

COMSYS Holdings Corporation

Annual Report 2011

Fiscal Year Ended March 31, 2011

Changes to Match Today's Business Environment



A woman with long dark hair, wearing a light green sweater and a white patterned cardigan, is smiling and talking on a white mobile phone. She is leaning on a glass railing with a metal handrail. The background is a blurred cityscape with tall buildings.

Connecting People with People


We help to connect people with people through the construction of communications infrastructure and facilities. The construction services we provide range from large-scale backbone networks to telephone line installation for households and mobile phone base station construction.

▶▶ **P.14** [Click here for](#) NTT Information Telecommunication Engineering Business

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Connecting People with Society



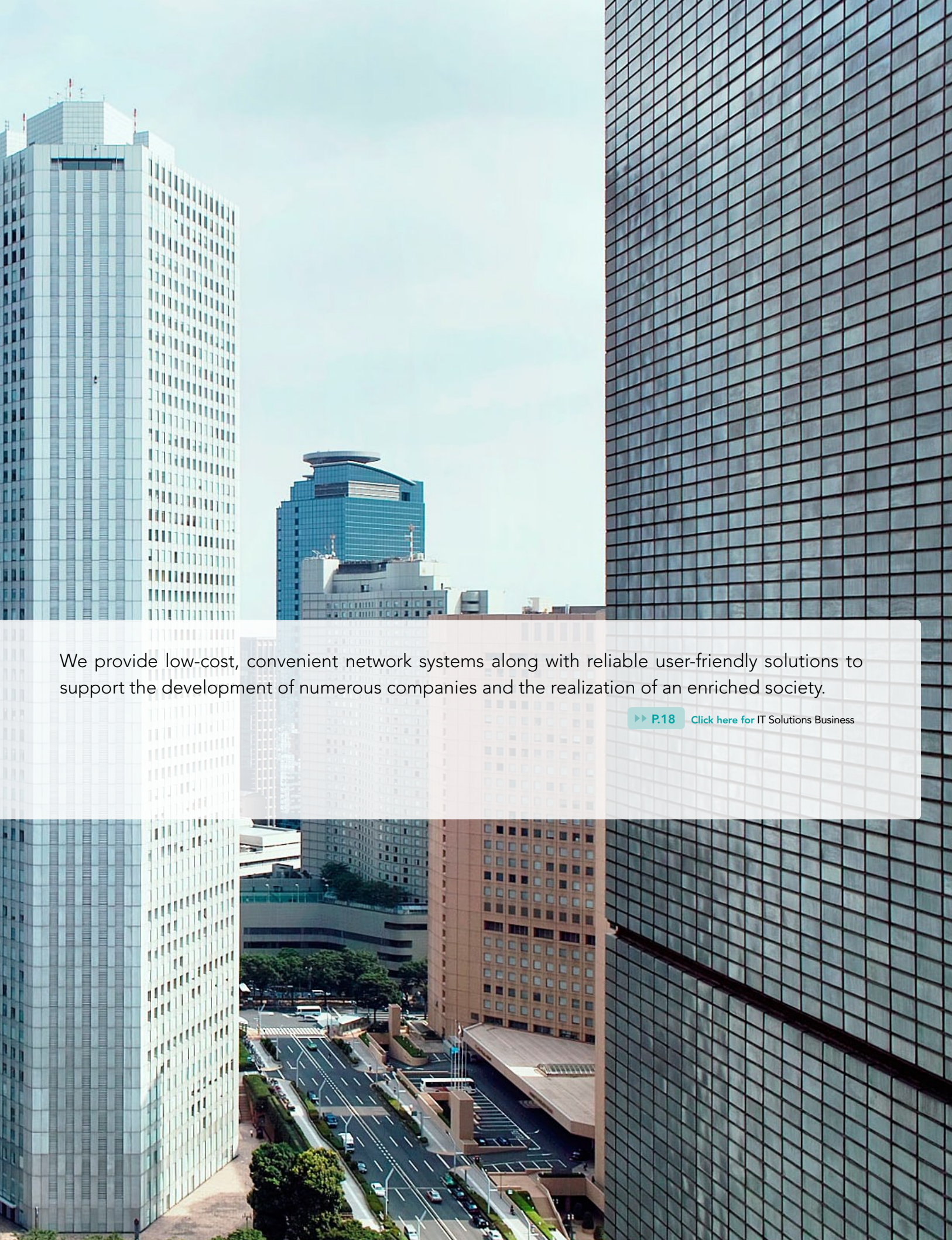
To address issues such as global warming and environmental preservation, we provide new energy and energy generation and conservation systems, including photovoltaic power generation and biological water treatment solutions. We also give back to society through environmental businesses, including resource recycling operations.

▶▶ P.20

[Click here](#) for Social System-Related Business and Other



Connecting People with Business



We provide low-cost, convenient network systems along with reliable user-friendly solutions to support the development of numerous companies and the realization of an enriched society.

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Profile

COMSYS Holdings Corporation (the “Company”) was established as the holding company of the COMSYS Group on 29th September, 2003 through share transfers from three companies—Nippon COMSYS Corporation, SANWA ELEC Co., Ltd. (now SANWA COMSYS Engineering Corporation) and TOSYS Corporation.

As of March 31, 2011, the COMSYS Group was made up of 50 subsidiaries and 9 affiliates, centered on 5 core operating subsidiaries, specifically the above 3 companies and TSUKEN Corporation and COMSYS JOHO SYSTEM Corporation.

The COMSYS Group’s main businesses are electrical and telecommunications infrastructure construction services, which mainly involve the construction of telecommunications infrastructure and electrical facilities, and other businesses, such as the information processing related business.

Our Mission

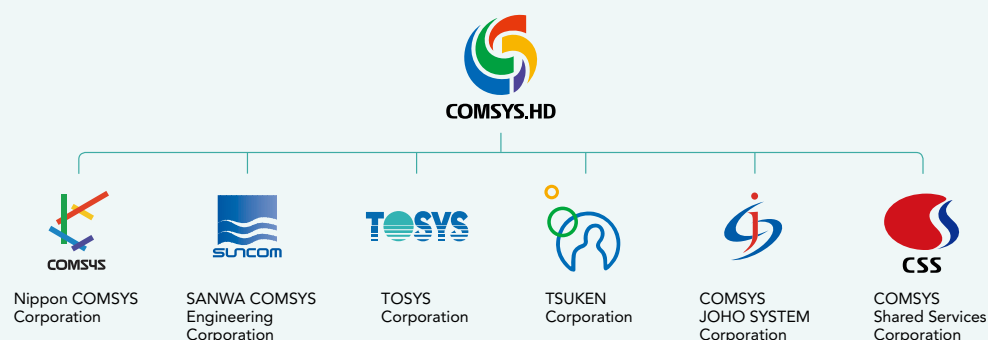
The COMSYS Group devotes every effort to bringing about a “smart ubiquitous network society” to serve as the infrastructure of a “Sustainable Society.” To this end we intend to leverage our position as Japan’s No. 1 communications infrastructure construction company in maximizing synergies from across the whole Group to provide high quality technologies and services.

Management Policies

Management at COMSYS Group is based on the following three policies, and every effort is being made to achieve them.

1. Fortify further the COMSYS Group’s dominant position as Japan’s No. 1 communications infrastructure construction company
2. Strive to maximize synergies across the COMSYS Group
3. Aim to be a knowledge-intensive corporation by sharing know-how through Group-wide IT systems

Our Group Formation



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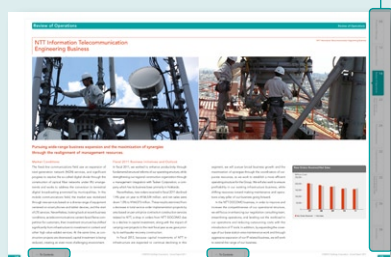
Cautionary Statement with Respect to Forward-Looking Statements

Statements made in this annual report with respect to COMSYS Holdings' plans and benefits as well as other statements that are not historical facts are forward-looking statements, which involve risks and uncertainties. Potential risks and uncertainties include, without limitation, general economic conditions in COMSYS Holdings' markets, exchange rates, and COMSYS Holdings' ability to continue to win customers' acceptance of its products, which are offered in highly competitive markets characterized by continual new product introductions and rapid developments in technology.

* Compiled based on the content of Comsys Holdings' Annual Securities Report submitted in Japanese.

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As we work to continue and deepen our structural reforms, we focus on maintaining and upgrading our construction technological capabilities, and strengthening market competitiveness and operational foundation. Our efforts also include the aggressive rollout of new growth strategies through entry into new business fields.

Hajime Takashima
President and Representative Director

Performance in Fiscal 2011

First, the COMSYS Group offers its heartfelt sympathies to all those affected by the Great East Japan Earthquake, and prays for the speedy recovery of the affected regions.

In fiscal 2011, ended 31st March, 2011, the fixed-line sector of Japan's information and communications market saw an expansion of NGN services, and major advances in both optical fiber construction works under IRU (Indefeasible Rights of Use) arrangements and various works to address the conversion to digital broadcasting conducted by municipalities to resolve the digital divide through construction towards the end of the fiscal year. In the mobile communications field, the market was revitalized by new services based on a diverse range of equipment centered on smartphones and tablet devices, and the start of commercial LTE (Long Term Evolution) services, a next-generation wireless access communications standard for mobile networks, in December of 2010.

Nevertheless, looking back at the recent business environment, the telecommunications carriers which are COMSYS Group's key clients faced fierce competition for customers. In addition, their investment structure has shifted significantly from infrastructure to investment in content and other high value-added services, and as construction projects are downsized, shrinking capital investments create an even more difficult environment.

In this environment, and with this the final year of the structural reforms initiated under "Group Innovation 2010," the COMSYS Group has continued to aggressively develop businesses with three major objectives: increasing sales and earnings, enhancing business efficiency, and promoting unified operations. In October of 2010, the Group implemented a management integration with Tsuken Corporation, a company based primarily in Hokkaido which does business with the NTT Group, and through that integration the Group has pursued wide-ranging business growth and the maximization of synergies through the realignment of management resources. Further, in addition to the structural reform measures pursued to date, the Group has worked to strengthen its operational foundation through a thorough streamlining of company-owned assets, and by rationalization of personnel allocation and labor cost structures.

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Under these circumstances, and with positive progress in the management integration with Tsuken, as well as IRU related construction promoted by municipalities, orders received increased 3.4% year on year to ¥294,360 million, while net sales increased 7.6% year on year to ¥315,480 million. On the earnings front, we continued to work to improve productivity through structural reform of operations while cutting expenses during the year. However, these efforts could not compensate for the impact of reassessment of price per unit order, the downsizing of construction projects, and incurrence of temporary work and expenses stemming from earthquake recovery efforts, resulting in ordinary income falling 7.4% year on year, to ¥12,140 million. Despite posting extraordinary losses as part of our strategy to fortify our business foundation, including a write-down on software, impairment losses on land and buildings, and special severance payments, a gain on negative goodwill associated with the management integration with Tsuken was recorded as extraordinary income. As a result, net income rose 34.5% year on year to ¥9,540 million.

Outlook for Fiscal 2012

Going forward, with the increasing shift to IP and broadband technology, the information communications field will see an acceleration in the convergence between fixed-line and mobile, and telecommunications and broadcasting services. At the same time, the promotion of full utilization of ICT is expected to contribute significantly to sustainable economic growth and to solutions for issues such as Japan's shrinking, aging population and a low-carbon society.

Nevertheless, the business environment for the COMSYS Group is expected to be more challenging in fiscal 2012, with telecommunications carriers reducing capital investment as IRU related construction and works for the conversion to digital broadcasting are completing their cycles. In this difficult environment, the COMSYS Group will work to meet the expectations of its shareholders, while continuing and deepening the structural reforms already implemented, maintaining and upgrading our construction technological capabilities, and strengthening market competitiveness and operational foundation. At the same time, the Group will shift to the aggressive rollout of new growth strategies through entry into new business fields.

From mid-March 2011, the COMSYS Group has worked to restore infrastructure and establish new temporary lines in the wake of the Great East Japan Earthquake. Going forward, the Group as a whole will push ahead with preparations for further reconstruction of telecommunications infrastructure.

Shareholder Returns

COMSYS Holdings views returning earnings to shareholders as an important management priority. Our basic policy is to pay steady and continuous dividends linked to business performance. Based on this policy, in fiscal 2011 we paid an interim dividend of ¥10.00 yen per share and a year-end dividend of ¥10.00, bringing total annual dividends to ¥20.00 yen per share. For fiscal 2012, we plan to pay the same total annual dividend of ¥20.00 yen per share (a ¥10.00 interim dividend and a ¥10.00 year-end dividend), reflecting our performance forecast.

