

Summary of the Consolidated Third Quarter Statements (IFRS) for the Nine-Month Period Ended March 31, 2024

April 26, 2024

Listed Company Name	TechnoPro Holdings, Inc.	Listed Stock Exchange: Tokyo
TSE Code	6028	URL https://www.technoproholdings.com/en/
Representative	(Title) President, Representative Director & CEO	(Name) Takeshi Yagi
In charge of inquiries	(Title) Managing Director & CFO	(Name) Toshihiro Hagiwara TEL 03-6385-7998
Quarterly report scheduled submission date	May 10, 2024	
Scheduled commencement date for dividend payment	—	
Supplementary materials for financial results:	Yes	
Briefing session for financial results:	Yes (for institutional investors and analysts)	

(Amounts less than one million yen are omitted)

1. Consolidated Financial Results for the Nine Months Ended March 31, 2024 (July 1, 2023 – March 31, 2024)

(1) Consolidated Operating Results (Cumulative) (% represents the change from the same period of the previous fiscal year)

	Revenue		Core operating profit		Operating profit		Profit before income taxes		Net profit		Net profit attributable to owners of the parent company	
	Million yen	%	Million yen	%	Million yen	%	Million yen	%	Million yen	%	Million yen	%
For the nine months ended March 31, 2024	162,579	9.6	18,133	9.9	18,346	10.5	18,481	12.0	12,862	11.2	12,711	11.5
For the nine months ended March 31, 2023	148,291	12.6	16,494	14.2	16,601	0.5	16,501	(1.6)	11,567	(5.5)	11,398	(5.6)

	Comprehensive income for the period		Basic earnings per share	Diluted earnings per share
	Million yen	%	Yen	Yen
For the nine months ended March 31, 2024	13,649	26.9	118.90	—
For the nine months ended March 31, 2023	10,753	(21.1)	105.81	—

(Note) Core operating profit is the Group's own profit indicator, calculated by subtracting selling, general and administrative expenses from gross profit and excluding the impact of extraordinary items (such as employment adjustment subsidies and impairment losses) recorded under other income and other expenses.

(2) Consolidated Financial Position

	Total assets	Total equity	Equity attributable to the owners of the parent company	Percentage of equity attributable to the owners of the parent company
	Million yen	Million yen	Million yen	%
For the nine months ended March 31, 2024	154,590	80,946	79,912	51.7
FY ended June 30, 2023	144,017	76,762	75,529	52.4

2. Dividends

	Annual dividends per share				
	End of first quarter	End of second quarter	End of third quarter	End of fiscal year	Total
	Yen	Yen	Yen	Yen	Yen
FY ended June 30, 2023	—	25.00	—	50.00	75.00
FY ending June 30, 2024	—	25.00	—		
FY ending June 30, 2024 (forecast)				55.00	80.00

(Note) Revisions to dividend forecasts published most recently: No

3. Consolidated Financial Results Forecast for the Fiscal Year Ending June 30, 2024 (July 1, 2023 – June 30, 2024)

(% represents the change from the same period of the previous year)

	Revenue		Core operating profit		Operating profit		Profit before income taxes		Net profit attributable to owners of the parent company		Basic earnings per share
	Million yen	%	Million yen	%	Million yen	%	Million yen	%	Million yen	%	Yen
Full year	220,000	10.1	24,500	14.6	24,500	12.2	24,500	12.2	16,700	8.7	156.23

(Note) Revisions to dividend forecasts published most recently: No

* Notes

(1) Changes to important subsidiaries during the period (changes to “Specified Subsidiaries” that involve changes made to scope of consolidation): None

(2) Changes to accounting policies and accounting estimates

i. Changes to accounting policies as required by IFRS: Yes

ii. Changes to accounting policies other than i.: None

iii. Changes to accounting estimates: None

(3) Number of outstanding shares (ordinary shares)

i. Number of outstanding shares at the end of the period (including treasury shares)

As of March 31, 2024	107,300,000 shares	FY ended June 30, 2023	108,421,164 shares
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ii. Number of treasury shares at the end of the period

As of March 31, 2024	457,365 shares	FY ended June 30, 2023	1,171,029 shares
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iii. Average number of shares during the period (cumulative)

For the nine months ended March 31, 2024	106,907,693 shares	For the nine months ended March 31, 2023	107,725,871 shares
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(Note) The Company retired 1,121,164 shares of treasury stock on October 10, 2023, in accordance with the resolution of its Board of Directors meeting held on September 28, 2023.

* This Summary of Financial Statements is not subject to quarterly review by certified public accountant or audit corporation.

