

## COMSYS Holdings Corporation

### Consolidated Financial Results for the Third Quarter Ended December 31, 2020 Under Japanese GAAP

Head Office: 17-1, Higashigotanda 2-chome, Shinagawa-ku, Tokyo 141-8647, Japan  
 Stock Exchange Listings: First Section of Tokyo Stock Exchange (Securities code: 1721)  
 URL: <https://www.comsys-hd.co.jp>  
 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 Filing of Quarterly Securities Report: February 9, 2021  
 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, 2020)

##### (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 (%)
Nine months ended December 31, 2020	¥370,817	(1.1)%	¥22,624	6.9%	¥23,832	7.3%	¥16,786	16.1%
Nine months ended December 31, 2019	374,769	23.2	21,158	7.1	22,219	8.7	14,459	(20.9)

Notes: 1. Comprehensive income: Nine Months Ended December 31, 2020: ¥17,872 million [18.8%] Nine Months Ended December 31, 2019: ¥15,046 million [(7.3%)]  
 2. Percentages indicate the percentage change from the corresponding period of the previous fiscal year.

	Primary Earnings per Share	Diluted Earnings per Share
	Nine months ended December 31, 2020	¥132.77
Nine months ended December 31, 2019	112.60	112.30

##### (2) Consolidated Financial Position

(Millions of yen, except percentages)

	Total Assets	Net Assets	Equity Ratio
	As of December 31, 2020	¥446,935	¥316,325
As of March 31, 2020	450,043	310,694	68.3

(Reference) Shareholders' Equity: As of December 31, 2020: ¥313,071 million As of March 31, 2020: ¥307,553 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, 2020	¥ —	¥35.00	¥ —	¥40.00	¥75.00
Year ending March 31, 2021	—	40.00	—		
Year ending March 31, 2021 (Forecast)				45.00	85.00

Note: Most recently announced revisions to dividend forecast: No

#### 3. Consolidated Earnings Forecast (for the fiscal year ending March 31, 2021)

(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, 2021	¥560,000	(0.2)%	¥38,000	(2.4)%	¥38,500	(3.9)%	¥25,500	(1.9)%	¥201.05

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: Yes
- (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 shares)**

	As of December 31, 2020	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	15,038,066 shares	14,164,947 shares
	Nine Months Ended December 31, 2020	Nine Months Ended December 31, 2019
c) Average number of shares issued in the period	126,426,841 shares	128,419,419 shares

*\*This Quarterly Consolidated Financial Results report has not been subjected to quarterly review 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 “(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.*

## ***Accompanying Materials***

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

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

During the cumulative third quarter (April 1, 2020 to December 31, 2020) of the current fiscal year ending March 31, 2021, the Japanese economy continued to face challenging conditions due to the impact of COVID-19. Although some areas are showing signs of recovery amid efforts to balance infection control with social and economic activities, it is expected that the business outlook will continue to remain uncertain. It will be necessary to monitor the impact from the spread of infection and turbulence in financial and capital markets in Japan and overseas.

As for the business environment surrounding the COMSYS Group, in the information and communications field, there is a need for the development of advanced telecommunications infrastructure that can distribute high volumes of information promptly, safely and reliably for the transition to a digitized, online society, while implementing the installation of base stations for 5G services and the development of optical fiber networks. In the public and private sectors, social infrastructure investment is expected to grow. This includes investment in developing the ICT environment due to the growing need for online services in education and the medical and healthcare sectors. Investment is also expected to increase in the strengthening of disaster prevention and mitigation measures in response to increasingly severe and frequent natural disasters, measures to address the aging of public infrastructure such as roads and bridges, and the expansion of renewable energy aimed at a decarbonized society.

