

**Fiscal Year ending March 2007**

## **The Second Stage of Business Transformation**

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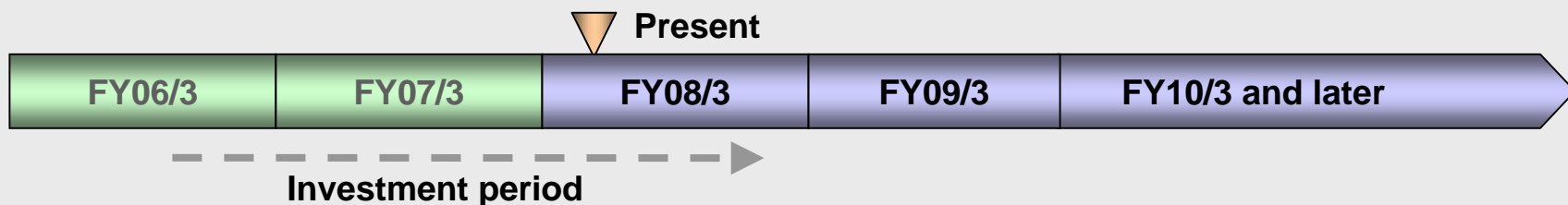
**May 10, 2007**

**CSK HOLDINGS CORPORATION**

# 1. Medium-term strategic plan



## ■ Roadmap and medium-term strategic plan



Shift to a holding company structure  
Strategic business investment  
Structural reform of existing businesses

- Shift to service provider
- Development of holding company structure

### Accelerated promotion of service provider business

- Commercialization of strategic investments
- Establishment of new management system

Quantum leap forward in service provider business

Toward being a corporate group that contributes to society and grows with it

- Group reorganization including at CSK SYSTEMS
- Strengthening management infrastructure

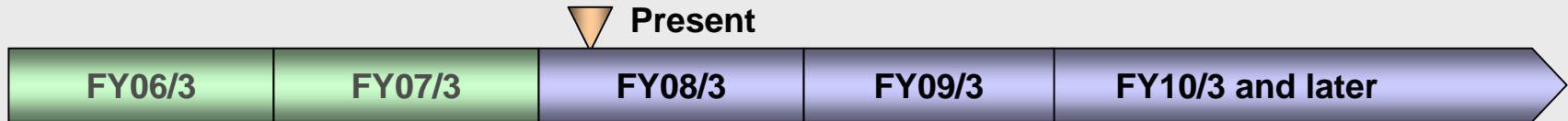
### Medium-term strategic plan

- Accelerated promotion of service provider business
- Further strengthen technology services business domain
- Develop financial service-related business into a stable profit base and enforce a thorough risk management system

# 1. Medium-term strategic plan



## ■ 2nd stage of business transformation



### Stage 1

#### ■ Shift to service provider

- Indicated new value being provided
- Generated ideas for new services
- Transformed business of CSK SYSTEMS
- Steadily increased business of Group BPO companies

#### ■ Development of holding company structure

- Group management system
- Cash management system
- Strengthened compliance system

### Stage 2

#### ■ Group reorganization including at CSK SYSTEMS

- Bring together related functions and optimize scale
  - Establish a system that can respond flexibly to customer needs
  - Create environment facilitating new business creation and personnel development
  - Develop system for providing service provider-type business

#### ■ Strengthening management infrastructure

- Develop Group IT infrastructure
- Promote Group-wide sharing of administration capabilities
- Strengthen internal controls system

