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This presentation explanation note is covering the point one to three written above.

## **1. Summary of the Consolidated Financial Results**

## 2. Major Initiatives in Construction Technician Dispatching

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## Consolidated Financial Highlights

- Net sales increased significantly by +19.5% YoY. COPRO-ENGINEERD, a core business, which dispatches construction technicians increased sales due to the increase in the number of hires, and the transfer of technicians after taking over business from Hucoss Co., Ltd. ATMOS and VALUE ARK CONSULTING, which were consolidated last fiscal year, also contributed to the rise in sales.
- Operating profit and non-GAAP operating profit decreased by 17.0% and 3.5%, respectively, due to active investment in recruitment costs to secure excellent human resources, which is positioned as upfront investment for business expansion from the next fiscal year onward.
- Profit at each stage is steadily increasing compared to the first half forecast.

	FYE2022		FYE2023		YoY Change		FYE2023	
	1Q	Ratio	1Q	Ratio	Pct Change	Amount of Change	1H Forecast	Progress Rate
Net sales	3,555	100.0%	4,249	100.0%	+19.5%	+693	8,144	52.2%
Cost of sales	2,491	70.1%	2,972	70.0%	+19.3%	+481	5,662	52.5%
Gross profit	1,063	29.9%	1,276	30.0%	+20.0%	+212	2,482	51.4%
SG&A expenses	786	22.1%	1,045	24.6%	+33.0%	+259	2,193	47.7%
Operating profit	277	7.8%	230	5.4%	-17.0%	-47	289	79.7%
Depreciation	28	0.8%	33	0.8%	+18.4%	+5	-	-
Amortization of goodwill	-	-	26	0.6%	-	+26	-	-
Shared-based remuneration expenses	5	0.1%	9	0.2%	+85.9%	+4	-	-
Non-GAAP operating profit*	311	8.7%	300	7.1%	-3.5%	-10	427	70.3%
Ordinary profit	277	7.8%	230	5.4%	-16.8%	-46	290	79.6%
Profit attributable to owners of parent	154	4.3%	135	3.2%	-12.4%	-19	158	85.4%
Number of consolidated technicians & engineers (quarter end)*	1,957	-	2,394	-	+22.3%	+437	-	-

\*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.

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The summary of the consolidated financial results:

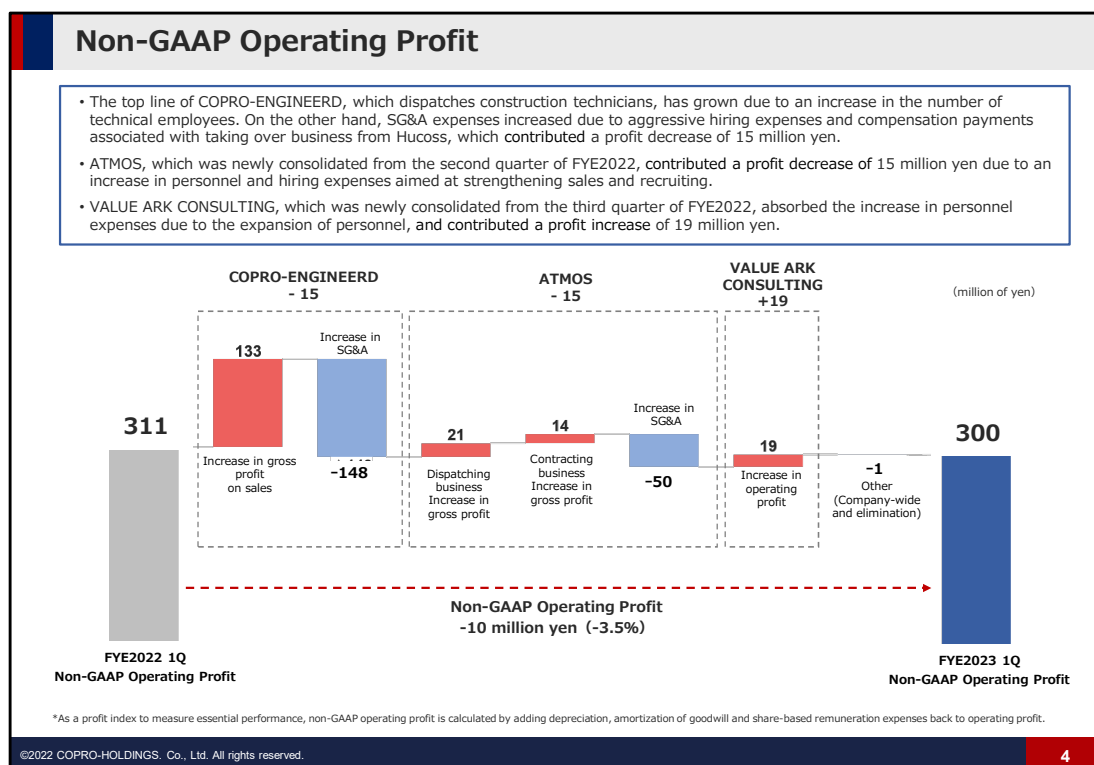
Sales raised mainly on account of the number of technicians increased namely, newly joined employees hired by COPRO-ENGINEERD, our core business, which dispatches construction technicians, and the transfer of technicians accompanying the takeover of the Hucoss Co., Ltd. Moreover, the contribution of ATMOS and VALUE ARK CONSULTING, which were newly consolidated in the previous fiscal year, resulted in a significant YoY increase of 19.5% in sales.

