

人と技術で次代を拓く

MEITEC

メイテックグループ

Results for the 2nd Quarter of the Fiscal Year Ending March 31, 2016

November 5, 2015

MEITEC CORPORATION

President and CEO, COO

MEITEC Group CEO

Hideyo Kokubun

1. Results for the 2nd Quarter of the Fiscal Year Ending March 31, 2016
2. Forecast for the Fiscal Year Ending March 31, 2016
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.

- I will discuss the results for the second quarter of the fiscal year ending March 31, 2016 and forecasts for the fiscal year ending March 31, 2016.
- Please see the reference materials later.

1. Results for the 2nd Quarter of the Fiscal Year Ending March 31, 2016



- I will begin by discussing results for the second quarter of the fiscal year ending March 31, 2016.

Results for the 2nd Quarter of the Fiscal Year Ending March 31, 2016 (Group Consolidated)

- ✓ Net sales rose 7.2% year on year and operating income was up 18.8%, driven by the professional staffing business for engineers on the back of continued investment in technological development by major manufacturers, Meitec's main clients.
- ✓ Profit attributable to owners of parent was 3,798 billion yen, a sharp improvement year on year due to the recording of extraordinary income of roughly 1.0 billion yen, versus extraordinary losses of about 3.5 billion yen in the same period a year earlier.

Group Consolidated (Millions of yen)	2Q ended Sept. 30, 2014	2Q ended Sept. 30, 2015	YoY Amount	% Change	Initial Forecast for 2Q, announced on May 2015	Progress toward the FY forecast
Net sales	39,300	42,143	+2,842	+7.2%	41,800	+343
Cost of sales	29,366	31,321	+1,954	+6.7%	31,100	+221
Cost of sales to Net sales	74.7%	74.3%	(0.4%)			
SG&A Expenses	5,941	6,077	+135	+2.3%	6,400	(322)
Operating income	3,992	4,744	+752	+18.8%	4,300	+444
Operating income margins	10.2%	11.3%	+1.1%		10.3%	+1.0%
Ordinary income	4,012	4,723	+710	+17.7%	4,300	+423
Extraordinary income & loss	(3,456)	1,054	+4,511			
Income before income taxes and minority interests	555	5,777	+5,221	+939.7%		
Profit attributable to owners of parent	194	3,798	+3,604	+1856.8%	3,300	+498
Net income margins	0.5%	9.0%	+8.5%			

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- This is the summary of the Group's consolidated results.
- Earnings were driven by the professional staffing business for engineers, as major manufacturers, which are Meitec's main clients, continued investment in technological development. Net sales rose 7.2% year on year to ¥42,143 million and operating income increased 18.8% year on year to ¥4,744 million.
- Profit attributable to owners of parent improved sharply to ¥3,798 million, reflecting a significant improvement in extraordinary income & loss. In the second quarter of the previous fiscal year, we booked extraordinary losses of around ¥3.5 billion, while in the period under review, we booked extraordinary income of roughly ¥1.0 billion.
- I will explain extraordinary income & loss in more detail later.

Results for the 2nd Quarter of the Fiscal Year Ending March 31, 2016 (Business Domains)

- ✓ The Temporary Staffing Business, which accounted for more than 90% of consolidated net sales, continued to be the earnings driver.
- ✓ The Recruiting & Placement Business specializing in engineers posted an increase in both net sales and operating income, and the Engineering Solutions Business turned profitable.

Business Domains (Millions of yen)	2Q ended Sept. 30, 2014	2Q ended Sept. 30, 2015	YoY Amount	% Change
Sales of Temporary Staffing Business	38,024	40,696	+ 2,672	+ 7.0%
Component ratio	96.8%	96.6%	(0.2%)	
Operating income	3,853	4,518	+ 665	+ 17.3%
Sales of Recruiting&Placement Business	632	720	+ 87	+ 13.8%
Component ratio	1.6%	1.7%	+ 0.1%	
Operating income	152	217	+ 65	+ 42.9%
Sales of Engineering Solutions Business	737	846	+ 109	+ 14.8%
Component ratio	1.9%	2.0%	+ 0.1%	
Operating income	(14)	10	+ 25	—

(Note) The Company merged with its consolidated subsidiary Meitec CAE on October 1, 2014. As a result, the operating results of Meitec CAE, which had been included in the Engineering Solutions Business segment were presented within the Temporary Staffing Business.

For the purpose of comparison with the same period of the previous fiscal year, figures for the same period of the previous fiscal year have been reclassified according to the segment after such change.

- This is the summary of the Group's results by business domain.
- In the Temporary Staffing Business, sales rose 7.0% year on year to ¥40,696 million and operating income increased 17.3% year on year to ¥4,518 million, mainly reflecting an increase in the number of engineers assigned to clients in the professional staffing business for engineers, which is the domain's core business.
- In the Recruiting & Placement Business, which is focused on engineer positions, sales increased 13.8% year on year to ¥720 million and operating income rose 42.9% year on year to ¥217 million.
- The Engineering Solutions Business reported operating income of ¥10 million after a loss of ¥14 million in the same period a year earlier. The move into profit came on the back of higher sales.

Results for the 2nd Quarter of the Fiscal Year Ending March 31, 2016 (Meitec)

- ✓ Net sales increased 8.0% year on year and operating income rose 20.3%, supported by growth in the number of engineers assigned to clients.
- ✓ The utilization ratio increased 0.8 % versus the initial forecast, reflecting smoothly progress in assigning newly hired graduate engineers, etc.
- ✓ Net income was 3.749 billion yen, a sharp improvement year on year due to the recording of extraordinary income of roughly 1.0 billion yen, versus extraordinary losses of about 3.5 billion yen in the same period a year earlier.

Meitec (Millions of yen)	2Q ended Sept. 30, 2014	2Q ended Sept. 30, 2015	YoY Amount	% Change	Initial Forecast for 2Q, announced on May 2015	% Change
Net sales	30,682	33,131	+2,448	+8.0%	33,000	+131
Cost of sales	23,091	24,758	+1,667	+7.2%	24,800	(42)
Cost of sales to net sales	75.3%	74.7%	(0.5%)		75.2%	(0.4%)
SG&A Expenses	4,325	4,444	+119	+2.8%	4,600	(156)
Operating income	3,265	3,927	+662	+20.3%	3,600	+327
Operating income margins	10.6%	11.9%	+1.2%		10.9%	+0.9%
Ordinary income	3,697	4,395	+698	+18.9%	4,100	+295
Extraordinary income & loss	(3,455)	1,041	+4,496			
Income before income taxes and minority interests	242	5,437	+5,195	+2145.9%		
Net income	172	3,749	+3,577	+2073.3%	3,400	+349
Utilization ratio (Company-wide)	93.9%	96.0%	+2.1%		95.2%	+0.8%
Working Hours<h/day>	8.90	8.77	(0.13)	(1.5%)	8.90	(0.13)
Number of Engineers as Period-End	6,209	6,563	+354	+5.7%		

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- This is the results summary for Meitec.
- Net sales increased 8.0% year on year to ¥33,131 million and operating income rose 20.3% year on year to ¥3,927 million, mainly reflecting growth in the number of engineers assigned to clients. Net income rose sharply to ¥3,749 million due to an improvement in extraordinary income & loss.
- The utilization ratio was 96.0%, 0.8% higher than the initial forecast.
- This reflected smoothly progress in assigning existing engineers and newly hired graduate engineers who joined the Group in April.
- However, working hours were 0.13 hours lower year on year and also 0.13 hours below the initial forecast.
- I will explain working hours in more detail later.

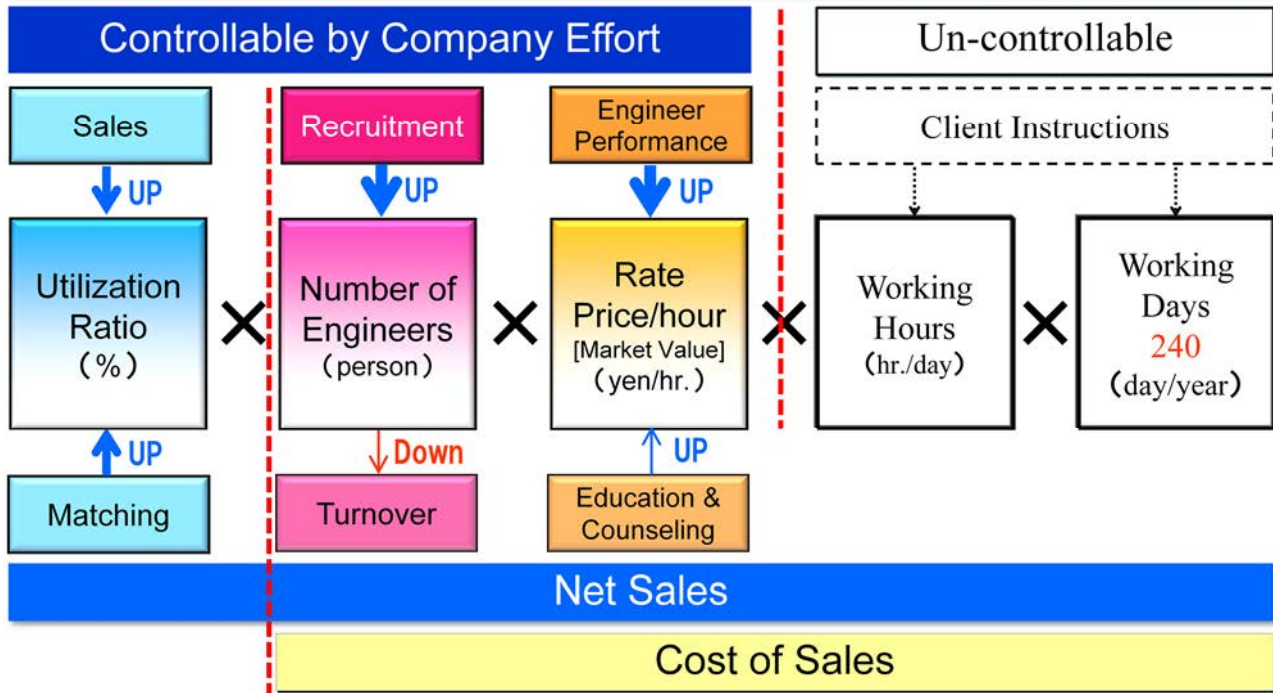
**Results for the 2nd Quarter of the Fiscal Year Ending
 March 31, 2016 (Meitec Fielders)**

- ✓ Net sales increased 11.0% year on year and operating income rose 12.6%, supported by growth in the number of engineers assigned to clients.
- ✓ The utilization ratio rose 1.6 % versus the initial forecast, with all newly hired graduate engineers assigned to clients in the first half of the fiscal year.

Meitec Fielders (Millions of yen)	2Q ended Sept. 30, 2014	2Q ended Sept. 30, 2015	YoY Amount	% Change	Initial Forecast for 2Q, announced on May 2015	% Change
Net sales	5,753	6,386	+ 632	+ 11.0%	6,200	+ 186
Cost of sales	4,453	4,965	+ 511	+ 11.5%	4,800	+ 165
Cost of sales to net sales	77.4%	77.7%	+ 0.3%		77.4%	+ 0.3%
SG&A Expenses	813	873	+ 59	+ 7.4%	900	(26)
Operating income	486	547	+ 61	+ 12.6%	500	+ 47
Operating income margins	8.5%	8.6%	+ 0.1%		8.1%	+ 0.5%
Ordinary income	486	548	+ 61	+ 12.6%	500	+ 48
Income before income taxes and minority interests	486	548	+ 61	+ 12.6%		
Net income	297	349	+ 52	+ 17.5%	300	+ 49
Utilization ratio (Company-wide)	93.4%	94.2%	+ 0.8%		92.6%	+ 1.6%
Working Hours<h/day>	8.99	8.90	(0.09)	(1.0%)	8.99	(0.09)
Number of Engineers as Period-End	1,606	1,770	+ 164	+ 10.2%		

- This is the results summary for Meitec Fielders.
- Net sales increased 11.0% year on year to ¥6,386 million and operating income rose 12.6% year on year to ¥547 million, mainly reflecting growth in the number of engineers assigned to clients, as with Meitec. Net income rose 17.5% year on year to ¥349 million.
- The utilization ratio was 94.2%, 1.6% above the initial forecast, with all newly hired graduate engineers assigned to clients in the first half of the fiscal year.
- Working hours also declined at Meitec Fielders, which I will explain in more detail later.

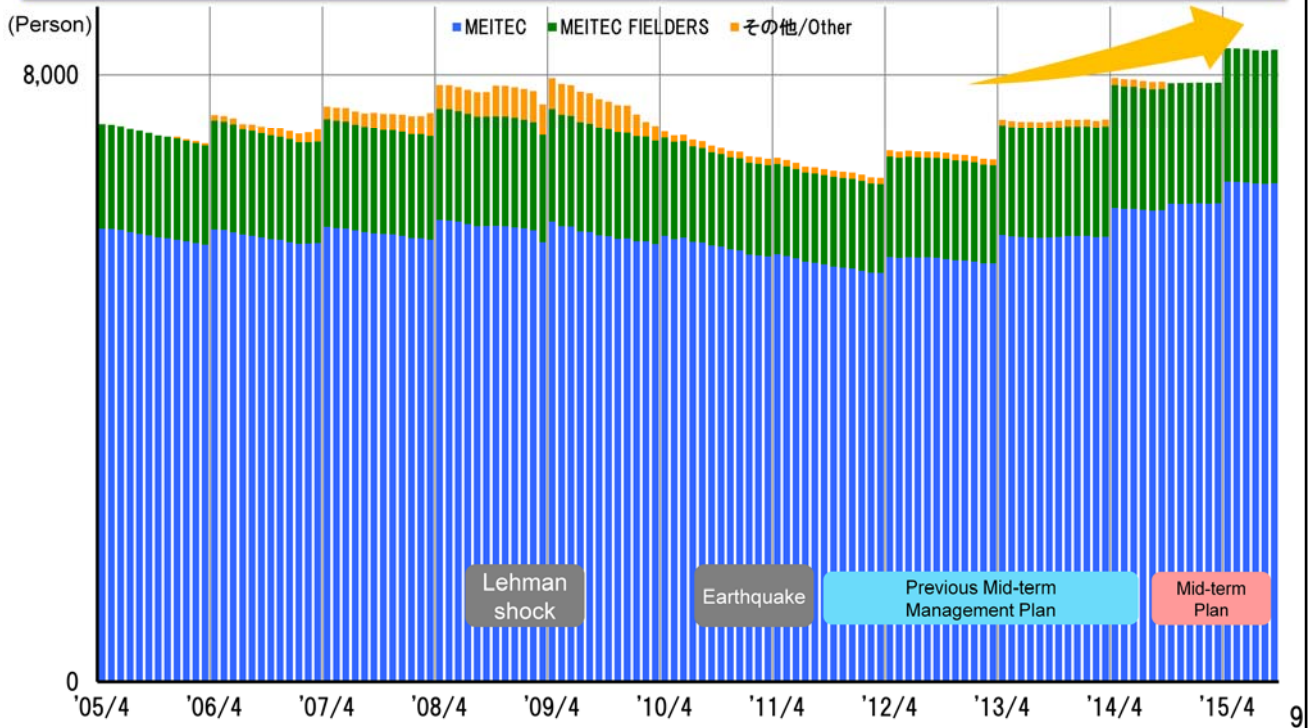
- ✓ Increasing the number of engineers while maintaining high utilization and price, or improving them further, holds the key to growth.
- ✓ Working hours is a key indicator, but it is outside the control of the Meitec Group.



