

人と技術で次代を拓く

MEITEC

メイテックグループ

Daiwa Investment Conference Tokyo 2016

February-March 2016

MEITEC CORPORATION

9744 TSE 1ST Section

The Meitec Group's Enduring Goals



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.

Features of the Meitec Group

1. The largest in the regular full-time employment engineer staffing industry

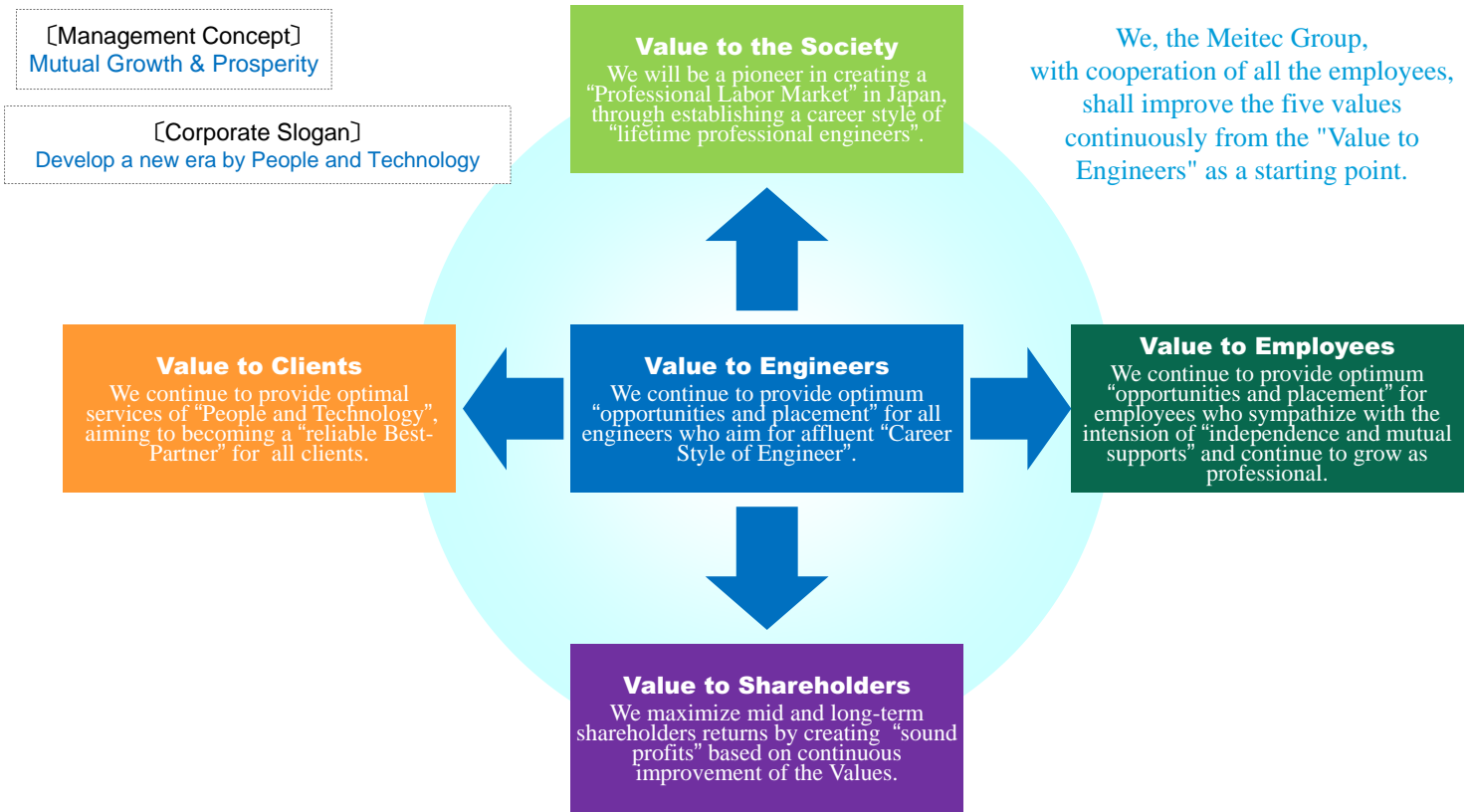
〈Largest number of transactions in the industry & the best quality in the industry; a pioneer〉

2. The largest “group of professional engineers” in Japan
〈A platform that produces Lifetime Professional Engineers®〉

3. Clients include approx. 1,000 major manufacturing companies in Japan

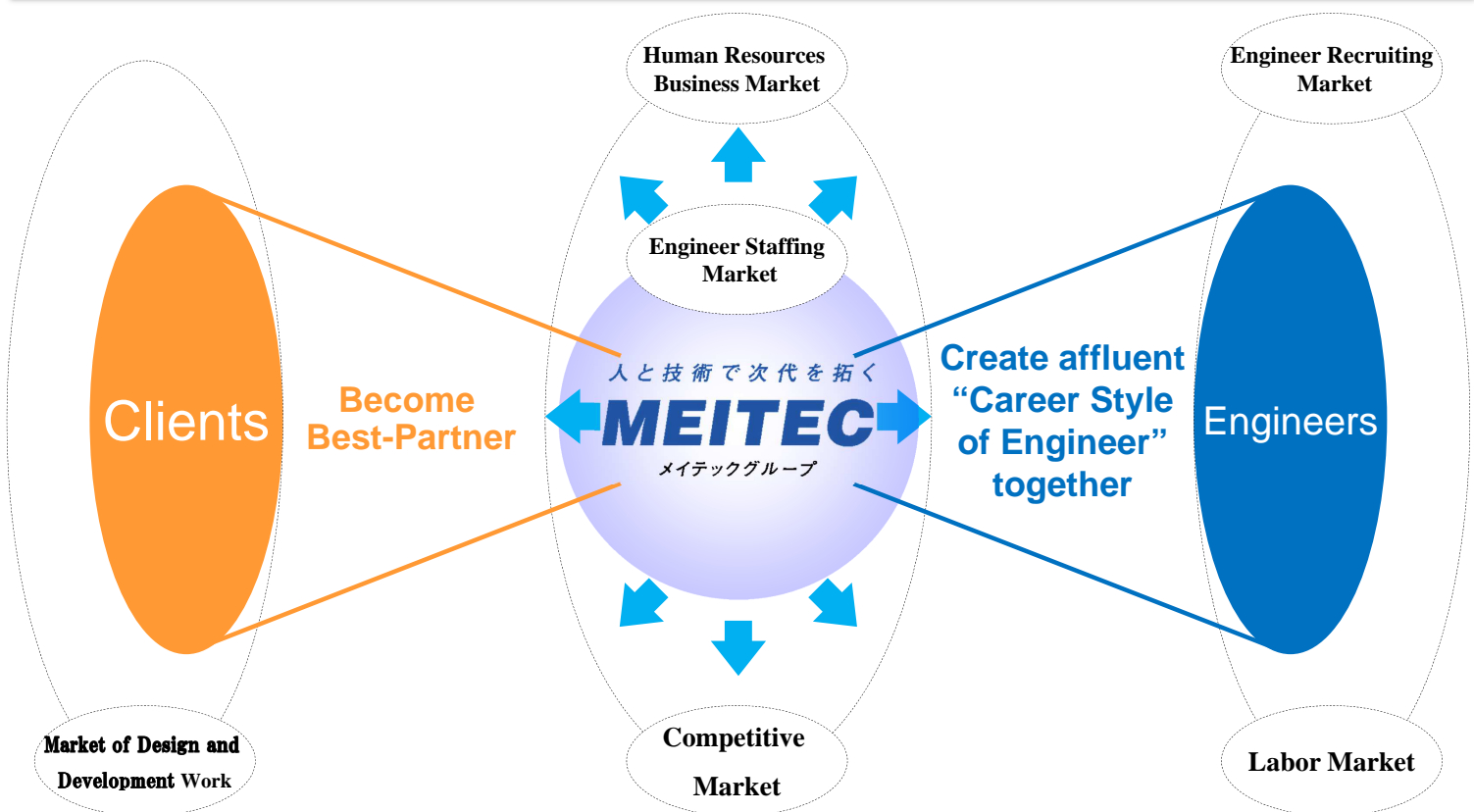
〈More than 4,000 companies in total over the 40 years since the company was established〉

- ✓ Prior to the start of the mid-term management plan, we have reviewed the “ideal state of the Group” (visions).
- ✓ The previous four values (employees, clients, shareholders, and society) have been amended to following five values



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- ✓ We have set a business policy that clearly states the values provided by the Group to service users, through a review of our management concept and corporate slogan as well as our “ideal state.”



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Top 10 Clients by Sales

Re-posted

✓ The top 10 clients for Meitec are as below.

※Due to confidentiality reasons we refrain from disclosing specific figures.

(Millions of yen)

2nd Q of FY 2010			2nd Q of FY 2014			2nd Q of FY 2015		
1	Panasonic		1	Mitsubishi Heavy Industries		1	Canon	
2	Mitsubishi Heavy Industries		2	Canon		2	Mitsubishi Heavy Industries	
3	Canon		3	Denso		3	Denso	
4	Nikon		4	Panasonic		4	Panasonic	
5	Sony		5	Nikon		5	Nikon	
6	Denso		6	Kawasaki Heavy Industries		6	Kawasaki Heavy Industries	
7	Toyota Motor		7	Toyota Motor		7	Omron	
8	Kawasaki Heavy Industries		8	Omron		8	Sony	
9	Seiko Epson		9	Toshiba		9	Mitsubishi Aircraft	
10	Daikin Industries		10	Sony		10	Toyota Motor	
Top 10 Total	7,205	31.7%	Top 10 Total	7,986	26.0%	Top 10 Total	8,517	25.7%
Top 20 Total	9,601	42.3%	Top 20 Total	11,210	36.5%	Top 20 Total	11,855	35.8%
Others	13,098	57.7%	Others	19,472	63.5%	Others	21,276	64.2%
Total	22,698	100.0%	Total	30,682	100.0%	Total	33,131	100.0%

