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Security code: 9744

May 29, 2024

(Start Date of Matters Related to Electronic Provision Measures: May 28, 2024)

Meitec Group Holdings Inc.  
15-1, Morinosatoaoyama, Atsugi-shi, Kanagawa, Japan  
President and CEO: Masato Uemura

Notice of Convocation of the 51th Annual General Meeting of Shareholders

To Our Shareholders:

Meitec Group Holdings Inc. (the Company) will hold the 51th Annual General Meeting of Shareholders as follows.

This Notice of Convocation of the General Meeting of Shareholders is posted on the Company's website in the section, "Notice of Convocation of the 51th Annual General Meeting of Shareholders." Please access the Company's website indicated below to confirm.

The Company's website:

[https://www.meitecgroup-holdings.com/en/ir/stock/general\\_meeting.html](https://www.meitecgroup-holdings.com/en/ir/stock/general_meeting.html)

In addition to the above-mentioned website, this Notice of Convocation of the General Meeting of Shareholders is also posted on the Tokyo Stock Exchange, Inc. (TSE) website. If it is not possible to access the Company's website, please access TSE's website (Listed Company Search) to confirm by entering "Meitec Group Holdings Inc. " or "9744" in the issue name (company name) or securities code field, selecting "Basic information," "Documents for public inspection/PR information".

TSE website (Listed Company Search)

<https://www2.jpx.co.jp/tseHpFront/JJK020010Action.do?Show=Show>

If you are unable to attend the meeting in person, you may exercise your voting rights in writing or via the Internet. Please review the reference material for the meeting and exercise your voting rights by 6:00 p.m. on Wednesday, June 19, 2024.

1. Date and time: Thursday, June 20, 2024 at 11:00 a.m.
2. Place: Meitec Group Holdings Tokyo Office,  
ORIX UENO 1-CHOME BUILDING 7th Floor,  
1-1-10, Ueno, Taito-ku, Tokyo, Japan
3. Purpose of the meeting:

Matters to be reported:

- 1) The Business Report, Consolidated Financial Statements for the 51th fiscal year (from April 1, 2023, to March 31, 2024) and results of audit of the Consolidated Financial Statements by the Accounting Auditor and the Audit & Supervisory Committee
- 2) Non-consolidated Financial Statements, for the 51th fiscal year (from April 1, 2023, to March 31, 2024)

Matters to be resolved:

- |               |   |
|---------------|---|
| Agenda Item 1 | Dividend of the retained earnings (year-end dividend for the fiscal year ended March 31, 2024)        |
| Agenda Item 2 | Election of three (3) Directors (excluding Directors who are Audit and Supervisory Committee Members) |
| Agenda Item 3 | Election of one (1) Director who is an Audit and Supervisory Committee Member                         |

#### 4. About Exercising Your Voting Right

##### 1) Exercising your voting right by mail (in writing)

Please indicate whether you approve or disapprove on the resolution to the enclosed “Card for the Exercise of Voting Rights” and return it to the Company via mail, by 6:00 p.m. on June 19, 2024 (Wednesday).

##### 2) Instructions for exercising your vote on the internet

If you are to attend the meeting, voting by sending the “Card for the Exercise of Voting Rights” or voting by internet is unnecessary.

##### 3) Treatment of non-indication of vote on the “Card for the Exercise of Voting Rights”

If approval or disapproval is not indicated on the “Card for the Exercise of Voting Rights” in exercising the voting right via mail, it shall be treated as if approval were voted.

##### 4) Treatment of duplicate exercise by the internet

In case that multiple number of votes is exercised on the internet, last vote exercised on the internet will be recognized as valid. Furthermore, if you exercise your voting rights in duplicate by accessing the voting website from a personal computer and a smart phone, the last time that you exercise your voting rights shall be deemed valid.

##### 5) Treatment of duplicate exercise by writing and by the internet

In case that a voting right is exercised both by writing using the “Card for the Exercise of Voting Rights” and on the internet, only the vote registered on the internet will be recognized as valid.

##### 6) About diverse exercise of your vote

If you wish to make a diverse exercise of your voting right, please notify the Company in writing or by electromagnetic means by 3 days prior to the Annual General Meeting of Shareholders stating your intention of making the diverse exercise and the reasons.

#### 5. Internet Disclosure

Pursuant to the relevant laws and regulations and Article 15 of the Company’s articles of incorporation, among documents to be attached to this notice, the following items are posted on the Company’s website and are not attached to this notice. Consequently, the documents attached to this notice are part of the documents that were audited by the Audit & Supervisory Board Members and the Accounting Auditor in preparing their audit reports.

i) Notes to Consolidated Financial Statements

ii) Notes to Non-consolidated Financial Statements

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In the event of any amendments to Matters Related to the reference documents for the General Meeting of Shareholders, Business Report, Consolidated Financial Statements and Non-Consolidated Financial Statements included in this Notice of Convocation of the General Meeting of Shareholders, said amendment will be notified on the aforementioned websites of the Company and TSE, showing both the original matter and the amended matter.

## **REFERENCE FOR EXERCISE OF VOTING RIGHTS**

Matters to be resolved:

Agenda Item 1: Dividend of the retained earnings (year-end dividend for the fiscal year ended March 31,2024)

The Company's basic policy for distribution of profits is to provide our shareholders with dividend payments proportionate to the fiscal period's profits.

The dividend payout ratio will be equal to or more than 50% of net income. The dividend payout ratio should be at least 5% of the consolidated dividend on equity ratio (DOE).

Based on the above mentioned basic policy, with consideration of performance, the Company proposes the year-end dividend as following.

(1) Type of dividends: Cash

(2) Allotment of property for dividends and total amount thereof:

¥70 per share of the Company's common stock, for a total of ¥5,404,524,510. These dividends would result in annual dividends, including the interim dividend of ¥44 per share, of ¥114 per share.


(3) Effective date of dividends of the retained earnings: June 21, 2024


Agenda Item 2: Election of three (3) Directors (excluding Directors who are Audit and Supervisory Committee Members)


The term of office of all the four (4) current Directors(excluding Directors who are Audit and Supervisory Committee Members, hereafter the same) ends at the conclusion of this Annual General Meeting of Shareholders. Therefore, to ensure diversity, balance, and scale in the composition of the Board of Directors and to maintain and improve appropriate decision-making and management oversight functions, the Board of Directors proposes three (3) directors to be elected.

The candidates for directors are as follows.

	Name		Current position	Attendance at meetings of the Board of Directors (The 51 <sup>th</sup> fiscal period)	Period in office (at the conclusion of this Shareholders Meeting)
2	Masato Uemura	Reappointment	CEO, MEITEC Group Representative Director President	100% (14/14)	15year
3	Akira Yamaguchi	Reappointment Outside Independent	Director	100% (14/14)	5year
4	Kumi Yokoe	Reappointment Outside Independent	Director	93% (13/14)	5year

	Name (Date of birth)	Career Summary and other Current Positions
2	<p><u>Reappointment</u></p>  <p>Masato Uemura (July 23, 1967)</p> <ul style="list-style-type: none"> <li>• Period in office 15 years</li> <li>• Attendance at meetings of the Board of Directors during the 51th fiscal period 14/14 (100%)</li> <li>• Number of shares held in the Company 36,900 shares</li> </ul>	<p>Apr. 1990    Joined Saitama Bank, Limited. (currently Saitama Resona Bank, Limited.)</p> <p>Mar. 2003    Financial Dept, Resona Holdings, Inc. and Planning Dept, Resona Bank, Limited</p> <p>Jan. 2007    Joined the Company General Manager of the Management Information Dept.</p> <p>Mar. 2008    Executive officer of the Company</p> <p>Jun. 2009    Director of the Company</p> <p>Apr. 2019    Senior Vice President and Director of the Company</p> <p>Apr. 2024    CEO, MEITEC Group (current) President, Representative Director (current) of the Company</p> <p>[Current position] CEO, MEITEC Group President, Representative Director (Executive officer in charge of IR section)</p> <p>[Important Concurrent Positions] Director of MEITEC CORPORATION Director of MEITEC FIELDERS INC. Director of MEITEC CAST INC. Director of MEITEC NEXT CORPORATION Director of MEITEC EX CORPORATION Director of MEITEC BUSINESS SERVICE CORPORATION</p>
<p>[Reason for selection as candidate for Director]</p> <p>Mr. Masato Uemura is Representative Director and President of the Company as well as CEO of the MEITEC Group. He possesses abundant experience and a high level of knowledge with respect to the MEITEC Group's businesses, including having been responsible for accounting, finance, IR, and other departments related to management administration. As a result, the Company judges that he will contribute to the MEITEC Group's sustainable growth and an increase in the corporate value over the medium to long term.</p>		

	Name (Date of birth)	Career Summary and other Current Positions
3	<p>Reappointment Outside Independent</p>  <p>Akira Yamaguchi (August 6, 1956)</p> <ul style="list-style-type: none"> <li>• Period in office 5 years</li> <li>• Attendance at meetings of the Board of Directors during the 51th fiscal period 14/14 (100%)</li> <li>• Number of shares held in the Company 0 shares</li> </ul>	<p>Apr. 1979 Joined Daikyo Kanko Incorporated (currently DAIKYO INCORPORATED)</p> <p>Jul. 1998 Chief General Manager of North Kanto Branch, DAIKYO INCORPORATED</p> <p>Jun. 1999 Director of DAIKYO INCORPORATED</p> <p>Apr. 2005 Director and Managing Executive officer of DAIKYO INCORPORATED</p> <p>Jun. 2005 Director, Corporate Senior Vice President of DAIKYO INCORPORATED</p> <p>Jun. 2007 Director, Corporate Executive Vice President of DAIKYO INCORPORATED</p> <p>Oct. 2008 Representative Director and President of FUSO LEXEL INCORPORATED</p> <p>Jun. 2010 Director, President and Representative Executive Officer of DAIKYO INCORPORATED</p> <p>Jun. 2014 Representative Director and President of DAIKYO ASTAGE INCORPORATED</p> <p>Jun. 2018 Senior Advisor of DAIKYO INCORPORATED</p> <p>Jun. 2019 Outside Director of the Company (current)</p> <p>[Important Concurrent Positions] None</p>
	<p>[Reason for selection as candidate for Outside Director and expected roles]</p> <p>Mr. Akira Yamaguchi has served as the representative director of a listed company on the first section of the Tokyo Stock Exchange and possesses abundant experience and a high level of knowledge with respect to corporate management. The Company expects that by acting from an objective and neutral position in view of protecting interest of general shareholders, candidly asking questions or expressing opinions, and exercising his voting rights appropriately, he will continuously contribute to overseeing management and strengthening the function of the board of directors of the Company as an independent outside director.</p>	

