

May 21, 2019

**SUMMARY OF THE Q&A SESSION**  
**AT THE IR MEETING FOR THE FISCAL YEAR ENDED MARCH 31, 2019**

MEITEC CORPORATION

1. Date: May 9, 2019, 16:00–16:40
2. Place: Conference Room at Tokyo Head Office
3. Q&A:
  - Q. In regard to forecasts for this fiscal year, the reason given for profit falling year on year is an impact from the tax burden. Please let us know the details.
  - A. The reasons are that, in the previous fiscal year, Meitec Fielders enjoyed a reduced tax burden from the application of the tax credits for salary growth, while the Company had a reduced tax burden following the liquidation of subsidiaries in China, but in this fiscal year, those factors were absent.
  - Q. In regards to working hours, you are projecting a similar number of hours as the previous fiscal year. Does this mean that the effects of work style reforms and other factors have mostly run their course (settled)?
  - A. The number of working hours is determined by our clients, and is not something we can control. In regards to the forecast, working hours fell largely in the previous fiscal year and first half due to the effects of natural disasters. However, they returned to normal in the second half. Moreover, because the Company's clients are compliant, and because working hours are strictly managed, including employees, we do not believe working hours will largely exceed nine hours per day going forward. Regarding excess working hours among employees, as the Company is also making this a priority in our work style reforms, we project working hours per day to trend at approximately 8.6–8.8 hours.
  - Q. Regarding the state of progress in the second year of the Mid-term Management Plan, please provide specific details regarding “expanding the field of business” and “focusing on particular product and technology fields” in the Mid-range Zone, as well as “identifying additional focus areas” in the Recruiting & Placement Business for Engineers.
  - A. In “expanding the fields of business and strengthening the expansion of existing markets,” which Meitec Fielders will lead in the Mid-range Zone, technological innovation is progressing. Amid this trend, we will expand our ability to respond to new fields, for example the design and development zone in the diversifying automobile/transportation business. At the same time, we will provide not only design and development, but also high value-added services requiring technological elements, for example in the medical device field.  
In “identifying additional focus areas” in our Recruiting & Placement Business for Engineers, we envision developing new markets and expanding service to regions outside of our existing focus regions of the Kanto region, Chukyo region, and Kansai region.  
In our existing markets, we will provide career-change support and hiring support for new fields with strong needs such as information systems and control.

*(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. With regard to Recruiting & Placement Business for Engineers, does this mean that support a career change for engineers working for a manufacturer?
- A. In the Recruiting & Placement Business for Engineers, we support technological engineers wishing to change careers by matching them with information on companies hiring. As a career consultant, we provide solid support to each engineer on how to get the most from their careers while providing proposals that match the needs of companies hiring.
- Q. Is hiring know-how one of your core skills in the Recruiting & Placement Business for Engineers?
- A. Because the business differs, we do not consider Meitec's hiring know-how a core skill. However, we will share our consultation know-how related to engineer career building, one of Meitec's strengths, within the Group.
- Q. With regard to the potential profit for Recruiting & Business for Engineers, please let us know about president's point of view.
- A. The market for career change of Engineers, it is not that significant. We will provide support for engineers' careers over the mid and long-term. At the same time, as there are robust hiring needs among client companies, our plan is to properly respond to the needs of clients wishing to hire directly.
- Q. With regard to Meitec Next, in order to increase of career consultant, is this you are considering M&A business in the future?
- A. We are constantly considering M&A not limited to the Recruiting & Placement Business for Engineers. However, we must also properly consider the benefits of M&A from the standpoint of economic management.
- Q. You are achieving upturn of an average consideration year after year. What is the background behind this achievement? (on page 19 of explanatory materials)
- A. The Group's approach to value is not limited to simply the number of service hours provided or the value of labor but also includes the value of output and performance. Therefore, by requesting that our clients play a role in annually increasing the technological capabilities and experience of engineers and in increasing output, each year we are steadily capturing value.
- Q. It appears that Meitec Fielders' is struggling with new graduates recruitment compared to Meitec. Could you provide the reason and how to deal with the issue?
- A. In forming the preliminary candidate group, while there are entries for selection, both Meitec and Meitec Fielders' have strict hiring standards. These standards include hiring non-fixed-term employees as well as building the careers and increasing the technological capabilities of lifetime engineers to ensure the quality of the services provided to our clients. In the hiring demographic targeted by Meitec Fielders, many have a strong local preference and prioritize changing either jobs or companies within their current region. Furthermore, because local SMEs have robust hiring needs and are proactively hiring, competition for talent is intensifying. In terms of specific policies, we are expanding our Kyushu business from the standpoint of local hiring. We have created and are implementing a region-specific system for hiring and assignment in the Kyushu region. However, we will continue to consider how to organize this system to secure and continue our hiring standards while considering future conditions.

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