

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!

Image character : Comedian "Miyashita Kusanagi"
Group Mascot : Coprou.

Fiscal Year Ending March 31, 2023
Financial Results for Nine Month
February 13, 2023

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

**copro**

My name is Kiyokawa, and I am the president and CEO of COPRO-HOLDINGS. Co., Ltd. Now, I would like to explain our financial results for the third quarter of FYE2023 as announced on February 13, 2023.

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Today, I will explain the summary of the consolidated financial results for nine months, major initiatives in construction technician dispatching business, and alliance initiative in this order.

SECTION 01

Summary of the
Consolidated
Financial Results for
Nine Months

Consolidated Financial Highlights for Nine Months of FYE2023

- Net sales increased significantly, mainly in the core business of construction technician dispatching, as the number of retirements was suppressed, and the number of hires went generally in line with the forecast. On the other hand, operating profit and other earnings declined due to upfront investment in recruiting expenses.
- The progress rate for full-year forecast of sales and profit at each stage remained almost on the same level as the previous fiscal year, and the company made steady progress in terms of the forecast.

(million of yen)

	FYE2022		FYE2023		YoY Change		FYE2023	Forecast Progress Rate
	9 months Results	Versus Full Year Results	9 months Results	Ratio	Percentage Change	Amount Change	Full Year Forecast	
Net sales	11,440	73.4%	13,584	100.0%	+18.7%	+2,144	18,380	73.9%
Cost of sales	7,909	73.6%	9,530	70.2%	+20.5%	+1,620	12,779	74.6%
Gross profit	3,530	72.9%	4,054	29.8%	+14.8%	+524	5,601	72.4%
SG&A expenses	2,408	74.7%	3,191	23.5%	+32.5%	+782	4,397	72.6%
Operating profit	1,121	69.2%	862	6.4%	-23.1%	-258	1,204	71.6%
Non-GAAP operating profit*	1,283	69.7%	1,076	7.9%	-16.2%	-207	1,521	70.7%
Ordinary profit	1,119	69.1%	866	6.4%	-22.6%	-252	1,206	71.8%
Profit attributable to owners of parent	619	64.4%	521	3.8%	-15.9%	-98	727	71.7%
Number of consolidated technical employees (quarter end)*	2,203	-	2,824	-	+28.2%	+621	3,024	93.4%

*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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Consolidated Financial Highlights for Nine Months of FYE2023:

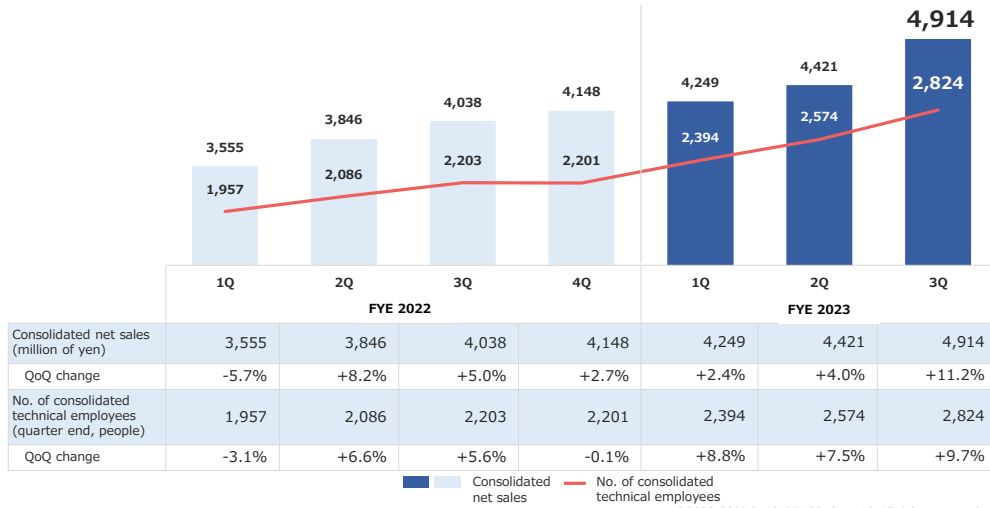
This is the summary of the consolidated financial results for nine months. First, regarding the highlights, net sales increased significantly, mainly in the core business of construction technician dispatching, as the number of retirements was suppressed, and the number of hires went generally in line with the forecast. On the other hand, operating profit and other earnings declined due to upfront investment in recruiting expenses.

The progress rate for full-year forecast of sales and profit at each stage remained almost on the same level as the previous fiscal year, and the company made steady progress in terms of the forecast.

In the results for the nine months ended December 31, 2022, sales were ¥13.584 billion, an increase of 18.7% YoY, operating profit was ¥862 million, a decrease of 23.1% YoY, and non-GAAP operating profit was a decrease of ¥1.076 billion, a decrease of 16.2% YoY.

Quarterly Consolidated Financial Results

- Both sales and the number of technicians in the third quarter increased from the previous quarter. Both numbers reached a record high on a quarterly basis.



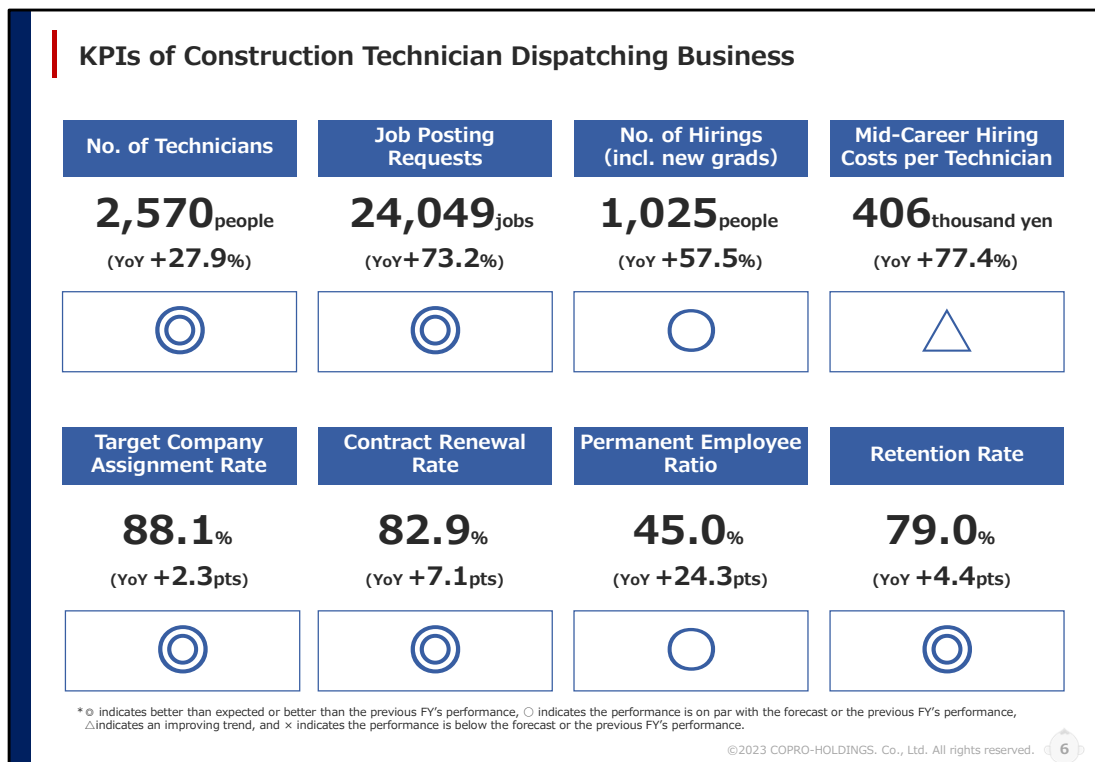
Quarterly Consolidated Financial Results:

