

## COMSYS Holdings Corporation

### Consolidated Financial Results for the Second Quarter Ended September 30, 2014 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  
 For Inquiry: Yoshihiro Mimata, Director and General Manager of Finance & Accounting Department (Telephone:81-3-3448-7000)  
 Scheduled Filing of Quarterly Securities Report: November 11, 2014  
 Scheduled Commencement of Dividend Payment: December 5, 2014  
 Supplementary Materials on Quarterly Results: Attached  
 IR Presentation on Quarterly Results: Scheduled (For Institutional Investors and Analysts)

Amounts less than one million yen have been omitted.

#### 1. Consolidated Financial Results (for the six months ended September 30, 2014)

##### (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 (%)
Six months ended September 30, 2014	¥144,287	2.6%	¥11,144	4.9%	¥11,308	3.1%	¥6,865	11.4%
Six months ended September 30, 2013	140,577	6.3	10,625	56.8	10,972	54.8	6,163	61.4

Notes: 1. Comprehensive income: Six months ended September 30, 2014: ¥7,588 million [13.1%] Six months ended September 30, 2013: ¥6,710 million [73.5%]  
 2. Percentages indicate the percentage change from the corresponding period of the previous fiscal year.

	Net Income per Share	Net Income per Share (Diluted)
Six months ended September 30, 2014	¥58.32	¥57.94
Six months ended September 30, 2013	50.62	50.38

##### (2) Consolidated Financial Position

(Millions of yen, except percentages)

	Total Assets	Net Assets	Equity Ratio
As of September 30, 2014	¥243,480	¥189,993	77.5%
As of March 31, 2014	250,561	179,414	71.1

(Reference) Shareholders' Equity: As of September 30, 2014: ¥188,710 million As of March 31, 2014: ¥178,234 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, 2014	¥ —	¥10.00	¥ —	¥15.00	¥25.00
Year ending March 31, 2015	—	15.00			
Year ending March 31, 2015 (Forecast)			—	15.00	30.00

Note: Most recently announced revisions to dividend forecast: No

#### 3. Consolidated Earnings Forecast (for the fiscal year ending March 31, 2015)

(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, 2015	¥345,000	4.1%	¥29,000	5.2%	¥29,500	5.1%	¥18,000	9.8%	¥152.89

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.

**\*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: No

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

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

	<u>As of September 30, 2014</u>	<u>As of March 31, 2014</u>
a) Number of shares issued (including treasury stock)	145,977,886 shares	145,977,886 shares
b) Number of treasury stock	27,287,680 shares	28,310,548 shares
	<u>Six months ended September 30, 2014</u>	<u>Six months ended September 30, 2013</u>
c) Average number of shares issued in the period	117,729,022 shares	121,747,900 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*

- 1. 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 "(3) Discussion of Forward-Looking Information, including Consolidated Earnings Forecasts" under "1. Qualitative Information Regarding Consolidated Financial Results for the Period under Review" of this Consolidated Financial Results report in the Accompanying Materials section on page 3.*
- 2. COMSYS Holdings Corporation plans to hold an IR presentation on its financial results for institutional investors and analysts on Wednesday, November 12, 2014. Other materials distributed during the IR presentation will be posted on the Company's website in a timely manner after the presentation.*

## ***Accompanying Materials***

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

#### ***(1) Discussion of Operating Results***

During the first half (April 1, 2014 to September 30, 2014) of the fiscal year ending March 31, 2015, despite some areas of weakness ameliorated mainly by a reaction to the last-minute demand that accompanied the increase in the consumption tax rate, the overall impact of the reaction was mild, and the Japanese economy maintained a moderate rate of recovery, with positive levels of corporate earnings and capital expenditure, thanks to the economic and fiscal policies pushed by the government and the Bank of Japan.