During fiscal 2011, we bought back 3,612 thousand shares worth ¥2,999 million, with the aim of stepping up the return of earnings to shareholders and enabling flexible financial policies in response to changes in the business environment. In fiscal 2012, we will look at further share buybacks after comprehensive consideration of various factors, including the Group's performance, economic trends, and stock price movements.

Going forward, the COMSYS Group will target steady growth through business reforms, while deploying its technological expertise amassed as a leading company in the communication construction field. Our aim is to help achieve a safe, reliable, convenient networked society, thus contributing more to that society. We look forward to your ongoing understanding and support.

September 2011



Hajime Takashima,
President and Representative Director

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NTT Information Telecommunication Engineering Business



Main Business

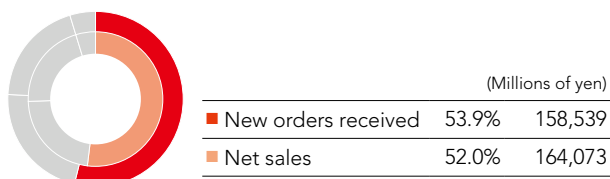
This segment is mainly engaged in the construction of telecommunications infrastructure for the NTT Group, including the laying and installation of telephone lines, installation of exchange equipment, and construction of wireless base stations. The segment is the COMSYS Group's core business and accounts for the largest share of Group-wide sales.

Respective Areas of Business Operations of Group Companies

Nippon COMSYS Group	SANCOM Group	TOSYS Group	TSUKEN Corporation	COMSYS JOHO SYSTEM Group
■		■	■	

New Orders Received/Net Sales

(Year Ended 31st March, 2011)



Business Domains

- Cable works
- Communication related civil engineering works
- Switching works
- Transmission wireless works
- Mobile communications works

Electrical Communications Engineering Business



Main Business

This segment constructs telecommunications and related facilities for communication carriers other than the NTT Group. It also provides a wide range of services for general customers, including the design and construction of electrical facilities for offices and other commercial buildings, public facilities, plants, condominiums and residential houses.

Respective Areas of Business Operations of Group Companies

Nippon COMSYS Group	SANCOM Group	TOSYS Group	TSUKEN Corporation	COMSYS JOHO SYSTEM Group
■	■	■	■	

New Orders Received/Net Sales

(Year Ended 31st March, 2011)



Business Domains

- Telecommunications facilities for NCC
- Mobile communications constructions for NCC
- General electrical facilities works
- Construction of multi-use underground cable conduit facilities (C-C-BOX)

FOR MORE INFORMATION

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IT Solutions Business



Main Business

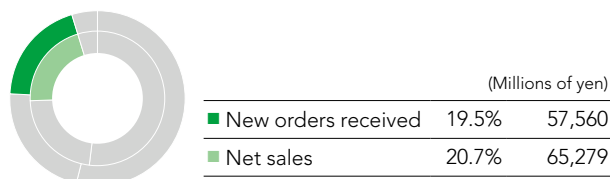
This segment combines extensive expertise with cutting-edge network technologies to provide a comprehensive solutions service, ranging from developing optimal systems integration services plans optimized for customers' businesses to providing maintenance services.

Respective Areas of Business Operations of Group Companies

Nippon COMSYS Group	SANCOM Group	TOSYS Group	TSUKEN Corporation	COMSYS JOHO SYSTEM Group
■	■	■	■	■

New Orders Received/Net Sales

(Year Ended 31st March, 2011)



Business Domains

- Network integration-related solutions
- System integration-related solutions
- Development and commissioning of all types of software
- Maintenance and operation

Social System-Related Business and Other



Main Business

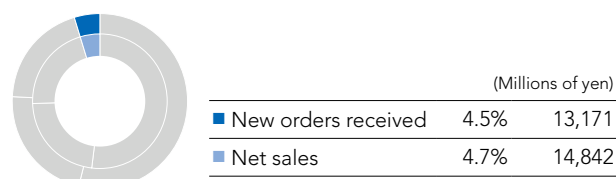
This segment is engaged in general civil engineering works, disaster prevention facilities works, the construction of office buildings, warehouses, and factories, as well as businesses related to the environment such as solar power generation systems, energy conservation solutions, water resources and other urban infrastructure businesses.

Respective Areas of Business Operations of Group Companies

Nippon COMSYS Group	SANCOM Group	TOSYS Group	TSUKEN Corporation	COMSYS JOHO SYSTEM Group
■	■	■	■	

New Orders Received/Net Sales

(Year Ended 31st March, 2011)



Business Domains

- General civil engineering works
- Building construction and ancillary facilities works
- Environmental solutions
- Overseas business
- Leasing and temporary staffing services

FOR MORE INFORMATION

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NTT Information Telecommunication Engineering Business



Pursuing wide-range business expansion and the maximization of synergies through the realignment of management resources.

Market Conditions

The fixed-line communications field saw an expansion of next-generation network (NGN) services, and significant progress to resolve the so-called digital divide through the construction of optical fiber networks under IRU arrangements and works to address the conversion to terrestrial digital broadcasting promoted by municipalities. In the mobile communications field, the market was revitalized through new services based on a diverse range of equipment centered on smart phones and tablet devices, and the start of LTE services. Nevertheless, looking back at recent business conditions, as telecommunications carriers faced fierce competition for customers, their investment structure has shifted significantly from infrastructure to investment in content and other high value-added services. At the same time, as construction projects are downsized, capital investment is being reduced, creating an even more challenging environment.

Fiscal 2011 Business Initiatives and Outlook

In fiscal 2011, we worked to enhance productivity through fundamental structural reforms of our operating structure, while strengthening our regional construction organization through a management integration with Tsuken Corporation, a company which has its business base primarily in Hokkaido.

Nevertheless, new orders received in fiscal 2011 declined 1.9% year on year to ¥158,539 million, and net sales were down 1.0% to ¥164,073 million. These results stemmed from a decrease in total service order implementation projects by area based on per unit price contracts in construction services related to NTT, a drop in orders from NTT DOCOMO due to a decline in capital investment, along with the impact of carrying over projects to the next fiscal year as we gave priority to earthquake recovery construction.

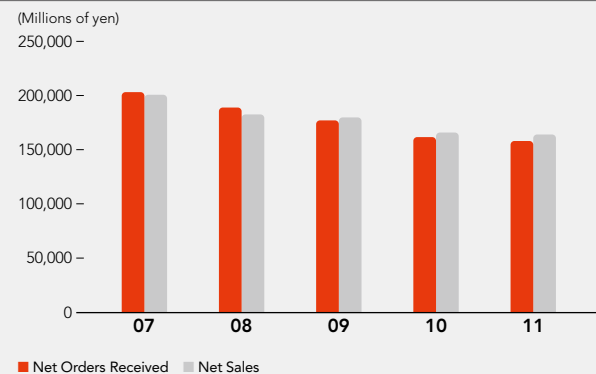
In fiscal 2012, because capital investments of NTT in infrastructure are expected to continue declining in this



segment, we will pursue broad business growth and the maximization of synergies through the coordination of corporate resources, as we work to establish a more efficient operating structure for the Group. We will also work to ensure profitability in our existing infrastructure business, while shifting resources toward making maintenance and operations a key pillar of our business going forward.

In the NTT DOCOMO business, in order to improve and increase the competitiveness of our operational structure, we will focus on enhancing our negotiation consulting team, streamlining operations, and leveling out the workload in our operations and reducing outsourcing costs with the introduction of IT tools. In addition, by expanding the coverage of our base station area maintenance work and through aggressive expansion of our IP related business, we will work to extend the range of our business.

New Orders Received/Net Sales



Electrical Communications Engineering Business



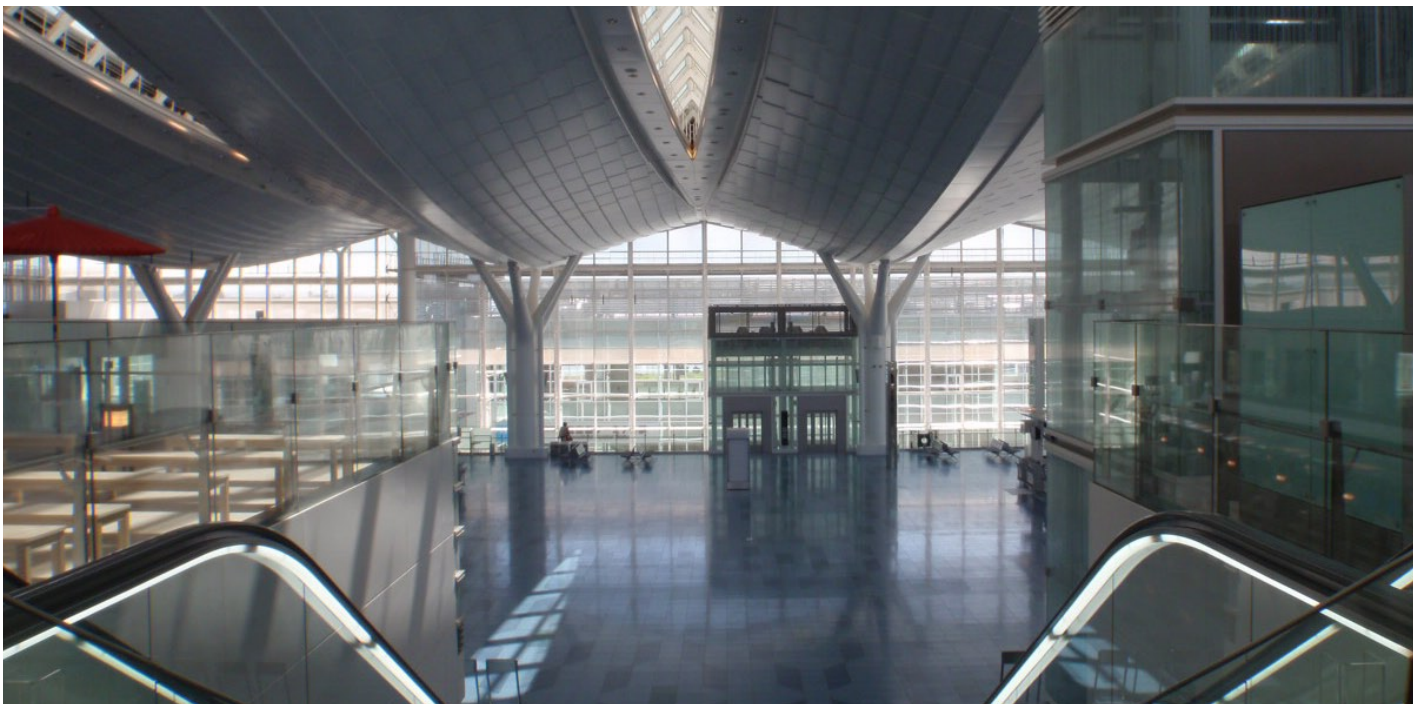
Working to further expand market share by strengthening construction management framework and raising customer satisfaction.

Market Conditions

Telecommunications carriers, other than the NTT Group companies, have largely come to the end of their capital investments for current-generation (third-generation) networks, and we are now seeing increased movement towards next-generation (fourth-generation) networks, including investments in pre-4G Long Term Evolution (LTE) (3.9G) technology. The market is becoming increasingly competitive as companies vie to capture customers through lower rates for services, the development of a diverse range of mobile phones centered on smart phones, tablet devices and electronic book (E-book) readers—and through content services including music, video, and E-books. However, capital investment by the carriers continues to be restrained by a downsizing of construction projects, and a resulting drop in price per unit order.

