



March 22, 2018

To whom it may concern:

Corporate Name: TechnoPro Holdings, Inc.  
(Code:6028, TSE First Section)

Representative: Yasuji Nishio, President, Representative Director & CEO

Contact: Hiroshi Sato, Director & CFO  
(Tel. 03-6385-7998)

## **Announcement of Issuance of New Shares Through an International Offering**

TechnoPro Holdings, Inc. (the “Company”) hereby announces that, pursuant to the resolution of the Board of Directors dated March 22, 2018, the Company decided to issue new shares through an international offering (the “International Offering”). The details of such resolution are as stated below.

### **1. Background to and Purposes of Offering**

The TechnoPro Group is one of Japan’s largest technology-focused staffing and services providers. The TechnoPro Group has approximately 15,000 engineers and researchers and supports the design development of approximately 1,900 corporate clients in diversified industrial fields, including the automobile, aerospace, information and communications and construction fields.

After the listing of its shares on the First Section of the Tokyo Stock Exchange in 2014, the Techno Group formulated a medium-term management plan, “Growth 1000,” in August 2015, setting the fiscal year ending June 30, 2018 as the final year. However, the TechnoPro Group achieved most of the management plan’s targets by the end of the fiscal year ended June 30, 2017, one year early. Therefore, on July 31, 2017, the TechnoPro Group formulated and announced a new medium-term management plan, “Sustainable Growth for a Bright Future,” setting the fiscal year ending June 30, 2022 as the final year. The new medium-term management plan sets the goals of “providing high-value-added solutions” and “promoting globalization” through the use of alliances, in addition to the continued goal of stable growth of the Company’s core engineer dispatching business. The TechnoPro Group has been promoting M&A activities and the introduction of information technology to its core businesses as a means to advance the foregoing goals.

In January 2018, the TechnoPro Group made PROBIZMO Co., Ltd. a subsidiary in order to further expand its presence in the R&D contracting business. In March 2018, the TechnoPro Group made Techno Live Co., Ltd. a subsidiary, and, as the first step toward full-scale expansion in Asia, the TechnoPro Group also made Helios Technologies Pte Ltd, which is headquartered in Singapore, a subsidiary. These M&A activities have enabled the TechnoPro Group to provide high-value-added services by leveraging global recruitment and industry knowledge. In this manner, the TechnoPro Group has been working toward the achievement of the new medium-term management plan by engaging in proactive M&A activities, taking into consideration the changes in the business environments in and outside of Japan.

Note: This press release does not constitute an offer of securities in the United States. The Company’s securities referred to above have not been, and will not be, registered under the United States Securities Act of 1933, as amended, and may not be offered or sold in the United States absent registration thereunder or an applicable exemption from registration requirements.

The Company expects to use the funds raised in the International Offering to (i) repay borrowings incurred in connection with acquisitions of and investments in companies, including the acquisition of Helius Technologies Pte Ltd in March 2018, and (ii) make system investments aiming at, among other things, the establishment of talent management platforms that meet the needs of both clients and engineers.

The Company believes that this will enable the Company to further develop into a “global human resource services company with technology at its core,” and, as a result, further enhance its corporate value.

## 2. Issuance of New Shares through International Offering

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|-----|---|---|
| (1) | Class and Number of Shares to be Offered                                | 2,000,000 shares of common stock of the Company   |
| (2) | Method of Determination of Amount to be Paid                            | The amount to be paid will be determined on a day (the “Determination Date”) during the period from Thursday, March 22, 2018 to Friday, March 23, 2018 through a process equivalent to the book-building process provided under Article 25 of the Regulations concerning Underwriting of Securities, etc. of the Japan Securities Dealers Association (the “JSDA”).   |
| (3) | Amount of Stated Capital and Additional Paid-in Capital to be Increased | The amount of stated capital to be increased will be half of the maximum amount of the stated capital increase, as calculated in accordance with Article 14, Paragraph 1 of the Rules on Account Settlement of Corporations with any fraction less than one yen resulting from the calculation being rounded up to the nearest one yen. The amount of additional paid-in capital to be increased will be the amount obtained by subtracting the relevant amount of stated capital to be increased from the relevant maximum amount of stated capital increase.  |
| (4) | Method of Offering  | <p>The International Offering related to the issuance of new shares will be made in overseas markets (provided that the offering in the United States will be restricted to qualified institutional buyers under Rule 144A of the U.S. Securities Act of 1933, as amended) and the aggregate number of shares will be severally, and not jointly, purchased and underwritten by the underwriters.</p> <p>Moreover, the issue price (offer price) with respect to the International Offering will be determined on the Determination Date based on the tentative price range calculated by multiplying the closing price in the regular trading session of the shares of common stock of the Company on the Tokyo Stock Exchange, Inc. on the Determination Date (or, if no closing price is quoted, the closing price of the immediately preceding date) by 0.90-1.00 (with any fraction less than one yen being rounded down), through a process equivalent to the book-building process provided under Article 25 of the Regulations concerning Underwriting of Securities, etc. of the JSDA, taking into account market demand and other conditions.</p> |
| (5) | Consideration Provided  | The Company will not pay any underwriting commissions to the underwriters in respect of the International Offering, although the  |

