

December 10, 2021

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

Chief Executive Officer: Kosuke Kiyokawa

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

Inquiries: Managing Director, Masahiko Saito

(Tel: +81-52-589-3066)

Plans to Meet the Continued Listing Criteria

At a meeting of the Board of Directors held on September 10, 2021, COPRO-HOLDINGS. Co., Ltd. (hereafter, "the Company") resolved to select the "Prime Market" and apply to the Tokyo Stock Exchange, Inc. (hereafter, "TSE") in connection with TSE restructuring of the new market segments scheduled to take place in April 2022. As the Company does not meet the continued listing criteria for this market at the base date for transition (June 30, 2021), the Company hereby announces that it has prepared plans to meet the continued listing criteria for the new market segment, as detailed below.

1. Compliance Status, and Planning Period to Meet the Continued Listing Criteria

The Company's compliance with the continued listing criteria for the Prime Market at the base date for transition is detailed below. The Company meets the criteria for Number of Tradable Shares, Trading Share Ratio and Trading Value, but does not meet the criteria for Tradable Share Market Capital with 5.31 billion JPY.

The Company intends to develop a variety of efforts to meet the continued listing criteria by the end of March 2027, which is the final fiscal year of the medium-term business plan (from FYE2023 to FYE 2027), which is planned to be released in the Spring of 2022, in response to the Tradable Share Market Capital.

	Prime Market's continued listing criteria	Compliance status	
No. of Tradable Shares	At least 20,000 units	39,736 units	○
Tradable Share Market Capital	At least 10 bn. JPY	5.31 bn. JPY	×
Trading Share Ratio	At least 35%	39.7%	○
Trading Value	At least daily avg. 20 mil. JPY	120 mil. JPY	○

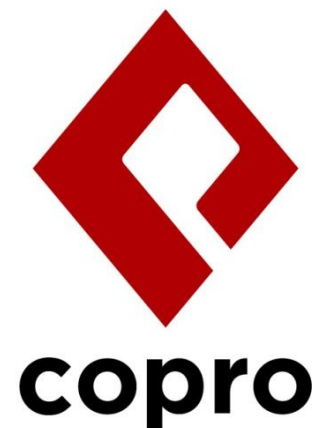
※The compliance status above is calculated based on the distribution of the Company's stock certificates, etc. as known by TSE as of the base date (June 30, 2021).

※Since the Company changed its listing market on September 11, 2020, it had not been 1 year old as of the record date, and the average daily trading value has not been calculated by TSE. Therefore, the figures listed are its own estimates.

2. Basic Policy, Issues, and Initiatives to Meet the Continued Listing Criteria

The Company's basic policies, issues, and initiatives for increasing the tradable share market capital in order to meet the Prime Market's continued listing criteria are described in the accompanying "Plans to Meet the Prime Market's Continued Listing Criteria."

End of document



Plans to Meet the Prime Market's Continued Listing Criteria

December 10, 2021

COPRO-HOLDINGS. Co., Ltd.

Tokyo Stock Exchange and Nagoya Stock Exchange – First Section
(Stock Code: 7059)

- 1. Compliance Status with the Continued Listing Criteria and Planning Period**
- 2. Basic Policy to Meet the Continued Listing Criteria**
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1. Compliance Status with the Continued Listing Criteria and Planning Period

Compliance Status with the Continued Listing Criteria

At the base date for transition, June 30, 2021, we do not meet the Prime Market's continued listing criteria for Tradable Share Market Capital.

	Prime Market's continued listing criteria	Compliance status	
No. of Tradable Shares	At least 20,000 units	39,736 units	○
Tradable Share Market Capital	At least 10 billion JPY	5.31 billion JPY	×
Trading Share Ratio	At least 35%	39.7%	○
Trading Value	At least daily avg. 20 million JPY	120 million JPY	○

- ※ The compliance status above is calculated based on the distribution of our stock certificates, etc. as known by TSE as of the base date (June 30, 2021).
- ※ Since we changed its listing market on September 11, 2020, it had not been 1 year old as of the record date, and the average daily trading value has not been calculated by TSE. Therefore, the figures listed are our own estimates.

