

Integrated Report 2023

For the fiscal year ended June 30, 2023



CONTENTS



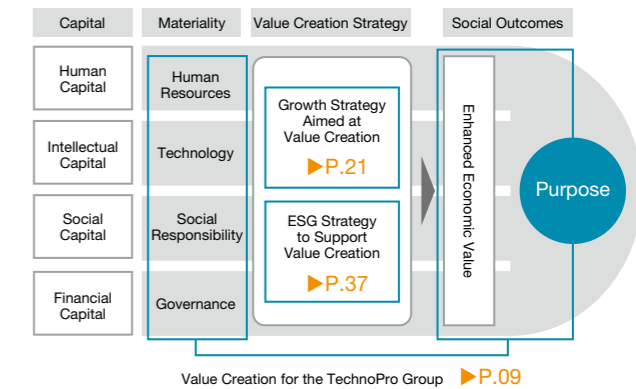
- 03 Introduction
- 03 Corporate Philosophy
- 05 Business History
- 06 Business Model
- 07 The TechnoPro Group's Advantages



Editorial Policy

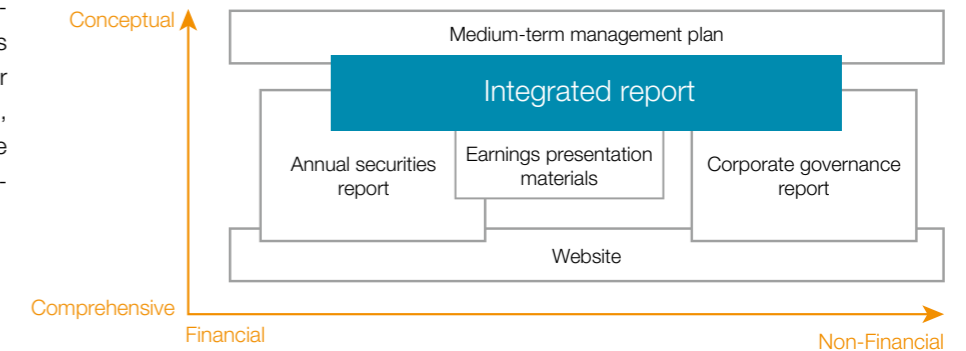
This report provides an integrated overview of the TechnoPro Group's financial and non-financial information from the perspective of value creation. In line with the value creation process, the report presents the Group's mission, which includes its Purpose, as well as the direction of value creation based on materiality. It also describes, in an easy-to-understand manner, the business strategy and sustainability initiatives in the medium-term management plan. We believe that the purpose of our business activities is to enhance both economic and social value. We sincerely hope that this report will help our stakeholders gain a fuller understanding of our value creation activities and medium- to long-term growth potential.

The Value Creation Process



Disclosure Framework

This report focuses on the matters of high importance in terms of the Group's value creation. For more comprehensive information, please refer to other disclosure media, such as our annual securities report.



Organizations Covered

This report covers the entire TechnoPro Group, comprising TechnoPro Holdings, Inc., and its consolidated subsidiaries. In this report, "the Group" or "the TechnoPro Group" refer to the entire group; "the Company" or "TechnoPro Holdings" indicate TechnoPro Holdings, Inc., only; "the two major subsidiaries in Japan" refer to TechnoPro, Inc. and TechnoPro Construction, Inc.

Reporting Period

This report covers the fiscal year ended June 30, 2023 (July 1, 2022 to June 30, 2023). The report also refers to certain important matters outside the scope of this fiscal year.

Disclaimer Regarding Forward-Looking Statements

This report contains forward-looking statements related to the TechnoPro Group. Such statements are based on the information available at the time this report was published, and involve assumptions, inherent in which are uncertainties that could affect future operating performance. Accordingly, such statements are not guarantees, and actual results may differ substantially from these assumptions. Furthermore, business strategies and other topics that involve predictions of the future reflect the Company's understanding as of the date of publication and incorporate certain risks and uncertainties. For this reason, the future outlook may not coincide with actual results.

Glossary

A glossary of the terms specific to the Group that are used in this report is available at the following website.

https://ssl4.eir-parts.net/doc/6028/ir_material_for_fiscal_y6/143863/02.pdf

SECTION 01

09 Value Creation for the TechnoPro Group

- 10 Message from the CEO
- 13 The Market Environment and Our Understanding of the Issues
- 15 The Value Creation Process
- 17 Value Creation and Sustainability
- 18 Material Issues (Materiality)
- 19 Quantitative Indicators (KPIs) and Targets for Materiality

SECTION 02

21 Growth Strategy Aimed at Value Creation

- 22 Messages from the Executives in Charge of Operations
- 25 Human Capital Strategy
- 28 Corporate Strategy
- 32 Business Segments
- 33 Risk Management
- 34 Message from the CFO



SECTION 03

37 ESG Strategy That Supports Value Creation

- 38 Dialogue between an Independent Outside Director and an Investor
- 41 Environmental Initiatives
- 43 Social Initiatives
- 46 Corporate Governance
- 51 Directors with a Diverse Skillset

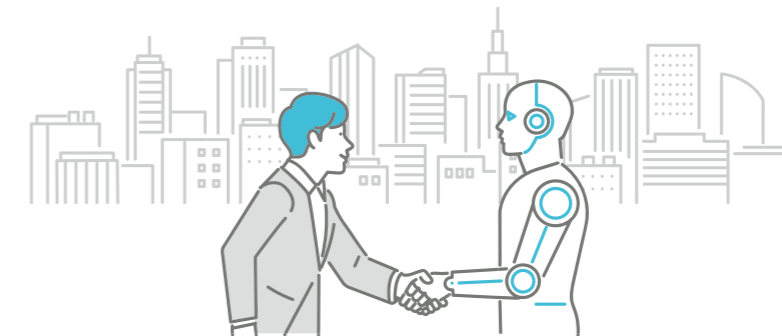


53 Data

- 53 Overview of Financial and Operating Results for the Fiscal Year Ended June 30, 2023
- 55 Consolidated Statement of Financial Position
- 56 Consolidated Statement of Income and Consolidated Statement of Comprehensive Income
- 57 Consolidated Statement of Changes in Equity
- 58 Consolidated Statement of Cash Flows
- 59 Company Data / Stock Information
- 60 External Evaluations

Corporate Philosophy

The TechnoPro Group's business activities are based on "Technology," "Talent," and "Customers." Through all of our activities, we will contribute to the realization of a society in which technology, talent, and customers can develop in a sustainable manner, transcending all boundaries such as organizations, industries, regions, and nations borders.



Why does TechnoPro exist?

Our Purpose

Driving the Power of Technology and Talent to Co-create Value Together with our Customers for a Sustainable Society

Important ways to realize our Purpose

Our Value

Technology is the driver that brings transformation to business, life, and society.

– The challenges and needs of customers and society are diversifying, as dynamic changes occur faster than ever –

We provide solutions to unlimited challenges our customers face by:

- Delivering optimal service and solution through our talent, trained and nurtured well regardless of gender, age, and nationality.
- Working squarely on new, evolving domains and honing our capabilities thoroughly.
- Always meeting our customers' expectations as value-creation partners.

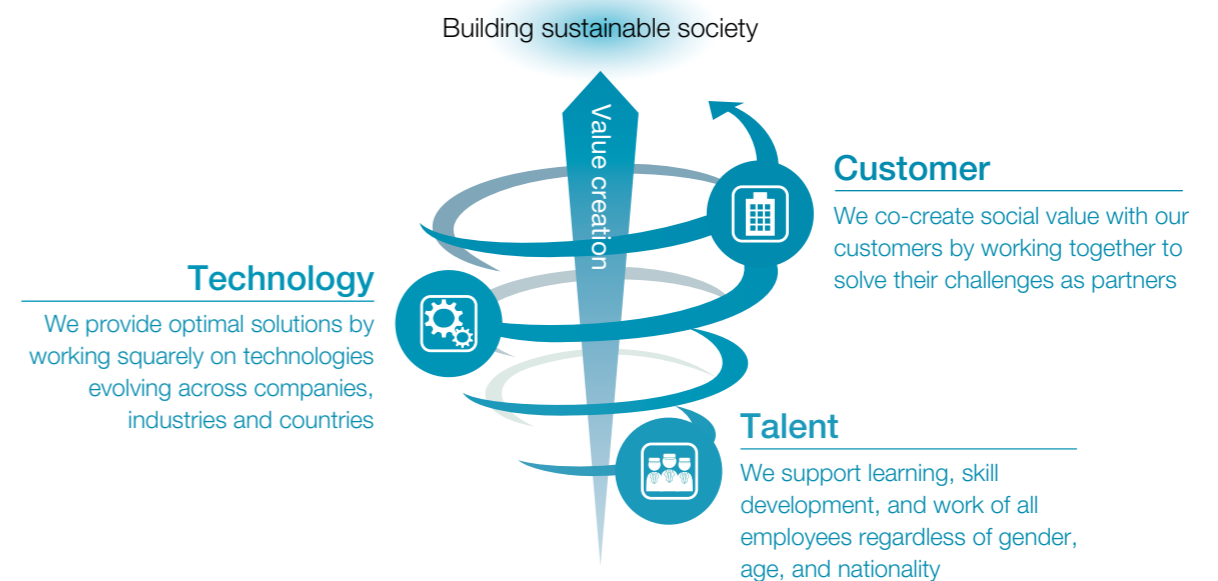
We continue to maximize the potential of engineers and researchers by:

- Providing the conditions and programs to encourage learning and skill development.
- Creating opportunities to not only hone their expertise but also to switch to or acquire new skills.
- Supporting our talent to stay active, against technology evolutions and environmental changes.

We contribute to building a sustainable society by:

- Solving the challenges of our customers and society as we connect talent to technology, and bridge Japan to the world, across various industries and technology domains.
- Promoting a diverse array of talent through continuous enhancement of capabilities.
- Delivering results that have social impact through our business activities.

Chart of Value Creation



Guidelines and actions for achieving it

Our Six Commitments for Excellence

1 Act with initiative and accountability

2 Strive to improve expertise and skills

3 Communicate effectively and act with integrity

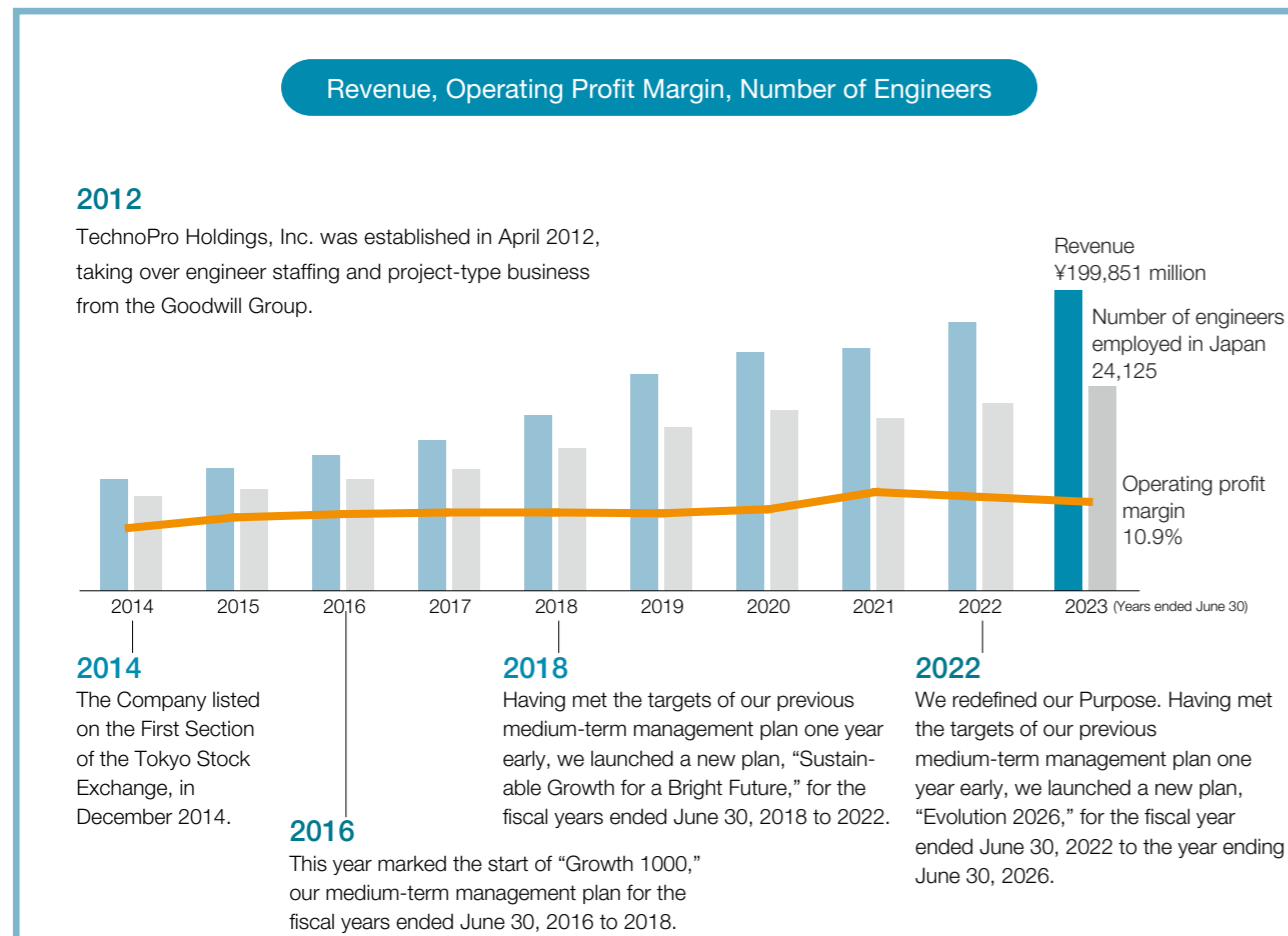
4 Be an ultimate professional and a trusted team player

5 Act with insight and speed for the success of our customers and society

6 Be perfect in legal and ethical compliance

Business History

Believing in the power of technology and talent, we have achieved steady growth as a leader in the engineering professional services industry.

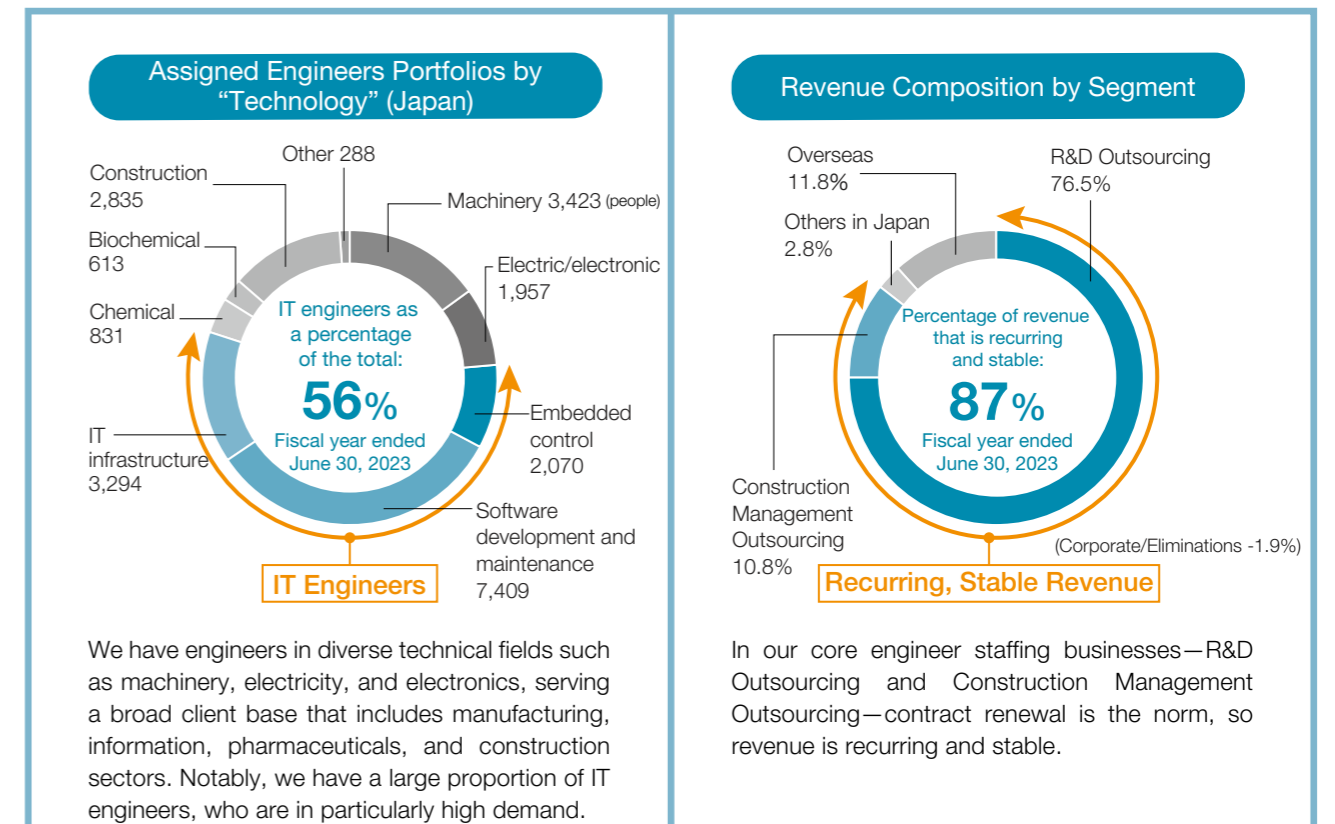


Financial/KPI Highlights (Fiscal Year Ended March 30, 2023)

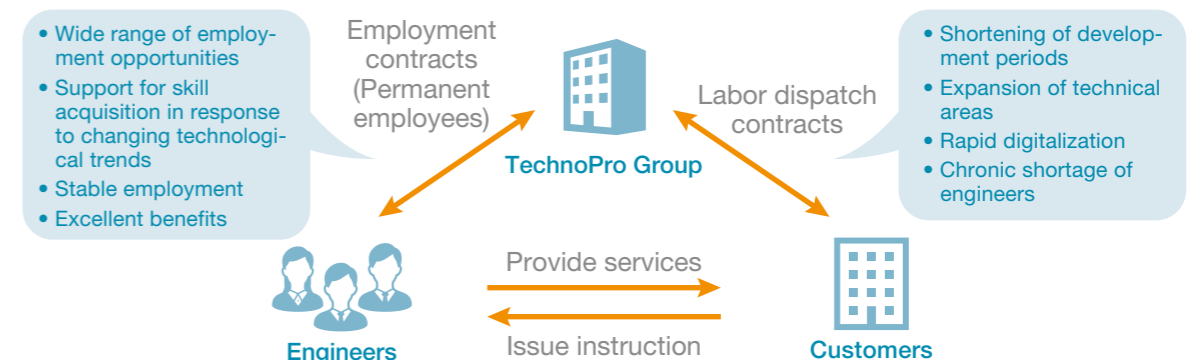
Revenue	¥199,851 million (up 11.8% year on year)
Operating profit	¥21,838 million (up 5.8% year on year)
Operating profit margin	10.9% (down 0.6 percentage point year on year)
Net profit attributable to owners of the parent company	¥15,365 million (down 0.4% year on year)
ROE	21.3% (down 3.2 percentage point year on year)
Number of engineers employed in Japan	24,125 (up 9.4% year on year)
Average utilization ratio in Japan	95.2% (down 0.1 percentage point year on year)
Average unit sales price per engineer in Japan	¥669,000/month (up 1.6% year on year)

Business Model

Our growth is fueled by diverse permanent employee engineers that satisfy a wide range of customer needs and by a recurring-type business model.



Business Model of Our Core Business (Engineer Staffing)



Engineer staffing, which is our Core Business, differs from typical clerical or manufacturing dispatch. The Group dispatches permanent employee engineers, who have been recruited and nurtured by the Group, to its customers to perform research and development tasks. Because they are permanent employees, we can invest our management resources to develop their skills over the long term and provide compliance education, enabling them to contribute to the vital research and development operations of our customers.


Revenue from engineer staffing can be expressed by multiplying the number of engineers employed times the utilization ratio and unit sales price. By hiring engineers that meet customer needs, the Group maintains a high utilization ratio and generates stable revenue. Moreover, we continue to experience revenue growth on a trajectory driven by higher unit sales prices and an increase in the number of engineers, supported by strong technical capabilities and robust demand.

$$\text{Revenue} = \text{number of engineers employed} \times \text{utilization ratio} \times \text{unit sales price}$$

The TechnoPro Group's Advantages

Through our business development to date, we have cultivated unique advantages in the areas of human resources, technology, social responsibility, and governance.

Advantages of Each of Our Four Material Issues

1 Raising Everyone's Potential 



Human Resources

Number of engineers employed in Japan

24,125


Top level in Japan

Number of employees undergoing training in Japan

303,930 accumulative

Up by 1.4 times in two years

Human resources are our most valuable asset. In this area, we have established a solid presence in terms of both quantity and quality. We have one of the highest numbers of engineers in Japan. We burnish the quality of our talents via thorough development, including a wide range of training programs. Notably, we offer industry-leading and over 500 training programs at approximately 50 nationwide facilities, providing our engineers with various opportunities for training.

2 Contributing to Society through the Power of Technology 



No. 1 Share

7.2%

No. 1 share in Japan

Technology




Customers (Two Main Domestic Subsidiaries)

2,469 companies

Stable and diverse

The Group contributes to society through **technology**, leveraging a robust business foundation that includes its position as the domestic market leader and its diverse customer base of 2,469 companies that drive Japan's economy. The Group helps to resolve the issues that our society faces by providing continuously honed technological capabilities and co-creating value with customers.

3 A Trusted Partner 

Social Responsibility

We have been selected as a constituent of all ESG investment indices adopted by Japan's Government Pension Investment Fund (GPIF)


Japanese shares included in ESG indexes

MSCI Japan ESG Select Leaders Index/S&P Carbon Efficient Indices/FTSE Blossom Japan Index
MSCI JAPAN EMPOWERING WOMEN INDEX (WIN)/FTSE Blossom Japan Sector Relative Index/Morningstar Japan ex-REIT Gender Diversity Tilt Index

External evaluations from indices and various rating agencies serve as clear indicators of our commitment to being a trusted partner (**social responsibility**). Through our continued focus and efforts, we have been included in prominent sustainability and ESG indices. We also earn high marks for initiatives such as health management and promoting DX.

For details about our external recognition, visit the following website.

<https://www.technoproholdings.com/en/csr/evaluation.html>

4 A Sustainably Growing Company 

Governance

Compliance with of all principles of the Corporate Governance Code

Compliance with our own Corporate Governance Guidelines

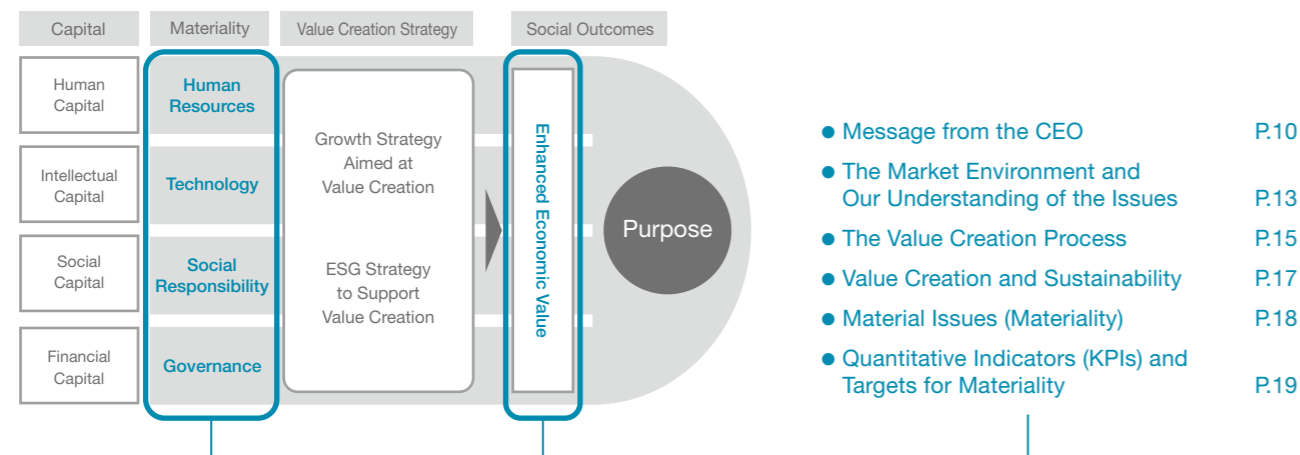


In terms of **governance**, we strive to establish a system that promotes sustainable growth. Our fundamental policy is to comply with all principles of the Corporate Governance Code established by the Tokyo Stock Exchange. We have also established Corporate Governance Guidelines that sit atop regulations next to Articles of Incorporation and outline the framework and operating policies of our corporate governance system. Furthermore, we place importance on investor dialogue and transparent information disclosure. In recognition of these efforts, we have earned the Best IR Award from the Japan Investor Relations Association for two consecutive years (2021/2022).

Value Creation for the TechnoPro Group

Our goal is to contribute to the realization of a sustainable society. We work to create value in order to achieve a society where technology, talent, and customers can develop sustainably, focusing on our four materiality areas of human resources, technology, social responsibility, and governance.

Value Creation Process



Message from the CEO

By becoming a platform where engineers gather, grow, and thrive, we will contribute to industrial and social innovation, working toward the realization of a sustainable future.

Takeshi Yagi
President, Representative Director and CEO
TechnoPro Holdings, Inc.

The Direction of Value Creation -Purpose and Materiality-

In recent years, human capital has gained significant attention in corporate management and investment decision-making. At the TechnoPro Group, we believe that our talents are the source of value creation, and that our business operation itself can be regarded as the management of human capital.

The Japanese labor market for engineers faces challenges, such as a structural shortage of talent and the need for upskilling and improving employment conditions. To address these issues, we aim to reinforce our investment in human capital so the Group becomes a platform where engineers gather, grow, and thrive. We will create economic and social value by leveraging the diversity of our employees through our recruitment and development efforts, as well as by assigning them to attractive positions. Maximizing opportunities for engineers to excel and increasing their market value will not only help address the increasingly complex challenges faced by our customers and society; it will also foster talent mobility across industries and contribute to social innovation.

