(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.

Security code: 9744

May 29,2019

MEITEC CORPORATION
2-20-1, Kosei-tori, Nishi-ku, Nagoya-shi, Aichi, Japan
President and CEO: Hideyo Kokubun

Notice of Convocation of the 46th Annual General Meeting of Shareholders

To Our Shareholders:

MEITEC CORPORATION (the Company) requests your attendance at the 46th Annual General Meeting of Shareholders, which will be held as follows**:**

If you will not attend the meeting, you may exercise your voting right by method in following page. After reviewing the reference material for the meeting herein, please exercise your voting right by 6:00 p.m. on June 19, 2019 (Wednesday).

1. Date and time: Thursday, June 20, 2019 at 2:00 p.m.

2. Place: Meitec Tokyo Office,
ORIX UENO 1-CHOME BUILDING 7th Floor,
1-1-10, Ueno,Taito-ku, Tokyo, Japan

3. Purpose of the meeting:

Matters to be reported:

1) Presentation of the Business Report and Consolidated Financial Statements as well as Audit & Supervisory Board's Report from the audit of the Consolidated Financial Statements by the accounting auditor and the Audit & Supervisory Board, for the 46th fiscal period (from April 1, 2018, to March 31, 2019)

2) Presentation of the Non-consolidated Financial Statements, for the 46th fiscal period (from April 1, 2018, to March 31, 2019)

Matters to be resolved:

Agenda Item 1	Dividend of the retained earnings (year-end dividend for the fiscal year ended March 31, 2019)
Agenda Item 2	Election of nine (9) Directors
Agenda Item 3	Election of one (1) Audit & Supervisory Board Member
Agenda Item 4	Revision of Remuneration Amount for Directors

4. About Exercising Your Voting Right

1) Exercising your voting right by mail

Please indicate whether you approve or disapprove on the resolution to the enclosed "Card for the Exercise of Voting Rights" and return it to the Company via mail, by 6:00 p.m. on June 19, 2019 (Wednesday)

2) Instructions for exercising your vote on the internet

If you are to attend the meeting, voting by sending the "Card for the Exercise of Voting Rights" or voting by internet is unnecessary.

3) Treatment of non-indication of vote on the "Card for the Exercise of Voting Rights"

If approval or disapproval is not indicated on the "Card for the Exercise of Voting Rights" in exercising the voting right via mail, it shall be treated as if approval were voted.

4) Treatment of duplicate exercise by the internet

In case that multiple number of votes is exercised on the internet, last vote registered on the internet will be recognized as valid. Furthermore, if you exercise your voting rights in duplicate by accessing the voting website from a personal computer, a smart phone and a mobile phone, the last time that you exercise your voting rights shall be deemed valid.

5) Treatment of duplicate exercise by writing and by the internet

In case that a voting right is exercised both by writing using the "Card for the Exercise of Voting Rights" and on the internet, only the vote registered on the internet will be recognized as valid.

6) About diverse exercise of your vote

If you wishes to make diverse exercise your voting right, please notify the Company in writing by 3 days prior to the Annual General Meeting of Shareholders stating your intention of making the diverse exercise and the reasons.

5. Internet Disclosure

Pursuant to the relevant laws and regulations and Article 15 of the Company's articles of incorporation, among documents to be attached to this notice, the following items are posted on the Company's website (https://www.meitec.co.jp/) and are not attached to this notice. Consequently, the documents attached to this notice are part of the documents that were audited by the Audit & Supervisory Board Members and the Accounting Auditor in preparing their audit reports.

i) Notes to Consolidated Financial Statements
ii) Notes to Non-consolidated Financial Statements

If any revisions are made to the reference documents for the General Meeting of Shareholders, Business Report, Consolidated Financial Statements and Non-Consolidated Financial Statements included in this Notice of Convocation of the General Meeting of Shareholders, the revised matters will be posted on the Company's website (https://www.meitec.co.jp/).

REFERENCE FOR EXERCISE OF VOTING RIGHTS

Matters to be resolved:

Agenda Item 1: Dividend of the retained earnings (year-end dividend for the fiscal year ended March 31, 2019)

In line with a payout ratio of 60% in the profit distribution plan in the Mid-Term Management Plan in accordance with "7. Basic Policy Regarding Profit Distribution" in the Business Report, the Company proposes the year-end dividend as follows.

(1) Type of dividends: Cash

(2) Allotment of property for dividends and total amount thereof:
¥115.50 per share of the Company's common stock, for a total of ¥3,223,007,980.
These dividends would result in annual dividends, including the interim dividend of ¥84 per share, of ¥199.50 per share.

(3) Effective date of dividends of the retained earnings: June 21, 2019

Agenda Item 2: Election of nine (9) Directors

The term of office of all the eight (8) current directors ends at the conclusion of the 46th Annual General Meeting of Shareholders.

In order to enhance diversity of the Board of Directors and further improve oversight, the Board of Directors proposes nine (9) directors including four (4) outside directors to be elected, increasing the number of outside directors by two (2).

The candidates for directors are as follows.

	Name		Current position	Attendance at meetings of the Board of Directors (The 46th fiscal period)	Period in office (at the conclusion of this Shareholders Meeting)
1	Hideyo Kokubun	Reappointment	CEO, MEITEC Group Representative Director President and CEO/COO	100% (14／14)	16year
2	Masato Uemura	Reappointment	Senior Vice President and Director Executive officer	100% (14／14)	10year
3	Hiroshi Yoneda	Reappointment	Director, Executive officer	100% (14／14)	14year
4	Hiroyuki Rokugo	Reappointment	Director, Executive officer	100% (14／14)	4year
5	Keisuke Ito	Reappointment	Director, Executive officer	100% (14／14)	2year
6	Minao Shimizu	Reappointment Outside Independent	Director	100% (14／14)	8year
7	Hiroyuki Kishi	Reappointment Outside Independent	Director	92.9% (13／14)	8year
8	Akira Yamaguchi	New appointment Outside Independent	—	—	—
9	Kumi Yokoe	New appointment Outside Independent	—	—	—

	Name (Date of birth)	Career Summary and other Current Positions
1	Reappointment  Hideyo Kokubun (October 20, 1959) ・Period in office 16 years ・Attendance at meetings of the Board of Directors during the 46th fiscal period 14／14（100%） ・Number of shares held in the Company 11,800 shares	Apr. 1982 Joined the Company Feb. 1996 General Manager of the Atsugi Solutions Center Nov. 1999 General Manager of the Office of the President Apr. 2002 General Manager of the Customer Relations Center Apr. 2003 Executive officer of the Company Jun. 2003 Director of the Company Nov. 2004 General Manager of the Corporate Communication Dept., General Manager of the Office of the President Apr. 2006 Vice CEO of Temporary Staffing Business Group Jan. 2007 CEO of Temporary Staffing Business Group, In charge of Business Execution Division Mar. 2009 General Manager of the Sales Promotion Center Apr. 2014 CEO, MEITEC Group (current)、Representative Director (current)、President and CEO, COO of the Company (current) [Current position] CEO, MEITEC Group Representative Director President and CEO COO, Executive officer for the Internal Audit Department, the CSR Department In charge of MEITEC NEXT CORPORATION [Important Concurrent Positions] Director of MEITEC FIELDERS INC. Director of MEITEC CAST INC. Director of MEITEC NEXT CORPORATION
	[Reason for selection as candidate for Director] Mr. Hideyo Kokubun is Representative Director and President of the Company as well as CEO of the MEITEC Group. He possesses abundant experience and a high level of knowledge with respect to the MEITEC Group’s businesses, including having been responsible for a wide range of areas, such as the business frontline, corporate communications, the Office of the President, the Business Operations Management Division, and the Career Support Division. As a result, the Company judges that he will contribute to the MEITEC Group’s sustainable growth and an increase in the corporate value over the medium to long term.	

	Name (Date of birth)	Career Summary and other Current Positions
2	Reappointment  Masato Uemura (July 23, 1967) ・Period in office 10 years ・Attendance at meetings of the Board of Directors during the 46th fiscal period 14／14（100%） ・Number of shares held in the Company 7,400 shares	Apr. 1990 Joined Saitama Bank, Limited. (currently Saitama Resona Bank, Limited.) Jul. 1999 Planning Dept, The Asahi Bank, Limited (currently Resona Bank, Limited.) Mar. 2003 Financial Dept, Resona Holdings, Inc. and Planning Dept, Resona Bank, Limited Jan. 2007 Joined the Company General Manager of the Management Information Dept. Mar. 2008 Executive officer of the Company (current) Jun. 2009 Director of the Company Apr. 2019 Senior Vice President and Director (current) [Current position] Senior Vice President and Director, Executive officer in charge of management strategy, the Engineering Solutions Division (High-end Engineering Area) Executive officer for the Office of the President In charge of MEITEC FIELDERS INC. [Important Concurrent Positions] Director of MEITEC FIELDERS INC. Director of MEITEC CAST INC.
	[Reason for selection as candidate for Director] Mr. Masato Uemura is Senior Vice President and Director. He possesses abundant experience and a high level of knowledge with respect to the MEITEC Group's businesses, including having been responsible for accounting, finance, IR, and other departments related to management administration. As a result, the Company judges that he will contribute to the MEITEC Group's sustainable growth and an increase in the corporate value over the medium to long term.	

	Name (Date of birth)	Career Summary and other Current Positions
3	Reappointment  Hiroshi Yoneda (June 16, 1954) ・Period in office 14 years ・Attendance at meetings of the Board of Directors during the 46th fiscal period 14／14（100%） ・Number of shares held in the Company 7,600 shares	Apr. 1978 Joined Japan Recruitment Center Co.,Ltd. (currently Recruit Holdings Co.,Ltd.) Oct. 1988 General Manager of the Tokyo Communication Technology Dept., and General Manager of the Technical Services Dept.. Apr. 1994 General Manager of the Kansai Human Resources Service Division Jun. 2002 Director of Recruit Ablic Inc. (currently Recruit Career Co.,Ltd.) Jun. 2003 Managing Director of Recruit Ablic Inc. (currently Recruit Career Co.,Ltd.) Jun. 2005 Director of the Company (current) President of Drake Beam Morin-Japan, Inc. Apr. 2006 CEO of Career Support Business Group Jul. 2006 President of MEITEC NEXT CORPORATION Nov. 2007 CCSO (Chief career support officer), MEITEC Group Oct. 2009 President of MEITEC FIELDERS INC. Jun. 2015 Executive officer of the Company (current) Apr. 2019 President of MEITEC CAST INC. (current) [Current position] Director, Executive officer for the Engineering Solutions Promotion Department, the Business Operations Support Department, the Corporate Communication Department In charge of MEITEC CAST INC. [Important Concurrent Positions] President of MEITEC CAST INC. Director of MEITEC FIELDERS INC. Director of MEITEC NEXT CORPORATION
	[Reason for selection as candidate for Director] Mr. Hiroshi Yoneda has been responsible for departments related to sales administration etc. at the Company, and has past and present experience as a representative director of different Group companies. He possesses abundant experience and a high level of knowledge with respect to the MEITEC Group’s businesses, including advancing the companies’ expansion and growth. As a result, the Company judges that he will contribute to the MEITEC Group’s sustainable growth and an increase in the corporate value over the medium to long term.	

