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Medium-Term Management Plan Progress and Outlook

TechnoPro Holding, Inc.

February 3, 2017



1. Review: Medium-Term Plan "Growth 1000" (announced in August 2015)

<Medium-Term Management Plan period>

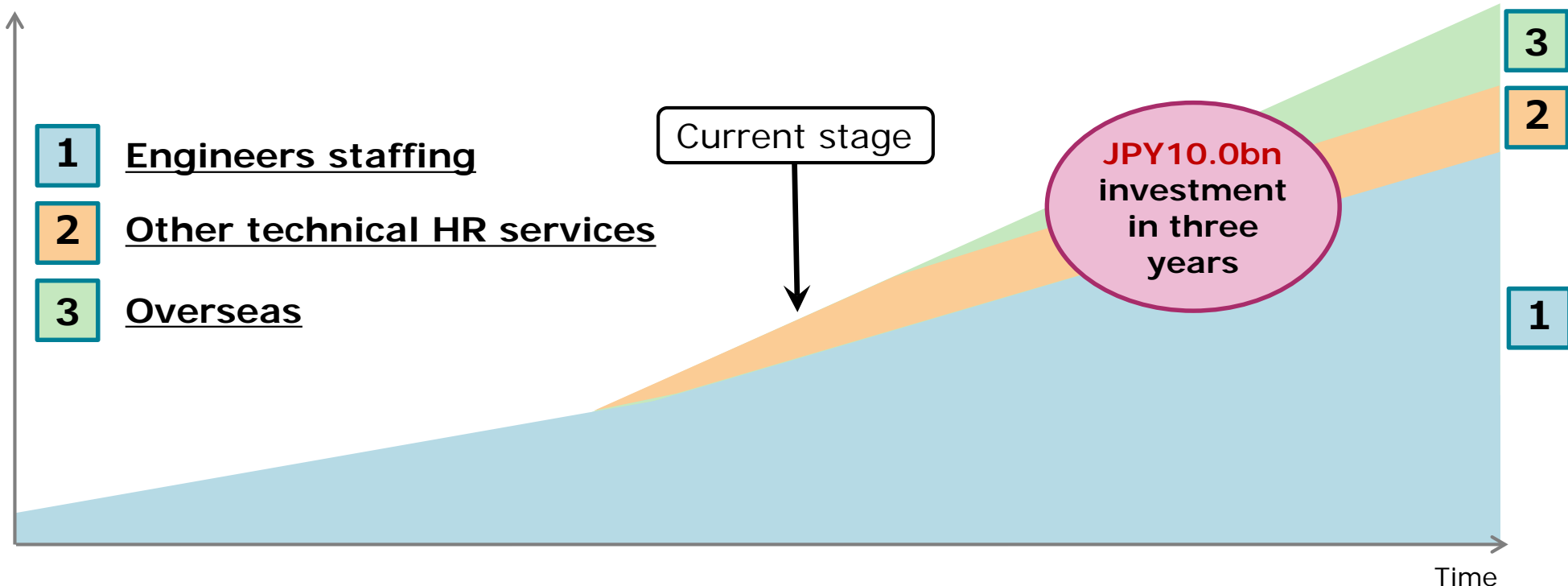
Solid Mgmt foundation 2014–2015

- ✓ Integrate TechnoPro brands
- ✓ Consolidate subsidiaries
- ✓ Listing on TSE 1st section

Accelerated growth 2016–2018

- ✓ Growing engineer staffing market
- ✓ Amendment to the Worker Dispatching Law
- ➔ **Make active investments for growth**

