

TechnoPro Group Financial Results for Fiscal Year Ended June 2022

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

August 8, 2022

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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 July 1, 2021

FY2022 Financial Overview

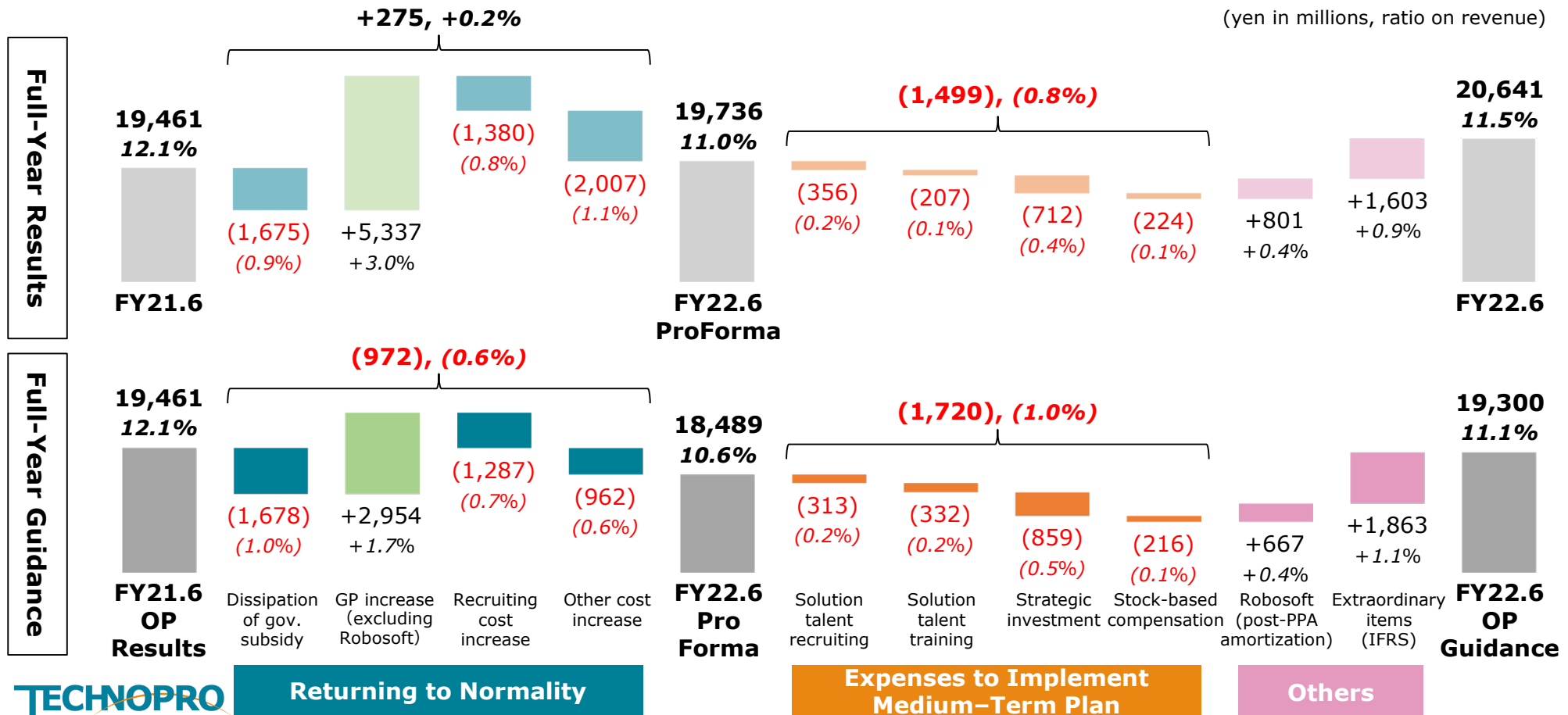
- Full-year FY22.6 revenue was **178.7 billion yen**, up 10.8% year-on-year; gross profit was **46.8 billion yen**, up 18.0% year-on-year; core operating profit was **19.0 billion yen**, up 7.9% year-on-year; operating profit was **20.6 billion yen**, up 6.1% year-on-year; net profit was **15.4 billion yen**, up 16.5% year-on-year
- Full-year FY22.6 gross profit **increased 18.0%** with its margin improvement of 1.6 pts year-on-year; mainly due to 1) increased allocation of domestic engineers (up 5.4%), 2) expansion of project-type services (up 5.3%), and 3) new consolidation of Robosoft's earnings (up 4.5%), while core operating profit grew 7.9% year-on-year by absorbing the increase in recruiting expenses
- Gain from Helius' PO liabilities reversal of 1.8 billion yen (non-taxable) has mitigated the dissipation of government subsidy for continuous employment, resulting in higher operating profit and net profit than the previous year

(yen in millions, except per share amounts)

	Q4 (Three-Months Period)				Full-Year						
	FY21.6 (Results)	FY22.6 (Results)	YOY		FY21.6 (Results)	FY22.6 (Guidance)	FY22.6 (Results)	YOY		YOY	
Revenue	41,135	47,043	+5,908	+14.4%	161,316	174,000	178,756	+17,439	+10.8%	+4,756	+2.7%
Gross profit	10,840	12,574	+1,734	+16.0%	39,727	—	46,858	+7,131	+18.0%	—	—
<i>GP margin</i>	26.4%	26.7%	+0.4 pts		24.6%		26.2%	+1.6 pts			
SG&A expenses	6,387	7,982	+1,595	+25.0%	22,087	—	27,819	+5,732	+26.0%	—	—
<i>Ratio on revenue</i>	15.5%	17.0%	+1.4 pts		13.7%		15.6%	+1.9 pts			
Core operating profit	4,452	4,591	+139	+3.1%	17,639	17,300	19,038	+1,399	+7.9%	+1,738	+10.0%
<i>Core OP margin</i>	10.8%	9.8%	(1.1 pts)		10.9%	9.9%	10.7%	(0.3 pts)		+0.7 pts	
Other income	177	122	(55)	—	2,162	—	2,387	+225	—	—	—
Other expenses	48	595	+546	—	340	—	784	+444	—	—	—
Operating profit	4,581	4,118	(462)	(10.1%)	19,461	19,300	20,641	+1,180	+6.1%	+1,341	+6.9%
<i>OP margin</i>	11.1%	8.8%	(2.4 pts)		12.1%	11.1%	11.5%	(0.5 pts)		+0.5 pts	
Profit before income taxes	4,570	4,190	(380)	(8.3%)	19,472	19,300	20,967	+1,494	+7.7%	+1,667	+8.6%
Net profit	2,996	3,353	+357	+11.9%	13,245	13,300	15,430	+2,184	+16.5%	+2,130	+16.0%
<i>Net profit margin</i>	7.3%	7.1%	(0.2 pts)		8.2%	7.6%	8.6%	+0.4 pts		+1.0 pts	
Earnings per share	27.81	31.13	+3.32	+11.9%	122.96	123.46	143.24	+20.28	+16.5%	+19.78	+16.0%
Dividend per share	—	—	—	—	61.67	62.00	72.00	+10.33	+16.8%	+10.00	+16.1%

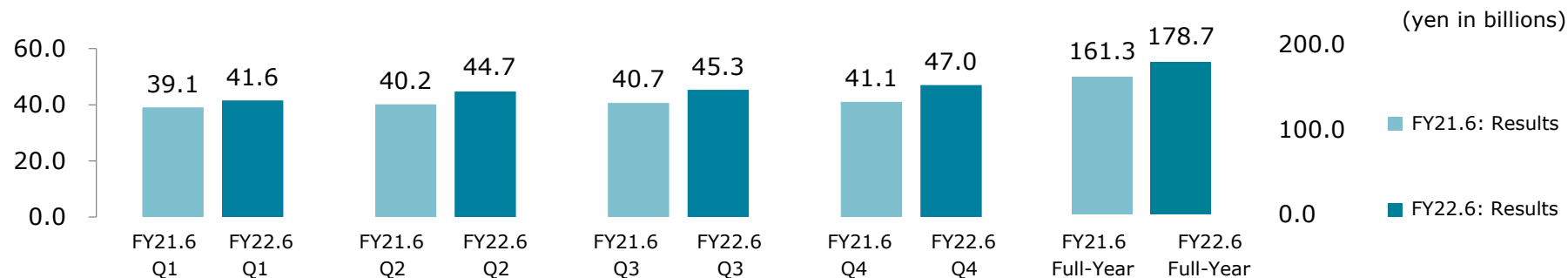
Operating Profit Bridge

- Offset cost increase for returning to normality by the **improvement of gross profit** driven by the increase in the number of assigned engineers and the unit sales price hike, making full-year ProForma operating profit exceed the previous year
- Annual progress of cost spending to implement medium-term plan resulted in only **87.2%** of the total budget, although expenses for solution talent recruitment were used as planned at the beginning of the term
- In FY23.6, continues to make intensive investment for achieving accelerated growth, and plans to track and disclose items related to the implementation cost of the medium-term plan and its progress



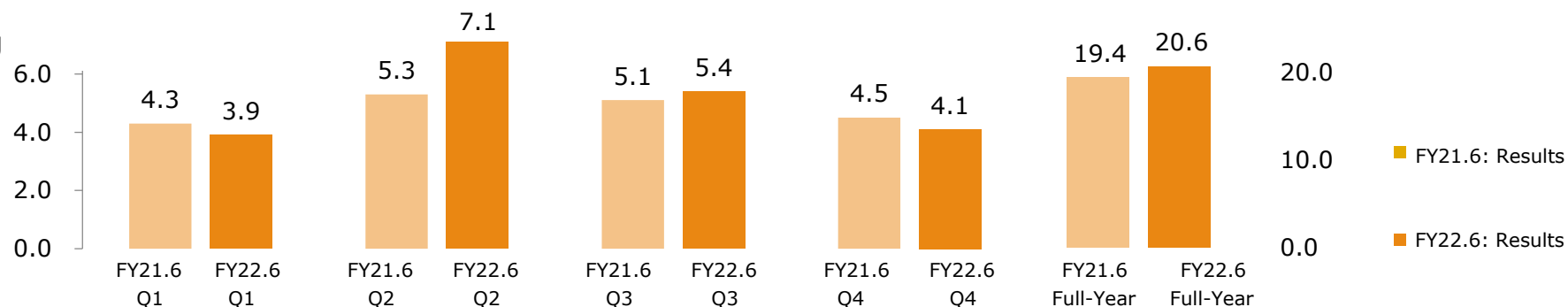
Reference: Quarterly Performance

Revenue



YOY	+6.2%		+11.1%		+11.4%		+14.4%		+10.8%	
Progress on full-year %	24.3%	23.3%	25.0%	25.0%	25.2%	25.4%	25.5%	26.3%	100.0%	100.0%
Ave. no. of engineers	20,795	20,439	20,287	20,673	19,986	20,949	20,229	21,958	20,324	21,005
Ave. utilization ratio	92.7%	95.5%	94.8%	95.7%	96.2%	96.0%	94.7%	94.1%	94.6%	95.3%
Ave. monthly unit sales price (thousands yen)*	620	639	637	660	640	673	639	661	634	658
Working days*	56.2	55.7	58.6	58.2	56.5	55.7	57.7	57.2	229.0	226.9
Working hours per day*	8.44	8.49	8.47	8.49	8.51	8.51	8.47	8.45	8.47	8.49

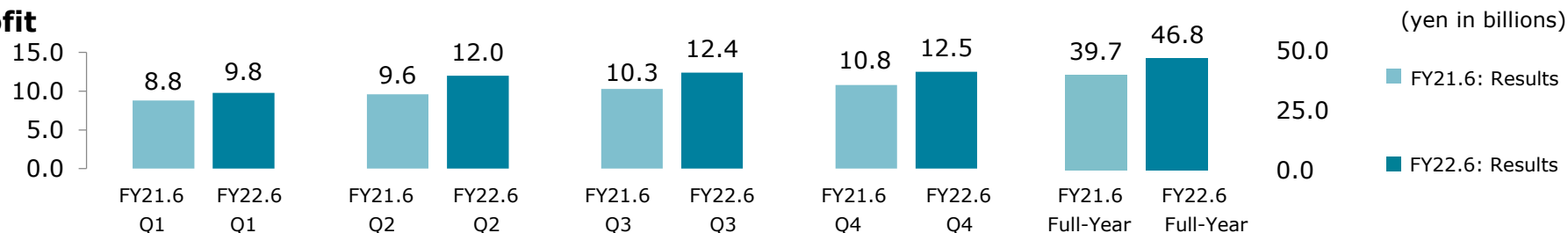
Operating Profit



YOY	(9.5%)		+34.0%		+4.7%		(10.1%)		+6.1%	
Progress on full-year %	22.4%	19.1%	27.4%	34.6%	26.7%	26.4%	23.5%	20.0%	100.0%	100.0%
OP margin	11.1%	9.5%	13.2%	16.0%	12.8%	12.0%	11.1%	8.8%	12.1%	11.5%

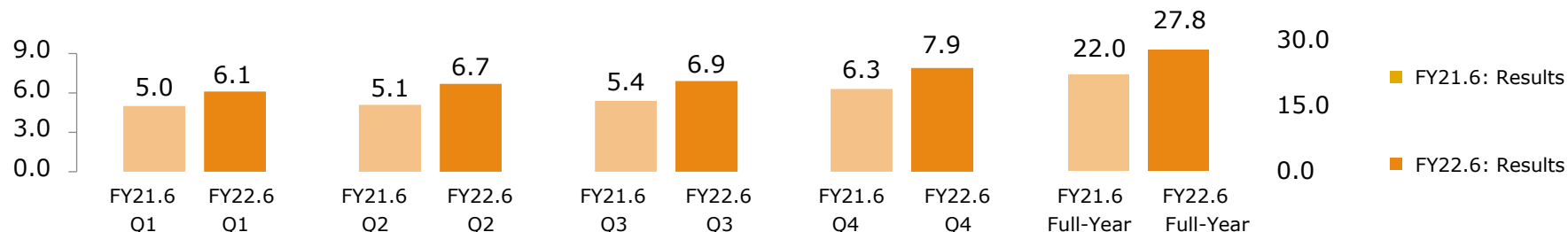
Reference: Quarterly Performance (cont.)

