

COMSYS Holdings Corporation

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# Annual Report 2012

Fiscal Year Ended March 31, 2012

# COMSYS WAY



# 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 Telecommunications Engineering Business

▶▶ **P.16**

[Click here for](#)  
Electrical Communications Engineering Business











# 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.

▶▶ **P.18**

[Click here for](#)  
IT Solutions Business







## Profile

COMSYS Holdings Corporation (the “Company”) was established as the holding company of the COMSYS Group on September 29, 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 across the whole Group to provide high-quality technologies and services.

## COMSYS WAY

The COMSYS Group is currently promoting structural reforms at each Group company to achieve a lean management structure that can generate reliable earnings even in a harsh operating environment.

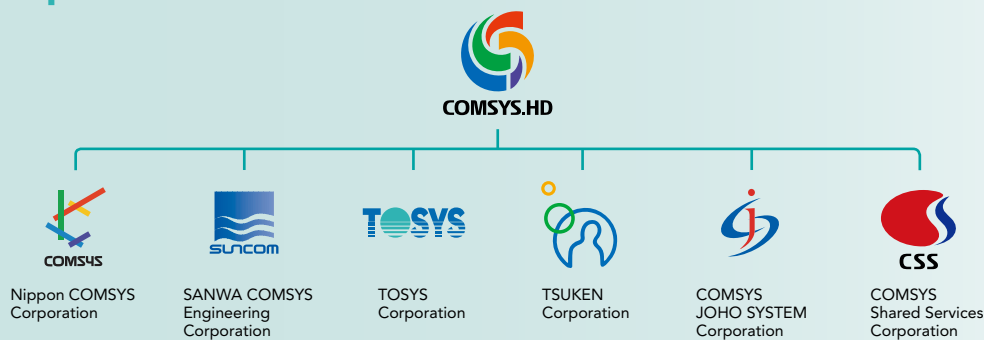
Going forward, we will unite as a Group to bolster our efforts to maintain and deepen our program of reforms. We call this initiative “The COMSYS WAY.”

## 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



FOR MORE INFORMATION

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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.

## President's Message



Hajime Takashima  
President and Representative Director

**We are working to build a corporate structure that consistently generates profits through sustained and more in-depth structural reform.**

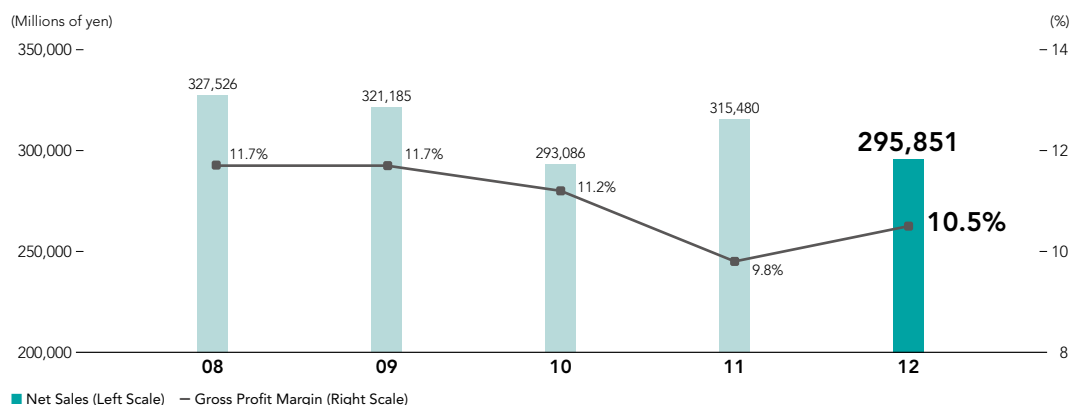
### Performance in Fiscal 2012

In fiscal 2012, ended March 31, 2012, Japan's information and communications market saw additional installation of the network infrastructure needed to meet the burgeoning traffic volume accompanying an increase in smartphone users, along with investment in network construction for high-speed, large-capacity communications standards such as Long Term Evolution (LTE). In addition, there was steady progress on restoration and reconstruction of telecommunications infrastructure in the regions affected by the Great East Japan Earthquake. Looking forward, there are also social requirements for information and communications technology to be used to achieve sustained economic growth as well as to develop a disaster-resilient telecommunications network.

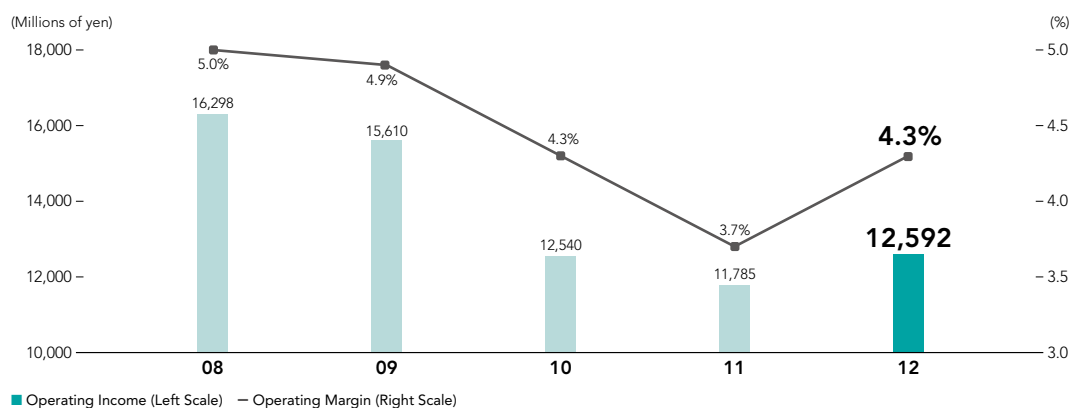
The COMSYS Group has worked to maintain and further deepen the COMSYS WAY, a series of structural reforms pursued to date, with the aim of maintaining and upgrading its technological construction capabilities, strengthening market competitiveness and bolstering its operational foundation. At the same time, the Group made concerted efforts to enter new businesses in order to create a new growth strategy. Additionally, at the request of telecommunications carriers, the COMSYS Group has actively worked on post-quake restoration and reconstruction of telecommunications infrastructure.

Under these circumstances, despite the positive impact of management integration with TSUKEN Corporation, the COMSYS Group saw a decrease in capital investment by private-sector companies, and the completion of IRU (Indefeasible Rights of Use)-related works as well as preparation for the introduction of terrestrial digital broadcasting. Consequently, although orders received increased 1.2% year on year to ¥297,769 million, net sales decreased 6.2% year on year to ¥295,851 million. On the earnings front, we worked to improve productivity and reduce operating expenses as a part of our structural reform measures. In addition, measures to strengthen our operational foundation implemented in fiscal 2011 had a positive impact on earnings for fiscal 2012. As a result, the COMSYS Group reported a sharp improvement in operating profitability, with operating income increasing 6.9% year on year to ¥12,592 million. However, net income decreased 24.8% year on year to ¥7,173 million. This was mainly due to a special gain on negative goodwill associated with the management integration with TSUKEN that had been recorded as extraordinary income in the previous fiscal year.

#### Net Sales/Gross Profit Margin



#### Operating Income/Operating Margin





## Fiscal 2013 Outlook and Priorities Ahead

The information and communications market has seen strong business conditions due to the rapid penetration of smartphones and tablet devices. Nonetheless, it has also observed the entry of new business players as well as rapid change in technological innovation. As a result, telecommunication carriers are facing fierce competition about acquiring customers. Because their investment focus has shifted significantly from infrastructure to investment in services, and also because of the downsizing trend in construction orders, the outlook for orders in the telecommunications construction sector is anticipated to become increasingly challenging over the medium and long terms.

Looking ahead, we will strive to continue and deepen our series of structural reforms under the COMSYS WAY. At the same time, we consider the reconstruction of telecommunications infrastructure and equipment in the earthquake-afflicted regions to be a key priority. Accordingly, we will make Group-wide efforts to fulfill as many requests as possible for reconstruction work. Given that ensuring the safety of employees and their families in times of disaster is a top priority, we will also formulate and execute business continuity plans (BCP) and related initiatives in order to meet the demands of customers. Vigorous efforts will also be made to address disaster readiness, disaster mitigation, energy conservation and new energy initiatives, with the aim of establishing ourselves as a disaster-resilient group of companies.

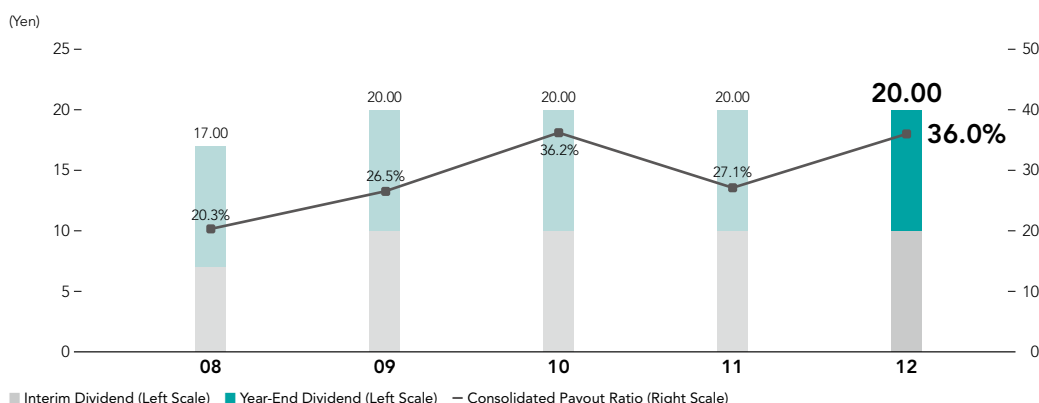
## Shareholder Returns

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 2012, 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.