The COMSYS Group worked to develop and strengthen the construction system in order to respond to the roll out of 5G services and the implementation of the Advanced Wireless Environment Maintenance Promotion Project. Also, through Group-wide sales collaboration utilizing the virtual company structure, the Group strengthened sales activities and expanded its business domains in the IT Solutions segment, such as GIGA School initiatives, and the renewable energy segment, including solar and biomass. Going forward, the Group will implement further workstyle reforms for the “new normal” of living with the COVID-19 pandemic and work to raise group-wide productivity through structural reform, with digital transformation (DX) as its centerpiece.

Under these circumstances, although the Group was initially impacted by the COVID-19 pandemic with fewer opportunities to obtain orders due to a decrease in social and economic activities and prolonged construction periods, the COMSYS Group, including its affiliates, continued its business activities with full consideration for the health of employees and infection control, and, consequently, business performance gradually improved. As a result, orders received in the cumulative third quarter period decreased 5.2% year on year to ¥429,543 million, which was partly attributable to the decline from the high level of orders received in the previous fiscal year, and net sales decreased 1.1% year on year to ¥370,817 million. From a profit perspective, operating profit increased by 6.9% year on year to ¥22,624 million, while profit attributable to owners of parent increased 16.1% year on year to ¥16,786 million.

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

Total assets as of December 31, 2020 amounted to ¥446,935 million, down ¥3,107 million compared with the end of the previous fiscal year. This was mainly attributable to a decrease in notes receivable, accounts receivable from completed construction contracts and other. Liabilities decreased by ¥8,738 million compared with the end of the previous fiscal year, to ¥130,610 million. This was largely attributable to a decrease in notes payable, accounts payable for construction contracts and other.

Net assets increased by ¥5,631 million compared with the end of the previous fiscal year, to ¥316,325 million. This was primarily the result of an increase in retained earnings due to profit attributable to owners of parent and the purchase of treasury stock.

In accordance with each of the aforementioned factors, the equity ratio stood at 70.0%, compared with 68.3% at the end of the previous fiscal year.

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

There are no changes in the consolidated earnings forecast for the full fiscal year ending March 31, 2021 published in “COMSYS Holdings Announces Revision to Earnings Forecast” dated May 13, 2020.

## 2. Quarterly Consolidated Financial Statements

### (1) Consolidated Balance Sheets

	Millions of yen	
	As of March 31, 2020	As of December 31, 2020
<b>ASSETS</b>		
<b>Current assets:</b>		
Cash and deposits	35,992	45,315
Notes receivable, accounts receivable		
from completed construction contracts and other	177,267	136,333
Costs on construction contracts in progress	26,070	47,805
Other inventories	5,787	6,832
Other current assets	12,097	16,311
Allowance for doubtful accounts	(135)	(155)
<b>Total current assets</b>	<b>257,080</b>	<b>252,442</b>
<b>Non-current assets:</b>		
<b>Property, plant and equipment:</b>		
Buildings and structures, net	42,683	43,209
Land	67,285	67,891
Other, net	28,644	29,106
<b>Total property, plant and equipment</b>	<b>138,612</b>	<b>140,207</b>
<b>Intangible assets</b>		
Goodwill	3,902	3,338
Other intangible assets	3,940	3,960
<b>Total intangible assets</b>	<b>7,842</b>	<b>7,298</b>
<b>Investments and other assets:</b>		
Investment securities	26,084	23,646
Other assets	20,774	23,724
Allowance for doubtful accounts	(352)	(384)
<b>Total investments and other assets</b>	<b>46,507</b>	<b>46,987</b>
<b>Total non-current assets</b>	<b>192,962</b>	<b>194,493</b>
<b>Total assets</b>	<b>450,043</b>	<b>446,935</b>

