

Translation

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Summary of Consolidated Financial Results for the Year Ended March 31, 2021 (Based on Japanese GAAP)

May 14, 2021

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: Director of Management Strategy Division Eiji Kawamura TEL +81-52-589-3066
 Scheduled date of ordinary general meeting of shareholders: June 24, 2021
 Scheduled date to file Securities Report: June 25, 2021
 Scheduled date to commence dividend payments: June 25, 2021
 Preparation of supplementary material on financial results: Yes
 Holding of financial results meeting: Yes

(Amounts less than one million yen are rounded down)

I. Consolidated financial results for the year ended March 31, 2021 (from April 1, 2020 to March 31, 2021)

(1) Consolidated operating results

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	%
Year ended March 31, 2021	14,836	13.1	1,437	(9.7)	1,439	(9.2)	1,009	(6.9)
Year ended March 31, 2020	13,122	21.3	1,592	18.4	1,585	18.6	1,084	15.5

	Earnings per share	Diluted earnings per share	Profit attributable to owners of parent/equity	Ordinary profit/total assets	Operating profit/net sales
	Yen	Yen	%	%	%
Year ended March 31, 2021	106.74	104.73	17.2	17.4	9.7
Year ended March 31, 2020	115.08	112.76	21.3	20.4	12.1

(Note) On April 1, 2021, the Company conducted a two-for-one stock split of common stock. Earnings per share and Diluted earnings per share have been calculated as if this stock split had taken place at the beginning of the previous fiscal year.

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio	Net assets per share
	Millions of yen	Millions of yen	%	Yen
As of March 31, 2021	8,514	6,272	73.7	656.54
As of March 31, 2020	8,030	5,487	68.3	582.09

(Note) On April 1, 2021, the Company conducted a two-for-one stock split of common stock. Net assets per share has been calculated as if this stock split had taken place at the beginning of the previous fiscal year.

(3) Consolidated cash flows

	Cash flows from operating activities	Cash flows from investing activities	Cash flows from financing activities	Cash and cash equivalents at end of period
	Millions of yen	Millions of yen	Millions of yen	Millions of yen
Year ended March 31, 2021	988	(83)	(417)	5,283
Year ended March 31, 2020	1,125	(144)	(885)	4,795

2. Cash dividends

	Annual dividends per share					Total cash dividends (Total)	Dividend payout ratio (Consolidated)	Ratio of dividends to net assets (Consolidated)
	1st quarter-end	2nd quarter-end	3rd quarter-end	Fiscal year-end	Total			
	Yen	Yen	Yen	Yen	Yen	Millions of yen	%	%
Year ended March 31, 2020	–	20.00	–	40.00	60.00	282	26.1	5.6
Year ended March 31, 2021	–	20.00	–	55.00	75.00	356	35.1	6.1
Year ending March 31, 2022 (Forecast)	–	10.00	–	30.00	40.00		36.5	

(Note) On April 1, 2021, the Company conducted a two-for-one stock split of common stock. For the fiscal year ended March 31, 2020 and the fiscal year ended March 31, 2021, the actual amounts of dividends prior to the stock split are presented.

3. Forecast of consolidated financial results for the year ending March 31, 2022 (from April 1, 2021 to March 31, 2022)

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
Six months ending September 30, 2021	7,446	2.4	487	(8.4)	486	(8.9)	315	(22.2)	32.97
Full year	16,343	10.2	1,614	12.3	1,614	12.1	1,048	3.8	109.70

(Note) On April 1, 2021, the Company conducted a two-for-one stock split of common stock. Earnings per share has been calculated as if this stock split had taken place at the beginning of the previous fiscal year.

4. Notes

(1) Changes in significant subsidiaries during the year ended March 31, 2021

(changes in specified subsidiaries resulting in the change in scope of consolidation):

New companies: 1 company (Company name) COPRO GLOBALS PTE. LTD.

