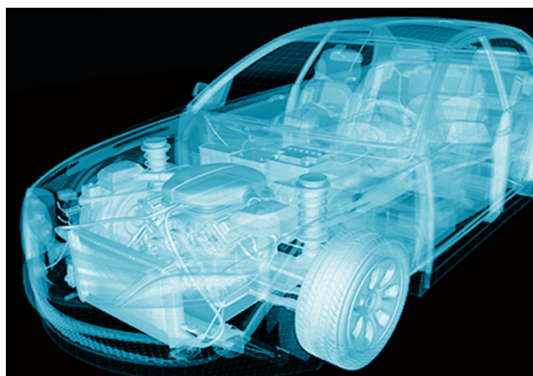


TechnoPro Holdings, Inc.

Corporate Information (Consolidated edition)



Contents

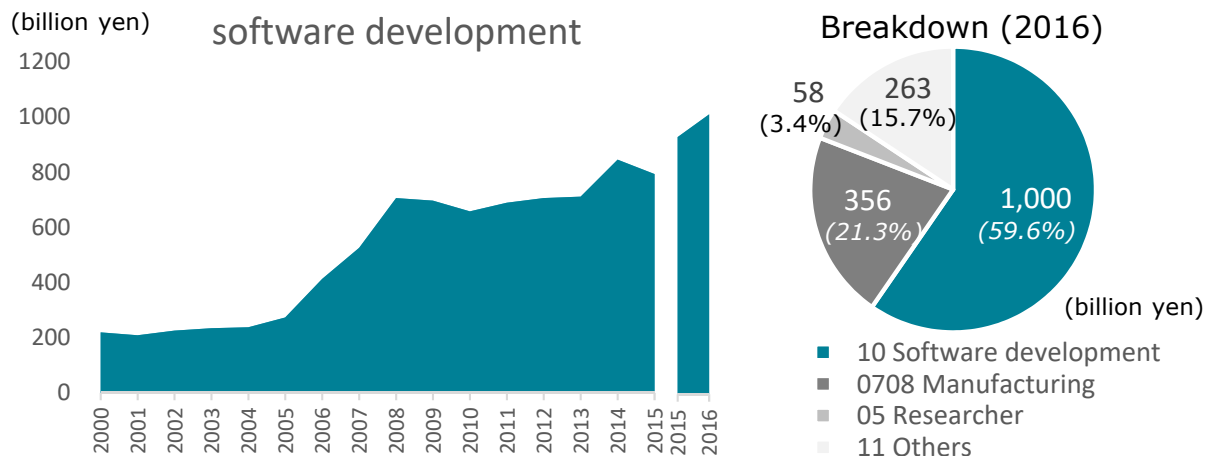
	Page
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III : Mid-term plan –progress and outlook-	28
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Engineer Staffing Market Overview

- Estimated the whole staffing market size is about 6.6 trillion yen. (2016)
Engineer staffing market size (including manufacturing engineers) is about 1.7 trillion yen, about 250,000 people.
- Steady economic growth of this market is forecasted because of the increasing of R&D and Software demand.

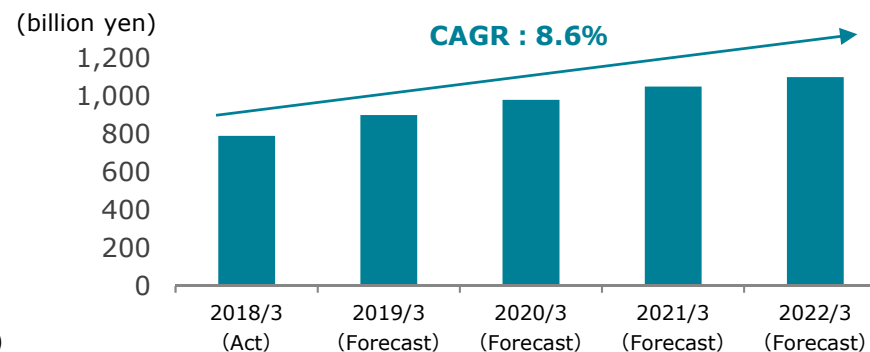
1. Transition of engineer staffing market size

Source: TechnoPro estimates based on the data researched by Ministry of Health, Labor and Welfare.



2. Forecast of engineer staffing market size

Source: Yano Research Institute Ltd., "Human Resources Business 2018"

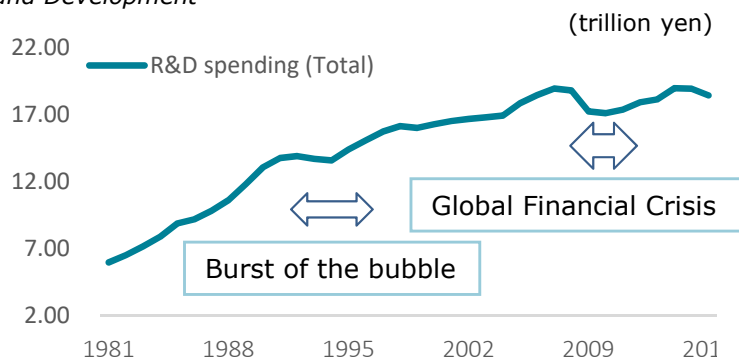


Notes:

- The market size is based on the sales of the businesses.
- The forecast is as of October 2018.

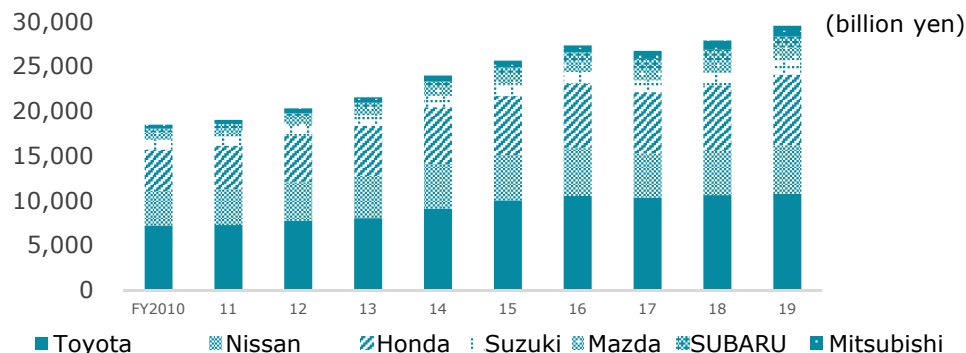
3. Transition of R&D spending in Japan

Source: Ministry of Internal Affairs and Communications statistics Bureau,
Survey of Research and Development



4. R&D spending trend of seven major auto companies in Japan

Source: The Nikkei

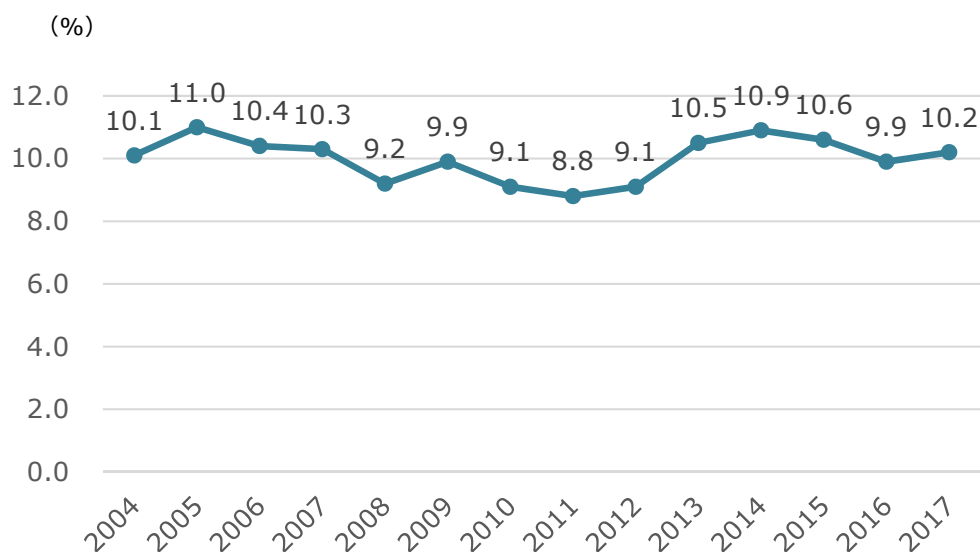


Background of Engineer Staffing Market Growth and our strengths – 1. Mid career market

- The turnover ratio in Japan remains around 10% which shows career-change market has a certain scale
- While the life-time employment/seniority wage system firmly remains in Japan, the number of mid-career recruitment by blue-chip companies is limited due to the gap between productivity and salary

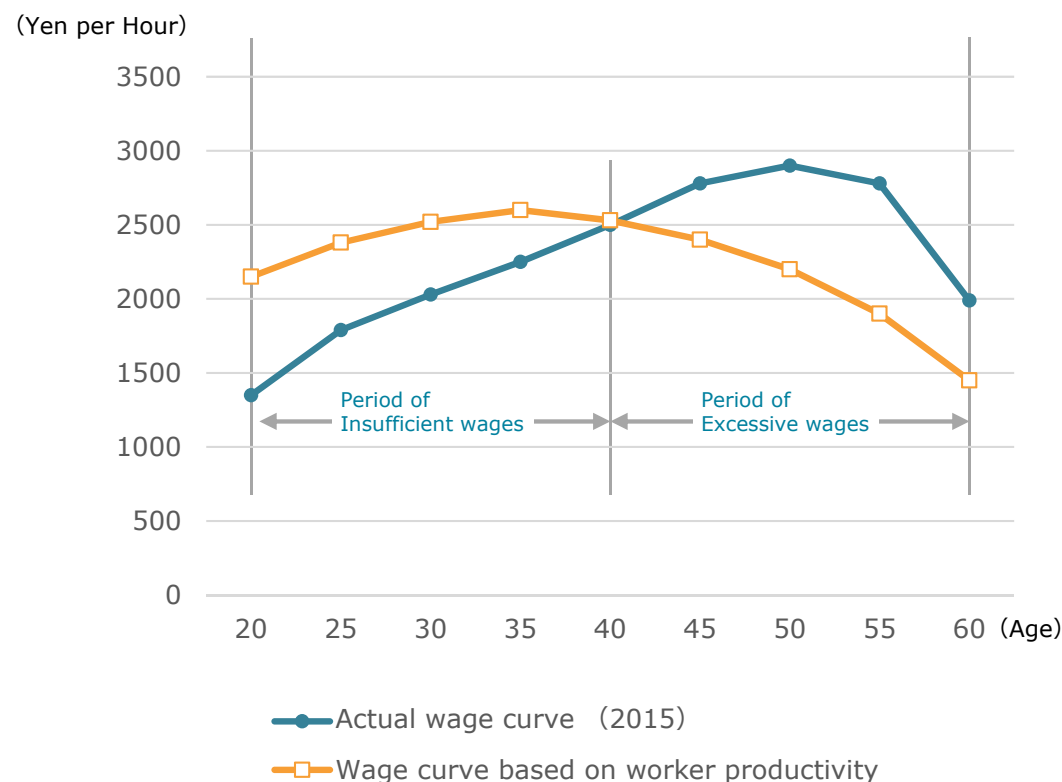
1. Turnover ratio in Japan

Source: "Employment Trends Survey",
Ministry of Health, Labour and Welfare



2. Seniority-Based Wages and Wages based on Work Productivity (Hourly)

Source: "Equity Research Reprinted Report", May 1, 2017,
Investment Information Department, Mitsubishi UFJ Morgan
Stanley Securities Co., Ltd.



