

December 10, 2020

Company Name: COPRO-HOLDINGS. Co., Ltd.

Chief Executive Officer: Kosuke Kiyokawa

(Stock code: 7059, TSE 1st section, NSE 1st section)

Inquiries: Executive Director, Director of Administrative Division, Masahiko Saito

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Notice of Establishment of Subsidiary (Sub-subsidiary Company) by Our Subsidiary

At the meeting of the Board of Directors held on December 10, 2020, COPRO-HOLDINGS. Co., Ltd. (the “Company”) announced that COPRO GLOBALS PTE. LTD., a 100% owned subsidiary of the Company, had resolved to establish a subsidiary (a sub-subsidiary of the Company) in Vietnam, as follows.

1. Purpose of establishing a local subsidiary

The working population in Japan is expected to continue to decline in the future. In particular, the construction industry, in which our Group's major customers belong, is experiencing an aging society and a shortage of young workers compared to other industries.

Against this backdrop, on April 1, 2020, the Company established COPRO GLOBALS PTE. LTD. In Singapore, which serves as the headquarters for ASEAN region, and has been considering the establishment of a business model for the utilization of advanced human resources overseas as a solution to the structural issues facing the construction industry in Japan.

Consequently, the Company will establish our first overseas business base to develop human resources and build a dispatching business and recruitment business system in Vietnam, where many Japanese general contractors and Japanese plant companies have established operations.

After the establishment of this corporation, the Company will work on recruitment and human resource development in Vietnam, and promote the dispatching and recruitment services to construction companies and other entities in Japan. In the future, the Company will also contribute to the development of the country's social infrastructure by expanding the dispatching and recruitment services for Japanese general contractors and plant companies operating in Vietnam.

Starting with the establishment of this corporation, the Company will consider expanding its global business to other countries around ASEAN.

2. Overview of the subsidiary

(1) Company name	COPRO GLOBALS PTE. LTD.	
(2) Location	Republic of Singapore	
(3) Representative	Kosuke Kiyokawa, Chief Executive Officer of COPRO-HOLDINGS. Co., Ltd.	
(4) Description of businesses	Marketing research in ASEAN, dispatching business and recruitment business in Republic of Singapore	
(5) Share capital	250,000 Singapore dollars (approx. 20 million yen)	
(6) Date of establishment	April 1, 2020	
(7) Investment ratio	COPRO-HOLDINGS. Co., Ltd. 100%	
(8) Relationship between the Company and the subsidiary company	Capital relationship	Wholly owned by COPRO-HOLDINGS. Co., Ltd.
	Personnel relationship	Chief Executive Officer and one director of the Company serve concurrently
	Business relationship	Not applicable at this time

3. Overview of Newly Established Subsidiary (Our Sub-subsidiary)

(1) Company name	COPRO VIETNAM CO., LTD. (tentative)	
(2) Location	Hanoi City, Socialist Republic of Vietnam (planned)	
(3) Representative	Kosuke Kiyokawa, Chief Executive Officer of COPRO-HOLDINGS. Co., Ltd. (planned)	
(4) Description of businesses	Human Resource Development, dispatching business and recruitment business in Socialist Republic of Vietnam	
(5) Share capital	6,666,000,000 dongs (approx. 30 million yen) Rate: ¥0.0045 per dong (Calculated at the rate on December 9, 2020)	
(6) Investment ratio	COPRO GLOBALS PTE. LTD. 100%	
(7) Relationship between the Company and the subsidiary company	Capital relationship	Wholly owned by COPRO GLOBALS PTE. LTD., which is 100% owned subsidiary of the Company (planned)
	Personnel relationship	Chief Executive Officer and one director of the Company serve concurrently (planned)
	Business relationship	Not applicable

4. Schedule

(1) Date of resolution of the Board of Directors	December 10, 2020
(2) Date of Establishment	April, 2021 (planned)

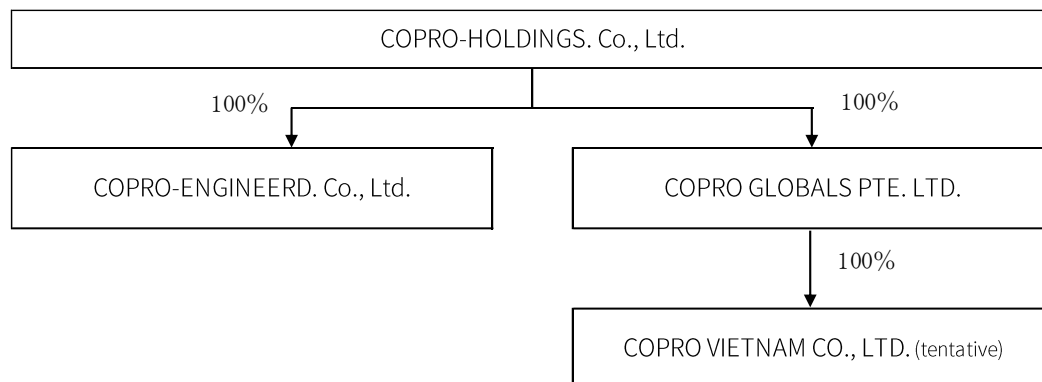
5. Outlook

The impact on consolidated results for the fiscal year ending March 31, 2021 is expected to be minor.

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(Reference)

1. Investment Chart



2. Current fiscal year consolidated earnings forecast (announced on October 28, 2020) and previous fiscal year consolidated earnings results

(Percentages represent year-on-year changes)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent	
	Million yen	%	Million yen	%	Million yen	%	Million yen	%
Current fiscal year consolidated earnings forecast (FY ending March 31, 2021)	15,432	17.6	1,793	12.6	1,795	13.3	1,221	12.7
Previous fiscal year consolidated earnings results (FY ended March 31, 2020)	13,122	21.3	1,592	18.4	1,585	18.6	1,084	15.5