



Consolidated Financial Report For the Fiscal Year Ended March 31, 2016

May 10, 2016

Company Name: MEITEC CORPORATION
Representative: Hideyo Kokubun
President, Group CEO
Code No.: 9744 TSE 1ST Section

[Fractions of one million yen are rounded down]

1. Consolidated Results for the Fiscal Year Ended March 31, 2016 (April 1, 2015 to March 31, 2016)

(1) Consolidated operating results

(% is comparison to the previous fiscal year)

	Net Sales		Operating Income		Ordinary Income		Profit Attributable to Owners of Parent	
	Millions of Yen	%	Millions of Yen	%	Millions of Yen	%	Millions of Yen	%
FY ended March 31, 2016	87,888	7.0	10,874	14.0	10,845	12.5	8,083	120.9
FY ended March 31, 2015	82,136	9.7	9,540	36.7	9,643	38.2	3,659	(7.9)

(Note) Comprehensive Income; FY ended March 31, 2016: 7,783 million yen [123.4 %]
FY ended March 31, 2015: 3,484 million yen [(12.4%)]

	Earnings per Share	Diluted Net Income per Share	Return on Equity	Ordinary Income to Total Assets ratio	Operating Income per Net Sales
	Yen	Yen	%	%	%
FY ended March 31, 2016	269.24	—	21.5	16.7	12.4
FY ended March 31, 2015	120.12	—	9.9	15.2	11.6

(2) Consolidated financial position

	Total Assets	Net Assets	Equity Ratio	Net Assets per Share
	Millions of Yen	Millions of Yen	%	Yen
As of March 31, 2016	64,468	37,605	58.2	1,278.59
As of March 31, 2015	65,098	37,565	57.6	1,238.78

Reference: Shareholders' Equity; as of March 31, 2016: 37,543 million yen
as of March 31, 2015: 37,516 million yen

(3) Consolidated cash flows

	Cash flows from Operating activities	Cash flows from Investing activities	Cash flows from Financial activities	Cash and Cash Equivalent end of year
	Millions of Yen	Millions of Yen	Millions of Yen	Millions of Yen
FY ended March 31, 2016	6,910	1,487	(7,752)	35,413
FY ended March 31, 2015	8,434	(275)	(3,495)	34,773

2. Dividends

	Annual Dividends per Share					Total Amount (Annual)	Dividend Payout ratio (Consolidated)	Dividend on Equity (Consolidated)
	1st Quarter	2nd Quarter	3rd Quarter	Year-end	Total			
	Yen	Yen	Yen	Yen	Yen	Millions of Yen	%	%
FY ended March 31, 2015	—	44.00	—	67.00	111.00	3,373	92.4	9.2
FY ended March 31, 2016	—	63.00	—	81.00	144.00	4,286	53.5	11.4
FY ending March 31, 2017 (Forecast)	—	51.50	—	68.50	120.00		50.3	

(Note) Details of year-end dividends for the year ended Mar. 31, 2015:

Regular dividends 91.00 yen, Commemorative dividends 20.00 yen (40th anniversary commemorative dividends)

3. Consolidated Forecasts for the Fiscal Year Ending March 31, 2017

(% is comparison to the same period of previous fiscal year)

	Net Sales		Operating Income		Ordinary Income		Profit Attributable to Owners of Parent		Net Income per Share
	Millions of Yen	%	Millions of Yen	%	Millions of Yen	%	Millions of Yen	%	Yen
Six months ending September 30, 2016	43,800	3.9	4,600	(3.0)	4,600	(2.6)	3,000	(21.0)	102.17
FY ending March 31, 2017	90,500	3.0	10,300	(5.3)	10,300	(5.0)	7,000	(13.4)	238.39

Notes to Financial Statements

- (1) Significant changes involving subsidiaries during the term: None
(Changes in specific subsidiaries that affected the scope of consolidation)
- (2) Changes in accounting policies, changes in accounting estimates, and restatements
- Change in accounting policies : Yes
 - Changes not relating to i. : None
 - Changes in accounting estimates : None
 - Restatements : None
- (3) Number of shares issued (common stock)
- Number of shares issued at the fiscal year end (including treasury shares)

FY ended March 31, 2016	31,300,000
FY ended March 31, 2015:	32,200,000
 - Number of treasury shares at the fiscal year end

FY ended March 31, 2016:	1,936,687
FY ended March 31, 2015:	1,914,685
 - Average number of shares outstanding during the period

FY ended March 31, 2016:	30,024,039
FY ended March 31, 2015:	30,496,542

(Reference)

1. Non-Consolidated Results for the Fiscal Year Ended March 31, 2016

(1) Non-Consolidated operating results

(% is comparison to the previous fiscal year)

	Net Sales		Operating Income		Ordinary Income		Profit	
	Millions of Yen	%	Millions of Yen	%	Millions of Yen	%	Millions of Yen	%
FY ended March 31, 2016	68,878	6.5	9,061	14.3	9,526	12.9	7,391	121.3
FY ended March 31, 2015	64,675	9.8	7,925	37.8	8,438	37.2	3,340	(2.5)

	Net Income per Share	Diluted Net Income
	Yen	Yen
FY ended March 31, 2016	246.19	—
FY ended March 31, 2015	109.62	—

(2) Non-Consolidated financial position

	Total Assets	Net Assets	Equity Ratio	Net Assets per Share
	Millions of Yen	Millions of Yen	%	Yen
As of March 31, 2016	56,941	35,872	63.0	1,221.69
As of March 31, 2015	58,483	36,221	61.9	1,195.99

Reference: Shareholders' Equity; as of March 31, 2016: 35,872 million yen
as of March 31, 2015: 36,221 million yen

2. Non-Consolidated Forecasts for the Fiscal Year Ending March 31, 2017

(% is comparison to the same period of previous fiscal year)

	Net Sales		Operating Income		Ordinary Income		Profit		Net Income per Share
	Millions of Yen	%	Millions of Yen	%	Millions of Yen	%	Millions of Yen	%	Yen
Six months ending September 30, 2016	34,000	2.6	3,800	(3.3)	4,300	(2.2)	3,000	(20.0)	102.17
FY ending March 31, 2017	70,200	1.9	8,500	(6.2)	9,000	(5.5)	6,300	(14.8)	214.55

* Disclosure Regarding Audit Procedures

As of the date of disclosure of this earnings release, an audit of the consolidated financial statements according to the Financial Instruments and Exchange Act has not been completed.

