

建設は、君を強くする。

# 変身、一人前!

いや、大きくなりすぎだろ!

Fiscal Year Ending March 31, 2024  
Financial Results for Nine Months  
February 14, 2024



**COPRO-HOLDINGS. Co., Ltd.**  
Tokyo Stock Exchange-Prime, Nagoya Stock Exchange Premier (Ticker Symbol: 7059)

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- 01** Summary of the Consolidated Financial Results for Nine Months
- 02** Analysis of KPIs
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- 04** Earnings Forecast for FYE2024
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Mr. Kosuke Kiyokawa: Welcome to everyone. I am Mr. Kiyokawa, president and representative director of COPRO-HOLDINGS. Co., Ltd. We will begin the financial results briefing for the third quarter of FYE2024.

We have prepared from sections No. 1 to No. 5 for today. I will explain things in the order of the slides.

## FYE2024 3Q Message from Management

### Our main business of construction technician dispatch is progressing at a brisk speed

The serious manpower shortage situation is persisting against the backdrop of regulations capping overtime work that will go into effect in April 2024 and large-scale construction projects. Amid a fortunate external environment, our recruiting capability, which we have refined through our strong emphasis on independent recruiting, has led to a positive growth rate in the number of technical employees who outperform the industry average. In the fiscal term under review, while our number of recruits is slightly under target, our actual recruiting process system is operating stably, and we are devoting ourselves to its improvement. We believe we have clear visibility on achieving high growth in the number of recruits in the next FY as well.

### Mechanical and electrical employee/IT engineer dispatch is growing considerably as well

Having aggressively conducted intra-group investment through an M&A in 2021, while the sales scale of COPRO TECHNOLOGY. Co., Ltd. is still small, we are realizing a revenue growth rate on our top line that exceeds that for our leading construction technician dispatch business. In addition to continuing to fortify our sales and recruiting efforts, we are steadily pushing forward with measures aimed at further growth such as conducting M&As and entering the semiconductor engineer dispatch business.

### Commenced discussions geared towards budget for next FY

Internal discussions geared towards our forecast for the next FY (FYE2025), which we will provide information on in our next financial results announcement in May 2024, are being conducted. With the aim of surpassing the performance targets that we set forth in our Medium-Term Management Plan (FYE2025 Medium-Term Plan Targets of 26,800 million yen in consolidated sales and 2,700 million yen in non-GAAP operating profit), in the immediate term of 4Q, we will proceed to build up assigned personnel as much as possible so that we may get the next FY off the ground from the highest conceivable launchpad.

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As a start, we have included a message on this slide that focuses on a review of the third quarter of FYE2024.

First, our main business of construction technician dispatch is progressing at a brisk speed. The serious manpower shortage situation is persisting against the backdrop of regulations capping overtime work that will go into effect in April 2024 and large-scale construction projects. Amid this kind of a fortunate external environment, our recruiting capability, which we have refined through our thorough emphasis on independent recruiting, has led to a positive growth rate in the number of technical employees who greatly outperform the industry average.

While there was some shortfall in our recruitment plans in the current fiscal year, the recruitment process itself is operating stably. Furthermore, we are working hard to improve things, so the outlook is good for achieving high growth next fiscal year as well.

Regarding the dispatch of construction technicians for major projects, in addition to the change in the law that will impose upper limits on overtime work from April 2024, big construction projects are coming up. We see these circumstances as a major tailwind and opportunity for our industry.

Amid growing concerns about labor shortages, we will continue to focus on our independent recruiting. Rather than outsourcing to other companies and paying high fees to recruit talent, we are working to thoroughly refine and strengthen our own recruitment process. While some aspects are already fully operational, there is still room to update the process, so we will continue to strengthen things.

As for the second point, the mechanical, electrical and IT engineer dispatch business is experiencing high growth as well. We are actively investing in COPRO TECHNOLOGY. Co., Ltd., which was brought into the group through M&A in 2021, and although the scale of sales is still small, we have achieved a top-line revenue growth rate that far exceeds that of our leading construction technician dispatch business. In addition to continuing to fortify our sales and recruiting efforts, we are steadily pushing forward with

measures aimed at further growth such as actively conducting M&A and entering the semiconductor engineer dispatch business.

While the scale of sales is still small in the mechanical, electrical and IT fields that COPRO TECHNOLOGY Co., Ltd. is responsible for, there is plenty of room for growth. After it joined the group through M&A, we have been actively investing in recruitment and sales.

This is the year when we step on the accelerator in the areas where we have invested in so far, and we believe this will continue from the end of this fiscal year into next fiscal year. Therefore, in the future, we will further expand the sales and recruitment systems that we have cultivated to date in the mechanical, electrical and IT fields, with the aim of further expanding our market share in the mechanical, electrical and IT fields.

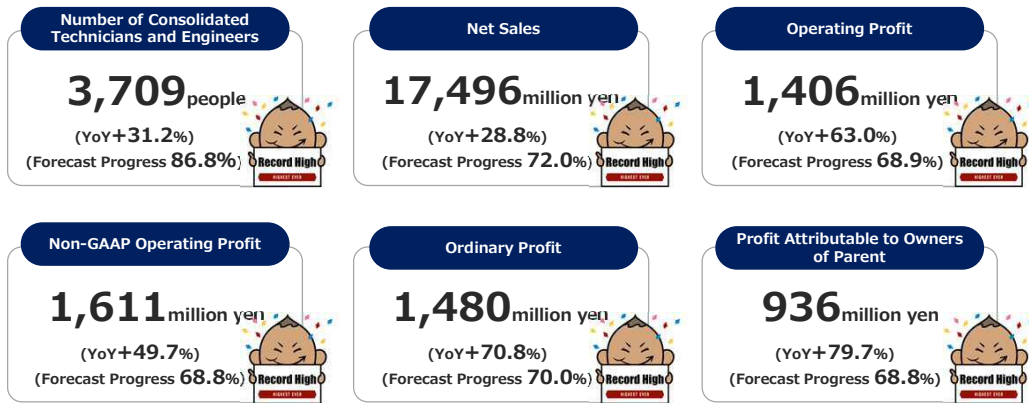
Thirdly, we have commenced discussions geared towards the budget for next fiscal year. We are currently having internal discussions about the next fiscal year forecast (FYE2025), which will be announced in May 2024 at the time of the fourth quarter financial results.

In the performance plan set out in the Medium-Term Management Plan, the Medium-Term Plan target for FYE2025 is 26,800 million yen in consolidated sales and 2,700 million yen in non-GAAP operating profit. Aiming to achieve results that exceed this target, we would like to increase the number of assigned personnel during the current fourth quarter so that we can start the next fiscal year from the highest launchpad possible.

## SECTION 01

### Summary of the Consolidated Financial Results for Nine Months

## Highlights of the Consolidated Financial Results for Nine Months



**Point 1** Due to the highest number ever of new recruits, the number of consolidated technical employees reached a record high of 3,709 people (+883 YoY).

**Point 2** Net sales and each line of profit from operating profit on down is by and large proceeding according to plan relative to the earnings forecast that we revised upwards on November 14.

\* To measure essential performance in profit, non-GAAP operating profit is calculated by adding depreciation costs, goodwill amortization and stock-based compensation expenses back to operating profit.  
\* The number of consolidated technicians & engineers is the number of employees at the end of the fiscal year including IT freelancers in the SES business.

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Now I will explain the summary of our financial results for the third quarter. First are the highlights of the consolidated financial results.

The number of consolidated technical employees was 3,709, an increase of 31.2% YoY, and sales were 17,496 million yen, an increase of 28.8% YoY, both of which were new record highs. Operating profit was 1,406 million yen, an increase of 63% YoY, and non-GAAP operating profit was 1,611 million yen, an increase of 49.7% YoY, both of which were also new record highs.

Ordinary profit was 1,480 million yen, an increase of 70.8% YoY, and net profit was 936 million yen, an increase of 79.7% YoY, all new record highs.

There are two points. First, due to record high recruitment numbers, the number of consolidated technical employees reached a record high of 3,709, an increase of 883 people YoY. Second, sales and each line of profit from operating profit on down are by and large proceeding according to plan relative to the earnings forecast that we revised upwards on November 14th.

