

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 Half**  
November 14, 2023



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

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- 01 Summary of the Consolidated Financial Results for 1st Half
- 02 Analysis of KPIs
- 03 Business Summary
- 04 Upward Revision of FYE2024 Earnings Forecast
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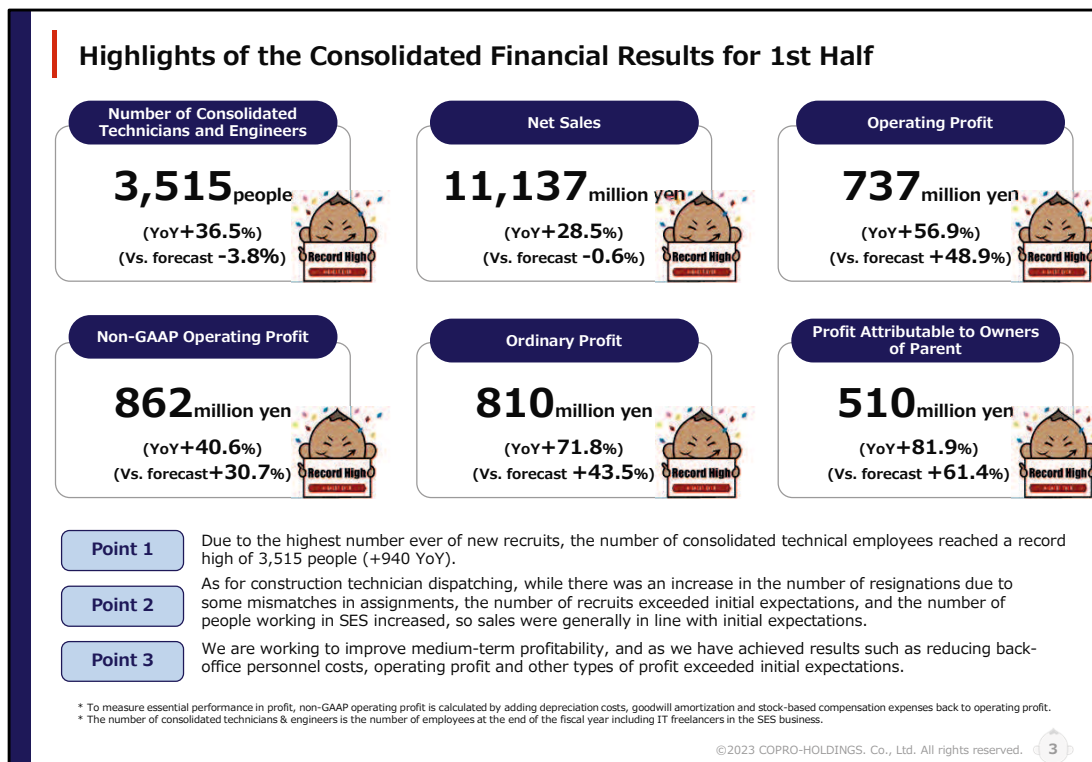
Good evening, everyone. I am Mr. Kiyokawa, the president and chief executive officer. Thank you very much for participating in today's briefing for investors.

I will now begin the explanation for the financial results in the second quarter of FYE2024. First, I will explain the summary of our financial results and the KPIs for the second quarter. Next, I will discuss the business overview, the upward revision to the earnings forecast for FYE2024, and the revision to the dividend forecast for FYE2024. Please refer to the corporate overview later.

## **SECTION 01**

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### **Summary of the Consolidated Financial Results for 1st Half**



Now I will explain the summary of our financial results for the second quarter. First are the highlights of the consolidated financial results. The slide clearly lists six items: consolidated number of technical employees, sales, operating profit, non-GAAP operating profit, ordinary profit and current net profit.

YoY, the number of consolidated technical employees increased by 36.5%, sales were up 28.5%, operating profit was up 56.9%, non-GAAP operating profit rose 40.6%, ordinary profit increased 71.8% and current net profit was up 81.9%, with record highs recorded in all categories.

There are three points. First, due to record high recruitment, the number of consolidated technical employees reached a record high of 3,515 people. The number has increased by about 940 people YoY.

Second, in our core business of dispatching construction technicians, although there has been an increase in the number of resignations due to mismatches in assignments, the number recruited exceeded initial forecasts. Additionally, due to an increase in the number of SES workers, which is handled by our subsidiary COPRO TECHNOLOGY, sales are generally trending as forecast.

Third, these factors boosted each type of profit. We are currently working to improve profitability over the medium term. At the same time, we have clearly set internal goals and are striving to improve sales or productivity per employee.

From this perspective, we were able to reduce the number of back-office employees that we had planned for at the beginning of the fiscal year, which enabled us to reduce personnel costs. As a result, this led to a significant boost in each type of profit.

While continuing the sales reforms we have been working on for the past two or three years, and still revising the recruiting process, we have also added the perspective of improving productivity for each employee from this fiscal year, and will continue to strive to improve our profit margins.

## Consolidated Financial Results for 1st Half

(million of yen)

	FYE2023		FYE2024		YoY Change		Vs. Forecast	
	1H results	Ratio	1H results	Ratio	Pct Change	Amount of Change	Pct Change	Amount of Change
Net sales	8,670	100.0%	<b>11,137</b>	100.0%	+28.5%	+2,467	-0.6%	-65
Cost of sales	6,086	70.2%	<b>8,072</b>	72.5%	+32.6%	+1,985	+0.4%	+32
Gross profit	2,583	29.8%	<b>3,065</b>	27.5%	+18.7%	+481	-3.1%	-96
SG&A expenses	2,113	24.4%	<b>2,328</b>	20.9%	+10.2%	+214	-12.7%	-338
Operating profit	469	5.4%	<b>737</b>	6.6%	+56.9%	+267	+48.9%	+242
Non-GAAP operating profit*	613	7.1%	<b>862</b>	7.7%	+40.6%	+248	+30.7%	+202
Ordinary profit	472	5.4%	<b>810</b>	7.3%	+71.8%	+338	+43.5%	+245
Profit attributable to owners of parent	280	3.2%	<b>510</b>	4.6%	+81.9%	+229	+61.4%	+194
Number of consolidated technicians & engineers (quarter end)*	2,575	-	<b>3,515</b>	-	+36.5%	+940	-3.8%	-137

\*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.

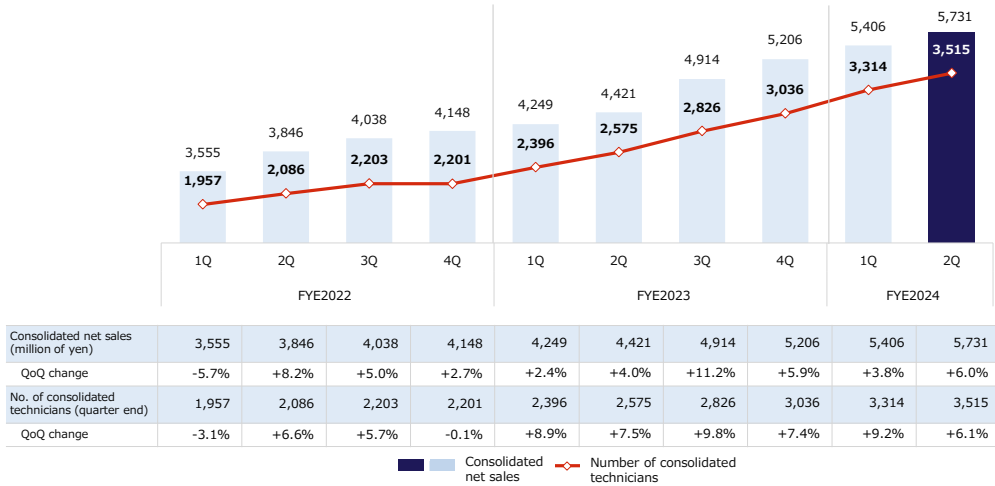
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These are the consolidated financial results for the second quarter. Sales increased 28.5% YoY to 11,137 million yen, the gross profit margin rose 18.7% YoY to 3,065 million yen, and operating profit increased 56.9% YoY to 737 million yen.