<table>
<tr><th></th><th>Name
(Date of birth)</th><th>Career Summary and other Current Positions</th></tr>
<tr><td rowspan="2">4</td><td>Reappointment



Hiroyuki Rokugo
(July 5, 1961)

・Period in office　4 years
・Attendance at meetings of the Board of Directors during the 46th fiscal period
14／14（100%）
・Number of shares held in the Company
2,100 shares</td><td>Apr. 1985　Joined RECRUIT CO., LTD. (currently Recruit Holdings Co., Ltd.)
Apr. 1987　Transferred to Recruit Human Resource Center Co., Ltd. (currently Recruit Career Co., Ltd.)
Apr. 2000　Nagoya Branch Manager of Recruit Ablic Inc. (currently Recruit Career Co., Ltd.)
Apr. 2005　Executive officer of Recruit Ablic Inc. (currently Recruit Career Co., Ltd.)
Jul. 2006　Executive officer of MEITEC NEXT CORPORATION
Jun. 2007　Director of MEITEC NEXT CORPORATION
Jun. 2010　President of MEITEC NEXT CORPORATION
Apr. 2014　President of Meitec Shanghai、
President of Meitec Shanghai Human Resources Co., Ltd.
Jun. 2015　Director of the Company (current)
Apr. 2017　Executive officer of the Company (current)

[Current position]
Director,
Executive officer in charge of the Career Support Division, the Group Recruiting Division
Executive officer for the Accounting Department, the Management Administration Department

[Important Concurrent Positions]
Director of MEITEC FIELDERS INC.
Director of MEITEC NEXT CORPORATION</td></tr>
<tr><td colspan="2">[Reason for selection as candidate for Director]
Mr. Hiroyuki Rokugo has been responsible for the career support and recruiting division etc. at the Company, and has past and present experience as a representative director, etc. of different Group companies. He possesses abundant experience and a high level of knowledge with respect to the MEITEC Group’s businesses, including advancing the expansion and growth of the recruiting business. As a result, the Company judges that he will contribute to the MEITEC Group’s sustainable growth and an increase in the corporate value over the medium to long term.</td></tr>
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	Name (Date of birth)	Career Summary and other Current Positions
5	Reappointment  Keisuke Ito (July 20, 1968) ・Period in office 2 years ・Attendance at meetings of the Board of Directors during the 46th fiscal period 14／14（100%） ・Number of shares held in the Company 2,178 shares	Apr. 1991 Joined the Company Apr. 2006 General Manager of the Personnel Dept. Apr. 2011 Executive officer of the Company (current) Jun. 2017 Director of the Company (current) Sep. 2017 President of MEITEC BUSINESS SERVICE CORPORATION (current) [Current position] Executive officer for the Personnel Department In charge of MEITEC EX CORPORATION, MEITEC BUSINESS SERVICE CORPORATION [Important Concurrent Positions] Director, President of MEITEC BUSINESS SERVICE CORPORATION Director of MEITEC EX CORPORATION
	[Reason for selection as candidate for Director] Mr. Keisuke Ito has been responsible for human resources at the Company. He possesses abundant experience and a high level of knowledge with respect to the MEITEC Group's businesses, including promoting the MEITEC Group's employment of people with disabilities as the representative director of a special subsidiary company. As a result, the Company judges that he will contribute to the MEITEC Group's sustainable growth and an increase in the corporate value over the medium to long term.	

	Name (Date of birth)	Career Summary and other Current Positions
6	Reappointment Outside Independent  Minao Shimizu (March 7, 1961) ・Period in office 8 years ・Attendance at meetings of the Board of Directors during the 46th fiscal period 14／14（100%） ・Number of shares held in the Company 0 shares	Mar. 1985 Graduated from the Faculty of Law, University of Tokyo Apr. 1988 Entered the Legal Training and Research Institute of the Supreme Court of Japan Apr. 1990 Registered as attorney at law (Tokyo Bar Association) Joined Kawai, Takeuchi, Nishimura and Inoue Law Office (currently Sakura Kyodo Law Office.) Jul. 1996 Appointed partner of Sakura Kyodo Law Offices Oct. 2005 Established Minao Shimizu Law Office (current) Jun. 2011 Outside Director of the Company (current) [Important Concurrent Positions] Attorney at Law (Minao Shimizu Law Office)
	[Reason for selection as candidate for Outside Director] Mr. Minao Shimizu is attorney at law, and the Company expects that, utilizing his high knowledge in law, he will continuously contribute to over sighting the management and strengthening the function of the board of directors of the Company as an independent outside director. Although he had not participated in the management of the Company by the method other than by being an outside director nor an outside auditor, the Company judges that he can carry out his duty as an outside director properly because of above reasons. [Matters relating to independency] The Company judges that Mr. Minao Shimizu meets the criteria for independence stipulated by Tokyo Stock Exchange, Inc. and the “Standards for Independence from MEITEC Group in Electing Outside Directors or Outside Audit & Supervisory Board Members,” and therefore has independency. Accordingly, the Company has submitted notification to the aforementioned exchange that he has been designated as an independent executive. [Limited liability agreement] The Company enters into a liability limitation agreement with Mr. Minao Shimizu pursuant to Article 423, Paragraph 1 of the Companies Act. The maximum amount of liability limitation provided under such an agreement would be the minimum liability limitation amount stipulated in Article 425, Paragraph 1 of the Companies Act. In the event that Mr. Minao Shimizu’s election is approved, the Company plans to continue the aforementioned agreement with him.	

	Name (Date of birth)	Career Summary and other Current Positions
7	Reappointment Outside Independent  Hiroyuki Kishi (September 1, 1962) ・Period in office 8 years ・Attendance at meetings of the Board of Directors during the 46th fiscal period 13／14（92.9%） ・Number of shares held in the Company 0 shares	Apr. 1986 Entered the Ministry of International Trade and Industry (currently the Ministry of Economy, Trade and Industry) Oct. 1995 Transferred to The Korean Peninsula Energy Development Organization (KEDO) Jun. 1998 Returned to the Ministry of International Trade and Industry (currently the Ministry of Economy, Trade and Industry) Aug. 2000 Assigned to Cabinet Secretariat in charge of Information Technologies (IT) Oct. 2001 Assistant to the Minister of State for Economic and Fiscal Policy Oct. 2002 Assistant to the Minister for Financial Services Sep. 2004 Secretary to the Minister of State for Economic and Fiscal Policy and the Minister of State for Privatization of the Postal Services Oct. 2005 Secretary to the Minister for Internal Affairs and Communications Oct. 2006 Assistant Professor, Research Institute for Digital Media and Content, Keio University Jan. 2007 Special Advisor, Avex Group Holding Inc. Apr. 2007 Associate Professor, Research Institute for Digital Media and Content, Keio University Jun. 2007 Director of Avex Group Holding Inc. Apr. 2008 Professor, Graduate School of Media Design, Keio University (current) Jun. 2010 Director of Avex Marketing Inc. (currently Avex Entertainment Inc.) Jun. 2011 Outside Director of the Company (current) [Important Concurrent Positions] Professor, Graduate School of Media Design, Keio University
	[Reason for selection as candidate for Outside Director] Mr. Hiroyuki Kishi has a wide knowledge as a professor of a graduate school of a university. The Company expects that, utilizing his experiences in the field of government administration and director of public company, he will continuously contribute to over sighting the management and strengthening the function of the board of directors of the Company as an independent outside director. [Matters relating to independency] The Company judges that Mr. Hiroyuki Kishi meets the criteria for independence stipulated by Tokyo Stock Exchange, Inc. and the “Standards for Independence from MEITEC Group in Electing Outside Directors or Outside Audit & Supervisory Board Members,” and therefore has independency. Accordingly, the Company has submitted notification to the aforementioned exchange that he has been designated as an independent executive. [Limited liability agreement] The Company enters into a liability limitation agreement with Mr. Hiroyuki Kishi pursuant to Article 423, Paragraph 1 of the Companies Act. The maximum amount of liability limitation provided under such an agreement would be the minimum liability limitation amount stipulated in Article 425, Paragraph 1 of the Companies Act. In the event that Mr. Hiroyuki Kishi’s election is approved, the Company plans to continue the aforementioned agreement with him.	

	Name (Date of birth)	Career Summary and other Current Positions
8	New appointment Outside Independent  Akira Yamaguchi (August 6, 1956) ・Number of shares held in the Company 0 shares	Apr. 1979 Joined DAIKYO INCORPORATED Jul. 1998 Chief General Manager of North Kanto Branch, DAIKYO INCORPORATED Jun. 1999 Director of DAIKYO INCORPORATED Apr. 2005 Director and Managing Executive officer of DAIKYO INCORPORATED Jun. 2005 Director, Corporate Senior Vice President of DAIKYO INCORPORATED Jun. 2007 Director, Corporate Excecutive Vice President of DAIKYO INCORPORATED Oct. 2008 Representative Director and President of FUSO LEXEL INCORPORATED Jun. 2010 Director, President and Representative Executive Officer of DAIKYO INCORPORATED Jun. 2014 Representative Director and President of DAIKYO ASTAGE INCORPORATED Jun. 2018 Senior Advisor of DAIKYO INCORPORATED(current) [Important Concurrent Positions] None
	[Reason for selection as candidate for Outside Director] Mr. Akira Yamaguchi has served as the representative director of a listed company on the first section of the Tokyo Stock Exchange and possesses abundant experience and a high level of knowledge with respect to corporate management. As a result, the Company judges that he will contribute to overseeing the management and strengthening the function of the board of directors of the Company as an independent outside director. [Matters relating to independency] The Company judges that Mr. Akira Yamaguchi meets the criteria for independence stipulated by Tokyo Stock Exchange, Inc. and the “Standards for Independence from MEITEC Group in Electing Outside Directors or Outside Audit & Supervisory Board Members,” and therefore has independency. Accordingly, in the event that Mr. Akira Yamaguchi is appointed as an outside director, the Company plans to submit notification to the aforementioned exchange that he has been designated as an independent executive. [Limited liability agreement] In the event that Mr. Akira Yamaguchi is appointed as an outside director, the Company plans to enter into a limited liability agreement with him pursuant to Article 423, Paragraph 1 of the Companies Act. The maximum amount of liability limitation provided under such an agreement would be the minimum liability limitation amount stipulated in Article 425, Paragraph 1 of the Companies Act.	

<table>
<tr><th></th><th>Name
(Date of birth)</th><th>Career Summary and other Current Positions</th></tr>
<tr><td rowspan="2">9</td><td>New appointment
Outside Independent

Kumi Yokoe
(April 16, 1965)
・Number of shares held in the Company
0 shares</td><td>May. 2001 President of VOTE.co.jp Inc.
Jun. 2011 The Heritage Foundation Senior Felloew
Apr. 2017 Professor, Department of Global Innovation Studies, Faculty of Global and Regional Studies, Toyo University(current)

[Important Concurrent Positions]
Professor, Department of Global Innovation Studies, Faculty of Global and Regional Studies, Toyo University</td></tr>
<tr><td colspan="2">[Reason for selection as candidate for Outside Director]
Ms. Kumi Yokoe has a wide knowledge on international politics and others as a university professor. The Company expects that, utilizing her experiences as a senior researcher at a major think-tank and the president of a company, she will contribute to overseeing the management and strengthening the function of the board of directors of the Company as an independent outside director.
[Matters relating to independency]
The Company judges that Ms. Kumi Yokoe meets the criteria for independence stipulated by Tokyo Stock Exchange, Inc. and the “Standards for Independence from MEITEC Group in Electing Outside Directors or Outside Audit & Supervisory Board Members,” and therefore has independency. Accordingly, in the event that Ms. Kumi Yokoe is appointed as an outside director, the Company plans to submit notification to the aforementioned exchange that she has been designated as an independent executive.
[Limited liability agreement]
In the event that Ms. Kumi Yokoe is appointed as an outside director, the Company plans to enter into a limited liability agreement with him pursuant to Article 423, Paragraph 1 of the Companies Act. The maximum amount of liability limitation provided under such an agreement would be the minimum liability limitation amount stipulated in Article 425, Paragraph 1 of the Companies Act.</td></tr>
</table>

Notes:

1. No special interests exist between the candidates and the Company.
2. Mr. Minao Shimizu,Mr. Hiroyuki Kishi, Mr. Akira Yamaguchi and Ms.Kumi Yokoe are candidates for Outside Director.
3. The “MEITEC Group: Standards for Appointment of Executives and Nomination of Director and Audit & Supervisory Board Member Candidates” and the “Standards for Independence from MEITEC Group in Electing Outside Directors or Outside Audit & Supervisory Board Members” are as set out on pages 15 and 16.

