

Translation

Notice: This document is an excerpt translation of the original Japanese document and is only for reference purposes. In the event of any discrepancy between this translated document and the original Japanese document, the latter shall prevail.

Summary of Consolidated Financial Results for the Year Ended March 31, 2023 (Based on Japanese GAAP)

May 15, 2023

Company name: COPRO-HOLDINGS. Co., Ltd.
 Stock exchange listing: Tokyo, Nagoya
 Stock code: 7059 URL <https://www.copro-h.co.jp/>
 Representative: Chief Executive Officer Kosuke Kiyokawa
 Inquiries: Managing Director Masahiko Saito TEL +81-52-589-3066
 Scheduled date of ordinary general meeting of shareholders: June 21, 2023
 Scheduled date to file Securities Report: June 22, 2023
 Scheduled date to commence dividend payments: June 22, 2023
 Preparation of supplementary material on financial results: Yes
 Holding of financial results meeting: Yes

(Amounts less than one million yen are rounded down)

1. Consolidated financial results for the year ended March 31, 2023 (from April 1, 2022 to March 31, 2023)

(1) Consolidated operating results

Percentages indicate year-on-year changes

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Year ended March 31, 2023	18,791	20.5	1,321	(18.5)	1,324	(18.2)	864	(10.2)
Year ended March 31, 2022	15,589	5.1	1,621	12.8	1,619	12.5	962	(4.6)

	Earnings per share	Diluted earnings per share	Profit attributable to owners of parent/equity	Ordinary profit/total assets	Operating profit/net sales
	Yen	Yen	%	%	%
Year ended March 31, 2023	93.09	92.09	12.7	14.1	7.0
Year ended March 31, 2022	102.12	100.84	15.0	18.7	10.4

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio	Net assets per share
	Millions of yen	Millions of yen	%	Yen
As of March 31, 2023	9,995	7,112	70.4	757.66
As of March 31, 2022	8,841	6,575	74.0	704.25

(3) Consolidated cash flows

	Cash flows from operating activities	Cash flows from investing activities	Cash flows from financing activities	Cash and cash equivalents at end of period
	Millions of yen	Millions of yen	Millions of yen	Millions of yen
Year ended March 31, 2023	1,011	(291)	(372)	4,369
Year ended March 31, 2022	824	(1,264)	(825)	4,021

2. Cash dividends

	Annual dividends per share					Total cash dividends (Total)	Dividend payout ratio (Consolidated)	Ratio of dividends to net assets (Consolidated)
	1st quarter-end	2nd quarter-end	3rd quarter-end	Fiscal year-end	Total			
	Yen	Yen	Yen	Yen	Yen	Millions of yen	%	%
Year ended March 31, 2022	–	10.00	–	30.00	40.00	373	39.2	5.9
Year ended March 31, 2023	–	10.00	–	40.00	50.00	464	53.7	6.8
Year ending March 31, 2024 (Forecast)	–	30.00	–	50.00	80.00		63.7	

3. Forecast of consolidated financial results for the year ending March 31, 2024 (from April 1, 2023 to March 31, 2024)

Percentages indicate year-on-year changes

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent		Earnings per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
Six months ending September 30, 2023	11,203	29.2	495	5.3	565	19.7	316	12.7	34.00
Full year	24,298	29.3	1,800	36.2	1,870	41.2	1,167	35.0	125.57

4. Notes

(1) Changes in significant subsidiaries during the year ended March 31, 2023

(changes in specified subsidiaries resulting in the change in scope of consolidation): No

(2) Changes in accounting policies, changes in accounting estimates, and restatement of prior period financial statements

Changes in accounting policies due to revisions to accounting standards and other regulations: No

Changes in accounting policies due to other reasons: No

Changes in accounting estimates: No

Restatement of prior period financial statements: No

(3) Number of issued shares (common shares)

Total number of issued shares at the end of the period (including treasury shares)

As of March 31, 2023	10,000,000 shares	As of March 31, 2022	10,000,000 shares
----------------------	-------------------	----------------------	-------------------

Number of treasury shares at the end of the period

As of March 31, 2023	706,407 shares	As of March 31, 2022	715,126 shares
----------------------	----------------	----------------------	----------------

