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**Fiscal Year Ended March 31, 2022
(16th Fiscal Period)**

Financial Results for FYE2022

May 13, 2022

COPRO-HOLDINGS Co., Ltd.

Tokyo Stock Exchange Prime, Nagoya Stock
Exchange Premier (Ticker Symbol: 7059)

- 1. Summary of the Consolidated Financial Results**
- 2. Sales and KPI Analysis**
- 3. Major Initiatives and Consolidated Earnings Forecast for FYE2022**

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Main Topics From the 3Q Financial Results

Taking over the worker dispatching business of Hucoss Co., Ltd. through an absorption-type company split (announced February 16th)

- On April 1st, 2022, we took over the worker dispatching business of Hucoss Co., Ltd., a consolidated subsidiary of Takasago Thermal Engineering Co., Ltd.
- The 122 engineers and technicians, who are highly skilled and have qualifications that were gained from experience at major subcontractors, were transferred to COPRO-ENGINEERD.

Establishing a nomination and compensation committee (announced April 13th)

- The compensation advisory committee, which was an advisory body set up by the Board of Directors, was changed with the establishment of the nomination and compensation committee.
- For the function of the Board of Directors related to the nomination and remuneration of directors, etc., the fairness, transparency and objectivity of the procedures were strengthened by obtaining appropriate involvement and advice from independent outside directors.

In April 2022, 135 new graduates joined the company

- In April 2022, a total of 135 new employees joined the group, including 55 new graduate technical employees and 80 administrative employees.
- By training young human resources who will lead the next generation of the COPRO Group, we aim to be a corporate group that supports an industry struggling with a shortage of engineers and technicians.

Highlights of the Consolidated Financial Results

- Due to the sluggish growth of technical employees from the downturn in hiring, sales were about the same as the previous fiscal year for the COPRO-ENGINEERD dispatch of construction and plant technicians, which is our core business. Sales increased by 5.1% year-on-year due to the new consolidation of ATMOS and VALUE ARK CONSULTING, which became part of the group through MandA.
- Non-GAAP operating profit increased by 20.4% year-on-year due to an increase in COPRO-ENGINEERD profit mainly from an improvement in the cost of sales ratio, and the new consolidation of ATMOS and VALUE ARK CONSULTING. Net income attributable to shareholders of the parent company declined 4.6% YoY due to the absence of extraordinary gains recorded in the previous period and impairment losses resulting from the closure and consolidation of branches.
- Operating income fell slightly short of the forecast.

