

建設は、
君を強くする。

変身、一人前!



いや、大きく
なりすぎだろ!



Fiscal Year Ending March 31, 2024
Financial Results for 1st Half

November 14, 2023



COPRO-HOLDINGS. Co., Ltd.

Tokyo Stock Exchange-Prime, Nagoya Stock
Exchange Premier (Ticker Symbol: 7059)

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SECTION 01

Summary of the Consolidated Financial Results for 1st Half

01

Highlights of the Consolidated Financial Results for 1st Half

Number of Consolidated Technicians and Engineers

3,515 people

(YoY+36.5%)
(Vs. forecast -3.8%)



Net Sales

11,137 million yen

(YoY+28.5%)
(Vs. forecast -0.6%)



Operating Profit

737 million yen

(YoY+56.9%)
(Vs. forecast +48.9%)



Non-GAAP Operating Profit

862 million yen

(YoY+40.6%)
(Vs. forecast+30.7%)



Ordinary Profit

810 million yen

(YoY+71.8%)
(Vs. forecast +43.5%)



Profit Attributable to Owners of Parent

510 million yen

(YoY+81.9%)
(Vs. forecast +61.4%)



Point 1

Due to the highest number ever of new recruits, the number of consolidated technical employees reached a record high of 3,515 people (+940 YoY).

Point 2

As for construction technician dispatching, while there was an increase in the number of resignations due to some mismatches in assignments, the number of recruits exceeded initial expectations, and the number of people working in SES increased, so sales were generally in line with initial expectations.

Point 3

We are working to improve medium-term profitability, and as we have achieved results such as reducing back-office personnel costs, operating profit and other types of profit exceeded initial expectations.

* 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.

Consolidated Financial Results for 1st Half

(million of yen)

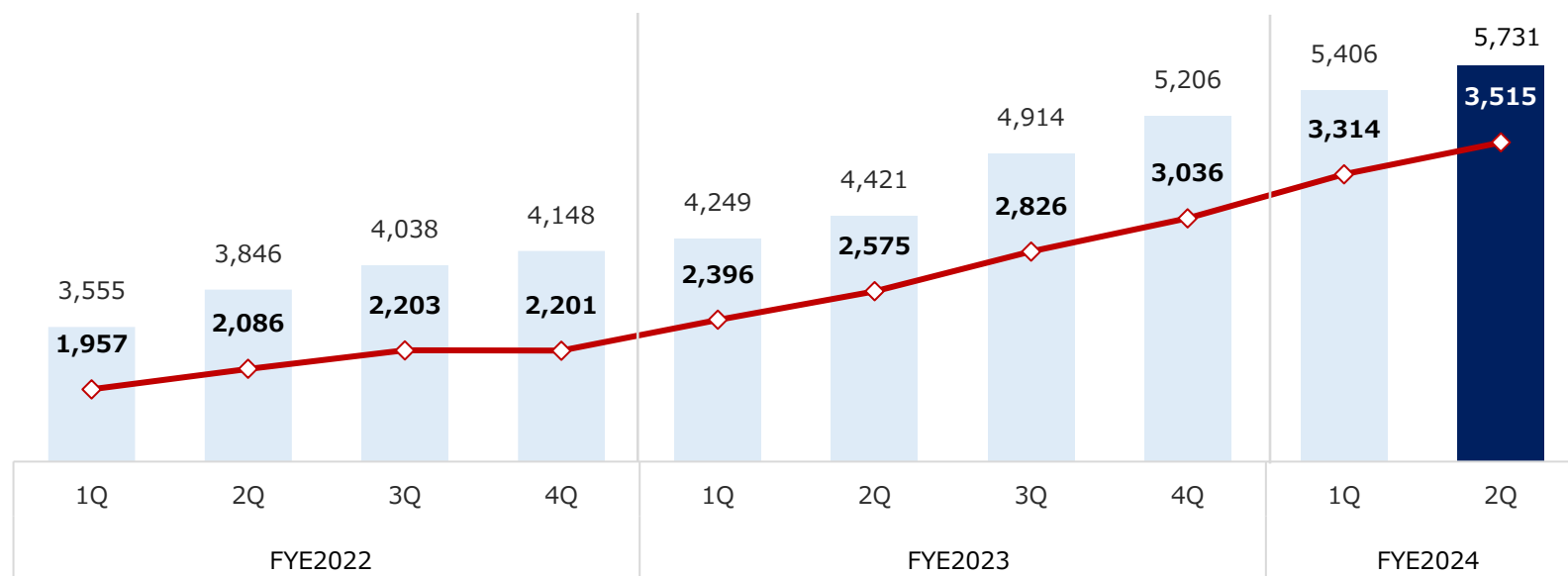
	FYE2023		FYE2024		YoY Change		Vs. Forecast	
	1H results	Ratio	1H results	Ratio	Pct Change	Amount of Change	Pct Change	Amount of Change
Net sales	8,670	100.0%	11,137	100.0%	+28.5%	+2,467	-0.6%	-65
Cost of sales	6,086	70.2%	8,072	72.5%	+32.6%	+1,985	+0.4%	+32
Gross profit	2,583	29.8%	3,065	27.5%	+18.7%	+481	-3.1%	-96
SG&A expenses	2,113	24.4%	2,328	20.9%	+10.2%	+214	-12.7%	-338
Operating profit	469	5.4%	737	6.6%	+56.9%	+267	+48.9%	+242
Non-GAAP operating profit*	613	7.1%	862	7.7%	+40.6%	+248	+30.7%	+202
Ordinary profit	472	5.4%	810	7.3%	+71.8%	+338	+43.5%	+245
Profit attributable to owners of parent	280	3.2%	510	4.6%	+81.9%	+229	+61.4%	+194
Number of consolidated technicians & engineers (quarter end)*	2,575	–	3,515	–	+36.5%	+940	-3.8%	-137

*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.

Quarterly Consolidated Financial Results

- 2nd Quarter net sales and technician numbers both increased from the previous 1st quarter.
- Record high on a quarterly basis.



Consolidated net sales (million of yen)	3,555	3,846	4,038	4,148	4,249	4,421	4,914	5,206	5,406	5,731
QoQ change	-5.7%	+8.2%	+5.0%	+2.7%	+2.4%	+4.0%	+11.2%	+5.9%	+3.8%	+6.0%
No. of consolidated technicians (quarter end)	1,957	2,086	2,203	2,201	2,396	2,575	2,826	3,036	3,314	3,515
QoQ change	-3.1%	+6.6%	+5.7%	-0.1%	+8.9%	+7.5%	+9.8%	+7.4%	+9.2%	+6.1%

■ Consolidated net sales
 ◆ Number of consolidated technicians

*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.

