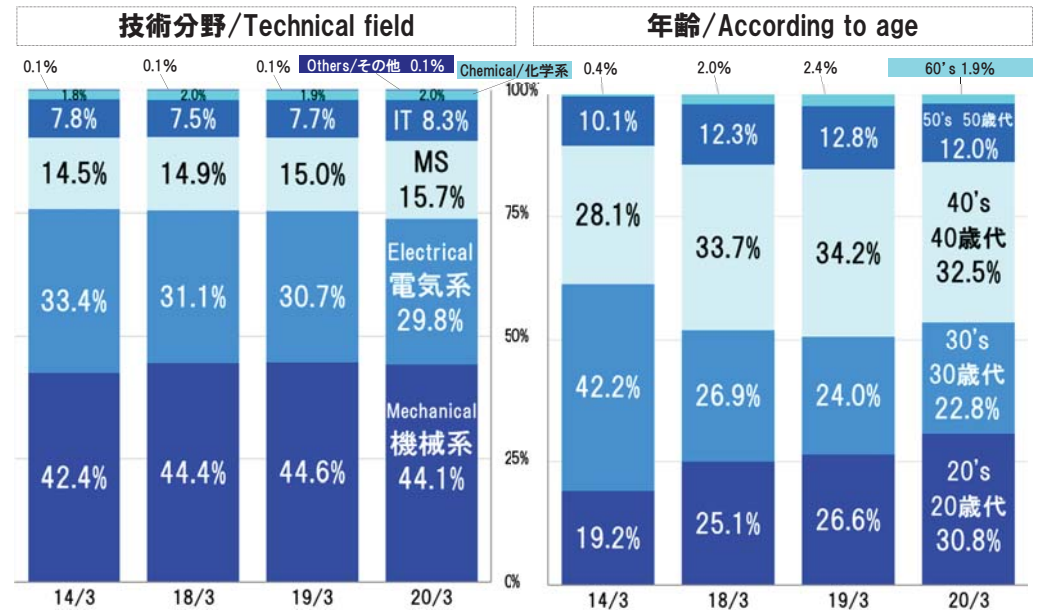
Market of Engineer Staffing Business (estimate)



March-2020		Engineer Staffing (estimate)
Meitec	Meitec Fielders	
¥5,286	¥3,806	approx.¥3,700

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

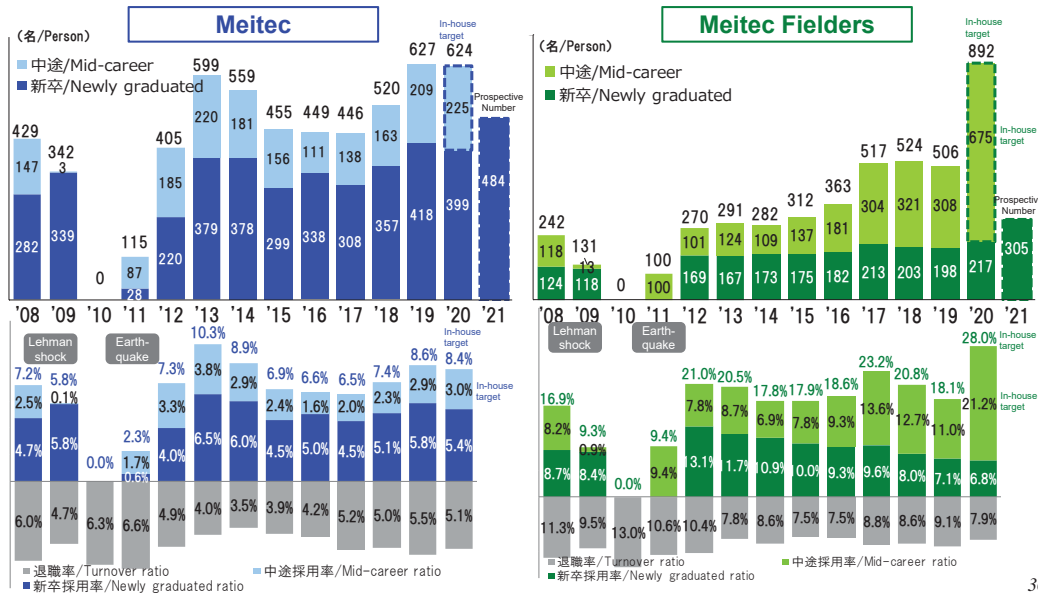
Distribution of Engineers by Technical Fields and Age (Meitec)



