

建設は、
君を強くする。

変身、一人前!

いや、大きく
なりすぎだろ。

Fiscal Year Ending March 31, 2024
Financial Results for 1st Quarter
August 10, 2023

COPRO-HOLDINGS. Co., Ltd.
Tokyo Stock Exchange-Prime, Nagoya Stock
Exchange Premier (Ticker Symbol: 7059)

SECTION

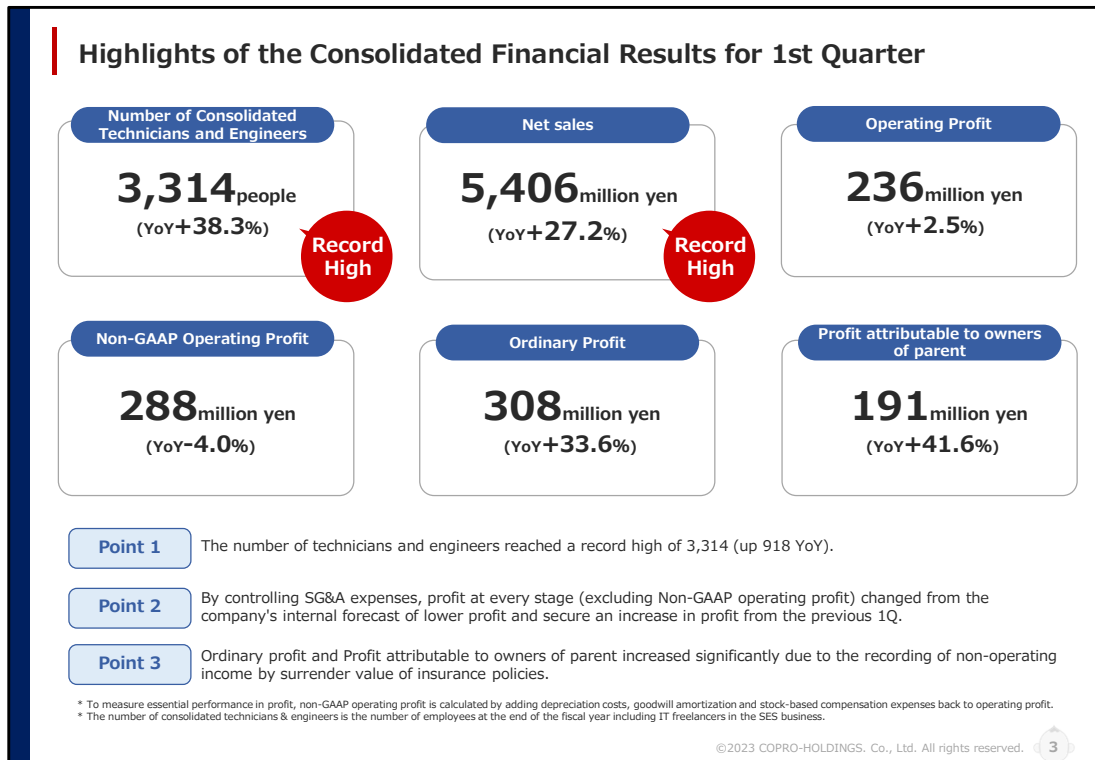
- 01** Summary of the Consolidated Financial Results for FYE2023
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Welcome to all of our shareholders and investors. I am Mr. Kiyokawa, the president and chief executive officer. I will now begin the explanation for the financial results in the first quarter of FYE2024.

SECTION 01

**Summary of the
Consolidated Financial
Results for 1st Quarter**





This is a summary of the financial results for the first quarter. As highlights of the consolidated financial results, the number of consolidated technical employees increased by 38.3% YoY to 3,314 people, and sales increased by 27.2% YoY to 5,406 million yen, both of which are record highs. Operating profit increased 2.5% YoY to 236 million yen.

Non-GAAP operating profit was 288 million yen, down 4% YoY. Ordinary profit increased 33.6% YoY to 308 million yen, and net profit increased 41.6% YoY to 191 million yen.

There are three points at the bottom of the slide. First, the number of consolidated technical employees reached a record high of 3,314 people, an increase of 918 YoY.

Second, by controlling selling and administration expenses, each type of profit (excluding non-GAAP operating profit) turned around from the internal plan of decreasing profits and we secured an increase in profits.

Third, ordinary profit and net profit increased significantly due to the recording of non-operating profit from insurance surrender value.

Consolidated Financial Results for 1st Quarter

(million of yen)

	FYE2023		FYE2024		YoY Change		FYE2024	
	1Q results	Ratio	1Q results	Ratio	Pct Change	Amount of Change	1H Forecast	Progress Rate
Net sales	4,249	100.0%	5,406	100.0%	+27.2%	+1,157	11,203	48.3%
Cost of sales	2,972	70.0%	3,964	73.3%	+33.4%	+991	8,040	49.3%
Gross profit	1,276	30.0%	1,441	26.7%	+13.0%	+165	3,162	45.6%
SG&A expenses	1,045	24.6%	1,205	22.3%	+15.3%	+159	2,667	45.2%
Operating profit	230	5.4%	236	4.4%	+2.5%	+5	495	47.7%
Non-GAAP operating profit*	300	7.1%	288	5.3%	-4.0%	-12	660	43.6%
Ordinary profit	230	5.4%	308	5.7%	+33.6%	+77	565	54.6%
Profit attributable to owners of parent	135	3.2%	191	3.5%	+41.6%	+56	316	60.4%
Number of consolidated technicians & engineers (quarter end)*	2,396	-	3,314	-	+38.3%	+918	-	-

*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 & engineers is the number of employees at the end of the fiscal year including IT freelancers in the SES business.

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Now that I have explained the main points of the consolidated financial results, I will explain the results in order. The left side of the table on the slide is the first quarter of FYE2023, and the right side is the first quarter of FYE2024.

