

Financial Report for the Nine Months Period Ended December 31, 2008 (Consolidated)

CSK HOLDINGS CORPORATION <http://www.csk.com/>

Listings: The First Section of the Tokyo Stock Exchange, Code 9737

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(Figures are rounded down to the nearest million yen)

1. Business Results for the Nine Months Period of Fiscal Year 2009 (From April 1, 2008 to December 31, 2008)

(1) Results of operations (Percentages indicate changes from the same period of the previous year)

	Operating revenue		Operating income		Ordinary income		Net income	
	million yen	%	million yen	%	million yen	%	million yen	%
Nine months ended Dec. 31, 2008	151,288		(96,481)		(95,364)		(99,327)	
Nine months ended Dec. 31, 2007	178,967	0.6	19,618	(28.4)	20,878	(26.1)	13,514	(8.7)

	Net income per share	Diluted net income per share
	yen	yen
Nine months ended Dec. 31, 2008	(1,307.75)	
Nine months ended Dec. 31, 2007	183.45	162.08

(2) Financial position

	Total assets	Net assets	Shareholders' equity ratio	Shareholders' equity per share
	million yen	million yen	%	yen
As of Dec. 31, 2008	444,035	89,364	19.0	1,049.41
As of Mar. 31, 2008	550,054	185,495	29.7	2,317.18

Reference) Shareholders' equity

The 3rd quarter of fiscal year 2009: 84,224 million yen Fiscal year 2008: 163,473 million yen

2. Dividends

	Dividends per share				
	1st quarter-end	2nd quarter-end	3rd quarter-end	Year-end	Annual
	yen	yen	yen	yen	yen
Fiscal year 2008		20.00		20.00	40.00
Fiscal year 2009		0.00			
Fiscal year 2009(forecast)				0.00	0.00

Note) Review of dividends prospect of Dec. 31, 2008: Yes

3. Earnings Forecast for the Fiscal Year 2009 (From April 1, 2008 to March 31, 2009)

(Percentages indicate changes from the same period of the previous year)

	Operating revenue		Operating income		Ordinary income		Net income		Net income per share
	million yen	%	million yen	%	million yen	%	million yen	%	yen
Full-year	205,000	(14.5)	(102,000)	(629.7)	(101,000)	(589.5)	(104,000)		(1,350.07)

Note) Review of Earnings Forecast as of Dec. 31, 2008: Yes

4. Other

- (1) Changes in the state of material subsidiaries during the period (Changes regarding specific companies accompanying changes in the scope of consolidation) : None
- (2) Adoption of simplified method or specific method to quarterly financial statement in accounting procedure : None
- (3) Change in accounting policies and others
Related to accounting standard revisions etc. : Yes
Other changes : Yes
- (4) Outstanding shares (Common shares)
 - ① Number of shares outstanding at the end of fiscal year (Including treasury stock)
Dec. 31,2008 80,290,414 shares Mar. 31, 2008 78,670,524 shares
 - ② Number of treasury stock
Dec. 31,2008 31,615 shares Mar. 31, 2008 8,121,892 shares
 - ③ Average number of shares outstanding during term
Dec. 31,2008 75,952,903 shares Dec. 31, 2007 73,668,938 shares

※ Explanation of the appropriate use of performance forecasts and other related items

Since descriptions about future events, for instance, earnings forecast for March 2009 are estimation, results may differ from this estimation due to changes of several economic conditions.

Consolidated Balance Sheets

(millions of yen)

	Fiscal year 2009 3rd quarter (As of Dec. 31, 2008)	Fiscal year 2008 (As of Mar. 31, 2008)
Assets		
Current assets		
Cash and time deposits	36,934	64,012
Notes and accounts receivable	23,696	31,025
Marketable securities	12,190	11,701
Venture capital investments	4,482	4,166
Inventories	8,077	4,888
Income taxes refundable	3,080	4,999
Investments related to financial services	128,697	198,427
Cash segregated as deposits related to securities business	27,963	32,891
Trading assets related to securities business	12,125	6,824
Receivables related to margin transactions	20,986	46,105
Other current assets	42,791	31,666
Allowance for losses on investment securities	(234)	(234)
Allowance for doubtful accounts	(83)	(92)
Total current assets	320,707	436,383
Fixed assets		
Tangible fixed assets	43,227	34,345
Intangible fixed assets		
Goodwill	7,494	779
Other	7,795	8,097
Total intangible fixed assets	15,289	8,877
Investments and other assets		
Investments in securities	43,495	49,327
Other	21,886	22,190
Allowance for doubtful accounts	(570)	(1,070)
Total investments and other assets	64,812	70,447
Total fixed assets	123,328	113,670
Total assets	444,035	550,054