Agenda Item 3: Election of one (1) Audit & Supervisory Board Member

The term of audit & supervisory board member of Mr. Masatoshi Saito will end at the conclusion of the 46th Annual General Meeting of Shareholders. The Board of Directors proposes one (1) audit & supervisory board member to be elected.

This proposal has the approval of the Audit & Supervisory Board.

The candidate for audit & supervisory board member is as follows.

Name (Date of birth)	Career Summary and other Current Positions
New appointment Outside Independent  Toru Kunibe (December 9, 1960) ・Number of shares held in the Company 0 shares	Mar. 1985 Graduated from the Faculty of Law, University of Tokyo Apr. 1990 Entered the Legal Training and Research Institute of the Supreme Court of Japan Apr. 1992 Registered as attorney at law (Tokyo Bar Association) Joined Arai Law Office Apr. 1998 Established Kunibe Law Office (current) [Important Concurrent Positions] Attorney at Law (Kunibe Law Office)

[Reason for selection as candidate for Alternate Outside Audit & Supervisory Board Member]

Mr. Toru Kunibe is an attorney at law and the Company expects that, utilizing his high level of knowledge in law, he will contribute to overseeing the management of the Company as an independent outside audit & supervisory board member. Although he had not participated in the management of company by the method other than being an outside director nor an outside audit & supervisory board member, the Company judge that he can carry out the duty as an outside audit & supervisory board member properly because of above reasons.

[Matters relating to independency]

The Company judges that Mr. Toru Kunibe meets the criteria for independence stipulated by Tokyo Stock Exchange, Inc. and the "Standards for Independence from MEITEC Group in Electing Outside Directors or Outside Audit & Supervisory Board Members," and therefore has independency.

Accordingly, in the event that Mr. Toru Kunibe is appointed as an outside audit & supervisory board member, the Company plans to submit notification to the aforementioned exchange that he has been designated as an independent executive.

[Limited liability agreement]

In the event that Mr. Toru Kunibe's election is approved and he is appointed as an outside audit & supervisory board member, the Company plans to enter into a limited liability agreement with him pursuant to Article 423, Paragraph 1 of the Companies Act. The maximum amount of liability limitation provided under such an agreement would be the minimum liability limitation amount stipulated in Article 425, Paragraph 1 of the Companies Act.

Notes:

1. No special interests exist between the candidate and the Company.
2. Mr. Toru Kunibe is a candidate for Outside Audit & Supervisory Board Member.
3. The"MEITEC Group: Standards for Appointment of Executives and Nomination of Director and Audit & Supervisory Board Member Candidates" and the "Standards for Independence from MEITEC Group in Electing Outside Directors or Outside Audit & Supervisory Board Members" are as set out on pages 15 and 16.

<Reference-1>

MEITEC Group: Standards for Appointment of Executives and Nomination of Director and Audit & Supervisory Board Member Candidates

1. All directors and audit & supervisory board members
   - Person who has integrity and high ethical standards and can act with a sense of fiduciary responsibility
2. All independent outside directors/audit & supervisory board members
   - Person who meets "Standards for Independence from MEITEC Group in Electing Outside Directors or Outside Audit & Supervisory Board Members" provided separately
   - Person who can be expected to act from an objective and neutral position in view of protecting interest of general shareholders
   - Person who has knowledge of finance, accounting, the law, taxation, human resources, IT and other fields of specialty; person with experience in corporate management; and person who has a wealth of experience related to the Company's business and professional insights
   - MEITEC Group shall endeavor to ensure a balance and diversity by commanding an extended view of outside directors/audit & supervisory board members so as not to cause uneven distribution of professional insights.
3. Directors

   (1) <Internal> directors
   - Person who can act in a fair and honest manner in the best interest of the Company
   - Person who has a wealth of experience, extensive knowledge and superior expertise in "Engineering Solutions Business and Recruiting & Placement Business for Engineers", which create affluent Career Style of Engineer to engineers, reaching the stage where our clients call us their truly, indispensable Best Partner, and in other departments relating to functions supporting those businesses

   (2) <Independent> outside directors
   - Person who has sufficient understanding on various businesses
   - Person who is expected to candidly ask questions or express opinions with independence of mind, and exercise voting rights appropriately
4. Audit & supervisory board members

   1) Person who is expected to always maintain a fair and unbiased attitude at all times while striving to maintain an independent position and act based on their own beliefs
   2) Person who has appropriate experience and skills, and who possesses knowledge in finance, accounting and law. At least one person in principle shall have sufficient knowledge in finance and accounting.

   (1) Standing audit & supervisory board members
   - Person who as a dedicated member has a capability of collecting information necessary in performing audit and can be expected to actively take actions in an effort to establish environment for audit

   (2) Outside audit & supervisory board members
   - In addition to 4.1) 2) provided above, person who can candidly ask questions or express opinions from an even higher level of independence and neutrality
5. Other executives

   (1) Executive officers
   - Person who as the highest position among the employees is eligible to assume "responsibilities and roles" for executing operations of the scope under their respective supervision in line with business policies and the like
   - Person who can be expected to appropriately perform operations set forth in "Officers' Credos" which reflect a field-oriented spirit and other

   (2) Representative director and president of the group company
   - Person who is eligible to and can be expected to assume "responsibilities and roles" for executing operations in line with business policies and the like of such group company

<Reference-2>

Standards for Independence from MEITEC Group in Electing Outside Directors or Outside Audit & Supervisory Board Members

In electing outside directors or outside audit & supervisory board members, the Company deems that persons who meet all of the standards provided below have independency from the Company:

1. Such person is not an executive of the Company or its subsidiary (Note 1) presently or in the last ten years (in addition, for outside audit & supervisory board members, such person must not be non-executive director of the Company or its subsidiary in the last ten years)
   Note 1: "Executive" refers to an executive director, executive officer, or employee.
2. Presently, such person is not a close relative (Note 2) of the Company's important executive (Note 3)
   Note 2: "Close relative" refers to a spouse or a relative within a second degree.
   Note 3: "Important executive" refers to a director (excluding outside director) or an executive officer.
3. Such person does not fall under any of the following:
   (1)Executive of a party whose major client or supplier is the Company (Note 4)
   Note 4: "A party whose major client or supplier is the Company" refers to a counterparty which received payment of an amount exceeding 1 % of its annual consolidated net sales from the Company in the previous fiscal year.
   (2) Executive of any of the Company's major client or supplier (Note 5)
   Note 5: "The Company's major client or supplier" refers to a counterparty which paid an amount exceeding 1 % of the Company's annual consolidated net sales to the Company in the previous fiscal year.
   (3) Consultant, accountant or legal professional who receives a large amount of monetary consideration or other property (Note 6) from the Company besides compensation as a director/audit & supervisory board member (in case that a person who receives the property is an organization such as legal entity or association, a person who belongs to such organization)
   Note 6: "A large amount of monetary consideration or other property" refers to the case of having received payment of over 10 million yen from the Company besides compensation as a director/audit & supervisory board member in the previous fiscal year.
   (4) The Company's major shareholder (Note 7) (in case that the major shareholder is a legal entity, its executive)
   Note 7: "Major shareholder" refers to a person who owns shares with 10% or more of the total voting rights of the Company based on the latest shareholder's list.
   (5) A person who falls under any of (1) through (4) above in the last five years
   (6) A close relative of a person who falls under (i) or (ii) below (excluding non-important persons)
   (i) A person who falls under any of (1) through (5) above
   (ii) A person who was an executive of the Company or its subsidiary in the last five years (for outside audit & supervisory board members, a person who was a non- executive director is included)

Agenda Item 4: Revision of Remuneration Amount for Directors

Remuneration for the Company's directors and audit & supervisory board members currently remains unchanged from the amount adopted at the 43rd Annual General Meeting of Shareholders held on June 23, 2016. However, in conjunction with an increase in the number of outside directors as proposed in Agenda Item No. 2 at this shareholders' meeting, the Company proposes the revision of fixed remuneration and total remuneration for outside directors among directors from up to 30 million yen annually to up to 50 million yen annually.

The Company proposes to apply the above payments of fixed remuneration for outside directors among directors retrospectively, starting with the remuneration to be paid in the 47th fiscal period (from April 1, 2019 to March 31, 2020).

If this agenda item is approved, the remuneration amount for directors and audit & supervisory board members will be as follows.

Although the current number of directors is eight (8), which includes two (2) outside directors / independent executives, when Agenda Item No. 2 at this shareholders' meeting is resolved, the number of directors will be nine (9), which includes four (4) outside directors / independent executives.

Indicated in yearly amount	Fixed remuneration	Performance-linked remuneration	Total remuneration
Directors	Up to 220 million yen	2.5% of consolidated profit*, and up to 250 million yen	Up to 470 million yen
Portion for outside directors of above	Up to 50 million yen	(excluded from payment)	Up to 50 million yen
Audit & supervisory board members	Up to 50 million yen	(excluded from payment)	Up to 50 million yen
Total	Up to 270 million yen	Up to 250 million yen	Up to 520 million yen

*"Profit attributable to owners of parent" of "Consolidated Statements of Income and Comprehensive Income"

〈For Reference〉

The meeting of the Company's Board of Directors on March 26, 2019, resolved that, subject to adoption of Agenda Item No. 4, "Revision of Remuneration Amount for Directors" at this shareholders' meeting, the "Policy on Calculation Methods and Determination on Amount of Remuneration, etc. for Directors and Audit & Supervisory Board Members" would be changed as indicated below.

"Policy on Calculation Methods and Determination on Amount of Remuneration, etc. for Directors and Audit & Supervisory Board Members"

1. Method of Determination

The total amount of remuneration of directors and audit & supervisory board members shall be within the total amount of remuneration adopted at the 46th Annual General Meeting of Shareholders held in June 2019, and individual amounts of remuneration will be determined in accordance with the policy amended or abolished by resolutions of the Board of Directors.

<Overview of the Resolution for the General Meeting of Shareholders: Amounts of remuneration for directors and audit & supervisory board members>

Indicated in yearly amount	Fixed remuneration	Performance-linked remuneration	Total remuneration
Directors	Up to 220 million yen	2.5% of consolidated profit*, and up to 250 million yen	Up to 470 million yen
Portion for outside directors of above	Up to 50 million yen	(excluded from payment)	Up to 50 million yen
Audit & supervisory board members	Up to 50 million yen	(excluded from payment)	Up to 50 million yen
Total	Up to 270 million yen	Up to 250 million yen	Up to 520 million yen

*"Profit attributable to owners of parent" of "Consolidated Statements of Income and omprehensive Income"

2. Policy about executive remuneration

- Executive remuneration shall be reviewed in a timely and appropriate manner based on the basic policy of the remuneration system adopted at the 30th Annual General Meeting of Shareholders held in June 2003.
- By maintaining the stance of clarifying and disclosing methods of calculation and the process of determinations of remuneration in the same manner as before, the Group will enhance management transparency and strengthen corporate governance, and thus further improving corporate value.
- The rate of performance-linked executive remuneration for executive directors will be increased to enhance sharing the mid and long-term interest with shareholders.
- In order to preserve the independence of outside directors and audit & supervisory board members, they will not be compensated with performance-linked remuneration.
- The retirement bonus system for directors and audit & supervisory board members, which was abolished in the fiscal year ended March 31, 2002, will not be adopted.

