

JAPAN OPPORTUNITIES 2015

March 9, 2015

MEITEC CORPORATION

TSE#9744

人と技術で次代を拓く

MEITEC

メイテックグループ

- Overview of Meitec Group
- Forecast for the Fiscal Year Ending March 31, 2015
- Mid-term Management Plan
- Reference Materials

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〉

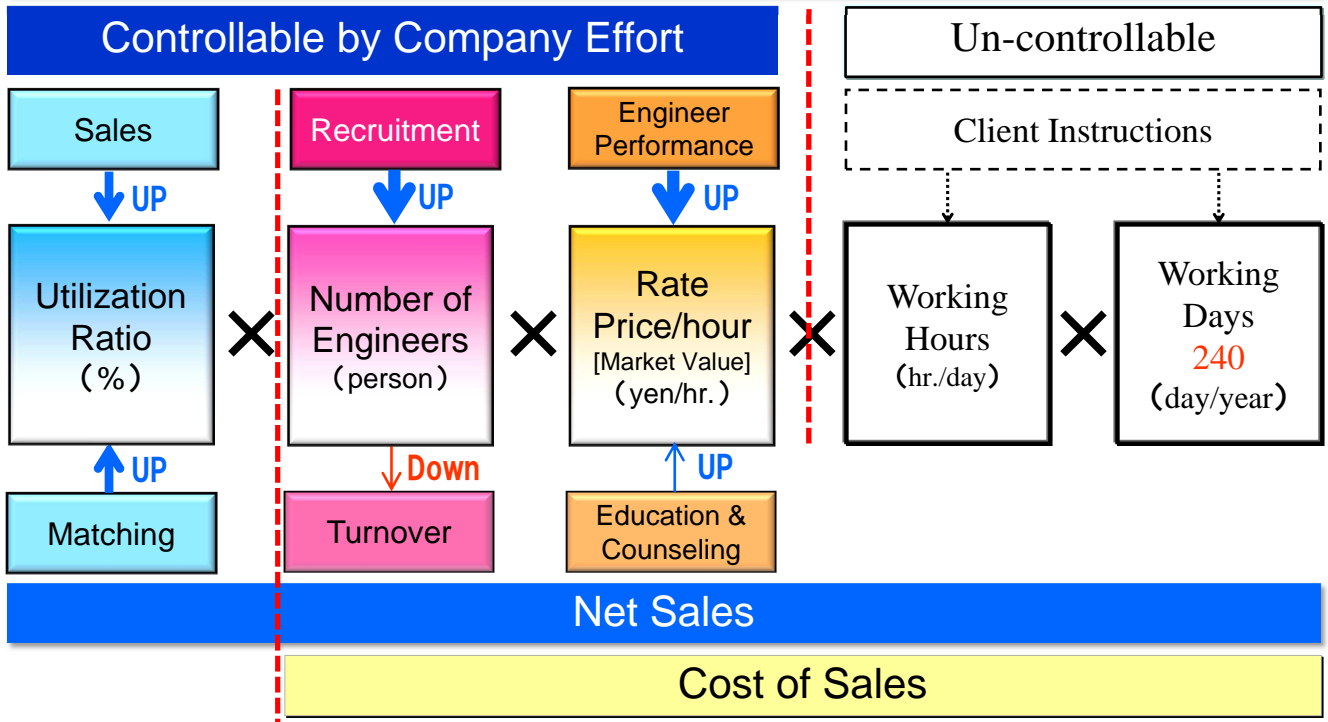
2. The largest “group of professional engineers” in Japan 〈A platform that produces Lifetime Professional Engineers®〉

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〉

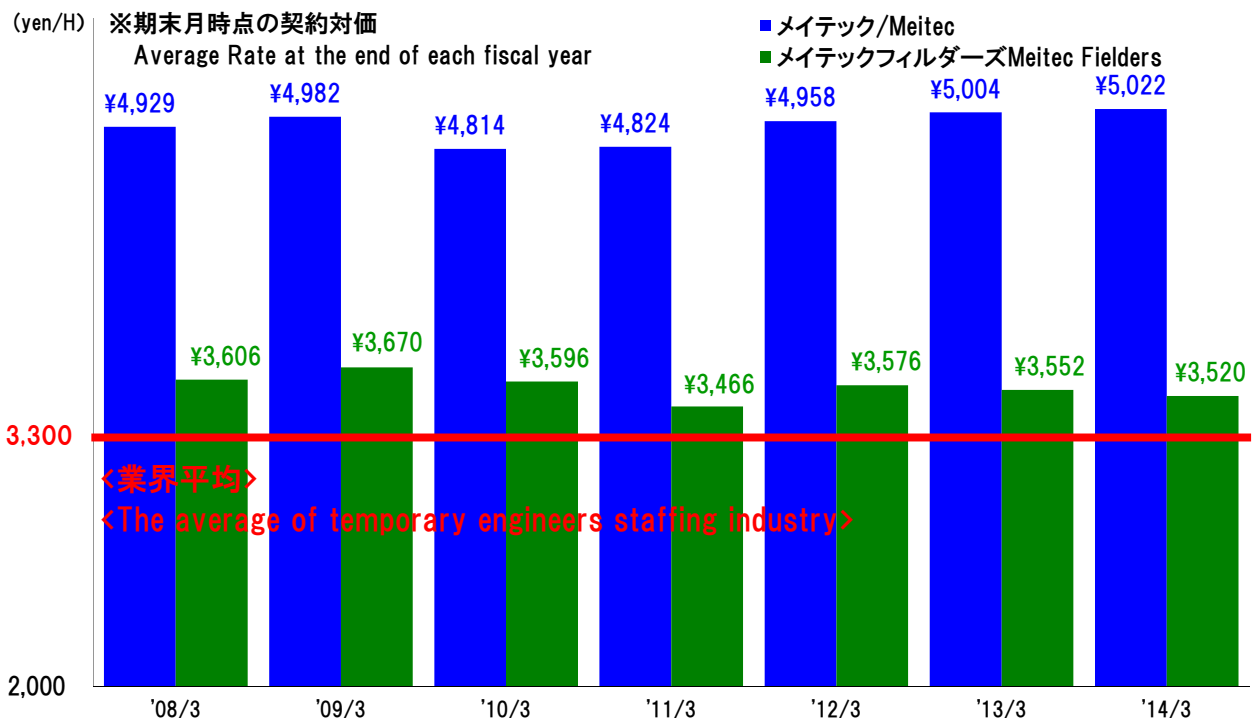


✓ Increase the number of engineers and sustain and improve the high "utilization ratio and prices" is the key to a growth in professional staffing business for engineers of indefinite and regular employment



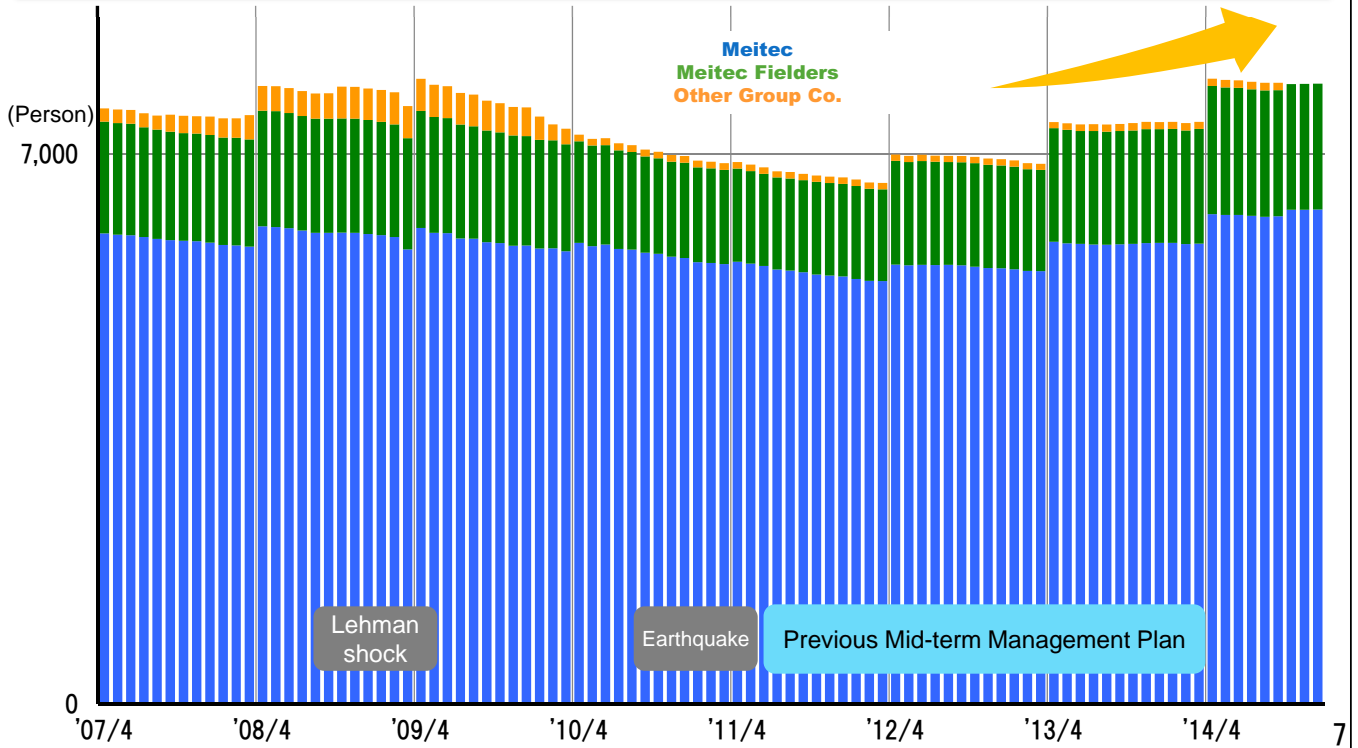
Trend in Average Rate = (Market Value)

- ✓ Re-posted (data disclosed in May 2014)
- ✓ Average rate will be disclosed at the time of disclosure of the results of the fiscal year.



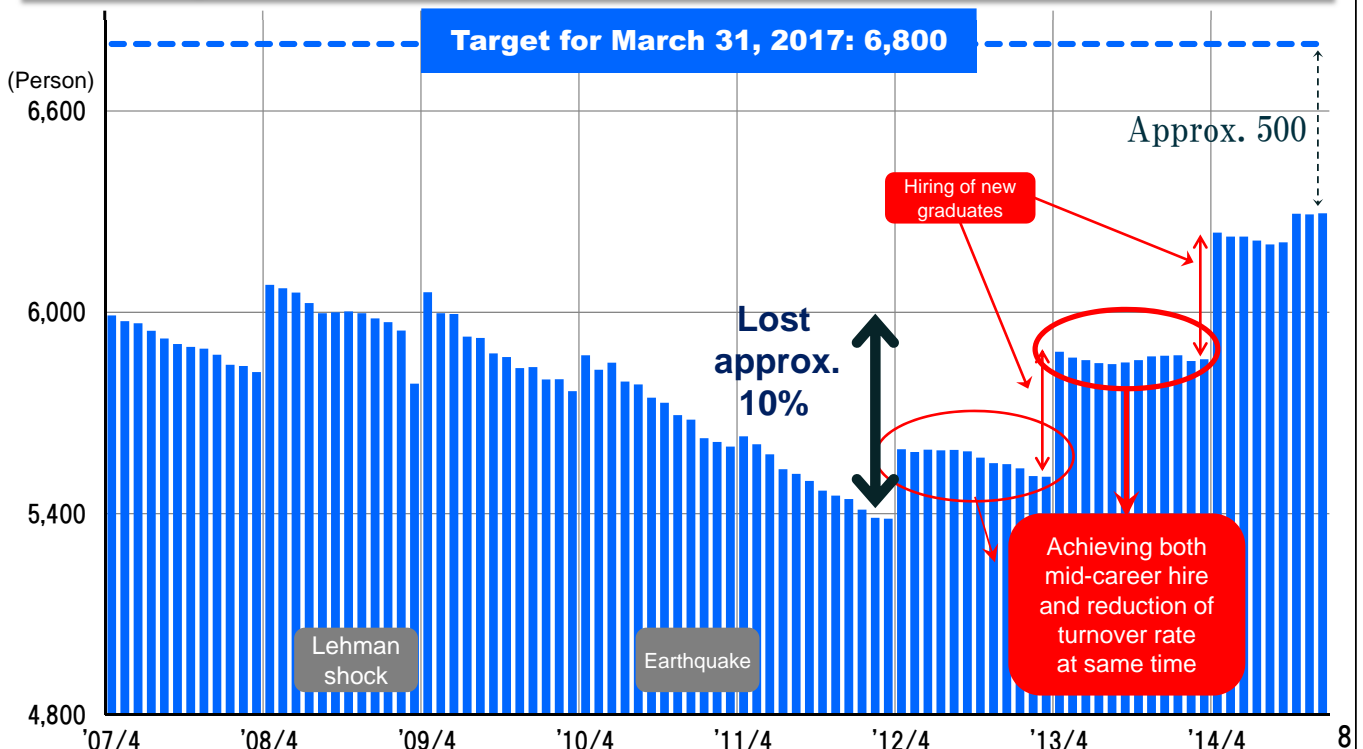
Number of Engineers (Group Consolidated)