These ideas underpin our Purpose, of “Driving the Power of Technology and Talent to Co-create Value Together with our Customers for a Sustainable Society.” Based on this Purpose, we have identified material issues

in the four domains of human resources, technology, social responsibility, and governance, and we are working to strengthen the foundations and practice of value creation.

The Aims of “Evolution 2026” Transforming Our Business Model

Conventional engineer staffing is a kind of trading business that involves recruiting and dispatching personnel to meet demand, with the number of engineers and utilization ratio being the main drivers of growth. This approach has helped customers to reduce expenses and make workforce adjustments amid Japan’s prolonged deflationary economy.

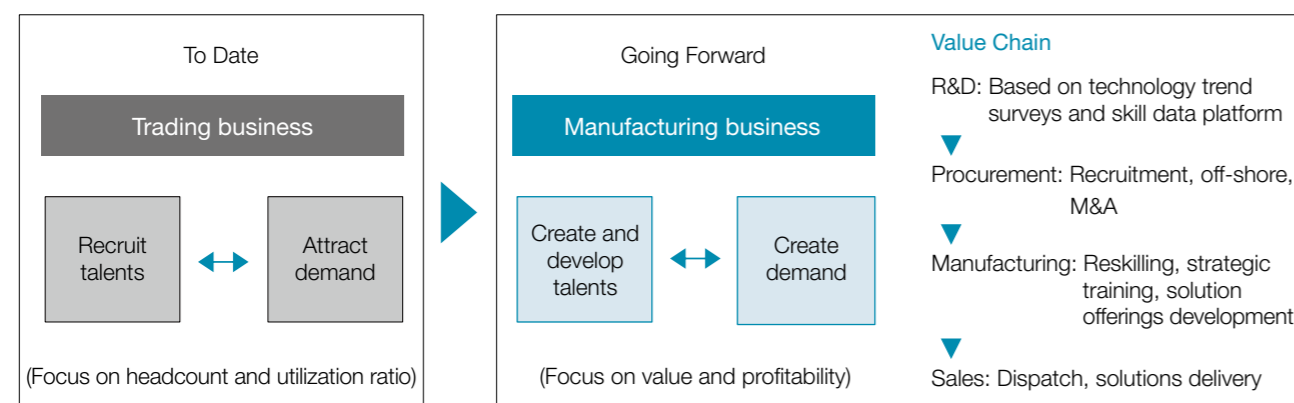
However, the supply of talent will be inevitably limited by the decline in Japan’s working-age population, so growth under the traditional model is likely to be challenged. In the economic circumstances that require us to consider rising prices, interest rates, and wages, we need to develop strategies that generate new added value. To do so, we see ourselves evolving in a manner akin to manufacturer. We will need to engage in the “R&D” processes of ascertaining promising technological trends and developing training content, as well as “manufacturing” processes involving reskilling and training inexperienced individuals. Creating high-value talents that can generate competitive advantages for our customers both generates new demand and allows us to pass on better terms (unit sales price) to engineers.

We have formulated a medium-term management plan, “Evolution 2026,” based on this strategic logic, covering the fiscal years from June 30, 2022 to 2026. Under this plan, we will gradually transform our business model and evolve our capabilities. In terms of business portfolio, the focus is on prioritizing the quality-driven growth of our Core Business (domestic engineer staffing), where we expect the market to expand in the near term. By leveraging the solid revenues and nurturing the foundation and assets of our Core Business, we intend to expand the Solution Business, the Engineering Training Business, and the DX Promotion Business.

We believe we can measure our progress in transforming the business model and enhancing added value by the growth of our Solution Business, both in Japan and overseas. Our plan is to increase this business as a percentage of total revenue from 18.8% to 26.3% during the five years covered by the medium-term management plan. We will transition personnel from our Core Business to the Solution Business, as well as recruiting and nurturing solution-oriented talent. We have the advantage of being on-site at customers’ development efforts, where we can clearly see the challenges they face. By leveraging this advantage, we will deliver expanded services from planning to implementation. In this manner, we will go beyond simply providing personnel and services.

The Engineer Training Business and the DX Promotion Business will strengthen capabilities that will help us achieve growth focused on return on invested capital (ROIC) from our Core Business and Solution Business. The Group has extensive data and expertise in nurturing engineers. We collaborate with the University of Tokyo and other academic institutions to develop a skill data platform to make technical proficiency visible. Our platform uses AI engines to bolster turnover prediction and skill-order matching accuracy. We are also moving forward with individually tailored training programs. We have received strong expressions of interest from customers who face similar needs for human capital management, so we will also focus on expanding external sales, growing this into a pillar of our business.

The Strategic Logic of “Evolution 2026”



“Evolution 2026” Progress and Challenges in the First Two Years

We are positioning the first two years of “Evolution 2026,” through the fiscal year ended June 30, 2023, as the period for building a solid foundation for the evolution of our Core Business. We see the next three-year period as the time for achieving accelerated growth.

Over the past two years, I would assess our financial performance and strategic progress as generally favorable. In the fiscal year ended June 30, 2023, we achieved all of the initial targets of our medium-term management plan—for revenue, operating profit, and gross profit margin, which is our particular focus. Compound annual growth rates (CAGRs) for revenue in the Solution Business and the Overseas Business over the two-year period were 19.0% and 43.4%, substantially higher than planned, and the Solution Business grew to account for 22.6% of total revenue. Despite increasingly intense competition for talent, we exceeded our hiring targets and have made progress since resuming the hiring of non-Japanese engineers. By clarifying our definitions of digital technologies and required skills, we have made inroads with developing and reskilling talents. We have also introduced a new personnel system that makes market value visible and utilizes this value as the basis for evaluating and compensating engineers. We have been rolling out the system gradually since we introduced it in July 2022. We believe the system has had a positive impact on increasing unit sales prices, while maintaining turnover at the previous year’s level (7.7%) and encouraging engineers to be proactive in acquiring skills. We are pursuing an overseas strategy centered on Robosoft, which we acquired around the time we launched the medium-term management plan. Under this strategy, we are leveraging Robosoft as an offshore delivery center for Japanese customers and strengthening collaboration within the Group.

Meanwhile, challenges remain. In particular, we are in the early stages of building a framework to promote the Solution Business and its strategic initiatives, and work remains to be done on gaining traction at the operational level. To develop the capability to win and deliver on large-scale solution projects, we need to be able to guarantee the availability and development of project managers, as well as to strengthen functions and processes related to risk management and quality control. Also, we have not engaged in any M&A deals since acquiring Robosoft.

Initiatives in the Last Three Years of the Medium-Term Management Plan (Realizing Accelerated Growth)

Our operating environment has been changing more than we had expected. Although the trends are not as pronounced as in Western countries, Japan is also experiencing higher labor mobility and a growing demand for wage hike. It has become more challenging to attract and retain talents without offering attractive wages. Although the Group has a large number of engineers who are in high demand, we face the risk of turnover. At the same time, recruiting costs are escalating, due to increased use of professional recruitment agencies. Furthermore, demand is growing for upfront investment incurred by recruitment requiring OJT. To achieve high-profit growth, we need to address these challenges proactively.

Given these circumstances, after extensive discussions during Board of Directors meetings, we have developed a strategic map for the last three years of our medium-term management plan, taking into account our past achievements, challenges, and changes in the business environment. In our Core Business, we aim to achieve an appropriate mix of recruitment and development with a focus on ROIC, and promote appropriate pricing. In the Solution Business, we will identify solution offerings to prioritize based on technology trends, market research, and our assessments of internal capabilities. We will avoid spreading ourselves too diversified. Rather, we will aim to quickly establish services that deliver wins for the Group. In addition, we plan to strengthen our upstream processes through the full-scale operation of the Consulting Division, which we established in May 2023. In addition, we will pursue opportunities to acquire domestic solution-oriented companies to build a primary solution unit. In the Engineer Training Business, we will focus on enhancing training programs that cater to solutions and expanding the external sales of training consulting services. In the DX Promotion Business, we will further implement analytical insights we gain into our operations, enhance its contribution to the Core Business, and promote the widespread adoption of data-driven business operations.

In addition, we will continue to address sustainability issues with a focus on enhancing shareholder value beyond the medium-term management plan period. For the four materiality areas, we have set more than 70 targets and

KPIs and are implementing a PDCA cycle. The steady promotion of these initiatives will become even more important. On the Sustainability Committee, which I, as CEO, chair, we will monitor and analyze the progress of each materiality item. We will conduct reviews as appropriate in response to changes in the business environment and strategy.

In terms of governance, in September 2022 we transitioned to a company with an Audit & Supervisory Committee, and we have been gradually delegating authority to the Executive Directors. After serving for many years on the Group’s management team, Yasuji Nishio and Tsunehiro Watabe stepped down in September 2023, and Mitsutoshi Takao, an Independent Outside Director, assumed the position of chairperson of the Board of Directors. We plan to continue using a skill matrix and consider implementing the phased succession of the Outside Directors, taking into account our progress and necessity to transform the business structure. Meanwhile, we aim to enhance shareholder value through in-depth discussions at the Board of Directors, including strategic reviews. We will also utilize the Management Development Committee, which was established in August 2023, under the supervision of the Board of Directors and the Nomination and Compensation Committee, to formulate succession plans for key positions and promote the development and appointment of future management talent.

Enhancing Engagement by the Penetration of Purpose

Over the past two years, the Group’s Purpose has not fully permeated within the organization. Learning from this reflection, from the third year of the medium-term management plan, we are strengthening communication through various internal media. At the same time, we are increasing opportunities for direct dialogue with employees through town hall meetings and branch manager conferences. Additionally, we are gathering case studies showing where our Purpose has been embodied, such as in problem-solving projects within the Solution Business. In this way, we will help employees to feel the true significance of the Group’s existence. I am putting “fostering the Group’s Purpose” on the CEO agenda, and I will work to improve employee engagement, aligning individual activities and vectors as well as driving the transformation of behaviors and mindsets.

My immediate mission is to successfully achieve the ultimate targets set under “Evolution 2026” while seeking to transform our business model. As we progress toward accelerated growth over the next three years, the directions and objectives of the next medium-term management plan will also begin to take shape. Keeping this vision in mind, I am determined to do my utmost to ensure the success of this ongoing plan, given its role in creating a bridge for the next generation. I ask for your continued support as we strive to evolve.

The Market Environment and Our Understanding of the Issues

With the importance of human capital gaining attention, demand for engineering professional services in Japan is expected to continue to grow.

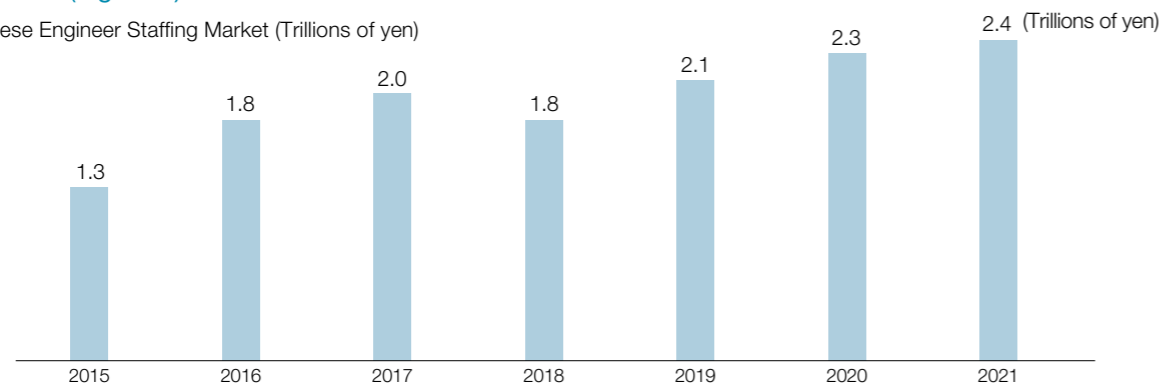
The market for engineer staffing that requires specialties in such areas as engineering and research is worth an estimated ¥2.4 trillion*1 (Figure 1). As transformations in the automotive and IT sectors have shown, the digitalization of industry has become irreversible. In line with this trend, demand in the engineer staffing market is largely made up of digital talents, such as engineers in information processing and communication (Figure 2).

Viewed chronologically, R&D and IT investments related to DX and AI implementation for the lifelines of business growth, continue to surge, suggesting market expansion. Looking forward, outsourcing needs in advanced technology areas are expected to increase, mirroring greater investment in fields such as AI, IoT, robotics, and energy saving, and in response to ongoing technological development and shorter product life cycles. These trends indicate that market growth will continue.

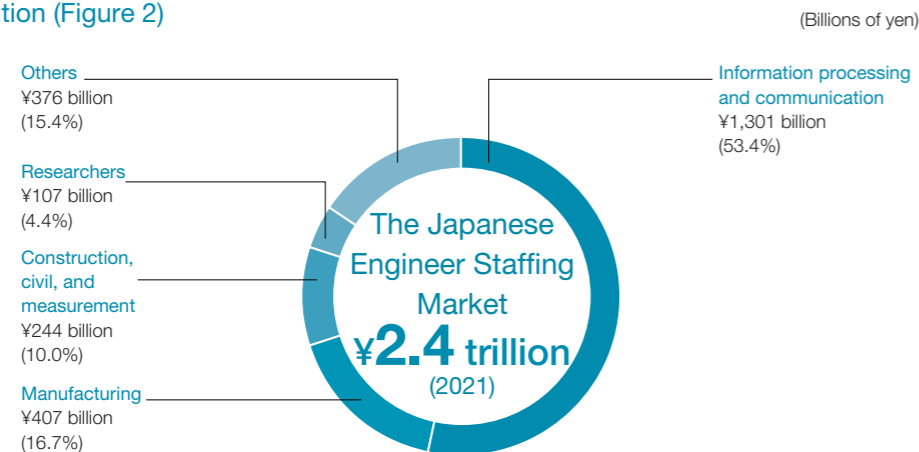
In the engineer staffing industry, it is worth noting that even the TechnoPro Group, the largest player, has only a 7.2% share of the market. The market is highly fragmented and comprises many small and medium-sized enterprises. Going forward, we expect small and medium-sized enterprises to consolidate, providing significant growth opportunities for industry leaders.

Market Scale (Figure 1)

The Japanese Engineer Staffing Market (Trillions of yen)



Market Distribution (Figure 2)



Source of Figure 1, 2: TechnoPro estimates based on the data researched by Ministry of Health, Labor and Welfare

Meanwhile, compared to other countries, Japan's investment in human capital is low, and the shortage of IT engineers is a challenge for all industrial sectors.

Although the demand for highly skilled IT engineers is soaring, the supply of IT talent in Japan remains limited. It is estimated that by 2030, Japan will face a shortage of 540,000 advanced IT professionals (Figure 3).

One factor contributing to this gap is the persistence of the so-called Japanese-style employment system, characterized by seniority-based wages and lifetime employment. This system creates incentives for workers to avoid job-change risks and stay with the same employer for a long time, reducing labor market mobility. Consequently, insufficient opportunities for career changes and reskilling can lead to a perceived mismatch in supply and demand for highly specialized engineers.

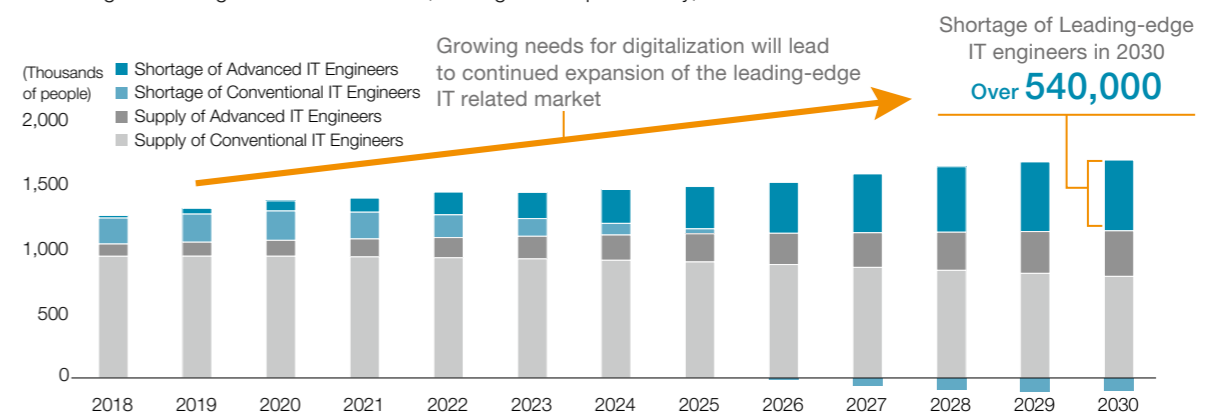
Furthermore, Japan's investment in human capital is

significantly lower than in other major developed countries (Figure 4), and there are challenges in terms of the training environment and compensation of engineers. As of 2016, salaries of technical personnel in Japan were reported to be 50–60% of those in the United States. In Western countries, labor mobility is high and investment in human capital tends to produce highly specialized engineers. By comparison, Japan has an inferior environment for producing highly specialized engineers.

Given this environment, the Group believes it has an important mission to help address the social issue of a shortage of engineers by recruiting and training engineers and providing them with opportunities to thrive in industry.

Projected Shortage in Advanced and Conventional IT Engineers (Figure 3)

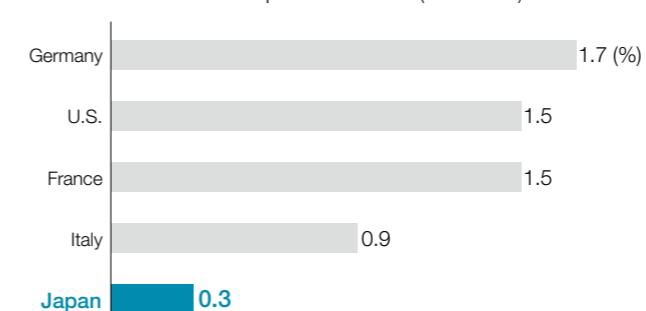
Assuming moderate growth in the IT market, 0.7% growth in productivity, and a 1.0% reskill rate



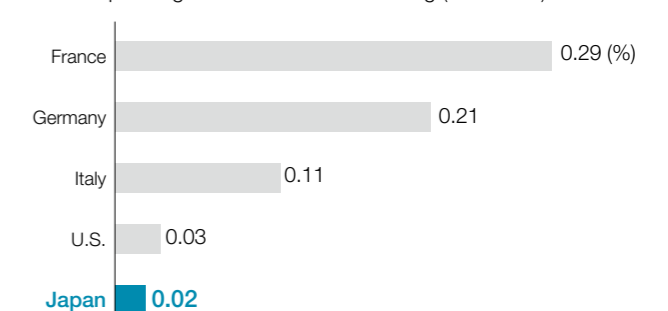
Source: TechnoPro Holdings based on "Survey Report about Supply and Demand of IT Engineers" (March 2019) by Mizuho Information & Research Institute, Inc., commissioned by the Ministry of Economy, Trade and Industry

Comparison of Investments in Human Capital (Figure 4)

Private-Sector Human Capital Investment (% of GDP)



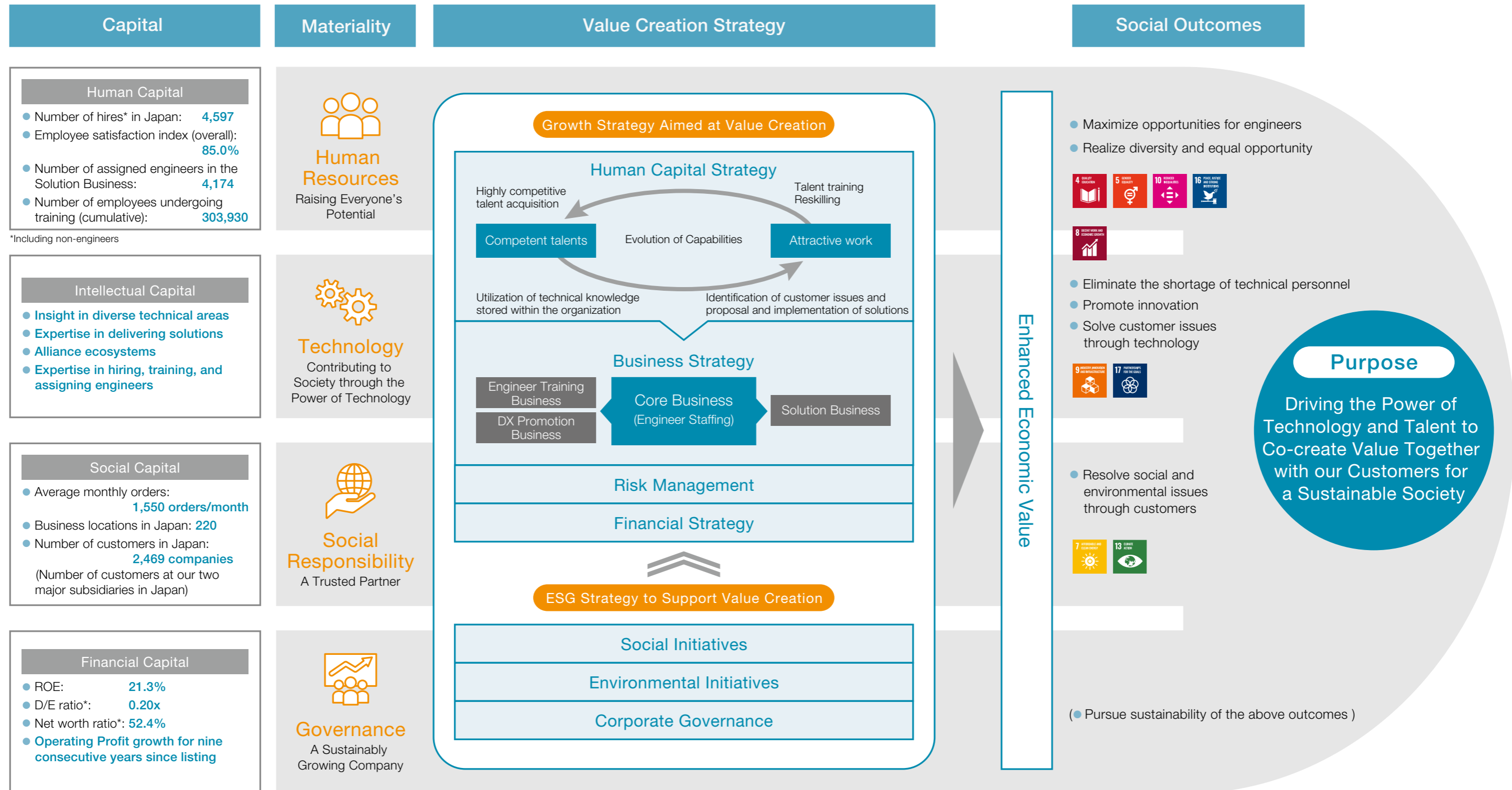
Public Spending on Education and Training (% of GDP)



Note: 2010–2018 averages (U.S. only: 2010–2017); investment does not include on-the-job training. Note: 2010–2019 averages. Source: TechnoPro Holdings based on Mizuho Research & Technologies, Ltd.'s "The New Capitalism and human capital investment"

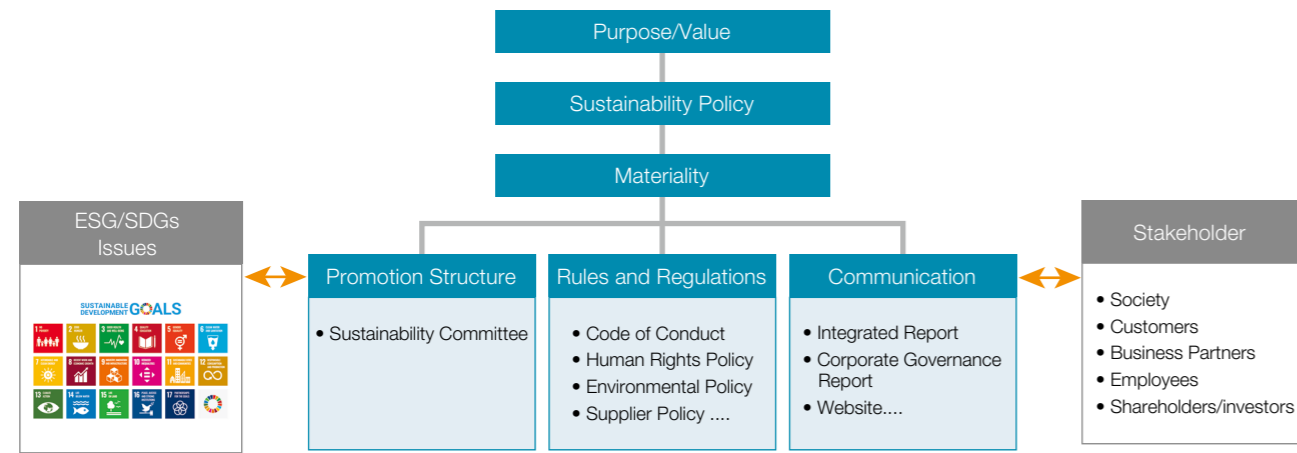
The Value Creation Process

We will steadily promote efforts to address our materiality in order to realize our Purpose and improve both economic and social value.



