

COMSYS Holdings Corporation

Consolidated Financial Results for the First Quarter Ended June 30, 2008 (Unaudited)

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 Stock Exchange Listings: First Section of Tokyo Stock Exchange and Osaka Securities Exchange (Securities code: 1721)
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1. Consolidated Financial Results (for the three months ended June 30, 2008)

Amounts less than one million yen have been omitted.
(Millions of yen, except per share data and percentages)

(1) Consolidated Operating Results

	Net Sales		Operating Income		Recurring Profit		Net Income	
Three months ended June 30, 2008	¥59,121	—%	¥1,375	—%	¥1,813	—%	¥1,175	—%
Three months ended June 30, 2007	54,066	17.8	769	155.6	1,382	64.6	1,011	50.6

Note: Percentages indicate the percentage change from the corresponding period of the previous fiscal year.

	Net Income per Share	Net Income per Share (Diluted)
Three months ended June 30, 2008	¥8.64	¥ —
Three months ended June 30, 2007	7.18	7.18

(2) Consolidated Financial Position

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

	Total Assets	Net Assets	Equity Ratio	Net Assets per Share
As of June 30, 2008	¥201,347	¥147,432	72.6%	¥1,095.58
As of March 31, 2008	224,121	150,417	66.5	1,091.83

(Reference) Shareholders' Equity: As of June 30, 2008: ¥146,175 million As of March 31, 2008: ¥149,151 million

2. Dividends

(Yen)

(Base Date)	Dividend per Share				
	End of 1st Quarter	End of 2nd Quarter	End of 3rd Quarter	Year-End	Annual
Year ended March 31, 2008	—	¥ 7.00	—	¥10.00	¥17.00
Year ending March 31, 2009	—	—	—	—	—
Year ending March 31, 2009 (Forecast)	—	10.00	—	10.00	20.00

Notes: 1. Revisions to dividend forecasts: No

2. Breakdown of first half-end dividend for year ending March 31, 2009 (Forecast)

Ordinary dividend: ¥7.00 Commemorative dividend: ¥3.00

3. Earnings Forecast (for the fiscal year ending March 31, 2009)

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

	Net Sales		Operating Income		Recurring Profit		Net Income		Net Income per Share
Six months ending September 30, 2008	¥133,000	2.4%	¥ 4,000	28.3%	¥ 4,500	7.1%	¥2,700	(15.4)%	¥19.85
Year ending March 31, 2009	330,000	0.8	14,000	(14.1)	15,000	(17.7)	8,500	(27.0)	62.50

Notes: 1. Revisions to consolidated earnings forecasts: No

2. For fiscal-year figures, percentages indicate the percentage change from the previous fiscal year. For first-half figures, percentages indicate the percentage change from the corresponding half of the previous fiscal year.

4. Other

(1) Changes in important subsidiaries during the period (changes in specific subsidiaries accompanied by changes in scope of consolidation): No

(2) Application of simplified accounting procedures, or application of specific accounting procedures in preparing quarterly consolidated financial statements: Yes

(3) Changes in principles, procedures, and presentation method of accounting related to the compilation of consolidated quarterly financial statements (Recorded under Changes to Significant Matters Forming the Basis for the Preparation of Quarterly Consolidated Financial Statements)

a) Changes accompanying revision to accounting standards: Yes

b) Other changes aside from a) above: No

(4) Number of Shares Issued (common stock)

	As of June 30, 2008	As of March 31, 2008
a) Number of shares issued (including treasury stock)	145,977,886 shares	145,977,886 shares
b) Number of treasury stock	12,554,619 shares	9,370,980 shares
	Three months ended June 30, 2008	Three months ended June 30, 2007
c) Average number of shares issued in the period	136,008,593 shares	140,881,493 shares

* Explanations and other notes on the suitable use of the performance forecasts

- The performance outlook and other forward-looking statements in this release reflect the judgment of COMSYS Holdings based on the best information in its possession at the time of publication. Actual results may differ significantly from these performance forecasts due to a large number of factors.
- COMSYS Holdings has applied the "Accounting Standard for Quarterly Financial Reporting" (ASBJ Statement No. 12) and "Guidance on Accounting Standard for Quarterly Financial Reporting" (ASBJ Guidance No. 14) starting this fiscal year, and prepared its quarterly financial statements in accordance with the Quarterly Consolidated Financial Statements Regulations.

Qualitative Information, Financial Statements, Etc.

1. Qualitative Information Regarding Consolidated Operating Results

The business environment for the telecommunications sector is characterized by stiffening fee and service competition among communications firms, resulting from market saturation. The COMSYS Group responded to these circumstances by moving forward with efforts to expand its business and build a high-productivity business structure, through the promotion of its Innovation 2010 and COMSYS-style *kaizen* (improvement) reform programs.

As a result, the NTT information telecommunication engineering business, NCC business, and IT solutions business performed strongly. As a result of reductions in costs and expenses, the first quarter of this fiscal year saw ¥79,891 million in orders received, net sales of ¥59,121 million, recurring profit of ¥1,813 million, and net income of ¥1,175 million.