Non-GAAP operating profit increased 40.6% YoY to 862 million yen and ordinary profit rose 71.8% YoY to 810 million yen. Quarterly net profit increased 81.9% YoY to 510 million yen.

## Quarterly Consolidated Financial Results

- 2nd Quarter net sales and technician numbers both increased from the previous 1st 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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I will not explain the quarterly earnings forecast. As shown in the graph on the slide, our earnings are steadily increasing.

## 1st Half Financial Results by Subsidiaries

- Sales of COPRO EG increased significantly due to the highest number of recruits ever. Operating profit increased by 169 million yen YoY, absorbing the increase in standby labor costs during the training period, recruitment fees, and personnel costs as the number of new graduate technical employees increased in 1Q.
- The sales and gross profit margin of ATMOS increased significantly due to improved cost of sales and the lower cost of sales ratio. Operating profit increased by 29 million yen YoY due to a decline in the selling and administration expense ratio.
- VALUE ARK CONSULTING posted an operating profit decrease of 20 million yen YoY due to upfront costs associated with aggressive spending on advertising.
- HD contributed an 88 million yen increase in profit YoY due to a decrease in personnel expenses from streamlining at the head office and a decrease in stock award expenses.

(million of yen)

	FYE2023			FYE2024		
	1st Half results	YoY		1st Half results	YoY	
		Pct Change	Amount of Change		Pct Change	Amount of Change
<b>Net sales</b>	<b>8,670</b>	+17.1%	+1,268	<b>11,137</b>	+28.5%	+2,467
COPRO-ENGINEERD	8,149	+12.6%	+911	10,299	+26.4%	+2,149
ATMOS	428	+162.0%	+264	664	+55.1%	+236
VALUE ARK CONSULTING	92	-	+92	173	+88.2%	+81
<b>Gross profit</b>	<b>2,583</b>	+15.7%	+349	<b>3,065</b>	+18.7%	+481
COPRO-ENGINEERD	2,406	+8.0%	+178	2,799	+16.3%	+392
ATMOS	92	-	+86	170	+84.9%	+78
VALUE ARK CONSULTING	84	-	+84	95	+12.6%	+10
<b>SG&amp;A expenses</b>	<b>2,113</b>	+32.0%	+512	<b>2,328</b>	+10.2%	+214
COPRO-ENGINEERD	1,282	+40.1%	+367	1,506	+17.4%	+223
ATMOS	112	+74.9%	+48	161	+43.2%	+48
VALUE ARK CONSULTING	83	+101.7%	+42	115	+37.1%	+31
COPRO-HODINGS and others	634	+9.4%	+54	545	-14.0%	-88
<b>Operating profit</b>	<b>469</b>	-25.7%	-162	<b>737</b>	+56.9%	+267
COPRO-ENGINEERD	1,123	-14.4%	-189	1,293	+15.1%	+169
ATMOS	-20	-	+38	8	-	+29
VALUE ARK CONSULTING	1	-102.4%	+42	-19	-	-20
COPRO-HODINGS and others	-634	-	-54	-545	-	+88

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

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These are the results by subsidiary for the second quarter. Originally, our main business was dispatching technicians to the construction segment. Even now, out of the total, about 94% is the construction technician dispatching business. Since the second quarter is before the change in the company name, COPRO-ENGINEERD is the construction segment.

At ATMOS and VALUE ARK, which have mechanical and electrical engineers and SES engineers, they account for only about 5% of the total. However, because of the small size, we recognize that we must rapidly expand the business results.

YoY, COPRO-ENGINEERD's sales increased by 26.4%, ATMOS saw sales rise by 55.1%, and VALUE ARK's sales increased by 88.2%. Please refer to the consolidated operating profit later.



## SECTION 02

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### Analysis of KPIs

## KPIs by Subsidiaries

- Due to an increase in the number of recruits centering on our mainstay COPRO EG, the number of technical employee was 3,515, an increase of 36.5% YoY, and an increase of 940 people.
- Due to a worsening of the retention rate at COPRO EG, the retention rate for the first half was 83.7%, a decrease of 2.0pts YoY.  
⇒In 2Q, we improved by 2.5pts compared to 1Q by controlling mismatches in assignments and with thorough follow-up after assignment.

(people, thousands of yen)

	FYE2023					FYE2024					FYE2024	
	1Q	2Q	1st Half	2nd Half	Full-year	1Q	2Q	1st Half	YoY		Full-year (forecast)	
<b>Total recruited</b>	<b>443</b>	<b>360</b>	<b>803</b>	<b>944</b>	<b>1,747</b>	<b>664</b>	<b>502</b>	<b>1,166</b>	<b>+45.2%</b>	<b>+363</b>	<b>2,331</b>	
COPRO-ENGINEERD	293	315	608	864	1,472	614	458	1,072	+76.3%	+464	2,120	
ATMOS	14	23	37	48	85	29	27	56	+51.4%	+19	123	
VALUE ARK CONSULTING	14	22	36	32	68	21	17	38	+5.6%	+2	88	
Increase due to M&A, etc.	122	0	122	0	122	0	0	0	-	-	-	
<b>Turnover total</b>	<b>248</b>	<b>181</b>	<b>429</b>	<b>483</b>	<b>912</b>	<b>386</b>	<b>301</b>	<b>687</b>	<b>+60.1%</b>	<b>+258</b>	<b>1,096</b>	
COPRO-ENGINEERD	223	158	381	431	812	361	283	644	+69.0%	+263	1,008	
ATMOS	8	11	19	23	42	13	9	22	+15.8%	+3	30	
VALUE ARK CONSULTING	17	12	29	29	58	12	9	21	-27.6%	-8	58	
<b>No. of technicians and engineers</b>	<b>2,396</b>	<b>2,575</b>	<b>2,575</b>	<b>3,036</b>	<b>3,036</b>	<b>3,314</b>	<b>3,515</b>	<b>3,515</b>	<b>+36.5%</b>	<b>+940</b>	<b>4,271</b>	
COPRO-ENGINEERD	2,187	2,344	2,344	2,777	2,777	3,030	3,205	3,205	+36.7%	+861	3,889	
ATMOS	122	134	134	159	159	175	193	193	+44.0%	+59	252	
VALUE ARK CONSULTING	87	97	97	100	100	109	117	117	+20.6%	+20	130	
<b>Retention rate</b>	<b>90.6%</b>	<b>93.4%</b>	<b>85.7%</b>	<b>86.3%</b>	<b>76.9%</b>	<b>89.6%</b>	<b>92.1%</b>	<b>83.7%</b>	<b>-</b>	<b>-2.0pt</b>	<b>79.6%</b>	
COPRO-ENGINEERD	90.7%	93.7%	86.0%	86.6%	77.4%	89.4%	91.9%	83.3%	-	-2.7pt	79.4%	
ATMOS	93.8%	92.4%	87.6%	87.4%	79.1%	93.1%	95.5%	89.8%	-	+2.2pt	89.4%	
VALUE ARK CONSULTING	83.7%	89.0%	77.0%	77.5%	63.3%	90.1%	92.9%	84.8%	-	+7.8pt	69.1%	
<b>Sales per engineer (period average)</b>	<b>648</b>	<b>638</b>	<b>643</b>	<b>644</b>	<b>643</b>	<b>619</b>	<b>609</b>	<b>614</b>	<b>-4.6%</b>	<b>-30</b>	<b>601</b>	
COPRO-ENGINEERD	649	641	645	645	644	618	608	613	-5.0%	-32	602	
ATMOS	578	560	576	614	599	622	603	612	+6.3%	+37	635	
VALUE ARK CONSULTING	593	553	566	592	587	656	668	662	+16.9%	+96	552	

