

TechnoPro Group Financial Results for the 2nd Quarter of FY25.6

TechnoPro Holdings, Inc. (code: 6028,TSE)

February 7, 2025

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1. Accounting figures are rounded down to the nearest unit unless otherwise stated; KPI figures indicate "R&D Outsourcing" and "Construction Management Outsourcing" segments in Japan
2. "Net profit" refers to net profit attributable to owners of the parent company after deducting non-controlling interests
3. "Core operating profit" is calculated by subtracting SG&A expenses from gross profit, excluding extraordinary items (ex. government subsidy, impairment loss) recognized in other income or other expenses
4. "Operating profit before PPA asset amortization" is calculated by adding back following items to operating profit: 1) amortization of client related asset incurred by Purchase Price Allocation at M&A transactions, 2) impairment loss, 3) changes in fair value amount and early exercise of put option liabilities, and 4) changes in fair value amount of earn-out liabilities
5. Per share amounts are calculated based on the number of shares after a three-for-one split of shares effective July 1, 2021

Q2 FY25.6 Financial Overviews

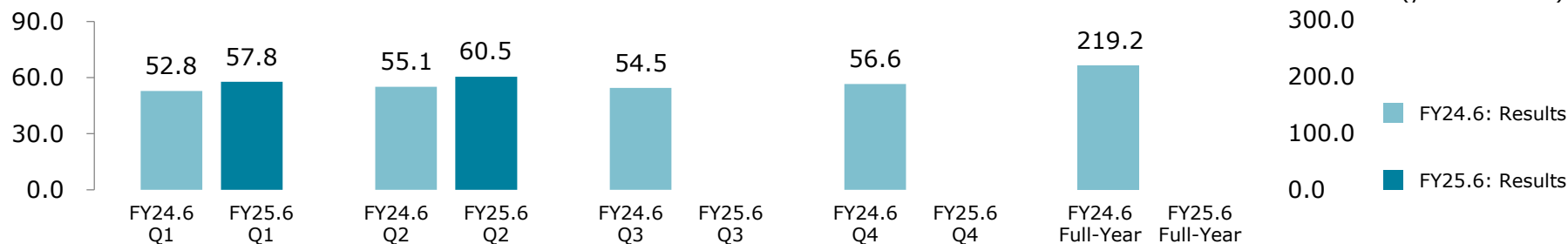
- FY25.6 H1 revenue was **118.4 billion yen**, up 9.7% year-on-year; gross profit was **32.4 billion yen**, up 11.6% year-on-year; core operating profit was **14.8 billion yen**, up 21.2% year-on-year; operating profit was **15.1 billion yen**, up 21.7% year-on-year; SG&A expenses increased by 780 million yen, of which recruitment cost increased by 470 million yen; SG&A ratio was reduced to below 15%
- FY25.6 H1 gross profit increased by **3.3 billion yen** year-on-year, mainly due to 1) increased allocation of domestic dispatch engineers (up 990 million yen), 2) price hike of dispatch contracts (up 2.67 billion yen), 3) expansion of project-type services (up 830 million yen), 4) increased working days and hours (up 340 million yen), offset by increases in 5) provision for seasonal and financial results-linked bonuses (down 1.54 billion yen in total), and 6) provision for paid leave (down 300 million yen)
- FY25.6 H1 results exceeded the initial plan, progressing well against full-year guidance despite uncertainties in the Overseas segment

(yen in millions, except per share amounts)

	Q2 (Three-Month Period)				First Half				Full-Year			
	FY24.6 (Results)	FY25.6 (Results)	YoY		FY24.6 (Results)	FY25.6 (Results)	YoY		FY24.6 (Results)	FY25.6 (Guidance)	YoY	
Revenue	55,112	60,565	+5,452	+9.9%	108,009	118,439	+10,429	+9.7%	219,218	237,000	+17,781	+8.1%
Gross profit	15,004	16,951	+1,946	+13.0%	29,062	32,447	+3,384	+11.6%	58,810	—	—	—
GP margin	27.2%	28.0%	+0.8 pts		26.9%	27.4%	+0.5 pts		26.8%	—	—	—
SG&A expenses	8,438	9,023	+584	+6.9%	16,789	17,569	+780	+4.6%	34,414	—	—	—
Ratio on revenue	15.3%	14.9%	(0.4 pts)		15.5%	14.8%	(0.7 pts)		15.7%	—	—	—
Core operating profit	6,565	7,927	+1,362	+20.7%	12,273	14,877	+2,604	+21.2%	24,395	27,000	+2,604	+10.7%
Core OP margin	11.9%	13.1%	+1.2 pts		11.4%	12.6%	+1.2 pts		11.1%	11.4%	+0.3 pts	
Other income	69	170	+101	—	160	256	+95	—	361	—	—	—
Other expenses	6	9	+2	—	17	25	+8	—	2,838	—	—	—
Operating profit	6,628	8,088	+1,460	+22.0%	12,416	15,108	+2,691	+21.7%	21,918	27,000	+5,081	+23.2%
OP margin	12.0%	13.4%	+1.3 pts		11.5%	12.8%	+1.3 pts		10.0%	11.4%	+1.4 pts	
Profit before income taxes	6,612	8,343	+1,731	+26.2%	12,464	15,307	+2,843	+22.8%	22,139	27,000	+4,860	+22.0%
Net profit	4,560	5,747	+1,187	+26.0%	8,591	10,527	+1,936	+22.5%	14,684	18,500	+3,815	+26.0%
Net profit margin	8.3%	9.5%	+1.2 pts		8.0%	8.9%	+0.9 pts		6.7%	7.8%	+1.1 pts	
Earnings per share	42.68	55.09	+12.41	+29.1%	80.34	100.40	+20.06	+25.0%	137.56	176.98	+39.42	+28.7%
Dividend per share	—	—	—	—	25.00	30.00	+5.00	+20.0%	80.00	90.00	+10.00	+12.5%

Reference: Quarterly Performance

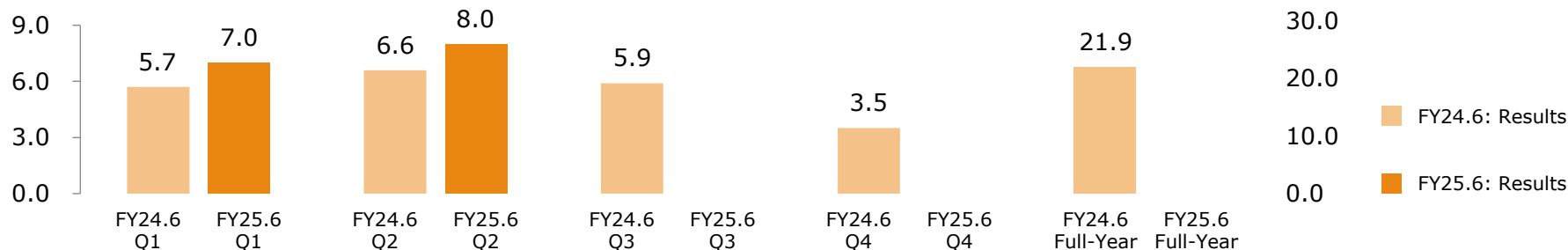
Revenue



YoY	+9.4%		+9.9%		-		-		-	
Progress on full-year %	24.1%	-	25.1%	-	24.9%	-	25.8%	-	100.0%	-
Ave. no. of engineers	24,233	26,148	24,589	26,509	24,835	[26,700]	25,979	[27,800]	24,909	[26,790]
Ave. utilization ratio	95.0%	95.1%	95.9%	95.7%	95.9%	[95.8%]	93.2%	[92.7%]	95.0%	[94.8%]
Ave. monthly unit sales price (thousands yen)	669	685	684	711	675	[695]	685	[700]	678	[698]
Working days*	56.4	55.8	57.9	58.4	54.2	[53.7]	57.3	[57.6]	225.8	[225.6]
Working hours per day*	8.39	8.43	8.46	8.44	8.46	[8.44]	8.41	[8.38]	8.43	[8.42]

† Figures in brackets indicate forecast at the time of publication

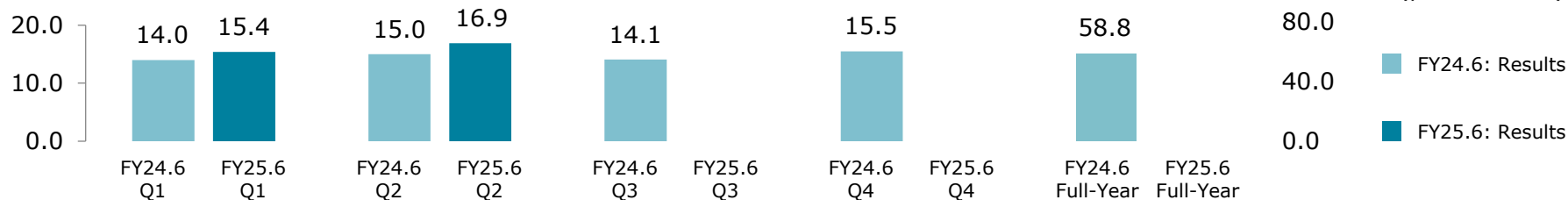
Operating Profit



YoY	+21.3%		+22.0%		-		-		-	
Progress on full-year %	26.4%	-	30.2%	-	27.1%	-	16.3%	-	100.0%	-
OP margin	10.9%	12.1%	12.0%	13.4%	10.9%	-	6.3%	-	10.0%	-

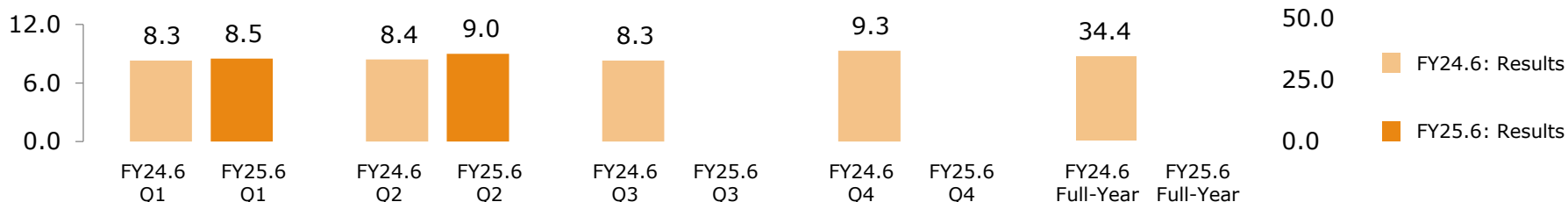
Reference: Quarterly Performance (cont.)

Gross Profit



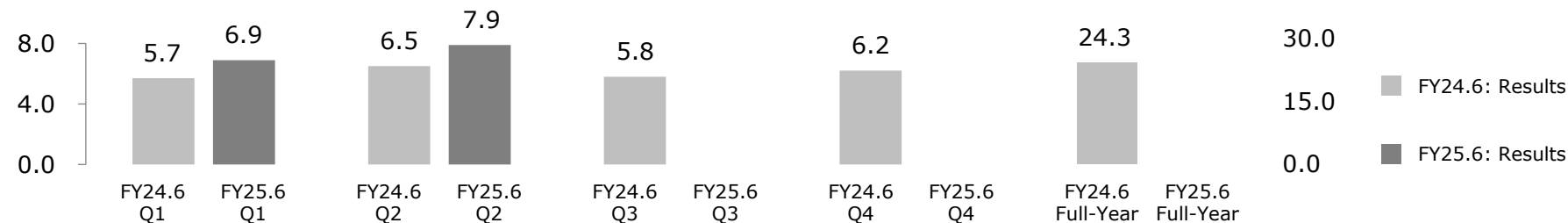
YoY	+10.2%		+13.0%		-		-		-	
GP margin	26.6%	26.8%	27.2%	28.0%	25.9%	-	27.5%	-	26.8%	-

SG&A



YoY	+2.3%		+6.9%		-		-		-	
Ratio on revenue	15.8%	14.8%	15.3%	14.9%	15.2%	-	16.5%	-	15.7%	-

Core Operating Profit



YoY	+21.8%		+20.7%		-		-		-	
Core OP margin	10.8%	12.0%	11.9%	13.1%	10.7%	-	11.1%	-	11.1%	-

Q2 FY25.6 Segment Results [Year-to-Date]

(yen in millions, except engineer headcounts)

	R&D Outsourcing				Construction Management Outsourcing				Other Businesses in Japan				Japan Total			
	FY23.6 H1	FY24.6 H1	FY25.6 H1	YoY	FY23.6 H1	FY24.6 H1	FY25.6 H1	YoY	FY23.6 H1	FY24.6 H1	FY25.6 H1	YoY	FY23.6 H1	FY24.6 H1	FY25.6 H1	YoY
Revenue	74,709	83,115	92,676	+11.5%	10,605	11,353	12,524	+10.3%	2,486	2,184	2,170	(0.6%)	87,801	96,653	107,371	+11.1%
Ratio to consolidated revenue	76.2%	77.0%	78.2%		10.8%	10.5%	10.6%		2.5%	2.0%	1.8%		89.6%	89.5%	90.7%	
Gross profit	18,947	21,737	24,586	+13.1%	3,216	3,571	3,812	+6.7%	1,765	1,447	1,500	+3.7%	23,929	26,756	29,899	+11.7%
GP margin	25.4%	26.2%	26.5%		30.3%	31.5%	30.4%		71.0%	66.3%	69.1%		27.3%	27.7%	27.8%	
Operating profit	8,580	10,159	12,233	+20.4%	1,448	1,691	1,842	+8.9%	126	(99)	(22)	—	10,155	11,751	14,052	+19.6%
OP margin	11.5%	12.2%	13.2%		13.7%	14.9%	14.7%		5.1%	(4.5%)	(1.0%)		11.6%	12.2%	13.1%	
OP before PPA asset amortization	8,616	10,195	12,269	+20.3%	1,448	1,691	1,842	+8.9%	126	(99)	(22)	—	10,191	11,787	14,089	+19.5%
OP margin before PPA asset amortization	11.5%	12.3%	13.2%		13.7%	14.9%	14.7%		5.1%	(4.5%)	(1.0%)		11.6%	12.2%	13.1%	
PPA asset amortization	(36)	(36)	(36)	—	—	—	—	—	—	—	—	—	(36)	(36)	(36)	—
Impairment loss	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
No. of engineers (period-end)	19,824	21,644	23,326	+7.8%	2,829	3,086	3,325	+7.7%	—	—	—	—	22,653	24,730	26,651	+7.8%
o/w Non-Japanese in Japan	828	964	1,067	+10.7%	112	155	214	+38.1%	—	—	—	—	940	1,119	1,281	+14.5%

