



COMSYS.HD

August 8, 2006
COMSYS Holdings Corporation**COMSYS Holdings Corporation****Consolidated Financial Results for the First Quarter Ended June 30, 2006 (Unaudited)**

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: Hirofumi Shimada, President
 For Inquiry: Yoshiaki Miyawaki, Director and General Manager of General Affairs & Personnel Department
 (Telephone:81-3-3448-7100)

1. Accounting Policy

(1) Adoption of simple method for accounting procedures: Yes

Income taxes are calculated by the estimated rate based on the statutory effective tax rate.

(2) Changes in the method of accounting since the most recent fiscal year: No

(3) Changes in scope of consolidation and application of equity method: No

2. Consolidated Financial Results (for the three months ended June 30, 2006)**(1) Consolidated Operating Results**Amounts less than one million yen have been omitted.
(Millions of yen, except per share data and percentages)

	Net Sales	Operating Income	Recurring Profit	Net Income
Three months ended June 30, 2006	¥ 45,890 5.2%	¥ 301 —%	¥ 839 —%	¥ 671 —%
Three months ended June 30, 2005	43,617 6.8	— —	— —	— —
(Ref.) Fiscal year ended March 31, 2006	307,485	16,318	18,753	10,030

	Net Income per Share	Net Income per Share (Diluted)
Three months ended June 30, 2006	4.73	4.73
Three months ended June 30, 2005	—	—
(Ref.) Fiscal year ended March 31, 2006	69.65	69.62

Note: The values shown for net sales indicate the percentage of change from the same quarter of the previous fiscal year. For figures other than net sales, the computation of quarterly consolidated operating results commenced with this quarter. Therefore, values for the same quarter of the previous fiscal year and year-on year percentage changes are not given.

[Qualitative Information Regarding Consolidated Operating Results]

Consolidated orders received and net sales were up this quarter from the first quarter of the previous fiscal year. This was the result of a strong performance in the NTT Information Telecommunication Engineering Business. Especially strong performers were B Flets optical technology projects, projects related to improvement of the quality of mobile communications and expansion of their service areas, together with NCC related base station projects and FTTH projects in the Electrical Communications Engineering Business.

[Supplementary Information]**Consolidated Orders Received**

(Millions of yen, except percentages)

	Orders Received
Three months ended June 30, 2006	¥ 81,575 13.4%
Three months ended June 30, 2005	71,937 15.7
(Ref.) Fiscal year ended March 31, 2006	310,005

Note: Percentages shown are rates of change from the same quarter of the previous fiscal year.

(2) Consolidated Financial Position

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

	Total Assets	Shareholders' Equity	Equity Ratio	Shareholders' Equity per Share
As of June 30, 2006	¥201,218	¥137,703	67.8%	961.10
As of June 30, 2005	—	—	—	—
(Ref.) As of March 31, 2006	220,785	137,160	62.1	964.70

Note: Changes in consolidated financial position are shown for the first time this quarter. Accordingly, no results for the same quarter of the previous fiscal year are given.

[Consolidated Cash Flows]

(Millions of yen)

	Cash Flows from Operating Activities	Cash Flows from Investing Activities	Cash Flows from Financing Activities	Cash and Cash Equivalents at End of Period
Three months ended June 30, 2006	¥14,020	¥(1,119)	¥(1,333)	¥47,390
Three months ended June 30, 2005	—	—	—	—
(Ref.) Fiscal year ended March 31, 2006	9,128	(5,139)	(3,631)	35,814

Note: Changes in consolidated cash flows are shown for the first time this quarter. Accordingly, no results for the same quarter of the previous fiscal year are given.

[Qualitative Information Regarding Changes in Consolidated Financial Position]

Total assets declined ¥19.56 billion to ¥201.21 billion from the end of the previous fiscal year. This was caused by the contraction of notes and accounts receivable—trade. Liabilities fell ¥18.84 billion to ¥63.51 billion, as a result of a drop in accounts payable—trade in comparison to the end of the previous fiscal year.

