



## Consolidated Financial Report For the Three Months Ended June 30, 2023

July 27, 2023

Company Name: Meitec Corporation  
Representative: Hideyo Kokubun  
President, Group CEO  
Code No.: 9744 TSE Prime Market

[Fractions of one million yen are rounded down]

### 1. Consolidated Results for the 1st Quarter (April 1, 2023 to June 30, 2023)

#### (1) Consolidated operating results

(% is comparison to the previous fiscal year)

	Net Sales		Operating Profit		Ordinary Profit		Profit Attributable to Owners of Parent	
	Millions of Yen	%	Millions of Yen	%	Millions of Yen	%	Millions of Yen	%
Three months ended June 30, 2023	31,302	9.3	4,238	13.8	4,225	12.9	2,638	11.3
Three months ended June 30, 2022	28,632	13.6	3,725	45.9	3,741	44.9	2,370	47.5

(Note) Comprehensive Income; Three months ended June 30, 2023: 2,669 million yen [ 10.7% ]  
Three months ended June 30, 2022: 2,410 million yen [ 44.1% ]

	Earnings per Share	Diluted Net Income per Share
	Yen	Yen
Three months ended June 30, 2023	33.65	—
Three months ended June 30, 2022	29.58	—

(Note) The Company conducted a share split with a ratio of three shares for one share of common stock on July 1, 2022. Earnings per share is calculated assuming the share split to have been conducted at the start of the previous fiscal year.

#### (2) Consolidated financial position

	Total Assets	Net Assets	Equity Ratio
	Millions of Yen	Millions of Yen	%
As of June 30, 2023	79,686	44,447	55.8
As of March 31, 2023	84,576	46,719	55.2

Reference: Shareholders' Equity; as of June 30, 2023: 44,447 million yen  
as of March 31, 2023: 46,719 million yen

### 2. Dividends

	Annual Dividends per Share				
	1st Quarter	2nd Quarter	3rd Quarter	Year-end	Total
	Yen	Yen	Yen	Yen	Yen
FY ended March 31, 2023	—	39.00	—	63.00	102.00
FY ending March 31, 2024	—				
FY ending March 31, 2024 (Forecast)		40.00	—	49.00	89.00

(Note) Revision of dividends forecast from recent forecast: None

(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.

### 3. Consolidated Forecasts for Fiscal Year ending March 31, 2024

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

	Net Sales		Operating Profit		Ordinary Profit		Profit Attributable to Owners of Parent		Earnings per Share
	Millions of Yen	%	Millions of Yen	%	Millions of Yen	%	Millions of Yen	%	Yen
Six months ending September 30, 2023	62,400	7.5	7,800	2.8	7,900	3.5	5,200	1.8	66.31
FY ending March 31, 2024	126,500	6.2	16,800	2.0	16,800	1.6	11,500	(6.1)	146.64

(Note) Revision of performance forecast from recent forecast: None

### Notes to Financial Statements

- (1) Significant changes involving subsidiaries during the term: Yes  
(Changes in specific subsidiaries that affected the scope of consolidation)  
Newly consolidated: 1 (MEITEC SPLIT PREPARATORY COMPANY)
- (2) Adoption of special accounting treatment for preparing quarterly consolidated financial statements: Yes
- (3) Changes in accounting policies, changes in accounting estimates, and restatements
- i. Change in accounting policies : None
  - ii. Changes not relating to i. : None
  - iii. Changes in accounting estimates : None
  - iv. Restatements : None

- (4) Number of shares issued (common stock)
- i. Number of shares issued at the fiscal year end (including treasury shares)
    - 1st quarter ended June 30, 2023: 82,500,000
    - FY ended March 31, 2023: 82,500,000
  - ii. Number of treasury shares at the fiscal year end
    - 1st quarter ended June 30, 2023: 4,078,465
    - FY ended March 31, 2023: 4,078,400
  - iii. Average number of shares outstanding during the period (first quarter cumulative)
    - 1st quarter ended June 30, 2023: 78,421,587
    - 1st quarter ended June 30, 2022: 80,125,788

(Note) The Company conducted a share split with a ratio of three shares for one share of common stock on July 1, 2022. Number of shares issued at the fiscal year end, number of treasury shares at the fiscal year end, and average number of shares outstanding during the period have been calculated assuming the share split to have been conducted at the start of the previous fiscal year.

**\* This report is not included in the scope of the audit or the certified public accountant.**

**\* 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. 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.

## 1. Qualitative Information on the Consolidated Results for the 1st Quarter

### Qualitative Information on the Consolidated Operating Results

During the first quarter of the current fiscal year (the three months from April 1, 2023 to June 30, 2023), the legal status of COVID-19 was downgraded to Category V, and economic and social activity was normalizing. However, the economic outlook remained uncertain as a tense international situation, increases in the prices of resources, and other factors continued.

As a result of investment in technological development focused on the next generation of products by the leading manufacturers that constitute the Company's major clients, the order environment was strong.

Under these circumstances, as a result of the Company continuing proactive recruitment with an eye on medium- and long-term growth, the number of engineers across the Group increased, including 824 (MT: 459, MF: 365) newly graduated employees joining the Group in April 2023. In addition, as a result of steady progress in assignments of both new and existing employees in response to orders, the Company achieved both an increase in the number of engineers assigned to clients and improvement in the utilization ratio. Note that working hours decreased slightly year on year, mainly due to a decrease in overtime work.