	Name (Date of birth)	Career Summary and other Current Positions
4	<p data-bbox="311 315 480 349">Reappointment</p> <p data-bbox="311 360 400 394">Outside</p> <p data-bbox="421 360 560 394">Independent</p>  <p data-bbox="389 779 571 842">Kumi Yokoe (April 16, 1965)</p> <ul data-bbox="311 846 660 1066" style="list-style-type: none"> <li>• Period in office 5 years</li> <li>• Attendance at meetings of the Board of Directors during the 51th fiscal period 13/14 (93%)</li> <li>• Number of shares held in the Company 0 shares</li> </ul>	<p data-bbox="671 315 1098 349">May. 2001 President of VOTE Japan Inc.</p> <p data-bbox="671 349 1193 383">Jun. 2011 The Heritage Foundation Senior Fellow</p> <p data-bbox="671 383 1394 439">Apr. 2017 Professor, Department of Global Innovation Studies, Faculty of Global and Regional Studies, Toyo University(current)</p> <p data-bbox="671 439 1222 472">Jun. 2019 Outside Director of the Company (current)</p> <p data-bbox="671 555 995 589">[Important Concurrent Positions]</p> <p data-bbox="671 589 1401 651">Professor, Department of Global Innovation Studies, Faculty of Global and Regional Studies, Toyo University</p> <p data-bbox="320 1081 1129 1115">[Reason for selection as candidate for Outside Director and expected roles]</p> <p data-bbox="304 1115 1417 1301">Ms. Kumi Yokoe has wide knowledge on international politics and others as a university professor. The Company expects that, utilizing her experiences as a senior researcher at a major think-tank and as the president of a company, by acting from an objective and neutral position in view of protecting interest of general shareholders, candidly asking questions or expressing opinions, and exercising her voting rights appropriately, she will contribute to overseeing management and strengthening the function of the board of directors of the Company as an independent outside director.</p>

Notes :

1. No special interests exist between the candidates and the Company.
2. Mr. Akira Yamaguchi and Ms. Kumi Yokoe are candidates for Outside Director.
3. The Company judges that Mr. Akira Yamaguchi and Ms. Kumi Yokoe meet the criteria for independence stipulated by Tokyo Stock Exchange, Inc. and the “Standards for Independence from MEITEC Group in Electing Outside Directors,” and therefore have independence. Accordingly, the Company has submitted notification to the aforementioned exchange that they have been designated as independent executives.
4. The Company has entered into liability limitation agreements with Mr. Akira Yamaguchi and Ms. Kumi Yokoe pursuant to Article 423, Paragraph 1 of the Companies Act. The maximum amount of liability limitation provided under such agreements would be the minimum liability limitation amount stipulated in Article 425, Paragraph 1 of the Companies Act. In the event that the two candidates are elected and appointed as Outside Directors, the Company plans to continue the aforementioned agreements with them.
5. The Company has entered into a directors and officers liability insurance policy with an insurance company pursuant to Article 430-3, Paragraph 1 of the Companies Act, and a summary of the policy is provided on Page 24. In the event that the three (3) candidates for directors are elected and approved, the candidates for directors in question will become insured persons in the policy. Furthermore, the Company plans to renew the policy with the same terms in the middle of the candidates’ terms.
6. The “MEITEC Group: Standards for Appointment of Director Candidates” and the “Standards for Independence from MEITEC Group in Electing Outside Directors” are as set out on pages 11 and 12.



of Directors who are not Audit and Supervisory Committee Members

All three Audit and Supervisory Committee Members attended the meetings of the Officer Appointment Advisory Committee as members to discuss the details of the election and remuneration of Directors who are not Audit and Supervisory Committee Members, and conducted an evaluation, including regarding the details of those discussions, at the meetings of the Audit and Supervisory Committee.


Through this process, decisions on both the election and remuneration of Directors who are not Audit and Supervisory Committee Members were conducted appropriately at the Audit and Supervisory Committee, and there were no matters of note.

Agenda Item 3: Election of one (1) Director who is an Audit and Supervisory Committee Member

The Board of Directors proposes the election of one (1) Director who is an Audit and Supervisory Committee Member to strengthen the governance system.

In addition, the prior consent of the Audit and Supervisory Committee has been obtained for this proposal.

The candidate for a director who is an Audit and Supervisory Committee Member is as follows.

Name (Date of birth)	Career Summary and other Current Positions
<div data-bbox="245 667 451 696" style="border: 1px solid black; padding: 2px;">New appointment</div> <div data-bbox="301 752 612 1061" style="text-align: center;">  </div> <div data-bbox="352 1081 555 1137" style="text-align: center;"> <p>Terumi Shikano (January 30, 1974)</p> </div> <div data-bbox="245 1171 671 1223"> <p>•Number of shares held in the Company 2,100 shares</p> </div>	<p>Apr. 1996    Joined JACCS CO., LTD.</p> <p>Jul. 2000    Joined CHIYODA KOKUSAI Law Offices.</p> <p>Jun. 2003    Joined the Company</p> <p>Nov. 2014    General Manager of the Management Administration Dept.</p> <p>Apr. 2020    Executive officer of the Company (current)</p> <p>Oct. 2023    Executive officer of MEITEC CORPORATION (current)</p> <p>[Important Concurrent Positions] Audit &amp; Supervisory Board Member of MEITEC CAST INC.</p>
<p>[Reason for selection as candidate for Director who is an Audit and Supervisory Committee Member] The Company expects that, utilizing her experience as the person responsible for legal matters at MEITEC CORPORATION, the core company in the MEITEC Group, she will contribute to improving the Company's management oversight system as a Director who is an Audit and Supervisory Committee Members.</p>	

Notes :

1. No special interests exist between the candidates and the Company.
2. The Company plans to enter into a liability limitation agreement with the candidate pursuant to Article 423, Paragraph 1 of the Companies Act. The maximum amount of liability limitation provided under such agreement would be the minimum liability limitation amount stipulated in Article 425, Paragraph 1 of the Companies Act.
3. The Company has entered into a directors and officers liability insurance policy with an insurance company pursuant to Article 430-3, Paragraph 1 of the Companies Act, and a summary of the policy is provided on Page 24. In the event that the candidate is elected and approved, the candidate will become an insured person in the policy. Furthermore, the Company plans to renew the policy with the same terms in the middle of the candidates' terms.
4. The "MEITEC Group: Standards for Appointment of Director Candidates" is as set out on pages 11.

<Reference 1>

MEITEC Group: Standards for Appointment of Director Candidates

**1. All directors**

- Person who has integrity and high ethical standards and can act with a sense of fiduciary responsibility

**2. All independent outside directors**

- Person who meets “Standards for Independence from MEITEC Group in Electing Outside Directors” provided separately
- Person who can be expected to act from an objective and neutral position in view of protecting interest of general shareholders
- Person who has knowledge of finance, accounting, the law, taxation, human resources, IT and other fields of specialty; person with experience in corporate management; and person who has a wealth of experience related to the Company’s business and professional insights
- MEITEC Group shall endeavor to ensure a balance and diversity by commanding an extended view of outside directors/audit & supervisory board members so as not to cause uneven distribution of professional insights.

**3. Directors (Excluding Directors who are Audit and Supervisory Committee Members)**

(1) <Internal> directors

- Person who can act in a fair and honest manner in the best interest of the Company
- Person who has a wealth of experience, extensive knowledge and superior expertise in “Engineering Solutions Business and Recruiting & Placement Business for Engineers”, which create affluent Career Style of Engineer to engineers, reaching the stage where our clients call us their truly, indispensable Best Partner, and in other departments relating to functions supporting those businesses

(2) <Independent> outside directors [Principles 4.9, 4.7]

- Person who has sufficient understanding on various businesses
- Person who is expected to candidly ask questions or express opinions with independence of mind, and exercise voting rights appropriately

**4. Directors who are Audit and Supervisory Committee Members**

- 1) Person who is expected to always maintain a fair and unbiased attitude at all times while striving to maintain an independent position and act based on their own beliefs
- 2) Person who has appropriate experience and skills, and who possesses knowledge in finance, accounting and law. At least one person in principle shall have sufficient knowledge in finance and accounting.

(1) Chairperson of the Audit and Supervisory Committee

- A person with appropriate experience and ability as well as the required knowledge of business management and business operations who can, in a full-time capacity, be expected to proactively perform duties such as striving to develop an effective audit system.

(2) Directors who are standing Audit and Supervisory Committee Members

- Persons who can use their knowledge and experience to gather information required for audit.

## Standards for Independence from MEITEC Group in Electing Outside Directors

In electing outside directors, the Company deems that persons who meet all of the standards provided below have independency from the Company:

- 1. Such person is not an executive of the Company or its subsidiary (Note 1) presently or in the last ten years (in addition, for outside director who is an Audit and Supervisory Committee Members, such person must not be non-executive director of the Company or its subsidiary in the last ten years)**

Note 1: "Executive" refers to an executive director, executive officer, or employee.

- 2. Presently, such person is not a close relative (Note 2) of the Company's important executive (Note 3)**

Note 2: "Close relative" refers to a spouse or a relative within a second degree.

Note 3: "Important executive" refers to a director (excluding outside director) or an executive officer.

- 3. Such person does not fall under any of the following:**

- (1) Executive of a party whose major client or supplier is the Company (Note 4)

Note 4: "A party whose major client or supplier is the Company" refers to a counterparty which received payment of an amount exceeding 1 % of its annual consolidated net sales from the Company in the previous fiscal year.

- (2) Executive of any of the Company's major client or supplier (Note 5)

Note 5: "The Company's major client or supplier" refers to a counterparty which paid an amount exceeding 1 % of the Company's annual consolidated net sales to the Company in the previous fiscal year.

- (3) Consultant, accountant or legal professional who receives a large amount of monetary consideration or other property (Note 6) from the Company besides compensation as a director/audit & supervisory board member (in case that a person who receives the property is an organization such as legal entity or association, a person who belongs to such organization)

Note 6: "A large amount of monetary consideration or other property" refers to the case of having received payment of over 10 million yen from the Company besides compensation as a director/audit & supervisory board member in the previous fiscal year.

- (4) The Company's major shareholder (Note 7) (in case that the major shareholder is a legal entity, its executive)

Note 7: "Major shareholder" refers to a person who owns shares with 10% or more of the total voting rights of the Company based on the latest shareholder's list.

- (5) A person who falls under any of (1) through (4) above in the last five years

- (6) A close relative of a person who falls under (i) or (ii) below (excluding non-important persons)

- (i) A person who falls under any of (1) through (5) above

- (ii) A person who was an executive of the Company or its subsidiary in the last five years (for outside director who is an Audit and Supervisory Committee Members a person who was a non-executive director is included)

<Reference 2>

The composition of officers will be as follows if Agenda Items 2 and 3 are approved and adopted as submitted and the election of officers takes effect.

Furthermore, this chart lists the specific experience that the Company expects to be utilized at the Board of Directors' meetings, etc. and is not a complete list of the experience of each officer.

Name	Attributes	Position in the Company	Years in office	Experience and expertise, etc. possessed											Certifications held, etc.	Gender		
				Corporate management	Technology/design development	Sales effort to obtain new orders	Recruiting	CS <small>(Note)</small>	Human resources	IT	Finance, accounting, taxation	Law	Management administration	Academic background in specialized fields			Global	
Masato Uemura		CEO, MEITEC Group Representative Director President	15	<input type="radio"/>		<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>		<input type="radio"/>					Male
Akira Yamaguchi	Outside Independent	Director	5	<input type="radio"/>										<input type="radio"/>			Experience as a representative director at a listed company	Male
Kumi Yokoe	Outside Independent	Director	5	<input type="radio"/>						<input type="radio"/>				<input type="radio"/>	<input type="radio"/>		University professor	Female
Terumi Shikano		Directors who are Audit and Supervisory Committee Members	1										<input type="radio"/>	<input type="radio"/>				Female
Masatoshi Uematsu	Outside Independent	Directors who are Audit and Supervisory Committee Members	1											<input type="radio"/>				Male
Toru Kunibe	Outside Independent	Directors who are Audit and Supervisory Committee Members	1										<input type="radio"/>				Attorney at Law	Male
Mitsunobu Yamaguchi	Outside Independent	Directors who are Audit and Supervisory Committee Members	1									<input type="radio"/>					Certified Public Accountant	Male

Notes: "CS" is an abbreviation of Career Support.