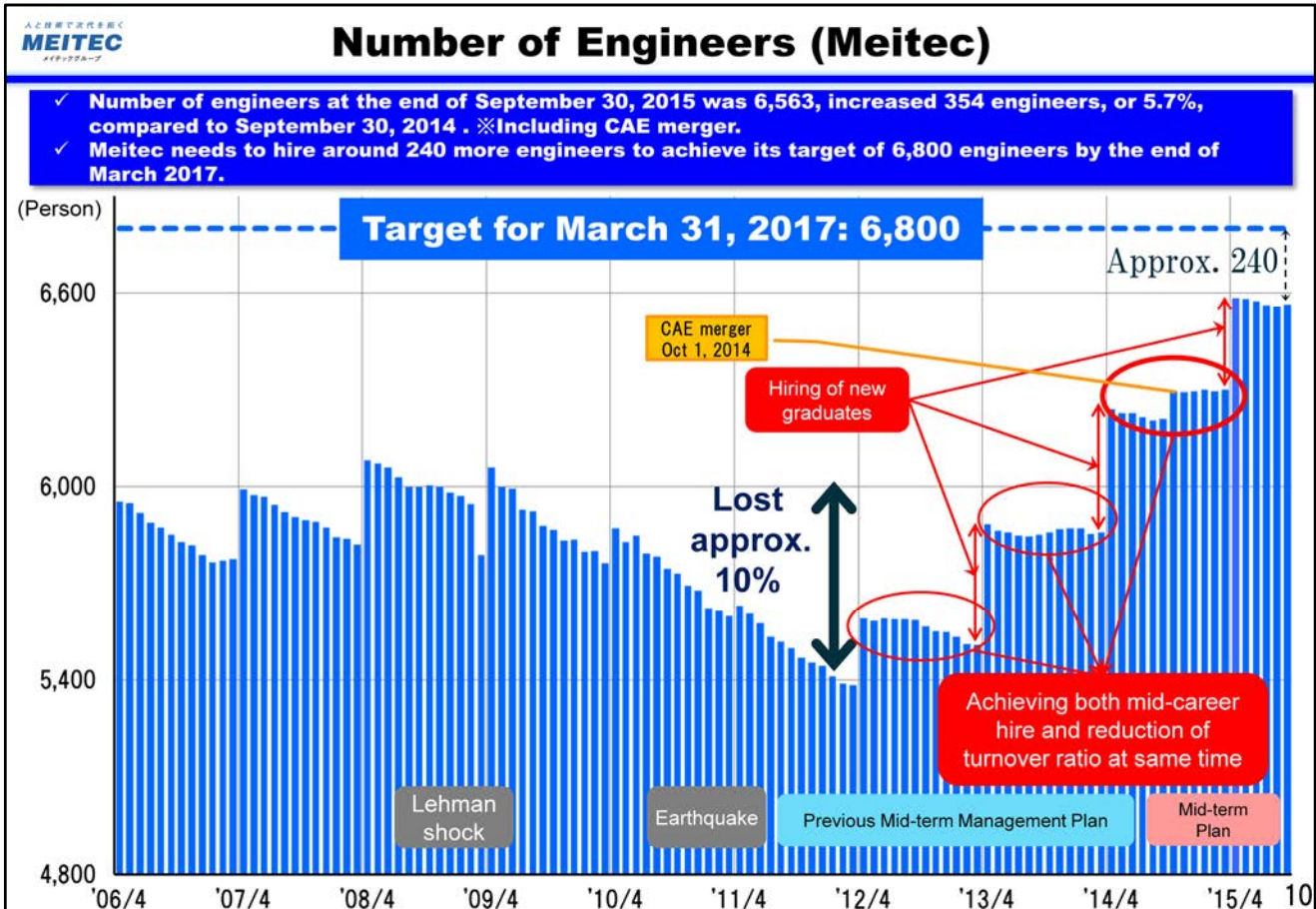
- This is a summary of the main components of net sales and cost of sales in the professional staffing business for engineers for indefinite and regular employed engineers.
- We are currently working to increase the utilization ratio, the number of engineers and prices. Working hours and working days are also key indicators, but they are outside our control.
- In the first half of the fiscal year, indicators that can be controllable by company effort improved, but working hours, which is outside our control, was a cause for concern.

Number of Engineers (Group Consolidated)

✓ Number of engineers at the end of September 30, 2015 was 8,333, increased 424 engineers, or 5.4%, compared to September 30, 2014



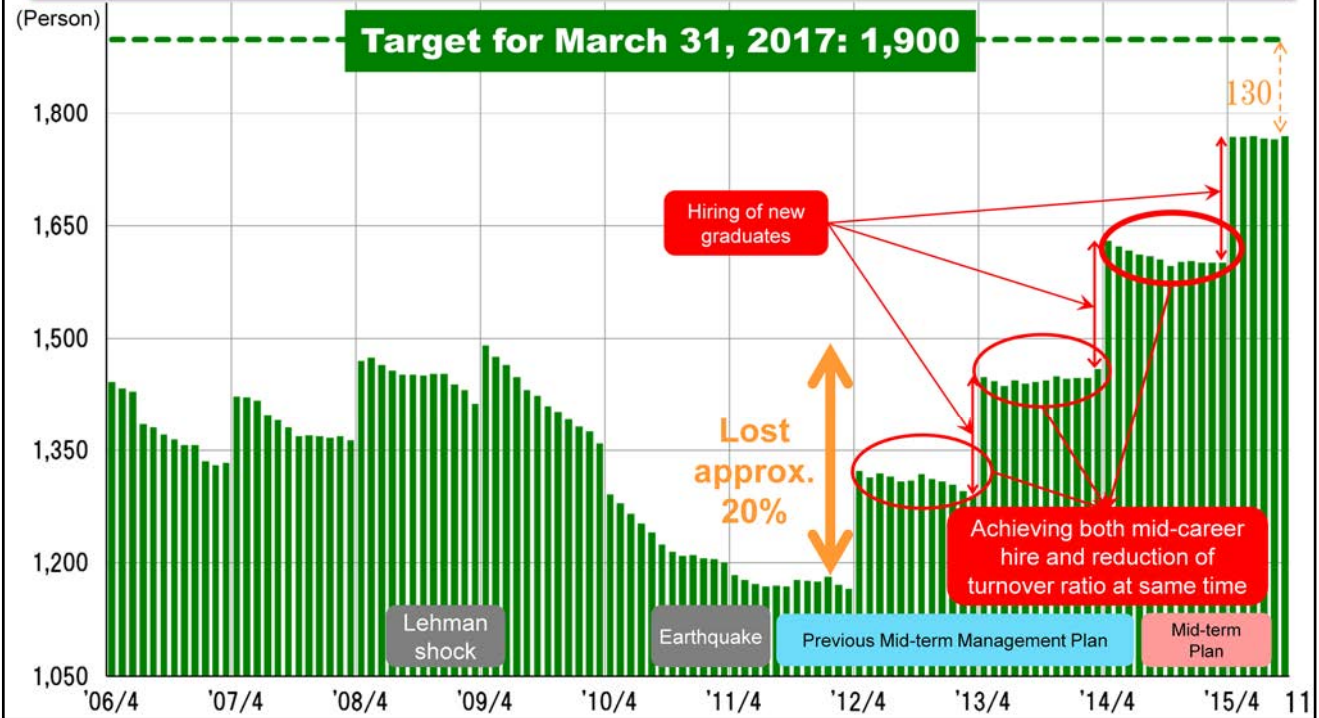
- This shows the trend in the number of engineers across the Group, an indicator of the success of company efforts.
- As of September 30, 2015, the number of engineers was 8,333, an increase of 424, or 5.4%, compared to September 30, 2014.
- The number of engineers has increased steadily at both Meitec and Meitec Fielders since the Lehman Shock.
- Organic growth in the number of engineers has been firm across the whole Meitec Group.



- This shows the trend in the number of engineers at Meitec.
- As of September 30, 2015, the number of engineers was 6,563, an increase of 354, or 5.7%, compared to September 30, 2014.
- Meitec needs to hire around 240 more engineers to achieve the Mid-term Management Plan target of 6,800 engineers by the end of March 2017.
- Meitec now hires newly graduated engineers and mid-career engineers. In the past, we hired newly graduated engineers in April but typically lost their number in stages towards the end of the fiscal year. However, we are now aiming to increase the number of engineers during the course of the year while ensuring we also attract mid-career engineers.
- Recruitment conditions remain challenging in the job market, but we aim to increase the number of engineers by gradually building the Meitec Group brand and using a range of creative initiatives.

Number of Engineers (Meitec Fielders)

- ✓ Number of engineers at the end of September 30, 2015 was 1,770, increased 164 engineers, or 10.2%, compared to September 30, 2014.
- ✓ Meitec Fielders needs to hire 130 more engineers to achieve its target of 1,900 engineers by the end of March 2017.



- This shows the trend in the number of engineers at Meitec Fielders.
- As of September 30, 2015, the number of engineers was 1,770, an increase of 164, or 10.2%, compared to September 30, 2014.
- Meitec Fielders needs to hire 130 more engineers to achieve the Mid-term Management Plan target of 1,900 engineers by the end of March 2017.

Hiring Target for Fiscal Year Ending Mar. 2016

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.

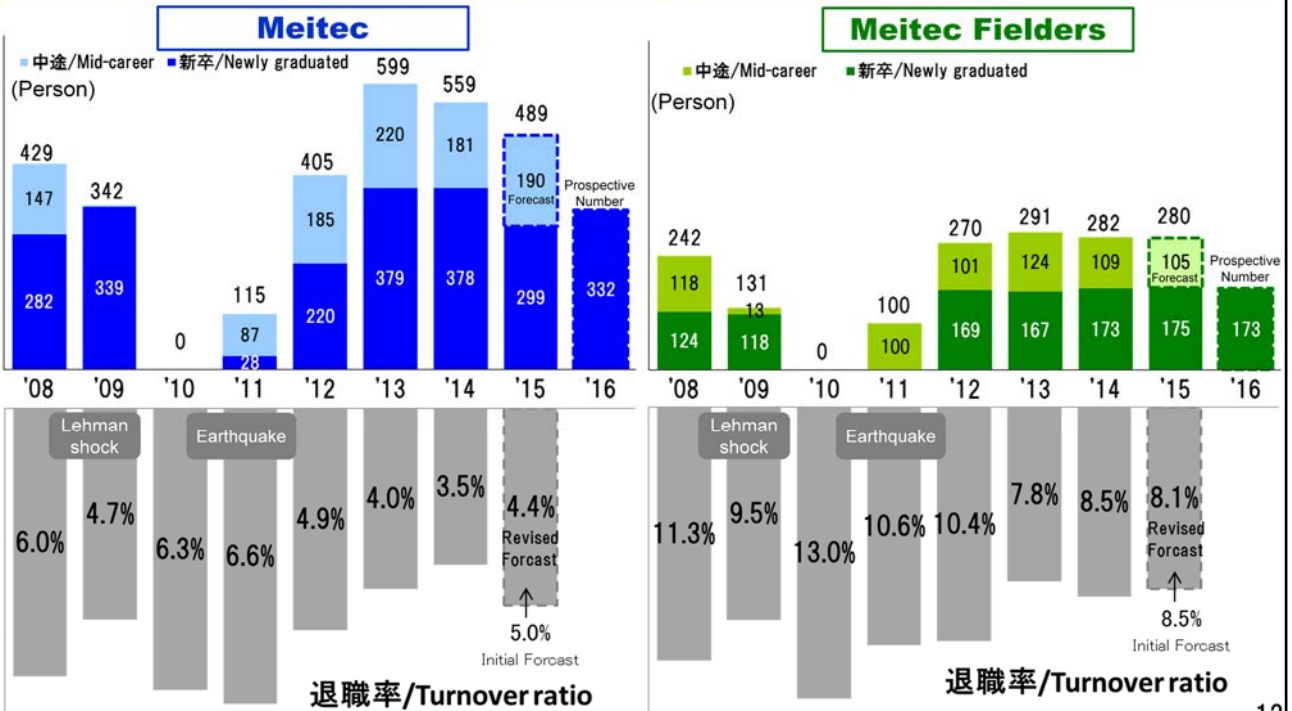
(person)	Fiscal Year Ending March 31, 2016					Fiscal Year Ending March 31, 2017	
	Newly Graduate April 2015 (Actual)	Mid-career		Total <Target>	Comparison to Initial Forecast	Newly Graduate April 2016	
		<Target>	Comparison to Initial Forecast			<Prospective Number as of Oct. 2015>	Comparison to Initial 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)			

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- This shows recruitment trends for the Group.
- First, mid-career hires. Hiring conditions for engineers are overheated, with demand for mid-career engineers remaining strong. However, the Group's mid-career hires in the first half the fiscal year were largely in line with targets, so we have not revised our full-year hiring targets. We plan to continue to focus on quality of personnel and maintain our hiring standards.
- Next, newly graduated engineers who will join the Group in April 2016. Recruitment conditions were 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 and other factors. As of October 1, 2015, the Group made job offers to 505 candidates, 5 more than our start-of-year recruitment target thanks to creative initiatives to secure candidates.
- According to one newspaper article, our total of 505 new hires placed the Meitec Group 29th out of all Japanese companies for recruitment and 3rd among science and technology companies.
- We believe our efforts to promote Meitec as a place where people can build life-long careers as professional engineers is gaining some traction and understanding in the recruitment market.

Recruitment and Turnover

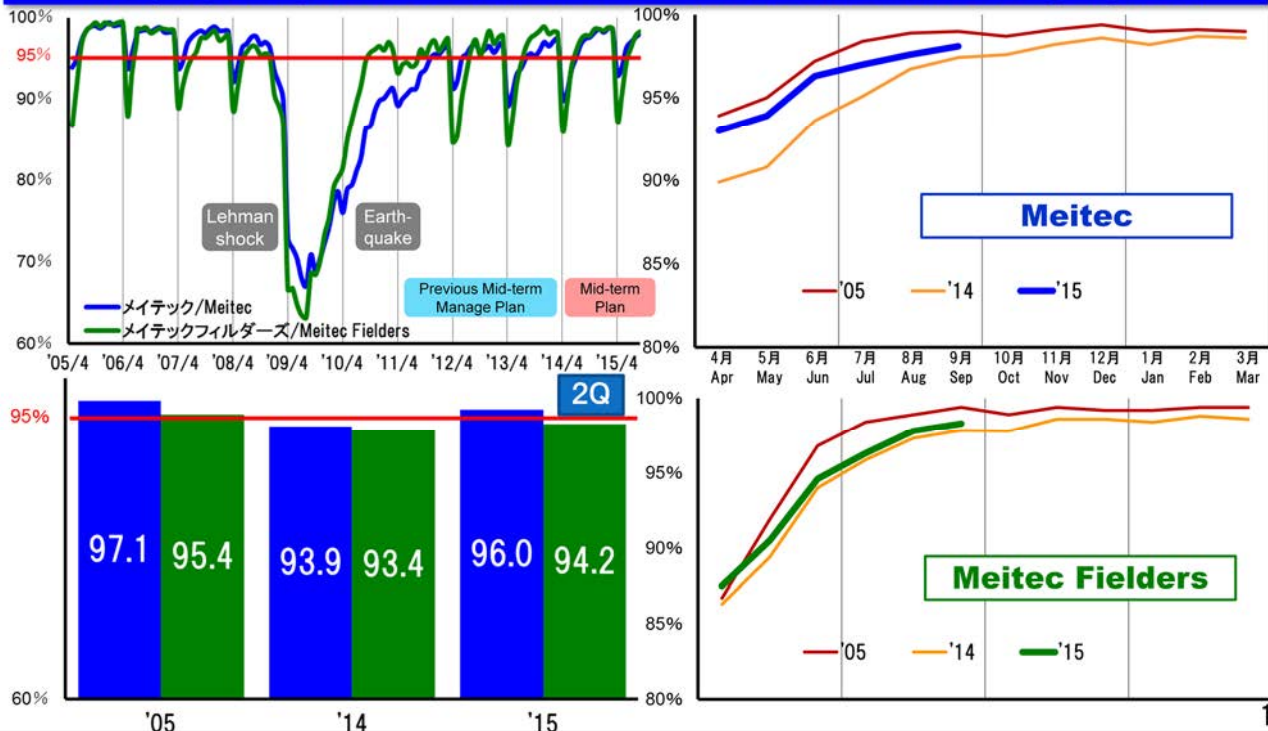
✓ Our forecasts for the number of recruitment and the turnover ratio as of the release of 2Q results are as follows.
※We plan to announce the actual recruitment and turnover ratios in May 2016.



