

# **TechnoPro Group Financial Results for Fiscal Year Ended June 2025**

TechnoPro Holdings, Inc. (code: 6028, TSE)

August 6, 2025

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1. Accounting figures are rounded down to the nearest unit unless otherwise stated; KPI figures indicate "R&D Outsourcing" and "Construction Management Outsourcing" segments in Japan
2. "Net profit" refers to net profit attributable to owners of the parent company after deducting non-controlling interests
3. "Core operating profit" is calculated by subtracting SG&A expenses from gross profit, excluding extraordinary items (ex. government subsidy, impairment loss) recognized in other income or other expenses
4. "Operating profit before PPA asset amortization" is calculated by adding back following items to operating profit: 1) amortization of client related asset incurred by Purchase Price Allocation at M&A transactions, 2) impairment loss, 3) changes in fair value amount and early exercise of put option liabilities, and 4) changes in fair value amount of earn-out liabilities
5. Per share amounts are calculated based on the number of shares after a three-for-one split of shares effective July 1, 2021

# FY25.6 Financial Overviews

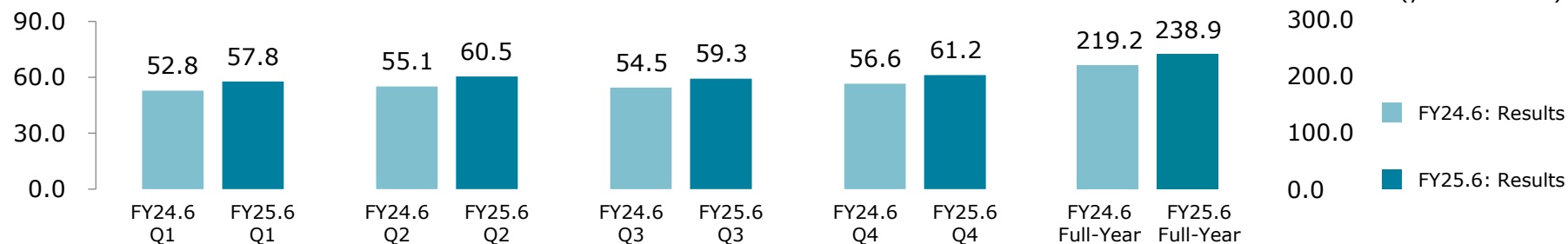
- Full-year FY25.6 revenue was **238.9 billion yen**, up 9.0% year-on-year; gross profit was **64.8 billion yen**, up 10.3% year-on-year; core operating profit was **28.8 billion yen**, up 18.4% year-on-year; operating profit was **23.8 billion yen**, up 8.8% year-on-year; SG&A expenses increased by 1.58 billion yen, of which recruitment cost increased by 880 million yen; SG&A ratio decreased due to operating leverage benefit
- Full-year FY25.6 gross profit increased by **6.0 billion yen** year-on-year, mainly due to 1) increased allocation of domestic dispatch engineers (up 1.91 billion yen), 2) price hike of dispatch contracts (up 5.70 billion yen), 3) expansion of project-type services (up 2.23 billion yen), offset by increases in 4) provision for seasonal and financial results-linked bonuses (down 2.75 billion yen in total), 5) provision for paid leave (down 240 million yen), and 6) Robosoft slowdown (down 440 million yen)
- Due to planned delisting following tender offer, current medium-term management plan will be concluded one year ahead of schedule; **guidance and dividend forecast for FY26.6 will not be provided**

(yen in millions, except per share amounts)

	Q4 (Three-Month Period)				Full-Year						
	FY24.6 (Results)	FY25.6 (Results)	YoY		FY24.6 (Results)	FY25.6 (Guidance)	FY25.6 (Results)	YoY		YoY	
Revenue	56,638	61,212	+4,573	+8.1%	219,218	237,000	238,966	+19,747	+9.0%	+1,966	+0.8%
Gross profit	15,586	16,776	+1,190	+7.6%	58,810	—	64,896	+6,086	+10.3%	—	—
GP margin	27.5%	27.4%	(0.1 pts)		26.8%		27.2%	+0.3 pts			
SG&A expenses	9,323	9,628	+304	+3.3%	34,414	—	36,003	+1,588	+4.6%	—	—
Ratio on revenue	16.5%	15.7%	(0.7 pts)		15.7%		15.1%	(0.6 pts)			
Core operating profit	6,262	7,148	+885	+14.1%	24,395	27,000	28,892	+4,497	+18.4%	+1,892	+7.0%
Core OP margin	11.1%	11.7%	+0.6 pts		11.1%	11.4%	12.1%	+1.0 pts			
Other income	125	103	(22)	—	361	—	409	+48	—	—	—
Other expenses	2,815	5,462	+2,646	—	2,838	—	5,458	+2,620	—	—	—
Operating profit	3,572	1,789	(1,782)	(49.9%)	21,918	27,000	23,844	+1,925	+8.8%	(3,155)	(11.7%)
OP margin	6.3%	2.9%	(3.4 pts)		10.0%	11.4%	10.0%	(0.0 pts)			
Profit before income taxes	3,658	1,857	(1,800)	(49.2%)	22,139	27,000	24,268	+2,128	+9.6%	(2,731)	(10.1%)
Net profit	1,972	649	(1,323)	(67.1%)	14,684	18,500	16,146	+1,462	+10.0%	(2,353)	(12.7%)
Net profit margin	3.5%	1.1%	(2.4 pts)		6.7%	7.8%	6.8%	+0.1 pts			
Earnings per share	18.56	6.23	(12.33)	(66.4%)	137.56	176.98	154.47	+16.91	+12.3%	(22.51)	(12.7%)
Dividend per share	—	—	—	—	80.00	90.00	30.00	(50.00)	(62.5%)	(60.00)	(66.7%)

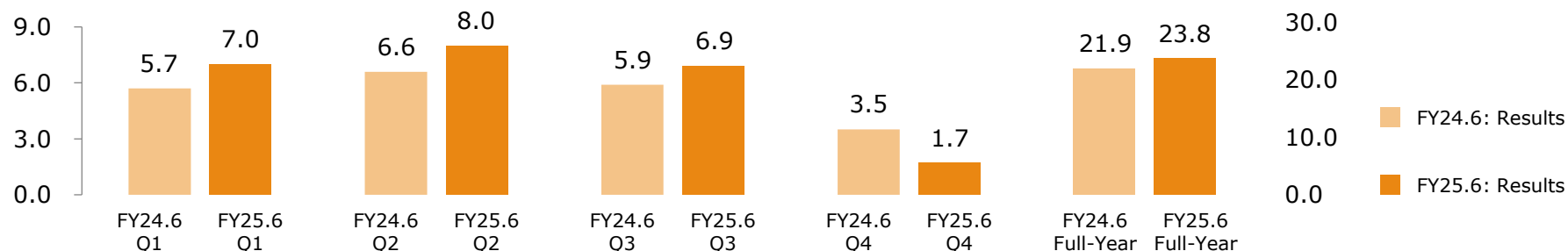
# Reference: Quarterly Performance

## Revenue



YoY	+9.4%		+9.9%		+8.7%		+8.1%		+9.0%	
Progress on full-year %	24.1%	24.2%	25.1%	25.3%	24.9%	24.8%	25.8%	25.6%	100.0%	100%
Ave. no. of engineers	24,233	26,148	24,589	26,509	24,835	26,727	25,979	28,032	24,909	26,854
Ave. utilization ratio	95.0%	95.1%	95.9%	95.7%	95.9%	95.7%	93.2%	92.5%	95.0%	94.7%
Ave. monthly unit sales price (thousands yen)	669	685	684	711	675	697	685	712	678	702
Working days*	56.4	55.8	57.9	58.4	54.2	53.9	57.3	57.0	225.8	225.0
Working hours per day*	8.39	8.43	8.46	8.44	8.46	8.45	8.41	8.40	8.43	8.43

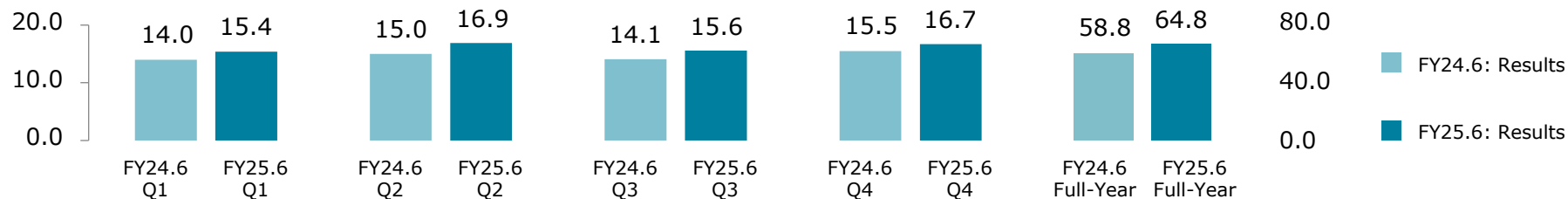
## Operating Profit



YoY	+21.3%		+22.0%		+17.1%		(49.9%)		+8.8%	
Progress on full-year %	26.4%	29.4%	30.2%	33.9%	27.1%	29.1%	16.3%	7.5%	100.0%	100%
OP margin	10.9%	12.1%	12.0%	13.4%	10.9%	11.7%	6.3%	2.9%	10.0%	10.0%

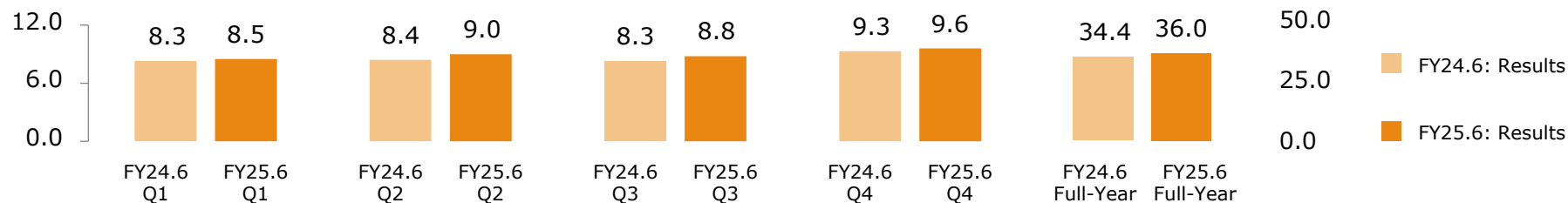
# Reference: Quarterly Performance (cont.)

## Gross Profit



YoY	+10.2%		+13.0%		+10.7%		+7.6%		+10.3%	
GP margin	26.6%	26.8%	27.2%	28.0%	25.9%	26.4%	27.5%	27.4%	26.8%	27.2%

## SG&A



YoY	+2.3%		+6.9%		+6.1%		+3.3%		+4.6%	
Ratio on revenue	15.8%	14.8%	15.3%	14.9%	15.2%	14.8%	16.5%	15.7%	15.7%	15.1%

## Core Operating Profit



YoY	+21.8%		+20.7%		+17.2%		+14.1%		+18.4%	
Core OP margin	10.8%	12.0%	11.9%	13.1%	10.7%	11.6%	11.1%	11.7%	11.1%	12.1%

# FY25.6 Segment Results [Full-Year]

(yen in millions, except engineer headcounts)

	R&D Outsourcing				Construction Management Outsourcing				Other Businesses in Japan				Japan Total			
	FY23.6	FY24.6	FY25.6	YoY	FY23.6	FY24.6	FY25.6	YoY	FY23.6	FY24.6	FY25.6	YoY	FY23.6	FY24.6	FY25.6	YoY
Revenue	152,858	168,694	188,068	+11.5%	21,643	23,293	25,565	+9.8%	5,569	4,839	4,798	(0.8%)	180,071	196,826	218,432	+11.0%
Ratio to consolidated revenue	76.5%	77.0%	78.7%		10.8%	10.6%	10.7%		2.8%	2.2%	2.0%		90.1%	89.8%	91.4%	
Gross profit	38,614	43,330	49,319	+13.8%	6,576	7,283	7,772	+6.7%	4,126	3,468	3,489	+0.6%	49,318	54,082	60,581	+12.0%
GP margin	25.3%	25.7%	26.2%		30.4%	31.3%	30.4%		74.1%	71.7%	72.7%		27.4%	27.5%	27.7%	
Operating profit	16,292	19,259	23,087	+19.9%	2,930	3,422	3,699	+8.1%	561	(771)	219	—	19,784	21,911	27,006	+23.3%
OP margin	10.7%	11.4%	12.3%		13.5%	14.7%	14.5%		10.1%	(15.9%)	4.6%		11.0%	11.1%	12.4%	
OP before PPA asset amortization	16,365	19,332	23,159	+19.8%	2,930	3,422	3,699	+8.1%	561	205	219	+6.6%	19,856	22,960	27,078	+17.9%
OP margin before PPA asset amortization	10.7%	11.5%	12.3%		13.5%	14.7%	14.5%		10.1%	4.3%	4.6%		11.0%	11.7%	12.4%	
PPA asset amortization	(72)	(72)	(72)	—	—	—	—	—	—	—	—	—	(72)	(72)	(72)	—
Impairment loss	—	—	—	—	—	—	—	—	—	(977)	—	—	—	(977)	—	—
No. of engineers (period-end)	21,163	22,848	24,673	+8.0%	2,962	3,206	3,427	+6.9%	—	—	—	—	24,125	26,054	28,100	+7.9%
o/w Non-Japanese in Japan	930	1,034	1,179	+14.0%	136	176	231	+31.3%	—	—	—	—	1,066	1,210	1,410	+16.5%

	Overseas				Reporting Segment Total				Corporate/Eliminations*				Consolidated Total			
	FY23.6	FY24.6	FY25.6	YoY	FY23.6	FY24.6	FY25.6	YoY	FY23.6	FY24.6	FY25.6	YoY	FY23.6	FY24.6	FY25.6	YoY
Revenue	23,508	25,682	23,782	(7.4%)	203,580	222,508	242,215	+8.9%	(3,728)	(3,289)	(3,248)	—	199,851	219,218	238,966	+9.0%
Ratio to consolidated revenue	11.8%	11.7%	10.0%		101.9%	101.5%	101.4%		(1.9%)	(1.5%)	(1.4%)		100.0%	100.0%	100.0%	
Gross profit	6,388	7,181	6,680	(7.0%)	55,706	61,264	67,262	+9.8%	(2,803)	(2,453)	(2,365)	—	52,903	58,810	64,896	+10.3%
GP margin	27.2%	28.0%	28.1%		27.4%	27.5%	27.8%		—	—	—		26.5%	26.8%	27.2%	
Operating profit	1,873	(188)	(3,084)	—	21,658	21,722	23,921	+10.1%	179	195	(77)	—	21,838	21,918	23,844	+8.8%
OP margin	8.0%	(0.7%)	(13.0%)		10.6%	9.8%	9.9%		—	—	—		10.9%	10.0%	10.0%	
OP before PPA asset amortization	2,460	2,184	2,271	+4.0%	22,317	25,145	29,350	+16.7%	124	195	(77)	—	22,441	25,340	29,272	+15.5%
OP margin before PPA asset amortization	10.5%	8.5%	9.6%		11.0%	11.3%	12.1%		—	—	—		11.2%	11.6%	12.2%	
PPA asset amortization	(586)	(580)	(338)	—	(659)	(653)	(411)	—	—	—	—	—	(659)	(653)	(411)	—
Impairment loss	—	(1,792)	(5,017)	—	—	(2,769)	(5,017)	—	—	—	—	—	—	(2,769)	(5,017)	—
Changes in fair value amount and early exercise of PO liabilities	—	—	—	—	—	—	—	—	55	—	—	—	55	—	—	—
Changes in fair value amount of EO liabilities	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
No. of engineers (period-end)	2,997	2,567	2,475	(3.6%)	27,122	28,621	30,575	+6.8%	—	—	—	—	27,122	28,621	30,575	+6.8%