## **BUSINESS REPORT**

(from April 1, 2023 to March 31, 2024)

### **1. Business Outline**

#### **(1) Results of Operations**

During the fiscal year under review (from April 1, 2023 to March 31, 2024), the legal status of COVID-19 was downgraded to Category V, economic and social activity normalizing, and business conditions gradually recovering. However, the economic outlook remained uncertain due to factors including a tense international situation and increases in the prices of resources.

The Company transitioned to a holding company structure on October 1, 2023 and changed its business name to Meitec Group Holdings Inc. Also, on the same date, the Engineering Solutions Business was inherited by the successor company MEITEC CORPORATION (the business name changed from MEITEC SPLIT PREPARATORY COMPANY on the same date).

MEITEC (MT) and MEITEC Fielders (MF), which are responsible for the Engineering Solutions Business that accounts for more than 90% of the Group's consolidated net sales, saw orders remain strong as leading manufacturers that constitute the Group's major clients invested in technological development focused on the next generation of products. Furthermore, as a result of continuing proactive recruitment with an eye on medium and long-term growth, the number of engineers (total for MT and MF) as of March 31, 2024, was 12,253 (up 347, or 2.9% compared to March 31, 2023), including 824 (MT: 459, MF: 365) new employees joining them in April 2023. In addition, as a result of promoting assignments of both new and existing employees in response to orders, the two companies 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.

As a result, consolidated net sales for the period under review increased ¥7,907 million, or 6.6%, from a year earlier to ¥126,976 million. Consolidated cost of sales increased ¥6,381 million, or 7.4%, from a year earlier to ¥92,741 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 ¥328 million, or 2.0%, from a year earlier to ¥16,573 million. As a result, consolidated operating profit increased ¥1,197 million, or 7.3%, from a year earlier to ¥17,660 million. Consolidated ordinary profit increased ¥1,126 million, or 6.8%, from a year earlier to ¥17,667 million, while profit attributable to owners of parent increased ¥90 million, or 0.7%, from a year earlier to ¥12,343 million.

**Results by business segment were as follows:**

### **i . Engineering Solutions Business**

Net sales in the Engineering Solutions Business segment, especially in the temporary engineer staffing business, our core business, increased ¥8,154 million, or 6.9%, from a year earlier to ¥125,610 million on the back of the increase in number of engineers assigned to clients and improvement in the utilization ratio. Operating profit increased ¥1,223 million, or 7.7%, from a year earlier to ¥17,139 million. The overall utilization ratio increased year on year to 97.7% at MT (97.2% in the previous fiscal year) and to 95.5% at MF (93.3% in the previous fiscal year). Working hours decreased slightly year on year to 8.33 hours/day at MT (8.38 hours/day in the previous fiscal year) and to 8.21 hours/day at MF (8.26 hours/day in the previous fiscal year).

### **ii . Recruiting & Placement Business for Engineers**

MEITEC NEXT CORPORATION operates job placement business for engineers. Net sales for the fiscal year under review decreased ¥282 million, or 16.8%, from a year earlier to ¥1,398 million, and operating profit decreased ¥88 million, or 16.1%, from a year earlier to ¥458 million due to a decrease in the number of job placements.

### **iii. Other**

In businesses related to the group operations of MEITEC Group net sales were ¥2,526 million, and operating profit was ¥2,210 million.

Notes: Sales figures for each segment include intersegment transactions and transfers.

## **(2) Capital Investment for the MEITEC Group**

During the consolidated fiscal year under review, we have made capital investment mainly to bolster and enhance the Company's business support system, etc. and total amounted to ¥252 million.

And, capital investment by segments were, ¥243 million for the Engineering Solution Business, and ¥9 million for the Recruitment & Placement Business for Engineers.

These capital investment amounts include the cost for software and other (software in progress.)

## **(3) Financing for the MEITEC Group**

The Company meets its capital requirements with its own funds. The Company did not procure capital through the issuance of new shares or bonds during the consolidated fiscal year under review.

**(4) Status of Important Organizational Restructuring**

The Company established the wholly owned split preparation company MEITEC SPLIT PREPARATORY COMPANY (hereinafter called “Split Preparatory Company”) on April 3, 2023, and with an effective date of October 1, 2023, the Company conducted an absorption-type company split with the Company operating as a splitting company and the Split Preparatory Company operating as a succeeding company, transferring all operations of the Company to the Split Preparatory Company (excluding control or administration of the business activities of companies in which the Company holds shares and operations concerning management of the group) and transitioning the MEITEC Group to a holding company structure. On October 1, 2023, when the absorption-split came into effect, the name of the Company was changed to MEITEC Group Holdings Inc., and the Split Preparatory Company became MEITEC CORPORATION.



**(5) Issues to Be Addressed**

**I . Development of successors to upper management**

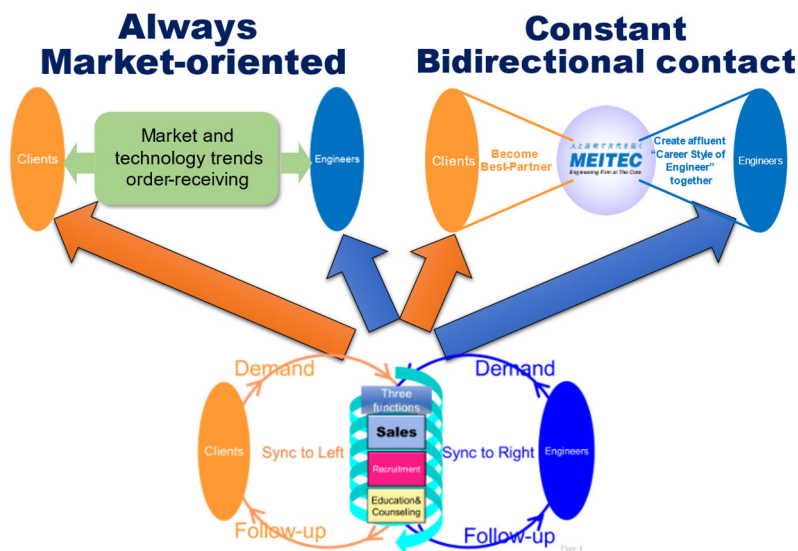
Based on our group management concept of “Mutual Growth & Prosperity,” we, the MEITEC Group, with the cooperation of all our employees, have worked to improve our five values (Value to Engineers, Value to Employees, Value to Clients, Value to Shareholders, Value to the Society) and to expand the contents and scale of our business continuously with “Value to Engineers” as the starting point.

Externally, schemes to provide added value appear to be the source of the expansion of our business scale in the same businesses. However, in reality, each operating company under the umbrella has its individual risk profile, as well as a complex interconnection of interests, making things even more difficult.

For the MEITEC Group to realize continuous growth, we must work together with our value chain and carry out risk management in an integrated, strategic, and agile manner. Therefore, it is essential that upper management have broad and deep insight into these matters. However, in the operations of upper management, we are aware of situations in which knowledge is limited to a narrow scope and in which coordination and integration is lacking. Therefore, we have a strong sense of urgency about this issue and recognize securing successors and developing candidates for upper management as our most important issue.

**II . Changes in the operations of our core business**

The Engineering Solutions Business is the core business of the MEITEC Group. The future performance of the Engineering Solutions Business depends on an increasing number of highly skilled engineers and a higher utilization ratio. As such, the most important issue for the Engineering Solutions Business is to realize sustainable growth through integrated management of sales efforts to obtain new orders, recruitment and increasing employee numbers, and supporting employee career advancement, and through constant reform in response to changes in the business environment.



**i. Sales effort to obtain new orders**

The Engineering Solutions Business is also a business of supporting career advancement of the engineers. Securing order volume cannot be achieved solely by increasing the number of engineers assigned to the clients or by maintaining and improving the utilization ratio. It is also extremely important to increase the number of choices available to engineers for career enhancement, such as by expanding our work segments and continuously providing opportunities and placement. Therefore, to secure stable and sufficient orders both during normal times and times of crisis, continuously reforming our marketing systems to strengthen our sales ability is an important issue.

**ii. Recruitment and increasing employee**

Particularly for MEITEC as a Group of Professional Engineers, hiring many excellent engineers is the source of our ability to grow. Therefore, establishing a brand name in the labor market based on reliability and a sense of security as a leading company in the industry is extremely important in continuously increasing the Group's recruitment ability. It is also essential that we quickly and without delay revise our Group recruitment activities in response to changes in the market environment both during normal times and times of crisis.

**iii. Supporting employee career advancement**

It is essential to provide close support to each and every engineer for their career advancement to sustain and improve the quality of MEITEC as a "Group of Professional Engineers." An important issue in providing this support is balancing the expansion of support for career enhancement initiated by engineers themselves with the strengthening of support for career enhancement led by the Company. Therefore, we recognize that the importance of understanding technological evolution based on customer needs as well as market trends is increasing.

## (6) Changes in Assets and Income

### i . Changes in Assets and Income of the MEITEC Group

Item	Fiscal year ended March 31, 2021	Fiscal year ended March 31, 2022	Fiscal year ended March 31, 2023	Fiscal year ended March 31, 2024 (current consolidated fiscal year)
Net Sales(million yen)	96,626	107,140	119,069	126,976
Operating Income(million yen)	10,234	12,817	16,462	17,660
Ordinary Income(million yen)	10,306	12,948	16,540	17,667
Profit Attributable to Owners of Parent(million yen)	7,028	9,240	12,252	12,343
Earnings per Share(yen)	85.26	113.85	153.87	158.01
Total Assets(million yen)	75,038	81,590	84,576	90,761
Net Assets(million yen)	44,472	45,287	46,719	47,696
Net Assets per Share(yen)	544.81	565.21	595.74	617.78

### ii . Changes in Assets and Income of the Company

Item	Fiscal year ended March 31, 2021	Fiscal year ended March 31, 2022	Fiscal year ended March 31, 2023	Fiscal year ended March 31, 2024 (current fiscal year)
Net Sales(million yen)	71,452	77,010	83,765	46,267
Operating Income(million yen)	8,600	10,546	13,212	9,064
Ordinary Income(million yen)	9,547	11,125	14,113	10,647
Profit(million yen)	6,823	8,051	10,719	8,415
Earnings per Share(yen)	82.77	99.20	134.61	107.74
Total Assets(million yen)	64,181	67,222	68,219	23,625
Net Assets(million yen)	38,007	37,376	37,056	23,399
Net Assets per Share(yen)	465.61	466.47	472.54	303.08

#### Notes:

1. The Company has applied the Accounting Standard for Revenue Recognition (ASBJ Statement No. 29, March 31, 2020) and related standards from the beginning of the fiscal year ended March 31, 2022. Subsequently, these accounting standards have been applied retrospectively to the fiscal year ended March 31, 2021.
2. The Company implemented a share split on July 1, 2022, splitting one common share into three. "Earnings per Share" and "Net Assets per Share" have been calculated as if the share split had been carried out at the beginning of the fiscal year ended March 31, 2021.

## (7) Important Status of Parent Company and Subsidiaries (as of March 31, 2024)

### i . Status of Important Parent Company

Not Applicable.

