



Fiscal year ended March 2020
Results of Operations

May 28, 2020 (Thu)

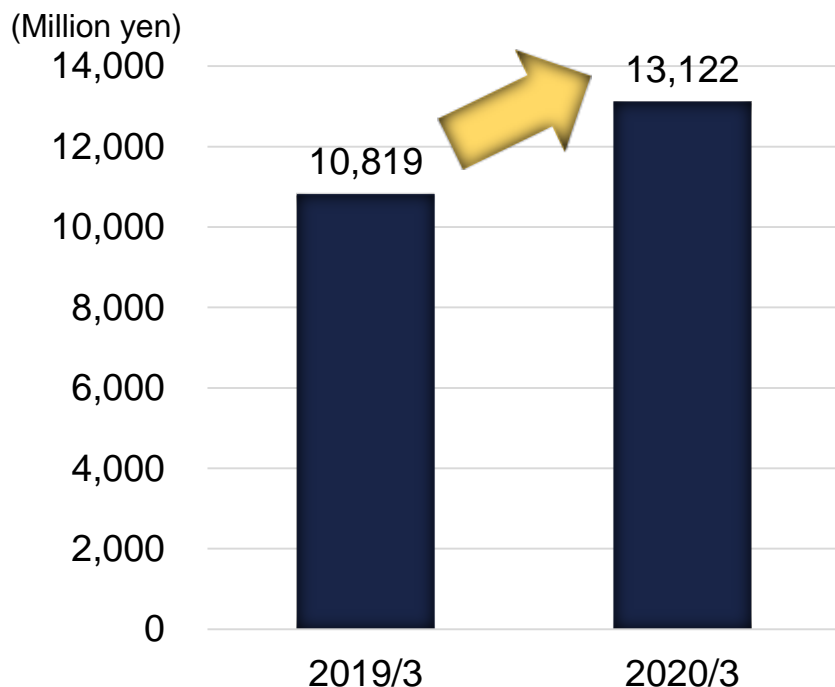
COPRO-HOLDINGS Co., Ltd.
Tokyo Mothers / Nagoya Centrex (Code: 7059)

- 1. 2020/3 Results of Operations**
- 2. 2021/3 Forecast**
- 3. Strategy for Steady Growth**
- 4. Corporate Profile**

1. 2020/3 Results of Operations

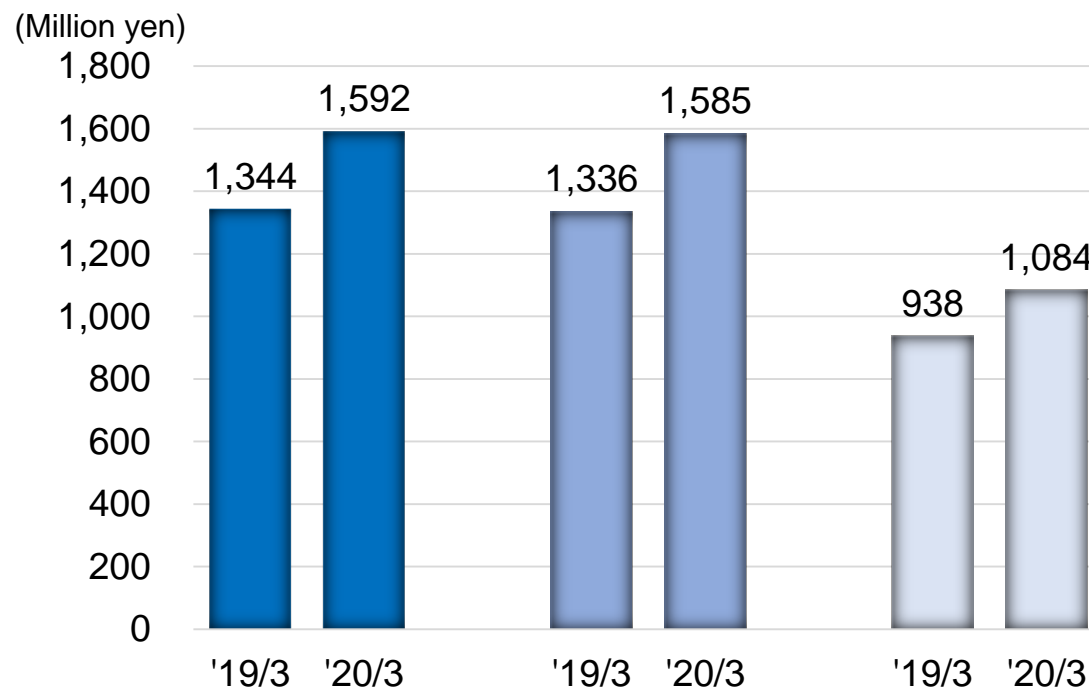
Sales and Earnings

Net Sales



Up 21.3%

Earnings



Operating profit Up 18.4%
Ordinary profit Up 18.6%
Profit Up 15.5%

1. Record-high sales and earnings at all levels

COVID-19 had almost no effect on sales and earnings

2. A larger base of operations by opening four offices

(Tokyo Plant Branch, Nagoya Plant Branch, Osaka Plant Branch, Takamatsu Branch)

Increase in people on assignments, progress with negotiations for higher rates, big increase in placements of engineers at industrial plants

3. Steady progress with measures for medium/long-term growth

Growth of operations outside Japan and activities to raise the workforce retention rate

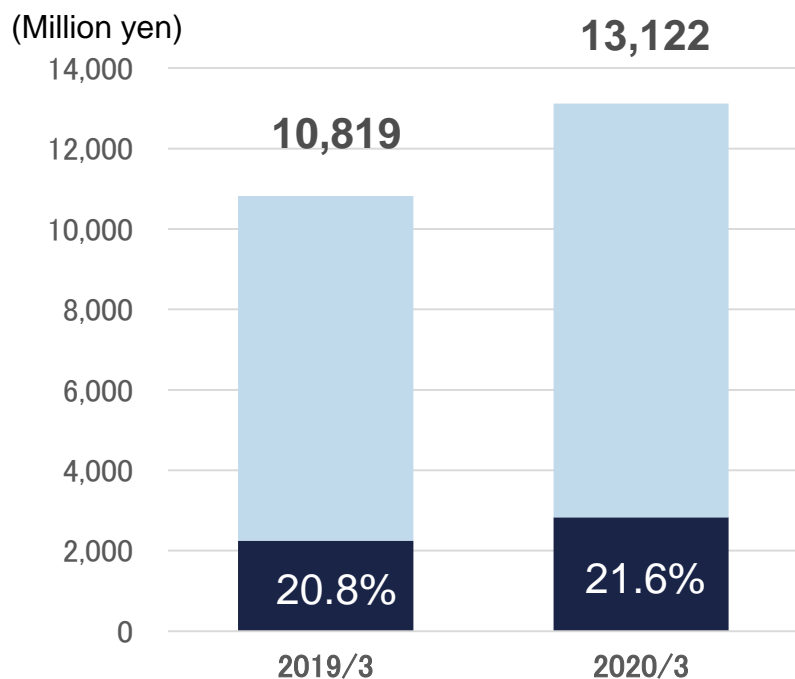
Summary Statement of Income

(Million yen)

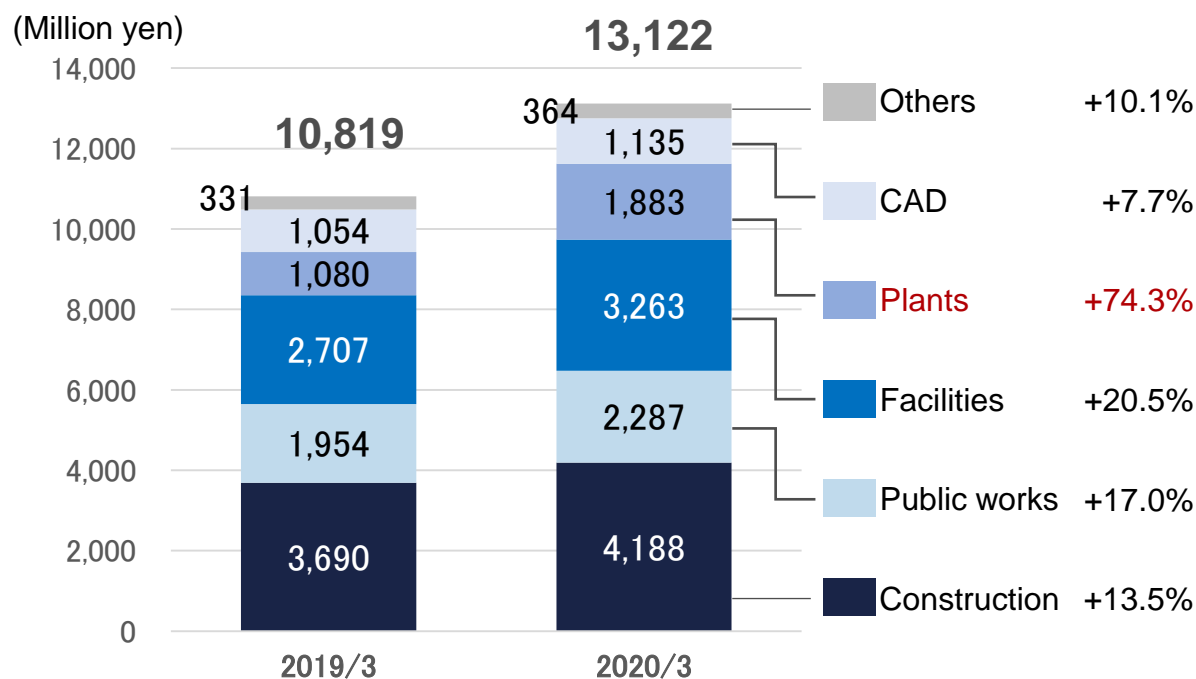
	2019/3	2020/3	Change (Amount)	Change (%)
Net sales	10,819	13,122	+2,303	+21.3
Cost of sales	7,194	8,746	+1,552	+21.6
Sales-cost ratio (%)	66.5	66.7		+0.2pt
Gross profit	3,624	4,376	+751	+20.7
Sales-gross profit ratio (%)	33.5	33.3		-0.2pt
SG and A expenses	2,280	2,783	+503	+22.1
Sales-SG and A ratio(%)	21.1	21.2		+0.1pt
Operating profit	1,344	1,592	+248	+18.4
Sales-operating profit ratio (%)	12.4	12.1		-0.3pt
Ordinary profit	1,336	1,585	+248	+18.6
Sales-ordinary profit ratio (%)	12.4	12.1		-0.3pt
Profit attributable to owners of parent	938	1,084	+145	+15.5
Sales-profit ratio (%)	8.7	8.3		-0.4pt

