

November 9, 2022

**SUMMARY OF THE Q&A SESSION**  
**AT THE IR MEETING FOR THE 2ND QUARTER ENDED SEPTEMBER 30, 2022**

MEITEC CORPORATION

1. Date: October 27, 2022, 16:00–16:42
2. Place: Simultaneously at the conference room on the 7th floor of the Tokyo Headquarters and online conference
3. Q&A:

Q. Even as you have worked to further step up your hiring efforts, the prospective number of new graduates joining the Meitec Group in April 2023 is roughly on par with the number of those who joined in April 2022. Moreover, competition is intensifying, although I do get the impression that you have fared better than before with mid-career hires. In light of this, with a view to further increasing the number of hires going forward, do you believe you are lacking in some aspects at this juncture, or is there anything you believe is crucial?

A. First, as for new graduate hires, from around January-February 2020, when COVID-19 began to spread, students became more inclined to hunt for jobs online, rather than through in-person interviews. Because we quickly switched over to online methods in March-April, we were able to meet and build relationships with many students, and thus managed to keep our hiring plans relatively intact.

Roughly two and a half years have gone by, and especially since the latter half of last year and into this year, students' preference has shifted back to in-person meetings, as they look for opportunities to directly engage with the corporate culture and people who work at each company. With online means helping students hunt for jobs more efficiently, their preference has changed significantly in the last two and a half years.

In addition, as reported in newspapers, one trend notably on the rise is that students would decide which company to join after receiving prospective offers from many companies, then ultimately decline offers from companies they choose not to join.

Moreover, I explained earlier that small and medium companies in regional cities are showing strong appetite for hiring. Likewise, more and more students are looking to join companies in their hometown, which is a shift that has become more evident in the last two and a half years. Given these changes in the environment and increasingly diverse inclinations of students, we recognize that it is extremely important and necessary to shift to new methods with an open mind, rather than clinging to traditional means. Going forward, the most important key is to remain acutely aware of students' inclinations and change our approach swiftly, without getting fixated on old ideas.

As for mid-career hires, I have explained that we are expanding recruiting channels. There has also been a shift in inclinations of mid-career applicants looking to switch jobs, with an increasing number of applicants

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submitting their applications directly to companies, rather than the traditional approach of going through recruitment agencies. In light of this, we are expanding recruiting channels to include the use of direct recruiting methods, in addition to recruitment agencies. We intend to step up hiring by constantly updating our approach to better fit the preference of mid-career applicants and adapt to changes in the broader society. At the Meitec Group, we receive countless applications and entries. Even so, we will strive to maintain our rigorous hiring standards, rather than just focusing on the number of new hires.

Q. Regarding the change in management structure, it is hard to see the benefits of transitioning to a holding company structure, given that non-consolidated earnings have traditionally been your earnings driver. Could you share with us if there is something under consideration at this time, such as grooming a new generation of management or starting a new business?

A. As stated in page 34 of the briefing materials, the scope of “bold management decisions” involves both speed and uniqueness. While Meitec currently operates as a holding-operating company, through this transition to a holding company structure, we envision making bolder moves in terms of the decision-making and execution as the Meitec Group.

We will work on the organizational transition, as we believe it is imperative for us to be ready to take actions swiftly, given that our clients are achieving technological innovations through initiatives across different regions while partnering with companies both small and large.

Q. I would like to ask you about the trend in your rates, shown on page 36 of the briefing materials. Is the increase in average rate attributable to higher rates across all types of projects, or is it due to an increase in rates at the lower end? Also, I feel the pace of rate increases at Meitec Fielders is a bit lacking in momentum. Could you please share with us if there are any company-specific factors?

A. We disclose our rates once a year, when we announce full-year results.

For both Meitec and Meitec Fielders, figures disclosed are average rates, which takes into account new graduate hires who join us in April. In other words, the average rates include in their scope our engineers who begin work at rates below the average.

So, to answer your second question, as you will see from the recruitment breakdown on page 16 of the briefing materials, Meitec Fielders has seen a rise in the ratio of new graduates. This is why the average rate has not moved so much.

Meanwhile, Meitec takes on more high-end operations, or projects for which we charge higher rates to our clients, which has resulted in the average rate of roughly 5,400 yen. That would be the key difference from the average rate of just above 3,800 yen at Meitec Fielders.

With that in mind, I would like to circle back to my earlier comment on Meitec’s proactive sales activities. We are working to win more projects in fields with higher added value, and to ink contracts for those projects. We also strive to lift our average rate by negotiating fair and appropriate rates, while developing our engineers’ career. Meitec’s success in steadily winning higher rates is a result of our efforts to shift from

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our traditional services to new projects with higher added value.

Of note, in terms of our views on rates at Meitec, we do not set our rates based on the so-called supply/demand dynamics in the broader economy. We negotiate our rates in consideration of our output, or performance in the eyes of our clients. We always negotiate our rates commensurate with our output and performance, regardless of the broader economic sentiment or how well the clients have fared in their earnings.

Indeed, Japan has recently seen some debates on raising the minimum wage, as well as lifting rates amid a decrease in the overall labor force. However, if we were to set our rates purely based on those external factors, it would mean that we would lower our rates when the operating environment deteriorates or the economic sentiment worsens. The reason why we were able to steadily increase our rates even in the aftermath of the collapse of Lehman Brothers and amid the COVID-19 pandemic is because we remained steadfast in winning our rates commensurate with our performance for our clients, rather than how favorable the industry climate and the operating environment are. Even in the current operating environment, which has been highly uncertain, we will maintain our position that allows us to win rates commensurate with our performance and continue working to steadily increase our rates.

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