



Financial Results for Fiscal Year Ended March 31, 2005

May 25, 2005

COMSYS Holdings Corporation

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I. Summary of Financial Results for Fiscal Year Ended March 31, 2005

1. Compared to Previous Year (12 Months)

2. Compared to Plan (15 Months)

I-1. Compared to Previous Year (12 Months)

— *Net Sales Up 6.9%, Profit Up 40.6%* —

(Unit: ¥100 million)

	Financial results for year ended March 31, 2004		Financial results for year ended March 31, 2005		Change	Percent change
	Simple totals		Simple totals (12 months)			
Orders Received	2,702		2,918		+216	+8.0%
Net Sales	2,762		2,953		+191	+6.9%
Operating Income (Operating Margin)	98	(3.6%)	138	(4.7%)	+40	+40.6%
Recurring Profit (Recurring Profit Margin)	104	(3.8%)	160	(5.4%)	+56	+53.2%
Net Income (Net Profit Margin)	47	(1.7%)	88	(3.0%)	+41	+85.3%

Note: For purposes of comparison, the figures above are simple total figures for the three group companies on a full-year base (fiscal year ended March 31, 2004 is for 12 months for SANWA group and TOSYS group, including first half). For purposes of comparison, actual results for the fiscal year ended March 31, 2005 are for the 12 months excluding the three months accompanying the change in the settlement period for the consolidated subsidiaries of Nippon COMSYS.

☆ Net Sales Up ¥19.1 Billion Year-on-year

- ① NTT and DoCoMo business both strong (up ¥15.7 billion)
- ② Non-NTT business overall emerged from slump (up ¥3.4 billion)
 - NCC business strong (particularly mobile construction)
 - Enterprise-related operations up slightly

☆ Operating Income Up ¥4 Billion Year-on-year

- ① Synergy effects due to business reorganization (up ¥1.9 billion)
- ② Effects from management improvements (up ¥2.9 billion)
- ③ Profit growth due to increased net sales (up ¥1 billion)
- ④ Investment in business expansion (¥1.9 billion)

☆ **NB: A radical review of the overseas business was accompanied by an extraordinary loss of about ¥1.1 billion.**

I-2. Compared to Plan (15 Months)

— Substantial Increase in Both Income and Profit —

(Unit: ¥100 million)

	Plan (15 months) (Announced January 27, 2005)		Actual (15 months) (Fiscal year ended March 31, 2005) (Note)		Change	Percent change
Orders Received	2,830		2,873		+43	+1.5%
Net Sales	2,840		2,936		+96	+3.4%
Operating Income (Operating Margin)	125	(4.4%)	150	(5.1%)	+25	+20.5%
Recurring Profit (Recurring Profit Margin)	145	(5.1%)	171	(5.8%)	+26	+18.2%
Net Income (Net Profit Margin)	70	(2.5%)	83	(2.8%)	+13	+19.3%

Note: Amount of impact from three months (January – March) of results at consolidated subsidiaries of Nippon COMSYS

(Orders received +¥2.9 billion) (Net sales +¥4 billion) (Operating income +¥1.1 billion) (Recurring profit +¥1 billion) (Net income +¥0.6 billion)

—Positive Factors for Financial Results—

① Sharp increase in completed NCC construction (mobile and IP-related) at end of fiscal year

② Sharp increase in completed FOMA construction at end of fiscal year

③ Increase in net sales and gross profit due to additional construction



Early completion of construction

and

efforts to reduce costs

II. Medium-term Management Plan

1. Three Pillars of Management Plan

2. Management Targets

— A Separate Briefing on the Details of
the Medium-term Management Plan, Scheduled for Thursday, July 21 —

II-1. Three Pillars of Management Plan

No. 1 Company in Infrastructure Construction

We will strengthen our on-site capabilities as well as further expand our business through the development of a COMSYS-style *kaizen* (continuous improvement).

Aiming to be a Construction-related System Integrator

We will endeavor to transform the company from a construction business to a solutions business based on advanced network technology.