[Supplementary Information]

Earnings Forecast (for the fiscal year ending March 31, 2007)

(Millions of yen)

	Net Sales	Recurring Profit	Net Income
Six months ending September 30, 2006	¥134,000	¥ 7,800	¥ 5,000
Fiscal year ending March 31, 2007	315,000	19,000	11,000

(Reference) Forecasted net income per share for the fiscal year ending March 31, 2007: ¥77.47

* The above forecasts are based on information available to COMSYS Group on the date of the report's announcement. Unforeseen circumstances, however, may cause actual results to differ from these forecasts.

[Qualitative Information on Performance Forecasts]

There are no significant revisions of the performance forecasts released on May 12, 2006.

[Appendix]

1. Consolidated Balance Sheets (Summary)

(Millions of yen)

Category	Period	Current 1st quarter (as of June 30, 2006)	Previous fiscal year (as of March 31, 2006)
		Amount	Amount
ASSETS			
Current Assets:			
Cash and cash equivalents		49,646	38,050
Notes and accounts receivable—trade		36,638	83,738
Accumulated cost of construction in progress		36,666	21,973
Other current assets		8,460	7,595
Total current assets		131,411	151,357
Fixed Assets:			
Property and equipment		47,603	47,417
Intangible assets		1,691	1,725
Investments and other assets		20,511	20,286
Total fixed assets		69,806	69,428
Total assets		201,218	220,785
LIABILITIES			
Current Liabilities:			
Accounts payable—Trade		25,326	49,772
Short-term bank loans		3,188	3,293
Advances received on construction in progress		14,089	6,779
Other current liabilities		7,719	8,321
Total current liabilities		50,324	68,167
Long-Term Liabilities:			
Deferred tax liabilities for unrealized gains on land revaluation		2,365	2,365
Accrued severance indemnities		4,034	4,159
Consolidation adjustments account		—	3,961
Negative goodwill		3,595	—
Other long-term liabilities		3,194	3,703
Total long-term liabilities		13,190	14,189
Total liabilities		63,514	82,356
MINORITY INTERESTS		—	1,268
SHAREHOLDERS' EQUITY			
Common stock		—	10,000
Additional paid-in capital		—	56,941
Retained earnings		—	80,393
Unrealized loss on land revaluation		—	(7,896)
Unrealized gain (loss) on securities		—	850
Treasury stock, at cost		—	(3,128)
Total shareholders' equity		—	137,160
Total liabilities, minority interests and shareholders' equity		—	220,785
NET ASSETS			
Shareholders' Equity:			
Common stock		10,000	—
Additional paid-in capital		56,941	—
Retained earnings		79,774	—
Treasury stock, at cost		(3,135)	—
Total shareholders' equity		143,579	—
Valuation and Translation Adjustments:			
Unrealized loss on land revaluation		(7,896)	—
Unrealized gain (loss) on securities		787	—
Total valuation and translation adjustments		(7,109)	—
Minority Interests		1,233	—
Total net assets		137,703	—
Total liabilities and net assets		201,218	—

2. Consolidated Statements of Income (Summary)

(Millions of yen)

Category	Period	Current 1st quarter (Three months ended June 30, 2006)	Previous fiscal year (Fiscal year ended March 31, 2006)
		Amount	Amount
Net Sales		45,890	307,485
Cost of Sales		40,668	270,602
Gross profits		5,221	36,882
Selling, General and Administrative Expenses		4,920	20,564
Operating income		301	16,318
Other Income		567	2,585
Other Expenses		28	150
Recurring profit		839	18,753
Extraordinary Income		157	803
Extraordinary Loss		47	3,134
Income before income taxes and other adjustments to net income		950	16,422
Income Taxes		260	6,266
Minority Interests		17	125
Net Income		671	10,030