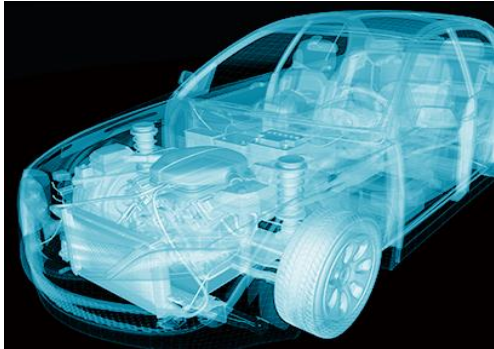


TechnoPro Holdings, Inc. (code: 6028,TSE)

Q2 FY25.6 Corporate Information



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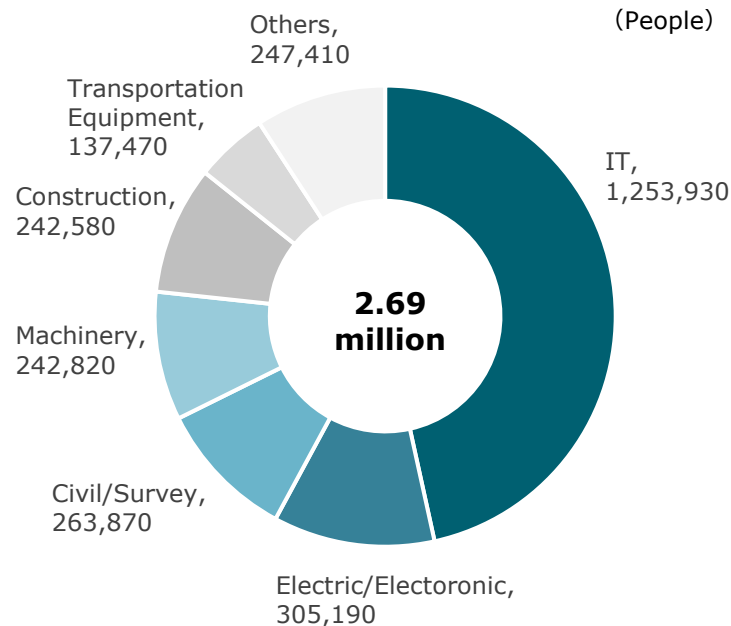
1. Accounting figures are rounded down to the nearest unit unless otherwise stated; KPI figures indicate “R&D Outsourcing” and “Construction Management Outsourcing” segments in Japan
2. “Net profit” refers to net profit attributable to owners of the parent company after deducting non-controlling interests
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 on July 1, 2021

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)

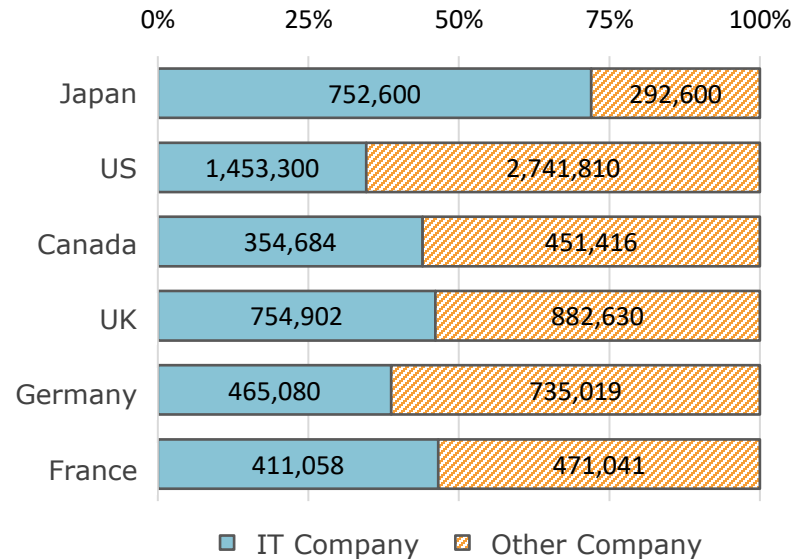
Source: 2020 Population Census



2. Ratio of IT Talents at IT and Other Companies

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

Japan, US, UK, Germany, France: 2015 Canada: 2014 (People)



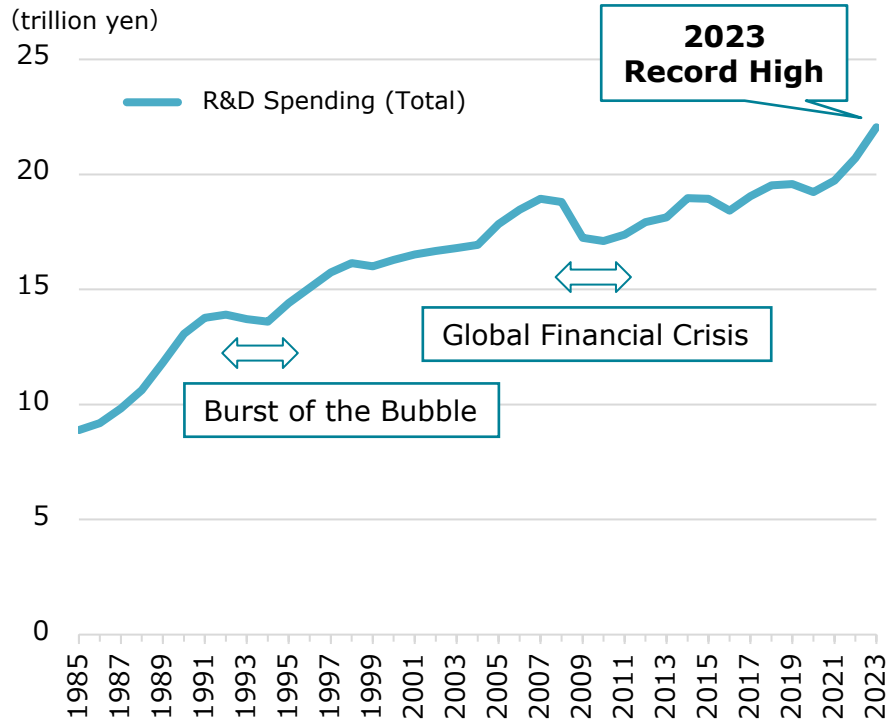
† "IT Company" means IT vendors and "Other Company" means IT user companies

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"

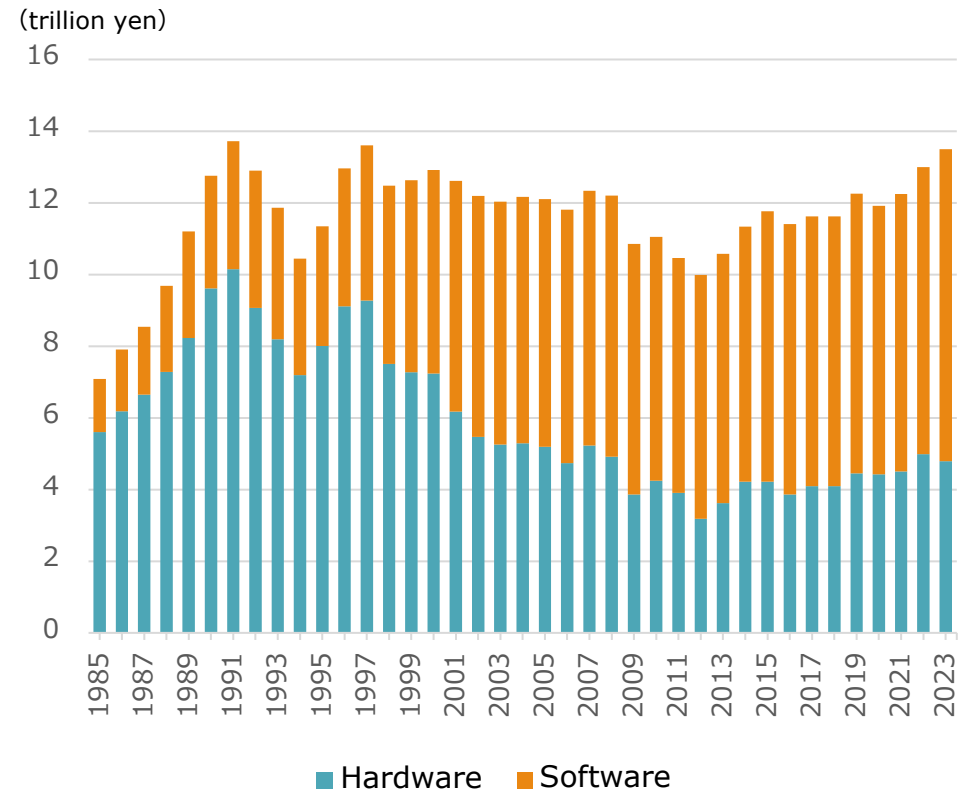
3. Trend of R&D Spending in Japan

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"

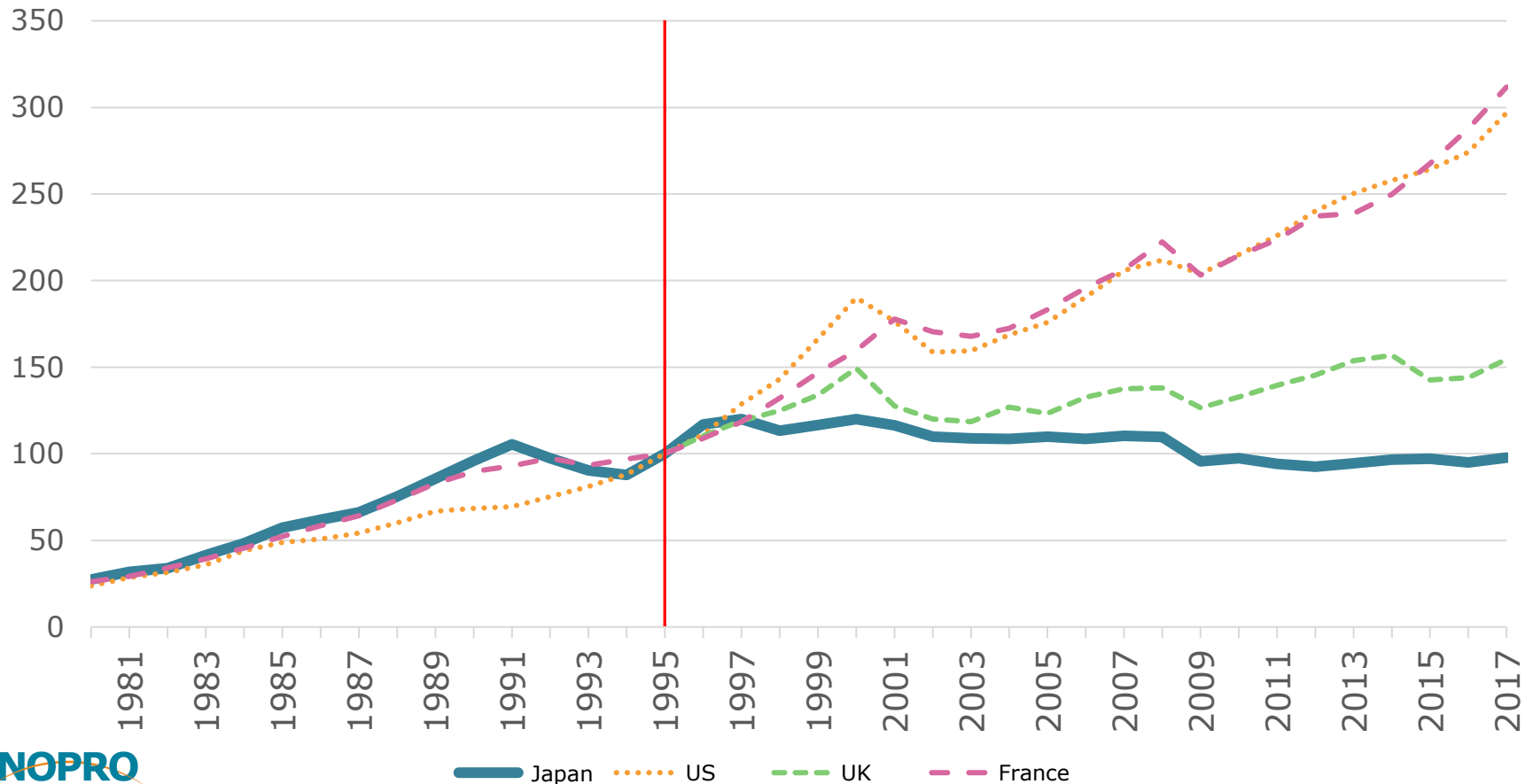


Sluggish Digitalization in Japan

- 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"

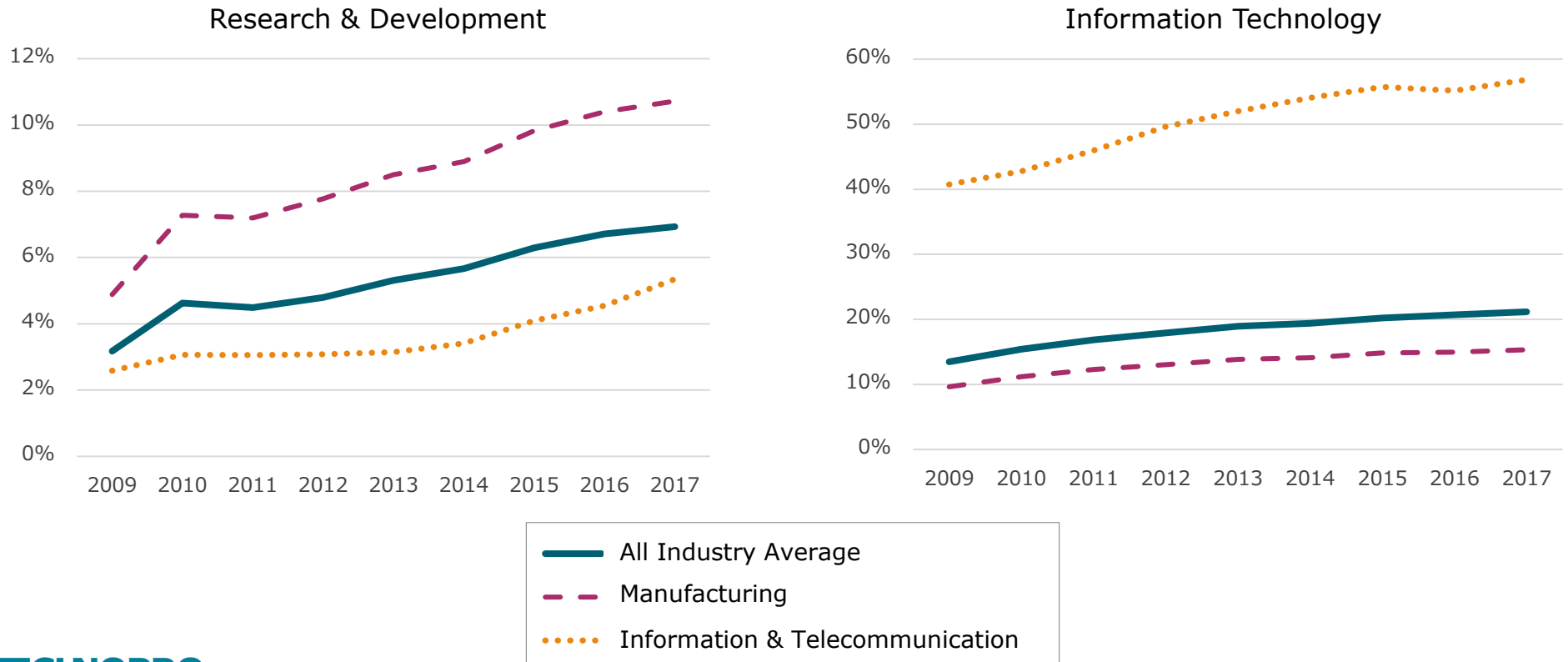


Outsourcing Usage Ratio of R&D and IT Activity

- 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

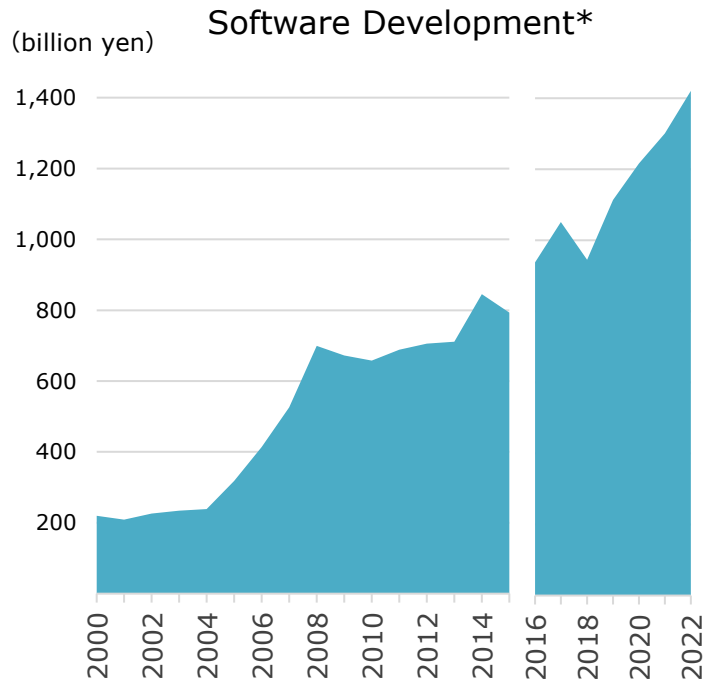


Engineer Staffing Market Overview

- 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)

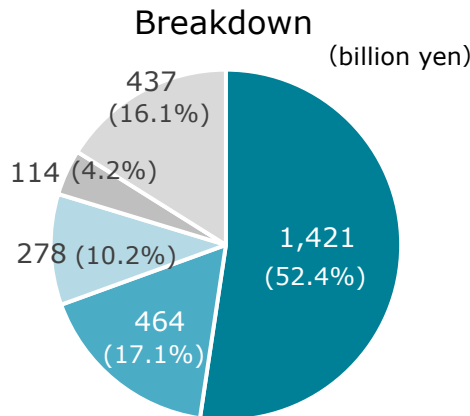
7. Engineer Staffing Market Size

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

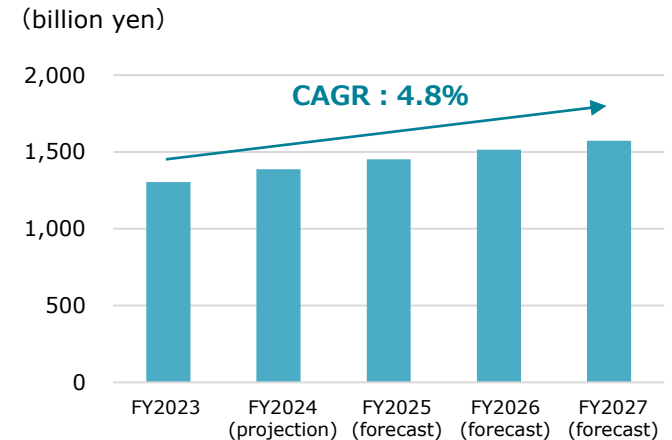
Market Size 2.7 trillion yen (2022)



- 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)

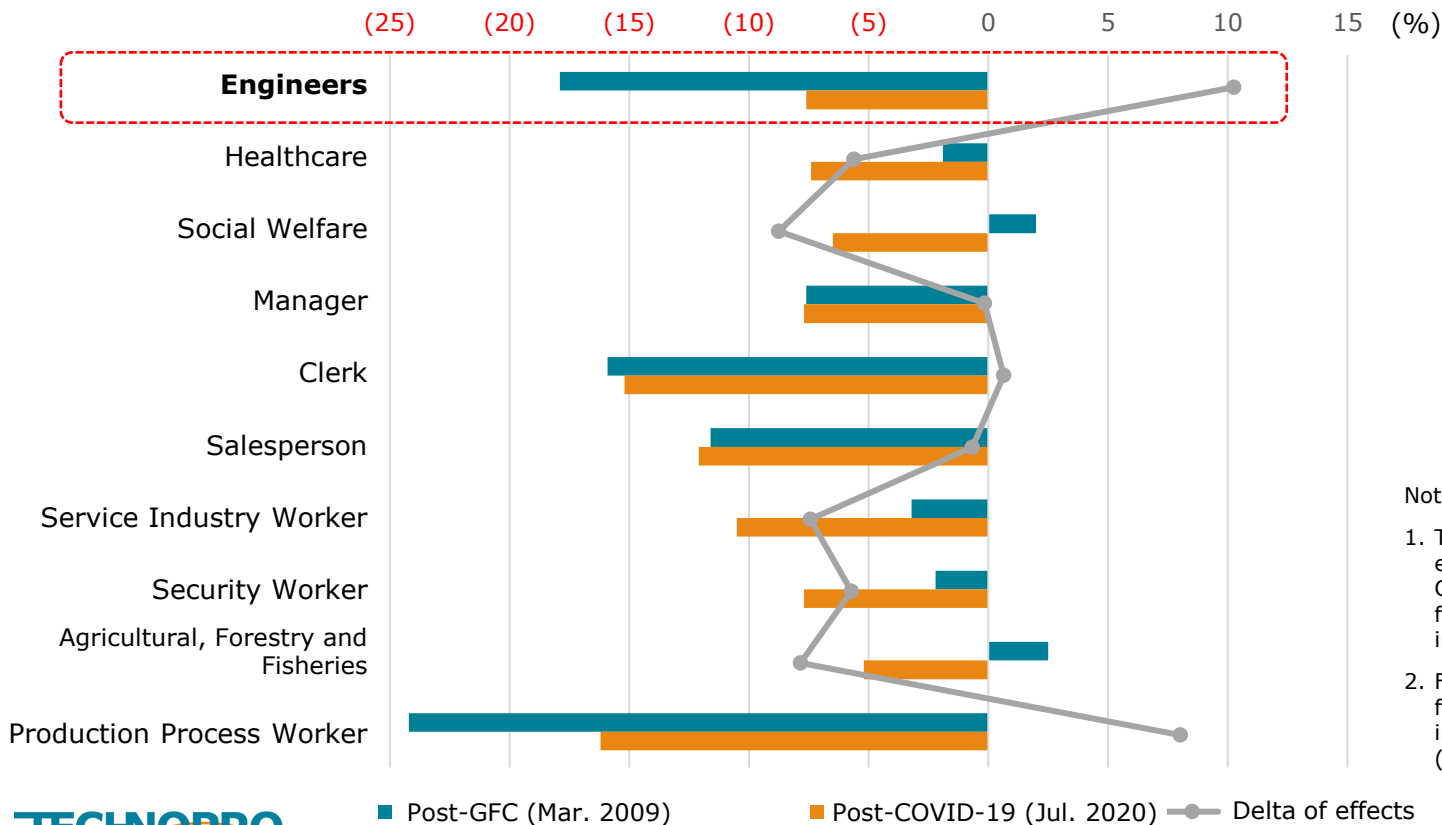
Note: Market size for large-scale providers calculated by Yano Research Institute based on an independent survey; Growth may be higher than the market as a whole

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:

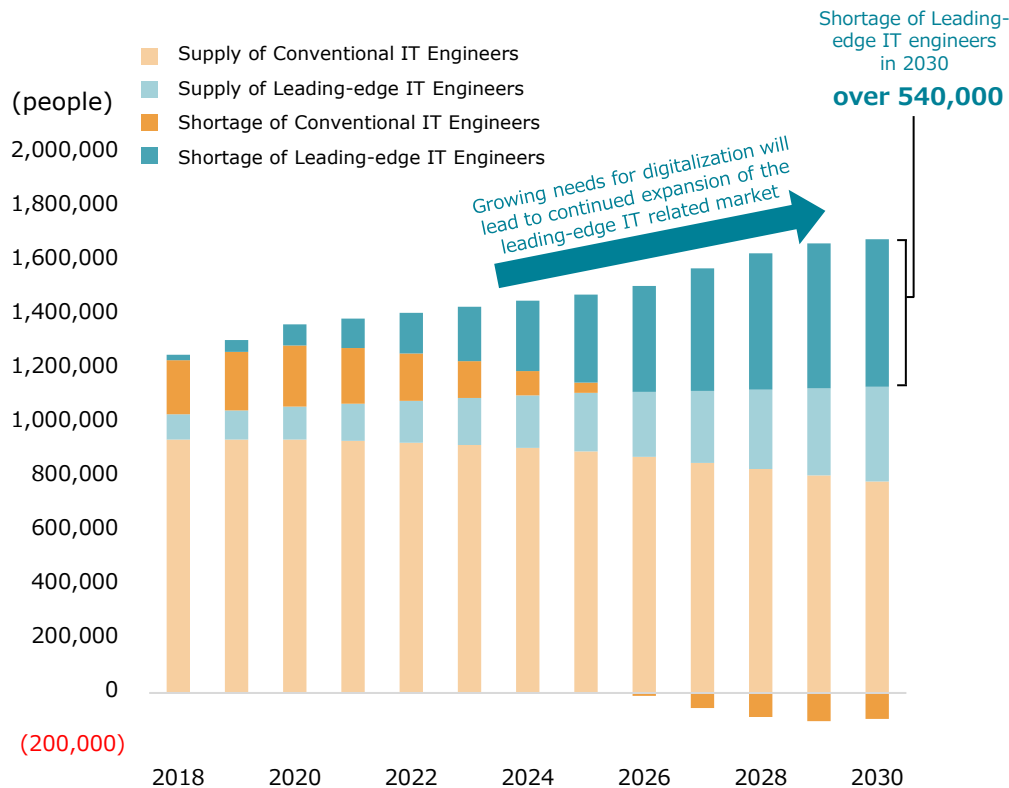
1. The figure left shows the comparison of the effect from the Global Financial Crisis (GFC) and COVID-19 on the index data of new job offers for each job category after 6 months from the initial outbreak of the crisis
2. Figures in September 2008 was indexed as 100 for the GFC, figures in January 2020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

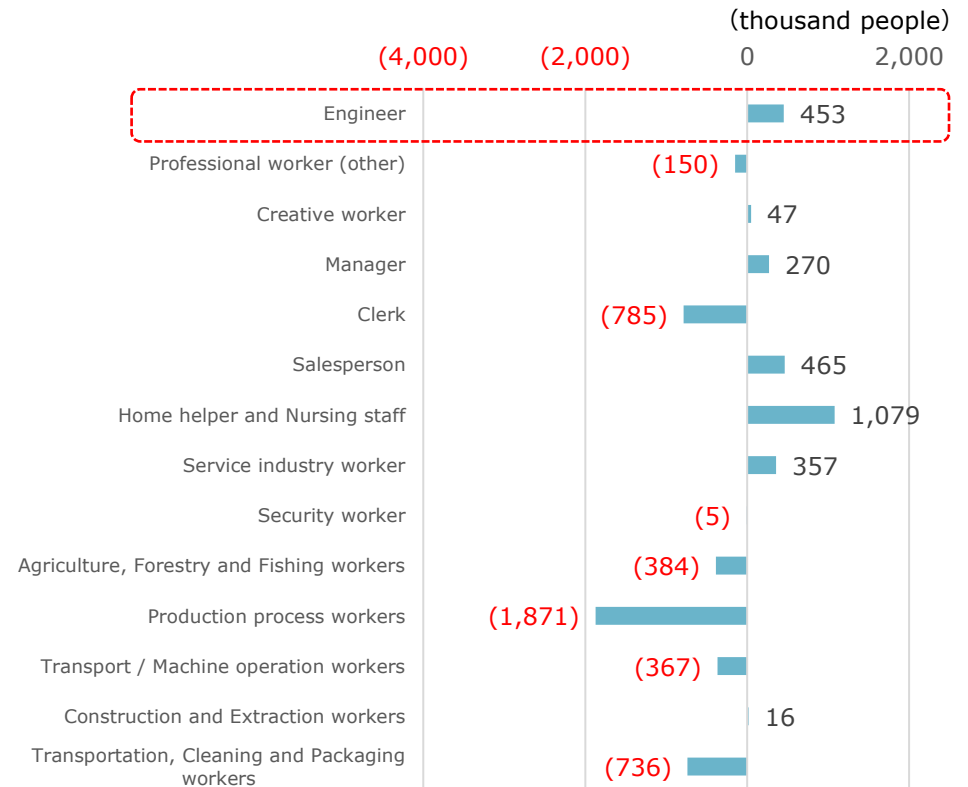
10. Projected Shortage in Advanced and Conventional IT engineers

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"

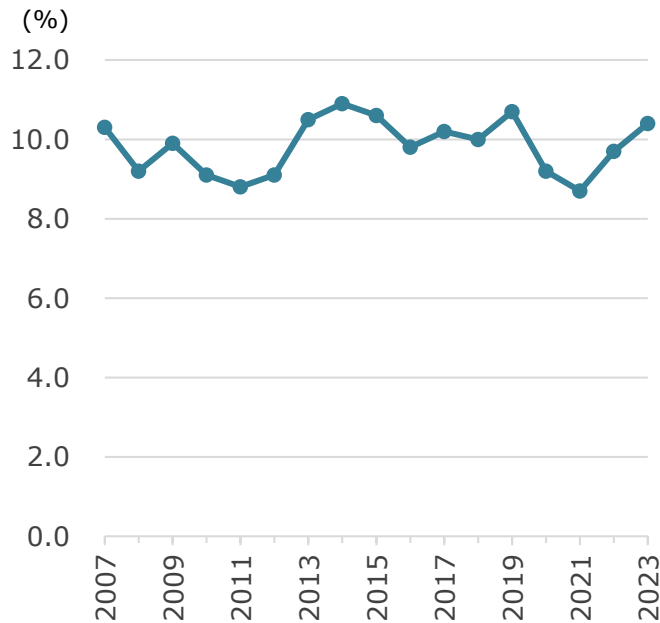


Background of Engineer Staffing Market Growth and Our Strengths – 2. Mid Careers Market

- 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

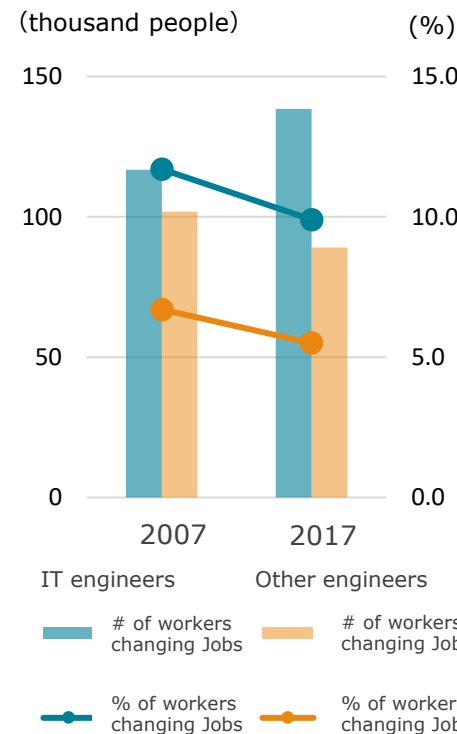
12. Turnover Ratio in Japan

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

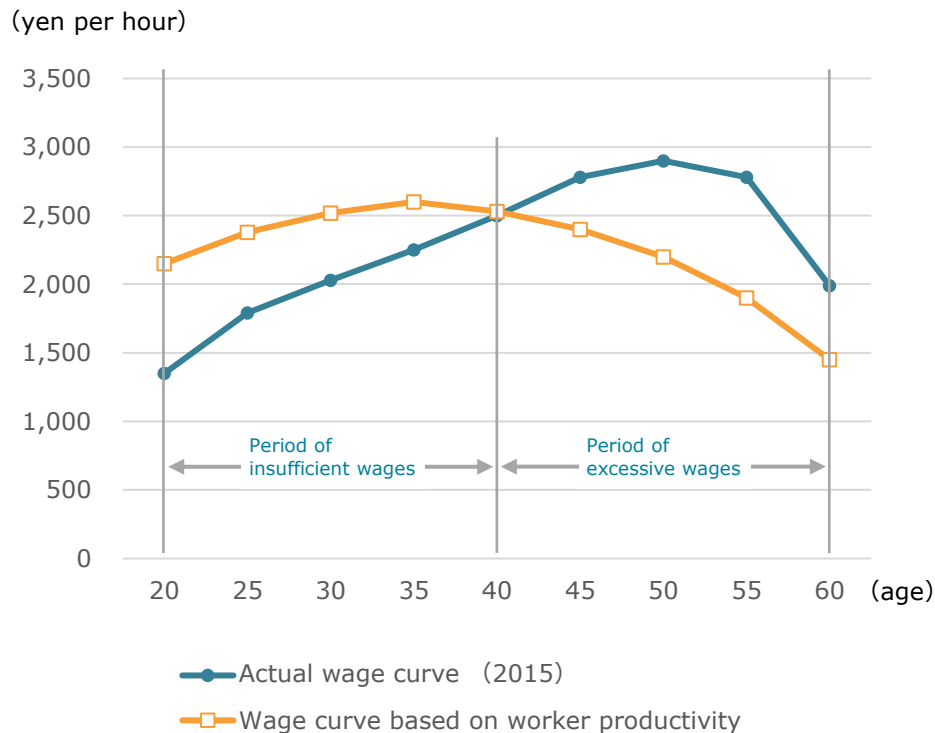
	(thousand people)		
	1997	2007	2017
All sectors	7,391	7,717	7,066
Engineers	178	219	228
of which, IT engineers		117	138
of which, other engineers		102	89