* Explanation regarding proper use of financial results forecasts, and other notes

(Cautionary note on forward-looking statements)

Forward-looking statements in this document about future performance are based on information currently available and certain assumptions that are considered reasonable. Due to unforeseen circumstances, actual results may differ from such estimates.

Please refer to page 5 “1. Qualitative Information on Financial Results for the Period Under Review; (3) Results forecasts and other forward-looking information”, for criteria for assumptions used in the earnings forecast.

(Obtaining supplementary materials for financial results)

The Company plans to hold a briefing on business results for institutional investors and analysts on April 26, 2024. The Company plans to post supplementary materials for the briefing on its website today (April 26, 2024) at the same time that the information is disclosed to the Tokyo Stock Exchange.

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1. Qualitative Information on Financial Results for the Period Under Review

(1) Summary of business performance

During the consolidated nine-month period under review (July 1, 2023 to March 31, 2024), uncertainty in the global economy continued due to rising resource prices driven by the situation in Ukraine, concerns over recession due to restrictive monetary policy as governments in the US and Europe raised interest rates in response to inflation, and geopolitical risks in the Middle East and East Asia. In Japan, while economic activity is starting to normalize after the pandemic, uncertainty has continued due to high prices and restrictions on raw material procurement caused by the continued depreciation of yen and other factors.

Despite this environment, customer demand in the Group's core business area of engineer dispatching and contract assignment remains firm, particularly with respect to software engineers in the transportation and information industries.

The main initiatives implemented by the Group during the consolidated period under review were as follows:

Securing engineers

With continued strong customer demand for engineers, the utilization ratio of the Group remains around 95%, and there is a shortage of engineers available to respond to new orders. We therefore made efforts to secure engineers, while maintaining high hiring standards, increasing the hiring of inexperienced engineers on the premise of providing them with subsequent training. In addition, we have resumed global recruitment of foreign nationals, which had been frozen during the pandemic, and are working to acquire talent on a global basis by expanding the number of countries targeted.

We will continue to secure highly skilled engineers and achieve sustainable growth.

Raising unit price of engineers

While the hiring of domestic engineers has largely recovered to pre-pandemic levels, we believe that there is still potential to increase the unit price of contracts for engineers and are working proactively to achieve this. Through upskilling and reskilling with education and training, we are working to have engineers acquire the technical skills and improved abilities required by customers while promoting contracts with unit prices that appropriately reflect the improvement of levels of service. We believe that raising unit prices can contribute to overall revenue as well as providing better conditions for engineers and improving their retention.

We will continue to expand our business by increasing contract unit prices, in addition to securing outstanding engineers.

Strengthening the solutions business

The five-year medium-term management plan "Evolution 2026," which was implemented in the fiscal year ended June 30, 2022, calls for strengthening the solutions business, wherein we are increasing sales revenue and the number of engineers engaged in this business. The remaining three years beginning from the fiscal year ending June 30, 2024 have been positioned as a period for achieving high growth, and we are systematically pursuing coordinated operations from marketing and sales to recruitment, training, and delivery, focusing on core solutions after careful assessment of domestic and overseas technology trends and our internal capabilities. Further, we launched the consulting business TechnoPro Consulting & Advisory on July 1, 2023, to strengthen our organization and enable it to provide consistent support from upstream processes like strategy, ideation, and operational analysis, to downstream processes like maintenance and management.

We will continue working to increase talents capable of implementing upstream processes through recruitment and training, while establishing and expanding highly competitive solutions, the pillars of the solutions business.

As a result of the initiatives described above, the number of engineers on payroll in Japan at the end of the consolidated nine-month period under review was 24,926 (up 1,964 compared to the end of the third quarter of the previous fiscal year). The average utilization rate for the period under review was 95.6% (down 0.4 pts compared to the same period of the previous fiscal year). The Group has been working continuously to improve sales per engineer and while working days and overtime decreased compared to the same period of the previous fiscal year, average monthly sales per engineer were 676 thousand yen (up 9 thousand yen compared to the same period of

the previous fiscal year) due to an increase in unit prices as a result of our Shift Up and Charge Up initiatives, as well as expansion in the solution business and other factors.

In terms of expenses, SG&A increased in comparison to the first nine months of the previous fiscal year. This was mainly due to hiring expenses for acquiring talent, upfront investments in overseas subsidiaries, and inflation.

As a result, the Group's consolidated revenue for the nine-month period under review was 162,579 million yen (up 9.6% compared to the same period of the previous fiscal year), core operating profit was 18,133 million yen (up 9.9%), operating profit was 18,346 million yen (up 10.5%), profit before taxes was 18,481 million yen (up 12.0%), and net profit attributable to the owners of the parent company was 12,711 million yen (up 11.5%).