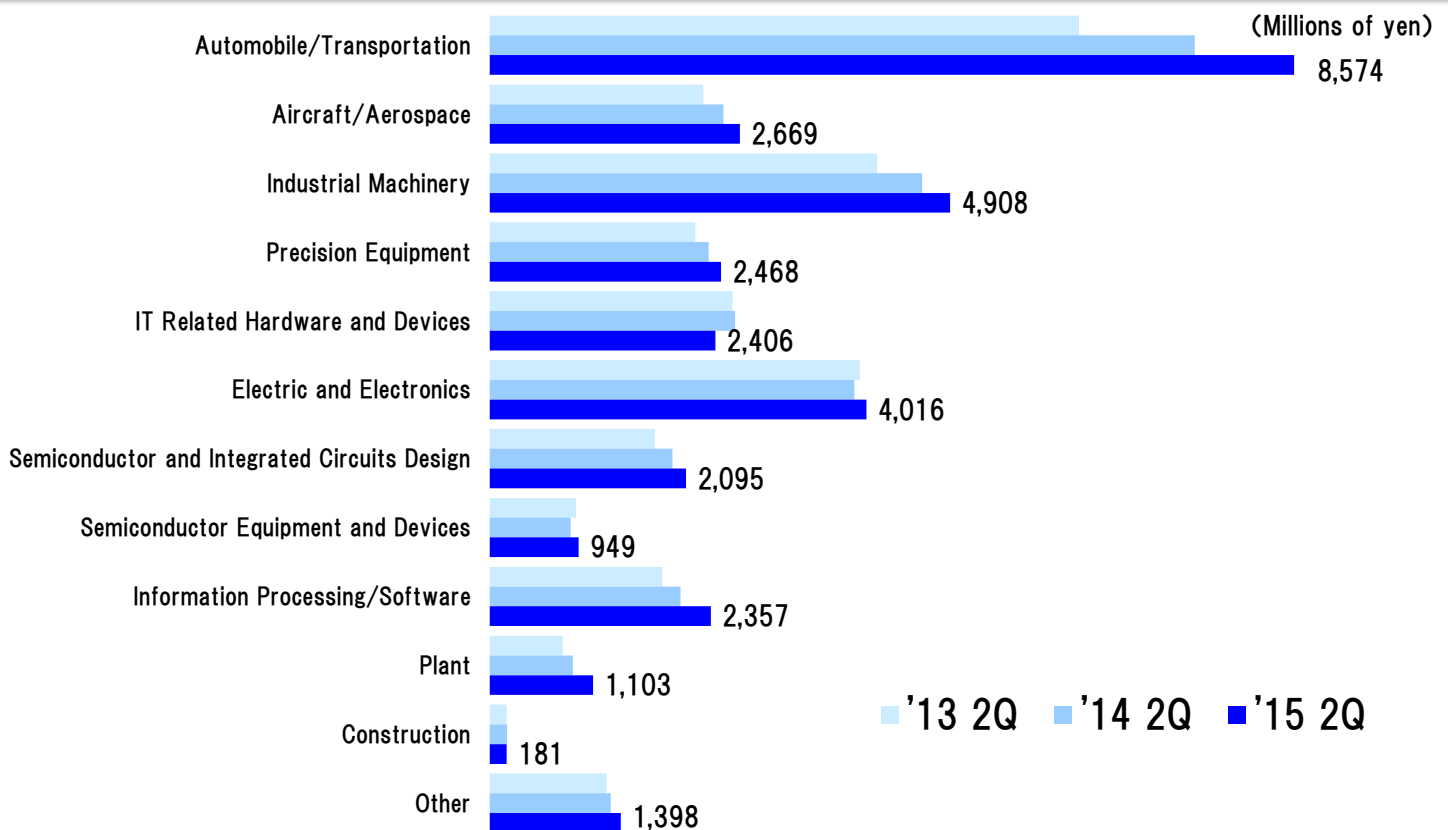
*From the presentation of 2nd Q of fiscal year 7

Sales by the Industrial Segments

Re-posted

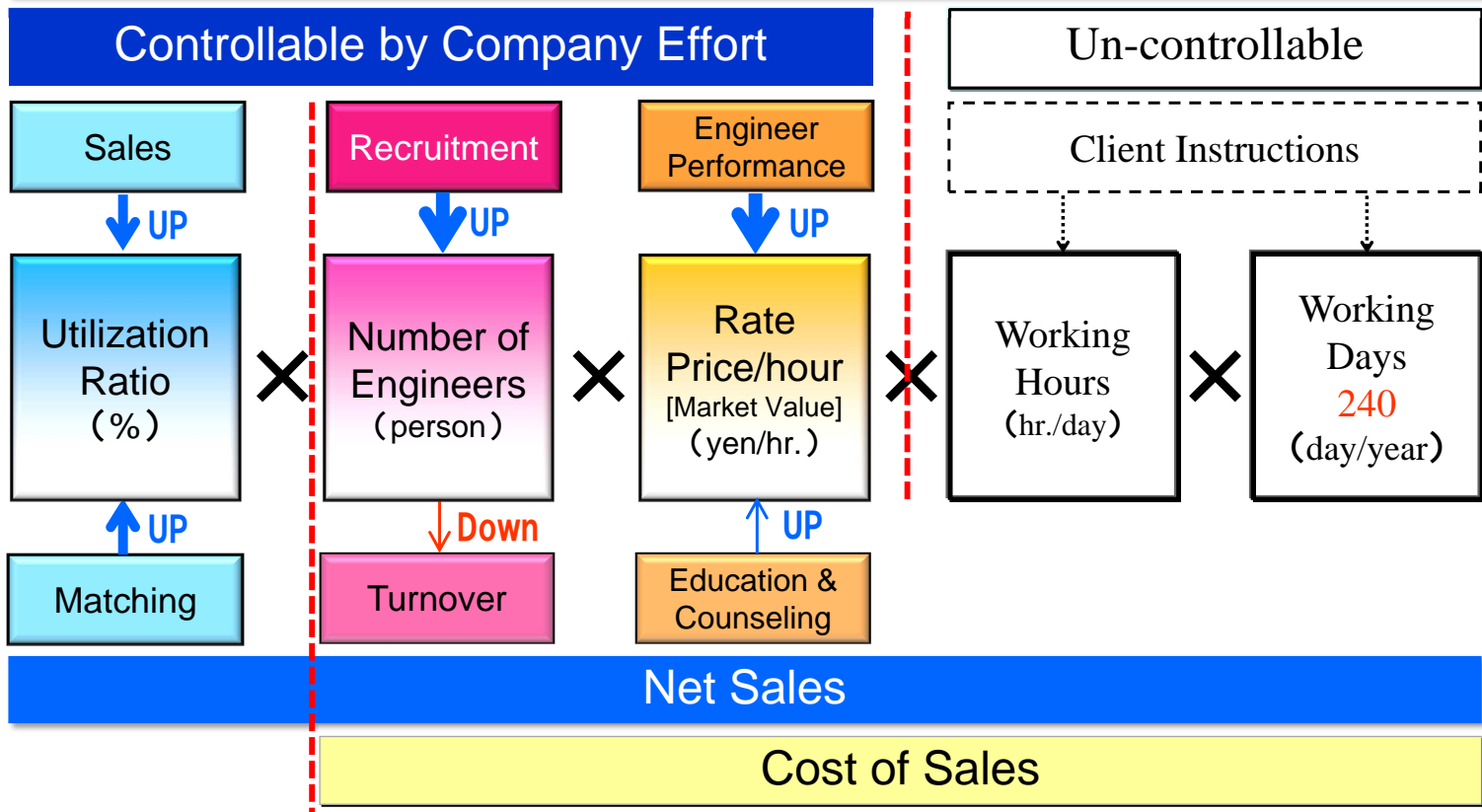
✓ Sales by the industrial segment for Meitec are as below.

※Figures are stated in Reference Materials. From a confidentiality perspective, we refrain from disclosing the breakdown and outlook by clients.



*From the presentation of 2nd Q of fiscal year 8

✓ Increase the number of engineers and sustain and improve the high "utilization ratio and prices" is the key to a growth in professional staffing business for engineers of indefinite and regular employment

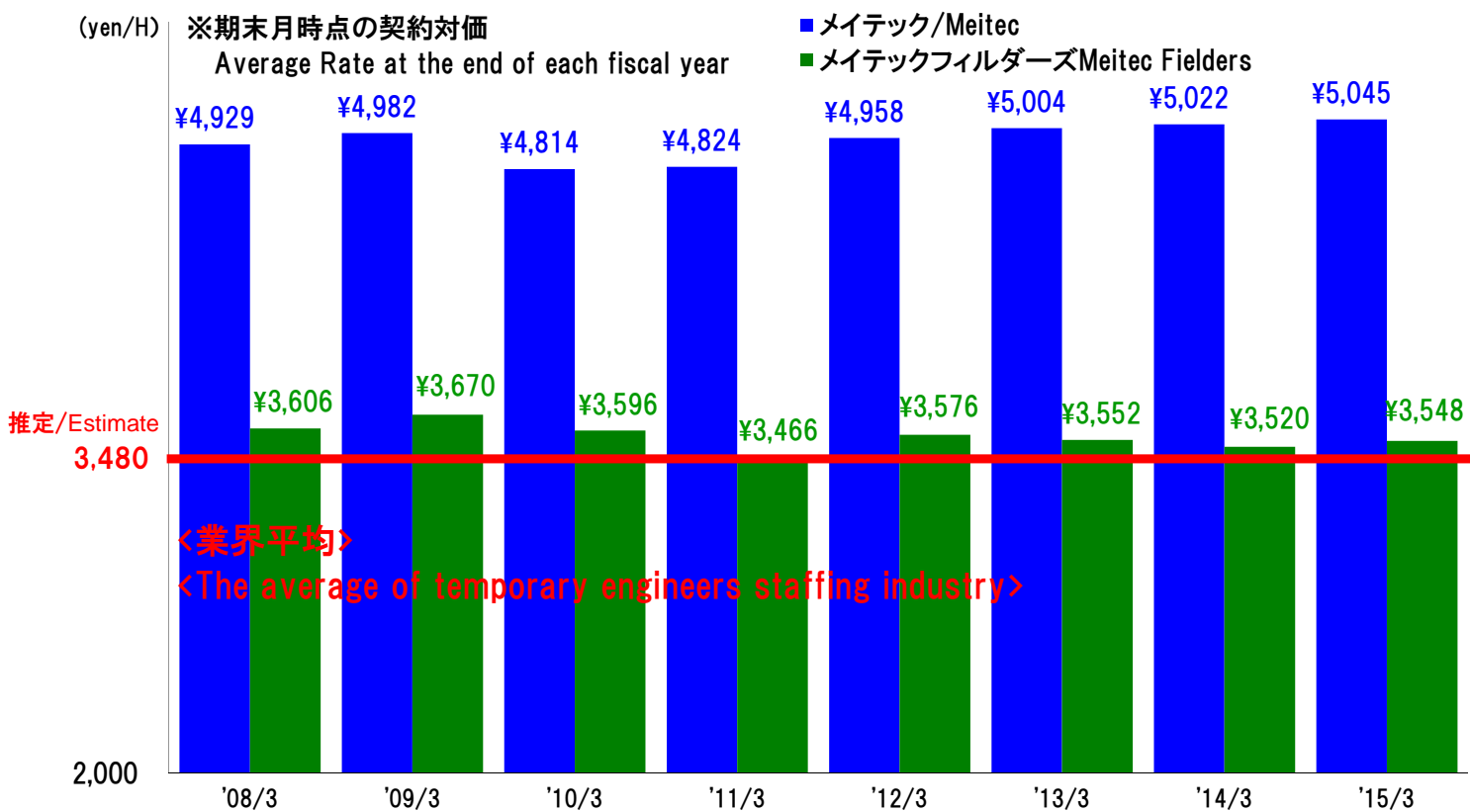


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Trend in Average Rate = (Market Value)