Sales Composition (1)

Reliance on Japan's Big Five General Contractors



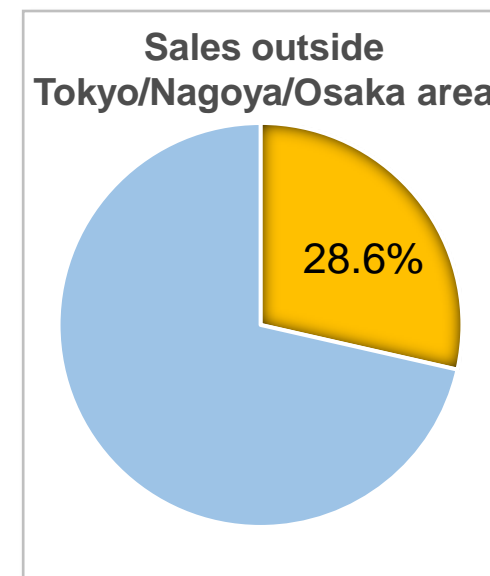
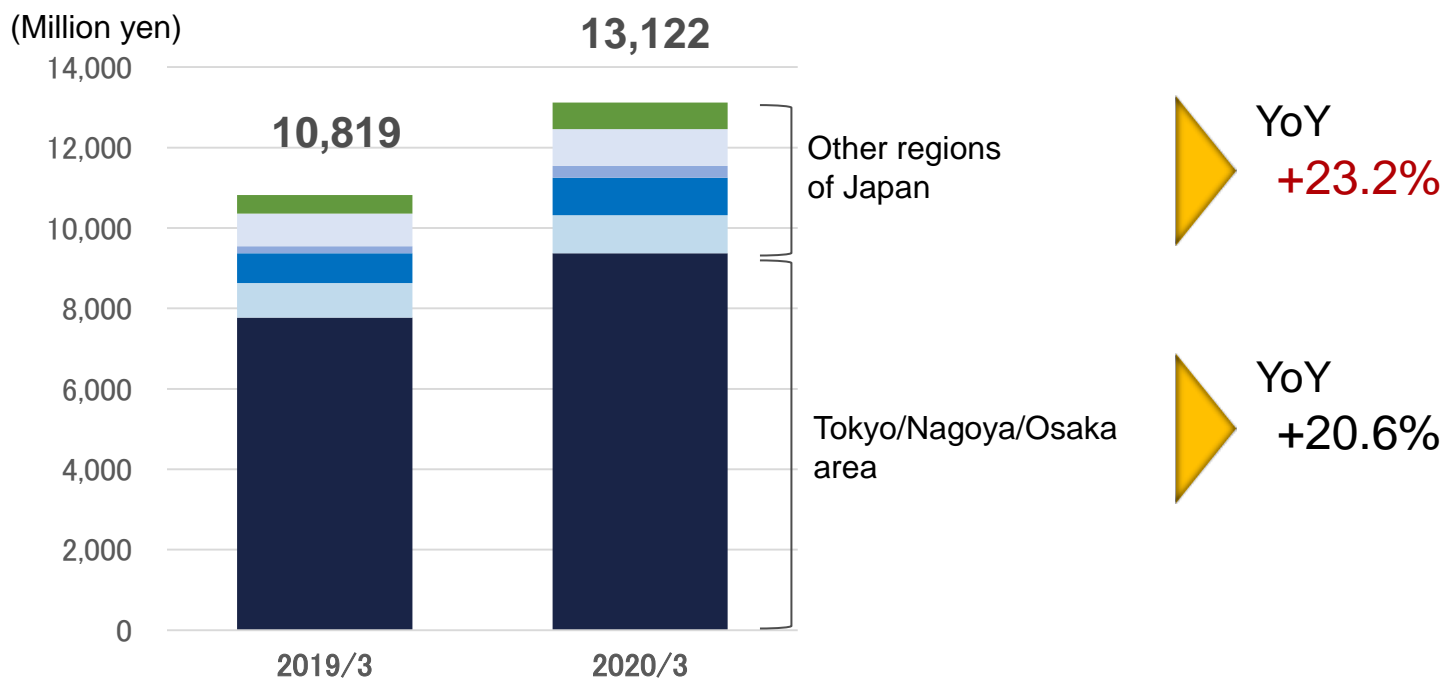
Temporary Staffing by Industry



A big increase in placements of engineers at industrial plants

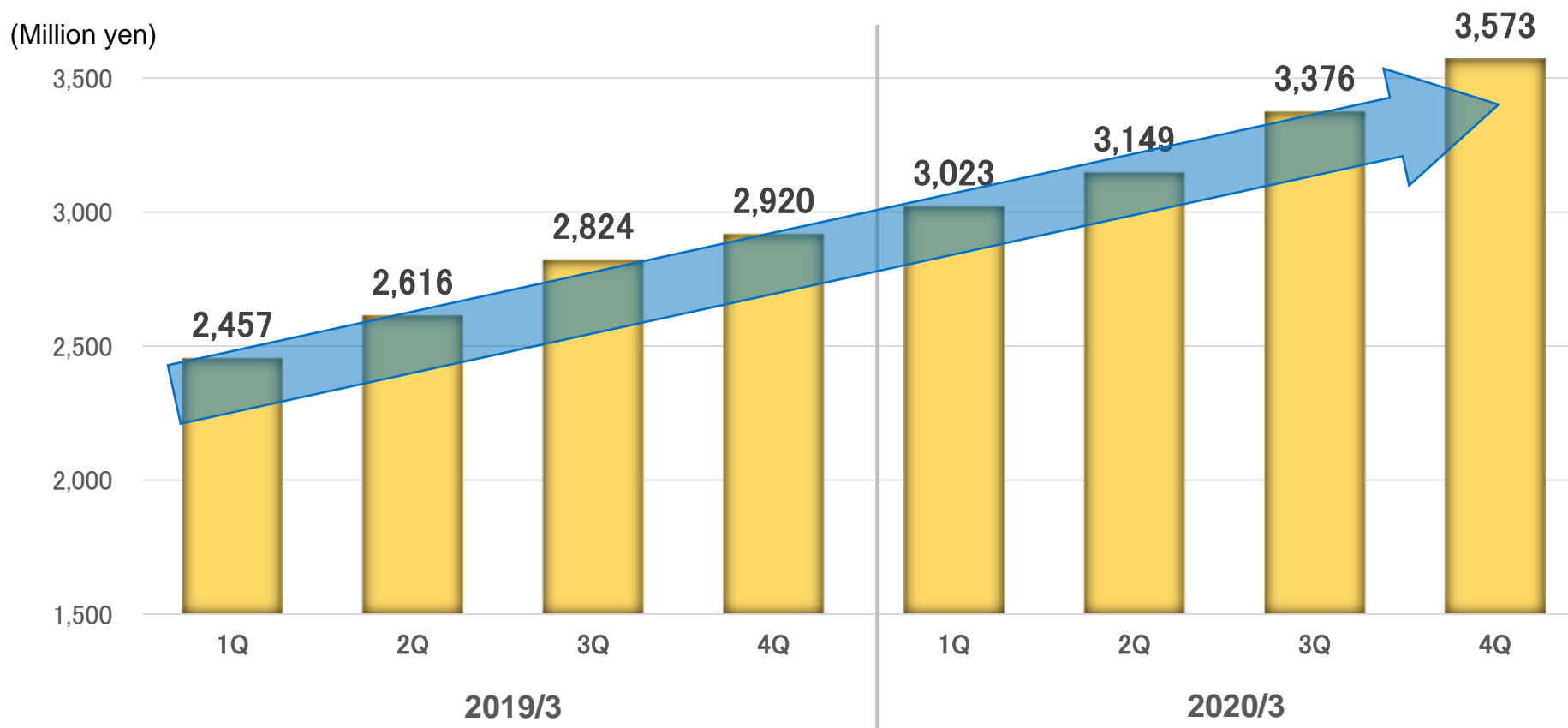
Sales Composition (2)

Sales by Region



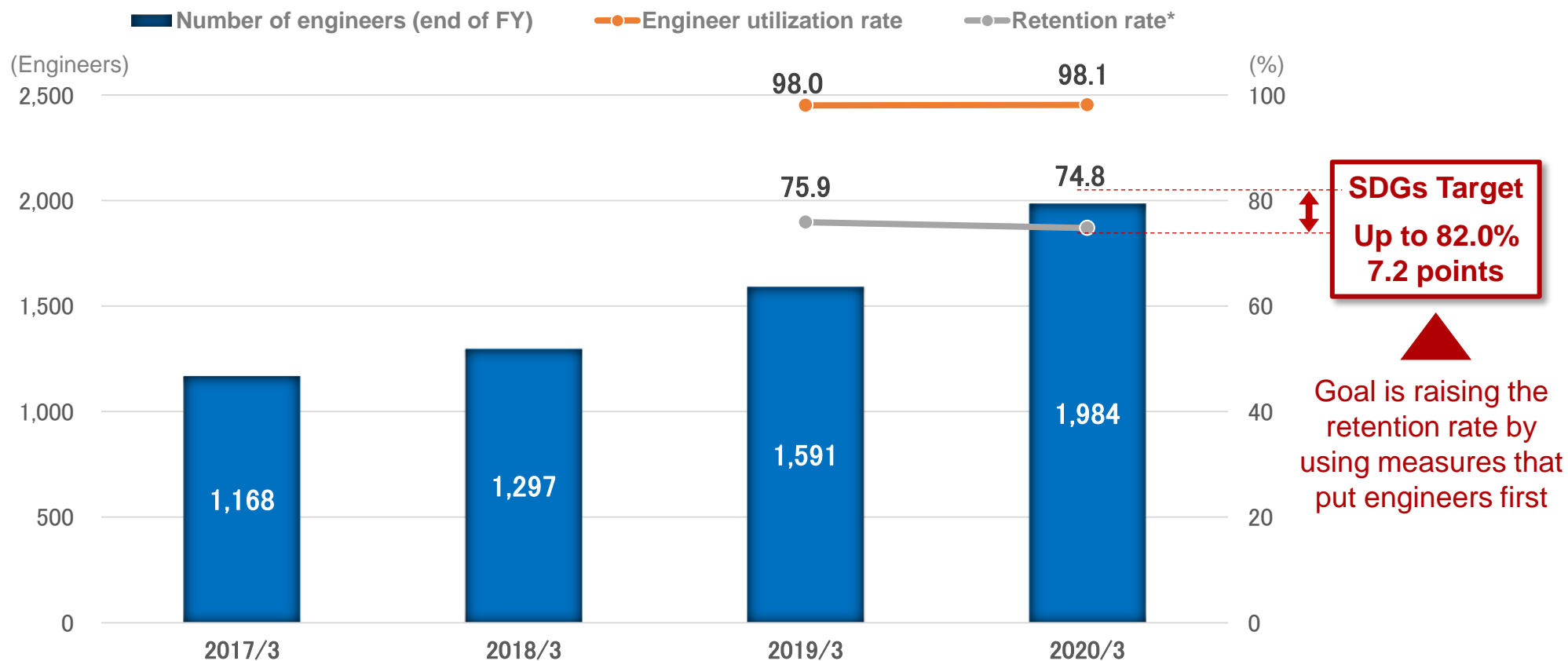
Well-balanced growth as sales in regions of Japan other than Tokyo/Nagoya/Osaka area climb steadily

