

**copro**

Fiscal Year Ending March 31, 2022

# Financial Results for 1st Quarter

August 11, 2021

**COPRO-HOLDINGS. Co., Ltd.**

Tokyo Stock Exchange and Nagoya Stock Exchange – First Section  
(Stock Code: 7059)

- 1. Financial Highlights**
- 2. Breakdown of Sales**
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# **1. Financial Highlights**

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# Consolidated Financial Results

- Net sales were slightly lower than in the previous fiscal year, but trended in line with internal forecasts.
- **Operating profit increased 40% year on year.**
- Profit attributable to owners of parent decreased due to the absence of extraordinary income (insurance surrender value) recorded in the previous fiscal year.

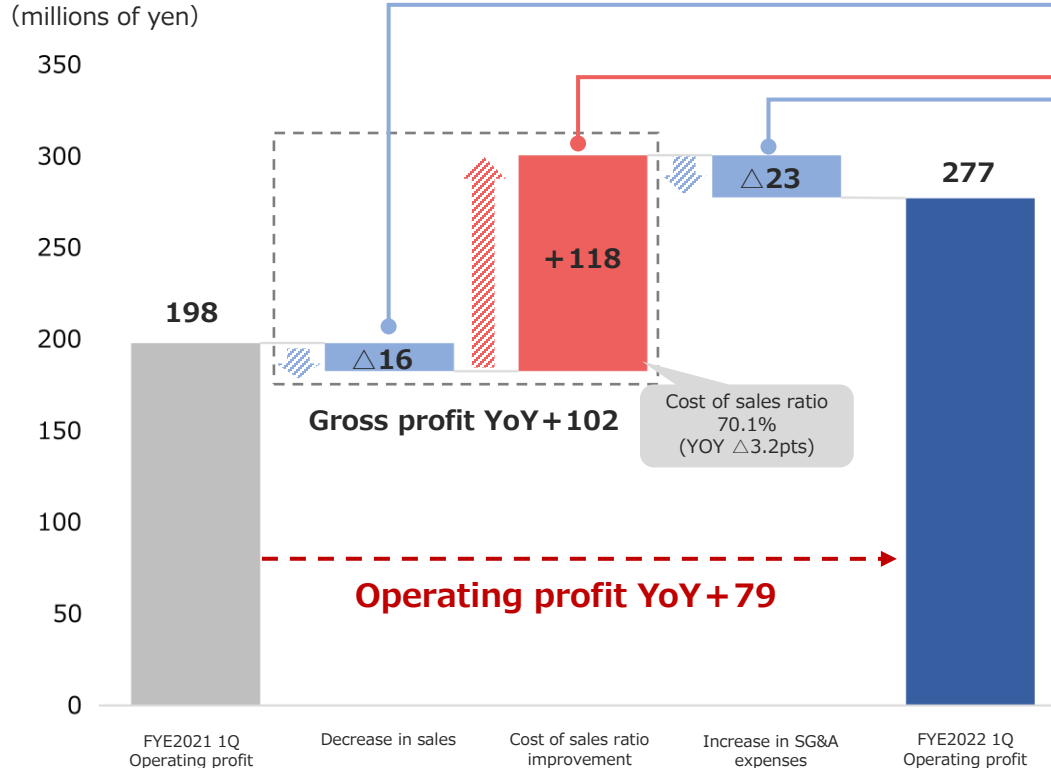
(millions of yen)

	FYE2021		FYE2022				
	1Q	Progress on 1st half results	1Q	Progress on 1st half forecast	Year-on-year		1st Half (initial forecast)
					(amount)	(%)	
Net sales	3,606	49.6%	3,555	47.7%	△51	△1.4%	7,446
Cost of sales	2,645	50.3%	2,491	47.7%	△153	△5.8%	5,220
Ratio to sales	73.3%	–	70.1%	–	–	△3.2pts	70.1%
Gross profit	961	47.7%	1,063	47.8%	+102	+10.7%	2,226
Ratio to sales	26.7%	–	29.9%	–	–	+3.2pts	29.9%
SG&A expenses	762	51.4%	786	45.2%	+23	+3.0%	1,739
Ratio to sales	21.1%	–	22.1%	–	–	+1.0pts	23.4%
Operating profit	198	37.3%	277	56.9%	+79	+40.0%	487
Ratio to sales	5.5%	–	7.8%	–	–	+2.3pts	6.5%
Ordinary profit	198	37.1%	277	57.0%	+78	+39.8%	486
Ratio to sales	5.5%	–	7.8%	–	–	+2.3pts	6.5%
Profit attributable to owners of parent	188	46.6%	154	48.9%	△34	△18.4%	315
Ratio to sales	5.2%	–	4.3%	–	–	△0.9pts	4.2%
Earnings per share (JPY)	20.01	46.6%	16.12	48.9%	△3.89	△19.4%	32.97
Dividend per share (JPY)	–	–	–	–	–	–	10.00

※ The Company conducted a 2-for-1 share split on April 1, 2021. The Company assumes that the share split occurred at the beginning of the period in order to calculate earnings per share for FYE2021.

# Consolidated Operating Profit

- Gross profit increased as progress was made in gross profit ratio improvement through negotiations for a charge-up, which absorbed the impact of the decline in sales.
- SG&A expenses increased due to M&A-related expenses at ATMOS, which became a subsidiary in April 2021.
- Operating profit increased by 79 million yen year on year.



## Decrease in gross profit due to decrease in sales

- ✓ The number of dispatched engineers decreased due to a temporary curtailment of hiring and an increase in the number of retirees in response to the spread of COVID-19.

## Increase in gross profit due to improvement in cost of sales ratio

- ✓ In response to the increase in the salary base for dispatched engineers associated with the "equal pay for equal work" system that went into effect in April 2020, we focused on negotiating charge-up as a top priority in this fiscal year. As a result, cost of sales ratio improved 3.2 percentage points YoY due to successful initiatives.

## Increases in SG&A expenses

- ✓ Recorded M&A-related expenses related to the conversion of ATMOS into a subsidiary.

# Quarterly Financial Results

- Cost of sales ratio improved 3.2 percentage points due to successful charge-up negotiations and an improvement in the contract cost ratio with the clients.
- Sales per head was 628 thousand yen (up 4 thousand yen/monthly or +0.6% year-on-year) due to an increase in contract unit prices due to charge-up negotiations.

(millions of yen)

	1Q			2Q			1st Half			3Q			4Q			Full-year		
	Results	Previous quarter	YoY	Results	Previous quarter	YoY	Revised forecast	Previous 1st H	YoY	Results	Previous quarter	YoY	Results	Previous quarter	YoY	Revised forecast	Previous FY	YoY
Net sales	3,555	3,606	△1.4%	–	3,664	–	7,596	7,271	+4.5%	–	3,796	–	–	3,768	–	16,943	14,836	+14.2%
Cost of sales	2,491	2,645	△5.8%	–	2,610	–	5,360	5,255	+2.0%	–	2,659	–	–	2,623	–	11,788	10,539	+11.9%
Ratio to sales	70.1%	73.3%	△3.2pts	–	71.2%	–	70.6%	72.3%	△1.7pts	–	70.0%	–	–	69.6%	–	69.6%	71.0%	△1.4pts
Gross profit	1,063	961	+10.7%	–	1,054	–	2,236	2,015	+10.9%	–	1,137	–	–	1,144	–	5,155	4,297	+20.0%
Ratio to sales	29.9%	26.7%	+3.2pts	–	28.8%	–	29.4%	27.7%	+1.7pts	–	30.0%	–	–	30.4%	–	30.4%	29.0%	+1.4pts
SG&A expenses	786	762	+3.0%	–	720	–	1,749	1,483	+17.9%	–	711	–	–	664	–	3,500	2,859	+22.4%
Ratio to sales	22.1%	21.1%	+1.0pts	–	19.7%	–	23.0%	20.4%	+2.6pts	–	18.7%	–	–	17.6%	–	20.7%	19.3%	+1.4pts
Operating profit	277	198	+40.0%	–	333	–	487	531	△8.4%	–	426	–	–	479	–	1,655	1,437	+15.1%
Ratio to sales	7.8%	5.5%	+2.3pts	–	9.1%	–	6.4%	7.3%	△0.9pts	–	11.2%	–	–	12.7%	–	9.8%	9.7%	+0.1pts

## ▪ COPRO-ENGINEERED. Co., Ltd. (Dispatching business of engineers on the construction and plant industry)

Number of engineers	1,957	2,044	△87	–	2,002	–	2,002	–	2,054	–	–	2,020	–	2,440	2,020	+420
Sales PH (thousands of yen)	628	624	+4	–	628	–	626	–	636	–	–	633	–	630	–	

※ Sales Per Head : Average monthly sales per engineer

## ▪ ATMOS CO., LTD. (Dispatching business of machinery design and development engineers)

Number of engineers	–	–	–	–	–	–	112	–	–	–	–	–	–	130	110	
Sales PH (thousands of yen)	–	–	–	–	–	–	–	–	–	–	–	–	–	–	566	

※ Number of engineers are the sum of both dispatched and contracted engineer.