## Consolidated Financial Results for Nine Months

(million of yen)

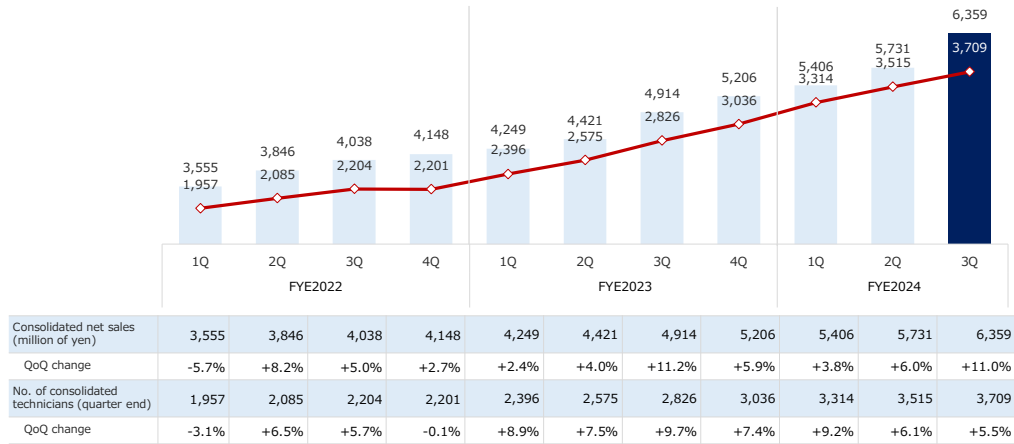
	FYE2023		FYE2024		YoY Change		Forecast Progress	
	3Q cumulative	Vs Full Year Results	3Q cumulative	Ratio	Pct Change	Amount of Change	Full Year Forecast	Forecast Progress
Net sales	13,584	73.9%	<b>17,496</b>	100.0%	+28.8%	+3,912	24,298	72.0%
Cost of sales	9,530	74.6%	<b>12,616</b>	72.1%	+32.4%	+3,086	17,233	73.2%
Gross profit	4,054	72.4%	<b>4,880</b>	27.9%	+20.4%	+826	7,065	69.1%
SG&A expenses	3,191	72.6%	<b>3,474</b>	19.9%	+8.9%	+282	5,023	69.2%
Operating profit	862	71.6%	<b>1,406</b>	8.0%	+63.0%	+543	2,042	68.9%
Non-GAAP operating profit*	1,076	70.7%	<b>1,611</b>	9.2%	+49.7%	+535	2,342	68.8%
Ordinary profit	866	71.8%	<b>1,480</b>	8.5%	+70.8%	+613	2,115	70.0%
Profit attributable to owners of parent	521	71.7%	<b>936</b>	5.4%	+79.7%	+415	1,361	68.8%
Number of consolidated technicians & engineers (quarter end)*	2,826	93.4%	<b>3,709</b>	-	+31.2%	+883	4,271	86.8%

\*As a profit index to measure essential performance, non-GAAP operating profit is calculated by adding depreciation costs, goodwill amortization and stock award expenses back to operating profit.  
 \*The number of consolidated technicians & engineers is the number of employees at the end of the fiscal year including IT freelancers in the SES business.

These are the consolidated financial results for the third quarter. The slide shows the P/L. I already talked about the key numbers earlier, so I won't go into further detail here. Please take a look at it when you have the time.

## Quarterly Consolidated Financial Results

- 3rd Quarter net sales and technician numbers both increased from the previous 2nd quarter.
- Record high on a quarterly basis.



\*The number of consolidated technicians & engineers is the number of employees at the end of the fiscal year including IT freelancers in the SES business.

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Regarding quarterly consolidated earnings and trends in the number of technical employees, the graph on the slide shows the room for growth from FYE2022, two years ago.

Two years ago, in FYE2022, the growth rate was slightly stagnant, but in FYE2023 and the current fiscal year, the red line graph is characterized by remarkable growth. There is a strong tailwind blowing in our industry, and by upgrading and updating various measures within the company, we will continue to achieve an upward trend in sales.

Under these circumstances, you can see that the revision and improvement of the sales process and the recruitment process that we have been working on since FYE2022 has been successful, and that the upward trend has been increasing from FYE2023.

We are not satisfied with the degree of this, and will continue to refine and improve each measure to achieve a rapid increase in the red line graph or blue bar graph.



## Nine Month Financial Results by Subsidiaries

- Sales of COPRO CONSTRUCTION. Co., Ltd. increased significantly due to the highest number of recruits ever. This subsidiary also absorbed the increase in recruiting costs and personnel costs to achieve an increase in operating profit of 404 million yen YoY.
- Due to conducting investment upfront by aggressively allocating advertising and publicity costs in order to expand the number of recruits, focusing on "Bscareer Mechanical and Electrical" and "Bscareer IT" in particular, COPRO TECHNOLOGY. Co., Ltd. experienced a decline in operating profit of 16 million yen YoY.
- COPRO-HOLDINGS. Co., Ltd. contributed a 156 million yen increase in profit YoY due to a decrease in personnel expenses from streamlining at the head office and a decrease in stock award expenses.

(million of yen)

	FYE2023			FYE2024		
	3Q cumulative	YoY		3Q cumulative	YoY	
		Pct Change	Amount of Change		Pct Change	Amount of Change
<b>Net Sales</b>	<b>13,584</b>	+18.7%	+2,144	<b>17,496</b>	+28.8%	+3,912
COPRO CONSTRUCTION	12,732	+15.4%	+1,699	15,991	+25.6%	+3,258
COPRO TECHNOLOGY	852	+109.1%	+444	1,505	+76.7%	+653
<b>Gross profit</b>	<b>4,054</b>	+14.8%	+524	<b>4,880</b>	+20.4%	+826
COPRO CONSTRUCTION	3,754	+8.9%	+307	4,459	+18.8%	+705
COPRO TECHNOLOGY	299	+261.0%	+216	420	+40.4%	+121
<b>SG&amp;A expenses</b>	<b>3,191</b>	+32.5%	+782	<b>3,474</b>	+8.9%	+282
COPRO CONSTRUCTION	1,940	+42.6%	+579	2,240	+15.5%	+300
COPRO TECHNOLOGY	303	+71.7%	+126	441	+45.5%	+138
COPRO-HOLDINGS and others	947	+8.8%	+76	791	-16.5%	-156
<b>Operating profit</b>	<b>862</b>	-23.1%	-258	<b>1,406</b>	+63.0%	+543
COPRO CONSTRUCTION	1,814	-13.0%	-271	2,219	+22.3%	+404
COPRO TECHNOLOGY	-3	-	+89	-20	-	-16
COPRO-HOLDINGS and others	-947	-	-76	-791	-	+156

\* Figures for subsidiaries are adjusted for consolidation after eliminating intra-group transactions.

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These are the cumulative results by subsidiary for the third quarter. The slide lists sales, gross profit margin, selling, general & administrative expenses, and operating profit for COPRO CONSTRUCTION. Co., Ltd. and COPRO TECHNOLOGY. Co., Ltd., so please take a look when you have the time.

**SECTION 02**

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**Analysis of KPIs**

02

## KPIs by Business

• The number of recruits grew considerably, particularly at COPRO CONSTRUCTION. Co., Ltd. This led to the number of technical employees increasing by 883, or +31.2% YoY, to 3,709.