Planning Period

The continued listing criteria are intended to be compliant by the end of March 2027, the final fiscal year of the medium-term management plan scheduled to be released in the spring of 2022, and we will promote each of the initiatives described in this plan.

2. Basic Policy to Meet the Continued Listing Criteria

**By enhancing corporate value
with a focus on expanding business performance,
we will achieve a tradable share market capital of
at least 10 billion JPY**

Basic Policy

We recognize that the reason why our tradable share market capital has not reached the continued listing criteria is that the stock price, a major component of it, has been sluggish, triggered by the sluggish performance in the fiscal year ended March 31, 2021.

In order to meet the listing criteria, we intend to promote each business strategy based on the medium-term management plan (FYE2023 to FYE2027), which will be announced in Spring 2022. At the same time, we intend to expand our business results by enhancing corporate governance and improving stock liquidity in order to increase the total value of the market through the improvement of corporate value.

By compounding the initiatives described above, we expect to achieve a tradable share market capital of at least 10 billion JPY by March 2027.

3. Current Issues and Initiatives

Current Issues and Initiatives for Enhancing Corporate Value

In addition to continuously enhancing business performance, which is the source of corporate value, we believe that further enhancing corporate governance is an issue to be addressed in order to strengthen the foundations for enhancing corporate value.

In order to solve this issue, we will implement the following initiatives.

- 4. Improve Business Performance by Promoting the Medium-term Management Plan
- 5. Enhance Corporate Governance

Current Issues and Initiatives for Improving Stock Liquidity

We believe that obtaining an appropriate valuation in the stock market is an issue in the formation of a market capitalization appropriate for corporate value. To this end, we will strive to raise awareness in the capital markets and promote understanding among individual and institutional investors in order to establish an appropriate stock price.

In order to solve this issue, we will implement the following initiatives.