1st Half Financial Results by Subsidiaries

- Sales of COPRO EG increased significantly due to the highest number of recruits ever. Operating profit increased by 169 million yen YoY, absorbing the increase in standby labor costs during the training period, recruitment fees, and personnel costs as the number of new graduate technical employees increased in 1Q.
- The sales and gross profit margin of ATMOS increased significantly due to improved cost of sales and the lower cost of sales ratio. Operating profit increased by 29 million yen YoY due to a decline in the selling and administration expense ratio.
- VALUE ARK CONSULTING posted an operating profit decrease of 20 million yen YoY due to upfront costs associated with aggressive spending on advertising.
- HD contributed an 88 million yen increase in profit YoY due to a decrease in personnel expenses from streamlining at the head office and a decrease in stock award expenses.

(million of yen)

	FYE2023			FYE2024		
	1st Half results	YoY		1st Half results	YoY	
		Pct Change	Amount of Change		Pct Change	Amount of Change
Net sales	8,670	+17.1%	+1,268	11,137	+28.5%	+2,467
COPRO-ENGINEERD	8,149	+12.6%	+911	10,299	+26.4%	+2,149
ATMOS	428	+162.0%	+264	664	+55.1%	+236
VALUE ARK CONSULTING	92	-	+92	173	+88.2%	+81
Gross profit	2,583	+15.7%	+349	3,065	+18.7%	+481
COPRO-ENGINEERD	2,406	+8.0%	+178	2,799	+16.3%	+392
ATMOS	92	-	+86	170	+84.9%	+78
VALUE ARK CONSULTING	84	-	+84	95	+12.6%	+10
SG&A expenses	2,113	+32.0%	+512	2,328	+10.2%	+214
COPRO-ENGINEERD	1,282	+40.1%	+367	1,506	+17.4%	+223
ATMOS	112	+74.9%	+48	161	+43.2%	+48
VALUE ARK CONSULTING	83	+101.7%	+42	115	+37.1%	+31
COPRO-HODINGS and others	634	+9.4%	+54	545	-14.0%	-88
Operating profit	469	-25.7%	-162	737	+56.9%	+267
COPRO-ENGINEERD	1,123	-14.4%	-189	1,293	+15.1%	+169
ATMOS	-20	-	+38	8	-	+29
VALUE ARK CONSULTING	1	-102.4%	+42	-19	-	-20
COPRO-HODINGS and others	-634	-	-54	-545	-	+88

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

SECTION 02

Analysis of KPIs

KPIs by Subsidiaries

- Due to an increase in the number of recruits centering on our mainstay COPRO EG, the number of technical employee was 3,515, an increase of 36.5% YoY, and an increase of 940 people.
- Due to a worsening of the retention rate at COPRO EG, the retention rate for the first half was 83.7%, a decrease of 2.0pts YoY.
⇒In 2Q, we improved by 2.5pts compared to 1Q by controlling mismatches in assignments and with thorough follow-up after assignment.

(people, thousands of yen)

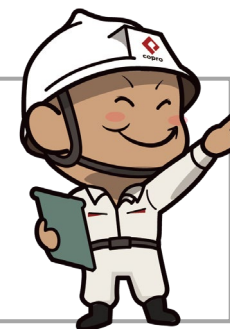
	FYE2023					FYE2024					FYE2024
	1Q	2Q	1st Half	2nd Half	Full-year	1Q	2Q	1st Half	YoY		Full-year (forecast)
Total recruited	443	360	803	944	1,747	664	502	1,166	+45.2%	+363	2,331
COPRO-ENGINEERD	293	315	608	864	1,472	614	458	1,072	+76.3%	+464	2,120
ATMOS	14	23	37	48	85	29	27	56	+51.4%	+19	123
VALUE ARK CONSULTING	14	22	36	32	68	21	17	38	+5.6%	+2	88
Increase due to M&A, etc.	122	0	122	0	122	0	0	0	-	-	-
Turnover total	248	181	429	483	912	386	301	687	+60.1%	+258	1,096
COPRO-ENGINEERD	223	158	381	431	812	361	283	644	+69.0%	+263	1,008
ATMOS	8	11	19	23	42	13	9	22	+15.8%	+3	30
VALUE ARK CONSULTING	17	12	29	29	58	12	9	21	-27.6%	-8	58
No. of technicians and engineers	2,396	2,575	2,575	3,036	3,036	3,314	3,515	3,515	+36.5%	+940	4,271
COPRO-ENGINEERD	2,187	2,344	2,344	2,777	2,777	3,030	3,205	3,205	+36.7%	+861	3,889
ATMOS	122	134	134	159	159	175	193	193	+44.0%	+59	252
VALUE ARK CONSULTING	87	97	97	100	100	109	117	117	+20.6%	+20	130
Retention rate	90.6%	93.4%	85.7%	86.3%	76.9%	89.6%	92.1%	83.7%	-	-2.0pt	79.6%
COPRO-ENGINEERD	90.7%	93.7%	86.0%	86.6%	77.4%	89.4%	91.9%	83.3%	-	-2.7pt	79.4%
ATMOS	93.8%	92.4%	87.6%	87.4%	79.1%	93.1%	95.5%	89.8%	-	+2.2pt	89.4%
VALUE ARK CONSULTING	83.7%	89.0%	77.0%	77.5%	63.3%	90.1%	92.9%	84.8%	-	+7.8pt	69.1%
Sales per engineer (period average)	648	638	643	644	643	619	609	614	-4.6%	-30	601
COPRO-ENGINEERD	649	641	645	645	644	618	608	613	-5.0%	-32	602
ATMOS	578	560	576	614	599	622	603	612	+6.3%	+37	635
VALUE ARK CONSULTING	593	553	566	592	587	656	668	662	+16.9%	+96	552

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

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

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

Reference) Construction Technician Dispatching Business KPIs



- The number of recruits increased by 76.3% YoY to 1,072 people due to a significant increase in the number of inexperienced recruits because of strengthened process management.
- The 2Q utilization rate was 94.6%, an improvement of 1.6pts compared to 1Q, as the 154 new graduate technical employees who joined the company at the beginning of the period were put to work.
- Due to increased recruiting of inexperienced personnel, some mismatches occurred, and the retention rate in 1Q was 89.4%, down 1.3pts YoY.
⇒ By strengthening post-assignment follow-up in 2Q, the retention rate in 2Q was 91.9%, an improvement of +2.5pts compared to 1Q.

