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May 23, 2018

**SUMMARY OF THE Q&A SESSION**  
**AT THE IR MEETING FOR THE FISCAL YEAR ENDED MARCH 31, 2018**

MEITEC CORPORATION

1. Date: May 10, 2018, 16:00–16:30
2. Place: 10th Floor, Marunouchi Conference Square M+
3. Q&A:

Q. In the plan for this fiscal year, it states that SG&A expenses will increase significantly. With regard to the three factors of “increase in hiring costs,” “strengthening of sales positions,” and “investment in IT systems” cited as reasons for this rise, would you please tell us how much each factor is growing compared to the previous fiscal year.

A. Sorry, I cannot disclose a detailed breakdown for this. We consider it absolutely vital for the growth of the Company that we further strengthen the growth of engineers, as well as bolster our sales positions as security for the sustainable competitive advantage for the business, and we will make appropriate investments as we tackle these issues. Furthermore, in relation to the systems investments, the bulk of this work is replacement of the current systems, so it does not constitute major investment for new systems.

Q. On page 8 of explanatory materials it says “net sales increase after having absorbed the negative impact from a business in China (Shanghai).” About how large was this negative impact?

A. The impact was very minor.

Q. On page 15 of explanatory materials, in relation to the status of recruitment, it says “people’s preference to work locally has impacted the entire Meitec Group.” Is the impact of this development positive or negative?

A. The local preference is a negative factor. Our clients are spread throughout Japan, so it can be rather difficult to get those people who attach importance to working locally to choose our company.

Q. With regard to forecasts for this fiscal year, please let us know if you have seen any recent signs of industries in which demand looks particularly strong.

A. On page 24 of explanatory materials the sales by industrial segment indicate actual results. In addition, we are seeing the same trend for new orders, so I think you will find these sales by industrial segment useful as a reference. Moreover, in the field of technology development, the keywords that we often hear brought up are electrification, automated driving, robotics, AI, and IoT. The Meitec Group is working on initiatives to further raise our added value by using our sophisticated technological capabilities in these and other R&D fields.

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