

## COMSYS Holdings Corporation

### Consolidated Financial Results for the Second Quarter Ended September 30, 2011 Under Japanese GAAP

Head Office: 17-1, Higashigotanda 2-chome, Shinagawa-ku, Tokyo 141-8647, Japan  
 Stock Exchange Listings: First Section of Tokyo Stock Exchange and Osaka Securities Exchange (Securities code: 1721)  
 URL: <http://www.comsys-hd.co.jp>  
 Representative: Hajime Takashima, President and Representative Director  
 For Inquiry: Yoshihiro Mimata, Director and General Manager of Finance & Accounting Department (Telephone:81-3-3448-7000)  
 Scheduled Filing of Quarterly Securities Report: November 14, 2011  
 Scheduled Commencement of Dividend Payment: December 5, 2011  
 Supplementary Materials on Quarterly Results: Attached  
 IR Presentation on Quarterly Results: Scheduled (For Institutional Investors and Analysts)

Amounts less than one million yen have been omitted.

#### 1. Consolidated Financial Results (for the six months ended September 30, 2011)

##### (1) Consolidated Operating Results

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

	Net Sales		Operating Income		Recurring Profit		Net Income	
	Amount	Change (%)	Amount	Change (%)	Amount	Change (%)	Amount	Change (%)
Six months ended September 30, 2011	¥125,150	4.3%	¥2,059	23.3%	¥2,342	27.5%	¥802	—%
Six months ended September 30, 2010	120,040	(2.2)	1,670	(40.7)	1,837	(40.4)	(2,032)	—

Notes: 1. Comprehensive income (loss): Six months ended September 30, 2011: ¥1,037 million [—%] Six months ended September 30, 2010: ¥(2,002) million [—%]  
 2. Percentages indicate the percentage change from the corresponding period of the previous fiscal year.

	Net Income per Share	Net Income per Share (Diluted)
Six months ended September, 2011	¥ 6.18	¥6.17
Six months ended September, 2010	(16.16)	—

##### (2) Consolidated Financial Position

(Millions of yen, except percentages)

	Total Assets	Net Assets	Equity Ratio
As of September 30, 2011	¥207,831	¥161,541	77.3%
As of March 31, 2011	237,436	161,768	67.7

(Reference) Shareholders' Equity: As of September 30, 2011: ¥160,616 million As of March 31, 2011: ¥160,843 million

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

(Yen)

	Cash Dividends per Share over the Fiscal Year				
	End of 1st Quarter	End of 2nd Quarter	End of 3rd Quarter	Year-End	Annual
Year ended March 31, 2011	¥ —	¥10.00	¥ —	¥10.00	¥20.00
Year ending March 31, 2012	—	10.00	—	—	—
Year ending March 31, 2012 (Forecast)	—	—	—	10.00	20.00

Note: Most recently announced revisions to dividend forecast: No

#### 3. Consolidated Earnings Forecast (for the fiscal year ending March 31, 2012)

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

	Net Sales		Operating Income		Recurring Profit		Net Income		Net Income per Share
	Amount	Change (%)	Amount	Change (%)	Amount	Change (%)	Amount	Change (%)	Amount
Year ending March 31, 2012	¥308,000	(2.4)%	¥12,300	4.4%	¥12,800	5.4%	¥7,300	(23.5)%	¥56.21

Notes: 1. Most recently announced revisions to consolidated earnings forecast: No  
 2. For fiscal-year figures, percentages indicate the percentage change from the previous fiscal year.

**4. Other**

(1) Changes in significant subsidiaries during the period under review (changes to subsidiaries that would alter the scope of consolidation): No

(2) Adoption of accounting methods specific to quarterly consolidated financial statements: No

(3) Changes in accounting policies, changes in accounting estimates and restatements of prior period financial statements due to error correction

a) Changes in accounting policies due to revisions of accounting standards: Yes

b) Changes in accounting policies due to other reasons: No

c) Changes in accounting estimates: No

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

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

	<u>As of September 30, 2011</u>	<u>As of March 31, 2011</u>
a) Number of shares issued (including treasury stock)	145,977,886 shares	145,977,886 shares
b) Number of treasury stock	16,074,852 shares	16,124,888 shares
	<u>Six months ended September 30, 2011</u>	<u>Six months ended September 30, 2010</u>
c) Average number of shares issued in the period	129,878,855 shares	125,715,730 shares

*\*Statement regarding the Implementation Status of Quarterly Review Procedures*

*This Consolidated Financial Results report is not subject to the quarterly review procedures prescribed under the Financial Instruments and Exchange Act. At the time of disclosing the quarterly consolidated financial results report, however, quarterly financial statement review procedures have not been completed.*

