

SUMMARY OF THE Q&A SESSION
AT THE IR MEETING ON NOVEMBER 8, 2012
FOR THE 2ND QUARTER ENDED SEPTEMBER 30, 2012

MEITEC CORPORATION

1. Date: November 8, 2012, 14:00-14:50
2. Place: Conference Room at Tokyo Head Office
3. Company Representatives:
- | | |
|-------------------|---------------------|
| Kosuke Nishimoto | (President and CEO) |
| Hideyo Kokubun | (Director) |
| Hiroshi Yoneda | (Director) |
| Kiyomasa Nakajima | (Director) |
| Masato Uemura | (Director) |
| Hidenori Nagasaka | (Director) |

4. Q&A

- Q. What is the current status of the staffing contract period?
- A. Approximately 80% of our staffing contract period defined in the staffing contract is three months. However, the effective contract period is nearly four years. There is no significant difference from a little over four years of the effective contract period prior to the Lehman Shock.
- Q. What is the anticipated impact of the anti-Japan sentiment in China on investment in technological development by Japanese manufacturers operating in China? What is the anticipated impact on your business in China?
- A. At present, we do not see a significant impact. In addition, we also do not expect a big effect on the education business in China. However, if this problem is prolonged, we will be unable to see clearly the impact on recruitment of students for the education business and on job placement services for engineer staffing for Japanese companies in China. Currently, as most Japanese companies in China have a wait and see attitude, we do not plan on withdrawing from our China business.
- Q. Do you expect to benefit from a tax relief upon the dissolution of BMOA only in this fiscal year under review? Do you expect that you will be back to normal due to the absence of tax relief in the next fiscal year and beyond?
- A. You are exactly right.
- Q. According to your explanation, ended contracts increased in October. In which sector(s) do you see a significant increase in ended contracts? Do you know the reasons for this?
- A. There is no specific company, sector or field indicating a significant increase in ended contracts. As customers generally review budgets on staffing contracts in each accounting term, there is a tendency that both new and ended contracts increase in April and October. However, the number of ended contracts exceeded that of new contracts in October contrary to what we had originally anticipated in the beginning of the fiscal year.
- Q. What is the trend in new contracts in October on a weekly basis?
- A. The monthly results for October are as indicated in the material. The number of new contracts generally tends to increase at the beginning of the month and decrease toward the end of the month. Therefore, there is no clear trend in weekly data.

- Q. Could you explain the rotation of engineers that has been implemented after the Lehman Shock?
- A. Rotation is a measure we had taken prior to the occurrence of Lehman Shock. We are well positioned to take this rotation measure beyond industrial sectors leveraging customer bases with more than 1,000 customers. Note, however, that at the time of the Lehman Shock we had no sectors that could offset a shortage in earnings because all the sectors fell into a full-scale downturn.
- Q. Do you have a conservative forecast due to the business trend in October? Is there an upside potential buffer?
- A. Our second half financial forecasts were revised based on the new and ended contracts in October, but remained unchanged for November and beyond. However, an upside potential cannot be precluded as seen in the first half. In addition, downside risk cannot be dismissed if there is a change in business confidence.
- Q. Do you anticipate that “all engineer. jp,” your new service to be implemented in the next fiscal year, will contribute to your earnings?
- A. We do not regard the new service as a business that contributes to our profitability in a short-term. Instead, we will try to promote understanding of Meitec among engineers working at Japanese manufactures and client companies.
- Q. I understand that you are going to actively recruit mid-career engineers. However, judging from the state of strategic investment, it seems that you have not progressed as planned. How do you see the current situation?
- A. The target number of recruitments are as stated in the material and remain unchanged for Meitec, but the target number for Meitec Fielder is reduced by 55, which explains the current status.
- Q. I hear mid-career recruitments are tough. Could you explain the situation?
- A. It is true that the recruiting market is tough due to strong demand for human resources, but we will try diverse approaches to attract capable engineers that fall within our strict recruiting criteria to achieve the target.

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