\* The above figures, excluding sales per technical employee at VALUE ARK CONSULTING, include IT freelance engineers. The amount of sales per technical employee is for dispatched technical employees only, excluding IT freelancers.

\* 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

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

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These are the KPI trends by subsidiary. The slide shows the number of recruits, number of resignations, number of technical employees, the retention rate and sales per technical employee.

As I explained at the beginning, we achieved the highest number of recruits ever. While the number of recruits and the number of technical employees has increased significantly, the number of resignations exceeded the planned number.

Due to the increase in the number of resignations, the retention rate decreased by 2 points to 83.7% from 85.7% in the previous year. I will explain later, but the cause has already been determined. We have already taken action and have improved the retention rate.

## Reference) Construction Technician Dispatching Business KPIs

- The number of recruits increased by 76.3% YoY to 1,072 people due to a significant increase in the number of inexperienced recruits because of strengthened process management.
- The 2Q utilization rate was 94.6%, an improvement of 1.6pts compared to 1Q, as the 154 new graduate technical employees who joined the company at the beginning of the period were put to work.
- Due to increased recruiting of inexperienced personnel, some mismatches occurred, and the retention rate in 1Q was 89.4%, down 1.3pts YoY.  
⇒ By strengthening post-assignment follow-up in 2Q, the retention rate in 2Q was 91.9%, an improvement of +2.5pts compared to 1Q.



### Recruitment, Turnover and Utilization rate

(people)

	FYE2022		FYE2023					FYE2024			
	Full-year	1Q	2Q	1H	3Q	4Q	Full-year	1Q	2Q	1H	Full-year (forecast)
<b>Total recruited</b>	834	293	315	608	417	447	1,472	614	458	1,072	2,120
New graduates	56	54	0	54	2	0	56	154	0	154	154
Mid-career	778	239	315	554	415	447	1,416	460	458	918	1,966
<b>Turnover total</b>	859	223	158	381	191	240	812	361	283	644	1,008
<b>Net change</b>	-25	+70	+157	+227	+226	+207	+660	+253	+175	+428	+1,112
Increase due to M&A, etc.	0	+122	0	122	0	0	+122	0	0	0	-
<b>Number of technicians (quarter end)</b>	1,995	2,187	2,344	2,344	2,570	2,777	2,777	3,030	3,205	3,205	3,889
<b>Utilization rate (period average)</b>	96.9%	96.3%	97.1%	96.7%	96.3%	95.7%	96.3%	93.0%	94.6%	93.8%	-

### Retention rate

	FYE2022		FYE2023					FYE2024			
	Full-year	1Q	2Q	1H	3Q	4Q	Full-year	1Q	2Q	1H	Full-year (forecast)
<b>Retention rate</b>	69.9%	90.7%	93.7%	86.0%	93.1%	92.0%	77.4%	89.4%	91.9%	83.3%	79.4%
<b>Retention rate (FY accumulative total)</b>	69.4%	89.7%	84.2%	84.2%	79.0%	74.4%	74.4%	89.2%	82.3%	82.3%	-
<b>Retention rate (Last twelve months)</b>	69.4%	71.8%	72.3%	72.3%	72.7%	74.4%	74.4%	75.0%	73.2%	73.2%	-

\*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

\*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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The slide lists the KPIs for the construction technician dispatching business. The most important point regarding the results for the first half of the year is that even though the number of recruits increased significantly, there were a large number of resignations. It can be said that a mismatch in recruitment and assignments had an impact.

The graph at the bottom of the slide shows the trend in the retention rate. Please have a look at it later.

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

- The number of new recruits increased significantly due to active investment in recruiting costs and an increase in the number of people in charge of recruitment, with the number of engineers increasing by 59 people YoY to 193.
- As the number of recruits increases, we will strengthen the acquisition of projects with no experience. The utilization rate remained at a high level of 97.0%.
- The 2Q retention rate was 95.5%, an improvement of +2.4pts compared to 1Q due to strengthening the cooperation between sales and recruitment.



### Recruitment, Turnover and Utilization rate

(people)

	FYE2022	FYE2023						FYE2024			
	Full-year (June-Mar)	1Q (Apr-June)	2Q (July-Sep)	1H	3Q (Oct-Dec)	4Q (Jan-Mar)	Full-year	1Q	2Q	1H	Full-year (forecast)
<b>Total recruited</b>	20	14	23	37	25	23	85	29	27	56	123
New graduates	0	1	0	1	0	0	1	5	0	5	4
Mid-career	20	13	23	36	25	23	84	24	27	51	119
<b>Turnover total</b>	15	8	11	19	11	12	42	13	9	22	30
<b>Net change</b>	+5	+6	+12	+18	+14	+11	+43	+16	+18	+34	+93
<b>Number of technicians (quarter end)</b>	116	122	134	134	148	159	159	175	193	193	252
<b>Utilization rate (period average)</b>	98.6%	96.9%	96.9%	96.9%	98.6%	97.5%	97.5%	95.9%	97.9%	97.0%	-

### Retention rate

	FYE2022	FYE2023						FYE2024			
	Full-year (June-Mar)	1Q (Apr-June)	2Q (July-Sep)	1H	3Q (Oct-Dec)	4Q (Jan-Mar)	Full-year	1Q	2Q	1H	Full-year (forecast)
<b>Retention rate</b>	-	93.8%	92.4%	87.6%	93.1%	93.0%	79.1%	93.1%	95.5%	89.8%	89.4%
<b>Retention rate (FY accumulative total)</b>	88.9%	93.1%	89.7%	89.7%	85.3%	81.0%	81.0%	93.7%	89.9%	89.9%	-
<b>Retention rate (Last twelve months)</b>	88.9%	84.7%	85.2%	85.2%	84.9%	81.0%	81.0%	82.8%	84.2%	84.2%	-

\*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

\*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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These are the KPIs for the mechanical design and development engineer dispatching and contracting business. Please look at the number of recruits and resignations on the slide. The retention rate for mechanical design and development engineers and the SES area remains at a high level compared to the construction segment.

The construction industry is difficult, harsh and demanding because the work is outside, but for mechanical design and development engineers, their work is mainly indoors. We recognize that this is where the difference in retention rates arises. While it may be impossible to achieve, my ideal is to have a 100% retention rate. We would like to take further action as we aim for high retention rates in construction, mechanical and electrical engineering and SES.

## Reference) SES Business KPIs

- Our focus is on the operation of "Bscareer 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 investment in advertising expenses in conjunction with the release of "Bscareer IT".



