

## COMSYS Holdings Corporation

### Consolidated Financial Results for the First Quarter Ended June 30, 2013 Under Japanese GAAP

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 Stock Exchange Listings: First Section of Tokyo Stock 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: August 13, 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 three months ended June 30, 2013)

##### (1) Consolidated Operating Results

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

	Net Sales		Operating Income		Recurring Profit		Net Income	
Three months ended June 30, 2013	¥60,293	5.7%	¥3,630	122.2%	¥3,793	102.5%	¥2,386	125.8%
Three months ended June 30, 2012	57,032	1.1%	1,634	—%	1,873	—%	1,057	—%

Notes: 1. Comprehensive income: Three months ended June 30, 2013: ¥2,715 million [199.0%] Three months ended June 30, 2012: ¥908 million [—%]  
 2. Percentages indicate the percentage change from the corresponding period of the previous fiscal year.

	Net Income per Share	Net Income per Share (Diluted)
Three months ended June 30, 2013	¥19.42	¥19.33
Three months ended June 30, 2012	8.37	8.34

##### (2) Consolidated Financial Position

(Millions of yen, except percentages)

	Total Assets	Net Assets	Equity Ratio
As of June 30, 2013	¥224,000	¥173,695	77.1%
As of March 31, 2013	240,602	173,411	71.6

(Reference) Shareholders' Equity: As of June 30, 2013: ¥172,600 million As of March 31, 2013: ¥172,282 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, 2013	¥ —	¥10.00	¥ —	¥10.00	¥20.00
Year ending March 31, 2014	—				
Year ending March 31, 2014 (Forecast)		10.00	—	10.00	20.00

Note: Most recently announced revisions to dividend forecast: No

#### 3. Consolidated Earnings Forecast (for the fiscal year ending March 31, 2014)

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

	Net Sales		Operating Income		Recurring Profit		Net Income		Net Income per Share
Six months ending September 30, 2013	¥138,000	4.4%	¥ 8,500	25.5%	¥ 8,700	22.7%	¥ 5,100	33.6%	¥ 41.50
Year ending March 31, 2014	325,000	2.8	24,000	6.4	25,500	6.9	15,000	12.9	122.07

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

2. For fiscal-year figures, percentages indicate the percentage change from the previous fiscal year. For first-half figures, percentages indicate the percentage change from the corresponding half of 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: No
- b) Changes in accounting policies due to other reasons: No
- c) Changes in accounting estimates: No
- d) Restatements of prior period financial statements due to error correction: No

**(4) Number of shares issued (common stock)**

	<u>As of June 30, 2013</u>	<u>As of March 31, 2013</u>
a) Number of shares issued (including treasury stock)	145,977,886 shares	145,977,886 shares
b) Number of treasury stock	23,910,710 shares	23,011,312 shares
	<u>Three months ended June 30, 2013</u>	<u>Three months ended June 30, 2012</u>
c) Average number of shares issued in the period	122,884,930 shares	126,345,752 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 first quarter (April 1, 2013 to June 30, 2013) of the fiscal year ending March 31, 2014, the yen weakened and share prices rose in anticipation of the effects of the government's reflationary economic policy, and Japan's economy showed signs of recovery.

In the information and communications field, the COMSYS Group's principal area of activity, rapid progress in communications network construction and installation continued, including the advance of optical access services, the deployment of sophisticated wireless broadband functions, and service integration using diverse mobile terminals.

Moreover, an increase in public investment due to such factors as the Japanese government's Information and Communications Technology (ICT) strategy and private capital expenditure and IT investment, along with an expansion in demand for the environment and energy markets, were expected in the IT and social infrastructure fields.

Under these circumstances, orders received in the first quarter of the fiscal year under review declined 7.2% year-on-year to ¥79,151 million due to the absence of bulk orders for mobile and NCC-related construction received in the previous fiscal year, although IT-related business and solar power generation system-related construction remained robust. On the other hand, net sales grew 5.7% year-on-year to ¥60,293 million as construction carried over was completed and mobile and NCC-related construction and mega-solar power projects remained favorable.

From a profit perspective, the COMSYS Group benefited from the COMSYS WAY<sup>a</sup> structural reforms implemented to date, in addition to the increase in net sales. As a result, operating income was up substantially, by 122.2% year-on-year, to ¥3,630 million, and net income climbed 125.8% to ¥2,386 million.

#### ***(2) Qualitative Information Regarding Consolidated Financial Position***

Total assets as of June 30, 2013 amounted to ¥224,000 million, down ¥16,601 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 ¥16,884 million compared with the end of the previous fiscal year to ¥50,305 million. This was largely attributable to a decrease in accounts payable – trade. Net assets increased by ¥283 million compared with the end of the previous fiscal year, to ¥173,695 million. This was primarily attributable to an increase in retained earnings resulting from net income, in spite of a decrease from such factors as the acquisition of treasury stock.

In accordance with each of the aforementioned factors, the equity ratio improved 5.5 percentage points compared with the end of the previous fiscal year to 77.1%.

#### ***(3) Qualitative Information Regarding Consolidated Earnings Forecast***

Turning to the consolidated earnings forecast for the full fiscal year ending March 31, 2014, there are no changes to data and information announced on May 9, 2013.