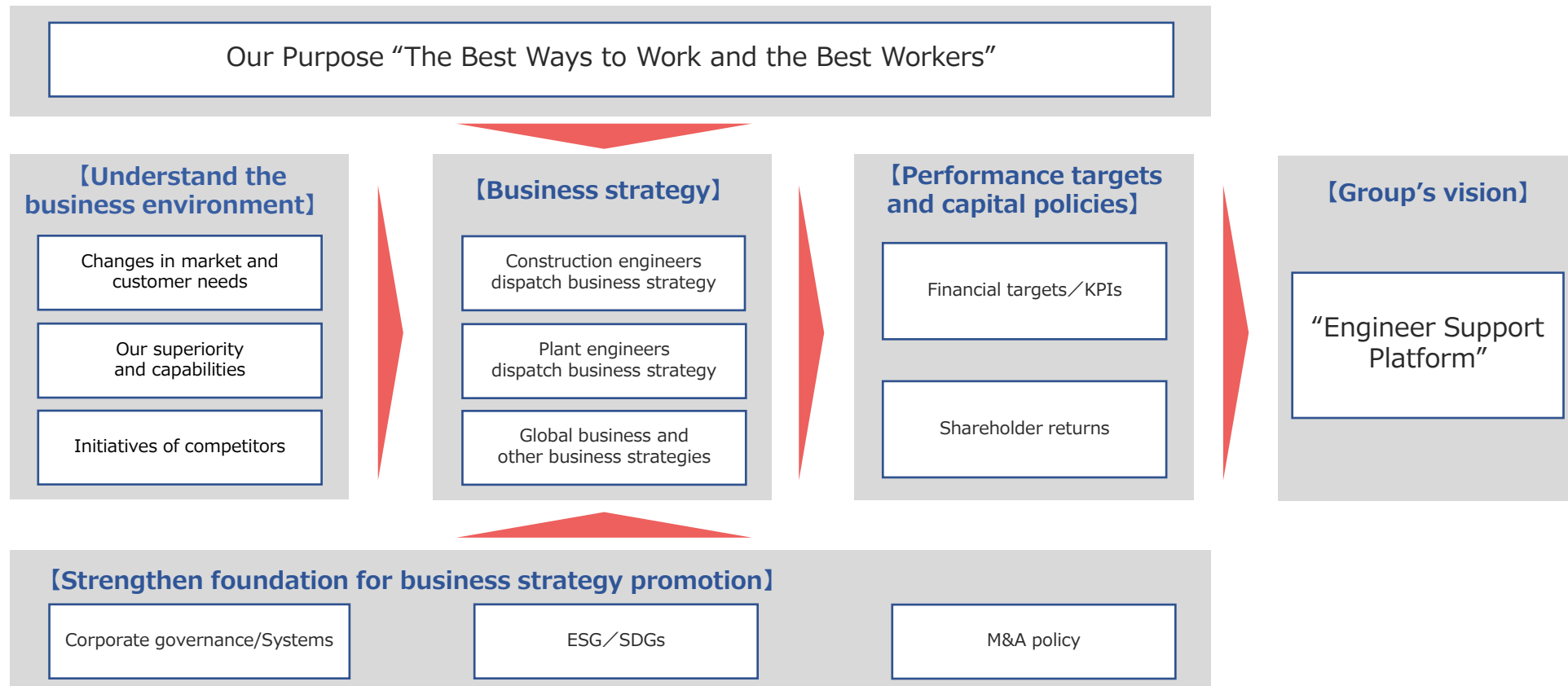
- 6. Improve Stock Liquidity

4. Improve Business Performance by Promoting the Medium-term Management Plan

4-1. Logic behind the Formulation of the Medium-term Management Plan

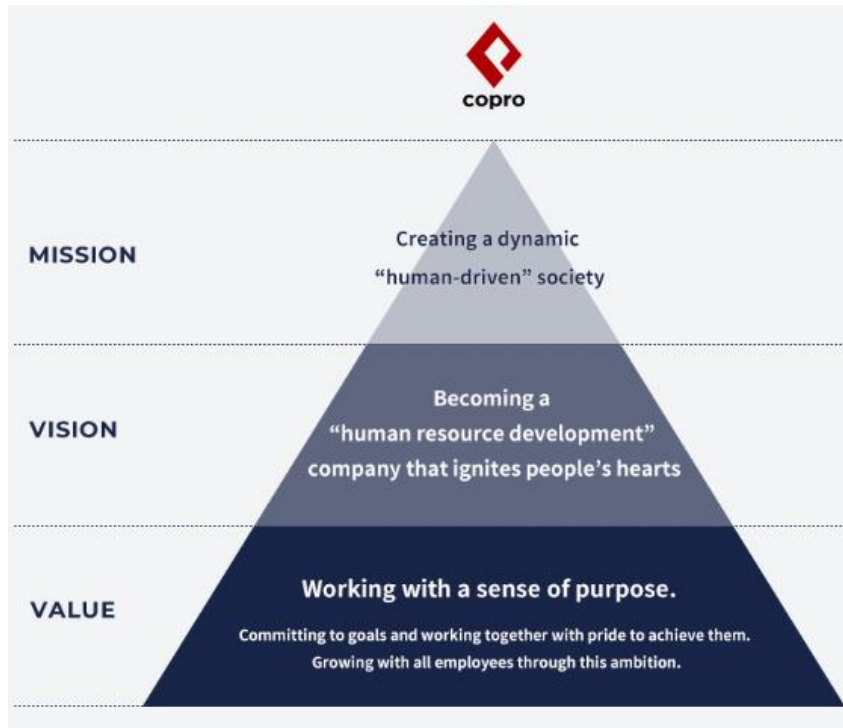
We will formulate strategies, performance targets, and capital policies for each business based on changes in the business environment and our company's purpose.

