

While Q2 results modestly underperformed the initial forecast, the Company targets a rebound in H2 to drive strong full-year growth and new record highs

H1 FY2026/3 Results summary: COPRO-HOLDINGS. Co., Ltd., (hereafter, the Company) announced H1 results for FY2026/3 on November 14 (Friday), 2025. Key consolidated figures marked record highs, with net sales of JPY 16,980 mn (+19.3% YoY), operating profit of JPY 1,481 mn (+19.7% YoY), Non-GAAP operating profit of JPY 1,739 mn (+20.8% YoY), ordinary profit of JPY 1,480 mn (+17.7% YoY), and profit attributable to owners of parent (hereafter, net profit) of JPY 935 mn (+17.3% YoY). However, results fell slightly short of the initial plan. The main driver of earnings growth was consolidated subsidiary COPRO CONSTRUCTION. Co., Ltd. (hereafter, COPRO CN).

FY2026/3 Earnings Forecast: For FY2026/3, the Company forecasts consolidated key financial figures: net sales of JPY 38,000 mn (+26.6% YoY), gross profit of JPY 10,921 mn (+31.4% YoY), operating profit of JPY 3,800 mn (+37.5% YoY), Non-GAAP operating profit of JPY 4,425 mn (+32.9% YoY), ordinary profit of JPY 3,800 mn (+36.5% YoY), and net profit of JPY 2,470 mn (+35.7% YoY). The Company projects net sales and all key profit lines to reach new record highs. Although H1 results came in slightly below the initial plan, the forecast remains unchanged from the initial forecast, as the shortfall is expected to be recovered in H2. Focusing on its core business of dispatching construction technicians, the Company plans to continue bolstering recruitment costs and other growth investments with the aim of surpassing the industry average growth rate.

Stock Split: The Company conducted a two-for-one stock split of its common shares with September 30, 2025 (Tuesday) as the record date and October 1, 2025 (Wednesday) as the effective date. Following the split, the number of issued shares increased to 40 mn from 20 mn, and the number of authorized shares increased to 160 mn from 80 mn, based on the figures announced on July 14, 2025. The stock split did not affect the amount of paid-in capital. On a retroactively adjusted basis, the annual dividend per share for FY2026/3 comes to JPY 40.0.

Share Price Insights: The Company's shares JPY 907 (December 2 closing price) currently trade at a forward P/E ratio of 14.0x and P/B ratio of 4.00x, based on its FY2026/3 EPS forecast. Ahead of the Q2 earnings announcement, the Company's valuation stood at a P/E ratio of 16.3x and a P/B ratio of 4.66x, but the slight underperformance versus its initial Q2 forecast triggered a rapid decline in these multiples. The Company expects to recover the H1 shortfall in net sales and profit over H2, and SIR therefore views this valuation adjustment as temporary. Given strong construction demand and persistent labor shortages in the construction industry, SIR believes a valuation crunch triggered by concerns over a peak-out in profit growth is unlikely.

FY	JPY mn,%	Net Sales	YoY	Oper. profit	YoY	Ordin. Profit	YoY	Net profit	YoY	EPS ^{1,2} JPY	DPS ² JPY
2023/3		18,791	20.5	1,321	(18.5)	1,324	(18.2)	864	(10.2)	23.03	12.5
2024/3		24,098	28.2	2,141	62.0	2,211	67.0	1,463	69.3	37.20	25.5
2025/3		30,015	24.6	2,763	29.1	2,784	25.9	1,820	24.4	47.09	30.0
2026/3 (CE)		38,000	26.6	3,800	37.5	3,800	36.5	2,470	35.7	64.71	40.0
2025/3 H1		14,227	27.7	1,237	67.9	1,257	55.1	797	56.4	20.24	10.0
2026/3 H1		16,980	19.3	1,481	19.7	1,480	17.7	935	17.3	24.27	15.0

Source: Compiled by SIR from TANSIN financial statements. Note: Figures may differ from the Company's materials due to differences in SIR's financial data processing and the Company's reporting standards.

1) EPS and DPS are retroactively adjusted to reflect a 2-for-1 stock split conducted on October 1, 2025. EPS – diluted shares adjusted.

Q2 Follow-up



Focus Point

Its strength lies in the Construction technician dispatching business. Financial position and an active shareholder return policy, having increased its dividend in every financial year since listing. The client construction industry continues to have a strong and important use of temporary staffing due to structural labor shortages.