Gross Profit



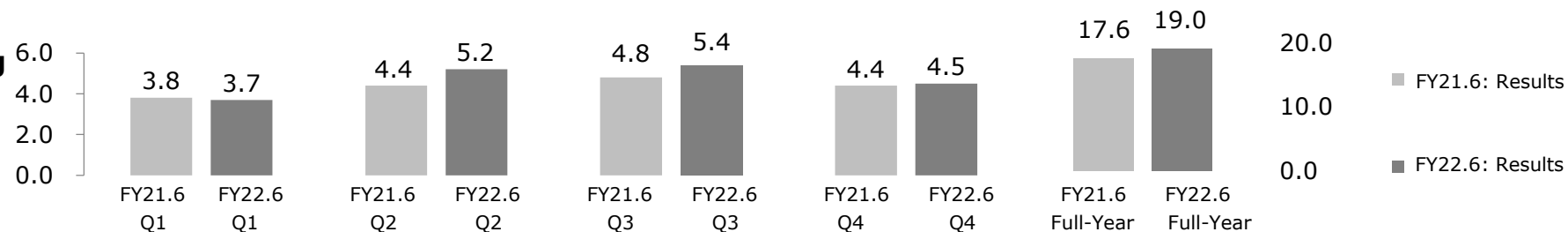
YOY	+11.0%		+24.7%		+19.7%		+16.0%		+18.0%	
GP margin	22.7%	23.7%	23.9%	26.9%	25.4%	27.3%	26.4%	26.7%	24.6%	26.2%

SG&A



YOY	+21.1%		+29.9%		+27.8%		+25.0%		+26.0%	
Ratio on revenue	12.9%	14.7%	12.9%	15.1%	13.4%	15.4%	15.5%	17.0%	13.7%	15.6%

Core Operating Profit



YOY	(2.2%)		+18.6%		+10.6%		+3.1%		+7.9%	
Core OP margin	9.8%	9.1%	11.0%	11.8%	12.0%	11.9%	10.8%	9.8%	10.9%	10.7%

Segment Results [Full-Year]

(yen in millions, except engineer headcounts)

	R&D Outsourcing				Construction Management Outsourcing				Other Businesses in Japan				Japan Total			
	FY20.6	FY21.6	FY22.6	YOY	FY20.6	FY21.6	FY22.6	YOY	FY20.6	FY21.6	FY22.6	YOY	FY20.6	FY21.6	FY22.6	YOY
Revenue	126,179	127,870	137,471	+7.5%	19,787	19,670	20,311	+3.3%	4,103	3,800	4,898	+28.9%	150,071	151,341	162,682	+7.5%
<i>Ratio to consolidated revenue</i>	79.7%	79.3%	76.9%		12.5%	12.2%	11.4%		2.6%	2.4%	2.7%		94.7%	93.8%	91.0%	
Gross profit	30,136	29,577	33,820	+14.3%	6,070	5,934	6,062	+2.1%	2,925	2,532	3,704	+46.3%	39,131	38,044	43,586	+14.6%
<i>GP margin</i>	23.9%	23.1%	24.6%		30.7%	30.2%	29.8%		71.3%	66.6%	75.6%		26.1%	25.1%	26.8%	
Operating profit	12,880	15,815	14,151	(10.5%)	2,109	2,791	2,489	(10.8%)	(139)	315	672	+112.9%	14,850	18,922	17,313	(8.5%)
<i>OP margin</i>	10.2%	12.4%	10.3%		10.7%	14.2%	12.3%		(3.4%)	8.3%	13.7%		9.9%	12.5%	10.6%	
OP before PPA asset amortization	12,960	15,895	14,626	(8.0%)	2,517	2,791	2,489	(10.8%)	367	315	672	+112.9%	15,845	19,002	17,788	(6.4%)
<i>OP margin before PPA asset amortization</i>	10.3%	12.4%	10.6%		12.7%	14.2%	12.3%		9.0%	8.3%	13.7%		10.6%	12.6%	10.9%	
PPA asset amortization	(80)	(80)	(113)	—	—	—	—	—	—	—	—	—	(80)	(80)	(113)	—
Impairment loss	—	—	(361)	—	(408)	—	—	—	(507)	—	—	—	(915)	—	(361)	—
No. of engineers (period-end)	18,471	17,692	19,257	+8.8%	2,793	2,638	2,791	+5.8%	—	—	—	—	21,264	20,330	22,048	+8.5%
o/w Non-Japanese in Japan	1,082	817	788	(3.5%)	96	104	110	+5.8%	—	—	—	—	1,178	921	898	(2.5%)

	Overseas				Reporting Segment Total				Corporate/Eliminations*				Consolidated Total			
	FY20.6	FY21.6	FY22.6	YOY	FY20.6	FY21.6	FY22.6	YOY	FY20.6	FY21.6	FY22.6	YOY	FY20.6	FY21.6	FY22.6	YOY
Revenue	9,941	11,432	18,976	+66.0%	160,012	162,773	181,658	+11.6%	(1,605)	(1,456)	(2,902)	—	158,407	161,316	178,756	+10.8%
<i>Ratio to consolidated revenue</i>	6.3%	7.1%	10.6%		101.0%	100.9%	101.6%		(1.0%)	(0.9%)	(1.6%)		100.0%	100.0%	100.0%	
Gross profit	2,258	2,589	5,297	+104.6%	41,390	40,633	48,884	+20.3%	(1,164)	(905)	(2,025)	—	40,226	39,727	46,858	+18.0%
<i>GP margin</i>	22.7%	22.6%	27.9%		25.9%	25.0%	26.9%		—	—	—		25.4%	24.6%	26.2%	
Operating profit	655	764	1,925	+151.8%	15,506	19,687	19,239	(2.3%)	266	(226)	1,401	—	15,772	19,461	20,641	+6.1%
<i>OP margin</i>	6.6%	6.7%	10.1%		9.7%	12.1%	10.6%		—	—	—		10.0%	12.1%	11.5%	
OP before PPA asset amortization	858	974	2,381	+144.4%	16,704	19,977	20,170	+1.0%	119	(267)	(416)	—	16,824	19,709	19,754	+0.2%
<i>OP margin before PPA asset amortization</i>	8.6%	8.5%	12.6%		10.4%	12.3%	11.1%		—	—	—		10.6%	12.2%	11.1%	
PPA asset amortization	(203)	(209)	(455)	—	(283)	(289)	(569)	—	—	—	—	—	(283)	(289)	(569)	—
Impairment loss	—	—	—	—	(915)	—	(361)	—	—	—	—	—	(915)	—	(361)	—
Changes in fair value amount and early exercise of PO liabilities	—	—	—	—	—	—	—	—	256	41	1,817	—	256	41	1,817	—
Changes in fair value amount of EO liabilities	—	—	—	—	—	—	—	—	(110)	—	—	—	(110)	—	—	—
No. of engineers (period-end)	1,331	1,970	2,851	+44.7%	22,595	22,300	24,899	+11.7%	—	—	—	—	22,595	22,300	24,899	+11.7%

Reference: Q4 Segment Results [Three-Months]

(yen in millions, except engineer headcounts)

	R&D Outsourcing				Construction Management Outsourcing				Other Businesses in Japan				Japan Total			
	FY20.6 Q4	FY21.6 Q4	FY22.6 Q4	YOY	FY20.6 Q4	FY21.6 Q4	FY22.6 Q4	YOY	FY20.6 Q4	FY21.6 Q4	FY22.6 Q4	YOY	FY20.6 Q4	FY21.6 Q4	FY22.6 Q4	YOY
Revenue	31,421	32,405	35,917	+10.8%	4,865	4,821	5,098	+5.8%	991	1,106	1,552	+40.3%	37,278	38,333	42,568	+11.0%
<i>Ratio to consolidated revenue</i>	80.7%	78.8%	76.3%		12.5%	11.7%	10.8%		2.5%	2.7%	3.3%		95.8%	93.2%	90.5%	
Gross profit	6,957	8,254	9,188	+11.3%	1,460	1,462	1,493	+2.2%	701	783	1,195	+52.5%	9,119	10,500	11,878	+13.1%
<i>GP margin</i>	22.1%	25.5%	25.6%		30.0%	30.3%	29.3%		70.8%	70.8%	77.0%		24.5%	27.4%	27.9%	
Operating profit	2,658	3,669	3,122	(14.9%)	225	603	518	(14.1%)	(445)	203	173	(14.9%)	2,438	4,476	3,814	(14.8%)
<i>OP margin</i>	8.5%	11.3%	8.7%		4.6%	12.5%	10.2%		(45.0%)	18.4%	11.2%		6.5%	11.7%	9.0%	
OP before PPA asset amortization	2,678	3,689	3,513	(4.8%)	633	603	518	(14.1%)	61	203	173	(14.9%)	3,373	4,496	4,205	(6.5%)
<i>OP margin before PPA asset amortization</i>	8.5%	11.4%	9.8%		13.0%	12.5%	10.2%		6.2%	18.4%	11.2%		9.0%	11.7%	9.9%	
PPA asset amortization	(20)	(20)	(29)	—	—	—	—	—	—	—	—	—	(20)	(20)	(29)	—
Impairment loss	—	—	(361)	—	(408)	—	—	—	(507)	—	—	—	(915)	—	(361)	—
No. of engineers (period-end)	18,471	17,692	19,257	+8.8%	2,793	2,638	2,791	+5.8%	—	—	—	—	21,264	20,330	22,048	+8.5%
o/w Non-Japanese in Japan	1,082	817	788	(3.5%)	96	104	110	+5.8%	—	—	—	—	1,178	921	898	(2.5%)

	Overseas				Reporting Segment Total				Corporate/Eliminations*				Consolidated Total			
	FY20.6 Q4	FY21.6 Q4	FY22.6 Q4	YOY	FY20.6 Q4	FY21.6 Q4	FY22.6 Q4	YOY	FY20.6 Q4	FY21.6 Q4	FY22.6 Q4	YOY	FY20.6 Q4	FY21.6 Q4	FY22.6 Q4	YOY
Revenue	2,087	3,313	5,512	+66.4%	39,365	41,646	48,081	+15.5%	(449)	(511)	(1,037)	—	38,916	41,135	47,043	+14.4%
<i>Ratio to consolidated revenue</i>	5.4%	8.1%	11.7%		101.2%	101.2%	102.2%		(1.2%)	(1.2%)	(2.2%)		100.0%	100.0%	100.0%	
Gross profit	490	694	1,471	+111.8%	9,610	11,195	13,349	+19.2%	(336)	(355)	(775)	—	9,273	10,840	12,574	+16.0%
<i>GP margin</i>	23.5%	21.0%	26.7%		24.4%	26.9%	27.8%		—	—	—		23.8%	26.4%	26.7%	
Operating profit	92	163	582	+256.4%	2,530	4,640	4,396	(5.2%)	171	(58)	(278)	—	2,701	4,581	4,118	(10.1%)
<i>OP margin</i>	4.4%	4.9%	10.6%		6.4%	11.1%	9.1%		—	—	—		6.9%	11.1%	8.8%	
OP before PPA asset amortization	141	218	723	+231.1%	3,514	4,715	4,928	+4.5%	(24)	(100)	(232)	—	3,490	4,615	4,696	+1.8%
<i>OP margin before PPA asset amortization</i>	6.8%	6.6%	13.1%		8.9%	11.3%	10.3%		—	—	—		9.0%	11.2%	10.0%	
PPA asset amortization	(49)	(55)	(140)	—	(69)	(75)	(169)	—	—	—	—	—	(69)	(75)	(169)	—
Impairment loss	—	—	—	—	(915)	—	(361)	—	—	—	—	—	(915)	—	(361)	—
Changes in fair value amount and early exercise of PO liabilities	—	—	—	—	—	—	—	—	195	41	(45)	—	195	41	(45)	—
Changes in fair value amount of EO liabilities	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
No. of engineers (period-end)	1,331	1,970	2,851	+44.7%	22,595	22,300	24,899	+11.7%	—	—	—	—	22,595	22,300	24,899	+11.7%

FY2022 Balance Sheet & Cash Flows

- **10 billion yen** straight bonds (5 billion yen for 3-year bond & 5 billion yen for 5-year bond, R&I rating is **A-**) were newly issued in October 2021 to refinance total amount of the bridge loan (6.5 billion yen) to acquire Robosoft as a long-term fixed debt, returning unused commitment lines for the M&A purpose back to **10 billion yen**
- Foreign exchange risks associated with potential exercise of put option of Orion and remaining share acquisition of Robosoft have been partially hedged to mitigate negative impact from rapid weakening of Japanese yen

FY22.6 End B/S (yen in billions)

<table border="1" style="width: 100%;"> <tr> <td style="width: 50%;">Cash & cash equivalents 37.4</td> <td style="width: 50%; text-align: center;">Debt 16.5</td> </tr> <tr> <td></td> <td style="text-align: center;">IFRS 16 related liabilities 9.1</td> </tr> <tr> <td style="text-align: center;">IFRS 16 related assets 9.1</td> <td style="text-align: center;">Other liabilities 41.0</td> </tr> <tr> <td style="text-align: center;">Goodwill 45.9</td> <td style="text-align: center;">PO, etc. liabilities 4.9</td> </tr> <tr> <td style="text-align: center;">PPA 4.6</td> <td style="text-align: center;">Total equity 70.4</td> </tr> <tr> <td style="text-align: center;">Other assets 44.9</td> <td></td> </tr> </table>	Cash & cash equivalents 37.4	Debt 16.5		IFRS 16 related liabilities 9.1	IFRS 16 related assets 9.1	Other liabilities 41.0	Goodwill 45.9	PO, etc. liabilities 4.9	PPA 4.6	Total equity 70.4	Other assets 44.9		<table border="1" style="width: 100%;"> <tr> <td style="width: 50%; text-align: center;">Total assets 141.9</td> <td style="width: 50%; text-align: center;">Total liabilities & equity 141.9</td> </tr> </table>	Total assets 141.9	Total liabilities & equity 141.9
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PPA 4.6	Total equity 70.4														
Other assets 44.9															
Total assets 141.9	Total liabilities & equity 141.9														

FY22.6 Cash Flows (yen in millions)

• Operating CF	+18,857
Net cash flow from income tax payment & refund	(7,271)
• Investing CF	(7,975)
M&A consideration payment (Robosoft, etc.)	(8,681)
Proceeds from the sale of investment securities (HRnet)	+1,563
• Financing CF	(6,551)
IFRS 16 related lease liability repayment	(6,667)
Net cash flow from debt procurement & repayment	+8,000
Dividend payment	(7,053)
Net CF (incl. effect of exchange rate change of 576mn yen)	+4,907

