

May 30, 2016

Corporate Name: TechnoPro Holdings, Inc.  
(Code: 6028, TSE First Section)  
Representative: Yasuji Nishio, President, Representative Director & CEO  
Contact: Hiroshi Sato, Director & CFO  
(Tel. 03-6385-7998)

## Notice of acquisition and cancellation of 2<sup>nd</sup> and 3<sup>rd</sup> series stock acquisition rights (Target Issue Program “TIP” subject to issuer’s approval of exercise)

TechnoPro Holdings (the “Company”) announced today that it resolved at the Board of Directors’ meeting held on May 30, 2016, to acquire and immediately cancel all 2<sup>nd</sup> and 3<sup>rd</sup> series stock acquisition rights (“SARs”) issued through third-party allotment on April 18, 2016. The details of this are as follows:

### 1. Overview of acquisition and cancellation of SARs

#### (1) Overview of 2<sup>nd</sup> series SARs

1. Date of allotment	April 18, 2016
2. Number of issued SARs	2,000,000 SARs
3. Issue price	¥21,000,000 (¥10.5 per SAR)
4. Number and type of shares subject to SARs	2,000,000 shares of common stock in the Company (one share per SAR)
5. Number of remaining SARs	2,000,000 SARs
6. Acquisition amount	¥21,000,000 (¥10.5 per SAR)
7. Acquisition and cancellation date of SARs	July 1, 2016 (planned)

#### (2) Overview of 3<sup>rd</sup> series SARs

1. Date of allotment	April 18, 2016
2. Number of issued SARs	650,000 SARs
3. Issue price	¥3,900,000 (¥6.0 per SAR)
4. Number and type of shares subject to SARs	650,000 shares of common stock in the Company (one share per SAR)
5. Number of remaining SARs	650,000 SARs
6. Acquisition amount	¥3,900,000 (¥6.0 per SAR)
7. Acquisition and cancellation date of SARs	July 1, 2016 (planned)

### 2. Reasons for acquisition and cancellation

#### (1) Resolution of share pricing issue

The Company’s approach to IR policy is to act in good faith towards capital markets and to undertake all engagement with investors with honesty and integrity, aiming to achieve medium- to long-term growth for the Company together with its investors. After the issuance of the SARs the Company held direct discussions with its investors, many of whom were able to gain a certain degree of understanding on the SARs issuance, but, at the same time, highlighted the following concerns: the ¥3450 strike price for the 2<sup>nd</sup> series SARs may create a ceiling for the Company’s share price, and the majority of investors, unable to engage in direct discussions with the Company, found it difficult to understand the intent behind the issuance and mechanism of the SARs themselves.

In addition, considering the Company has achieved favorable financial performance for the fiscal year ending in June 2016, it recognizes the need to resolve the aforementioned issue and support the formation of a share price that directly reflects corporate performance.

(2) Changes in financial markets

Influenced by recent changes in the financial market environment, the Company has received financing proposals from several financial institutions since it disclosed the issuance of SARs to the public on April 1, 2016. In addition to current plans to refinance its existing debt, the Company believes it should also examine more favorable financing approaches as alternatives to SARs in order to secure funds for mergers and acquisitions and strengthen its financial position to achieve the performance targets outlined in the Company's "Growth 1000" mid-term management plan.

Thus, in consideration of (1), the need to support the formation of its share price that directly reflects corporate performance, and (2), the need to utilize favorable financing methods for the company in response to changes in the financial market environment, the Company believes the best course of action is to acquire and cancel all SARs.

3. Outlook

The acquisition and cancellation of SARs will have no impact on consolidated performance for fiscal year ending June 2016.

Note on translation

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