Key Indicators

Share price (12/5 CP)	898
YH (9/26)	1,203
YL (4/7)	654
10YH (25/8/12)	1,200
10YL (20/4/22)	182
Shrs out. (mn shrs)	40.00
Mkt cap (JPY bn)	35.92
CAP ratio (2025/3)	64.3%
26/03 P/E (CE)	13.9X
26/03 Q1 P/B (act)	3.97X
25/03 ROE (act)	22.1%
26/03 DY (CE)	4.5%

1Y Share price



Source: TradingView

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This report was prepared by Sessa Partners on behalf of the subject company. Please refer to the legal disclaimer at the end for details.

H1 FY2026/3 Earnings Results

*Net sales and key profit
lines hit record highs for Q1*

*Non-GAAP operating profit is calculated by adding back depreciation, amortization of goodwill, and stock-based compensation expense to operating income as a profit measure of essential performance.

Summary

Key consolidated figures for Q2 FY2026/3 showed double-digit growth, with net sales of JPY 16,980 mn (+19.3% YoY), operating profit of JPY 1,481 mn (+19.7% YoY), Non-GAAP operating profit of JPY 1,739 mn (+20.8% YoY), ordinary profit of JPY 1,480 mn (+17.7% YoY), and net profit of JPY 935 mn (+17.3% YoY), although results came in slightly below the initial forecast. This reflected the fact that key KPIs for the Company's core construction technician dispatching business came in slightly below the initial forecast. Even so, all figures reached new record highs for a Q2 earnings result. On October 1, 2025, the Company implemented a two-for-one stock split of its common shares.

The number of group technical employees in Q2 increased mainly at COPRO CN which operates the Construction technician dispatching business, rising by 920 YoY (+20.5%) to 5,402 (compared with 4,861 at end-Q4 FY2025/3 and 4,482 at end-Q2 FY2025/3).

Financial results by subsidiaries (JPY mn)

(Millions of yen)

	FYE3/2025			FYE3/2026		
	1H	YoY % change	YoY change	1H	YoY % change	YoY change
Consolidated sales	14,227	+27.7%	+3,090	16,980	+19.3%	+2,752
COPRO						
CONSTRUCTION	12,718	+23.5%	+2,419	15,170	+19.3%	+2,451
COPRO TECHNOLOGY	1,508	+80.1%	+670	1,810	+20.0%	+301
Gross profit	3,837	+25.2%	+771	4,643	+21.0%	+806
COPRO						
CONSTRUCTION	3,531	+26.2%	+732	4,297	+21.7%	+766
COPRO TECHNOLOGY	305	+15.0%	+39	346	+13.3%	+40
SG&A expenses	2,599	+11.7%	+271	3,162	+21.7%	+563
COPRO						
CONSTRUCTION	1,689	+12.2%	+183	2,191	+29.8%	+502
COPRO TECHNOLOGY	344	+24.6%	+67	355	+3.2%	+11
HD and others	566	+3.8%	+20	615	+8.7%	+49
Consolidated operating profit	1,237	+67.9%	+500	1,481	+19.7%	+243
COPRO						
CONSTRUCTION	1,842	+42.5%	+549	2,105	+14.3%	+263
COPRO TECHNOLOGY	-38	-	-28	-9	-	+29
HD and others	-566	-	-20	-615	-	-49

* The figures for subsidiaries are the amounts after consolidation adjustment, which eliminates intra-group transactions.

Note: COPRO CN= COPRO CONSTRUCTION., COPRO TC=COPRO TECHNOLOGY.

Source: The Company earnings presentation material.

*Carried out in-depth sales
activities and leveraged
strengths in low-cost recruitment*

Construction technician dispatching business

COPRO CN, which operates the Company's core business of Construction technician dispatching, has set the goal of becoming the "overwhelming No.1 in the industry" in both scale and quality, and has positioned the establishment of a structure to secure technicians—the foundation of its business growth—as a top priority. To address this priority, the Company has further strengthened its sales and recruitment processes and enhanced support for training and education programs.

Specifically, the Company conducted deeply cultivated sales activities targeting major general contractors and subcontractors, and focused on securing a broad range of project orders, including dispatching industry-inexperienced personnel and female construction managers. However, the assignment ratio to target companies in Q2 was 87.1%, a slight decline from 89.4% in Q4 FY2025/3 and 89.1% in Q1 FY2026/3. The primary reason for this trend was weaker-than-expected matching, mainly for less-experienced technicians relative to the needs of target companies. From H2 onward, the Company plans to tighten assignment rules for non-target companies and re-emphasize deeply cultivated sales toward its major client companies.

The number of new recruits in Q2 FY2026/3 reached 1,546, an increase of 198 YoY (+14.7%). The Company also made up for the shortfall in expected recruitment volume from Q1.