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

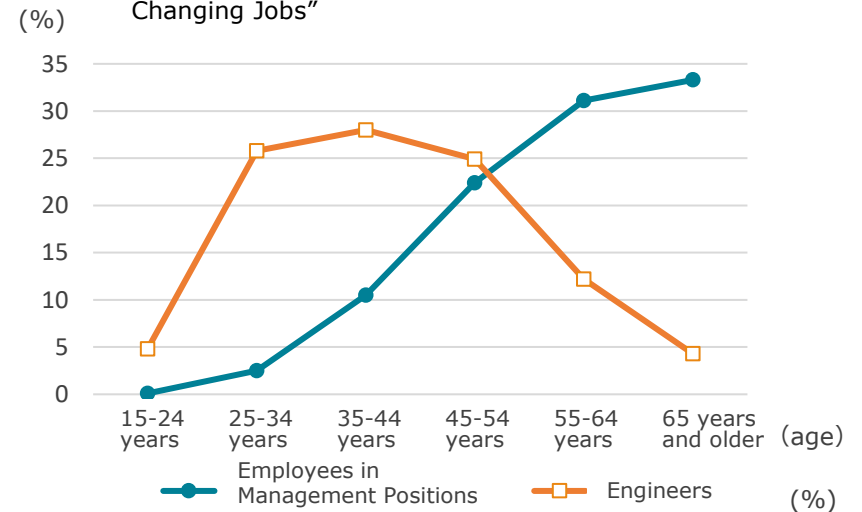
14. Seniority-Based Wages and Wages based on Work Productivity (Hourly-base)

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"



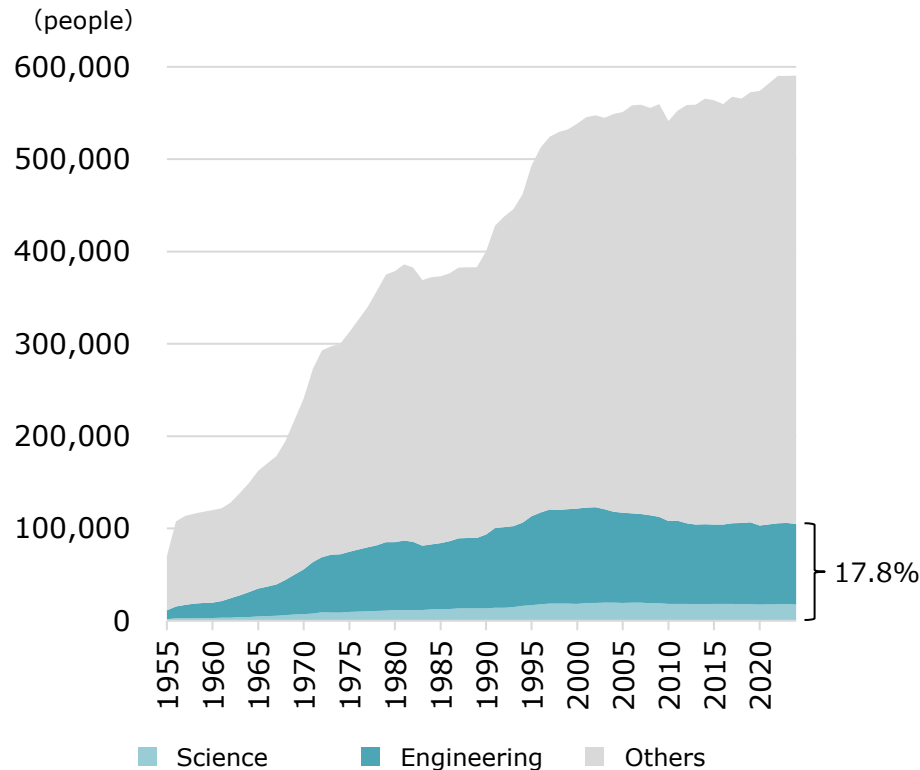
	Employees in Management Positions	Engineers
15-24 years	0.1	4.8
25-34 years	2.5	25.8
35-44 years	10.5	28
45-54 years	22.4	24.9
55-64 years	31.1	12.2
65 years and older	33.3	4.3

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

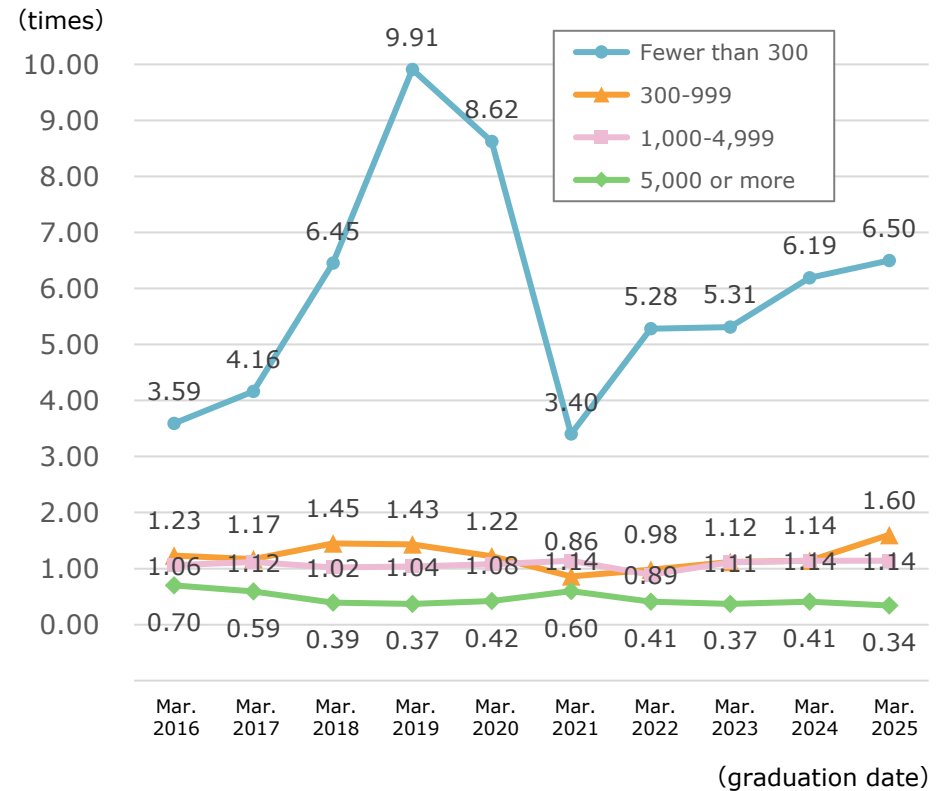
16. No. of University Graduates by Faculty

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"

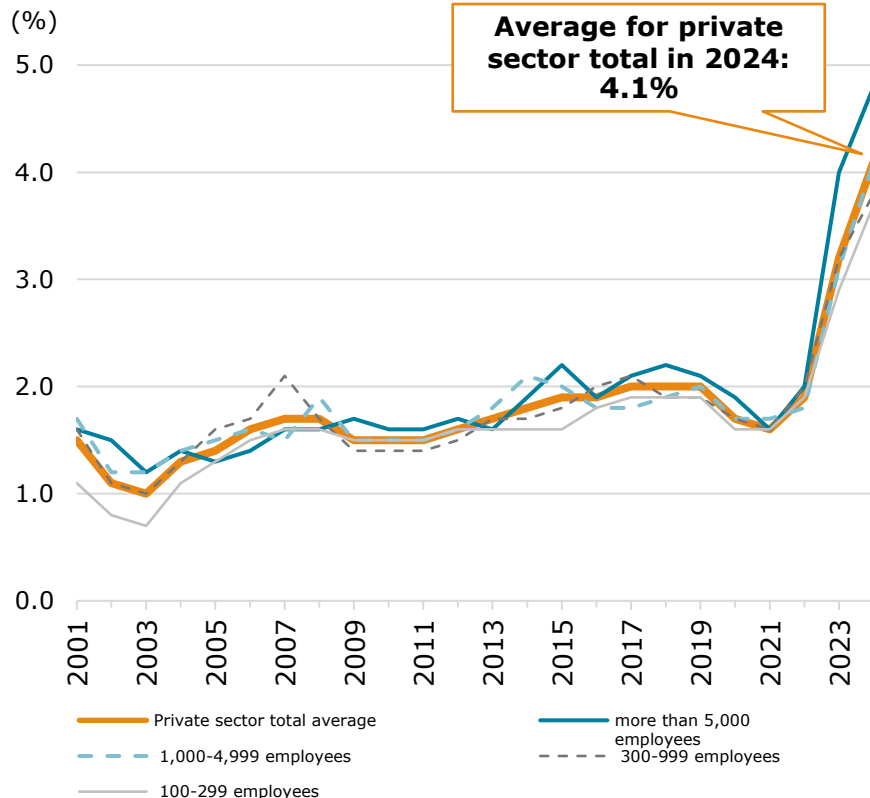


Wage Hike & Human Capital Investment in Japan

- 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

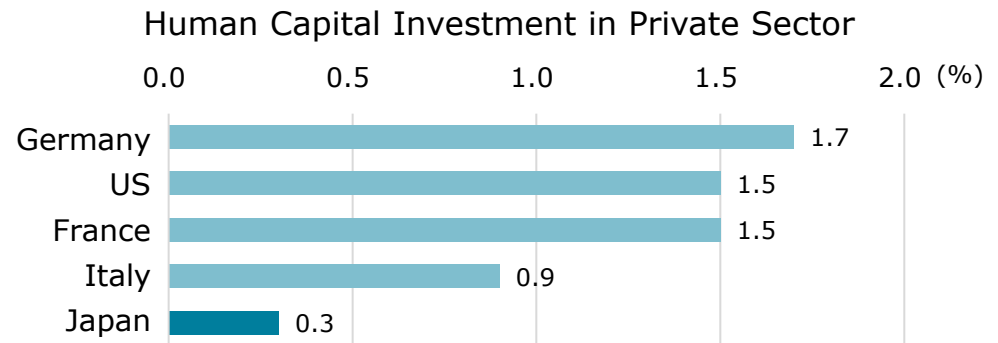
18. Wage Revision Ratio per Worker

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



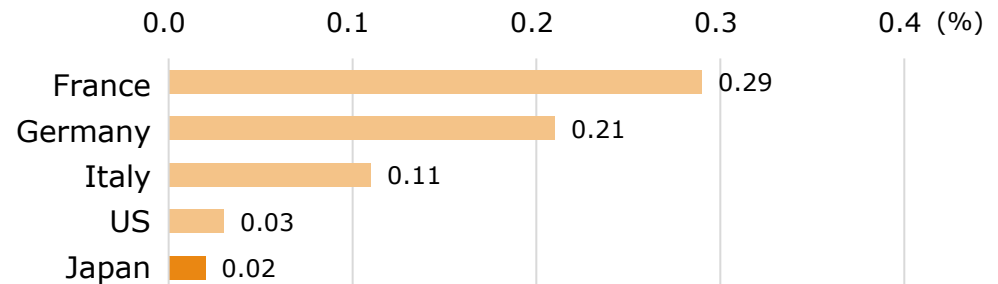
19. World's Human Capital Investment (GDP ratio)

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

Investment Highlights

Structural Shortage of Engineers and Market Growth Potential

Advantage as a market leader in the reorganizing industry

Largest Engineer Talent Pool and Broadest Technology Area

High exposure to the fastest growing IT sector

Overwhelming Recruitment and Sales Capabilities

Timely talent acquisition and diversified customer base

Solid Program for Engineer Education & Training

Contents development capability based on the latest technology trends and customer demands

Strong Governance Structure

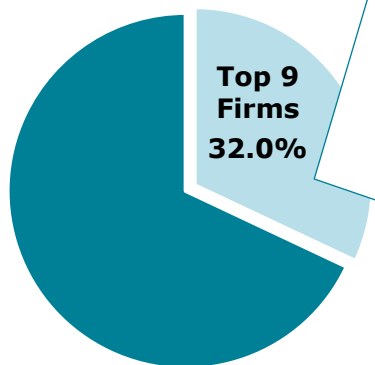
Full compliance with Japan's CG Code and emphasis on engagement with the market

Our Position in the Industry Landscape

- In the engineer staffing market, we are No. 1 player, with a market share of about 7%
- Since 50% of our engineers are IT-related, we see the IT services industry as an addressable market

Engineer Staffing Market

2.7 trillion yen (2022)



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

Top 9 Listed Firms in Engineer Staffing Sector

Source: Researched by Techno Pro, from disclosed data

Rank	Company (Relevant Segment)	Revenue (million yen)	Share
1	TechnoPro Holdings, Inc. R&D Outsourcing, Construction Management Outsourcing	191,987	7.1%
2	OUTSOURCING Inc. Domestic Engineering Outsourcing Business	164,776	6.1%
3	Open Up Group Inc. Machinery, Electronics and IT Software, Construction	136,099	5.0%
4	Meitec Corporation Engineering Solutions Business	125,610	4.6%
5	PERSOL HOLDINGS CO., LTD. Technology SBU	102,380	3.8%
6	WDB Holdings Co., Ltd.	49,297	1.8%
7	Altech Corporation The Outsourcing Business	42,688	1.6%
8	Forum Engineering Inc.	31,279	1.2%
9	COPRO-HOLDINGS. Co., Ltd.	24,098	0.9%
TOP 9 Total		868,214	32.0%

Top 20 Firms in the IT Services Sector

Source: "Kabunushi Techo" March 2021

Rank	Company	Revenue (million yen)
1	Fujitsu Limited	3,071,941
2	NEC Corporation	2,913,446
3	NTT DATA Corporation	2,163,625
4	Hitachi, Ltd.	1,939,536
5	OTSUKA CORPORATION	463,293
6	Nomura Research Institute, Ltd.	459,937
7	ITOCHU Techno-Solutions Corporation	451,957
8	TIS Inc.	420,769
9	Canon Marketing Japan Inc.	419,048
10	SCSK Corporation	358,654
11	Nihon Unisys, Ltd.	299,029
12	transcosmos inc.	284,696
13	NS Solutions Corporation	265,278
14	Oracle Corporation Japan	202,389
15	FUJI SOFT INCORPORATED	189,277
16	Net One Systems Co., Ltd.	181,935
17	Trend Micro Incorporated	160,410
18	GMO Internet, Inc.	100,139
19	TSUZUKI DENKI CO.,LTD.	93,704
20	Information Services International-Dentsu, Ltd.	91,024

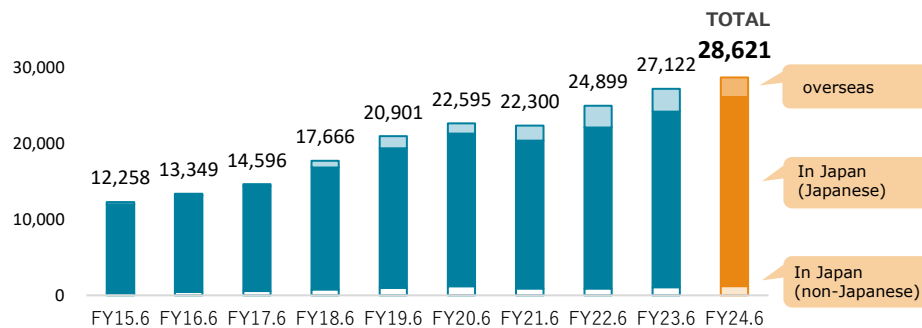
Compared to IT services companies, we are within 20th

Corporate Overview

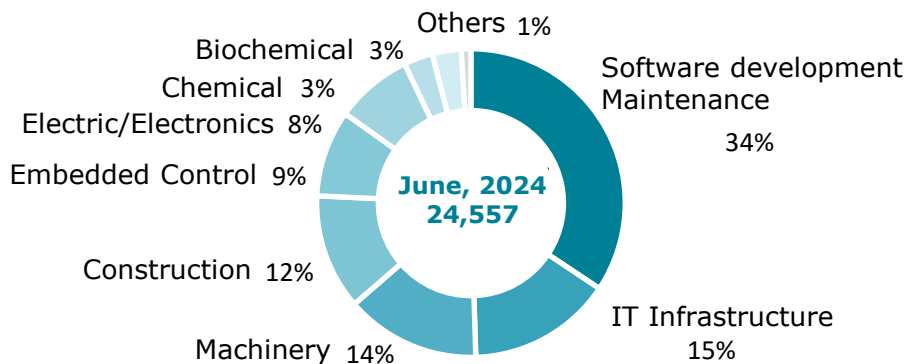
- We hold the largest number of engineers and researchers in Japan and in diversified technological domains
- Stable growth of more than 10%/year due to overwhelming recruitment and sales capabilities
- We have a stable and broad customer base, with more than 2,000 clients in Japan

1. The Largest Engineer Base and Broadest Technological Domains Covered in Japan

Transition of Number of Engineers

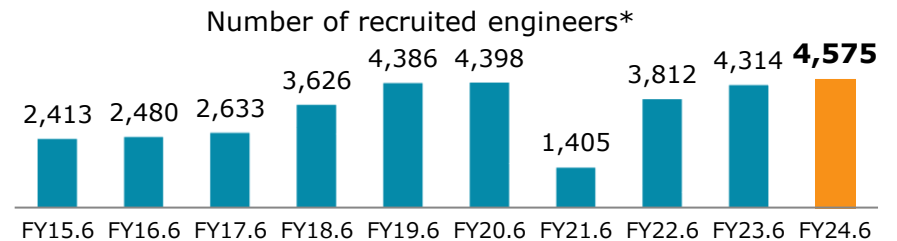


Breakdown of Assigned Engineers by Technology Domains (in Japan)



2. Strong Recruitment Capabilities Utilizing Various Channels

Hiring Mid-career **3,000+** / new-grads **1,000+** annually



* The total of recruited engineers, excluding M&A

3. Stable and Broad Customer Base

2,555 customers as of Jun. 2024 (two major subsidiaries in Japan)

TOP 10 Customer Groups (including its subsidiaries)

No.	industry	Listed/Non-Listed	Sales of JPY 1 tn. or more	Relationship period with over 10 years
1	Electronics/SIer	Listed	○	○
2	Electronics/SIer	Listed	○	○
3	Electronics	Listed	○	○
4	Transportation	Listed	○	○
5	Electronics	Listed	○	○
6	Transportation	Listed	○	○
7	Transportation	Listed	○	○
8	Telecommunications	Listed	○	○
9	Transportation	Listed	○	○
10	Electronics/SIer	Listed	○	○

Purpose

- As a premise for considering a new medium-term business strategy, redefined the Group’s unique Purpose and seek to align it with strategies that contribute to value creation
- Improve the engagement of the Group’s employees through a strategic storytelling with the Purpose at its center in order to spread the medium-term management plan throughout the organization

Corporate Philosophy Framework



TechnoPro Group Purpose

**Driving the Power of Technology and Talent
to Co-create Value Together
with our Customers
for a Sustainable Society**

Technology to Empower the Future

TECHNOPRO

Reference: Our Values

Technology is the driver that brings transformation to business, lives, and society.

–The challenges and needs of customers and society are diversifying, as dynamic changes occur faster than ever –

We provide solutions to unlimited challenges our customers face by:

- Delivering optimal service and solution through our talent, trained and nurtured well regardless of gender, age, and nationality
- Working squarely on new, evolving domains and honing our capabilities thoroughly
- Always meeting our customers' expectations as value-creation partners

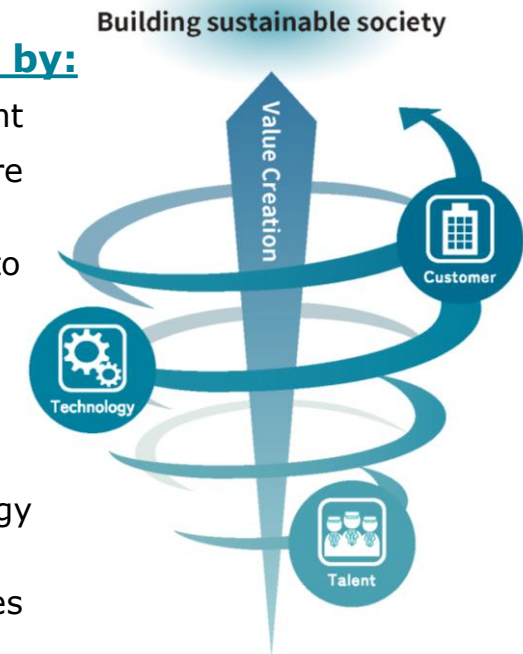
We continue to maximize the potential of engineers and researchers by:

- Providing the conditions and programs to encourage learning and skill development
- Creating opportunities to not only hone their expertise but also to switch or acquire new skills
- Supporting our talent through technology evolutions and environmental changes to stay active

We contribute to building a sustainable society by:

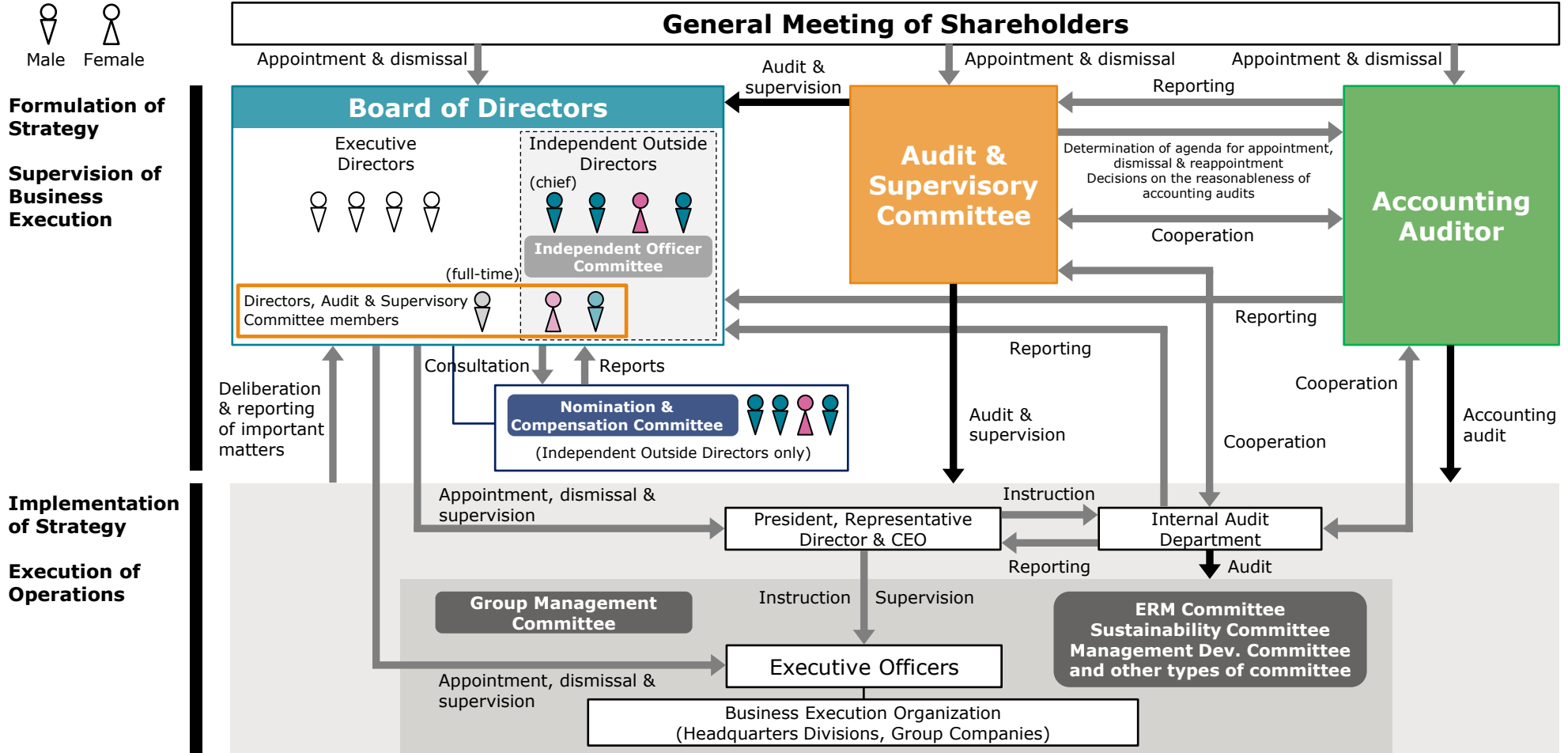
- Solving the challenges of our customers and society as we connect people to technology, and bridge Japan to the world, across various industries and technology domains
- Promoting a diverse array of talent through continuous enhancement of capabilities
- Delivering results that have social impact through our business activities

Value Creation Chart



Corporate Governance

- From September 2022, made a transition to a company with Audit & Supervisory Committee to strengthen audit and supervisory functions and expedite decision making and business execution
- The ratio of independent outside directors and female directors are **54.5%** and **18.2%** respectively, phased succession of outside directors to be considered

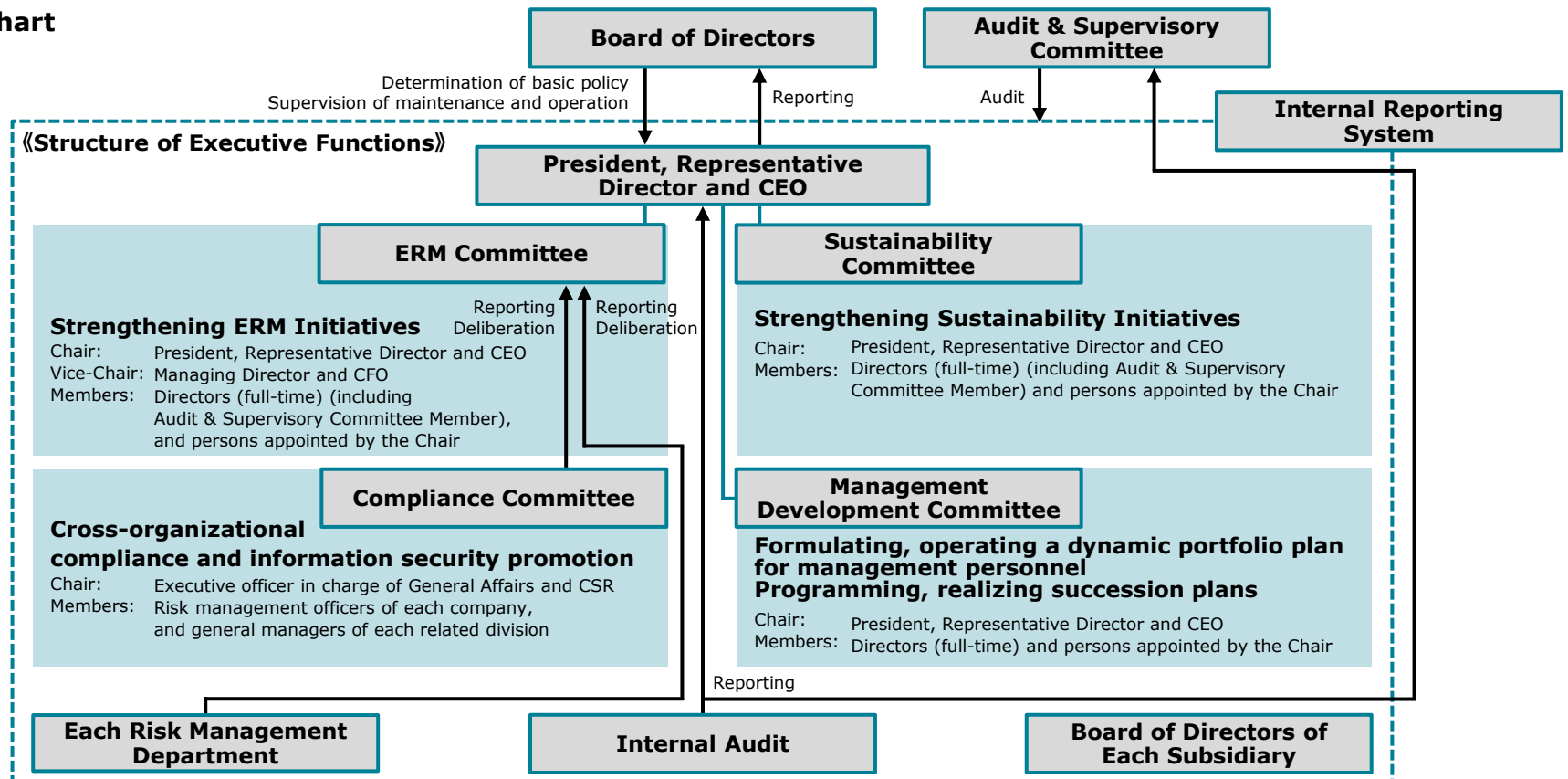


† Board of Directors chaired by chief Independent Outside Director; Audit & Supervisory Committee chaired by full-time Director, Audit & Supervisory Committee member; Nomination & Compensation Committee chaired by chief Independent Outside Director; Independent Officer Committee chaired by chief Independent Outside Director

Sustainability Management Organization Structure

- **Sustainability Committee** deliberates and makes decisions on matters relating to development, implementation, and operation concerning essential issues required for execution of our Sustainability Policy
- **ERM Committee** recognizes risks including personal information and information security, formulating risk management plans and strictly monitoring their implementation
- Established **Management Development Committee** in August 2023, systematically promoting recruitment, assignment, training of management personnel from the perspectives of medium-term plan execution

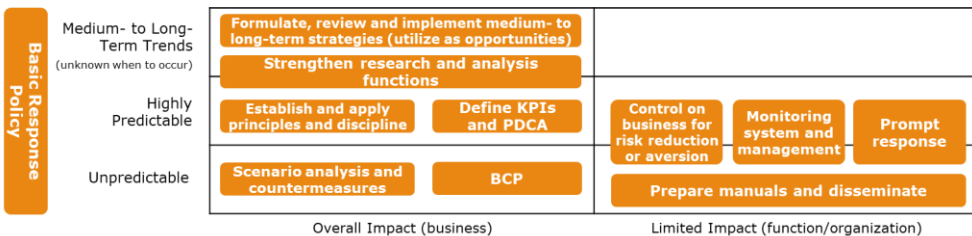
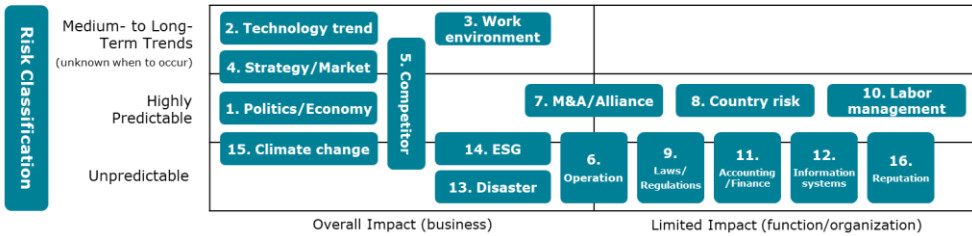
Structural Chart



