

Translation

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Summary of Consolidated Financial Results for the Three Months Ended June 30, 2023 (Based on Japanese GAAP)

August 10, 2023

Company name: COPRO-HOLDINGS. Co., Ltd.
 Stock exchange listing: Tokyo, Nagoya
 Stock code: 7059 URL <https://www.copro-h.co.jp/>
 Representative: Chief Executive Officer Kosuke Kiyokawa
 Inquiries: Director Masahiko Saito TEL +81-52-589-3066
 Scheduled date to file Quarterly Securities Report: August 10, 2023
 Scheduled date to commence dividend payments: –
 Preparation of supplementary material on quarterly financial results: Yes
 Holding of quarterly financial results meeting: No

(Amounts less than one million yen are rounded down)

1. Consolidated financial results for the three months ended June 30, 2023 (from April 1, 2023 to June 30, 2023)

(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 | % |
| Three months ended June 30, 2023 | 5,406 | 27.2 | 236 | 2.5 | 308 | 33.6 | 191 | 41.6 |
| Three months ended June 30, 2022 | 4,249 | 19.5 | 230 | (17.0) | 230 | (16.8) | 135 | (12.4) |

| | Earnings per share | | Diluted earnings per share | |
|----------------------------------|--------------------|--|----------------------------|--|
| | Yen | | Yen | |
| Three months ended June 30, 2023 | 20.55 | | 19.79 | |
| Three months ended June 30, 2022 | 14.54 | | 14.41 | |

(2) Consolidated financial position

| | Total assets | Net assets | Equity ratio |
|----------------------|-----------------|-----------------|--------------|
| | Millions of yen | Millions of yen | % |
| As of June 30, 2023 | 9,826 | 6,944 | 70.1 |
| As of March 31, 2023 | 9,995 | 7,112 | 70.4 |

2. Cash dividends

| | Annual dividends per share | | | | |
|---------------------------------------|----------------------------|-----------------|-----------------|-----------------|-------|
| | 1st quarter-end | 2nd quarter-end | 3rd quarter-end | Fiscal year-end | Total |
| | Yen | Yen | Yen | Yen | Yen |
| Year ended March 31, 2023 | – | 10.00 | – | 40.00 | 50.00 |
| Year ending March 31, 2024 | – | – | – | – | – |
| Year ending March 31, 2024 (Forecast) | – | 30.00 | – | 25.00 | – |

(NOTE) We plan to conduct a two-for-one stock split of common stock with an effective date of October 1, 2023.

Year-end dividends per share for the fiscal year ending March 2024 (forecast) are presented based on the amount considering the stock split. Annual dividend forecasts (total) are not presented because they cannot be simply totaled due to the implementation of the stock split.

Year-end dividends per share for the fiscal year ending March 2024 (forecast) are 50 yen and annual dividends are 80 yen without consideration of the stock split.

3. Forecast of consolidated financial results for the year ending March 31, 2024 (from April 1, 2023 to March 31, 2024)

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, 2023 | 11,203 | 29.2 | 495 | 5.3 | 565 | 19.7 | 316 | 12.7 | 16.91 |
| Full year | 24,298 | 29.3 | 1,800 | 36.2 | 1,870 | 41.2 | 1,167 | 35.0 | 62.30 |

(NOTE) We plan to conduct a two-for-one stock split with an effective date of October 1, 2023.

The above net income per share figures are post-split figures.

If the stock split is not taken into account, net income per share will be 33.82 yen for the second quarter (cumulative) and 124.60 yen for the full year.

4. Notes

- (1) Changes in significant subsidiaries during the three months ended June 30, 2023
(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 June 30, 2023 | 10,000,000 shares | As of March 31, 2023 | 10,000,000 shares |
|---------------------|-------------------|----------------------|-------------------|

Number of treasury shares at the end of the period

| | | | |
|---------------------|----------------|----------------------|----------------|
| As of June 30, 2023 | 639,839 shares | As of March 31, 2023 | 706,407 shares |
|---------------------|----------------|----------------------|----------------|

Average number of shares during the period (cumulative from the beginning of the fiscal year)

| | | | |
|----------------------------------|------------------|----------------------------------|------------------|
| Three months ended June 30, 2023 | 9,303,860 shares | Three months ended June 30, 2022 | 9,284,874 shares |
|----------------------------------|------------------|----------------------------------|------------------|

