

# COMSYS Holdings Corporation

## Consolidated Financial Results for the Fiscal Year Ended March 31, 2021 Under Japanese GAAP

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 Stock Exchange Listings: First Section of Tokyo Stock Exchange (Securities code: 1721)  
 URL: <https://www.comsys-hd.co.jp/english/index.html>  
 Representative: Takashi Kagaya, President and Representative Director  
 For Inquiry: Hidehiko Ozaki, Director and General Manager of Finance & Accounting Department (Telephone:81-3-3448-7000)  
 Scheduled Annual General Meeting of Shareholders: June 29, 2021  
 Scheduled Commencement of Dividend Payment: June 30, 2021  
 Scheduled Filing of Securities Report: June 29, 2021  
 Supplementary Materials on Financial Results: Attached  
 IR Presentation on Financial Results: Scheduled (For Institutional Investors and Analysts)

Amounts less than one million yen have been omitted.

### 1. Consolidated Financial Results (for the fiscal year ended March 31, 2021)

#### (1) Consolidated Operating Results

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

	Net Sales		Operating Profit		Ordinary Profit		Profit Attributable to Owners of Parent	
	Amount	Change (%)	Amount	Change (%)	Amount	Change (%)	Amount	Change (%)
Year ended March 31, 2021	¥563,252	0.4%	¥41,572	6.7%	¥42,941	7.2%	¥29,369	13.0%
Year ended March 31, 2020	560,882	16.4	38,953	10.5	40,064	11.1	25,994	(7.2)

Notes: 1. Comprehensive income: Year ended March 31, 2021: ¥35,380 million [49.9%] Year ended March 31, 2020: ¥23,605 million [(10.1)%]  
 2. Percentages indicate the percentage change from the corresponding period of the previous fiscal year.

	Primary Earnings per Share	Diluted Earnings per Share	Return on Equity	Ordinary Profit / Total Assets	Operating Margin
Year ended March 31, 2021	¥232.72	¥232.21	9.2%	9.2%	7.4%
Year ended March 31, 2020	202.97	202.46	8.6	9.0	6.9

(Reference) Equity in earnings of affiliates: Year ended March 31, 2021: ¥— million Year ended March 31, 2020: ¥— million

#### (2) Consolidated Financial Position

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

	Total Assets	Net Assets	Equity Ratio	Book Value per Share
As of March 31, 2021	¥479,419	¥330,807	68.3%	¥2,619.63
As of March 31, 2020	450,043	310,694	68.3	2,424.83

(Reference) Shareholders' equity: As of March 31, 2021: ¥327,554 million As of March 31, 2020: ¥307,553 million

#### (3) Consolidated Cash Flows

(Millions of yen)

	Cash Flows from Operating Activities	Cash Flows from Investing Activities	Cash Flows from Financing Activities	Cash and Cash Equivalents at End of Year
Year ended March 31, 2021	¥25,469	¥(8,861)	¥(20,258)	¥32,936
Year ended March 31, 2020	37,496	(9,919)	(19,819)	35,503

### 2. Cash Dividends for Shareholders of Common Stock

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

	Dividends per Share					Total Dividends (Annual)	Consolidated Basis	
	End of 1st Quarter	End of 2nd Quarter	End of 3rd Quarter	Year-End	Annual		Dividend Payout Ratio	Ratio of Dividends to Net Assets
Year ended March 31, 2020	¥ —	¥35.00	¥ —	¥40.00	¥75.00	¥9,557	37.0%	3.2%
Year ended March 31, 2021	—	40.00	—	45.00	85.00	10,667	36.5	3.4
Year ending March 31, 2022 (Forecast)	—	45.00	—	50.00	95.00		41.0	

### 3. Consolidated Earnings Forecast (for the fiscal year ending March 31, 2022)

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

	Net Sales		Operating Profit		Ordinary Profit		Profit Attributable to Owners of Parent		Primary Earnings per Share
	Amount	Change (%)	Amount	Change (%)	Amount	Change (%)	Amount	Change (%)	Amount
Year ending March 31, 2022	¥580,000	3.0%	¥43,000	3.4%	¥43,500	1.3%	¥29,000	(1.3)%	¥231.93

Note. 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) 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

