

Translation

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Summary of Consolidated Financial Results for the Year Ended March 31, 2024 (Based on Japanese GAAP)

May 14, 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 of ordinary general meeting of shareholders: June 21, 2024

Scheduled date to file Securities Report: June 24, 2024

Scheduled date to commence dividend payments: June 24, 2024

Preparation of supplementary material on financial results: Yes

Holding of financial results meeting: Yes

(Amounts less than one million yen are rounded down)

I. Consolidated financial results for the year ended March 31, 2024 (from April 1, 2023 to March 31, 2024)

(1) Consolidated operating results

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	%
Year ended March 31, 2024	24,098	28.2	2,141	62.0	2,211	67.0	1,463	69.3
Year ended March 31, 2023	18,791	20.5	1,321	(18.5)	1,324	(18.2)	864	(10.2)

	Earnings per share	Diluted earnings per share	Profit attributable to owners of parent/equity	Ordinary profit/total assets	Operating profit/net sales
	Yen	Yen	%	%	%
Year ended March 31, 2024	77.68	74.39	19.4	20.0	8.9
Year ended March 31, 2023	46.54	46.05	12.7	14.1	7.0

(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	Net assets per share
	Millions of yen	Millions of yen	%	Yen
As of March 31, 2024	12,150	8,116	66.3	422.31
As of March 31, 2023	9,995	7,112	70.4	378.83

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

(3) Consolidated cash flows

	Cash flows from operating activities	Cash flows from investing activities	Cash flows from financing activities	Cash and cash equivalents at end of period
	Millions of yen	Millions of yen	Millions of yen	Millions of yen
Year ended March 31, 2024	2,328	(321)	(464)	5,912
Year ended March 31, 2023	1,011	(291)	(372)	4,369

2. Cash dividends

	Annual dividends per share					Total cash dividends (Total)	Dividend payout ratio (Consolidated)	Ratio of dividends to net assets (Consolidated)
	1st quarter-end	2nd quarter-end	3rd quarter-end	Fiscal year-end	Total			
	Yen	Yen	Yen	Yen	Yen	Millions of yen	%	%
Year ended March 31, 2023	–	10.00	–	40.00	50.00	464	53.7	6.8
Year ended March 31, 2024	–	30.00	–	35.00	–	951	64.4	12.5
Year ending March 31, 2025 (Forecast)	–	20.00	–	40.00	60.00		65.2	

(Note) 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
Six months ending September 30, 2024	13,948	25.2	1,032	40.0	1,046	29.0	675	32.3	35.37
Full year	30,000	24.5	2,700	26.1	2,714	22.7	1,755	19.9	91.97

4. Notes

(1) Changes in significant subsidiaries during the year ended March 31, 2024

(changes in specified subsidiaries resulting in the change in scope of consolidation):

Excluded: 2 companies (Company name) VALUE ARK CONSULTING Co., Ltd.

COPRO GLOBALS PTE. LTD.

Yes

(2) Changes in accounting policies, changes in accounting estimates, and restatement of prior period financial statements

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 of prior period financial statements:

No

(3) Number of issued shares (common shares)

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

As of March 31, 2024	20,000,000 shares	As of March 31, 2023	20,000,000 shares
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Number of treasury shares at the end of the period

As of March 31, 2024	916,690 shares	As of March 31, 2023	1,412,814 shares
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Average number of shares during the period

Year ended March 31, 2024	18,840,418 shares	Year ended March 31, 2023	18,576,432 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.