	Overseas				Reporting Segment Total				Corporate/Eliminations*				Consolidated Total			
	FY23.6 H1	FY24.6 H1	FY25.6 H1	YoY	FY23.6 H1	FY24.6 H1	FY25.6 H1	YoY	FY23.6 H1	FY24.6 H1	FY25.6 H1	YoY	FY23.6 H1	FY24.6 H1	FY25.6 H1	YoY
Revenue	11,774	12,824	12,557	(2.1%)	99,575	109,478	119,929	+9.5%	(1,563)	(1,468)	(1,490)	—	98,011	108,009	118,439	+9.7%
Ratio to consolidated revenue	12.0%	11.9%	10.6%		101.6%	101.4%	101.3%		(1.6%)	(1.4%)	(1.3%)		100.0%	100.0%	100.0%	
Gross profit	3,145	3,443	3,528	+2.5%	27,075	30,200	33,428	+10.7%	(1,036)	(1,137)	(981)	—	26,038	29,062	32,447	+11.6%
GP margin	26.7%	26.9%	28.1%		27.2%	27.6%	27.9%		—	—	—		26.6%	26.9%	27.4%	
Operating profit	1,041	549	1,028	+87.2%	11,196	12,300	15,081	+22.6%	(13)	115	26	—	11,183	12,416	15,108	+21.7%
OP margin	8.8%	4.3%	8.2%		11.2%	11.2%	12.6%		—	—	—		11.4%	11.5%	12.8%	
OP before PPA asset amortization	1,336	878	1,200	+36.7%	11,528	12,666	15,289	+20.7%	(13)	115	26	—	11,515	12,782	15,316	+19.8%
OP margin before PPA asset amortization	11.4%	6.9%	9.6%		11.6%	11.6%	12.7%		—	—	—		11.7%	11.8%	12.9%	
PPA asset amortization	(295)	(329)	(171)	—	(331)	(365)	(208)	—	—	—	—	—	(331)	(365)	(208)	—
Impairment loss	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Changes in fair value amount and early exercise of PO liabilities	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Changes in fair value amount of EO liabilities	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
No. of engineers (period-end)	2,873	2,733	2,336	(14.5%)	25,526	27,463	28,987	+5.5%	—	—	—	—	25,526	27,463	28,987	+5.5%

Reference: Q2 FY25.6 Segment Results [Three-Month]

(yen in millions, except engineer headcounts)

	R&D Outsourcing				Construction Management Outsourcing				Other Businesses in Japan				Japan Total			
	FY23.6 Q2	FY24.6 Q2	FY25.6 Q2	YoY	FY23.6 Q2	FY24.6 Q2	FY25.6 Q2	YoY	FY23.6 Q2	FY24.6 Q2	FY25.6 Q2	YoY	FY23.6 Q2	FY24.6 Q2	FY25.6 Q2	YoY
Revenue	38,118	42,553	47,657	+12.0%	5,418	5,794	6,394	+10.3%	1,213	1,117	1,096	(1.9%)	44,749	49,466	55,148	+11.5%
Ratio to consolidated revenue	76.6%	77.2%	78.7%		10.9%	10.5%	10.6%		2.4%	2.0%	1.8%		89.9%	89.8%	91.1%	
Gross profit	9,228	11,269	12,908	+14.5%	1,690	1,836	1,969	+7.2%	850	759	790	+4.1%	11,768	13,865	15,668	+13.0%
GP margin	24.2%	26.5%	27.1%		31.2%	31.7%	30.8%		70.1%	67.9%	72.1%		26.3%	28.0%	28.4%	
Operating profit	3,855	5,409	6,659	+23.1%	797	881	961	+9.1%	16	(20)	(27)	—	4,669	6,271	7,593	+21.1%
OP margin	10.1%	12.7%	14.0%		14.7%	15.2%	15.0%		1.3%	(1.8%)	(2.5%)		10.4%	12.7%	13.8%	
OP before PPA asset amortization	3,873	5,427	6,677	+23.0%	797	881	961	+9.1%	16	(20)	(27)	—	4,687	6,289	7,611	+21.0%
OP margin before PPA asset amortization	10.2%	12.8%	14.0%		14.7%	15.2%	15.0%		1.3%	(1.8%)	(2.5%)		10.5%	12.7%	13.8%	
PPA asset amortization	(18)	(18)	(18)	—	—	—	—	—	—	—	—	—	(18)	(18)	(18)	—
Impairment loss	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
No. of engineers (period-end)	19,824	21,644	23,326	+7.8%	2,829	3,086	3,325	+7.7%	—	—	—	—	22,653	24,730	26,651	+7.8%
o/w Non-Japanese in Japan	828	964	1,067	+10.7%	112	155	214	+38.1%	—	—	—	—	940	1,119	1,281	+14.5%

	Overseas				Reporting Segment Total				Corporate/Eliminations*				Consolidated Total			
	FY23.6 Q2	FY24.6 Q2	FY25.6 Q2	YoY	FY23.6 Q2	FY24.6 Q2	FY25.6 Q2	YoY	FY23.6 Q2	FY24.6 Q2	FY25.6 Q2	YoY	FY23.6 Q2	FY24.6 Q2	FY25.6 Q2	YoY
Revenue	5,845	6,418	6,213	(3.2%)	50,595	55,884	61,361	+9.8%	(809)	(771)	(796)	—	49,786	55,112	60,565	+9.9%
Ratio to consolidated revenue	11.7%	11.6%	10.3%		101.6%	101.4%	101.3%		(1.6%)	(1.4%)	(1.3%)		100.0%	100.0%	100.0%	
Gross profit	1,568	1,714	1,791	+4.5%	13,336	15,580	17,460	+12.1%	(548)	(575)	(508)	—	12,788	15,004	16,951	+13.0%
GP margin	26.8%	26.7%	28.8%		26.4%	27.9%	28.5%		—	—	—		25.7%	27.2%	28.0%	
Operating profit	481	279	550	+96.8%	5,151	6,550	8,143	+24.3%	24	77	(54)	—	5,176	6,628	8,088	+22.0%
OP margin	8.2%	4.4%	8.9%		10.2%	11.7%	13.3%		—	—	—		10.4%	12.0%	13.4%	
OP before PPA asset amortization	629	436	636	+45.8%	5,317	6,726	8,248	+22.6%	24	77	(54)	—	5,342	6,803	8,193	+20.4%
OP margin before PPA asset amortization	10.8%	6.8%	10.2%		10.5%	12.0%	13.4%		—	—	—		10.7%	12.3%	13.5%	
PPA asset amortization	(147)	(157)	(86)	—	(166)	(175)	(104)	—	—	—	—	—	(166)	(175)	(104)	—
Impairment loss	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Changes in fair value amount and early exercise of PO liabilities	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Changes in fair value amount of EO liabilities	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
No. of engineers (period-end)	2,873	2,733	2,336	(14.5%)	25,526	27,463	28,987	+5.5%	—	—	—	—	25,526	27,463	28,987	+5.5%

Q2 FY25.6 Balance Sheet & Cash Flows

- H1 FY25.6 cash flows turned significantly negative due to 1) payments for corporate income tax and dividends, 2) redemption of bonds, and 3) share buyback, etc.
- In October 2024, redeemed 3-year straight bonds of 5.0 billion yen, partially refinanced by 3.0 billion yen bank loans
- Ensuring 1) sufficient flexibility for unexpected financial needs, backed by credit lines for working capital, etc. and 2) diverse funding sources through the shelf registration relating to issuance of corporate bonds

Q2 FY25.6 End B/S (yen in billions)

Cash & cash equivalents 39.4	Debt 11.2
	IFRS 16 related liabilities 8.3
IFRS 16 related assets 8.3	Other liabilities 47.3
Goodwill 46.0	Total equity 80.6 (Non-controlling interests 0.9)
PPA 1.6	
Other assets 52.1	

Total assets 147.4 Total liabilities & equity 147.4

Net Cash : 28.1bn yen
 Net Worth Ratio* : 54.1%
 Goodwill/E Ratio* : 0.58x
 D/E Ratio* : 0.14x
 D/OP Ratio** : 0.42x

* Calculated using equity capital excluding non-controlling interests

** Calculated using operating profit stated in the full-year guidance



H1 FY25.6 Cash Flows (yen in millions)

• Operating CF	+12,359
PPA asset amortization	+208
Net cash flow from income tax payment & refund	(5,465)
• Investing CF	(1,003)
Purchase of tangible fixed assets	(304)
Purchase of intangible assets	(70)
• Financing CF	(17,120)
IFRS 16 related lease liability repayment	(3,511)
Net cash flow from debt procurement & repayment	(2,500)
Dividend payment	(6,108)
Share repurchase payment	(4,999)

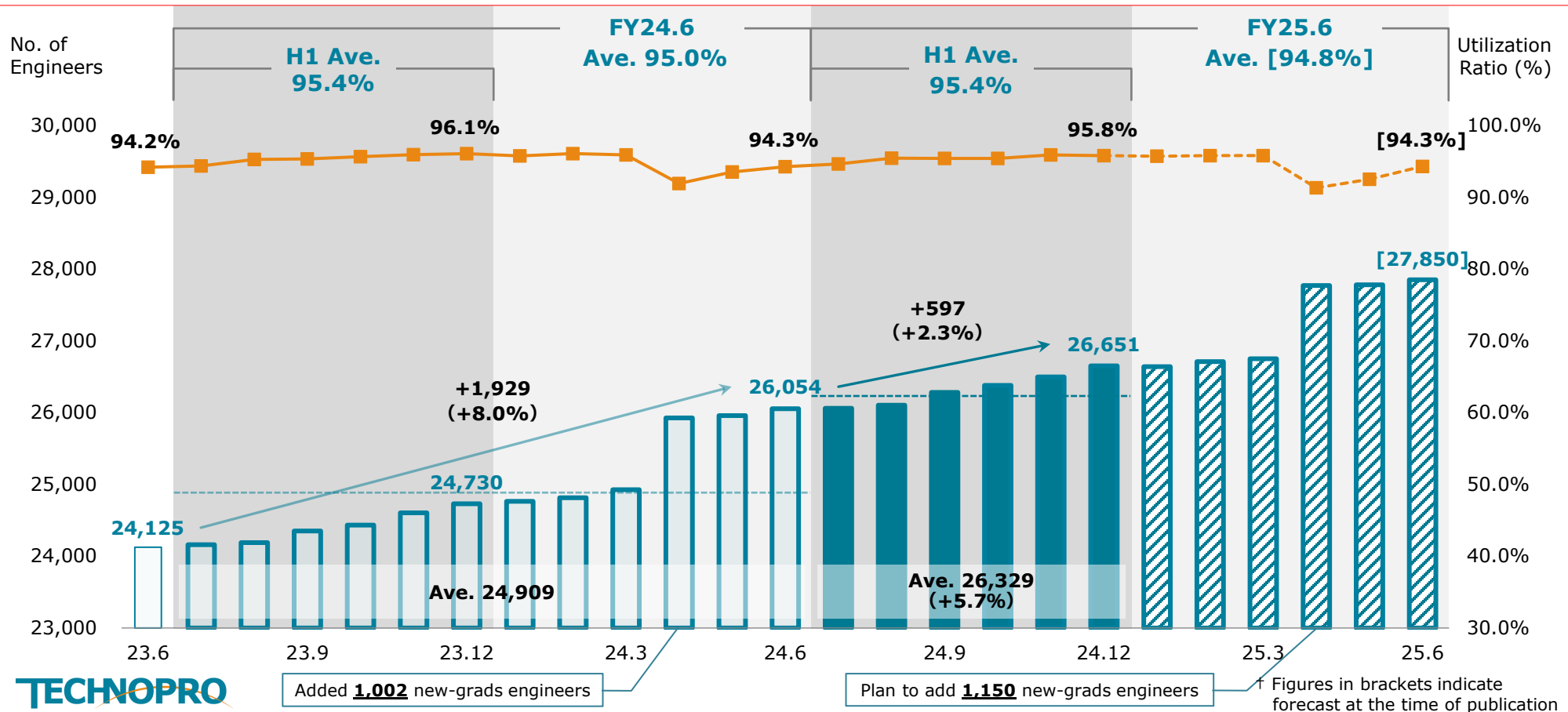
Net CF (incl. effect of exchange rate change of -65mn yen) **(5,828)**

Commitment Lines (yen in millions)

Purpose	Credit line	Used	Unused	Expiration
1 Working capital	6,000	0	6,000	Jun. 2025
2 Working capital etc.	10,000	0	10,000	Jun. 2025
Total	16,000	0	16,000	

Number of Engineers & Utilization Ratio [Japan]

- Engineers in Japan at Q2 FY25.6 end totaled **26,651** (up 1,921 or 7.8% year-on-year), including **1,281** non-Japanese engineers (up 162 year-on-year)
- Engineers working outside Japan at Q2 FY25.6 end totaled **2,336** (not included in the number of engineers in Japan, down 397 or 14.5% year-on-year)
- Utilization ratio was **95.8%** at Q2 FY25.6 end (down 0.3 pts year-on-year), while average one for H1 six-month was **95.4%** (down 0.0 pts year-on-year)