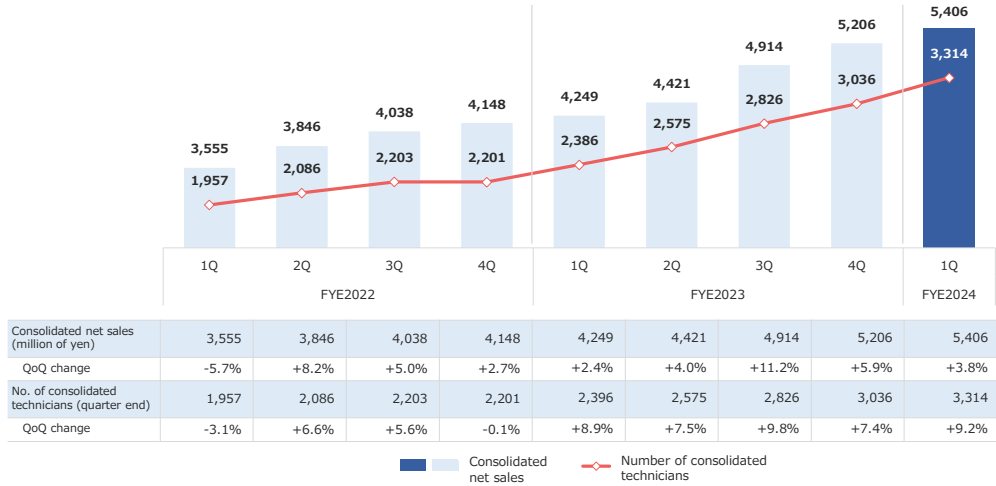
Sales were 5,406 million yen, up 27.2% YoY, with a progress rate of 48.3%, and operating profit was 236 million yen, up 2.5% YoY, with a progress rate of 47.7%.

Quarterly net profit attributable to parent company shareholders was 191 million yen, up 41.6% YoY, and the progress rate was 60.4%.

Quarterly Consolidated Financial Results

- First Quarter net sales and technician numbers both increased from the previous quarter.
- Record high on a quarterly basis.

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



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The quarterly consolidated results are shown in bar graphs. Both sales and the number of technical employees in the first quarter increased from the previous quarter. And, on a quarterly basis, we have reached new record highs.

1st Quarter Financial Results by Subsidiaries

- Cost of sales ratio of COPRO-ENGINEERD deteriorated due to standby labor cost during internal training as the number of new graduate technicians increased. Operating profit fell by ¥76 million year-on-year, mainly due to higher SG&A expenses resulting from higher recruitment agency fees and personnel expenses.
- Gross profit increased in ATMOS due to significant growth in net sales and improved cost of sales ratio. Contributing to the decline in the SG&A-to-sales ratio, First Quarter achieved an operating profit, and operating profit increased by ¥25 million year on year.
- VALUE ARK CONSULTING posted an operating profit decline of 12 million yen YoY due to an upfront expense stemming from the aggressive launch of advertising expenses.
- COPRO-HOLDINGS contributed 69 million yen more than the previous fiscal year, reflecting a decrease in personnel expenses due to the streamlining of the head office and a decline in share-based remuneration expenses.

(million of yen)

	FYE2023			FYE2024		
	1Q results	YoY		1Q	YoY	
		Pct Change	Amount of Change		Pct Change	Amount of Change
Net sales	4,249	+19.5%	+693	5,406	+27.2%	+1,157
COPRO-ENGINEERD	3,996	+12.4%	+441	5,010	+25.4%	+1,013
ATMOS	207	-	+207	313	+51.3%	+106
VALUE ARK CONSULTING	44	-	+44	81	+81.7%	+36
Gross profit	1,276	+20.0%	+212	1,441	+13.0%	+165
COPRO-ENGINEERD	1,197	+12.6%	+133	1,315	+9.8%	+117
ATMOS	36	-	+36	78	+117.0%	+42
VALUE ARK CONSULTING	42	-	+42	47	+12.1%	+5
SG&A expenses	1,045	+33.0%	+259	1,205	+15.3%	+159
COPRO-ENGINEERD	621	+29.7%	+142	816	+31.3%	+194
ATMOS	59	-	+59	76	+28.5%	+16
VALUE ARK CONSULTING	41	-	+41	59	+42.7%	+17
COPRO-HODINGS and others	322	+5.2%	+15	253	-21.6%	-69
Operating profit	230	-17.0%	-47	236	+2.5%	+5
COPRO-ENGINEERD	575	-1.5%	-8	498	-13.4%	-76
ATMOS	-23	-	-23	2	-110.3%	+25
VALUE ARK CONSULTING	0	-	+0	-11	-	-12
COPRO-HODINGS and others	-322	+5.2%	-15	-253	-21.6%	+69

* Figures for subsidiaries are adjusted for consolidation after eliminating intra-group transactions.

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These are the results by subsidiary for the first quarter. From the first quarter of FYE2024, COPRO-ENGINEERD in the construction segment, ATMOS in the mechanical and electrical segment and VALUE ARK CONSULTING in the IT segment are each shown in the table.

COPRO-ENGINEERD's cost of sales ratio is worsening due to standby labor costs during in-house training as the number of new graduate technicians increases. In addition, due mainly to an increase in selling and administration expenses because of an increase in recruiting and personnel costs, operating profit decreased by 76 million yen YoY.

Gross profit margin increased at ATMOS due to a significant increase in sales and an improvement in the cost of sales ratio. A decline in the selling and administration expense ratio also contributed, and they posted an operating profit in the first quarter, increasing operating profit by 25 million yen YoY.

VALUE ARK CONSULTING posted an operating profit decrease of 12 million yen YoY due to upfront costs associated with aggressive spending on advertising.

COPRO-HOLDINGS, the parent company, had an increase in profit of 69 million yen YoY due to a decrease in personnel expenses because of streamlining at the head office and a decrease in stock award expenses.

SECTION 02

Analysis of KPIs

KPIs by Subsidiaries

- Due to an increase in recruitment numbers centered on the mainstay COPRO-ENGINEERD, the number of technicians employed rose 38.3% YoY to 3,314, with an increase of 918.
- Retention rate declined 1.0pts YoY to 89.6%. Due to some mismatches in assignment due to the increased hiring of both COPRO-ENGINEERD and ATMOS, and lack of follow-up after assignment.

(people, thousands of yen)

	FYE2023					FYE2024			FYE2024
	1Q	2Q	3Q	4Q	Full-year	1Q	YoY	Full-year (forecast)	
Total Recruited	443	360	459	485	1,747	664	+49.9%	+221	2,331
COPRO-ENGINEERD	293	315	417	447	1,472	614	+109.6%	+321	2,120
ATMOS	14	23	25	23	85	29	+107.1%	+15	123
VALUE ARK CONSULTING	14	22	17	15	68	21	+50.0%	+7	88
Increase due to M&A, etc.	122	0	0	0	122	0	-	-122	-
Turnover total	248	181	208	275	912	386	+55.6%	+138	1,096
COPRO-ENGINEERD	223	158	191	240	812	361	+61.9%	+138	1,008
ATMOS	8	11	11	12	42	13	+62.5%	+5	30
VALUE ARK CONSULTING	17	12	6	23	58	12	-29.4%	-5	58
No. of technicians and engineers	2,396	2,575	2,826	3,036	3,036	3,314	+38.3%	+918	4,271
COPRO-ENGINEERD	2,187	2,344	2,570	2,777	2,777	3,030	+38.5%	+843	3,889
ATMOS	122	134	148	159	159	175	+43.4%	+53	252
VALUE ARK CONSULTING	87	97	108	100	100	109	+25.3%	+22	130
Retention rate	90.6%	93.4%	93.1%	91.7%	76.9%	89.6%	-	-1.0pts	79.6%
COPRO-ENGINEERD	90.7%	93.7%	93.1%	92.0%	80.1%	89.4%	-	-1.3pts	79.4%
ATMOS	93.8%	92.4%	93.1%	93.0%	79.1%	93.1%	-	-0.7pts	89.4%
VALUE ARK CONSULTING	83.7%	89.0%	94.7%	81.3%	63.3%	90.1%	-	+6.4pts	69.1%
Sales per engineer (period average)	648	638	650	638	643	619	-4.6%	-30	601
COPRO-ENGINEERD	649	641	652	639	644	618	-4.8%	-31	602
ATMOS	578	560	600	626	599	622	+7.7%	+44	635
VALUE ARK CONSULTING	593	553	568	606	587	656	+10.6%	+63	552