Regarding the profit, operating profit and non-GAAP operating profit decreased by 17.0% and 3.5%, respectively, due to active investment in recruitment costs to secure excellent human resources, which is positioned as upfront investment for business expansion from the next fiscal year onward.

Furthermore, in the first half of FYE2023, the progress rate is proceeding smoothly. In the first quarter, the progress rate for sales was 52.2%. Operating profit was 230 million yen, with a progress rate of 79.7%. Non-GAAP operating profit was 300 million yen, with a progress rate of 70.3%.

In addition to these financial result highlights, for the COPRO Group's medium-term management plan, which started this fiscal year, each division is currently working on creating systems and improving productivity, etc.





The details of non-GAAP operating profit:

The top line of COPRO-ENGINEERD, which dispatches construction technicians, has grown greatly due to an increase in the number of technicians. On the other hand, selling and administration expenses increased due to aggressive hiring expenses and compensation payments associated with taking over business from Hucoss Co., Ltd., which contributed a profit decrease of 15 million yen.

ATMOS, which was newly consolidated from the second quarter of FYE2022, contributed a profit decrease of 15 million yen due to an increase in personnel expenses aimed at strengthening sales and recruiting.

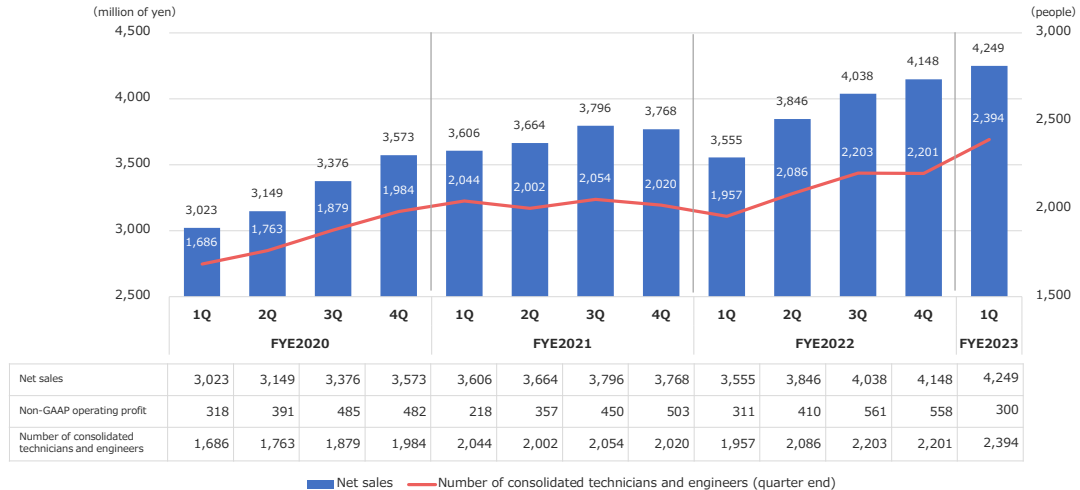
In addition, VALUE ARK CONSULTING, which was newly consolidated from the third quarter of FYE2022, absorbed the increase in personnel expenses due to the expansion of personnel, and contributed a profit increase of 19 million yen.

When it comes to YoY first quarter comparison, the gray bar graph on the far left shows non-GAAP operating profit for the first quarter of FYE2022, which was 311 million yen. The dark blue bar graph on the far right shows that of FYE2023, which was 300 million yen.

The sum of the consolidated non-GAAP operating profit resulted in a decrease of 10 million yen YoY, decreasing 3.5% with COPRO-ENGINEERD minus 15 million yen, ATMOS minus 15 million yen and VALUE ARK CONSULTING plus 19 million yen.

## Quarterly Consolidated Financial Results

- Net sales in the first quarter reached a record high as the number of engineers and technicians increased.
- Non-GAAP operating profit for the first quarter decreased from the previous quarter (FYE2022 4Q) mainly because of the increase in the cost of sales ratio due to standby labor costs as new graduates were trained at COPRO-ENGINEERD, and the increase in SG&A expenses such as hiring costs.



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

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### Quarterly consolidated financial results:

The blue bar graph shows sales for each quarter, and the red line graph shows the number of technical employees, both illustrating a smooth progression.

Although it is trending upward, we are not satisfied with the current situation, and we would like to further bolster the sales and recruitment reforms that we are currently promoting to create a solid system, which we think would lead to significant growth.

