

TechnoPro Holdings, Inc.

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

October 31, 2018

Presentation

Sato: Good evening everybody. I am Hiroshi Sato, the CFO. I would now like to present the financial results using these materials.

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	—

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* Amounts are rounded down to the nearest unit.

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

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2

Firstly, this is an overview of the results for the first quarter. Revenue increased 24.7% year on year to 33.334 billion yen, operating profit was similarly up 26.7% at 3.183 billion yen, and net profit attributable to owners of the parent company increased 10.8% year on year to 2.082 billion yen. As we previously announced, we began normalizing our tax rate this fiscal year and the tax rate increased by about 9% compared to last year. The tax rate for Q1 this year was 32.9%; however, we were able to absorb that increased tax burden to deliver a 10.8% increase in net profit.

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)		
	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
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.

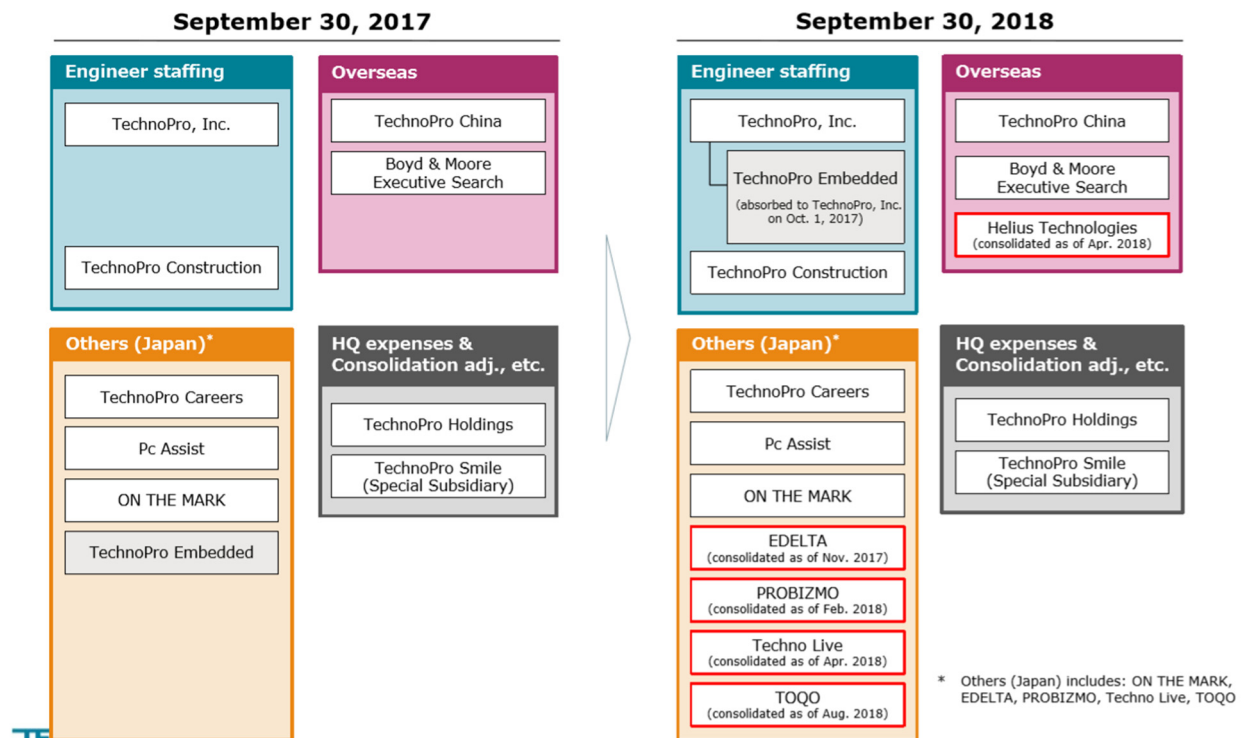
The next page shows the results by business line on a managerial accounting basis. The business lines are split as follows: the two domestic engineer staffing companies, other domestic companies, and overseas companies. Headquarters functions lie with TechnoPro Holdings, so through appropriate proportional distribution of the expenses pertaining to those functions, the result is shown as the contribution margin of the two domestic engineer staffing companies in the bottom row of the upper table. That contribution margin ratio is 10.2%, an improvement on last year's figure of 9.9%.