- Our forecasts for the number of recruitment and the turnover ratio as of the release of 2Q results are as follows.
- In light of first half results, we have lowered our initial forecasts for turnover ratios from 5.0% to 4.4% at Meitec, and from 8.5% to 8.1% for Meitec Fielders.

Utilization Ratio

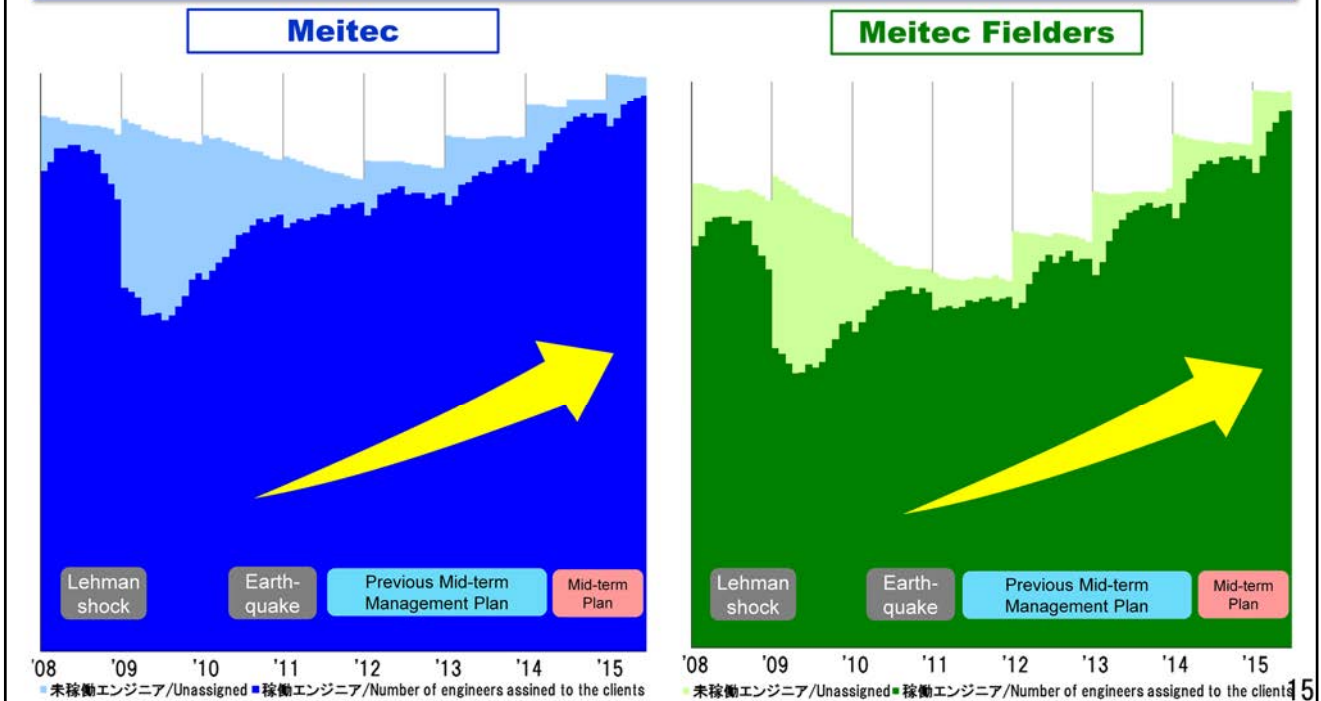
✓ The utilization ratio exceeded the same period of the previous fiscal year, due to the fact that utilization of newly graduated engineers joining the company was more steady than initially expected, and also because we focused on the utilization of existing engineers.



- This shows the trend in utilization ratios.
- Utilization ratios increased year on year at both Meitec and Meitec Fielders, reflecting steady progress in assigning newly graduated engineers and existing engineers amid a firm order environment.
- At Meitec, the fiscal year started off with a higher utilization ratio in April than in the same month a year earlier, partly due to a drop of around 80 in the number of newly graduated engineers.

MEITEC 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.

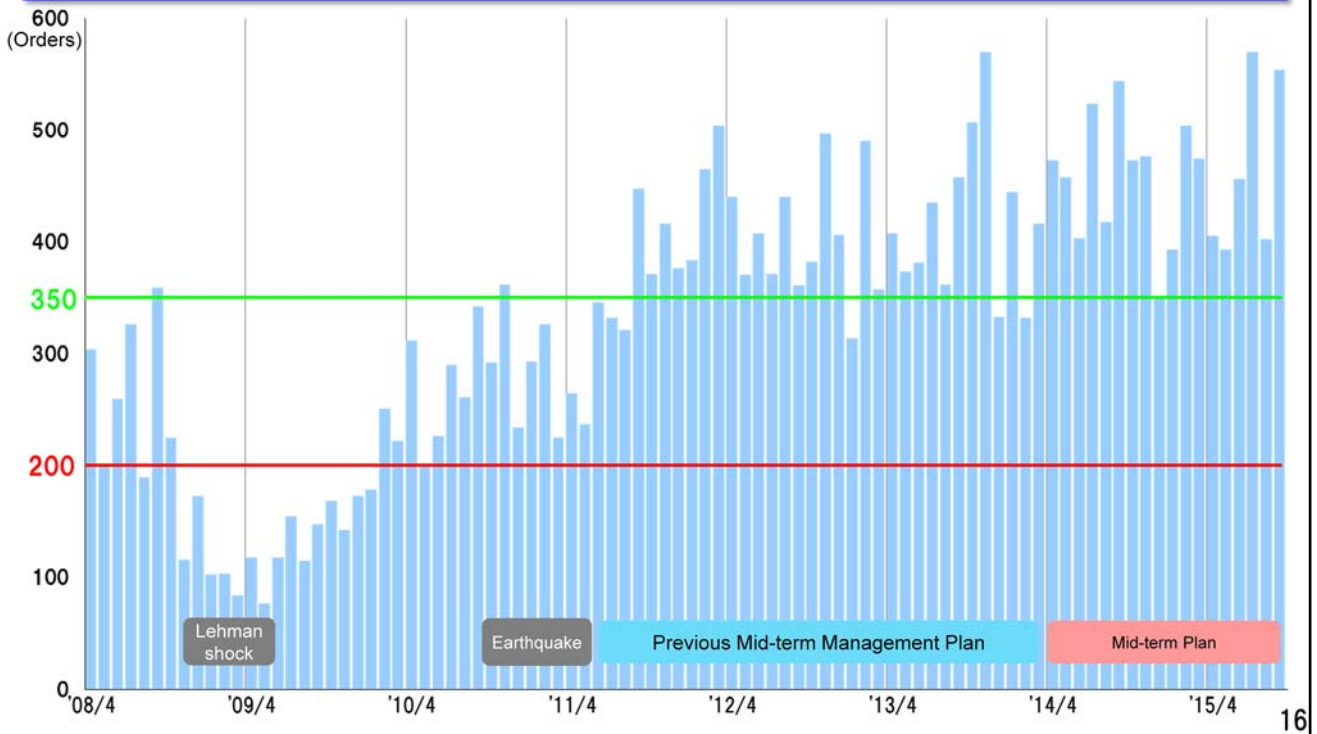


- This shows the trend in the number of engineers assigned to clients.
- The number of engineers assigned to clients, which is “the number of engineers” multiplied by “the utilization ratio,” is growing steadily, as the number of engineers increased and the utilization ratio remained high.
- Going forward, we plan to sustain this steady growth by securing orders for projects that support career advancement for our engineers, rotating engineers between projects and by promptly placing engineers with clients.

Trend in New Orders by Month

✓ **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.).

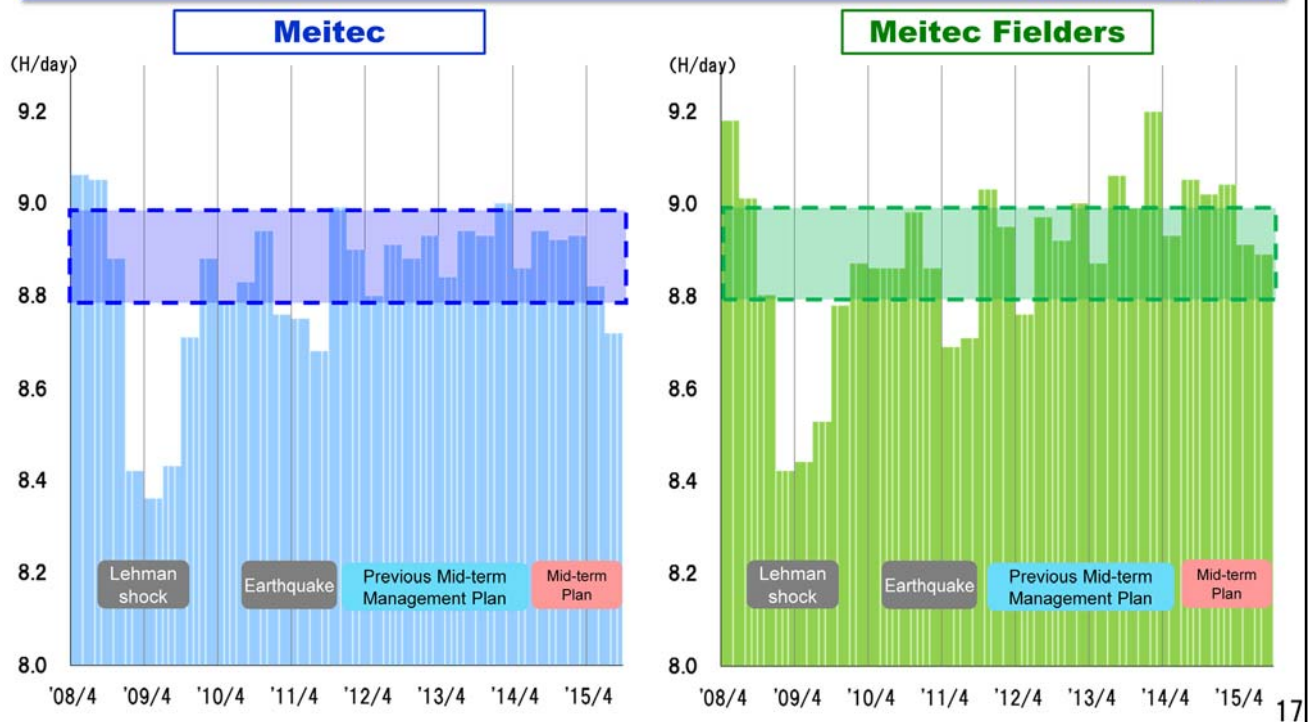


- This shows the trend in monthly new orders.
- The number of monthly new orders is firm when it exceeds 350 orders and we are at risk when the number falls below 200.
- Recent orders are being supported by clients in the manufacturing industry, which continue to invest in technological development based on a long-term outlook.

Working Hours

- ✓ 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.

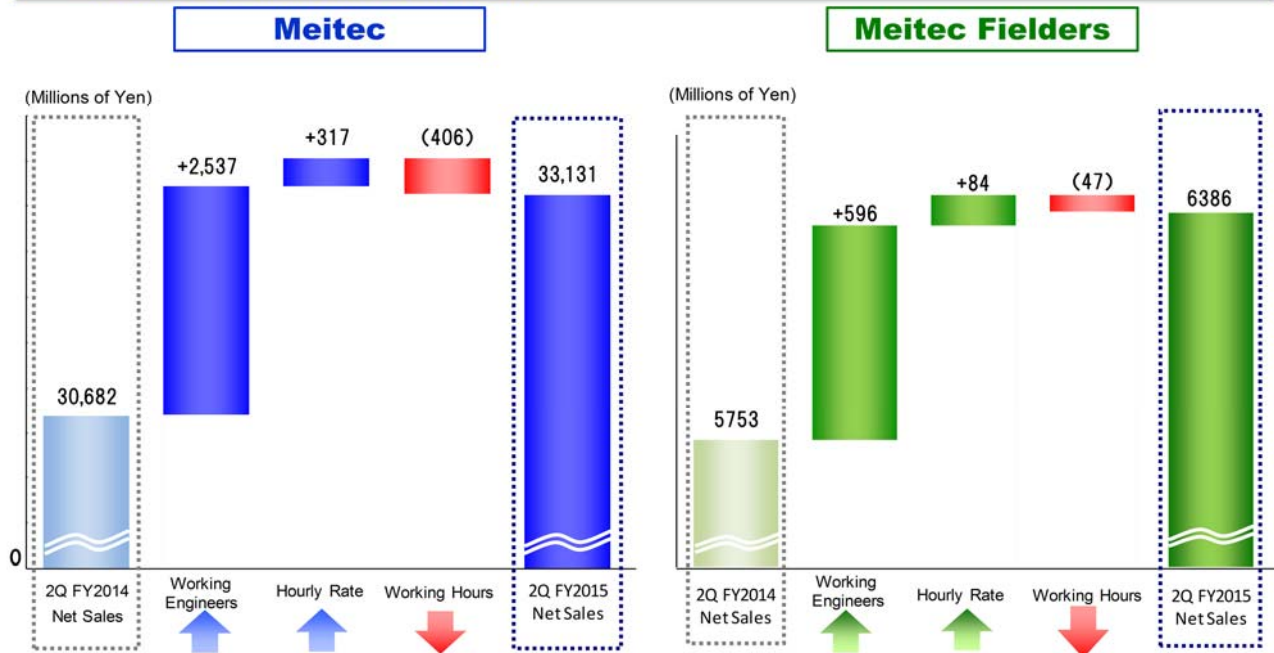
※Uncontrollable by Meitec



- This shows trends in working hours.
- Working hours is one factor that has a significant impact on earnings, as 0.1 of one working hour equates to around 1% of total net sales.
- However, the number of working hours is determined by our clients and is not something we can control.
- In the second quarter of the fiscal year (Jul-Sep), the number of working hours declined year on year. This mainly reflected a drop in overtime hours at some clients.
- We do not see the decline in working hours as a major risk, but given social demands and other factors, we will need to adjust our forecasts.

Comparison of Net Sales

- ✓ The main factor lifting net sales higher year on year was “increase in the number of engineers assigned to clients,” as shown in the graph below.
- ✓ The graph also shows the negative impact on sales from a “decline in working hours and others” →assumptions for 2H will be reviewed.



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- This is a breakdown of factors affecting changes in net sales at Meitec and Meitec Fielders.
- The main factor lifting net sales at both companies is “increase in the number of engineers assigned to clients,” as shown in the graph.
- We have revised our assumptions for the second half of the year in light of the decline in working hours and other factors.
- I will explain the changes to our assumptions later when I look at our revised earnings forecasts.

Extraordinary Income & losses

- ✓ Four training facilities, the use of which was suspended in 2Q in the previous fiscal year, are to be sold → sales contracts for all four facilities have been concluded.
- ✓ Sales transactions for two of the facilities have been completed and sales gains of roughly 1.0 billion yen have been recorded.
- ✓ Sales transactions for the remaining two are likely to be completed during the current fiscal year → projected gains/losses of ±0.

