

Translation

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Summary of Consolidated Financial Results for the Six Months Ended September 30, 2024 (Based on Japanese GAAP)

November 13, 2024

Company name: COPRO-HOLDINGS. Co., Ltd.
 Stock exchange listing: Tokyo, Nagoya
 Stock code: 7059 URL <https://www.copro-h.co.jp/>
 Representative: Kosuke Kiyokawa, Chief Executive Officer
 Inquiries: Takashi Matsuda, Executive Officer, Manager of Corporate Planning Office TEL +81-52-589-3066
 Scheduled date to file semi-annual securities report: November 13, 2024
 Scheduled date to commence dividend payments: December 10, 2024
 Preparation of supplementary material on financial results: Yes
 Holding of financial results briefing: Yes

(Amounts less than one million yen are rounded down)

1. Consolidated financial results for the Six months ended September 30, 2024 (from April 1, 2024 to September 30, 2024)

(1) Consolidated operating results (cumulative)

Percentages indicate year-on-year changes

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Six months ended September 30, 2024	14,227	27.7	1,237	67.9	1,257	55.1	797	56.4
Six months ended September 30, 2023	11,137	28.5	737	56.9	810	71.8	510	81.9

	Earnings per share		Diluted earnings per share	
	Yen		Yen	
Six months ended September 30, 2024	41.70		40.48	
Six months ended September 30, 2023	27.27		26.17	

(Note) On October 1, 2023, the Company conducted a two-for-one stock split of common stock. "Earnings per share" and "Diluted earnings per share" is calculated assuming that the stock split was executed at the beginning of the previous consolidated accounting year.

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio
	Millions of yen	Millions of yen	%
As of September 30, 2024	11,443	7,618	66.1
As of March 31, 2024	12,150	8,116	66.3

2. Cash dividends

	Annual dividends per share				
	1st quarter-end	2nd quarter-end	3rd quarter-end	Fiscal year-end	Total
	Yen	Yen	Yen	Yen	Yen
Year ended March 31, 2024	–	30.00	–	35.00	–
Year ending March 31, 2025	–	20.00			
Year ending March 31, 2025(Forecast)			–	40.00	60.00

(Note) 1. Revisions to the dividend forecasts announced most recently: No

2. On October 1, 2023, the Company conducted a two-for-one stock split of common stock. Regarding the dividend per share for the fiscal year ending March 2024, the amount before the split is shown at the end of the second quarter, and the amount after the split is shown at the end of the fiscal year.

3. Forecast of consolidated financial results for the year ending March 31, 2025 (from April 1, 2024 to March 31, 2025)

Percentages indicate year-on-year changes

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent		Earnings per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
Full year	30,000	24.5	2,700	26.1	2,714	22.7	1,755	19.9	91.75

(Note) Revisions to the earnings forecasts announced most recently: No

4. Notes

(1) Significant changes in the scope of consolidation during the period: No

(2) Adoption of accounting treatment specific to the preparation of semi-annual consolidated financial statements: No

(3) Changes in accounting policies, changes in accounting estimates, and restatement

Changes in accounting policies due to revisions to accounting standards and other regulations: No

Changes in accounting policies due to other reasons: No

Changes in accounting estimates: No

Restatement: No

(4) Number of issued shares (common shares)

Total number of issued shares at the end of the period (including treasury shares)

As of September 30, 2024	20,000,000 shares	As of March 31, 2024	20,000,000 shares
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Number of treasury shares at the end of the period

As of September 30, 2024	1,021,105 shares	As of March 31, 2024	916,690 shares
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Average number of shares during the period (cumulative from the beginning of the fiscal year)

Six months ended September 30, 2024	19,128,395 shares	Six months ended September 30, 2023	18,708,876 shares
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(Note) On October 1, 2023, the Company conducted a two-for-one stock split of common stock. Total number of issued shares at the end of the period, Number of treasury shares at the end of the period and Average number of shares during the period have been calculated as if this stock split had taken place at the beginning of the previous fiscal year.

Semi-annual consolidated financial statements
Consolidated balance sheets

(Thousands of yen)

	As of March 31, 2024	As of September 30, 2024
Assets		
Current assets		
Cash and deposits	5,949,357	4,801,284
Accounts receivable - trade	3,524,988	3,823,285
Other	415,788	533,781
Total current assets	9,890,134	9,158,352
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	444,694	403,909
Other, net	141,368	136,847
Total property, plant and equipment	586,062	540,756
Intangible assets		
Goodwill	656,251	615,613
Other	418,279	379,379
Total intangible assets	1,074,531	994,993
Investments and other assets		
Deferred tax assets	140,345	173,170
Other	476,065	592,846
Allowance for doubtful accounts	(16,500)	(16,500)
Total investments and other assets	599,911	749,517
Total non-current assets	2,260,504	2,285,267
Total assets	12,150,639	11,443,619
Liabilities		
Current liabilities		
Accounts payable - other	2,287,301	2,320,765
Income taxes payable	464,421	492,865
Accrued consumption taxes	718,080	546,143
Provision for bonuses	75,318	154,047
Asset retirement obligations	4,690	2,117
Other	299,326	118,158
Total current liabilities	3,849,137	3,634,098
Non-current liabilities		
Retirement benefit liability	35,000	38,164
Asset retirement obligations	132,544	137,687
Other	17,665	15,451
Total non-current liabilities	185,209	191,303
Total liabilities	4,034,347	3,825,401
Net assets		
Shareholders' equity		
Share capital	30,000	30,000
Capital surplus	1,325,959	1,391,208
Retained earnings	6,921,842	7,051,581
Treasury shares	(223,838)	(913,318)
Total shareholders' equity	8,053,963	7,559,471
Accumulated other comprehensive income		
Foreign currency translation adjustment	5,145	5,552
Total accumulated other comprehensive income	5,145	5,552
Share acquisition rights	57,181	53,194
Total net assets	8,116,291	7,618,218
Total liabilities and net assets	12,150,639	11,443,619