Earnings for the segments of the business during the consolidated nine-month period under review were as follows:

(R&D Outsourcing)

In order to expand its IT business, which has been performing well within R&D Outsourcing, the Group implemented initiatives to capture strong demand in the digital domain through re-skilling and cross-skilling, such as digital technology-related training for hardware-related engineers and chemical/biochemical-related engineers, in addition to strengthening the mid-career hiring of mainly high added-value engineers. The Group also made efforts to secure assignments at higher unit prices by increasing the quality and diversity of its service offerings, which were realized through business collaboration with alliance partners possessing advanced technologies and active implementation of internal and external training. Through these efforts, engineers on payroll at the end of the third quarter of the consolidated fiscal year under review were 21,837 (up 1,740 compared to the end of the third quarter of the previous fiscal year) and assigned engineers were 20,949 (up 1,725). As a result, revenue in this segment was 124,936 million yen (up 10.5%).

(Construction Management Outsourcing)

In addition to construction management—the main service provided under Construction Management Outsourcing—the Group has also expanded its offerings based on technological skills developed in the design and construction management fields, with examples including 3D measurement, aerial photography and inspections using drones, and the establishment of first-class qualified architect offices. In addition, to address the chronic shortage of construction management engineers, the Group is leveraging its technical centers in Tokyo and Osaka to actively recruit and train inexperienced and young/low-experience engineers in the construction industry. Through these efforts, engineers on payroll and assigned engineers were 3,089 and 2,956 in this segment, respectively, at the end of the third quarter of the consolidated fiscal year under review (up 224 and 202, respectively, compared to the end of the third quarter of the previous fiscal year). As a result, revenue in this segment was 17,365 million yen (up 7.2%).

(Other Businesses in Japan)

Other Businesses in Japan comprises a professional recruitment service and an education and training service in engineering. In professional recruitment service, while the supply of talent to Group companies through recruitment is growing, the Group is struggling to acquire skilled personnel who meet the required standards of external customers, and there are also moves to temporarily curtail recruitment due to economic uncertainty. In the engineering education and training service, we are developing more effective training programs by leveraging synergies within the Group. We are also working to develop and promote external sales of our services such as consulting for engineer development and implementation of an e-learning system, by actively making upfront investments to capture demand for human capital investment. As a result, revenue in this segment was 3,282 million yen (down 16.1%).

(Overseas Businesses)

Our overseas operations provide offshore delivery services in India and China to customers mainly in Europe, the US, and Japan. We also provide engineer dispatch and professional recruitment services in Southeast Asia and the UK, respectively. Although there are some differences from country to country, business is starting to see the impact of curtailed investment due to concerns about a global recession and geopolitical risks. At the

same time, we are making sales and marketing-focused upfront investments in order to acquire new high-margin offshore delivery projects and develop new customers, which will also contribute to acquiring capabilities for the domestic solution business. As a result, revenue in this segment was 19,223 million yen (up 9.3%).

(2) Summary of financial position

i. Analysis of financial position

Assets totaled 154,590 million yen as of the end of the consolidated third quarter period under review (up 10,573 million yen from the end of the previous fiscal year). The primary components were goodwill of 46,742 million yen, cash and cash equivalents of 39,483 million yen, and accounts receivables and other receivables of 29,345 million yen.

The status for each item was as follows.

(Current assets)

Current assets totaled 85,836 million yen as of the end of the consolidated third quarter period under review (up 9,179 million yen from the end of the previous fiscal year). The primary components were cash and cash equivalents of 39,483 million yen (up 4,109 million yen), and accounts receivables and other receivables of 29,345 million yen (up 1,940 million yen).

(Non-current assets)

Non-current assets totaled 68,754 million yen as of the end of the consolidated third quarter period under review (up 1,394 million yen from the end of the previous fiscal year). The primary components were goodwill of 46,742 million yen (up 370 million yen), and deferred tax assets of 5,700 million yen (up 1,762 million yen).

(Current liabilities)

Current liabilities totaled 59,978 million yen as of the end of the consolidated third quarter period under review (up 13,034 million yen from the end of the previous fiscal year). The primary components were accounts payable and other liabilities of 20,778 million yen (up 4,734 million yen), and employee benefits liabilities of 9,282 million yen (up 596 million yen).

(Non-current liabilities)

Non-current liabilities totaled 13,665 million yen as of the end of the consolidated third quarter period under review (down 6,644 million yen from the end of the previous fiscal year). The primary components were bonds and loans payable of 7,983 million yen (down 5,732 million yen), and lease liabilities of 3,725 million yen (down 390 million yen). The primary component of the decrease was the transfer of 4,994 million yen of corporate bonds to current liabilities.

