

August 29, 2019

To Whom It May Concern,

Corporate Name: TechnoPro Holdings, Inc.
 (Code: 6028, TSE First Section)
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Summary of the Results of Analysis and Evaluation of the Effectiveness of the Board of Directors

The TechnoPro Holdings, Inc. board of directors conducted an analysis and evaluation of its effectiveness for the fiscal year ended June 2019 based on the Corporate Governance Code of the Tokyo Stock Exchange and the TechnoPro Group Corporate Governance Guidelines. The goal of this activity, the results of which are provided below, is to improve the function of the board of directors.

1. Methodology and Process of the Analysis and Evaluation

The board has analyzed and evaluated its effectiveness once a year starting in the fiscal year ended June 2016, and has provided a summary of these results for the fourth consecutive year.

Analysis and evaluation methods are as follows.

Evaluation method	Self-evaluation questionnaire (registered form)
Evaluators	All Directors and Audit & Supervisory board members
Questionnaire Items Evaluated (Major topics)	(1) Size and composition of the board of directors (2) Operation of board of director meetings (3) Information and support provided to outside directors and/or outside Audit & Supervisory board members (4) Board member roles and responsibilities (5) Relationships with shareholders, investors, and other stakeholders (6) Individual contributions (as director and/or Audit & Supervisory board member) (7) Nomination and Compensation Committee operations
Collection of opinions and proposals	The questionnaire included standard evaluation topics, as well as space requesting comments related to board strengths and areas for improvement. The directors and members of the Audit & Supervisory Board were also asked to provide candid opinions and suggestions.
Analysis method	Based upon the results of the self-evaluation questionnaire, discussions are held in the Meeting of the Board of Directors, with its effectiveness confirmed at issues identified.

Prior to the start of evaluation for the fiscal year ended June 2019, the board again discussed the need to revise methods for analysis and evaluation at the regular meeting of the board held in April 2019. As a result of this, the contents of the "Corporate Governance Code" revised in June 2018 were reflected in the self-evaluation questionnaire that has been used in the past, with a decision made to change or add some of the question items.

After evaluations by all directors (including outside directors) and Audit & Supervisory board members, the board of directors received a report of the results of the self-assessment at a regular meeting of the board held July 2019. Members analyzed the results of the evaluation and discussed issues recognized. At the same time, members engaged in lively and constructive discussions of future initiatives to ensure greater board effectiveness.

2. Analysis and Evaluation Results

As a result of the evaluation and analysis in 1., above, the TechnoPro Holdings board of directors has concluded that the board performs its roles and responsibilities appropriately and effectively overall. The board identified the following particular strengths that should be continued.

Particular Strengths

- (1) Through appropriate conduct of board meetings, the board chair has continued to foster an atmosphere in participants can express themselves freely from their own professional viewpoints.
- (2) A continuing high level of organization, including the Independent Executive Committee, the selection of lead independent outside director, the establishment of the Nomination and Compensation Committee, the appointment of supporting staff for Audit & Supervisor board members, etc.
- (3) In formulating the annual budget, the board works in good faith through discussions to execute its required roles and responsibilities in deliberations right from the policy formulation stage.

Progress and improvements related to issues identified in the prior year's evaluation (fiscal year ended June 2018) are as described below (Furthermore, for reference the following table shows items that have advanced and improved up until that point).

Progress and Improvements during the Fiscal Year Ended June 2019

- (1) After repeated deliberations by the Nomination and Compensation Committee, and discussions by the board of directors, the "Standards and Procedures for Appointment and Dismissal of CEO" were decided upon.
- (2) Carried out more in-depth discussions and sharing of important company issues, strategies, and measures including necessary efforts for work style reform in Japan and improvements to our employee satisfaction, global business strategies as a group, and projects to promote business process innovation.
- (3) Started reporting on performance of acquired subsidiaries and investees as well as progress of post merger integration, and discussions into the usage of cost of capital as KPI in terms of investment standards and business management.

(Reference: Main progress and improvement items in view of the analysis and evaluation in the previous period)

FY ended June 2017	FY ended June 2018	FY ended June 2019
<p>(1) Number of female outside directors increased by one, ensuring diversity in the composition of the board of directors</p> <p>(2) Multiple discussions by the board of directors into the process of formulating a new medium-term management plan</p> <p>(3) Regular prior explanations of board of director agenda items to outside directors</p> <p>(4) Start of discussions in the Nomination and Compensation Committee addressing the process for nominating a successor to the chief executive officer</p>	<p>(1) Limited attendees in principle to directors and audit & supervisory board members in order to conduct more in-depth discussions on management issues and strategies, etc.</p> <p>(2) Shared and explained agenda items before meetings with not only outside directors, but also executive directors, and audit & supervisory board members</p> <p>(3) Annual agenda of business reports and discussion topics set in advance</p> <p>(4) Introduced an online systems allowing outside directors and outside audit & supervisory board members to view materials and minutes, etc.</p> <p>(5) Ensured cooperation with not only the audit & supervisory board, but also the board of directors and accounting auditor (Implemented reporting by outside accounting auditor)</p>	<p>(1) Decided upon "Standards and Procedures for Appointment and Dismissal of CEO"</p> <p>(2) Carried out more in-depth discussions and sharing of important company issues and strategies, etc. (work style reform in Japan and improvements to employee satisfaction, global strategies, business process innovation, etc.)</p> <p>(3) Reports on performance of acquired subsidiaries and investees, and discussions on usage of cost of capital as KPI</p>

The following issues represented areas in which the board recognizes room for improvement and/or need for greater efforts to improve board of director effectiveness.

Issues to Address

- (1) Appropriate monitoring by the board of directors through reporting to not only the Nomination and Compensation Committee but also the board of directors as regards the progress of succession plans for the chief executive officer
- (2) Reporting semiannually to the board of directors regarding not only the main operating company, but also on the business status and challenges of other subsidiary companies, acquired companies, and investees
- (3) From the perspective of ensuring the balance and diversity of the board of directors and of the audit & supervisory board as a whole, studying the formulation and utilization of a “skill matrix” for members of the board of directors and audit & supervisory board
- (4) Continue to consider and improve the timing of providing prior explanations of the agenda and advance sending of materials to outside directors and outside audit & supervisory board members, and variations in management by the board of directors in accordance with content of the agenda

3. Future Initiatives

In the context of this Analysis and Evaluation of the Effectiveness of the Board of Directors, the TechnoPro Holdings board of directors will strive for greater board effectiveness, aiming for best practices in corporate governance and further growth in corporate value by reviewing and reporting in a focused way to Section 2., Issues to Address, above.

See the TechnoPro Holdings website for more about the TechnoPro Group Corporate Governance Guidelines: <https://www.technoproholdings.com/>

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.