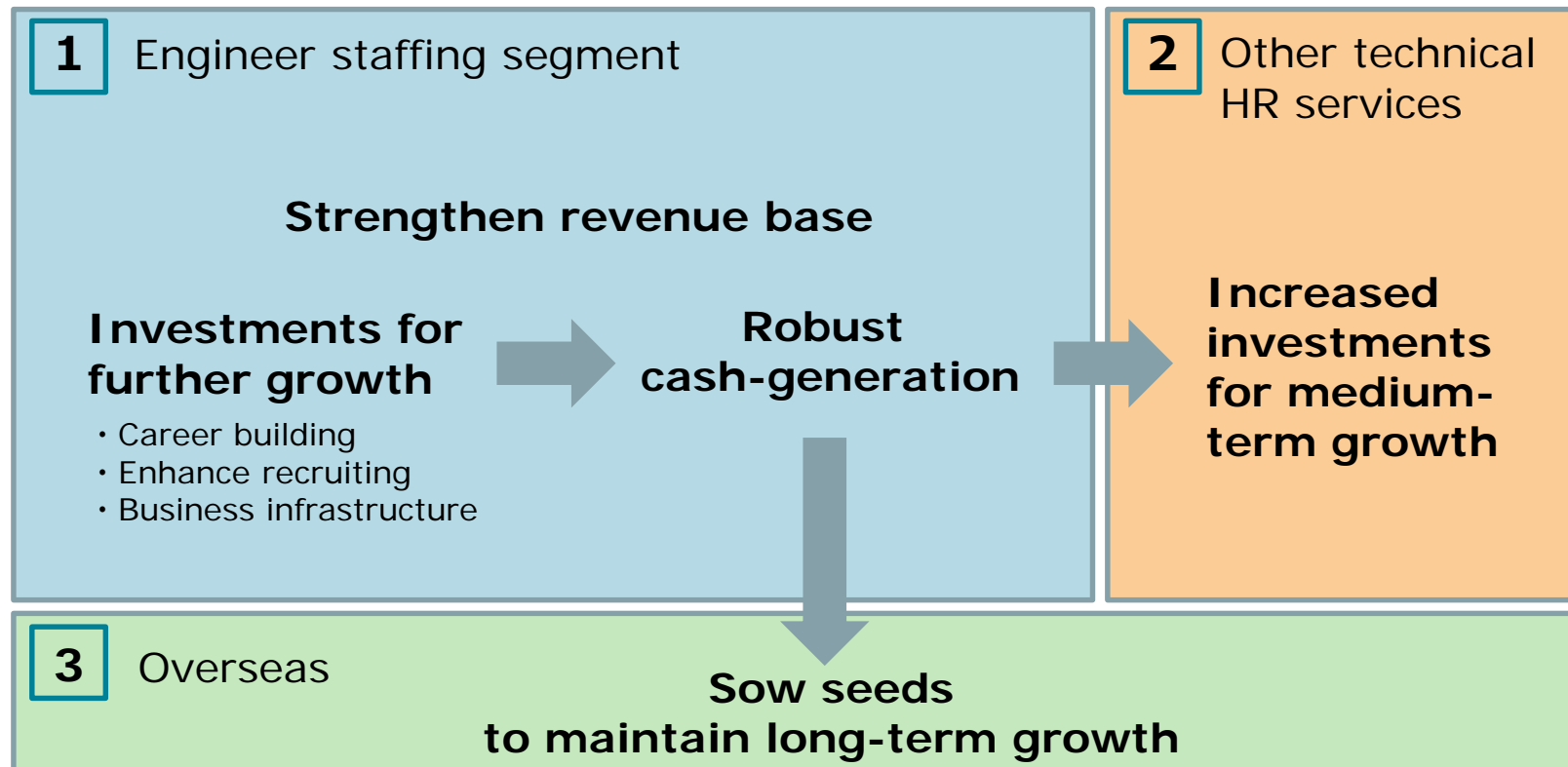
Sales / Profit



1. Review: Medium-Term Plan "Growth 1000" (announced in August 2015)

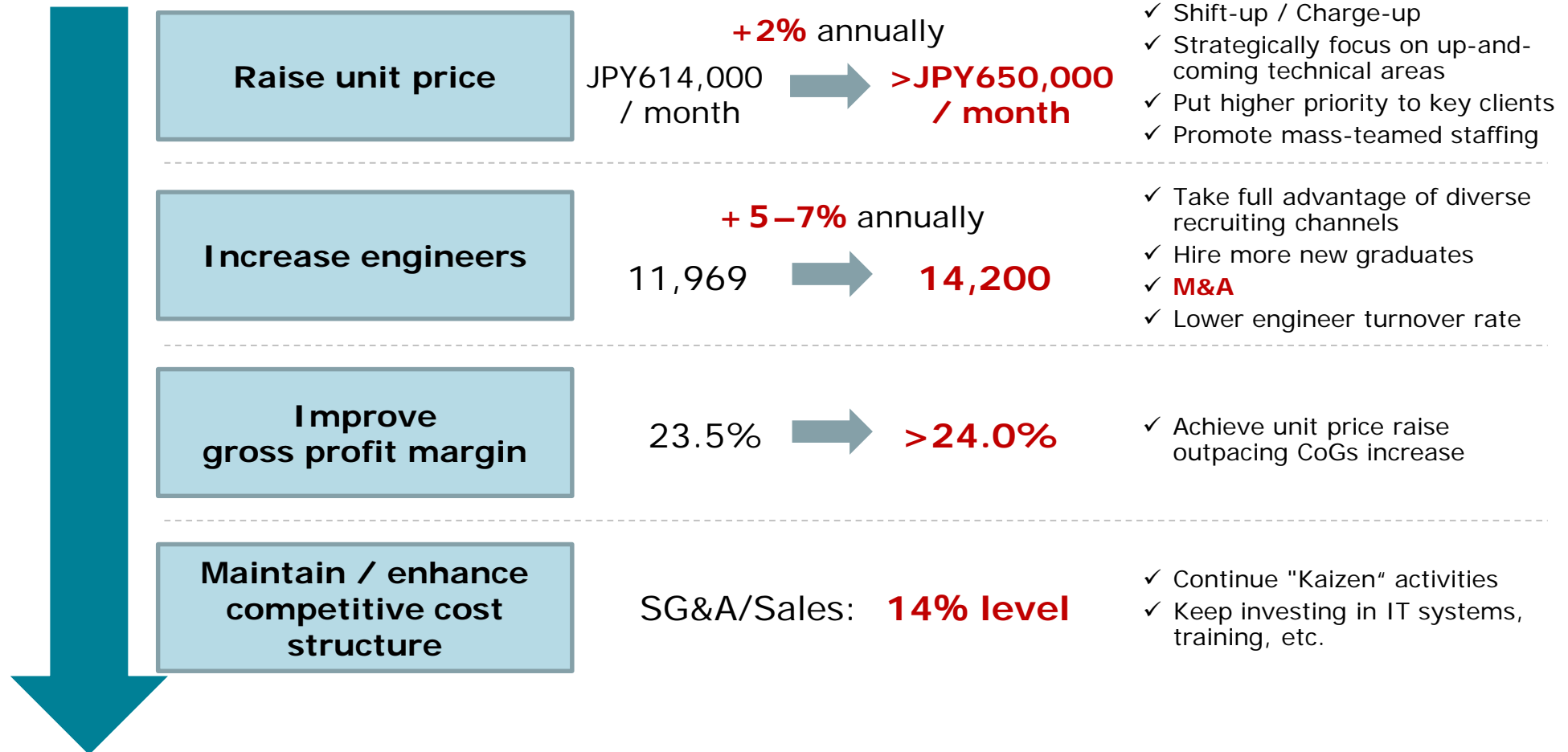
To be the leader of technical human resource market as well as engineer staffing

- ❑ **Strengthen the revenue base for engineer staffing segment**, invest generated cash into further growth
- ❑ **Grow "Other technical human resource services" and "Overseas" businesses**, where we can serve our clients' diverse technology related needs