* The figures are for the fiscal year ended June 30, 2023 or as of June 30, 2023

Value Creation and Sustainability



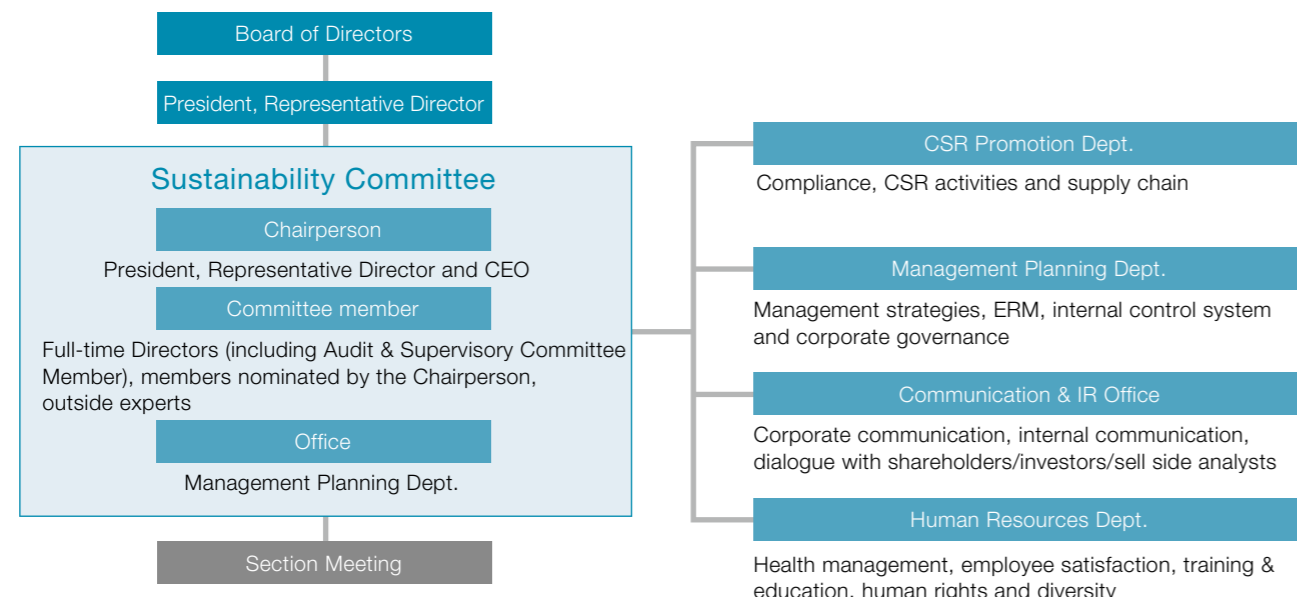
Promoting Sustainability Management for Value Creation

To drive our value creation process, we have established the TechnoPro Group Sustainability Policy based on our Purpose and Value. The policy states that "The TechnoPro Group will achieve sustainable business growth and increase shareholder value through creating shared value with our stakeholders, including society, customers, executives and employees, shareholders and investors, based on our engineers, technical capabilities, and business models, and through the establishment of and operations built on a solid management foundation. As a result, we will contribute to the sustainable development and prosperity of economies, industries, and societies around the world, as well as to the preservation of the global environment." We promote sustainability management by identifying and addressing materiality, clarifying the discipline and direction of corporate activities through the development of various regulations, and by communicating

closely with stakeholders. Furthermore, we have endorsed the United Nations Global Compact (UNGC) initiative and joined the Global Compact Network Japan, the UNGC's local network in Japan.



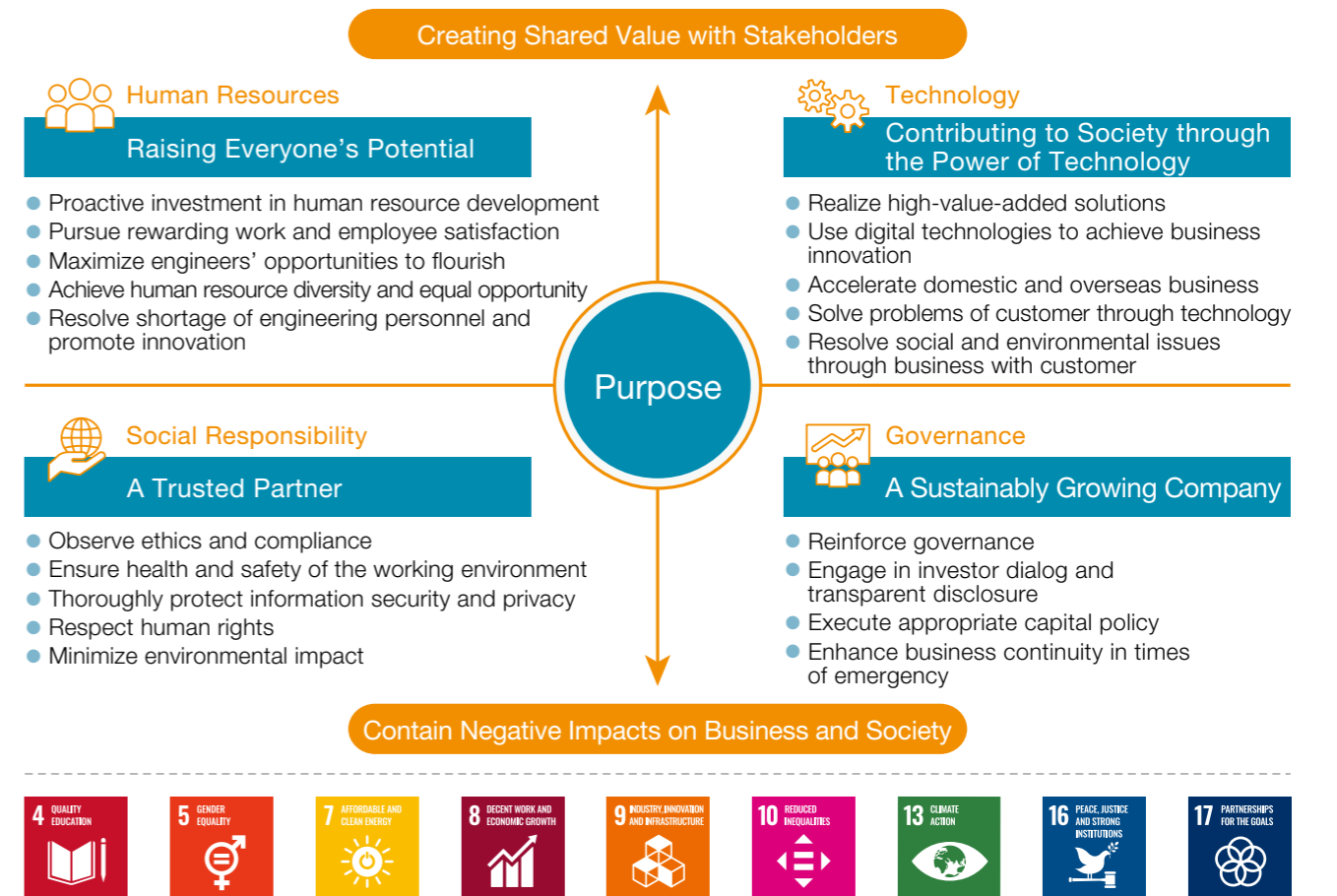
To promote sustainability management, the Sustainability Committee discusses and makes decisions and discussions regarding the establishment and promotion of initiatives to realize the TechnoPro Group Sustainability Policy. The decisions made by the Sustainability Committee are taken up in each department, and for important matters, section meetings are set up to promote cross-departmental progress. The Board of Directors regularly receives reports on deliberations and decisions made by the Sustainability Committee. The board oversees sustainability management and deliberates and makes decisions on the matters of high importance.



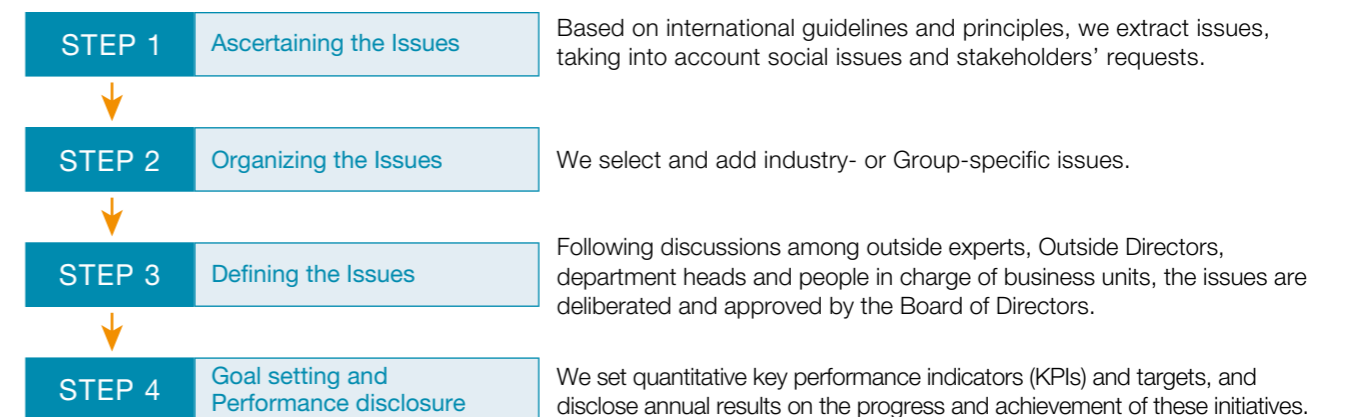
Material Issues (Materiality)

As one aspect of its sustainability management, to support value creation the TechnoPro Group defines material issues (Materiality) from a management perspective, and aims to achieve sustainable growth by putting them into practice. We periodically revise material issues, key performance indicators (KPIs), and targets as necessary based on changes in the business environment, social trends, and medium-term management plans, while keeping in mind our corporate philosophy and the characteristics of our business.

Material Issues (Materiality)



Materiality Definition and Revision Process



Quantitative Indicators (KPIs) and Targets for Materiality

The TechnoPro Group categorizes Materiality into four areas, setting quantitative indicators (KPIs) and targets for each area and monitoring them. These KPIs and targets are deliberated and decided upon by the Sustainability Committee, and the results are reported to the Board of Directors by the President, Representative Director and CEO who also chairs the committee. Particularly important indicators are outlined below.

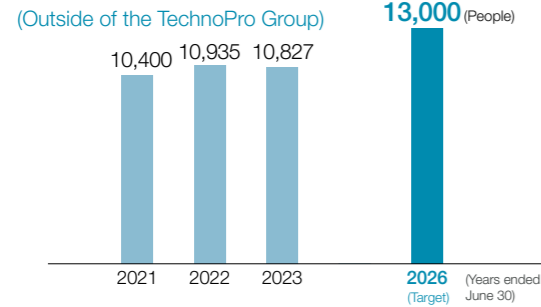
More details, including KPIs and targets, are available on the following website.

<https://www.technoproholdings.com/en/csr/databook.html>

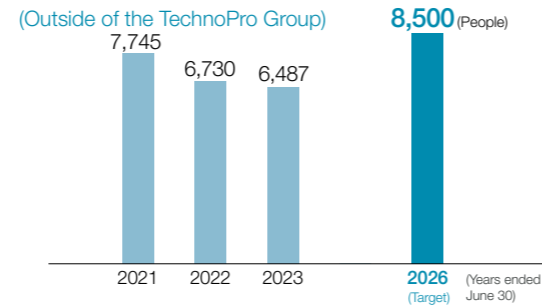
Note: Unless otherwise stated, calculated values are for the Group in Japan.

Human Resources

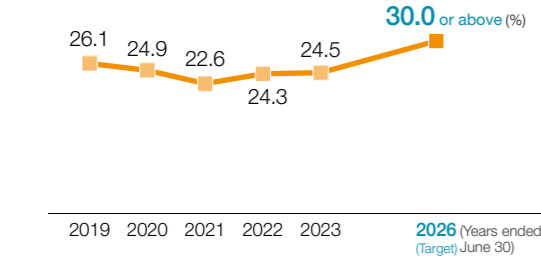
Corporate participants in the Engineer Training Business



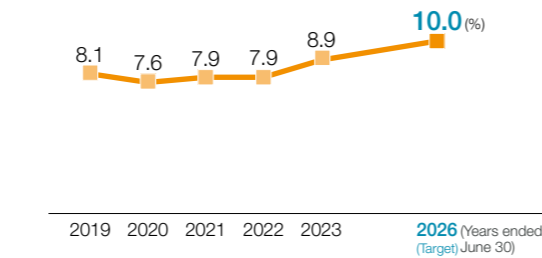
Individual participants in the Engineer Training Business



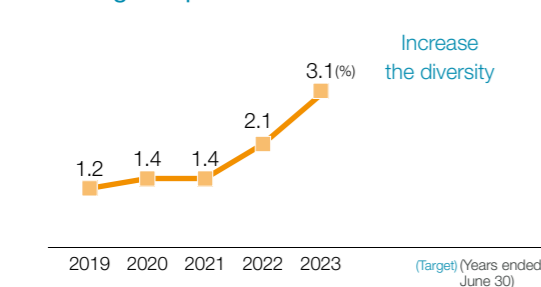
Total percentage of women hired



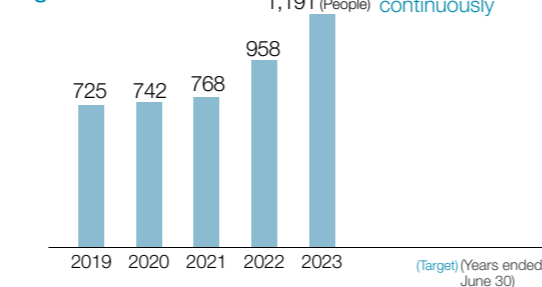
Percentage of female employees in managerial positions



Percentage of non-Japanese nationals in managerial positions

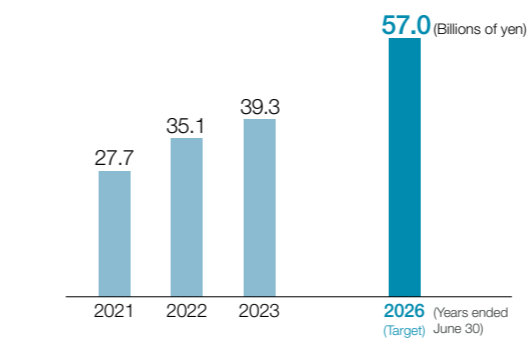


Employment of people aged 60 and older

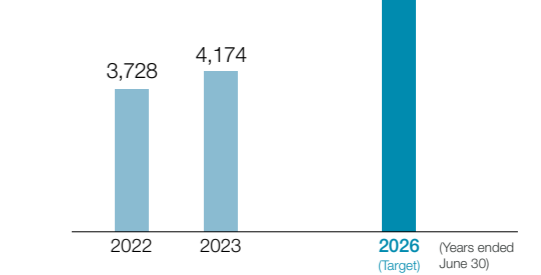


Technology

Revenue from the Solution Business



Number of assigned engineers in the Solutions Business

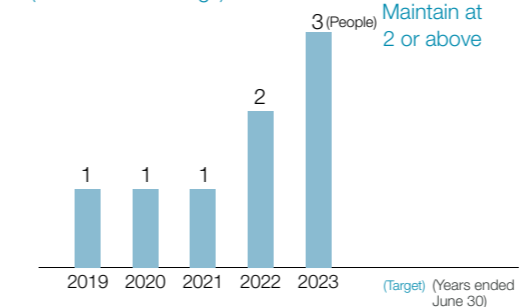


Social Responsibility

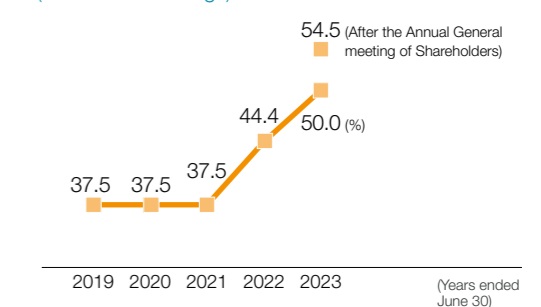
	(Years ended June 30)	2019	2020	2021	2022	2023	Target
Number of serious disciplinary actions related to corruption	Cases	—	—	—	0	0	Continue to have zero cases
Number of fines related to corruption	Cases	—	—	—	0	0	Continue to have zero cases
Fatalities due to work-related accidents	People	0	0	0	0	0	Continuation of zero fatalities
Sustainability training attendance rate		100%	100%	100%	100%	100%	Maintain at 100%

Governance

Number of female directors



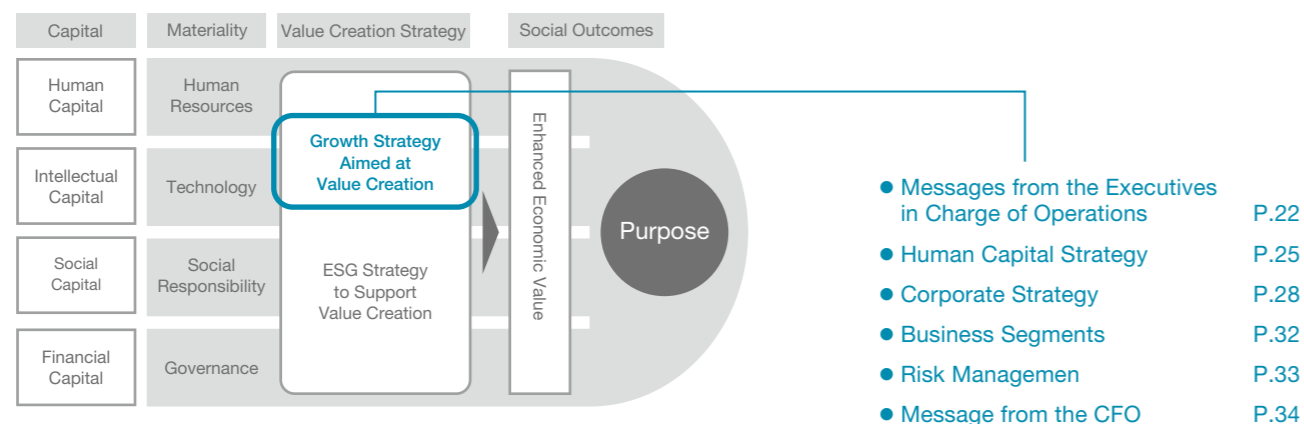
Percentage of Outside Directors



Growth Strategy Aimed at Value Creation

As we strive to grow, we will prioritize the quality of our Core Business. Rather than diversification, we will promote business transformation based on *evolution*, targeting business expansion and adapting our business model to anticipate medium- to long-term changes in demand and supply.

The Value Creation Process



Messages from the Executives in Charge of Operations

We have concluded the first two years period covered by “Evolution 2026,” which we position as a time for building solid foundation. We are now embarking on the final three years—the period for achieving accelerated growth. Here, three executives in charge of business strategy discuss the key themes, progress, challenges, and future prospects for each business under “Evolution 2026.”

Koichiro Asai

Senior Managing Director
TechnoPro Holdings, Inc.
President and Representative Director,
TechnoPro, Inc.
(President of TechnoPro Engineering Company
and President of TechnoPro IT Company)

Gaku Shimaoka

Vice President,
Representative Director and COO
TechnoPro Holdings, Inc.
President and Representative Director,
TechnoPro, Inc.
(President of TechnoPro Design Company)

Ravi Teja Bommireddipalli

Managing Director & CEO
Robosoft Technologies Private Limited

First of all, in terms of the strategic direction of each business, what do you hope to achieve by the final year of “Evolution 2026” (the fiscal year ending June 30, 2026)?

Shimaoka In our Core Business, what matters is to secure engineers with technical expertise that customers find valuable and that will still being demand 5 or 10 years from now. Engineers who are required even in a rapidly changing world can generate higher unit sales prices and profits, and their compensation will also improve. The Group identifies technologies that will be needed in the future and concentrates on developing them in advance. By doing this, we aim to achieve steady growth as a business.

Asai To elaborate, we place importance on enhancing both the quality and quantity of our engineers. The market for our Core Business is expected to continue expanding even 10 years from now. One estimate suggests a shortage of over 540,000 IT engineers, and our customers need us to help provide these people. “Evolution 2026” is about shifting our focus from quantity to quality, but we also plan for a CAGR of 6.2% in the number of engineers on our roster during the period of the current medium-term management plan.

Shimaoka The Solution Business is also a key to the Group’s transition to problem-solving and increasing added value. Our goal for 2026 is to lead growth by providing stronger and more competitive solutions as the TechnoPro Group, combining domestic and overseas service solutions.

Asai The shift of personnel from the Core Business to the Solution Business will not be completed during the Evolution 2026 period. We are currently focusing on areas such as cloud, SAP, and security, and we are working to establish a wide range of technologies. During the remaining three years of the current medium-term management plan, however, each company within the TechnoPro Group will narrow its focus to one or two main pillars and intensify its efforts.

Shimaoka In the Engineer Training Business, first we aim to reorganize and strengthen our training functions, providing training to engineers within the Group and then extending this know-how to external customers. By developing the Engineer Training Business, we aim for growth, not just of the Group but also for our customers and their employees. The DX Promotion Business supports customer growth by selling externally as HR Tech the knowledge and expertise gained in turnover prediction, matching, and efficiency in hiring.

The key to the Overseas Business will be the creation of synergy with our Japanese operations, and at the core of this is Robosoft. By capturing vigorous demand for DX in Japan, Europe, the Americas, and China, we will resolve customer issues through nearshore and offshore development. Through collaboration with Robosoft, which has a track record of over 2,000 solutions, and among each Group company, we will transform the Group’s problem-solving business and realize DX for our customers.

Ravi Robosoft's client base is mainly U.S. companies, which account for 70% of the total. Of these, more than 80% are global corporations with strong brands such as Warner Bros. Discovery and McDonald's. We have been solving our customers' problems by using our unique design-thinking framework. One example of our solutions was a project for Mercedes Benz in India. We replaced the device used in car repairs with a smartphone and leveraged IoT, which dramatically improved the efficiency and productivity of repair engineers. Robosoft intends to offer solution capabilities like this to customers in Japan and other parts of Asia.



The first half of "Evolution 2026," the period for building solid foundation, is now over. What is the current state of progress, and what changes are taking place in the field?

(See page 30 for information about the progress of Group's consolidated results.)

Shimaoka I think one particularly significant development on the ground has been the Group's defining of "digital technologies." Given the wide variety of digital-related technologies, the career growth path for engineers had become complex. Now, we have identified and clarified the skills that engineers need to master and the goals to aim for. This clarity has accelerated education at about 50 Win Schools nationwide and on the Learning Management System (LMS). I believe engineers are feeling this change on a personal level, including in terms of pay raises.

The Group is shifting towards a Solution Business model as engineers who were previously working as dispatched staff undergo training to become project leaders (PLs), project managers (PMs), and consultants. Furthermore, the expansion of offshore development in countries like India and China is leading to significant changes for these engineers.

Asai Yes, I think they probably feel that their opportunities to shine as engineers have expanded. Rather than waiting for instructions as dispatched engineers, most people view the change positively as it enhances their in-

dividual value in working towards problem solving. As Mr. Shimaoka mentioned, defining "digital technologies" has helped shape individual career plans, so engineers' attitudes towards re-skilling have become more proactive. The new personnel system introduced last fiscal year is also supporting this growth. As the mechanism links salary increases with rises in the market value of engineers, it is being viewed as a virtuous cycle where increases in acquired skills, work, and unit sales price/gross profit drive up compensation.

Shimaoka To promote our Overseas Business, over the past two years we have incorporated Robosoft into our service catalogue and built a sales infrastructure within the Group comprising 24,000 engineers and 600 sales-people in Japan. This has resulted in new contracts and a robust sales pipeline. I believe that securing contracts under the Group's infrastructure was a very significant first step.

Ravi Indeed, at Robosoft we are making progress in collaborating with the Japan business. Mr. Shimaoka has established a consulting team for the Solution Business within TechnoPro, and besides thorough training, we are making progress on projects in such fields as IoT, RPA, and ERP with TechnoPro's offshore promotion team. As part of strengthening the system within Robosoft, we have set up an analytics team that uses artificial intelligence and machine learning to analyze the personalized consumer behavior of end-users. In addition, we are moving forward in our collaboration with Helius, which is strong in Southeast Asia. We will solve problems by combining the technologies and solutions of both companies for excellent customers in banking, financial services, insurance, and other sectors.

Please talk about your future initiatives and investments toward the growth of the Solution Business, which is important under "Evolution 2026."

Shimaoka We are focusing on two main approaches to drive the growth of our Solution Business: increasing digital talent and investing in functional enhancement. We are accelerating the expansion of our consulting teams and the hiring and training of PLs and PMs. We are also expanding a system of "one-click reporting," which enables our dispatched engineers on-site to quickly identify and share customer issues. In the areas of solution service development, we have reinforced and set up new specialist organizations [a Center of Intelligence (COI) and a Center of Excellence (COE)] to identify technical areas and build our capabilities. Our focus areas include development (automobiles, medical, devices, etc.), manufacturing/production, operations (sales, procurement, etc.) and services to improve after-service for products (see page 29). Going forward, we will engage globally and seamlessly in three key areas: 1) enhancement of

solution offerings, 2) research and analysis for 1), and 3) new digital marketing strategies.

Recruitment in the Core Business and strengthening the Engineer Training Business seem to be key themes. What is your outlook for the future?

Asai Amid intensifying competition for mid-career hires, in the Core Business we are expanding our hiring efforts, in addition to new graduates, such as recruitment requiring subsequent education and training, and allocation under on-the-job training (OJT) plans. We have also been more proactive in our hiring of non-Japanese engineers. In the fiscal year ended June 30, 2023, we hired more than 200 non-Japanese individuals, both in Japan and overseas. We are particularly focused on hiring locally in Myanmar, India, the Philippines, and Sri Lanka. However, although our hiring criteria generally require Japanese language proficiency of JLPT N3 level or higher and at least three years of work experience, in reality barriers to communication in Japanese exist, and some customers are hesitant about accepting foreign-national engineers. To create more opportunities for foreign-national engineers, we are cultivating customers who are open to accepting them and collaborating with our overseas subsidiaries on offshore expansion, among other efforts. In particular, we expect that hiring in India, which has substantial advanced IT engineering talent, will be crucial.

Ravi In India, where obtaining a work visa for Japan tends to be relatively easy, many engineers in cities such as Chennai, Pune, and Mumbai are studying Japanese and expressing a strong desire to work in Japan. For Indian IT engineers, the Group, including Robosoft, is considered a provider of both employment locations and opportunities for career growth. We will continue to focus on enhancing the career paths that involve sending engineers to Japan, and on establishing bases where offshore engineers can gather.