## 2. Quarterly Consolidated Financial Statements

### (1) Consolidated Balance Sheets

	Millions of yen	
	As of March 31, 2013	As of June 30, 2013
<b>ASSETS</b>		
<b>Current assets:</b>		
Cash and cash equivalents	23,651	36,452
Notes and accounts receivable—trade	96,579	55,644
Inventories:		
Accumulated cost of construction in progress	18,805	27,747
Other	1,600	1,496
Other current assets	9,060	10,297
Less: Allowance for doubtful receivables	(103)	(50)
<b>Total current assets</b>	<b>149,593</b>	<b>131,588</b>
<b>Fixed assets:</b>		
<b>Property and equipment:</b>		
Buildings and structures, net	24,085	23,758
Land	38,324	38,173
Other, net	5,035	5,912
<b>Total property and equipment</b>	<b>67,444</b>	<b>67,844</b>
Intangible fixed assets	4,324	4,185
<b>Investments and other assets:</b>		
Investment securities	9,037	9,493
Other assets	12,509	13,169
Less: Allowance for doubtful receivables	(2,308)	(2,280)
<b>Total investments and other assets</b>	<b>19,239</b>	<b>20,382</b>
<b>Total fixed assets</b>	<b>91,008</b>	<b>92,412</b>
<b>Total assets</b>	<b>240,602</b>	<b>224,000</b>

	Millions of yen	
	As of March 31, 2013	As of June 30, 2013
<b>LIABILITIES</b>		
<b>Current liabilities:</b>		
Accounts payable—trade	44,456	30,190
Short-term bank loans	1,660	150
Income taxes payable	2,978	1,219
Advances received on construction in progress	1,526	2,798
Allowances	207	297
Other current liabilities	8,409	7,824
<b>Total current liabilities</b>	<b>59,238</b>	<b>42,480</b>
<b>Long-term liabilities:</b>		
Deferred tax liabilities for unrealized gains on land revaluation	1,662	1,662
Accrued severance indemnities	5,077	5,102
Allowance for directors' retirement benefits	222	214
Other long-term liabilities	989	845
<b>Total long-term liabilities</b>	<b>7,951</b>	<b>7,825</b>
<b>Total liabilities</b>	<b>67,190</b>	<b>50,305</b>
<b>NET ASSETS</b>		
<b>Shareholders' equity:</b>		
Common stock	10,000	10,000
Additional paid-in capital	55,440	55,466
Retained earnings	134,747	135,904
Treasury stock, at cost	(21,180)	(22,356)
<b>Total shareholders' equity</b>	<b>179,006</b>	<b>179,014</b>
<b>Accumulated other comprehensive income (loss):</b>		
Unrealized gain (loss) on other securities	1,366	1,676
Unrealized gain (loss) on land revaluation	(8,090)	(8,090)
<b>Total accumulated other comprehensive income (loss)</b>	<b>(6,724)</b>	<b>(6,414)</b>
<b>Subscription rights to shares</b>	<b>497</b>	<b>444</b>
<b>Minority interests</b>	<b>631</b>	<b>650</b>
<b>Total net assets</b>	<b>173,411</b>	<b>173,695</b>
<b>Total liabilities and net assets</b>	<b>240,602</b>	<b>224,000</b>

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

	Millions of yen	
	Three months ended June 30, 2012	Three months ended June 30, 2013
Net sales	57,032	60,293
Cost of sales	50,638	52,261
Gross profits	6,393	8,032
Selling, general and administrative expenses	4,759	4,401
Operating income	1,634	3,630
<b>Other income:</b>		
Interest income	7	8
Dividend income	116	100
Reversal of allowance for doubtful receivables	121	26
Other	75	61
Total other income	321	196
<b>Other expenses:</b>		
Interest expenses	1	5
Foreign exchange losses	58	7
Rent expenses	11	9
Other	10	11
Total other expenses	81	34
<b>Recurring profit</b>	<b>1,873</b>	<b>3,793</b>
<b>Extraordinary income:</b>		
Gain on sales of investment securities	—	20
Gain on payback of insurance payments	39	63
Other	1	5
Total extraordinary income	41	88
<b>Extraordinary loss:</b>		
Loss on disposal of fixed assets	4	9
Loss on impairment of fixed assets	—	182
Special payments on employees' retirement benefits	58	13
Other	17	4
Total extraordinary loss	80	210
<b>Income before income taxes and other adjustments to net income</b>	<b>1,834</b>	<b>3,671</b>
<b>Income taxes:</b>		
Current	951	1,687
Deferred	(178)	(421)
Total income taxes	772	1,265
<b>Income before minority interests</b>	<b>1,061</b>	<b>2,406</b>
<b>Minority interests</b>	<b>4</b>	<b>19</b>
<b>Net income</b>	<b>1,057</b>	<b>2,386</b>

## Consolidated Statements of Comprehensive Income

	Millions of yen	
	Three months ended June 30, 2012	Three months ended June 30, 2013
<b>Income before minority interests</b>	1,061	2,406
<b>Other comprehensive income (loss):</b>		
Unrealized gain (loss) on other securities	(153)	309
Total other comprehensive income (loss)	(153)	309
<b>Comprehensive income</b>	908	2,715
(Breakdown)		
Comprehensive income attributable to owners of the parent	904	2,697
Comprehensive income attributable to minority interests	3	18