# Reference: Q4 FY25.6 Segment Results [Three-Month]

(yen in millions, except engineer headcounts)

	R&D Outsourcing				Construction Management Outsourcing				Other Businesses in Japan				Japan Total			
	FY23.6 Q4	FY24.6 Q4	FY25.6 Q4	YoY	FY23.6 Q4	FY24.6 Q4	FY25.6 Q4	YoY	FY23.6 Q4	FY24.6 Q4	FY25.6 Q4	YoY	FY23.6 Q4	FY24.6 Q4	FY25.6 Q4	YoY
Revenue	39,753	43,757	48,739	+11.4%	5,437	5,927	6,520	+10.0%	1,657	1,556	1,557	+0.1%	46,849	51,241	56,817	+10.9%
Ratio to consolidated revenue	77.1%	77.3%	79.6%		10.5%	10.5%	10.7%		3.2%	2.7%	2.5%		90.9%	90.5%	92.8%	
Gross profit	10,139	11,379	12,805	+12.5%	1,650	1,828	1,985	+8.6%	1,298	1,266	1,250	(1.3%)	13,088	14,474	16,041	+10.8%
GP margin	25.5%	26.0%	26.3%		30.4%	30.8%	30.5%		78.3%	81.4%	80.3%		27.9%	28.2%	28.2%	
Operating profit	3,702	4,546	5,214	+14.7%	723	772	860	+11.4%	303	(627)	285	—	4,728	4,691	6,360	+35.6%
OP margin	9.3%	10.4%	10.7%		13.3%	13.0%	13.2%		18.3%	(40.3%)	18.4%		10.1%	9.2%	11.2%	
OP before PPA asset amortization	3,720	4,564	5,232	+14.6%	723	772	860	+11.4%	303	349	285	(18.2%)	4,746	5,686	6,378	+12.2%
OP margin before PPA asset amortization	9.4%	10.4%	10.7%		13.3%	13.0%	13.2%		18.3%	22.4%	18.4%		10.1%	11.1%	11.2%	
PPA asset amortization	(18)	(18)	(18)	—	—	—	—	—	—	—	—	—	(18)	(18)	(18)	—
Impairment loss	—	—	—	—	—	—	—	—	—	(977)	—	—	—	(977)	—	—
No. of engineers (period-end)	21,163	22,848	24,673	+8.0%	2,962	3,206	3,427	+6.9%	—	—	—	—	24,125	26,054	28,100	+7.9%
o/w Non-Japanese in Japan	930	1,034	1,179	+14.0%	136	176	231	+31.3%	—	—	—	—	1,066	1,210	1,410	+16.5%

	Overseas				Reporting Segment Total				Corporate/Eliminations*				Consolidated Total			
	FY23.6 Q4	FY24.6 Q4	FY25.6 Q4	YoY	FY23.6 Q4	FY24.6 Q4	FY25.6 Q4	YoY	FY23.6 Q4	FY24.6 Q4	FY25.6 Q4	YoY	FY23.6 Q4	FY24.6 Q4	FY25.6 Q4	YoY
Revenue	5,928	6,458	5,479	(15.2%)	52,777	57,699	62,297	+8.0%	(1,217)	(1,060)	(1,085)	—	51,560	56,638	61,212	+8.1%
Ratio to consolidated revenue	11.5%	11.4%	9.0%		102.4%	101.9%	101.8%		(2.4%)	(1.9%)	(1.8%)		100.0%	100.0%	100.0%	
Gross profit	1,546	1,856	1,528	(17.7%)	14,634	16,330	17,570	+7.6%	(1,032)	(744)	(793)	—	13,602	15,586	16,776	+7.6%
GP margin	26.1%	28.7%	27.9%		27.7%	28.3%	28.2%		—	—	—		26.4%	27.5%	27.4%	
Operating profit	271	(1,240)	(4,567)	—	5,000	3,450	1,793	(48.0%)	236	121	(3)	—	5,236	3,572	1,789	(49.9%)
OP margin	4.6%	(19.2%)	(83.3%)		9.5%	6.0%	2.9%		—	—	—		10.2%	6.3%	2.9%	
OP before PPA asset amortization	421	644	531	(17.5%)	5,168	6,330	6,910	+9.2%	180	121	(3)	—	5,349	6,452	6,906	+7.0%
OP margin before PPA asset amortization	7.1%	10.0%	9.7%		9.8%	11.0%	11.1%		—	—	—		10.4%	11.4%	11.3%	
PPA asset amortization	(150)	(92)	(81)	—	(168)	(110)	(99)	—	—	—	—	—	(168)	(110)	(99)	—
Impairment loss	—	(1,792)	(5,017)	—	—	(2,769)	(5,017)	—	—	—	—	—	—	(2,769)	(5,017)	—
Changes in fair value amount and early exercise of PO liabilities	—	—	—	—	—	—	—	—	55	—	—	—	55	—	—	—
Changes in fair value amount of EO liabilities	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
No. of engineers (period-end)	2,997	2,567	2,475	(3.6%)	27,122	28,621	30,575	+6.8%	—	—	—	—	27,122	28,621	30,575	+6.8%

# FY25.6 Balance Sheet & Cash Flows

- In FY25.6, cash flows slightly turned negative due to 1) payments for corporate income tax and dividends, 2) redemption of bonds, and 3) share buyback, etc.
- In October 2024, redeemed 3-year straight bonds of 5.0 billion yen, partially refinanced by 3.0 billion yen bank loans
- In July 2025, credit rating obtained from Rating and Investment Information, Inc. (R&I) was upgraded from A- (Positive) to A (Stable)

## FY25.6 End B/S (yen in billions)

Cash & cash equivalents 43.6	Debt 10.2
	IFRS 16 related liabilities 8.4
IFRS 16 related assets 8.4	Other liabilities 47.7
Goodwill 40.1	Total equity 81.0 (Non-controlling interests 0.9)
PPA 1.3 Other assets 53.9	

Total assets 147.3

Total liabilities & equity 147.3

Net Cash : 33.4bn yen

Net Worth Ratio\* : 54.3%

Goodwill/E Ratio\* : 0.50x

D/E Ratio\* : 0.13x

D/OP Ratio : 0.43x

\* Calculated using equity capital excluding non-controlling interests



## FY25.6 Cash Flows (yen in millions)

• <b>Operating CF</b>	<b>+25,466</b>
PPA asset amortization	+411
Net cash flow from income tax payment & refund	(9,374)
• <b>Investing CF</b>	<b>(1,761)</b>
Purchase of tangible fixed assets	(411)
Purchase of intangible assets	(281)
• <b>Financing CF</b>	<b>(25,042)</b>
IFRS 16 related lease liability repayment	(7,308)
Net cash flow from debt procurement & repayment	(3,500)
Dividend payment	(9,234)
Share repurchase payment	(5,000)

**Net CF** (incl. effect of exchange rate change of -212mn yen) **(1,550)**

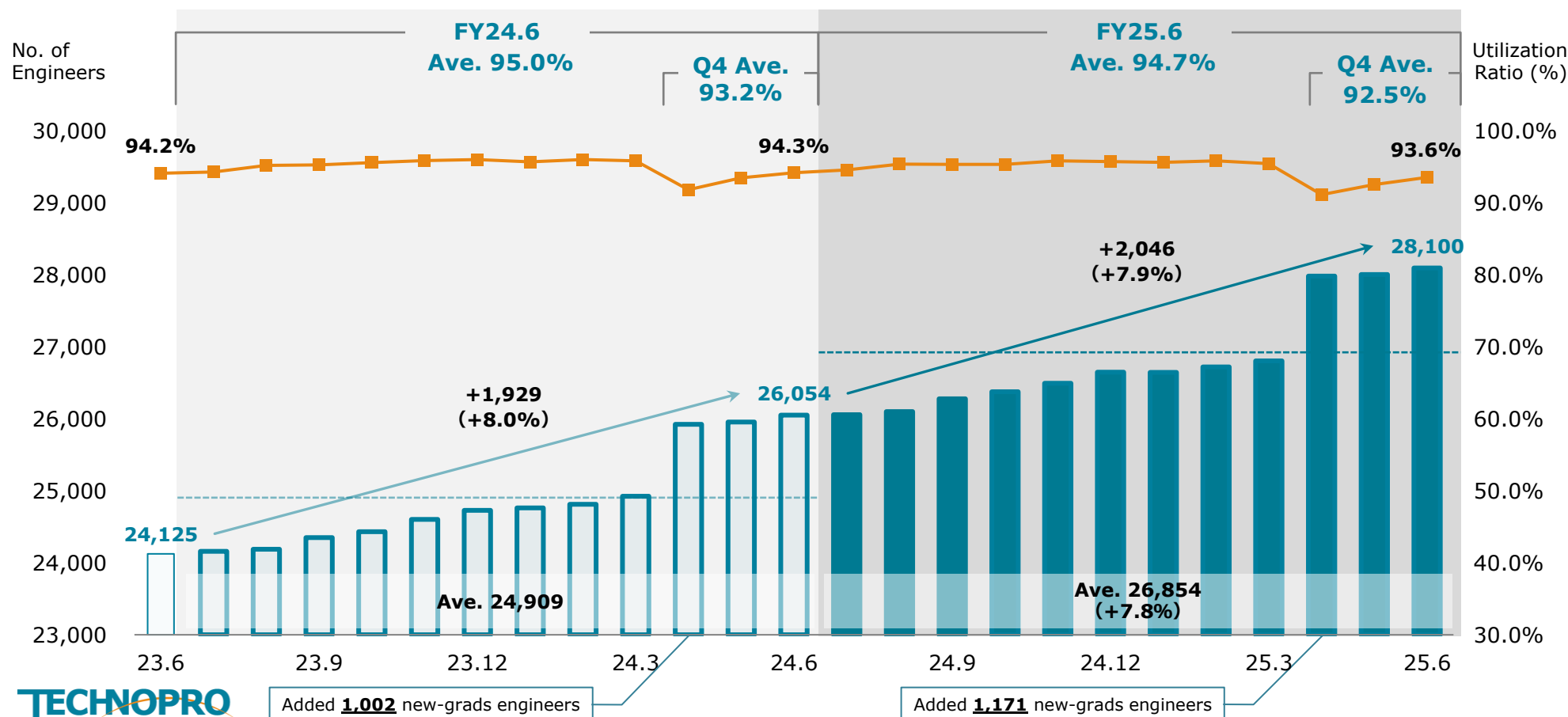
## Commitment Lines (yen in millions)

Purpose	Credit line	Used	Unused	Expiration
1 Working capital	6,000	0	6,000	Jun. 2026
2 Working capital etc.	10,000	0	10,000	Dec. 2025
Total	16,000	0	16,000	



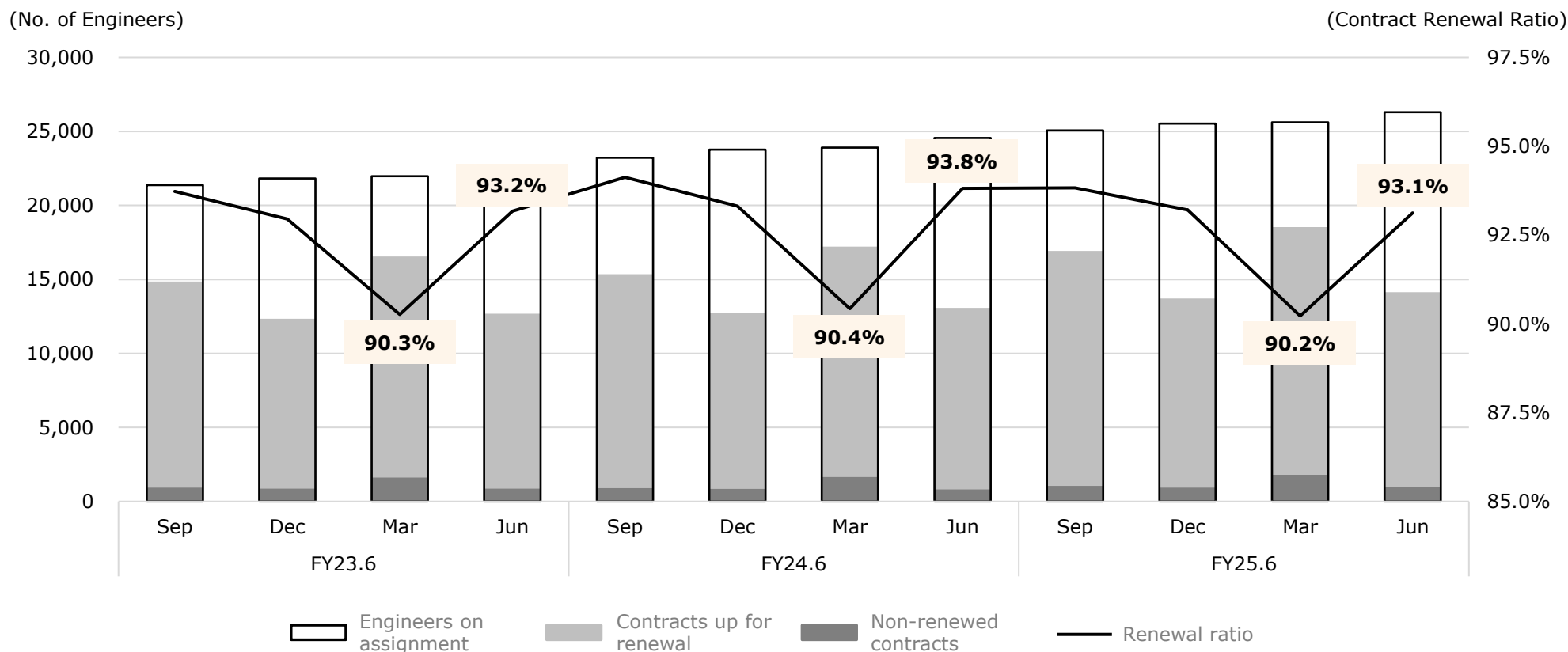
# Number of Engineers & Utilization Ratio [Japan]

- Engineers in Japan at the end of FY25.6 totaled **28,100** (up 2,046 or 7.9% year-on-year), including **1,410** non-Japanese engineers (up 200 or 16.5% year-on-year)
- Engineers working outside Japan totaled **2,475** (not included in the number of engineers in Japan, down 92 or 3.6% year-on-year)
- Average utilization ratio was **92.5%** for the three months Q4 FY25.6 period (down 0.8 pts year-on-year), while full-year average one was **94.7%** (down 0.3 pts year-on-year)