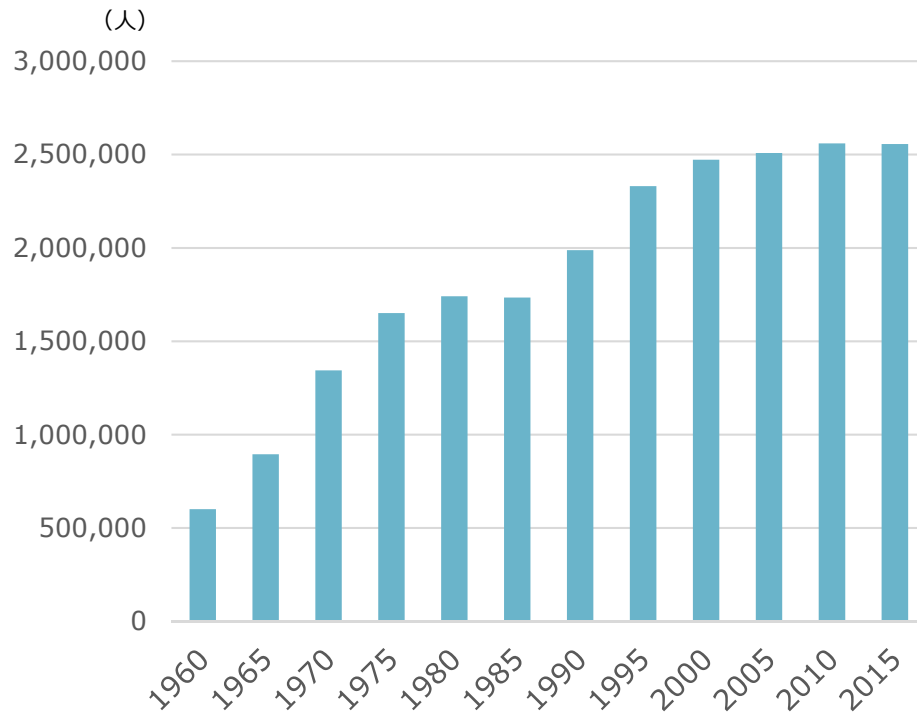
Appendix: Background of Engineer Staffing Market

Growth and our strengths – 2. New grads market

- While the young population is shrinking, the number of university graduates is slightly increasing because of higher university entrance rate.
- New grads tend to focus on blue-chip companies while such companies have limited number of openings for them

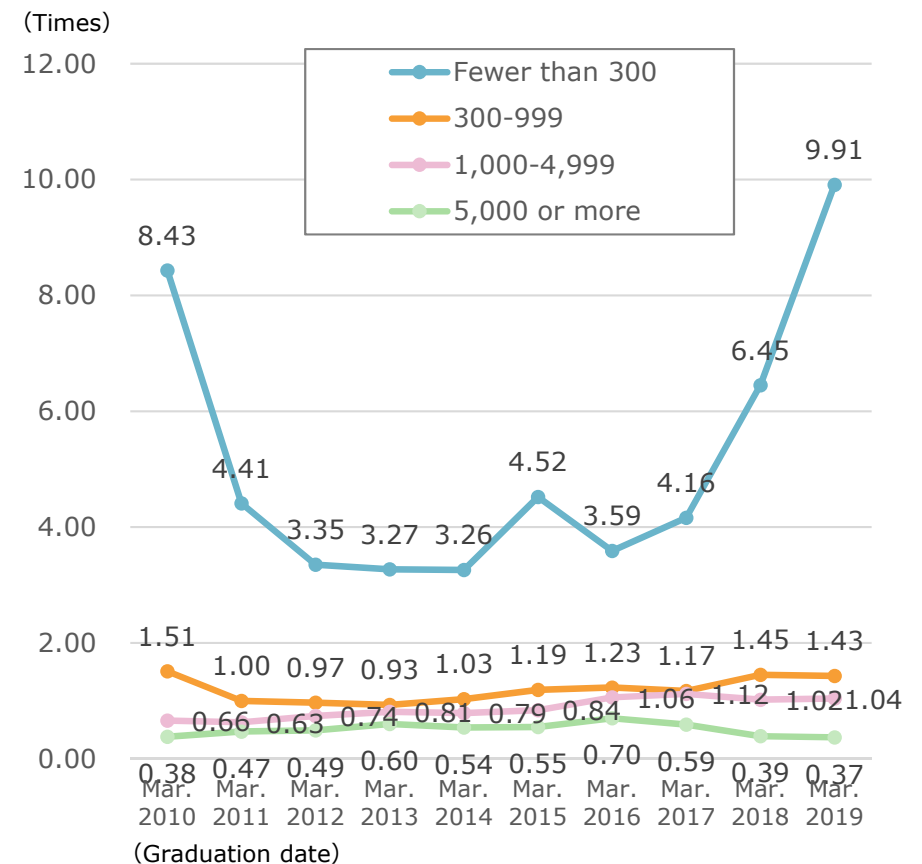
3. No. of university grads

Source: "Handbook of Education and Science statistics",
Ministry of Education, Culture, Sports, Science and Technology



4. Job-to Applicants Ratio, by Scale Based on Number of Employees

Source : "34th College Graduates Job Opening Survey",
Recruit Works Institute

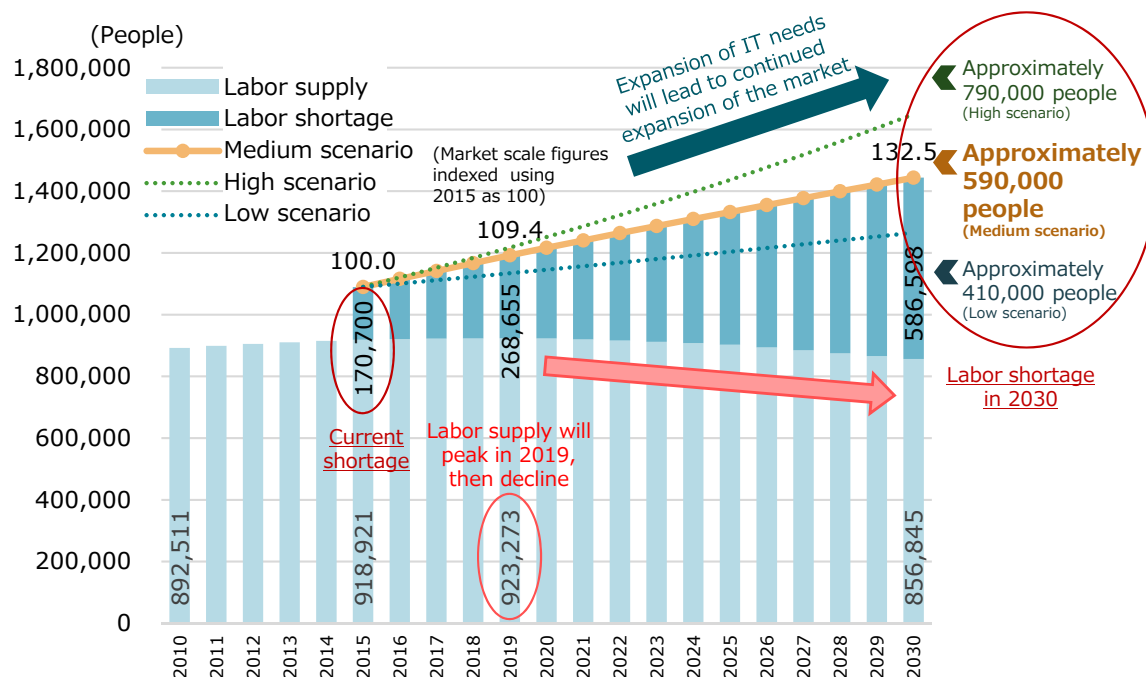


Background of Engineer Staffing Market Growth and our strengths – 3. Growing demand

- IT-related company is highly competitive because of a huge demand-supply mismatch in the IT sector
- Weakening demand for engineers with the spread of AI will be more than offset by the new demand for engineers