Logic behind the formulation of the medium-term management plan

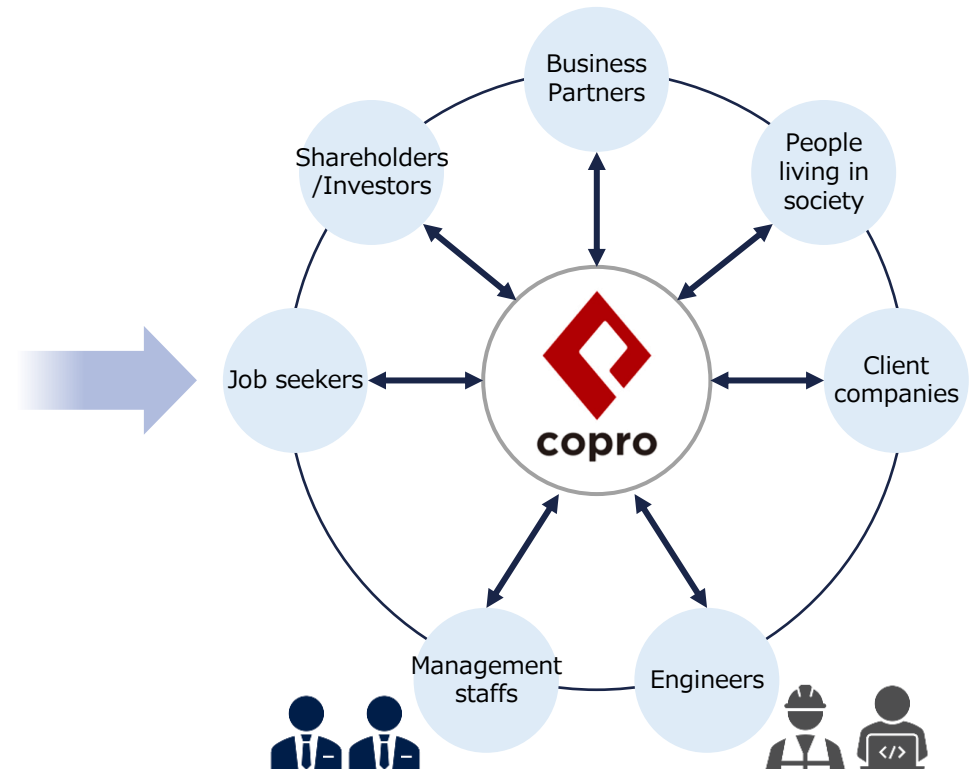


4-2. Purpose

We will create a dynamic "human-drive" society in which people move by providing society with our purpose, "The Best Ways to Work and the Best Workers."