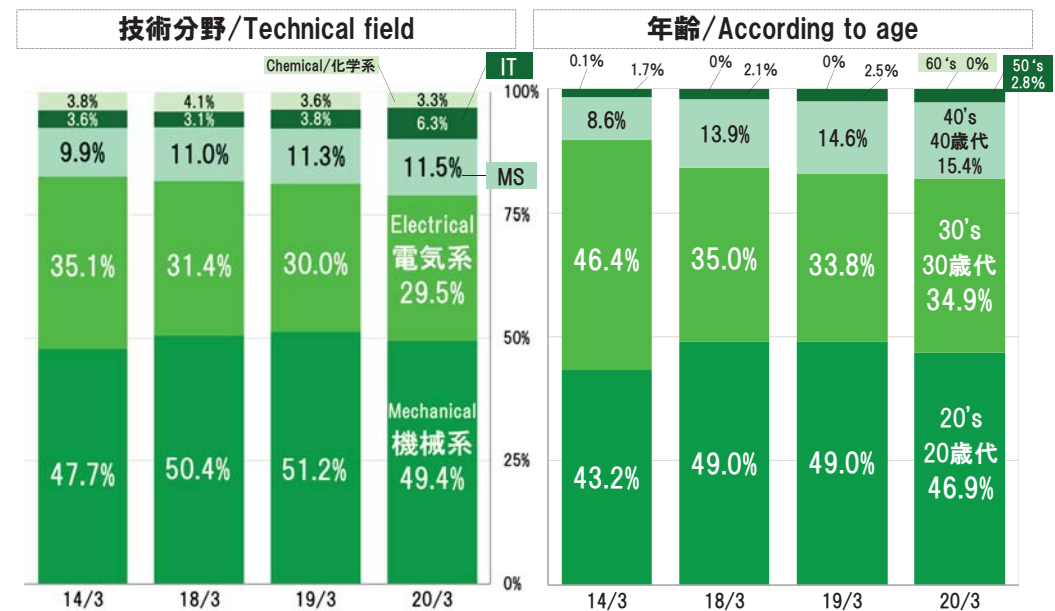
MS: Micro Computer System

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 2021.



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



MS: Micro Computer System

Trend of Performances (Group Consolidated)