### Recruitment, Turnover and Utilization rate

(people)

	FYE2022		FYE2023					FYE2024			
	Full-year	1Q	2Q	1H	3Q	4Q	Full-year	1Q	2Q	1H	Full-year (forecast)
Number of applicants	320	213	408	621	354	264	1,239	594	651	1,245	-
Total recruited	16	14	22	36	17	15	68	21	17	38	88
Turnover total	16	17	12	29	6	23	58	12	9	21	58
Net change	-	-3	+10	+7	+11	-8	+10	+9	+8	+17	+30
Number of technicians (quarter end)	90	87	97	97	108	100	100	109	117	117	130
Utilization rate (period average)	100.0%	100.0%	100.0%	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

	FYE2022		FYE2023					FYE2024			
	Full-year	1Q	2Q	1H	3Q	4Q	Full-year	1Q	2Q	1H	Full-year (forecast)
Retention rate	-	83.7%	89.0%	77.0%	94.7%	81.3%	63.3%	90.1%	92.9%	84.8%	69.1%

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

\*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

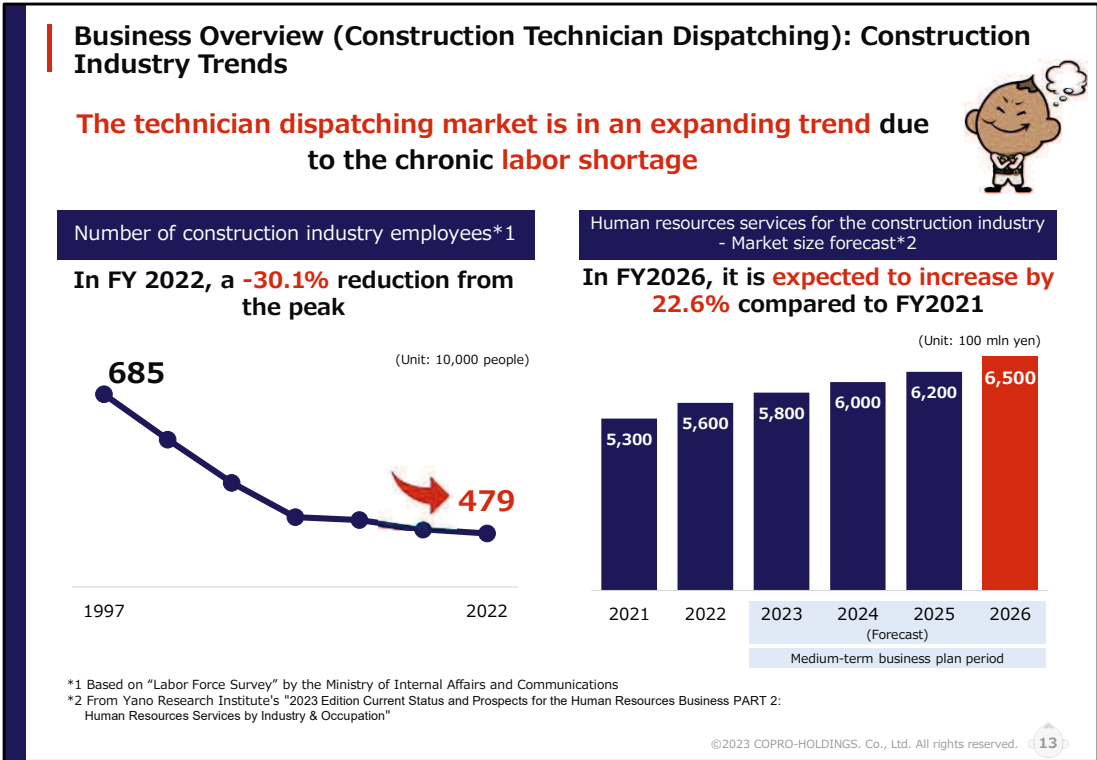
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This slide shows the KPIs for the SES business.

## SECTION 03

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### Business Summary



Now I will explain the business overview. The slide details the external environment for construction technician dispatching. The graph on the left side of the slide shows the number of people employed in the construction industry. As of FY2022, the number has decreased by 30.1% compared to the peak, showing the effects of the declining birthrate, an aging population and the labor shortage surrounding the construction industry.

The graph on the right side of the slide shows the predicted market size for human resource services for the construction industry. It shows how the market for companies like ours will change in the future. This is based on data published by the Yano Research Institute.

FY2023 is the first year of our Medium-Term Management Plan, and the total market is estimated to be 580 billion yen. In 2026, one year before the final year of the Medium-Term Management Plan, we expect the market to reach 650 billion yen, an increase of 22.6% compared to FY2021.

As the large shortage of human resources continues, we believe that the purpose, position and necessity of a company targeting the construction industry, such as ours, will further increase in the future, creating a great opportunity.

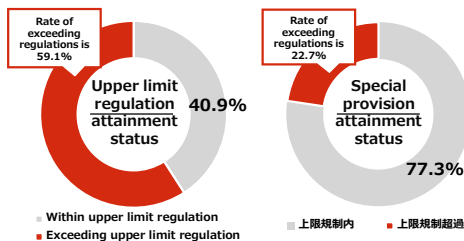
## Business Overview (Construction Technician Dispatching): Construction Industry Trends

Demand will continue to grow due to the application of the revised Labor Standards Law\*1 and active construction investment



### The approaching 2024 problem

While the application of the upper limit regulation is approaching in 2024, as of FY2021, the rate of exceeding the regulation is 59.1%, and even when special provisions are applied, it is 22.7%. \*2



Upper limit regulation: 45 hours per month, 360 hours per year.  
Special provisions: 720 hours per year, multi-month average of 80 hours per month, less than 100 hours per month (including work on holidays)

### Construction industry continues to see large-scale projects

The construction industry is facing many large-scale projects such as linear motor trains, the Osaka Expo, semiconductors and redevelopment-related construction.



\*1 From April 2024, the upper limit on overtime work under the revised Labor Standards Law will begin to apply to the construction industry.  
\*2 From "Current Status of the Construction Industry as Seen from National Statistics (FY2022)" by the Japan Federation of Construction Contractors.  
\*3 ©Maryland GovPics, 2015, CC-BY-2.0, [https://commons.wikimedia.org/wiki/File:SC\\_Maglev\\_Test\\_Ride\\_\(18464832625\).jpg](https://commons.wikimedia.org/wiki/File:SC_Maglev_Test_Ride_(18464832625).jpg)  
\*4 Provided by: Japan Association for the 2025 World Exposition  
\*5 ©Syced, 2023, CC-Zero, [https://commons.wikimedia.org/wiki/File:Toranomom-Azabudal\\_district\\_2023.jpg](https://commons.wikimedia.org/wiki/File:Toranomom-Azabudal_district_2023.jpg)

Now I will explain trends in the construction industry. Demand will continue to grow due to the application of the revised Labor Standards Law and active construction investment. On the left side of the slide, the graph shows the "approaching 2024 problem."

As you can see in the graph on the left, if the law were applied to the construction industry in 2024, 59.1% of the construction industry would already exceed the legal upper limit for overtime work.

