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## **Q&A Summary from the Analyst & Individual Investor Joint Briefing for FYE2026 Financial Results**

This is a summary of the question-and-answer session from the analyst and individual investor joint briefing about our financial results for FYE2026 that was held on May 18, 2026. To make it easier to understand, we have changed, revised, and amended the summary of the question-and-answer session.

Q: What impact are rising prices of construction materials and surging crude oil and naphtha prices having on the business environment?

A: In the construction industry, although major general contractors are increasingly focusing on profitability and carefully selecting projects due to rising construction materials and labor costs, the labor shortage caused by structural issues, namely pronounced aging and a shortage of younger workers compared with other industries, is becoming even more severe. We therefore continue to expect strong demand for human resources.

At present, we have not seen any impact, such as cancellations of dispatch contracts, attributable to the situation in the Middle East or the surge in naphtha prices. In general, if delays in materials procurement occur at construction sites, they result in an extension of the construction period, or a postponement of the schedule. We therefore believe the risk of a sharp decline in demand for construction technician dispatching is low.

Q: Given Japan's limited population, if recruitment were conducted only in Japan, by around what year and to how many people could the number of technical employees be increased?

A: In light of the decline in Japan's working population, we recognize that it will be necessary to utilize overseas talent in addition to domestic recruitment. However, by improving hiring efficiency and retention rates, we believe there is still ample room for expansion through domestic recruitment alone. First, we will focus our efforts on achieving our FYE3/2027 target of 8,389 group technical employees.

Q: COPRO CONSTRUCTION's retention rate has been on a downward trend over the past several years. What factors are behind this? Also, is there any difference in post-hiring retention between those with industry experience and those without it?

A: The full-year retention rate was 74.7% in FYE3/2024, but declined by 3.2 points to 71.5% in FYE3/2026. The main factor is that, with the expansion of recruitment of candidates with no prior experience, the proportion of younger technicians, who are more likely to leave, has increased. There is a difference of around 10 percentage points in retention rate between experienced and inexperienced employees.

Q: What were the specific reasons for the decline in the retention rate in FYE3/2026?

A: In FYE3/2026, multiple projects were completed around the same time during the fiscal year, resulting in a temporary concentration of contract completions. Subsequently, a time lag occurred before reassignment to the next sites, which created waiting periods and, as a result, increased the number of technicians who resigned.

Q: What are the specific factors behind the decline in the offer acceptance rate in the Construction Technician Dispatching Business, and what measures will you take to improve it?

A: The main factor behind the decline in the offer acceptance rate was a change in the applicant pool resulting from our use of other job advertising channels to offset the decline in the number of applications through our main channels. Although we were able to secure application volume through the newly utilized channels, we saw mismatches with our target candidate profiles and low levels of interest in joining the Company among applicants. As a result, more candidates withdrew from the selection process. In FYE3/2027, we will optimize the allocation of our recruitment budget by channel and manage conversion rates throughout the hiring process.

Q: What is the background to the number of technical employees at COPRO CONSTRUCTION declining for four consecutive months since the end of November 2025?

A: We recognize that the decline in the number of technical employees was due to multiple overlapping factors. One factor was that multiple projects were completed around the same time during the fiscal year, resulting in a temporary concentration of contract completions. A time lag then occurred before technical employees were reassigned to their next worksites, creating waiting periods. As a result, the number of technical employees who resigned increased. In addition, on the recruitment side, the number of applications through our main channels fell short of expectations. We therefore also used channels targeting non-regular employment to attract applicants. However, there were issues in terms of applicants' level of interest in joining the Company and matching with our target candidate profiles. This delayed progress in recruitment and led to a decline in the number of technical employees.

Q: What is the rough breakdown behind the ambitious forecast of ¥641 thousand in sales per technician/engineer for construction technician dispatch in FYE3/2027?