3. Specific executive remuneration amount

Total amount of executive remuneration = (1) Fixed remuneration +
(2) performance-linked remuneration <(3) appropriation of the amount equivalent to 20%>

(1) Individual fixed remuneration

Representative Director and President, Group CEO, CEO/COO	yearly	28,800 thousand yen	(2,400 thousand yen monthly)
Senior Vice President and Directors	yearly	24,000 thousand yen	(2,000 thousand yen monthly)
Directors	yearly	19,200 thousand yen	(1,600 thousand yen monthly)
Outside directors	yearly	9,000 thousand yen	(750 thousand yen monthly)
Standing audit & supervisory board members	yearly	24,000 thousand yen	(2,000 thousand yen monthly)
Audit & supervisory board members (excluding standing audit & supervisory board member)	yearly	7,800 thousand yen	(650 thousand yen monthly)

(2) Performance-linked remuneration

- The total amount shall be an amount equivalent to 2.5% of profit attributable to owners of parent before deductible expenses accounting of performance-linked remuneration, with fractions of 1 million yen and less discarded, and up to 250 million yen annually.
- Performance-linked remuneration will be limited to be paid to directors, except for outside directors and audit & supervisory board members.
- In principle, individual allocation amount for individual directors will be determined at Board of Directors' meetings after the consultation at the Officer Appointment Advisory Committee. However, while this is exclusively the case for the determination of the allocation method, it is also permissible that determinations are made to entrust the Representative Director and President/Group CEO with the determination of specific allocation amounts.

(3) Appropriation of the amount equivalent to 20% of performance-linked remuneration (after deduction of tax)

- The amount equivalent to 20% of performance-linked remuneration (after deduction of tax) for each director will, with approval from each director, be contributed to the Officers Shareholding Group (the relevant amount will be divided into twelve (12) equally, and the same amount will be contributed each month for the 12 months from July each year) and utilized to acquire own shares.
- Acquired own shares are prohibited to be transferred during the period in office and until one year passes from resignation in principle, in accordance with the Shareholding Group Rules and other internal rules.
- When a person subject to payment of the relevant remuneration resigns, in accordance with the Officers Shareholding Group Rules of the Company, this handling shall not be applied.

4. Additional Rules

- For remuneration for audit & supervisory board members, determination upon consultation by audit & supervisory board members is required in accordance with the provisions of the law.
- In cases where a director also serves as an employee, the employee salary is included.

An employee bonus is not paid to directors who also serve as employees.

- Remuneration to directors and audit & supervisory board members from subsidiaries in which a director or an audit & supervisory board member holds a concurrent post is waived in principle.
- Allowances for commutation, job transfer unattended by family, or job relocation as well as a daily allowance for business trip expenses will be paid separately.
- The insurance premiums borne by individuals for directors and officers liability insurance (D&O insurance) will be separately added.

（Attached Document）

BUSINESS REPORT

(from April 1, 2018 to March 31, 2019)

1. Business Outline

(1)Results of Operations

During the fiscal year under review (from April 1, 2018 to March 31, 2019), many leading manufacturers, which are the major clients of the Company, continued investing in technological development looking to the next generation, unaffected by business conditions. Under this environment, companies redoubled their efforts on recruiting, leading to an increase in the number of engineers. The number of engineers assigned to clients steadily increased as a result of proceeding assignment to clients under a strong order environment.

As a result, consolidated net sales for the period under review increased ¥4,117million, or 4.4%, from a year earlier to ¥97,736 million. Consolidated cost of sales rose ¥2,450 million, or 3.5%, from a year earlier to ¥71,701 million, chiefly because of higher labor costs due to an increase in the number of engineers. Consolidated selling, general and administrative expenses rose ¥489 million, or 3.8%, from a year earlier to ¥13,399million. As a result, consolidated operating profit increased ¥1,177 million, or 10.3%, from a year earlier to ¥12,635 million, and consolidated ordinary profit rose ¥1,178 million, or 10.3%, from a year earlier to ¥12,643 million. Profit attributable to owners of parent increased ¥697 million, or 8.6%, from a year earlier to ¥8,829 million.

Results by business segment were as follows:

ⅰ. Engineering Solutions Business

Net sales in the Engineering Solutions Business segment for the fiscal year under review increased ¥4,049 million, or 4.4%, from a year earlier to ¥96,106 million. The main reason for the increase was an increase in the number of engineers assigned to clients in the Engineering Solutions Business, which accounts for more than 90% of consolidated net sales, particularly in the professional staffing business for engineers, the core business of this segment. Operating profit increased ¥1,162 million, or 10.7%, from a year earlier to ¥12,075 million.

The Company’s non-consolidated utilization ratio (overall) maintained a high level of 97.5% compared with 97.8% in the previous fiscal year. The ratio slightly declined from the previous fiscal year because more newly graduated engineers joined the Company in April 2018 than in April 2017. Working hours declined compared with the previous fiscal year to 8.62 hours/day (8.70 hours/day for the previous fiscal year) after overtime hours work decreased primarily due to the work-life balance initiatives being carried out by major corporations.

ⅱ. Recruiting & Placement Business for Engineers

The Recruiting & Placement Business for Engineers segment operates job placement business for engineers.
Net sales in the Recruiting & Placement Business for Engineers for the fiscal year under review increased ¥100 million, or 6.1%, from a year earlier to ¥1,762 million, and operating profit increased ¥15 million, or 2.8%, to ¥560 million.

MEITEC NEXT CORPORATION achieved sales and profit growth due to an increase in the number of job placements.

Notes: 1: All figures are exclusive of consumption taxes.
2: Sales figures for each segment include intersegment transactions and transfers.

(2) Capital Investment for the MEITEC Group

During the consolidated fiscal year under review, we have made capital investment mainly to bolster and enhance the Company's business support system, etc. and total amounted to ¥349 million.

And, capital investment by segments were, ¥329 million for the Engineering Solution Business, and ¥19 million for the Recruitment & Placement Business for Engineers.

These capital investment amounts include the cost for software and other (software in progress.)

(3) Financing for the MEITEC Group

The Company meets its capital requirements with its own funds. The Company did not procure capital through the issuance of new shares or bonds during the consolidated fiscal year under review.

(4) Issues to Be Addressed

Main business of our corporate group is Engineering Solutions Business. Based on our group management concept “Mutual Growth & Prosperity”, we, the MEITEC Group, with cooperation of all the employees, shall improve the five values (Value to Engineers, Value to Employees, Value to Clients, Value to Shareholders, Value to the Society) continuously from the "Value to Engineers" as a starting point.

Future performances of Engineering Solutions Business depend on higher number of engineers and higher utilization ratio. Therefore we recognize that most important objective is to realize the sustainable growth by continued strengthening the sales effort to obtain new orders, recruitment and increasing the employee and supporting employee carrier advancement in consideration of the environmental changes.

ⅰ. Sales effort to obtain new orders

Main business of our corporate group, Engineering Solutions Business, is also a business of supporting carrier advancement of the engineers. Not limited to obtaining the orders to sustain or increase the number of engineers on job and utilization ratio, it is most important to continue providing the chance and place for expansion of their work segments so that they can widen their selection of carrier advancement. Therefore, we will try to build stronger clients basis where we can obtain orders in any economic conditions regardless of under crisis or not. We will continue to improve our sales system to strengthen our sales ability.

ⅱ. Recruitment and increasing employee

For MEITEC Group, as largest “Group of professional engineers” in Japan, hiring more excellent engineers and staffs would be the source of growth. Therefore, we will establish a brand name with reliability and sense of security as the leader of the industry in the human resource market, and reinforce our recruiting ability. We will continue to execute efficient recruiting effort and increase the employee to meet with the changing market condition regardless of under crisis or not.

ⅲ. Supporting employee carrier advancement

It is essential to provide close support to each and every engineer for their carrier advancement in order to sustain and improve the quality of the largest “Group of professional engineers” in Japan. To provide proper and timely support, we have determined that the quality of services which the engineers provide to be “Technological strength multiplied by Human strength equals Total Strength”. We will continue our effort to provide the extended support to the carrier advancement needs initiated from the engineers and strengthen the carrier advancement support led by the company. We will continue our effort in strengthening the efficient support for the carrier advancement by timely catching the changes and expansion of the clients’ needs.

(5) Changes in Assets and Income

ⅰ. Changes in Assets and Income of the MEITEC Group

Item	Fiscal year ended March 31, 2016	Fiscal year ended March 31, 2017	Fiscal year ended March 31, 2018	Fiscal year ended March 31, 2019 (current consolidated fiscal year)
Net Sales(million yen)	87,888	89,979	93,618	97,736
Operating Income(million yen)	10,874	11,142	11,458	12,635
Ordinary Income(million yen)	10,845	11,145	11,465	12,643
Profit Attributable to Owners of Parent(million yen)	8,083	7,937	8,132	8,829
Earnings per Share(yen)	269.24	274.32	286.64	315.43
Total Assets(million yen)	64,468	66,377	70,934	74,615
Net Assets(million yen)	37,605	37,854	40,139	42,371
Net Assets per Share(yen)	1,278.59	1,330.57	1,424.01	1,518.42

ⅱ. Changes in Assets and Income of the Company

Item	Fiscal year ended March 31, 2016	Fiscal year ended March 31, 2017	Fiscal year ended March 31, 2018	Fiscal year ended March 31, 2019 (current fiscal year)
Net Sales(million yen)	68,878	70,083	72,252	74,036
Operating Income(million yen)	9,061	9,213	9,342	10,157
Ordinary Income(million yen)	9,526	9,798	10,105	10,921
Profit(million yen)	7,391	7,073	7,461	7,768
Net Income per Share(yen)	246.18	244.48	263.00	277.54
Total Assets(million yen)	56,941	58,220	61,624	63,978
Net Assets(million yen)	35,872	34,997	36,434	37,468
Net Assets per Share(yen)	1,221.68	1,230.24	1,292.67	1,342.72

(6)Important Status of Parent Company and Subsidiaries（as of March 31, 2019）

ⅰ. Status of Important Parent Company

Not Applicable.

ⅱ. Status of Important Subsidiaries

Company Name	Location	Capital	Voting rights held by the Company (%)	Main business
MEITEC FIELDERS INC.	Tokyo	(million yen) 120	100.0	Engineering Solutions Business
MEITEC CAST INC.	Tokyo	(million yen) 100	100.0	Engineering Solutions Business
MEITEC EX CORPORATION	Aichi	(million yen) 50	100.0	Engineering Solutions Business
MEITEC NEXT CORPORATION	Tokyo	(million yen) 30	100.0	Recruiting & Placement Business for Engineers
MEITEC BUSINESS SERVICE CORPORATION	Chiba	(million yen) 10	100.0	Engineering Solutions Business

Notes: Meitec Shanghai and Meitec Shanghai Human Resources Co., Ltd. had completed its liquidation during the fiscal year ended March 31, 2019.

ⅲ. Situation of Specified wholly owned subsidiaries

Not Applicable.

ⅳ. Situation of Important combination of enterprises etc.

Not Applicable.

(7) Primary business of the group (as of March 31, 2019)

Engineering Solutions Business

Recruiting & Placement Business for Engineers

(8) Primary Office of the Group (as of March 31, 2019)

ⅰ. The Company

Registered Corporate Headquarters	2-20-1 Kosei-tori Nishi-ku, Nagoya-shi, Aichi
Corporate Headquarters	1-1-10 Ueno, Taito-ku, Tokyo
Branches	Sendai EC(Miyagi), Utsunomiya EC(Tochigi), Takasaki EC(Gunma), Saitama EC (Saitama), Mito EC(Ibaraki), Tsukuba EC(Ibaraki), Chiba EC(Chiba), Tokyo EC (Tokyo), Tokyo-Kita EC(Tokyo), Tachikawa EC(Tokyo), Yokohama EC(Kanagawa), Kawasaki EC(Kanagawa), Atsugi EC(Kanagawa), Shonan EC(Kanagawa), Mishima EC(Shizuoka), Shizuoka EC(Shizuoka), Hamamatsu EC(Shizuoka), Koshinetsu EC (Nagano), Okazaki EC(Aichi), Toyota EC(Aichi), Nagoya EC(Aichi), Nagoya-Minami EC(Aichi), Nagoya-Kita EC(Aichi), Mie EC(Mie), Gifu EC(Gifu), Kanazawa EC(Ishikawa), Shiga EC(Shiga), Kyoto EC(Kyoto), Osaka EC(Osaka), Kobe EC (Hyogo), Hiroshima EC(Hiroshima), Fukuoka EC(Fukuoka), Eastern Solutions Center(Tokyo), Central Solutions Center(Aichi)
Techno-Center	Atsugi(Kanagawa), Nagoya(Aichi)

Note："EC" is an abbreviation of an Engineering - Center.