Major Training Facilities

Nagoya Techno-Center Atsugi Techno-Center



(Millions of Yen)

Training Facilities	Impairment loss in 2Q FY2014	Sales status	Gain/loss
Kobe Techno-Center	1,895	Completed	[Total: roughly 1.0 billion yen] (Actual) Gain on sale 1,084 Impairment loss (25) (Forecast) Gain/loss ±0
Nisshin Techno-Center	589		
Atsugi Techno-Center employee dormitory	770	Contracts concluded	
Nagoya EOC/ Mechatronics Center	202		

Kobe Techno-Center
Opened April 1992



Nagoya EOC/
Mechatronics Center
Opened July 1985



Nisshin Techno-Center
Opened March 1997



Atsugi Techno-Center
employee dormitory
Opened March 1993



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- This is a summary of extraordinary income & loss.
- In the second quarter in the previous fiscal year, we suspended the use of training facilities and other facility and booked impairment losses of around ¥3.5 billion on those facilities. We then decided to sell all four properties.
- In the first half of this fiscal year, the sales contracts for all four facilities have been concluded.
Sales transactions for two of the facilities have been completed – Kobe Techno-Center and Nisshin Techno-Center – booking sales gains of roughly ¥1.0 billion. Sales contracts have been concluded for the remaining two and we expect to complete sales transactions before the end of the fiscal year.
- We forecast almost zero extraordinary income & loss from those sales.

Top 10 Clients by Sales

✓ 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%

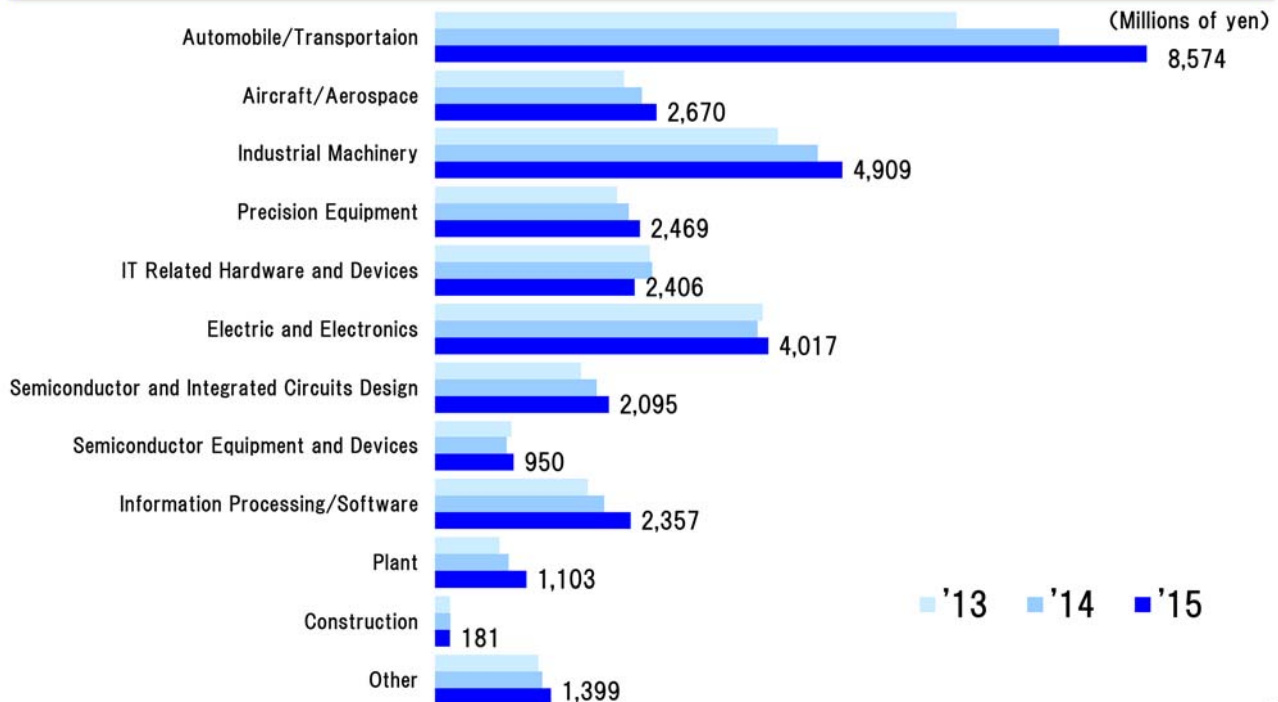
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- This shows Meitec's top 10 clients by sales.
- Rankings have changed over the years, but the companies in the top 10 have changed relatively little.
- The ratio of sales accounted for by the top 10 is gradually declining, but this is due to deliberate moves to shift engineers to growth sectors and new technological areas. Our ability to intentionally rotate engineers to other sectors reflects moves to expand our range of services, focusing less on one specific industry segment. This is one of the strengths of the Meitec Group.

Sales by the Industrial Segments

✓ 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.



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- This shows the sales trends by industrial segment.
- Sales growth in the automobile segment remained pronounced, a trend we also saw in the previous fiscal year. There was also a steep rise in sales in the industrial machinery segment.
- We conduct business with clients in a wide range of fields and industries, which allows us to intentionally shift engineers to other sectors if sales are sluggish in a specific field or industry. This shows how we have achieved one of the Abenomics growth strategies in our own operations – “Moving labor from mature sectors to growth sectors without creating unemployment.”

2. Forecast for the Fiscal Year Ending March 31, 2016



- Next I would like to look at our revised forecasts for the fiscal year ending March 31, 2016.

- ✓ 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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- First, in light of recent trends, we have revised our initial forecasts for the fiscal year ending March 31, 2016.
- Our new forecasts bring us very close to our final year targets in the Mid-term Management Plan, but we have still not achieved the plan's targets for growth in the number of engineers or the profit margin.
- Consequently, we have decided not to revise our current Mid-term Management Plan at this point. However, we are currently formulating the next Mid-term Management Plan, which is scheduled to start in around 18 months. We continue implementing steady steps to achieve the current targets so that we can set higher targets for the next Mid-term Management Plan than originally planned.

Forecasts for the Fiscal Year Ending March 31, 2016 (Group Consolidated) Comparison to the Previous Fiscal Year

- ✓ We have revised our earnings forecasts in light of recent trends, based on the assumption that the firm order environment will continue.
- ✓ Net sales: 86.4 billion yen (+5.2% year on year), operating income: 10.0 billion yen (+4.8%)
Ordinary income: 10.0 billion yen (+3.7%), Profit attributable to owners of parent: 7.6 billion yen (+107.7% year on year, reflecting extraordinary income).

Group Consolidated	Forecast FY ending March 31, 2016	YoY Amount	% Change	2Q ended Sept. 30, 2015	Forecast 2nd Half	YoY Amount	% Change
(Fractions of one million yen are rounded down)							
Net sales	86,400	+4,263	+ 5.2%	42,143	44,257	+ 1,421	+ 3.3%
Cost of sales	63,800	+ 3,318	+ 5.5%	31,321	32,479	+ 1,364	+ 4.4%
SG&A Expenses	12,600	+ 485	+ 4.0%	6,077	6,523	+ 350	+ 5.7%
Operating income	10,000	+ 459	+ 4.8%	4,744	5,256	(292)	(5.3%)
Operating income margins	11.6%	(0.0%)	/	11.3%	11.9%	(1.1%)	/
Ordinary income	10,000	+ 356	+ 3.7%	4,723	5,277	(353)	(6.3%)
Profit attributable to owners of parent	7,600	+ 3,940	+ 107.7%	3,798	3,802	+ 336	+ 9.7%
Net Income per Share	250.95	+ 130.83	/	125.43			

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- We have revised our consolidated earnings forecasts for the fiscal year ending March 31, 2016 and our assumptions for major indicators in the professional staffing business for engineers, assuming a continued firm order environment and based on the recent trends.
- Our new consolidated forecasts are net sales of ¥86.4 billion, up 5.2% year on year, and operating income of ¥10.0 billion, up 4.8% year on year.
- We expect to report record-high net sales.
- We have also raised our forecast for profit attributable to owners of parent to ¥7.6 billion.
- We now see much steeper profit growth of 107.7% year on year, but this largely reflects the special factor of a significant improvement in extraordinary income & loss, as explained earlier.
- We also expect to report record-high profit attributable to owners of parent.

Comparison to the Initial Forecasts at the beginning of the Fiscal Year (Group Consolidated)

- ✓ We have raised our full-year net sales forecast by 0.4 billion yen (+0.5%), comprising a hike of roughly 0.4 billion yen for 1H and ±0 billion yen for 2H.
- ✓ We have raised our full-year operating income forecast by 0.2 billion yen (+2.0%), comprising an upward revision of over 0.4 billion yen for 1H and a downward revision of over 0.2 billion yen for 2H → mainly reflecting a change in the timing of some SG&A expenses from 1H to 2H.
- ✓ We have raised our full-year profit attributable to owners of parent forecast by 0.6 billion yen (+8.6%), comprising an upward revision of around 0.5 billion yen for 1H and around 0.1 billion yen for 2H.

Group Consolidated	Forecast FY ending March 31, 2016	Comparison to Initial Forecast	% Change	2Q ended Sept. 30, 2015	Forecast 2nd Half	Comparison to Initial Forecast	% Change
(Fractions of one million yen are rounded down)							
Net sales	86,400	+400	+0.5%	42,143	44,257	+57	+0.1%
Cost of sales	63,800	+400	+0.6%	31,321	32,479	+179	+0.6%
SG&A Expenses	12,600	(200)	(1.6%)	6,077	6,523	+123	+1.9%
Operating income	10,000	+200	+2.0%	4,744	5,256	(244)	(4.4%)
Operating income margins	11.6%	+0.2%		11.3%	11.9%	(0.6%)	
Ordinary income	10,000	+200	+2.0%	4,723	5,277	(223)	(4.1%)
Profit attributable to owners of parent	7,600	+600	+8.6%	3,798	3,802	+102	+2.8%

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- This shows a comparison between our new consolidated forecasts and our initial forecasts released in May 2015.
- We raised our full-year net sales forecast by ¥0.4 billion, comprising an upward revision of ¥0.4 billion for the first half and almost no change for the second half.
- For the second half, we expect sales to be in line with our initial forecasts. Strong sales in the first half are likely to continue into the second, but we have factored in the impact of some negatives.
- We raised our full-year operating income forecast by ¥0.2 billion, comprising an upward revision of just over ¥0.4 billion for the first half and a downward revision of just over ¥0.2 billion for the second half.

This mainly reflects a change in the timing of some SG&A expenses from the first half to the second half.

- We raised our full-year forecast for profit attributable to owners of parent by ¥0.6 billion, comprising an upward revision of around ¥0.5 billion for the first half and an upward revision of about ¥0.1 billion for the second half. The upward revision for profit attributable to owners of parent is larger than that for operating income because we have factored in the application of tax credits for salary growth, as in the previous fiscal year.

Forecasts for the Fiscal Year Ending March 31, 2016 (Meitec) Comparison to the Previous Fiscal Year

- ✓ We forecast full-year net sales will increase 3.22 billion yen year on year (+5.0%), comprising growth of 2.45 billion yen for 1H and 0.77 billion yen for 2H, mainly due to an increase in the number of engineers assigned to clients.
- ✓ Net income: 7.0 billion yen (+109.5% year on year, reflecting extraordinary income).

Meitec <small>(Fractions of one million yen are rounded down)</small>	Forecast FY ending Mar.31, 2016	YoY Amount	% Change	2Q ended Sept. 30, 2015	Forecast 2nd Half	YoY Amount	% Change
Net sales	67,900	+3,224	+5.0%	33,131	34,769	+775	+2.3%
Cost of sales	50,300	+2,442	+5.1%	24,758	25,542	+775	+3.1%
Cost of sales to Net sales	74.1%	+0.1%		74.7%	73.5%	+0.6%	
SG&A Expenses	9,200	+308	+3.5%	4,444	4,756	+189	+4.1%
Operating income	8,400	+474	+6.0%	3,927	4,473	(186)	(4.0%)
Operating income margins	12.4%	+0.1%		11.9%	12.9%	(0.8%)	
Ordinary income	8,900	+461	+5.5%	4,395	4,505	(235)	(5.0%)
Net income	7,000	+3,659	+109.5%	3,749	3,251	+83	+2.6%
Utilization ratio (Company-wide)	96.8%	+0.7%		96.0%	97.7%	(0.6%)	
Working Hours<h/day>	8.77	(0.16)		8.77	8.78	(0.19)	
Number of Recruitment	489	(70)					
Newly graduated	299	(79)					
Mid-career	190	+9					
Turnover Ratio	4.4%	+0.9%					
				Expected New Graduates for April 2016	332	Comparison to Previous Year	+33

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- This shows our new forecasts for Meitec.
- Reflecting an increase in the number of engineers assigned to clients compared with previous fiscal year, we now forecast net sales of ¥67.9 billion, up ¥3.22 billion, or 5.0%, year on year, comprising growth of ¥2.45 billion in the first half and growth of ¥0.77 billion in the second half.
- Our forecast for weaker sales growth in the second half compared with the first half reflects an already high utilization ratio (little scope for further gains) and the assumption there will be no large increase in the number of engineers in the second half.
- We forecast a large rise in full-year net income of ¥7.0 billion year on year, but this partly reflects special factors related to extraordinary income & loss, as mentioned earlier.

Comparison to the Initial Forecasts at the beginning of the Fiscal Year (Meitec)

- ✓ We have raised our full-year net sales forecast by 0.1 billion yen (+0.1%), comprising an increase of roughly 0.1 billion yen for 1H and ±0 billion yen for 2H (no change). →Forecast for 2H was not changed from the initial forecast by assuming a positive effect of the high utilization ratio offsetting a negative effect of the decrease in working hours.
- ✓ We have raised our full-year operating income forecast by 0.2 billion yen (+2.4%), comprising an upward revision of around 0.3 billion yen for 1H and a downward revision of around 0.1 billion yen for 2H. →mainly reflecting a change in the timing of some SG&A expenses from 1H to 2H.

Meitec <small>(Fractions of one million yen are rounded down)</small>	Forecast FY ending Mar.31, 2016	Comparison to Initial Forecast	% Change	2Q ended Sept. 30, 2015	Forecast 2nd Half	Comparison to Initial Forecast	% Change
Net sales	67,900	+100	+0.1%	33,131	34,769	(31)	(0.1%)
Cost of sales	50,300	—	+0.0%	24,758	25,542	+42	+0.2%
Cost of sales to Net sales	74.1%	(0.1%)	—	74.7%	73.5%	+0.2%	—
SG&A Expenses	9,200	(100)	(1.1%)	4,444	4,756	+56	+1.2%
Operating income	8,400	+200	+2.4%	3,927	4,473	(127)	(2.8%)
Operating income margins	12.4%	+0.3%	—	11.9%	12.9%	(0.4%)	—
Ordinary income	8,900	+200	+2.3%	4,395	4,505	(95)	(2.1%)
Net income	7,000	+500	+7.7%	3,749	3,251	+151	+4.9%
Utilization ratio (Company-wide)	96.8%	+0.6%	Comparison to Initial Forecast +0.8%	96.0%	97.7%	+0.6%	—
Working Hours<h/day>	8.77	(0.15)		8.77	8.78	(0.15)	—
Number of Recruitment	489	—	—	Expected New Graduates for April 2016		—	—
Newly graduated	299	—	—	332		—	—
Mid-career	190	—	—	—		—	—
Turnover Ratio	4.4%	(0.6%)	—	—		+22	—

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- This shows a comparison between our new forecasts for Meitec and our initial forecasts released in May 2015.
- We raised our full-year net sales forecast by ¥0.1 billion, comprising an upward revision of ¥0.1 billion for the first half and almost no change for the second half.
- Our net sales forecast for the second half is almost unchanged from our initial figure because a positive effect of the higher-than-expected utilization ratio is offset by a negative effect of the lower-than-expected number of working hours.
- We also lowered our full-year forecast for the turnover ratio in light of recent results.
Amid tough recruitment conditions, we intend to continue implementing steady steps to increase engineer job satisfaction, as this has a positive impact on boosting the number of engineers.
- We raised our full-year operating income forecast by ¥0.2 billion, comprising an upward revision of ¥0.3 billion for the first half and a downward revision of just over ¥0.1 billion for the second half. This mainly reflects a change in the timing of some SG&A expenses from the first half to the second half.