Consolidated statements of income (cumulative) and consolidated statements of comprehensive income (cumulative)

Consolidated statements of income (cumulative)

	(Thousands of yen)	
	Six months ended September 30, 2023	Six months ended September 30, 2024
Net sales	11,137,475	14,227,719
Cost of sales	8,072,228	10,390,493
Gross profit	3,065,246	3,837,226
Selling, general and administrative expenses	2,328,024	2,599,512
Operating profit	737,221	1,237,713
Non-operating income		
Interest income	45	507
Foreign exchange gains	1,959	5,439
Rental income	570	570
Gain on forfeiture of unclaimed dividends	90	149
Surrender value of insurance policies	70,671	13,904
Other	906	149
Total non-operating income	74,243	20,720
Non-operating expenses		
Interest expenses	4	192
Rental expenses on real estate	483	483
Other	1	1
Total non-operating expenses	488	676
Ordinary profit	810,977	1,257,756
Extraordinary income		
Gain on reversal of share acquisition rights	315	21
Total extraordinary income	315	21
Extraordinary losses		
Loss on retirement of non-current assets	—	43
Total extraordinary losses	—	43
Profit before income taxes	811,292	1,257,734
Income taxes - current	276,942	492,905
Income taxes - deferred	24,209	(32,824)
Total income taxes	301,152	460,080
Profit	510,140	797,654
Profit attributable to owners of parent	510,140	797,654

Other Consolidated statements of comprehensive income (cumulative)

	(Thousands of yen)	
	Six months ended September 30, 2023	Six months ended September 30, 2024
Profit	510,140	797,654
Other comprehensive income		
Foreign currency translation adjustment	1,240	406
Total other comprehensive income	1,240	406
Comprehensive income	511,380	798,060
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	511,380	798,060

Consolidated statements of cash flows

(Thousands of yen)

	Six months ended September 30, 2023	Six months ended September 30, 2024
Cash flows from operating activities		
Profit before income taxes	811,292	1,257,734
Depreciation	86,781	138,566
Amortization of goodwill	52,877	60,637
Surrender value of insurance policies	(70,671)	(13,904)
Share-based remuneration expenses	(13,806)	3,404
Gain on reversal of share acquisition rights	(315)	(21)
Increase (decrease) in allowance for doubtful accounts	16,500	—
Increase (decrease) in provision for bonuses	(9,256)	78,729
Increase (decrease) in retirement benefit liability	2,283	3,164
Interest income	(45)	(507)
Interest expenses	4	192
Decrease (increase) in trade receivables	(250,844)	(298,297)
Loss (gain) on sale of non-current assets	—	43
Decrease (increase) in other current assets	(45,864)	(115,785)
Increase (decrease) in accounts payable - other	520,809	47,216
Increase (decrease) in other current liabilities	73,007	(353,104)
Other, net	(1,787)	(5,250)
Subtotal	1,170,962	802,818
Interest and dividends received	42	507
Interest paid	(25)	(192)
Income taxes paid	(250,402)	(464,463)
Net cash provided by (used in) operating activities	920,578	338,671
Cash flows from investing activities		
Purchase of property, plant and equipment	(10,626)	(36,070)
Proceeds from sale of property, plant and equipment	—	4
Payments for asset retirement obligations	(2,470)	(4,690)
Purchase of intangible assets	(189,226)	(45,792)
Purchase of investment securities	—	(1,500)
Other, net	123,843	(101,167)
Net cash provided by (used in) investing activities	(78,479)	(189,216)
Cash flows from financing activities		
Repayments of lease obligations	(1,025)	—
Purchase of treasury shares	(92)	(799,991)
Proceeds from exercise of employee share options	113,444	164,636
Dividends paid	(371,450)	(667,283)
Net cash provided by (used in) financing activities	(259,125)	(1,302,638)
Effect of exchange rate change on cash and cash equivalents	3,893	4,478
Net increase (decrease) in cash and cash equivalents	586,866	(1,148,705)
Cash and cash equivalents at beginning of period	4,369,815	5,912,043
Cash and cash equivalents at end of period	4,956,681	4,763,338