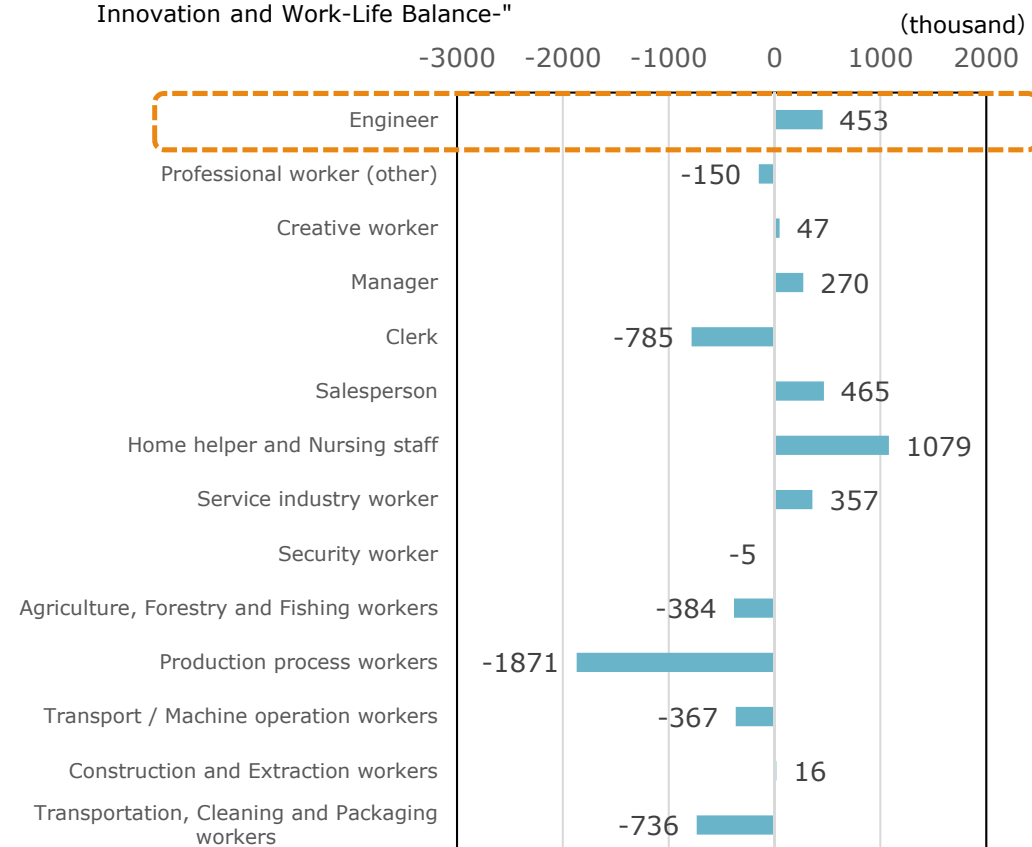
5. IT Staff Shortage Projections

Source: Ministry of Economy, Trade and Industry, *Study of Recent Trends and Future Estimates Concerning IT Human Resources*



6. Shift in workforce due to progression of AI

Source: Ministry of Health, Labour and Welfare, Labor economy white paper in 2017 "Analysis of Labor Economy - Issues for Promotion of Innovation and Work-Life Balance-"



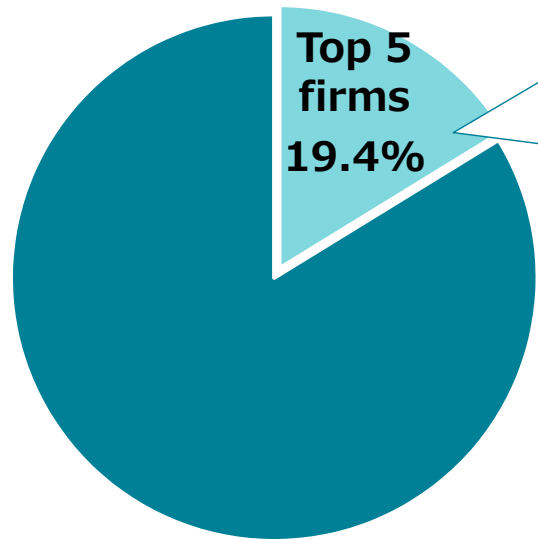
Note: Estimated numbers comparing 2015 and 2030

Engineer Staffing Market

- The top five firms occupy 19.4% share of the engineer staffing market.
- Leading two firms have predominant share among the top five firms.
- **TechnoPro Group became number-one in FY2016.**

Engineer staffing market

1.7trillion yen (2016)*



* Source: TechnoPro estimates based on the data researched by Ministry of Health, Labor and Welfare.

Top 5 Firms in the Engineer staffing sector

Rank	Company	Revenue (million yen)	Share**
1	TechnoPro Group (consolidated)	116,529	6.9%
2	Meitec (consolidated)	93,618	5.5%
3	Outsourcing (domestic technologies)	51,264	3.0%
4	Forum Engineering	34,500	2.0%
5	Trust Tech	33,573	2.0%
Top 5 total		329,484	19.4%

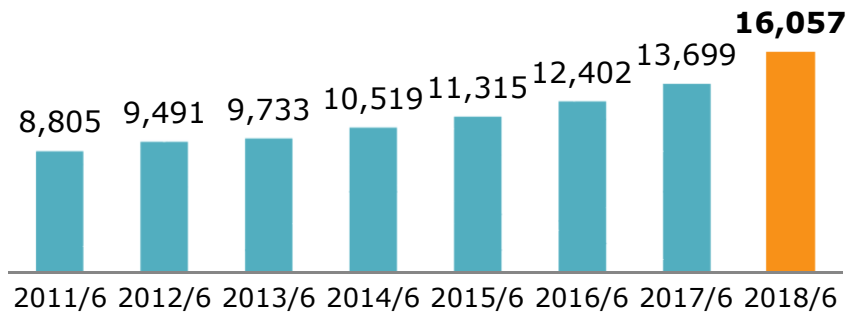
** Source: The figures are calculated and prepared by TechnoPro based on Yano Research Institute Ltd and individual company's data released on the IR materials

Corporate Overview The Largest Engineer Staffing Company in Japan*

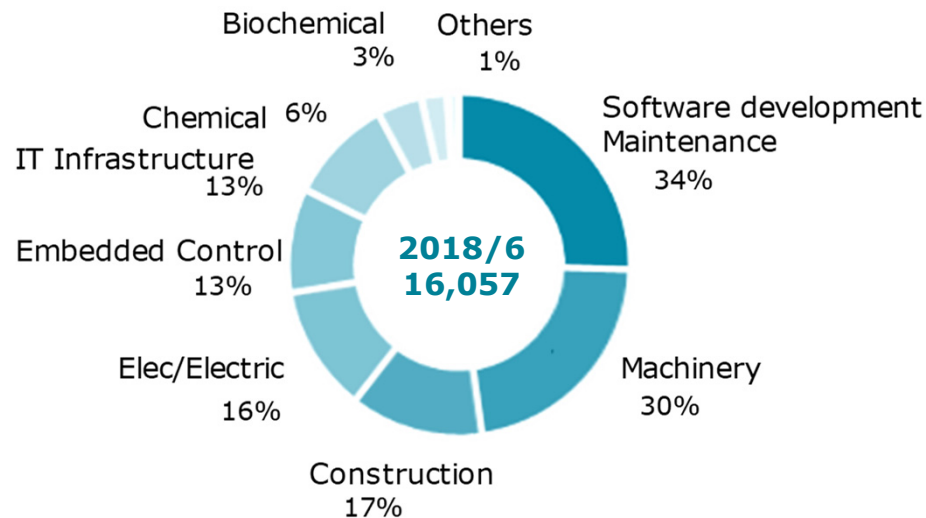
*16,797 engineers as of June 30th, 2018. full-time employees:89%

① The largest engineer base and broadest technological domains covered in Japan

Number of assigned engineers



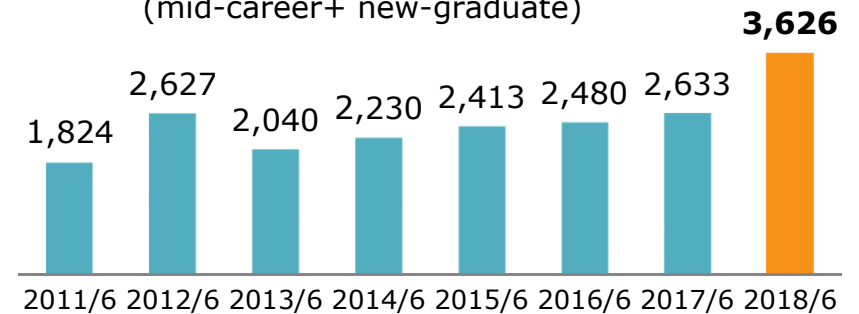
Breakdown of Assigned Engineers by Technological Domains



② Unparalleled recruiting capability supported by in-house recruiters

Recruiting **more than 2,000 Engineers** every year

Number of recruited engineers
(mid-career+ new-graduate)



* The total of recruited engineers in the Japanese subsidiaries, excluding M&A

③ Strong sales capability creates broad customer base

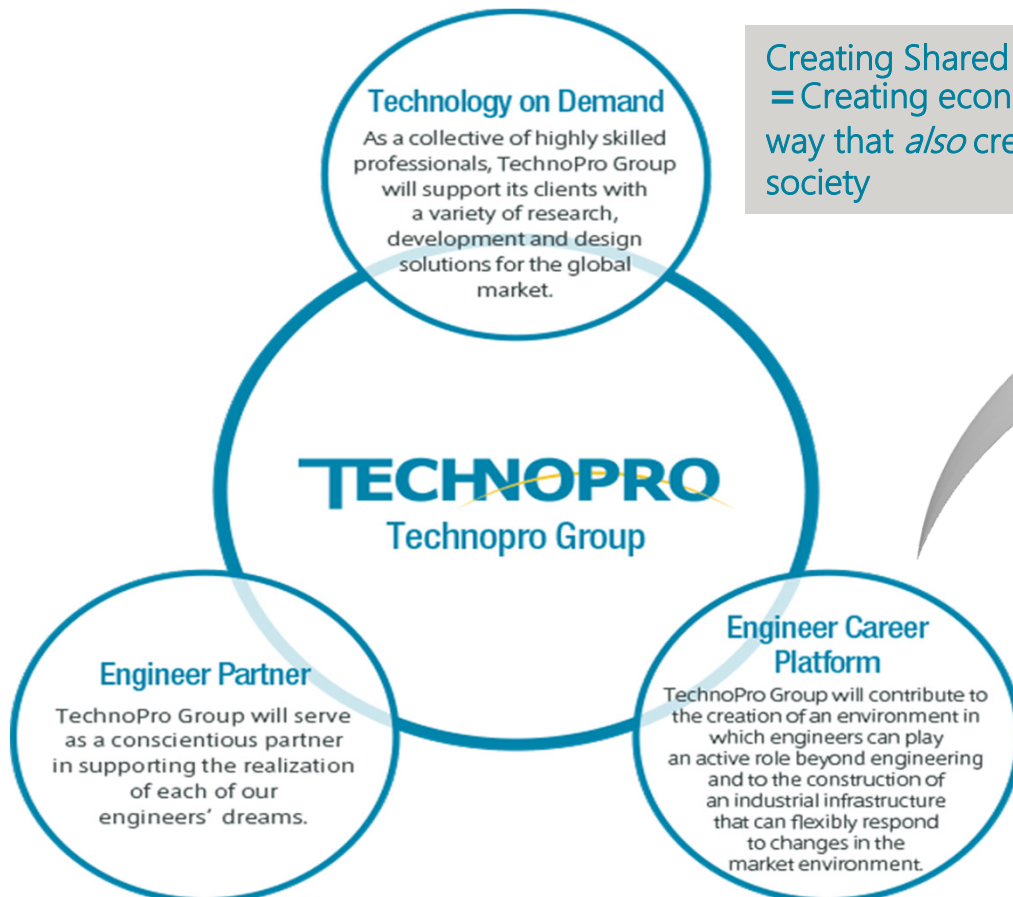
2,030 customers as of Jun. 2018

			Sales of JPY 1 tn. or more	Contract period with over 10 years
1	Electronics/SIer	Listed	○	○
2	Electronics/SIer	Listed	○	○
3	Electronics/SIer	Listed	○	○
4	Transportation	Listed	○	○
5	Transportation	Listed	○	○
6	Transportation	Listed	○	○
7	Electronics/SIer	Listed	○	○
8	Transportation	Listed	○	○
9	Construction	Non-listed	○	○
10	Electronics	Listed	○	○