Consistent Sales Growth (only a minor impact of COVID-19)



Growth of Engineering Workforce and Utilization Rate

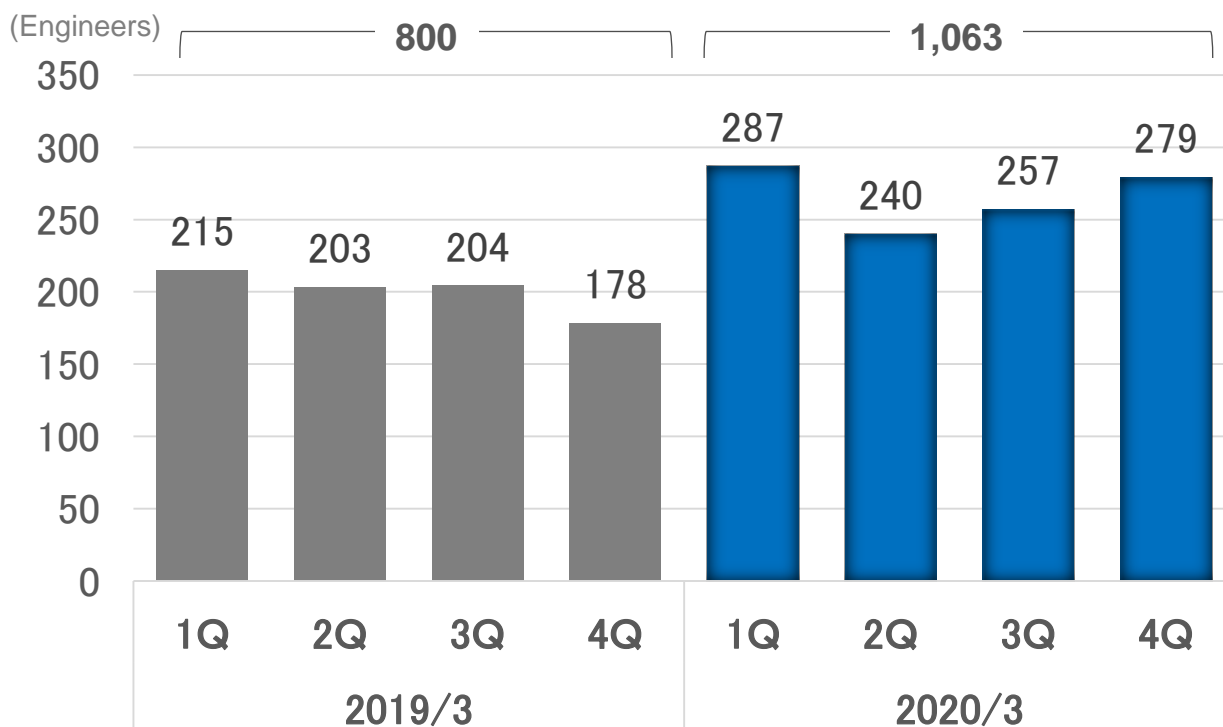
Steady growth in the number of engineers



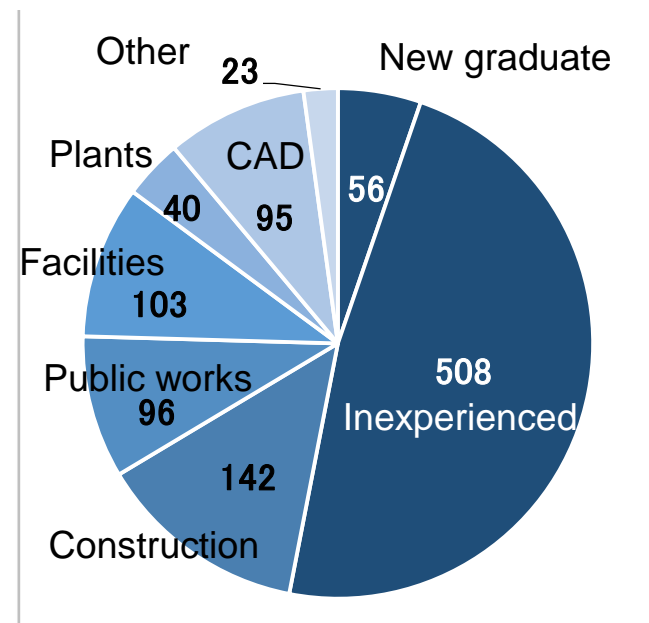
* Retention rate = Number of engineers (end of FY) / (number of engineers of previous FY + number of engineers hired of the FY)*100

Number of Engineers Hired

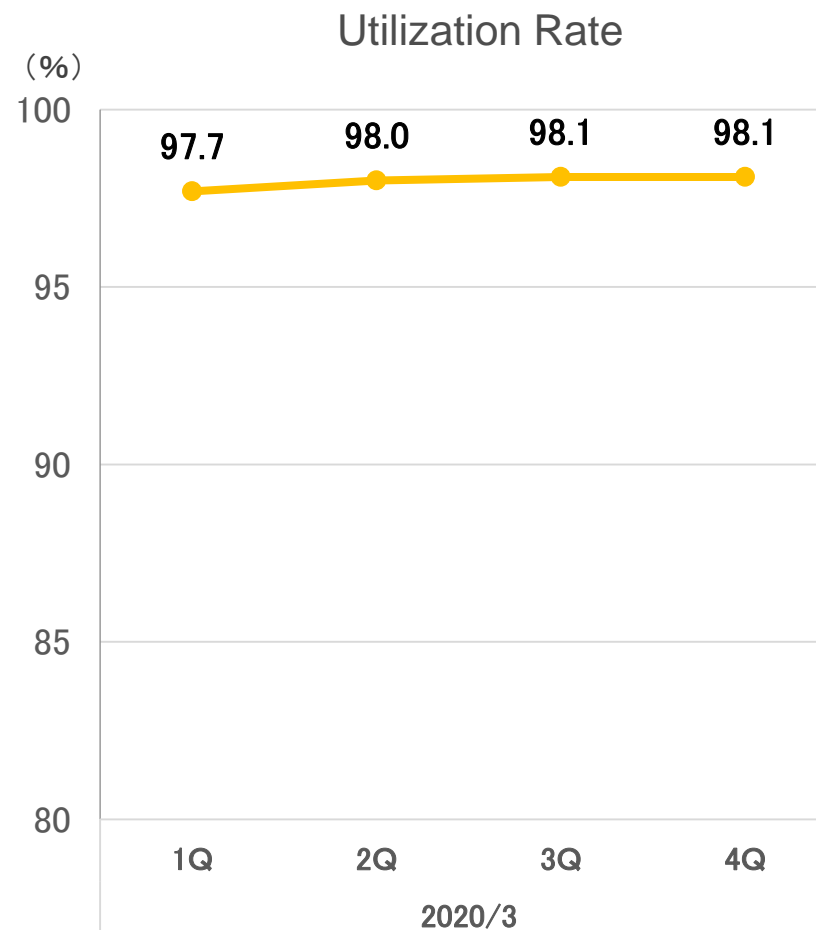
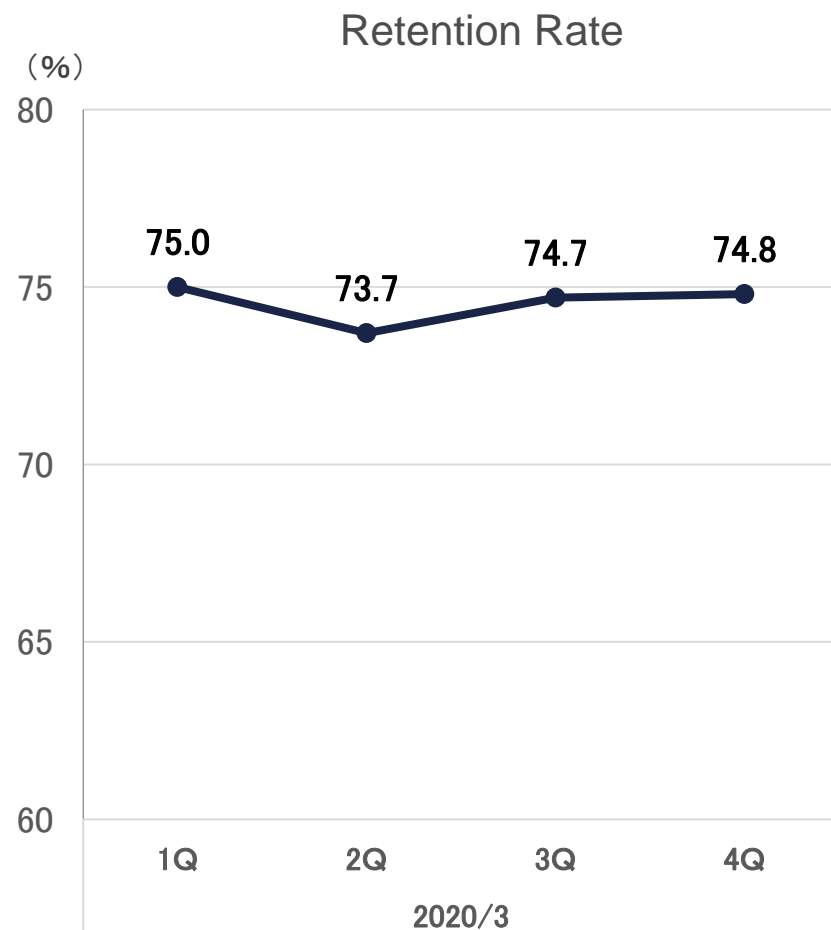
Engineers hired