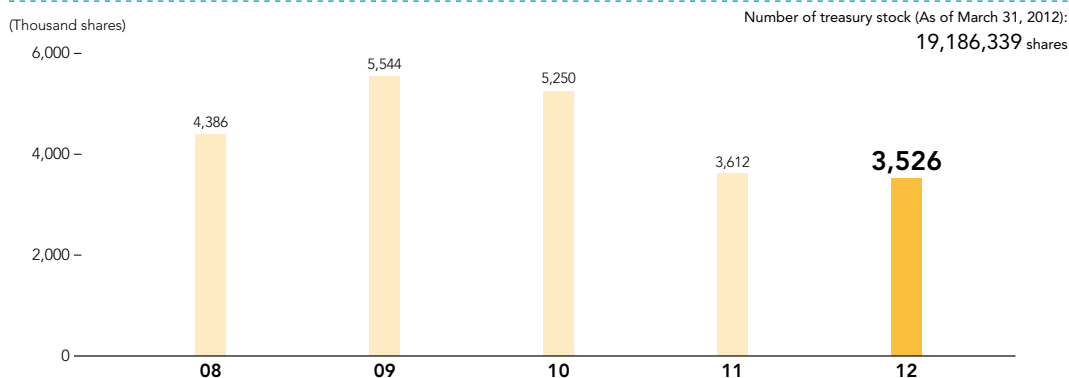
During fiscal 2012, we bought back 3,526 thousand of our own shares worth ¥2,999 million, with the aim of stepping up the return of earnings to shareholders and enabling flexible financial policies in response to changes in the business environment.

For fiscal 2013, we plan to pay the same total annual dividend of ¥20.00 per share (including a ¥10.00 interim dividend). We also plan to buy back up to ¥3.0 billion of our own shares.

## Dividends per Share/Consolidated Payout Ratio



## Acquisitions of Treasury Stock



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.

In addition, the COMSYS Group will strive to implement measures such as improving security and quality standards, strengthening corporate governance, ensuring compliance, enhancing risk management and implementing the Group's code of conduct, while entrenching internal control systems.

We look forward to the ongoing understanding and support of all our stakeholders, as we endeavor to reach our goals.

September 2012

Hajime Takashima,  
President and Representative Director

## Business at a Glance

### NTT Information Telecommunications Engineering Business



#### Main Business

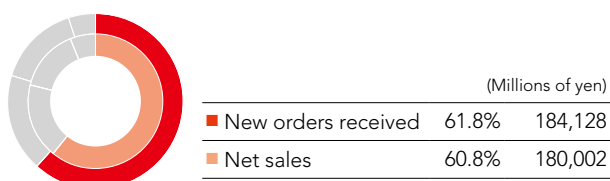
This segment is mainly engaged in the construction of telecommunications infrastructure for the NTT Group, including the laying and installation of telephone lines, installation of exchange equipment, and construction of wireless base stations. The segment is the COMSYS Group's core business and accounts 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 March 31, 2012)



#### Business Domains

- Construction of NTT telecommunications infrastructure
- Construction of DOCOMO telecommunications infrastructure

### Electrical Communications Engineering Business



#### Main Business

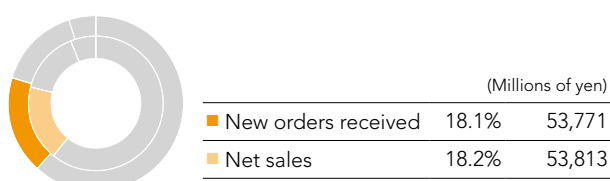
This segment constructs telecommunications and related facilities for communication carriers other than the NTT Group. It also provides a wide range of services for general customers, including the design and construction of electrical facilities for offices and other commercial buildings, public facilities, 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 March 31, 2012)



#### Business Domains

- Construction of telecommunications facilities (ordinary companies, government agencies, local authorities, telecommunications carriers)
- Construction of electrical facilities
- Construction of C-C-BOX facilities, etc.

FOR MORE INFORMATION

▶▶ P.22 [Click here for](#) Information on Major Subsidiaries



## IT Solutions Business



### Main Business

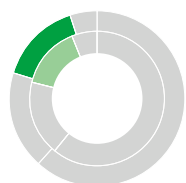
This segment combines extensive expertise with cutting-edge network technologies to provide comprehensive solutions services, ranging from developing optimal systems integration services plans optimized for customers' businesses to providing maintenance services.

### 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 March 31, 2012)



		(Millions of yen)
■ New orders received	15.2%	45,199
■ Net sales	15.0%	44,503

### Business Domains

- Development of software
- Solutions business and other IT-related businesses

## Social System-Related Business and Other



### Main Business

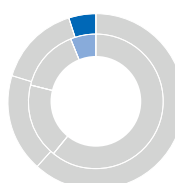
This segment is engaged in general civil engineering works, disaster prevention facilities works, the construction of office buildings, warehouses, and factories, as well as businesses related to the environment such as solar power generation systems, energy conservation solutions, water resources and 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 March 31, 2012)



		(Millions of yen)
■ New orders received	4.9%	14,670
■ Net sales	5.9%	17,531

### Business Domains

- Building construction
- Environment (ecology) related construction
- Overseas business
- Civil engineering business (other than C.C.BOX)
- Leasing
- Other businesses

FOR MORE INFORMATION

▶ P.22 [Click here for](#) Information on Major Subsidiaries

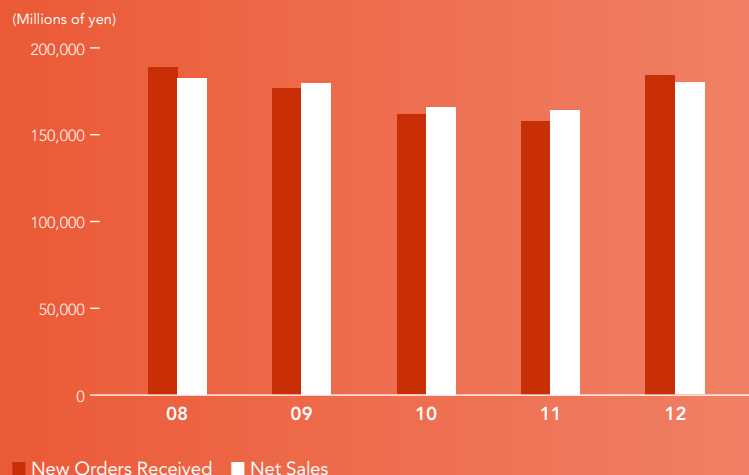
## Review of Operations

# NTT Information Telecommunications Engineering Business

Strengthening initiatives to expand the maintenance and operation business, while striving to generate profits by enhancing productivity through structural reforms



New Orders Received/Net Sales



### Market Conditions

In the NTT access business and NTT network business, we have seen expansion in optical broadband services, with this trend accompanied by progress in the shift from fixed-line telephones to optical IP phones. In addition, following the Great East Japan Earthquake, there have been stronger expectations to build disaster-resilient telecommunications infrastructure.

In the NTT DOCOMO business, installation of additional equipment has progressed in response to the burgeoning traffic volume accompanying an increase in smartphone users. Also, investments have been advanced in high-speed and higher traffic volume-ready networks, such as Long Term Evolution (LTE; 3.9G next-generation mobile phone communication standard).

### Fiscal 2012 Business Initiatives

In fiscal 2012, all Group companies made a concerted effort to conduct reconstruction work on communications infrastructure and equipment following the Great East Japan Earthquake. Moreover, to generate profits in the existing infrastructure business, we worked positively to implement structural reform measures. For example, we worked to maximize Group synergy, strengthen management of project partner companies and integrate business management with consolidated subsidiaries.

Under these conditions, new orders received in fiscal 2012 rose 16.1% year on year to ¥184,128 million while net sales increased 9.7% to ¥180,002 million. These increases were supported partly by the positive impact of management integration with TSUKEN Corporation.

### Initiatives Ahead

In the NTT access business, we have seen a slower net increase in the number of subscribers to optical access services. Accordingly, we anticipate increasingly challenging conditions for capital investment in information telecommunications infrastructure-related construction, a mainstay business of the Group.

In the NTT DOCOMO business, the volume of construction work is projected to increase in the short term. This growth should be driven mainly by augmentation of base station capacity accompanying the uptake of smartphones and tablet devices; LTE service area expansion; dismantlement and removal of equipment for PDC (2G mobile communications system) service, which ended on March 31, 2012; and work to augment signal strength between subway stations. Nonetheless, we foresee increasingly challenging conditions in terms of downsizing of construction projects and requests for price reductions from construction customers.

Under these conditions, we will continue striving to secure profit by enhancing productivity through structural reforms. At the same time, we will strengthen measures to expand the maintenance and operation business field in the NTT access business and the NTT network business, with plans to establish this field as a future core business. Furthermore, we will reorganize the NTT DOCOMO business and NTT network business of Group companies and establish a new company for mobile communications as a direct subsidiary of COMSYS Holdings. Through these reorganization measures, we will clarify the assignment of roles within the COMSYS Group as we work to achieve low-cost construction operations.

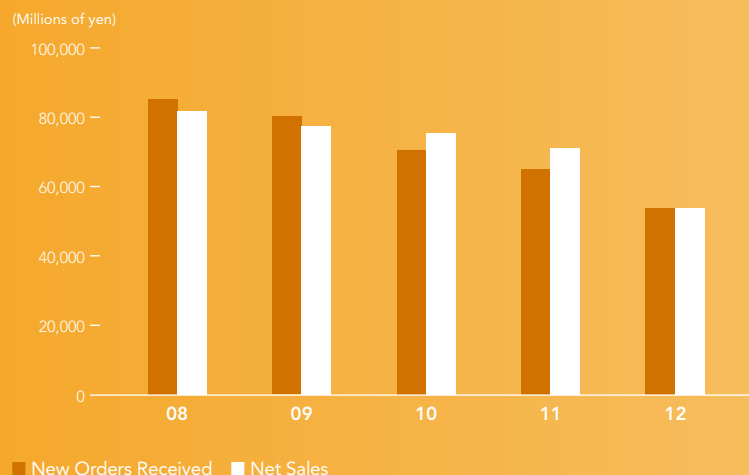


## Electrical Communications Engineering Business

Working to expand orders in the New Common Carrier (NCC) field (i.e., telecommunications carriers other than NTT) mainly for base station construction aimed at new frequency bands and the introduction of LTE service.