Recruitment, Turnover and Utilization rate

(people)

	FYE2022	FYE2023						FYE2024			
	Full-year	1Q	2Q	1H	3Q	4Q	Full-year	1Q	2Q	1H	Full-year (forecast)
Total recruited	834	293	315	608	417	447	1,472	614	458	1,072	2,120
New graduates	56	54	0	54	2	0	56	154	0	154	154
Mid-career	778	239	315	554	415	447	1,416	460	458	918	1,966
Turnover total	859	223	158	381	191	240	812	361	283	644	1,008
Net change	-25	+70	+157	+227	+226	+207	+660	+253	+175	+428	+1,112
Increase due to M&A, etc.	0	+122	0	122	0	0	+122	0	0	0	-
Number of technicians (quarter end)	1,995	2,187	2,344	2,344	2,570	2,777	2,777	3,030	3,205	3,205	3,889
Utilization rate (period average)	96.9%	96.3%	97.1%	96.7%	96.3%	95.7%	96.3%	93.0%	94.6%	93.8%	-

Retention rate

	FYE2022	FYE2023						FYE2024			
	Full-year	1Q	2Q	1H	3Q	4Q	Full-year	1Q	2Q	1H	Full-year (forecast)
Retention rate	69.9%	90.7%	93.7%	86.0%	93.1%	92.0%	77.4%	89.4%	91.9%	83.3%	79.4%
Retention rate (FY accumulative total)	69.4%	89.7%	84.2%	84.2%	79.0%	74.4%	74.4%	89.2%	82.3%	82.3%	-
Retention rate (Last twelve months)	69.4%	71.8%	72.3%	72.3%	72.7%	74.4%	74.4%	75.0%	73.2%	73.2%	-

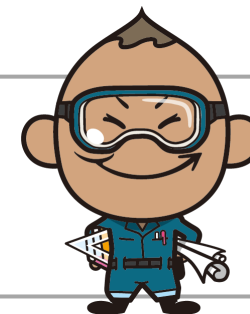
*Retention rate = Number of technicians at the end of the current fiscal year (current quarter) ÷ (Number of technicians at the end of the previous fiscal year (previous quarter) + Number of technicians at the end of the current fiscal year (current quarter)) × 100

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

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

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

- The number of new recruits increased significantly due to active investment in recruiting costs and an increase in the number of people in charge of recruitment, with the number of engineers increasing by 59 people YoY to 193.
- As the number of recruits increases, we will strengthen the acquisition of projects with no experience. The utilization rate remained at a high level of 97.0%.
- The 2Q retention rate was 95.5%, an improvement of +2.4pts compared to 1Q due to strengthening the cooperation between sales and recruitment.



Recruitment, Turnover and Utilization rate

(people)

	FYE2022	FYE2023						FYE2024			
	Full-year (June-Mar)	1Q (Apr-June)	2Q (July-Sep)	1H	3Q (Oct-Dec)	4Q (Jan-Mar)	Full-year	1Q	2Q	1H	Full-year (forecast)
Total recruited	20	14	23	37	25	23	85	29	27	56	123
New graduates	0	1	0	1	0	0	1	5	0	5	4
Mid-career	20	13	23	36	25	23	84	24	27	51	119
Turnover total	15	8	11	19	11	12	42	13	9	22	30
Net change	+5	+6	+12	+18	+14	+11	+43	+16	+18	+34	+93
Number of technicians (quarter end)	116	122	134	134	148	159	159	175	193	193	252
Utilization rate (period average)	98.6%	96.9%	96.9%	96.9%	98.6%	97.5%	97.5%	95.9%	97.9%	97.0%	-

Retention rate

	FYE2022	FYE2023						FYE2024			
	Full-year (June-Mar)	1Q (Apr-June)	2Q (July-Sep)	1H	3Q (Oct-Dec)	4Q (Jan-Mar)	Full-year	1Q	2Q	1H	Full-year (forecast)
Retention rate	-	93.8%	92.4%	87.6%	93.1%	93.0%	79.1%	93.1%	95.5%	89.8%	89.4%
Retention rate (FY accumulative total)	88.9%	93.1%	89.7%	89.7%	85.3%	81.0%	81.0%	93.7%	89.9%	89.9%	-
Retention rate (Last twelve months)	88.9%	84.7%	85.2%	85.2%	84.9%	81.0%	81.0%	82.8%	84.2%	84.2%	-

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

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

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

Reference) SES Business KPIs



- Our focus is on the operation of “Bscareer IT”, a project introduction site for IT engineers that opened in March 2023.
- The number of applicants and the number of recruits are on the rise, partly due to investment in advertising expenses in conjunction with the release of “Bscareer IT”.

Recruitment, Turnover and Utilization rate

(people)

	FYE2022	FYE2023						FYE2024			
	Full-year	1Q	2Q	1H	3Q	4Q	Full-year	1Q	2Q	1H	Full-year (forecast)
Number of applicants	320	213	408	621	354	264	1,239	594	651	1,245	-
Total recruited	16	14	22	36	17	15	68	21	17	38	88
Turnover total	16	17	12	29	6	23	58	12	9	21	58
Net change	-	-3	+10	+7	+11	-8	+10	+9	+8	+17	+30
Number of technicians (quarter end)	90	87	97	97	108	100	100	109	117	117	130
Utilization rate (period average)	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	-

* The above figures for VALUE ARK CONSULTING include IT freelance engineers.

Retention rate

	FYE2022	FYE2023						FYE2024			
	Full-year	1Q	2Q	1H	3Q	4Q	Full-year	1Q	2Q	1H	Full-year (forecast)
Retention rate	-	83.7%	89.0%	77.0%	94.7%	81.3%	63.3%	90.1%	92.9%	84.8%	69.1%

* The above figures for VALUE ARK CONSULTING include IT freelance engineers.

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

SECTION 03

Business Summary

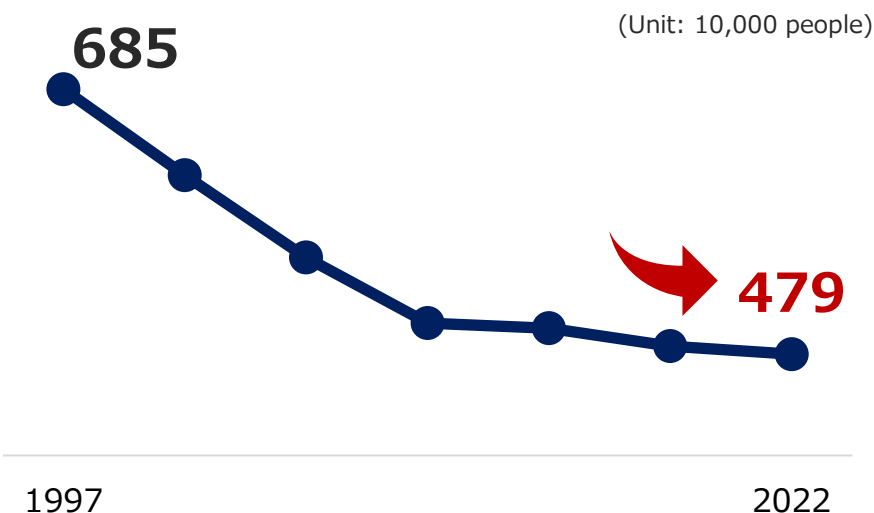
Business Overview (Construction Technician Dispatching): Construction Industry Trends

The technician dispatching market is in an expanding trend due to the chronic labor shortage



