

# COMSYS VISION 2020

## Annual Report 2018

Fiscal Year Ended March 31, 2018



COMSYS Holdings Corporation

<b>1</b>	<b>Profile</b>
<b>2</b>	<b>President's Message</b>
<b>5</b>	<b>Business Integration with Three Telecommunications Construction Companies</b>
<b>6</b>	<b>Five Integrated Business Groups</b>
<b>8</b>	<b>Business at a Glance</b>
<b>10</b>	<b>Review of Operations and Outlook</b>
10	NTT Engineering Business
10	NCC Engineering Business
11	IT Solutions Business
11	Social System-Related Business
<b>12</b>	<b>Topics</b>
<b>13</b>	<b>Corporate Governance</b>
<b>18</b>	<b>Corporate Social Responsibility (CSR)</b>
<b>19</b>	<b>Financial Statements*</b>
19	Consolidated Balance Sheets
21	Consolidated Statements of Income
22	Consolidated Statements of Changes in Net Assets
24	Consolidated Statements of Cash Flows
25	Ten-Year Summary of Business Results and Financial Data
<b>28</b>	<b>Information</b>
28	Investor Information
29	COMSYS Holdings Information

## Cautionary Statement with Respect to Forward-Looking Statements

Statements made in this annual report with respect to COMSYS Holdings' plans and benefits as well as other statements that are not historical facts are forward-looking statements, which involve risks and uncertainties. Potential risks and uncertainties include, without limitation, general economic conditions in COMSYS Holdings' markets, exchange rates, and COMSYS Holdings' ability to continue to win customers' acceptance of its products, which are offered in highly competitive markets characterized by continual new product introductions and rapid developments in technology.

\* Compiled based on the content of COMSYS Holdings' Annual Securities Report submitted in Japanese.

## How to Use



Left-click tabs at the right-hand edge of the page to jump to the relevant section.

## Profile

COMSYS Holdings Corporation (the “Company”) was established in September 2003 as a holding company through share transfers from three companies—Nippon COMSYS Corporation, SANWA ELEC Co., Ltd. (now SANWA COMSYS Engineering Corporation) and HIGASHI NIHON System Construction Co., Ltd. (now TOSYS Corporation). The COMSYS Group (the “Group”) consists of the Company and 50 subsidiaries and 6 affiliates, in addition to 5 core operating subsidiaries, specifically Nippon COMSYS Corporation, SANWA COMSYS Engineering Corporation, TOSYS Corporation, TSUKEN Corporation and COMSYS JOHO SYSTEM Corporation.

The business domain of the COMSYS Group encompasses various construction businesses ranging from carrier-related electrical and telecommunications facilities to ICT related facilities and social system-related facilities, both of which have high growth potential. Social system-related businesses include improvement projects of urban environments, renewable energy projects such as solar power, and various infrastructure projects which support the foundation of social and economic activities.

### COMSYS Group Management Philosophy



At the COMSYS Group, we are united as a Group and strive for strong partnership and collaboration with diverse external players in achieving our management philosophy.

- ▶ We will build a company that customers continue to choose through the construction of diverse infrastructure that carries our era forward.
- ▶ We will contribute to our country and local communities by building social infrastructure that supports affluent lifestyles.
- ▶ We will continue with unrelenting reform in our aim to further increase corporate value.

## President's Message

**The COMSYS Group achieved record highs in orders received, net sales, and operating income for the FY ended March 2018. We are committed to contributing to the development of social infrastructure by our continuous self-reform.**

September 2018

*Takashi Kagaya*

Takashi Kagaya  
President and Representative Director



### Business environment surrounding COMSYS Group and the performance for FY ended March 2018

In the information communications arena surrounding COMSYS Group, value-added content services are expanding while service competition among mobile carriers is becoming increasingly fierce.

In order to cope with this rapidly increasing mass traffic, upgrading of mobile networks is in progress.

On the other hand, in public and private sectors, both social infrastructure investment such as for national resilience, promotion of renewable energy, Tokyo Olympic and Paralympic Games related investment and ICT investment to utilize new innovations such as the Internet of Things (IoT) and Artificial Intelligence (AI) are expected to increase.

Under this favorable environment, as for the performance for the FY ended March 2018, we recorded our highest ever orders received of ¥402.2 billion partly due to the contribution by integrating Kando Co., Ltd. into

our Group in July 2017. We also recorded our highest ever net sales of ¥380.0 billion by completing the ample contract backlog.

Regarding profit, by improving construction efficiency in completing the ample contract backlog, and boosting productivity through work style innovation, we recorded ¥30.3 billion operating income and ¥20.3 billion net income attributable to the shareholders of the parent company, both of which are three year highs.

### Business environment and outlook of the performance for FY ending March 2019

Regarding the outlook for the FY ending March 2019, while the investment in public and private sectors is expected to increase due to national resilience, environment and energy-related businesses, and the Tokyo Olympic and Paralympic Games, etc., capital investment by telecommunications carriers is on a declining trend, and therefore, we expect a decrease in orders received.

On the other hand, we expect an increase in net sales from completing the ample contract backlog and also from the revenue contribution by newly consolidated subsidiaries.

We also plan to increase profit by promoting further structural reform, improving productivity and reducing costs.

## ■ Mid- to long-term management strategy

In 2014, the COMSYS Group formulated the 10-year management plan with specific targets for each business domain based on the outlook of the future business environments.

### <Targets>

1. Net sales: ¥400 billion or more
2. Operating income: ¥30 billion or more
3. Increasing the ratio of the growth fields (IT solution business and social system-related business) in net sales

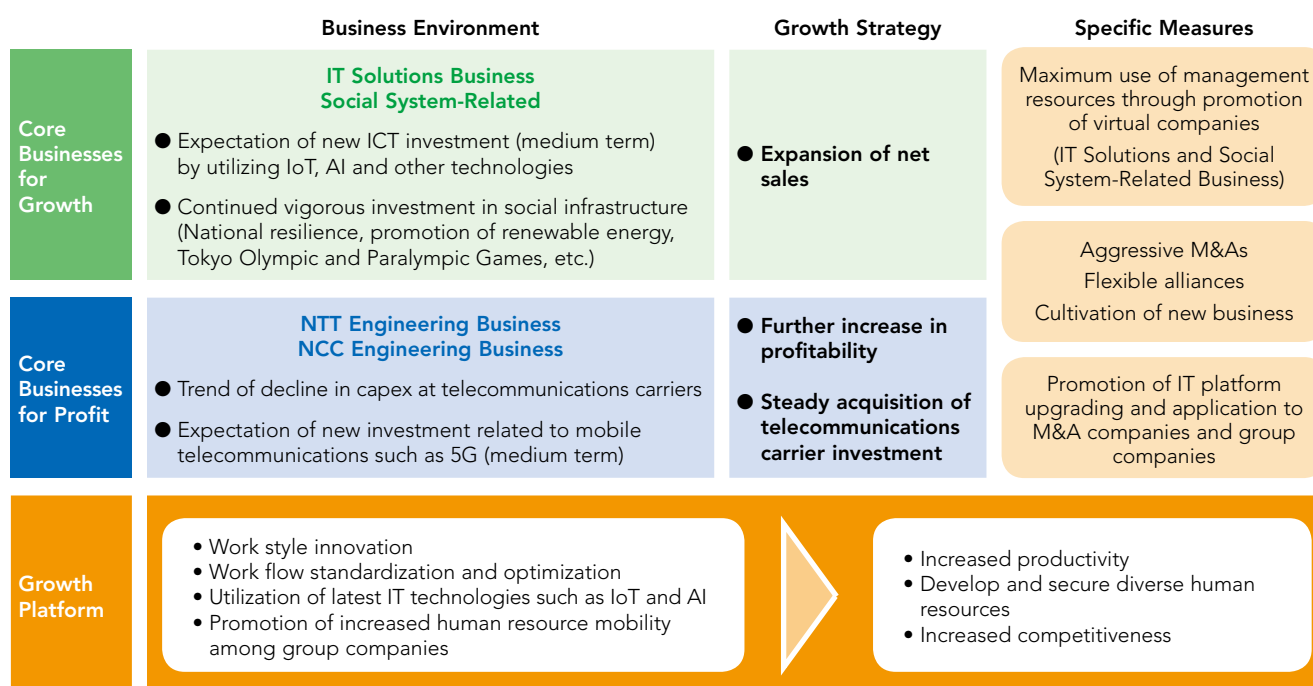
In order to realize the mid- to long-term management targets, we have continuously promoted our structural reforms and endeavored to increase our top line of business by expanding businesses in the private sector and acquiring new companies through M&A.

Further, in 2017, in order to accelerate our business growth, we formulated a new growth strategy "COMSYS VISION 2020" to realize our mid- to long-term targets in the FY ending March 2020 ahead of the original schedule.

To be more specific, we will undertake and promote the following main measures.

### <Main measures>

1. Expansion of net sales and profit by leveraging business company system
2. Promotion of new renewable energy businesses
3. Improvement of productivity through work style innovation
4. Continued implementation of M&A strategy



## Progress of "COMSYS VISION 2020"

As for net sales of the FY ended March 2018, we achieved ¥380.0 billion by completing the ample contract backlog, and operating income of ¥30.3 billion, exceeding ¥30.0 billion which was our mid-term target. The ratio of the growth fields in total net sales has increased to 41.7%.

As for the net sales mid-term target, we will achieve it in the FY ending March 2019, one year ahead of our original plan.

## Shareholder returns policy

COMSYS Holdings recognizes that the return of profit to shareholders is one of the most important challenges for management.

Our basic policy is to achieve a stable and sustainable dividend payout considering our business performance.

For the dividends per share for the FY ended March 2018, based on the above policy, we set a ¥50 annual dividend (¥25 for interim and ¥25 for year-end) which is an increase of ¥10.

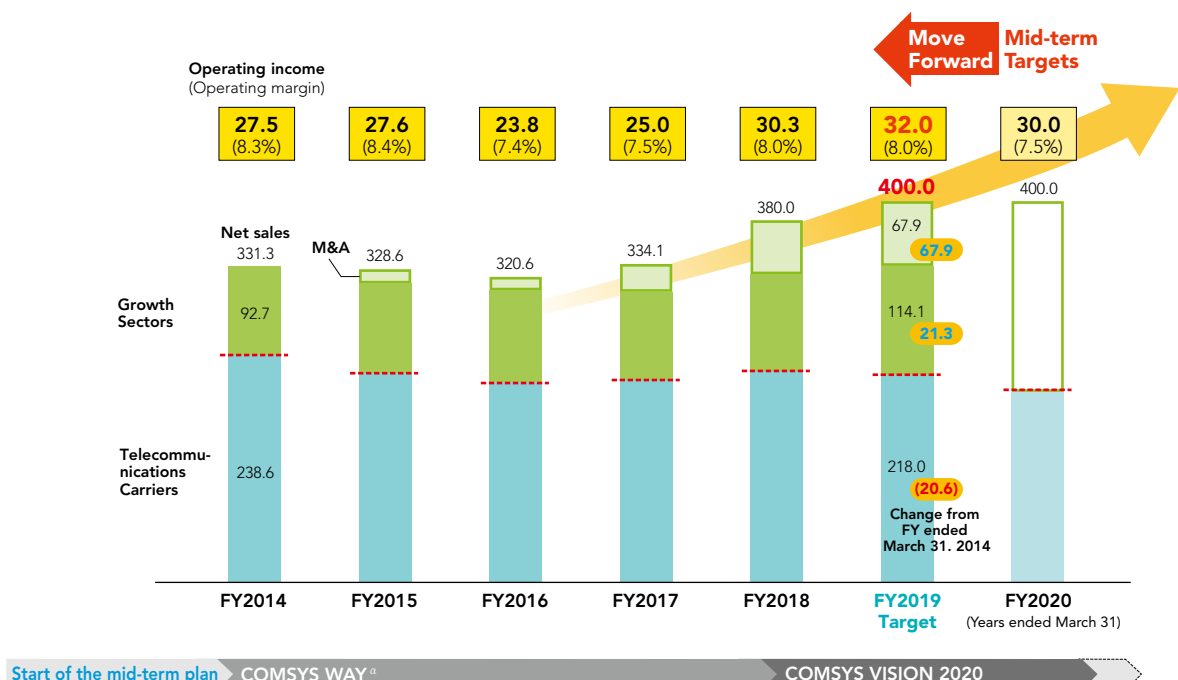
In addition, we acquired treasury stock of ¥8.0 billion in order to further promote shareholder returns based on our capital policy.