### ii . Status of Important Subsidiaries

Company Name	Location	Capital	Voting rights held by the Company (%)	Main business
MEITEC CORPORATION	Kanagawa	(million yen) 800	100.0	Engineering Solutions Business (High-end Zone)
MEITEC FIELDERS INC.	Tokyo	(million yen) 120	100.0	Engineering Solutions Business (Mid-range Zone)
MEITEC CAST INC.	Tokyo	(million yen) 100	100.0	Registered temporary staffing business with manufacturing industry as the main customer
MEITEC EX CORPORATION	Aichi	(million yen) 50	100.0	Professional Staffing Business for Senior Engineers
MEITEC NEXT CORPORATION	Tokyo	(million yen) 30	100.0	Job Placement Business for engineers
MEITEC BUSINESS SERVICE CORPORATION	Chiba	(million yen) 10	100.0	General office work

Note: the Company established the wholly owned split preparation company MEITEC SPLIT PREPARATORY COMPANY on April 3, 2023, and on October 1, 2023, in addition to transferring all operations of the Company (excluding control or administration of the business activities of companies in which the Company holds shares and operations concerning management of the Group), changed the trade name to MEITEC CORPORATION on the same day.

### iii . Situation of Specified wholly owned subsidiaries

Not Applicable.

## (8) Primary business of the group (as of March 31, 2024)

Engineering Solutions Business

Recruiting & Placement Business for Engineers

Other

Note: With the transition to a holding company structure on October 1, 2023, starting in the fiscal year under review, the Company changed our segment categories from the previous two categories of “Engineering Solutions Business” and “Recruiting & Placement Business for Engineers” to the three categories of “Engineering Solutions Business,” “Recruiting & Placement Business for Engineers” and “Other.” Furthermore, businesses related to the control of business activities of companies run by the Company or in which the Company owns stocks as well as businesses related to Group management have been categorized in the “Other” category.

**(9) Primary Office of the Group (as of March 31, 2024)**

**i . The Company**

Registered Corporate Headquarters	15-1, Morinosatoayama, Atsugi-shi, Kanagawa
Corporate Headquarters	1-1-10 Ueno, Taito-ku, Tokyo
Techno-Center	Atsugi Techno-Center (Kanagawa), Nagoya Techno-Center (Aichi)

Note: On October 1, 2023, the Company moved the location of our headquarters from Nagoya, Aichi Prefecture to Atsugi, Kanagawa Prefecture.

**ii . Subsidiaries and Affiliates**

Locations of the subsidiaries are listed in above, “(7) Important Status of Parent Company and Subsidiaries, ii .Status of Important Subsidiaries”.

**(10) Employees (as of March 31, 2024)**

**i . Number of employees of corporate groups**

Business segment	Number of employees	Compared to the end of the previous fiscal year
Engineering Solutions Business	13,428	+458
Recruiting & Placement Business for Engineers	61	(8)

Note: Starting in the fiscal year under review, because the Company changed our business categories to the three categories of “Engineering Solutions business,” “Recruiting & Placement Business for Engineers,” and “Other,” regarding changes from the end of the previous fiscal year, the previous fiscal year’s figures have been reclassified to the segment categories following the change to facilitate comparison. Furthermore, the Company is the only company that operates businesses classified in the “Other” category, but there are no employees working in these businesses.

**(11) Principal lenders and the amount of loans (as of March 31, 2024)**

Not applicable.

**(12) Other Significant Matters Relating to the Status of the Corporate Group**

Not applicable.

## 2. Status of Shares

- i . **Total Number of shares authorized to be issued** 200,000,000 shares
- ii . **Total Number of issued shares** 78,000,000 shares  
(Including treasury shares of 792,507 shares)
- iii . **Number of shareholders** 7,329 persons  
(Increased by 1,634 persons from the end of the previous fiscal year)

### iv. Major shareholders (top ten)

Name of shareholder	Number of shares held by the shareholder (thousand shares)	Ratio of shares held (%)
The Master Trust Bank of Japan, Ltd. (trust account)	11,577	14.99
Custody Bank of Japan, Ltd. (trust account)	6,534	8.46
SSBTC CLIENT OMNIBUS ACCOUNT	5,056	6.54
Meiji Yasuda Life Insurance Company	4,696	6.08
Nippon Life Insurance Company	3,341	4.32
THE BANK OF NEW YORK MELLON 140044	2,467	3.19
Meitec Group Holdings Employee Stock Ownership Plan	2,269	2.93
BNYM AS AGT/CLTS 10 PERCENT	1,827	2.36
STATE STREET BANK AND TRUST COMPANY 505025	1,714	2.22
NORTHERN TRUST CO.(AVFC) RE FIDELITY FUNDS	1,245	1.61

Notes:

1. The Company hold 792,507 shares as treasury shares. But since there is no voting right to the treasury shares, it is excluded from above list and the ratio of share held is calculated excluding the treasury shares.
2. Figures for number of shares held by the shareholder and ratio of shares held are rounded off to displayed decimal.

## 3. About Stock Purchase/Subscription Warrant

None

## 4. Matters concerning Directors

### (1) Names and other details of Directors (as of March 31, 2024)

Title	Name	Position and important positions concurrently held at other companies
Representative Director and President	Hideyo Kokubun	CEO, MEITEC Group CEO and COO of the Company President of MEITEC CORPORATION Director of MEITEC FIELDERS INC. Director of MEITEC CAST INC. Director of MEITEC NEXT CORPORATION Director of MEITEC EX CORPORATION Director of MEITEC BUSINESS SERVICE CORPORATION
Senior Vice President and Director	Masato Uemura	Executive officer in charge of management strategy, IR section Senior Vice President and Director of MEITEC CORPORATION Director of MEITEC FIELDERS INC. Director of MEITEC CAST INC. Director of MEITEC NEXT CORPORATION Director of MEITEC EX CORPORATION Director of MEITEC BUSINESS SERVICE CORPORATION
Director	Akira Yamaguchi	None
Director	Kumi Yokoe	Professor, Department of Global Innovation Studies, Faculty of Global and Regional Studies, Toyo University
Directors who are Audit and Supervisory Committee Members	Masatoshi Uematsu	Standing Chairman of the Audit and Supervisory Committee Audit & Supervisory Board Member of MEITEC CORPORATION Audit & Supervisory Board Member of MEITEC FIELDERS INC.
Directors who are Audit and Supervisory Committee Members	Toru Kunibe	Attorney at Law (Kunibe Law Office)
Directors who are Audit and Supervisory Committee Members	Mitsunobu Yamaguchi	Certified Public Accountant (Mitsunobu Yamaguchi CPA Office) External Director of the Heiwa Real Estate Co., Ltd.

Note:

- Based on a resolution at the 50th Annual General Meeting of Shareholders held on June 22, 2023, the Company transitioned to a company with an Audit and Supervisory Committee on October 1, 2023.
- With the transition to a company with an Audit and Supervisory Committee, the terms of office of Audit & Supervisory Board Members Masatoshi Uematsu, Toru Kunibe, and Mitsunobu Yamaguchi expired on October 1, 2023, and they were appointed as Directors who are Audit and Supervisory Committee Members.
- Directors Akira Yamaguchi and Kumi Yokoe, as well as Directors who are Audit and Supervisory Committee Members Masatoshi Uematsu, Toru Kunibe, and Mitsunobu Yamaguchi, who are Outside Directors, have been designated as independent officers as stipulated by Tokyo Stock Exchange, Inc. and registered as such with the exchange.
- The companies at which Director Kumi Yokoe as well as Directors who are Audit and Supervisory Committee Members Toru Kunibe and Mitsunobu Yamaguchi concurrently serve have no particular relationships with the Company. Furthermore, the companies at which Director who is an Audit and Supervisory Committee Member Masatoshi Uematsu concurrently serves, MEITEC CORPORATION and MEITEC FIELDERS INC., are both wholly-owned subsidiaries of the Company.
- Director who is an Audit and Supervisory Committee Member Mitsunobu Yamaguchi holds a certified public accountant license and possess sufficient knowledge on financing and accounting.
- Director who is an Audit and Supervisory Committee Member Masatoshi Uematsu has been selected as a full-time Audit and Supervisory Committee Member to collect internal information, to create an auditing environment within the Company, to oversee regularly the creation and operating conditions of internal control systems, and to ensure the effectiveness of auditing.
- Changes in Directors during the subject fiscal year were as follows:

At the conclusion of the 50th Annual General Meeting of Shareholders held on June 22, 2023, Directors Hiroyuki Rokugo, Keisuke Ito, Keiya Iida, Minao Shimizu, and Hiroyuki Kishi retired due to the expiration of their terms of office.

8. Changes in important positions that Directors concurrently held at other companies during the subject fiscal year were as follows:

- 1) Representative Director and President Hideyo Kokubun assumed the position of Director at both MEITEC EX CORPORATION and at MEITEC BUSINESS SERVICE CORPORATION on April 1, 2023 and of Representative Director and President of MEITEC SPLIT PREPARATORY COMPANY (currently MEITEC CORPORATION) on April 3, 2023.
- 2) Senior Vice President and Director Masato Uemura assumed the position of Director at both MEITEC NEXT CORPORATION and at MEITEC BUSINESS SERVICE CORPORATION on April 1, 2023 and of Senior Vice President and Director at MEITEC CORPORATION on October 1, 2023.
- 3) Director who is an Audit and Supervisory Committee Member Masatoshi Uematsu was appointed as Audit & Supervisory Board Member at MEITEC CORPORATION on October 1, 2023.

9. As of April 1, 2024, the positions of Directors at the Company have been changed as follows:

Name	After change	Before change
Hideyo Kokubun	Director	Representative Director and President
Masato Uemura	Representative Director and President	Senior Vice President and Director

10. The Company has introduced an executive officer system. As of April 1, 2024, there are four Executive Officers (Mitsutomo Itakura, Keiya Iida, Toru Yamashita, and Terumi Shikano).

## **(2) Description of Limited Liability Agreement**

The Company enters into a liability limitation agreement with each member of the board (excluding executive director, etc.) and audit & supervisory board member pursuant to Article 423, Paragraph 1, of the Companies Act. The maximum amount of liability limitation provided under such an agreement would be the minimum liability limitation amount stipulated in Article 425, Paragraph 1, of the Companies Act.

## **(3) Summary of details of indemnity agreements**

The Company has not entered into indemnity agreements with directors and audit & supervisory board members pursuant to Article 430-2, Paragraph 1, of the Companies Act.

## **(4) Summary of details of directors and officers liability insurance policy**

The Company has entered into a directors and officers liability insurance policy as provided for in Article 430-3, Paragraph 1 of the Companies Act with an insurance company, in which the directors, audit & supervisory members, and executive officers of the Company and the Company's subsidiaries listed in "1. Business Outline, (6) Important Status of Parent Company and Subsidiaries" are insured persons, and the full amount of the insurance premiums is borne by the Company.

To summarize the details of the liability insurance policy, the insurance company through the liability insurance policies covers damages arising from the insured persons taking responsibility for the execution of their duties and claims associated with the pursuit of those responsibilities, and the policy is renewed each year. At present, the Company plans to renew the policy with the same details at the next renewal.



## (5) Amount of remuneration for directors

### a. Matters regarding determination of amounts of remuneration for directors or calculation method thereof

The Company's "Policy on Calculation Methods and Determination on Amount of Remuneration, etc. for Directors" has been determined by the Board of Directors.