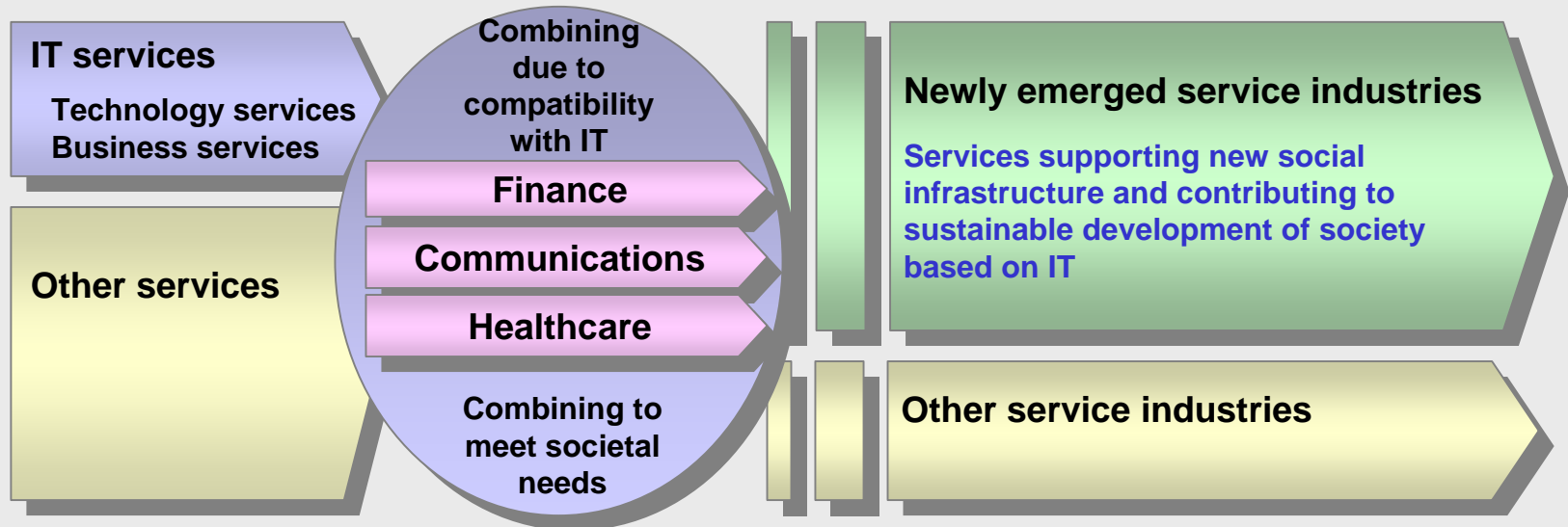
# 1. Medium-term strategic plan



## ■ CSK Group's future vision of IT services industry

### Future vision of IT services industry

New service industries to be born from the convergence of IT services and others

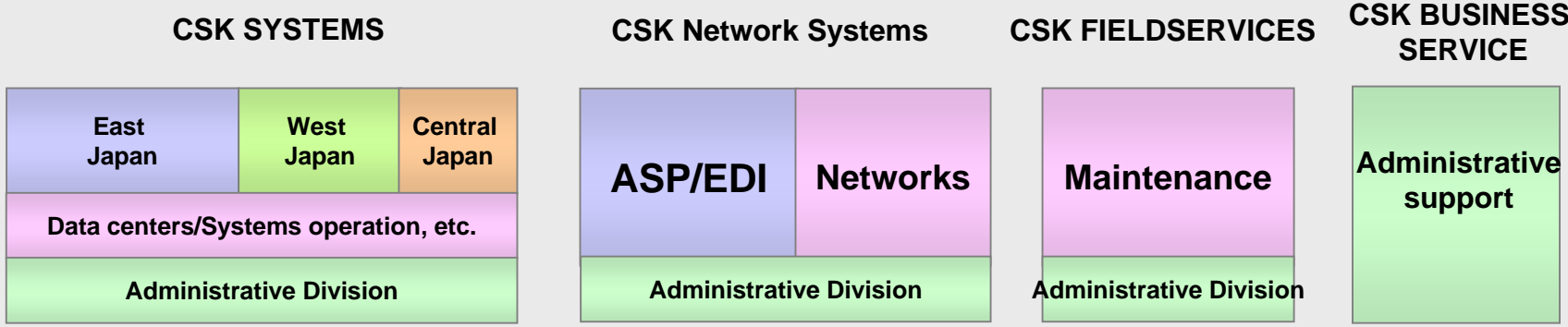


- CSK Group aims to be a leading company in these new service industries
- The key fields will be finance, communications and healthcare

