

3Q FYE3/2025 Consolidated Financial Highlights

- Point** The number of technical employees increased with growing demand led by the upper limit cap on overtime work. This was due to strengthening our recruiting capability honed by low-cost recruitment based on our own screening without outsourcing to external agencies. Net sales significantly increased by 25.9% YoY.
- Point** The operating profit ratio improved by 1.8 points to 9.8% YoY due to a lower fixed cost ratio such as rent expenses on land and buildings and personnel expenses.
- Point** Achieved record-high operating profits and other profits.



* Non-GAAP operating profit, as a profit index to measure substantive performance, is calculated by adding depreciation, goodwill amortization and stock award expenses back to operating profit.
* The number of consolidated technical employees is the number of employees at the end of the fiscal year including IT freelancers in the IT engineers dispatch business.

[Title]

COPRO-HOLDINGS: 3Q sales increased significantly by 25.9% YoY, all profits reached record-highs, and accelerating scale expansion while continuing to invest in growth in FYE3/2025

[Lead]

This is a transcript of the financial results briefing for 3Q FYE3/2025 of COPRO-HOLDINGS Co., Ltd. announced on February 14, 2025.

[Speaker]

Mr. Kosuke Kiyokawa, CEO, COPRO-HOLDINGS Co., Ltd.

Briefing of Financial Results for 3Q of FYE3/2025

Kosuke Kiyokawa: Hello everyone. My name is Kosuke Kiyokawa, CEO of COPRO-HOLDINGS Co., Ltd. Let me now start the briefing of financial results for 3Q FYE3/2025.

Message from the Management



We are **relentlessly heading straight toward** upward revising the targets of the Medium-Term Management Plan!!

- ✓ High growth continues in the core business of construction technician dispatching, and business environment remains favorable. We further allocated hiring expenses in H2 to start off the next FY with strong momentum, having a clear visibility to drive growth!
- ✓ Consolidated sales in 3Q FYE3/2025 are mostly as planned while the IT engineers dispatch business was slightly sluggish. Operating profit and other profits in 1H of FYE3/2025 progressed steadily versus the full-year forecast of FYE3/2025.
- ✓ Upcoming FYE3/2026 dictates how we can finally deliver under the Medium-Term Management Plan (FYE3/2023 – FYE3/2027). We are preparing the next FY budget to be announced at the 4Q financial closing, while eyeing to revise upward the performance targets set under the Plan of achieving ¥40 billion net sales and ¥5 billion non-GAAP operating profit !!

*Progress of the Medium-Term Management Plan...p.27

Before going into the 3Q financial results briefing, I will talk about the message from the management. What I want to convey is we are relentlessly heading straight toward revising the targets of the Medium-Term Management Plan significantly upward.

First, high growth continues in the core business of construction technician dispatching, and business environment remains favorable. We further allocated hiring expenses in 2H to start off the next FY with strong momentum, having a clear visibility to drive growth.

Second, consolidated net sales in 3Q FYE3/2025 are mostly as planned while the IT engineers dispatch business was slightly sluggish. Operating profit and other profits in 1H of FYE3/2025 progressed steadily versus the full-year forecast of FYE3/2025.

Third, FYE3/2026 dictates how we can finally deliver under the Medium-Term Management Plan (FYE3/2023-FYE3/2027).

We are preparing the next FY budget to be announced at the 4Q financial closing, while eyeing to revise upward the performance targets set under the Plan of achieving ¥40 billion net sales and ¥5 billion non-GAAP operating profit.

SECTION

SECTION



- **01** Summary of Financial Results for 3Q FYE3/2025
- **02** Analysis of KPIs by Business Segment
- **03** FYE3/2025 Business Summary and Growth Strategy (Construction Technician Dispatching Business)
- **04** FYE3/2025 Earnings Forecast
- **05** FYE3/2025 Dividend Forecast
- **06** Progress of the Medium-Term Management Plan
- **07** Appendix

I will now start the briefing of the financial results for 3Q FYE3/2025 in the order stated here. Today we have prepared from Section 1 through Section 7, and please take a look at the slides of Section 7 “Appendix” if you have time.

3Q FYE3/2025 Consolidated Financial Highlights

- Point** The number of technical employees increased with growing demand led by the upper limit cap on overtime work. This was due to strengthening our recruiting capability honed by low-cost recruitment based on our own screening without outsourcing to external agencies. Net sales significantly increased by 25.9% YoY.
- Point** The operating profit ratio improved by 1.8 points to 9.8% YoY due to a lower fixed cost ratio such as rent expenses on land and buildings and personnel expenses.
- Point** Achieved record-high operating profits and other profits.



* Non-GAAP operating profit, as a profit index to measure substantive performance, is calculated by adding depreciation, goodwill amortization and stock award expenses back to operating profit.
 * The number of consolidated technical employees is the number of employees at the end of the fiscal year including IT freelancers in the IT engineers dispatch business.

Now, in Section 1, I will provide an overview of the financial results for 3Q FYE3/2025 and highlight three points here.

First, the number of technical employees increased with growing demand led by the upper limit cap on overtime work. This was due to strengthening our recruiting capability honed by low-cost recruitment based on our own screening without outsourcing to external agencies. Net sales increased significantly by 25.9% YoY.

Second, the operating profit ratio improved by 1.8 points to 9.8% YoY due to a lower fixed cost ratio such as rent expenses on land and buildings and personnel expenses.

Third, operating profit and other profits achieved record highs. The slide lists the six main figures. The number of consolidated technical employees was 4,684, up 26.3% YoY; consolidated net sales were ¥22,025 million, up 25.9% YoY; and operating profit was ¥2,148 million, up 52.8% YoY.

Non-GAAP operating profit was ¥2,481 million, up 54.0% YoY; ordinary profit was ¥2,162 million, up 46.0% YoY; and current net profit was ¥1,374 million, up 46.7% YoY. All these performance measures renewed their record highs.