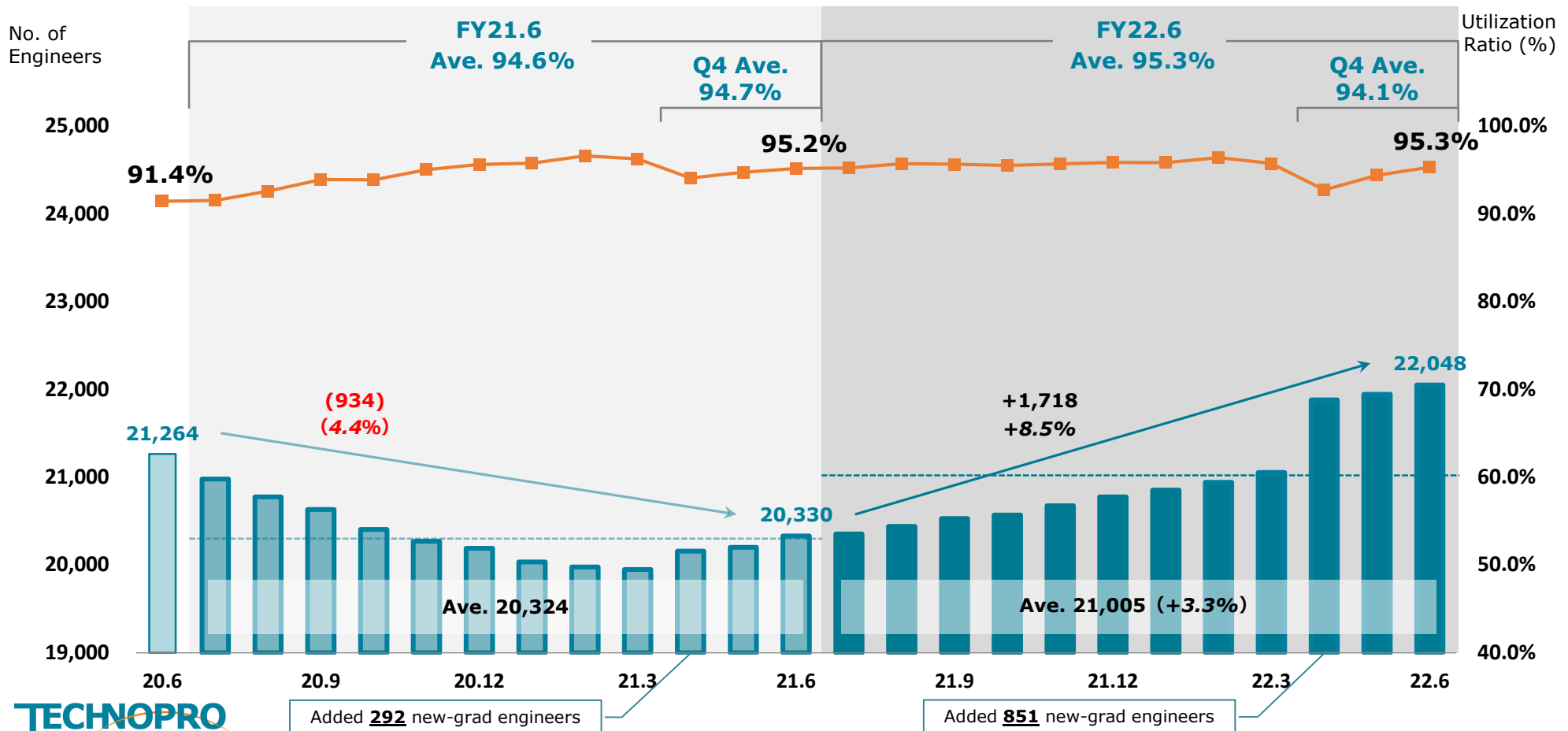
Net Cash :	20.9bn yen
Net Worth Ratio* :	49.6%
Goodwill/E Ratio* :	0.65x
D/E Ratio* :	0.23x
D/OP Ratio :	0.80x

Commitment Lines (yen in millions)

Purpose	Credit line	Used	Unused	Expiration
1 Working capital	6,000	0	6,000	Jun. 2023
2 Working capital	1,000	0	1,000	Sep. 2022
3 Working capital	1,000	0	1,000	Oct. 2022
4 M&A	10,000	0	10,000	Dec. 2022
Total	18,000	0	18,000	

Number of Engineers & Utilization Ratio [Japan]

- Engineers in Japan at the end of FY22.6 totaled **22,048** (up 1,718 from FY21.6 end), including **898** non-Japanese engineers (down 23 from FY21.6 end)
- Average utilization ratio was **94.1%** for the three months Q4 FY22.6 period (down 0.5 pts year-on-year), while annual average one for FY22.6 was **95.3%** (up 0.7 pts year-on-year)
- Engineers working outside Japan totaled **2,851** (not included in number of engineers in Japan, up 881 from FY21.6 end)

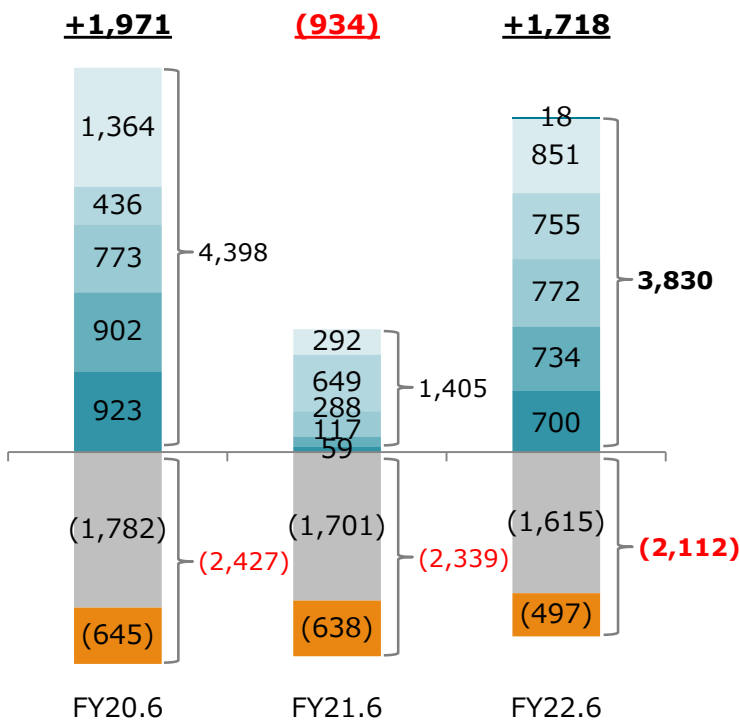


Recruitment & Turnover [Japan]

- Engineers hired in FY22.6 (including 18 engineers from M&A) totaled **3,830** (up 2,425 year-on-year), of which **851** new-graduate engineers were hired in April 2022 (up 559 year-on-year)
- 2,112** engineers left in FY22.6 (down 227 year-on-year): permanent employees of **1,615** (down 86 year-on-year) and fixed-term employees of **497** (down 141 year-on-year)
- Turnover ratio for permanent employees* was **7.7%** (down 0.7 pts year-on-year) for FY22.6, expecting the new personnel system for engineers introduced in July 2022 to curb retirement
- Net engineer increase was **1,718** for FY22.6, surpassing 448 compared to 1,270 addition planned at the beginning of the term

Net Increase (Decrease)

(No. of Engineers)



Annual Recruitment/Turnover

(No. of Engineers)

	FY20.6	FY21.6	FY22.6	YOY	
Hired Total	4,398	1,405	3,830	+2,425	+172.6%
M&A	0	0	18	+18	—
New-grads joined in April	1,364	292	851	+559	+191.4%
Mid-carrier: Q4	436	649	755	+106	+16.3%
Mid-carrier: Q3	773	288	772	+484	+168.1%
Mid-carrier: Q2	902	117	734	+617	+527.4%
Mid-carrier: Q1	923	59	700	+641	+1086.4%
Turnover Total	2,427	2,339	2,112	(227)	(9.7%)
Permanent employees	1,782	1,701	1,615	(86)	(5.1%)
Contract terms matured, others	645	638	497	(141)	(22.1%)

Turnover Ratio for Permanent Employees*

	FY20.6				FY21.6				FY22.6			
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
Quarter	8.6%	7.8%	8.6%	10.1%	8.8%	8.2%	8.1%	8.3%	7.7%	7.1%	7.4%	8.6%
Year-to-date	—	8.2%	8.3%	8.8%	—	8.5%	8.4%	8.4%	—	7.4%	7.4%	7.7%
Last Twelve Months	8.5%	8.7%	8.3%	8.8%	8.9%	8.9%	8.8%	8.4%	8.1%	7.8%	7.6%	7.7%

* Turnover ratio for permanent employees was calculated, excluding fixed-term employees left at the end of contract term

Assigned Engineers Portfolios by "Technology" [Japan]

- With utilization ratio already maintaining a normal level, the number of assigned engineers has exceeded 21,000, continuing to renew record highs
- Expects domestic demands for investment to increase broadly across R&D, IT and digital areas despite concerns about economic recession possibility, therefore continues to focus on increasing number of engineers while aiming to raise average unit sales price by promoting recruitment and training mainly in the software field

FY21.6 End

Assigned Engineers: **19,347**

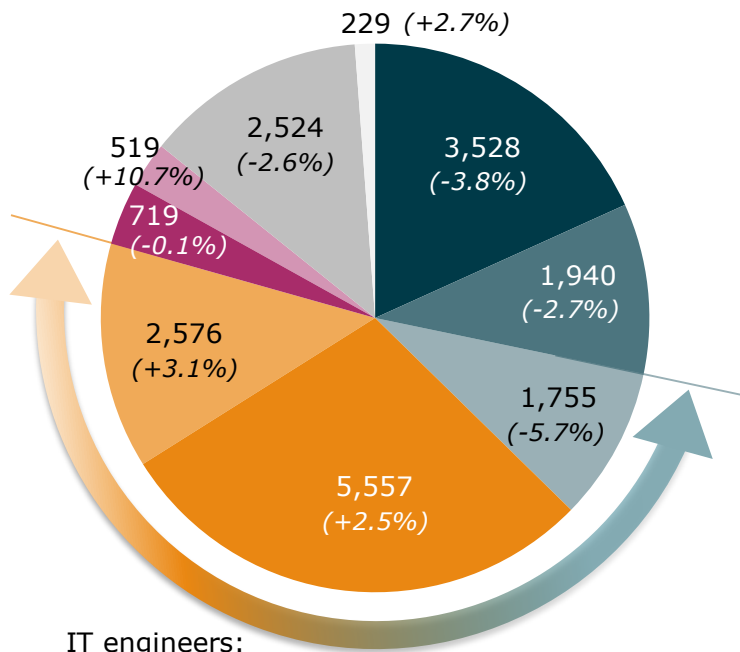
+8.6%

+1,670人

FY22.6 End

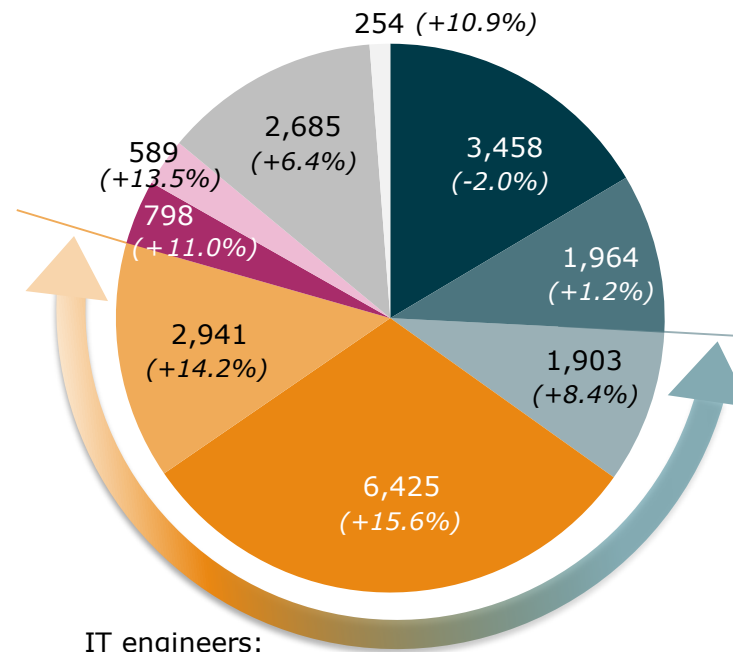
Assigned Engineers: **21,017**

No. of
Engineers



IT engineers:
51.1%/9,888

TECHNOPRO

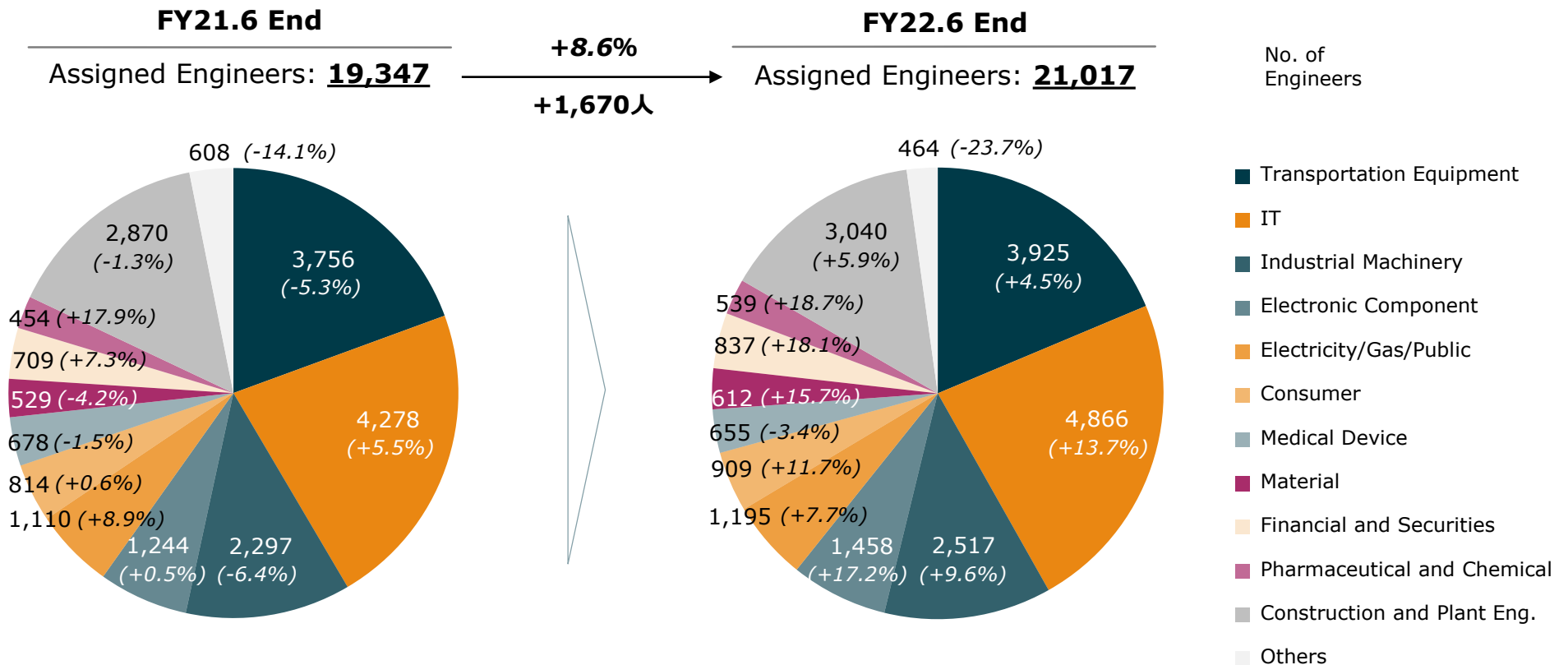


IT engineers:
53.6%/11,269

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

Assigned Engineers Portfolios by "Industry" [Japan]