Regarding the other domestic companies, each of these companies is independent, and as they each have SGA, the OP margin of these companies is still quite low at 8.0%. However, the hiring companies in this category will be gradually incorporated into the engineer staffing category, and in this way, the profit ratios will increase.

Tomorrow, November 1, TechnoPro plans to absorb Techno Live, a company that was acquired last year.

Turning now to overseas companies, Boyd & Moore Executive Search is developing its business operations globally, with locations in India and Singapore, which is why, as of last year, we have included Boyd & Moore in the results shown for the overseas companies category. Our OP margin for overseas companies was 10.5%, up from only 1.0% last year. This increased OP margin for overseas companies is attributable to the return to profit that we achieved in our Chinese business operations as well as both Boyd & Moore and Helius achieving a profit margin in excess of 10%.

Companies in Each Business Line [managerial]

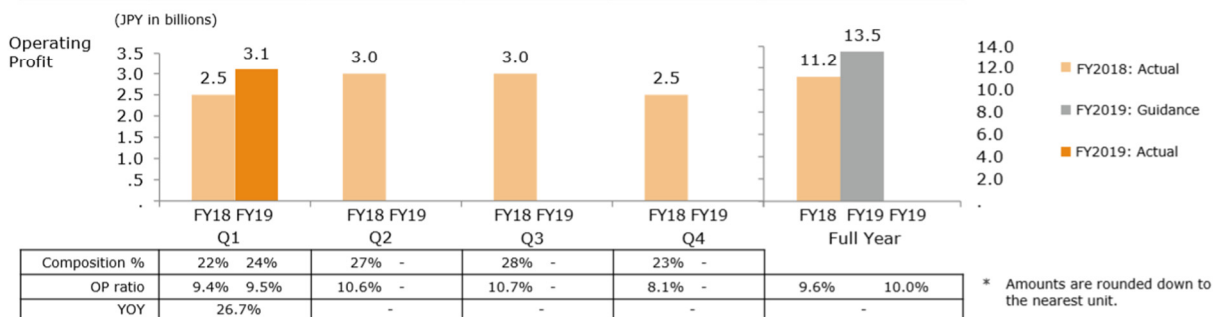
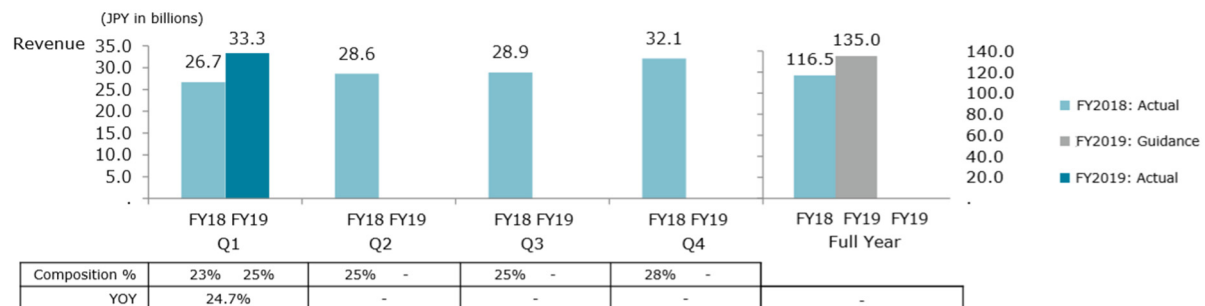


Page 4 shows the companies falling under each business unit. As at the end of September last year, the company TechnoPro Embedded came under the category Others (Japan); however, as I mentioned earlier, this company will be gradually absorbed, and as such, you can see that the structure as at the end of September this year shows TechnoPro Embedded as absorbed by TechnoPro Holdings and is now included in the engineer staffing category.

As I also mentioned earlier, Techno Live, which is listed towards the bottom of this chart, is scheduled to be absorbed by TechnoPro Holdings tomorrow, November 1.

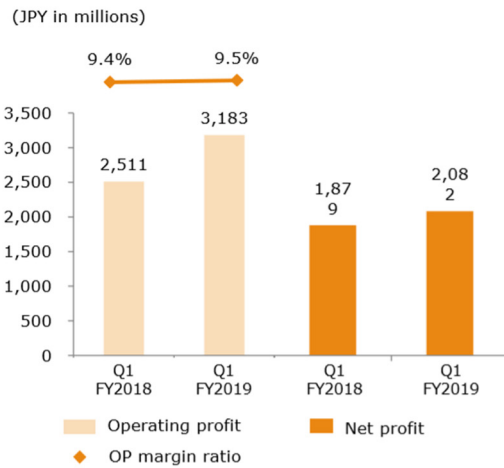
Quarterly Performance

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



The next page shows our quarterly performance. As you can see, in this first quarter, our business operations have developed very steadily.