* Advice relating to appropriate use of financial forecasts and other relevant information

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, and it is not intended to promise its achievement. Actual results may therefore differ materially from these statements for various reasons. For cautionary notes concerning assumptions for earnings forecasts and use of earning forecasts, please refer to “1. Qualitative Information on the Consolidated Results for the Fiscal Year Ended March 31, 2017,” “(1)-4. Earnings Forecasts”

1. Qualitative Information on the Consolidated Results for the Fiscal Year Ended March 31, 2016

(1) Qualitative Information on the Consolidated Operating Results

Figure 1: Summary ; Consolidated Operating Results

(Millions of yen, rounded down)	FY ended Mar.31, 2015	FY ended Mar.31, 2016				
		First Half	Second Half	Full Year	YoY Amount	Change(%)
Net Sales	82,136	42,143	45,745	87,888	+5,752	+7.0%
Cost of Sales	60,481	31,321	33,340	64,661	+4,180	+6.9%
SG&A Expenses	12,114	6,077	6,275	12,352	+238	+2.0%
Operating Income	9,540	4,744	6,130	10,874	+1,334	+14.0%
Ordinary Income	9,643	4,723	6,122	10,845	+1,202	+12.5%
Profit before income taxes	6,041	5,777	6,087	11,865	+5,824	+96.4%
Profit Attributable to Owners of Parent	3,659	3,798	4,285	8,083	+4,423	+120.9%

(1)-1. Consolidated Operating Results

During the fiscal year under review (from April 1, 2015 to March 31, 2016), the Japanese economy continued to recover at a moderate pace supported by the government's economic and fiscal policies, with growth in capital investment amid an improvement in corporate earnings. However, the outlook remained uncertain due to the slowdowns in the Chinese economy and emerging markets and the appreciation of the yen from the start of this year.

(1)-2. Overview of Consolidated Operating Results

During the fiscal year under review, many leading manufacturers, which are the major clients of the Company, continued investing in technological development looking to the next generation, unaffected by business conditions. Under this environment, companies redoubled their efforts on recruiting, leading to an increase in the number of engineers. The Company proceeded assignment to clients and the number of engineers assigned to clients steadily increased.

As a result, consolidated net sales for the fiscal year under review increased ¥5,752 million, or 7.0%, from a year earlier to ¥87,888 million. Consolidated cost of sales rose ¥4,180 million, or 6.9%, from a year earlier to ¥64,661 million, chiefly because of higher labor costs due to an increase of engineers. Consolidated selling, general and administrative expenses rose ¥238 million, or 2.0%, from a year earlier to ¥12,352 million. As a result, consolidated operating income increased ¥1,334 million, or 14.0%, from a year earlier to ¥10,874 million, and consolidated ordinary income rose ¥1,202 million, or 12.5%, from a year earlier to ¥10,845 million.

Furthermore, the Company recorded extraordinary losses of approximately ¥3,600 million in the previous fiscal year, arising from the suspension of use of training facilities and other facility; however, in the fiscal year under review, the sale of all these facilities was completed, yielding extraordinary income of approximately ¥1,000 million.

As a result of the above, profit attributable to owners of parent increased ¥4,423 million, or 120.9% from a year earlier to ¥8,083 million.

Effective from the fiscal year under review, the Company has adopted the "Accounting Standard for Business Combinations" (ASBJ Statement No. 21, September 13, 2013) and other accounting standards. As a result, former "net income" is now shown as "profit attributable to owners of parent."

(1)-3. Operating Results of Business Segments

Figure 2: Summary ; Results of Three Business Segments

(Millions of yen, rounded down)	Meitec Group (Consolidated)				
		Temporary Staffing Business	Recruiting & Placement Business	Engineering Solutions Business	Eliminations / Corporate
Net Sales	87,888	84,614	1,499	2,005	(230)
Component Ratio	100.0%	96.3%	1.7%	2.3%	(0.3%)
YoY Amount	+5,752	+5,267	+159	+347	(21)
%Change	+7.0%	+6.6%	+11.9%	+21.0%	—
Operating Income	10,874	10,341	467	69	(3)
Component Ratio	100.0%	95.1%	4.3%	0.6%	(0.0%)
YoY Amount	+1,334	+1,195	+79	+57	+1
%Change	+14.0%	+13.1%	+20.6%	+479.4%	—

Figure 3: Meitec Group Temporary Engineer Staffing Business

		FY ended March 31, 2015	FY ended March 31, 2016
MT* ¹ + MF* ²	Period-End Engineering Staff ¹	7,900	8,280
	Utilization ratio (Company-wide)	96.1%	97.0%
	Utilization ratio (Excluding new hires)	98.0%	98.5%
MT* ¹	Period-End Engineering Staff ¹	6,299	6,497
	Of which assigned to internal engineering projects ¹	47	40
	Utilization ratio (Company-wide)	96.1%	97.2%
	Utilization ratio (Excluding new hires)	97.8%	98.3%
	Working Hours	8.93h/day	8.83h/day
MF* ²	Period-End Engineering Staff	1,601	1,783
	Utilization ratio (Company-wide)	96.0%	96.2%
	Utilization ratio (Excluding new hires)	98.7%	98.9%
	Working Hours	9.04h/day	8.97h/day

*1 : Meitec Corporation *2 : Meitec Fielders, Inc.