# Reference: Contract Renewal Ratio [Mar, Jun, Sep, Dec]

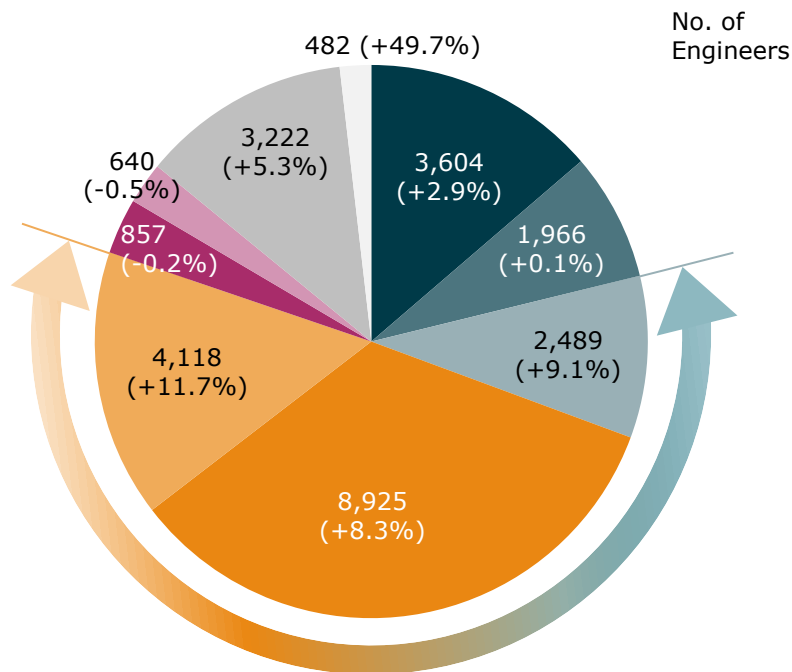
- Terms of most staffing contracts are three or six months, therefore major contract renewal cycle occurs every three months (particularly in March, the contracts up for renewal reach more than 70% of total contracts, and March contract renewal ratio usually tends to be around 90% since many projects end to coincide with the closing of our customers' fiscal year)
- There were no major decline in contract renewal ratio or termination of large contracts despite uncertainty in economic environment; renewal ratio for June 2025 ended up with **93.1%** (renewal ratio could have increased to **93.9%** if calculated, excluding effect from voluntary contract terminations to promote shift-up initiatives)



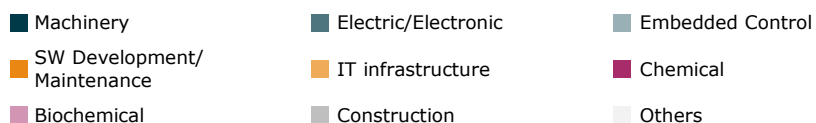
# Assigned Engineers Portfolios [Japan]

**FY25.6 End** Assigned Engineers : **26,303** (up 1,746 or 7.1% YoY)

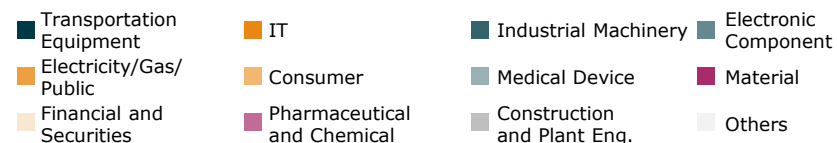
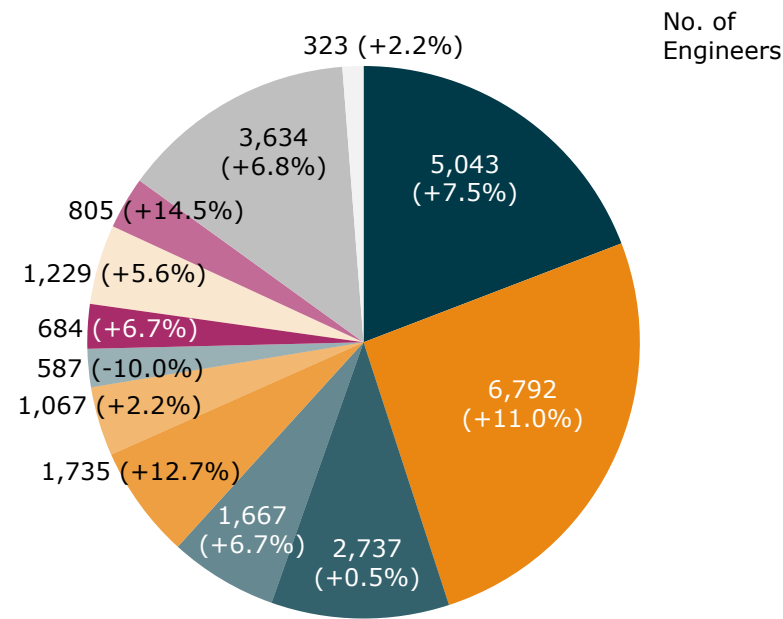
## by Technology



IT engineers:  
59.1% / 15,532 (+9.3%)



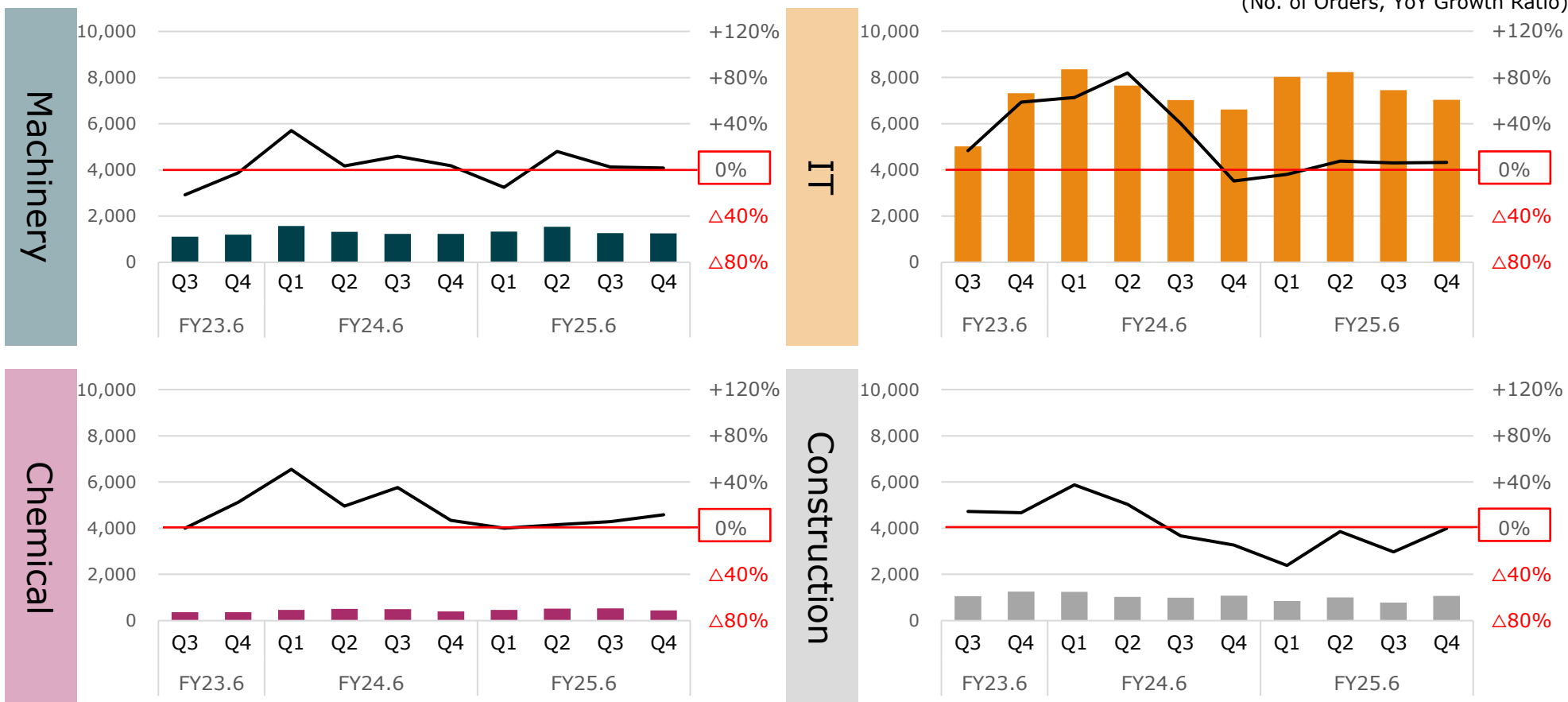
## by Industry



† Figures in parenthesis indicate year-on-year % change

# Reference: New Orders Trend by “Technology” [Quarterly]

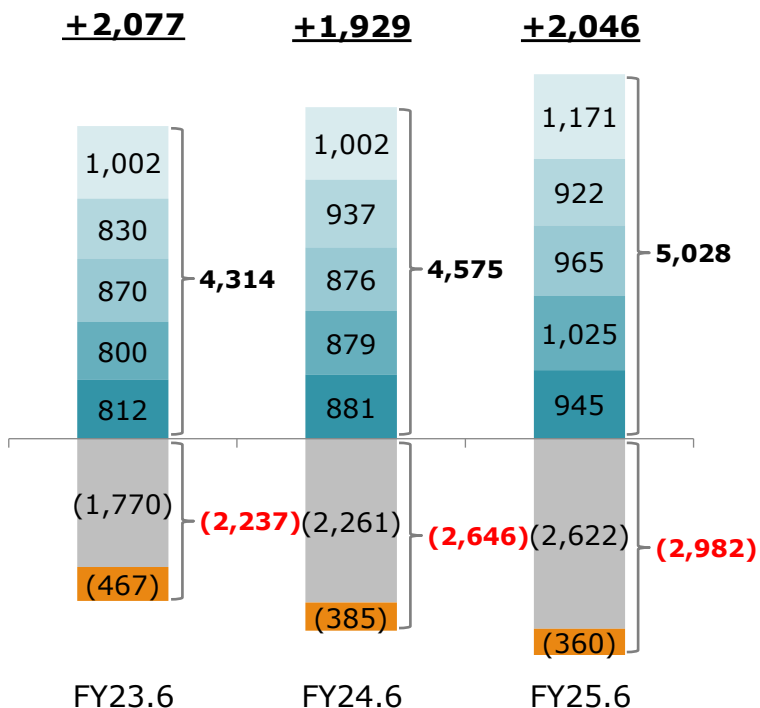
- Despite softening demand in specific sectors and clients due to concerns over economic slowdown and uncertainty stemming from U.S. tariff policies, **ensuring adequate volume of orders upon engineer resources** (fulfillment ratio of approx. 30% for remaining orders; no difference of utilization ratio among technology areas)
- While the potential threat of AI replacing engineers exists, shortage of eligible engineers to meet vigorous demand in IT sector remains as an issue to tackle



# Recruitment & Turnover [Japan]

- Engineers hired in FY25.6 totaled **5,028** (up 453 year-on-year); added **1,171** new-grads (up 169 year-on-year) in April 2025
- 2,982** engineers left in FY25.6 (up 336 year-on-year): permanent employees of **2,622** (up 361 year-on-year) and fixed-term employees of **360** (down 25 year-on-year)
- Turnover ratio for permanent employees\* was **9.8%** for FY25.6 (up 0.7 pts year-on-year); full-year results were in line with the initial plan despite a worsening trend up to Q3
- Net engineer addition was **2,046** for FY25.6, significantly exceeded the plan; turnover was lower than planned for the R&D Outsourcing, while higher than projected for the Construction Management Outsourcing

**Net Increase (Decrease)** (No. of Engineers)



**Annual Recruitment/Turnover**

(No. of Engineers)

	FY23.6	FY24.6	FY25.6	YoY	
<b>Hired Total</b>	<b>4,314</b>	<b>4,575</b>	<b>5,028</b>	+453	+9.9%
M&A	0	0	0	—	—
New-grads joined in April	1,002	1,002	1,171	+169	+16.9%
Mid-career: Q4	830	937	922	(15)	(1.6%)
Mid-career: Q3	870	876	965	+89	+10.2%
Mid-career: Q2	800	879	1,025	+146	+16.6%
Mid-career: Q1	812	881	945	+64	+7.3%
<b>Turnover Total</b>	<b>2,237</b>	<b>2,646</b>	<b>2,982</b>	+336	+12.7%
Permanent employees	1,770	2,261	2,622	+361	+16.0%
Contract terms matured, others	467	385	360	(25)	(6.5%)

**Turnover Ratio for Permanent Employees\***

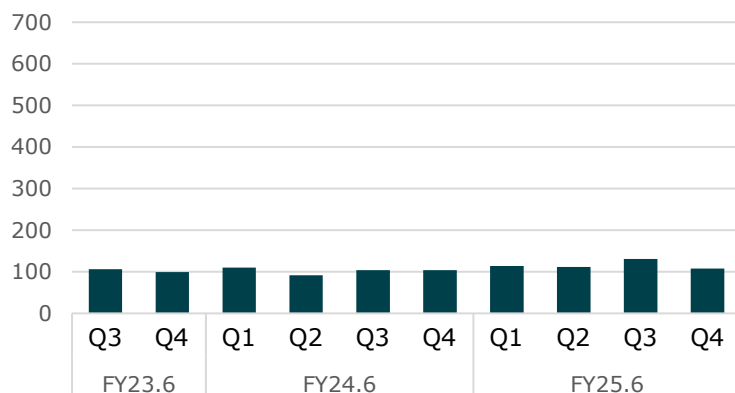
	FY23.6				FY24.6				FY25.6			
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
Quarter	7.9%	6.0%	8.0%	8.9%	8.8%	7.1%	9.6%	10.8%	9.7%	8.8%	10.9%	9.6%
YTD	—	7.0%	7.3%	7.7%	—	7.9%	8.5%	9.1%	—	9.3%	9.8%	9.8%
LTM	7.8%	7.5%	7.6%	7.7%	8.0%	8.2%	8.6%	9.1%	9.3%	9.7%	10.1%	9.8%

\* Turnover ratio for permanent employees was calculated, excluding fixed-term employees left at the end of contract term

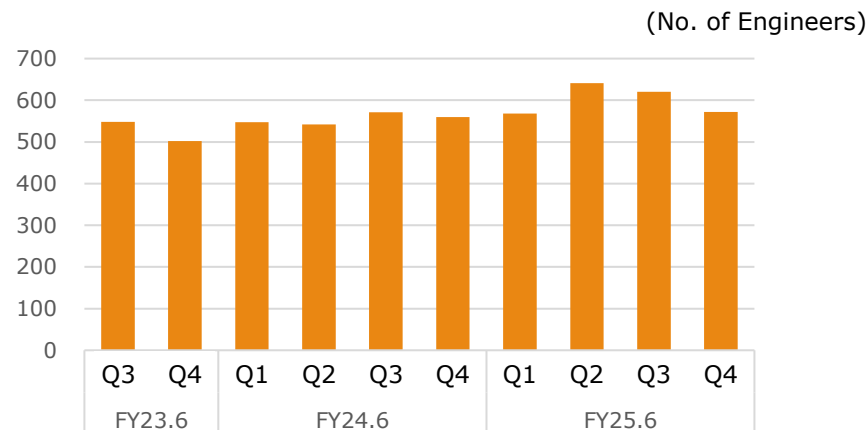
# Reference: Mid-career Recruitment by “Technology”