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

*2. Retention rate = Number of technicians at the end of the current fiscal year (current quarter) ÷ (Number of technicians at the end of the previous fiscal year (previous quarter) + Number of technicians at the end of the current fiscal year (current quarter)) × 100

*3. ATMOS sales per engineer is for dispatched engineers only, excluding subcontracting.

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This is the KPI analysis of our subsidiaries. Due to a significant increase in the number of recruits centered on our mainstay COPRO-ENGINEERD, the number of technical employees was 3,314, an increase of 38.3% YoY, or an increase of 918 people.

The retention rate was 89.6%, down 1.0 points YoY. The reason is a partial mismatch in assignments due to an increase in the number of recruits at COPRO-ENGINEERD in the construction segment and at ATMOS in the mechanical and electrical segment, and the lack of follow-up after the assignments.

In this regard, from the second quarter we are considering strengthening measures to curb resignations, while achieving the number of recruits as planned or above the plan.

The table on the slide shows the number of recruits, the number of resignations, the number of technical employees (end of the period), the retention rate, and the sales per technical employee (average during the period) for each subsidiary, so please take a look.

Reference) Construction Technician Dispatching Business KPIs

- The number of new hires rose 109.6% YoY to 614 due to growth in the number of new graduates and young Human Resources hires.
 - Some mismatches arise due to growth in hiring of inexperienced employees. In addition to an increase in the number of standby employees, retirement occurred during the waiting period.
- ⇒ Cumulative First Quarter's retention rate declined 1.3pts YoY to 89.4%. The utilization rate was 93.0%, down 3.3pts from the previous fiscal year due to an increase in the number of standby employees.
- ⇒ In addition to further strengthening the follow-up system after assignment by Second Quarter, we will proceed with the selection of assignment partners with an emphasis on retention.

Recruitment, Turnover and Utilization rate

(people)

	FYE2022	FYE2023				FY2024		
	Full-year	1Q	2Q	3Q	4Q	Full-year	1Q	Full-year (forecast)
Total recruited	834	293	315	417	447	1,472	614	2,120
New graduates	56	54	0	2	0	56	154	154
Mid-career	778	239	315	415	447	1,416	460	1,966
Turnover total	859	223	158	191	240	812	361	1,008
Net change	△25	+70	+157	+226	+207	+660	+253	+1,112
Increase due to M&A, etc.	0	+122	0	0	0	+122	0	-
Number of technicians (quarter end)	1,995	2,187	2,344	2,570	2,777	2,777	3,030	3,889
Utilization rate (period average)	96.9%	96.3%	97.1%	96.3%	95.7%	96.3%	93.0%	-

Retention rate

	FYE2022	FYE2023				FY2024		
	Full-year	1Q	2Q	3Q	4Q	Full-year	1Q	Full-year (forecast)
Retention rate	69.9%	90.7%	93.7%	93.1%	92.0%	80.1%	89.4%	79.4%
Retention rate (FY accumulative total)	69.4%	89.7%	84.2%	79.0%	74.4%	74.4%	89.2%	-
Retention rate (Last twelve months)	69.4%	71.8%	72.3%	72.7%	74.4%	74.4%	75.0%	-

*Retention rate = Number of technicians at the end of the current fiscal year (current quarter) ÷ (Number of technicians at the end of the previous fiscal year (previous quarter) + Number of technicians at the end of the current fiscal year (current quarter)) × 100

*Retention rate (FY accumulative total): Among the technicians who were registered at the end of the previous fourth quarter, the percentage who were still registered at the end of the relevant quarter.

*Retention rate (LTM): Among the technicians 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.

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For reference, we have summarized the KPIs for our core business, which is the construction technician dispatching business. One topic is that the number of recruits increased 109.6% YoY to 614 people due to a significant increase in the recruiting of new graduates and young inexperienced human resources.

However, some mismatches occurred due to aggressively increasing the recruiting of inexperienced people. Because of this, the number of employees on standby has increased, and there have been resignations during the waiting period. As a result, the retention rate for the first quarter was 89.4%, down 1.3 points YoY. In addition, due to an increase in the number of employees on standby, the utilization rate was 93.0%, down 3.3 points YoY.

Since the cause of this has been clarified, from the second quarter, we will further strengthen the follow-up system after assignment, proceed with the selection of assignments with an emphasis on retention, and improve the retention rate, which has been on a downward trend.

The number of recruits and resignations, the utilization rate and the retention rate are shown in the table on the slide. Please take a look at it when you have the time.

Reference) Mechanical Design and Development Engineer Dispatching and Contracting Business KPIs

- Increasing the number of sales and recruitment staff. The number of projects acquired and the number of technicians hired increased, rising 53 YoY (+43.4% YoY) to 175.
- Particular emphasis is being placed on increasing dispatch to industrial machinery such as semiconductors and software.
- The utilization rate remained at almost 100% excluding those who took leave and those who took in-house training.