(people, thousands of yen)

	FYE2023					FYE2024					FYE2024	
	1Q	2Q	3Q	3Q cumulative	Full year	1Q	2Q	3Q	3Q cumulative	YoY	Full-year Forecast	
<b>Total recruited</b>	<b>443</b>	<b>360</b>	<b>459</b>	<b>1,262</b>	<b>1,747</b>	<b>664</b>	<b>502</b>	<b>516</b>	<b>1,682</b>	<b>+33.3%</b>	<b>+420</b>	<b>2,331</b>
Construction technician dispatch	293	315	417	1,025	1,472	614	458	467	1,539	+50.1%	+514	2,120
Mechanical design engineer	14	23	25	62	85	29	27	28	84	+35.5%	+22	123
SES	14	22	17	53	68	21	17	17	55	+3.8%	+2	88
Increase due to M&A, etc.	122	0	0	122	122	0	0	4	4	-96.7%	-118	-
<b>Turnover total</b>	<b>248</b>	<b>181</b>	<b>208</b>	<b>637</b>	<b>912</b>	<b>386</b>	<b>301</b>	<b>322</b>	<b>1,009</b>	<b>+58.4%</b>	<b>+372</b>	<b>1,096</b>
Construction technician dispatch	223	158	191	572	812	361	283	299	943	+64.9%	+371	1,008
Mechanical design engineer	8	11	11	30	42	13	9	17	39	+30.0%	+9	30
SES	17	12	6	35	58	12	9	6	27	-22.9%	-8	58
<b>No. of technicians and engineers</b>	<b>2,396</b>	<b>2,575</b>	<b>2,826</b>	<b>2,826</b>	<b>3,036</b>	<b>3,314</b>	<b>3,515</b>	<b>3,709</b>	<b>3,709</b>	<b>+31.2%</b>	<b>+883</b>	<b>4,271</b>
Construction technician dispatch	2,187	2,344	2,570	2,570	2,777	3,030	3,205	3,373	3,373	+31.2%	+803	3,889
Mechanical design engineer	122	134	148	148	159	175	193	204	204	+37.8%	+56	252
SES	87	97	108	108	100	109	117	132	132	+22.2%	+24	130
<b>Retention rate</b>	<b>90.6%</b>	<b>93.4%</b>	<b>93.1%</b>	<b>81.6%</b>	<b>76.9%</b>	<b>89.6%</b>	<b>92.1%</b>	<b>92.0%</b>	<b>78.6%</b>	<b>-</b>	<b>-3.0pt</b>	<b>79.6%</b>
Construction technician dispatch	90.7%	93.7%	93.1%	81.8%	77.4%	89.4%	91.9%	91.9%	78.2%	-	-3.6pt	79.4%
Mechanical design engineer	93.8%	92.4%	93.1%	83.1%	79.1%	93.1%	95.5%	92.3%	84.0%	-	+0.9pt	89.4%
SES	83.7%	89.0%	94.7%	75.5%	63.3%	90.1%	92.9%	95.7%	83.0%	-	+7.5pt	69.1%
<b>Sales per engineer(period average)</b>	<b>648</b>	<b>638</b>	<b>650</b>	<b>646</b>	<b>643</b>	<b>619</b>	<b>609</b>	<b>614</b>	<b>614</b>	<b>-4.9%</b>	<b>-32</b>	<b>601</b>
Construction technician dispatch	649	641	652	647	644	618	608	612	612	-5.3%	-35	602
Mechanical design engineer	578	560	600	586	599	622	603	637	621	+6.1%	+36	635
SES	593	553	568	567	587	656	668	697	676	+19.1%	+109	552

\* The above figures, excluding sales per technical employee at VALUE ARK CONSULTING Co., Ltd., include IT freelance engineers. The amount of sales per technical employee is for dispatched technical employees only, excluding IT freelancers.

\* Retention rate = Number of technicians at the end of the current fiscal year (current quarter) ÷ (Number of technicians at the end of the previous fiscal year (previous quarter) + Number of technicians at the end of the current fiscal year (current quarter)) × 100

\* ATMOS Co., Ltd. sales per engineer is for dispatched engineers only, excluding subcontracting.

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Now I will explain the KPI analysis. First, let's look at the KPI trend by business. The slide shows a detailed breakdown including the areas of construction technician dispatch, mechanical design engineers, SES and increases due to M&A, etc.

Please take a look at FYE2024 that is shown in red on the slide. The number of consolidated recruits for the cumulative third quarter of FYE2024 was 1,682 people, an increase of 33.3% YoY. As I explained at the beginning, our self-assessment is that our recruitment process is operating in a very good manner.

On the other hand, we continue to be slightly short of our target of 2,331 people for FYE2024. As we are nearing the end of the fourth quarter, as a final push we will currently accelerate growth in recruiting. We are working together within the company to get to the point where we can properly achieve the planned figures for the full-year forecast.

The following is with regards to the number of resignations, number of technical employees and the retention rate. As a company, we are aware of some slight failures, namely with regards to the number of resignations or the retention rate associated with the number of resignations. Currently, we are increasing the number of recruits, and we are working to improve not only quality but also the yield rate by keeping proper track of the numbers.

There is a slight mismatch in such areas, so the number of resignations increased, and we know that the failure is that the retention rate will decrease as a result. In the future, we will maintain a solid sense of our challenges and continue to increase the absolute number of employees recruited.

How we reduce the number of resignations and increase the retention rate will lead to even greater growth as we further push down on the accelerator, so we will continue to implement solid measures and make improvements.

## Reference) Construction Technician Dispatching Business KPIs

- The cumulative number of recruits for 3Q increased by 50.1% YoY to 1,539 people due to a significant increase in the number of inexperienced recruits because of strengthened process management for recruiting.
- By doing more to eliminate mismatches and follow up on assignments, we brought down the turnover of technical employees in less than one year of their registration. However, because senior personnel retirements coincided with each other in 3Q, the cumulative retention rate for that quarter worsened by 3.6 pts YoY to 78.2%.



### Recruitment, Turnover and Utilization rate

(people)

	FYE2022	FYE2023						FYE2024				
	Full-year	1Q	2Q	3Q	3Q cumulative	4Q	Full-year	1Q	2Q	3Q	3Q cumulative	Full-year Forecast
Total recruited	834	293	315	417	1,025	447	1,472	614	458	467	1,539	2,120
New graduates	56	54	0	2	56	0	56	154	0	0	154	154
Mid-career	778	239	315	415	969	447	1,416	460	458	467	1,385	1,966
Turnover total	859	223	158	191	572	240	812	361	283	299	943	1,008
Net change	-25	+70	+157	+226	+453	+207	+660	+253	+175	+168	+596	+1,112
Increase due to M&A, etc.	0	+122	0	0	+122	0	+122	0	0	0	0	-
Number of technicians (quarter end)	1,995	2,187	2,344	2,570	2,570	2,777	2,777	3,030	3,205	3,373	3,373	3,889
Utilization rate (period average)	96.9%	96.3%	97.1%	96.3%	96.6%	95.7%	96.3%	93.0%	94.6%	95.7%	94.5%	-

### Retention rate

	FYE2022	FYE2023						FYE2024				
	Full-year	1Q	2Q	3Q	3Q cumulative	4Q	Full-year	1Q	2Q	3Q	3Q cumulative	Full-year Forecast
Retention rate	69.9%	90.7%	93.7%	93.1%	81.8%	92.0%	77.4%	89.4%	91.9%	91.9%	78.2%	79.4%
Retention rate (FY accumulative total)	69.4%	89.7%	84.2%	79.0%	79.0%	74.4%	74.4%	89.2%	82.3%	76.2%	76.2%	-
Retention rate (Last twelve months)	69.4%	71.8%	72.3%	72.7%	72.7%	74.4%	74.4%	75.0%	73.2%	71.6%	71.6%	-

\*Retention rate = Number of technicians at the end of the current fiscal year (current quarter) ÷ (Number of technicians at the end of the previous fiscal year (previous quarter) + Number of technicians at the end of the current fiscal year (current quarter)) × 100

\*Retention rate (FY accumulative total): Among the technicians who were registered at the end of the previous fourth quarter, the percentage who were still registered at the end of the relevant quarter.

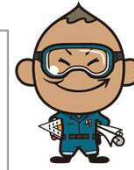
\*Retention rate (LTM): Among the technicians who were registered at the end of the quarter one year ago, the percentage who were still registered at the end of the same quarter one year later.

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From slide 10 onwards, the KPIs for construction technician dispatch, the mechanical design and development engineer dispatch & contracting business, and the SES business are listed. Please have a look at it.

## Reference) Mechanical Design and Development Engineer Dispatching and Contracting Business KPIs

- The number of new recruits increased significantly due to active investment in recruiting costs and an increase in the number of people in charge of recruitment, with the number of engineers increasing by 56 people YoY to 204.
  - On the other hand, the growth in the number of recruits resulted in insufficient post-assignment follow-up. The cumulative number of resignations for 3Q progressed over target as a result.
- ⇒ From 4Q onward, we will review our follow-up system as well as increase forums for exchange with technical employees as we endeavor to improve retention rates.