※ Sales Per Head : Average monthly sales per engineer excluding contracted engineer. Full-year results for FYE2021 are averages for the period from June 2020 to March 2021.

# Balance Sheet

- (Assets) Current assets decreased due to payments related to the acquisition of a subsidiary and dividends paid. On the other hand, fixed assets increased due to the acquisition of a subsidiary, the relocation of the head office, and the development of the new core system.
- (Liabilities) Liabilities increased due to an increase in tangible fixed assets related to the transfer of the head office and an increase in accounts payable related to advertising expenses.

## Balance Sheet

(millions of yen)

	FYE2021	FYE2022		
	4Q	1Q	YoY	Remarks
Current assets	7,407	6,826	△580	
Cash and deposits	5,320	4,610	△710	
Non-current assets	1,106	1,819	+712	
Goodwill	–	298	+298	Recorded as a result of the acquisition of all shares of ATMOS CO., LTD. Provisionally determined amounts as allocation of acquisition costs has not been completed.
Total assets	8,514	8,646	+131	
Liabilities	2,241	2,473	+231	
Current liabilities	2,162	2,314	+151	
Non-current liabilities	78	158	+79	
Net assets	6,272	6,172	△99	
Shareholders' equity	6,272	6,167	△104	
Liabilities and net assets	8,514	8,646	+131	
Interest-bearing liabilities	89	121	+32	
Equity ratio	73.7%	71.3%	△2.4pts	

## Commitment Lines

(millions of yen)

	FYE2021	FYE2022
	4Q	1Q
Credit line	3,000	3,000
Used	0	0
Unused	3,000	3,000

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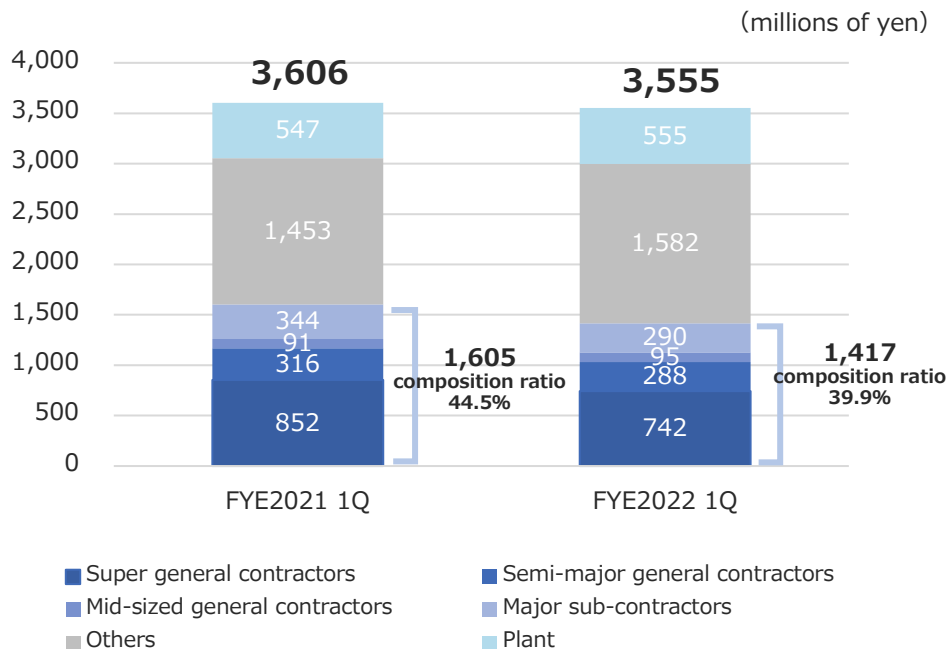


# Sales by Business Partner and Area

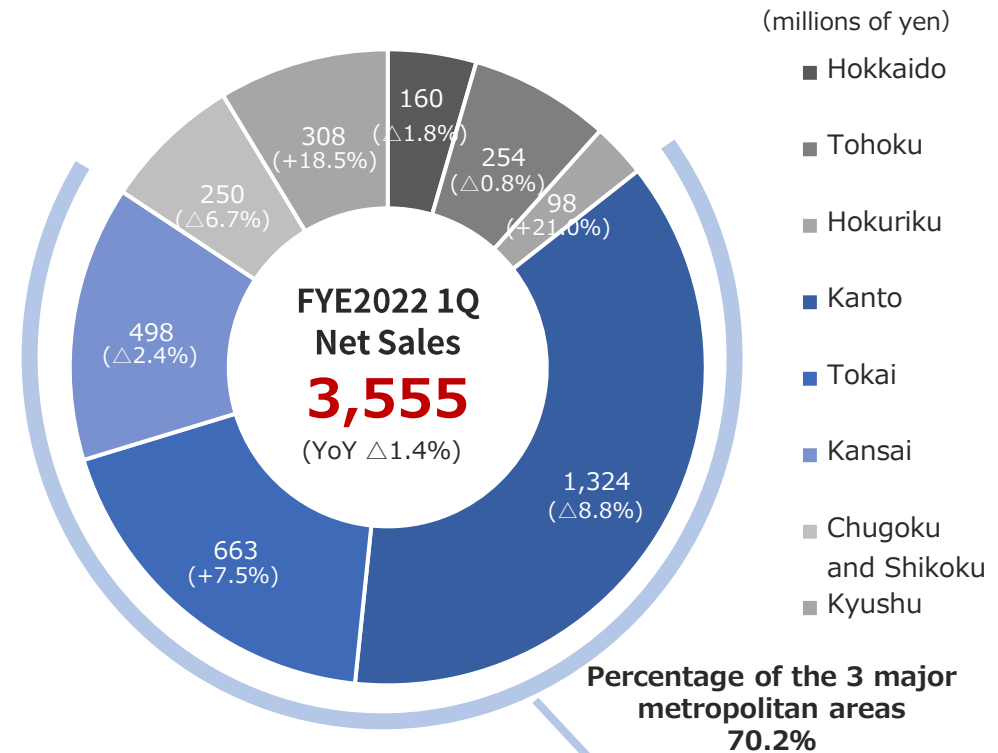
- Sales of major general contractors and sub-contractors, which are experiencing a transition from Olympic demand to urban redevelopment demand, declined.
- Due to the above factors, growth in the Kanto area, where the ratio of construction projects by private investment is high, was sluggish.

## Target Customer Sales

**1,417 million yen**  
(YoY  $\Delta$ 11.7%)



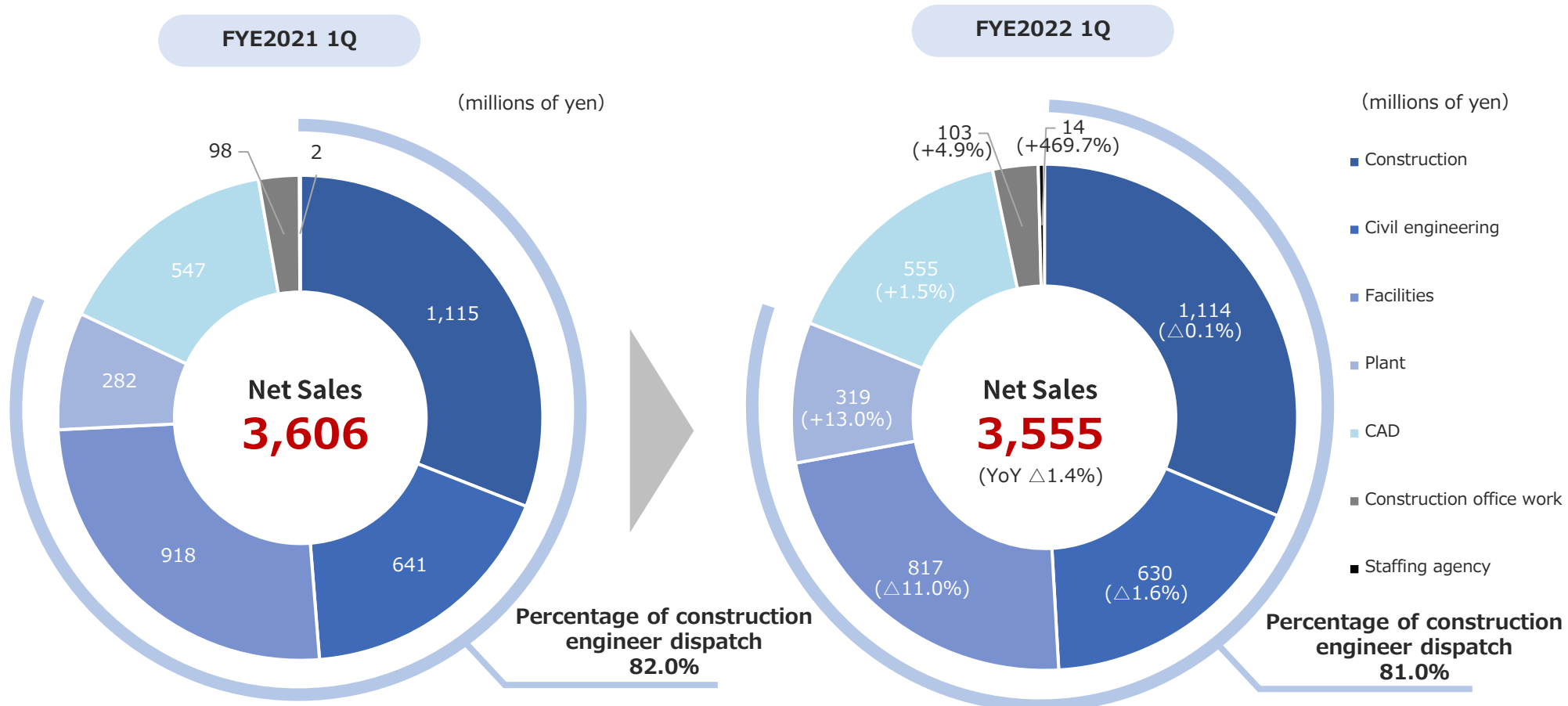
## Sales by Area



Note: Figures in parentheses indicate year-on-year changes in net sales.

