

TechnoPro Holdings, Inc.

Technopro Group Strategic Direction Toward Privatization

August 6, 2025

Presentation

Yagi: I am Yagi, President and CEO of TechnoPro Holdings. Thank you for joining us.

Today, rather than presenting the full-year financial results for FY25.6 or current business environment and medium-term management plan progress, I would like to take this opportunity to speak directly with you about our momentous decision to go private, including the background and objectives behind it.

Announcement Summary

Our timely disclosure document dated August 6, 2025

"Notice of Statement of Opinion in Support of and Neutral Position on the Tender Offer for Shares of the Company by BXJE II Holding KK"

Key Announcements

- **We resolved to express our opinion in support of the tender offer and to take a neutral position and leave to the discretion of each shareholder the decision as to whether our shareholders should tender their shares in the tender offer**
 - ✓ The tender offer price, 4,870 yen per share, represents a 43.7% premium over the closing share price of ¥3,389 on May 15, 2025, following speculative media report regarding the potential privatization after the market close
- **We are expected to become a wholly owned subsidiary of the tender offeror (BXJE II Holding KK) and to be delisted by the end of this year as part of our transition to private ownership**
- **The tender offeror is a Japan-based entity under funds managed, advised, or operated by Blackstone, a private equity firm**

Note: Please refer to the timely disclosure document mentioned above for further details.

In connection with this matter, we have also released today the following announcements:

- *Notice Regarding Revision to Year-End Dividend Forecast (No Dividend)*
- *Notice Regarding Early Completion of Medium-Term Management Plan and Abolition of Performance-Based Restricted Stock Compensation Plan*

As stated in the "Notice of Statement of Opinion in Support of and Neutral Position on the Tender Offer for Shares of the Company by BXJE II Holding KK" released today, our Board of Directors has resolved to express its opinion in support of the tender offer by Blackstone, a global private equity firm, and to take a neutral position and leave to the discretion of each shareholder the decision as to whether our shareholders should tender their shares in the tender offer.

The tender offer price is ¥4,870 per share, representing a 43.7% premium over the closing price of ¥3,389 on May 15, the date of media speculation regarding our potential privatization. If the tender offer is successfully completed, we will become a wholly owned subsidiary of the tender offeror through a squeeze-out process under the Companies Act, and we expect to be delisted and privatized within this year. The tender offeror, BXJE II Holding KK, is a Japan-based entity under funds managed, advised, or operated by Blackstone, one of the world's largest alternative investment firms.

Strategic Reasons Behind Privatization

- External Environment -

Threats to the engineering professional services business

Tight supply in Japan's engineering talent market

Rapid Advancement of AI and Digitalization

- Growth Strategy -

Bold upfront investment shall be imperative to turn threats into opportunities and drive medium- to long-term growth

- ✓ Supporting engineers' careers and further improving their treatment
- ✓ Innovating service models to create value and differentiate uniquely

- Under a listed status, facing short-term earnings pressures from the shareholders, we have certain limitations in responding promptly to unexpected external changes
- There is a need to boldly accelerate proactive structural reforms by leveraging the resources and capabilities of the best partner, rather than adhering to a standalone management approach

The following slide outlines the background behind our strategic decision to go private. Since our listing on the First Section of the Tokyo Stock Exchange in December 2014, approximately 10 years ago, we have steadily grown and evolved, supported by our shareholders and other stakeholders, including during the current medium-term management plan period.

However, we are now facing rapidly intensifying external threats, such as tightening supply-demand conditions in Japan's engineer hiring market and the accelerating advancement of AI and digital technologies. To achieve a breakthrough beyond conventional growth, especially in the face of unexpected changes in the external environment, we must transform these threats into opportunities by accelerating bold upfront investment. It also necessitates 1) improving compensation of engineers through enhanced support for talent development and career goal achievement, and 2) innovating our service model to deliver higher value-added solutions.

At the same time, we recognize the limitations of staying listed, where short-term earnings pressures from the shareholders can constrain our strategic flexibility. Therefore, rather than adhering to a standalone management approach as a public company, we have decided to go private in order to swiftly implement structural reforms in a strong partnership with the best partner.

