

COMSYS Holdings Corporation

Consolidated Financial Results for the Third Quarter Ended December 31, 2012 Under Japanese GAAP

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 Stock Exchange Listings: First Section of Tokyo Stock Exchange and Osaka Securities Exchange (Securities code: 1721)
 URL: <http://www.comsys-hd.co.jp>
 Representative: Hajime Takashima, President and Representative Director
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 Scheduled Filing of Quarterly Securities Report: February 14, 2013
 Scheduled Commencement of Dividend Payment: —
 Supplementary Materials on Quarterly Results: Attached
 IR Presentation on Quarterly Results: Not scheduled

Amounts less than one million yen have been omitted.

1. Consolidated Financial Results (for the nine months ended December 31, 2012)

(1) Consolidated Operating Results

(Millions of yen, except per share data and percentages)

	Net Sales		Operating Income		Recurring Profit		Net Income	
	Amount	Change (%)	Amount	Change (%)	Amount	Change (%)	Amount	Change (%)
Nine months ended December 31, 2012	¥206,906	6.3%	¥12,455	176.1%	¥12,774	159.7%	¥7,120	231.5%
Nine months ended December 31, 2011	194,713	0.4	4,511	16.9	4,919	17.7	2,147	(57.7)

Notes: 1. Comprehensive income: Nine months ended December 31, 2012: ¥7,545 million [202.1%] Nine months ended December 31, 2011: ¥2,497 million [(52.9)%]

2. Percentages indicate the percentage change from the corresponding period of the previous fiscal year.

	Net Income per Share	Net Income per Share (Diluted)
Nine months ended December 31, 2012	¥57.02	¥56.84
Nine months ended December 31, 2011	16.55	16.52

(2) Consolidated Financial Position

(Millions of yen, except percentages)

	Total Assets	Net Assets	Equity Ratio
As of December 31, 2012	¥216,229	¥166,039	76.3%
As of March 31, 2012	228,135	164,574	71.7

(Reference) Shareholders' Equity: As of December 31, 2012: ¥164,932 million As of March 31, 2012: ¥163,506 million

2. Cash Dividends for Shareholders of Common Stock

(Yen)

	Cash Dividends per Share over the Fiscal Year				
	End of 1st Quarter	End of 2nd Quarter	End of 3rd Quarter	Year-End	Annual
Year ended March 31, 2012	¥ —	¥10.00	¥ —	¥10.00	¥20.00
Year ending March 31, 2013	—	10.00	—		
Year ending March 31, 2013 (Forecast)				10.00	20.00

Note: Most recently announced revisions to dividend forecast: No

3. Consolidated Earnings Forecast (for the fiscal year ending March 31, 2013)

(Millions of yen, except per share data and percentages)

	Net Sales		Operating Income		Recurring Profit		Net Income		Net Income per Share
	Amount	Change (%)	Amount	Change (%)	Amount	Change (%)	Amount	Change (%)	Amount
Year ending March 31, 2013	¥306,000	3.4%	¥19,000	50.9%	¥19,500	50.4%	¥11,000	53.3%	¥88.09

Notes: 1. Most recently announced revisions to consolidated earnings forecast: No

2. Percentages indicate the percentage change from the previous fiscal year.

***Notes:**

(1) Changes in significant subsidiaries during the period under review (changes to subsidiaries that would alter the scope of consolidation): No

(2) Adoption of accounting methods specific to quarterly consolidated financial statements: No

(3) Changes in accounting policies, changes in accounting estimates and restatements of prior period financial statements due to error correction

a) Changes in accounting policies due to revisions of accounting standards: Yes

b) Changes in accounting policies due to other reasons: No

c) Changes in accounting estimates: Yes

d) Restatements of prior period financial statements due to error correction: No

(4) Number of shares issued (common stock)

	<u>As of December 31, 2012</u>	<u>As of March 31, 2012</u>
a) Number of shares issued (including treasury stock)	145,977,886 shares	145,977,886 shares
b) Number of treasury stock	23,268,501 shares	19,186,339 shares
	<u>Nine months ended December 31, 2012</u>	<u>Nine months ended December 31, 2011</u>
c) Average number of shares issued in the period	124,871,886 shares	129,736,672 shares

**Statement regarding the Implementation Status of Quarterly Review Procedures*

This Consolidated Financial Results report is not subject to the quarterly review procedures prescribed under the Financial Instruments and Exchange Act. At the time of disclosing the quarterly consolidated financial results report, however, quarterly financial statement review procedures have not been completed.

**Disclaimer concerning the Proper Use of Business Results Forecasts and Other Relevant Specific Items*

Forward-looking statements including earnings forecasts contained in this document are based on certain reasonable assumptions and beliefs in light of information currently available to management. Readers are advised that actual results may differ materially from forecasts due to a variety of factors. With respect to the conditions that underpin earnings forecasts as well as cautionary statements regarding the proper use of earnings forecasts, please refer to "Qualitative Information Regarding Consolidated Earnings Forecast" of this Consolidated Financial Results report in the Accompanying Materials section on page 3.

Accompanying Materials

1. Qualitative Information Regarding Consolidated Financial Results for the Period under Review

(1) Qualitative Information Regarding Consolidated Operating Results

During the cumulative third quarter period (April 1, 2012 to December 31, 2012) of the fiscal year ending March 31, 2013, the Japanese economy showed some positive signs, which included rising share prices on the stock market from the end of the year in anticipation of a correction in the appreciation of the yen and a major economic stimulus package.

In the information and communications field, the COMSYS Group's principal area of activity, there was rapid progress in network construction and installation, including an expansion in service areas as well as diversification and deployment of increasingly sophisticated services for the Long-Term Evolution (LTE) next-generation mobile phone communication standard and Wi-Fi, accompanying the growth of smartphones and tablets.