Forecasts for the Fiscal Year Ending March 31, 2016 Comparison to the Previous Fiscal Year (Meitec Fielders)

✓ We forecast full-year net sales will increase 1.09 billion yen year on year (+9.1%), comprising growth of 0.63 billion yen for 1H and 0.46 billion yen for 2H, mainly due to an increase in the number of engineers assigned to clients.

Meitec Fielders (Fractions of one million yen are rounded down)	Forecast FY ending Mar.31, 2016	YoY Amount	% Change	2Q ended	Forecast	YoY	%
				Sept. 30, 2015	2nd Half	Amount	Change
Net sales	13,000	+1,088	+9.1%	6,386	6,614	+456	+7.4%
Cost of sales	10,100	+945	+10.3%	4,965	5,135	+434	+9.2%
Cost of sales to Net sales	77.7%	+0.8%		77.7%	77.6%	+1.3%	
SG&A Expenses	1,800	+117	+7.0%	873	927	+57	+6.6%
Operating income	1,100	+26	+2.4%	547	553	(34)	(5.8%)
Operating income margins	8.5%	(0.6%)		8.6%	8.4%	(1.2%)	
Ordinary income	1,100	+25	+2.3%	548	552	(35)	(6.0%)
Net income	700	+51	+7.9%	349	351	—	+0.0%
Utilization ratio (Company-wide)	95.7%	(0.3%)		94.2%	97.2%	(1.3%)	
Working Hours (h/day)	8.93	(0.11)		8.90	8.96	(0.12)	
Number of Recruitment	280	(2)					
Newly graduated	175	+2					
Mid-career	105	(4)					
Turnover Ratio	8.1%	(0.3%)					
				Expected New Graduates for April 2016	173	Comparison to Previous Year	(2)

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- This shows our new forecasts for Meitec Fielders.
- Reflecting an increase in the number of engineers assigned to clients compared with previous fiscal year, we now forecast net sales of ¥13.0 billion, up ¥1.09 billion, or 9.1%, year on year, comprising growth of ¥0.63 billion in the first half and growth of ¥0.46 billion in the second half. We expect to report record-high net sales.
- We assume a full-year utilization ratio of 95.7%, down 0.3% year on year, and a second half utilization ratio of 97.2%, down 1.3%, mainly due to the following reasons.
- The utilization ratio is already at a high level, so some deterioration can be expected. Also, our forecast is based on typical trends in engineer assignments and the number of contracts expiring, rather than any expectation of a significant deterioration in the utilization ratio this fiscal year.

Comparison to the Initial Forecasts at the beginning of the Fiscal Year (Meitec Fielders)

✓ We have raised our full-year net sales forecast by 0.2 billion yen (+1.6%), comprising a increase of roughly 0.2 billion yen for 1H and roughly ±0 billion yen for 2H (no change).
→Forecast for 2H was not changed from the initial forecast by assuming a positive effect of the high utilization ratio offsetting a negative effect of the decrease in working hours as Meitec.

Meitec Fielders <small>(Fractions of one million yen are rounded down)</small>	Forecast FY ending Mar.31, 2016	Comparison to Initial Forecast	% Change	2Q ended Sept. 30, 2015	Forecast 2nd Half	Comparison to Initial Forecast	% Change
Net sales	13,000	+200	+1.6%	6,386	6,614	+14	+0.2%
Cost of sales	10,100	+200	+2.0%	4,965	5,135	+35	+0.7%
Cost of sales to Net sales	77.7%	+0.3%	↗	77.7%	77.6%	+0.4%	↗
SG&A Expenses	1,800	—	+0.0%	873	927	+27	+3.0%
Operating income	1,100	—	+0.0%	547	553	(47)	(7.8%)
Operating income margins	8.5%	(0.1%)	↘	8.6%	8.4%	(0.7%)	↘
Ordinary income	1,100	—	+0.0%	548	552	(48)	(8.0%)
Net income	700	—	+0.0%	349	351	(49)	(12.3%)
Utilization ratio (Company-wide)	95.7%	+0.8%	Comparison to Initial Forecast +1.6%	94.2%	97.2%	+0.1%	
Working Hours<h/day>	8.93	(0.11)		8.90	8.96	(0.13)	
Number of Recruitment	280	—		Expected New Graduates for April 2016		Comparison to Initial Forecast	
Newly graduated	175	—		173		(17)	
Mid-career	105	—					
Turnover Ratio	8.1%	(0.4%)					

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- This shows a comparison between our new forecasts for Meitec Fielders and our initial forecasts released in May 2015. Reasons for changes in the forecasts are largely the same as those for Meitec.
- We raised our full-year net sales forecast by ¥0.2 billion, comprising an upward revision of ¥0.2 billion for the first half and almost no change for the second half.
- As with Meitec, our net sales forecast for the second half is almost unchanged from our initial figure because we have factored in a negative effect of the lower-than-expected number of working hours.
- We also lowered our forecast for the full-year turnover ratio at Meitec Fielders.

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
Shares
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

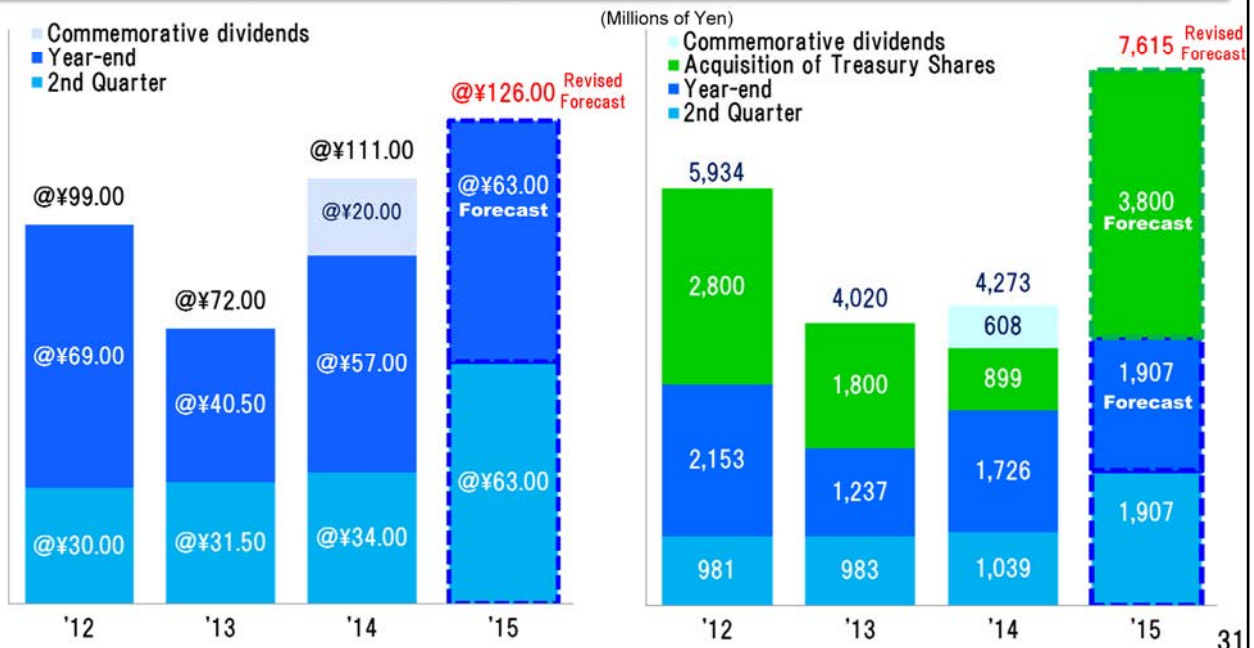
- Three Months Net Sales = Working capital: Consolidated two months net sales + Fund for strengthening the financial base (a fund to sustain the business operation in the event of a crisis equivalent to that of fiscal year ended March 2010): consolidated one month net sales
- To realize the flexible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

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- Our Basic Policy Regarding Profit Distribution, which we revised in May 2011, remains unchanged. We plan to continue with this policy.

- ✓ 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



- In line with our basic policy, we have revised up our full-year forecast for the distribution of profits because profits in the first half exceeded our forecast and we have revised up our full-year earnings forecast.
- We revised up our full-year net income forecast to ¥7.6 billion, so we now forecast full-year profit distribution of ¥7.6 billion, comprising regular dividends of roughly ¥3.8 billion (¥126 per share) and the acquisition of treasury shares of ¥3.8 billion.
- Based on communication with all investors, we have decided to divide profit distribution equally between regular dividends and the acquisition of treasury shares.

✓ Details of actual profit distribution and our new forecasts are shown below.

(Millions of Yen, @Yen)	Forecast FY ending March 31, 2016					FY ended March 31, 2015			
	Revised Forecast A	Initial Forecast B	Initial Forecast =A-B	YoY Amount =A-D:Regular	YoY Amount =A-C	C=D+E	D Regular	E Commemorative	
Profit attributable to owners of parent	7,600	7,000	+ 600	+ 3,940	+ 3,940	3,659	3,659		
Total Shareholders Return	7,615	7,013	+ 602	+ 3,951	+ 3,342	4,273	3,664	608	
Annual Dividends	Millions of Yen	3,815	3,513	+ 302	+ 1,050	+ 442	3,373	2,765	608
	Per Share	@126.00	@116.00	+¥10.00	+¥35.00	+¥15.00	@111.00	@91.00	@20.00
2nd Quarter	Millions of Yen	1,907	1,650	+ 257	+ 869	+ 563	1,344	1,038	305
	Per Share	@63.00	@54.50	+¥8.50	+¥29.00	+¥19.00	@44.00	@34.00	@10.00
Year-end	Millions of Yen	1,907	1,862	+ 45	+ 181	(121)	2,029	1,726	302
	Per Share	@63.00	@61.50	+¥1.50	+¥6.00	(¥4.00)	@67.00	@57.00	@10.00
Acquisition of Treasury Shares	Millions of Yen	3,800	3,500	+ 300	+ 2,900	+ 2,900	899	899	not subject
	shares	950,000	still undecided		+ 681,300	+ 681,300	268,700	268,700	
Total Return Ratio	100.2%	100.2%	+0.0%	+0.1%	(16.6%)	116.8%	100.1%		

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- This shows details of actual profit distribution and our new forecasts.
The interim dividend and the year-end dividend for the previous fiscal year both included commemorative dividends of ¥10 per share.
- Investors should therefore discount this commemorative dividend to compare the actual increase in profit distribution.

- ✓ **Meitec has formulated a Basic Stance on Corporate Governance and other policies, including standards for the selection of directors and audit & supervisory board members, standards establishing the independence of outside executives, and policies regarding communication with investors and other parties**

⇒ These policies have been disclosed on our website in our Corporate Governance Report submitted to the Tokyo Stock Exchange. (<http://www.meitec.co.jp/e/company/principal/governance.html>)

- ✓ **In accordance with the intent of the Corporate Governance Code, we have deepened dialogue regarding this matter through ongoing discussions between the CEO and outside executives**

- ✓ **We intend to provide further explanations about three specific areas (executive remuneration, distribution of convocation notice of shareholders' meeting, and internal whistleblower system)**

⇒ We plan to review our policy on executive remuneration by the next general meeting of shareholders in June 2016*

*Current summary of executive remuneration

Individual pay (monthly) already disclosed

Combined performance-linked pay equivalent to 2% of consolidated profit attributable to owners of parent

- Finally, I would like to close this presentation by telling you about our response to Japan's Corporate Governance Code.
- Today we released a Basic Stance on Corporate Governance and other policies, including standards for the selection of directors and audit & supervisory board members. They are now available on our website, so please take a look later.
- In formulating these policies, we have deepened dialogue regarding this matter through ongoing discussions between the CEO and outside executives, in accordance with the intent of the Corporate Governance Code.
- The outside directors and audit & supervisory board members contributed positively, providing us with valuable opinions and insights.
- This underscored again the importance of systems in making corporate governance more effective.
We will continue to work tirelessly to improve the effectiveness of corporate governance.
- That ends my presentation today.
I hope we can count on your continued understanding and support as we strive to meet the expectations of all our stakeholders.
Thank you for listening.

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.

3. Reference Materials

人と技術で次代を拓く

MEITEC

メイテックグループ

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

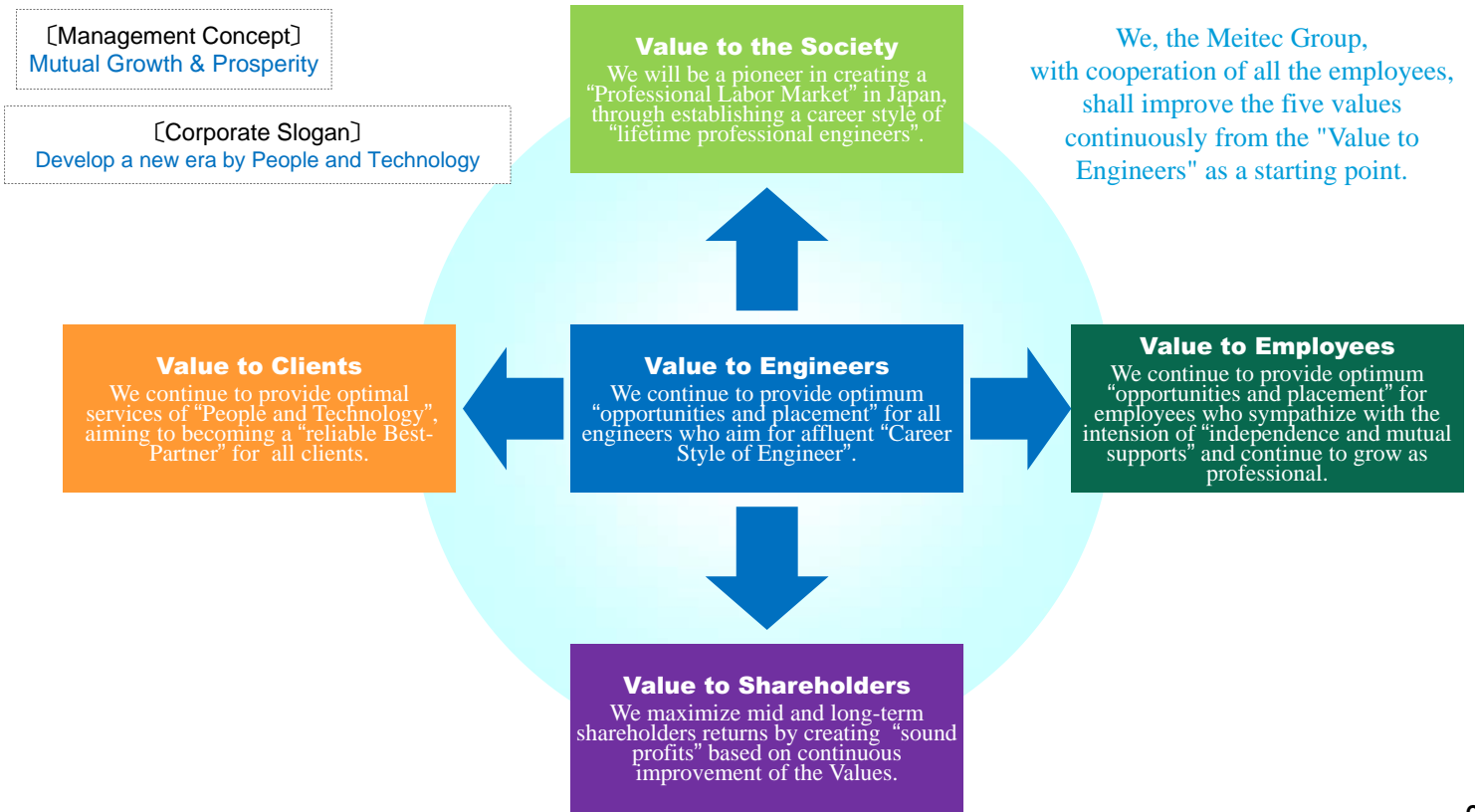
〈Largest number of transactions in the industry & the best quality in the industry; a pioneer〉

