

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 Ended March 31, 2023  
Financial Results for FYE2023  
May 15, 2023

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

Good evening everyone. I am Mr. Kiyokawa, president and representative director of COPRO-HOLDINGS. Co., Ltd. Thank you very much for taking time out of your busy schedules to gather with us today.

## SECTION

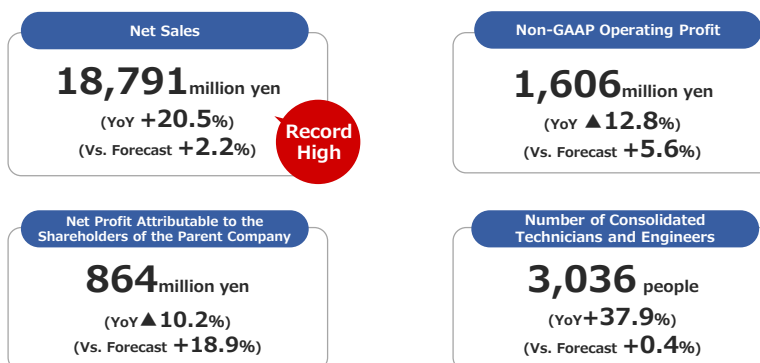
- 01** Summary of the Consolidated Financial Results for FYE2023
- 02** FYE2023 Business Summary
- 03** FYE2024 Business Strategy
- 04** FYE2024 Earnings Forecast & Medium-Term Plan Progress
- 05** Change in the Dividend Policy & Dividend Forecast
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We have prepared six sections for today. Due to time constraints, I will omit the 6th section which is reference material about our company profile, so please take a look when you have the time.

## SECTION 01

### Summary of the Consolidated Financial Results for FYE2023

## Highlights of the Consolidated Financial Results for FYE2023



- Point 1** Due to record high recruitment, the number of technicians and engineers reached a record high of 3,036 (up 835 YoY). Sales were also a record high.
- Point 2** In anticipation of business expansion from the next FY onwards, we will aggressively invest in recruiting costs, mainly for dispatching construction technicians. Profits decreased at each stage due to upfront expenses.
- Point 3** Sales and each category of profits exceeded the revised forecast (announced on November 14, 2022).

\* The Vs. forecast rate is calculated based on the earnings forecast announced on November 14, 2022.  
\* 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.  
\* 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.

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First, I will give an overview of our financial results for FYE2023. I will explain the highlights of the consolidated financial results. Consolidated sales were ¥18,791 million, up 20.5% YoY, and up 2.2% from the forecast.

Non-GAAP operating profit was ¥1,606 million, down 12.8% YoY, and up 5.6% from the forecast. Net profit was ¥864 million, down 10.2% YoY, and up 18.9% from the forecast. On a consolidated basis, the number of technical employees was 3,036, an increase of 37.9% YoY, and an increase of 0.4% from the forecast.

Please look at the three points at the bottom of the slide. First, due to record high recruitment, the number of technical employees reached a record high of 3,036, up 835 YoY. Sales were also a record high.

Second, in anticipation of business expansion from the next FY onwards, we have aggressively invested in recruiting costs, mainly for dispatching construction technicians. Profits decreased at each stage due to upfront expenses.

Third, sales and each category of profits exceeded the revised forecasts that were revised upward on November 14, 2022.

## Consolidated Financial Results for FYE2023

(million of yen)

	FYE2022		FYE2023							
	Full year results	Ratio	Full year results	Ratio	YoY		Vs. Initial Forecast		Vs. Revised Forecast (11/14 upward revision)	
Net sales	15,589	100.0%	<b>18,791</b>	100.0%	+20.5%	+3,202	+5.2%	+937	+2.2%	+410
Cost of sales	10,744	68.9%	<b>13,216</b>	70.3%	+23.0%	+2,471	+7.0%	+862	+3.4%	+437
Gross profit	4,844	31.1%	<b>5,575</b>	29.7%	+15.1%	+730	+1.4%	+74	△0.5%	△26
SG&A expenses	3,223	20.7%	<b>4,253</b>	22.6%	+32.0%	+1,030	△5.0%	△222	△3.3%	△143
Operating profit	1,621	10.4%	<b>1,321</b>	7.0%	△18.5%	△299	+29.1%	+297	+9.8%	+117
Non-GAAP operating profit*	1,841	11.8%	<b>1,606</b>	8.6%	△12.8%	△235	+20.4%	+271	+5.6%	+85
Ordinary profit	1,619	10.4%	<b>1,324</b>	7.0%	△18.2%	△295	+29.2%	+299	+9.7%	+117
Profit attributable to owners of parent	962	6.2%	<b>864</b>	4.6%	△10.2%	△98	+42.9%	+259	+18.9%	+137
Earnings per share	102.12	-	<b>93.09</b>	-	-	△9.03	-	+28.04	-	+14.81
Number of consolidated technicians and engineers (quarter end)*	2,201	-	<b>3,036</b>	-	+37.9%	+835	+0.4%	+12	+0.4%	+12

\*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.

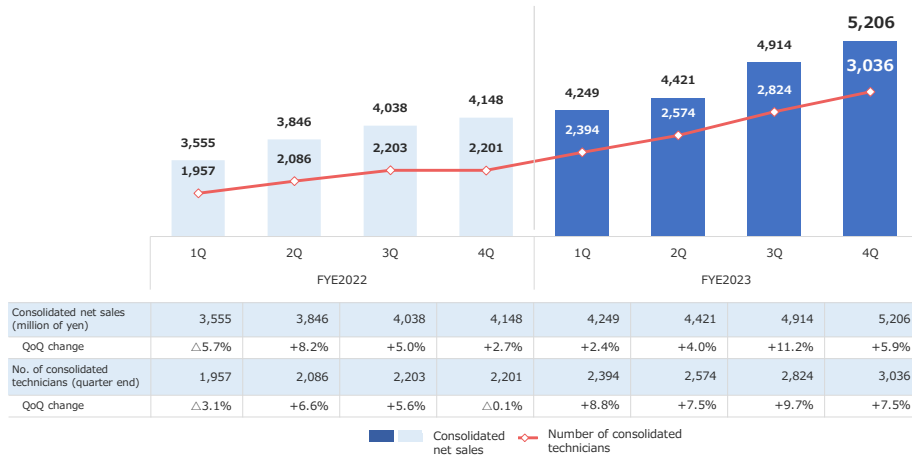
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These are the consolidated results for FYE2023. Earlier I mentioned the numbers for sales, non-GAAP operating profit and net profit. Please check the table on the slide.

## Quarterly Consolidated Financial Results

- Both sales and the number of technical employees in the fourth quarter increased from the previous quarter. It was a record high on a quarterly basis.
- The number of consolidated technical employees exceeded 3,000 at the end of the fourth quarter.

\*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.