A: The disclosed average sales per technician/engineer of ¥591 thousand for FYE3/2026 is the figure for COPRO CONSTRUCTION alone, where candidates with no prior experience account for the majority. By contrast, the average sales per technician/engineer for FYE3/2027 is the combined figure including TRYT Engineering, which was acquired in March 2026. Since TRYT Engineering primarily has experienced talent and therefore a higher sales per technician/engineer, it raises the average.

Q: The FYE3/2027 consolidated sales forecast of ¥57.0 billion appears conservative. Is the main factor the loss of sales contribution resulting from the sale of the IT engineers dispatching business?

A: As you pointed out, the main reason the sales forecast is restrained on a year-on-year basis is the loss of sales contribution resulting from the sale of the IT engineers dispatching business. In addition, we have positioned the current fiscal year as a period to concentrate our resources on PMI for the recently completed M&A and to firmly establish the internal foundation for synergy creation. Accordingly, our full-year forecast was formulated based on somewhat conservative assumptions that incorporate a certain level of uncertainty, while monitoring the progress of PMI. With this in mind, our first priority is to steadily achieve the forecast we announced.

Q: Why is the FYE3/2027 forecast for operating profit before amortization of ¥5.5 billion lower than the simple combined figure of ¥5.8 billion for COPRO and TRYT Engineering stated in the materials disclosed at the time of the acquisition announcement on January 15, 2026? Also, is it correct to understand that the one-time costs associated with the PMI will be fully recorded in FYE3/2027?

A: In FYE3/2027, we expect approximately ¥700 million in one-time expenses related to the PMI of TRYT Engineering and the head office relocation, as well as approximately ¥300 million in fixed cost increases related to the head office relocation and expansion of employment of people with disabilities in response to the increase in the statutory employment rate, for a total of approximately ¥1.0 billion. In addition, as an assumption for personnel expenses to ensure the certainty of the earnings forecast, we have factored in the maximum full-year personnel expenses based on the assumption that the planned increase in headcount during the period will be fulfilled 100% without delay. In actual operations, progress may fall short due to shifts in joining dates by month or changes in headcount during the period. However, at present, we have calculated the figures conservatively and built the budget prudently.

In FYE3/2028, with the adoption of IFRS Accounting Standards, approximately ¥2.1 billion in goodwill amortization will no longer be recognized as an expense. In addition, the above-mentioned one-time expenses of approximately ¥700 million will no longer be incurred, and these factors are expected to support profit growth.

Q: What are the benefits of the M&A with TRYT Engineering, and what current issues do you recognize?

A: TRYT Engineering has the same business model as the Company. At present, we do not recognize any particular issues and see significant benefits. In addition, because its organizational culture is similar to ours, we believe the PMI process will proceed smoothly going forward.

Q: What level of organic growth do you expect for TRYT Engineering and COPRO CONSTRUCTION going forward?

A: Regarding future organic growth, we aim to achieve double-digit growth in net sales.

Q: Do you intend to further strengthen a business that supports transfers to full-time employment after assessing matching with dispatch destination companies?

A: TRYT Engineering, which joined the Group in March 2026, has strengths in recruitment services, including temp-to-perm dispatch, and we plan to actively expand this as a new strength of the Group.

Q: At the time of the transition to IFRS at the end of FYE3/2027, goodwill will be revalued. Is there a possibility that part of the ¥27.8 billion in goodwill as of the end of FYE3/2026 will be reclassified as “customer assets,” “brand,” or other assets? What is your assumed amount of remaining goodwill, and how do you view the profit level at which impairment risk would arise after the IFRS transition?

A: We are currently examining the amount to be transferred to intangible assets due to the IFRS transition and the specific assumed amount of remaining goodwill, so we will refrain from answering at this time. We also cannot provide a specific numerical threshold for the profit level at which impairment risk would arise. However, we believe that reliably achieving the earnings forecast we have publicly announced will, as a result, be the most effective way to control impairment risk.