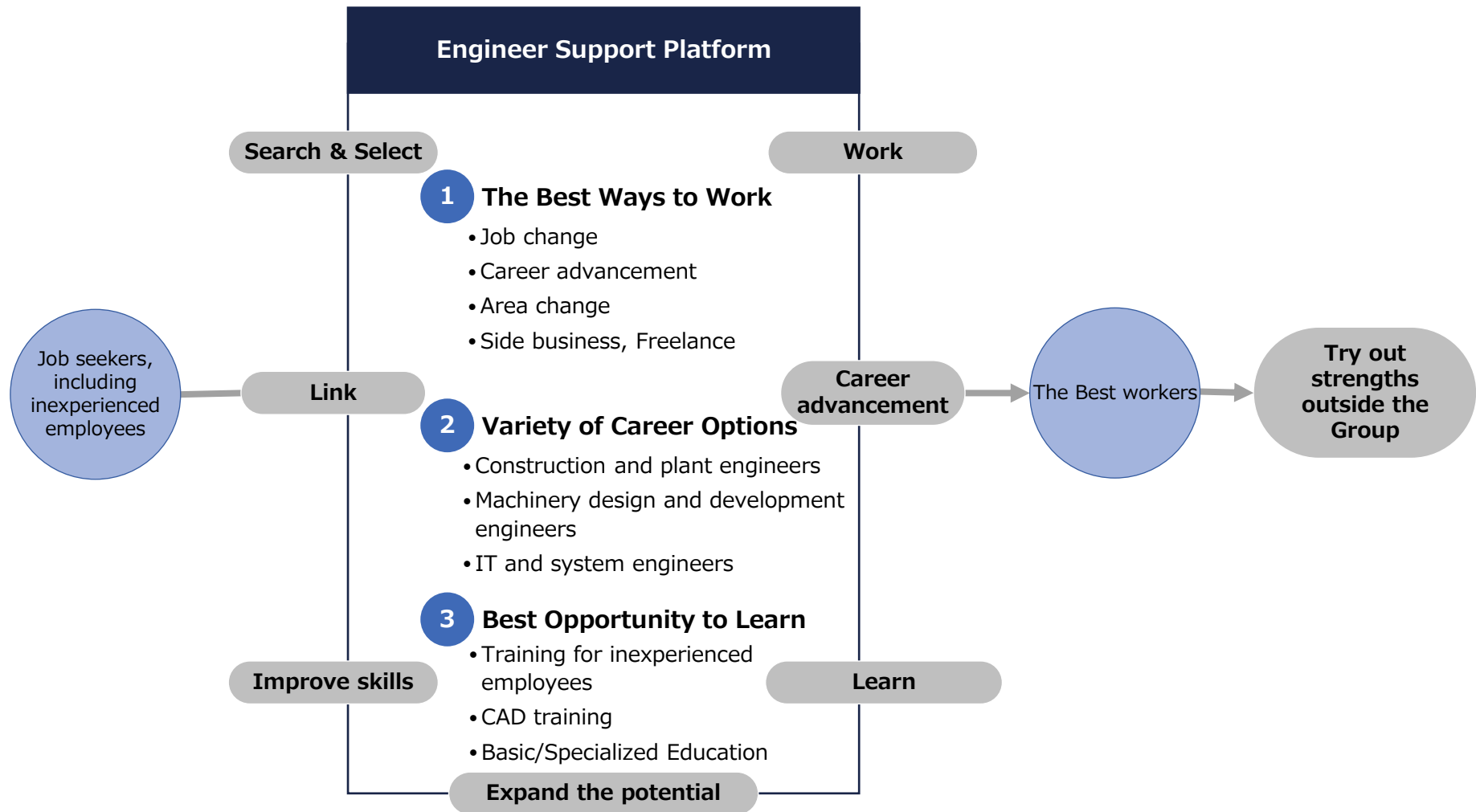


Our Purpose The Best Ways to Work and the Best Workers



4-3. Group's Vision "Engineer Support Platform"

The Engineer Support Platform supports engineers' diverse work styles.



4-4. External Environment

In order to respond to the declining birthrate, the aging of society, and the improvement working environment, we expect that the utilization of dispatched human resources in Japanese companies will continue to accelerate in the future. Furthermore, we expect the market for the construction and plant domains themselves of our core businesses to expand.

Awareness of the external environment

Political factors

Positive factor

Continuous improvement of the working environment
Equalization of services through investment of human resources

Accelerating acceptance of foreign workers

Economic factors

Positive factor

Growth in the construction and plant markets,
our core business

Continuous growth in the ratio of temporary staff
at companies

Social factors

Positive factor

Shortage of engineers in each field due to the
declining birthrate and aging population

Changes in values for working styles
Working styles that are not constrained
by time and the environment