- **3,857** mid-career engineers hired in FY25.6 include **632 inexperienced talents requiring OJT** (193 in IT and 439 in Construction) and **139 non-Japanese engineers with in-demand skills recruited globally** mainly in IT field, reinforcing the experienced hires among increasingly intensifying war for talent
- Through the collaboration with alliance partners, **proactively continue to hire inexperienced talents requiring OJT**, while securing projects in advance where they will be assigned immediately after training

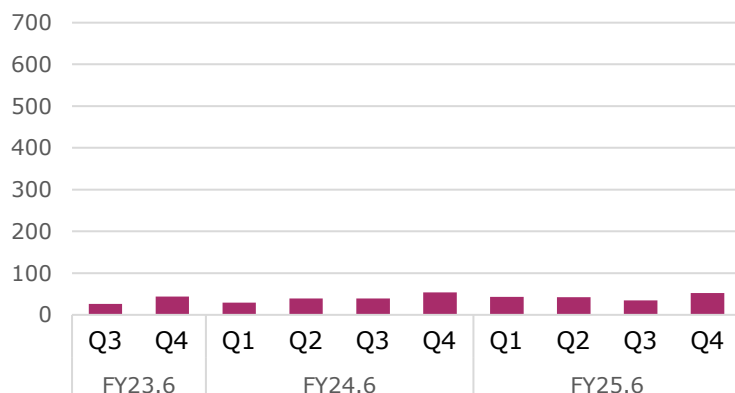
Machinery



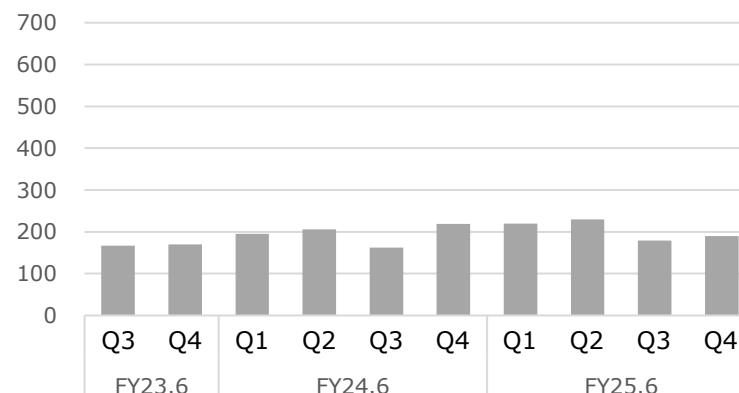
IT



Chemical

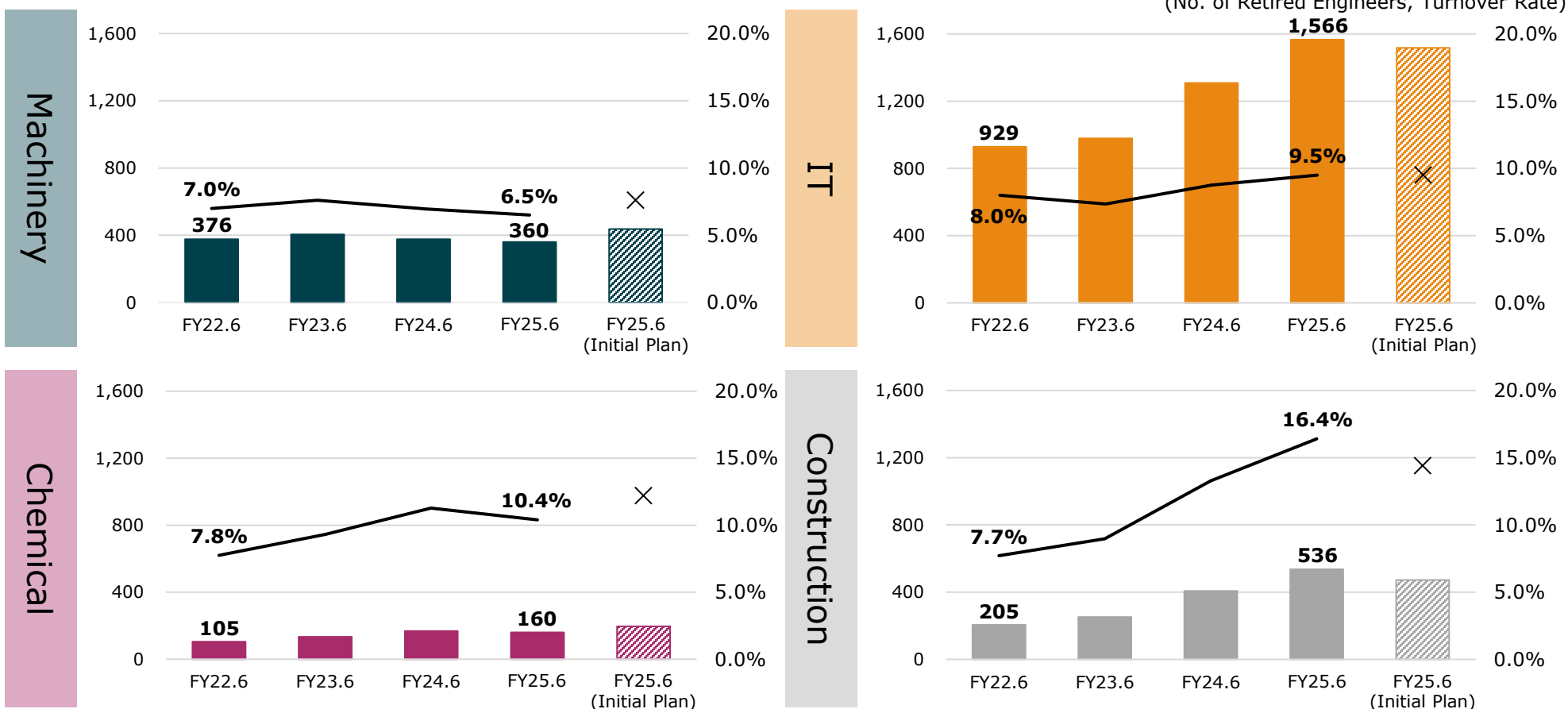


Construction



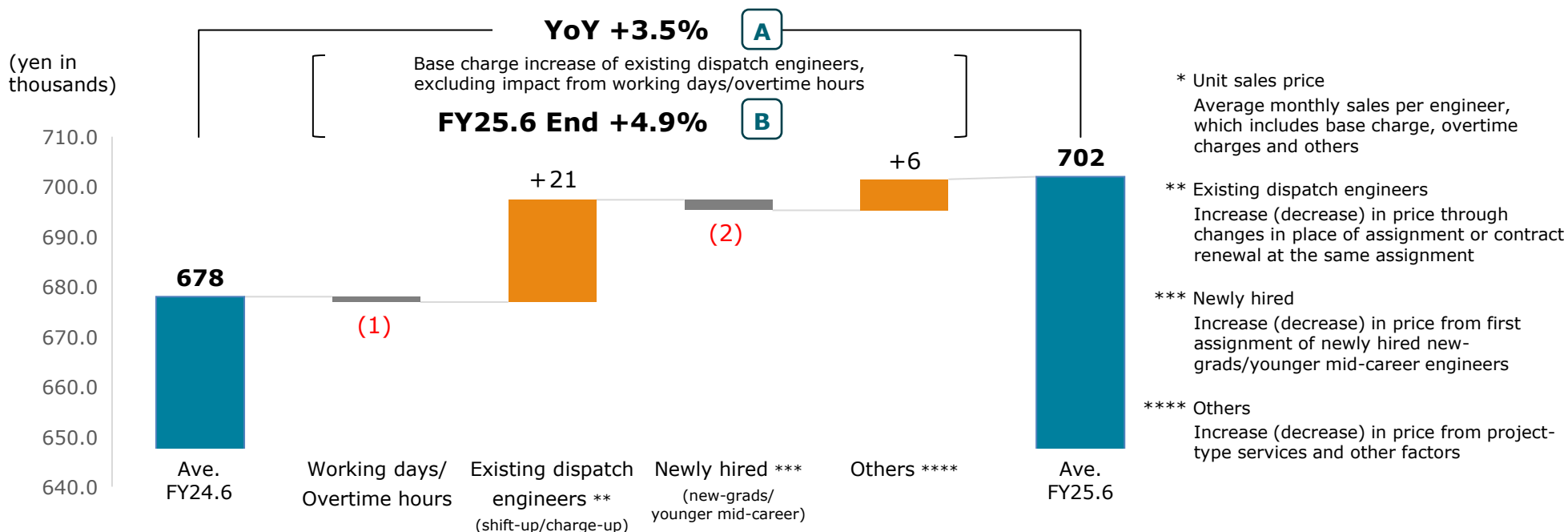
# Reference: Turnover by “Technology”

- Turnover ratio for permanent employees was **9.8%** in total for FY25.6, in line with the initial plan (highest in Construction at 16.4%, lowest in Machinery at 6.5%)
- Turnover ratio shows a deteriorating trend particularly in IT sector, as the hiring market is further shifting to the seller’s market due to labor shortage and the impact of increased labor mobility
- Construction is bringing up the total average, as it is worsening due to increased hiring of young, inexperienced talents



# Average Monthly Unit Sales Price [Japan]

- Ave. monthly unit sales price\* for FY25.6 was **702K yen** (up 24K yen/month or 3.5% year-on-year)
- Decreased 1K yen/month year-on-year due to slight decreases in working days and overtime hours, and diluted 2K yen/month year-on-year due to first assignment of newly hired new-grads and younger mid-career engineers
- Increased 21K yen/month, driven by base charge hike for existing dispatch engineers through shift-up and charge-up efforts
- Increased 6K yen/month, driven by the growth of project-type services



	FY24.6				FY25.6			
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
Unit Sales Price (yen in thousands/month, YTD)	669	676	676	678	685	698	698	702
YoY <b>A</b>	+2.1%	+2.3%	+1.3%	+1.3%	+2.5%	+3.3%	+3.3%	+3.5%

	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
Base Charge Increase of Existing Dispatch Engineers <b>B</b> † YoY comparison for each quarter end	+4.1%	+4.0%	+4.1%	+4.2%	+4.5%	+4.4%	+4.6%	+4.9%



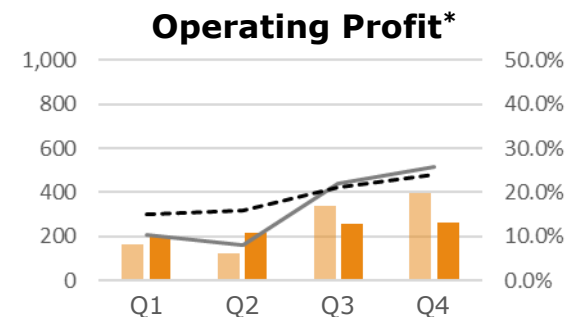
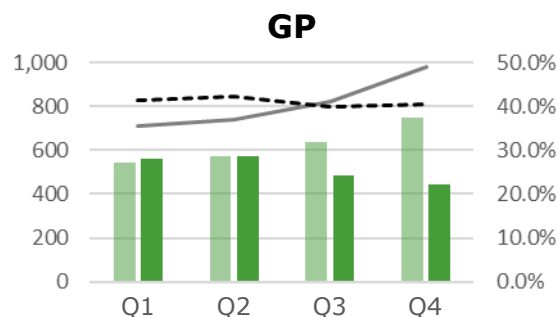
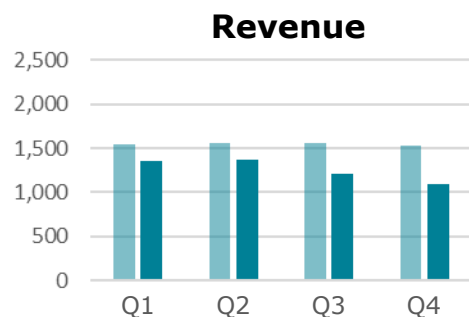
# Overseas Subsidiaries Update

■ ■ ■ — FY24.6 Results

■ ■ ■ - - - - FY25.6 Results

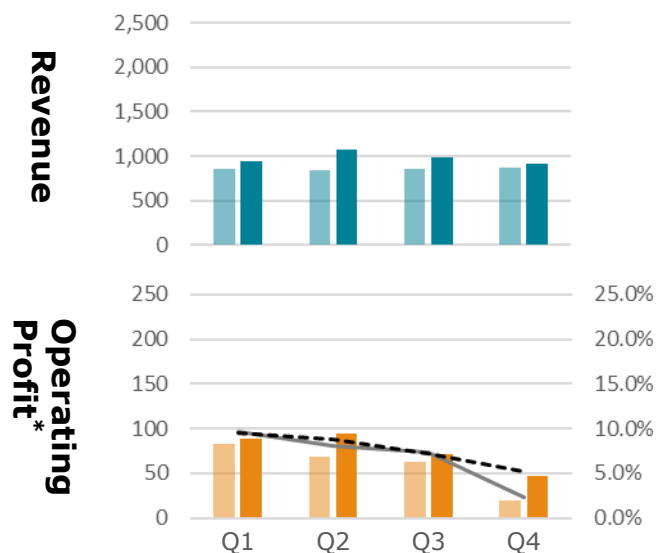
(yen in millions)

## Robosoft (North America/Japan/Europe/India)

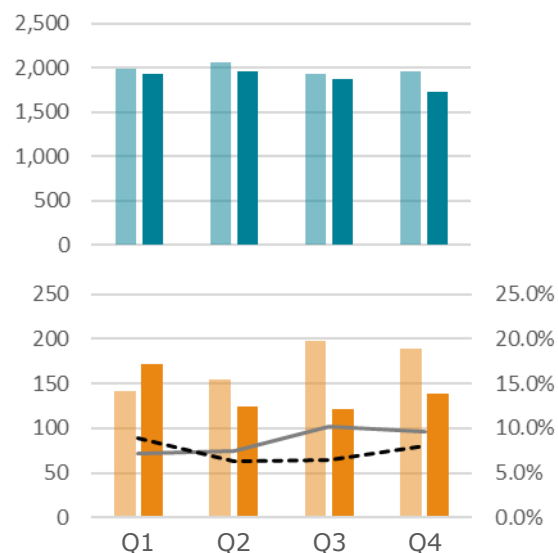


† GP and OP in Q4 FY24.6 temporarily inflated due to reversal of bonus provisions and cost containment efforts