- ✓ Actively promoting increase in number of engineer.
- ✓ Number of engineers at the end of December 31, 2014 was 7,898, increased 486 engineers, or 6.2%, compared to December 31, 2013



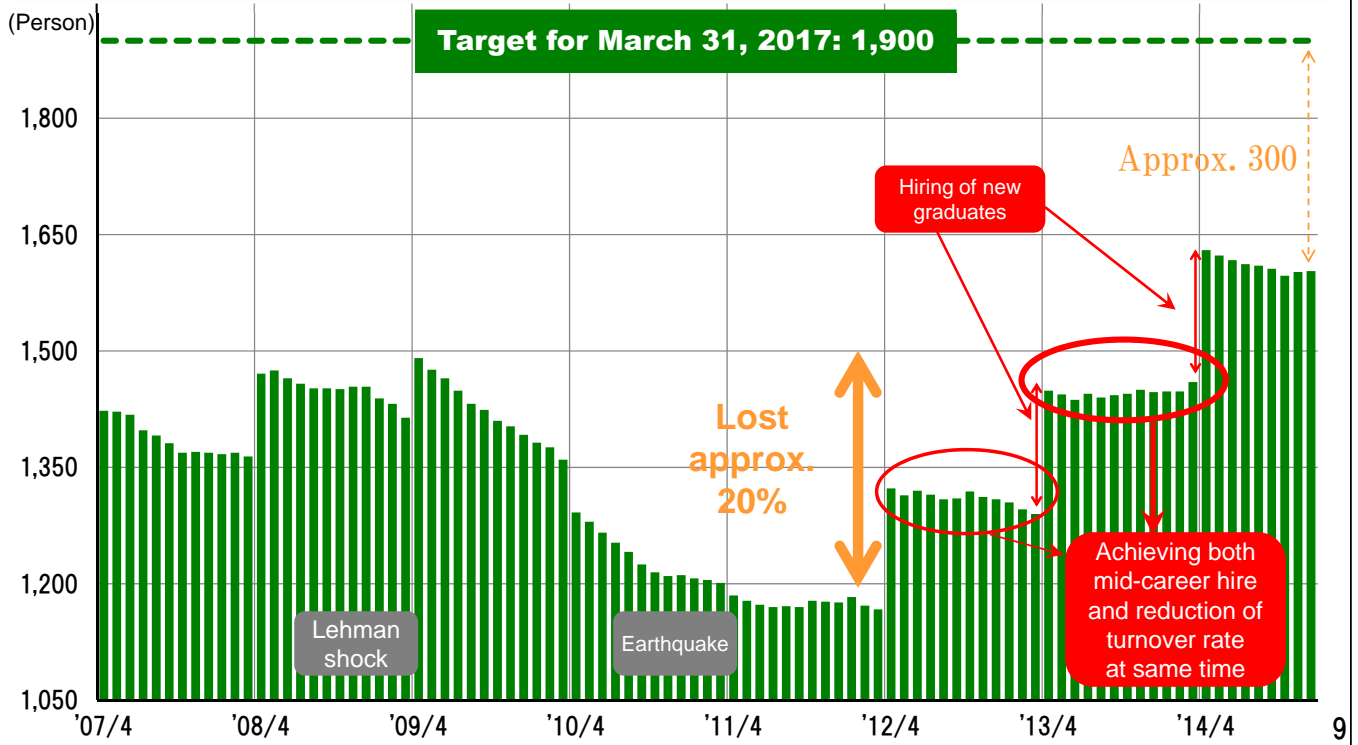
Number of Engineers (Meitec)

- ✓ Number of engineers at the end of December 31, 2014 was 6,295, increased 424 engineers, or 7.2%, compared to December 31, 2013
- ✓ The target of number of engineers for the March 31, 2017 is 6,800.



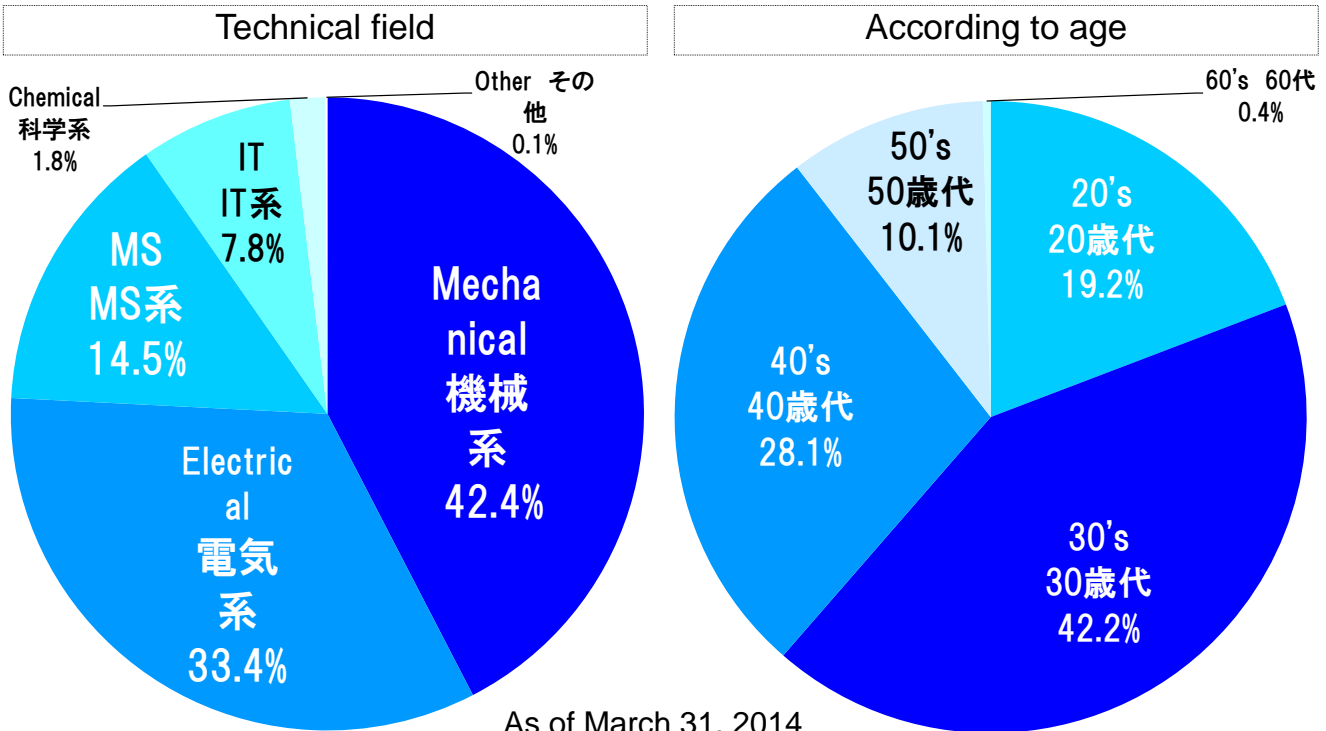
Number of Engineers (Meitec Fielders)

- ✓ Number of engineers at the end of December 31, 2014 was 1,603, increased 156 engineers, or 10.7%, compared to December 31, 2013
- ✓ The target of number of engineers for the March 31, 2017 is 1,900.



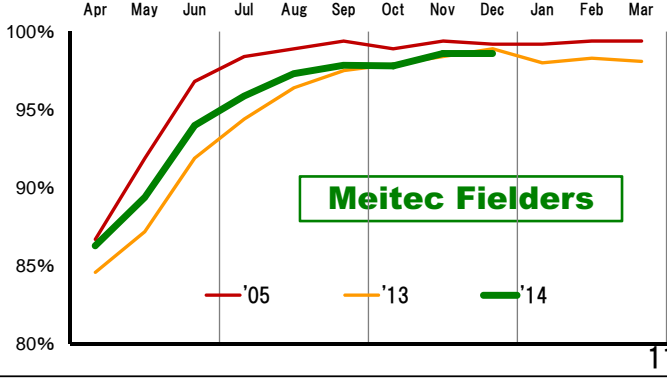
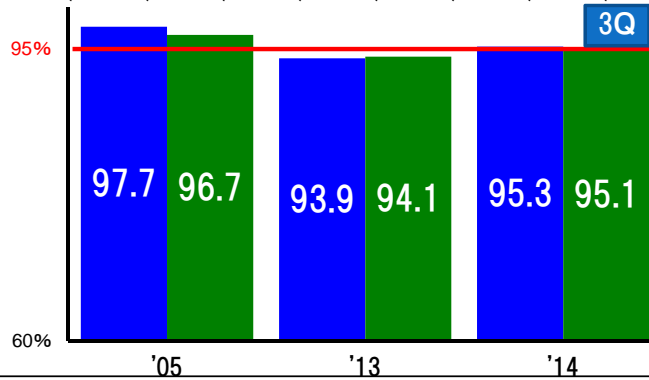
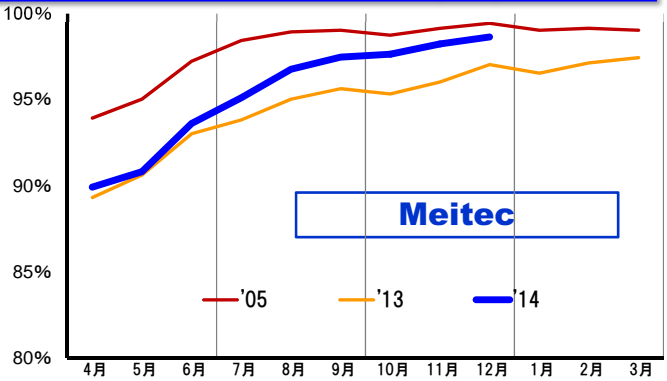
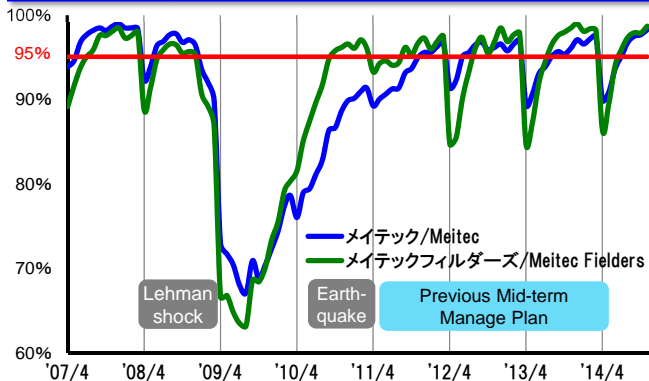
Distribution of Engineers by Technical Fields and Age

- ✓ Re-posted (data disclosed in May 2014)
- ✓ 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.