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

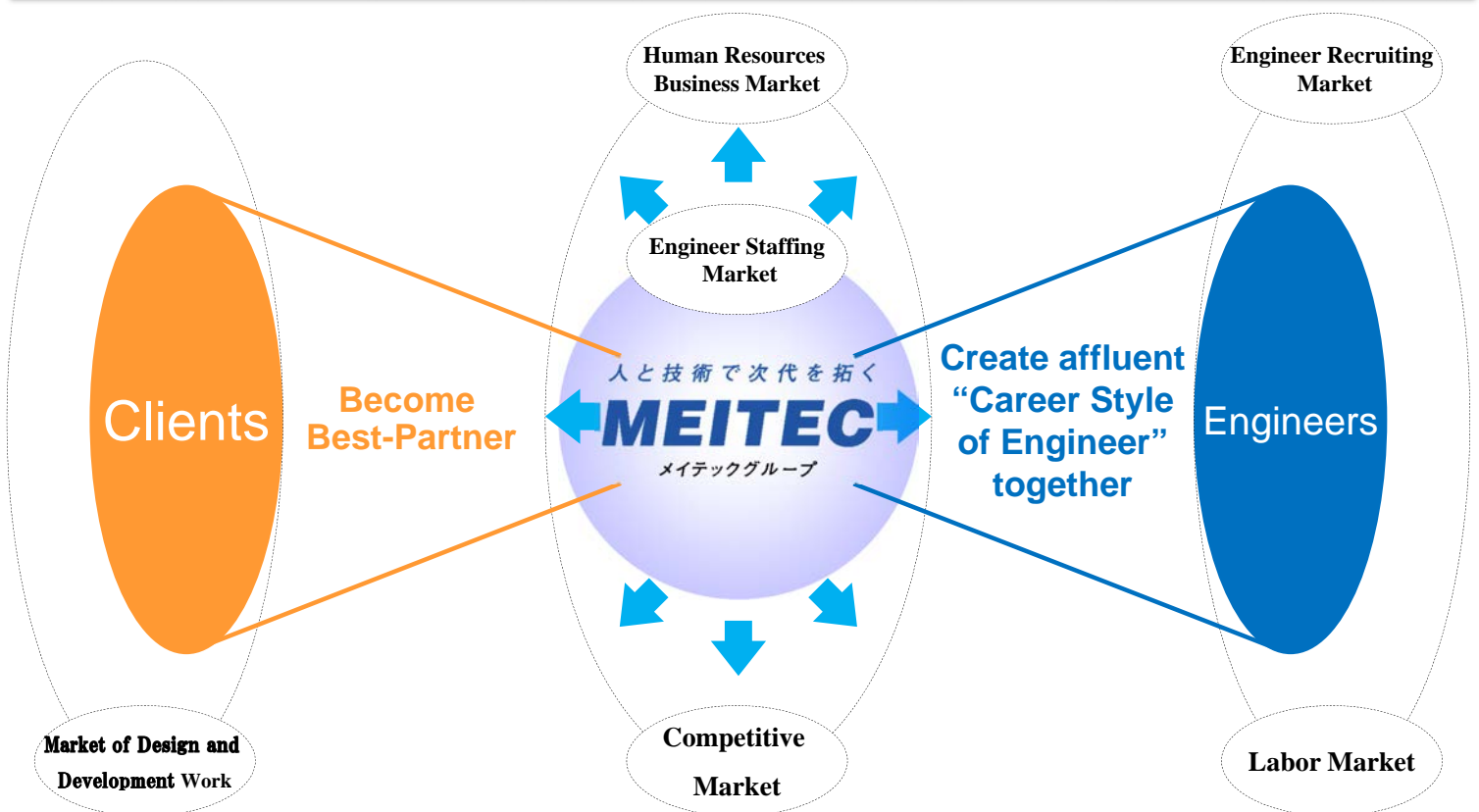
〈More than 4,000 companies in total over the 40 years since the company was established〉

- ✓ 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



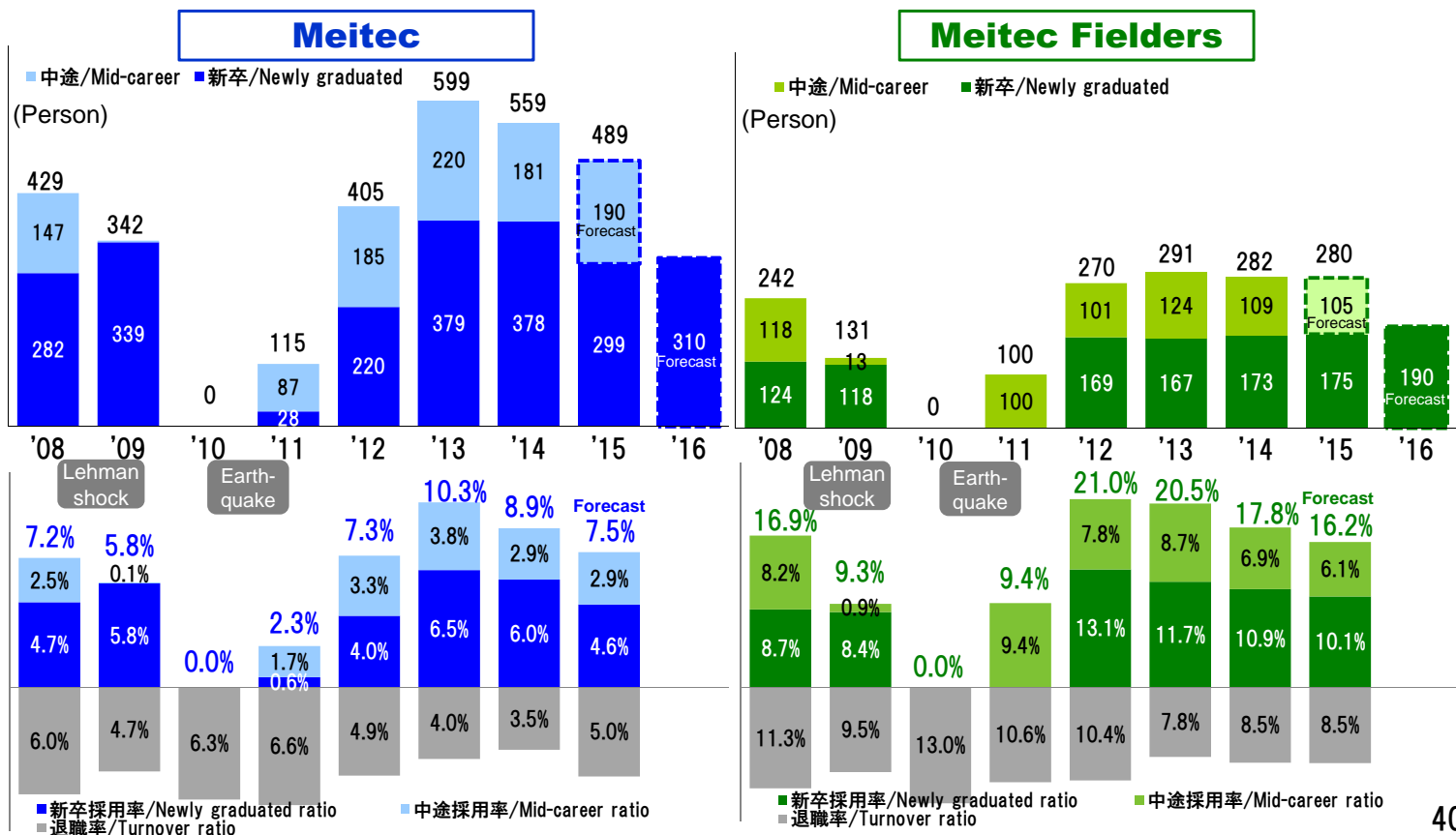
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- ✓ We have set a business policy that clearly states the values provided by the Group to service users, through a review of our management concept and corporate slogan as well as our “ideal state.”



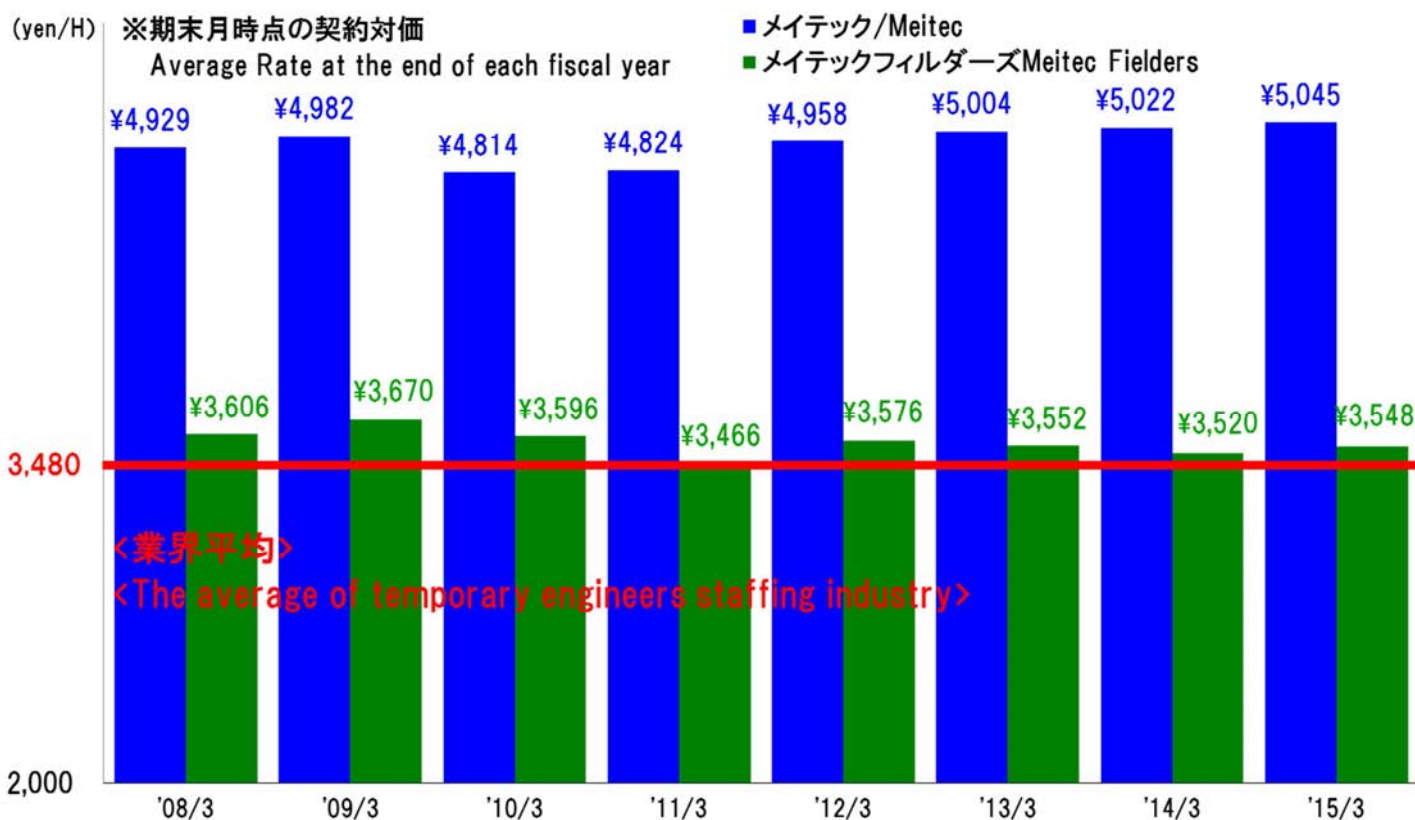
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- ✓ Start-of-year forecasts (disclosed May 2015), provided for reference purposes.
- ✓ Recruitment and Turnover will be disclosed at the time of disclosure of the results of the fiscal year.

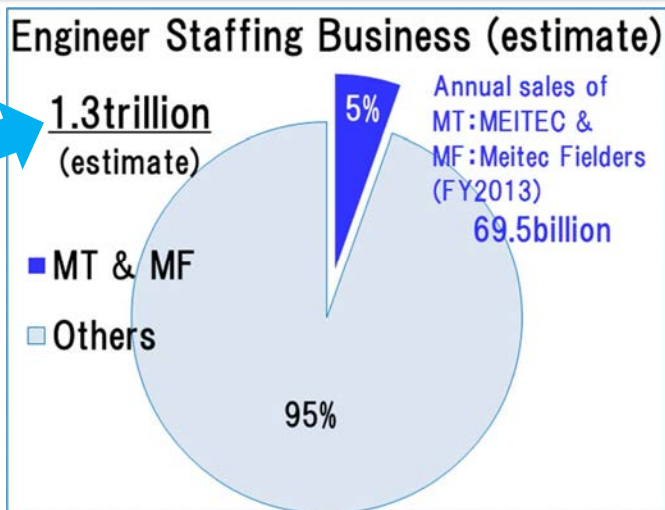
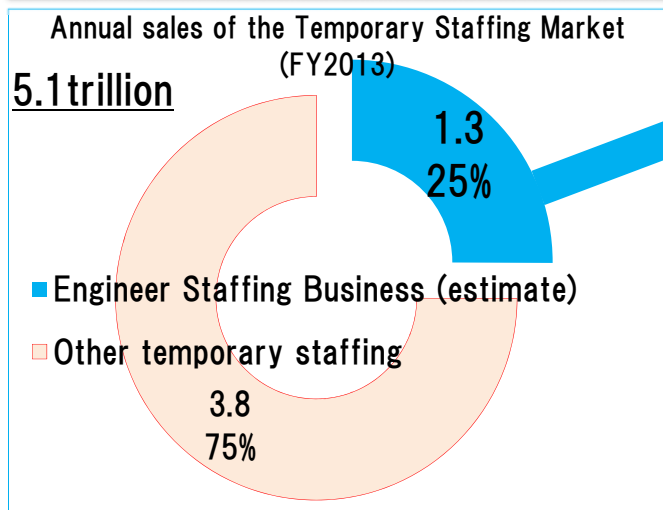


Trend in Average Rate = (Market Value)

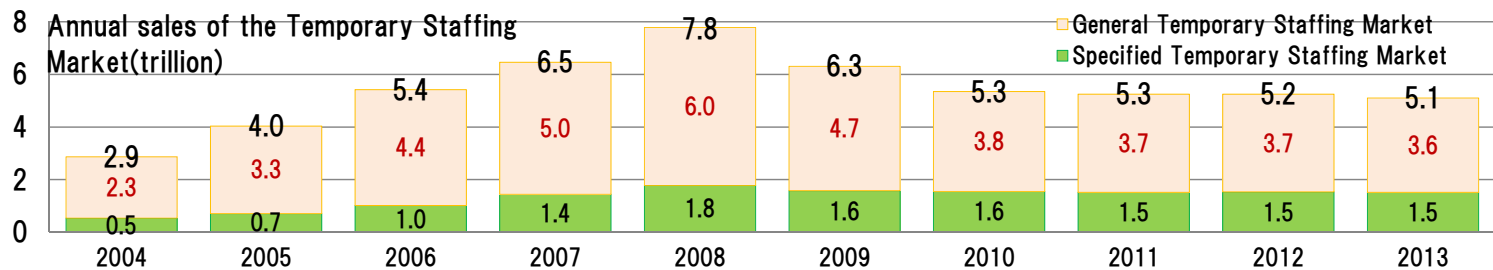
- ✓ Re-posted (data disclosed in May 2015)
- ✓ Average rate will be disclosed at the time of disclosure of the results of the fiscal year.