Re-posted

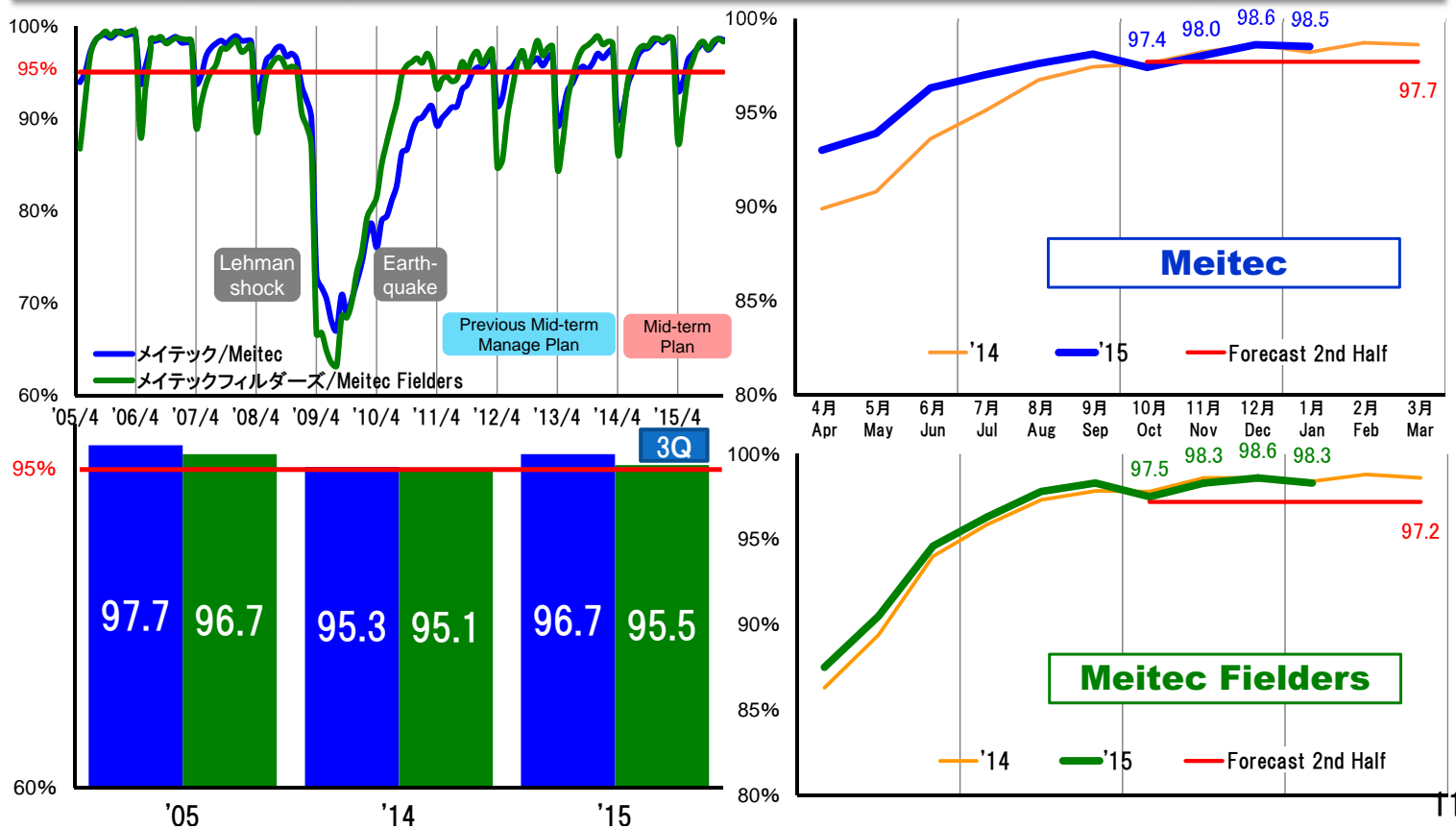
✓ Each engineer raises the value of his/her performances, helping clients' understand the value.
→ We will continue to make efforts to "obtain appropriate compensation" based on market value.



*From the presentation of previous 4th Q of fiscal year 10

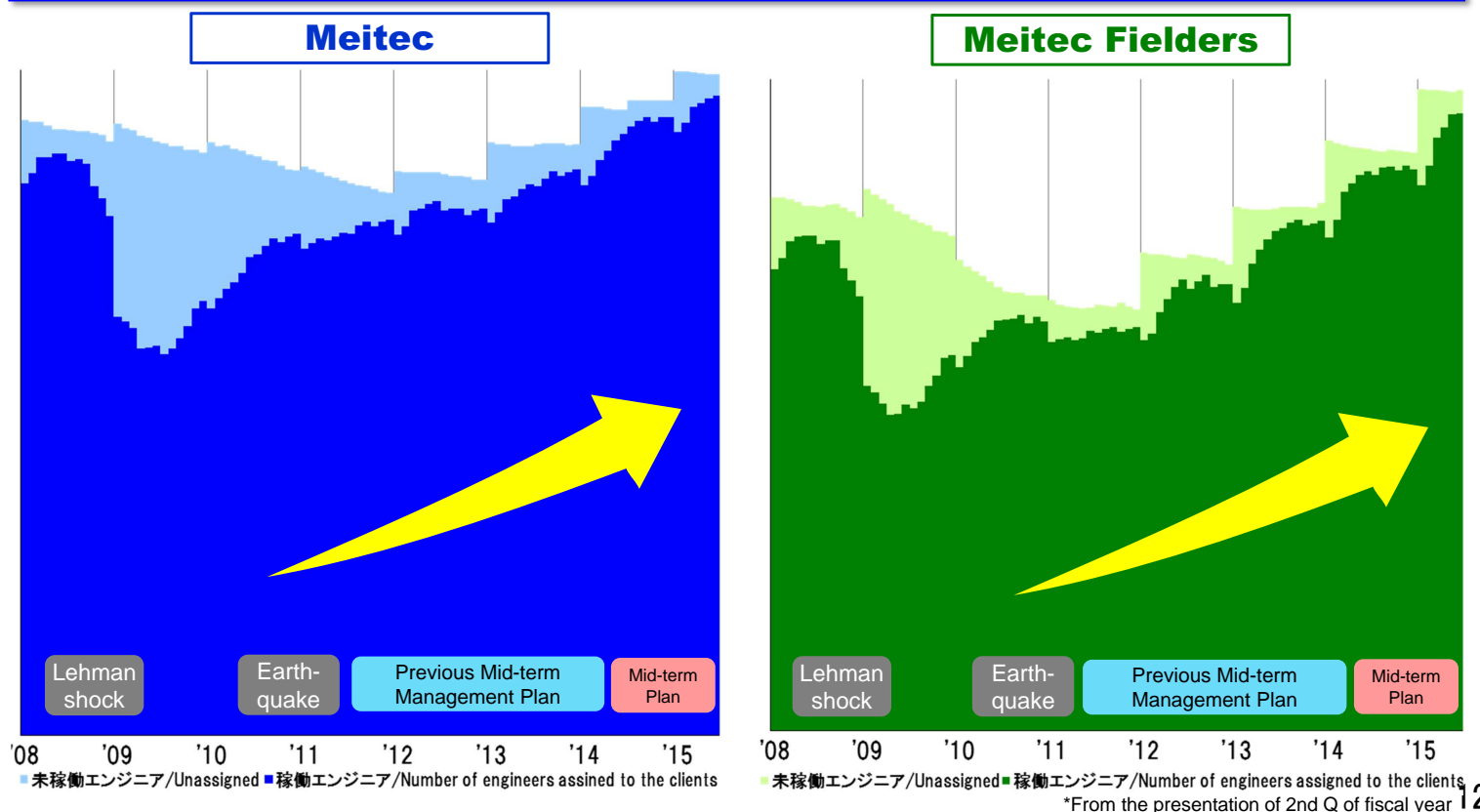
Utilization Ratio

✓ The utilization ratio exceeded the same period of the previous fiscal year, due to the fact that utilization of newly graduated engineers joining the company was more steady than initially expected, and also because we focused on the utilization of existing engineers



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

✓ 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.

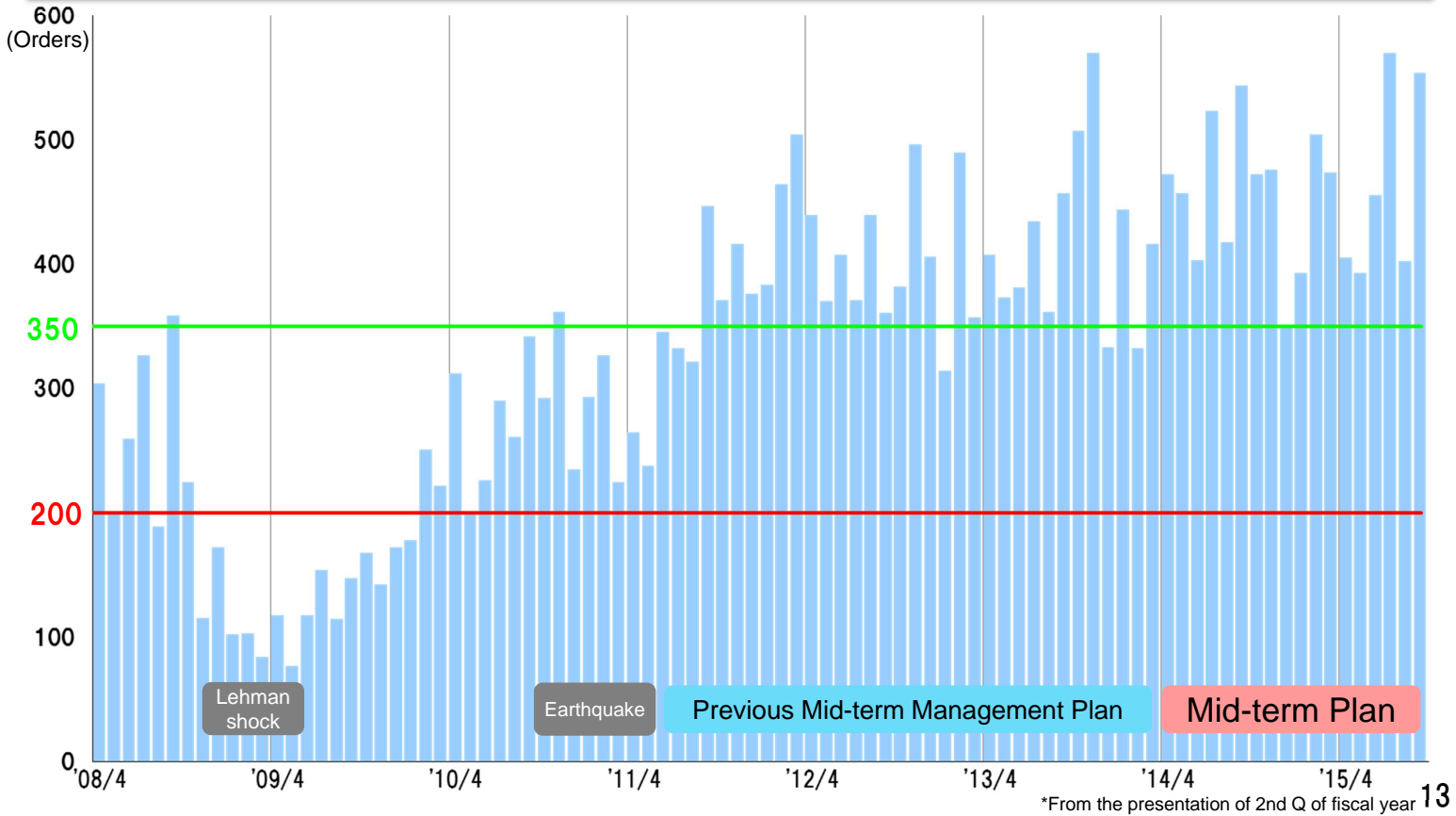


Trend in New Orders by Month

Re-posted

✓ **New monthly orders at Meitec remain firm, trending above the key 350 orders per month level.**

※From a confidentiality perspective, we refrain from disclosing the breakdown of new orders (industry, client, etc.).