Furthermore, the Board of Directors confirms that, regarding the individual remuneration for directors in the current fiscal year, there will be no changes in individual fixed remuneration pursuant to 3 (1) of this policy, and that, regarding the distribution of performance-linked remuneration pursuant to (3) 2 of this policy, the Officer Appointment Advisory Committee composed of an outside director as the Chairperson and CEO and other outside directors as members has determined that the decision-making process is appropriate, therefore we deem the remuneration follows the determination policy.

"Policy on Calculation Methods and Determination on Amount of Remuneration, etc. for Directors" is as follows:

#### 1. Method of Determination

The total amount of remuneration of directors shall be within the total amount of remuneration adopted at the 50th Annual General Meeting of Shareholders held in June 2023, and individual amounts of remuneration will be determined in accordance with the policy amended or abolished by resolutions of the Board of Directors.

<Overview of the Resolution for the General Meeting of Shareholders: Amounts of remuneration for directors>

Indicated in yearly amount	Fixed remuneration	Performance-linked remuneration	Total remuneration
Directors (excluding Directors who are Audit and Supervisory Committee Members)	Up to 135 million yen	Up to 2.5% of consolidated profit*, and up to 250 million yen	Up to 385 million yen
Portion for outside directors of above	Up to 54 million yen	(excluded from payment)	Up to 54 million yen
Directors who are Audit and Supervisory Committee Members	Up to 60 million yen	(excluded from payment)	Up to 60 million yen
Total	Up to 195 million yen	Up to 250 million yen	Up to 445 million yen

\*"Profit attributable to owners of parent" of "Consolidated Statements of Income and Comprehensive Income"

#### 2. Policy about executive remuneration

- By maintaining the stance of clarifying and disclosing methods of calculation and the process of determinations of remuneration in the same manner as before, the Group will enhance management transparency and strengthen corporate governance, and thus further improving corporate value.
- The rate of performance-linked executive remuneration for executive directors will be increased to enhance sharing the mid and long-term interest with shareholders.
- In order to preserve the independence of outside directors and Directors who are Audit and Supervisory Committee Members, they will not be compensated with performance-linked remuneration.
- The retirement bonus system for directors and Audit and Supervisory Committee Members, which was abolished in the fiscal year ended March 31, 2002, will not

be adopted.

3. Specific executive remuneration amount

Total amount of executive remuneration = (1) Fixed remuneration +  
(2) performance-linked remuneration <(3) appropriation of the amount equivalent  
to 20%>

(1) Individual fixed remuneration

Directors (excluding Directors who are Audit and Supervisory Committee Members)			
Representative Director and President, Group CEO, CEO/COO	yearly	28,800 thousand yen	(2,400 thousand yen monthly)
Senior Vice President and Directors	yearly	24,000 thousand yen	(2,000 thousand yen monthly)
Internal executive directors (excluding President and Vice President)	yearly	19,200 thousand yen	(1,600 thousand yen monthly)
Outside Directors	yearly	10,800 thousand yen	(900 thousand yen monthly)
Directors who are Audit and Supervisory Committee Members			
Standing Chairperson of the Audit and Supervisory Committee	yearly	24,000 thousand yen	(2,000 thousand yen monthly)
Audit and Supervisory Committee Members (excluding Chairperson)	yearly	10,800 thousand yen	(900 thousand yen monthly)

(2) Performance-linked remuneration

- The total amount shall be up to 2.5% of profit attributable to owners of parent before deductible expenses accounting of performance-linked remuneration. However the maximum total amount 250 million yen annually.
- Payment recipients shall be limited to directors excluding those who are outside directors and Audit and Supervisory Committee Members.
- In principle, individual allocation amount for individual directors will be determined at Board of Directors' meetings after the consultation at the Officer Appointment Advisory Committee. However, while this is exclusively the case for the determination of the allocation method, it is also permissible that determinations are made to entrust the Representative Director and President/Group CEO with the determination of specific allocation amounts.
- Performance-linked remuneration is paid within three months after the end of the applicable fiscal year.

- (3) Appropriation of the amount equivalent to 20% of performance-linked remuneration (after deduction of tax)
- The amount equivalent to 20% of performance-linked remuneration (after deduction of tax) for each director will, with approval from each director, be contributed to the Officers Shareholding Group (the relevant amount will be divided into twelve (12) equally, and the same amount will be contributed each month for the 12 months from July each year) and utilized to acquire own shares.
  - Acquired own shares are prohibited to be transferred during the period in office and until one year passes from resignation in principle, in accordance with the Officers Shareholding Group Rules of the Company and other internal rules.
  - When a person subject to payment of the relevant remuneration resigns, in accordance with the Officers Shareholding Group Rules of the Company, this handling shall not be applied.
- (4) Percentage of fixed remuneration and performance-linked remuneration
- The allocation of performance-linked remuneration for each director is determined based on the performance assessment following the procedures described in 3.(2) above in accordance with the “Policy about executive remuneration” described in 2 above. Therefore, the percentage of fixed compensation and performance-based compensation in Executive Remuneration for each director(excluding outside director and Directors who are Audit and Supervisory Committee Members) shall vary based on such determination.
4. Additional Rules
- For remuneration of Directors who are Audit and Supervisory Committee Members, determination upon consultation by Directors who are Audit and Supervisory Committee Members is required in accordance with the provisions of the law.
  - Remuneration to directors from subsidiaries in which a director holds a concurrent post is waived in principle.
  - Allowances for commutation, job transfer unattended by family, or job relocation as well as a daily allowance for business trip expenses will be paid separately.

b. Remuneration in the current fiscal year

Type of Officer	Number of persons	Fixed remuneration	Performance-linked remuneration	Total remuneration
Directors (Excluding Directors Who Are Audit and Supervisory Committee Members) [of those, Outside Directors]	9 [4]	91 million yen [24 million yen]	130 million yen (—)	221 million yen [24 million yen]
Directors Who Are Audit and Supervisory Committee Members [of those, Outside Directors]	3 [3]	22 million yen [22 million yen]	— (—)	22 million yen [22 million yen]
Audit & Supervisory Board Members [of those, Outside Audit & Supervisory Board Members]	3 [3]	19 million yen [19 million yen]	— (—)	19 million yen [19 million yen]
Total [of those, total of Outside Directors and Audit & Supervisory Board Members]	15 [10]	134 million yen [67 million yen]	130 million yen (—)	264 million yen [67 million yen]

Notes:

- The performance indicator for performance-linked remuneration is profit attributable to owners of parent, and -those results are listed in “1. Business Outline, (6) Changes in Assets and Income.” The reason that we selected this indicator is that it enhances the incentive for directors to boost performance and strengthens medium- to long-term sharing of interests with shareholders. The Company’s performance-linked remuneration is up to 2.5% of the standard amount and up to 250 million yen.
- Based on a resolution at the 50th Annual General Meeting of Shareholders held on June 22, 2023, the Company transitioned to a company with an Audit and Supervisory Committee on October 1, 2023.
- Prior to the transition to a company with Audit and Supervisory Committee, the amount of Director remuneration was up to 470 million yen annually as resolved by the General Meeting of Shareholders (breakdown: fixed remuneration of up to 220 million yen annually (portion for outside directors of above: Up to 50 million yen annually), performance-linked remuneration of up to 2.5% of profit attributable to owners of parent of Consolidated Statements of Income, and up to 250 million yen annually (Outside Directors excluded from payment.)). Furthermore, the annual amount of 470 million yen and the annual amount of fixed remuneration were resolved at the 46th Annual General Meeting of Shareholders held on June 20, 2019, and the number of Directors at the time of the conclusion of that Annual General Meeting of Shareholders was eight (including two Outside Directors). The annual amount of performance-linked remuneration was resolved at the 49th Annual General Meeting of Shareholders held on June 21, 2022, and the number of Directors at the time of the conclusion of that Annual General Meeting of Shareholders was nine (including four Outside Directors).
- After the transition to a company with Audit and Supervisory Committee, the amount of Director remuneration (excluding Directors who are Audit and Supervisory Committee Members) was up to 385 million yen annually as resolved at the 50th Annual General Meeting of Shareholders held on June 22, 2023 (breakdown: fixed remuneration of up to 135 million yen annually (portion for outside directors of above: Up to 54 million yen annually), performance-linked remuneration of up to 2.5% of profit attributable to owners of parent of Consolidated Statements of Income, and up to 250 million yen annually (Outside Directors excluded from payment.)). On the day that this resolution took effect, the number of Directors (excluding Directors who are Audit and Supervisory Committee Members) was four (including two Outside Directors).
- Prior to the transition to a company with audit and supervisory committee, the amount of remuneration for Audit & Supervisory Board Members was up to 50 million yen as resolved at the 43rd Annual General Meeting of Shareholders held on June 23, 2016. The number of Audit & Supervisory Board Members at the time of the conclusion of that Annual General Meeting of Shareholders was three (all three Outside Audit & Supervisory Board Members).
- After the transition to a company with Audit and Supervisory Committee, the amount of remuneration for Directors who are Audit and Supervisory Committee Members was up to 60 million yen annually as resolved at the 50th Annual General Meeting of Shareholders held on June 22, 2023 (breakdown: fixed remuneration of up to 60 million yen annually). On the day that this resolution took effect, the number of Directors who are Audit and Supervisory Committee Members was three (all three Outside Directors).
- The above amount of remuneration includes the remuneration for five Directors (including two Outside Directors) who retired at the conclusion of the 50th Annual General Meeting of Shareholders held on June 22, 2023.

**(6) Matters concerning Outside Directors**

**i. Relationship between the Company and Significant Companies Where Outside Directors and Outside Audit & Supervisory Board Members Hold Concurrent Posts**

The status and other information on significant concurrent posts are listed in “4. Matters concerning Directors ; (1) Names and other details of Directors.”

**ii. Status of Main Activities during the Subject Fiscal Year**  
**Outside Directors**

Type of Officer	Name	Attendance (total attended/total held)	Summary of Major Activities and Duties Performed Related to Expected Roles
		Directors' meetings	
Outside Directors	Akira Yamaguchi	14/14 (100%)	He has served as the representative director of a listed company on the First Section of the Tokyo Stock Exchange and based on his abundant experience and insight with respect to corporate management, he has been expected to contribute to strengthening the function of the Board of Directors of the Company and to management oversight, and at Board of Directors Meetings, he has provided proper advice and proposals as needed and sufficiently fulfilled his roles and duties in strengthening the function of the Board of Directors of the Company and in management oversight.
	Kumi Yokoe	13/14 (93%)	She has wide knowledge on international politics and others as a university professor and based on her abundant experience and insight as a senior researcher at a major think-tank and as the president of a company, she has been expected to contribute to strengthening the function of the Board of Directors of the Company and to management oversight, and at Board of Directors Meetings, she has provided proper advice and proposals as needed and sufficiently fulfilled her roles and duties in strengthening the function of the Board of Directors of the Company and in management oversight.