Experience of Newly Hired Engineers 2020/3



Retention Rate and Utilization Rate



* Retention rate = Number of engineers (end of FY) / (number of engineers of previous FY + number of engineers hired of the FY)*100

Compliance with Japan's Equal Pay for Equal Work Requirement

Status at beginning of 2021/3 (vs. end of Jan. '20)

Effect on sales

Higher staffing service rates
(increase in sales per engineer on assignment)

<Per month>

24.5 million yen
(+2.6%)

Effect on expenses

Higher cost of sales

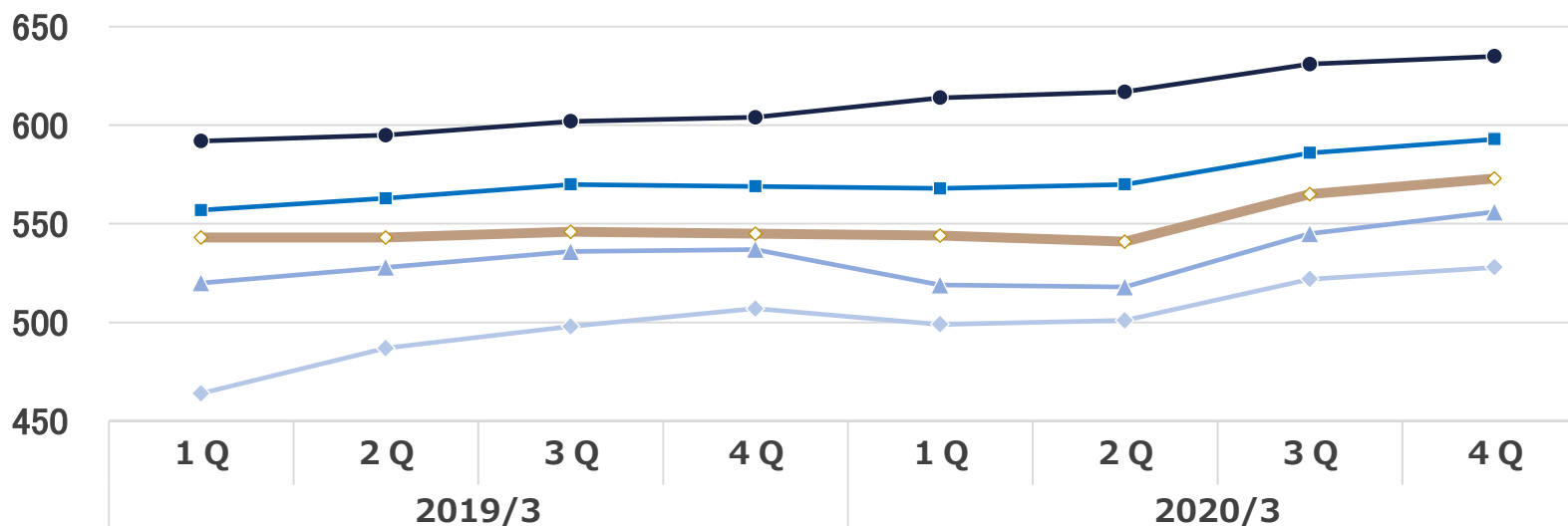
< Per month >

21.0 million yen
(+3.2%)

Fees Charged per Individual Placed

Benefits of negotiations for higher fees emerged in the second half of 2020/3

(Thousand yen)



Pct. of all engineers
(End of 2020/3)

●—6 ~ years	592	595	602	604	614	617	631	635	15%
■—3-5 years	557	563	570	569	568	570	586	593	27%
▲—2 years	520	528	536	537	519	518	545	556	22%
◆—1 year	464	487	498	507	499	501	522	528	36%
◇—Average	543	543	546	545	544	541	565	573	

* Fees charged are monthly fees, which do not change due to holidays and other differences in working days from month to month.

* Separately from changes in fees charged, there are small changes in the averages because of new hires, resignations and other reasons.

Summary Balance Sheet

(Million yen)

	End of 2019/03	Composition (%)	End of 2020/03	Composition (%)	Change
Cash and deposits	4,761	63.7	4,831	60.2	+70
Accounts receivable - trade	1,526	20.4	1,856	23.1	+330
Other	199	2.7	210	2.6	+10
Current assets	6,486	86.8	6,897	85.9	+411
Property, plant and equipment	388	5.2	371	4.6	-16
Intangible assets	75	1.0	113	1.4	+37
Investments and other assets	524	7.0	647	8.1	+123
Non-current assets	988	13.2	1,132	14.1	+144
Total assets	7,474	100.0	8,030	100.0	+555
Current portion of bonds payable	244	3.3	160	2.0	-84
Lease obligations	25	0.3	26	0.3	+0
Accounts payable	1,056	14.1	1,145	14.3	+88
Other	779	10.5	1,048	13.0	+269
Current liabilities	2,104	28.2	2,379	29.6	+274
Bonds payable	557	7.5	70	0.9	-487
Lease obligations	42	0.6	16	0.2	-26
Other	77	0.9	76	1.0	-1
Non-current liabilities	676	9.0	162	2.1	-514
Liabilities	2,781	37.2	2,542	31.7	-239
Net assets	4,692	62.8	5,487	68.3	+795
Total liabilities and net assets	7,474	100.0	8,030	100.0	+555

Sales growth

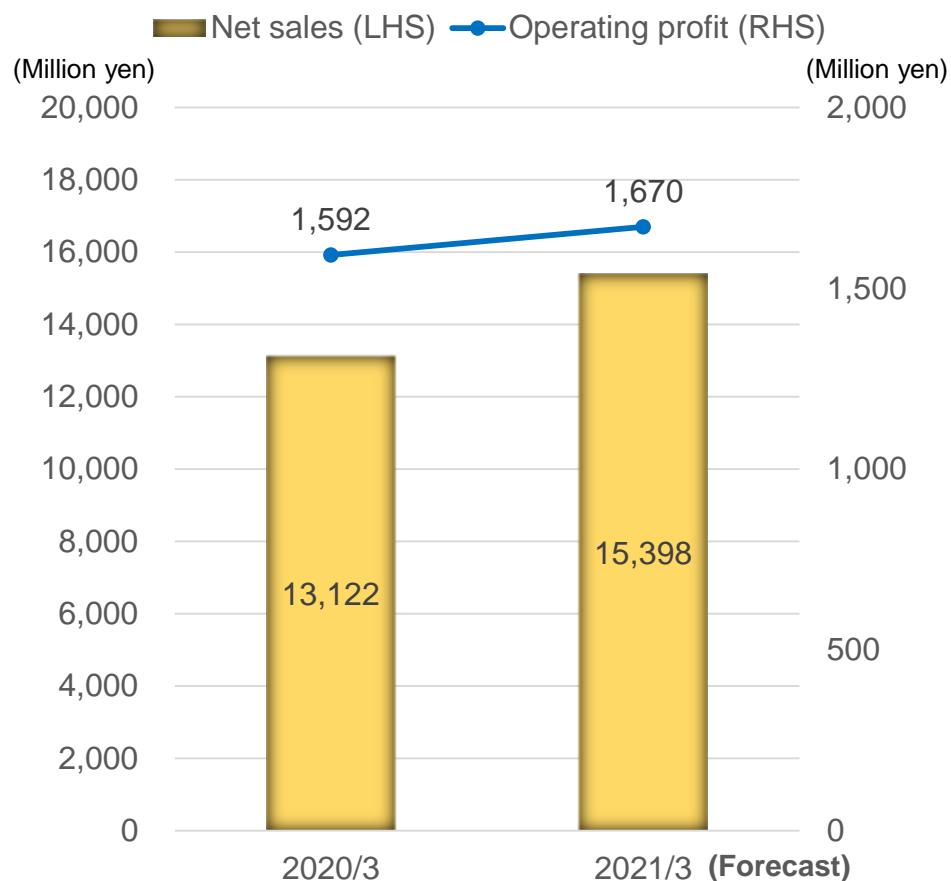
Early redemption of bonds
(Interest bearing debt/Total assets: 3.4%)

Increase in retained earnings

2. 2021/3 Forecast

2021/3 Forecast

Assumes COVID-19 will affect performance during the first half



	2020/3	2021/3 (Forecast)
Net sales YoY	13,122 +21.3%	15,398 +17.3%
Operating profit YoY	1,592 +18.4%	1,670 +4.9%
Ordinary profit YoY	1,585 +18.6%	1,669 +5.3%
Profit attributable to owners of parent YoY	1,084 +15.5%	1,148 +6.0%

Use business climate changes to build a base for medium/long-term growth

- 1. Responses to working style reforms (limit on extended working hours)**
 - A larger volume of work no longer results in higher sales per employee
 - Raising fees to reflect the high quality of COPRO engineers; measures to extend staffing contracts when client companies resume operations
- 2. Strategy positioning the post-COVID-19 as an opportunity for growth**
 - Reorganization for upgrading recruiting activities, engineer training and follow-up support after placements = Increase in engineers for temporary placements/Higher level of skills
 - Anticipate more mobility for construction sector workers => Measures to add these people to our temporary placement workforce
- 3. Strengthen capabilities for supplying engineers for industrial plants**
 - Continue many activities for growth centered in offices that specialize in serving industrial plants

Current effects

Effects at workplaces (teleworking, standby at home, etc. *As of May 12)

Engineers as of April 30: 2,074

Teleworking, etc.	Compensation	Projects	People	Percentage
178 projects, 253 people (12.2%)	Full salary	159	222	10.7%
	No compensation	3	3	0.1%
	Not decided, other	19	28	1.4%

Percentages are the share of 2,074 people.

