

人と技術で次代を拓く

MEITEC

メイテックグループ

2015 Mizuho Investment Conference

September 10-11, 2015

MEITEC CORPORATION

TSE#9744

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MEITEC
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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〉

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)

FY 2009			FY 2013			FY 2014		
1	Panasonic		1	Mitsubishi Heavy Industries		1	Mitsubishi Heavy Industries	
2	Mitsubishi Heavy Industries		2	Denso		2	Canon	
3	Canon		3	Canon		3	Denso	
4	Sony		4	Nikon		4	Panasonic	
5	Toyota Motor		5	Panasonic		5	Toyota Motor	
6	Denso		6	Toyota Motor		6	Nikon	
7	Nikon		7	Kawasaki Heavy Industries		7	Kawasaki Heavy Industries	
8	Kawasaki Heavy Industries		8	Sony		8	Omron	
9	Seiko Epson		9	Omron		9	Sony	
10	Omron		10	Toshiba		10	Toshiba	
Top 10 Total	14,826	35.9%	Top 10 Total	16,342	27.8%	Top 10 Total	17,170	26.5%
Top 20 Total	19,281	46.7%	Top 20 Total	22,708	38.6%	Top 20 Total	23,690	36.6%
Others	22,039	53.3%	Others	36,168	61.4%	Others	40,984	63.4%
Total	41,319	100.0%	Total	58,876	100.0%	Total	64,675	100.0%

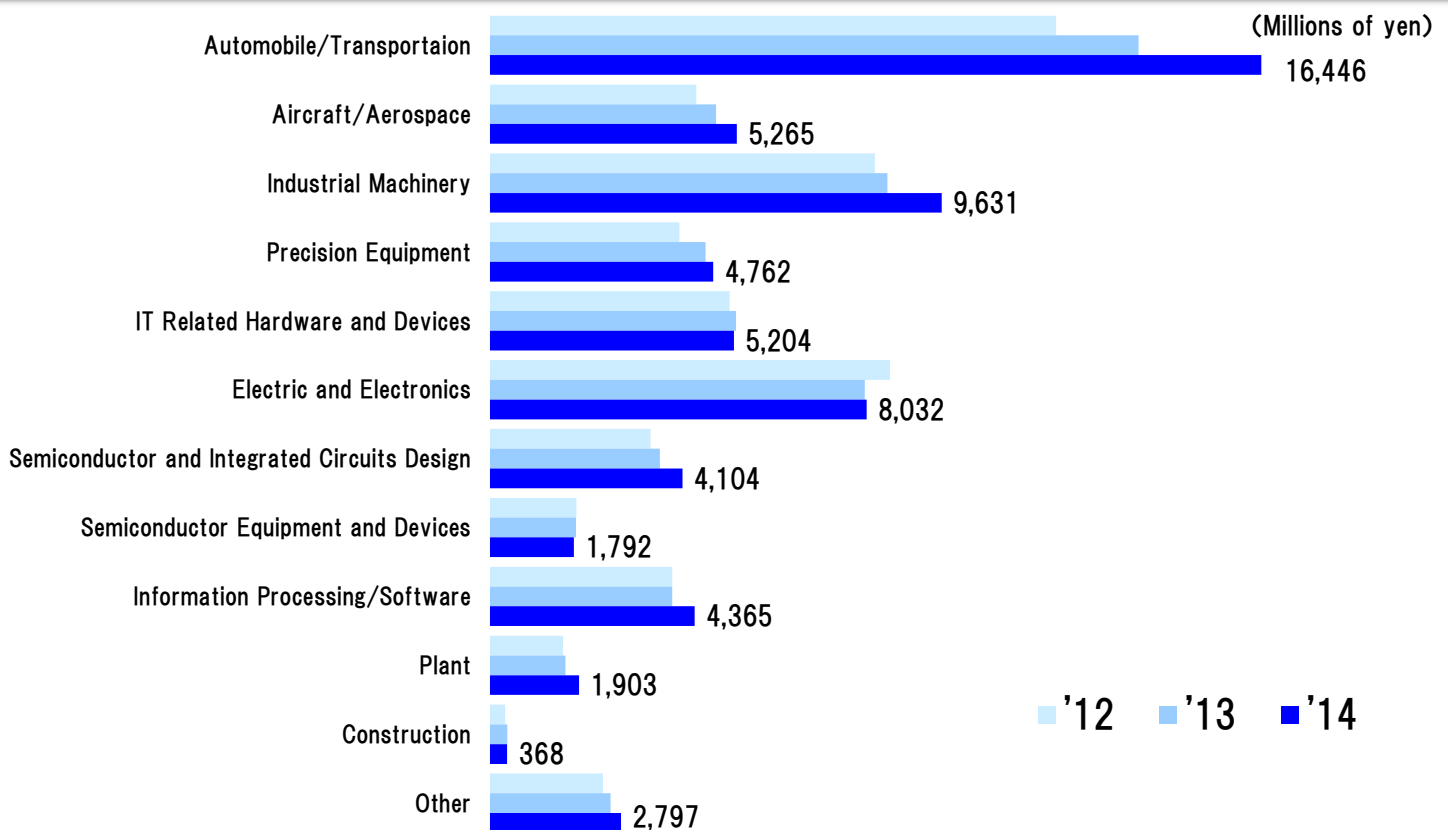
*From the presentation of previous fiscal year

3

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.

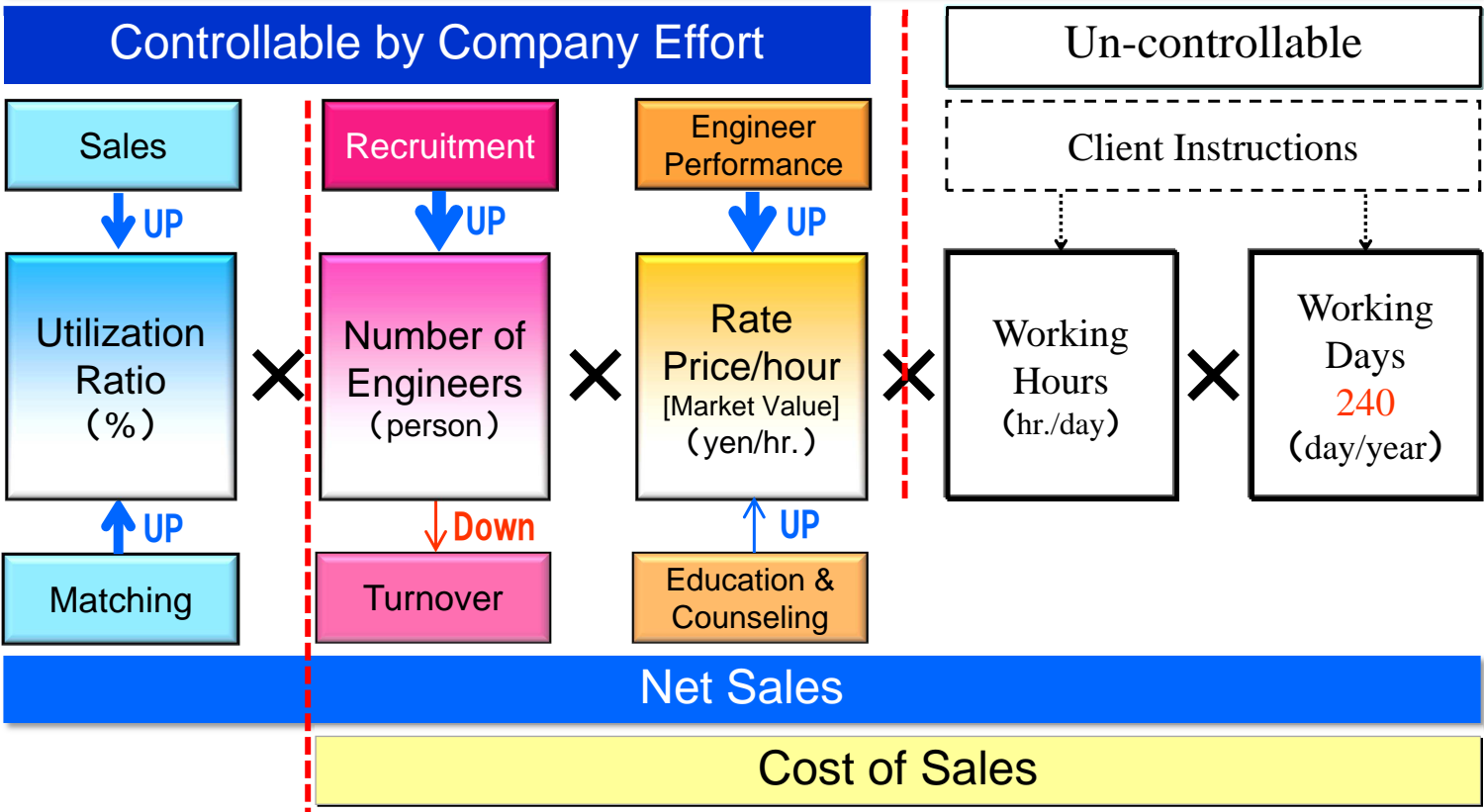


*From the presentation of previous fiscal year

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Sales and Cost of the Professional Staffing Business for Engineers