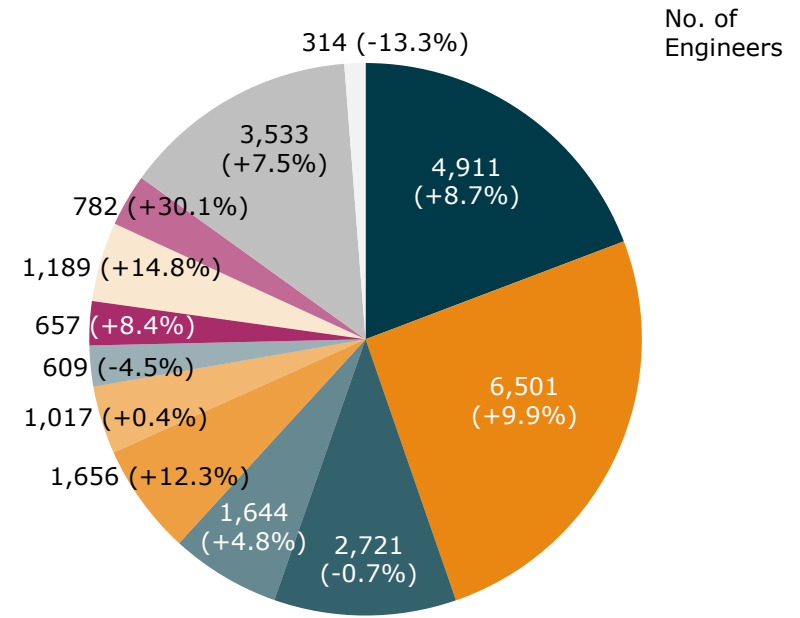
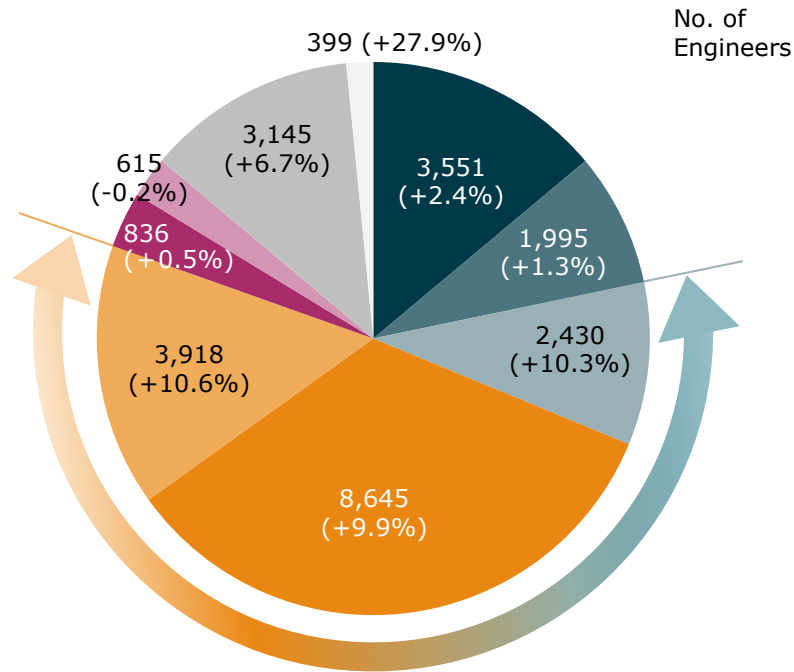


Reference: Assigned Engineers Portfolios [Japan]

Q2 FY25.6 End Assigned Engineers : **25,534** (up 1,776 or 7.5% YoY)

by Technology

by Industry



IT engineers:
58.7% / 14,993 (+10.1%)

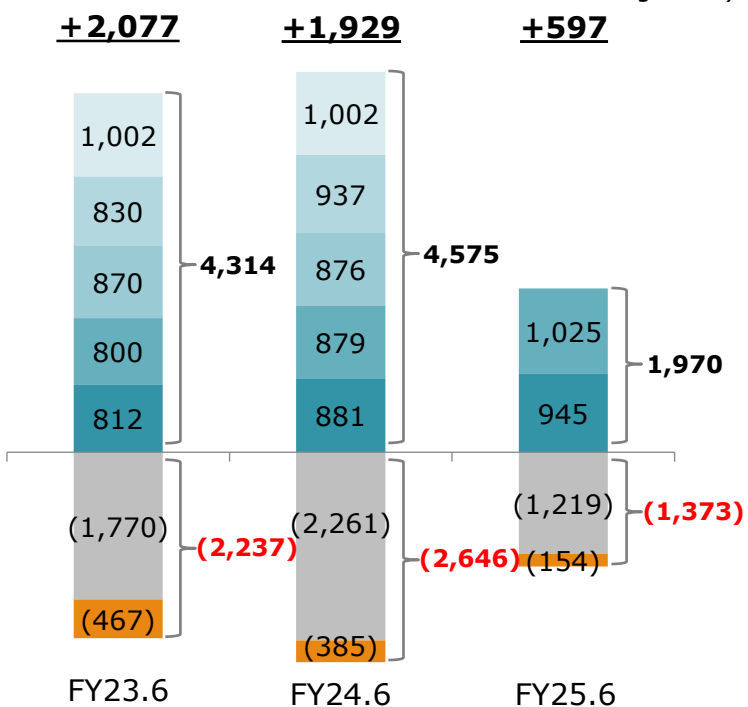
- Machinery
- Electric/Electronic
- Embedded Control
- SW Development/Maintenance
- IT infrastructure
- Chemical
- Biochemical
- Construction
- Others

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

Recruitment & Turnover [Japan]

- Engineers hired in H1 FY25.6 totaled **1,970** (up 210 year-on-year); expecting to add **1,150** new-grads (up approx. 150 year-on-year) in April 2025
- 1,373** engineers left in H1 FY25.6 (up 218 year-on-year): permanent employees of **1,219** (up 253 year-on-year) and fixed-term employees of **154** (down 35 year-on-year)
- Turnover ratio for permanent employees* was **9.3%** for H1 FY25.6 (up 1.3 pts year-on-year), and **9.7%** on LTM basis; expecting **9.8%** for full-year FY25.6
- Net engineer addition was **597** for H1 FY25.6, exceeding the plan for H1 FY25.6; turnover proceeded as planned for the R&D Outsourcing while becoming higher than expected for the Construction Management Outsourcing

Net Increase (Decrease) (No. of Engineers)



Annual Recruitment/Turnover (No. of Engineers)

	FY23.6	FY24.6	FY25.6	YoY	
Hired Total	4,314	4,575	1,970	—	—
M&A	0	0	—	—	—
New-grads joined in April	1,002	1,002	—	—	—
Mid-career: Q4	830	937	—	—	—
Mid-career: Q3	870	876	—	—	—
Mid-career: Q2	800	879	1,025	+146	+16.6%
Mid-career: Q1	812	881	945	+64	+7.3%
Turnover Total	2,237	2,646	1,373	—	—
Permanent employees	1,770	2,261	1,219	—	—
Contract terms matured, others	467	385	154	—	—

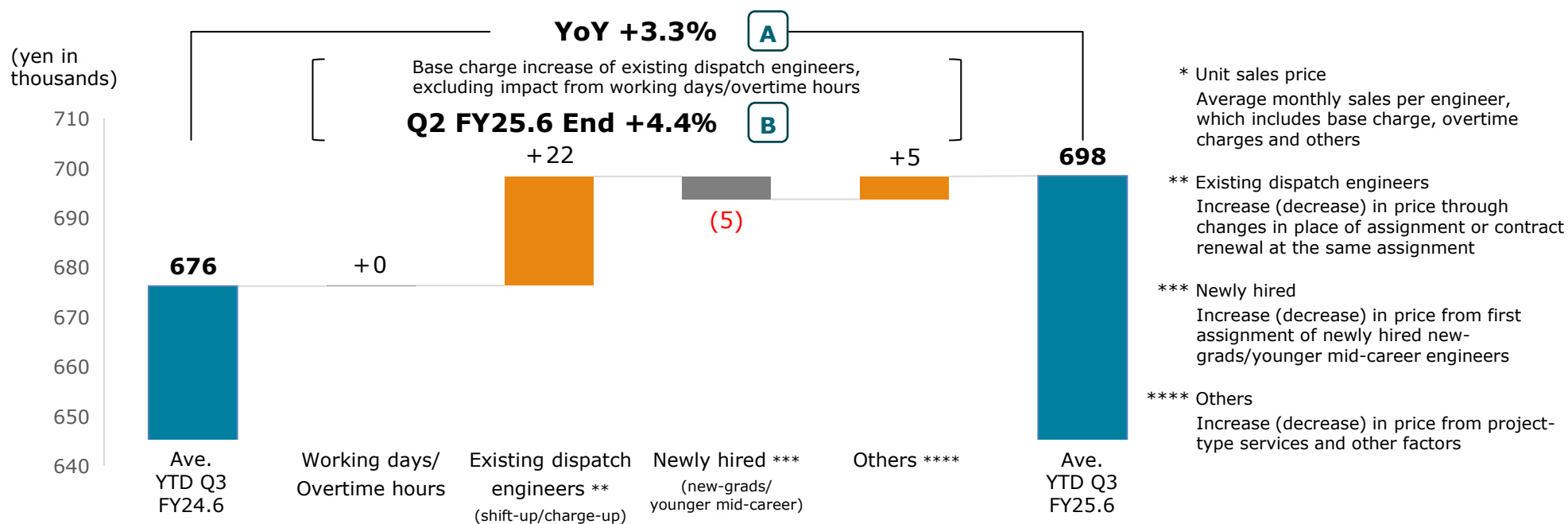
Turnover Ratio for Permanent Employees*

	FY23.6				FY24.6				FY25.6			
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
Quarter	7.9%	6.0%	8.0%	8.9%	8.8%	7.1%	9.6%	10.8%	9.7%	8.8%	—	—
YTD	—	7.0%	7.3%	7.7%	—	7.9%	8.5%	9.1%	—	9.3%	—	—
LTM	7.8%	7.5%	7.6%	7.7%	8.0%	8.2%	8.6%	9.1%	9.3%	9.7%	—	—

* Turnover ratio for permanent employees was calculated, excluding fixed-term employees left at the end of contract term

Average Monthly Unit Sales Price [Japan]

- Ave. monthly unit sales price* for H1 FY25.6 was **698K yen** (up 22K yen/month or 3.3% year-on-year)
- Increased 0K yen/month year-on-year due to the mix of decrease in working days and increase in overtime hours, and diluted 5K yen/month year-on-year due to first assignment of newly hired new-grads and younger mid-career engineers
- Increased 22K yen/month, driven by base charge hike for existing dispatch engineers through shift-up and charge-up efforts
- Increased 5K yen/month, driven by the growth of project-type services



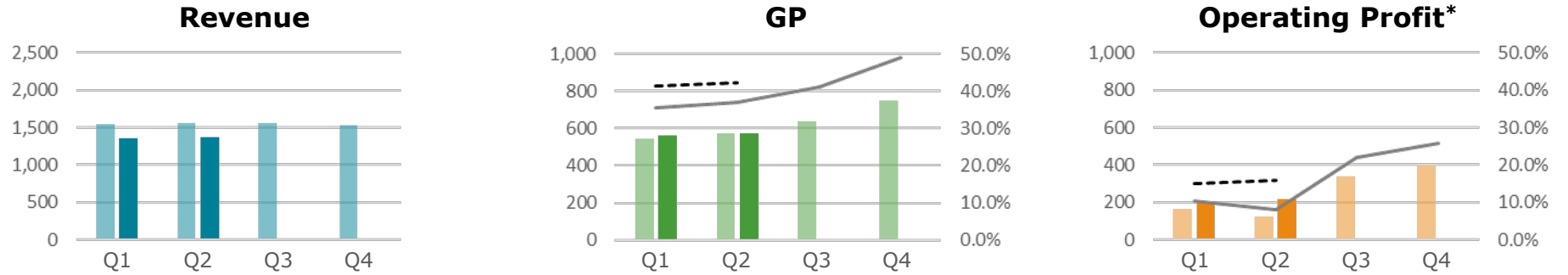
	FY24.6				FY25.6			
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
Unit Sales Price (yen in thousands/month, YTD)	669	676	676	678	685	698	—	—
YoY A	+2.1%	+2.3%	+1.3%	+1.3%	+2.5%	+3.3%	—	—

	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
Base Charge Increase of Existing Dispatch Engineers B † YoY comparison for each quarter end	+4.1%	+4.0%	+4.1%	+4.2%	+4.5%	+4.4%	—	—

Overseas Subsidiaries Update

■ ■ ■ — FY24.6 Results
 ■ ■ ■ - - - - FY25.6 Results
 (yen in millions)

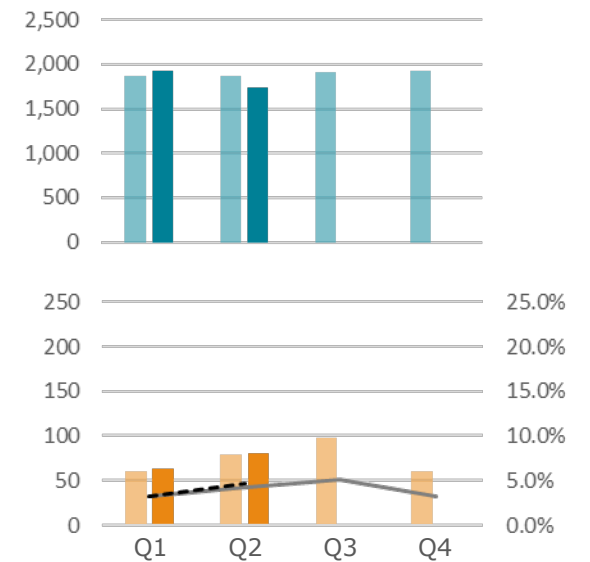
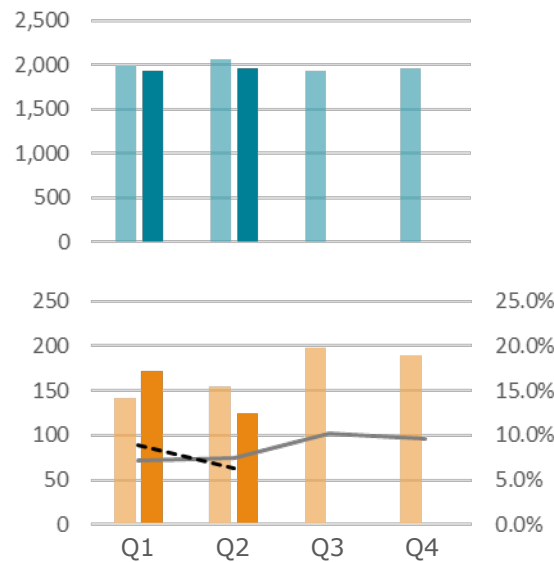
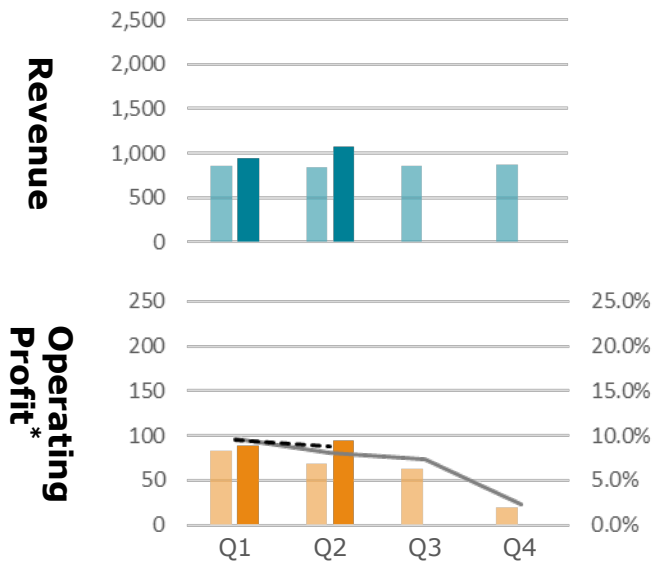
Robosoft (North America/Japan/Europe/India)



