

Translation

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Summary of Consolidated Financial Results for the Six Months Ended September 30, 2020 (Based on Japanese GAAP)

November 12, 2020

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
 Executive Director, Director of
 Inquiries: Masahiko Saito TEL +81-52-589-3066
 Administrative Division
 Scheduled date to file Quarterly Securities Report: November 12, 2020
 Scheduled date to commence dividend payments: December 9, 2020
 Preparation of supplementary material on quarterly financial results: Yes
 Holding of quarterly financial results meeting: Yes (for analysts and institutional investors)

(Amounts less than one million yen are rounded down)

1. Consolidated financial results for the six months ended September 30, 2020 (from April 1, 2020 to September 30, 2020)

(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, 2020	7,271	17.8	531	(20.7)	534	(20.0)	404	(7.3)
Six months ended September 30, 2019	6,172	—	670	—	667	—	436	—

	Earnings per share		Diluted earnings per share	
	Yen		Yen	
Six months ended September 30, 2020	85.83		84.13	
Six months ended September 30, 2019	92.72		91.02	

(2) Consolidated financial position

	Total assets		Net assets		Equity ratio	
	Millions of yen		Millions of yen		%	
As of September 30, 2020	7,857		5,709		72.7	
As of March 31, 2020	8,030		5,487		68.3	

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, 2020	—	20.00	—	40.00	60.00
Year ending March 31, 2021	—	20.00			
Year ending March 31, 2021 (Forecast)			—	55.00	75.00

(Note) Breakdown of year-end dividend (forecast) for the fiscal year ending March 31, 2021

Ordinary dividend 50yen

Commemorative dividend 5yen

(Commemorate the change to the First Section of the Tokyo Stock Exchange and the First Section of the Nagoya Stock Exchange)

3. Forecast of consolidated financial results for the year ending March 31, 2021 (from April 1, 2020 to March 31, 2021)

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	15,432	17.6	1,793	12.6	1,795	13.3	1,221	12.7	259.03

4. Notes

- (1) Changes in significant subsidiaries during the six months ended September 30, 2020
 (changes in specified subsidiaries resulting in the change in scope of consolidation):
 New companies: 1 company (Company name) COPRO GLOBALS PTE. LTD. Yes
- (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, 2020	5,000,000 shares	As of March 31, 2020	5,000,000 shares
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Number of treasury shares at the end of the period

As of September 30, 2020	283,267 shares	As of March 31, 2020	286,000 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, 2020	4,715,247 shares	Six months ended September 30, 2019	4,710,000 shares
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Quarterly consolidated financial statements
Consolidated balance sheets

(Thousands of yen)

	As of March 31, 2020	As of September 30, 2020
Assets		
Current assets		
Cash and deposits	4,831,545	4,751,639
Accounts receivable - trade	1,856,412	1,855,746
Other	210,153	178,702
Allowance for doubtful accounts	(438)	(440)
Total current assets	6,897,672	6,785,647
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	270,645	368,587
Construction in progress	40,665	–
Other, net	60,480	81,777
Total property, plant and equipment	371,790	450,365
Intangible assets		
Leased assets	28,206	17,991
Other	84,861	87,947
Total intangible assets	113,067	105,938
Investments and other assets		
Deferred tax assets	130,309	72,084
Other	517,681	443,221
Total investments and other assets	647,990	515,306
Total non-current assets	1,132,849	1,071,610
Total assets	8,030,522	7,857,258
Liabilities		
Current liabilities		
Current portion of bonds payable	160,000	150,000
Lease obligations	26,290	25,460
Accounts payable - other	1,145,106	1,155,603
Income taxes payable	310,079	132,055
Accrued consumption taxes	428,522	289,833
Provision for bonuses	120,910	55,808
Asset retirement obligations	7,608	–
Other	181,170	230,652
Total current liabilities	2,379,689	2,039,414
Non-current liabilities		
Bonds payable	70,000	–
Lease obligations	16,242	7,788
Asset retirement obligations	76,623	100,824
Total non-current liabilities	162,866	108,612
Total liabilities	2,542,555	2,148,027