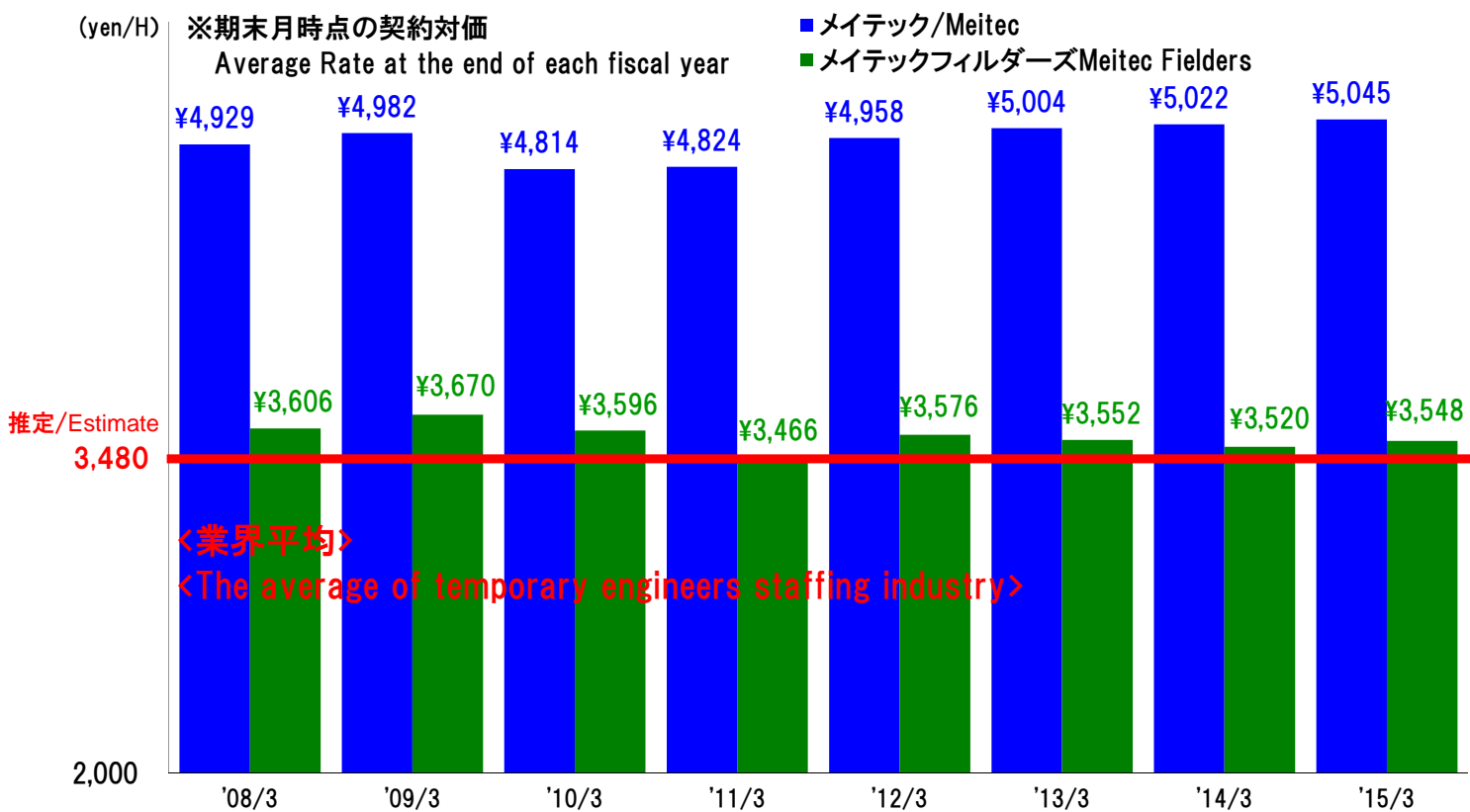
✓ Increase the number of engineers and sustain and improve the high "utilization ratio and prices" is the key to a growth in professional staffing business for engineers of indefinite and regular employment



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Trend in Average Rate = (Market Value)

✓ 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.

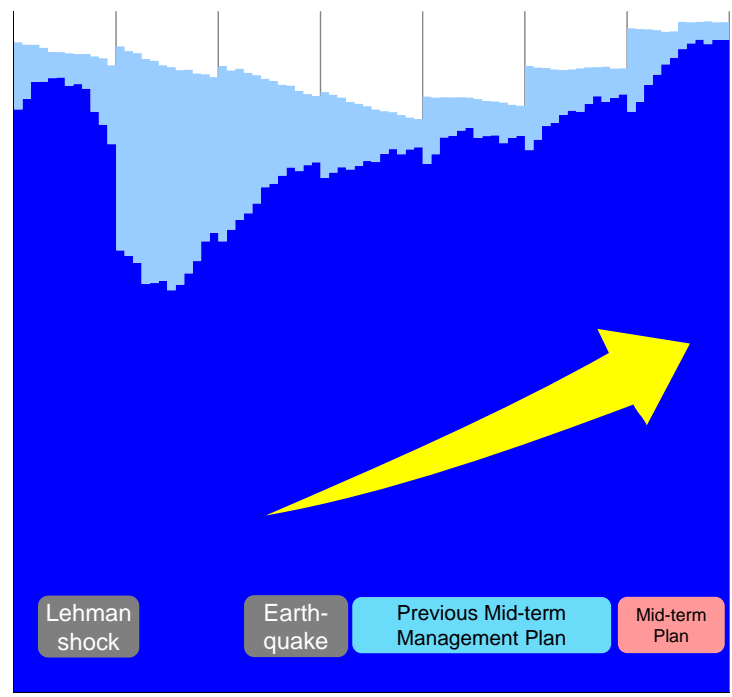


*From the presentation of previous fiscal year 6

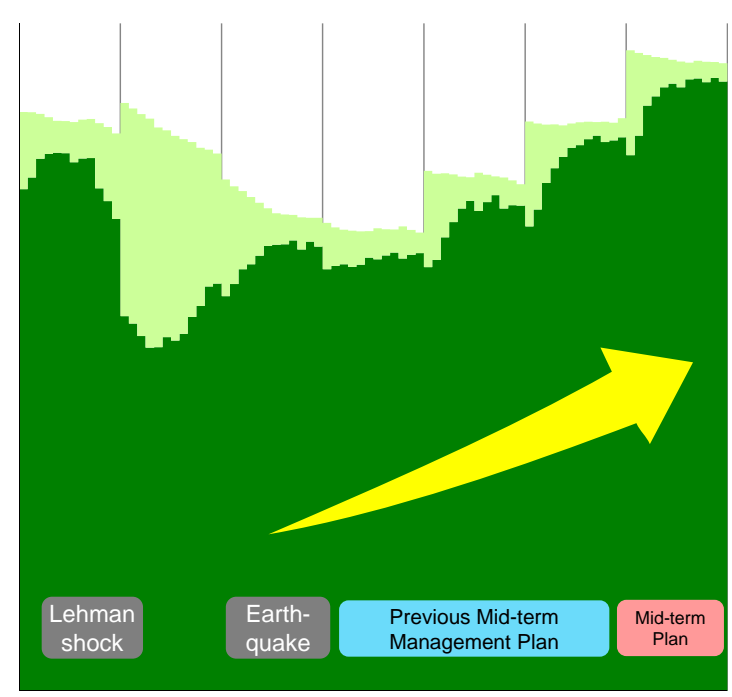
Number of Engineers Assigned to the Clients (Key factor of Sales)

