

MEITEC CORPORATION

Results for the 2nd Quarter of the Fiscal Year Ending March 31, 2019

November 6, 2018

President and CEO, COO
MEITEC Group CEO

Hideyo Kokubun

人と技術で次代を拓く

MEITEC

Engineering Firm at The Core

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, 2019
2. Forecast for the Fiscal Year Ending March 31, 2019
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.

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1. Results for the 2nd Quarter of the Fiscal Year Ending March 31, 2019

Results for the 2nd Quarter of the Fiscal Year Ending March 31, 2019 (Group Consolidated)

- ✓ Net sales rose 3.8% year on year, operating profit was up 7.1% YoY, and profit attributable to owners of parent increased 10.2% YoY.
- ✓ In the previous year, head office transfer cost, etc. were recorded as extraordinary losses.

(Fractions of one million yen are rounded down)	2Q ended Sep. 30, 2017	2Q ended Sep. 30, 2018	YoY Amount	% Change	Initial Forecast for 2Q, announced on May 2018	Progress toward the FY forecast
Net sales	45,867	47,621	+ 1,754	+ 3.8%	47,600	+ 21
Cost of sales	34,049	35,288	+ 1,239	+ 3.6%	35,000	+ 288
Cost of sales to Net sales	74.2%	74.1%	(0.1%)			
SG&A Expenses	6,375	6,505	+ 130	+ 2.0%	7,100	(595)
Operating profit	5,442	5,827	+ 384	+ 7.1%	5,500	+ 327
Operating profit margins	11.9%	12.2%	+ 0.4%		11.6%	+ 0.7%
Ordinary profit	5,447	5,830	+ 382	+ 7.0%	5,500	+ 330
Extraordinary income & loss	(60)	9	+ 70			
Profit before income taxes	5,386	5,840	+ 453	+ 8.4%		
Profit attributable to owners of parent	3,526	3,885	+ 359	+ 10.2%	3,600	+ 285
Profit margins	7.7%	8.2%	+ 0.5%			

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Results for the 2nd Quarter of the Fiscal Year Ending March 31, 2019 (Business Domains)

- ✓ The Engineering Solutions Business continued to be the earnings driver ⇒ Net sales rose 3.8% year on year.
- ✓ Recruiting & Placement Business for Engineers achieved sales and profit growth due to an increase in the number of job and other reasons.

(Fractions of one million yen are rounded down)	2Q ended Sep. 30, 2017	2Q ended Sep. 30, 2018	YoY Amount	% Change
Sales of Engineering Solutions Business	45,100	46,792	+ 1,692	+ 3.8%
Component ratio	98.3%	98.3%	(0.1%)	
Operating profit	5,163	5,535	+ 372	+ 7.2%
Sales of Recruiting & Placement Business for Engineers	818	894	+ 75	+ 9.3%
Component ratio	1.8%	1.9%	+ 0.1%	
Operating profit	279	291	+ 12	+ 4.4%

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Results for the 2nd Quarter of the Fiscal Year Ending March 31, 2019 (Meitec)

- ✓ Net sales rose 1.6% year on year, operating profit was up 4.8% YoY, and number of engineers increased 2.4% YoY.
- ✓ The utilization ratio declined 0.6% year on year, due to greater number of newly graduated engineers in April compared with the previous year.

(Fractions of one million yen are rounded down)	2Q ended Sep. 30, 2017	2Q ended Sep. 30, 2018	YoY Amount	% Change	Initial Forecast for 2Q, announced on May 2018	Progress toward the FY forecast
Net sales	35,544	36,116	+ 571	+ 1.6%	36,200	(84)
Cost of sales	26,601	26,969	+ 368	+ 1.4%	26,900	+ 69
Cost of sales to Net sales	74.8%	74.7%	(0.2%)		74.3%	+ 0.4%
SG&A Expenses	4,512	4,502	(10)	(0.2%)	4,900	(398)
Operating profit	4,430	4,644	+ 213	+ 4.8%	4,400	+ 244
Operating profit margins	12.5%	12.9%	+ 0.4%		12.2%	+ 0.7%
Ordinary profit	5,179	5,388	+ 209	+ 4.0%	5,100	+ 288
Extraordinary income & loss	(29)	10	+ 39			
Profit before income taxes	5,149	5,398	+ 248	+ 4.8%		
Profit	3,608	3,808	+ 200	+ 5.6%	3,600	+ 208
Utilization ratio (Company-wide)	96.8%	96.2%	(0.6%)		95.5%	+ 0.7%
Working Hours (h/day)	8.68	8.56	(0.12)	(1.4%)	8.68	(0.12)
Number of Engineers	6,850	7,011	+ 161	+ 2.4%		

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Results for the 2nd Quarter of the Fiscal Year Ending March 31, 2019 (Meitec Fielders)

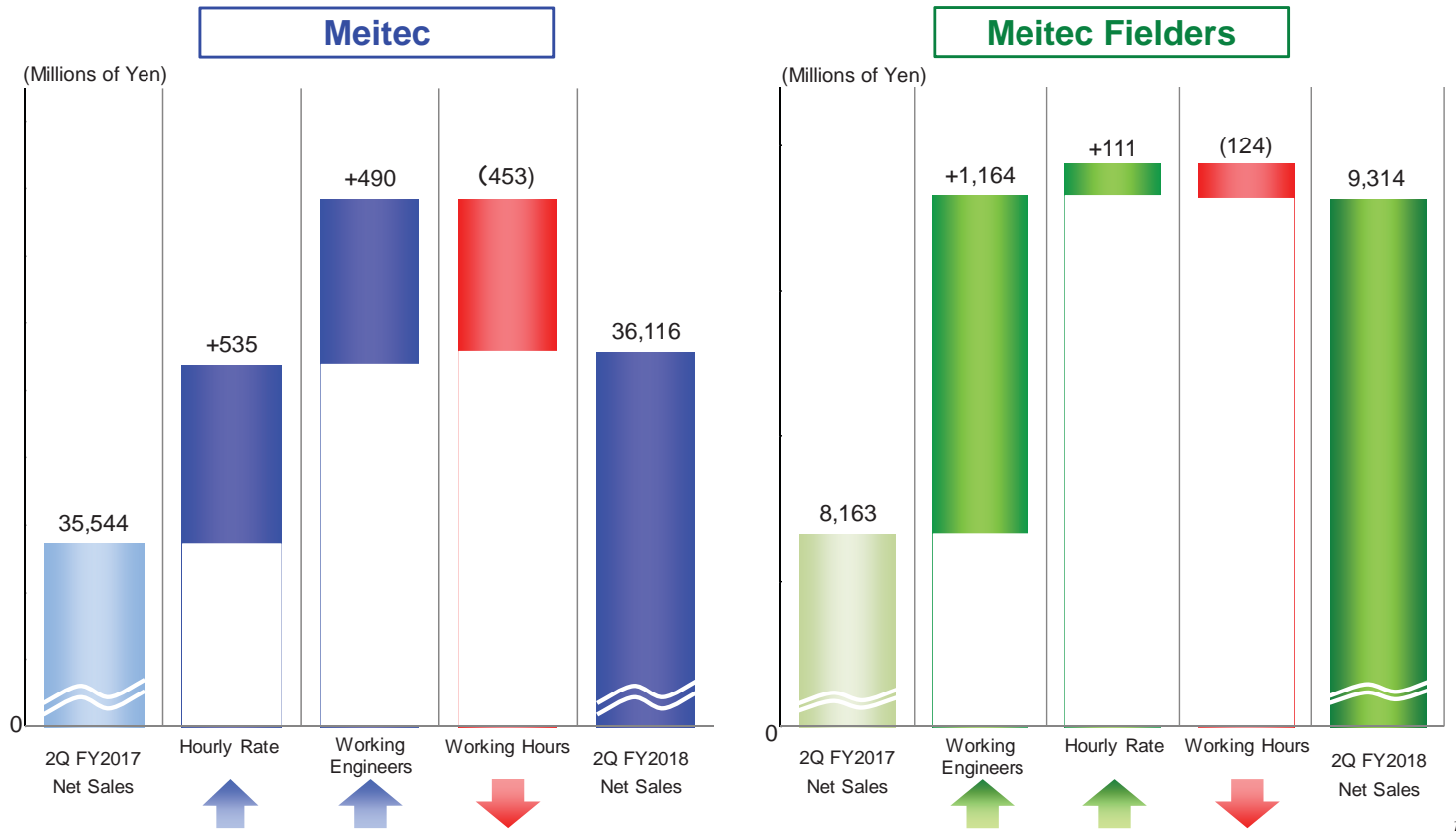
- ✓ Net sales rose 14.1% year on year, operating profit was up 20.0% YoY, and number of engineers increased 12.8% YoY.
- ✓ The utilization ratio improved 0.7% year on year, due to fewer number of newly graduated engineers in April compared with the previous year.

(Fractions of one million yen are rounded down)	2Q ended Sep. 30, 2017	2Q ended Sep. 30, 2018	YoY Amount	% Change	Initial Forecast for 2Q, announced on May 2018	Progress toward the FY forecast
Net sales	8,163	9,314	+ 1,151	+ 14.1%	9,100	+ 214
Cost of sales	6,357	7,245	+ 888	+ 14.0%	7,100	+ 145
Cost of sales to Net sales	77.9%	77.8%	(0.1%)		78.0%	(0.2%)
SG&A Expenses	1,129	1,256	+ 127	+ 11.3%	1,300	(44)
Operating profit	677	812	+ 135	+ 20.0%	700	+ 112
Operating profit margins	8.3%	8.7%	+ 0.4%		7.7%	+ 1.0%
Ordinary profit	674	812	+ 138	+ 20.5%	700	+ 112
Extraordinary income & loss	0	0	—			
Profit before income taxes	674	812	+ 137	+ 20.4%		
Profit	462	561	+ 99	+ 21.4%	450	+ 111
Utilization ratio (Company-wide)	94.1%	94.8%	+ 0.7%		92.4%	+ 2.4%
Working Hours (h/day)	8.75	8.61	(0.14)	(1.6%)	8.75	(0.14)
Number of Engineers	2,262	2,552	+ 290	+ 12.8%		

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Comparison of Net Sales

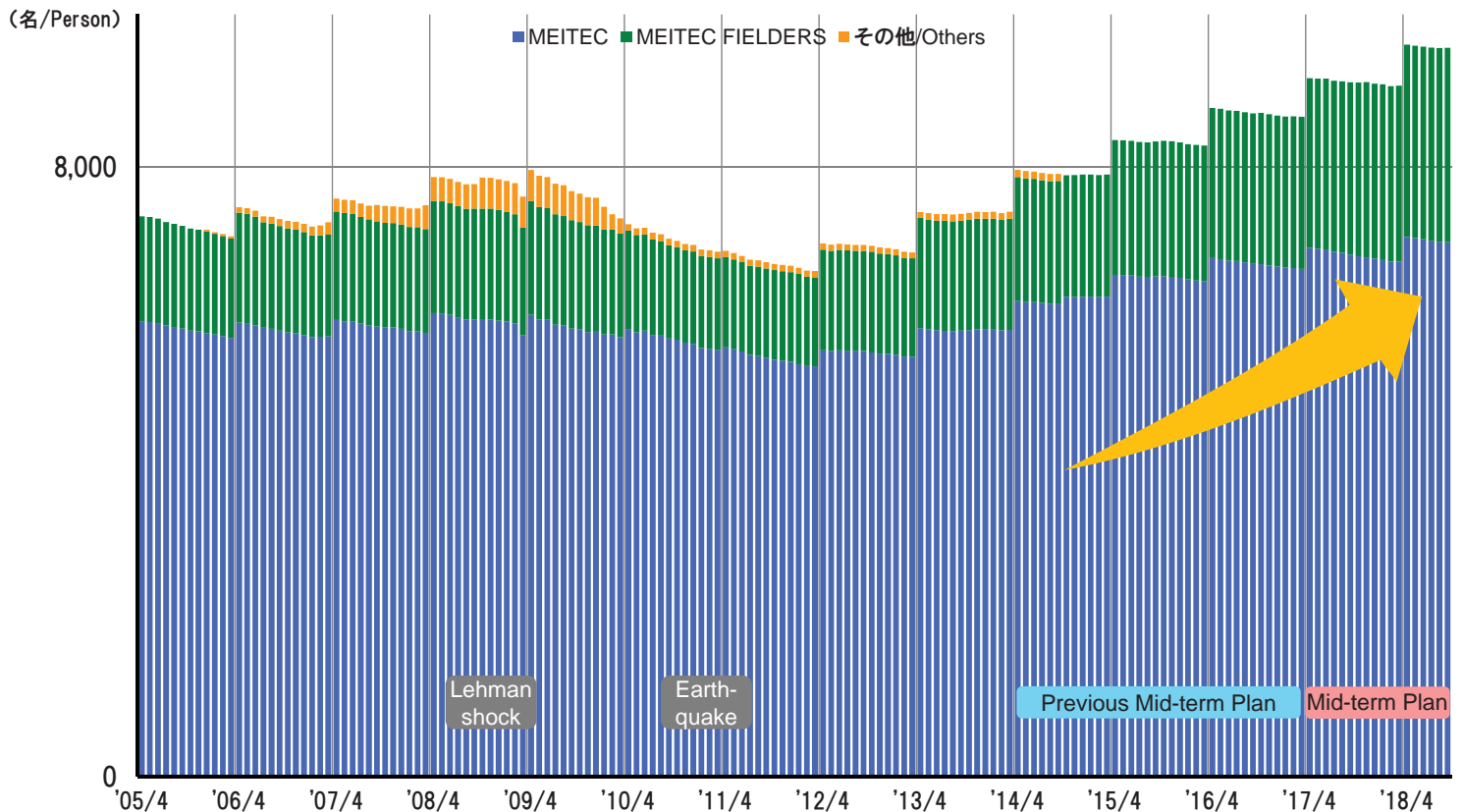
- ✓ For both Meitec and Meitec Fielders, the main factor for the increase in net sales was the “increase in the number of engineers assigned to clients” and “increase in average rate”.