- ✓ 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".



MEITEC @¥5,004 (Mar-2013)
Engineer Staffing @¥3,480 (estimate)
Specified W.D.U. @¥2,960
General W.D.U. @¥2,127

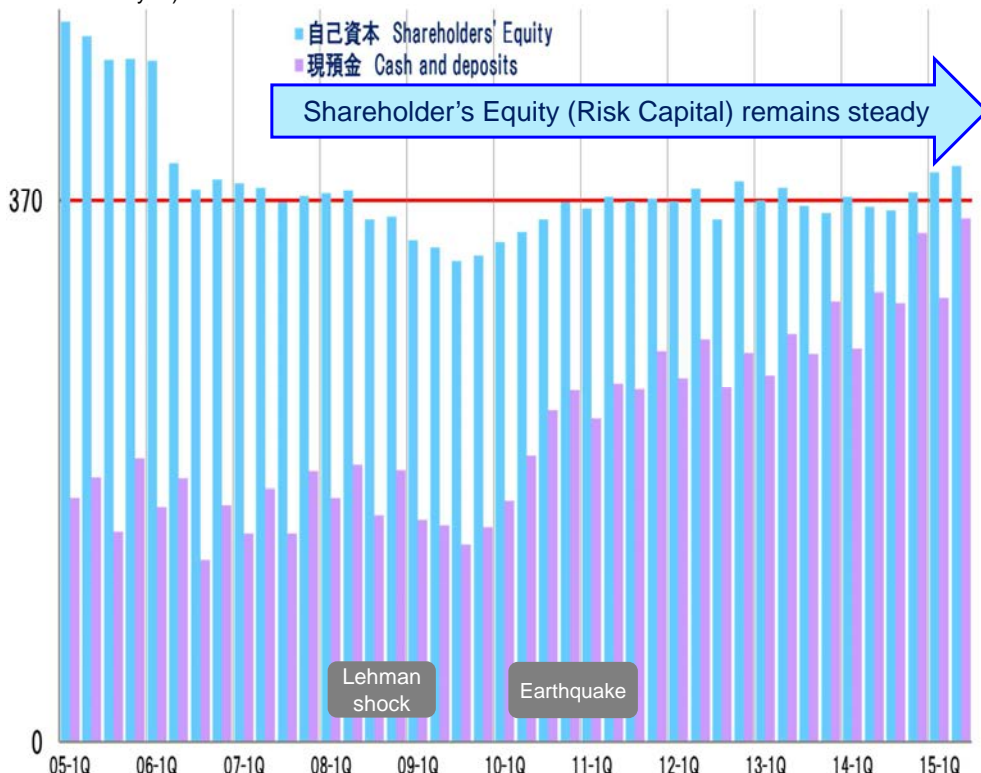


Original source: 2013 MHLW statistics . We calculated the estimate originally. * We assume no responsibility for our estimation.

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.

Sales by the Industrial Segments (Meitec)

Millions of Yen

Meitec	2Q FY2011	2Q FY2012	2Q FY2013	2Q FY2014	2Q FY2015			
	Nete Sales				Net Sales	Total Net Sales(%)	Change	Change (%)
Automobile/Transportation	4,562	5,529	6,283	7,517	8,574	25.9%	+1,056	+14.1%
Aircraft/Aerospace	1,893	2,099	2,276	2,492	2,670	8.1%	+177	+7.1%
Industrial Machinery	3,834	4,081	4,130	4,611	4,909	14.8%	+296	+6.4%
Precision Equipment	1,697	1,977	2,194	2,335	2,469	7.5%	+133	+5.7%
IT Related Hardware and Devices	2,504	2,492	2,588	2,618	2,406	7.3%	(211)	(8.1%)
Electric and Electronics	4,268	4,335	3,946	3,886	4,017	12.1%	+129	+3.3%
Semiconductors and Integrated Circuits Design	1,632	1,658	1,760	1,949	2,095	6.3%	+146	+7.5%
Semiconductor Equipment and Devices	875	908	920	865	950	2.9%	+84	+9.8%
Information Processing/Software	1,862	1,900	1,843	2,036	2,357	7.1%	+320	+15.7%
Plant	705	769	778	888	1,103	3.3%	+215	+24.2%
Construction	141	172	182	187	181	0.5%	(6)	(3.4%)
Others	1,277	1,199	1,246	1,292	1,399	4.2%	+106	+8.2%
Total	25,256	27,125	28,150	30,682	33,131	+100.0%	+2,449	+8.0%

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Sales by the Industrial Segments (Meitec Fielders)

Millions of Yen

Meitec Fielders	2Q FY2011	2Q FY2012	2Q FY2013	2Q FY2014	2Q FY2015			
	Nete Sales				Net Sales	Total Net Sales(%)	Change	Change (%)
Automobile/Transportation	904	1,249	1,551	1,981	2,385	+37.3%	+ 403	+ 20.4%
Aircraft/Aerospace	47	74	91	95	115	+1.8%	+ 20	+ 21.0%
Industrial Machinery	578	611	715	862	941	+14.7%	+ 78	+ 9.1%
Precision Equipment	556	603	763	820	808	+12.7%	(12)	(1.5%)
IT Related Hardware and Devices	156	163	169	201	209	+3.3%	+ 8	+ 4.1%
Electric and Electronics	867	873	735	768	819	+12.8%	+ 51	+ 6.7%
Semiconductors and Integrated Circuits Design	359	264	234	226	233	+3.7%	+ 6	+ 2.9%
Semiconductor Equipment and Devices	264	200	234	196	230	+3.6%	+ 33	+ 17.2%
Information Processing/Software	40	73	111	164	168	+2.6%	+ 3	+ 2.3%
Plant	63	91	132	183	225	+3.5%	+ 41	+ 22.6%
Construction	10	44	46	12	7	+0.1%	(4)	(37.4%)
Others	66	70	58	240	242	+3.8%	+ 1	+ 0.8%
Total	3,942	4,113	4,513	5,753	6,386	+100.0%	632	+11.0%

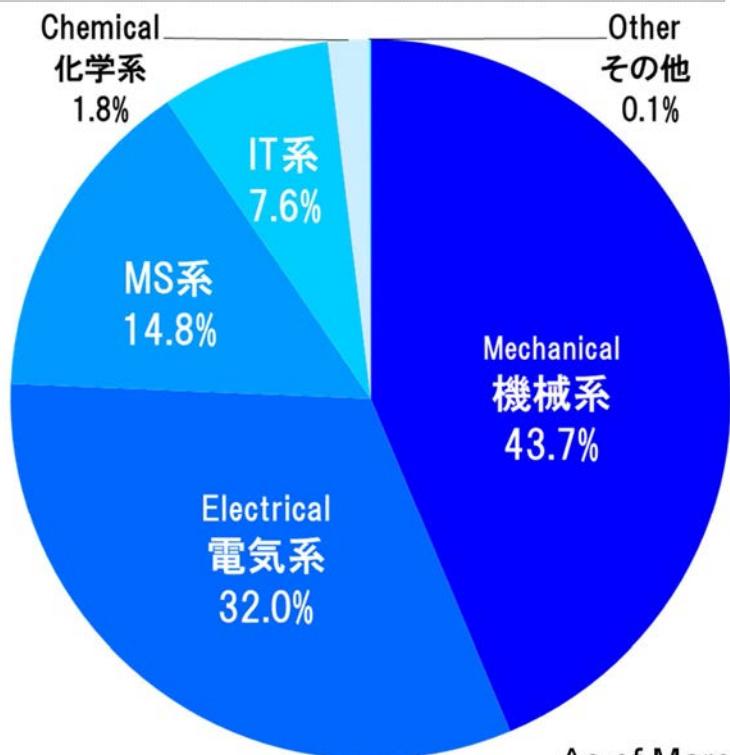
45

Distribution of Engineers by Technical Fields and Age

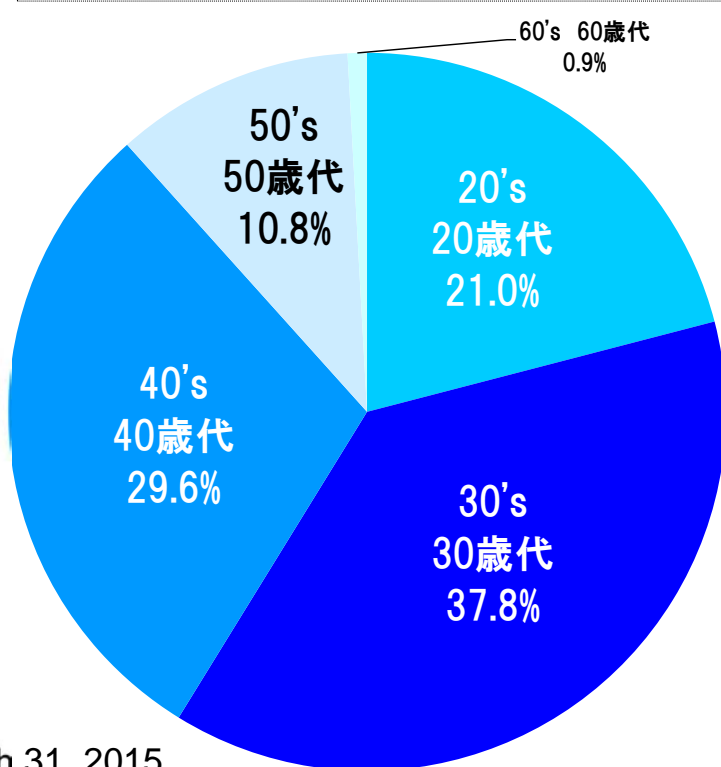
Re-posted

- ✓ 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

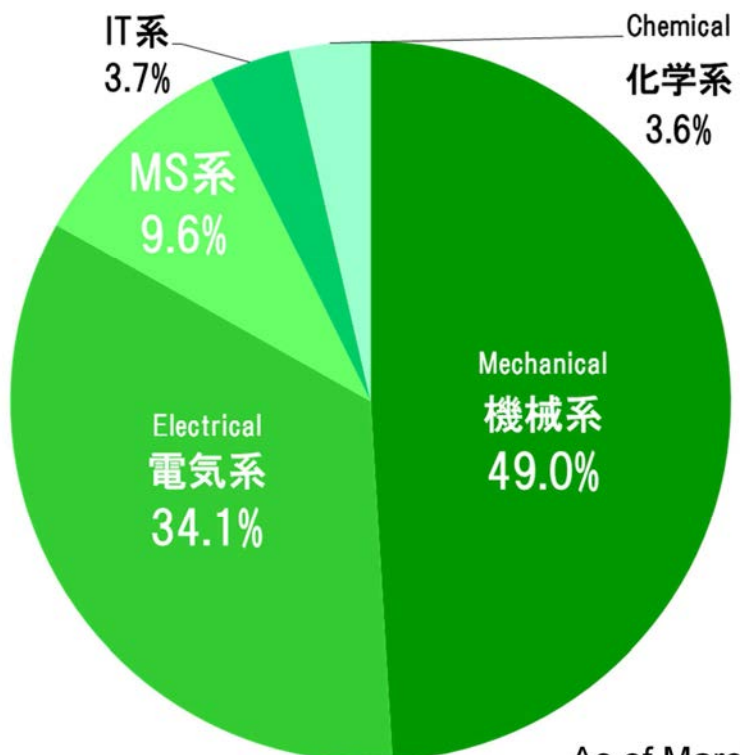
MS: Micro Computer System

Distribution of Engineers by Technical Fields and Age

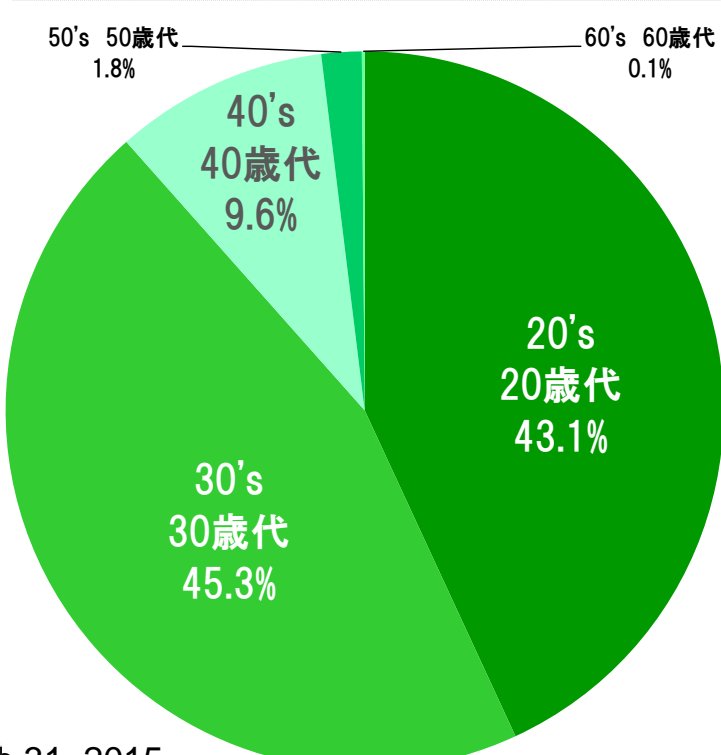
Re-posted

- ✓ 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

Results for the 2nd Quarter of the Fiscal Year Ending March 31, 2016 (Group Companies)

- ✓ Previous year's performance by subsidiary
- ✓ Operating income per net sales of Meitec Next (recruiting & placement business) is approx. 30%.

(Millions of yen)	Temporary Staffing Business				Recruiting & Placement Business			Engineering Solutions Business
	Meitec	Meitec Fielders	Meitec Cast	Meitec EX	Meitec Next	all engineer .jp	Meitec (China)	Apollo Giken Gr.
Net sales	33,131	6,386	1,299	29	639	68	25	846
YoY Amount	+2,448	+632	+63	+3	+103	+14	(18)	+109
% Change	+8.0%	+11.0%	+5.1%	+15.2%	+19.3%	+26.5%	(42.5%)	+14.9%
Operating income	3,927	547	46	(14)	204	29	(24)	10
YoY Amount	+662	+61	+2	+1	+23	+21	+21	+25
% Change	+20.3%	+12.6%	+4.8%	—	+13.2%	+292.7%	—	—
Ordinary income	4,395	548	46	(14)	204	29	(24)	11
Net income	3,749	349	29	(14)	136	25	(24)	5

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Forecast for the Fiscal Year Ending March 31, 2016

- ✓ Forecast of performance by subsidiary
- ✓ Meitec Next (recruiting & placement business) plans a net sales increase of +15% year-on-year.