In the information and communications field, the COMSYS Group's principal area of activity, there continued to be a high-level of progress in the construction and installation of mobile communications networks aimed at enhancing quality, including increasing the ease of connection and the speed of communications, and technical innovation such as the shift to LTE-Advanced and VoLTE, along with added functionality of devices such as smartphones and tablets and growth in the use of cloud computing.

Moreover, in the public and private sectors, growth is expected in the social infrastructure businesses and IT-related businesses, including the creation of new value-added industries based on the progress of Information and Communications Technology (ICT) and the Smart City Project being promoted by the Japanese government. In addition, projections are that growth will come from full-scale reconstruction following the Great East Japan Earthquake, the strengthening of urban functions with a focus on disaster prevention, including the Basic Policy for Building National Resilience, and rising market demand in the environment and energy sector, which includes solar power generation.

Under these circumstances, orders received in the cumulative second quarter period were up 7.9% year on year to ¥173,507 million, and net sales were up 2.6% year on year to ¥144,287 million. Operating income amounted to ¥11,144 million, up 4.9% year on year, and net income rose 11.4% year on year to ¥6,865 million, with the COMSYS Group recording growth in sales and income. These results were due to an increase in areas such as solar construction through topline expansion under the Group's COMSYS WAY<sup>a</sup> structural reforms, in addition to greater operational efficiency thanks to the nationwide deployment of the construction IT platform, which allows comprehensive management from order receipt through to project management.

#### ***(2) Discussion of Financial Position***

Total assets as of September 30, 2014 amounted to ¥243,480 million, down ¥7,081 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 ¥17,661 million compared with the end of the previous fiscal year, to ¥53,486 million. This was largely attributable to a decrease in accounts payable – trade. Net assets increased by ¥10,579 million compared with the end of the previous fiscal year, to ¥189,993 million. This was primarily attributable to an increase in retained earnings resulting from net income.

In accordance with each of the aforementioned factors, the equity ratio improved 6.4 percentage points compared with the end of the previous fiscal year to 77.5%.

#### ***(3) Discussion of Forward-Looking Information, including Consolidated Earnings Forecasts***

Turning to the consolidated earnings forecast for the full fiscal year ending March 31, 2015, there are no changes to data and information announced on May 9, 2014.

## 2. Quarterly Consolidated Financial Statements

### (1) Consolidated Balance Sheets

	Millions of yen	
	As of March 31, 2014	As of September 30, 2014
<b>ASSETS</b>		
<b>Current assets:</b>		
Cash and cash equivalents	31,036	46,874
Notes and accounts receivable—trade	97,667	57,687
Inventories:		
Accumulated cost of construction in progress	17,816	26,147
Other	796	855
Other current assets	9,244	7,912
Less: Allowance for doubtful receivables	(65)	(46)
<b>Total current assets</b>	<b>156,495</b>	<b>139,431</b>
<b>Fixed assets:</b>		
<b>Property and equipment:</b>		
Buildings and structures, net	26,030	26,035
Land	38,969	39,004
Other, net	5,354	5,646
<b>Total property and equipment</b>	<b>70,353</b>	<b>70,686</b>
<b>Intangible fixed assets</b>		
Goodwill	—	3,360
Other intangible fixed assets	3,594	3,302
<b>Total intangible fixed assets</b>	<b>3,594</b>	<b>6,663</b>
<b>Investments and other assets:</b>		
Investment securities	9,684	12,564
Other assets	12,532	16,351
Less: Allowance for doubtful receivables	(2,098)	(2,217)
<b>Total investments and other assets</b>	<b>20,117</b>	<b>26,698</b>
<b>Total fixed assets</b>	<b>94,066</b>	<b>104,048</b>
<b>Total assets</b>	<b>250,561</b>	<b>243,480</b>