Sustainability Management Initiatives

- Upon the launch of the medium-term plan, promotes initiatives relating to sustainability management including establishment of various committees, rules and regulations (details provided on our corporate website)
- **Endorsed the TCFD recommendations** in June 2022, planning to proactively disclose information on how to respond to climate change through our integrated report, website and others

ERM Plan & Continuous Monitoring



Materiality KPIs & Target Values

Environment		Coverage	FY20.6	FY21.6	FY22.6	FY23.6	FY24.6	Target
1	Greenhouse gas emissions (Scope1+2)	Japan	2,118	1,804	1,786	1,570	1,598	32.2% reduction (compared to FY2020) by FY2030 Net zero GHG emissions by FY2050
2	Greenhouse gas emissions (Scope3)	Japan	—	—	—	46,854	42,824	Net zero GHG emissions by the end of June 2050
3	Greenhouse gas emissions / ¥1 million in revenue *1	Japan	0.014	0.012	0.011	0.269	0.195	Reduce continuously
4	Paper usage / revenue (index:2015 = 100)	Japan	53.2	40.5	39.8	32.9	30.2	Reduce continuously
5	Environment-related technology revenue (Billions of yen)	Japan	—	—	23.9	29.1	31.6	¥4 billion in FY26.6
6	Number of assigned environment-related technology engineers (monthly average) (people)	Japan	—	—	290	344	380	500 people by FY26.6

Social		Coverage	FY20.6	FY21.6	FY22.6	FY23.6	FY24.6	Target
Diversity and equal opportunities								
7	Number of female employees	Consolidated	4,720	5,635	6,319	6,738	6,738	—
8	Percentage of female employees	Consolidated	18.9%	19.2%	20.4%	21.0%	21.3%	Maintain at 20%
9	Number of female employees	Japan	4,298	4,107	4,616	5,239	5,815	—
10	Percentage of female employees	Japan	18.4%	18.3%	19.0%	19.8%	20.3%	—
11	Number of non-Japanese engineers	Japan	1,178	921	898	1,066	1,210	1,500 people by the end of June 2026
12	Number of engineers aged 60 and over	Japan	—	—	—	1,105	1,359	2,000 people by the end of June 2026
13	Percentage of female employees in managerial positions	Japan	7.6%	7.9%	7.9%	8.9%	8.4%	10% by the end of June 2026
14	Percentage of female employees in managerial positions	Japan	—	83.6%	84.5%	90.4%	95.9%	—
15	Percentage of non-Japanese nationals in managerial positions	Japan	1.4%	1.4%	2.1%	3.1%	3.5%	—
16	Average tenure of male employment	Japan	—	—	7.6	7.5	7.4	—
17	Average tenure of female employment	Japan	—	—	5.4	5.3	5.2	—
18	Average tenure of employment (ratio of men to women)	Japan	—	—	71.1%	70.7%	70.3%	—
19	Wage gap between men and women *2	Japan	—	—	—	80.5%	81.4%	—
20	Of which, permanent employee *2	Japan	—	—	—	82.4%	83.2%	—
21	Of which, permanent employee *2	Japan	—	—	—	63.8%	63.7%	—
22	Percentage of employees with disabilities	Japan	2.21%	2.27%	2.37%	2.35%	2.37%	Achieve employment rate at legal mandated level
23	Employment of people aged 60 and more	Japan	742	768	958	1,191	1,449	Increase continuously

Recruitment / Turnover		Coverage	FY20.6	FY21.6	FY22.6	FY23.6	FY24.6	Target
24	Number of hires (including non-engineers) *3	Japan	4,720	1,528	4,132	4,597	4,892	3,000 people / year or above
25	Percentage of women hired *3	Japan	24.9%	22.6%	24.3%	24.5%	25.8%	30% or above by FY26.6
26	Of which, new graduates *3	Japan	19.3%	24.3%	20.7%	18.3%	19.3%	—
27	Of which, mid-career *3	Japan	27.1%	22.2%	25.3%	26.3%	27.2%	—
28	Percentage of mid-career hires *3	Japan	70.5%	80.6%	78.7%	77.5%	78.2%	—
29	Turnover rate of permanent employee engineers	Japan	8.8%	8.4%	7.7%	7.7%	9.1%	At or below 7.5%

Participation in External Initiatives

WE SUPPORT



Signed up UN Global Compact

Creating a global framework for sustainable growth



Partnered with Waffle

Eliminating the gender gap and promoting diversity in STEM fields

Fathering Japan

NPO法人ファザリング・ジャパン

Participated in Iku-Boss Corporate Alliance

Improving employees' work-life balance, supporting their careers and lives



TASK FORCE ON CLIMATE-RELATED FINANCIAL DISCLOSURES



TCFD Consortium

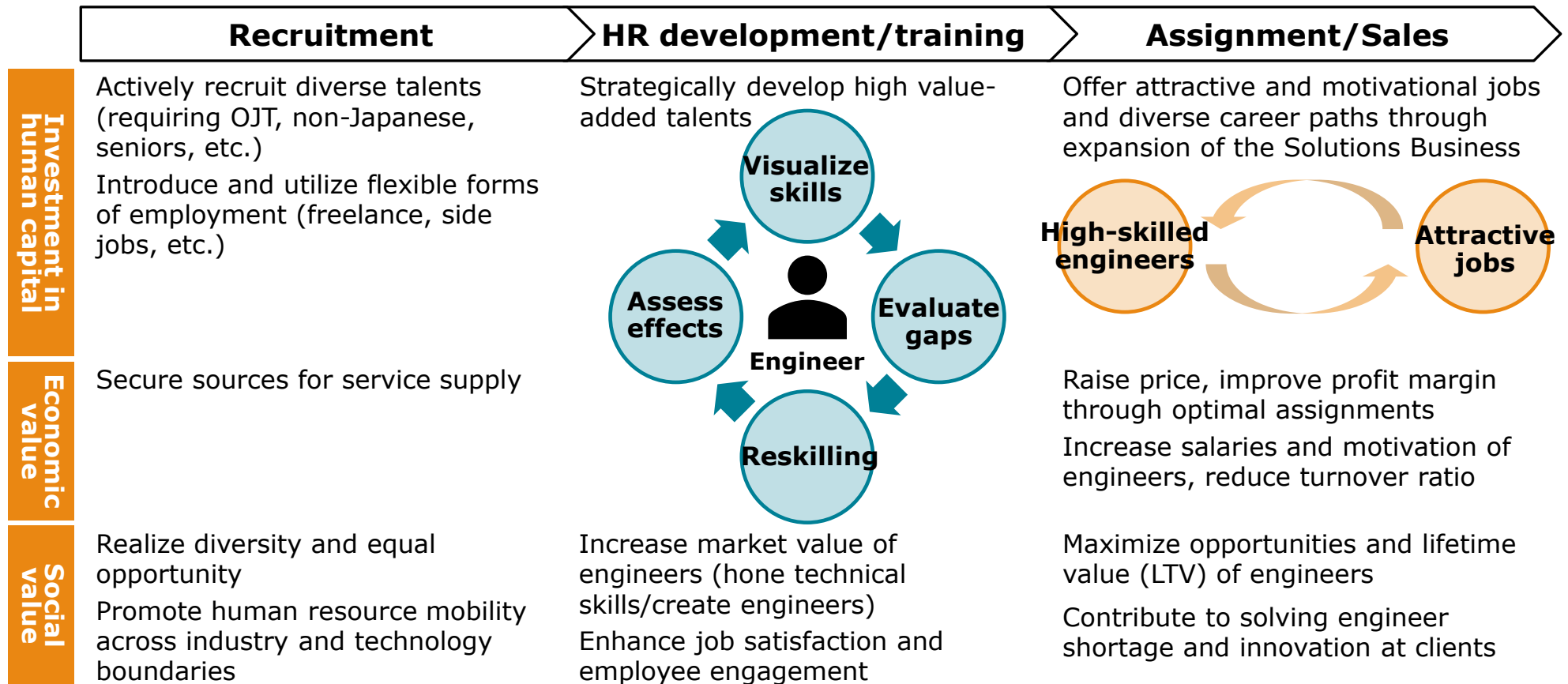
Expressed support for TCFD recommendations and joined TCFD Consortium

Disclosing information on climate change-related risks and opportunities in four areas: Governance, Strategy, Risk Management, and Metrics and Targets

Human Capital Management

- In HR business, **human resources, which shall be intangible assets, are sources of value creation**, therefore investment in human capital has direct impact on our financial performance
- Aim to generate both economic and social value by 1) implementing recruitment/training initiatives to make the most of diverse individual strengths of employees, and 2) assigning to attractive and motivational jobs

Creating economic and social value through a business model centered on human capital



Creating Rewarding Workplace

- **In HR business, human resources, which are intangible assets, are source of value creation,** therefore continuously enhance personnel system and employee benefits
- Promote DEI (Diversity, Equity, Inclusion) initiatives to make the most of diverse individual strengths of employees

Introduced new personnel system for engineers (July 2022)

Market Value based Talent Definition & Fair Treatment

Identify engineers who own both **technical & business skills** as talent with higher market value, also consider contribution to earnings



Health Management Strategy Map (FY21.6–FY26.6)

Our objectives for health management

Improve job satisfaction and retention for sustainable growth, and maximize organizational performance

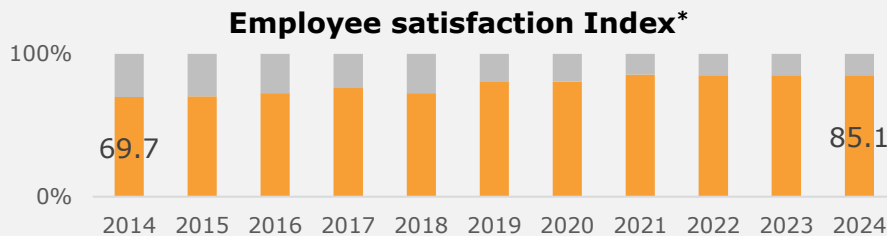
We take actions to create an environment that allows employees to maximize and exert their talents supported by physical and mental health



For further details please visit our website at:
<https://www.technoproholdings.com/en/csr/development/workplace.html>

Employee Satisfaction

Carry out employee satisfaction survey annually to identify issues and actions against them, providing the result to employees as feedback, while examining and assessing outcomes brought by initiatives for improvement



External Recognition

Recognized by the Ministry of Economy, Trade and Industry and Nippon Kenko Kaigi as a "Health Management Outstanding Organization Program (Large Enterprise Category)" for five consecutive years, starting in 2020



Won a silver prize at "Cancer Ally Club Award 2022," an award established with the aim to realize workplaces or companies where cancer patients are working actively while receiving medical treatment



ESG/SDGs & Materiality

- We strive to create shared value with all stakeholders including engineers, customers and society by utilizing our assets, which are engineers, technological capabilities and business model, as well as aim to achieve sustainable business growth and solve social and environmental issues by developing and operating a solid management foundation

Creating Shared Value with Stakeholders



Human Resources Raising Everyone's Potential

- Proactive investment in human resource development
- Pursue rewarding work and employee satisfaction
- Maximize engineers' opportunities to flourish
- Achieve human resource diversity and equal opportunity
- Resolve shortage of engineering personnel and promote innovation

Technology Contributing to Society through the Power of Technology



- Realize high-value-added solutions
- Use digital technologies to achieve business innovation
- Accelerate domestic and overseas business
- Solve problems of customer through technology
- Resolve social and environmental issues through business with customer

Purpose



Social Responsibility A Trusted Partner

- Observe ethics and compliance
- Ensure health and safety of the working environment
- Thoroughly protect information security and privacy
- Respect human rights
- Minimize environmental impact

Governance A Sustainably Growing Company



- Reinforce governance
- Engage in investor dialog and transparent disclosure
- Execute appropriate capital policy
- Enhance business continuity in times of emergency



ESG Data book

Environment

	Coverage	FY20.6	FY21.6	FY22.6	FY23.6	FY24.6	Target
1 Greenhouse gas emissions (Scope1 +2)	Japan	2,118	1,804	1,786	1,570	1,598	32.2% reduction (compared to FY2020) by FY2030 Net zero GHG emissions by FY2050
2 Greenhouse gas emissions (Scope3)	Japan	—	—	—	46,854	42,824	Net zero GHG emissions by the end of June 2050
3 Greenhouse gas emissions / ¥1 million in revenue *1	Japan	0.014	0.012	0.011	0.269	0.195	Reduce continuously
4 Paper usage / revenue (index:2015 = 100)	Japan	53.2	40.5	39.8	32.9	30.2	Reduce continuously
5 Environment-related technology revenue (Billions of yen)	Japan	—	—	23.9	29.1	31.6	¥4 billion in FY26.6
6 Number of assigned environment-related technology engineers (monthly average) (people)	Japan	—	—	290	344	380	500 people by FY26.6

Social

Diversity and equal opportunities	Coverage	FY20.6	FY21.6	FY22.6	FY23.6	FY24.6	Target
7 Number of female employees	Consolidated	—	4,720	5,635	6,319	6,738	—
8 Percentage of female employees	Consolidated	18.9%	19.2%	20.4%	21.0%	21.3%	Maintain at 20%
9 Number of female employees	Japan	4,298	4,107	4,616	5,239	5,815	—
10 Percentage of female employees	Japan	18.4%	18.3%	19.0%	19.8%	20.3%	—
11 Number of non-Japanese engineers	Japan	1,178	921	898	1,066	1,210	1,500 people by the end of June 2026
12 Number of engineers aged 60 and over	Japan	—	—	—	1,105	1,359	2,000 people by the end of June 2026
13 Percentage of female employees in managerial positions	Japan	7.6%	7.9%	7.9%	8.9%	8.4%	10% by the end of June 2026
14 Percentage of female employees in managerial positions	Japan	—	83.6%	84.5%	90.4%	95.9%	—
15 Percentage of non-Japanese nationals in managerial positions	Japan	1.4%	1.4%	2.1%	3.1%	3.5%	—
16 Average tenure of male employment	Japan	—	—	7.6	7.5	7.4	—
17 Average tenure of female employment	Japan	—	—	5.4	5.3	5.2	—
18 Average tenure of employment (ratio of men to women)	Japan	—	—	71.1%	70.7%	70.3%	—
19 Wage gap between men and women *2	Japan	—	—	—	80.5%	81.4%	—
20 Of which, permanent employee *2	Japan	—	—	—	82.4%	83.2%	—
21 Of which, permanent employee *2	Japan	—	—	—	63.8%	63.7%	—
22 Percentage of employees with disabilities	Japan	2.21%	2.27%	2.37%	2.35%	2.37%	Achieve employment rate at legal mandated level
23 Employment of people aged 60 and more	Japan	742	768	958	1,191	1,449	Increase continuously

Recruitment / Turnover	Coverage	FY20.6	FY21.6	FY22.6	FY23.6	FY24.6	Target
24 Number of hires (including non-engineers) *3	Japan	4,720	1,528	4,132	4,597	4,892	3,000 people / year or above
25 Percentage of women hired *3	Japan	24.9%	22.6%	24.3%	24.5%	25.8%	30% or above by FY26.6
26 Of which, new graduates *3	Japan	19.3%	24.3%	20.7%	18.3%	19.3%	—
27 Of which, mid-career *3	Japan	27.1%	22.2%	25.3%	26.3%	27.2%	—
28 Percentage of mid-career hires *3	Japan	70.5%	80.6%	78.7%	77.5%	78.2%	—
29 Turnover rate of permanent employee engineers	Japan	8.8%	8.4%	7.7%	7.7%	9.1%	At or below 7.5%

Employee Education and Development		Coverage	FY20.6	FY21.6	FY22.6	FY23.6	FY24.6	Target
30	Number of employees undergoing training (cumulative)	Japan	235,670	213,795	295,724	303,930	308,256	Total of 360,000 people / year in FY26.6
31	Of which, group training (cumulative)	Japan	120,829	47,441	97,280	124,630	97,241	—
32	Of which, e-learning (cumulative)	Japan	114,841	166,354	198,444	179,300	211,015	—
33	Hours of training (cumulative)	Japan	492,566	447,809	766,587	882,826	790,559	Total 1 million hours / year in FY26.6
34	Number of unique participants	Japan	22,039	22,974	25,830	29,903	29,219	—
35	Average unique training hours	Japan	22.3	19.5	29.7	29.5	27.1	—
36	Corporate participants in the Engineer Training Business	Japan	—	10,400	10,935	10,827	8,101	13,000 people by FY26.6
37	Individual participants in the Engineer Training Business	Japan	—	7,745	6,730	6,487	5,004	8,500 people by FY26.6
38	Revenue in the Engineer Training business	Japan	—	16.7	15.0	18.1	17.2	¥2 billion in FY26.6
39	Sustainability Training attendance rate	Japan	100%	100%	100%	100%	100%	Maintain at 100%
40	Of which, human rights and ethics	Japan	100%	100%	100%	100%	100%	—
41	Of which, information security	Japan	100%	100%	100%	100%	100%	—
42	Of which, anti-corruption	Japan	100%	100%	100%	100%	100%	—

Employee satisfaction		Coverage	FY20.6	FY21.6	FY22.6	FY23.6	FY24.6	Target
43	Employee satisfaction *4	Japan	80.6%	85.4%	85.1%	85.0%	85.1%	90.0% or above
44	Employee satisfaction (engineer) *4	Japan	79.7%	85.0%	84.7%	84.6%	84.8%	90.0% or above
45	Employee satisfaction (non-engineer) *4	Japan	86.8%	88.4%	88.8%	88.6%	87.3%	90.0% or above

Work-life balance		Coverage	FY20.6	FY21.6	FY22.6	FY23.6	FY24.6	Target
46	Average hours of overtime	Japan	13.5	13.3	13.8	13.2	12.5	Maintain at 20 hours / month or below
47	Paid leave acquisition rate	Japan	79.0%	74.4%	81.6%	83.6%	85.9%	Maintain 75% or above
48	Percentage of women taking childcare leave	Japan	100.0%	100.0%	99.0%□	96.4%	94.7%	—
49	Percentage of men taking childcare leave *5	Japan	7.0%	11.8%	13.0%	21.0%	41.8%	50% or above by FY26.6
50	Number of men taking childcare leave	Japan	35	36	45	78	128	—

Human Capital KPIs		Coverage	FY20.6	FY21.6	FY22.6	FY23.6	FY24.6	Target
51	Number of hires (including non-engineers) (people) *6	Japan	4,720	1,528	4,132	4,597	4,892	3,000 people / year or above
52	Percentage of women hired	Japan	8.8%	8.4%	7.7%	7.7%	9.1%	At or below 7.5%
53	Number of engineers hired on a training premise (people)	Japan	—	—	—	401	542	250 people / year or above
54	Number of non-Japanese engineers (people)	Japan	1,178	921	898	1,066	1,210	1,500 people by the end of June 2026
55	Number of engineers aged 60 and over	Japan	—	—	—	1,105	1,359	2,000 people by the end of June 2026
56	Employee satisfaction (engineer) *7	Japan	79.7%	85.0%	84.7%	84.6%	84.8%	90.0% or above
57	Employee satisfaction (non-engineer) *7	Japan	86.8%	88.4%	88.8%	88.6%	87.3%	90.0% or above
58	Average monthly unit sales price *8	Japan	—	—	658	669	678	725K yen in FY26.6
59	Number of assigned engineers in the Solutions Business (monthly average) (people)	Japan	—	—	3,728	4,174	4,751	6,200 people by FY26.6
60	Number of employees undergoing training (cumulative)	Japan	235,670	213,795	295,724	303,930	308,256	Total of 360,000 people / year in FY26.6
61	Hours of training (cumulative)	Japan	492,566	447,809	766,587	882,826	790,559	Total 1 million hours / year in FY26.6
62	Percentage of women taking childcare leave	Japan	100.0%	100.0%	99.0%□	96.4%	94.7%	—
63	Percentage of men taking childcare leave *9	Japan	7.0%	11.8%	13.0%	21.0%	41.8%	50% or above by FY26.6
64	Average hours of overtime (Hours / month)	Japan	13.5	13.3	13.8	13.2	12.5	Maintain at 20 hours / month or below
65	Productivity (personnel expenses to revenue ratio)	Consolidated	8.0%	8.2%	8.9%	8.9%	8.8%	At or below 8.0%

Health and Safety		Coverage	FY20.6	FY21.6	FY22.6	FY23.6	FY24.6	Target
66	Number of Work-related accidents	Japan	86	53	77	81	100	Safe work environment and ensuring a healthy
67	Fatalities due to work-related accidents (people)	Japan	0	0	0	0	0	Continuation of zero fatalities
68	Accident rate per 1,000 employees *10 (4 or more days off)	Japan	0.75	0.50	0.40	0.28	0.26	—

Governance

Compliance		Coverage	FY20.6	FY21.6	FY22.6	FY23.6	FY24.6	Target
69	Political contributions	Japan	—	—	0	0	0	No political contributions in principle
70	Number of serious disciplinary actions related to corruption	Japan	—	—	0	0	0	Continue to have zero cases
71	Number of fines related to corruption	Japan	—	—	0	0	0	Continue to have zero cases
72	Internal reporting cases	Consolidated	129	93	95	110	103	Ensure appropriate operation

Directors		Coverage	FY20.6	FY21.6	FY22.6	FY23.6	FY24.6 *12	Target
73	Number of directors	THD	8	8	9	12	11 (11)	—
74	Number of male directors	THD	7	7	7	9	8 (9)	—
75	Number of female directors	THD	1	1	2	3	3 (2)	Ensure appropriate operation
76	Percentage of female directors	THD	12.5%	12.5%	22.2%	25.0%	27.3% (18.2%)	30% by FY2030
77	Number of outside directors	THD	3	3	4	7	6 (6)	—
78	Number of male outside directors	THD	2	2	2	4	3 (4)	—
79	Number of female outside directors	THD	1	1	2	3	3 (2)	—
80	Percentage of outside directors	THD	37.5%	37.5%	44.4%	58.3%	54.5% (54.5%)	—
81	Number of Audit & Supervisory Committee Members *11	THD	4	4	4	3	3 (3)	—
82	Number of non-Japanese directors	Consolidated	11	12	14	18	18	—
83	Percentage of non-Japanese directors	Consolidated	20.8%	22.6%	25.0%	34.6%	39.1%	—

Stock Value		Coverage	FY20.6	FY21.6	FY22.6	FY23.6	FY24.6	Target
84	Sustainable EPS growth *13	Consolidated	99.99	122.96	143.24	142.71	137.56	Long-term continuation of EPS growth (achievement of mid-term management plan)

Contributing to Society through the Power of Technology

		Coverage	FY20.6	FY21.6	FY22.6	FY23.6	FY24.6	Target
85	Revenue from the Solution Business (Billions of yen)	Japan	—	277.9	351.2	393.8	453.4	¥57 billion in FY26.6
86	Of which, digital technology revenue (Billions of yen)	Japan	—	—	310.3	354.8	364.4	¥50 billion in FY26.6
87	Number of assigned engineers in the Solutions Business (monthly average) (people)	Japan	—	—	3,728	4,174	4,751	6,200 people by FY26.6
88	Of which, number of assigned digital technology engineers (monthly average)	Japan	—	2,991	3,381	3,759	3,904	6,000 people by FY26.6
89	Environment-related technology revenue (Billions of yen)	Japan	—	—	23.9	29.1	31.6	¥4 billion in FY26.6
90	Number of assigned environment-related technology engineers (monthly average) (people)	Japan	—	—	290	344	380	500 people by FY26.6

*1 Since Scope3 is disclosed from FY23.6, greenhouse gas (GHG) emissions are the sum of Scope 1, 2 and 3.

*2 Ratio of average annual wage of female employees to average annual wage of male employees

*3 Including non-engineers

*4,7 Total ratio of "satisfactory tier" + "middle layer", changing the definition of the index in FY23.6 and retrospectively revised

*5,9 Until FY22.6, the number of denominators is the number of employees whose spouses gave birth in the previous two years, from FY23.6 onwards, the denominator is calculated based on the number of employees whose spouses gave birth in the previous year (defined by the Ministry of Health, Labour and Welfare).

*6 Including non-engineers

*8 Calculated by total sales / Σ (Number of operating engineers at the end of the month).

*10 The accident rate per 1,000 employees is calculated as follows: Number of work-related accidents per year / Average number of employees per year x 1,000

*11 Figures as of FY23.6 indicate the number of Directors who are Audit & Supervisory Committee members as the Audit & Supervisory Committee was established in September 2022; before then the number of Audit & Supervisory Board members

*12 Figures in parentheses for FY24.6 are reference figures after the General Meeting of Shareholders on September 27, 2024

*13 Calculated based on the number of shares AFTER a three-for-one common stock split conducted on July 1, 2021

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

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

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February 7, 2025

Q2 FY25.6 Financial Overviews

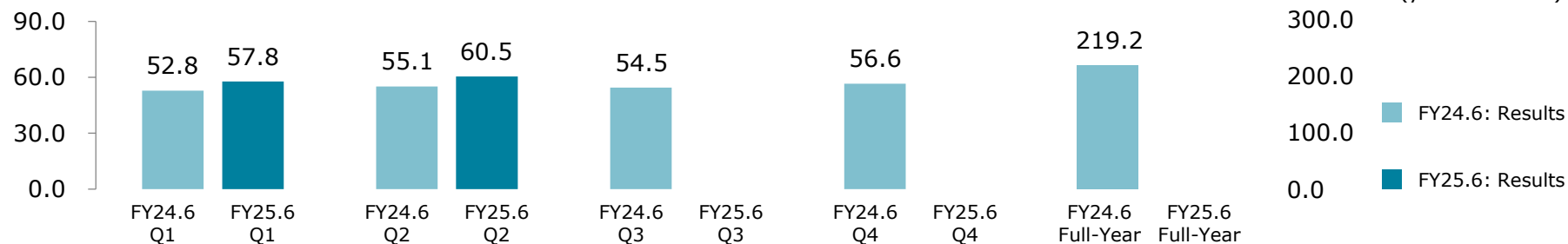
- FY25.6 H1 revenue was **118.4 billion yen**, up 9.7% year-on-year; gross profit was **32.4 billion yen**, up 11.6% year-on-year; core operating profit was **14.8 billion yen**, up 21.2% year-on-year; operating profit was **15.1 billion yen**, up 21.7% year-on-year; SG&A expenses increased by 780 million 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

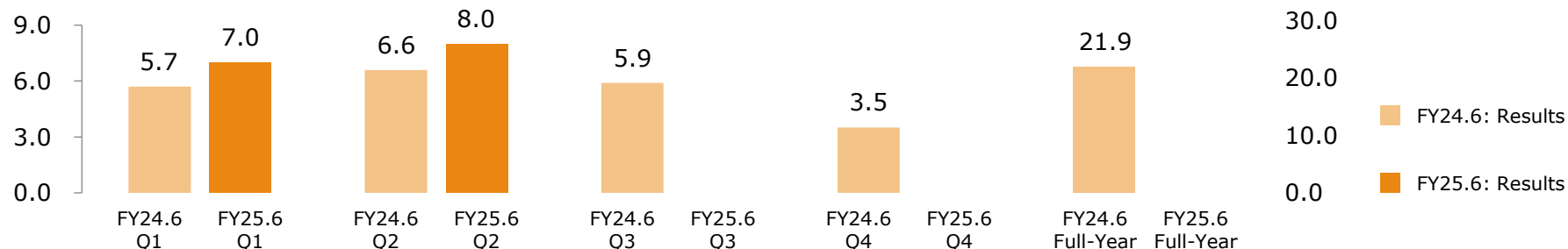
Revenue



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

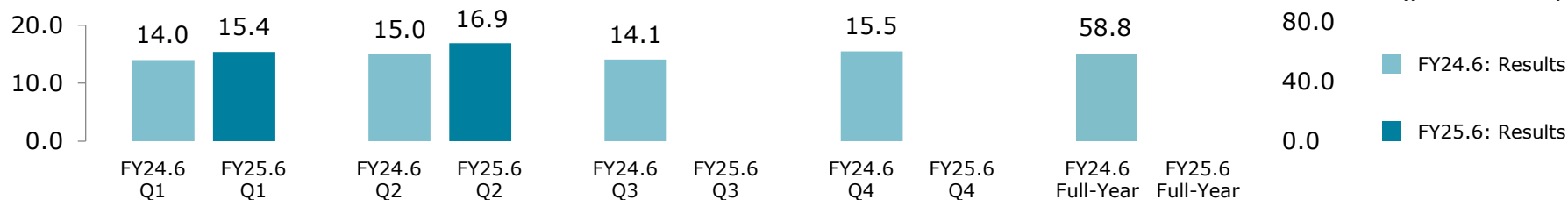
Operating Profit



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%	-

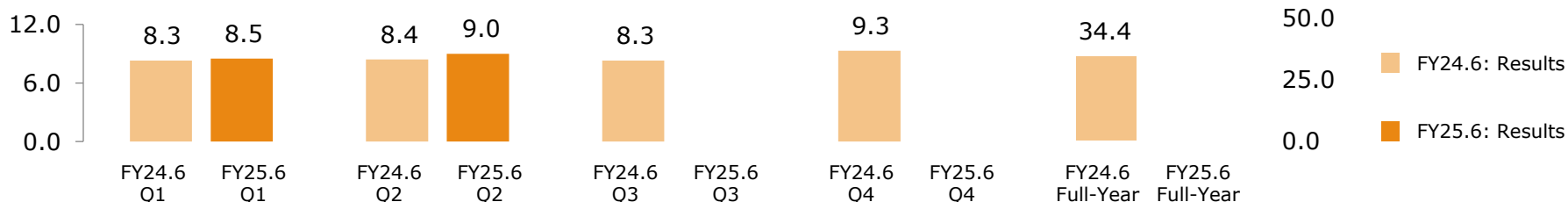
Reference: Quarterly Performance (cont.)