Group Vision and ESG

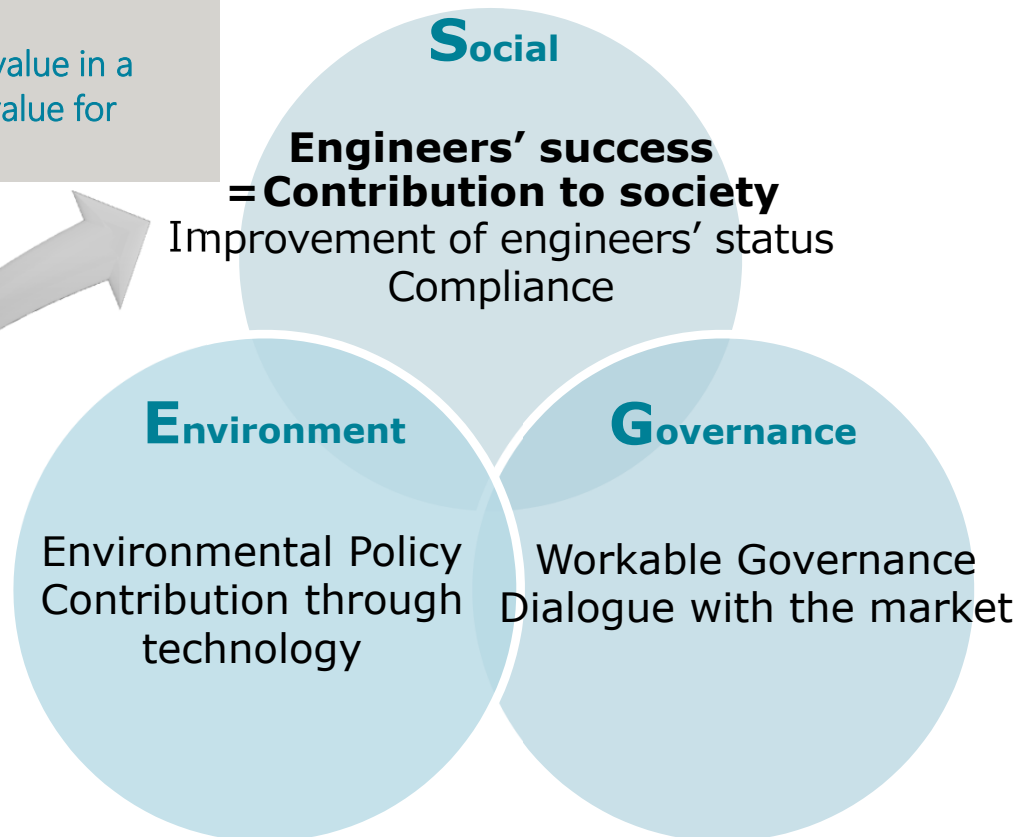
- We have set our Group Vision and shared it with all employees.
- Our mission is to contribute to “Technology-oriented nation Japan” through engineers’ success.
- Based on the philosophy of “Creating Shared Value” , we focus on **contributing to society through our business itself**.

TechnoPro Group Vision



Creating Shared Value
= Creating economic value in a way that *also* creates value for society

About ESG



Social -Sustainability-

Compliance

Responsibility as the industry-leader

■ To provide various information for customers for free

- To hold the compliance seminars twice a year.
- To hold the client seminars twice a year.
- To provide dispatch law updates on the client's offices on request.
To provide "Labor Administration NEWS" monthly.
- To provide support services for regulatory inspections.

■ Employees compliance education

- Weekly compliance tests
- Annual employees compliance training

■ Checking compliance system

- Detailed check of the individual contracts
- by CSR promotion Div.
- Following government inspection, we don't have to amend of labor contracts at all on FY2017.
- (on average 63.6% in FY2014)

■ Occupational safety and health

- 5 year plan on how to minimize and cope with mental stress in the work place.
- Overtime working control.
- Setting up and implementing procedures to reach our target of no accident at the work place. (construction Div.)

Human resource development

Responsibility as an employer

■ Education and training

- A leading technical education company has joined us.
- 63 training centers.
- More than 200 courses.
- The number of attendances:79,095 annually

■ Career support system

- Dedicated career advisers
- Self-realization plan(To support career change by engineers desire)
- To support acquisition of various qualifications.
- To support voluntary engineers' shop.
- Subsidy for training materials expenses.

■ Maximize employee satisfaction

- Annual survey of employee satisfaction.
- Subsidy for club activities
- Information sharing (ex. Company newsletter)

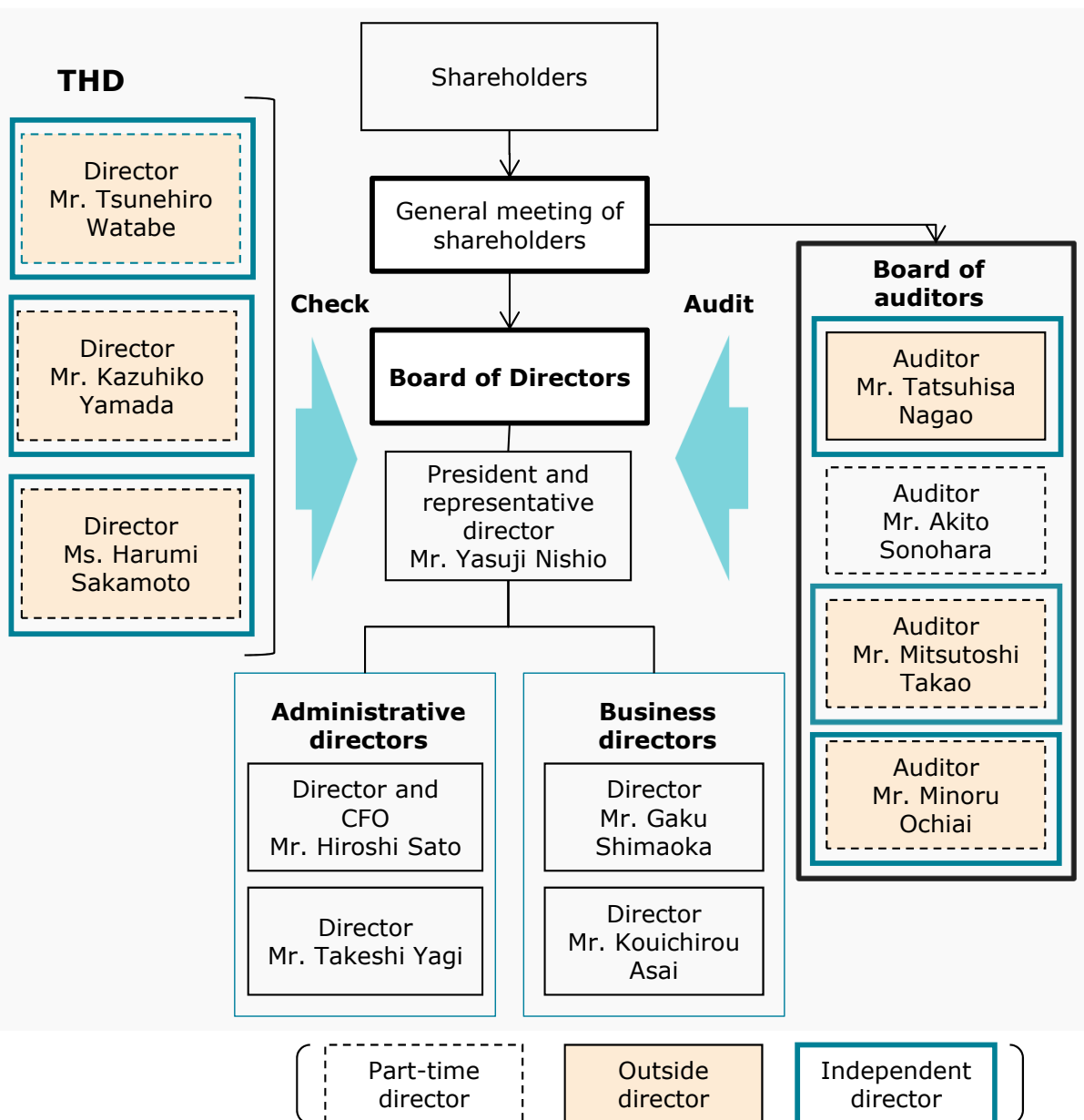
■ Diversity

- To employ overseas engineers.
- Equal opportunity of Men and Women.



Governance -Corporate Governance Structure-

Secure the functioning governance structure by mutual-check system in top management



Secure the management system to follow "Corporate Governance Code"

- Introduced the Corporate Governance Guidelines
- 3 independent outside directors out of 8
3 independent outside auditors out of 4
- Operates Nomination and Compensation Committee
- Operates Independent Executive Committee

Introduced RS

- Payment Date : October 25, 2018
 - Transfer Restriction Period : until October 24, 2021
 - Type and Number of Shares to be Issued :
Common stock 21,097 shares (dilution ratio <0.1)
 - Issuance Price : ¥ 7,060 per share
 - Total Value of Shares to be issued : ¥ 148,994,820
 - Eligible Parties (tentative) : TechnoPro Holdings & Subsidiary, Directors & Executive Officers
- Total : 26 persons

Environment -Environment policy and Disabled Persons' Employment-



Environment Policy

A peaceful and affluent modern society is a natural requirement for a free and fair marketplace in which businesses can carry out their activities and grow. As such, a stable global environment with few natural disasters and rich diversity is essential to the realization of prosperity.

Environment policy

■ Tree planting activity/Reconstruction assistance

- Relief fund-raising for Kumamoto earthquake (Nikkei newspaper)
- Tree-planting ceremony at "MILLENNIUM HOPE HILLS" in Iwanuma, Miyagi
- Tree planting "a row of millennium cherry trees" in Onagawa, Miyagi
- To join volunteer activities for reconstruction in Minami-Souma, Fukushima

■ Environmental consideration

- Paper reduction plan.
- To select energy saving offices.