ⅱ.Subsidiaries and Affiliates

Locations of the subsidiaries are listed in above, "(6)Important Status of Parent Company and Subsidiaries, ⅱ.Status of Important Subsidiaries".

（9）Employees（as of March 31, 2019）

ⅰ. Number of employees of corporate groups

Business segment	Number of employees	Compared to the end of the previous fiscal year
Engineering Solutions Business	10,277	+515
Recruiting & Placement Business for Engineers	88	+10

ⅱ. Number of employees of the Company

Business segment	Number of employees	Compared with the end of the previous fiscal year
Engineering Solutions Business	7,396	+177

（10）Principal lenders and the amount of loans（as of March 31, 2019）

Not applicable.

（11）Other Significant Matters Relating to the Status of the Corporate Group

Not applicable.

2. Status of Shares

ⅰ. Total Number of shares authorized to be issued 142,854,400 shares

ⅱ. Total Number of issued shares 29,300,000 shares
(Including treasury shares of 1,395,169 shares)

ⅲ. Number of shareholders 5,099 persons
(Increased by 214 persons from the end of the previous fiscal year)

ⅳ. Major shareholders (top ten)

Name of shareholder	Number of shares held by the shareholder (thousand shares)	Ratio of shares held (%)
The Master Trust Bank of Japan, Ltd. (trust account)	2,832	10.15
Japan Trustee Services Bank, Ltd. (trust account)	2,745	9.83
Meiji Yasuda Life Insurance Company	1,565	5.61
Nippon Life Insurance Company	1,113	3.99
JP MORGAN CHASE BANK 385632	893	3.20
Meitec Employee Stock Ownership Plan	872	3.12
THE BANK OF NEW YORK MELLON 140044	762	2.73
SSBTC CLIENT OMNIBUS ACCOUNT	595	2.13
Japan Trustee Services Bank, Ltd. (trust account 9)	479	1.71
Fukoku Mutual Life Insurance Company	477	1.70

Notes:1. The Company hold 1,395,169 shares as treasury shares. But since there is no voting right to the treasury shares, it is excluded from above list and the ratio of share held is calculated excluding the treasury shares.
2. Figures for number of shares held by the shareholder and ratio of shares held are rounded off to displayed decimal.

3. About Stock Purchase/Subscription Warrant

None

4. Matters concerning Directors and Audit & Supervisory Board Members

(1) Names and other details of Directors and Audit & Supervisory Board Members

(as of March 31, 2019)

Title	Name	Position and important positions concurrently held at other companies
Representative Director and President	Hideyo Kokubun	CEO, MEITEC Group CEO and COO of the Company Executive officer for the Office of the President, the Internal Audit Department, the CSR Department Director of MEITEC FIELDERS INC. Director of MEITEC CAST INC. Director of MEITEC NEXT CORPORATION
Director	Hiroshi Yoneda	In charge of the Market Development Promotion Office, the Sales Administration Department Executive officer for the Corporate Communication Department In charge of MEITEC FIELDERS INC., MEITEC CAST INC., MEITEC NEXT CORPORATION Director of MEITEC FIELDERS INC. Director of MEITEC CAST INC. Director of MEITEC NEXT CORPORATION
Director	Masato Uemura	In charge of the Information Technology Department Executive officer for the Business Operations Support Department, the Accounting Department, the Management Administration Department
Director	Akiyoshi Ogasawara	Executive officer In charge of the Engineering Solutions Division (High-end Engineering Area) In charge of MEITEC EX CORPORATION
Director	Hiroyuki Rokugo	Executive officer In charge of the Career Support Division, the Group Recruiting Division Director of MEITEC FIELDERS INC. Director of MEITEC NEXT CORPORATION
Director	Keisuke Ito	Executive officer for the Personnel Department In charge of MEITEC BUSINESS SERVICE CORPORATION President of MEITEC BUSINESS SERVICE CORPORATION
Director	Minao Shimizu	Attorney at Law (Minao Shimizu Law Office)
Director	Hiroyuki Kishi	Professor, Graduate School of Media Design, Keio University

Title	Name	Position and important positions concurrently held at other companies
Audit & Supervisory Board Member	Masatoshi Uematsu	(Standing) Audit & Supervisory Board Member of MEITEC FIELDERS INC.
Audit & Supervisory Board Member	Masatoshi Saito	Tax Accountant (Masatoshi Saito Certified Tax Accountant Office)
Audit & Supervisory Board Member	Hiroshi Watanabe	Certified Public Accountant (Hiroshi Watanabe Public Accountant Office)
Audit & Supervisory Board Member	Makoto Fukai	None

Notes:

1. Minao Shimizu and Hiroyuki Kishi are Outside Directors.
2. Masatoshi Uematsu, Masatoshi Saito, Hiroshi Watanabe and Makoto Fukai, are Outside Audit & Supervisory Board Members.
3. There are no special relationship with other companies which Minao Shimizu and Hiroyuki Kishi, Outside Directors, and Masatoshi Saito, Hiroshi Watanabe , Outside Audit & Supervisory Board Members, hold a concurrent position with.
   MEITEC FIELDERS INC. , which Outside Audit & Supervisory Board Member Masatoshi Uematsu holds concurrent positions with, is wholly owned subsidiaries of the Company.
4. Outside Director Minao Shimizu and Hiroyuki Kishi, and Outside Audit & Supervisory Board Member Masatoshi Uematsu, Masatoshi Saito, Hiroshi Watanabe and Makoto Fukai are independent executives defined by Tokyo Stock Exchange, Inc.
5. Outside Audit & Supervisory Board Member Masatoshi Saito holds tax accountant license, and possess sufficient knowledge on financing and accounting.
6. Outside Audit & Supervisory Board Member Hiroshi Watanabe holds certified public accountant license, and possess sufficient knowledge on financing and accounting.
7. Outside Audit & Supervisory Board Member Makoto Fukai has extended knowledge regarding financing and accounting from his long experiences with financial institution.
8. Changes in important positions that Directors and Audit & Supervisory Board Members concurrently held at other companies during the subject fiscal year were as follows:
   i. Director Akiyoshi Ogasawara resigned from the position of director of MEITEC FIELDERS INC., MEITEC CAST INC. and MEITEC EX CORPORATION on March 26, 2019.
   ii. Director Keisuke Ito resigned from the position of director of MEITEC FIELDERS INC. on March 26, 2019.
   iii. Audit & Supervisory Board Member Masatoshi Uematsu assumed the position of audit & supervisory board member of MEITEC FIELDERS INC. on June 7, 2018, and also he resigned from the position of audit & supervisory board member of J and S INSURANCE SERVICE CO., Ltd on June 20, 2018.
   iv. Audit & Supervisory Board Member Makoto Fukai resigned from the position of audit & supervisory board member of MEITEC FIELDERS INC. and MEITEC NEXT CORPORATION on June 7, 2018.
9. The Company has introduced the executive officer system from April 1, 2003. Executive officers of the Company (as of March 31, 2019) are as following.

Type of Officer	Name
Representative Director and President CEO and COO	Hideyo Kokubun
Director and Executive Officer	Hiroshi Yoneda, Masato Uemura, Akiyoshi Ogasawara, Hiroyuki Rokugo, Keisuke Ito
Executive Officer	Koichi Nakagawa, Tetsuya Yabe, Yoshikazu Matsui, Shinji Watanabe, Kaname Nimura, Kiyoshi Hanaki, Go Taguma

(2) Description of Limited Liability Agreement

The Company enters into a liability limitation agreement with each member of the board (excluding executive director, etc.) and audit & supervisory board member pursuant to Article 423, Paragraph 1, of the Companies Act. The maximum amount of liability limitation provided under such an agreement would be the minimum liability limitation amount stipulated in Article 425, Paragraph 1, of the Companies Act.

(3) Remuneration for Directors and Audit & Supervisory Board Members

Type of Officer	Number of persons	Fixed remuneration	Performance-linked remuneration	Total remuneration
Directors (Excluding Outside Directors)	6	125 million yen	226 million yen	351million yen
Outside Director	2	18 million yen	—	18 million yen
Outside Audit & Supervisory Board Members	4	47 million yen	—	47 million yen
Total	12	191 million yen	226 million yen	417 million yen
Total of Outside Directors and Audit & Supervisory Board Members	6	65 million yen	—	65 million yen

(4) Matters Concerning the Determination of Remuneration to Directors and Audit & Supervisory Board Members, and Methods of Calculation

The Company's "Policy on Calculation Methods and Determination on Amount of Remuneration, etc. for Directors and Audit & Supervisory Board Members" is determined by the Board of Directors as follows.

1. Method of Determination

The total amount of remuneration of directors and audit & supervisory board members shall be within the total amount of remuneration adopted at the 43rd Annual General Meeting of Shareholders held in June 2016, and individual amounts of remuneration will be determined in accordance with the policy amended or abolished by resolutions of the Board of Directors.

<Overview of the Resolution for the General Meeting of Shareholders: Amounts of remuneration for directors and audit & supervisory board members>

Indicated in yearly amount	Fixed remuneration	Performance-linked remuneration	Total remuneration
Directors	Up to 220 million yen	2.5% of consolidated profit*, and up to 250 million yen	Up to 470 million yen
Portion for outside directors of above	Up to 30 million yen	(excluded from payment)	Up to 30 million yen
Audit & supervisory board members	Up to 50 million yen	(excluded from payment)	Up to 50 million yen
Total	Up to 270 million yen	Up to 250 million yen	Up to 520 million yen

*"Profit attributable to owners of parent" of "Consolidated Statements of Income and Comprehensive Income"

2. Policy about executive remuneration

- Executive remuneration shall be reviewed in a timely and appropriate manner based on the basic policy of the remuneration system adopted at the 30th Annual General Meeting of Shareholders held in June 2003.
- By maintaining the stance of clarifying and disclosing methods of calculation and the process of determinations of remuneration in the same manner as before, the Group will enhance management transparency and strengthen corporate governance, and thus further improving corporate value.
- The rate of performance-linked executive remuneration for executive directors will

be increased to enhance sharing the mid and long-term interest with shareholders.

- In order to preserve the independence of outside directors and audit & supervisory board members, they will not be compensated with performance-linked remuneration.
- The retirement bonus system for directors and audit & supervisory board members, which was abolished in the fiscal year ended March 31, 2002, will not be adopted.

3. Specific executive remuneration amount

Total amount of executive remuneration = (1) Fixed remuneration +
(2) performance-linked remuneration <(3) appropriation of the amount equivalent to 20%>

(1) Individual fixed remuneration

Representative Director and President, Group CEO, CEO/COO	yearly	28,800 thousand yen	(2,400 thousand yen monthly)
Senior Vice President and Directors	yearly	24,000 thousand yen	(2,000 thousand yen monthly)
Directors	yearly	19,200 thousand yen	(1,600 thousand yen monthly)
Outside directors	yearly	9,000 thousand yen	(750 thousand yen monthly)
Standing audit & supervisory board members	yearly	24,000 thousand yen	(2,000 thousand yen monthly)
Audit & supervisory board members (excluding standing audit & supervisory board member)	yearly	7,800 thousand yen	(650 thousand yen monthly)

(2) Performance-linked remuneration

- The total amount shall be an amount equivalent to 2.5% of profit attributable to owners of parent before deductible expenses accounting of performance-linked remuneration, with fractions of 1 million yen and less discarded, and up to 250 million yen annually.
- Performance-linked remuneration will be limited to be paid to directors, except for outside directors and audit & supervisory board members.
- In principle, individual allocation amount for individual directors will be determined at Board of Directors' meetings after the consultation at the Officer Appointment Advisory Committee. However, while this is exclusively the case for the determination of the allocation method, it is also permissible that determinations are made to entrust the Representative Director and President/Group CEO with the determination of specific allocation amounts.