Note 1: Number of engineers for Meitec does not include engineers who are assigned to our internal engineering projects and lecturer for internal training.

See the Meitec homepage for monthly and quarterly utilization ratio figures:

<http://www.meitec.co.jp/e/ir/financial/index.htm>

(1)-3.i Temporary Staffing Business

Net sales in the Temporary Staffing Business segment for the fiscal year under review increased ¥5,267 million, or 6.6%, from a year earlier to ¥84,614 million. The main reason for the increase was an increase in the number of engineers assigned to clients in the Temporary Staffing Business, which accounts for more than 90% of consolidated net sales, particularly in the professional staffing business for engineers, the core business of this segment. Operating income increased ¥1,195 million, or 13.1%, from a year earlier to ¥10,341 million.

The Company's non-consolidated utilization ratio (overall) maintained a high level of 97.2%, compared with 96.1% in the previous fiscal year, as 299 newly graduated engineers who were hired last year were smoothly assigned to clients, while assignment of existing engineers also progressed smoothly. Moreover, while the order environment continued to be brisk throughout the year, working hours declined to 8.83 hours/day (8.93 hours/day for the previous fiscal year), because of a decline in overtime hours work at some clients and an increase in use of paid leave, etc.

(1)-3.ii Recruiting & Placement Business

The Recruiting & Placement Business segment operates job placement and information portal site businesses for engineers.

Net sales in the Recruiting & Placement Business increased ¥159 million, or 11.9%, from a year earlier to ¥1,499 million, and operating income increased ¥79 million, or 20.6%, to ¥467 million.

Meitec Next achieved sales and profit growth due to a continuing increase in the number of job placements.

(1)-3.iii Engineering Solutions Business

The Engineering Solutions Business segment provides technology support services for printed-circuit board design.

Net sales in the Engineering Solutions Business for the fiscal year under review rose ¥347 million, or 21.0%, from a year earlier to ¥2,005 million, and operating income increased ¥57 million, or 479.4%, to ¥69 million.

Figure 4: Summary ; Meitec Group Results

(Millions of Yen, rounded down)	Temporary Staffing Business				Recruiting & Placement Business			Engineering Solutions Business
	Meitec	Meitec Fielders	Meitec Cast	Meitec EX	Meitec NEXT	all engineer. jp	Meitec Shanghai HR, etc.	Apollo Giken Gr.
Net Sales	68,878	13,327	2,635	68	1,321	133	70	2,005
YoY Amount	+4,202	+1,416	+110	+15	+189	+15	(32)	+347
YoY %	+6.5%	+11.9%	+4.4%	+28.9%	+16.8%	+13.6%	(31.7%)	+20.9%
Operating Income	9,061	1,204	87	(29)	433	50	(33)	68
YoY Amount	+1,135	+130	(10)	(0)	+48	+25	+21	+56
YoY %	+14.3%	+12.2%	(10.7%)	—	+12.5%	+101.6%	—	+479.7%
Ordinary Income	9,526	1,205	87	(27)	433	50	(38)	69
YoY Amount	+1,087	+131	(11)	+0	+48	+22	+13	+54
YoY %	+12.9%	+12.2%	(11.3%)	—	+12.5%	+80.3%	—	+348.0%
Profit	7,391	786	54	(27)	288	44	(41)	67
YoY Amount	+4,051	+137	(2)	+0	+44	+19	+9	+89
YoY %	+121.3%	+21.2%	(3.9%)	—	+18.4%	+80.6%	—	—

Note: On October 1, 2014, Meitec CAE, a consolidated subsidiary, was merged into Meitec. Consequently, for calculating YoY changes, Meitec's results for the first six months of the previous fiscal year do not include Meitec CAE's results.

(1)-4. Earnings Forecasts

Figure 5: Consolidated Forecast (April 1, 2016 to March 31, 2017)

(millions of yen, rounded down)	Net Sales	Operating Income	Ordinary Income	Profit Attributable to Owners of Parent
Forecast for the 1st Half of FYE 3/2017	43,800	4,600	4,600	3,000
Comparison to the 1st Half of FYE 3/2016	+1,656	(144)	(123)	(798)
Forecast for FYE 3/2017	90,500	10,300	10,300	7,000
Comparison to FYE 3/2016	+2,611	(574)	(545)	(1,083)

Figure 6: Non-consolidated Forecast (April 1, 2016 to March 31, 2017)

(millions of yen, rounded down)	Net Sales	Operating Income	Ordinary Income	Profit
Forecast for the 1st Half of FYE 3/2017	34,000	3,800	4,300	3,000
Comparison to the 1st Half of FYE 3/2016	+868	(127)	(95)	(749)
Forecast for FYE 3/2017	70,200	8,500	9,000	6,300
Comparison to FYE 3/2016	+1,321	(561)	(526)	(1,091)

Figure 7: Forecasts for Meitec Group; FY Ending March 31, 2017 (April 1, 2016 to March 31, 2017)

(millions of yen, rounded down)	Net Sales	Operating Income	Ordinary Income	Profit
Meitec Fielders	14,200	1,200	1,200	800
Meitec Cast	2,700	90	90	60
Meitec EX	110	(30)	(30)	(30)
Meitec Next	1,600	460	460	300
all engineer.jp	120	10	10	10
Meitec Shanhai HR, etc.	100	0	0	0
Apollo Giken Gr.	1,900	40	40	30

Figure 8: Prerequisites for the Forecast (April 1, 2016 to March 31, 2017)

	Meitec	Meitec Fielders
Utilization Ratio(Company-wide)	96.7%	94.9%
First Half	95.6%	92.8%
Second Half	97.8%	96.9%
Working Hours	8.83h/day	8.96h/day
Newly graduated hires*	338	182
Mid-career Hire	160	158
Turnover Ratio	4.5%	8.3%

*Number of engineers hired as of April 1, 2016, who were recent graduates

On the premise that the economy will continue its modest recovery, we expect that the number of engineers will increase due to aggressive recruiting activities, and that coordinated sales activities among group companies will expand. We have announced the consolidated earnings forecast for the fiscal year ending March 31, 2017, based on the key performance indicators shown in Figure 8.