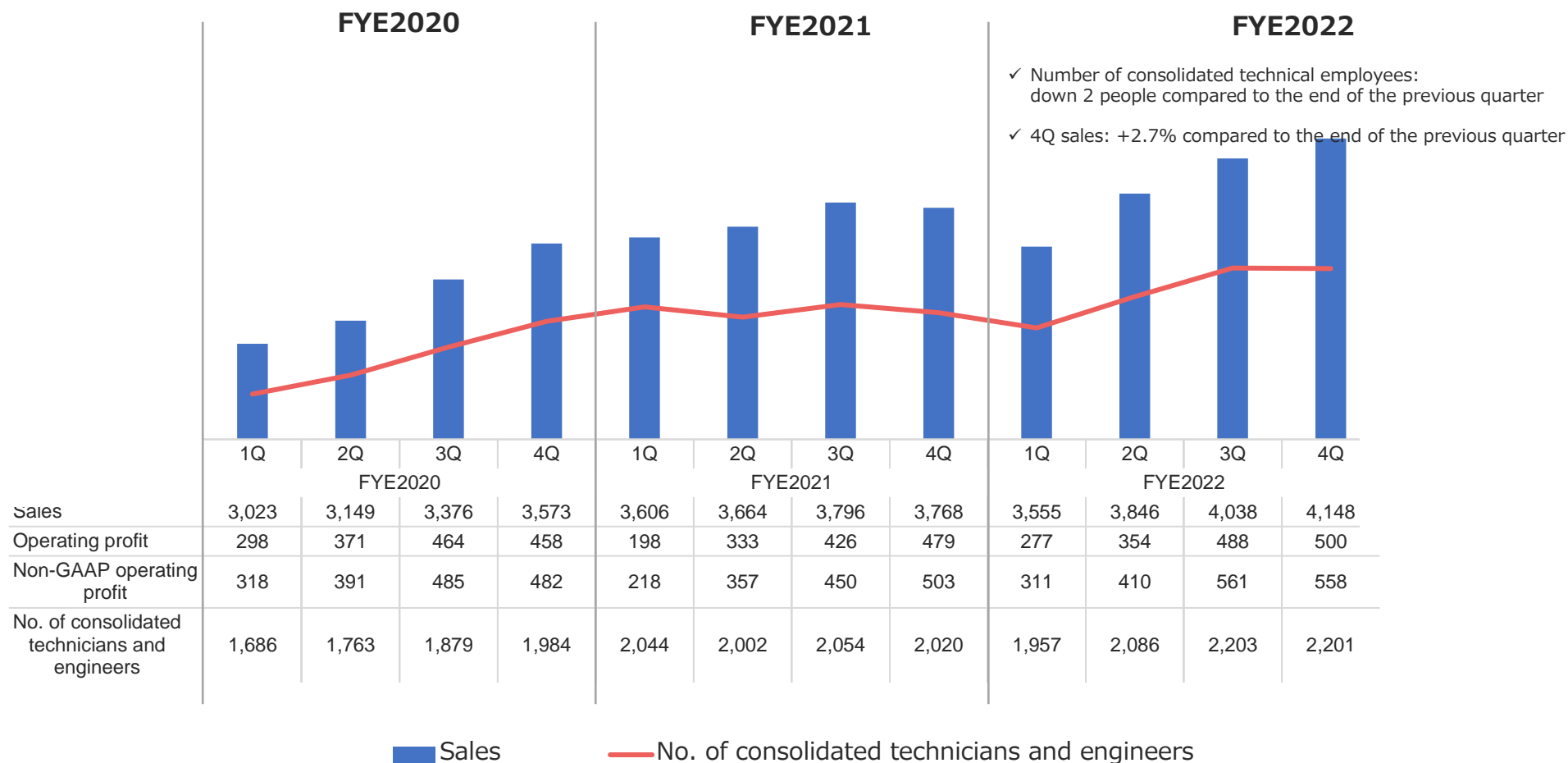
	(Mln yen)						
	FYE2021		FYE2022		YoY Change		Difference from the Forecast
	Full FY	Ratio	Full FY	Ratio	Pct Change	Amount of Change	
Sales	14,836	100.0%	15,589	100.0%	+5.1%	+752	-1,353
Cost of sales	10,539	71.0%	10,744	68.9%	+1.9%	+205	-1,043
Profit on sales	4,297	29.0%	4,844	31.1%	+12.7%	+547	-310
Selling, general and administrative expenses	2,859	19.3%	3,223	20.7%	+12.7%	+363	-276
Operating profit	1,437	9.7%	1,621	10.4%	+12.8%	+183	-33
Depreciation cost	92	–	118	–	–	+26	–
Goodwill amortization	–	–	65	–	–	+65	–
Stock award expenses	–	–	36	–	–	+36	–
Non-GAAP operating profit*	1,530	10.3%	1,841	11.8%	+20.4%	+311	–
Ordinary profit	1,439	9.7%	1,619	10.4%	+12.5%	+180	-37
Net profit attributable to the shareholders of the parent company	1,009	6.8%	962	6.2%	-4.6%	-46	-114
Number of consolidated technicians and engineers*	2,020	–	2,201	–	+9.0%	+181	–

*As a profit index to measure essential performance, non-GAAP operating profit is calculated by adding depreciation costs, goodwill amortization and stock award expenses back to operating profit.

*The number of consolidated technicians and engineers is the number of employees at the end of the fiscal year including IT freelancers in the SES business.

4Q Consolidated Earnings

- Sales and operating profit reached record highs on a quarterly basis during the current fourth quarter.