Re-posted MEITEC
Engineering Firm of The Core

(Millions of Yen)	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Net sales	83,223	82,229	82,102	79,898	53,776	61,790	66,955	70,330	74,906	82,136	87,888	89,979	93,618	97,736	100,995
Cost of sales	56,685	57,701	57,777	57,177	46,765	48,832	49,875	51,639	55,370	60,481	64,661	66,417	69,250	71,701	73,823
Cost of sales to Net sales	68.1%	70.2%	70.4%	71.6%	87.0%	79.0%	74.5%	73.4%	73.9%	73.6%	73.6%	73.8%	74.0%	73.4%	73.1%
Gross profit	26,538	24,528	24,324	22,720	7,010	12,957	17,079	18,691	19,536	21,654	23,227	23,561	24,368	26,035	27,171
Selling, general and administrative expenses	14,053	12,946	12,959	13,439	11,939	10,337	11,629	12,337	12,556	12,114	12,352	12,418	12,910	13,399	14,245
SG&A expenses to Net sales	16.9%	15.7%	15.8%	16.8%	22.2%	16.7%	17.4%	17.5%	16.8%	14.7%	14.1%	13.8%	13.8%	13.7%	14.1%
Operating profit	12,485	11,581	11,365	9,280	(4,928)	2,620	5,450	6,354	6,979	9,540	10,874	11,142	11,458	12,635	12,926
Operating profit margins	15.0%	14.1%	13.8%	11.6%	(9.2%)	4.2%	8.1%	9.0%	9.3%	11.6%	12.4%	12.4%	12.2%	12.9%	12.8%
Non-operating income	137	74	84	87	4,729	2,146	114	97	50	113	29	20	19	15	55
Non-operating expenses	59	169	115	107	77	178	32	24	51	10	58	17	11	7	6
Ordinary profit	12,562	11,487	11,334	9,260	(276)	4,588	5,531	6,427	6,978	9,643	10,845	11,145	11,465	12,643	12,975
Ordinary profit margins	15.1%	14.0%	13.8%	11.6%	(0.5%)	7.4%	8.3%	9.1%	9.3%	11.7%	12.3%	12.4%	12.2%	12.9%	12.8%
Extraordinary income	538	5	6	13	32	378	—	58	—	20	1,084	31	337	26	—
Extraordinary loss	2,235	5,092	1,826	1,094	130	234	4	215	146	3,621	65	45	262	18	3
Profit before income taxes	10,866	6,400	9,514	8,178	(374)	4,732	5,526	6,270	6,832	6,041	11,865	11,131	11,541	12,651	12,971
Total income taxes and others	5,563	6,105	4,556	3,875	530	1,041	2,699	277	2,858	2,381	3,781	3,193	3,409	3,822	3,878
Profit attributable to owners of parent	5,302	295	4,958	4,303	(904)	3,690	2,827	5,993	3,973	3,659	8,083	7,937	8,132	8,829	9,093
Profit margins	6.4%	0.4%	6.0%	5.4%	(1.7%)	6.0%	4.2%	8.5%	5.3%	4.5%	9.2%	8.8%	8.7%	9.0%	9.0%

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Trend of Performances (Meitec)

Re-posted MEITEC
Engineering Firm of The Core

(Millions of Yen)	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Net sales	61,425	61,795	62,956	60,457	41,319	48,260	53,188	55,822	58,876	64,675	68,878	70,083	72,252	74,036	75,297
Cost of sales	42,380	43,134	43,875	43,109	36,074	38,777	39,987	41,240	43,742	47,857	50,884	52,013	53,861	54,620	55,138
Cost of sales to Net sales	69.0%	69.8%	69.7%	71.3%	87.3%	80.4%	75.2%	73.9%	74.3%	74.0%	73.9%	74.2%	74.5%	73.8%	73.2%
Gross profit	19,045	18,660	19,081	17,348	5,245	9,482	13,200	14,582	15,134	16,817	17,994	18,069	18,391	19,416	20,159
Selling, general and administrative expenses	7,913	8,039	8,620	8,540	8,210	7,758	8,587	9,179	9,382	8,891	8,932	8,856	9,048	9,258	9,776
SG&A expenses to Net sales	12.9%	13.0%	13.7%	14.1%	19.9%	16.1%	16.1%	16.4%	15.9%	13.7%	13.0%	12.6%	12.5%	12.5%	13.0%
Operating profit	11,131	10,621	10,460	8,807	(2,964)	1,724	4,613	5,402	5,751	7,925	9,061	9,213	9,342	10,157	10,382
Operating profit margins	18.1%	17.2%	16.6%	14.6%	(7.2%)	3.6%	8.7%	9.7%	9.8%	12.3%	13.2%	13.1%	12.9%	13.7%	13.8%
Non-operating income	458	4,988	356	564	3,840	1,976	389	314	426	523	517	601	769	769	913
Non-operating expenses	33	109	48	76	53	150	14	19	426	10	52	16	6	6	5
Ordinary interests in income	11,556	15,500	10,768	9,294	822	3,550	4,988	5,698	6,149	8,438	9,526	9,798	10,105	10,921	11,290
Ordinary profit margins	18.8%	25.1%	17.1%	15.4%	2.0%	7.4%	9.4%	10.2%	10.4%	13.0%	13.8%	14.0%	14.0%	14.8%	15.0%
Extraordinary income	102	5	3	7	2	3	—	462	—	324	1,088	200	364	16	—
Extraordinary loss	132	10,202	2,084	2,912	626	318	66	228	372	3,673	50	222	261	52	2
Profit before income taxes	11,526	5,304	8,687	6,389	197	3,236	4,921	5,932	5,776	5,089	10,563	9,776	10,208	10,885	11,287
Total income taxes	4,706	5,388	3,749	3,391	144	1,094	2,331	(124)	2,352	1,749	3,171	2,702	2,747	3,117	3,174
Profit	6,820	(83)	4,938	2,998	53	2,141	2,590	6,056	3,425	3,340	7,391	7,073	7,461	7,768	8,112
Profit margins	11.1%	(0.1%)	7.8%	5.0%	0.1%	4.4%	4.9%	10.8%	5.8%	5.2%	10.7%	10.1%	10.3%	10.5%	10.8%