### Recruitment, Turnover and Utilization rate

(people)

	FYE2022	FYE2023						FYE2024				
	Full-year (June-Mar)	1Q (Apr-June)	2Q (July-Sep)	3Q (Oct-Dec)	3Q cumulative	4Q (Jan-Mar)	Full-year	1Q	2Q	3Q	3Q cumulative	Full-year (forecast)
Total recruited	20	14	23	25	62	23	85	29	27	28	84	123
New graduates	0	1	0	0	1	0	1	5	0	0	5	4
Mid-career	20	13	23	25	61	23	84	24	27	28	79	119
Turnover total	15	8	11	11	30	12	42	13	9	17	39	30
Net change	+5	+6	+12	+14	+32	+11	+43	+16	+18	+11	+45	+93
Number of technicians (quarter end)	116	122	134	148	148	159	159	175	193	204	204	252
Utilization rate (period average)	98.6%	96.9%	96.9%	98.6%	97.5%	97.5%	97.5%	95.9%	97.9%	96.8%	96.9%	-

### Retention rate

	FYE2022	FYE2023						FYE2024				
	Full-year (June-Mar)	1Q (Apr-June)	2Q (July-Sep)	3Q (Oct-Dec)	3Q cumulative	4Q (Jan-Mar)	Full-year	1Q	2Q	3Q	3Q cumulative	Full-year (forecast)
Retention rate	-	93.8%	92.4%	93.1%	83.1%	93.0%	79.1%	93.1%	95.5%	92.3%	84.0%	89.4%
Retention rate (FY accumulative total)	88.9%	93.1%	89.7%	85.3%	85.3%	81.0%	81.0%	93.7%	89.9%	85.4%	85.4%	-
Retention rate (Last twelve months)	88.9%	84.7%	85.2%	84.9%	84.9%	81.0%	81.0%	82.8%	84.2%	90.2%	90.2%	-

\*Retention rate = Number of technicians at the end of the current fiscal year (current quarter) ÷ (Number of technicians at the end of the previous fiscal year (previous quarter) + Number of technicians at the end of the current fiscal year (current quarter)) × 100

\*Retention rate (FY accumulative total): Among the technicians who were registered at the end of the previous fourth quarter, the percentage who were still registered at the end of the relevant quarter.

\*Retention rate (LTM): Among the technicians who were registered at the end of the quarter one year ago, the percentage who were still registered at the end of the same quarter one year later.

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## Reference) SES Business KPIs

- Our focus is on the operation of "Bscareer IT", a project introduction site for IT engineers that opened in March 2023.
- The number of applicants and the number of recruits are on the rise, partly due to investment in advertising expenses in conjunction with the release of "Bscareer IT".
- Four technical employees were added to the group after it took over the SES business of Pacific Information Consultants Co., Ltd. as of November 30, 2023.



### Recruitment, Turnover and Utilization rate

(people)

	FYE2022	FYE2023						FYE2024				
	Full-year	1Q	2Q	3Q	3Q cumulative	4Q	Full year	1Q	2Q	3Q	3Q cumulative	Full-year Forecast
Number of applicants	320	213	408	354	975	264	1,239	594	651	696	1,941	-
Total recruited	16	14	22	17	53	15	68	21	17	17	55	88
Turnover total	16	17	12	6	35	23	58	12	9	6	27	58
Net change	-	-3	+10	+11	+18	-8	+10	+9	+8	+11	+28	+30
Increase due to M&A, etc.	0	0	0	0	0	0	0	0	0	4	4	0
Number of technicians (quarter end)	90	87	97	108	108	100	100	109	117	132	132	130
Utilization rate (period average)	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	-

\* The above figures include IT freelance engineers.

### Retention rate

	FYE2022	FYE2023						FYE2024				
	Full-year	1Q	2Q	3Q	3Q cumulative	4Q	Full year	1Q	2Q	3Q	3Q cumulative	Full-year Forecast
Retention rate	-	83.7%	89.0%	94.7%	75.5%	81.3%	63.3%	90.1%	92.9%	95.7%	83.0%	69.1%

\*The above figures include IT freelance engineers.

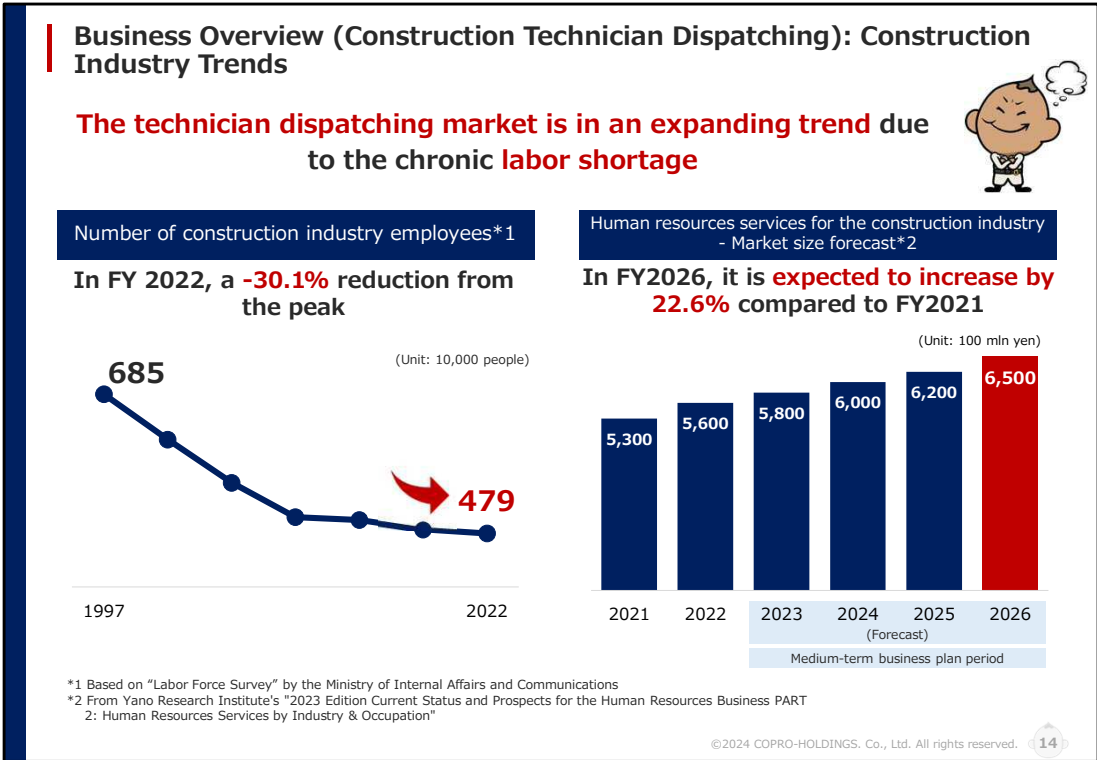
\*Retention rate = Number of technical employees at the end of the current period (current quarter) ÷ (Number of technical employees at the end of the previous period (previous quarter) + Number of recruits in the current period (current quarter)) × 100g

**SECTION 03**

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**Business Summary**

03



This is the business overview. I will explain the current trends in the industry, focusing on the field of construction technician dispatch.

The line graph on the left side of the slide shows the trend in the number of people employed in the construction industry. Compared to the peak of 6.85 million people in 1997, by 2022 the number had decreased by 30.1%. A variety of reasons have led to this drop, including Japan's declining birthrate and aging population, and a failure to fully communicate the appeal of working in the construction industry.

On the other hand, as shown in the bar graph on the right, the market size of human resource services for the construction industry is expected to expand from 530 billion yen in 2021 to 650 billion yen in 2026. At the bottom of the bar graph, the period of our Medium-Term Management Plan starting from 2023 is shown in light blue.

While the number of people working in the construction industry is decreasing, the market for human resource services for the construction industry is expanding at an ever-increasing rate, which we see as a big opportunity. If we fit how to provide services to customers from our position, or what job seekers should do to join our group, in the future we will properly approach each of these areas because we believe that this will naturally lead to significant business expansion.