Recruitment, Turnover and Utilization rate

(people)

	FYE2022	FYE2023					FYE2024	
	Full-year (June-Mar)	1Q (Apr-June)	2Q (July-Sep)	3Q (Oct-Dec)	4Q (Jan-Mar)	Full-year	1Q	Full-year (forecast)
Total recruited	20	14	23	25	23	85	29	123
New graduates	0	1	0	0	0	1	5	4
Mid-career	20	13	23	25	23	84	24	119
Turnover total	15	8	11	11	12	42	13	30
Net change	+5	+6	+12	+14	+11	+43	+16	+93
Number of technicians (quarter end)	116	122	134	148	159	159	175	252
Utilization rate (period average)	98.6%	96.9%	96.9%	98.6%	97.5%	97.5%	95.9%	-

Retention rate

	FYE2022	FYE2023					FYE2024	
	Full-year (June-Mar)	1Q (Apr-June)	2Q (July-Sep)	3Q (Oct-Dec)	4Q (Jan-Mar)	Full-year	1Q	Full-year (forecast)
Retention rate	-	93.8%	92.4%	93.1%	93.0%	79.1%	93.1%	89.4%
Retention rate (FY accumulative total)	88.9%	93.1%	89.7%	85.3%	81.0%	81.0%	93.7%	-
Retention rate (Last twelve months)	88.9%	84.7%	85.2%	84.9%	81.0%	81.0%	82.8%	-

*Retention rate = Number of technicians at the end of the current fiscal year (current quarter) ÷ (Number of technicians at the end of the previous fiscal year (previous quarter) + Number of technicians at the end of the current fiscal year (current quarter)) × 100
 *Retention rate (FY accumulative total): Among the technicians who were registered at the end of the previous fourth quarter, the percentage who were still registered at the end of the relevant quarter.
 *Retention rate (LTM): Among the technicians 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.

These are the KPIs for the mechanical design and development engineer dispatching and contracting business. We have increased the number of sales and recruiting staff. The number of job posting requests and the number of recruits increased, and the number of engineers rose to 175, an increase of 53 people, or up 43.4% YoY.

In particular, dispatches to the industrial equipment sector, such as semiconductors and software, which are strengthening, are growing significantly. The utilization rate is almost 100%, excluding absences from work and those undergoing in-house training.

The number of recruits and resignations, the utilization rate and the retention rate are shown in the table on the slide.

Reference) SES Business KPIs

- We are focusing on operating the "VESCARI IT" website, which was opened in March 2023 as a guide for IT engineers.
- The number of applicants and the number of hirings are trending upward, partly due to the investment in advertising in conjunction with the release of VESCARI IT.

Recruitment, Turnover and Utilization rate

(people)

	FYE2022	FYE2023					FYE2024	
	Full-year	1Q	2Q	3Q	4Q	Full-year	1Q	Full-year (forecast)
Number of applicants	320	213	408	354	264	1,239	594	-
Total recruited	16	14	22	17	15	68	21	88
Turnover total	16	17	12	6	23	58	12	58
Net change	-	△3	+10	+11	△8	+10	+9	+30
Number of technicians (quarter end)	90	87	97	108	100	100	109	130
Utilization rate (period average)	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	-

* The above figures for VALUE ARK CONSULTING include IT freelance engineers.

Retention rate

(people)

	FYE2022	FYE2023					FYE2024	
	Full-year	1Q	2Q	3Q	4Q	Full-year	1Q	Full-year (forecast)
Retention rate	-	83.7%	89.0%	94.7%	81.3%	63.3%	90.1%	69.1%

* The above figures for VALUE ARK CONSULTING include IT freelance engineers.

* Retention rate = $\frac{\text{Number of technicians at the end of the current fiscal year (current quarter)}}{\text{Number of technicians at the end of the previous fiscal year (previous quarter)} + \text{Number of technicians at the end of the current fiscal year (current quarter)}} \times 100$

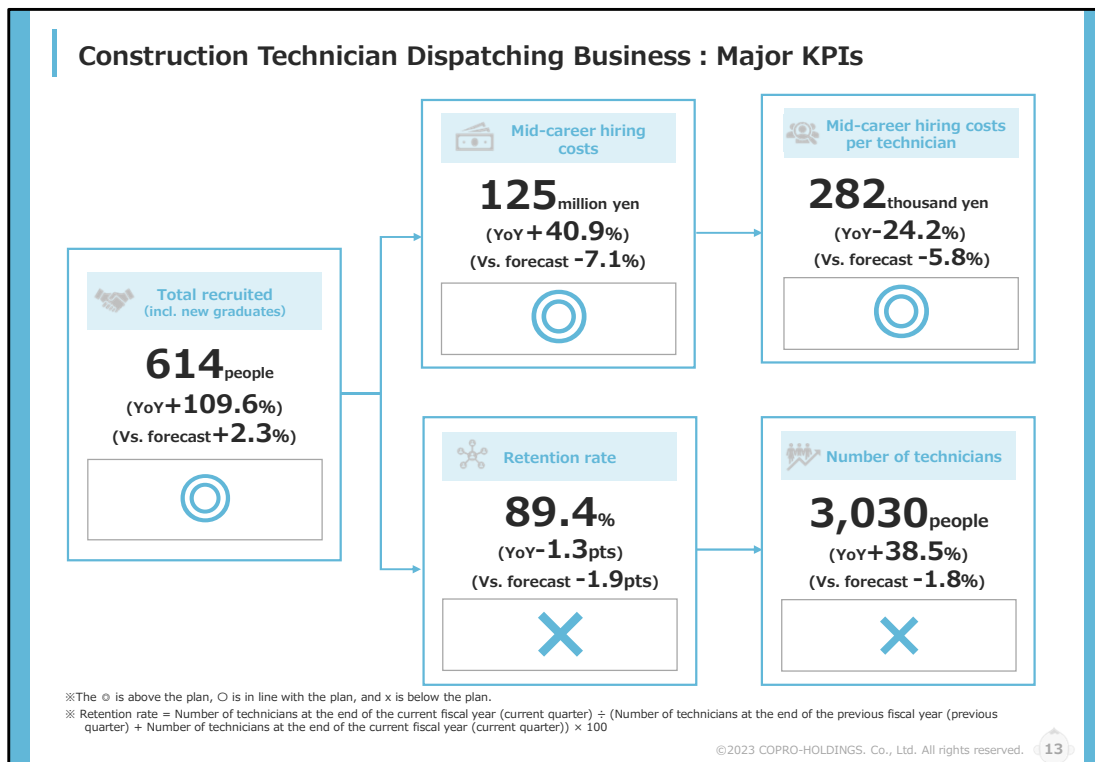
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These are the KPIs of the SES business. One topic is that we are focused on the operation of "VESCARI IT", a project introduction site for IT engineers that opened in March 2023. The number of applicants and the number of recruits are on the rise, partly due to concerted investment in advertising expenses in conjunction with the release of "VESCARI IT".

The number of recruits and resignations, the utilization rate and the retention rate are shown in the table on the slide.

SECTION 03

Business Summary



These are the main KPIs of the construction technician dispatching business. From the number of recruits on the left side of the slide to the right, it shows a chart that diverges for each.

The company's self-assessment is indicated by "◎", "○", and "×", where "◎" is above the plan, "○" is in line with the plan, and "×" is below the plan.

In the first quarter, the total number of recruits (including new graduates) was 614, up 109.6% YoY and 2.3% higher than planned. The assessment is "◎" because it has achieved more than was planned.