Next, the quarterly consolidated financial results. Both sales and the number of technicians in the third quarter increased from the previous quarter. Both numbers reached a record high on a quarterly basis.

Sales and the number of technicians for the third quarter were respectively ¥4.914 billion, an increase of 11.2% QoQ and 2,824 people, an increase of 9.7% QoQ.

SECTION 02

Major Initiatives in
Construction
Technician Dispatching
Business



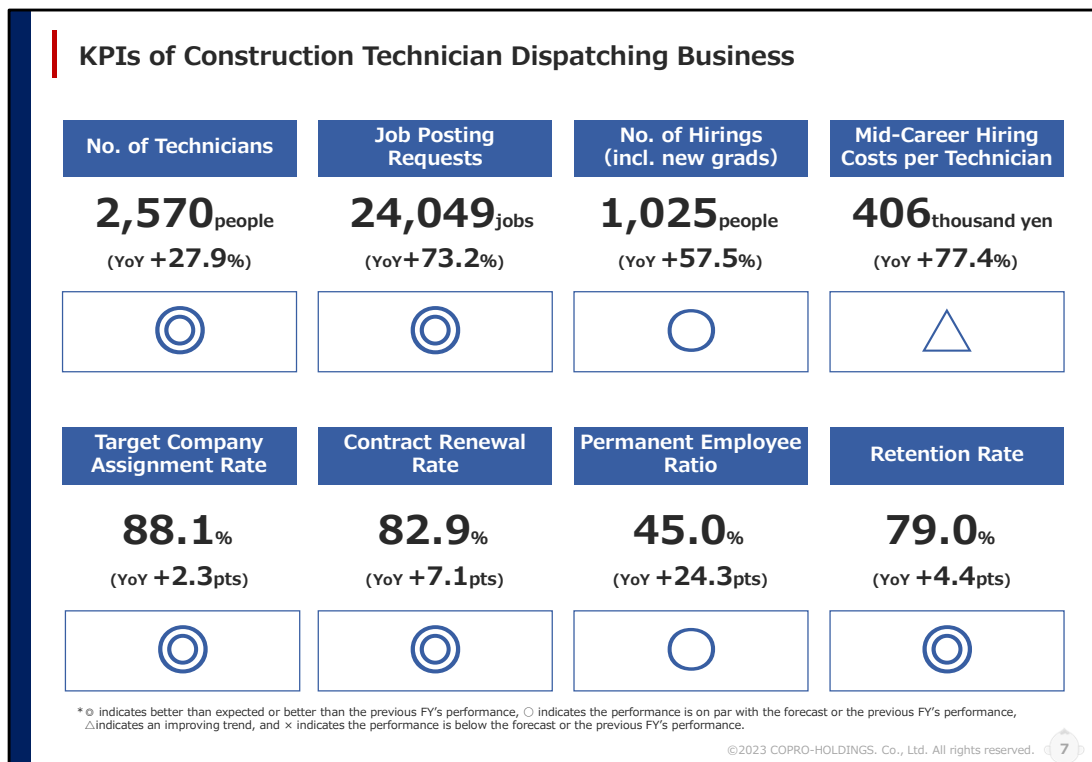
KPIs of Construction Technician Dispatching Business(1):

Next is about the important KPI status described for our main initiatives in construction technician dispatching business. For our internal evaluation, “◎” indicates better-than-expected results, or results that were better than the previous financial performance; “○” indicates that the performance was on par with the forecast or the previous fiscal year performance; “△” indicates a trend of improvement; and “×” indicates that the performance fell below the forecast or the previous financial year’s performance.

The number of technicians was 2,570 people, an increase of 27.9% YoY, on which we have given a double circle in terms of internal evaluation.

There were 24,049 sales projects, an increase of 73.2% YoY, evidencing a remarkable contribution in an increase of the number of technicians and the top-line. We have given a double circle mark for our internal evaluation results.

The number of hirings (incl. new graduates in April) saw an increase of 1,025 persons or 57.5% YoY, for which we have given a single circle. Currently, we are further reviewing our recruitment processes and moving along with related reforms while verifying the yield rate, etc. The number of hirings has remarkably grown, however, further improvement and upgrading will be of essence.