■ Clean-up activities

- Volunteer activities in Sendai
- Clean beach in Hakusan, Ishikawa
- Roppongi Clean up

■ Community activities

- Support for bird watching activity
- (Roppongi Hills MACHI-IKU Project)



Disabled Persons' Employment

■ Disabled Persons' Employment

- Registered "Tokyo Foundation for Employment Services" as a company which accept disabled people internship.
- A public disabled people support center and a public unemployment office organized a study tour on TechnoPro Smile. More than 20 companies joined it.
- We opened Yokohama Service Center in December 2017 and start on-demand printing service. We plan to expand not only internal but also external demand.

We have kept the hiring rate of disabled people about 2%

June 2015 : 1.98%
June 2016 : 1.99%
June 2017 : 2.21%
June 2018 : 2.21%





TechnoPro Group Financial Results for the 1st Quarter of FYE June 2019

TechnoPro Holdings, Inc.

October 31, 2018



FY2019 Q1 Overview

- In Q1 FY2019, revenue increased JPY 6.6 billion (up 24.7%) year on year, operating profit increased JPY 670 million (up 26.7%) year on year
- Earnings from TOQO.Co.Ltd (acquisition announced on June 29, 2018) has been consolidated as of August 2018
- Earnings from Orion Managed Services Limited (acquisition announced on October 10, 2018) to be consolidated as of October 2018

(JPY in millions, except per share amounts)

	Three Months Ended					Full Year		
	Q1 FY2018 (Actual)	Progress	Q1 FY2019 (Actual)	Progress	YOY	Full Year FY2018 (Actual)	Full Year FY2019 (Guidance)	YOY
Revenue	26,726	22.9%	33,334	24.7%	+24.7%	116,529	135,000	+15.9%
Gross profit (GP)	6,340	21.5%	8,062	23.7%	+27.2%	29,475	34,000	+15.4%
GP margin	23.7%		24.2%			25.3%	25.2%	
SG&A expenses	3,841	21.1%	4,828	23.6%	+25.7%	18,237	20,500	+12.4%
Ratio on revenue	14.4%		14.5%			15.7%	15.2%	
Operating profit (OP)	2,511	22.3%	3,183	23.6%	+26.7%	11,238	13,500	+20.1%
OP margin	9.4%		9.5%			9.6%	10.0%	
Profit before income taxes	2,489	22.3%	3,162	23.4%	+27.0%	11,163	13,500	+20.9%
Net profit**	1,879	22.1%	2,082	23.4%	+10.8%	8,498	8,900	+4.7%
Net profit per share	—	—	—	—	—	244.81	245.49	—
Dividend per share (forecast)	—	—	—	—	—	120.00	123.00	—

* Amounts are rounded down to the nearest unit.

** Net profit attributable to owners of the parent company after deducting non-controlling interests

Business Line Results FY2019 Q1

- Provides earnings information (managerial) for each line of business, considering expanding business portfolio other than engineer staffing
- Contribution margin of 10.2% (9.9% year on year) in *Engineer staffing*, offset expenses related to headquarters functions provided by TechnoPro Holdings from operating profit
- Includes Boyd & Moore Executive Search in *Overseas*, as it integrally operates business with its overseas offices located in Singapore and India; in *Overseas*, profit from TechnoPro China and Helius Technologies grew steadily
- Engineers totaled 18,206: 17,212 in Japan, 994 in other countries

(JPY in millions, except headcounts and sales per head)

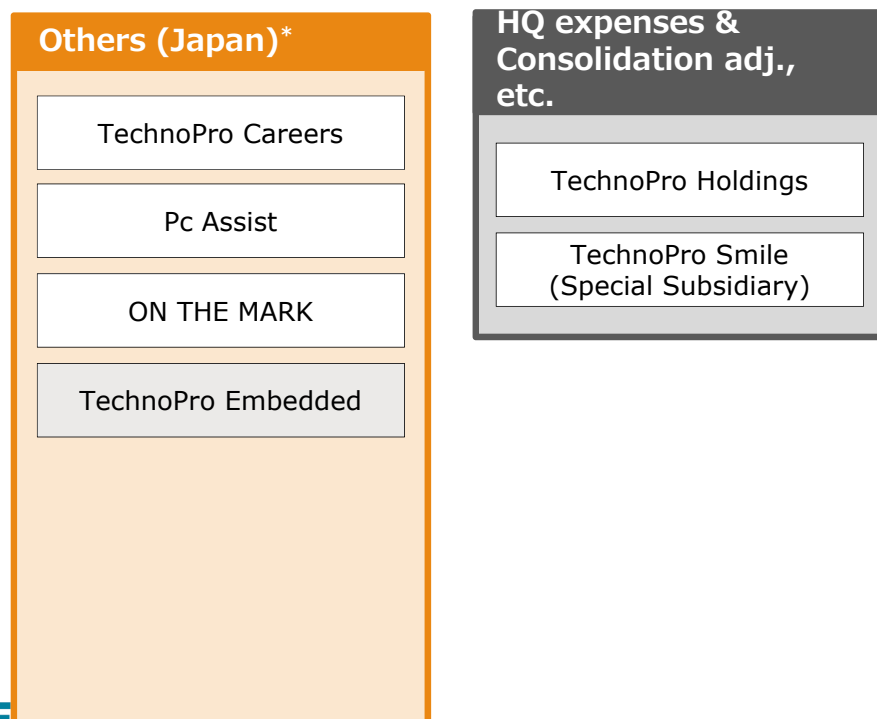
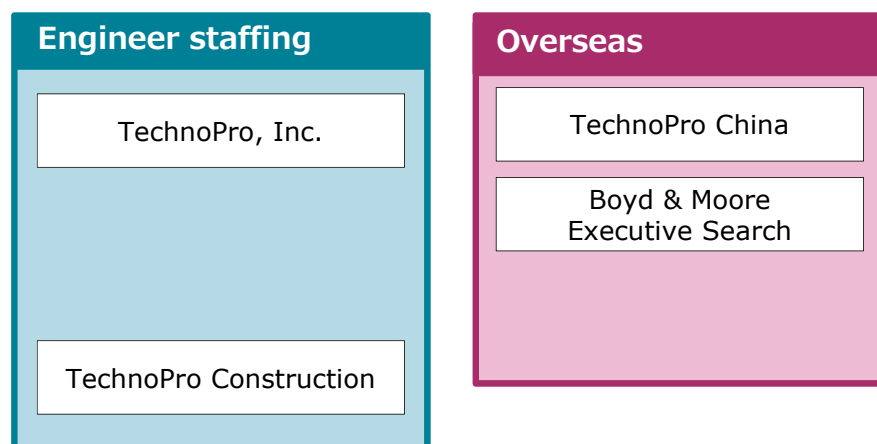
	Engineer staffing (Japan, two subsidiaries)			Others (Japan)			Overseas			HQ expenses & Consolidation adj., etc.			Consolidated		
	Q1 FY2018 (Actual)	Q1 FY2019 (Actual)	YOY	Q1 FY2018 (Actual)	Q1 FY2019 (Actual)	YOY	Q1 FY2018 (Actual)	Q1 FY2019 (Actual)	YOY	Q1 FY2018 (Actual)	Q1 FY2019 (Actual)	YOY	Q1 FY2018 (Actual)	Q1 FY2019 (Actual)	YOY
Revenue	25,590	29,368	+14.8%	833	2,226	+167.2%	412	1,959	+375.5%	(109)	(220)	-	26,726	33,334	+24.7%
Operating profit (OP)	3,500	4,075	+16.4%	65	178	+173.8%	4	206	-	(1,058)	(1,277)	-	2,511	3,183	+26.8%
OP margin	13.7%	13.9%	-	7.8%	8.0%	-	1.0%	10.5%	-	-	-	-	9.4%	9.5%	-
Contribution margin	9.9%	10.2%	-	-	-	-	-	-	-	-	-	-	-	-	-

													Consolidated (excl. overseas)		
No. of engineers	14,394	16,513	+14.7%	113	699	+518.6%	-	-	-	-	-	-	14,507	17,212	+18.6%
Non-Japanese	573	794	+38.6%	-	15	-	-	-	-	-	-	-	573	809	+41.2%
No. of engineers (overseas)	-	-	-	-	-	-	260	994	282.3%	-	-	-	-	-	-
Utilization rate	96.0%	96.2%	-	98.8%	94.9%	-	-	-	-	-	-	-	96.0%	96.2%	-
Sales per head (JPY in thousands)	620	621	-	-	-	-	-	-	-	-	-	-	-	-	-

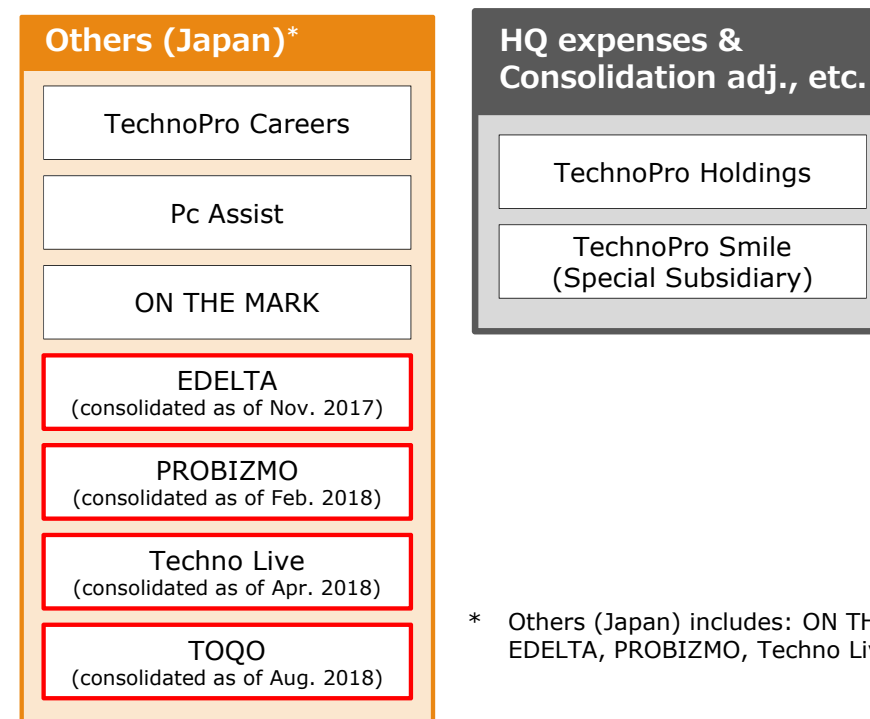
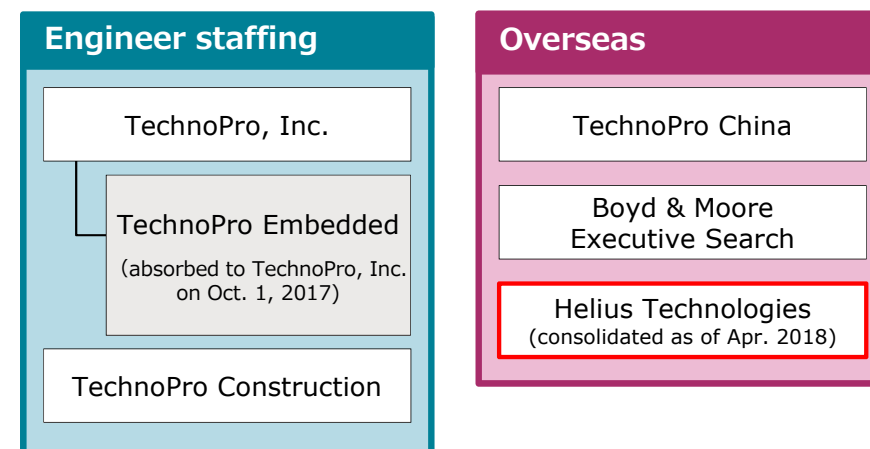
* Amounts are rounded down to the nearest unit.