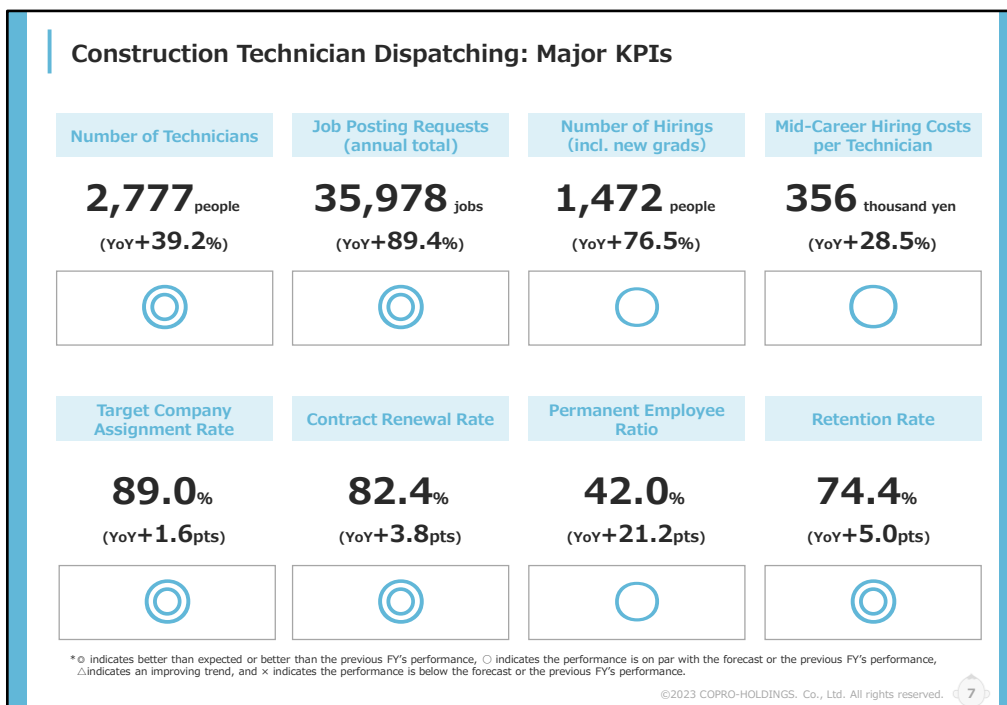


These are the quarterly consolidated results. As you can see from the graph on the slide, everything is trending upwards, and we have set new record highs on a quarterly basis.

**SECTION 02**

**FYE2023  
Business Summary**

02



I will briefly explain the business overview for FYE2023. In the construction technician dispatching business we have listed on the slide the KPIs that we place importance on. The number of technicians at the end of the FY was 2,777, up 39.2% YoY. We have given a double circle mark “◉” for our internal evaluation results.

The total number of job posting requests during the year was 35,978, an increase of 89.4% YoY. The sales reform structure that we had built up over the past two years has started to work properly, so we have given a double circle mark “◉” for our internal evaluation result.

The number of recruits, including new graduates, was 1,472 during the year, up 76.5% YoY. It was mostly as planned, but a little short. We must produce results that were in line with the recruiting plan or exceeded the recruiting plan, so we have given it a strict evaluation result of a single circle mark “○”.

The unit price for recruitment of mid-career professionals is an indicator of how much it costs to recruit one person. It was ¥356,000 for the year, up 28.5% YoY, and we have given a single circle mark “○” for our internal evaluation result. I will explain this in more detail later.

Regarding the target company assignment rate, we have been able to assign 89% of all technicians to our target customers. This was an increase of 1.6 points YoY, and we have given a double circle mark “◉” for our internal evaluation result.



The contract renewal rate shows the percentage of contracts that are extended even after the contract period expires. This is also an important indicator, and it was 82.4%, an increase of 3.8 points YoY, so we have given it a double circle mark "◎".

The permanent employee ratio increased by 21.2 points YoY, and has risen to 42% of the total. Measures to convert fixed-term employees to permanent employees have stalled a little, so we have given it a single circle mark "○".

However, if we consider further increasing the retention rate, which we place importance on, by further converting fixed-term employees to permanent employees, we believe that it will be possible for them to work with stability and peace of mind, leading to an improvement in the retention rate. While we were strict in giving it a single circle mark "○", we believe that there is plenty of room for improvement here.

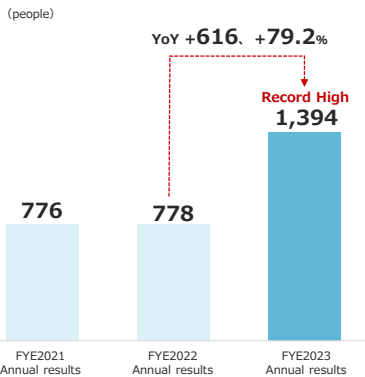
The retention rate remained at a relatively high level of 74.4%, up 5.0 points YoY. We have also given it a double circle mark "◎" for our internal evaluation result. However, the ideal retention rate is 100%.

We would like people who join our company as technical employees to develop a solid career, learn a new job, and work in a fun and rewarding way. We don't want anyone to quit. In reality, this is a very difficult part, but we are aiming for a retention rate of 85% in the future, and if we can get closer to the ideal, we would like to proceed with sales measures aiming for 90% in the future.

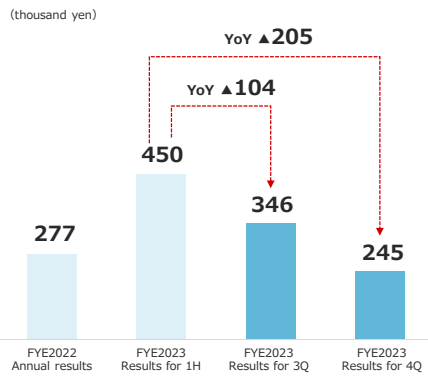
## Construction Technician Dispatching: Expansion of Mid-Career Professional Recruitment

- In this FY, we prioritized top-line growth by securing human resources and actively investing in mid-career recruiting costs as an upfront investment. Recruitment reform efforts were also successful, and the full-year plan (1,417 people) was mostly achieved.
- Mid-career recruitment unit costs improved significantly in the second half due to a review of the recruitment process.

Number of Mid-Career Recruits



Mid-Career Recruiting Costs per Technician



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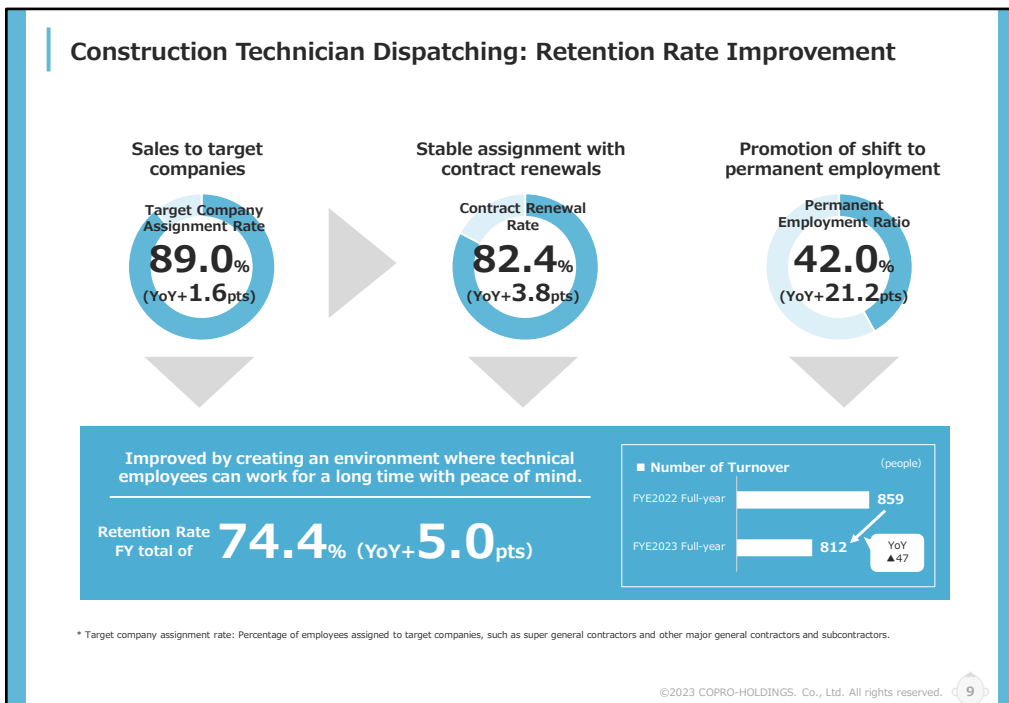
I would like to talk about the expansion of mid-career professional recruitment in the construction technician dispatching business. In this FY, we prioritized top-line growth by securing human resources. We actively invested in mid-career recruiting costs as an upfront investment, and due to the success of our recruitment reform efforts, the number of mid-career recruits reached 1,394. We almost achieved our full-year target of 1,417.