Effect on results of operations: Expenses of about 18 million yen for employee safety and support measures (explained on the next page)

Employee safety and support measures

COPRO sends real-time information to the smartphones of all employees

- Established a COVID-19 Response Committee for information sharing and extensive countermeasures
- Distributed 50 masks to each employee and 25 masks to newly hired people; visitors also receive a mask

Workplaces

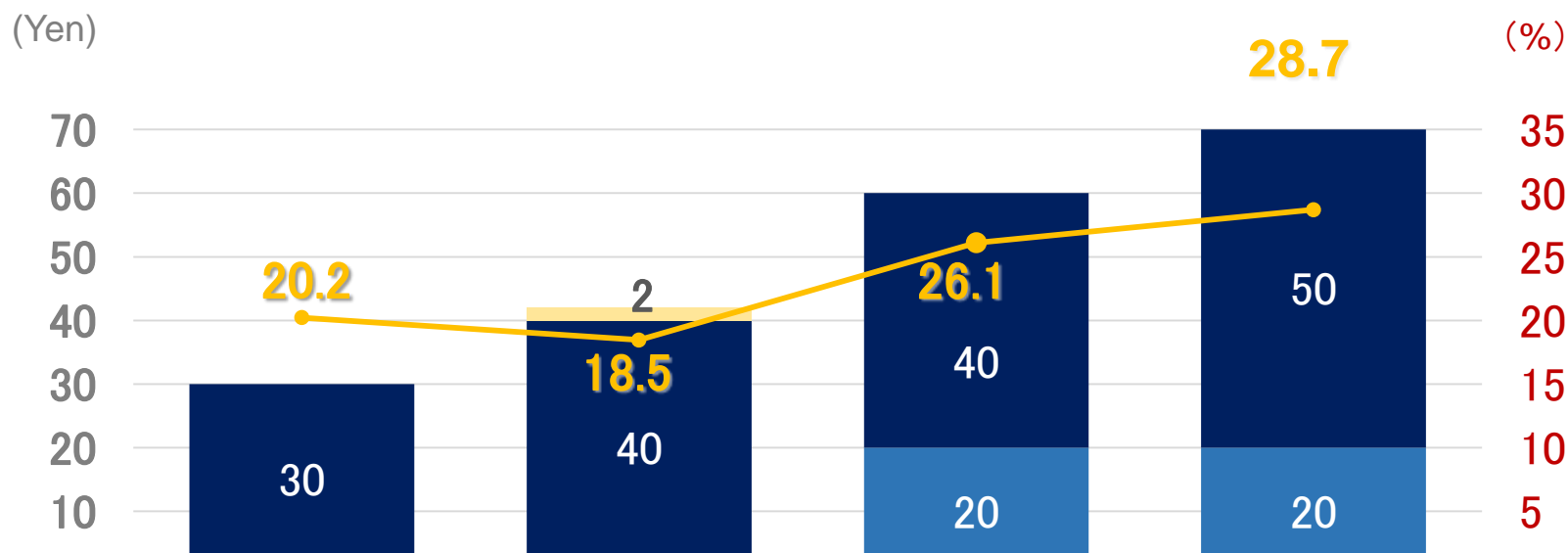
- At all locations, a hypochlorous acid mist is constantly added to workplace air during working hours.
- At all locations, room entry management systems requiring contact are turned off during working hours to prevent infections due to contact.





Job formats

- Business travel is prohibited, as a rule; meetings and other gatherings are minimized; if a meeting is held, small spaces/proximity is avoided.
- Staggered working hours; teleworking for some departments (security manager uses a remote connection)
- An internal flow is established with tighter requirements than the national gov't standards (temperature of 37.0 degrees, for example); restrictions on going to a workplace. (special paid time off)
- All employees required to check and record their temperatures when leaving and returning home and four times at workplace. (All workplaces have non-contact thermometers.)
- All employees must wash their hands, wear a mask and use alcohol-based hand sanitizers.
- Telephones at reception are cleaned using an alcohol-based disinfectant.

Dividend Policy

To increase the dividend payout ratio while maintaining the proper balance between dividend payments and investments for future growth.



 Interim dividend	0	0	20	20
 Year-end dividend	30	40	40	50
 Commemorative dividend (newly listed)	0	2	0	0
Total	30	42	60	70
 Payout ratio (%)	20.2	18.5	26.1	28.7

After-Hours Sale of COPRO Shares



After-Hours Sale Planned for May 28-June 1, 2020 (Announced May 20)

1. Number of shares: 166,100
2. Planned date: May 28 to June 1, 2020
3. Price: Based on closing (or indicated) price on May 27
4. Limit on purchases: 200 shares per buyer (units of 100 shares)
5. Exchange: Tokyo Stock Exchange
6. Purpose: COPRO is making preparations to move its stock listings to the first sections of the Tokyo and Nagoya stock exchanges. The sale will increase liquidity and the number of shareholders and improve the distribution of share ownership in order to help meet the formal requirements for the first section listings.

This sale may be canceled or postponed if the sale is no longer possible due to stock market volatility or some other reason.

Summary and purpose

The purpose of the plan is to link the compensation of directors (excluding outside directors) with results of operations and shareholder value, thereby giving these directors a greater incentive to contribute to COPRO's growth.

- This plan aligns the interests of directors with those of shareholders and motivates directors to achieve medium/long-term growth in sales and earnings and corporate value.



*The plan will require the approval of a proposal to establish this plan at the shareholders meeting to be held on June 24, 2020.

COPRO-HOLDINGS Co., Ltd.

Administration Department

Telephone: 0120-253-066 (toll free)

Internet: Please submit the question form at the following URL

<https://www.copro-h.co.jp/contact/>

3. Strategy for Steady Growth

Long-term Vision

Our goal is to be the preeminent engineer staffing services group and an organization that customers and engineers always choose over others.

The industry's leading brand

Key goals

Preserve and reinforce competitive superiority

Outstanding retention rate + Even stronger training capabilities

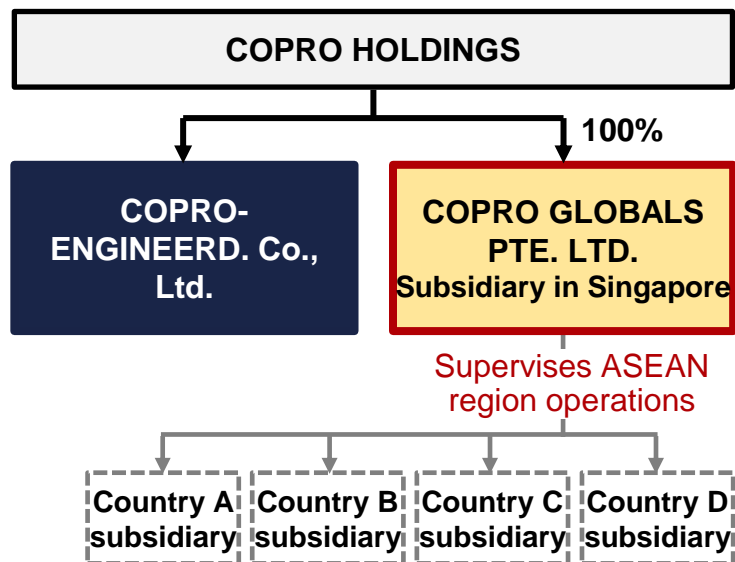
- 1 Full-scale start of the overseas**
- 2 Actions for increasing the engineer retention rate**
- 3 Growth while contributing to a sustainable society**

Growth Strategies (1) Overseas Project

Overseas Project (1)

Growth outside Japan

- Established a subsidiary in Singapore (April 2020)



As the base for ASEAN operations, COPRO-GLOBALS gathers information to determine where to start operations, how to conduct operations, priorities and other matters.

Major countries where operations may begin

- Vietnam
- Philippines
- Thailand
- Malaysia
- Indonesia
- India and others



Overseas Project (2)

Use foreign engineers in Japan

- Bring engineers from other countries to work in Japan (starting in FY3/21)
- Establish a Japanese language education program

Increase measures to attract and retain engineers

Established a department for retention (April 2019~)

Deals with problems and needs of temporary staffing workforce engineers

- Consultations for career advancement
(Assistance for training to acquire certifications and other support)
- Health management
(Health and safety management, limits on extended working hours, and other support)
- A sound mindset and attitude
(Reinforce motivation, a greater sense of belonging to a team, and other support)

COPRO Mileage Club (April 2020~)

- Started our own bonus point system
- Employees can exchange points for merchandise



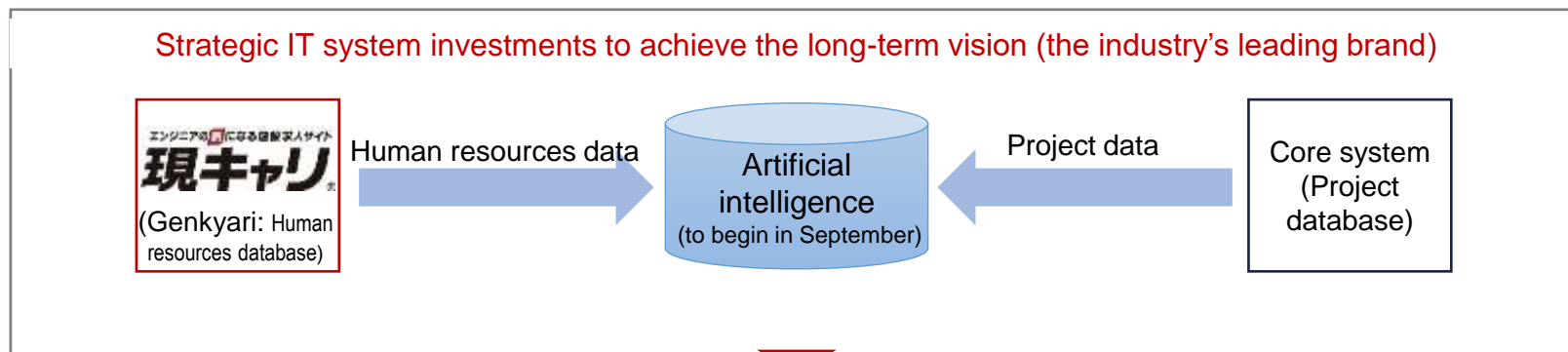
Growth Strategies (2) Higher Retention Rate 2/2

Upgrade of the Gen-Kyari recruiting website, including AI for a higher matching success ratio

Website upgrade schedule



- HR database ⇒ Upgrade improves the ability to attract people and the ratio of people who submit applications (website performance)
- Project database ⇒ Qualitative and quantitative improvements by redesigning the organization and business processes and using new tools for more efficient sales activities
- AI matching ⇒ Calculates matching ratio by examining a multitude of matching items and then selecting and establishing items



Matching that maximizes satisfaction for engineers and the companies where these engineers work

Create jobs for seniors (support for lifetime employment)

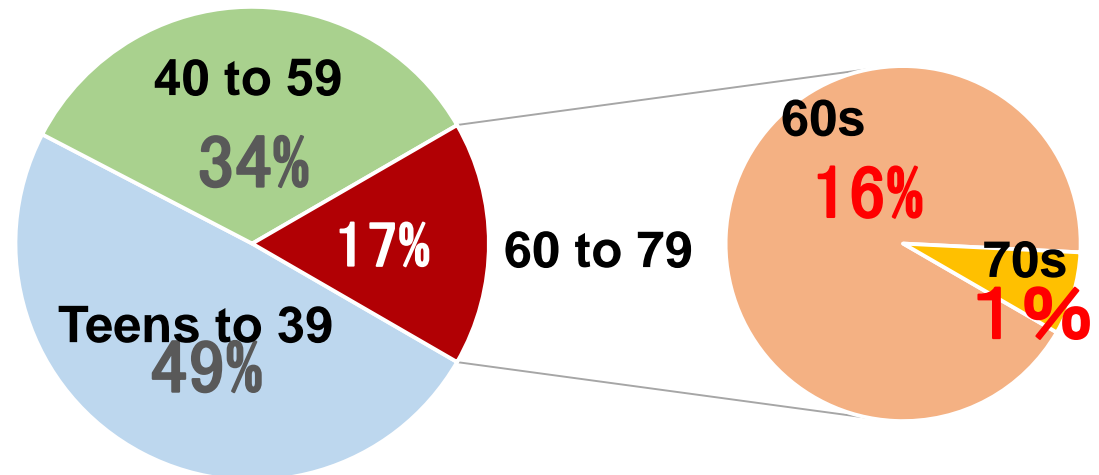
Senior Employment Stabilization Act

The aim of this law is to enable seniors to continue working for as long as they want regardless of their age.