2. Strengthen revenue base in engineer staffing

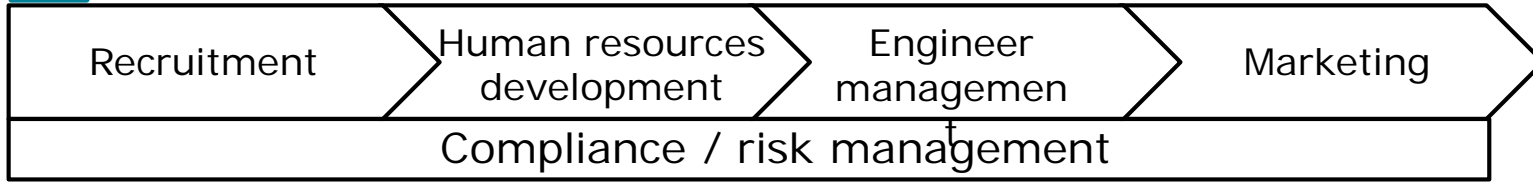
Top Line



Bottom Line
TECHNOPRO

3. M&A strategy/track record

1 Engineer staffing segment



<Core Competence>



2 Other technical HR services

3 Overseas



Engineers

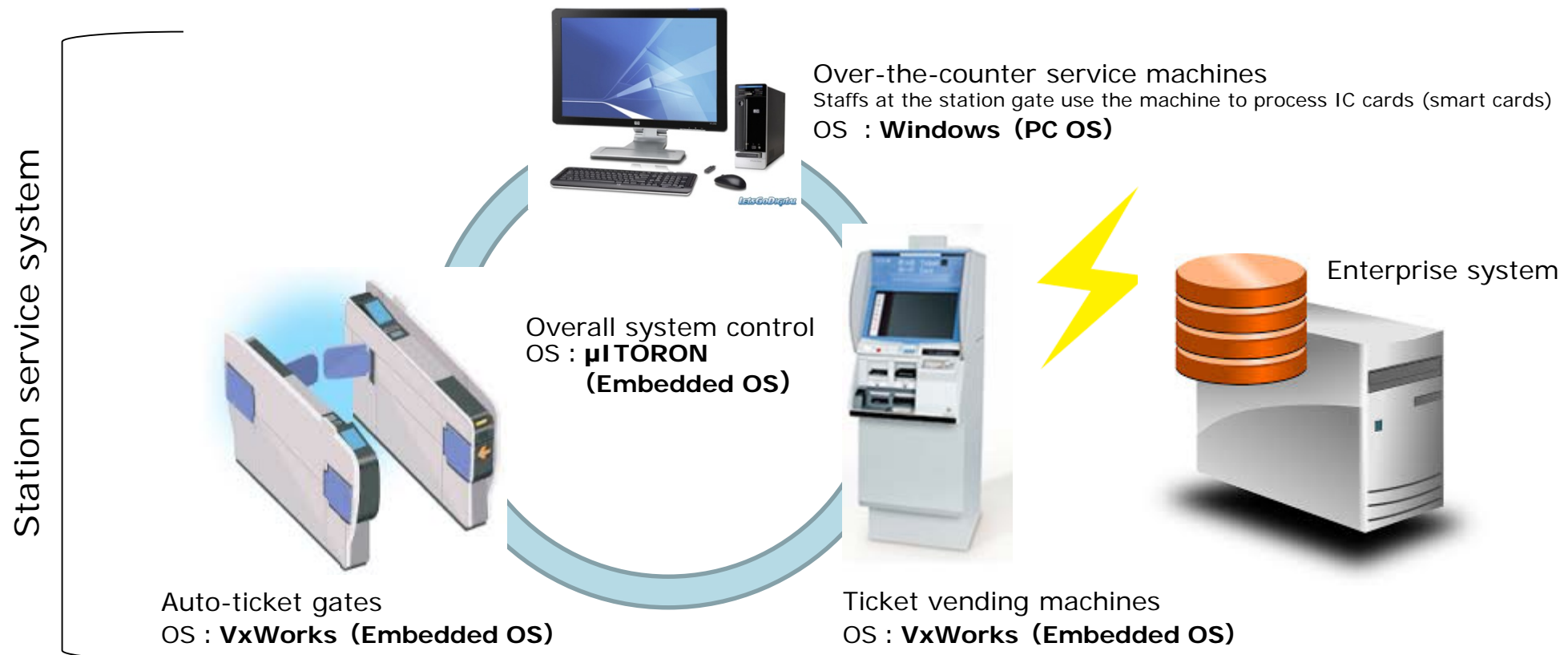
Clients

Needs for skill upgrade / career building

Needs for Technology-related outsourcing

3 . M&A strategy/track record: (1) TechnoPro Embedded

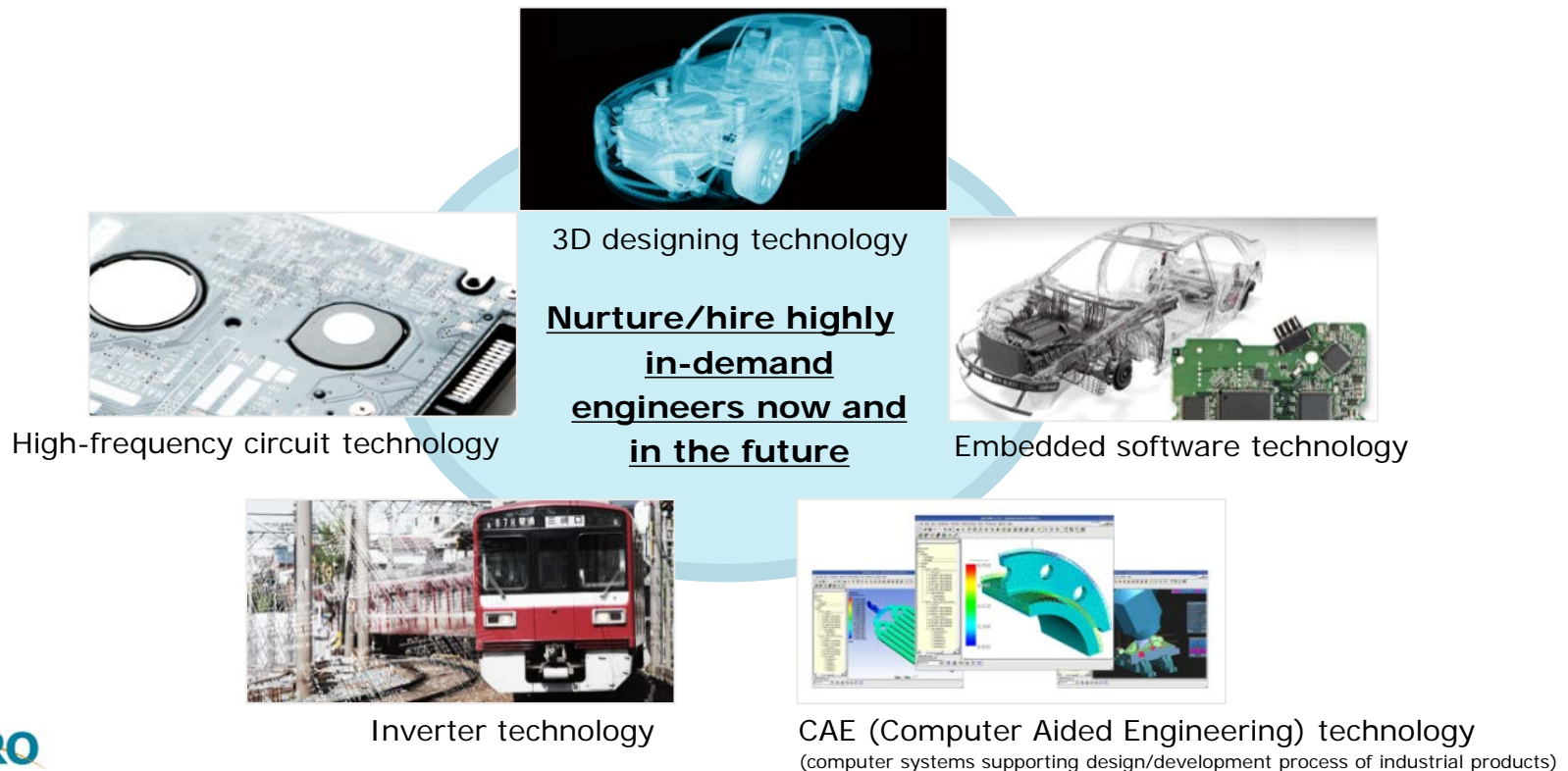
- Acquired in December 2016 (renamed from “Yasukawa Information Embedded Corp.”)
- Specialized in embedded system development, especially boasts accumulated know-how in train station service system development
- 70-80% of its business are outsourced development projects; more than half of its engineers have experience of handling projects in upper stream process



3 . M&A strategy/track record: (1) TechnoPro Embedded

- Acquire more embedded software engineers, encourage engineers' ability development
- Enhance capability of outsourced development business through working with other TechnoPro engineers as a team