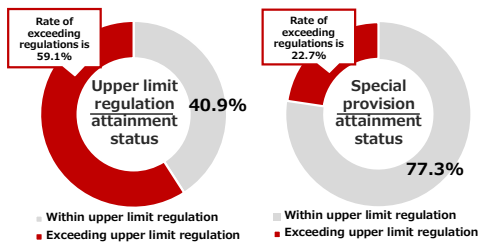
## Business Overview (Construction Technician Dispatching): Construction Industry Trends

**Demand will continue to grow** due to the application of the revised Labor Standards Law\*1 and active construction investment



### The approaching 2024 problem

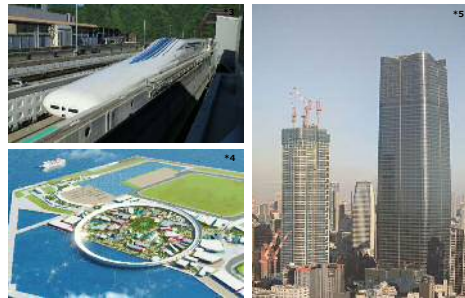
While the application of the upper limit regulation is approaching in 2024, as of FY2022, the rate of exceeding the regulation is **59.1%**, and even when special provisions are applied, it is **22.7%**. \*2



Upper limit regulation: 45 hours per month, 360 hours per year.  
Special provisions: 720 hours per year, multi-month average of 80 hours per month, less than 100 hours per month (including work on holidays)

### Construction industry continues to see large-scale projects

The construction industry is **facing many large-scale projects** such as linear motor trains, the Osaka Expo, semiconductors and redevelopment-related construction.



\*1 From April 2024, the upper limit on overtime work under the revised Labor Standards Law will begin to apply to the construction industry.  
\*2 From "Current Status of the Construction Industry as Seen from National Statistics (FY2022)" by the Japan Federation of Construction Contractors.  
\*3 ©Maryland GovPics, 2015, CC-BY-2.0, [https://commons.wikimedia.org/wiki/File:SC\\_Maglev\\_Test\\_Ride\\_\(18464832625\).jpg](https://commons.wikimedia.org/wiki/File:SC_Maglev_Test_Ride_(18464832625).jpg)  
\*4 Provided by: Japan Association for the 2025 World Exposition  
\*5 ©Syced, 2023, CC-Zero, [https://commons.wikimedia.org/wiki/File:Toranomon-Azabudai\\_district\\_2023.jpg](https://commons.wikimedia.org/wiki/File:Toranomon-Azabudai_district_2023.jpg)

The left side of the slide shows the approaching 2024 problem, and the right side shows the construction industry, where large-scale projects continue. The point is that demand will continue to grow due to the application of the revised Labor Standards Law and active construction investment.

The construction industry was given a five-year deferment regarding overtime work regulations under laws related to work style reform. However, the end of the deferment period is approaching, and overtime work will be regulated immediately from April 2024.

Due to this, since the upper limit on the amount of work each person can handle will be lowered, for a workload that a single person handled by working overtime, it can be said that an additional supply of human resources will be needed, such as 1.3, 1.5, 1.8 or 2 people.

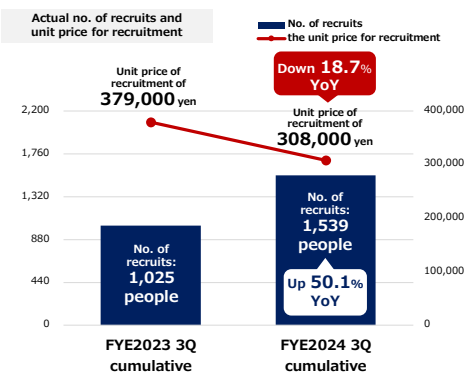
In addition, there are currently a number of large-scale projects in the construction industry underway or pending, including the construction for linear motor trains, the Osaka Expo, the construction of new semiconductor factories, and construction related to urban redevelopment. In the construction industry, where there is a chronic labor shortage, overtime regulations will start from 2024, and big projects continue, so we believe that the need for the human resource services that we provide will continue to grow.

In the future, while fine tuning the systems and experience we have cultivated over the years, we will focus not only on an ability to stably supply human resources, but also on the quality of human resources, which will lead to better service for our customers.

## Our Growth Strategy (Construction Technician Dispatch)

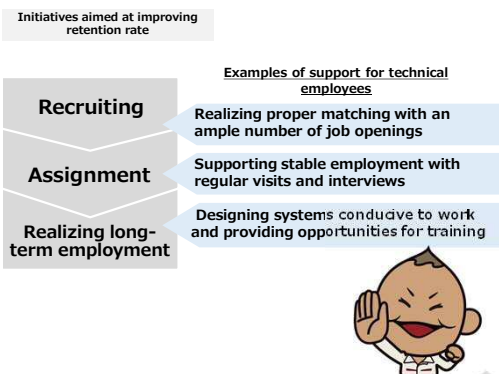
### Strategy 1 Building a Strong Human Resources Supply Network in Preparation for Accelerating Labor Shortages

Improve recruitment efficiency (the unit price for recruitment) while proceeding to grow the number of recruits in order to stably supply personnel to client companies



### Strategy 2 Strengthening the Support System and Improving the Retention Rate of Technical Employees

Improve the retention rate by proceeding to provide comprehensive support to technical employees, including matching with companies to post-assignment follow-up



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I will explain our growth strategy divided into strategies 1 and 2. We have been working on Strategy 1, "Building a strong human resources supply network in preparation for accelerating labor shortages," for about two years. We thoroughly revised and continued to refine our independent recruiting process, resulting in the current system. We will continue to make further improvements on a daily basis while detecting where failures are occurring in real time.

As shown in the graph, in the cumulative total for the third quarter of FYE2023, the unit price for recruitment for one technical employee was 379,000 yen. The cumulative total for the third quarter of FYE2024 is 308,000 yen, a reduction of about 70,000 yen. It was necessary to thoroughly revise the internal recruitment process, gather enough people, increase the rate of interviews, and honestly proceed with initiatives that will lead to an increase in the employment ratio.

This industry relies on so-called human resource introductions, paying a high unit price for recruitment and fees to external companies. Therefore, we first want to strengthen our recruitment process by thoroughly refining our unique recruitment process so that we do not have to pay a high unit price for recruitment and fees.

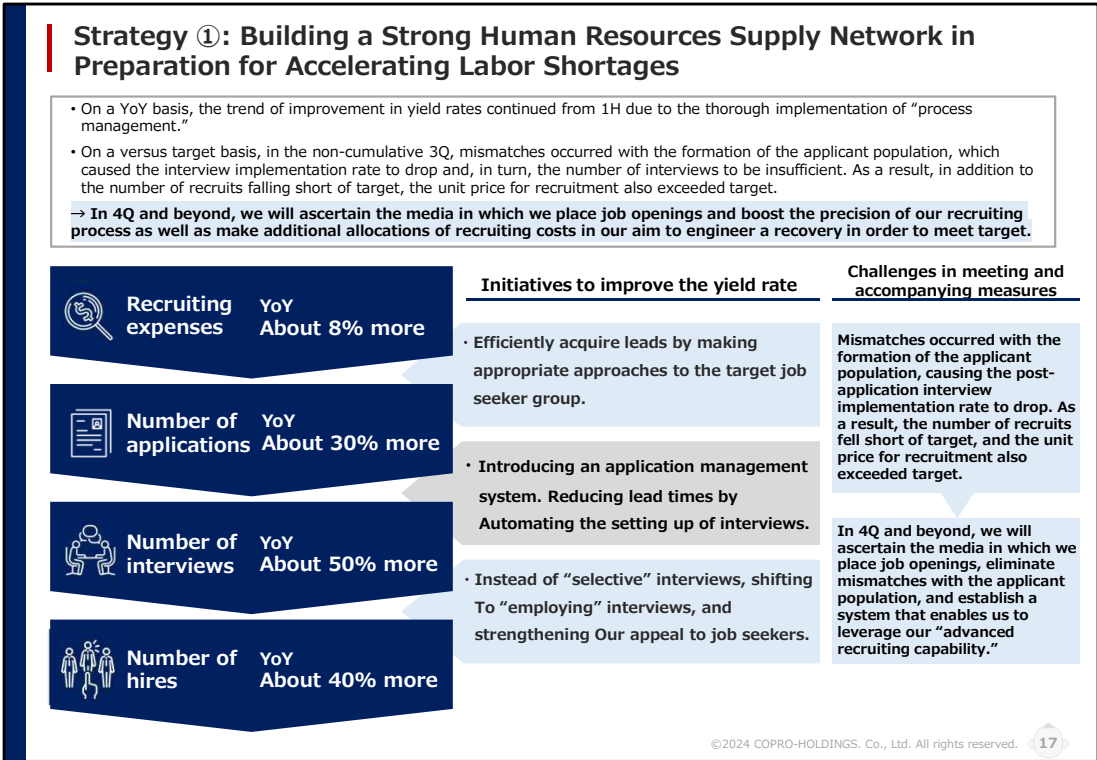
In Strategy 2, we aim to improve the retention rate of technical employees by strengthening our support system. We aim to realize long-term employment through recruitment and assignment. When it comes to recruitment, it is important to achieve appropriate matching with a large number of jobs.