(Equity attributable to the owners of the parent company)

Equity attributable to the owners of the parent company totaled 79,912 million yen as of the end of the consolidated third quarter period under review (up 4,383 million yen from the end of the previous fiscal year). The primary components were retained earnings of 63,940 million yen (up 4,678 million yen) and share capital of 6,929 million yen (no change). In addition, capital surplus decreased by 2,456 million yen from the end of the previous fiscal year due to the retirement of treasury stock and other factors.

ii. Cash flow

Cash and cash equivalents (hereinafter "Cash") totaled 39,483 million yen as of the end of the consolidated third quarter period under review, representing an increase of 4,109 million yen compared to the end of the previous fiscal year.

Cash flow during the consolidated nine-month period under review as well as the main factors affecting changes are as follows.

(Cash flows from operating activities)

Cash inflows from operating activities were 23,282 million yen (same period of previous fiscal year: inflows of 14,188 million yen). This was mainly due to an increase in cash due to profit before taxes (18,481 million yen),

an increase in accounts payable and other liabilities (4,734 million yen), and an increase in depreciation and amortization (2,475 million yen), offset by a decrease in cash due to payments of corporate income taxes (6,890 million yen).

(Cash flows from investing activities)

Cash outflows from investing activities were 574 million yen (previous fiscal year: outflows of 4,312 million yen). This was mainly due to an increase in cash due to sales and redemption of investments (2,082 million yen) and proceeds from withdrawal of time deposits (1,562 million yen), offset by a decrease in cash due to purchase of investments (2,367 million yen) and payments into time deposits (1,815 million yen).

(Cash flows from financing activities)

Cash outflows from financing activities were 18,796 million yen (previous fiscal year: outflows of 15,564 million yen). This was mainly due to a decrease in cash due to dividend payments (8,221 million yen), repayment of lease liabilities (5,114 million yen), and an increase in deposits for purchase of treasury shares (2,502 million yen). The payments for acquisition of interests in subsidiaries from non-controlling interests (783 million yen) was the amount paid for the acquisition of the remaining shares of Orion Managed Services Limited, and this acquisition increased the Company's ownership in Orion Managed Services Limited to 100%.

(3) Results forecasts and other forward-looking information

There have been no changes made to the consolidated financial results forecast for the fiscal year ending June 30, 2024, as announced in the "Summary of Consolidated Financial Statements (IFRS) for the Fiscal Year Ended June 30, 2023" published on August 7, 2023.

2. Interim Consolidated Financial Statements (Summary) and notes

(1) Consolidated Statement of Financial Position (Summary)

(Millions of yen)

	As of June 30, 2023	As of March 31, 2024
Assets		
Current assets		
Cash and cash equivalents	35,373	39,483
Accounts receivables and other receivables	27,405	29,345
Income taxes receivable	1,740	28
Other short-term financial assets	5,700	5,814
Other current assets	6,437	11,165
Total current assets	76,657	85,836
Non-current assets		
Property, plant and equipment	2,463	2,425
Right-of-use assets	4,916	4,743
Goodwill	46,372	46,742
Intangible assets	4,807	4,266
Other long-term financial assets	4,076	4,120
Deferred tax assets	3,937	5,700
Other non-current assets	786	754
Total non-current assets	67,360	68,754
Total assets	144,017	154,590
Liabilities and equity		
Current liabilities		
Accounts payable and other liabilities	16,044	20,778
Bonds and loans payable	1,000	5,994
Lease liabilities	5,291	5,248
Income taxes payable	3,546	7,758
Other financial liabilities	4,000	3,631
Employee benefits liabilities	8,685	9,282
Provisions	20	21
Other current liabilities	8,356	7,263
Total current liabilities	46,944	59,978

(Millions of yen)

	As of June 30, 2023	As of March 31, 2024
Non-current liabilities		
Bonds and loans payable	13,716	7,983
Lease liabilities	4,116	3,725
Other long-term financial liabilities	882	353
Deferred tax liabilities	987	969
Retirement benefit liabilities	24	22
Provisions	479	500
Other non-current liabilities	103	110
Total non-current liabilities	20,309	13,665
Total liabilities	67,254	73,644
Equity		
Share capital	6,929	6,929
Capital surplus	8,259	5,803
Retained earnings	59,262	63,940
Treasury shares	(2,577)	(1,159)
Other components of equity	3,655	4,398
Equity attributable to owners of the parent company	75,529	79,912
Non-controlling interests	1,233	1,033
Total equity	76,762	80,946
Total liabilities and equity	144,017	154,590