# Sales by Industry

- Orders for construction declined overall, reflecting sluggish growth in major general contractors.
- Orders for steel plants were sluggish due to the impact of COVID-19, while orders for water treatment, chemicals, and electric power plants grew steadily.



Note: Figures in parentheses indicate year-on-year changes in net sales.

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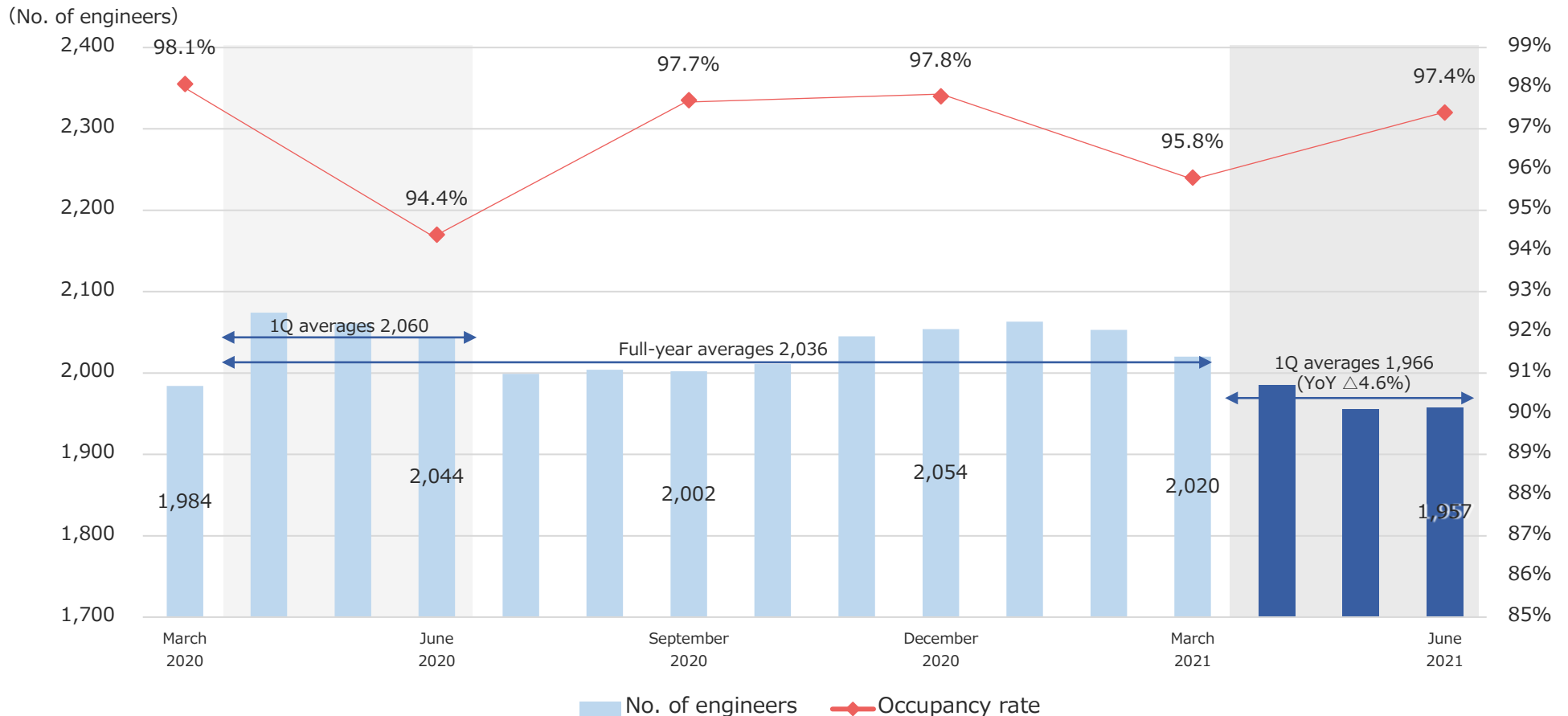
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# Number of Engineers & Occupancy Rate

- The number of engineers at the end of 1Q was 1,957, down 87 from the end of the same period in the previous fiscal year.
- The occupancy rate at the end of 1Q was 97.4%, up 3.0 percentage points y-o-y.



# Recruitment / Turnover, Retention Rate & Contract Renewal

- The number of recruitment progressed in line with the company's internal plan. On the other hand, due to the spread of COVID-19, the number of new graduates hired was reduced, and the company temporarily curbed mid-career hiring. As a result, the number of hires fell below the previous fiscal year's results.
- The number of retirements increased due to a decrease in orders received by major general contractors and sub-contractors and an increase in staffing agencies.

## Recruitment / Turnover

	FYE2021	FYE2022 1Q	YoY		FYE2022 (forecast)
			(amount)	(%)	
<b>Hired total</b>	<b>865</b>	<b>230</b>	-	-	<b>1,340</b>
COPRO-ENGINEERD	865	230	-	-	1,200
ATMOS	-	-	-	-	140
New-grads joined in April	89	56	△33	△37.1%	56
Mid-carrier: 1Q	192	174	△18	△9.4%	174
M&A	-	-	-	-	110
Mid-carrier: 2Q	181	-	-	-	-
Mid-carrier: 3Q	231	-	-	-	-
Mid-carrier: 4Q	172	-	-	-	-
<b>Turnover total</b>	<b>829</b>	<b>293</b>	-	-	<b>790</b>
COPRO-ENGINEERD	829	293	-	-	780
ATMOS	-	-	-	-	10
Permanent employees	68	24	-	-	-
Fixed-term employees	761	269	-	-	-
Turnover: 1Q	221	293	+72	+32.6%	293
Turnover: 2Q	223	-	-	-	-
Turnover: 3Q	179	-	-	-	-
Turnover: 4Q	206	-	-	-	-
<b>Net change</b>	<b>+36</b>	<b>△63</b>	-	-	<b>+550</b>
<b>No. of engineers</b>	<b>2,020</b>	<b>1,957</b>	-	-	<b>2,570</b>
COPRO-ENGINEERD	2,020	1,957	-	-	2,440
ATMOS	-	-	-	-	130

## Retention Rate

	FYE2021				FYE2022
	1Q	2Q	3Q	4Q	1Q
<b>Permanent employees</b>	<b>84.5%</b>	<b>85.8%</b>	<b>85.2%</b>	<b>85.2%</b>	<b>78.9%</b>
<b>year-to-date</b>	<b>95.7%</b>	<b>92.2%</b>	<b>87.9%</b>	<b>85.2%</b>	<b>94.2%</b>
<b>Fixed-term employees</b>	<b>71.5%</b>	<b>70.6%</b>	<b>68.7%</b>	<b>66.7%</b>	<b>65.8%</b>
<b>year-to-date</b>	<b>88.8%</b>	<b>78.6%</b>	<b>72.8%</b>	<b>66.7%</b>	<b>82.4%</b>

Retention rate; the percentage of engineers who were employed at the end of the quarter 1 year ago and who were employed at the end of the current quarter 1 year later.