In addition, mid-career recruitment unit costs improved significantly in the second half due to a review of the recruitment process.

The bar graph on the left side of the slide shows the number of mid-career recruits. The number of recruits increased from 778 in FYE2022 to 1,394 this FY, a record high.

The bar graph on the right shows the per technician cost to recruit mid-career professionals. We set an internal target of around ¥200,000, but in the first half it was ¥450,000, and the productivity of our recruitment worsened. In response to the worsening in the first half, we thoroughly reviewed the recruitment process and were able to significantly improve the unit price for recruitment in the second half.

In the second half, recruiting costs were about the same as in the first half, but the number of mid-career recruits exceeded the number in the first half, resulting in a decline in the cost per technician. Due to this, the results for the 4Q of FYE2023 decreased to ¥245,000.



Now, I will explain the improvement in the retention rate. A key thing for us is how long technicians work for our company. With the aim of improving the retention rate, we are focusing on cultivating sales to target companies, and it has been a success. The target company assignment rate was 89%, an increase of 1.6% YoY.

To put it simply, based on past data, our theory is that if people are assigned to a company that is not our target, it will lead to a deterioration in the retention rate. In response to this, we have improved the retention rate by preferentially assigning people to target companies, starting with super general contractors, which are our customers.

Regarding stable assignments due to the continuation of contracts, the contract renewal rate is 82.4%. We believe that this number is an indicator of how highly our customers rate us.

Regarding our promoting a shift to permanent employment, while the growth to 42% is slightly sluggish, we believe that the retention rate will increase further by converting fixed-term employees to permanent employees. There is still room to shift people to permanent employment, so we would like to further strengthen this measure from this FY.

Through these efforts, we have created an environment in which technicians can work for a long time with peace of mind, and the retention rate has improved significantly.

## Construction Technician Dispatching: Recruitment, Turnover and Retention Rate

- The number of recruits for the full FYE2023 was 1,472 (up 76.5% YoY). The number of technicians has increased significantly due to the success of active investment in recruiting costs. The retention rate was 74.4%, an improvement of +5.0pts YoY. Trust activities for technicians and the target company assignment rate contributed.
- We plan to recruit 2,120 people for the full FYE2024, which would be a new record high, and much higher than the previous FY record. Enrollment at the end of the FY is expected to increase by 40.0% YoY.

### Recruitment and Turnover

	FYE2022					FYE2023					FYE2024
	1Q	2Q	3Q	4Q	Full-year	1Q	2Q	3Q	4Q	Full-year	Full-year (forecast)
<b>Total Recruited</b>	<b>230</b>	<b>208</b>	<b>213</b>	<b>183</b>	<b>834</b>	<b>293</b>	<b>315</b>	<b>417</b>	<b>447</b>	<b>1,472</b>	<b>2,120</b>
New graduates	56	0	0	0	56	54	0	2	0	56	154
Second new graduates	-	-	-	-	-	0	2	10	10	22	-
Mid-career	174	208	213	183	778	239	313	405	437	1,394	1,966
<b>Turnover total</b>	<b>293</b>	<b>187</b>	<b>181</b>	<b>198</b>	<b>859</b>	<b>223</b>	<b>158</b>	<b>191</b>	<b>240</b>	<b>812</b>	<b>1,008</b>
Net change	△63	+21	+32	△15	△25	+70	+157	+226	+207	+660	+1,112
Increase due to M&A, etc.	0	0	0	0	0	+122	0	0	0	+122	-
<b>Number of technicians (quarter end)</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>2,344</b>	<b>2,570</b>	<b>2,777</b>	<b>2,777</b>	<b>3,889</b>

### Retention Rate

	FYE2022				FYE2023			
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q
<b>Retention rate (FY accumulative total)</b>	84.8%	79.3%	74.6%	<b>69.4%</b>	89.7%	84.2%	79.0%	<b>74.4%</b>
<b>Retention rate (LTM)</b>	68.0%	69.5%	69.2%	<b>69.4%</b>	71.8%	72.3%	72.7%	<b>74.4%</b>

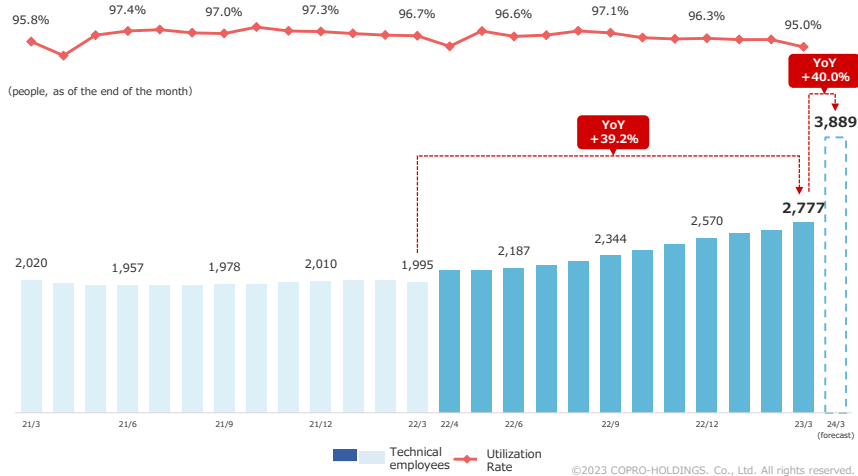
\*Retention rate (FY accumulative total): Among the technicians who were registered at the end of the previous fourth quarter, the percentage who were still registered at the end of the relevant quarter.

\*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.

This is about recruitment, turnover and the retention rate. The number of recruits for the full fiscal year is as we have announced. The retention rate shown in the table at the bottom of the slide has also improved over the past year.

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

- The number of technicians at the end of FYE2023 was 2,777, a significant increase of 39.2% YoY. The cumulative utilization rate for the full FY was 96.4% (down 0.5pts YoY). Due to the impact of people taking paid leave as a result of the coronavirus, the previous FY results were slightly lower, but the high level was maintained.
- The number of technicians at the end of FYE2024 is expected to increase by 40.0% YoY to 3,889, a significant increase for two years in a row.



This is a graph of the number of technicians and the utilization rate. The utilization rate has stayed between 95% and just over 97%. We are maintaining a high utilization rate even as the number of technicians increases.

## Mechanical Design and Development Engineer Dispatching and Contracting: Recruitment, Turnover and Retention Rate

- In FYE2023, we strengthened sales in new areas such as software development and semiconductors. In addition, we increased the number recruited by investing in recruiting costs and expanding the range of those recruited, such as expert human resources and inexperienced people, mainly in the dispatching business.
- In FYE2024, we will continue to invest in recruiting costs and strengthen our recruiting system, and we anticipate a further increase in the number of recruits.