TechnoPro China

Helius (Singapore/India/Southeast Asia)

Orion (UK)



* Operating profit before PPA amortization; line graphs indicate profit margin

FY25.6 Guidance – Updated Key KPIs for FY25.6

- In FY25.6 (the fourth year of the medium-term plan), expect revenue to **increase by 9.0 billion yen** from the plan and operating profit of **27 billion yen**, the same level as the plan, despite assuming M&A contributions behind the plan
- Core operating profit margin will steadily grow although there has been a delay in the reduction of SG&A ratio due to soaring recruitment fees associated with changes in the business environment, etc.
- Anticipate unit sales price to improve more than previous years by promoting sufficient price pass-on to accommodate annual pay hike, even though the growth in the number of engineers is expected to decline due to worsening turnover ratio

(yen in millions, except per share amounts and engineer headcounts)

	First Half			Second Half			Full-Year			
	FY24.6 (Results)	FY25.6 (Results)	YoY	FY24.6 (Results)	FY25.6 (Guidance)	YoY	FY24.6 (Results)	FY25.6 (Guidance)	YoY	
Revenue	108,009	118,439	+9.7%	111,209	118,560	+6.6%	219,218	237,000	+17,781	+8.1%
Core operating profit	12,273	14,877	+21.2%	12,122	12,122	(0.0%)	24,395	27,000	+2,604	+10.7%
Core OP margin	11.4%	12.6%		10.9%	10.2%		11.1%	11.4%	+0.3 pts	
Operating profit	12,416	15,108	+21.7%	9,501	11,891	+25.2%	21,918	27,000	+5,081	+23.2%
OP margin	11.5%	12.8%		8.5%	10.0%		10.0%	11.4%	+1.4 pts	
Profit before income taxes	12,464	15,307	+22.8%	9,674	11,692	+20.9%	22,139	27,000	+4,860	+22.0%
Net profit	8,591	10,527	+22.5%	6,092	7,972	+30.8%	14,684	18,500	+3,815	+26.0%
Net profit margin	8.0%	8.9%		5.5%	6.7%		6.7%	7.8%	+1.1 pts	
Earnings per share	80.34	100.40	+25.0%	57.22	76.59	+33.8%	137.56	176.98	+39.42	+28.7%
Dividend per share	25.00	30.00	+20.0%	55.00	60.00	+9.1%	80.00	90.00	+10.00	+12.5%

Key KPIs [Japan]	First Half			Second Half			Full-Year			
	FY24.6 (Results)	FY25.6 (Results)	YoY	FY24.6 (Results)	FY25.6 (Revised Guidance)	YoY	FY24.6 (Results)	FY25.6 (Revised Guidance)	YoY	
No. of engineers (period-end)	24,730	26,651	+7.8%	26,054	27,850	+6.9%	26,054	27,850	+1,796	+6.9%
Engineer hiring*	1,760	1,970	+11.9%	2,815	2,930	+4.1%	4,575	4,900	+325	+7.1%
Ave. utilization ratio	95.4%	95.4%	(0.0 pts)	94.5%	94.3%	(0.2 pts)	95.0%	94.8%	(0.2 pts)	—
Ave. monthly unit sales price (yen in thousands)	676	698	+3.3%	680	698	+2.6%	678	698	+20	+2.9%

Reference: Segment Guidance [Full-Year]

- R&D Outsourcing: Ensure earnings growth exceeding 10% despite facing challenges such as deterioration in turnover and intensifying competition for talent
- Construction Management Outsourcing: Anticipate profit margin to decline slightly, due to decreases in holiday work and overtime hours, and full-scale inexperienced hires
- Other Businesses in Japan: Continue to invest in expanding the external sale of training for engineers to competitors and customers, expecting sufficient returns over the remaining two years of the medium-term plan
- Overseas: Aim to securely meet the earnings budget by carrying out proactive initiatives, rather than relying on an optimistic outlook, amid the uncertainty of the global economy

(yen in millions, except engineer headcounts)

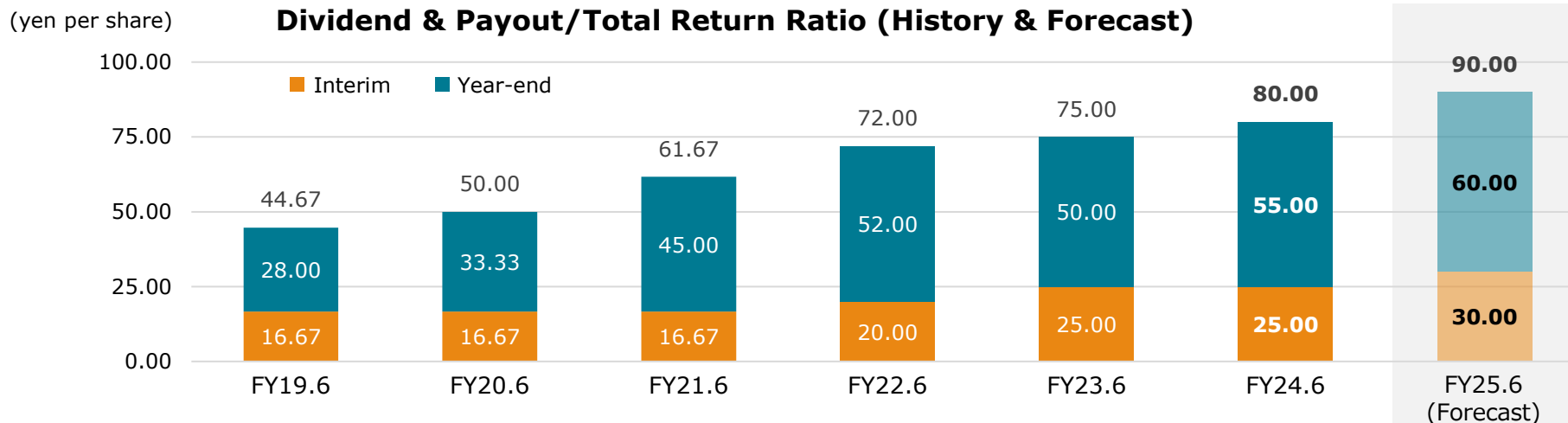
	R&D Outsourcing				Construction Management Outsourcing				Other Businesses in Japan				Japan Total			
	FY23.6	FY24.6	FY25.6	YoY	FY23.6	FY24.6	FY25.6	YoY	FY23.6	FY24.6	FY25.6	YoY	FY23.6	FY24.6	FY25.6	YoY
Revenue	152,858	168,694	184,800	+9.5%	21,643	23,293	25,300	+8.6%	5,569	4,839	5,000	+3.3%	180,071	196,826	215,100	+9.3%
Ratio to consolidated revenue	76.5%	77.0%	78.0%		10.8%	10.6%	10.7%		2.8%	2.2%	2.1%		90.1%	89.8%	90.8%	
Operating profit	16,292	19,259	21,300	+10.6%	2,930	3,422	3,600	+5.2%	561	(771)	300	—	19,784	21,911	25,200	+15.0%
OP margin	10.7%	11.4%	11.5%		13.5%	14.7%	14.2%		10.1%	(15.9%)	6.0%		11.0%	11.1%	11.7%	
OP before PPA asset amortization	16,365	19,332	21,372	+10.6%	2,930	3,422	3,600	+5.2%	561	205	300	+45.7%	19,856	22,960	25,272	+10.1%
OP margin before PPA asset amortization	10.7%	11.5%	11.6%		13.5%	14.7%	14.2%		10.1%	4.3%	6.0%		11.0%	11.7%	11.7%	
No. of engineers (period-end)	21,163	22,848	24,430	+6.9%	2,962	3,206	3,420	+6.7%	—	—	—	—	24,125	26,054	27,850	+6.9%
o/w non-Japanese in Japan	930	1,034	—	—	136	176	—	—	—	—	—	—	1,066	1,210	—	—

	Overseas				Reporting Segment Total				Corporate/Eliminations*				Consolidated Total			
	FY23.6	FY24.6	FY25.6	YoY	FY23.6	FY24.6	FY25.6	YoY	FY23.6	FY24.6	FY25.6	YoY	FY23.6	FY24.6	FY25.6	YoY
Revenue	23,508	25,682	26,000	+1.2%	203,580	222,508	241,100	+8.4%	(3,728)	(3,289)	(4,100)	—	199,851	219,218	237,000	+8.1%
Ratio to consolidated revenue	11.8%	11.7%	11.0%		101.9%	101.5%	101.7%		(1.9%)	(1.5%)	(1.7%)		100.0%	100.0%	100.0%	
Operating profit	1,873	(188)	1,800	—	21,658	21,722	27,000	+24.3%	179	195	0	—	21,838	21,918	27,000	+23.2%
OP margin	8.0%	(0.7%)	6.9%		10.6%	9.8%	11.2%		—	—	—		10.9%	10.0%	11.4%	
OP before PPA asset amortization	2,460	2,184	2,110	(3.4%)	22,317	25,145	27,382	+8.9%	124	195	0	—	22,441	25,340	27,382	+8.1%
OP margin before PPA asset amortization	10.5%	8.5%	8.1%		11.0%	11.3%	11.4%		—	—	—		11.2%	11.6%	11.6%	
No. of engineers (period-end)	2,997	2,567	—	—	27,122	28,621	—	—	—	—	—	—	27,122	28,621	—	—

Shareholder Return

- Reaffirm basic policy to make dividend payment steadily twice a year in the form of interim and year-end ones pursuant to **annual dividend payout ratio of 50% or higher**; with considering **a progressive annual dividend**, distributed the annual dividend of **80 yen** per share (payout ratio **58.2%**) for FY24.6, and provide the forecast of **90 yen** per share (payout ratio **50.9%**) as the annual dividend for FY25.6
- **Fully completed the 5.0 billion yen share buyback program** launched in Q1 FY25.6 (total shareholder return ratio of **77.7%**) by November 2024 to further improve capital efficiency with comprehensive consideration of cash reserves and stock price level; repurchased shares were all retired

Dividend & Payout/Total Return Ratio (History & Forecast)

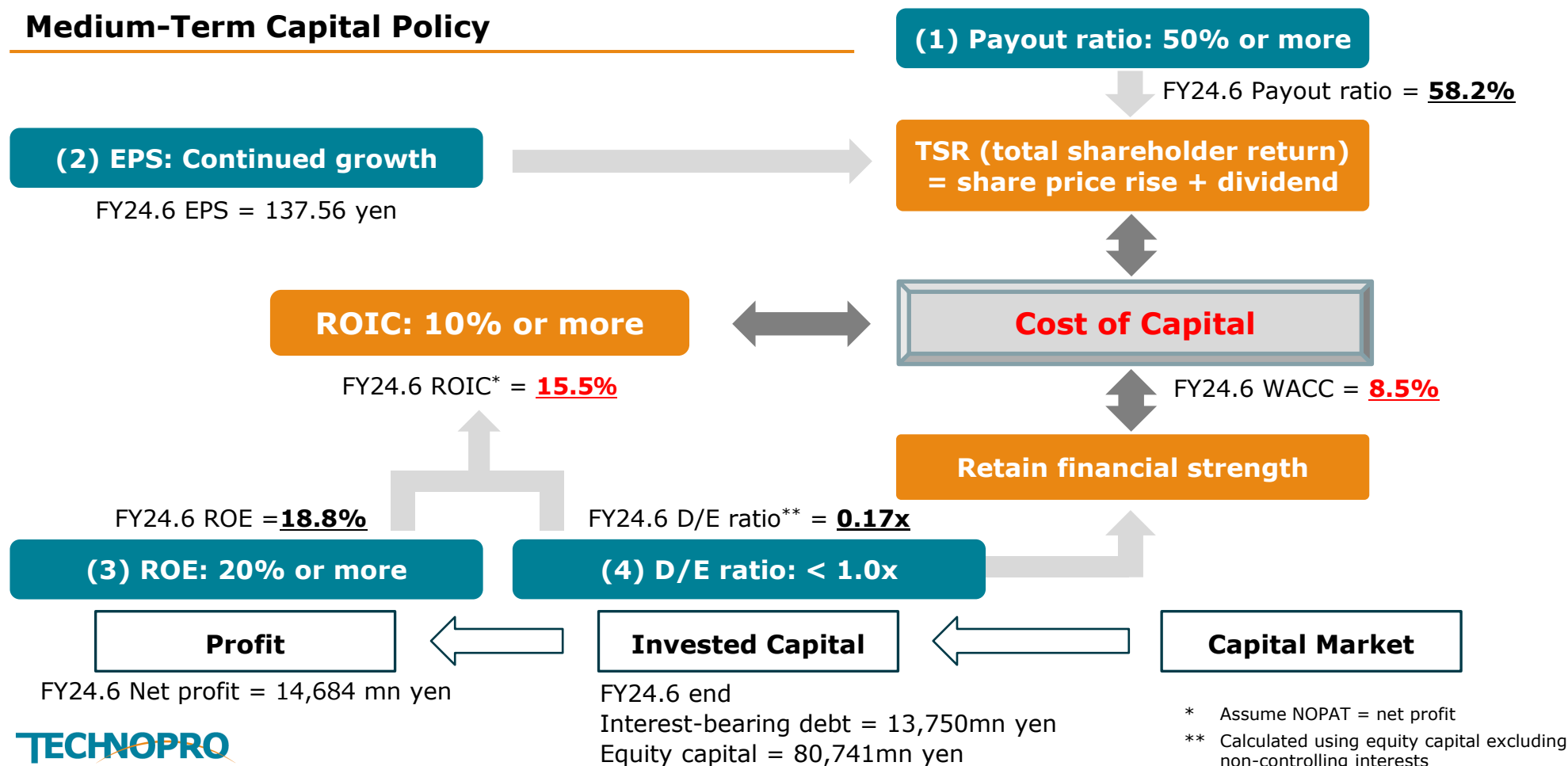


ROE	22.4%	23.3%	25.1%	24.5%	21.3%	18.8%	22.9%
EPS (yen)	88.95	99.99	122.96	143.24	142.71	137.56	176.98
Payout ratio	50.2%	50.0%	50.2%	50.3%	52.6%	58.2%	50.9%
Dividend amount (yen in millions)	4,864	5,397	6,643	7,756	8,055	8,498	9,377
Share repurchase (yen in millions)	—	2,063	—	—	1,576	3,923	4,999
ave. repurchase price per share (yen)	—	1,647.67	—	—	3,313.68	3,026.27	2,835.48
Total return ratio	50.2%	68.9%	50.2%	50.3%	62.7%	84.6%	77.7%

