

November 8, 2019

To Whom It May Concern,

Corporate Name: TechnoPro Holdings, Inc.
 (Code:6028, TSE First Section)
 Representative: Yasuji Nishio, President, Representative Director & CEO
 Contact: Toshihiro Hagiwara, Director & CFO
 (Tel. 03-6385-7998)

Announcement Concerning Issuance of New Shares as Restricted Stock to TechnoPro Holdings and Subsidiary Employees

On November 8, 2019, pursuant to a written resolution substituting for a board of director meeting resolution based on Article 370 of the Companies Act, TechnoPro Holdings, Inc. resolved to issue new shares (“New Share Issuance”) as restricted stock for TechnoPro Holdings and TechnoPro Holdings subsidiary employees.

1. Overview of Issuance

(1) Payment Date	December 20, 2019		
(2) Type and number of shares to be Issued	Common stock 7,488 shares		
(3) Issuance Price	¥6,900 per share		
(4) Total value of shares to be issued	¥51,667,200		
(5) Allottees and number thereof and number of shares to be allotted	TechnoPro Holdings Employees	15 persons	2,160 shares
	TechnoPro Holdings Subsidiary Employees	37 persons	5,328 shares
(6) Other	The new share issuances are contingent upon the filing of the relevant securities notice statement in accordance with the Financial Instruments and Exchange Act.		

2. Objectives and Reasons for Issuance

On November 8, 2019, pursuant to a written resolution substituting for a board of director meeting resolution based on Article 370 of the Companies Act, TechnoPro Holdings, Inc. resolved to adopt a restricted stock compensation plan (“the Plan”) granting TechnoPro Holdings restricted stock as a new benefit for TechnoPro Holdings and TechnoPro Holdings subsidiary (“Eligible Subsidiary”) employees. The objective of the Plan is to serve as an incentive for TechnoPro Holdings and Eligible Subsidiary employees to work for the sustainable improvement of corporate and shareholder value over the medium and long term, strengthening the sense of shared value between these individuals and TechnoPro Holdings shareholders.

December 15 of this year will mark the fifth year since TechnoPro Holdings conducted an initial public offering on the First Section of the Tokyo Stock Exchange. As the group seeks for even greater development and growth in the future, we have adopted the Plan as a means to retain talented individuals and to improve their motivation, thereby encouraging all group executives and employees to strive for sustainable corporate growth.

3. Overview of the Plan

Under the Plan, all monetary receivables paid by TechnoPro Holdings or Eligible Subsidiary to TechnoPro Holdings and Eligible Subsidiary employees will be paid as property contributed in kind, with the aforementioned individuals receiving an issuance or disposition of TechnoPro Holdings common shares.

Issuance or disposal of TechnoPro Holdings common stock under the Plan shall be subject to a restricted stock

allocation agreement (“the Agreement”) as described in 5. *Overview of Restricted Stock Allocation Agreement*, below, signed between TechnoPro Holdings and TechnoPro Holdings employees, Eligible Subsidiary employees. The details of the Agreement shall include that (1) TechnoPro Holdings and Eligible Subsidiary employees may not transfer, use as collateral, or otherwise dispose of any common stock granted under the Agreement (“Allocated Shares”) for a predetermined period of time, and (2) TechnoPro Holdings may acquire the common stock in question without providing compensation in the case of certain events.

4. Details of Share Issuance in Conjunction with This Announcement

A total of 15 TechnoPro Holdings employees and 37 Eligible Subsidiary employees (“Eligible Participants”) will be granted a total sum of ¥51,667,200 in monetary receivables and a total 7,488 shares of TechnoPro Holdings common stock. Also, the Transfer Restriction Period shall be three years.

The following table provides details of monetary receivables to be paid to Eligible Participants by TechnoPro Holdings or Eligible Subsidiaries based on the Plan:

	Recipients	No. of Allocated Shares	Payment Value
TechnoPro Holdings Employees	15	2,160 shares	¥14,904,000
Employees of Eligible Subsidiaries	37	5,328 shares	¥36,763,200

5. Overview of Restricted Stock Allocation Agreement

(1) Transfer Restriction Period

The transfer restriction period shall be three years from December 20, 2019 until December 19, 2022.