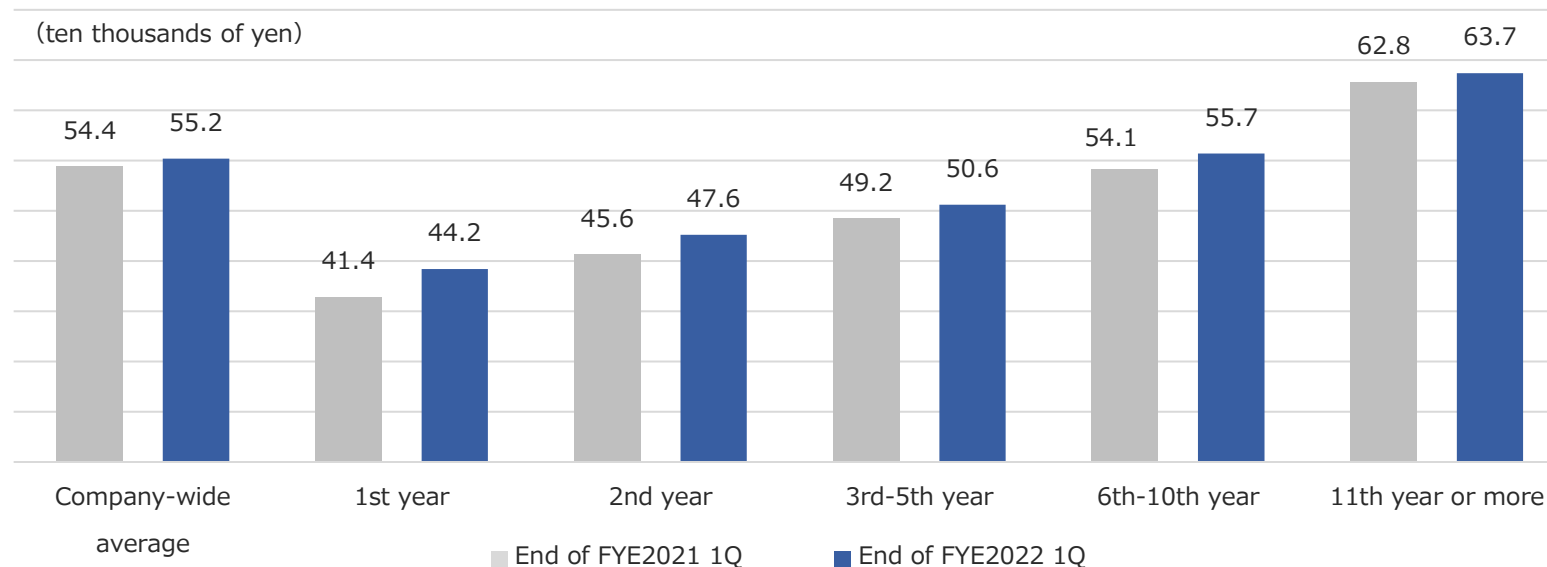
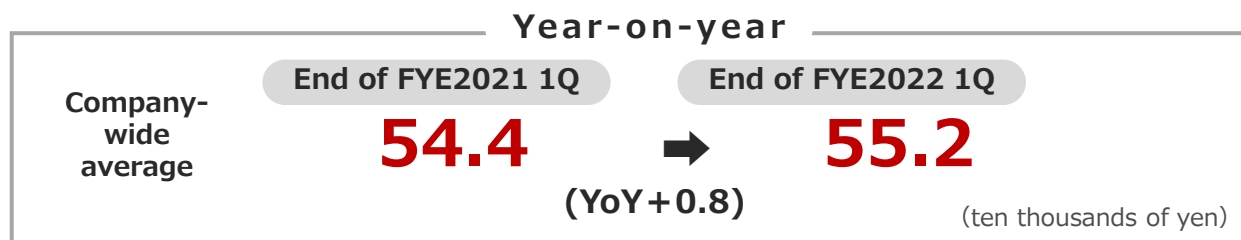
Year-to-date retention rate; the percentage of engineers employed at the end of the previous FY4Q that were employed at the end of the current fiscal quarter.

## Contract Renewal Ratio

	FYE2021					FYE2022
	1Q	2Q	3Q	4Q	Full-year	1Q
<b>Contract renewal ratio</b>	<b>63.2%</b>	<b>67.6%</b>	<b>67.8%</b>	<b>70.0%</b>	<b>67.1%</b>	<b>74.1%</b>

# Average Monthly Contract Amount per Engineer by Years of Experience

- Significant improvement in monthly contract amount for first-year engineers due to new assignments with an emphasis on contract cost ratio.
- Reinforcement of charge-up negotiations was successful, and the monthly contract amount rose in all years over the second year.



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# Revised FYE2022 Financial Forecast

- Accompanying the consolidation of ATMOS, the company revised FYE2022 consolidated earnings forecasts (incorporating ATMOS's earnings from June 2021 to March 2022).
- Net sales were upwardly revised by 600 million yen from the initial forecast to 16,943 million yen.
- Operating profit were upwardly revised by 41 million yen from the initial forecast to 1,655 million yen.

(millions of yen)

	FYE2021 (results)		FYE2022 (initial forecast)		FYE2022 (revised forecast)							
	1st Half	Full-year	1st Half	Full-year	1st Half	YoY		vs. initial forecast	Full-year	YoY		vs. initial forecast
						(amount)	(%)			(amount)	(amount)	
Net sales	7,271	14,836	7,446	16,343	7,596	+324	+4.5%	+150	16,943	+2,106	+14.2%	+600
Cost of sales	5,255	10,539	5,220	11,327	5,360	+104	+2.0%	+140	11,788	+1,248	+11.9%	+461
Ratio to sales	72.3%	71.0%	70.1%	69.3%	70.6%	-	△1.7pts	+0.5pts	69.6%	-	△1.4pts	+0.3pts
Gross profit	2,015	4,297	2,226	5,016	2,236	+220	+10.9%	+10	5,155	+857	+20.0%	+139
Ratio to sales	27.7%	29.0%	29.9%	30.7%	29.4%	-	+1.7pts	△0.5pts	30.4%	-	+1.4pts	△0.3pts
SG&A expenses	1,483	2,859	1,739	3,402	1,749	+265	+17.9%	+10	3,500	+640	+22.4%	+98
Ratio to sales	20.4%	19.3%	23.4%	20.8%	23.0%	-	+2.6pts	△0.4pts	20.7%	-	+1.4pts	△0.1pts
Operating profit	531	1,437	487	1,614	487	△44	△8.4%	0	1,655	+217	+15.1%	+41
Ratio to sales	7.3%	9.7%	6.5%	9.9%	6.4%	-	△0.9pts	△0.1pts	9.8%	-	+0.1pts	△0.1pts
Ordinary profit	534	1,439	486	1,614	488	△45	△8.5%	+2	1,657	+217	+15.1%	+43
Ratio to sales	7.3%	9.7%	6.5%	9.9%	6.4%	-	△0.9pts	△0.1pts	9.8%	-	+0.1pts	△0.1pts
Profit attributable to owners of parent	404	1,009	315	1,048	316	△88	△21.8%	+1	1,077	+67	+6.7%	+29
Ratio to sales	5.6%	6.8%	4.2%	6.4%	4.2%	-	△1.4pts	-	6.4%	-	△0.4pts	-



# Business Outlook

## ▪ COPRO-ENGINEERD. Co., Ltd. (Construction and plant engineer dispatch business)

<b>Orders received</b>	Urban redevelopment projects, which had been halted by Olympic demand, are expected to move into the second half. However, due to the spread of COVID-19, the company will be affected if private-sector construction plans are postponed or revised, and thus caution will continue to be required.
<b>Recruitment</b>	Since demand for experienced workers remains high, the company will continue mid-career recruitment, mainly for experienced workers, even after Second Quarter. The sales and recruitment organizations were integrated in July 2021. The company will share information on temporary staffing projects and human resources to speed up matching.
<b>Retention</b>	From FYE2022, the Company has changed to a system in which sales employees consistently conduct sales to temporary staffing destinations and after-sales follow-up for dispatched engineers. In addition, the Company has shifted its focus from new development sales to deepening sales to existing customers, mainly super general contractors, and by improving the contract renewal ratio, in addition to improving the retention rate, it will also create opportunities to increase charges when contracts are renewed.
<b>Charge-up negotiation</b>	Since the fourth quarter of FYE2021, the company has positioned charge-up negotiations as the most important policy and has strengthened it, and the monthly contract amount has exceeded that of the previous period. Aiming to improve sales per head and the cost of sales ratio from Second Quarter onwards by increasing the contract amount.