Type of Officer	Name	Attendance (total attended/total held)			Summary of Major Activities and Duties Performed Related to Expected Roles
		Directors' meetings	Audit & Supervisory Board	Audit & Supervisory Committee	
Outside Directors (Audit & Supervisory Committee Members)	Masatoshi Uematsu	14/14 (100%)	8/8 (100%)	7/7 (100%)	Mr. Masatoshi Uematsu possesses a wide range of experience and knowledge from having been involved in management and internal audits at major banks. Utilizing this experience and knowledge, as well as taking advantage of his experience as an Audit & Supervisory Board member at financial institutions, the Company expects that as an Outside Director who is an Audit and Supervisory Committee Members, he will contribute to the enhancement of the Company's management monitoring framework. At the Board of Directors meetings, he asked appropriate questions and offered his opinions by providing advice and proposals as needed. Also at the Audit and Supervisory Committee, as the Standing Audit and Supervisory Committee Chairperson, he made reports and provided opinions to other Outside Audit and Supervisory Committee Members, thereby sufficiently fulfilling his roles and duties in strengthening the function of the Board of Directors of the Company and in management oversight.
	Toru Kunibe	14/14 (100%)	8/8 (100%)	7/7 (100%)	Mr. Toru Kunibe is an attorney at law, and the Company judges that, utilizing his high knowledge in law, he will continuously contribute to the enhancement of the Company's management monitoring framework as an independent Outside Audit and Supervisory Committee Members. Based on his abundant experience and knowledge, at the Board of Directors meetings, he offered his opinions by providing advice and proposals as needed. Also at the Audit and Supervisory Committee, he provided opinions as needed, thereby sufficiently fulfilling his roles and duties in strengthening the function of the Board of Directors of the Company and in management oversight.
	Mitsunobu Yamaguchi	14/14 (100%)	8/8 (100%)	7/7 (100%)	Mr. Mitsunobu Yamaguchi holds a certified public accountant license and possesses sufficient knowledge on finance and accounting, and the Company expects that as an Outside Director who is an Audit and Supervisory Committee Members, he will contribute to the Company's management monitoring framework. Particularly from the standpoints of finance and accounting, at the Board of Directors meetings, he offered his opinions by providing advice and proposals as needed. Also at the Audit and Supervisory Committee, he provided opinions to as needed, thereby sufficiently fulfilling his roles and duties in strengthening the function of the Board of Directors of the Company and in management oversight.

## 5. Status of the Accounting Auditor

### (1) Name of Accounting Auditor

Deloitte Touche Tohmatsu LLC

### (2) Compensation to Accounting Auditor for current fiscal year

Description	Amount of compensation
1. Total compensation and amounts paid by the Company	33 million yen
2. Total amount of cash and other property profits to be paid by the Company and its subsidiaries to the independent accountant	60 million yen

Note: In the audit agreement between the Company and the accounting auditor, the amounts of compensation for conducting auditing services in accordance with the Companies Act and auditing services in accordance with the Financial Instruments and Exchange Law are not separated, and the above amounts contain compensation and other remuneration for auditing services under the Financial Instruments and Exchange Law.

### (3) Reason why the Audit & Supervisory Committee approved the Accounting Auditor's compensation

The Audit & Supervisory Committee verified matters including the performance of auditing in the previous fiscal year, and the content of the auditing plan for the upcoming fiscal year and the basis on which the compensation for the upcoming fiscal year was estimated. Having judged all of these matters to be appropriate, the Audit & Supervisory Board approved the accounting auditor's compensation.

### (4) Description of Non-auditing Job

The Company does not commission the accounting auditor to provide service which is out side of the scope of the activities defined in the Article 2, Paragraph 1 of the Certified Public accountants Act.

### (5) Policy regarding decisions on the dismissal or non-reappointment of the Accounting Auditor

If the Audit & Supervisory Committee considers that the accounting auditor falls under any of the provisions of Article 340, Paragraph 1 of the Companies Act and judges it necessary to dismiss the accounting auditor immediately, it shall dismiss the accounting auditor, having obtained the approval of all the Audit & Supervisory Committee Members.

In addition, the Audit & Supervisory Committee shall evaluate the overall performance of accounting audit duties by the accounting auditor according to its stipulated evaluation procedures and standards. If the Audit & Supervisory Committee considers that the accounting auditor cannot perform its duties appropriately, or otherwise judges that dismissal is required, it shall determine the content of an agenda item for the dismissal or non-reappointment of the accounting auditor to be submitted to the General Meeting of Shareholders in accordance with Article 344 of the Companies Act.

## **6. Systems to Ensure Appropriate Business Operations and the Status of its Implementation**

At the Board of Directors, the Company resolved the basic policy on internal control systems based on the Companies Act, and the internal control system has been appropriately established and operated based on this resolution. Additionally, important management information for the entire MEITEC Group on the appropriateness and effectiveness of operations evaluated by the departments associated with internal control, as well as by the person in charge of internal auditing, was appropriately submitted and reported to the Company's Board of Directors.

A summary of the resolutions of the Board of Directors and operating status thereof is as follows:

In the 51st fiscal period, the Company, which is responsible for the business management and oversight of the MEITEC Group, led the establishment and operation of each of the frameworks outlined in (1) to (12) below throughout the entire MEITEC Group, ensuring that there were no incidents or accidents that caused significant damage to the corporate group comprising the Company and its subsidiaries.

“Basic Policy on the Establishment of a System to Ensure the Appropriateness of Operations of the Corporate Group (Internal Control System)”

While aggressively pursuing opportunities for high added value, the Company and its subsidiaries (hereinafter collectively referred to as the “MEITEC Group”) aim to continue to improve both earning power and capital efficiency. To achieve this goal, the internal control system covers every aspect of the MEITEC Group, and the Company, responsible for the business management and oversight of the MEITEC Group, leads the establishment and management of this system.

### **(1) Framework to ensure compliance by directors with laws and regulations and the Company's articles of incorporation in the course of the execution of their duties**

In its interaction with the rest of society, the MEITEC Group shall comply with all laws and regulations and its articles of incorporation. The MEITEC Group shall maintain high ethical standards and management that is sound and highly transparent. Concerning directors' execution of duties, the MEITEC Group shall establish the Group's internal rules that are appropriate to the particular characteristics of the business and size of each company of the MEITEC Group to clarify the process and results of its decision-making. At the same time, the MEITEC Group shall establish a framework where directors and audit & supervisory board members (roles of directors and audit & supervisory board members of subsidiaries are limited to those of the company in which they hold office) can view such process and results as necessary.

In addition, through the establishment of the MEITEC Group Helpline System—based on a framework that provides measures to protect whistleblowers in personnel terms—and programs to inform employees about this helpline, the Company shall endeavor to quickly detect and take appropriate action against any malfeasance that may occur relating to the MEITEC Group's directors' execution of duties.

(Status of implementation)

In the Board of Director Regulations, the Rules of Administrative Authority, and the Rules Relating to Internal Requests for Approval, the MEITEC Group has clarified the authorities granted to Directors as well as decision-making procedures, and each Director performs their duties based on these sets of rules. Materials and minutes from meetings of the Board of Directors and Executive Board are continually stored on a



system that can be viewed by all Directors and Audit & Supervisory Board Members (for Directors and Audit & Supervisory Board Members of subsidiaries, this is limited to contents for the company to which they are appointed). The Company has also introduced a system to record the process and results of decision-making of individual Directors and has established a framework where all Directors and Audit & Supervisory Board Members can view such process and results as necessary (for Directors and Audit & Supervisory Board Members of subsidiaries, this is limited to contents for the company to which they are appointed).

Furthermore, the Company has established the MEITEC Group Helpline System administered by the CSR Dept., which performs internal checks and balances. Employees are informed about the system via the Company's intranet, and the Company responds to helpline inquiries appropriately. Furthermore, so that whistleblowers may use the MEITEC Group Helpline System to share information or legitimate concerns about malfeasance without concern over the risk of disadvantageous treatment, inquiries, reports, and investigations into Executive Directors at the Company or MEITEC CORPORATION are the responsibility of the Director who serves as the Chairperson of the an Audit and Supervisory Committee, and a helpdesk has been established outside of the MEITEC Group to receive inquiries and reports.

**(2) Framework for storing and managing information relating to the directors' execution of duties**

In accordance with the stipulations of all laws and regulations, the Company's articles of incorporation and internal rules, the MEITEC Group shall record, store and manage information regarding the execution of duties by directors in an appropriate and timely manner.

Moreover, the Company shall build an appropriate management system for safekeeping media to ensure there is no loss of trust as a company or fatal damage inflicted on the MEITEC Group through conduct involving leakage, alterations, loss, or unauthorized use, or conduct involving unauthorized disclosure, etc.

(Status of implementation)

In accordance with all laws and regulations, the Company's articles of incorporation and internal rules, the MEITEC Group prepares documents such as minutes from the General Meeting of Shareholders, and meetings of the Board of Directors and Executive Board, storing and managing such documents in an appropriate manner. In addition, the Company stipulates information to be managed and methods of management in its information management rules, which it implements appropriately.

### **(3) Rules and other frameworks for management of risk of loss**

Based on the risk management rules, the MEITEC Group shall work to comprehensively and systematically gather information on risk of loss faced by the Company before such risks emerge. Risks trends shall be monitored appropriately, and timely measures shall be taken in response to risks, commensurate with the severity of the risk. By responding quickly to the risks when they materialize, the Company aims to minimize the impact of such risks, develop a system to restore operations as soon as possible. The Company shall continually strive to maintain and enhance the soundness of its management.

(Status of implementation)

The MEITEC Group stipulates a framework for risk management in its risk management rules, and informs employees via its intranet. It also specifies risks by category and confirms that no risks requiring management have been omitted. In its risk management guidelines, the Company specifies in advance the risk items to be monitored and departments responsible for monitoring with the aim of picking up on any signs that risks might materialize in order to prevent them from doing so or, where risks have already materialized, in order to minimize their impact. Related details are regularly reported to the Board of Directors or the Executive Board of each Group Company, and the Company has established, and appropriately operates, a system for reporting in the event that risks becoming apparent. In addition, in the event that a risk develops into a crisis, in order to prevent the situation from growing larger and to quickly reign it in, the Group Crisis Management Regulations provide for a crisis management framework, such as the initial response when a crisis occurs as well as the establishment of crisis countermeasure command center.

### **(4) Framework to ensure the efficient execution of duties by directors**

The MEITEC Group shall make the directors appropriately divide up their duties and supervisory responsibilities and delegate authority in accordance with internal rules to speed up decision-making. In addition, the directors shall formulate a business plan stipulating clear targets and goals, and undertake appropriate management of operations and progress based on this plan. Targets and goals shall be revised as necessary.

(Status of implementation)

Each Director appropriately divides and delegates their duties and supervisory responsibilities. Depending on the scale and contents of business of each Group company, The MEITEC Group adopts an executive officer system through which authority is delegated to Executive Officers according to the Rules of Administrative Authority, facilitating prompt and appropriate decision-making. Furthermore, the directors formulate a business plan stipulating clear targets and goals, and undertake appropriate management of operations and progress based on this plan. Targets and goals are revised as necessary.

### **(5) Framework to ensure compliance by employees with laws and regulations and the Company's articles of incorporation in the course of the execution of their duties**

The MEITEC Group shall formulate the MEITEC Group Management Concept, the MEITEC Group Charter of Employee Behavior, the Employee Code of Conduct and other related documents. And with these, the MEITEC Group shall continuously strive to take initiatives to raise awareness of the MEITEC Group's employees to carry out their duties in compliance with all laws and regulations, the MEITEC Group's articles of incorporation and internal rules in a fair and reasonable manner.

In addition, through the establishment of the MEITEC Group Helpline System—based

on a framework that provides measures to protect whistleblowers in personnel terms—and programs to inform employees about this helpline, the MEITEC Group shall endeavor to quickly detect and take appropriate action against any malfeasance that may occur relating to the employees' execution of duties.