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

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Meitec Fielders

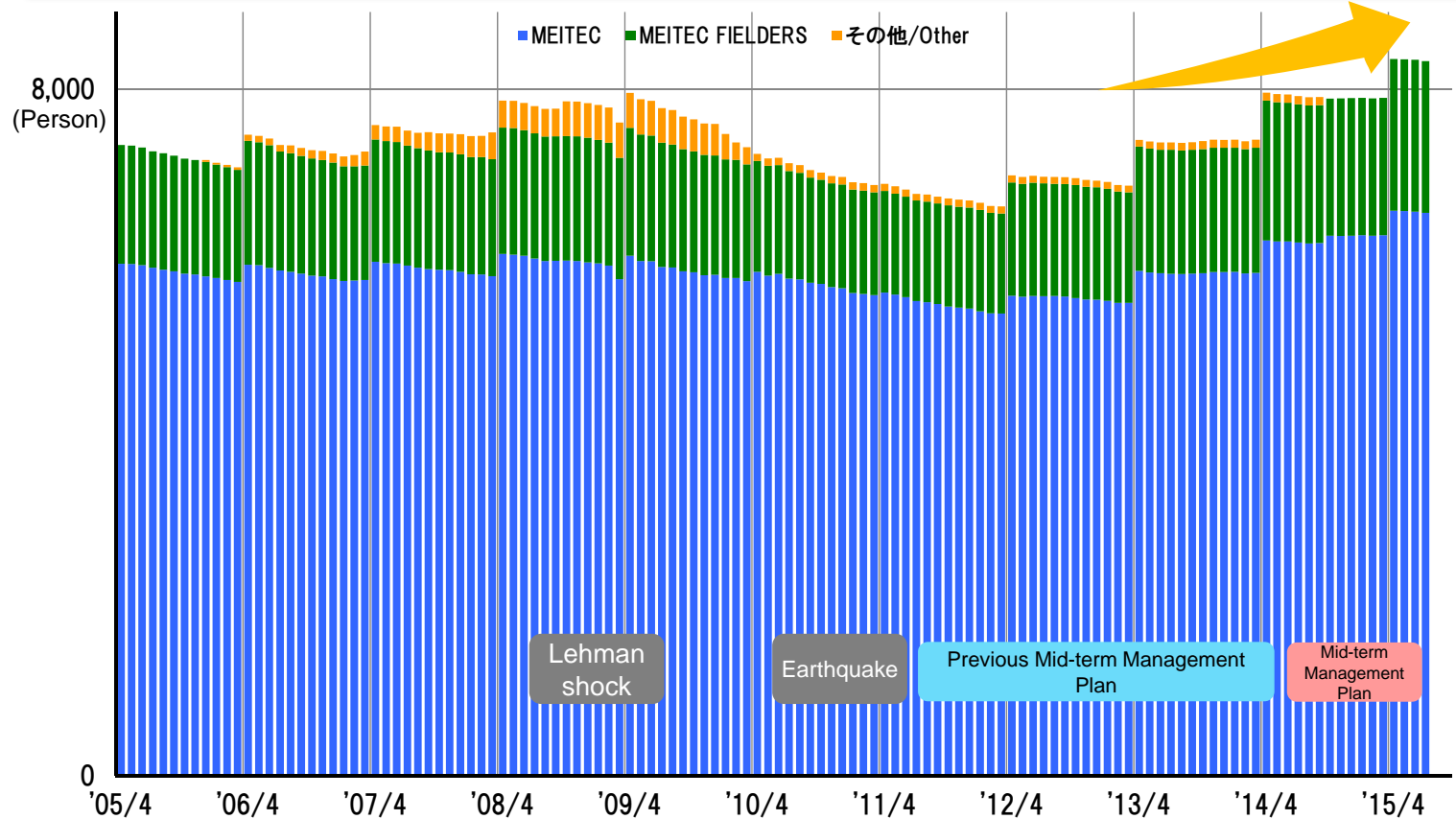


'08 '09 '10 '11 '12 '13 '14
■未稼働エンジニア/Unassigned ■稼働エンジニア/Number of engineers assigned to the clients

'08 '09 '10 '11 '12 '13 '14
■未稼働エンジニア/Unassigned ■稼働エンジニア/Number of engineers assigned to the clients

Number of Engineers (Group Consolidated)

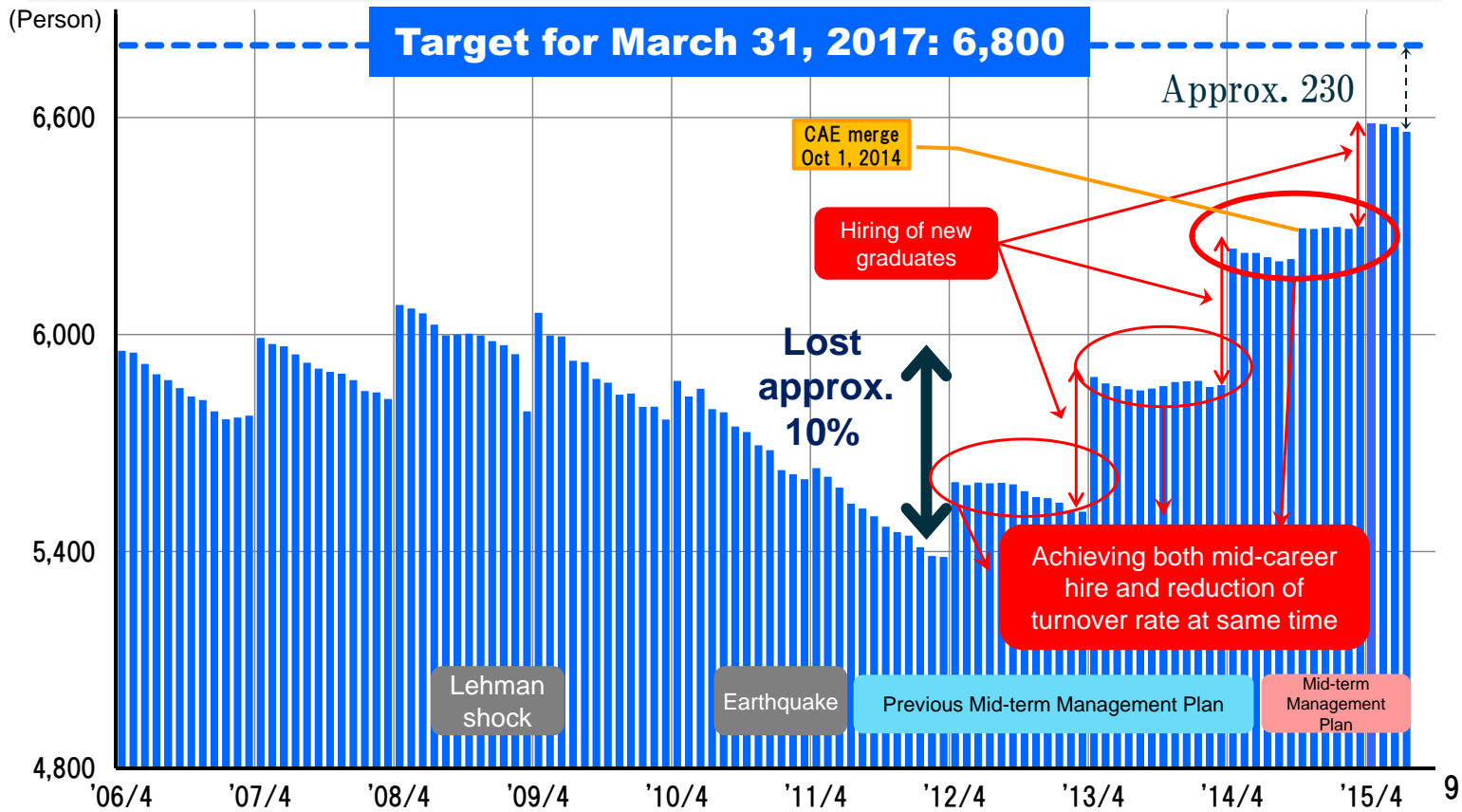
✓ The number of engineers as of July 31, 2015 was 8,327, an increase of 406 engineers, or 5.1%, compared to July 31, 2014.
✓ As of April 1, the number of engineers has reached 8,370 engineers, which is a record high.



