

## COMSYS Holdings Corporation

### Consolidated Financial Results for the First Quarter Ended June 30, 2011 Under Japanese GAAP

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 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  
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 Scheduled Filing of Quarterly Securities Report: August 15, 2011  
 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, 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 (%)
Three months ended June 30, 2011	¥56,429	10.1%	¥(454)	—%	¥(267)	—%	¥(335)	—%
Three months ended June 30, 2010	51,233	(1.2)	(1,039)	—	(933)	—	(749)	—

Notes: 1. Comprehensive income (loss): Three months ended June 30, 2011: ¥(396) million [—%] Three months ended June 30, 2010: ¥(801) 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)
Three months ended June 30, 2011	¥(2.59)	¥ —
Three months ended June 30, 2010	(5.96)	—

##### (2) Consolidated Financial Position

(Millions of yen, except percentages)

	Total Assets	Net Assets	Equity Ratio
As of June 30, 2011	¥206,493	¥160,095	77.1%
As of March 31, 2011	237,436	161,768	67.7

(Reference) Shareholders' Equity: As of June 30, 2011: ¥159,169 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	—				
Year ending March 31, 2012 (Forecast)		10.00	—	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
Six months ending September 30, 2011	¥127,000	5.8%	¥ 1,900	13.7%	¥ 2,100	14.3%	¥ 900	—%	¥ 6.93
Year ending March 31, 2012	308,000	(2.4)	12,300	4.4	12,800	5.4	7,300	(23.5)	56.22

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. 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 (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)

	As of June 30, 2011	As of March 31, 2011
a) Number of shares issued (including treasury stock)	145,977,886 shares	145,977,886 shares
b) Number of treasury stock	16,095,688 shares	16,124,888 shares
	Three months ended June 30, 2011	Three months ended June 30, 2010
c) Average number of shares issued in the period	129,855,017 shares	125,709,738 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 quarter (April 1, 2011 to June 30, 2011) of the fiscal year ending March 31, 2012, conditions throughout the Japanese economy remained harsh. In addition to the direct damage caused by the Great East Japan Earthquake that struck the nation in March as well as issues relating to the insufficient supply of electric power and deterioration in both the employment and disposable income environments, this difficult operating climate was largely attributable to the appreciation in the value of the yen and other factors.

In the information and telecommunication 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, business results for the first quarter of the fiscal year under review were mixed. On the one hand, orders received declined 12.2% compared with the corresponding period of the previous fiscal year to ¥63,317 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 10.1% year on year to ¥56,429 million due to contributions from management integration with TSUKEN Corporation as well as the priority given to completing restoration work carried over from the end of the previous fiscal year following the earthquake. 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. Despite a substantial improvement in the Group's loss from operations, the Group incurred an operating loss of ¥454 million, contracting from an operating loss of ¥1,039 million in the corresponding period of the previous fiscal year, and a net loss of ¥335 million, contracting from a net loss of ¥749 million, year on year.

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

Total assets as of June 30, 2011 stood at ¥206,493 million, a decrease of ¥30,942 million compared with the end of the previous fiscal year. This mainly reflected the drop in notes and accounts receivable – trade. Total liabilities contracted ¥29,269 million compared with the previous fiscal year-end to ¥46,398 million due largely to the drop in accounts payable – trade. Net assets as of June 30, 2011 stood at ¥160,095 million, down ¥1,673 million compared with March 31, 2011.

As a result, the equity ratio improved 9.4 percentage points compared with the end of the previous fiscal year to 77.1%.

#### ***(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 June 30, 2011
<b>ASSETS</b>		
<b>Current assets:</b>		
Cash and cash equivalents	18,265	38,947
Notes and accounts receivable—trade	102,993	46,286
Inventories:		
Accumulated cost of construction in progress	14,539	20,434
Other	4,935	5,365
Other current assets	9,320	9,090
Less: Allowance for doubtful receivables	(194)	(135)
<b>Total current assets</b>	<b>149,858</b>	<b>119,988</b>
<b>Fixed assets:</b>		
<b>Property and equipment:</b>		
Buildings and structures, net	24,510	24,190
Land	33,126	33,124
Other, net	6,132	5,842
<b>Total property and equipment</b>	<b>63,769</b>	<b>63,156</b>
Intangible fixed assets	2,677	2,600
<b>Investments and other assets:</b>		
Investment securities	7,128	7,000
Other assets	16,137	15,781
Less: Allowance for doubtful receivables	(2,136)	(2,034)
<b>Total investments and other assets</b>	<b>21,129</b>	<b>20,748</b>
<b>Total fixed assets</b>	<b>87,577</b>	<b>86,505</b>
<b>Total assets</b>	<b>237,436</b>	<b>206,493</b>