1. Summary of the Consolidated Financial Results

**2. Major Initiatives in Construction Technician Dispatching**

3. FYE2023 Financial Forecast

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Major Initiatives in Construction Technician Dispatching Business			
Strengthening sales abilities	Main Initiatives for FYE2023 1Q	Progress Evaluation	
	<ul style="list-style-type: none"> <li>Expanding the amount of activity for sales representatives by managing sales process KPIs.</li> <li>Boosting sales personnel at branches in Tokyo, Nagoya and Osaka where construction demand is high.</li> </ul>	<b>No. of 1Q Job Posting Requests</b> <b>6,172</b> (YoY Change +214.6%)	<ul style="list-style-type: none"> <li>Achieved a certain result in raising the sales volume through sales reform efforts</li> </ul>
Expanding the number hired	Main Initiatives for FYE2023 1Q	Progress Evaluation	
	<ul style="list-style-type: none"> <li>By increasing the number of hires and raising the internal standard for hiring costs per person, mid-career hiring costs increases 2.3 times from the previous fiscal year.</li> <li>Expanding the amount of activity for recruiters by managing recruitment process KPIs in order to deal with the increase in the number of interviews with applicants.</li> <li>Strengthening the hiring system. In addition to increasing the number of hiring managers, shortening the lead time from applications to interviews by assigning a dedicated person in charge of setting up interviews to secure human resources in Tokyo, Nagoya and Osaka, where construction demand is high.</li> </ul>	<b>1Q Mid-Career Hiring Costs</b> <b>89 million yen</b> (YoY Change +130.1%)	<ul style="list-style-type: none"> <li>1Q hiring costs are slightly below the Company's internal plan</li> <li>The number of 1Q mid-career hires is in line with the Company's internal plan</li> <li>Continuing to strengthen the hiring system as we plan to increase the number of hires in stages even after the 2Q</li> </ul>
Improving the retention rate	Main Initiatives for FYE2023 1Q	Progress Evaluation	
	<ul style="list-style-type: none"> <li>By further deepening sales to target companies that have abundant construction projects and are expected to have high contract continuation rates, we could promote new assignments and push shifting of assignments when the contracts end.</li> <li>For those who meet the conditions, switching employees from fixed-term employment to permanent employment.</li> <li>Hiring new employees on the premise of changing to permanent employment.</li> </ul>	<b>1Q Target Company Assignment Rate</b> <b>89.2%</b> (YoY Change +5.3pts)	<ul style="list-style-type: none"> <li>Expanded assignments to target companies, including major general contractors</li> <li>The number of those resigning decreased due to the increase in both the ratio of employees assigned to target companies, and the ratio of indefinite-term employees</li> <li>Promoting efforts to further improve the retention rate even after 2Q</li> </ul>
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The major initiatives in construction technician dispatching (1/4 page):

We have implemented three main initiatives: strengthening sales abilities, increasing the number hired, and improving the retention rate. To start with the conclusion, we believe that each of our measures has been successful so far, and we are steadily achieving results.

Major Initiatives in Construction Technician Dispatching Business			
Strengthening sales abilities	Main Initiatives for FYE2023 1Q	Progress Evaluation	
	<ul style="list-style-type: none"> <li>Expanding the amount of activity for sales representatives by managing sales process KPIs.</li> <li>Boosting sales personnel at branches in Tokyo, Nagoya and Osaka where construction demand is high.</li> </ul>	<b>No. of 1Q Job Posting Requests</b> <b>6,172</b> (YoY Change +214.6%)	<ul style="list-style-type: none"> <li>Achieved a certain result in raising the sales volume through sales reform efforts</li> </ul>
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Improving the retention rate	Main Initiatives for FYE2023 1Q	Progress Evaluation	
	<ul style="list-style-type: none"> <li>By further deepening sales to target companies that have abundant construction projects and are expected to have high contract continuation rates, we could promote new assignments and push shifting of assignments when the contracts end.</li> <li>For those who meet the conditions, switching employees from fixed-term employment to permanent employment.</li> <li>Hiring new employees on the premise of changing to permanent employment.</li> </ul>	<b>1Q Target Company Assignment Rate</b> <b>89.2%</b> (YoY Change +5.3pts)	<ul style="list-style-type: none"> <li>Expanded assignments to target companies, including major general contractors</li> <li>The number of those resigning decreased due to the increase in both the ratio of employees assigned to target companies, and the ratio of indefinite-term employees</li> <li>Promoting efforts to further improve the retention rate even after 2Q</li> </ul>
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The major initiatives in construction technician dispatching (2/4 page):

First, regarding the strengthening of sales abilities, through KPI management of the sales process, we have greatly expanded the activity of the sales representatives. In addition, we expanded sales personnel to branches in Tokyo, Nagoya, and Osaka, where construction demand is high.

To maximize the results, we started to focus on selected target companies. To put it simply, we are striving to significantly expand the number of projects by engaging in in-depth sales to major companies such as super general contractors. As a result, the number of job posting requests in the first quarter was 6,172, an increase of 214.6% YoY, and we succeeded in getting approximately three times as many deals. We believe that our sales reform efforts have achieved a certain level of success in boosting our sales volume.