'05/4 '06/4 '07/4 '08/4 '09/4 '10/4 '11/4 '12/4 '13/4 '14/4 '15/4

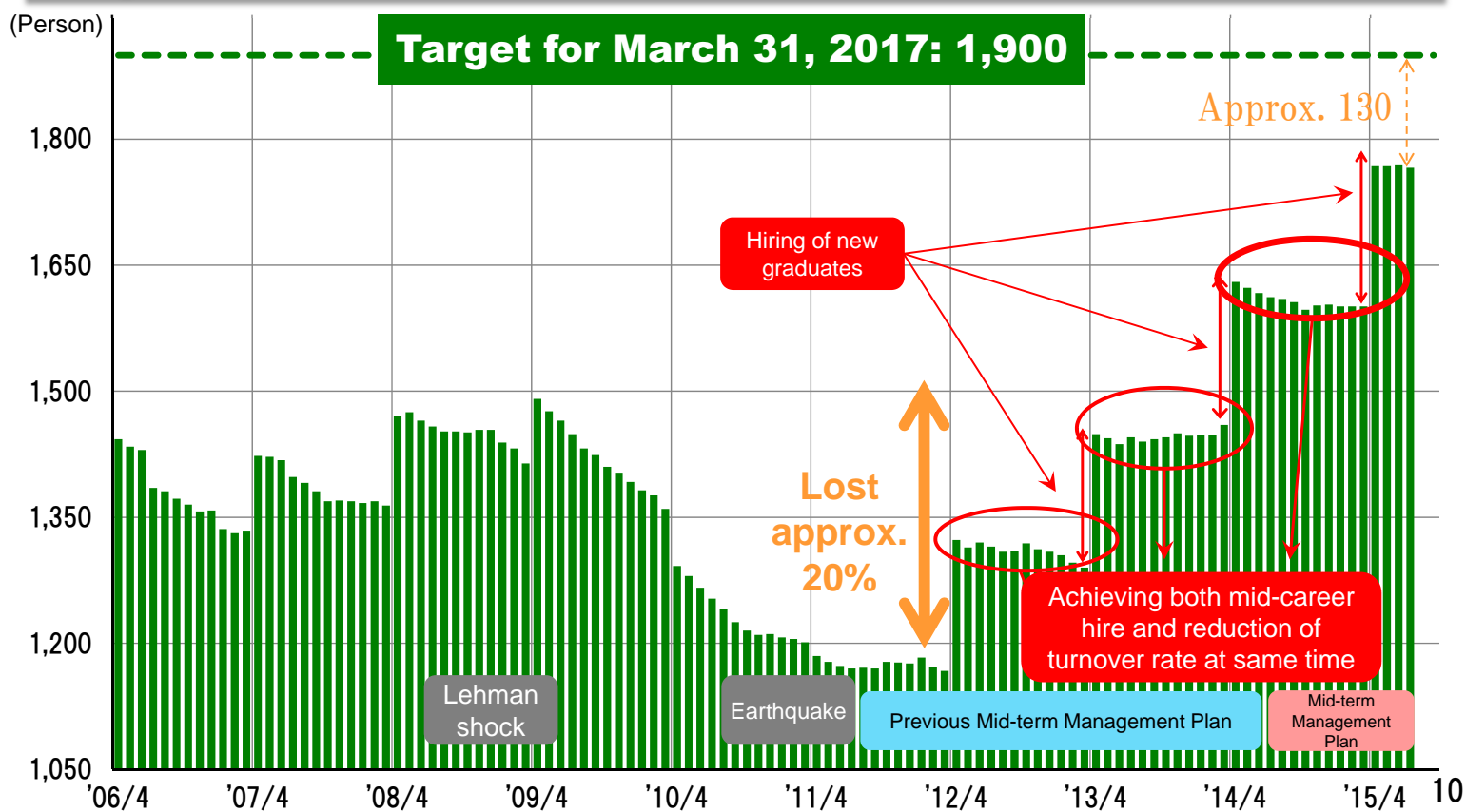
Number of Engineers (Meitec)

- ✓ The number of engineers as of July 31, 2015 was 6,561, an increase of 347 engineers, or 5.5%, compared to July 31, 2014 ※Including CAE merger.
- ✓ 299 new graduates joined the company this April, and we started the new fiscal year with a record high 6,591 engineers.



Number of Engineers (Meitec Fielders)

- ✓ The number of engineers as of July 31, 2015 was 1,766, an increase of 154 engineers, or 9.5%, compared to July 31, 2014.
- ✓ 175 new graduates joined the company this April, and we started the new fiscal year with a record high 1,779 engineers.



Hiring Target for Fiscal Year Ending Mar. 2016

Mid-career (FY 2016/3)

- Number of the job change seekers who are looking toward manufacturers are increasing and the market confidence is still at a high level and it does not show any sign of decline.
- ✓ We will improve the efficiency of hiring mainly the mechanical and electric/electronics engineers, while continue to maintain our hiring standards.
 - Strengthen cooperation with placement agency
 - Focus on the growth motivation of applicant, and consider expanding condition of the applicant

New Graduates (Joined April 2016)

- As the number of hiring company and their hiring target is over two digit increase compare to the last year, hiring market continue to be in highly competitive condition.
- Change of schedule for hiring season is causing insecurity.
- ✓ Focus to promote understanding the career path to the lifetime engineer
- ✓ Focus on the growth motivation of applicant, and consider expanding condition of the applicant ⇒ Focus on adding the number of hire
- ※Due to the nature of our engineer's involvement with the state-of-the-art technology and the latest product at the design and development department, hiring standard can not be lowered.

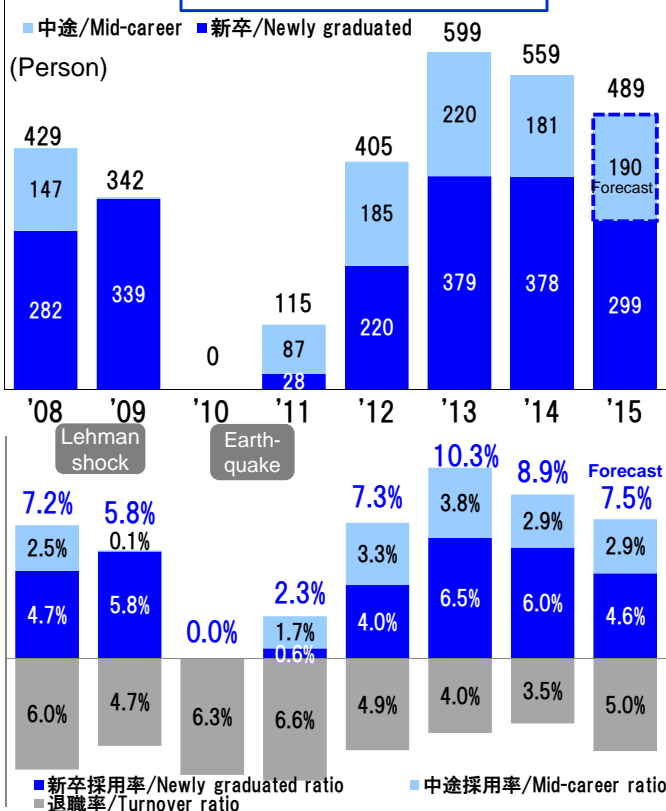
(person)	Fiscal Year Ending March 31, 2016					Fiscal Year Ending March 31, 2017	
	Newly Graduate April 2015 (Actual)	Mid-career		Total		Newly Graduate April 2016	
		<Target>	Comparison to Previous Year	<Target>	Comparison to Previous Year	<Target>	Comparison to Previous Year
Meitec	299	190	+9	489	(70)	310	+11
Meitec Fielders	175	105	(4)	280	(2)	190	+15
Total	474	295	+5	769	(72)	500	+26

*From the presentation of previous fiscal year 11

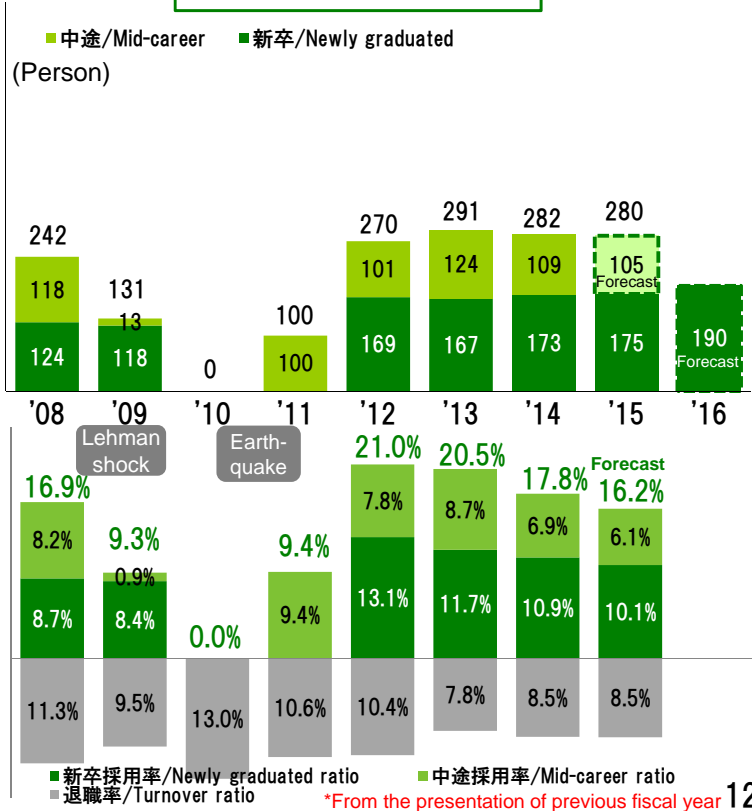
Recruitment and Turnover

- ✓ The hiring environment is challenging, but we will not lower hiring standards.
- ✓ The turnover ratio has fallen to a record-low level ⇒ Contributing to the increase in engineers.