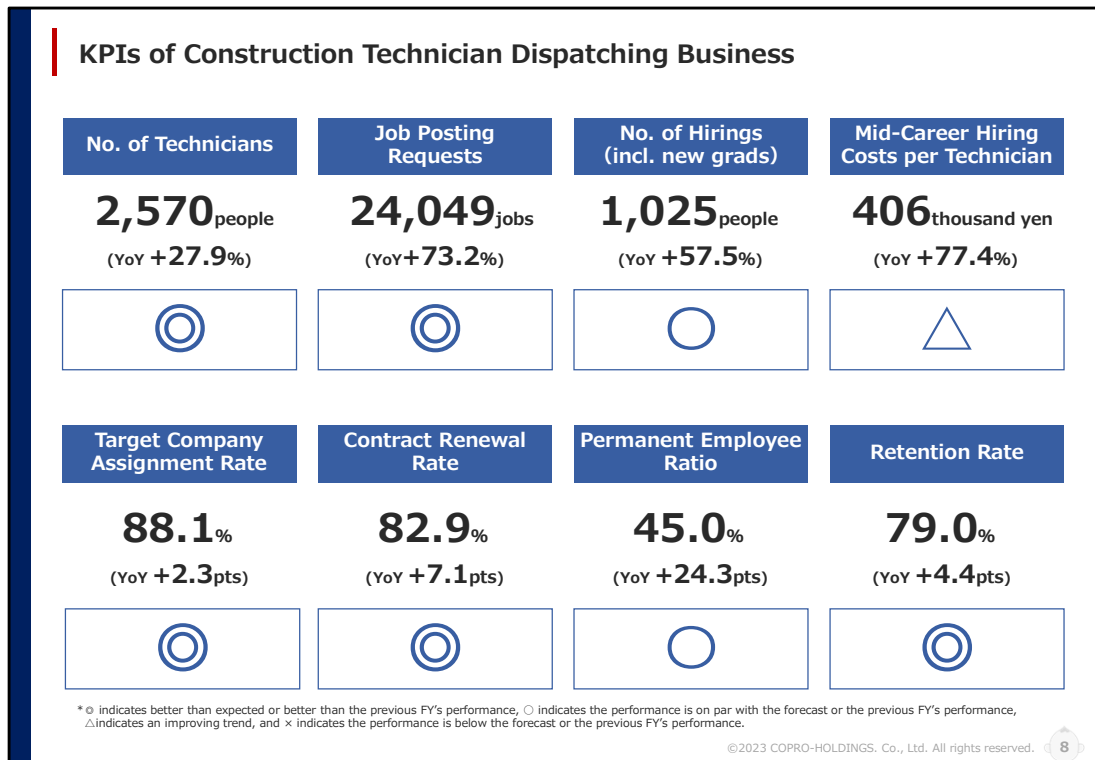


KPIs of Construction Technician Dispatching Business(2):

The mid-career hiring costs per technician (i.e., recruiting cost per person) was ¥406 thousand, an increase of 77.4% YoY. In our industry, recruitment has intensified and thus, we have proactively invested heavily in recruiting costs for the current fiscal year. We are strengthening our corporate efforts by reviewing and improving current recruitment processes, such as the possibility of shortening the lead time from applications to interviews. We have set our company goal at ¥300-thousand level, which is the mid-career hiring costs per technician, and ideally, we would like to reach the ¥200-thousand level goal. Therefore, we gave a triangle mark for the internal evaluation.

The target company assignment rate was 88.1%, an improvement of 2.3 points YoY. Moving along with sales to target companies, we are making efforts to incline assignments in major corporations or semi-major corporations set internally as targets. These efforts have been remarkably effective. We have given a double circle mark for our internal evaluation results.

The contract renewal rate was 82.9%, an improvement of 7.1 point YoY. While building solid relationships of trust with our contract clients and receiving feedback from them, we have managed extending contracts. In our internal evaluation, we have given this figure a double circle mark as the situation is moving along well.



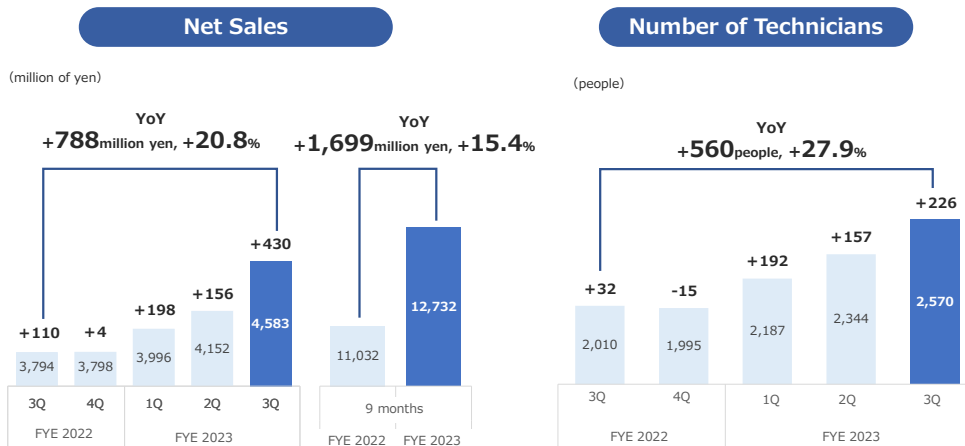
KPIs of Construction Technician Dispatching Business(3):

The permanent employment ratio was 45.0%, a significant improvement of 24.3 points YoY. We will increase the permanent employment ratio so that dispatched technical employees will be able to work for long periods of time stably and securely without undue worries, which will also lead to improvement of the retention rate. In terms of this matter, further measures will be necessary. Therefore, we gave it the related figure a single circle in our internal evaluation.

The retention rate was 79.0%, an improvement of 4.4 points YoY. This is an indicator representing that technical employees are working over a long term and are not resigning. In response to their evaluation, we will further work to increase this indicator so that they feel like working for COPRO for a long time even more. All of our diverse measures for it have been successful, and we are steadily achieving significant results. Therefore, we gave the related figures a double circle in our internal evaluation.

Net Sales and Number of Technicians

- The number of job posting requests acquired from client companies increased significantly by +73.2% YoY as a result of raising the level of sales activities.
- The number of hires also grew due to the active investment of recruitment expenses. Sales increased steadily in line with the growth of the number of technicians owing to the interplay between sales and recruiting.



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Net Sales and Number of Technicians:

Here are details about sales and the number of technicians. We boost our sales activities by enhancing the management of sales processes. These persistent activities achieved a significant increase in the number of sales projects involving our clients of 73.2% YoY. Moreover, the number of hires also significantly grew due to the active investment of recruitment expenses. Sales increased steadily in line with the growth of the number of technicians owing to the interplay between sales and recruiting.

Please take a look at the graph for net sales on the left-hand side of the slide. Net sales of the third quarter of FYE2023 shown in dark blue were ¥4.583 billion, an increase of 20.8% or ¥788 million YoY.

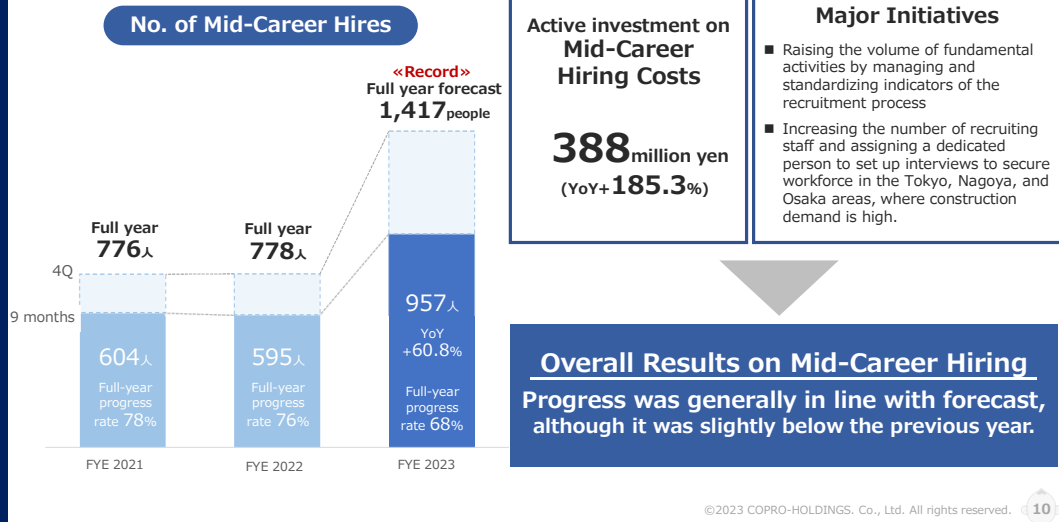
The cumulative total up to the third quarter of FYE2023 was ¥12.732 billion YoY. The cumulative total of FYE2022 was ¥11.032 billion, an increase of ¥1.699 billion or 15.4% YoY.