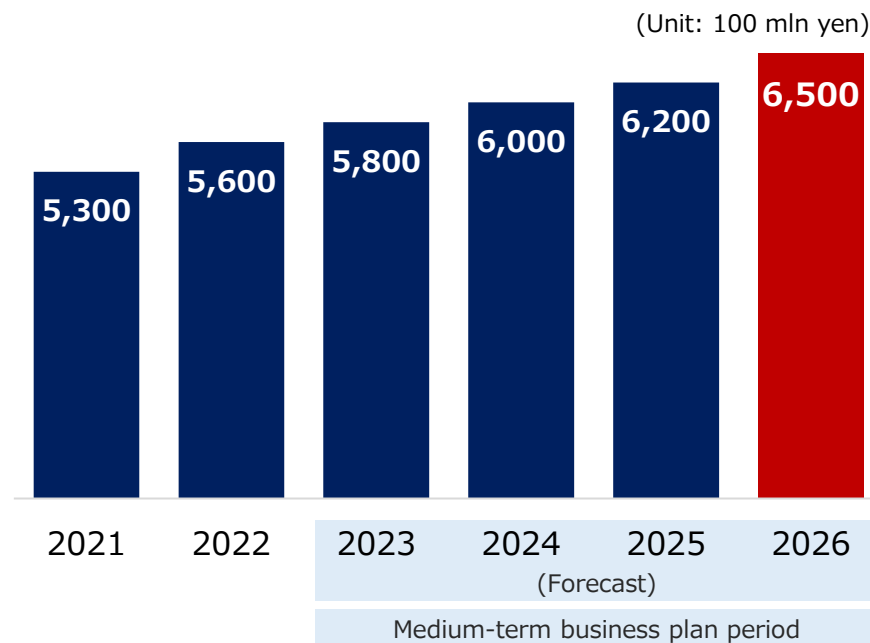
Number of construction industry employees*1

In FY 2022, a **-30.1%** reduction from the peak



Human resources services for the construction industry - Market size forecast*2

In FY2026, it is **expected to increase by 22.6%** compared to FY2021



*1 Based on "Labor Force Survey" by the Ministry of Internal Affairs and Communications

*2 From Yano Research Institute's "2023 Edition Current Status and Prospects for the Human Resources Business PART 2: Human Resources Services by Industry & Occupation"

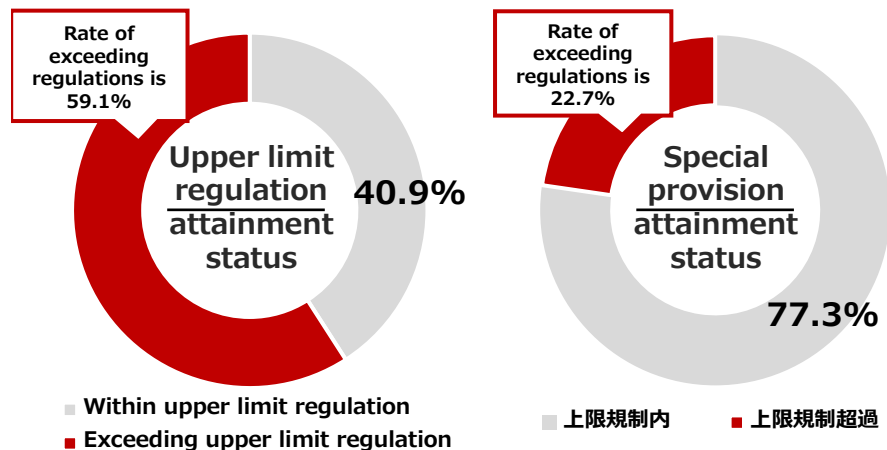
Business Overview (Construction Technician Dispatching): Construction Industry Trends



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

The approaching 2024 problem

While the application of the upper limit regulation is approaching in 2024, as of FY2021, the rate of exceeding the regulation is **59.1%**, and even when special provisions are applied, it is **22.7%**. *2



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

Construction industry continues to see large-scale projects

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



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

Strategy and KPI Summary (Construction Technician Dispatching)

Strategy




1



Building a strong human resources supply network in preparation for **accelerating labor shortages**

Strategy

2

Strengthening the support system and **improving the retention rate** of technical employees

KPIs	1H results	YoY	Vs. forecast
Total recruited (incl. new graduates) 	1,072 (people)	+76.3%	+1.1%
Mid-career hiring costs 	258 (Mln yen)	+4.3%	+1.1%
Mid-career hiring costs per technician 	287 (thousand yen)	-36.2%	+2.0%

KPIs	1H results	YoY	Vs. forecast
Retention rate 	83.3%	-6.7pts	-3.6pts
Number of technicians 	3,205 (people)	+36.7%	-3.9%



* The ◎ is above the plan, ○ is in line with the plan, and x is below the plan.

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

- In order to strengthen our recruiting system, which is the basis for business expansion, we are thoroughly implementing "process management" and improving each yield rate.



Recruiting expenses YoY
About 4% more

Initiatives to improve the yield rate

- Efficiently acquire leads by making appropriate approaches to the target job seeker group.



Number of applications YoY
About 20% more

- Introducing an application management system. Reducing lead times by automating the setting up of interviews.



Number of interviews YoY
About 60% more

- Instead of "selective" interviews, shifting to "employing" interviews, and strengthening our appeal to job seekers.