(3) Appropriation of the amount equivalent to 20% of performance-linked remuneration (after deduction of tax)

- The amount equivalent to 20% of performance-linked remuneration (after deduction of tax) for each director will, with approval from each director, be contributed to the Officers Shareholding Group (the relevant amount will be divided into twelve (12) equally, and the same amount will be contributed each month for the 12 months from July each year) and utilized to acquire own shares.
- Acquired own shares are prohibited to be transferred during the period in office and until one year passes from resignation in principle, in accordance with the Shareholding Group Rules and other internal rules.
- When a person subject to payment of the relevant remuneration resigns, in accordance with the Officers Shareholding Group Rules of the Company, this handling shall not be applied.

4. Additional Rules

- For remuneration for audit & supervisory board members, determination upon consultation by audit & supervisory board members is required in accordance with the provisions of the law.
- In cases where a director also serves as an employee, the employee salary is included.
- An employee bonus is not paid to directors who also serve as employees.
- Remuneration to directors and audit & supervisory board members from subsidiaries in which a director or an audit & supervisory board member holds a concurrent post is waived in principle.
- Allowances for commutation, job transfer unattended by family, or job relocation as well as a daily allowance for business trip expenses will be paid separately.
- The insurance premiums borne by individuals for directors and officers liability insurance (D&O insurance) will be separately added.

（For Reference）

The meeting of the Company's Board of Directors on March 26, 2019, resolved that, subject to adoption of Agenda Item No. 4, "Revision of Remuneration Amount for Directors" at this shareholders' meeting, the "1. Method of Determination" of the "Policy on Calculation Methods and Determination on Amount of Remuneration, etc. for Directors and Audit & Supervisory Board Members" would be changed as indicated below.

1.Method of Determination

The total amount of remuneration of directors and audit & supervisory board members shall be within the total amount of remuneration adopted at the 46th Annual General Meeting of Shareholders held in June 2019, and individual amounts of remuneration will be determined in accordance with the policy amended or abolished by resolutions of the Board of Directors.

<Overview of the Resolution for the General Meeting of Shareholders : Amounts of remuneration for directors and audit & supervisory board members>

Indicated in yearly amount	Fixed remuneration	Performance-linked remuneration	Total remuneration
Directors	Up to 220 million yen	2.5% of consolidated profit*, and up to 250 million yen	Up to 470 million yen
Portion for Outside directors of above	Up to 50 million yen	(excluded from payment)	Up to 50 million yen
Audit & supervisory board members	Up to 50 million yen	(excluded from payment)	Up to 50 million yen
Total	Up to 270 million yen	Up to 250 million yen	Up to 520 million yen

*"Profit attributable to owners of parent" of "Consolidated Statements of Income and Comprehensive Income"

(5) Matters concerning Outside Directors and Outside Audit & Supervisory Board Members

ⅰ. Relationship between the Company and Significant Companies Where Outside Directors and Outside Audit & Supervisory Board Members Hold Concurrent Posts

The status and other information on significant concurrent posts are listed in "4. Matters concerning Directors and Audit & Supervisory Board Members; (1) Names and other details of Directors and Audit & Supervisory Board Members."

ⅱ. Status of Main Activities during the Subject Fiscal Year

Name	Attendance (total attended/total held)	Major Activities
Minao Shimizu (Outside Director)	Directors' meetings 14/14	He provided proper advice and proposals as needed, based on his sufficient knowledge and experiences.
Hiroyuki Kishi (Outside Director)	Directors' meetings 13/14	He provided proper advice and proposals as needed, based on his sufficient knowledge and experiences.
Masatoshi Uematsu (Outside Audit & Supervisory Board Member)	Directors' meetings 14/14 Audit & Supervisory Board 14/14	At the board of directors meetings, he made appropriate questions, advice and proposals as needed. Also at the Audit & Supervisory Board, as standing outside audit & supervisory board member, he made reports and provided opinions to other outside audit & supervisory board members.
Masatoshi Saito (Outside Audit & Supervisory Board Member)	Directors' meetings 14/14 Audit & Supervisory Board 14/14	He provided proper advice and proposals as needed, based on his sufficient knowledge and experiences, especially in the field of financing, accounting and tax matter.
Hiroshi Watanabe (Outside Audit & Supervisory Board Member)	Directors' meetings 14/14 Audit & Supervisory Board 14/14	He provided proper advice and proposals as needed, based on his sufficient knowledge and experiences, especially in the field of financing and accounting.
Makoto Fukai (Outside Audit & Supervisory Board Member)	Directors' meetings 14/14 Audit & Supervisory Board 14/14	He provided proper advice and proposals as needed, based on his sufficient knowledge and experiences.

5. Status of the Accounting Auditor

(1) Name of Accounting Auditor

Deloitte Touche Tohmatsu LLC

(2) Compensation to Accounting Auditor for current fiscal year

Description	Amount of compensation
1. Total compensation and amounts paid by the Company	46 million yen
2. Total amount of cash and other property profits to be paid by the Company and its subsidiaries to the independent accountant	46 million yen

Note: In the audit agreement between the Company and the accounting auditor, the amounts of compensation for conducting auditing services in accordance with the Companies Act and auditing services in accordance with the Financial Instruments and Exchange Law are not separated, and the above amounts contain compensation and other remuneration for auditing services under the Financial Instruments and Exchange Law.

(3) Reason why the Audit & Supervisory Board approved the Accounting Auditor's compensation

The Audit & Supervisory Board verified matters including the performance of auditing in the previous fiscal year, and the content of the auditing plan for the upcoming fiscal year and the basis on which the compensation for the upcoming fiscal year was estimated. Having judged all of these matters to be appropriate, the Audit & Supervisory Board approved the accounting auditor's compensation.

(4) Description of Non-auditing Job

The Company does not commission the accounting auditor to provide service which is out side of the scope of the activities defined in the Article 2, Paragraph 1 of the Certified Public accountants Act.

(5) Policy regarding decisions on the dismissal or non-reappointment of the Accounting Auditor

If the Audit & Supervisory Board considers that the accounting auditor falls under any of the provisions of Article 340, Paragraph 1 of the Companies Act and judges it necessary to dismiss the accounting auditor immediately, it shall dismiss the accounting auditor, having obtained the approval of all the audit & supervisory board members.

In addition, the Audit & Supervisory Board shall evaluate the overall performance of accounting audit duties by the accounting auditor according to its stipulated evaluation procedures and standards. If the Audit & Supervisory Board considers that the accounting auditor cannot perform its duties appropriately, or otherwise judges that dismissal is required, it shall determine the content of an agenda item for the dismissal or non-reappointment of the accounting auditor to be submitted to the General Meeting of Shareholders in accordance with Article 344 of the Companies Act.

6. Systems to Ensure Appropriate Business Operations and the Status of its Implementation

During the fiscal period under review, due to the establishment and operation of each of the frameworks discussed in (1) through (12) below, there were no incidents or accidents which had significant damage on the corporate group comprising the Company and its subsidiaries.

(1) Framework to ensure compliance by directors with laws and regulations and the Company's articles of incorporation in the course of the execution of their duties

In its interaction with the rest of society, the Company shall comply with all laws and regulations and its articles of incorporation. The Company shall maintain high ethical standards and management that is sound and highly transparent. Concerning directors' execution of duties, the Company shall clarify the process and results of its decision-making based on the Company's internal rules that are appropriate to the particular characteristics of the business and size of the Company. At the same time, the Company shall establish a framework where directors and audit & supervisory board members can view such process and results as necessary.

In addition, through the establishment of the MEITEC Group Helpline System— based on a framework that provides measures to protect whistleblowers in personnel terms— and programs to inform employees about this helpline, the Company shall endeavor to quickly detect and take appropriate action against any malfeasance that may occur relating to the directors' execution of duties.

(Status of implementation)

The scope of authority and decision making procedures for directors are clarified in the Board of Directors rules, the rules of administrative authority, and the rules relating to internal requests for approval; the directors execute their duties in accordance with these rules. Materials and minutes from meetings of the Board of Directors and Executive Board are continually stored on a system that can be viewed by all directors and audit & supervisory board members. The Company has also adopted a system to record the process and results of individual directors' decision making and has established a framework where all directors and audit & supervisory board members can view such process and results as necessary.

Furthermore, the Company has established the MEITEC Group Helpline System administered by the CSR Dept., which performs internal checks and balances. Employees are informed about the system via the Company's intranet.

(2) Framework for storing and managing information relating to the directors' execution of duties

In accordance with the stipulations of all laws and regulations, the Company's articles of incorporation and internal rules, the Company shall record, store and manage information regarding the execution of duties by directors in an appropriate and timely manner.

Moreover, the Company shall build an appropriate management system for safekeeping media to ensure there is no loss of trust as a company or fatal damage inflicted on the MEITEC Group through conduct involving leakage, alterations, loss, or unauthorized use, or conduct involving unauthorized disclosure, etc.

(Status of implementation)

In accordance with all laws and regulations, the Company's articles of incorporation and internal rules, the Company prepares documents such as minutes from the General Meeting of Shareholders, and meetings of the Board of Directors and Executive Board, storing and managing such documents in an appropriate manner. In addition, the Company stipulates information to be managed and methods of management in its information management rules, which it implements appropriately.

(3) Rules and other frameworks for management of risk of loss

Based on the risk management rules, the Company shall work to comprehensively and systematically gather information on risk of loss faced by the Company before such risks emerge. Risks trends shall be monitored appropriately, and timely measures shall be taken in response to risks, commensurate with the severity of the risk. By responding quickly to the risks when they materialize, the Company aims to minimize the impact of such risks, develop a system to restore operations as soon as possible. The Company shall continually strive to maintain and enhance the soundness of its management.

(Status of implementation)

The Company stipulates a framework for risk management in its risk management rules, and informs employees via its intranet. It also specifies risks by category and confirms that no risks requiring management have been omitted. In its risk management guidelines the Company specifies in advance the risk items to be monitored and departments responsible for monitoring with the aim of picking up on any signs that risks might materialize in order to prevent them from doing so or, where risks have already materialized, in order to minimize their impact. Related details are regularly reported to the Board of Directors or the Executive Board, and the Company has established, and appropriately operates, a system for reporting in the event that risks becoming apparent. In addition, in the event that a risk develops into a crisis, in order to prevent the situation from growing larger and to quickly reign it in, the Group Crisis Management Regulations provide for a crisis management framework, such as the initial response when a crisis occurs as well as the establishment of crisis countermeasure command center.In addition, the Company conducts internal audits that include auditing the administration of risk management in each department.

(4) Framework to ensure the efficient execution of duties by directors

The Company shall make the directors appropriately divide up their duties and supervisory responsibilities and delegate authority in accordance with internal rules to speed up decision-making. In addition, the directors shall formulate a business plan stipulating clear targets and goals, and undertake appropriate management of operations and progress based on this plan. Targets and goals shall be revised as necessary.

(Status of implementation)

The Company has adopted an executive officer system to enable prompt and appropriate decision making. Directors appropriately divide up their execution of duties and supervisory responsibilities, while the Company delegates authority to the executive officers in accordance with its rules of administrative authority. Furthermore, the directors formulate a business plan stipulating clear targets and goals, and undertake appropriate management of operations and progress based on this plan. Targets and goals are revised as necessary.

(5) Framework to ensure compliance by employees with laws and regulations and the Company's articles of incorporation in the course of the execution of their duties

The Company shall formulate the Group Management Concept, the MEITEC Group Charter of Employee Behavior, the Employee Code of Conduct and other related documents. And with these, the Company shall continuously strive to take initiatives to raise awareness of the directors and employees to carry out their duties in compliance with all laws and regulations, the Company's articles of incorporation and internal rules in a fair and reasonable manner.