For the dividends per share for the FY ending March 2019, considering the expected business performance and payout ratio, we are planning to pay a ¥60 annual dividend (¥30 for interim and ¥30 for year-end) which is an increase of ¥10. Furthermore, we are planning to acquire treasury stock of ¥5.0 billion.

We invite all our stakeholders to look forward to our initiatives at COMSYS Holdings.

### Operating Results by Year

(Billions of yen)



## Business Integration with Three Telecommunications Construction Companies

### Business integration with three telecommunications construction companies in West Japan area

Effective October 1, 2018, we will integrate three telecommunications construction companies, namely, NDS, SYSKEN, and Hokuriku Denwa Kouji into COMSYS Group.

The main business of the NDS Group is the construction of the telecommunications infrastructure network for telecommunications carriers including the NTT Group in the Tokai and Hokuriku areas. Not only in the Tokai and Hokuriku areas, their business is also expanding into the Tokyo metropolitan area and the Kansai area. They are focusing on an expansion in contracted projects for public and enterprise customers such as construction of telecommunications facilities, electricity related works/engineering works, ICT related businesses, the installation and maintenance of semiconductor manufacturing equipment, information system development, electronic money settlement for transportation systems, etc.

The SYSKEN Group is operating mainly in the Kyushu area. Its core business is the construction of NTT-related infrastructure facilities and integrated facilities including the information communication infrastructure and electrical/air-conditioning systems which will vitalize and develop the regional economy.

The Hokuriku Denwa Kouji Group is operating mainly in the Hokuriku area. Its core business is the construction of telecommunications infrastructure network for

telecommunications carriers including the NTT Group. Additionally, they are focusing on the various construction projects of public and enterprise customers such as network construction, putting telephone lines underground, the construction of solar power facilities, as well as information system-related businesses including the software development and the interactive broadcasting-related business.

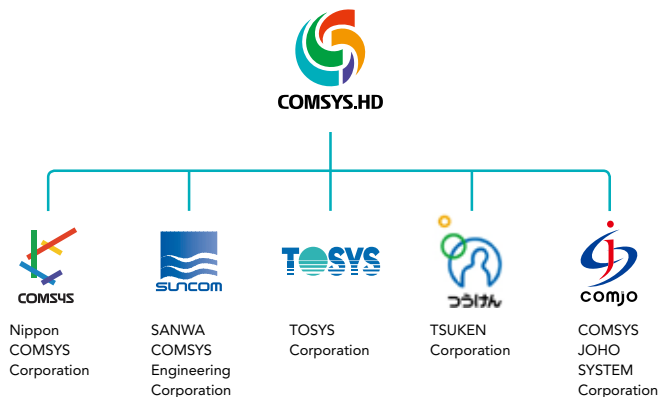
With this management integration, we will expand our services in the construction of infrastructure-related facilities such as telecommunications, electricity, gas, and running water, etc., by combining the technical capabilities of each group.

Moreover, we will contribute to the stable and continuous development of the entire Group business by promoting the cross-organizational exchange of talent and by sharing know-how on construction safety and quality control management, as well as by sharing the IT platform.

We will pursue the maximization of business synergy by expanding group businesses in a broader spectrum, taking advantage of the strength of each Group company. We will promote the growth strategy for the Group and improve corporate value further.



## Five Integrated Business Groups



As of March 2018, the COMSYS Group consists of COMSYS Holdings and 61 subsidiaries/affiliates. Its main businesses are the construction of electrical and telecommunications facilities and ICT related facilities.



**COMSYS**

### Nippon COMSYS Corporation

#### Business Activities

With its primary customers consisting of the NTT Group, public offices, and private enterprises, the Nippon COMSYS Group is engaged in the construction of electrical and telecommunications facilities on a nationwide scale.

#### Address:

17-1, Higashigotanda 2-chome, Shinagawa-ku,  
Tokyo 141-8647, Japan

#### Establishment:

December 1951

#### Number of Employees:

Consolidated 6,349

Non-Consolidated 2,845

#### URL:

<http://www.comsys.co.jp/>

(Japanese only)

#### Number of Consolidated Subsidiaries:

19 companies



### SANWA COMSYS Engineering Corporation

#### Business Activities

With its primary customers consisting of the KDDI Group and the SoftBank Group, the SANWA COMSYS Engineering Group is engaged in the construction of electrical and telecommunications facilities on a nationwide scale.

#### Address:

12-3, Koenji-Minami 2-chome, Suginami-ku,  
Tokyo 166-0003, Japan

#### Establishment:

September 1947

#### Number of Employees:

Consolidated 1,478

Non-Consolidated 741

#### URL:

<http://www.sancom-eng.co.jp/>

(Japanese only)

#### Number of Consolidated Subsidiaries:

3 companies





## TOSYS Corporation

### Business Activities

With the NTT Group as its primary customer, the TOSYS Group is engaged in the construction of electrical and telecommunications facilities, mainly in Nagano and Niigata.

### Address:

1108-5, Higashiyama Aza, Watauchi, Wakaho, Nagano City,  
Nagano 381-0193, Japan

### Establishment:

January 1960

### Number of Employees:

Consolidated 1,184

Non-Consolidated 659

### URL:

<http://www.tosys.co.jp/>  
(Japanese only)

### Number of Consolidated Subsidiaries:

4 companies



## TSUKEN Corporation

### Business Activities

With the NTT Group as its primary customer, the TSUKEN Group is engaged in the construction of electrical and telecommunications facilities, mainly in Hokkaido.

### Address:

1-23, Kitashijounishi 15-chome, Chuo-ku, Sapporo,  
Hokkaido 060-0004, Japan

### Establishment:

April 1951

### Number of Employees:

Consolidated 1,837

Non-Consolidated 894

### URL:

<http://www.tsuken.co.jp/>  
(Japanese only)

### Number of Consolidated Subsidiaries:

7 companies



## COMSYS JOHO SYSTEM Corporation

### Business Activities

With the NTT Group as its primary customer, the COMSYS JOHO SYSTEM Group is primarily engaged in the software development business, mainly in Tokyo.

### Address:

23-14, Takanawa 3-chome, Minato-ku,  
Tokyo 108-0074, Japan

### Establishment:

April 2009

### Number of Employees:

Consolidated 527

Non-Consolidated 374

### URL:

<http://www.comjo.co.jp/>  
(Japanese only)

### Number of Consolidated Subsidiaries:

1 company

## Business at a Glance

## NTT Engineering Business

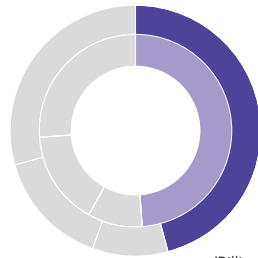


### Business Domains

- NTT access business
- NTT network business
- NTT mobile business

### Orders Received/Net Sales

(Year ended March 31, 2018)



(Billions of yen)

■ Orders received	45.9%	184.5
■ Net sales	48.9%	185.9

### Respective Areas of Business Operations of Group Companies

Nippon COMSYS Group	■
SANWA COMSYS Engineering Group	
TOSYS Group	■
TSUKEN Group	■
COMSYS JOHO SYSTEM Group	

### Primary customers

NTT East and NTT West,  
NTT Communications, NTT DOCOMO

### Business Activities

In the NTT Engineering segment, the Group is mainly engaged in the construction of telecommunications infrastructure for the NTT Group, including the installation of telephone lines and exchange equipment, transition of power lines underground, and construction of fixed-line broadband and wireless base stations. This is the COMSYS Group's core business and accounts for the largest share of Group-wide net sales.

## NCC Engineering Business

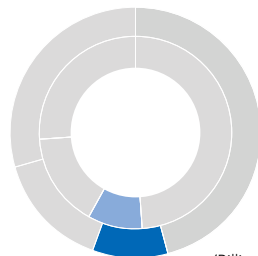


### Business Domains

- Telecommunications facility construction business with telecommunications carriers other than the NTT Group

### Orders Received/Net Sales

(Year ended March 31, 2018)



(Billions of yen)

■ Orders received	9.8%	39.2
■ Net sales	9.4%	35.7

### Respective Areas of Business Operations of Group Companies

Nippon COMSYS Group	
SANWA COMSYS Engineering Group	■
TOSYS Group	
TSUKEN Group	
COMSYS JOHO SYSTEM Group	

### Primary customers

KDDI Group,  
SoftBank Group

### Business Activities

In the NCC Engineering segment, the Group undertakes construction of telecommunication and other related facilities for telecommunications carriers other than the NTT Group.

## IT Solutions Business

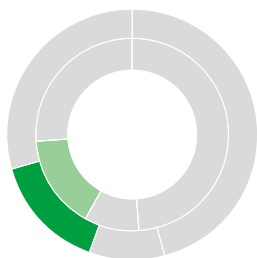


### Business Domains

- Network Integration (NI) Solutions
- System Integration (SI) Solutions
- Software development and contracted development
- Maintenance

### Orders Received/Net Sales

(Year ended March 31, 2018)



(Billions of yen)

■ Orders received	15.0%	60.4
■ Net sales	15.6%	59.0

### Respective Areas of Business Operations of Group Companies

Nippon COMSYS Group	■
SANWA COMSYS Engineering Group	■
TOSYS Group	■
TSUKEN Group	■
COMSYS JOHO SYSTEM Group	■

### Primary customers

Various private-sector companies, public offices and local government authorities

### Business Activities

In the IT Solutions segment, the Group combines its accumulated expertise with cutting-edge network technologies to provide comprehensive solutions services in the IT field, ranging from planning proposals regarding optimal systems integration for customers' business operations to providing maintenance services.

## Social System-Related Business

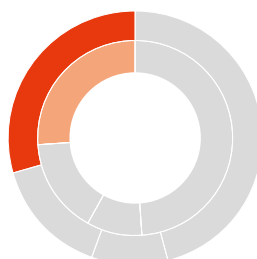


### Business Domains

- Electrical facility construction
- Communication cable box (C.C. Box) construction
- Civil engineering construction
- Building construction and associated construction
- Environment and eco-solutions

### Orders Received/Net Sales

(Year ended March 31, 2018)



(Billions of yen)

■ Orders received	29.3%	118.0
■ Net sales	26.1%	99.2

### Respective Areas of Business Operations of Group Companies

Nippon COMSYS Group	■
SANWA COMSYS Engineering Group	■
TOSYS Group	■
TSUKEN Group	■
COMSYS JOHO SYSTEM Group	■

### Primary customers

Public offices, local government authorities and various private-sector companies

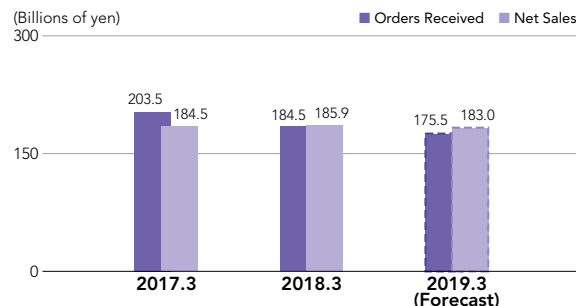
### Business Activities

In the Social System-Related Business segment, the Group is engaged in the design and construction of electrical facilities for places such as public facilities and office buildings; general civil engineering projects and the construction of office buildings, warehouses, factories, and disaster preparation facilities as well as businesses related to the environment and eco-businesses, such as solar power generation systems, energy conservation solutions, and other urban infrastructure businesses.