P&L Summary



* Amounts are rounded down to the nearest unit.
 ** Includes TechnoPro, Inc. and TechnoPro Construction.

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(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.			+2,830	
CoGs	20,385	25,271	+4,885	+24.0%
Ratio to revenue	76.3%	75.8%	(0.5pt)	
Gross profit	6,340	8,062	+1,721	+27.2%
Ratio to revenue	23.7%	24.2%	+0.5pt	
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	14.4%	14.5%	+0.1pt	
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%

The next page shows our P&L structure. Revenue increased 6.6 billion yen year on year, and the breakdown of reasons for this increase is as follows: There was an impact of 3.7 billion yen due to an increase in the number of engineers, there was an impact of 33 million yen due to an increase in unit sales price, which I will cover in more detail a little bit later, and there was an impact of 2.8 billion yen due to M&A contributions pertaining to the companies that came on board in the past year. One of the major factors for the substantial growth in revenue this year is the fact that the revenues of companies that came on board in the past year are included in the group's revenue figure this time around.

The gross profit ratio improved 0.5 percentage points compared to last year. Breaking down this improvement, there was a positive impact of 0.2 percentage points due to an increase in the utilization rate of engineers, which I will also cover a little later, and there was a positive impact of 0.3 percentage points due to other factors not related to engineer staffing. By other factors not related to engineer staffing, I'm referring to the business operations of companies with completely different business models, such as Boyd & Moore and PC Assist. The gross margin ratios of these companies are very high, which leads to results like these.

Looking now at SG&A, total SG&A, including for the companies that we have acquired, is up 986 million yen. However, in terms of its ratio to revenue, it is at roughly the same level as last year.

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		September 2019	
Cash & cash equivalents 21.6	Debt 11.6	Cash & cash equivalents 18.3	Debt 10.6
Goodwill 34.4	Other liabilities 33.7	Goodwill 35.3	Other liabilities 34.0
Deferred tax assets 3.9		Deferred tax assets 4.4	
Intangible assets (PPA ^{†1}) 2.9	Total equity 42.9	Intangible assets (PPA ^{†1}) 2.9	Total equity 42.7
Other assets 25.4		Other assets 26.4	
Total assets 88.2	Total liabilities & equity 88.2	Total assets 87.3	Total liabilities & equity 87.3
D/E Ratio ^{†2} : 0.3 x		D/E Ratio ^{†2} : 0.3 x	
Net D/E Ratio ^{†3} : (0.2) x		Net D/E Ratio ^{†3} : (0.2) x	
Net worth ratio: 48.7%		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