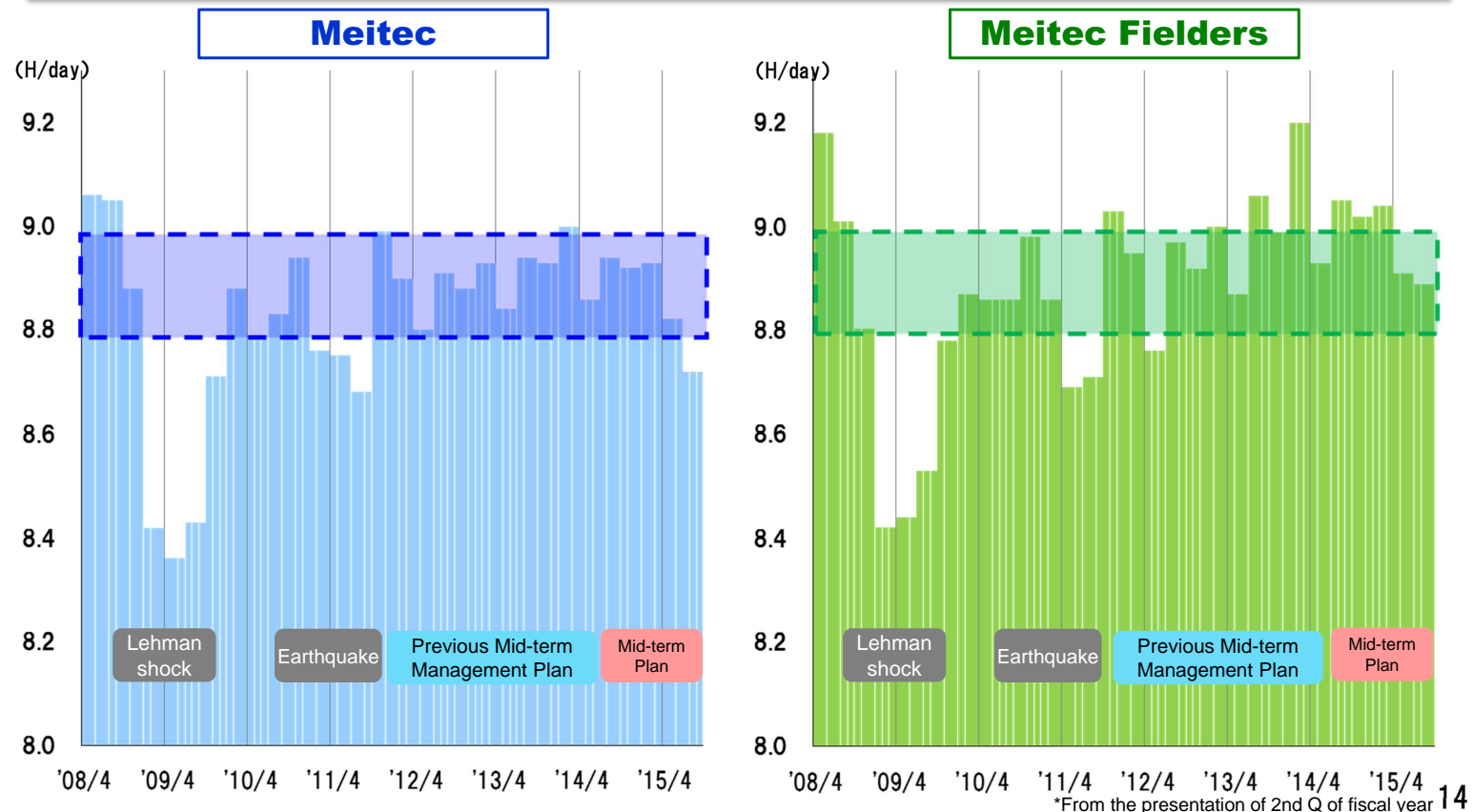
Working Hours

Re-posted

✓ **Working hours declined year on year, due to a drop in overtime hours at some clients, etc.**

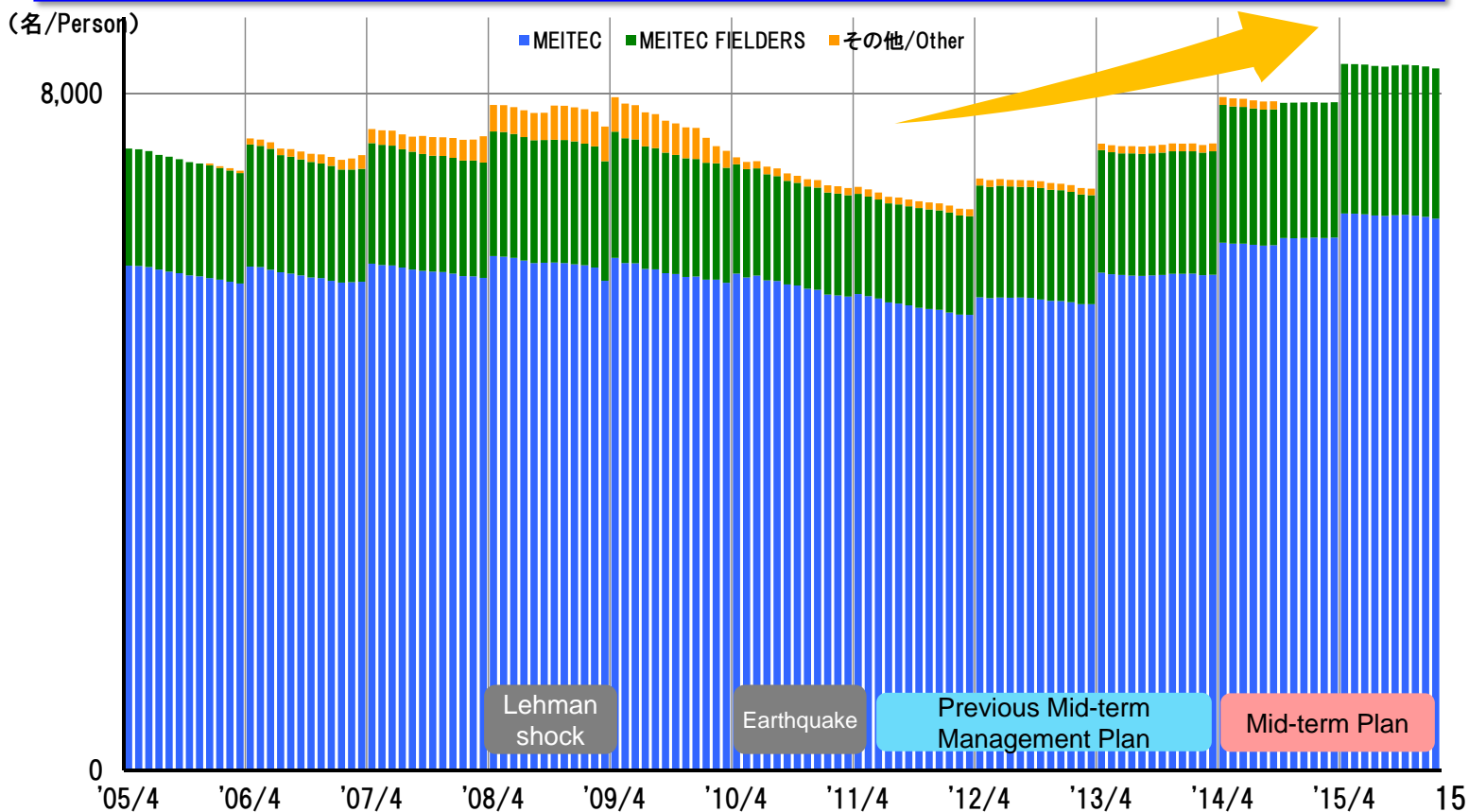
✓ **We do not see this as a major risk, but we will need to adjust our forecasts.**

※Uncontrollable by Meitec



Number of Engineers (Group Consolidated)

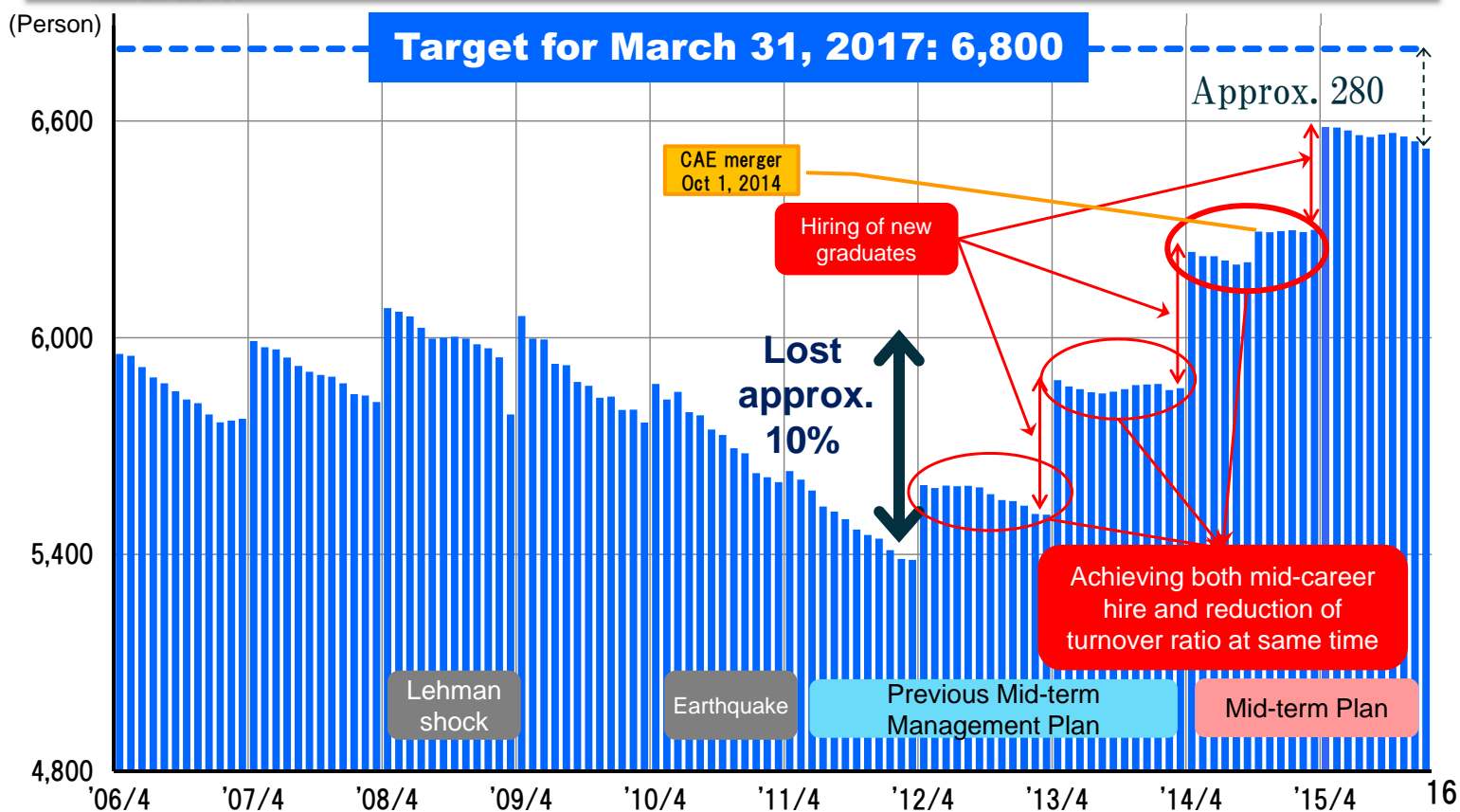
✓ Number of engineers at the end of January 31, 2015 was 8,299, increased 400 engineers, or 5.0%, compared to January 31, 2014



Number of Engineers (Meitec)