Recruiting costs for mid-career professionals totaled 125 million yen, up 40.9% YoY and down 7.1% from the plan. As in the previous fiscal year, we are actively investing in recruiting costs. Considering the internal budget, the recruiting costs are less than the budget, so the assessment is "◎".

The unit price for recruitment of mid-career professionals (recruiting cost per person) was 282,000 yen, down 24.2% YoY and down 5.8% from the plan. In the first quarter, we were able to recruit while keeping in mind that we are aiming for the unit price for recruitment to be around 200,000 yen, so the assessment is "◎".

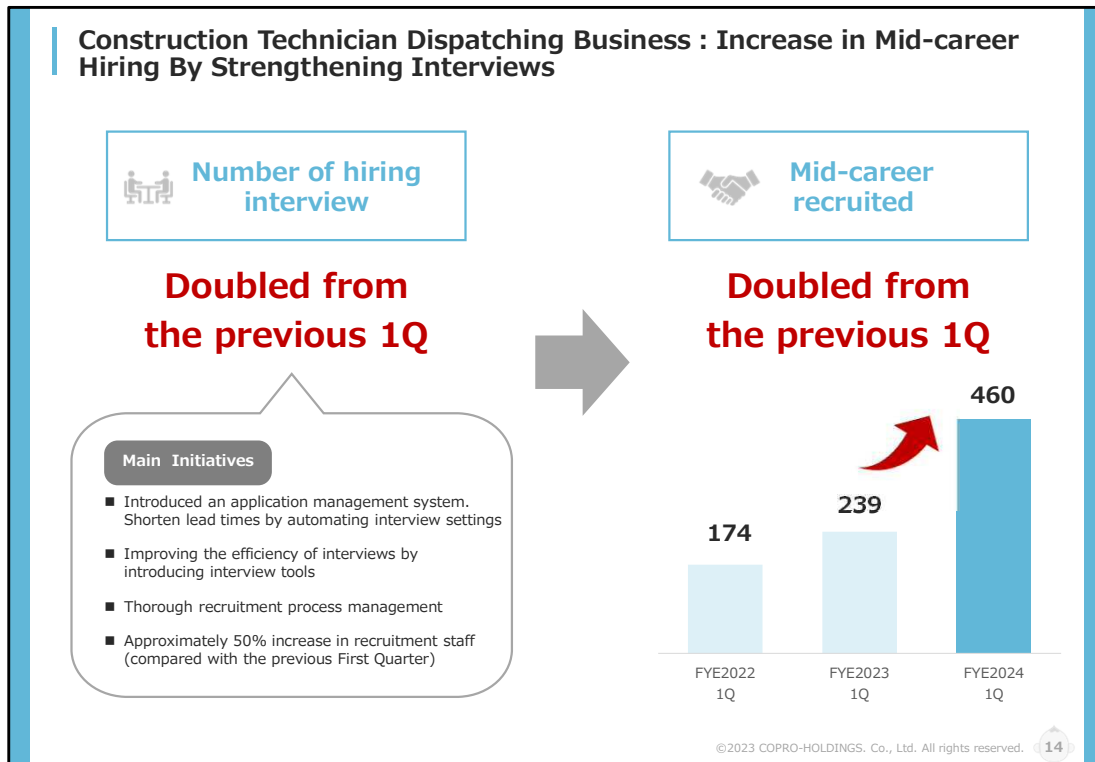
The retention rate was 89.4%, down 1.3 points YoY and down 1.9 points from the plan. We spent a lot of money on recruiting costs and managed to recruit more than planned,

but the retention rate was slightly below the plan, so the assessment is “x”.

Doing an in-house analysis of the causes, we can cite some mismatches due to the sudden increase in recruiting and an inadequate follow-up system. From the second quarter, which is still in progress, we will make use of these points of introspection, and strive to improve the retention rate while realizing a significant increase in the number of recruits.

At the end of the first quarter, the number of technical employees was 3,030, up 38.5% YoY. On the other hand, it was 1.8% less than the plan, so the assessment is “x”.

We will continue to monitor the unit price for recruitment while significantly increasing the number of recruits, which will lead to an improvement in the retention rate. By further improving the number of technical employees, we hope to increase sales in the second quarter, the third quarter, and the full fiscal year.

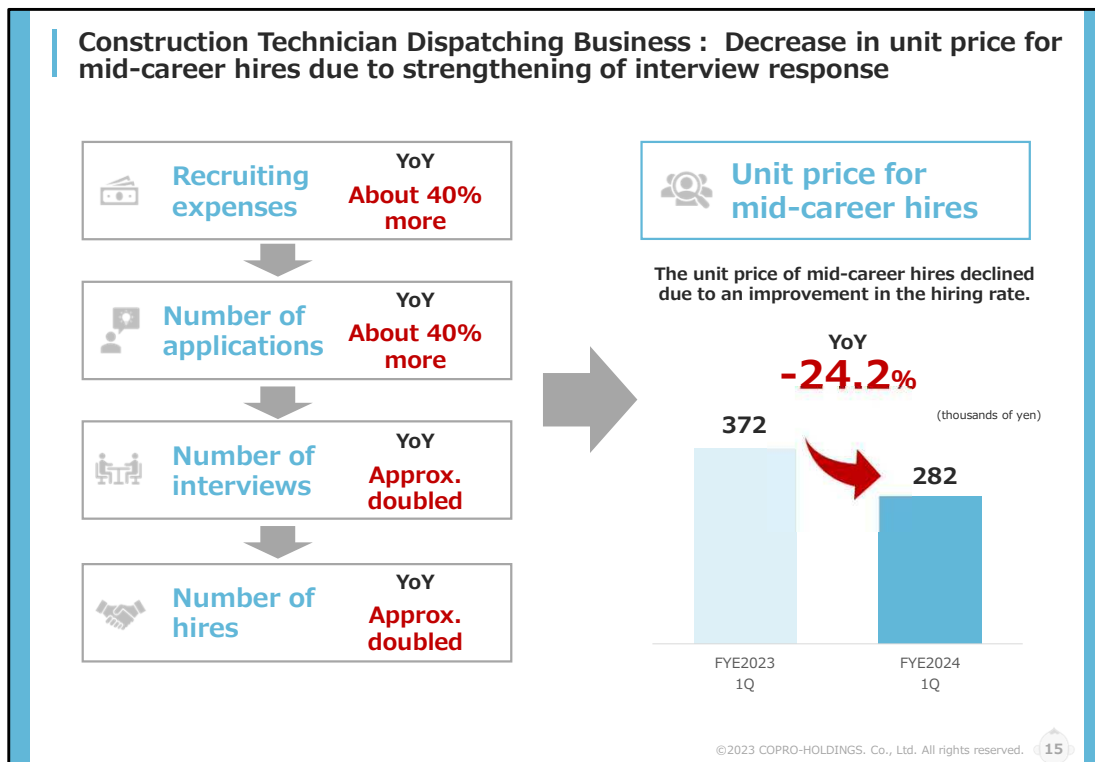


I would like to explain the initiatives we are currently focusing on. Currently, although the sales reform has been successful and we have received many orders, if we were to prioritize, it would be recruiting, so we are reexamining things.