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Trend of Performances (Meitec Fielders)

Re-posted MEITEC
Engineering Firm of The Core

(Millions of Yen)	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Net sales	10,382	10,748	10,747	10,582	7,050	8,175	8,510	9,349	10,587	11,911	13,327	14,865	16,981	19,336	21,383
Cost of sales	7,655	7,888	7,759	7,744	6,621	6,361	6,387	7,061	8,084	9,154	10,288	11,540	13,173	14,941	16,476
Cost of sales to Net sales	73.7%	73.4%	72.2%	73.2%	93.9%	77.8%	75.1%	75.5%	76.4%	76.9%	77.2%	77.6%	77.6%	77.3%	77.1%
Gross profit	2,727	2,859	2,987	2,837	429	1,814	2,122	2,287	2,502	2,757	3,039	3,325	3,808	4,394	4,906
Selling, general and administrative expenses	1,357	1,551	1,677	2,018	1,890	1,238	1,585	1,639	1,646	1,682	1,834	1,978	2,351	2,660	2,962
SG&A expenses to Net sales	13.1%	14.4%	15.6%	19.1%	26.8%	15.1%	18.6%	17.5%	15.5%	14.1%	13.8%	13.3%	13.8%	13.8%	13.9%
Operating profit	1,369	1,308	1,310	819	(1,461)	575	537	648	856	1,073	1,204	1,346	1,456	1,734	1,944
Operating profit margins	13.2%	12.2%	12.2%	7.7%	(20.7%)	7.0%	6.3%	6.9%	8.1%	9.0%	9.0%	9.1%	8.6%	9.0%	9.1%
Non-operating income	3	3	10	6	848	182	3	3	1	—	—	1	—	1	1
Non-operating expenses	—	1	1	—	5	1	—	—	15	—	—	1	4	—	—
Ordinary profit	1,373	1,310	1,319	825	(618)	757	540	651	841	1,074	1,205	1,346	1,452	1,735	1,945
Ordinary profit margins	13.2%	12.2%	12.3%	7.8%	(8.8%)	9.3%	6.3%	7.0%	7.9%	9.0%	9.0%	9.1%	8.6%	9.0%	9.1%
Extraordinary income	6	—	—	—	—	1	—	—	—	—	—	—	1	—	—
Extraordinary loss	3	4	5	13	2	1	—	—	5	7	—	—	—	—	—
Profit before income taxes	1,376	1,306	1,314	811	(620)	756	540	651	841	1,068	1,198	1,346	1,453	1,735	1,945
Total income taxes	560	537	544	344	313	(187)	264	272	358	420	412	301	422	444	484
Profit	816	768	769	467	(933)	943	275	378	483	648	786	1,045	1,031	1,291	1,461
Profit margins	7.9%	7.1%	7.2%	4.4%	(13.2%)	11.5%	3.2%	4.0%	4.6%	5.4%	5.9%	7.0%	6.1%	6.7%	6.8%