Mainly due to these factors, consolidated net sales for the period under review increased ¥2,670 million, or 9.3%, from a year earlier to ¥31,302 million. Consolidated cost of sales increased ¥1,992 million, or 9.5%, from a year earlier to ¥22,889 million, due mainly to an increase in labor expenses associated with growth in the number of engineers, and consolidated selling, general and administrative expenses increased ¥164 million, or 4.1%, from a year earlier to ¥4,175 million. As a result, consolidated operating profit increased ¥512 million, or 13.8%, from a year earlier to ¥4,238 million.

Consolidated ordinary profit increased ¥483 million, or 12.9%, from a year earlier to ¥4,225 million, while profit attributable to owners of parent increased ¥268 million, or 11.3%, from a year earlier to ¥2,638 million.

For details, please refer to "Results for the 1st Quarter of the Fiscal Year Ending March 31, 2024" released today on the Company's website.

2. Consolidated Financial Statements  
(1) Consolidated Balance Sheets

(Millions of Yen)

	Fiscal year ended Mar. 31, 2023	The 1st Quarter ended Jun. 30, 2023
<b>Assets</b>		
Current assets		
Cash and deposits	51,028	45,058
Notes and accounts receivable - trade	17,354	18,250
Work in process	172	240
Other	928	1,038
<b>Total current assets</b>	<b>69,484</b>	<b>64,587</b>
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	3,124	3,081
Other, net	1,661	1,653
<b>Total property, plant and equipment</b>	<b>4,785</b>	<b>4,735</b>
Intangible assets		
Other	369	344
<b>Total intangible assets</b>	<b>369</b>	<b>344</b>
Investments and other assets		
Deferred tax assets	8,994	8,980
Other	944	1,041
Allowance for doubtful accounts	(2)	(2)
<b>Total investments and other assets</b>	<b>9,935</b>	<b>10,019</b>
<b>Total non-current assets</b>	<b>15,091</b>	<b>15,098</b>
<b>Total assets</b>	<b>84,576</b>	<b>79,686</b>
<b>Liabilities</b>		
Current liabilities		
Income taxes payable	2,694	1,436
Provision for bonuses for directors (and other officers)	181	64
Provision for bonuses	9,955	4,986
Other	7,993	11,637
<b>Total current liabilities</b>	<b>20,824</b>	<b>18,125</b>
Non-current liabilities		
Retirement benefit liability	17,032	17,113
<b>Total non-current liabilities</b>	<b>17,032</b>	<b>17,113</b>
<b>Total liabilities</b>	<b>37,856</b>	<b>35,238</b>
<b>Net assets</b>		
Shareholders' equity		
Share capital	5,000	5,000
Capital surplus	1,259	1,259
Retained earnings	49,207	46,905
Treasury shares	(7,795)	(7,796)
<b>Total shareholders' equity</b>	<b>47,671</b>	<b>45,369</b>
Accumulated other comprehensive income		
Revaluation reserve for land	(662)	(662)
Remeasurements of defined benefit plans	(289)	(259)
<b>Total accumulated other comprehensive income</b>	<b>(951)</b>	<b>(921)</b>
<b>Total net assets</b>	<b>46,719</b>	<b>44,447</b>
<b>Total liabilities and net assets</b>	<b>84,576</b>	<b>79,686</b>

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

(Millions of Yen)

	The 1st Quarter ended Jun. 30, 2022	The 1st Quarter ended Jun. 30, 2023
Net sales	28,632	31,302
Cost of sales	20,896	22,889
Gross profit	7,736	8,413
Selling, general and administrative expenses	4,010	4,175
Operating profit	3,725	4,238
Non-operating income		
Interest income	0	0
Subsidy income	14	3
Other	1	1
Total non-operating income	15	4
Non-operating expenses		
Commitment fees	0	0
Other	0	17
Total non-operating expenses	0	18
Ordinary profit	3,741	4,225
Extraordinary losses		
Loss on retirement of non-current assets	0	0
Total extraordinary losses	0	0
Profit before income taxes	3,740	4,224
Income taxes	1,370	1,585
Profit	2,370	2,638
Profit attributable to owners of parent	2,370	2,638

(Consolidated Statements of Comprehensive Income)

(Millions of Yen)

	The 1st Quarter ended Jun. 30, 2022	The 1st Quarter ended Jun. 30, 2023
Profit	2,370	2,638
Other comprehensive income		
Remeasurements of defined benefit plans, net of tax	39	30
Total other comprehensive income	39	30
Comprehensive income	2,410	2,669
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	2,410	2,669

*(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.*

(3) Notes to Quaterly Financial Statements

(3)-1 Notes to Financial Statements Regarding Going Concern: None

(3)-2 Significant changes in shareholders' equity: None

(3)-3 Application of special accounting for preparing quarterly consolidated financial statements

Tax expenses

Tax expenses are calculated by multiplying the profit before income taxes by the reasonably estimated effective tax rates after the application of tax effect accounting to the profit before income taxes for the fiscal year including the first quarter ended June 30, 2023.

(3)-4 Additional Information

There has been no material change in the assumptions regarding the impact of the spread of COVID-19 stated in (Additional Information) of the Company's annual securities report for the fiscal year ended March 31, 2023.