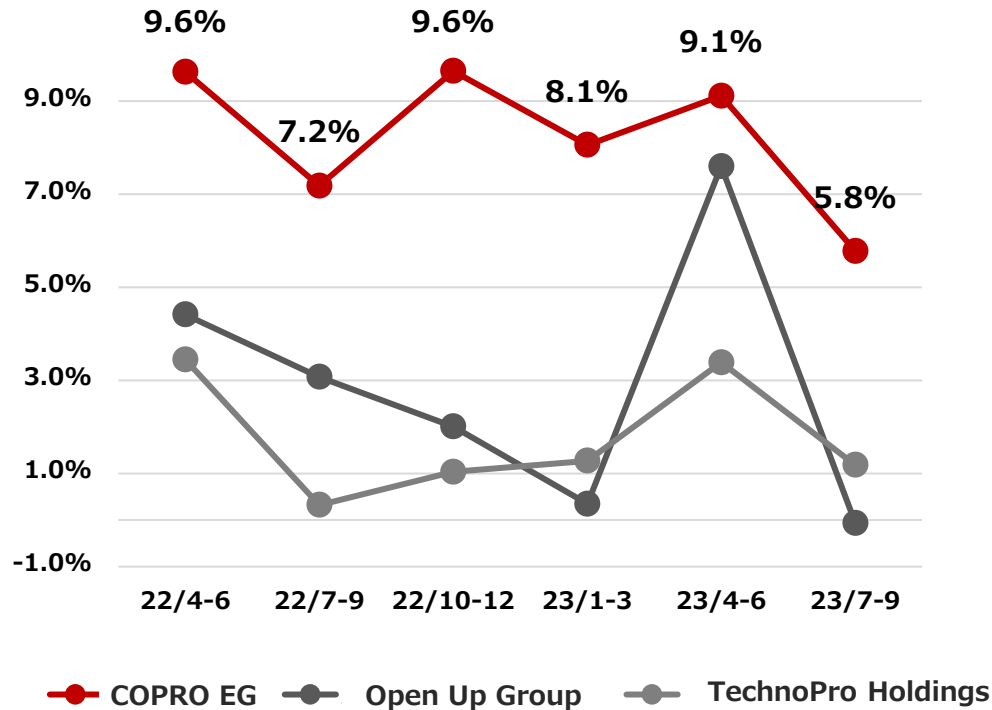
Number of hires YoY
About 60% more



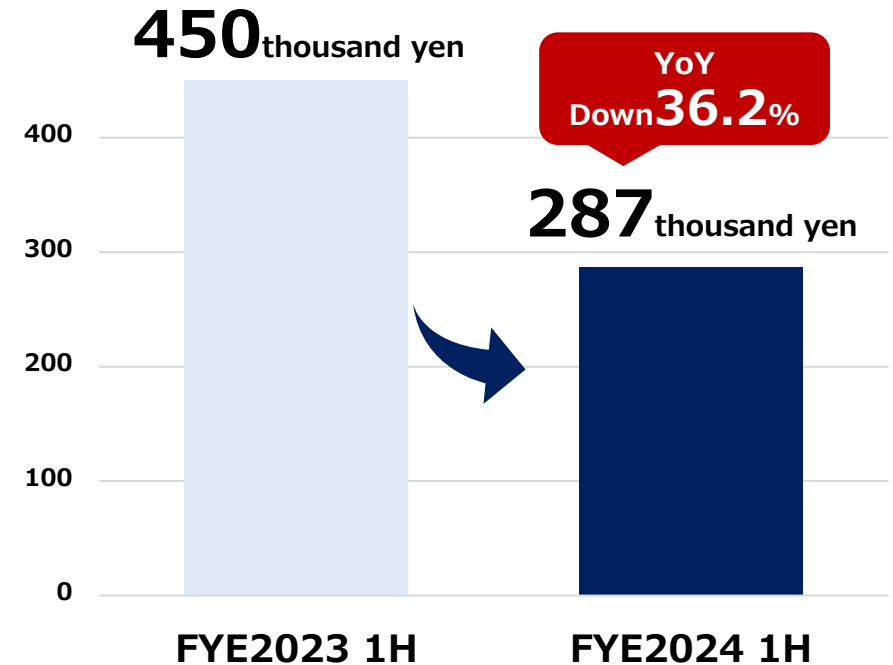
Strategy ①: Building a Strong Human Resources Supply Network in Preparation for Accelerating Labor Shortages

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

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



Change in the unit price for recruitment

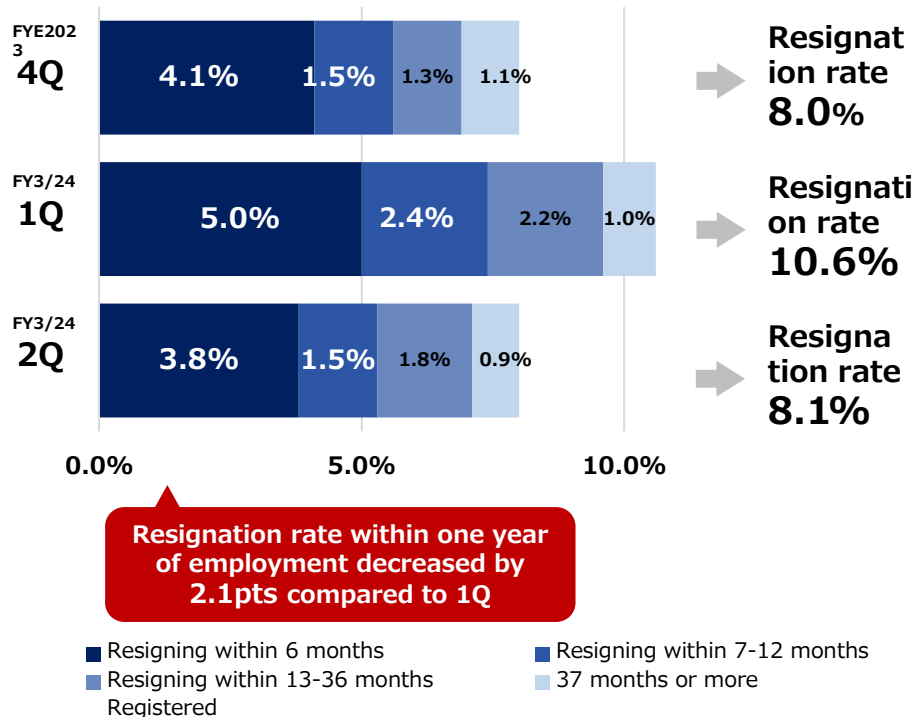


*Created by our company based on information published by each company

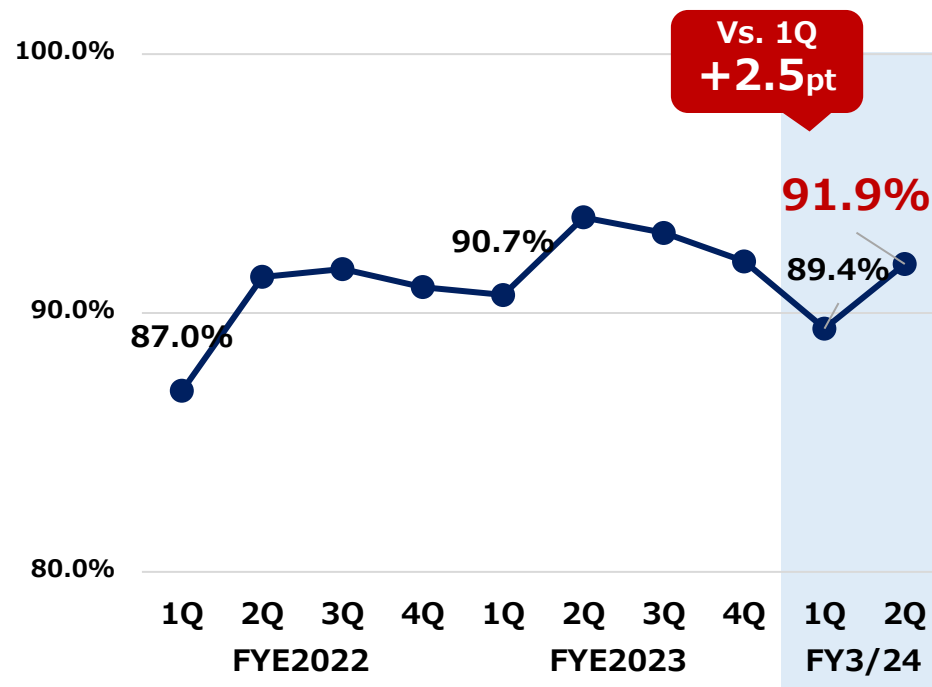
Strategy ②: Strengthening the Support System and Improving the Retention Rate of Technical Employees

- In the 1Q of FYE2024, due to some mismatches in assignments because of an increase in the number of recruits, and a lack of follow-up after assignment, the number of technical employees resigning within one year of employment increased.
- In the 2Q of FYE2024, in addition to eliminating mismatches in assignments, as a result of revising the post-assignment support system, the number of technical employees who soon resigned within the first year of employment has decreased, and the retention rate has improved.