## Review of Operations and Outlook

## NTT Engineering Business

## Orders Received / Net Sales



## FY ended March 2018

## Performance and Business Activities

Because of the downturn after special demand for maintenance operations such as the repair of a telecommunications cable tunnel which occurred in the FY ended March 2017, the amount of orders received for the FY ended March 2018 decreased significantly year on year. However, supported by the front-loaded receipt of mobile phone related orders, the total amount of orders was ¥184.5 billion, still better than the plan by ¥4.5 billion.

Partly because the favorable progress of mobile phone-related construction offset the net sales decrease of maintenance processes, net sales grew by ¥1.4 billion year on year to ¥185.9 billion, which was better than the plan by ¥1.4 billion.

## Outlook for FY ending March 2019

In regard to the receipt of orders, due to the influence of the front-loaded receipt of orders for mobile phone-related businesses in the previous fiscal year, the receipt of orders is expected to decrease by ¥9.0 billion year on year to ¥175.5 billion.

Net sales will also decrease by ¥2.9 billion year on year to ¥183.0 billion, because of the gradually decreasing trend of the capital investment by NTT-affiliated companies.

## Future Outlook

The capital investment for the fixed-line related businesses from both NTT East and NTT West tends to decrease gradually every year.

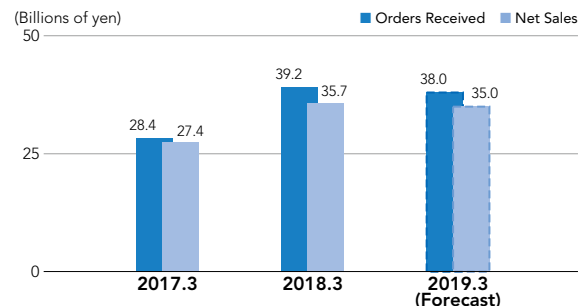
However, the investment for FTTH facilities by both NTT East and NTT West for the FY ending March 2019 is expected to increase against the FY ended March 2018. We are, therefore, expecting an increase in the receipt of orders related to a migration to Flet's Hikari from ADSL, ISDN, etc.

Although the capital investment of NTT docomo also tends to decrease gradually, the construction of base stations for the 3.5 GHz band is expected to increase to full-scale and the volume of construction is expected to stay at a high level for the FY ending March 2019.

Moreover, although the construction of base stations for the 3.4 GHz band and for 5G will be executed on a full-scale in and after the FY ending March 2020, we may begin to receive orders as early as the second half of the FY ending March 2019. We will, therefore, endeavor to win the receipt of such orders.

## NCC Engineering Business

## Orders Received / Net Sales



## FY ended March 2018

## Performance and Business Activities

Although carriers tended to decrease capital investment in the FYs ended March 2016 and 2017, the orders received for the FY ended March 2018 significantly increased by ¥10.7 billion year on year to ¥39.2 billion, thanks to the increases in the construction for base stations for KDDI (au), and countermeasure work for the poor reception of television radio waves.

Because of such aggressive investments by carriers, net sales increased significantly by ¥8.3 billion year on year to ¥35.7 billion, which was better than the plan by ¥6.2 billion.

## Outlook for FY ending March 2019

Although the construction of base stations for carriers is still expected to stay at a high level, the receipt of orders for countermeasure work for the poor reception of television radio waves will decrease, and we estimate that the receipt of orders will be ¥38.0 billion, a decrease of ¥1.2 billion year on year. Likewise, we estimate that net sales will be ¥35.0 billion, a decrease of ¥0.7 billion year on year.

## Future Outlook

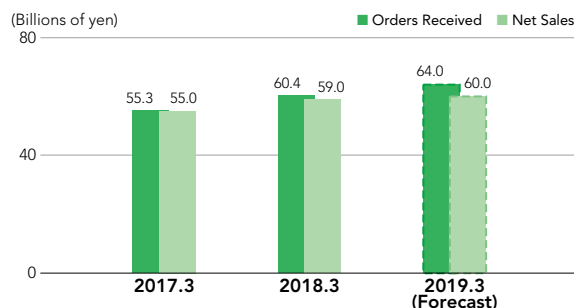
The capital investment by both KDDI and the SoftBank Group for the FY ending March 2019 is expected to increase. The volume of construction for mobile base stations is expected to stay at a high level as in the previous fiscal year.

As for the countermeasure work for the poor reception of television radio waves, although the areas subject to such countermeasures will increase, the number of the construction projects we are in charge of is expected to decrease.

Regarding Rakuten, which will newly participate in the market as the fourth mobile carrier, although we regard it as a new business chance, we have not incorporated it into the plan for the FY ending March 2019. We aim to receive orders from Rakuten for the construction of their mobile network facilities in and after 2019.

## IT Solutions Business

### Orders Received / Net Sales



#### FY ended March 2018

##### Performance and Business Activities

Although the corporate solutions business was stagnant and the amount of receipt of orders fell short of the plan, the receipt of orders for the alliance sector (Cloud and IT platform, etc.) and for software development was favorable enough to compensate for the shortfall of the corporate solutions business, resulting in a total amount of orders of ¥60.4 billion, an increase by ¥5.1 billion year on year.

As for net sales, although the corporate solutions business fell short of the plan, the total amount of the net sales increased to ¥59.0 billion, an increase of ¥4.0 billion year on year, thanks to an increase in software development.

#### Outlook for FY ending March 2019

Thanks to the newly consolidated company (VACSLAB Co., Ltd. is newly consolidated from April 2018) as well as to the effect of the introduction of the business company system, we expect that the receipt of orders will be ¥64.0 billion, an increase of ¥3.5 billion year on year and net sales will be ¥60.0 billion, an increase of ¥900 million year on year.

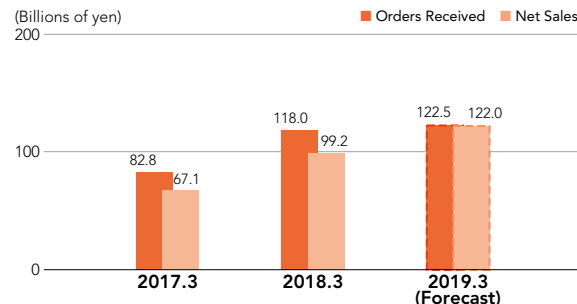
#### Future Outlook

We regard the IT solution business as a growing business. We will undertake an aggressive business expansion by the introduction of the business company system and the strengthening of the alliance with strategic vendors.

In the IT solution businesses, we will concentrate on an alliance in fields where the growth potential is high, such as Cloud and IT bases and data centers. Moreover, we will challenge the creation of new businesses in IoT and security-related areas in the field of solutions for corporations, as well as new businesses which utilize AI and Robotic Process Automation (RPA) in the field of software.

## Social System-Related Business

### Orders Received / Net Sales



#### FY ended March 2018

##### Performance and Business Activities

Because of the consolidation of Kando Co., Ltd. in July 2017 and the winning of big projects, orders received increased significantly to ¥118.0 billion, an increase of ¥35.1 billion year on year.

Because of the consolidation of Kando, net sales also significantly increased to ¥99.2 billion, an increase of ¥32.1 billion year on year. However, it fell short of the plan due partly to a delay in the construction work for solar power facilities.

#### Outlook for FY ending March 2019

For the FY ending March 2019, because Kando will contribute to the business results through the fiscal year in full, and the introduction of the business company system will effectively contribute to the business, we estimate that the receipt of orders will be ¥122.5 billion, an increase of ¥4.4 billion year on year, and net sales will be ¥122.0 billion, an increase of ¥22.7 billion year on year.

#### Future Outlook

We regard the social system-related businesses as a growth field. We will aim to expand the business in three areas; the electronic telecommunications area, the renewable energy area and the infrastructure area such as civil engineering for clean water supply/sewerage as well as agricultural water.

In the telecommunications field, we aim to focus on the fields where we can demonstrate our comprehensive strength and receive the orders of electric telecommunications facilities together with orders related to architecture and air conditioning systems, such as installation of the electric facilities and equipment for plant systems, the reconstruction of buildings and the construction of data centers.

In the field of renewable energy, we started our first project of wood biomass power-generation which is an Independent Power Producer (IPP) business. We will endeavor to win the receipt of orders in the Engineering, Procurement and Construction (EPC) businesses, taking advantage of our experience that we obtained through the IPP business. In the infrastructure field, we aim to expand businesses such as the Private Finance Initiative (PFI) projects of putting telephone lines underground promoted by the Ministry of Land, Infrastructure, Transport and Tourism as well as clean water and sewerage projects.

## Topics

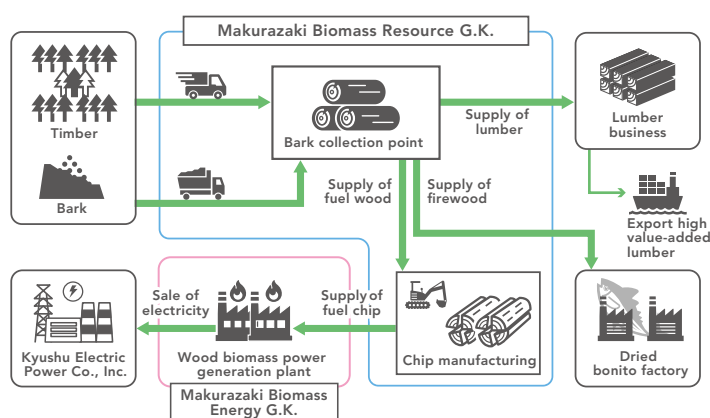
## COMSYS Group is developing a wood biomass power-generation project for the first time

Nippon COMSYS Corporation will begin the wood biomass power-generation business in Makurazaki city, Kagoshima Prefecture through “Makurazaki Biomass Energy G.K.,” established in October 2017 as a power-generation company, and “Makurazaki Biomass Resource G.K.,” established in November 2017 as a wood fuel producing company in partnership with Maeda Sangyo K.K.

Makurazaki Biomass Energy G.K. generates electricity by using 100% domestic forest resources, mainly the unused barks produced in Kagoshima Prefecture. The commercial operation is scheduled to begin in 2020. The power generation scale is 1,990 kW, all of which is going to be sold to Kyushu Electric Power Co., Inc.

Makurazaki Biomass Resource G.K. collects all wood in the region and supplies the wood usable for construction to mills, while supplying the other low quality conifer wood and barks for power generation use.

Both companies will contribute to the promotion of regional employment as well as to the formulation of a sustainable recycling society.



## Starting the business of small-sized wind power generation

SANWA COMSYS Engineering Corporation signed a distribution agreement with Solid Wind Power A/S (SWP) in June 2016, and started the business of import, sales, construction, and maintenance of small-sized wind power generation facilities.