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Number of Engineers (Group Consolidated)

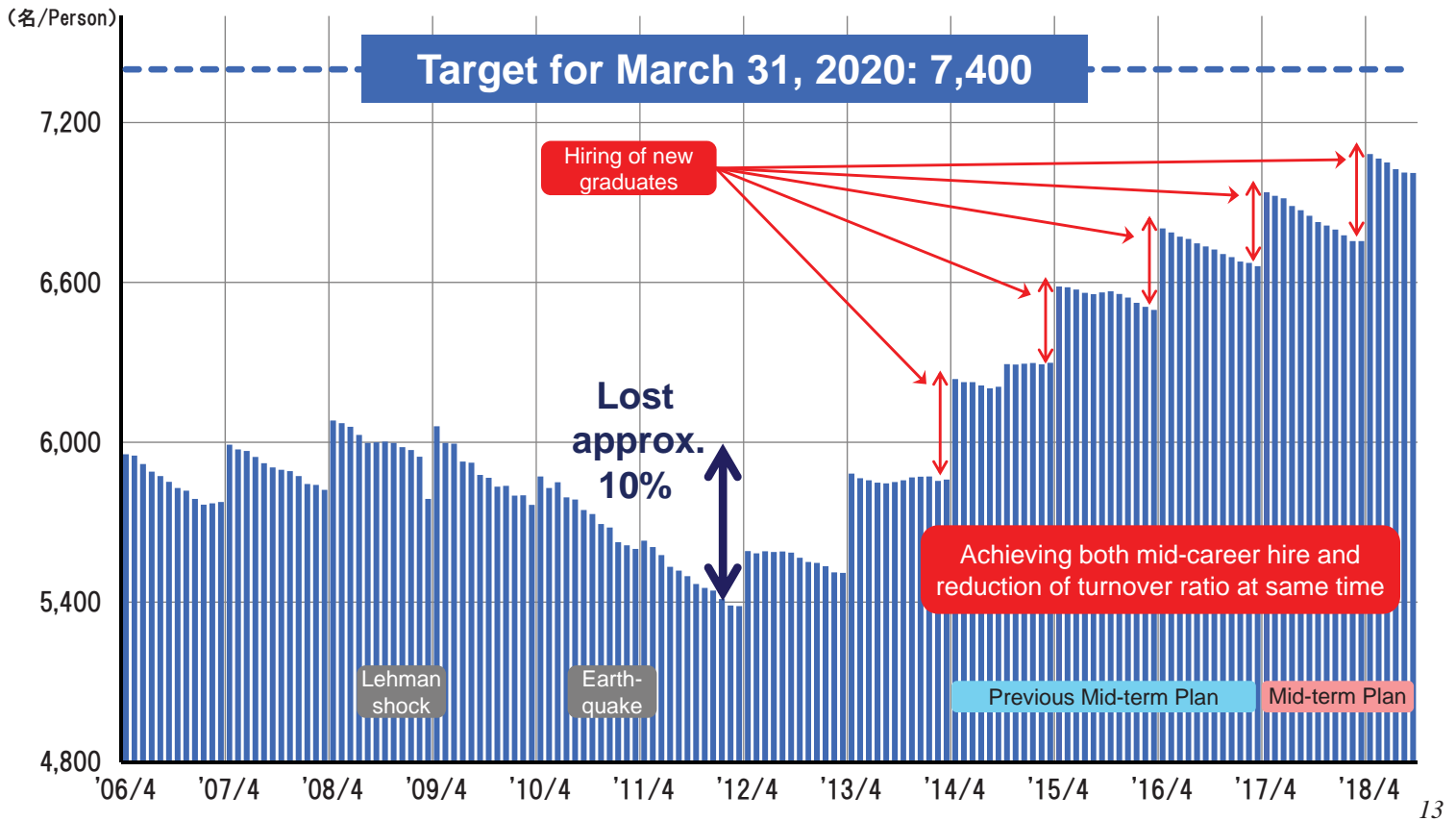
- ✓ The number of engineers as of September 30, 2018 was 9,563, an increase of 451 engineers, or 4.9%, compared to September 30, 2017.



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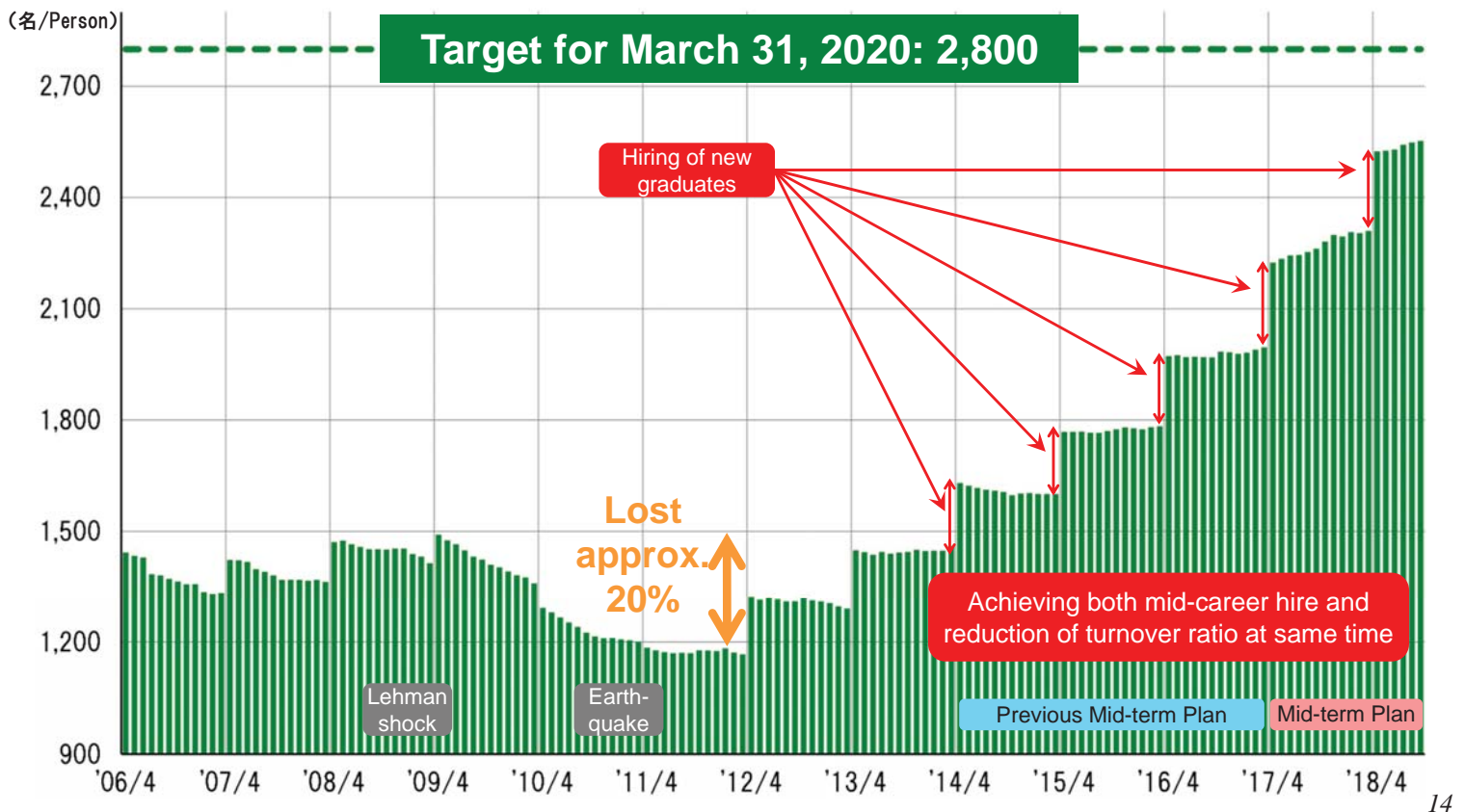
Number of Engineers (Meitec)

✓ The number of engineers as of September 30, 2018 was 7,011, an increase of 161 engineers, or 2.4%, compared to September 30, 2017.



Number of Engineers (Meitec Fielders)

✓ The number of engineers as of September 30, 2018 was 2,552, an increase of 290 engineers, or 12.8%, compared to September 30, 2017.



Hiring Target for the Fiscal Year Ending March 31, 2019

Mid-career (FY 2019/3)

- ✓ With no end in sight to corporate demand for hiring engineers among manufacturers and others, the hiring environment remains challenging.
- ✓ Under these conditions, Meitec will continue to focus on hiring engineers in line with order trends, mainly in the mechanical and electrical/electronics sectors, by maintaining hiring standards and the assumption of ensuring engineers can be assigned smoothly.
- ✓ The hiring target for Meitec is 160, remain unchanged from initial forecast. Same for Meitec Fielders, the hiring target is unchanged from initial forecast.

New Graduates (Joined April 2019)

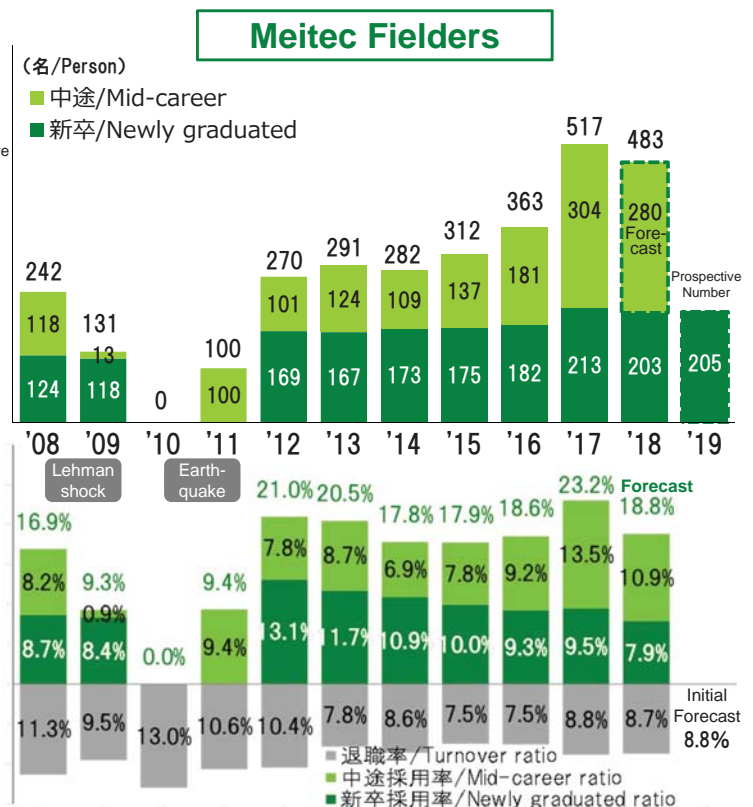
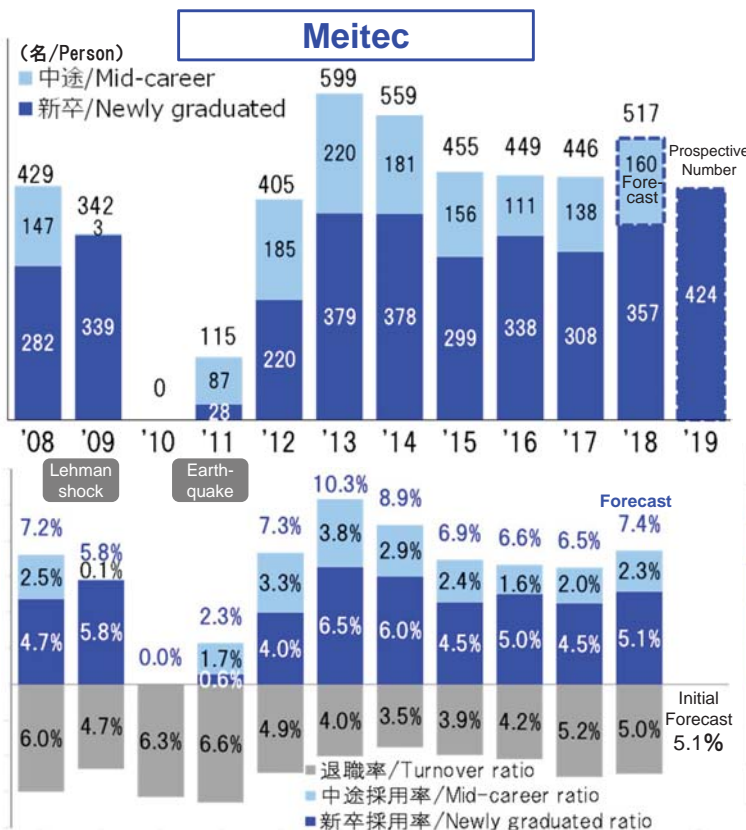
- ✓ With the challenging hiring environment made tougher by companies' rising eagerness to hire new graduates, we will focus on the trends of the new-graduate generation and continue our hiring activities while maintaining our hiring standards.
- ✓ Applicants are narrowing down the sectors they pursue earlier than before, and people's preference to work locally remains strong. So it has been difficult to secure the number of applicants.
- ✓ The number of prospective employees was 424, 24 more than the initial forecast, for Meitec. On the other hand, it was 205, 35 less than the initial forecast, for Meitec Fielders.

(person)	Fiscal Year Ending March 31, 2019					Fiscal Year Ending March 31, 2020	
	New Graduates April 2018 (Actual)	Mid-career <Target>	Comparison to Initial Forecast	Total <Target>	Comparison to Initial Forecast	New Graduates April 2019	
						<Prospective Number as of Oct. 2018>	Comparison to Initial Forecast
Meitec	357	160	—	517	—	424	+24
Meitec Fielders	203	280	—	483	—	205	(35)
Total	560	440	—	1000	—	629	(11)
Comparison to previous year	+39	(2)		+37			

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Recruitment and Turnover

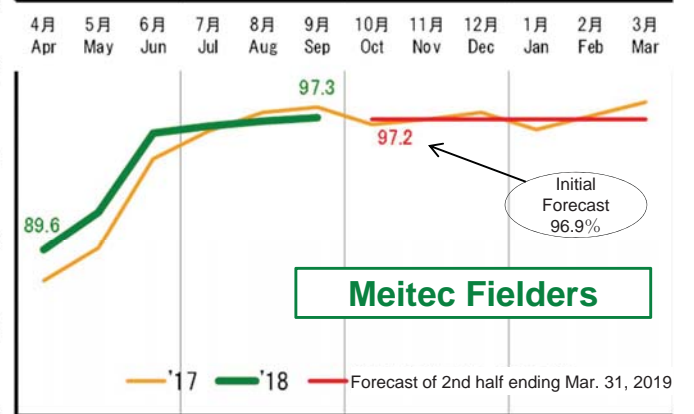
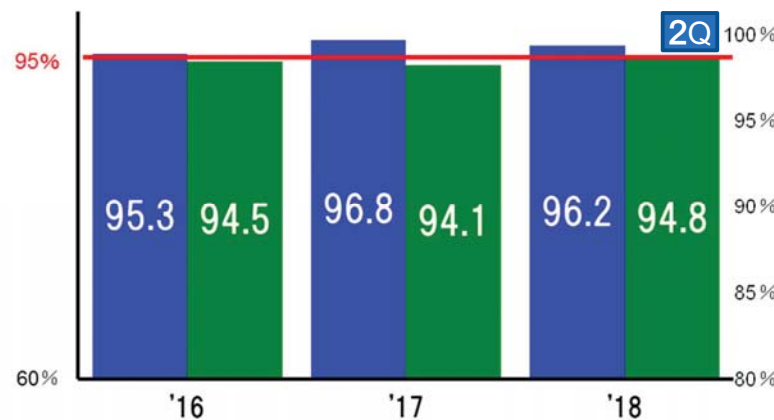
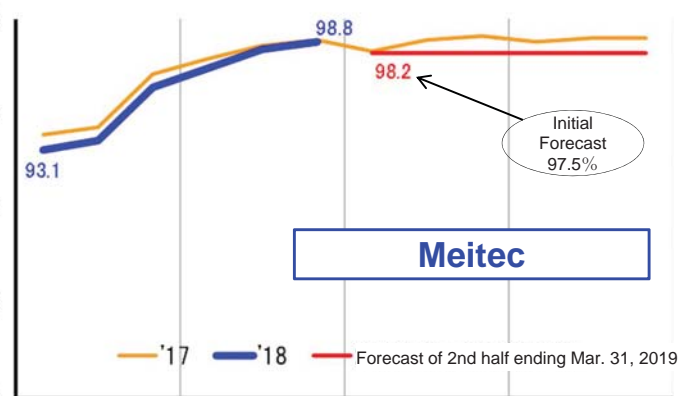
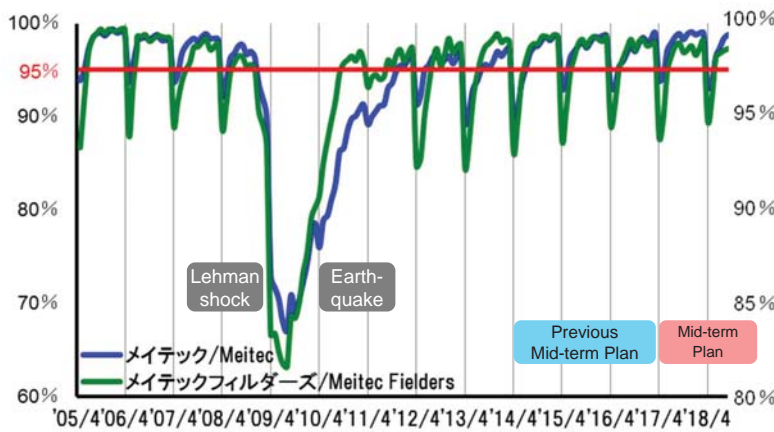
- ✓ Our forecasts for the number of recruitment and the turnover ratio as of the release of 2Q results are as follows.
※We plan to announce the actual recruitment and turnover ratios in May 2019.



