

August 26, 2022

To Whom It May Concern,

Corporate Name: TechnoPro Holdings, Inc.
 (Code:6028, TSE Prime Market)
 Representative: Takeshi Yagi, President, Representative Director & CEO
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Summary of the Results of Analysis and Evaluation of the Effectiveness of the Board of Directors

The TechnoPro Holdings, Inc. Board of Directors conducted an analysis and evaluation of its effectiveness for the fiscal year ended June 2022 based on the Corporate Governance Code of the Tokyo Stock Exchange and the TechnoPro Group Corporate Governance Guidelines. The goal of this initiative, the results of which are provided below, is to improve the function of the Board of Directors.

1. Methodology and Process of the Analysis and Evaluation

The board has analyzed and evaluated its effectiveness once a year starting in the fiscal year ended June 2016, and has provided a summary of these results for the seventh consecutive year.

Analysis and evaluation methods are as follows.

Evaluation method	Self-evaluation questionnaire (registered form)
Evaluators	All Directors and Audit & Supervisory Board members
Questionnaire Items Evaluated (Major topics)	(1) Size and composition of the Board of Directors (2) Operation of Board of Director meetings (3) Information and support provided to outside directors and/or outside Audit & Supervisory Board members (4) Board member roles and responsibilities (5) Relationships with shareholders, investors, and other stakeholders (6) Individual contributions (as director and/or Audit & Supervisory Board member) (7) Nomination and Compensation Committee operations
Collection of opinions and proposals	The questionnaire included standard evaluation topics, as well as space requesting comments related to board strengths and areas for improvement. The directors and members of the Audit & Supervisory Board were also asked to provide candid opinions and suggestions.
Analysis method	Based upon the results of the self-evaluation questionnaire, discussions are held in the meeting of the Board of Directors, with its effectiveness confirmed at issues identified.

Prior to conducting the analysis and evaluation of the effectiveness for the fiscal year ended June 2022, the TechnoPro Holdings, Inc. Board of Directors discussed once again the need for revising the evaluation method in question during the regular meeting of the board held in March 2022. As a result, the answers of the self-evaluation questionnaires submitted by directors and members of the Audit & Supervisory Board, the analysis of evaluation results, and identified issues were reported at the July 2022 regular meeting of the Board of Directors in the same manner as before. At the same time, an active and frank discussion was held regarding initiatives to improve the effectiveness of the Board of Directors in the future.

2. Analysis and Evaluation Results

As a result of the evaluation and analysis in 1., above, the TechnoPro Holdings Board of Directors has concluded that the board performs its roles and responsibilities appropriately and effectively overall. The following points were identified in particular as highly regarded initiatives for the fiscal year ended June 2022, as well as strengths that should be maintained by the Company's Board of Directors. (Furthermore, for reference the table at the end of the document shows items that have advanced and improved up until that point)

Highly Evaluated Initiatives for the Period, Particular Strengths to be Maintained, etc.

- (1) Where the fiscal year ended June 2022 was the first year of the current medium-term management plan ("Plan"), progress reports on the Plan in general, as well as other business reports on important individual themes related to the Plan, such as the new personnel system for engineers and researchers, the IT medium-term plan, Engineer Education Business, overseas subsidiary PMI were conducted appropriately at the Board of Directors meetings, and necessary verifications and discussions were also conducted. Further, the management team built common understanding of the basic policies of the Plan, and the system for supervision and monitoring of operation divisions by the Board of Directors was in place.
- (2) Important themes deliberated by the Nomination and Compensation Committee that strengthen corporate governance structure, such as the revision of institutional design, the total tenure of outside directors, the succession plan for key positions other than the CEO were reported and discussed at the Board of Directors meetings, thereby progress has been made in the implementation of appropriate supervision of the Nomination and Compensation Committee by the Board of Directors.
- (3) A revision of criteria for the agenda of the Board of Directors meetings was implemented after providing sufficient time for discussion by the Board of Directors, the aim of which is to reduce the number of agenda items from the viewpoint of enhancing strategic discussions and to resolve TechnoPro Group governance issues.
- (4) Through appropriate conduct from an objective standpoint at the board meetings, the chairperson, who is the non-executive Director and Chairman, has continued to foster an atmosphere in which participants can express themselves freely from their own professional viewpoints, thereby constructive and fruitful discussions were made.

The Board has acknowledged the necessity of following initiatives and considerations, as areas in which the Board recognizes room for improvement of board of director effectiveness, or issues to be addressed.

Issues to Address, etc.