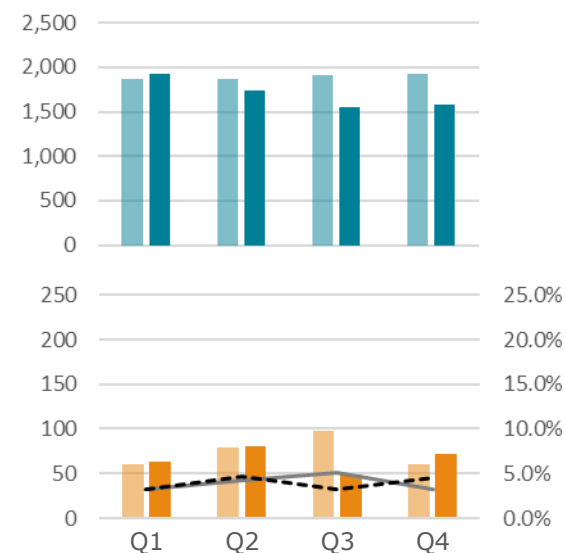
## TechnoPro China



## Helius (Singapore/India/Southeast Asia)



## Orion (UK)

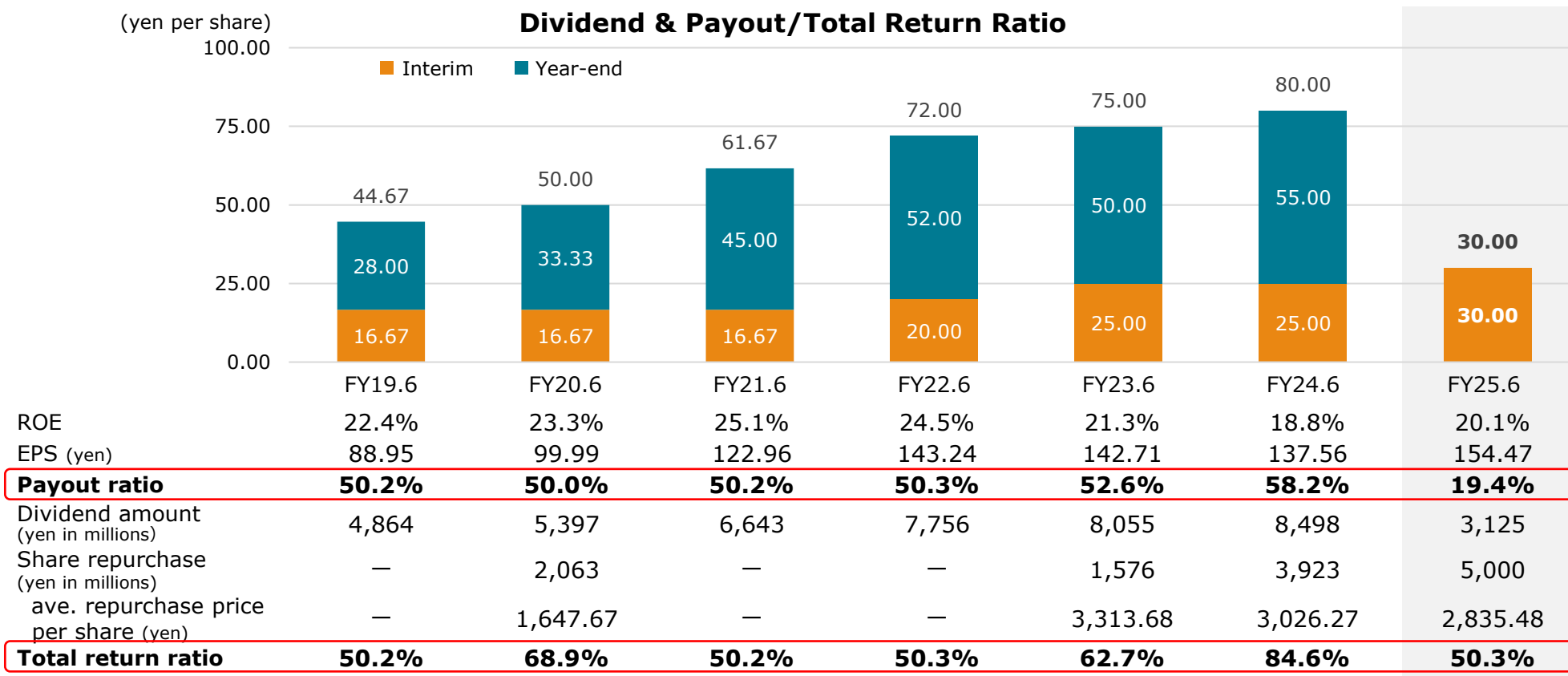


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\* Operating profit before PPA amortization; line graphs indicate profit margin

# Shareholder Return

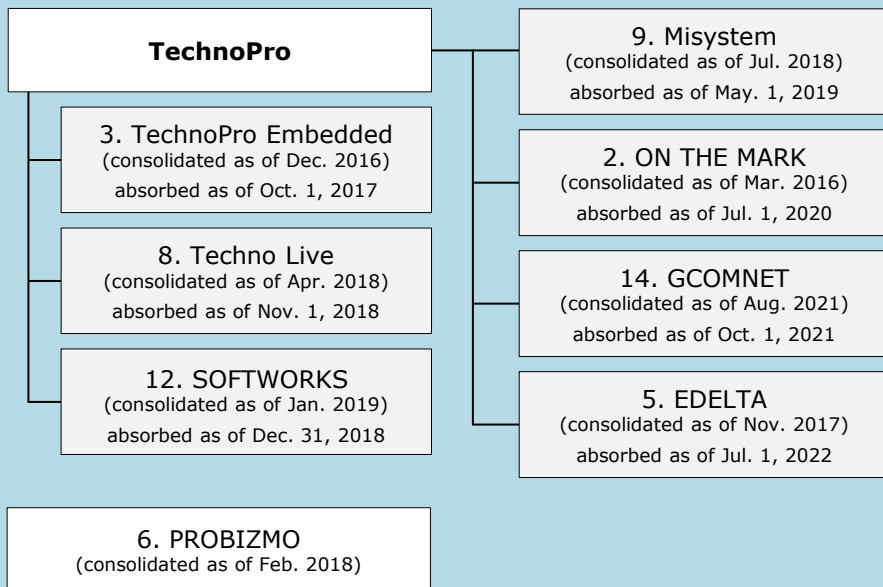
- Reaffirm basic policy to make dividend payment steadily twice a year in the form of interim and year-end ones pursuant to **annual dividend payout ratio of 50% or higher**; with considering **a progressive annual dividend**
- **Fully completed the 5.0 billion yen share buyback program** launched in Q1 by November 2024 to further improve capital efficiency with comprehensive consideration of cash reserves and stock price level; repurchased shares were all retired
- **Revised year-end dividend to zero**, as the tender offer price was determined based on a comprehensive evaluation that assumed no year-end dividend would be paid for FY25.6



# Appendix: Reportable Segments [as of FY25.6 End]

## R&D Outsourcing

Provides engineer staffing and contract services related to mechanical design, electrical/electronic design, embedded software development, IT network construction, business application development, IT maintenance and operations, bio research, etc.



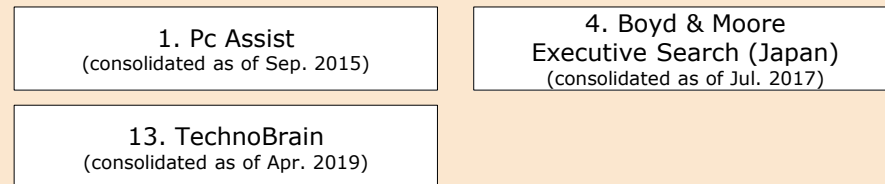
## Construction Management Outsourcing

Provides engineer staffing and contract drafting of working drawings related to construction management (safety/quality/process/cost management) for construction, civil engineering, electrical equipment, plant engineering, etc.



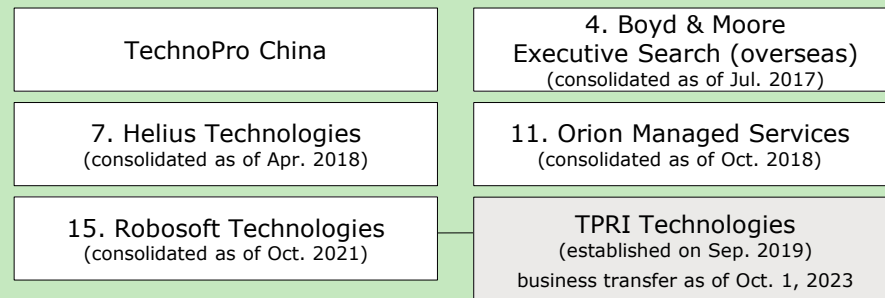
## Other Businesses in Japan

Provides professional recruitment, technical education and training services



## Overseas

Provides technological outsourcing and professional recruitment services in China; IT engineer staffing service and contract services in Southeast Asia and India (including offshore delivery to US/EMEA/JP customers); engineer staffing and professional recruitment services in the UK



## Headquarters

Provides shared services to group companies, hires and supports disabled people



# Appendix: Risk Assets [as of FY25.6 End]

- Major component of goodwill in **R&D/Construction Management Outsourcing (29.2 billion yen)** was derived from MBO transaction carried out by management and private equity fund; its fair value amount well exceeds carrying amount of each CGU even in the COVID-19 environment, consequently **impairment risks are extremely low**
- Goodwill in **R&D Outsourcing (4.0 billion yen)**, which was newly recognized through M&As, is also included into the CGU at the time of MBO, consequently **impairment risks are extremely low**
- Other Businesses in Japan:** Based on the strategic review, considering a carve-out of Boyd & Moore Executive Search, which recorded goodwill impairment in FY24.6
- Overseas:** Continue discussions with a 49% shareholder of Helius regarding its future management policies; seeking the possibility of selling Orion to a third party; Robosoft, amid challenges in new client acquisition, **recorded a partial goodwill write-down**, seeking early turnaround through management change and promoting collaboration with Japan

(yen in millions)

Cash Generating Unit (CGU)	Shareholding	Goodwill				PPA Assets		PO, etc. Liabilities	
		MBO	M&A*	Total	Ratio	M&A*	Amortization period	M&A	Value calc. period
<b>R&amp;D Outsourcing</b>									
Machinery, Electric/Electronic	100.0%	13,674	977	14,651	36.5%				
Embedded control, IT infrastructure	100.0%	7,969		7,969	19.8%				
Software dev./maintenance	100.0%	2,912	3,006	5,919	14.7%	355	-Jul.32		
Chemical, Biochemical	100.0%	1,262		1,262	3.1%				
<b>Construction Mgmt Outsourcing</b>									
Construction management	100.0%	3,383		3,383	8.4%				
TOQO	100.0%		190	190	0.5%				
<b>Other Businesses in Japan</b>									
Pc Assist	100.0%		96	96	0.2%				
Boyd & Moore Executive Search	100.0%		127	127	0.3%				
TechnoBrain	100.0%		151	151	0.4%				
<b>Overseas</b>									
Helius	51.0%		971	971	2.4%	161	-Mar.26		
Orion	100.0%		1,441	1,441	3.6%				
Robosoft	100.0%		4,011	4,011	10.0%	834	-Sep.31		
<b>Total</b>		<b>29,202</b>	<b>10,974</b>	<b>40,176</b>	<b>100.0%</b>	<b>1,352</b>		<b>0</b>	

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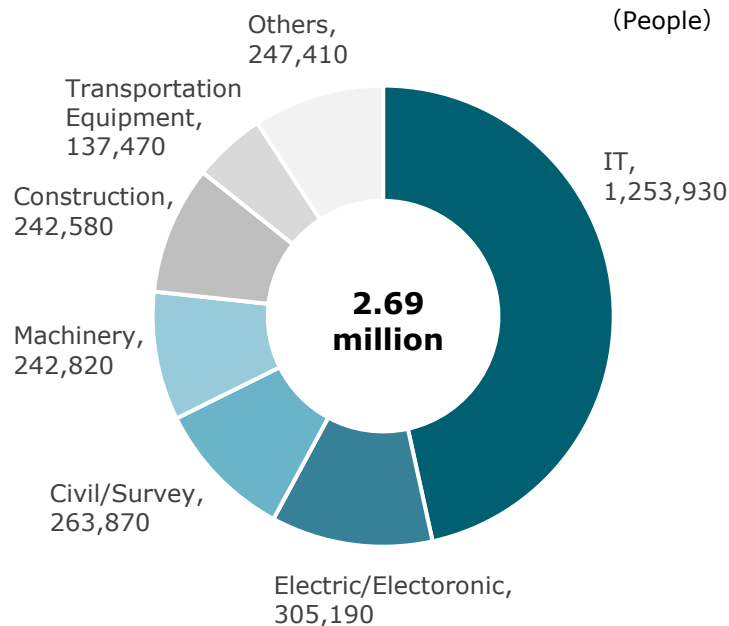
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# Distribution of Engineers in Japan

- According to the national census in 2020, the number of engineers in Japan is 2.69 million (of which, about 47% of them are IT engineers), and increased by 260 thousand in five years
- In terms of IT engineers, the outsourcing ratio is relatively high in Japan

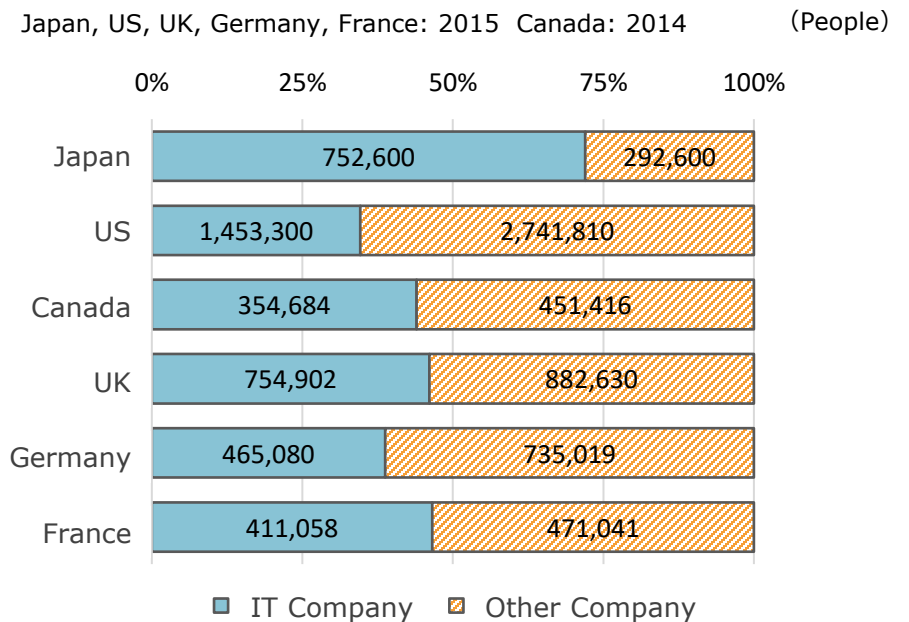
## 1. Number of Engineers in Japan (2020)

Source: 2020 Population Census



## 2. Ratio of IT Talents at IT and Other Companies

Source: Information-technology Promotion Agency Japan, "IT Talent White Paper 2017"