As for the consolidated earnings forecast for the fiscal year ending March 31, 2017, we anticipate ¥90,500 million in consolidated net sales (a year-on-year increase of 3.0%), ¥10,300 million in consolidated operating income (a year-on-year decrease of 5.3%), ¥10,300 million in consolidated ordinary income (a year-on-year decrease of 5.0%), and ¥7,000 million in profit attributable to owners of parent (a year-on-year decrease of 13.4%).

(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.

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.

(2) Qualitative Information on the Consolidated Financial Position

(2)-1. Asset, Liabilities and Total Net Assets

Figure 9: Overview of the Consolidated Financial Position

(millions of yen, rounded down)	FY ended March 31, 2015	FY ended March 31, 2016	YoY Amount	Change (%)
Total current assets	51,639	53,104	+1,465	+2.8%
Total non-current assets	13,458	11,363	(2,095)	(15.6%)
Total assets	65,098	64,468	(630)	(1.0%)
Total current liabilities	15,797	13,650	(2,147)	(13.6%)
Total non-current liabilities	11,735	13,212	+1,477	+12.6%
Total liabilities	27,532	26,862	(669)	(2.4%)
Total shareholders' equity	39,619	39,973	+353	+0.9%
Total accumulated other comprehensive income	(2,103)	(2,429)	(326)	-
Non-controlling interests	48	61	+12	+26.2%
Total net assets	37,565	37,605	+39	+0.1%
Total liabilities and net assets	65,098	64,468	(630)	(1.0%)

(2)-1.i Assets

Total consolidated assets at the end of the fiscal year (March 31, 2016) decreased ¥630 million from March 31, 2015 to ¥64,468 million. This reflected an increase of ¥1,465 million in current assets from the previous fiscal year-end, and a decrease of ¥2,095 million in non-current assets from the previous fiscal year-end.

The increase in current assets was mainly due to increases in notes and accounts receivable-trade and cash and deposits, while the decline in non-current assets was mainly due to the sale of disused training facilities.

(2)-1.ii Liabilities

Total consolidated liabilities as of March 31, 2016 decreased ¥669 million from March 31, 2015 to ¥26,862 million. This mainly reflects a decrease of ¥2,147 million in current liabilities from the previous fiscal year-end and an increase of ¥1,477 million in non-current liabilities.

The decrease in current liabilities was primarily due to decreases in accrued consumption taxes and income taxes payable, along with other factors, while the increase in non-current liabilities was mainly due to factors such as an increase in net defined benefit liability.

(2)-1.iii Net Assets

Total consolidated net assets as of March 31, 2016 increased ¥39 million from March 31, 2015 to ¥37,605 million. This mainly reflected an increase in profit due to business performance in the fiscal year under review, offset by the payment of dividends and purchase of treasury shares.

(2)-2. Cash Flow-Related Indicators

Figure 10: Cash Flow-Related Indicators

	FYE Mar-12	FYE Mar-13	FYE Mar-14	FYE Mar-15	FYE Mar-16
Equity Ratio	64.5%	66.1%	58.8%	57.6%	58.2%
Equity Ratio on a Market Value Basis	94.8%	133.3%	145.7%	187.3%	179.2%
Ratio of Interest-bearing Debt to Operating Cash Flow	—	—	—	—	—
Interest Coverage Ratio	—	—	—	—	—

Equity Ratio:

Shareholders' Equity / Total Assets

Equity Ratio on a Market Value Basis:

Market Capitalization / Total Assets

Ratio of Interest-bearing Debt to Operating Cash Flow:

Interest-bearing Debt / Operating Cash Flow

Interest Coverage Ratio:

Operating Cash Flow / Interest Payments

Notes

1. All figures have been calculated based on consolidated financial amounts.
2. Total market value of shares was calculated based on the total number of shares issued excluding treasury shares.
3. Interest-bearing debt includes all liabilities recorded on the consolidated balance sheets that company pays interest.

Consolidated cash and cash equivalents (hereinafter, "cash") as of March 31, 2016 increased by ¥640 million compared to the previous fiscal year-end to ¥35,413 million.

The situation and factors related to cash flows for the fiscal year under review are as follows:

(2)-2.i Cash Flow from Operating Activities

Cash gained from operating activities declined by ¥1,523 million compared to the previous fiscal year to ¥6,910 million.

The cash gained was primarily due to profit before income taxes.

(2)-2.ii Cash Flow from Investing Activities

Cash gained in investing activities was ¥1,487 million (¥275 million was used in the previous fiscal year).

The cash gained was largely attributable to ¥2,093 million in proceeds from sales of property, plant and equipment.

(2)-2.iii Cash Flow from Financing Activities

Cash used in financing activities increased by ¥4,256 million compared to the previous fiscal year to ¥7,752 million.

Major uses of cash included ¥3,808 million in purchase of treasury shares and ¥3,932 million in cash dividends paid.

(2)-3. Forecast for the Fiscal Year Ending March 31, 2017

By steadily implementing the various measures aimed at achieving our plans, we expect to secure sufficient cash flows to achieve our performance forecasts, and do not anticipate any significant change from the current financial position.