Consolidated Financial Results for 3Q FYE3/2025

(Millions of yen)

	FYE3/2024			FYE3/2025					
	3Q cumulative	% of net sales	Full-year progress ratio	3Q cumulative	% of net sales	YoY change		Full-year forecast	
						%	Amount	Amount	Full-year progress ratio
Net sales	17,496	100.0%	72.0%	22,025	100.0%	+25.9%	+4,528	30,000	73.4%
Cost of sales	12,616	72.1%	73.2%	15,964	72.5%	+26.5%	+3,347	21,551	74.1%
Gross profit	4,880	27.9%	69.1%	6,061	27.5%	+24.2%	+1,180	8,449	71.7%
SG&A expenses	3,474	19.9%	69.2%	3,913	17.8%	+12.6%	+439	5,749	68.1%
Operating profit	1,406	8.0%	68.9%	2,148	9.8%	+52.8%	+741	2,700	79.6%
Non-GAAP operating profit*	1,611	9.2%	68.8%	2,481	11.3%	+54.0%	+869	3,162	78.5%
Ordinary profit	1,480	8.5%	70.0%	2,162	9.8%	+46.0%	+681	2,714	79.7%
Profit attributable to owners of parent	936	5.4%	68.8%	1,374	6.2%	+46.7%	+437	1,755	78.3%
Number of consolidated technical employees (period end)*	3,709	-	86.8%	4,684	-	+26.3%	+975	5,168	90.6%

* Non-GAAP operating profit, as a profit index to measure substantive performance, is calculated by adding depreciation, goodwill amortization and stock award expenses back to operating profit.
 * The number of consolidated technical employees is the number of employees at the end of the fiscal year including IT freelancers in the IT engineers dispatch business.

This slide is the profit and loss statement of the financial results for 3Q FYE3/2025. I have just read it through, so please take a look when you have time.

Quarterly Consolidated Financial Results

Point Both net sales and the number of technical employees increased from the previous quarter.

Point Renewed their record-highs on a quarterly basis.



*The number of consolidated technical employees is the number of employees at the end of the fiscal year including IT freelancers in the IT engineer business.

This is the consolidated financial results for the quarter. Once again, there are two key points of note.

First, both net sales and the number of technical employees for 3Q increased significantly from the previous quarter. Second, net sales and the number of technical employees renewed their record-highs on a quarterly basis. The line and bar graphs show the trends in net sales and the number of consolidated technical employees. They have been rising steadily for a long time.

3Q FYE3/2025 Results by Subsidiary

Point COPRO CONSTRUCTION: Recruitment of technicians remained strong and profitability improved due to higher gross profit led by sales growth and a decline in fixed cost ratio. Operating profit significantly increased by 36.7% YoY.

Point COPRO TECHNOLOGY: Dispatch of semiconductor engineers to new business contributed to sales. Net sales significantly increased by +57.6% YoY as a result of aggressive investment in advertising and publicity primarily for "Bscareer IT" website.

	FYE3/2024			FYE3/2025		
	3Q cumulative	YoY % Change	YoY Change	3Q cumulative	YoY % Change	YoY Change
Consolidated sales	17,496	+28.8%	+3,912	22,025	+25.9%	+4,528
COPRO CONSTRUCTION	15,991	+25.6%	+3,258	19,653	+22.9%	+3,661
COPRO TECNOLOGY	1,505	+76.7%	+653	2,372	+57.6%	+866
Profit on sales	4,880	+20.4%	+826	6,061	+24.2%	+1,180
COPRO CONSTRUCTION	4,459	+18.8%	+705	5,596	+25.5%	+1,136
COPRO TECNOLOGY	420	+40.4%	+121	464	+10.6%	+44
Selling, general and administrative expenses	3,474	+8.9%	+282	3,913	+12.6%	+439
COPRO CONSTRUCTION	2,240	+15.5%	+300	2,563	+14.4%	+322
COPRO TECNOLOGY	441	+45.5%	+138	516	+17.1%	+75
HD and others	791	-16.5%	-156	832	+5.2%	+40
Consolidated operating profit	1,406	+63.0%	+543	2,148	+52.8%	+741
COPRO CONSTRUCTION	2,219	+22.3%	+404	3,032	+36.7%	+813
COPRO TECNOLOGY	-20	—	-16	-51	—	-31
HD and others	-791	—	+156	-832	—	-40

* The figures for subsidiaries are the amounts after consolidation adjustment, which eliminates intra-group transactions.

Here are the results by subsidiary for 3Q FYE3/2025. There are two key points.

First, COPRO CONSTRUCTION in the construction business area continues to see strong recruitment of technicians and profitability improved due to higher gross profit led by sales growth and a decline in fixed cost ratio. Operating profit increased significantly by 36.7% YoY.

Second, COPRO TECHNOLOGY in the semiconductor, mechanical and electrical, and IT business areas contributed to sales by dispatching semiconductor engineers to new business.

In addition, aggressive spending on advertising and publicity especially for "Bscareer IT" website resulted in a significant increase in net sales of 57.6 % YoY.

The table here shows 3Q net sales and profits, and the construction business area continues to perform well. We will explain later about the ¥51 million operating loss of COPRO TECHNOLOGY but we are now in an aggressive investment phase.

We recognize that we are in the phase of aggressive investment in advertising and publicity as well as personnel expenses for sales employees. Considering the current increase in sales, we believe that COPRO TECHNOLOGY will turn profitable soon and contribute to generating significant profit. Need some patience for a while.