When you think about what technical employees are looking for when they come to our company, the first consideration is, of course, the salary, but what is also extremely important is how many jobs are suitable for them. For this reason, we will continue to secure both the number and quality of jobs based on thorough interviews with our customers.

Once the match is made, the next step is assignment. It doesn't end once they are assigned, but follow-up after the assignment is also important. In terms of "designing systems conducive to work and providing

opportunities for training," allowing employees to work for a long time at one company without having to change places frequently will lead to improved retention rates.

If we were to express the Technician Support Platform that we are currently working on with horizontal and vertical axes, the horizontal axis will be the years of experience or years of employment, and the vertical axis will be the employee's salary. By properly structuring these two axes, we will help people visualize where they are in their careers. By repeating this, we hope to lead to long-term employment.



This is about building a strong human resources supply network in preparation for accelerating labor shortages which is Strategy 1. I mentioned earlier that we thoroughly manage the recruitment process, but now I would like to explain the yield rate.

Please take a look at the flow chart on the left-hand of the slide. Recruiting costs, which are recruitment advertising expenses, increased about 8% YoY. We are actively investing in order to receive a sufficient number of applications.

In order to make a solid return on this investment, we need to boost the next part, which is applications, and that has increased by about 30% YoY. The interviews that follow are also very important, and we have achieved significant results with an increase of approximately 50% YoY. Ultimately, recruitment increased by about 40% YoY.

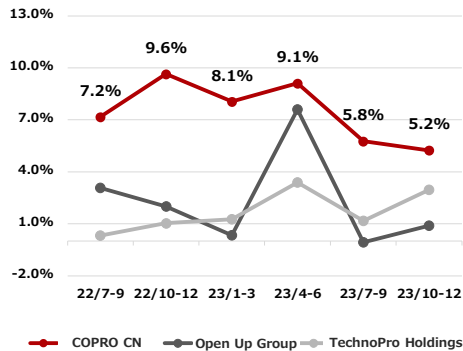
We believe that it is extremely important to operate the recruitment process properly and to further improve it. Please take a look at the important points of our efforts to improve the yield rate, listed for each stage.

This is about the challenges and measures to achieve the plan for this fiscal year. We believe that a number of mismatches have occurred in the formation of the applicant population, which is an issue. From the fourth quarter onwards, we are aiming to achieve the planned number of recruits while ascertaining the media where we place recruitment ads, and improving the accuracy of the recruitment process.

## Strategy ①: Building a Strong Human Resources Supply Network in Preparation for Accelerating Labor Shortages

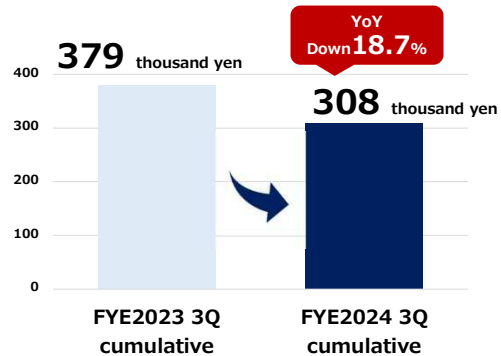
- Efforts to strengthen the recruiting system have been successful, and the growth rate for the number of technical employees remains at a high level.
- Due to the improved yield rate, the unit price for recruitment decreased significantly YoY.

Trend in the rate of increase for the number of construction technical employees (QoQ end)



\*Created by our company based on information published by each company

Change in the unit price for recruitment



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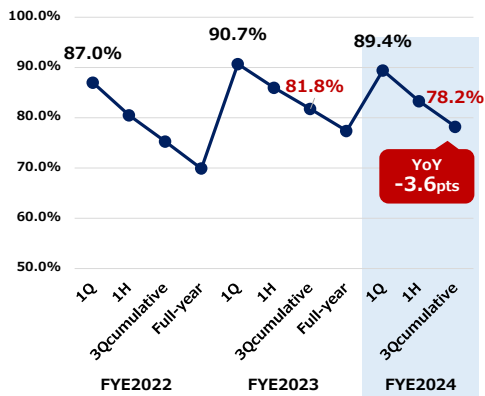
I have already explained the trends in the rate of increase for the number of registered construction technicians and the improvement in the unit price for recruitment. The line graph on the left side of the slide includes other companies in the same industry as a benchmark for comparison. If you look at it, you will see that COPRO CONSTRUCTION, Co., Ltd. always maintains a high position.

As I explained earlier, the unit price for recruitment decreased by about 70,000 yen YoY, an improvement of -18.7%. By refining the starting point of the recruitment process, such as how much it will cost and how many people to invite, we could further increase the number of interviews and the number recruited. With regards to the unit price for recruitment, we want to always work with a high level of awareness.

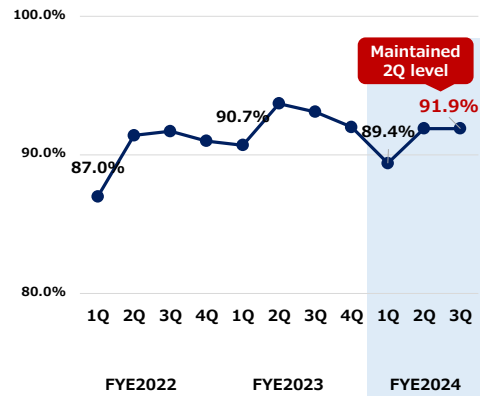
## Strategy ②: Strengthening the Support System and Improving the Retention Rate of Technical Employees

- The cumulative retention rate for 3Q was 78.2%, falling 3.6 pts YoY. The rate was impacted by resignations within one year of joining the company increasing in 1Q as well as by senior personnel retirements coinciding with each other in 3Q.
- For the retention rate in the non-cumulative 3Q, we maintained the level from the non-cumulative 2Q. In addition to eliminating mismatches in assignments, as a result of revising the post-assignment support system, the number of technical employees who soon resigned within the first year of employment continued to improve from 2Q, thereby offsetting the negative factor of senior personnel retirements.

Change in the retention rate(Cumulative)\*



Change in the retention rate(Quarterly)\*



\* Retention rate = Number of technical employees at the end of the current period (current quarter) ÷ (Number of technical employees at the end of the previous period (previous quarter) + Number of recruits in the current period (current quarter)) × 100

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Change in the retention rate. The left side of the slide shows the cumulative total graph, and the right side shows the non-cumulative quarterly graph. The cumulative total for the period was -3.6 points YoY, which is a slight decline. We have already caught up on the cause and are now working on overcoming the issue.

On a non-cumulative quarterly basis, we were able to maintain the level of the second quarter, but personally, I don't think we should be satisfied with the 91.9% figure. Therefore, we would like to continue implementing measures to further increase the retention rate.

## Business Overview (Mechanical Design and Development Engineer Dispatching Business): Opening of Semiconductor Engineer Training Center

- On February 1, 2024, COPRO TECHNOLOGY. Co., Ltd. opened and commenced operation of "Semicon Techno Lab," a training center dedicated to the development of engineers to handle semiconductor manufacturing system maintenance and inspections, in the city of Yokohama.
- In FYE2025, the next FY, we will aim to train around 100 graduates. In FYE2026, the FY that follows, we will aim to train around 200 graduates, making for approx. 300 graduates to train in total over those two years.