(3) Basic Policy Regarding Profit Distribution, and Dividend Outlook

(3)-1. Basic Policy Regarding Profit Distribution

The company's objective is to maximize the shareholders return in mid to long term through realizing the sustainable growth of the company. The basic policy of the Company is to distribute profit in accordance with operating results. In view of maximizing shareholder's return in mid to long term, unless major investment demands are expected, total return ratio to be within 100% for the total shareholders return by dividend and acquisition of treasury shares.

Payout ratio for the dividend to be equal or more than 50%, and interim dividend and year-end dividend are to be paid. Minimum level of payout ratio is to be consolidated Dividend on Equity ratio (DOE) 5%.

The amount of working capital required to continue our business has been set at the equivalent of three (3) months of consolidated net sales in our group cash management plan. Therefore acquisition of treasury shares will be executed with consideration of our total return ratio if the consolidated cash position at the end of previous fiscal year exceeds the three (3) month net sales and there are no major investment demands expected.

Treasury shares will be continued to be held by the company up to two million (2,000,000) shares. Treasury shares in excess of two million (2,000,000) shares will be retired by the end of the fiscal year.

(Note)

Total Return Ratio = Total shareholders return for the year / Profit Attributable to Owners of Parent

Total Shareholders Return for Year = Total dividend paid (interim and year end) + Amount used to acquire the treasury shares during the fiscal year

Payout Ratio = Total dividend paid (interim and year end) / Profit Attributable to Owners of Parent

Dividend on Equity Ratio (DOE) = Dividend / consolidated shareholder's equity

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

* Working capital is determined according to such factors as account receivables.

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.

Figure 11: Results and Forecast of Dividend per Share

	1st Quarter	2nd Quarter	3rd Quarter	Year-end	Full Year
FY ended March 31, 2015	—	44.00	—	67.00	111.00
FY ended March 31, 2016	—	63.00	—	81.00	144.00
FY ending March 31, 2017 (Forecast)	—	51.50	—	68.50	120.00

(Note) Details of year-end dividends for the year ended Mar. 31, 2015:

Regular dividends 91.00 yen, Commemorative dividends 20.00 yen (40th anniversary commemorative dividends)

(3)-2. Dividends for the Subject Fiscal Year

Based on the fact that the utilization ratio exceeded the Company's forecast, and profit attributable to owners of parent in the second half of the fiscal year was higher than projected, the year-end dividend for the fiscal year ended March 31, 2016 is ¥81 per share in line with the basic policy on profit distribution.

Combined with the interim dividend of ¥63 per share, the annual dividend is ¥144 per share, an increase of ¥33 from the previous fiscal year. The payout ratio is 53.5%.

(3)-3. Dividend Forecast for the Fiscal Year Ending March 31, 2017

For the fiscal year ending March 31, 2017, the Company forecasts an annual dividend of ¥120 per share, equivalent to a 50% payout ratio of profit attributable to owners of parent based on the performance forecast under the basic policy of profit distribution. The total dividend payment is expected to be around ¥3,500 million.

The Company forecasts an interim dividend of ¥51.50 per share, and a year-end dividend of ¥68.50 per share.

(3)-4. Treasury Share Acquisition for the Fiscal Year Ending March 31, 2016

Since the consolidated cash position at the previous year end exceeded an amount equivalent to net sales for three months and no major investment demand is expected, we plan to execute the acquisition of treasury stock amounting to ¥3,500 million during the fiscal year ending March 2016, which is within the amount equivalent to a total return ratio of 100%, in accordance with our profit distribution policy.

Total Return Ratio 100% = (total amount of expected dividend: nearly ¥3,500 million + total amount to be used for the acquisition of the treasury stock: ¥3,500 million) / profit attributable to owners of parent: ¥7,000 million

2. Management Policies

(1) Basic Policy on Company Management

Since there is no significant change to “Basic Policy on Company Management” which was disclosed by the Financial Highlights for the Fiscal Year ended March 31, 2014 on May 8, 2014, it is omitted.
Please see below URL for the financial highlights.

Meitec Homepage

<http://www.meitec.co.jp/e/news/2011/tabid/687/Default.aspx>

Japan Exchange Group Tokyo Stock Exchange’s Listed Company Search

<http://www.jpx.co.jp/english/listing/co-search/index.html>

(2) Medium- to Long-Term Company Management Strategies and Target Indicators

Since there is no significant change to “Basic Policy on Company Management” which was disclosed by the Financial Highlights for the Fiscal Year ended March 31, 2014 on May 8, 2014, it is omitted.
Please see below URL for the financial highlights.

Meitec Homepage

<http://www.meitec.co.jp/e/news/2011/tabid/687/Default.aspx>

Japan Exchange Group Tokyo Stock Exchange’s Listed Company Search

<http://www.jpx.co.jp/english/listing/co-search/index.html>

(3) Issues to Be Addressed

Since there is no significant change to “Basic Policy on Company Management” which was disclosed by the Financial Highlights for the Fiscal Year ended March 31, 2014 on May 8, 2014, it is omitted.
Please see below URL for the financial highlights.

Meitec Homepage

<http://www.meitec.co.jp/e/news/2011/tabid/687/Default.aspx>

Japan Exchange Group Tokyo Stock Exchange’s Listed Company Search

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3. Basic Concept Regarding the Selection of Accounting Standards

The Company will continue to adopt the Japanese generally accepted accounting standards in the near term, as Meitec Group’s operations are centered on the domestic market. However, going forward, the Company will continue to study the selection of accounting standards, basing its considerations on factors such as investors’ demands as well as trends regarding the adoption of IFRS (International Financial Reporting Standards) by other Japanese companies.