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Q1 FY2019 Cash Flow

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

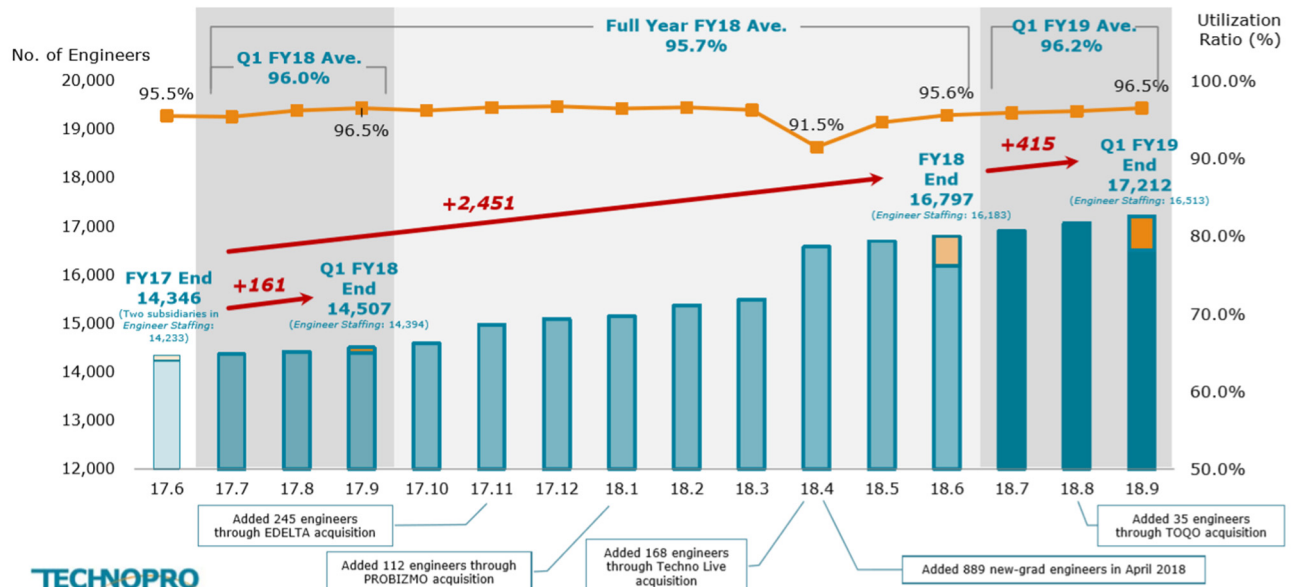
FCF 0.17

* Amounts are rounded down to the nearest unit.

Moving now to the balance sheet. Total assets are 87.3 billion yen. As you can see, goodwill is slightly higher this quarter due to M&As. Although the balance sheet shows a slight decrease in equity, this can be explained by seasonality in first quarter. Operating profit for the first quarter was 2.08 billion yen, while at the same time, we paid a dividend of 2.5 billion yen. Payment of this dividend is why equity is shown to have slightly decreased.

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)



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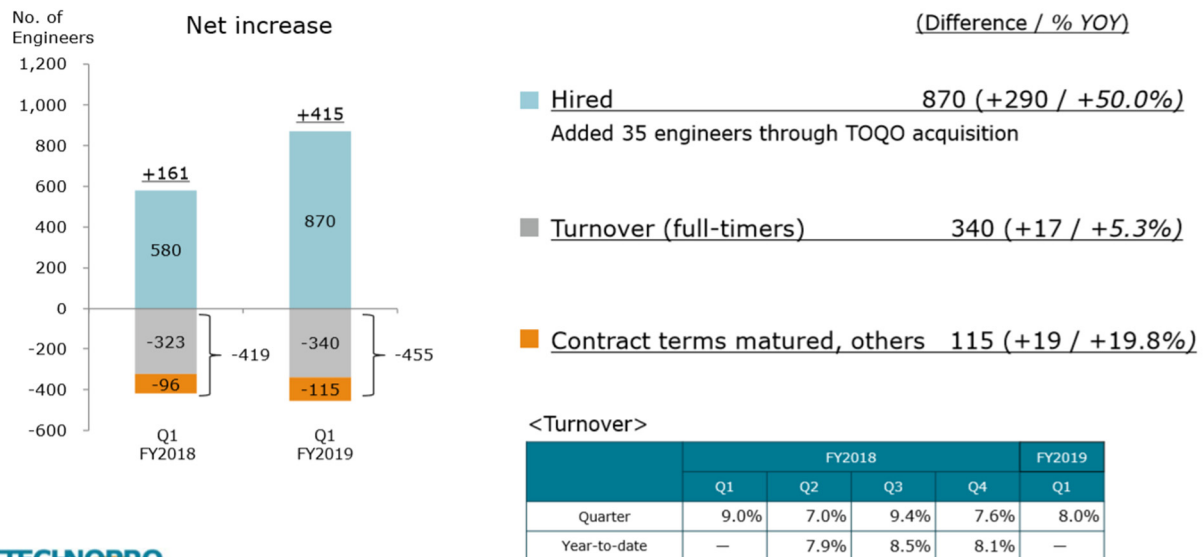
8

The next page shows the number of engineers on payroll in Japan and the utilization rate of those engineers. The number of engineers on payroll at the end of Q1 FY2019 was 17,212, up 415 from the end of the previous year. Of those engineers, 809 were non-Japanese. In addition to the number of engineers shown here, there are also 994 engineers working at overseas subsidiaries.

The domestic average utilization rate is 96.2%, up 0.2 percentage points on the previous year, and we are almost at full capacity. Of the other engineers, around 1% of them are assigned to work on education and the remaining 3% are waiting on orders for the following month. This utilization rate indicates that we are approaching our limits.