Gross Profit



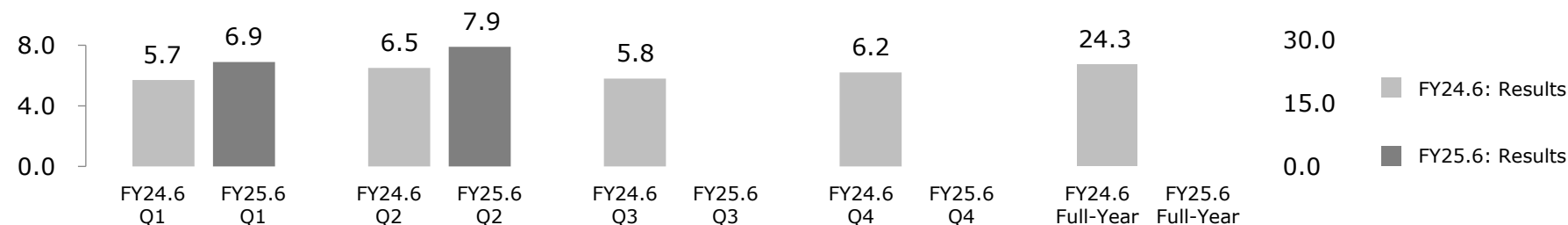
YoY	+10.2%		+13.0%		-		-		-	
GP margin	26.6%	26.8%	27.2%	28.0%	25.9%	-	27.5%	-	26.8%	-

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)

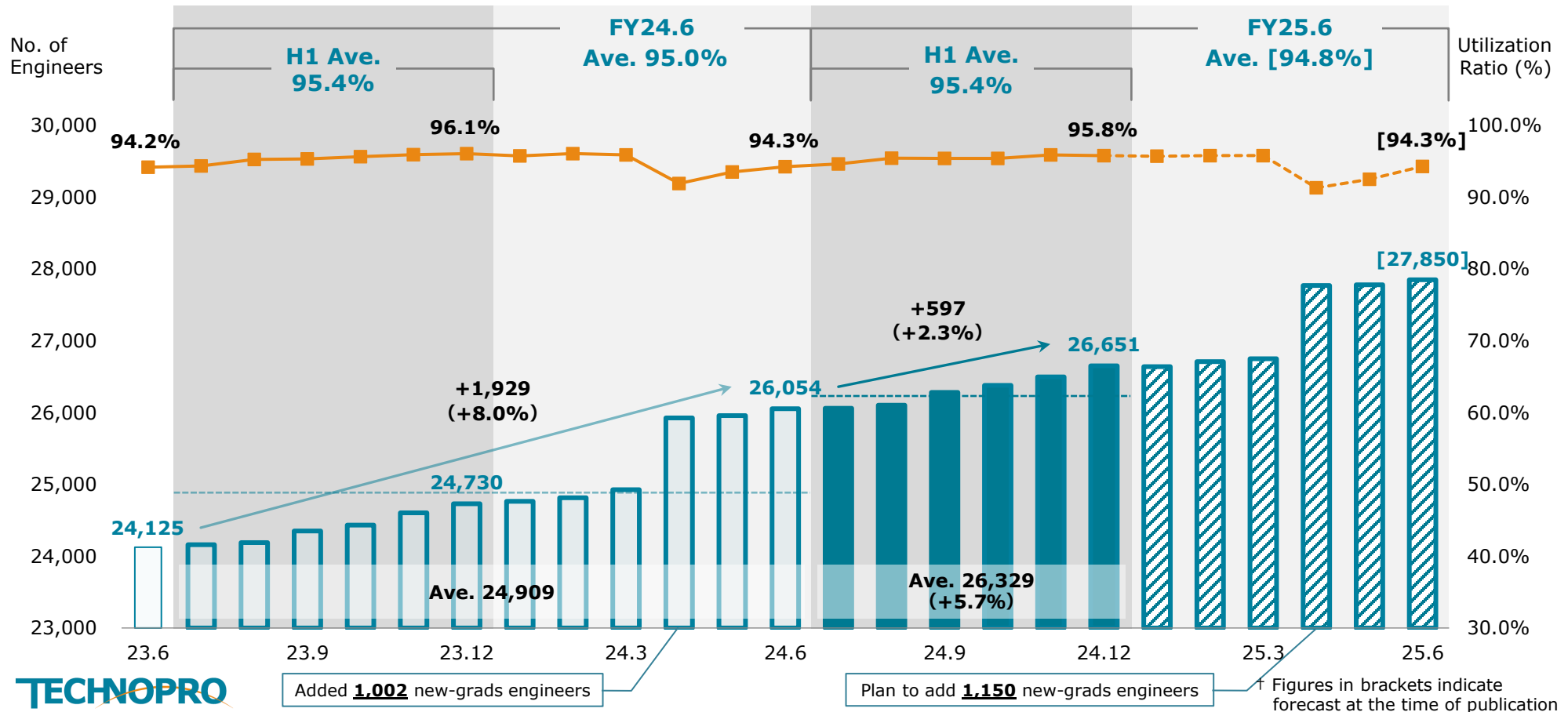
Net CF (incl. effect of exchange rate change of -65mn yen) **(5,828)**

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]

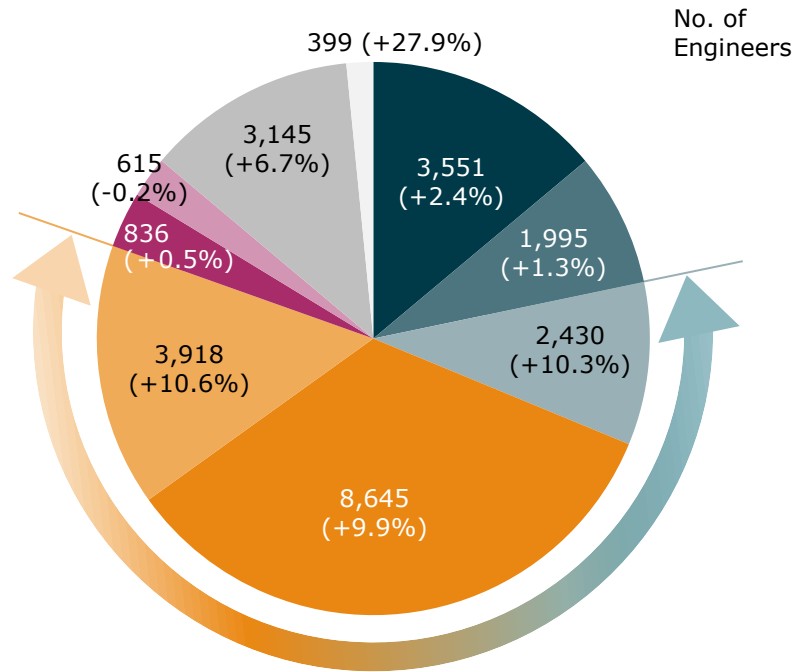
- Engineers in Japan at Q2 FY25.6 end totaled **26,651** (up 1,921 or 7.8% year-on-year), including **1,281** non-Japanese engineers (up 162 year-on-year)
- Engineers working outside Japan at Q2 FY25.6 end totaled **2,336** (not included in the number of engineers in Japan, down 397 or 14.5% year-on-year)
- 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)



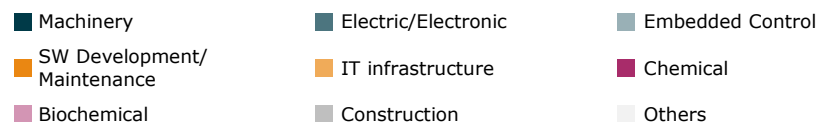
Reference: Assigned Engineers Portfolios [Japan]

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

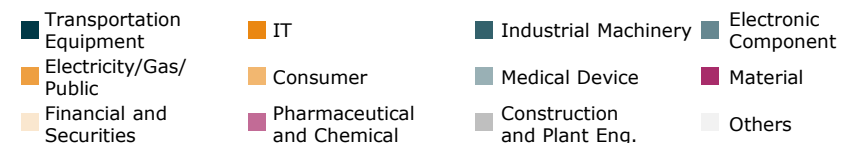
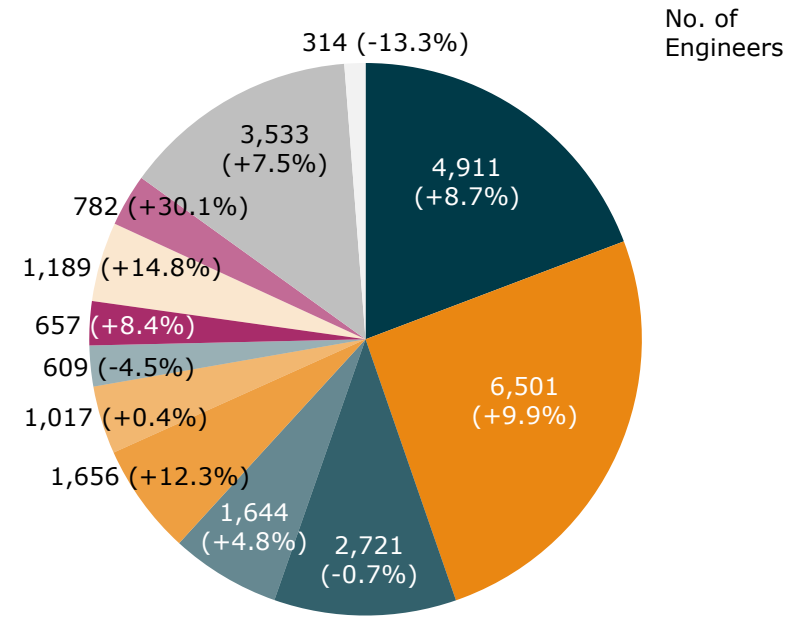
by Technology



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

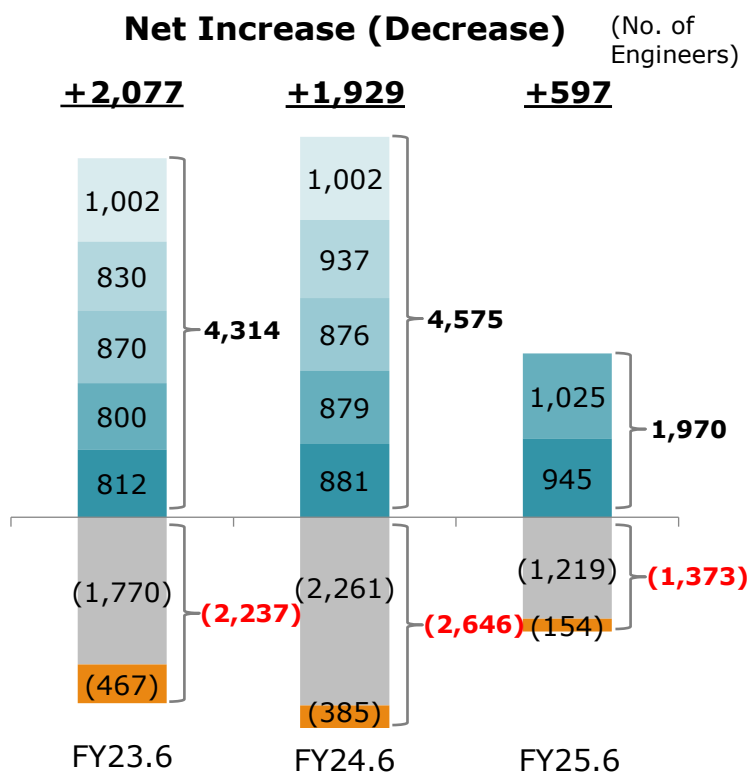


by Industry



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



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	—	—

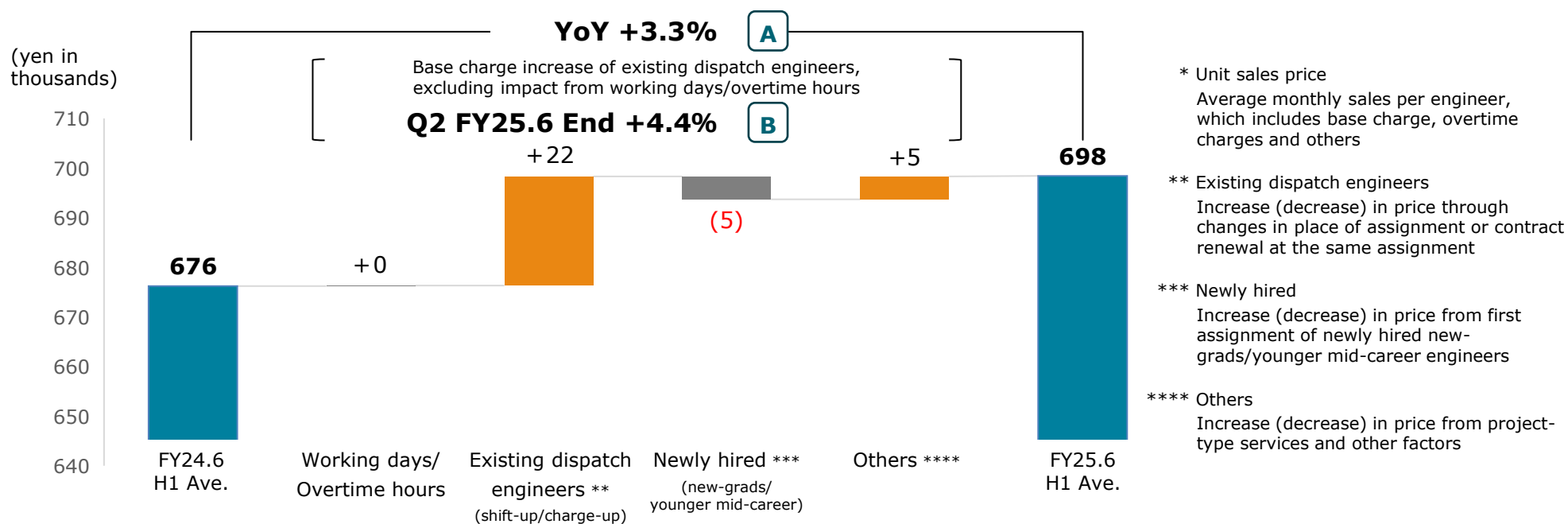
Turnover Ratio for Permanent Employees*

	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



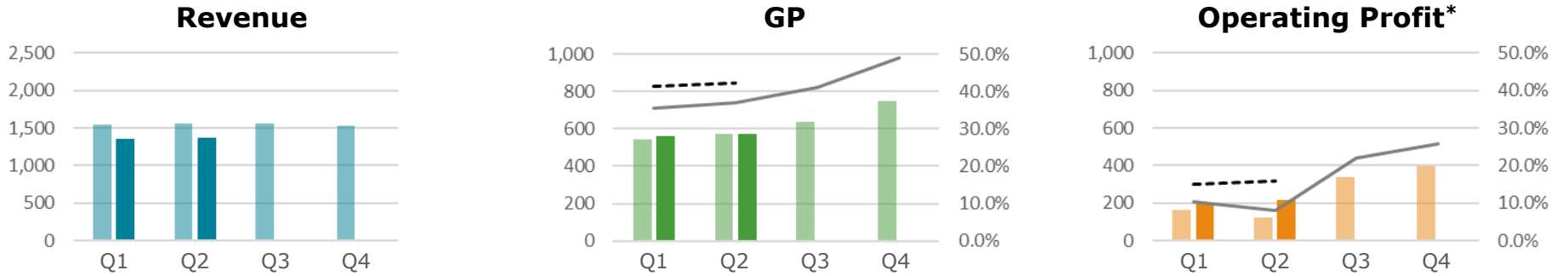
	FY24.6				FY25.6			
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
Unit Sales Price (yen in thousands/month, YTD)	669	676	676	678	685	698	—	—
YoY A	+2.1%	+2.3%	+1.3%	+1.3%	+2.5%	+3.3%	—	—

	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)

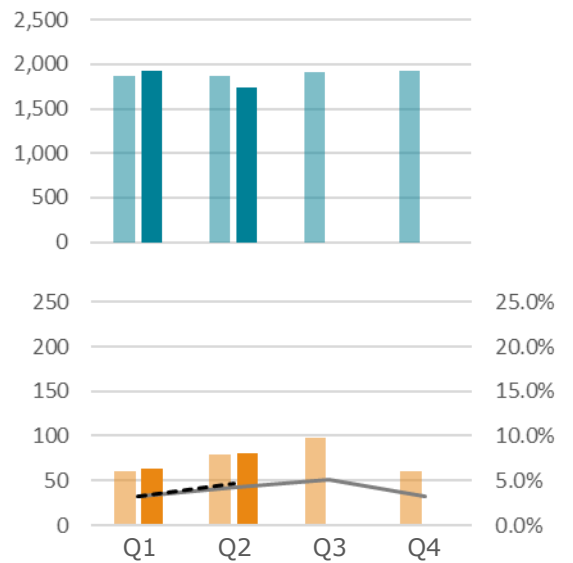
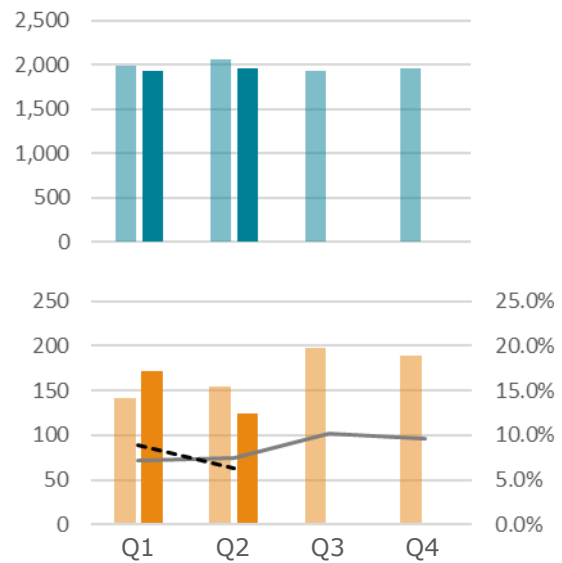
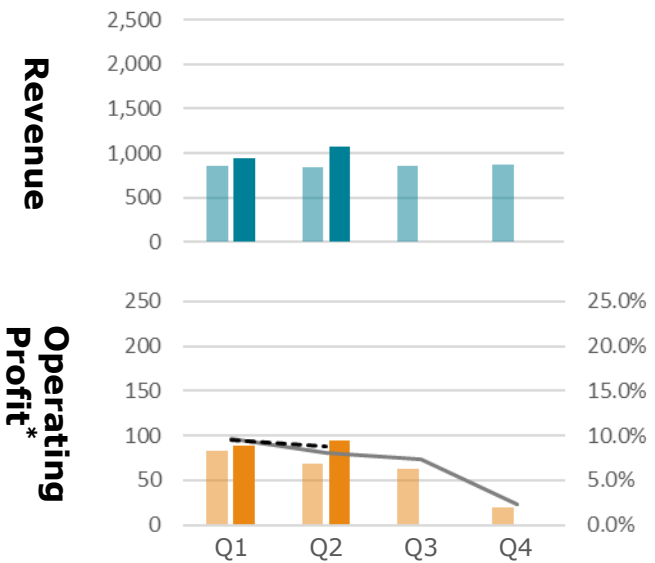
Robosoft (North America/Japan/Europe/India)



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)

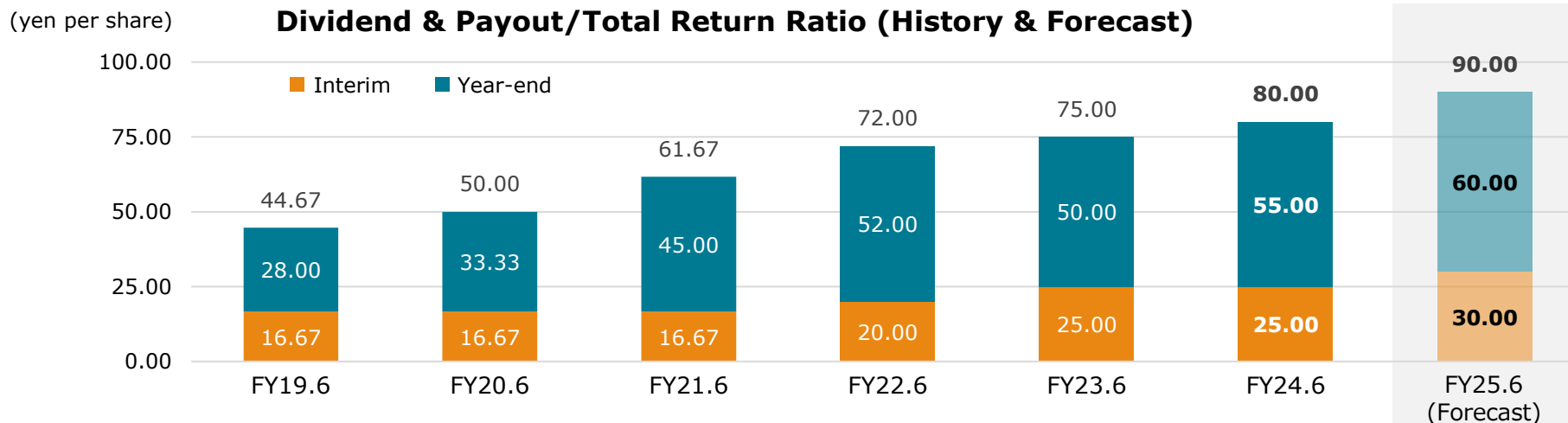
	R&D Outsourcing				Construction Management Outsourcing				Other Businesses in Japan				Japan Total			
	FY23.6	FY24.6	FY25.6	YoY	FY23.6	FY24.6	FY25.6	YoY	FY23.6	FY24.6	FY25.6	YoY	FY23.6	FY24.6	FY25.6	YoY
Revenue	152,858	168,694	184,800	+9.5%	21,643	23,293	25,300	+8.6%	5,569	4,839	5,000	+3.3%	180,071	196,826	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)

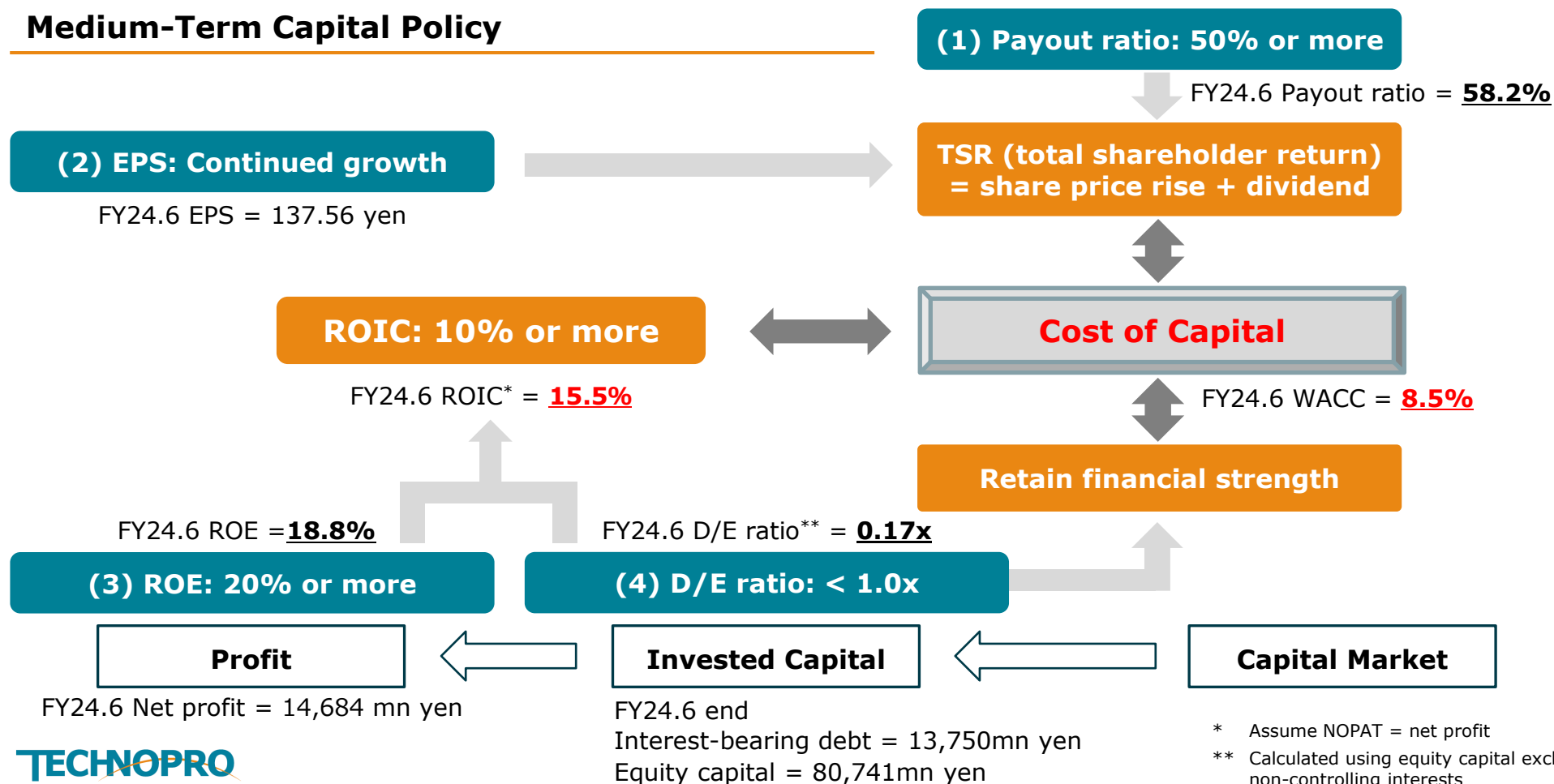


ROE	22.4%	23.3%	25.1%	24.5%	21.3%	18.8%	22.9%
EPS (yen)	88.95	99.99	122.96	143.24	142.71	137.56	176.98
Payout ratio	50.2%	50.0%	50.2%	50.3%	52.6%	58.2%	50.9%
Dividend amount (yen in millions)	4,864	5,397	6,643	7,756	8,055	8,498	9,377
Share repurchase (yen in millions)	—	2,063	—	—	1,576	3,923	4,999
ave.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

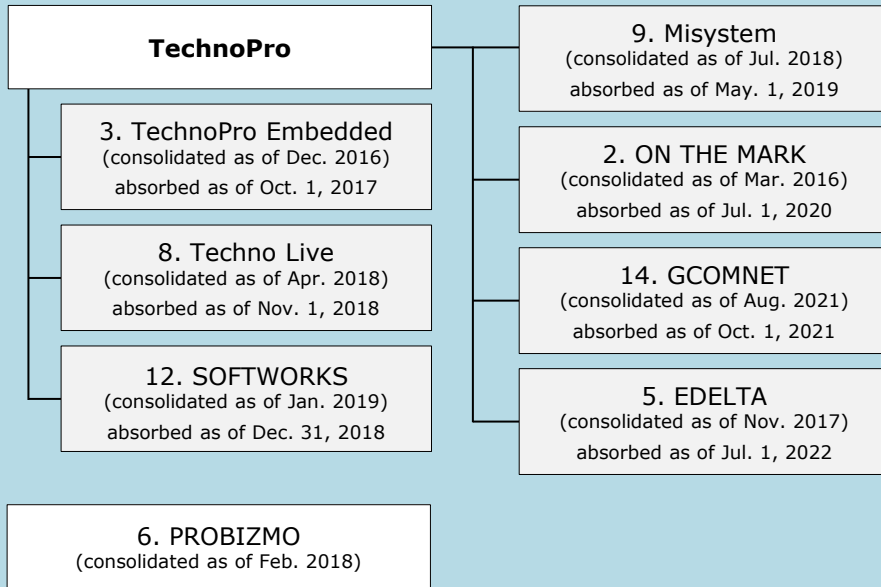
Medium-Term Capital Policy



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

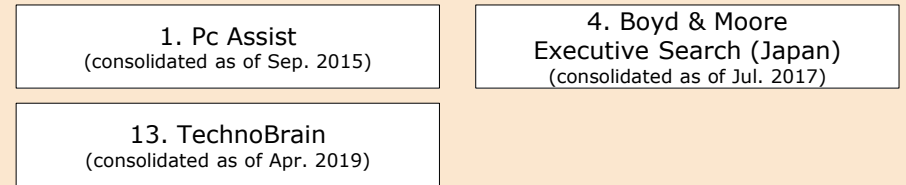
R&D Outsourcing

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.