Fiscal 2011 Business Initiatives and Outlook

To respond to a curtailing of investment by telecommunications carriers, other than the NTT Group companies, and the resulting drop in orders, we worked to enhance productivity by establishing operational processes capable of responding more quickly to the market. We also targeted an expansion in new orders and revenue by working more closely with our customers, and focusing on widening the range of our business activities even further. Despite these efforts, new orders received fell 7.6% year on year, to ¥65,093 million, and net sales slipped 5.6% to ¥71,284 million. This was due to the impact of a curtailing of investment by the carriers, a drop in orders resulting from more manufacturers and vendors sourcing work in-house and increasingly competitive bidding for public sector and electrical works tenders, and the impact of the Great East Japan Earthquake, which resulted in

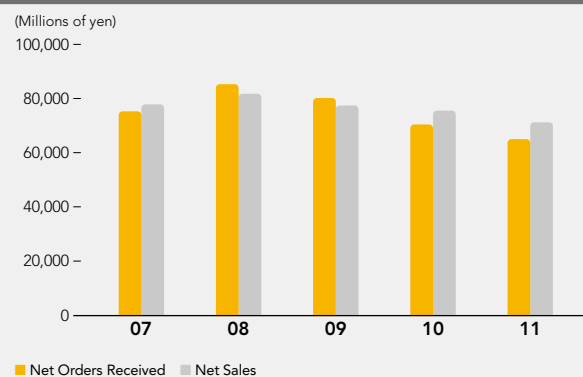


Electrical facilities works inside Haneda Airport

postponed projects and the need for temporary operations as part of the recovery effort.

The next fiscal year will mark a transitional period from existing systems to the next-generation mobile communications standard (LTE), and market conditions are expected to remain challenging. However, we will work to enhance our operational structure in preparation for the full introduction of LTE and dismantling of obsolete systems in 2012 and beyond by consolidating our design and cost estimation operations and building a more efficient structure for project implementation. We will also respond to capture demand for data center related construction works apparently growing fast in the wake of the Great East Japan Earthquake, and network expansion projects resulting from a rapid increase in mobile data traffic.

New Orders Received/Net Sales



IT Solutions Business



Booth at the Information Security EXPO

Enhancing market competitiveness to expand business.

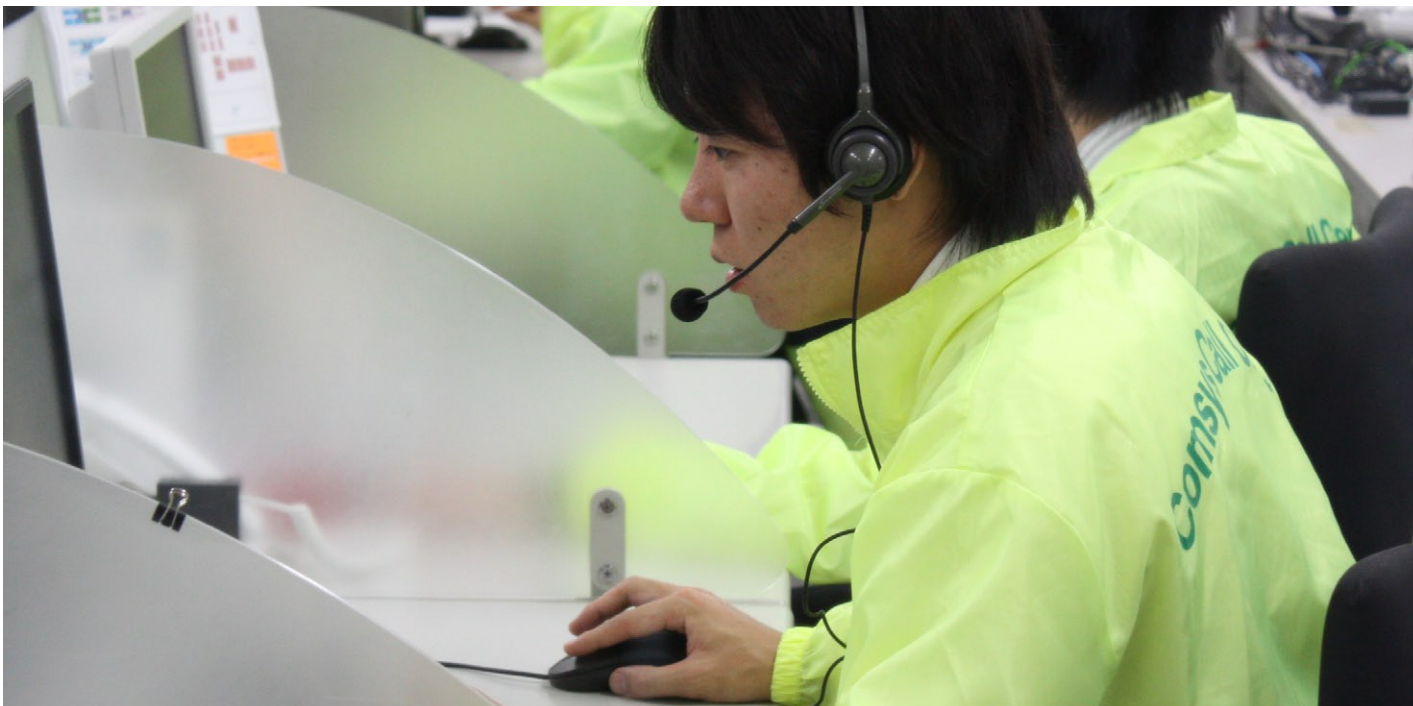
Market Conditions

The IT solutions business market continues to be challenging, as interest in IT investment among private sector companies remains weak, and price competition grows increasingly stiff. However, with the government's proposal of achieving sustainable growth through the utilization of information communication technology (ICT), ICT is expected to contribute significantly to regional revitalization, environmental preservation, and other social issues. As a result, demand is growing for development in infrastructure needed to resolve the digital divide domestically, including the establishment of IT platforms and data centers.

Fiscal 2011 Business Initiatives and Outlook

In the year under review, we worked aggressively on optical fiber construction works under IRU arrangements and terrestrial digital broadcasting construction projects as municipalities worked to resolve the digital divide. In the server business, we targeted expansion of upper-layer businesses through proactive efforts to build alliances with manufacturers and others in the cloud computing and data center fields. In IT management services, we established a new integrated customer center and took other steps with the goal of expanding our customer base.

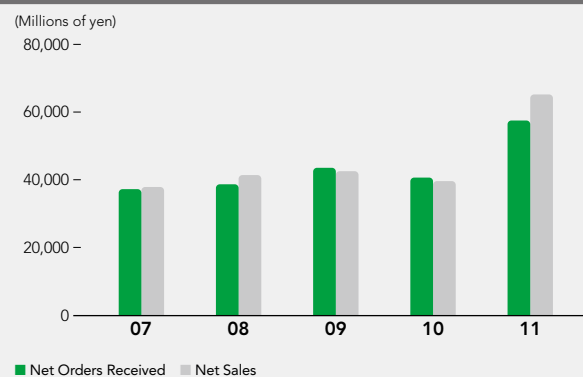
Special demand for IRU related and terrestrial digital broadcasting projects contributed significantly to results for the year, with new orders received increasing by 41.8% year on year to ¥57,560 million, and net sales jumping 64.91% to reach ¥65,279 million.



Integrated customer center

In fiscal 2012, we will need to enhance market competitiveness to expand our business coverage by strengthening our capabilities in the system integration (SI) and operations and maintenance business segment. We will also focus on expanding our business in servers, IT management services, and operations and maintenance in anticipation of the coming cloud computing era. Further, we will also work to extend our business into the fields of maintenance work under IRU arrangements and disaster prevention-related services.

New Orders Received/Net Sales



Social System-Related Businesses and Others



Solar power generation facilities

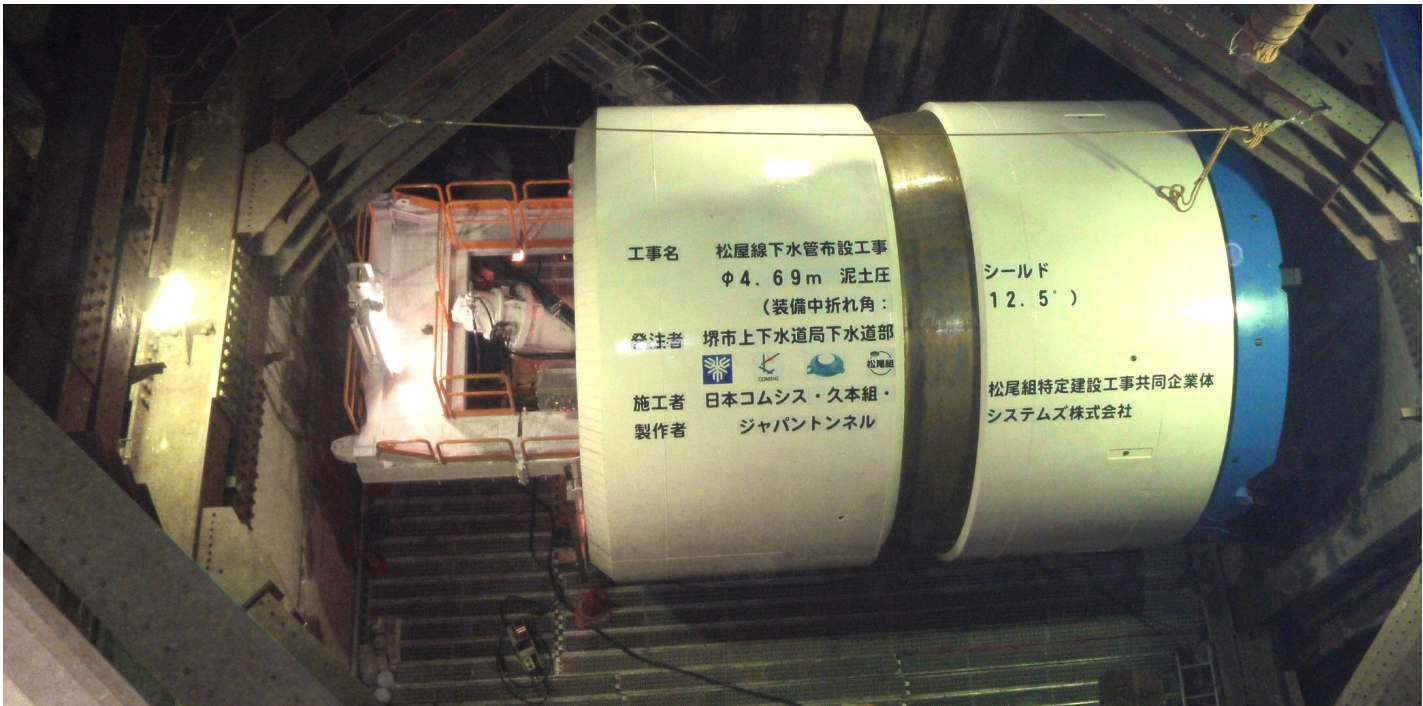
Targeting further expansion of our fields of business, and development of new growth strategies.

Market Conditions

Despite bidding in the construction market continuing to be extremely competitive, we are seeing that companies and other organizations are increasingly required to respond to environmental preservation and social contribution issues as environmental problems such as global warming grow more serious. As a result, business opportunities focused on addressing ecological and environmental issues are on the increase, while the Great East Japan Earthquake has triggered an explosion in demand in the energy and energy conservation sectors, projects related to recovery efforts in affected areas, enhanced disaster protection measures for critical infrastructure against damage by natural disasters, and for seismic retrofitting.

Fiscal 2011 Business Initiatives and Outlook

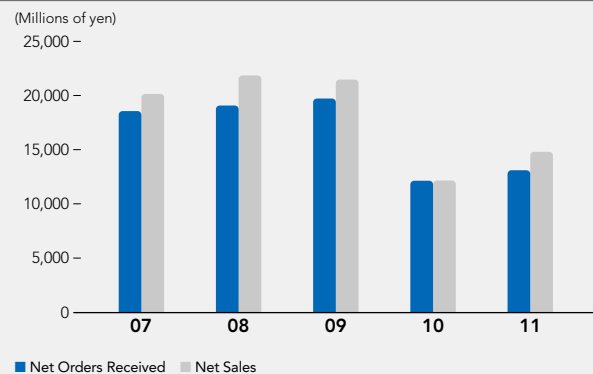
In fiscal 2011, as in the previous year, we continued to aggressively pursue solar power generation and other environmental solutions and energy conservation-related businesses. We have made particular progress in training qualified personnel in solar power generation systems, and have seen an increase in orders for mega-solar power systems. Our initiatives also included water resources and other urban infrastructure business, as part of solid progress we have made in expanding our environment-related businesses. These efforts resulted in 8.6% year-on-year growth in new orders, to ¥13,171 million, while net sales grew 22.1% to ¥14,842 million.



Laying pipe for black water (sewage) systems

Our initiatives in fiscal 2012 will target a broad expansion of business, including seismic retrofitting and isolation projects for social infrastructure, and the environment solutions, energy conservation, and energy sectors. Within the environment-related business, we will aim to further increase the range of our operations, including efforts in new sectors such as the recycling of gray water (biological water treatment), seismic retrofitting of white (tap) and black (sewage) water systems, and smart grid-related business, as we work to build new growth strategies.