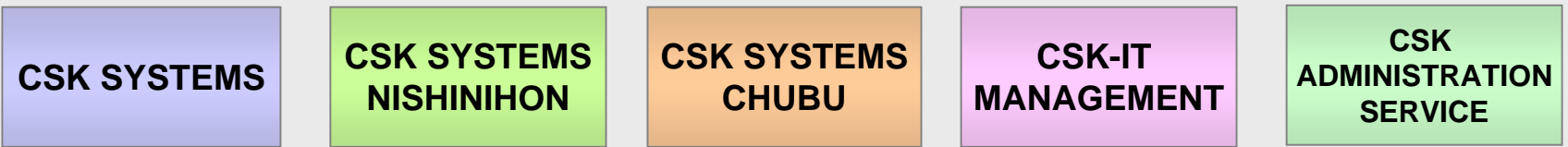
## 2. Accelerating transformation of business models

### ■ Group reorganization

Reorganization of CSK SYSTEMS, CSK Network Systems, CSK FIELDSERVICES and CSK BUSINESS SERVICE



System from July 2007 onward



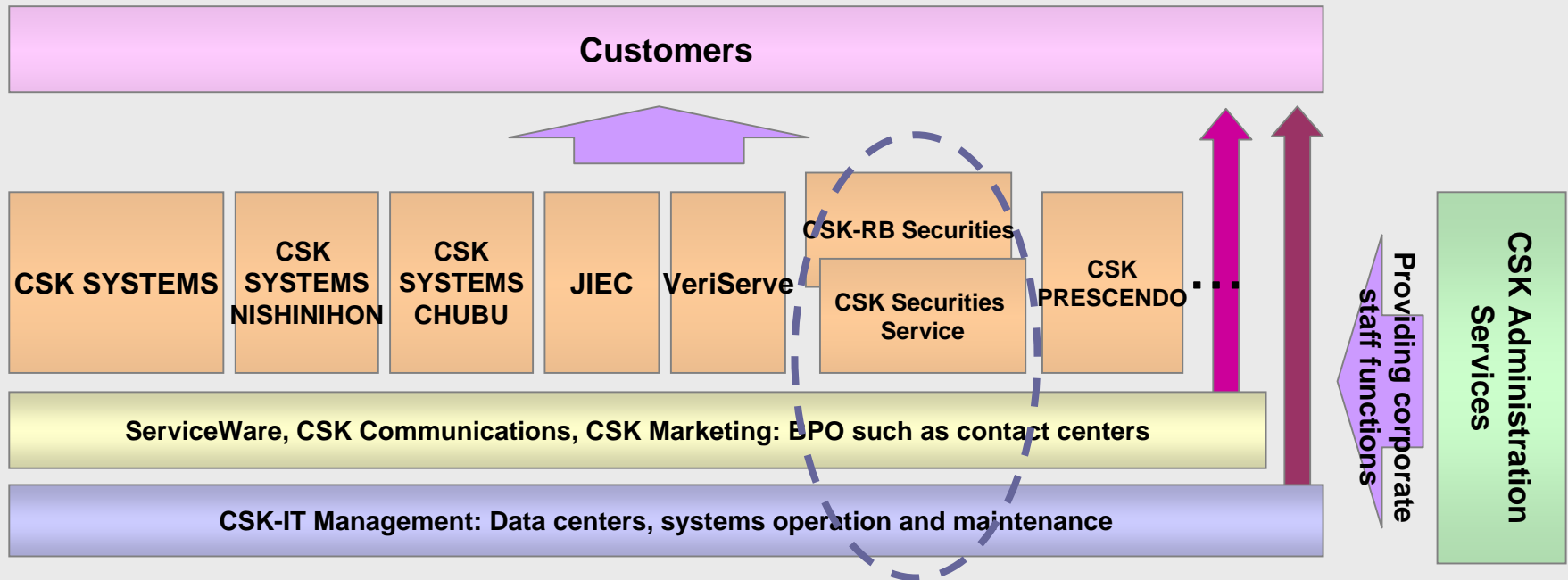
- Pursuing expertise by centralizing data center and systems management functions
- CSK SYSTEMS: main company to lead IT services business and business transformation
- Strengthening management flexibility through a region-specific approach, with separate entities for West Japan and Central Japan
- Pursuing expertise and efficiency by centralizing administrative functions