(2) Consolidated Statement of Income (Summary) and Consolidated Statement of Comprehensive Income (Summary)
Consolidated Statement of Income (Summary)
The consolidated nine-month period

(Millions of yen)

	Nine months ended March 31, 2023 (July 1, 2022 to March 31, 2023)	Nine months ended March 31, 2024 (July 1, 2023 to March 31, 2024)
Revenue	148,291	162,579
Cost of sales	108,990	119,356
Gross profit	39,300	43,223
Selling, general and administrative expenses	22,805	25,090
Other income	237	245
Other expenses	131	32
Operating profit	16,601	18,346
Financial income	122	282
Financial expenses	222	147
Profit before income taxes	16,501	18,481
Income taxes	4,934	5,618
Net profit	11,567	12,862
Net profit attributable to:		
Owners of the parent company	11,398	12,711
Non-controlling interests	169	151
Net profit	11,567	12,862
		(Yen)
Earnings per share attributable to owners of the parent company		
Basic earnings per share	105.81	118.90
Diluted earnings per share	—	—

Consolidated Statement of Income (Summary)
The consolidated three-month period

(Millions of yen)

	Three months ended March 31, 2023 (January 1, 2023 to March 31, 2023)	Three months ended March 31, 2024 (January 1, 2024 to March 31, 2024)
Revenue	50,279	54,570
Cost of sales	37,017	40,409
Gross profit	13,262	14,160
Selling, general and administrative expenses	7,874	8,301
Other income	62	97
Other expenses	33	27
Operating profit	5,417	5,929
Financial income	46	120
Financial expenses	86	33
Profit before income taxes	5,377	6,016
Income taxes	1,641	1,841
Net profit	3,736	4,174
Net profit attributable to:		
Owners of the parent company	3,684	4,119
Non-controlling interests	51	54
Net profit	3,736	4,174
		(Yen)
Earnings per share attributable to owners of the parent company		
Basic earnings per share	34.20	38.56
Diluted earnings per share	—	—

Consolidated Statement of Comprehensive Income (Summary)

The consolidated nine-month period

(Millions of yen)

	Nine months ended March 31, 2023 (July 1, 2022 to March 31, 2023)	Nine months ended March 31, 2024 (July 1, 2023 to March 31, 2024)
Net profit	11,567	12,862
Other comprehensive income		
Items that may be reclassified to profit or loss		
Foreign currency translation adjustments	(814)	786
Total items that may be reclassified to profit or loss	(814)	786
Total other comprehensive income	(814)	786
Comprehensive income for the period	10,753	13,649
Comprehensive income for the period attributable to:		
Owners of the parent company	10,527	13,455
Non-controlling interests	225	194
Comprehensive income for the period	10,753	13,649

The consolidated three-month period

	Three months ended March 31, 2023 (January 1, 2023 to March 31, 2023)	Three months ended March 31, 2024 (January 1, 2024 to March 31, 2024)
Net profit	3,736	4,174
Other comprehensive income		
Items that may be reclassified to profit or loss		
Foreign currency translation adjustments	331	1,357
Total items that may be reclassified to profit or loss	331	1,357
Total other comprehensive income	331	1,357
Comprehensive income for the period	4,067	5,532
Comprehensive income for the period attributable to:		
Owners of the parent company	3,991	5,433
Non-controlling interests	75	99
Comprehensive income for the period	4,067	5,532

(3) Consolidated Statement of Changes in Equity (Summary)

Nine months ended March 31, 2023 (July 1, 2022 to March 31, 2023)

(Millions of yen)

	Equity attributable to the owners of the parent company						
	Share capital	Capital surplus	Retained earnings	Treasury shares	Other components of equity		Total equity attributable to owners of the parent company
					Foreign currency translation adjustments	Total other components of equity	
As of July 1, 2022	6,929	7,966	51,986	(1,001)	2,837	2,837	68,718
Net profit			11,398			—	11,398
Other comprehensive income					(870)	(870)	(870)
Total comprehensive income	—	—	11,398	—	(870)	(870)	10,527
Dividends of surplus			(8,294)			—	(8,294)
Share-based payment transaction		242				—	242
Purchase of treasury shares				(0)		—	(0)
Changes in ownership interests in subsidiaries		(0)				—	(0)
Total transactions with the owners	—	242	(8,294)	(0)	—	—	(8,052)
As of March 31, 2023	6,929	8,208	55,090	(1,001)	1,966	1,966	71,193

	Non-controlling interests	Total equity
As of July 1, 2022	1,710	70,428
Net profit	169	11,567
Other comprehensive income	56	(814)
Total comprehensive income	225	10,753
Dividends of surplus	(811)	(9,106)
Share-based payment transaction		242
Purchase of treasury shares		(0)
Changes in ownership interests in subsidiaries	0	—
Total transactions with the owners	(811)	(8,863)
As of March 31, 2023	1,124	72,318