New Orders Received/Net Sales



### Market Conditions

Capital investment in the NCC field has picked up as a result of base station construction aimed at new frequency bands and the introduction of LTE service, as well as measures to cope with burgeoning traffic driven by the uptake of smartphones. Consequently, we have seen a steady succession of peak periods of base station construction work.

On the other hand, the electrical communications business centered on electrical facilities work in buildings, roads, municipalities, and infrastructure and communication has been impacted by annual reductions in the total public works budgets. This business has also continued to face stiff price-based competition for tenders from government agencies.

### Fiscal 2012 Business Initiatives

In fiscal 2012, the NCC business saw post-quake restoration and reconstruction work, base station construction aimed at new frequency bands, and installation of additional infrastructure to cope with the growing traffic volume driven by an increase in smartphone users. Also, investment was advanced in the installation of high-speed and higher traffic volume-ready networks.

Despite these trends, new orders received fell 17.4% year on year to ¥53,771 million, and net sales decreased 24.5% to ¥53,813 million. This was mainly due to lower capital investment by private-sector companies, a drop in price per unit order, and the impact of fierce competition for orders.

### Initiatives Ahead

We will strive to further expand orders in NCC business mainly for base station construction aimed at new frequency bands and the introduction of LTE service. These orders will be underpinned by full-fledged efforts by various telecommunications carriers to cope with burgeoning traffic due to explosive growth in the uptake of smartphones.

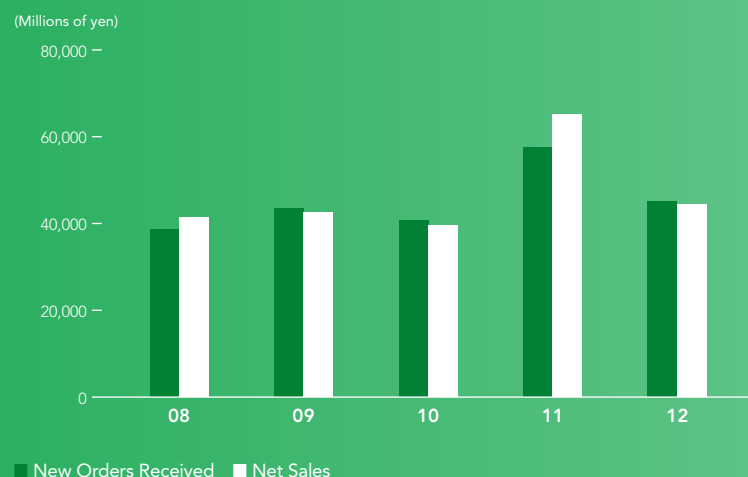
Looking ahead, we will actively tackle the challenge of developing businesses other than base station construction. Examples include service stage businesses such as maintenance and repairs and peripheral businesses.

## IT Solutions Business

Working to expand the server related business and cloud business by harnessing our advanced technicians nurtured to date.



New Orders Received/Net Sales





### Market Conditions

In the IT solutions business market, investment decision making slowed to a crawl, largely reflecting restrained IT-related capital investment and postponement of public works projects, mainly due to the impact of the Great East Japan Earthquake. Looking ahead, we expect challenging conditions to persist in the private-sector market. However, the market is expected to regain momentum, supported by diverse usage by clients of tablet devices, smartphones, and virtual desktops, and the full-scale use of cloud services.

### Fiscal 2012 Business Initiatives

In the IT solutions business, we are strengthening our activities targeting integration projects comprising servers and fixed-line and wireless LAN, which have been increasing in number. Other areas we are targeting include wireless LAN projects designed to alleviate mobile network congestion caused by the expanded use of smartphones, along with access point construction. In addition, we have expanded projects to a certain extent in the hospital and healthcare sectors by strengthening collaboration with partners.

Despite these efforts, new orders received and net sales decreased sharply from the previous fiscal year. New orders received decreased 21.5% year on year to ¥45,199 million,

and net sales decreased 31.8% to ¥44,503 million. This was mainly due to stagnation in IT-related capital investment due to the impact of the Great East Japan Earthquake, in addition to the completion of Indefeasible Right of Use (IRU) related works and preparation for the introduction of terrestrial digital broadcasting.

### Initiatives Ahead

Expansion in the server-related business has been highlighted by virtual desktops in the healthcare sector, where strengthened collaboration with partners has functioned effectively. We believe that it is essential to develop sales strategies that carefully take into account these growth trends, while nurturing our technicians.

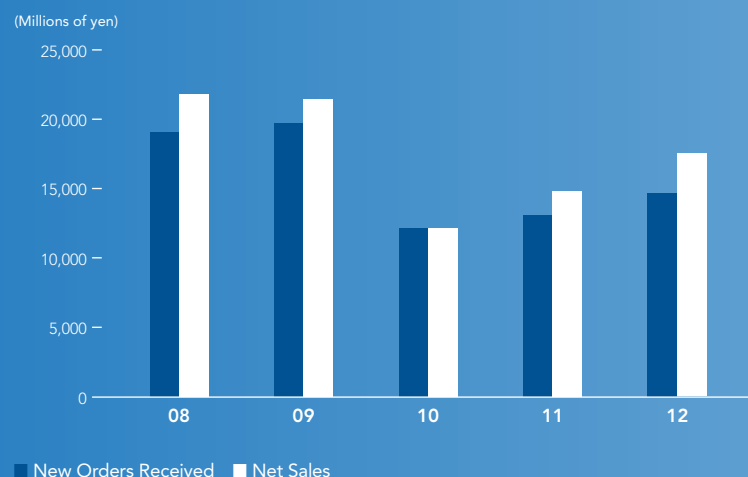
In addition, we will develop business by harnessing the skilled technicians we have nurtured to date. Key measures will include expanding orders for integrated projects, such as "network and server" and "server with operation and maintenance" projects, which will be provided by server linkage, including storage. Another measure will be to offer joint proposals through alliances with manufacturers, vendors and telecommunications carriers. We will also build platforms aimed at the use of cloud computing.

## Social System-Related Business and Other

Targeting social infrastructure businesses, such as solar power and energy conservation fields.



New Orders Received/Net Sales



## Market Conditions

The Great East Japan Earthquake and the ensuing post-quake reconstruction demand have triggered heightened demand for seismic retrofitting of social infrastructure. Demand has also increased in the energy and energy conservation sectors.

Conditions have remained sluggish in the market for construction, but have remained relatively stable in the environmental solutions and renovation markets, coupled with an increase in integrated projects. In the solar power generation business, the Japanese government has determined a higher-than-anticipated solar power purchase price. Accordingly, we expect demand for solar power generation to grow in the run-up to the start of the full-amount purchase system in July 2012.

## Fiscal 2012 Business Initiatives

In the private-sector civil engineering-related field, we worked to expand orders for seismic retrofitting work on water supply and drainage systems and other projects, targeting expansion in the urban infrastructure development business.

In the energy-related business, we worked to strengthen activities and develop a framework for the solar power generation facility construction business, eyeing an expansion in demand as a result of the enforcement of the full-amount purchase system. Our goal has been to win orders for mega-solar power system projects in collaboration with alliance partner companies.

Under these conditions, despite lackluster conditions in the general private-sector market, along with a decline in construction work for large projects, we vigorously took steps to develop new business. As a result, new orders received increased 11.4% year on year to ¥14,670 million, while net sales rose 18.1% to ¥17,531 million.

## Initiatives Ahead

Going forward, we will endeavor to expand orders by focusing on seismic retrofitting of social infrastructure in tandem with the pursuit of a broad range of business development initiatives in the ecology, energy conservation and energy sectors.

In the solar power generation facility construction business, eyeing burgeoning demand spurred by the determination of the solar power purchase price, we will work to win orders for mega-solar power system projects. This will be done by strengthening consulting-based sales through the development of a planning and design structure, and promoting collaboration with alliance partner companies. In the seismic retrofitting business for water supply and drainage systems, we will endeavor to expand orders by winning large projects. In particular, we will take full advantage of our upgraded tender qualification rank for the Tokyo water supply and drainage system. In other areas, we will pave the way for winning future orders by taking steps to obtain relevant technologies in the smart grid-related business and build sales channels as early as possible.

# Information on Major Subsidiaries

## Status of Five Core Operating Subsidiaries:

### Nippon COMSYS Group

In the year under review, the Nippon COMSYS Group actively worked to implement measures to improve earnings, including strengthening management as a principal contractor and enhancing overall productivity by capturing Group-wide synergies. This was achieved by maintaining and deepening structural reforms implemented to date. Furthermore, as part of efforts to establish a new growth strategy, the Group has pursued business incubation initiatives in IT management services, server-related and other business sectors.

Under these circumstances, the Group recorded large declines in new orders received and net sales. New orders received during the year totaled ¥178,220 million, a year-on-year decline of 8.4%, and net sales were down 12.5% year on year to ¥172,780 million. This mainly reflected a drop in capital investment by private-sector companies and the completion of Indefeasible Right of User (IRU) related works and the preparation of the introduction of terrestrial digital broadcasting. However, operating income jumped 19.6% year on year to ¥9,374 million, reflecting efforts to enhance productivity through structural reforms and cut costs, as well as the positive impact of measures to fortify the Group's operational foundation in the previous fiscal year.

### SANWA COMSYS Engineering Group

In the year under review, the SANWA COMSYS Engineering Group vigorously worked to enhance earnings, primarily by deepening various structural reform measures implemented to date. Examples included "strengthening construction capabilities to generate earnings" and "cutting administrative and back-office costs to realize a lean management structure."