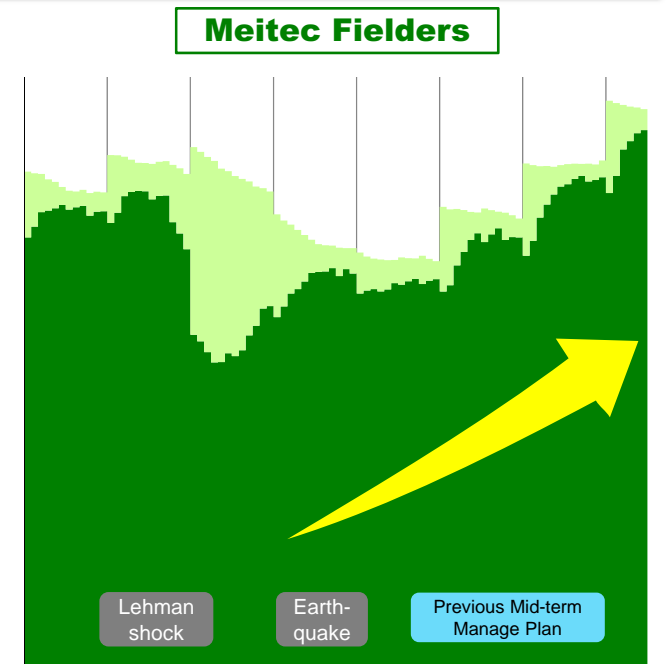
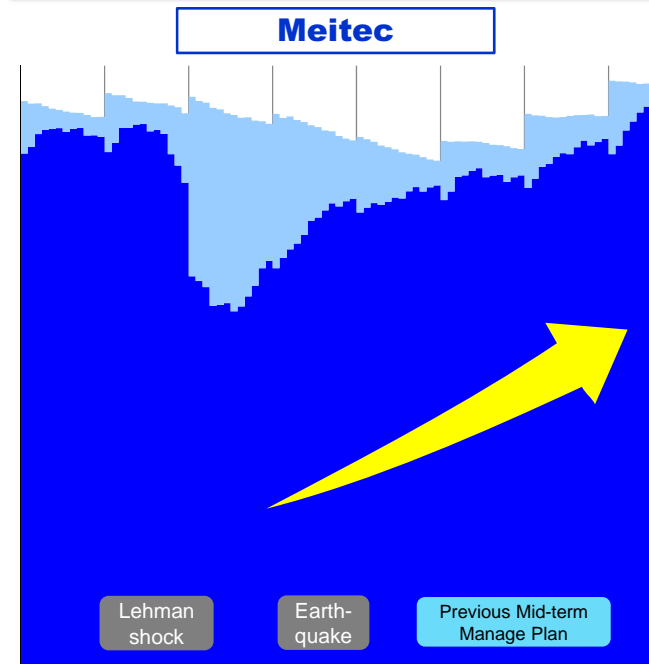
Utilization Ratio

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



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

✓ 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.

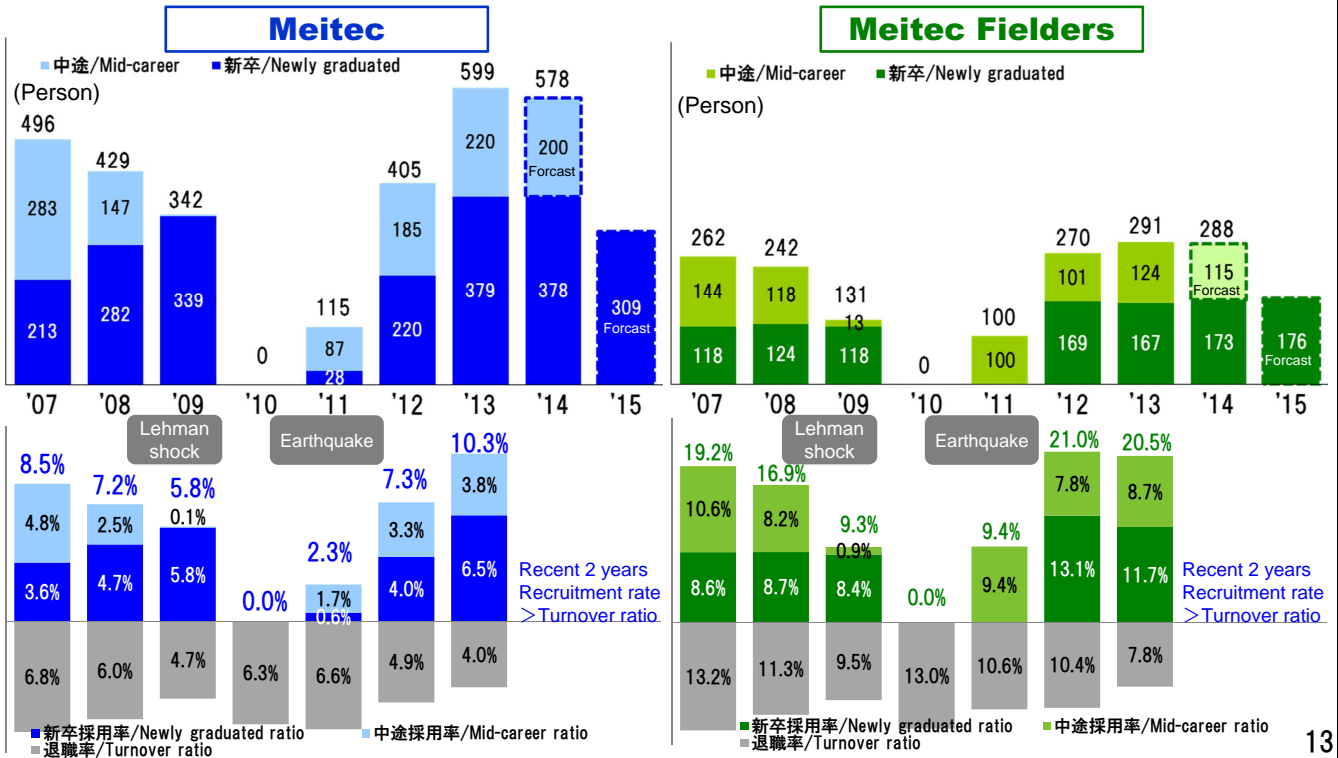


■未稼働エンジニア/Unassigned ■稼働エンジニア/Number of engineers assigned to the clients

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

Recruitment and Turnover

- ✓ Re-posted (data disclosed in May 2014)
- ✓ Recruitment and Turnover will be disclosed at the time of disclosure of the results of the fiscal year.



Status of Recruitment

Status of Mid-Career Hire (FY2015/3)

- ✓ The hiring environment is difficult, highlighted by an additional increase in eagerness in the engineer recruiting market, and the number of resumes from people looking to change jobs that pass initial screening has doubled versus the previous year.
- ✓ Amid this environment, we are continuing our activities while maintaining our hiring standards with the assumption of smoothly assigning workers, centered on the machinery and electric/electronics sectors, in line with the trend for incoming orders
→ We revised downward the Group's target number of mid-career hire for FY2015/3 by 40, to 315 hires

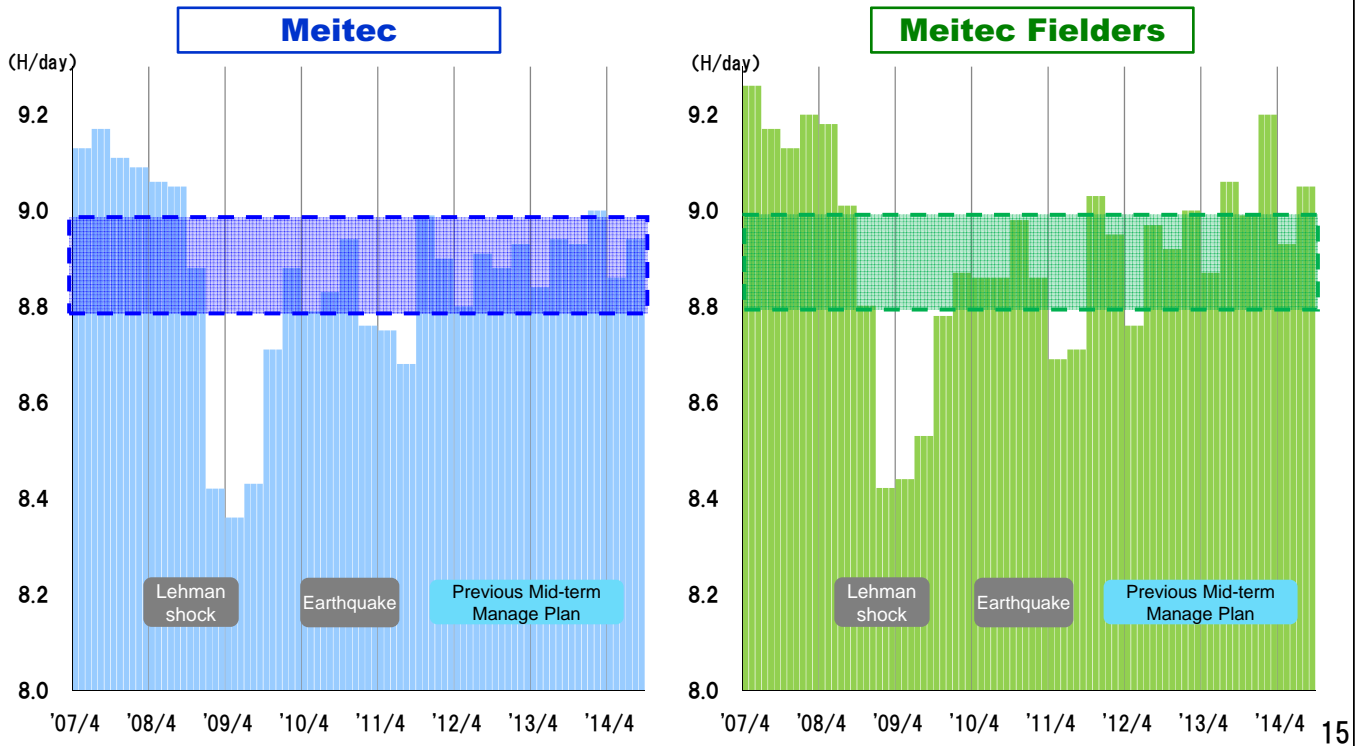
Status of New Graduates Hire (people starting work in April 2015)

- ✓ Companies were more eager to hire, as evidenced by the increase in companies looking to hire workers and the increase in the number of workers that companies were looking to hire. In addition, companies were starting to hire earlier and candidates had a strong local orientation, making for a very challenging hiring environment
- ✓ Amid these conditions, despite struggling to secure applicants, we focused on maintaining our hiring standards
- ✓ Meitec Corporation gave unofficial job offers to 91 fewer people than was initially forecast, but Meitec Fielders reached its initial forecast

| (person) | Fiscal Year Ending March 31, 2015 | | | | | Fiscal Year Ending March 31, 2016 | |
|-----------------------------|------------------------------------|---------------------|--------------------------------|----------------|--------------------------------|-----------------------------------------------------------------------------------|--------------------------------|
| | Newly Graduate April 2014 (Actual) | Mid-career <Target> | Comparison to Initial Forecast | Total <Target> | Comparison to Initial Forecast | Newly Graduate April 2015 (Prospective Number of New Graduated as of Oct. 1 2014) | Comparison to Initial Forecast |
| Meitec | 378 | 200 | (30) | 578 | (30) | 309 | (91) |
| Meitec Fielders | 173 | 115 | (10) | 288 | (10) | 176 | + 1 |
| Total | 551 | 315 | (40) | 866 | (40) | 485 | (90) |
| Comparison to previous year | + 5 | (29) | | (24) | | | |