Purpose of Privatization

Maximize medium- to long-term enterprise value by addressing key management challenges with the best partner				
Mgt. Challenges	Growth Opportunities	Initiatives with the Partner		
Expansion of the Solutions Business	✓ Solid foundation of engineers across diverse technological domains	High value-added organization	Redefinition of the business model through AI integration	Further investment in human capital
	✓ Significant potential to raise unit sales prices	M&A, alliances		
Resolution of supply constraints	✓ Strong capabilities in talent development	Enhanced training functions	Offshoring initiatives	
	✓ Opportunities for streamlining and differentiation with AI			
Promotion of IT and digital transformation	✓ Enabling high utilization and growth driven by on-site capabilities	Bold investment in digital transformation to improve operational productivity		
	✓ Viable group-wide optimization, including best practice sharing			

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The direction we aim to pursue through privatization is the maximization of our medium- to long-term enterprise value.

Given the rapid changes in the external environment, we have recognized three key management challenges that must be addressed:

- Expansion of the Solutions Business
- Resolution of supply constraints
- Promotion of IT and digital transformation

Under the current medium-term management plan, we have been actively tackling these urgent issues by leveraging the assets and capabilities we have built over time. However, we have concluded that by proactively capitalizing on the network and resources of the best partner, we can not only overcome these challenges but also turn them into growth opportunities. This includes 1) raising unit sales prices, 2) enhancing efficiency and differentiation through AI, and 3) optimizing operations across our Group.

Together with Blackstone, we are confident that we can 1) strengthen high value-added organization in areas such as mobility, 2) promote M&A and strategic alliances, 3) further enhance our training and education functions, 4) expand offshoring delivery through utilization of our hubs in India, 5) redefine our business model through AI integration, and 6) improve operational efficiency through bold DX investment. These initiatives will be endorsed by accelerated investment in human capital, which we believe will significantly unlock our potential for sustainable growth.

Path to Realization

Based on principles agreed upon with the best partner, we will take a full swing towards robust growth and achieve the transformation of our growth model



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Blackstone has outlined three key principles to realize the maximization of our medium- to long-term enterprise value.

1. TechnoPro First

This principle places TechnoPro at the center, prioritizing the growth of our revenue and earnings. It also reaffirms our Group Purpose: “Driving the Power of Technology and Talent to Co-create Value Together with our Customers for a Sustainable Society.”

2. Prioritizing Business Growth

This principle supports bold investment aimed at maximizing our growth. We expect to leverage 1) large-scale M&A opportunities, 2) significant investments in AI and digital transformation, and 3) Blackstone’s extensive human resources and global network.

3. Partnership Philosophy

This principle emphasizes respect for all stakeholders—including employees and clients—as “partners,” and aims to build a company where each of them genuinely want to work together. In addition to incentive packages for motivation, we strive to 1) encourage our employees to pursue their curiosity, and 2) hone the value proposition to our clients.

These three key principles shall form the foundation for creating an environment where we can fully commit to robust growth together with a trusted partner, and drive the transformation of our growth model.

Strategic Partner

Concluded that a strong partnership with Blackstone, one of the world's largest PE firms, shall represent the optimal strategic choice from the perspectives of ensuring sustainable growth and enhancing mid- to long-term enterprise value



Blackstone

- **One of the world's largest alternative asset manager**
 - ✓ **About ¥176 trillion in AUM**
 - ✓ **For Private Equity, about ¥56 trillion in AUM across 250+ portfolio companies worldwide**
- **Listed on NYSE and included in the S&P 500 Index**
 - ✓ **Market cap of about ¥27 trillion**

Note: As of June 30, 2025 ¥145 per USD

Extensive track record in supporting growth through AI and digital transformation, both globally and in Japan



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I would like to provide a brief reintroduction of Blackstone.

The company was founded in 1985 and is one of the largest alternative investment firms in the world. As of June 30, 2025, it manages about ¥176 trillion assets globally. To meet the diverse needs of its investors, it operates a wide range of investment strategies, including private equity funds, real estate funds, hedge fund solutions, and credit-related investment.

In its private equity business, the firm manages approximately ¥56 trillion across more than 250 portfolio companies worldwide. Blackstone focuses on companies with strong competitiveness, growth potential, and the ability to create added value. Where appropriate, it provides targeted and agile support by taking advantage of Blackstone's global network and management resources to help these companies achieve further growth.

In exploring various strategic alternatives including a standalone listed status, with the aim of ensuring our sustainable growth and enhancing medium- to long-term enterprise value, we conducted a fair and transparent process that we believe can be reasonably explained to our shareholders. As a result, we have decided to get privatized with Blackstone, our best partner. From the perspective of protecting shareholders' economic interests, we also believe that the tender offer price proposed by Blackstone is one that is worth to be considered by our shareholders. We sincerely appreciate the advice and support we have received from the capital markets over the years.

This concludes my presentation regarding our strategic direction toward privatization.

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