In addition, through the establishment of the MEITEC Group Helpline System— based on a framework that provides measures to protect whistleblowers in personnel terms— and programs to inform employees about this helpline, the Company shall endeavor to quickly detect and take appropriate action against any malfeasance that may occur relating to the employees' execution of duties.

(Status of implementation)

The Company formulated the Management Concept, the Meitec Group Charter of Employee Behavior, the Employee Code of Conduct and other related documents, and employees are informed of these via publication on the Company's intranet. Also, the Company established and operates a system for reporting. Furthermore, the Company has stipulated in its compliance rules that all employees will be responsible for implementing compliance according to their duties and positions, and conducted annual training for all employees based on e-learning. Details of the Meitec Group Helpline System are as set out under the status of implementation for (1) above. Internal audits are conducted to check departments' compliance with all laws and regulations, the Company's articles of incorporation and internal rules.

(6) Framework to ensure sound business operations within the Group comprising the Company and its subsidiaries

The Company shall respect the right of each subsidiary to develop its business operations in an autonomous manner, while sharing the Group Management Concept and the MEITEC Group Charter of Employee Behavior. The Company shall design the institution in accordance with the subsidiary's purpose, business characteristics and size, and place its directors and employees in all of its subsidiaries and manage and supervise the subsidiaries' business execution appropriately to maximize the Group's corporate value.

In addition, the Company shall formulate rules on the administration of subsidiaries and establish the department in charge of administrating the Group companies (the "Group Company Administration Department") and develop a framework by which important matters related to the business execution of directors in subsidiaries are reported to the Company regularly.

With regard to the development of rules and other frameworks for loss risk management of subsidiaries, a framework to ensure the efficient execution of duties by directors of subsidiaries and a framework to ensure compliance by directors and employees of subsidiaries with laws and regulations and the Company's articles of incorporation in the course of the execution of their duties, the Company requests each of the subsidiaries to develop a framework that is suitable for their respective business characteristics and size by referring to the above-mentioned (3) to (5) as basic guidelines. The Company shall regularly receive reports on the development status of the framework and request improvements as necessary.

(Status of implementation)

The Company places its directors in all of its subsidiaries to manage and supervise the appropriateness of the subsidiaries' business. In addition, the Company has formulated its rules on the administration of Group companies, thereby clarifying matters that require prior approval by the Company or reporting to the Company. The relevant departments in the Company and its subsidiaries cooperated to make decisions on matters for which the rules require the Company's prior approval, while reports were duly received from subsidiaries with regard to the matters to be reported to the Company.Moreover, the Internal Audit Department audits the operations of subsidiaries.

(7) Matters related to employees to be assigned to assist audit & supervisory board members, matters related to such employees' independence from directors and matters related to ensuring effectiveness of instructions given to such employees

The Company shall establish the Office of Audit & Supervisory Board which consists of employees who exclusively work in the said office and are independent from the execution of business to improve the effectiveness of audit.

In order to reflect the opinion from audit & supervisory board members as much as possible, the evaluation and re-assignment of the said exclusively working employees, who are to assist audit & supervisory board members, are carried out with the consent of audit & supervisory board members, and instructions to such employees shall be given by audit & supervisory board members.

(Status of implementation)

The Company has established the Office of Audit & Supervisory Board, to which it has assigned one employee who exclusively works in the said office and is independent from the execution of business. In order to reflect the opinion from audit & supervisory board members as much as possible, the evaluation and re-assignment of the said employee are carried out with the consent of audit & supervisory board members, and instructions to such employees are given directly by audit & supervisory board members.

(8) Framework for reporting to the audit & supervisory board members

1. Framework for reporting by directors and employees to the audit & supervisory board members

The Company shall develop a framework for reporting to the audit & supervisory board members, to ensure that proper reports are made by directors and employees. The audit & supervisory board members shall be given the authority to attend the Board of Directors' meetings and all other internal meetings. Furthermore, the audit & supervisory board members shall have access to all important information relating to decision-making and the execution of business operations.

(Status of implementation)

The Company formulated rules regarding reporting to audit & supervisory board members or the Audit & Supervisory Board, and employees are informed of these via publication on the Company's intranet. In addition, the audit & supervisory board members are given the authority to attend the Board of Directors' meetings as well as all other internal meetings and they participate in meetings they deem necessary as appropriate, based on their own judgment. Moreover, the Company gives the audit & supervisory board members appropriate access to all important information relating to decision making and the execution of business operations whenever audit & supervisory board members request such access.

2. Framework for reporting by subsidiaries' directors, audit & supervisory board members, employees or those who received reports from them to the audit & supervisory board members of the Company

The Company shall develop a framework by which any matters that took place at subsidiaries are reported to the Company's audit & supervisory board members from subsidiaries' directors and employees through the Group Company Administration Department. In the case where the Company's audit & supervisory board members request that subsidiaries' directors and employees directly report, etc. concerning matters that have been deemed necessary in order to ensure appropriateness of the Group's operation, the subsidiaries' directors and employees are obliged to meet the aforesaid request.

In addition, subsidiaries' audit & supervisory board members hold meetings regularly with the Company's audit & supervisory board members to report the situation of subsidiaries in a timely way.

(Status of implementation)

Any matters that took place at subsidiaries are reported to the Company's audit & supervisory board members as appropriate through the Group Company Administration Department. In addition, subsidiaries' audit & supervisory board members report the situation of subsidiaries to the Company's audit & supervisory board members in a timely way. To that end, they hold meetings with the Company's audit & supervisory board members as appropriate after attending their subsidiary's Board of Directors meetings, or when they have received a report regarding an event or incident relating to their subsidiary.

(9) Framework to ensure that a person who made report to audit & supervisory board members does not receive disadvantageous treatment for making such report

The Company prohibits any disadvantageous treatment being given to directors, audit & supervisory board members and employees of the Company and subsidiaries who made a report to the Company's audit & supervisory board members. The Company shall disseminate this policy throughout the Group.

(Status of implementation)

The Company clearly prohibits any disadvantageous treatment in its rules regarding reporting to audit & supervisory board members or the Audit & Supervisory Board, and it has informed employees to that effect. There have been no instances of disadvantageous treatment as a result of making a report to the Company's audit & supervisory board members.

(10) Matters related to the policy on the prepayment or repayment procedure of costs that accrue as a result of execution of duties by audit & supervisory board members, or settlement of other liabilities

The Company shall, in principle, be liable to pay the costs or liabilities that accrue as a result of execution of duties by audit & supervisory board members. The Company shall settle such costs or liabilities as appropriate each time audit & supervisory board members submit such request to the Company, with the exception of cases where the Company has proven that such costs or liabilities were not necessary in the execution of duties by audit & supervisory board members. costs or liabilities were not necessary in the execution of duties by audit & supervisory board members.

(Status of implementation)

The Company paid to settle costs or liabilities as appropriate each time audit & supervisory board members submitted such request to the Company.

(11) Framework to ensure auditing activities by the audit & supervisory board members are carried out effectively

The Company shall develop a framework to deepen the mutual cooperation among internal auditors, audit & supervisory board members and accounting auditors in their audit by exchanging their opinions regularly or as necessary.

The Company shall also strive to improve, on an ongoing basis, the effectiveness of audit function performed by audit & supervisory board members by making directors and employees cooperate with inspections or hearing request submitted by audit & supervisory board members.

(Status of implementation)

Internal auditors, accounting auditors and audit & supervisory board members exchange their opinions regularly, ensuring mutual cooperation in their audits.

Moreover, directors and employees are cooperating appropriately with inspections or hearing requests submitted by audit & supervisory board members.

(12) Basic policy toward removal of anti-social forces

The Company shall interdict any and all relationship with anti-social forces and groups which threaten the order and safety of the civil society. And against such anti- social forces, the entire MEITEC Group, from the CEO down, shall respond in uncompromising manner.

(Status of implementation)

The Company has prescribed that employees do not have any relationship with anti- social forces in the Employee Code of Conduct and in the purchasing policy. At the same time, the Company has established the principle of the “3 No’s” (“No fear,” “No payments,” “No business”) in dealing with organized violence by anti-social forces. It has also stipulated that in the event of any approach from anti-social forces, employees should not handle the matter individually, but should consult the department in charge to deal with it as an organization.

7. Basic Policy Regarding Profit Distribution

The MEITEC Group, which hires large numbers of engineers for an indefinite period, believes it is essential to protect employment of the engineers even during times of economic hardship in order to aim for maximizing the shareholders' return in the medium to long term and to grow sustainably. Accordingly, the Company's policy regarding profit distribution is to place priority on the "'qualitative and quantitative' enhancement of shareholders' equity" to distribute the profits of the Company based on operating results while also giving consideration to the "balance of funds."

In addition to the level of "qualitative and quantitative" enhancement of shareholders' equity, if the balance of funds is an amount higher than the amount of necessary funds required for business operations (consolidated three month net sales), the Company will in principle set the total return ratio by means of dividends and acquisition of treasury shares within 100%.

The Company shall in principle pay dividends twice every year: an interim dividend and a year-end dividend, setting the payout ratio to 50% or higher. The minimum level of dividends shall be a dividend on equity ratio (DOE) of 5%.

The Company shall acquire treasury shares in a timely manner, considering the level of total return ratio and payout ratio.

After the Company acquires treasury shares, it shall continue to hold treasury shares within 5 percent of the total number of shares issued. If the number of treasury shares exceeds the aforementioned limit, the excess treasury shares shall be retired by the end of the fiscal year.

Note:

- Total Return Ratio = Total shareholders return for the year / Profit attributable to owners of parent
  Total Shareholders Return for Year = Total dividend paid (interim and year end) + Amount used to acquire the treasury shares during the fiscal year
- Payout Ratio = Total dividend paid (interim and year end) / Profit attributable to owners of parent
- Dividend on Equity Ratio (DOE) = Dividend / consolidated shareholder's equity
- Three Month Net Sales = Working capital*: Consolidated two month net sales + Fund for strengthening the financial base (a fund to sustain the business operation in the event of a crisis equivalent to that of fiscal year ended March 2010): Consolidated one month net sales

  * Working capital is determined according to such factors as account receivables.

To realize the flexible financial position, for the implementation of future growth strategies and response to the risk associated in achieving the goals of the management plan, treasury shares will be held by the company.

Unless otherwise noted, figures in this business report for the fiscal year ended March 31, 2019 is presented as follows.

・Monetary amounts are rounded off to the displayed unit. However, hundredths of a yen are rounded to the nearest whole number.

・Ratios are rounded to the displayed unit.