Yes

(2) 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

(3) Number of issued shares (common shares)

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

As of March 31, 2021	10,000,000 shares	As of March 31, 2020	10,000,000 shares
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Number of treasury shares at the end of the period

As of March 31, 2021	446,334 shares	As of March 31, 2020	572,000 shares
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Average number of shares during the period

Year ended March 31, 2021	9,454,824 shares	Year ended March 31, 2020	9,421,010 shares
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(Note) On April 1, 2021, the Company conducted a two-for-one stock split of common stock. Total number of issued shares at the end of the period, Number of treasury shares at the end of the period and Average number of shares during the period have been calculated as if this stock split had taken place at the beginning of the previous fiscal year.

Consolidated financial statements

Consolidated balance sheets

(Thousands of yen)

	As of March 31, 2020	As of March 31, 2021
Assets		
Current assets		
Cash and deposits	4,831,545	5,320,538
Accounts receivable - trade	1,856,412	1,880,186
Other	210,153	207,297
Allowance for doubtful accounts	(438)	(435)
Total current assets	6,897,672	7,407,586
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	270,645	272,809
Construction in progress	40,665	28,270
Other, net	60,480	56,235
Total property, plant and equipment	371,790	357,315
Intangible assets		
Leased assets	28,206	7,776
Other	84,861	152,933
Total intangible assets	113,067	160,709
Investments and other assets		
Deferred tax assets	130,309	117,660
Other	517,681	471,072
Total investments and other assets	647,990	588,733
Total non-current assets	1,132,849	1,106,757
Total assets	8,030,522	8,514,344
Liabilities		
Current liabilities		
Current portion of bonds payable	160,000	70,000
Lease obligations	26,290	14,560
Accounts payable - other	1,145,106	1,130,440
Income taxes payable	310,079	158,746
Accrued consumption taxes	428,522	449,936
Provision for bonuses	120,910	52,661
Asset retirement obligations	7,608	28,169
Other	181,170	258,476
Total current liabilities	2,379,689	2,162,989
Non-current liabilities		
Bonds payable	70,000	—
Lease obligations	16,242	4,464
Asset retirement obligations	76,623	74,487
Total non-current liabilities	162,866	78,952
Total liabilities	2,542,555	2,241,942
Net assets		
Shareholders' equity		
Share capital	30,000	30,000
Capital surplus	1,172,858	1,230,530
Retained earnings	4,286,538	5,012,823
Treasury shares	(1,430)	△1,279
Total shareholders' equity	5,487,966	6,272,073
Accumulated other comprehensive income		
Foreign currency translation adjustment	—	328
Total accumulated other comprehensive income	—	328
Total net assets	5,487,966	6,272,402
Total liabilities and net assets	8,030,522	8,514,344

Consolidated statements of income and consolidated statements of comprehensive income
Consolidated statements of income

	(Thousands of yen)	
	Fiscal year ended March 31, 2020	Fiscal year ended March 31, 2021
Net sales	13,122,871	14,836,579
Cost of sales	8,746,605	10,539,032
Gross profit	4,376,265	4,297,547
Selling, general and administrative expenses	2,783,360	2,859,825
Operating profit	1,592,904	1,437,722
Non-operating income		
Interest income	51	49
Rental income	1,140	1,140
Settlement received	265	3,762
Other	69	80
Total non-operating income	1,526	5,033
Non-operating expenses		
Interest expenses	2,273	841
Loss on redemption of bonds	3,569	-
Foreign exchange losses	-	325
Guarantee commission	2,325	903
Depreciation	750	750
Other	216	216
Total non-operating expenses	9,135	3,037
Ordinary profit	1,585,296	1,439,718
Extraordinary income		
Surrender value of insurance policies	17,800	90,676
Total extraordinary income	17,800	90,676
Extraordinary losses		
Impairment loss	-	87,150
Loss on retirement of non-current assets	35,654	4,397
Total extraordinary losses	35,654	91,548
Profit before income taxes	1,567,441	1,438,846
Income taxes - current	509,546	417,018
Income taxes - deferred	(26,264)	12,648
Total income taxes	483,281	429,667
Profit	1,084,160	1,009,179
Profit attributable to owners of parent	1,084,160	1,009,179