As a major initiative, we have introduced an application management system and have significantly shortened lead times by automating the setting of interviews. In addition, we are focusing on improving productivity by boosting the efficiency of interviews through the introduction of interview tools and by fine tuning the process.

With regards to thorough review and reinforcement of recruitment process management, it is no exaggeration to say that we have re-strengthened our efforts, but we are focusing on process management. The number of recruiters is increasing significantly by about 50% YoY, and we are expanding contact with applicants, that is, the number of interviews.

As a result of these efforts, the number of interviews has about doubled YoY. The graph on the right side of the slide shows the change in the number of mid-career professionals recruited, and we have also recruited 460 people, about twice as many YoY.



I will explain the recruiting process step by step. The recruiting process is shown on the left side of the slide. The recruiting costs, number of applications, number of interviews, and number of recruits are each shown in red as compared to the same period of the previous year.

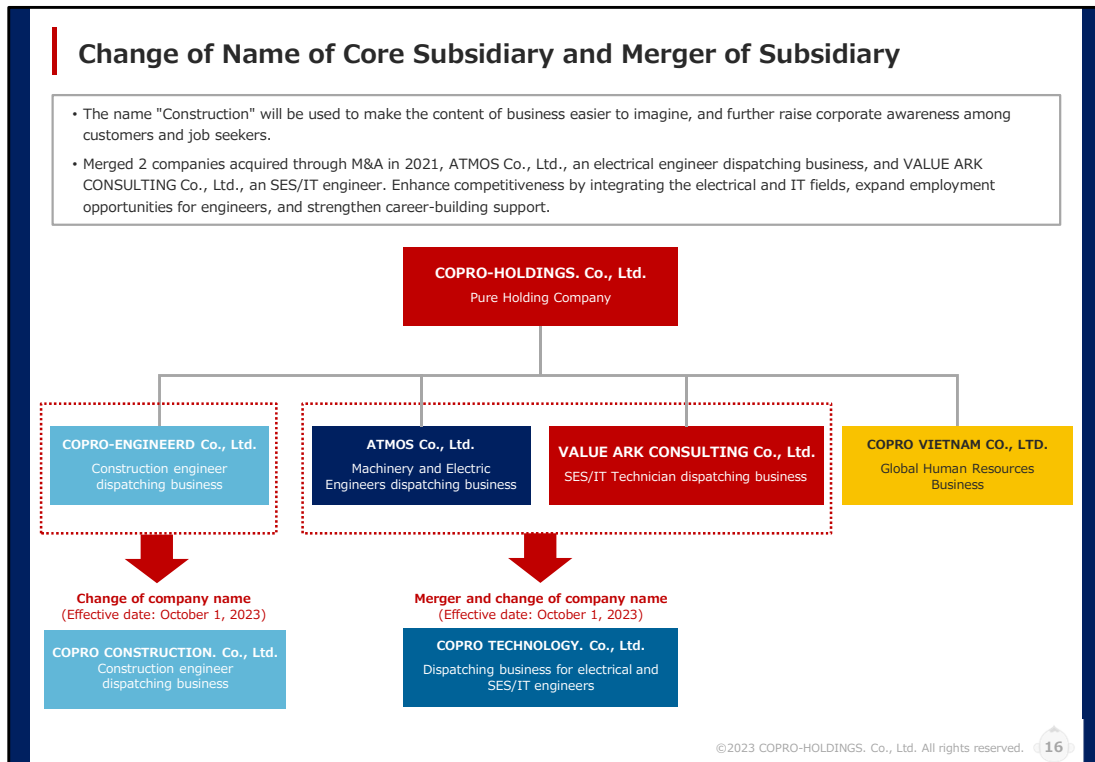
We actively invested in recruiting costs, which increased by about 40% YoY. As a result, the number of applicants has increased significantly by about 40% YoY. In addition, the number of interviews and the number recruited has about doubled YoY.

In this way, by strengthening the management of each step in the recruiting process, the numbers for each step in the process increased significantly YoY. However, this does not mean that it is good just because it has grown significantly. There is room for further improvement in these numbers, and we would like to increase the number of interviews and the number of recruits in particular.

The graph on the right side of the slide shows the unit price for recruitment of mid-career professionals, which is the recruiting cost per person. As for the unit price for recruitment of mid-career professionals, light blue is the first quarter of FYE2023, and blue the first quarter of FYE2024. By revising the recruiting process and improving the yield rate, it has decreased from 372,000 yen to 282,000 yen.

From the second quarter onwards, we will continue to strengthen the recruiting process, and while monitoring the number of people who should be recruited in relation to the

recruiting costs, we would like to keep the unit price for recruitment at the 200,000 yen level or even lower.



This is a notice to all our shareholders and investors. We are reorganizing our organization as of October 1st, 2023.

First, we will change the corporate name of COPRO-ENGINEERD, our core subsidiary in the construction technician dispatching business, to COPRO CONSTRUCTION. By adding the word “construction” to the company name, we aim to make it easier for customers and job seekers to visualize that the business of the company is in the construction segment, as well as improve our recognition within the construction industry and build a new brand.

Second, we have decided to merge two companies. They are ATMOS, a mechanical and electrical engineer dispatching business that became a subsidiary through M&A in 2021, and VALUE ARK CONSULTING, which has a SES and IT engineer dispatching business. The corporate name will be changed to COPRO TECHNOLOGY.

Led by COPRO-HOLDINGS, a pure holding company, we will grow with COPRO CONSTRUCTION, a construction technician dispatching business, COPRO TECHNOLOGY, a mechanical and electrical engineer, SES and IT engineer dispatching business, and COPRO VIETNAM, a global human resource business.