## 2. Accelerating transformation of business models



### Objective of Group reorganization

#### Creating a system for providing service provider-type business



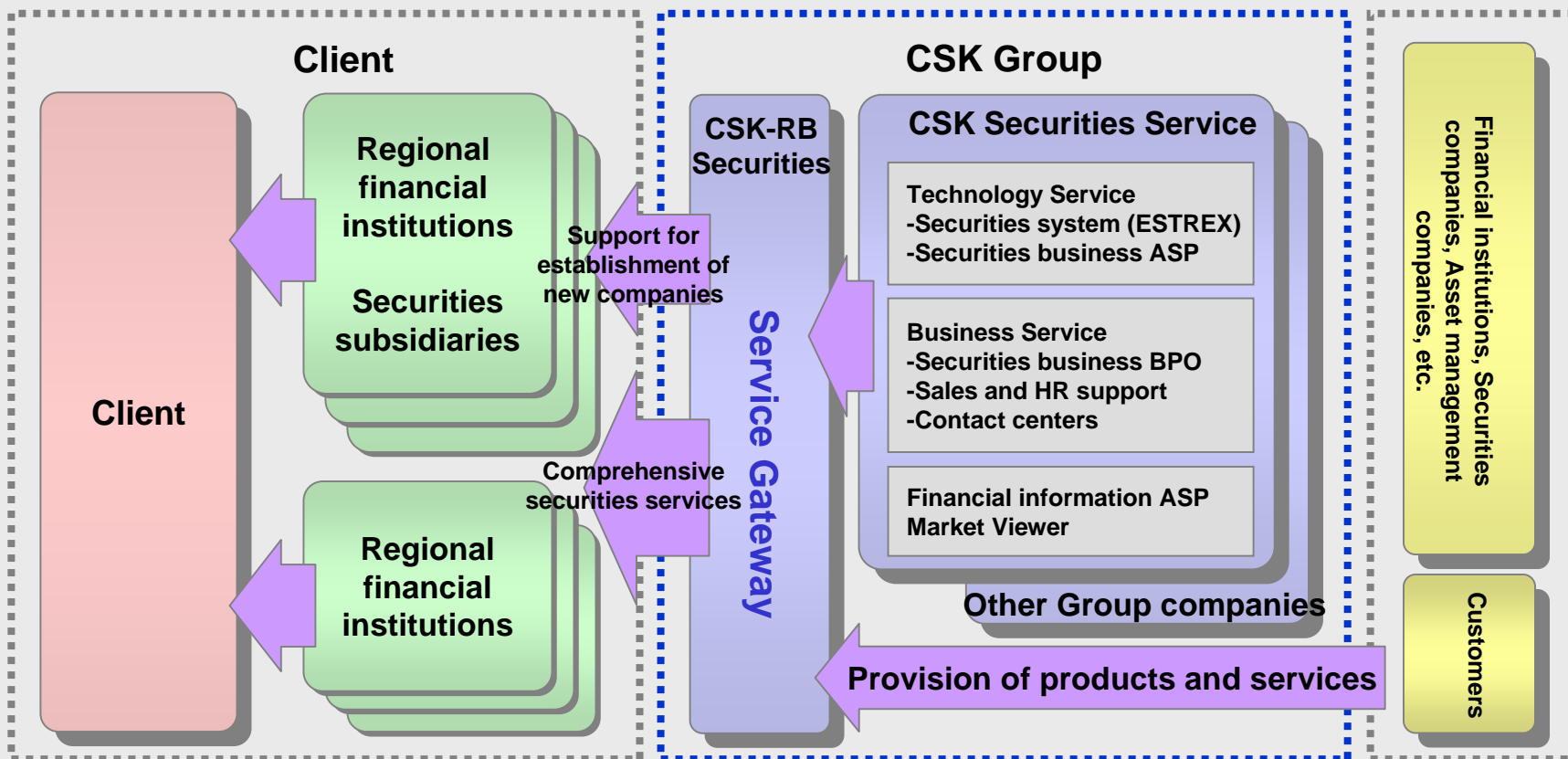
- Targeting *flexible management through swift decision-making and the pursuit of efficiency and creativity*, by centralizing the Group's existing functions and optimizing scale
- Developing a system whereby all Group companies cooperate to provide services attuned to customer needs
- CSK SYSTEMS to drive Group-wide coordination as the core company of the IT services business