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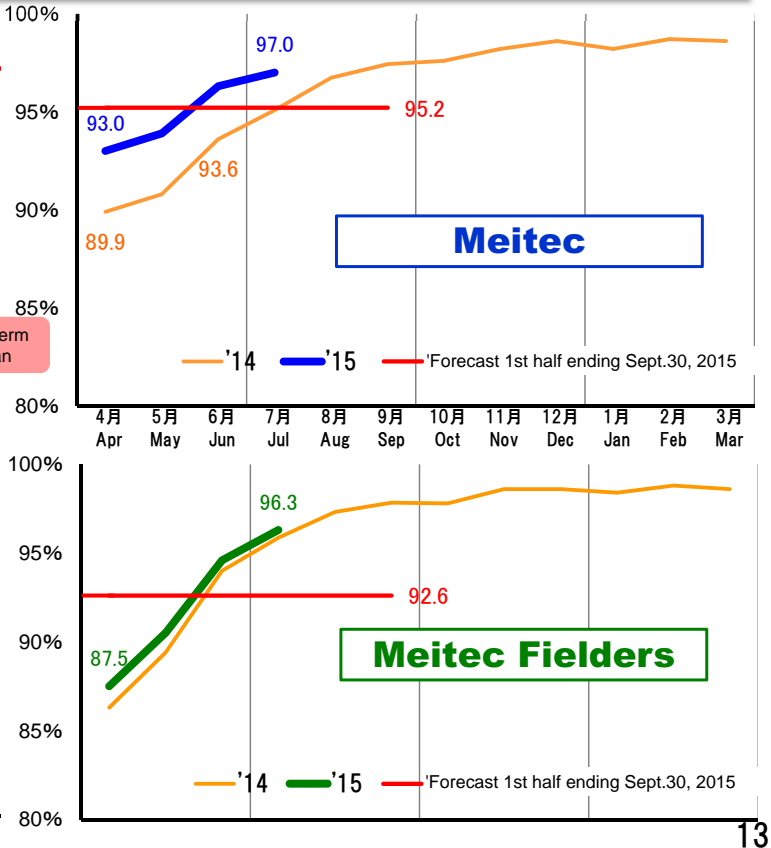
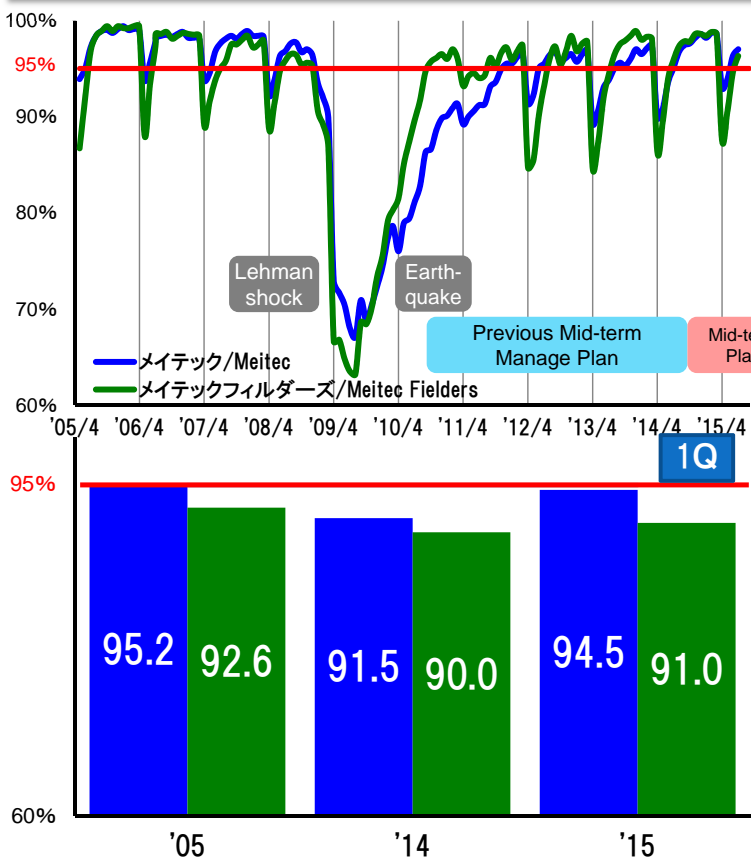
Meitec Fielders



*From the presentation of previous fiscal year 12

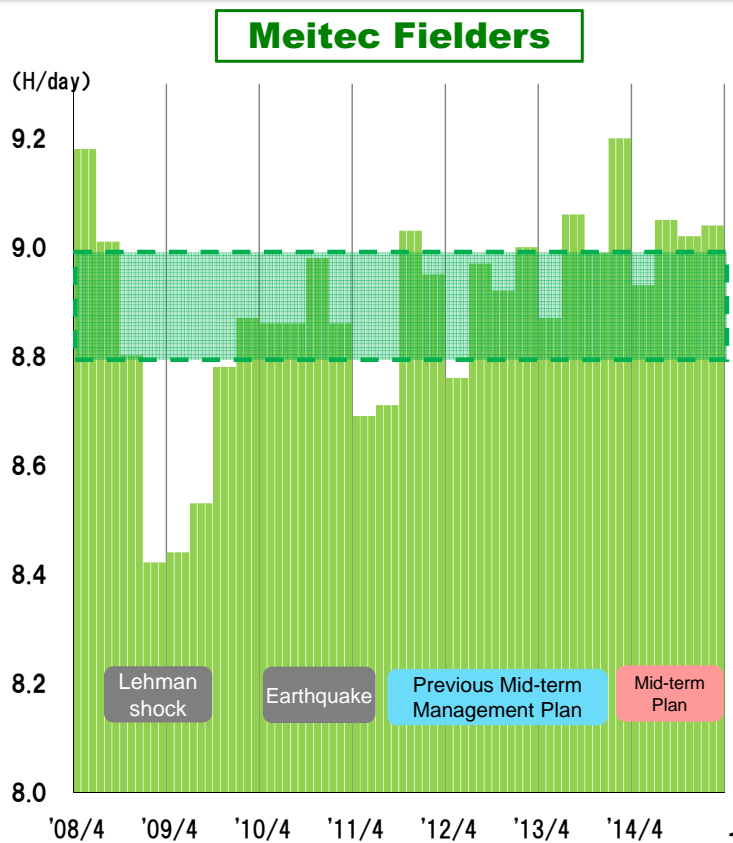
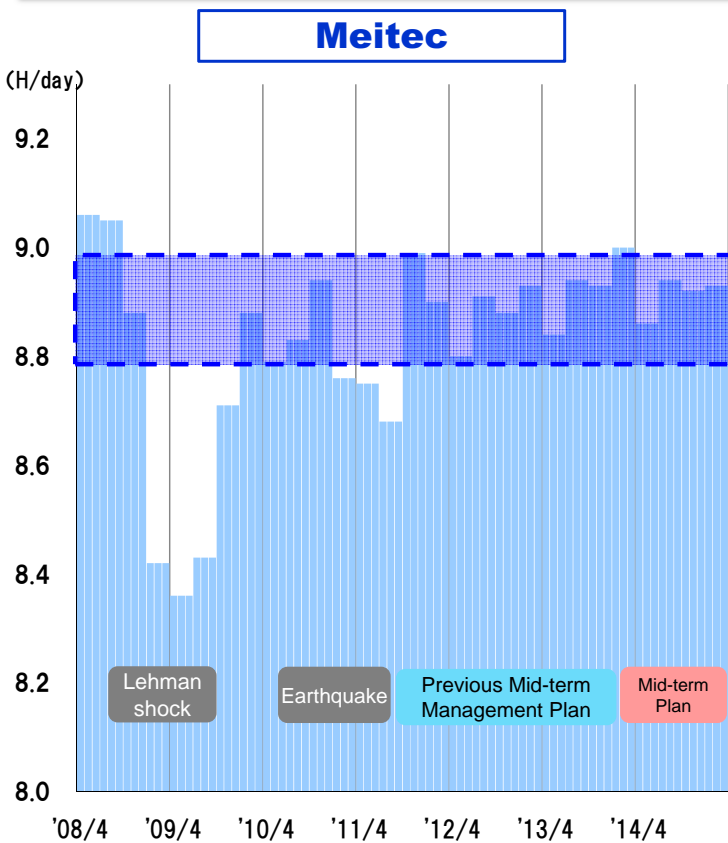
Utilization Ratio

✓ 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



Working Hours

✓ Clients' cost control trends have not changed. Working hours of Meitec engineers have remained steady at 8.8–9.0 hours/day. ※Uncontrollable by Meitec



*From the presentation of previous fiscal year 14

- ✓ In fiscal 2014, according to the basic strategy, we built a base platform, and progress was as planned.
- ✓ In fiscal 2015, we will bolster our initiatives for strategies targeting additional growth, and aim to achieve our targets.