KPI Trends by Business Segment

(People, 1,000 yen)

	FYE3/2024		FYE3/2025		
	3Q cumulative	Full-year	3Q cumulative	YoY % Change	YoY Change
No. of recruits	1,682	2,222	2,104	+25.1%	+422
Construction technician dispatch	1,539	2,024	1,854	+20.5%	+315
Mechanical & electrical and semiconductor engineer dispatch	84	118	147	+75.0%	+63
IT engineers dispatch	55	72	103	+87.3%	+48
Increase due to M&A, etc.	4	8	0	—	-4
No. of resignations	1,009	1,329	1,349	+33.7%	+340
Construction technician dispatch	943	1,233	1,210	+28.3%	+267
Mechanical & electrical and semiconductor engineer dispatch	39	54	60	+53.8%	+21
IT engineers dispatch	27	42	79	+192.6%	+52
No. of technical employees (period end)	3,709	3,929	4,684	+26.3%	+975
Construction technician dispatch	3,373	3,568	4,212	+24.9%	+839
Mechanical & electrical and semiconductor engineer dispatch	204	223	310	+52.0%	+106
IT engineers dispatch	132	138	162	+22.7%	+30
Retention rate	78.5%	74.7%	78.1%	—	-0.4pt
Construction technician dispatch	78.2%	74.3%	77.7%	—	-0.5pt
Mechanical & electrical and semiconductor engineer dispatch	84.0%	80.5%	83.8%	—	-0.2pt
IT engineers dispatch	81.6%	75.8%	81.4%	—	-0.2pt
Operating ratio (Inc. trainees)	94.8%	94.9%	93.4%	—	-1.4pt
Construction technician dispatch	94.5%	94.6%	93.4%	—	-1.1pt
Mechanical & electrical and semiconductor engineer dispatch	96.9%	97.0%	90.7%	—	-6.2pt
IT engineers dispatch	100.0%	100.0%	98.4%	—	-1.6pt
Sales per technician/engineer (period average)	619	617	591	-4.5%	-28
Construction technician dispatch	612	611	583	-4.8%	-29
Mechanical & electrical and semiconductor engineer dispatch	621	618	565	-9.1%	-56
IT engineers dispatch	770	773	820	+6.5%	+50

* The above figures, excluding the retention rate for dispatched IT engineers, include IT freelance engineers. The numerical values of retention rate are for dispatched technical employees only, excluding IT freelancers.
 * The sales per mechanical & electrical and semiconductor engineer are only for dispatched engineers, excluding contract work.
 * 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)) x 100

In Section 2, I will talk about the KPI analysis by business segment. This slide of KPI Trends by Business Segment lists the number of recruits, resignations, technical employees, retention rate, operating ratio, and sales per technician/engineer.

The point is, as I have already explained, the number of recruits for construction technician dispatch is in fairly good shape. We will make improvement and increase the number of recruits.

On the other hand, we will consider further increasing the sales from dispatching mechanical & electrical and semiconductor engineers, or IT engineers to turn profitable, while steadily promoting client development and assigning our engineers to appropriate clients. As such, we would like to address well.

The number of resignations of dispatched construction technicians was 1,210, which appears to be a bit high. If the number of resignations is inversely proportional to the steady number of recruits and becomes large, sales will not increase. That will lead to the future retention rate, and we will take a firm approach to detect resignations before they occur.

The retention rate is important. It was 78.5% in 3Q FYE3/2024 but in this quarter it is 78.1%, down 0.4%. We must become a company that aims for a retention rate of 80%, 85% or even 90%. We will raise the retention rate while firmly implementing our approach and strategy for this.

The operating ratio, including trainees, was 93.4% in this quarter compared to 94.8% in 3Q FYE3/2024, down 1.4%. Training in the semiconductor area takes about one month before technical employees are sent out to each client, and the operating ratio is rising steadily. We consider the operating ratio of trainees in the semiconductor area has a slight negative impact.

By training COPRO engineers from the basic to the advanced level, we believe the retention rate will increase eventually. We will invest in human resources and promote the career development of our engineers for the future.

Sales per technician/engineer shown in the last item is an average for the period. The 4.5% decline was partially due to a reduction in overtime work responding to the external environment. However, we made up for it by increasing the number of recruits enough to do or more, resulting in increased sales.

In the medium to long term, this industry is expected to face an overwhelming shortage of human resources. We will set a firm strategy for raising the sales per technician/engineer or charging more to meet the needs of customers who are having difficulty in recruiting human resources and do not want to let go of their talents. With this strategy, we will steadily increase either of them by an amount reasonable for customers. We will take a medium- to long-term approach going forward.

(Reference) Construction Technician Dispatching Business

Point The number of recruits increased by 20.5% YoY to 1,854, exceeding the plan. This was due to our recruiting capability honed by low-cost recruitment based on our own screening without outsourcing to external agencies.

Point The operating ratio in 3Q improved to 95.3% at the same level as the previous year. Improving the retention rate remains our top priority, though it is on a recovery trend.



Recruitment, turnover and operating ratio

(people)

	FYE3/2023	FYE3/2024						FYE3/2025				
	Full-year	1Q	2Q	3Q	3Q cumulative	4Q	Full-year	1Q	2Q	3Q	3Q cumulative	Full-year (Forecast)
Total recruited	1,472	614	458	467	1,539	485	2,024	843	505	506	1,854	2,299
New graduates	56	154	0	0	154	0	154	117	0	0	117	117
Mid-career	1,416	460	458	467	1,385	485	1,870	726	505	506	1,737	2,182
Turnover total	812	361	283	299	943	290	1,233	450	395	365	1,210	1,438
Net change	+660	+253	+175	+168	+596	+195	+791	+393	+110	+141	+644	+861
Increase due to M&A, etc.	+122	0	0	0	0	0	0	0	0	0	0	0
Number of technicians (quarter end)	2,777	3,030	3,205	3,373	3,373	3,568	3,568	3,961	4,071	4,212	4,212	4,429
Operating ratio (period average)	96.3%	93.0%	94.6%	95.7%	94.5%	94.9%	94.6%	91.2%	93.7%	95.3%	93.4%	-