Major Initiatives in Construction Technician Dispatching Business			
Strengthening sales abilities	Main Initiatives for FYE2023 1Q	Progress Evaluation	
	<ul style="list-style-type: none"> <li>Expanding the amount of activity for sales representatives by managing sales process KPIs.</li> <li>Boosting sales personnel at branches in Tokyo, Nagoya and Osaka where construction demand is high.</li> </ul>	<b>No. of 1Q Job Posting Requests</b> <b>6,172</b> (YoY Change +214.6%)	<ul style="list-style-type: none"> <li>Achieved a certain result in raising the sales volume through sales reform efforts</li> </ul>
Expanding the number hired	Main Initiatives for FYE2023 1Q	Progress Evaluation	
	<ul style="list-style-type: none"> <li>By increasing the number of hires and raising the internal standard for hiring costs per person, mid-career hiring costs increases 2.3 times from the previous fiscal year.</li> <li>Expanding the amount of activity for recruiters by managing recruitment process KPIs in order to deal with the increase in the number of interviews with applicants.</li> <li>Strengthening the hiring system. In addition to increasing the number of hiring managers, shortening the lead time from applications to interviews by assigning a dedicated person in charge of setting up interviews to secure human resources in Tokyo, Nagoya and Osaka, where construction demand is high.</li> </ul>	<b>1Q Mid-Career Hiring Costs</b> <b>89 million yen</b> (YoY Change +130.1%)  <b>1Q Mid-Career Hiring Numbers</b> <b>239 people</b> (YoY Change +65 people)	<ul style="list-style-type: none"> <li>1Q hiring costs are slightly below the Company's internal plan</li> <li>The number of 1Q mid-career hires is in line with the Company's internal plan</li> <li>Continuing to strengthen the hiring system as we plan to increase the number of hires in stages even after the 2Q</li> </ul>
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	<ul style="list-style-type: none"> <li>By further deepening sales to target companies that have abundant construction projects and are expected to have high contract continuation rates, we could promote new assignments and push shifting of assignments when the contracts end.</li> <li>For those who meet the conditions, switching employees from fixed-term employment to permanent employment.</li> <li>Hiring new employees on the premise of changing to permanent employment.</li> </ul>	<b>1Q Target Company Assignment Rate</b> <b>89.2%</b> (YoY Change +5.3pts)  <b>1Q permanent Employee Ratio</b> <b>49.5%</b> (YoY Change +26.7pts)	<ul style="list-style-type: none"> <li>Expanded assignments to target companies, including major general contractors</li> <li>The number of those resigning decreased due to the increase in both the ratio of employees assigned to target companies, and the ratio of indefinite-term employees</li> <li>Promoting efforts to further improve the retention rate even after 2Q</li> </ul>
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The major initiatives in construction technician dispatching (3/4 page):

Second, regarding the major initiatives of the recruitment reform, we increased the number of hires, raised the hiring cost per technical employee, and increased mid-career hiring costs by 2.3 times from the previous fiscal year. In addition, we are strengthening KPI management in the same way as the sales reform. We visualized the recruitment process and increased the amount of activity for each recruiter in order to deal with the increase in the number of interviews with applicants.

In addition, we are increasing the number of hiring managers in order to strengthen our recruiting system. We have assigned a dedicated person in charge of setting up interviews to shorten the lead time from applications to interviews in Tokyo, Nagoya and Osaka branches, where construction demand is high.

Evaluating the progress, we used 89 million yen for mid-career recruitment expenses in the first quarter, an increase of 130.1% YoY. As a result, the number of mid-career hires in the first quarter was 239, a YoY increase of 65. On the other hand, hiring expenses for the first quarter were slightly below our internal plan. The number of mid-career hires is in line with the internal plan. We will continue to strengthen our hiring system as we plan to gradually increase the number of hires in stages from the second quarter onwards.