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to Underwriters                      aggregate amount of the difference between (a) the issue price (offer price) and (b) the amount to be paid to the Company by the underwriters in the International Offering will constitute proceeds of the underwriters.

- (6)    Date of Payment                      Friday, April 6, 2018
- (7)    Subscription Unit                      100 shares
- (8)    Determination of the issue price (offer price), the amount to be paid, the amount of stated capital and additional paid-in capital to be increased and all other matters necessary for the issuance of new shares through the International Offering and implementation of the relevant procedures (including the preparation, execution and delivery of related agreements and the preparation, execution and delivery of related documents) will be delegated to Mr. Yasuji Nishio, President, Representative Director & CEO, Mr. Hiroshi Sato, Director & CFO, or any other person appointed by the said directors.

<Reference>

**1. Total Number of Issued Shares Before and After the Issuance of New Shares:**

Current total number of issued shares: (as of March 22, 2018)	34,254,932 shares
Number of shares to be newly issued by the issuance of new shares:	2,000,000 shares
Total number of issued shares after the issuance of new shares:	36,254,932 shares

**2. Use of Proceeds**

- (1)    Use of the Proceeds to be Raised through the International Offering  
Out of the net proceeds from the International Offering, which are estimated to be ¥11,944,000,000, approximately ¥9.0 billion is expected to be used by around June 2018 to repay a part of the borrowings from financial institutions incurred in connection with the acquisition of shares of six companies in total, including Helius Technologies Pte Ltd; HRnetGroup Limited; EDELTA Co., Ltd.; and PROBIZMO Co., Ltd., and the remaining amount is expected to be used by around June 2020 for the establishment of a human resource talent management system as a part of the move toward platforms utilizing information technology, which is promoted in the new medium-term management plan, and for capital investment in, among other things, core systems.  
The estimated net proceeds are calculated based on the closing price of the regular transaction of the shares of common stock of the Company on the Tokyo Stock Exchange, Inc. on Tuesday, March 20, 2018.
- (2)    Change in the Use of the Proceeds Raised through Previous Issuance  
Not applicable.

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(3) Influence on Business Results

The Company expects the International Offering to have a minor impact on its full-year business results for the fiscal year ending June 2018. The Company believes that the International Offering will secure flexibility of the Company's financial policy and enable the Company to make faster management judgments in response to growth opportunities in and outside of Japan, and, therefore, contribute to the future growth of the TechnoPro Group.

**3. Lock-up**

In connection with the International Offering, the Company has agreed with the underwriters that, without the prior written consent of the underwriters, the Company will not, during the period commencing on the Determination Date in respect of the International Offering and ending on the date 90 days from and including the date of payment relating to the International Offering, issue shares of common stock of the Company or any securities convertible into, or exchangeable for, or that represent the right to acquire shares of common stock of the Company nor will it take any other certain actions similar to the foregoing; provided, however, that the foregoing restrictions do not apply to, among other things: (i) the International Offering; (ii) the issuance or delivery of shares of common stock of the Company upon the exercise of stock option; (iii) the issuance or delivery of shares of common stock of the Company in accordance with the restricted stock compensation plan; (iv) the delivery of shares of common stock of the Company as a result of stock splits or the allotment of shares without contribution; and (v) the delivery of shares of common stock of the Company upon the exercise of the right to demand for sale of shares to holders of shares less than one unit.

[End of Document]

Note on translation

This is an abbreviated translation of the original Japanese document and is provided for informational purpose only.

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