Companies in Each Business Line [managerial]

September 30, 2017



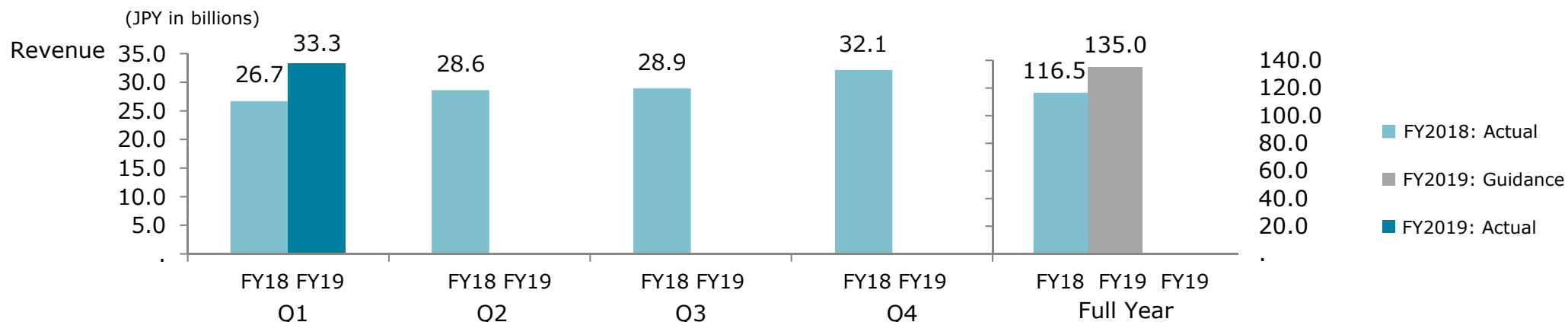
September 30, 2018



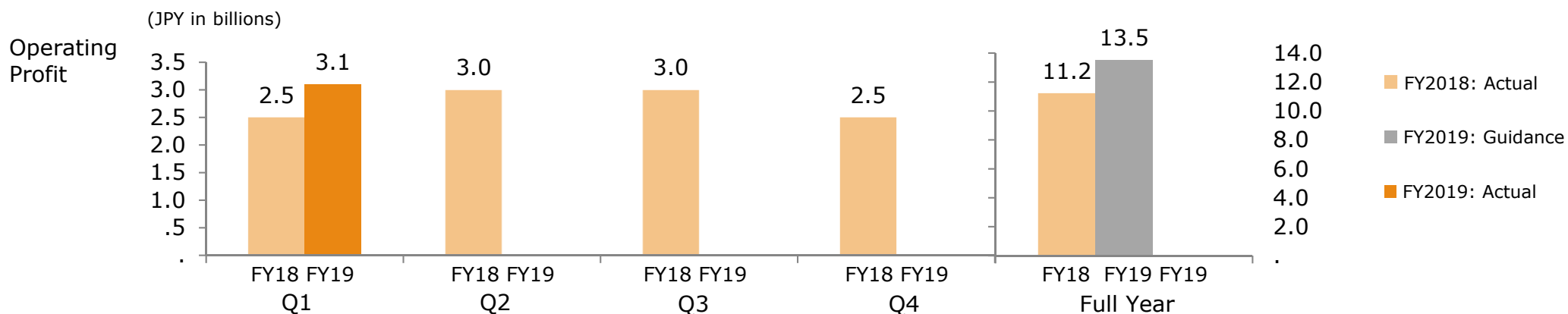
* Others (Japan) includes: ON THE MARK, EDELTA, PROBIZMO, Techno Live, TOQO

Quarterly Performance

- Progress vs. full year guidance: 25% for revenue, 24% for operating profit, maintaining solid growth momentum as the same period in prior year



Composition %	23%	25%	25%	-	25%	-	28%	-	-
YOY	24.7%	-	-	-	-	-	-	-	-

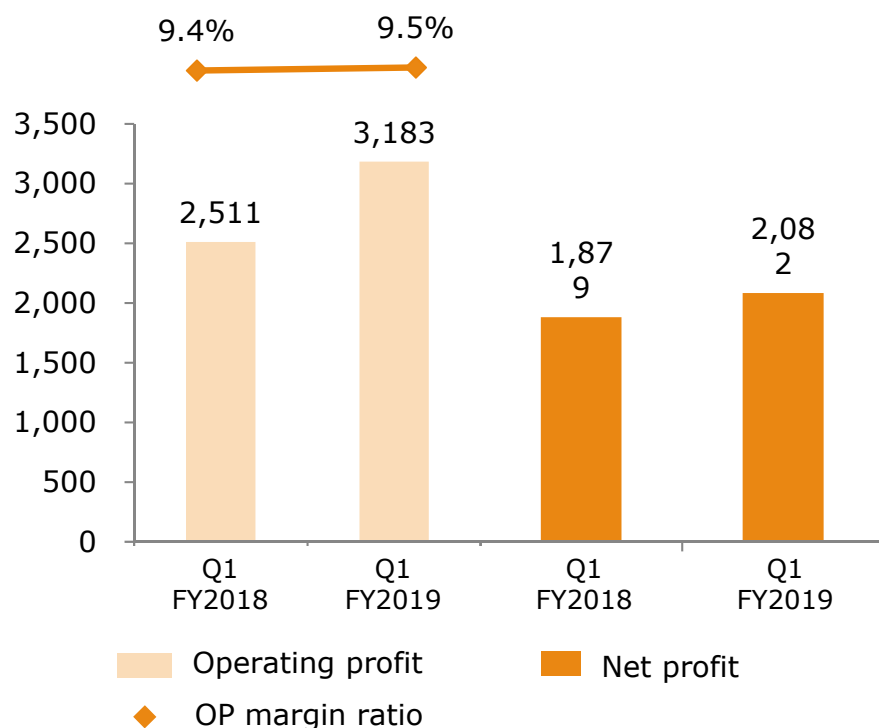


Composition %	22%	24%	27%	-	28%	-	23%	-	-
OP ratio	9.4%	9.5%	10.6%	-	10.7%	-	8.1%	-	9.6% 10.0%
YOY	26.7%	-	-	-	-	-	-	-	-

* Amounts are rounded down to the nearest unit.

P&L Summary

(JPY in millions)



* Amounts are rounded down to the nearest unit.

** Includes TechnoPro, Inc. and TechnoPro Construction.

TECHNOPRO

(JPY in millions)	Q1 FY2018	Q1 FY2019	Diff. YOY	YOY (%)
Revenue	26,726	33,334	+6,607	+24.7%
Impact of Engineer increase**			+3,744	
Impact of unit sales price increase** (cf. p.12)			+33	
M&A contribution, etc.			+2830	
CoGs	20,385	25,271	+4,885	+24.0%
Ratio to revenue	<u>76.3%</u>	<u>75.8%</u>	<u>(0.5pt)</u>	
Gross profit	6,340	8,062	+1,721	+27.2%
Ratio to revenue	<u>23.7%</u>	<u>24.2%</u>	<u>+0.5pt</u>	
Impact of utilization rate rise			+0.2pt	
Others (other than engineer staffing)			+0.3pt	
SG&A	3,841	4,828	+986	+25.7%
Ratio to revenue	<u>14.4%</u>	<u>14.5%</u>	<u>+0.1pt</u>	
Other income – Other expenses	12	(51)	(63)	
Operating profit	2,511	3,183	+671	+26.7%
Financial income	1	5	+3	
Financial expenses	23	27	+3	
Net profit before income taxes	2,489	3,162	+672	+27.0%
Corporate / income taxes	609	1,040	+430	
Net Profit	1,879	2,082	+202	+10.8%

Balance Sheet & Cash Flow

- Cash & cash equivalents decreased JPY 3.2 billion compared to the balance sheet at June 2018, due to payment of income tax and dividend
- The balance sheet at September 2018 does not include Orion Managed Services Limited (acquisition announced on October 10, 2018)

(JPY in billions)

June 2018

Cash & cash equivalents 21.6	Debt 11.6
Goodwill 34.4	Other liabilities 33.7
Deferred tax assets 3.9	
Intangible assets (PPA ⁺¹) 2.9	Total equity 42.9
Other assets 25.4	
Total assets 88.2	Total liabilities & equity 88.2

D/E Ratio⁺²: 0.3 x
 Net D/E Ratio⁺³: (0.2) x
 Net worth ratio: 48.7%

September 2019

Cash & cash equivalents 18.3	Debt 10.6
Goodwill 35.3	Other liabilities 34.0
Deferred tax assets 4.4	
Intangible assets (PPA ⁺¹) 2.9	Total equity 42.7
Other assets 26.4	
Total assets 87.3	Total liabilities & equity 87.3

D/E Ratio⁺²: 0.3 x
 Net D/E Ratio⁺³: (0.2) x
 Net worth ratio: 48.9%

⁺¹ PPA (Purchase Price Allocation): An operation allocating the purchase price to the assets and liabilities of the acquired company at fair value in the acquirer's consolidated balance sheet