**(3) Number of shares issued (common shares)**

	As of March 31, 2021	As of March 31, 2020
a) Number of shares issued (including treasury shares)	141,000,000 shares	141,000,000 shares
b) Number of treasury shares	15,961,855 shares	14,164,947 shares
	Year ended March 31, 2021	Year ended March 31, 2020
c) Average number of shares issued in the period	126,197,022 shares	128,070,044 shares

**(Reference) Summary of Non-Consolidated Financial Results**

**Non-Consolidated Financial Results (for the fiscal year ended March 31, 2021)**

**(1) Non-Consolidated Operating Results**

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

	Operating Revenues		Operating Profit		Ordinary Profit		Profit	
Year ended March 31, 2021	¥13,168	2.1%	¥11,836	2.6%	¥11,832	2.6%	¥11,755	2.6%
Year ended March 31, 2020	12,894	23.1	11,537	25.3	11,537	24.8	11,459	24.8

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

	Primary Earnings per Share	Diluted Earnings per Share
Year ended March 31, 2021	¥93.15	¥92.95
Year ended March 31, 2020	89.48	89.25

**(2) Non-Consolidated Financial Position**

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

	Total Assets	Net Assets	Equity Ratio	Book Value per Share
As of March 31, 2021	¥164,425	¥127,542	77.1%	¥1,013.92
As of March 31, 2020	157,841	131,611	83.0	1,032.52

(Reference) Shareholders' equity:

As of March 31, 2021: ¥126,778 million

As of March 31, 2020: ¥130,959 million

*\*This Consolidated Financial Results report has not been subjected to audit procedures by certified public accountants or an audit corporation.*

**\*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 "1. Business Review" of this Consolidated Financial Results report in the Accompanying Materials section on page 3.
- The Company plans to stream a video of the results briefing for institutional investors and analysts on Tuesday, May 20, 2021 (available only in Japanese). The materials for the briefing will be uploaded to the corporate website before the video is streamed.

## *Accompanying Materials*

### **1. Business Review**

#### **(1) Operating Results**

During the fiscal year ended March 31, 2021 (April 1, 2020 to March 31, 2021), the Japanese economy continued to face challenging conditions amid the prolonged impact of COVID-19. The level of social and economic activity is gradually increasing with infection control measures being taken, and some areas are showing signs of recovery. Despite this trend, it will be necessary to monitor the impact of the spread of infection and turbulence in financial and capital markets in Japan and overseas, and it is expected that the business outlook will continue to remain uncertain.

As for the business environment surrounding the COMSYS Group, in the information and communications field, there is a need for the improvement and development of advanced telecommunications infrastructure that can distribute high volumes of information promptly for the transition to a digitized, online society, while developing fiber optic networks, including the High-speed Wireless Environment Maintenance Promotion Project and implementing the installation of base stations to expand 5G services. In the public and private sectors, social infrastructure investment is proceeding. This includes boosting initiatives on renewable energy, including solar power, disaster prevention and mitigation measures in response to increasingly severe and frequent natural disasters, and measures to address the aging of roads, bridges and other infrastructure. In addition, investment in improving the ICT increased in the education sector, such as the GIGA School program.

The COMSYS Group worked to develop and strengthen the construction system making maximum use of Group resources in order to handle national-scale projects such as the High-speed Wireless Environment Maintenance Promotion Project. It also strengthened Group-wide sales collaboration utilizing the virtual company structure, expanded its business domains, and raised productivity. Moreover, the Group implemented workstyle reforms through the utilization of ICT, including teleworking during the COVID-19 pandemic, and worked to reduce costs.

Under these circumstances, although the Group was impacted by the COVID-19 pandemic in the first half of the fiscal year under review with fewer opportunities to obtain orders due to a decrease in social and economic activities and prolonged construction periods, the COMSYS Group continued its business activities with rigorous infection control, and, consequently, business performance improved starting in the second half of the fiscal year. As a result, orders received in the fiscal year ended March 31, 2021 decreased 0.7% year on year to ¥586,512 million, which was partly attributable to the decline from the high level of orders received in the previous fiscal year, and net sales increased 0.4% year on year to ¥563,252 million. From a profit perspective, operating profit increased by 6.7% year on year to ¥41,572 million, while profit attributable to owners of parent increased 13.0% year on year to ¥29,369 million.