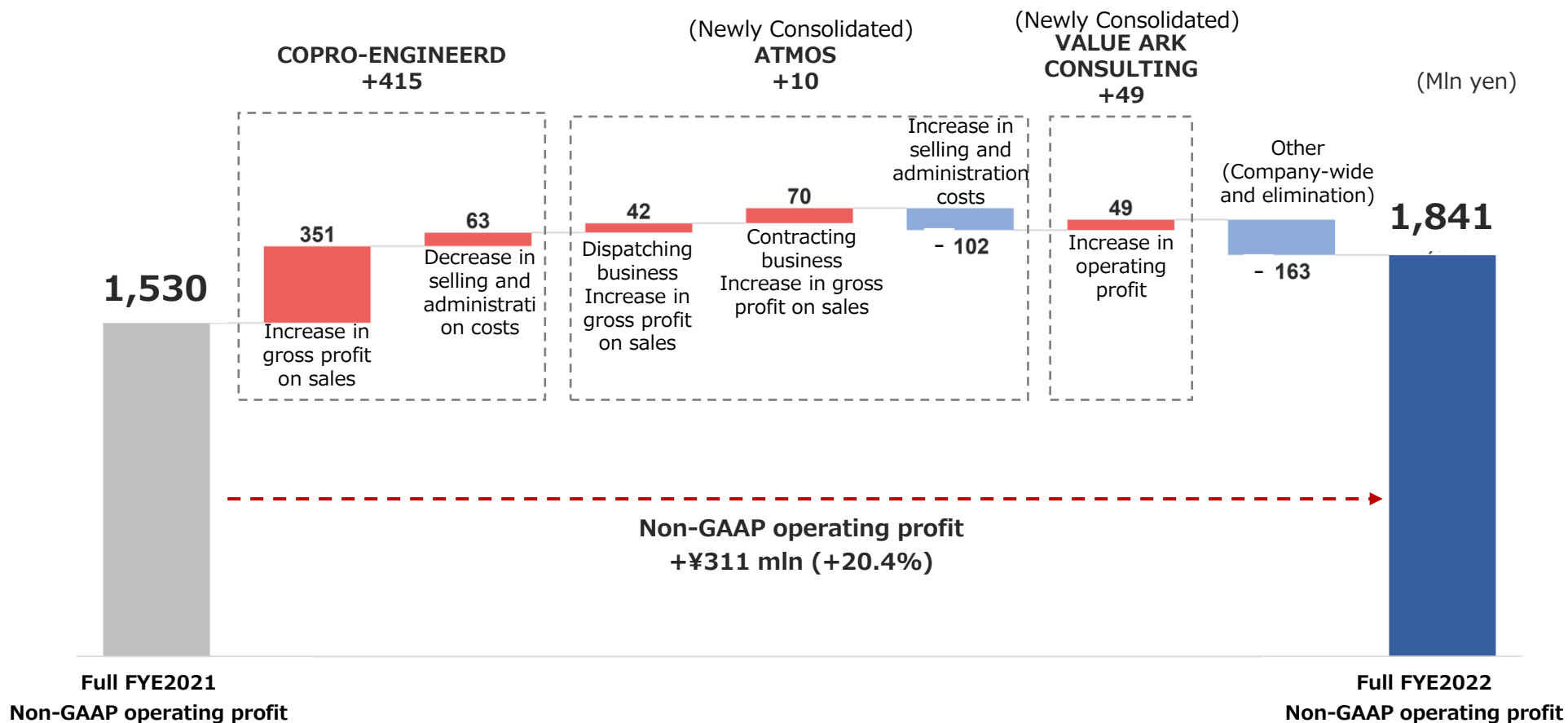


*As a profit index to measure essential performance, non-GAAP operating profit is calculated by adding depreciation, amortization of goodwill and share-based remuneration expenses to operating profit.

*The number of consolidated technicians and engineers is the number of employees at the end of the fiscal year including IT freelancers in the SES business.

Non-GAAP Operating Profit

- For the dispatching of construction and plant technicians at COPRO-ENGINEERD, due to charge-up negotiations, profit increased by ¥415 million from the improvement in the cost of sales ratio.
- ATMOS, which was newly consolidated from the current fiscal year, increased profits by ¥10 million due to improved profitability of the contracting business. Similarly, the newly consolidated VALUE ARK CONSULTING contributed +¥49 million.