The right-hand side of the slide shows the number of technicians. During the third quarter of FYE2023, the number of technical employees was 2,570, a notable increase of 560 persons or 27.9% YoY.

Expanding Mid-Career Recruitment

- We prioritized top-line growth by securing workforce in the current fiscal year and actively invested in mid-career hiring costs as an up-front investment.

As a result, the number of mid-career hires increased significantly by +60.8% YoY. For the full year, we are aiming for a record high of 1,417 hires.



Expanding Mid-Career Recruitment:

We prioritized top-line growth by securing workforce in the current fiscal year and actively invested in mid-career hiring costs as an up-front investment. As a result, the number of mid-career hires over the last nine months significantly increased by 60.8% YoY as the far right bar graph on the left-hand side of the slide shows. For the full year, we are aiming for a record high of 1,417 hires without fail.

Regarding recruiting costs for them, we put heavy upfront investments of ¥388 million a year, an increase of 185.3% YoY.

As described in the “Major Initiatives,” we are not satisfied with merely spending costs on such recruitment. At the same time, we are significantly reviewing our recruitment processes. We are raising the basic activity level through benchmark management and standardization of the recruitment processes. We have appointed staff in charge of setting up interviews in order to secure human resources in Tokyo, Nagoya, and Osaka, where construction demand is high.

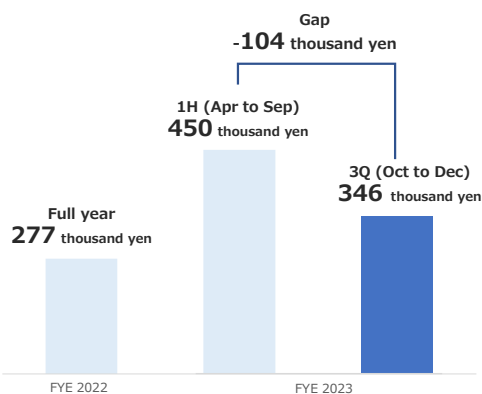
As a result, in relation to the overall results on mid-career hiring, progress was generally in line with forecast, while going slightly below the previous year.

Reducing Mid-Career Hiring Costs per Technician

- To reduce the unit cost of mid-career hires, which deteriorated in the first half of this FY, we reinforced the process management and the system of recruiting activities.

As a result, the unit cost improved to near the appropriate level due to an improvement in the applicant-to-hire ratio.

Mid-Career Hiring Costs per Technician



Major Initiatives

- Shorting lead time from application to interview
- Shifting to have "interviews with the premise of passing" from "interviews with the premise of dropping" by appointing hiring managers with a background in sales and marketing who have a good understanding of customer needs and by involving decision makers in the interview process.

Overall Results on Hiring Costs

Improved-applicant-to-hire ratio has brought the unit cost of recruitment back on track to a generally appropriate level.

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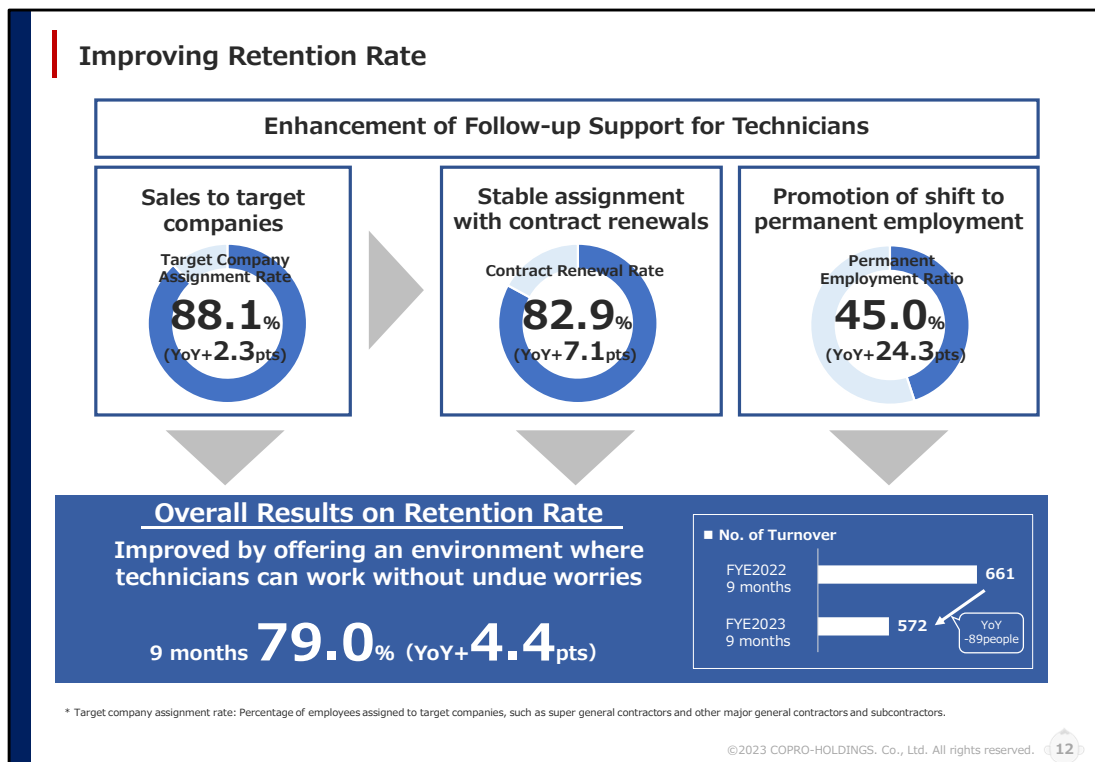
Reducing Mid-Career Hiring Costs per Technician:

To reduce the unit cost of mid-career hires, which deteriorated in the first half of this fiscal year, we reinforced the process management and the system of recruiting activities. As a result, the unit cost improved to near the appropriate level due to an improvement in the applicant-to-hire ratio.

Please see the graph for the mid-career hiring costs per technician on the left-hand side of the slide. The bar graph on the far right shows the results for this third quarter. The central bar graph shows results during the first half (April through September). Unlike the mid-career hiring costs during the first half at ¥450 thousand, the third quarter reduced to ¥346 thousand, decreasing ¥104 thousand. This means that we have hired relevant professionals at an appropriate price concerning expended costs.