### 3. Service provider business: CSK-RB Securities



- Comprehensive securities services for securities subsidiaries of regional financial institutions

#### Initiatives at CSK Securities Service and CSK-RB Securities



- Development of new securities systems progressing smoothly at CSK Securities Service

- Potential customers being sought through CSK Securities Service

#### ■ Fulfillment services in direct sales field

#### Establishment of CSK PRESCENDO, a joint venture with Xavel

**Seeking growth as our core service provider business in the direct sales**

**Business outline:**

■ **IT-related services**

- E-commerce systems consulting
- E-commerce systems ASP services
- Systems license sales

■ **Fulfillment services**

- Providing e-commerce systems related sales processes, such as merchandise management and distribution and customer support.
- Providing planning functions such as marketing and promotional activities through data analysis.

Providing above services to Xavel and related companies, and its client companies in addition to CSK's customer.

#### Outline of Xavel

**Xavel**  
media group

■ **Company overview**

Name: Xavel, Inc.  
Representative: Fumitaro Ohama  
<http://www.xavel.com>

■ **Business outline**

Internet media sales, branding and marketing targeting females aged 20-34  
Mobile e-commerce related business  
Fashion event production business

- **girlswalker.com** (mobile portal site)  
around 7 million users (largest in Japan)
- **shopping walker** (mobile e-commerce site)
- **fashionwalker.com** (internet e-commerce site)