Resignations totaled 1,013, an increase of 168 YoY (+19.9%). As a result, the construction technician headcount at end-Q2 FY2026/3 rose by 814 YoY (+20.0%) to 4,885.

The retention rate was 82.8%, remaining at the same level as YoY. The average utilization rate during the period, including technicians in training, was 91.9%, slightly lower than 92.5% in Q2 FY2025/3. This resulted from the Company being unable to match construction technicians, mainly less-experienced personnel, to certain project orders from target companies, as described earlier.

The average sales per head during the period stood at JPY 586 thousand, up 0.5% YoY from JPY 583 thousand. Charge-ups for existing employees continued to accumulate steadily. However, as retirements among veteran employees increased, the Company has recently been implementing most charge-ups for lower-priced, inexperienced construction technician dispatching employees. As a result, sales per head has not shown significant growth.

As a result, the number of technicians at fiscal year-end rose by 814 YoY (+20.0%) to 4,885. This drove COPRO CN's net sales to expand to JPY 15,170 mn (+19.3% YoY). With an improvement in the gross profit margin, gross profit rose 21.7% YoY to JPY 4,297 mn. SG&A expenses increased 29.8% YoY to JPY 2,191 mn, resulting in operating profit rising 14.3% YoY to JPY 2,105 mn. The operating profit margin came in at 13.9%, down 0.6 pp YoY from 14.5%.

Construction technician dispatching business - Recruitment, turnover, and number of technicians (people)

	FYE3/2024	FYE3/2025						FYE3/2026			
	Full Year	1Q	2Q	1H	3Q	4Q	Full Year	1Q	2Q	1H	Full Year (Forecast)
Total recruited	2,024	843	505	1,348	506	525	2,379	829	717	1,546	3,000
New graduates	154	117	0	117	0	0	117	130	0	130	130
Mid-career	1,870	726	505	1,231	506	525	2,262	699	717	1,416	2,870
Turnover total	1,233	450	395	845	365	385	1,595	517	496	1,013	1,928
Net change	+791	+393	+110	+503	+141	+140	+784	+312	+221	+533	+1,072
Number of technicians (quarter end)	3,568	3,961	4,071	4,071	4,212	4,352	4,352	4,664	4,885	4,885	5,424
Operating ratio (period average)	94.6%	91.2%	93.7%	92.5%	95.3%	94.7%	93.8%	92.0%	91.9%	91.9%	94.6%

Retention rate

	FYE3/2024	FYE3/2025						FYE3/2026			
	Full Year	1Q	2Q	1H	3Q	4Q	Full Year	1Q	2Q	1H	Full Year (Forecast)
Retention rate	74.3%	89.8%	91.2%	82.8%	92.0%	91.9%	73.2%	90.0%	90.8%	82.8%	73.8%

* Retention rate = Number of technicians at the end of the current fiscal year (current quarter) ÷ (Number of technicians at the end of the previous fiscal year (previous quarter) + Number of technicians at the end of the current fiscal year (current quarter)) × 100

Source: The Company earnings presentation material.

Mechanical & electrical and semiconductor engineer dispatching and IT engineers dispatching business

The two businesses, Mechanical & electrical and semiconductor engineer dispatching and IT engineers dispatching business, are conducted by the subsidiary **COPRO TECHNOLOGY. Co., Ltd.**, (hereafter, **COPRO TC**).

In Q2, the Mechanical & electrical and semiconductor engineer dispatching and contracting business recorded 86 new recruits and 55 resignations, a net increase of 31 personnel. As a result, the number of personnel in the segment reached 363 at end-Q2, an increase of 90 YoY (+33.0%). Of the 363 personnel, 147 were semiconductor engineers, an increase of 67 YoY. On the other hand, the number of mechanical design engineers increased by 23 YoY to 216. The utilization rate came in at 91.7%, up slightly from 91.2% YoY. The business recorded Q2 average sales per head of JPY 573 thousand, down 4.1% from JPY 598 thousand YoY, reflecting a higher proportion of inexperienced technicians who generate relatively lower sales per head.

The number of technicians in the IT engineers dispatching business stood at 154 at end-Q2, up 16 YoY (+11.6%), but down 23 from end-Q4 FY2025/3. This also puts the business behind its full-year target of 322 technicians. The Company has traditionally dispatched freelance technicians on a project-by-project basis. In addition, many applicants prefer to work as freelancers rather than be directly employed by the Company. In contrast, client companies show stronger demand for engineers directly employed by the Company than for freelancers. This mismatch between client demand and the candidate pool has created a matching gap that is causing delays in the recruitment plan.

The Company intends to enhance the appeal of working as a dispatched employee to encourage freelancers to transition into full-time employees, thereby increasing the number of directly employed technicians. It also plans to focus on improving its ability to match client demand through this shift.