Under these circumstances, the Group reported large decreases in new orders received and net sales. New orders received decreased 6.8% year on year to ¥52,696 million, while net sales were down 11.4% to ¥52,254 million. This was chiefly due to decreases in unit order amounts and the impact of fierce competition to win tenders from government agencies in the public sector and companies in the private sector. However, operating income soared 34.6% year on year to ¥1,795 million, mainly due to measures to fortify the Group's business foundation in the previous fiscal year and the positive impact of structural reforms.



### TOSYS Group

The TOSYS Group worked tirelessly to provide post-quake reconstruction support in its core NTT business, while striving to ensure the completion of construction work carried over from the previous fiscal year, and to complete increased access network construction resulting from the entry of a telecommunications carrier into the Niigata area. At the same time, in an initiative to halt the decline in revenues, the Group worked to implement reforms of the maintenance business as one of its main structural reform themes.

Under these conditions, new orders received declined 3.9% year on year to ¥22,782 million due to a slump in the private-sector market. However, net sales rose 3.1% year on year to ¥22,690 million, mainly owing to the completion of NTT construction projects. Operating income jumped 15.0% year on year to ¥752 million, mainly due to the optimization of human resource utilization and a reduction in unprofitable construction projects due to the selective acceptance of orders.

### TSUKEN Group

The TSUKEN Group faced a challenging environment for new orders received and net sales, given the completion of IRU-related works and preparation for the introduction of terrestrial digital broadcasting. In this context, the Group strove to secure operating income by improving its cost structure. In addition, the Group took positive steps to capture synergies through management integration with the COMSYS Group. Measures included business portfolio realignment and integration of core information systems with the COMSYS Group. The TSUKEN Group also promoted the efficient management of construction operations through integration of designated construction service areas.

Under these circumstances, the TSUKEN Group reported new orders received of ¥36,191 million, net sales of ¥40,348 million and an operating income of ¥682 million. No comparisons with the previous fiscal year are provided because the TSUKEN Group joined the COMSYS Group in October 2010.

### 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 human resource utilization rates and implementing project management.

However, as the software market has been shrinking, the Group struggled to win new projects, causing a large drop in new orders received and net sales. New orders received decreased 15.4% year on year to ¥7,384 million, while net sales decreased by 8.3% year on year to ¥7,283 million. The Group posted a large operating loss of ¥351 million, mainly due to the impact of unprofitable projects.

FOR MORE INFORMATION

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## Corporate Governance

### 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.

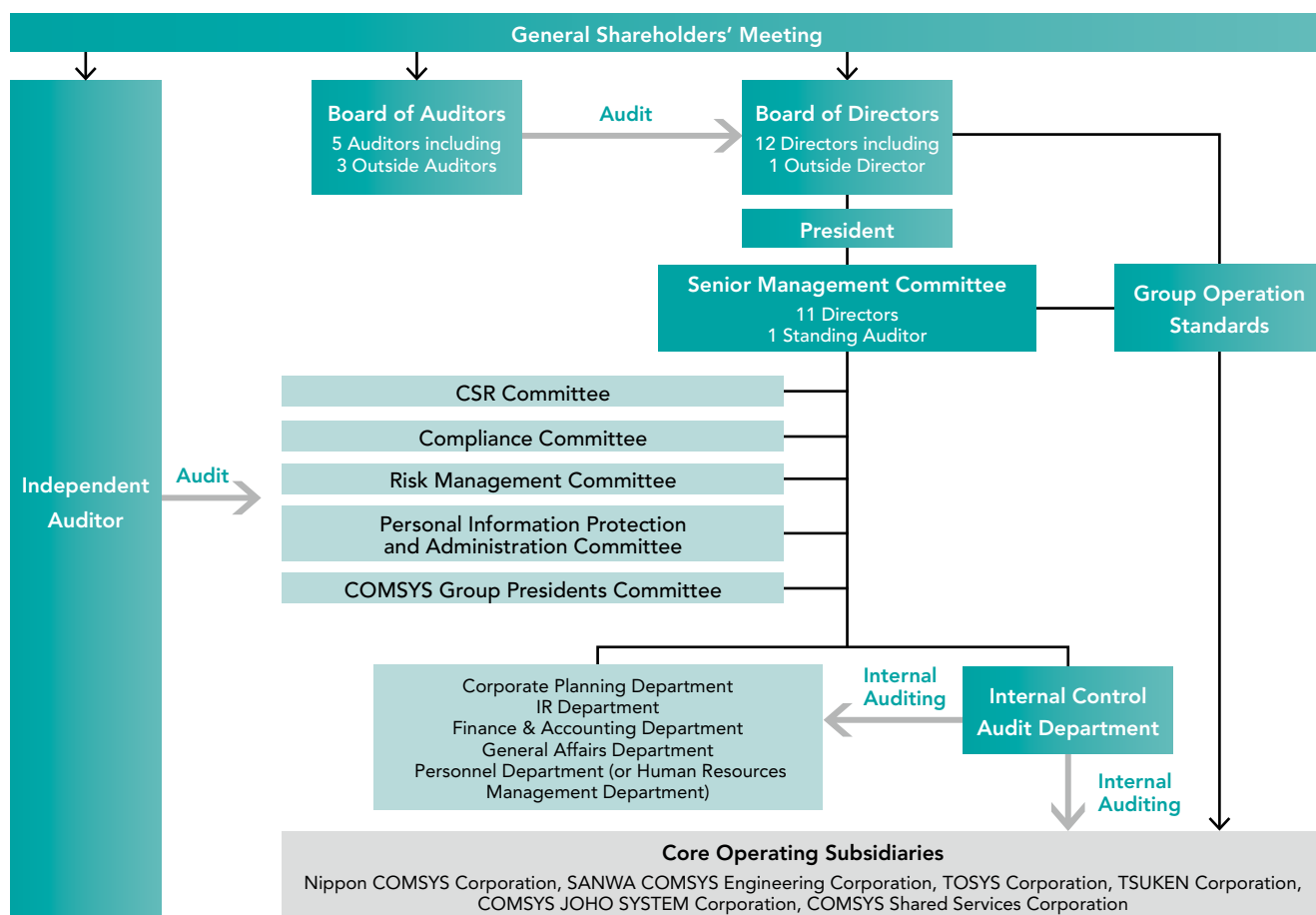
The COMSYS Group makes all possible efforts to entrench measures such as improving security and quality standards, strengthening corporate governance, ensuring compliance, enhancing risk management, implementing the Group's code of conduct, and bolstering internal control systems based on the Companies Act and the Financial Instruments and Exchange Act of Japan.

### 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 organizations.

The Board of Directors, the highest decision-making body with respect to management strategy, has decided to structure the Board around directors well versed in the Company's operations and outside directors who monitor management from an independent standpoint, 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 and enhance sound management. As of June 28, 2012, the Board of Directors consisted of 12 directors. 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.

Diagram of the COMSYS Group's business execution framework, management monitoring and internal control system



The Senior Management Committee is made up of directors other than outside directors and the standing auditor. In principle, this committee meets once a month to examine, discuss, and pass resolutions on issues related to key decisions, in an effort to improve the efficiency of business execution. The heads of each operating department and certain other personnel attend meetings of the Senior Management Committee as observers, as necessary, 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 the Internal Control System

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, as follows.

### 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.

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 laws and regulations, as well as the Group's internal rules such as 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 Board of Directors and the Senior Management Committee 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 11 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 abovementioned 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.



