

Translation

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Summary of Consolidated Financial Results for the Six Months Ended September 30, 2023 (Based on Japanese GAAP)

November 14, 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: Director Masahiko Saito TEL +81-52-589-3066
 Scheduled date to file Quarterly Securities Report: November 14, 2023
 Scheduled date to commence dividend payments: December 8, 2023
 Preparation of supplementary material on quarterly financial results: Yes
 Holding of quarterly financial results meeting: Yes

(Amounts less than one million yen are rounded down)

1. Consolidated financial results for the Six months ended September 30, 2023 (from April 1, 2023 to September 30, 2023)

(1) Consolidated operating results (cumulative)

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	%
Six months ended September 30, 2023	11,137	28.5	737	56.9	810	71.8	510	81.9
Six months ended September 30, 2022	8,670	17.1	469	(25.7)	472	(25.2)	280	(14.6)

	Earnings per share		Diluted earnings per share	
	Yen		Yen	
Six months ended September 30, 2023	27.27		26.17	
Six months ended September 30, 2022	15.10		14.97	

(Note) On October 1, 2023, the Company conducted a two-for-one stock split of common stock. "Profit per share" and "Diluted earnings per share" is calculated assuming that the stock split was executed at the beginning of the previous consolidated accounting year.

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio
	Millions of yen	Millions of yen	%
As of September 30, 2023	10,763	7,354	67.8
As of March 31, 2023	9,995	7,112	70.4

2. Cash dividends

	Annual dividends per share				
	1st quarter-end	2nd quarter-end	3rd quarter-end	Fiscal year-end	Total
	Yen	Yen	Yen	Yen	Yen
Year ended March 31, 2023	–	10.00	–	40.00	50.00
Year ending March 31, 2024	–	30.00			
Year ending March 31, 2024(Forecast)			–	30.00	–

(Note) 1. Revisions to the dividend forecasts announced most recently: Yes

2. On October 1, 2023, the Company conducted a two-for-one stock split of common stock. Regarding the dividend per share for the fiscal year ending March 2024, the amount before the split is shown at the end of the second quarter, and the amount after the split is shown at the end of the fiscal year.

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
Full year	24,298	29.3	2,042	54.5	2,115	59.7	1,361	57.4	72.35

(Note) 1. Revisions to the earnings forecasts announced most recently: Yes

2. On October 1, 2023, the Company conducted a two-for-one stock split of common stock. "Earnings per share" is calculated assuming that the stock split was executed at the beginning of the fiscal year ending March 2024.

4. Notes

(1) Changes in significant subsidiaries during the Six months ended September 30, 2023
(changes in specified subsidiaries resulting in the change in scope of consolidation): No

(2) Application of special accounting methods for preparing quarterly consolidated financial statements: No

(3) 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

(4) Number of issued shares (common shares)

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

As of September 30, 2023	20,000,000 shares	As of March 31, 2023	20,000,000 shares
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Number of treasury shares at the end of the period

As of September 30, 2023	1,088,690 shares	As of March 31, 2023	1,412,814 shares
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Average number of shares during the period (cumulative from the beginning of the fiscal year)

Six months ended September 30, 2023	18,708,876 shares	Six months ended September 30, 2022	18,573,464 shares
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(Note) On October 1, 2023, the Company conducted a two-for-one stock split of common stock. Total number of issued shares at the end of the period, Number of treasury shares at the end of the period and Average number of shares during the period have been calculated as if this stock split had taken place at the beginning of the previous fiscal year.

Quarterly consolidated financial statements

Consolidated balance sheets

(Thousands of yen)

	As of March 31, 2023	As of September 30, 2023
Assets		
Current assets		
Cash and deposits	4,406,607	4,993,767
Accounts receivable - trade	2,899,917	3,150,761
Other	445,444	480,200
Total current assets	7,751,969	8,624,729
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	453,952	431,905
Other, net	129,687	122,572
Total property, plant and equipment	583,639	554,478
Intangible assets		
Goodwill	674,957	622,080
Other	312,616	378,046
Total intangible assets	987,574	1,000,127
Investments and other assets		
Deferred tax assets	170,613	143,788
Other	501,442	456,795
Allowance for doubtful accounts	—	(16,500)
Total investments and other assets	672,056	584,083
Total non-current assets	2,243,270	2,138,689
Total assets	9,995,239	10,763,419
Liabilities		
Current liabilities		
Accounts payable - other	1,727,949	2,179,004
Income taxes payable	218,476	232,054
Accrued consumption taxes	487,640	427,555
Provision for bonuses	102,813	93,556
Asset retirement obligations	1,258	6,466
Other	178,847	310,913
Total current liabilities	2,716,985	3,249,551
Non-current liabilities		
Retirement benefit liability	30,864	33,147
Asset retirement obligations	123,921	117,668
Other	11,297	8,681
Total non-current liabilities	166,082	159,496
Total liabilities	2,883,068	3,409,048
Net assets		
Shareholders' equity		
Share capital	30,000	30,000
Capital surplus	1,239,291	1,282,044
Retained earnings	6,111,694	6,250,090
Treasury shares	(344,915)	(265,837)
Total shareholders' equity	7,036,070	7,296,298
Accumulated other comprehensive income		
Foreign currency translation adjustment	5,342	6,582
Total accumulated other comprehensive income	5,342	6,582
Share acquisition rights	70,758	51,489
Total net assets	7,112,171	7,354,370
Total liabilities and net assets	9,995,239	10,763,419