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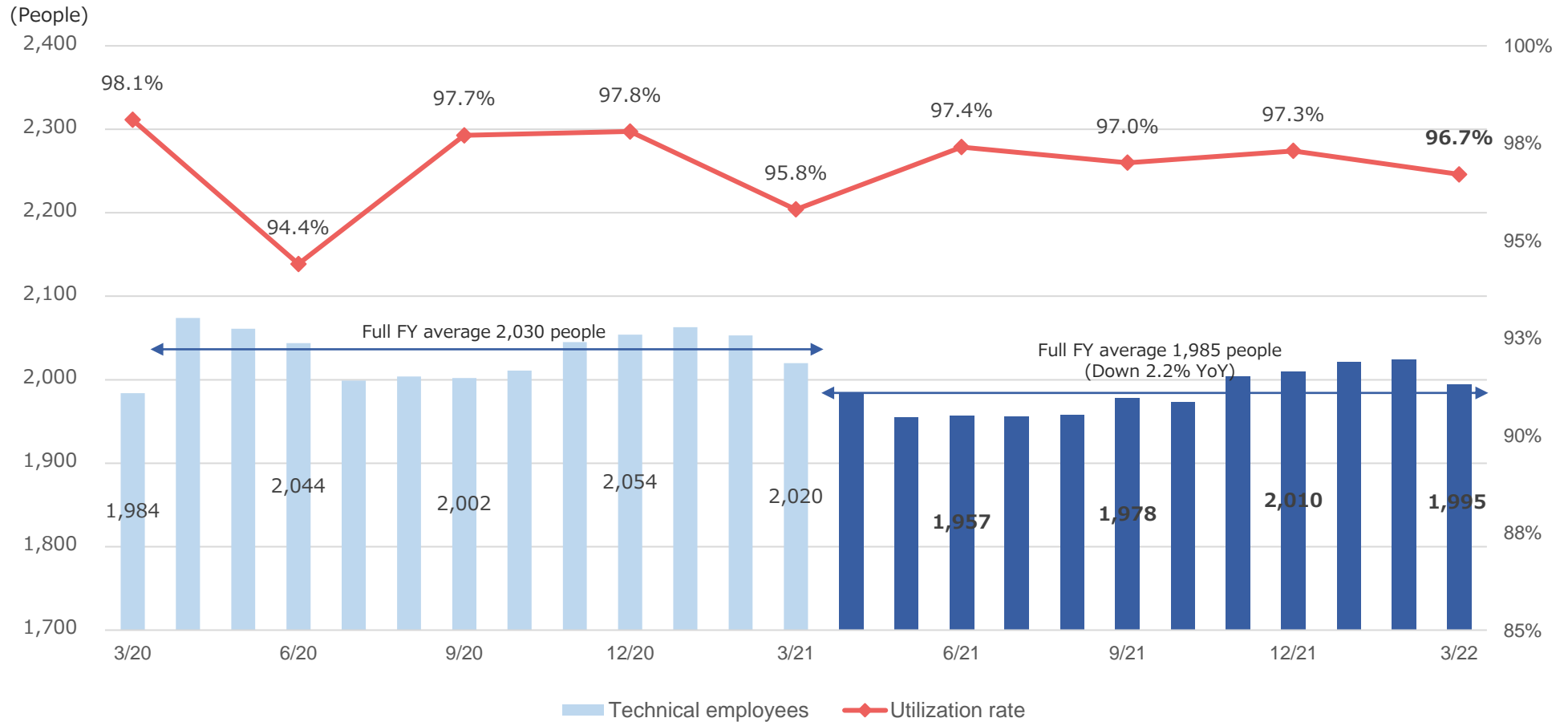
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Construction and Plant Technician Dispatching: Number of Technical Employees and Utilization Rate

- The number of technical employees at the end of this 4Q was 1,995 (down 25 from the end of the previous 4Q).
- The utilization rate at the end of this 4Q was 96.7% (up 0.9pt from the end of the previous 4Q).



Construction and Plant Technician Dispatching: Hiring and Resigning and Retention Rate

- In 1Q, the resignation of technical employees due to the expiration of contracts increased, mainly at major general contractors affected by the novel coronavirus, and the annual retention rate improved only slightly at +0.3pts compared to the previous period.
- While the number of projects tends to increase quarterly, mid-career recruitment has been difficult due to the recovery in business sentiment, the increasing labor shortage due to the normalization of economic activities as companies take measures against the novel coronavirus, and because of the delay in committing to flexible recruitment costs in response to changes in the external environment.

Number of Hired and Resigning Technical Employees

(Unit: No. of people)

	FYE2021					FYE2022					FYE2023 (Forecast)
	1Q	2Q	3Q	4Q	Full FY	1Q	2Q	3Q	4Q	Full FY	Full FY
Number Hired	281	181	231	172	865	230	208	213	183	834	1,501
New graduates and recent graduates with work experience	89	0	0	0	89	56	0	0	0	56	84
Mid-career	192	181	231	172	776	174	208	213	183	778	1,417
Number Resigned	221	223	179	206	829	293	187	181	198	859	885
Indefinite-term technical employees	12	17	21	18	68	24	25	21	24	94	-
Fixed-term technical employees	209	206	158	188	761	269	162	160	174	765	-
Net Increase or Decrease	-60	-42	-52	-34	+36	-63	+21	+32	-15	-25	+616
Increase due to M & A, etc.	0	0	0	0	0	0	0	0	0	0	+122
Number Registered at fiscal period end	2,044	2,002	2,054	2,020	2,020	1,957	1,978	2,010	1,995	1,995	2,733