New Orders Received/Net Sales



Five Core Operating Subsidiaries: Status of New Orders Received and Earnings

Nippon COMSYS Group

The period under review was the final year of the Nippon COMSYS Group's "Innovation 2010" structural reform campaign, which calls for the Group to harness its comprehensive strengths with top priority on the safety, quality, and trustworthiness of its operations. During the year, we actively implemented various strategies, including "strengthening project management to clarify the division of roles between prime contractor and subcontractors," "rebuilding regional business operating systems," and "reinforcing IRU related and terrestrial digital broadcasting businesses." Based on our strategy to fortify our operational foundation, meanwhile, we rigorously streamlined assets, which included revaluing software assets to appropriate values and selling land and buildings. At the same time, we sought to optimize our personnel allocation and cost structure through a reassessment of our personnel system. This included dramatically expanding and upgrading our early retirement support system.

Under these circumstances, new orders received during the year totaled ¥202,940 million, unchanged from the previous fiscal year. Net sales declined 1.9% year on year to ¥205,830 million. Although the IRU related business performed well, our results were affected by a number of factors. These included a decline in total service order implementation projects by area based on per unit price contracts in construction services related to NTT and a decrease in capital investments in construction services related to NTT DOCOMO, as well as postponement of projects as companies focused on restoration efforts related to the Great East Japan Earthquake. With respect to earnings, despite working hard to raise productivity and cut operating expenses through structural reforms, ordinary income declined 18.6% year on year to ¥8,410 million. This was due mainly to a reassessment of unit order amounts, downsizing of construction projects, and incurrence of temporary work and expenses stemming from earthquake recovery efforts. We also posted extraordinary losses as part of our strategy to fortify our business foundation. These included a write-down on software, impairment losses on land and buildings, and a special retirement expense. As a result, the Group posted a net loss of ¥190 million, compared with net income of ¥5,910 million in the previous fiscal year.

SANWA COMSYS Engineering Group

In the year under review, the SANWA COMSYS Engineering (SANCOM) Group stood united in an effort to improve its corporate foundation and thus enhance competitiveness, reflecting its basic policy of rigorously cutting costs and ensuring safety and quality of its operations. Specific initiatives included prioritizing businesses, creating an organizational and personnel system capable of swiftly addressing changing business conditions, and boosting the gross margin through across-the-board cost reassessments. We also strove to ensure service quality through remaining true to our basic principles and ensuring safety through rigorous safety checks.

For the year, new orders received declined 8.7% year on year to ¥57,450 million, and net sales were down 6.6% year on year to ¥59,920 million. This was due to restrained capital spending among telecommunications carriers, downsizing of construction projects and resulting decreases in unit order amounts, a shift to in-house production among manufacturers and vendors, and intensified competition for public-sector tenders and tenders for electrical construction work. As for earnings, ordinary income declined 33.6% year on year to ¥1,330 million, as business structural reforms and exhaustive cost-reduction efforts failed to compensate for the decrease in sales. Other factors included the incurrence of temporary work and expenses stemming from earthquake recovery efforts. We also posted extraordinary losses as part of our strategy to fortify our business foundation. These included impairment losses on land and buildings and special severance payments. As a result, net income fell 68.9% year on year to ¥320 million.

TOSYS Group

For the year under review, the TOSYS Group embraced the slogan of “Expanding skills and boosting abilities” with the aim of nurturing human resources and boosting employee motivation. We also managed our operations with a focus on achieving further dramatic progress in our IT business, which became profitable in the previous fiscal year. In the Group's core NTT business, we undertook a consolidation of operations following a reassessment of service areas for total service order implementation projects, promoted reciprocal support in our construction and maintenance divisions, and reduced outsourcing costs. Through these and other initiatives, we worked hard to shore up earnings.

New orders received increased 2.9% year on year to ¥27,720 million, thanks to healthy performances mainly by the IRU related and terrestrial digital broadcasting businesses. However, our total service order implementation projects faced slower progress due to concentration of work and heavier than expected snowfall in the latter half of the fiscal year, as well as our acceptance of support requests for IRU related projects. As a result, net sales declined 6.7% year on year to ¥25,790 million. On the earnings front, operating income increased year on year, thanks to a minimizing of works outside construction service areas, rigorous efforts to cut operational outsourcing and materials costs, a reduction in unprofitable projects through careful selection and acceptance of orders, and savings in operating expenses. However, ordinary income was down 6.3% year on year to ¥690 million, due in part to the impact of negative goodwill recognized as other income in the previous fiscal year being recorded under extraordinary income in the current fiscal year. As a result, net income surged 132.6% year on year to ¥850 million.

TSUKEN Group

In the year under review, the TSUKEN Group sought to enhance corporate value by leveraging its information and telecommunication technologies to advance its business while forging close regional ties.

Between its integration into the COMSYS Group in October 2010 and the end of the fiscal year in review, TSUKEN posted new orders received of ¥10,440 million and net sales of ¥28,780 million. This was due to steady performances in IRU related projects, as well as orders received for and completion of large-scale steel tower construction projects in the mobile communications business. With respect to earnings, ordinary income totaled ¥1,160 million, thanks to the solid sales figure, as well as a group-wide effort to improve operations and reduce business expenses. Net income amounted to ¥1,480 million.

COMSYS JOHO SYSTEM Group

In the year under review, the COMSYS JOHO SYSTEM Group conducted business with an emphasis on two priorities: strengthening sales activities aimed at attracting and expanding orders, and bolstering earnings by enhancing capacity utilization rates and raising project management quality.

Thanks to healthy progress of projects for telecommunications carriers and the public sector, new orders received increased 5.5% year on year to ¥10,410 million, while net sales were down 2.7% year on year to ¥9,670 million. With respect to earnings, the Group sought to raise productivity by improving process management, while striving to boost capacity utilization rates. As a result, ordinary income reached ¥340 million, up from ¥40 million in the previous year. The Group posted special severance payments as part of measures to fortify its business foundation. Accordingly, net income totaled ¥80 million, compared with ¥2 million in previous fiscal year.

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Basic Corporate Governance Philosophy

The philosophy of the COMSYS Group is based on the three key management pillars of sales and earnings growth, increased operation efficiency, and unification of our business operations. Mindful always of these three concepts, the COMSYS Group strives to enhance corporate value and win the trust and admiration of all stakeholders through its performance.

Through our corporate governance policy, the COMSYS Group makes all possible efforts to strengthen the basic functions of any company, through for example, improving security and quality standards, ensuring compliance, implementing the Group's code of conduct, and bolstering internal control systems.

Organizational Structure

Corporate governance at COMSYS Holdings Corporation (the "Company") adopts the corporate auditor system, which by Japanese law stipulates an organizational structure consisting of a general shareholders' meeting, Board of Directors, Board of Corporate Auditors and other organization. The Board of Directors has decided to structure the Board around directors well versed in the Company's operations with the aim of enhancing management efficiency. Meanwhile, the Company has reinforced auditing functions by appointing outside corporate auditors who now have stronger legal authority to audit company activities, in order to ensure sound management.

The ten-member Board of Directors is the highest decision-making body with respect to management strategy. Based on internal rules governing the Board of Directors, the Board meets regularly and as necessary to discuss matters stipulated by laws and regulations and to decide on important management issues. Every quarter, the directors responsible for each business segment report to the Board of Directors on progress with business execution based on policies determined by the Board.

Five corporate auditors, including outside corporate auditors, attend meetings of the Board of Directors and express their views on issues related to business execution, and monitor the directors' performance of their duties.

The Senior Management Committee is made up of directors and the standing auditor. In principle, this committee meets once a month to examine and discuss issues related to key decisions, in an effort to improve the efficiency of business execution. The heads of each operating department attend meetings of the Senior Management Committee

as observers, to ensure that they fully understand the basis for all management decisions.

In each business segment, an Operating Committee under the supervision of the responsible director holds regular meetings to conduct efficient operational management.

The term of office for directors is set at one year in order to clarify directors' management responsibility every fiscal year, and to flexibly structure an optimal management team in step with changes in the business environment.

Status of an Internal Control System

Based on the Companies Act of Japan, the Company implements its internal control system based on a "Basic Policy on Establishing an Internal Control System" that has been approved by resolution of the Board of Directors. In regard to internal control over financial reporting based on the Financial Instruments and Exchange Law of Japan, the Company has reinforced measures to eliminate deficiencies by making improvements in the organizational structure and coverage of these internal controls, through the establishment of an Internal Control Office within the Internal Control Audit Department.

Establishing a Compliance Structure

Based on its internal Compliance Program, the Company has set forth Compliance Action Guidelines and has established the Compliance Committee within the above framework.

This Committee, which is chaired by the president, is made up of representatives from the Company and each of the core operating subsidiaries, as well as outside corporate auditors. The Committee oversees compliance throughout the COMSYS Group, and strives to increase the COMSYS Group's awareness of compliance and establish an effective compliance structure through various discussions. All COMSYS Group companies have set up similar compliance committees of their own. These committees work to establish an effective compliance structure by implementing educational and training programs, as part of efforts to deepen employee understanding of the corporate philosophy and action guidelines of each respective COMSYS Group company.

Establishing a Risk Management Structure

In its efforts to maintain and enhance corporate value amid a rapidly changing business environment, the COMSYS Group is aware that it faces a variety of business risks which must be managed appropriately. Therefore, the Group has established a Risk Management Committee, chaired by the president and made up of directors from the Company and each of the core operating subsidiaries.

In August 2006, the Basic Policy on Risk Management was formulated and similar risk management committees were established at each group company, among other measures. In this manner, efforts are being made to properly address the business risks faced by each Group company, and to minimize the materialization of each risk.

The Company has formulated Risk Management Guidelines and Crisis Management Guidelines and will strive to maintain stable operations and ensure steady growth at the Company and the COMSYS Group by practicing effective risk management.

For example, the COMSYS Group manages operational risk by ensuring that Group companies work to acquire and maintain certifications for management systems tailored to their operations, such as ISO 9001, ISO 14001, COHSMS (Construction Occupational Health and Safety Management Systems), ISMS (Information Security Management Systems) and Privacy Mark certifications.

CSR Activities

The Company and the COMSYS Group have established the CSR Committee to coordinate CSR activities Group-wide with the aim of ensuring that the Group actively fulfills its economic and social responsibilities, including social contribution activities, as a good corporate citizen.

The CSR Committee is engaged in CSR activities addressing various themes, such as compliance, corporate governance, risk management, information disclosure and protection, security countermeasures, social contributions and environmental issues.

Establishing an Information Management Structure

Important documents related to business activities and the performance of directors' duties, including minutes of the Board of Directors and Senior Management Committee meetings and other reports, are stored and managed appropriately based on the Group's internal document management rules.

Furthermore, in order to improve the efficiency of operations and business execution, after ensuring an adequate level of information security, the Company is working to deploy various information systems to put in place a framework for sharing the latest management information.

Establishing a Group Management Structure

Important management decisions within the COMSYS Group are reported to and discussed by the Senior Management Committee and the Board of Directors in line with Group Operation Standards, which clarify decision-making and reporting rules for the COMSYS Group. In this manner, the group management and monitoring framework is centered on the Company.

In order to ensure that all COMSYS Group operations are carried out appropriately, the directors of each core operating subsidiary also participate as members in the various Group committees established within the Company, including the CSR Committee, the Compliance Committee and the Risk Management Committee. In this way, the COMSYS Group ensures that all policies and decisions discussed by these groups are reported to and thoroughly understood by each Group company.

In addition, the Group has formed the COMSYS Group Presidents Committee, which is made up of the presidents of COMSYS Group companies. This committee meets regularly and works to ensure that management policies and activities are clearly understood by all members.

Internal Auditing and Corporate Auditors

The Company's internal auditing organization consists of an Internal Audit Office with a staff of 12 employees within the Internal Control Audit Department.

This Office formulates internal auditing policies based on top management requirements, and implements internal audits of the Company and all Group companies. These activities are intended to ensure that each business risk faced by the Group is minimized, while maximizing the quality of business operations.

The Board of Corporate Auditors has five members, three of whom are outside corporate auditors. No employees are specifically assigned to assist the corporate auditors with their activities. If such assistance is required, there is a structure in place for addressing personnel issues such as determining appointees, and ensuring independence from directors.