Shimaoka When cultivating engineers, we must pay attention to the fact that our customers' strategies are undergoing major changes, driven by trends emphasizing sustainability and human capital. Our customers are finding that traditional employee development methods



are inadequate, and that they need to transform their talent strategies. Meanwhile, the TechnoPro Group has a proven track record of adapting to customer changes and advancing the skills and abilities of its engineers. Now more than ever, our Engineer Training Business carries significant importance. In other words, the essence of the Engineer Training Business is to visualize where engineers are now, clarify the desired future state, and then provide training to address the gap. In the automotive industry, which is shifting towards electric vehicles, for instance, we are helping engineers who have spent decades developing engines to acquire knowledge and skills about motors, batteries, and autonomous driving. Our ability to facilitate strategic, future-oriented shifts in talents in this way is precisely why we earn high marks.

To conclude, would you describe some of your future initiatives for the Overseas Business, including with regard to DX in Japan?

Ravi Japan's DX market offers significant business opportunities, including among automakers and other manufacturers, and the Group's infrastructure and Robosoft's IoT-focused expertise will drive the Group's response to these opportunities. I see significant potential in the media and entertainment, retail, and payment system businesses, too, and Robosoft has a track record with PayPay in Japan. Leveraging this experience and skill set, the plan is to strengthen collaboration within the Group and focus not just on expanding in the United States, Europe, and India, but also in the Japanese market.

Shimaoka As Mr. Ravi has pointed out, Japanese companies are behind the curve somewhat in terms of DX and IoT implementation, and this presents business opportunities. The TechnoPro Group has expanded its consulting team and improved the issue detection capabilities of on-site engineers and the sales team, and now we have a collaborative infrastructure with Robosoft in place. Going forward, while further strengthening our project acquisition routes, we will work to accelerate Robosoft's involvement in the Japanese market.

Human Capital Strategy

The TechnoPro Group's business strategy links directly to its human capital strategy. The Group's human capital divides broadly into engineers (the engineers and researchers who provide services and solutions to customers) and non-engineers (those involved in sales, recruiting, training, and other back office operations). Both types of employees are vital management resources for realizing our growth strategy aimed at value creation and the TechnoPro Group Sustainability Policy.

Engineers

Our talents, intangible assets, are the TechnoPro Group's source of value. Through a business model centered on human capital, we generate both economic and social value. To cultivate talents, we actively invest in human resource development to hone engineers' skills and ensure their proficiency. In addition to boosting their market value, this development enhances their engagement and job satisfaction. Our talent management system, which raises engineers' market value by making technical skills visible, conducting gap analysis, promoting reskilling, and measuring the effects of training, is one of the Group's core competencies. When assigning engineers, we strive to maximize the opportunities for them to excel by creating attractive jobs. We work to provide optimal assignments and charges for engineers, promote the development and deployment of solution-oriented personnel, and expand in businesses where we can increase engineers' compensation. By enhancing their mobility across industries and technical fields, we help to solve social issues, addressing Japan's shortage of technical

personnel and promoting innovation. On the hiring front, to ensure a stable supply of engineers we utilize diverse personnel, including foreign nationals, and are moving toward flexible employment options such as freelancing. This helps us to promote diversity and equal opportunity.

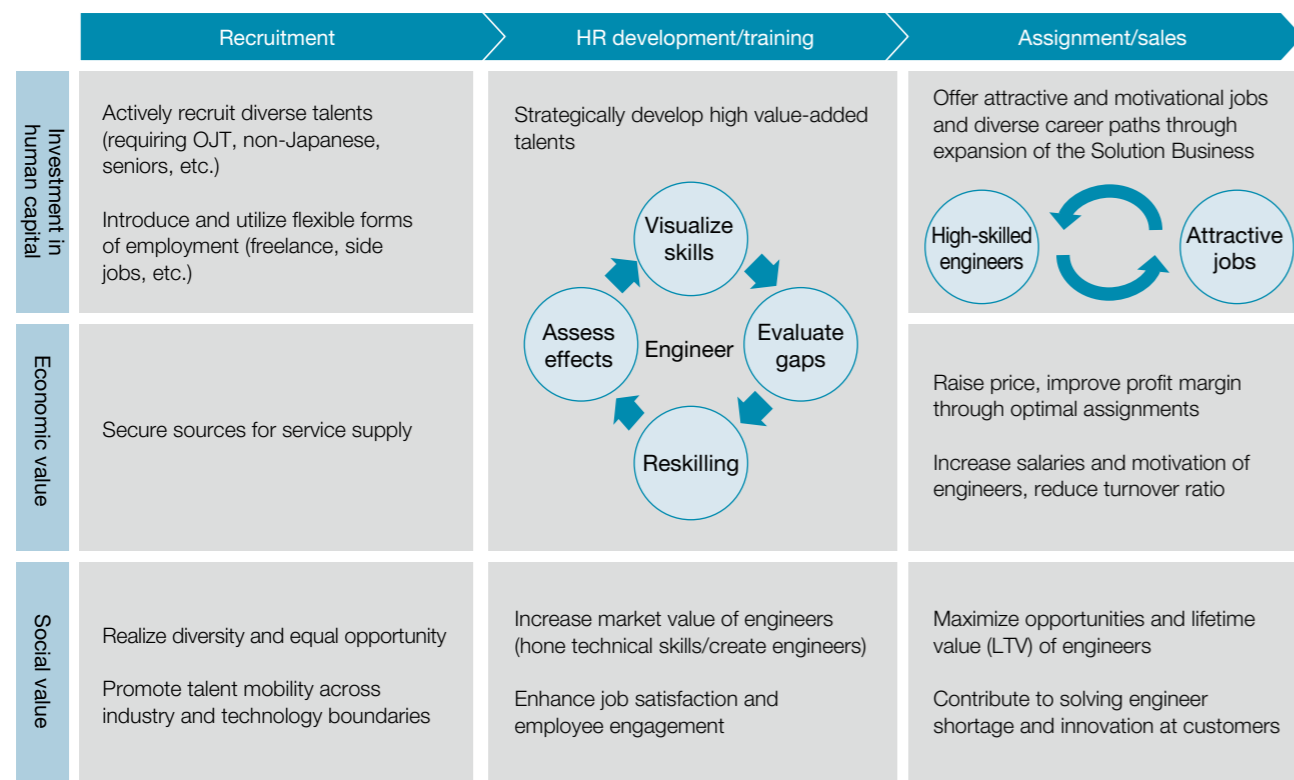
Non-Engineers

Under the current medium-term management plan, we are focused on improving the productivity of our non-engineer employees by systemizing and streamlining back-office tasks. We are also working to optimally allocate and develop personnel across the Group in line with our overall corporate strategy. In other words, we are working to realize the human resource portfolio required to execute our strategy.

Areas of Commonality among Engineers and Non-Engineers

Given the difficulties in hiring personnel in Japan, we are looking to recruit non-Japanese talent and promote females in the workplace in line with our aims for diversity and in-

Creating economic and social value through a business model centered on human capital



clusion in knowledge and experience. In addition to hiring non-Japanese personnel in Japan, we are utilizing our off-shore assets by promoting personnel exchanges between the Group's overseas and domestic subsidiaries. Furthermore, we are making more active use of females in the workplace by establishing communities for female employees and promoting changes in mindset.

To bolster employee engagement, we are promoting an awareness of the Group's Purpose, Values, and behavioral guidelines through digital and physical touch points. Additionally, we conduct an employee satisfaction survey to reflect various measures and improve employee satisfaction levels. As employees are the source of our value creation, ensuring that they are healthy both physically and mentally is essential for our business operations. Therefore, we implement various initiatives under the TechnoPro Group Health Management Declaration. As part of our efforts to expand opportunities for employees, we have also introduced a system for internal job postings and a side job system.

Risk management of human capital is integrated into our Enterprise Risk Management structure and processes.

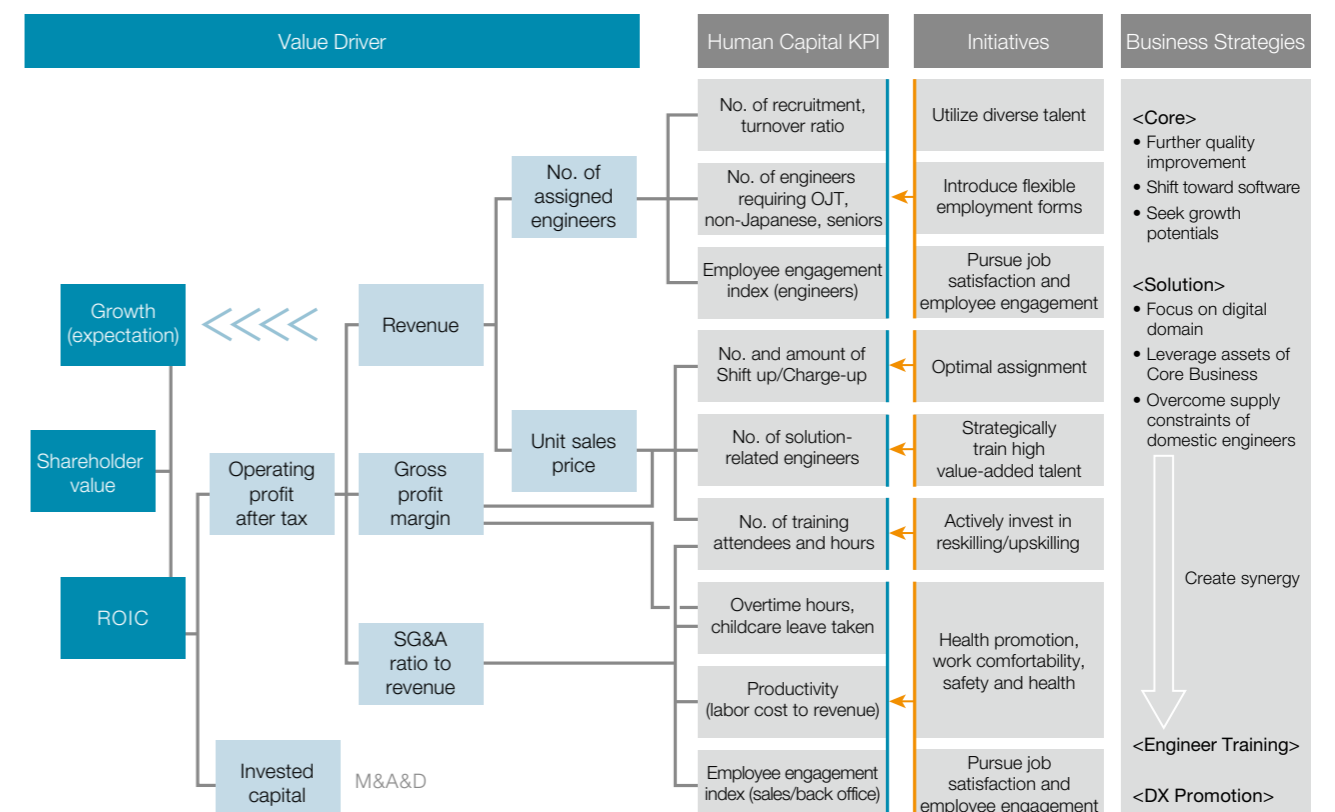
Human Capital KPIs

The Group implements its business strategy through human capital initiatives. We believe that ongoing investment in human capital links directly to our financial performance and contributes to the enhancement of sustained shareholder value (economic value). Therefore, in line with the value drivers of our business strategy, we place importance on the human capital KPIs shown in the figure below, and we are working to improve these KPIs.

Management Development Committee

The Group established the Management Development Committee in August 2023. The committee has begun working toward its aims of linking management and personnel strategies at the Group level, establishing and operating succession plans for key positions, and allocating, promoting, and cultivating management talent from the perspective of the Group optimization. Matters discussed by the committee and the status of its initiatives are regularly reported to the Board of Directors and the Nomination and Compensation Committee.

Execute business strategies and create value through human capital initiatives (human capital KPIs impacts value drivers)



employee interview



PMP Certification Course

Pc Assist Co., Ltd., a TechnoPro Group company involved in the education and training business, has signed an Authorized Training Partner (ATP) agreement with the Project Management Institute (PMI) of the United States to offer official Project Management Professional (PMP) certification courses.

I have been interested in obtaining this certification for my own personal growth since my previous job. I communicated my intention to pursue the PMP® certification when I joined TechnoPro Group, and my supervisor kindly encouraged me to take the course. I also have a strong desire to continuously improve my professional skills and increase my expertise, which ultimately led to my decision to go ahead.

In the course, I had the opportunity to learn a variety of methodologies and gain knowledge, such as ways to respond to risks and change, as well as logic and models for different project categories. It made me more aware of things that seem obvious, but that I hadn't thought deeply about before, such as the numerous ways to visualize stakeholders in a project. I'm pleased to say that I successfully passed the PMP certification exam and obtained the qualification that I have long aspired for.

Compared to the companies I have worked for previously, the TechnoPro Group's education and training system is incredibly comprehensive. I truly appreciate the fact that the TechnoPro Group has a structure in place that aids employee development, including financial support for everything from the preparatory courses to the exam for the PMP, which all in all can be expensive for an individual alone. In addition to these courses, the TechnoPro Group has an online learning system and a very well-established system for supporting employee skill enhancement. I believe that the TechnoPro Group is proactively demonstrating how much they think about the growth of its employees.



Matthew Dolman
TechnoPro, Inc.

Working Doctorate Program

TechnoPro Group offers a Working Doctorate Program that enables researchers in the pharmaceutical and bio sectors to focus on research at graduate schools while remaining employed, thereby enhancing their specialist skills. As of June 30, 2023, seven individuals in the TechnoPro Group are utilizing this program.



I joined the TechnoPro Group in 2016, after working as a medical representative for a medical device manufacturer. After around three years of conducting cancer cell research, I enrolled in the doctoral course at Yokohama National University Graduate School, using the Company's Working Doctorate Program.



Seiya Kanno
TechnoPro R&D
TechnoPro, Inc.

The system allowed me to learn in the lab some of the things it is important for me to know to continue my professional work. I realize that there are limits to what one person can achieve, even if you devote your entire life to it, but I feel the steady progress of science and technology is meaningful. While I believe that as a scientist it is crucial to consistently immerse myself in research, I have gained a deep appreciation for the need to work in a devised and creative way. During my three years in the laboratory, I learned the importance of communicating with others, so I could leverage the achievements of my seniors. I would like to apply my newfound appreciation for the value of collaboration to my future work here. Having returned to being a student again after I was already in the workplace might have given me a slightly different perspective on research.

Corporate Strategy

Medium-Term Management Plan "Evolution 2026"

Taking the medium- to long-term external environment into consideration, the core focus of TechnoPro Group's corporate strategy is creating attractive jobs and attracting talented engineers.

For this reason, we need to do more than rely solely on our traditional capabilities and core competencies, such as the relationship with our large customer base cultivated in our Core Business of engineer staffing, the scale of our IT engineers, our engineer training system, our group of engineers covering a diverse range of technical and industrial fields, and our hiring power backed by a wealth of orders. We need to strengthen our ability to train personnel to handle digital technologies and to re-skill engineers. We must go beyond domestic supply constraints and employment forms to attract engineers. Furthermore, we need to step up our ability to systematically accumulate and utilize technical knowledge, and become more skillful in identifying customer issues and proposing and implementing solutions.

The Group recognizes the need to continually evolve its Core Business of engineer staffing by honing these capabilities. We will focus on improving the quality of our Core Business to grow and drive business transformation centered on evolution, rather than diversification. We aim to remain abreast of medium- to long-term changes in demand and supply as we work to grow our business and transform our business model.

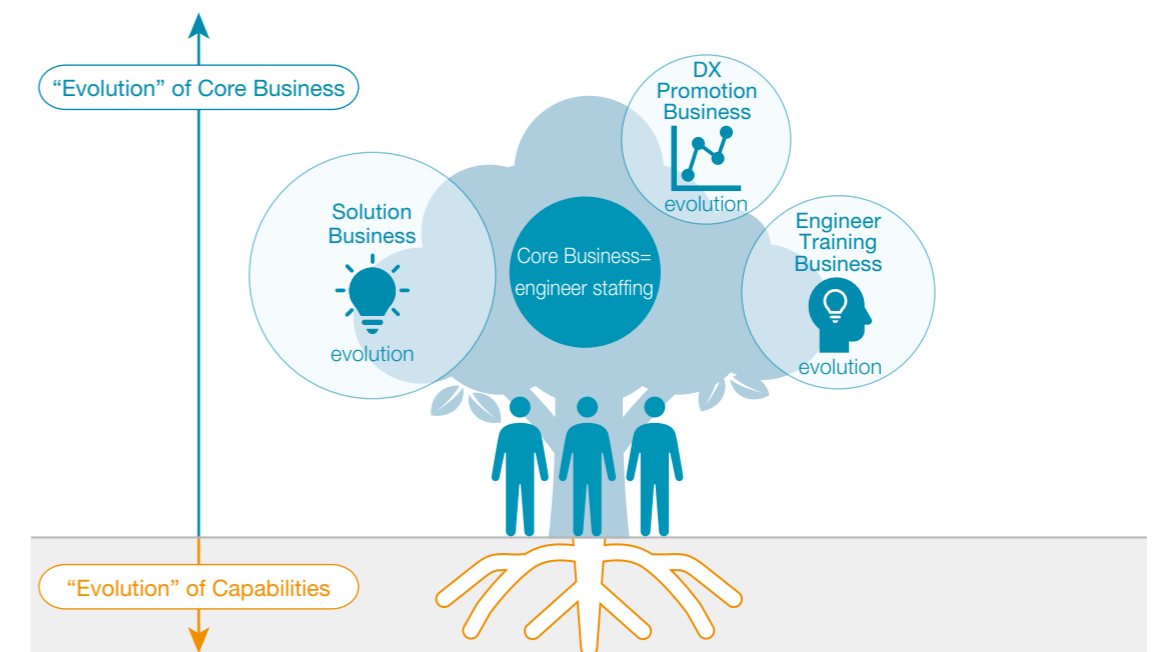
Basic Management Policy for the Core Business

Given the digital transformation and robust demand for engineers, we anticipate substantial ongoing growth for our Core Business in the short term. However, in the medium- to long-term, our traditional business model that focuses most-

ly on business expansion by growing in scale, i.e., increasing the number of engineers, could become a significant business risk, particularly if technological innovation accelerates, if development tasks are automated or move overseas, or if difficulties in hiring engineers and wage hikes materialize. Moreover, talent development/training has become a more important differentiating factor and source of competitive advantage for us, gradually eclipsing our strength in recruiting engineers and assigning them to customers. To ease the gap between supply and demand in Japan, we will step up our recruitment of engineers to be trained and highly-skilled foreign engineers. In addition to permanent employment, our primary form of employment, we will augment the sourcing of human capital that can adapt to increasing fluid and diverse employment parameters. We will enhance our engineer training function, including our educational structure and the development of training content. We will offer advice on career planning, as well as expand on-the-job training environments through team dispatch, project-type contracts, and alliances. On the sales front, we will develop new customer segments in the IT field such as the non-manufacturing (such as distribution and finance) and public sectors while encouraging on-site engineers to take advantage of their knowledge of customer issues to drive new orders.

Direction of Evolution for the Core Business

By leveraging the value chain (recruitment, development, assignment) of our Core Business, as well as our customer base and engineering resources, we aim to achieve greater growth in our Solution Business, Engineer Training Business, and DX Promotion Business. Rather than diversifying, we view this as the evolution of our business.



Solution Business

We will enlarge our technological domain to include digital, as well as conventional technologies, and we will expand our deliverables from talents to also include results and plannings. We will offer engineers with digital technologies, development services that integrate digital and conventional technologies, and technical development services related to digital global products. In the Solution Business, we will specifically define the technologies and solution services to focus on, and aim for global expansion. This will promote the use of overseas engineers and development know-how (see page 31).

Engineer Training Business

The Group will consolidate its engineer training resources and leverage its sales channels and know-how cultivated in the Core Business to promote sales of engineer training curricula and content. Furthermore, by providing engineer training consulting as an upstream process and an IT infrastructure for engineer training, we will nurture this business into one of the Group's pillars of revenue.

DX Promotion Business

The ability to accumulate and analyze lifecycle data for engineers, from recruitment to assignment to turnover, is one of our competitive advantages. We have been developing a talent management system that we will evolve further by developing an AI engine based on effective analysis and hypothesis testing at the site level. This will facilitate the Group's digital transformation. In addition, with an eye to creating profit centers, we will construct business models that utilize data insights over the medium- to long-term.

Focus Domains for the Solution Business

In this business, we provide focused digital technologies and solution services that address customers' challenges in development, manufacturing/production, sales/procurement/inventory management, and after-sales service.

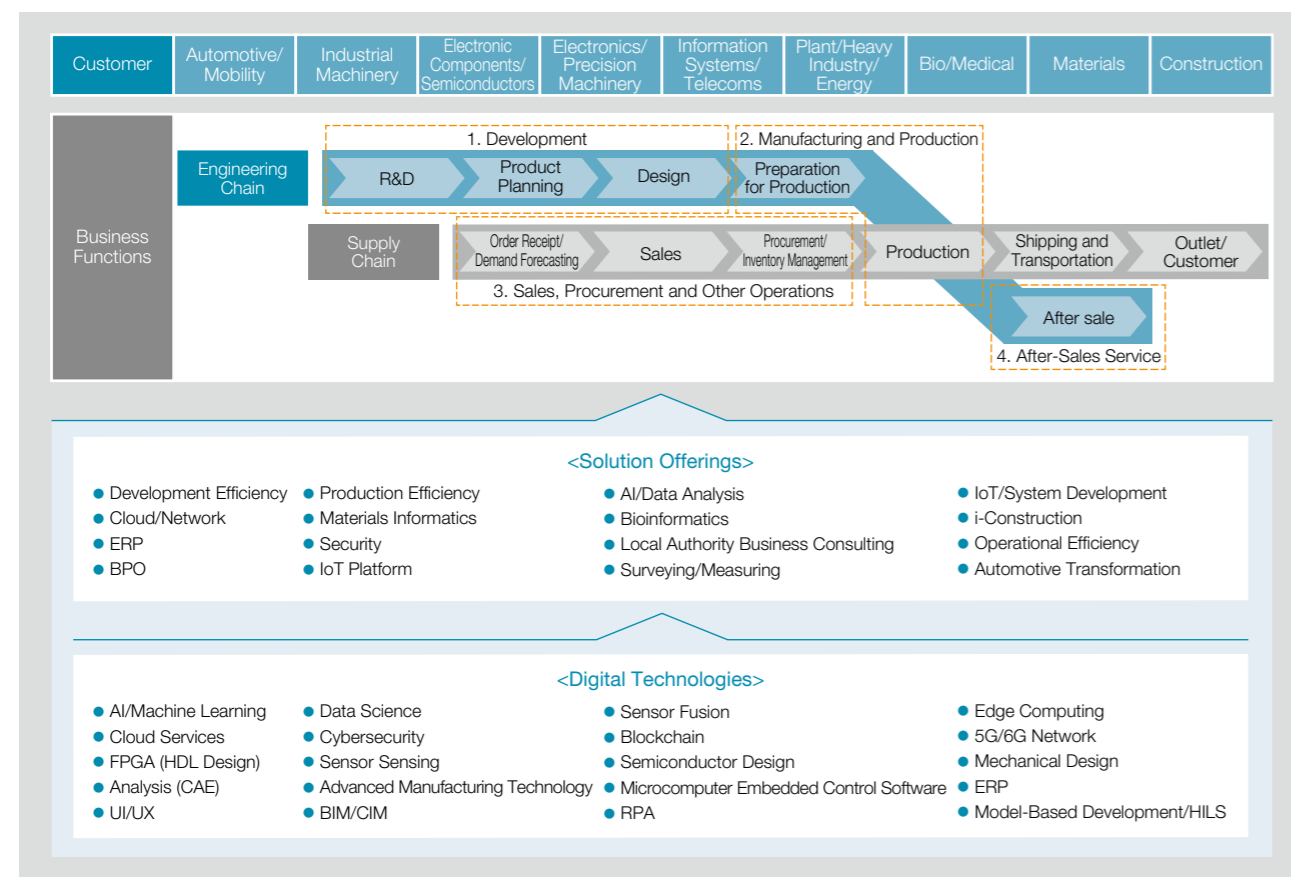
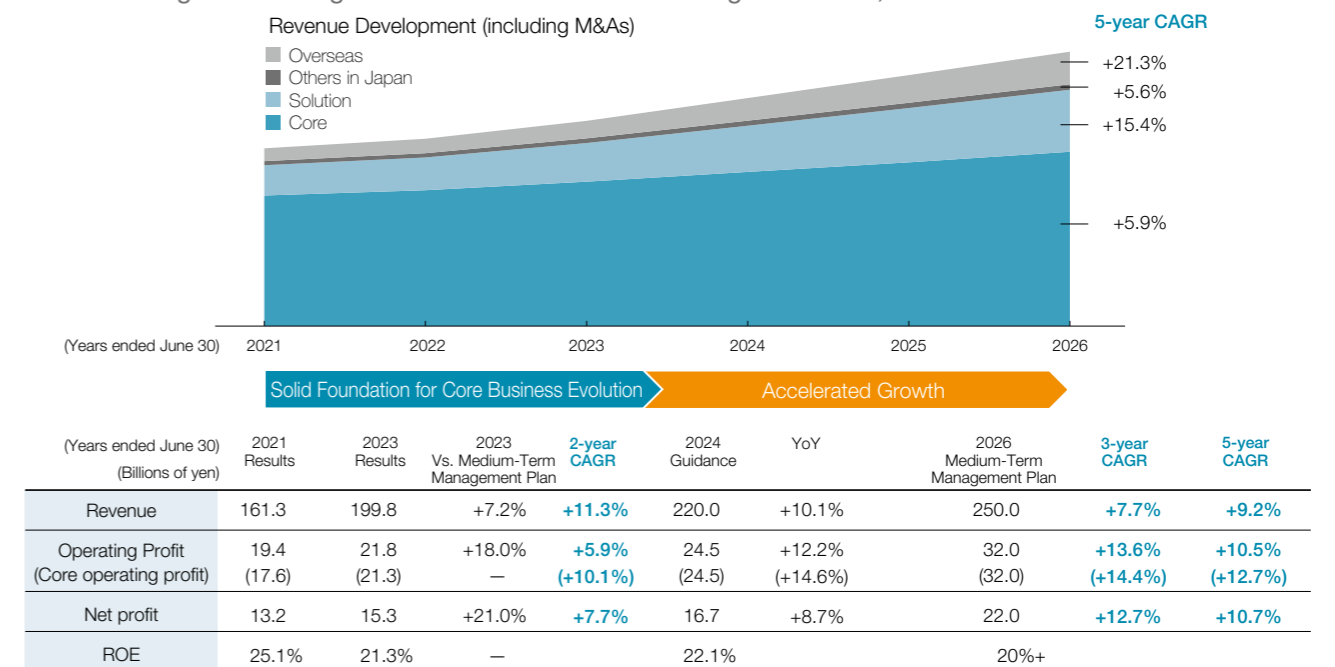
Achieving the Financial Targets of the Medium-Term Management Plan

We positioned the first two years of the medium-term management plan as a time to build a solid foundation for the

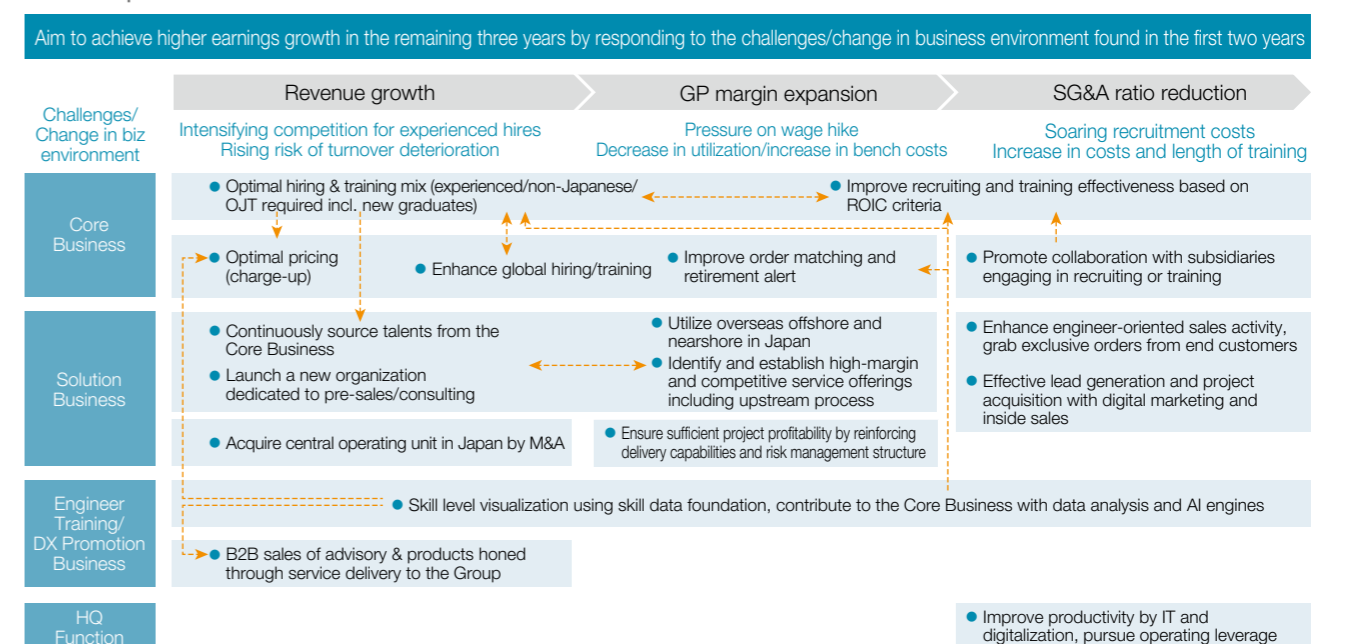
Core Business evolution. During this period, we hired and trained personnel who will be the key to the growth of the Solution Business. We also made up-front investments to put in place infrastructure for the Engineer Training Business and the DX Promotion Business. The next three years, from the fiscal year ending June 30, 2024, will be a time to recoup our investments by achieving accelerated growth.