# Corporate Social Responsibility (CSR)

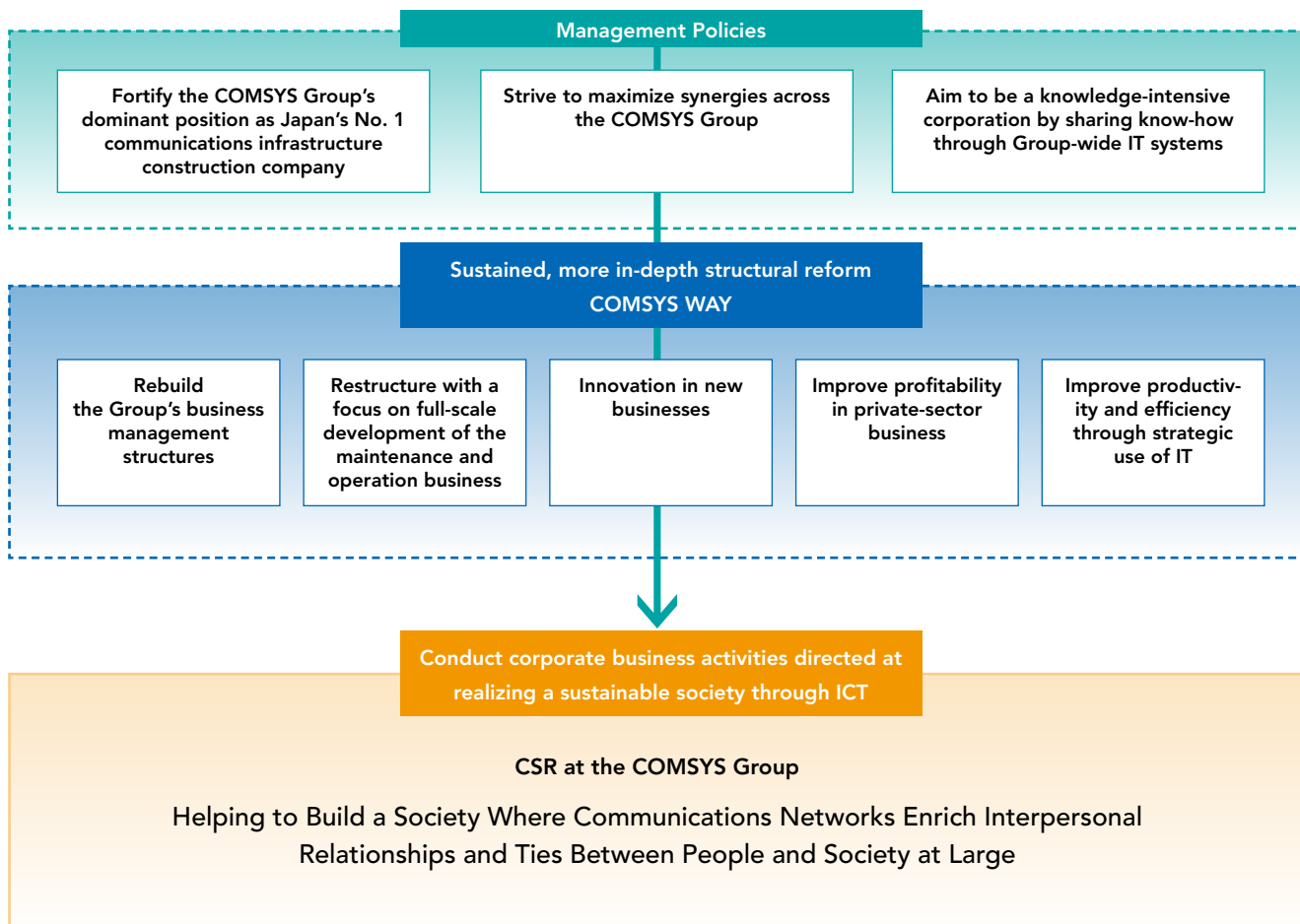
## Basic Approach to CSR

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 help create an information-rich society that coexists harmoniously with the global environment.

With the pride and purpose of being a top-brand group in the communications network construction industry, we will conduct corporate business activities directed at realizing a sustainable society through ICT. At the same time, we aim to be an enterprise that develops together with society while gaining the trust and fulfilling the expectations of the public.

### Relationship Between Management Policies and CSR



## Topics

### COMSYS Group

#### Full-Scale Restoration and Reconstruction Work After the Great East Japan Earthquake

At the request of Nippon Telegraph and Telephone East Corporation, the COMSYS Group has been conducting reconstruction work in various areas of the Tohoku region, with the aim of building robust telecommunications infrastructure to provide uninterrupted service even in times of major disasters. In the Miyako City-Ofunato City area in Iwate Prefecture and Minamisanriku Town in Miyagi Prefecture, the Group conducted construction projects to install telecommunications cable across rivers under the riverbed using the Acemole method\*. (Chart 1)

This project took full advantage of the Group's civil engineering technology and management skills in infrastructure platform construction, which has been amassed over many years.

The Group also carried out a host of other construction projects in preparedness for earthquakes. Examples included relocating communications base stations to high ground, new microwave route installation work, installation of new base stations for super-large zones, and installation of additional batteries for base stations.

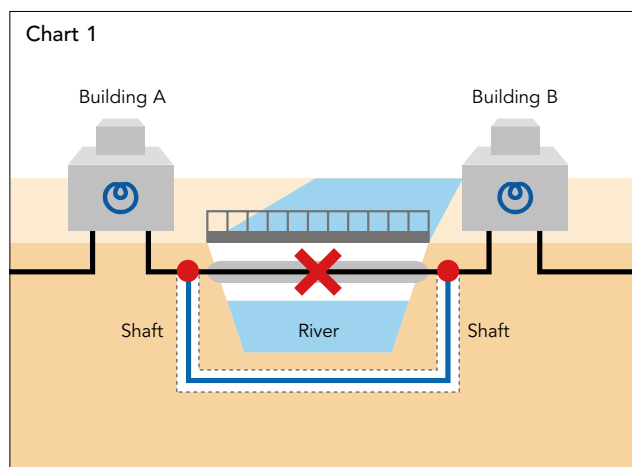
\* Acemole method: A trenchless method of installing an underground conduit by drilling through the ground below the surface



Minamisanriku Town was heavily damaged by the tsunami.



Driving shaft for initiating the Acemole method



Acemole method



Installing communications cable under the riverbed at Shiomi Bridge  
(A new underground conduit was drilled at a depth of 11 m, and a telecommunications cable was laid across the river under the riverbed.)  
The driving shaft for initiating the Acemole method was dug on the far side of the river.

## Nippon COMSYS Corporation

### News Media Coverage of Response to Weather Disasters

Nippon COMSYS Corporation has set up an Emergency Employee Response Liaison Committee as a forum for discussions on how employees will respond in the event of a weather disaster. In preparedness for such a disaster, Nippon COMSYS has implemented measures such as drawing up disaster manuals, conducting simulations, and stockpiling disaster-readiness supplies. During a rainstorm in April, considering the need to ensure a safe commute for employees, the company instructed employees to return home before the full brunt of the storm struck. As a result, all employees made it home without difficulty, while avoiding disruptions in the public transportation system. Nippon COMSYS' response to the rainstorm was covered by the news media.



News media coverage of Nippon COMSYS' response to the rainstorm



The Emergency Employee Response Liaison Committee in session

## SANWA COMSYS Engineering Corporation

### Construction of Access Network Infrastructure for the Tomei Expressway

Efforts are under way at Tomei Expressway to convert road devices installed on the expressway to IP technology. These devices include information boards, surveillance cameras and highway radio.

In this construction project which was commissioned by Central Nippon Expressway Company Limited, an access network was improved by installing IP nodes, the project's main infrastructure, at roughly 1-km intervals along the expressway within the service area of the Shizuoka Maintenance Service Center. The purpose of this work was to build an IP network linking all road devices to be installed on the expressway.

The installation of IP nodes has enabled information from even more devices to be transmitted individually to the Central Control Room. This has allowed the customer to remotely perform intensive monitoring and maintenance tasks.

SANWA COMSYS Engineering Corporation conducted pipe and fiber optic cable installation and connection work needed to construct the above infrastructure.



An installed IP node container unit

## TSUKEN Corporation

### Communication Line Installation Work Completed on the Yubari IC-Shimukappu IC Segment of the Trans-Hokkaido Expressway

TSUKEN Corporation has completed communication line installation work on the Yubari IC-Shimukappu IC segment of the Trans-Hokkaido Expressway. Commissioned by East Nippon Expressway Company Limited, the project took about a year beginning in November 2010. The company laid fiber optic and metal cable, while installing 201 emergency telephones and 122 emergency telephone booths, along a roughly 35-km long stretch of the expressway. In recognition of the outstanding quality assurance of this project, TSUKEN Corporation received an award for excellence in construction project quality assurance.



# Consolidated Balance Sheets

COMSYS Holdings Corporation and Consolidated Subsidiaries  
As of March 31, 2011 and 2012

	Millions of yen	
	2011	2012
<b>ASSETS</b>		
<b>Current Assets:</b>		
Cash and cash equivalents	¥ 18,265	¥ 33,489
Notes and accounts receivable—trade	102,993	81,853
Lease investment assets	2,287	2,542
Marketable securities	159	59
Accumulated cost of construction in progress	14,539	15,087
Real estate for sale	3,257	18
Merchandise	986	1,352
Materials and supplies	691	651
Deferred income taxes	3,053	3,495
Other current assets	3,820	3,233
Less: Allowance for doubtful receivables	(194)	(137)
Total current assets	149,858	141,646
<b>Fixed assets:</b>		
Property and equipment:		
Buildings and structures	45,798	45,620
Less: Accumulated depreciation	(21,288)	(22,535)
Buildings and structures, net	24,510	23,085
Machinery, vehicles and equipment	22,252	20,074
Less: Accumulated depreciation	(16,164)	(14,956)
Machinery, vehicles and equipment, net	6,088	5,118
Land	33,126	34,391
Lease assets	70	92
Less: Accumulated depreciation	(28)	(48)
Lease assets, net	42	43
Construction in progress	1	936
Total property and equipment	63,769	63,575
Intangible assets	2,677	3,802
Investments and other assets:		
Investment securities	7,128	7,228
Long-term loans receivable	1,980	1,759
Prepaid pension cost	4,407	4,077
Deferred income taxes	3,709	2,410
Other assets	6,039	5,689
Less: Allowance for doubtful receivables	(2,136)	(2,055)
Total investments and other assets	21,129	19,110
Total fixed assets	87,577	86,488
<b>Total assets</b>	<b>¥237,436</b>	<b>¥228,135</b>



	Millions of yen	
	2011	2012
<b>LIABILITIES</b>		
<b>Current liabilities:</b>		
Accounts payable—trade	¥ 46,716	¥ 39,891
Short-term bank loans	8,124	1,520
Income taxes payable	2,261	3,795
Advances received on construction in progress	1,228	1,448
Allowance for warranty work on construction projects	134	131
Allowance for losses on construction contracts	24	1,057
Other current liabilities	7,431	7,637
Total current liabilities	65,921	55,482
<b>Long-term liabilities:</b>		
Long-term debt	49	—
Deferred income taxes	1,205	333
Deferred tax liabilities for unrealized gains on land revaluation	1,865	1,662
Accrued severance indemnities	5,796	5,426
Allowance for directors' retirement benefits	302	266
Other long-term liabilities	526	388
Total long-term liabilities	9,746	8,078
<b>Total liabilities</b>	<b>75,667</b>	<b>63,560</b>
<b>NET ASSETS</b>		
<b>Shareholders' equity:</b>		
Common stock	10,000	10,000
Additional paid-in capital	55,346	55,374
Retained earnings	119,194	123,611
Treasury stock, at cost	(14,870)	(17,504)
Total shareholders' equity	169,671	171,481
<b>Accumulated other comprehensive income:</b>		
Unrealized gain (loss) on other securities	(374)	115
Unrealized gain (loss) on land revaluation	(8,453)	(8,090)
Total accumulated other comprehensive income	(8,827)	(7,974)
<b>Subscription rights to shares</b>	<b>364</b>	<b>430</b>
<b>Minority interests</b>	<b>560</b>	<b>637</b>
<b>Total net assets</b>	<b>161,768</b>	<b>164,574</b>
<b>Total liabilities and net assets</b>	<b>¥237,436</b>	<b>¥228,135</b>