Recruitment and placements of many older workers

Age of the Temporary Placement Engineer Workforce

(March 31, 2020)



COPRO Group Activities for SDGs (Targets)

Target	KPI	2020/3	2023/3	Target	KPI	2020/3	2023/3
4 Quality education	Higher utilization rate of training for people with no experience	54.6%	100.0%	9 Industry innovation & infrastructure	Higher retention rate	74.8%	82.0%
8 Decent work & economic growth	Hire people with no experience	564 (53.1%)	700 (52.3%)	10 Reduced inequalities	Increase foreign employees	44 (2.2%)	200 (6.0%)
8 Decent work & economic growth	Increase female employees	582 (29.3%)	1,005 (30.0%)	12 Responsible consumption & production	Reduce the use of paper (go paperless)	—	-20% (Vs. 2020/3)

Progress as planned with the new core system

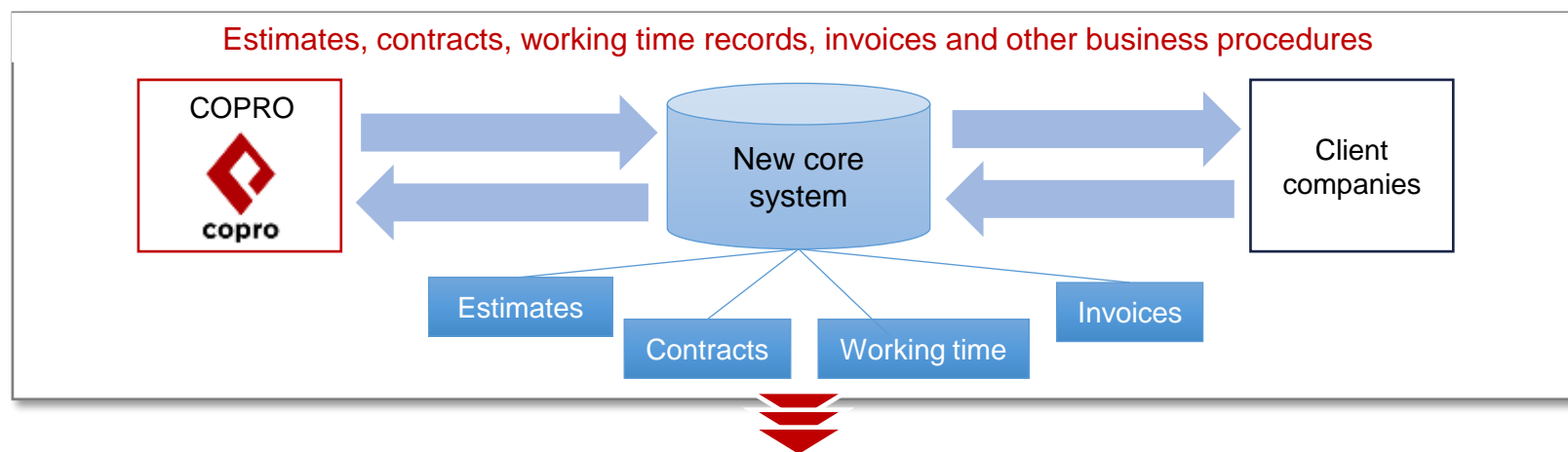
Schedule



Definitions were finished in 2019 ⇒ **Currently creating the basic design** ⇒ **Full-scale operation is to begin in April 2021** (on schedule)

The new system will perform online procedures with customers involving estimates, invoices and contracts.

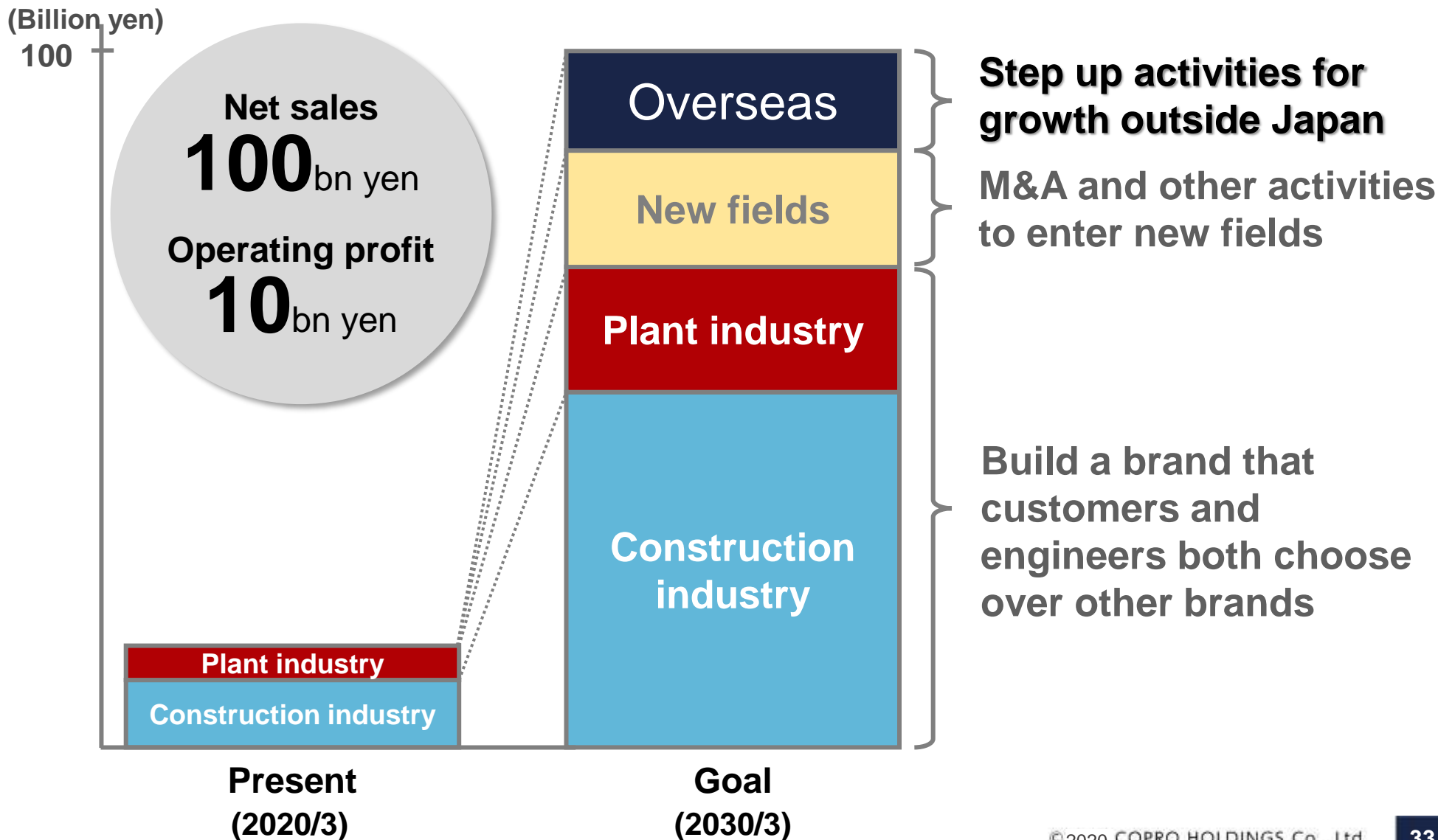
⇒ The new system will comply with the “reexamination of business processes at private-sector companies that require paper and seals,” which is included in the Japanese government’s Policy for the Establishment of a New IT Strategy (April 22).



The new system is expected to improve profitability

The new core system will hold down the increase in administrative and other expenses associated with the growth in the number of client companies (and therefore the number of engineers on assignments).