### Recruitment and Turnover

(people)

	FYE2022				FYE2023					FYE2024
	2Q (June-Aug)	3Q (Sep-Nov)	4Q (Dec-Mar)	Full-year	1Q (Apr-June)	2Q (July-Sep)	3Q (Oct-Dec)	4Q (Jan-Mar)	Full-year	Full-year (forecast)
Total Recruited	2	3	15	20	14	23	25	23	85	123
New graduates	0	0	0	0	1	0	0	0	1	4
Mid-career	2	3	15	20	13	23	25	23	84	119
Turnover total	5	5	5	15	8	11	11	12	42	30
Net change	△3	△2	+10	+5	+6	+12	+14	+11	+43	+93
Number of technicians (quarter end)	108	106	116	116	122	134	148	159	159	252

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

### Retention Rate

	FYE2022			FYE2023			
	2Q (June-Aug)	3Q (Sep-Nov)	4Q (Dec-Mar)	1Q (Apr-June)	2Q (July-Sep)	3Q (Oct-Dec)	4Q (Jan-Mar)
Retention rate (FY accumulative total)	95.4%	91.7%	88.9%	93.1%	89.7%	85.3%	81.0%
Retention rate (LTM)	92.7%	90.8%	88.9%	84.7%	85.2%	84.9%	81.0%

\*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.

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

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I would like to explain about the business for mechanical design and development engineer dispatching and contracting, which accounts for about 5% of consolidated sales.

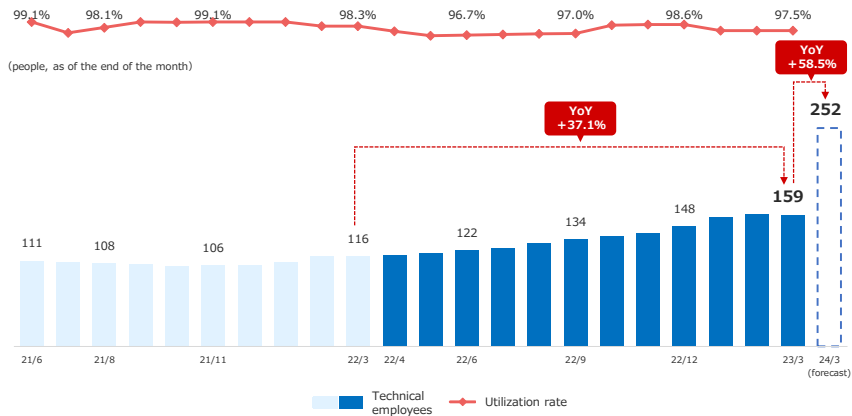
In FYE2023, we have aggressively strengthened sales in the new areas of software development and semiconductors. In addition, just like in the construction technician dispatching business, we have actively invested in recruiting costs, and expanded the range of those recruited, such as experts and inexperienced people, mainly in the dispatching business, resulting in an increase in the number of recruits.

We will continue these measures in FYE2024, and expect to further increase the number of recruits by strengthening our recruiting system.

Please look at the retention rate table at the bottom of the slide. At over 80%, we have a high retention rate. As for the retention rate, we will not be satisfied with the current situation and will spare no effort to further increase it.

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

- In FYE2023, the number of engineers recruited has expanded, mainly in the dispatching business, and the number of engineers has increased steadily. The cumulative utilization rate for the full FY remained at 97.5%, with almost 100% utilized except for engineers undergoing in-house training.
- At the end of FYE2024, the number of engineers is expected to significantly increase by 58.5% YoY to 252 for the second consecutive FY.



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This is about the number of engineers and the utilization rate for the business of mechanical design and development engineer dispatching and contracting. As you can see from the line graph on the slide, we are maintaining a high utilization rate.

The bar graph shows the number of engineers. Regarding the number of engineers in FYE2024, we are planning for it to be 252, up 58.5% YoY.

## SES: Number of Applicants, Recruits and Engineers

- In addition to the success of new sales by expanding the sales system, the number of recruits increased significantly YoY due to aggressive investment in recruiting costs.
- In response to customer requests, we have increased the number of engineers by increasing the number of freelance and directly employed dispatched staff in a hybrid manner.

### Applicants and Recruitment

(people)

	FYE2022			FYE2023				
	3Q	4Q	Full-year	1Q	2Q	3Q	4Q	Full-year
Number of applicants	70	250	320	213	408	354	264	1,239
Number of recruits	6	10	16	14	22	17	15	68

### Number of Engineers

(people, as of the quarter end)

	FYE2022			FYE2023					FYE2024
	3Q	4Q	Full-year	1Q	2Q	3Q	4Q	Full-year	Full-year (forecast)
Number of engineers	88	90	90	87	97	108	100	100	130
QoQ changes	-	+2	-	△3	+10	+11	△8	-	-
Changes from the end of the previous 4Q	-	-	-	△3	+7	+18	+10	+10	+30

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This is about the SES business related to the IT area. While there are some who are dispatched, this is an area related to IT freelancers.

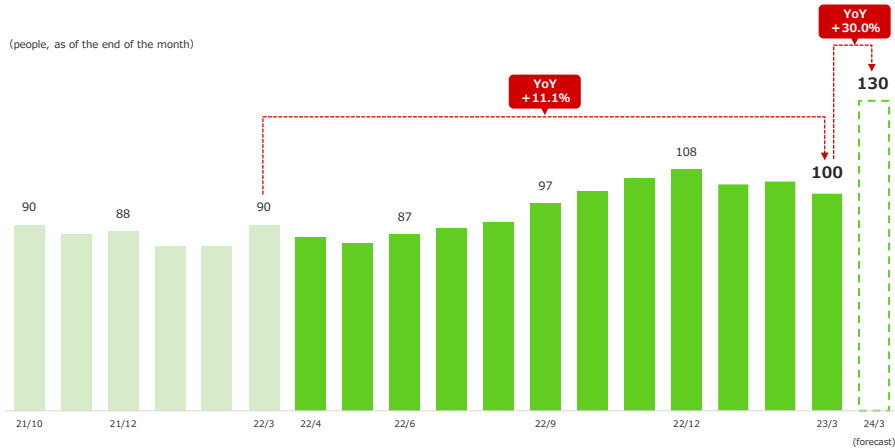
This business is handled by our subsidiary VALUE ARK CONSULTING. In FYE2023, the number of recruits increased significantly YoY due to the success of new sales activities by expanding the sales system, and aggressive investment in recruiting costs.

Also, in response to customer requests, we have increased the number of engineers by increasing the number of freelance and directly employed dispatched staff in a hybrid manner.



## SES : Number of Engineers

Strengthening such initiatives as sales, recruitment, and trust activities for engineers while investing in growth such as personnel and expenses. The number of people utilized increased steadily as business activities expanded.



