

November 18, 2021  
COPRO-HOLDINGS. Co., Ltd.

## **Earnings Announcement Q&A** **for 1st Half of the Fiscal Year Ending March 31, 2022**

COPRO-HOLDINGS. Co., Ltd. (hereafter, “the Company”) held an earnings announcement presentation on November 15, 2021 at which the analysts and institutional investors were in attendance. The principal questions received and answers given during the session have been presented below. Certain details have been added or amended to further understanding of the COPRO Group’s performance and activities.

Q: In April 2021, the Company acquired ATMOS CO., LTD., a company that dispatches machinery design and development engineers, and in September, the Company acquired VALUE ARK CONSULTING CO., LTD., a company in the System Engineering Service (SES) business. Please once again tell us about the direction of its M&A strategy.

A: We aim for a long-term performance target of 100 billion JPY for net sales in the fiscal year ending March 2030. Construction and plant engineer dispatching is a business with very strong growth, but it is difficult to achieve it in a single business. For this reason, the Company considers M&A to be a major option for corporate growth, and its policy is to incorporate the growth potential of other fields through M&A. The main targets of M&A are other competitors in the dispatch of construction and plant engineer industry, dispatch of machinery design and development engineer industry, and the SES industry. However, even when considering other areas, we do not intend to dismiss the axis of human resource services specializing in high-value-added engineers.

Q: What kind of group synergy do you expect?

A: The Company hopes to build a business portfolio specializing in high-value-added engineers and build an "engineer support platform." Even though many engineers joined us, many of them leave every year because the contents and conditions of the work do not match. I think that it is good to be willing to fly out of the GOPRO Group for the next possibility, but retirement in this way has to be done. To this end, we need to propose alternative options to engineers, and we need a system to support career advancement and job changes within the group. As a part of forming a platform, the Company acquired 2 companies, ATMOS, a dispatch of machinery design and development engineers, and VALUE ARK CONSULTING, SES, to join the group. In addition, the Company established a local subsidiary in Vietnam as a global business in April 2021, and is currently working to build a scheme to dispatch advanced overseas personnel to Japanese companies, which are facing a worsening labor shortage. Initially, the Company was considering general contractors as a client company, but I believe that it can also be expected to expand to machine design and development and IT engineers.

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