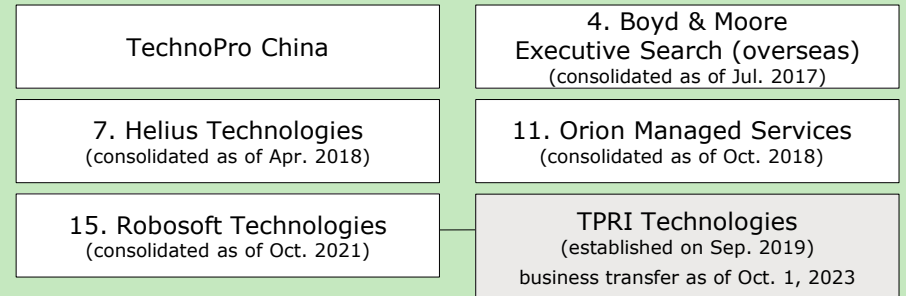
Other Businesses in Japan

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	

TechnoPro Group

Current Business Environment and Medium-Term Management Plan Progress

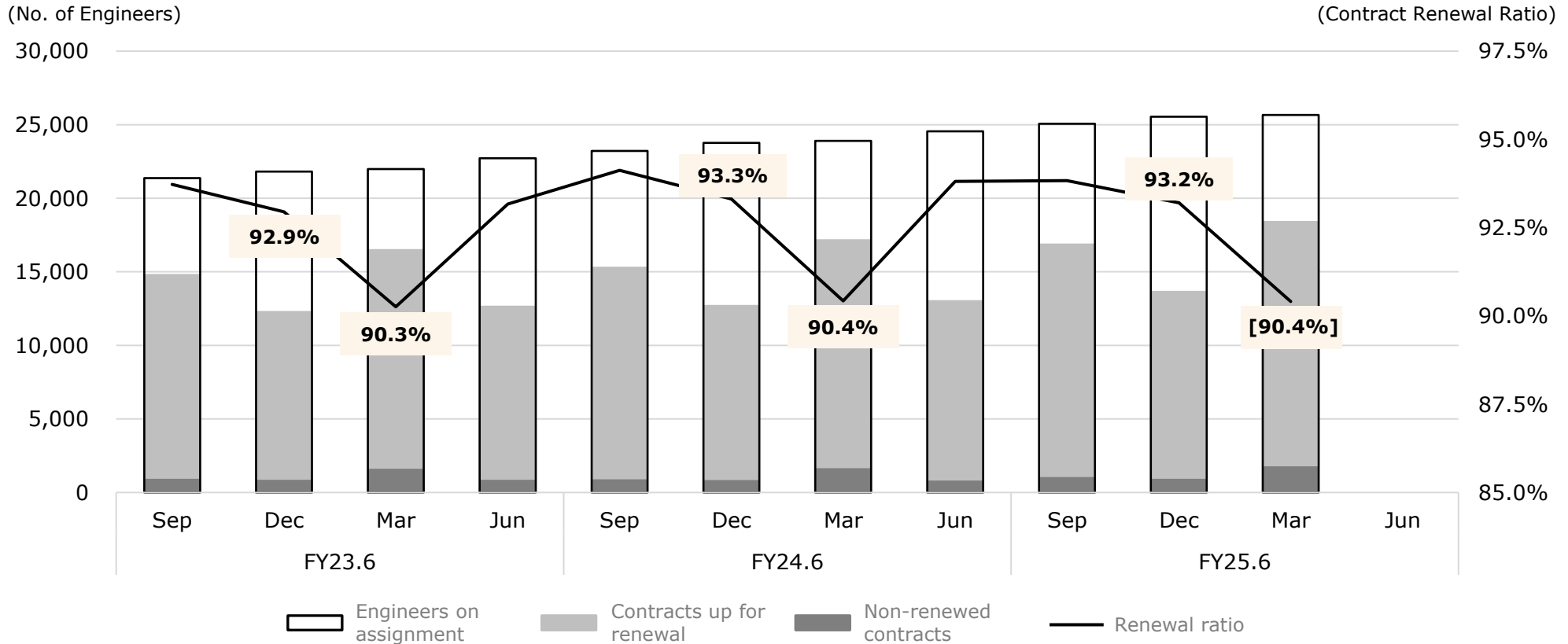
TechnoPro Holdings, Inc. (code: 6028, TSE)

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III : Sustainability Management	57

February 7, 2025

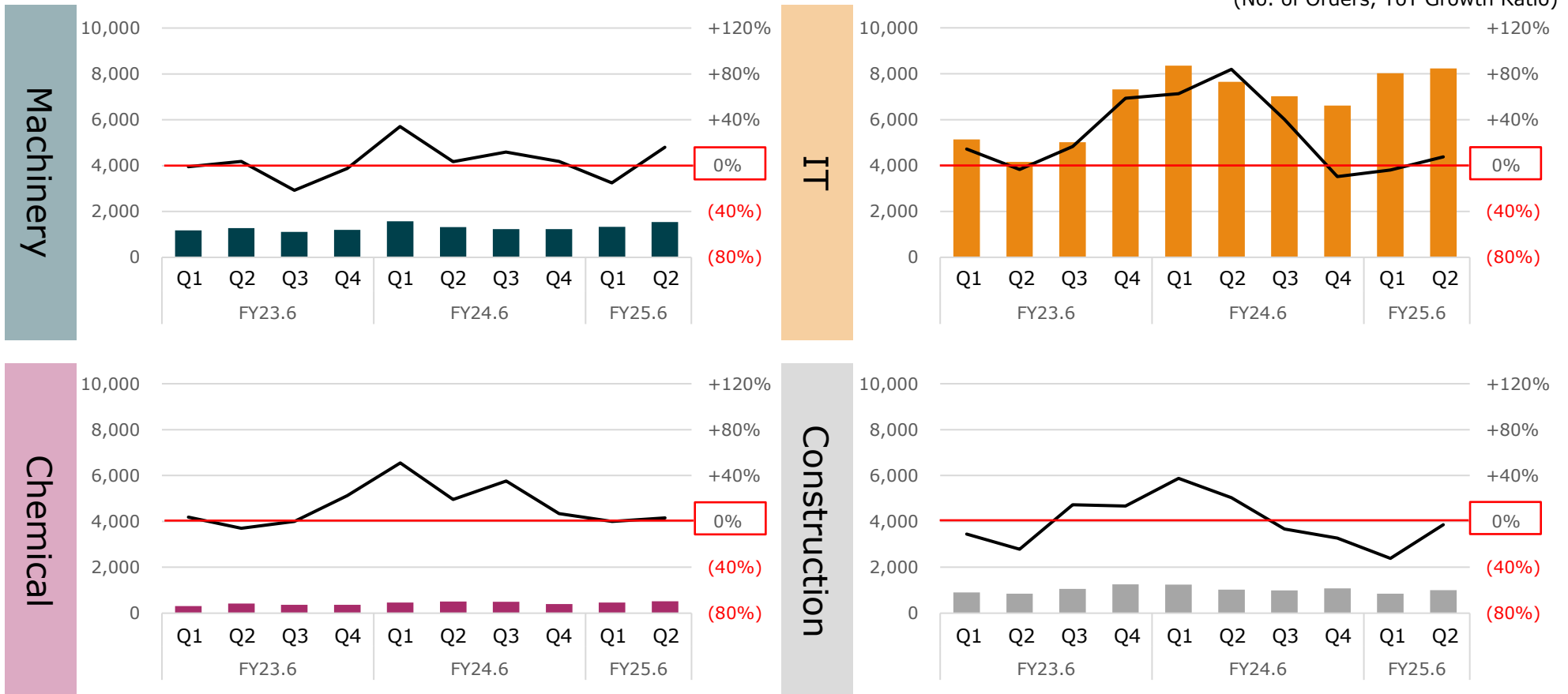
Contract Renewal Ratio [Mar, Jun, Sep, Dec]

- Terms of most staffing contracts are three or six months, therefore major contract renewal cycle occurs every three months (particularly in March, the contracts up for renewal reach more than 70% of total contracts, and March contract renewal ratio usually tends to be around 90% since many projects end to coincide with the closing of our customers' fiscal year)
- There were no major decline in contract renewal ratio or termination of large contracts despite uncertainty in economic environment; renewal ratio for December 2024 ended up with **93.2%** (renewal ratio could have increased to **94.3%** if calculated, excluding effect from voluntary contract terminations to promote shift-up initiatives), anticipating the same level of renewal ratio for March 2025 as previous year if the effect from shift-up is excluded



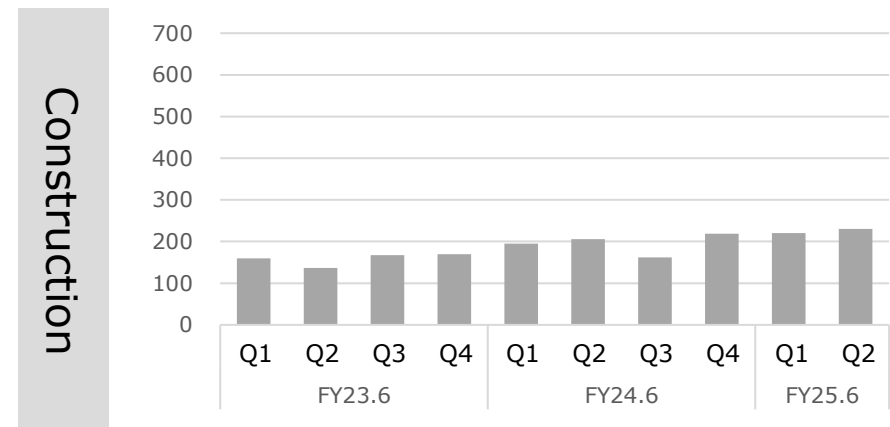
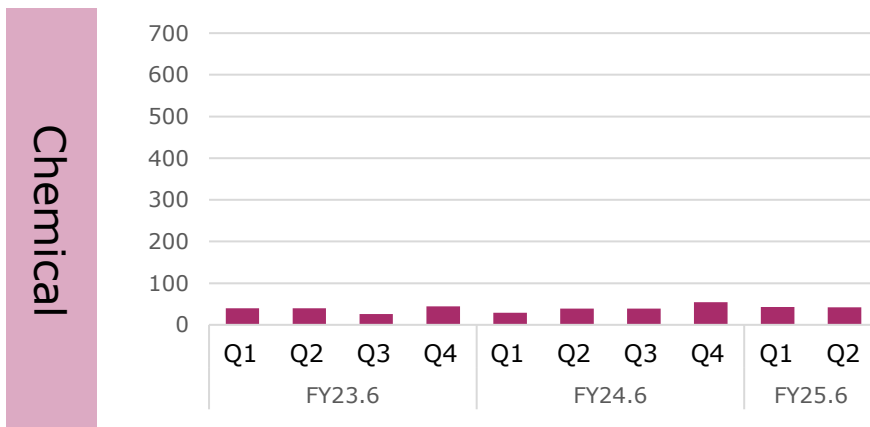
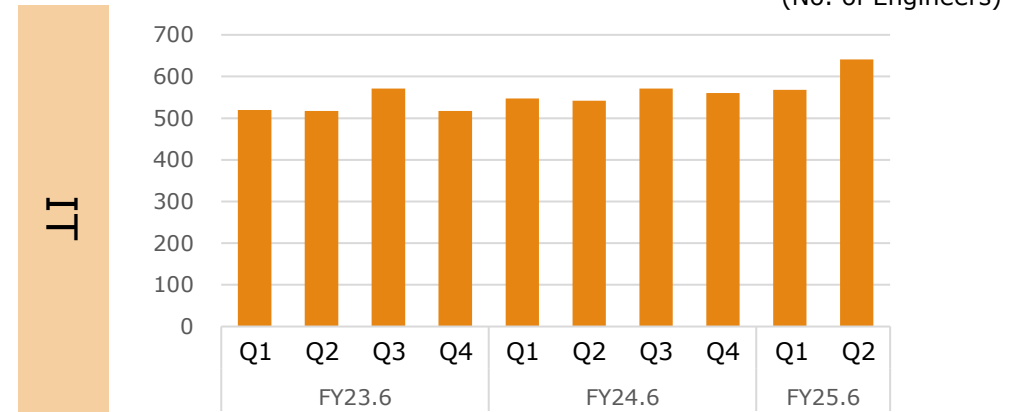
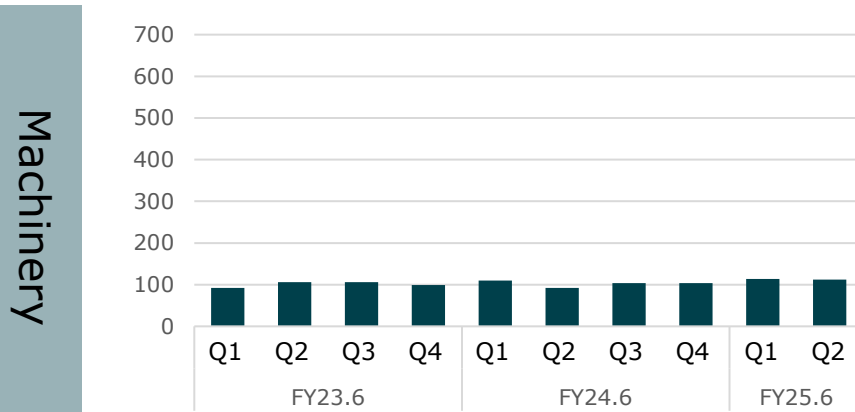
New Orders Trend by "Technology" [Quarterly]

- Strong demand from customers has been continued for H1 FY25.6, **ensuring adequate volume of orders upon engineer resources** (fulfillment ratio of approx. 30% for remaining orders; no difference of utilization ratio among technology areas)
- New orders in IT are increasing after hitting bottom in Q4 FY24.6; shortage of eligible engineers to meet vigorous demand remains as an issue to tackle



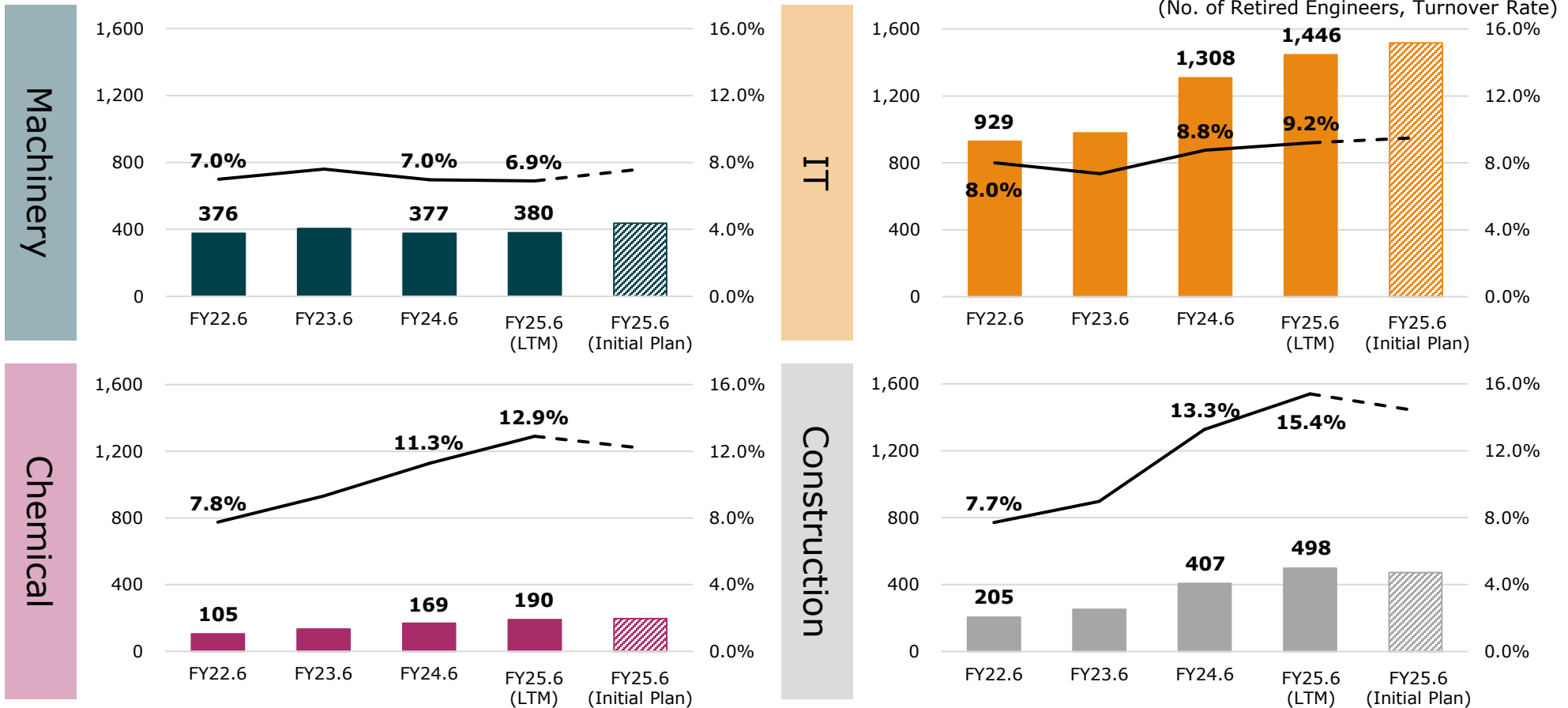
Mid-career Recruitment by “Technology” [Quarterly]

- 1,970 mid-career engineers hired in H1 FY25.6 include **376 inexperienced talents requiring OJT** (130 in IT and 246 in Construction) and **58 non-Japanese engineers with in-demand skills recruited globally** mainly in IT field, reinforcing the experienced hires among increasingly intensifying war for talent
- Through the collaboration with alliance partners, **proactively continue to hire inexperienced talents requiring OJT**, while securing projects in advance where they will be assigned immediately after training



Turnover by "Technology" [FY25.6: LTM Results & Forecast]

- Turnover ratio for permanent employees was **9.7%** (highest in Construction at 15.4%, lowest in Machinery at 6.9%) in LTM Q2 FY25.6, expecting **9.8%** in FY25.6
- Turnover ratio shows a deteriorating trend particularly in IT sector, as the hiring market is further shifting to the seller's market due to labor shortage and the impact of increased labor mobility
- Construction may bring up the total average, as it may worsen due to increased hiring of young, inexperienced talents

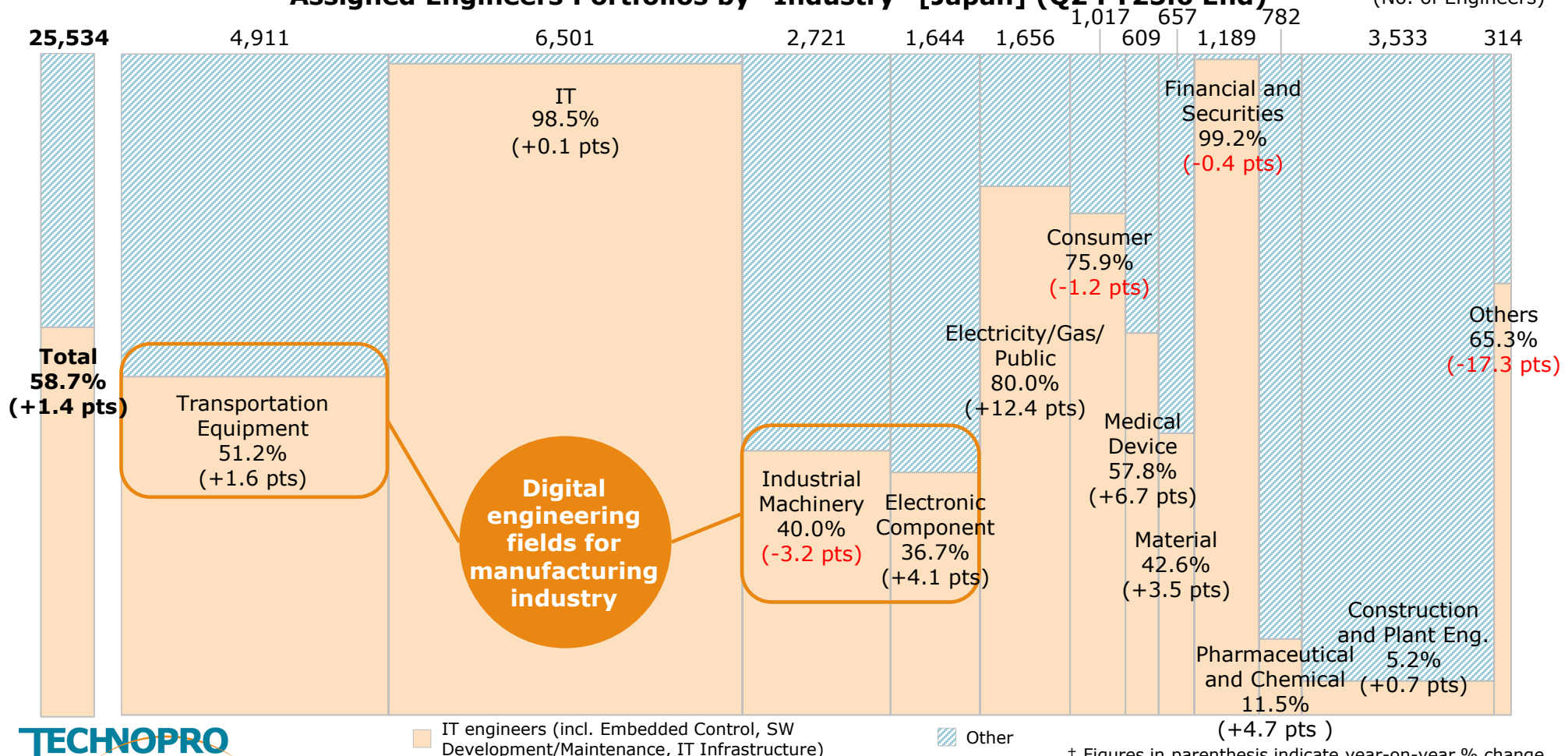


IT Engineers Portfolios by "Industry"

- Focus of the R&D activity at each vertical including Transportation Equipment is **shifting from hardware to software**, therefore the proportion of assigned IT engineers in the Group is growing accordingly
- The potential of the Solution Business lies in the Group's engineers in IT and other fields (mechanical, electric/electronic, chemical, biochemical, construction, etc.)

Assigned Engineers Portfolios by "Industry" [Japan] (Q2 FY25.6 End)

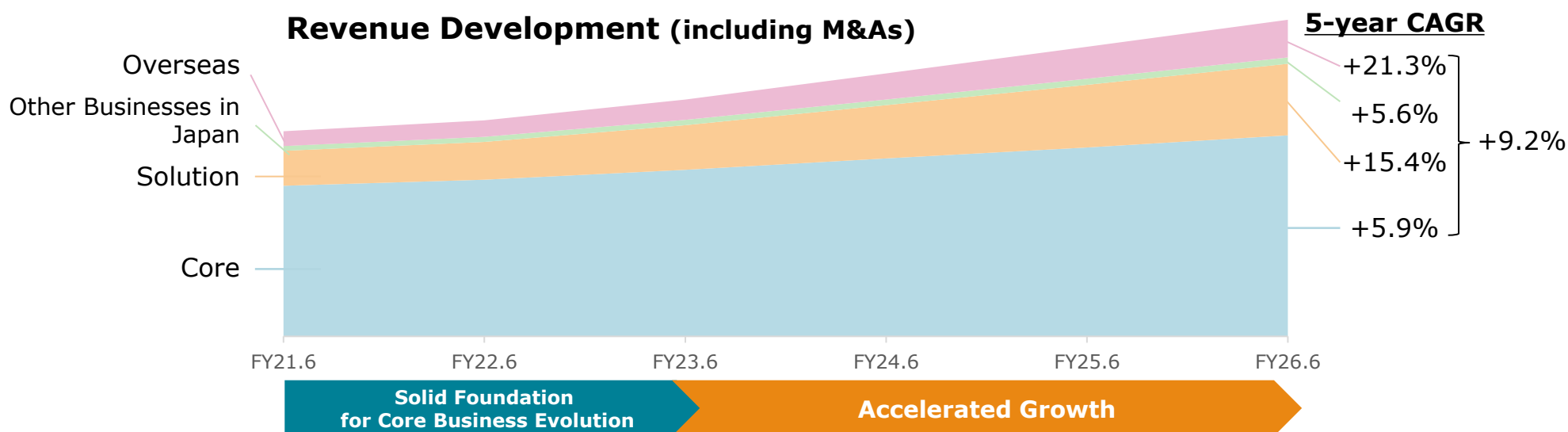
(No. of Engineers)



† Figures in parenthesis indicate year-on-year % change

Medium-Term Management Plan Financial Target

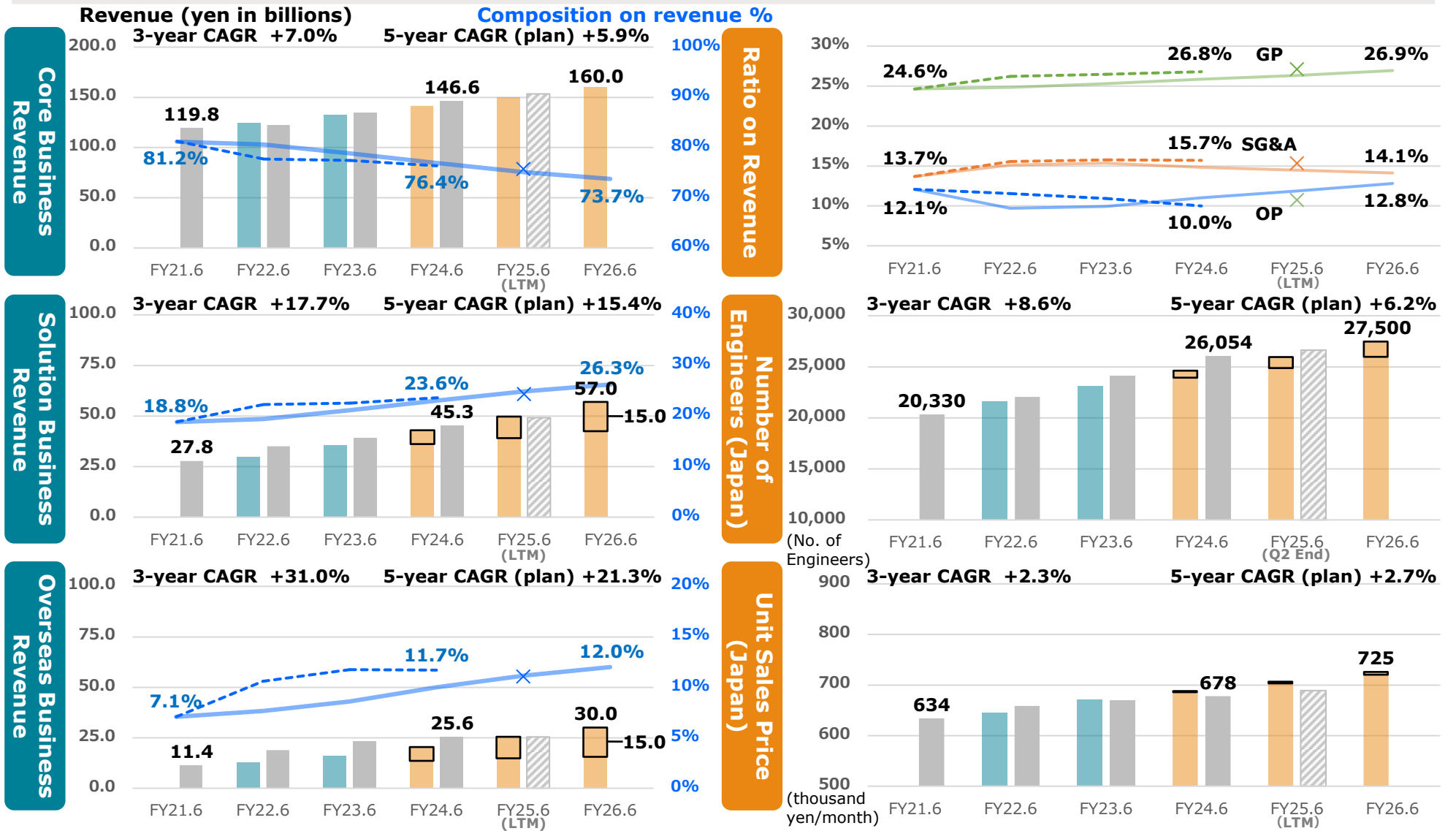
- The transitional first two years of the medium-term plan period (five years) require upfront investment to promote recruitment of key talents as well as education and training for Solution Business expansion and to establish business infrastructure for Engineer Training and DX Promotion Businesses, **building solid foundation for the Core Business evolution**; then aims to recoup investment in the last three years, **achieving accelerated growth** in earnings
- FY26.6 target remains unchanged at this time, although the operating profit for the third year (FY24.6) fell short of the medium-term plan, as the earnings for FY25.6 are expected to recover the growth momentum initially planned



(yen in billions)	FY21.6 Results	FY23.6 Results	<u>2-year CAGR</u>	FY24.6 Results	FY25.6 Guidance	YoY	FY26.6 Plan	<u>3-year CAGR</u>	<u>5-year CAGR</u>
Revenue	161.3	199.8	+11.3%	219.0	237.0	+8.1%	250.0	+7.7%	+9.2%
OP (Core OP)	19.4 (17.6)	21.8 (21.3)	+5.9% (+10.1%)	21.9 (24.3)	27.0 (27.0)	+23.2% (+10.7%)	32.0 (32.0)	+13.6% (+14.4%)	+10.5% (+12.7%)
Net Profit	13.2	15.3	+7.7%	14.6	18.5	+26.0%	22.0	+12.7%	+10.7%
ROE	25.1%	21.3%		18.8%	22.9%		20%+		

Note: 1. CAGRs for the first 2- and full 5-year are calculated as the average annual growth rate starting from FY21.6 results; CAGR for the last three years is calculated as the average annual growth rate starting from FY23.6 results
 2. Revenue contribution from M&As to Solution/Overseas Businesses is expected to be 15bn yen and 15bn yen respectively in FY26.6; OP contribution is expected to be 15% and 15% respectively

Revenue/KPI Breakdown [FY25.6 figures: LTM Results]

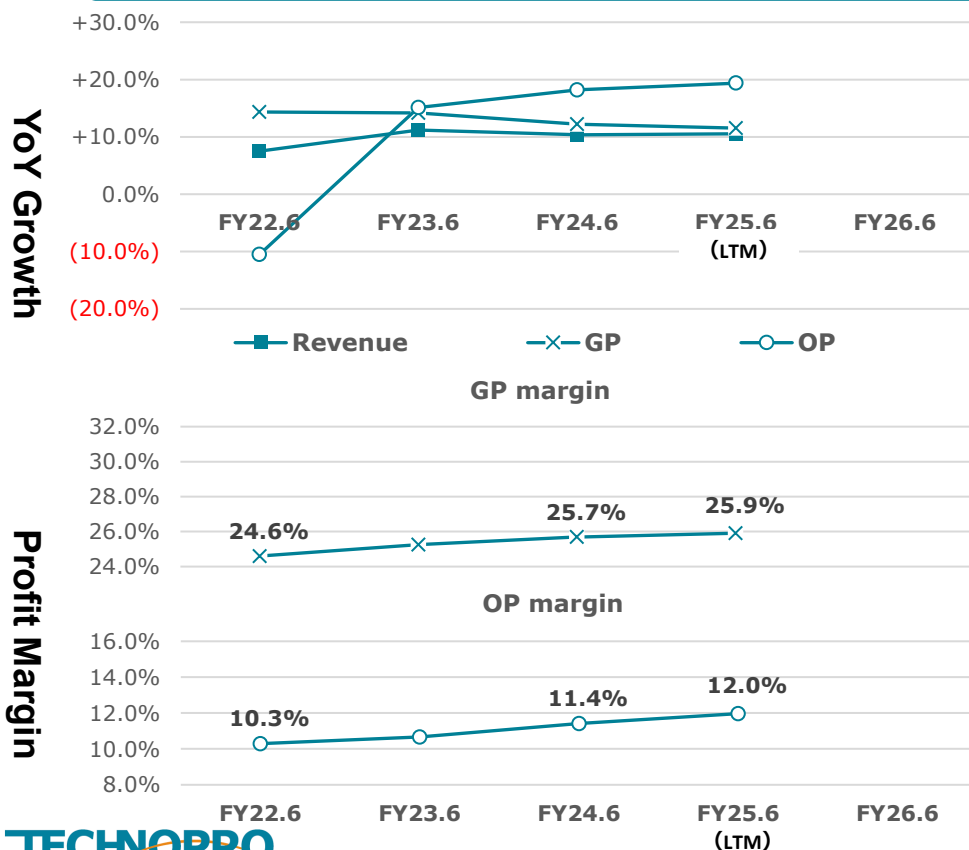


Note: 1. Composition on revenue %: [Core Business, Solution Business] ratio to sum of revenues from R&D Outsourcing/Construction Management Outsourcing segments; [Overseas Business] ratio to consolidated revenue
2. FY22.6 and thereafter, bar graphs on left and solid lines of line graphs indicate targets in the medium-term plan; FY24.6 and thereafter, black borders on bar graphs indicate M&A contributions expected in the medium-term plan

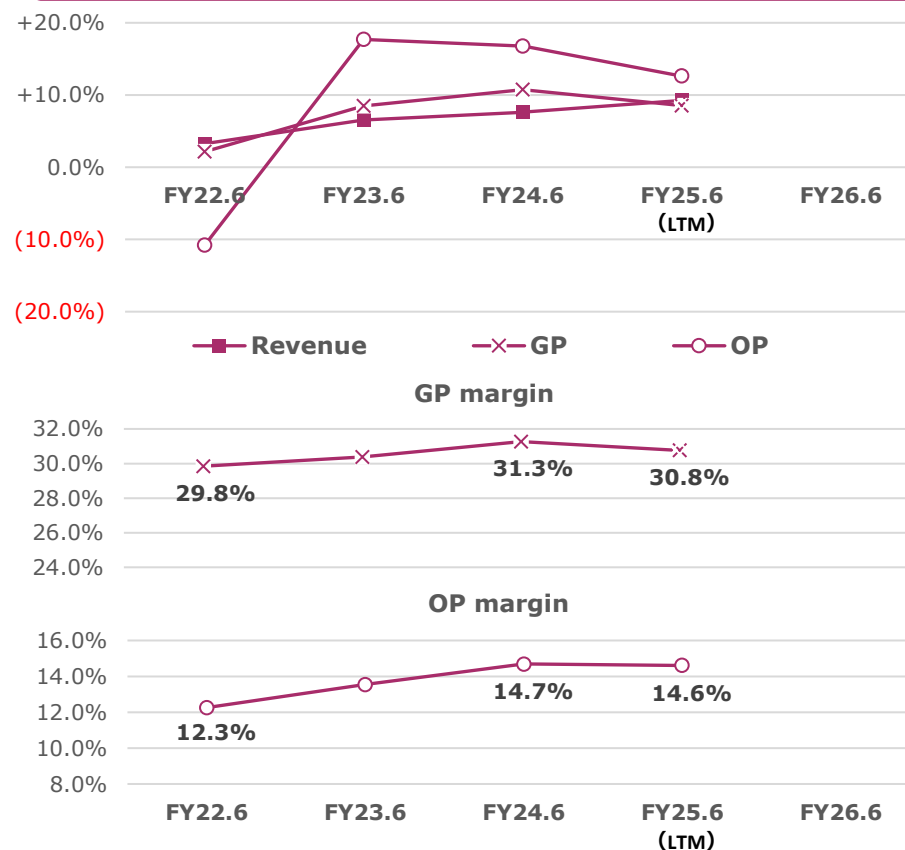
YoY Growth & Profit Margin in Major Businesses in Japan [FY25.6: LTM Results]

- Total of revenue and operating profit for two major domestic segments account for approx. **90%** of the consolidated figures
- Operating profit in FY22.6 declined year-on-year due to the dissipation of the government subsidy for continuous employment; from FY23.6 onward, maintaining over **10%** growth every year
- Despite rising recruitment costs, compensating wage hike by passing costs on billing price to customers; beginning to enjoy operating leverage and continuously improving profitability

