

## COMSYS Holdings Corporation

### Consolidated Financial Results for the First Quarter Ended June 30, 2010 Under Japanese GAAP

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 Stock Exchange Listings: First Section of Tokyo Stock Exchange and Osaka Securities Exchange (Securities code: 1721)  
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 Scheduled Filing of Quarterly Securities Report: August 13, 2010 Scheduled Commencement of Dividend Payment: —  
 Supplementary Materials on Quarterly Results: Attached IR Presentation on Quarterly Results: Not scheduled

Amounts less than one million yen have been omitted.

#### 1. Consolidated Financial Results (for the three months ended June 30, 2010)

##### (1) Consolidated Operating Results

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

	Net Sales		Operating Income		Recurring Profit		Net Income	
Three months ended June 30, 2010	¥51,233	(1.2)%	¥(1,039)	—%	¥(933)	—%	¥(749)	—%
Three months ended June 30, 2009	51,837	(12.3)	(566)	—	(396)	—	(542)	—

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, 2010	¥(5.96)	¥ —
Three months ended June 30, 2009	(4.14)	—

##### (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, 2010	¥194,553	¥149,701	76.4%	¥1,182.89
As of March 31, 2010	211,809	151,768	71.2	1,199.29

(Reference) Shareholders' Equity: As of June 30, 2010: ¥148,714 million As of March 31, 2010: ¥150,759 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, 2010	¥ —	¥10.00	¥ —	¥10.00	¥20.00
Year ending March 31, 2011	—				
Year ending March 31, 2011 (Forecast)		10.00	—	10.00	20.00

Note: Revisions to dividend forecasts: No

#### 3. Earnings Forecast (for the fiscal year ending March 31, 2011)

(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, 2010	—	—	—	—	—
Year ending March 31, 2011	¥294,000 0.3%	¥13,400 6.8%	¥13,700 4.5%	¥7,300 2.8%	¥58.07

Notes: 1. Revisions to consolidated earnings forecasts: No

2. A consolidated earnings forecast for the six months ending September 30, 2010 has not been undertaken.

3. 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 Significant Subsidiaries during the Period under Review: No**

Note: This refers to changes to subsidiaries that would alter the scope of consolidation.

**(2) Adoption of Simplified Accounting Methods and Specified Accounting Methods: Yes**

Note: This refers to the adoption of such methods for the preparation of the Quarterly Consolidated Financial Statements.

**(3) Changes to Accounting Methods and the 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)**

	<u>As of June 30, 2010</u>	<u>As of March 31, 2010</u>
a) Number of shares issued (including treasury stock)	145,977,886 shares	145,977,886 shares
b) Number of treasury stock	20,256,168 shares	20,270,254 shares
	<u>Three months ended June 30, 2010</u>	<u>Three months ended June 30, 2009</u>
c) Average number of shares issued in the period	125,709,738 shares	130,948,536 shares

**\*Cautionary Statements**

*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 pursuant to the aforementioned Act have been completed.*

*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 quarter (April 1, 2010 to June 30, 2010) of the fiscal year ending March 31, 2011, conditions throughout the Japanese economy remained harsh. Despite signs of a recovery in corporate-sector earnings and personal consumption on the back of improvements in overseas economies and positive contributions from economic policies implemented by the government, this difficult operating environment was largely attributable to the deterioration in the employment climate and weak capital expenditure.

In the information and telecommunication field, the COMSYS Group's principal area of activity, growth was clearly evident in next-generation network (NGN) services together with information and telecommunication platform enhancements in such businesses as IRU and terrestrial digital broadcasting. On the other hand, telecommunications carriers, the COMSYS Group's mainstay customer base, placed greater emphasis on decreasing capital expenditure and implementing initiatives that helped to curtail costs, in response to intense competition in attracting customers as well as a marked shift in investment activity away from infrastructure development toward the provision of high value-added services including contents.

Against this backdrop, business results for the period under review were mixed. Buoyed by generally firm conditions in the IT Solutions Business, orders received climbed 8.2% compared with the corresponding period of the previous fiscal year to ¥72,095 million. In contrast, net sales edged down 1.2% year on year to ¥51,233 million due largely to the decline in infrastructure-related construction work in the NTT Information and Telecommunication Engineering Business. From a profit perspective, the Group continued to pursue structural reform measures aimed at increasing productivity while at the same time reducing operating expenses. Despite these endeavors, the Group incurred a recurring loss of ¥933 million and a net loss of ¥749 million for the first quarter of the fiscal year under review.

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

Total assets as of June 30, 2010, stood at ¥194,553 million, down ¥17,255 million compared with the end of the previous fiscal year. This was mainly attributable to the drop in accounts receivable—trade. Total liabilities as of the end of the first quarter of the fiscal year under review amounted to ¥44,852 million, a decrease of ¥15,188 million compared with March 31, 2010. This primarily reflected the decline in accounts payable—trade. In addition, net assets as of June 30, 2010, stood at ¥149,701 million, ¥2,066 million lower than the balance of the previous fiscal year-end.