Major Initiatives in Construction Technician Dispatching Business			
Strengthening sales abilities	Main Initiatives for FYE2023 1Q	Progress Evaluation	
	<ul style="list-style-type: none"> <li>Expanding the amount of activity for sales representatives by managing sales process KPIs.</li> <li>Boosting sales personnel at branches in Tokyo, Nagoya and Osaka where construction demand is high.</li> </ul>	<b>No. of 1Q Job Posting Requests</b> <b>6,172</b> (YoY Change +214.6%)	<ul style="list-style-type: none"> <li>Achieved a certain result in raising the sales volume through sales reform efforts</li> </ul>
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	<ul style="list-style-type: none"> <li>By further deepening sales to target companies that have abundant construction projects and are expected to have high contract continuation rates, we could promote new assignments and push shifting of assignments when the contracts end.</li> <li>For those who meet the conditions, switching employees from fixed-term employment to permanent employment.</li> <li>Hiring new employees on the premise of changing to permanent employment.</li> </ul>	<b>1Q Target Company Assignment Rate</b> <b>89.2%</b> (YoY Change +5.3pts)  <b>1Q permanent Employee Ratio</b> <b>49.5%</b> (YoY Change +26.7pts)	<ul style="list-style-type: none"> <li>Expanded assignments to target companies, including major general contractors</li> <li>The number of those resigning decreased due to the increase in both the ratio of employees assigned to target companies, and the ratio of indefinite-term employees</li> <li>Promoting efforts to further improve the retention rate even after 2Q</li> </ul>
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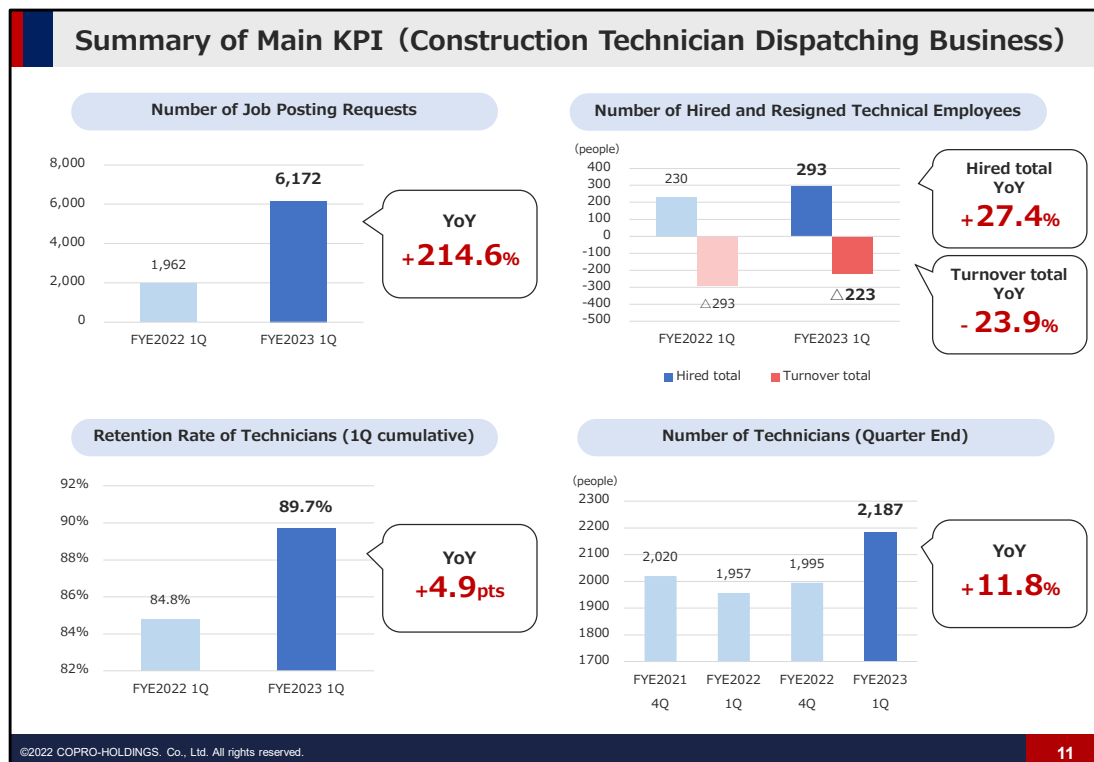
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The major initiatives in construction technician dispatching (4/4 page):

Third, as for the major initiatives to improve the retention rate, as explained in the section on strengthening sales abilities through in-depth sales, we aim to gain shifting assignments when contracts expire as well as new assignments from target companies with plenty of construction projects and high contract continuation rates. Besides that, these target companies reduce the possibilities for technical employees to resign since these companies, such as major general contractors, have properly prepared work sites for temporary workers. On the other hand, companies using temporary staffing services for the first time tend to be inadequate in how they handle temporary workers. When that happens, it becomes difficult for the dispatched technical employees to stay in contract at the site. Therefore, we can improve the retention rate by getting contracts from target companies with a high contract renewal rate.

In addition, we have made efforts to convert fixed-term employees who meet internal conditions to indefinite-term employment. From this fiscal year, new hires are also being hired on the assumption that they will be converted to indefinite-term employment. This secures the employees' job and allows them to stay with our company.

In conclusion, the number of those resigning decreased greatly due to the increase in both the ratio of employees assigned to target companies, and the ratio of indefinite-term employees. Evaluating the progress, the percentage assigned to the target companies is improved to 89.2%, increasing 5.3 points from the previous fiscal year. Likewise, the percentage of people who are indefinite-term employees is 49.5%, up 26.7 points YoY. From the second quarter onwards, we aim to further improve the retention rate, promoting each initiative.



The summary of the major KPIs (Construction Technician Dispatching Business):

As you can see from the graphs on the slide, each of these measures has been successful, and the numbers have grown significantly compared to the previous year.

The number of job posting requests increased by 214.6% YoY. As for the number of technical employees hired and the number who resigned, 293 people were hired, up 27.4% YoY, and 223 people resigned, down 23.9% YoY. The number of those who resign is on a big downward trend.

The graph at the bottom left of the slide shows the retention rate. As a result of implementing the measures mentioned earlier and following their progress, the retention rate was 89.7%, an increase of 4.9 points from the previous fiscal year.

The graph on the bottom right of the slide shows the number of technical employees at the end of the quarter. The first quarter was 2,187 people, up 11.8% YoY.



1. Summary of the Consolidated Financial Results

2. Major Initiatives in Construction Technician Dispatching

**3. FYE2023 Financial Forecast**

4. Reference Materials

## FYE2023 Financial Forecast

- Net sales are expected to increase by 14.5% from the previous fiscal year with the rise in the number of people assigned, mainly in the core business of construction technician dispatching.
- In order to overcome the current situation where opportunity loss is occurring with a bottleneck in hiring, we plan to increase hiring costs 2.5 times from the previous fiscal year, with the aim of securing excellent engineers and technicians who will be the basis of growth, positioning this fiscal year as a phase to promote upfront investment for business expansion.
- Non-GAAP operating profit is expected to decrease by 27.6% from the previous fiscal year due to an increase in selling and administration expenses from aggressive investment in recruitment costs.
- In FYE2024, the next fiscal year, we will recover the upfront costs of the current fiscal year and aim for a record high profit under operating profit due to a V-shaped recovery.