In addition, based on the rules governing the Board of Corporate Auditors, directors and employees are required to report on major business activities or issues that could affect the COMSYS Group's operations or performance to the corporate auditors.

Corporate auditors may request further information on the above mentioned reporting at any time as necessary, as well as other required disclosure.

The corporate auditors regularly attend both regular and extraordinary meetings of the Board of Directors as well as meetings of the Senior Management Committee, the CSR Committee, the Compliance Committee and other important internal committee meetings or discussions. This structure has been established to allow the corporate auditors to verify the status of business execution on a regular basis and to express their views on these matters.

The corporate auditors also hold regular meetings with the president to directly express their views on issues related to business execution and other topics.

In accordance with audit plans formulated by the Board of Corporate Auditors, the corporate auditors of COMSYS Holdings regularly check to see whether business operations are executed appropriately and efficiently by maintaining close ties with the Internal Audit Department and with the Group's independent auditor. For example, the corporate auditors accompany the independent auditor and others on on-site internal and financial audits as observers. The corporate auditors of COMSYS Holdings also convene regular meetings with their counterparts at core COMSYS Group companies, and maintain close ties within the COMSYS

Group mainly by sharing information and exchanging views, in order to improve the effectiveness of audits.

Strengthening Disclosure and Accountability

The Company provides timely and appropriate disclosure of crucial management information in order to promote understanding among shareholders, investors and all other stakeholders and obtain a fair evaluation of its activities.

The Company discloses information on new orders received on a monthly basis, as well as financial results on a quarterly basis. In conjunction with interim and full-year earnings announcements, the Company holds business presentations to clearly explain both its performance and outlook. Individual and small group meetings with investors and securities analysts are also held in both Japan and overseas countries.

The Company also seeks to enhance its investor relations (IR) website by posting presentation materials, news releases and other information on this website in a timely and straightforward manner.

Personal Information Protection

Recognizing that properly protecting and managing personal and other information is crucial to gaining the trust of customers and society as a whole, the Personal Information Protection and Administration Committee has been established to oversee activities throughout the COMSYS Group. Concurrently, the Personal Information Protection Policy and other guidelines have been drafted and adopted to ensure that information security management is fully implemented at all Group companies.

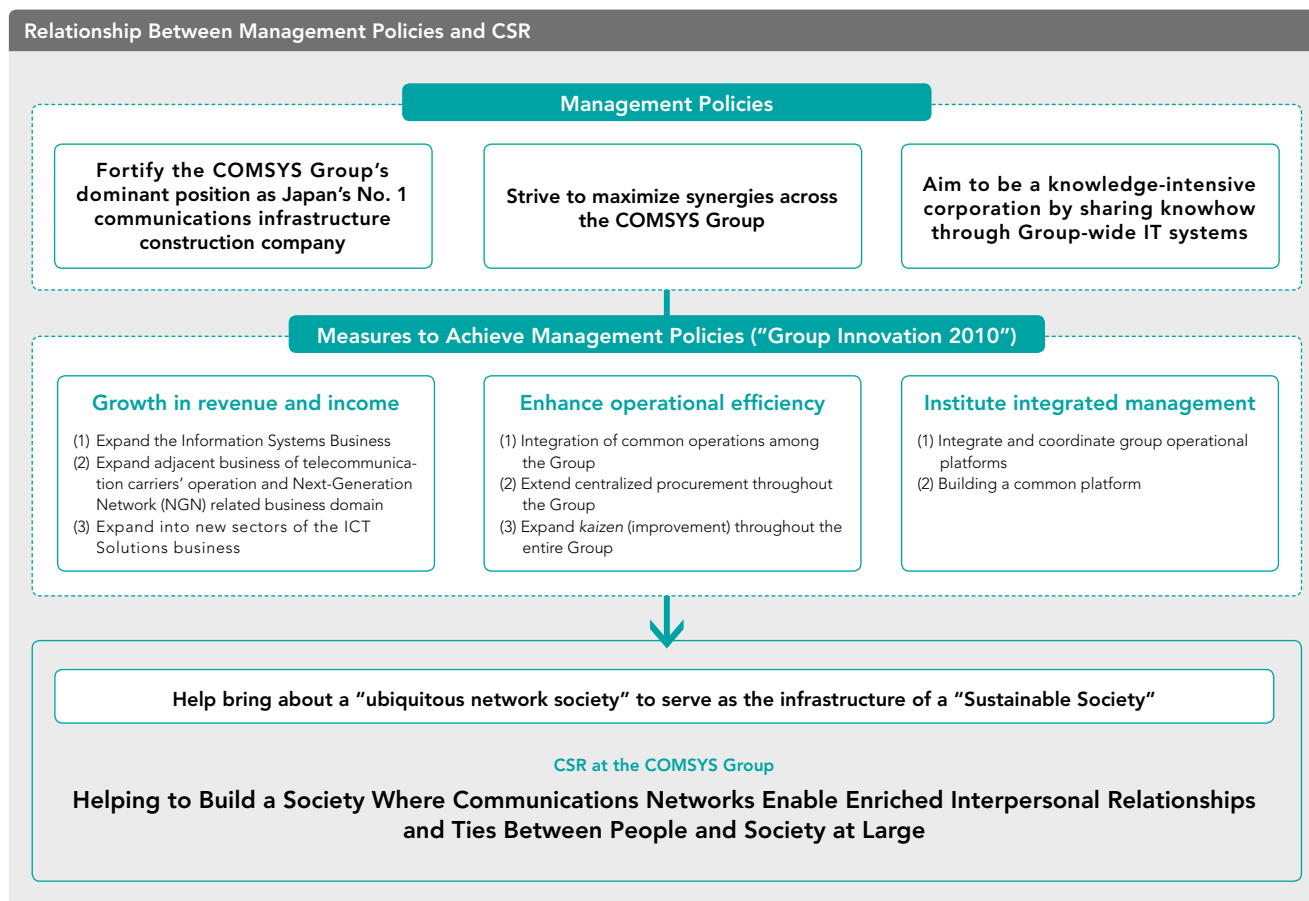
At the same time, every COMSYS Group company works hard to protect personal information by establishing similar committees and measures of the COMSYS Group, as well as operating management systems of ISMS and the Privacy Mark to acquire and maintain these certifications.

Helping to Build a Society With Enriched Interpersonal Relationships and Ties Between People and Society at Large

In recent years, the advancement of broadband and ubiquitous infrastructure has continued to support the materialization of a society in which everyone has access to as much information as they want, regardless of time or place. In this information-rich society, the role of the COMSYS Group is to build reliable, safe and convenient communications infrastructure and support the networks that connect every corner of society like clockwork. This is, simultaneously, our responsibility to society as a corporation.

Our mission is to build high-quality, highly reliable communications infrastructure while giving consideration to the environment and to help create an information-rich society that coexists harmoniously with the global environment.

In April 2009, COMSYS Holdings Corporation created the CSR Promotion Office to establish a framework for promoting CSR throughout the COMSYS Group. Going forward, we intend to further enhance CSR activities at Group companies and make a collective effort to conduct business with CSR in mind.



Response to the Great East Japan Earthquake

The COMSYS Group offers its heartfelt sympathies to all those affected by the Great East Japan Earthquake that struck on March 11, 2011, and prays for the earliest possible recovery of the affected regions.

In regard to earthquake damage at the COMSYS Group, we are fortunate to report that no personal injuries or fatalities were sustained among COMSYS Group employees as a result of the earthquake. Despite some damage to certain offices and other buildings as well as equipment, there was no serious damage that would adversely impact the continuity of the Group's business operations.

Since immediately after the earthquake, the COMSYS Group has done its utmost to assist with the restoration of the affected areas. At the request of communications carriers and others, we have mobilized a Group-wide support force of nearly 7,000 employees to ensure communications capabilities, install emergency communications lines and provide

other forms of assistance in the disaster-stricken areas. In addition, the Group is making preparations to ensure that it is ready to fully respond to future calls for full-scale restoration work in the future.

Furthermore, COMSYS Holdings Group companies have contributed a matching donation equal to the amount of donations collected from Group employees to assist with the recovery effort. The Group donated a total of ¥100 million as relief money to the Japanese Red Cross Society.

Nippon COMSYS Corporation has newly established a "disaster relief special leave program," to support employees taking leave for a certain period to assist with disaster recovery efforts.

Going forward, the COMSYS Group intends to contribute as a company to disaster recovery efforts. The entire COMSYS Group commit fully to help Japan rebuild from this major disaster and emerge from this national crisis.



Restoration work in Yamada City, Iwate Prefecture



Construction Work in the IRU Related and Digital Terrestrial Broadcasting Businesses

IT infrastructure development projects have been promoted by local governments nationwide for two main purposes. The first is to develop fiber-optic broadband communications infrastructure in remote regions. The second is to make digital terrestrial TV broadcasting services available in areas where it is difficult to view such broadcasts, in preparation for Japan's complete switch to digital broadcasting in July 2011. For this reason, there was a peak in orders for installation work on fiber-optic facilities under the IRU arrangement between municipalities and telecommunication carriers.

In this context, Nippon COMSYS Corporation, Tsuken Corporation and other COMSYS Group companies worked on communications infrastructure construction projects combining the development of broadband services and terrestrial digital broadcasting infrastructure using fiber-optic networks in nation-wide locations of the Group. The regions

the above mentioned construction works have been conducted are grouped into two, (1) regions where most areas have difficulty viewing terrestrial digital TV broadcasts due to unfavorable geographical conditions, such as mountainous locations and remote islands, and (2) areas where broadband service infrastructure are underdeveloped due to bottlenecks such as investment efficiency issues.

The construction work was undertaken as part of a project to eliminate the "digital divide" in rural areas. Carrying the hopes and expectations of local residents, we were able to safely complete construction work even during the bitter cold of winter and in mountainous areas with poor footing.

* IRU (Indefeasible Right of Use) construction entails the construction of optical fiber and other information and communications infrastructure by local governments using national government subsidies and other funding, and the provision of fiber-optic services by communications carriers through the long-term lease of this infrastructure based on IRU agreements.



IRU related works in Hokkaido



Digital broadcasting construction works in the Ogasawara Islands

Consolidated Balance Sheets

COMSYS Holdings Corporation and Consolidated Subsidiaries
As of 31st March, 2010 and 2011

	Millions of Yen	
	2010	2011
ASSETS		
Current assets:		
Cash and cash equivalents	¥ 23,609	¥ 18,265
Notes and accounts receivable—trade	79,823	102,993
Marketable securities	104	159
Accumulated cost of construction in progress	18,313	14,539
Real estate for sale	102	3,257
Merchandise	470	986
Materials and supplies	476	691
Deferred income taxes	2,734	3,053
Other current assets	3,520	6,107
Less: Allowance for doubtful receivables	(121)	(194)
Total current assets	129,035	149,858
Fixed assets:		
Property and equipment:		
Buildings and structures	35,097	45,798
Less: Accumulated depreciation	(16,176)	(21,288)
Buildings and structures, net	18,920	24,510
Machinery, vehicles and equipment	18,351	22,252
Less: Accumulated depreciation	(13,685)	(16,164)
Machinery, vehicles and equipment, net	4,665	6,088
Land	32,279	33,126
Lease assets	38	70
Less: Accumulated depreciation	(11)	(28)
Lease assets, net	27	42
Construction in progress	1,420	1
Total property and equipment	57,313	63,769
Intangible assets	6,395	2,677
Investments and other assets:		
Investment securities	7,119	7,128
Long-term loans receivable	2,519	1,980
Prepaid pension cost	4,264	4,407
Deferred income taxes	1,836	3,709
Other assets	5,643	6,039
Less: Allowance for doubtful receivables	(2,317)	(2,136)
Total investments and other assets	19,065	21,129
Total fixed assets	82,773	87,577
Total assets	¥211,809	¥237,436