COPRO TC's net sales grew 20.0% YoY to JPY 1,810 mn, driven by an increase in technicians at end-Q2. On the profit side, operating loss narrowed to JPY 9 mn from JPY 38 mn in the prior-year period, reflecting lower fixed cost ratios such as personnel expenses.

Mechanical & electrical and semiconductor engineer dispatching and constructing business - recruitment, turnover, and number of technicians (people)

	FYE3/2024	FYE3/2025						FYE3/2026			
	Full Year	1Q	2Q	1H	3Q	4Q	Full Year	1Q	2Q	1H	Full Year (Forecast)
Total recruited	118	36	59	95	52	45	192	49	37	86	297
New graduates	5	15	0	15	0	0	15	17	0	17	21
Mid-career	113	21	59	80	52	45	177	32	37	69	276
Turnover total	54	18	27	45	15	23	83	21	34	55	104
Net change	+64	+18	+32	+50	+37	+22	+109	+28	+3	+31	+193
Number of technicians (quarter end)	223	241	273	273	310	332	332	360	363	363	525
Operating ratio (period average)	97.0%	92.4%	90.2%	91.2%	89.8%	90.9%	90.8%	90.9%	92.5%	91.7%	92.9%

Retention rate

	FYE3/2024	FYE3/2025						FYE3/2026			
	Full Year	1Q	2Q	1H	3Q	4Q	Full Year	1Q	2Q	1H	Full Year (Forecast)
Retention rate	80.5%	93.1%	91.0%	85.8%	95.4%	93.5%	80.0%	94.7%	91.4%	86.8%	83.5%

* Retention rate = Number of technicians at the end of the current fiscal year (current quarter) ÷ (Number of technicians at the end of the previous fiscal year (previous quarter) + Number of technicians at the end of the current fiscal year (current quarter)) × 100

Source: The Company earnings presentation material.

IT engineers dispatching business - recruitment, turnover, and number of technicians (people)

	FYE3/2024	FYE3/2025						FYE3/2026			
	Full Year	1Q	2Q	1H	3Q	4Q	Full Year	1Q	2Q	1H	Full Year (Forecast)
Total recruited	72	32	27	59	44	37	140	22	33	55	247
Turnover total	42	22	37	59	20	22	101	39	39	78	102
Net change	+30	+10	△10	+0	+24	+15	+39	△17	△6	△23	+145
Increase due to M&A, etc.	8	0	0	0	0	0	0	0	0	0	-
Number of technicians (quarter end)	138	148	138	138	162	177	177	160	154	154	322
Operating ratio (period average)	100.0%	97.8%	98.6%	98.2%	98.9%	99.0%	98.6%	94.1%	95.5%	94.8%	98.7%

Retention rate

	FYE3/2024	FYE3/2025						FYE3/2026			
	Full Year	1Q	2Q	1H	3Q	4Q	Full Year	1Q	2Q	1H	Full Year (Forecast)
Retention rate	75.8%	89.1%	92.1%	82.9%	94.6%	91.0%	75.5%	93.4%	84.5%	79.8%	78.3%

* The above figures is for dispatched technical employees only, excluding IT freelancers.

* Retention rate = Number of technical employees at the end of the current period (current quarter) ÷ (Number of technical employees at the end of the previous period (previous quarter) + Number of recruits in the current period (current quarter)) x 100g

Source: The Company earnings presentation material.

KPIs by business (People, JPY 1,000)

(People, 1,000 yen)