4. Consolidated Financial Statements
(1) Consolidated Balance Sheets

(Thousands of Yen)

	Fiscal year ended March 31, 2015	Fiscal year ended March 31, 2016
Assets		
Current assets		
Cash and deposits	34,773,112	35,413,980
Notes and accounts receivable - trade	12,858,068	13,823,668
Work in process	292,824	253,121
Deferred tax assets	2,495,163	2,442,144
Other	1,223,399	1,172,592
Allowance for doubtful accounts	(2,950)	(659)
Total current assets	51,639,617	53,104,848
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	4,069,807	3,932,414
Tools, furniture and fixtures, net	272,405	267,406
Land	2,859,225	1,487,374
Other, net	6,409	34,020
Total property, plant and equipment	7,207,847	5,721,215
Intangible assets		
Software	481,749	453,808
Other	219,310	291,065
Total intangible assets	701,060	744,873
Investments and other assets		
Investment securities	80,669	70,621
Net defined benefit asset	13,948	14,234
Deferred tax assets	4,886,633	4,174,510
Other	595,420	664,059
Allowance for doubtful accounts	(26,875)	(26,116)
Total investments and other assets	5,549,796	4,897,309
Total non-current assets	13,458,703	11,363,398
Total assets	65,098,321	64,468,247

(Thousands of Yen)

	Fiscal year ended March 31, 2015	Fiscal year ended March 31, 2016
Liabilities		
Current liabilities		
Accounts payable - trade	145,185	236,270
Accrued expenses	3,315,265	3,009,652
Income taxes payable	2,189,512	1,262,313
Accrued consumption taxes	3,083,257	1,412,475
Provision for directors' bonuses	80,509	168,466
Provision for bonuses	5,955,984	6,446,314
Provision for loss on liquidation of subsidiaries and associates	5,859	—
Other	1,021,872	1,114,810
Total current liabilities	15,797,445	13,650,303
Non-current liabilities		
Net defined benefit liability	11,709,194	13,195,915
Other	26,023	16,603
Total non-current liabilities	11,735,218	13,212,519
Total liabilities	27,532,663	26,862,822
Net assets		
Shareholders' equity		
Capital stock	16,825,881	16,825,881
Capital surplus	7,275,447	4,491,970
Retained earnings	20,488,993	24,645,186
Treasury shares	(4,970,365)	(5,989,693)
Total shareholders' equity	39,619,957	39,973,345
Accumulated other comprehensive income		
Revaluation reserve for land	(646,046)	(662,440)
Foreign currency translation adjustment	(579)	8,833
Remeasurements of defined benefit plans	(1,456,612)	(1,776,060)
Total accumulated other comprehensive income	(2,103,238)	(2,429,668)
Non-controlling interests	48,938	61,747
Total net assets	37,565,657	37,605,424
Total liabilities and net assets	65,098,321	64,468,247

(2) Consolidated Statements of Income and Comprehensive Income
(Consolidated Statements of Income)

(Thousands of Yen)

	Fiscal year ended March 31, 2015	Fiscal year ended March 31, 2016
Net sales	82,136,046	87,888,926
Cost of sales	60,481,056	64,661,865
Gross profit	21,654,989	23,227,060
Selling, general and administrative expenses	12,114,265	12,352,273
Operating income	9,540,724	10,874,786
Non-operating income		
Interest income	7,534	10,486
Dividend income	1,629	75
Rent income	6,884	4,088
Gain on sales of Supplies	67,664	—
Other	29,529	14,891
Total non-operating income	113,241	29,540
Non-operating expenses		
Loss on investments in partnership	1,035	10,032
Commitment fee	4,260	3,444
Commission fee	3,859	5,351
Taxes and dues	—	26,135
Other	1,750	13,894
Total non-operating expenses	10,906	58,858
Ordinary income	9,643,059	10,845,468
Extraordinary income		
Gain on sales of non-current assets	—	1,084,965
Gain on sales of investment securities	12,470	—
Gain on sales of golf memberships	7,550	—
Total extraordinary income	20,020	1,084,965
Extraordinary losses		
Loss on sales of non-current assets	219	9,505
Loss on retirement of non-current assets	5,229	3,838
Impairment loss	3,615,115	32,815
Loss on liquidation of subsidiaries and associates	—	18,910
Other	1,346	—
Total extraordinary losses	3,621,910	65,069
Profit before income taxes	6,041,169	11,865,364
Income taxes - current	3,660,788	2,891,197
Income taxes - deferred	(1,282,515)	877,567
Total income taxes	2,378,272	3,768,764
Profit	3,662,896	8,096,600
Profit attributable to non-controlling interests	3,025	12,838
Profit attributable to owners of parent	3,659,870	8,083,761

(Consolidated Statements of Comprehensive Income)

(Thousands of Yen)

	Fiscal year ended March 31, 2015	Fiscal year ended March 31, 2016
Profit	3,662,896	8,096,600
Other comprehensive income		
Valuation difference on available-for-sale securities	(3,041)	—
Foreign currency translation adjustment	6,207	6,016
Remeasurements of defined benefit plans, net of tax	(181,411)	(319,447)
Total other comprehensive income	(178,246)	(313,431)
Comprehensive income	3,484,650	7,783,168
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	3,481,743	7,770,295
Comprehensive income attributable to non-controlling interests	2,907	12,872

(3) Consolidated Statements of Changes in Equity
Fiscal year ended March 31, 2015

(Thousands of Yen)

	Shareholders' equity				
	Capital stock	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of current period	16,825,881	8,054,223	18,264,262	(4,844,452)	38,299,915
Cumulative effects of changes in accounting policies			1,379,045		1,379,045
Restated balance	16,825,881	8,054,223	19,643,307	(4,844,452)	39,678,960
Changes of items during period					
Dividends of surplus			(2,581,917)		(2,581,917)
Profit attributable to owners of parent			3,659,870		3,659,870
Reversal of revaluation reserve for land			(232,266)		(232,266)
Purchase of treasury shares				(904,689)	(904,689)
Retirement of treasury shares		(778,775)		778,775	—
Net changes of items other than shareholders' equity					
Total changes of items during period	—	(778,775)	845,685	(125,913)	(59,003)
Balance at end of current period	16,825,881	7,275,447	20,488,993	(4,970,365)	39,619,957