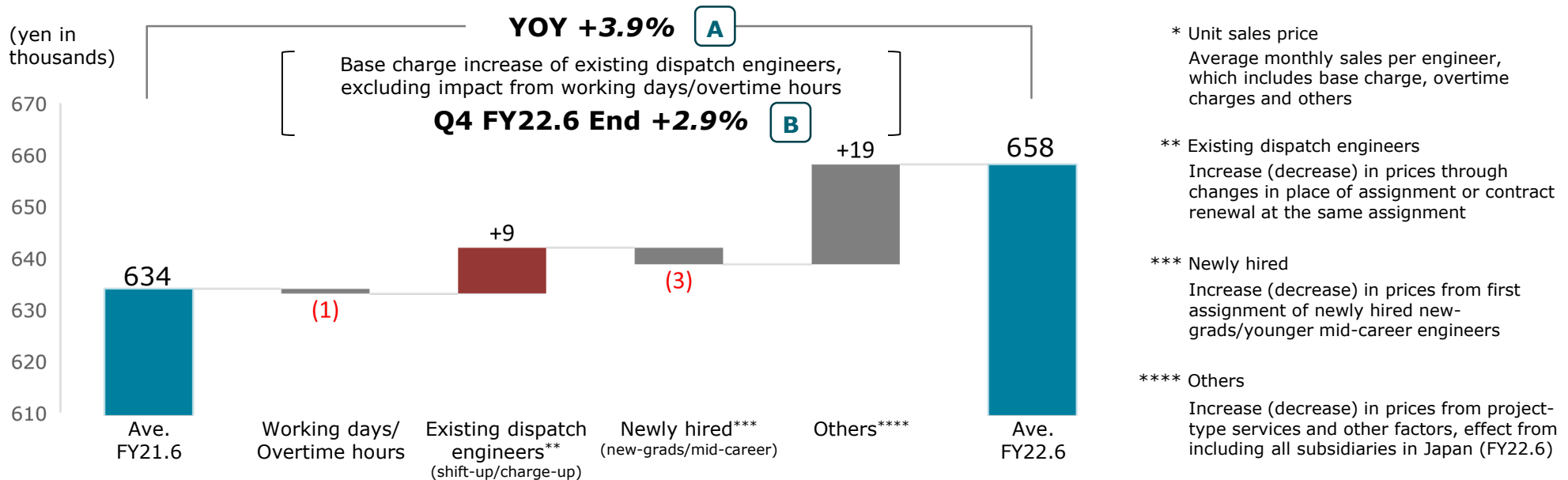
- Manufacturers in Transportation Equipment continue to show robust willingness to invest in the areas such as autonomous driving technology or EV, therefore the number of engineers on assignment in this industry exceeded year-on-year
- Impact on new orders due to the concern about recession has not yet been observed, but some customers might become cautious about actual spending of R&D budget for the time being
- Due to the structural shortage of engineers, customers gradually tend to increase OJT-based orders for less experienced engineers, or the medium- to long-term orders in line with their R&D roadmaps



Average Monthly Unit Sales Price [Japan]

All Subsidiaries in Japan for FY22.6 (newly included EDELTA, PROBIZMO and TOQO)

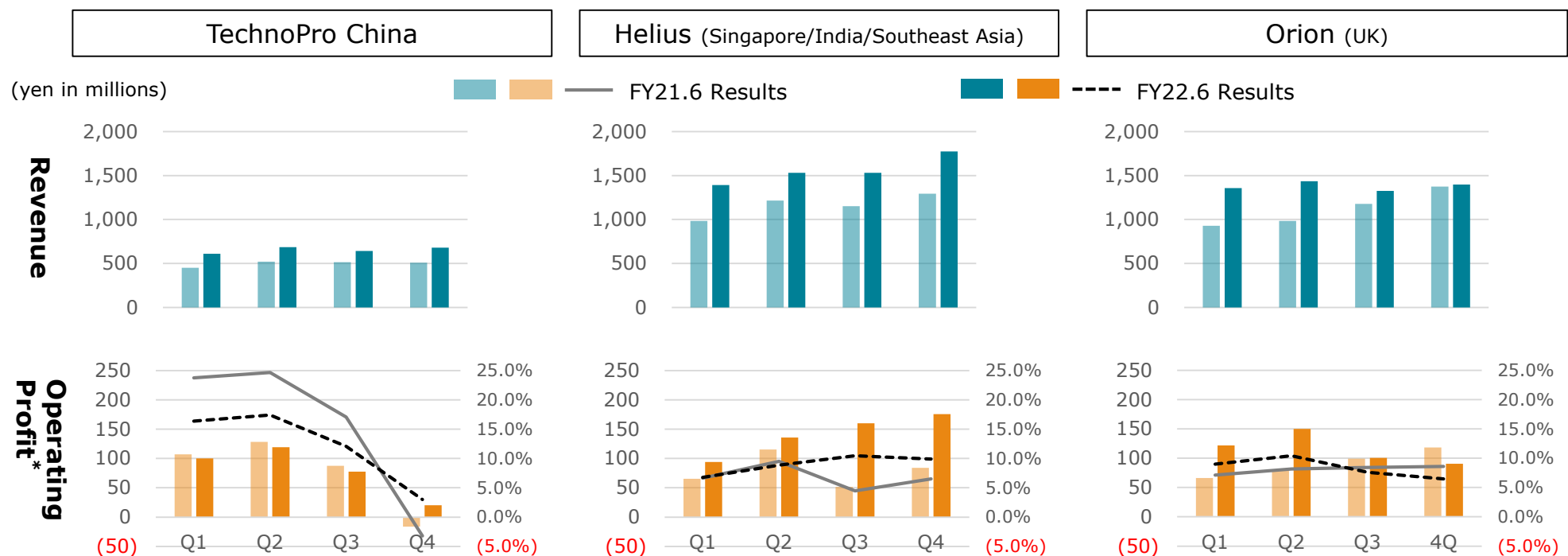
- Average monthly unit sales price* for FY22.6 increased to **658K yen** (up 24K yen/month or **3.9%** year-on-year)
- Decreased 1K yen/month year-on-year due to the mix of decreased working days and longer overtime hours, and diluted 3K yen/month year-on-year due to first assignment of newly hired new-grads/younger mid-career engineers
- Increased 9K yen/month driven by base charge hike for existing dispatch engineers through shift-up/charge-up efforts
- Increased 19K yen/month driven by the growth of project-type services and the effect from including all subsidiaries in Japan (of which, effect from scope expansion was 8K yen/month)



	FY21.6				FY22.6			
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
Unit Sales Price (yen in thousands/month, year-to-date)	620	628	632	634	639	650	657	658
Year-on-year	A (1.0%)	(0.4%)	(0.2%)	+0.7%	+3.0%	+3.4%	+4.0%	+3.9%

	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
Base Charge Increase of Existing Dispatch Engineers † Year-on-year comparison for each quarter end	B +3.4%	+2.6%	+2.3%	+0.7%	+1.7%	+2.1%	+2.4%	+2.9%

Overseas Subsidiaries Update



* Operating profit before PPA amortization; line graphs indicate profit margin

- Revenue and profit largely grew, driven by projects relating to LCD manufacturing equipment in H1 FY22.6, while became stagnant in H2
- Sales activities were constrained due to lockdown imposed by policies in pursuit of Zero-COVID, assuming negative impact to continue until H1 FY23.6
- Accelerates shift toward solution business which will generate higher added value

- Revenue and OP were up +34% and +79% respectively in FY22.6 (partly boosted by government subsidy regarding COVID-19), driven by further penetration into new customers in India and Thailand (OP margin: 9.1%)
- Newly entered Vietnam in January 2022, already posting monthly surplus
- Has begun to expand offshore delivery, promoting collaboration with Robosoft

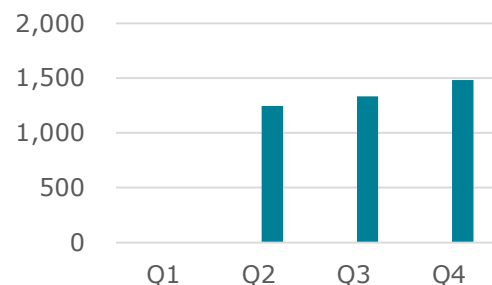
- Revenue and OP were up +24% and +27% respectively in FY22.6 (OP margin: 8.4%), representing highest-ever annual performance since founding
- Highly profitable permanent placement business grew, driven by vigorous demand and strategic team forming
- Ensure profit even in case of falling into stagflation as the local management team has notable operating capability

Robosoft Update

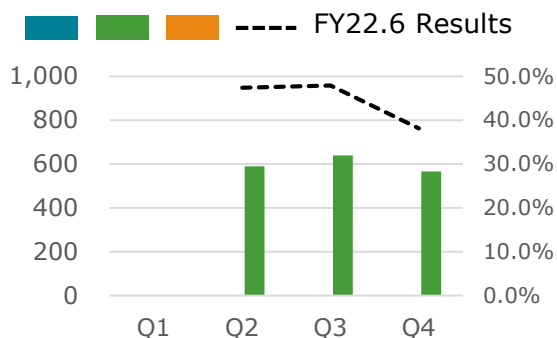
- From Q2 FY22.6, revenue consolidated for the nine-months was 4.06 billion yen, GP was 1.79 billion yen (GP margin: 44.2%), OP before PPA asset amortization was **1.03 billion yen** (deducting transaction expenses of 250 million yen owed by the Sellers in Q2 and Q3; adjusted profit margin before deduction was 31.4%), PPA asset amortization was 230 million yen
- Acquired remaining 20% shares on August 1, 2022, as a result consideration for the acquisition totaled 12.6 billion yen (average exchange rate: 1.53 yen per Indian rupee); invested capital totaled **11.3 billion yen** after offsetting Robosoft's net cash balance of 1.3 billion yen at the beginning of consolidation
- In FY23.6, **plans to make investment actively** for cultivation of new customer base and recruitment of talents well versed in leading-edge technology fields to achieve sustainable growth

Revenue

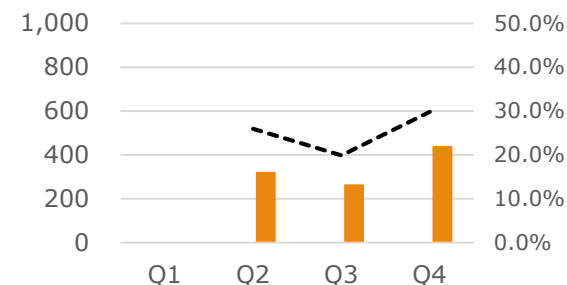
(yen in millions)



Gross Profit



Operating Profit*



* Operating profit before PPA amortization and after transaction expenses; line graphs indicate profit margin

- Growth in FY22.6 was largely attributable to existing US customers and US sales ratio exceeds 60%, whereas concerns about economic recession remains as risks
- In FY23.6, aims to focus on new logos to compensate project completion for existing clients, hiring and training sufficient talent pools to meet the demand
- Won new projects in Japan, accumulating sales leads

- Although continues to reap cost arbitrage benefits from offshore delivery scheme, wage-hike and increase in retirement for engineers are accelerating in India
- In FY23.6, expects the low 40% GP margin
- To maintain and improve GP margin, plans to update rate cards for new projects, expand business in Advisory and Design, and promote active new-grad hiring and training through OJT

- In FY22.6, maintained lean operation by curbing excessive spending on sales & marketing during the COVID-19 pandemic, supported by the growing demand from existing customers
- In FY23.6, expects 20% range of OP margin by reinforcing sales organization and increasing customer touchpoints, as well as investing in research of leading-edge technologies

FY2023 Guidance

- Plans to continue investment for implementing the medium-term plan in FY23.6 (described on the next page), expecting 15% range for SG&A ratio on revenue, the almost same level as the previous year
- Assumes core operating profit to grow 5.1% by absorbing incremental medium-term plan implementation cost, while operating profit is expected to decrease due to the lack of extraordinary items such as PO liability reversal gain in the previous year
- Guidance for full-year key KPIs will be updated at the Q2 earnings announcement if necessary, based on the first half results

(yen in millions, except per share amounts and engineer headcounts)