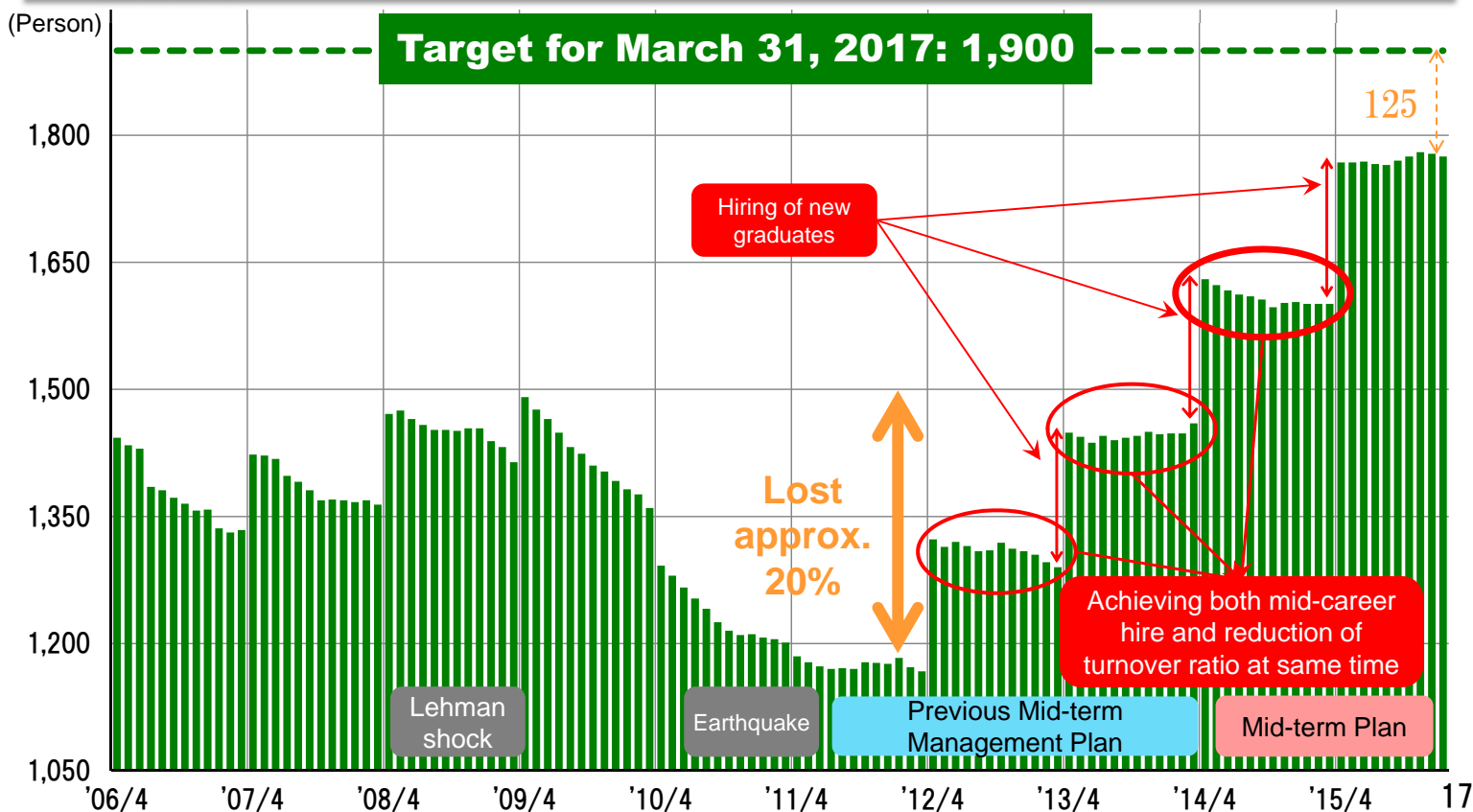
✓ Number of engineers at the end of January 31, 2015 was 6,524, increased 226 engineers, or 3.5%, compared to January 31, 2014. ※Including CAE merger.

✓ Meitec needs to hire around 280 more engineers to achieve its target of 6,800 engineers by the end of March 2017.



Number of Engineers (Meitec Fielders)

- ✓ Number of engineers at the end of January 31, 2015 was 1,775, increased 174 engineers, or 10.8%, compared to January 31, 2014.
- ✓ Meitec Fielders needs to hire 125 more engineers to achieve its target of 1,900 engineers by the end of March 2017.



Hiring Target for Fiscal Year Ending Mar. 2016

Re-posted

Mid-career (FY 2015)

- ✓ Hiring conditions for engineers are overheated due to factors such as persistently strong demand for engineers, growth in the number of new job openings, looser hiring standards, and more flexibility in accepting terms requested by engineers. (such as desired work locations.)
- ✓ Under these conditions, Meitec will continue to focus on hiring engineers in line with order trends, mainly in the machinery and electronic/electronics sectors, by maintaining hiring standards and the assumption of ensuring engineers can be assigned smoothly.
- ✓ The number of mid-career hires is largely in line with the Group's target. → no plans to change target (target was lowered during the previous fiscal year.)

New Graduates (Joined April 2016)

- ✓ The recruitment market is challenging due to an increase in the number of companies hiring, growth in the number of new engineers required by each company, longer recruitment processes due to changes to the selection schedule, condition which we were forced to take try and error approach because the method we used previous year would not work this year.
- ✓ The Meitec Group will introduce new ways of attracting engineers without lowering its hiring standards.
- ✓ Job offers by the Meitec Group exceeded the start-of-year recruitment target by 5 engineers, comprising 22 more than projected for Meitec and a shortfall of 17 for Meitec Fielders.

(person)	Fiscal Year Ending March 31, 2016					Fiscal Year Ending March 31, 2017	
	Newly Graduate April 2015 (Actual)	Mid-career		Total		Newly Graduate April 2016	
		<Target>	Comparison to Initial Forecast	<Target>	Comparison to Initial Forecast	(Prospective Number as of Oct. 2015)	Comparison to Initial Forecast
Meitec	299	190	—	489	—	332	+22
Meitec Fielders	175	105	—	280	—	173	(17)
Total	474	295	—	769	—	505	+5
Comparison to previous year	(77)	+5		(72)			

- ✓ We have revised our forecasts for FY2015 in light of recent trends.
- ✓ We have not revised our mid-term management plan, as we have not yet achieved our targets for growth in the number of engineers or the profit margin.

(billion yen)		FY2014 (Actual)		FY2015 (Forecast)		FY2016 (Targets)	
Group Consolidated							
Net Sales		(79.0)	82.1	(86.0)	86.4		88.0
Operating Income		(7.7)	9.5	(9.8)	10.0		10.0
Margin		(9.7%)	11.6%	(11.4%)	11.6%	equal or more than	12%
Profit attributable to owners of parent		(4.9)	3.6	(7.0)	7.6		6.0
ROE			9.9%	(19%)	20%	equal or more than	15%
Meitec							
Net Sales		(61.5)	64.6	(67.8)	67.9		68.0
Operating Income		(6.3)	7.9	(8.2)	8.4		8.5
Margin		(10.2%)	12.3%	(12.1%)	12.4%	equal or more than	13%
Meitec Fielders							
Net Sales		(11.4)	11.9	(12.8)	13.0		13.5
Operating Income		(0.9)	1.0	(1.1)	1.1		1.3
Margin		(7.9%)	9.0%	(8.6%)	8.5%	equal or more than	9.5%

(Initial Forecast at beginning of the fiscal year)

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Results for the 3rd Quarter of the Fiscal Year Ending March 31, 2016 (Group Consolidated)

- ✓ Net sales rose 7.1% year on year and operating income was up 16.0%, driven by the professional staffing business for engineers on the back of continued investment in technological development by major manufacturers, Meitec's main clients.
- ✓ The Company recorded extraordinary losses of approximately ¥3,500 million for the first six months of the previous fiscal year, arising from the suspension of use of training facilities and other facility; however, in the period under review, the sale of all these facilities was completed, yielding extraordinary income of approximately ¥1,000 million.

Group Consolidated	3Q ended Dec. 31, 2014	3Q ended Dec. 31, 2015	YoY Amount	% Change	Forecast FY ending March 31, 2016	Progress toward the FY forecast
(Millions of yen)						
Net sales	60,121	64,399	+4,277	+7.1%	86,400	74.5%
Cost of sales	44,464	47,578	+3,113	+7.0%	63,800	
Cost of sales to Net sales	74.0%	73.9%	(0.1%)	(0.1%)	73.8%	
SG&A Expenses	8,967	9,063	+95	+1.1%	12,600	
Operating income	6,688	7,758	+1,069	+16.0%	10,000	77.6%
Operating income margins	11.1%	12.0%	+0.9%	+8.3%	11.6%	
Ordinary income	6,714	7,733	+1,019	+15.2%	10,000	77.3%
Extraordinary income & loss	(3,460)	1,039	+4,499	—		
Income taxes	1,140	2,929	+1,788	+156.9%		
Income before income taxes and minority interests	3,254	8,773	+5,519	+169.6%		
Profit attributable to owners of parent	2,113	5,840	+3,727	+176.4%	7,600	76.8%
Net income margins	3.5%	9.1%	+5.6%			

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Results for the 3rd Quarter of the Fiscal Year Ending March 31, 2016 (Meitec)

- ✓ Net sales increased 7.2% year on year and operating income rose 16.9%, supported by growth in the number of engineers assigned to clients.
- ✓ The Company recorded extraordinary losses of approximately ¥3,500 million for the first six months of the previous fiscal year, arising from the suspension of use of training facilities and other facility; however, in the period under review, the sale of all these facilities was completed, yielding extraordinary income of approximately ¥1,000 million.
- ✓ As a result of the above, profit attributable to owners of parent increased 159.4% year on year.

Meitec (Millions of yen)	3Q ended Dec. 30, 2014	3Q ended Dec. 30, 2015	YoY Amount	% Change	Forecast FY ending March 31, 2016	Progress toward the FY forecast
Net sales	47,211	50,607	+3,396	+7.2%	67,900	74.5%
Operating income	5,524	6,457	+933	+16.9%	8,400	76.9%
Operating income margins	11.7%	12.8%	+1.1%		12.4%	
Ordinary income	5,960	6,925	+965	+16.2%	8,900	77.8%
Profit attributable to owners of parent	2,117	5,492	+3,374	+159.4%	7,000	78.5%
Utilization ratio (Company-wide)	95.3%	96.7%	+1.4%		96.8%	
Working Hours<h/day>	8.92	8.81	(0.11)	(1.2%)	8.77	
Number of Engineers as Period-End	6,295	6,544	+249	+4.0%		

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Results for the 3rd Quarter of the Fiscal Year Ending March 31, 2016 (Meitec Fielders)

- ✓ Net sales increased 11.4% year on year and operating income rose 10.6%, supported by growth in the number of engineers assigned to clients.
- ✓ The utilization ratio rose 0.4 % year on year, with all newly hired graduate engineers assigned to clients in the first half of the fiscal year.

Meitec Fielders (Millions of yen)	3Q ended Dec. 30, 2014	3Q ended Dec. 30, 2015	YoY Amount	% Change	Forecast FY ending March 31, 2016	Progress toward the FY forecast
Net sales	8,807	9,813	+1,005	+11.4%	13,000	75.5%
Operating income	804	889	+84	+10.5%	1,100	80.8%
Operating income margins	9.1%	9.1%	(0.1%)		8.5%	
Ordinary income	805	890	+85	+10.6%	1,100	80.9%
Profit attributable to owners of parent	494	570	+75	+15.2%	700	81.4%
Utilization ratio (Company-wide)	95.1%	95.5%	+0.4%		95.7%	
Working Hours<h/day>	9.02	8.92	(0.10)	(1.1%)	8.93	
Number of Engineers as Period-End	1,603	1,778	+175	+10.9%		

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Basic Policy Regarding Profit Distribution

- ✓ Through the realization of sustained growth, we will aim at the maximization of shareholder return on a medium to long-term basis.
- ✓ The Company's basic concept concerning profit return is achievement return based on performance.