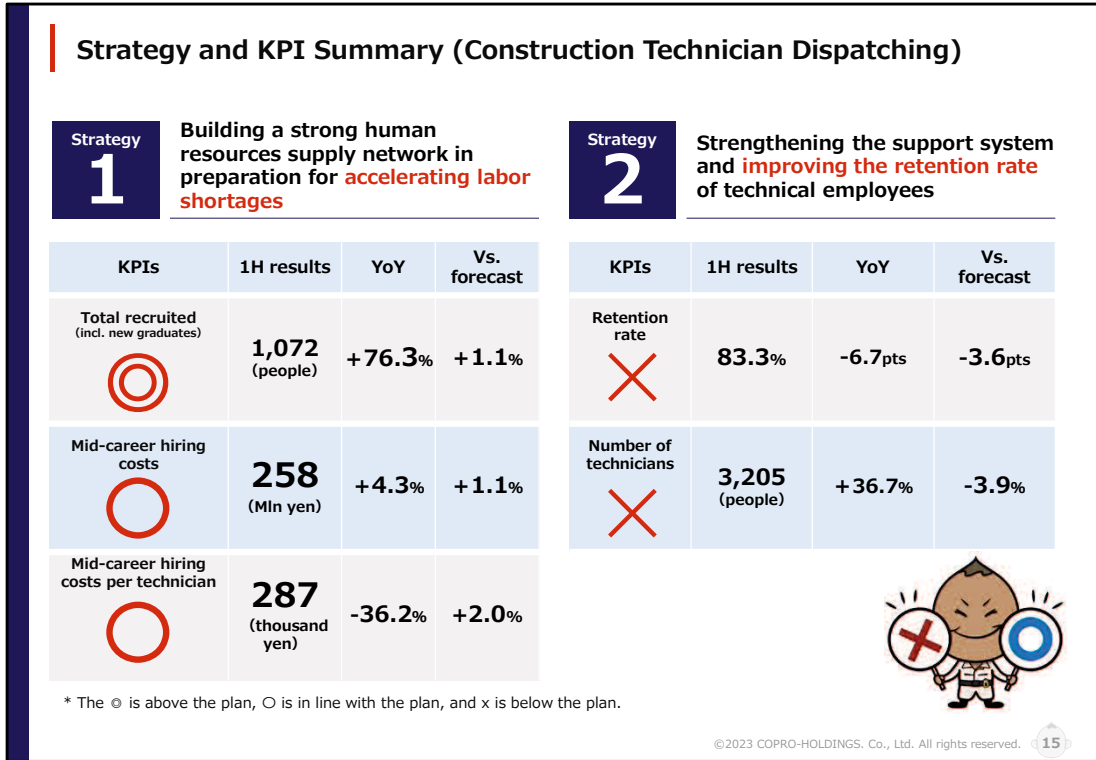
The graph on the right shows the attainment status of the special provision, but even if the "Article 36 Agreement" is newly submitted and a labor-management agreement is concluded, 22.7% of the total would violate the upper limit regulation with penalties.

Looking at it from a different perspective, this means that from April 2024 onwards, the work that is being done by about 23% of the total people will no longer be able to be done by one person. Therefore, we believe that our role will continue to grow in the future.

Please look at the right side of the slide. The construction industry continues to see large-scale projects. There are many redevelopment projects scheduled for government-ordinance-designated cities such as Tokyo, Nagoya and Osaka, including the linear motor train and the Osaka Expo, and the labor shortage is expected to accelerate in the future.

At that time overtime regulations such as the "2024 problem" will come into play. Additionally, there are a number of big projects coming up one after another, which we believe will be a tailwind for our industry.





Here is the strategy and KPI summary for construction technician dispatching. This shows the KPIs that we place importance on: number of recruits, recruiting costs, the unit price for recruitment, the retention rate and the number of technical employees. As a self-rating within the company, and as listed at the bottom of the slide, "◎" is above the plan, "○" is in line with the plan, and "x" is below the plan.

The number of recruits was perfect. With it up 76.3% YoY and up 1.1% versus the plan, we believe that we can evaluate it properly within the company, and are giving it a "◎" rating.

Recruiting costs were 258 million yen, an increase of 4.3% YoY, and a rise of 1.1% compared to the plan, so we gave it a rating of "○".

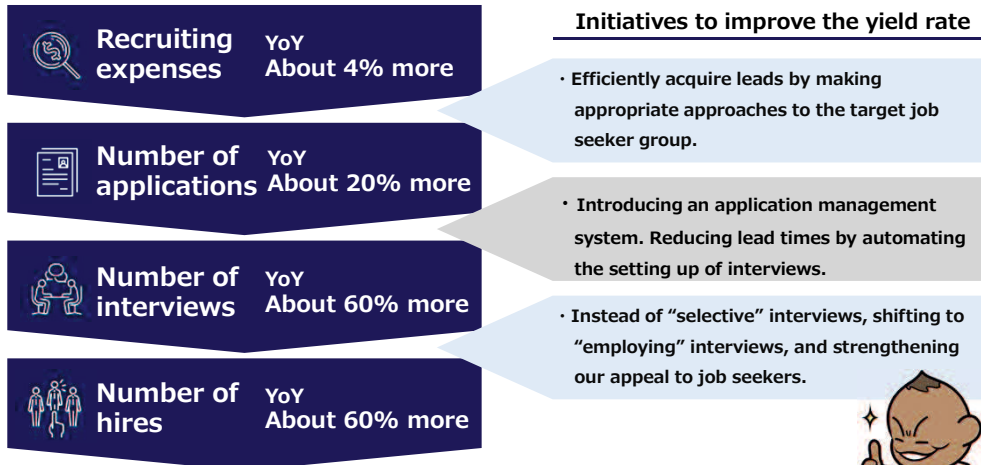
The unit price for recruitment was 287,000 yen, a decrease of 36.2% YoY, so our assessment is that we have achieved greater cost control than last year. On the other hand, it was a little more than planned, so the rating was "○".

The rating for the retention rate was "x". The first half result was 83.3%, which is 2.7 points worse YoY. Even compared to the plan, it is down 3.6 points.

The number of technical employees is 3,205 people. While we were able to achieve a significant increase of 36.7% YoY, we are giving it an "x" rating because it was 3.9% below what we were seeking in the plan.

## Strategy ①: Building a Strong Human Resources Supply Network in Preparation for Accelerating Labor Shortages

• In order to strengthen our recruiting system, which is the basis for business expansion, we are thoroughly implementing "process management" and improving each yield rate.



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We continue to focus on revising our recruiting process. At this point it is not a perfect process. There is still room to revise it. We would like to continue to further refine our process management, such as how much we should spend, how many human resources we should attract, how many we should interview, and how many we should make offers to.

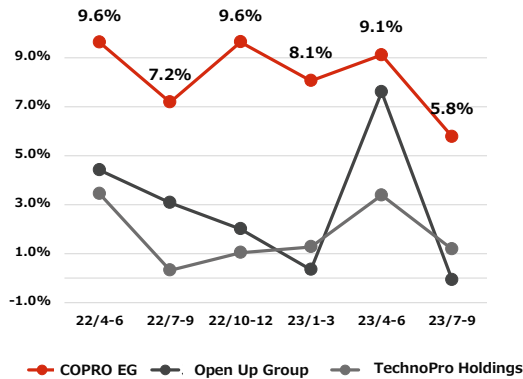
As for the current situation, as you can see from the slide, recruiting costs increased by 4% YoY, but the number of applications increased by about 20%, and the number of interviews by about 60%, so we were able to increase by more than the investment in recruiting costs.

Additionally, the number of recruits has increased by 60%, and efforts to improve the yield rate are steadily bearing fruit. We would like to further raise the level and build a more robust recruiting system.