	Millions of yen	
	As of March 31, 2014	As of September 30, 2014
<b>LIABILITIES</b>		
<b>Current liabilities:</b>		
Accounts payable—trade	45,039	33,725
Short-term bank loans	1,270	100
Income taxes payable	6,847	2,025
Advances received on construction in progress	1,018	2,898
Allowances	563	210
Other current liabilities	8,981	5,918
<b>Total current liabilities</b>	<b>63,720</b>	<b>44,878</b>
<b>Long-term liabilities:</b>		
Deferred tax liabilities for unrealized gains on land revaluation	1,662	1,662
Net defined benefit liability	4,384	4,143
Allowance for directors' retirement benefits	193	201
Other long-term liabilities	1,185	2,600
<b>Total long-term liabilities</b>	<b>7,426</b>	<b>8,607</b>
<b>Total liabilities</b>	<b>71,147</b>	<b>53,486</b>
<b>NET ASSETS</b>		
<b>Shareholders' equity:</b>		
Common stock	10,000	10,000
Additional paid-in capital	55,494	56,297
Retained earnings	148,713	156,714
Treasury stock, at cost	(28,658)	(27,751)
<b>Total shareholders' equity</b>	<b>185,549</b>	<b>195,260</b>
<b>Accumulated other comprehensive income:</b>		
Unrealized gain on other securities	1,803	2,371
Unrealized loss on land revaluation	(8,090)	(8,090)
Remeasurements of defined benefit plans	(1,028)	(830)
<b>Total accumulated other comprehensive income</b>	<b>(7,315)</b>	<b>(6,550)</b>
<b>Subscription rights to shares</b>	<b>478</b>	<b>484</b>
<b>Minority interests</b>	<b>701</b>	<b>799</b>
<b>Total net assets</b>	<b>179,414</b>	<b>189,993</b>
<b>Total liabilities and net assets</b>	<b>250,561</b>	<b>243,480</b>

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

	Millions of yen	
	Six months ended September 30, 2013	Six months ended September 30, 2014
<b>Net sales</b>	140,577	144,287
<b>Cost of sales</b>	121,271	122,853
<b>Gross profits</b>	19,305	21,434
<b>Selling, general and administrative expenses</b>	8,679	10,289
<b>Operating income</b>	10,625	11,144
<b>Other income:</b>		
Interest income	21	28
Dividend income	107	100
Reversal of allowance for doubtful receivables	175	—
Other	127	183
<b>Total other income</b>	432	312
<b>Other expenses:</b>		
Interest expenses	4	3
Foreign exchange losses	22	—
Provision for allowance for doubtful receivables	17	118
Other	41	25
<b>Total other expenses</b>	86	147
<b>Recurring profit</b>	10,972	11,308
<b>Extraordinary income:</b>		
Gain on payback of insurance payments	194	17
Gain on reversal of subscription rights to shares	0	24
Other	37	21
<b>Total extraordinary income</b>	232	63
<b>Extraordinary loss:</b>		
Loss on disposal of fixed assets	17	67
Business structure improvement expenses	931	—
Other	249	131
<b>Total extraordinary loss</b>	1,198	198
<b>Income before income taxes and other adjustments to net income</b>	10,006	11,174
<b>Income taxes:</b>		
Current	2,890	2,921
Deferred	917	1,434
<b>Total income taxes</b>	3,808	4,356
<b>Income before minority interests</b>	6,197	6,817
<b>Minority interests</b>	34	(47)
<b>Net income</b>	6,163	6,865

## Consolidated Statements of Comprehensive Income

	Millions of yen	
	Six months ended September 30, 2013	Six months ended September 30, 2014
<b>Income before minority interests</b>	6,197	6,817
<b>Other comprehensive income:</b>		
Unrealized gain on other securities	513	573
Remeasurements of defined benefit plans	—	197
<b>Total other comprehensive income</b>	513	770
<b>Comprehensive income</b>	6,710	7,588
(Breakdown)		
Comprehensive income attributable to owners of the parent	6,677	7,630
Comprehensive income (loss) attributable to minority interests	33	(42)