	Millions of Yen	
	2010	2011
LIABILITIES		
Current liabilities:		
Accounts payable—trade	¥ 41,023	¥ 46,716
Short-term bank loans	11	8,124
Income taxes payable	1,710	2,261
Advances received on construction in progress	3,706	1,228
Allowance for warranty work on construction projects	110	134
Allowance for losses on construction contracts	140	24
Other current liabilities	6,878	7,431
Total current liabilities	53,581	65,921
Long-term liabilities:		
Long-term debt	—	49
Deferred income taxes	1,090	1,205
Deferred tax liabilities for unrealized gains on land revaluation	2,365	1,865
Accrued severance indemnities	2,287	5,796
Allowance for directors' retirement benefits	175	302
Other long-term liabilities	538	526
Total long-term liabilities	6,458	9,746
Total liabilities	60,040	75,667
NET ASSETS		
Shareholders' equity:		
Common stock	10,000	10,000
Additional paid-in capita	57,016	55,346
Retained earnings	111,605	119,194
Treasury stock, at cost	(19,522)	(14,870)
Total shareholders' equity	159,100	169,671
Accumulated other comprehensive income:		
Unrealized gain (loss) on other securities	(443)	(374)
Unrealized loss on land revaluation	(7,896)	(8,453)
Total accumulated other comprehensive income	(8,340)	(8,827)
Subscription rights to shares	249	364
Minority interests	759	560
Total net assets	151,768	161,768
Total liabilities and net assets	¥211,809	¥237,436

Consolidated Statements of Income

COMSYS Holdings Corporation and Consolidated Subsidiaries
Years ended 31st March, 2010 and 2011

	Millions of Yen	
	2010	2011
Net sales	¥293,086	¥315,480
Cost of sales	260,294	284,427
Gross profits	32,791	31,052
Selling, general and administrative expenses	20,250	19,266
Operating income	12,540	11,785
Other income:		
Interest income	86	68
Dividend income	122	136
Amortization of negative goodwill	87	—
Rent income on noncurrent assets	149	131
Other	144	188
Total other income	591	525
Other expenses:		
Interest expenses	3	22
Foreign exchange losses	—	40
Commission for purchase of treasury stock	7	6
Provision for allowance for doubtful receivables	—	48
Other	8	52
Total other expenses	19	170
Recurring profit	13,113	12,140
Extraordinary income:		
Gain on sales of fixed assets	—	108
Gain on sales of investment securities	79	—
Reversal of allowance for doubtful receivables	—	116
Gain on payback of insurance payments	77	232
Gain on negative goodwill	—	7,543
Other	32	91
Total extraordinary income	189	8,091
Extraordinary loss:		
Write-down on investments in securities	—	675
Loss on sales of fixed assets	—	108
Loss on disposal of fixed assets	137	182
Provision for allowance for doubtful receivables	80	—
Loss on impairment of fixed assets	122	1,841
Special payments on employees' retirement benefits	135	1,246
Write-down on software	—	3,827
Other	180	1,156
Total extraordinary loss	655	9,038
Income before income taxes and other adjustments to net income	12,647	11,193
Income taxes:		
Current	4,300	3,636
Deferred	1,228	(2,077)
Total income taxes	5,529	1,558
Income before minority interests	—	9,634
Minority interests	20	90
Net income	¥ 7,097	¥ 9,543

Consolidated Statements of Changes in Net Assets

COMSYS Holdings Corporation and Consolidated Subsidiaries
Years ended 31st March, 2010 and 2011

	Millions of Yen	
	2010	2011
Shareholders' equity:		
Common stock:		
Balance at the end of the previous period	¥ 10,000	¥ 10,000
Changes during the period		
Total changes during the period	—	—
Balance at the end of the period	10,000	10,000
Additional paid-in capital:		
Balance at the end of the previous period	57,015	57,016
Changes during the period		
Disposal of treasury stock	1	(1,670)
Total changes during the period	1	(1,670)
Balance at the end of the period	57,016	55,346
Retained earnings:		
Balance at the end of the previous period	107,097	111,605
Changes during the period		
Cash dividends	(2,589)	(2,511)
Net income	7,097	9,543
Reversal of unrealized loss on land revaluation	—	556
Total changes during the period	4,507	7,588
Balance at the end of the period	111,605	119,194
Treasury stock, at cost:		
Balance at the end of the previous period	(14,529)	(19,522)
Changes during the period		
Repurchase of treasury stock	(5,006)	(3,002)
Disposal of treasury stock	14	8,060
Changes of scope of consolidation	—	(406)
Total changes during the period	(4,992)	4,652
Balance at the end of the period	(19,522)	(14,870)
Total shareholders' equity:		
Balance at the end of the previous period	159,583	159,100
Changes during the period		
Cash dividends	(2,589)	(2,511)
Net income	7,097	9,543
Repurchase of treasury stock	(5,006)	(3,002)
Disposal of treasury stock	15	6,390
Changes of scope of consolidation	—	(406)
Reversal of unrealized loss on land revaluation	—	556
Total changes during the period	(482)	10,570
Balance at the end of the period	159,100	169,671

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Consolidated Statements of Changes in Net Assets

	Millions of Yen	
	2010	2011
Accumulated other comprehensive income:		
Unrealized gain (loss) on other securities:		
Balance at the end of the previous period	(857)	(443)
Changes during the period		
Net changes during the period except for shareholders' equity	413	69
Total changes during the period	413	69
Balance at the end of the period	(443)	(374)
Unrealized loss on land revaluation:		
Balance at the end of the previous period	(7,896)	(7,896)
Changes during the period		
Net changes during the period except for shareholders' equity	—	(556)
Total changes during the period	—	(556)
Balance at the end of the period	(7,896)	(8,453)
Total accumulated other comprehensive income:		
Balance at the end of the previous period	(8,753)	(8,340)
Changes during the period		
Net changes during the period except for shareholders' equity	413	(486)
Total changes during the period	413	(486)
Balance at the end of the period	(8,340)	(8,827)
Subscription rights to shares:		
Balance at the end of the previous period	69	249
Changes during the period		
Net changes during the period except for shareholders' equity	179	114
Total changes during the period	179	114
Balance at the end of the period	249	364
Minority interests:		
Balance at the end of the previous period	876	759
Changes during the period		
Net changes during the period except for shareholders' equity	(117)	(198)
Total changes during the period	(117)	(198)
Balance at the end of the period	759	560
Total net assets:		
Balance at the end of the previous period	151,775	151,768
Changes during the period		
Cash dividends	(2,589)	(2,511)
Net income	7,097	9,543
Repurchase of treasury stock	(5,006)	(3,002)
Disposal of treasury stock	15	6,390
Changes of scope of consolidation	—	(406)
Reversal of unrealized loss on land revaluation	—	556
Net changes during the period except for shareholders' equity	475	(571)
Total changes during the period	(7)	9,999
Balance at the end of the period	¥151,768	¥161,768

Consolidated Statements of Cash Flows

COMSYS Holdings Corporation and Consolidated Subsidiaries
Years ended 31st March, 2010 and 2011

	Millions of Yen	
	2010	2011
Cash flows from operating activities:		
Income before income taxes and other adjustments to net income	¥12,647	¥11,193
Depreciation and amortization	4,951	5,043
Loss on impairment of fixed assets	—	1,841
Write-down of investments in securities	55	675
(Decrease) increase in allowance for doubtful receivables	12	(263)
Decrease in accrued severance indemnities	(547)	(235)
Interest and dividends received	(209)	(205)
Interest expenses	3	22
(Increase) decrease in receivables—trade	3,755	(15,297)
Decrease in inventories	2,191	3,346
Increase (decrease) in payables—trade	(5,716)	2,425
(Increase) decrease in other assets	310	(1,078)
Decrease in other liabilities	(908)	(2,687)
Amortization of negative goodwill	(87)	—
Gain on negative goodwill	—	(7,543)
Write-down on software	—	3,827
Other, net	350	171
	16,807	1,237
Cash and cash equivalents received on interest and dividends income	209	205
Cash and cash equivalents paid for interest expenses	(3)	(22)
Cash and cash equivalents paid for income taxes	(6,959)	(3,006)
Net cash provided by operating activities	10,055	(1,585)
Cash flows from investing activities:		
Decrease in time deposits, net	1,874	60
Payment for purchases of investment securities	(535)	(162)
Proceeds from sale of investment securities	113	239
Proceeds from acquisition of stocks of subsidiaries resulting in changes in scope of consolidation	—	1,079
Proceeds from sale of stocks of subsidiaries resulting in changes in scope of consolidation	—	6
Payments for sale of stocks of subsidiaries resulting in changes in scope of consolidation	(209)	—
Proceeds from sale of stocks of subsidiaries	—	62
Acquisitions of property and equipment	(9,267)	(6,162)
Acquisitions of other assets	(1,616)	(822)
Proceeds from sale of property	88	1,783
Increase in long-term loans	(1,889)	(2,267)
Collection of long-term loans	2,093	2,708
Other, net	91	55
Net cash used in investing activities	(9,257)	(3,418)
Cash flows from financing activities:		
Increase (decrease) in short-term borrowings, net	(30)	5,887
Proceeds from long-term loans payable	—	30
Repayment of long-term debt	(31)	(742)
Proceeds from long-term debt	(10)	—
Acquisitions of treasury stock	(5,006)	(3,002)
Proceeds from sale of treasury stock	15	0
Cash dividends paid	(2,589)	(2,511)
Cash dividends paid to minority shareholders	(3)	(4)
Repayment of financial lease	—	(21)
Other	(11)	—
Net cash used in financing activities	(7,669)	(364)
Effect of exchange rate changes on cash and cash equivalents	—	(0)
Net increase (decrease) in cash and cash equivalents	(6,871)	(5,369)
Cash and cash equivalents at beginning of year	29,876	23,005
Cash and cash equivalents at end of year	¥23,005	¥17,635

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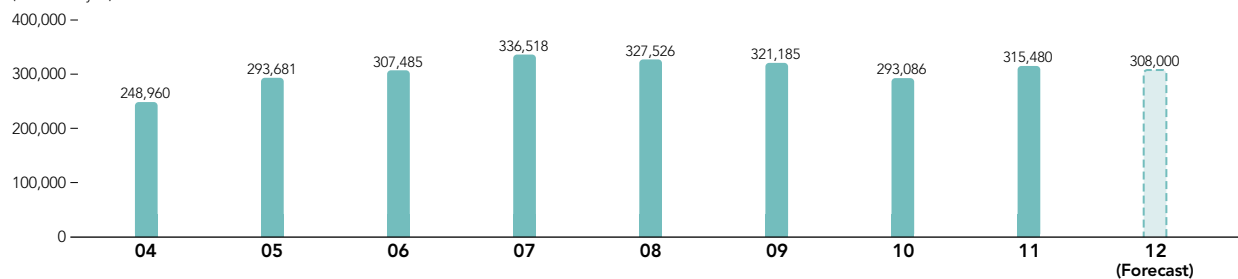
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Summary of Business Results and Financial Data for COMSYS Holdings Corporation

Year ended 31st, March

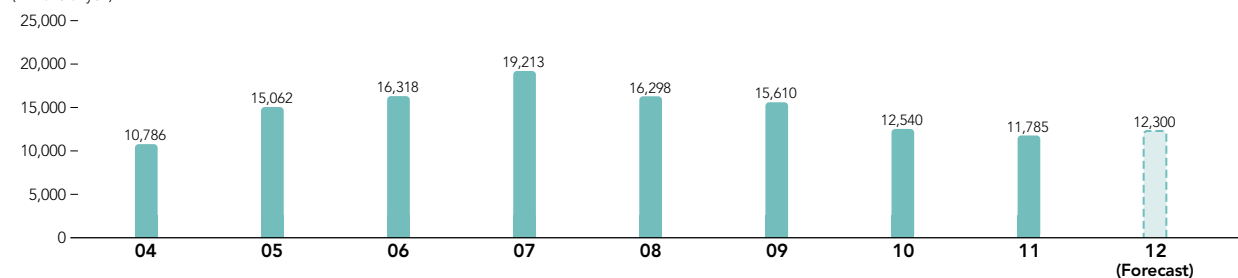
Net Sales

(millions of yen)



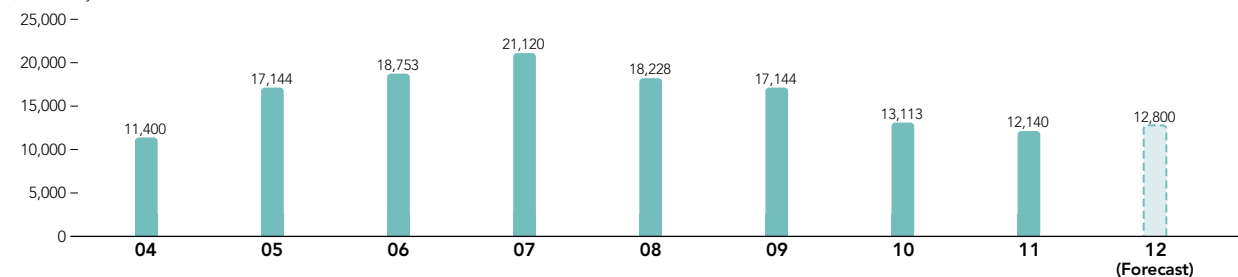
Operating Income

(millions of yen)