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Trend of Performances (Meitec Next)

Re-posted MEITEC
Engineering Firm of The Core

(Millions of Yen)	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Net sales		8	252	480	334	438	593	734	872	1,131	1,321	1,483	1,662	1,762	1,639
Cost of sales															
Cost of sales to Net sales															
Gross profit		8	252	480	334	438	593	734	872	1,131	1,321	1,483	1,662	1,762	1,639
Selling, general and administrative expenses		207	470	559	349	333	446	512	577	746	887	966	1,116	1,203	1,204
SG&A expenses to Net sales		2,587.5%	186.5%	116.5%	104.5%	76.0%	75.2%	69.8%	66.2%	66.0%	67.1%	65.1%	67.2%	68.2%	73.5%
Operating profit		(198)	(217)	(78)	(14)	104	147	221	295	385	433	517	545	559	434
Operating profit margins		(2,475.0%)	(86.1%)	(16.3%)	(4.2%)	23.7%	24.8%	30.1%	33.8%	34.0%	32.8%	34.9%	32.8%	31.8%	26.5%
Non-operating income		—	—	—	2	2	—	—	—	—	—	—	—	—	—
Non-operating expenses		—	—	—	—	—	—	—	—	—	—	—	—	—	1
Ordinary profit		(198)	(217)	(78)	(12)	106	147	221	295	385	433	517	545	559	432
Ordinary profit margins		(2,475.0%)	(86.1%)	(16.3%)	(3.6%)	24.2%	24.8%	30.1%	33.8%	34.0%	32.8%	34.9%	32.8%	31.7%	26.4%
Extraordinary income		—	—	—	—	—	—	—	—	—	—	—	—	—	—
Extraordinary loss		—	—	—	—	—	—	—	—	—	—	—	—	—	—
Profit before income taxes		(198)	(217)	(78)	(13)	106	147	221	295	385	433	517	544	559	432
Total income taxes		—	—	1	—	—	—	19	95	141	145	182	193	198	152
Profit		(199)	(217)	(79)	(14)	105	147	201	200	243	288	334	350	361	279
Profit margins		(2,487.5%)	(86.1%)	(16.5%)	(4.2%)	24.0%	24.8%	27.4%	22.9%	21.5%	21.8%	22.6%	21.1%	20.5%	17.1%

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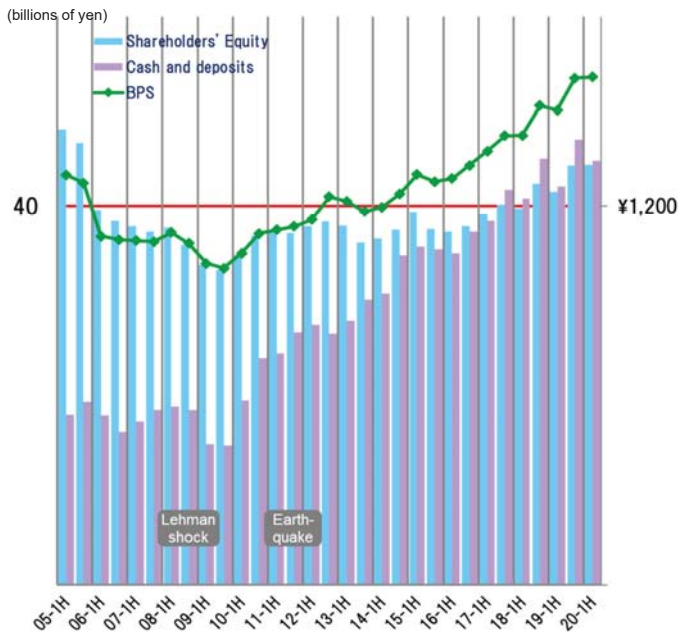
Trend of Balance Sheets (Group Consolidated)