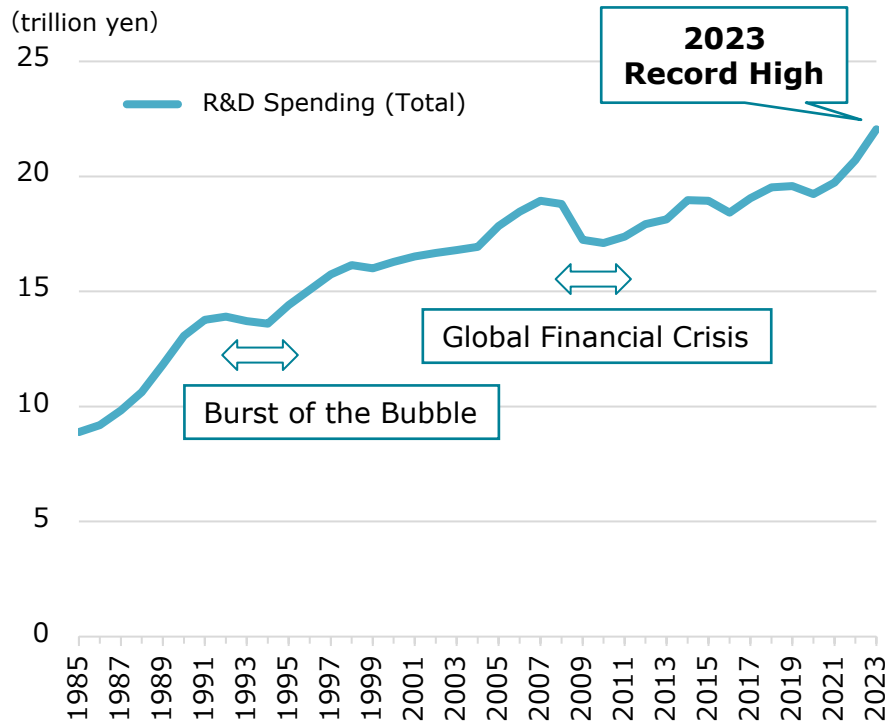
† "IT Company" means IT vendors and  
"Other Company" means IT user companies

# Trend of R&D Spending and ICT Investment

- R&D is a field less susceptible to impact of the economy; as a nation, Japan reported 22 trillion yen, a record-high for R&D spending in 2023, and its growth is expected to continue in the future
- Japan's ICT investment is gradually shifting from "hardware" to "software"

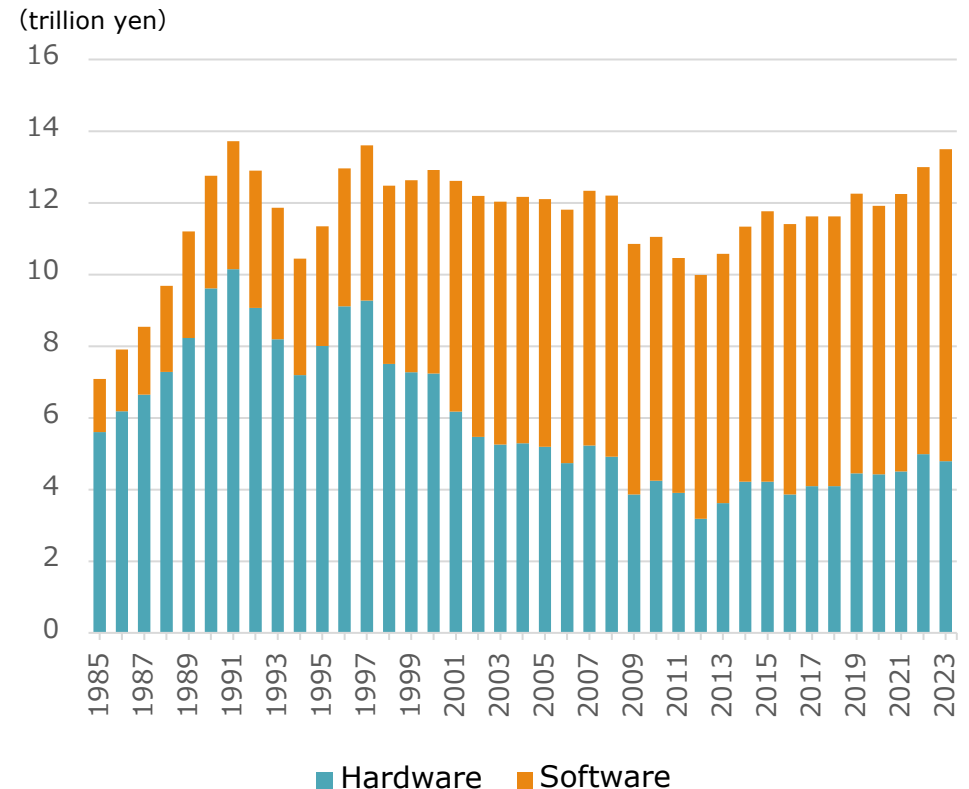
## 3. Trend of R&D Spending in Japan

Source: Ministry of Internal Affairs and Communications Statistics Bureau, "Report on the survey of research and development"



## 4. The Breakdown of ICT Investment in Japan

Source: Cabinet Office, "National Accounts of Japan"

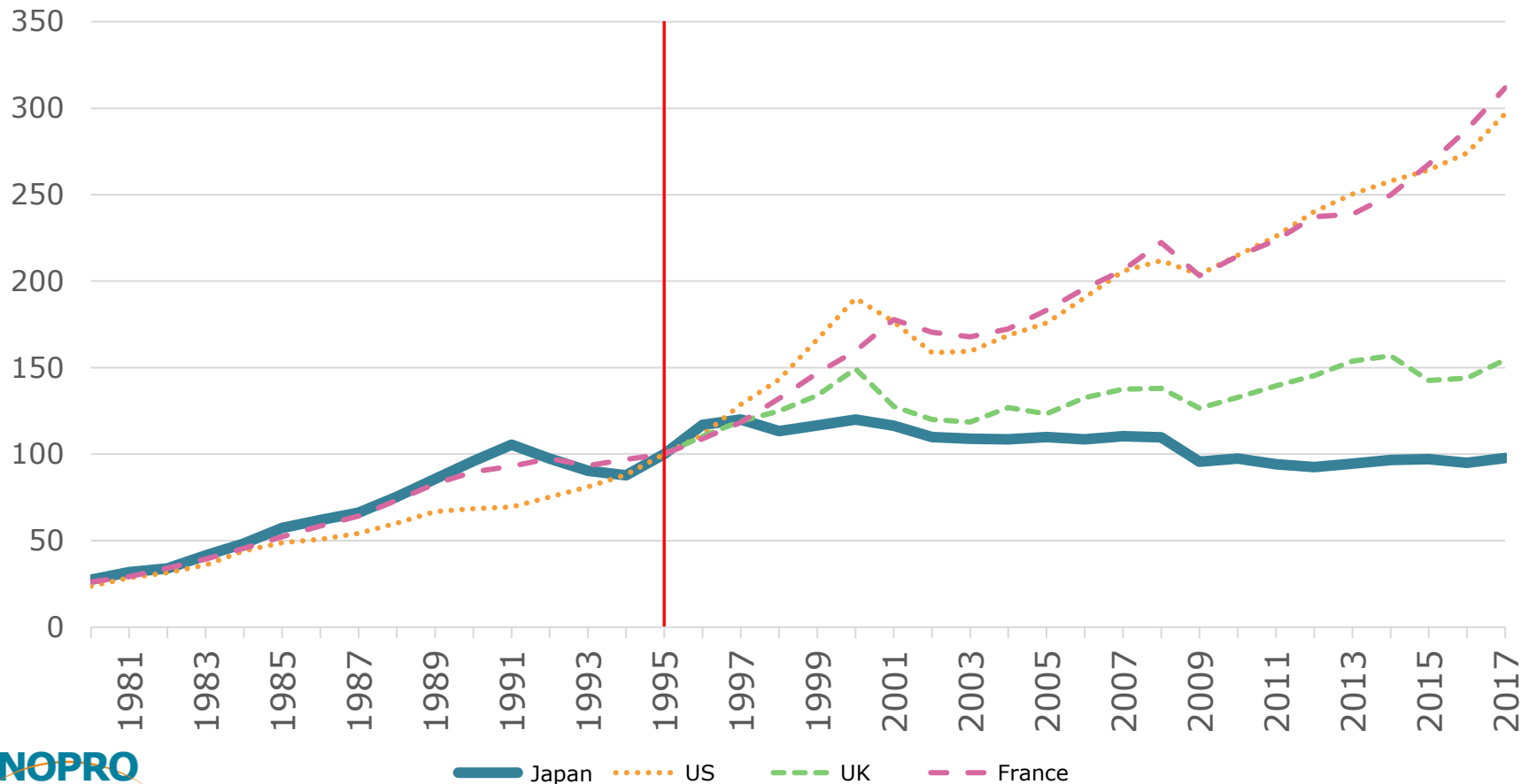


# Sluggish Digitalization in Japan

- Japan's ICT investment growth from 1995 remains significantly low compared to the US, UK and France
- COVID-19 has revealed Japan's lag in digitalization once again and will lead to increased ICT investment in Japan

## 5. Comparison of ICT Investment in Each Country (Nominal, Indexed Figures in 1995 as 100)

Source: Ministry of Internal Affairs and Communications, "2019 White Paper on Information and Communication"



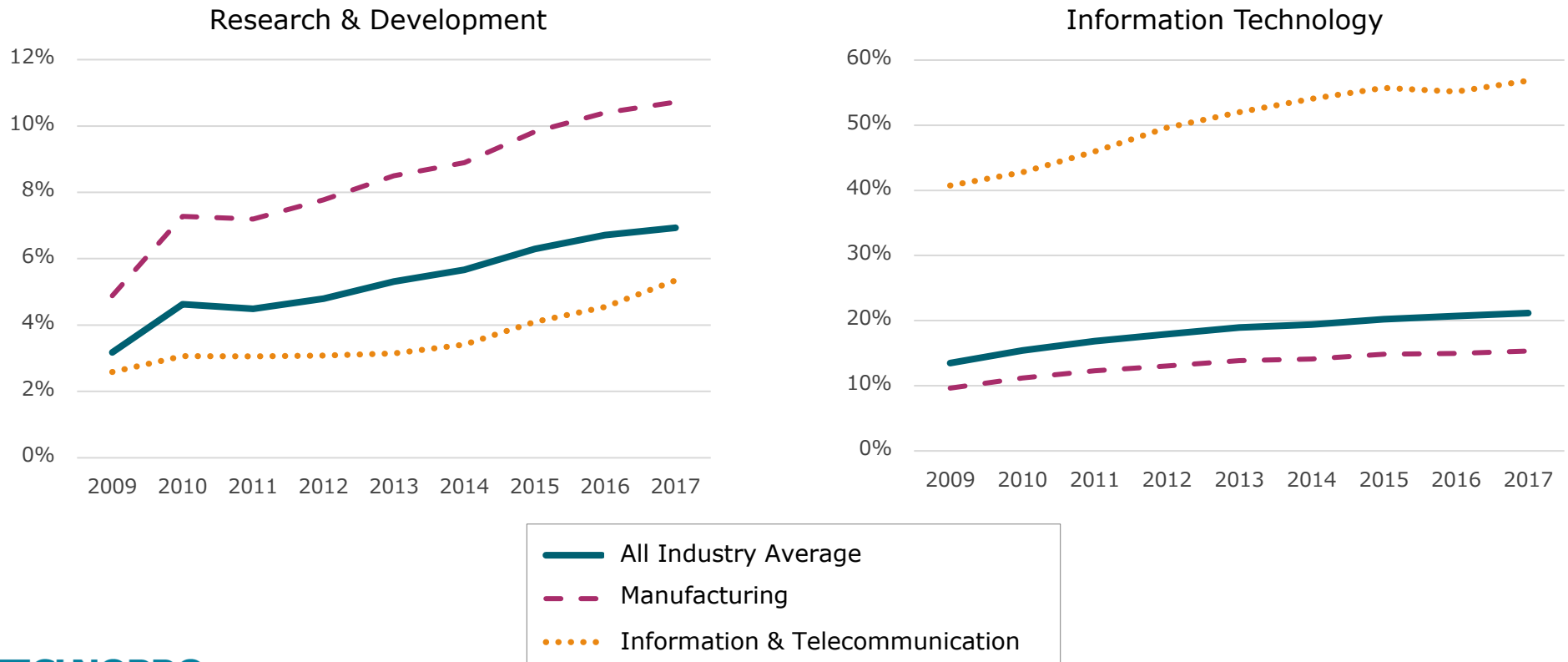


# Outsourcing Usage Ratio of R&D and IT Activity

- Outsourcing usage ratio of R&D and IT activity is gradually increasing overall
- Even Information & Telecommunication companies are using more outside resources in their own IT activity

## 6. Outsourcing Usage Ratio by Industry

Source: Ministry of Economy, Trade and Industry, "Basic Business Activity Survey",  
aggregation by Doshisha University Research Institute for STEM Human Resources, commissioned by TechnoPro in 2020

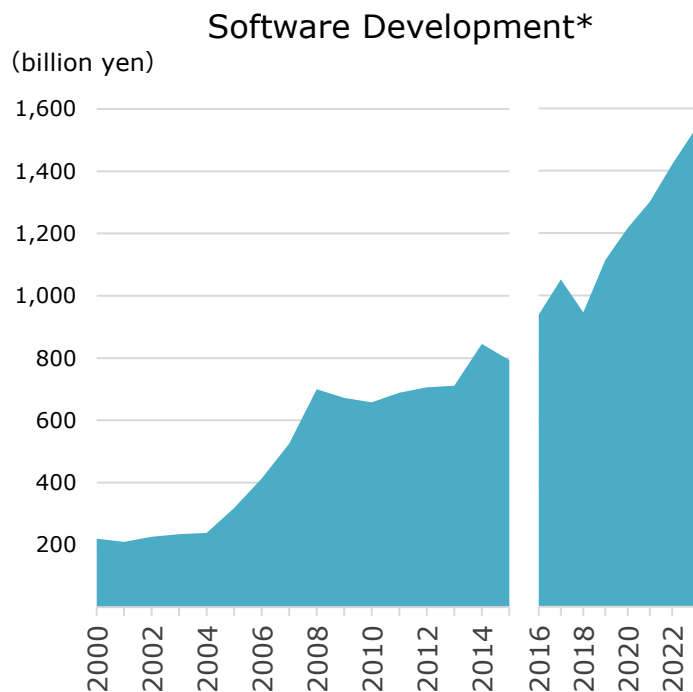


# Engineer Staffing Market Overview

- Estimated whole engineer staffing market size in Japan was about 2.8 trillion yen in 2023; up 5.2% year-on-year, of which software development market size was about 1.5 trillion yen; up 7.6% year-on-year
- Yano Research Institute forecasts that the engineer staffing market in Japan is expected to grow at a CAGR of 4.8% from FY2023 to FY2027 (forecast)

## 7. Engineer Staffing Market Size

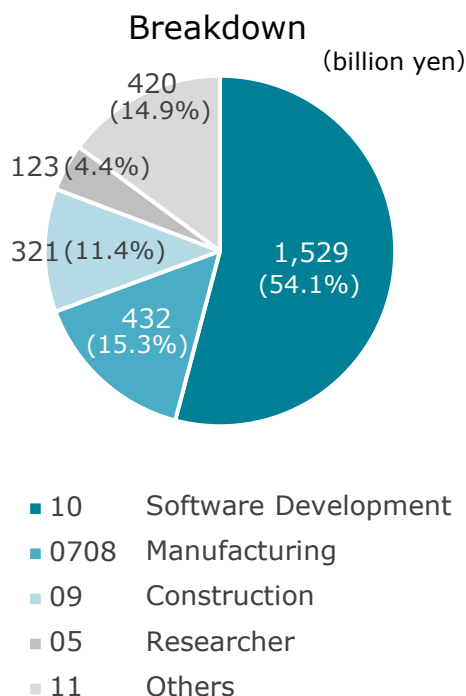
Source: TechnoPro estimates based on the data researched by Ministry of Health, Labor and Welfare



\* The aggregate standard has been changed as of 2015 due to revision of the classification of occupation on September 30, 2015