Retention rate

	FYE3/2023	FYE3/2024						FYE3/2025				
	Full-year	1Q	2Q	3Q	3Q cumulative	4Q	Full Year	1Q	2Q	3Q	3Q cumulative	Full-year (Forecast)
Retention rate	77.4%	89.4%	91.9%	91.9%	78.2%	92.5%	74.3%	89.8%	91.2%	92.0%	77.7%	75.5%
Retention rate (FY accumulative total)	74.4%	89.2%	82.3%	76.2%	76.2%	72.1%	72.1%	89.4%	82.8%	77.3%	77.3%	-
Retention rate (Last twelve months)	74.4%	75.0%	73.2%	71.6%	71.6%	72.1%	72.1%	72.7%	73.1%	72.7%	72.7%	-

* 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.

I will explain the construction technician dispatching business because it is an integral part of our business, though this slide says for reference. There are two points.

One is “low-cost recruitment” based on our own screening without outsourcing to external agencies. By honing our recruiting capability, the number of recruits increased to 20.5% YoY to 1,854, exceeding the initial plan.

Furthermore, the operating ratio for 3Q FYE3/2025 improved to 95.3% at the same level as the previous year.

Improving the retention rate remains our top priority, though it is on a recovery trend. The numbers are shown on the slide.

(Reference) Mechanical & Electrical and Semiconductor Engineer Dispatching and Contracting Business

Point In the 11 months since its establishment in February 2024, the semiconductor engineer training center, “Semicon Techno Lab,” has graduated over 100 trainees.

Point The company has attracted major client companies and has received large orders. Furthermore, due to proactive hiring investments, the number of recruits grew, increasing the quarter-end number of technicians by 52.0% to 310.



■ Recruitment, turnover, and operating ratio

(People)

	FYE3/2023	FYE3/2024					FYE3/2025					
	Full Year	1Q	2Q	3Q	3Q Cumulative	4Q	Full Year	1Q	2Q	3Q	3Q Cumulative	Full year (Forecast)
Total recruited	85	29	27	28	84	34	118	36	59	52	147	207
New graduates	1	5	0	0	5	0	5	15	0	0	15	14
Mid-career	84	24	27	28	79	34	113	21	59	52	132	193
Turnover total	42	13	9	17	39	15	54	18	27	15	60	49
Net change	+43	+16	+18	+11	+45	+19	+64	+18	+32	+37	+87	+158
Number of technicians (quarter end)	159	175	193	204	204	223	223	241	273	310	310	381
Operating ratio (period average)	97.5%	95.9%	97.9%	96.8	96.9%	97.3%	97.0%	92.4%	90.2%	89.8%	90.7%	-

■ Retention rate

	FYE3/2023	FYE3/2024					FYE3/2025					
	Full Year	1Q	2Q	3Q	3Q Cumulative	4Q	Full Year	1Q	2Q	3Q	3Q Cumulative	Full Year (Forecast)
Retention rate	79.1%	93.1%	95.5%	92.3%	84.0%	93.7%	80.5%	93.1%	91.0%	95.4%	83.8%	88.6%
Retention rate (FY accumulative total)	81.0%	93.7%	89.9%	85.4%	85.4%	82.3%	82.3%	92.9%	87.6%	82.7%	82.7%	-
Retention rate (LTM)	81.0%	82.8%	84.2%	90.2%	90.2%	82.3%	82.3%	85.1%	81.3%	80.9%	80.9%	-

* 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: Last Twelve Months): 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.

This shows the business areas of mechanical & electrical and semiconductor engineer dispatching and contracting. There are two key points.

First, in the 11 months since its opening in February 2024, the semiconductor engineer training center, “Semicon Techno Lab,” has graduated over 100 trainees.

Second, we have attracted major client companies and have received large orders. In addition, the number of recruits grew due to proactive hiring investments. The number of technicians at the end of 3Q increased by 52.0% YoY to 310. The numbers are shown on the slide.

(Reference) IT Engineers Dispatching Business and Freelance Business

Point With the project introduction site for IT engineers “Bscareer IT” getting off the ground, the number of applicants increased by 50.0% YoY. Meanwhile, we were not able to catch up with securing enough projects, resulting in an increase in the number of technical employees only by 22.7% YoY.
 ⇒The company will focus on developing client companies and acquiring new projects.



■ Recruitment, turnover, and operating ratio

(people)

	FYE3/2023	FYE3/2024						FYE3/2025				
	Full Year	1Q	2Q	3Q	3Q Cumulative	4Q	Full Year	1Q	2Q	3Q	3Q Cumulative	Full Year (Forecast)
Number of applicants	1,239	594	651	696	1,941	689	2,630	1,064	998	830	2,892	-
Total recruited	68	21	17	17	55	17	72	32	27	44	103	270
Turnover total	58	12	9	6	27	15	42	22	37	20	79	50
Net change	+10	+9	+8	+11	+28	+2	+30	+10	△10	+24	+24	+220
Increase due to M&A, etc.	0	0	0	4	4	4	8	0	0	0	0	-
Number of technicians (quarter end)	100	109	117	132	132	138	138	148	138	162	162	358
Operating ratio (period average)	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	97.8%	98.6%	98.9%	98.4%	-

* The above figures include IT freelance engineers.

■ Retention rate

	FYE3/2023	FYE3/2024						FYE3/2025				
	Full Year	1Q	2Q	3Q	3Q Cumulative	4Q	Full Year	1Q	2Q	3Q	3Q Cumulative	Full Year (Forecast)
Retention rate	78.3%	89.3%	100.0%	87.0%	81.6%	87.7%	75.8%	89.1%	92.1%	94.6%	81.4%	87.9%

* The above figures are for dispatched technical employees only, excluding IT freelancers.