- (i) Product capabilities
- (ii) Proposal capabilities
- (iii) Technical capabilities

Maximizing Effects of Business Integration

We will take utmost advantage of the pure holding company framework.

- (i) Selection and concentration (Reorganization of operating companies)
- (ii) M&A, alliances

II-2. Management Targets

	Fiscal year ended March 31, 2005 Actual (12 months) (Note)	In three years	Fiscal year ending March 31, 2008 Targets	Percent change
◆ Net Sales	¥289.6 billion		¥320 billion	+10.5%
① Share of non-NTT business	43%		(Reference material) 50%	+7 percentage points
② Share of solution business	9%		20%	+11 percentage points
◆ Operating Margin	4.8%		5.5%	+0.7 percentage points
◆ Recurring Profit Margin	5.5%		6.0%	+0.5 percentage points
◆ ROE	6.2%		8.7%	+2.5 percentage points
◆ Net Sales per Employee	¥42 million		¥46 million	+9.5%
◆ Interest-Bearing Debt	¥4.6 billion		¥0.2 billion	-¥4.4 billion
◆ Shareholder Returns	Dividend Annual ¥15/share (Includes ¥3 special dividend) Purchase and retirement of treasury stock About 4.8 million shares acquired		Stable dividend (¥12) + taking business performance into consideration Promoting purchase and retirement of treasury stock	

Note: For purposes of comparison, actual results for the fiscal year ended March 31, 2005 are for the 12 months excluding the three months accompanying the change in the settlement period for the consolidated subsidiaries of Nippon COMSYS.

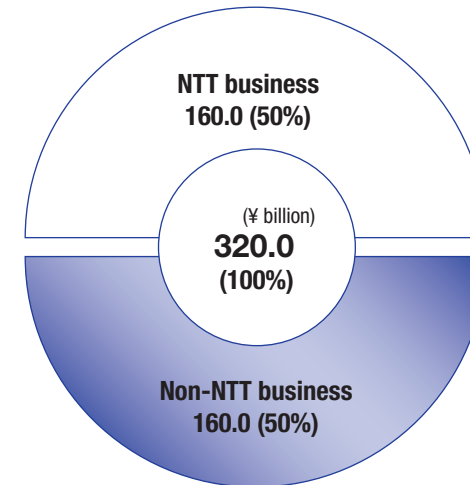
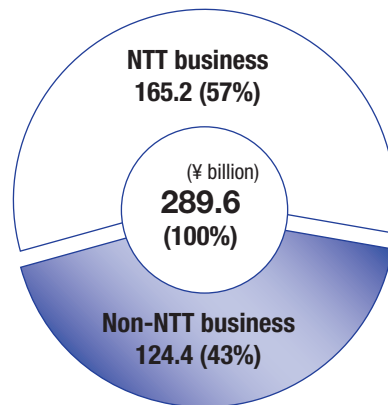
(Reference) Non-NTT Business Market Trends and Sales Plan

Fiscal Year Ended March 31, 2005 (Actual)

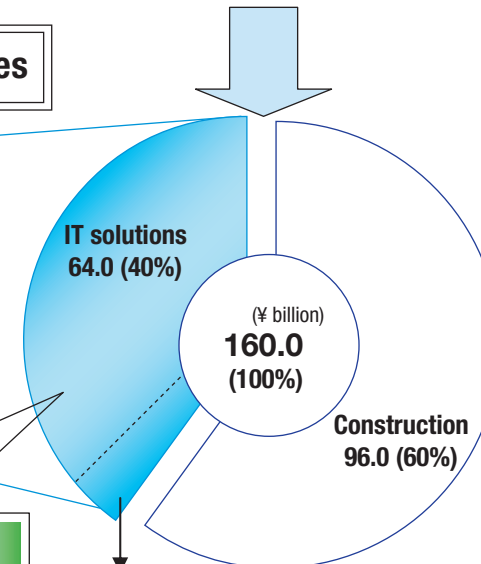
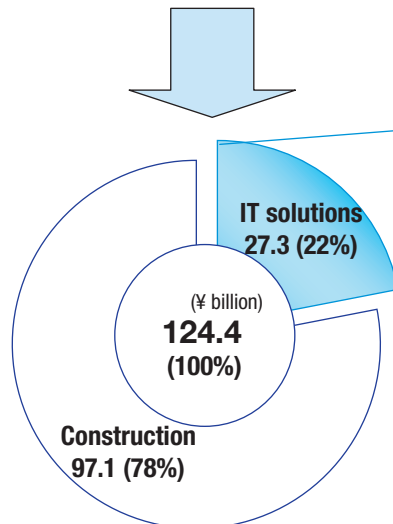
In Three Years