	Accumulated other comprehensive income					Non-controlling interests	Total net assets
	Valuation difference on available-for-sale securities	Revaluation reserve for land	Foreign currency translation adjustment	Remeasurements of defined benefit plans	Total accumulated other comprehensive income		
Balance at beginning of current period	3,041	(878,313)	(6,905)	(1,275,200)	(2,157,377)	46,031	36,188,569
Cumulative effects of changes in accounting policies							1,379,045
Restated balance	3,041	(878,313)	(6,905)	(1,275,200)	(2,157,377)	46,031	37,567,614
Changes of items during period							
Dividends of surplus							(2,581,917)
Profit attributable to owners of parent							3,659,870
Reversal of revaluation reserve for land							(232,266)
Purchase of treasury shares							(904,689)
Retirement of treasury shares							—
Net changes of items other than shareholders' equity	(3,041)	232,266	6,325	(181,411)	54,139	2,907	57,046
Total changes of items during period	(3,041)	232,266	6,325	(181,411)	54,139	2,907	(1,956)
Balance at end of current period	—	(646,046)	(579)	(1,456,612)	(2,103,238)	48,938	37,565,657

Fiscal year ended March 31, 2016

(Thousands of Yen)

	Shareholders' equity				
	Capital stock	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of current period	16,825,881	7,275,447	20,488,993	(4,970,365)	39,619,957
Changes of items during period					
Dividends of surplus			(3,937,063)		(3,937,063)
Profit attributable to owners of parent			8,083,761		8,083,761
Reversal of revaluation reserve for land			16,394		16,394
Purchase of treasury shares				(3,802,804)	(3,802,804)
Retirement of treasury shares		(2,783,477)		2,783,477	—
Change of scope of consolidation			(6,899)		(6,899)
Net changes of items other than shareholders' equity					
Total changes of items during period	—	(2,783,477)	4,156,192	(1,019,327)	353,388
Balance at end of current period	16,825,881	4,491,970	24,645,186	(5,989,693)	39,973,345

	Accumulated other comprehensive income				Non-controlling interests	Total net assets
	Revaluation reserve for land	Foreign currency translation adjustment	Remeasurements of defined benefit plans	Total accumulated other comprehensive income		
Balance at beginning of current period	(646,046)	(579)	(1,456,612)	(2,103,238)	48,938	37,565,657
Changes of items during period						
Dividends of surplus						(3,937,063)
Profit attributable to owners of parent						8,083,761
Reversal of revaluation reserve for land						16,394
Purchase of treasury shares						(3,802,804)
Retirement of treasury shares						—
Change of scope of consolidation						(6,899)
Net changes of items other than shareholders' equity	(16,394)	9,412	(319,447)	(326,429)	12,808	(313,621)
Total changes of items during period	(16,394)	9,412	(319,447)	(326,429)	12,808	39,766
Balance at end of current period	(662,440)	8,833	(1,776,060)	(2,429,668)	61,747	37,605,424

(4) Consolidated Statements of Cash Flows

	(Thousands of Yen)	
	Fiscal year ended March 31, 2015	Fiscal year ended March 31, 2016
Cash flows from operating activities		
Profit before income taxes	6,041,169	11,865,364
Depreciation	548,253	454,521
Impairment loss	3,615,115	32,815
Increase (decrease) in allowance for doubtful accounts	(4,192)	(3,050)
Increase (decrease) in provision for directors' bonuses	(4,490)	87,957
Increase (decrease) in provision for bonuses	635,313	485,792
Increase (decrease) in net defined benefit liability	1,061,089	1,053,351
Increase (decrease) in net defined benefit asset	(13,948)	(285)
Increase (decrease) in provision for loss on liquidation of subsidiaries and associates	(64,958)	(5,859)
Interest and dividend income	(9,163)	(10,561)
Loss on retirement of non-current assets	5,229	3,838
Loss (gain) on sales of investment securities	(12,470)	—
Loss (gain) on sales of non-current assets	219	(1,075,459)
Loss (gain) on investments in partnership	1,035	10,032
Decrease (increase) in notes and accounts receivable - trade	(1,560,720)	(965,613)
Loss (gain) on sales of golf club memberships	(7,550)	—
Decrease (increase) in inventories	(49,721)	39,702
Decrease (increase) in other current assets	(248,586)	7,841
Increase (decrease) in notes and accounts payable - trade	47,512	91,085
Increase (decrease) in accrued expenses	268,203	149,841
Increase (decrease) in accrued consumption taxes	2,333,053	(1,670,766)
Increase (decrease) in other current liabilities	5,661	106,471
Other, net	13,424	92,620
Subtotal	12,599,476	10,749,639
Interest and dividend income received	9,107	10,120
Income taxes paid	(4,197,361)	(3,898,632)
Income taxes refund	23,403	49,846
Net cash provided by (used in) operating activities	8,434,626	6,910,973
Cash flows from investing activities		
Purchase of property, plant and equipment	(112,866)	(186,720)
Proceeds from sales of property, plant and equipment	677	2,093,944
Purchase of intangible assets	(236,782)	(224,442)
Payments for retirement of non-current assets	(309)	(108,024)
Proceeds from sales of investment securities	59,972	—
Decrease (increase) in other investments	13,907	(86,946)
Net cash provided by (used in) investing activities	(275,401)	1,487,809
Cash flows from financing activities		
Purchase of treasury shares	(908,548)	(3,808,116)
Cash dividends paid	(2,580,502)	(3,932,533)
Other, net	(6,824)	(12,191)
Net cash provided by (used in) financing activities	(3,495,875)	(7,752,841)
Effect of exchange rate change on cash and cash equivalents	5,531	(2,138)
Net increase (decrease) in cash and cash equivalents	4,668,881	643,802
Cash and cash equivalents at beginning of period	30,104,230	34,773,112
Increase (decrease) in cash and cash equivalents resulting from change of scope of consolidation	—	(2,934)
Cash and cash equivalents at end of period	34,773,112	35,413,980