Goal for Growth during the Next Decade



4. Corporate Profile

Corporate Profile

Name	COPRO-HOLDINGS Co., Ltd.
Representative	Kosuke Kiyokawa
Head office	3-28-12 Meieki Nakamura-ku, City of Nagoya, Aichi prefecture
Established	October 2006
Fiscal year end	March
Activities	Temporary staffing and permanent placement services, mainly in the construction industry
Consolidated subsidiaries	COPRO-ENGINEERD. Co., Ltd. COPRO GLOBALS PTE. LTD.
Number of Employees	2,242 (Consolidated, as of end of March 2020)

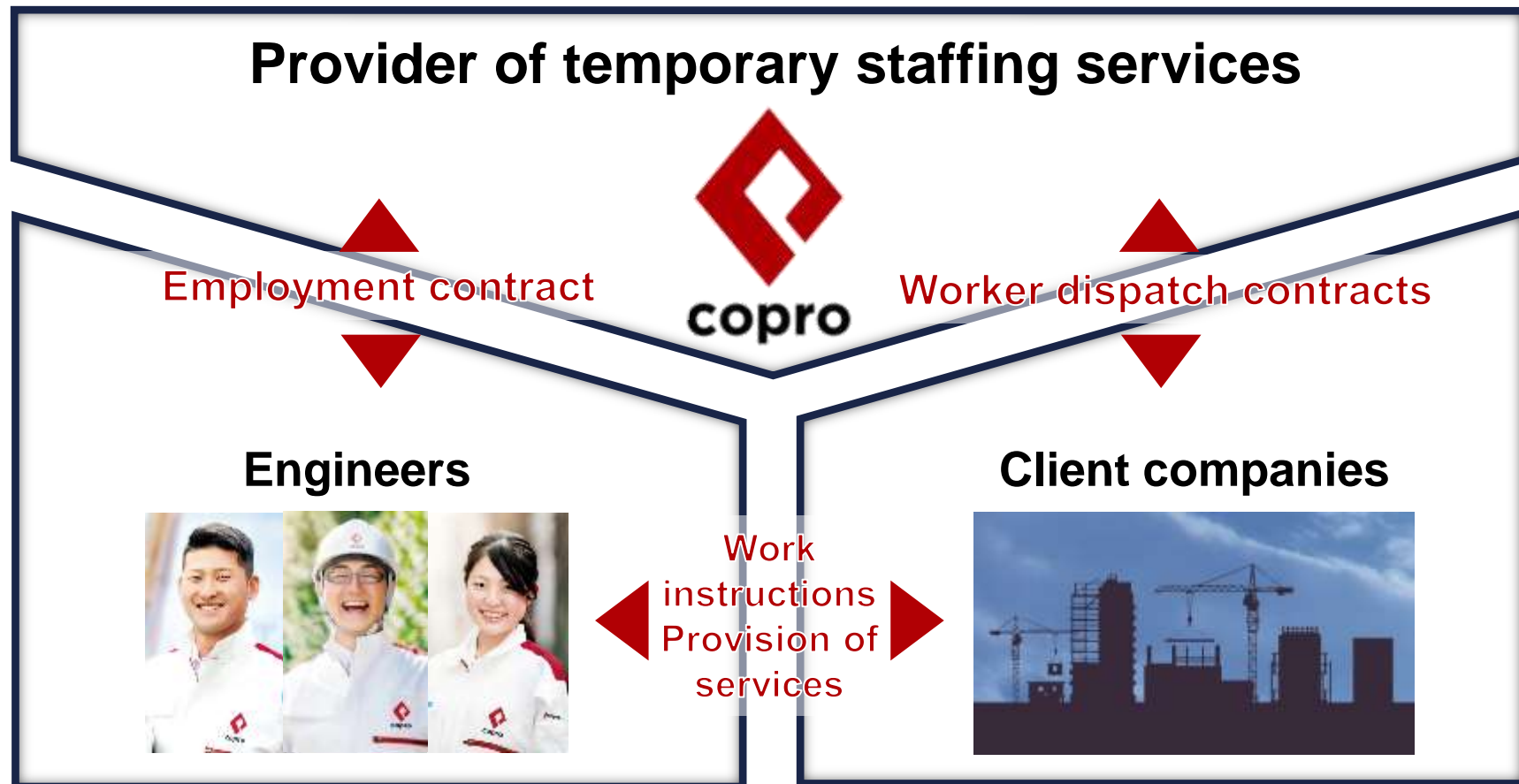
Kosuke Kiyokawa President and representative director



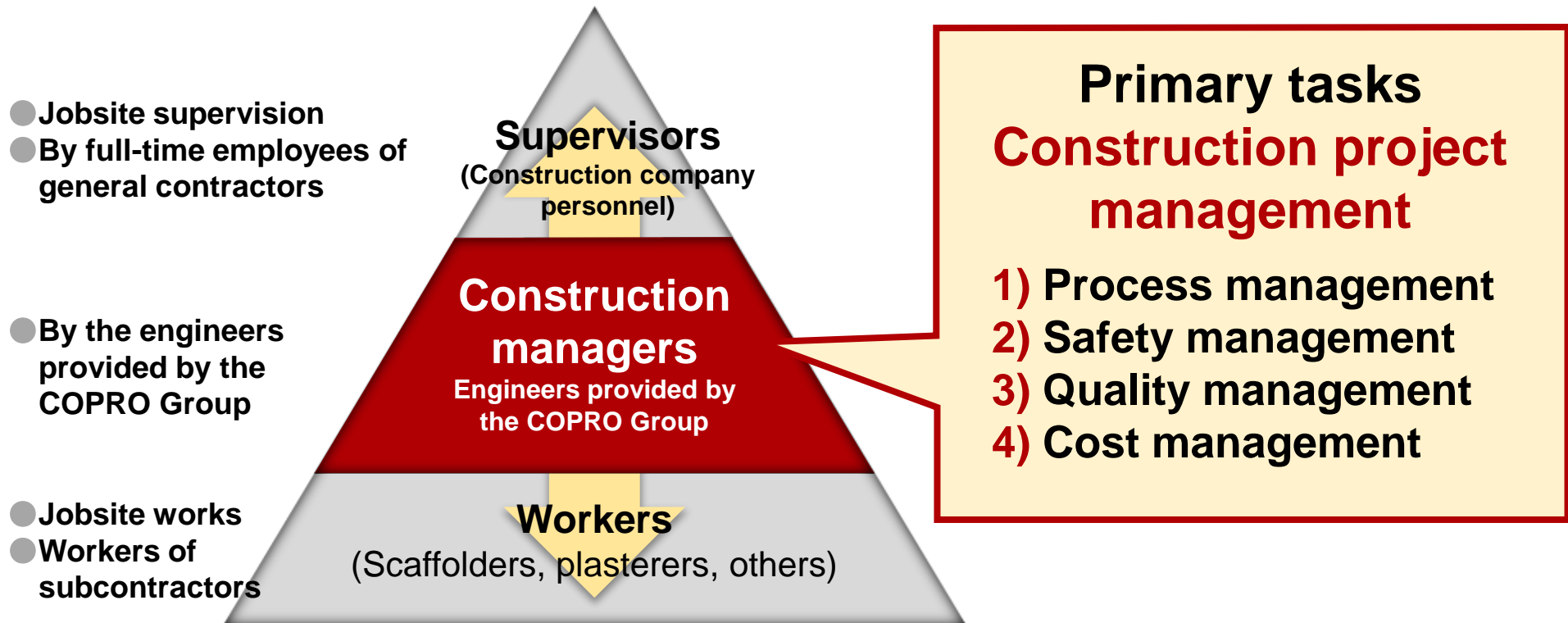
Mr. Kiyokawa was born in 1977 in Aichi prefecture. After graduation from Nagoya Industrial Technology School, he worked at a local construction company for two years as a jobsite supervisor. Next was five years in the sales operations of a large outsourcing company and appointment as president of one of this company's subsidiaries, Nikko CSS (now TechnoPro Construction). Mr. Kiyokawa established COPRO in 2006.

Business Operations (1)

Temporary staffing for engineers mainly in the construction industry



Positioned between supervisors and tradespeople
for overseeing construction



Branch Network

Osaka Plant Branch



Imon Kobe Bldg.

Hiroshima Branch



Mitsui Kife Bldg.

Fukuoka Branch



Fukuoka Asahi Bldg.

Western Japan

Osaka #1 Branch
Osaka #2 Branch
Seed of Supervisor



Grand Front Osaka

Takamatsu Branch

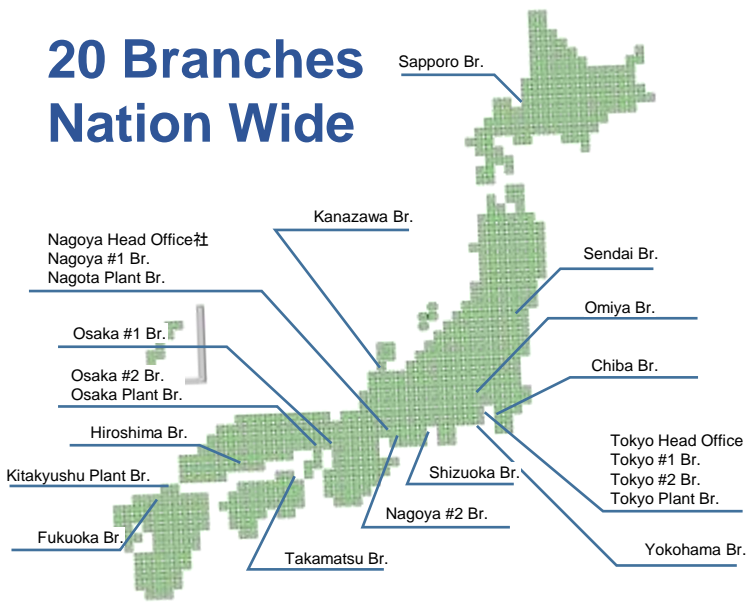


TAKAMATSU Symboltower

Kitakyushu Plant Br.

Oita Bank Meijiyasuda Bldg.

20 Branches Nation Wide



Central Japan

Nagoya Head Office



Dai Nagoya Bldg.

Nagoya #1 Branch Nagoya Plant Br. Seed of Supervisor



JR Gate Tower

Kanazawa Br.



Porte Kanazawa

Shizuoka Branch

Nippon Life Shizuoka-ekimae Bldg.

Nagoya #2 Br.

Chusin Tower

Sapporo Branch



SE Sapporo Building

Omiya Branch



Sonic City Building

Yokohama Branch



Landmark Tower

East Japan

Sendai Branch



Sendai Mark One

Tokyo Head Office
Tokyo #1 Branch
Tokyo #2 Branch
Tokyo Plant Branch
Seed of Supervisor