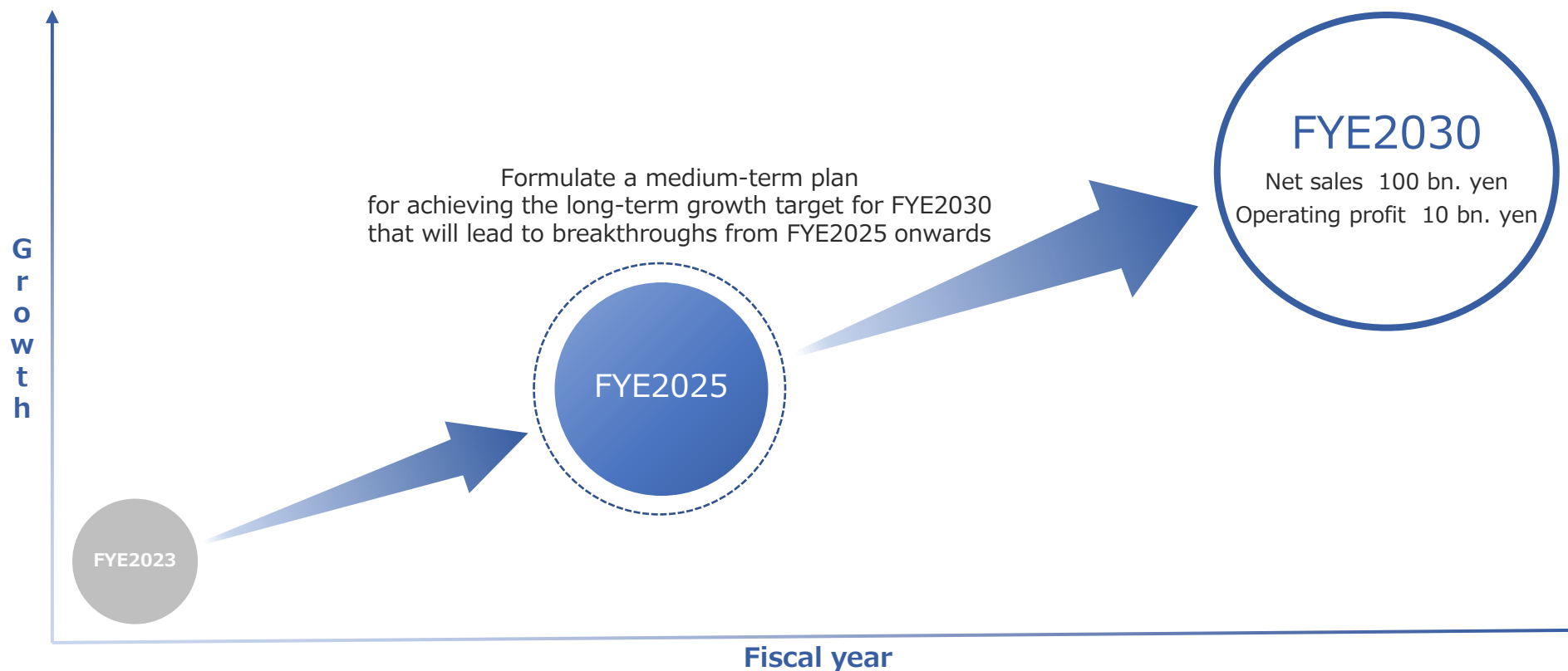
## ▪ ATMOS CO., LTD. (Dispatch of engineers for machine design and development business)


<b>Orders received</b>	In the automotive industry, orders are expected to increase by expanding new domains through CASE response and promoting outsourcing of existing services. At the same time, there are signs of a recovery in the airport machine industry and the machine tool industry, where orders declined last year due to the impact of the spread of COVID-19, and the order volume is expected to gradually recover. The Company will identify the timing of expansion and recovery, and strive to acquire the orders.
<b>Recruitment</b>	Due to the high demand for experienced employees, the company will strengthen mid-career recruitment of experienced employees by using paid recruitment media and intra-group recruitment websites. In addition, the company will enhance training for machine design and development engineers by utilizing the training facilities, "Kantokuno Tane," which is operated by COPRO-ENGINEERD.
<b>Business liquidation</b>	Although sales are expected to decrease compared to before the integration due to the withdrawal from unprofitable businesses such as the in-house product development business, operating profit is expected to improve.

# Medium-term Management Plan to Be Announced

## Medium-Term Management Plan “COPRO Group VISION 2025” (tentative) Scheduled to be announced around spring 2022

Aiming to achieve sustainable growth and medium-to long-term improvement in corporate value,  
scheduled to announce a medium-term management plan covering the 3-year period from FYE2023 to FYE2025

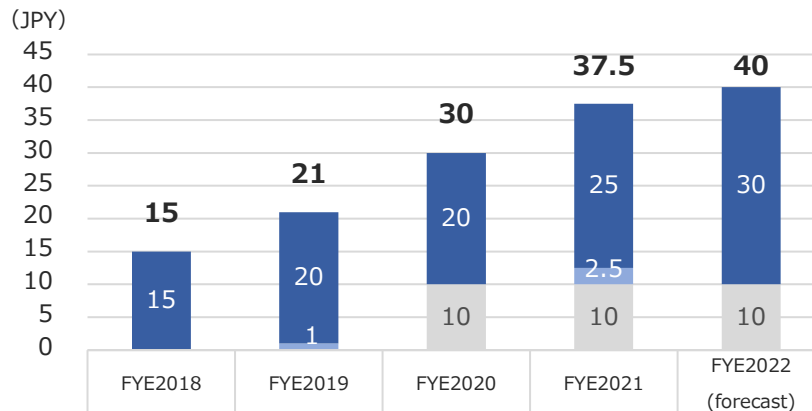


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# Returning Shareholders

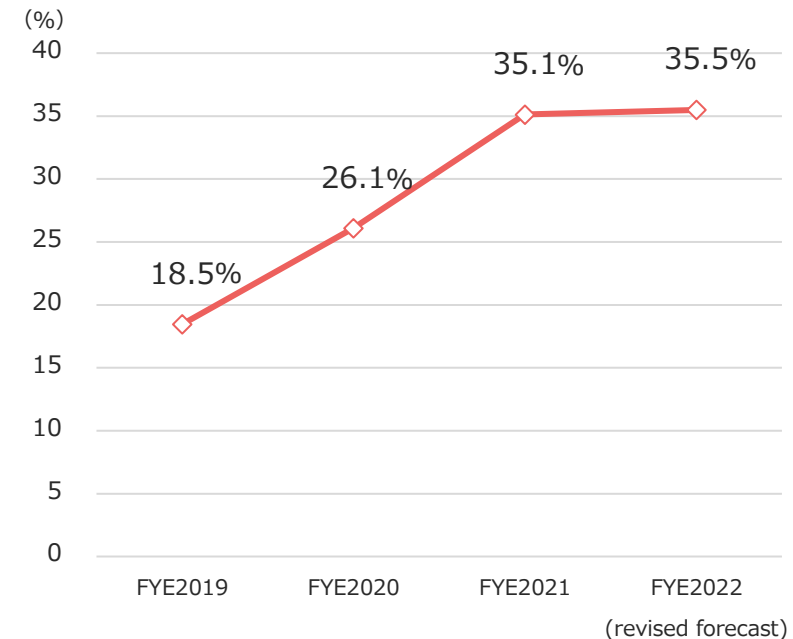
- Maintain stable dividends with a target consolidated dividend payout ratio of 30% or more, while paying attention to the balance with investments that will contribute to future business expansion.
- In FYE2022, the company expects to pay a 40 yen per year, an increase of 2.5 yen over the previous period, for a third consecutive period increase from the stock listing. The dividend payout ratio is expected to be 35.5%.

**FYE2022(forecast)**  
**Dividends per Share**  
 Annual **40.0 yen**  
 (YoY+2.5 yen)




	FYE2018	FYE2019	FYE2020	FYE2021	FYE2022 (forecast)
Annual total	15	21	30	37.5	40
■ Ordinary dividend (year-end)	15	20	20	25	30
■ Commemorative dividend (year-end)	0	1	0	2.5	0
■ Ordinary dividend (interim)	0	0	10	10	10

**FYE2022(revised forecast)**  
**Dividend Payout Ratio**  
**35.5%**  
 (YoY+0.4pts)



\* FYE2019 is commemorative dividend for listing, and FYE2021 is commemorative dividend for changing to 1st section of TSE and NSE.

\* Dividends per share have been retroactively adjusted to reflect the impact of the 2-for-1 share split, which was effected on April 1, 2021.