Nine months ended March 31, 2024 (July 1, 2023 to March 31, 2024)

(Millions of yen)

	Equity attributable to the owners of the parent company						
	Share capital	Capital surplus	Retained earnings	Treasury shares	Other components of equity		Total equity attributable to owners of the parent company
					Foreign currency translation adjustments	Total other components of equity	
As of July 1, 2023	6,929	8,259	59,262	(2,577)	3,655	3,655	75,529
Net profit			12,711			—	12,711
Other comprehensive income					743	743	743
Total comprehensive income	—	—	12,711	—	743	743	13,455
Dividends of surplus			(8,033)			—	(8,033)
Share-based payment transaction		181				—	181
Purchase of treasury shares		(0)		(1,423)		—	(1,424)
Retirement of treasury shares		(2,842)		2,842		—	—
Changes in ownership interests in subsidiaries		205				—	205
Total transactions with the owners	—	(2,456)	(8,033)	1,418	—	—	(9,071)
As of March 31, 2024	6,929	5,803	63,940	(1,159)	4,398	4,398	79,912

	Non-controlling interests	Total equity
As of July 1, 2023	1,233	76,762
Net profit	151	12,862
Other comprehensive income	43	786
Total comprehensive income	194	13,649
Dividends of surplus	(189)	(8,222)
Share-based payment transaction		181
Purchase of treasury shares		(1,424)
Retirement of treasury shares		—
Changes in ownership interests in subsidiaries	(205)	—
Total transactions with the owners	(394)	(9,466)
As of March 31, 2024	1,033	80,946

(4) Consolidated Statement of Cash Flows (Summary)

(Millions of yen)

	Nine months ended March 31, 2023 (July 1, 2022 to March 31, 2023)	Nine months ended March 31, 2024 (July 1, 2023 to March 31, 2024)
Cash flows from operating activities		
Profit before income taxes	16,501	18,481
Depreciation and amortization	2,319	2,475
Interest and dividend income	(61)	(114)
Interest expense	82	67
Decrease (increase) in accounts receivables and other receivables	(2,172)	(1,940)
Increase (decrease) in accounts payable and other liabilities	1,167	4,734
Increase (decrease) in deposits received	(1,215)	(463)
Decrease (increase) in prepaid expenses	1,920	1,964
Decrease (increase) in lease repayments	1,409	1,460
Increase (decrease) in consumption tax payable	125	1,303
Increase (decrease) in retirement benefit liabilities	(552)	(527)
Other	309	954
Subtotal	19,833	28,395
Interest received	17	54
Interest paid	(52)	(47)
Income taxes paid	(6,538)	(6,890)
Income tax refund	929	1,770
Net cash flows from operating activities	14,188	23,282
Cash flows from investing activities		
Payments into time deposits	(1,543)	(1,815)
Proceeds from withdrawal of time deposits	984	1,562
Purchase of tangible fixed assets	(261)	(282)
Purchase of intangible assets	(135)	(151)
Purchase of investments	(2,137)	(2,367)
Proceeds from sales and redemption of investments	2,444	2,082
Purchase of subsidiary shares at conditional acquisition price	(3,623)	—
Other	(39)	398
Net cash flows from investing activities	(4,312)	(574)
Cash flows from financing activities		
Repayment of lease liabilities	(4,957)	(5,114)
Proceeds from long-term borrowings	5,000	—
Repayments of long-term borrowings	(6,500)	(750)
Purchase of treasury shares	(0)	(1,423)
Decrease (increase) in deposits for purchase of treasury shares	—	(2,502)
Payments for acquisition of interests in subsidiaries from non-controlling interests	—	(783)
Cash dividends paid	(9,106)	(8,221)
Net cash flows from financing activities	(15,564)	(18,796)
Effect of change in exchange rates on cash and cash equivalents	42	198
Net increase (decrease) in cash and cash equivalents	(5,646)	4,109
Cash and cash equivalents at the beginning of the period	37,432	35,373
Cash and cash equivalents at the end of the period	31,786	39,483

(5) Notes to the consolidated financial results (Summary)

(Note on assumption about going concern)

Not applicable.

(Changes in accounting policies)

The material accounting policies adopted for the Group's consolidated financial statements for the first half period under review are the same as those for the consolidated financial statements for the previous fiscal year, except for the following items.

IFRS		Overview of new/revised standards
IAS 1	Presentation of Financial Statements	Requires disclosure of material accounting policies rather than significant accounting policies
IAS 12	Income Taxes	Clarifies accounting treatment for deferred taxes related to assets and liabilities arising from a single transaction

The adoption of the above standards did not have a material impact on the summary of the consolidated financial statements.