R&D Outsourcing

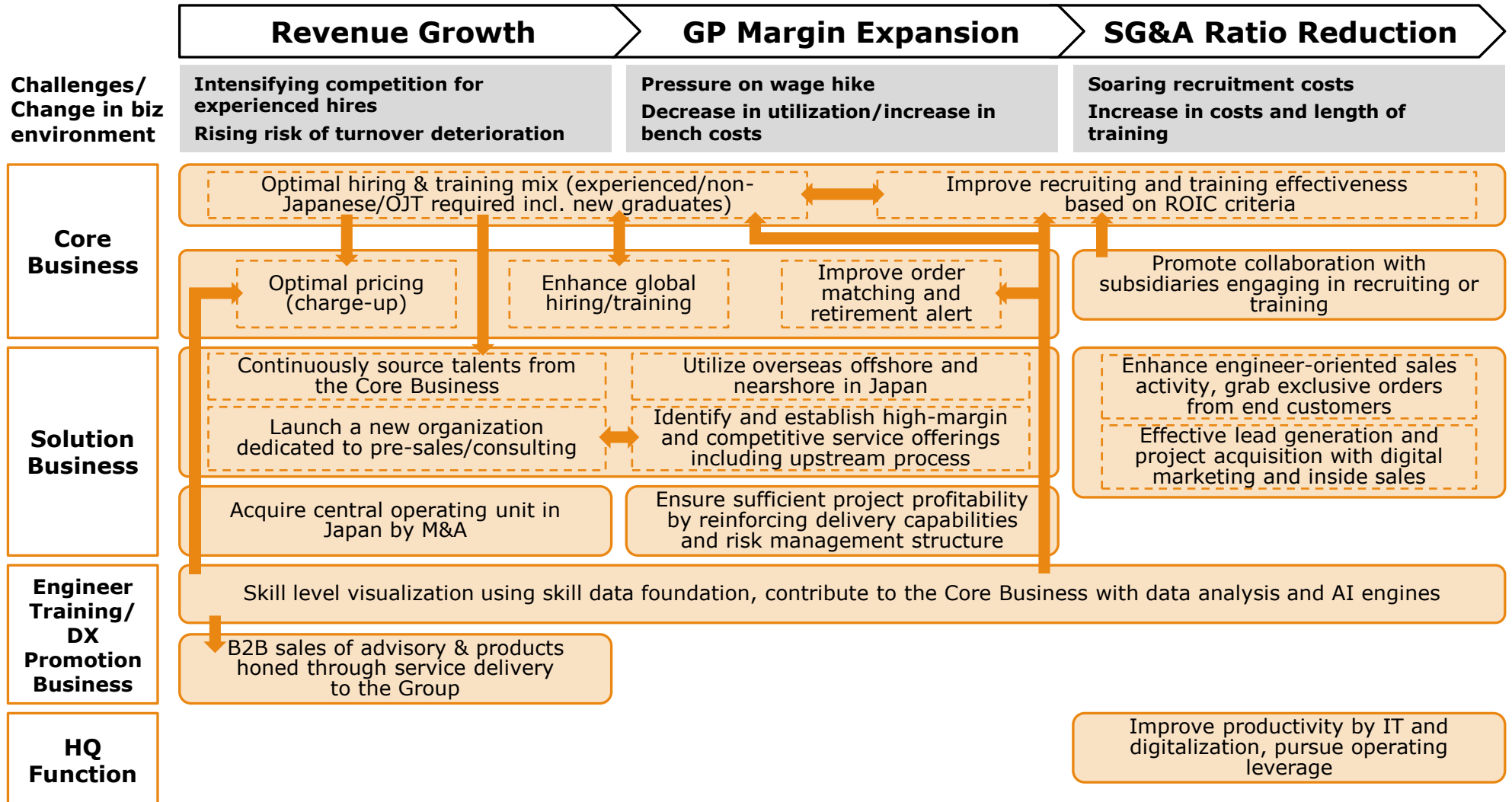


Construction Management Outsourcing



Medium-Term Plan Remaining Three Years Initiatives

Aim to achieve higher earnings growth in the remaining three years by responding to the challenges/change in business environment found in the first two years



Financial Performance for Remaining Three Years

- **Continuously supply engineers from the Core Business to the Solution Business** through training, while promoting shift-up initiatives focusing on the price development in the Core Business
- Also **promote the strategic shift of engineers to solution offerings** with higher unit prices, once they have acquired digital technologies and work experiences
- SG&A ratio in H1 FY25.6 was **14.8%**, largely improved year-on-year, driven by the growing effect of operating leverage while continuing growth investment

(yen in millions)	First Half			
	FY24.6 (Results)	FY25.6 (Results)	YoY	
Revenue	108,009	118,439	+10,429	+9.7%
Core Business	72,187	79,002	+6,815	+9.4%
Solution Business	22,281	26,198	+3,917	+17.6%
Other	13,540	13,238	(302)	(2.2%)
Unit sales price [Japan] (thousands yen/month)	676	698	+22	+3.3%
Core Business	647	666	+18	+2.9%
Solution Business	790	818	+28	+3.6%
Assigned engineers [Japan] (no. of engineers/month)	23,297	25,122	+1,825	+7.8%
Core Business	18,594	19,785	+1,191	+6.4%
Solution Business	4,703	5,337	+634	+13.5%
Gross profit	29,062	32,447	+3,384	+11.6%
GP margin	26.9%	27.4%	+0.5 pts	
SG&A expenses	16,789	17,569	+780	+4.6%
Ratio on revenue	15.5%	14.8%	(0.7 pts)	
Other income	160	256	+95	—
Other expenses	17	25	+8	—
Operating profit	12,416	15,108	+2,691	+21.7%
OP margin	11.5%	12.8%	+1.3 pts	

Reviews of Initiatives

Sustainable Revenue Growth

- Charge hike through adequate pricing (up 3.3% YoY); base charge for existing engineers rose by 4.4% compared to a year ago
- Transferred 495 engineers from Core Business to Solution Business in H1
- After establishing consulting & advisory division, the number of upstream projects has been increased
- Meaningful size of solution entity in Japan has not been acquired by M&A

Sustainable GP Margin Expansion

- Expanded Solution Business which earns higher unit sales/GP margin
- Improved the training performance (price improvement relative to training cost) by curriculum selection based on training ROIC
- Reduced the number of projects with lower margin by reinforcing organizational control to mitigate delivery risks
- Cultivation of global offshore offerings and more precise retirement prediction remain as ongoing challenges

Continuous SG&A Ratio Reduction

- SG&A ratio decreased to the 14% range driven by the effect of operating leverage while continuing upfront investments such as active hires of engineers and acquisition of solution sales reps
- Deepening the collaboration with the subsidiaries engaging in permanent placement and training, and pursuing effective recruitment and training activities

M&A Strategy

- Seeking opportunities in Japan focusing mainly on IT systems firms that will be **core entities in the Solution Business**
- As acquisition targets, actively reach out to listed companies as well as private companies
- Currently suspended acquisition of overseas companies to focus on strengthening sales/delivery capabilities of Robosoft, which is the core overseas entity
- Concerning the M&A principle, extended the target period for achieving 10% ROIC to 5 years (from 3 years or less), focusing on medium-term synergies and growth potential (rather than immediate performance)

M&A/Alliance Target

	Core	Complemental (Bolt-On)
Japan	<p style="background-color: red; color: white; padding: 2px;">Core of the solutions business</p> <div style="border: 2px solid red; padding: 5px;"> <p style="background-color: #008080; color: white; padding: 2px;">IT systems firm (SIer)</p> <ul style="list-style-type: none"> - Proposal/consulting ability - System concept making ability - Wide digital technologies coverage </div> <div style="border: 1px solid #008080; padding: 5px; margin-top: 10px;"> <p>Data analysis</p> <ul style="list-style-type: none"> - AI/ML - Data science </div>	<div style="border: 1px solid gray; padding: 5px; margin-bottom: 10px;"> <p>Alternative of IT engineer recruiting (technology fields difficult to hire)</p> </div> <div style="border: 1px solid #008080; padding: 5px; margin-bottom: 10px;"> <p>Acquire specific technologies & solutions</p> </div> <div style="border: 1px solid black; padding: 5px; margin-bottom: 10px;"> <p>Acquire training capabilities</p> <div style="display: flex; justify-content: space-around;"> <div style="border: 2px dashed orange; padding: 5px; border-radius: 10px;"> <p>Technical contents</p> </div> <div style="border: 2px dashed orange; padding: 5px; border-radius: 10px;"> <p>Technical OJT</p> </div> </div> </div> <div style="border: 1px solid #C06090; padding: 5px; margin-bottom: 10px;"> <p>IT platforms/AI engines</p> </div>
Over-seas	Suspended	

Business Domains

- : Core Business
- : Solution Business
- : Engineer Training Business
- : DX Promotion Business

Control

- : **100% acquisition**
(as early as possible even in phased acquisition)
- : **Alliance/partnership**
(or minority investing)

Integrated Report 2024

- **Published “Integrated Report 2024”** as a communication tool to help all stakeholders understand the Group better
- Demonstrating the Group’s growth potential from a medium- to long-term perspective by disclosing financial/non-financial information on sustainable value creation, human capital strategies, ESG-related strategies, etc.



Integrated Report 2024 Contents

1. Introduction	6. Sustainability	12. Risk Management
2. Highlights of the Report	7. Materiality	13. Roundtable Discussion with Outside Directors
3. Message from the CEO	8. Partner Dialogue	14. ESG Strategy
4. The Market Environment	9. Human Capital Strategy	15. Company Data
5. The Value Creation Process	10. Business Strategy	
	11. Message from the CFO	

Point 1. Growth story based on value creation process

Clearly identified where each content fits in the Group’s value creation process to fabricate growth story from medium- to long-term perspective

Point 2. Shareholder value creation based on human capital strategy

Redefine the Group’s approach to the human capital strategy, explain with a tree diagram how initiatives such as Career Design Advisors system, town hall meetings with the CEO, business strategies, and KPIs lead to shareholder value creation

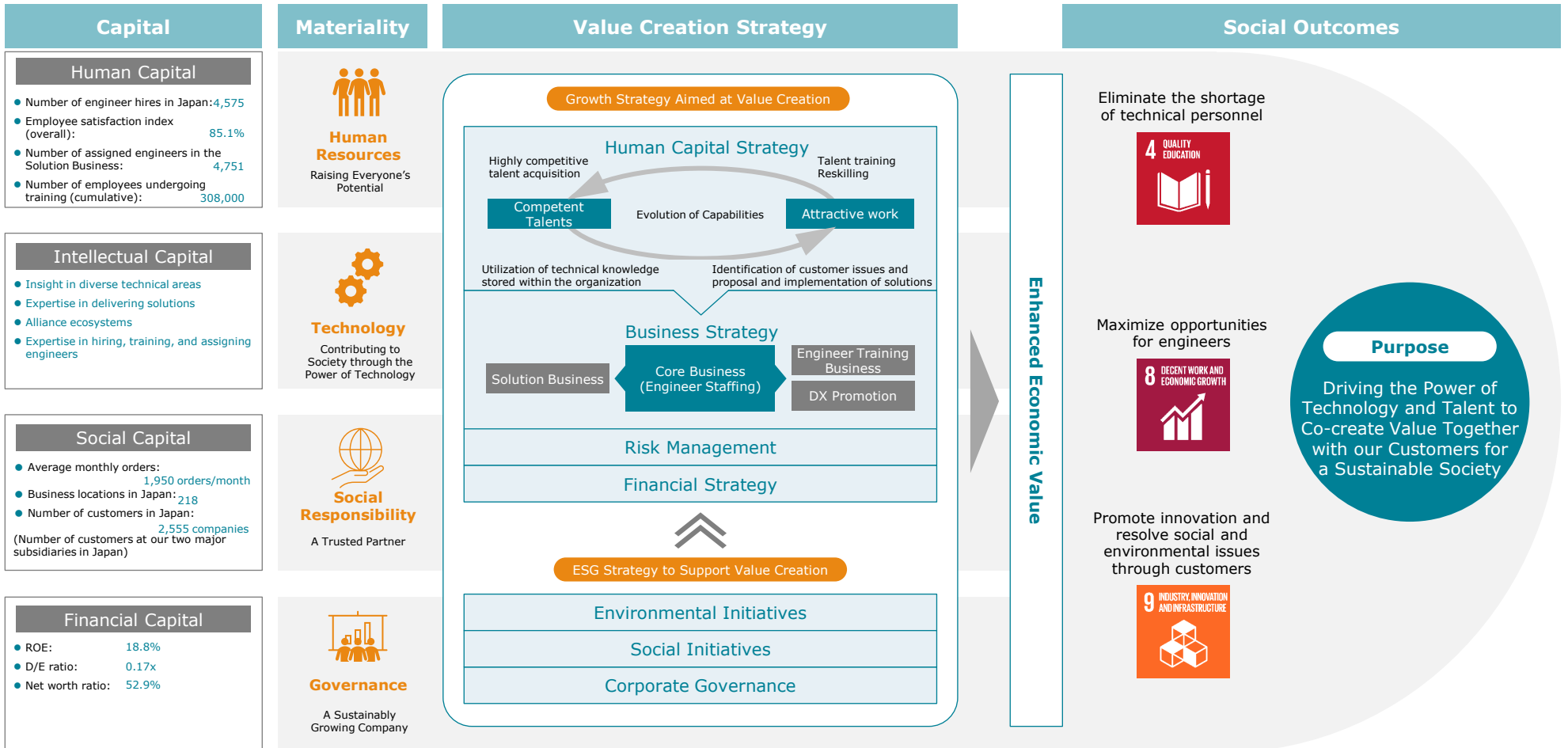
Point 3. Deliver lively image of TechnoPro Group

Show in-depth image of the Group by publishing interviews of employees working in various positions and dialogue with an alliance partner

Integrated Report feedback form*: <https://forms.office.com/r/y4bBz0r0MP>

Value Creation Process

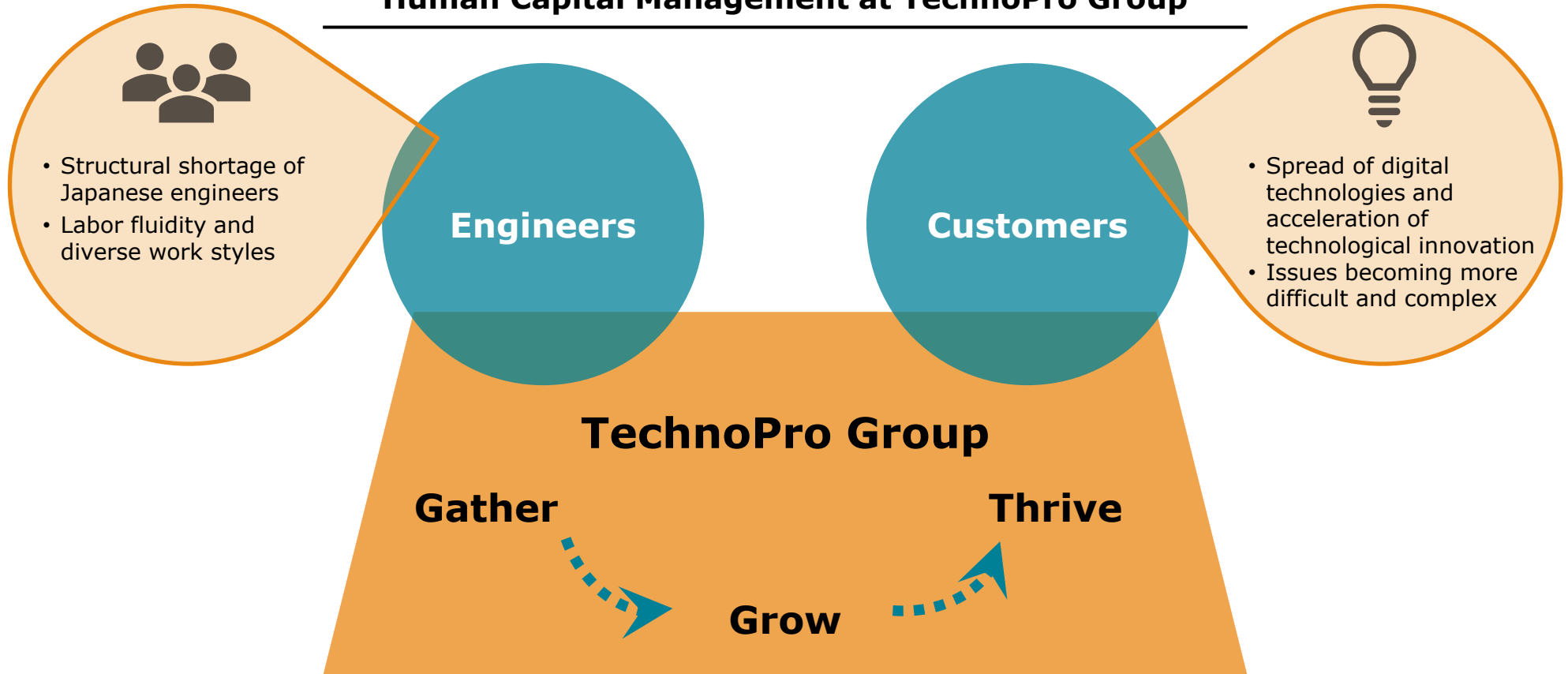
- Through initiatives to address materiality issues, aiming to realize following social outcomes: “**Eliminate the shortage of technical personnel,**” “**Maximize opportunities for engineers,**” and “**Promote innovation and resolve social and environmental issues through customers**”
- Enhancing economic value through steady execution of growth strategy, **strive to realize the Group’s Purpose**



Human Capital Management

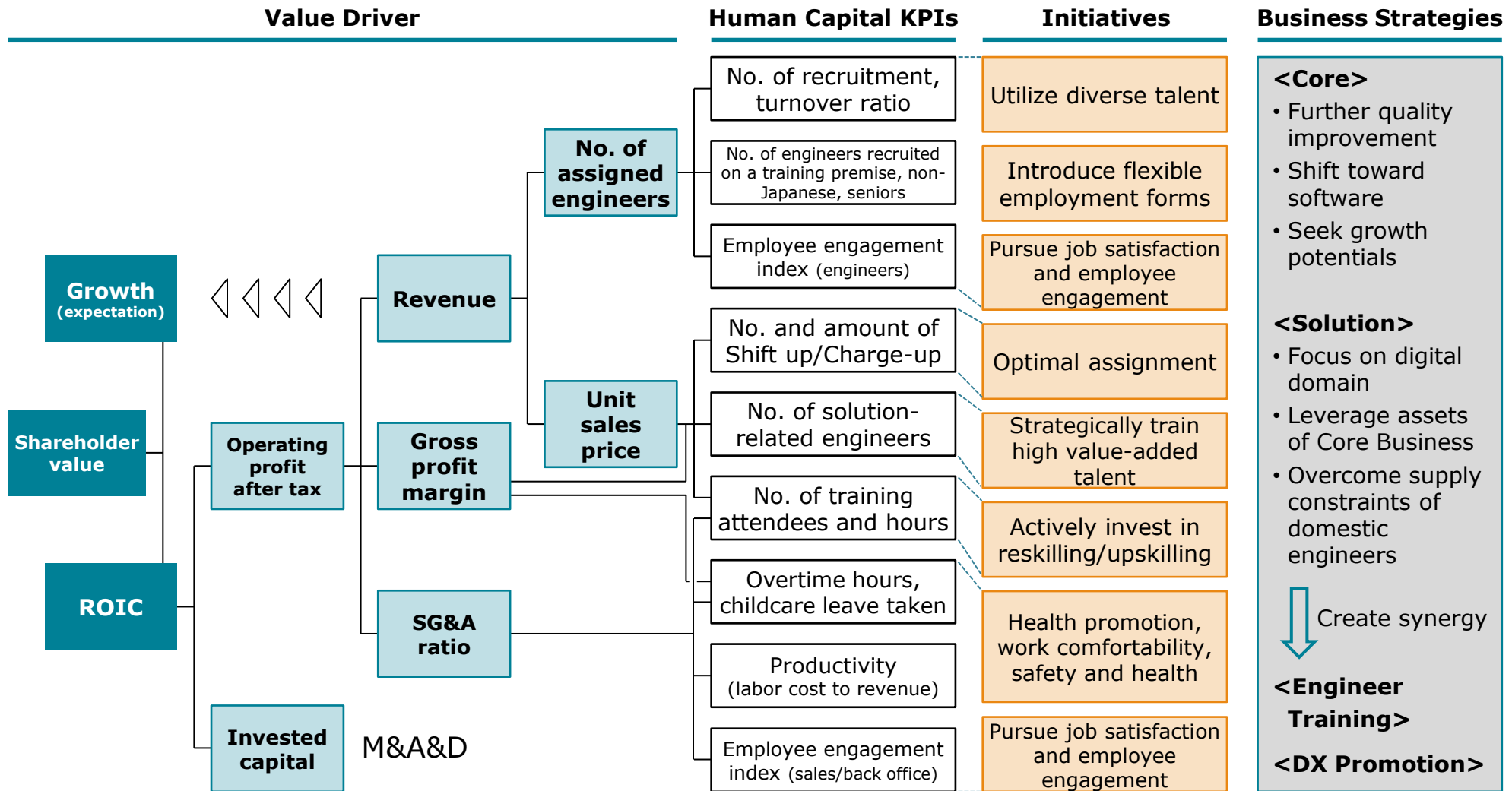
- Based on the factors such as domestic labor market and technological trends that our customers are facing, aiming to become **a platform** where engineers gather, grow, and thrive successfully
- As our business is the embodiment of human capital management, **human resources are sources of our value creation**

Human Capital Management at TechnoPro Group



Human Capital Investment & Value Creation

Execute business strategies and create value through human capital initiatives
(human capital KPIs impacts value drivers)



Human Capital KPIs

- Most human capital KPIs in H1 FY25.6 improved compared to H1 FY24.6, except for a few items
- Carry out root cause analysis of turnover ratio and hours of training, thereby identifying and implementing countermeasures to improve KPIs and value drivers

Initiatives	KPIs	FY24.6 H1 Results		FY24.6 Full-Year Results		FY25.6 H1 Results		Target	
Utilize diverse talent	Number of engineer recruitment	1,760		4,575		1,970		3,000/year or above	
	Turnover ratio of permanent employee engineers	7.9%		9.1%		9.3%		At or below 7.5%	
Introduce flexible employment forms	Number of engineers recruited on a training premise	292		542		376		250/year or above	
	Number of non-Japanese engineers	1,119		1,210		1,281		1,500 *3	
	Number of engineers aged 60 and over	1,224		1,359		1,512		2,000 *3	
Pursue job satisfaction and employee engagement	Employee satisfaction *1	—	—	(Engineers) 84.8%	(Non-engineers) 87.3%	—	—	90.0% or above	
Optimal assignment	Average monthly unit sales price	676K yen		678K yen		698K yen		725K yen *3	
Strategically train high value-added talent	Number of assigned engineers in the Solutions Business	4,703		4,751		5,337		6,200 *3	
Actively invest in reskilling/upskilling	Number of training attendees (cumulative)	123K		308K		115K		360K/year *3	
	Hours of training (cumulative)	231,000h		790,000h		203,000h		1,000,000h/year *3	
Health promotion, work comfortability, safety and health	Average hours of overtime	12.2h/month		12.5h/month		12.6h/month		Maintain at 20h/month or below	
	Percentage of taking childcare leave	(male) 59.0%	(female) 100.0%	(male) 41.8%	(female) 94.7%	(male) 64.7%	(female) 97.4%	(male) 50% or above *3	(female) 100.0%
	Productivity (personnel expenses to revenue ratio) *2	8.8%		8.8%		8.2%		At or below 8.0%	

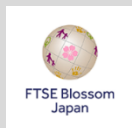
External Certifications/Recognitions

- Selected as **a constituent of all ESG investment indices** used by the GPIF (Government Pension Investment Fund)
- Selected as a constituent of the JPX Prime 150 Index, which began calculation in July 2023, based on **return on capital (equity spread criteria)**

ESG Indices adopted by GPIF

General ESG Index

FTSE Blossom Japan Index



FTSE Blossom Japan Sector Relative Index



MSCI Nihonkabu ESG Select Leaders Index

2024 CONSTITUENT MSCI NIHONKABU ESG SELECT LEADERS INDEX

MSCI Japan ESG Select Leaders Index

2024 CONSTITUENT MSCI JAPAN ESG SELECT LEADERS INDEX

Thematic Index

S&P/JPX Carbon Efficient Indices



MSCI JAPAN EMPOWERING WOMEN INDEX (WIN)

2024 CONSTITUENT MSCI JAPAN EMPOWERING WOMEN INDEX (WIN)

Morningstar Japan ex-REIT Gender Diversity Tilt Index

Other Indices

JPX Nikkei Index 400

<Joint Index>

JPX Prime150 Index

<Stock Selection>

NIKKEI 500 INDEX



IR Grand Prix & "Most Liked!" IR Award at IR Award 2024

Award to recognize companies proactively engaging in IR initiatives



Certified Health and Productivity Management Outstanding Organization (Large Enterprise Category)

Recognition for companies engaging in notable health and productivity management
Named for five consecutive years from 2020



DX Certification

Certification to recognize companies ready for DX promotion
Selected first time on June 6, 2021
Renewed every two years, successfully selected again in 2023



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TechnoPro Group

Medium-Term Management Plan (FY22.6 – FY26.6)

“Evolution 2026”

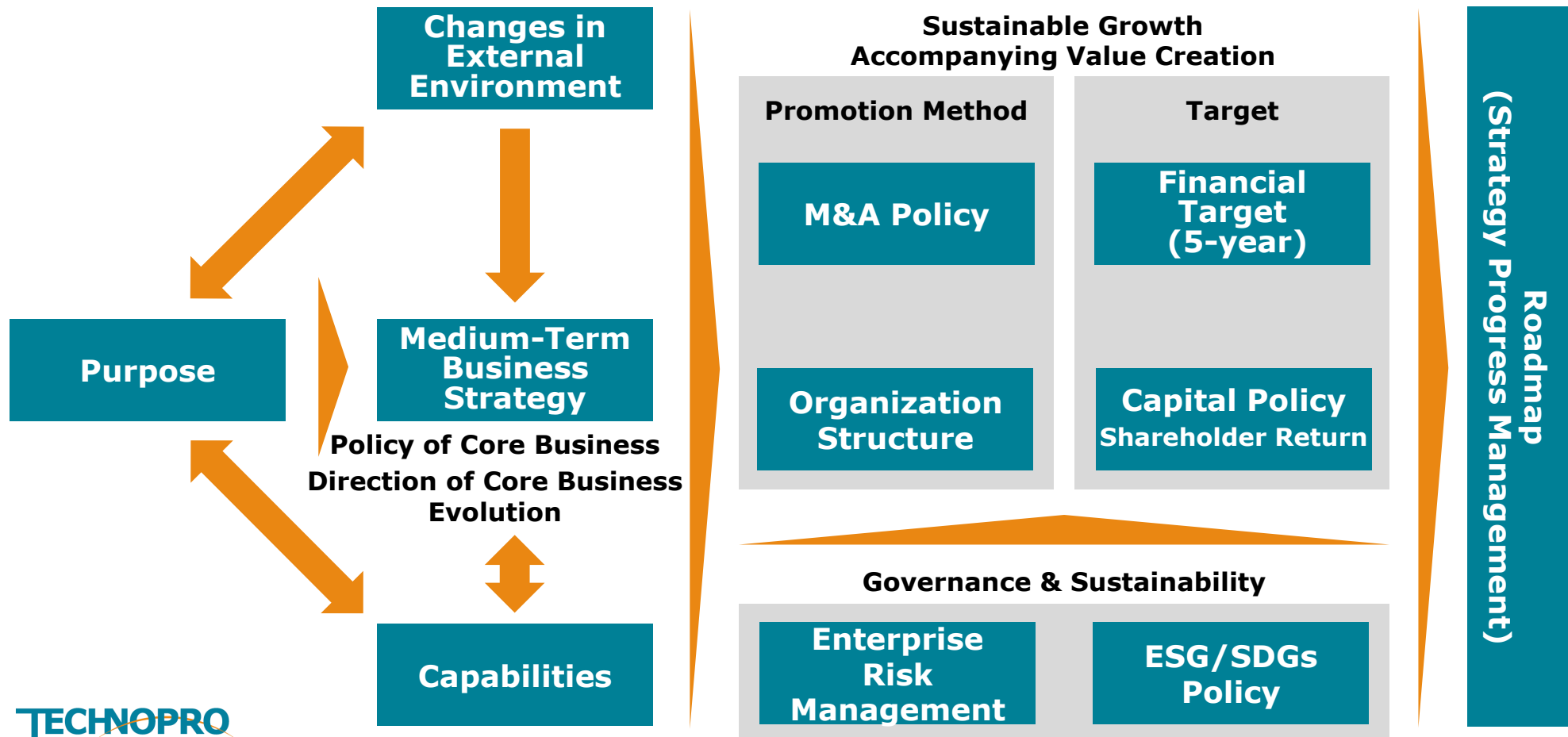
TechnoPro Holdings, Inc. (code: 6028,TSE)

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iv. Financial Target & Capital Policy	79

August 10, 2021

Medium-Term Management Plan Logic & Overview

- Defined the purpose of TechnoPro Group based on demand from society projected from the external environment forecasted for medium- to long-term and the Group's unique capabilities; formulated a new Medium-Term Management Plan for the next five years, which enables value creation and sustainable growth, by drawing ideas from desirable image in 10 years
- Upon lessons learned from the previous medium-term plan, clarified details of strategies and strengthened the organizational functions to promote and manage progress, as well as paying careful consideration to the balance between growth appetite and risk management



External Environment Changes

- Adoption of new technologies and reduction of gap between demand and supply of engineers are urgently required in order to realize digitalized, more convenient society and enhance competitiveness of Japanese industries
- Although the engineer staffing business in Japan is still attractive, the growth relying on only existing initiatives is expected to be limited, considering the structural shortage of Japanese technology talent

Medium- to Long-Term Trends in Japan

Technology Advancement



- Acceleration of technology innovation
- Penetration of digital and environmental technology into society
- Automation of development

Work Environment/ Labor Market in Japan



- Aging population
- Structural shortage of engineers
- Liquidating job market and diversifying work style
- Future of strict dismissal legislation

Globalization



- Fierce competition with competitors
- Overseas transfer of development
- Evolving digital technologies outside Japan
- Increasing geopolitical risk

Engineer Staffing Business in Japan

Sustainable Market Growth and Continued Engineer Shortage



- Changes of work environment and labor market work as tailwind
- Customers' further depend on external resources of technology and talent

Consolidation of Small/Medium Size Players and Reorganizing Industry



- Major players attracting more customers and engineers
- Expanding market share and competitiveness of larger firms

External Environment Changes (Cont.)