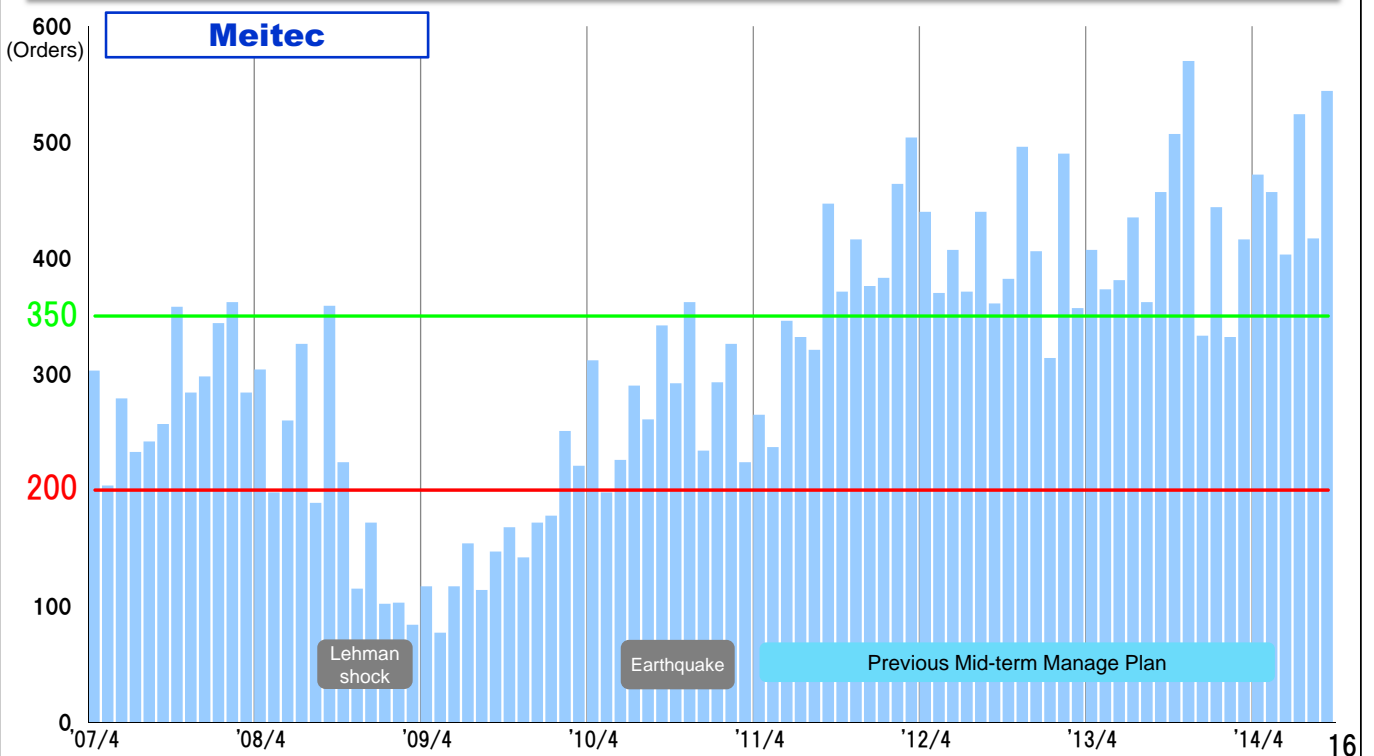
Working Hours

✓ **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



Trend in New Orders by Month

✓ **Number of new orders for Meitec exceed 350 per month, which we consider robust.**
From a confidentiality perspective, we refrain from disclosing the breakdown of new orders (industry, client, etc.).



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 2009 | | | 2nd Q of FY 2013 | | | 2nd Q of FY 2014 | | |
|------------------|-----------------------------|--------|------------------|-----------------------------|--------|------------------|-----------------------------|--------|
| 1 | Panasonic | | 1 | Mitsubishi Heavy Industries | | 1 | Mitsubishi Heavy Industries | |
| 2 | Mitsubishi Heavy Industries | | 2 | Denso | | 2 | Canon | |
| 3 | Canon | | 3 | Nikon | | 3 | Denso | |
| 4 | Sony | | 4 | Canon | | 4 | Panasonic | |
| 5 | Nikon | | 5 | Panasonic | | 5 | Nikon | |
| 6 | Denso | | 6 | Kawasaki Heavy Industries | | 6 | Kawasaki Heavy Industries | |
| 7 | Toyota Motor | | 7 | Sony | | 7 | Toyota Motor | |
| 8 | Seiko Epson | | 8 | Toyota Motor | | 8 | Omron | |
| 9 | Kawasaki Heavy Industries | | 9 | Toshiba | | 9 | Toshiba | |
| 10 | Omron | | 10 | Omron | | 10 | Sony | |
| Top 10 Total | 7,327 | 36.5% | Top 10 Total | 7,697 | 27.3% | Top 10 Total | 7,986 | 26.0% |
| Top 20 Total | 9,531 | 47.4% | Top 20 Total | 10,862 | 38.6% | Top 20 Total | 11,209 | 36.5% |
| Others | 10,566 | 52.6% | Others | 17,287 | 61.4% | Others | 19,472 | 63.5% |
| Total | 20,097 | 100.0% | Total | 28,150 | 100.0% | Total | 30,681 | 100.0% |

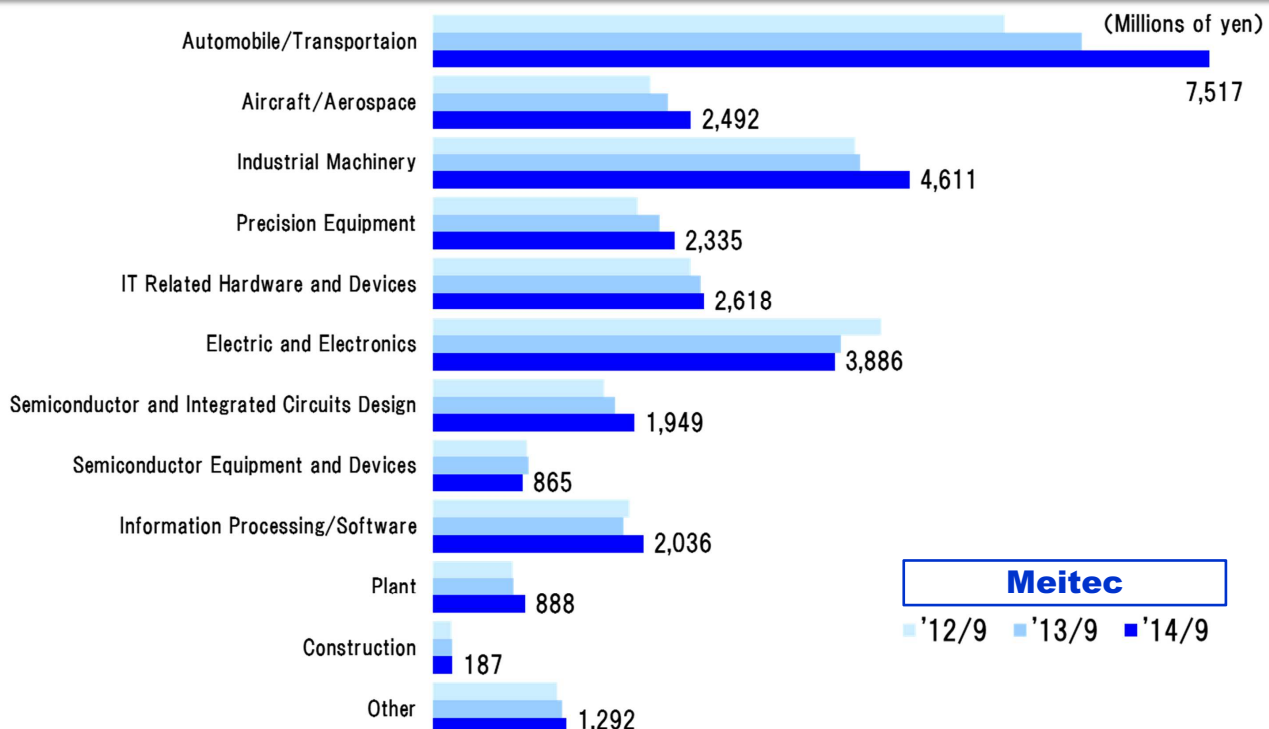
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Sales by the Industrial Segments

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

※Figures are stated in p.62. From a confidentiality perspective, we refrain from disclosing the breakdown and outlook by clients.

(Millions of yen)



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Forecast for the Fiscal Year Ending March 31, 2015 (Revision of Earnings Forecast announced on November 6, 2014)

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人と技術で次代を拓く **Forecast for the Fiscal Year Ending March 31, 2015 (Group Consolidated)**
MEITEC **Comparison to the Previous Fiscal Year**
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- ✓ Based on the assumption that the environment for orders will remain firm, we revised the main performance indicators for the professional staffing business for engineers, and also revised the full-year consolidated earnings forecasts
- ✓ Net sales: 80.4 billion yen (+7.3% y-o-y); Operating income: 8.5 billion yen (+21.8%); Ordinary income: 8.6 billion yen (+23.2%)
Net income is expected to decline 14.4% y-o-y, to 3.4 billion yen, due to the impact of extraordinary losses

| Group Consolidated (Fractions of one million yen are rounded down) | Forecast FY ending March 31, 2015 | YoY Amount | % Change | 2Q ended Sept. 30, 2014 | Forecast 2nd Half | YoY Amount | % Change |
|-----------------------------------------------------------------------|-----------------------------------|------------|----------|-------------------------|-------------------|------------|----------|
| Net sales | 80,400 | +5,493 | +7.3% | 39,300 | 41,100 | +1,948 | +5.0% |
| Cost of sales | 59,300 | +3,929 | +7.1% | 29,366 | 29,934 | +1,171 | +4.1% |
| SG&A Expenses | 12,600 | +43 | +0.3% | 5,941 | 6,659 | +342 | +5.4% |
| Operating income | 8,500 | +1,520 | +21.8% | 3,992 | 4,508 | +436 | +10.7% |
| Operating income margins | 10.6% | +1.3% | | 10.2% | 11.0% | +0.6% | |
| Ordinary income | 8,600 | +1,621 | +23.2% | 4,012 | 4,588 | +541 | +13.4% |
| Net income | 3,400 | (573) | (14.4%) | 194 | 3,206 | +938 | +41.4% |
| Net Income per Share | 111.27 | (17.03) | | 6.35 | | — | |

Forecast for the Fiscal Year Ending March 31, 2015 (Meitec) Comparison to the Previous Fiscal Year

- ✓ Assuming the main performance indicators after revisions, including the impact of the absorption of our subsidiary, we are forecasting an 8.0% y-o-y increase in net sales, to 63.6 billion yen, and a 23.4% increase in operating income, to 7.1 billion yen
- ✓ Reflecting the extraordinary losses, we expect net income to fall 3.6% y-o-y, to 3.3 billion yen

Meitec

(Fractions of one million yen are rounded down)

| | Forecast FY ending Mar.31, 2015 | YoY Amount | % Change | 2Q ended Sept. 30, 2014 | Forecast 2nd Half | YoY Amount | % Change |
|----------------------------------|---------------------------------------|---------------|-------------|------------------------------------------|----------------------|-----------------------------------|-------------|
| Net sales | 63,600 | +4,723 | +8.0% | 30,682 | 32,918 | +2,192 | +7.1% |
| Cost of sales | 47,300 | +3,557 | +8.1% | 23,091 | 24,209 | +1,560 | +6.9% |
| Cost of sales to Net sales | 74.4% | +0.1% | | 75.3% | 73.5% | (0.2%) | |
| SG&A Expenses | 9,200 | (182) | (1.9%) | 4,325 | 4,875 | +156 | +3.3% |
| Operating income | 7,100 | +1,348 | +23.4% | 3,265 | 3,835 | +475 | +14.1% |
| Operating income margins | 11.2% | +1.4% | | 10.6% | 11.7% | +0.7% | |
| Ordinary income | 7,600 | +1,450 | +23.6% | 3,697 | 3,903 | +545 | +16.2% |
| Net income | 3,300 | (125) | (3.6%) | 172 | 3,128 | +1,447 | +86.1% |
| Utilization ratio (Company-wide) | 95.4% | +0.7% | | 93.9% | 96.9% | +0.4% | |
| Working Hours<h/day> | 8.93 | — | | 8.90 | 8.96 | — | |
| Number of Recruitment | 578 | (21) | | | | | |
| Newly graduated | 378 | (1) | | | | | |
| Mid-career | 200 | (20) | | | | | |
| Turnover Ratio | 4.3% | +0.3% | | | | | |
| | | | | Expected New Graduates for April 2015 | | Comparison to Previous Year | |
| | | | | 309 | | (69) | |

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Forecast for the Fiscal Year Ending March 31, 2015 Comparison to the Previous Fiscal Year (Meitec Fielders)

- ✓ Assuming the main performance indicators after revisions, we are forecasting record-high net sales of 11.65 billion yen (+10.0% y-o-y), operating income hitting the 1.0 billion yen mark (+16.7%), and net income of 650 million yen (+34.3%)
→ Extensive growth toward the top of the volume zone