* 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)) x 100

Here are the IT engineers dispatching business and freelance business, and there is one key point: the number of applicants increased by 50.0% YoY as the project introduction site for IT engineers “Bscareer IT” got off the ground.

On the other hand, we could not fully secure projects. The number of technical employees has only increased by 22.7% YOY. In the future, we will focus on developing client companies and enhancing sales capabilities to win large-scale projects. By doing so, we will promote matching and assignment to our customers. The numbers are shown on the slide.

Growth Strategy

Establish the Highest **Professional Quality** in the Industry

Sales

- ✓ Expanding our market share by focusing on major client companies through in-depth sales activities.
- ✓ Promoting team/set dispatching to the same site.

Recruiting

- ✓ Strengthening one of our key advantages, the “low-cost recruitment” system, which adopts our internal selection rather than external recruitment agencies.
- ✓ Expanding our recruiting channels, including our recruitment website, “Bscareer Construction,” and referral programs.

Retention

- ✓ Focusing on improving the retention rate of first- and second-year technical employees.
- ✓ Increasing the number of technical employees with a high value by improving the retention rate.



For Section 3, this is the growth strategy for FYE3/2025, which deserves a focus on the construction technician dispatching business. The growth strategy states as “Establish the Highest Professional Quality in the Industry.”

This means the quality of sales, the quality of recruiting, and the quality of retention. In our human resources business, it is extremely important to thoroughly improve the quality of these three key areas.

It is the basics of the basics, but we will hone and elevate them to the next level. We recognize that this repetition will be extremely important.

More specifically, we will expand our market share by focusing on major client companies through in-depth sales activities. For major client companies, we will promote team/set dispatching to the same site. We believe that this approach will become extremely important in the future.

In the recruiting area, we will strengthen “low-cost recruitment” through our internal selection rather than external recruitment agencies. which is one of our overwhelming strengths. This is the part of the recruitment process improvement that we have been working on most intensively for the past three years.

We will further hone our “low-cost recruitment,” hiring process, and yield to form more pool of candidates. We will take steps to determine how many people to interview, make job offers, and bring them to the final hiring rate, while monitoring and checking them on a daily basis to instantly identify where errors are occurring. We hope to further refine and enhance our recruiting capability which is one of our overwhelming strengths.

In addition, we are gradually expanding our recruiting channels, including our recruitment website, “Bscareer Construction,” and referral programs. By investing in new recruitment channels, we will be able to hire higher quality engineers. We will consider how to expand new channels.

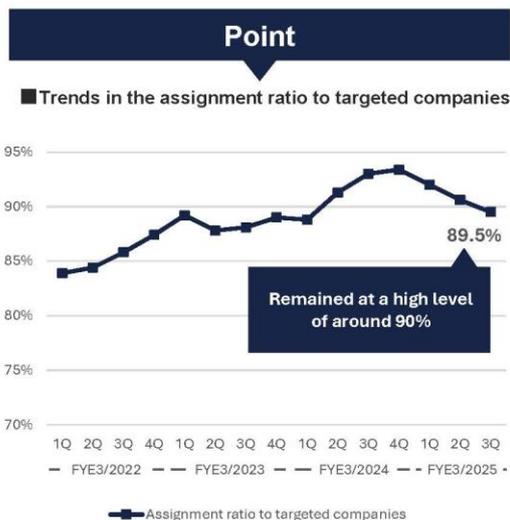
And the third is the quality of retention. We believe that we must focus on improving the retention rate of first- and second-year technical employees. By overwhelmingly improving the retention rate of young first- and second-year employees who are new to the construction industry and have joined COPRO for the first time, we will be able to improve the overall retention rate.

After the retention rate improves, we will increase the number of technical employees with a high value. Our historical data shows that once employees in their first and second years enter the third year, we can significantly increase the charge. We hope to lead this scenario.

Sales Strategies: Reinforce Deeply-Cultivated Sales

Point To ensure stable orders and provide a comfortable working environment for our technical employees, we concentrate on in-depth sales activities to targeted companies, primarily major general contractors and subcontractors, to increase our market share.

Point We will enhance team/set dispatching to the same site at the target company, aiming to improve both sales efficiency and employee retention rates.



Here are the sales strategies of reinforcing deeply-cultivated sales. The left figure shows the trends in the assignment ratio to targeted companies, and the right figure shows the team/set dispatching we are currently strongly promoting.

As of 3Q FYE3/2025, the assignment ratio to targeted companies is 89.5%, hovering high at around 90%. However, we have fully shared within the company that the ratio may slightly trend downward.

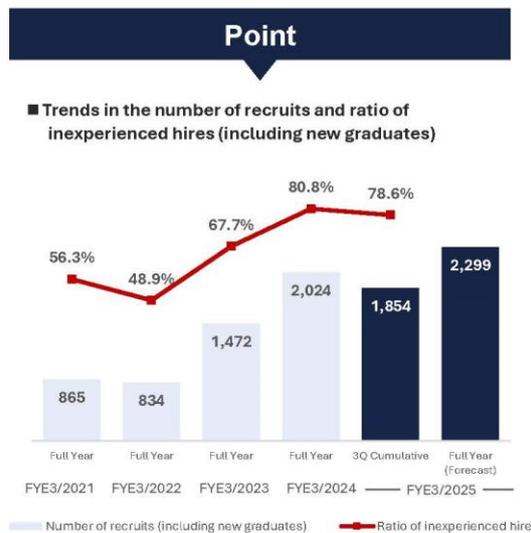
It will be very important to translate our strategy into a solid form and number. Our target is 95%, and we will further reinforce deeply-cultivated sales to major companies and companies where many COPRO's engineers are actively working.