^{+2,3} Including non-controlling interests

TECHNOPRO

Q1 FY2019 Cash Flow

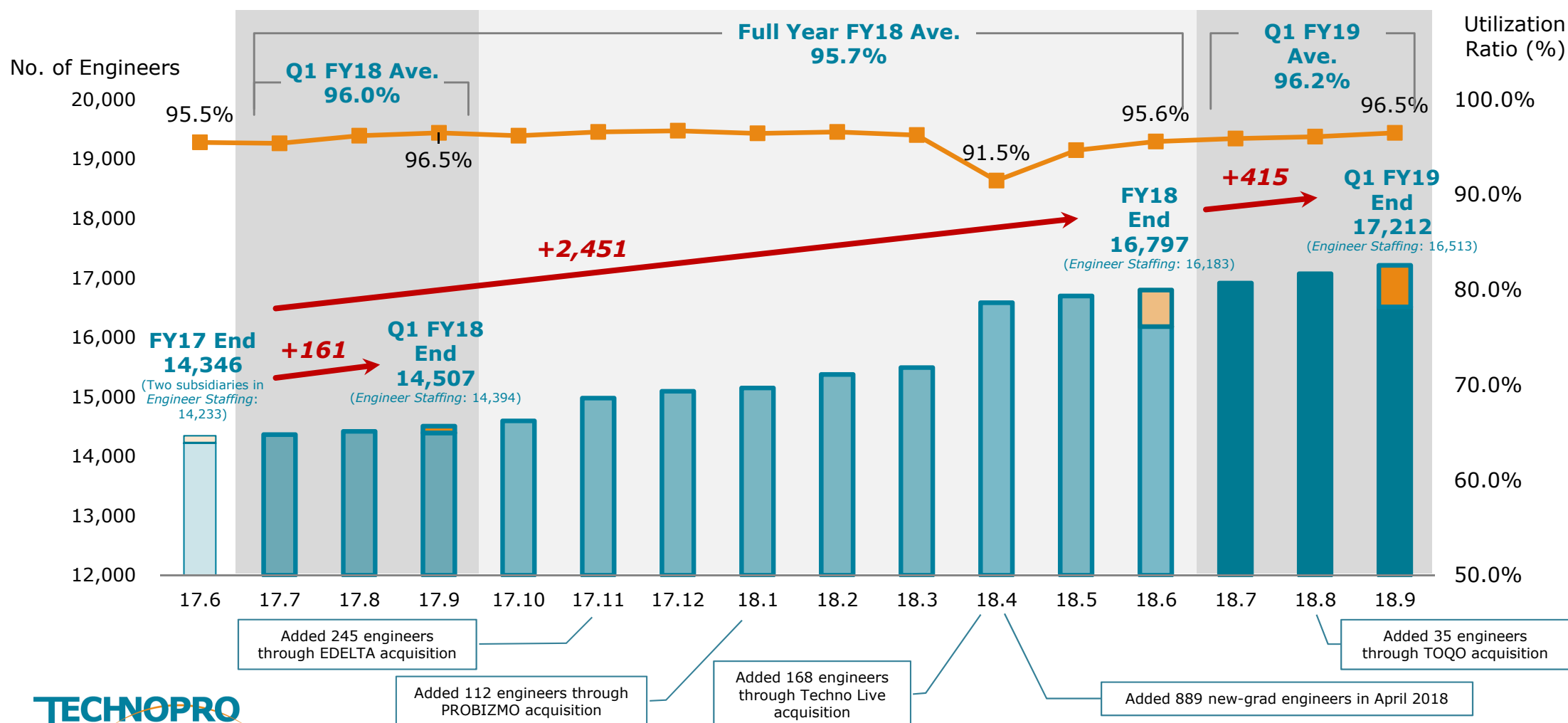
• Operating CF	1.5
• Investing CF	(1.3)
• Financing CF	(3.4)
Net CF	(3.2)

FCF 0.17

* Amounts are rounded down to the nearest unit.

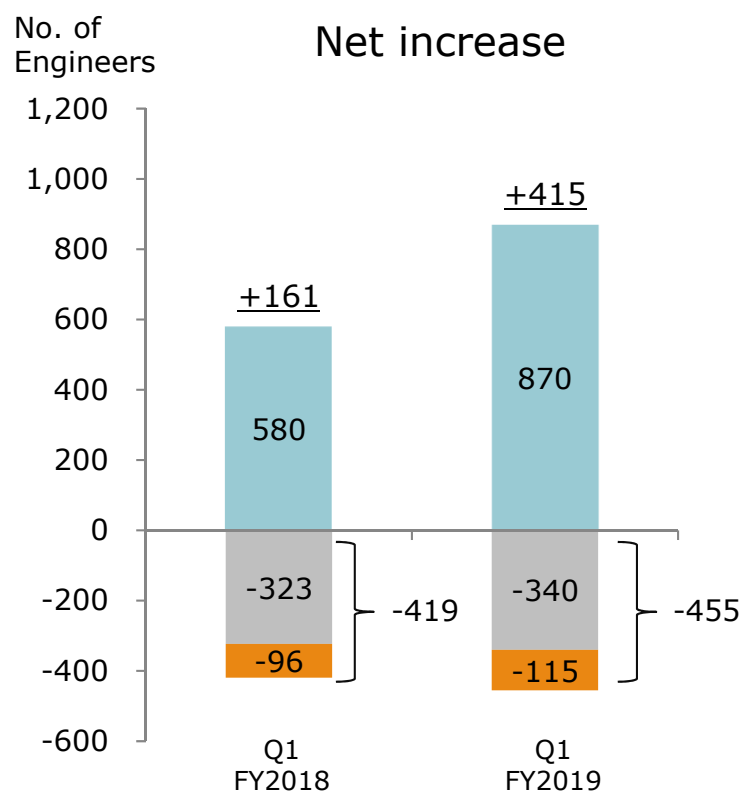
Number of Engineers & Utilization Rate

- Engineers on payroll in Japan at the end of Q1 FY2019 totaled 17,212 (up 415 from the end of prior year), including 809 non-Japanese engineers (up 53 from the end of prior year)
- Employs 16,513 at two companies in *Engineer staffing* (TechnoPro, Inc. and TechnoPro Construction, Inc.)
- Average utilization rate of 96.2% for Q1 FY2019 period (up 0.2% year over year)
- Employs 994 engineers at overseas subsidiaries (not included in numbers above)



Recruitment/Turnover

- Hired 870 engineers (up 50.0% year on year)
- Turnover rate (full-timers): 8.0% (Q1 FY2018: 9.0%)



(Difference / % YOY)

Hired 870 (+290 / +50.0%)

Added 35 engineers through TOQO acquisition

Turnover (full-timers) 340 (+17 / +5.3%)

Contract terms matured, others 115 (+19 / +19.8%)

<Turnover>

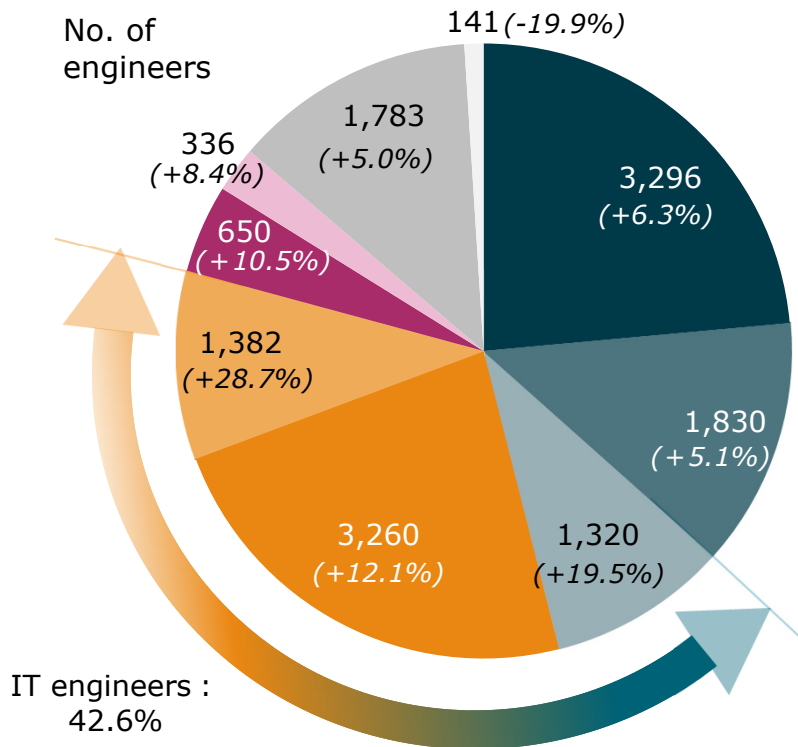
	FY2018				FY2019
	Q1	Q2	Q3	Q4	Q1
Quarter	9.0%	7.0%	9.4%	7.6%	8.0%
Year-to-date	—	7.9%	8.5%	8.1%	—

Assigned Engineers by Technology

- Number of assigned engineers* increased in all technologies
- Strong demand for IT engineers continues
- Engineers increased in software development, driven by the acquisition of EDELTA and PROBIZMO; Techno Live employs engineers both in Machinery and IT; construction engineers increased through TOQO acquisition