Going forward, we will pay close attention not only to the progress of business performance but also to changes in the external environment, including fluctuations in interest rates, and will work to ensure appropriate risk management and business performance management.

Q: What is the progress on refinancing the ¥29.2 billion in short-term bank borrowings associated with the acquisition of TRYT Engineering shares, and is there any possibility of equity financing, such as a public offering?

A: Regarding the refinancing of the ¥29.2 billion in short-term bank borrowings, discussions with financial institutions are largely on track for the borrowings to be refinanced into long-term borrowings by around October of this year. At present, we have no plans for equity financing, such as a public offering.

Q: Over how many years do you plan to repay the ¥29.2 billion in borrowings scheduled to be refinanced into long-term borrowings?

A: As we are currently negotiating the repayment period with financial institutions, we will refrain from answering at this time.

Q: Are there any corporate acquisition plans in the near future?

A: We always consider M&A as one option for achieving sustainable growth and enhancing corporate value for our Group. Although there are no decisions that we can specifically announce at this time, if any matter that requires disclosure arises in the future, we will disclose it promptly.

Q: Have there been any changes resulting from the relocation of the Head Office in Nagoya and the relocation of COPRO CONSTRUCTION's Sales Headquarters to Tokyo?

A: As the relocation of the Nagoya Head Office was completed only recently, in May 2026, we will continue to monitor its effects going forward. Regarding the relocation of COPRO CONSTRUCTION's Sales Headquarters to Tokyo, although some of the initially expected effects have yet to fully materialize, the Kanto area is currently driving improvement in overall performance. As the Kanto area accounts for a large share of construction investment in Japan, we believe it has significant room for growth and offers strong growth potential going forward.

Q: Please tell us the purpose of the head office relocation and the rent expenses?

A: We will refrain from disclosing specific amounts. Through this relocation, in addition to relocating the Company's head office, we have consolidated the respective locations of COPRO CONSTRUCTION and COPRO TECHNOLOGY that were dispersed across Nagoya, and opened an in-person training facility following the one in Shinagawa, Tokyo. We aim to further strengthen collaboration among Group companies and enhance education and training services for technicians.

Q: What is the status of your initiatives in the back-office functions?

A: Following TRYT Engineering joining the Group, we are currently working to reduce costs and enhance added value across the Group by consolidating administrative functions, integrating operations, and standardizing systems.

Q: Will the progressive dividend policy continue under the next Medium-Term Management Plan and beyond?

A: Regarding our dividend policy from FYE3/2028 onward, please wait until the announcement of the next Medium-Term Management Plan, which is scheduled for May 2027.

Q: Do you have any plans to consolidate dividends into one payment per year to reduce administrative costs and allocate the savings to dividends?

A: We are not currently considering any specific plan, but will continue to consider the approach to shareholder returns comprehensively.

Q: Are you considering introducing a shareholder benefit program?

A: Because our main approach is to directly return profits to shareholders through dividends, we have no plan to introduce a shareholder benefit program at this time. However, we recognize the effectiveness of such a program as a measure to expand the shareholder base and enhance corporate value, and will continue to consider it as one option when assessing the balance of shareholder returns.

Q: Are there any changes planned for future dialogue with investors, or anything you are currently considering.

A: We will continue to maintain contact with investors through regular IR seminars and other opportunities, and continue fair and highly transparent communication.

Q: I feel that the share price is not being properly valued despite the Company's results, growth potential, and high shareholder returns. How does the president view this?

A: We believe the current share price level does not yet fully reflect our results and growth potential. However, share prices are determined by the market, so we will focus all our efforts on achieving the FYE3/2027 earnings forecast we have announced, while formulating the next Medium-Term Management Plan so that investors can have expectations for our medium- to long-term growth. The next Medium-Term Management Plan is scheduled to be announced at the same time as the full-year financial results announcement for FYE3/2027 in May 2027.

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