(Millions of yen)	Temporary Staffing Business				Recruiting & Placement Business			Engineering Solutions Business
	Meitec	Meitec Fielders	Meitec Cast	Meitec EX	Meitec Next	all engineer .jp	Meitec (China)	Apollo Giken Gr.
Net sales	67,900	13,000	2,600	60	1,300	140	70	1,700
YoY Amount	+3,224	+1,088	+75	+6	+168	+22	(32)	+41
% Change	+5.0%	+9.1%	+3.0%	+12.1%	+14.9%	+19.5%	(31.8%)	+2.5%
Operating income	8,400	1,100	80	(30)	380	40	(30)	30
YoY Amount	+474	+26	(17)	(1)	(5)	+14	+24	+18
% Change	+6.0%	+2.4%	(18.2%)	+4.9%	(1.4%)	+58.2%	(45.0%)	+152.9%
Ordinary income	8,900	1,100	80	(30)	380	40	(40)	30
Net income	7,000	700	50	(30)	250	40	(40)	30

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Trend of Performances (Consolidated)

(Millions of Yen)	2008-2Q	2009-2Q	2010-2Q	2011-2Q	2012-2Q	2013-2Q	2014-2Q	2015-2Q
Net sales	41,396	26,203	29,357	31,937	34,130	35,754	39,300	42,143
Cost of sales	29,429	23,478	23,628	24,052	25,119	26,607	29,366	31,321
Cost of sales to Net sales	71.1%	89.6%	80.5%	75.3%	73.6%	74.4%	74.7%	74.3%
Gross profit	11,966	2,724	5,728	7,885	9,010	9,146	9,934	10,822
Selling, general and administrative expenses	6,591	5,973	5,065	5,556	6,119	6,239	5,941	6,077
SG&A expenses to Net sales	15.9%	22.8%	17.3%	17.4%	17.9%	17.4%	15.1%	14.4%
Operating income	5,375	(3,248)	662	2,328	2,891	2,907	3,992	4,744
Operating income margins	13.0%	(12.4%)	2.3%	7.3%	8.5%	8.1%	10.2%	11.3%
Non-operating income	53	2,456	1,468	46	74	33	24	14
Non-operating expenses	33	58	43	24	20	9	3	35
Ordinary income	5,395	(850)	2,087	2,350	2,945	2,931	4,012	4,723
Ordinary income margins	13.0%	(3.2%)	7.1%	7.4%	8.6%	8.2%	10.2%	11.2%
Extraordinary income	10	26	297	—	47	—	7	1,084
Extraordinary loss	60	26	83	2	206	18	3,464	30
Income before income taxes and minority interests	5,345	(850)	2,302	2,347	2,786	2,913	555	5,777
Total income taxes and Minority interests in income (loss)	2,305	364	686	1,051	1,094	1,207	362	1,979
Net income	3,039	(1,214)	1,615	1,295	1,692	1,706	193	3,798
Net income margins	7.3%	(4.6%)	5.5%	4.1%	5.0%	4.8%	0.5%	9.0%

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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
Net sales	31,163	20,097	22,698	25,256	27,125	28,150	30,682	33,131
Cost of sales	22,095	18,015	18,629	19,180	20,081	21,094	23,091	24,758
Cost of sales to Net sales	70.9%	89.6%	82.1%	75.9%	74.0%	74.9%	75.3%	74.7%
Gross profit	9,067	2,082	4,069	6,075	7,043	7,056	7,591	8,372
Selling, general and administrative expenses	4,082	4,013	3,829	4,131	4,583	4,664	4,325	4,444
SG&A expenses to Net sales	13.1%	20.0%	16.9%	16.4%	16.9%	16.6%	14.1%	13.4%
Operating income	4,985	(1,931)	239	1,944	2,460	2,392	3,265	3,927
Operating income margins	16.0%	(9.6%)	1.1%	7.7%	9.1%	8.5%	10.6%	11.9%
Non-operating income	510	2,070	1,350	337	291	403	435	497
Non-operating expenses	24	28	16	19	11	4	3	30
Ordinary income	5,471	109	1,573	2,262	2,739	2,791	3,697	4,395
Ordinary income margins	17.6%	0.5%	6.9%	9.0%	10.1%	9.9%	12.0%	13.3%
Extraordinary income	5	1	1	—	—	—	8	1,084
Extraordinary loss	56	15	73	2	210	43	3,463	43
Income before income taxes and minority interests	5,420	95	1,501	2,260	2,528	2,748	242	5,437
Total income taxes and Minority interests in income (loss)	2,018	64	600	904	935	1,003	70	1,687
Net income	3,402	31	900	1,356	1,593	1,745	172	3,749
Net income margins	10.9%	0.2%	4.0%	5.4%	5.9%	6.2%	0.6%	11.3%

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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
Net sales	5,531	3,402	3,942	4,113	4,513	5,037	5,753	6,386
Cost of sales	4,029	3,372	3,138	3,134	3,436	3,879	4,453	4,965
Cost of sales to Net sales	72.8%	99.1%	79.6%	76.2%	76.1%	77.0%	77.4%	77.7%
Gross profit	1,502	30	804	978	1,076	1,157	1,300	1,421
Selling, general and administrative expenses	1,032	990	549	738	807	806	813	873
SG&A expenses to Net sales	18.7%	29.1%	13.9%	17.9%	17.9%	16.0%	14.1%	13.7%
Operating income	469	(960)	254	240	269	351	486	547
Operating income margins	8.5%	(28.2%)	6.4%	5.8%	6.0%	7.0%	8.5%	8.6%
Non-operating income	4	455	136	2	1	1	—	—
Non-operating expenses	—	1	—	—	—	—	—	—
Ordinary income	474	(506)	389	242	270	352	486	548
Ordinary income margins	8.6%	(14.9%)	9.9%	5.9%	6.0%	7.0%	8.5%	8.6%
Extraordinary income	—	—	—	—	—	—	—	—
Extraordinary loss	—	—	1	—	—	—	—	—
Income before income taxes and minority interests	473	(507)	389	242	270	352	486	548
Total income taxes and Minority interests in income (loss)	197	277	15	96	102	133	189	198
Net income	276	(785)	373	145	167	218	297	349
Net income margins	5.0%	(23.1%)	9.5%	3.5%	3.7%	4.3%	5.2%	5.5%

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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
Net sales	275	173	215	283	368	447	536	639
Cost of sales								
Cost of sales to Net sales								
Gross profit	275	173	215	283	368	447	536	639
Selling, general and administrative expenses	289	180	162	203	246	278	355	435
SG&A expenses to Net sales	105.2%	104.0%	75.1%	71.7%	67.0%	62.2%	66.3%	68.0%
Operating income	(14)	(6)	53	80	121	169	180	204
Operating income margins	(5.2%)	(4.0%)	24.9%	28.3%	33.0%	37.8%	33.7%	32.0%
Non-operating income	—	—	1	—	—	—	—	—
Non-operating expenses	—	—	—	—	—	—	—	—
Ordinary income	(14)	(6)	55	80	121	169	180	204
Ordinary income margins	(5.2%)	(3.9%)	25.5%	28.4%	33.0%	37.9%	33.7%	32.0%
Extraordinary income	—	—	—	—	—	—	—	—
Extraordinary loss	—	—	—	—	—	—	—	—
Income before income taxes and minority interests	(14)	(6)	54	80	121	169	180	204
Total income taxes and Minority interests in income (loss)	—	—	—	—	9	55	64	67
Net income	(14)	(7)	54	80	112	114	116	136
Net income margins	(5.3%)	(4.1%)	25.1%	28.4%	30.5%	25.5%	21.6%	21.4%

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Trend of Profit Distributions and Forecast

										Actual	Forecast	
										FY2014	FY2015	
	FY2005	FY2006	FY2007	FY2008	FY2009	FY2010	FY2011	FY2012	FY2013			
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	@¥126.00
	Millions of Yen	3,329	3,162	2,488	2,518	812	911	1,925	3,134	2,220	3,373	3,815
2nd Quarter	Per Share	@¥44.00	@¥44.00	@¥37.50	@¥47.00	@¥24.50		@¥29.00	@¥30.00	@¥31.50	@¥44.00	@¥63.00
	Millions of Yen	1,630	1,579	1,304	1,590	812		961	981	983	1,344	1,907
Year-end	Per Share	@¥46.50	@¥45.00	@¥34.50	@¥28.00		@¥27.50	@¥29.50	@¥69.00	@¥40.50	@¥67.00	@¥63.00
	Millions of Yen	1,699	1,583	1,184	928		911	965	2,153	1,237	2,029	1,907
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	3,800
Total Shareholders Return	Millions of Yen	8,429	8,261	5,588	5,318	812	911	2,625	5,934	4,020	4,273	7,615
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	@¥250.95
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	

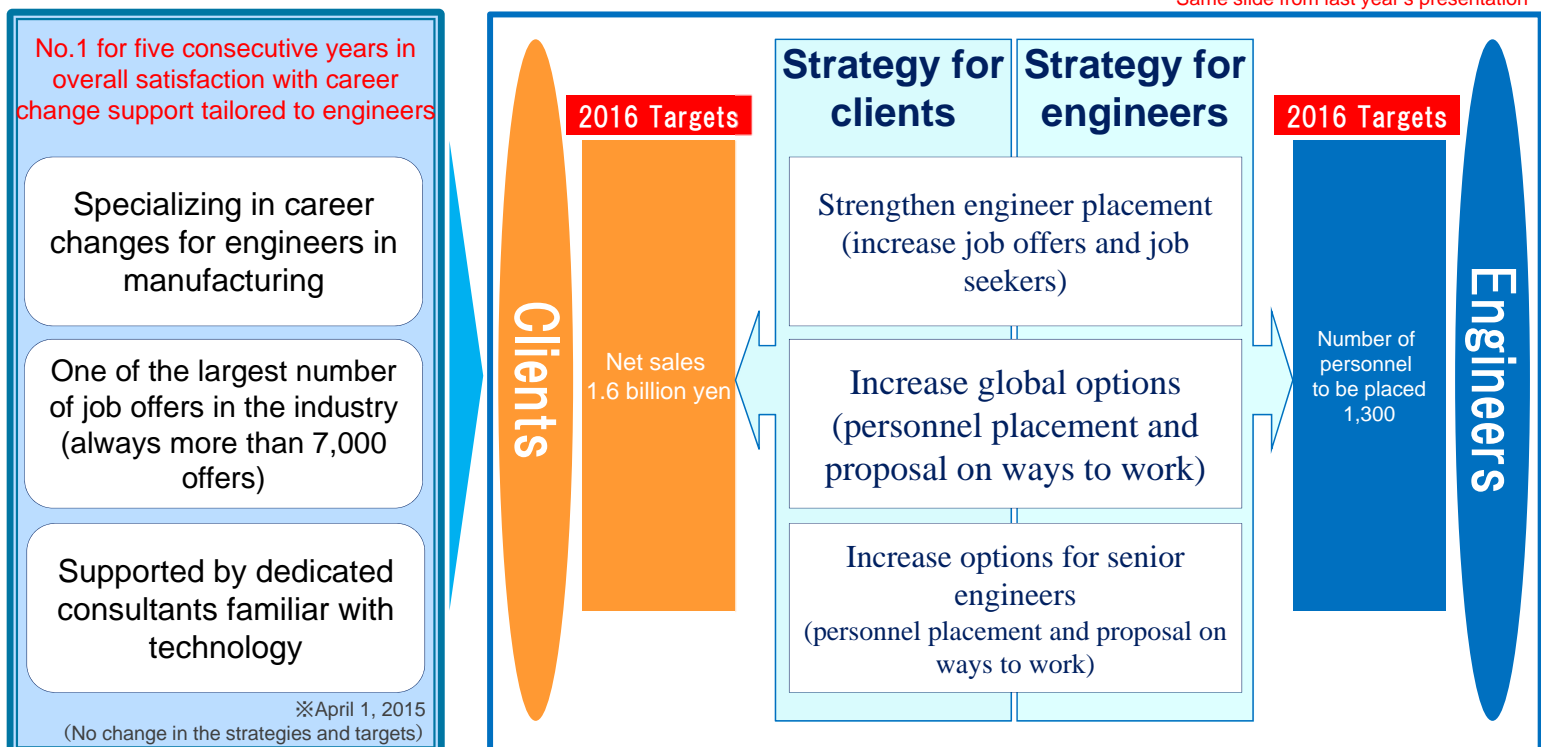
- ✓ We will further expand the “maximum and greatest opportunity and place,” which is our strength, in the Professional Staffing Business for Engineers.
- Four strategies (IN/OUT/FOLLOW/Platform) will work in unison to improve the values provided to the two service users.

*Same slide from last year's presentation



- ✓ Hone our “No.1 position for overall satisfaction with career change support tailored to engineers” in the recruiting & placement business focusing on engineers, and achieve further expansion
- ✓ In the new Mid-term Management Plan, global business is considered in the recruiting & placement business

*Same slide from last year's presentation



※Note: The above fiscal 2016 target includes targets of the placement business in Meitec Cast.

The Project to Recommend Excellent Dispatch Companies commissioned by the Ministry of Health, Labor and Worker (MHLW).



優良派遣事業者

MEITEC CORPORATION	1402014(01)
Meitec Fielders Inc.	1402015(01)
Meitec Cast Inc.	1402017(01)

Certification of FY2014(Valid Until: March 31, 2018)

Certification of “Excellent Dispatch Company”

MEITEC CORPORATION was certified as the “Excellent Dispatch Company” by the Project to Recommend Excellent Dispatch Companies commissioned by the Ministry of Health, Labor and Worker (MHLW).

The Project to Recommend Excellent Dispatch Companies (the Project) certifies the companies who are not just following the compliance with laws and regulations, but those who displayed a permissible level of measures to provide safeness to both workers and clients such as; supporting career advancement of the dispatch worker, ensure a good working environment, prevention of trouble at the work site. The certification would provide an indication of reliability to the workers and the client companies about the dispatch companies to the workers and the client companies, thus it would be merit to the workers, the clients, and the dispatch companies.

And, its group companies, Meitec Fielders, Inc., and Meitec Cast Inc. were also certified.

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: Include President and CEO, 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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Shareholders by Business Segments

Shareholder Segment	As of September 30, 2015			
	Shareholders	%	Shares Held	%
Banks	6	0.1%	803,601	2.5%
Trust Banks	19	0.3%	7,993,100	24.8%
Life and nonlife insurance companies	21	0.4%	3,798,283	11.8%
Securities financing and other financial companies	4	0.1%	18,060	0.1%
Securities companies	35	0.6%	447,983	1.4%
Business concerns and other companies	93	1.7%	582,978	1.8%
Overseas companies and investors	212	3.8%	13,481,999	41.9%
Individuals and others	5,226	93.1%	5,073,996	15.8%
Total	5,616	100.0%	32,200,000	100.0%

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Company Information

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 style="vertical-align: top;"> <p>[Temporary Staffing Business]</p> <ul style="list-style-type: none"> ■ MEITEC FIELDERS INC. ■ MEITEC CAST INC. ■ MEITEC EX CORPORATION </td> <td style="vertical-align: top;"> <p>[Recruiting & Placement Business]</p> <ul style="list-style-type: none"> ■ MEITEC NEXT CORPORATION ■ all engineer.jp CORPORATION ■ Meitec Shanghai ■ MEITEC Shanghai Human Resources Co. Ltd. <p>[Engineering Solutions Business]</p> <ul style="list-style-type: none"> ■ APOLLO GIKEN CO., LTD. </td> </tr> </table>	<p>[Temporary Staffing Business]</p> <ul style="list-style-type: none"> ■ MEITEC FIELDERS INC. ■ MEITEC CAST INC. ■ MEITEC EX CORPORATION 	<p>[Recruiting & Placement Business]</p> <ul style="list-style-type: none"> ■ MEITEC NEXT CORPORATION ■ all engineer.jp CORPORATION ■ Meitec Shanghai ■ MEITEC Shanghai Human Resources Co. Ltd. <p>[Engineering Solutions Business]</p> <ul style="list-style-type: none"> ■ APOLLO GIKEN CO., LTD.
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Develop a New Era by People and Technology

人と技術で次代を拓く

MEITEC

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MEITEC GROUP

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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.