



Additional FAQ on the Issuance of New Shares and Series of Stock Acquisition Rights through Third Party Allotment [Relating to Press Release as of April 1, 2016]

TechnoPro Holdings, Inc.

April 5, 2016



Additional FAQ

Questions	Answers	Supplemental Material※
What is the background behind the issuance of new shares ?	<ul style="list-style-type: none"> • Use of proceeds is outlined in the Japanese press release • Additional background is tax planning; due to the increase in capital stock for this fiscal year, the corporate tax expense during the mid-term management plan period will be leveled, where net income will reflect operating profit and would properly reflect our business results 	• P.3, P.8, P.9
When will DB exercise the underlying 2.65mm shares in warrants?	<ul style="list-style-type: none"> • TIP was chosen to expand our financing options and there is no up-front dilution. Dilution by TIP will occur only when we give permission, and we have cancellation rights without any penalty. We will give permission to exercise while considering our financing needs and market conditions • Additionally, we will only give permission to warrant holder only when our share price is sufficiently and stably above the strike (assuming highest price level since IPO) 	• P.4, P.5, P.11
Was financing via TIP really necessary? Why not finance via bank loan?	<ul style="list-style-type: none"> • TIP was chosen to expand our financing options. We will consider all possible financing options including bank loan going forward • But within the equity financing alternatives, dilution by TIP will only occur when share price rises, so taking into account future EPS growth, TIP is inline with interest of existing shareholders • Also, we can control the exercise of warrants, as well as cancel the program. We still retain the right to choose among all available financing options • We have not paid any fees to DB in relation to TIP, and we can cancel the program without paying any penalty fee 	• P.10

※ 「Supplemental Material」 means 「 Supplemental Material on the Issuance of New Shares and Series of Stock Acquisition Rights through Third Party Allotment [Relating to Press Release as of April 1, 2016] 」

http://www.technoproholdings.com/en/wp-content/uploads/2016/04/release20160401_01en_supportdoc.pdf

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Why did you choose DB?	<ul style="list-style-type: none"> • TIP is an original financing structure developed by DB. We understand DB has 23 transactions in Japan as track record including this transaction • We considered thoroughly in comparison to other equity financing options. Considering the importance to our need to expand financing options, we choose DB as counterparty for both new shares and TIP warrants 	
What is the impact from Size-based Business Taxation?	<ul style="list-style-type: none"> • As the new shares and warrants are issued by the holding company, TechnoPro Holdings, and not by the operating companies, the impact from Size-based Business Taxation is minimal 	• P.9