- In order to maintain our competitive advantages, it is crucial to overcome supply constraint by improving and transforming the skills of our engineers through education and training based on R&D trends and technological shifts, as well as utilizing new talent pool such as freelancers and overseas talents, and it is also significant to secure sufficient engineers to meet the changing and growing demand
- Keeping to evolve our capabilities is essential to solve technology-related issues and continue to provide value to society and customers

Medium- to Long-Term Trends in Demand & Supply around TechnoPro Group

Demand

Broadening digitalization needs

- Expanding range of technologies (e.g., carbon neutral) and accelerating innovation
- Apart from self-sufficiency (implement open innovation)
- Lowering the barriers between overall industries and the IT industry
- Increasing digitalization needs of business units and fields in addition to customers' information system department

Shift to problem-solving needs

- Increasing demand to identify issues and provide solutions, rather than simply providing human resources (headcounts) and services

TechnoPro Group

Supply

Supply constraint of Japanese engineers

- Structural engineer shortage
- Continued job seeker dominance
- Intensifying competition for prominent talent

Diverse sources of supply in Japan

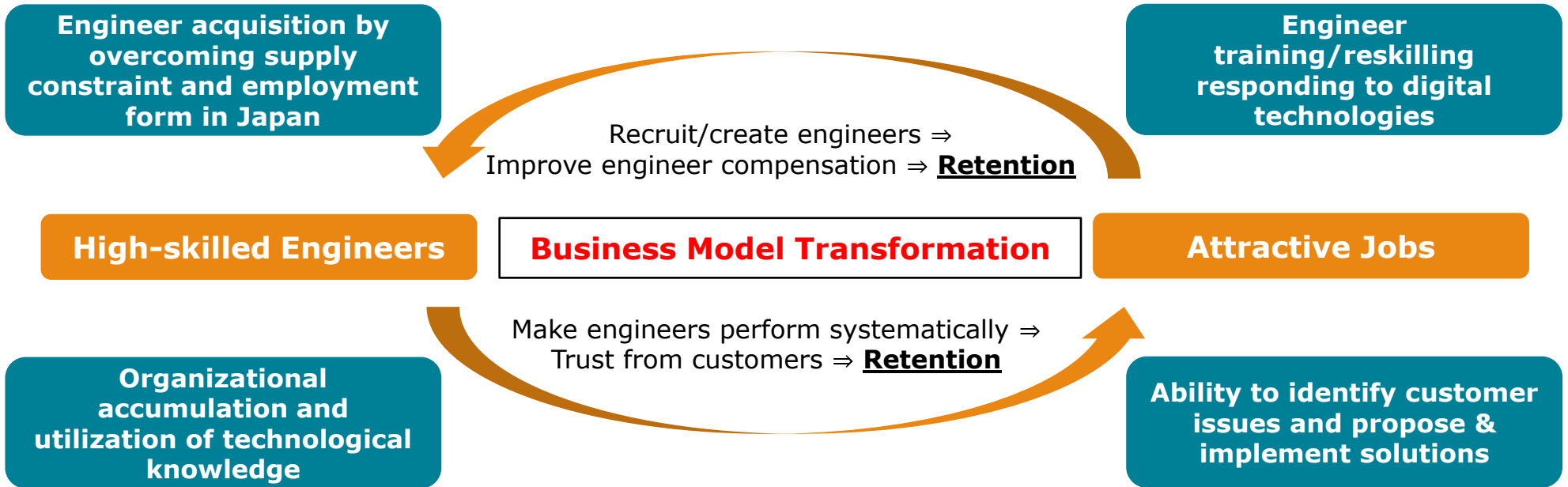
- freelancers, side job workers, senior workers...

Increased opportunities to utilize overseas engineers

- Spread of cloud tools and remote work
- Acceptance of offshore services by customers

Capability Evolution & Business Model Transformation

- To strengthen our resilience against increasing economic volatility and uncertainty, and to retain the high-skilled engineers who are the drivers of our growth, we need to transform our traditional business model, in which we have been playing a role as an employment adjustment function during economic downturns, in addition to evolving our capabilities
- Establish a cycle of creating attractive job opportunities, attracting and developing high-skilled engineers, and encouraging retention of our engineers through improvement of compensation and customer trust



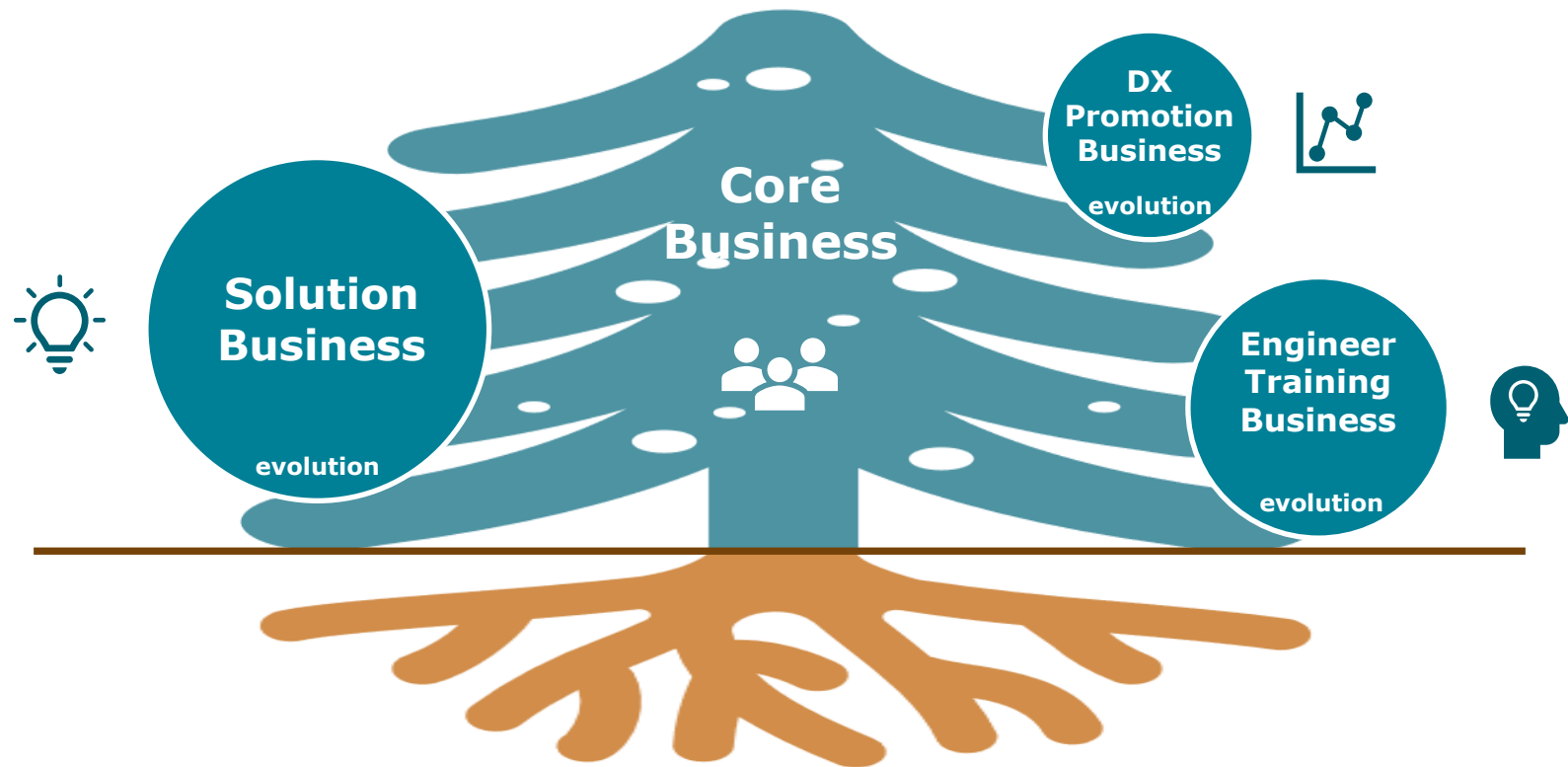
Existing Capabilities & Core Competences of TechnoPro Group

- Relations with large customer base
- Engineer fostering system and know-hows
- Recruitment capability backed by a wealth of orders
- Scale of IT engineers
- Engineer resource engaging to diverse technology fields/industries

Medium-Term Business Strategy Outline

- Strive growth putting more focus on **“quality”** for Core Business (engineer staffing in Japan), as well as business transformation with **“evolution”** as its pivot (not “diversification”), thereby aiming to expand business and change business model by staying ahead of changes in supply and demand over the medium- to long- term

“Evolution” of Core Business



“Evolution” of Capabilities

Core Business

- Expecting growth in Core Business to continue for a short-term, driven by strong demand for digitalization and engineers
- For medium- to long-term, however, if difficulties such as 1) accelerated technological innovation, and overseas transfer/automation of development, 2) intensifying competition for engineers recruitment, and 3) wage hike pressure become apparent, there will be a significant business risk in pursuing only “scale,” namely increase of the number of engineers, as a revenue growth driver under the current business model centered on engineer staffing
- HR development and training functions will become significantly important as a source of differentiation from peers and competitive advantage in this industry, rather than recruitment and allocation capabilities in the past

Basic Operation Policy

Pursue further quality

Increasing emphasis on software

Seeking room for growth

Recruit

- Further promote hiring of engineers who require training and non-Japanese engineers with high skills in order to close the gap between demand and supply in Japan
- Utilize human capital in response to increased mobility of job market and diversification of work style, in addition to permanent employees on which the Group currently focuses

HR Development /Training

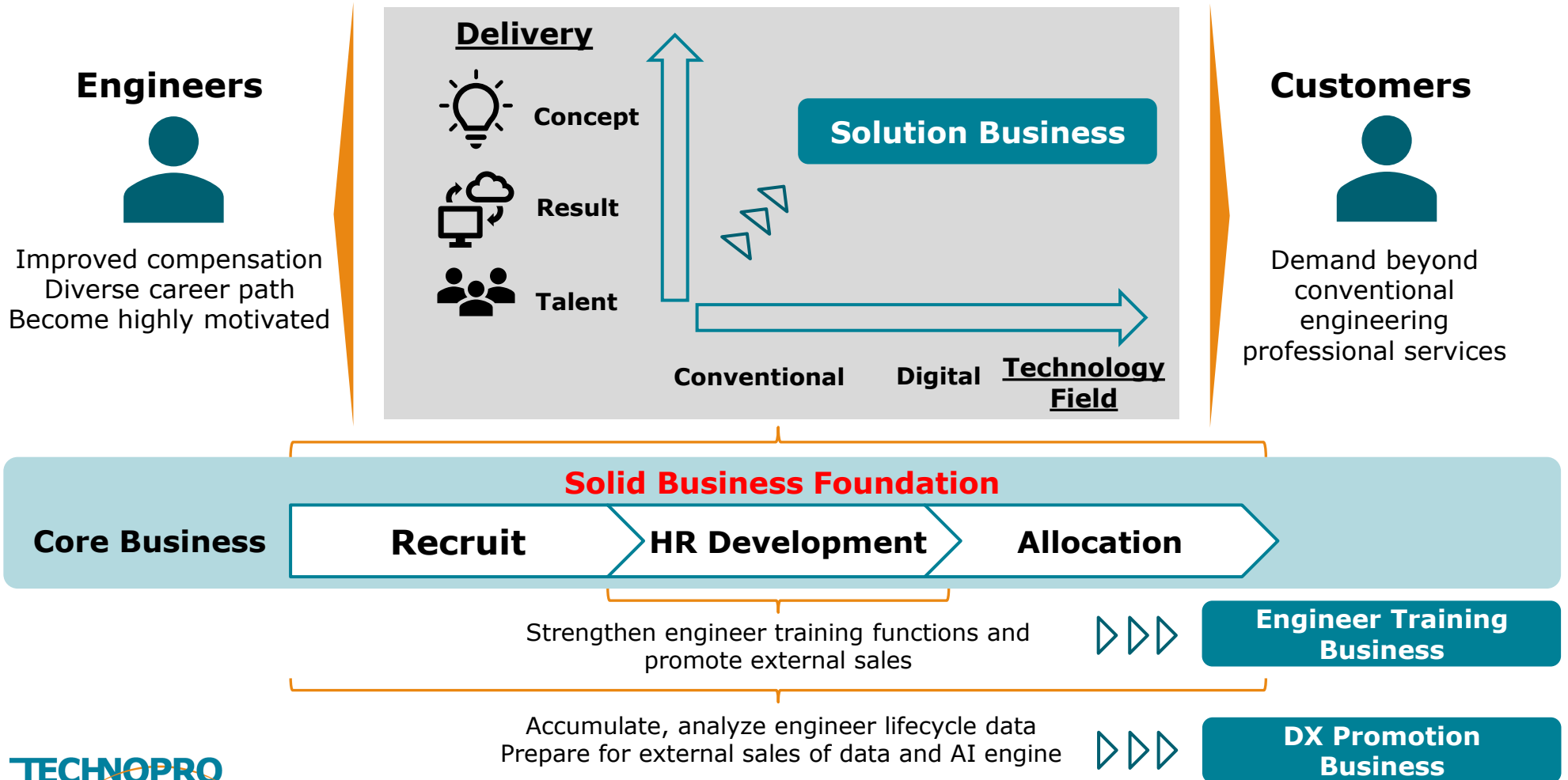
- Strengthen engineer fostering functions (training framework, contents development, career planning, etc.)
 - Enhance OJT training environment (allocation in teams, outsourcing/project-type, alliance, etc.)
- Differentiating from competitors**
Source of competence

Allocation/ Sales

- Cultivate new customer base in IT (non-manufacturing such as retail, BFSI, public sectors, etc.)
- Obtain new orders from customers and clues to identify their problems through engineers on assignment, by leveraging the customer touch points the Group currently has

Core Business Evolving Direction

- Considering the medium- to long-term potential risks in Core Business and the possibility of stagnant growth and downward margin pressure due to supply constraints, thoroughly pursue the "evolution" of Core Business in order to respond to changes in customer demand and secure high-skilled engineers (a strategic option only possible with a solid business foundation in Core Business)



Solution Business

- Promptly grasp the rapidly growing demand for digitalization in the New Normal, thereby help customers solve their issues by providing end-to-end services from planning to implementation with optimal solutions developed by combining conventional and digital technologies existing within and outside the Group
- Expand the solution business as early as possible by maximizing the leverage of Core Business assets such as a broad customer base across diverse industries, touch points with customers through our engineers, etc.
- Establish a new Center of Intelligence (CoI) organization, which will 1) formulate global strategies to promote the Group's solution business by regularly assessing technology, solution and market trend, 2) accelerate organic growth in this solution area, and 3) provide insights to select appropriate M&A targets and alliance partners

Basic Operation Policy

Focusing on digital field

Leveraging Core Business assets

Overcoming technological resource constraints in Japan

Services providing digital technology
(e.g. IoT, data analysis, cybersecurity, etc.)

Development services integrating existing technologies with digital technologies
(e.g. integration between factory automation and digital, bioinformatics, etc.)

Technology development for global digital products, for which demand is growing
(e.g. SAP, SFDC, AWS, Azure, Splunk, Automation Anywhere, etc.)

Solution Business: Global Expansion

- Focus on distributing digital talents, development know-hows and solutions to Japan from “Talent Countries” or “Technology Countries” such as India, in order to overcome the supply constraints of human and technology resources in Japan
- Establish Centers of Excellence (CoE) for advanced technologies across Japan and overseas to strengthen offshore delivery capabilities to “Demand Countries” such as Japan, US and Europe

Business Model Focused on Digital Domains

Recruiting foreign engineers in Japan

Sending non-Japanese engineers to Japan for onsite operation

Offshore staffing

Providing technical services to Japanese customers from overseas offshore on a time & material basis

Solution delivery

Providing technical services from upstream process through combining onsite and overseas offshore services



Engineer Training Business

- Turn the engineer training process itself into a “business” by selling the engineer training curriculum and contents accumulated in Core Business to external corporate customers and individuals, seeking to position it as one of the revenue sources generated from the evolution of Core Business

Growth by Leveraging Core Business Assets

No. 1 leader advantages in engineer staffing industry

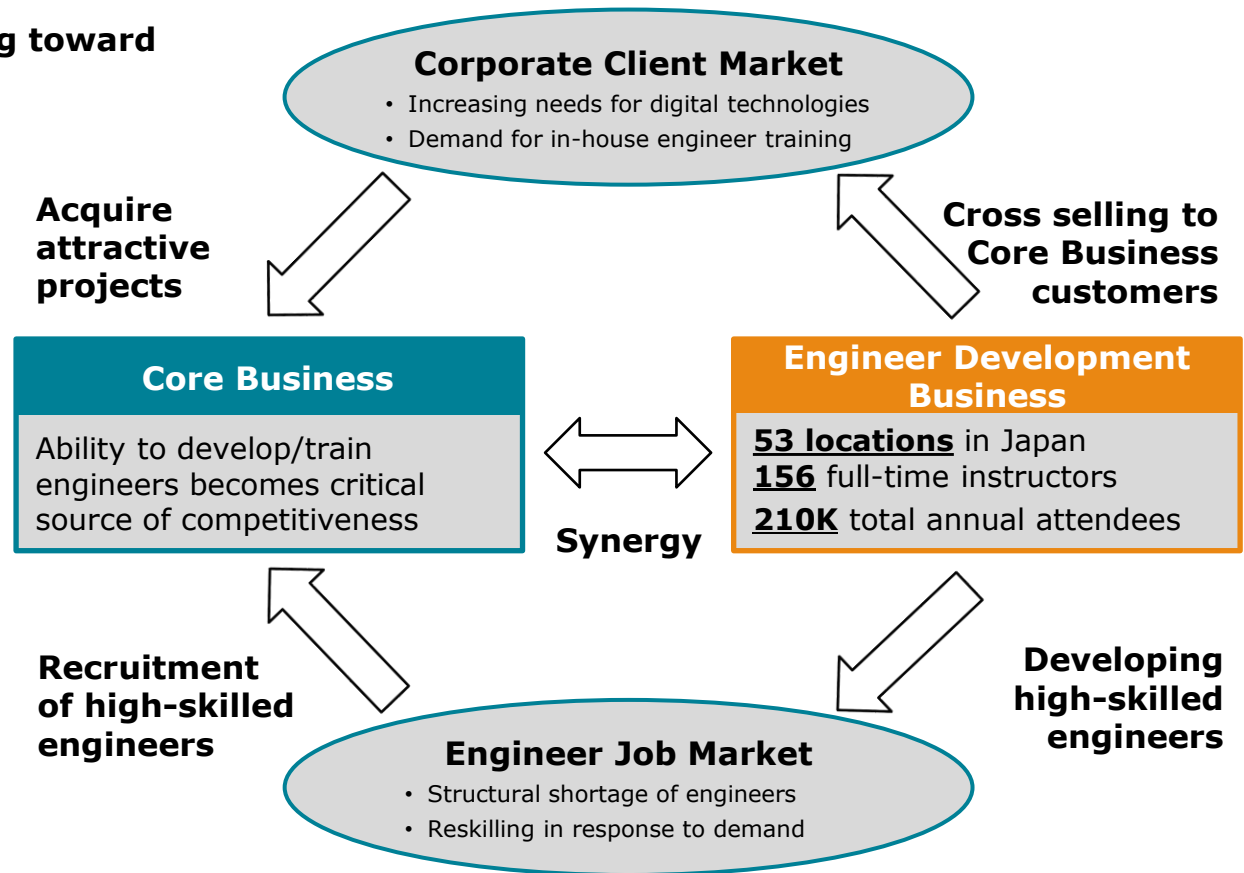
1. Knowledge of Japanese engineer job market
2. Knowledge of R&D/IT systems development demand in each industry
3. Knowledge of trends in technology innovation

Currently

Improve engineer training curriculum and contents

1. Investment in education/training for engineers to solve the current and future shortage of engineers
2. Recoup investment by increasing unit sales price and eliminating bench cost

Shifting toward



DX Promotion Business

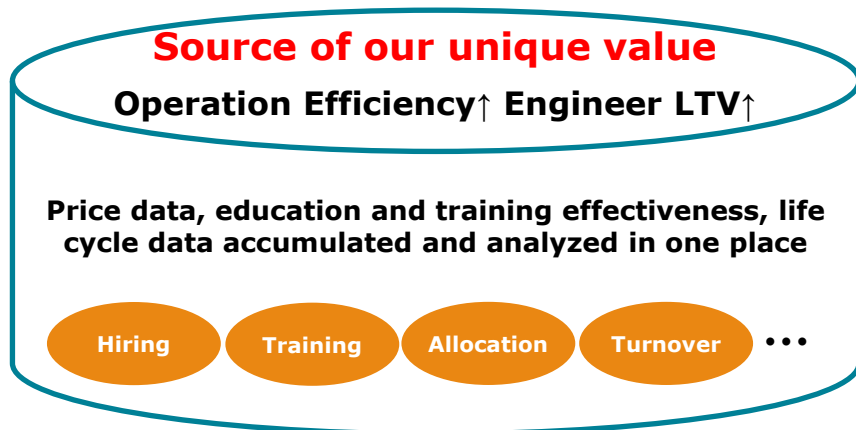
- Establish a business model over the medium- to long-term period that utilizes the data knowledge acquired during the process of promoting DX in Core Business (creating a new profit center)
- Maximize life time value (LTV) of engineers, as well as improving operational efficiency, by storing and analyzing market price data regarding engineers and their skills, effects of education and training, and lifecycle data from hiring to retirement
- Selected as a "DX Certified Operator" on June 1, 2021 based on the national DX Certification Initiative implemented by the Ministry of Economy, Trade and Industry

Building Business with DX Know-Hows of Core Business

Promote DX in Core Business

Bring "Talent Management System" that has been developed to a higher level

Develop a new AI engine based on the hypothesis and verification testing regarding analysis and initiatives that were revealed as effective in workplace



TECHNOPRO

Data will grow exponentially

Build a new business model that leverages data knowledge for the medium- to long-term period

<Examples>

Engineer training results data

x

Engineer training consulting

Curriculum development for effective engineer training and reskilling, education and training content delivery

Engineer skill data

x

Engineer unit price data

Assessment of market value of engineers, support for value enhancement

Generate synergy with Engineer Training Business

M&A Policy

- As a mean of accelerating evolution of Core Business and transformation of business model as well as achieving sustainable growth, a total of **40 billion yen** of M&A investment budget is set for the five-year period of the medium-term plan, with the aim of acquiring digital technologies and solutions that are difficult to obtain organically

Basic Policy on M&A

M&A Target

Maintain consistency with detailed business strategies stated in the Medium-Term Management Plan

M&A Process

Early involvement by profit-responsible business units and PMI* personnel, ensuring transparency through M&A Playbook

Financial Discipline

Following disciplines firmly prevail, and any deviations will be thoroughly discussed by the Board

1. With an awareness of the cost of capital, acquisitions will be funded by free cash flow first, then debt
2. The acquisition amount per acquisition should not exceed 5% of our market cap
3. Improve M&A capability and validate the detailed strategy stated in the Medium-Term Management Plan through continuous and repetitive acquisitions (programmatic M&A)
4. Achieve at least 10% ROIC within 3 years from investment (intend to avoid overpriced acquisitions)
5. If ROIC is expected to fall below our cost of capital for three consecutive years, consider replacing the management or selling the target company ("Exit Criteria")
6. The total balance of goodwill shall not exceed the net asset

M&A Budget
5-year total
JPY 40 Bn

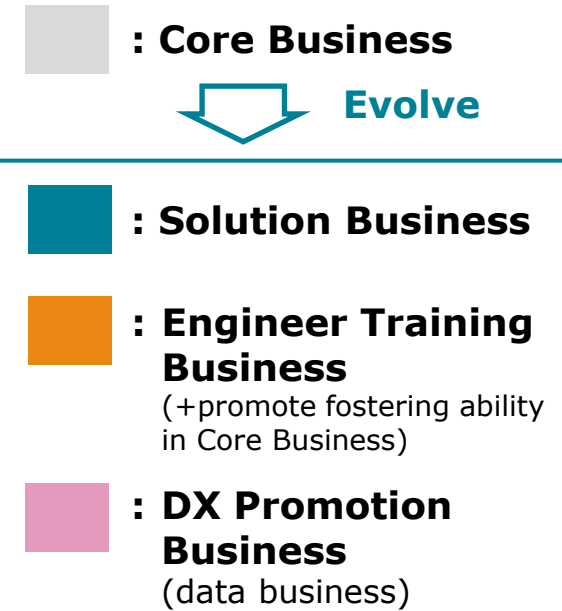
Governance

Strengthen controls to create expected synergy, integration of administrative function to pursue scale economies, and regular monitoring of acquisition rationale at the time of investment and its progress

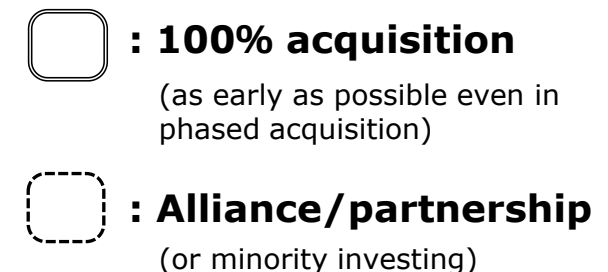
Reference: M&A/Alliance Target

	Center	Complemental (Bolt-On)
Japan	IT systems firm (SIer) <ul style="list-style-type: none"> - Proposal/consulting ability - System concept making ability - Wide digital technologies coverage 	<p>Alternative of recruiting (technology fields difficult to hire)</p> <p>Acquire specific technologies & solutions</p> <p>Acquire training capabilities</p> <p>Technical contents Technical OJT</p>
	Data analysis <ul style="list-style-type: none"> - AI/ML - Data science 	<p>IT platforms/AI engines</p> <p>Acquire recruiting capabilities</p> <p>JP language education + dispatch</p>
Overseas	Offshore hub (+US/Euro customers) <ul style="list-style-type: none"> - Offshore staffing - Solution delivery - Wide digital technologies coverage 	<p>Acquire specific technologies & solutions</p> <p>Acquire specific customer segment</p>

Business Domains



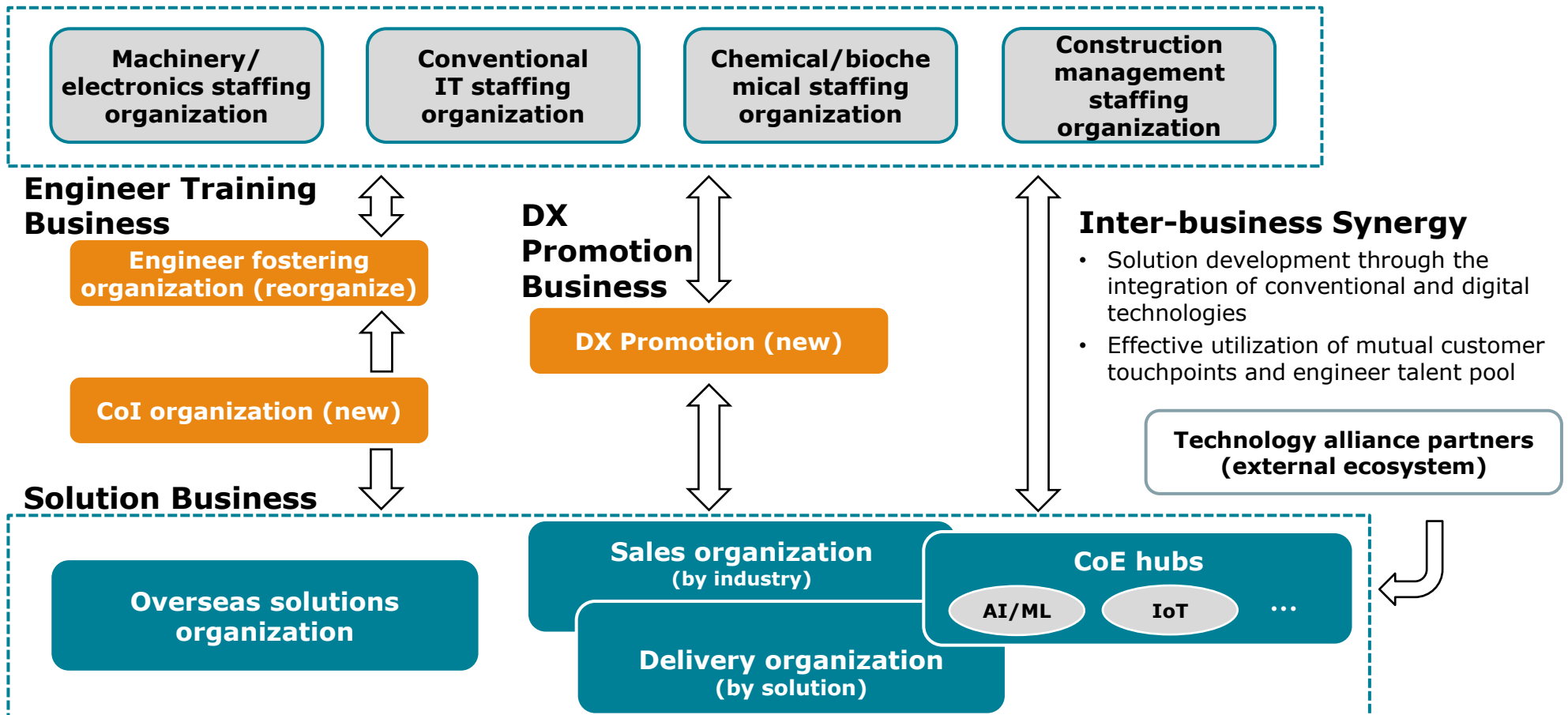
Control



Organization Structure

- Establish new organizations and carry out reorganization within the mid-term plan period in order to strongly promote the evolution of Core Business
- Consider separating Solution Business once needed, requiring different organizational elements from Core Business, without damaging the strength of Core Business

Core Business



Roadmap

Solid Foundation for Core Business Evolution – FY23.6

Accelerated Growth FY24.6 – FY26.6

Core Business

- Continue to shift toward IT/digital fields organically and inorganically
- Enhance recruiting of engineers requiring training or high-skilled foreigners
- Promote reskilling of existing engineers
- Further internal contribution from our professional recruitment subsidiaries to the Core Business
- Penetrate into new customer segments, e.g. EC/BFSI/public sectors
- Promote use of freelancers or gig workers

Solution Business

▲ Establish CoI organization

- Enhance market/technology research function and group collaboration
- Establish central operating units in Japan and overseas through M&As
- Acquire key talents: Pre-Sales/Architect/PM

▲ Reorganize/enhance solution organization

- Integration of conventional and digital technologies
- M&As to acquire insufficient technologies and customer verticals
- Strengthening of branding and marketing functions

Engineer Training Business

▲ Reorganize/enhance engineer fostering organization

- Skill standardization, e-Learning system development
- Establish and promote B2B external sales scheme

▲ Develop as key pillar in next phase

- Further cultivate alliance partners for our ecosystem
- Create higher level curriculum and expand B2B customer base

DX Promotion Business

▲ Establish DX promotion organization

- Examine data analysis insights in the Core Business
- Develop new AI engines

▲ Making into profit center

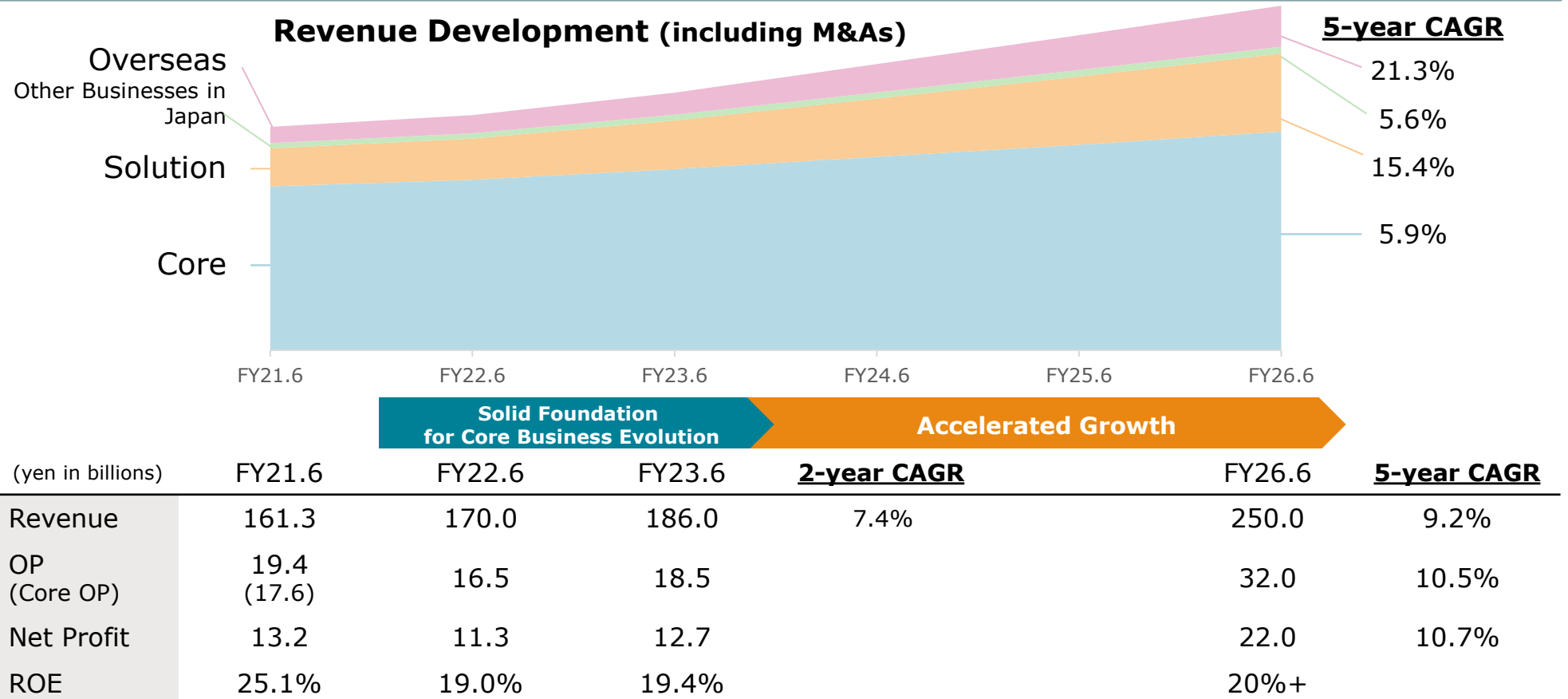
- Improve AI engines and integrate into main IT system
- Business model building, sell to outside B2B customers