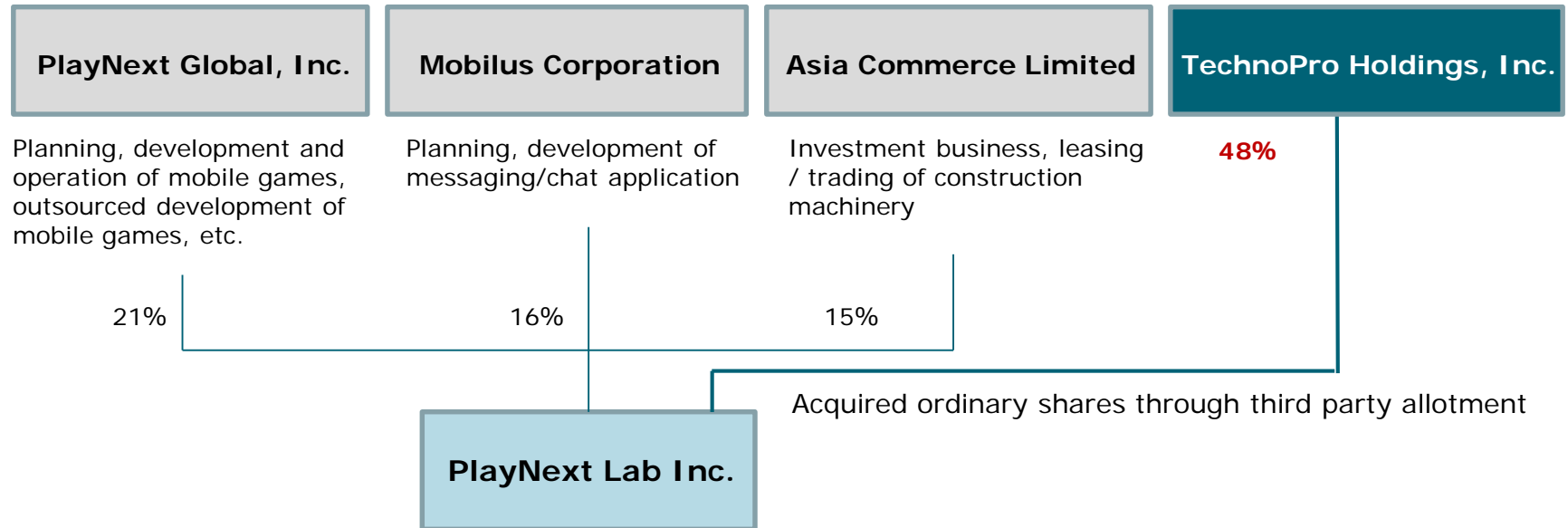
Strategically Focused Technologies



3 . M&A strategy/track record: (2) PlayNext Lab

- Made investment (48%) in October 2016

Current shareholders



MISSION

Connect Global Engineering Talent to Japan:

Establish a platform where global talents can find the chances in Japan

Technology x Entertainment:

Create the best entertainment with the power of technology

3 . M&A strategy/track record: (2) PlayNext Lab

- PlayNext Lab has both "**development expertise in web/mobile/AI field**" and "**an access to the network of non-Japanese, mainly Vietnamese, engineers** (over 60% of its engineers are non-Japanese)."