#### **(2) Financial Position**

##### *(a) Assets*

Current assets as of March 31, 2021 stood at ¥278,860 million, ¥21,779 million higher than at the end of the previous fiscal year. This was mainly attributable to a ¥17,403 million increase in notes receivable, accounts receivable from completed construction contracts and other, and a ¥2,108 million increase in costs on construction contracts in progress. Non-current assets as of March 31, 2021 stood at ¥200,559 million, ¥7,596 million higher than at the end of the previous fiscal year. This was mainly attributable to an increase of ¥2,082 million in property and equipment, an increase of ¥5,880 million in investments and other assets, and a ¥365 million decrease in intangible assets.

As a result, total assets amounted to ¥479,419 million as of March 31, 2021, an increase of ¥29,376 million compared with the end of the previous fiscal year.

##### *(b) Liabilities*

Current liabilities as of March 31, 2021 stood at ¥128,229 million, up ¥10,187 million compared with the previous fiscal year-end. This was mainly attributable to an increase of ¥7,523 million in notes payable, accounts payable for construction contracts and other, an increase of ¥3,933 million in income taxes payable, and a ¥1,897 million decrease in short-term borrowings. As of March 31, 2021, non-current liabilities amounted to ¥20,382 million, ¥924 million lower compared with the end of the previous fiscal year. This was mainly attributable to a ¥643 million decrease in long-term borrowings, a ¥588 million decrease in retirement benefit liability, and a ¥166 million increase in deferred tax liabilities.

As a result, total liabilities amounted to ¥148,611 million, an increase of ¥9,262 million compared with the end of the previous fiscal year.

##### *(c) Net assets*

Net assets stood at ¥330,807 million as of March 31, 2021, an increase of ¥20,113 million compared with the end of the previous fiscal year. This was primarily due to a ¥19,813 million increase in retained earnings mainly resulting from the recording of profit attributable to owners of parent.

As of the end of the fiscal year under review, the equity ratio stood at 68.3%, no change from 68.3% as of March 31, 2020.

### (3) Cash Flow

Cash and cash equivalents stood at ¥32,936 million at the end of the fiscal year, a decrease of ¥2,567 million, or 7.2%, compared with the end of the previous fiscal year.

The principal factors underpinning movements in each of the Group's major cash flows for the fiscal year ended March 31, 2021 are presented as follows.

#### (a) Cash flows from operating activities

Net cash provided by operating activities stood at ¥25,469 million compared with ¥37,496 million for the previous fiscal year. The major cash inflows were profit before income taxes of ¥43,264 million and depreciation of ¥9,279 million. Major cash included trade receivables of ¥16,670 million and income taxes paid of ¥12,311 million.

#### (b) Cash flows from investing activities

Net cash used in investing activities totaled ¥ 8,861 million for the fiscal year under review compared with net cash of ¥9,919 million used in the previous fiscal year. The major cash outflows were purchase of property, plant and equipment of ¥10,533 million and purchase of intangible assets of ¥1,618 million. Major cash inflows included proceeds from sale of investment securities of ¥5,870 million.

#### (c) Cash flows from financing activities

Net cash used in financing activities was ¥20,258 million for the fiscal year ended March 31, 2021, compared with ¥19,819 million used in financing activities in the previous fiscal year. Purchase of treasury shares amounted to ¥7,018 million, dividends paid totaled ¥10,114 million, and repayments of long-term borrowings amounted to ¥1,938 million..

### (4) Outlook for fiscal year ending March 31, 2022

A recovery in social and economic activity is expected due to the rollout of the vaccine against COVID-19 and rigorous infection control measures. Despite this, it is uncertain when the COVID-19 pandemic will be contained, and the future outlook remains challenging. Given this situation, the COMSYS Group will continue to give full consideration to the health and safety of its employees and those of the affiliates, and strive for infection control measures as it engages in its business activities.

In the outlook for the fiscal year ending March 31, 2022, although there are concerns over the recovery of private sector investment, it is expected there will be a full-scale rollout of 5G services, public infrastructure investment, including disaster prevention and mitigation and national resilience, ICT investment accompanying the society-wide digital revolution, and the expansion of investment in the renewable energy sector for the realization of a green society. Going forward, the Group will also work to raise productivity through the implementation of a variety of measures, including structural reform based on digital transformation (DX) as its centerpiece and workstyle reforms for the "new normal." As a result, the Group expects growth in sales and profit.