Average number of shares during the period

Year ended March 31, 2023	9,288,216 shares	Year ended March 31, 2022	9,429,821 shares
---------------------------	------------------	---------------------------	------------------

Consolidated financial statements

Consolidated balance sheets

(Thousands of yen)

	As of March 31, 2022	As of March 31, 2023
Assets		
Current assets		
Cash and deposits	4,058,265	4,406,607
Accounts receivable - trade	2,226,864	2,899,917
Other	463,806	445,444
Allowance for doubtful accounts	(475)	—
Total current assets	6,748,461	7,751,969
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	328,233	453,952
Other, net	79,041	129,687
Total property, plant and equipment	407,274	583,639
Intangible assets		
Goodwill	780,712	674,957
Other	218,095	312,616
Total intangible assets	998,807	987,574
Investments and other assets		
Deferred tax assets	138,735	170,613
Other	548,039	501,442
Total investments and other assets	686,775	672,056
Total non-current assets	2,092,858	2,243,270
Total assets	8,841,319	9,995,239
Liabilities		
Current liabilities		
Accounts payable - other	1,328,319	1,727,949
Income taxes payable	375,271	218,476
Accrued consumption taxes	237,927	487,640
Provision for bonuses	51,649	102,813
Asset retirement obligations	23,300	1,258
Other	149,071	178,847
Total current liabilities	2,165,539	2,716,985
Non-current liabilities		
Retirement benefit liability	24,306	30,864
Asset retirement obligations	74,930	123,921
Other	1,379	11,297
Total non-current liabilities	100,615	166,082
Total liabilities	2,266,154	2,883,068
Net assets		
Shareholders' equity		
Share capital	30,000	30,000
Capital surplus	1,237,532	1,239,291
Retained earnings	5,618,539	6,111,694
Treasury shares	(349,151)	(344,915)
Total shareholders' equity	6,536,921	7,036,070
Accumulated other comprehensive income		
Foreign currency translation adjustment	1,943	5,342
Total accumulated other comprehensive income	1,943	5,342
Share acquisition rights	36,299	70,758
Total net assets	6,575,164	7,112,171
Total liabilities and net assets	8,841,319	9,995,239

Consolidated statements of income and consolidated statements of comprehensive income
Consolidated statements of income

	(Thousands of yen)	
	Fiscal year ended March 31, 2022	Fiscal year ended March 31, 2023
Net sales	15,589,085	18,791,365
Cost of sales	10,744,245	13,216,160
Gross profit	4,844,839	5,575,205
Selling, general and administrative expenses	3,223,379	4,253,467
Operating profit	1,621,460	1,321,738
Non-operating income		
Interest income	60	69
Rental income	1,140	1,140
Gain on forfeiture of unclaimed dividends	—	320
Subsidy income	—	903
Other	179	1,660
Total non-operating income	1,380	4,094
Non-operating expenses		
Interest expenses	364	28
Rental expenses on real estate	966	966
Foreign exchange losses	1,571	567
Other	167	17
Total non-operating expenses	3,069	1,580
Ordinary profit	1,619,771	1,324,251
Extraordinary income		
Gain on sale of non-current assets	1,537	227
Surrender value of insurance policies	60,433	—
Total extraordinary income	61,971	227
Extraordinary losses		
Impairment loss	125,289	—
Loss on retirement of non-current assets	384	5,459
Other	17	—
Total extraordinary losses	125,691	5,459
Profit before income taxes	1,556,050	1,319,019
Income taxes - current	583,394	475,004
Income taxes - deferred	9,703	(20,580)
Total income taxes	593,097	454,423
Profit	962,953	864,595
Profit attributable to owners of parent	962,953	864,595

Consolidated statements of comprehensive income

	(Thousands of yen)	
	Fiscal year ended March 31, 2022	Fiscal year ended March 31, 2023
Profit	962,953	864,595
Other comprehensive income		
Foreign currency translation adjustment	1,615	3,398
Total other comprehensive income	1,615	3,398
Comprehensive income	964,568	867,994
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	964,568	867,994

Consolidated statements of changes in equity

Fiscal year ended March 31, 2022

(Thousands of yen)