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

(Initial Forecast at beginning of the fiscal year)

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Forecast for the Fiscal Year Ending March 31, 2016 (Group Consolidated)

- ✓ Forecast for the FY ending March 31, 2016 → ¥86,000 million, a record high, in consolidated net sales (4.7% y-o-y increase), ¥9,800 million in consolidated operating income (2.7% y-o-y increase), ¥9,800 million in consolidated ordinary income (1.6% y-o-y increase).
- ✓ Net income is expected to increase 91.3% y-o-y to approximately 7.0 billion yen (a record high), as we are anticipating a roughly 1.0 billion yen gain on the sale of real estate.

Group Consolidated	Forecast FY ending March 31, 2016	YoY Amount	% Change	Forecast 1st half ending Sept.30, 2015	YoY Amount	% Change	Forecast 2nd Half
(Fractions of one million yen are rounded down)							
Net sales	86,000	+3,863	+4.7%	41,800	+2,499	+6.4%	44,200
Cost of sales	63,400	+2,918	+4.8%	31,100	+1,733	+5.9%	32,300
SG&A Expenses	12,800	+685	+5.7%	6,400	+458	+7.7%	6,400
Operating income	9,800	+259	+2.7%	4,300	+307	+7.7%	5,500
Operating income margins	11.4%	(0.2%)		10.3%	+0.1%		12.4%
Ordinary income	9,800	+156	+1.6%	4,300	+287	+7.2%	5,500
Net income	7,000	+3,340	+91.3%	3,300	+3,105	+1600.0%	3,700
Net Income per Share	231.14	+111.02		108.96	+102.61		

Forecast for the Fiscal Year Ending March 31, 2016 (Meitec)

✓ Forecast for the FY ending March 31, 2016 → ¥67,800 million, a record high, in consolidated net sales (4.8% y-o-y increase), ¥8,200 million in consolidated operating income (3.5% y-o-y increase), ¥8,700 million in consolidated ordinary income (3.1% y-o-y increase), ¥6,500 million in net income (94.6% y-o-y increase).

Meitec		Forecast FY ending Mar.31, 2016	YoY Amount	% Change	Forecast 1st half ending Sept.30, 2015	YoY Amount	% Change	Forecast 2nd half
(Millions of yen)								
Net sales		67,800	+ 3,124	+ 4.8%	33,000	+ 2,317	+ 7.6%	34,800
Cost of sales		50,300	+ 2,442	+ 5.1%	24,800	+ 1,708	+ 7.4%	25,500
	Cost of sales to Net sales	74.2%	+ 0.2%		75.2%	(0.1%)		73.3%
SG&A Expenses		9,300	+ 408	+ 4.6%	4,600	+ 274	+ 6.4%	4,700
Operating income		8,200	+ 274	+ 3.5%	3,600	+ 334	+ 10.2%	4,600
	Operating income margins	12.1%	(0.2%)		10.9%	+ 0.3%		13.2%
Ordinary income		8,700	+ 261	+ 3.1%	4,100	+ 402	+ 10.9%	4,600
Net income		6,500	+ 3,159	+ 94.6%	3,400	+ 3,227	+ 1870.5%	3,100
Utilization ratio (Company-wide)		96.2%	+ 0.1%		95.2%	+ 1.3%		97.1%
Working Hours<h/day>		8.92	(0.01)		8.90	—		8.93
Number of Recruitment		489	(70)					
	Newly graduated	299	(79)					
	Mid-career	190	+ 9					
Turnover Ratio		5.0%	+ 1.5%					
					Target of Newly Graduates hire for April 2016		To Apr. 2015	
					310		+ 11	

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Forecast for the Fiscal Year Ending March 31, 2016 (Meitec Fielders)

✓ Forecast for the FY ending March 31, 2016 → ¥12,800 million, a record high, in consolidated net sales (7.5% y-o-y increase), ¥1,100 million in consolidated operating income (2.4% y-o-y increase), ¥700 million in net income (7.9% y-o-y increase).

Meitec Fielders		Forecast FY ending Mar.31, 2016	YoY Amount	% Change	Forecast 1st half ending Sept.30, 2015	YoY Amount	% Change	Forecast 2nd half
(Millions of yen)								
Net sales		12,800	+ 888	+ 7.5%	6,200	+ 446	+ 7.8%	6,600
Cost of sales		9,900	+ 745	+ 8.1%	4,800	+ 346	+ 7.8%	5,100
	Cost of sales to Net sales	77.3%	+ 0.5%		77.4%	+ 0.0%		77.3%
SG&A Expenses		1,800	+ 117	+ 7.0%	900	+ 86	+ 10.6%	900
Operating income		1,100	+ 26	+ 2.4%	500	+ 13	+ 2.8%	600
	Operating income margins	8.6%	(0.4%)		8.1%	(0.4%)		9.1%
Ordinary income		1,100	+ 25	+ 2.4%	500	+ 13	+ 2.7%	600
Net income		700	+ 51	+ 7.9%	300	+ 2	+ 0.8%	400
Utilization ratio (Company-wide)		94.9%	(1.1%)		92.6%	(0.8%)		97.1%
Working Hours<h/day>		9.04	+ 0.00		8.99	+ 0.00		9.09
Number of Recruitment		280	(2)					
	Newly graduated	175	+ 2					
	Mid-career	105	(4)					
Turnover Ratio		8.5%	+ 0.0%					
					Target of Newly Graduates hire for April 2015		To Apr. 2015	
					190		+ 15	

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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

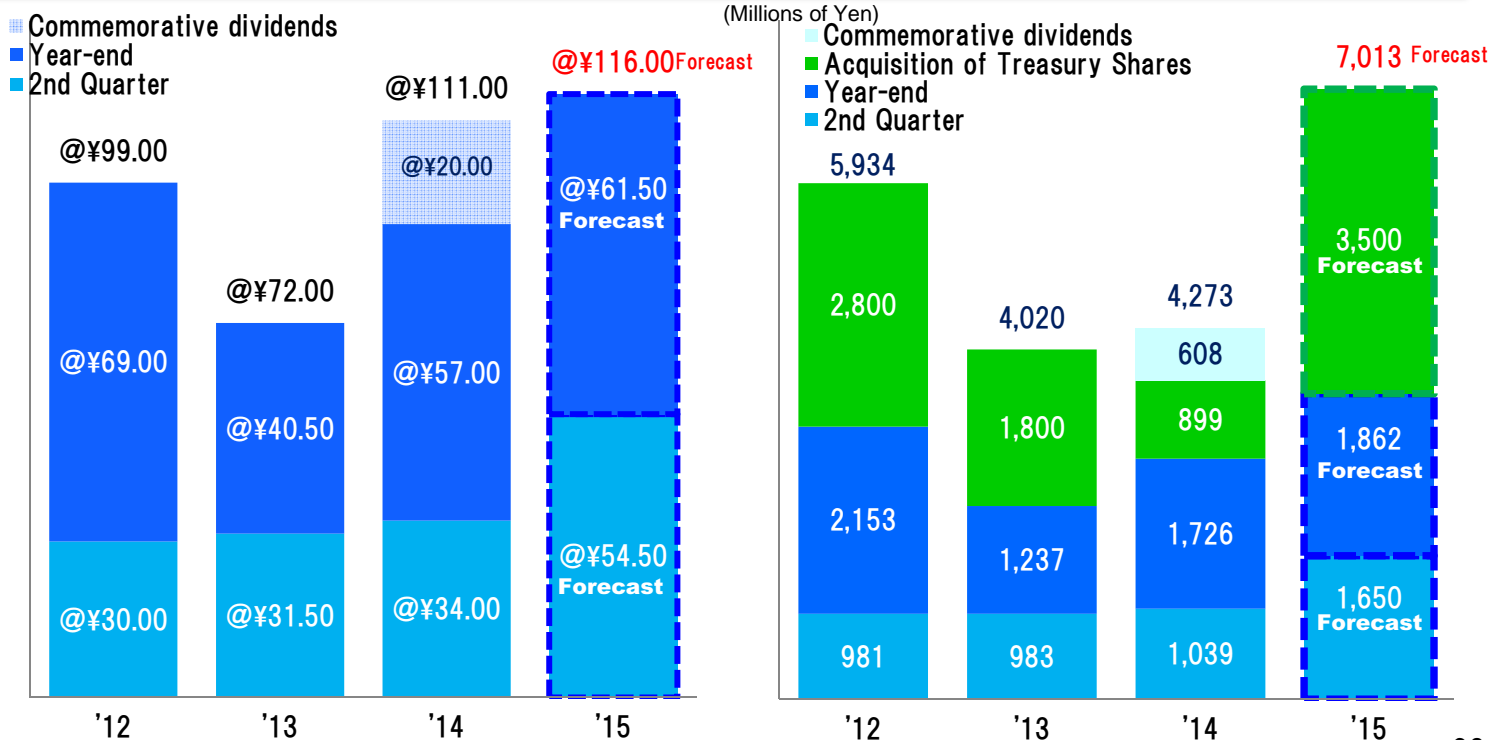
Acquisition of treasury shares	Consolidated cash position excess of 3 months net sales to be planned for acquisition of the treasury shares
Retain Maximum of 2 million shares	Retired Excess above maxim to be retired