Meitec Fielders

(Fractions of one million yen are rounded down)

| | Forecast FY ending Mar.31, 2015 | YoY Amount | % Change | 2Q ended Sept. 30, 2014 | Forecast 2nd Half | YoY Amount | % Change |
|----------------------------------|---------------------------------------|---------------|-------------|------------------------------------------|----------------------|-----------------------------------|-------------|
| Net sales | 11,650 | +1,062 | +10.0% | 5,753 | 5,897 | +346 | +6.2% |
| Cost of sales | 9,000 | +915 | +11.3% | 4,453 | 4,547 | +340 | +8.1% |
| Cost of sales to Net sales | 77.3% | +0.9% | | 77.4% | 77.1% | +1.3% | |
| SG&A Expenses | 1,650 | +3 | +0.2% | 813 | 837 | (1) | (0.1%) |
| Operating income | 1,000 | +143 | +16.7% | 486 | 514 | +8 | +1.6% |
| Operating income margins | 8.6% | +0.5% | | 8.5% | 8.7% | (0.4%) | |
| Ordinary income | 1,000 | +158 | +18.8% | 486 | 514 | +23 | +4.7% |
| Net income | 650 | +166 | +34.3% | 297 | 353 | +87 | +32.8% |
| Utilization ratio (Company-wide) | 94.9% | (0.3%) | | 93.4% | 96.4% | (1.9%) | |
| Working Hours<h/day> | 9.03 | — | | 8.99 | 9.07 | (0.02) | |
| Number of Recruitment | 288 | (3) | | | | | |
| Newly graduated | 173 | +6 | | | | | |
| Mid-career | 115 | (9) | | | | | |
| Turnover Ratio | 9.1% | +1.3% | | | | | |
| | | | | Expected New Graduates for April 2015 | | Comparison to Previous Year | |
| | | | | 176 | | +3 | |

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Recording of extraordinary losses in line with the recognition of impairment losses 1/2

- ✓ **We reduced the burden of maintenance costs for training facilities and other facility, and lowered the risk of future cost increases**
- **17-29 years since construction → Heavy burden of maintenance costs**
 - **High utilization ratio at the professional staffing business for engineers**
- **Facility usage rate is low, and expected to remain that way going forward**

Forecast for the Fiscal Year

Impairment Loss (extraordinary loss) **(3,458) million**

Tax Expense (tax effect) **1,108 million**

Impact on Net Income (2,350) million

- Expect approximately 200 million yen per year maximum of reduced expense in comparison with the SG&A planned in the Mid-term Management Plan.
- Reduce risk of expense increase resulting from sudden and large-scale repair due to aging.
- The company intends to liquidate these facilities in order to promptly obtain benefit of cost reduction effects.

| (Millions of yen) | Impairment Loss | Book Value |
|-------------------------------------------------------------------------------|-----------------|------------|
| Total Impairment Loss | 3,458 | / |
| 1 Kobe Techno-center | 1,895 | 2,270 |
| 2 Atsugi Techno-Center employee dormitory | 770 | 859 |
| 3 Nisshin Techno-Center | 589 | 1,154 |
| 4 Of which "Nagoya Techno-Center and Others", Nagoya EOC/ Mechatronics Center | 202 | 1,238 |

※1. Book values were excerpted from "Status of Facilities" of the Securities Report

※2. Book value for "4" is excerpted value for "Nagoya Techno-Center and other" from above report.

Recording of extraordinary losses in line with the recognition of impairment losses 2/2

- ✓ **Decided that there will be no problem with the quality and quantity of education and training for engineers**
- **Two Techno-Center will remain, but we have 12 smaller training centers, "EO Center" supplementing the Techno-Center, located closer to local areas**

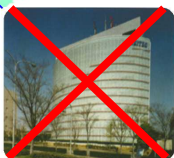
Major Training Facilities



Local Mid-seize Training Facilities 12 location (EO Center)

| | |
|-------------------------|--------------------------------------------------------|
| Eastern Japan Area | Sendai, Utsunomiya, Saitama, Tsukuba, Tokyo, Tachikawa |
| Kanagawa, Shizuoka Aare | Yokohama, Shizuoka |
| Central Japan Area | Koshinetsu |
| Western Japan Area | Kyoto, Osaka, Fukuoka |

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



Basic Policy Regarding Profit Distribution

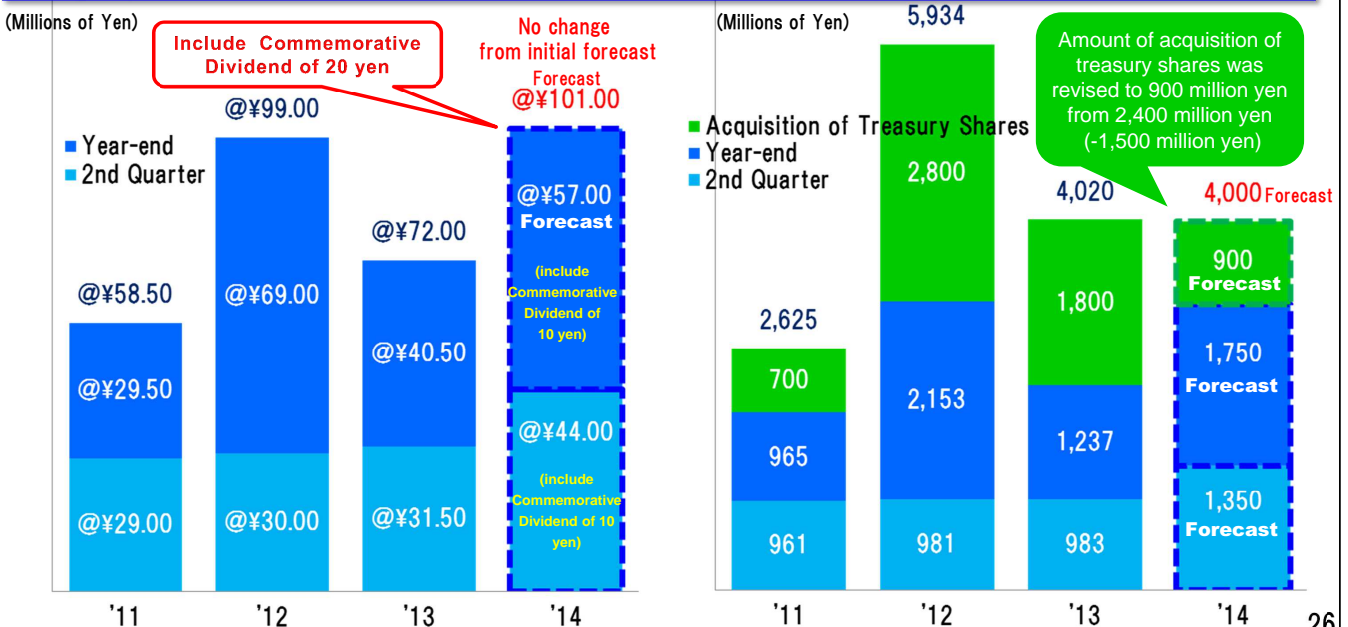
- ✓ Through the realization of sustained growth, we will aim at the maximization of shareholder return on a medium to long-term basis.
- ✓ The Company's basic concept concerning profit return is achievement return based on performance.

| | | |
|----------------------------------------------------------------------|---------------------------------------|--------------------------------------------------------------------------------------------------------------|
| 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

- ✓ **Interim Dividend: Regular dividend 34 yen + Commemorative dividend 10 yen = Total 44 yen**
⇒ amount 1,350 million yen
- ✓ **Forecast of Year End Dividend: Regular dividend 47 yen + Commemorative dividend 10 yen = Total 57 yen**
⇒ amount 1,750 million yen
- ✓ **Acquisition of Treasury Shares: Total 900 million yen planned (-1,500 million yen compared to the initial forecast)**
- ✓ **Therefore, total amount planned for the profit distribution is 4,000 million yen (about same level as last year)**





Mid-term Management Plan

(Publication on May 8, 2014)

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A new "Ideal State of the Meitec Group"

- ✓ 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

[Management Concept]
Mutual Growth & Prosperity

[Corporate Slogan]
Develop a new era by People and Technology

Value to Clients
We continue to provide optimal services of "People and Technology", aiming to becoming a "reliable Best-Partner" for all clients.

Value to Engineers
We continue to provide optimum "opportunities and placement" for all engineers who aim for affluent "Career Style of Engineer".

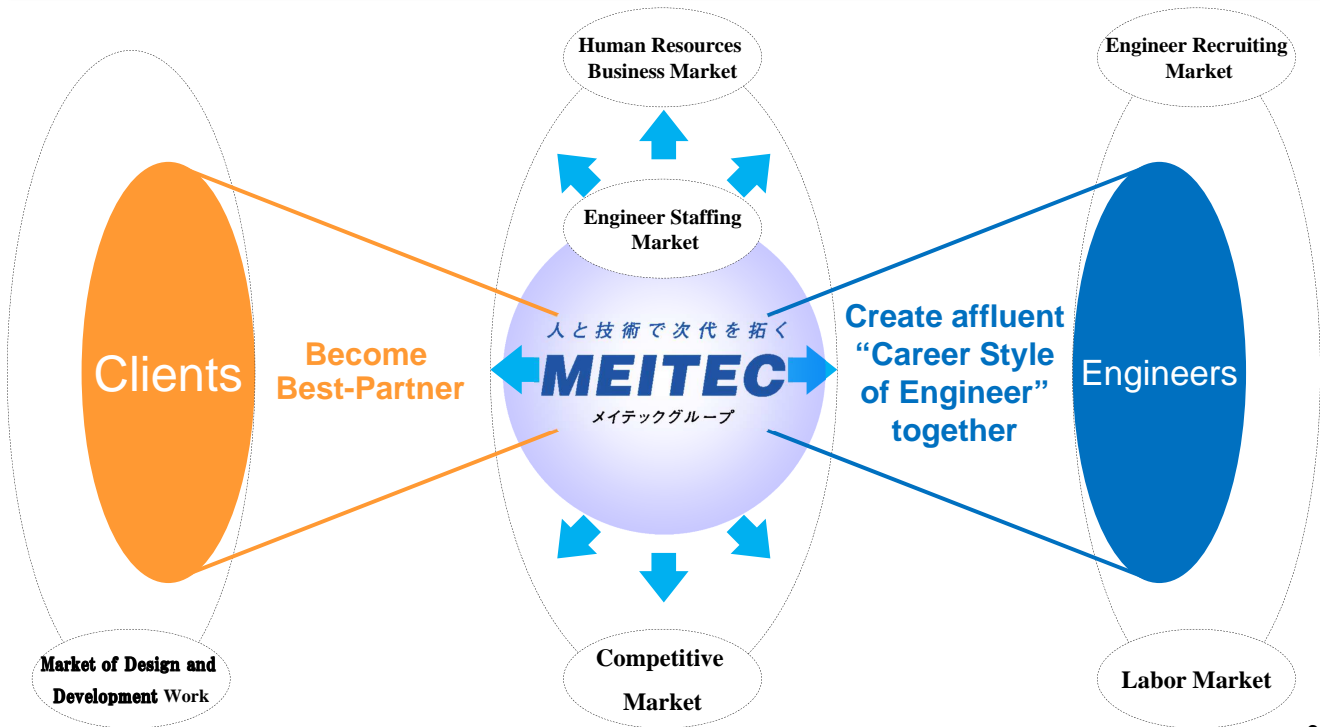
Value to Employees
We continue to provide optimum "opportunities and placement" for employees who sympathize with the intension of "independence and mutual supports" and continue to grow as professional.

Value to Shareholders
We maximize mid and long-term shareholders returns by creating "sound profits" based on continuous improvement of the Values.

Value to the Society
We will be a pioneer in creating a "Professional Labor Market" in Japan, through establishing a career style of "lifetime professional engineers".

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

✓ 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.”



✓ We will focus on the two businesses, Professional Staffing Business for Engineers (our core business) and the Recruiting & Placement Business for Engineers.
✓ We zoned the engineer staffing market to three zones: i) high-end; ii) volume; and iii) new markets.

Provide wider selections of optimum “services” and “opportunities and placement” at each zone.