Fiscal Year Ending March 31, 2008 (Plan)

Net Sales (12 months)



Of which, Non-NTT Business Net Sales



Information	IP Telephone	Maintenance	Network Integration
20.0	10.0	10.0	24.0

Note: The IT solutions business also generates construction business.

III. Business Plan for Fiscal Year Ending March 31, 2006

1. Plan

2. Strategy by Business

2-1. NTT Business

2-2. DoCoMo Business

2-3. Non-NTT Business

3. Business Integration Measures

4. Investment in Business Expansion

5. Response to Challenges in Business Environment

III-1. Plan

— Maintaining Sales and Profit Growth —

(Unit: ¥100 million)

	Fiscal year ended March 31, 2005		Fiscal year ending March 31, 2006		Change	Percent change
	Actual (12 months) (Note)		Plan			
Orders Received	2,843		2,950		+107	+3.7%
Net Sales	2,896		2,930		+34	+1.2%
Operating Income (Operating Margin)	138	(4.8%)	145	(4.9%)	+7	+4.0%
Recurring Profit (Recurring Profit Margin)	160	(5.5%)	163	(5.6%)	+3	+1.6%
Net Income (Net Profit Margin)	77	(2.7%)	85	(2.9%)	+8	+10.3%
Management indicators	ROE	6.2%	6.8%		+0.6 percentage points	
	Net sales per Employee	¥42 million	¥44 million		+2	+4.7%
	Interest-Bearing Debt	¥4.6 billion	¥3.0 billion		-16	-34.8%

Note: For purposes of comparison, actual results for the fiscal year ended March 31, 2005 are for the 12 months excluding the three months accompanying the change in the settlement period for the consolidated subsidiaries of Nippon COMSYS.

III-2-1. Strategy by Business (NTT Business)

— Market Growing Slightly —

(1) Sharp Growth in Fiber Optic-related Construction

— Investment flat but construction volume rising —

◆ We will develop a COMSYS-style *kaizen* modeled on Toyota's *kaizen*.

(2) Response to Era of Full-scale IP Network Construction in Two or Three Years

— Development of CCIE engineers: 6 (March 31, 2005) → 70 (March 31, 2008) —

(3) Maintenance Problems will Arise with Existing Facilities in Two or Three Years

— Securing analogue engineers and establishing maintenance system —

III-2-2. Strategy by Business (DoCoMo Business)

— Market Growing Slightly —

(1) “Volume Consumption” of FOMA Base Station Construction is a Pressing Need

— Shift of personnel within COMSYS Holdings and reorganization of cooperating companies —

(2) Response to Decline in Capital Expenditures from Next Fiscal Year

- (i) Expansion of business lines in DoCoMo business
- (ii) Securing IP engineers
- (iii) Response to new business directed by DoCoMo

III-2-3. Strategy by Business (Non-NTT Business)

— Market Expanding —

(1) NCC Business Growing Substantially (Expansion into New Business Territory)

— Establishment of nationwide construction system —

(2) Construction Work

— We will boost cost competitiveness (COMSYS-style *kaizen*) to secure orders. —

(3) Solutions Business

- (i) Product capabilities IP telephone, security, mobile
- (ii) Proposal capabilities Establishment of system that combines network, system, and maintenance technologies
- (iii) Technical capabilities Strengthen training