# Consolidated Statements of Income

COMSYS Holdings Corporation and Consolidated Subsidiaries  
Years ended March 31, 2011 and 2012

	Millions of yen	
	2011	2012
<b>Net sales</b> .....	¥315,480	¥295,851
<b>Cost of sales</b> .....	284,427	264,733
<b>Gross profits</b> .....	31,052	31,117
<b>Selling, general and administrative expenses</b> .....	19,266	18,525
<b>Operating income</b> .....	11,785	12,592
<b>Other income:</b>		
Interest income .....	68	52
Dividend income .....	136	142
Rent income on noncurrent assets .....	131	127
Other .....	188	214
Total other income .....	525	536
<b>Other expenses:</b>		
Interest expenses .....	22	14
Foreign exchange losses .....	40	31
Rental expenses .....	14	46
Provision for allowance for doubtful receivables .....	48	—
Other .....	44	67
Total other expenses .....	170	159
<b>Recurring profit</b> .....	12,140	12,969
<b>Extraordinary income:</b>		
Gain on sales of fixed assets .....	108	54
Gain on sales of investment securities .....	67	35
Reversal of allowance for doubtful receivables .....	116	—
Gain on payback of insurance payments .....	232	156
Gain on negative goodwill .....	7,543	—
Other .....	24	4
Total extraordinary income .....	8,091	251
<b>Extraordinary loss:</b>		
Write-down on investments in securities .....	675	479
Loss on sales of fixed assets .....	108	145
Loss on disposal of fixed assets .....	182	73
Loss on impairment of fixed assets .....	1,841	4
Special payments on employees' retirement benefits .....	1,246	61
Write-down on software .....	3,827	—
Other .....	1,156	189
Total extraordinary loss .....	9,038	953
<b>Income before income taxes and other adjustments to net income</b> .....	11,193	12,267
<b>Income taxes:</b>		
Current .....	3,636	5,362
Deferred .....	(2,077)	(348)
Total income taxes .....	1,558	5,013
<b>Income before minority interests</b> .....	9,634	7,253
<b>Minority interests</b> .....	90	79
<b>Net income</b> .....	¥ 9,543	¥ 7,173

# Consolidated Statements of Changes in Net Assets

COMSYS Holdings Corporation and Consolidated Subsidiaries  
Years ended March 31, 2011 and 2012

	Millions of yen	
	2011	2012
<b>Shareholders' equity:</b>		
<b>Common stock:</b>		
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
<b>Additional paid-in capital:</b>		
Balance at the end of the previous period . . . . .	57,016	55,346
Changes during the period		
Disposal of treasury stock . . . . .	(1,670)	27
Total changes during the period . . . . .	(1,670)	27
Balance at the end of the period . . . . .	55,346	55,374
<b>Retained earnings:</b>		
Balance at the end of the previous period . . . . .	111,605	119,194
Changes during the period		
Cash dividends . . . . .	(2,511)	(2,597)
Net income . . . . .	9,543	7,173
Reversal of unrealized gain (loss) on land revaluation . . . . .	556	(159)
Total changes during the period . . . . .	7,588	4,417
Balance at the end of the period . . . . .	119,194	123,611
<b>Treasury stock, at cost:</b>		
Balance at the end of the previous period . . . . .	(19,522)	(14,870)
Changes during the period		
Repurchase of treasury stock . . . . .	(3,002)	(3,000)
Disposal of treasury stock . . . . .	8,060	366
Changes of scope of consolidation . . . . .	(406)	—
Total changes during the period . . . . .	4,652	(2,634)
Balance at the end of the period . . . . .	(14,870)	(17,504)
<b>Total shareholders' equity:</b>		
Balance at the end of the previous period . . . . .	159,100	169,671
Changes during the period		
Cash dividends . . . . .	(2,511)	(2,597)
Net income . . . . .	9,543	7,173
Repurchase of treasury stock . . . . .	(3,002)	(3,000)
Disposal of treasury stock . . . . .	6,390	393
Changes of scope of consolidation . . . . .	(406)	—
Reversal of unrealized gain (loss) on land revaluation . . . . .	556	(159)
Total changes during the period . . . . .	10,570	1,810
Balance at the end of the period . . . . .	169,671	171,481

	Millions of yen	
	2011	2012
<b>Accumulated other comprehensive income:</b>		
<b>Unrealized gain (loss) on other securities:</b>		
Balance at the end of the previous period	¥ (443)	¥ (374)
Changes during the period		
Net changes during the period except for shareholders' equity	69	490
Total changes during the period	69	490
Balance at the end of the period	(374)	115
<b>Unrealized gain (loss) on land revaluation:</b>		
Balance at the end of the previous period	(7,896)	(8,453)
Changes during the period		
Net changes during the period except for shareholders' equity	(556)	362
Total changes during the period	(556)	362
Balance at the end of the period	(8,453)	(8,090)
<b>Total accumulated other comprehensive income:</b>		
Balance at the end of the previous period	(8,340)	(8,827)
Changes during the period		
Net changes during the period except for shareholders' equity	(486)	852
Total changes during the period	(486)	852
Balance at the end of the period	(8,827)	(7,974)
<b>Subscription rights to shares:</b>		
Balance at the end of the previous period	249	364
Changes during the period		
Net changes during the period except for shareholders' equity	114	66
Total changes during the period	114	66
Balance at the end of the period	364	430
<b>Minority interests:</b>		
Balance at the end of the previous period	759	560
Changes during the period		
Net changes during the period except for shareholders' equity	(198)	76
Total changes during the period	(198)	76
Balance at the end of the period	560	637
<b>Total net assets:</b>		
Balance at the end of the previous period	151,768	161,768
Changes during the period		
Cash dividends	(2,511)	(2,597)
Net income	9,543	7,173
Repurchase of treasury stock	(3,002)	(3,000)
Disposal of treasury stock	6,390	393
Changes of scope of consolidation	(406)	—
Reversal of unrealized gain (loss) on land revaluation	556	(159)
Net changes during the period except for shareholders' equity	(571)	995
Total changes during the period	9,999	2,806
Balance at the end of the period	¥161,768	¥164,574



# Consolidated Statements of Cash Flows

COMSYS Holdings Corporation and Consolidated Subsidiaries  
Years ended March 31, 2011 and 2012

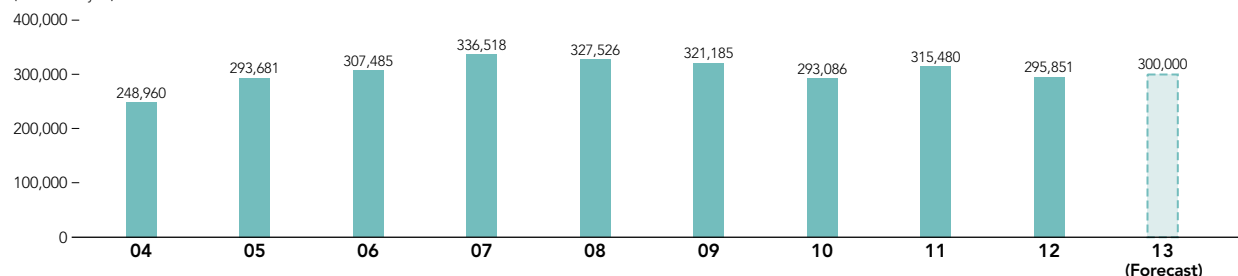
	Millions of yen	
	2011	2012
<b>Cash flows from operating activities:</b>		
Income before income taxes and other adjustments to net income	¥ 11,193	¥ 12,267
Depreciation and amortization	5,043	4,640
Loss on impairment of fixed assets	1,841	4
Write-down of investments in securities	675	479
Decrease in allowance for doubtful receivables	(263)	(126)
Decrease in accrued severance indemnities	(235)	(369)
Interest and dividends received	(205)	(194)
Interest expenses	22	14
(Increase) decrease in receivables—trade	(15,297)	21,250
Decrease in inventories	3,346	2,255
(Decrease) increase in payables—trade	2,425	(6,831)
Decrease (increase) in other assets	(1,078)	718
Increase (decrease) in other liabilities	(2,687)	1,279
Gain on negative goodwill	(7,543)	—
Write-down on software	3,827	—
Other, net	171	108
	1,237	35,496
Cash and cash equivalents received on interest and dividends income	205	195
Cash and cash equivalents paid for interest expenses	(22)	(12)
Cash and cash equivalents paid for income taxes	(3,006)	(3,945)
Net cash provided by operating activities	(1,585)	31,734
<b>Cash flows from investing activities:</b>		
Decrease in time deposits, net	60	603
Payment for purchases of investment securities	(162)	(22)
Proceeds from sale of investment securities	239	132
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	—
Proceeds from sale of stocks of subsidiaries	62	—
Acquisitions of property and equipment	(6,162)	(4,076)
Acquisitions of other assets	(822)	(1,960)
Proceeds from sale of property	1,783	482
Increase in long-term loans	(192)	(3)
Collection of long-term loans	633	497
Other, net	55	331
Net cash used in investing activities	(3,418)	(4,015)
<b>Cash flows from financing activities:</b>		
(Decrease) increase in short-term borrowings, net	5,887	(6,260)
Proceeds from long-term loans payable	30	—
Repayment of long-term debt	(742)	(393)
Acquisitions of treasury stock	(3,002)	(3,000)
Proceeds from sale of treasury stock	0	378
Cash dividends paid	(2,511)	(2,597)
Cash dividends paid to minority shareholders	(4)	(2)
Repayment of financial lease	(21)	(26)
Net cash used in financing activities	(364)	(11,901)
<b>Effect of exchange rate changes on cash and cash equivalents</b>	(0)	1
<b>Net increase (decrease) in cash and cash equivalents</b>	(5,369)	15,818
<b>Cash and cash equivalents at beginning of year</b>	23,005	17,635
<b>Cash and cash equivalents at end of year</b>	¥ 17,635	¥ 33,454