Trend in the resignation rate by number of months of employment



Change in the retention rate*

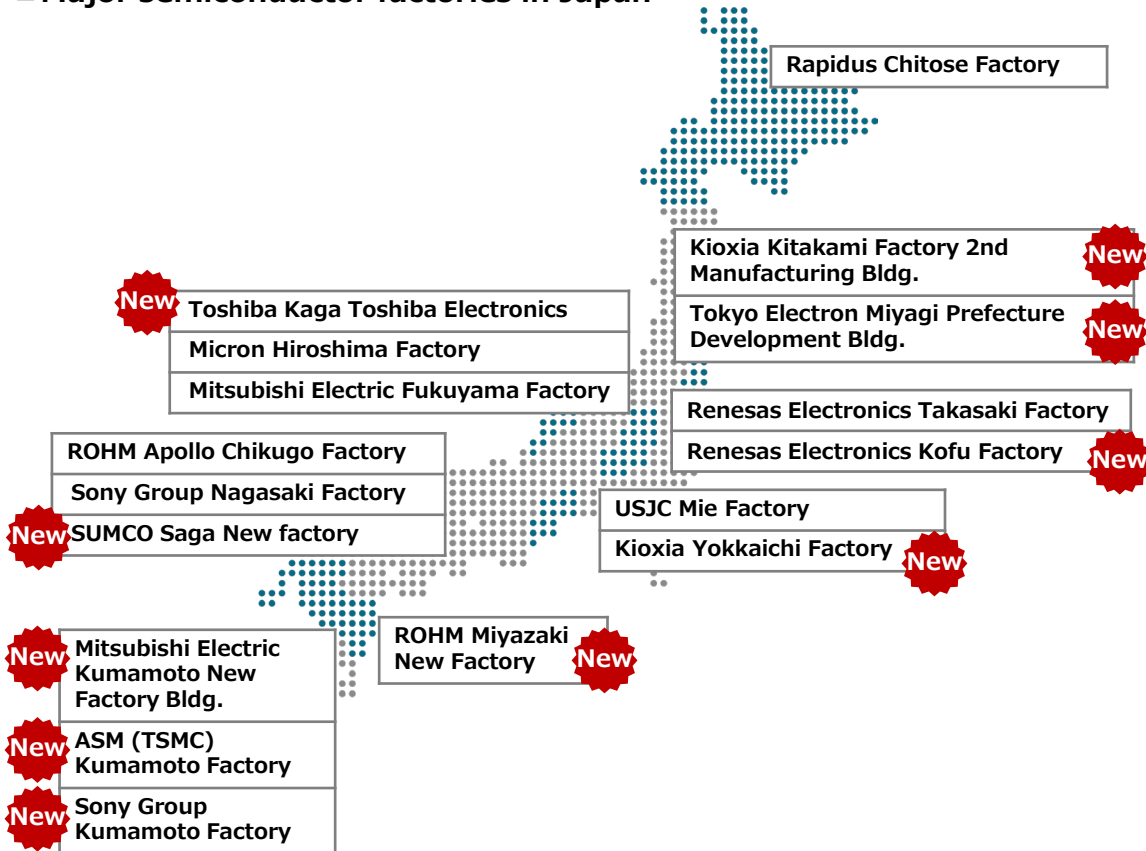


* Retention rate = Number of technical employees at the end of the current period (current quarter) ÷ (Number of technical employees at the end of the previous period (previous quarter) + Number of recruits in the current period (current quarter)) x 100

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

- As the movement to bring semiconductor production back to Japan is gaining momentum, and in response to the increasing demand for field engineers who are stationed 24 hours a day to handle troubleshooting and maintenance of manufacturing equipment, we plan to open a semiconductor training center in Shin-Yokohama in January 2024.
- We plan to conduct training using equipment that is equivalent to the work environment at the place of assignment. We welcome employees from major semiconductor manufacturers as instructors, and aim to help those with no experience to become immediately effective

Major semiconductor factories in Japan



*The images are illustrations.

*Prepared by our company based on a Nihon Keizai Shimbun article from August 16, 2023.

“Bscareer Kiden” Opens on November 7, 2023

- “Bscareer Kiden”, a project introduction site for engineers in the mechanical and electrical field, opened on November 7, 2023.
- Following on from “Bscareer IT”, we have strengthened our branding by appointing the comedy duo Miyashita Kusanagi as brand ambassadors.
- We will also update the project introduction site for technicians in the construction field, “G-Career”, and enhance the brand power of the COPRO Group.

■ Project search site for construction human resources “G-Career”



■ Project search site for IT human resources “Bscareer IT”



■ Project search site for mechanical and electrical human resources “Bscareer Kiden”



フリーランスエンジニア案件・求人を探す

SECTION 04

Upward Revision of FYE2024 Earnings Forecast

Upward Revision of the Full FY Earnings Forecast for FYE2024 (Summary)

Number of Consolidated Technicians and Engineers

4,271 people
(YoY+40.7%)



Net Sales

24,298 Mln yen
(YoY+29.3%)
(Initial forecast unchanged)



Operating Profit

2,042 Mln yen
(YoY+54.5%)
(Vs. initial forecast+13.4%)



Upward Revision

Non-GAAP Operating Profit

2,342 Mln yen
(YoY+45.7%)
(Vs. initial forecast +9.4%)



Upward Revision

Ordinary Profit

2,115 Mln yen
(YoY+59.7%)
(Vs. initial forecast +13.1%)



Upward Revision

Profit Attributable to Owners of Parent

1,361 Mln yen
(YoY+57.4%)
(Vs. initial forecast+16.6%)



Upward Revision

Point

- Regarding the full-year consolidated earnings forecast for FYE2024, demand is expected to remain strong from the third quarter onwards, and selling, general and administrative expenses are expected to continue to be controlled.
- On the other hand, in order to securely capture expanding demand as the upper limit on overtime work will apply to the construction industry in April 2024, since our policy is to flexibly invest in recruiting costs and other expenses and prioritize securing the number of technical employees, our consolidated earnings forecast for the second half of the year remains unchanged from the initial forecast, and only the excess of forecasts for the first half has been revised upward.