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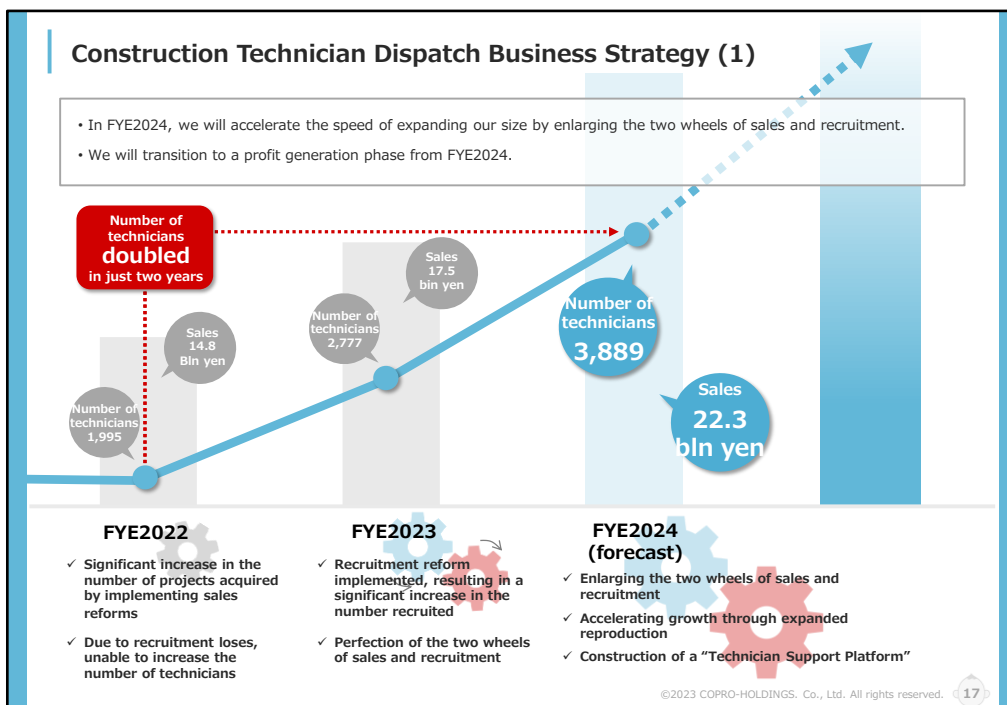
This shows the number of engineers in the SES business. In the previous fiscal year, the number of employees increased by 11.1% YoY, but this fiscal year, we achieved a 30% increase. We will make the mechanical design and development engineer dispatching and contracting business, and the SES business for the IT field, the second and third pillars after the construction segment.

In this way, while properly capturing the construction dispatching market, we would like to firmly establish our second and third pillars at the same time.

**SECTION 03**

**FYE2024  
Business Strategy**

03

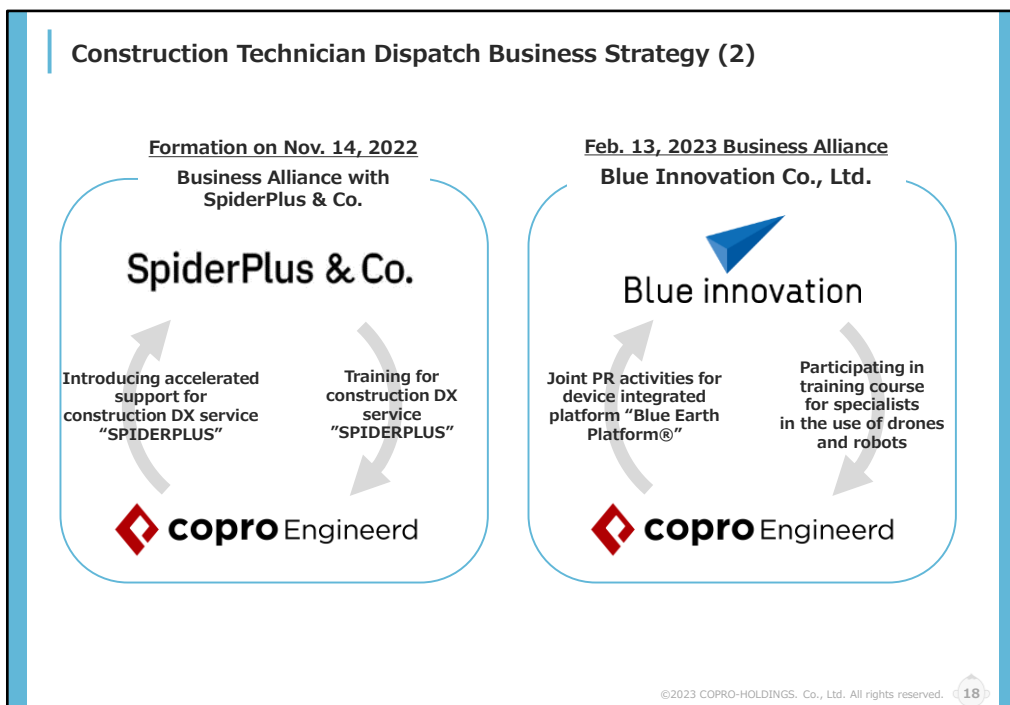


This is our business strategy for FYE2024. The last two years were a period of sluggish sales. Therefore, we reviewed the original system itself from scratch and implemented sales and recruitment reforms.

We have spent two years reviewing the internal system of sales activities and hiring activities, with an aim to achieve sales of ¥40 billion, which is the goal of the Medium-Term Management Plan, and then the goals of ¥80 billion and ¥100 billion in the future. This is not the end, and we believe that it will become extremely important to further update the structure itself in the future.

The diagram on the slide shows the timeline and sales, and the number of technicians. This FY is the middle part. As the forecast for FYE2024, we expect sales of ¥22.3 billion and the number of technicians to be 3,889.

In the construction segment, we are planning a significant increase, doubling the number of technicians in just two years from FYE2022. We think it depends on the investor's way of thinking about what kind of growth this is. However, we are not satisfied with the current situation, and we would like to raise the level even further toward March 2027, the final year of the Medium-Term Management Plan, and beyond.



I would like to talk about alliances and business partnerships with companies in the construction technician dispatching field. While this was explained in previous announcements for our financial results, we have business alliances with SpiderPlus & Co., and Blue innovation Co., Ltd., which aims to improve productivity in the construction industry by utilizing drones and robots.

What we must further strengthen this FY is building a track record with SpiderPlus & Co. Currently, we are training our technicians for the construction DX service "SPIDERPLUS", and we are working on thoroughly educating them and sending them to our customers after adding value. We believe that we must increase a sense of speed here, and pursue quantitative and qualitative aspects, and we are focusing on this.

Regarding the business alliance with Blue innovation Co., Ltd., it will become necessary to use drones to inspect the areas of buildings and plants in the future.

In order to deal with the issue of having to raise productivity amid an overwhelming labor shortage, by forming alliances with SpiderPlus & Co., which has a high-value-added construction DX service, and Blue innovation Co., Ltd., which aims to improve productivity by utilizing drones and robots, we will increase the unit price or increase the number of assignments by adding value to our technical employees. And we would like to build the next-generation technician dispatching standard with our own hands.

## Mechanical Design and Development Engineer Dispatching and Contracting: Business Strategy

### FYE2023 Measures

- With the aim of expanding the dispatching business, we opened a Tokyo branch in May 2022 to develop new customers.
- Expanded the dispatch business to the semiconductor industry as a new area by concentrating sales and recruitment resources.

### FYE2024 Measures

**The number of engineers and sales are expected to increase by more than 50% YoY by investing in personnel and recruiting costs mainly in new priority areas (software and semiconductors).**

- Strengthening the development of new customers starting from the Tokyo branch opened in the previous FY.
- Strengthening charge-up negotiations for engineers assigned in the previous FY, and promoting team dispatch of experienced and inexperienced people.
- Due to the increase in recruiting costs and the expansion of the recruiting system, the number of recruits is planned to increase by 44.7% YoY to 123.