	First-Half					Full-Year				
	FY21.6 (Results)	FY22.6 (Results)	FY23.6 (Guidance)	YOY		FY21.6 (Results)	FY22.6 (Results)	FY23.6 (Guidance)	YOY	
Revenue	79,451	86,358	94,500	+8,141	+9.4%	161,316	178,756	195,000	+16,243	+9.1%
Core operating profit	8,291	9,032	9,200	+167	+1.9%	17,639	19,038	20,000	+961	+5.1%
<i>Core OP margin</i>	10.4%	10.5%	9.7%	(0.7 pts)		10.9%	10.7%	10.3%	(0.4 pts)	
Operating profit	9,680	11,078	9,200	(1,878)	(17.0%)	19,461	20,641	20,000	(641)	(3.1%)
<i>OP margin</i>	12.2%	12.8%	9.7%	(3.1 pts)		12.1%	11.5%	10.3%	(1.3 pts)	
Profit before income taxes	9,645	11,229	9,100	(2,129)	(19.0%)	19,472	20,967	19,800	(1,167)	(5.6%)
Net profit	6,623	7,794	6,200	(1,594)	(20.5%)	13,245	15,430	13,600	(1,830)	(11.9%)
<i>Net profit margin</i>	8.3%	9.0%	6.6%	(2.5 pts)		8.2%	8.6%	7.0%	(1.7 pts)	
Earnings per share	61.48	72.35	57.55	(14.80)	(20.5%)	122.96	143.24	126.25	(16.99)	(11.9%)
Dividend per share	16.67	20.00	25.00	+5.00	+25.0%	61.67	72.00	72.00	—	—

Key KPIs [Japan]	First-Half					Full-Year				
	FY21.6 (Results)	FY22.6 (Results)	FY23.6 (Guidance)	YOY		FY21.6 (Results)	FY22.6 (Results)	FY23.6 (Guidance)	YOY	
No. of engineers (period-end)	20,189	20,776	22,400	+1,624	+7.8%	20,330	22,048	23,600	+1,552	+7.0%
Engineer hiring*	176	1,452	1,450	(2)	(0.1%)	1,405	3,830	3,800	(30)	(0.8%)
Ave. utilization ratio	93.7%	95.6%	95.5%	(0.1 pts)	—	94.6%	95.3%	95.2%	(0.1 pts)	—
Ave. monthly unit sales price (yen in thousands)	628	650	658	+8	+1.3%	634	658	668	+10	+1.4%

Investment for Medium-term Plan Implementation

- In FY22.6, invested medium-term plan implementation cost of **1,499 million yen** (annual progress: **87.2%**) out of the planned budget of 1,720 million yen; unused amount will be carried forward to FY23.6
- In FY23.6, plans to spend medium-term plan implementation cost of **2,172 million yen** (ratio on revenue: **1.1%**), aiming to invest full amount with consideration of the return on investment

(yen in millions)		Ratio on revenue		Progress	
		Plan	Results	vs. Plan	
Solution talent recruiting cost					Solution talent Recruiting cost <ul style="list-style-type: none"> • Recruiting talents with skills of consulting or project management, and professionals who have expertise in leading-edge digital technologies • Plans to invest 0.2-0.3% of revenue every year • Expects higher unit sales price and profitability of solution business to expand GP amount and margin
	356 (439)	0.18%	0.20%	113.8%	
Solution talent training cost					Solution talent Training cost <ul style="list-style-type: none"> • Nurture professionals capable of introducing leading-edge digital technologies and promoting solution services • Plans to invest 0.2-0.3% of revenue every year • Expects to have positive effect on recruitment and retention of high-skilled engineers as well as expansion of GP amount and margin
	207 (539)	0.19%	0.12%	62.5%	
Strategic investment					Strategic investment <ul style="list-style-type: none"> • New organization for DX promotion or COI (Center of Intelligence), branding and marketing, M&A related fees, etc. • Plans to invest 0.5% of revenue in the first year, then decrease • Aims to raise probability of achieving strategies laid out in medium-term plan through evolving the capability and transforming the business model
	712 (859)	0.49%	0.40%	82.9%	
Stock-based compensation (recorded from Oct. 2021)					Stock-based compensation <ul style="list-style-type: none"> • Expenses prorated over the medium-term plan period for post-vesting share-based compensation linked to the earnings performance in the final year of the plan (FY26.6) • Records the same expenses annually as far as the expected amount of compensation remains unchanged • Aims to incentivize, in addition to the management, employees who play leading role to achieve earnings target of the plan
	(216) 224 (308)	0.12%	0.13%	103.6%	
Total		0.99%	0.84%	87.2%	
		1.11%	N/A	N/A	

† Upper row: FY22.6, Lower row: FY23.6, figures in parentheses indicate initial plan

Reference: FY2023 Segment Guidance [Full-Year]

- R&D Outsourcing: Revenue and GP to grow driven by the increase in engineers on assignment and unit sales price, while expecting slight increase in OP due to investment for medium-term plan implementation
- Construction Management Outsourcing: Strives to achieve higher growth of both revenue and profit year-on-year by promoting recruitment including less experienced engineers and strict control of unit sales price
- Other Businesses in Japan: Aims to grow while maintaining high profitability by focusing on IT/digital talents for permanent placement business and promoting external sales to corporate customers for engineer training business
- Overseas: Expects slightly restrained profit growth due to concerns about inflation and economic uncertainty in each country, as well as performance of Robosoft in its investment phase

(yen in millions, except engineer headcounts)

	R&D Outsourcing				Construction Management Outsourcing				Other Businesses in Japan				Japan Total			
	FY21.6	FY22.6	FY23.6	YOY	FY21.6	FY22.6	FY23.6	YOY	FY21.6	FY22.6	FY23.6	YOY	FY21.6	FY22.6	FY23.6	YOY
Revenue	127,870	137,471	150,000	+9.1%	19,670	20,311	22,300	+9.8%	3,800	4,898	5,400	+10.2%	151,341	162,682	177,700	+9.2%
<i>Ratio to consolidated revenue</i>	79.3%	76.9%	76.9%		12.2%	11.4%	11.4%		2.4%	2.7%	2.8%		93.8%	91.0%	91.1%	
Operating profit	15,815	14,151	14,600	+3.2%	2,791	2,489	2,700	+8.4%	315	672	700	+4.1%	18,922	17,313	18,000	+4.0%
<i>OP margin</i>	12.4%	10.3%	9.7%		14.2%	12.3%	12.1%		8.3%	13.7%	13.0%		12.5%	10.6%	10.1%	
OP before PPA asset amortization	15,895	14,626	14,673	+0.3%	2,791	2,489	2,700	+8.4%	315	672	700	+4.1%	19,002	17,788	18,073	+1.6%
<i>OP margin before PPA asset amortization</i>	12.4%	10.6%	9.8%		14.2%	12.3%	12.1%		8.3%	13.7%	13.0%		12.6%	10.9%	10.2%	
No. of engineers (period-end)	17,692	19,257	20,600	+7.0%	2,638	2,791	3,000	+7.5%	—	—	—	—	20,330	22,048	23,600	+7.0%
<i>o/w non-Japanese in Japan</i>	817	788	—	—	104	110	—	—	—	—	—	—	921	898	—	—

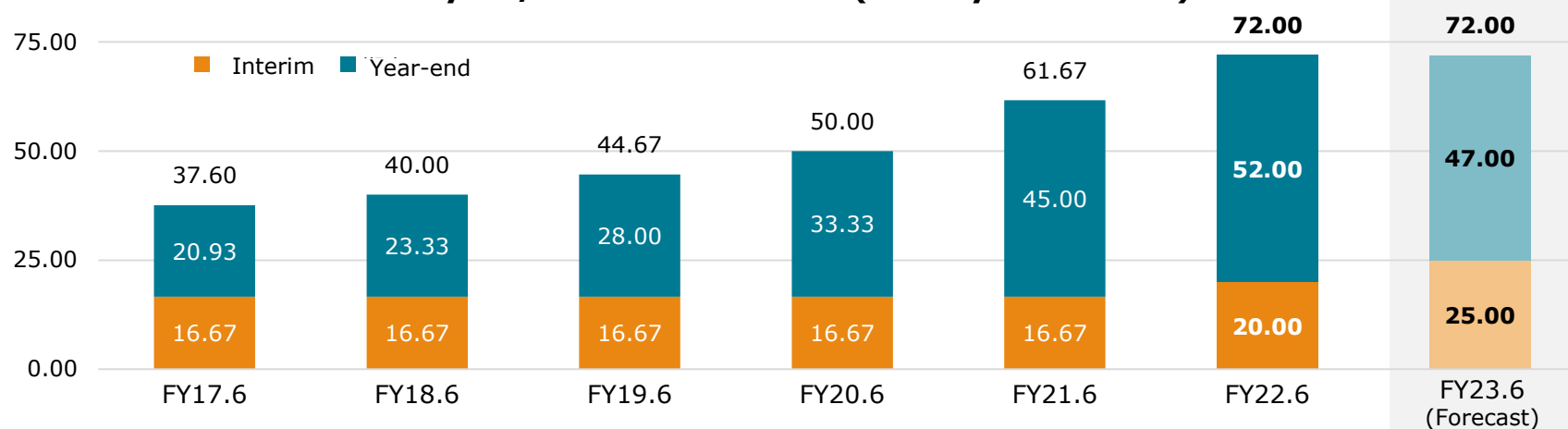
	Overseas				Reporting Segment Total				Corporate/Eliminations*				Consolidated Total			
	FY21.6	FY22.6	FY23.6	YOY	FY21.6	FY22.6	FY23.6	YOY	FY21.6	FY22.6	FY23.6	YOY	FY21.6	FY22.6	FY23.6	YOY
Revenue	11,432	18,976	21,000	+10.7%	162,773	181,658	198,700	+9.4%	(1,456)	(2,902)	(3,700)	—	161,316	178,756	195,000	+9.1%
<i>Ratio to consolidated revenue</i>	7.1%	10.6%	10.8%		100.9%	101.6%	101.9%		(0.9%)	(1.6%)	(1.9%)		100.0%	100.0%	100.0%	
Operating profit	764	1,925	2,000	+3.9%	19,687	19,239	20,000	+4.0%	(226)	1,401	0	—	19,461	20,641	20,000	(3.1%)
<i>OP margin</i>	6.7%	10.1%	9.5%		12.1%	10.6%	10.1%		—	—	—		12.1%	11.5%	10.3%	
OP before PPA asset amortization	974	2,381	2,543	+6.8%	19,977	20,170	20,616	+2.2%	(267)	(416)	0	—	19,709	19,754	20,616	+4.4%
<i>OP margin before PPA asset amortization</i>	8.5%	12.6%	12.1%		12.3%	11.1%	10.4%		—	—	—		12.2%	11.1%	10.6%	
No. of engineers (period-end)	1,970	2,851	—	—	22,300	24,899	—	—	—	—	—	—	22,300	24,899	—	—

Shareholder Return

- Assures basic policy to make dividend payment steadily twice a year in the form of interim and year-end ones; **annual dividend payout ratio of 50% or higher** remains unchanged, determined to distribute annual dividend of 72 yen per share (dividend payout ratio: 50.3%) in FY22.6, including year-end dividend of 52 yen per share (plans to pay on September 30, 2022 after the approval by the Annual General Meeting of Shareholders)
- Despite the net profit guidance to decrease year-on-year, expects FY23.6 annual dividend of **72 yen per share (dividend payout ratio: 57.0%)**, the same amount as FY22.6, including interim dividend of 25 yen per share, in consideration of the steady progress of growth strategies laid out in the medium-term plan as of now

(yen per share)

Dividend and Payout/Total Return Ratio (History & Forecast)

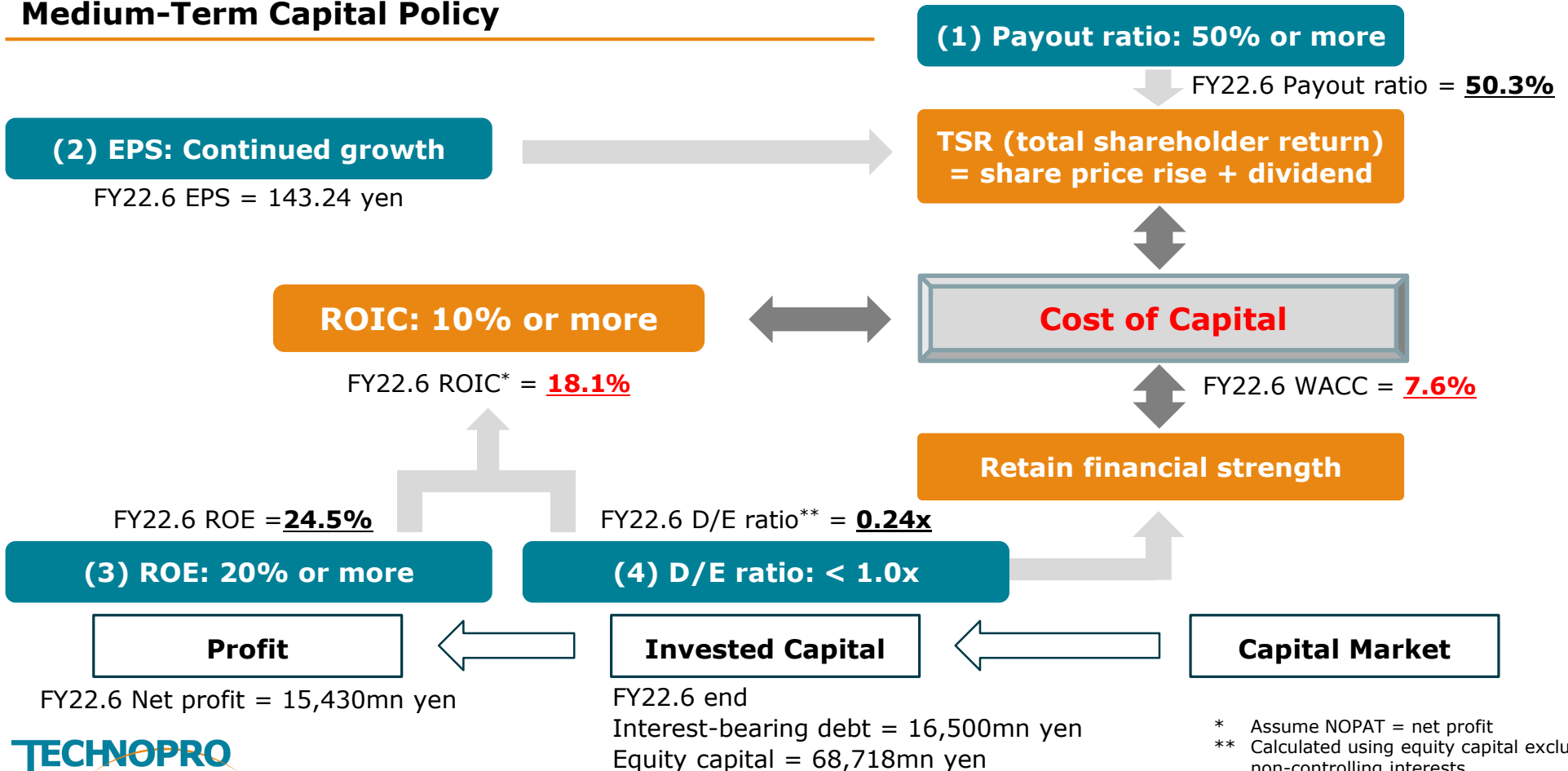


ROE	29.9%	24.5%	22.4%	23.3%	25.1%	24.5%	19.8%
EPS (yen)	75.19	81.60	88.95	99.99	122.96	143.24	126.25
Payout ratio	50.0%	50.0%	50.2%	50.0%	50.2%	50.3%	57.0%
Dividend amount (yen in millions)	3,858	4,250	4,864	5,397	6,643	7,756	7,756
Share repurchase (yen in millions)	—	—	—	2,063	—	—	N/A
Total return ratio	50.0%	50.0%	50.2%	68.9%	50.2%	50.3%	N/A