Recruitment/Turnover

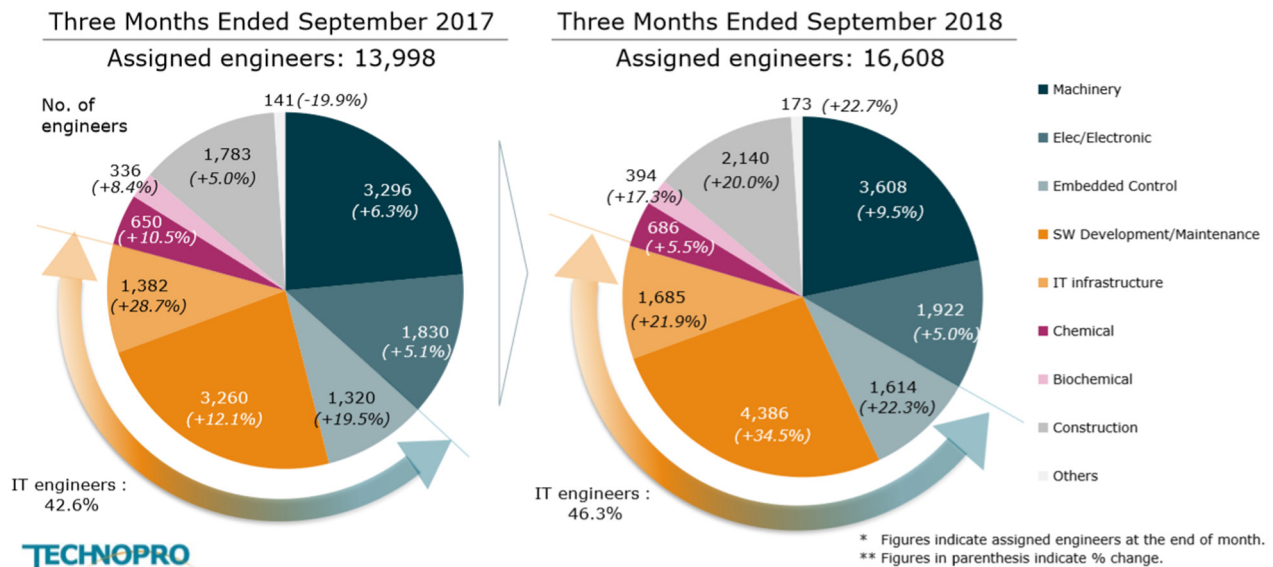
- Hired 870 engineers (up 50.0% year on year)
- Turnover rate (full-timers): 8.0% (Q1 FY2018: 9.0%)



The next page shows the recruitment and turnover situation. We hired 870 people this quarter, a year on year increase of 290, and this included the hiring of 35 people at TOQO. Turnover increased slightly, with 340 people leaving; however, the turnover rate in terms of full-timers was 8.0% this quarter, a slight improvement year on year from 9.0%.

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



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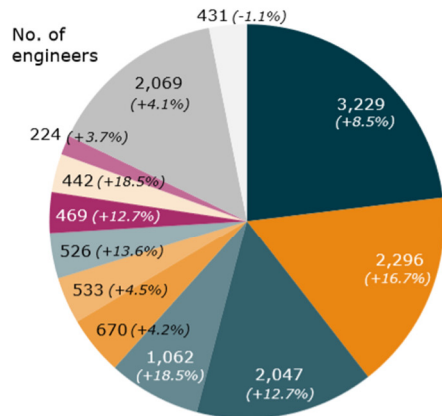
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The pie charts on this slide show the number of engineers assigned by technological field. The number of assigned engineers has increased in all technological fields. This is especially true of software development, a field in which there has been a large increase in the number of engineers assigned following our acquisitions of EDELTA and PROBIZMO.