Revised May 2011
Basic Policy
Regarding Profit
distribution

Total Return Ratio
Basically within 100%

Dividend

Dividend related to performances	Equal or more than 50% of consolidated net profit
Minimum Dividend	Equal or more than Dividend on Equity ratio (DOE) 5%

Treasury Share Acquisition

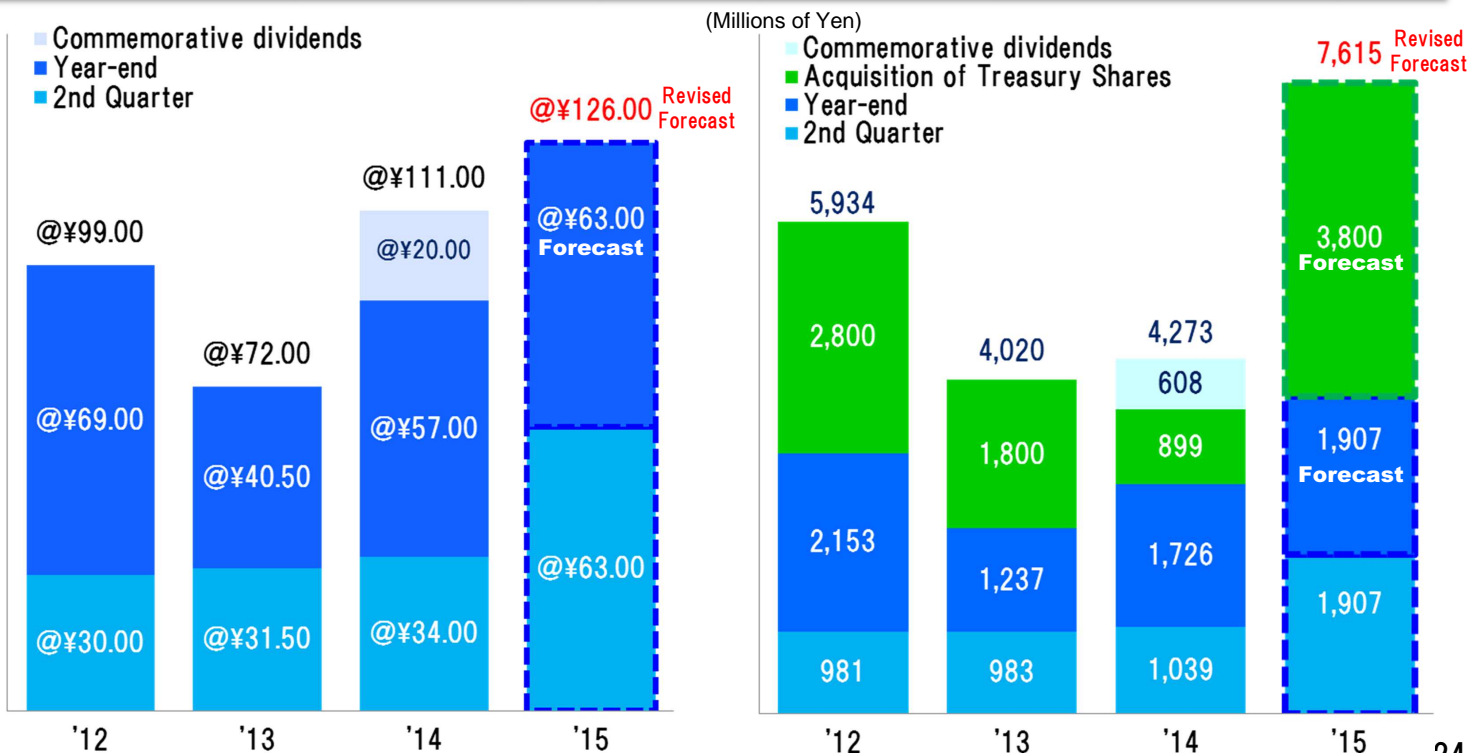
Acquisition of treasury shares	Consolidated cash position excess of 3 months net sales to be planned for acquisition of the treasury shares
Retain Maximum of 2 million shares	Retired Excess above maxim to be retired

- Three Month Net Sales = Working capital*: Consolidated two month net sales + Fund for strengthening the financial base (a fund to sustain the business operation in the event of a crisis equivalent to that of fiscal year ended March 2010): consolidated one month net sales
- 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.

Results and Forecast of Profit Distribution

- ✓ We have raised our forecast for profit distribution in line with upward revision to our full-year earnings forecasts.
- ✓ We now forecast a full-year regular dividend of 126 yen per share (totaling around 3.8 billion yen) and acquisition of treasury shares of 3.8 billion yen.

* Total return ratio 100% = (regular dividends 3.8billion yen + acquisition of treasury shares amount 3.8billion yen) ÷ forecast net income 7.6 billion yen



Develop a New Era by People and Technology

人と技術で次代を拓く

MEITEC

メイテックグループ

MEITEC GROUP

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URL: <http://www.meitec.co.jp>

〈Note〉

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.

Reference Materials

人と技術で次代を拓く

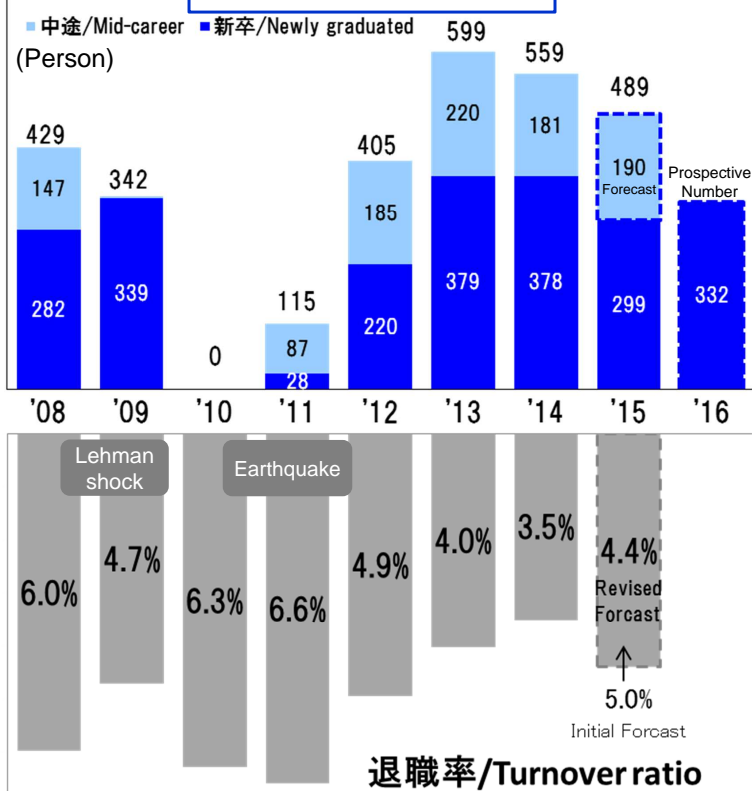
MEITEC

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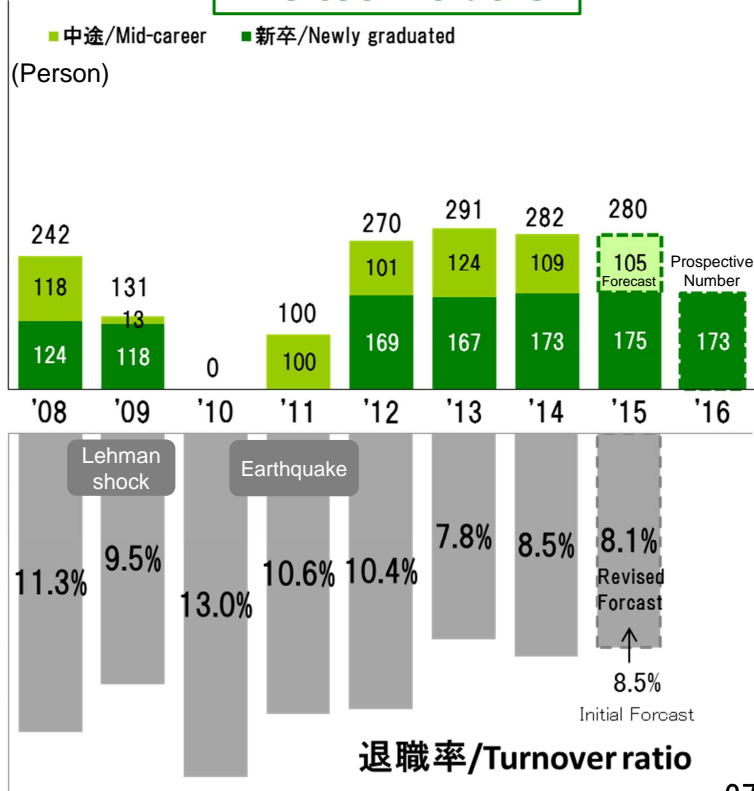
✓ Our forecasts for the number of recruitment and the turnover ratio as of the release of 2Q results are as follows.

✳ We plan to announce the actual recruitment and turnover ratios in May 2016.

Meitec



Meitec Fielders



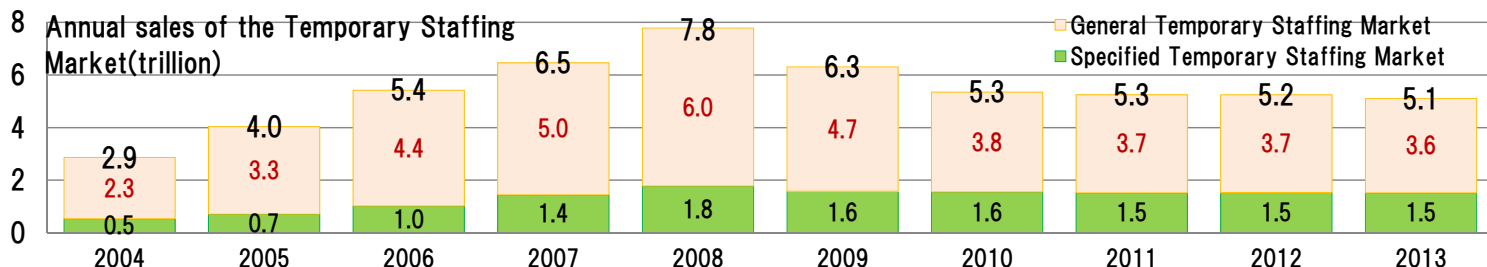
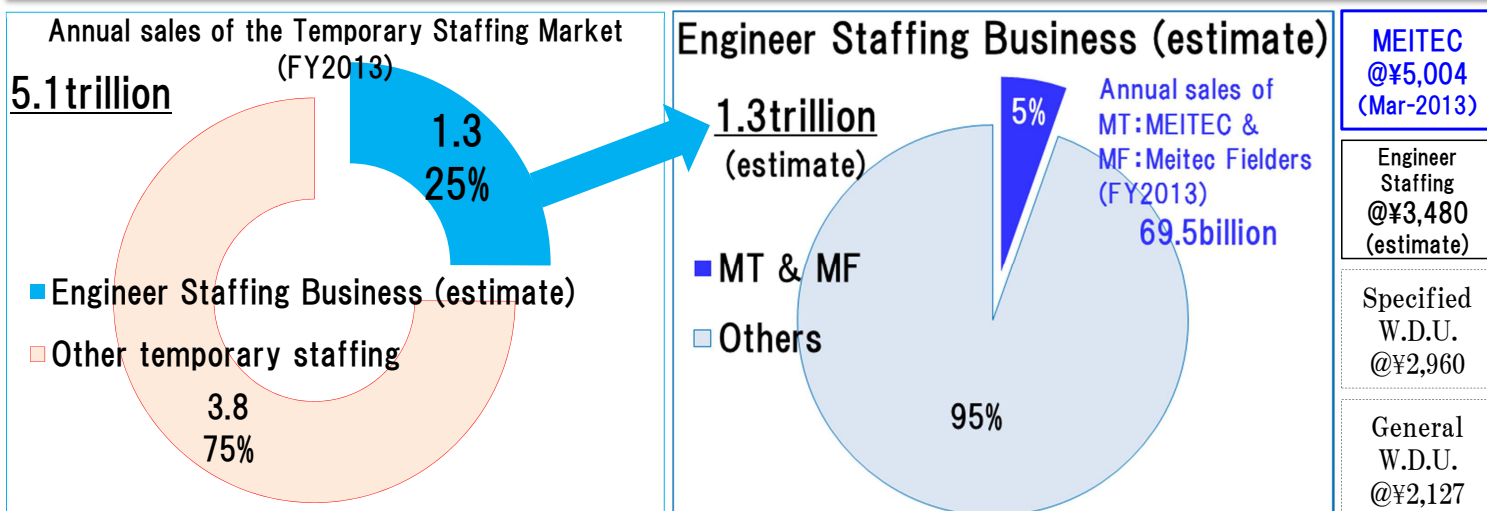
*From the presentation of 2nd Q of fiscal year 27

Market of Engineer Staffing Business (estimate)

✓ Meitec Group hold over 5% share(estimate) of Engineer Staffing Business Market.

✓ Meitec's high average price per hour is prominent.

It proves our engineer's high value in "Technological Strength X Human Strength".