HQ Functions

- Streamline and enhance admin work (RPA, etc.)
- Introduce new personnel system for engineers
- Promote internal digitalization and reinforce IT systems functions

Medium-Term Management Plan Financial Target

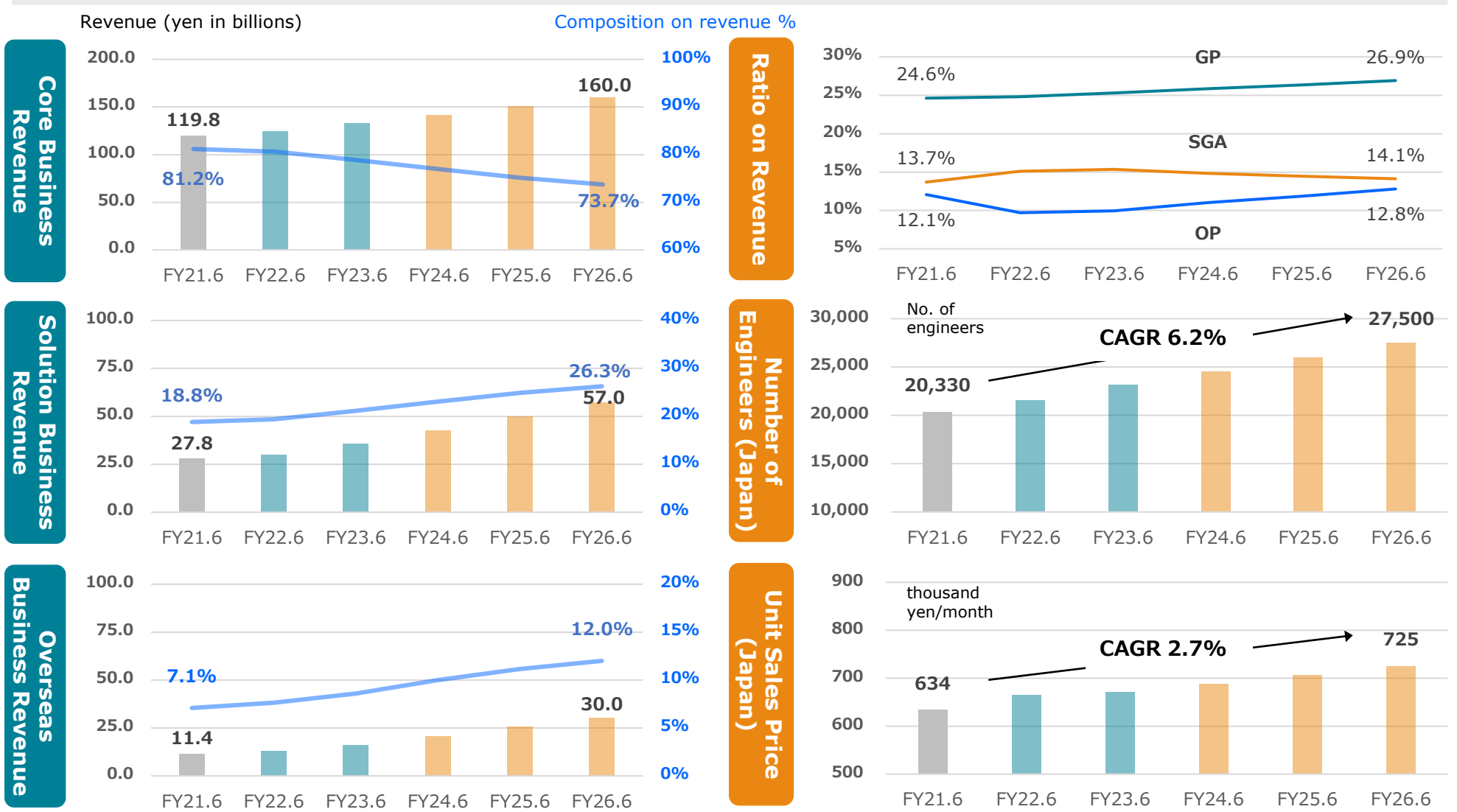
- For the first two years, expecting revenue growth rate of 7.4% since the number of engineers at the beginning of FY22.6 fell short from the previous year and the Solution Business is still in the early stage of growth
- Operating profit margin is projected to be below 10% in FY23.6 due to upfront investments for 1) acquiring key talents and strategic implementation of education and training needed for the growth of Solution Business, and 2) building the foundation for Engineer Training and DX Promotion Businesses, however, investment will be recouped in the latter three years, assuming to achieve accelerated growth in both revenue and profit



1. CAGR is calculated as the average annual growth rate starting from FY21.6

2. Revenue contribution from M&A to Solution and Overseas Business in FY26.6 is expected to be JPY15Bn and JPY15Bn respectively

Reference: Revenue/KPI Breakdown

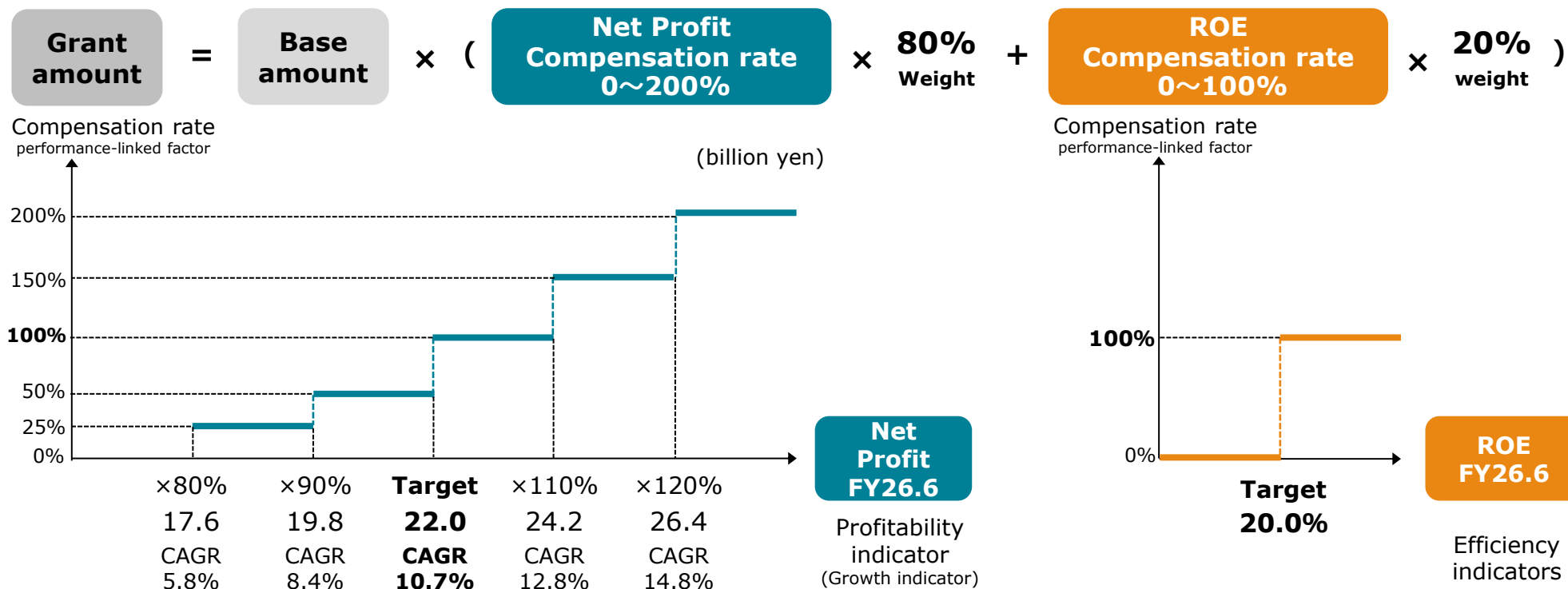


1. Solution Business includes project-type services and engineer staffing in advanced technology fields; revenue from solution services outside Japan is included in Overseas Business (15bn yen in FY26.6)
2. Composition on revenue %: [Core Business, Solution Business] ratio to sum of revenues from R&D Outsourcing/Construction Management Outsourcing segments; [Overseas Business] ratio to consolidated revenue

Medium-Term Performance Linked Share Compensation

- Introduced a performance-linked share compensation (post-vesting performance share units) in which the linkage between the compensation of the Group's executive directors, executive officers and other core employees and the value of the Company's stock price is further clarified, in order to provide incentives for the achievement of the earnings target stated in the Medium-Term Management Plan, as well as ally the shared value with shareholders
- Grant Company shares equivalent to the amount of compensation determined based on the achievement level against the net profit/ROE targets for the final year of the Plan (FY26.6)
- In case of achieving 100% of the target of the Plan, the compensation for CEO will comprise of basic salary of 47.4%, annual performance-linked bonus of 26.3%, and medium-term performance-linked share compensation of 26.3%

Calculation Method and Incentive Curve

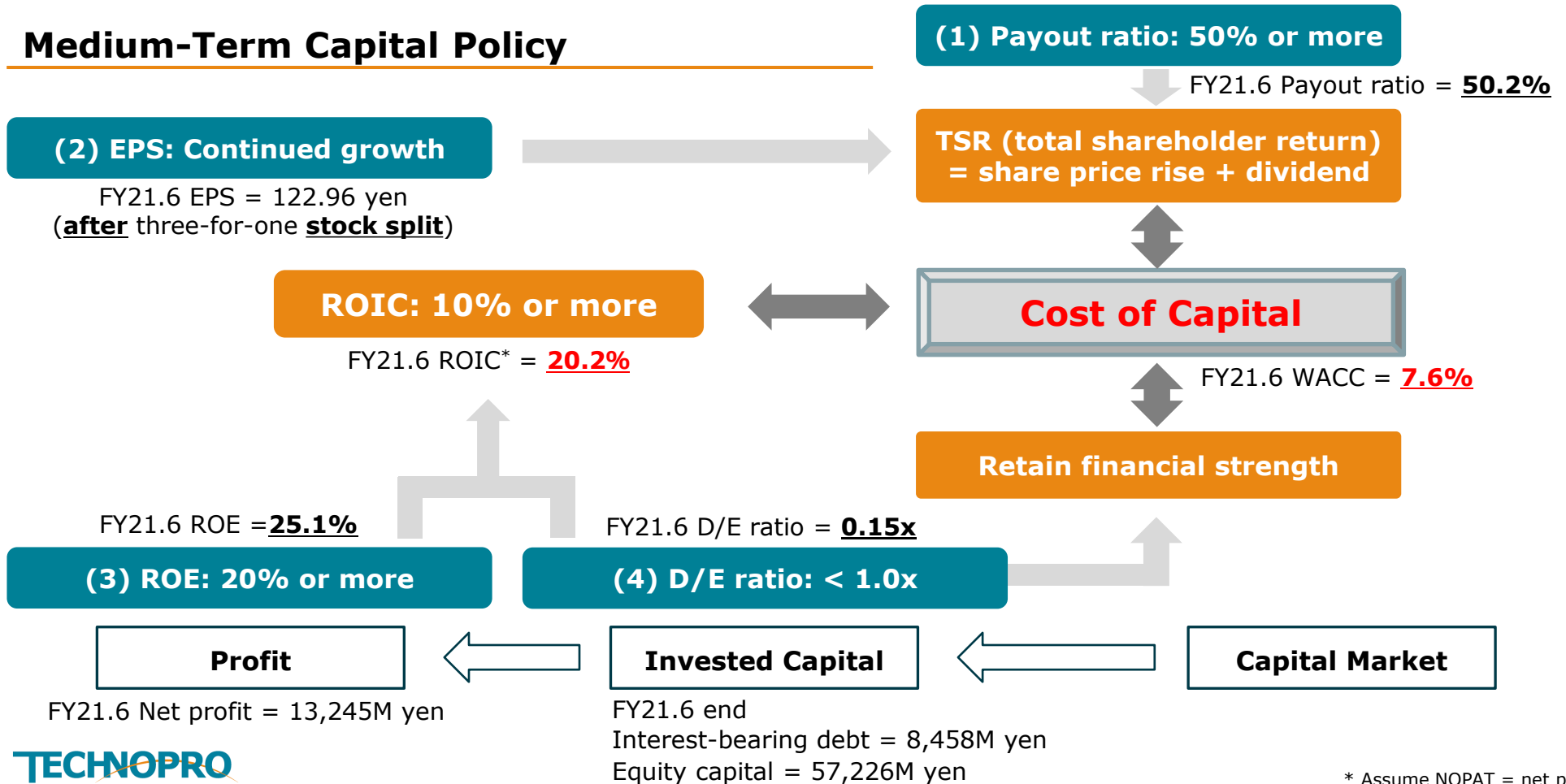


† For details, refer to the "Announcement of the Adoption of Performance-Based Restricted Stock Compensation Plan" announced August 10, 2021

Capital Policy & Shareholder Return

- 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 returning 50% cash dividend to shareholders will be spent for growth investment such as M&A; 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

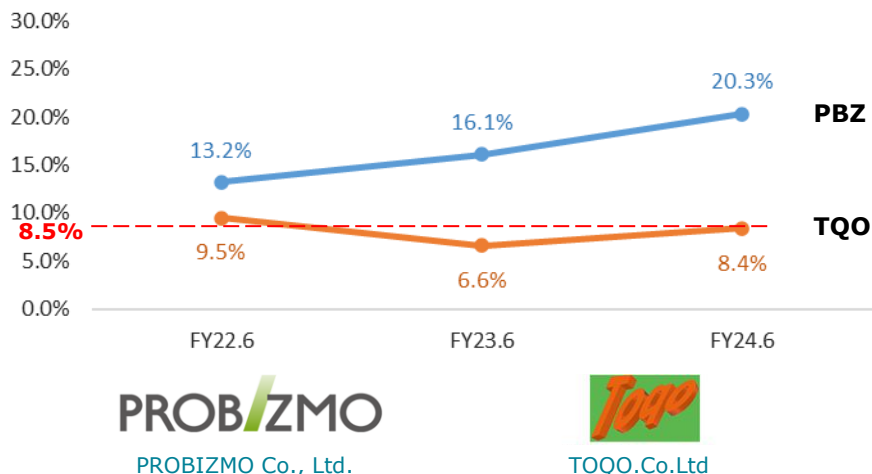


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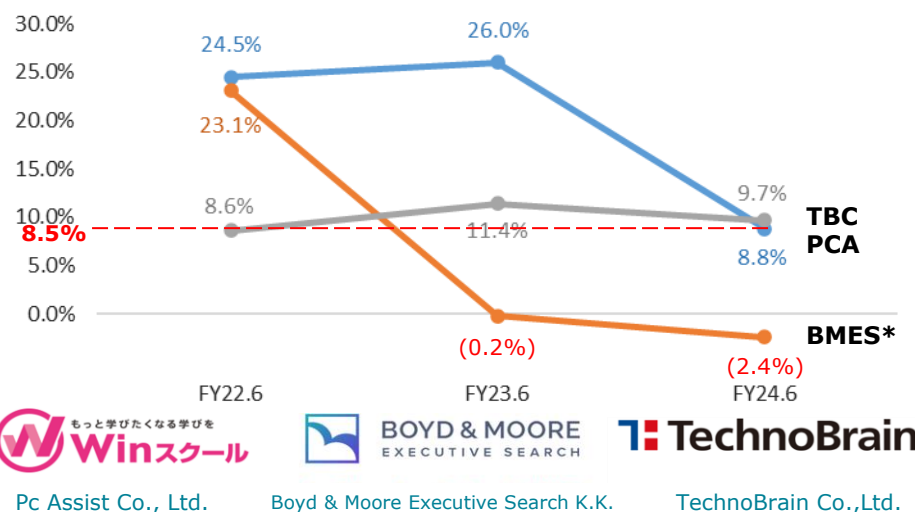
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M&A Performance (Changes in ROIC)

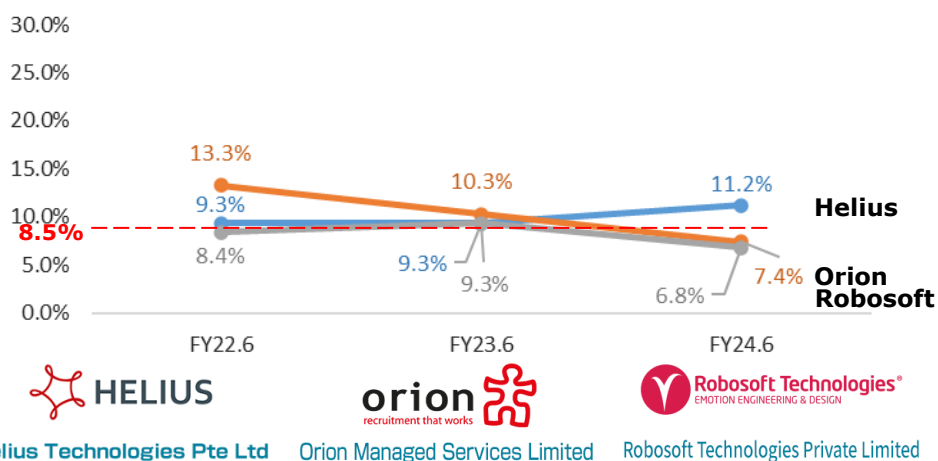
R&D/Construction Mgmt Outsourcing



Other Businesses in Japan



Overseas



Total Invested Capital (above 8 post-IPO) **22,002mn yen**
incl. entities merged with TechnoPro, Inc. (invested capital 26,256mn yen)

o/w acquired in medium-term period **11,739mn yen**
GCOMNET (merged with TechnoPro, Inc.) & Robosoft

ROIC (FY24.6) **8.1%**
targeting at least 10% ROIC within 3 years from investment
as financial discipline

Cost of Capital (FY24.6) **8.5%**

* Figures of BMES overseas subsidiaries belonging to Overseas were aggregated with BMES Japan, calculated into Other Business in Japan segment

Solution Business Positioning

- In the Solution Business, plan to **expand in specifically focused areas** based on the customer base of the Core Business and growth potential of the market



<Focused solution offerings>

Development area

Product planning, development, design, research

Operation Support area

Order/demand forecasting, procurement, maintenance, HR, finance/accounting



Cloud



IoT



Simulation



Major projects

Generative AI Service

Make business efficient and swift by building an automated telephone response system with natural voices, company-specific bots based on in-house documents, and a data analysis platform that uses AI to provide data visualization and insights

Development of application linking with IoT

Functional design and development of an application that can remotely diagnose the condition of a vehicle by reading the vehicle identification number with a smartphone

BIM model creation for construction and equipment

Create BIM models of the building and equipment based on on-site surveys by first-class architects, renovation plan designs, and data collected using ICT equipment

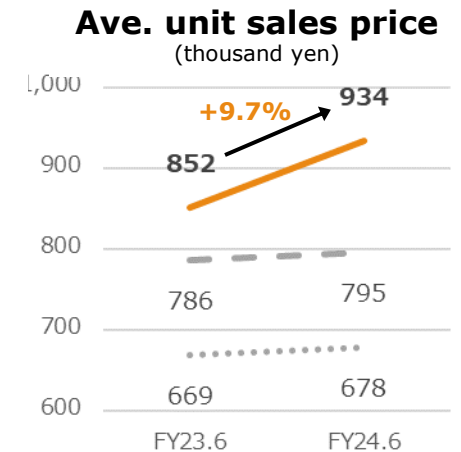
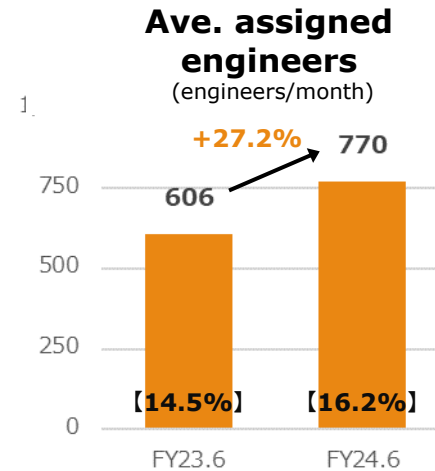
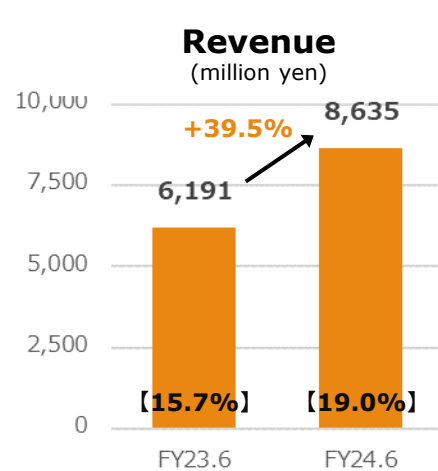
Solution Business Track Record

- In the **Development area** and the **Operation Support area**, the Group's focus, revenue and the number of assigned engineers have increased significantly, and the unit sales price has exceeded that of the Solutions Business as a whole
- In the Operation Support area, the growth in unit sales price has remained slow due to the impact of assignments as a mean to provide OJT training

Development area

Solution offerings:

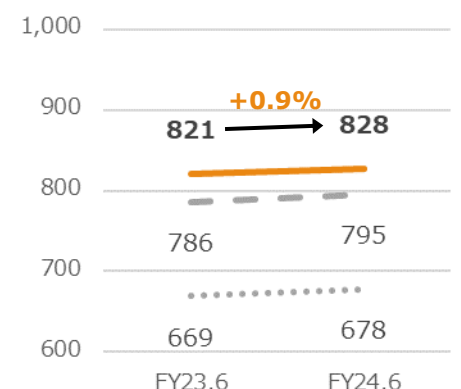
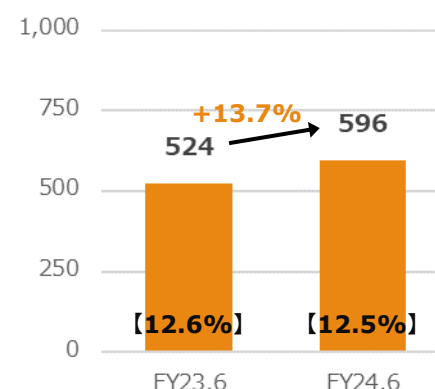
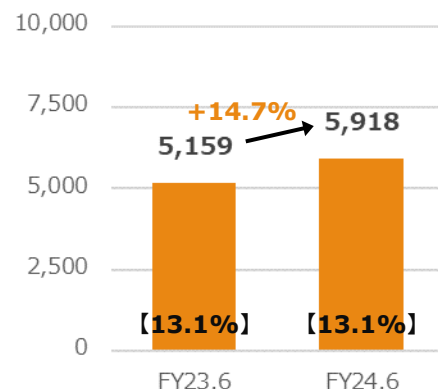
- Development Efficiency
- AI/Data Analysis
- IoT/System Development, Platform



Operation Support area

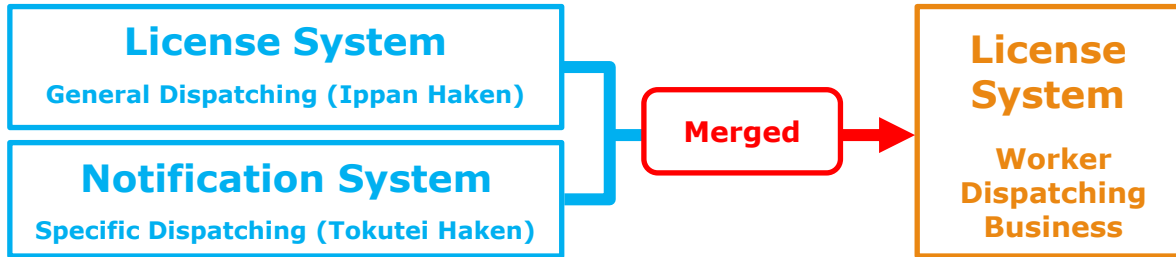
Solution offerings:

- ERP
- Operational Efficiency
- Cloud/Network



Key Amendments in the Workers Dispatch Law

Point 1 All Operators Must Have License



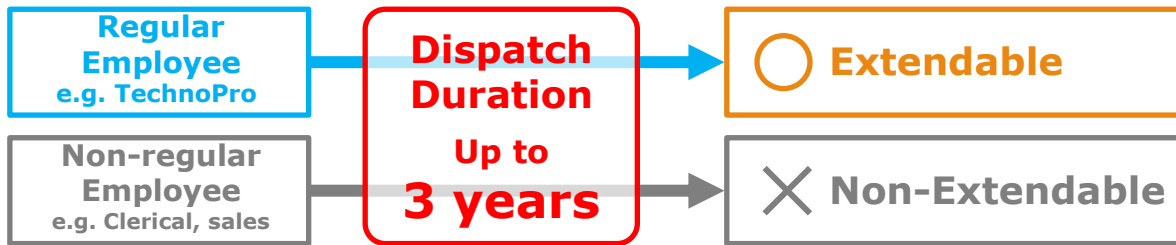
Possible Effect on TechnoPro

 **Positive**

- * TechnoPro group companies have already met requirements for the new license system
- * TechnoPro, Inc. is accredited as one of the quality staffing operators by MHLW



Point 2 3-Year Limit for Fixed-term Contract Staff



Possible Effect on TechnoPro

 **Positive**

- * Most of TechnoPro engineers are working on indefinite-term(full-time) contracts so they can work with the same client for more than 3 years
- * Even though some construction management engineers are working on fixed-term contracts, they are not affected as their project term is less than 3 years

Point 3 Mandatory Career Support for Workers

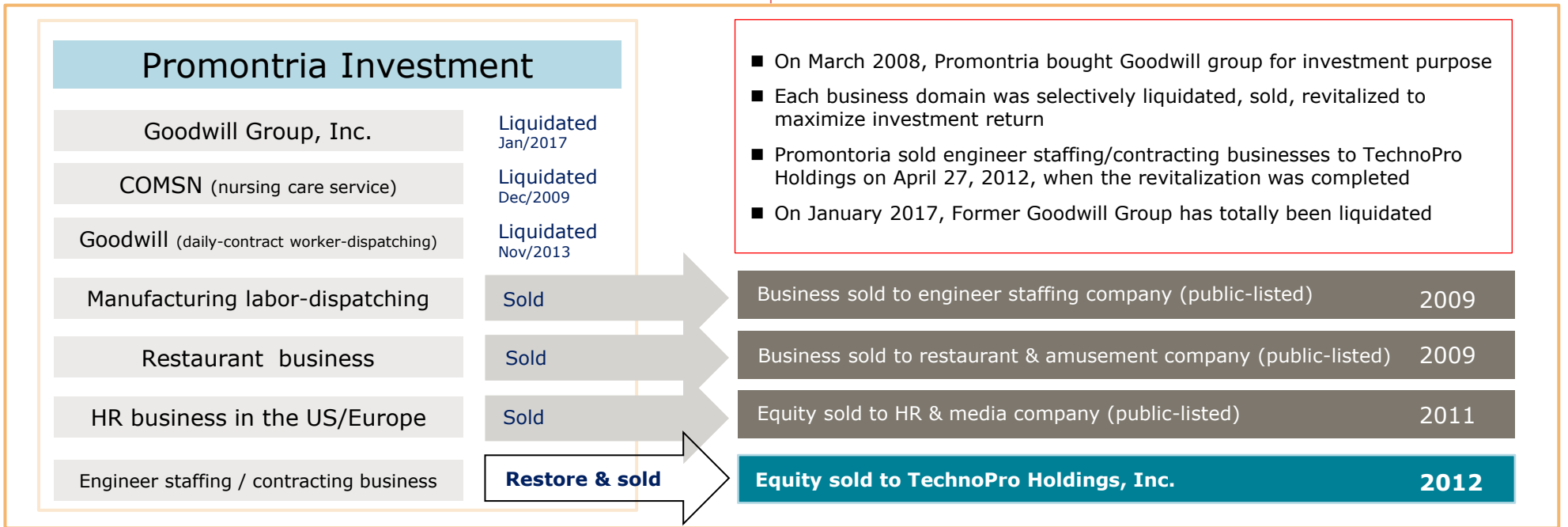
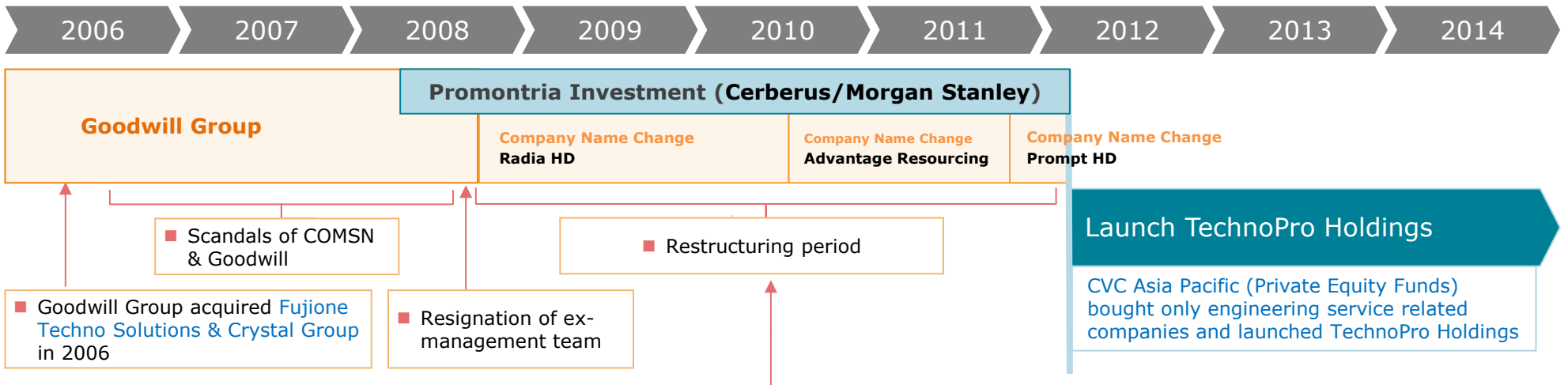


Possible Effect on TechnoPro

 **Positive**

- * We have already offered various career support systems
- * We have over 60 Win school, training facilities across Japan
- * Internally we have more than 200 of professional/business training programs

History of TechnoPro Holdings



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