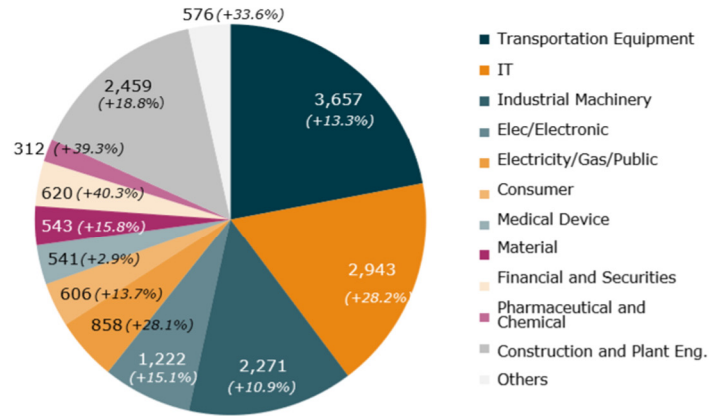
Assigned Engineers by Industrial Sectors

- 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

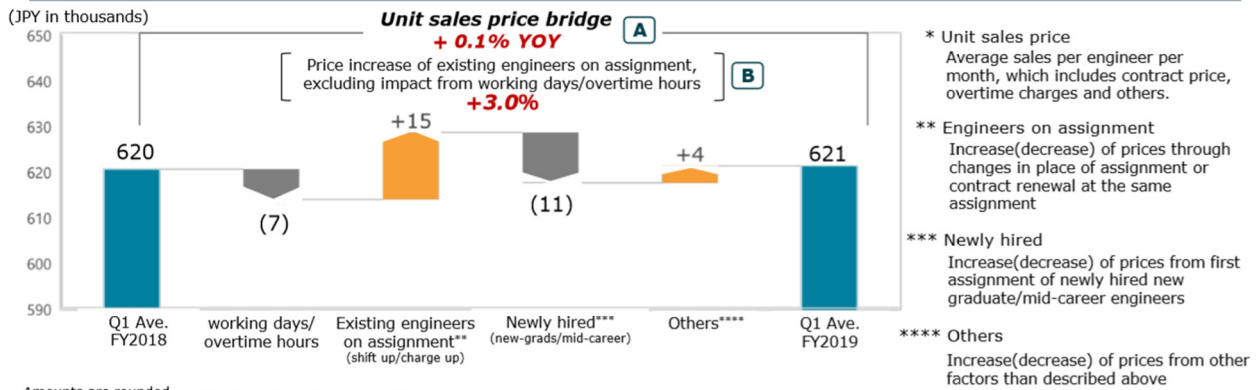


The next page shows the number of assigned engineers by industrial sector. As an added comment, I would like to say that demand is sound in nearly all industrial sectors.

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%)



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 (figures calculated by comparing unit price at the end of period) B	+3.0%	+2.8%	+2.7%	+3.0%		+3.0%

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12

Page 12 shows the unit sales price. The unit sales price this quarter was 621,000 yen per month, an increase of 0.1% (up 700 yen per month) year on year. In this quarter, there was an impact on the unit sales price of 7,000 yen per month due to fewer working days (down 0.2 days per month) and less over time (down 0.7 hours per month) than the previous year.

The contract price for existing employees increased by 15,000 yen per month. Additionally, there was a decrease in the unit sales price of 11,000 yen per month, attributable to the assignment of new graduate and early-career recruits.

To summarize, the rate of increase in unit price for existing employees and existing engineers, the indicator we are focussing on the most, was 3.0% this year. New graduate employees and employees who have joined within the last three years accounted for 10.6% of all employees in this first quarter, up nearly 2% year on year. This means that it is difficult for the unit price of the entire group to increase. We are focussing on this 3% figure, which is the rate of increase in the unit price of existing employees, and we believe that this figure is a healthy figure.

New Acquisition: Orion Managed Services Limited

Company Overview

- Delivers engineering related staffing and permanent recruitment services
- Two locations in the U.K.
- Engineers: approx. 800
- Revenue: JPY 3.9 billion
EBITDA: JPY 300 million
(FY ended March 2018)

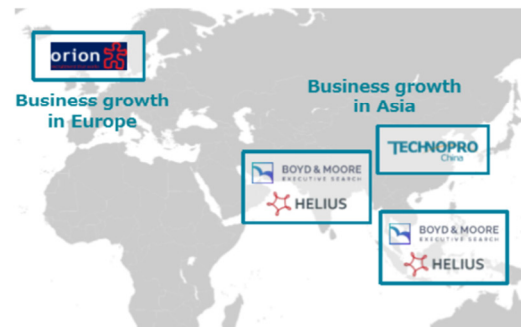
Acquisition Summary

- Transaction closed: Oct. 10, 2018
- TechnoPro Holdings acquired 60% of Orion's outstanding shares