Consolidated statements of income (cumulative) and consolidated statements of comprehensive income (cumulative)

Consolidated statements of income (cumulative)

	(Thousands of yen)	
	Six months ended September 30, 2022	Six months ended September 30, 2023
Net sales	8,670,178	11,137,475
Cost of sales	6,086,756	8,072,228
Gross profit	2,583,421	3,065,246
Selling, general and administrative expenses	2,113,458	2,328,024
Operating profit	469,962	737,221
Non-operating income		
Interest income	29	45
Foreign exchange gains	849	1,959
Rental income	570	570
Gain on forfeiture of unclaimed dividends	274	90
Surrender value of insurance policies	—	70,671
Other	907	906
Total non-operating income	2,630	74,243
Non-operating expenses		
Interest expenses	19	4
Rental expenses on real estate	483	483
Other	16	1
Total non-operating expenses	519	488
Ordinary profit	472,073	810,977
Extraordinary income		
Gain on reversal of share acquisition rights	—	315
Total extraordinary income	—	315
Extraordinary losses		
Loss on retirement of non-current assets	132	—
Total extraordinary losses	132	—
Profit before income taxes	471,940	811,292
Income taxes - current	204,390	276,942
Income taxes - deferred	(12,895)	24,209
Total income taxes	191,495	301,152
Profit	280,445	510,140
Profit attributable to owners of parent	280,445	510,140

Other Consolidated statements of comprehensive income (cumulative)

	(Thousands of yen)	
	Six months ended September 30, 2022	Six months ended September 30, 2023
Profit	280,445	510,140
Other comprehensive income		
Foreign currency translation adjustment	3,649	1,240
Total other comprehensive income	3,649	1,240
Comprehensive income	284,095	511,380
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	284,095	511,380

Consolidated statements of cash flows

(Thousands of yen)

	Six months ended September 30, 2022	Six months ended September 30, 2023
Cash flows from operating activities		
Profit before income taxes	471,940	811,292
Depreciation	73,553	86,781
Amortization of goodwill	52,877	52,877
Surrender value of insurance policies	—	(70,671)
Share-based remuneration expenses	18,323	(13,806)
Gain on reversal of share acquisition rights	—	(315)
Increase (decrease) in allowance for doubtful accounts	(475)	16,500
Increase (decrease) in provision for bonuses	48,285	(9,256)
Increase (decrease) in retirement benefit liability	4,561	2,283
Interest income	(29)	(45)
Interest expenses	19	4
Loss on retirement of non-current assets	132	—
Decrease (increase) in trade receivables	(225,075)	(250,844)
Decrease (increase) in other current assets	(113,418)	(45,864)
Increase (decrease) in accounts payable - other	213,332	520,809
Increase (decrease) in other current liabilities	56,172	73,007
Other, net	9,481	(1,787)
Subtotal	609,681	1,170,962
Interest and dividends received	29	42
Interest paid	(22)	(25)
Income taxes paid	(271,549)	(250,402)
Net cash provided by (used in) operating activities	338,139	920,578
Cash flows from investing activities		
Purchase of property, plant and equipment	(84,752)	(10,626)
Payments for asset retirement obligations	—	(2,470)
Purchase of intangible assets	(15,194)	(189,226)
Other, net	(40,188)	123,843
Net cash provided by (used in) investing activities	(140,134)	(78,479)
Cash flows from financing activities		
Repayments of lease obligations	(1,726)	(1,025)
Purchase of treasury shares	—	(92)
Proceeds from exercise of employee share options	451	113,444
Dividends paid	(278,839)	(371,450)
Net cash provided by (used in) financing activities	(280,115)	(259,125)
Effect of exchange rate change on cash and cash equivalents	3,284	3,893
Net increase (decrease) in cash and cash equivalents	(78,825)	586,866
Cash and cash equivalents at beginning of period	4,021,037	4,369,815
Cash and cash equivalents at end of period	3,942,211	4,956,681