Technical Employee Retention Rate

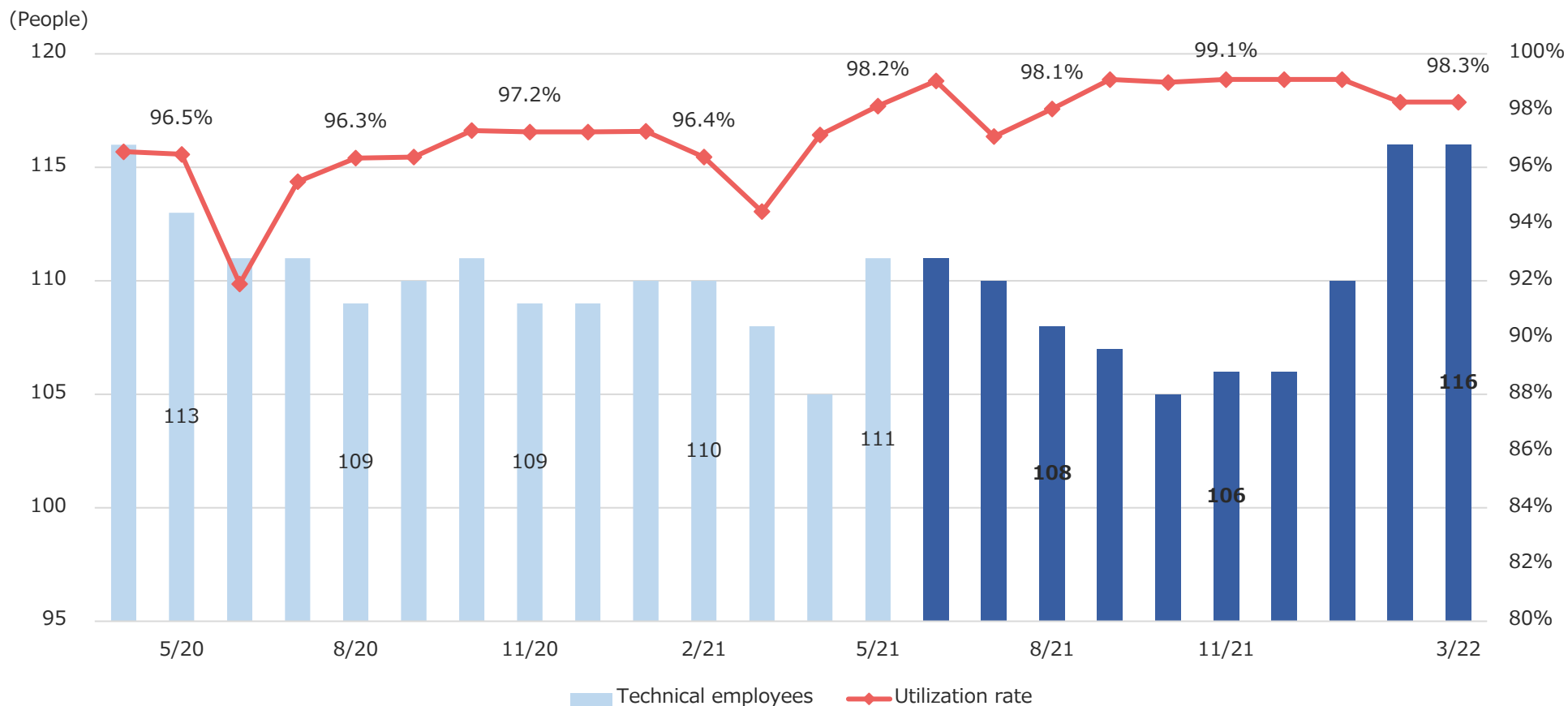
*Retention rate = Among the technical employees who were registered at the end of the quarter one year ago, the percentage who were still registered at the end of the same quarter one year later.

*Fiscal year accumulative total retention rate = Among the technical employees who were registered at the end of the previous fourth quarter, the percentage who were still registered at the end of the relevant quarter.