For ATMOS and VALUE ARK CONSULTING, which are involved in the mechanical and electrical field and the IT field, some of the clients are quite close to each other, and the merging of the two companies is expected to bring about great synergies through the

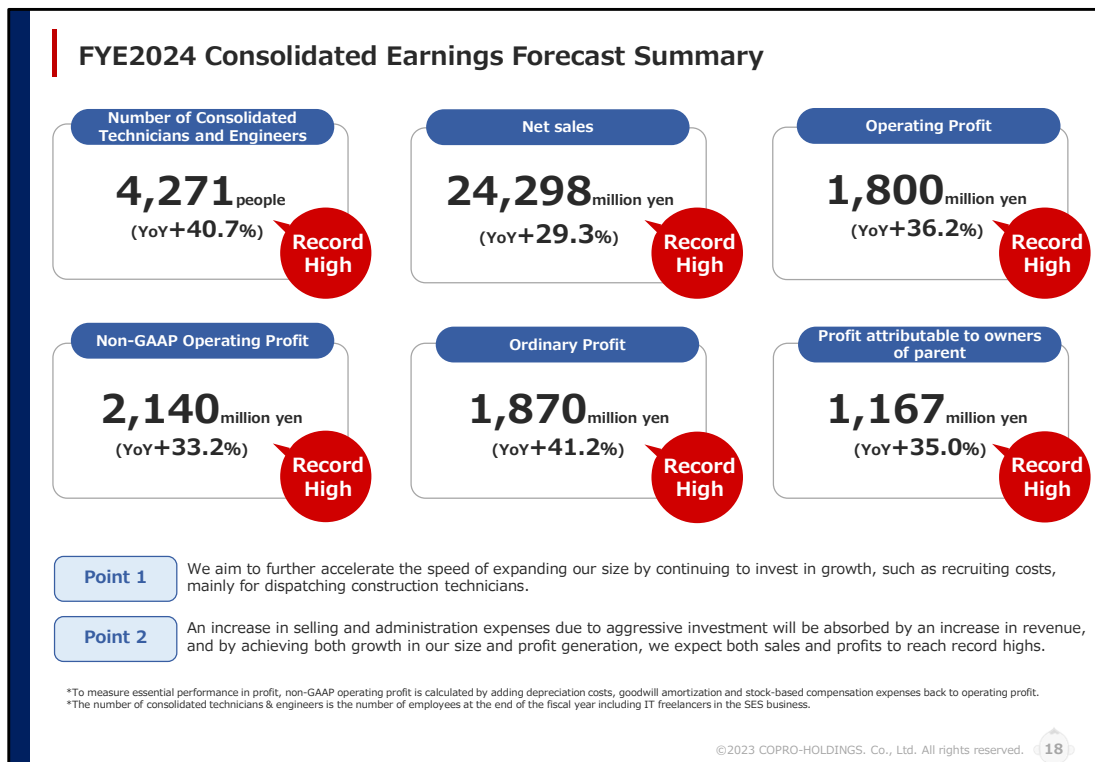
exchange of human resources, such as the ability of human resources who have been active at ATMOS to play an active role in the IT field. The purpose is also to improve competitiveness against other companies in the same industry, or to realize faster service for clients.

We have decided to implement this kind of group reorganization for the purpose of further expanding employment opportunities and career development for engineers and technicians who are working, and those who will be looking for jobs in the future.

SECTION 04

**FYE2024
Earnings Forecast**

04



Now I will explain the earnings forecast for FYE2024. There is no change from the previously announced forecast.

It is a 40.7% YoY increase in consolidated technical employees to 4,271 people, an increase in sales of 29.3% YoY to 24,298 million yen, and a rise in operating profit of 36.2% YoY to 1,800 million yen.

Non-GAAP operating profit is seen increasing 33.2% YoY to 2,140 million yen, with ordinary profit up 41.2% YoY to 1,870 million yen, and net profit rising 35% YoY to 1,167 million yen, with all reaching record highs.

There are three points. First, we will aim to further accelerate an expansion in scale by continuing to invest in growth, such as recruiting costs, mainly for the dispatching of construction technicians.

Second, while expanding the number of recruits, we will further strengthen our efforts to improve the retention rate based on the results of the first quarter.

Third, we expect record-high sales and profits by achieving both an expansion in scale and profit generation, and as for the rise in our selling and administration expenses as we actively invest, it will be absorbed by the increase in sales.

Financial Forecast for FYE2024

(million of yen)

	FYE2023			FYE2024 (forecast)				
	1st Half	Full-year	Ratio	1st Half	YoY	Full-year	Ratio	YoY
Net sales	8,670	18,791	100.0%	11,203	+29.2%	24,298	100.0%	+29.3%
Cost of sales	6,086	13,216	70.3%	8,040	+32.1%	17,233	70.9%	+30.4%
Gross profit	2,583	5,575	29.7%	3,162	+22.4%	7,065	29.1%	+26.7%
SG&A expenses	2,113	4,253	22.6%	2,667	+26.2%	5,265	21.7%	+23.8%
Operating profit	469	1,321	7.0%	495	+5.3%	1,800	7.4%	+36.2%
Non-GAAP operating profit*1	613	1,606	8.6%	660	+7.6%	2,140	8.8%	+33.2%
Ordinary profit	472	1,324	7.0%	565	+19.7%	1,870	7.7%	+41.2%
Profit attributable to owners of parent	280	864	4.6%	316	+12.7%	1,167	4.8%	+35.0%
Earnings per share (*2 before stock split) (¥)	30.20	93.09	-	33.82	-	124.60	-	-
Earnings per share (*2 after stock split) (¥)	15.10	46.55	-	16.91	-	62.30	-	-
Number of consolidated technicians and engineers (quarter end)*3	2,575	3,036	-	-	-	4,271	-	+40.7%

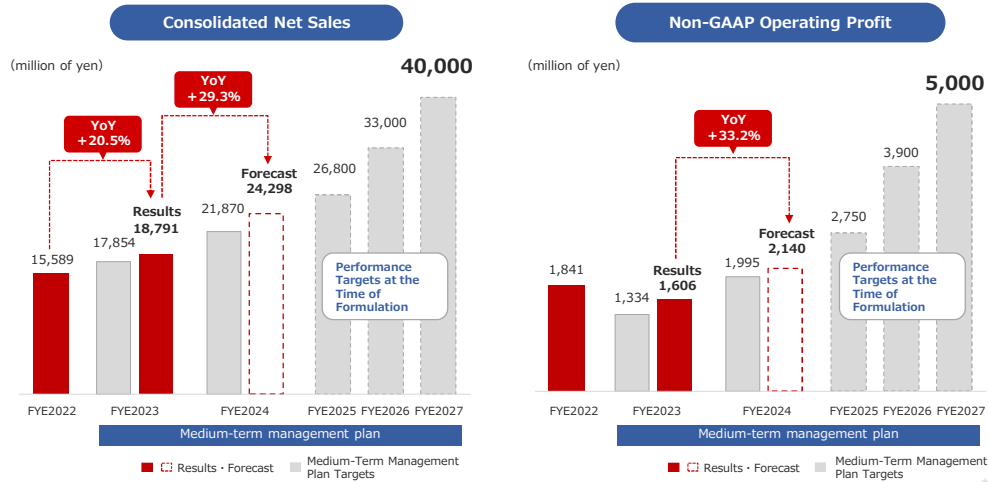
*1. To measure essential performance in profit, non-GAAP operating profit is calculated by adding depreciation costs, goodwill amortization and stock-based compensation expenses back to operating profit.