(Millions of Yen)	2007/3/31	2008/3/31	2009/3/31	2010/3/31	2011/3/31	2012/3/31	2013/3/31	2014/3/31	2015/3/31	2016/3/31	2017/3/31	2018/3/31	2019/3/31	2020/3/31
Cash and deposits	16,177	18,512	18,526	14,732	23,999	26,686	26,592	30,104	34,773	35,413	37,259	41,753	45,052	47,033
Notes and accounts receivable - trade	13,256	12,841	10,985	9,582	10,245	10,675	10,887	11,297	12,858	13,823	13,400	13,816	13,884	14,696
Total current assets	35,564	35,356	33,295	28,444	37,661	40,643	41,802	44,998	51,639	53,104	54,742	59,325	60,036	62,679
Property, plant and equipment	14,548	13,374	12,818	12,069	11,688	11,257	10,908	10,555	7,207	5,721	5,552	5,399	5,402	5,332
Total non-current assets	21,914	22,428	20,934	19,180	18,053	16,915	16,199	16,447	13,458	11,363	11,634	11,608	14,579	14,814
Total assets	57,479	57,784	54,230	47,625	55,714	57,559	58,002	61,445	65,098	64,468	66,377	70,934	74,615	77,493
Total current liabilities	12,559	13,764	11,026	6,392	10,016	11,165	9,683	12,589	15,797	13,650	14,662	16,176	16,927	17,228
Total non-current liabilities	6,236	6,422	7,034	7,789	8,603	9,183	9,895	12,667	11,735	13,212	13,860	14,617	15,317	15,937
Total liabilities	18,795	20,186	18,061	14,181	18,619	20,349	19,579	25,257	27,532	26,862	28,523	30,794	32,244	33,166
Shareholders' equity	39,144	38,048	36,747	34,101	37,745	38,017	39,264	38,299	39,619	39,973	39,970	42,078	44,173	45,950
Other net assets	(461)	(449)	(577)	(658)	(651)	(808)	(841)	(2,111)	(2,054)	(2,367)	(2,116)	(1,939)	(1,802)	(1,623)
Total net assets	38,683	37,598	36,169	33,443	37,094	37,209	38,422	36,188	37,565	37,605	37,854	40,139	42,371	44,327

Cash flows from operating activities	6,010	8,486	6,308	(1,545)	9,291	5,753	5,205	8,893	8,434	6,910	10,186	10,957	10,273	9,837
Cash flows from investing activities	(955)	124	623	(19)	287	(292)	(465)	(398)	(275)	1,487	(325)	(464)	(240)	(536)
Cash flows from financing activities	(8,366)	(5,997)	(5,580)	(1,835)	(104)	(2,769)	(4,837)	(4,991)	(3,495)	(7,752)	(8,011)	(5,999)	(6,734)	(7,319)
Net increase (decrease) in cash and cash equivalents	(3,303)	+2,634	+1,313	(3,394)	+9,467	+2,691	(93)	+3,511	+4,668	+643	+1,845	+4,493	+3,298	+1,980

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Shareholders' Equity and Cash and Deposit