#### Consolidated Earnings Forecast

(Millions of yen, except percentages)

	Year ended March 31, 2021	Year ending March 31, 2022	Change
Orders received	¥586,512	¥570,000	(2.8)%
Net sales	563,252	580,000	3.0
Gross profits	75,989	78,000	2.6
Operating profit	41,572	43,000	3.4
Ordinary profit	42,941	43,500	1.3
Profit attributable to owners of parent	29,369	29,000	(1.3)

## 2. Basic Approach to Selection of Accounting Standard

The COMSYS Group's policy for the time being is to use Japanese GAAP for the preparation of its consolidated financial statements because its business operations are primarily carried out in Japan, and comparison with other Japanese companies is thus facilitated.

### 3. Consolidated Financial Statements

#### (1) Consolidated Balance Sheets

	Millions of yen	
	As of March 31, 2020	As of March 31, 2021
<b>ASSETS</b>		
<b>Current assets:</b>		
Cash and deposits	35,992	33,259
Notes receivable, accounts receivable		
from completed construction contracts and other	177,267	194,671
Investments in leases	5,320	5,223
Costs on construction contracts in progress	26,070	28,178
Real estate for sale	2,750	2,905
Merchandise	991	980
Raw materials and supplies	2,046	2,376
Other current assets	6,776	11,406
Allowance for doubtful accounts	(135)	(139)
<b>Total current assets</b>	<b>257,080</b>	<b>278,860</b>
<b>Non-current assets:</b>		
<b>Property, plant and equipment:</b>		
Buildings and structures	90,025	92,740
Accumulated depreciation	(47,342)	(49,060)
<b>Buildings and structures, net</b>	<b>42,683</b>	<b>43,679</b>
Machinery, equipment and vehicles and tools, furniture and fixtures	58,918	60,591
Accumulated depreciation	(32,048)	(33,421)
<b>Machinery, equipment and vehicles and tools, furniture and fixtures, net</b>	<b>26,869</b>	<b>27,169</b>
Land	67,285	67,483
Lease assets	2,983	3,417
Accumulated depreciation	(1,384)	(1,630)
<b>Lease assets, net</b>	<b>1,599</b>	<b>1,787</b>
Construction in progress	175	574
<b>Total property, plant and equipment</b>	<b>138,612</b>	<b>140,694</b>
<b>Intangible assets</b>		
Goodwill	3,902	3,062
Other intangible assets	3,940	4,414
<b>Total intangible assets</b>	<b>7,842</b>	<b>7,477</b>
<b>Investments and other assets:</b>		
Investment securities	26,084	25,098
Long-term loans receivable	881	3,586
Deferred tax assets	3,283	3,127
Retirement benefit asset	11,076	15,464
Other assets	5,533	5,535
Allowance for doubtful accounts	(352)	(425)
<b>Total investments and other assets</b>	<b>46,507</b>	<b>52,387</b>
<b>Total non-current assets</b>	<b>192,962</b>	<b>200,559</b>
<b>Total assets</b>	<b>450,043</b>	<b>479,419</b>

	Millions of yen	
	As of March 31, 2020	As of March 31, 2019
<b>LIABILITIES</b>		
<b>Current liabilities:</b>		
Notes payable, accounts payable for construction contracts and other	80,289	87,812
Short-term borrowings	7,038	5,141
Income taxes payable	5,318	9,251
Advances received on construction contracts in progress	5,097	5,346
Provision for warranties for completed construction	235	252
Provision for loss on construction contracts	728	665
Provision for loss compensation	—	309
Other current liabilities	19,335	19,451
<b>Total current liabilities</b>	<b>118,042</b>	<b>128,229</b>
<b>Non-current liabilities:</b>		
Long-term borrowings	1,107	464
Deferred tax liabilities	656	823
Deferred tax liabilities for land revaluation	1,315	1,303
Retirement benefit liability	14,123	13,535
Provision for retirement benefits for directors (and other officers)	587	612
Other non-current liabilities	3,516	3,643
<b>Total non-current liabilities</b>	<b>21,307</b>	<b>20,382</b>
<b>Total liabilities</b>	<b>139,349</b>	<b>148,611</b>
<b>NET ASSETS</b>		
<b>Shareholders' equity:</b>		
Share capital	10,000	10,000
Capital surplus	92,203	92,552
Retained earnings	241,033	260,846
Treasury shares	(27,125)	(33,284)
<b>Total shareholders' equity</b>	<b>316,111</b>	<b>330,114</b>
<b>Accumulated other comprehensive income:</b>		
Valuation difference on available-for-sale securities	1,264	3,322
Deferred gains or losses on hedges	(12)	0
Revaluation reserve for land	(8,028)	(8,046)
Remeasurements of defined benefit plans	(1,780)	2,163
<b>Total accumulated other comprehensive income</b>	<b>(8,557)</b>	<b>(2,559)</b>
<b>Share acquisition rights</b>	<b>652</b>	<b>764</b>
<b>Non-controlling interests</b>	<b>2,487</b>	<b>2,489</b>
<b>Total net assets</b>	<b>310,694</b>	<b>330,807</b>
<b>Total liabilities and net assets</b>	<b>450,043</b>	<b>479,419</b>