(Share repurchase)

At the meeting of the Board of Directors held on March 29, 2024, the Company resolved to implement a share repurchase in accordance with Article 156 of the Companies Act, as applied pursuant to the provisions of Article 165, Paragraph 3 of the Companies Act, as detailed below.

1. Reasons for share repurchase

To achieve value creation through the implementation of the flexible capital policy that aims for sustainable growth (including improved capital efficiency) based on comprehensive consideration of the factors such as funds on hand and the share price level in the market.

2. Details of share repurchase program

- 1) Class of shares to be repurchased: Common stock of TechnoPro Holdings, Inc.
- 2) Total number of shares to be repurchased: Up to 1,000,000 shares (Ratio to the shares outstanding [excluding treasury shares]: 0.94%)
- 3) Total repurchase amount: Up to 2,500,000,000 yen
- 4) Repurchase period: From April 1, 2024 to June 28, 2024
- 5) Repurchase method: Open market purchase on the Tokyo Stock Exchange

(Note on segment information)

1. Segment information overview

The Group's business segments are Group components for which separate financial information can be obtained. Each segment is subject to periodic examinations to allow the Board of Directors to decide how to allocate management resources and assess performance. In determining reportable segments, the Group does not consolidate business segments; reportable segments and business segments are the same.

Overview of the reportable segments:

- In R&D Outsourcing Business, the Group provides engineer dispatch and contract assignment services in technological fields including machinery, electronics/electricals, embedded controllers, IT networks, business applications, system maintenance/management, and biochemistry; its customers are mainly major businesses and other organizations in industries including automotive and automotive parts, industrial machinery and equipment, telecommunications equipment, electronic and electrical equipment, IT, semiconductors, energy, pharmaceuticals, and chemicals.
- In Construction Management Outsourcing Business, the Group provides contract assignment services for construction design and engineer dispatch services for construction management (safety administration, quality control, process administration, and cost management) in the construction industry in the fields of construction, civil engineering, facility machinery, and plant; its customers are mainly general contractors and subcontractors.
- In Other Businesses in Japan, the Group provides professional recruitment services and education and training services in engineering.
- In Overseas Business, the Group provides technical outsourcing and professional recruitment services in China, engineer dispatch services and contracted R&D operations in Southeast Asia and India (including offshore delivery services to customers in the U.S, Europe, and Japan), and engineer dispatch and professional recruitment services in the UK.

2. Information on reportable segments

Accounting principles for the reportable segments are the same as those used in the creation of the Consolidated Financial Statements by the Group. Business between reportable segments is based on market prices, and segment profit is shown as operating profit.

Nine months ended March 31, 2023 (July 1, 2022 to March 31, 2023)

(Millions of yen)

	Reportable segment					Eliminations/ Corporate	Consoli- dated
	R&D Outsourcing Business	Construction Management Outsourcing Business	Other Businesses in Japan	Overseas Businesses	Total		
Revenue							
Revenue from external customers	112,292	16,205	2,847	16,908	148,254	36	148,291
Intersegment sales or transfers	812	0	1,064	671	2,548	(2,548)	—
Total revenue	113,104	16,205	3,912	17,580	150,802	(2,511)	148,291
Segment profit (loss)	12,590	2,207	257	1,602	16,658	(56)	16,601
Financial income	—	—	—	—	—	—	122
Financial expenses	—	—	—	—	—	—	222
Quarterly profit before income taxes	—	—	—	—	—	—	16,501
Other							
Depreciation and amortization	745	186	234	226	1,392	436	1,829
Amortization of customer-related assets	54	—	—	436	490	—	490
Impairment loss	—	—	—	—	—	—	—

(Notes)

1. Segment profit under Eliminations/Corporate includes corporate expenses not allocated to individual reportable segments and eliminations of intersegment transactions. Corporate expenses are recorded mainly as general administrative expenses not allocated to reportable segments.
2. Depreciation and amortization does not include amortization of customer-related assets.