However, as we hired technical employees at the cost of ¥277 thousand in FYE2022 we should reduce the current ¥300-thousand level to the ¥200-thousand level goal by reviewing the recruitment process, concerning overall recruitment costs.

We have been able to obtain concrete results from our efforts. In this way, we would like to further pursue these efforts and hire more technical employees.

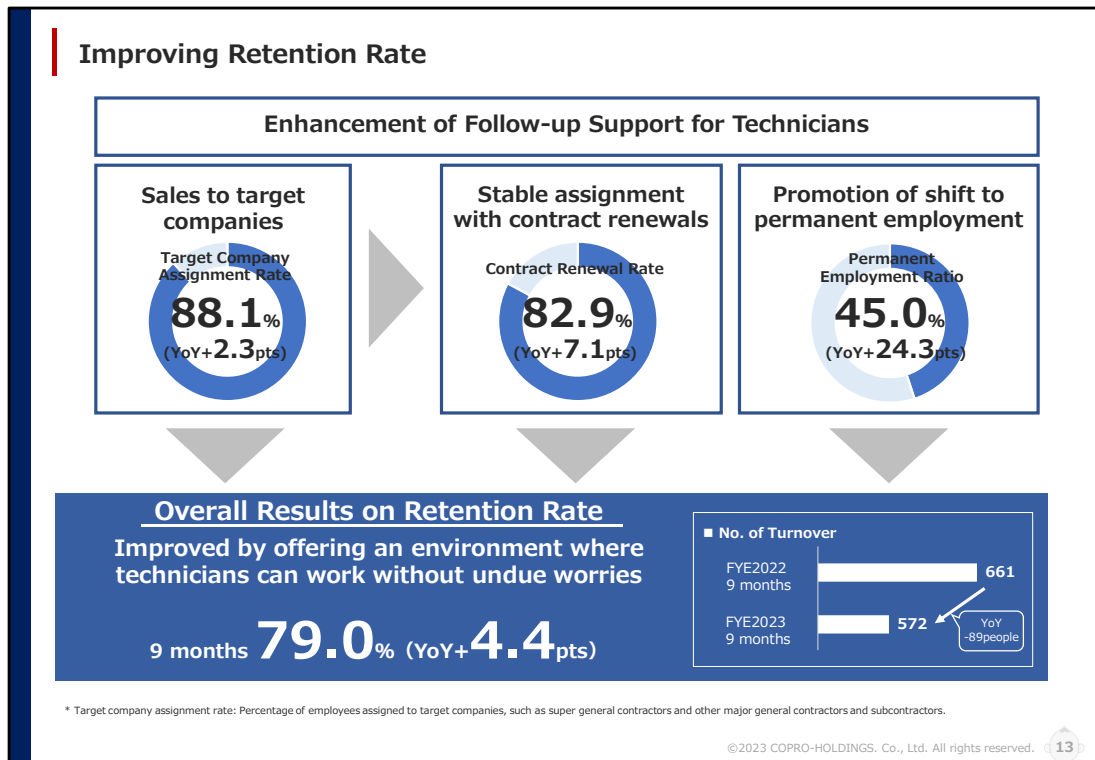


Improving Retention Rate(1):

Now, I will explain the improvement of the retention rate. We focus greatly on the retention rate among our KPIs. We consider the retention rate as technical employees' evaluations to our company.

There are three matters necessary for improving the retention rate. The first involves "conducting further sales to targeted companies." Technical employees are able to work safely and securely by being assigned in major companies. As explained earlier, the target company assignment rate has grown to 88.1%. In light of this, we would like to further continue enhancing this matter.

The second involves "making stable assignment with contract renewals." Instead of changing working locations and companies in succession with the end of contracts, personnel can continuously work for the same corporations and at the same work sites. This leads to higher a retention rate that enables technical employees to work comfortably. The contract renewal rate was 82.9%, an improvement of 7.1 points YoY. The increasing contract renewal rate will lead to improvement of productivity for sales representatives as well. Thus, we will continue increasing the contract renewal rate by conducting follow-up activities for technical employees and obtain opinions from relevant companies.



Improving Retention Rate(2):

The third involves “promoting shifts to the permanent employment.” We do not believe that any technical employees should change their employment statuses from fixed-term employment to permanent employment. However, we believe that shifts from fixed-term employments to permanent employments by setting the company’s standards can be a message that the company properly evaluates the technicians. As progress of the shifts has not been good enough, we will further work on it.

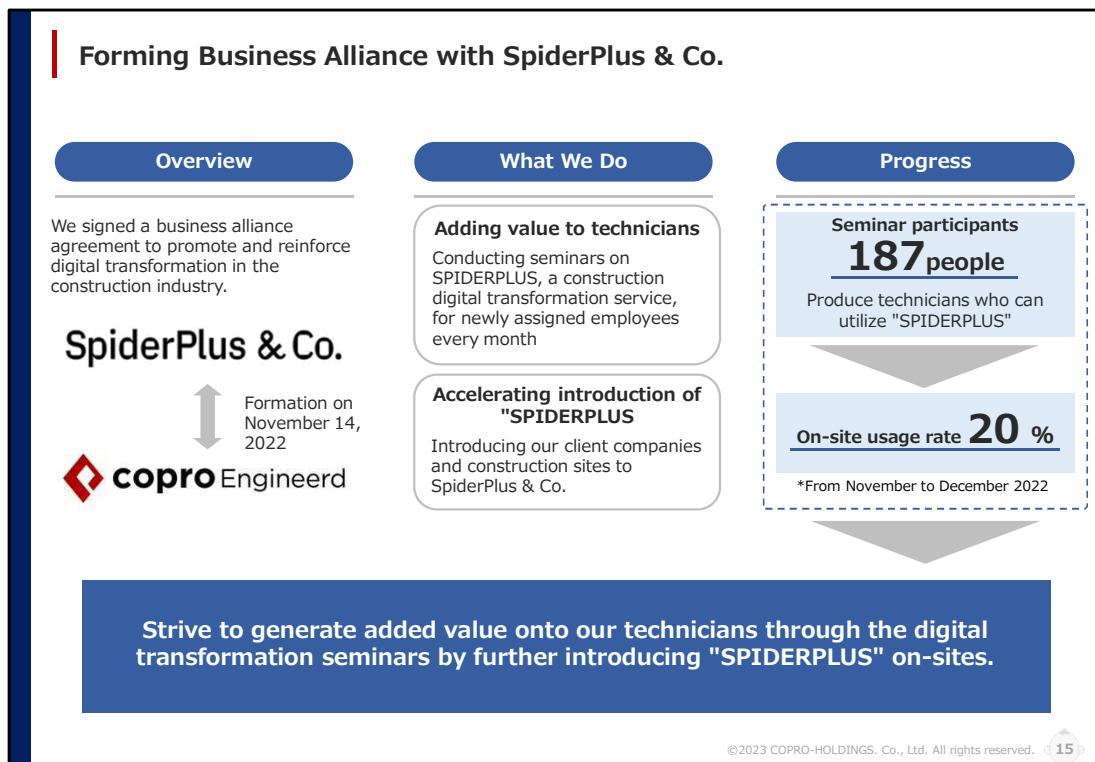
As far as progress evaluation for the retention rate is concerned, it was improved through arrangement of environments in which technical employees can stably work for long periods of time. Such rate was 79.0% in this third quarter, an improvement of 4.4 points YoY

For reference, we include the number of people resigning in the slide. Please look at the bar graph.