## Strategy ①: Building a Strong Human Resources Supply Network in Preparation for Accelerating Labor Shortages

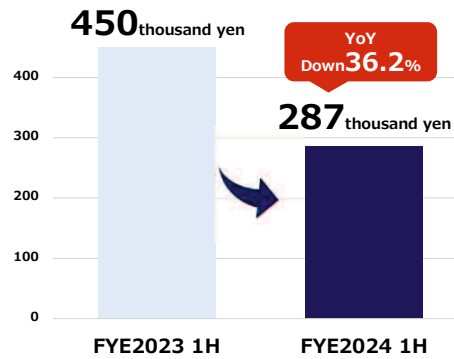
- Efforts to strengthen the recruiting system have been successful, and the growth rate for the number of technical employees remains at a high level.
- Due to the improved yield rate, the unit price for recruitment decreased significantly YoY.

Trend in the rate of increase for the number of construction technical employees (QoQ end)



\*Created by our company based on information published by each company

Change in the unit price for recruitment



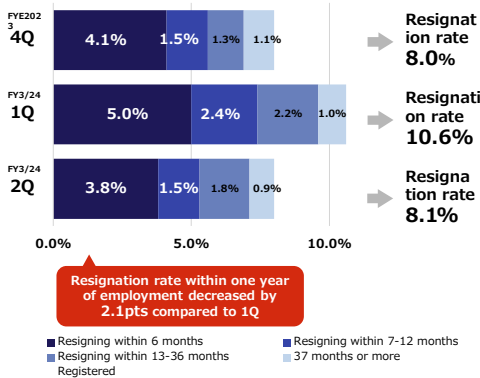
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The graph on the left side of the slide shows the trend in the rate of increase for the number of employed construction technicians. This graph compares with other companies in the same industry. Additionally, the graph on the right side of the slide shows the improvement in the unit price for recruitment. For the first half of FYE2023, it cost 450,000 yen to recruit one person, but in the first half of this fiscal year it cost 287,000 yen, a decrease of 36.2%, allowing us to control costs.

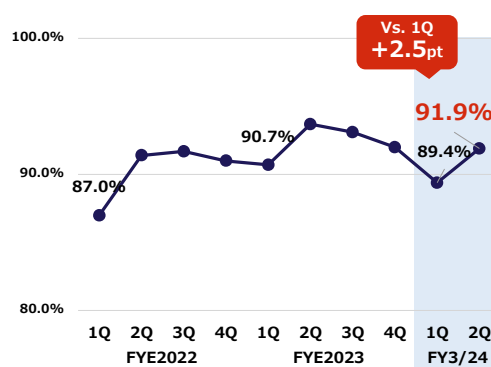
## Strategy ②: Strengthening the Support System and Improving the Retention Rate of Technical Employees

- In the 1Q of FYE2024, due to some mismatches in assignments because of an increase in the number of recruits, and a lack of follow-up after assignment, the number of technical employees resigning within one year of employment increased.
- In the 2Q of FYE2024, in addition to eliminating mismatches in assignments, as a result of revising the post-assignment support system, the number of technical employees who soon resigned within the first year of employment has decreased, and the retention rate has improved.

### Trend in the resignation rate by number of months of employment



### Change in the retention rate\*



\* Retention rate = Number of technical employees at the end of the current period (current quarter) ÷ (Number of technical employees at the end of the previous period (previous quarter) + Number of recruits in the current period (current quarter)) × 100

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The slide shows a graph of the retention rate, comparing the fourth quarter FYE2023 and the first quarter of FYE2024. In the fourth quarter of FYE2023, the resignation rate was 8%. As you can see in the graph, in the first quarter of FYE2024, 5% of employees resigned within six months of joining the company, an increase of approximately 1 point from the previous quarter.

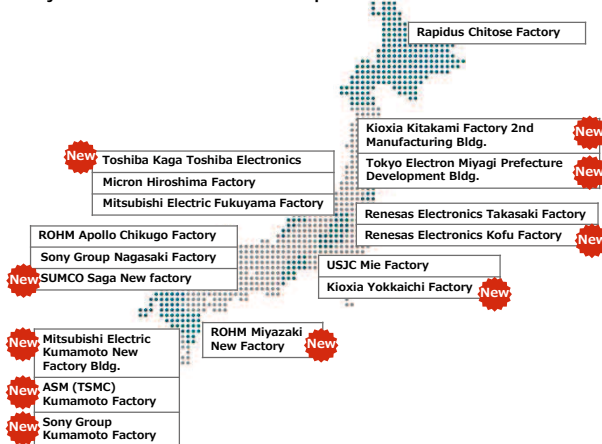
Due to this, the resignation rate in the first quarter of 2024 was 10.6%, but as a result of analyzing the causes and implementing countermeasures in the second quarter, our efforts were successful, and the resignation rate improved to 8.1%.

As I explained earlier, the increase in the number of recruits has resulted in mismatches in assignments, and the number of employees resigning after about six months to less than a year has increased, so we would like to continue to strengthen our measures and improve the retention rate.

## Business Overview (Mechanical Design and Development Engineer Dispatching Business): Opening of Semiconductor Training Center

- As the movement to bring semiconductor production back to Japan is gaining momentum, and in response to the increasing demand for field engineers who are stationed 24 hours a day to handle troubleshooting and maintenance of manufacturing equipment, we plan to open a semiconductor training center in Shin-Yokohama in January 2024.
- We plan to conduct training using equipment that is equivalent to the work environment at the place of assignment. We welcome employees from major semiconductor manufacturers as instructors, and aim to help those with no experience to become immediately effective

### ■ Major semiconductor factories in Japan



\*The images are illustrations.

\*Prepared by our company based on a Nihon Keizai Shimbun article from August 16, 2023.

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I will explain with a focus on the main points regarding the announcement. As you can see on the left side of the slide, as a national policy it has been decided to attract semiconductor factories. As the movement to bring semiconductor production back to Japan is gaining momentum, and in response to the increasing demand for field engineers who are stationed 24 hours a day to handle troubleshooting and maintenance of manufacturing equipment, we plan to open a semiconductor training center in Shin-Yokohama in January 2024.

In this way, we are firmly focusing on the semiconductor boom through training and producing field engineers, and hope to further expand sales.

## “Bscareer Kiden” Opens on November 7, 2023

- “Bscareer Kiden”, a project introduction site for engineers in the mechanical and electrical field, opened on November 7, 2023.
- Following on from “Bscareer IT”, we have strengthened our branding by appointing the comedy duo Miyashita Kusanagi as brand ambassadors.
- We will also update the project introduction site for technicians in the construction field, “G-Career”, and enhance the brand power of the COPRO Group.

### ■ Project search site for construction human resources “G-Career”



### ■ Project search site for IT human resources “Bscareer IT”



### ■ Project search site for mechanical and electrical human resources “Bscareer Kiden”



フリーランスエンジニア案件・求人を探す

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This is with regards to our company's recruitment sites. Following the project search site “Bscareer IT” for IT human resources, which started in March 2023, on November 7th we newly opened “Bscareer Kiden” with the comedy duo Miyashita Kusanagi as the brand ambassadors.

We are currently in the process of renewing “G-Career”, a project introduction site for technicians in the construction field. We are actively investing in advertising and would like to make the Bscareer brand one of our recruiting strengths.