We are developing and implementing a roadmap for the three-year phase in which we will achieve accelerated growth. These guidelines are a response to issues we identified and changes in the business environment during the previous phase of building a solid foundation for the Core Business evolution.

Financial Targets and Progress on the Medium-Term Management Plan, "Evolution 2026"



Roadmap for the Period of Accelerated Growth





Overseas Strategy

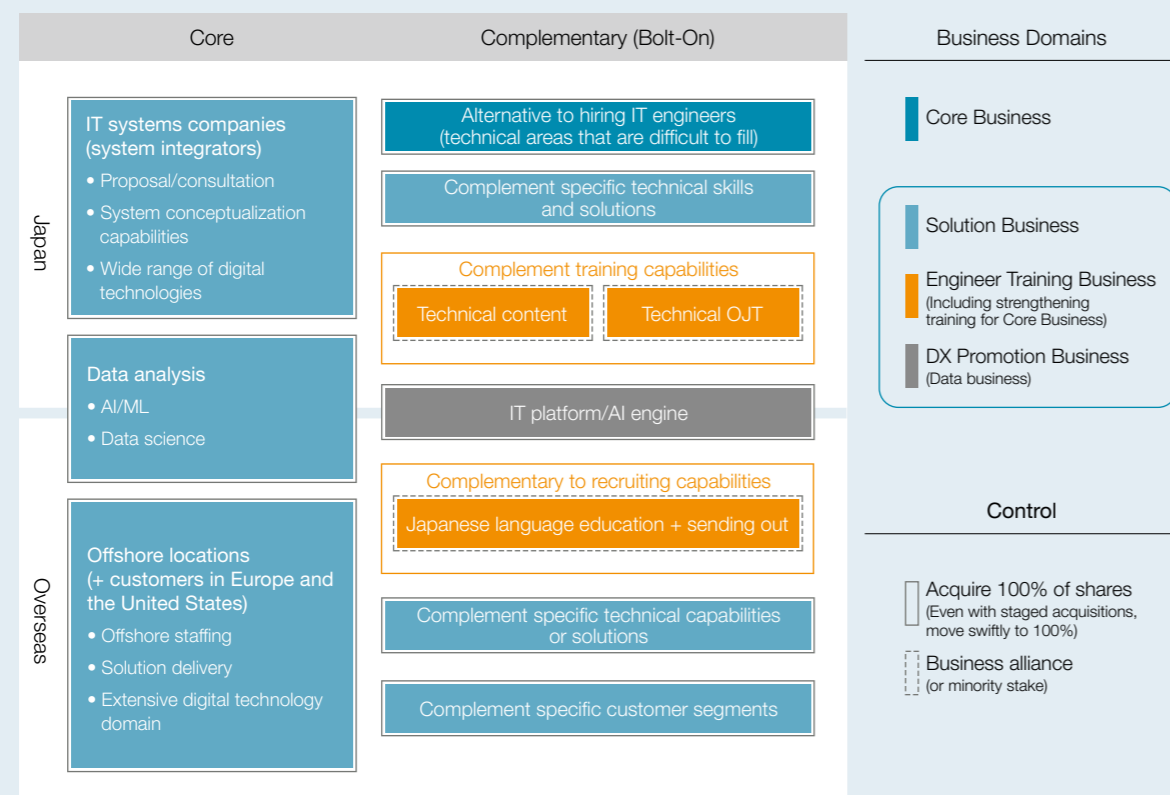
The Group's global expansion is focused mainly on utilizing digital technology and talent from overseas in the Solution Business in Japan. Our geographic focus is on India, where our subsidiary, Robosoft, is headquartered. In addition to arbitraging costs through offshoring, we aim to incorporate into Japan the technical and solution capabilities cultivated in digitally advanced Western countries by circulating talent between Japan and India. To achieve these aims, we need to expand the scale of our Indian business by winning customers in Western countries and Japan. We are actively pursuing investments to acquire more sales, presales, and on-site engineers for our Indian business.



M&A Strategy

The Company considers M&A a critical means in executing its medium-term management plan strategy. We have set a ¥40.0 billion M&A investment budget for the five years of the medium-term management plan. We have established strict financial rules for M&A deals; they must achieve a return on invested capital (ROIC) of 10% within three years after acquisition. We plan to make continuous and repeated acquisitions, but no acquisition is allowed to account for more than 5% of our market capitalization. If ROIC is forecast to fall below the cost of capital for three consecutive years, we will consider replacing the management of the acquired company or divesting it.

M&A Target Domains



Business Segments

The TechnoPro Group has four business segments: R&D Outsourcing, Construction Management Outsourcing, Others in Japan, and Overseas. In relation to the business domains indicated in the medium-term management plan, "Core Business" refers to R&D Outsourcing and Construction Management Outsourcing, "Solution Business" includes R&D Outsourcing, Construction Management Outsourcing, and Overseas, while "Engineer Training Business" is included in Others in Japan. Also, "DX Promotion Business" relates to all segments.

Business Segments	Business Summary	Operating Companies	Medium-Term Management Plan "Evolution 2026"
R&D Outsourcing	<p>Provides design, development and R&D in a variety of technical fields through engineer staffing, and project-type contract assignment.</p> <ul style="list-style-type: none"> Machinery/electric/electronic/LSI/FPGA Embedded controls/data science/AI/sensing RPA, ERP, cloud IT networking, business applications, system maintenance and operation Chemical/ Biochemical 	<ul style="list-style-type: none"> TechnoPro, Inc. TechnoPro Design*1 TechnoPro Engineering*1 TechnoPro IT*1 TechnoPro R&D*1 PROBIZMO Co., Ltd. 	<p>Core Business (Domestic engineer staffing)</p> <p>Solution Business</p> <p>DX Promotion Business</p> <p>Engineer Training Business</p>
Construction Management Outsourcing	<p>Provides various technical services centering on engineer staffing, in the fields of construction, civil engineering, and facilities.</p> <ul style="list-style-type: none"> Construction management of buildings, civil engineering projects, facilities, etc. Measurement, surveying, and 3D data creation using drones Strength diagnosis and failure diagnosis of infrastructure and buildings in narrow, dark, or dangerous places using drones Use of digital technology such as BIM/CIM Design and supervision, seismic surveying 	<ul style="list-style-type: none"> TechnoPro Construction, Inc. TOQO. Co., Ltd. 	
Overseas	<p>Expand offshore development through collaboration with the Group companies in Japan while growing independently</p> <ul style="list-style-type: none"> Engineering services in China with a focus on Japanese corporations Offshore development based in India, which has strength in UI/UX designs, for the U.S., Europe, and Japan Engineer staffing services in Southeast Asia, India, and the U.K. Professional recruitment business in China, Southeast Asia, India, and the U.K. 	<ul style="list-style-type: none"> TechnoPro China Group Boyd & Moore Executive Search (Overseas)*2 Helius Technologies*2 Orion Managed Services*2 Robosoft Technologies*2 	
Others in Japan	<ul style="list-style-type: none"> Education and training business for engineers Search-based executive search business Specialized placement business for engineers 	<ul style="list-style-type: none"> Pc Assist Co., Ltd. Boyd & Moore Executive Search K.K. (Japan)*2 TechnoBrain Co., Ltd. 	

*1 Internal companies *2 Company names are abbreviated.

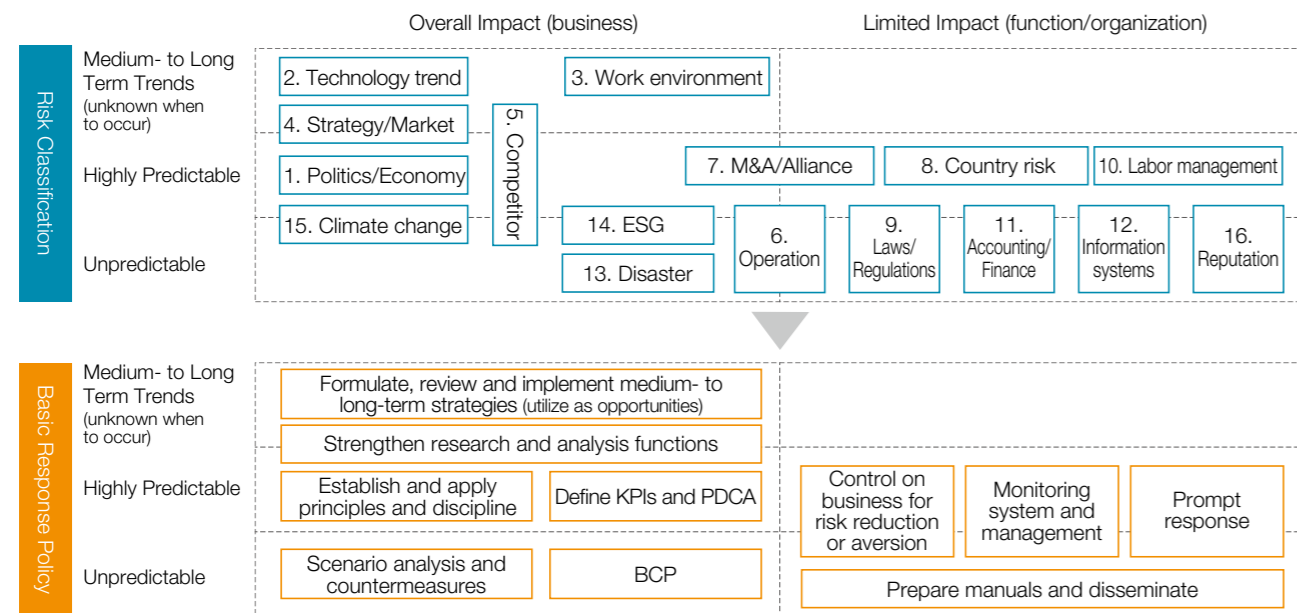
Introduction
Value Creation for the TechnoPro Group
Growth Strategy Aimed at Value Creation
ESG Strategy That Supports Value Creation
Data

Risk Management

Growth strategies are always accompanied by uncertainties and risks, and one of the keys to strategy implementation is how to control and deal with these. The Group's Enterprise Risk Management (ERM) system recognizes risks as the events that may affect the achievement of our strategies and business objectives, and we have created structures and processes to appropriately manage these risks throughout our organization. We identify all risks based on a clear understanding of the Group's approach to the amount of acceptable risk (risk appetite). We conduct qualitative and quantitative assessments of risks in terms of impact, foreseeability, and probability of occurrence, and consider countermeasures in terms of avoidance, mitigation, transfer, acceptance, etc. The Group also provides education and training on risk management to its executives and employees on an ongoing basis.

Details on ERM are provided at the following website. <https://www.technoproholdings.com/en/ir/management/risk.html#anc2>

Enterprise Risk Management



The ERM Committee is the main party responsible for the Group-wide risk management. The ERM Committee, in collaboration with each risk management department, aims to make key decisions on basic policies and system development and operation related to our ERM, assesses risks, including strategic, market, competitive, operational, compliance, and J-SOX risks, comprehensively through the formulation and progress management of ERM plans,

and formulates and monitors response policies. The Board of Directors supervises the Group-wide risk management through reports from the ERM Committee and deliberations at the Board meetings. Further, the Compliance Committee considers measures for improving and developing compliance, and it formulates, implements, and manages progress on the annual compliance plan, reporting to the ERM Committee as necessary.

TOPICS: Crisis Management Response

Each year, the Group conducts business continuity plan (BCP) training, and in February 2023 we conducted our first ever completely remote training. Information such as the safety of employees, the status of physical damage and employee safety, the operational status of IT infrastructure, and various inquiries from inside and outside the Company were gathered and registered by each person in charge on a newly released portal site for BCP response. Based on this information, the Integrated Response Headquarters discussed and made decisions to ensure business recovery and continuity. Moreover, in July 2023 we revised and established new BCP-related regulations such as the TechnoPro Group Business Continuity Basic Policy and Corporate Crisis Response Regulations. Going forward, we will continue to review and improve our plans and structures for business continuity as needed, in line with changes in the business environment and social trends.



Message from the CFO

We focus on sustainable EPS growth and on generating returns that exceed the cost of capital, to improve total shareholder return (TSR). We are also working to establish a finance-oriented mindset and cost-of-capital consciousness among management.

Toshihiro Hagiwara
Managing Director and CFO
TechnoPro Holdings, Inc.

Financial Progress under "Evolution 2026"

The initial two-year period of our five-year medium-term management plan has ended. During that period, we worked to form foundations for future growth. While we were able to achieve results beyond what we had expected, new challenges also emerged. The Group has a history of being managed primarily by foreign private equity funds, and as a result, KPI management and the visualization of business operations tend to permeate. In the interest of sharing our management perspective, here we explain the strategy and progress of "Evolution 2026" with KPIs serving as the core.

What we ultimately value in KPI management is the growth rate of profit. We understand that having a price-earnings ratio (PER) of more than 20 times indicates that investors expect annual EPS growth of at least 10%. We aim for net profit of ¥22.0 billion in the final year of our medium-term management plan, which corresponds to a compound annual growth rate (CAGR) of 10.7% over five years.

Breaking down earnings growth into revenue growth and profitability, the two-year CAGR of revenue during the foundation-forming period was 11.3%, exceeding the five-year CAGR target of 9.2%. Under our business model, the top-line comes from multiplying major KPIs, such as the number of engineers employed, by the utilization ratio and the unit sales price. Although the annual hires was expect-

ed to slow down due to intense competition for engineers and a focus on quality in hiring, we sought to increase hiring numbers without lowering our standards by recruiting potential candidates that would require training and stepping up our hiring of non-Japanese engineers after the borders reopened post-pandemic. Our new personnel system has been able to curb turnover to a certain extent, and our current number of engineers is growing ahead of schedule. While the utilization ratio has slightly decreased within the assumed range due to the extension of standby period as a result of promoting engineer training, we set a ambitious target for the unit sales price, as it indicates customer satisfaction and reflects the Company's commitment to sharing price improvement with employees. The unit sales price increase of 2.7% over the first two years of the medium-term management plan, as measured by CAGR, is in line with our plans. However, maintaining this rate of increase for the next three years will not be easy. We will continue to accelerate the expansion of technical training and services that have a high market value and that are in demand from our customers. At the heart of this value-added improvement is the expansion of our Solution Business. Revenue from our Solution Business has grown at a CAGR of 19.0% over the past two years. Giving this high demand, we are also making progress in shifting personnel from our Core Business and establishing a delivery system. The challenge for further growth lies in our ability to close new contracts and, more specifically, our capabilities in problem-solving sales, which is similar to consulting. We will actively strengthen this by establishing new specialized organizations dedicated to solutions and executing M&A transactions.

Looking from a profitability perspective, the gross profit margin is steadily improving due to an increase in digital talents and the progress of the Solution Business, and we expect this trend to continue. As for selling, general and administrative (SG&A) expenses, our plan was to maintain the SG&A expense ratio at a high level of 15% of revenue, for the first two years due to upfront investment, and then reduce it below 15% for the following three years. However, considering the current situation where the costs of hiring and training are higher than expected, we now expect the reduction in our SG&A expense ratio to be delayed by about a year. Even so, we expect the upfront investments to generate steady returns relatively quickly, so we will continue our current level of efforts focused on hiring and training.

Through the Engineer Training Business, which is a cornerstone of “Evolution 2026” in light of changes in the operating environment, we will hone the ability to visualize engineers’ skills and develop efficient career paths leveraging accumulated data and assets. We aim to enhance the competitiveness of the Engineer Training and DX Promotion Businesses. Based on our own experiences, we will build these businesses beyond cost centers to the point at which they can be marketed to our customers. Once these businesses contribute to profit of the Core and Solution Businesses, which demonstrates return on human capital investment, we can make a persuasive business case for selling them as services to external customers.

Capital Policy

To sustainably improve shareholder value, in addition to EPS growth we need to generate returns that exceed the cost of capital, as described in finance theory. As for the cost of capital, we will pursue a strategy of lowering business volatility through our shaping of the business portfolio, aiming to reduce the beta as much as possible. We also promote transparent disclosure and investor dialogue. While the human resources sector is often perceived as being highly sensitive to economic conditions, demand in the digital/IT field tends to be relatively stable, and the expansion of the Solution Business in this field should increase its stability still further. Moreover, any consideration of external financing should naturally be based on cost of capital. We have the borrowing capacity to accommodate a certain scale of M&A.

As a quantitative financial discipline, the Group maintains a weighted average cost of capital (WACC) of 7–8% (8.2% in the fiscal year ended June 30, 2023), and requires

a return on invested capital (ROIC) of more than 10% for investment decisions, while keeping a D/E ratio of less than 1.0 time, to ensure financial health. In addition, we commit to sustainable EPS growth and a dividend payout ratio of more than 50% while securing a sufficient equity spread with return on equity (ROE) of more than 20%, aiming to achieve a total shareholder return (TSR) that exceeds investor expectations.

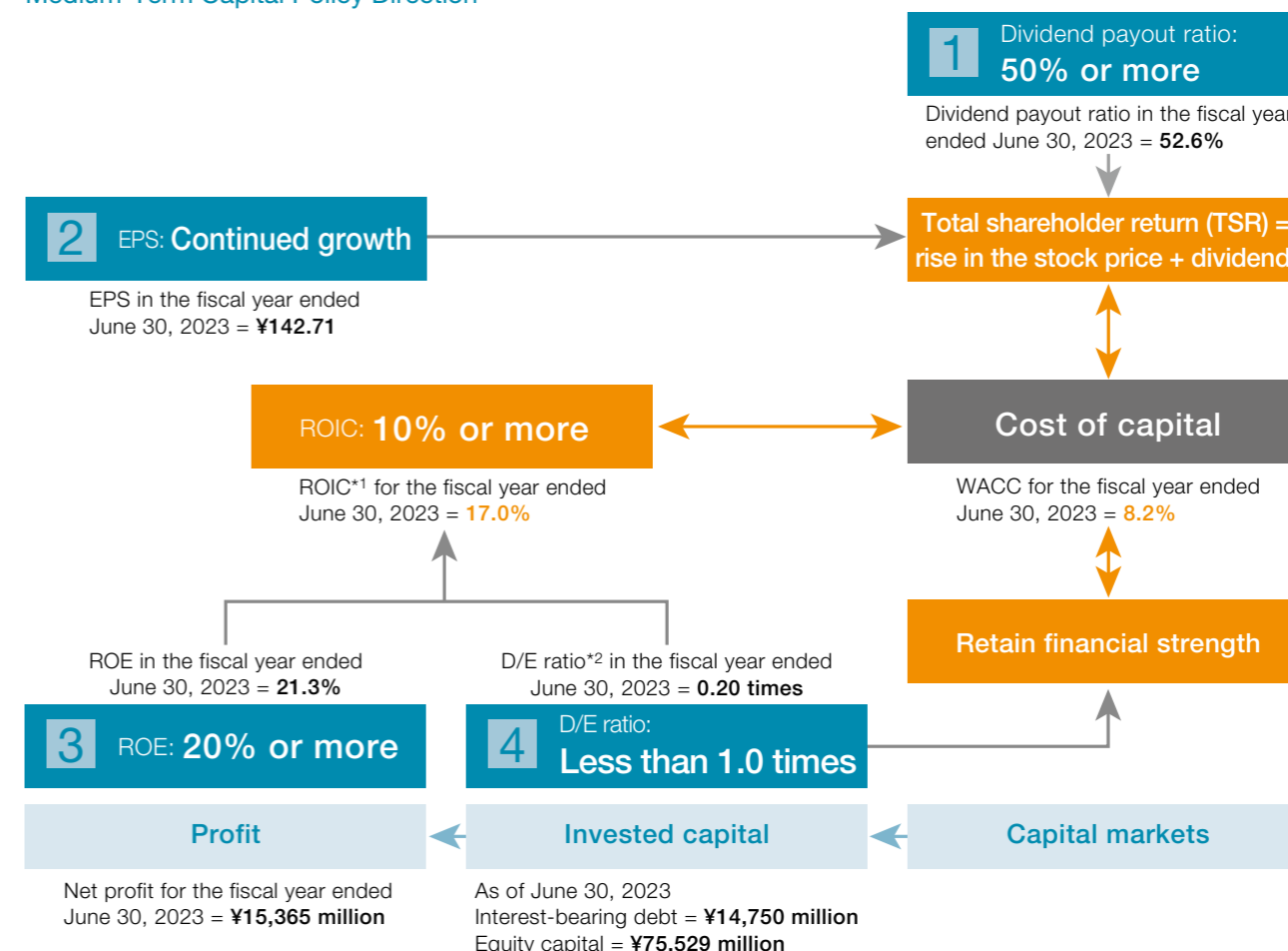
Cash management is very straightforward. The Group’s businesses do not require substantial capital investment, and the cash conversion cycle is short, meaning that no significant increase in working capital is required as revenue grows. Our policy is to distribute at least half of net profit as dividends and to allocate the remainder for growth investments such as M&A. However, if no investment opportunities are available that would generate an expected return exceeding the cost of capital, cash naturally accumulates. In this case, we consider flexible buybacks of our own shares, which can be seen as investing in ourselves, absent any information asymmetry. In the fiscal year ended June 30, 2023, through dialogue with our shareholders, we reinforced our intention to raise dividends stably as so-called “progressive dividends.” Accordingly, we set the annual dividend at ¥75 per share, resulting in a dividend payout ratio of 52.6%. Moreover, as we have not conducted any M&A deals for nearly two years, we decided to buy back our own shares. We set a buyback limit of ¥3.0 billion in April 2023 and completed the program within this limit in September 2023.

Management Awareness of Financial Concepts and Cost of Capital

The awareness of financial concepts and cost of capital is gaining traction within the Company. In addition to clarifying target areas for our M&A strategy, we have established strict financial discipline. We have set an investment budget of ¥40 billion during the period of the five-year medium-term management plan, capped the purchase price per acquisition (at 5% of our market capitalization), and established a post-acquisition hurdle for return on investment (ROIC of 10% within three years). We are also building capabilities in due diligence and post-merger integration (PMI), and more business divisions are identifying potential acquisition candidates.

The main investments for our operations involve recruiting and developing engineers. To improve efficiency in this area, even at fields we have introduced detailed KPIs and PDCA cycles based on ROIC tree. In recruitment, for example, we analyze data such as hiring conversion rate and cost per hire for each channel, changes in unit sales price after

Medium-Term Capital Policy Direction



*1 Operating profit after tax = assumed net profit
*2 Calculated as equity capital minus non-controlling interests

joining the Group, turnover, and the reasons for turnover. In terms of development, we create training programs that match the correlation between acquired skills and unit sales price improvement, based on the visualization of each individual’s skill set.