SECTION 03

**Alliance
Initiatives**

03

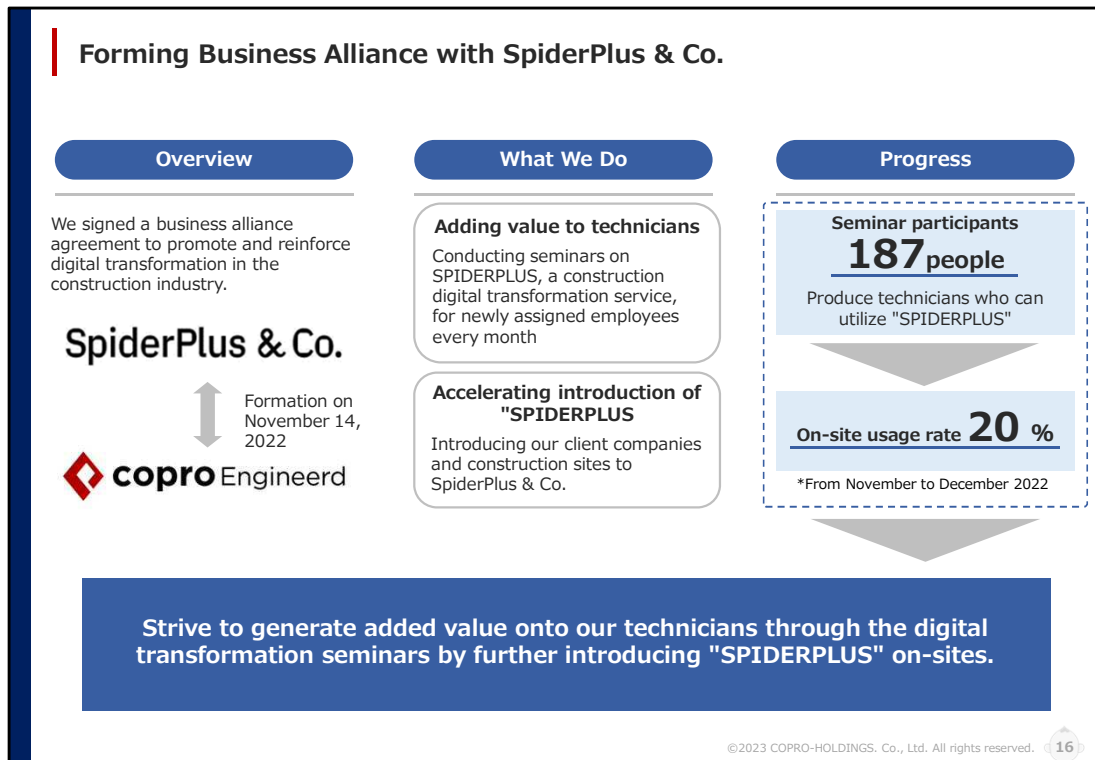


Forming a Business Alliance with SpiderPlus & Co.(1):

I would like to talk about progresses with initiatives for each alliance. The first initiative is a business alliance with SpiderPlus & Co., which is listed on the Tokyo Stock Exchange Growth Market. On November 14, 2022, we signed a business alliance agreement to promote and reinforce digital transformation in the construction industry.

For the purpose of further enhancement of productivity at construction sites, we are moving along with relevant initiatives as needed. That is, we provide our technical employees with a training for SPIDERPLUS provided by SpiderPlus& Co. which involves the construction digital transformation software. After educating such employees, we dispatch them to relevant sites.

Progress is shown on the far right side of the slide. This is a report from about two months after the alliance formation in November 2022. The number of personnel who had undergone the SPIDERPLUS seminar was 187 people.



Forming a Business Alliance with SpiderPlus & Co.(2):

However, the on-site usage rate was 20%. This means that even after we dispatched personnel who had undertaken the SPIDERPLUS seminar, only 20% of 187 persons actually used SPIDERPLUS.

We consider the figure of 20% of the on-site usage rate to be quite low in terms of internal evaluation. As countermeasures against this problem, we will reinforce sales activity focusing on the companies who has been already using SPIDERPLUS.

Despite the number of personnel that took the seminar was 187 people as expected, discovering ways to increase 20% of the on-site usage rate to 40%, 50%, or even up to 70% is a next challenge.

SpiderPlus & Co. is a wonderful company that handles construction digital transformation. This business alliance makes it possible to provide our customers with great services by dispatching value-added technical employees.

Forming Business Alliance with Blue innovation Co, Ltd. ①

- We signed a business alliance on February 13, 2023
- We will improve productivity at construction sites by accelerating digital transformation application



Supporting construction sites through dispatching technicians



On-site reforming and solving problems, using drones and robots

■ Overview of the Business Alliance

- Joint promotion activities for “Blue Earth Platform®” (BEP), the base platform provided by Blue innovation, to the clients of the COPRO Group.
- Hold training for technicians of the COPRO Group to become a specialist in the use of drones and robots, specializing in construction and plant engineering.

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Forming a Business Alliance with Blue innovation Co, Ltd.(1):

The second initiative is a business alliance as of February 13, 2023 with Blue innovation Co, Ltd. We will improve productivity at construction sites by accelerating digital transformation application with Blue innovation Co, Ltd.

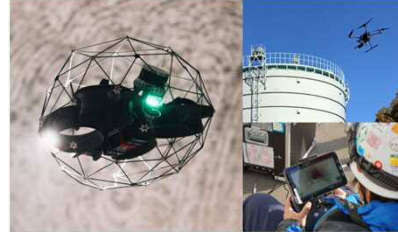
Blue innovation is a company which aims reform, productivity improvement, problem solving in construction sites with the use of drones and robots. Through the combination with highly qualified personnel of COPRO-ENGINEERD and use of drones and robots of Blue innovation, we will add extra value to relevant services.

Information on our business alliances is shown at the bottom of the slide. We will share the impact of this business alliance with Blue innovation on our company and related initiatives in each future financial results.