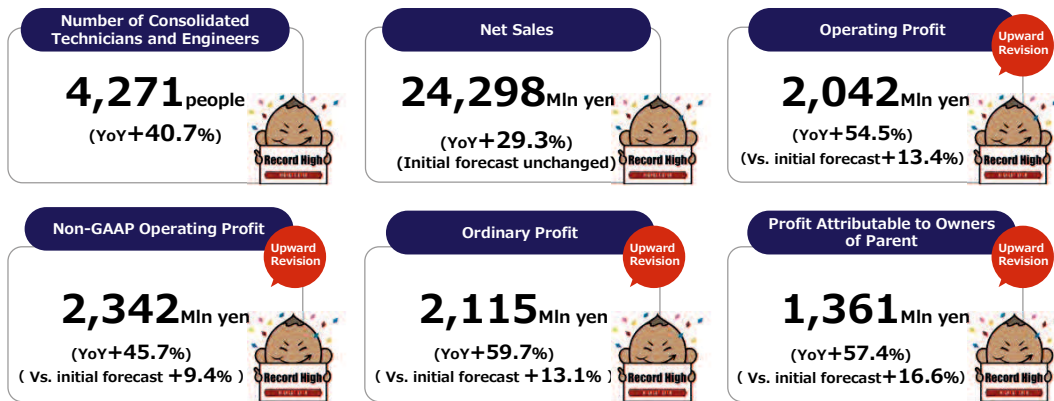
**SECTION 04**

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**Upward Revision of  
FYE2024  
Earnings Forecast**

04

## Upward Revision of the Full FY Earnings Forecast for FYE2024 (Summary)



### Point

- Regarding the full-year consolidated earnings forecast for FYE2024, demand is expected to remain strong from the third quarter onwards, and selling, general and administrative expenses are expected to continue to be controlled.
- On the other hand, in order to securely capture expanding demand as the upper limit on overtime work will apply to the construction industry in April 2024, since our policy is to flexibly invest in recruiting costs and other expenses and prioritize securing the number of technical employees, our consolidated earnings forecast for the second half of the year remains unchanged from the initial forecast, and only the excess of forecasts for the first half has been revised upward.

\* 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.  
 \* 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 I will explain the upward revision of the earnings forecast for FYE2024. Just like the slide we presented for the financial results earlier, we have prepared six categories. The number of consolidated technical employees is seen at 4,271 people, an increase of 40.7% YoY, sales are expected to be 24,298 million yen, an increase of 29.3% YoY, and operating profit is seen at 2,042 million yen, an increase of 54.5% YoY.

Non-GAAP operating profit is expected to be 2,342 million yen, an increase of 45.7% YoY, ordinary profit is seen at 2,115 million yen, an increase of 59.7% YoY, and current net profit is forecast to be 1,361 million yen, an increase of 57.4% YoY, so that we have revised upward each type of profit for the portions that exceeded our expectations in the first half. On the other hand, the initial sales forecast remains unchanged.

If we achieve all of these forecasts, we will have achieved record highs in all categories at the end of this fiscal year. We intend to further increase our corporate value by working diligently on each type of profit.



## Upward Revision of FYE2024 Consolidated Earnings Forecast

- For each type of profit, we have upwardly revised the first half's upside.
- In order to prepare for the increasing demand for human resources due to the application of upper limits on overtime work, we plan to actively invest in recruiting costs, so the consolidated earnings forecast for the second half of the year remains unchanged from the initial forecast.

(million of yen)

	FYE2023	FYE2024 (forecast)						
	Full-year	Full-year (initial forecast)	Full-year (revised forecast)	Ratio	Vs. initial forecast		YoY	
					Pct Change	Amount of Change	Pct Change	Amount of Change
Net sales	18,791	24,298	24,298	100.0%	-	-	+29.3%	+5,506
Cost of sales	13,216	17,233	17,233	70.9%	-	-	+30.4%	+4,016
Gross profit	5,575	7,065	7,065	29.1%	-	-	+26.7%	+1,489
SG&A expenses	4,253	5,265	5,023	20.7%	-4.6%	-242	+18.1%	+769
Operating profit	1,321	1,800	2,042	8.4%	+13.4%	+242	+54.5%	+720
Non-GAAP operating profit*1	1,606	2,140	2,342	9.6%	+9.4%	+202	+45.7%	+735
Ordinary profit	1,324	1,870	2,115	8.7%	+13.1%	+245	+59.7%	+790
Profit attributable to owners of parent	864	1,167	1,361	5.6%	+16.6%	+194	+57.4%	+496
Earnings per share (*2 after stock split) (¥)	46.55	62.30	72.35	-	-	+10.05	-	+25.80
Number of consolidated technicians and engineers (quarter end)*3	3,036	4,271	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 was taken effect on Sunday, October 1, 2023.

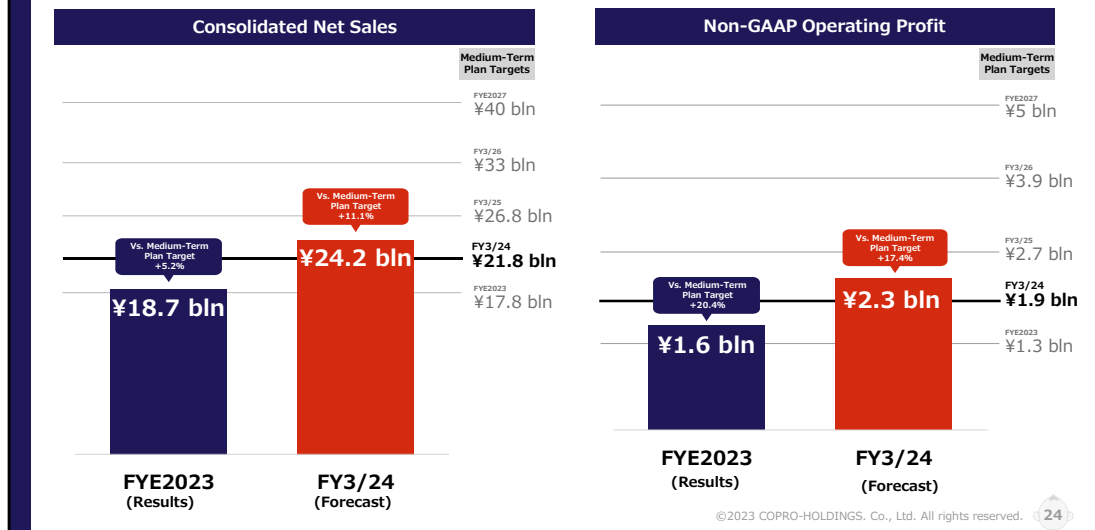
\*3. The number of consolidated technicians & engineers is the number of employees at the end of the fiscal year including IT freelancers in the SES business.

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This lists the P&L. I will not explain in detail, but we have made upward revisions because each type of profit has significantly exceeded the planned amounts.

## 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.
- We will accelerate the organic growth of our existing businesses and aim to exceed the Medium-Term Plan performance targets for each fiscal year.
- The company will also actively consider discontinuous growth through M&A that it has not factored into its medium-term plan.



This is the progress of the Medium-Term Management Plan. The graph on the left side of the slide is consolidated sales, and the graph on the right side is non-GAAP operating profit. Now I will explain how to read the table. Look at the numbers to the right of each graph. Starting at the bottom with 17.8 billion yen for FYE2023, sales targets are listed for FYE2024, FYE2025, FYE2026, and FYE2027, which is the final year of the Medium-Term Management Plan.