5. Non-Consolidated Financial Statements
(1) Non-Consolidated Balance Sheets

(Thousands of Yen)

	Fiscal year ended March 31, 2015	Fiscal year ended March 31, 2016
Assets		
Current assets		
Cash and deposits	30,432,418	30,700,279
Notes receivable - trade	5,483	641,769
Accounts receivable - trade	10,446,436	10,235,091
Work in process	197,497	129,460
Prepaid expenses	467,917	448,316
Deferred tax assets	1,986,772	1,895,388
Short-term loans receivable from subsidiaries and associates	25,000	—
Other	695,194	655,150
Allowance for doubtful accounts	(2,116)	—
Total current assets	44,254,604	44,705,457
Non-current assets		
Property, plant and equipment		
Buildings, net	4,040,514	3,903,579
Structures, net	19,796	20,530
Tools, furniture and fixtures, net	261,367	263,285
Land	2,859,225	1,487,374
Construction in progress	—	28,974
Other	0	—
Total property, plant and equipment	7,180,904	5,703,744
Intangible assets		
Software	448,999	417,310
Other	205,702	280,520
Total intangible assets	654,702	697,831
Investments and other assets		
Investment securities	80,669	70,621
Shares of subsidiaries and associates	1,299,325	1,359,325
Investments in capital of subsidiaries and associates	119,742	150,489
Long-term loans receivable from subsidiaries and associates	165,000	283,000
Deferred tax assets	4,191,681	3,367,123
Guarantee deposits	526,093	563,774
Other	20,358	50,404
Allowance for doubtful accounts	(10,023)	(9,957)
Total investments and other assets	6,392,847	5,834,781
Total non-current assets	14,228,455	12,236,357
Total assets	58,483,060	56,941,814

(Thousands of Yen)

	Fiscal year ended March 31, 2015	Fiscal year ended March 31, 2016
Liabilities		
Current liabilities		
Accounts payable - other	651,033	643,056
Accrued expenses	2,672,055	2,312,511
Income taxes payable	1,829,947	912,046
Accrued consumption taxes	2,459,254	1,090,875
Provision for directors' bonuses	74,000	165,000
Provision for bonuses	4,673,596	4,965,129
Other	288,620	305,747
Total current liabilities	12,648,507	10,394,365
Non-current liabilities		
Provision for retirement benefits	9,537,548	10,589,741
Allowance for investment loss	72,943	84,977
Other	3,057	—
Total non-current liabilities	9,613,549	10,674,718
Total liabilities	22,262,057	21,069,084
Net assets		
Shareholders' equity		
Capital stock	16,825,881	16,825,881
Capital surplus		
Legal capital surplus	4,210,000	4,210,000
Other capital surplus	3,065,447	281,970
Total capital surpluses	7,275,447	4,491,970
Retained earnings		
Other retained earnings		
Retained earnings brought forward	17,736,085	21,207,011
Total retained earnings	17,736,085	21,207,011
Treasury shares	(4,970,365)	(5,989,693)
Total shareholders' equity	36,867,048	36,535,170
Valuation and translation adjustments		
Revaluation reserve for land	(646,046)	(662,440)
Total valuation and translation adjustments	(646,046)	(662,440)
Total net assets	36,221,002	35,872,729
Total liabilities and net assets	58,483,060	56,941,814

(2) Non-Consolidated Statements of Operations

(Thousands of Yen)

	Fiscal year ended March 31, 2015	Fiscal year ended March 31, 2016
Net sales	64,675,554	68,878,517
Cost of sales	47,857,964	50,884,409
Gross profit	16,817,589	17,994,107
Selling, general and administrative expenses	8,891,986	8,932,517
Operating income	7,925,603	9,061,590
Non-operating income		
Interest income	8,356	11,652
Dividend income	409,454	475,316
Gain on sales of Supplies	67,664	—
Other	37,814	30,274
Total non-operating income	523,288	517,243
Non-operating expenses		
Interest expenses	326	—
Loss on investments in partnership	1,035	10,032
Commitment fee	4,260	3,444
Commission fee	3,859	5,351
Taxes and dues	—	26,135
Other	1,114	7,858
Total non-operating expenses	10,596	52,822
Ordinary income	8,438,295	9,526,011
Extraordinary income		
Gain on sales of non-current assets	—	1,084,965
Gain on sales of investment securities	12,470	—
Reversal of allowance for investment loss	11,064	—
Gain on extinguishment of tie-in shares	300,574	—
Other	—	3,191
Total extraordinary income	324,109	1,088,157
Extraordinary losses		
Loss on sales of non-current assets	79	9,456
Impairment loss	3,606,013	25,655
Provision of allowance for investment loss	—	12,033
Loss on valuation of shares of subsidiaries and associates	62,509	—
Other	4,724	3,838
Total extraordinary losses	3,673,327	50,984
Profit before income taxes	5,089,077	10,563,184
Income taxes - current	3,002,324	2,255,647
Income taxes - deferred	(1,253,322)	915,942
Total income taxes	1,749,002	3,171,589
Profit	3,340,075	7,391,595

6. Other

(1) Changes in Officers

None

(2) Other

None