



Jun 29, 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 TOQO.Co.Ltd by TechnoPro Holdings Subsidiary (TOQO.Co.Ltd to Become Wholly Owned Subsidiary)

At a meeting held June 29, 2018, the TechnoPro Holdings, Inc. board of directors resolved to allow consolidated subsidiary TechnoPro Construction, Inc. to purchase all outstanding common shares of TOQO.Co.Ltd, making TOQO a wholly owned subsidiary of TechnoPro Construction.

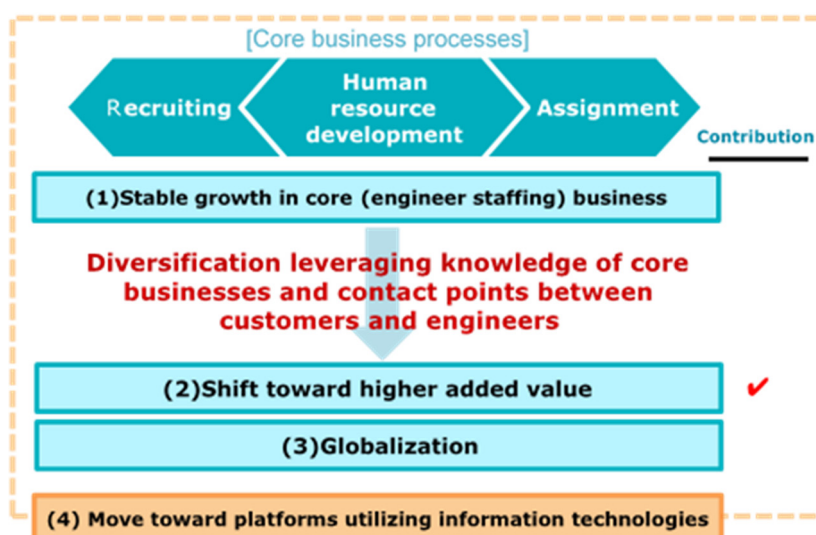
### 1. Purpose of the Acquisition

TechnoPro Holdings identified the pursuit of high-value services as one growth strategy in the new medium-term management plan published July 31, 2017. The purpose of this acquisition is to diversify outside our core construction management services in the TechnoPro Holdings Group construction business, as well as to raise the level of added value offered by group engineers.

The target of this acquisition, TOQO.Co.Ltd, operates locations in Aichi, Mie, Tokyo, and Osaka, performing surveys, seismic diagnosis, design, and supervision as core services in the renovation construction field. TOQO employs 35 engineers, 22 of whom have certifications, including 15 first-class architects (three of whom are structural design first-class architects). The company boasts a high-margin structure, providing services ranging from surveys to design in-house.

Once TOQO becomes part of the TechnoPro Holdings Group, we intend to expand the TOQO business (particularly in areas around Tokyo and Osaka), cross-selling services through the unique TechnoPro Construction sales channels, while leveraging the nationwide TechnoPro Construction engineer and hiring resources to increase the number of engineers between TechnoPro Construction and TOQO. TechnoPro Construction will take advantage of TOQO expertise to bolster the construction development center, improving group technological capabilities and engineer training in the renovation construction field.

### Role of the Acquisition in TechnoPro Holdings Strategy



## 2. Overview of New Wholly Owned Subsidiary (TOQO.Co.Ltd)

- (1) Company Name TOQO.Co.Ltd
- (2) Head Office 4-1111 Manba, Nakagawa-ku, Nagoya City
- (3) Representative (Name, Title) Hirofumi Fujii, Executive Chairman
- (4) Business Lines Assessment of existing buildings; existing building repair design and supervision ; new construction design and supervision; real estate brokerage; other surveys, inspection, and measurement
- (5) Capital 10 million yen
- (6) Established January 29, 1992
- (7) Major Shareholders and Ownership Ratios Hirofumi Fujii (100.0%)
- (8) Relationship between TechnoPro Holdings and TOQO.Co.Ltd No equity, personal, or business relationships exist between TechnoPro Holdings and TOQO.Co.Ltd
- (9) TOQO.Co.Ltd Business Performance and Financial Condition for the Most-Recent Three Years

Fiscal Year	March 2016	March 2017	March 2018
Net Assets	¥506 million	¥571 million	¥604 million
Total Assets	¥594 million	¥679 million	¥701 million
Net Assets per Share	¥2,533,838	¥2,857,928	¥3,024,658
Net Sales	¥726 million	¥719 million	¥727 million
Operating Profit	¥96 million	¥104 million	¥76 million
Ordinary Income	¥102 million	¥109 million	¥80 million
Net Income	¥71 million	¥72 million	¥68 million
Net Income per Share	¥357,312	¥364,090	¥342,567

## 3. Overview of Seller

Name	Address
Hirofumi Fujii	Inabe City, Mie 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 Construction, Inc.)  
(Voting shares: 200 shares)  
(Ownership ratio: 100%)
- (3) Acquisition Price Acquisition price not disclosed according to non-disclosure agreement executed at the request of seller.
- (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 assigned according to the EBITDA valuation multiple and other methods calculated using normalized earnings.  
Net debt was calculated based on an assessment of non-operating assets, interest-bearing debt, and debt-like items. The acquisition price was determined after careful discussions reflecting the facts presented above.

## 5. Schedule

- (1) Board Resolution            June 29, 2018
- (2) Agreement Date            June 29, 2018
- (3) Share Transfer Date        July 20, 2018 (tentative)

## 6. Future Outlook

TechnoPro Holdings plans to publish FYE June 2019 consolidated forecasts reflecting this share purchase in late July 2018.

(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