	FYE3/2025			FYE3/2026		
	1H	2H	Full year	1H	YoY % change	YoY change
No. of recruits	1,502	1,209	2,711	1,687	+12.3%	+185
Construction technician dispatch	1,348	1,031	2,379	1,546	+14.7%	+198
Mechanical & electrical and semiconductor engineer dispatch	95	97	192	86	-9.5%	-9
IT engineers dispatch	59	81	140	55	-6.8%	-4
No. of resignations	949	830	1,779	1,146	+20.8%	+197
Construction technician dispatch	845	750	1,595	1,013	+19.9%	+168
Mechanical & electrical and semiconductor engineer dispatch	45	38	83	55	+22.2%	+10
IT engineers dispatch	59	42	101	78	+32.2%	+19
No. of technical employees (period end)	4,482	4,861	4,861	5,402	+20.5%	+920
Construction technician dispatch	4,071	4,352	4,352	4,885	+20.0%	+814
Mechanical & electrical and semiconductor engineer dispatch	273	332	332	363	+33.0%	+90
IT engineers dispatch	138	177	177	154	+11.6%	+16
Retention rate	83.0%	85.6%	73.7%	83.0%	-	+0.1pt
Construction technician dispatch	82.8%	85.3%	73.2%	82.8%	-	-
Mechanical & electrical and semiconductor engineer dispatch	85.8%	89.7%	80.0%	86.8%	-	+1.0pt
IT engineers dispatch	82.9%	86.6%	75.5%	79.8%	-	-3.1pt
Operating ratio (Inc. trainees)	92.6%	94.8%	93.7%	92.0%	-	+0.6pt
Construction technician dispatch	92.5%	95.0%	93.8%	91.9%	-	-0.6pt
Mechanical & electrical and semiconductor engineer dispatch	91.2%	90.4%	90.8%	91.7%	-	+0.5pt
IT engineers dispatch	98.2%	99.0%	98.6%	94.8%	-	-3.4pt
Sales per technician/engineer (period average)	591	588	589	590	-0.1%	-1
Construction technician dispatch	583	582	582	586	+0.5%	+3
Mechanical & electrical and semiconductor engineer dispatch	598	534	561	573	-4.1%	-25
IT engineers dispatch	785	821	804	747	-4.9%	-38

* The figures above, excluding the retention rate for the IT Engineer Dispatching business, include freelance IT engineers. The retention rate is calculated based on dispatched engineers only, excluding freelancers.

* The sales per mechanical & electrical and semiconductor engineer are only for dispatched engineers, excluding contract work.

* Retention rate = Number of technical employees at the end of the current period (current quarter) ÷ (Number of technical employees at the end of the previous period (previous quarter recruits in the current period (current quarter)) x 100

Source: The Company earnings presentation material.

FY2026/3 Earnings Forecasts

*Record highs expected, no
change from initial forecast*

Full-year earnings forecasts

For FY2026/3, the Company forecasts consolidated key financial figures: net sales of JPY 38,000 mn (+26.6% YoY), gross profit of JPY 10,921 mn (+31.4% YoY), operating profit of JPY 3,800 mn (+37.5% YoY), non-GAAP operating profit of JPY 4,425 mn (+32.9% YoY), ordinary profit of JPY 3,800 mn (+36.5% YoY), and net income attributable to owners of the parent of JPY 2,470 mn (+35.7% YoY). The Company projects net sales and all key profit lines to reach new record highs. Although net sales and profit in H1 came in slightly below the initial plan, the forecast remains unchanged from the initial plan, as the shortfall is expected to be recovered in H2.

Centered on its core Construction technician dispatching business, the Company plans to continue ramping up growth investments—particularly recruitment spending—with the aim of achieving growth that outpaces the industry average. The Company expects operating profit margin to rise 0.8 pp YoY to 10.0%, reflecting better cost of sales as well as an improvement in SG&A ratio despite recording of share-based payment expenses.

COPRO-HOLDINGS expects demand in its key customer sector—the construction industry—to remain robust from urban-development projects, renewal of aging infrastructure, and the build-out of new semiconductor plants. It also sees the structural issues of an aging workforce and a shortage of young workers—issues more acute than in other sectors—spurring additional demand for construction dispatching services. Moreover, penalties for breaching overtime caps and the resulting task segmentation under the Labor Standards Act amended in line with the Supplementary Provisions of the Act on the Arrangement of Related Acts to Promote Work Style Reform are likely to deepen labor shortages. SIR therefore believes that companies will increasingly rely on dispatched personnel. Based on these dynamics, the Company plans to continue proactively recruiting personnel who match client needs, and aims to raise the total number of technicians across the Group to 6,271 at end-period, in line with its initial forecast. This represents an increase of 1,410 YoY (+29.0%) and would mark a new record high.

The recruitment plans for COPRO CN and COPRO TC are as follows.

COPRO CN

For FY2026/3, COPRO CN plans to recruit 3,000 technicians (2,379 in FY2025/3), up 26.1% YoY. It expects resignations to total 1,928 (1,595 in FY2025/3), up 20.9% YoY. As a result, end-period headcount is planned to increase to 5,424 (4,352 in FY2025/3), up 24.6% YoY. COPRO CN also expects the average utilization rate during the period to reach 94.6%, up 0.8 pp from 93.8% in FY2025/3.

In April 2025, COPRO CN relocated its sales headquarters functions from NAGOYA to TOKYO under the leader ship of President Koshikawa and its sales strategy team. This move reflects COPRO CN's view that expanding its presence in the Kanto region, Japan's largest market that accounts for over 40% of the business's sales share, will become increasingly important going forward. As of the Q2 earnings announcement, the April relocation of the sales strategy team to Tokyo had not yet produced major results. Even so, COPRO CN aims to expand earnings in the Kanto region, where construction investment is the largest in Japan.