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**

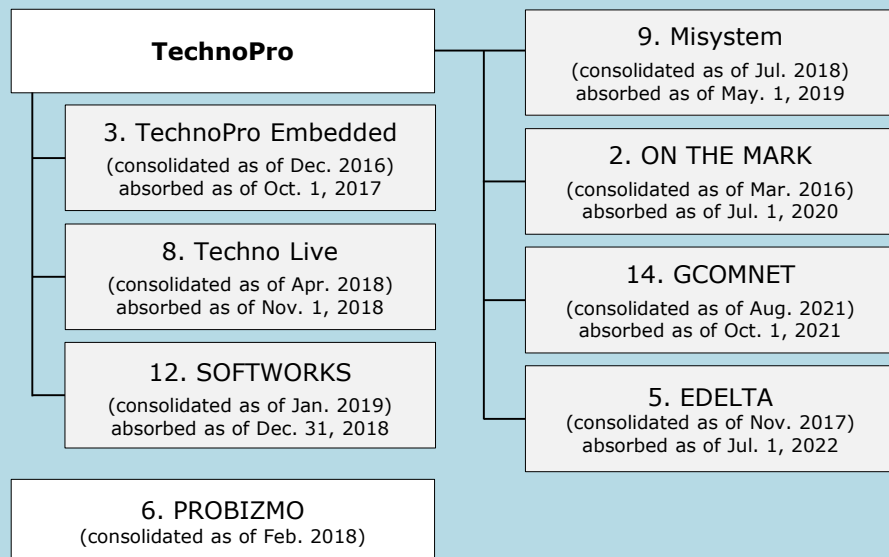
Medium-Term Capital Policy



Appendix: Reportable Segments [as of FY22.6 End]

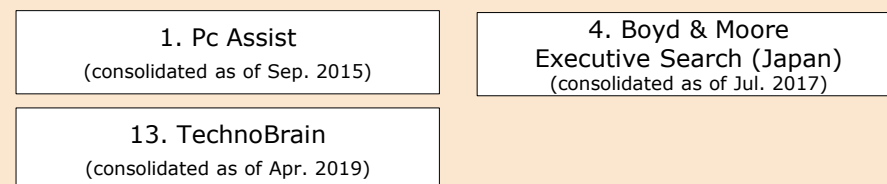
R&D Outsourcing

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



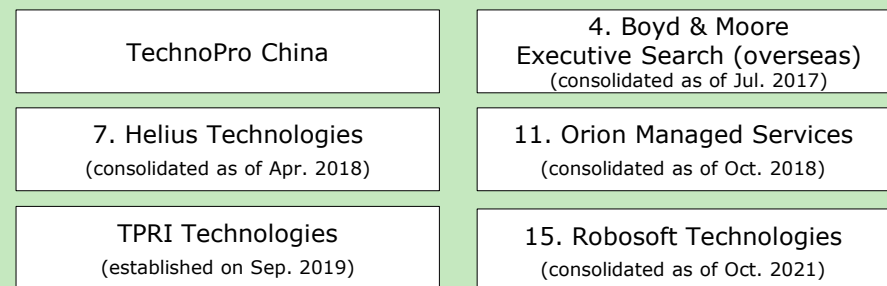
Other Businesses in Japan

Provides professional recruitment, technical education and training services



Overseas

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



Headquarters

Provides shared services to group companies, hires and supports disabled people



Appendix: Risk Assets [as of FY22.6 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, newly calculated with COVID-19 impact taken into account, well exceeds carrying amount of each CGU, 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**
- Helius: The condition for exercising Put Option (accumulated EBITDA during the value calculation period needs to reach a pre-set criteria) is, based on the reasonable expectation, considered to be difficult to satisfy, and the likelihood of being exercised by the option holder got quite low; accordingly the fair value of the Put Option liabilities became zero in FY22.6
- Robosoft: Completed second tranche of share acquisition after FY22.6 end; the current shareholding ratio is 100.0% with no outstanding liabilities for share acquisition

(yen in millions)

Cash Generating Unit (CGU)	Shareholding	Goodwill				PPA Assets		PO, etc. Liabilities	
		MBO	M&A*	Total	Ratio	M&A*	Amortization period (months)	M&A	Value calc. period (months)
R&D Outsourcing									
Machinery, Electric/Electronic	100.0%	13,674	977	14,651	31.9%				
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%	573	up to 32.7		
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%		1,104	1,104	2.4%				
TechnoBrain	100.0%		151	151	0.3%				
Overseas									
Helius	51.0%		838	838	1.8%	557	up to 26.3	0	17.4-22.6
Orion	83.2%		1,203	1,203	2.6%	364	up to 26.9	755	18.4-23.6
Robosoft	80.0%		9,187	9,187	20.0%	3,114	up to 31.9	4,176	21.4-22.3
Total		29,202	16,757	45,960	100.0%	4,610		4,932	

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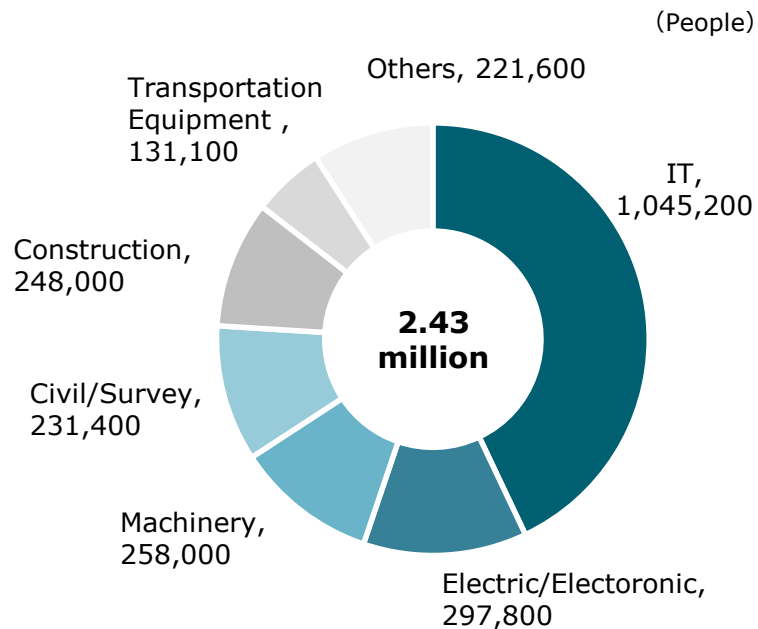
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Distribution of Engineers in Japan

- According to the census in 2015, the number of engineers in Japan is 2.43 million and about 40% of them are IT engineers
- In terms of IT engineers, the outsourcing ratio is relatively high in Japan

1. Number of Engineers in Japan (2015)

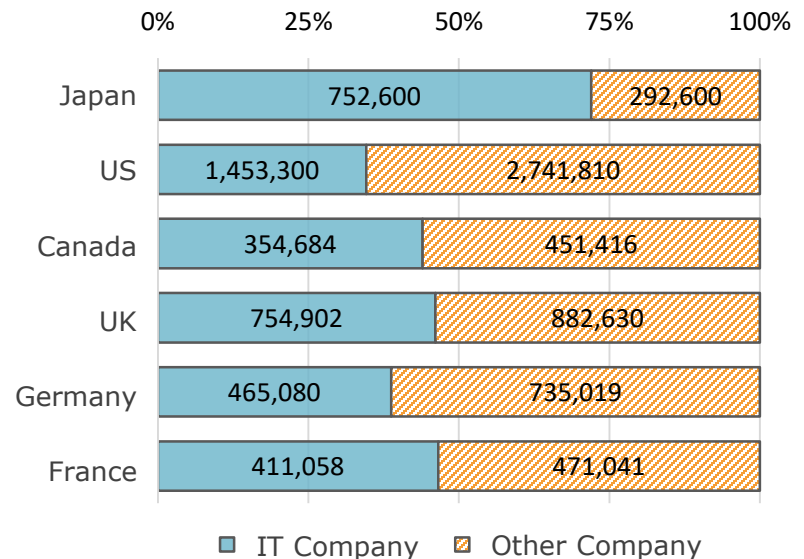
Source: Census 2015



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)



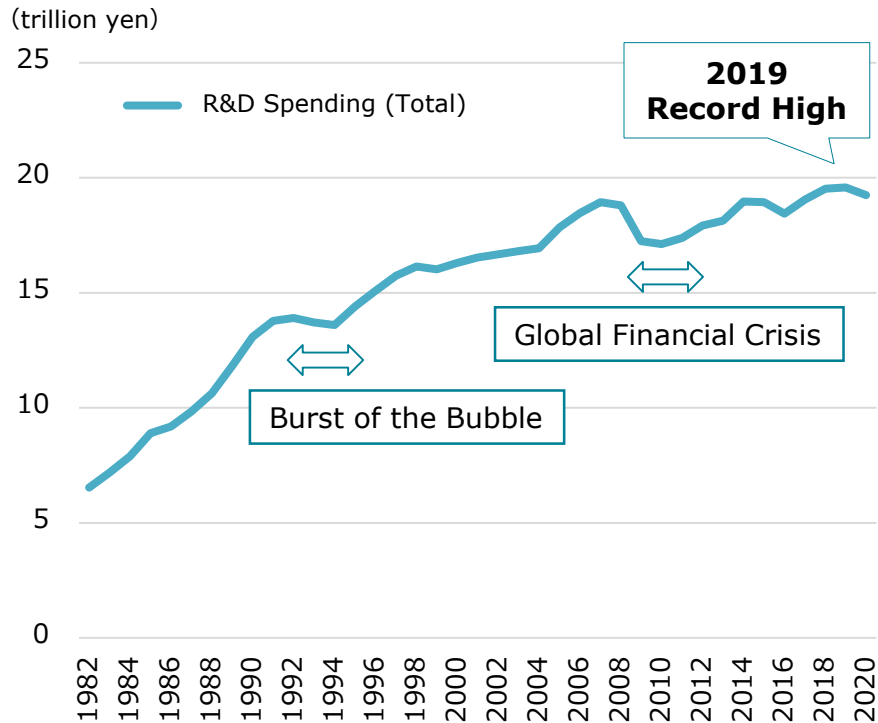
† "IT Company" means IT vendors and "Other Company" means IT user companies

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 a record-high for R&D spending in 2019 and its growth is expected to continue in the future
- Japan's ICT investment is gradually shifting from "hardware" to "software"

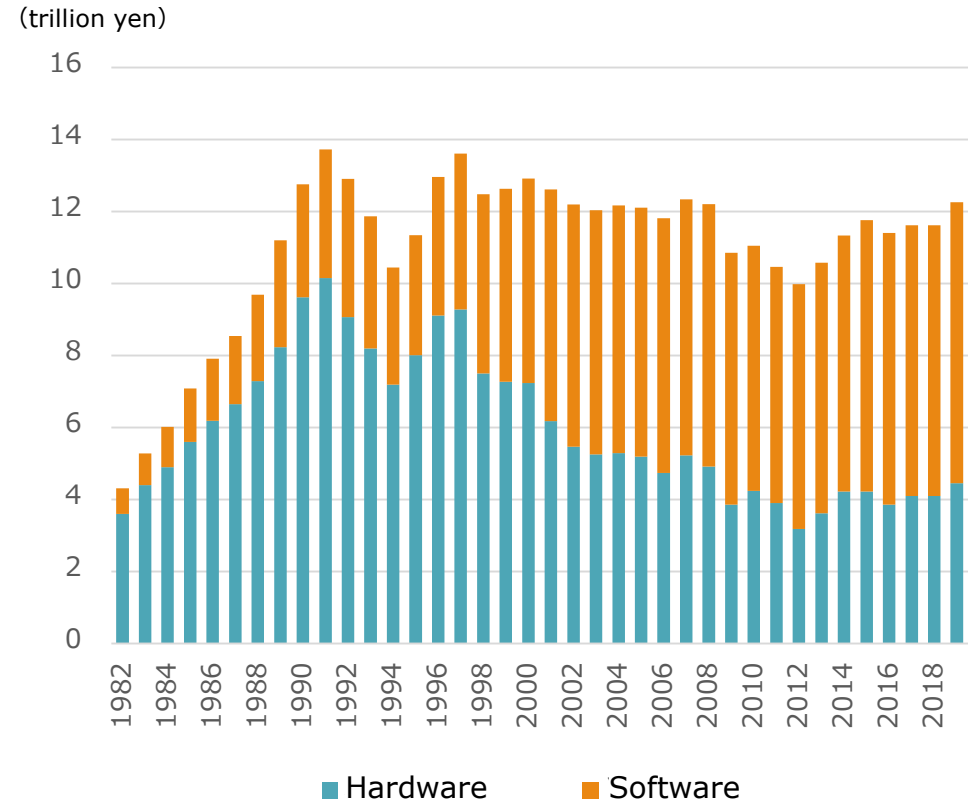
3. Trend of R&D Spending in Japan

Source: Ministry of Internal Affairs and Communications Statistics Bureau, "Survey of Research and Development"