Technical factors

Risk factor

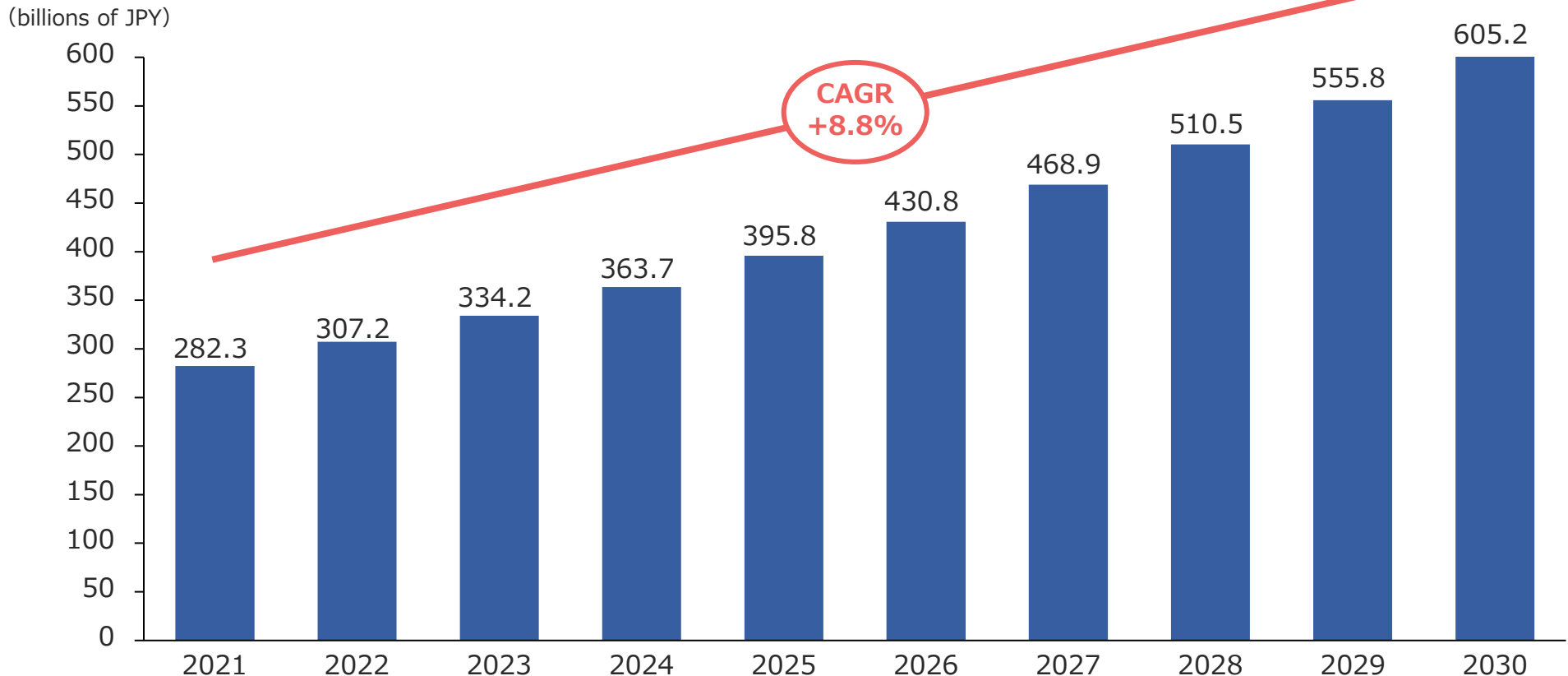
Dissemination of AI and construction robots
to construction sites

Changes in the value chain
due to the emergence of matching platforms

4-4. External Environment

The engineer dispatch market in the construction and plant fields is expected to expand at an annual rate of about 8.8% in line with the expansion of these markets according to the economic recovery after COVID-19.

Forecast of construction and plant dispatch market size



※ The above is estimated by COPRO-HOLDINGS. Co., Ltd..