# Summary of Business Results and Financial Data Since its Establishment

Years ended March 31

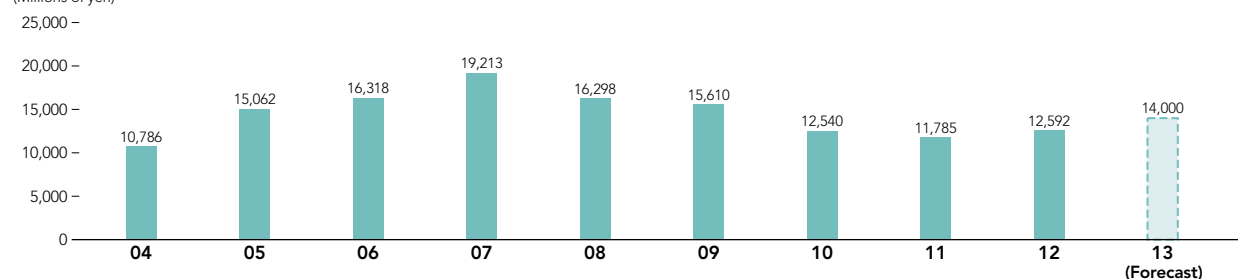
## Net Sales

(Millions of yen)



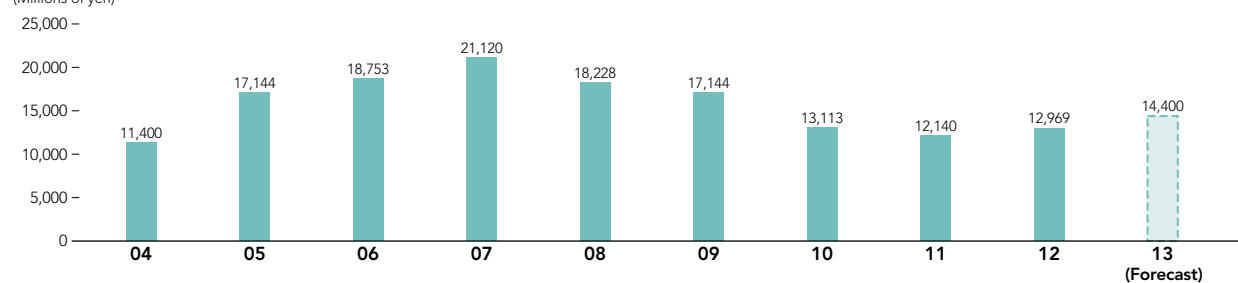
## Operating Income

(Millions of yen)



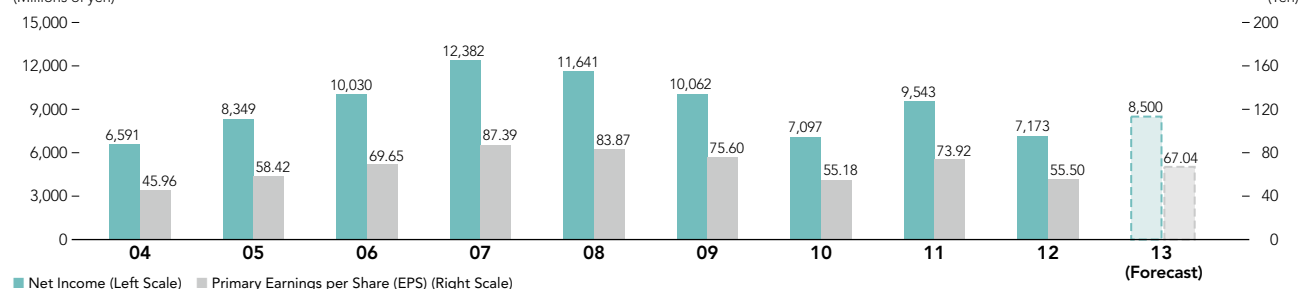
## Recurring Profit

(Millions of yen)



## Net Income/Primary Earnings per Share (EPS)

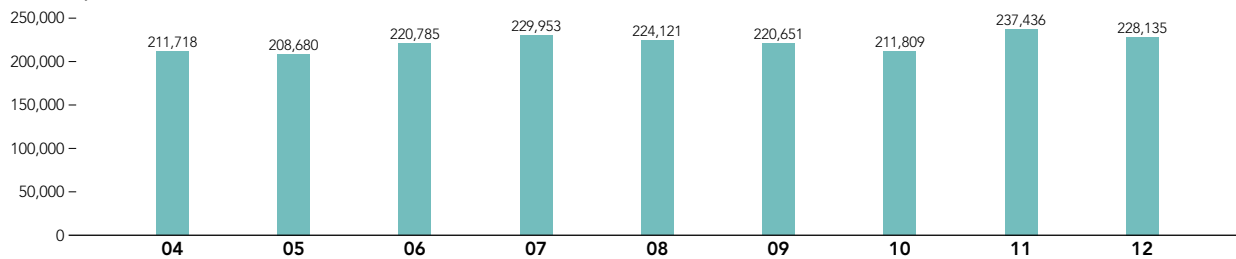
(Millions of yen)



■ Net Income (Left Scale) ■ Primary Earnings per Share (EPS) (Right Scale)

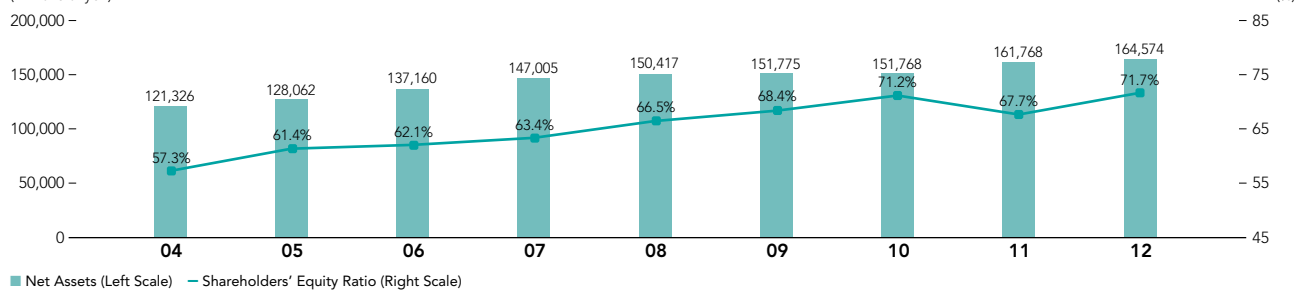
## Total Assets

(Millions of yen)



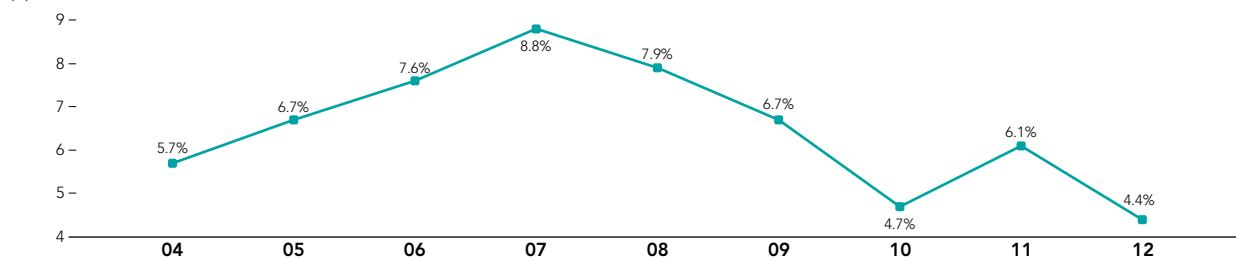
## Net Assets/Shareholders' Equity Ratio

(Millions of yen)



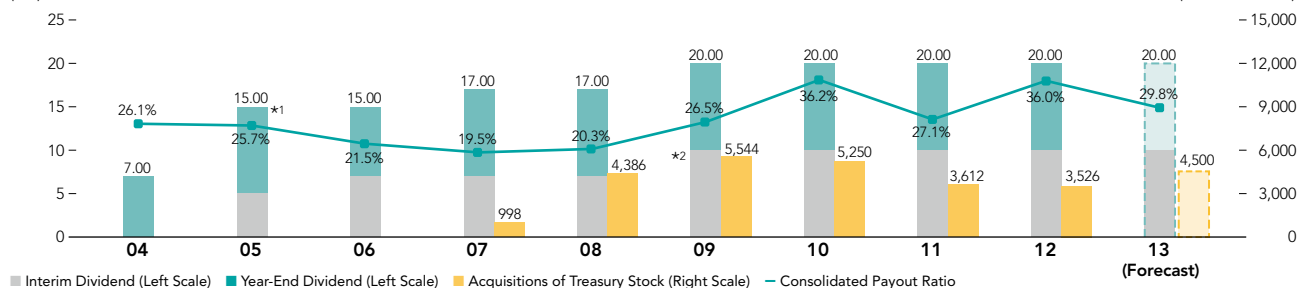
## Return on Equity (ROE)

(%)



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

(Yen)



\*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.

# COMSYS Holdings Information

## Corporate Data

As of March 31, 2012

### 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:

September 29, 2003

### Paid-in Capital:

¥10 billion

### Number of Employees:

9,758 (Consolidated)

## Directors and Auditors

As of June 28, 2012

### President and Representative Director

Hajime Takashima

*(President and Representative Director of Nippon COMSYS Corporation)*

### Directors

Noriaki Itoh

*(Executive Vice President of Nippon COMSYS Corporation)*

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

Takeshi Gotoh

### Corporate Auditor

Akiyoshi Sekiguchi

*(Standing Auditor)*

### Auditors

Hideki Niimi

Masahiko Miyashita\*

Masahiro Takeshita\*

Kichiroh Akino\*

\* Outside auditors

( ): Concurrent positions held

## Corporate History

### October 2010

Management integration of TSUKEN Corporation.