The figure on the right of the slide shows promoting team/set dispatching to the same site. In 3Q FYE3/2025 the number of teams was 690 and the team ratio was 48%, or nearly the half.

We will further increase the number of teams and send the employees in their first and second years to the sites where COPRO's senior employees work. We believe implementing such a strategy will help improve the retention rate of younger employees.

Recruiting Strategies: Enhance Our Strength of “Low Unit Price for Recruitment”

- Point** The unit price for recruitment in 3Q was 409 thousand yen, up 17.5% from the previous year, due to additional investment in recruiting expenses to boost the number of recruits in 4Q and 1Q of the next fiscal year.
- Point** The number of recruits for the cumulative 3Q totaled 1,854, up 20.5% from the previous year, exceeding our internal plan.



Our recruiting strategies are to enhance our strength of “low unit price for recruitment.” The left figure of this slide shows the trends in the number of mid-career recruits and cost per hire. As you see, the cost per hire in 3Q was slightly above ¥400,000 at a bit higher level, and the current fiscal year is progressing as planned in fairly good shape.

To start off the next FY beginning in April 2025 with strong momentum, we are now aggressively investing in advertising and publicity.

In 1Q FYE3/2025, the number of recruits was 726, leading to an overwhelming number of recruits. Looking back at the cost per hire in the past one or two quarters, it was as high as ¥348,000 or ¥404,000. This is the same for 3Q and 4Q FYE3/2024. This means we have been investing in 2H FY2025 in order to recruit for the next fiscal year.

In conclusion, the number of recruits in 3Q was only 506, but the cost per hire slightly increased because we are actively investing in hiring for the next fiscal year. However, we believe that this will lead to a good number of recruits at the start of the fiscal year in April 2025.

The figure on the right side of the slide shows the trends in the number of recruits and the ratio of inexperienced hires. The overall number of recruits which includes new graduates, totaled 1,854 in 1Q-3Q FYE3/2025. Of these, the ratio of inexperienced hires was 78.6%.

It is very important to hire inexperienced engineers and have them undergo our training program to improve the quality of our engineers and deploy them to our customers, rather than competing in a so-called red ocean for experienced engineers.

Of course, we need to steadily hire experienced engineers as well, but the key points are how to hire young inexperienced engineers and how to produce higher quality engineers for the orders we receive from major clients who accept inexperienced workers.

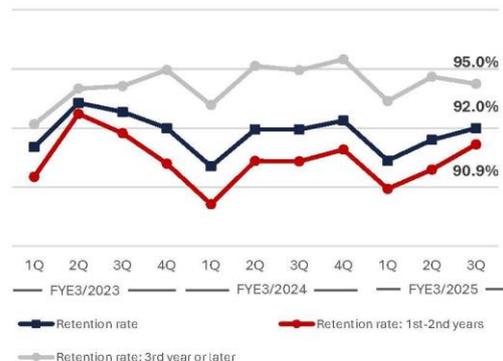
Retention Strategies: Improve the Retention Rate of Employees in Their 1st & 2nd Years

Point The retention rate for 3Q FYE3/2025 was 92.0%, showing an improvement of 0.1 pt compared to the previous year. The retention rate for employees in their third year or later has consistently remained high since FYE3/2024. Additionally, the retention rate for employees in their first and second years has gradually improved since 2Q.

Point As we expand our hiring efforts, we focus on improving the retention rate of young employees in their first and second years, as they make up approximately 70% of our engineering staff. In addition to in-depth sales activities to target companies, one of our key sales initiatives, we promote team/set dispatching and “Engineer Support Platform” development.

Point

■ Trends in retention rates



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

Point

■ Promoting the construction of an “Engineer Support Platform”

□ Opening of a training center

- A new training center is set to open in Shinagawa, Tokyo, in April 2025.
- The center will provide training for individuals looking to build a long-term career in the construction industry. It will offer both face-to-face instruction and hands-on training using actual materials.



□ Strengthening training programs and support for qualification studies

- In addition to the training provided to new recruits, we offer regular sessions of basic engineering training during the first and second years of employment for individuals with no prior industry experience.
- Furthermore, we provide study support to help employees obtain national qualifications, such as becoming a construction management engineer.



This slide explains about the retention strategies of improving the retention rate of employees in their first and second years. I will explain two key points as they are very important.

First, the retention rate for 3Q FYE3/2025 was 92.0%, showing an improvement of 0.1 pt compared to the previous year. The retention rate for employees in their third year or later has consistently remained high since FYE3/2024. Additionally, the retention rate for employees in their first and second years has gradually improved since 2Q.

Second, as we expand our hiring efforts, we focus on improving the retention rate of young employees in their first and second years, as they make up approximately 70% of our engineering staff. In addition to in-depth sales activities to target companies and team/set dispatching, our key sales initiatives, we promote development of “Engineer Support Platform” that is operated within the Company.

In the figure on the left of the slide, the red line graph shows the retention rate of employees in their first and second years, blue shows the overall retention rate, and gray shows the retention rate of employees in their third year or later. We would like to take the approach of further increasing the overall retention rate by increasing the retention rate of employees in their first and second years in the red line graph.

The right side of the slide is about Promoting the construction of an “Engineer Support Platform” which forms the basis of our training program.

First, I would like to explain about the opening of our training center scheduled in April 2025 in the Shinagawa area of Tokyo. This training center will provide face-to-face instruction and hands-on training using steel frames, reinforcing bars, and formwork that are actually used at construction sites. In this way, we aim to develop individuals looking to build a long-term career in the construction industry.

Based on the training center to be opened in Tokyo’s Shinagawa area in April 2025, we hope to produce even higher quality engineers.

Next, we will strengthen our training programs and support for qualification studies. In addition to the training provided to new recruits, we will offer thorough and regular sessions of basic training for engineers during the first and second years of employment for individuals with no prior industry experience.