	Millions of yen	
	As of March 31, 2011	As of June 30, 2011
<b>LIABILITIES</b>		
<b>Current liabilities:</b>		
Accounts payable—trade	46,716	26,596
Short-term bank loans	8,124	586
Income taxes payable	2,261	427
Advances received on construction in progress	1,228	2,681
Allowances	221	268
Other current liabilities	7,369	6,384
<b>Total current liabilities</b>	<b>65,921</b>	<b>36,945</b>
<b>Long-term liabilities:</b>		
Deferred tax liabilities for unrealized gains on land revaluation	1,865	1,865
Accrued severance indemnities	5,796	5,749
Allowance for directors' retirement benefits	302	201
Other long-term liabilities	1,781	1,635
<b>Total long-term liabilities</b>	<b>9,746</b>	<b>9,452</b>
<b>Total liabilities</b>	<b>75,667</b>	<b>46,398</b>
<b>NET ASSETS</b>		
<b>Shareholders' equity:</b>		
Common stock	10,000	10,000
Additional paid-in capital	55,346	55,341
Retained earnings	119,194	117,560
Treasury stock, at cost	(14,870)	(14,842)
<b>Total shareholders' equity</b>	<b>169,671</b>	<b>168,059</b>
<b>Accumulated other comprehensive income:</b>		
Unrealized gain (loss) on other securities	(374)	(436)
Unrealized loss on land revaluation	(8,453)	(8,453)
<b>Total accumulated other comprehensive income</b>	<b>(8,827)</b>	<b>(8,889)</b>
<b>Subscription rights to shares</b>	<b>364</b>	<b>366</b>
<b>Minority interests</b>	<b>560</b>	<b>558</b>
<b>Total net assets</b>	<b>161,768</b>	<b>160,095</b>
<b>Total liabilities and net assets</b>	<b>237,436</b>	<b>206,493</b>

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

	Millions of yen	
	Three months ended June 30, 2010	Three months ended June 30, 2011
<b>Net sales</b>	51,233	56,429
<b>Cost of sales</b>	47,561	52,005
<b>Gross profits</b>	3,671	4,424
<b>Selling, general and administrative expenses</b>	4,711	4,878
<b>Operating income (loss)</b>	(1,039)	(454)
<b>Other income:</b>		
Interest income	12	11
Dividend income	81	88
Rent income on noncurrent assets	33	34
Reversal of allowance for doubtful receivables	—	83
Other	33	33
<b>Total other income</b>	160	250
<b>Other expenses:</b>		
Interest expenses	0	7
Foreign exchange losses	52	42
Other	2	13
<b>Total other expenses</b>	54	64
<b>Recurring profit (loss)</b>	(933)	(267)
<b>Extraordinary income:</b>		
Reversal of allowance for doubtful receivables	133	—
Gain on payback of insurance payments	19	48
Gain on negative goodwill	50	—
Other	29	2
<b>Total extraordinary income</b>	232	50
<b>Extraordinary loss:</b>		
Loss on disposal of fixed assets	8	10
Special payments on employees' retirement benefits	74	17
Other	241	23
<b>Total extraordinary loss</b>	324	51
<b>Income (loss) before income taxes and other adjustments to net income</b>	(1,025)	(268)
<b>Income taxes:</b>		
Current	392	347
Deferred	(668)	(281)
<b>Total income taxes</b>	(275)	66
<b>Income (loss) before minority interests</b>	(749)	(334)
<b>Minority interests</b>	(0)	0
<b>Net income (loss)</b>	(749)	(335)

## Consolidated Statements of Comprehensive Income

	Millions of yen	
	Three months ended June 30, 2010	Three months ended June 30, 2011
<b>Income (loss) before minority interests</b>	(749)	(334)
<b>Other comprehensive income:</b>		
Unrealized gain (loss) on other securities	(52)	(62)
Total other comprehensive income	(52)	(62)
<b>Comprehensive income</b>	(801)	(396)
(Breakdown)		
Comprehensive income attributable to owners of the parent	(801)	(397)
Comprehensive income attributable to minority interests	(0)	0