Nine months ended March 31, 2024 (July 1, 2023 to March 31, 2024)

(Millions of yen)

	Reportable segment					Eliminations/ Corporate	Consoli- dated
	R&D Outsourcing Business	Construction Management Outsourcing Business	Other Businesses in Japan	Overseas Businesses	Total		
Revenue							
Revenue from external customers	124,179	17,365	2,288	18,709	162,543	36	162,579
Intersegment sales or transfers	756	0	994	514	2,265	(2,265)	—
Total revenue	124,936	17,365	3,282	19,223	164,809	(2,229)	162,579
Segment profit (loss)	14,713	2,650	(143)	1,051	18,271	74	18,346
Financial income	—	—	—	—	—	—	282
Financial expenses	—	—	—	—	—	—	147
Quarterly profit before income taxes	—	—	—	—	—	—	18,481
Other							
Depreciation and amortization	829	180	225	236	1,472	460	1,932
Amortization of customer-related assets	54	—	—	488	542	—	542
Impairment loss	—	—	—	—	—	—	—

(Notes)

1. Segment profit under Eliminations/Corporate includes corporate expenses not allocated to individual reportable segments and eliminations of intersegment transactions. Corporate expenses are recorded mainly as general administrative expenses not allocated to reportable segments.
2. Depreciation and amortization does not include amortization of customer-related assets.

Three-months ended March 31, 2023 (January 1, 2023 to March 31, 2023)

(Millions of yen)

	Reportable segment					Eliminations/ Corporate	Consoli- dated
	R&D Outsourcing Business	Construction Management Outsourcing Business	Other Businesses in Japan	Overseas Businesses	Total		
Revenue							
Revenue from external customers	38,025	5,600	1,020	5,622	50,268	11	50,279
Intersegment sales or transfers	369	0	405	184	959	(959)	—
Total revenue	38,395	5,600	1,425	5,806	51,227	(947)	50,279
Segment profit (loss)	4,010	758	130	561	5,461	(43)	5,417
Financial income	—	—	—	—	—	—	46
Financial expenses	—	—	—	—	—	—	86
Quarterly profit before income taxes	—	—	—	—	—	—	5,377
Other							
Depreciation and amortization	247	62	79	73	463	146	609
Amortization of customer-related assets	18	—	—	140	158	—	158
Impairment loss	—	—	—	—	—	—	—

(Notes)

1. Segment profit under Eliminations/Corporate includes corporate expenses not allocated to individual reportable segments and eliminations of intersegment transactions. Corporate expenses are recorded mainly as general administrative expenses not allocated to reportable segments.
2. Depreciation and amortization does not include amortization of customer-related assets.

Three-months ended March 31, 2024 (January 1, 2024 to March 31, 2024)

(Millions of yen)

	Reportable segment					Eliminations/ Corporate	Consoli- dated
	R&D Outsourcing Business	Construction Management Outsourcing Business	Other Businesses in Japan	Overseas Businesses	Total		
Revenue							
Revenue from external customers	41,605	6,011	769	6,172	54,558	11	54,570
Intersegment sales or transfers	215	0	329	226	772	(772)	—
Total revenue	41,821	6,011	1,098	6,399	55,330	(760)	54,570
Segment profit (loss)	4,553	958	(44)	502	5,970	(40)	5,929
Financial income	—	—	—	—	—	—	120
Financial expenses	—	—	—	—	—	—	33
Quarterly profit before income taxes	—	—	—	—	—	—	6,016
Other							
Depreciation and amortization	284	63	75	78	501	157	658
Amortization of customer-related assets	18	—	—	159	177	—	177
Impairment loss	—	—	—	—	—	—	—

(Notes)

1. Segment profit under Eliminations/Corporate includes corporate expenses not allocated to individual reportable segments and eliminations of intersegment transactions. Corporate expenses are recorded mainly as general administrative expenses not allocated to reportable segments.
2. Depreciation and amortization does not include amortization of customer-related assets.

3. Information by region

Revenue from external customers

(Millions of yen)

	Nine months ended March 31, 2023 (July 1, 2022 to March 31, 2023)	Nine months ended March 31, 2024 (July 1, 2023 to March 31, 2024)
Japan	132,489	145,259
Asia	8,773	8,582
Europe	4,591	5,852
North America	2,260	2,746
Others	176	139
Total	148,291	162,579

(Notes)

1. Revenues based on location of customer and classified by country or region.

2. The individual countries in each category are as follows:

Asia: China, Singapore, Thailand, Vietnam, Malaysia, India, South Korea

Europe: United Kingdom

North America: United States

(Millions of yen)

	Three months ended March 31, 2023 (January 1, 2023 to March 31, 2023)	Three months ended March 31, 2024 (January 1, 2024 to March 31, 2024)
Japan	45,032	48,857
Asia	2,702	2,931
Europe	1,568	1,981
North America	893	753
Others	82	46
Total	50,279	54,570

(Notes)

1. Revenues based on location of customer and classified by country or region.

2. The individual countries in each category are as follows:

Asia: China, Singapore, Thailand, Vietnam, Malaysia, India, South Korea

Europe: United Kingdom

North America: United States

(Significant subsequent events)

None.