I. High-end Zone

5,000 yen/hr. average
A market zone which Meitec had created in over 40 years

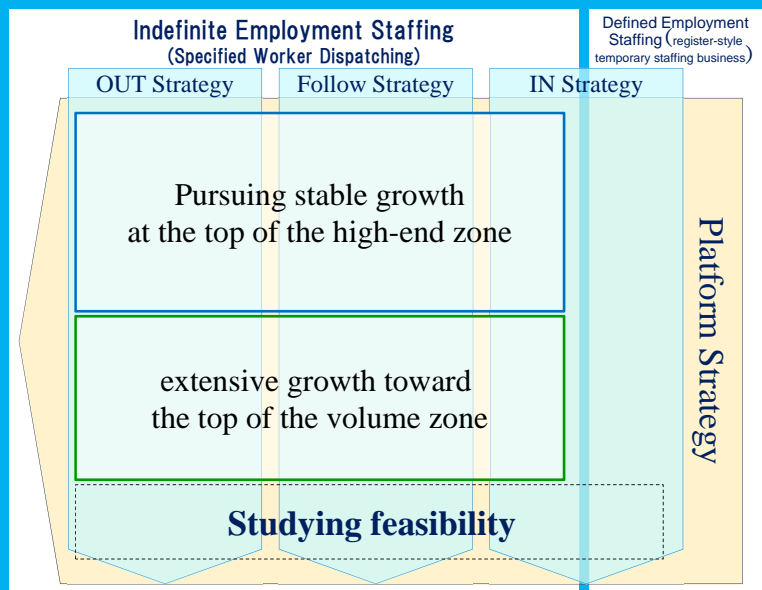
II. Volume Zone

3,500 yen/hr. average
A market zone which is crowded by major competitors

III. New Market Zone

2,000 — 3,000 yen /hr. average
A market zone which we have not really touched yet.

Professional Staffing Business for Engineers

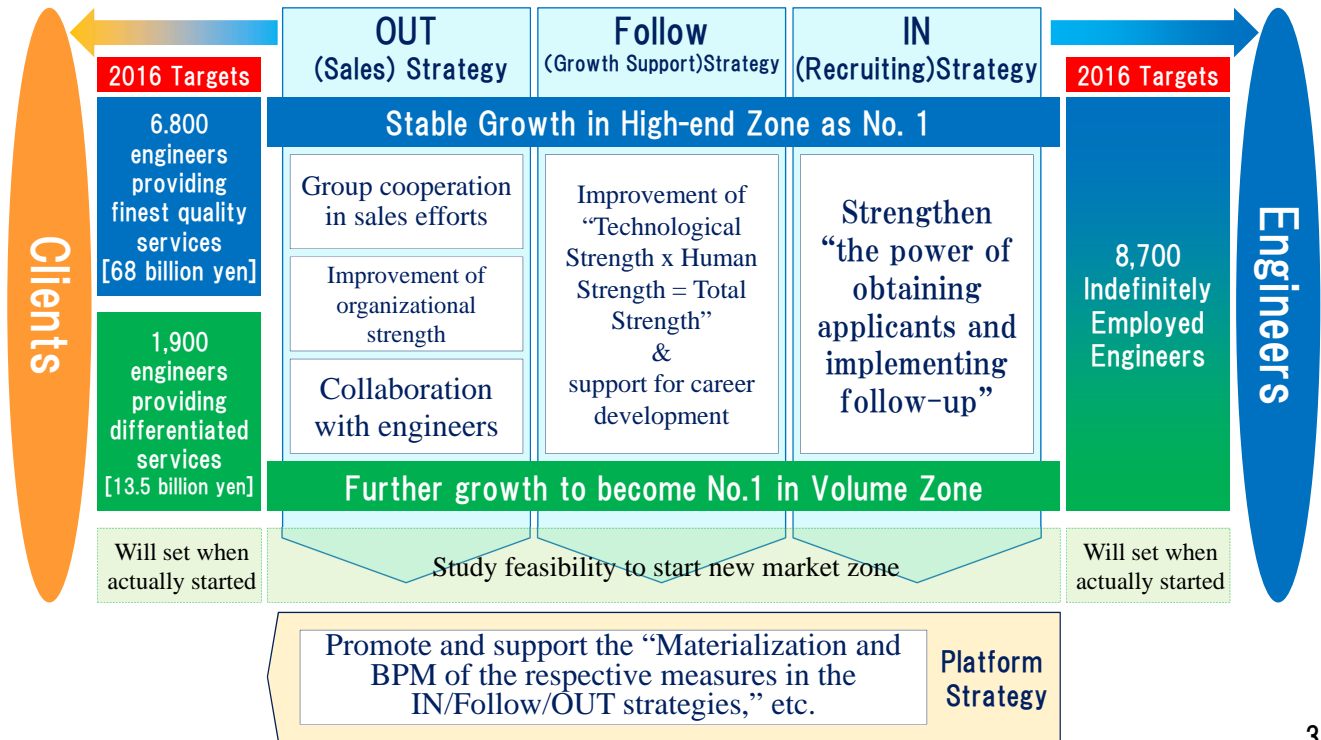


Recruiting & Placement Business for Engineers

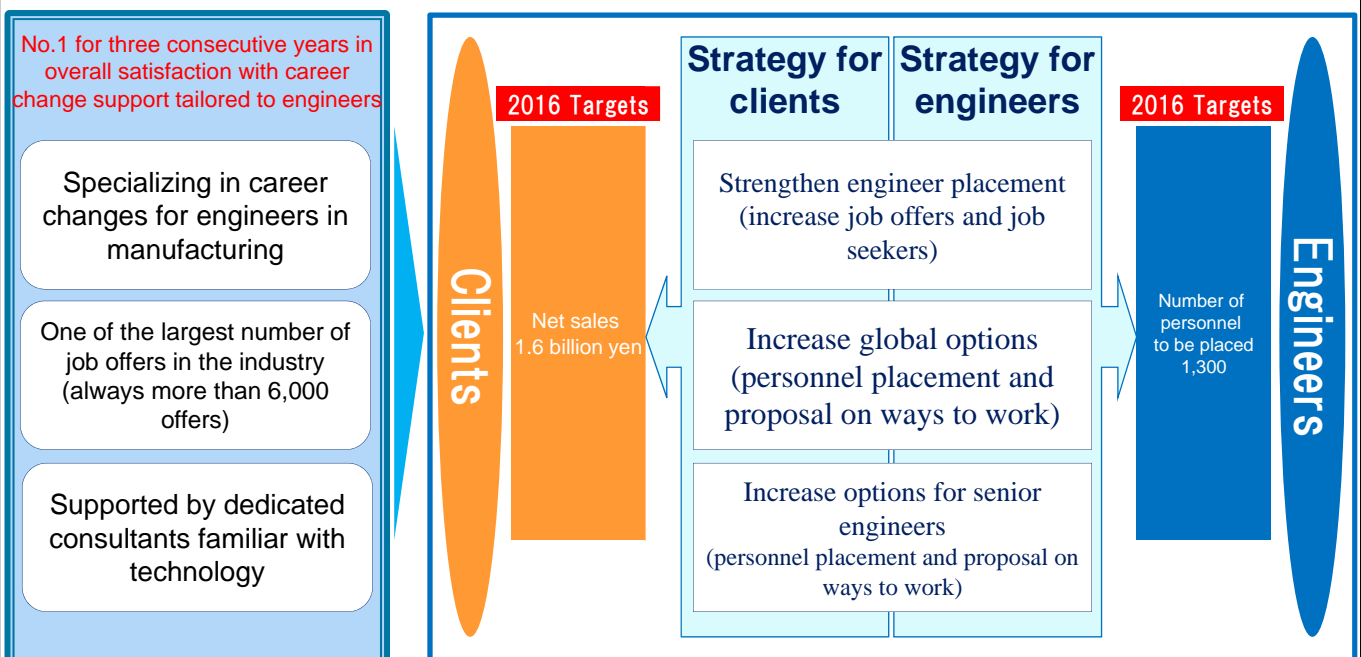
- Strengthen engineer placement
- Increase global options
- Increase options for senior engineers

Engineering Solutions Business

- ✓ 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.



- ✓ 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



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

Performance Targets of Mid-term Management Plan of Meitec Group 2014~2016

- ✓ Set one of the highest net sales targets in the past → the engineers staffing business (our core business) is a key driver of sales.
- ✓ The operating income target is set at a level higher than the current level (maintain cost ratio, control increases in SG&A).

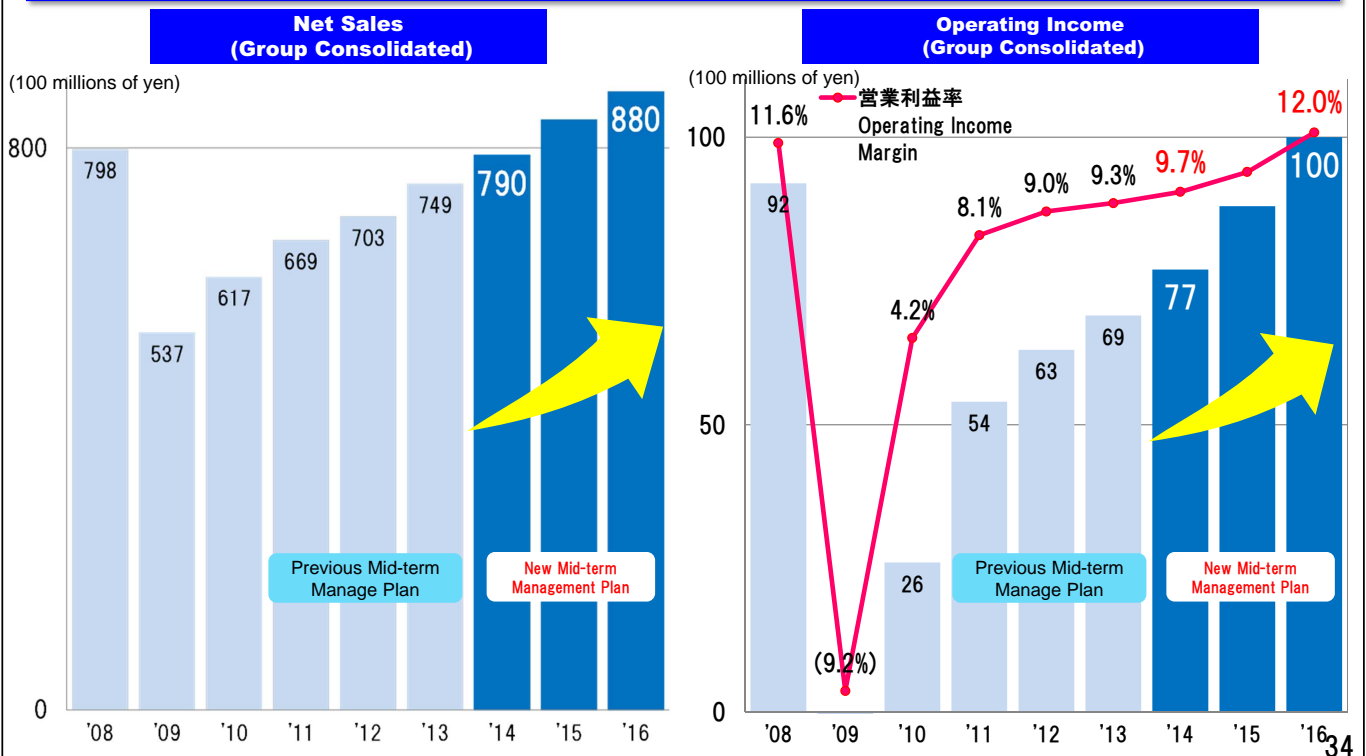
2016 Targets

| | Group Consolidated | Meitec | Meitec Fielders |
|--------------------------------------------------------|--------------------------------------------|--------------------------------------------|----------------------------------------|
| Net Sales (Results of FY 2013) | (Billion yen) 88.0 (74.9) | (Billion yen) 68.0 (58.8) | (Billion yen) 13.5 (10.5) |
| Operating Income (Results of FY 2013) | 10.0 (6.9) | 8.5 (5.7) | 1.3 (0.8) |
| Operating Income Margin (Results of FY 2013) | equal or more than 12% (9.3%) | equal or more than 13% (9.8%) | Approx 9.5% (8.1%) |
| Net Income (Results of FY 2013) | 6.0 (3.9) equal or more than | | |
| ROE (Results of FY 2013) | 15% (10.7%) | | |

Recent cost rate of Meitec was 74% where minimum cost rate in past was 70%. → Reason is increase of social insurance premium and decrease of utilization ratio. → We will try to improve the operating income margin by restraining increase of cost rate by improvement of utilization ratio and properly controlling the SG&A at same time.