Expected Synergy

Drive growth in global market

- (1) Collaboration between Orion with TechnoPro's subsidiaries in India
- (2) Delivery of technical recruitment services to Japanese companies operating in the U.K.
- (3) Delivery of technical recruitment services to Orion's clients with operations in Japan and Asia



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*JPY amounts calculated using exchange rate: GBP 1 = JPY 148

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13

Moving on, page 13 is about Orion Managed Services, a company that we acquired this month. Orion is a staffing company with two locations in England. The company had annual revenue of 3.9 billion yen and EBITDA of 300 million yen last fiscal year. We acquired 60% of the outstanding shares of Orion and the current management of Orion will continue to work together with us to run the company.

Naturally, an aim of this acquisition is to expand our business operations in Europe; however, we also believe that there are great possibilities for the engineers at our businesses in Singapore and India—especially those in India.

The three businesses that we have overseas, Orion, Helius, and Boyd & Moore, are all located in Commonwealth nations, and one of the big goals that we are considering for this venture is not so much about mutual personnel exchange between these three businesses but about sending engineers from our business in India to work in Singapore or England.

Goodwill & PPA Amortization

Goodwill (Q1 FY2019)

(JPY in billions)

	Engineer staffing (two subsidiaries)	M&A	Total
Machinery, Elec/ Electronic	13.6	0.3	13.9
Embedded Control, IT infrastructure	7.9	0	7.9
SW Development/ Maintenance	2.9	2.7	5.6
Chemical, Biochemical	1.2	0	1.2
Construction	3.3	0.5	3.9
Others	0	2.4	2.4
Total	29.2	6.1	35.3

PPA Amortization (Q1 FY2019)

(JPY in billions)

PPA amount	Amortization period
2.9	10-14 years

Note: PPA for subsidiaries acquired in FY2019 (TOQO, Orion) is under review

Because the current market value of goodwill well exceed book value, there are no major risks of impairment of goodwill

Rationale 1

Impairment of goodwill will be required when market value* of goodwill is lower than book value**



Current market value of our goodwill is five times higher than book value

Rationale 2

Goodwill booked through forthcoming M&A will also be able to be allocated to our current cash-generating unit which has steady source of income

Rationale 3

Amortizable assets (client assets, etc.) are amortized as PPA (amortization period depends on acquired entity)

* Calculated using "recoverable value" assessed through evaluating goodwill based on the future profit to be earned by each cash-generating unit

** Disclosed in securities report

The next page is about goodwill, which is something that has recently often been talked about in the press and the media. We were acquired by a private equity fund in the past, which is why at the time that we were listed on the stock market, we had booked goodwill of 29.2 billion yen. We then continued to work on M&As, and we currently have goodwill of 35.3 billion yen. Each year, we perform an impairment test to compare the market value of goodwill with the book value, and as the current market value of goodwill is five times the book value, we believe that we are in a very healthy position.

We are also able to allocate the goodwill of companies that we have newly acquired to our cash-generating unit, if the cash-generating unit or cash model of such companies is the same as that of our current business operations, which means that there is no concern of our healthy financial position being negatively impacted.

The 2.4 billion yen for Others in the table is that of businesses with different cash models, such as Helius, Boyd & Moore, and PC Assist. For these businesses with different models, we also amortize the purchase price allocation. We currently have 2.9 billion yen of PPA recorded in our books and this is amortized over a period of 10-14 years, depending on the company. We believe that we are undertaking very sound financial practices.

FY2019 Q1 Highlights

- Aims to enrich disclosure about non-financial information and material issues by publishing Integrated Report in Nov. 2018; through the editing process, re-acknowledged human resource development as the most important agenda for the TechnoPro Group
- Progress in fostering data scientists leveraged by partnership with ALBERT; accelerate increase of data scientists through new partnership with i's FACTORY
- Steady increase in international recruiting; non-Japanese exceeds 10% of the total employees after Orion joined the Group

Material Issues for the TechnoPro Group

Theme 1: Human Resources
Raising Everyone's Potential
<ul style="list-style-type: none"> • Develop human resources and maximize opportunities to flourish • Resolve shortage of engineering personnel and promote innovation, etc.
Theme 2: Business
Contributing to Society through the Power of Technology
<ul style="list-style-type: none"> • Realize high-value-added solutions • Use IT to achieve business innovation, etc.
Theme 3: Social Responsibility
A Trusted Partner
<ul style="list-style-type: none"> • Observe ethics and compliance • Ensure health and safety of the working environment, etc.
Theme 4: Governance
A Sustainably Growing Company
<ul style="list-style-type: none"> • Reinforce governance • Engage in dialogue and disclosure • Achieve EPS growth through business expansion, etc.