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Utilization Ratio

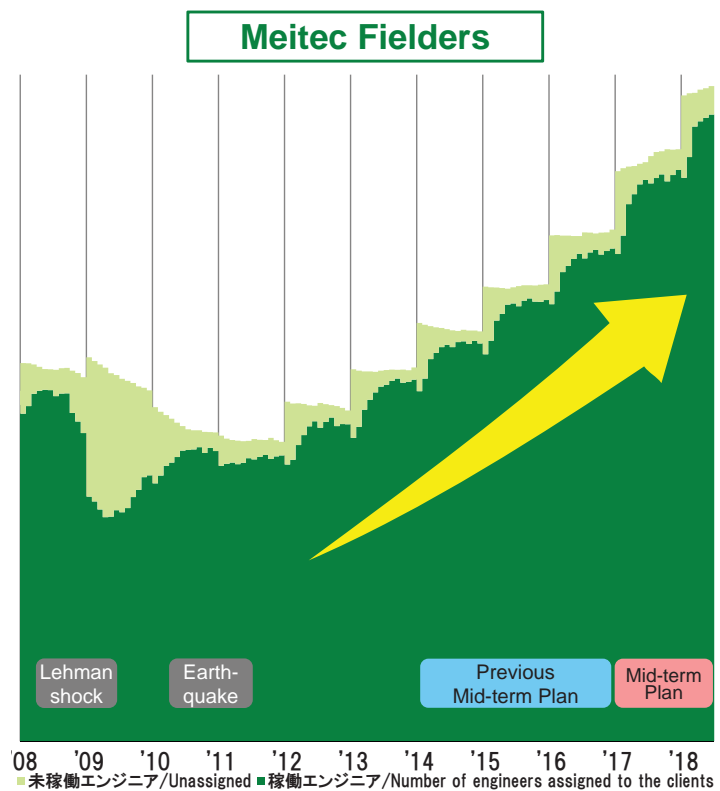
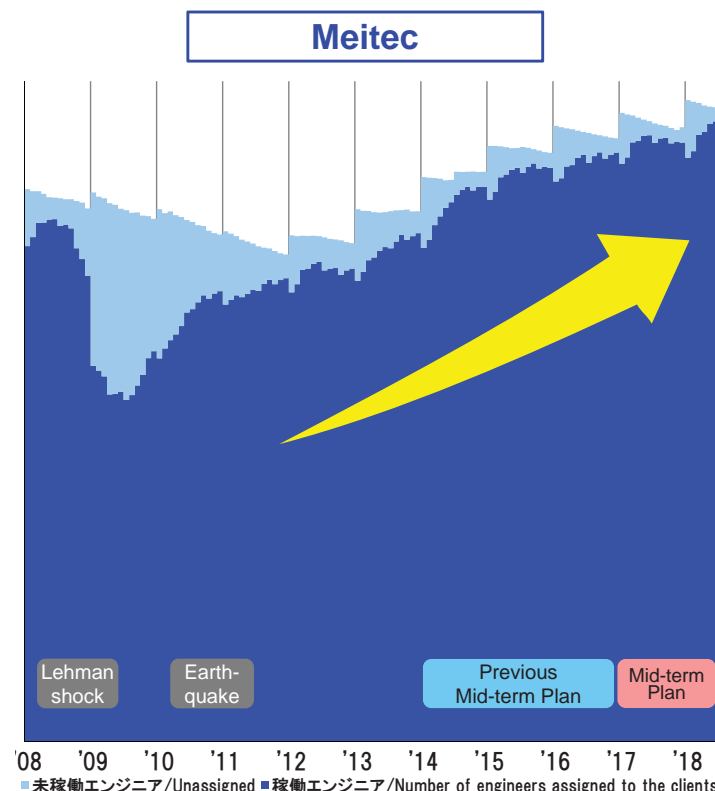
✓ Under a firm environment for order, the utilization ratio remained high.



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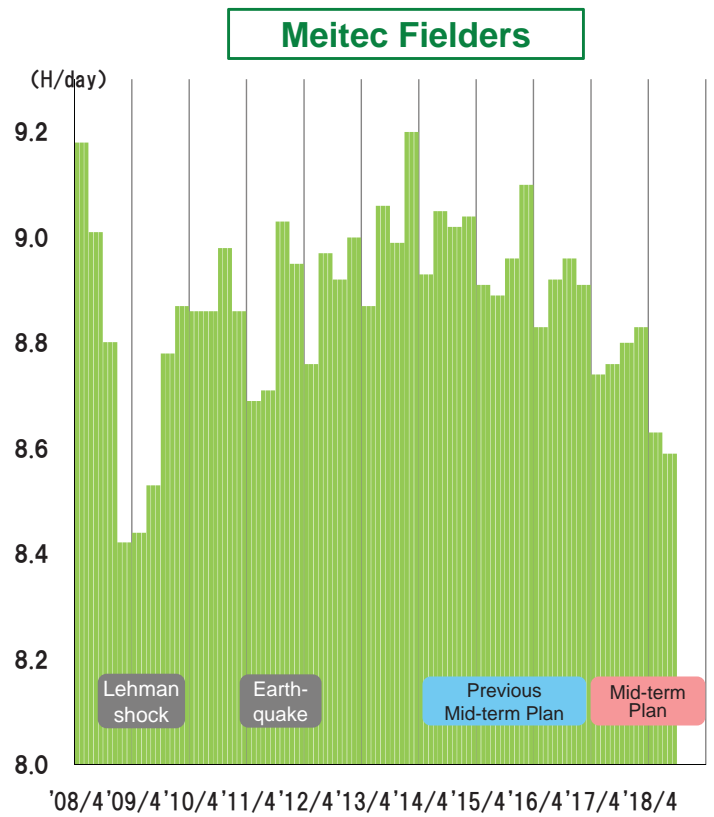
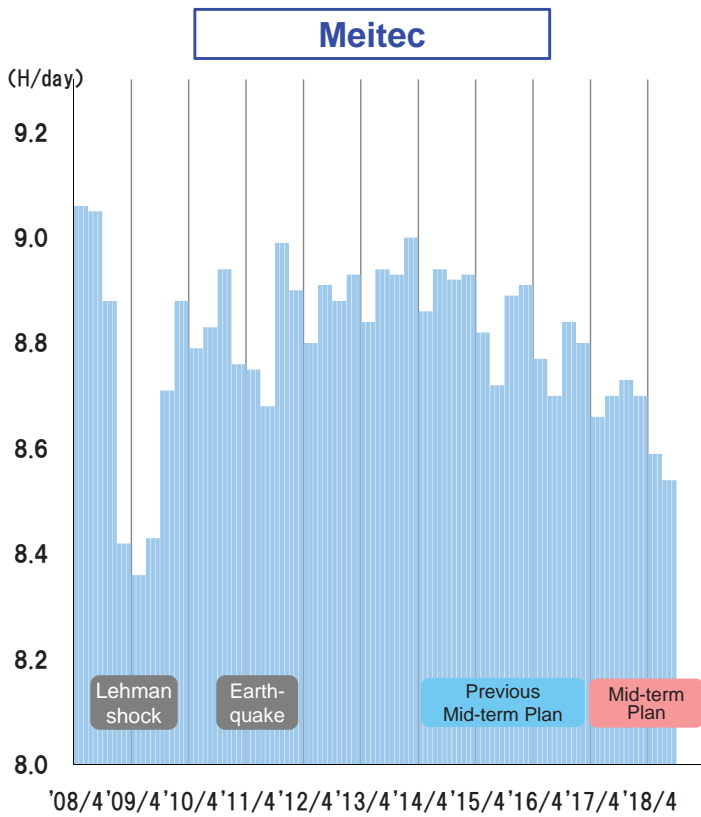
Number of Engineers Assigned to the Clients (Key factor of Sales)

✓ The number of engineers assigned to clients has steadily risen due to the combination of an "increase in the number of engineer" by aggressive recruitment and the "maintenance of high utilization ratio" by obtaining orders and early assignment.



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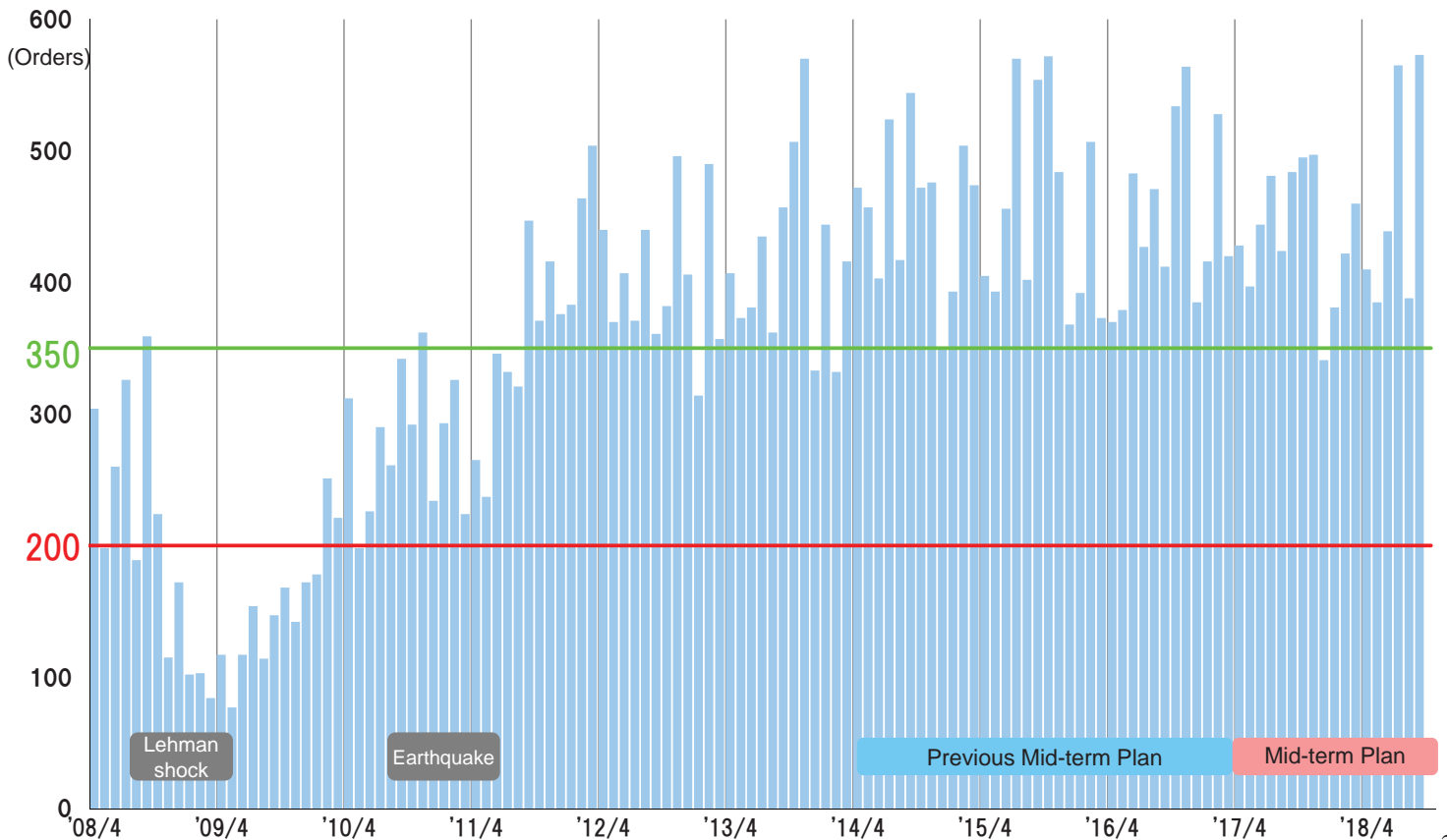
✓ Working hours declined year on year due to reductions in overtime hours.



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Trend in New Orders by Month (Meitec)

✓ New orders at Meitec remain at a level above 350 orders per month.



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Top 10 Clients by Sales (Meitec)

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

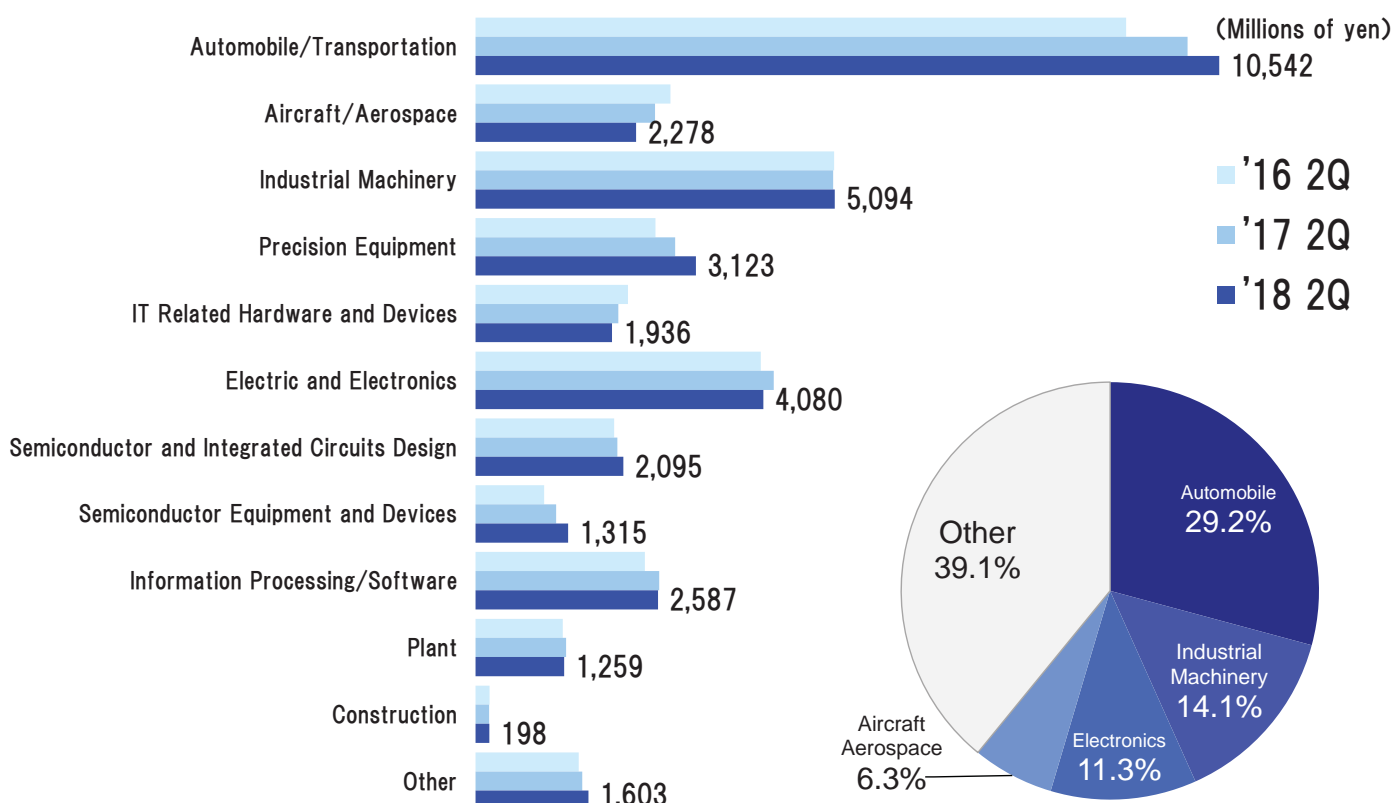
(Millions of yen)