	FYE2021				FYE2022			
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q
Technical Employees (LTM)	73.7%	73.0%	71.0%	69.1%	68.0%	69.5%	69.2%	69.4%
Fiscal Year Accumulative Total	89.7%	80.4%	74.7%	69.1%	84.8%	79.3%	74.6%	69.4%
Indefinite-term employment within this (LTM)	84.5%	85.8%	85.2%	85.2%	78.9%	77.0%	78.9%	80.7%
Fiscal year accumulative total	95.7%	92.2%	87.9%	85.2%	94.2%	88.9%	85.3%	80.7%
Fixed-term employment within this (LTM)	71.5%	70.6%	68.7%	66.7%	65.8%	68.0%	67.5%	66.4%
Fiscal year accumulative total	88.8%	78.6%	72.8%	66.7%	82.4%	76.8%	71.9%	66.4%

Mechanical Design and Development Engineer Dispatching and Contracting: Number of Technical Employees and Utilization Rate

- The number of technical employees at the end of this 4Q was 116.
- The utilization rate at the end of this 4Q was 98.3%.



Mechanical Design and Development Engineer Dispatching and Contracting: Hiring and Resigning and Retention Rate

- As a result of full-scale recruitment activities from 3Q, the recruitment of experienced personnel, mainly expert human resources from manufacturers, has progressed steadily, and the number of recruits has increased to 15 in 4Q.

Number of Hired and Resigning Technical Employees

	FYE2021					FYE2022					FYE2023 (Forecast)
	1Q	2Q	3Q	4Q	Full FY	1Q	2Q	3Q	4Q*	Full FY	Full FY
Number Hired											
New graduates							2	3	15	20	85
Mid-career							0	0	0	0	1
							2	3	15	20	84
Number Resigned											
Indefinite-term technical employees							5	5	5	15	23
Fixed-term technical employees							5*	4	3	12	-
							0	1	2	3	-
Net Increase or Decrease											
							-3	-2	+10	+5	+62
Number Registered at Fiscal Period End											
							108	106	116	116	178

*Includes three people who changed from technical employees to management employees.

*For the 4Q of FYE2022, due to the change in the month that the fiscal year ends, the results for the four months from December 2021 to March 2022 are included.

Technical Employee Retention Rate

	FYE2021 (reference)				FYE2022			
	1Q	2Q	3Q	4Q	1Q (reference)	2Q	3Q	4Q
Retention Rate (LTM)	87.7%	90.4%	88.7%	90.1%	92.9%	92.7%	90.8%	88.9%
Fiscal year accumulative total	97.3%	94.6%	92.8%	90.1%	100.0%	95.4%	91.7%	88.9%

*Retention rate = Among the technical employees who were registered at the end of the quarter one year ago, the percentage who were still registered at the end of the same quarter one year later.

*Fiscal year accumulative total retention rate = Among the technical employees who were registered at the end of the previous fourth quarter, the percentage who were still registered at the end of the relevant quarter.

*ATMOS Co., Ltd. has been consolidated since June 2021 due to M&A. Therefore, results for FY2021/3 and 1Q FY2022/3 are provided for reference only.

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Major Initiatives in the Core Business (1)

- Demand for human resources is booming as the number of projects in the current month has exceeded 2,000. Through digital transformation, we are working to strengthen sales abilities to improve productivity and to increase the number of contracts.
- We are working to raise the level of our recruitment activities, including actively investing in hiring costs and increasing the number of interviews. In addition, in order to prevent the employees from leaving their jobs, we are working to improve the retention rate by further deepening sales to target companies and by changing the system.

Strengthening Sales Abilities

Expanding the Number Hired

Improving the Retention Rate

Productivity Improvement with DX	Recruitment Costs	Target Company Assignment Rate
<ul style="list-style-type: none"> • Introducing tools and systems for centralizing sales activities and project information 	<ul style="list-style-type: none"> • Raising the internal standard for hiring costs per person, and thoroughly strengthening the securing of excellent human resources by investing in hiring costs • Expanding recruitment of new graduates 	<ul style="list-style-type: none"> • By further deepening sales, promoting new assignments to target companies that have abundant construction projects and are expected to have high contract continuation rates, and pushing the shifting of assignments when the contracts end.
Sales Activities	Recruitment Activities	Indefinite-Term Employees
<ul style="list-style-type: none"> • Increasing the number of activities by managing sales process KPIs • Boosting sales personnel at branches in Tokyo, Nagoya and Osaka where construction demand is high 	<ul style="list-style-type: none"> • Increasing the number of activities by managing recruitment process KPIs • Appointing staff in charge of setting up interviews in order to secure human resources in Tokyo, Nagoya and Osaka where construction demand is high 	<ul style="list-style-type: none"> • To provide an environment where people can work for a long time with peace of mind, for those who meet the requirements, converting fixed-term employees to indefinite-term employment • Hiring new people on the premise of changing to indefinite-term employment

Improve our recruiting and sales abilities and provide human resource services that are both technician-oriented and client-oriented.