COPRO TC

In the Mechanical & electrical and semiconductor engineer dispatching and contracting business, COPRO TC plans to recruit 297 technicians (192 in FY2025/3), up 54.7% YoY. It expects resignations to total 104 (83 in FY2025/3), up 25.3% YoY. As a result, end-period headcount is planned to increase to 525 (332 in FY2025/3), up 58.1% YoY. COPRO TC expects the average utilization rate during the period to reach 92.9%, up 2.1 pp from 90.8% in FY2025/3.

In the IT engineers dispatching business, COPRO TC plans to recruit 247 technicians (140 in FY2025/3), up 76.4% YoY. It expects resignations to total 102 (101 in FY2025/3), up 1.0% YoY. As a result, end-period headcount is planned to increase to 322 (177 in FY2025/3), up 81.9% YoY. COPRO TC expects the average utilization rate during the period to reach 98.7%, up 0.1 pp from 98.6% in FY2025/3.

FY2026/3 KPIs by business (Forecast)

(People, 1,000 yen)

	FYE3/2025			FYE3/2026		
	1H	2H	Full Year	Full Year (Forecast)	YoY	YoY Change
No. of recruits	1,502	1,209	2,711	3,544	+30.7%	+833
Construction technician dispatch	1,348	1,031	2,379	3,000	+26.1%	+621
Mechanical & electrical and semiconductor engineer dispatch	95	97	192	297	+54.7%	+105
IT engineers dispatch	59	81	140	247	+76.4%	+107
No. of resignations	949	830	1,779	2,134	+20.0%	+355
Construction technician dispatch	845	750	1,595	1,928	+20.9%	+333
Mechanical & electrical and semiconductor engineer dispatch	45	38	83	104	+25.3%	+21
IT engineers dispatch	59	42	101	102	+1.0%	+1
No. of technical employees (period end)	4,482	4,861	4,861	6,271	+29.0%	+1,410
Construction technician dispatch	4,071	4,352	4,352	5,424	+24.6%	+1,072
Mechanical & electrical and semiconductor engineer dispatch	273	332	332	525	+58.1%	+193
IT engineers dispatch	138	177	177	322	+81.9%	+145
Retention rate	83.0%	85.6%	73.7%	74.6%	-	+1.0pt
Construction technician dispatch	82.8%	85.3%	73.2%	73.8%	-	+0.6pt
Mechanical & electrical and semiconductor engineer dispatch	85.8%	89.7%	80.0%	83.5%	-	+3.5pt
IT engineers dispatch	82.9%	86.6%	75.5%	78.3%	-	+2.7pt
Operating ratio (incl. trainees)	92.6%	94.8%	93.7%	94.6%	-	+0.9pt
Construction technician dispatch	92.5%	95.0%	93.8%	94.6%	-	+0.8pt
Mechanical & electrical and semiconductor engineer dispatch	91.2%	90.4%	90.8%	92.9%	-	+2.1pt
IT engineers dispatch	98.2%	99.0%	98.6%	98.7%	-	+0.1pt

* The above figures, excluding IT engineers dispatch retention rate, include IT freelance engineers. The numerical values of retention rate are for dispatched technical employees only, excluding IT freelancers.

* Retention rate = Number of technical employees at the end of the current period (current quarter) ÷ (Number of technical employees at the end of the previous period (previous quarter) + Number of recruits in the current period (current quarter)) x 100

Source: The Company earnings presentation material.

A two-for-one stock split of common shares was implemented

FY2026/3 dividend forecast and stock split

COPRO-HOLDINGS positions shareholder returns as one of its key management priorities and bases its policy on dividends. Under the current medium-term management plan (FY2023/3–FY2027/3), the Company's basic policy is to provide stable dividends in line with profit growth achieved through active investments, without reducing dividends, while targeting a consolidated dividend payout ratio of at least 50%.

For FY2026/3, the Company initially forecasted an annual dividend per share of JPY 80.0, consisting of an interim dividend (end of Q2) of JPY 30.0 and a year-end dividend (end of Q4) of JPY 50.0. This represents an increase of JPY 20.0 from the FY2025/3 annual dividend of JPY 60.0.