4-5. Outline of the Medium-term Management Strategy

Medium-term direction

Construction engineers dispatch business

- ▶ Focus on cultivating clients, particularly major general contractors
- ▶ As a pillar driving growth, make further investments and improve the efficiency of services as the scale expands
- ▶ Aggressive promotion of M&A

Plant engineers dispatch business

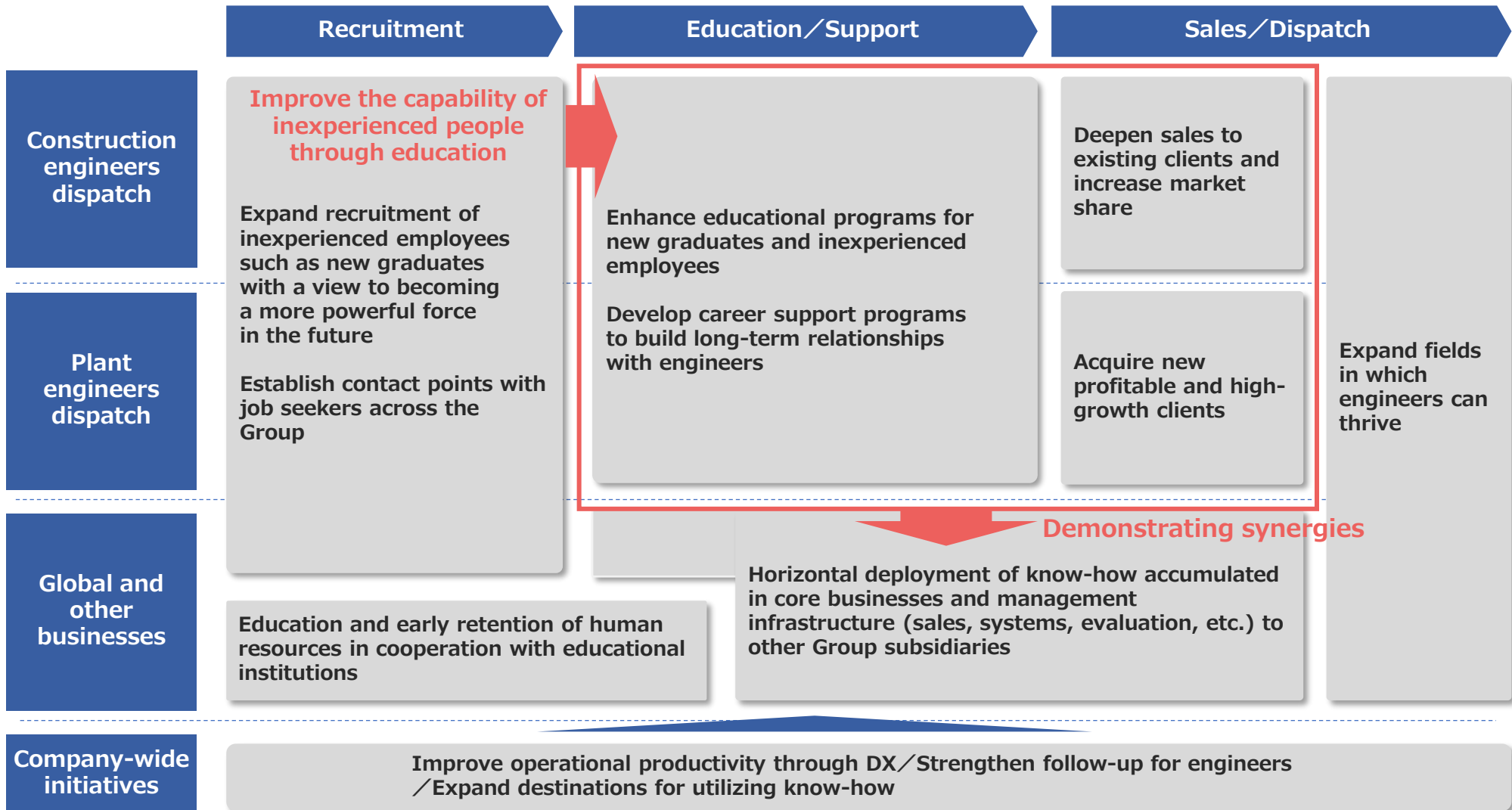
- ▶ Focus on cultivating new clients and expand scale as a pillar of business after dispatching construction engineers
- ▶ Allocate resources mainly to clients with high growth potential and profitability, and secure a high profit level
- ▶ Aggressive promotion of M&A