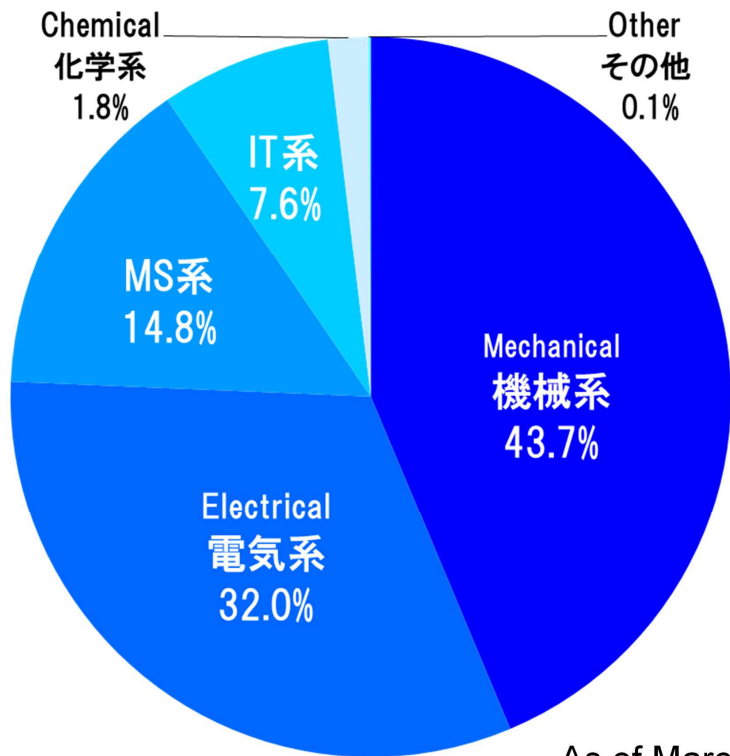


Original source: 2013 MHLW statistics . We calculated the estimate originally. * We assume no responsibility for our estimation.

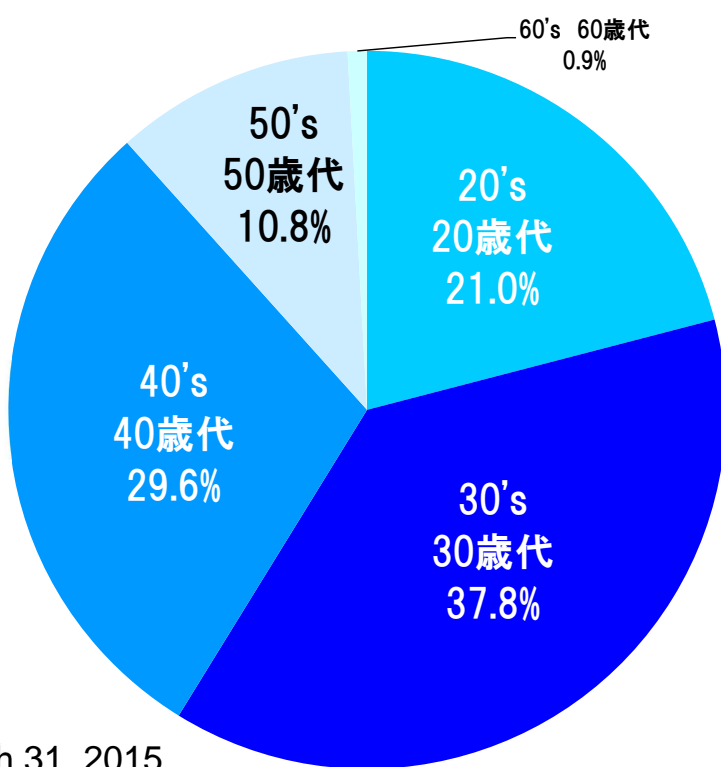
Distribution of Engineers by Technical Fields and Age

- ✓ Mechanical and electrical engineering account for approx. 70% in the technical fields of Meitec engineers.
- ✓ A large percentage of Meitec engineers are in their 30's.

Technical field



According to age



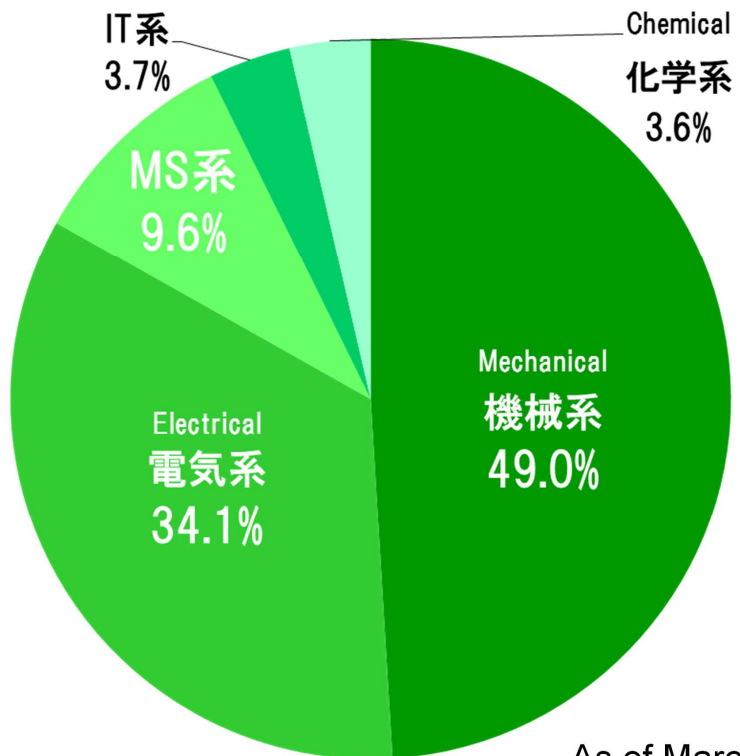
As of March 31, 2015

MS: Micro Computer System

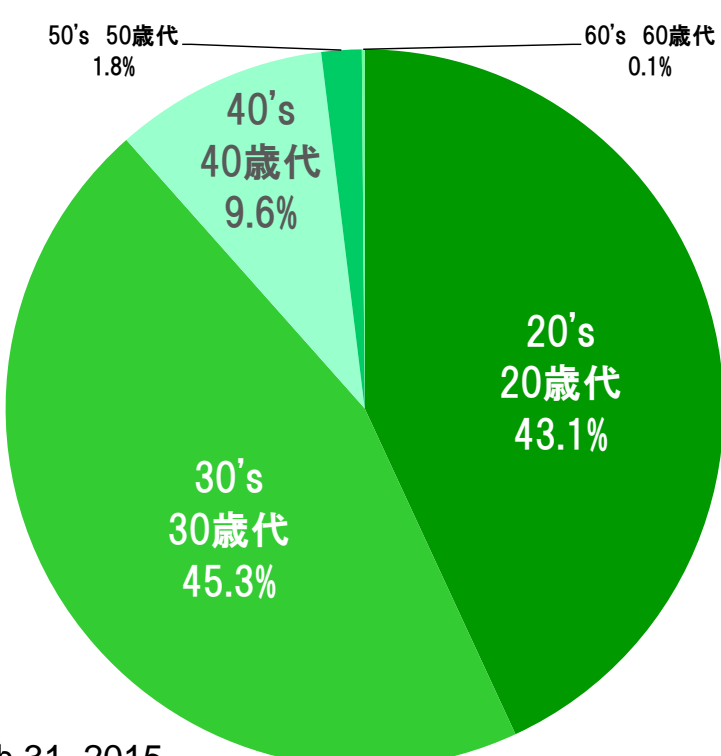
Distribution of Engineers by Technical Fields and Age

- ✓ Mechanical and electrical engineering account for approx. 80% in the technical fields of Meitec Fielders engineers.
- ✓ A large percentage of Meitec Fielders engineers are in their 20's, 30's.

技術分野/Technical field



年齢/According to age



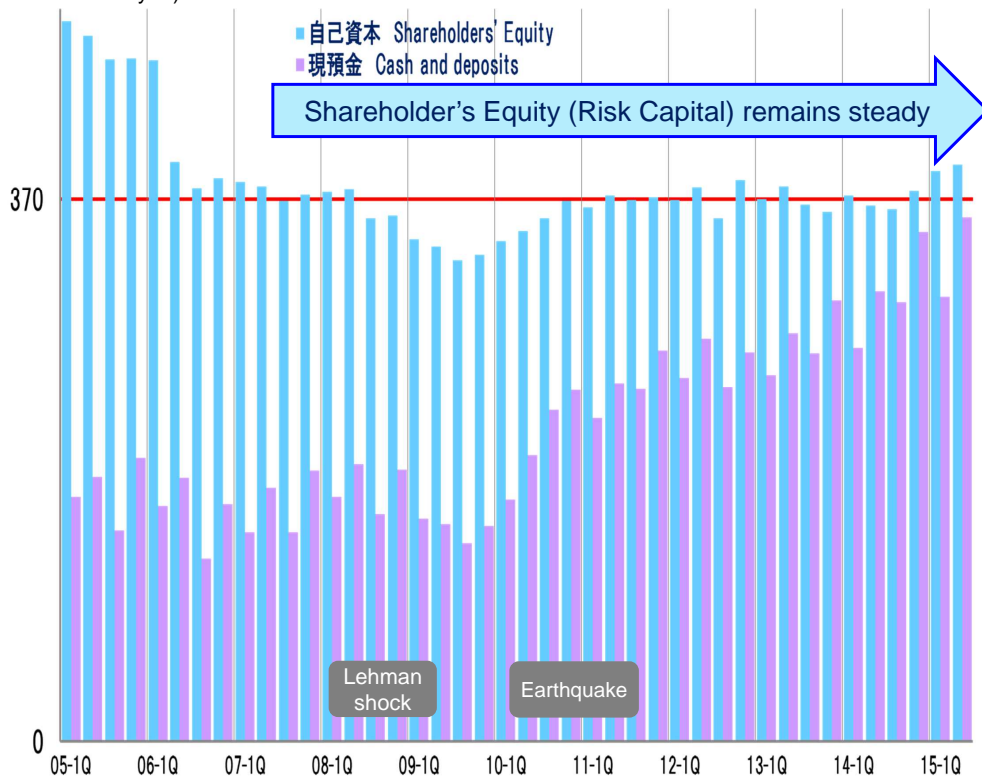
As of March 31, 2015

MS: Micro Computer System

Shareholder's Equity and Cash and Deposit

- ✓ By continuing the profit distribution according to the current policy, sustain 37 billion yen of shareholder's equity
- ✓ Prioritize the improvement of "quality and quantities" of the current level of shareholder's equity in consideration of future growth target.

(100 millions 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 the shareholders equity" which would lead to the safeness of finance.

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Corporate Governance

- ✓ As of November 5, 2015, committees unique to Meitec, five independent directors, clear director compensation calculations, etc.

※Please refer to the securities report and the report submitted to the Tokyo Stock Exchange

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.

(1) Corporate Governance Committee

Purpose: Strengthening the corporate governance and CSR

(2) The CEO Nominating Committee

Purpose: Objectively debate and select the ideal candidate for CEO

II. Executives

	Number	of which Outside	of which Independent	Articles of incorporation
Directors	9	2	2	22
Audit & Supervisory Board Members	3	3	3	4
Total	12	5	5	26

	Number	of which also Serves as Director	Male
Executive officers	13	5	13

Note: Except, COO

III. Calculation Method of Executive Remuneration

- ✓ Transparency of management is enhanced by disclosing the decision process
- ✓ Raise the performance link rate of the director's remuneration

1. Remuneration Amounts to Individual Executives

CEO	Monthly payment	3,000,000 yen or less
COO	Monthly payment	2,500,000 yen or less
Director	Monthly payment	2,000,000 yen or less
Outside Director	Monthly payment	500,000 yen or less
Standing audit & supervisory board member	Monthly payment	2,000,000 yen or less
Audit & supervisory board member	Monthly payment	500,000 yen or less

2. Performance-Linked Directors' Remuneration

An amount equal to 2% of consolidated net income (not including performance-linked directors' remuneration), with fractions of 1 million yen and less discarded, and shall be the total amount of performance-linked directors' remuneration. This amount shall be distributed among directors based on the individual performance of each director (provided, however, that the maximum amount that can be allocated to an outside director shall be limited to 6 million yen).