2nd Q FY2013			2nd Q FY2017			2nd Q FY2018		
1	Mitsubishi Heavy Industries		1	Mitsubishi Heavy Industries		1	Denso	
2	Denso		2	Denso		2	Mitsubishi Heavy Industries	
3	Nikon		3	Canon		3	Panasonic	
4	Canon		4	Panasonic		4	Sony Semiconductor Solutions	
5	Panasonic		5	Sony Semiconductor Solutions		5	Canon	
6	Kawasaki Heavy Industries		6	Nikon		6	Toyota Motor	
7	Sony		7	Toyota Motor		7	Nikon	
8	Toyota Motor		8	Kawasaki Heavy Industries		8	Honda R&D	
9	Toshiba		9	Autoliv		9	Olympus	
10	Omron		10	Omron		10	Omron	
Top 10 Total	7,697	27.3%	Top 10 Total	8,501	23.9%	Top 10 Total	8,584	23.8%
Top 20 Total	10,862	38.6%	Top 20 Total	12,263	34.5%	Top 20 Total	12,324	34.1%
Others	17,287	61.4%	Others	23,281	65.5%	Others	23,792	65.9%
Total	28,150	100.0%	Total	35,544	100.0%	Total	36,116	100.0%

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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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2. Forecast for the Fiscal Year

Ending March 31, 2019

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Forecasts for the Fiscal Year Ending March 31, 2019 (Group Consolidated) Comparison to the Initial Forecasts at the beginning of the Fiscal Year

- ✓ The forecast for net sales is unchanged as the results for 1H are according to initial forecast.
- ✓ We have raised our full-year forecast for operating profit by 0.4 billion yen, comprising an upward revision of 0.3 billion yen for 1H and an upward revision of 0.1 billion yen for 2H.
As for SG&A expenses, we have dropped our full-year forecast by 0.6 billion yen, comprising an downward revision of 0.6 billion yen for 1H and ±0 billion yen for 2H.
- ✓ Profit attributable to owners of parent: We have raised our full-year forecast by 0.3 billion yen, comprising an upward revision of roughly 0.3 billion yen for 1H and ±0 billion yen for 2H.

(Fractions of one million yen are rounded down)	Forecast FY ending March 31, 2019	Comparison to Initial Forecast	% Change	2Q ended	Forecast	Comparison to Initial Forecast	% Change
				Sept. 30, 2018	2nd Half		
Net sales	97,000	—	—	47,621	49,378	(21)	—
Cost of sales	71,000	+ 200	+ 0.3%	35,288	35,711	(88)	(0.2%)
SG&A Expenses	14,000	(600)	(4.1%)	6,505	7,494	(5)	(0.1%)
Operating profit	12,000	+ 400	+ 3.4%	5,827	6,172	+ 72	+ 1.2%
Operating profit margins	12.4%	+ 0.4%	/	12.2%	12.5%	+ 0.2%	/
Ordinary profit	12,000	+ 400	+ 3.4%	5,830	6,169	+ 69	+ 1.1%
Profit attributable to owners of parent	8,100	+ 300	+ 3.8%	3,885	4,214	+ 14	+ 0.3%
Earnings per Share	290.27	+ 13.53	/	138.39			

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Forecasts for the Fiscal Year Ending March 31, 2019 (Group Consolidated) Comparison to the Previous Fiscal Year

- ✓ Net sales is expected to rise 3.6% year on year to 97.0 billion yen, while operating profit is expected to increase 4.7% year on year to 12.0 billion yen.
- ✓ Profit is expected to fall 0.4% year on year to 8.1 billion yen.
⇒ Due to not projecting extraordinary income & loss that occurred in the previous year.

(Fractions of one million yen are rounded down)	Forecast FY ending March 31, 2019	YoY Amount	% Change	2Q ended	Forecast	YoY Amount	% Change
				Sept. 30, 2018	2nd Half		
Net sales	97,000	+ 3,381	+ 3.6%	47,621	49,378	+ 1,626	+ 3.4%
Cost of sales	71,000	+ 1,749	+ 2.5%	35,288	35,711	+ 509	+ 1.4%
SG&A Expenses	14,000	+ 1,089	+ 8.4%	6,505	7,494	+ 959	+ 14.7%
Operating profit	12,000	+ 542	+ 4.7%	5,827	6,172	+ 157	+ 2.6%
Operating profit margins	12.4%	+ 0.2%	/	12.2%	12.5%	(0.1%)	/
Ordinary profit	12,000	+ 534	+ 4.7%	5,830	6,169	+ 151	+ 2.5%
Profit attributable to owners of parent	8,100	(31)	(0.4%)	3,885	4,214	(391)	(8.5%)
Earnings per Share	290.27	+ 3.63	/	138.39			

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Forecasts for the Fiscal Year Ending March 31, 2019 (Meitec) Comparison to the Initial Forecasts at the beginning of the Fiscal Year

- ✓ In line with an expected decrease in working hours, we have lowered our full-year forecast for net sales by 0.1 billion yen (slightly decreased).
- ✓ We have raised our full-year forecast for operating profit by 0.3 billion yen, comprising an upward revision of roughly 0.3 billion yen for 1H and ±0 billion yen for 2H.

(Fractions of one million yen are rounded down)	Forecast FY ending March 31, 2019	Comparison to Initial Forecast	% Change	2Q ended Sept. 30, 2018	Forecast 2nd Half	Comparison to Initial Forecast	% Change
Net sales	73,300	(100)	(0.1%)	36,116	37,183	(16)	—
Cost of sales	54,100	—	—	26,969	27,130	(69)	(0.3%)
Cost of sales to Net sales	73.8%	+0.1%		74.7%	73.0%	(0.1%)	
SG&A Expenses	9,600	(400)	(4.0%)	4,502	5,097	(2)	—
Operating profit	9,600	+300	+3.2%	4,644	4,955	+55	+1.1%
Operating profit margins	13.1%	+0.4%		12.9%	13.3%	+0.1%	
Ordinary profit	10,300	+300	+3.0%	5,388	4,911	+11	+0.2%
Profit	7,200	+200	+2.9%	3,808	3,391	(8)	(0.3%)
Utilization ratio (Company-wide)	97.2%	+0.7%	Comparison to Initial Forecast +0.7%	96.2%	98.2%	+0.6%	
Working Hours〈h/day〉	8.58	(0.12)		8.56	8.60	(0.11)	
Number of Recruitment	517	—		Expected New Graduates for April 2019		Comparison to Initial Forecast	
Newly graduated	357	—		424			+24
Mid-career	160	—					
Turnover Ratio	5.0%	(0.1%)					

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Forecasts for the Fiscal Year Ending March 31, 2019 (Meitec) Comparison to the Previous Fiscal Year

- ✓ Net sales is expected to rise 1.4% year on year to 73.3 billion yen, while operating profit is expected to increase 2.8% year on year to 9.6 billion yen.
- ✓ The increase in SG&A expenses reflects higher hiring costs and system costs initially planned.

(Fractions of one million yen are rounded down)	Forecast FY ending March 31, 2019	YoY Amount	% Change	2Q ended Sept. 30, 2018	Forecast 2nd Half	YoY Amount	% Change
Net sales	73,300	+1,047	+1.4%	36,116	37,183	+475	+1.3%
Cost of sales	54,100	+238	+0.4%	26,969	27,130	(129)	(0.5%)
Cost of sales to Net sales	73.8%	(0.7%)		74.7%	73.0%	(1.3%)	
SG&A Expenses	9,600	+551	+6.1%	4,502	5,097	+561	+12.4%
Operating profit	9,600	+257	+2.8%	4,644	4,955	+43	+0.9%
Operating profit margins	13.1%	+0.2%		12.9%	13.3%	(0.1%)	
Ordinary profit	10,300	+194	+1.9%	5,388	4,911	(14)	(0.3%)
Profit	7,200	(261)	(3.5%)	3,808	3,391	(461)	(12.0%)
Utilization ratio (Company-wide)	97.2%	(0.6%)		96.2%	98.2%	(0.6%)	
Working Hours〈h/day〉	8.58	(0.12)		8.56	8.60	(0.11)	
Number of Recruitment	517	+71		Expected New Graduates for April 2019		To Apr. 2018	
Newly graduated	357	+49		424			67
Mid-career	160	+22					
Turnover Ratio	5.0%	(0.1%)					

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Forecasts for the Fiscal Year Ending March 31, 2019 (Meitec Fielders) Comparison to the Initial Forecasts at the beginning of the Fiscal Year

- ✓ We have raised our full-year forecast for net sales by 0.2 billion yen, comprising an upward revision of 0.2 billion yen for 1H and ±0 billion yen for 2H.
- ✓ We have raised our full-year forecast for operating profit by 0.05 billion yen (slightly increased).

(Fractions of one million yen are rounded down)	Forecast FY ending March 31, 2019	Comparison to Initial Forecast	% Change	2Q ended Sept. 30, 2018	Forecast 2nd Half	Comparison to Initial Forecast	% Change
Net sales	19,000	+200	+1.1%	9,314	9,685	(14)	(0.2%)
Cost of sales	14,650	+150	+1.0%	7,245	7,404	+4	+0.1%
Cost of sales to Net sales	77.1%	—		77.8%	76.4%	+0.1%	
SG&A Expenses	2,700	—	—	1,256	1,443	+43	+3.1%
Operating profit	1,650	+50	+3.1%	812	837	(62)	(6.9%)
Operating profit margins	8.7%	+0.2%		8.7%	8.7%	(0.6%)	
Ordinary profit	1,650	+50	+3.1%	812	837	(62)	(7.0%)
Profit	1,050	+50	+5.0%	561	488	(61)	(11.2%)
Utilization ratio (Company-wide)	96.0%	+1.3%	Comparison to Initial Forecast +2.4%	94.8%	97.2%	+0.3%	
Working Hours〈h/day〉	8.64	(0.14)		8.61	8.67	(0.14)	
Number of Recruitment	483	—		Expected New Graduates for April 2019		Comparison to Initial Forecast	
Newly graduated	203	—		205		(35)	
Mid-career	280	—					
Turnover Ratio	8.7%	(0.1%)					

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Forecasts for the Fiscal Year Ending March 31, 2019 (Meitec Fielders) Comparison to the Previous Fiscal Year

- ✓ Net sales is expected to rise 11.9% year on year to 19.0 billion yen, while operating profit is expected to increase 13.2% year on year to 16.5 billion yen.
- ✓ The increase in SG&A expenses reflects higher hiring costs initially planned.

(Fractions of one million yen are rounded down)	Forecast FY ending March 31, 2019	YoY Amount	% Change	2Q ended Sept. 30, 2018	Forecast 2nd Half	YoY Amount	% Change
Net sales	19,000	+2,018	+11.9%	9,314	9,685	+867	+9.8%
Cost of sales	14,650	+1,476	+11.2%	7,245	7,404	+588	+8.6%
Cost of sales to Net sales	77.1%	(0.5%)		77.8%	76.4%	(0.9%)	
SG&A Expenses	2,700	+348	+14.8%	1,256	1,443	+221	+18.1%
Operating profit	1,650	+192	+13.2%	812	837	+57	+7.4%
Operating profit margins	8.7%	+0.1%		8.7%	8.7%	(0.1%)	
Ordinary profit	1,650	+197	+13.6%	812	837	+59	+7.6%
Profit	1,050	+18	+1.8%	561	488	(80)	(14.2%)
Utilization ratio (Company-wide)	96.0%	+0.3%		94.8%	97.2%	(0.1%)	
Working Hours〈h/day〉	8.64	(0.14)		8.61	8.67	(0.14)	
Number of Recruitment	483	(34)		Expected New Graduates for April 2019		To Apr. 2018	
Newly graduated	203	(10)		205		+2	
Mid-career	280	(24)					
Turnover Ratio	8.7%	(0.1%)					

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✓ Revised upper limit for holding treasury shares on Nov. 2018: 5% of shares issued (Before revision: 2 million shares)

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.

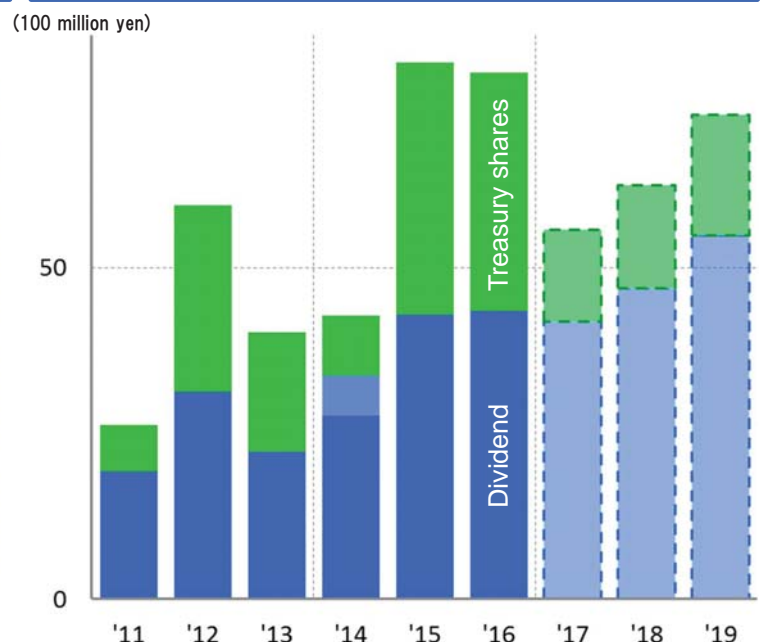
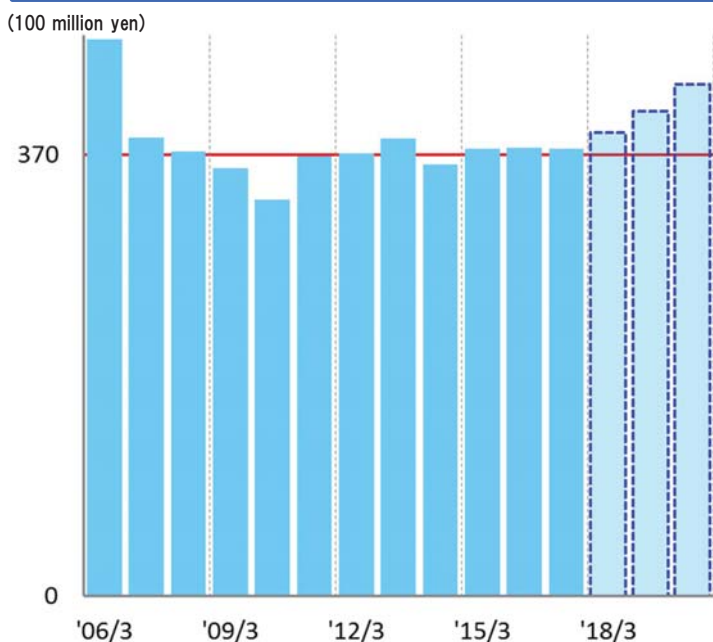
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Next Stage 1 Plan of Profit Distribution for 3 years

Re-posted

1. Enhance shareholders’ equity in conjunction with the rise in the number of engineers, and increase shareholders’ equity to roughly ¥40 billion* at the end of March 2020, the final year of the Mid-term Management Plan
 (*After deduction of year-end dividends)