▪ **TOKYO GIRLS COLLECTION**

Largest-ever fashion festa, with 20,000 attendants

Held also in Beijing in March 2007

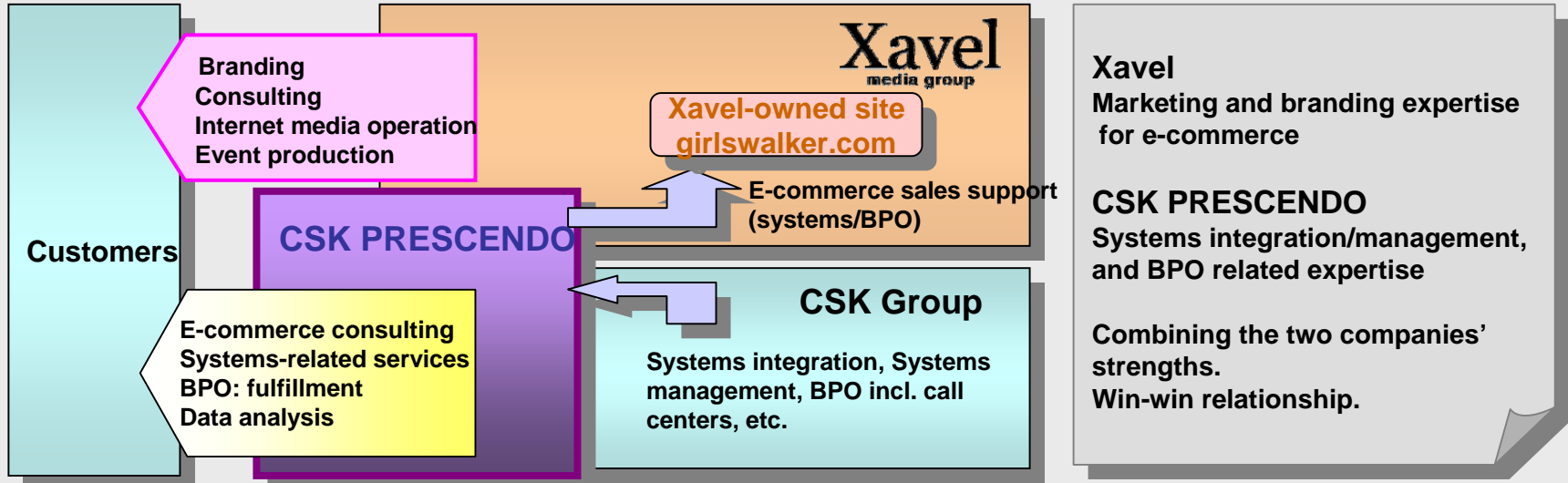


### 3. Service provider business: CSK PRESCENDO



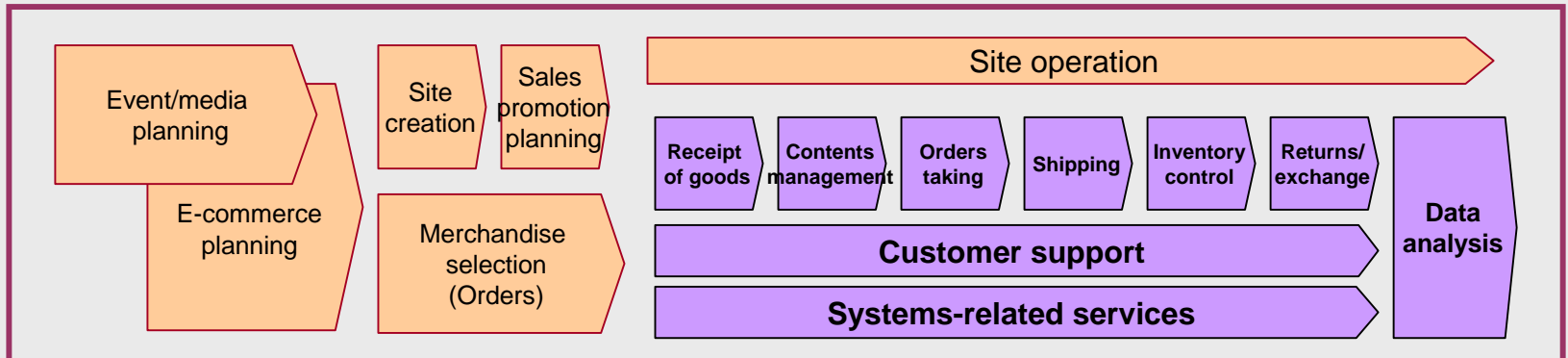
#### ■ Fulfillment services in direct sales field

#### Collaboration with Xavel



Xavel

CSK PRESCENDO



## 4. Achieving sustainability



### ■ CSK Group CSR initiatives

#### ■ Initiatives of CSK-IS (CSK Institute for Sustainability)

Research on theme of “What is required in the age of sustainability?”

- Industry-university collaboration network (Japan, US, China, Korea)
- Collaboration with Group businesses (finance, communications, healthcare)
- Recommendations; Human resource development; Business creation

#### ■ Tama Project

Established the CSK Tama Center in Tama-city, Tokyo.

- Base for CSK-IS research activities
- Cultivation base for green business of TGS/CGS
- Training facility for Group employees

Land:                    Approx. 28,400m<sup>2</sup>  
Building:              Approx. 910,000m<sup>2</sup>  
                                  (2 floors and 2 basement levels)

Greenhouses: Approx. 2000m<sup>2</sup>

Note: TGS: Tokyo Green Systems  
CGS: CSK Green Services

#### ■ Green business: Tokyo Green Systems/ CSK Green Services

Established a “local cultivation for local consumption”, “in-house cultivation/in-house sale” business model for types of orchids in the Tokyo metropolitan region. Expanding the business.