Accounting for the aforementioned factors, the equity ratio improved 5.2 percentage points from the end of the previous fiscal year to 76.4%.

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

Turning to the consolidated earnings forecast for the full fiscal year ending March 31, 2011, there are no changes to data and information announced on May 12, 2010

## 2. Quarterly Consolidated Financial Statements

### (1) Consolidated Balance Sheets

	Millions of yen	
	As of June 30, 2010	As of March 31, 2010 (condensed)
<b>ASSETS</b>		
<b>Current Assets:</b>		
Cash and cash equivalents	37,561	23,609
Notes and accounts receivable—trade	39,475	79,823
Inventories:		
Accumulated cost of construction in progress	23,070	18,313
Other	3,910	1,050
Other current assets	7,356	6,360
Less: Allowance for doubtful receivables	(43)	(121)
<b>Total current assets</b>	<b>111,332</b>	<b>129,035</b>
<b>Fixed Assets:</b>		
Property and equipment:		
Buildings and structures, net	19,542	18,920
Land	32,275	32,279
Other, net	6,954	6,113
<b>Total property and equipment</b>	<b>58,773</b>	<b>57,313</b>
Intangible assets	6,103	6,395
Investments and other assets:		
Investment securities	6,635	7,119
Other assets	13,955	14,263
Less: Allowance for doubtful receivables	(2,245)	(2,317)
<b>Total investments and other assets</b>	<b>18,345</b>	<b>19,065</b>
<b>Total fixed assets</b>	<b>83,221</b>	<b>82,773</b>
<b>Total Assets</b>	<b>194,553</b>	<b>211,809</b>

	Millions of yen	
	As of June 30, 2010	As of March 31, 2010 (condensed)
<b>LIABILITIES</b>		
<b>Current Liabilities:</b>		
Accounts payable—Trade	26,405	41,023
Short-term bank loans	9	11
Income taxes payable	412	1,710
Advances received on construction in progress	4,475	3,706
Allowances	316	250
Other current liabilities	6,691	6,878
<b>Total current liabilities</b>	<b>38,309</b>	<b>53,581</b>
<b>Long-Term Liabilities:</b>		
Deferred tax liabilities for unrealized gains on land revaluation	2,365	2,365
Accrued severance indemnities	2,354	2,287
Allowance for directors' retirement benefits	127	175
Other long-term liabilities	1,694	1,629
<b>Total long-term liabilities</b>	<b>6,542</b>	<b>6,458</b>
<b>Total Liabilities</b>	<b>44,852</b>	<b>60,040</b>
<b>NET ASSETS</b>		
<b>Shareholders' Equity:</b>		
Common stock	10,000	10,000
Additional paid-in capital	57,016	57,016
Retained earnings	109,599	111,605
Treasury stock, at cost	(19,508)	(19,522)
<b>Total shareholders' equity</b>	<b>157,107</b>	<b>159,100</b>
<b>Valuation and Translation Adjustments:</b>		
Unrealized gain (loss) on other securities	(495)	(443)
Unrealized loss on land revaluation	(7,896)	(7,896)
<b>Total valuation and translation adjustments</b>	<b>(8,392)</b>	<b>(8,340)</b>
<b>Subscription Rights to Shares</b>	<b>291</b>	<b>249</b>
<b>Minority Interests</b>	<b>696</b>	<b>759</b>
<b>Total Net Assets</b>	<b>149,701</b>	<b>151,768</b>
<b>Total Liabilities and Net Assets</b>	<b>194,553</b>	<b>211,809</b>

**(2) Consolidated Statements of Income**

	Millions of yen	
	Three months ended June 30, 2009	Three months ended June 30, 2010
<b>Net Sales</b>	51,837	51,233
<b>Cost of Sales</b>	47,005	47,561
Gross profits	4,831	3,671
<b>Selling, General and Administrative Expenses</b>	5,397	4,711
Operating income (loss)	(566)	(1,039)
<b>Other Income:</b>		
Interest income	20	12
Dividend income	67	81
Foreign exchange gains	35	—
Rent income on noncurrent assets	—	33
Other	49	33
Total other income	172	160
<b>Other Expenses:</b>		
Interest expenses	0	0
Foreign exchange losses	—	52
Other	1	2
Total other expenses	2	54
Recurring profit (loss)	(396)	(933)
<b>Extraordinary Income:</b>		
Reversal of allowance for doubtful receivables	37	133
Gain on payback of insurance payments	34	—
Gain on negative goodwill	—	50
Other	18	48
Total extraordinary income	90	232
<b>Extraordinary Loss:</b>		
Write-down on investments in securities	—	209
Provision for allowance for doubtful receivables	101	—
Special payments on employees' retirement benefits	27	74
Other	46	40
Total extraordinary loss	176	324
Income (loss) before income taxes and other adjustments to net income	(482)	(1,025)
<b>Income Taxes:</b>		
Current	372	392
Deferred	(273)	(668)
Total income taxes	99	(275)
Income (loss) before minority interests	—	(749)
<b>Minority Interests</b>	(39)	(0)
<b>Net Income (loss)</b>	(542)	(749)