Reference: Capital Policy

- Our four capital policies described below set **value creation (ROIC > cost of capital)** as a primary focus of business operation with maintaining solid financial foundation, as well as placing high importance on TSR
- Free cash flows retained after distributing 50% cash dividend to shareholders will be spent for growth investment such as M&As; in case of being unable to find justifiable investment opportunities which may generate sufficient return exceeding the cost of capital, flexibly considers carrying out share repurchase as a way of shareholder return in light of **capital efficiency**

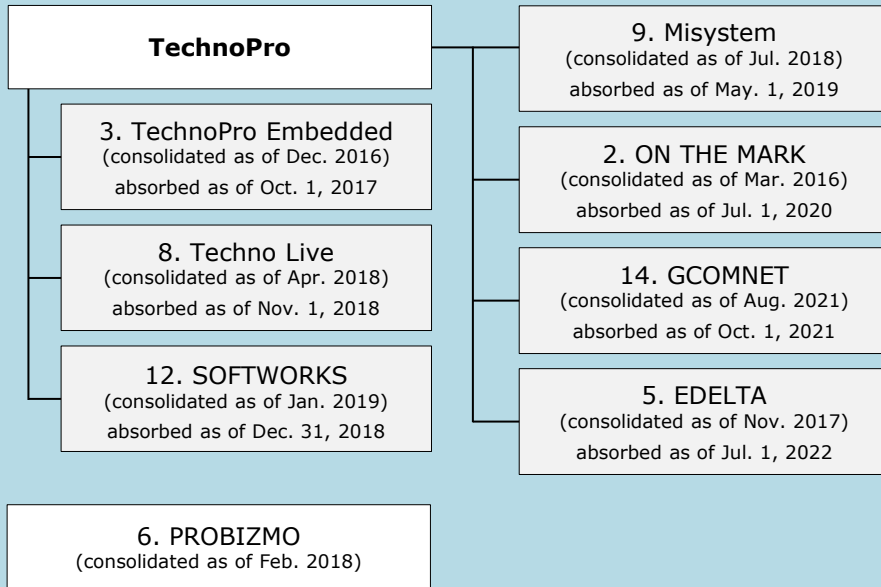
Medium-Term Capital Policy



Appendix: Reportable Segments [as of Q2 FY25.6 End]

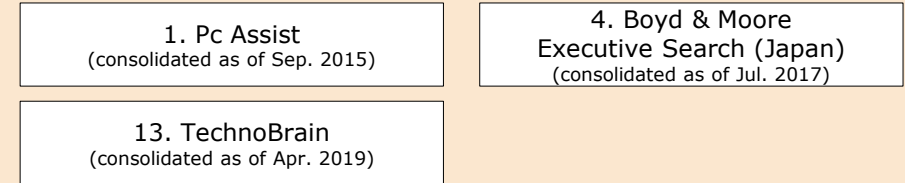
R&D Outsourcing

Provides engineer staffing and contract services related to mechanical design, electrical/electronic design, embedded software development, IT network construction, business application development, IT maintenance and operations, bio research, etc.



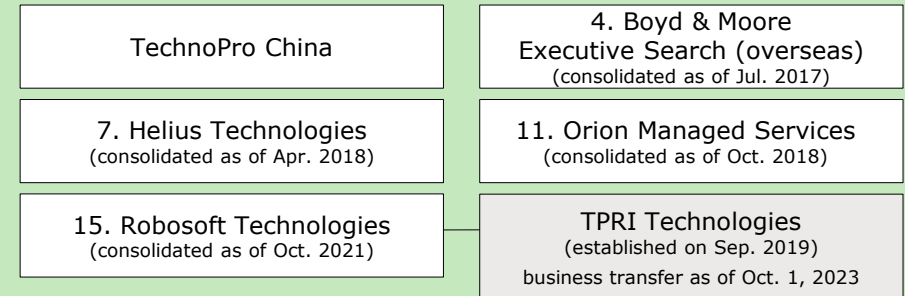
Other Businesses in Japan

Provides professional recruitment, technical education and training services



Overseas

Provides technological outsourcing and professional recruitment services in China; IT engineer staffing service and contract services in Southeast Asia and India (including offshore delivery to US/EMEA/JP customers); engineer staffing and professional recruitment services in the UK



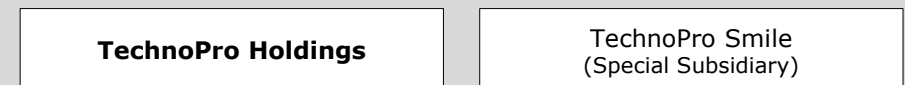
Construction Management Outsourcing

Provides engineer staffing and contract drafting of working drawings related to construction management (safety/quality/process/cost management) for construction, civil engineering, electrical equipment, plant engineering, etc.



Headquarters

Provides shared services to group companies, hires and supports disabled people



Appendix: Risk Assets [as of Q2 FY25.6 End]

- Major component of goodwill (**29.2 billion yen**) in R&D/Construction Management Outsourcing was derived from MBO transaction carried out by management and private equity fund; its fair value amount well exceeds carrying amount of each CGU even in the COVID-19 environment, consequently **impairment risks are extremely low**
- Goodwill in R&D Outsourcing (**4.0 billion yen**), which was newly recognized through M&As, is also included into the CGU at the time of MBO, consequently **impairment risks are extremely low**
- Other Businesses in Japan: Based on the strategic review, considering a carve-out of Boyd & Moore, which recorded goodwill impairment in FY24.6
- Overseas: Continue discussions with a 49% shareholder of Helius regarding its future management policies; seeking the possibility of selling Orion to a third party; to overcome struggles to acquire new projects, Robosoft strengthens collaboration with Japan and enhances sales activities by leveraging domestic customer base

(yen in millions)

Cash Generating Unit (CGU)	Shareholding	Goodwill				PPA Assets		PO, etc. Liabilities	
		MBO	M&A*	Total	Ratio	M&A*	Amortization period	M&A	Value calc. period
R&D Outsourcing									
Machinery, Electric/Electronic	100.0%	13,674	977	14,651	31.8%				
Embedded control, IT infrastructure	100.0%	7,969		7,969	17.3%				
Software dev./maintenance	100.0%	2,912	3,006	5,919	12.9%	392	-Jul.32		
Chemical, Biochemical	100.0%	1,262		1,262	2.7%				
Construction Mgmt Outsourcing									
Construction management	100.0%	3,383		3,383	7.4%				
TOQO	100.0%		190	190	0.4%				
Other Businesses in Japan									
Pc Assist	100.0%		96	96	0.2%				
Boyd & Moore Executive Search	100.0%		127	127	0.3%				
TechnoBrain	100.0%		151	151	0.3%				
Overseas									
Helius	51.0%		996	996	2.2%	248	-Mar.26		
Orion	100.0%		1,443	1,443	3.1%				
Robosoft	100.0%		9,825	9,825	21.4%	1,002	-Sep.31		
Total		29,202	16,816	46,018	100.0%	1,642		0	

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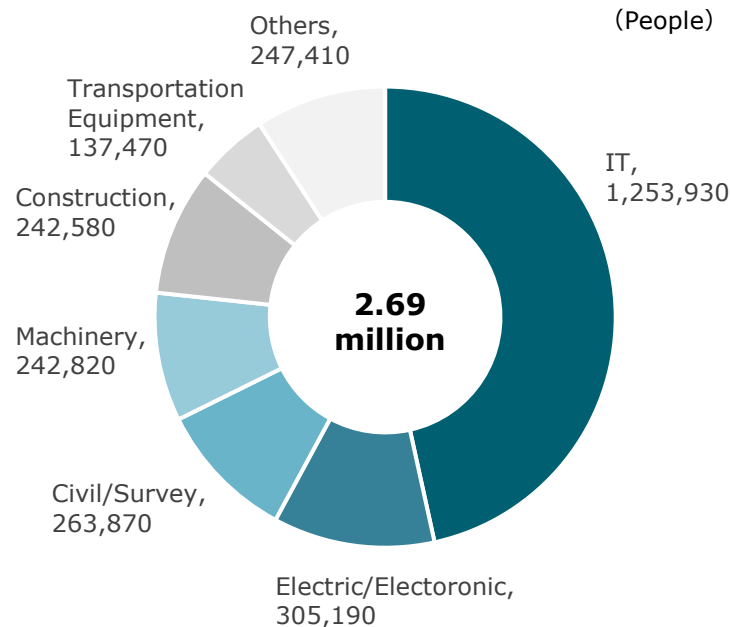
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Distribution of Engineers in Japan

- According to the national census in 2020, the number of engineers in Japan is 2.69 million (of which, about 47% of them are IT engineers), and increased by 260 thousand in five years
- In terms of IT engineers, the outsourcing ratio is relatively high in Japan

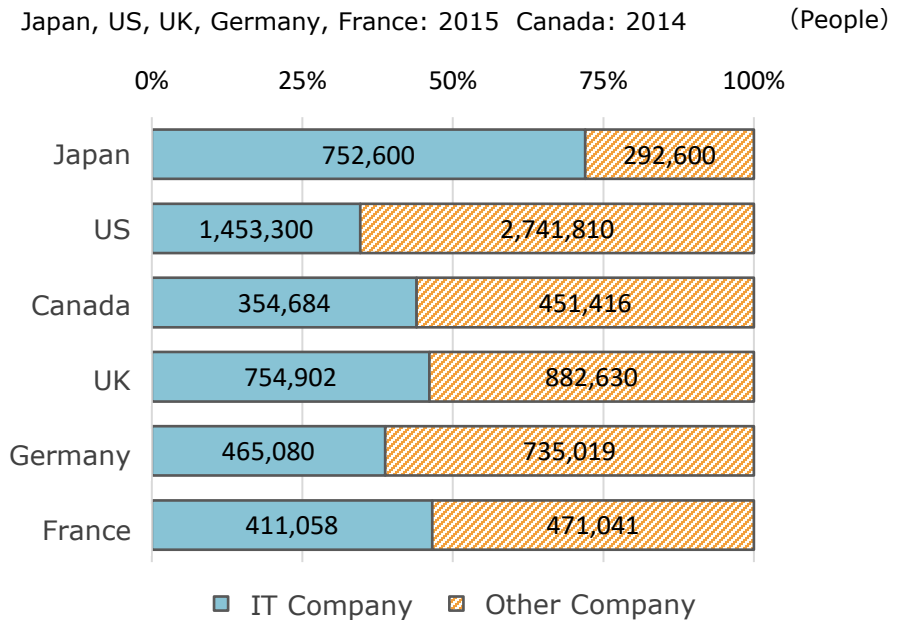
1. Number of Engineers in Japan (2020)

Source: 2020 Population Census



2. Ratio of IT Talents at IT and Other Companies

Source: Information-technology Promotion Agency Japan, "IT Talent White Paper 2017"



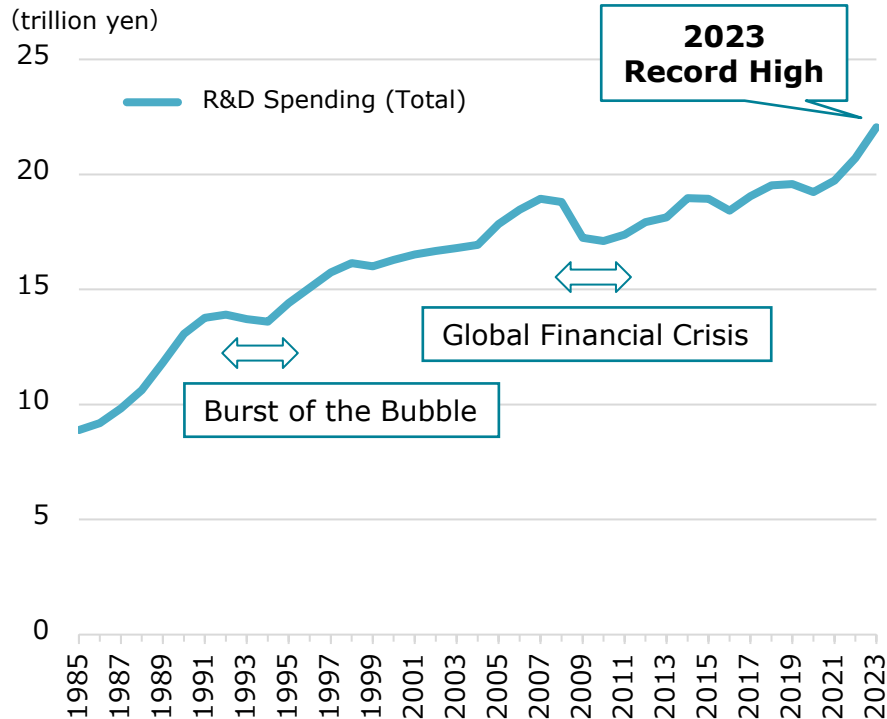
† "IT Company" means IT vendors and "Other Company" means IT user companies

Trend of R&D Spending and ICT Investment

- R&D is a field less susceptible to impact of the economy; as a nation, Japan reported 22 trillion yen, a record-high for R&D spending in 2023, and its growth is expected to continue in the future
- Japan's ICT investment is gradually shifting from "hardware" to "software"