(millions of yen)

	Fiscal year 2009 3rd quarter (As of Dec. 31, 2008)	Fiscal year 2008 (As of Mar. 31, 2008)
Liabilities		
Current liabilities		
Accounts payable	7,822	11,584
Short-term bank loans payable	81,690	69,511
Accrued income taxes	416	3,112
Deposits received of prepaid cards	50,728	46,564
Accrued bonuses to employees	3,337	7,026
Allowance for anticipated losses on contracts	1,269	369
Allowance for loss on cancellation penalty	1,811	-
Liabilities related to financial services	42,761	44,370
Trading liabilities related to securities business	5,963	2,602
Payable related to margin transactions	12,833	19,323
Deposits received and guarantee deposits received from customers related to securities business	34,903	44,128
Other current liabilities	31,476	35,439
Total current liabilities	275,075	284,033
Long-term liabilities		
Corporate bonds payable	20,000	20,000
Convertible bonds payable	56,792	56,792
Long-term bank loans payable	-	84
Accrued employees' retirement benefits	371	341
Accrued directors' retirement benefits	114	158
Other long-term liabilities	1,446	1,565
Total long-term liabilities	78,725	78,940
Statutory reserve		
Reserve for financial products transaction liabilities	869	-
Reserve for securities trading liabilities	-	1,579
Reserve for financial futures trading liabilities	-	4
Total statutory reserve	869	1,584
Total liabilities	354,670	364,558
Net assets		
Shareholders' equity		
Common stock	73,225	73,225
Capital surplus	30,763	37,791
Retained earnings	(18,110)	83,007
Treasury stock, at cost	(68)	(31,614)
Total shareholders' equity	85,809	162,410
Valuation, translation adjustments and other		
Net unrealized gains on securities	81	1,696
Net unrealized losses on hedging derivatives	(4)	(7)
Foreign currency translation adjustments	(1,661)	(625)
Total valuation, translation adjustments and other	(1,585)	1,063
Minority interests	5,139	22,021
Total net assets	89,364	185,495
Total liabilities and net assets	444,035	550,054

Consolidated Statements of Income

(millions of yen)

	For the nine months ended Dec. 31, 2008
Operating revenue	151,288
Operating costs	198,204
Gross profit	(46,916)
Selling, general and administrative expenses	49,565
Operating income	(96,481)
Non-operating income	
Interest income	86
Dividend income	399
Hoard profit of prepaid card	732
Others	840
Total non-operating income	2,058
Non-operating expenses	
Interest expenses	12
Foreign exchange loss	267
Provision for accrued employees' retirement benefits	195
Others	464
Total non-operating expenses	940
Ordinary income	(95,364)
Extraordinary gains	
Gain from transfer of business	499
Reversal of reserve for financial products transaction liabilities	714
Others	316
Total extraordinary gains	1,530
Extraordinary losses	
Loss on impairment of fixed assets	2,750
Loss on business restructuring	1,365
Loss on discontinuing construction of head office	2,495
Others	1,791
Total extraordinary losses	8,402
Income before income taxes and minority interests	(102,236)
Income taxes : Current	1,820
Income taxes : Refund	(717)
Income taxes : Deferred	(4,048)
Total income taxes	(2,945)
Minority interests	36
Net income	(99,327)

Consolidated Statements of Cash Flows

(millions of yen)