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

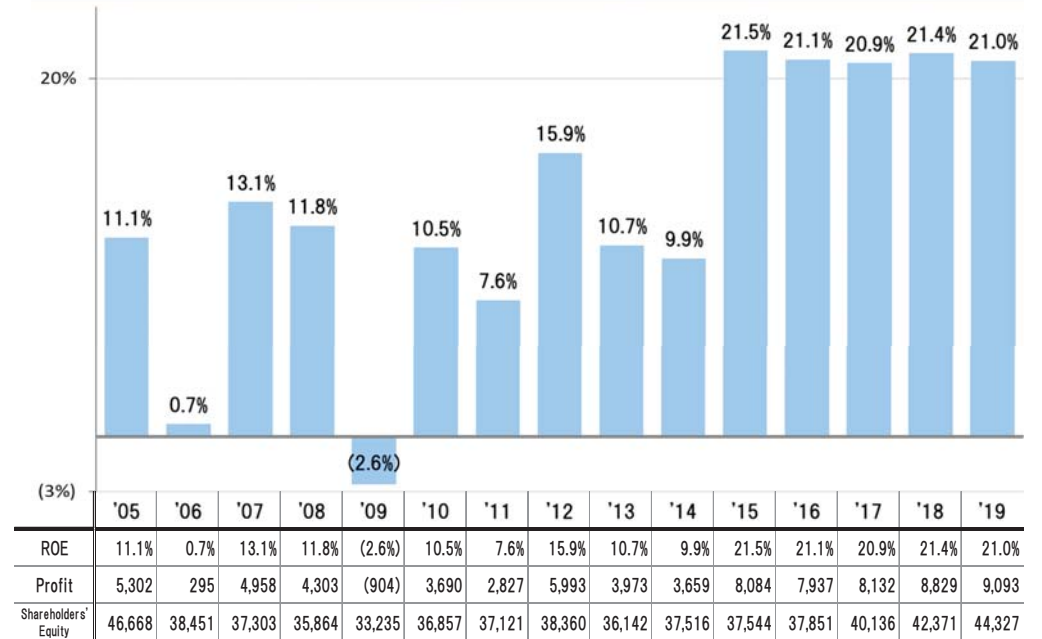
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Trend of Profit Distributions and Forecast

(Fractions of one million yen are rounded)	FY2009	FY2010	FY2011	FY2012	FY2013	FY2014	FY2015	FY2016	FY2017	FY2018	Actual FY2019	Forecast FY2020
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%
Dividend Payout ratio	—	24.7%	68.5%	53.2%	56.1%	92.4%	53.5%	55.2%	61.8%	63.3%	61.5%	69.8%
Dividend on Equity	2.4%	2.6%	5.2%	8.4%	6.0%	9.2%	11.4%	11.6%	12.9%	13.6%	12.9%	
Annual Dividends	Per Share @¥24.50 Millions of Yen 812	@¥27.50 911	@¥58.50 1,925	@¥99.00 3,134	@¥72.00 2,220	@¥111.00 3,373	@¥144.00 4,286	@¥151.50 4,344	@¥177.00 5,008	@¥199.50 5,567	@¥202.00 5,575	@¥167.00 4,609
2nd Quarter Dividends	Per Share @¥24.50 Millions of Yen 812		@¥29.00 961	@¥30.00 981	@¥31.50 983	@¥44.00 1,344	@¥63.00 1,908	@¥68.00 1,968	@¥74.50 2,119	@¥84.00 2,344	@¥86.50 2,387	@¥68.50 1,891
Year-end Dividends	Per Share @¥27.50 Millions of Yen 911	@¥29.50 965	@¥69.00 2,153	@¥40.50 1,237	@¥67.00 2,029	@¥81.00 2,378	@¥83.50 2,375	@¥102.50 2,889	@¥115.50 3,223	@¥115.50 3,188	@¥98.50 2,719	
Acquisition of Treasury Shares	Thousands of shares Millions of Yen		421 700	1,506 2,800	641 1,800	269 899	921 3,799	915 3,600	257 1,500	280 1,500	303 1,700	
Total Shareholders Return	Millions of Yen 812	911	2,625	5,934	4,020	4,273	8,086	7,944	6,508	7,067	7,275	6,609
Retirement of Treasury Stock	Thousands of shares		400	1,700	500	300	900	1,300		700	300	
Stock Price	As of April 1 ¥1,242	¥1,893	¥1,621	¥1,681	¥2,193	¥2,857	¥3,965	¥3,865	¥4,505	¥5,960	¥5,130	¥4,065
TSE#9744	As of March 31 ¥1,831	¥1,664	¥1,669	¥2,343	¥2,930	¥4,025	¥3,935	¥4,520	¥5,890	¥5,030	¥4,300	
Earnings per Share	@¥(27.30)	@¥111.33	@¥85.45	@¥186.08	@¥128.30	@¥120.12	@¥269.24	@¥274.32	@¥286.64	@¥315.43	@¥328.36	@¥239.13
Net Assets per Share	@¥1,002.58	@¥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	