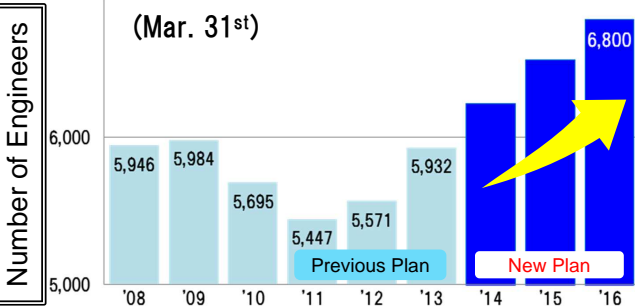
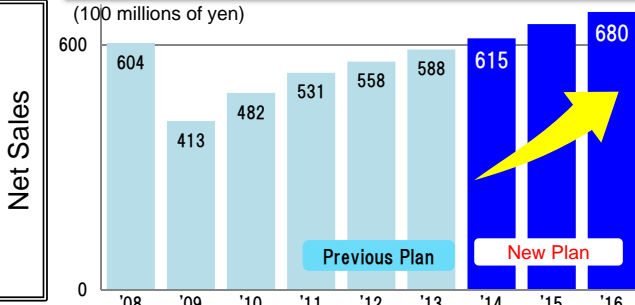
Performance Targets of Mid-term Management Plan of Meitec Group 2014~2016

- ✓ Target record-high net sales of 88 billion yen and a 10 billion yen-level in operating income for the third year of the plan.



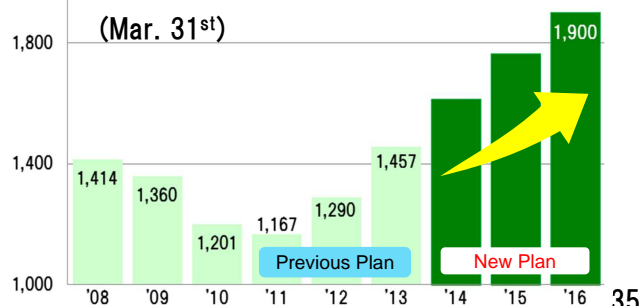
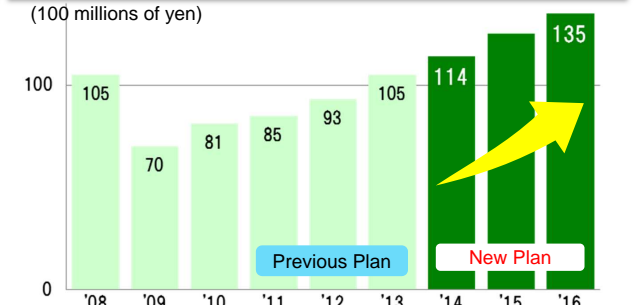
**Pursuing stable growth
at the top of the high-end zone**

**15% growth in 3 years
(5% per year)**



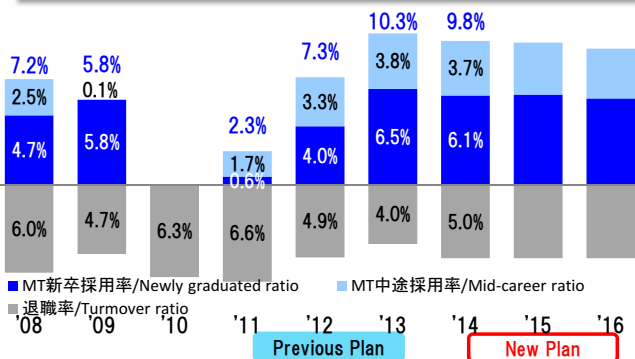
**Extensive growth toward
the top of the volume zone**

**29% growth in 3 years
(9% per year)**



**Pursuing stable growth
at the top of the high-end zone**

**Continue to hire approx. 630
engineers/year**

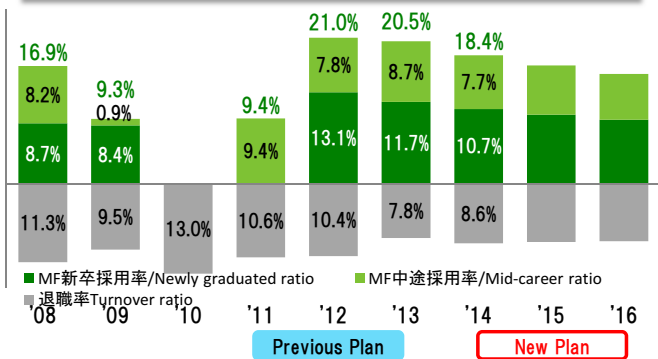


Sustain the current price of 5,000 yen/hr.

Expect working hours to be at current level

**Extensive growth toward
the top of the volume zone**

**Continue to hire approx. 300
engineers/year**



Sustain the current price of 3,500 yen/hr.

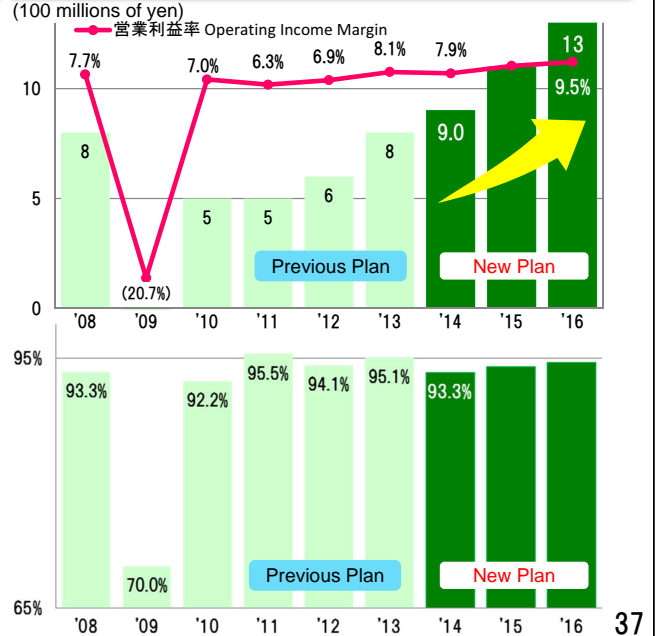
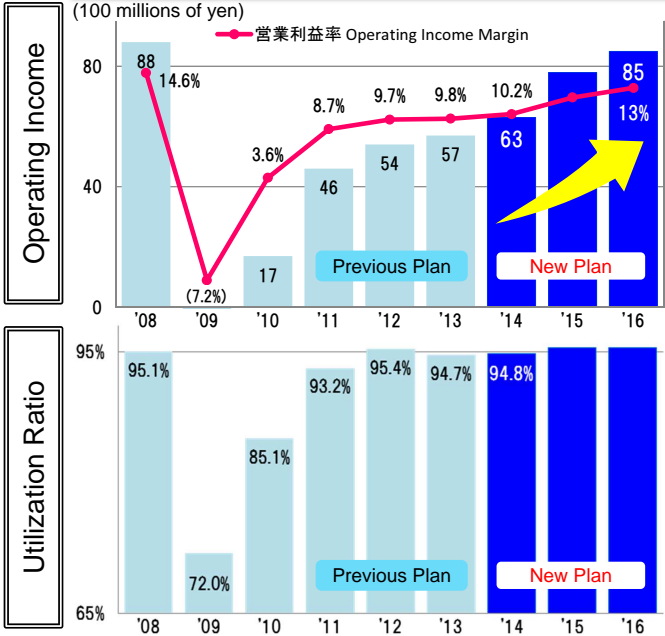
Expect working hours to be at current level

**Pursuing stable growth
at the top of the high-end zone**

Maintain utilization ratio of approx. 95%

**Extensive growth toward
the top of the volume zone**

Utilization ratio would drop to just below 95%,
due to the actively hiring to increase engineers.

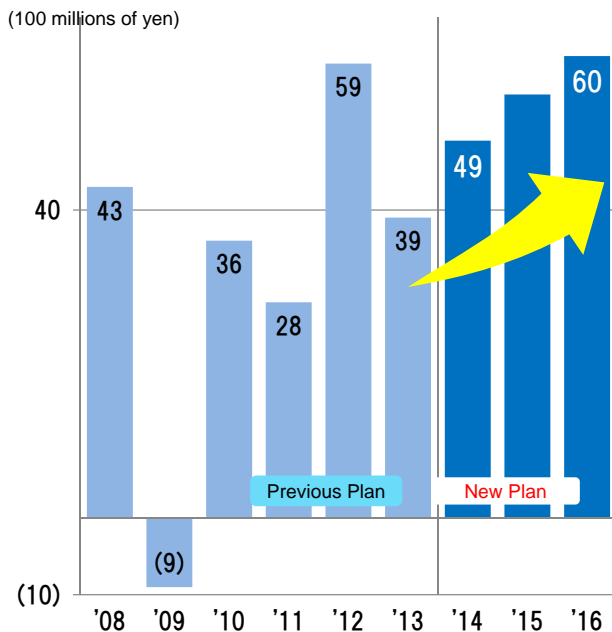


✓ **Target consolidated net income of 6 billion yen and consolidated ROE of equal or more than 15% for the third year of the plan.**

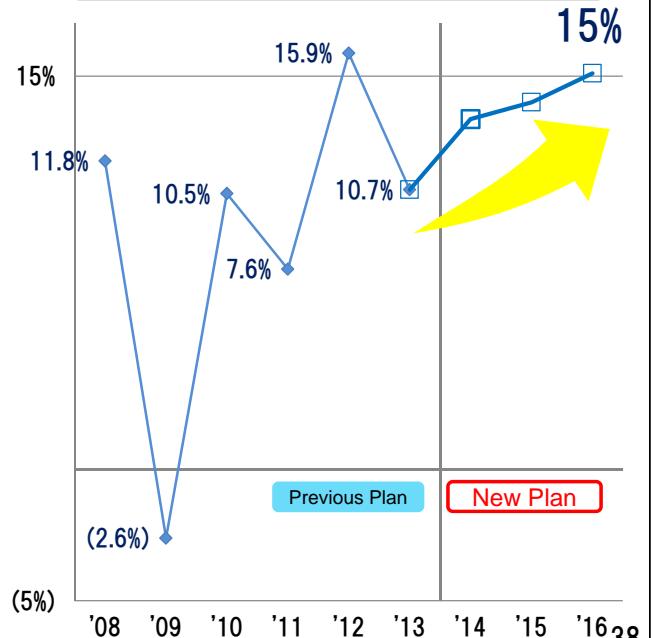
※Seek improvement of ROE, while considering the “quality and quantity” of shareholders’ equity.