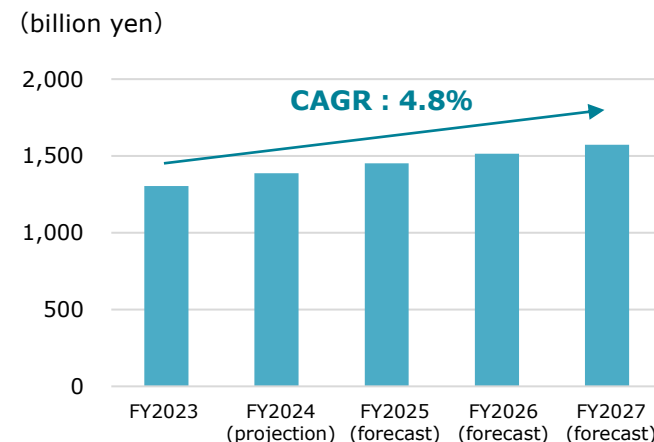
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## Market Size 2.8 trillion yen (2023)



## 8. Forecast of Engineer Staffing Market Size

Source: Yano Research Institute Ltd.,  
"Human Resources Business 2024,  
PART 2: Services by Industry/Job Category"



† The market size is based on the sales of businesses; The figure for FY2024 is a projection, for FY2025 and beyond are forecasts (as of October 2024)

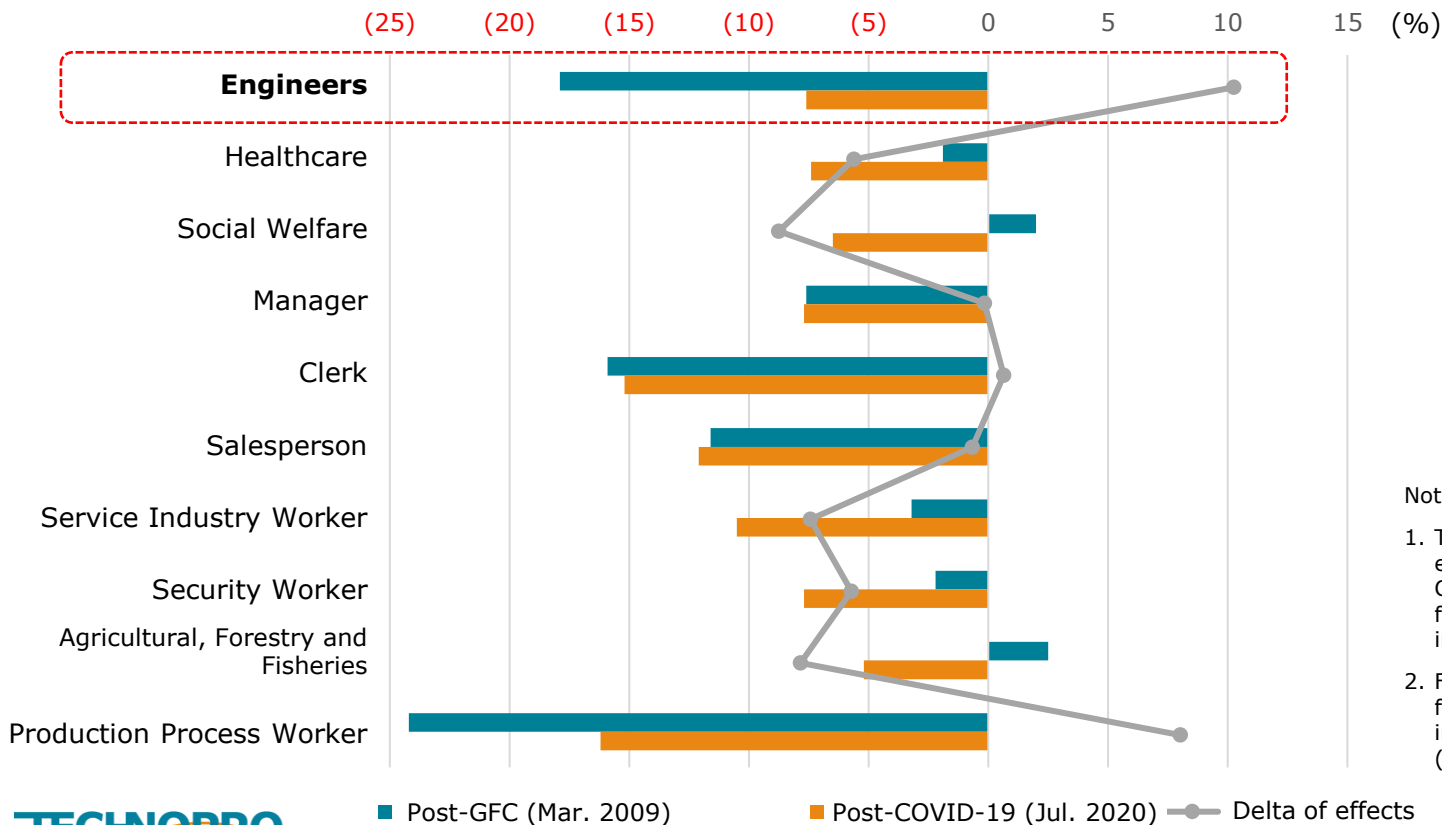
Note: Market size for large-scale providers calculated by Yano Research Institute based on an independent survey; Growth may be higher than the market as a whole

# Engineering Professional Services' Resilience to External Shocks

- First wave of COVID-19 spread impacted a lot less on new job offers for engineers compared to the Global Financial Crisis
- The fact above indicates the possibility that the importance of talents with technological expertise or the priority of R&D and IT system development to maintain competitiveness has been increased in the past 10 years, corroborating the robustness of our business

## 9. Ratio of Increase/Decrease and Delta of New Job Offers after 6 Months from External Shocks

Source: Ministry of Health, Labor and Welfare, Labor "EMPLOYMENT REFERRALS FOR GENERAL WORKERS," the Doshisha University Research Institute for STEM Human Resources, Commissioned by TechnoPro in 2020



Note:

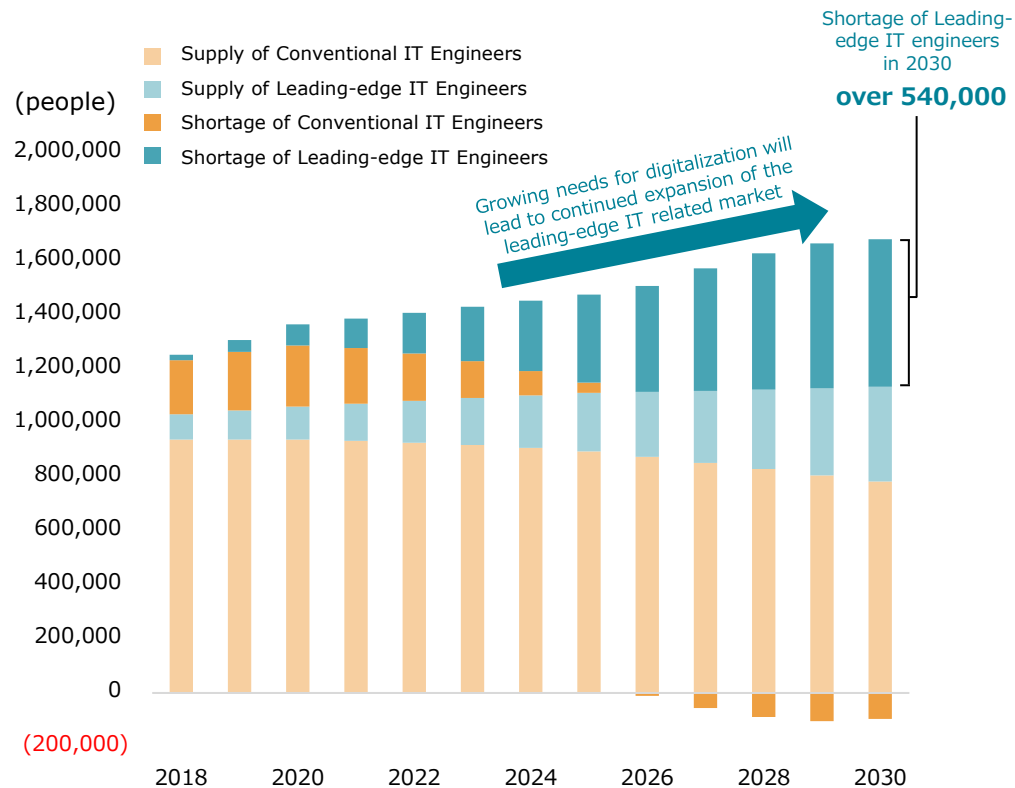
1. The figure left shows the comparison of the effect from the Global Financial Crisis (GFC) and COVID-19 on the index data of new job offers for each job category after 6 months from the initial outbreak of the crisis
2. Figures in September 2008 was indexed as 100 for the GFC, figures in January 2020 was indexed as 100 for the COVID-19 pandemic (seasonally adjusted)

# Background of Engineer Staffing Market Growth and Our Strengths – 1. Growing Demand

- Demand-supply gap in IT sector is huge; especially leading-edge IT engineers (AI, big data, IoT, etc.) will be in higher demand
- Weakening demand for engineers due to the spread of AI will be more than offset by the new demand for engineers

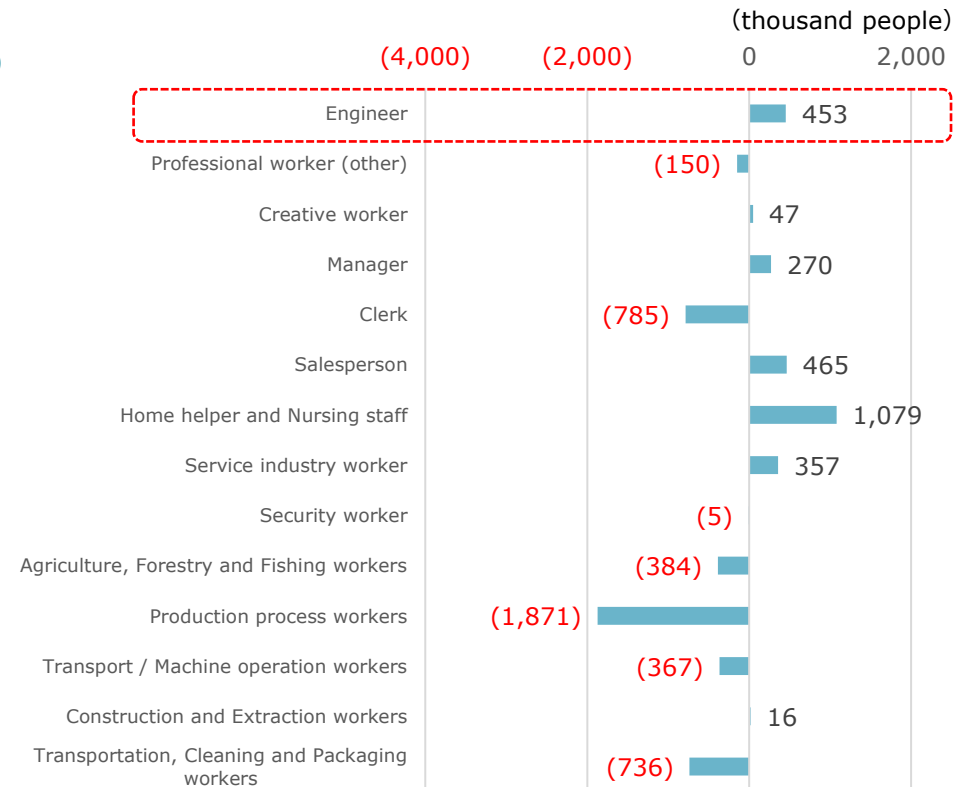
## 10. Projected Shortage in Advanced and Conventional IT engineers

Source: Ministry of Economy, Trade and Industry, "Survey report about supply and demand of IT talent (March 2019)"



## 11. Shift in Workforce due to Progression of AI

Source: Ministry of Health, Labor and Welfare, "Labor economy white paper in 2017; Analysis of Labor Economy - Issues for Promotion of Innovation and Work-Life Balance"

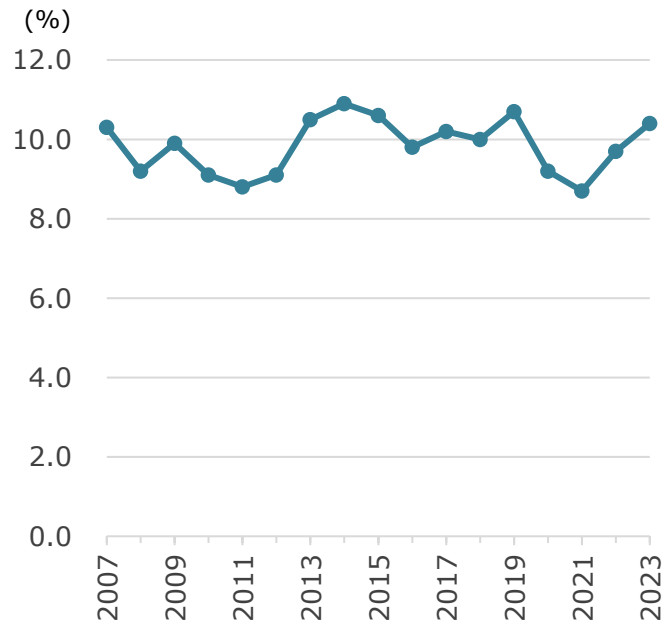


# Background of Engineer Staffing Market Growth and Our Strengths – 2. Mid Careers Market

- The turnover ratio in Japan remains around 10% which shows career-change market has a certain scale; more than 200,000 engineers per year
- Turnover ratio of IT engineers tends to be relatively higher than other type of engineers

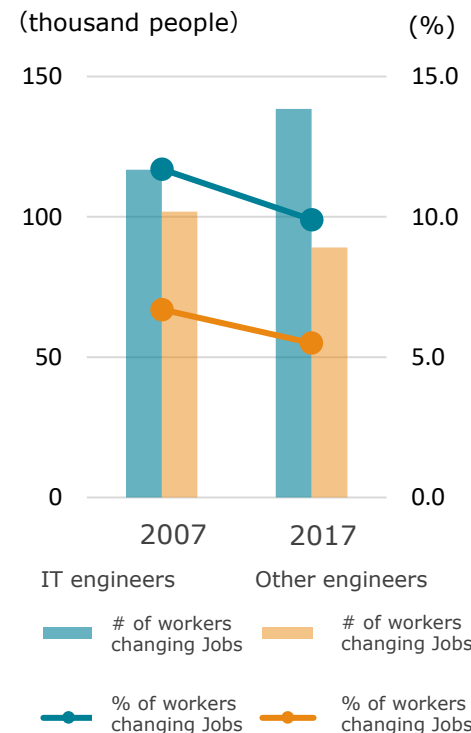
## 12. Turnover Ratio in Japan

Source: Ministry of Health, Labor and Welfare, "Survey on Employment Trends"



## 13. Turnover of Engineers

Source: Doshisha University Research Institute for STEM Human Resources, commissioned by TechnoPro in 2019, "Survey Report on Recent Characteristics in the Percentage of Japanese Engineers Changing Jobs"



