

Consolidated Financial Results for the Second Quarter Ended September 30, 2010



MEMBERSHIP
November 11, 2010

Company name: CSK CORPORATION < Tokyo Stock Exchange in Japan >
 Code number: 9737 (URL <http://www.csk.com>)
 Representative: Takeshi Nakanishi, President (Tel 03 – 6438 – 3030)
 Contact person: Yasuhiko Oka, General Manager – Accounting Department
 Schedule date of filing Quarterly securities reports: November 12, 2010
 Schedule date of payment of cash dividends: –
 The additional materials of the Financial Results for the Second Quarter: Yes
 The briefing session of the Financial Results for the Second Quarter: Yes (For Institutional investors or Financial analysts)

(Amounts of less than one million are rounded down.)

1. Consolidated Financial Results for the Second Quarter Ended Sept. 30, 2010 (April 1, 2010 through September 30, 2010)

(1) Consolidated operating results (% represents the change from the same period in the previous fiscal year)

	Operating revenue		Operating income		Ordinary income		Net income	
	million yen	%	million yen	%	million yen	%	million yen	%
Six months ended Sept. 30, 2010	68,156	(19.4)	2,192	-	459	-	(7,815)	-
Six months ended Sept. 30, 2009	84,603	(17.8)	(477)	-	(751)	-	(58,617)	-

	Net income per share	Diluted net income per share
	yen	yen
Six months ended Sept. 30, 2010	(62.16)	-
Six months ended Sept. 30, 2009	(730.37)	-

(2) Consolidated financial position

	Total assets	Net assets	Shareholders' equity ratio	Shareholders' equity per share
	million yen	million yen	%	Yen
As of Sept. 30, 2010	175,797	7,892	1.5	(304.99)
As of Mar. 31, 2010	267,749	15,807	4.0	(241.34)

Reference) Shareholders' equity

As of Sept. 30, 2010: 2,652 million yen As of Mar. 31, 2010: 10,660 million yen

2. Dividends

	Dividends per share				
	1st quarter-end	2nd quarter-end	3rd quarter-end	Year-end	Total
	yen	yen	yen	yen	yen
Fiscal year ended Mar. 31, 2010	-	0.00	-	0.00	0.00
Fiscal year ending Mar. 31, 2011	-	0.00			
Fiscal year ending Mar. 31, 2011 (forecast)			-	0.00	0.00

Note) Changes in dividends forecast for fiscal year 2011 as of Sept. 30, 2010: None

3. Forecast of consolidated operating results for FY 2011 (April 1, 2010 through March 31, 2011)

	Operating revenue		Operating income		Ordinary income		Net income		Net income per share
	million yen	%	million yen	%	million yen	%	million yen	%	yen
Full-year	160,000	(5.6)	10,000	139.4	7,800	167.2	(1,500)	-	(11.93)

Note) Changes in forecast of consolidated operating results for FY2011 as of Sept. 30, 2010: None

4. Others

- (1) Significant changes in scope of consolidation: None

Note: This section shows whether or not there is a change in Specified Subsidiaries that led to the change of the consolidated scope during the current quarter.

- (2) Adoption of simplified method or specific method to quarterly financial statement in accounting procedure : None

Note: This section shows the use of any simplified accounting methods, or the use of any particular accounting methods for quarterly consolidated financial statements.

- (3) Change in accounting policies, procedures, presentation rules, etc.

① Changes due to the revision of accounting standards. : Yes

② Changes due to reasons other than ① : None

Note: The section shows the changes to accounting policies, procedures rules, etc. that are described in Japanese regulations as "Alterations on significant issues that are the basis of the presentation for quarterly financial accounting statements.

- (4) Number of shares issued (common stock)

① Number of shares issued (including treasury stock)

② Number of treasury stock

③ Average number of shares issued (during 2nd quarter)

Accounting period	Shares	Accounting period	Shares
FY2011 2nd Quarter	125,747,714	FY2010	125,747,714
FY2011 2nd Quarter	13,185	FY2010	35,499
FY2011 2nd Quarter	125,735,168	FY2010 2nd Quarter	80,257,364

※Implementation status of Quarterly review

This Financial Results report for the Second Quarter was exempt from quarterly review which was based on Financial Instruments and Exchange Law of Japan. As of the Second Quarter disclosing, quarterly review for the quarterly financial statements has been completed.

※Explanation regarding the appropriate use of forecasts of business results

The financial forecasts of business results are based on judgments and estimates that have been made using of currently available information. By nature, such financial forecasts are subject to uncertainty and risk. Therefore, you are advised that the final results might be significantly different from the aforementioned forecast due to changes in economic environments related to our business, market trends and exchange rate, etc.