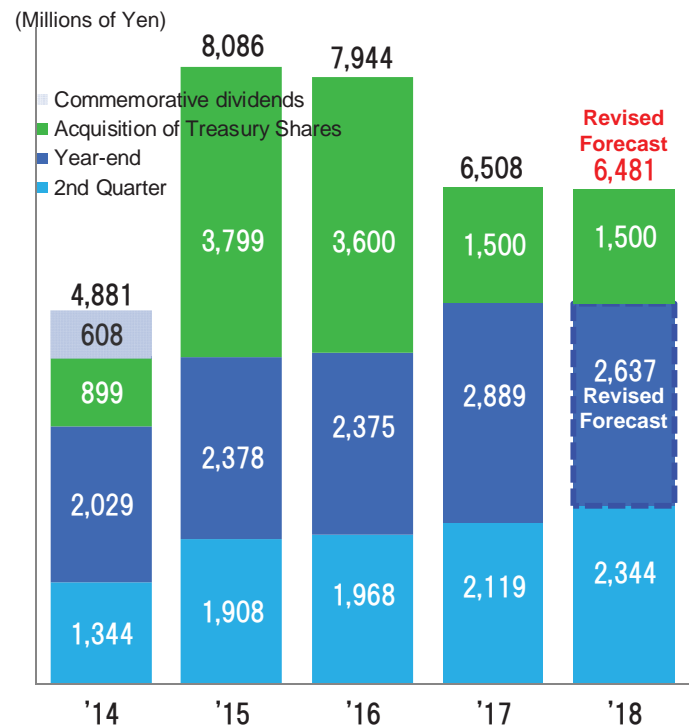
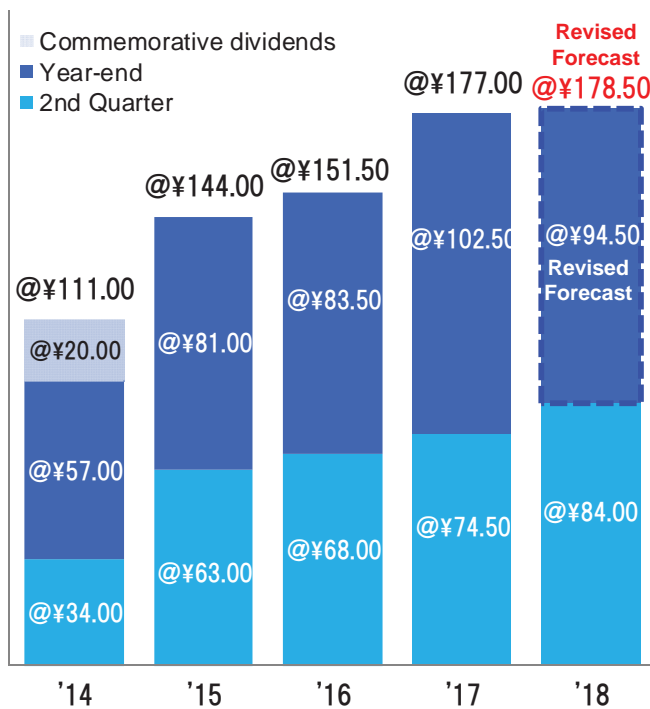
2. Total return ratio for 3 years is roughly 80%
 (1) Dividend payout ratio: 60%
 (2) Purchase of treasury shares: 20%
 (The breakdown reflects the dialogue with shareholders and investors)



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Results and Forecast of Profit Distribution

- ✓ Following the revisions in our earnings forecast, in line with the 80% total return ratio in our profit distribution plan in the Mid-term Management Plan (60% dividend payout ratio, 20% purchase of treasury shares), we are revising our profit distribution.
- ✓ Total return ratio 80% = (ordinary dividends 5.0 billion yen + purchase of treasury shares amount 1.5 billion yen) ÷ forecast profit 8.1 billion yen



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Revision of Basic Stance on Corporate Governance and Other Policies

- ✓ While bearing in mind the purpose of revising the code, we held a discussion at the Board of Directors, covering each issue deeply, and revised the “Basic Policy” and the “Appointment and Nomination Standards.”

* For details, please refer to the Corporate Governance Report submitted to the Tokyo Stock Exchange, on our website. (<https://www.meitec.co.jp/e/company/principal/governance.html>)

- ✓ The outside directors and audit & supervisory board members suggested, “There should be active disclosure of our philosophy.” This led to the addition of six new items to the explanation, resulting in seven items in total.

(Policies and procedures for appointments and dismissals; succession planning for CEO, etc.; method of determining remuneration; appointment and dismissal of CEO; gender and internationalism; explanation in advance regarding resource allocation for investments and whistleblowing)

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人と技術で次代を拓く

MEITEC

Engineering Firm at The Core

3. Reference Materials

TOP Message

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.

The Meitec Group will aim to become "The Only One" corporate group of professional engineers that plays a core role in the labor market through both people and technology. The Group will strengthen initiatives to achieve its Mid-term Management Plan "Next Stage 1" with a view to realizing sustainable growth.

Hideyo Kokubun
President and CEO, COO
MEITEC Group CEO

國分 秀世



Results for the 2nd Quarter of the Fiscal Year Ending March 31, 2019 (Group Companies)

(Millions of yen)	Engineering Solutions Business				Recruiting & Placement Business for Engineers
	Meitec	Meitec Fielders	Meitec Cast	Meitec EX	Meitec Next
Net sales	36,116	9,314	1,409	56	894
YoY Amount	+571	+1,151	(31)	+1	+75
% Change	+1.6%	+14.1%	(2.2%)	+2.3%	+9.3%
Operating profit	4,644	812	76	(7)	291
YoY Amount	+213	+135	+16	+5	+12
% Change	+4.8%	+20.0%	+26.3%	—	+4.4%
Ordinary profit	5,388	812	76	(7)	291
Profit	3,808	561	52	(7)	202

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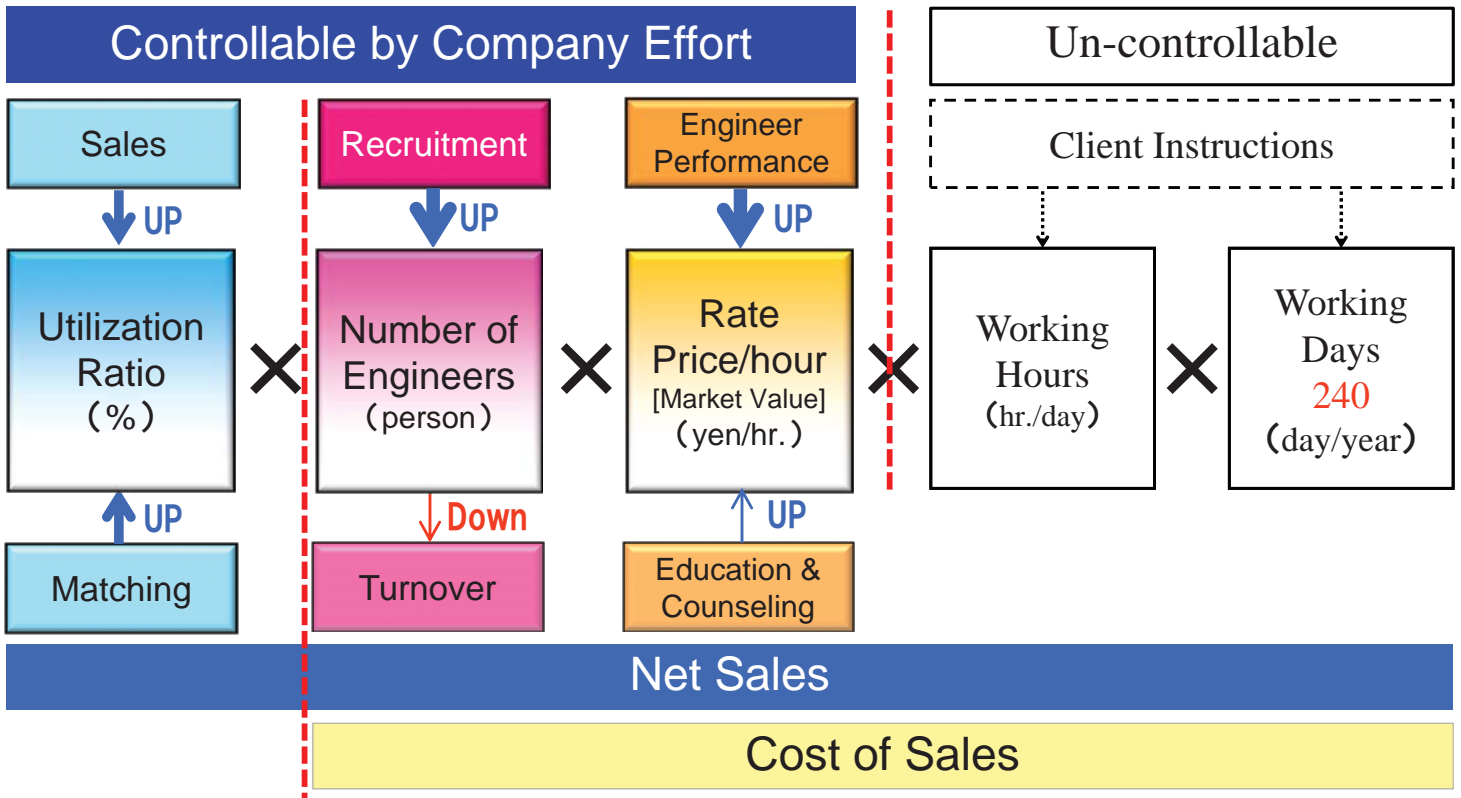
Forecast for the Fiscal Year Ending March 31, 2019 (Group Companies)

(Millions of yen)	Engineering Solutions Business				Recruiting & Placement Business for Engineers
	Meitec	Meitec Fielders	Meitec Cast	Meitec EX	Meitec Next
Net sales	73,300	19,000	2,800	120	1,900
YoY Amount	+1,047	+2,018	(120)	+11	+237
% Change	+1.4%	+11.9%	(4.1%)	+10.7%	+14.3%
Operating profit	9,600	1,650	150	0	580
YoY Amount	+257	+192	+25	+28	+34
% Change	+2.8%	+13.2%	+20.9%	—	+6.4%
Ordinary profit	10,300	1,650	150	0	580
Profit	7,200	1,050	100	0	400

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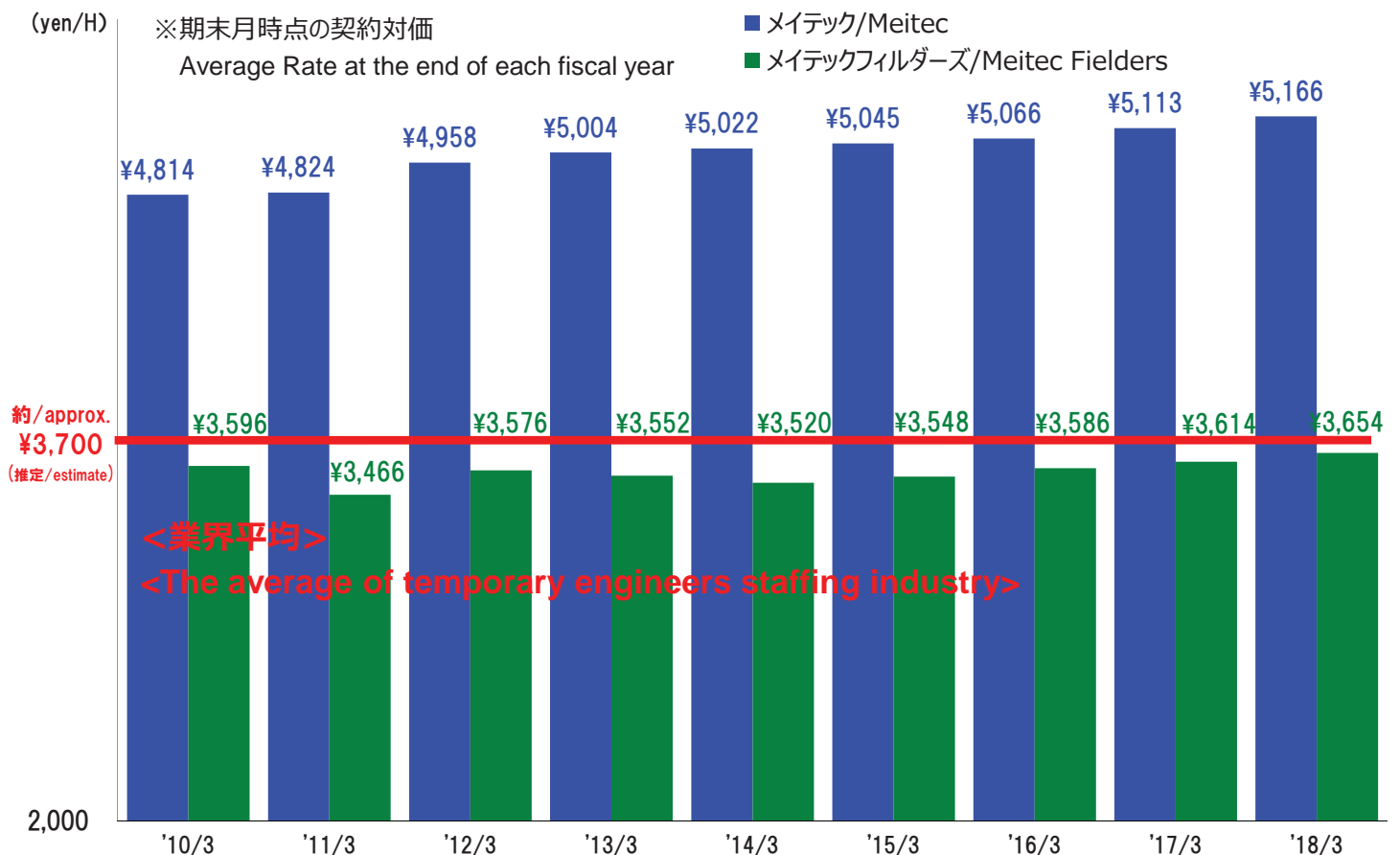
Sales and Cost (Dispatch-type)

- ✓ 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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Trend in Average Rate = (Market Value)



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Sales by the Industrial Segments (Meitec)

Millions of Yen

Meitec	2Q FY2014	2Q FY2015	2Q FY2016	2Q FY2017	2Q FY2018			
	Net Sales				Net Sales	Total Net Sales(%)	Change	Change (%)
Automobile/Transportation	7,517	8,574	9,221	10,091	10,542	29.2%	+451	+4.5%
Aircraft/Aerospace	2,492	2,669	2,764	2,545	2,278	6.3%	(266)	(10.5%)
Industrial Machinery	4,611	4,908	5,083	5,070	5,094	14.1%	+24	+ 0.5%
Precision Equipment	2,335	2,468	2,553	2,831	3,123	8.6%	+292	+10.3%
IT Related Hardware and Devices	2,618	2,406	2,162	2,024	1,936	5.4%	(88)	(4.4%)
Electric and Electronics	3,886	4,016	4,045	4,229	4,080	11.3%	(149)	(3.5%)
Semiconductors and Integrated Circuits Design	1,949	2,095	1,965	2,012	2,095	5.8%	+83	+ 4.1%
Semiconductor Equipment and Devices	865	949	974	1,143	1,315	3.6%	+171	+ 15.0%
Information Processing/Software	2,036	2,357	2,400	2,603	2,587	7.2%	(15)	(0.6%)
Plant	888	1,103	1,238	1,284	1,259	3.5%	(25)	(2.0%)
Construction	187	181	199	194	198	0.5%	+3	+ 1.8%
Others	1,293	1,399	1,464	1,513	1,603	4.4%	+90	+6.0%
Total	30,681	33,131	34,073	35,544	36,116	100.0%	+571	+1.6%