### ■ Characteristics of "Semicon Techno Lab" semiconductor training center

1

#### ■ Instructors who were originally first-rate engineers

By employing first-rate engineers who originally worked at major semiconductor manufacturers as instructors, we have a highly-precise system of learning in place that offers working-level practical skills combined with advanced classroom training.

2

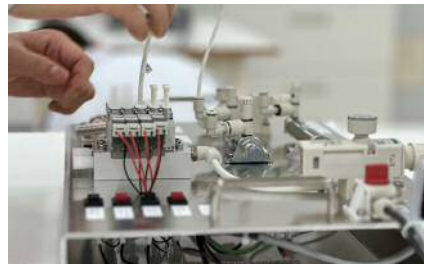
#### ■ High-level learning with the use of actual equipment

At the training center, systems used in actual semiconductor manufacturing processes are installed. This is to help cultivate immediate work-readiness through experiences comparable with working-level ones.

3

#### ■ Recruiting and development of inexperienced personnel

In addition to new hires, technical employees in the group from other domains can also participate in training through our job change service. We also promote reskilling (learning again from scratch).



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I will now explain the opening of the new semiconductor engineer training center. On February 1, 2024, COPRO TECHNOLOGY. Co., Ltd. opened and commenced operation of "Semicon Techno Lab," a training center dedicated to the development of engineers to handle semiconductor manufacturing system maintenance and inspections, in the city of Yokohama.

We will train around 100 graduates in FYE2025 and about 200 in FYE2026, for a total of around 300 people over two years with the aim of providing dispatch work.

The Semicon Techno Lab has three characteristics. The first is that we invite instructors who are top engineers. By employing first-rate engineers who originally worked at major semiconductor manufacturers as instructors, we have a highly-precise system of learning in place that offers working-level practical skills combined with advanced classroom training.

The second is high-level learning with the use of actual equipment. At the training center, equipment used in actual semiconductor manufacturing processes is installed. By having the same level of experience as in the workplace, we hope to have people who are immediately work-ready.

The third is recruiting and development of inexperienced personnel. In addition to new recruits, technical employees in our group from other fields can also participate in training through our job change service, and we promote reskilling (learning anew).

Looking at past data, in the field of construction technician dispatch, there are slightly more cases in which inexperienced workers leave within six months or a year after joining the company. I think the same can be said for any industry, but the resignation rate within the first year of employment tends to be high due to various factors such as "I entered the industry and tried it, but it was a very difficult industry" and "I didn't get along well with the people."

It would be a huge blow to the company if the people we recruited at a cost of 300,000 yen per person left

the group after less than a year. For those who enter the construction industry and try their best but quit within a year because they think it's not a good fit for them, we promote changing their jobs for a second career by issuing a guide about career enhancement as a semiconductor engineer.

Through these initiatives, we hope to properly control recruitment costs across the whole group and further expand our sales.



## Business Overview (SES): Acquiring the SES Business of Pacific Information Consultants Co., Ltd.

- As of November 30, 2023, our consolidated subsidiary COPRO TECHNOLOGY Co., Ltd. ("COPRO TECHNOLOGY") took over the system engineering service business (SES) from Pacific Information Consultants Co., Ltd. (Headquarters: Chuo-ku, Tokyo; Representative Director: Hajime Nakayama; ("PIC"), which operates web and software development and system consulting businesses.
- By taking over the SES business of PIC, in addition to getting highly skilled IT engineers, we are aiming to further expand business our by acquiring PIC's customer network, which includes prime contractor Siers.



**Getting highly skilled IT engineers.**



**Acquiring customer company accounts where sales channels have been limited.**



**Speeding up business expansion in preparation for the accelerated shortage of IT engineers.**

Here I will discuss the SES field. As we have already announced by IR, we acquired the SES business of Pacific Information Consultants Co., Ltd. (PIC) .

PIC does a lot of business with upstream process companies, which is essential for business growth, and is very attractive, so we decided to take over the business.

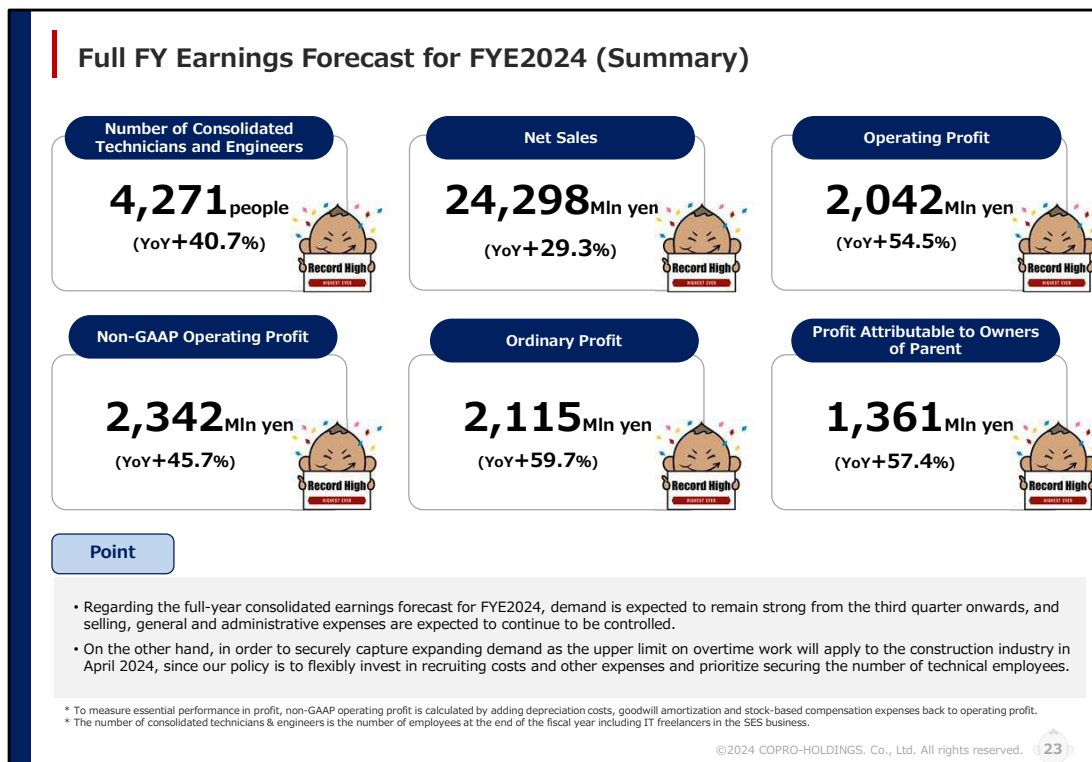
In the future, we aim to further expand our business by getting highly skilled IT engineers who were employed by PIC, and by taking over the company's customer network, including its main contractor system integrator.

**SECTION 04**

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**Earning Forecast  
for FYE2024**

04



These are the earnings forecast for FYE2024. The number of consolidated technical employees is seen at 4,271 people, an increase of 40.7% YoY, sales are expected to be 24,298 million yen, an increase of 29.3% YoY, and operating profit is seen at 2,042 million yen, an increase of 54.5% YoY, with all expected to reach record highs.

Non-GAAP operating profit is expected to 2,342 million yen, an increase of 45.7% YoY, ordinary profit is seen at 2,115 million yen, an increase of 59.7% YoY, and net profit is seen at 1,361 million yen, an increase of 57.4% YoY, with each category seen reaching record highs.

There are two points. Regarding the full-year earnings for FYE2024, demand is expected to remain strong from the third quarter onwards, and selling, general and administrative expenses are expected to continue to be controlled. We believe that efforts to properly control costs while steadily increasing sales are extremely important.

In addition, in order to securely capture the expanding demand as upper limits on overtime work will be applied to the construction industry from April 2024, our policy is to actively invest in recruiting costs and other expenses to prioritize securing the number of technical employees.

In the new business year starting from April of this year, it will be very important to launch from a fairly high place, so we would like to continue to make aggressive investments in this fourth quarter with an eye toward next fiscal year.

