

May 8, 2014

**SUMMARY OF THE Q&A SESSION**  
**AT THE IR MEETING FOR THE FISCAL YEAR ENDED MARCH 31, 2014**

MEITEC CORPORATION

1. Date: May 8, 2014, 16:00-17:10
2. Place: Conference Room at Tokyo Head Office
3. Q&A:
  - Q. Previously, we heard that you are improving your hourly rate by 1% per year. However, as I look at the recent trend, it is flat for Meitec and decreasing for MF. Can you explain?
  - A. Addition of newly graduated engineers would be a factor to push down the average rate, because of their rate is initially lower. MF also hired many newly graduates and it too is pushing down the average hourly rate. We will continue our effort to raise the hourly rate for the existing engineers.
  - Q. Can you describe the detail of cost related to hiring?
  - A. Because it is a part related to our strategies, I would like to refrain from specific answers.
  - Q. What is the new market zone?
  - A. We have not made any specific definition of it yet. We will research and study feasibilities of work and product fields in 2 to 3 thousand yen/hr. range which the Meitec Group can respond to. However, we are limiting it to be the engineering job at manufactures who conduct design and development.
  - Q. As you increase the number of engineers, would there be no problems to your training facilities and equipment to receive the engineers?
  - A. In consideration of the number of engineers we have hired and actual training we performed to them and existing engineers, our training system is in fully prepared state. Also, with considering the number of engineers that we plan to hire now on, we believe there is no problems. We will further improve quality of our training responding to the market needs.
  - Q. What is your effort in lowering the turnover ratio? What is the reason for using turnover ratio in level of two years ago as prerequisites for this fiscal year's forecast?
  - A. Because it is a part related to our strategies, I would like to refrain from specific answers. However, considering that providing thorough support in building up career would lead to lowering the turnover ratio, we will continue such efforts.
  - Q. Are your efforts in lowering the turnover ratio common to MT and MF?
  - A. Because it is a part related to our strategies, I would like to refrain from specific answers.
  - Q. What is the merits and demerits regarding the amendment which to be made to the worker dispatching act.
  - A. There are two major amendments. One is to unify the general dispatching and specific dispatching, distinguish them by if the worker is under defined period employment or indefinite period employment, and requiring all the business to obtain government approval. Second is abolition of the limitation of 26 occupations specified by the law. By these amendments, the worker dispatching industry will be healthier, and we believe that there will be more business chances to the Meitec Group. Also, abolition of the 26 occupation will widen the selections in building up career for young people.

- Q. Is the number of mid-career recruitments higher in the month after bonuses?
- A. The number of mid-career recruitments is higher in April and October, as these are optimal times to make a transition from a previous job.
- Q. What do you mean by the worker dispatching industry will be healthier?
- A. It is that good dispatch operators who can perform desirable business to the clients and employee will be sorted.
- Q. I think following assignment of engineers to a new client, there will be more cases that their performance will lead to increasing the number of engineers to the client. Tell us such specific success example.
- A. Such a flow is the strength of Meitec. Business with many of the current clients had started with assignment of one engineer, and for many cases, we received orders to increase the engineers. Performances of our engineers had led to the trust from our clients. Reason that we can assign our newly graduated engineers to our clients is that our clients trust that our newly graduates will quickly realize the full performances and has high quality and growth. And our engineers supporting each others are our strength.
- Q. Can you continue to hire level of 1,000 engineers?
- A. We have delivered results in hiring newly graduates in past two years. Also under the tight labor market which manufacturers are strengthening their engineers hire, we have delivered results in hiring mid-career. We will continue to appeal our company that we are safe company to work for, hoping to become fan of our company. We will also continue to send messages that we provide occupational environment which they can work for lifetime. Because specific details are parts related to our strategies, I would like to refrain from specific answers. However, we will brush up further considering the past results.
- Q. Currently, automotive industry is doing well. Which industry do you expect to grow from now on?
- A. Wide field of industries are related to the automotive industry. We will continue to respond to the need from clients of wide industries.
- Q. Are you planning to sustain the current compensation system, and to sustain the price as well?
- A. We will continue to review our compensation system. We will set appropriate compensation according to the career improvement of the engineers. And also, we will continue in effort to obtain appropriate price.

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