

Translation

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Summary of Consolidated Financial Results for the Six Months Ended September 30, 2022 (Based on Japanese GAAP)

November 14, 2022

Company name: COPRO-HOLDINGS. Co., Ltd.
 Stock exchange listing: Tokyo, Nagoya
 Stock code: 7059 URL <https://www.copro-h.co.jp/>
 Representative: Chief Executive Office Kosuke Kiyokawa
 Inquiries: Managing Director Masahiko Saito TEL +81-52-589-3066
 Scheduled date to file Quarterly Securities Report: November 14, 2022
 Scheduled date to commence dividend payments: December 9, 2022
 Preparation of supplementary material on quarterly financial results: Yes
 Holding of quarterly financial results meeting: Yes

(Amounts less than one million yen are rounded down)

1. Consolidated financial results for the Six months ended September 30, 2022 (from April 1, 2022 to September 30, 2022)
(1) Consolidated operating results (cumulative)

Percentages indicate year-on-year changes

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Six months ended September 30, 2022	8,670	17.1	469	(25.7)	472	(25.2)	280	(14.6)
Six months ended September 30, 2021	7,402	1.8	632	19.0	630	18.1	328	(18.9)

	Earnings per share		Diluted earnings per share	
	Yen		Yen	
Six months ended September 30, 2022	30.20		29.94	
Six months ended September 30, 2021	34.38		33.95	

(2) Consolidated financial position

	Total assets		Net assets		Equity ratio	
	Millions of yen		Millions of yen		%	
As of September 30, 2022	9,036		6,603		72.5	
As of March 31, 2022	8,841		6,575		74.0	

2. Cash dividends

	Annual dividends per share				
	1st quarter-end	2nd quarter-end	3rd quarter-end	Fiscal year-end	Total
	Yen				
Year ended March 31, 2022	–	10.00	–	30.00	40.00
Year ending March 31, 2023	–	10.00			
Year ending March 31, 2023(Forecast)			–	30.00	40.00

(Note) Revisions to the dividend forecasts announced most recently: No

3. Forecast of consolidated financial results for the year ending March 31, 2023 (from April 1, 2022 to March 31, 2023)

Percentages indicate year-on-year changes

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent		Earnings per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
Full year	18,380	17.9	1,204	(25.7)	1,206	(25.5)	727	(24.5)	78.29

(Note) Revisions to the earnings forecasts announced most recently: Yes

4. Notes

- (1) Changes in significant subsidiaries during the Six months ended September 30, 2022
(changes in specified subsidiaries resulting in the change in scope of consolidation): No
- (2) Application of special accounting methods for preparing quarterly consolidated financial statements: No
- (3) Changes in accounting policies, changes in accounting estimates, and restatement of prior period financial statements
- Changes in accounting policies due to revisions to accounting standards and other regulations: No
- Changes in accounting policies due to other reasons: No
- Changes in accounting estimates: No
- Restatement of prior period financial statements: No

(4) Number of issued shares (common shares)

Total number of issued shares at the end of the period (including treasury shares)

As of September 30, 2022	10,000,000 shares	As of March 31, 2022	10,000,000 shares
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Number of treasury shares at the end of the period

As of September 30, 2022	710,468 shares	As of March 31, 2022	715,126 shares
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Average number of shares during the period (cumulative from the beginning of the fiscal year)

Six months ended September 30, 2022	9,286,732 shares	Six months ended September 30, 2021	9,550,965 shares
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Quarterly consolidated financial statements

Consolidated balance sheets

(Thousands of yen)

	As of March 31, 2022	As of September 30, 2022
Assets		
Current assets		
Cash and deposits	4,058,265	3,979,145
Accounts receivable - trade	2,226,864	2,451,940
Other	463,806	453,056
Allowance for doubtful accounts	(475)	—
Total current assets	6,748,461	6,884,142
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	328,233	383,367
Other, net	79,041	101,917
Total property, plant and equipment	407,274	485,284
Intangible assets		
Goodwill	780,712	727,834
Other	218,095	209,943
Total intangible assets	998,807	937,778
Investments and other assets		
Deferred tax assets	138,735	165,613
Other	548,039	563,603
Total investments and other assets	686,775	729,216
Total non-current assets	2,092,858	2,152,279
Total assets	8,841,319	9,036,421
Liabilities		
Current liabilities		
Accounts payable - other	1,328,319	1,562,544
Income taxes payable	375,271	179,504
Accrued consumption taxes	237,927	289,238
Provision for bonuses	51,649	99,935
Asset retirement obligations	23,300	19,753
Other	149,071	153,193
Total current liabilities	2,165,539	2,304,171
Non-current liabilities		
Retirement benefit liability	24,306	28,867
Asset retirement obligations	74,930	85,771
Other	1,379	14,262
Total non-current liabilities	100,615	128,901
Total liabilities	2,266,154	2,433,072
Net assets		
Shareholders' equity		
Share capital	30,000	30,000
Capital surplus	1,237,532	1,239,119
Retained earnings	5,618,539	5,620,439
Treasury shares	(349,151)	(346,876)
Total shareholders' equity	6,536,921	6,542,682
Accumulated other comprehensive income		
Foreign currency translation adjustment	1,943	5,593
Total accumulated other comprehensive income	1,943	5,593
Share acquisition rights	36,299	55,073
Total net assets	6,575,164	6,603,349
Total liabilities and net assets	8,841,319	9,036,421