Consolidated financial statements

Consolidated balance sheets

(Thousands of yen)

	As of March 31, 2023	As of March 31, 2024
Assets		
Current assets		
Cash and deposits	4,406,607	5,949,357
Accounts receivable - trade	2,899,917	3,524,988
Other	445,444	415,788
Total current assets	7,751,969	9,890,134
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	453,952	444,694
Other, net	129,687	141,368
Total property, plant and equipment	583,639	586,062
Intangible assets		
Goodwill	674,957	656,251
Other	312,616	418,279
Total intangible assets	987,574	1,074,531
Investments and other assets		
Deferred tax assets	170,613	140,345
Other	501,442	476,065
Allowance for doubtful accounts	—	(16,500)
Total investments and other assets	672,056	599,911
Total non-current assets	2,243,270	2,260,504
Total assets	9,995,239	12,150,639
Liabilities		
Current liabilities		
Accounts payable - other	1,727,949	2,287,301
Income taxes payable	218,476	464,421
Accrued consumption taxes	487,640	718,080
Provision for bonuses	102,813	75,318
Asset retirement obligations	1,258	4,690
Other	178,847	299,326
Total current liabilities	2,716,985	3,849,137
Non-current liabilities		
Retirement benefit liability	30,864	35,000
Asset retirement obligations	123,921	132,544
Other	11,297	17,665
Total non-current liabilities	166,082	185,209
Total liabilities	2,883,068	4,034,347
Net assets		
Shareholders' equity		
Share capital	30,000	30,000
Capital surplus	1,239,291	1,325,959
Retained earnings	6,111,694	6,921,842
Treasury shares	(344,915)	(223,838)
Total shareholders' equity	7,036,070	8,053,963
Accumulated other comprehensive income		
Foreign currency translation adjustment	5,342	5,145
Total accumulated other comprehensive income	5,342	5,145
Share acquisition rights	70,758	57,181
Total net assets	7,112,171	8,116,291
Total liabilities and net assets	9,995,239	12,150,639

Consolidated statements of income and consolidated statements of comprehensive income
Consolidated statements of income

	(Thousands of yen)	
	Fiscal year ended March 31, 2023	Fiscal year ended March 31, 2024
Net sales	18,791,365	24,098,199
Cost of sales	13,216,160	17,323,842
Gross profit	5,575,205	6,774,357
Selling, general and administrative expenses	4,253,467	4,632,589
Operating profit	1,321,738	2,141,767
Non-operating income		
Interest income	69	108
Rental income	1,140	1,140
Gain on forfeiture of unclaimed dividends	320	176
Subsidy income	903	—
Surrender value of insurance policies	—	70,671
Other	1,660	1,014
Total non-operating income	4,094	73,111
Non-operating expenses		
Interest expenses	28	4
Rental expenses on real estate	966	966
Foreign exchange losses	567	2,067
Other	17	2
Total non-operating expenses	1,580	3,040
Ordinary profit	1,324,251	2,211,838
Extraordinary income		
Gain on sale of non-current assets	227	—
Gain on liquidation of affiliated companies	—	884
Gain on reversal of share acquisition rights	—	325
Total extraordinary income	227	1,210
Extraordinary losses		
Loss on retirement of non-current assets	5,459	0
Total extraordinary losses	5,459	0
Profit before income taxes	1,319,019	2,213,048
Income taxes - current	475,004	730,616
Income taxes - deferred	(20,580)	18,970
Total income taxes	454,423	749,586
Profit	864,595	1,463,461
Profit attributable to owners of parent	864,595	1,463,461

Consolidated statements of comprehensive income

	(Thousands of yen)	
	Fiscal year ended March 31, 2023	Fiscal year ended March 31, 2024
Profit	864,595	1,463,461
Other comprehensive income		
Foreign currency translation adjustment	3,398	(196)
Total other comprehensive income	3,398	(196)
Comprehensive income	867,994	1,463,265
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	867,994	1,463,265

Consolidated statements of changes in equity

Fiscal year ended March 31, 2023

(Thousands of yen)