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

	Millions of yen	
	Year ended March 31, 2020	Year ended March 31, 2021
Net sales	560,882	563,252
Cost of sales	487,269	487,262
<b>Gross profits</b>	<b>73,612</b>	<b>75,989</b>
Selling, general and administrative expenses	34,658	34,417
<b>Operating profit</b>	<b>38,953</b>	<b>41,572</b>
<b>Non-operating income:</b>		
Interest income	42	23
Dividend income	721	1,138
Rental income from non-current assets	330	283
Other	450	597
Total non-operating income	1,545	2,043
<b>Non-operating expenses:</b>		
Interest expenses	52	33
Rent expenses	174	148
COVID-19 related expenses	—	285
Foreign exchange losses	45	—
Other	162	205
Total non-operating expenses	434	673
<b>Ordinary profit</b>	<b>40,064</b>	<b>42,941</b>
<b>Extraordinary income:</b>		
Gain on sales of investment securities	523	2,320
Gain on sales of non-current assets	27	73
Other	107	532
Total extraordinary income	658	2,926
<b>Extraordinary loss:</b>		
Loss on retirement of non-current assets	78	71
Impairment loss	494	1,526
Provision for loss compensation	—	309
Loss on valuation of investment securities	350	—
Other	320	695
Total extraordinary loss	1,244	2,603
<b>Profit before income taxes</b>	<b>39,478</b>	<b>43,264</b>
<b>Income taxes:</b>		
Current	13,269	16,176
Deferred	64	(2,264)
Total income taxes	13,333	13,911
<b>Profit</b>	<b>26,144</b>	<b>29,352</b>
Profit (loss) attributable to non-controlling interests	149	(16)
<b>Profit attributable to owners of parent</b>	<b>25,994</b>	<b>29,369</b>

**(Consolidated Statements of Comprehensive Income)**

	Millions of yen	
	Year ended March 31, 2020	Year ended March 31, 2021
<b>Profit</b>	26,144	29,352
<b>Other comprehensive income:</b>		
Valuation difference on available-for-sale securities	(1,548)	2,069
Deferred gains or losses on hedges	(12)	13
Remeasurements of defined benefit plans	(978)	3,945
Total other comprehensive income (loss)	(2,539)	6,027
<b>Comprehensive income</b>	23,605	35,380
(Breakdown)		
Comprehensive income attributable to owners of parent	23,457	35,385
Comprehensive income attributable to non-controlling interests	147	(4)



### (3) Consolidated Statements of Changes in Net Assets

Year ended March 31, 2020	Millions of yen				
	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total Shareholders' equity
Balance at beginning of period	10,000	91,549	223,261	(20,539)	304,271
Changes in items during period:					
Dividends of surplus			(8,345)		(8,345)
Profit attributable to owners of parent			25,994		25,994
Purchase of treasury shares				(8,005)	(8,005)
Disposal of treasury shares		146		778	925
Purchase of treasury shares of subsidiaries		65			65
Purchase of shares of consolidated subsidiaries		(74)			(74)
Changes of scope of consolidation					—
Increase by share exchanges		517		639	1,157
Reversal of revaluation reserve for land			122		122
Net changes in items other than shareholders' equity					—
Total changes in items during period	—	654	17,771	(6,586)	11,839
Balance at end of period	10,000	92,203	241,033	(27,125)	316,111