Forecast for FYE2023

▪ COPRO-ENGINEERD Co., Ltd. (Construction and plant technician dispatching business)

Orders and Hires	Aiming to continuously acquire the number of projects by raising the basic competitiveness of sales activities through KPI management, and by building relationships with major client companies by continuing deep-cultivation sales. In addition, in order to supply sufficient human resources for the number of projects procured, we are raising the internal standard for hiring costs per person and actively investing in hiring costs.
Retention	Promoting deep-cultivation sales, increasing the ratio of assignments to target-companies that have plenty of construction projects, and improving the retention rate. In addition, implementing activities to gain the trust of technicians and, promoting the conversion of fixed-term employees to indefinite-term employment based on certain standards.
Charge-up	Given the shortage of human resources, we will continue to strengthen charge-up negotiations centered on the retained companies that technicians have been dispatched to so that the increased human resource value of experienced technicians can be reflected in the contract price.

▪ ATMOS Co., Ltd. (Mechanical design and development engineer dispatching business)

Orders	In the automobile industry, it is expected that orders will continue to increase by expanding new areas through supporting CASE and the promotion of outsourcing existing operations. While the impact of product manufacturing adjustments due to the global semiconductor shortage is a cause for concern, the demand for semiconductor parts and equipment is increasing as well as the increasing needs of dispatching and contracting business. The recovery of the manufacturing industry is slowly progressing.
Recruiting	The company will actively recruit by enhancing training for inexperienced workers through the outsourced contracting business and by strengthening the hiring of expert human resources from manufacturers.

▪ VALUE ARK CONSULTING Co., Ltd. (SES business)

Orders	Aiming to get large-scale projects and improve profit margins by promoting the cultivation of upstream clients who are close to those ordering.
Recruiting	Planning to improve the company-owned recruitment media "Happy Engineer." Through the improvement of UI, UX and SEO, aiming to increase applications that naturally come in.

FYE2023 Consolidated Earnings Forecast

- Sales are expected to increase by 14.5% from the previous fiscal year with the rise in the number of people assigned, mainly in the core business of construction and plant technician dispatching.
- In order to overcome the current situation where hiring is a bottleneck and opportunity loss is occurring, we plan to increase hiring costs by approximately +150% from the previous fiscal year, with the aim of securing excellent engineers and technicians who will be the basis of growth.
- Non-GAAP operating profit is expected to decrease by 27.6% from the previous fiscal year due to an increase in selling and administration expenses from aggressive investment in recruitment costs.

(Mln yen)

	FYE2022		FYE2023		YoY Change	
	Full FY	Ratio	Full FY (Forecast)	Ratio	Pct Change	Amount of Change
Sales	15,589	100.0%	17,854	100.0%	+14.5%	+2,264
Cost of sales	10,744	68.9%	12,354	69.2%	+15.0%	+1,609
Profit on sales	4,844	31.1%	5,500	30.8%	+13.5%	+655
Selling, general and administrative expenses	3,223	20.7%	4,476	25.1%	+38.9%	+1,252
Operating profit	1,621	10.4%	1,024	5.7%	-36.8%	-597
Non-GAAP operating profit	1,841	11.8%	1,334	7.5%	-27.6%	-507
Ordinary profit	1,619	10.4%	1,024	5.7%	-36.8%	-595
Net profit attributable to the shareholders of the parent company	962	6.2%	604	3.4%	-37.3%	-358
Net profit per share*	¥102.12	–	¥65.05	–	-36.3%	¥-37.07
No. of consolidated technicians and engineers*	2,201	–	3,024	–	+37.4%	+823

*As a profit index to measure essential performance, non-GAAP operating profit is calculated by adding depreciation, amortization of goodwill and share-based remuneration expenses back to operating profit.

*On April 1, 2021, a stock split was conducted at a ratio of two shares per common stock. Net profit per share for FYE2021 is calculated assuming that the stock split was conducted at the beginning of the period.