Consolidated statements of comprehensive income

	(Thousands of yen)	
	Fiscal year ended March 31, 2020	Fiscal year ended March 31, 2021
Profit	1,084,160	1,009,179
Other comprehensive income		
Foreign currency translation adjustment	—	328
Total other comprehensive income	—	328
Comprehensive income	1,084,160	1,009,507
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	1,084,160	1,009,507

Consolidated statements of changes in equity

Fiscal year ended March 31, 2020

(Thousands of yen)

	Shareholders' equity					Total net assets
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity	
Balance at beginning of period	30,000	1,169,858	3,494,398	(1,450)	4,692,806	4,692,806
Changes during period						
Dividends of surplus			(292,020)		(292,020)	(292,020)
Profit attributable to owners of parent			1,084,160		1,084,160	1,084,160
Disposal of treasury shares		3,000		20	3,020	3,020
Total changes during period	–	3,000	792,140	20	795,160	795,160
Balance at end of period	30,000	1,172,858	4,286,538	(1,430)	5,487,966	5,487,966

Fiscal year ended March 31, 2021

(Thousands of yen)

	Shareholders' equity					Accumulated other comprehensive income	Total net assets
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity	Foreign currency translation adjustment	
Balance at beginning of period	30,000	1,172,858	4,286,538	(1,430)	5,487,966	–	5,487,966
Changes during period							
Dividends of surplus			(282,894)		(282,894)		(282,894)
Profit attributable to owners of parent			1,009,179		1,009,179		1,009,179
Purchase of treasury shares				(208)	(208)		(208)
Disposal of treasury shares		57,672		359	58,031		58,031
Net changes in items other than shareholders' equity						328	328
Total changes during period	–	57,672	726,284	150	784,107	328	784,435
Balance at end of period	30,000	1,230,530	5,012,823	(1,279)	6,272,073	328	6,272,402

Consolidated statements of cash flows

	(Thousands of yen)	
	Fiscal year ended March 31, 2020	Fiscal year ended March 31, 2021
Cash flows from operating activities		
Profit before income taxes	1,567,441	1,438,846
Depreciation	85,643	93,439
Impairment loss	–	87,150
Surrender value of insurance policies	(17,800)	(90,676)
Loss on retirement of non-current assets	35,654	4,397
Increase (decrease) in allowance for doubtful accounts	77	(3)
Increase (decrease) in provision for bonuses	25,360	(68,249)
Interest income	(51)	(49)
Interest expenses	2,273	841
Decrease (increase) in trade receivables	(330,357)	(23,774)
Decrease (increase) in other current assets	(32,574)	(7,440)
Increase (decrease) in accounts payable - other	46,269	23,108
Increase (decrease) in other current liabilities	137,220	99,390
Other, net	5,740	813
Subtotal	<u>1,524,896</u>	<u>1,557,795</u>
Interest and dividends received	48	46
Interest paid	(2,357)	(843)
Income taxes paid	<u>(396,651)</u>	<u>(568,352)</u>
Net cash provided by (used in) operating activities	<u>1,125,936</u>	<u>988,646</u>
Cash flows from investing activities		
Payments into time deposits	(10,000)	–
Proceeds from withdrawal of time deposits	36,000	–
Purchase of property, plant and equipment	(47,205)	(130,019)
Purchase of intangible assets	(40,080)	(97,713)
Other, net	<u>(83,225)</u>	<u>144,547</u>
Net cash provided by (used in) investing activities	<u>(144,512)</u>	<u>(83,185)</u>
Cash flows from financing activities		
Repayments of lease obligations	(25,872)	(27,902)
Redemption of bonds	(571,000)	(160,000)
Purchase of treasury shares	–	(208)
Proceeds from exercise of employee share options	3,020	53,687
Dividends paid	<u>(291,572)</u>	<u>(282,635)</u>
Net cash provided by (used in) financing activities	<u>(885,425)</u>	<u>(417,059)</u>
Effect of exchange rate change on cash and cash equivalents	–	328
Net increase (decrease) in cash and cash equivalents	<u>95,999</u>	<u>488,729</u>
Cash and cash equivalents at beginning of period	<u>4,699,090</u>	<u>4,795,089</u>
Cash and cash equivalents at end of period	<u>4,795,089</u>	<u>5,283,819</u>