(Status of implementation)

The MEITEC Group has established our Management Concept, the MEITEC Group Charter of Employee Behavior, and the Employee Code of Conduct. These are published on the Company's intranet to create awareness, and reporting systems are in place and operated appropriately. A compliance awareness survey is also conducted for all companies within the MEITEC Group to confirm the state of compliance awareness within the Group. Details of the Meitec Group Helpline System are as set out under the status of implementation for (1) above. Internal audits are conducted to check departments' compliance with all laws and regulations, the MEITEC Group's articles of incorporation and internal rules.

**(6) Framework to ensure sound business operations within the Group comprising the Company and its subsidiaries**

The Company shall respect the right of each subsidiary to develop its business operations in an autonomous manner. The Company shall design the institution in accordance with the subsidiary's purpose, business characteristics and size, and place its directors and employees in all of its subsidiaries and manage and supervise the subsidiaries' business execution appropriately to maximize the MEITEC Group's corporate value.

In addition, the Company shall formulate rules on the administration of subsidiaries and establish the department in charge of administrating the Group companies (the "Group Company Administration Department") and develop a framework by which important matters related to the business execution of directors in subsidiaries are reported to the Company regularly.

With regard to the development of rules and other frameworks for loss risk management of subsidiaries, a framework to ensure the efficient execution of duties by directors of subsidiaries and a framework to ensure compliance by directors and employees of subsidiaries with laws and regulations and the Company's articles of incorporation in the course of the execution of their duties, the Company requests each of the subsidiaries to develop a framework that is suitable for their respective business characteristics and size by referring to the above-mentioned (3) to (5) as basic guidelines. The Company shall regularly receive reports on the development status of the framework and request improvements as necessary.

(Status of implementation)

The Company places its directors in all of its subsidiaries to manage and supervise the appropriateness of the subsidiaries' business. In addition, the Company has formulated its rules on the administration of Group companies, thereby clarifying matters that require prior approval by the Company or reporting to the Company. The relevant departments in the Company and its subsidiaries cooperated to make decisions on matters for which the rules require the Company's prior approval, while reports were duly received from subsidiaries with regard to the matters to be reported to the Company. MEITEC's Internal Audit Department conducts audits of the operations of the Group companies based on the Group Internal Auditing Rules.

**(7) Matters related to employees to be assigned to assist the Audit & Supervisory Committee and Audit & supervisory board members, matters related to such employees' independence from directors (excluding directors who are audit & supervisory Committee Members) and matters related to ensuring effectiveness of instructions given to such employees**

In order to improve the effectiveness of audits by the Company's Audit & Supervisory Committee and Audit & supervisory board members of subsidiaries, the Company shall establish the Office of Audit & Supervisory Committee which consists of employees who exclusively work in the said office and are independent from the execution of business, subsidiaries of large companies under the Companies Act establish an auditor's office with a similar structure.

In order to reflect the opinion from the Company's Audit & Supervisory Committee and Audit & supervisory members of subsidiaries as much as possible, the evaluation and re-assignment of the said exclusively working employees, who are to assist the Company's Audit & Supervisory Committee and Audit & supervisory board members of subsidiaries, are carried out with the consent of the Audit & Supervisory Committee, and instructions to such employees shall be given by the Company's Audit & Supervisory Committee (For subsidiaries, the Audit & supervisory board members of the subsidiaries).

(Status of implementation)

The Company has established an the Office of Audit and Supervisory Committee at the Company and the Office of Audit & Supervisory Board at the large MEITEC CORPORATION and staffed each with one dedicated employee who is independent form the execution of business. Furthermore, to respect the intentions of the Company's Audit and Supervisory Committee (for MEITEC CORPORATION, the Audit & Supervisory Board Members. The same hereinafter throughout the document.) to the greatest extent possible, personnel evaluations and job transfers of these dedicated employees are conducted with the consent of the Company's Audit and Supervisory Committee, which provides direct instructions and orders.

**(8) Framework for reporting to the Audit & Supervisory Committee or Audit & supervisory board members**

**i . Framework for reporting by directors and employees to the Audit& Supervisory Committee or Audit & supervisory board members**

The Meitec Group shall develop a framework for reporting to the Company's Audit & Supervisory Committee or Audit & supervisory board members of subsidiaries, to ensure that proper reports are made by directors and employees. The Company's directors who are audit & supervisory Committee Members (hereinafter referred to as the Audit & supervisory Committee Members) or Audit & supervisory board members of subsidiaries shall be given the authority to attend the Board of Directors' meetings and all other internal meetings of the company to which they belong. Furthermore, the Audit & supervisory Committee Members and Audit & supervisory board members shall have access to all important information relating to decision-making and the execution of business operations.

(Status of implementation)

We have established the "Rules on Reporting to the Audit and Supervisory Committee and Audit & Supervisory Board Members," which have been published on the Company's intranet to create awareness. The right to attend all important meetings in addition to Board of Director Meetings at the company to which they belong is granted to all Audit and Supervisory Committee Members and audit & supervisory board

members of subsidiaries, who attend meetings as they feel necessary based on their own discretion. Furthermore, important information on decision-making and the execution of business is disclosed appropriately in response to requests from Audit and Supervisory Committee Members and audit & supervisory board members of subsidiaries.

**ii . Framework for reporting by subsidiaries' directors, Audit & supervisory board members, employees or those who received reports from them to the Audit & Supervisory Committee of the Company**

The Company shall develop a framework by which any matters that took place at subsidiaries are reported to the Company's audit & supervisory board members from subsidiaries' directors and employees through the Company's Executive officer in charge of Management Administration and the Group Company Administration Department. In the case where the Company's Audit & Supervisory Committee requests that subsidiaries' directors and employees directly report, etc. concerning matters that have been deemed necessary in order to ensure appropriateness of the Group's operation, the subsidiaries' directors and employees are obliged to meet the aforesaid request.

In addition, Audit & supervisory board members of subsidiaries and via communication with the Company's Audit & supervisory Committee Members, they report the situation of subsidiaries in a timely way to the Company's Audit & Supervisory Committee.

(Status of implementation)

Any matters that took place at subsidiaries are reported to the Company's Audit & Supervisory Committee as appropriate through the Group Company Administration Department. In addition, subsidiaries' audit & supervisory board members report the situation of subsidiaries to the Company's Audit & Supervisory Committee in a timely way. To that end, they hold meetings with the Company's Audit & Supervisory Committee as appropriate after attending their subsidiary's Board of Directors meetings, or when they have received a report regarding an event or incident relating to their subsidiary.

**(9) Framework to ensure that a person who made report to the Audit & Supervisory Committee or Audit & supervisory board members does not receive disadvantageous treatment for making such report**

The MEITEC Group prohibits any disadvantageous treatment being given to directors, audit & supervisory board members and employees of the Company and subsidiaries who made a report to the Company's Audit & Supervisory Committee or Audit & supervisory board members of subsidiaries. The Company shall disseminate this policy throughout the Group.

(Status of implementation)

The Company clearly prohibits any disadvantageous treatment in its rules regarding reporting to the Audit & Supervisory Committee Members, Audit & supervisory board members or the Audit & Supervisory Board, and it has informed employees to that effect. There have been no instances of disadvantageous treatment as a result of making a report to the Company's Audit & Supervisory Committee or the Audit & supervisory board members of subsidiaries.

**(10) Matters related to the policy on the prepayment or repayment procedure of costs that accrue as a result of execution of duties by the Audit & Supervisory Committee Members or Audit & supervisory board members, or settlement of other liabilities**

The Company (For subsidiary, the company to which the Audit & Supervisory Board Member belongs) shall, in principle, be liable to pay the costs or liabilities that accrue as a result of execution of duties by the Company's Audit & Supervisory Committee Members or Audit & supervisory board members of subsidiaries. The Company shall settle such costs or liabilities as appropriate each time the Audit & Supervisory Committee Members or Audit & supervisory board members of subsidiaries submit such request to the Company, with the exception of cases where the Company (For subsidiary, the company to which the Audit & Supervisory Board Member belongs) has proven that such costs or liabilities were not necessary in the execution of duties by the Company's Audit & Supervisory Committee Members or Audit & supervisory board members of subsidiaries.

(Status of implementation)

The Company (For subsidiary, the company to which the Audit & Supervisory Board Member belongs) paid to settle costs or liabilities as appropriate each time the Audit & Supervisory Committee Members or Audit & supervisory board members submitted such request to the Company.

**(11) Framework to ensure auditing activities by the Audit & Supervisory Committee or Audit & supervisory board members are carried out effectively**

The MEITEC Group shall develop a framework to deepen the mutual cooperation among the person in charge of the group internal audits and the accounting auditor for internal audits, the Company's Audit & Supervisory Committee or Audit & supervisory board members of subsidiaries and accounting audits by exchanging their opinions regularly or as necessary.

The MEITEC Group shall also strive to improve, on an ongoing basis, the effectiveness of audit function performed by the Company's Audit & Supervisory Committee by making directors and employees cooperate with inspections or hearing request submitted by the Company's Audit & Supervisory Committee.

(Status of implementation)

The person in charge of the group internal audits and accounting auditors exchange their opinions with the Company's Audit & Supervisory Committee or Audit & supervisory board members of subsidiaries regularly, ensuring mutual cooperation in their audits.

Moreover, directors and employees are cooperating appropriately with inspections or hearing requests submitted by Audit & Supervisory Committee Members.

**(12) Basic policy toward removal of anti-social forces**

The Company shall interdict any and all relationship with anti-social forces and groups which threaten the order and safety of the civil society. And against such anti-social forces, the entire MEITEC Group, from the presidents of each company down, shall respond in uncompromising manner.

(Status of implementation)

The MEITEC Group has prescribed that employees do not have any relationship with anti-social forces in the Employee Code of Conduct and in the purchasing policy. At the same time, the Company has established the principle of the "3 No's" ("No fear," "No

payments,” “No business”) in dealing with organized violence by anti-social forces. It has also stipulated that in the event of any approach from anti-social forces, employees should not handle the matter individually, but should consult the department in charge to deal with it as an organization.

## 7. Basic Policy Regarding Profit Distribution

The MEITEC Group, which hires large numbers of engineers for an indefinite period, believes it is essential to protect employment of the engineers even during times of economic hardship in order to aim for maximizing the shareholders' return in the medium to long term and to grow sustainably. Accordingly, the Company's policy regarding profit distribution is to place priority on the "qualitative and quantitative' enhancement of shareholders' equity" to distribute the profits of the Company based on operating results while also giving consideration to the "balance of funds."

In addition to the level of "qualitative and quantitative" enhancement of shareholders' equity, if the balance of funds is an amount higher than the amount of necessary funds required for business operations (consolidated three month net sales), the Company will in principle set the total return ratio by means of dividends and acquisition of treasury shares within 100%. The Company shall in principle pay dividends twice every year: an interim dividend and a year-end dividend, setting the payout ratio to 50% or higher. The minimum level of dividends shall be a dividend on equity ratio (DOE) of 5%.

The Company shall acquire treasury shares in a timely manner, considering the level of total return ratio and payout ratio.

After the Company acquires treasury shares, it shall continue to hold treasury shares within 5 percent of the total number of shares issued. If the number of treasury shares exceeds the aforementioned limit, the excess treasury shares shall 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 netsales  
\* 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.

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Unless otherwise noted, figures in this business report for the fiscal year ended March 31, 2024 is presented as follows.

- Monetary amounts are rounded off to the displayed unit. However, hundredths of a yen are rounded to the nearest whole number.
- Ratios are rounded to the displayed unit.



[The Notes to Consolidated Financial Statements and the Notes to Non-consolidated Financial Statements are not stated here.]