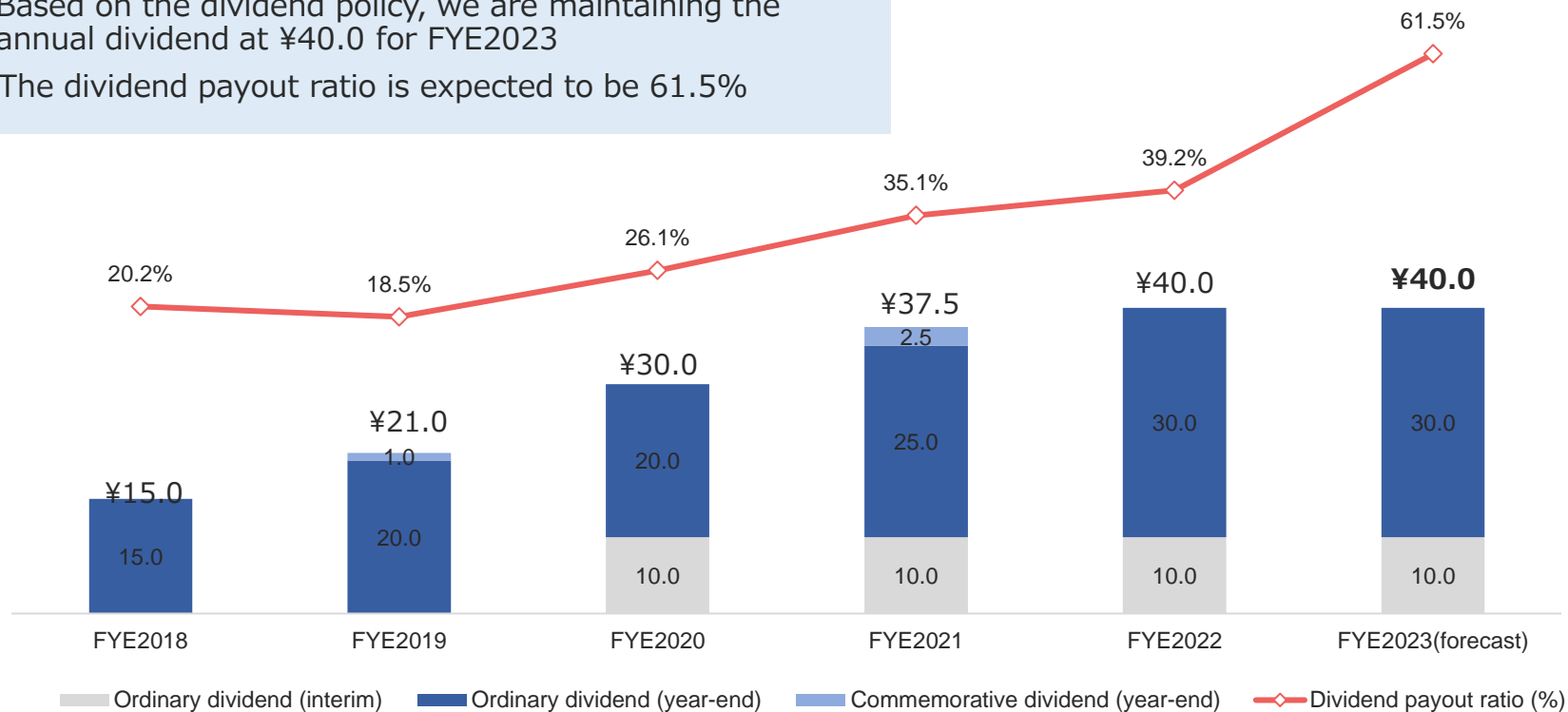
*The number of consolidated engineers and technicians is the number of employees at the end of the fiscal year including IT freelancers in the SES business.

Shareholder Returns

[Basic Policy]

Dividends are the basis for shareholder returns, which we consider to be one of the important management issues, and our basic policy is to pay stable dividends. Dividends will not be reduced during the period covered by the medium-term management plan "COPRO Group Build the Future 2027" (from FYE2023 to FYE2027), depending on the profit growth achieved through aggressive investment.

- ✓ Based on the dividend policy, we are maintaining the annual dividend at ¥40.0 for FYE2023
- ✓ The dividend payout ratio is expected to be 61.5%



*The commemorative dividends were for listing on the stock exchange in FYE2019, and moving to the first sections of the Tokyo Stock Exchange and the Nagoya Stock Exchange in FYE2021.

*The dividend per share has been retroactively revised to take into account the impact of the one-to-two stock split implemented on April 1, 2021.

Disclaimers and Precautions for Forward-Looking Statements

- This document was prepared by COPRO-HOLDINGS Co., Ltd. (hereinafter referred to as the “Company”) for the purpose of understanding the current situation and to help as an investment reference.
- The content of this document has been prepared based on the generally recognized economic and social conditions as of the date of publication and certain assumptions that the Company deems reasonable. However, it is subject to change without notice due to changes in the business environment, etc.
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