*\*Disclaimer concerning the Proper Use of Business Results Forecasts and Other Relevant Specific Items*

*Forward-looking statements including earnings forecasts contained in this document are based on certain reasonable assumptions and beliefs in light of information currently available to management. Readers are advised that actual results may differ materially from forecasts due to a variety of factors. With respect to the conditions that underpin earnings forecasts as well as cautionary statements regarding the proper use of earnings forecasts, please refer to "Qualitative Information Regarding Consolidated Earnings Forecast" of this Consolidated Financial Results report in the Accompanying Materials section on page 3.*

## *Accompanying Materials*

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

#### ***(1) Qualitative Information Regarding Consolidated Operating Results***

During the first half (April 1, 2011 to September 30, 2011) of the fiscal year ending March 31, 2012, the Japanese economy remained shrouded in uncertainty. Despite signs of a recovery on the back of ongoing efforts to rebuild a supply chain that remains in disarray as a result of damage caused by the Great East Japan Earthquake and the positive effects of wide-ranging government measures aimed at stimulating the economy, this uncertainty was largely attributable to restrictions on the supply of electric power, appreciation in the value of the yen and fluctuations in share prices.

In the information and telecommunications field, the COMSYS Group's principal area of activity, growth was evident in next-generation network (NGN) services. In addition to the development of new services focusing mainly on smart phones, steps were taken to promote the repair and restoration of communication infrastructure in regions devastated by the Great East Japan Earthquake.

Under these circumstances, operating results for the first half of the fiscal year under review were mixed. On the one hand, orders received declined 1.2% compared with the corresponding period of the previous fiscal year to ¥144,629 million. This primarily reflected the drop in capital investment by the private sector as a result of the earthquake disaster and completion of a round of IRU construction work and terrestrial digital broadcasting-related activity. On the other hand, net sales climbed 4.3% year on year to ¥125,150 million. Despite the impact of delays in the completion of construction work due mainly to the earthquake and the drop in private-sector capital investment, sales growth was largely attributable to contributions from management integration with TSUKEN Corporation.

From a profit perspective, the COMSYS Group worked diligently to increase productivity and reduce operating expenses as a part of its structural reform measures. Results were further bolstered by the positive effects of initiatives implemented during the fiscal year ended March 31, 2011 aimed at strengthening the Group's operating platform. As a result, the COMSYS Group recorded operating income of ¥2,059 million, an increase of 23.3% year on year. Net income for the period under review amounted to ¥802 million compared with the net loss of ¥2,032 million in the corresponding period of the previous fiscal year.

#### ***(2) Qualitative Information Regarding Consolidated Financial Position***

Total assets as of September 30, 2011 stood at ¥207,831 million, a decrease of ¥29,604 million compared with the end of the previous fiscal year. This mainly reflected the drop in notes and accounts receivable – trade. Total liabilities contracted ¥29,377 million compared with the previous fiscal year-end to ¥46,289 million due largely to the drop in accounts payable – trade. Net assets as of September 30, 2011 stood at ¥161,541 million, down ¥227 million compared with March 31, 2011.

Accounting for each of the aforementioned factors, the equity ratio improved 9.6 percentage points compared with the end of the previous fiscal year to 77.3%.

#### ***(3) Qualitative Information Regarding Consolidated Earnings Forecast***

Turning to the consolidated earnings forecast for the full fiscal year ending March 31, 2012, there are no changes to data and information announced on May 11, 2011

## 2. Quarterly Consolidated Financial Statements

### (1) Consolidated Balance Sheets

	Millions of yen	
	As of March 31, 2011	As of September 30, 2011
<b>ASSETS</b>		
<b>Current assets:</b>		
Cash and cash equivalents	18,265	34,824
Notes and accounts receivable—trade	102,993	50,442
Inventories:		
Accumulated cost of construction in progress	14,539	22,595
Other	4,935	5,524
Other current assets	9,320	7,853
Less: Allowance for doubtful receivables	(194)	(131)
<b>Total current assets</b>	<b>149,858</b>	<b>121,108</b>
<b>Fixed assets:</b>		
<b>Property and equipment:</b>		
Buildings and structures, net	24,510	23,891
Land	33,126	33,265
Other, net	6,132	5,803
<b>Total property and equipment</b>	<b>63,769</b>	<b>62,960</b>
Intangible fixed assets	2,677	3,436
<b>Investments and other assets:</b>		
Investment securities	7,128	6,990
Other assets	16,137	15,308
Less: Allowance for doubtful receivables	(2,136)	(1,973)
<b>Total investments and other assets</b>	<b>21,129</b>	<b>20,325</b>
<b>Total fixed assets</b>	<b>87,577</b>	<b>86,722</b>
<b>Total assets</b>	<b>237,436</b>	<b>207,831</b>