	FYE2022		FYE2023		YoY Change	
	Full-year	Ratio	Full-year (Forecast)	Ratio	Pct Change	Amount of Change
Net sales	15,589	100.0%	17,854	100.0%	+14.5%	+2,264
Cost of sales	10,744	68.9%	12,354	69.2%	+15.0%	+1,609
Gross profit	4,844	31.1%	5,500	30.8%	+13.5%	+655
SG&A expenses	3,223	20.7%	4,476	25.1%	+38.9%	+1,252
Operating profit	1,621	10.4%	1,024	5.7%	- 36.8%	- 597
Non-GAAP operating profit*	1,841	11.8%	1,334	7.5%	- 27.6%	- 507
Ordinary profit	1,619	10.4%	1,024	5.7%	- 36.8%	- 595
Profit attributable to owners of parent	962	6.2%	604	3.4%	- 37.3%	- 358
Earnings per share*	¥102.12	-	¥65.05	-	- 36.3%	¥- 37.07
Number of consolidated technicians & engineers (quarter end)*	2,201	-	3,024	-	+37.4%	+823

\*As a profit index to measure essential performance, Non-GAAP operating profit is calculated by adding depreciation, amortization of goodwill and share-based remuneration 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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The consolidated financial forecast for the full FYE2023:

Sales are expected to increase by 14.5% from the previous fiscal year with the rise in the number of people assigned, mainly in the core business of construction technician dispatching.

In order to overcome the current situation where hiring is a bottleneck, and opportunity loss is occurring for dispatching, we are positioning this fiscal year as a phase to promote upfront investment for business expansion. We plan to increase hiring costs 2.5 times from the previous fiscal year, with the aim of securing excellent engineers and technicians who will be the basis of growth, including new graduates.

Non-GAAP operating profit is expected to decrease by 27.6% from the previous fiscal year due to an increase in selling and administration expenses from aggressive investment in recruitment costs. However, we do not view this decline in profits as a negative as the reason is that we have raised the internal standard for hiring per head in order to secure the human resources that are indispensable for expanding our business performance. We have made these forecasts for the current fiscal year to achieve the performance targets set out in the medium-term management plan aiming FYE2027. By doing so, we will fully recover the upfront expenses for the current fiscal year for FYE2024, and aim for a V-shaped recovery that will result in record high operating profit.

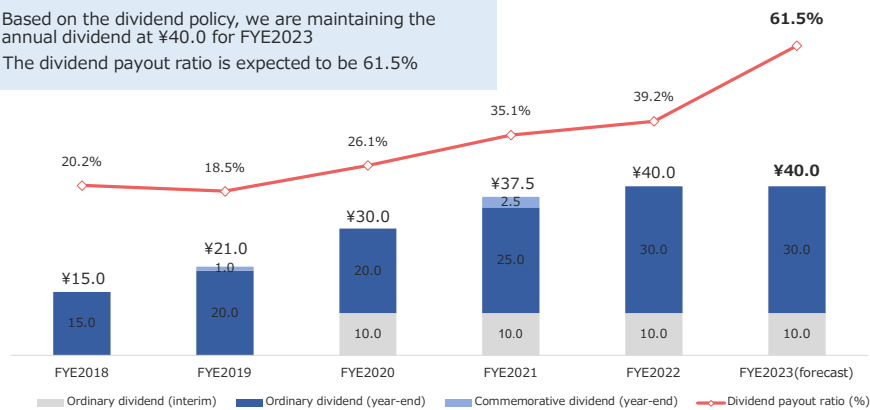
As for the full FYE2023, we are forecasting net sales of 17,854 million yen, up 14.5% YoY, and non-GAAP operating profit of 1,334 million yen, down 27.6% YoY.

## Returning Shareholders

### [Basic 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. Dividends will not be reduced 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.

- ✓ Based on the dividend policy, we are maintaining the annual dividend at ¥40.0 for FYE2023
- ✓ The dividend payout ratio is expected to be 61.5%



\*The commemorative dividends were for listing on the stock exchange in FYE2019, and moving to the first sections of the Tokyo Stock Exchange and the Nagoya Stock Exchange in FYE2021.

\*The dividend per share has been retroactively revised to take into account the impact of the one-to-two stock split implemented on April 1, 2021.

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### Shareholder returns:

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. Dividends will not be reduced 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.

The forecast for FYE2023 is shown on the right side of the graph at the bottom of the slide. Based on our dividend policy for FYE2023, we plan to maintain an annual dividend of 40 yen. The dividend payout ratio is forecast to be 61.5%, with an interim dividend of 10 yen per share, and a year-end dividend of 30 yen per share, for an annual dividend of 40 yen.

That concludes the explanation about the financial results for the first quarter of FYE2023. Please have a look at the reference materials when you have time.