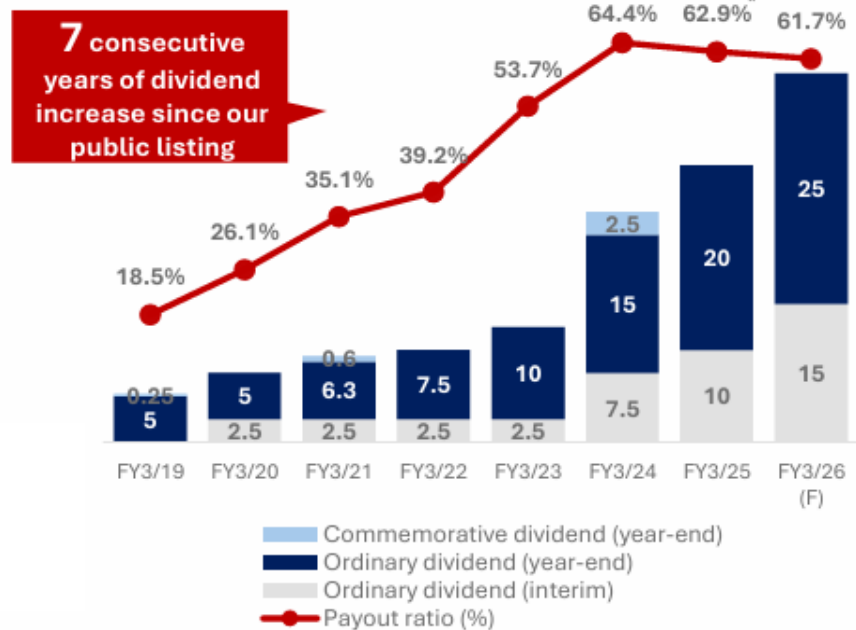
On July 14, 2025, the Company announced a stock split and conducted a 2-for-1 split of its common shares with September 30, 2025 (Tuesday) as the record date and October 1, 2025 (Wednesday) as the effective date. Following the split, the number of issued shares increased from 20 million to 40 million, and the number of authorized shares increased from 80 million to 160 million, based on the figures announced on July 14, 2025. The stock split did not affect the amount of paid-in capital.

On a retroactively adjusted basis reflecting the stock split, the annual dividend per share for FY2026/3 will be JPY 40.0.

Dividend on a retrospectively adjusted basis

Development of Dividend & Dividend Payout Ratio

(Yen per share)



* In FYE 2025, the total return ratio including share repurchase (¥799,991 thousand) is 106.6%.

* Total return ratio = (Total dividends + Total share repurchase) ÷ Profit attributable to owners of parent

Source: The Company earnings presentation material.

Share Price Insights

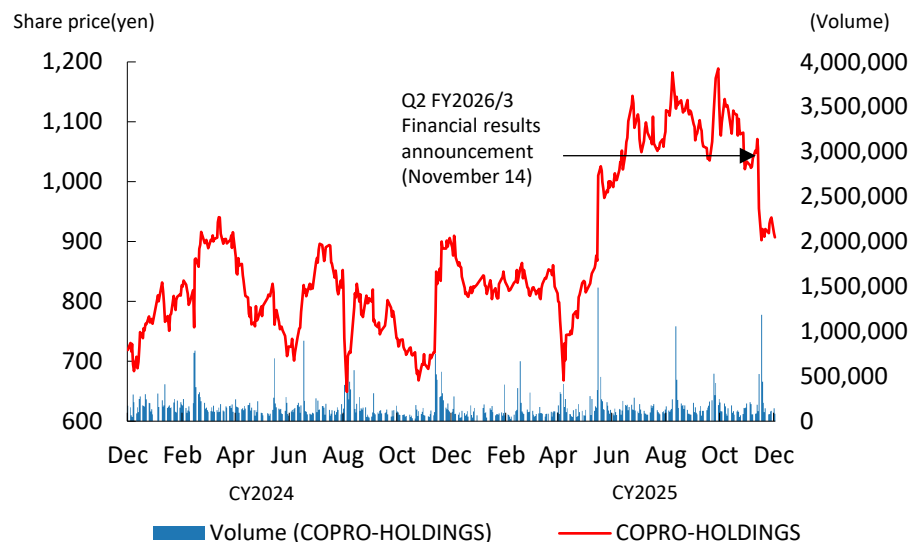
Share price trend

The current share price of JPY 907 (as of the December 2 closing price) has fallen 24.6% from the year-to-date high of JPY 1,203 (September 26), adjusted retrospectively for the stock split. Compared with the year-to-date low of JPY 654 (April 7), also adjusted retrospectively for the stock split, the share price has risen 38.7%. Most recently, the share price has shown a significant decline since the announcement of the FY2026/3 Q2 results on November 14. SIR believes this was mainly due to the shortfall in planned recruitment numbers, as well as weaker-than-expected matching between project orders and the profiles of recruited personnel, which ultimately triggered the decline in the share price.