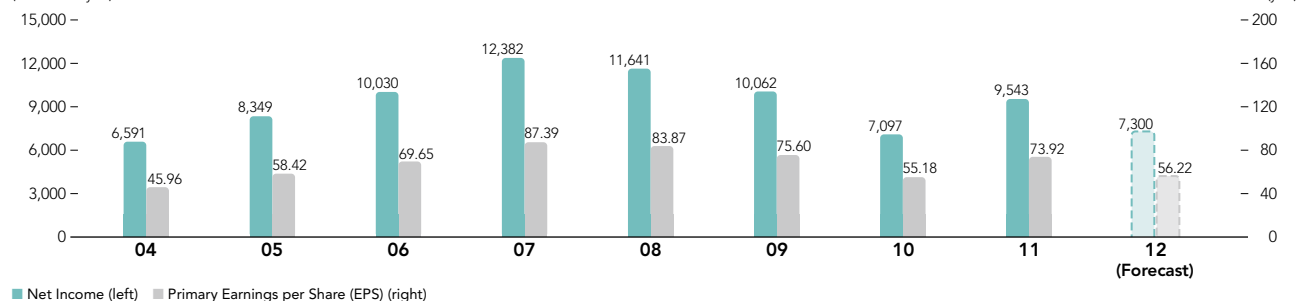
Recurring Profit

(millions of yen)



Net Income/Primary Earnings per Share (EPS)

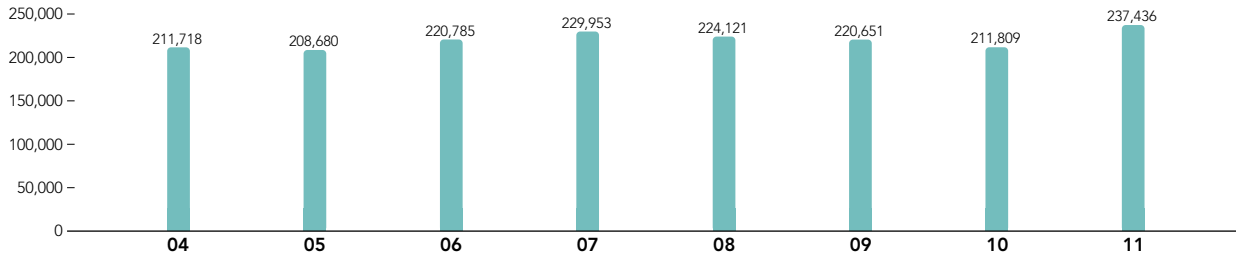
(millions of yen)



Since its Establishment

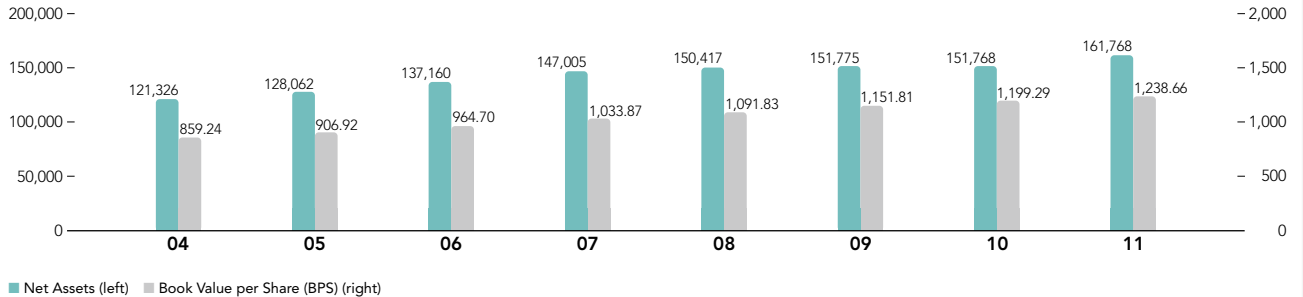
Total Assets

(millions of yen)



Net Assets/Book Value per Share (BPS)

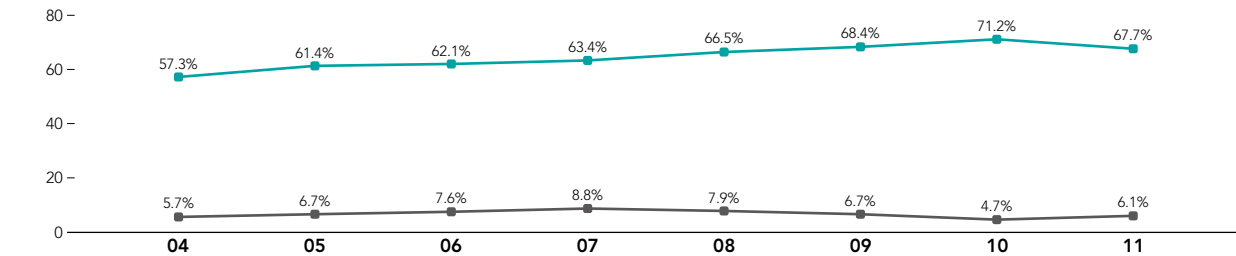
(millions of yen)



■ Net Assets (left) ■ Book Value per Share (BPS) (right)

Shareholders' Equity Ratio/Return on Equity (ROE)

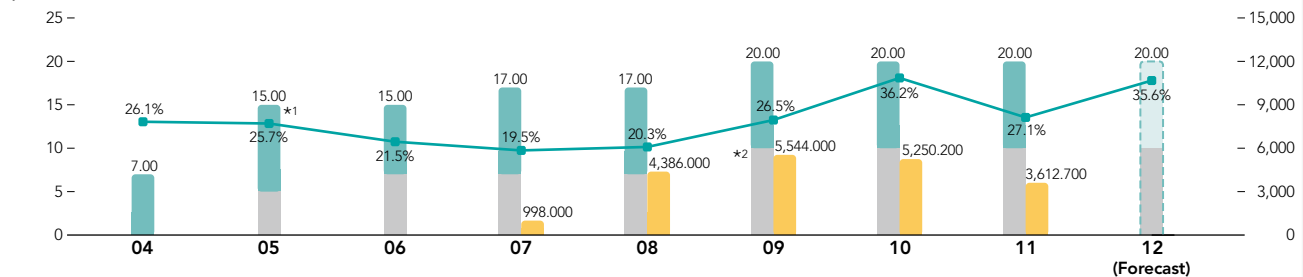
(%)



— Shareholders' Equity Ratio (left) — Return on Equity (ROE) (right)

Dividends per Share/Acquisitions of Treasury Stock/Consolidated Payout Ratio

(yen)



■ Interim ■ Year-end (left) ■ Acquisitions of Treasury Stock (right) — Consolidated Payout Ratio

*1: Includes a ¥3 commemorative dividend to mark the fifth anniversary of the Company's establishment.

*2: Includes a ¥3 special dividend paid to reflect the benefits of the merger.

Corporate Data

As of 31st March, 2011

Name:

COMSYS Holdings Corporation

Head Office:

17-1, Higashigotanda 2-chome, Shinagawa-ku,
Tokyo 141-8647, Japan

URL:

<http://www.comsys-hd.co.jp/english/>

Date of Establishment:

29th September, 2003

Paid-in Capital:

¥10 billion

Number of Employees:

10,012 (Consolidated)

Directors and Officers

As of 29th June, 2011

Representative Director and President

Hajime Takashima

(President and Representative Director of Nippon COMSYS Corporation)

Directors

Yoji Oku

(President and Representative Director of SANWA COMSYS Engineering Corporation)

Hidetoshi Miura

(President and Representative Director of TOSYS Corporation)

Yoneki Tahara

(President and Representative Director of Tsuken Co., Ltd.)

Masaru Kudo

(President and Representative Director of COMSYS JOHO SYSTEM Corporation)

Yoshihiro Mimata

Hirofumi Yamasaki

Akio Ogawa

Tatsufumi Nakajima

Tomoaki Yamamoto

Corporate Auditors

Akinori Ishigaki

(Standing Auditor)

Auditors

Akiyoshi Sekiguchi

Masahiko Miyashita*

Masahiro Takeshita*

Kichiroh Akino*

* Outside auditors

Corporate History

October 2010

Management integration of TSUKEN Corporation.

June 2009

Minimum share purchase unit reduced from 1,000 share to 100 shares.

April 2009

The information systems business related to software development outsourcing was spun off from Nippon COMSYS Corporation to form COMSYS JOHO SYSTEM Corporation.

April 2007

COMSYS Holdings Corporation converted COMSYS Shared Services Corporation, previously a consolidated subsidiary of Nippon COMSYS Corporation, into a wholly owned consolidated subsidiary in order to clarify its role as a common provider of business process outsourcing services for the COMSYS Group.

October 2005

COMSYS Holdings Corporation converted Kokusai Densetsu Co., Ltd. (now COMSYS WING Corporation) into a wholly owned subsidiary through a stock exchange, and made Kokusai Densetsu a wholly owned subsidiary of Nippon COMSYS Corporation on the same day.

April 2005

SANWA ELEC Co., Ltd. was renamed SANWA COMSYS Engineering Corporation.

January 2005

The NTT Information Telecommunication Engineering Business of SANWA ELEC Co., Ltd. was centralized at Nippon COMSYS Corporation.

September 2004

COMSYS Holdings Corporation subscribed to a third-party allotment of shares by SANWA ELEC Co., Ltd.

September 2003

COMSYS Holdings Corporation listed its shares on the First Section of the Tokyo Stock Exchange and Osaka Securities Exchange.

September 2003

Nippon COMSYS Corporation delisted its shares in line with the establishment of the holding company.

March 2002

Nippon COMSYS Corporation was selected as one of the 225 components of the Nikkei Stock Average.