- 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

- ✓ The year-end dividend for fiscal 2014 is 67 yen, comprising a regular dividend of 57 yen and a commemorative dividend of 10 yen. Together with the interim dividend of 44 yen, the annual dividend is 111 yen.
- ✓ The profit distribution forecast for the fiscal 2015 is the regular dividends at 116 yen per share totaling 3.5 billion yen, and acquisition of treasury shares totaling 3.5 billion yen, in line with our basic policy regarding profit distribution

* Total return ratio 100% = (ordinary dividends 3.5billion yen + purchase of treasury stock amount 3.5billion yen) ÷ forecast net income 7.0 billion yen



Reference Materials

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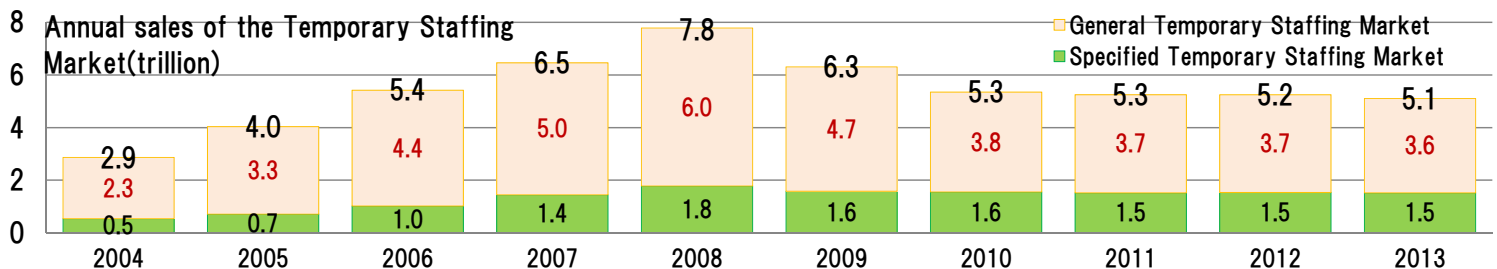
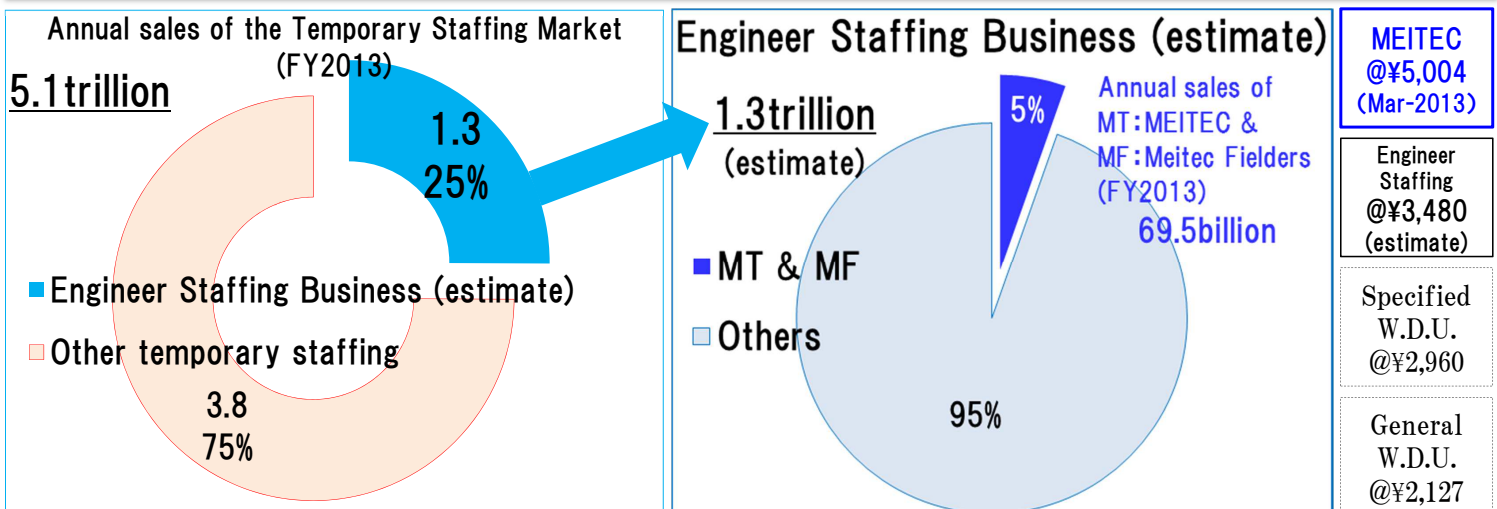
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MEITEC Market of Engineer Staffing Business (estimate)

- ✓ 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".

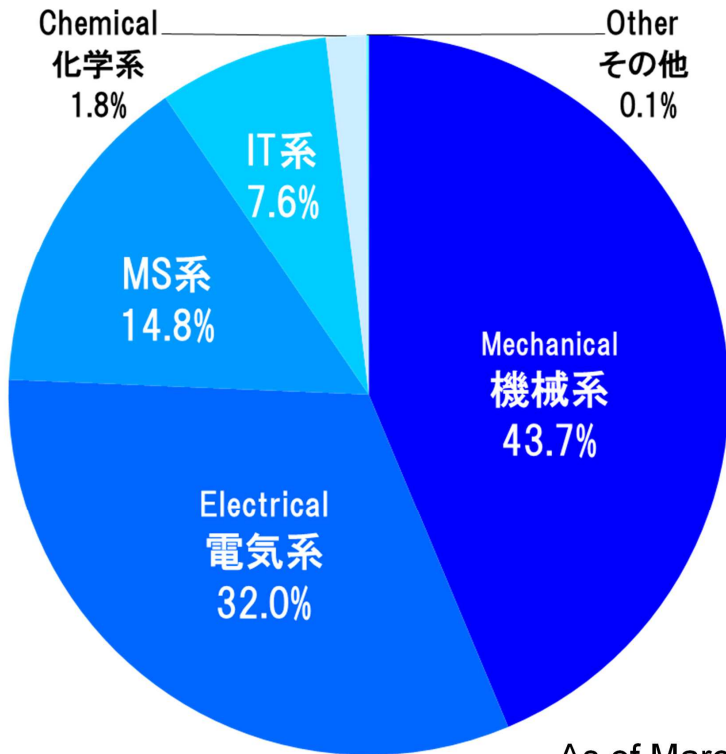


Original source: 2013 MHLW statistics . We calculated the estimate originally. * We assume no responsibility for our estimation.