Forming Business Alliance with Blue innovation Co, Ltd. ②

Company Profile

Company	Blue innovation Co, Ltd.
Headquarters	4F, Ichigo Hongo Building, 5-33-10 Hongo, Bunkyo-ku, Tokyo
President and CEO	Takayuki Kumada
Business	<p>We are developing and providing the following solutions with Blue innovation's proprietary device integration platform Blue Earth Platform at their center. Our platform enables digital transformation and automation of various tasks by remote (BVLOS) automatic control and cooperation of multiple drones, robots and various devices.</p> <ul style="list-style-type: none">• Digital Transformation of Plants, Factories and Water Infrastructure Solutions• Communication or Field Infrastructure Maintenance Solutions• Digital Transformation of Distribution and Logistics Solutions• Smart Office Solutions• Human Resource Development and Training Solutions



(From left) Mr. Takayuki Kumada, President of Blue innovation Co., Ltd., and Kosuke Kiyokawa, President and Representative Director of the Company

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Forming a Business Alliance with Blue innovation Co, Ltd.(2):

This is the company profile of Blue innovation. By expanding the use of their robots throughout the construction industry, the industry will drastically change in near future.

By forming business alliances with companies that have superior technologies, such as SpiderPlus and Blue innovation, we will make efforts to add extra value to our personnel and offer excellent services to our customers.

Forming Agreement with Nagoya Future Technical College

- On February 10, 2023, we signed an agreement with Nagoya Future Technical College, which operates four departments: Mechanical and Automotive Engineering, Architectural Design, Biomolecular Engineering, and IT, regarding collaboration in fostering "human resources" for regional revitalization.
- We will contribute to the facilitation of local construction activities, and the development and revitalization of the local community, mainly by fostering next-generation-professional human resources in the construction industry through cooperative and collaborative educational activities.



(From left) Mr. Hirofumi Morizono, President of Nagoya Future Technical College, and Kosuke Kiyokawa, President and Representative Director of the Company



Outline of the Agreement

- ❑ Financial support for students, including the "COPRO Group Scholarship Program"
- ❑ On-site education program for students
- ❑ Training programs for students
- ❑ Exchange of information on professional education and working environment

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Forming Agreement with Nagoya Future Technical College:

The third initiative was to sign an agreement with Nagoya Future Technical College. Our head office is located in Nagoya, Aichi. In our home area, there is Nagoya Future Technical College, which generates personnel familiar with fields of Mechanical and Automotive Engineering, Architectural Design, Biomolecular Engineering, and IT. We signed up an agreement for fostering "human resources" for regional revitalization as of February 10, 2023.

We will contribute to the facilitation of local construction activities, and the development and revitalization of the local community, mainly by fostering next-general-professional human resources in the construction industry through cooperative and collaborative educational activities.

In relation to the outline of the agreement, we offer financial support for students, including the "COPRO Group Scholarship Program." Moreover, during the education of its students, Nagoya Future Technical College will provide such students with on-site education programs, training programs, and opportunities for the exchange of information on professional education and working environment. Tsuzuki Educational Group operates Nagoya Future Technical College.

SECTION 04

Appendix

04

Financial Forecast for FYE2023

- In the current fiscal year, priorities were placed on sales growth so that upfront investments were made namely on recruiting costs.
- Net sales are expected to increase significantly due to the rise in the number of technicians. Operating profit and other profit are expected to decrease due to upfront investments in recruiting costs, etc.

(million of yen)

	FYE2022	FYE2023			
	Full Year	Full Year Forecast (Revised on Nov. 14)	Ratio	YoY	
				Percentage Change	Amount Change
Net sales	15,589	18,380	100.0%	+17.9%	+2,791
Cost of sales	10,744	12,779	69.5%	+18.9%	+2,034
Gross profit	4,844	5,601	30.5%	+15.6%	+756
SG&A expenses	3,223	4,397	23.9%	+36.4%	+1,173
Operating profit	1,621	1,204	6.6%	-25.7%	-417
Non-GAAP operating profit*	1,841	1,521	8.3%	-17.4%	-320
Ordinary profit	1,619	1,206	6.6%	-25.5%	-412
Profit attributable to owners of parent	962	727	4.0%	-24.5%	-235
					(yen)
Earnings per share	102.12	78.29	-	-	-23.83
Dividends per share	40.0	40.0	-	-	-
					(people)
Number of consolidated technical employees (quarter end)*	2,201	3,024	-	+37.4%	+823

*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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Financial Forecast for FYE2023:

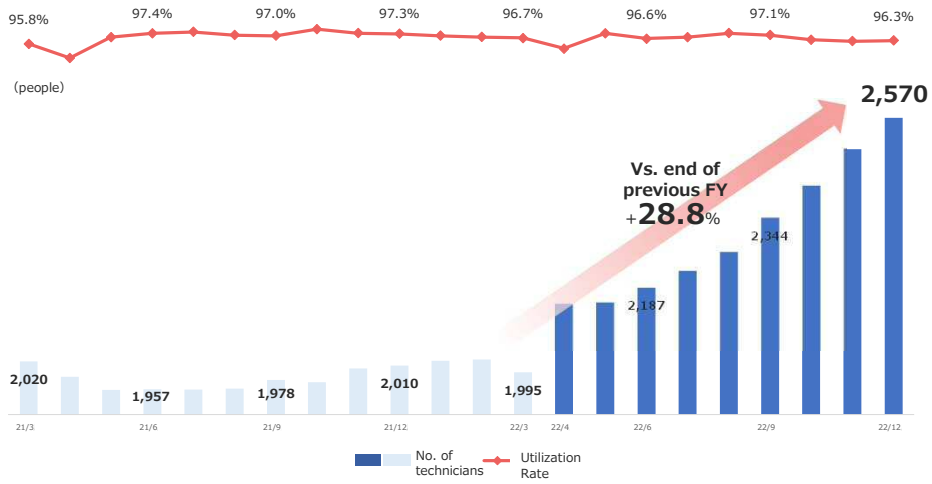
There have not been any revisions to the full-year forecast of FYE2023.

The Appendix includes information on construction technician dispatching: number of technicians and utilization rate, the status of mechanical design and development technicians of a consolidated subsidiary, and SES business of IT field of a consolidated subsidiary. However, I would like to omit related explanations and let you check the papers.

This concludes the briefing about the financial results of COPRO-HOLDINGS for the third quarter of FYE2023. All of our employees are striving to push on toward achieving the performance plan for the full year. Your continued support would be deeply appreciated.

Construction Technician Dispatching: Number of Technicians and Utilization Rate

- The number of technicians at the end of the 3Q was 2,570 (+28.8% vs. end of previous FY, +27.9% YoY).
- In addition to the increasing number of hires and the decreasing number of retirements, we took over Hucoss Co., Ltd., and absorbed 122 technicians on April 1, 2022.
- The utilization rate for 9 months average was 96.6% (-0.3pts YoY). It remained at a high level although slightly below the previous FY's result due to the impact of paid leave due to the infection of COVID-19.