## Upward Revision of FYE2024 Consolidated Earnings Forecast

(million of yen)

	FYE2023	FYE2024 (Forecast)			
	Full year	Full year (Revision on Nov.14)	Ratio	YoY	
				Pct change	Amount of Change
Net sales	18,791	24,298	100.0%	+29.3%	+5,506
Cost of sales	13,216	17,233	70.9%	+30.4%	+4,016
Gross profit	5,575	7,065	29.1%	+26.7%	+1,489
SG&A expenses	4,253	5,023	20.7%	+18.1%	+769
Operating profit	1,321	2,042	8.4%	+54.5%	+720
Non-GAAP operating profit*1	1,606	2,342	9.6%	+45.7%	+735
Ordinary profit	1,324	2,115	8.7%	+59.7%	+790
Profit attributable to owners of parent	864	1,361	5.6%	+57.4%	+496
Earnings per share (*2 after stock split) (¥)	46.55	72.26	—	—	+25.71
Number of consolidated technicians and engineers (quarter end)*3	3,036	4,271	—	+40.7%	+1,235

\*1. To measure essential performance in profit, non-GAAP operating profit is calculated by adding depreciation costs, goodwill amortization and stock-based compensation expenses back to operating profit.

\*2. A 2-for-1 stock split was taken effect on Sunday, October 1, 2023.

\*3. The number of consolidated technicians & engineers is the number of employees at the end of the fiscal year including IT freelancers in the SES business.

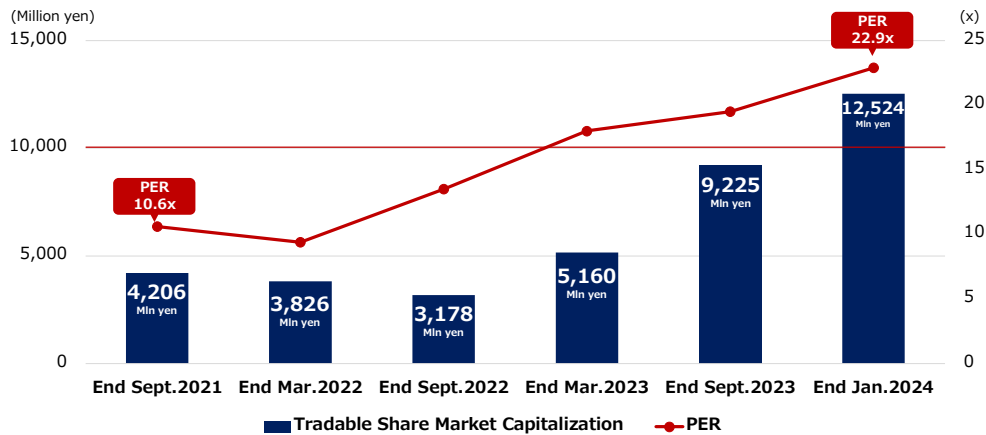
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This slide shows the P/L of the full-year earnings forecast for FYE2024. Please take a look at the forecasts that were revised upward on November 14th.

## Status for Complying with Criteria to Maintain our Prime Market Listing

• In order to meet the criteria of “market capitalization of ¥10 billion or more for tradable shares” to maintain our listing, and recognizing that further improvement in our stock price, which is a component of market capitalization for tradable shares, is an issue, we are promoting various initiatives to exceed the targets of the Medium-Term Management Plan “COPRO Group Build the Future 2027” (FYE2023 to FYE2027).

⇒ As a result of our initiatives, our most recent market capitalization of tradable shares was 12,524 million yen, thereby meeting our standard (which is based on the closing price on January 31, 2024). With the aim of further expanding our shareholder value going forward, we will continue to examine improving our business performance, which forms the source of our shareholder value, and expanding dividends in accordance with our profit growth.



\*The market capitalization of tradable shares is calculated based on the number of tradable shares and the closing price as of the closing date of the quarter in question.

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I will explain our progress in complying with the criteria to maintain our Prime Market listing. As shown in the graph on the slide, the PER at the end of September 2021 was 10.6 times, and the market capitalization of tradable shares was 4,206 million yen.

Since then, we have steadily worked to expand sales and profits, and properly implemented our Medium-Term Management Plan, resulting in the PER rising to 22.9 times by the end of January 2024. Along with this, the market capitalization of tradable shares reached 12,524 million yen.

The company is finally starting to be properly valued, but I think it is extremely important to not be satisfied with the current situation, and to continue to improve the company's value while steadily improving performance and considering dividends that are in line with our profit growth. We will continue to make efforts to take the COPRO brand, which has finally been properly valued in the stock market, to an even higher level.

**SECTION 05**

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**FYE2024  
Dividend Forecast**

05

## Revision of Dividend Forecast (Dividend Increase)

### Dividend policy

Dividends are the basis for shareholder returns, which we consider to be one of the important management issues, and our basic policy is to pay stable dividends. We will not reduce dividends, but rather maintain a consolidated dividend payout ratio of 50% or more, during the period covered by the Medium-Term Management Plan "COPRO Group Build the Future 2027" (from FYE2023 to FYE2027), depending on the profit growth achieved through aggressive investment.

### Dividend per share

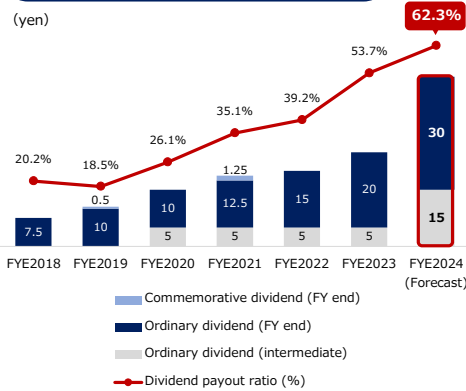
(Number of issued shares: 20 mln shares)

	Interim	FY End	Total
FYE2023 (results)	¥5.0	¥20.0	¥25.0
FYE2024 (Revised Forecast)	¥15.0	¥30.0	¥45.0

\*1 The dividend per share has been retroactively revised to take into account the impact of the one-to-two stock split implemented on October 1, 2023.

### Dividend & dividend payout ratio

(Number of issued shares: 20 mln shares)



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These are the dividend forecast for FYE2024. Here, I would like to explain our dividend policy again. Dividends are the basis for shareholder returns, which we consider to be one of the most important management issues.

Therefore, we will not reduce dividends from FYE2023 to FYE2027, which is the period covered by the Medium-Term Management Plan "COPRO Group Build the Future 2027". Also, our basic policy is to pay stable dividends depending on the profit growth achieved through aggressive investment, with the aim of a consolidated dividend payout ratio of 50% or more.

Based on this basic policy, on November 14th we revised our dividend forecast and decided to increase the dividend. For this fiscal year, we forecast an interim dividend of 15 yen, a year-end dividend of 30 yen, an annual dividend of 45 yen, and a dividend payout ratio of 62.3%.

We would like to work hard to become a COPRO Group that is valued by our shareholders as "having a very high growth rate and paying dividends well," and to further commit to paying dividends and delivering them to everyone.

### Greetings from Mr. Kiyokawa

Finally, we will continue to make efforts to further increase the value of the COPRO Group. We would like to ask all of our shareholders and investors for their continued support and help as we strive for future growth and expanding business results.

This concludes the briefing about our financial results for the third quarter of FYE2024. Thank you.

## Disclaimer and Forward-Looking Statements

- This document has been prepared by COPRO-HOLDINGS. Co., Ltd. (the “Company”) to assist investors in understanding the current status of Company.
- The information contained in this document is based on economic, social, and other conditions generally recognized as of the date of publication and on certain assumptions deemed reasonable by Company. However, the information may be modified without notice due to changes in the business environment or other factors.
- Materials and information provided in this document include so-called “forward-looking statements”. These forward-looking statements are based on current expectations, forecasts and assumptions that involve risks and uncertainties that could cause actual results to differ materially from these statements.
- These risks and uncertainties include general industry, market conditions, general domestic and international economic conditions such as interest rate and currency exchange rate fluctuations.
- Company undertakes no obligation to update or revise any forward-looking statements contained in this document, whether as a result of new information or future events.

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