



March 19, 2018

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 Techno Live Co., Ltd. by TechnoPro Holdings Consolidated Subsidiary (Sub-Subsidiary Company)

On March 19, 2018, the TechnoPro Holdings, Inc. board of directors resolved via written resolution (based on the provisions of Article 370 of the Companies Act) to allow its consolidated subsidiary TechnoPro, Inc. to acquire 100 percent of the outstanding common shares of Techno Live Co., Ltd. This acquisition will make Techno Live a subsidiary of TechnoPro and a sub-subsidiary of TechnoPro Holdings.

### 1. Purpose of Acquisition

TechnoPro Holdings has identified stable growth in core (engineer staffing) business as one growth strategy in the company's new medium-term management plan as published July 31, 2017. As Techno Live employs engineers skilled in a variety of technical fields (mechanical engineering, electrical engineering, embedded systems, IT, etc.), this acquisition is expected to grow the core business of TechnoPro Holdings.

Techno Live employs nearly 170 engineers in Hiroshima and Tokyo, including numerous engineers with experience in embedded systems, CAE analysis, and other high-potential fields. The TechnoPro Group plans to strengthen training and improve unit sales prices at Techno Live. At the same time, the group will review the Techno Live cost structure to improve margins and increase the Techno Live profit contribution to TechnoPro Holdings consolidated earnings.

### 2. Overview of New Sub-Subsidiary (Techno Live Co., Ltd.)

- (1) Company Name Techno Live Co., Ltd.
- (2) Head Office 6-10 Hatchobori, Naka-ku, Hiroshima City, Hiroshima
- (3) Representative (Name, Title) Satoshi Ogawa, representative director and president
- (4) Business Lines Technology development support, contract development services, systems development
- (5) Capital ¥35 million
- (6) Established November 6, 2009
- (7) Major Shareholders and Ownership Ratios FREESTYLE CO., LTD. (100.0%)
- (8) Relationship between TechnoPro Holdings and Techno Live No equity, personal, or business relationships exist between TechnoPro Holdings and Techno Live.

#### (9) Techno Live Business Performance and Financial Condition for the Most-Recent Three Years

Fiscal Year	August 2015	August 2016	August 2017
Net Assets	¥32 million	¥68 million	¥75 million
Total Assets	¥261 million	¥245 million	¥290 million
Net Assets per Share	¥16,259	¥13,652	¥15,137
Net Sales	¥561 million	¥700 million	¥871 million
Operating Profit	¥10 million	¥10 million	¥12 million
Ordinary Income	¥9 million	¥7 million	¥9 million
Net Income	¥7 million	¥5 million	¥7 million
Net Income per Share	¥3,547	¥1,148	¥1,485

### 3. Overview of Seller

(1) Company Name	FREESTYLE CO.,LTD.
(2) Head Office	9-14-15-212 Kameido, Koto-ku, Tokyo
(3) Representative (Name, Title)	Masayuki Shirakura, representative director and president
(4) Business Lines	Management consulting, payroll processing, year-end tax adjustments, accounting services, and other general administration contracting
(5) Capital	¥95 million
(6) Established	June 9, 2011
(7) Major Shareholders and Ownership Ratios	Satoshi Ogawa (100.0%)
(8) Relationship between TechnoPro Holdings and FREESTYLE	No equity, personal, or business relationships exist between TechnoPro Holdings and FREESTYLE. FREESTYLE 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	5,000 shares (Acquirer: TechnoPro, Inc.) (Voting shares: 5,000 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	5,000 shares (Voting shares: 5,000 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

(1) Board Resolution	March 19, 2018
(2) Agreement Date	March 19, 2018
(3) Stock Transfer Date	April 2, 2018 (tentative)

### 6. Future Outlook

TechnoPro Holdings does not expect this acquisition to have a material impact on consolidated earnings for the fiscal year ending June 2018. Accordingly, the company has not revised earnings projections.

(Reference) FY2018 Earnings Guidance (published February 2, 2018) 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 Ending June 30, 2018 (Guidance)	111,500	11,100	11,000	8,100
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.