1. Summary of the Consolidated Financial Results

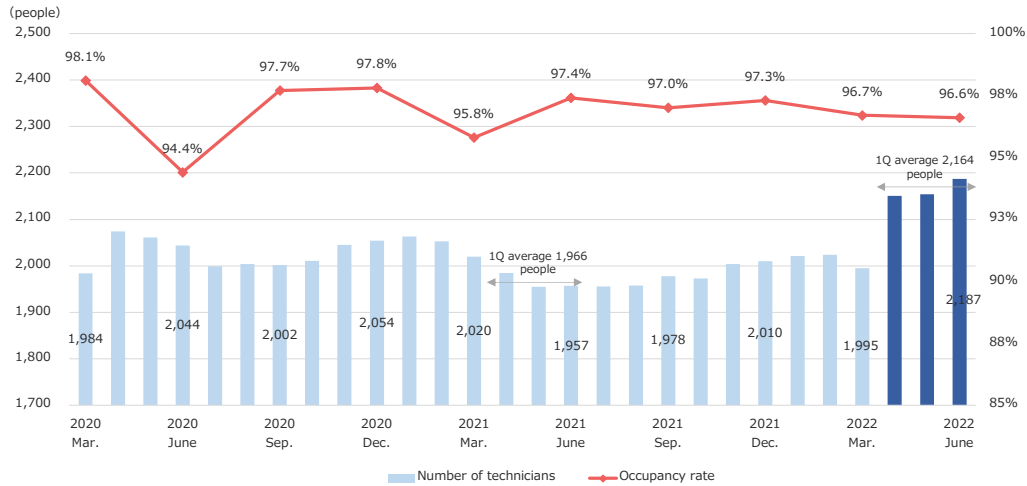
2. Major Initiatives in Construction Technician Dispatching

3. FYE2023 Financial Forecast

**4. Reference Materials**

## Construction Technician Dispatching: Number of Technicians and Occupancy Rate

- The number of technicians at the end of this 1Q was 2,187 (up 230 people from the end of the previous 1Q). In addition to a net increase due to a rise in the number of hires and a decrease in the number of those resigning, the worker dispatching business of Hucoss Co., Ltd. was taken over on April 1, 2022, which 122 technicians were transferred.
- The occupancy rate at the end of this 1Q was 96.6% (down 0.8pts from the end of the previous 1Q).



## Construction Technician Dispatching: Hiring and Resigning and Retention Rate

- The number of hires reached a record high on a quarterly basis.
- Of the number of hires, the number of mid-career hires was 239 people, an increase of 65 people from the previous quarter, and an increase of 37.4%. In addition to the significant increase in the number of applications due to the aggressive investment in hiring costs, we are strengthening our efforts such as shortening the lead time from applications to interviews, and increasing the number of interviews done.
- The 1Q retention rate of technicians was 89.7%, an improvement of 4.9pts from the previous quarter. The number of those resigning decreased due to the success of further sales to existing clients, and the increase in the ratio of assignments to target companies such as major general contractors.

### Recruitment / Turnover

(people)

	FYE2022					FYE2023	
	1Q	2Q	3Q	4Q	Full Year	1Q	Full Year (forecast)
<b>Hired total</b>	<b>230</b>	<b>208</b>	<b>213</b>	<b>183</b>	<b>834</b>	<b>293</b>	<b>1,501</b>
New graduates and recent graduates with work experience	56	0	0	0	56	54	84
Mid-career	174	208	213	183	778	239	1,417
<b>Turnover total</b>	<b>293</b>	<b>187</b>	<b>181</b>	<b>198</b>	<b>859</b>	<b>223</b>	<b>885</b>
Permanent employees	24	25	21	24	94	40	-
Fixed-term employees	269	162	160	174	765	183	-
<b>Net change</b>	<b>- 63</b>	<b>+21</b>	<b>+32</b>	<b>- 15</b>	<b>- 25</b>	<b>+70</b>	<b>+616</b>
<b>Increase due to M&amp;A, etc.</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>+122</b>	<b>+122</b>
<b>Number of technicians</b>	<b>1,957</b>	<b>1,978</b>	<b>2,010</b>	<b>1,995</b>	<b>1,995</b>	<b>2,187</b>	<b>2,733</b>

