

January 6, 2020

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)

Announcement Concerning Absorption-Type Merger of Consolidated Subsidiary Companies

On December 26, 2019, the TechnoPro, Inc. board of directors resolved to approve the absorption-type merger of consolidated subsidiary TechnoPro, Inc. and TechnoPro subsidiary (TechnoPro Holdings sub-subsidiary) ON THE MARK Co., Ltd.

As this is an absorption-type merger between wholly owned subsidiaries, certain disclosures and details have been omitted.

1. Purpose of Merger

ON THE MARK became a member of the TechnoPro Group on March 4, 2016. In the nearly four years since, ON THE MARK has collaborated with TechnoPro in sales activities, participated in the optimal assignment of engineering professionals, and created synergies in numerous other ways. As ON THE MARK and TechnoPro have built a stronger relationship over time, the group has come to believe that creating an environment which seamlessly integrates the human resources of TechnoPro and the contract services development expertise of ON THE MARK at a higher level without artificial organizational barriers will contribute to the realization of the type of high added value services defined in the TechnoPro Group medium-term management plan. The TechnoPro board of directors approved the merger of the two companies based on this belief.

2. Merger Overview

(1) Merger Schedule

Board of directors meeting to approve merger agreement (TechnoPro Holdings, merging companies)	December 26, 2019
Execution of merger agreement	December 26, 2019
General meeting of shareholders to approve merger (merging companies)	June 30, 2020 (tentative)
Merger date (effective date)	July 1, 2020 (tentative)

(2) Merger Method (Absorption-Type Merger)

TechnoPro will be the surviving entity and ON THE MARK will be the absorbed entity.

(3) Allocations Related to Merger

As this transaction is a merger between wholly owned subsidiaries of TechnoPro Holdings, no new stock will be issued, no increase in stated capital will occur, and no payments will be made in connection with this merger.

(4) Stock Acquisition Rights and Bonds with Stock Acquisition Rights Related to Merger

No stock acquisition rights or bonds with stock acquisition rights were issued by ON THE MARK.

3. Overview of Merging Parties

(1) Company Name	TechnoPro, Inc. (surviving entity)	ON THE MARK Co., Ltd.(absorbed entity)
(2) Head Office	6-10-1 Roppongi, Minato-ku, Tokyo	1-7-1 Tanmachi, Kanagawa-ku, Yokohama-shi, Kanagawa
(3) Representative	Yasuji Nishio, Representative Director	Shouji Takahashi, Representative Director
(4) Business Lines	Research and development, product development, and other technology services in the mechanical, electrical, electronic, embedded control, information systems, information infrastructure, chemical, bio, and other technical fields	Information systems development, software and application development, sales, assessment, maintenance, and other technology services
(5) Capital	101 million yen	74 million yen
(6) Established	June 2, 1997	March 19, 1991
(7) Major Shareholders and Ownership Ratios	TechnoPro Holdings, Inc. 100%	TechnoPro, Inc. 100%

4. Circumstances Subsequent to Merger

The surviving entity TechnoPro will retain its current corporate name, headquarters address, representative name and title, and others.

5. Future Outlook

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

Note

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