Consolidated Balance Sheets

(Millions of yen)

	Fiscal year ended March 31, 2019
Assets	
Current assets	
Cash and deposits	45,052
Notes and accounts receivable - trade	13,884
Work in process	170
Other	931
Allowance for doubtful accounts	(2)
Total current assets	60,036
Non-current assets	
Property, plant and equipment	
Buildings and structures, net	3,601
Tools, furniture and fixtures, net	176
Land	1,487
Other, net	136
Total property, plant and equipment	5,402
Intangible assets	
Software	699
Other	43
Total intangible assets	742
Investments and other assets	
Investment securities	27
Deferred tax assets	7,640
Other	779
Allowance for doubtful accounts	(14)
Total investments and other assets	8,433
Total non-current assets	14,579
Total assets	74,615

(Millions of yen)

	Fiscal year ended March 31, 2019
Liabilities	
Current liabilities	
Accrued expenses	3,363
Income taxes payable	2,272
Accrued consumption taxes	1,418
Provision for bonuses for directors (and other officers)	233
Provision for bonuses	7,697
Provision for loss on liquidation of subsidiaries and associates	—
Other	1,942
Total current liabilities	16,927
Non-current liabilities	
Retirement benefit liability	15,317
Total non-current liabilities	15,317
Total liabilities	32,244
Net assets	
Shareholders' equity	
Capital stock	5,000
Capital surplus	9,198
Retained earnings	35,469
Treasury shares	(5,495)
Total shareholders' equity	44,173
Accumulated other comprehensive income	
Revaluation reserve for land	(662)
Foreign currency translation adjustment	—
Remeasurements of defined benefit plans	(1,139)
Total accumulated other comprehensive income	(1,802)
Non-controlling interests	—
Total net assets	42,371
Total liabilities and net assets	74,615

Consolidated Statements of Income

(Millions of yen)

	Fiscal year ended March 31, 2019
Net sales	97,736
Cost of sales	71,701
Gross profit	26,035
Selling, general and administrative expenses	13,399
Operating profit	12,635
Non-operating income	
Interest income	1
Dividend income	—
Gain on forfeiture of unclaimed dividends	3
Gain on investments in partnership	—
Rent income	3
Gain on sales of non-current assets	—
Reversal of allowance for doubtful accounts	1
Other	4
Total non-operating income	15
Non-operating expenses	
Commission expenses	3
Commitment fee	2
Other	1
Total nonoperating expenses	7
Ordinary profit	12,643
Extraordinary income	
Gain on sales of investment securities	11
Gain on liquidation of subsidiaries and associates	14
Gain on reversal of asset retirement obligations	—
Compensation for transfer	—
Other	0
Total extraordinary income	26
Extraordinary losses	
Impairment loss	15
Loss on retirement of non-current assets	3
Head office transfer cost	—
Other	—
Total extraordinary losses	18
Profit before income taxes	12,651
Income taxes - current	4,197
Income taxes - deferred	(375)
Total income taxes	3,822
Profit	8,829
Profit attributable to owners of parent	8,829

Consolidated Statements of Changes in Equity

(Fiscal Ended March 31, 2019)

(Millions of Yen)

	Shareholders' equity				
	Capital stock	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of current period	5,000	11,955	31,873	(6,750)	42,078
Changes of items during period					
Dividends of surplus			(5,233)		(5,233)
Profit attributable to owners of parent			8,829		8,829
Purchase of treasury shares				(1,502)	(1,502)
Disposal of treasury shares		0		0	0
Retirement of treasury shares		(2,757)		2,757	—
Net changes of items other than shareholders' equity					
Total changes of items during period	—	(2,757)	3,596	1,255	2,094
Balance at end of current period	5,000	9,198	35,469	(5,495)	44,173

(Millions of Yen)

	Accumulated other comprehensive income				Non-controlling interests	Total net assets
	Revaluation reserve for land	Foreign currency translation adjustment	Remeasurements of defined benefit plans	Total accumulated other comprehensive income		
Balance at beginning of current period	(662)	9	(1,288)	(1,942)	2	40,139
Changes of items during period						
Dividends of surplus						(5,233)
Profit attributable to owners of parent						8,829
Purchase of treasury shares						(1,502)
Disposal of treasury shares						0
Retirement of treasury shares						—
Net changes of items other than shareholders' equity	—	(9)	149	140	(2)	137
Total changes of items during period	—	(9)	149	140	(2)	2,231
Balance at end of current period	(662)	—	(1,139)	(1,802)	—	42,371

Non-Consolidated Balance Sheet

(Millions of yen)

	Fiscal year ended March 31, 2019
Assets	
Current assets	
Cash and deposits	37,591
Notes receivable - trade	583
Accounts receivable - trade	10,419
Work in process	157
Prepaid expenses	643
Other	228
Total current assets	49,624
Non-current assets	
Property, plant and equipment	
Buildings	3,583
Structures	13
Tools, furniture and fixtures	172
Land	1,487
Construction in progress	136
Total Property, plant and equipment	5,394
Intangible assets	
Software	655
Other	37
Total intangible assets	692
Investments and other assets	
Investment securities	27
Shares of subsidiaries and associates	1,118
Deferred tax assets	6,392
Guarantee deposits	677
Other	62
Allowance for doubtful accounts	(9)
Total investments and other assets	8,268
Total non-current assets	14,354
Total assets	63,978

(Millions of yen)

	Fiscal year ended March 31, 2019
Liabilities	
Current liabilities	
Accounts payable - other	919
Accrued expenses	2,460
Income taxes payable	1,819
Accrued consumption taxes	998
Provision for directors' bonuses	226
Provision for bonuses	5,721
Other	709
Total current liabilities	12,855
Non-current liabilities	
Provision for retirement benefits	13,654
Total non-current liabilities	13,654
Total liabilities	26,510
Net assets	
Shareholders' equity	
Capital stock	5,000
Capital surplus	
Legal capital surplus	1,250
Other capital surplus	7,939
Total capital surpluses	9,189
Retained earnings	
Other retained earnings	29,436
Retained earnings brought forward	29,436
Total retained earnings	29,436
Treasury shares	(5,495)
Total shareholders' equity	38,130
Valuation and translation adjustments	
Revaluation reserve for land	(662)
Total valuation and translation adjustments	(662)
Total net assets	37,468
Total liabilities and net assets	63,978

Non-Consolidated Statement of Income

(Millions of yen)

	Fiscal year ended March 31, 2019
Net sales	74,036
Cost of sales	54,620
Gross profit	19,416
Selling, general and administrative expenses	9,258
Operating profit	10,157
Non-operating income	
Interest income	1
Dividend income	732
Other	35
Total non-operating income	769
Non-operating expenses	
Commission fee	3
Commitment fee	2
Other	0
Total non-operating expenses	6
Ordinary profit	10,921
Extraordinary income	
Gain on sales of investment securities	11
Gain on liquidation of subsidiaries and associates	5
Other	0
Total extraordinary income	16
Extraordinary losses	
Impairment loss	15
Loss on valuation of shares of subsidiaries and associates	33
Other	3
Total extraordinary losses	52
Profit before income taxes	10,885
Income taxes - current	3,410
Income taxes - deferred	(293)
Total income taxes	3,117
Profit	7,768

Non-Consolidated Statement of Changes in Equity

(Fiscal Ended March 31, 2019)

(Millions of Yen)

	Shareholders' equity			
	Capital stock	Capital surplus		
		legal capital surplus	Other capital surplus	Total capital surplus
Balance at beginning of current period	5,000	1,250	10,696	11,946
Changes of items during period				
Dividends of surplus				
Profit				
Purchase of treasury shares				
Disposal of treasury shares			0	0
Retirement of treasury shares			(2,757)	(2,757)
Total changes of items during period	—	—	(2,757)	(2,757)
Balance at end of current period	5,000	1,250	7,939	9,189

(Millions of Yen)

	Shareholders' equity		
	Retained earnings	Treasury shares	Total shareholders' equity
	Other retained earnings		
	Retained earnings brought forward		
Balance at beginning of current period	26,901	(6,750)	37,097
Changes of items during period			
Dividends of surplus	(5,233)		(5,233)
Profit	7,768		7,768
Purchase of treasury shares		(1,502)	(1,502)
Disposal of treasury shares		0	0
Retirement of treasury shares		2,757	—
Total changes of items during period	2,535	1,255	1,033
Balance at end of current period	29,436	(5,495)	38,130

(Millions of Yen)

	Valuation and translation adjustments		Total net assets
	Revaluation reserve for land	Total valuation and translation adjustments	
Balance at beginning of current period	(662)	(662)	36,434
Changes of items during period			
Dividends of surplus			(5,233)
Profit			7,768
Purchase of treasury shares			(1,502)
Disposal of treasury shares			0
Retirement of treasury shares			—
Total changes of items during period	—	—	1,033
Balance at end of current period	(662)	(662)	37,468

[English Translation of Audit & Supervisory Board's Report Originally issued in the Japanese language.]

To Directors of MEITEC CORPORATION

Audit & Supervisory Board's Report (Certified Copy)

We, the Audit & Supervisory Board Members of the Company, based on the audit reports prepared by each Audit & Supervisory Board Member regarding the performance of duties by the Directors during the 46th business year from April 1, 2018, to March 31, 2019, prepared this audit report upon deliberation and hereby report, by unanimous show of hands, as follows:

1. Audit Methods by Audit & Supervisory Board Members and Audit & Supervisory Board and its Details

(1) The Audit & Supervisory Board established audit policy and assigned business, etc., and received reports from each Audit & Supervisory Board Members regarding the state of implementation of his or her audits and results thereof, as well as received reports from the Directors, etc., and Accounting Auditors regarding performance of their duties, and sought explanations whenever necessity arose.

(2) Each Audit & Supervisory Board Members complied with the auditing standards of Audit & Supervisory Board Members established by the Audit & Supervisory Board, in accordance with the audit policy of this term, planning of audits, etc., communicated with the Directors, the Internal Audit Dept., other employees, etc., and made efforts to collect information and improve audit environment, and perform the audit in accordance with the following procedures.

1) Each Audit & Supervisory Board Member attended meeting of the Board of Directors and other important meetings, received reports from the Directors, employees, etc., regarding the state of performance of their duties, sought explanations whenever necessity arose, inspected important decision documents, etc., and made investigation into the state of activities and property at the head office and other main business offices of the Company. With respect to subsidiaries, we communicated and exchanged information with directors, audit & supervisory board members, etc., of the subsidiaries, and received reports on business from them, as need.
2) Each Audit & Supervisory Board Member verified the resolutions adopted by the Board of Directors regarding the establishment of a system for ensuring that the Directors' duties, as stated in the business report, are executed in conformity of laws and regulations, and the articles of incorporation of the Company, and the establishment of a system necessary to ensure proper business operations of the whole business group consisting of a stock company and its subsidiaries set forth in paragraphs 1 and 3 of Article 100 of the Ordinance for Enforcement of the Companies Act. It also received reports from Directors and employees on the status of the establishment and operation of the system (internal control system) established in accordance with such resolutions adopted by the Board of Directors, and requested explanations as necessary and expressed his/her opinions.
3) Audit & Supervisory Board Members monitored and verified whether the Accounting Auditors maintained their independence and implemented appropriate

audits, and we received reports from Accounting Auditors regarding the state of performance of their duties and sought explanations whenever necessity arose. In addition, we received notice from the Accounting Auditors the "The systems for ensuring the proper performance of duties" (matters set forth in each Item of Article 131 of the Ordinance on Accounting of Companies) is organized in accordance with the "Quality Control Standards for Audits" (Business Accounting Council, October 28, 2005) and other relevant standards, and sought explanations whenever necessity arose.

Based on the above methods, we examined business reports and supporting schedules, the financial statements (non-consolidated balance sheet, non-consolidated statement of income, non-consolidated statement of change in equity, and foot notes) and supporting schedules related to the relevant business term, and the consolidated financial statements (consolidated balance sheets, consolidated statements of income, consolidated statements of change in equity, and foot notes).

2. Results of Audit

(1) Results of Audit of Business Report and Other Relevant Documents

1) In our opinion, the business report and supporting schedules fairly presents the state of the Company in accordance with the laws, regulations and Articles of Incorporation.
2) In connection with the performance by the Directors of their duties, no dishonest act or material fact of violation of laws, regulations, or the Articles of Incorporation exists.
3) In our opinion, the contents of the resolution of the Board of Directors regarding the internal control system are fair and reasonable. In addition, we have found nothing to be pointed out in relation to the performance of duties by the Directors regarding the internal control system.

(2) Results of Audit of non-consolidated financial statements and supporting schedules

In our opinion, the methods and results of audit conducted by the Independent Auditors, Deloitte Touche Tohmatsu LLC are proper.

(3) Results of Audit of consolidated financial statements

In our opinion, the methods and results of audit conducted by the Independent Auditors, Deloitte Touche Tohmatsu LLC are proper.

May 9, 2019

MEITEC CORPORATION
the Audit & Supervisory Board

Standing Outside Audit & Supervisory Board Member
Masatoshi Uematsu

Outside Audit & Supervisory Board Member
Masatoshi Saito

Outside Audit & Supervisory Board Member
Hiroshi Watanabe

Outside Audit & Supervisory Board Member
Makoto Fukai