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# Company Outline

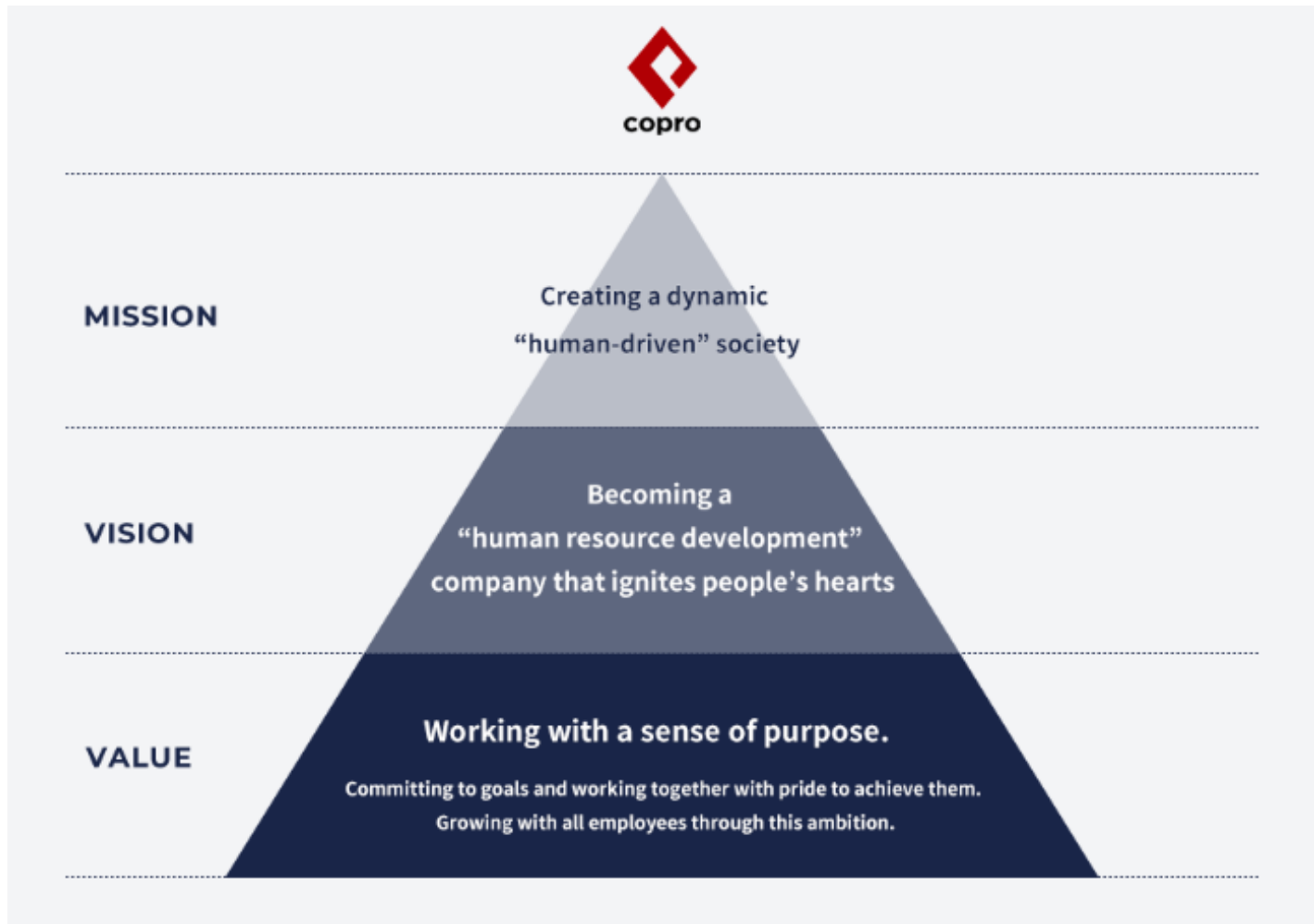
<b>Company name</b>	COPRO-HOLDINGS Co., Ltd.				
<b>Representative</b>	Kosuke Kiyokawa, CEO				
<b>Head office</b>	Dai Nagoya Building 25F , 3-28-12 Meieki, Nakamura-ku, Nagoya, Aichi				
<b>Foundation</b>	October, 2006				
<b>Fiscal year-end</b>	March				
<b>Stock listings</b>	First Section of the Tokyo Stock Exchange and the Nagoya Stock Exchange				
<b>Stock code</b>	7059				
<b>Date of exchange listing</b>	<ul style="list-style-type: none"> <li>• March 2019 : TSE Mothers / NSE Centrex</li> <li>• September 2020 : 1st Section of TSE and NSE</li> </ul>				
<b>Group companies</b>	<table border="0"> <tr> <td>Domestic subsidiaries</td> <td> <ul style="list-style-type: none"> <li>• COPRO-ENGINEERED. Co., Ltd.</li> <li>• ATMOS CO., LTD.</li> </ul> </td> </tr> <tr> <td>Overseas subsidiaries</td> <td> <ul style="list-style-type: none"> <li>• COPRO GLOBALS PTE. LTD.</li> <li>• COPRO VIETNAM CO., LTD.</li> </ul> </td> </tr> </table>	Domestic subsidiaries	<ul style="list-style-type: none"> <li>• COPRO-ENGINEERED. Co., Ltd.</li> <li>• ATMOS CO., LTD.</li> </ul>	Overseas subsidiaries	<ul style="list-style-type: none"> <li>• COPRO GLOBALS PTE. LTD.</li> <li>• COPRO VIETNAM CO., LTD.</li> </ul>
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Overseas subsidiaries	<ul style="list-style-type: none"> <li>• COPRO GLOBALS PTE. LTD.</li> <li>• COPRO VIETNAM CO., LTD.</li> </ul>				
<b>Description of business</b>	<ul style="list-style-type: none"> <li>• Dispatching and recruitment consulting services centered on the construction industry</li> <li>• Dispatching business of machinery design engineers, etc.</li> </ul>				
<b>Number of employees</b>	2,280 (as of March 31, 2021, incl. dispatched engineers on consolidated basis)				

## Kosuke Kiyokawa, CEO



Born in Aichi, Japan on October 16, 1977. After graduating from Nagoya Future Technical College, he worked as a site supervisor in a local construction firm for two years. Then after five years working in sales for a leading outsourcing company and a stint as president of a group affiliate of the company, he launched COPRO-ENGINEERD. Co., Ltd. in 2006.

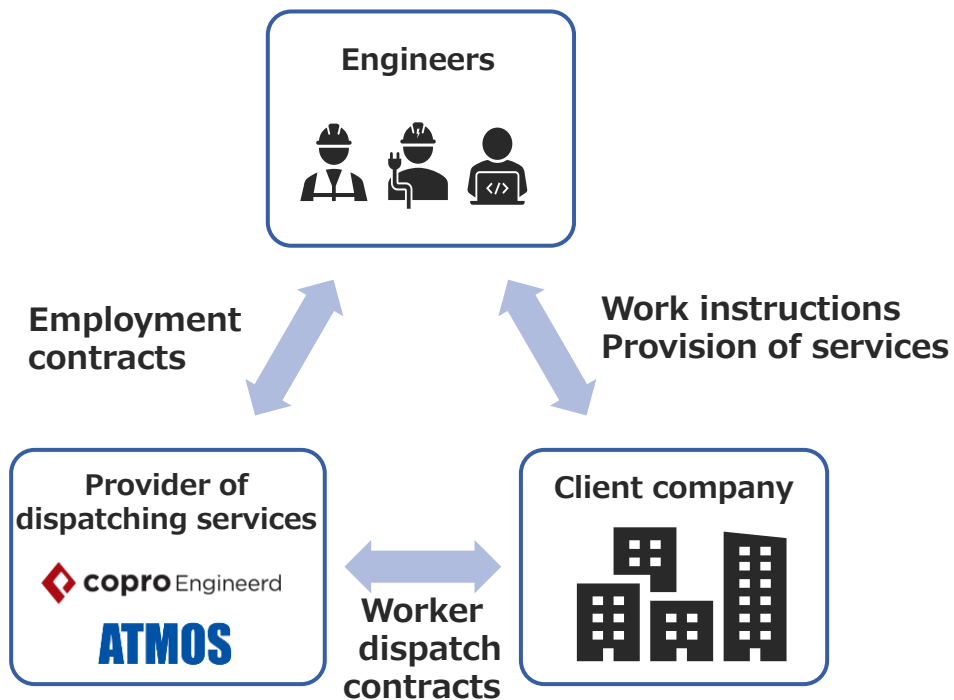
# Company Philosophy



# Business Model①

- The engineer dispatch business specializing in the high-value-added "engineer dispatch field".