Constructive Dialogue with the Capital Market

Going forward, non-financial strategies and metrics will become increasingly important. In particular, there is growing interest in the capital market regarding human capital man-

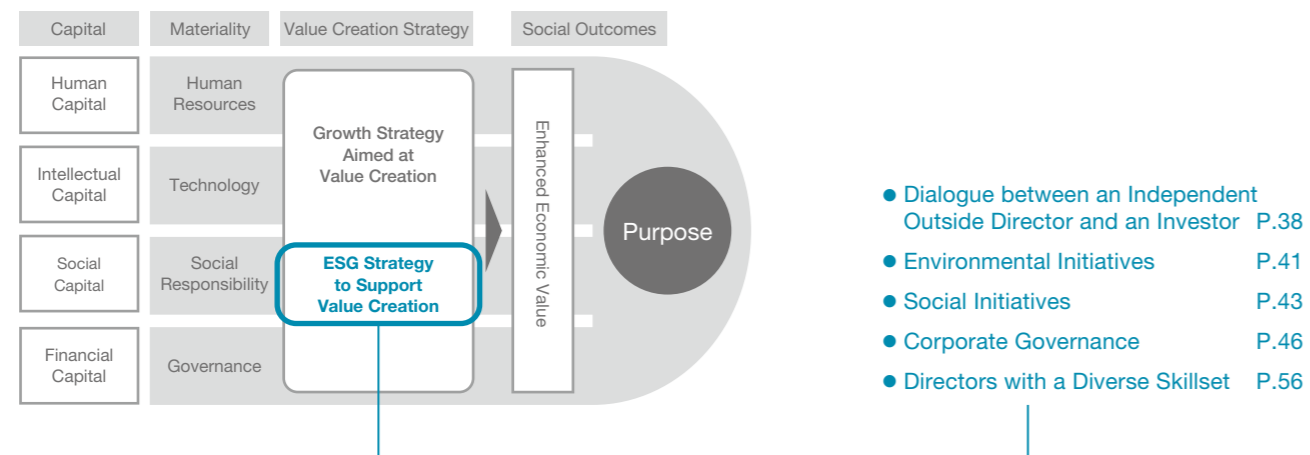
agement. Investors are likely to be interested not just in the metrics that are disclosed but also in understanding how they relate to an increase in shareholder value. The Group, which considers human capital management as the core of its business operations, has disclosed a model to illustrate the interrelation of its commitment (investment) to human capital aligned with its business strategy, various KPIs (outputs), and financial performance (outcomes) (see page 26). We will make further progress on sharing our strategies and related KPIs both internally and externally, including the non-financial aspects.

We believe that such information disclosure and dialogue with external communities contributes to employee engagement and the hiring of talented individuals. We thank our investors for their ongoing cooperation in engaging in constructive dialogue with the Company.

ESG Strategy That Supports Value Creation

To realize our Purpose, we are advancing sustainability-related initiatives aimed at health management, promotion of diversity and females' active role, and the environment, while strengthening governance; we are building an ESG foundation to support the creation of sustainable value.

The Value Creation Process



Dialogue between an Independent Outside Director and an Investor

The TechnoPro Group believes that constructive dialogue with investors contributes to sustainable growth and the enhancement of medium- to long-term shareholder value. In this spirit, Michael Jacobs from T. Rowe Price, a long-standing shareholder of TechnoPro Holdings, and Independent Director Mitsutoshi Takao recently discussed the Group's sustainability management and corporate governance.

Mitsutoshi Takao
Independent Outside Director
(Chairperson of the Board of Directors)
TechnoPro Holdings, Inc.

Michael Jacobs
Vice President,
Equity Investment Analyst
T. Rowe Price Japan

For the first time, this integrated report features an interview with an Outside Director and an investor.

Takao: TechnoPro Holdings' Board of Directors engages in discussions based on regular reports it receives from the IR department on investors' perspectives and suggestions. We consider this input to be extremely valuable, and we are pleased to have today's opportunity for face-to-face dialogue. Thank you for being willing to speak with us.

Jacobs: Thank you very much for having me. Over the past two to three years, we have also been taking advantage of increased opportunities to engage with outside directors from various companies, including TechnoPro Holdings. Companies that lack a firm governance structure will face risks to their growth over the medium- to long-term. The TechnoPro Group has made significant progress on the governance front, so I have been looking forward to our conversation.

First of all, I would like to ask you to each speak, from your different perspectives, about decisions the Company made in September 2023 regarding appointments of directors and the chairperson of the Board.

Takao: Based on resolutions passed at the General Meeting of Shareholders in September 2023, Chairperson Nishio stepped down after many years at TechnoPro Holdings. Mr. Watabe, who had served as Outside Director for 11 years, also stepped down from his po-

sition. Meanwhile, Mr. Deguchi, who has been involved in management at Sumitomo Corporation, was newly appointed as an Outside Director (Audit & Supervisory Committee member). The percentage of Outside Directors increased from 50.0% to a majority of 54.5%. After stepping down from the CEO role in July 2021, Mr. Nishio had chaired the Board of Directors as a Non-Executive Director. Going forward, I will chair the Board as an Independent Director.

Jacobs: We applaud the Company's moves to make outside directors the majority and to appoint an independent person to chair the Board of Directors. Both of these decisions point to progress in the corporate governance structure. The HR services industry is characterized by a competitive operating environment and a battle between business models. Unless governance is strong, companies may face increased staff turnover rates and declining competitiveness. I have high expectations that an independent and objective chairperson who can facilitate discussions within the Board of Directors will help management evolve.

Takao: Thank you for your kind words. I cannot promise to substitute perfectly for former chairperson, Mr. Nishio, who is so well-versed in TechnoPro's business. However, I believe that governance has become more independent and objective, which is desirable. At the same time, I want to be sure the Board of Directors' role does not shift too much from management to monitoring. To date, I have chaired the Nomination and Compensation Committee and served as a member of the Audit & Supervisory Board and the Audit & Supervisory Committee.

I am also on the Audit & Supervisory Boards of the two major subsidiaries in Japan. This has given me substantially more opportunities to engage in dialogue with TechnoPro executives and employees and to visit worksites. I hope to leverage my experience as an outside officer and bring objectivity and a deep understanding of TechnoPro's business to the role of chairperson. Specifically, I aim to spur the Board of Directors to work more actively in enhancing shareholder value.

Jacobs: Your comments suggest to me that TechnoPro Holdings has thought deeply about proper governance structure and personnel selection. Not a few listed Japanese companies currently have governance systems that are superficial and lacking in substance. I think it is important to understand that governance is merely a means to an end. Improving shareholder value is the ultimate goal. Particularly for outside directors, it is crucial to engage in discussions that contribute to the sound growth of the business while maintaining their independence. I sense that the TechnoPro Group has given careful consideration to this area, as well as efforts to promote diversity. That said, Mr. Takao, what are some of the issues that you feel need to be addressed?

Takao: We conducted an assessment of the Board of Directors' effectiveness again this year and disclosed the detailed results in August. As noted in this report, we observed a lack of sufficient information provision to Outside Directors prior to meetings. At TechnoPro Holdings, board meeting agenda items are broken down into three categories: items for approval, reporting items, and discussion items. Of these, Board of Directors meetings have not provided sufficient time for the discussion items. We have an annual agenda schedule that covers regular topics except in cases such as sudden M&A opportunities. In accordance with this schedule, I would like to see more time spent on receiving data and explanations ahead of Board of Directors meetings in order to develop discussion items.

Jacobs: That's interesting. Breaking down Board of Directors' agenda items into three categories like that is unusual. Board of Directors discussions are important, but the Board shouldn't merely deliberate without a clear purpose, as this might simply slow down decision-making.



ing. I think the ability to focus deliberation on important themes is what makes the Board of Directors an effective organization. Nonetheless, all that extra preparation for meetings means that the time invested by outside directors will increase. What are your thoughts on how Board members can spend their time efficiently?

Takao: I frequently hear that outside directors of Japanese companies spend less time at their jobs than their European and US counterparts. At TechnoPro Holdings, Audit & Supervisory Committee members certainly, but other Outside Directors as well, spend a considerable amount of time sharing and considering information and participating in meetings. In addition to meetings of the Board of Directors and the Nomination and Compensation Committee, I am a member of the Independent Directors Committee, which is made up entirely of Outside Directors. Outside Directors also attend Group Management Committee meetings and various executive-level meetings, depending on their particular area of expertise and experience. For example, Ms. Takase, who specializes in IT and digital areas, attends meetings of the Solutions Committee, which shares information regarding strategies and progress in the Solution Business. Ms. Tanabe, who has large-company management experience, also attends these meetings, as do I.

Next, would you please share your thoughts on the TechnoPro Group's direction for resolving social issues and engaging in sustainability management to enhance shareholder value over the long term?

Jacobs: The Japanese labor market is very unique. The stratification of employees between regular and nonregular contracts, and the concept of a membership-based personnel system do not have clear parallels with Europe or the United States. The shortage of engineers is also known to be a serious problem. The TechnoPro Group can help to bridge these gaps. I also believe that the Group plays an important role in developing human capital for the transformation of the Japanese economy. This is the key to sustainability, both for society and in terms of the continued growth of the TechnoPro Group.

Takao: I am delighted that you have such high expectations of us. We think the Japanese labor market still has too many non-regular employees. The TechnoPro Group provides workers with stable careers as regular employees, who can build their skills over time as they are dispatched to projects at client companies. Japan also faces the challenge of lower investment in human capital compared to other countries. However, the TechnoPro Group even hires aspiring engineers with insufficient skills, nurturing them to become valuable professionals. Resolving these social challenges is the essence of the TechnoPro Group's value creation.

Jacobs: I am excited that the perception of jobseekers and engineers towards TechnoPro is evolving. Until now,

TechnoPro might have been seen as a second-best choice for engineers, many of whom originally aspired to be hired directly by a major manufacturer. However, as the TechnoPro Group has developed, it is steadily becoming a first choice for employees. That is because the Group offers opportunities for engineers to enhance their capabilities and skills, work on a wide variety of projects, and increase their market value by building an exciting career path. I believe that the TechnoPro Group should endeavor to communicate that more proactively to jobseekers.

Takao: I agree. Pc Assist, a TechnoPro Group company, currently offers to existing clients a comprehensive program for developing engineer talent, including upstream process consulting, analysis, and training systems. You pointed out the need for us to communicate with the labor market and I believe this business will help us to do that. While efforts like this may not bear fruit during the period of our current medium-term management plan, we expect this type of business to expand under our next plan and become a pillar of revenue growth looking out towards 2030. I also consider the low productivity of white-collar workers in Japanese companies to be a major issue. The TechnoPro Group is aware of the need to cultivate management personnel with an eye to succession. As part of this effort, we have established the Management Development Committee and have begun reinforcing succession planning for the next generation of company leaders.

Jacobs: That sounds like a good initiative. Recently in Japan a lot of attention has focused on human capital management at Japanese companies, but one can say that the TechnoPro Group's entire business relates to human capital development and thus I am very interested to watch how your strategy evolves. On the other hand, over the medium- to long-term, the general labor shortage and in particular the shortage of engineers is expected to grow increasingly severe in Japan. For that reason, I think you need to consider the potential for disruptive changes. For example, there is a risk that AI-driven innovation and digitalization may ultimately reduce the need for human engineers. Japan is currently experiencing a DX boom and an AI boom, but to progress further, management needs to exercise its imagination in studying both risks and opportunities in the short- to medium-term. What sort of discussion is the TechnoPro Group currently having in this regard?

Takao: The utilization of AI, and societal changes more broadly, have become important themes for the Board of Directors. In the short- to medium-term, we expect demand for the TechnoPro Group's engineer staffing and solutions to grow, providing opportunities to add more value by focusing on the cultivation of digital technologies. We see potential opportunities to use AI in cultivating engineers and in employment, and think the DX Promotion Business offers growing business opportunities. In 2022, we began joint research in this area with



advanced research organizations such as the University of Tokyo. However, we are still in the early stages, doing long-term risk assessments and other evaluations. In June 2023, we held an internal seminar featuring Professor Yutaka Matsuo, a leading expert in AI research from the University of Tokyo, to further strengthen our research activities. We believe we will need to accelerate such efforts going forward.

In closing, what are your thoughts on the future growth of the TechnoPro Group?

Jacobs: My impression is that the TechnoPro Group is a tightly-run ship. I have the sense that the Group is meticulous in its internal management and in setting KPIs, and it doesn't cut corners. I believe also that the Group still has ample room to grow. Even though it ranks as the leading company in Japan in the Engineer Staffing Business, its market share is still around 7%. I understand that the Group aims to expand its high-value-added Solution Business and overseas operations as well. The TechnoPro Group also has the various resources needed for growth—the talent, development infrastructure, and knowhow – and the growth strategy of the group is backed by a compelling narrative. Nonetheless, while careful management and a tight-ship corporate culture are worthy of admiration, continuing and even accelerating growth will require boldness to inspire and excite jobseekers and employees.

Takao: I agree. The TechnoPro Group has a culture of moving steadily if conservatively toward its goals. But that is the culture of the core Business of engineer staffing. The Solution Business and other future growth businesses will require a more aggressive and individualized approach. In new businesses, management will need to do more than study past successes. While continuing to manage risks carefully, I believe the management team needs to work tirelessly to evolve as we pursue our dreams toward 2030. Mr. Jacobs, thank you for all of your valuable comments today.

Jacobs: Thank you very much for this opportunity for meaningful dialogue.

Environmental Initiatives

The TechnoPro Group established the TechnoPro Group Environmental Policy in June 2022, identifying climate change response as one of its key environmental areas. At the same time, the Group declared its support for the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD) and joined the TCFD Consortium, a forum for discussion among supporting companies and others organizations. The Group has also defined metrics such as emission volumes and number of environment-related engineers as Materiality KPIs, and is strengthening its efforts in these areas.



TechnoPro Group Environmental Policy

We have established the Environmental Policies of the TechnoPro Group as a guideline for group-wide efforts in environmental conservation and in fulfilling our environmental responsibilities. This policy is based on the belief that conserving the irreplaceable global environment for future generations is consistent with the pursuit of the Purpose, our group corporate philosophy. Recognizing that addressing global environmental issues is a common challenge throughout to the world, including our executives, employees, customers, business partners, shareholders/investors, and local communities:

- (1) We are committed to reducing the environmental impact of our business activities.
- (2) We aim to develop and disseminate services that utilize our technology and talents to reduce environmental impact.

Details on the TechnoPro Group Environmental Policy are available at the following website.

<https://www.technoproholdings.com/en/csr/responsibility/environment.html>

TCFD Disclosure

Category	Highlights of Policies and Initiatives
Governance	The Sustainability Committee discusses, examines, and formulates action plans in response to climate change, monitors the progress of initiatives, and submits reports to the Board of Directors on a regular basis.
Strategy	<p>We have conducted scenario analysis with the objective of assessing the Group's resilience to significant climate change-related risks and opportunities, as well as the magnitude of financial impact.</p> <p>We have adopted two scenarios for the future climate change, the 4°C scenario and the 1.5°C/2°C scenario, analyzing the potential impact on operating profit, as of 2030, on our domestic engineer staffing business.</p> <p>In the 1.5°C/2°C scenario, carbon tax burden is projected to increase due to movement toward a low-carbon society, while the physical risks such as flood damage are projected to have a smaller impact compared to the 4°C scenario.</p> <p>In the 4°C scenario, there is no policies' enforcement for the transition to a low-carbon society, and carbon tax burden is lower than that in the 1.5°C/2°C scenario. However, the physical risks are estimated to have a larger quantitative impact than those in the 1.5°C/2°C scenario.</p>
Risk Management	We established an enterprise risk management (ERM) mechanism and process to comprehensively assess climate change risk, formulate a response policy, and monitor efforts in collaboration with the Sustainability Committee. (see page 33)
Metrics and Targets	<p>We began disclosing Scope 3 results and targets from the fiscal year ended June 30, 2023.</p> <p>Scope1+2 Medium-term target: 32.2% reduction (compared to FY2020) by FY2030 Long-term target: Real GHG emissions: zero by FY2050</p> <p>Scope3 Long-term target: Real GHG emissions: zero by FY2050</p>

TCFD Disclosure: <https://www.technoproholdings.com/en/csr/guideline/tcf.html>

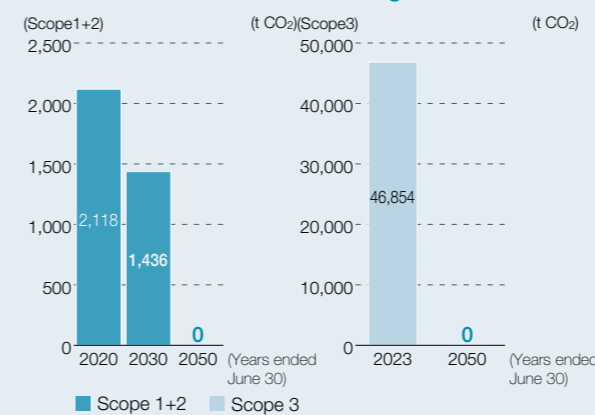


Greenhouse Gas (GHG) Reduction Indicators and Targets

The Group has set the following GHG reduction targets, with FY2020 as the base year, which is at the level equivalent to the reduction targets set by the Japanese government.

- Scope1+2: 32.2% reduction (compared to FY2020) by FY2030
- Scope1+2+3: Real GHG emissions: zero by FY2050

GHG Emissions Reduction Target



Data on Greenhouse Gas (GHG) Emissions

(Years ended June 30)	Scope 1	Scope 2	Scope 1+2	Scope 3
2023	287	1,283	1,570	46,854
2022	272	1,515	1,786	—
2021	341	1,463	1,804	—
2020	430	1,688	2,118	—

Notes: Greenhouse gases covered by the scope under the GHG Emissions Accounting, Reporting, and Disclosure System, that is, energy-origin CO₂, non-energy-origin CO₂, CH₄, N₂O, HFCs, PFCs, SF₆, and NF₃
 Only 9 domestic companies of the TechnoPro Group



Example of an Initiative Addressing Environmental Issues: Helping Companies Tackle the Problem of Plastics and Contributing Our Expertise in Recruitment

Our group company, Boyd & Moore Executive Search K.K. is providing recruiting services gratis to Plastic Bank, a company transforming the global supply chain for turning marine plastic waste into recyclable material. We support companies whose businesses are tackling the plastics problem, which is attracting worldwide attention, and help resolve environmental issues through our ability and expertise in recruitment.



Social Initiatives

As a corporate group wherein engineers gather, the TechnoPro Group is committed to the mission of resolving labor shortages by developing engineers, promoting innovation, and realizing a diverse society. In this section, we introduce concrete social initiatives, which are also related to our Human Capital Strategy (see page 25). Please note that Materiality KPIs related to society are available at the following website.

ESG Data Book: <https://www.technoproholdings.com/en/csr/databook.html>

Health Management

The Group supports its commitment to health management with an organization led by the president, representative director and CEO to encourage employees to lead fulfilling lives and work with vigor. We have formulated a Health Management Declaration and a Health Management Strategy Map to promote this approach. As a result of these efforts, the Ministry of Economy, Trade, and Industry's health management certification program has recognized the Group as a Health and Productivity Management Outstanding Organization (Large Enterprise Category) for four consecutive years, since 2020.

Details on our objectives and structure for promoting health management are available at the following website.

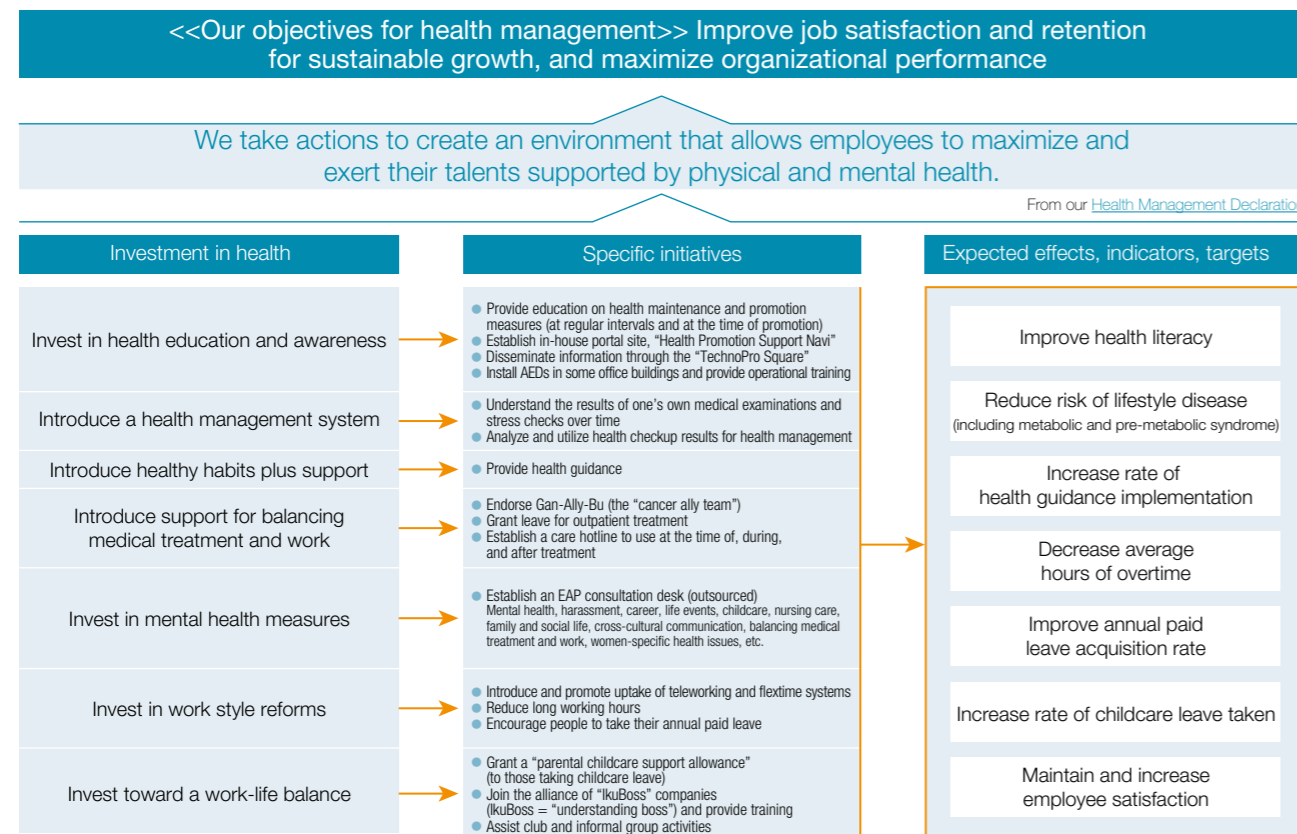
<https://www.technoproholdings.com/en/csr/development/workplace.html>



Healthy Habits Plus Support

We offer a program that promotes the establishment of healthy habits among our employees, with a focus on improving their eating habits and posture. This program is fully online and provides support for improving dietary and lifestyle habits, with a dedicated nutritionist on hand. Our AI analyses posture from photos, providing personalized training videos for each individual. This has enabled our employees to receive guidance on improving their posture, and we aim to enhance their health awareness.

Health Management Strategy Map (FY22.6–FY26.6)



Note: We verify the effectiveness of measures on an annual basis and revise them as necessary.

Safety and Health

The Group complies with the Labor Standards Act, the Industrial Safety and Health Act, and other relevant laws and regulations to ensure a safe and healthy work environment. The Compliance Committee (an organization under the ERM Committee) and the Health Committee at each business site share information and discuss issues to prevent work-related accidents and employee illness. In addition, we regularly report to the Board of Directors on health and safety risks such as overtime and overwork.

Our Materiality KPIs related to safety and health are available at the following website.

<https://www.technoproholdings.com/en/csr/databook.html#anc3>

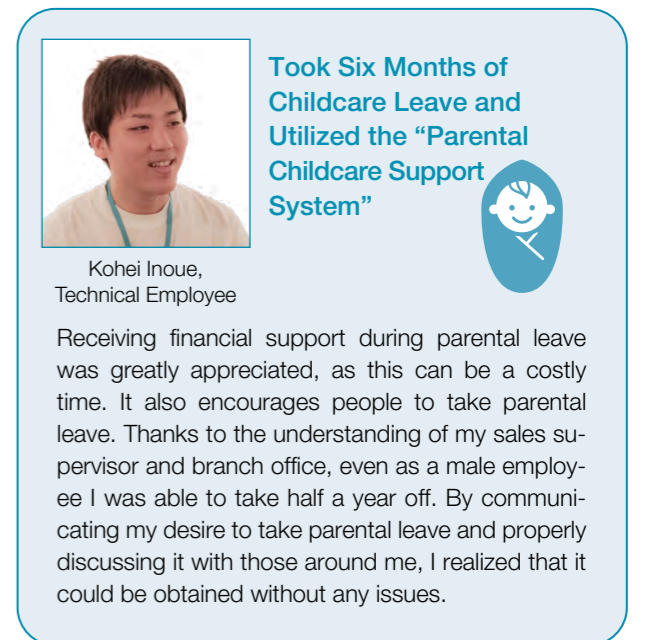
Promoting Diversity and the Advancement of Females

The TechnoPro Group has defined key human rights areas in the TechnoPro Group Human Rights Policy established in October 2021, and is working to prohibit discrimination and harassment, realize DEI, and reduce human rights risks. We have established "raising everyone's potential" as a material issue (Materiality), and we are creating an environment where people can challenge themselves and find a path to success regardless of gender or other factors.

The TechnoPro Group Human Rights Policy is available at the following website.

https://www.technoproholdings.com/en/ir/management/human_rights.html

Furthermore, in January 2023 we addressed the "financial loss" that is often cited as a reason for difficulty in taking childcare leave, by introducing the "Parental Childcare Support System." Under this system, the Group provides financial support to employees who take childcare leave.



Took Six Months of Childcare Leave and Utilized the "Parental Childcare Support System"

Kohei Inoue, Technical Employee

Receiving financial support during parental leave was greatly appreciated, as this can be a costly time. It also encourages people to take parental leave. Thanks to the understanding of my sales supervisor and branch office, even as a male employee I was able to take half a year off. By communicating my desire to take parental leave and properly discussing it with those around me, I realized that it could be obtained without any issues.