For the nine months
ended Dec. 31, 2008

Cash flows from operating activities	
Income before income taxes and minority interests	(102,236)
Depreciation	5,063
Loss on impairment of fixed assets	3,050
Amortization of goodwill	992
Increase (decrease) in allowances and decrease (increase) in prepaid pension costs	(907)
Increase (decrease) in reserve for financial products transaction liabilities	(714)
Interest and dividend income	(1,635)
Interest expenses	1,368
Decrease (increase) in accounts receivable	7,328
Decrease (increase) in inventories	(3,188)
Increase (decrease) in accounts payable	(3,702)
Increase (decrease) in deposits received of prepaid cards	4,163
Decrease (increase) in venture capital investments	(500)
Decrease (increase) in investments related to financial services	64,658
Increase (decrease) in liabilities related to financial services	2,797
Decrease (increase) in cash segregated as deposits related to securities business	4,928
Decrease (increase) in trading assets related to securities business	(5,300)
Decrease (increase) in receivables related to margin transaction	25,118
Decrease (increase) in loan secured by securities	(3,070)
Increase (decrease) in trading liabilities related to securities business	3,361
Increase (decrease) in payables related to margin transactions	(6,489)
Increase (decrease) in deposits received and guarantee deposits received from customers related to securities business	(9,224)
Other, net	2,955
Subtotal	(11,181)
Interest and dividends income received	1,693
Interest expenses paid	(1,231)
Income taxes paid	(1,568)
Net cash provided by (used in) operating activities	(12,287)
Cash flows from investing activities	
Decrease (increase) in time deposit, net	587
Net proceeds from sales and purchases of marketable securities	4,552
Purchase of property and equipment	(12,413)
Purchases of intangible assets	(5,560)
Purchases of investments in securities	(9,282)

Proceeds from sales of investments in securities	5,900
Other, net	135
Net cash provided by (used in) investing activities	<u>(16,080)</u>
Cash flows from financing activities	
Increase (decrease) in short-term bank loans and commercial paper, net	3,200
Cash dividends paid	(1,412)
Other, net	(80)
Net cash provided by (used in) financing activities	<u>1,707</u>
Effect of exchange rate changes on cash and cash equivalents	<u>(399)</u>
Net increase (decrease) in cash and cash equivalents	<u>(27,060)</u>
Cash and cash equivalents, at beginning	<u>59,200</u>
Cash and cash equivalents, at end	<u>32,139</u>

Segment Information (Consolidated)

1. Information by business segment

(millions of yen)

	For the nine months period ended Dec. 31, 2008						
	IT services business	Financial services business	Securities business	Prepaid card business	Total	Elimination and corporate	Consolidated Total
Operating revenue:							
Outside customers	136,093	1,849	11,382	1,963	151,288	—	151,288
Inter-segment sales/transfers	4,870	1	10	114	4,997	(4,997)	—
Total	140,963	1,850	11,393	2,078	156,285	(4,997)	151,288
Costs and expenses	134,279	92,814	18,059	1,920	247,073	697	247,770
Operating income(loss)	6,683	(90,963)	(6,665)	158	(90,787)	(5,694)	(96,481)

Notes: 1. The Group operates principally in four segments: IT services business, Financial services business, Securities business and Prepaid card business.

Segment	Major products and services
IT services business	Software development, systems integration, facilities management, business process outsourcing and other related services Computer and other product sales, engineering of intelligent buildings, intelligent buildings lease
Financial services business	Investment in venture companies, investment in anonymous associations, real estate, equity securities and others, management of investment trust
Securities business	Securities business and other related services
Prepaid card business	Issuance and settlement of prepaid cards, development and sales of card systems

2. Among costs and expenses, unallocated operating expenses in "Elimination and corporate" column for the nine months ended Dec. 31, 2008 consisted of management expense for group companies of ¥10,713 million incurred at CSK HOLDINGS CORPORATION.

(Change in accounting policies)

CSK HOLDINGS CORPORATION has changed the measurement of Inventories since this period. As a result, "Operating income" of the financial business segment decreased by ¥65,244 million and "Operating income" of the prepaid card business segment decreased by ¥0 million from the corresponding amounts which would have been recorded under the previous method.

The company has changed the accounting policy of the prepaid card business segment. As a result, "Operating revenue" and "Operating income" of the prepaid card business segment increased by ¥286 million compared with the results that would have been recorded under the previous method.

2. Segment Information for geographic locations

Segment information for geographic locations is omitted for the nine months period ended Dec. 31, 2008 since total sales for "Japan" segment exceeded 90% of total sales in this period.

3. Overseas Sales

Information regarding overseas sales was omitted for the nine months period ended Dec. 31, 2008 since total overseas sales were less than 10% of consolidated total sales in this period.