Construction Technician Dispatching: Recruitment, Turnover and Retention Rate

- The number of hires for the 9 months was 1,025 (+374, +57.5% YoY).
- In addition to a significant increase in the number of applicants due to an active recruitment investment, we put our efforts to shorten the lead time from application to interview so that the number of interviews increases. The number of new hires in 3Q reached a record high on a quarterly basis.
- The 3Q retention rate (FY accumulative total) was 79.0%, an improvement of 4.4pts YoY. LTM retention rate for the latest 1-year period was 72.7%, an improvement of 0.4pts QoQ.

Recruitment and Turnover

(people)

	FYE2022						FYE2023				
	1Q	2Q	3Q	9months	4Q	Full Year	1Q	2Q	3Q	9months	Full Year Forecast
Hires total	230	208	213	651	183	834	293	315	417	1,025	1,501
New graduates and second new graduates	56	0	0	56	0	56	54	2	12	68	84
Mid-career	174	208	213	595	183	778	239	313	405	957	1,417
Turnover total	293	187	181	661	198	859	223	158	191	572	885
Permanent employees	24	25	21	70	24	94	40	49	58	147	-
Fixed-term employees	269	162	160	591	174	765	183	109	133	425	-
Net change	-63	+21	+32	-10	-15	-25	+70	+157	+226	+453	+616
Increase due to M&A, etc.	0	0	0	0	0	0	+122	0	0	+122	+122
Number of technicians (quarter end)	1,957	1,978	2,010	2,010	1,995	1,995	2,187	2,344	2,570	2,570	2,733

Retention Rate

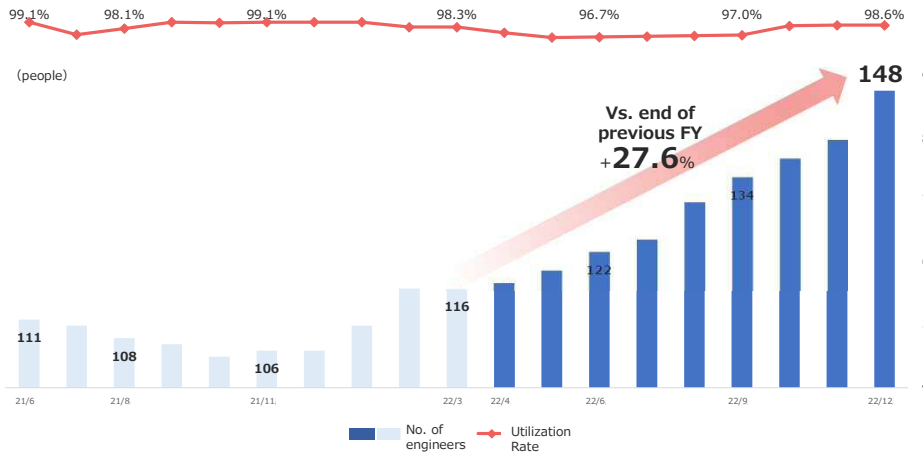
	FYE2022				FYE2023		
	1Q	2Q	3Q	4Q	1Q	2Q	3Q
Retention rate (FY accumulative total)	84.8%	79.3%	74.6%	69.4%	89.7%	84.2%	79.0%
Retention rate (LTM)	68.0%	69.5%	69.2%	69.4%	71.8%	72.3%	72.7%

*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.

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

- The number of hires expanded in accordance with the enhancement of the company's internal structure since the previous fiscal year. As a result, the number of engineers increased steadily.
- The utilization rate for 9 months period remained at 97.5%. The utilization rate declined slightly from the previous fiscal year due to the impact of the in-house training period associated with the reinforcement of the hiring of inexperienced workers.



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

- In addition to inexperienced personnel, recruitment of experienced ones especially, professionals with manufacturing background continued working well.
- The retention rate has remained stable and high.

Recruitment and Turnover

(people)

	FYE2022				FYE2023				
	2Q (June-Aug)	3Q (Sep-Nov)	4Q (Dec-Mar)	Full Year	1Q (Apr-June)	2Q (July-Sep)	3Q (Oct-Dec)	9months	Full-year Forecast
Hires total	2	3	15	20	14	23	25	62	85
New graduated	0	0	0	0	1	0	0	1	1
Mid-career	2	3	15	20	13	23	25	61	84
Turnover total	5	5	5	15	8	11	11	30	23
Permanent employees	5 ^{**}	4	3	12	7	7	5	19	-
Fixed-term employees	0	1	2	3	1	4	6	11	-
Net change	-3	-2	+10	+5	+6	+12	+14	+32	+62
Number of engineers (quarter end)	108	106	116	116	122	134	148	148	178

*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)
Retention rate (FY accumulative total)	95.4%	91.7%	88.9%	93.1%	89.7%	85.3%
Retention rate (LTM)	92.7%	90.8%	88.9%	84.7%	85.2%	84.9%

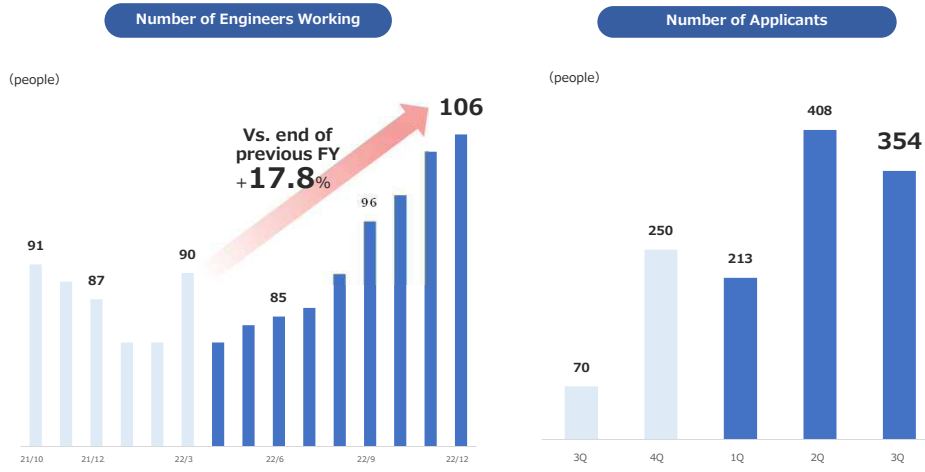
*Retention rate (FY accumulative total): Among the technicians who were registered at the end of the previous fourth quarter, the percentage who were still registered at the end of the relevant quarter.

*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.

SES: Number of Engineers Working and Number of Applicants

• The number of applications rose. Steady increased in the number of engineers working due to the sequential reinforcement of the sales structure.



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