	Millions of yen	
	As of March 31, 2020	As of December 31, 2020
<b>LIABILITIES</b>		
<b>Current liabilities:</b>		
Notes payable, accounts payable for construction contracts and other	80,289	60,276
Short-term borrowings	7,038	17,259
Income taxes payable	5,318	2,012
Advances received on construction contracts in progress	5,097	9,180
Allowances	963	942
Other current liabilities	19,335	19,673
<b>Total current liabilities</b>	<b>118,042</b>	<b>109,344</b>
<b>Non-current liabilities:</b>		
Long-term borrowings	1,107	732
Deferred tax liabilities for land revaluation	1,315	1,315
Retirement benefit liability	14,123	14,443
Provision for retirement benefits for directors (and other officers)	587	586
Other long-term liabilities	4,173	4,188
<b>Total non-current liabilities</b>	<b>21,307</b>	<b>21,265</b>
<b>Total liabilities</b>	<b>139,349</b>	<b>130,610</b>
<b>NET ASSETS</b>		
<b>Shareholders' equity:</b>		
Share capital	10,000	10,000
Capital surplus	92,203	92,497
Retained earnings	241,033	248,244
Treasury shares	(27,125)	(30,187)
<b>Total shareholders' equity</b>	<b>316,111</b>	<b>320,554</b>
<b>Accumulated other comprehensive income:</b>		
Valuation difference on available-for-sale securities	1,264	2,160
Deferred gains or losses on hedges	(12)	(62)
Revaluation reserve for land	(8,028)	(8,028)
Remeasurements of defined benefit plans	(1,780)	(1,552)
<b>Total accumulated other comprehensive income</b>	<b>(8,557)</b>	<b>(7,482)</b>
<b>Share acquisition rights</b>	<b>652</b>	<b>748</b>
<b>Non-controlling interests</b>	<b>2,487</b>	<b>2,506</b>
<b>Total net assets</b>	<b>310,694</b>	<b>316,325</b>
<b>Total liabilities and net assets</b>	<b>450,043</b>	<b>446,935</b>

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

	Millions of yen	
	Nine months ended December 31, 2019	Nine months ended December 31, 2020
Net sales	374,769	370,817
Cost of sales	327,520	323,334
Gross profits	47,249	47,482
Selling, general and administrative expenses	26,091	24,857
Operating profit	21,158	22,624
<b>Non-operating income:</b>		
Interest income	20	17
Dividend income	707	1,131
Rental income from non-current assets	256	216
Other	308	374
Total non-operating income	1,292	1,739
<b>Non-operating expenses:</b>		
Interest expenses	38	24
Rent expenses	134	116
COVID-19 related expenses	—	261
Other	57	130
Total non-operating expenses	231	532
<b>Ordinary profit</b>	<b>22,219</b>	<b>23,832</b>
<b>Extraordinary income:</b>		
Gain on sales of investment securities	39	2,294
Gain on sales of non-current assets	25	24
Compensation income	84	6
Other	20	384
Total extraordinary income	170	2,709
<b>Extraordinary losses:</b>		
Loss on retirement of non-current assets	44	33
Impairment loss	—	711
Special retirement expenses	80	54
Other	56	153
Total extraordinary losses	180	952
<b>Profit before income taxes</b>	<b>22,209</b>	<b>25,588</b>
<b>Income taxes</b>	<b>7,634</b>	<b>8,801</b>
<b>Profit</b>	<b>14,575</b>	<b>16,787</b>
<b>Profit attributable to non-controlling interests</b>	<b>115</b>	<b>0</b>
<b>Profit attributable to owners of parent</b>	<b>14,459</b>	<b>16,786</b>

## Consolidated Statements of Comprehensive Income

	Millions of yen	
	Nine months ended December 31, 2019	Nine months ended December 31, 2020
<b>Profit</b>	14,575	16,787
<b>Other comprehensive income:</b>		
Valuation difference on available-for-sale securities	531	906
Deferred gains or losses on hedges	3	(50)
Remeasurements of defined benefit plans	(64)	228
<b>Total other comprehensive income</b>	470	1,085
<b>Comprehensive income</b>	15,046	17,872
(Breakdown)		
Comprehensive income attributable to owners of parent	14,923	17,860
Comprehensive income attributable to non-controlling interests	123	11