In July 2017, SWP-19.8 kW, a small-sized wind power generation system manufactured by SWP, acquired a small wind turbine type certification from Nippon Kaiji Kyokai. In November 2017, we installed the first plant in Shichinohe-machi, Aomori Prefecture. We will contribute to promotion of renewable energy and reduction of environmental burden through the whole business from construction to maintenance of small-sized wind-power generation facilities based on the know-how obtained from our solar power generation business.



Small-sized wind-power generation facility installed in Shichinohe-machi, Aomori Prefecture

## Corporate Governance

### Basic Corporate Governance Philosophy

The COMSYS Group recognizes that it is important to strengthen corporate governance in order to improve corporate value. By striving to achieve this, the COMSYS Group aims to be a company that possesses the ability to win the trust and admiration of all stakeholders through its actual performance.

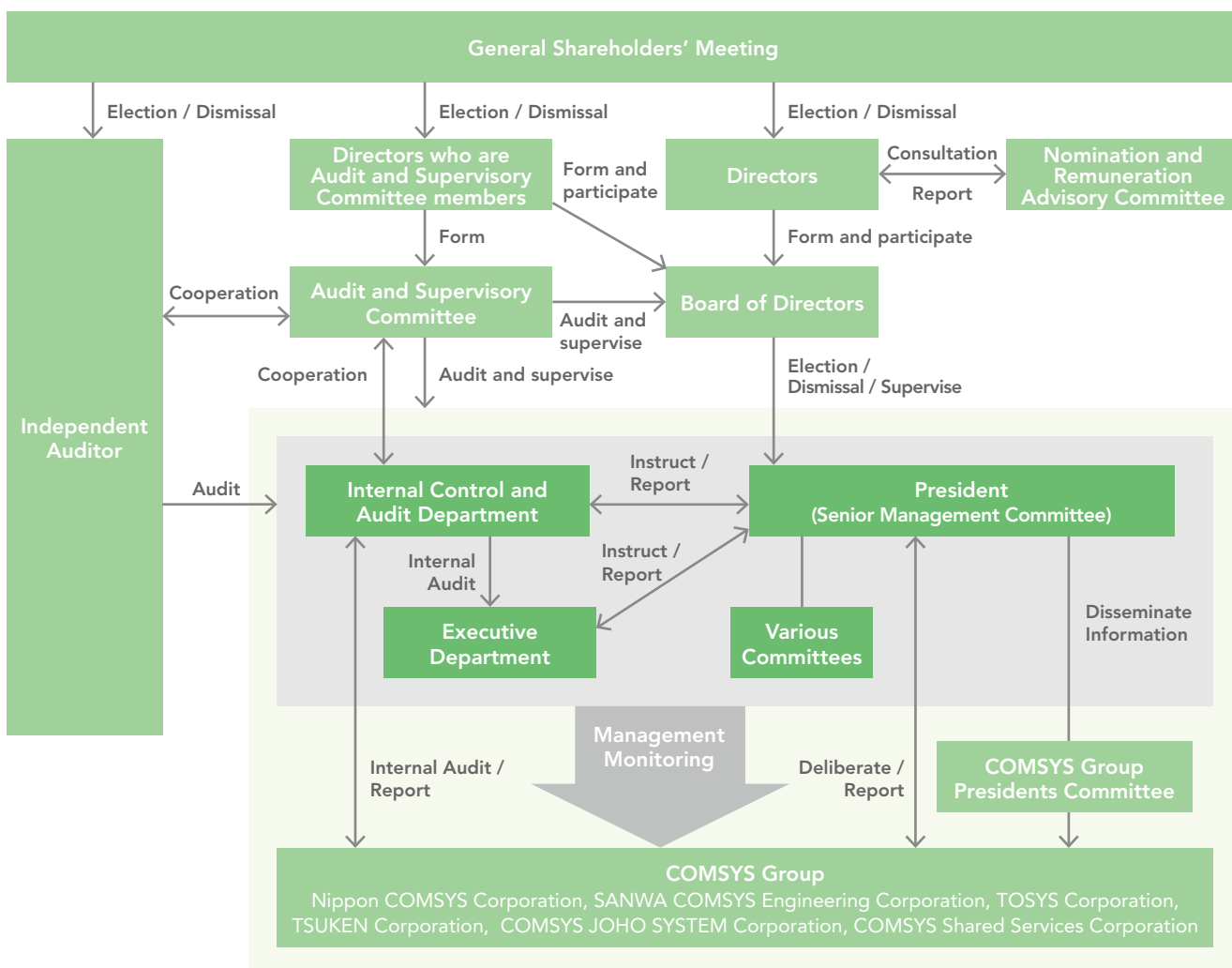
To do this, the COMSYS Group considers it is essential to establish the transparency and soundness of corporate management, and makes all possible efforts

to entrench measures such as ensuring appropriate information disclosure, promoting the observance of compliance, strengthening risk management, rigorously implementing the COMSYS Group's code of conduct, strengthening internal control, and contributing to society based on our business activities.

### Organizational Structure

The Company transitioned to the company with audit and supervisory committee system as its corporate governance

Diagram of the COMSYS Group's Business Execution Framework, Management Monitoring and Internal Control System



(As of June 26, 2018)



system at the 14th General Shareholders' Meeting, held on June 29, 2017. The system comprises a General Shareholders' Meeting, Board of Directors, Audit and Supervisory Committee and other organizations.

The audit and supervisory committee system is characterized by strengthening the supervisory functions of the Board of Directors with a structure for conducting rapid decision-making. The Company aims to achieve this with the transition to this system, and to further increase its corporate value.

The Board of Directors comprises internal directors well versed in the Company's operations and outside directors who monitor management from an independent standpoint, with the aim of enhancing management efficiency. Meanwhile, the Company has reinforced auditing functions with its Audit and Supervisory Committee members in order to ensure and enhance sound management.

The Company delegates important decisions on business execution to directors in accordance with the provisions of its Articles of Incorporation and by the resolution of the Board of Directors.

This system enables swift decision-making and nimble business execution, while allowing the Board of Directors to focus exclusively on supervision of business execution.

As of June 26, 2018, the Board of Directors comprises 10 directors and 6 directors who are also Audit and Supervisory Committee members, including outside directors. The board holds regular meetings in accordance with the Board of Directors Rules, as well as ad hoc meetings as required. The meetings are used to make decisions on statutory matters as well as important matters related to management, and to carry out supervision of those executing business.

Every quarter, the directors responsible for each business segment report to the Board of Directors on progress with business execution based on policies determined by the Board. Also, each business segment conducts efficient operational management under the supervision of the responsible director.

The Senior Management Committee is made up of directors other than outside directors and the standing Audit and Supervisory Committee members. In principle, this committee meets once a month to examine, discuss, and pass resolutions on issues related to key decisions, in an effort to improve the efficiency of business execution.

The heads of each operating department and certain other personnel attend meetings of the Senior Management Committee as observers, as necessary, to ensure that they fully understand the basis for all management decisions.

## ■ Status of the Internal Control System

The Company implements its internal control system based on a "Basic Policy on Establishing an Internal Control System" that was approved by resolution of the Board of Directors as follows.

## ■ Establishing a Compliance Structure

The Company has formulated its internal Compliance Program, has set forth Compliance Action Guidelines within this framework, and has established the Compliance Committee.

This committee, which is chaired by the president, is made up of representatives from the Company and each of the core operating subsidiaries, as well as all Audit and Supervisory Committee members. The committee oversees compliance throughout the COMSYS Group, and strives to increase the COMSYS Group's awareness of compliance and establish an effective compliance structure through various discussions. All COMSYS Group companies have set up similar compliance committees of their own. These committees work to establish an effective compliance structure by implementing educational and training programs, as part of efforts to deepen employee understanding of the corporate philosophy and action guidelines of each respective COMSYS Group company.



## ■ Establishing a Risk Management Structure

In its efforts to maintain and enhance corporate value amid a rapidly changing business environment, the COMSYS Group is aware that it faces a variety of business risks which must be managed appropriately. Therefore, the Group has established a Risk Management Committee, chaired by the president and made up of directors from the Company and each of the core operating subsidiaries.

The Basic Policy on Risk Management was formulated in order to promote Group-wide risk management. Furthermore, similar risk management committees were established at each Group company. In this manner, efforts are being made to properly address the business risks faced by each Group company, and to minimize the materialization of each risk.

The Company has formulated Risk Management Guidelines and Crisis Management Guidelines and will strive to maintain sustainable operations and ensure steady growth at the Company and the COMSYS Group by practicing effective risk management.

For example, the COMSYS Group manages operational risk by ensuring that Group companies work in accordance with management systems such as ISO 9001, ISO 14001, ISO/IEC 27001, COHSMS (Construction Occupational Health and Safety Management System), and Privacy Mark certifications given the actual working environments at each Group company. As a result, the COMSYS Group acquires and maintains certification in these systems.

## ■ CSR Activities

The Company and the COMSYS Group have established the CSR Committee to coordinate Group-wide CSR activities with the aim of ensuring that the Group actively fulfills its economic and social responsibilities, including social contribution activities, as a good corporate citizen.

The CSR Committee is engaged in CSR activities addressing various themes, such as compliance, corporate governance, risk management, information disclosure and protection, security countermeasures, social contributions and environmental issues.

## ■ Establishing an Information Management Structure

Important documents and records related to business activities and execution of directors' duties, including minutes of the Board of Directors and Senior Management Committee meetings and other reports, are stored and managed appropriately based on laws and regulations, as well as the Group's internal rules.

Furthermore, in order to improve the efficiency of operations and business execution, after ensuring an adequate level of information security, the Company is working to deploy various information systems to put in place a framework for sharing the latest management information.

## ■ Establishing a Group Management Structure

Business management of the core operating subsidiaries, which are the major subsidiaries of the COMSYS Group, is based on the "COMSYS Group Agreement." In addition, each core operating company conducts the management of the subsidiaries in which they have directly invested. As regards the business management to be conducted by the core operating subsidiaries, the Company possesses a Group operations system that provides guidance and advice as necessary.

Important management decisions within the COMSYS Group are reported to and discussed by the Senior Management Committee and the Board of Directors in line with Group Operation Standards, which clarify decision-making and reporting rules for the COMSYS

Group. In this manner, the Group management and monitoring framework is centered on the Company.

The Company has established internal reporting liaison contacts that cover the entire COMSYS Group, both inside the Company and at a law firm external to the Company. The Company works to prevent corporate impropriety by ascertaining reports from COMSYS Group employees and others about facts that may violate laws and regulations. The Company has also made efforts to prevent unfair treatment of whistleblowers by setting up appropriate systems in line with the Whistleblower Protection Act.

In order to ensure that all COMSYS Group operations are carried out appropriately, the directors of each core operating subsidiary also participate as members in the various Group committees established within the Company, including the CSR Committee, the Compliance Committee and the Risk Management Committee. In this way, the COMSYS Group ensures that all policies and decisions discussed by these groups are reported to and thoroughly understood by each Group company.

In addition, the Group has formed the COMSYS Group Presidents Committee, which is made up of the presidents of COMSYS Group companies. This committee meets regularly and works to ensure that management policies and activities are clearly understood by all members.

### ■ System to Eliminate Antisocial Forces

To fulfill our social responsibility as a company, the Company and the COMSYS Group have absolutely no relationship with any antisocial forces or groups that threaten the order and safety of civic society. Moreover, the Company and the COMSYS Group will maintain a resolute and uncompromising attitude in the face of any attempts to form a coercive relationship.