*2. A 2-for-1 stock split is scheduled to take effect on Sunday, October 1, 2023.

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

Progress of the Medium-Term Management Plan

- In the main business of construction engineer dispatching, the Company expects to realize the results of the sales and recruitment reforms it has promoted up to the previous fiscal year, and to shift to the "Profit Generation Phase" that will enter the harvest period from FYE2024.
- Aim to accelerate organic growth in existing businesses and achieve medium-term plan performance targets ahead of schedule.
- The company will also actively consider discontinuous growth through M&A that it has not factored into its medium-term plan.



Regarding the progress of the Medium-Term Management Plan, since there are no major changes from the previous fiscal year, I will briefly explain it again.

In construction technician dispatching, which is our main business, the results of the sales and recruitment reforms that have been promoted up to the previous FY are expected to bear fruit, and from FYE2024 we will transition to a "profit creation phase", which will be a harvesting stage.

We will also accelerate the organic growth of our existing businesses and aim to achieve our Medium-Term Plan performance targets ahead of schedule. In addition to this organic growth, we would like to actively consider intermittent growth through M&A that is not incorporated into the Medium-Term Plan.

In FYE2027, the final year of the Medium-Term Plan, we are forecasting consolidated net sales of 40 billion yen and non-GAAP operating profit of 5 billion yen.

SECTION 05

**FYE2024
Dividend Forecast**

05

Stock Split

Purpose of the stock split

By reducing the amount of our shares per unit of investment, we will create an environment that makes it easier for investors to invest, expand our investor base, and improve the liquidity of our shares.

Method of stock split

Percentage of stock splits	Split at a rate of 2 shares per share
Record Date	Saturday, September 30, 2023
Effective date	Sunday, October 1, 2023

* The record date above is effectively September 29, 2023 (Friday) for the holiday of the shareholder register administrator.

	Before stock split	After stock split
Number of issued shares	10,000,000 shares	20,000,000 shares
Total number of authorized shares	40,000,000 shares	80,000,000 shares

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Now I will explain the dividend forecast for FYE2024. First, we will implement a stock split. By reducing the price per investment unit of our stock, our purpose is to create an environment that makes it easier for investors to invest, which will expand the investor base, and improve the liquidity of our shares.

I will explain the method of the stock split. The stock split will be conducted at a ratio of 2 shares for 1 share. The base date will be September 30th, 2023, and the effective date will be October 1st, 2023. Due to this 2-for-1 stock split, the total number of issued shares and total number of authorized shares before and after the split are shown in the table at the bottom of the slide.

Dividends Forecast

Dividend Policy After the Change

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. We will not reduce dividends, but rather maintain a consolidated dividend payout ratio of 50% or more, 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.

Dividend per share

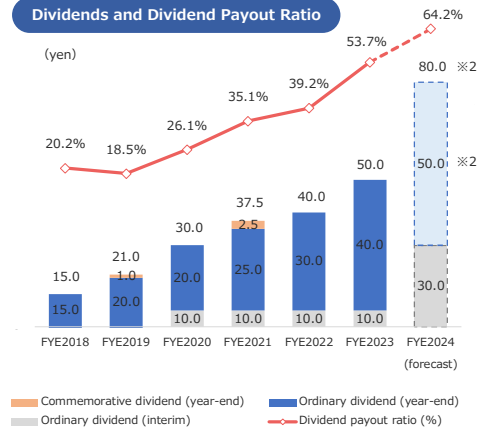
- ✓ For FYE2024, the dividend per share is forecast to increase by 30.0 yen to 80.0 yen for the full year.
- ✓ The consolidated dividend payout ratio is forecast to be 64.2%.

The revised of the year-end dividend for the year ending March 31, 2024 does not materially change the dividend forecast per share due to the revision accompanying the stock split.

	Interim	Term end	Total
FYE2023(results)	¥10.0	¥40.0	¥50.0
FYE2024(forecast) *1 when stock splits are not considered	¥30.0	¥50.0 ^{*2}	¥80.0 ^{*2}
FYE2024(revised forecast) *1 after a stock split	¥30.0	¥25.0 after a stock split	—

*1. A 2-for-1 stock split is scheduled to take effect on Sunday, October 1, 2023.
*2. Dividends per share without taking into account the stock split.
*3. The dividend per share before FYE2021 has been retroactively revised to take into account the impact of the one-to-two stock split implemented on April 1, 2021.

Dividends and Dividend Payout Ratio



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This is about the dividend forecast that takes into account the stock split. I will explain the dividend policy of the COPRO Group again. Dividends are the basis for shareholder returns, which we consider to be one of the important management issues. 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). Our basic policy is to pay stable dividends depending on the profit growth achieved through aggressive investment, while aiming for a consolidated dividend payout ratio of 50% or more.

For FYE2024 we are forecasting an annual dividend of 80.0 yen, an increase of 30.0 yen per share. We forecast a consolidated dividend payout ratio of 64.2%.

Dividends per share are shown in the table on the bottom left of the slide. The upper row is the actual results for FYE2023, the middle row is the forecast for FYE2024 (without considering the stock split), and the lower row is the revised forecast for FYE2024 (after the stock split).

For FYE2023, we paid an interim dividend of 10.0 yen per share, a year-end dividend of 40.0 yen, and an annual dividend of 50.0 yen. For FYE2024, (without considering the stock split), we forecast an interim dividend of 30.0 yen, a year-end dividend of 50.0 yen, and an annual dividend of 80.0 yen.

In the event of the 2-for-1 stock split in FYE2024, the interim dividend will be 30.0 yen per share as the split would not be implemented yet. We forecast that the year-end

dividend will be 25.0 yen after the split.

The right side of the slide shows changes in the dividends and dividend payout ratios by fiscal year, so please use it as a reference.

Greetings from Mr. Kiyokawa

We believe that FYE2024 has got off to a good start, but there are still many issues. Since it is clear where the problems and issues lie, we will do what we need to do to boost our business performance, steadily improve what we need to improve, and realize further business growth and profit generation.

All of our executives and employees will strive to improve our corporate value so that we can give you good reports in the second quarter, the third quarter, and for the full-year financial results.

We would like to ask all our shareholders and investors for their continued support of COPRO-HOLDINGS and the COPRO Group.

This concludes the presentation about the financial results for the first quarter. Thank you for your attention.

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- This document has been prepared by COPRO-HOLDINGS. Co., Ltd. (the "Company") to assist investors in understanding the current status of Company.
- The information contained in this document is based on economic, social, and other conditions generally recognized as of the date of publication and on certain assumptions deemed reasonable by Company. However, the information may be modified without notice due to changes in the business environment or other factors.
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