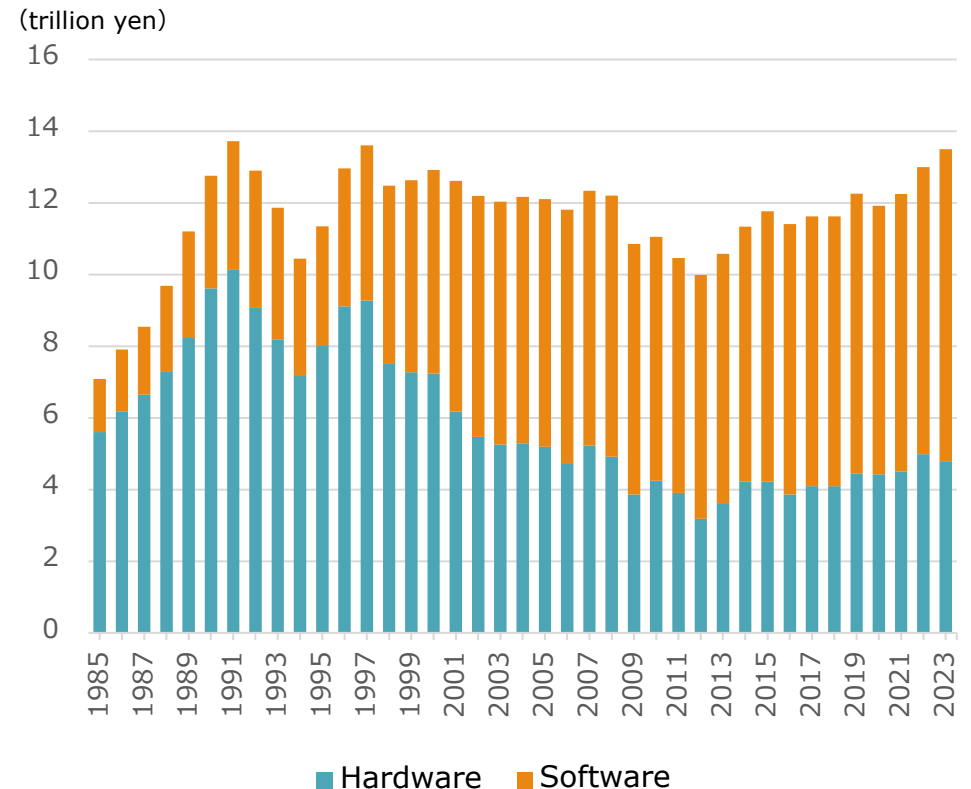
3. Trend of R&D Spending in Japan

Source: Ministry of Internal Affairs and Communications Statistics Bureau, "Report on the survey of research and development"



4. The Breakdown of ICT Investment in Japan

Source: Cabinet Office, "National Accounts of Japan"

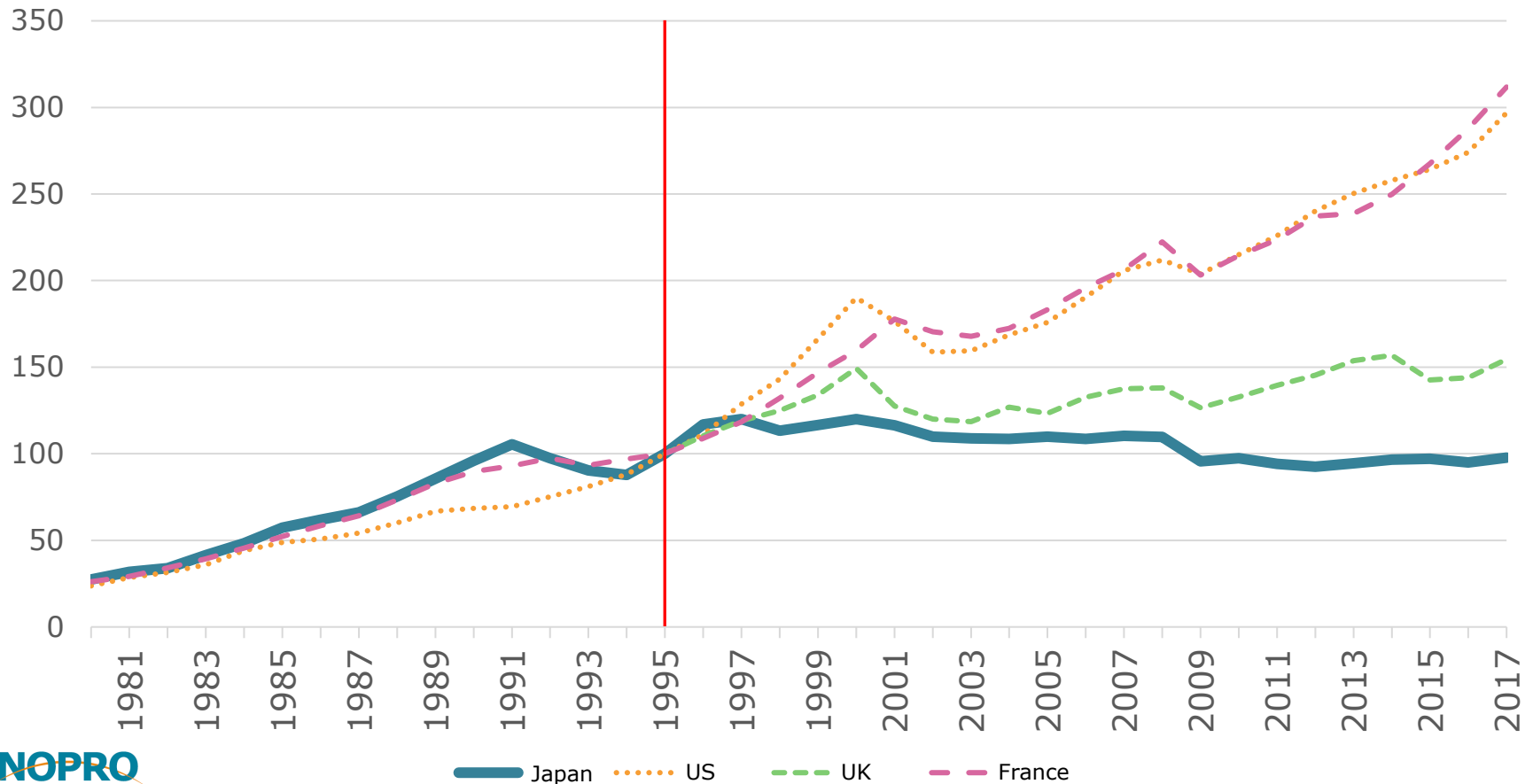


Sluggish Digitalization in Japan

- Japan's ICT investment growth from 1995 remains significantly low compared to the US, UK and France
- COVID-19 has revealed Japan's lag in digitalization once again and will lead to increased ICT investment in Japan

5. Comparison of ICT Investment in Each Country (Nominal, Indexed Figures in 1995 as 100)

Source: Ministry of Internal Affairs and Communications, "2019 White Paper on Information and Communication"

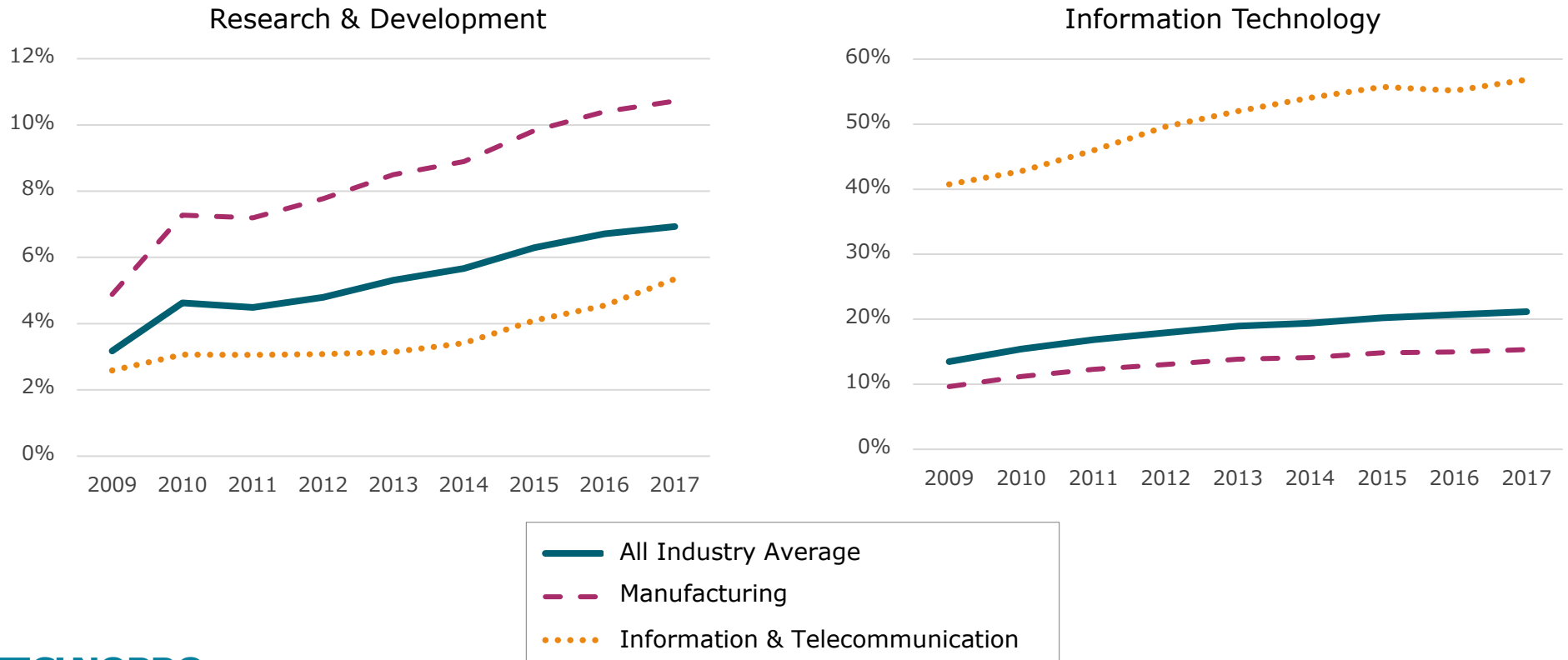


Outsourcing Usage Ratio of R&D and IT Activity

- Outsourcing usage ratio of R&D and IT activity is gradually increasing overall
- Even Information & Telecommunication companies are using more outside resources in their own IT activity

6. Outsourcing Usage Ratio by Industry

Source: Ministry of Economy, Trade and Industry, "Basic Business Activity Survey", aggregation by Doshisha University Research Institute for STEM Human Resources, commissioned by TechnoPro in 2020

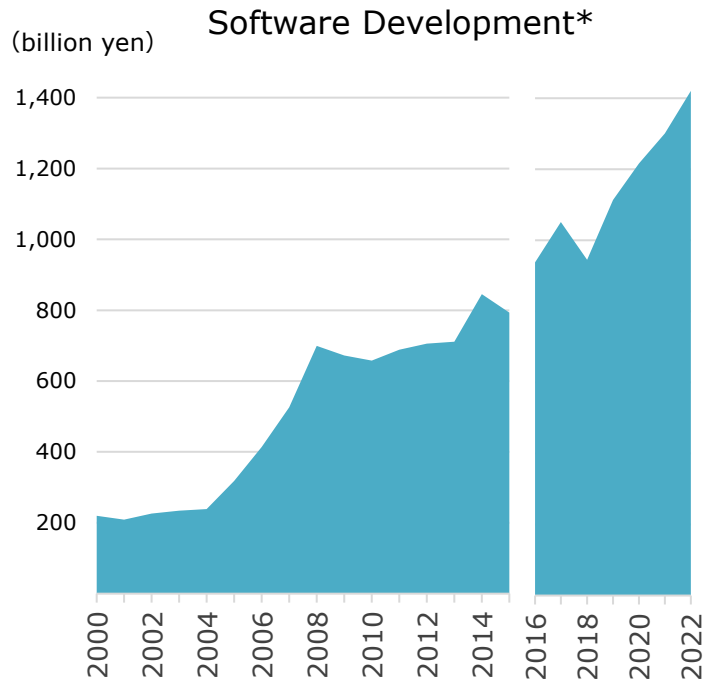


Engineer Staffing Market Overview

- Estimated whole engineer staffing market size in Japan was about 2.7 trillion yen in 2022; up 11.4% year-on-year, of which software development market size was about 1.4 trillion yen; up 9.2% year-on-year
- Yano Research Institute forecasts that the engineer staffing market in Japan is expected to grow at a CAGR of 4.8% from FY2023 to FY2027 (forecast)

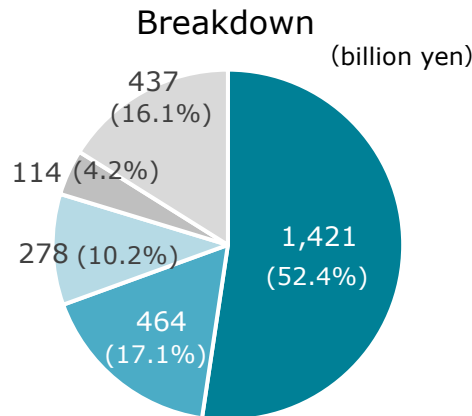
7. Engineer Staffing Market Size

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



* The aggregate standard has been changed as of 2015 due to revision of the classification of occupation on September 30, 2015

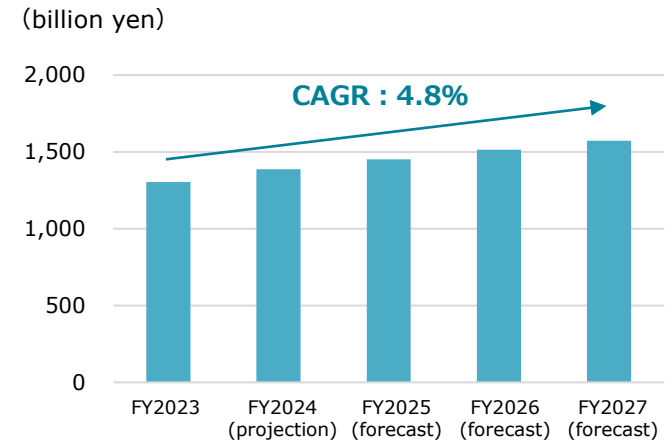
Market Size 2.7 trillion yen (2022)



- 10 Software Development
- 0708 Manufacturing
- 09 Construction
- 05 Researcher
- 11 Others

8. Forecast of Engineer Staffing Market Size

Source: Yano Research Institute Ltd., "Human Resources Business 2024, PART 2: Services by Industry/Job Category"



† The market size is based on the sales of businesses; The figure for FY2024 is a projection, for FY2025 and beyond are forecasts (as of October 2024)