This is about measures this FY for the business of mechanical design and development engineer dispatching and contracting. In the future, the fields of software and semiconductors will become very important in Japan. Seeing this as a new priority area, we will recruit and train engineers who match with software or semiconductor projects and send them to our customers. We will also try to improve the retention rate in future.

As for the measures that we have worked on in the construction segment, it is important to also similarly deploy them in the mechanical design or IT fields. This will lead to increased sales as we consider such things.

## SES Business Strategy

- On March 6, 2023, launched “Bscareer IT”, Japan’s largest project introduction site for IT engineers.
- The comedy duo Miyashita Kusanagi were appointed as the brand ambassadors to strengthen the branding.
- We aim to increase the number of recruits by investing in recruiting costs.



Bscareer IT

<https://www.bscareer-it.jp/>



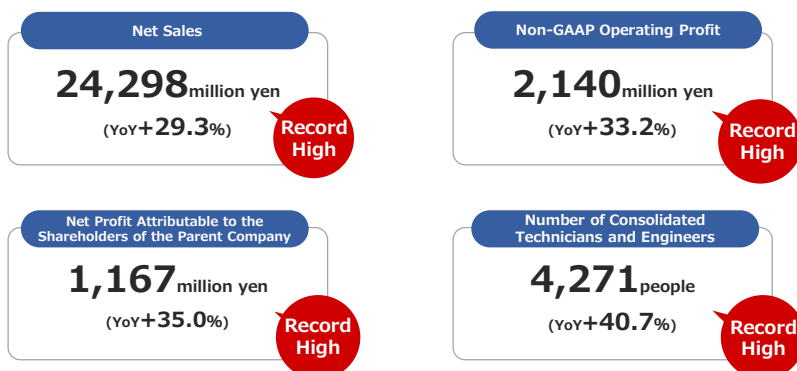
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Here I will discuss the IT field. On March 6, 2023, we launched “Bscareer IT”, one of the largest project introduction sites for IT engineers in Japan, which is handled by our subsidiary VALUE ARK CONSULTING. Using the comedy duo Miyashita Kusanagi who we appointed as our brand ambassadors, we would like to further strengthen branding, strengthen advertising, and strengthen recognition, so as to expand recruiting in the IT field.

**SECTION 04**

**FYE2024  
Earnings Forecast  
& Medium-Term Plan  
Progress**

## FYE2024 Consolidated Earnings Forecast Summary



### Point 1

We aim to further accelerate the speed of expanding our size by continuing to invest in growth, such as recruiting costs, mainly for dispatching construction technicians.

### Point 2

An increase in selling and administration expenses due to aggressive investment will be absorbed by an increase in revenue, and by achieving both growth in our size and profit generation, we expect both sales and profits to reach record highs.

### Point 3

In the first quarter, due to the increase in new graduate employees, the burden of standby labor costs (cost of sales) during the training period, and selling and administration expenses, such as personnel costs, will be large, but we expect to secure profit growth in the 1H.

\* 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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I will briefly explain the earnings forecast for FYE2024, and the progress of the Medium-Term Plan, which has entered its second year. The slide shows a summary of the consolidated earnings.

Sales are forecast to be ¥24,298 million, an increase of 29.3% YoY. Non-GAAP operating profit is expected to be ¥2,140 million, up 33.2% YoY, a record high. Net profit is expected to be ¥1,167 million, up 35% YoY, and the number of consolidated technical employees is expected to be 4,271, up 40.7% YoY.

We are aiming for record highs in sales, operating profit, net profit and the number of consolidated technical employees. We will continue to implement measures to steadily achieve these numbers.



## Financial Forecast for FYE2024

(million of yen)

	FYE2023			FYE2024 (forecast)				
	1st Half	Full-year	Ratio	1st Half	YoY	Full-year	Ratio	YoY
Net sales	8,670	18,791	100.0%	<b>11,203</b>	+29.2%	<b>24,298</b>	100.0%	+29.3%
Cost of sales	6,086	13,216	70.3%	<b>8,040</b>	+32.1%	<b>17,233</b>	70.9%	+30.4%
Gross profit	2,583	5,575	29.7%	<b>3,162</b>	+22.4%	<b>7,065</b>	29.1%	+26.7%
SG&A expenses	2,113	4,253	22.6%	<b>2,667</b>	+26.2%	<b>5,265</b>	21.7%	+23.8%
Operating profit	469	1,321	7.0%	<b>495</b>	+5.3%	<b>1,800</b>	7.4%	+36.2%
Non-GAAP operating profit*	613	1,606	8.6%	<b>660</b>	+7.6%	<b>2,140</b>	8.8%	+33.2%
Ordinary profit	472	1,324	7.0%	<b>565</b>	+19.7%	<b>1,870</b>	7.7%	+41.2%
Profit attributable to owners of parent	280	864	4.6%	<b>316</b>	+12.7%	<b>1,167</b>	4.8%	+35.0%
Earnings per share	30.20	93.09	-	<b>34.00</b>	-	<b>125.57</b>	-	-
Number of consolidated technicians and engineers (quarter end)*	2,574	3,036	-	-	-	<b>4,271</b>	-	+40.7%

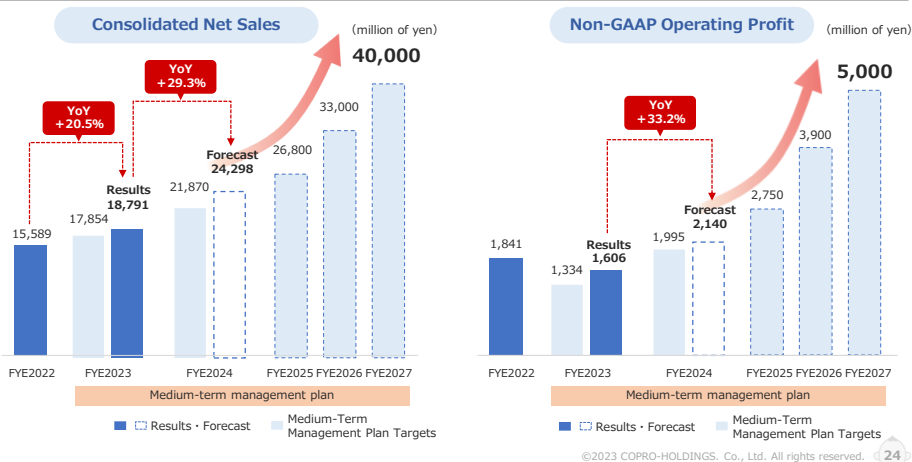
\*To measure essential performance in profit, non-GAAP operating profit is calculated by adding depreciation costs, goodwill amortization and stock-based compensation expenses back to operating profit.  
\*The number of consolidated technicians & engineers is the number of employees at the end of the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

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This slide shows the P/L of the consolidated earnings forecast for FYE2024, but since I explained the summary earlier, I won't go into detail.

## Progress of the Medium-Term Management Plan

- Continuing from FYE2023, the earnings forecast for FYE2024 is expected to exceed the targets of the Medium-Term Plan.
- In the construction technician dispatching business, which is our main business, the results of the sales and recruitment reforms that have been promoted up to the previous FY are expected to bear fruit, and we expect to enter a profit creation phase, which will be a harvesting stage from FYE2024.
- Accelerating growth to achieve the Medium-Term Management Plan performance targets ahead of schedule by aggressively pursue M&A deals geared towards new growth while realizing outstanding organic growth in existing businesses which will go over the Medium-Term Management Plan.



