

August 23, 2017

Corporate Name: TechnoPro Holdings, Inc.
(Code: 6028, TSE First Section)
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Announcement Concerning Adoption of Restricted Stock Compensation Plan

At a meeting held August 23, 2017, the TechnoPro Holdings, Inc. board of directors resolved to revise the company's officer compensation plan and to adopt a new restricted stock compensation plan ("the Plan"). The Plan will be proposed as an agenda item at the 12th Annual General Meeting of Shareholders, scheduled for September 28, 2017 ("General Shareholders' Meeting").

1. Reason

The objective of the Plan is to serve as an incentive to TechnoPro Holdings directors (excluding outside directors; "Eligible Directors") to work for the sustainable improvement of corporate and shareholder value over the medium and long term, strengthening the sense of shared value between board directors and shareholders. The Plan will use new issuances of restricted stock as stock-based compensation.

After approval at the 10th Annual General Meeting of Shareholders held September 29, 2015, TechnoPro Holdings granted Eligible Directors compensation-type stock options for the purpose of sharing the benefits and risks of share price fluctuations with shareholders. The Plan will replace compensation-type stock options to promote the more rapid engagement of Eligible Directors by building a stronger sense of shared values with shareholders through a grant of stock as opposed to a grant of stock options.

The TechnoPro Holdings Nomination and Compensation Committee, which consists of a majority of independent directors and corporate auditors, has stated that the Plan is appropriate.

2. Terms

The Plan provides monetary compensation claims granting restricted stock to Eligible Directors, provided as a separate framework from existing monetary remuneration. Accordingly, the Plan must be approved for adoption by shareholders at the General Shareholders' Meeting to establish the amount of compensation related to the Plan.

At an extraordinary general meeting of shareholders held June 30, 2014, director compensation was set to a maximum JPY400 million annually (including bonuses, but not including salaries for individuals serving as employees and directors; "Existing Compensation"). At the 10th Annual General Meeting of Shareholders held September 29, 2015, our shareholders approved the allocation of stock acquisition rights as compensation-type stock options up to JPY100 million annually for Eligible Directors, separate from Existing Compensation. If the Plan is adopted, compensation-type stock options for Eligible Directors will be terminated (excluding those options already granted), and no further stock acquisition rights will be issued.

3. Overview

Under the Plan, all monetary compensation claims paid to Eligible Directors will be regarded as property contributed in kind, and Eligible Directors will receive an issuance or disposition of TechnoPro Holdings common shares.

The total annual amount of monetary compensation claims paid to Eligible Directors shall be a maximum of JPY100 million, with total common stock issued or disposed limited to 50,000 shares annually (if TechnoPro Holdings common shares are subject to a split, reverse split, or similar adjustment due to unavoidable circumstances, the number of shares issued or disposed may be adjusted as reasonable.).

One objective of the Plan is to create a stronger sense of medium- and long-term shared values between Eligible Directors and TechnoPro Holdings shareholders. Accordingly, the transfer restriction period shall be set between three and five years, as determined by the board of directors. Specific payment timing and allocations for each Eligible Director shall be determined by the board of directors after deliberation by the Nomination and Compensation Committee.

Per-share payment value for common stock issued or disposed under the Plan shall be based on the closing price of TechnoPro Holdings common shares on the Tokyo Stock Exchange on the last trading day prior to the board of director meeting held to determine restricted stock grants (or the closing price of the most recent trading day with active trades if no active trades occur on the date described above).

A restricted stock allocation agreement shall be signed between TechnoPro Holdings and Eligible Directors ("the Agreement"), the details of which will include the following matters:

- (1) Eligible Directors may not transfer or use as collateral any common stock granted for a predetermined period of time
- (2) In the case of certain events, TechnoPro Holdings may acquire the common stock in question without providing compensation
- (3) The Agreement will include details of conditions subsequent as determined by the board of directors related to transfer restrictions

(Reference)

In the Plan is approved at the General Shareholders' Meeting, a similar restricted stock compensation plan (involving the issuance or disposal of TechnoPro Holdings common stock) is planned to be adopted for TechnoPro Holdings executive officers and those board directors and executive officers at TechnoPro Holdings subsidiary companies, subject to TechnoPro Holdings board approval.

Note on translation

This is a translation of the original Japanese document and provided for informational purpose only. If there are any discrepancies between this and the original, the original Japanese document prevails.