Consolidated Financial Statements and Others

(1) Consolidated Balance Sheets

(millions of yen)

	Fiscal year 2011 2nd quarter (As of Sept. 30, 2010)	Fiscal year 2010 (As of Mar. 31, 2010)
Assets		
Current assets		
Cash and time deposits	41,530	45,250
Notes and accounts receivable	19,998	23,300
Short term loans receivable	20,055	22,261
Marketable securities	8,717	8,485
Venture capital investments	-	3,970
Inventories	2,645	2,180
Income taxes receivable	879	3,261
Cash segregated as deposits related to securities business	-	26,593
Trading assets related to securities business	-	10,232
Receivables related to margin transactions	-	24,551
Other current assets	12,631	31,630
Allowance for doubtful accounts	(10,077)	(8,724)
Total current assets	96,380	192,993
Fixed assets		
Tangible fixed assets	24,356	26,482
Intangible fixed assets	4,028	5,427
Investments and other assets		
Investments in securities	42,392	31,065
Other assets	9,014	12,096
Allowance for doubtful accounts	(374)	(315)
Total investments and other assets	51,032	42,847
Total fixed assets	79,417	74,756
Total assets	175,797	267,749

(millions of yen)

	Fiscal year 2011 2nd quarter (As of Sept. 30, 2010)	Fiscal year 2010 (As of Mar. 31, 2010)
Liabilities		
Current liabilities		
Accounts payable	4,483	6,602
Short-term convertible bonds payable	21,792	-
Short-term bank loans payable	7,563	10,933
Accrued income taxes	1,015	1,156
Deposits received of prepaid cards	54,009	53,183
Accrued bonuses to employees	3,588	3,783
Accrued bonuses to directors	20	-
Allowance for anticipated losses on contracts	96	57
Trading liabilities related to securities business	-	1,008
Payable related to margin transactions	-	19,121
Deposits received and guarantee deposits received from customers related to securities business	-	35,994
Other current liabilities	12,262	18,800
Total current liabilities	104,832	150,641
Long-term liabilities		
Convertible bonds payable	35,000	56,792
Long-term bank loans payable	25,031	40,063
Accrued employees' retirement benefits	144	197
Accrued directors' retirement benefits	19	22
Allowance for anticipated losses on contracts	6	-
Other long-term liabilities	2,870	3,543
Total long-term liabilities	63,072	100,618
Statutory reserve		
Reserve for financial products transaction liabilities	-	681
Total statutory reserve	-	681
Total liabilities	167,905	251,942
Net assets		
Shareholders' equity		
Capital stock	96,225	96,225
Capital surplus	53,763	53,763
Retained earnings	(147,309)	(139,494)
Treasury stock, at cost	(10)	(68)
Total shareholders' equity	2,668	10,426
Valuation, translation adjustments and other		
Net unrealized gains (losses) on securities	(16)	234
Total valuation, translation adjustments and other	(16)	234
Subscription rights to shares	467	467
Minority interests	4,773	4,680
Total net assets	7,892	15,807
Total liabilities and net assets	175,797	267,749

(2) Consolidated Statements of Operations

(millions of yen)

	Fiscal year 2010 From Apr. 1, 2009 To Sept. 30, 2009	Fiscal year 2011 From Apr. 1, 2010 To Sept. 30, 2010
Operating revenue	84,603	68,156
Operating costs	57,619	52,054
Gross profits	26,983	16,101
Selling, general and administrative expenses	27,460	13,909
Operating income(loss)	(477)	2,192
Non-operating income		
Interest income	21	55
Dividend income	168	33
Hoard profit of prepaid card	519	575
Others	544	446
Total non-operating income	1,254	1,112
Non-operating expenses		
Interest expenses	16	498
Provision of allowance for doubtful accounts	-	1,753
Provision for accrued employees' retirement benefits	130	131
Stock Issuance Costs	465	-
Commission fee	599	-
Others	316	461
Total non-operating expenses	1,528	2,845
Ordinary income(loss)	(751)	459
Extraordinary gains		
Gain on sales of investment securities	467	-
Reversal of allowance for doubtful accounts	-	51
Reversal of reserve for financial products transaction liabilities	185	-
Others	570	17
Total extraordinary gains	1,223	69
Extraordinary losses		
Loss on withdrawal from securities business	-	8,904
Loss on withdrawal from real estate securitization business	55,940	-
Others	2,858	1,051
Total extraordinary losses	58,798	9,956
Loss before income taxes and minority interests	(58,326)	(9,427)
Income taxes : Current	778	683
Income taxes : Deferred	(466)	(2,354)
Total income taxes	311	(1,671)
Loss before minority interests	-	(7,756)
Minority interests in income (loss)	(20)	59
Net loss	(58,617)	(7,815)

