

October 31, 2017

To Whom It May Concern,

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)

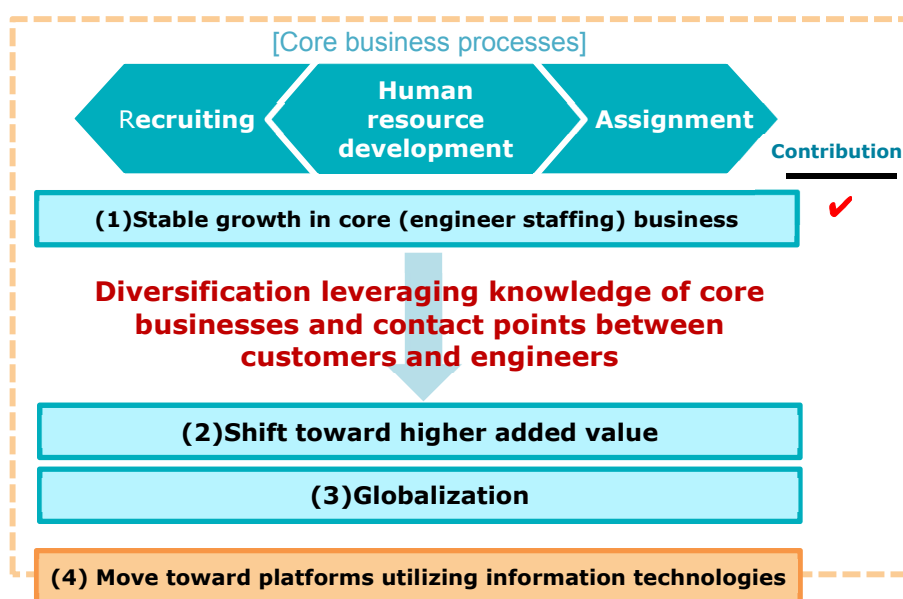
Announcement Concerning Acquisition of Common Shares of EDELTA Co., Ltd. by TechnoPro Holdings Consolidated Subsidiary (Sub-Subsidiary Company)

At a meeting held October 31, 2017, the TechnoPro Holdings, Inc. board of directors resolved to allow its consolidated subsidiary TechnoPro, Inc. to acquire 100 percent of the outstanding common shares of EDELTA Co., Ltd. This acquisition will make EDELTA a subsidiary of TechnoPro and a sub-subsidiary of TechnoPro Holdings.

1. Purpose of Acquisition

TechnoPro Holdings built its growth strategy, including creating stable growth in core business (engineer staffing) and generating higher added-value engineer business, in the medium-term management plan announced July 31, 2017. The purpose of this acquisition is to contribute to this growth strategy by incorporating the growth driver represented by IT engineers, leading to strengthening TechnoPro's capability to answer the needs of clients in an environment in which the demand for engineers is much larger than their supply.

EDELTA boasts more than 240 IT engineers in Tokyo and Yokohama. While most of this workforce consists of younger professionals, net sales per engineer is an average ¥640,000 per month. TechnoPro intends to create synergies combining EDELTA with TechnoPro's 1,900-firm strong client base and human resources training infrastructure (TechnoPro Learning, Win Schools, etc.). Currently, TechnoPro expects this acquisition to contribute steady consolidated profits by normalizing EDELTA's earnings.



2. Overview of New Sub-Subsidiary (EDELTA Co., Ltd.)

- (1) Company Name EDELTA Co., Ltd.
- (2) Head Office 2-4-1 Nishi Shinjuku, Shinjuku, Tokyo
- (3) Representative (Name, Title) Katsuhiko Otani, representative director and president
- (4) Business Lines Systems integration and packaged product sales
- (5) Capital ¥10 million
- (6) Established April 27, 1984
- (7) Major Shareholders and Ownership Ratios Katsuhiko Otani (100%)
- (8) Relationship between TechnoPro Holdings and EDELTA No equity, personal, or business relationships exist between TechnoPro Holdings and EDELTA.

(9) EDELTA Business Performance and Financial Condition for the Most-Recent Three Years

Fiscal Year	March 2015	March 2016	March 2017
Net Assets	¥321 million	¥372 million	¥389 million
Total Assets	¥1,411 million	¥1,587 million	¥1,590 million
Net Assets per Share	¥1,609 thousand	¥1,864 thousand	¥1,946 thousand
Net Sales	¥1,980 million	¥2,113 million	¥1,967 million
Operating Profit	¥75 million	¥77 million	¥26 million
Ordinary Income	¥70 million	¥71 million	¥20 million
Net Income	¥48 million	¥50 million	¥16 million
Net Income per Share	¥240 thousand	¥254 thousand	¥82 thousand
Dividends per Share	—	—	¥0

3. Overview of Seller

Name	Address
Katsuhiko Otani	Zushi City, Kanagawa Prefecture

No notable equity, personal, or business relationships exist between TechnoPro Holdings and the person identified above. The person identified above is not a related party to TechnoPro Holdings.

4. Number of acquired shares, acquisition price, and ownership ratios before and after acquisition

- (1) No. of shares owned before transfer 0 shares
(Voting shares: 0 shares)
(Ownership ratio: 0%)
- (2) No. of shares to be acquired 200 shares (Acquirer: TechnoPro, Inc.)
(Voting shares: 200 shares)
(Ownership ratio: 100%)
- (3) Acquisition price Acquisition price not disclosed per confidentiality agreement signed with the selling party.
- (4) No. of shares owned after transfer 200 shares
(Voting shares: 200 shares)
(Ownership ratio: 100%)
- (5) Purchase price calculation method After due diligence performed by outside experts (finance, tax, law), Enterprise value was assessed according to EBITDA valuation multiple and other methods calculated using on normalized earnings. Net Debt was evaluated based on an assessment of non-operating assets, interest-bearing debt and debt-like items. Based on these valuations and prudent discussions, purchase price was finalized within the valuation range provided by outside experts.

5. Schedule

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|-------------------------|------------------|
| (1) Board Resolution | October 31, 2017 |
| (2) Agreement Date | October 31, 2017 |
| (3) Stock Transfer Date | October 31, 2017 |

6. Future Outlook

With this acquisition of stock, TechnoPro expects to reflect approximately ¥1.0 billion in net sales and approximately ¥80 million in operating income in its consolidated P&L in this fiscal year. TechnoPro has not revised earnings guidance, as this transaction will not have a material impact on consolidated earnings for the fiscal year ending June 2018.

(Reference) FYE June 2018 Earnings Guidance (published July 31, 2017) and Consolidated Earnings for the Prior Fiscal Year

(Units: ¥ millions)				
	Revenue	Operating profit	Profit before income taxes	Net profit attributable to owners of the parent company
FY Ended June 30, 2018 (Guidance)	109,000	10,600	10,500	7,600
FY Ended June 30, 2017	100,095	9,647	9,559	7,717

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.