Relating SDGs



- Discussed thoroughly about the Group's material issues at the board meeting
- Define human resource development as the most important issue, create KPI

- Partnered with i's FACTORY subsequent to the partnership with ALBERT continued from Aug. 2017
- Developed 88 data scientists through training programs provided together with both partners

- Strongly promote recruiting of non-Japanese engineer

- Making a presentation to introduce the Group at Indian Institutes of Technology Hyderabad
- 9.9% * are non-Japanese among consolidated total employees (1,803 out of 18,206)



*Not including 800 employees at Orion Managed Services

I would last like to introduce some of the highlights of Q1 FY2019. We plan to publish an integrated report next month in November. In that integrated report, we plan to allocate more pages to explain non-financial information and particularly material issues. We recognize that human resources development is the most important agenda for the TechnoPro Group, and as you can see on this slide, we have categorized the material issues for the TechnoPro Group into four themes. For each theme, we will set and disclose KPIs and we will follow up on these. We hope that you will read the integrated report once it is published next month.

We are working very diligently to develop data scientists, and in addition to our partnership with ALBERT, we have also commenced a partnership with i's FACTORY. In addition, we made a presentation at Indian Institutes of Technology Hyderabad to introduce the TechnoPro Group, and we are working hard to promote recruitment.

If you also include Orion, the current ratio of non-Japanese employees to total employees is approximately 10%.

This concludes my presentation. Thank you very much for your attention.

Question & Answer

Questioner: Thank you. I have two questions.

My first question is about profit margins. I understand that, on this occasion, there was a year on year improvement in the gross profit margin of about 0.5 percentage points, factoring in the impact from engineer staffing business; however, if the contribution from group companies other than those involved in engineer staffing were to increase in the future, I'm interested to know to what extent you think the OP margin could increase based on the current business model. So, in that sense, my first question is what is the potential range of the increase in OP margin?

My second question is about the group's M&A strategy. Looking at page 13 of the materials, I can see that the group is working on M&As in Commonwealth nations; however, if the group continues to expand its M&A activities, will it continue in this manner or is the group considering expanding into other overseas locations as well?

Sato: Thank you for your questions. Firstly, in answer to your question about short-term increases in profit margins, as I explained earlier, the gross margin ratios of both Boyd & Moore and PC Assist are very strong, and as the parent company is also expanding, we want to maintain this level.

As I explained earlier with respect to our overseas business operations, there has been a change in the management of our Chinese business operations and we have acquired some good mid-term customers, so we are currently seeing a large improvement.

We also forecast that we will be able to secure an OP margin of over 10% for Helius Technologies. Based on that, with respect to our other domestic companies with OP margins approaching 10%, if our gradual absorption goes well, then in the short-term, although we may not meet our year target of 10.0%, we may still see a slight improvement.

We are already talking about increasing this target to 11% or 12% in the medium term, but if there is the possibility of even slight improvements in the short term, then we would like to try to realize those improvements.

In answer to your second question, about our M&A strategy, the regions we are currently focusing on are Asia and those Commonwealth nations where English is spoken. While there are many potential candidate businesses for our M&A activities in America, we are not currently considering expansion into America in the short term. We first want to focus on Europe and then Asia. Given the chance, we would also like to consider expanding into Australia. However, we are currently centering our focus on the Commonwealth nations.

I hope this answers your questions.

Questioner: I would just like to ask one more thing regarding M&As. Does the group place any particular restrictions on the fields that it branches into? For example, the company in Singapore that the group acquired seems to be closely related to the field of IT software, while in comparison, Orion, the company that the group has acquired on this occasion, seems to be more closely related to the field of mechanical and electrical services. My impression, then, is that TechnoPro Group takes a comprehensive approach to

the fields of business that it branches into instead of focusing on specific fields. Is my understanding correct?

Sato: I think that, first and foremost, we are aiming to provide technology services in a wide range of areas, and thus we try to find dispatch companies and training companies that link with that aim.

Questioner: Thank you.

Sato: Thank you.

[END]