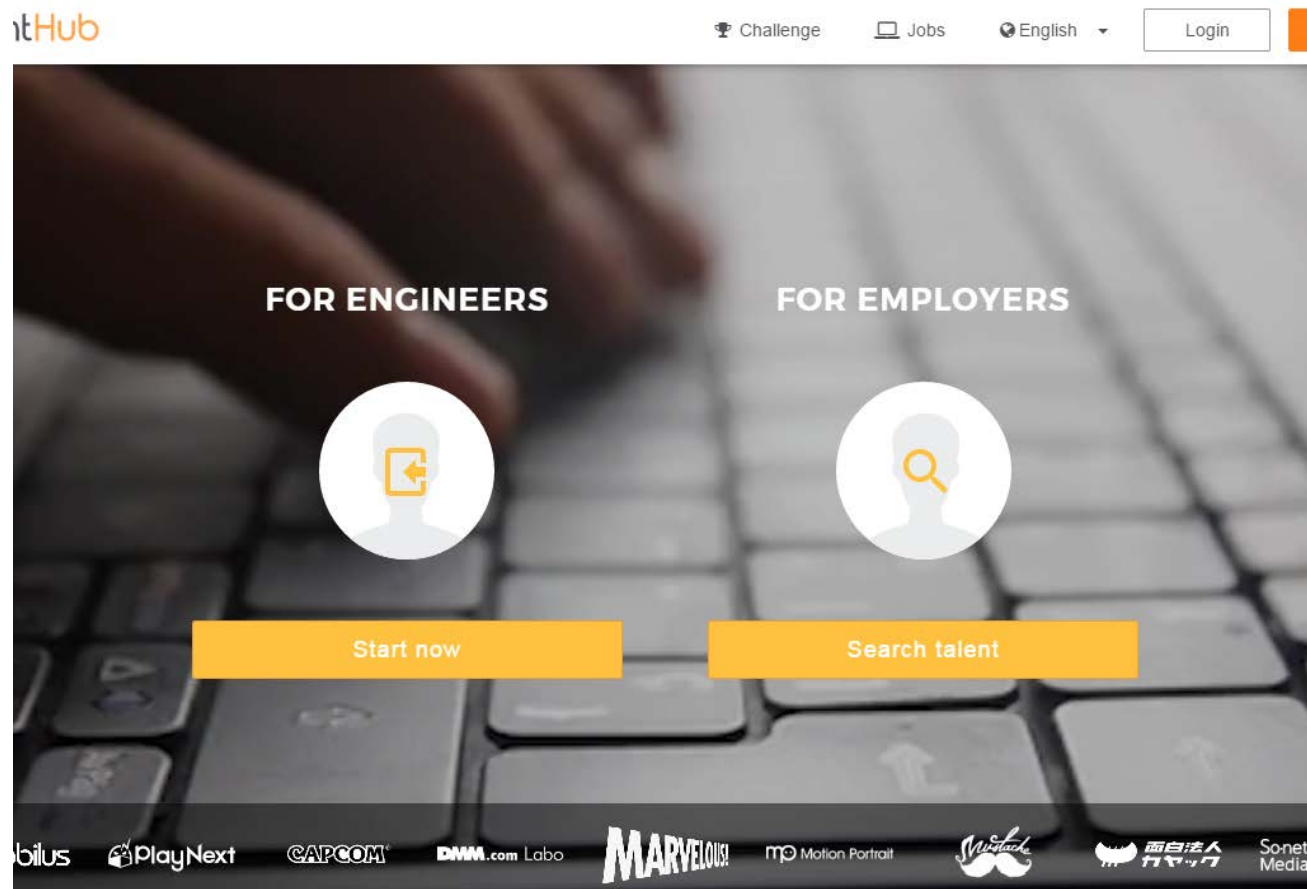
- Projects involved: over 30 projects (games, mobile development, web development: both engineer staffing and outsourced development)
- Staff from: Japan, Vietnam, Singapore, Korea, Germany, Sweden, Portugal, Russia, United States

- **Seek new business opportunities in HRTech market**
- **Expand overseas operation through hiring more non-Japanese engineers**

3 . M&A strategy/track record: (2) PlayNext Lab



- Website launch: Oct. 14, 2016
- Built as a recruiting platform to help job searching of engineers who work globally
- Attracts engineers both from Japan and overseas through hosting events like code writing contests or online hackathons*
- Provide job-opening info from Japanese firms, posted in up to three languages (JP/EN/VN)
- Users from Japan, Vietnam, Philippine, Russia, Myanmar, and several European countries are currently using the website



*hackathon: an event in which computer programmers, graphic designers and project managers involved in software development collaborate intensively on software projects.

4. Sustainability Report : Creating Shared Value

- Published "Sustainability Report 2016" in January 2017, which illustrates TechnoPro's core values/management policy, business strategies and CSR activities
- To put our "Creating Shared Value" principle in action, the report aims to convey investors the ideas about our mission in society and how we create values



Contents

Business Background and TechnoPro

- Reasons why Japanese society needs us
- Social problems to which we provide solutions

Sustained Growth Through Value Creation

- Our unique approaches / activities to provide values to society

Management Foundation Enhancement for Value Creation

- Initiatives to build business foundation where we can continue to generate values

Financial Report

- Profit brought from the consequence of our activities

5. Progress and outlook

A new medium-term management plan, which starts from FY 06/2018, to be announced at the end of July 2017 a year ahead

(JPY100 millions)	Growth 1000 (medium-term plan in progress)						
	Actual 06/2014	Actual 06/2015	06/2016	...	06/2018	Actual 06/2016	Guidance 06/2017
Revenue	741	812	880		1,000	903	980
OP	56	72	81		100	84	91
Net profit	40	68	76		70	73	77
ROE	31%	37%	32%		>20%	32%	—
ROE (after normalization)*	21%	23%	21%		—	22%	—
D/E ratio			0.4 – 0.8x			0.7x	—
Payout ratio (plan)			Keep 50%			51.7%	50%

*Profit before taxes x (1-35%)

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