- (1) Conduct business reports on important management matters selected and scheduled in advance, including progress of the Plan and business reports from each operating company, thereby ensuring effective verification and necessary discussion at the Board of Directors.
- (2) Carry out substantive discussions on the development and operation of the internal control system and risk management framework in full cooperation with the Company's outside accounting auditor and the Internal Audit Department.
- (3) In PMI reviews of acquired companies, verify how each acquisition contributes to the corporate value improvement of the Company and to the achievement of the Plan, in addition to discussions on matters related to the status of achievement of the initial aims of the acquisition, risks, and other issues.
- (4) Continue discussions on succession plan for key positions other than the CEO and the development for the Group's leadership personnel. Consider how to involve the Board of Directors appropriately in the search and selection process for successors, etc.

3. Future Initiatives

In the context of this Analysis and Evaluation of the Effectiveness of the Board of Directors, the TechnoPro Holdings Board of Directors will strive for greater board effectiveness, aiming for best practices in corporate governance and further growth in corporate value by reviewing and reporting in a focused way to Section 2., Issues to Address, etc. above.

In the "Notice Regarding Transition to Company with Audit & Supervisory Committee," published June 30, 2022,

the Company announced its intention to make a transition from a company with an Audit & Supervisory Board to a company with an Audit & Supervisory Committee (“Transition”). At a meeting held August 19, 2022, the Company’s Board of Directors resolved to submit a proposal for partial amendment to the Articles of Incorporation to the 17th Annual General Meeting of Shareholders scheduled for September 29, 2022 (“Meeting”). If the amendments and other related proposals necessary for the Transition are approved at the Meeting as proposed, the audit and supervisory function with respect to the Board of Directors by the Audit & Supervisory Committee will be strengthened further. At the same time, the business decision-making authority will be broadly delegated to directors, facilitating a system that accelerates management decision-making and execution under the appropriate supervision of the Board of Directors. After the Transition, the ratio of outside directors on the Company’s Board of Directors will increase from 44.4% (four of nine directors) to 50.0% (six of 12). The ratio of non-executive directors will increase from 55.6% (five of nine directors) to 66.7% (eight of 12 directors). We believe these changes will strengthen corporate governance further.

(Reference: Main progress and improvement items in view of the analysis and evaluation in the previous period)

<p>FY ended June 2022</p>	<ul style="list-style-type: none"> • Conducted monitoring of the progress of the new medium-term management plan • Implemented the revision of criteria for the agenda of the Board of Directors meetings • Considered measures to enhance the Board of Director functions and determined a policy for reviewing the institutional design of the Board of Directors • Shared matters deliberated by the Nomination and Compensation Committee and provided appropriate supervision over the committee by the Board of Directors • Appointed one female outside director with extensive knowledge in the IT field, further promoted the diversity in the Board of Directors
<p>FY ended June 2021</p>	<ul style="list-style-type: none"> • Deepened strategic discussions through deliberating on formulation of the medium-term management plan • Executed CEO succession through the objective process • Discussed the executive compensation system that has higher linkage to the performance and promotes value sharing with shareholders • Appointed one female outside Audit & Supervisory Board member, further promoted diversity in the Board of Directors and Audit & Supervisory Board • Implemented electronic signature on board meetings minutes
<p>FY ended June 2020</p>	<ul style="list-style-type: none"> • Established cost of capital as a reference in business management, strategy reviews, investment decisions, etc. • Updated cash flow simulations assuming worsening business conditions • Created a skills matrix for the board of directors and the Audit & Supervisory Board • Began discussions to revise director compensation plans • Endeavored in prior expansions of agenda items, improved board meeting minutes reflecting details of deliberations
<p>FY ended June 2019</p>	<ul style="list-style-type: none"> • Decided upon “Standards and Procedures for Appointment and Dismissal of CEO” • Carried out more in-depth discussions and sharing of important company issues and strategies, etc. (work style reform in Japan and improvements to employee satisfaction, global strategies, business process innovation, etc.) • Reports on performance of acquired subsidiaries and investees, and discussions on usage of cost of capital as KPI
<p>FY ended June 2018</p>	<ul style="list-style-type: none"> • Limited attendees in principle to directors and Audit & Supervisory Board members in order to conduct more in-depth discussions on management issues and strategies, etc. • Shared and explained agenda items before meetings with not only outside directors, but also executive directors, and Audit & Supervisory Board members • Annual agenda of business reports and discussion topics set in advance • Introduced an online systems allowing outside directors and outside Audit & Supervisory Board members to view materials and minutes, etc. • Ensured cooperation with not only the Audit & Supervisory Board, but also the board of directors and accounting auditor (Implemented reporting by outside accounting auditor)

FY ended June 2017	<ul style="list-style-type: none">• Number of female outside directors increased by one, ensuring diversity in the composition of the board of directors• Multiple discussions by the board of directors into the process of formulating a new medium-term management plan• Regular prior explanations of board of director agenda items to outside directors• Start of discussions in the Nomination and Compensation Committee addressing the process for nominating a successor to the chief executive officer
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See the TechnoPro Holdings website for more about the TechnoPro Group Corporate Governance Guidelines:
<https://www.technoproholdings.com/en/>

Note on translation

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