Results for FYE2023 were 18.7 billion yen, an increase of 5.2% compared to the Medium-Term Plan target. This fiscal year, we are forecasting sales of 24.2 billion yen, an increase of 11.1% compared to the Medium-Term Plan target. The same view applies to non-GAAP operating profit.

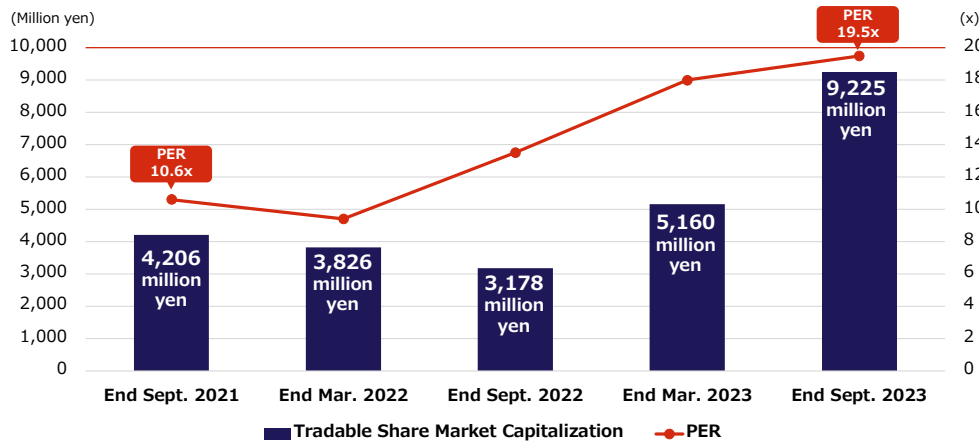
With regards to the concept of the Medium-Term Management Plan until now, we have slightly changed the wording from the current financial results. With our business model, we don't think it's that realistic to bring forward the Medium-Term Management Plan by one year just by achieving organic growth.

On the other hand, as you can see in the slide, each fiscal year we aim to achieve results that are higher than planned. While solidifying our footing with such an approach, we have changed things with the aim of significantly increasing sales in the future.

Additionally, as stated in the slide, our policy is to actively consider M&A as a means of one-time growth. By combining organic growth with M&A, we believe it is more than possible to achieve consolidated sales and non-GAAP operating profit one year ahead of schedule in the Medium-Term Management Plan.

## Status for Complying with Criteria to Maintain our Prime Market Listing

- In order to meet the criteria of “market capitalization of ¥10 billion or more for tradable shares” to maintain our listing, and recognizing that further improvement in our stock price, which is a component of market capitalization for tradable shares, is an issue, we are promoting various initiatives to exceed the targets of the Medium-Term Management Plan “COPRO Group Build the Future 2027” (FYE2023 to FYE2027).
- While striving to improve our business performance, which is the source of our corporate value, and by raising the expectations of investors regarding our growth potential, we aim to improve our stock price to comply with the criteria to maintain our listing. Furthermore, we will continue to position the return of profits to shareholders as an important management issue, and will consider increasing dividends in line with profit growth.



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The graph shows our status for complying with the criteria to maintain our Prime Market listing. The blue bar graph is the market capitalization of our tradable shares. We have not been able to clear the criteria of “market capitalization of ¥10 billion or more for tradable shares”. However, as you can see in the graphs, sales and profits at each stage have increased significantly as a result of solid progress with recent reforms.

Under such circumstances, our stock that had a PER of 10.6 times as of the end of September 2021 has significantly increased to 19.5 times as of the end of September 2023. Along with this, the market capitalization of tradable shares is 9.225 billion yen, which is close to reaching the criteria of over 10 billion yen or more. Judging from today's stock price, we have already achieved “market capitalization of ¥10 billion or more for tradable shares”.

Personally, I believe that our company's stock, which has been undervalued for some time, is finally being valued at the same level as other companies in the same industry. We will continue to work hard to further increase our corporate value.

## SECTION 05

### Revision of FYE2024 Dividend Forecast (Dividend Increase)

## Revision of Dividend Forecast (Dividend Increase)

### Dividend 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. 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.

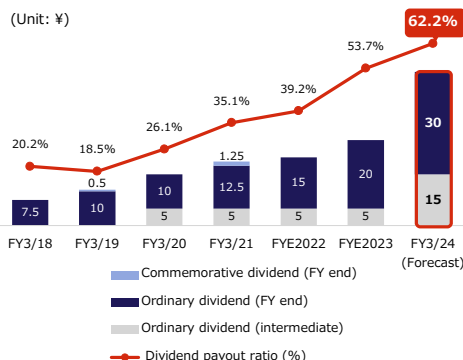
### Dividend per share (Number of issued shares: 20 mln shares)

✓ We are making progress that exceeds the initial announcement of our results for the first half of the fiscal year, and are making progress in strengthening our sales and recruiting systems. As a result of comprehensive consideration, including expectations for growth in our results in the next fiscal year and beyond, as well as investment plans and preparations for future business growth, and in order to appropriately return profits to our shareholders, we have decided to increase the year-end dividend by 5 yen per share to 30 yen.

	Interim	FY End	Total
<b>FYE2023 (results)</b>	¥5.0	¥20.0	¥25.0
<b>FYE2024 (Previous Forecast)</b> <small>*Announced May 15, 2023</small>	¥15.0	¥25.0	¥40.0
<b>FYE2024 (Revised Forecast)</b>	¥15.0	¥30.0	¥45.0

\*1 The dividend per share has been retroactively revised to take into account the impact of the one-to-two stock split implemented on October 1, 2023.

### Dividend & dividend payout ratio (Number of issued shares: 20 mln shares)



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We have revised our dividend forecast for FYE2024 and decided to increase the dividend. Here, I would like to explain our dividend policy again. Dividends are the basis for shareholder returns, which we consider to be one of the most important management issues .

Therefore, we will not reduce dividends from FYE2023 to FYE2027, which is the period covered by the Medium-Term Management Plan "COPRO Group Build the Future 2027". Also, 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.

In the second quarter of FYE2024, EPS increased by 10 yen as each type of profit exceeded the plan. In line with this, we have decided to increase the dividend by 5 yen.

As a result, the annual dividend will be 15 yen at the fiscal year half, and 30 yen at the end of the fiscal year, for a total of 45 yen. The dividend payout ratio is expected to be 62.2% in FYE2024. We will continue to provide appropriate returns to our shareholders.

Section 6 from pages 29 to 36 is for reference, so please take a look at it when you have some time. This concludes my briefing.

### ○ Greetings from Mr. Kiyokawa

Kiyokawa: Thank you for your attention. As I mentioned at the beginning, I think some parts of the briefing may have been difficult to listen to because I was feeling a little under the weather. Also, please note that I summarized some of the presentation and ended it early. As part of my job as a manager, I believe that I

must always be in good physical condition, and I hope to continue this into the future.

Furthermore, as an engineer and technician-based human resource services company, we would like to aim even higher and increase our corporate value, so we would like to thank all the investors and shareholders who participated today for their continued support and backing.

## Disclaimer and Forward-Looking Statements

- 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.
- Materials and information provided in this document include so-called "forward-looking statements". These forward-looking statements are based on current expectations, forecasts and assumptions that involve risks and uncertainties that could cause actual results to differ materially from these statements.
- These risks and uncertainties include general industry, market conditions, general domestic and international economic conditions such as interest rate and currency exchange rate fluctuations.
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