### Retention Rate

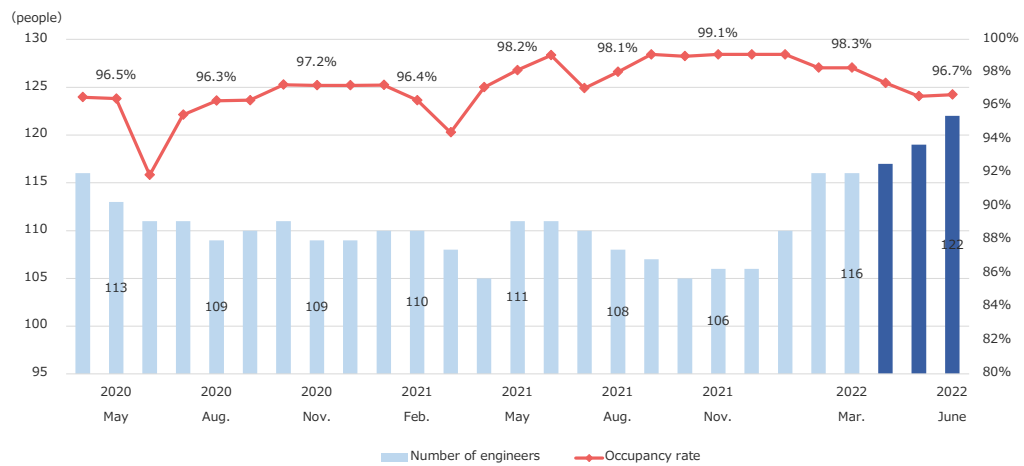
	FYE2022				FYE2023
	1Q	2Q	3Q	4Q	1Q
<b>Retention rate (fiscal year accumulative total)</b>	<b>84.8%</b>	<b>79.3%</b>	<b>74.6%</b>	<b>69.4%</b>	<b>89.7%</b>
<b>Retention rate (LTM)</b>	<b>68.0%</b>	<b>69.5%</b>	<b>69.2%</b>	<b>69.4%</b>	<b>71.8%</b>

\*Retention rate (Fiscal year 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.

## Mechanical Design and Development Engineer Dispatching and Contracting: Number of Engineers and Occupancy Rate

- The number of hires has increased in line with the development of the in-house system that has been expanded since the previous fiscal year. As a result, the number of engineers has steadily increased.
- The occupancy rate remains at a high level as a whole, while more inexperienced employees, who goes through in-house training instead of working, have been hired.



## Mechanical Design and Development Engineer Dispatching and Contracting: Hiring and Resigning and Retention Rate

- The hiring of experienced personnel has continued to steadily realized, with a focus on engineers from a manufacturing industry. In addition, 14 people were hired this 1Q by promoting the hiring of inexperienced personnel.
- The number of those resigning has increased slightly due to foreign employees resigning as they return to their country.

### Recruitment / Turnover

(people)

	FYE2022					FYE2023	
	1Q	2Q	3Q	4Q*	Full Year	1Q	Full Year (forecast)
<b>Hired total</b>		2	3	15	20	14	85
New graduated		0	0	0	0	1	1
Mid-career		2	3	15	20	13	84
<b>Turnover total</b>		5	5	5	15	8	23
Permanent engineers		5*	4	3	12	7	-
Fixed-term engineers		0	1	2	3	1	-
<b>Net change</b>		3	- 2	+10	+5	+6	+62
<b>Number of engineers</b>		108	106	116	116	122	178

\*Includes three people who changed from technical employees to management employees.

\*For the 4Q of FYE2022, due to the change in the month that the fiscal year ends, the results for the four months from December 2021 to March 2022 are included.

### Retention Rate

	FYE2022				FYE2023
	1Q (reference*)	2Q	3Q	4Q	1Q
<b>Retention rate (fiscal year accumulative total)</b>	100.0%	95.4%	91.7%	88.9%	93.1%
<b>Retention rate (LTM)</b>	92.9%	92.7%	90.8%	88.9%	84.7%

\*Retention rate (Fiscal year accumulative total) = Among the technical employees 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 technical employees 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.

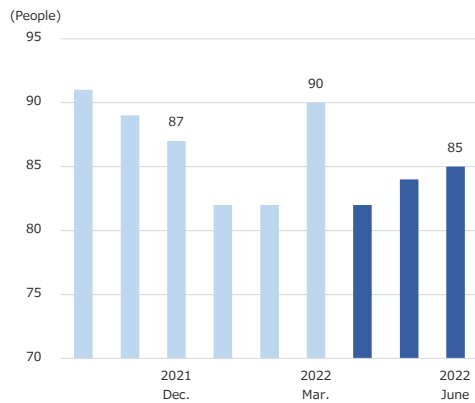
\*ATMOS Co., Ltd. has been consolidated since June 2021 due to M&A. Therefore, the result for 1Q of FYE2022 is provided for reference only.



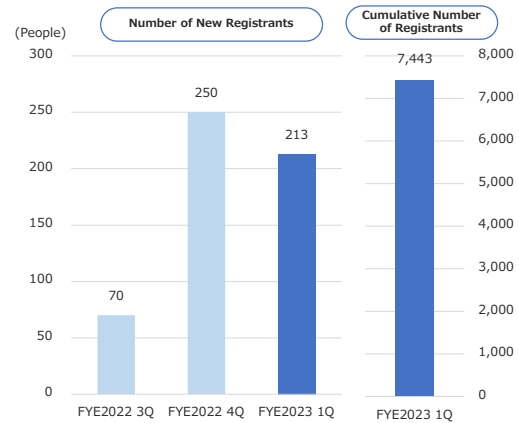
## SES: Number of Engineers Working and Number of New IT Freelance Registrants

- Although the number of employees working saw a net decrease with many projects ending at the March close of the fiscal year, it has increased steadily since May.
- Regarding the number of new registrants, it has been improving in gaining applicants by posting paid media advertisements in addition to the company's recruiting site "Happy Engineer".

Number of People Working



Number of IT Freelance Registrants



## Disclaimer and Forward-Looking Statements

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