## Consolidated Balance Sheets

(Millions of yen)

As of March 31, 2024

Assets	
Current assets	
Cash and deposits	52,744
Notes and accounts receivable - trade	18,215
Work in process	174
Consumption taxes refund receivable	2,432
Other	1,203
Allowance for doubtful accounts	(4)
Total current assets	<u>74,767</u>
Non-current assets	
Property, plant and equipment	
Buildings and structures, net	3,005
Tools, furniture and fixtures, net	163
Land	1,487
Total property, plant and equipment	<u>4,656</u>
Intangible assets	
Software	258
Other	145
Total intangible assets	<u>403</u>
Investments and other assets	
Investment securities	27
Deferred tax assets	9,356
Other	1,564
Allowance for doubtful accounts	(15)
Total investments and other assets	<u>10,933</u>
Total non-current assets	<u>15,993</u>
Total assets	<u>90,761</u>

(Millions of yen)

As of March 31, 2024

Liabilities	
Current liabilities	
Accrued expenses	4,467
Income taxes payable	3,674
Accrued consumption taxes	4,949
Provision for bonuses for directors (and other officers)	131
Provision for bonuses	10,612
Other	1,956
Total current liabilities	<u>25,791</u>
Non-current liabilities	
Retirement benefit liability	<u>17,273</u>
Total non-current liabilities	<u>17,273</u>
Total liabilities	<u>43,064</u>
Net assets	
Shareholders' equity	
Share capital	5,000
Capital surplus	1,259
Retained earnings	43,554
Treasury shares	(1,691)
Total shareholders' equity	<u>48,122</u>
Accumulated other comprehensive income	
Revaluation reserve for land	(662)
Remeasurements of defined benefit plans	236
Total accumulated other comprehensive income	<u>(425)</u>
Total net assets	<u>47,696</u>
Total liabilities and net assets	<u>90,761</u>

## Consolidated Statements of Income

(Millions of yen)

	Fiscal year ended March 31, 2024
Net sales	126,976
Cost of sales	92,741
Gross profit	34,234
Selling, general and administrative expenses	16,573
Operating profit	17,660
Non-operating income	
Interest income	1
Subsidy income	29
Other	13
Total non-operating income	44
Non-operating expenses	
Provision of allowance for doubtful accounts	9
Commission expenses	5
Commitment fee	2
Other	20
Total non-operating expenses	37
Ordinary profit	17,667
Extraordinary income	
Gain on sale of non-current assets	0
Total extraordinary income	0
Extraordinary losses	
Impairment losses	3
Loss on retirement of non-current assets	3
Total extraordinary losses	6
Profit before income taxes	17,660
Income taxes - current	5,909
Income taxes - deferred	(592)
Total income taxes	5,317
Profit	12,343
Profit attributable to owners of parent	12,343

## Consolidated Statements of Changes in Equity

(Fiscal Ended March 31, 2024)

(Millions of Yen)

	Shareholders' equity				
	Capital stock	Capital surplus	Retained earnings	Treasury shares	Total shareholder's equity
Balance at beginning of period	5,000	1,259	49,207	(7,795)	47,671
Changes during period					
Dividends of surplus			(8,391)		(8,391)
Profit attributable to owners of parent			12,343		12,343
Purchase of treasury shares				(3,500)	(3,500)
Cancellation of treasury shares			(9,604)	9,604	—
Net changes in items other than shareholder's equity					
Total changes during period	—	—	(5,652)	6,104	451
Balance at end of period	5,000	1,259	43,554	(1,691)	48,122

(Millions of Yen)

	Accumulated other comprehensive income			Total net assets
	Revaluation reserve for land	Remeasurements of defined benefit plans	Total accumulated other comprehensive income	
Balance at beginning of period	(662)	(289)	(951)	46,719
Changes during period				
Dividends of surplus				(8,391)
Profit attributable to owners of parent				12,343
Purchase of treasury shares				(3,500)
Cancellation of treasury shares				—
Net changes in items other than shareholder's equity	—	526	526	526
Total changes during period	—	526	526	977
Balance at end of period	(662)	236	(425)	47,696

## Non-Consolidated Balance Sheet

(Millions of yen)

As of March 31, 2024

Assets	
Current assets	
Cash and deposits	14,617
Prepaid expenses	6
Consumption taxes refund receivable	2,432
Other	59
Total current assets	<u>17,116</u>
Non-current assets	
Property, plant and equipment	
Buildings	2,833
Structures	7
Tools, furniture and fixtures	60
Land	1,487
Total Property, plant and equipment	<u>4,389</u>
Intangible assets	
Other	2
Total intangible assets	<u>2</u>
Investments and other assets	
Shares of subsidiaries and associates	2,118
Total investments and other assets	<u>2,118</u>
Total non-current assets	<u>6,509</u>
Total assets	<u>23,625</u>

(Millions of yen)

As of March 31, 2024

<hr/>	
Liabilities	
Current liabilities	
Accounts payable - other	70
Accrued expenses	0
Income taxes payable	18
Provision for directors' bonuses	130
Other	6
Total current liabilities	<u>225</u>
Total liabilities	<u>225</u>
Net assets	
Shareholders' equity	
Capital stock	5,000
Capital surplus	
Legal capital surplus	1,250
Total capital surpluses	<u>1,250</u>
Retained earnings	
Other retained earnings	19,503
Retained earnings brought forward	19,503
Total retained earnings	<u>19,503</u>
Treasury shares	<u>(1,691)</u>
Total shareholders' equity	<u>24,062</u>
Valuation and translation adjustments	
Revaluation reserve for land	(662)
Total valuation and translation adjustments	<u>(662)</u>
Total net assets	<u>23,399</u>
Total liabilities and net assets	<u>23,625</u>

## Non-Consolidated Statement of Income

(Millions of yen)

Fiscal year ended  
March 31, 2024

Net sales	46,267
Cost of sales	31,458
Gross profit	14,808
Selling, general and administrative expenses	5,744
Operating profit	9,064
Non-operating income	
Interest income	1
Dividend income	1,214
Rent income	378
Other	15
Total non-operating income	1,608
Non-operating expenses	
Commission expenses	5
Commitment fee	1
Other	19
Total non-operating expenses	25
Ordinary profit	10,647
Extraordinary losses	
Impairment losses	3
Loss on retirement of non-current assets	1
Total extraordinary losses	4
Profit before income taxes	10,642
Income taxes - current	2,066
Income taxes - deferred	160
Total income taxes	2,226
Profit	8,415

## Non-Consolidated Statement of Changes in Equity

(Fiscal Ended March 31, 2024)

(Millions of Yen)

	Shareholders' equity			
	Capital stock	Capital surplus		
		legal capital surplus	Other capital surplus	Total capital surplus
Balance at beginning of current period	5,000	1,250	—	1,250
Changes of items during period				
Dividends of surplus				
Profit				
Purchase of treasury shares				
Retirement of treasury shares				
Decrease due to company split				
Total changes of items during period	—	—	—	—
Balance at end of current period	5,000	1,250	—	1,250

(Millions of Yen)

	Shareholders' equity		
	Retained earnings	Treasury shares	Total shareholders' equity
	Other retained earnings		
	Retained earnings brought forward		
Balance at beginning of current period	39,265	(7,795)	37,719
Changes of items during period			
Dividends of surplus	(8,391)		(8,391)
Profit	8,415		8,415
Purchase of treasury shares		(3,500)	(3,500)
Retirement of treasury shares	(9,604)	9,604	—
Decrease due to company split	(10,181)		(10,181)
Total changes of items during period	(19,761)	6,104	(13,657)
Balance at end of current period	19,503	(1,691)	24,062

(Millions of Yen)

	Valuation and translation adjustments		Total net assets
	Revaluation reserve for land	Total valuation and translation adjustments	
Balance at beginning of current period	(662)	(662)	37,056
Changes of items during period			
Dividends of surplus			(8,391)
Profit			8,415
Purchase of treasury shares			(3,500)
Retirement of treasury shares			—
Decrease due to company split			(10,181)
Total changes of items during period	—	—	(13,657)
Balance at end of current period	(662)	(662)	23,399



## **Audit & Supervisory Committee's Report (Certified Copy)**

The Audit and Supervisory Committee has audited Directors' execution of duties for the 51st fiscal period from April 1, 2023 to March 31, 2024. The Committee hereby reports the method and result thereof as follows.

### **1. Audit Methods and its Details**

The Audit and Supervisory Committee received reports from Directors, employees, etc. on the resolutions of the Board of Directors concerning the matters listed in Article 399-13, Paragraph 1, Item 1-(b) and (c) of the Companies Act as well as the development and operation status of the system that has been put in place based on said resolutions (internal control system), and then requested explanation as necessary, expressed its opinion and conducted audits by the following methods.

- i. Audit and Supervisory Committee Members attended important meetings and received reports from the Directors, employees, etc., regarding the state of performance of their duties, sought explanations whenever necessity arose, inspected important decision documents, etc., and made investigation into the state of activities and property at the head office and other main business offices of the Company. in accordance with the Audit and Supervisory Committee Audit Rules established by the Audit and Supervisory Committee as well as the audit policies and the allocation of audit operations in collaboration with departments in charge of the Group's internal control, etc. With respect to subsidiaries, we communicated and exchanged information with directors, audit & supervisory board members, etc., of the subsidiaries, and received reports on business from them, as need.
- ii. Audit and Supervisory Committee Members monitored and verified whether the Accounting Auditors maintained their independence and implemented appropriate audits, and we received reports from Accounting Auditors regarding the state of performance of their duties and sought explanations whenever necessity arose. In addition, we received notice from the Accounting Auditors the "The systems for ensuring the proper performance of duties" (matters set forth in each Item of Article 131 of the Ordinance on Accounting of Companies) is organized in accordance with the "Quality Control Standards for Audits" (Business Accounting Council) and other relevant standards, and sought explanations whenever necessity arose.

Based on the above methods, we examined business reports and supporting schedules, the financial statements (non-consolidated balance sheet, non-consolidated statement of income, non-consolidated statement of change in equity, and foot notes) and supporting schedules related to the relevant business term, and the consolidated financial statements (consolidated balance sheets, consolidated statements of income, consolidated statements of change in equity, and foot notes).

### **2. Results of Audit**

#### **(1) Results of Audit of Business Report and Other Relevant Documents**

- i. In our opinion, the business report and supporting schedules fairly presents the state of the Company in accordance with the laws, regulations and Articles of Incorporation.
- ii. In connection with the performance by the Directors of their duties, no dishonest

act or material fact of violation of laws, regulations, or the Articles of Incorporation exists.

iii. In our opinion, the contents of the resolution of the Board of Directors regarding the internal control system are fair and reasonable. In addition, we have found nothing to be pointed out in relation to the performance of duties by the Directors regarding the internal control system.

(2) Results of Audit of non-consolidated financial statements and supporting schedules  
In our opinion, the methods and results of audit conducted by the Independent Auditors, Deloitte Touche Tohmatsu LLC are proper.

(3) Results of Audit of consolidated financial statements  
In our opinion, the methods and results of audit conducted by the Independent Auditors, Deloitte Touche Tohmatsu LLC are proper.

May 9, 2024

Meitec Group Holdings Inc.  
the Audit and Supervisory Committee

Standing Directors who are Audit and  
Supervisory Committee Members  
Masatoshi Uematsu

Directors who are Audit and Supervisory  
Committee Members  
Toru Kunibe

Directors who are Audit and Supervisory  
Committee Members  
Mitsunobu Yamaguchi