Specifically, Q2 results showed double-digit YoY growth in both net sales and operating profit, marking new record highs for the Company. However, compared with the initial Q2 forecast announced on May 15, net sales and operating profit came in slightly below expectations, missing by 2.5% and 3.7%, respectively. Until now, the Company had consistently exceeded its prior forecasts in both quarterly and full-year results over the past several years, setting new record highs each time. SIR speculates that the recent weakness in the share price is a reaction to the previously heightened market expectations.

In April 2025, the Company also relocated its sales headquarters from Nagoya to Tokyo to expand its market share in the Kanto region. This strategic initiative is intended to strengthen its sales capabilities in Japan's largest market. However, no clear results from the relocation have emerged at this stage. Some investors view the slow progress as a factor contributing to the stock's recent performance.

Share price and trading volume (on a closing price basis)



Source: Compiled by SIR based on SPEEDA data.

Valuation

The current share price of JPY 907 (as of the December 2 closing price) implies a P/E ratio of 14.0x and a P/B ratio of 4.00x based on the Company's FY2026/3 EPS forecast. Since the Q2 earnings announcement, the valuation has fallen from pre-announcement levels, but SIR sees this as a temporary adjustment. SIR believes a valuation crunch triggered by concerns over a peak-out in profit growth is unlikely for the foreseeable future, given strong construction demand and the industry's persistent labor shortages.

SIR judges the Company's quality of earnings to be relatively high. In the personnel dispatching business, increases in net sales and profit are essentially driven by growth in operating headcount and improvements in billing rates, and the Company's business model generates cash inflows relatively quickly. Over the past three fiscal years, cash flow from operating activities has exceeded net profit, and the divergence (cash flow from operating activities ÷ net profit) has remained consistently above 1x, indicating minimal divergence between cash flow and profit. This indicates that profit is supported by cash flow. In addition, SIR believes the Company's cost structure is centered on personnel expenses, and that the risk of sharp fluctuations in other costs is low.

Divergence between cash flow from operations and net profit (JPY mn)

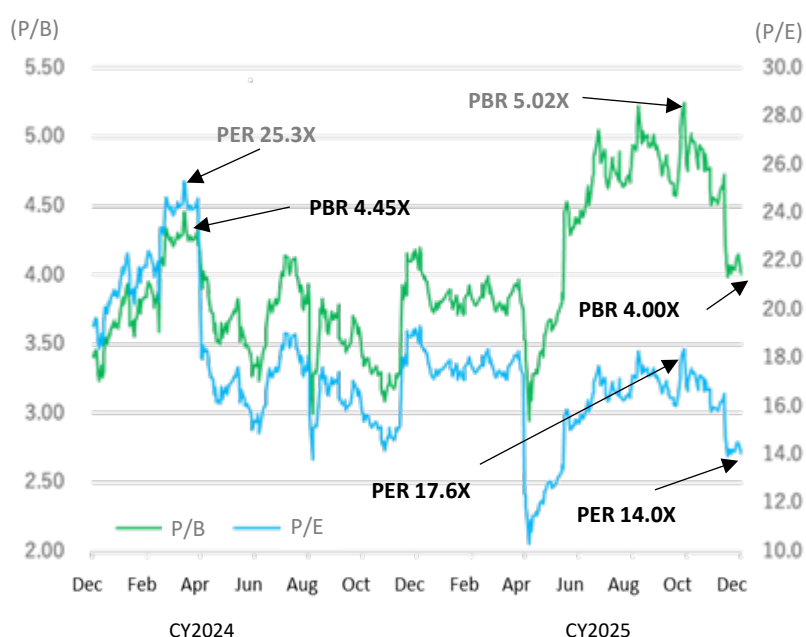
FY	CFO	Net profit	CFO / Net profit
FY2023/3	1,011	864	1.17X
FY2024/3	2,328	1,463	1.59X
FY2025/3	2,232	1,820	1.23X

Source: Compiled by SIR from the Company security report.

CFO = Cash flow from operations

The main reason Q2 results came in slightly below the initial forecast was that matching project orders from clients with the personnel the Company had recruited did not progress as expected. The Company intends to accelerate recruitment aligned with client needs in H2, recover the shortfall in H1 net sales and profit, and maintain its policy of achieving new record highs in full-year FY2026/3 results. Although investors acknowledge the Company's solid earnings scale and high quality of earnings, they remain cautious about its medium-term growth outlook from this fiscal year into next. Focus will now shift to the impact of relocating the sales team to Tokyo and the Company's progress toward meeting its earnings forecasts.

Trends in P/E and P/B (on a closing price basis, past 24 months)



Source: Compiled by SIR based on SPEEDA data.

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