(3) Consolidated Statements of Cash Flows

(millions of yen)

	For the six months ended Sept. 30, 2009	For the six months ended Sept. 30, 2010
Cash flows from operating activities		
Loss before income taxes and minority interests	(58,326)	(9,427)
Depreciation	2,785	2,245
Loss on impairment of fixed assets	481	17
Amortization of goodwill	88	68
Increase (decrease) in allowances and decrease (increase) in prepaid pension costs	(1,027)	1,679
Increase (decrease) in reserve for financial products transaction liabilities	(185)	-
Interest and dividend income	(733)	(89)
Interest expenses	2,145	504
Loss on withdrawal from real estate securitization business	46,733	-
Loss on withdrawal from securities business	-	8,904
Decrease (increase) in accounts receivable	7,805	4,965
Decrease (increase) in inventories	32	(501)
Increase (decrease) in accounts payable	(3,212)	(2,118)
Increase (decrease) in deposits received of prepaid cards	(429)	826
Decrease (increase) in venture capital investments	130	166
Decrease (increase) in investments related to financial services	1,085	-
Decrease (increase) in cash segregated as deposits related to securities business	(1,759)	-
Decrease (increase) in trading assets related to securities business	1,035	-
Decrease (increase) in trade date accrual (asset) related to securities business	1,293	-
Decrease (increase) in receivables related to margin transaction	(8,585)	-
Decrease (increase) in loans secured by securities	200	-
Increase(decrease) in trading liability related to securities business	(205)	-
Increase (decrease) in payables related to margin transactions	6,548	-
Increase (decrease) in deposits received and guarantee deposits received from customers related to securities business	3,619	-
Other net	(1,918)	(1,517)
Subtotal	(2,400)	5,725
Interest and dividends income received	777	60
Interest expenses paid	(2,209)	(482)
Income taxes paid	1,747	1,069
Net cash used in operating activities	(2,084)	6,373
Cash flows from investing activities		
Decrease (increase) in time deposit, net	(470)	(6)
Net proceeds from sales and purchases of marketable securities	-	10,227
Purchases of property and equipment	(1,363)	(367)
Purchases of intangible assets	(942)	(463)
Purchases of investments in securities	(2,110)	(15,543)
Proceeds from sales of investments in securities	6,031	1,445
Net decrease (increase) in short-term loans receivable	-	5,089
Proceeds from sales of investments in subsidiaries resulting in change in scope of consolidation	314	3,006
Payments for sales of investments in subsidiaries resulting in change in scope of consolidation	(543)	-
Other net	249	18

CSK CORPORATION (9737)

(millions of yen)

	For the six months ended Sept. 30, 2009	For the six months ended Sept. 30, 2010
Net cash provided by (used in) investing activities	1,163	3,406
Cash flows from financing activities		
Increase (decrease) in short-term bank loans, net	(40,853)	-
Proceeds from long-term loans payable	50,000	-
Repayment of long-term loans payable	-	(12,531)
Redemption of bonds	(20,000)	-
Proceeds from issuance of common stock	16,000	1,210
Proceeds from issuance of subscription right to shares	467	-
Other net	(806)	(121)
Net cash provided by financing activities	4,807	(11,442)
Effect of exchange rate changes on cash and cash equivalents	(175)	(1)
Net increase (decrease) in cash and cash equivalents	3,711	(1,665)
Cash and cash equivalents, at beginning	33,882	43,394
Decrease in cash and cash equivalents resulting from exclusion of subsidiaries from consolidation	-	(1,404)
Cash and cash equivalents, at end	37,594	40,324

(4) Note for Assumption of Going Concern

Not applicable

(5) Segment Information (Consolidated)**Information by business segment**

(millions of yen)

	For the six months period ended Sept. 30, 2009						
	IT services business	Prepaid card Business	Securities business	Other business	Total	Elimination and corporate	Consolidated Total
Operating revenue:							
Outside customers	72,684	1,363	9,860	694	84,603	-	84,603
Inter-segment sales/transfers	1,837	74	7	0	1,920	(1,920)	-
Total	74,522	1,438	9,867	695	86,523	(1,920)	84,603
Costs and expenses	71,343	1,302	8,969	2,207	83,823	1,256	85,080
Operating income(loss)	3,178	135	897	(1,512)	2,699	(3,177)	(477)