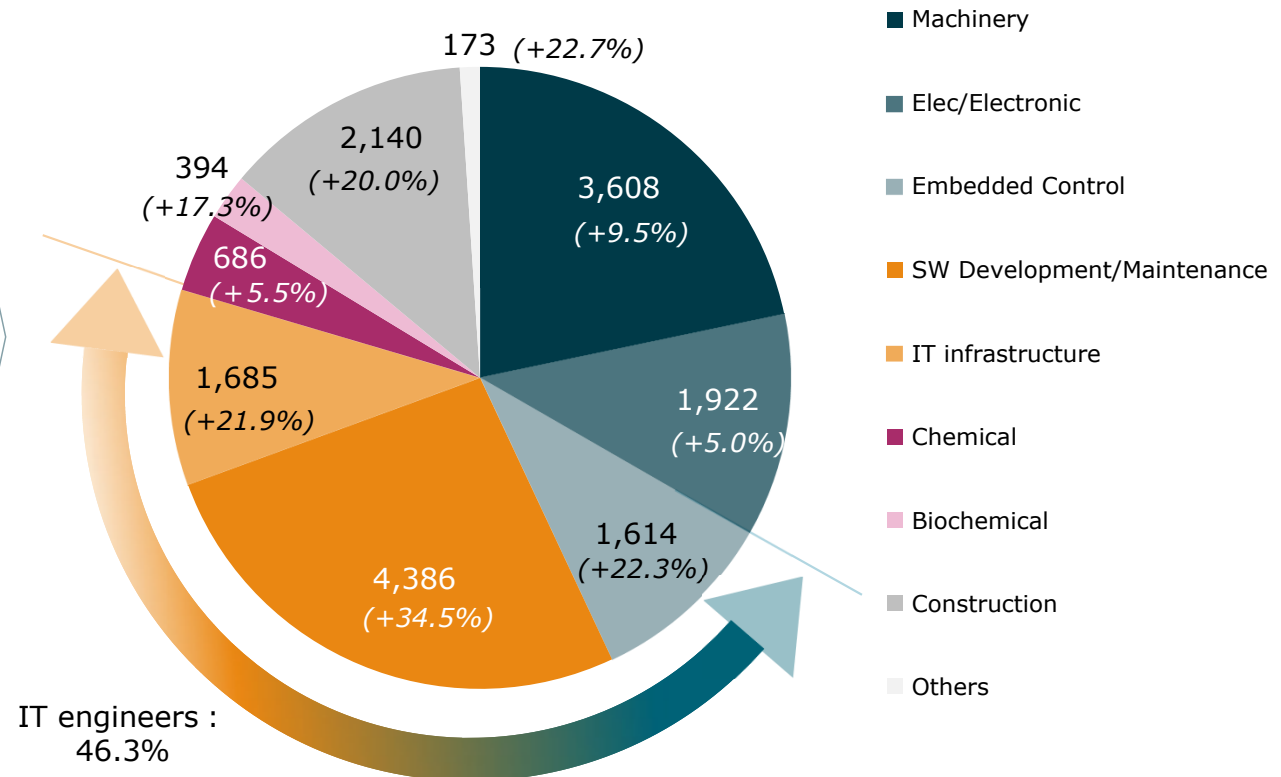
Three Months Ended September 2017

Assigned engineers: 13,998



Three Months Ended September 2018

Assigned engineers: 16,608



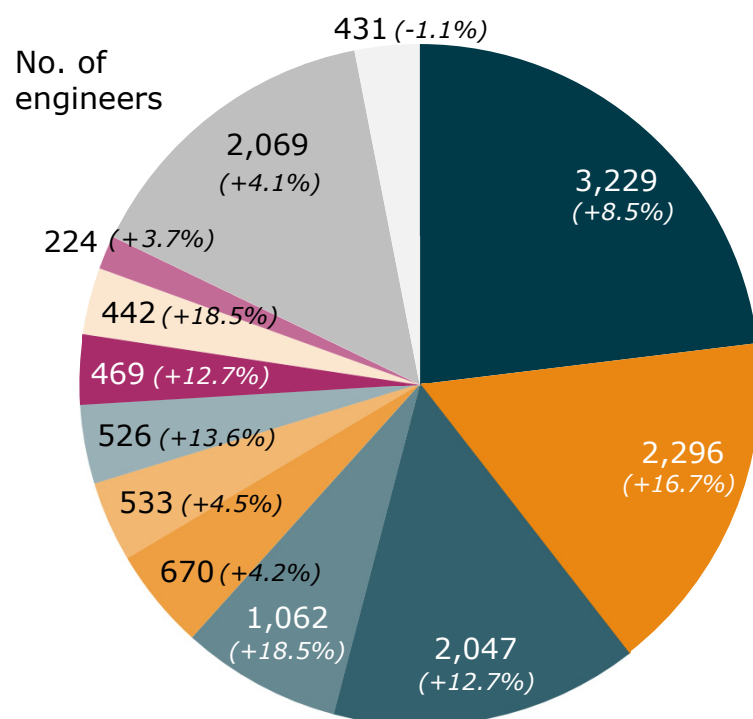
* Figures indicate assigned engineers at the end of month.
 ** Figures in parenthesis indicate % change.

Assigned Engineers by Industrial Sectors

- Number of assigned engineers* increased in all industrial sectors

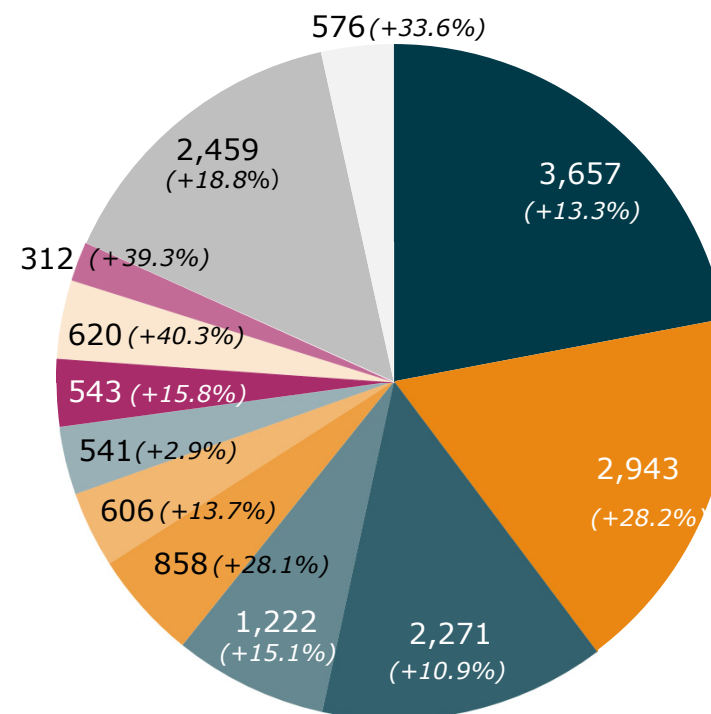
Three Months Ended September 2017

Assigned engineers: 13,998



Three Months Ended September 2018

Assigned engineers: 16,608



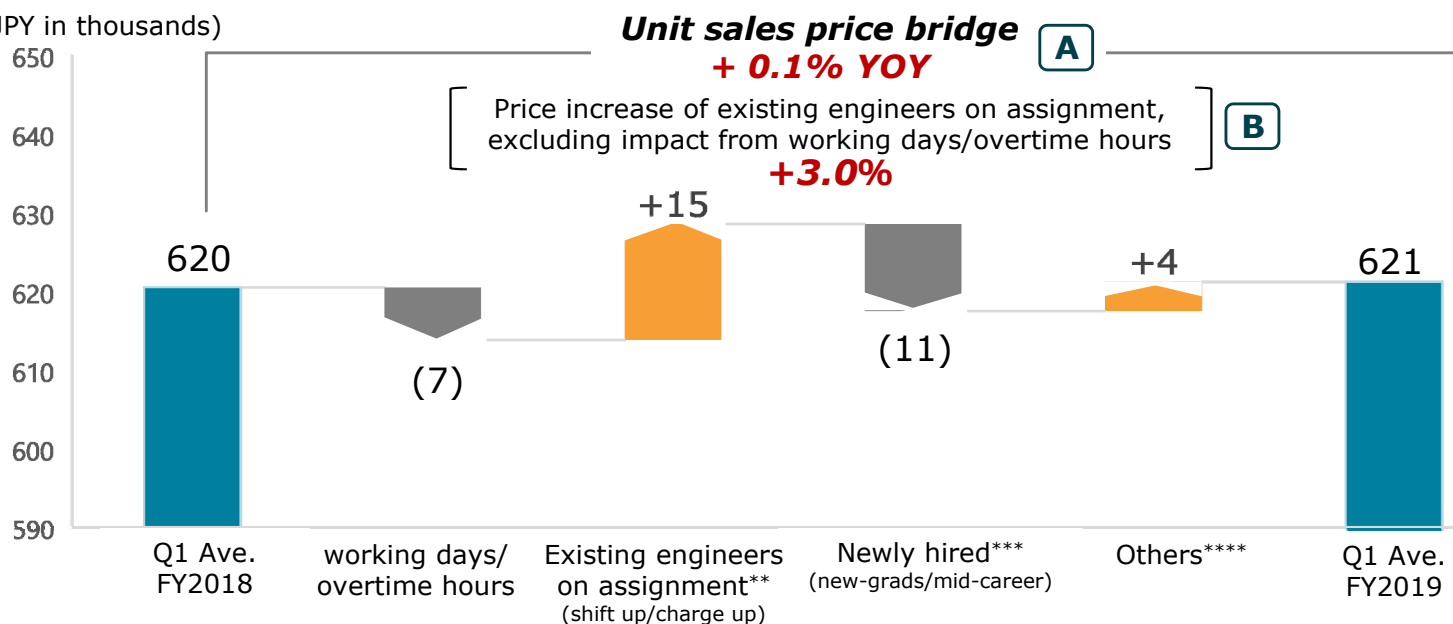
- Transportation Equipment
- IT
- Industrial Machinery
- Elec/Electronic
- Electricity/Gas/Public
- Consumer
- Medical Device
- Material
- Financial and Securities
- Pharmaceutical and Chemical
- Construction and Plant Eng.
- Others

Unit Sales Price

Engineer Staffing Companies: TechnoPro, Inc., TechnoPro Construction, Inc.

- Unit sales price* increased 0.1% (up JPY 7,000/month year on year) to JPY 621,000
- Decreased JPY 7,000/month year on year due to fewer working days (down 0.2 days/month) and shorter overtime hours (down 0.7 hours/month)
- Increased JPY 15,000/month driven by increased contract price for existing engineers on assignment
- Decreased JPY 11,000/month due to first assignment of newly hired new graduate/mid-career engineers
- New graduates (within 3 years after joining) account for 10.6% of total engineers (Q1 FY2018: 8.9%)

(JPY in thousands)



* Unit sales price
Average sales per engineer per month, which includes contract price, overtime charges and others.

** Engineers on assignment
Increase(decrease) of prices through changes in place of assignment or contract renewal at the same assignment

*** Newly hired
Increase(decrease) of prices from first assignment of newly hired new graduate/mid-career engineers

**** Others
Increase(decrease) of prices from other factors than described above

Amounts are rounded off to the nearest unit

[Price Development]

		FY2018				FY2019
		Q1	Q2	Q3	Q4	Q1
Unit Price (year-to-date)	A	620	629	629	630	621
Year on year		+0.5%	+1.1%	+0.6%	+0.6%	+0.1%

Price increase of existing engineers on assignment B
(figures calculated by comparing unit price at the end of period)

+3.0%	+2.8%	+2.7%	+3.0%	+3.0%
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