

November 9, 2021

**SUMMARY OF THE Q&A SESSION**  
**AT THE IR MEETING FOR THE 2ND QUARTER ENDED SEPTEMBER 30, 2021**

MEITEC CORPORATION

1. Date: October 28, 2021, 16:00–16:30  
2. Place: Online conference  
3. Q&A:

Q. It seems that utilization ratios in the first half of the current fiscal year were slightly below expectations, but on the other hand, judging by the tone of the President’s explanation regarding full-year earnings forecasts, I get the feeling that business inquiries have come back quite strongly. Looking at the monthly utilization ratios in particular, the second quarter was strong. Why did utilization ratios improve so sharply?

A. There are two factors at play. One is on the customer side and the other is on the Group side. The first is that, with the spread of COVID-19 settling down, customers have managed to organize their business systems. In addition, customers are moving forward aggressively with investments in technological development, and the resulting environment has led to an acceleration in our order inflows. The second is that we have been executing a strategy under the current Mid-term Management Plan, “The Transformation.” The strategy is actively conducting proposal activity to uncover the potential needs of customers, using these to win orders and conclude agreements, and as a result providing a better service to the customer. It was in this initiative that we made progress in the first half. With regard to the second half, we intend to further accelerate the strategy, while taking into account the situation at customers.

Q. Would it be correct to interpret this [your answer above] as meaning that the tug-of-war for high-level engineers has become livelier, and that because even within the industry Meitec in particular is positioned at the high end, and so it feels the recovery in demand more strongly?

A. Yes, that is correct. In particular, it is very common for customers to assign high-end operations to Meitec. We believe that winning the high-end operations makes it easier to capture demand in the other operations.

*(Note) This document has been translated from the Japanese original for reference purposes only. In the event of any discrepancy between this translation and the Japanese original, the original shall prevail.*

Q. Next fiscal year and beyond, what approach will you take to the business?

It seems to me that the profit targets for next fiscal year in the current Mid-Term Management Plan, which does not reflect the impact of the spread of COVID-19, are quite high.

Previously you have indicated a policy of raising the technological level even further to improve profitability. Next fiscal year and beyond, are you aiming to raise profit margins in order to expand profits more quickly than the rate of growth in net sales? Or are you intending to grow profits in line with sales due to the need to actively proceed with hiring to make up for the delays incurred this fiscal year?

Please share with us your thinking on profit growth going forward.

A. To begin with the conclusion, there is no change in our intention to take steps to achieve the targets set in the final fiscal year of the three-year Mid-Term Management Plan. The COVID-19 pandemic, which was completely unexpected, occurred at the start of the three-year Mid-Term Management Plan, but we genuinely feel that such changes in the environment have brought about a further acceleration of technological innovation.

Accordingly, we will deal with the environmental changes caused by the COVID-19 pandemic in the same way as previous waves of technological innovation, by using technology to contribute to the world. This leads to customer satisfaction, and also provides important growth opportunities for the Group's engineers. We are not assuming only that the COVID-19 pandemic will be resolved, but also that, even if a sixth wave does emerge, we will grow in response to technological innovation, and in that regard there has been no change in our thinking for now.

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