

February 16, 2022

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

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## **Notice Regarding Business Succession through Corporate Split (Absorption-type Split) at Our Consolidated Subsidiary**

COPRO-ENGINEERD. Co., Ltd. (hereafter, "COPRO-ENGINEERD"), a consolidated subsidiary of COPRO-HOLDINGS. Co., Ltd., will assume the temporary staffing and charged employment dispatch businesses of Hucoss Co., Ltd. (Head Office: Chiyoda-ku, Tokyo; President and Representative director: Yoshiaki Machida; hereafter, "Hucoss") through an absorption-type company split on April 1, 2022.

### **1. Reasons for Business Succession**

#### **(1) Overview and Business Strategy**

COPRO-ENGINEERD, the core company of the COPRO Group, is engaged in the temporary staffing and charged employment dispatch businesses of workers mainly in the construction industry. In the construction industry, which is its main client, we expect steady construction demand to continue, including the Osaka and Kansai Expo scheduled for 2025, the Linear Chuo Shinkansen (between Shinagawa and Nagoya) scheduled for opening in 2027, construction related to urban redevelopment projects, and renovation accompanying the aging of existing infrastructure.

On the other hand, in addition to the recent decline in the domestic working population, the strengthening of safety initiatives in the construction industry and the strengthening of various laws and regulations on overtime work have resulted in a further shortage of human resources, as services that had been completed by a single human resource have been subdivided.

This time, COPRO-ENGINEERD will be able to accept many highly skilled engineers and qualified engineers by inheriting the worker dispatch and charged employment dispatch businesses operated by Hucoss, thereby responding more precisely and speedily to the needs of customers. For the above reasons, we determined that we would be able to further improve client satisfaction and expand business transactions, and decided to conduct business succession through an absorption-type company split.

We will announce the medium-term management plan "COPRO Group VISION 2027" (tentative name) this spring. In order to achieve sustainable growth and increase corporate value over the medium to long term, we will strengthen our foundation centered on construction and plant engineer dispatching business, our core business.

#### **(2) Method of Acquisition**

We plan to use cash on hand to allocate the amount related to this succession.

## 2. Overview of the Business to Be Succeeded

(1)	Target business to be succeeded	Temporary staffing and charged employment dispatch businesses operated by Hucoss Co., Ltd.
(2)	Financial results of the target business for the latest fiscal year ended March 31, 2021	
	Net sales	1,398 million JPY

## 3. Outline of the Spin-off Company

(1)	Company name	Hucoss Co., Ltd.
(2)	Head-quarter address	1-7, Uchikanda 1-chome, Chiyoda-ku, Tokyo
(3)	Job title & name of representative	Yoshiaki Machida, President and Representative director
(4)	Business activities	Temporary staffing business, charged employment dispatch businesses, outsourcing, and insurance agency businesses
(5)	Share capital	50 million JPY
(6)	Date of Incorporation	March 11, 1972
(7)	Major shareholders and shareholding ratio	Takasago Thermal Engineering Co., Ltd. 100.0%

## 4. Outline of the Succeeding Company

(1)	Company name	COPRO-ENGINEERED. Co., Ltd.
(2)	Head-quarter address	28-12, Meieki 3-chome, Nakamura-ku, Nagoya-shi, Aichi
(3)	Job title & name of representative	Kosuke Kiyokawa, Chief Executive Officer and Representative director
(4)	Business activities	Temporary staffing business, charged employment dispatch businesses
(5)	Share capital	30 million JPY
(6)	Date of Incorporation	May 1, 2015
(7)	Major shareholders and shareholding ratio	COPRO-HOLDINGS. Co., Ltd. 100.0%

## 5. Schedule of Business Succession

- (1) Date of conclusion of the absorption-type demerger agreement February 10, 2022
- (2) Effective Date of Absorption-type Company Split April 1, 2022 (planned)

## 6. Outlook

This incident has no impact on the consolidated financial forecast for the fiscal year ending March 31, 2022.

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