Initiatives in the Supply Chain

In February 2023, the Group established a Supplier Policy, clarifying the guidelines we expect our suppliers to respect and adhere to when conducting business with us from a sustainability management perspective. The Group is promoting social initiatives across the entire supply chain. The TechnoPro Group Supplier Policy is available at the following website.

<https://www.technoproholdings.com/en/csr/responsibility/supplychain.html#anc4>

Supplier Policy

Promotion and support of awareness and understanding

We send a "Letter to Suppliers" to all suppliers subject to the Policy, requesting their understanding of and compliance with the policy.

Monitoring

Whenever entering into a new contract and renewing a contract, we conduct our own supplier due diligence and contract review to identify risks in advance.

Guidance for Improvement

If a supplier's behavior does not comply with the Policy, we will require such supplier to take remedial actions and provide guidance for improvement.



Roundtable Discussion Held with Female Outside Directors and Female Employees

A roundtable discussion facilitated by CEO Yagi featured female Outside Directors Shoko Takase and Rumiko Tanabe as panelists and was attended by 39 female employees from our headquarters. After discussions about their roles and responsibilities as Outside Directors, as well as their personal career paths, a lively Q&A session was held with the female employees. A video of the day's events, posted on our internal portal site, has been viewed by numerous employees regardless of gender or position. We will continue striving to provide a workplace where females can play an even greater role.



Shoko Takase
Outside Director

We received numerous questions from the participants, and their empathy and interest made for a vibrant and enjoyable session. I also experienced a sense of impression and learning, and I hope to continue having opportunities for discussions with executives and employees, regardless of gender.

Ongoing challenges and unexpected occurrences are an inevitable part of the career journey. Instead of overthinking, it's best to step forward and embrace these challenges. Even if you're pressed for time or lack confidence, you can overcome diversity through sincerity and enthusiasm. Leverage help for child-rearing or elder-care duties. Experience small victories you achieved through resilience. We're here to support each step you take!



Rumiko Tanabe
Outside Director



Sponsoring Waffle Camp*, Organized by the NPO Waffle



The Company sponsored Waffle Camp, which is organized by Waffle, an NPO that promotes the advancement of females in the fields of science, technology, engineering, and mathematics (STEM). By sponsoring Waffle Camp, we are working to expand opportunities for the advancement of female and broaden the base of the next-generation talent in science and engineering.

* Waffle Camp is a program that combines career lectures by professionals working in IT and other fields with a website production course, with the aim of "eliminating an aversion to and increasing an interest in IT and science" among female junior and senior high school students.

Corporate Governance

Basic Approach to Corporate Governance

The Company's basic policy is to comply with all the principles of the Corporate Governance Code of the Tokyo Stock Exchange. We are continuously working to enhance and strengthen corporate governance based on the following understanding.

- (1) Corporate governance is the foundation for the realization of the Group's management philosophy, sustainable growth, and medium- to long-term enhancement of shareholder value.
- (2) Corporate governance is essential to earn the trust of all stakeholders, including shareholders/investors, local communities, business partners, and employees, and to ensure the fairness and transparency of the Company's decision-making.

The Company, as a holding company, shall be primarily responsible for formulating and monitoring basic management policies of the Group such as corporate philosophy, code of conduct, corporate strategies, management plans and budgets for single fiscal year, allocating management resources, creating synergies within the Group, and managing and supervising the management of the Company's subsidiaries from the perspective of promoting strategies and achieving overall optimization through the unification of the Group. The Company shall ensure that the execution

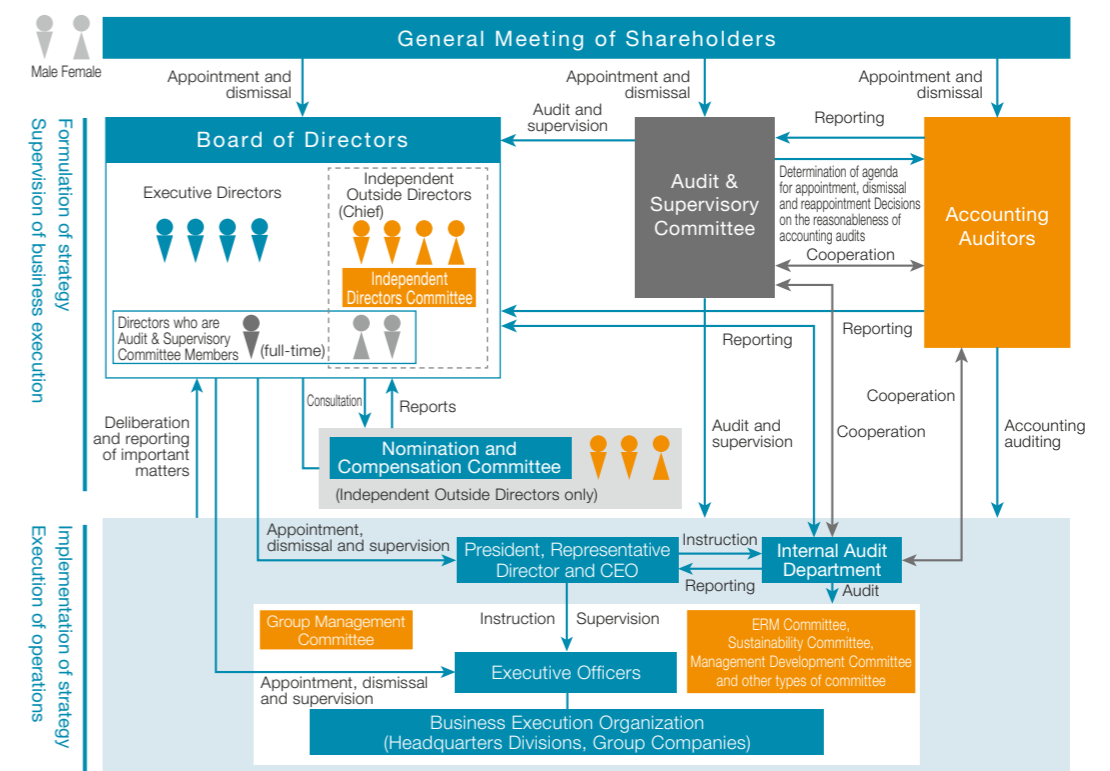
of the Group's business is appropriately carried out by the Company's subsidiaries in accordance with their respective business characteristics, and shall seek to integrate management to the extent possible and work to ensure the appropriateness of the Group management through the concurrent appointment of directors, integration of administrations and meetings, etc.

Governance Structure Outline

The Company adopts a company with "Audit & Supervisory Committee" system under the Companies Act in order to strengthen the supervisory function of management by the Board of Directors, to enable prompt decision-making by delegating important business decisions to Executive Directors, and to facilitate strategic and in-depth discussions at the Board of Directors meetings.

As for the business execution system, the Company has adopted an executive officer system and established the Group Management Committee as a committee for discussion of important matters, monitoring of progress in the performance of the Company and its subsidiaries, as well as information sharing, close cooperation, and flexible strategic coordination necessary for the Group as a whole. In addition, the Company has established committees such as the ERM Committee, the Sustainability Committee, and the Manage-

Corporate Governance and Compliance System (as of September 28, 2023)



Note: The Board of Directors is chaired by the chief Independent Outside Director. The Audit & Supervisory Committee is chaired by a full-time Director who is an Audit & Supervisory Committee Member. The Nomination and Compensation Committee is chaired by the chief Independent Outside Director. The Independent Directors Committee is chaired by the chief Independent Outside Director.

ment Development Committee to pursue matters that should be addressed from a cross-organizational perspective.

The Company has appointed Outside Directors more than half, for the purpose of receiving appropriate advice and proposals from an objective standpoint and from an external perspective, as well as to strengthen the supervisory function of the Board of Directors. Furthermore, from the perspectives of ensuring the effectiveness of supervision by separating the business execution and supervisory functions, an Outside Director is appointed as the chairperson of the Board of Directors. In addition, the Nomination and Compensation Committee, an advisory body to the Board of Directors, is chaired by an Outside Director to ensure the appropriateness and transparency of the nomination and compensation of Directors and Executive Officers of the Company and its subsidiaries.

Board of Directors

The Board of Directors is chaired by Mitsutoshi Takao, Chief Independent Outside Director, and consists of 11 members, five of whom are full-time Directors and six of whom are Outside Directors. In addition to the regular monthly meetings, extraordinary meetings of the Board of Directors are held as necessary. The Board exercises a supervisory function with regard to overall management, ensuring management fairness and transparency, and making the best decisions through resolutions on important matters such as basic management policies and the appointment and compensation of management personnel. Furthermore, based on reports from the business execution side, the Board assesses important risks, formulates response measures, and engages in strategic discussions on important themes.

Audit & Supervisory Committee

The Audit & Supervisory Committee is chaired by Hitoshi Madarame, Director and full-time Member of the Audit & Supervisory Committee. The Audit & Supervisory Committee consists of three members, of which one is a full-time Director and Audit & Supervisory Committee Member and two are Outside Directors who are Audit & Supervisory Committee Members. In addition to the regular monthly meetings of the Audit & Supervisory Committee, extraordinary meetings are held as necessary. The committee conducts effective audits in consideration of strategies and management risks, and properly supervises the management team. It also works closely with the Internal Audit Department and other departments related to internal control systems.

Nomination and Compensation Committee

The Nomination and Compensation Committee is chaired by Mitsutoshi Takao, Chief Independent Outside Director and consists of three Outside Directors. The Nomination and Compensation Committee deliberates matters regarding the nomination and compensation of Directors, and Executive Officers of the Company and its subsidiaries, provid-

ing opinions, reports, advice, and recommendations to the Board of Directors.

Independent Directors Committee

Independent Directors Committee is chaired by Mitsutoshi Takao, Chief Independent Outside Director and consists of six Outside Directors. The committee shares information and awareness and exchanges opinions on the Group's management strategies and other matters.

Corporate Governance Guidelines

The Company has formulated the Corporate Governance Guidelines to express its fundamental thoughts in relation to corporate governance. In September 2022, the Company implemented a complete revision of the Guidelines primarily for the following objectives.

- Reflecting the contents required for a company with an Audit & Supervisory Committee, to which the Company was transitioned on September 29, 2022.

- Strengthening the compliance with each principle of the Tokyo Stock Exchange's Corporate Governance Code revised in June 2021.

- Clarification of the consistency with corporate philosophy, management policy, and management plan, etc.

- Establishment of reappointment criteria as well as appointment and dismissal standards for CEO and directors.

We will continue to enhance our shareholder value over the medium- to long-term through the enhancement of corporate governance in accordance with this new guidelines. Details of the "Corporate Governance Guidelines" are available on our website. <https://www.technoproholdings.com/en/ir/governance/guideline.html>

Policy and Procedures Concerning Appointment of Directors

From the perspectives of an effective and stable operation of the Board, the Company strives to select appropriate people, in principle including the following matters relating to the composition of the Board of Directors and in accordance with the "Standards and Procedures for Appointment and Dismissal of Directors."

- The Board of Directors consists of Executive Directors who are primarily responsible for business execution and Non-Executive Directors who are primarily responsible for supervising business execution.

- Among Non-Executive Directors, Outside Directors shall, in principle, be Independent Outside Directors who satisfy the requirements set forth in the "Independence Standards for Outside Directors."

- The Company shall keep the ratio of Independent Outside Directors on the Board of Directors at least one-third, with aiming to achieving a majority or more.

- In appointing Directors (excluding those who are Audit & Supervisory Committee Members) and Directors who are Audit & Supervisory Committee Members, the Company shall take into consideration the skills, knowledge, exper-

ience, abilities, and areas of expertise of each member of the Board of Directors and the Audit & Supervisory Committee, as well as diversity, including gender, internationality, work experience, age, and other factors, so that the Board of Directors as a whole can fulfill its fiduciary responsibility to the shareholders.

- While taking into consideration the continuity and stability of the Board of Directors, the Company shall endeavor to ensure that its composition is aligned with the direction of the Group's management, the management strategies and plans, and the progress of the transformation of its business model, by utilizing the skill matrix of the Board of Directors.

- At least one of the Independent Outside Directors (excluding those who are Audit & Supervisory Committee Members) shall have management experience at other companies.

Details of the "Standards and Procedures for Appointment and Dismissal of Directors" and the "Independence Standards for Outside Directors" are available at the following websites. <https://www.technoproholdings.com/en/ir/governance/director.html> <https://www.technoproholdings.com/en/ir/governance/independence.html>

Progress and Improvement	Issues to Address
<ul style="list-style-type: none"> ● Where the fiscal year ended June 2023 was the second year of the current medium-term management plan (the Plan), progress reports on the Plan in general, as well as other business reports on the overall results of the first year of the Plan and the strategies & key initiatives for the second year from major group operating companies, and important individual themes related to the Plan, such as the IT medium-term plan, the Engineer Training Business, the DX Promotion Business, overseas subsidiary PMI were conducted appropriately at the Board of Directors meetings, and necessary verifications and discussions were also conducted. Further, the Board of Directors performed its supervisory and monitoring function over operation divisions, through initiatives such as receiving reports concerning the details of the discussion, mainly made by the Executive Directors, at the Plan review meeting, and deliberating on them with the Outside Directors. ● With an aim to further strengthen corporate governance structure, the Company made a transition to a company with an Audit & Supervisory Committee, and carried out the comprehensive revision of the Corporate Governance Guidelines as well as the revision of the skills matrix for the Board of Directors. ● In the Nomination and Compensation Committee, prior to the deliberation and resolution at the Board of Directors meeting, appropriate discussion was held regarding the reappointment of the CEO, individual compensation of the Directors, and change in the Group's leadership personnel. In addition, discussion was held, based on the skills matrix, regarding the necessity to reconsider the composition of the Board of Directors and to appoint the new Outside Directors. ● Through appropriate conduct from an objective standpoint at the Board of Directors 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. 	<ul style="list-style-type: none"> ● Conduct progress reports on the Plan, in accordance with the roadmap for the remaining three years of the Plan, as well as through establishment of specific schedules and KPIs including new indicators, thereby ensuring effective verification and necessary discussion at the Board of Directors. ● Carry out further fruitful discussions by presenting in advance themes to be discussed on the day of the Board of Directors meeting, or issues requiring opinion from Outside Directors. ● In PMI reviews of acquired companies and investees, carry out more flexible and strategic discussions on agendas from the perspectives of strategic review, including analysis of factors in case the initial aims have not been achieved, reconsideration of the rationale of the company's existence within the Group, and study of the possibility of sell-off, in addition to the discussions on matters related to business reports, risks, and other issues. ● Continue to deepen discussions on important themes in the area of human resources directly related to sustainable growth of the Group, such as formulation of succession plan for key positions, securing and training for capable management personnel, as well as human capital management and improvement of employee engagement. ● Carry out in-depth discussions on issues regarding areas of the internal control system and risk management framework requiring improvement and reinforcement in the Group, including overseas subsidiaries. ● Carry out substantive discussions regarding what functions and roles the Board of Directors of the Company should assume, in addition to the consideration based on specific agendas regarding the delegation of authority to Executive Directors along with the transition to a company with an Audit & Supervisory Committee.

Analyzing and Evaluating Effectiveness of the Board of Directors

The Company's Board of Directors conducts an annual analysis and evaluation of the effectiveness of the Board of Directors and publishes a summary of the results. The goal of this activity is to improve the function of the Board of Directors.

As a result of the analysis and evaluation conducted in the fiscal year ended June 30, 2023, the Board of Directors concluded that, overall, it has performed its roles and responsibilities appropriately and effectively. We have identified certain initiatives that were well-received in the fiscal year ended June 30, 2023, as well as strengths the Board of Directors should maintain ("Progress and Improvements"), and areas where there is room for improvement in enhancing the effectiveness of the Board ("Issues to Address"). Based on this analysis and evaluation, we will focus on addressing the "Issues to Address" to ensure the continuous effectiveness of the Board while striving to achieve optimal corporate governance and further enhance shareholder value.

Standards and Procedures for Appointment and Dismissal of CEO

The Company considers the appointment and dismissal of a chief executive officer (CEO) to be the most important strategic decision from the perspectives of the Group's sustainable growth and enhancement of shareholder value on a medium- to long-term basis, and based on such understanding, has established the "Standards and Procedures for Appointment and Dismissal of CEO," with the aim of selecting the most eligible person as CEO, whether internally or externally, and establishing procedures for objective, timely and transparent appointments and dismissals.

Details of the "Standards and Procedures for Appointment and Dismissal of CEO" are available at the following website.
<https://www.technoproholdings.com/en/ir/governance/nomination.html>

Implementation Status of the Internal Control Systems

The TechnoPro Group has established and is operating the Internal Control System Basic Policy as a system for ensuring work appropriateness. We have established appropriate group-wide internal controls and a risk management system to ensure the rationality of the decision-making process for entrusted matters related to business execution and to ensure the appropriateness of the status of operations. As an organizational structure, the Internal Audit Department, which is directly overseen by the Company's President, Representative Director and CEO, conducts group-wide business audits and compliance audits. It also works to maintain and validate the operating status of internal controls as well as provide advice and recommendations towards improvements from the perspective of ensuring work efficacy, financial reporting reliability, and compliance. We have established a whistleblower system to promote the prevention and early discovery of compliance violations and to ensure rapid and efficient responses in the event of an incident. We also reflect, in management decisions, the feedback from the employees involved in compliance. Under the whistleblower system, we have established a consultation desk run by an outside attorney who is independent of the Group's management members. This arrangement allows the system to be used anonymously. Internal regulations clearly state that people making reports shall not be subjected to unfair treatment as a result of this reporting. We ensure thorough awareness through education and training opportunities.

Details of the "Internal Control System Policy" are available at the following website.
https://www.technoproholdings.com/en/ir/governance/internal_control.html

Designing Incentives to Promote Shared Value with Shareholders

In conjunction with the start of our medium-term management plan "Evolution 2026," we have revised the

compensation system for Executive Directors effective from the fiscal year ended June 30, 2022. We have changed the compensation system to increase the ratio of variable compensation and have introduced a performance-based restricted stock compensation plan (performance share unit: PSU). These revisions are intended to provide Executive Directors with incentives to achieve the targets of the medium-term management plan and sustainably enhance shareholder value, as well as to further promote shared value with shareholders. Under the PSU system, as a so-called malus system, no compensation or share allocation are granted in the event that the target director resigns during the target period or engages in certain forms of misconduct.

PSU details are available at the following website.
https://www.technoproholdings.com/en/ir/governance/reward_ind.html

Executive Compensation Policy

Compensation for Executive Directors consists of base compensation, bonuses, and stock-based compensation. Compensation for Non-Executive Directors (Outside Directors, and Directors who are Audit & Supervisory Committee members) consists solely of fixed compensation, taking into consideration the high degree of objectivity and independence that their positions require.

Based on the deliberations and reports of the Nomination and Compensation Committee, the Company has established, by resolution of the Board of Directors, the "Basic Policies and Procedures for Determining Executive Compensation" and the "Policy for Determining Individual Director Compensation (excluding Directors who are Audit & Supervisory Committee Members)" as part of the "Corporate Governance Guidelines." We take into consideration the following points in determining the Group's compensation system, compensation structure, and individual compensation for officers.

- Maintain rationality that ensures our ability to fulfill our responsibilities to shareholders in terms of accountability and performance.
- Provide a sound incentive to see management policies to completion and enhance the Group performance and shareholder value.
- Promote not only short-term results, but also ongoing enhancement in the shareholder value.
- Represent sufficient compensation relative to performance, at a level that supports the hiring of, provides motivation to, and ensures the retention of, elite personnel.

Details of the "Basic Policies and Procedures for Determining Executive Compensation" and the "Policy for Determining Individual Director Compensation (excluding Directors who are Audit & Supervisory Committee Members)" are available on our website.
<https://www.technoproholdings.com/en/ir/governance/reward.html>
https://www.technoproholdings.com/en/ir/governance/reward_ind.html

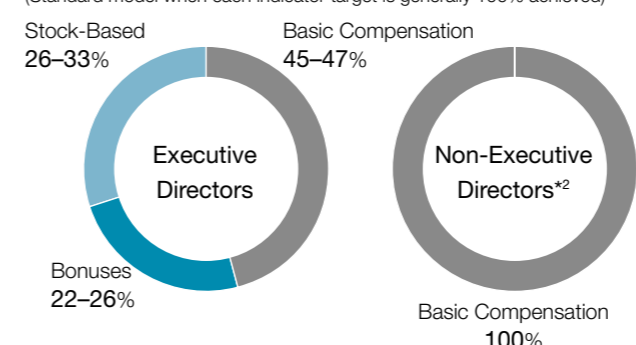
Overview of the Company's Director Compensation System

	Base Compensation (Fixed Compensation)	Bonuses (Short-Term Incentive Compensation)	Stock-Based Compensation (Medium- to Long-Term Incentive Compensation)
Recipient	● Director	● Executive Director	● Executive Director* ¹
Form of Payment	● Cash	● Cash	● Performance-Based Restricted Stock (Performance Share Unit: PSU)
Determination Method	● Determined by position	● A variable provision rate multiplied by the standard bonus amount. The provision rate varies based on indicators of achievement of targets set for each fiscal year with respect to consolidated performance, the performance of the division the director is responsible for, and individual performance.	● Calculated with a provision rate based on the achievement rate of performance indicators (consolidated net profit and consolidated ROE) for the final fiscal year of the medium-term management plan.
Variable range	—	0-200%	0-200%

*¹ Includes Executive Officers of the Company, Directors and Executive Officers of domestic subsidiaries, and other key employees

Compensation Composition Ratio

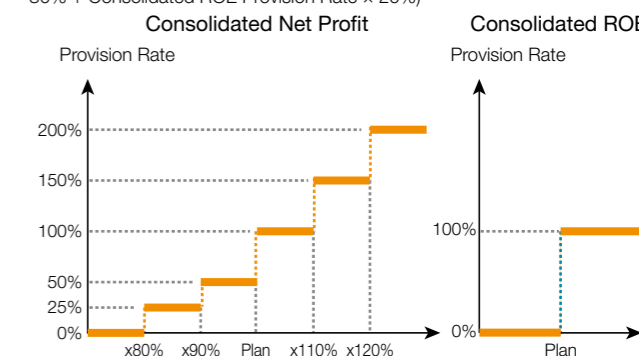
(Standard model when each indicator target is generally 100% achieved)



*² Outside Directors, and Directors who are Audit & Supervisory Committee Members

PSU Formula and Incentive Curve

Delivery Amount = Base Amount × (Consolidated Net Profit Provision Rate × 80% + Consolidated ROE Provision Rate × 20%)



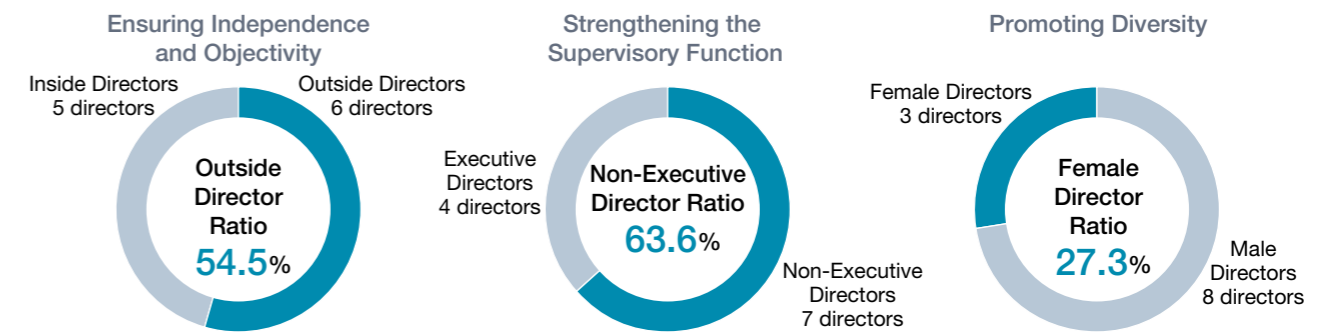
Note: Please refer to P.30 for the target figures for the final fiscal year of the medium-term management plan.

Compensation by Officer Category, Total Compensation by Type, and Number of Eligible Officers (For the Fiscal Year Ended June 30, 2023)

Officer Category	Total Compensation (Millions of yen)	Total Compensation, by Type (Millions of yen)			Number of Eligible Officers
		Fixed Compensation	Bonuses (Short-Term Incentive)	Stock-Based Compensation (Medium- to Long-Term Incentive)	
Directors (excluding Directors who are Audit & Supervisory Committee Members and Outside Directors)	307	156	67	83	5
Directors who are Audit & Supervisory Committee Members (excluding Outside Directors)	12	12	—	—	1
Audit & Supervisory Board Members (excluding Outside Members)	4	4	—	—	1
Outside Officers	56	56	—	—	7

Directors with a Diverse Skillset (as of September 28, 2023)

See the website below for information related to directors and skill matrix.
<https://technoproholdings.com/en/group/officer.html>



Name	Takeshi Yagi	Gaku Shimaoka	Koichiro Asai	Toshihiro Hagiwara	Mitsutoshi Takao	Kazuhiko Yamada	Harumi Sakamoto	Shoko Takase	Hitoshi Madarame	Rumiko Tanabe	Masatoshi Deguchi
Position	President, Representative Director and CEO	Vice President, Representative Director and COO	Senior Managing Director	Managing Director and CFO	Outside Director	Outside Director	Outside Director	Outside Director	Director (Full-time Audit & Supervisory Committee Member)	Outside Director (Audit & Supervisory Committee Member)	Outside Director (Audit & Supervisory Committee Member)
Term of office as Director	9 years and 2 months	9 years and 7 months	9 years and 7 months	4 years	9 years and 5 months	8 years	7 years	2 years	4 years	3 years	—
Attendance at Board of Directors meetings	15/15 meetings (100%)	15/15 meetings (100%)	15/15 meetings (100%)	15/15 meetings (100%)	15/15 meetings (100%)	15/15 meetings (100%)	15/15 meetings (100%)	15/15 meetings (100%)	15/15 meetings (100%)	15/15 meetings (100%)	—
Attendance at Audit & Supervisory Committee meetings	—	—	—	—	12/12 meetings (100%)	—	—	—	12/12 meetings (100%)	12/12 meetings (100%)	—
Attendance at Audit & Supervisory Board meetings	—	—	—	—	5/5 meetings (100%)	—	—	—	5/5 meetings (100%)	5/5 meetings (100%)	—
Attendance at Nomination and Compensation Committee meetings	—	—	—	—	7/7 meetings (100%)	7/7 meetings (100%)	—	—*	—	—	—
Attendance at Independent Directors Committee meetings	—	—	—	—	2/2 meetings (100%)	2/2 meetings (100%)	2/2 meetings (100%)	2/2 meetings (100%)	—	2/2 meetings (100%)	—
Gender	Male	Male	Male	Male	Male	Male	Female	Female	Male	Female	Male
Fields of Experience, Expertise, etc.:											
Achievements and Experience in Human Resources Business Management		●	●								
Insights in the Trend of Technology, IT, and Digitalization		●	●					●			
Management Experience in Other Listed Companies, etc.					●		●	●			●
Experience as CFO, or Experience and Expertise in Finance, Accounting, and Tax				●	●					●	●
Experience and Knowledge of M&A				●							
Global Experience and Language Skills	●			●				●			●
Experience and Expertise in Personnel and Human Resource Development	●				●						
Insight in ESG and Sustainability	●										
Experience and Expertise in Law, Compliance, Risk Management, and Internal Auditing						●			●		●
Specialization (qualifications, etc.)				Certified public accountant		Attorney				Certified public accountant	Certified internal auditor Certified fraud examiner

Note 1: The status of attendance of each meeting refers to the fiscal year ended June 30, 2023 (July 1, 2022 to June 30, 2023).
 Note 2: On September 29, 2022, we transitioned from a company with an Audit & Supervisory Board to a company with an Audit & Supervisory Committee. The term of office as director includes the years of term of office as an Audit & Supervisory Board member.
 Note 3: The above does not represent every single item of skills, experience, ability, knowledge, and attainment of each director. In principle, "experience" of each item indicates at least three years of involvement in the given operation or position in total.
 * Member of the Nomination and Compensation Committee from September 2023.