Group Consolidated

Net Income



Return on Equity (ROE)



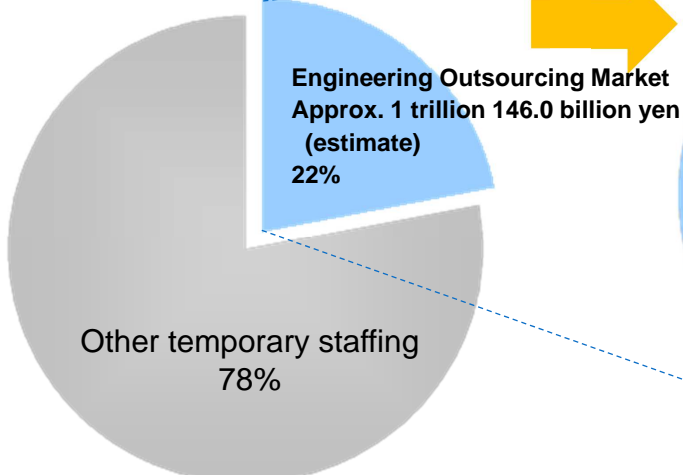
Reference Materials

人と技術で次代を拓く
MEITEC
メイテックグループ

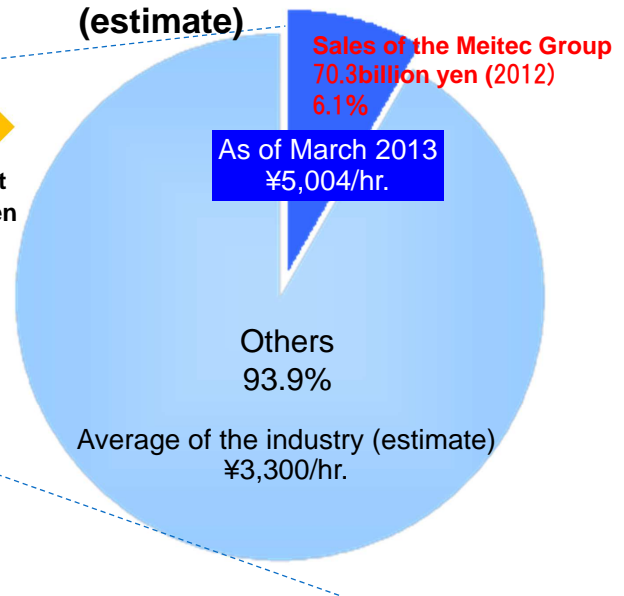
Market of Engineer Staffing Business

- ✓ Meitec Group hold over 5% share of the engineering outsourcing market.
- ✓ By comparing the average price per hour, our price proves our high technological level

Temporary Staffing Market
5.2 trillion yen
(2012 MHLW statistics)

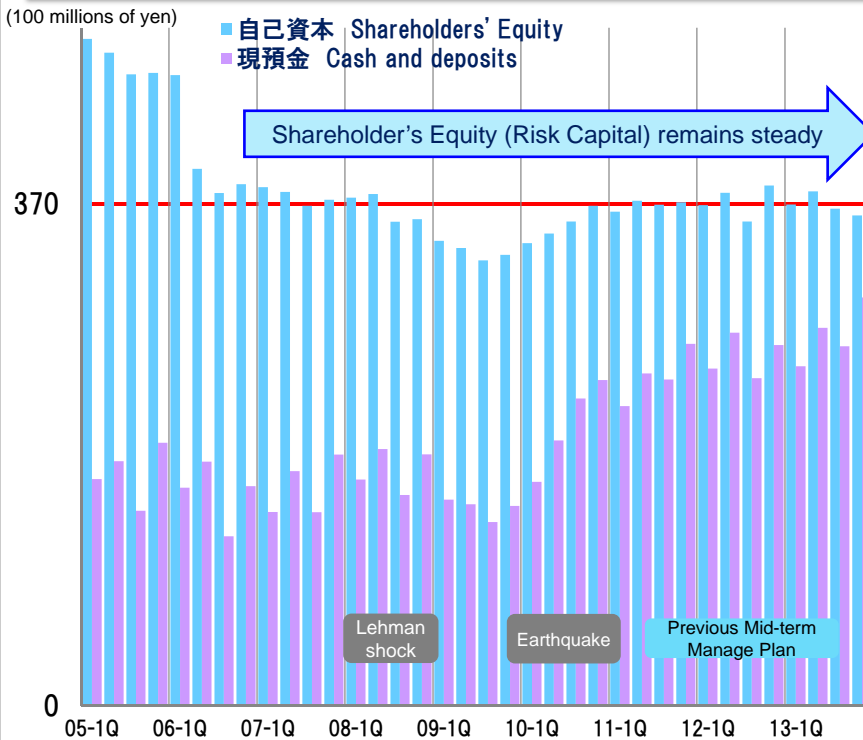


Engineering Outsourcing Market
Approx. 1 trillion 146.0 billion yen
(estimate)



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.



- 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.

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
- 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.

Trend of Performances (Consolidated)

| (Millions of Yen) | 2003 | 2004 | 2005 | 2006 | 2007 | 2008 | 2009 | 2010 | 2011 | 2012 | 2013 |
|------------------------------------------------------------|--------|--------|--------|--------|--------|--------|---------|--------|--------|--------|--------|
| Net sales | 71,255 | 79,120 | 83,223 | 82,229 | 82,102 | 79,898 | 53,776 | 61,790 | 66,955 | 70,330 | 74,906 |
| 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 |
| 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% |
| Gross profit | 21,606 | 24,660 | 26,538 | 24,528 | 24,324 | 22,720 | 7,010 | 12,957 | 17,079 | 18,691 | 19,536 |
| 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 |
| 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% |
| Operating income | 12,267 | 12,289 | 12,485 | 11,581 | 11,365 | 9,280 | (4,928) | 2,620 | 5,450 | 6,354 | 6,979 |
| 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% |
| Non-operating income | 106 | 87 | 137 | 74 | 84 | 87 | 4,729 | 2,146 | 114 | 97 | 50 |
| Non-operating expenses | 90 | 185 | 59 | 169 | 115 | 107 | 77 | 178 | 32 | 24 | 51 |
| Ordinary income | 12,283 | 12,190 | 12,562 | 11,487 | 11,334 | 9,260 | (276) | 4,588 | 5,531 | 6,427 | 6,978 |
| 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% |
| Extraordinary income | 149 | 393 | 538 | 5 | 6 | 13 | 32 | 378 | — | 58 | — |
| Extraordinary loss | 477 | 2,682 | 2,235 | 5,092 | 1,826 | 1,094 | 130 | 234 | 4 | 215 | 146 |
| 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 |
| 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 |
| Net income | 6,709 | 4,707 | 5,302 | 295 | 4,958 | 4,303 | (904) | 3,690 | 2,827 | 5,993 | 3,973 |
| 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% |

Trend of Profit Distributions and Forecast

| | | FY2005 | FY2006 | FY2007 | FY2008 | FY2009 | FY2010 | FY2011 | FY2012 | FY2013 | Forecast FY2014 |
|-------------------------------|---------------------|------------|------------|------------|------------|------------|------------|------------|------------|------------|--------------------|
| Dividend Payout ratio | | 65.1% | 1,085.7% | 50.5% | 58.9% | — | 24.7% | 68.5% | 53.2% | 56.1% | 75.4% |
| Dividend on Equity | | 7.1% | 7.4% | 6.5% | 6.9% | 2.4% | 2.6% | 5.2% | 8.4% | 6.0% | |
| Annual Dividends | Per Share | @¥90.50 | @¥89.00 | @¥72.00 | @¥75.00 | @¥24.50 | @¥27.50 | @¥58.50 | @¥99.00 | @¥72.00 | @¥101.00 |
| | Millions of Yen | 3,329 | 3,162 | 2,488 | 2,518 | 812 | 911 | 1,925 | 3,134 | 2,220 | 3,086 |
| 2nd Quarter | Per Share | @¥44.00 | @¥44.00 | @¥37.50 | @¥47.00 | @¥24.50 | | @¥29.00 | @¥30.00 | @¥31.50 | @¥44.00 |
| | Millions of Yen | 1,630 | 1,579 | 1,304 | 1,590 | 812 | | 961 | 981 | 983 | 1,344 |
| Year-end | Per Share | @¥46.50 | @¥45.00 | @¥34.50 | @¥28.00 | | @¥27.50 | @¥29.50 | @¥69.00 | @¥40.50 | @¥57.00 |
| | Millions of Yen | 1,699 | 1,583 | 1,184 | 928 | | 911 | 965 | 2,153 | 1,237 | 1,742 |
| Acquisition of Treasury Stock | Thousands of shares | 1,405 | 1,353 | 857 | 1,174 | | | 421 | 1,506 | 641 | |
| | Millions of Yen | 5,100 | 5,099 | 3,100 | 2,800 | | | 700 | 2,800 | 1,800 | 2,400 |
| Total Shareholders Return | Millions of Yen | 8,429 | 8,261 | 5,588 | 5,318 | 812 | 911 | 2,625 | 5,934 | 4,020 | 5,486 |
| Retirement of Treasury Stock | Thousands of shares | 1,562 | 1,400 | | 342 | | | 400 | 1,700 | 500 | |
| 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 |
| | As of March 31 | ¥3,870 | ¥3,800 | ¥3,020 | ¥1,216 | ¥1,831 | ¥1,664 | ¥1,669 | ¥2,343 | ¥2,930 | |
| Net Income per Share | | @¥138.93 | @¥8.20 | @¥142.64 | @¥127.31 | (@¥27.30) | @¥111.33 | @¥85.45 | @¥186.08 | @¥128.30 | @¥160.36 |
| 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 | |

Trend of Performances (Meitec)

| (Millions of Yen) | 2003 | 2004 | 2005 | 2006 | 2007 | 2008 | 2009 | 2010 | 2011 | 2012 | 2013 |
|------------------------------------------------------------|--------|--------|--------|--------|--------|--------|---------|--------|--------|--------|--------|
| Net sales | 59,518 | 61,109 | 61,425 | 61,795 | 62,956 | 60,457 | 41,319 | 48,260 | 53,188 | 55,822 | 58,876 |
| 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 |
| 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% |
| Gross profit | 18,591 | 19,021 | 19,045 | 18,660 | 19,081 | 17,348 | 5,245 | 9,482 | 13,200 | 14,582 | 15,134 |
| 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 |
| 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% |
| Operating income | 10,757 | 11,219 | 11,131 | 10,621 | 10,460 | 8,807 | (2,964) | 1,724 | 4,613 | 5,402 | 5,751 |
| 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% |
| Non-operating income | 324 | 530 | 458 | 4,988 | 356 | 564 | 3,840 | 1,976 | 389 | 314 | 426 |
| Non-operating expenses | 90 | 35 | 33 | 109 | 48 | 76 | 53 | 150 | 14 | 19 | 426 |
| Ordinary income | 10,991 | 11,714 | 11,556 | 15,500 | 10,768 | 9,294 | 822 | 3,550 | 4,988 | 5,698 | 6,149 |
| 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% |
| Extraordinary income | 61 | 525 | 102 | 5 | 3 | 7 | 2 | 3 | — | 462 | — |
| Extraordinary loss | 412 | 800 | 132 | 10,202 | 2,084 | 2,912 | 626 | 318 | 66 | 228 | 372 |
| 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 |
| 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 |
| Net income | 6,044 | 6,853 | 6,820 | (83) | 4,938 | 2,998 | 53 | 2,141 | 2,590 | 6,056 | 3,425 |
| 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% |

Trend of Performances (Meitec Fielders)

| (Millions of Yen) | 2003 | 2004 | 2005 | 2006 | 2007 | 2008 | 2009 | 2010 | 2011 | 2012 | 2013 |
|------------------------------------------------------------|-------|-------|--------|--------|--------|--------|---------|-------|-------|-------|--------|
| Net sales | 8,692 | 9,729 | 10,382 | 10,748 | 10,747 | 10,582 | 7,050 | 8,175 | 8,510 | 9,349 | 10,587 |
| 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 |
| 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% |
| Gross profit | 2,264 | 2,495 | 2,727 | 2,859 | 2,987 | 2,837 | 429 | 1,814 | 2,122 | 2,287 | 2,502 |
| 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 |
| 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% |
| Operating income | 1,275 | 1,321 | 1,369 | 1,308 | 1,310 | 819 | (1,461) | 575 | 537 | 648 | 856 |
| 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% |
| 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 |
| 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% |
| Extraordinary income | 88 | 5 | 6 | — | — | — | — | 1 | — | — | — |
| Extraordinary loss | 64 | — | 3 | 4 | 5 | 13 | 2 | 1 | — | — | — |
| Income before income taxes and minority interests | 1,304 | 1,333 | 1,376 | 1,306 | 1,314 | 811 | (620) | 756 | 540 | 651 | 841 |
| Total income taxes and Minority interests in income (loss) | 562 | 544 | 560 | 537 | 544 | 344 | 313 | (187) | 264 | 272 | 358 |
| Net income | 742 | 789 | 816 | 768 | 769 | 467 | (933) | 943 | 275 | 378 | 483 |
| 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% |

| | | | |
|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 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. |
| <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. | | |

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

For inquiry regarding investor relations:

Phone: +81-03-5413-0131 e-mail: ir@meitec.com

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.