Year ended March 31, 2020	Millions of yen							
	Accumulated other comprehensive income							
	Valuation difference on available-for-sale securities	Deferred gains or losses on hedges	Revaluation reserve for land	Remeasurements of defined benefit plans	Total accumulated other comprehensive income	Share acquisition rights	Non-controlling interests	Total net assets
Balance at beginning of period	2,810	(0)	(7,905)	(802)	(5,898)	657	2,428	301,459
Changes in items during period:								
Dividends of surplus								(8,345)
Profit attributable to owners of parent								25,994
Purchase of treasury shares								(8,005)
Disposal of treasury shares								925
Purchase of treasury shares of subsidiaries								65
Purchase of shares of consolidated subsidiaries								(74)
Changes of scope of consolidation								—
Increase by share exchanges								1,157
Reversal of revaluation reserve for land								122
Net changes in items other than shareholders' equity	(1,546)	(12)	(122)	(977)	(2,659)	(4)	58	(2,604)
Total changes in items during period	(1,546)	(12)	(122)	(977)	(2,659)	(4)	58	9,234
Balance at end of period	1,264	(12)	(8,028)	(1,780)	(8,557)	652	2,487	310,694

Year ended March 31, 2021	Millions of yen				
	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total Shareholders' equity
Balance at beginning of period	10,000	92,203	241,033	(27,125)	316,111
Changes in items during period:					
Dividends of surplus			(10,114)		(10,114)
Profit attributable to owners of parent			29,369		29,369
Purchase of treasury shares				(7,004)	(7,004)
Disposal of treasury shares		178		511	689
Purchase of treasury shares of subsidiaries					—
Purchase of shares of consolidated subsidiaries		8			8
Changes of scope of consolidation		4	539		544
Increase by share exchanges		156		334	490
Reversal of revaluation reserve for land			18		18
Net changes in items other than shareholders' equity					—
Total changes in items during period	—	348	19,813	(6,158)	14,002
Balance at end of period	10,000	92,552	260,846	(33,284)	330,114

Year ended March 31, 2020	Millions of yen							
	Accumulated other comprehensive income					Share acquisition rights	Non-controlling interests	Total net assets
	Valuation difference on available-for-sale securities	Deferred gains or losses on hedges	Revaluation reserve for land	Remeasurements of defined benefit plans	Total accumulated other comprehensive income			
Balance at beginning of period	1,264	(12)	(8,028)	(1,780)	(8,557)	652	2,487	310,694
Changes in items during period:								
Dividends of surplus								(10,114)
Profit attributable to owners of parent								29,369
Purchase of treasury shares								(7,004)
Disposal of treasury shares								689
Purchase of treasury shares of subsidiaries								—
Purchase of shares of consolidated subsidiaries								8
Changes of scope of consolidation								544
Increase by share exchanges								490
Reversal of revaluation reserve for land								18
Net changes in items other than shareholders' equity	2,058	13	(18)	3,944	5,997	111	1	6,110
Total changes in items during period	2,058	13	(18)	3,944	5,997	111	1	20,113
Balance at end of period	3,322	0	(8,046)	2,163	(2,559)	764	2,489	330,807

#### (4) Consolidated Statements of Cash Flows

	Millions of yen	
	Year ended March 31, 2020	Year ended March 31, 2021
<b>Cash flows from operating activities:</b>		
Profit before income taxes	39,478	43,264
Depreciation	9,150	9,279
Impairment loss	494	1,526
Amortization of goodwill	1,097	1,132
Increase (decrease) in allowance for doubtful accounts	(5)	70
Increase in retirement benefit liability	118	310
Interest and dividend income	(764)	(1,162)
Interest expenses	52	33
Increase in trade receivables	(7,711)	(16,670)
Decrease (increase) in costs on construction contracts in progress	1,702	(2,338)
Increase in trade payables	1,896	5,803
Gain on sale of investment securities	(523)	(2,278)
Loss on valuation of investment securities	350	—
Decrease (increase) in other assets	2,573	(4,091)
Increase in other liabilities	2,059	1,309
Other, net	856	462
	50,827	36,651
Interest and dividends received	764	1,161
Interest paid	(51)	(33)
Income taxes paid	(14,043)	(12,311)
Net cash provided by operating activities	37,496	25,469
<b>Cash flows from investing activities:</b>		
Net decrease in time deposits	570	178
Purchase of investment securities	(261)	(115)
Proceeds from sale of investment securities	887	5,870
Purchase of shares of subsidiaries	(265)	(410)
Purchase of property, plant and equipment	(10,264)	(10,533)
Purchase of intangible assets	(920)	(1,618)
Proceeds from sales of property, plant and equipment	189	562
Loan advances	(76)	(3,051)
Collection of loans receivable	170	217
Purchase of insurance funds	(176)	(189)
Proceeds from cancellation of insurance funds	496	99
Other, net	(271)	128
Net cash used in investing activities	(9,919)	(8,861)