	Shareholders' equity					Accumulated other comprehensive income	Share acquisition rights	Total net assets
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity	Foreign currency translation adjustment		
Balance at beginning of period	30,000	1,230,530	5,012,823	(1,279)	6,272,073	328	—	6,272,402
Changes during period								
Dividends of surplus			(357,236)		(357,236)			(357,236)
Profit attributable to owners of parent			962,953		962,953			962,953
Purchase of treasury shares				(349,942)	(349,942)			(349,942)
Disposal of treasury shares		7,002		2,070	9,072			9,072
Net changes in items other than shareholders' equity						1,615	36,299	37,914
Total changes during period	—	7,002	605,716	(347,871)	264,847	1,615	36,299	302,761
Balance at end of period	30,000	1,237,532	5,618,539	(349,151)	6,536,921	1,943	36,299	6,575,164

Fiscal year ended March 31, 2023

(Thousands of yen)

	Shareholders' equity					Accumulated other comprehensive income	Share acquisition rights	Total net assets
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity	Foreign currency translation adjustment		
Balance at beginning of period	30,000	1,237,532	5,618,539	(349,151)	6,536,921	1,943	36,299	6,575,164
Changes during period								
Dividends of surplus			(371,441)		(371,441)			(371,441)
Profit attributable to owners of parent			864,595		864,595			864,595
Purchase of treasury shares				(40)	(40)			(40)
Disposal of treasury shares		1,758		4,276	6,034			6,034
Net changes in items other than shareholders' equity						3,398	34,459	37,858
Total changes during period	—	1,758	493,154	4,235	499,149	3,398	34,459	537,007
Balance at end of period	30,000	1,239,291	6,111,694	(344,915)	7,036,070	5,342	70,758	7,112,171

Consolidated statements of cash flows

	(Thousands of yen)	
	Fiscal year ended March 31, 2022	Fiscal year ended March 31, 2023
Cash flows from operating activities		
Profit before income taxes	1,556,050	1,319,019
Depreciation	121,337	147,511
Impairment loss	125,289	—
Amortization of goodwill	65,323	105,754
Surrender value of insurance policies	(60,433)	—
Share-based payment expenses	36,299	34,008
Increase (decrease) in allowance for doubtful accounts	(655)	(475)
Increase (decrease) in provision for bonuses	(16,894)	51,163
Increase (decrease) in retirement benefit liability	3,434	6,558
Interest income	(60)	(69)
Interest expenses	364	28
Gain on sale of non-current assets	(1,537)	(227)
Loss on retirement of non-current assets	384	5,459
Decrease (increase) in trade receivables	(133,876)	(673,052)
Decrease (increase) in other current assets	(108,538)	(92,954)
Increase (decrease) in accounts payable - other	79,450	323,456
Increase (decrease) in other current liabilities	(344,874)	280,970
Other, net	8,815	20,196
Subtotal	1,329,877	1,527,347
Interest and dividends received	59	68
Interest paid	(366)	(28)
Income taxes paid	(504,803)	(516,153)
Net cash provided by (used in) operating activities	824,767	1,011,233
Cash flows from investing activities		
Purchase of property, plant and equipment	(230,176)	(217,084)
Proceeds from sale of property, plant and equipment	13,627	3,044
Purchase of intangible assets	(75,237)	(71,448)
Purchase of shares of subsidiaries resulting in change in scope of consolidation	(921,327)	—
Other, net	(51,022)	(6,409)
Net cash provided by (used in) investing activities	(1,264,136)	(291,898)
Cash flows from financing activities		
Repayments of long-term borrowings	(40,010)	—
Repayments of lease obligations	(14,288)	(2,892)
Redemption of bonds	(70,000)	—
Purchase of treasury shares	(349,942)	(40)
Proceeds from exercise of employee share options	5,940	2,624
Dividends paid	(356,727)	(371,877)
Net cash provided by (used in) financing activities	(825,027)	(372,185)
Effect of exchange rate change on cash and cash equivalents	1,615	1,628
Net increase (decrease) in cash and cash equivalents	(1,262,782)	348,777
Cash and cash equivalents at beginning of period	5,283,819	4,021,037
Cash and cash equivalents at end of period	4,021,037	4,369,815