4. The Breakdown of ICT Investment in Japan

Source: Ministry of Internal Affairs and Communications, "2019 White Paper on Information and Communication"



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"

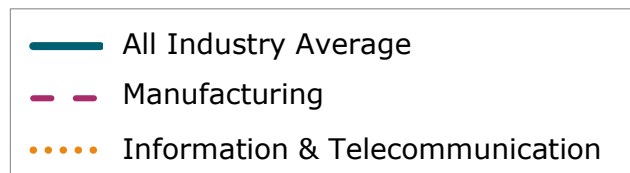
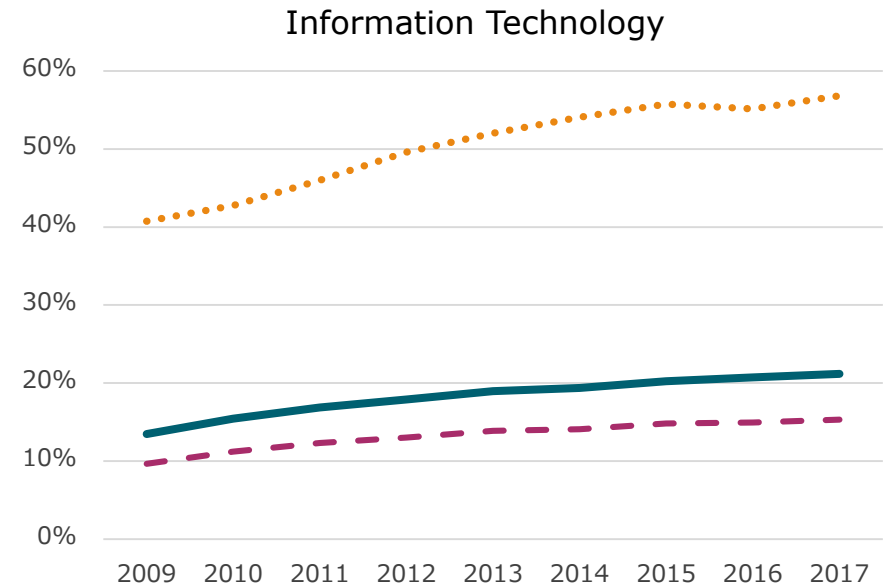
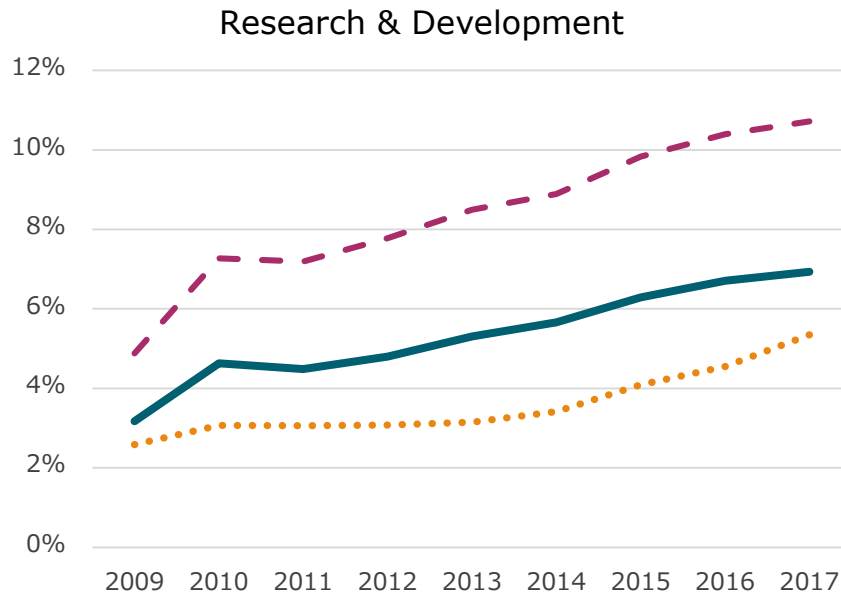


Outsourcing Usage Ratio of R&D and IT Activity

- 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

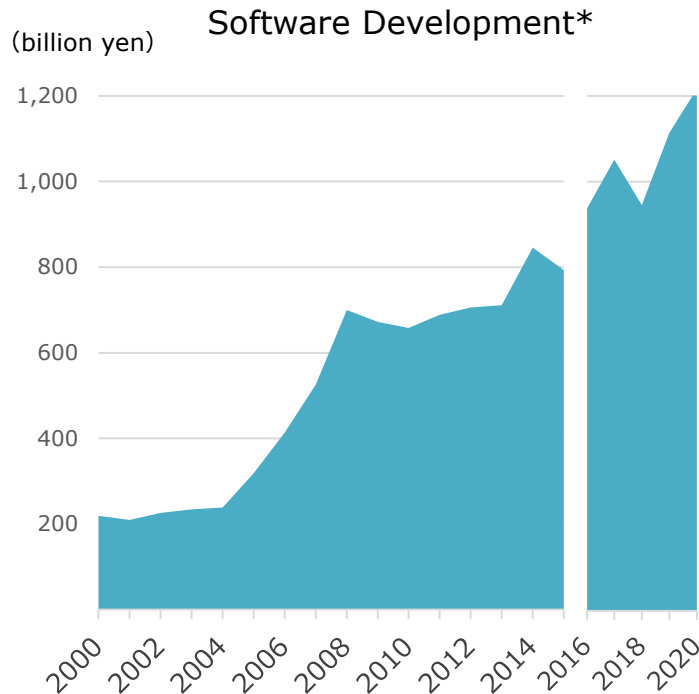


Engineer Staffing Market Overview

- Estimated whole engineer staffing market size in Japan was about 2.3 trillion yen in 2020; up 9.8% year-on-year, of which software development market size was about 1.2 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 6.3%

7. Engineer Staffing Market Size

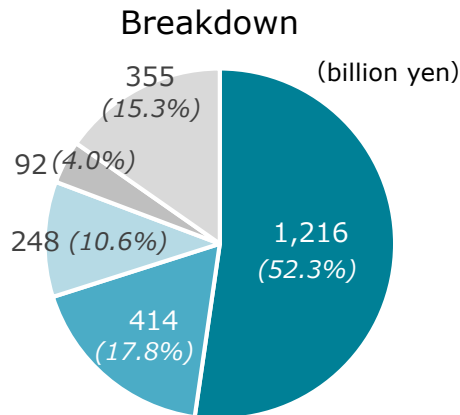
Source: TechnoPro estimates based on the data researched by Ministry of Health, Labor and Welfare



* The aggregate standard has been changed as of 2015 due to revision of the classification of occupation on September 30, 2015



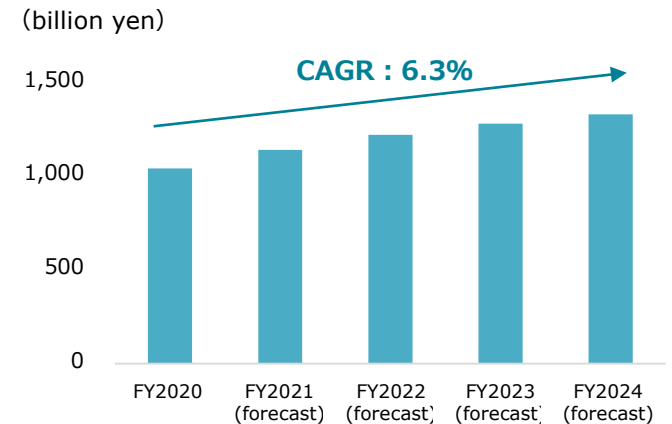
Market Size 2.3 trillion yen (2020)



- 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 2021, PART 2: Services by Industry/Occupation"



† The market size is based on the sales of businesses; FY2021 onward is forecast (as of October 2021)

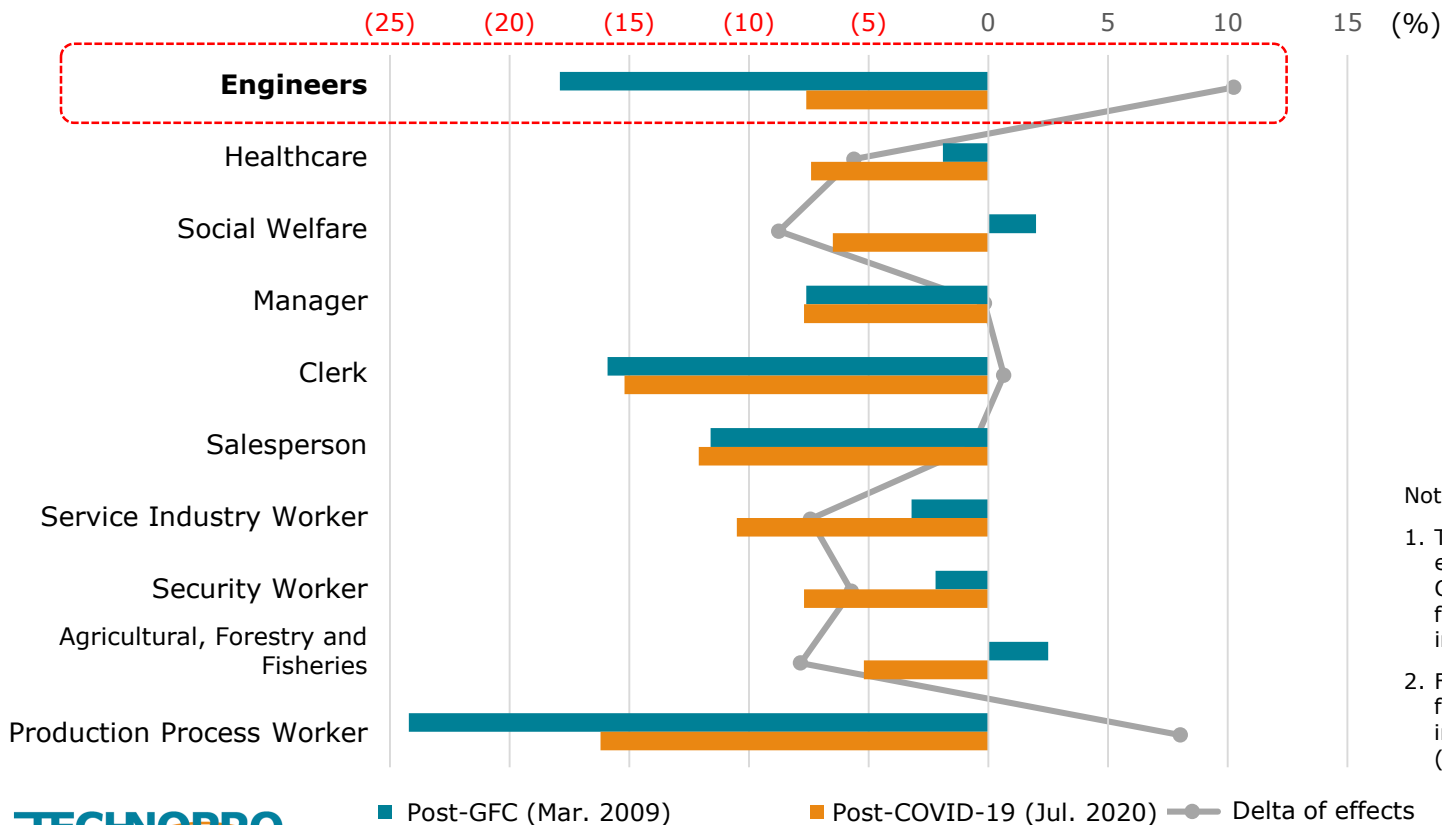
Note: Market size for large-scale providers calculated by Yano Research Institute based on an independent survey; Growth may be higher than the market as a whole

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:

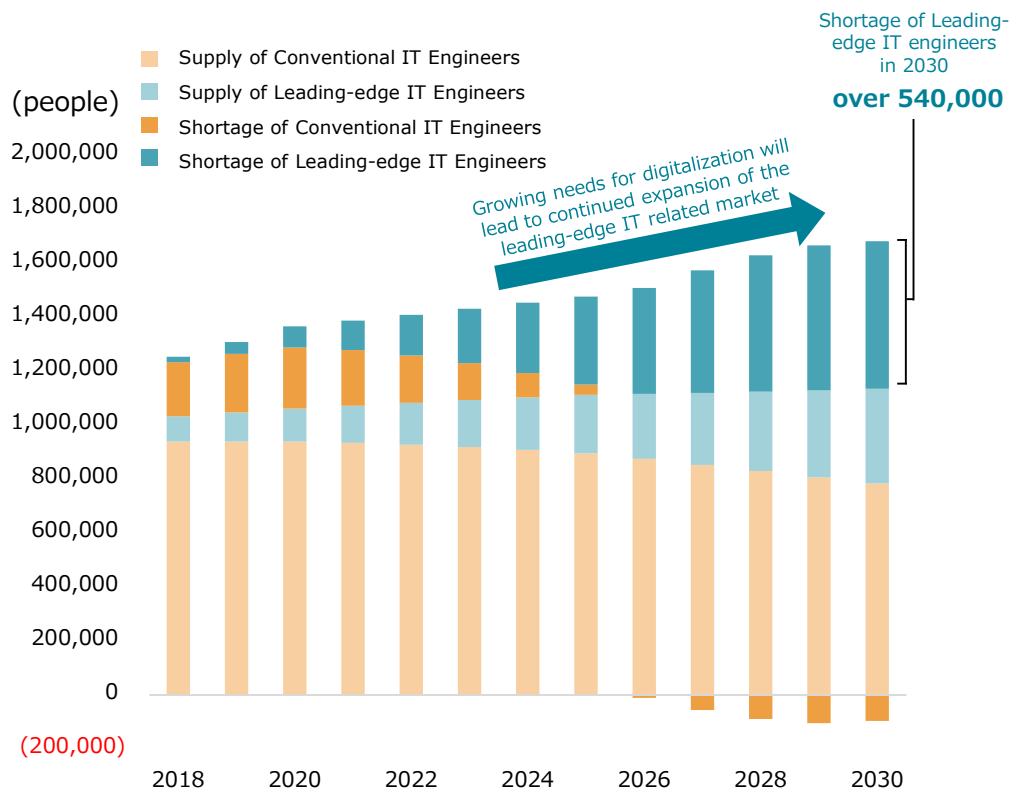
1. The figure left shows the comparison of the effect from the Global Financial Crisis (GFC) and COVID-19 on the index data of new job offers for each job category after 6 months from the initial outbreak of the crisis
2. Figures in September 2008 was indexed as 100 for the GFC, figures in January 2020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