Actively promoting increased hiring of disabled people

Annual cultivation volumes and cultivation facilities:

- Phalaenopsis orchid (15,000 pots) and Middy Phalaenopsis orchid (5,000 pots)

Inzai-city, Chiba:    approx. 660m<sup>2</sup>  
Tama-city, Tokyo:    approx 2,000m<sup>2</sup>

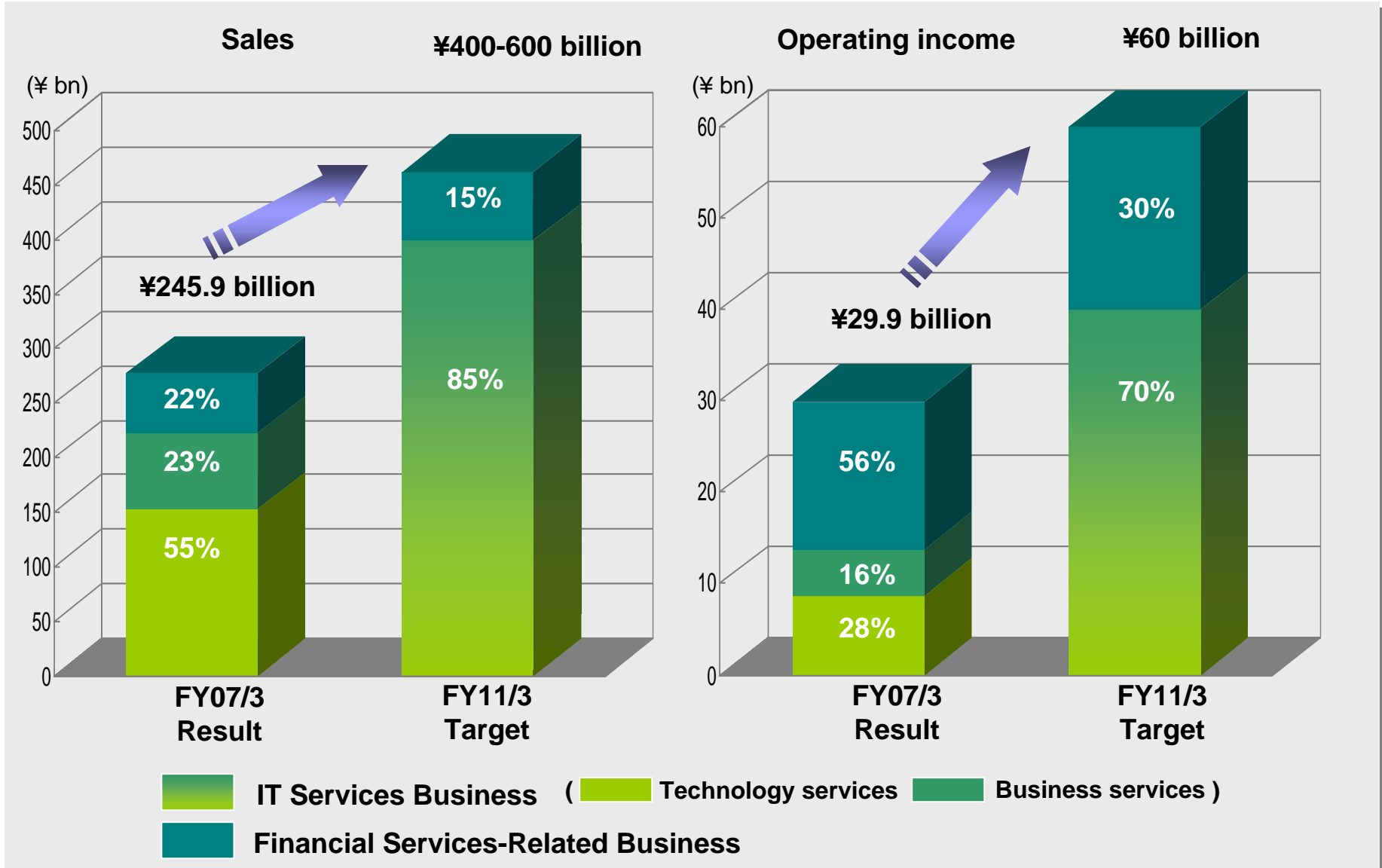
- Seedling raising business of orchids (460,000 pots)

Inzai-city, Chiba:    approx. 10,000m<sup>2</sup>  
The largest in Japan

# Reference: Medium-term business targets



## Business targets for fiscal year ending March 2011





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