### June 2009

Minimum share purchase unit reduced from 1,000 shares 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

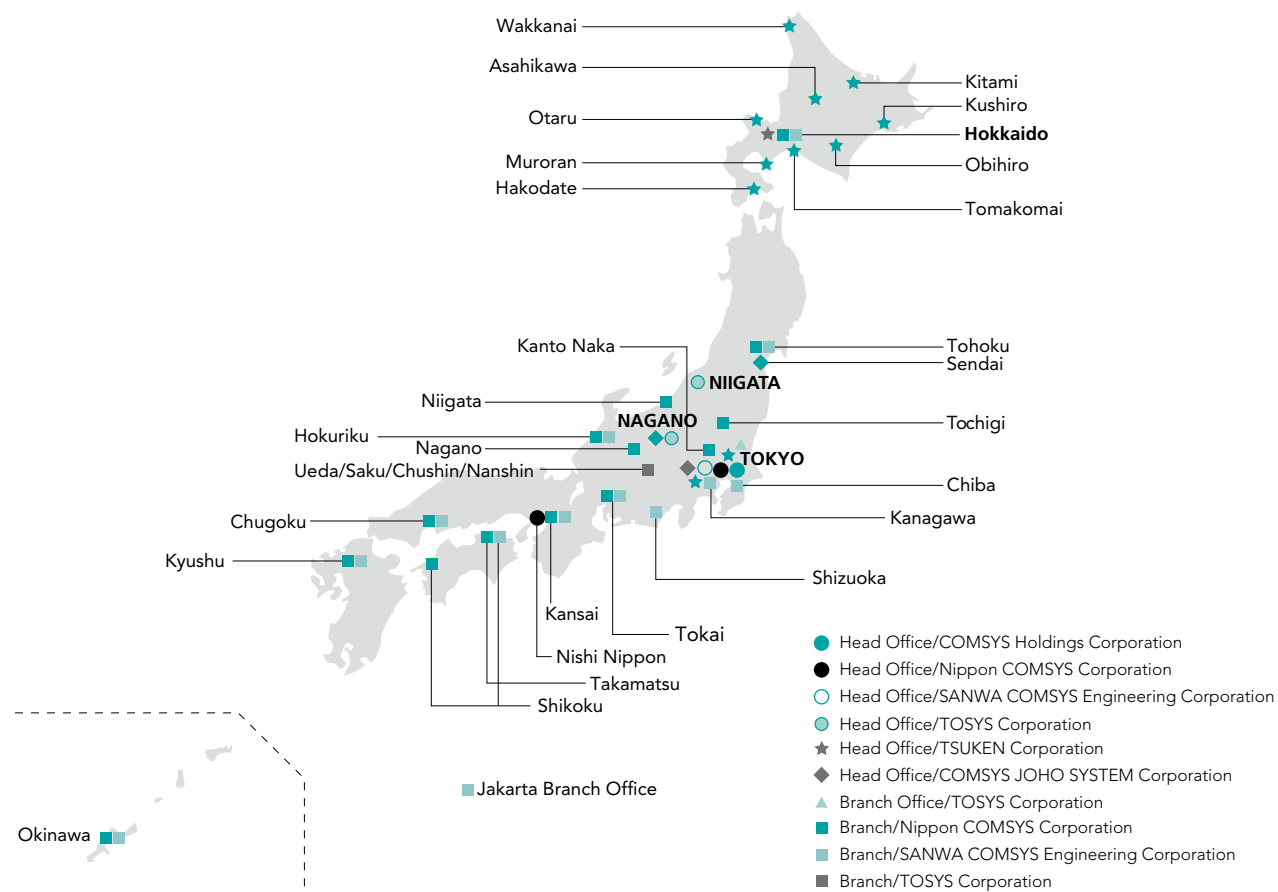
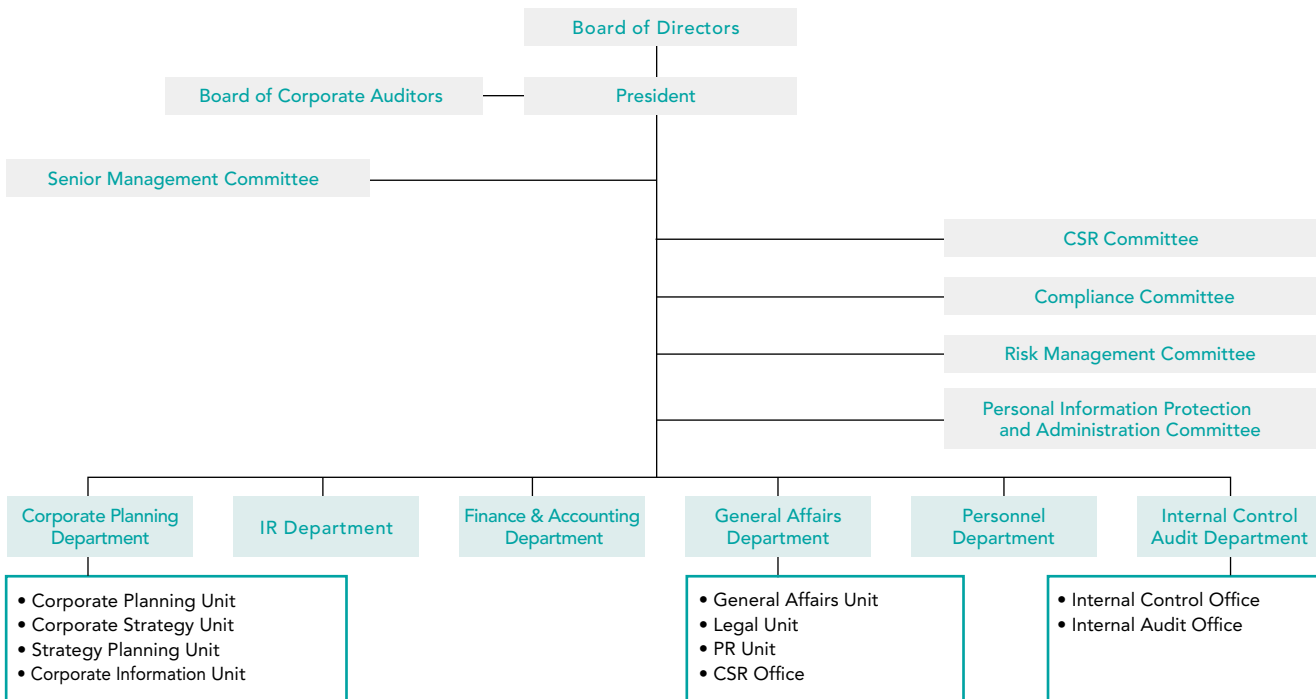
Nippon COMSYS Corporation celebrated its 50th founding anniversary.

### July 1990

The Company was renamed Nippon COMSYS Corporation.

## Organization Chart

As of June 28, 2012





## Our Group Formation

The COMSYS Group's (COMSYS Holdings and its 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 2012, 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	4,683
Non-Consolidated	3,212

#### 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	1,540
Non-Consolidated	776

#### 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 City,  
Nagano 381-0193, Japan

#### Establishment:

January 1960

#### Number of Employees:

Consolidated	1,037
Non-Consolidated	699

#### URL:

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

#### Number of Consolidated

#### Subsidiaries:

4 companies

#### Consolidated Subsidiaries:

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

## TSUKEN Corporation

**Address:**

6-8, Hondori 19-chome Minami,  
Shiraishi-ku,  
Hokkaido 003-0026, Japan

**Establishment:**

April 1951

**Number of Employees:**

Consolidated	1,808
Non-Consolidated	478

**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-Sepia Co., Ltd.  
TSUKEN Hartec Corporation  
TSUKEN Douou Engineering Corporation  
Hokutoudensetsu Corporation  
TSUKEN Douhoku Engineering 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	502
Non-Consolidated	364

**URL:**

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

**Number of Consolidated****Subsidiaries:**

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	144
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**URL:**

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

# Investor Information

## Fiscal Year-End:

March 31, 2012

## Annual Shareholders' Meeting:

June 28, 2012

## Common Stock:

Authorized: 580,000,000 shares

Issued: 145,977,886 shares

## Number of Shareholders:

10,914

## Date of Listing:

September 2003

## Stock Exchange Listings:

First Section of the Tokyo Stock Exchange

and Osaka Securities Exchange

(Securities code: 1721)

## Transfer Agent:

Mitsubishi UFJ Trust and Banking Corporation

Securities Department

10-11, Higashisuna 7-chome, Koto-ku, Tokyo 137-8081

## Auditor:

GYOSEI & CO.

## For Further Information on 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 March 31, 2012

Shareholders	Shares Held (Thousands)	Percentage of Total (%)
Japan Trustee Services Bank, Ltd. (Trust Account)	12,328	8.44
The Master Trust Bank of Japan, Ltd. (Trust Account)	10,264	7.03
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. Retrust Account, Sumitomo Electric Industries, Ltd. Employee Pension Trust Account)	5,166	3.53
Trust & Custody Services Bank, Ltd. (Investment Trust Account)	3,441	2.35
Japan Trustee Services Bank, Ltd. (Trust Account 9)	3,025	2.07
Nippon Life Insurance Company	2,977	2.04
JPMorgan Securities Japan Co., Ltd.	2,830	1.93
Bank of New York GCM Client Account JPRD ISG (FE-AC)	2,039	1.39
COMSYS Holdings Corporation Employee Shareholder Association	1,873	1.28

## Composition of Shareholders:

As of March 31, 2012



## Stock Price Range and Monthly Trading Volume