	Shareholders' equity					Accumulated other comprehensive income	Share acquisition rights	Total net assets
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity	Foreign currency translation adjustment		
Balance at beginning of period	30,000	1,237,532	5,618,539	(349,151)	6,536,921	1,943	36,299	6,575,164
Changes during period								
Dividends of surplus			(371,441)		(371,441)			(371,441)
Profit attributable to owners of parent			864,595		864,595			864,595
Purchase of treasury shares				(40)	(40)			(40)
Disposal of treasury shares		1,758		4,276	6,034			6,034
Change in scope of consolidation								—
Net changes in items other than shareholders' equity						3,398	34,459	37,858
Total changes during period	—	1,758	493,154	4,235	499,149	3,398	34,459	537,007
Balance at end of period	30,000	1,239,291	6,111,694	(344,915)	7,036,070	5,342	70,758	7,112,171

Fiscal year ended March 31, 2024

(Thousands of yen)

	Shareholders' equity					Accumulated other comprehensive income	Share acquisition rights	Total net assets
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity	Foreign currency translation adjustment		
Balance at beginning of period	30,000	1,239,291	6,111,694	(344,915)	7,036,070	5,342	70,758	7,112,171
Changes during period								
Dividends of surplus			(655,413)		(655,413)			(655,413)
Profit attributable to owners of parent			1,463,461		1,463,461			1,463,461
Purchase of treasury shares				(92)	(92)			(92)
Disposal of treasury shares		86,667		121,169	207,837			207,837
Change in scope of consolidation			2,100		2,100			2,100
Net changes in items other than shareholders' equity						(196)	(13,576)	(13,773)
Total changes during period	—	86,667	810,148	121,076	1,017,893	(196)	(13,576)	1,004,119
Balance at end of period	30,000	1,325,959	6,921,842	(223,838)	8,053,963	5,145	57,181	8,116,291

Consolidated statements of cash flows

	(Thousands of yen)	
	Fiscal year ended March 31, 2023	Fiscal year ended March 31, 2024
Cash flows from operating activities		
Profit before income taxes	1,319,019	2,213,048
Depreciation	147,511	187,686
Amortization of goodwill	105,754	109,539
Surrender value of insurance policies	—	(70,671)
Share-based payment expenses	34,008	(228)
Gain on reversal of share acquisition rights	—	(325)
Increase (decrease) in allowance for doubtful accounts	(475)	16,500
Increase (decrease) in provision for bonuses	51,163	(27,495)
Increase (decrease) in retirement benefit liability	6,558	4,136
Interest income	(69)	(108)
Interest expenses	28	4
Gain on sale of non-current assets	(227)	—
Loss on retirement of non-current assets	5,459	0
Decrease (increase) in trade receivables	(673,052)	(625,071)
Decrease (increase) in other current assets	(92,954)	16,711
Increase (decrease) in accounts payable - other	323,456	614,298
Increase (decrease) in other current liabilities	280,970	352,225
Other, net	20,196	9,466
Subtotal	1,527,347	2,799,715
Interest and dividends received	68	82
Interest paid	(28)	(4)
Income taxes paid	(516,153)	(471,742)
Net cash provided by (used in) operating activities	1,011,233	2,328,050
Cash flows from investing activities		
Purchase of property, plant and equipment	(217,084)	(50,531)
Proceeds from sale of property, plant and equipment	3,044	—
Payments for asset retirement obligations	—	(7,322)
Purchase of intangible assets	(71,448)	(366,846)
Other, net	(6,409)	102,949
Net cash provided by (used in) investing activities	(291,898)	(321,750)
Cash flows from financing activities		
Repayments of lease obligations	(2,892)	(1,306)
Purchase of treasury shares	(40)	(92)
Proceeds from exercise of employee share options	2,624	191,481
Dividends paid	(371,877)	(654,893)
Net cash provided by (used in) financing activities	(372,185)	(464,810)
Effect of exchange rate change on cash and cash equivalents	1,628	739
Net increase (decrease) in cash and cash equivalents	348,777	1,542,228
Cash and cash equivalents at beginning of period	4,021,037	4,369,815
Cash and cash equivalents at end of period	4,369,815	5,912,043