The Company and the COMSYS Group have prepared an organizational framework that enables them to block the formation of a relationship with any antisocial forces or groups, and to maintain a resolute and uncompromising attitude while coordinating with lawyers, the police, and other relevant authorities.

### ■ The Audit and Supervisory Committee

The Company's internal auditing organization consists of an Internal Audit Office and an Internal Control Office within the Internal Control and Audit Department.

The Internal Audit Office formulates internal auditing policies based on top management requirements, and conducts internal audits of the Company and all Group companies. These activities are intended to ensure that business execution is legal and appropriate, and that each business risk faced by the Group is minimized, while maximizing the quality of business operations.

The Internal Control Office formulates operational internal control policies as regards financial reporting, and provides leadership and evaluates the effectiveness of the internal control systems in the Company and the Group.

The Audit and Supervisory Committee comprises six members, four of whom are outside directors. To ensure the effectiveness of the Audit and Supervisory Committee's activities, the Company has established a system by which the Audit and Supervisory Committee members mutually elect a standing Audit and Supervisory Committee member who will attend important internal meetings and committees such as the Senior Management Committee and the Compliance Committee as a regular member to ensure that the member can constantly check the status of business execution and provide opinions.

In addition, based on the rules governing the Audit and Supervisory Committee, directors and employees of the Company and the Group are required to report

on major business activities or issues that could affect the Company's operations or performance to the Audit and Supervisory Committee members.

Furthermore, under the system, the Audit and Supervisory Committee members may request the directors and employees of the Company and the Group to provide the above reports or other reports considered necessary at their discretion.

The Audit and Supervisory Committee members also hold regular meetings with the president to directly express their views on issues related to business execution and other topics.

The Audit and Supervisory Committee members of the Company constantly check whether business operations are executed appropriately and efficiently by maintaining close ties with the Group's independent auditor and the Internal Control and Audit Department. For example, the Audit and Supervisory Committee members accompany the independent auditor and others on on-site internal and financial audits as observers in accordance with the audit plans.

Furthermore, the Audit and Supervisory Committee members hold regular meetings with the corporate auditors of the main Group companies to share information, exchange opinions, and engage in related activities to maintain close coordination within the Group and ensure the efficacy of audits.

If the Audit and Supervisory Committee requires assistants to assist with its duties, the Company discusses the committee's needs with the Audit and Supervisory Committee members and appoints organizations and assistants.

The personnel matters and transfers of the assistants are conducted after consultation with the Audit and Supervisory Committee members.

## ■ Outside Directors

The Company has four outside directors, all of whom are Audit and Supervisory Committee members.

In appointing outside directors, the Company considers the conditions for independence specified by the Companies Act and the Tokyo Stock Exchange, and emphasizes personnel who are able to advise and supervise the Company's management, having either of the following experiences or qualifications.

- (1) A person who has served as a corporate officer or management team member at another company, having a thorough knowledge of corporate management
- (2) A person with expert knowledge of laws, accounting, and so forth

All of the outside directors have either a wealth of knowledge and wide-ranging insight from their long experience in various industries and as corporate managers, or a high-level of ability and insight into the law as attorneys. They are expected to provide appropriate advice from multiple perspectives.

Furthermore, the Company judges that the outside directors will carry out their audits and supervision from an objective standpoint, and contribute to strengthening the Company's corporate governance.

## Corporate Social Responsibility (CSR)

### Basic Approach to CSR

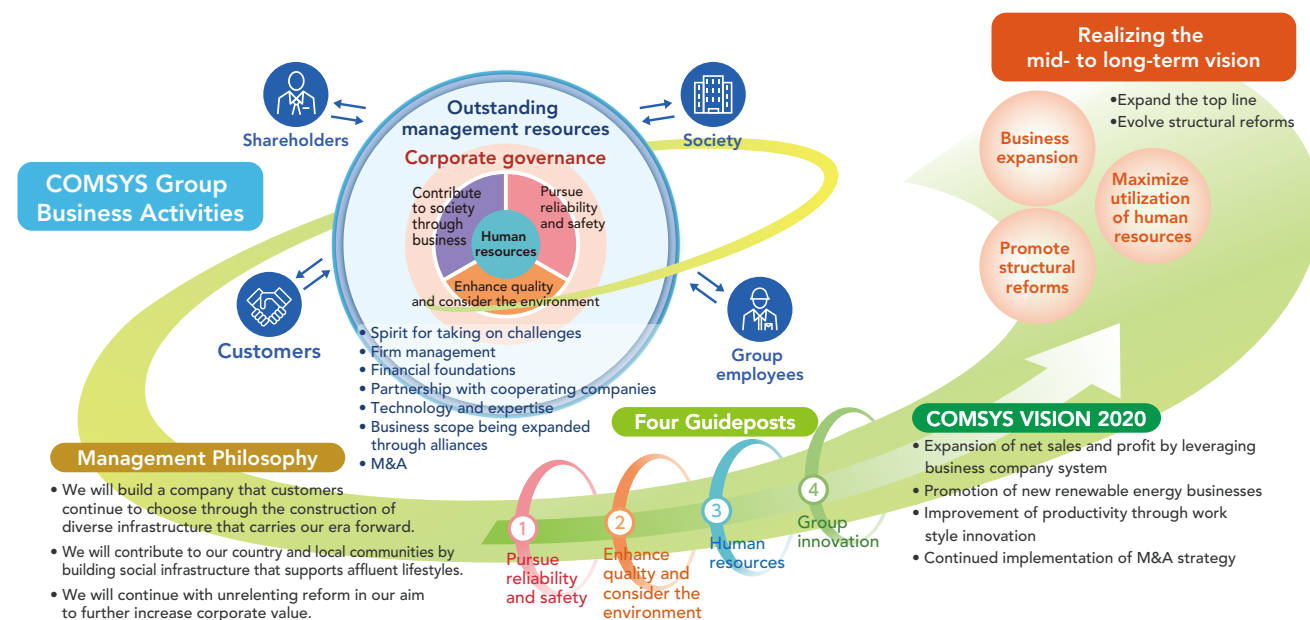
In this information-rich society, the role of the COMSYS Group is to build a reliable, safe, and convenient networked society and support the networks that connect every corner of society like clockwork. We consider this our responsibility to society as a corporation.

The COMSYS Group promotes its CSR activities under the CSR concept that we are contributing to the creation of a society where telecommunications networks foster more meaningful relationships among people, and between people and their communities. We see our basic CSR activities as a social contribution made through business activities.

Moreover, the Group will consider the environment as it undertakes development of a wider infrastructure, and will help to create an information-rich society that coexists harmoniously with the global environment.

As a member of society, the COMSYS Group aims to become a corporate entity that is trusted and loved by many stakeholders, including customers, local communities, shareholders, and employees. We will also engage in CSR activities to achieve sustainable growth.

#### COMSYS Group Value Creation Process



For the COMSYS Group, CSR activities are an important element in supporting value creation.

With human resources as the core, the COMSYS Group engages in business activities with a strong awareness of our priority challenges, which are to “pursue reliability and safety,” “enhance quality and consider the environment,” and “contribute to society through business.” We strive to strengthen governance, which is the management foundation that supports these activities.

In addition, with our management philosophy the Group aims to realize business expansion, maximize utilization of human resources, and promote structural reforms, as called for by our medium- to long-term vision.

By establishing the four guideposts, the COMSYS Group is moving through a short-term PDCA cycle for each goal, and boosting the realization of the medium- to long-term vision.

## Financial Statements

### Consolidated Balance Sheets

COMSYS Holdings Corporation and Consolidated Subsidiaries  
As of March 31, 2017 and 2018

	Millions of yen	
	2017	2018
<b>ASSETS</b>		
<b>Current assets:</b>		
Cash and cash equivalents	¥ 20,961	¥ 29,144
Notes and accounts receivable—trade	114,322	121,826
Lease investment assets	2,572	2,719
Accumulated cost of construction in progress	19,617	24,607
Merchandise	77	120
Materials and supplies	518	682
Deferred income taxes	3,587	4,269
Other current assets	5,543	3,199
Less: Allowance for doubtful receivables	(34)	(54)
Total current assets	167,166	186,515
<b>Fixed assets:</b>		
Property and equipment:		
Buildings and structures	56,994	61,982
Less: Accumulated depreciation	(28,052)	(31,391)
Buildings and structures, net	28,942	30,591
Machinery, vehicles and equipment	30,355	35,176
Less: Accumulated depreciation	(16,934)	(19,055)
Machinery, vehicles and equipment, net	13,420	16,171
Land	40,186	47,592
Lease assets	523	451
Less: Accumulated depreciation	(270)	(287)
Lease assets, net	253	164
Construction in progress	4,166	8,288
Total property and equipment	86,968	102,748
Intangible assets:		
Goodwill	666	5,969
Other intangible assets	4,002	4,094
Total intangible assets	4,669	10,063
Investments and other assets:		
Investment securities	11,154	12,956
Long-term loans receivable	1,067	1,000
Deferred income taxes	333	399
Net defined benefit asset	10,082	11,370
Other assets	4,510	3,304
Less: Allowance for doubtful receivables	(1,585)	(166)
Total investments and other assets	25,563	28,863
Total fixed assets	117,201	141,676
<b>Total assets</b>	<b>¥284,367</b>	<b>¥328,192</b>

	Millions of yen	
	2017	2018
<b>LIABILITIES</b>		
<b>Current liabilities:</b>		
Accounts payable—trade	¥ 55,577	¥ 59,749
Short-term bank loans	113	106
Income taxes payable	2,088	7,815
Advances received on construction in progress	1,291	2,873
Allowance for warranty work on construction projects	206	176
Allowance for losses on construction contracts	297	548
Other current liabilities	11,712	11,566
Total current liabilities	71,289	82,836
<b>Long-term liabilities:</b>		
Deferred income taxes	3,084	3,499
Deferred tax liabilities for unrealized gains on land revaluation	1,369	1,369
Net defined benefit liability	4,355	7,263
Allowance for directors' retirement benefits	257	271
Other long-term liabilities	1,068	1,185
Total long-term liabilities	10,134	13,588
<b>Total liabilities</b>	<b>81,423</b>	<b>96,424</b>
<b>NET ASSETS</b>		
<b>Shareholders' equity:</b>		
Common stock	10,000	10,000
Additional paid-in capital	52,525	60,833
Retained earnings	186,195	201,329
Treasury stock, at cost	(41,028)	(38,014)
Total shareholders' equity	207,692	234,199
<b>Accumulated other comprehensive income:</b>		
Unrealized gain on other securities	2,666	3,795
Revaluation reserve for land	(7,990)	(7,905)
Remeasurements of defined benefit plans	(650)	30
Total accumulated other comprehensive income	(5,974)	(4,079)
<b>Subscription rights to shares</b>	<b>578</b>	<b>513</b>
<b>Non-controlling interests</b>	<b>647</b>	<b>1,134</b>
<b>Total net assets</b>	<b>202,943</b>	<b>231,767</b>
<b>Total liabilities and net assets</b>	<b>¥284,367</b>	<b>¥328,192</b>

## Consolidated Statements of Income

COMSYS Holdings Corporation and Consolidated Subsidiaries  
Years ended March 31, 2017 and 2018