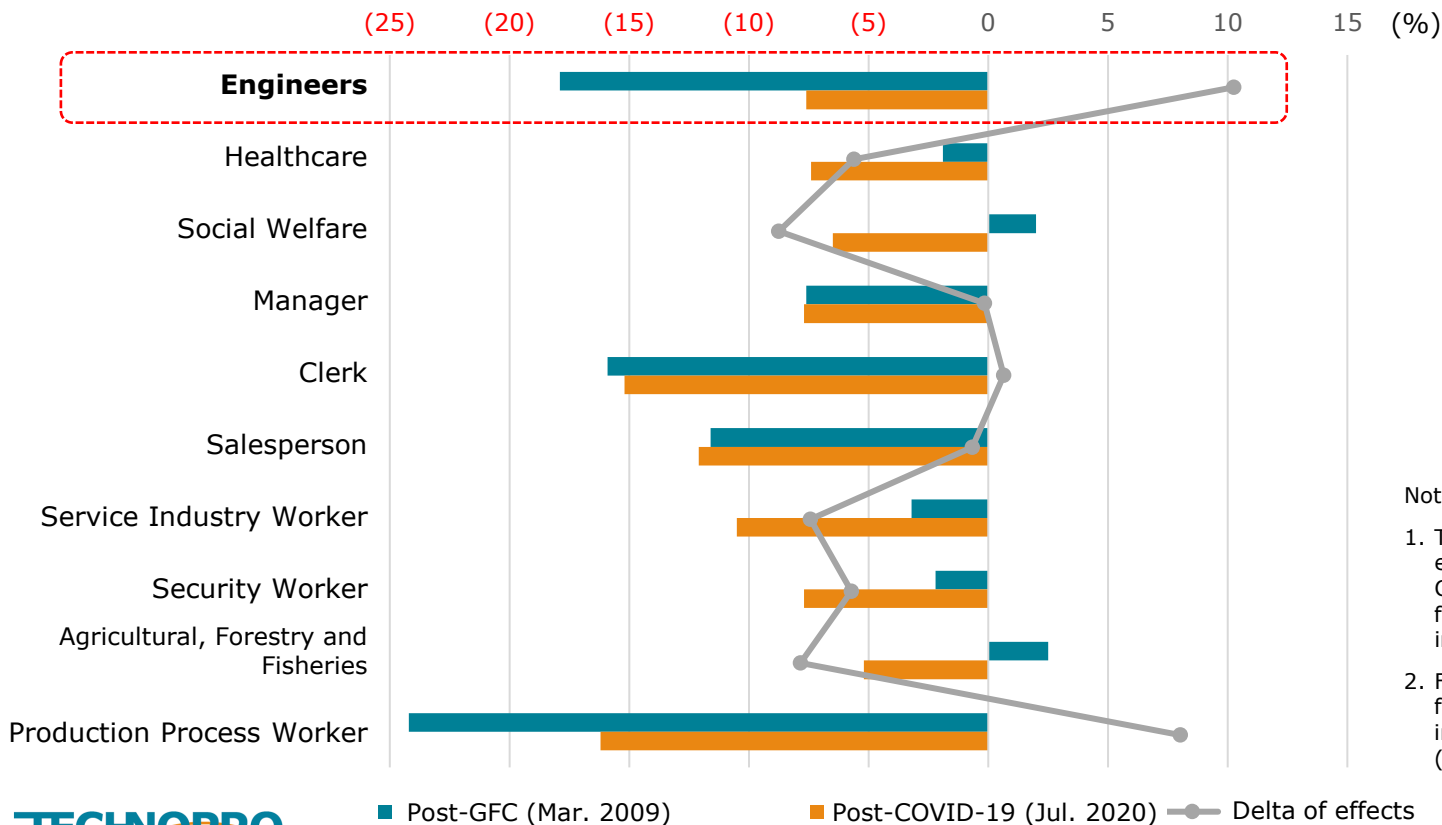
Note: Market size for large-scale providers calculated by Yano Research Institute based on an independent survey; Growth may be higher than the market as a whole

Engineering Professional Services' Resilience to External Shocks

- First wave of COVID-19 spread impacted a lot less on new job offers for engineers compared to the Global Financial Crisis
- The fact above indicates the possibility that the importance of talents with technological expertise or the priority of R&D and IT system development to maintain competitiveness has been increased in the past 10 years, corroborating the robustness of our business

9. Ratio of Increase/Decrease and Delta of New Job Offers after 6 Months from External Shocks

Source: Ministry of Health, Labor and Welfare, Labor "EMPLOYMENT REFERRALS FOR GENERAL WORKERS," the Doshisha University Research Institute for STEM Human Resources, Commissioned by TechnoPro in 2020



Note:

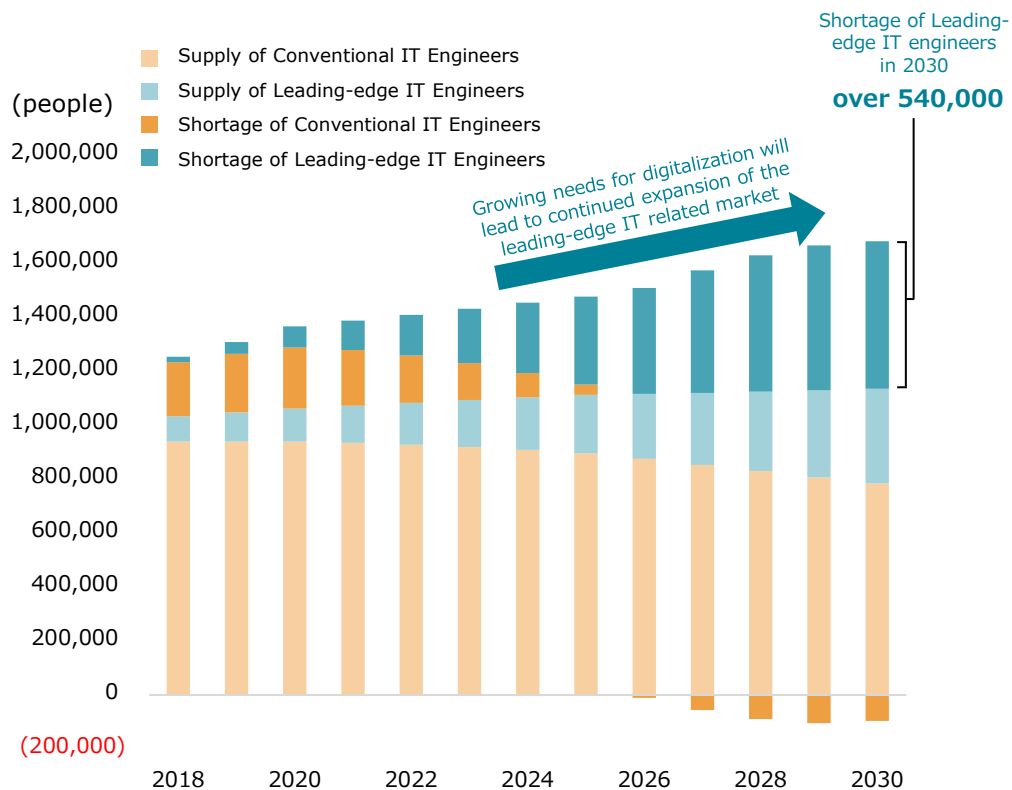
1. The figure left shows the comparison of the effect from the Global Financial Crisis (GFC) and COVID-19 on the index data of new job offers for each job category after 6 months from the initial outbreak of the crisis
2. Figures in September 2008 was indexed as 100 for the GFC, figures in January 2020 was indexed as 100 for the COVID-19 pandemic (seasonally adjusted)

Background of Engineer Staffing Market Growth and Our Strengths – 1. Growing Demand

- Demand-supply gap in IT sector is huge; especially leading-edge IT engineers (AI, big data, IoT, etc.) will be in higher demand
- Weakening demand for engineers due to the spread of AI will be more than offset by the new demand for engineers

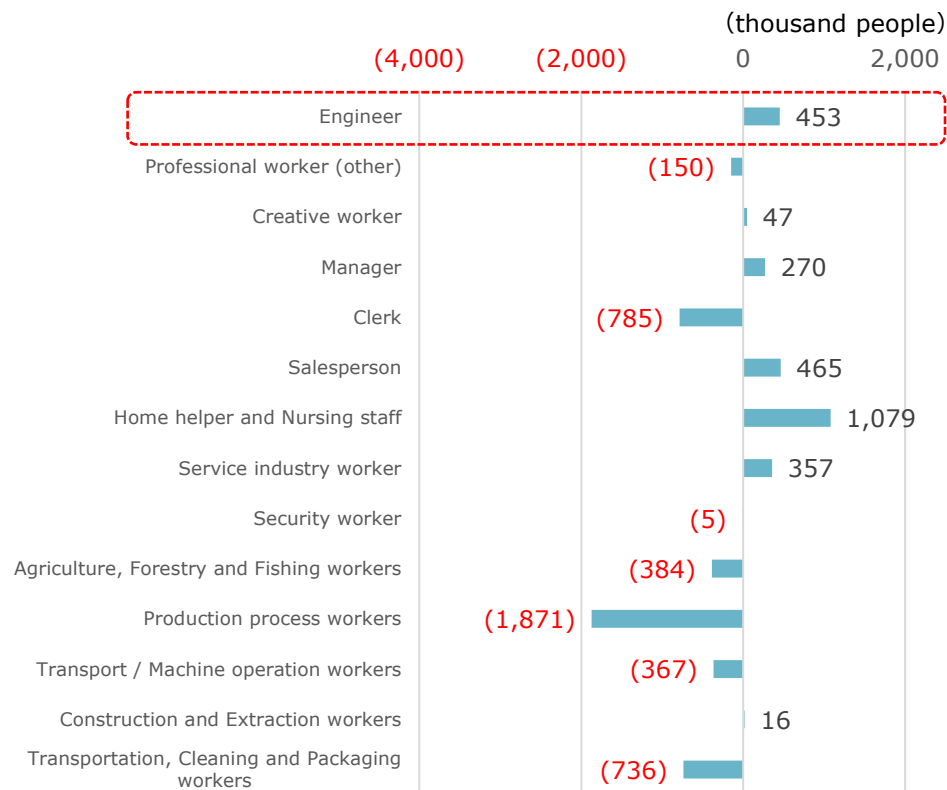
10. Projected Shortage in Advanced and Conventional IT engineers

Source: Ministry of Economy, Trade and Industry, "Survey report about supply and demand of IT talent (March 2019)"



11. Shift in Workforce due to Progression of AI

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



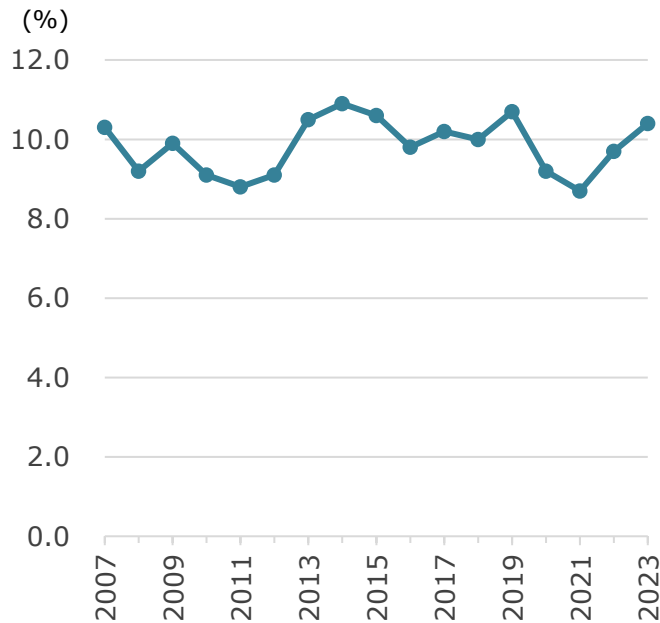
† Estimated numbers comparing 2015 and 2030

Background of Engineer Staffing Market Growth and Our Strengths – 2. Mid Careers Market

- The turnover ratio in Japan remains around 10% which shows career-change market has a certain scale; more than 200,000 engineers per year
- Turnover ratio of IT engineers tends to be relatively higher than other type of engineers

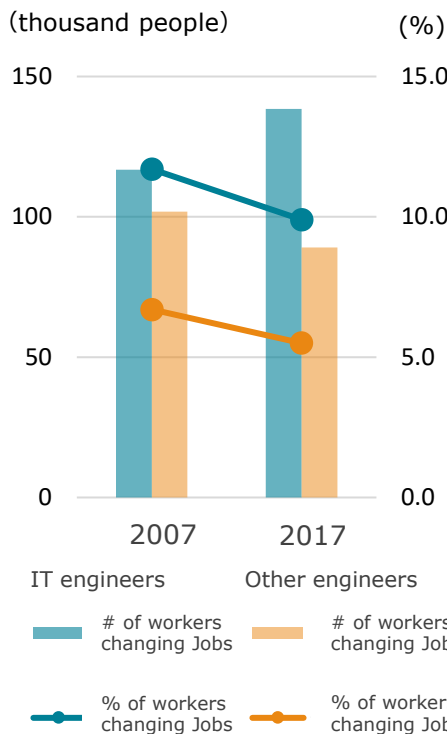
12. Turnover Ratio in Japan

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



13. Turnover of Engineers

Source: Doshisha University Research Institute for STEM Human Resources, commissioned by TechnoPro in 2019, "Survey Report on Recent Characteristics in the Percentage of Japanese Engineers Changing Jobs"



	2017 (%)		
	1997	2007	2017
All sectors	11.0	11.7	10.7
Engineers	7.5	8.7	7.5
of which, IT engineers		11.7	9.9
of which, other engineers		6.7	5.5

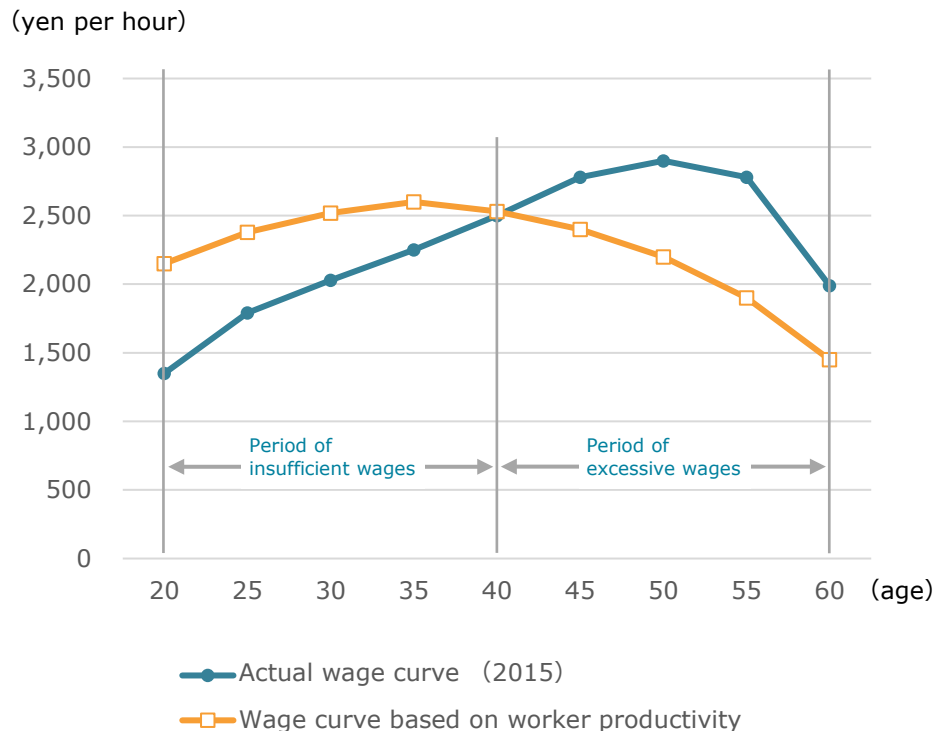
	2017 (thousand people)		
	1997	2007	2017
All sectors	7,391	7,717	7,066
Engineers	178	219	228
of which, IT engineers		117	138
of which, other engineers		102	89

Background of Engineer Staffing Market Growth and Our Strengths – 2. Mid Careers Market (Cont.)