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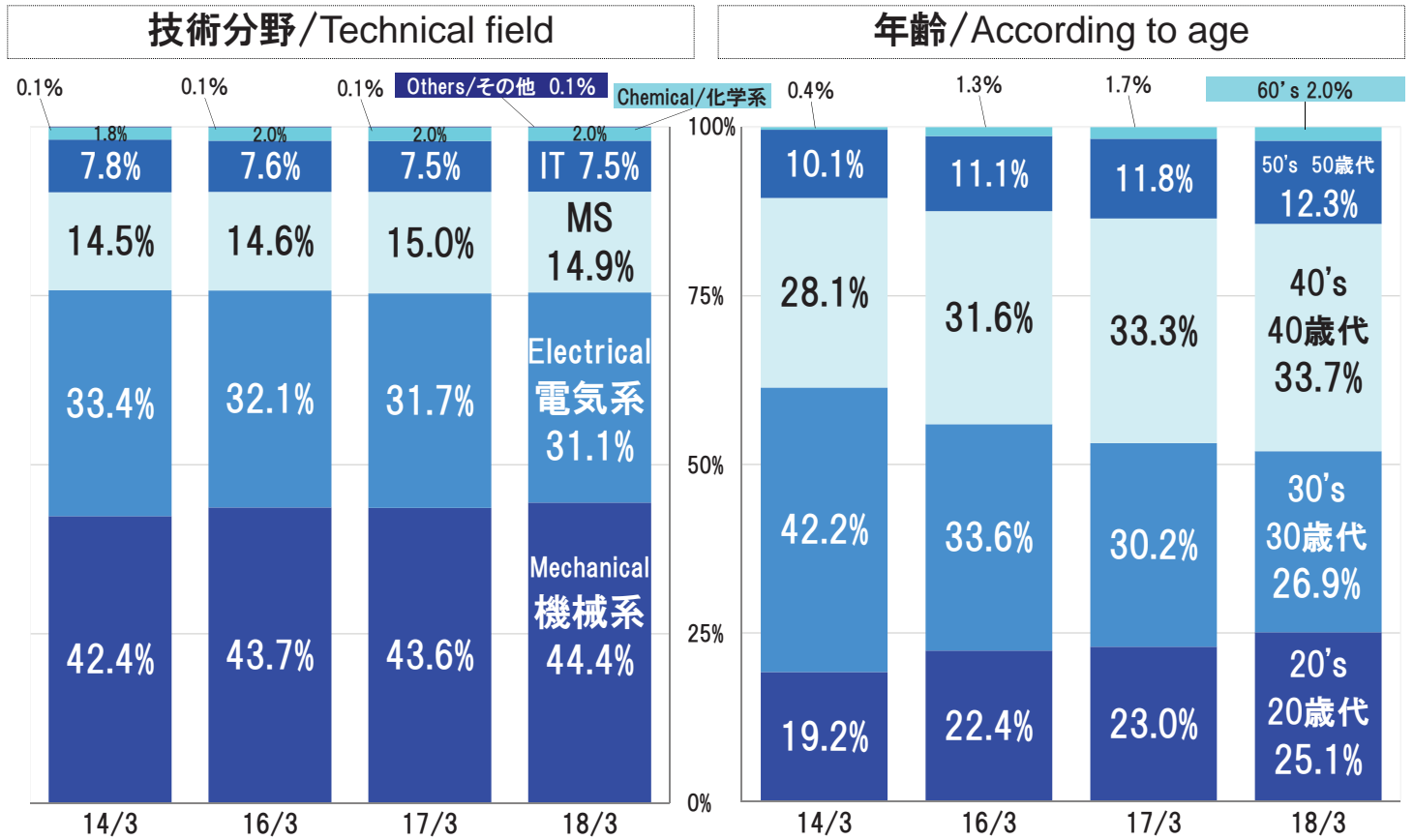
Sales by the Industrial Segments (Meitec Fielders)

Millions of Yen

Meitec Fielders	2Q FY2014	2Q FY2015	2Q FY2016	2Q FY2017	2Q FY2018			
	Net Sales				Net Sales	Total Net Sales(%)	Change	Change (%)
Automobile/Transportation	1,981	2,385	2,682	2,861	3,101	33.3%	+240	+ 8.4%
Aircraft/Aerospace	95	115	173	193	174	1.9%	(18)	(9.4%)
Industrial Machinery	862	941	1,036	1,234	1,524	16.4%	+289	+ 23.4%
Precision Equipment	820	808	836	1,014	1,141	12.3%	+127	+ 12.5%
IT Related Hardware and Devices	201	209	263	314	331	3.6%	+16	+ 5.2%
Electric and Electronics	768	819	874	978	1,069	11.5%	+90	+ 9.3%
Semiconductors and Integrated Circuits Design	226	233	264	293	347	3.7%	+54	+ 18.5%
Semiconductor Equipment and Devices	196	230	341	399	654	7.0%	+254	+ 63.7%
Information Processing/Software	164	168	164	219	246	2.6%	+26	+ 12.2%
Plant	183	225	263	298	289	3.1%	(9)	(3.0%)
Construction	12	7	10	36	48	0.5%	+12	+ 34.0%
Others	241	242	307	317	383	4.1%	+66	+ 20.9%
Total	5,753	6,386	7,218	8,163	9,314	100.0%	+1,151	+14.1%

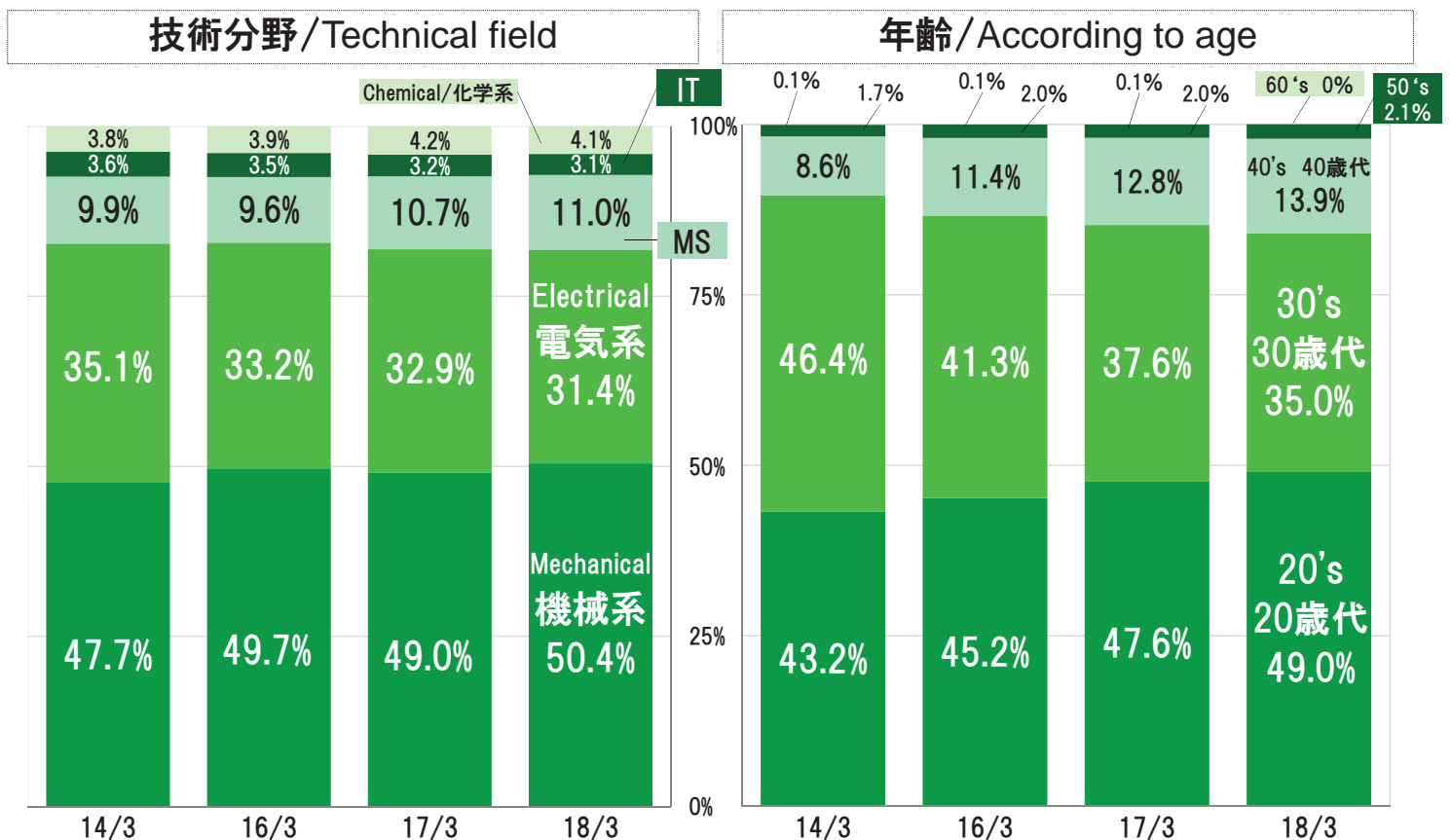
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Distribution of Engineers by Technical Fields and Age (Meitec)



MS: Micro Computer System

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



MS: Micro Computer System

Trend of Performances (Consolidated)

(Millions of Yen)	2008-2Q	2009-2Q	2010-2Q	2011-2Q	2012-2Q	2013-2Q	2014-2Q	2015-2Q	2016-2Q	2017-2Q	2018-2Q
Net sales	41,396	26,203	29,357	31,937	34,130	35,754	39,300	42,143	44,111	45,867	47,621
Cost of sales	29,429	23,478	23,628	24,052	25,119	26,607	29,366	31,321	32,861	34,049	35,288
Cost of sales to Net sales	71.1%	89.6%	80.5%	75.3%	73.6%	74.4%	74.7%	74.3%	74.5%	74.2%	74.1%
Gross profit	11,966	2,724	5,728	7,885	9,010	9,146	9,934	10,822	11,249	11,817	12,332
Selling, general and administrative expenses	6,591	5,973	5,065	5,556	6,119	6,239	5,941	6,077	6,178	6,375	6,505
SG&A expenses to Net sales	15.9%	22.8%	17.3%	17.4%	17.9%	17.4%	15.1%	14.4%	14.0%	13.9%	13.7%
Operating profit	5,375	(3,248)	662	2,328	2,891	2,907	3,992	4,744	5,071	5,442	5,827
Operating profit margins	13.0%	(12.4%)	2.3%	7.3%	8.5%	8.1%	10.2%	11.3%	11.5%	11.9%	12.2%
Non-operating profit	53	2,456	1,468	46	74	33	24	14	11	9	7
Non-operating expenses	33	58	43	24	20	9	3	35	7	5	5
Ordinary profit	5,395	(850)	2,087	2,350	2,945	2,931	4,012	4,723	5,074	5,447	5,830
Ordinary profit margins	13.0%	(3.2%)	7.1%	7.4%	8.6%	8.2%	10.2%	11.2%	11.5%	11.9%	12.2%
Extraordinary income	10	26	297	—	47	—	7	1,084	2	—	11
Extraordinary loss	60	26	83	2	206	18	3,464	30	3	60	1
Profit before income taxes	5,345	(850)	2,302	2,347	2,786	2,913	555	5,777	5,073	5,386	5,840
Total income taxes	2,305	364	686	1,051	1,094	1,207	361	1,979	1,607	1,860	1,954
Profit attributable to owners of parent	3,039	(1,214)	1,615	1,295	1,692	1,706	194	3,798	3,466	3,526	3,885
Profit margins	7.3%	(4.6%)	5.5%	4.1%	5.0%	4.8%	0.5%	9.0%	7.9%	7.7%	8.2%

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Trend of Performances (Meitec)

(Millions of Yen)	2008-2Q	2009-2Q	2010-2Q	2011-2Q	2012-2Q	2013-2Q	2014-2Q	2015-2Q	2016-2Q	2017-2Q	2018-2Q
Net sales	31,163	20,097	22,698	25,256	27,125	28,150	30,682	33,131	34,073	35,544	36,116
Cost of sales	22,095	18,015	18,629	19,180	20,081	21,094	23,091	24,758	25,545	26,601	26,969
Cost of sales to Net sales	70.9%	89.6%	82.1%	75.9%	74.0%	74.9%	75.3%	74.7%	75.0%	74.8%	74.7%
Gross profit	9,067	2,082	4,069	6,075	7,043	7,056	7,590	8,372	8,527	8,942	9,146
Selling, general and administrative expenses	4,082	4,013	3,829	4,131	4,583	4,664	4,325	4,444	4,426	4,512	4,502
SG&A expenses to Net sales	13.1%	20.0%	16.9%	16.4%	16.9%	16.6%	14.1%	13.4%	13.0%	12.7%	12.5%
Operating profit	4,985	(1,931)	239	1,944	2,460	2,392	3,265	3,927	4,100	4,430	4,644
Operating profit margins	16.0%	(9.6%)	1.1%	7.7%	9.1%	8.5%	10.6%	11.9%	12.0%	12.5%	12.9%
Non-operating profit	510	2,070	1,350	337	291	403	435	497	585	751	749
Non-operating expenses	24	28	16	19	11	4	3	30	6	2	4
Ordinary profit	5,471	109	1,573	2,262	2,739	2,791	3,697	4,395	4,679	5,179	5,388
Ordinary profit margins	17.6%	0.5%	6.9%	9.0%	10.1%	9.9%	12.0%	13.3%	13.7%	14.6%	14.9%
Extraordinary income	5	1	1	—	—	—	8	1,084	15	30	11
Extraordinary loss	56	15	73	2	210	43	3,463	43	3	60	1
Profit before income taxes	5,420	95	1,501	2,260	2,528	2,748	242	5,437	4,691	5,149	5,398
Total income taxes	2,018	64	600	904	935	1,003	69	1,687	1,411	1,541	1,589
Profit	3,402	31	900	1,356	1,593	1,745	172	3,749	3,279	3,608	3,808
Profit margins	10.9%	0.2%	4.0%	5.4%	5.9%	6.2%	0.6%	11.3%	9.6%	10.2%	10.5%

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Trend of Performances (Meitec Fielders)

(Millions of Yen)	2008-2Q	2009-2Q	2010-2Q	2011-2Q	2012-2Q	2013-2Q	2014-2Q	2015-2Q	2016-2Q	2017-2Q	2018-2Q
Net sales	5,531	3,402	3,942	4,113	4,513	5,037	5,753	6,386	7,218	8,163	9,314
Cost of sales	4,029	3,372	3,138	3,134	3,436	3,879	4,453	4,965	5,637	6,357	7,245
Cost of sales to Net sales	72.8%	99.1%	79.6%	76.2%	76.1%	77.0%	77.4%	77.7%	78.1%	77.9%	77.8%
Gross profit	1,502	30	804	978	1,076	1,157	1,300	1,421	1,580	1,806	2,069
Selling, general and administrative expenses	1,032	990	549	738	807	806	813	873	939	1,129	1,256
SG&A expenses to Net sales	18.7%	29.1%	13.9%	17.9%	17.9%	16.0%	14.1%	13.7%	13.0%	13.8%	13.5%
Operating profit	469	(960)	254	240	269	351	486	547	641	677	812
Operating profit margins	8.5%	(28.2%)	6.4%	5.8%	6.0%	7.0%	8.5%	8.6%	8.9%	8.3%	8.7%
Non-operating profit	4	455	136	2	1	1	—	—	—	—	—
Non-operating expenses	—	1	—	—	—	—	—	—	1	2	—
Ordinary profit	474	(506)	389	242	270	352	486	548	639	674	812
Ordinary profit margins	8.6%	(14.9%)	9.9%	5.9%	6.0%	7.0%	8.5%	8.6%	8.9%	8.3%	8.7%
Extraordinary income	—	—	—	—	—	—	—	—	—	—	—
Extraordinary loss	—	—	1	—	—	—	—	—	—	—	—
Profit before income taxes	473	(507)	389	242	270	352	486	548	639	674	812
Total income taxes	197	277	15	96	102	133	189	198	116	211	250
Profit	276	(785)	373	145	167	218	297	349	523	462	561
Profit margins	5.0%	(23.1%)	9.5%	3.5%	3.7%	4.3%	5.2%	5.5%	7.3%	5.7%	6.0%