Further, we provide study support to help engineers obtain national qualifications such as construction management engineers and architects.

COPRO CONSTRUCTION Co., Ltd. to Relocate its Sales Headquarters to Tokyo

Point In April 2025, President and Chief Executive Officer Koshikawa will oversee the move of the sales headquarters from Nagoya to Tokyo, aiming to establish a presence in the Kanto area, which accounts for one-third of all construction investment in Japan. The company will focus on expanding its market share and securing skilled human resources.

■ Number of temporary workers in the Kanto area (construction engineer dispatch)*



Aiming to become the No.1 company in the Kanto area, Japan's largest market



New Address Sapia Tower 18F, 1-7-12 Marunouchi, Chiyoda-ku, Tokyo

Relocation Date April 1, 2025 (scheduled)

Access Just outside the Tokyo Station Shinkansen Nihombashi Exit, or a 2-minute walk from the Yaesu North Exit ticket gate

*The office will move to a tenant where the COPRO CONSTRUCTION Tokyo Branch is also located.

* Source: Information disclosed by each company based on the Worker Dispatch Law as of February 6, 2025.
 * "COPRO CN" indicates the number of people assigned as of June 1, 2024.

This is about the news release of "COPRO CONSTRUCTION to Relocate its Sales Headquarters to Tokyo."

COPRO CONSTRUCTION, a business subsidiary, currently headed by Yusuke Koshikawa, will relocate its sales headquarters from Nagoya to Tokyo in April 2025. Koshikawa himself will also transfer to Tokyo.

As a major mission, we will move our sales headquarters to the Kanto region, the largest market in Japan, which accounts for one-third of construction investment in Japan. This is to focus on expanding its market share and securing skilled human resources.

The left of the slide shows the number of temporary workers in the Kanto area (construction engineer dispatch) including our own and other companies in the same industry. Though there are some differences in the method and period of calculation, we believe this shows the current competitive landscape in the industry.

In the Kanto area, we are currently ranked 4th in the industry and aim to have the top market share in Kanto, the largest market in Japan.

Rather than taking a longer span of five to six years, given the current dramatic growth rate, we will be unrivalled, gaining the No. 1 market share in the Kanto area in the next few years.

We will be relocated in the Tokyo Station area where the Tokyo Branch is currently located. In order to capture the Tokyo's market share, CEO as well as the sales headquarters moving from Nagoya to Tokyo will steadily promote the strategy.

Summary of the Full Year Earnings Forecast for FYE3/2025

Point We aim to accelerate the expansion of our scale while continuing to invest in growth, mainly in recruiting costs for the dispatching of construction technicians.

Point While continuing to invest in growth, we plan to improve productivity, mainly in the back office, and will maintain a high growth rate for each line-item profit.



* As a profit index to measure substantive performance, non-GAAP operating profit is calculated by adding depreciation, goodwill amortization and stock award expenses back to operating profit.
 * The number of consolidated technical employees is the number of employees at the end of the fiscal year including IT freelancers in the IT engineers dispatch business.

Section 4 is a summary of the full year earnings forecast for FYE3/2025. There are two key points.

First, we aim to accelerate the expansion of our scale while continuing to invest in growth, mainly in recruiting costs for the dispatching of construction technicians.

Second, we plan to improve productivity mainly in the back office while continuing to invest in growth, and will maintain a high growth rate for profits. There is no change to the full-year forecast with the end of 3Q FYE3/2025.

The number of consolidated technical employees increased 31.5% YoY to 5,168. Consolidated sales were ¥30.0 billion, up 24.5% YoY. Operating profit was ¥2.7 billion, up 26.1% YoY. Non-GAAP operating profit was ¥3,162 million, up 29.7% YoY.

Ordinary profit was ¥2,714 million, up 22.7% YoY. Current net profit is projected at ¥1,755 million, up 19.9% YoY.

FYE3/2025 Consolidated Earnings Forecast

(Millions of yen)

	FYE3/2024		FYE3/2025 (Forecast)			
	Full Year	Ratio	Full Year	Ratio	YoY Change	
					%	Amount
Net sales	24,098	100.0%	30,000	100.0%	+24.5%	+5,901
Cost of sales	17,323	71.9%	21,551	71.8%	+24.4%	+4,227
Gross profit	6,774	28.1%	8,449	28.2%	+24.7%	+1,674
SG&A expenses	4,632	19.2%	5,749	19.2%	+24.1%	+1,116
Operating profit	2,141	8.9%	2,700	9.0%	+26.1%	+558
Non-GAAP operating profit* ¹	2,437	10.1%	3,162	10.5%	+29.7%	+724
Ordinary profit	2,211	9.2%	2,714	9.0%	+22.7%	+502
Profit attributable to owners of parent	1,463	6.1%	1,755	5.9%	+19.9%	+291
Earnings per share (after stock split) (yen)* ²	77.68	–	91.96	–	+18.4%	+14.28
Number of consolidated technical employees (quarter end)* ³	3,929	–	5,168	–	+31.5%	+1,239

*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. Earnings per share is calculated on the assumption that the stock split was conducted at the beginning of FYE3/2024.

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

This shows a full-year forecast of P/L, and please take a look when you have time.

