

November 17, 2017

SUMMARY OF THE Q&A SESSION
AT THE IR MEETING FOR THE 2ND QUARTER ENDED SEPTEMBER 30, 2017

MEITEC CORPORATION

1. Date: November 7, 2017, 16:00–16:40
2. Place: 10th Floor, Marunouchi Conference Square M+
3. Q&A:

Q. It appears that Meitec Fielders' hiring is proceeding smoothly. Could you provide the reason for this? It also appears that Meitec is struggling with mid-career hires. Could you use Meitec Fielders' hiring methods at Meitec?

A. Meitec Fielders is working toward the large mission in the current Mid-term Management Plan of creating a framework to handle a broad scope of work fields. Accordingly, one large factor is to gauge the career inclinations of applicants and try various ploys to ensure our hiring activities are appropriately appealing to the work styles of engineers. This enables us to handle a broad scope of work fields, including not only the traditional mechanical and electrical fields, but also the control and information systems fields. As to whether we can properly apply these methods at Meitec, as a group, the Meitec Group is making an appeal to the labor market for a “career style of lifetime professional engineers” and “involvement in growth sectors and new technological development through maintained employment.” Because the results achieved by Meitec and Meitec Fielders are due to these efforts, going forward, the entire Group will continue to make this appeal to the labor market.

Q. Meitec Fielders' distribution of engineers by technical field is provided in the materials (on page 44 of explanatory materials), and you just mentioned that you are hiring to handle a broad scope of work fields. Does this mean that the number of employees in the control and information systems fields is increasing?

A. Rather than increasing in any specific field, employee numbers are increasing across all five specialized fields.

(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. You are forecasting the turnover ratio to worsen for both Meitec and Meitec Fielders. What is the background behind this forecast?
- A. Engineers are most satisfied when they are constantly polishing their skills or challenging themselves in new technological fields. We are making efforts to realize this and lower our turnover ratio, but this is something we cannot completely control, and have had to downwardly revise our forecast slightly based on performance in the first half.
- Q. Both Meitec and Meitec Fielders have high utilization ratios. Do overly high utilization ratios make it difficult to implement strategic rotation?
- A. Because we do not have high utilization ratios in a state of zero fluidity, we do not see any problem. Even with our high utilization ratios, we still begin and end contracts in a planned manner, allowing us to implement strategic rotation while maintaining fluidity.
- Q. Regarding hiring conditions (on page 15 of explanatory materials), you mention new graduates' strong inclination to work locally and you are struggling to secure the number of applicants. What initiatives are you taking to address these issues?
- A. Meitec and Meitec Fielders do business with clients nationwide. While properly communicating that we have an environment for applicants to work as engineers, we also are making it clear that if they stably increase their output and performance and build relationships of trust with our clients, there will be no change in their place of work without good reason.

END