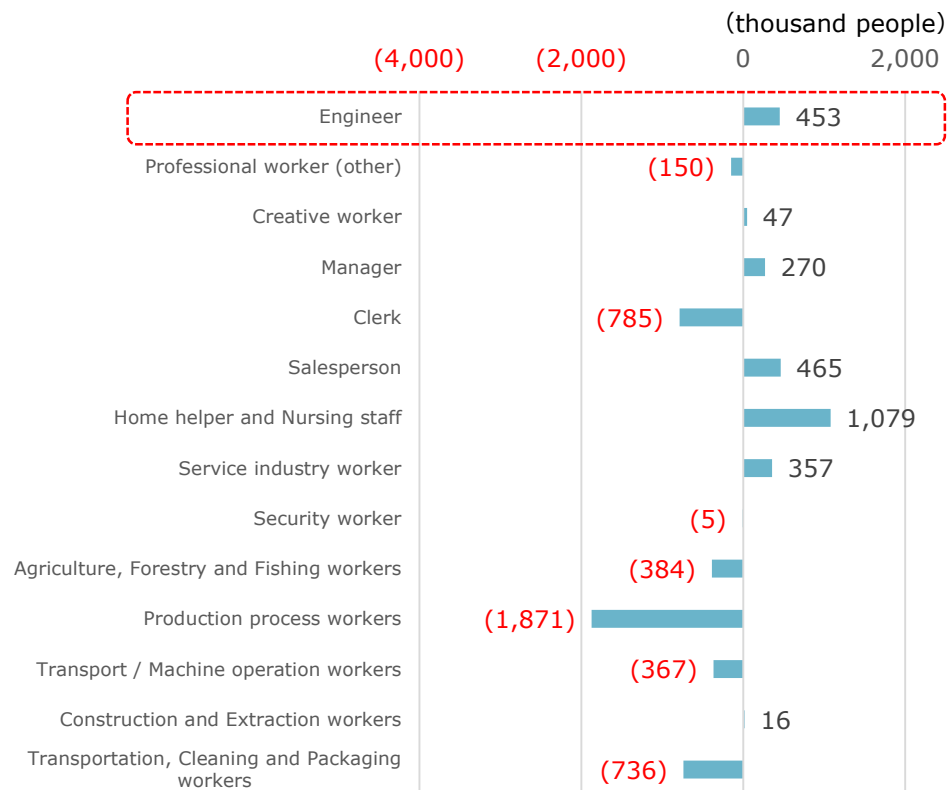
10. Projected Shortage in Advanced and Conventional IT engineers

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-"



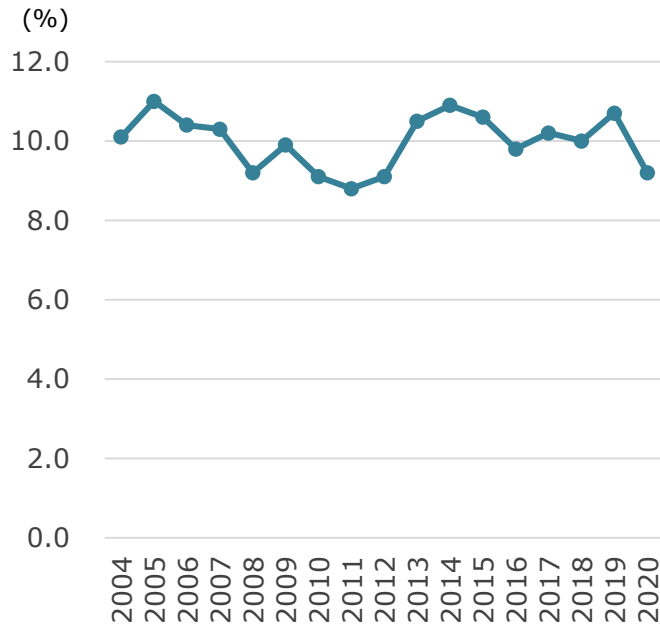
† Estimated numbers comparing 2015 and 2030

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

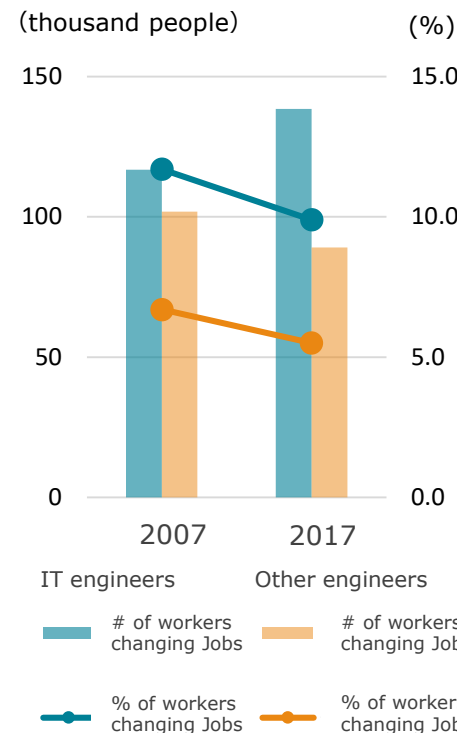
12. Turnover Ratio in Japan

Source: Ministry of Health, Labor and Welfare, "Employment Trends Survey"



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"



	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

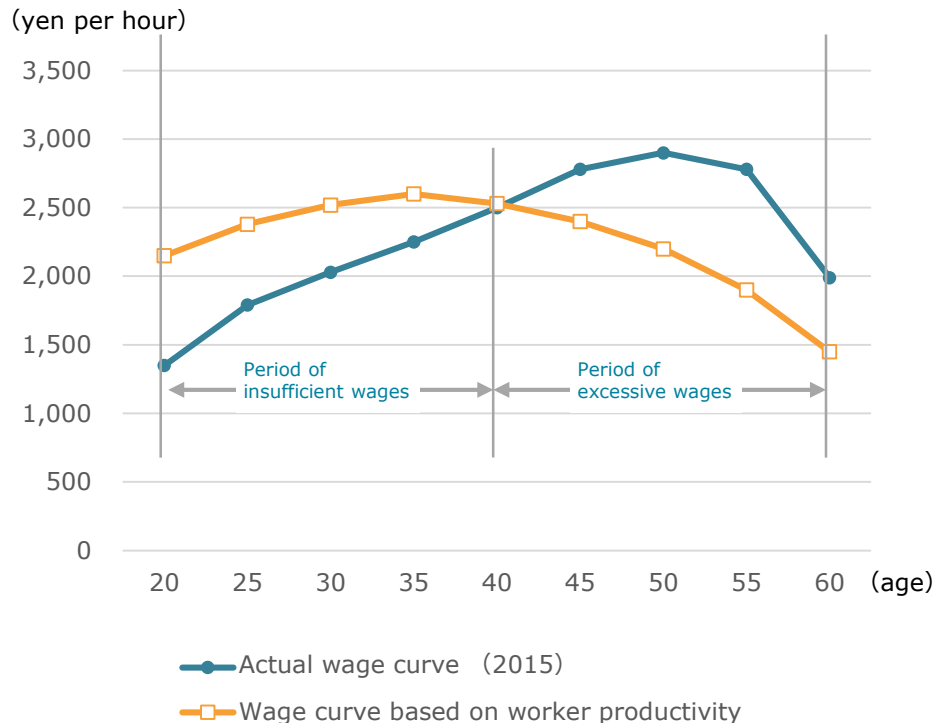
	1997	2007	2017
All sectors	7,391	7,717	7,066
Engineers	178	219	228
of which, IT engineers		117	138
of which, other engineers		102	89

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

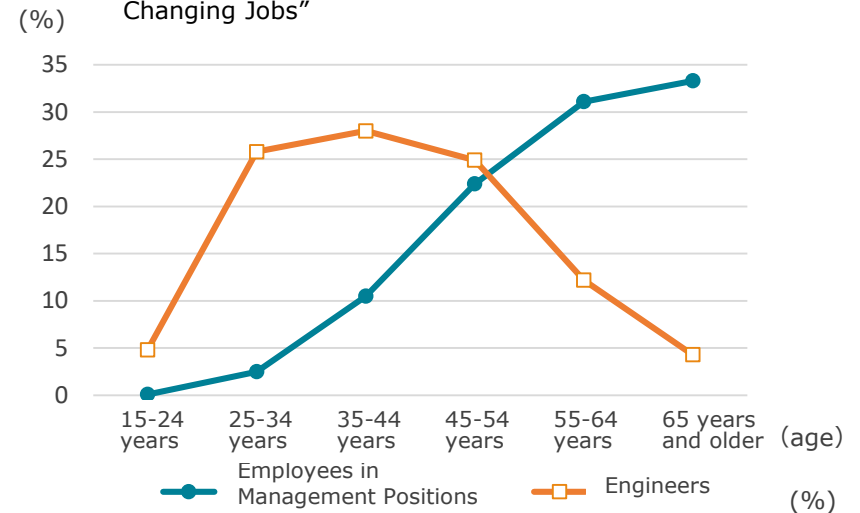
14. Seniority-Based Wages and Wages based on Work Productivity (Hourly-base)

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"



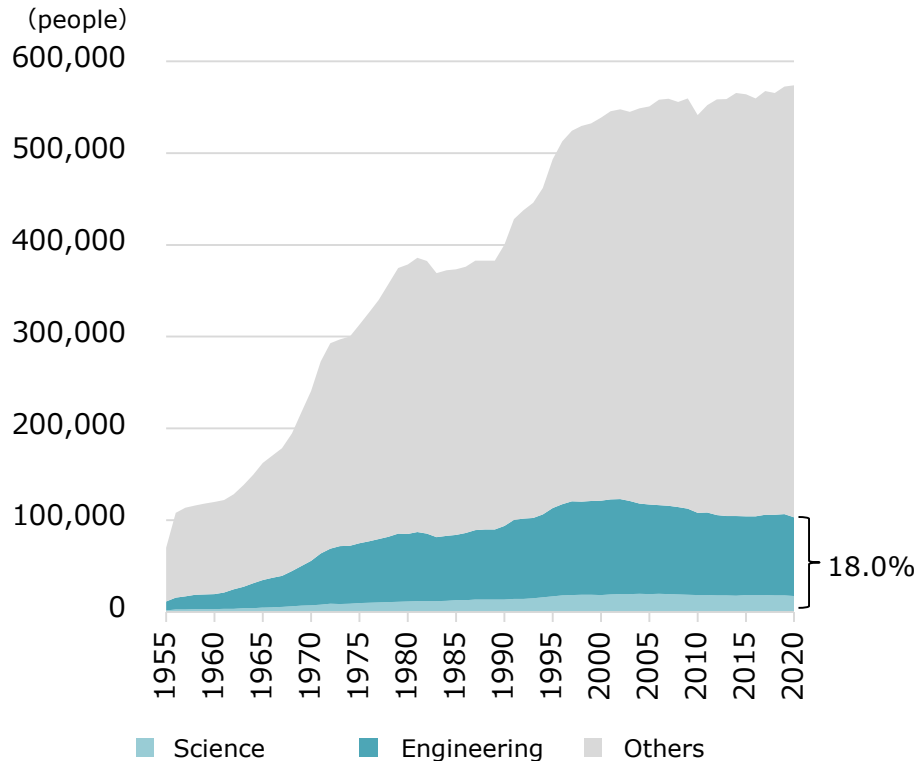
	Employees in Management Positions	Engineers
15-24 years	0.1	4.8
25-34 years	2.5	25.8
35-44 years	10.5	28
45-54 years	22.4	24.9
55-64 years	31.1	12.2
65 years and older	33.3	4.3

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

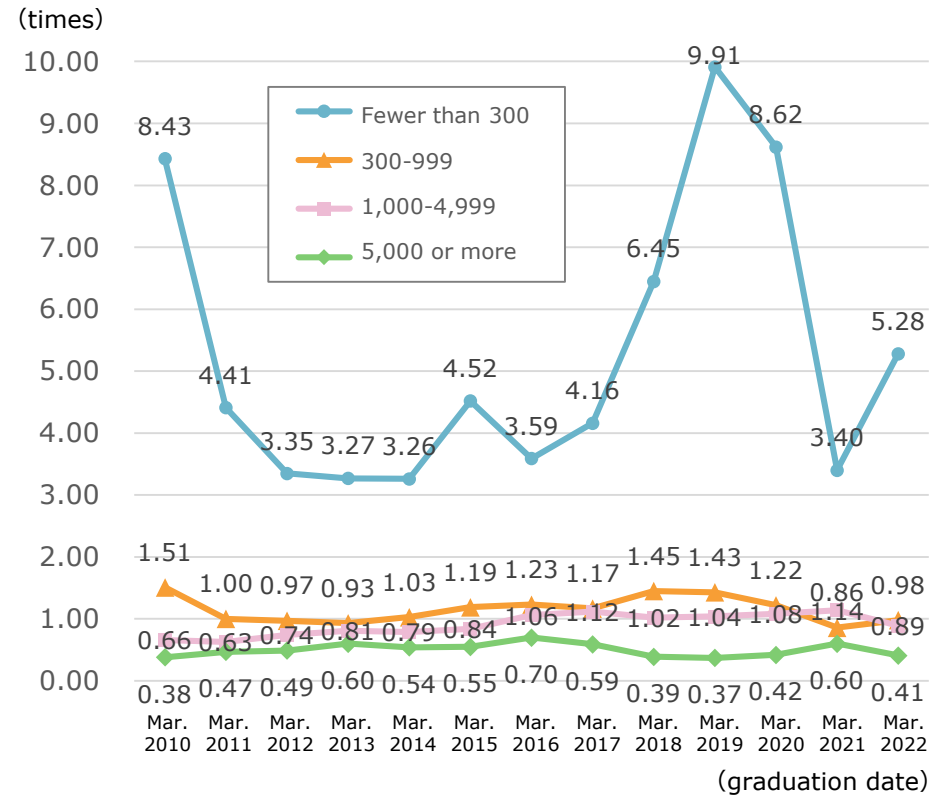
16. No. of University Graduates by Faculty

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, "38th College Graduates Job Opening Survey"



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