- The lifetime employment and seniority-based wage system have firmly remained in Japan
- The number of mid-career recruitment by blue-chip companies is limited due to the gap between productivity and salary

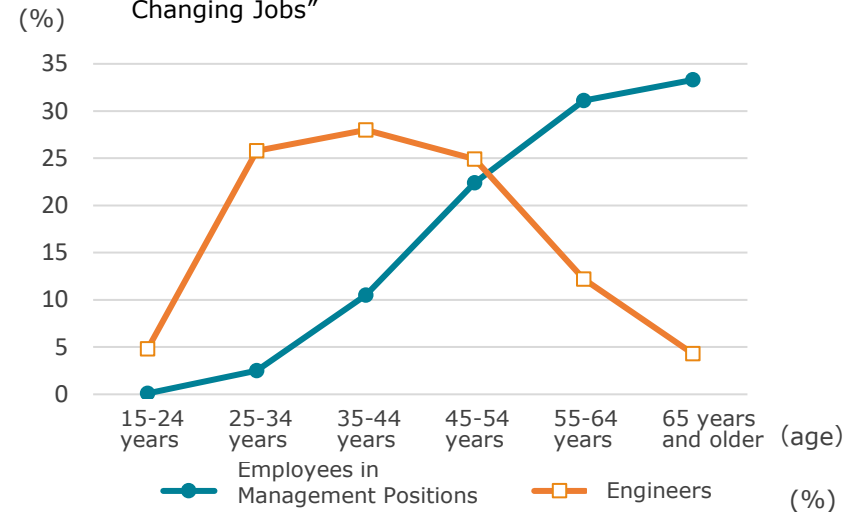
14. Seniority-Based Wages and Wages based on Work Productivity (Hourly-base)

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



15. Age Composition: Management and Technical Position (2017, Japan)

Source: Doshisha University Research Institute for STEM Human Survey Resources, commissioned by TechnoPro in 2019, "Report on Recent Characteristics in the Percentage of Japanese Engineers Changing Jobs"



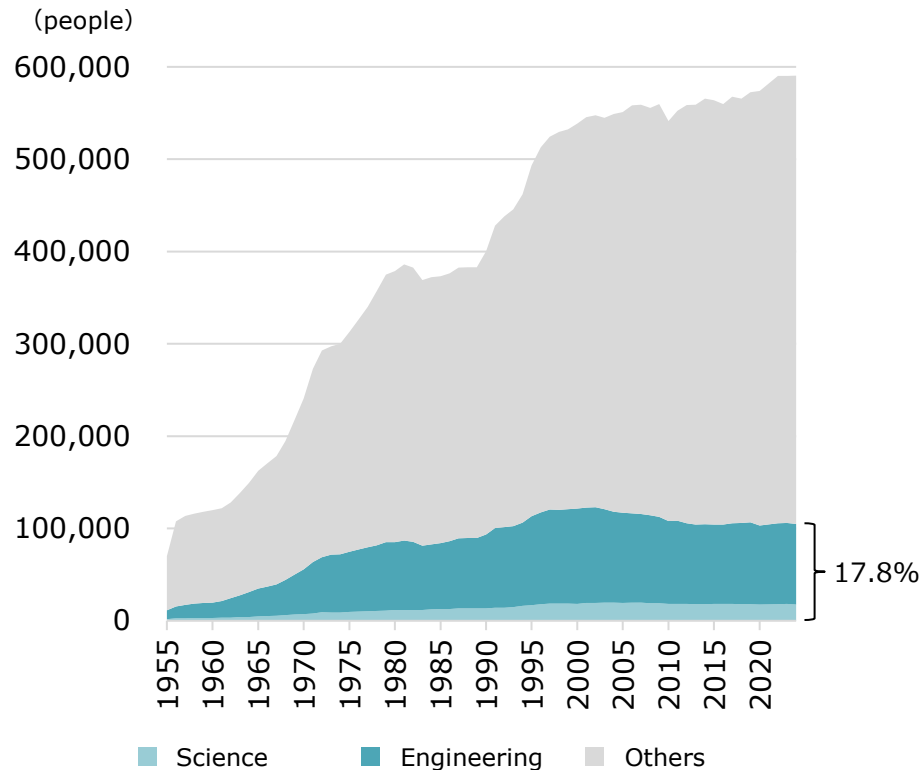
	Employees in Management Positions	Engineers
15-24 years	0.1	4.8
25-34 years	2.5	25.8
35-44 years	10.5	28
45-54 years	22.4	24.9
55-64 years	31.1	12.2
65 years and older	33.3	4.3

Background of Engineer Staffing Market Growth and Our Strengths – 3. New Grads Market

- Even though the number of university graduates is slightly increasing because of higher university entrance rate, the number of science and engineering graduates begins to decrease from 2000
- New grads tend to prefer blue-chip companies while such companies have limited number of job openings for them

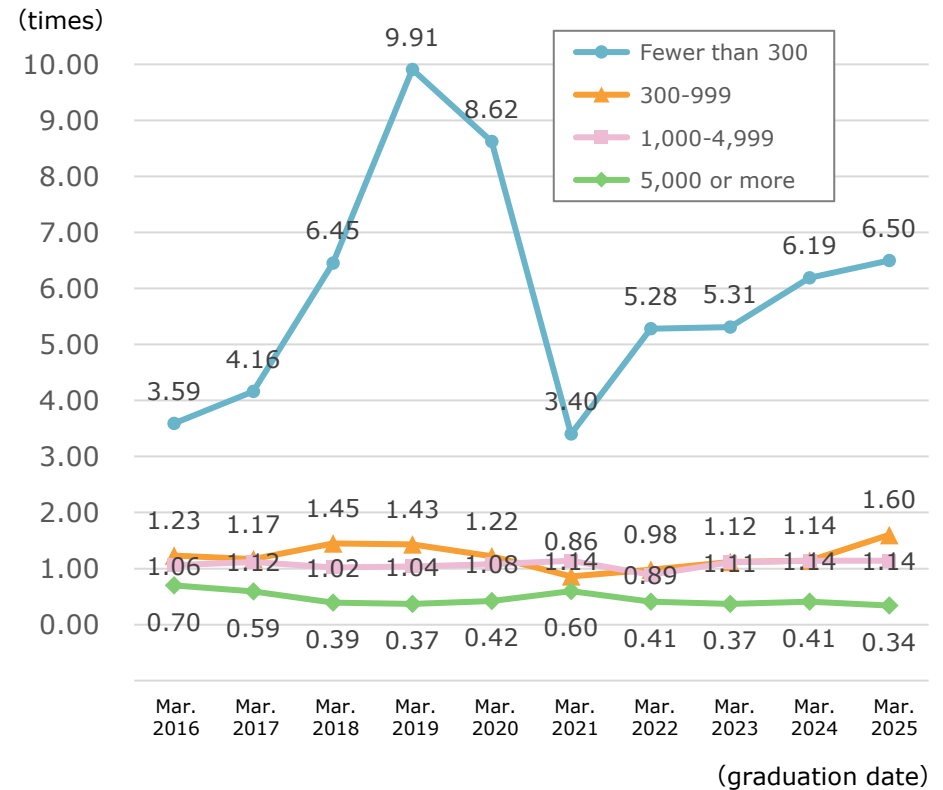
16. No. of University Graduates by Faculty

Source: TechnoPro based on "School Basic Survey" by Ministry of Education, Culture, Sports, Science and Technology



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

Source: Recruit Works Institute, "41th College Graduates Job Opening Survey"

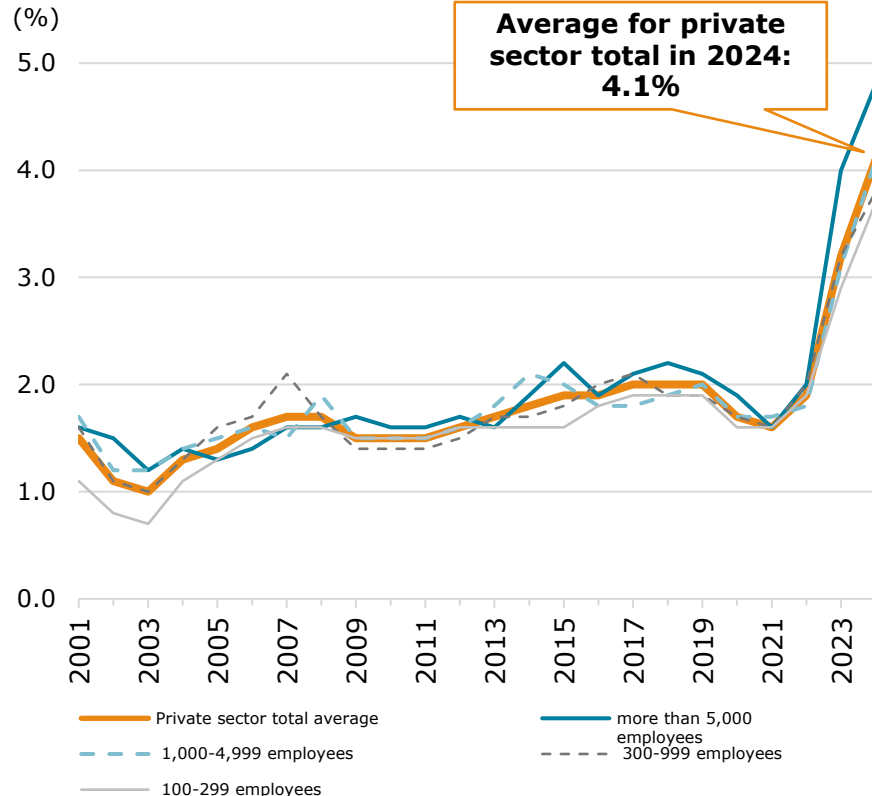


Wage Hike & Human Capital Investment in Japan

- Average annual wage hike in the private sector in Japan was 4.1% in 2024, representing a continuous increase from 3.2% in the previous year, driven by the recent wage hike momentum
- Japan's investment in human capital, both public and private, is significantly lower than other developed countries

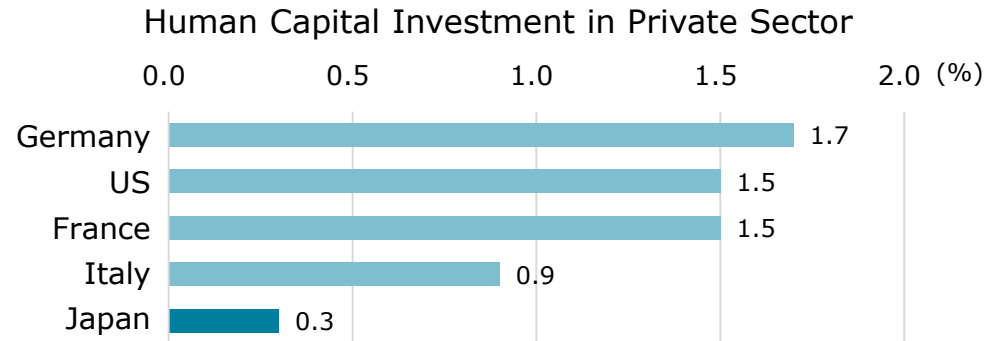
18. Wage Revision Ratio per Worker

Source: Ministry of Health, Labor and Welfare, "Survey on wage increase"



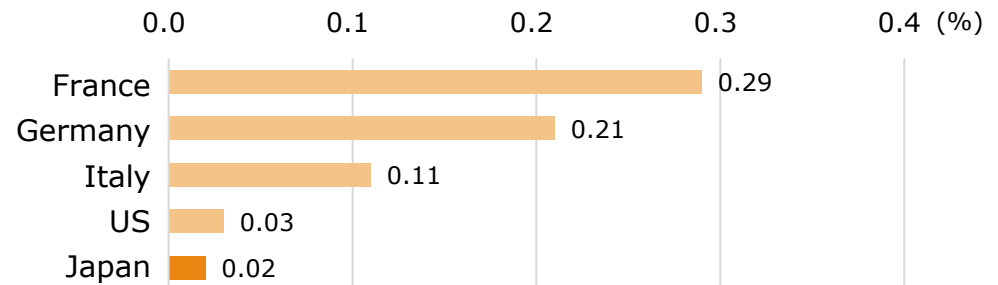
19. World's Human Capital Investment (GDP ratio)

Source: Mizuho Research & Technologies, Ltd., "New Form of Capitalism and Human Capital Investment"



† Figures indicate averages for 2010-2018 (2010-2017 only for US), using investment amounts excluding OJT

Training & Education Investment in Public Sector



† Figures indicate averages for 2010-2019

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