## About Dispatch Business



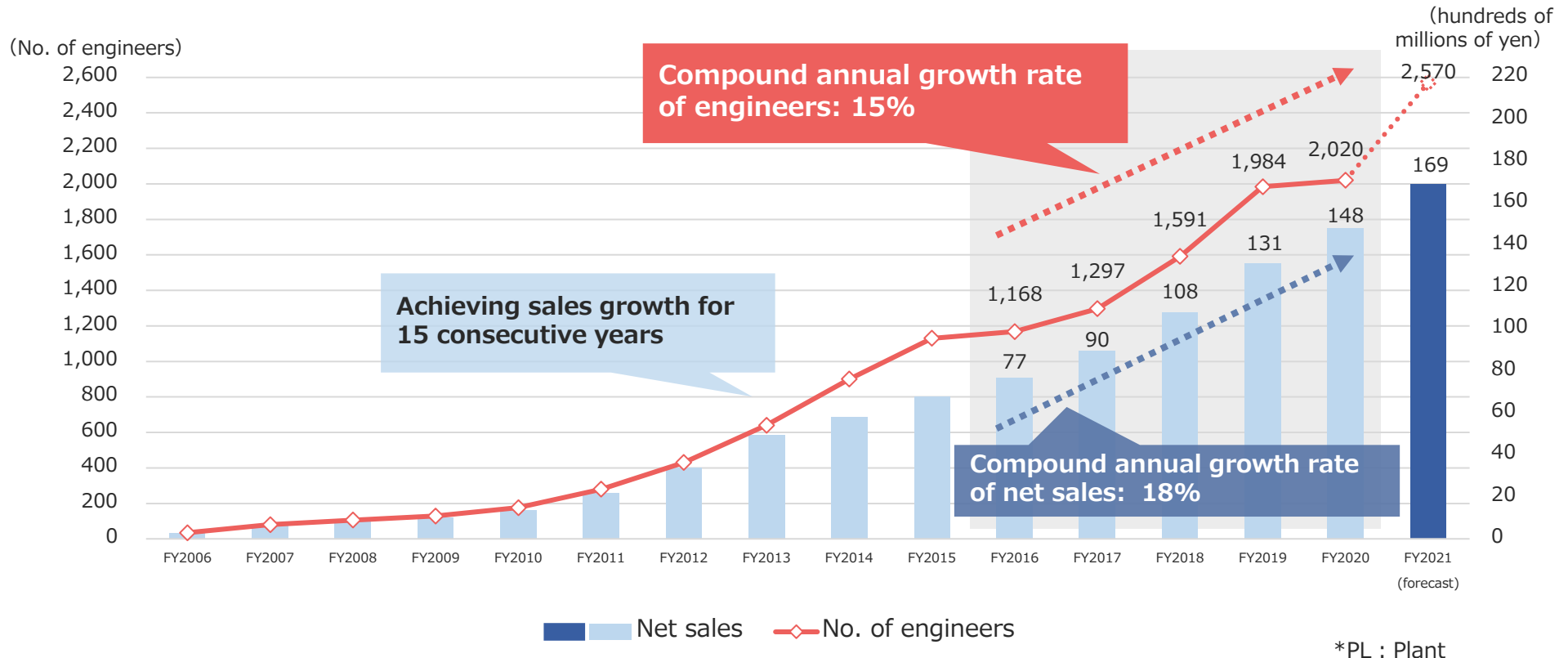
## Service Covered

Construction	Construction	Construction management and design support services associated with new construction and renovation work in high-rise buildings, condominiums, commercial facilities, factories, etc.
	Civil engineering	Assistance for construction management and design in connection with road construction, armored bank construction, preparation, tunnel construction, bridge construction, etc.
	Facilities	Support for construction management and design of facilities (air conditioning, hygiene, electricity) associated with new construction and renovation work in high-rise buildings, condominiums, commercial facilities, factories, etc.
	CAD	CAD operators (computer-based designs) in construction, civil engineering, facilities, and plants
Plant	Construction management and design assistance services associated with construction and renovation of various types of plants	
Mechanical design & development	Machinery design and development services for automobiles, consumer electronics, and agricultural machinery	



# Business Model②

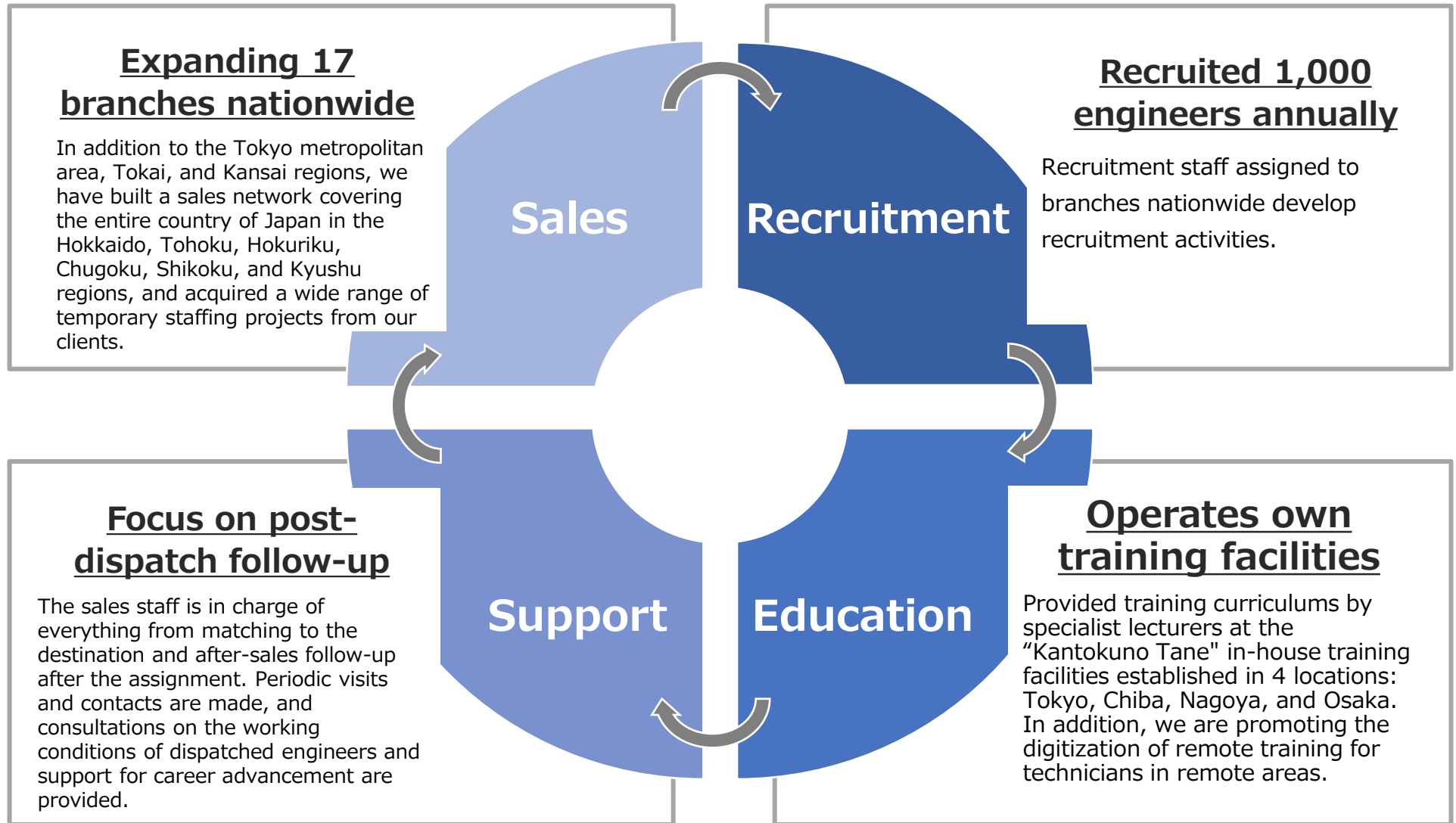
- "Stock-type business" in which sales accumulate in proportion to the number of dispatched engineers.
- The compound annual growth rate of the number of engineers for the last 5 years has been 15% and the sales has been 18%.



2006 Nagoya	2007 Yokohama	2008 Tokyo	2009 Sapporo	2011 Osaka	2012 Fukuoka	2013 Sendai	2014 Hiroshima	2017 Omiya	2018 Kanazawa	2019 Tokyo PL Nagoya PL Osaka PL Takamatsu PL	2020 Chiba Shizuoka Kitakyushu PL
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Branch opening status (as of July 2021: 17 branches)

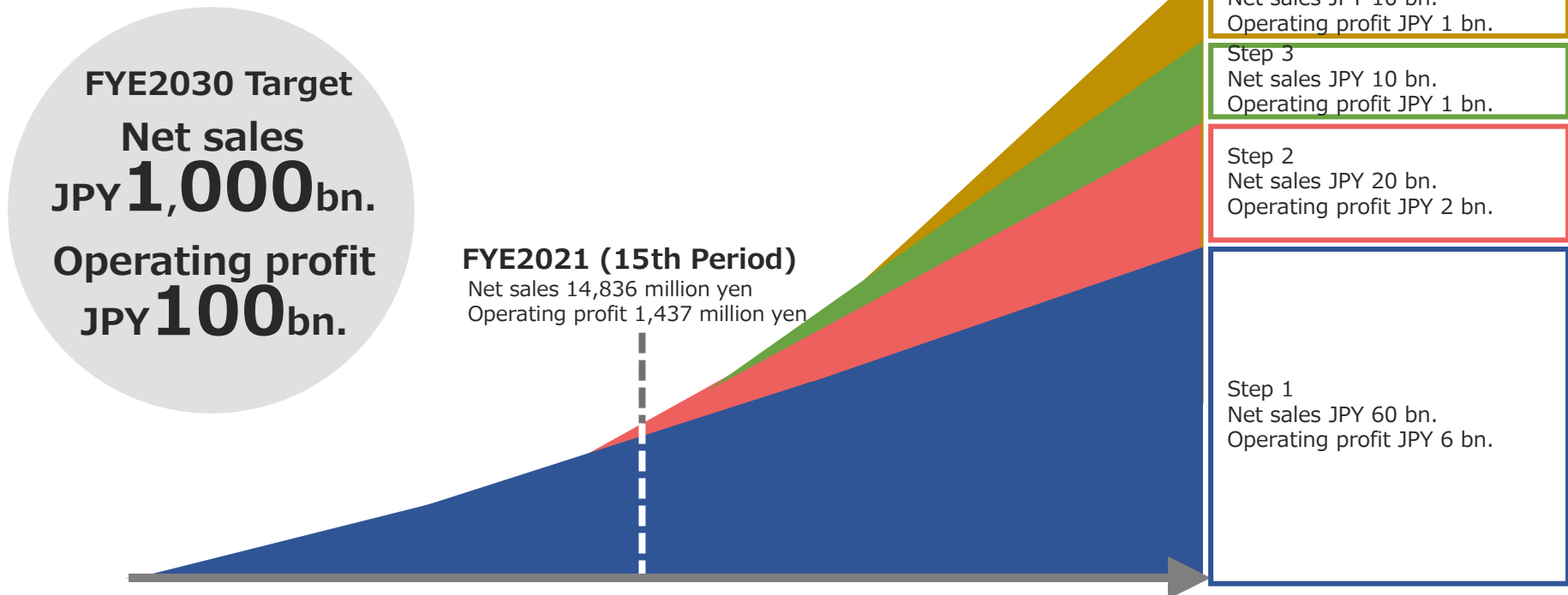
# Features of COPRO



# Long-term Growth Image

- Increase sales and operating profit by approximately 7-fold from FYE2021 to FYE2030.