2. Qualitative Information Regarding Consolidated Financial Position

Consolidated total assets at the end of the first quarter dropped ¥22,774 million in comparison with the end of the previous fiscal year, falling to ¥201,347 million. This was mainly due to a decline in notes receivable and accounts receivable—trade. A fall in notes and accounts payable—trade was the principal factor in a ¥19,789 million drop in consolidated total liabilities, which declined to ¥53,914 million. Consolidated net assets contracted by ¥2,984 million in comparison to the end of the previous fiscal year, to ¥147,432 million.

As a result of the foregoing, the consolidated shareholders' equity ratio rose 6.1 percentage points in comparison to the end of the previous fiscal year, to 72.6%.

3. Qualitative Information Regarding Consolidated Earnings Forecast

Performance during this quarter was as forecast. Accordingly, there are no changes to the previously released earnings forecast.

4. Quarterly Consolidated Financial Statements

(1) Consolidated Balance Sheets

	Millions of yen	
	As of June 30, 2008	As of March 31, 2008 (condensed)
ASSETS		
Current Assets:		
Cash and cash equivalents	43,211	27,212
Notes and accounts receivable—trade	44,729	93,561
Inventories:		
Accumulated cost of construction in progress	28,537	18,666
Other	2,152	2,235
Other current assets	7,791	6,018
Less: Allowance for doubtful receivables	(296)	(390)
Total current assets	126,125	147,304
Fixed Assets:		
Property and equipment:		
Land	26,892	26,892
Other, net	23,461	24,002
Total property and equipment	50,353	50,894
Intangible assets	4,057	4,274
Investments and other assets:		
Investment securities	7,649	7,961
Other assets	16,363	16,869
Less: Allowance for doubtful receivables	(3,202)	(3,182)
Total investments and other assets	20,810	21,648
Total fixed assets	75,221	76,817
Total Assets	201,347	224,121
LIABILITIES		
Current Liabilities:		
Accounts payable—Trade	30,727	52,093
Short-term bank loans	30	41
Income taxes payable	1,520	2,514
Advances received on construction in progress	6,397	3,488
Allowances	587	495
Other current liabilities	6,327	6,107
Total current liabilities	45,589	64,741
Long-Term Liabilities:		
Deferred tax liabilities for unrealized gains on land revaluation	2,365	2,365
Accrued severance indemnities	3,106	3,261
Allowance for directors' retirement benefits	547	693
Negative goodwill	711	949
Other long-term liabilities	1,593	1,693
Total long-term liabilities	8,324	8,963
Total Liabilities	53,914	73,704

	Millions of yen	
	As of June 30, 2008	As of March 31, 2008 (condensed)
NET ASSETS		
Shareholders' Equity:		
Common stock	10,000	10,000
Additional paid-in capital	56,979	56,979
Retained earnings	99,593	99,782
Treasury stock, at cost	(12,389)	(9,384)
Total shareholders' equity	154,182	157,377
Valuation and Translation Adjustments:		
Unrealized gain (loss) on other securities	(110)	(329)
Unrealized loss on land revaluation	(7,896)	(7,896)
Total valuation and translation adjustments	(8,007)	(8,226)
Minority Interests	1,257	1,266
Total Net Assets	147,432	150,417
Total Liabilities and Net Assets	201,347	224,121

(2) Consolidated Statements of Income

	Millions of yen
	Three months ended June 30, 2008
Net Sales	59,121
Cost of Sales	52,428
Gross profits	6,693
Selling, General and Administrative Expenses	5,317
Operating income	1,375
Other Income:	
Interest income	19
Dividend income	108
Amortization of negative goodwill	237
Other	82
Total other income	447
Other Expenses:	
Interest expenses	2
Other	7
Total other expenses	9
Recurring profit	1,813
Extraordinary Income:	
Allowance for doubtful receivables	79
Gain on payback of insurance payments	53
Other	3
Total extraordinary income	137
Extraordinary Loss:	
Loss on disposal of fixed assets	40
Special payments on employees' retirement benefits	53
Loss on revaluation of golf club memberships	29
Other	20
Total extraordinary loss	144
Income before income taxes and other adjustments to net income	1,806
Income Taxes:	
Current	1,421
Deferred	(790)
Total income taxes	630
Minority Interests	0
Net Income	1,175

(Reference)

Quarterly Consolidated Financial Statements for the Previous Fiscal Year**Condensed Consolidated Statements of Income**

	Millions of yen
	Three months ended June 30, 2007
Net Sales	54,066
Cost of Sales	48,041
Gross profits	6,024
Selling, General and Administrative Expenses	5,255
Operating income	769
Other Income	619
Other Expenses	6
Recurring profit	1,382
Extraordinary Income	279
Extraordinary Loss	56
Income before income taxes and other adjustments to net income	1,605
Income Taxes	619
Minority Interests	(25)
Net Income	1,011