III-3. Business Integration Measures

(Unit: ¥100 million)

Business Integration Measures		Effect of management improvements	
		Phase 1 – Phase 2 actual Cumulative total through year ended March 31, 2005	Phase 3 plan Cumulative total through year ending March 31, 2006
Phase 1 – Phase 2 → Phase 3 plan			
(1) Results of Selection and Concentration			
<ul style="list-style-type: none"> Integration of NTT business in Tokyo metropolitan area Elimination and consolidation of construction companies: Establishment of Alstar Co., Ltd., and Sun Net Com Co., Ltd. 	<ul style="list-style-type: none"> Integration of NCC business (April 1) Promotion of outsourcing in information business 	5	10
(2) Results from Centralization of Shared Operations			
<ul style="list-style-type: none"> Integration of in-house system Enhancement of COMSYS Shared Services Corporation 	<ul style="list-style-type: none"> Central purchasing COMSYS-style <i>kaizen</i> Integrated operations for real estate usage, etc. 	18	37
(3) Results of M&A and Alliances			
<ul style="list-style-type: none"> Alliances with IT vendors such as Nissho Electronics Corporation Tie-up with Unique Link with the aim of developing COMSYS brand products 	<ul style="list-style-type: none"> Make Kokusai Densetsu, Ltd., into a subsidiary (Scheduled for October 1) Alliances to expand maintenance business 	1	6
(4) Company Characteristic Management Improvement Measures			
<ul style="list-style-type: none"> Reassignment of personnel due to clarification of division of responsibilities with subsidiaries Rationalization of outsourcing expenses 		61	70
Effect of management improvements (Of which, effect of synergies) Total		85 (23)	123 (47)
(Reference) Sales Growth Due to Expansion in Business Lines			
<ul style="list-style-type: none"> Development of COMSYS brand products (comsip) Expansion of IT-related orders 	<ul style="list-style-type: none"> Expansion of COMSYS brand products Entry into top ranking layer through improved human skills 	20	70

III-4. Investment in Business Expansion

(Unit: ¥100 million)

Measures for Expansion of Business Lines	Effect of management improvements	
	Phase 1 – Phase 2 actual Cumulative total through year ended March 31, 2005	Phase 3 target Cumulative total through year ending March 31, 2006
<div style="display: flex; justify-content: space-around; margin-bottom: 10px;"> <div style="border: 1px solid black; background-color: #e0f2f1; padding: 5px; border-radius: 5px;">Phase 1 – Phase 2</div> <div style="border: 1px solid black; background-color: #cfe2f3; padding: 5px; border-radius: 5px;">Phase 3 plan</div> </div> <p>(1) Investment Aimed at Expanding IT Business</p> <ul style="list-style-type: none"> • Establishment of verification lab and enhancement of equipment • Investment in IT-related personnel • Other IT-related investment (consultants, etc.) 	19	37
<p>(2) Investment Aimed at Expanding New Business Territory</p> <ul style="list-style-type: none"> • Enhancement of NMC • Development of COMSYS brand products • M&A and alliances (small-scale) • Transfer and enhancement of NMC • COMSYS-style <i>kaizen</i> (Investment in introduction of IT) 	6	21
<p>(3) Investment Aimed at Promoting Business Integration and Business Reorganization</p> <ul style="list-style-type: none"> • IT-related capital expenditures (In-house IT deployment) <ul style="list-style-type: none"> Introduction of sales and construction support system (COMFORCE) Integration of in-house system • IT-related capital expenditures (In-house IT deployment) <ul style="list-style-type: none"> Customizing COMFORCE Customizing in-house system 	11	12
<p>(4) Investment in Technical R&D</p>	2	3
Investment in expanding lines of business Total	38	73

III-5. Response to Challenges in Business Environment