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Trend of ROE



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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, 2020)

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

III. Calculation Method of Executive Remuneration

Remuneration Amounts to Individual Executives

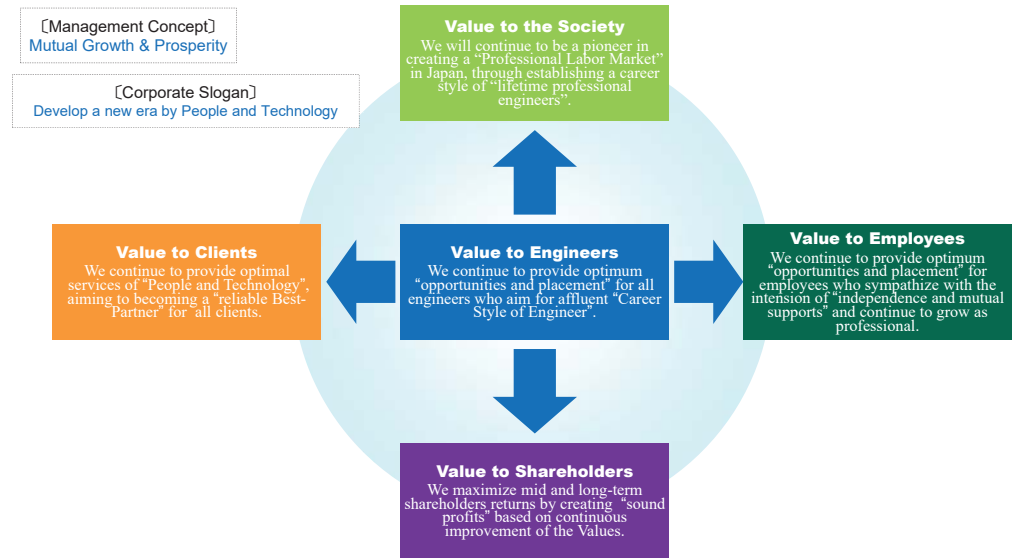
¥1K=JPY1,000-	Revised March 2019	
CEO, MEITEC Group President and CEO, COO	Yearly payment	¥28,800K (Monthly ¥2,400K)
Senior Vice President and Director	Yearly payment	¥24,000K (Monthly ¥2,000K)
Director	Yearly payment	¥19,200K (Monthly ¥1,600K)
Outside Director	Yearly payment	¥9,000K (Monthly ¥750K)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

Shareholder Segment	As of September 30, 2020			
	Shareholders	%	Shares Held	%
Banks	8	0.2%	140,100	0.5%
Trust Banks	18	0.4%	8,654,400	29.8%
Life and nonlife insurance companies	33	0.7%	3,677,283	12.7%
Securities financing and other financial companies	6	0.1%	24,660	0.1%
Securities companies	28	0.6%	303,966	1.1%
Business concerns and other companies	70	1.5%	159,145	0.6%
Overseas companies and investors	250	5.2%	11,952,361	41.2%
Individuals and others	4,380	91.4%	4,088,085	14.1%
Total	4,793	100.0%	29,000,000	100.0%

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.



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