	Millions of yen	
	As of March 31, 2011	As of September 30, 2011
<b>LIABILITIES</b>		
<b>Current liabilities:</b>		
Accounts payable—trade	46,716	28,476
Short-term bank loans	8,124	169
Income taxes payable	2,261	583
Advances received on construction in progress	1,228	2,609
Allowances	221	256
Other current liabilities	7,369	4,763
<b>Total current liabilities</b>	<b>65,921</b>	<b>36,857</b>
<b>Long-term liabilities:</b>		
Deferred tax liabilities for unrealized gains on land revaluation	1,865	1,865
Accrued severance indemnities	5,796	5,704
Allowance for directors' retirement benefits	302	219
Other long-term liabilities	1,781	1,642
<b>Total long-term liabilities</b>	<b>9,746</b>	<b>9,432</b>
<b>Total liabilities</b>	<b>75,667</b>	<b>46,289</b>
<b>NET ASSETS</b>		
<b>Shareholders' equity:</b>		
Common stock	10,000	10,000
Additional paid-in capital	55,346	55,336
Retained earnings	119,194	118,698
Treasury stock, at cost	(14,870)	(14,821)
<b>Total shareholders' equity</b>	<b>169,671</b>	<b>169,212</b>
<b>Accumulated other comprehensive income:</b>		
Unrealized gain (loss) on other securities	(374)	(143)
Unrealized loss on land revaluation	(8,453)	(8,453)
<b>Total accumulated other comprehensive income</b>	<b>(8,827)</b>	<b>(8,596)</b>
<b>Subscription rights to shares</b>	<b>364</b>	<b>363</b>
<b>Minority interests</b>	<b>560</b>	<b>561</b>
<b>Total net assets</b>	<b>161,768</b>	<b>161,541</b>
<b>Total liabilities and net assets</b>	<b>237,436</b>	<b>207,831</b>

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

	Millions of yen	
	Six months ended September 30, 2010	Six months ended September 30, 2011
<b>Net sales</b>	120,040	125,150
<b>Cost of sales</b>	109,299	113,619
<b>Gross profits</b>	10,740	11,530
<b>Selling, general and administrative expenses</b>	9,070	9,470
<b>Operating income</b>	1,670	2,059
<b>Other income:</b>		
Interest income	36	29
Dividend income	91	95
Rent income on noncurrent assets	27	65
Reversal of allowance for doubtful receivables	—	165
Other	67	78
<b>Total other income</b>	<b>223</b>	<b>434</b>
<b>Other expenses:</b>		
Interest expenses	1	10
Foreign exchange losses	47	94
Other	8	46
<b>Total other expenses</b>	<b>56</b>	<b>151</b>
<b>Recurring profit</b>	<b>1,837</b>	<b>2,342</b>
<b>Extraordinary income:</b>		
Reversal of allowance for doubtful receivables	119	—
Gain on payback of insurance payments	201	69
Other	116	17
<b>Total extraordinary income</b>	<b>437</b>	<b>87</b>
<b>Extraordinary loss:</b>		
Loss on disposal of fixed assets	58	14
Write-down on investments in securities	268	506
Special payments on employees' retirement benefits	111	32
Write-down on software	3,643	—
Other	494	47
<b>Total extraordinary loss</b>	<b>4,576</b>	<b>601</b>
<b>Income (loss) before income taxes and other adjustments to net income</b>	<b>(2,302)</b>	<b>1,829</b>
<b>Income taxes:</b>		
Current	290	423
Deferred	(641)	598
<b>Total income taxes</b>	<b>(350)</b>	<b>1,022</b>
<b>Income (loss) before minority interests</b>	<b>(1,951)</b>	<b>806</b>
<b>Minority interests</b>	<b>80</b>	<b>4</b>
<b>Net income (loss)</b>	<b>(2,032)</b>	<b>802</b>

## Consolidated Statements of Comprehensive Income

	Millions of yen	
	Six months ended September 30, 2010	Six months ended September 30, 2011
<b>Income (loss) before minority interests</b>	(1,951)	806
<b>Other comprehensive income:</b>		
Unrealized gain (loss) on other securities	(50)	230
Total other comprehensive income	(50)	230
<b>Comprehensive income</b>	(2,002)	1,037
(Breakdown)		
Comprehensive income attributable to owners of the parent	(2,080)	1,033
Comprehensive income attributable to minority interests	77	3