Consolidated statements of income (cumulative) and consolidated statements of comprehensive income (cumulative)

Consolidated statements of income (cumulative)

(Thousands of yen)

	Six months ended September 30, 2021	Six months ended September 30, 2022
Net sales	7,402,022	8,670,178
Cost of sales	5,168,273	6,086,756
Gross profit	2,233,748	2,583,421
Selling, general and administrative expenses	1,601,213	2,113,458
Operating profit	632,535	469,962
Non-operating income		
Interest income	28	29
Foreign exchange gains	—	849
Rental income	570	570
Gain on forfeiture of unclaimed dividends	—	274
Other	326	907
Total non-operating income	925	2,630
Non-operating expenses		
Interest expenses	270	19
Rental expenses on real estate	483	483
Foreign exchange losses	1,555	—
Guarantee commission	166	—
Other	0	16
Total non-operating expenses	2,476	519
Ordinary profit	630,983	472,073
Extraordinary income		
Gain on sales of non-current assets	1,521	—
Total extraordinary income	1,521	—
Extraordinary losses		
Impairment loss	50,434	—
Loss on retirement of non-current assets	0	132
Other	17	—
Total extraordinary losses	50,452	132
Profit before income taxes	582,052	471,940
Income taxes - current	241,157	204,390
Income taxes - deferred	12,517	(12,895)
Total income taxes	253,674	191,495
Profit	328,378	280,445
Profit attributable to owners of parent	328,378	280,445

Other Consolidated statements of comprehensive income (cumulative)

	(Thousands of yen)	
	Six months ended September 30, 2021	Six months ended September 30, 2022
Profit	328,378	280,445
Other comprehensive income		
Foreign currency translation adjustment	255	3,649
Total other comprehensive income	255	3,649
Comprehensive income	328,633	284,095
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	328,633	284,095

Consolidated statements of cash flows

(Thousands of yen)

	Six months ended September 30, 2021	Six months ended September 30, 2022
Cash flows from operating activities		
Profit before income taxes	582,052	471,940
Depreciation	61,065	73,553
Impairment loss	50,434	—
Amortization of goodwill	9,334	52,877
Share-based remuneration expenses	20,547	18,323
Increase (decrease) in allowance for doubtful accounts	13	(475)
Increase (decrease) in provision for bonuses	5,255	48,285
Increase (decrease) in retirement benefit liability	875	4,561
Interest income	(28)	(29)
Interest expenses	270	19
Gain on sales of non-current assets	(1,521)	—
Loss on retirement of non-current assets	0	132
Decrease (increase) in trade receivables	(6,553)	(225,075)
Decrease (increase) in other current assets	(64,899)	(113,418)
Increase (decrease) in accounts payable - other	65,470	213,332
Increase (decrease) in other current liabilities	(342,333)	56,172
Other, net	1,498	9,481
Subtotal	381,483	609,681
Interest and dividends received	28	29
Interest paid	(271)	(22)
Income taxes paid	(178,656)	(271,549)
Net cash provided by (used in) operating activities	202,584	338,139
Cash flows from investing activities		
Purchase of property, plant and equipment	(222,006)	(84,752)
Purchase of intangible assets	(68,872)	(15,194)
Purchase of shares of subsidiaries resulting in change in scope of consolidation	(937,327)	—
Other, net	(137,718)	(40,188)
Net cash provided by (used in) investing activities	(1,365,925)	(140,134)
Cash flows from financing activities		
Repayments of long-term borrowings	(3,999)	—
Repayments of lease obligations	(10,510)	(1,726)
Redemption of bonds	(70,000)	—
Purchase of treasury shares	(119,287)	—
Proceeds from exercise of employee share options	3,105	451
Dividends paid	(262,172)	(278,839)
Net cash provided by (used in) financing activities	(462,865)	(280,115)
Effect of exchange rate change on cash and cash equivalents	255	3,284
Net increase (decrease) in cash and cash equivalents	(1,625,951)	(78,825)
Cash and cash equivalents at beginning of period	5,283,819	4,021,037
Cash and cash equivalents at end of period	3,657,868	3,942,211