* 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.

Upward Revision of FYE2024 Consolidated Earnings Forecast

- For each type of profit, we have upwardly revised the first half's upside.
- In order to prepare for the increasing demand for human resources due to the application of upper limits on overtime work, we plan to actively invest in recruiting costs, so the consolidated earnings forecast for the second half of the year remains unchanged from the initial forecast.

(million of yen)

	FYE2023	FYE2024 (forecast)						
	Full-year	Full-year (initial forecast)	Full-year (revised forecast)	Ratio	Vs. initial forecast		YoY	
					Pct Change	Amount of Change	Pct Change	Amount of Change
Net sales	18,791	24,298	24,298	100.0%	-	-	+29.3%	+5,506
Cost of sales	13,216	17,233	17,233	70.9%	-	-	+30.4%	+4,016
Gross profit	5,575	7,065	7,065	29.1%	-	-	+26.7%	+1,489
SG&A expenses	4,253	5,265	5,023	20.7%	-4.6%	-242	+18.1%	+769
Operating profit	1,321	1,800	2,042	8.4%	+13.4%	+242	+54.5%	+720
Non-GAAP operating profit*1	1,606	2,140	2,342	9.6%	+9.4%	+202	+45.7%	+735
Ordinary profit	1,324	1,870	2,115	8.7%	+13.1%	+245	+59.7%	+790
Profit attributable to owners of parent	864	1,167	1,361	5.6%	+16.6%	+194	+57.4%	+496
Earnings per share (*2 after stock split) (¥)	46.55	62.30	72.35	-	-	+10.05	-	+25.80
Number of consolidated technicians and engineers (quarter end)*3	3,036	4,271	4,271	-	-	-	+40.7%	

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

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

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

Progress of the Medium-Term Management Plan

- In the main business of construction engineer dispatching, the Company expects to realize the results of the sales and recruitment reforms it has promoted up to the previous fiscal year, and to shift to the "Profit Generation Phase" that will enter the harvest period from FYE2024.
- We will accelerate the organic growth of our existing businesses and aim to exceed the Medium-Term Plan performance targets for each fiscal year.
- The company will also actively consider discontinuous growth through M&A that it has not factored into its medium-term plan.

