

September 14, 2021

Company Name: COPRO-HOLDINGS. Co., Ltd.

Chief Executive Officer: Kosuke Kiyokawa

(Stock code: 7059, TSE 1st section, NSE 1st section)

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Notice Regarding Acquisition of Shares (Conversion into Subsidiary) **of VALUE ARK CONSULTING CO., LTD.**

COPRO-HOLDINGS. Co., Ltd. (hereafter, “the Company”) hereby announces that the Board of Directors, at its meeting held on September 14, 2021, resolved that the Company will acquire all of the issued shares of VALUE ARK CONSULTING CO., LTD. (hereafter, “VALUE ARK”), as per the details below.

1 . Purpose of the acquisition of shares

The COPRO Group (hereafter, “the Group”) is engaged in dispatching and recruitment services for the construction and plant industries, and the dispatching business of machinery design engineers. With 17 branches nationwide, the Group has built the system to hire more than 1,000 engineers annually to meet a broad range of demand from clients. At the same time, the Group takes the engineer dispatch business as “human resource development” and provides the original programs at its own training facilities, “*Kantoku-no-tane*”. In high-value-added human resources generation, which the Group provides, it has earned a high level of satisfaction from clients and a high level of retention rate with high engineers.

VALUE ARK is mainly engaged in system engineering services (SES), and operates “Happy Engineer”, which is a web site that distributes information on temporary staffing projects to free-lance IT engineers. Currently, approximately 90 free-lance IT engineers belonging to VALUE ARK are active at approximately 60 client companies, including listed companies, providing high-quality services based on high skills.

Through the acquisition, VALUE ARK can expect to increase share from existing clients, expand new clients and increase the number of free-lance IT engineers registered by leveraging the Group’s management resources including sales capabilities and nationwide strength in recruiting. At the same time, by adding SES, the mainstay business of VALUE ARK, to the Group's business portfolio, the Group can expect further business growth and improved earnings stability.

Going forward, with the aim of becoming a platform company for creating human assets, the Group will continue to strive to expand the scope of the operations and strengthen the management foundation, which will contribute to enhancing corporate value.

2 . Outline of the subsidiary to be transferred

| | | |
|-----|----------------------------------|--|
| (1) | Company name | VALUE ARK CONSULTING CO., LTD. |
| (2) | Head office | 7-22-17 Nishi-gotanda, Shinagawa-ku, Tokyo |
| (3) | Name and title of representative | Maretsugu Shoji, Representative Director |

| | | | | |
|-----|--|--|----------------|----------------|
| (4) | Major businesses | <ul style="list-style-type: none"> · System engineering service (SES) · IT engineer human resource agent | | |
| (5) | Capital | JPY 10 million | | |
| (6) | Established | June 1, 2004 | | |
| (7) | Major shareholders and percentage of shares | Individual 1 person 100% | | |
| (8) | Relationships between the Company and VALUE ARK | Capital relationship | Not applicable | |
| | | Personnel relationship | Not applicable | |
| | | Business relationship | Not applicable | |
| (9) | Operating results and financial position of VALUE ARK for the past 3 years (millions of JPY) | | | |
| | Fiscal year | FY5/2019 | FY5/2020 | FY5/2021 |
| | Net assets | 124 | 150 | 186 |
| | Total assets | 265 | 278 | 314 |
| | Net assets per share | 123,253.24 yen | 149,466.87 yen | 184,734.87 yen |
| | Net sales | 846 | 881 | 754 |
| | Operating profit | 42 | 36 | 57 |
| | Ordinary profit | 42 | 37 | 58 |
| | Net income | 26 | 26 | 35 |
| | Net income per share | 26,087.39 yen | 26,213.62 yen | 35,268.00 yen |

3. Outline of the counterparty to the share purchase

| | | |
|-----|--|---|
| (1) | Name | Individual 1 person (Note) |
| (2) | Relationships between the Company and the individual shareholder | There is no capital, personnel or business relationship to be listed between the Company and the person in question. In addition, there is no noteworthy capital, personnel, or business relationships between the Company's affiliates and affiliated companies, the individuals and the affiliated companies related to the person in question. |

(Note) Due to the confidentiality obligation with the other party to acquire shares, the name and address of the shareholder are not disclosed.

4. Number of shares to be acquired, acquisition price and the status of ownership shares before and after the acquisition

| | | | |
|-----|---|--|--------------------------|
| (1) | Number of shares owned before acquisition | Number of shares Number of voting rights Ration of voting right owned | 0 0 0.0% |
| (2) | Number of shares to be acquired | Number of shares Number of voting rights | 1,008 1,008 |
| (3) | Acquisition price | Since the shareholder is individual and we have signed the confidentiality contract, it is not disclosed. But the Company will acquire shares at a reasonable amount calculated in a fair manner after implementing appropriate due diligence. | |
| (4) | Number of shares owned after acquisition | Number of shares Number of voting rights Ration of voting right owned | 1,008 1,008 100.0% |

5. Schedule

| | | |
|-----|--|--------------------------------|
| (1) | Date of board of directors' resolution | September 14, 2021 |
| (2) | Date of agreement | September 14, 2021 |
| (3) | Date of shares acquisition | September 30, 2021 (Scheduled) |

6. Outlook

Through this acquisition of shares, VALUE ARK is expected to become a consolidated subsidiary of the Company. The impact on the Company's consolidated financial forecast for the fiscal year ending March 31, 2022 is currently being examined, but the Company will promptly disclose any revision to performance forecast that becomes necessary or any matter that should be disclosed.

End of document

(Reference) Consolidated financial forecasts for FY3/2022 (announced on August 11, 2021) and consolidated financial results for FY3/2021

(millions of JPY)

| | Net sales | Operating profit | Ordinary profit | Profit attributable to owners of parent |
|-------------------|-----------|------------------|-----------------|---|
| FY3/2022 forecast | 16,943 | 1,655 | 1,657 | 1,077 |
| FY3/2021 results | 14,836 | 1,437 | 1,439 | 1,009 |