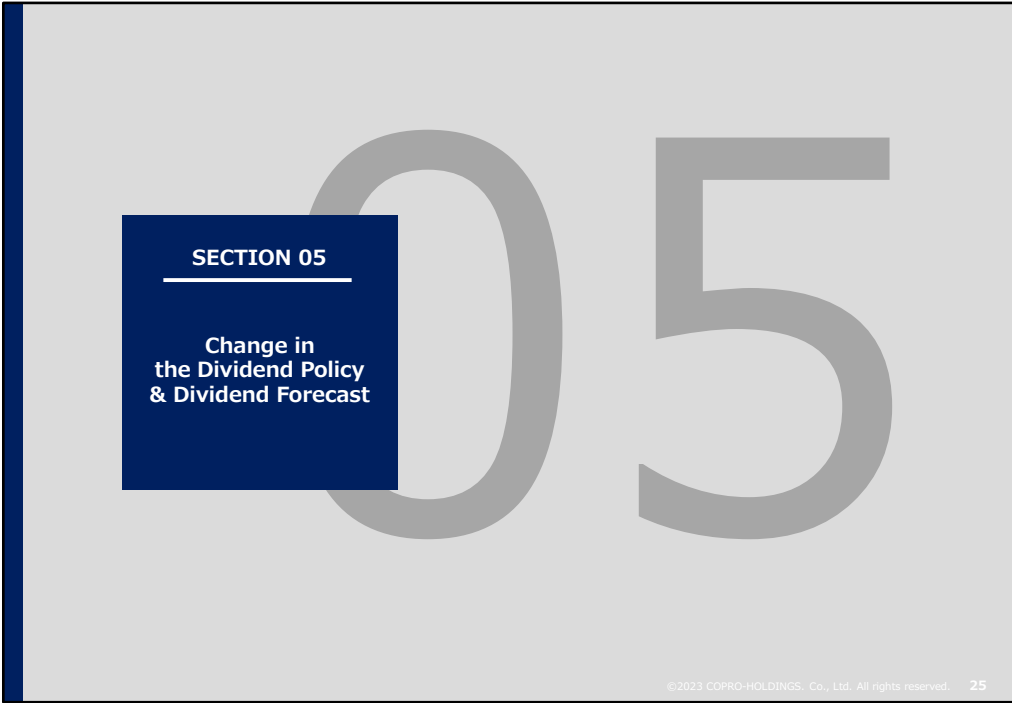
This is the progress of the Medium-Term Management Plan. I would like to discuss the topics listed in the upper part of the slide.

Continuing from FYE2023, the earnings forecast for FYE2024 is also expected to exceed the targets of the Medium-Term Plan. In construction technician dispatching, which is our main business, the results of the sales and recruitment reforms that have been promoted up to the previous FY are expected to bear fruit, and from FYE2024 we will transition to a profit creation phase, which will be a harvesting stage.

In addition to the organic high growth of existing businesses exceeding the Medium-Term Plan, we will aggressively promote M&A in order to achieve intermittent growth, and we will accelerate growth to achieve our Medium-Term Plan performance targets ahead of schedule.

The graphs on the slide show consolidated sales and non-GAAP operating profit. This time, we disclosed numerical targets for FYE2025 and FYE2026 for the first time. Non-GAAP operating profit is projected to be ¥2,750 million for FYE2025, and ¥3,900 million for FYE2026.

In addition, while bringing the measures we are currently working on to fruition, we will proceed with the construction of a "Technician Support Platform" in order to realize the ideal world that we are seeking to support technical employees. At the start of the third year of the Medium-Term Management Plan, we would like to expand the operation of the "Technician Support Platform".



The explanation is now over. Thank you for watching today.

## Changes to Our Dividend Policy

### Dividend Policy Before the Change

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 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.



**In addition to a progressive dividend policy that does not reduce dividends during the period of the Medium-Term Management Plan (FYE2023-FYE2027), and in order to clarify an increase in dividends that is in line with the profit growth, we have added a "dividend payout ratio target" to the existing policy as a benchmark for calculating dividend amounts.**

### Dividend Policy After the Change

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.

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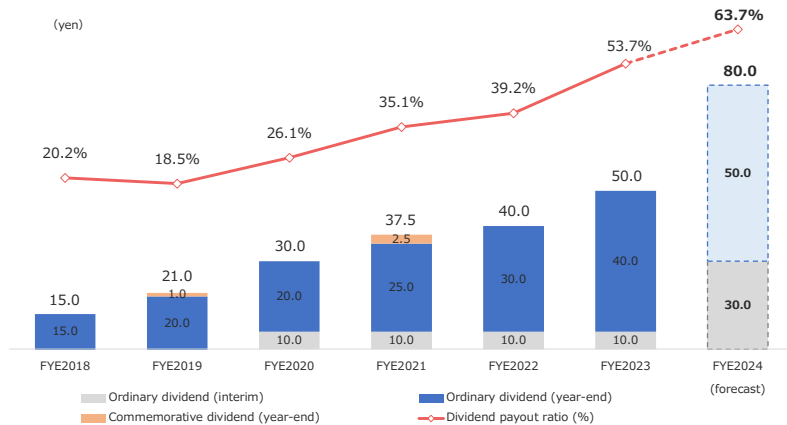
This details the changes to our dividend policy. Yesterday, at the same time that we announced our financial results, we changed our future dividend policy. Since our previous dividend policy did not include a clear quantitative target value, we have added a target for the dividend payout ratio.

As stated at the bottom of the slide, we have revised our policy as follows: "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", depending on the profit growth achieved through aggressive investment."

We have added "maintain a consolidated dividend payout ratio of 50% or more" to our dividend policy as a clear quantitative target.

## Dividends Forecast

- For FYE2024, the dividend per share is forecast to **increase by 30.0 yen to 80.0 yen** for the full year.
- The consolidated dividend payout ratio is forecast to be **63.7%**.



\*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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This is our dividend forecast for this fiscal year. As shown in the upper part of the slide, for FYE2024 we are forecasting an annual dividend of 80 yen per share, an increase of 30 yen YoY. Assuming an annual dividend of 80 yen, the consolidated dividend payout ratio is forecast to be 63.7%.

Looking at the graph, we increased the dividend by 10 yen at the end of the previous fiscal year, resulting in an annual dividend of 50 yen. However, for this fiscal year, we are forecasting an interim dividend of 30 yen, a year-end dividend of 50 yen, and an annual dividend of 80 yen.

This concludes my briefing on the financial results for FYE2023. Thank you.

## SECTION 06

[Appendix]  
About COPRO Group

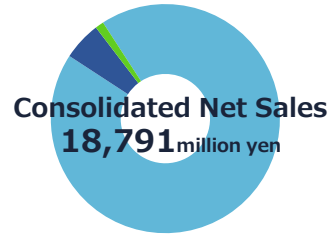
## Company Outline

### COPRO-HOLDINGS. Co., Ltd.



Representative Kosuke Kiyokawa, CEO  
Head office Dai Nagoya Building 25F , 3-28-12 Meieki, Nakamura-ku, Nagoya, Aichi  
Date of establishment October, 2006  
Security code 7059