Consolidated Net Sales

Medium-Term
Plan Targets

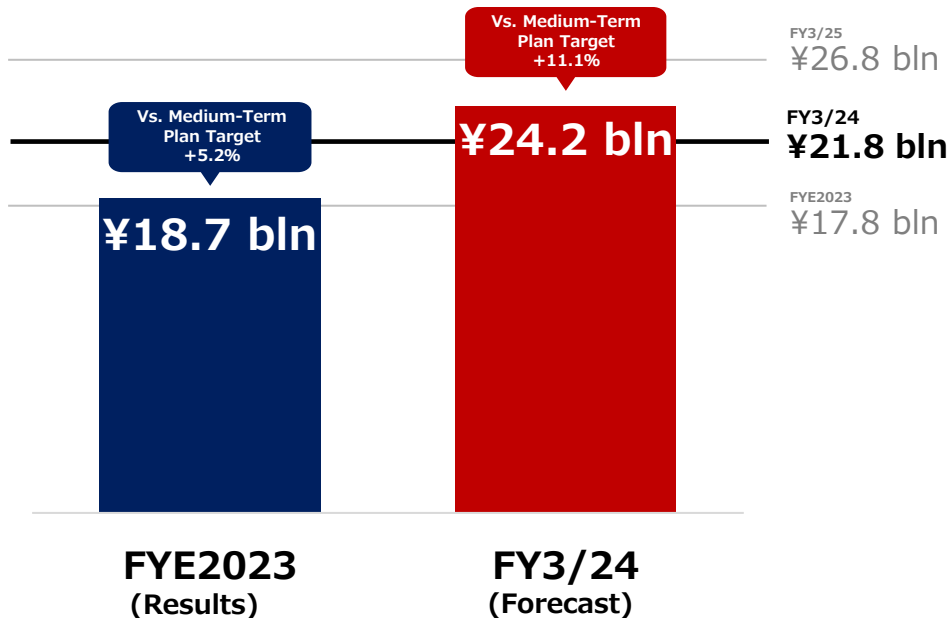
FYE2027
¥40 bln

FY3/26
¥33 bln

FY3/25
¥26.8 bln

FY3/24
¥21.8 bln

FYE2023
¥17.8 bln



Non-GAAP Operating Profit

Medium-Term
Plan Targets

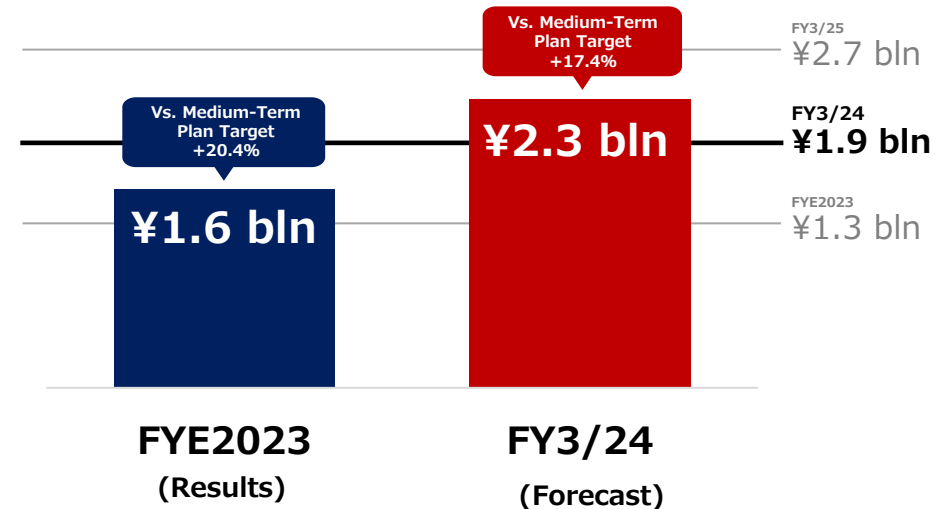
FYE2027
¥5 bln

FY3/26
¥3.9 bln

FY3/25
¥2.7 bln

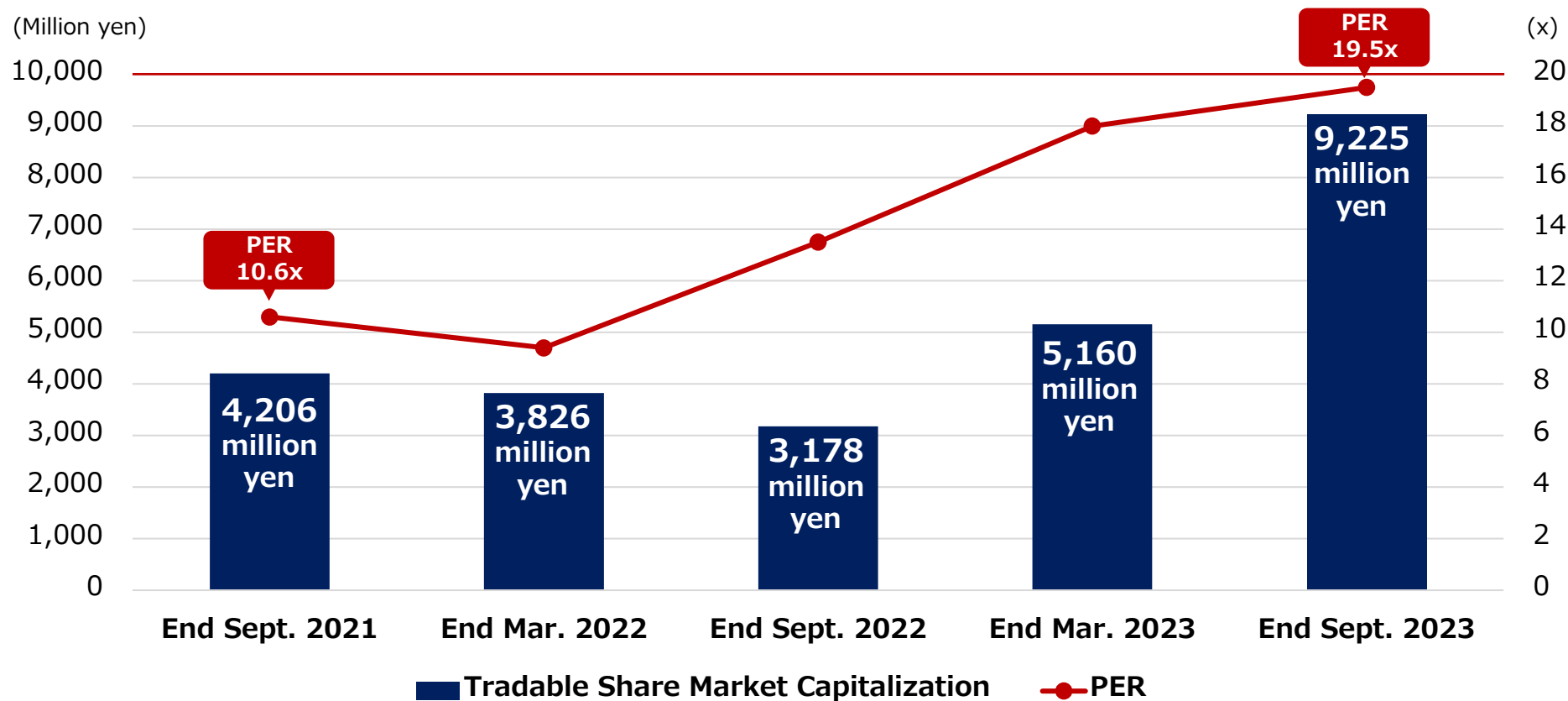
FY3/24
¥1.9 bln

FYE2023
¥1.3 bln



Status for Complying with Criteria to Maintain our Prime Market Listing

- In order to meet the criteria of “market capitalization of ¥10 billion or more for tradable shares” to maintain our listing, and recognizing that further improvement in our stock price, which is a component of market capitalization for tradable shares, is an issue, we are promoting various initiatives to exceed the targets of the Medium-Term Management Plan “COPRO Group Build the Future 2027” (FYE2023 to FYE2027).
- While striving to improve our business performance, which is the source of our corporate value, and by raising the expectations of investors regarding our growth potential, we aim to improve our stock price to comply with the criteria to maintain our listing. Furthermore, we will continue to position the return of profits to shareholders as an important management issue, and will consider increasing dividends in line with profit growth.



SECTION 05

Revision of FYE2024 Dividend Forecast (Dividend Increase)

Revision of Dividend Forecast (Dividend Increase)

Dividend policy

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

Dividend per share

(Number of issued shares: 20 mln shares)

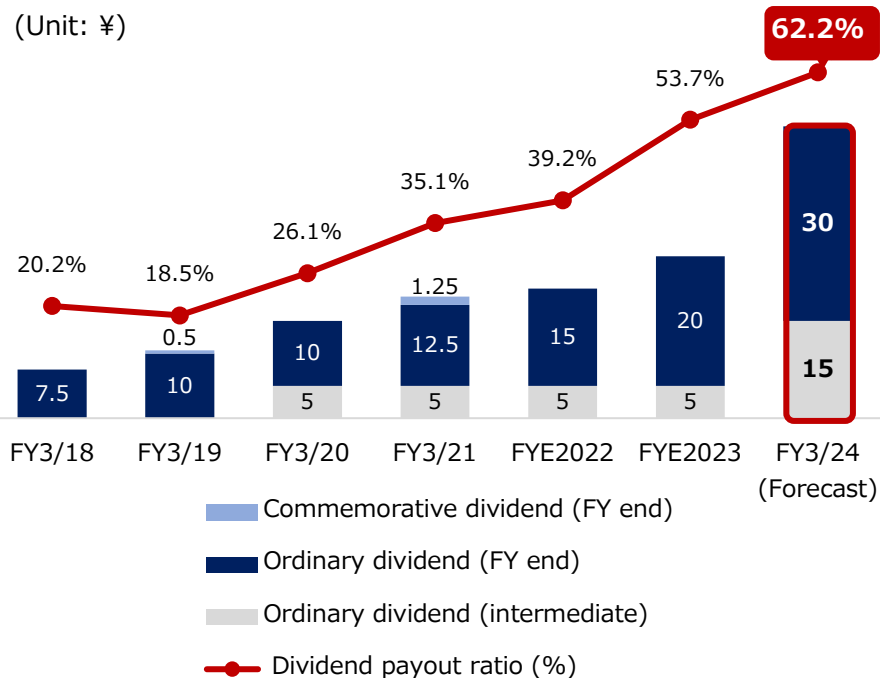
- ✓ We are making progress that exceeds the initial announcement of our results for the first half of the fiscal year, and are making progress in strengthening our sales and recruiting systems. As a result of comprehensive consideration, including expectations for growth in our results in the next fiscal year and beyond, as well as investment plans and preparations for future business growth, and in order to appropriately return profits to our shareholders, we have decided to increase the year-end dividend by 5 yen per share to 30 yen.

	Interim	FY End	Total
FYE2023 (results)	¥5.0	¥20.0	¥25.0
FYE2024 (Previous Forecast) *Announced May 15, 2023	¥15.0	¥25.0	¥40.0
FYE2024 (Revised Forecast)	¥15.0	¥30.0	¥45.0

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

Dividend & dividend payout ratio

(Number of issued shares: 20 mln shares)



Disclaimer and Forward-Looking Statements

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

Contact

COPRO Holdings Co, Ltd.
Corporate Planning Office,
IR Section

Message us via IR website

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

