



October 10, 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 Orion Managed Services Limited

On October 10, 2018, the TechnoPro Holdings, Inc. acquired 60.0 percent of the shares issued and outstanding of Orion Managed Services Limited (“Orion”, hereinafter), which will become a subsidiary of TechnoPro Holdings, is a staffing and permanent recruitment company operating in the United Kingdom.

1. Purpose of the Acquisition

TechnoPro Holdings has identified globalization as one of the growth strategies in the company’s new medium-term management plan as published July 31, 2017. The two aspects of globalization are (1) providing stronger support for local Japanese-affiliated companies and (2) leveraging the use of non-Japanese engineers. The key to this strategy is to acquire overseas bases, including management teams, sales consultants and engineers through M&A, and to promote the development of alliances with TechnoPro’s other subsidiaries.

In March 2018, TechnoPro acquired Helius Technologies Pte Ltd based in Singapore, India and Malaysia to expand into Southeast Asia and South Asia. Expansion into Europe for the first time will be realized through the acquisition of Orion. Orion, trading as Orion Electrotech, provides technical staffing and permanent recruitment services to the engineering, manufacturing, utilities and construction sectors. Orion has approximately 800 engineers / qualified technical professionals on contract placement with large blue chip and small-medium-enterprise clients in the UK. Orion has developed the following key commercial strengths:

1. Sector focused consultant teams with niche sector expertise and networks
2. High net fee income per sales consultant of £176k
3. Over 50% of net fee income is generated from the engineering sector
4. Strong focus on compliance and business processes to deliver operating efficiencies

TechnoPro will work with the Orion Executive Management Team post-deal to explore the following potential synergy opportunities:

- ✓ Delivery of technical recruitment services to Japanese companies operating in the U.K.
- ✓ Delivery of technical recruitment services Orion’s clients with operations in Japan and Asia
- ✓ Collaboration between Orion with TechnoPro’s subsidiaries in India to leverage resourcing capabilities and to identify Asian engineering talent for deployment in the UK market

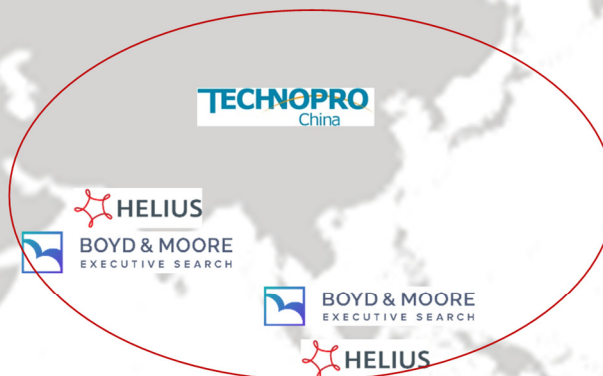
TechnoPro is driving growth towards becoming a *global human resource services company with technology at its core*.

■ TechnoPro group outside of Japan

Expand business
in Europe



Expand business in Asia



2. Overview of Orion Managed Services Limited

- (1) Company Name Orion Managed Services Limited
- (2) Head Office 9 Bell Business Park, Smeaton Close, Aylesbury, Buckinghamshire, HP19 8JR, UK
- (3) Director Names
 - Christopher Benham
 - John Waters
- (4) Business Lines Engineering, manufacturing, utilities and construction related staffing and permanent recruitment services
- (5) Capital 2,922,498 GBP
- (6) Established Corporate entity incorporated April 23rd 2014 (Orion business founded in 1996)
- (7) Relationship between TechnoPro Holdings and Orion No equity, personal, or business relationships exist between TechnoPro Holdings and Orion
- (8) Orion's Business Performance and Financial Condition for the Most-Recent Three Years

(GBP thousands [JPY millions*], except per share data)

| Fiscal Year | March 2016 | March 2017 | March 2018 |
|------------------------|----------------|----------------|----------------|
| Net Assets | 2,759 [400] | 2,323 [344] | 2,596 [384] |
| Total Assets | 7,894 [1,168] | 6,267 [928] | 5,776 [855] |
| Net Sales | 27,472 [4,066] | 26,060 [3,857] | 26,957 [3,990] |
| EBITDA [†] | 1,608 [238] | 1,915 [283] | 2,044 [302] |
| Income before Taxes | 822 [122] | 1,121 [166] | 1,243 [184] |
| Net Income | 510 [75] | 740 [110] | 852 [126] |
| Net Income per Share** | 0.2 [25.8] | 0.3 [37.5] | 0.3 [43.2] |

[†] Earnings before interest, tax, depreciation and amortization

* Calculated at GBP1 = JPY148

** GBP [JPY]

3. Overview of the Sellers

| Name | Country |
|--------------------|----------------|
| Christopher Benham | United kingdom |
| John Waters | ditto |
| Paul Ridley | ditto |
| Ross Benham | ditto |

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

4. Number of Acquired Shares, and Ownership Ratios Before and After Acquisition

- (1) No. of shares owned before acquisition 0 shares
(Voting shares: 0 shares)
(Ownership ratio: 0%)
- (2) No. of shares to be acquired 1,753,499 shares (acquirer: TechnoPro Holdings, Inc.)
(Voting shares: 1,753,499 shares)
(Ownership ratio: 60.0%)
- (3) No. of shares owned after acquisition 1,753,499 shares
(Voting shares: 1,753,499 shares)
(Ownership ratio: 60.0%)
- (4) Purchase price calculation method After due diligence performed by outside experts (finance, tax, law), enterprise value was reviewed according to the EBITDA multiple method, etc. Working Capital and Net debt were also valued. After a comprehensive review of each factor, the purchase price has been determined through negotiation with the sellers' exclusive M&A advisors Boxington Corporate Finance Limited.

5. Schedule

- (1) Board Resolution October 4, 2018
- (2) Signing Date October 8, 2018
- (3) Completion Date October 10, 2018

6. Future Outlook

TechnoPro Holdings does not expect this M&A deal to have a material impact on its consolidated earnings for the fiscal year ending June 2019. Accordingly, the company has not revised its earnings projections.

(Reference) FY2019 Earnings Guidance (published July 31, 2018) and Consolidated Earnings for the Prior Fiscal Year
(Units: JPY millions)

| | Revenue | Operating profit | Profit before income taxes | Net profit attributable to owners of the parent company |
|--------------------------------|---------|------------------|----------------------------|---|
| FY Ending June 2019 (guidance) | 135,000 | 13,500 | 13,500 | 8,900 |
| FY Ended June 2018 | 116,529 | 11,238 | 11,163 | 8,498 |

Note

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