(Thousands of yen)

	As of March 31, 2020	As of September 30, 2020
Net assets		
Shareholders' equity		
Share capital	30,000	30,000
Capital surplus	1,172,858	1,177,942
Retained earnings	4,286,538	4,502,704
Treasury shares	(1,430)	(1,624)
Total shareholders' equity	5,487,966	5,709,022
Accumulated other comprehensive income		
Foreign currency translation adjustment	–	208
Total accumulated other comprehensive income	–	208
Total net assets	5,487,966	5,709,231
Total liabilities and net assets	8,030,522	7,857,258

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, 2019	Six months ended September 30, 2020
Net sales	6,172,718	7,271,258
Cost of sales	4,125,951	5,255,775
Gross profit	2,046,766	2,015,482
Selling, general and administrative expenses	1,376,471	1,483,725
Operating profit	670,295	531,757
Non-operating income		
Interest income	20	22
Rental income	570	570
Settlement received	30	3,762
Other	31	55
Total non-operating income	652	4,411
Non-operating expenses		
Interest expenses	1,465	483
Guarantee commission	1,435	547
Depreciation	375	375
Other	108	433
Total non-operating expenses	3,384	1,838
Ordinary profit	667,562	534,329
Extraordinary income		
Surrender value of insurance policies	17,800	90,676
Total extraordinary income	17,800	90,676
Extraordinary losses		
Loss on retirement of non-current assets	13,003	4,394
Total extraordinary losses	13,003	4,394
Profit before income taxes	672,359	620,611
Income taxes - current	227,716	157,660
Income taxes - deferred	7,924	58,224
Total income taxes	235,641	215,885
Profit	436,718	404,725
Profit attributable to owners of parent	436,718	404,725

Consolidated statements of comprehensive income (cumulative)

(Thousands of yen)

	Six months ended September 30, 2019	Six months ended September 30, 2020
Profit	436,718	404,725
Other comprehensive income		
Foreign currency translation adjustment	–	208
Total other comprehensive income	–	208
Comprehensive income	436,718	404,933
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	436,718	404,933

Consolidated statements of cash flows

(Thousands of yen)

	Six months ended September 30, 2019	Six months ended September 30, 2020
Cash flows from operating activities		
Profit before income taxes	672,359	620,611
Depreciation	40,304	45,158
Surrender value of insurance policies	(17,800)	(90,676)
Loss on retirement of non-current assets	13,003	4,394
Increase (decrease) in allowance for doubtful accounts	24	1
Increase (decrease) in provision for bonuses	(7,332)	(65,101)
Interest income	(20)	(22)
Interest expenses	1,465	483
Decrease (increase) in trade receivables	(98,764)	665
Decrease (increase) in other current assets	27,397	21,241
Increase (decrease) in accounts payable - other	(136,920)	76,181
Increase (decrease) in other current liabilities	(132,685)	(89,206)
Other, net	9,169	(371)
Subtotal	370,200	523,358
Interest and dividends received	20	22
Interest paid	(1,481)	(482)
Income taxes paid	(221,415)	(335,685)
Net cash provided by (used in) operating activities	147,324	187,212
Cash flows from investing activities		
Payments into time deposits	(6,000)	–
Purchase of property, plant and equipment	–	(119,233)
Purchase of intangible assets	–	(39,193)
Other, net	9,936	172,398
Net cash provided by (used in) investing activities	3,936	13,971
Cash flows from financing activities		
Repayments of lease obligations	(12,884)	(13,629)
Redemption of bonds	(122,000)	(80,000)
Purchase of treasury shares	–	(208)
Proceeds from exercise of employee share options	–	755
Dividends paid	(197,382)	(188,388)
Net cash provided by (used in) financing activities	(332,266)	(281,471)
Effect of exchange rate change on cash and cash equivalents	–	208
Net increase (decrease) in cash and cash equivalents	(181,006)	(80,078)
Cash and cash equivalents at beginning of period	4,699,090	4,795,089
Cash and cash equivalents at end of period	4,518,084	4,715,011