- The retirement bonus system for executives had been abolished.
- Audit & supervisory board members are not given performance-linked remuneration.
- Please see the Company's securities reports, etc. for other conditions.

IV. Others

Enactment and disclosure of the policies based on the establishment of the Corporate Governance Code.

- Basic Policy Regarding Corporate Governance
- Policy on Dialog with Shareholders and Investors
- Standards for Independence from MEITEC Group in Electing Outside Directors or Outside Audit & Supervisory Board Members
- Disclosure Policy

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Trend of Performances (Consolidated)

(Millions of Yen)	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
Net sales	71,255	79,120	83,223	82,229	82,102	79,898	53,776	61,790	66,955	70,330	74,906	82,136
Cost of sales	49,648	54,460	56,685	57,701	57,777	57,177	46,765	48,832	49,875	51,639	55,370	60,481
Cost of sales to Net sales	69.7%	68.8%	68.1%	70.2%	70.4%	71.6%	87.0%	79.0%	74.5%	73.4%	73.9%	73.6%
Gross profit	21,606	24,660	26,538	24,528	24,324	22,720	7,010	12,957	17,079	18,691	19,536	21,655
Selling, general and administrative expenses	9,339	12,371	14,053	12,946	12,959	13,439	11,939	10,337	11,629	12,337	12,556	12,114
SG&A expenses to Net sales	13.1%	15.6%	16.9%	15.7%	15.8%	16.8%	22.2%	16.7%	17.4%	17.5%	16.8%	14.7%
Operating income	12,267	12,289	12,485	11,581	11,365	9,280	(4,928)	2,620	5,450	6,354	6,979	9,540
Operating income margins	17.2%	15.5%	15.0%	14.1%	13.8%	11.6%	(9.2%)	4.2%	8.1%	9.0%	9.3%	11.6%
Non-operating income	106	87	137	74	84	87	4,729	2,146	114	97	50	113
Non-operating expenses	90	185	59	169	115	107	77	178	32	24	51	10
Ordinary income	12,283	12,190	12,562	11,487	11,334	9,260	(276)	4,588	5,531	6,427	6,978	9,643
Ordinary income margins	17.2%	15.4%	15.1%	14.0%	13.8%	11.6%	(0.5%)	7.4%	8.3%	9.1%	9.3%	11.7%
Extraordinary income	149	393	538	5	6	13	32	378	—	58	—	20
Extraordinary loss	477	2,682	2,235	5,092	1,826	1,094	130	234	4	215	146	3,621
Income before income taxes and minority interests	11,955	9,900	10,866	6,400	9,514	8,178	(374)	4,732	5,526	6,270	6,832	6,041
Total income taxes and Minority interests in income (loss)	5,246	5,192	5,563	6,105	4,556	3,875	530	1,041	2,699	277	2,858	2,381
Net income	6,709	4,707	5,302	295	4,958	4,303	(904)	3,690	2,827	5,993	3,973	3,659
Net income margins	9.4%	6.0%	6.4%	0.4%	6.0%	5.4%	(1.7%)	6.0%	4.2%	8.5%	5.3%	4.5%

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Trend of Profit Distributions and Forecast

		FY2005	FY2006	FY2007	FY2008	FY2009	FY2010	FY2011	FY2012	FY2013	Actual FY2014	Forecast FY2015
Dividend Payout ratio		65.1%	1,085.7%	50.5%	58.9%	—	24.7%	68.5%	53.2%	56.1%	92.4%	50.2%
Dividend on Equity		7.1%	7.4%	6.5%	6.9%	2.4%	2.6%	5.2%	8.4%	6.0%	9.2%	
Annual Dividends	Per Share	@¥90.50	@¥89.00	@¥72.00	@¥75.00	@¥24.50	@¥27.50	@¥58.50	@¥99.00	@¥72.00	@¥111.00	@¥116.00
	Millions of Yen	3,329	3,162	2,488	2,518	812	911	1,925	3,134	2,220	3,373	3,513
2nd Quarter	Per Share	@¥44.00	@¥44.00	@¥37.50	@¥47.00	@¥24.50		@¥29.00	@¥30.00	@¥31.50	@¥44.00	@¥54.50
	Millions of Yen	1,630	1,579	1,304	1,590	812		961	981	983	1,344	1,650
Year-end	Per Share	@¥46.50	@¥45.00	@¥34.50	@¥28.00		@¥27.50	@¥29.50	@¥69.00	@¥40.50	@¥67.00	@¥61.50
	Millions of Yen	1,699	1,583	1,184	928		911	965	2,153	1,237	2,029	1,862
Acquisition of Treasury Shares	Thousands of shares	1,405	1,353	857	1,174			421	1,506	641	269	
	Millions of Yen	5,100	5,099	3,100	2,800			700	2,800	1,800	899	3,500
Total Shareholders Return	Millions of Yen	8,429	8,261	5,588	5,318	812	911	2,625	5,934	4,020	4,273	7,013
Retirement of Treasury Stock	Thousands of shares	1,562	1,400		342			400	1,700	500	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
	As of March 31	¥3,870	¥3,800	¥3,020	¥1,216	¥1,831	¥1,664	¥1,669	¥2,343	¥2,930	¥4,025	
Net Income per Share		@¥138.93	@¥8.20	@¥142.64	@¥127.31	@¥(27.30)	@¥111.33	@¥85.45	@¥186.08	@¥128.30	@¥120.12	@¥231.14
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	

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Trend of Performances (Meitec)

(Millions of Yen)	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
Net sales	59,518	61,109	61,425	61,795	62,956	60,457	41,319	48,260	53,188	55,822	58,876	64,675
Cost of sales	40,927	42,087	42,380	43,134	43,875	43,109	36,074	38,777	39,987	41,240	43,742	47,857
Cost of sales to Net sales	68.8%	68.9%	69.0%	69.8%	69.7%	71.3%	87.3%	80.4%	75.2%	73.9%	74.3%	74.0%
Gross profit	18,591	19,021	19,045	18,660	19,081	17,348	5,245	9,482	13,200	14,582	15,134	16,818
Selling, general and administrative expenses	7,833	7,802	7,913	8,039	8,620	8,540	8,210	7,758	8,587	9,179	9,382	8,891
SG&A expenses to Net sales	13.2%	12.8%	12.9%	13.0%	13.7%	14.1%	19.9%	16.1%	16.1%	16.4%	15.9%	13.7%
Operating income	10,757	11,219	11,131	10,621	10,460	8,807	(2,964)	1,724	4,613	5,402	5,751	7,925
Operating income margins	18.1%	18.4%	18.1%	17.2%	16.6%	14.6%	(7.2%)	3.6%	8.7%	9.7%	9.8%	12.3%
Non-operating income	324	530	458	4,988	356	564	3,840	1,976	389	314	426	523
Non-operating expenses	90	35	33	109	48	76	53	150	14	19	426	10
Ordinary income	10,991	11,714	11,556	15,500	10,768	9,294	822	3,550	4,988	5,698	6,149	8,438
Ordinary income margins	18.5%	19.2%	18.8%	25.1%	17.1%	15.4%	2.0%	7.4%	9.4%	10.2%	10.4%	13.0%
Extraordinary income	61	525	102	5	3	7	2	3	—	462	—	324
Extraordinary loss	412	800	132	10,202	2,084	2,912	626	318	66	228	372	3,673
Income before income taxes and minority interests	10,641	11,439	11,526	5,304	8,687	6,389	197	3,236	4,921	5,932	5,776	5,089
Total income taxes and Minority interests in income (loss)	4,597	4,586	4,706	5,388	3,749	3,391	144	1,094	2,331	(124)	2,352	1,749
Net income	6,044	6,853	6,820	(83)	4,938	2,998	53	2,141	2,590	6,056	3,425	3,340
Net income margins	10.2%	11.2%	11.1%	(0.1%)	7.8%	5.0%	0.1%	4.4%	4.9%	10.8%	5.8%	5.2%

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Trend of Performances (Meitec Fielders)

(Millions of Yen)	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
Net sales	8,692	9,729	10,382	10,748	10,747	10,582	7,050	8,175	8,510	9,349	10,587	11,911
Cost of sales	6,428	7,234	7,655	7,888	7,759	7,744	6,621	6,361	6,387	7,061	8,084	9,154
Cost of sales to Net sales	74.0%	74.4%	73.7%	73.4%	72.2%	73.2%	93.9%	77.8%	75.1%	75.5%	76.4%	76.9%
Gross profit	2,264	2,495	2,727	2,859	2,987	2,837	429	1,814	2,122	2,287	2,502	2,757
Selling, general and administrative expenses	989	1,174	1,357	1,551	1,677	2,018	1,890	1,238	1,585	1,639	1,646	1,682
SG&A expenses to Net sales	11.4%	12.1%	13.1%	14.4%	15.6%	19.1%	26.8%	15.1%	18.6%	17.5%	15.5%	14.1%
Operating income	1,275	1,321	1,369	1,308	1,310	819	(1,461)	575	537	648	856	1,073
Operating income margins	14.7%	13.6%	13.2%	12.2%	12.2%	7.7%	(20.7%)	7.0%	6.3%	6.9%	8.1%	9.0%
Non-operating income	5	6	3	3	10	6	848	182	3	3	1	—
Non-operating expenses	—	—	—	1	1	—	5	1	—	—	15	—
Ordinary income	1,280	1,328	1,373	1,310	1,319	825	(618)	757	540	651	841	1,074
Ordinary income margins	14.7%	13.6%	13.2%	12.2%	12.3%	7.8%	(8.8%)	9.3%	6.3%	7.0%	7.9%	9.0%
Extraordinary income	88	5	6	—	—	—	—	1	—	—	—	—
Extraordinary loss	64	—	3	4	5	13	2	1	—	—	—	5
Income before income taxes and minority interests	1,304	1,333	1,376	1,306	1,314	811	(620)	756	540	651	841	1,068
Total income taxes and Minority interests in income (loss)	562	544	560	537	544	344	313	(187)	264	272	358	420
Net income	742	789	816	768	769	467	(933)	943	275	378	483	648
Net income margins	8.5%	8.1%	7.9%	7.1%	7.2%	4.4%	(13.2%)	11.5%	3.2%	4.0%	4.6%	5.4%

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Tokyo Headquarters	Akasaka, Minato-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 1,000 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	<table border="0"> <tr> <td>[Sales of Staffing Business]</td> <td>[Sales of Recruiting & Placement Business]</td> </tr> <tr> <td>■ Meitec Fielders Inc.</td> <td>■ Meitec Next Co.</td> </tr> <tr> <td>■ Meitec Cast Inc.</td> <td>■ all engineer.jp Co.</td> </tr> <tr> <td>■ Meitec EX Co.</td> <td>■ Meitec Shanghai</td> </tr> <tr> <td></td> <td>■ MEITEC Shanghai Human Resources Co. Ltd.</td> </tr> <tr> <td></td> <td>[Sales of Engineering Solutions Business]</td> </tr> <tr> <td></td> <td>■ Apollo Giken Co. Ltd.</td> </tr> </table>	[Sales of Staffing Business]	[Sales of Recruiting & Placement Business]	■ Meitec Fielders Inc.	■ Meitec Next Co.	■ Meitec Cast Inc.	■ all engineer.jp Co.	■ Meitec EX Co.	■ Meitec Shanghai		■ MEITEC Shanghai Human Resources Co. Ltd.		[Sales of Engineering Solutions Business]		■ Apollo Giken Co. Ltd.
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	■ MEITEC Shanghai Human Resources Co. Ltd.														
	[Sales of Engineering Solutions Business]														
	■ Apollo Giken Co. Ltd.														

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〈Note〉

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.