December 2001

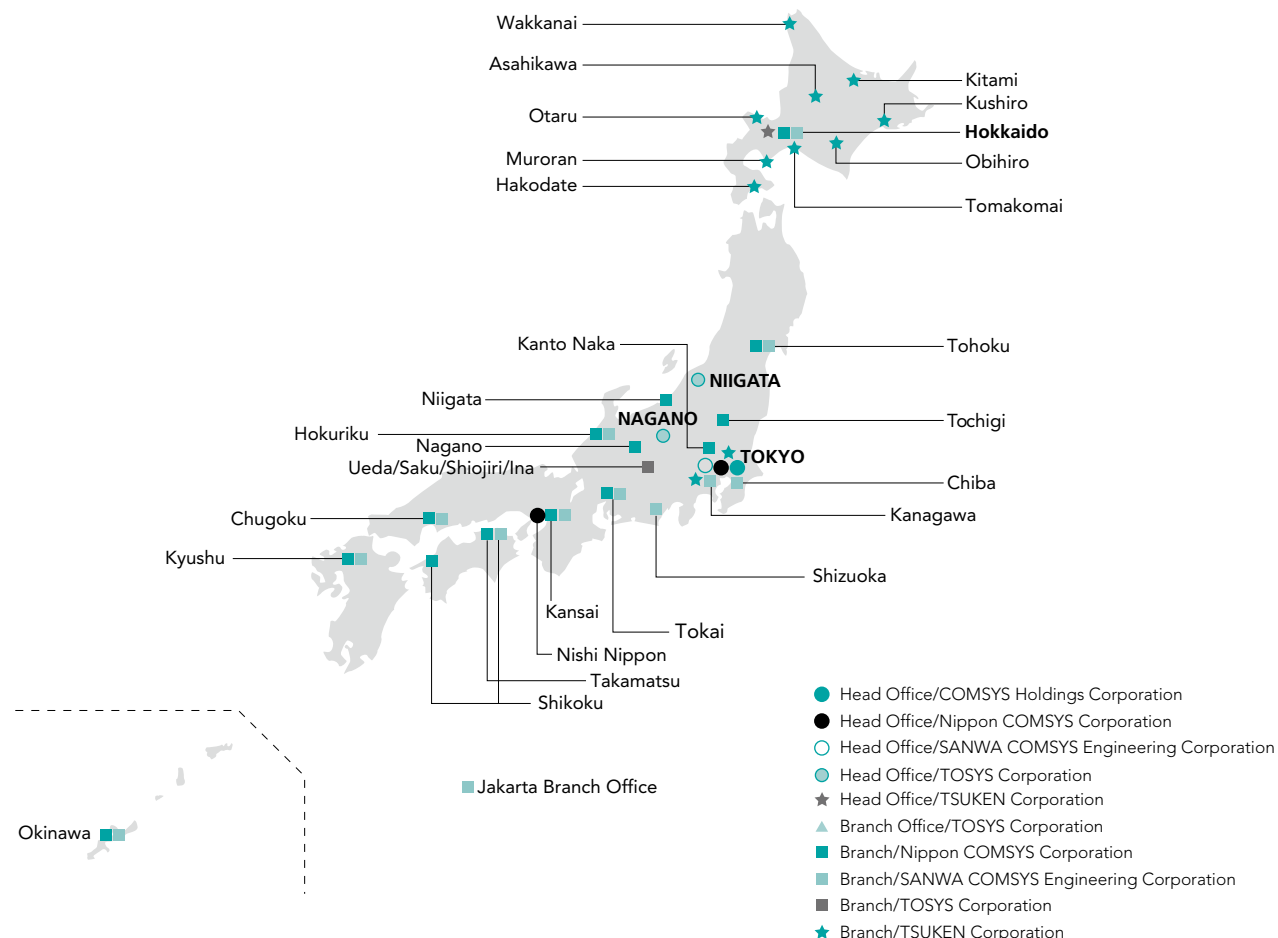
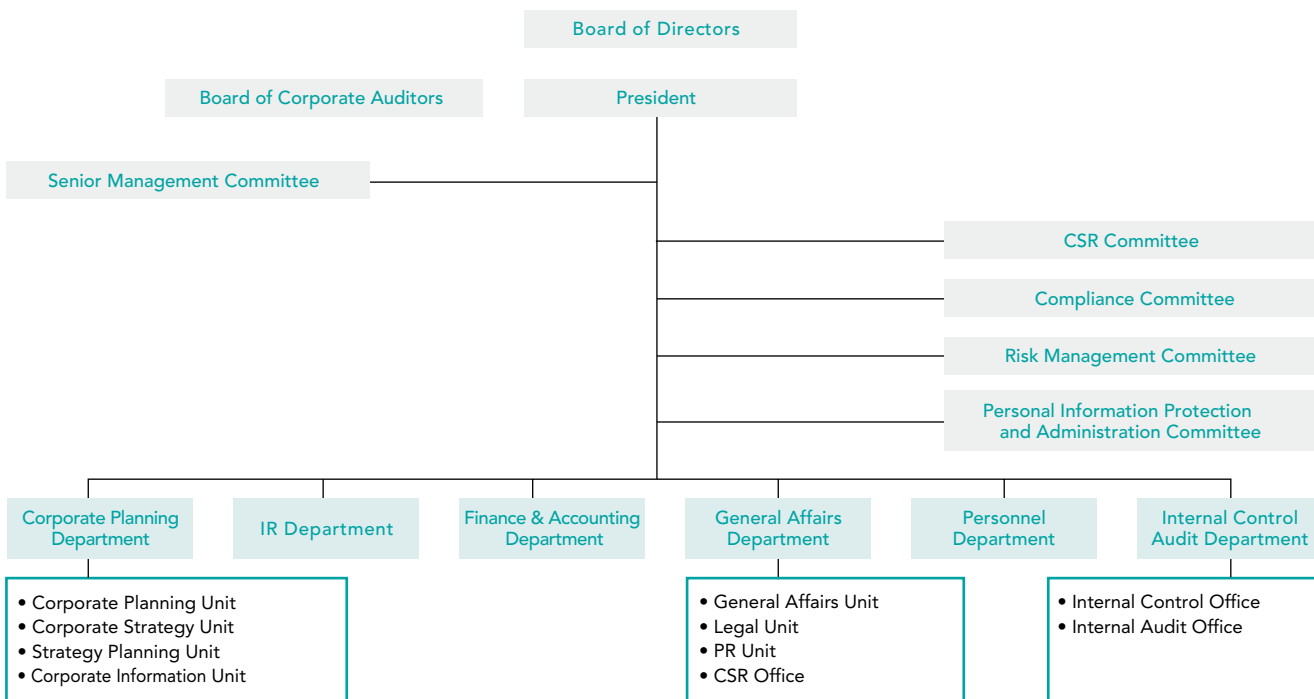
Nippon COMSYS Corporation celebrated its 50th founding anniversary.

July 1990

The Company was renamed Nippon COMSYS Corporation.

Organization Chart

As of 29th June, 2011



Our Group Formation

The COMSYS Group's (COMSYS Holdings and subsidiaries and affiliates) main businesses comprise electrical and telecommunications infrastructure construction services centered on telecommunications infrastructure and electrical facilities, and other businesses, including the information processing-related business. As of March 2011, the Group included 50 consolidated subsidiaries.

Nippon COMSYS Corporation



Address:

17-1, Higashigotanda 2-chome,
Shinagawa-ku,
Tokyo 141-8647, Japan

Establishment:

December 1951

Number of Employees:

Consolidated	4,833
Non-consolidated	3,296

URL:

<http://www.comsys.co.jp/>

Number of Consolidated

Subsidiaries:

13 companies

Consolidated Subsidiaries:

Tokyo Tsuken Co., Ltd.
Nitto Tsuken Co., Ltd.
COMSYS Engineering Co., Ltd
WINTIQ Co., Ltd
COMSYS Kansai Engineering Co., Ltd.
COMSYS Kyushu Engineering Co., Ltd.
Tokushima Tsushinkensetsu Co., Ltd.
Tsushin Densetsu Co., Ltd.
Nihonkai Tsushinkensetsu Co., Ltd.
COMSYS Net Corporation
COMSYS Tohoku Techno Co., Ltd.
COMSYS Tsusan Co., Ltd.
Taiei Seisakusho Co., Ltd.

SANWA COMSYS Engineering Corporation



Address:

12-3, Koenji-Minami 2-chome,
Suginami-ku,
Tokyo 166-0003, Japan

Establishment:

September 1947

Number of Employees:

Consolidated	1,537
Non-consolidated	814

URL:

<http://www.sancom-eng.co.jp/>

Number of Consolidated

Subsidiaries:

3 companies

Consolidated Subsidiaries:

SANWA Denshi Inc.
SEC Hi Tec Co., Ltd.
SUNCOM Technology Corporation

TOSYS Corporation



Address:

1108-5, Higashiyama Aza,
Watauchi, Wakaho, Nagano,
Nagano 381-0193, Japan

Establishment:

January 1960

Number of Employees:

Consolidated	1,050
Non-consolidated	697

URL:

<http://www.tosys.co.jp/>

Number of Consolidated

Subsidiaries:

4 companies

Consolidated Subsidiaries:

Tulip Life Co., Ltd.
Alstar Co., Ltd.
TOSYS Niigata Co., Ltd.
TOSYS Actis Co., Ltd.

TSUKEN Corporation

Joined the COMSYS Group as the result of
a management integration in 2010

**Address:**

6-8, hondori 19-chome minami,
Shiraishi-ku ,
Hokkaido 003-0026, Japan

Establishment:

April 1951

Number of Employees:

Consolidated	1,925
Non-consolidated	500

URL:

<http://www.tsuken.co.jp/>

Number of Consolidated**Subsidiaries:**

12 companies

Consolidated Subsidiaries:

TSUKEN ADVANCED SYSTEMS
CORPORATION

Tsuken Techno Net Co, Ltd.

TSUKEN TECHNOLOGY Co., Ltd.

Tsuken Act Corporation

TSUKEN BUSINESS CO., LTD.

Tsuken-Spa Co., Ltd.

Tsuken Hartec Corporation

Dououtsushin Corporation

Hokutoudensetsu Corporation

Daiyutsushinkensetsu Corporation

Tsuken Doutou Engineering Corporation

Tsuken Dounan Engineering Corporation

**COMSYS JOHO SYSTEM
Corporation****Address:**

23-14, Takanawa 3-chome,
Minato-ku,
Tokyo 108-0074, Japan

Establishment:

April 2009

Number of Employees:

Consolidated	490
Non-consolidated	357

URL:

<http://www.comjo.co.jp/>

Number of Consolidated Subsidiary:

1 company

Consolidated Subsidiary:

COMSYS Techno Co., Ltd.

**COMSYS Shared Services
Corporation****Address:**

17-1, Higashigotanda 2-chome,
Shinagawa-ku,
Tokyo 141-8647, Japan

Establishment:

October 2003

Number of Employees:

Non-consolidated	135
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URL:

<http://www.comsys-ss.co.jp/>

Investor Information

Fiscal Year-End:

31st March, 2011

Annual Shareholders' Meeting:

29th June, 2011

Common Stock:

Authorized: 580,000,000 shares

Issued: 145,977,886 shares

Number of Shareholders:

10,012

Date of Listing:

September 2003

Stock Exchange Listings:

First Section of Tokyo Stock Exchange
and Osaka Securities Exchange
(Securities code: 1721)

Transfer Agent:

Mitsubishi UFJ Trust and Banking Corporation
Securities Department
4-5, Marunouchi 1-chome, Chiyoda-ku, Tokyo 100-8212

Auditor:

Certified Public Accountants of Japan
O-Yu Kyodo Office

For Further Information of This Annual Report, Please Contact

IR Department
Tel: +81-3-3448-7000 (direct)
Fax: +81-3-3448-7001
E-Mail: chd-ir@comsys.co.jp

Major Shareholders:

As of 31st March, 2011

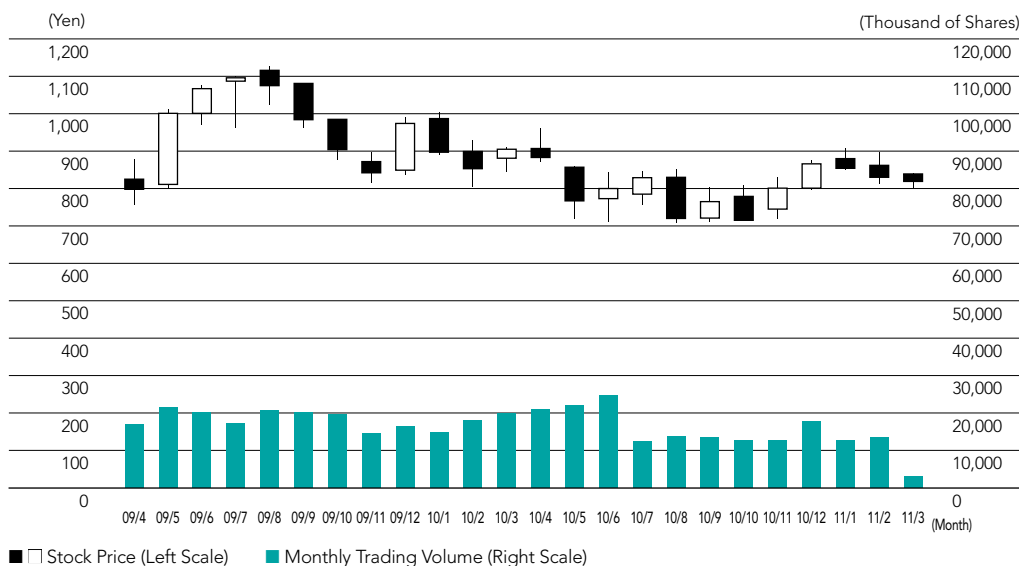
Shareholders	Shares Held (Thousands)	Percentage of Total (%)
Japan Trustee Services Bank, Ltd. (Trust Account)	10,948	7.49
The Master Trust Bank of Japan, Ltd. (Trust Account)	9,489	6.50
Japan Trustee Services Bank, Ltd. (Mitsui Asset Trust and Banking Company Retrust Portion, Fujikura Ltd. Employee Pension Trust)	6,834	4.68
Japan Trustee Services Bank, Ltd. (The Sumitomo Trust & Banking Co., Ltd. (Re-Trust Account), Sumitomo Electric Industries, Ltd. (Employee Pension Trust Account))	5,166	3.53
Trust & Custody Services Bank, Ltd. (Investment Trust Account)	4,096	2.80
JPMorgan Securities Japan Co., Ltd.	3,759	2.57
Nippon Life Insurance Company	2,977	2.04
The Furukawa Electric Co., Ltd.	2,583	1.76
Japan Trustee Services Bank, Ltd. (Trust Account 9)	1,791	1.22
Japan Trustee Services Bank, Ltd. (Trust Account 4)	1,751	1.20

Composition of Shareholders:

As of 31st March, 2011



Stock Price Range



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