

SUMMARY OF THE Q&A SESSION
AT THE IR MEETING FOR THE FISCAL YEAR ENDED MARCH 31, 2024

MEITEC Group Holdings Inc.

1. Date: May 9, 2024, 16:00–16:33
2. Place: Simultaneously at the conference room on the 7th floor of the Tokyo Headquarters and online conference
3. Q&A:
 - Q. Please tell us about the possibility of achieving the recruitment of 500 new graduates, which is Meitec's target number of new graduates to be hired for fiscal 2025.
 - A. Because we are currently taking action, we consider it inappropriate to respond at this moment. Therefore, I refrain from answering to this question.
 - Q. As for the expected turnover ratio of Meitec Fielders, what is your forecast for returning it from the actual rate at 14% in the prior fiscal year to 10%?
 - A. It is a fact that there is no only way that quickly works for a curb on retirement. However, we intend to take measures to enhance engagement with engineers in-house. We refrain from explaining specific measures.
 - Q. The turnover ratio of Meitec is lower. So, is it OK to recognize that compared to Meitec, there is more room for improvement in Meitec Fielders in terms of engagement?
 - A. In my opinion, nothing is changed, unless we honestly admit that the high turnover ratio is due to poor engagement, reflect on ourselves, and change our action.
 - Q. With regard to "review of business requirements" called for in the Mid-term Management Plan, where will its results appear? What is a specific KPI? Is it rates?
 - A. We think the results will not come as a single KPI but appear in a mixed way in rates, turnover ratio, utilization ratio, and others. As explained earlier, we can exist because engineers have demonstrated high performance and we have received recognition from customers. So both engagement with customers and engagement with engineers are important, as we have discussed. Therefore, we place emphasis on operation reforms that lead to enhancement of engagement. However, since this is also related to competitive superiority, I refrain from explaining specific measures.
 - Q. With regard to the trend of primary customers, one company has been replaced compared to the prior year. Is the main factor largely attributable to decision-making of customers?
 - A. I refrain from answering on individual customers. How a customer group changed the thinking, behavior, and allocation of resources is reflected in our sales as if it is seen in a mirror. We will never answer on details of orders received. We can seize customers' trend and intention by receiving orders placed. We follow them and keep responding to them. However, if there are other more favorable orders, we will move on to them. We will continue to value such agility going forward.
 - Q. Please explain factors for the decline in operating profit in 4Q of the fiscal year ended March 31, 2024 compared to the prior year.
 - A. This is due to the recording of results of pay raises through discussions with the labor union in costs.
 - Q. As for your basic policy for profit distribution, do you have no plan to aim for the total return ratio of 100% or more, for example, 150% or 120%?
 - A. We do not have the plan. We know that companies in the U.S. with strong cash flows have continued significant profit distribution even if their debts exceed the assets. However, we do not think our ability to generate cash flows is powerful. As explained before, we do not adopt action that disrespects engineers and customers and focuses only on shareholders. If necessary, we may review the total return ratio downward to 80% or 70%. In doing so, we will announce it in a timely and appropriate manner.

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