Machinery design and development engineers dispatch, System engineering services, and Global businesses

- ▶ Promote machinery design and development engineers dispatch, system engineering services, and global businesses to diversify our portfolio
- ▶ Horizontally deploy the know-how accumulated in the construction dispatch field, including sales, education, and training, to conduct efficient business operations
- ▶ Aggressive promotion of M&A

4-5. Outline of the Medium-term Management Strategy

Engineer support platform



5. Enhance Corporate Governance

Compliance with the Corporate Governance Code

We aim to satisfy the level required of the Prime Market in order to achieve sustainable growth and increase corporate value over the medium to long term.

Concept for the Prime Market

For companies which have appropriate levels of market capitalization (liquidity) to be investment instruments for many institutional investors, keep a higher quality of corporate governance, and commit to sustainable growth and improvement of medium- to long-term corporate value, putting constructive dialogue with investors at the center.

We will work toward the implementation of the Corporate Governance Code, which was revised in June 2021, with a focus on principles that are applied only to, or weighted by, the Prime Market.

Major revision items	Specific content	Items applied or weighted only to the Prime Market
Ensuring board independence	<ul style="list-style-type: none">• Appoint at least 1-third independent outside directors• Establishment of Nomination Committee and Compensation Committee, which are composed of a majority of independent outside directors• Publication of skill matrix	<input type="radio"/> <input type="radio"/>
Promoting diversity in core human resources	<ul style="list-style-type: none">• Publication of policies, targets, and status of recruitment of core human resources for women, foreigners, and mid-career recruits	
Attention to sustainability and ESG	<ul style="list-style-type: none">• Enhancing the quality and quantity of disclosures based on climate-change TCFD• Formulate policies on sustainability initiatives	<input type="radio"/>
Basic policies regarding the business portfolio	<ul style="list-style-type: none">• Disclosure of business portfolio policies and the status of revisions	
General shareholder meetings related matters	<ul style="list-style-type: none">• Electronic Voting Platform should be available• Information required in the disclosure documents should be disclosed and provided in English	<input type="radio"/> <input type="radio"/>

6. Improve Stock Liquidity

Initiatives to Improve Stock Liquidity

■ Efforts Related to Share Measures

We will implement the following equity measures to improve liquidity.

- We are working to clear the criteria for selecting stocks for lending and borrowing by the Tokyo Stock Exchange.

■ Increase in Trading Volume due to Strengthened IR Activities

We will work to raise awareness of our company and increase trading volume by actively implementing IR activities.

- We will work to strengthen information disclosure through the IR website, which was fully renewed on September 30, 2021.
- We plan to publish a sponsored report (Japanese and English versions) for investors by Shared Research Inc. around February 2022.
- In order to enhance disclosure in English, we plan to disclose the convocation notice in English from the 16th Ordinary General Meeting of Shareholders to be held in June 2022. We has completed the disclosure of financial statements, timely disclosure materials, and other documents in English.
- We will improve awareness and promote understanding of our business by enhancing the number of interviews with institutional investors and IR events for individual investors.

Disclaimer and Forward-Looking Statements

- This document has been prepared by COPRO-HOLDINGS. Co., Ltd. (the “Company”) to assist investors in understanding the current status of Company.
- The information contained in this document is based on economic, social, and other conditions generally recognized as of the date of publication and on certain assumptions deemed reasonable by Company. However, the information may change without notice due to changes in the business environment or other factors.
- Materials and information provided in this announcement include so-called "forward-looking statements". These forward-looking statements are based on current expectations, forecasts and assumptions that involve risks and uncertainties that could cause actual results to differ materially from these statements.
- These risks and uncertainties include general industry, market conditions, general domestic and international economic conditions such as interest rate and currency exchange rate fluctuations.
- Company undertakes no obligation to update or revise any forward-looking statements contained in this document, whether as a result of new information or future events.