	Millions of yen	
	2017	2018
<b>Net sales</b> .....	¥334,163	¥380,024
<b>Cost of sales</b> .....	288,440	326,591
<b>Gross profits</b> .....	45,723	53,433
<b>Selling, general and administrative expenses</b> .....	20,686	23,085
<b>Operating income</b> .....	25,036	30,347
<b>Other income:</b>		
Interest income .....	15	14
Dividend income .....	179	227
Rent income on noncurrent assets .....	91	158
Other .....	164	248
Total other income .....	451	647
<b>Other expenses:</b>		
Interest expenses .....	8	7
Foreign exchange losses .....	0	117
Commission for purchase of treasury stock .....	21	15
Depreciation of idle assets .....	35	31
Rent expenses .....	63	86
Other .....	18	29
Total other expenses .....	147	288
<b>Recurring profit</b> .....	25,341	30,706
<b>Extraordinary income:</b>		
Gain on sales of fixed assets .....	24	16
Gain on sales of investment securities .....	161	0
Reversal of allowance for doubtful receivables .....	328	927
Gain on exchange from business combination .....	84	—
Other .....	49	30
Total extraordinary income .....	649	974
<b>Extraordinary loss:</b>		
Loss on disposal of fixed assets .....	114	83
Loss on impairment of fixed assets .....	391	494
Amortization of goodwill .....	2,273	—
Special payments on employees' retirement benefits .....	163	102
Other .....	239	139
Total extraordinary loss .....	3,183	819
<b>Income before income taxes and other adjustments to net income</b> .....	22,807	30,861
<b>Income taxes:</b>		
Current .....	8,958	10,857
Deferred .....	(663)	(440)
Total income taxes .....	8,295	10,417
<b>Net income</b> .....	14,512	20,444
<b>Net income attributable to non-controlling interests</b> .....	26	53
<b>Net income attributable to owners of parent</b> .....	¥ 14,485	¥ 20,390

## Consolidated Statements of Changes in Net Assets

COMSYS Holdings Corporation and Consolidated Subsidiaries  
Years ended March 31, 2017 and 2018

	Millions of yen				
	Shareholders' equity				Total shareholders' equity
Year ended March 31, 2017	Common stock	Additional paid-in capital	Retained earnings	Treasury stock, at cost	
Balance at the end of the previous period	¥10,000	¥51,264	¥176,847	¥(36,008)	¥202,104
Changes during the period:					
Cash dividends			(4,435)		(4,435)
Net income attributable to owners of parent			14,485		14,485
Repurchase of treasury stock				(8,000)	(8,000)
Disposal of treasury stock		99		442	541
Retirement of treasury stock					—
Purchase of treasury stock of subsidiaries					—
Changes of scope of consolidation			(837)		(837)
Increase by share exchanges		1,161		2,538	3,700
Reversal of revaluation reserve for land			134		134
Net changes during the period except for shareholders' equity					—
Total changes during the period	—	1,260	9,347	(5,019)	5,588
Balance at the end of the period	¥10,000	¥52,525	¥186,195	¥(41,028)	¥207,692

	Millions of yen						
	Accumulated other comprehensive income				Subscription rights to shares	Non-controlling interests	Total net assets
Year ended March 31, 2017	Unrealized gain (loss) on other securities	Revaluation reserve for land	Remeasurements of defined benefit plans	Total accumulated other comprehensive income			
Balance at the end of the previous period	¥2,350	¥(7,856)	¥(1,219)	¥(6,724)	¥542	¥621	¥196,543
Changes during the period:							
Cash dividends							(4,435)
Net income attributable to owners of parent							14,485
Repurchase of treasury stock							(8,000)
Disposal of treasury stock							541
Retirement of treasury stock							—
Purchase of treasury stock of subsidiaries							—
Changes of scope of consolidation							(837)
Increase by share exchanges							3,700
Reversal of revaluation reserve for land		(134)		(134)			—
Net changes during the period except for shareholders' equity	315		568	884	35	26	946
Total changes during the period	315	(134)	568	749	35	26	6,400
Balance at the end of the period	¥2,666	¥(7,990)	¥ (650)	¥(5,974)	¥578	¥647	¥202,943



	Millions of yen				
	Shareholders' equity				Total shareholders' equity
Year ended March 31, 2018	Common stock	Additional paid-in capital	Retained earnings	Treasury stock, at cost	
Balance at the end of the previous period	¥10,000	¥52,525	¥186,195	¥(41,028)	¥207,692
Changes during the period:					
Cash dividends			(5,082)		(5,082)
Net income attributable to owners of parent			20,390		20,390
Repurchase of treasury stock				(8,003)	(8,003)
Disposal of treasury stock		244		700	944
Retirement of treasury stock					—
Purchase of treasury stock of subsidiaries		104			104
Changes of scope of consolidation			(88)		(88)
Increase by share exchanges		8,009		10,317	18,326
Reversal of revaluation reserve for land			(84)		(84)
Net changes during the period except for shareholders' equity					—
Total changes during the period	—	8,358	15,134	3,013	26,506
Balance at the end of the period	¥10,000	¥60,883	¥201,329	¥(38,014)	¥234,199

	Millions of yen						Total net assets
	Accumulated other comprehensive income				Subscription rights to shares	Non-controlling interests	
Year ended March 31, 2018	Unrealized gain (loss) on other securities	Revaluation reserve for land	Remeasurements of defined benefit plans	Total accumulated other comprehensive income			
Balance at the end of the previous period	¥2,666	¥(7,990)	¥(650)	¥(5,974)	¥578	¥ 647	¥202,943
Changes during the period:							
Cash dividends							(5,082)
Net income attributable to owners of parent							20,390
Repurchase of treasury stock							(8,003)
Disposal of treasury stock							944
Retirement of treasury stock							—
Purchase of treasury stock of subsidiaries							104
Changes of scope of consolidation							(88)
Increase by share exchanges							18,326
Reversal of revaluation reserve for land							(84)
Net changes during the period except for shareholders' equity	1,129	84	681	1,895	(65)	486	2,317
Total changes during the period	1,129	84	681	1,895	(65)	486	28,823
Balance at the end of the period	¥3,795	¥(7,905)	¥ 30	¥(4,079)	¥513	¥1,134	¥231,767

## Consolidated Statements of Cash Flows

COMSYS Holdings Corporation and Consolidated Subsidiaries  
Years ended March 31, 2017 and 2018

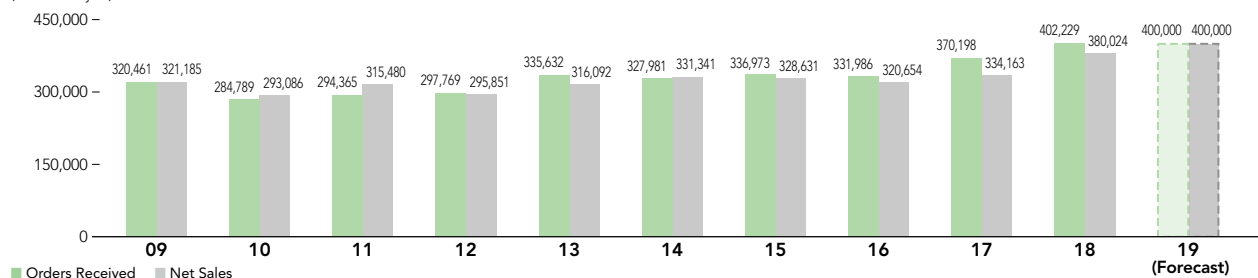
	Millions of yen	
	2017	2018
<b>Cash flows from operating activities:</b>		
Income before income taxes and other adjustments to net income	¥ 22,807	¥ 30,861
Depreciation and amortization	5,723	5,886
Loss on impairment of fixed assets	391	494
Amortization of goodwill	3,017	888
Decrease in allowance for doubtful receivables	(453)	(1,436)
Increase in net defined benefit liability	24	36
Interest and dividends received	(195)	(241)
Interest expenses	7	7
Increase in receivables—trade	(7,694)	(2,510)
Increase in inventories	(4,257)	(4,717)
Increase in payables—trade	801	535
Gain on sale of investment securities	(161)	(0)
(Increase) decrease in other assets	(282)	1,106
Increase in other liabilities	811	3,137
Other, net	168	1,085
	20,709	35,114
Cash and cash equivalents received on interest and dividend income	194	241
Cash and cash equivalents paid for interest expenses	(7)	(7)
Cash and cash equivalents paid for income taxes	(8,351)	(6,516)
Net cash provided by operating activities	12,545	28,831
<b>Cash flows from investing activities:</b>		
(Decrease) increase in time deposits, net	30	(94)
Payment for purchases of investment securities	(151)	(155)
Proceeds from sale of investment securities	242	56
Purchase of investments in subsidiaries	(241)	—
Acquisitions of property and equipment	(8,864)	(13,139)
Acquisitions of intangible fixed assets	(1,171)	(1,026)
Proceeds from sale of property and equipment	101	26
Payments of loans receivable	(38)	(200)
Collection of loans receivable	151	718
Purchase of insurance funds	(96)	(333)
Proceeds from cancellation of insurance funds	258	435
Other, net	(160)	(184)
Net cash used in investing activities	(9,940)	(13,896)
<b>Cash flows from financing activities:</b>		
Decrease in short-term borrowings, net	56	30
Repayment of long-term debt	(9)	(6)
Acquisitions of treasury stock	(8,022)	(8,019)
Proceeds from sale of treasury stock	329	668
Purchase of treasury stocks of subsidiaries	—	(3)
Cash dividends paid	(4,435)	(5,082)
Cash dividends paid to non-controlling interests	(2)	(2)
Repayment of financial lease obligations	(94)	(82)
Net cash used in financing activities	(12,178)	(12,499)
<b>Effect of exchange rate changes on cash and cash equivalents</b>	(0)	5
<b>Net (decrease) increase in cash and cash equivalents</b>	(9,573)	2,441
<b>Cash and cash equivalents at beginning of year</b>	28,818	20,879
<b>Increase in cash and cash equivalents resulting from change of scope of consolidation</b>	282	316
<b>Increase in cash and cash equivalents resulting from merger</b>	96	—
<b>Increase in cash and cash equivalents resulting from share exchange</b>	1,255	5,319
<b>Cash and cash equivalents at end of year</b>	¥ 20,879	¥ 28,957

## Ten-Year Summary of Business Results and Financial Data

Years ended March 31

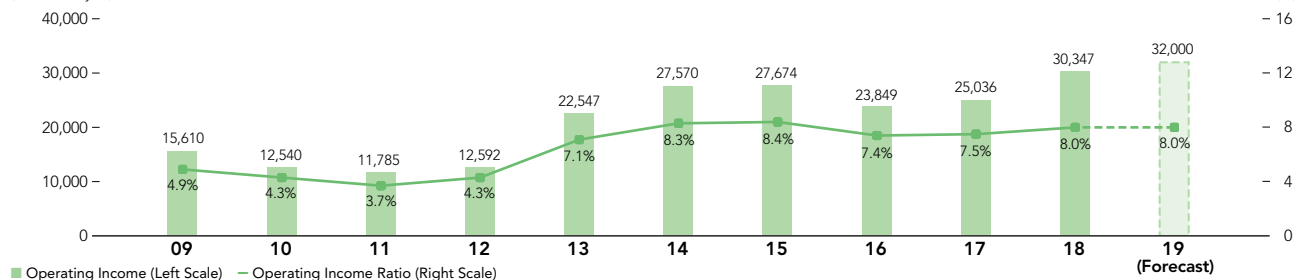
### Orders Received / Net Sales

(Millions of yen)