	Millions of yen	
	Year ended March 31, 2020	Year ended March 31, 2021
<b>Cash flows from financing activities:</b>		
Net decrease in short-term borrowings	(1,080)	(1,033)
Repayments of long-term borrowings	(2,456)	(1,938)
Purchase of treasury shares	(8,024)	(7,018)
Proceeds from sales of treasury shares	645	508
Purchase of shares of subsidiaries not resulting in change in scope of consolidation	(83)	(4)
Purchase of treasury shares of subsidiaries	(1)	—
Dividends paid	(8,345)	(10,114)
Dividends paid to non-controlling interests	(13)	(13)
Repayments of finance lease obligations	(460)	(593)
Other, net	—	(50)
Net cash used in financing activities	(19,819)	(20,258)
Effect of exchange rate change on cash and cash equivalents	(31)	21
Net increase (decrease) in cash and cash equivalents	7,725	(3,629)
Cash and cash equivalents at beginning of period	27,778	35,503
Increase in cash and cash equivalents resulting from change in scope of consolidation	—	1,061
Cash and cash equivalents at end of period	35,503	32,936

**(Per share Information)**

	Yen	
	Year ended March 31, 2020	Year ended March 31, 2021
Book value per share	2,424.83	2,619.63
Primary earnings per share	202.97	232.72
Diluted earnings per share	202.46	232.21

*Notes. The bases for calculation of primary earnings per share and diluted earnings per share are as follows:*

	Millions of yen, except per share data and number of shares	
	Year ended March 31, 2020	Year ended March 31, 2021
Primary earnings per share		
Profit attributable to owners of parent	25,994	29,369
Amount not attributable to common shareholders	—	—
Profit attributable to owners of parent attributable to common shares	25,994	29,369
Average number of common shares during the period (in thousands)	128,070	126,197
Diluted earnings per share		
Adjustment for profit attributable to owners of parent	—	—
Increase in number of shares of common shares (in thousands)	326	277
[Of which share acquisition rights (in thousands)]	[326]	[277]
Outline of dilutive shares which were not included in the calculation of “Diluted earnings per share” because they do not have dilutive effect:	August 7, 2019 Board of Directors resolution	August 7, 2020 Board of Directors resolution
	Stock options (Share acquisition rights)	Stock options (Share acquisition rights)
	Common stock 399 thousand shares	Common stock 550 thousand shares

## **(Significant Subsequent Event)**

### *(Acquisition of Treasury Stock)*

The meeting of the Board of Directors held on May 14, 2021 resolved as follows on the matters related to the acquisition of treasury stock in accordance with Article 156 of Japan's Companies Act, as applied pursuant to paragraph 3, Article 165 of the Act.

#### (a) Reason for Purchase

The Company will acquire treasury stock in order to facilitate enhancement of shareholder returns and the execution of flexible capital policies that respond to changes in the corporate environment.

#### (b) Details of Acquisition

1) Type of Shares to be Acquired	Common shares of the Company
2) Total Number of Shares to be Acquired	Up to 2,000,000 shares
3) Total Acquisition Price	Up to ¥4,000,000,000
4) Acquisition Period	From May 17, 2021 to March 31, 2022
5) Acquisition Method	Purchase on the Tokyo Stock Exchange

## **4. Other**

### **Change of Directors**

#### 1) Changes in Representatives

Not applicable.

#### 2) Changes in Other Officers (scheduled for June 29, 2021)

##### 1. Candidates for Appointment as New Directors (excluding Audit and Supervisory Committee Member)

Takaya Kitaguchi, Director (currently Associate Director)

##### 2. Candidates for Appointment as New Directors (Audit and Supervisory Committee Members)

Atsushi Yasunaga, Director (currently Corporate Auditor, Nippon COMSYS Corporation)

Hiroyuki Asai, Outside Director (currently Advisor, Sumitomo Metal Mining Co., Ltd.)

Hideo Yamamoto, Outside Director (currently Director, Yamamoto Hideo Tax Accountancy Office)

##### 3. Retiring Directors (Audit and Supervisory Committee Members)

Koichiro Kamiwaki, Director (continued to be appointed as Auditor of Nippon COMSYS Corporation)

Kenichi Narumiya, Outside Director

Kazuyoshi Onohara, Outside Director