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Trend of Performances (Meitec Next)

(Millions of Yen)	2008-2Q	2009-2Q	2010-2Q	2011-2Q	2012-2Q	2013-2Q	2014-2Q	2015-2Q	2016-2Q	2017-2Q	2018-2Q
Net sales	275	173	215	283	368	447	536	639	758	818	894
Cost of sales											
Cost of sales to Net sales											
Gross profit	275	173	215	283	368	447	536	639	758	818	894
Selling, general and administrative expenses	289	180	162	203	246	278	355	435	475	539	602
SG&A expenses to Net sales	105.2%	104.0%	75.1%	71.7%	67.0%	62.2%	66.3%	68.0%	62.6%	65.9%	67.4%
Operating profit	(14)	(6)	53	80	121	169	180	204	283	279	291
Operating profit margins	(5.2%)	(4.0%)	24.9%	28.3%	33.0%	37.8%	33.7%	32.0%	37.4%	34.1%	32.6%
Non-operating profit	—	—	1	—	—	—	—	—	—	—	—
Non-operating expenses	—	—	—	—	—	—	—	—	—	—	—
Ordinary profit	(14)	(6)	55	80	121	169	180	204	283	279	291
Ordinary profit margins	(5.2%)	(3.9%)	25.5%	28.4%	33.0%	37.9%	33.7%	32.0%	37.4%	34.1%	32.6%
Extraordinary income	—	—	—	—	—	—	—	—	—	—	—
Extraordinary loss	—	—	—	—	—	—	—	—	—	—	—
Profit before income taxes	(14)	(6)	54	80	121	169	180	204	283	278	291
Total income taxes	—	—	—	—	9	55	64	67	90	87	89
Profit	(14)	(7)	54	80	112	114	116	136	193	191	202
Profit margins	(5.3%)	(4.1%)	25.1%	28.4%	30.5%	25.5%	21.6%	21.4%	25.5%	23.4%	22.6%

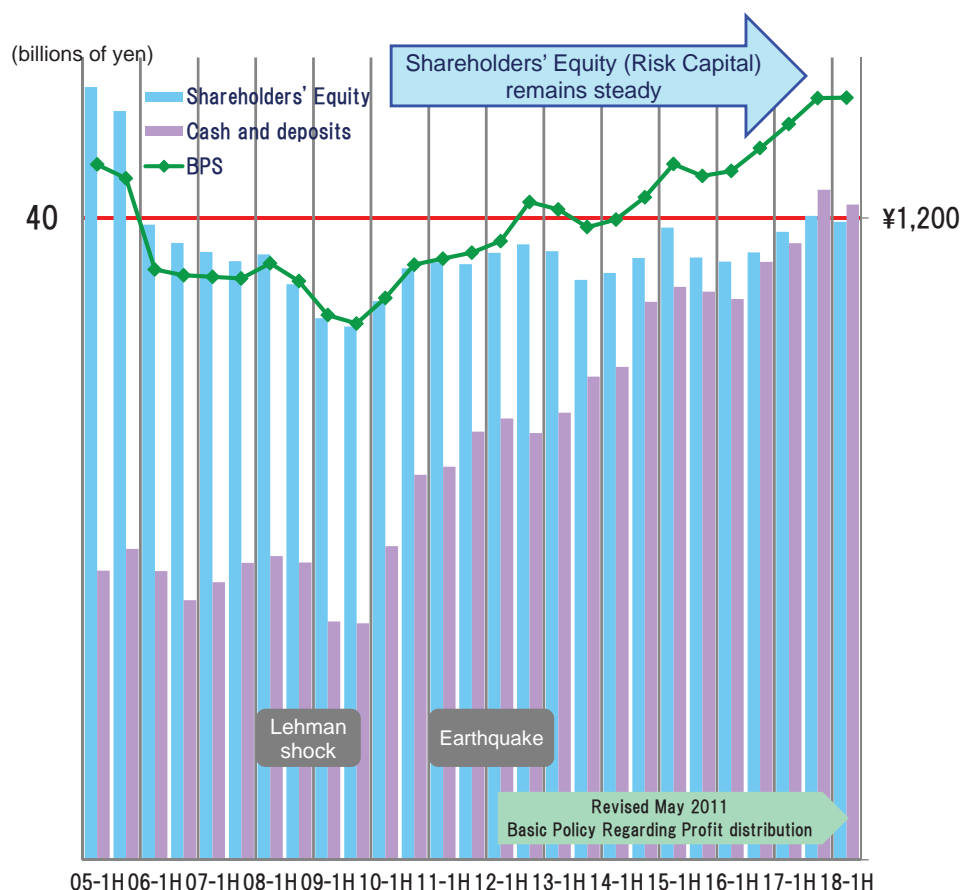
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Trend of Balance Sheets (Consolidated)

(Millions of Yen)	2007/9/30	2008/9/30	2009/9/30	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
Cash and deposits	17,295	18,925	14,851	19,548	24,504	27,506	27,866	30,719	35,716	34,954	38,425	40,838
Notes and accounts receivable - trade	12,687	12,395	8,016	9,389	9,391	10,036	10,070	11,680	12,048	12,695	13,354	13,100
Total current assets	36,141	35,285	27,391	32,210	37,128	40,935	42,090	46,427	52,071	52,568	55,645	55,348
Property, plant and equipment	13,873	13,093	12,390	11,986	11,465	10,920	10,785	7,333	5,980	5,632	5,498	5,296
Total non-current assets	22,004	22,280	19,823	18,600	17,494	16,215	15,799	12,393	12,271	11,183	11,743	14,168
Total assets	58,146	57,565	47,214	50,811	54,623	57,150	57,890	58,821	64,343	63,752	67,389	69,516
Total current liabilities	13,363	12,807	5,762	7,488	8,409	9,760	9,642	11,351	12,850	12,923	14,119	14,929
Total non-current liabilities	6,634	6,708	7,423	8,271	8,890	9,496	10,256	10,857	12,046	13,555	14,133	14,826
Total liabilities	19,997	19,516	13,185	15,760	17,299	19,257	19,898	22,209	24,897	26,478	28,252	29,755
Total shareholders' equity	38,541	38,474	34,604	35,716	38,146	38,744	38,816	38,401	41,387	39,570	41,118	41,575
Other net assets	(393)	(424)	(575)	(666)	(822)	(851)	(824)	(1,789)	(1,941)	(2,296)	(1,981)	(1,813)
Total net assets	38,148	38,049	34,028	35,050	37,324	37,893	37,991	36,612	39,445	37,273	39,136	39,761

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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)													Actual	Forecast	
	FY2005	FY2006	FY2007	FY2008	FY2009	FY2010	FY2011	FY2012	FY2013	FY2014	FY2015	FY2016	FY2017	FY2018	
Total Return Ratio	159.0%	2,800.4%	112.7%	123.6%	—	24.7%	92.9%	99.0%	101.2%	116.8%	100.0%	100.1%	80.0%	80.0%	
Dividend Payout ratio	65.1%	1,085.7%	50.5%	58.9%	—	24.7%	68.5%	53.2%	56.1%	92.4%	53.5%	55.2%	61.8%	61.5%	
Dividend on Equity	7.1%	7.4%	6.5%	6.9%	2.4%	2.6%	5.2%	8.4%	6.0%	9.2%	11.4%	11.6%	12.9%		
Annual Dividends	Per Share	@¥90.50	@¥89.00	@¥72.00	@¥75.00	@¥24.50	@¥27.50	@¥58.50	@¥99.00	@¥72.00	@¥111.00	@¥144.00	@¥151.50	@¥177.00	@¥178.50
	Millions of Yen	3,329	3,162	2,488	2,518	812	911	1,925	3,134	2,220	3,373	4,286	4,344	5,008	4,981
2nd Quarter	Per Share	@¥44.00	@¥44.00	@¥37.50	@¥47.00	@¥24.50		@¥29.00	@¥30.00	@¥31.50	@¥44.00	@¥63.00	@¥68.00	@¥74.50	@¥84.00
	Millions of Yen	1,630	1,579	1,304	1,590	812		961	981	983	1,344	1,908	1,968	2,119	2,344
Year-end	Per Share	@¥46.50	@¥45.00	@¥34.50	@¥28.00		@¥27.50	@¥29.50	@¥69.00	@¥40.50	@¥67.00	@¥81.00	@¥83.50	@¥102.50	@¥94.50
	Millions of Yen	1,699	1,583	1,184	928		911	965	2,153	1,237	2,029	2,378	2,375	2,889	2,637
Acquisition of Treasury Shares	Thousands of shares	1,405	1,353	857	1,174			421	1,506	641	269	921	915	257	280
	Millions of Yen	5,100	5,099	3,100	2,800			700	2,800	1,800	899	3,799	3,600	1,500	1,500
Total Shareholders Return	Millions of Yen	8,429	8,261	5,588	5,318	812	911	2,625	5,934	4,020	4,273	8,086	7,944	6,508	6,481
Retirement of Treasury Stock	Thousands of shares	1,562	1,400		342			400	1,700	500	300	900	1,300		
Stock Price TSE#9744	As of April 1	¥3,830	¥3,870	¥3,860	¥3,040	¥1,242	¥1,893	¥1,621	¥1,681	¥2,193	¥2,857	¥3,965	¥3,865	¥4,505	¥5,960
	As of March 31	¥3,870	¥3,800	¥3,020	¥1,216	¥1,831	¥1,664	¥1,669	¥2,343	¥2,930	¥4,025	¥3,935	¥4,520	¥5,890	
Earnings per Share		@¥138.93	@¥8.20	@¥142.64	@¥127.31	@¥(27.30)	@¥111.33	@¥85.45	@¥186.08	@¥128.30	@¥120.12	@¥269.24	@¥274.32	@¥286.64	@¥290.27
Net Assets per Share		@¥1,274.10	@¥1,092.80	@¥1,086.71	@¥1,081.85	@¥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	

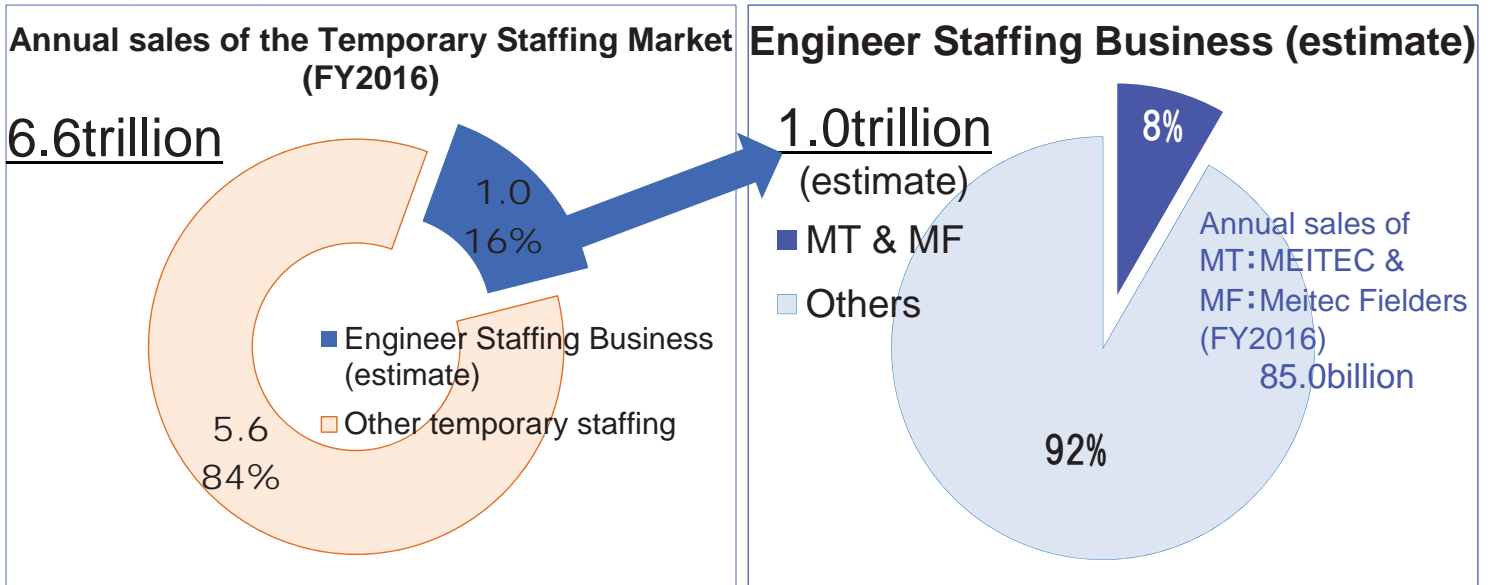
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Shareholders by Business Segments

Shareholder Segment	As of September 30, 2018			
	Shareholders	%	Shares Held	%
Banks	8	0.2%	483,511	1.6%
Trust Banks	18	0.4%	8,569,500	28.6%
Life and nonlife insurance companies	24	0.5%	4,016,883	13.4%
Securities financing and other financial companies	6	0.1%	37,060	0.1%
Securities companies	33	0.7%	597,777	2.0%
Business concerns and other companies	72	1.4%	166,209	0.6%
Overseas companies and investors	223	4.5%	11,212,407	37.4%
Individuals and others	4,614	92.3%	4,916,653	16.4%
Total	4,998	100.0%	30,000,000	100.0%

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✓ Calculation of estimates based on statistics following the revisions to the Worker Dispatching Act.



Meitec (Mar-2017)	Engineer Staffing (estimate)	Old Specified Temporary Staffing	
			Indefinite
¥5,113	approx.¥3,700	approx.¥3,150	approx.¥3,230

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

Evaluation of the appropriateness of processes, and recommendations to the Board of Directors, etc.