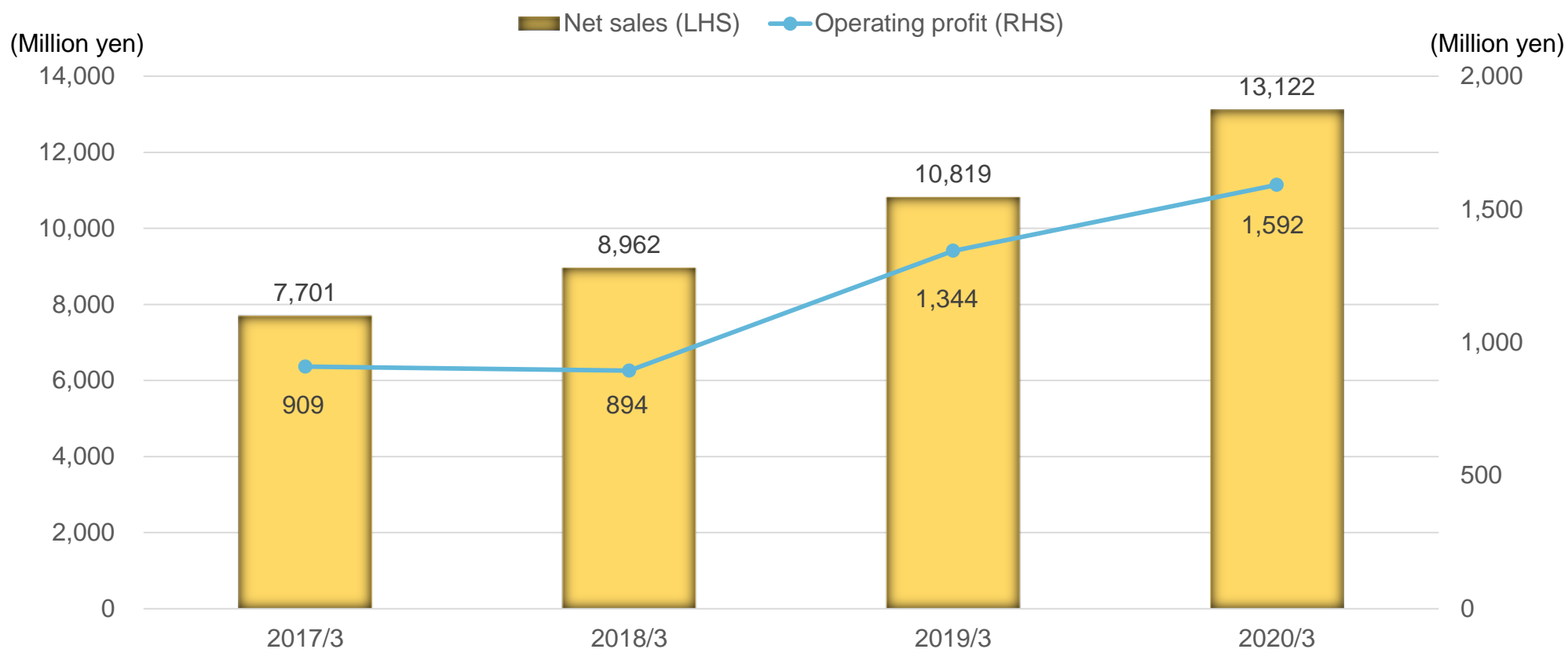


Kyobashi Edogrand Bldg.

Chiba Branch
Seed of Supervisor
Sencity Building

Recent Sales and Operating Profit

Sales and earnings have been increasing steadily.



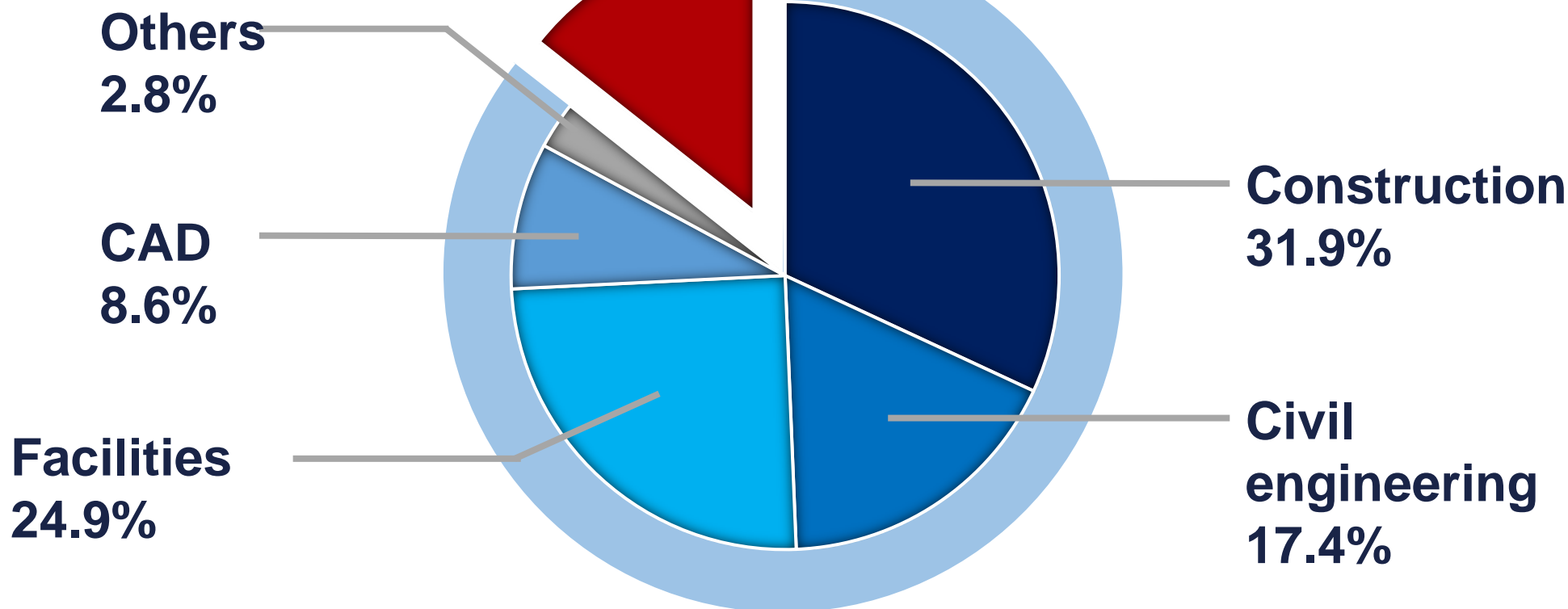
Sales by Industry

Plant 14.4%

Net sales: 1.88bn yen
<Up 74% yoy>

Construction 85.6%

Net sales: 11.23bn yen
<Up 15% yoy>



As of 2020/3

The Three Strengths that Define COPRO

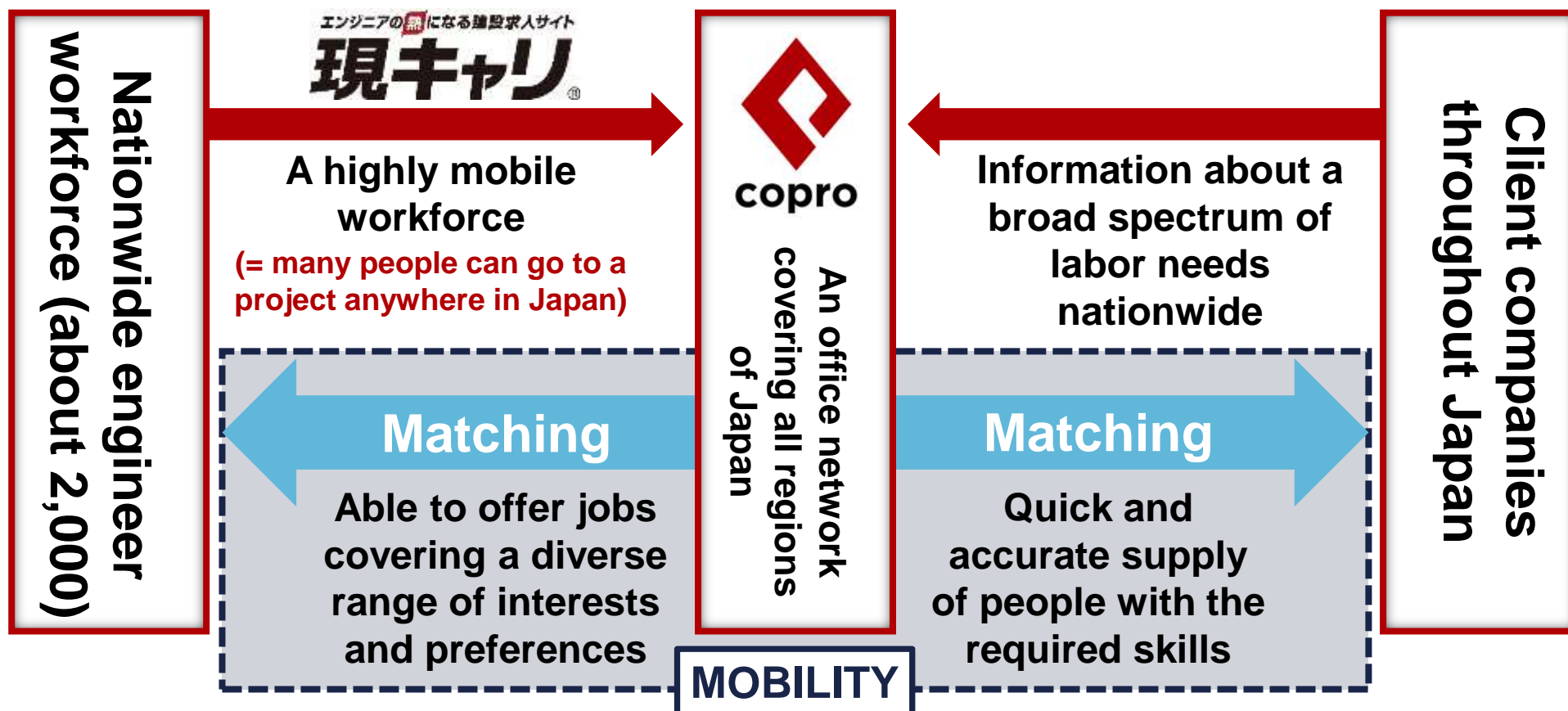
Engineers always come first

Operations from the standpoint of the approx. 2,000 temporary staffing engineers



A consistent source of value for customers and society

A nationwide network for engineer workforce **MOBILITY**



TECHNICAL SKILLS created by education utilizes our distinctive know-how



Focus on the construction industry with skills covering many construction categories

Construction management and design support for highways, shoreline protection, site preparation, tunnels, bridges and other projects

CAD operators for building, civil engineering, facility and factory projects

Buildings

Civil engineering

Facilities

CAD

Others

Construction management and design support for new construction and renovations for high-rise buildings, condominiums, shopping centers, factories and other projects

Construction management and design support for facilities (HVAC, plumbing, electrical) for new construction and renovations for high-rise buildings, condominiums, shopping centers, factories and other projects

Administrative procedures for building, civil engineering, facility and factory projects

Mobility and technological skills for client industry **EXPANSION**

Using experience and accomplishments in the construction industry to expand operations to the industrial plant industry



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- The information in this presentation is based on economic, social and other conditions that were general knowledge and on assumptions that COPRO-HOLDINGS believed were reasonable as of the announcement date. This information may be revised without prior notice because of a change in the business climate or some other event.
- The information in this presentation includes forward-looking statements. These statements are based on current outlooks and forecasts as well as assumptions that incorporate risk. Uncertainties involving the basis for these statements may cause actual performance to differ from these statements.
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