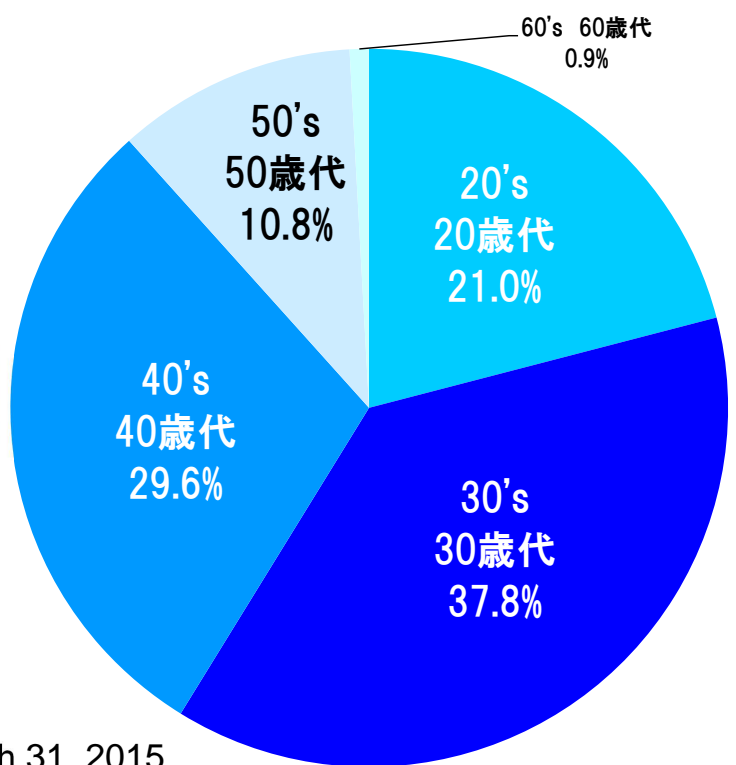
Distribution of Engineers by Technical Fields and Age

- ✓ 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



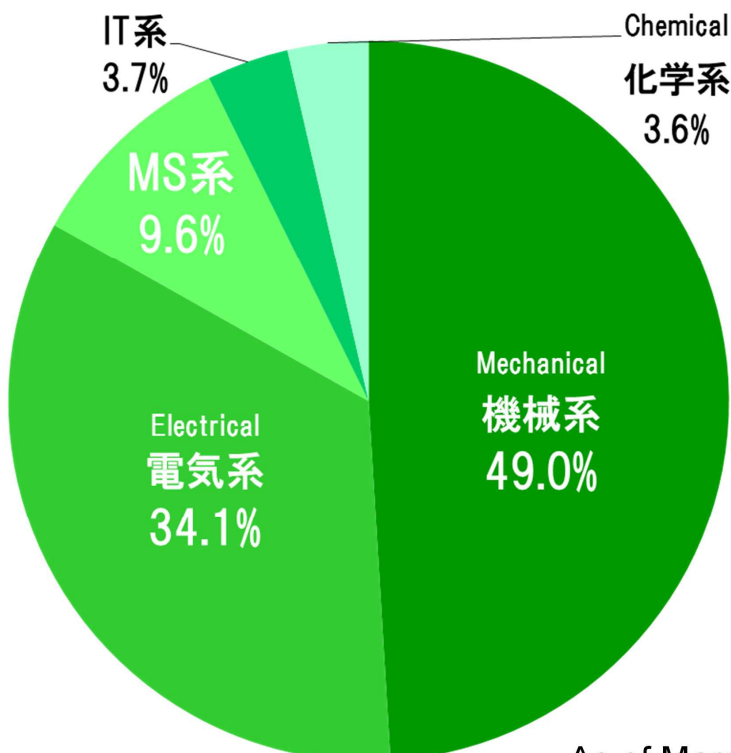
As of March 31, 2015

MS: Micro Computer System

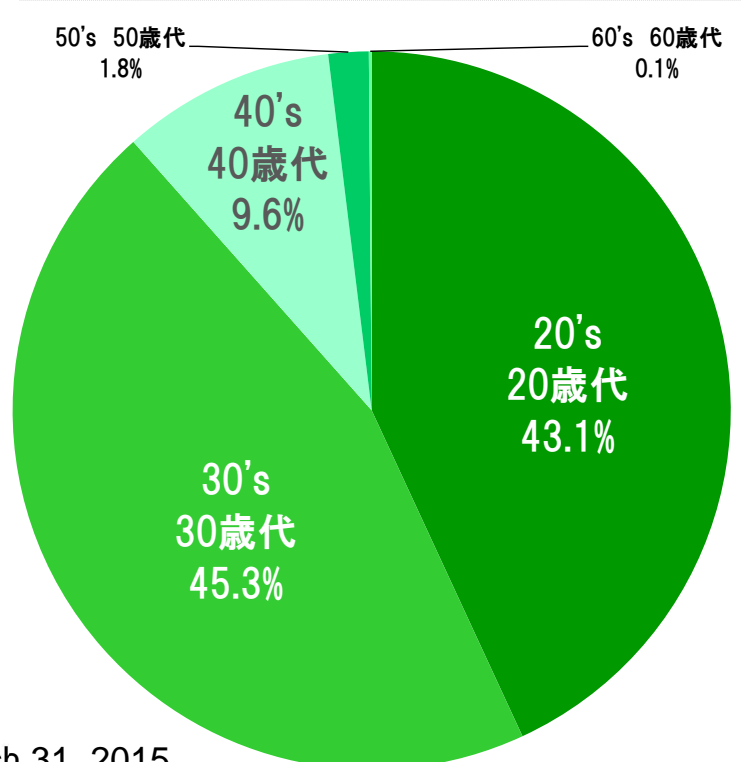
Distribution of Engineers by Technical Fields and Age

- ✓ 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



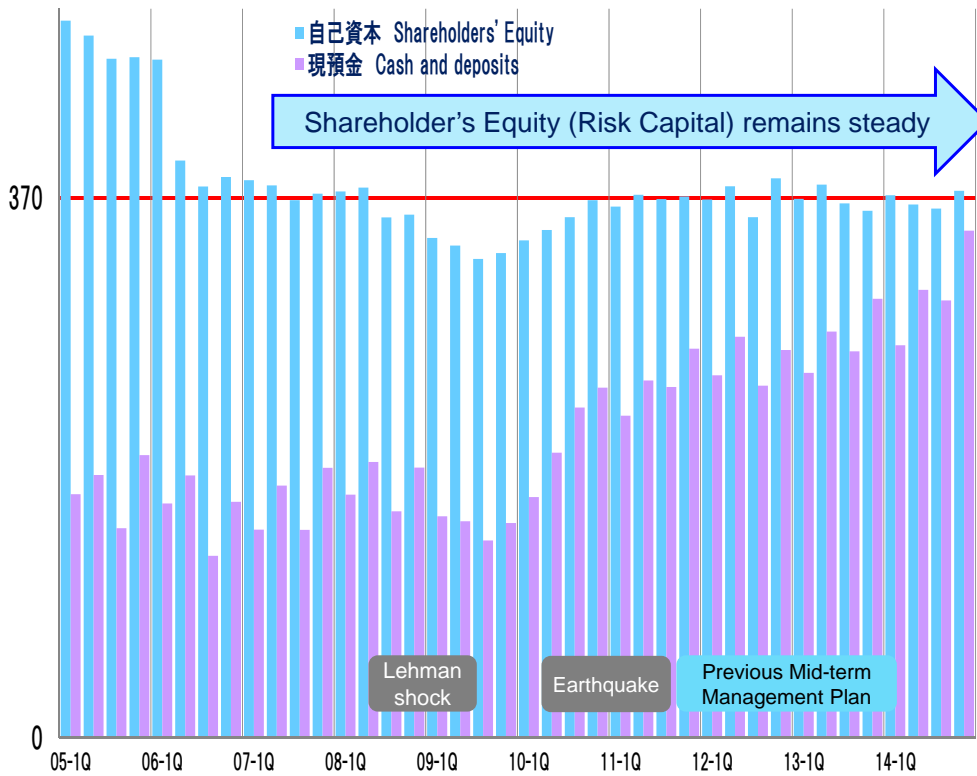
As of March 31, 2015

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 April 1, 2014, 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	Female
Executive officers	12	5	11	1

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

◆ Company has not introduced the measure for the defense from hostile TOB

- Please see the Company's securities reports, etc. for other matters, such as shareholders' meeting resolution matters, that can be resolved by the Board of Directors.

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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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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>[Sales of Staffing Business]</p> <ul style="list-style-type: none"> ■ Meitec Fielders Inc. ■ Meitec Cast Inc. ■ Meitec EX Co. </td> <td style="vertical-align: top;"> <p>[Sales of Recruiting & Placement Business]</p> <ul style="list-style-type: none"> ■ Meitec Next Co. ■ all engineer.JP Co. ■ Meitec Shanghai ■ MEITEC Shanghai Human Resources Co. Ltd. <p>[Sales of Engineering Solutions Business]</p> <ul style="list-style-type: none"> ■ Apollo Giken Co. Ltd. </td> </tr> </table>	<p>[Sales of Staffing Business]</p> <ul style="list-style-type: none"> ■ Meitec Fielders Inc. ■ Meitec Cast Inc. ■ Meitec EX Co. 	<p>[Sales of Recruiting & Placement Business]</p> <ul style="list-style-type: none"> ■ Meitec Next Co. ■ all engineer.JP Co. ■ Meitec Shanghai ■ MEITEC Shanghai Human Resources Co. Ltd. <p>[Sales of Engineering Solutions Business]</p> <ul style="list-style-type: none"> ■ 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.