Quarterly consolidated financial statements

Consolidated balance sheets

(Thousands of yen)

| | As of March 31, 2023 | As of June 30, 2023 |
|--|----------------------|---------------------|
| Assets | | |
| Current assets | | |
| Cash and deposits | 4,406,607 | 4,201,758 |
| Accounts receivable - trade | 2,899,917 | 2,980,989 |
| Other | 445,444 | 499,338 |
| Total current assets | 7,751,969 | 7,682,087 |
| Non-current assets | | |
| Property, plant and equipment | | |
| Buildings and structures, net | 453,952 | 445,309 |
| Other, net | 129,687 | 122,037 |
| Total property, plant and equipment | 583,639 | 567,346 |
| Intangible assets | | |
| Goodwill | 674,957 | 648,519 |
| Other | 312,616 | 386,596 |
| Total intangible assets | 987,574 | 1,035,115 |
| Investments and other assets | | |
| Deferred tax assets | 170,613 | 139,386 |
| Other | 501,442 | 402,963 |
| Total investments and other assets | 672,056 | 542,349 |
| Total non-current assets | 2,243,270 | 2,144,812 |
| Total assets | 9,995,239 | 9,826,899 |
| Liabilities | | |
| Current liabilities | | |
| Accounts payable - other | 1,727,949 | 1,877,830 |
| Income taxes payable | 218,476 | 41,446 |
| Accrued consumption taxes | 487,640 | 458,498 |
| Provision for bonuses | 102,813 | 60,933 |
| Asset retirement obligations | 1,258 | 2,717 |
| Other | 178,847 | 272,863 |
| Total current liabilities | 2,716,985 | 2,714,290 |
| Non-current liabilities | | |
| Retirement benefit liability | 30,864 | 33,088 |
| Asset retirement obligations | 123,921 | 124,029 |
| Other | 11,297 | 11,284 |
| Total non-current liabilities | 166,082 | 168,401 |
| Total liabilities | 2,883,068 | 2,882,692 |
| Net assets | | |
| Shareholders' equity | | |
| Share capital | 30,000 | 30,000 |
| Capital surplus | 1,239,291 | 1,236,499 |
| Retained earnings | 6,111,694 | 5,931,168 |
| Treasury shares | (344,915) | (312,472) |
| Total shareholders' equity | 7,036,070 | 6,885,194 |
| Accumulated other comprehensive income | | |
| Foreign currency translation adjustment | 5,342 | 3,529 |
| Total accumulated other comprehensive income | 5,342 | 3,529 |
| Share acquisition rights | 70,758 | 55,482 |
| Total net assets | 7,112,171 | 6,944,207 |
| Total liabilities and net assets | 9,995,239 | 9,826,899 |

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

Consolidated statements of income (cumulative)

| | (Thousands of yen) | |
|--|-------------------------------------|-------------------------------------|
| | Three months ended June 30, 2022 | Three months ended June 30, 2023 |
| Net sales | 4,249,084 | 5,406,237 |
| Cost of sales | 2,972,998 | 3,964,809 |
| Gross profit | 1,276,086 | 1,441,428 |
| Selling, general and administrative expenses | 1,045,675 | 1,205,307 |
| Operating profit | 230,410 | 236,120 |
| Non-operating income | | |
| Interest income | 4 | 11 |
| Foreign exchange gains | — | 1,282 |
| Rental income | 285 | 285 |
| Gain on forfeiture of unclaimed dividends | 274 | 90 |
| Surrender value of insurance policies | — | 70,671 |
| Other | 99 | 259 |
| Total non-operating income | 663 | 72,599 |
| Non-operating expenses | | |
| Interest expenses | 13 | 2 |
| Rental expenses on real estate | 241 | 241 |
| Other | 0 | 0 |
| Total non-operating expenses | 255 | 244 |
| Ordinary profit | 230,819 | 308,475 |
| Extraordinary income | | |
| Gain on reversal of share acquisition rights | — | 289 |
| Total extraordinary losses | — | 289 |
| Profit before income taxes | 230,819 | 308,764 |
| Income taxes - current | 83,249 | 86,331 |
| Income taxes - deferred | 12,564 | 31,214 |
| Total income taxes | 95,813 | 117,546 |
| Profit | 135,005 | 191,218 |
| Profit attributable to owners of parent | 135,005 | 191,218 |

Consolidated statements of comprehensive income (cumulative)

| | (Thousands of yen) | |
|--|-------------------------------------|-------------------------------------|
| | Three months ended June 30, 2022 | Three months ended June 30, 2023 |
| Profit | 135,005 | 191,218 |
| Other comprehensive income | | |
| Foreign currency translation adjustment | 1,372 | (1,812) |
| Total other comprehensive income | 1,372 | (1,812) |
| Comprehensive income | 136,378 | 189,405 |
| Comprehensive income attributable to | | |
| Comprehensive income attributable to owners of parent | 136,378 | 189,405 |