



February 1, 2022

To Whom It May Concern,

Corporate Name: TechnoPro Holdings, Inc.
(Code:6028, TSE First Section)
Representative: Takeshi Yagi, President, Representative Director & CEO
Contact: Toshihiro Hagiwara, Managing Director & CFO
(Tel. 03-6385-7998)

Notice Regarding Difference between First Half Guidance and Results, Interim Dividend, Revisions to Full-Year Guidance and Dividend Forecast for FY2022

TechnoPro Holdings, Inc. hereby announced the difference between its consolidated earnings guidance for the cumulative first half period ended December 31, 2021 (July 1, 2021 to December 31, 2021) provided on August 10, 2021 and actual results disclosed today. The Company has also made an upward revision to its full-year consolidated earnings guidance for the fiscal year ending June 30, 2022 (July 1, 2021 to June 30, 2022) as described below.

In addition, the Board of Directors of TechnoPro Holdings today declared an interim dividend to the shareholders of record on December 31, 2021, and raised its year-end dividend forecast for the fiscal year ending June 30, 2022 as follows, to reflect revised earnings guidance.

1. Difference between Consolidated First Half Guidance and Actual Results, Revision to Consolidated Full-Year Earnings Guidance for the Fiscal Year Ending June 30, 2022

(1) Difference between Consolidated Earnings Guidance and Actual Results for First Half FY2022
(yen in millions, except per share amounts)

	Revenue	Core operating profit	Operating profit	Profit before income taxes	Net profit attributable to owners of the parent company	Net profit per share (yen)
Previous guidance (A)	84,000	7,300	7,300	7,250	5,000	46.41
Actual results (B)	86,358	9,032	11,078	11,229	7,794	72.35
Difference (B – A)	2,358	1,732	3,778	3,979	2,794	–
Difference (%)	2.8	23.7	51.8	54.9	55.9	–
(Reference) H1 FY2021 results	79,451	8,291	9,680	9,645	6,623	61.48

(Note) The Company conducted a three-for-one split of ordinary shares on July 1, 2021. “Net profit per share” for H1 FY2021 is calculated on the assumption that the stock split was conducted at the beginning of the fiscal year.

(2) Revision to Consolidated Earnings Guidance for the Full-Year FY2022
(yen in millions, except per share amounts)

	Revenue	Core operating profit	Operating profit	Profit before income taxes	Net profit attributable to owners of the parent company	Net profit per share (yen)
Previous guidance (A)	170,000	16,500	16,500	16,400	11,300	104.89
Revised guidance (B)	174,000	17,300	19,300	19,300	13,300	123.46
Difference (B – A)	4,000	800	2,800	2,900	2,000	–
Difference (%)	2.4	4.8	17.0	17.7	17.7	–
(Reference) FY2021 results	161,316	17,639	19,461	19,472	13,245	122.96

(Note) The Company conducted a three-for-one split of ordinary shares on July 1, 2021. “Net profit per share” for FY2021 is calculated on the assumption that the stock split was conducted at the beginning of the fiscal year.

(3) Reasons of Difference and Revision

In the consolidated first half period ended December 31, 2021, both of revenue and core operating profit surpassed the previously announced guidance mainly due to 1) the fact that the number of engineers, utilization ratio and average monthly unit sales price, each of which is a key KPI in domestic operations, exceeded the original plan, driven by the continued vigorous demand for the Group's engineer staffing and project-type services in Japan, and 2) consolidation of the profit and loss of newly acquired Robosoft Technologies Private Limited from the second quarter period. Furthermore, both of operating profit and net profit largely exceeded the previous guidance due to reversal of the full amount of put option liabilities related to Helius Technologies Pte Ltd (recorded 1,863 million yen as other income), which is TechnoPro Holdings' subsidiary with 51% shareholding. This accounting treatment was carried out based on the reasonable expectation that the conditions for exercising put option for the remaining 49% Helius shares, granted to its non-controlling shareholders under the shareholders agreement executed at the acquisition (amount of accumulated EBITDA of Helius from April 2017 to June 2022 to meet the pre-set criteria), could not be satisfied, and thereby the put option would not be exercised; accordingly the fair value of the said put option liabilities is deemed to become zero.

In addition, TechnoPro Holdings has raised its consolidated full-year guidance for the fiscal year ending June 30, 2022, reflecting actual results of the first half period mentioned above, as well as earnings guidance of Robosoft, which was not included in the previous guidance.

For further details, please see "TechnoPro Group Financial Results for the 2rd Quarter of FYE June 2022" disclosed today.

2. Interim Dividend and Revision to Year-End Dividend Forecast for FY2022

(1) Interim Dividend

	FY2022 Interim	Latest forecast (announced August 10, 2021)	FY2021 Interim
Record date	December 31, 2021	December 31, 2021	December 31, 2020
Dividend per share	¥20.00	¥20.00	¥16.67
Total dividend amount	¥2,154 million	–	¥1,795 million
Effective date	February 28, 2022	–	March 1, 2021
Source of payment	Retained earnings	–	Retained earnings

(Note) The Company conducted a three-for-one split of ordinary shares on July 1, 2021. Per share amount of interim dividend for FY2021 is calculated on the assumption that the stock split was conducted at the beginning of the fiscal year (the same applies hereinafter).

(2) Revision to Year-End Dividend Forecast

	Annual dividend per share (yen)		
	Interim	Year-end	Total
Previous forecast	–	¥33.00	¥53.00
Revised forecast	–	¥42.00	¥62.00
Dividends for the current period (FY2022)	¥20.00	–	–
(Reference) Dividends paid for the previous period (FY2021)	¥16.67	¥45.00	¥61.67

(3) Reasons of Interim Dividend and Revision to Year-End Dividend Forecast

TechnoPro Holdings's basic stance on shareholder return is to maintain stable payment of interim and year-end dividend every year, in accordance with the dividend policy to distribute profits linked to business performance at the expected annual dividend payout ratio of 50%. Based on this basic stance and comprehensive consideration of the current business performance and financial conditions, TechnoPro Holdings declared an interim dividend of ¥20.00

per share for the fiscal year ending June 30, 2022, the same amount as in the latest forecast.

In terms of the year-end dividend for FY2022, TechnoPro Holdings sets a plan to distribute ¥42.00 per share (total annual dividend of ¥62.00 per share, including interim dividend of ¥20.00) based on the revised full-year earnings guidance and the annual dividend payout ratio of 50%, representing an increase of ¥9.00 per share compared with the previous forecast.

(Note) The above guidance and other forward-looking statements are based on information currently available to the Company and certain other premises judged to be reasonable, and the actual results may differ materially due to various factors.

Note on translation

This document is provided for informational purpose only. If there are any discrepancies between this and the original, the original Japanese document prevails.