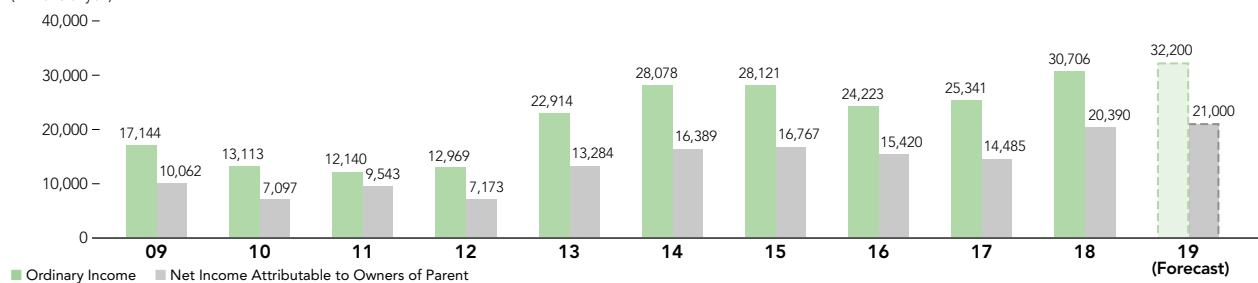
### Operating Income / Operating Income Ratio

(Millions of yen)



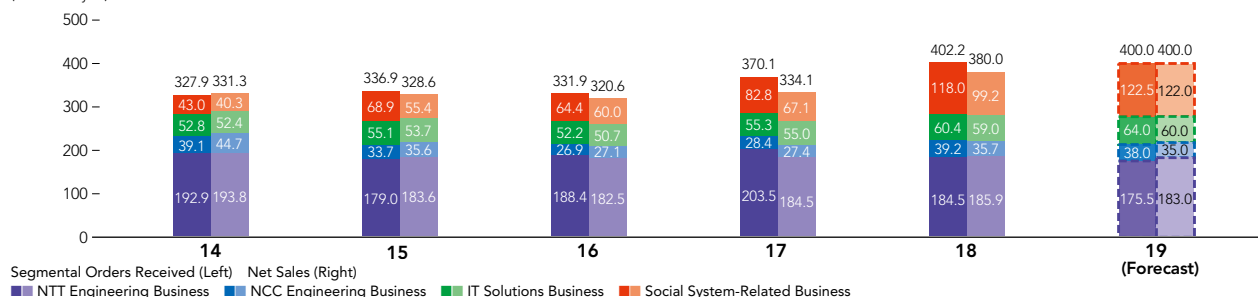
### Ordinary Income / Net Income Attributable to Owners of Parent

(Millions of yen)



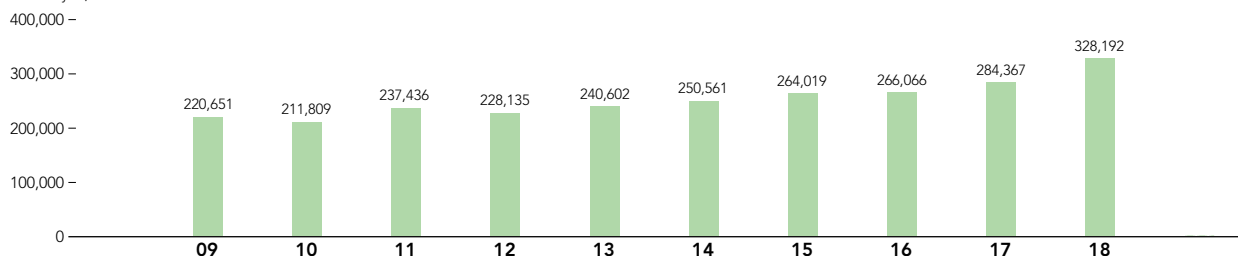
### Segmental Orders Received / Net Sales

(Billions of yen)



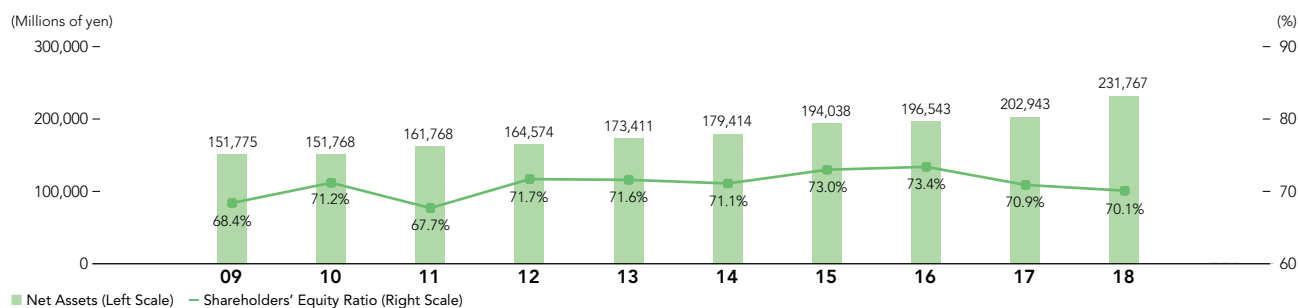
### Total Assets

(Millions of yen)



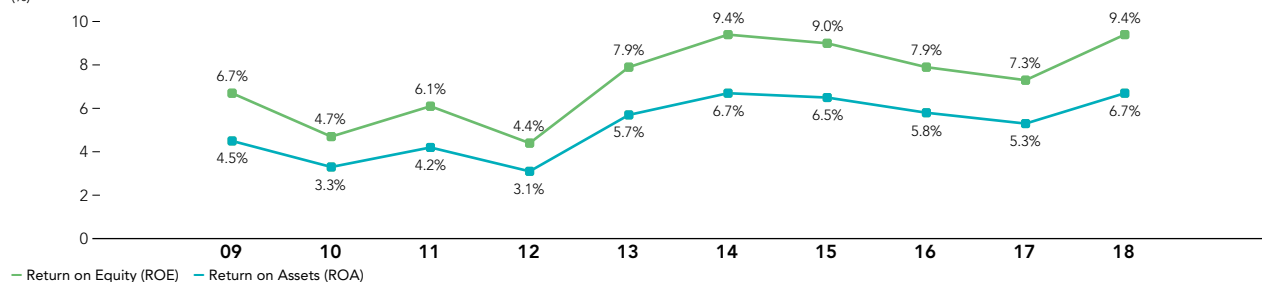
### Net Assets / Shareholders' Equity Ratio

(Millions of yen)



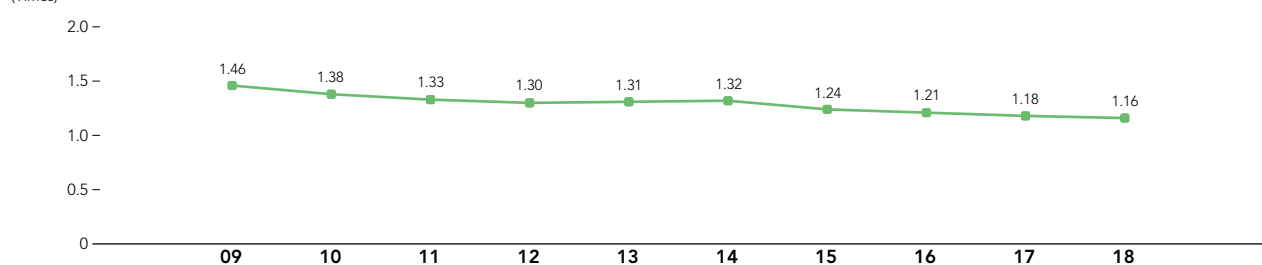
### Return on Equity (ROE) / Return on Assets (ROA)

(%)

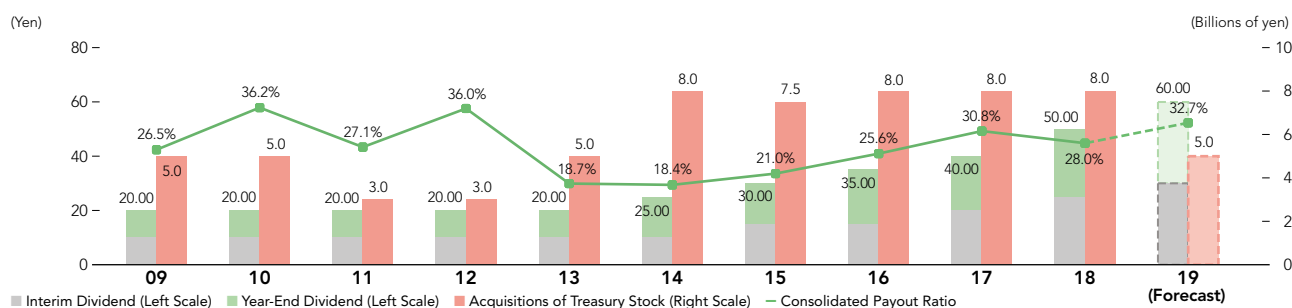


### Total Asset Turnover

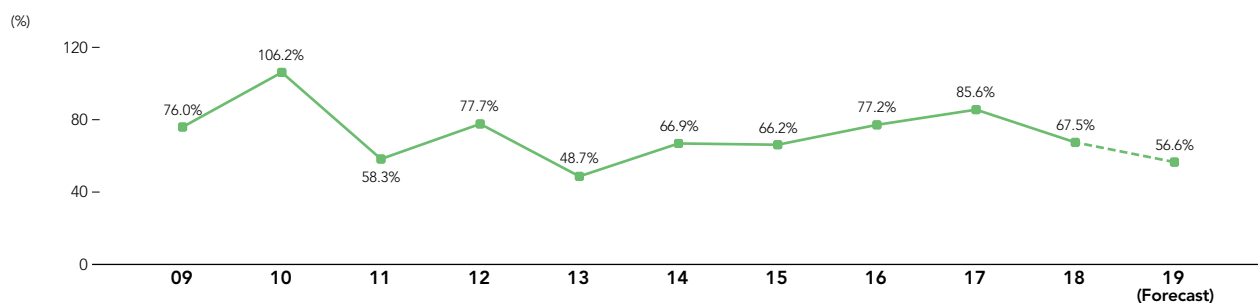
(Times)



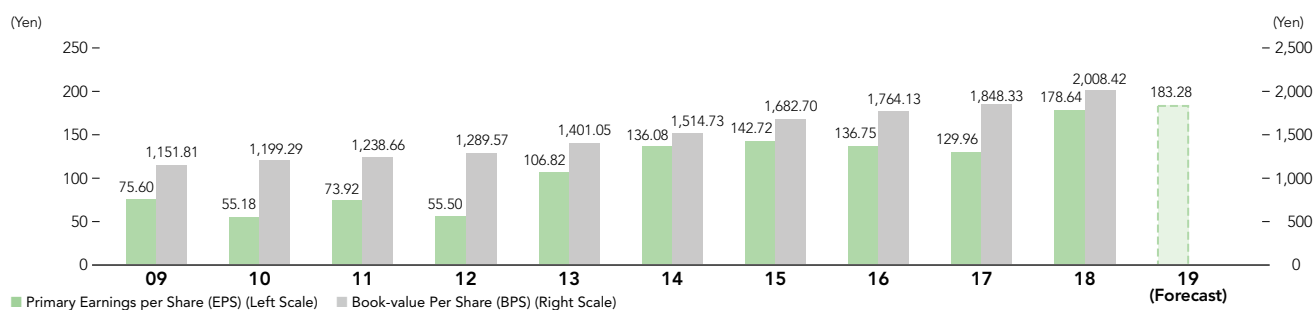
### Dividends per Share / Acquisitions of Treasury Stock / Consolidated Payout Ratio