FYE3/2025 KPIs by Business (Forecast)

(People, 1,000 yen)

	FYE3/2024			FYE3/2025		
	1H	2H	Full Year	Full Year (forecast)	YoY Change	YoY Difference
No. of recruits	1,166	1,056	2,222	2,776	+24.9%	+554
Construction technician dispatch	1,072	952	2,024	2,299	+13.6%	+275
Mechanical & electrical and semiconductor engineer dispatch	56	62	118	207	+75.4%	+89
IT engineers dispatch	38	34	72	270	+275.0%	+198
Increase due to M&A, etc.	0	8	8	-	-	-8
No. of resignations	687	642	1,329	1,537	+15.7%	+208
Construction technician dispatch	644	589	1,233	1,438	+16.6%	+205
Mechanical & electrical and semiconductor engineer dispatch	22	32	54	49	-9.3%	-5
IT engineers dispatch	21	21	42	50	+19.0%	+8
No. of technical employees (period end)	3,515	3,929	3,929	5,168	+31.5%	+1,239
Construction technician dispatch	3,205	3,568	3,568	4,429	+24.1%	+861
Mechanical & electrical and semiconductor engineer dispatch	193	223	223	381	+70.9%	+158
IT engineers dispatch	117	138	138	358	+159.4%	+220
Retention rate	83.7%	85.8%	74.7%	76.6%	-	+1.9pts
Construction technician dispatch	83.3%	85.8%	74.3%	75.5%	-	+1.2pts
Mechanical & electrical and semiconductor engineer dispatch	89.8%	87.5%	80.5%	88.6%	-	+8.1pts
IT engineers dispatch	91.7%	79.4%	75.8%	87.9%	-	+12.1pts

*The above figures, excluding IT engineers dispatch retention rate, include IT freelance engineers. The numerical values of Retention rate are for dispatched technical employees only, excluding IT freelancers.
 *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

This shows the full-year forecast of KPIs by business. Please take a look at the numbers of recruits, resignations, and technical employees as well as retention rate.

Dividend Forecast

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 FYE3/2023 to FYE3/2027), depending on the profit growth achieved through aggressive investment.

Dividend per Share

	Interim	Year-end	Commemorative	Total
FYE3/2024	¥15.0	¥30.0	¥5.0	¥50.0
FYE3/2025 (forecast)	¥20.0	¥40.0	-	¥60.0

*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.

About Repurchase of Own Shares

- Repurchase period: From June 17, 2024 to August 2, 2024
- Total number of shares repurchased: 472,200 shares
- Total value of shares repurchased: 799,911 thousand yen

Dividend & Dividend Payout Ratio Trends

(Yen per share)



Here is the dividend forecast for FYE3/2025 in Section 5. We will read together the dividend policy which is very important.

Dividends are the basis for shareholder returns, which we consider to be one of the important management issues. We will not reduce dividends during the period covered by the Medium-Term Management Plan "COPRO Group Build the Future 2027."

Our basic policy is to pay stable dividends, and we aim to maintain a consolidated dividend payout ratio of 50% or more, depending on the profit growth achieved through aggressive investment.

These are our dividend policies. The interim dividend of ¥20 per share for FYE3/2025 has already been paid. Further, the dividend forecast for FYE3/2025 is ¥40 so in total, we expect to pay an annual dividend of ¥60, an increase of ¥10 from FYE3/2024.

We have completed repurchasing our own shares and in terms of shareholder returns, happy to report that we have repurchased our own shares during this period.

The figure on the lower right of the slide shows the trends of dividends and dividend payout ratio. For FYE3/2025, we project a 65.2% payout ratio if the ordinary dividend (interim) is ¥20, the commemorative dividend (year-end) is ¥40, and annual dividend is ¥60.

Progress of the Medium-Term Management Plan

- While making investments in growth, such as recruiting costs mainly in the construction technician dispatching business, we aim to accelerate the organic growth of existing businesses and exceed the Medium-Term Plan performance targets for each fiscal year.
- We will also actively consider intermittent growth through M&A, which is not factored into the Medium-Term Plan.
- We hit the halfway point of the Medium-Term Management Plan (the “Plan”) (FYE3/2023–FYE3/2027) with strong performance in 1H of FYE3/2025, the third year of the Plan. Now we are eyeing the possibility to upward revise the performance targets of the plan to achieve sales of ¥40 billion and non-GAAP operating profit of ¥5 billion has come in sight.



In Section 6, I will explain the progress of the Medium-Term Management Plan. There are three points to mention.

First, we aim to accelerate the organic growth in existing businesses while investing in growth such as hiring expenses, mainly in the construction technician dispatching business, to exceed the performance targets for each fiscal year set under the Medium-Term Management Plan.

Second, we will actively consider intermittent growth through M&A, which is not factored into the Medium-Term Management Plan.

Third, FYE3/2025, the third year of the Plan is also progressing steadily, and we are on track for a significant upward revision of our financial targets for FYE3/2027, the final year of the Plan, with net sales of ¥40 billion and non-GAAP operating profit of ¥5 billion.

The bar graph on the bottom left of the slide shows net sales and the bar graph on the bottom right non-GAAP operating profit. I should tell you here that I am not just looking at the current FYE3/2025, which has 1.5 months to go, but rather how we will deliver in FYE3/2027, the final year of the Plan.

To this end, we are currently preparing the budget for FYE3/2026. As the year immediately before the final year of the Medium-Term Management Plan, it will be very important to determine how to end FYE3/2026 in good shape and how to end FYE3/2027, the final year of the plan.

First of all, we will prepare the FYE3/2026 budget to exceed ¥33 billion which was set under the Plan. We will firmly formulate a budget and link the profit to this.

It is very important how we can deliver in FYE3/2027 the sales target of ¥40 billion and non-GAAP operating profit of ¥5 billion, and how we can make a profit on sales in the budget for FYE3/2026 which is now being formulated.

We hope to report and announce that we could deliver as planned at the FYE3/2025 financial closing.

Slides in Section 7 are also reference materials of the Company, so please take a look when you have time.

Thank you very much for taking time out of your busy schedule today to watch our financial results presentation video. With 1.5 months remaining in the current fiscal year, and in FYE3/2026, and further in FYE3/2027, the final year of the Medium-Term Management Plan, we will continue to develop our business being strongly focused on our mission and meeting the expectations of our shareholders and investors, while demonstrating a compelling equity story in every area.