Introduction
Value Creation for the TechnoPro Group
Growth Strategy Aimed at Value Creation
ESG Strategy That Supports Value Creation
Data

Overview of Financial and Operating Results for the Fiscal Year Ended June 30, 2023

Business Performance and Operating Results

During the consolidated fiscal year under review, although there was almost no new economic impact stemming from the COVID-19 pandemic, uncertainty in the global economy persisted due to rising commodity prices as a result of the prolonged situation in Ukraine; policies of economic restraint introduced in the U.S. and Europe as a response to inflation, such as raising of policy interest rates; and heightened geopolitical risks in the East Asian region, among other factors. In Japan, despite the general resumption and continuation of economic activities even amid an ongoing pandemic, which includes the gradual relaxation of restrictions intended to help curb the spread of COVID-19, the economic outlook has remained uncertain amid factors such as rising prices which have been caused by raw material shortages, rising resource prices and the continued depreciation of the yen, concerns over tax hikes, and other factors.

In this environment, the customer demand for the Group's Core Business area of engineer dispatching and contract assignment has recovered to exceed pre-pandemic levels, demonstrating the strong foundations of the Group's business.

As a result, the number of engineers in Japan at the end of the consolidated fiscal year under review was 24,125 (up 2,077 compared to the end of previous fiscal year). The average utilization ratio for the period under review was 95.2% (down 0.1 pts compared to the previous fiscal year). Regarding the Group's continuous efforts to improve sales per engineer, while the number of overtime hours per month has decreased compared to the previous fiscal year, average monthly unit sales price is 669 thousand yen (up 11 thousand yen compared to the previous fiscal year) due to proactive increases in unit prices resulting from the Shift Up and Charge Up initiatives, as well as an expansion of the Group's Solution Business, among other factors.

In terms of expenses, SG&A rose in comparison to the previous fiscal year. This was mainly due to upfront investment for implementation of medium-term management plan initiatives such as recruitment and training for the acquisition of solutions-related talents and the development of information systems. In addition, along with an increase in hiring through professional recruitment firms, the percentage of these spending to the recruitment expenses or the Group's revenue has also been trending upward. However, core operating profit*¹ rose by 2,340 million yen compared to the previous fiscal year due to the improvement in gross profit resulting from an increase in the number of engineers as-

signed in Japan, an expansion of the Group's contracting business, the consolidation of Robosoft Technologies Private Limited, and other factors.

As a result, the Group's performance was as follows: revenue for the consolidated fiscal year was 199,851 million yen (up 11.8% compared to the previous fiscal year), core operating profit was 21,379 million yen (up 12.3%), operating profit was 21,838 million yen (up 5.8%), profit before taxes was 21,837 million yen (up 4.1%), and net profit attributable to the owners of the parent company was 15,365 million yen (down 0.4%).

*¹ 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 government subsidies and impairment losses) recorded under other income and other expenses.

Performance by Segment

■ R&D Outsourcing

To expand its IT business, which has been performing well within the R&D Outsourcing, the Group implemented digital technology training for mechanical engineers and chemical/biochemical-related engineers and is successfully capturing strong demand within the digital domain through re-skilling and cross-skilling, in addition to strengthening the mid-career hiring mainly of high added-value engineers. The Group also made efforts to secure assignments at higher unit sales price 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/external training. Through these efforts, the number of engineers at the end of the consolidated fiscal year under review were 21,163 (up 1,906 compared to the end of the previous fiscal year) and the assigned engineers were 19,885 (up 1,553). As a result, revenue in this segment was 152,858 million yen (up 11.2 %).

■ Construction Management Outsourcing

In addition to construction management, the main service provided under the Construction Management Outsourcing, the Group has also expanded offerings based on technological skills developed in the design and construction management fields. Examples include 3D measurement, aerial photography, and inspections using drones, and the establishment of first-class qualified architect offices. In this segment, for the Group to be able to continue securing engineers amid a tight hiring market, we have continued to train up less experienced workers at our own technical centers.

Through these efforts, the number of engineers at the end of the consolidated fiscal year under review were 2,962 (up 171 compared to the end of the previous fiscal year) and the assigned engineers were 2,835 (up 150). As a result, revenue in this segment was 21,643 million yen (up 6.6%).

■ Others in Japan

Others in Japan comprises a professional recruitment service and an education and training service in engineering. While the Group's professional recruitment service was affected by global hirings curbs and freezes, in the engineering education and training business, the Group made active efforts to expand training programs and strengthen services for external sales. As a result, revenue in this segment was 5,569 million yen (up 13.7%).

■ Overseas

While there were differences between countries, the Group's Overseas business generally returned to growth. Demand for technological development in India and China continued, and the Group proceeded with contracted R&D operations on an offshore basis with local subsidiaries of Japanese companies overseas, their parent companies, and U.S. and European companies. Businesses in Southeast Asian countries saw good performance, supported by strong demand for personnel dispatch services. In addition, the consolidation of Robosoft Technologies Private Limited from the beginning of the fiscal year had a significantly positive impact, contributing to revenue growth for the consolidated fiscal year as compared with the previous fiscal year. As a result, revenue in this segment was 23,508 million yen (up 23.9%).

Segment Results

(Years ended June 30)	R&D Outsourcing		Construction Management Outsourcing		Others in Japan		Sub Total for Businesses in Japan	
	2022	2023	2022	2023	2022	2023	2022	2023
Revenue	137,471	152,858	20,311	21,643	4,898	5,569	162,682	180,071
Segment profit	14,151	16,292	2,489	2,930	672	561	17,313	19,784
Segment assets	88,568	93,546	11,914	12,783	5,659	5,671	106,142	112,000
Number of engineers (people)	19,257	21,163	2,791	2,962	—	—	22,048	24,125

(Years ended June 30)	Overseas		Total for Reportable Segments		Corporate/Eliminations* ²		Consolidated	
	2022	2023	2022	2023	2022	2023	2022	2023
Revenue	18,976	23,508	181,658	203,580	(2,902)	(3,728)	178,756	199,851
Segment profit	1,925	1,873	19,239	21,658	1,401	179	20,641	21,838
Segment assets	27,900	28,666	134,042	140,666	7,925	3,350	141,968	144,017
Number of engineers (people)	2,851	2,997	24,899	27,122	—	—	24,899	27,122

*² Headquarter expenses attributable to the reportable segments (expenses incurred by the holding company, etc.) are allocated to each reportable segment.

* The translations of Japanese yen amounts into U.S. dollar amounts are included solely for the convenience of readers outside Japan, and have been made at the rate of ¥144.99 to \$1, the approximate rate of exchange at June 30, 2023.

Consolidated Statement of Financial Position

TechnoPro Holdings, Inc. and its subsidiaries
As of June 30, 2022 and 2023

	Millions of Yen		Millions of U.S. Dollars*
	2022	2023	2023
Assets			
Current assets			
Cash and cash equivalents	¥ 37,432	¥ 35,373	\$244.0
Accounts receivables and other receivables	25,071	27,405	189.0
Income taxes receivable	982	1,740	12.0
Other short-term financial assets	5,166	5,700	39.3
Other current assets	5,385	6,437	44.4
Total current assets	74,039	76,657	528.7
Non-current assets			
Property, plant and equipment	2,346	2,463	17.0
Right-of-use assets	4,654	4,916	33.9
Goodwill	45,960	46,372	319.8
Intangible assets	5,045	4,807	33.2
Other long-term financial assets	4,241	4,076	28.1
Deferred tax assets	4,878	3,937	27.2
Other non-current assets	804	786	5.4
Total non-current assets	67,929	67,360	464.6
Total assets	¥141,968	¥144,017	\$993.3
Liabilities and equity			
Current liabilities			
Accounts payable and other liabilities	¥ 16,751	¥ 16,044	\$110.7
Loans payable	1,990	1,000	6.9
Lease liabilities	5,048	5,291	36.5
Income taxes payable	3,108	3,546	24.5
Other financial liabilities	7,057	4,000	27.6
Employee benefits liabilities	8,112	8,685	59.9
Provisions	0	20	0.1
Other current liabilities	7,090	8,356	57.6
Total current liabilities	49,161	46,944	323.8
Non-current liabilities			
Bonds and loans payable	14,427	13,716	94.6
Lease liabilities	4,070	4,116	28.4
Other long-term financial liabilities	2,222	882	6.1
Deferred tax liabilities	1,031	987	6.8
Retirement benefit liabilities	17	24	0.2
Provisions	481	479	3.3
Other non-current liabilities	126	103	0.7
Total non-current liabilities	22,378	20,309	140.1
Total liabilities	71,539	67,254	463.9
Equity			
Share capital	6,929	6,929	47.8
Capital surplus	7,966	8,259	57.0
Retained earnings	51,986	59,262	408.7
Treasury shares	(1,001)	(2,577)	(17.8)
Other components of equity	2,837	3,655	25.2
Equity attributable to owners of the parent company	68,718	75,529	520.9
Non-controlling interests	1,710	1,233	8.5
Total equity	70,428	76,762	529.4
Total liabilities and equity	¥141,968	¥144,017	\$993.3

Consolidated Statement of Income and Consolidated Statement of Comprehensive Income

TechnoPro Holdings, Inc. and its subsidiaries
Fiscal years ended June 30, 2022 and 2023

Consolidated Statement of Income

	Millions of Yen		Millions of U.S. Dollars*
	2022	2023	2023
Revenue	¥178,756	¥199,851	\$1,378.4
Cost of sales	131,897	146,948	1,013.5
Gross profit	46,858	52,903	364.9
Selling, general and administrative expenses	27,819	31,523	217.4
Other income	2,387	582	4.0
Other expenses	784	124	0.9
Operating profit	20,641	21,838	150.6
Financial income	460	196	1.4
Financial expenses	134	197	1.4
Profit before income taxes	20,967	21,837	150.6
Income taxes	5,307	6,276	43.3
Net profit	15,659	15,560	107.3
Net profit attributable to:			
Owners of the parent company	15,430	15,365	106.0
Non-controlling interests	228	194	1.3
Net profit	¥ 15,659	¥ 15,560	\$ 107.3

	Yen		U.S. Dollars*
	2022	2023	2023
Earnings per share attributable to owners of the parent company			
Basic earnings per share	¥143.24	¥142.71	\$0.98
Diluted earnings per share	—	—	—

Consolidated Statement of Comprehensive Income

	Millions of Yen		Millions of U.S. Dollars*
	2022	2023	2023
Net profit	¥15,659	¥15,560	\$107.3
Other comprehensive income			
Items that will not be reclassified to profit or loss			
Changes in fair value of financial assets at fair value through other comprehensive income	—	205	1.4
Total items that will not be reclassified to profit or loss	—	205	1.4
Items that may be reclassified to profit or loss			
Foreign currency translation adjustments	2,800	957	6.6
Total items that may be reclassified to profit or loss	2,800	957	6.6
Total other comprehensive income	2,800	1,163	8.0
Comprehensive income for the period	18,460	16,723	115.3
Comprehensive income for the period attributable to:			
Owners of the parent company	17,989	16,388	113.0
Non-controlling interests	471	334	2.3
Comprehensive income for the period	¥18,460	¥16,723	\$115.3

Consolidated Statement of Changes in Equity

TechnoPro Holdings, Inc. and its subsidiaries
Fiscal years ended June 30, 2022 and 2023

Fiscal year ended June 30, 2022 (July 1, 2021 to June 30, 2022)	Millions of Yen								
	Equity attributable to the owners of the parent company					Other components of equity	Total equity attributable to owners of the parent company	Non-controlling interests	Total equity
	Share capital	Capital surplus	Retained earnings	Treasury shares	Foreign currency translation adjustments				
As of July 1, 2021	¥6,929	¥7,460	¥43,557	¥(1,000)	¥ 279	¥ 279	¥57,226	¥1,506	¥58,733
Net profit			15,430				15,430	228	15,659
Other comprehensive income					2,558	2,558	2,558	242	2,800
Total comprehensive income			15,430		2,558	2,558	17,989	471	18,460
Dividends of surplus			(7,002)				(7,002)	(51)	(7,054)
Share-based payment transaction		290					290		290
Purchase of treasury shares				(0)			(0)		(0)
Changes in ownership interests in subsidiaries		215					215	(215)	
Total transactions with the owners		505	(7,002)	(0)			(6,497)	(267)	(6,764)
As of June 30, 2022	¥6,929	¥7,966	¥51,986	¥(1,001)	¥2,837	¥2,837	¥68,718	¥1,710	¥70,428

Fiscal year ended June 30, 2023 (July 1, 2022 to June 30, 2023)	Millions of Yen								
	Equity attributable to the owners of the parent company					Other components of equity	Total equity attributable to owners of the parent company	Non-controlling interests	Total equity
	Share capital	Capital surplus	Retained earnings	Treasury shares	Foreign currency translation adjustments				
As of July 1, 2022	¥6,929	¥7,966	¥51,986	¥(1,001)	¥2,837	¥2,837	¥68,718	¥1,710	¥ 70,428
Net profit			15,365				15,365	194	15,560
Other comprehensive income			205		817	817	1,023	139	1,163
Total comprehensive income			15,570		817	817	16,388	334	16,723
Dividends of surplus			(8,294)				(8,294)	(811)	(9,106)
Share-based payment transaction		294					294		294
Purchase of treasury shares		(1)		(1,576)			(1,577)		(1,577)
Changes in ownership interests in subsidiaries		(0)					(0)	0	
Total transactions with the owners		293	(8,294)	(1,576)			(9,578)	(811)	(10,389)
As of June 30, 2023	¥6,929	¥8,259	¥59,262	¥(2,577)	¥3,655	¥3,655	¥75,529	¥1,233	¥ 76,762

Fiscal year ended June 30, 2023 (July 1, 2022 to June 30, 2023)	Millions of U.S. Dollars*								
	Equity attributable to the owners of the parent company					Other components of equity	Total equity attributable to owners of the parent company	Non-controlling interests	Total equity
	Share capital	Capital surplus	Retained earnings	Treasury shares	Foreign currency translation adjustments				
As of July 1, 2022	\$47.8	\$54.9	\$358.5	\$ (6.9)	\$19.6	\$19.6	\$473.9	\$11.8	\$485.7
Net profit			106.0				106.0	1.3	107.3
Other comprehensive income			1.4		5.6	5.6	7.1	1.0	8.0
Total comprehensive income			107.4		5.6	5.6	113.0	2.3	115.3
Dividends of surplus			(57.2)				(57.2)	(5.6)	(62.8)
Share-based payment transaction		2.0					2.0		2.0
Purchase of treasury shares		(0.0)		(10.9)			(10.9)		(10.9)
Changes in ownership interests in subsidiaries		(0.0)					(0.0)	0.0	
Total transactions with the owners		2.0	(57.2)	(10.9)			(66.1)	(5.6)	(71.7)
As of June 30, 2023	\$47.8	\$57.0	\$408.7	\$ (17.8)	\$25.2	\$25.2	\$520.9	\$ 8.5	\$529.4

Consolidated Statement of Cash Flows

TechnoPro Holdings, Inc. and its subsidiaries
Fiscal years ended June 30, 2022 and 2023

	Millions of Yen		Millions of U.S. Dollars*
	2022	2023	2023
Cash flows from operating activities			
Profit before income taxes	¥20,967	¥21,837	\$150.6
Depreciation and amortization	3,100	3,128	21.6
Impairment loss	361	—	—
Loss (profit) from put options granted to non-controlling interest	(1,822)	(55)	(0.4)
Interest and dividend income	(21)	(84)	(0.6)
Interest expense	108	98	0.7
Decrease (increase) in accounts receivables and other receivables	(3,463)	(2,333)	(16.1)
Increase (decrease) in accounts payable and other liabilities	2,124	(707)	(4.9)
Increase (decrease) in deposits received	86	565	3.9
Decrease (increase) in prepaid expenses	2,718	2,475	17.1
Decrease (increase) in lease repayments	1,883	1,942	13.4
Increase (decrease) in consumption tax payable	(231)	580	4.0
Increase (decrease) in retirement benefit liabilities	(699)	(561)	(3.9)
Other	1,058	180	1.2
Subtotal	26,173	27,065	186.7
Interest and dividend received	19	46	0.3
Interest paid	(64)	(65)	(0.4)
Income taxes paid	(8,885)	(6,618)	(45.6)
Income tax refund	1,614	996	6.9
Net cash flows from operating activities	18,857	21,424	147.8
Cash flows from investing activities			
Payments into time deposits	(1,512)	(2,090)	(14.4)
Proceeds from withdrawal of time deposits	1,738	1,469	10.1
Purchase of tangible fixed assets	(497)	(460)	(3.2)
Purchase of intangible assets	(195)	(248)	(1.7)
Payments for acquisition of investments	(2,414)	(3,088)	(21.3)
Proceeds from sales and redemption of investments	3,594	3,700	25.5
Payment for acquisition of subsidiaries	(8,681)	—	—
Purchase of subsidiary shares at conditional acquisition price	—	(3,623)	(25.0)
Other	(6)	(107)	(0.7)
Net cash flows from investing activities	(7,975)	(4,449)	(30.7)
Cash flows from financing activities			
Net increase (decrease) in short-term loans payable	(72)	—	—
Repayment of lease liabilities	(6,667)	(6,797)	(46.9)
Proceeds from long-term borrowings	—	5,000	34.5
Repayments of long-term borrowings	(2,000)	(6,750)	(46.6)
Proceeds from issuance of bonds	9,939	—	—
Purchase of treasury shares	(0)	(1,576)	(10.9)
Cash dividends paid	(7,053)	(9,107)	(62.8)
Payments for purchase of interests in subsidiaries from non-controlling interests	(698)	—	—
Net cash flows from financing activities	(6,551)	(19,231)	(132.6)
Effect of change in exchange rates on cash and cash equivalents	576	197	1.4
Net increase (decrease) in cash and cash equivalents	4,907	(2,058)	(14.2)
Cash and cash equivalents at the beginning of the period	32,524	37,432	258.2
Cash and cash equivalents at the end of the period	¥37,432	¥35,373	\$244.0

Company Data

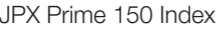






Name	TechnoPro Holdings, Inc.	Group companies	TechnoPro, Inc.
President, Representative Director and CEO	Takeshi Yagi	(as of October 1, 2023)	PROBIZMO Co., Ltd. TechnoPro Construction, Inc. TOQO. Co., Ltd Pc Assist Co., Ltd. (Win School) TechnoBrain Co., Ltd. Boyd & Moore Executive Search K.K. TechnoPro China Group Helius Technologies Pte Ltd Orion Managed Services Limited Robosoft Technologies Private Limited TechnoPro Smile, Inc.
Established	April 27, 2012		
Headquarters	35F, Roppongi Hills Mori Tower 6-10-1 Roppongi, Minato-ku, Tokyo 106-6135, Japan		
Share capital	¥6,929 million		
Revenue	¥199.8 billion (consolidated, for the fiscal year ended June 30, 2023)		
Business	Supervising and managing Group companies		
Employees	30,041 (consolidated, as of June 30, 2023)		

Stock Information

Basic Stock Information

Stock exchange	Tokyo Stock Exchange, Prime Market	Trading unit	100 shares
Security code	6028	Number of shares issued and outstanding	108,421,164 shares (as of June 30, 2023)
Annual general meeting of shareholders	September	Number of shareholders	4,330 (as of June 30, 2023)
Dividend payout	Interim dividend record date: December 31 Year-end dividend record date: June 30		

Selected indexes

 JPX-NIKKEI 400 JPX NIKKEI 400	 JPX Prime 150 Index	 Nikkei 500 Stock Average	 Morningstar Japan ex-REIT Gender Diversity Tilt Index
 S&P/JPX Carbon Efficient Index	 FTSE4Good Index Series	 FTSE Blossom Japan Index	 FTSE Blossom Japan Sector Relative Index
 2023 CONSTITUENT MSCI JAPAN ESG SELECT LEADERS INDEX MSCI Japan ESG Select Leaders Index	 2023 CONSTITUENT MSCI JAPAN EMPOWERING WOMEN INDEX (WIN) MSCI JAPAN EMPOWERING WOMEN INDEX (WIN)		

Major Shareholders (as of June 30, 2023)

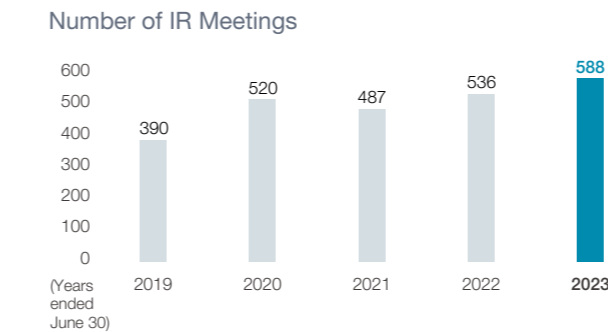
Shareholders	Shares held (Thousands)	% of shares*1
The Master Trust Bank of Japan, Ltd. (Trust Account)	18,665	17.40
SSBTC CLIENT OMNIBUS ACCOUNT	9,088	8.47
Custody Bank of Japan, Ltd. (Trust Account)	5,733	5.34
JP MORGAN CHASE BANK 385632	4,605	4.29
THE BANK OF NEW YORK MELLON AS DEPOSITARY BANK FOR DEPOSITARY RECEIPT HOLDERS	3,718	3.46
STATE STREET BANK AND TRUST COMPANY 505001	3,345	3.11
THE BANK OF NEW YORK MELLON 140044	3,149	2.93
THE BANK OF NEW YORK MELLON SA/NV 10	3,121	2.91
JP MORGAN CHASE BANK 380072	2,848	2.65
SMBC Nikko Securities Inc.	2,191	2.04

*1 Calculated excluding treasury shares

Main IR Activities in the Fiscal Year Ended June 30, 2023

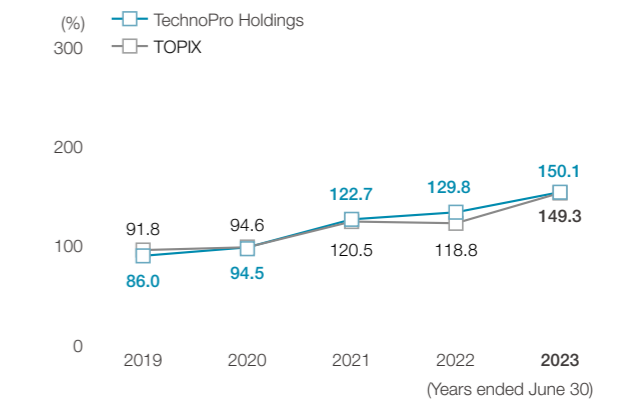
Activity	Frequency
Financial results briefings for analysts and institutional investors	4 times
IR meetings*2	588 times
Participation in conferences hosted by securities companies	11 times
Briefings for retail investors	1 time

*2 Of which, 115 times with CEO and 292 times with CFO



Total Shareholder Return (TSR)

Since our listing in the fiscal year ended June 30, 2015, we have achieved consistent increases in operating performance and raised our dividend levels. As a result, our total shareholder return (TSR) has exceeded the TOPIX average.



External Evaluations

Award	Year	Awarding Body
Best IR Award	2021/2022	Japan Investor Relations Association
All-Japan Executive Team Rankings (Professional/Consumer Services Sector)		Institutional Investor
Most Honored Companies	2022/2023	
Best CEO	2023	
Best CFO	2022/2023	
Best IR Program	2022/2023	
Best IR Professional	2022/2023	
Best Company Board	2023	
Best ESG Program	2022/2023	
Region Top Rated	2023	Sustainalytics ESG Risk Ratings
Internet IR Awards Excellence Award	2021/2022	Daiwa Investor Relations Co., Ltd.
All Japanese Listed Companies' Website Ranking AAA Website	2021/2022	Nikko Investor Relations Co., Ltd.
Gomez IR Site Ranking Silver Prize	2021/2022	BroadBand Security, Inc.
Gomez ESG Site Ranking 137 th overall	2023	BroadBand Security, Inc.
DX Certified Operator	2023	Ministry of Economy, Trade and Industry
Certified Health and Productivity Management Outstanding Organization (Large Enterprise Category)	2022/2023	Ministry of Economy, Trade and Industry and Nippon Kenko Kaigi