- Appoint and dismissal, selection and removal of directors and audit & supervisory board members (Selection and removal of Representative Director and CEO, nomination of director and audit & supervisory board member candidates, etc.)
- Evaluation of internal executive directors' performance and remuneration for internal executive directors

CEO Candidates Screening Council

II. Executives(As of June 30, 2018)

	Directors	Audit & Supervisory Board Members	Total
Number	8	4	12
of which Independent & Outside	2	4	6
ratio	25%	100%	50% >

Policy of composition
One-third or more of attendees

III. Calculation Method of Executive Remuneration

Remuneration Amounts to Individual Executives

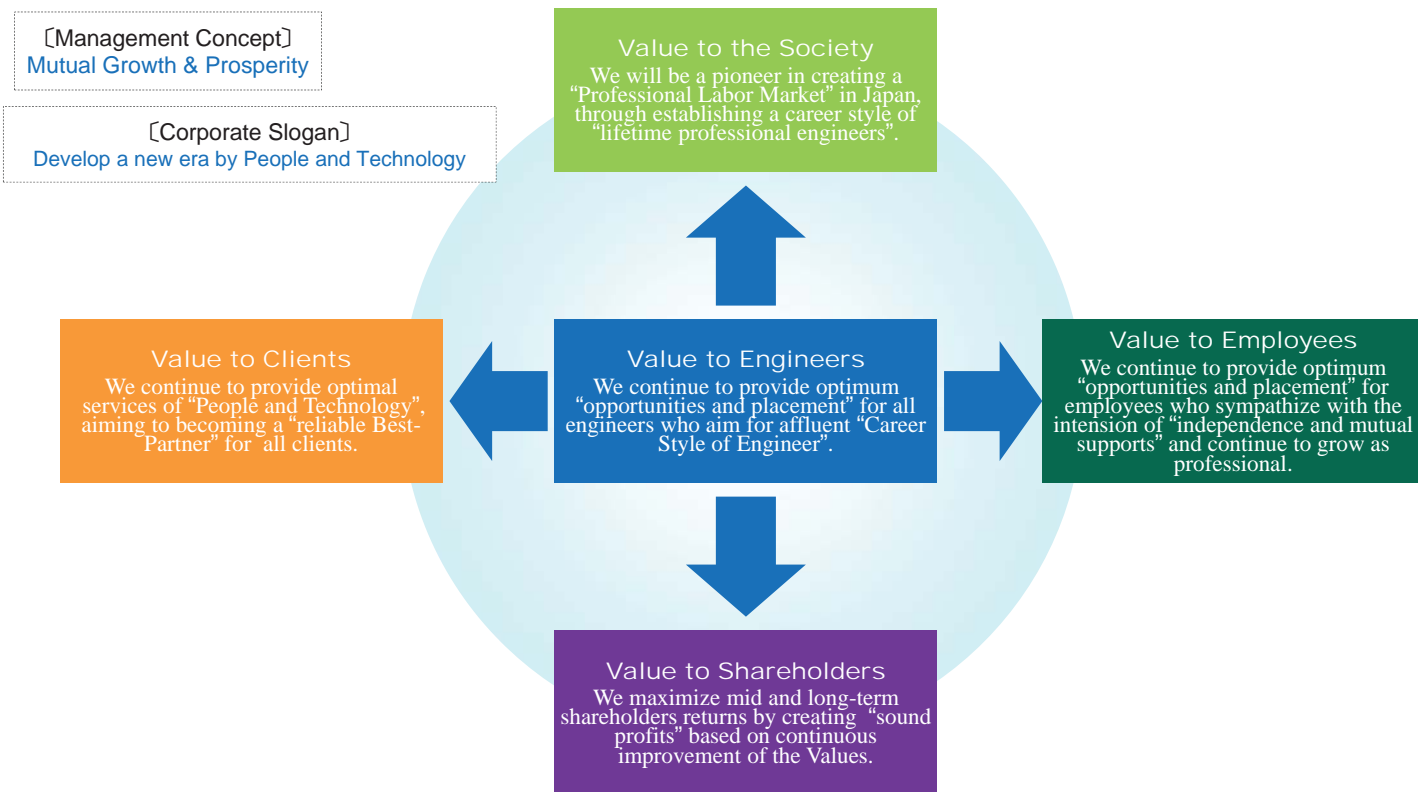
¥1K=JPY1,000-	Revised: April 1, 2016	
CEO, MEITEC Group President and CEO, COO (COO)	Yearly payment	¥28,800K (Monthly ¥2,400K)
Director	Yearly payment	¥19,200K (Monthly ¥1,600K)
Outside Director	Yearly payment	¥9,000K (Monthly ¥750K)
Standing audit & supervisory board member	Yearly payment	¥24,000K (Monthly ¥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)	

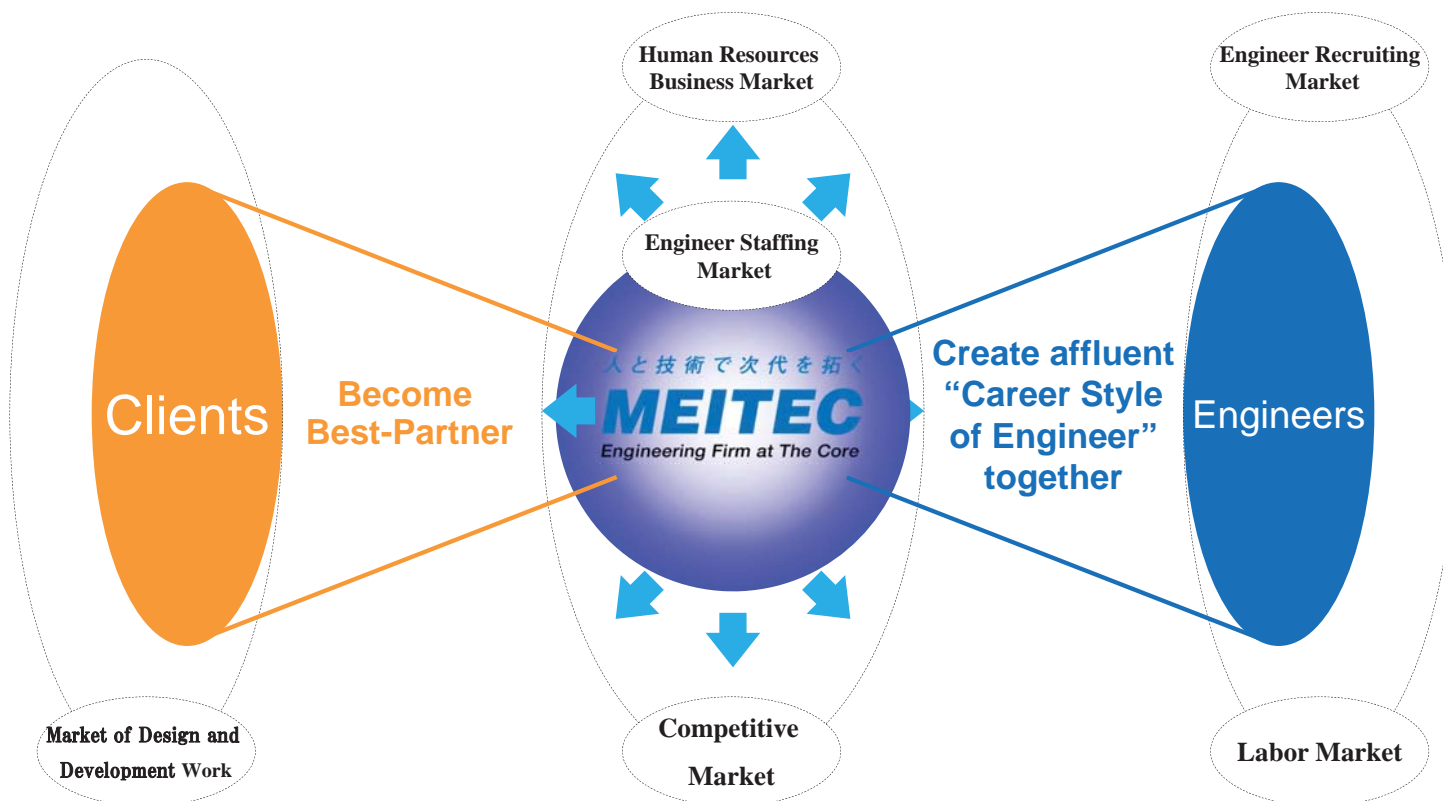
“Ideal State of the Meitec Group”

We, the Meitec Group, with cooperation of all the employees, shall improve the five values continuously from the "Value to Engineers" as a starting point.



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Target of Providing the Value



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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.

Mid-term Management Plan of Meitec Group 2017-2019

Next Stage 1**Next Stage 1**

Performance Targets for the Fiscal Year

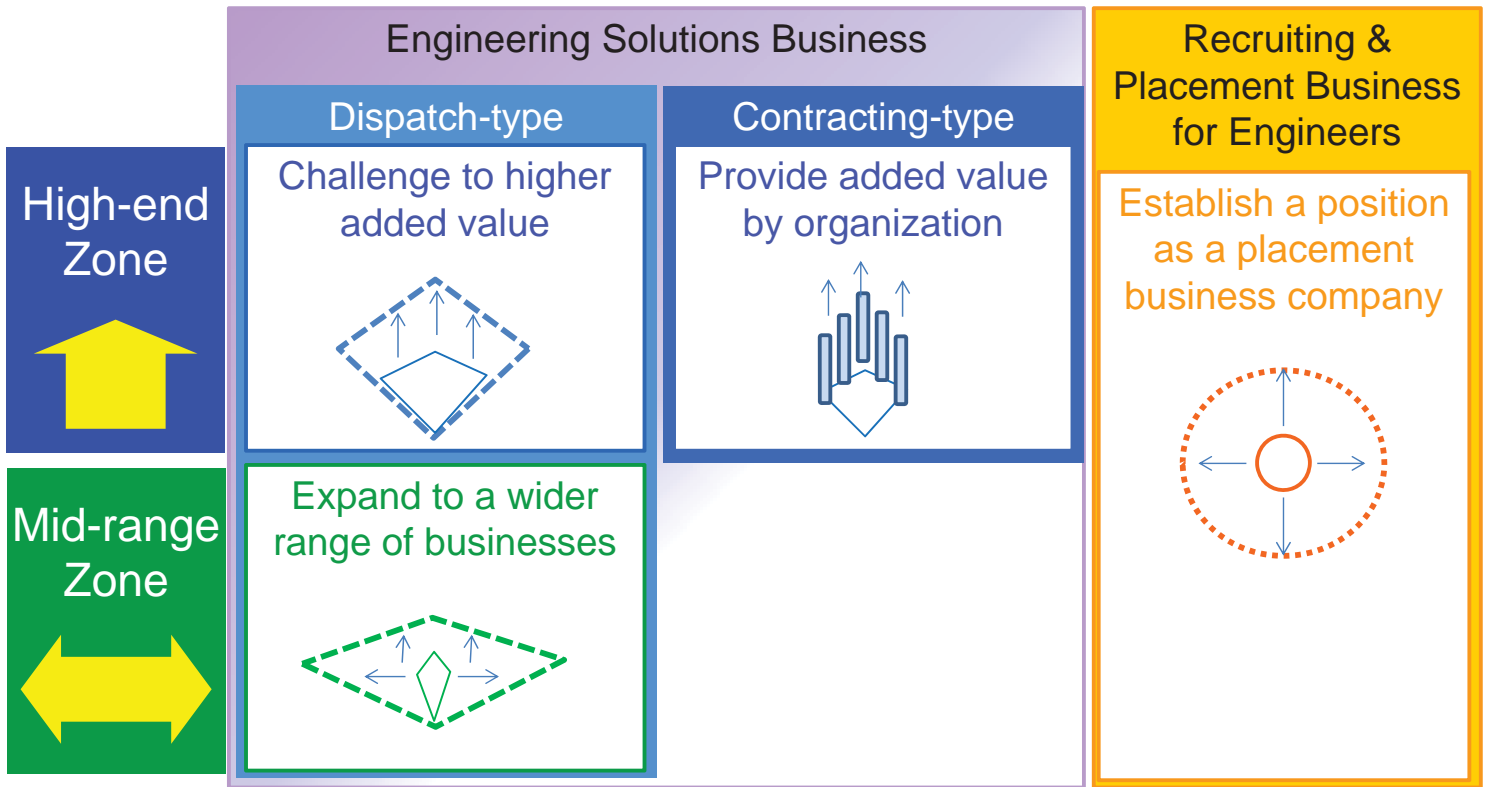
Ending March 31, 2020

人と技術で次代を拓く
MEITEC
Engineering Firm at The Core
Strengthen competitiveness for aggressive growth

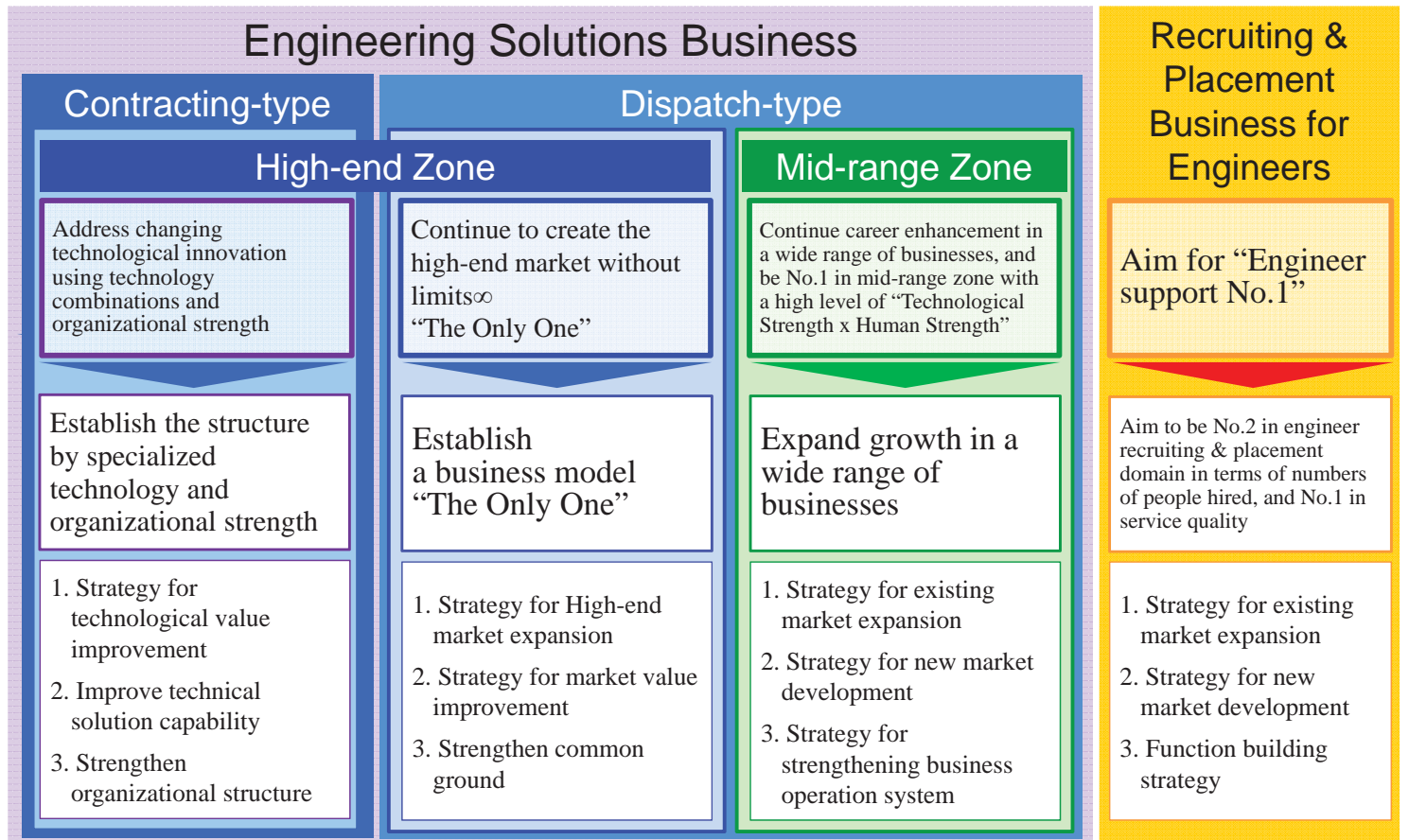
FY2019 Mid-term Management Plan	Group Consolidated	Engineering Solutions Business			Recruiting&Placement Business for Engineers
		Engineering Solutions Business		2.4	
		Meitec	Meitec Fielders		
Net Sales	100.0	78.0	20.0	2.4	
Operating Profit	13.0	10.0	1.7	0.6	
Margin	13%	13%	9%	25%	
Profit	9.0				
ROE	20%				

✓ We have slightly revised the Basic Policy Regarding Profit Distribution, and have formulated a 3-year profit distribution plan.

Strengthen competitiveness for aggressive growth



Next Stage 1 Strategies by Each Businesses -Goals for the future of the business-



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	34 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