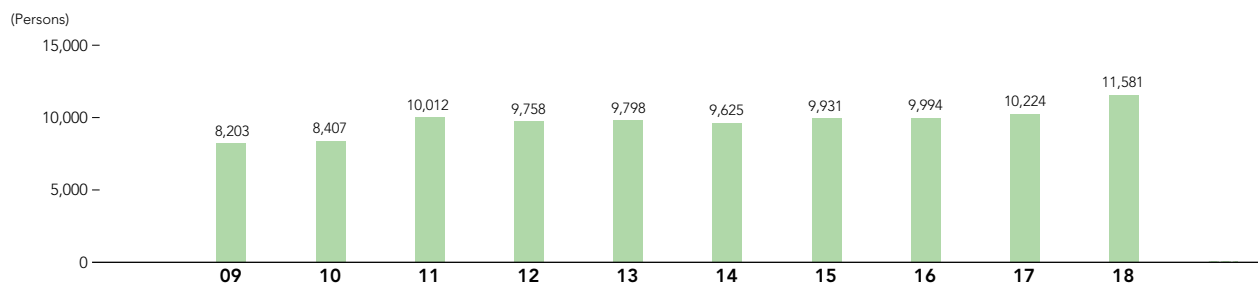
### Shareholder Return Ratio



### Primary Earnings per Share (EPS) / Book-value Per Share (BPS)



### Number of Employees



## Information

### Investor Information

#### □ Fiscal Year-End:

March 31, 2018

#### □ Annual Shareholders' Meeting:

June 26, 2018

#### □ Common Stock:

Authorized: 580,000,000 shares

Issued: 141,000,000 shares

#### □ Number of Shareholders:

9,442

#### □ Date of Listing:

September 2003

#### □ Stock Exchange Listing:

First Section of the Tokyo Stock Exchange  
(Securities code: 1721)

#### □ Transfer Agent:

Mitsubishi UFJ Trust and Banking Corporation  
Securities Department  
1-1, Nikko-cho, Fuchu-shi, Tokyo 183-0044, Japan

#### □ Auditor:

GYOSEI & CO.

#### □ For Further Information on this Annual Report, Please Contact:

IR Department  
Tel: +81-3-3448-7000 (direct)  
Fax: +81-3-3448-7001  
E-Mail: chd-ir@comsys.co.jp

#### □ Major Shareholders:

As of March 31, 2018

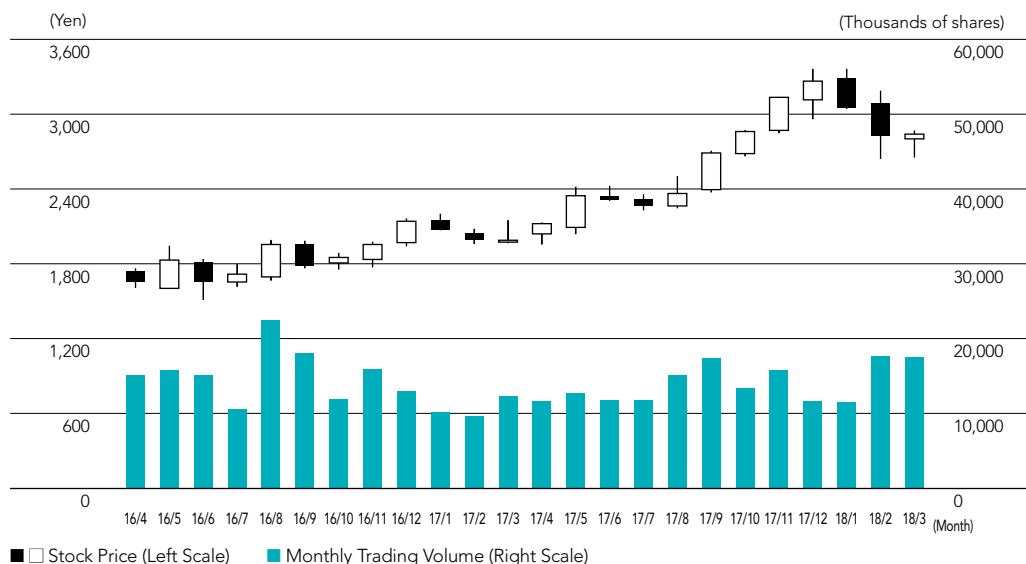
Shareholders	Shares held (Thousands)	Percentage of total (%)
The Master Trust Bank of Japan, Ltd. (Trust Account)	22,899	16.24
Japan Trustee Services Bank, Ltd. (Trust Account)	13,074	9.27
Trust & Custody Services Bank, Ltd. (Investment Trust Account)	2,933	2.08
Nippon Life Insurance Company	2,590	1.83
Japan Trustee Services Bank, Ltd. (Sumitomo Mitsui Trust Bank, Limited ReTrust Account, Sumitomo Electric Industries, Ltd. Employee Pension Trust Account)	1,607	1.13
Meiji Yasuda Life Insurance Company	1,554	1.10
Japan Trustee Services Bank, Ltd. (Trust Account No.5)	1,505	1.06
NEC Corporation	1,408	0.99
JP MORGAN CHASE BANK 385151	1,402	0.99
BNYM FOR GOLDMAN SACHS JAPAN	1,262	0.89

#### □ Composition of Shareholders:

As of March 31, 2018



#### □ Stock Price Range / Monthly Trading Volume



## COMSYS Holdings Information

### Corporate Data

As of March 31, 2018

**Name:**

COMSYS Holdings Corporation

**Head Office:**

17-1, Higashigotanda 2-chome, Shinagawa-ku,  
Tokyo 141-8647, Japan

**URL:**

<http://www.comsys-hd.co.jp/english/>

**Date of Establishment:**

September 29, 2003

**Paid-In Capital:**

¥10 billion

**Number of Employees:**

11,581 (Consolidated)

### Directors and Audit and Supervisory Committee Members

As of June 26, 2018

**President and Representative Director**

Takashi Kagaya  
(President and Representative Director of Nippon COMSYS Corporation)

**Directors**

Noriaki Ito  
(Chairman and Representative Director of Nippon COMSYS Corporation)

Akio Ogawa  
(President and Representative Director of TOSYS Corporation)

Yoshihisa Omura  
(President and Representative Director of TSUKEN Corporation)

Shigemi Sakamoto  
(President and Representative Director of  
SANWA COMSYS Engineering Corporation)

Akihiko Aoyama  
(President and Representative Director of  
COMSYS JOHO SYSTEM Corporation)

Hitoshi Kumagai

Kenichi Sato

Hidehiko Ozaki

Norio Suda

**Director**

(Full Time Audit and Supervisory Committee Member)

Tsuyoshi Nishiyama

**Director**

(Audit and Supervisory Committee Member)

Koichiro Kamiwaki

**Outside Directors**

(Audit and Supervisory Committee Members)

Kenichi Narumiya

Masahiko Miyashita

Takaharu Saegusa

Kazuyoshi Onohara

( ): Concurrent positions held

### Corporate History

**October 2010**

Management integration of TSUKEN Corporation.

**June 2009**

Minimum share purchase unit reduced from 1,000 shares to 100 shares.

**April 2009**

The information systems business related to software development outsourcing was spun off from Nippon COMSYS Corporation to form COMSYS JOHO SYSTEM Corporation.

**April 2007**

COMSYS Holdings Corporation converted COMSYS Shared Services Corporation, previously a consolidated subsidiary of Nippon COMSYS Corporation, into a wholly owned subsidiary in order to clarify its role as a common provider of business process outsourcing services for the COMSYS Group.

**October 2005**

COMSYS Holdings Corporation converted Kokusai Densetsu Co., Ltd. (now COMSYS WING Corporation) into a wholly owned subsidiary through a stock exchange, and made Kokusai Densetsu a wholly owned subsidiary of Nippon COMSYS Corporation on the same day.

**April 2005**

SANWA ELEC Co., Ltd. was renamed SANWA COMSYS Engineering Corporation.

**September 2003**

COMSYS Holdings Corporation listed its shares on the first sections of the Tokyo Stock Exchange and Osaka Securities Exchange.

**September 2003**

Nippon COMSYS Corporation delisted its shares in line with the establishment of the holding company.

**March 2002**

Nippon COMSYS Corporation was selected as one of the 225 components of the Nikkei Stock Average.

**December 2001**

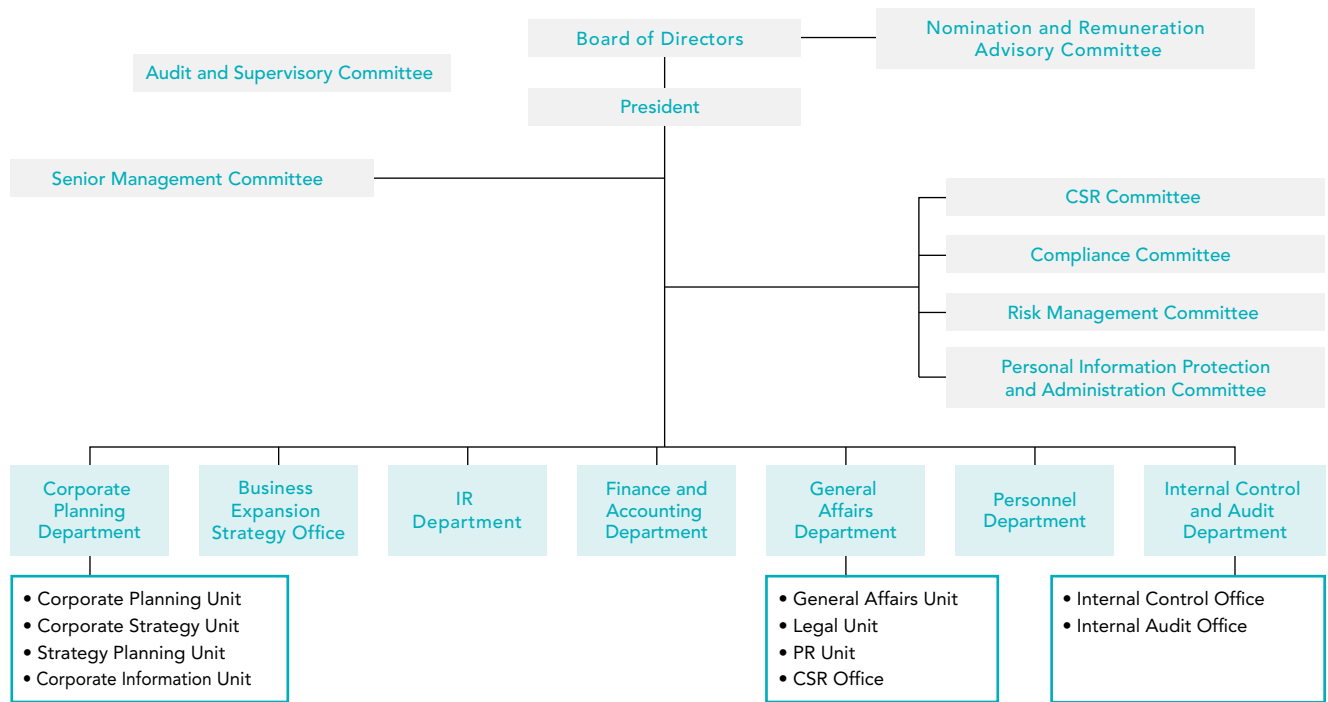
Nippon COMSYS Corporation celebrated its 50th founding anniversary.

**July 1990**

The Company was renamed Nippon COMSYS Corporation.

## Organization Chart

As of June 26, 2018



<Branch in foreign countries>  
■ Jakarta (Indonesia)

