

June 30, 2021

To Whom It May Concern,

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

TechnoPro, Inc. to Acquire and Merge GCOMNET CO., LTD.

On June 30, 2021, the TechnoPro Holdings, Inc.'s Board of Directors has resolved to allow its subsidiary TechnoPro, Inc. to acquire 100 percent of the outstanding common shares of GCOMNET CO., LTD. This acquisition will make GCOMNET a subsidiary of TechnoPro and a sub-subsidiary of TechnoPro Holdings. The Board has also resolved to approve the absorption-type merger of TechnoPro and GCOMNET soon after the acquisition, in which TechnoPro will be the surviving entity and GCOMNET will be the absorbed entity.

I. Details of Acquisition

1. Purpose of Acquisition

The purpose of this transaction is to acquire know-how in the development of the ERP business and the engineer training, currently the focus of TechnoPro's value added services, and to strengthen the ability to make direct proposals to end users through making GCOMNET a group company, leveraging its strengths in the upstream process of SAP implementation consulting and system development as well as IT infrastructure development.

2. Overview of New Sub-Subsidiary

- (1) Company Name GCOMNET CO., LTD.
- (2) Head Office 1-1-12 Shibakoen, Minato Ward, Tokyo
- (3) Representative (Name, Title) Masayuki Ito, Representative Director
- (4) Business Lines Consulting, design, development, operation and maintenance of ERP package implementation, and engineer staffing
- (5) Capital ¥30 million
- (6) Established August 13, 2001
- (7) Major Shareholders and Ownership Ratio Masayuki Ito (80.0%), Youichi Kotani (10.0%), Tetsuji Takanashi (5.0%), Yukihiro Hoshino (5.0%)
- (8) Relationship between TechnoPro Holdings and GCOMNET No equity, personal, or business relationships exist between TechnoPro Holdings and GCOMNET

(9) GCOMNET Business Performance and Financial Condition for the Most-Recent Three Years

| Fiscal Year | July 2018 | July 2019 | July 2020 |
|----------------------|---------------|--------------|---------------|
| Net Assets | ¥37 million | ¥37 million | ¥37 million |
| Total Assets | ¥147 million | ¥159 million | ¥215 million |
| Net Assets per Share | ¥183,904 | ¥185,103 | ¥185,346 |
| Net Sales | ¥370 million | ¥390 million | ¥341 million |
| Operating Profit | (¥24 million) | ¥0 million | (¥30 million) |
| Ordinary Income | ¥0 million | ¥0 million | ¥0 million |
| Net Income | ¥4 million | ¥0 million | ¥0 million |
| Net Income per Share | ¥17,597 | ¥748 | ¥244 |

3. Overview of Sellers

| Name | Address |
|-------------------|--------------------------|
| Masayuki Ito | Aoba Ward, Yokohama City |
| Youichi Kotani | Chofu City, Tokyo |
| Tetsuji Takanashi | Fujisawa City, Kanagawa |
| Yukihiro Hoshino | Fujisawa City, Kanagawa |

4. Number of Acquired Shares, Purchase Price, and Ownership Ratio Before and After Acquisition

- | | |
|---|---|
| (1) No. of shares owned before transfer | 0 shares (Voting shares: 0 shares) (Ownership ratio: 0%) |
| (2) No. of shares to be acquired | 200 shares (acquirer: TechnoPro, Inc.) (Voting shares: 200 shares) (Ownership ratio: 100%) |
| (3) Acquisition price | Acquisition price not disclosed according to non-disclosure agreement. |
| (4) No. of shares owned after transfer | 200 shares (Voting shares: 200 shares) (Ownership ratio: 100%) |
| (5) Purchase price calculation method | After due diligence performed by outside experts (finance, tax, and law), enterprise value was assigned according to the EBITDA multiple and other methods calculated using normalized earnings. Net debt and other items were evaluated as an assessment of financial position. The parties agreed, based on the preceding calculations after prudent discussions, to the purchase price within a range of evaluation made by outside experts. |

5. Schedule

| | |
|---------------------|---------------------------|
| Stock Transfer Date | July 30, 2021 (tentative) |
|---------------------|---------------------------|

6. Future Outlook

With completion of this acquisition, GCOMNET will become a consolidated subsidiary of TechnoPro Holdings from the first quarter of the fiscal year ending June 2022. TechnoPro Holdings does not expect this acquisition to have a material impact on its consolidated earnings for the fiscal year ending June 2022.

II. Details of Merger

1. Purpose of Merger

TechnoPro IT Company, an in-house company of TechnoPro, considers SAP to be one of its key solution offerings. Therefore it made Misystem Co., Ltd., which had strengths in the SAP related solution, a wholly owned subsidiary in May 2019 and then merged to TechnoPro, thereby expanding its business in midstream and downstream processes. The purpose of executing this merger is to 1) effectively transfer to TechnoPro the know-how GCOMNET has accumulated mainly in the upstream process of SAP implementation, and 2) establish an integrated end-to-end delivery structure. As a result of this merger, TechnoPro IT Company is expected to have more than 100 engineers in its ERP Business Department.

2. Merger Schedule

| | |
|------------------------------|-----------------------------|
| Agreement Date | August 30, 2021 (tentative) |
| Merger Date (effective date) | October 1, 2021 (tentative) |

3. Merger Method

Absorption-type merger in which TechnoPro will be the surviving entity and GCOMNET will be the absorbed entity.

4. Overview of Merging Parties (as of June 30, 2021)

| | | |
|-------------------------|---|---|
| (1) Name | TechnoPro, Inc. (surviving entity) | GCOMNET CO.,LTD. (absorbed entity) |
| (2) Headquarter Address | 6-10-1 Roppongi, Minato Ward, Tokyo | 1-1-12 Shibakoen, Minato Ward, Tokyo |
| (3) Representative | Koichiro Asai, Representative Director | Masayuki Ito, Representative Director |
| (4) Business Lines | Engineer staffing and subcontracting businesses related to technical fields | Consulting, design, development, operation and maintenance of ERP package implementation, and engineer staffing |
| (5) Capital | ¥101 million | ¥30 million |

5. Circumstances Subsequent to Merger

The surviving entity TechnoPro will retain its current corporate name, headquarter address, representative, business lines, and capital.

6. Future Outlook

As this is a merger between wholly owned subsidiaries, the transaction will have no impact on consolidated earnings of TechnoPro Holdings.

Note on translation

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