Under these circumstances, orders received in the third quarter of the fiscal year under review rose 12.9% year-on-year to ¥246,027 million, as mobile and NCC-related project orders remained favorable, among other factors. Net sales grew 6.3% year-on-year to ¥206,906 million.

From a profit perspective, the COMSYS Group experienced greater efficiency in conjunction with the growth in the volume of projects as well as the benefits from the COMSYS WAY structural reforms that it has implemented to date. As a result, operating income rose 176.1% year-on-year to ¥12,455 million, and net income climbed by 231.5% to ¥7,120 million.

(2) Qualitative Information Regarding Consolidated Financial Position

Total assets as of December 31, 2012 amounted to ¥216,229 million, down ¥11,905 million compared with the end of the previous fiscal year. This was mainly attributable to a decrease in notes and accounts receivable – trade. Liabilities decreased ¥13,370 million compared with the end of the previous fiscal year to ¥50,189 million. This was largely attributable to a decrease in accounts payable – trade. Net assets stood at ¥166,039 million, which was an increase of ¥1,465 million compared with the end of the previous fiscal year.

In accordance with each of the aforementioned factors, the equity ratio improved 4.6 percentage points compared with the end of the previous fiscal year to 76.3%.

(3) Qualitative Information Regarding Consolidated Earnings Forecast

Refer to the Japanese press release, [Announcement of Revisions to Earnings Forecasts] published on November 9, 2012 for the consolidated earnings forecasts for the full fiscal year ending March 31, 2013.

2. Quarterly Consolidated Financial Statements

(1) Consolidated Balance Sheets

	Millions of yen	
	As of March 31, 2012	As of December 31, 2012
ASSETS		
Current assets:		
Cash and cash equivalents	33,489	18,439
Notes and accounts receivable—trade	81,853	63,566
Inventories:		
Accumulated cost of construction in progress	15,087	31,499
Other	2,023	1,757
Other current assets	9,330	10,416
Less: Allowance for doubtful receivables	(137)	(77)
Total current assets	141,646	125,602
Fixed assets:		
Property and equipment:		
Buildings and structures, net	23,085	24,127
Land	34,391	38,389
Other, net	6,099	5,212
Total property and equipment	63,575	67,729
Intangible fixed assets	3,802	4,101
Investments and other assets:		
Investment securities	7,228	7,660
Other assets	13,937	13,337
Less: Allowance for doubtful receivables	(2,055)	(2,200)
Total investments and other assets	19,110	18,796
Total fixed assets	86,488	90,627
Total assets	228,135	216,229

	Millions of yen	
	As of March 31, 2012	As of December 31, 2012
LIABILITIES		
Current liabilities:		
Accounts payable—trade	39,891	28,420
Short-term bank loans	1,520	1,401
Income taxes payable	3,795	1,231
Advances received on construction in progress	1,448	3,831
Allowances	1,189	361
Other current liabilities	7,637	6,347
Total current liabilities	55,482	41,594
Long-term liabilities:		
Deferred tax liabilities for unrealized gains on land revaluation	1,662	1,662
Accrued severance indemnities	5,426	5,706
Allowance for directors' retirement benefits	266	241
Other long-term liabilities	722	984
Total long-term liabilities	8,078	8,595
Total liabilities	63,560	50,189
NET ASSETS		
Shareholders' equity:		
Common stock	10,000	10,000
Additional paid-in capital	55,374	55,377
Retained earnings	123,611	128,582
Treasury stock, at cost	(17,504)	(21,422)
Total shareholders' equity	171,481	172,537
Accumulated other comprehensive income:		
Unrealized gain (loss) on other securities	115	485
Unrealized gain (loss) on land revaluation	(8,090)	(8,090)
Total accumulated other comprehensive income	(7,974)	(7,605)
Subscription rights to shares	430	505
Minority interests	637	602
Total net assets	164,574	166,039
Total liabilities and net assets	228,135	216,229

(2) Consolidated Statements of Income and Consolidated Statements of Comprehensive Income
 Consolidated Statements of Income

	Millions of yen	
	Nine months ended December 31, 2011	Nine months ended December 31, 2012
Net sales	194,713	206,906
Cost of sales	176,208	181,038
Gross profits	18,504	25,867
Selling, general and administrative expenses	13,993	13,411
Operating income	4,511	12,455
Other income:		
Interest income	40	34
Dividend income	139	170
Other	406	284
Total other income	586	490
Other expenses:		
Interest expenses	27	6
Provision for allowance for doubtful receivables	—	111
Other	150	53
Total other expenses	178	171
Recurring profit	4,919	12,774
Extraordinary income:		
Gain on negative goodwill	—	752
Other	123	87
Total extraordinary income	123	839
Extraordinary loss:		
Special payments on employees' retirement benefits	53	1,719
Other	670	540
Total extraordinary loss	724	2,260
Income before income taxes and other adjustments to net income	4,318	11,354
Income taxes:		
Current	787	2,762
Deferred	1,327	1,418
Total income taxes	2,114	4,181
Income before minority interests	2,204	7,172
Minority interests	56	52
Net income	2,147	7,120

Consolidated Statements of Comprehensive Income

	Millions of yen	
	Nine months ended December 31, 2011	Nine months ended December 31, 2012
Income before minority interests	2,204	7,172
Other comprehensive income:		
Unrealized gain (loss) on other securities	90	372
Unrealized gain (loss) on land revaluation	203	—
Total other comprehensive income	293	372
Comprehensive income	2,497	7,545
(Breakdown)		
Comprehensive income attributable to owners of the parent	2,442	7,489
Comprehensive income attributable to minority interests	55	55