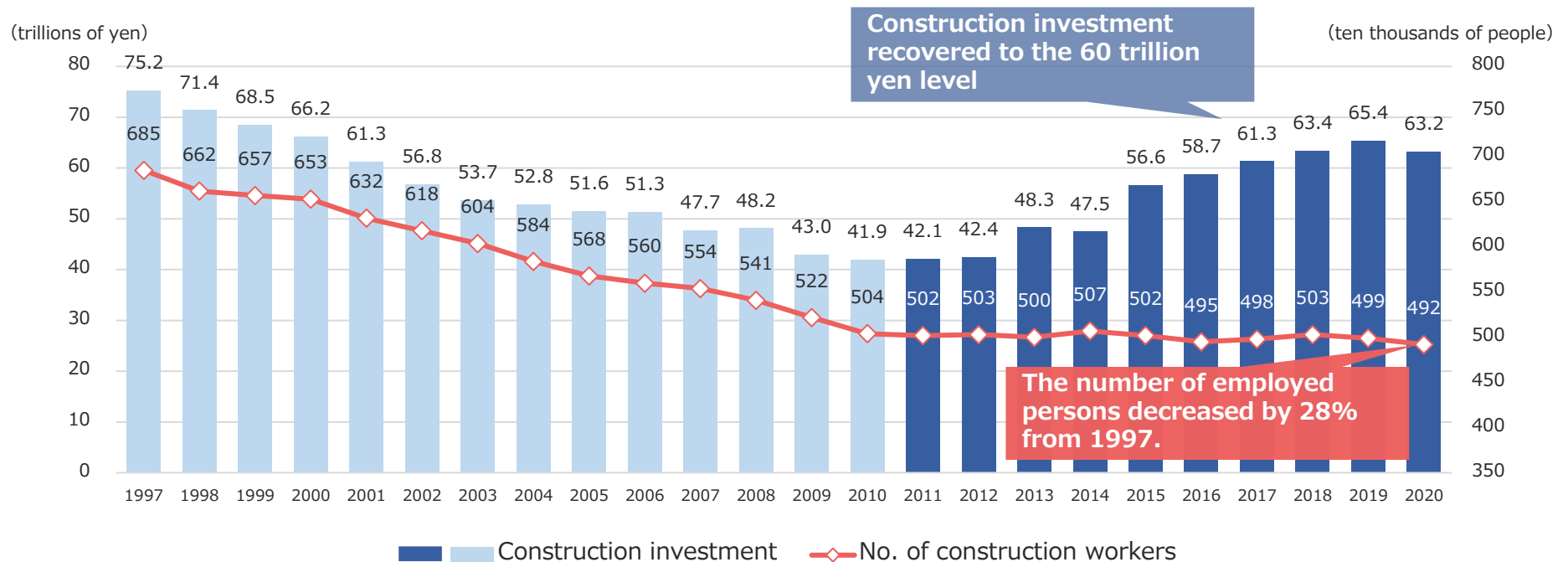
- ✓ **Step 4** M&A strategy and considering new businesses
- ✓ **Step 3** Global business advancement
- ✓ **Step 2** Increase market share for plant engineer dispatches
- ✓ **Step 1** Further deepening in the construction engineers dispatch market



# Business Environment Supporting Our Growth (Labor Shortages in the Construction Industry)

- In the wake of the collapse of the bubble economy, the global financial crisis, and other long-term slumps, general contractors have restrained hiring to avoid the conversion of labor costs to fixed costs. **As a result, the number of construction workers peaked at 6,850 thousand in 1997 and fell 28% to 4,920 thousand in 2020 (-1,930,000 workers).**
  - **Construction investment began to increase in 2011 and recovered to the 60 trillion yen level.**
- ⇒ Even after demand for the Tokyo Olympic Games, it is expected to increase steadily due to large-scale projects such as the Japan's Superconducting Maglev and the Osaka Expo, demand for redevelopment, infrastructure development, and national resilience.

## ▪ Trends in Construction Investment and Number of Construction Workers



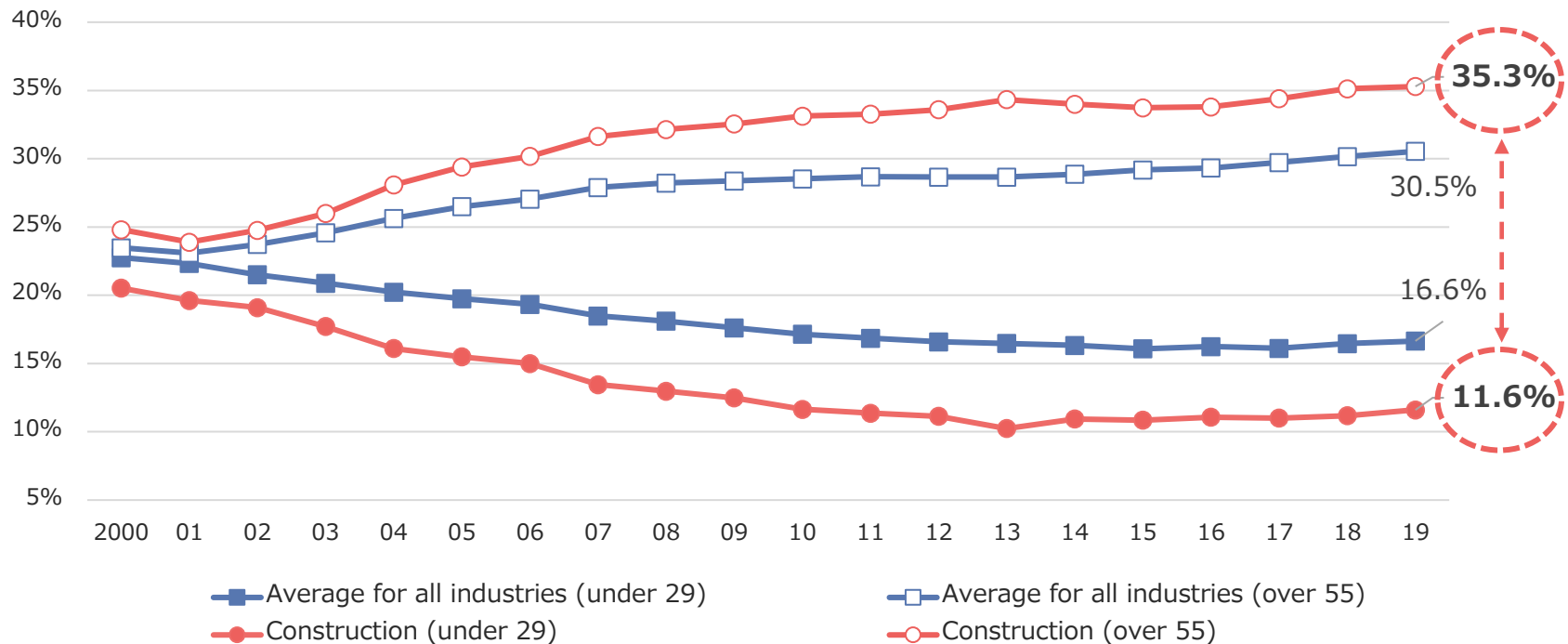
(Source)

- Construction Investment: Outlook for Construction Investment by the Ministry of Land, Infrastructure, Transport and Tourism (announced on October 12, 2020)
- Number of construction workers: Ministry of Internal Affairs and Communications, Labor Force Survey

# Business Environment Supporting Our Growth (Aging of The Construction Industry)

- The percentage of workers aged 55 or older in the construction industry is 35.3%, which is 4.8pts higher than the average for all industries of 30.5%.
  - The percentage of workers aged 29 or under in the construction industry is 11.6%, which is 5.0pts lower than the average for all industries of 16.6%.
- ⇒ **10 years later, more than 1-third of workers are expected to retire, but the decline cannot be compensated for by the current young employment alone.**

## ▪ Breakdown of Construction Workers by Age Group



(Source)  
Number of construction workers: Ministry of Internal Affairs and Communications, Labor Force Survey

# 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 change without notice due to changes in the business environment or other factors.
- Materials and information provided in this announcement 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.
- Company undertakes no obligation to update or revise any forward-looking statements contained in this document, whether as a result of new information or future events.