During the Transfer Restriction Period provided above (“Transfer Restriction Period”) no Allocated Shares may be transferred to any third party, pledged as collateral, or otherwise disposed of by Eligible Participants.

(2) Conditions Subsequent

TechnoPro Holdings shall release restrictions on all Allocated Shares held by Eligible Participants as of the completion of the Transfer Restriction Period upon condition that Eligible Participants continue to serve in the status as directors, executive officers, or employees of TechnoPro Holdings or TechnoPro Holdings subsidiaries (“TechnoPro Holdings Group”) throughout the Transfer Restriction Period.

However, prior to the day before the completion of the Transfer Restriction Period, restrictions shall be released immediately upon (i) Eligible Participants retiring from their position as TechnoPro Holdings Group director, executive officer, or employee for reasons deemed justifiable by the TechnoPro Holdings board of directors etc., or (ii) retirement of Eligible Participants due to death.

Further, the number of shares subject to a release of restriction due to the preceding reasons shall be calculated as the number of months from the month including the payment date to the month including the relevant day of retirement divided by 12 (or one, if such number is greater than one), multiplied by the number of Allocated Shares held by the Eligible Participants (or heir of the Eligible Participant in the case of a deceased Eligible Participant) at the time of said retirement (with the number of shares truncated, if the calculation results in a fraction less than one share).

(3) Uncompensated Acquisition by TechnoPro Holdings

TechnoPro Holdings may, upon conclusion of the Transfer Restriction Period, automatically acquire all Allocated Shares for which restrictions have not released without providing compensation, as of the point in time immediately subsequent to said timing. In addition, upon the retirement of a TechnoPro Holdings Group director, executive officer, or employee during the restriction period (excluding reasons determined under

(2)(i) or (ii) above), or due to reasons of contract violations, etc. during said restriction period, TechnoPro Holdings may acquire all or a portion of Allocated Shares without providing compensation.

(4) Stock Administration

Allocated Shares shall be separately administered from other shares held under the name of Eligible Participants during the Transfer Restriction Period in a special restricted stock account established at Nomura Securities Co., Ltd. under the name of the Eligible Participants to prevent the transfer, pledging as collateral, or other disposition of Allocated Shares during the Transfer Restriction Period.

(5) Reorganizations

In the event that TechnoPro Holdings enters into a merger agreement in which the company becomes the absorbed entity, or in the event that TechnoPro Holdings enters into a share exchange agreement making the company a wholly owned subsidiary, share transfer plan, or other matters of reorganization, etc. approved by the general meeting of shareholders (limited to cases in which the effective date of the relevant reorganization, etc. occurs prior to the completion of the Transfer Restriction Period) of TechnoPro Holdings (or by TechnoPro Holdings board of directors when general meeting of shareholders approval is not required for said reorganization, etc.), the TechnoPro Holdings President & Representative Director shall decide to release restrictions of Allocated Shares as of the moment immediately prior to the business day prior to the effective date of said reorganization, etc. for the number of Allocated Shares equivalent to the number of months from the month including the payment date to the month including the relevant approval date ("Reorganization Approval Date") divided by 12 (or one, if such number is greater than one), multiplied by the number of Allocated Shares held by the Eligible Participants at the time of Reorganization Approval Date (with the number of shares truncated, if the calculation results in a fraction less than one share).

In this event, TechnoPro Holdings shall automatically acquire all Allocated Shares for which restrictions have not released without providing compensation as of the day representing the business day prior to the effective date of the said reorganization, etc.

6. Calculation Basis and Details

The New Share Issuance to Eligible Participants shall be funded by monetary receivables paid to Eligible Participants in accordance with the Plan. In order to exclude arbitrariness in the issuance price, the closing price for the common share of TechnoPro Holdings on the Tokyo Stock Exchange on November 7, 2019 (the business day prior to the TechnoPro Holdings board of directors resolution on November 8, 2019) of ¥6,900 is used as the issuance price. This is the market share price immediately preceding the date of the resolution by the board of directors, and we believe that it is reasonable and does not represent a particularly favorable price.

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.