	1997	2007	2017
All sectors	11.0	11.7	10.7
Engineers	7.5	8.7	7.5
of which, IT engineers		11.7	9.9
of which, other engineers		6.7	5.5

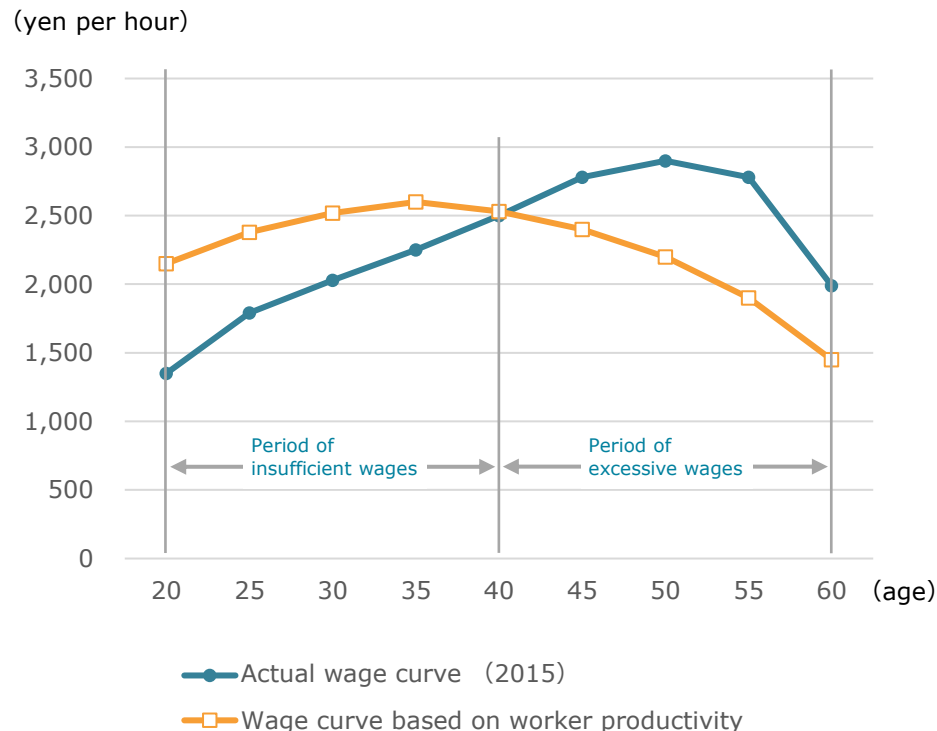
	1997	2007	2017
All sectors	7,391	7,717	7,066
Engineers	178	219	228
of which, IT engineers		117	138
of which, other engineers		102	89

# Background of Engineer Staffing Market Growth and Our Strengths – 2. Mid Careers Market (Cont.)

- The lifetime employment and seniority-based wage system have firmly remained in Japan
- The number of mid-career recruitment by blue-chip companies is limited due to the gap between productivity and salary

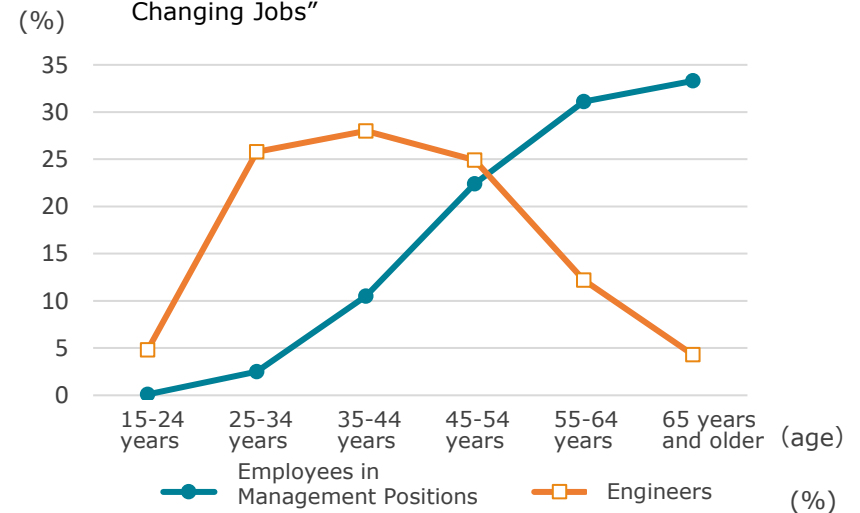
## 14. Seniority-Based Wages and Wages based on Work Productivity (Hourly-base)

Source: Investment Information Department, Mitsubishi UFJ Morgan Stanley Securities Co., Ltd., "Equity Research Reprinted Report, May 1, 2017"



## 15. Age Composition: Management and Technical Position (2017, Japan)

Source: Doshisha University Research Institute for STEM Human Survey Resources, commissioned by TechnoPro in 2019, "Report on Recent Characteristics in the Percentage of Japanese Engineers Changing Jobs"



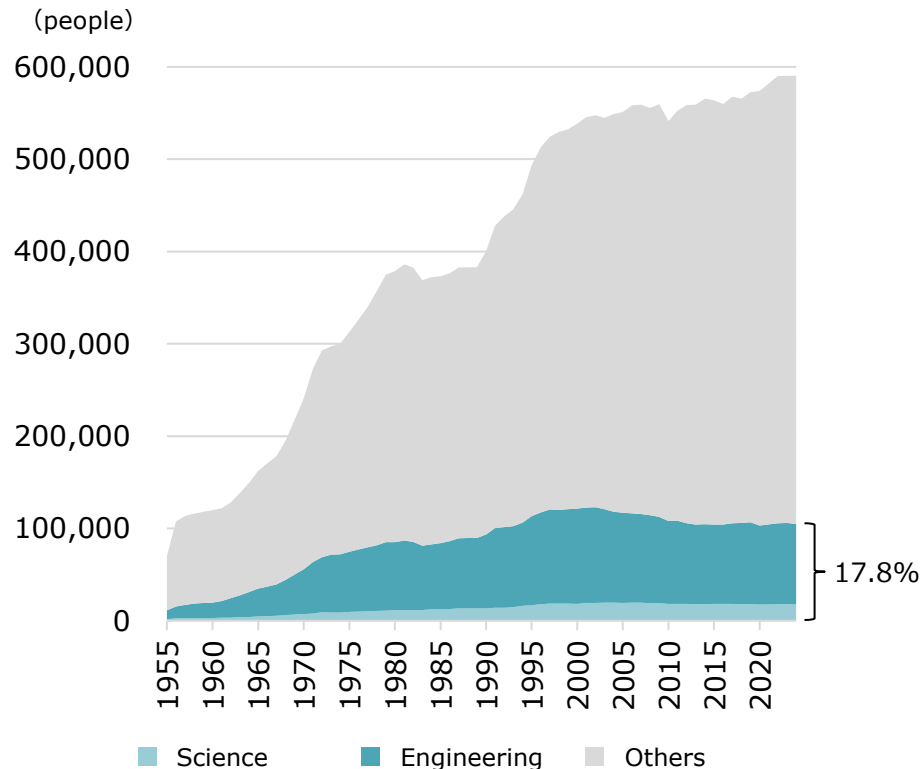
	Employees in Management Positions	Engineers
15-24 years	0.1	4.8
25-34 years	2.5	25.8
35-44 years	10.5	28
45-54 years	22.4	24.9
55-64 years	31.1	12.2
65 years and older	33.3	4.3

# Background of Engineer Staffing Market Growth and Our Strengths – 3. New Grads Market

- Even though the number of university graduates is slightly increasing because of higher university entrance rate, the number of science and engineering graduates begins to decrease from 2000
- New grads tend to prefer blue-chip companies while such companies have limited number of job openings for them

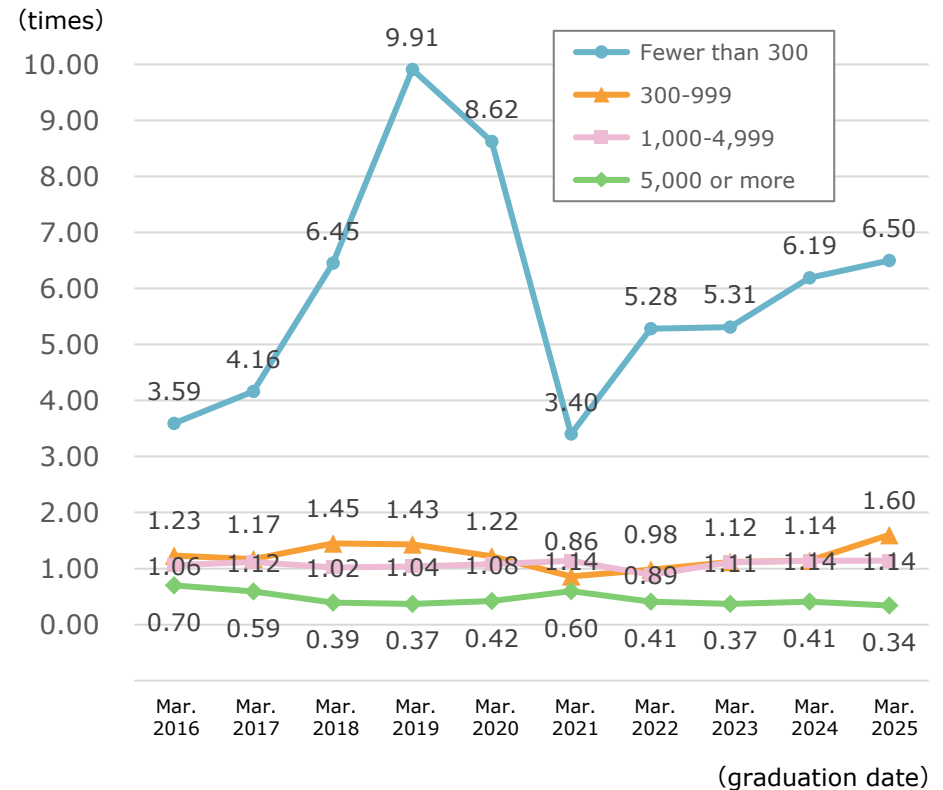
## 16. No. of University Graduates by Faculty

Source: TechnoPro based on "School Basic Survey" by Ministry of Education, Culture, Sports, Science and Technology



## 17. Job-to Applicants Ratio, by Scale Based on Number of Employees

Source: Recruit Works Institute, "41th College Graduates Job Opening Survey"

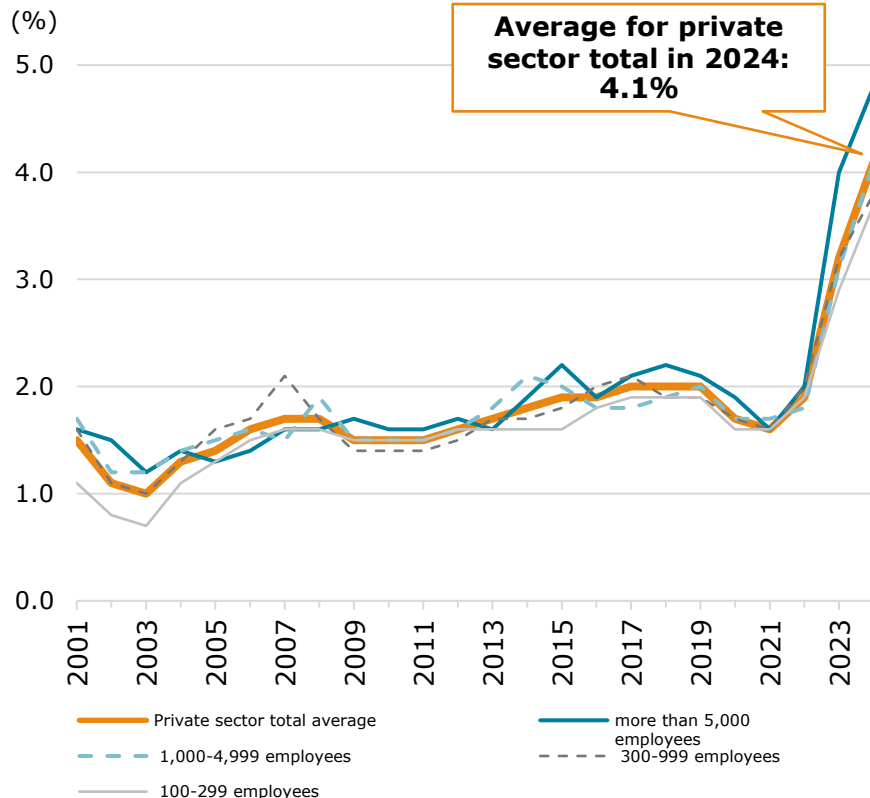


# Wage Hike & Human Capital Investment in Japan

- Average annual wage hike in the private sector in Japan was 4.1% in 2024, representing a continuous increase from 3.2% in the previous year, driven by the recent wage hike momentum
- Japan's investment in human capital, both public and private, is significantly lower than other developed countries

## 18. Wage Revision Ratio per Worker

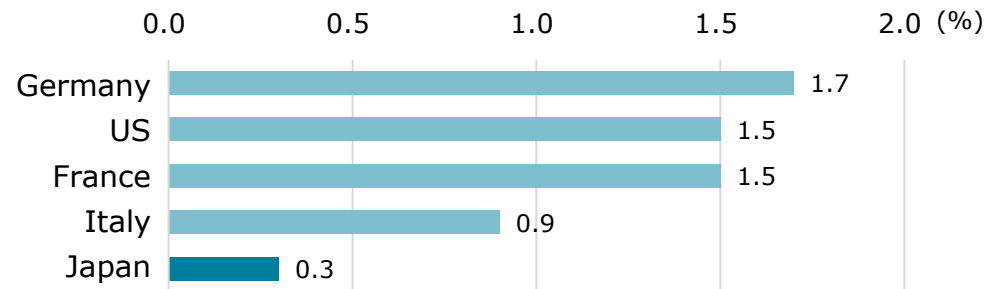
Source: Ministry of Health, Labor and Welfare, "Survey on wage increase"



## 19. World's Human Capital Investment (GDP ratio)

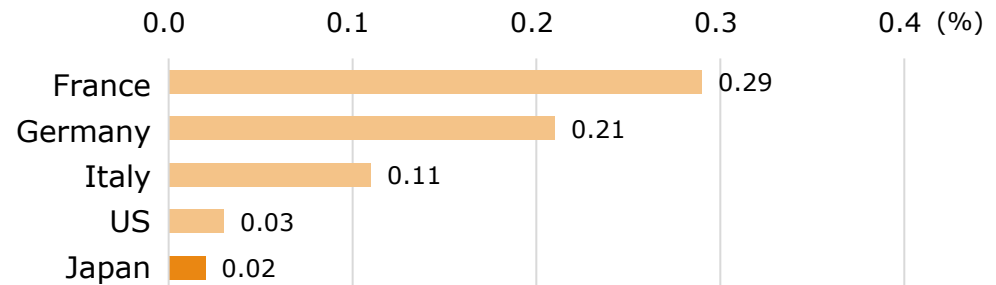
Source: Mizuho Research & Technologies, Ltd., "New Form of Capitalism and Human Capital Investment"

### Human Capital Investment in Private Sector



† Figures indicate averages for 2010-2018 (2010-2017 only for US), using investment amounts excluding OJT

### Training & Education Investment in Public Sector



† Figures indicate averages for 2010-2019



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