### Net Sales Ratio for FYE2023



### Subsidiaries

 **coproEngineerd**  **copro VIETNAM**

**ATMOS**

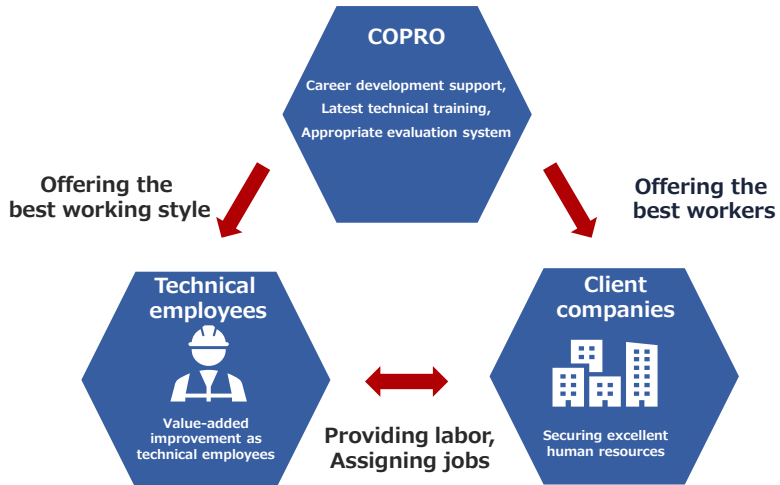
**VALUE ARK**  
CONSULTING

COPRO-ENGINEERD Co., Ltd.  
Construction Technician Dispatching Business : 93.4%

ATMOS Co., Ltd.  
Mechanical Design and Development  
Engineer Dispatching and Contracting : 5.4%

VALUE ARK CONSULTING Co., Ltd.  
System Engineering Business : 1.2%

## Training & Dispatching Excellent Technical Employees





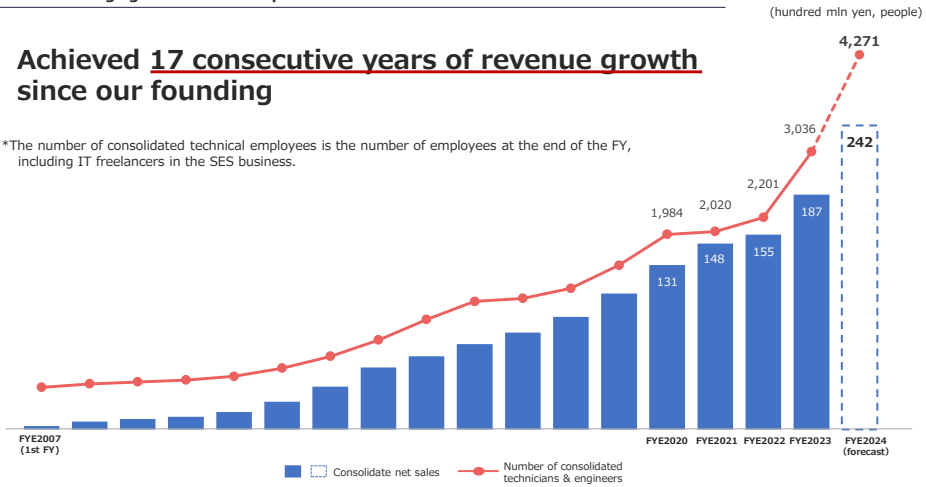
## Business Characteristics

### A “stock-type business” with high growth potential

By increasing sales in proportion to the number of dispatched technical employees, stable earnings growth can be expected

### Achieved 17 consecutive years of revenue growth since our founding

\*The number of consolidated technical employees is the number of employees at the end of the FY, including IT freelancers in the SES business.

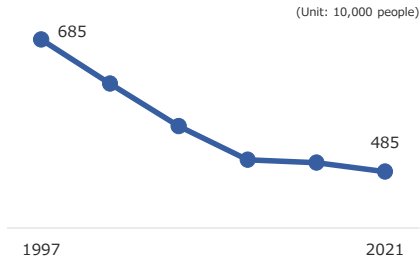


## Business Environment: Construction Industry

The manpower shortage is becoming more serious due to the chronic labor shortage and the application of the revised Labor Standards Law <sup>\*1</sup>

### Number of construction workers <sup>\*2</sup>

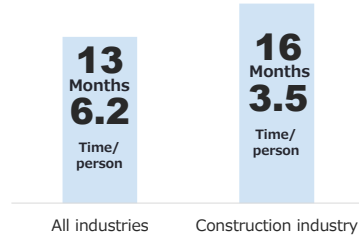
**29.2% drop** from the peak in FY2021



### Application of the revised Labor Standards Law <sup>\*1</sup>

**Tight labor supply and demand**

due to the application of the upper limit regulation. Long working hours need to be improved while the working population remains in short supply <sup>\*3</sup>



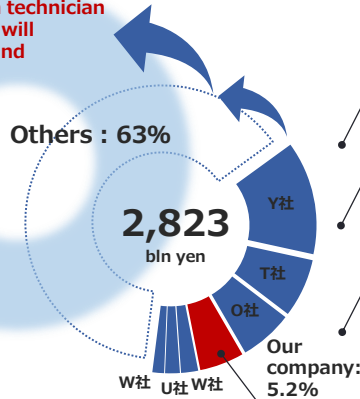
<sup>\*1</sup> From April 2024, the upper limit of overtime work under the revised Labor Standards Law will also apply to the construction industry.  
<sup>\*2</sup> From the "Labor Force Survey" of the Ministry of Internal Affairs and Communications  
<sup>\*3</sup> From the "Monthly Labor Statistics Survey" of the Ministry of Health, Labor and Welfare

## Business Environment: Construction Technician Dispatch Industry

Due to intensifying recruitment competition, **several major companies** are expected to **expand their market share**

### Size of construction technician dispatch market \*1

The construction technician dispatch market will continue to expand



The market share of the 6 listed companies is low at 35%, and there are many micro, small and medium-sized enterprises.

Amid intensifying competition to acquire human resources, small and medium-sized enterprises are expected to face **difficulties in growing their own companies**.

In the future, it is expected that **top-ranked companies will acquire more mkt share from lower-ranked companies**.

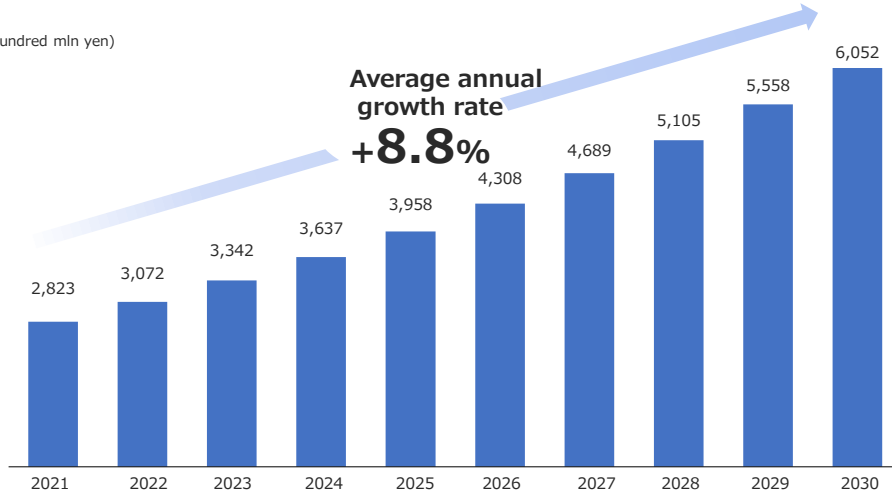
\* Market size is our estimate (FY2021).

\* Figures for the dispatch of construction technicians are posted from the latest financial statements of each company.

\* Figures less than 100 million yen are rounded down.

## Business Environment: Construction Technician Dispatch Market Size Forecast

(hundred mln yen)



\* Estimated by our company

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## Disclaimer and Forward-Looking Statements

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- 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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Corporate Planning Office,  
IR Section

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