Notes: 1. The CSK Group operates principally in four segments: IT services business, Prepaid card, Securities business, Other 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
Prepaid card business:	Issuance and settlement of prepaid cards, development and sales of card systems
Securities business:	Securities business and other related services
Other business:	Investment in venture companies, investment in equity securities and others, management of investment trust

2. Among costs and expenses, unallocated operating expenses in "Elimination and corporate" for the six months ended Sept. 30, 2009 was the expenses of ¥5,230 million. The cost was management expenses for group companies incurred at CSK HOLDINGS CORPORATION.

3. Change in accounting policies

With regards to the recording basis for earnings related to contract works, CSK HOLDINGS CORPORATION had been applying the completed-contract method to contract works, but as of the period under review the company is applying the Accounting Standard for Construction Contracts (Accounting Standards Board of Japan (ASBJ) Statement No. 15; December 27, 2007) and the Guidance on Accounting Standard for Construction Contracts (ASBJ Guidance No. 18; December 27, 2007). In consequence, with regard to contract works for commissioned software development commencing in the said period, those works for which the outcome of the progress made by the end of the period is deemed certain are subject to the percentage-of-completion method (with the percentage of completion estimated on a cost-to-cost basis), and other works are subject to the completed-contract method. As a result, operating revenue increased by ¥ 514 million, and operating income increased by ¥ 118 million respectively.

4. The CSK Group has substantially withdrawn from real estate securitization business and changed Financial services segment to Other business segment for the six months ended Sept. 30, 2009. As a result, operating revenue increased by ¥ 695 million, and operating loss increased by ¥ 1,512 million in Other business segment for the six months ended Sept. 30, 2009 and CSK HOLDINGS CORPORATION has changed the segment range as follows : "IT service business", "Prepaid card business", "Securities business", "Other business" in order.

5. CSK FINANCE CO.,LTD. (current name GEN CAPITAL CO.,LTD.), its consolidated subsidiary CVC Business Co., Ltd., GENASSET CO., LTD, and other 4 companies, and its 43 anonymous associations were excluded from consolidated subsidiaries of CSK HOLDINGS CORPORATION for the six months ended Sept. 30, 2009. As a result, assets in Financial service business decreased by ¥103,664 million from the fiscal year ended in 2008.

Segment Information for geographic locations

Segment information for geographic locations was omitted for the six months period ended Sept. 30, 2009, because total sales for "Japan" segment exceeded 90% of total sales in the period

Overseas Sales

Information regarding overseas sales was omitted for the six months period ended Sept. 30, 2009, because total overseas sales were less than 10% of consolidated total sales in the period.

Information by Reportable segments

1 Overview of Reportable Segments

Reportable segments of the Company are components of an entity about which separate financial information is available and such information is evaluated regularly by the board of directors in deciding how to allocate resources and in assessing performance.

The Group is based on main three segments of the primary businesses of the subsidiaries, "BPO", "IT-Management", and "Systems-Development", and the Group performs business activities through business reinforcement and cooperation of the core three segments and "Prepaid-Card" business that issues and settles the prepaid cards.

Accordingly, the Group's segments are separated based on the products and services provided by the core operating companies and the reportable segments are as follows.

BPO	Business consulting, Contact center, Back-office BPO, Business process analysis and design, Business BPO services, Data analysis and management, Inspection services
IT-Management	IT base construction, Operation consulting, Infrastructure management, System operation services, Network operation surveillance, Data center services
Systems-Development	Consulting, Solution services, Systems development
Prepaid-Card	Issuance and settlement of prepaid cards, development and sales of card systems

2 Net sales and segment income or loss of reportable segments

(millions of yen)

	For the six months period ended Sept. 30, 2010								
	Reportable Segments					Other Note 1	Total	Elimination and corporation Note 2	Consolidated Note 4
	BPO	IT- Management	Systems- Development	Prepaid- Card	Total				
Operating revenue:									
Outside customers	13,626	13,197	39,160	1,715	67,701	455	68,156	-	68,156
Inter-segment sales/transfers	1,454	1,937	740	76	4,208	-	4,208	(4,208)	-
Total	15,081	15,135	39,901	1,791	71,909	455	72,364	(4,208)	68,156
Operating income(loss)	140	842	2,717	337	4,039	(231)	3,807	(1,615)	2,192

Notes: 1 "Other" represents categories of businesses that are not included in reportable segments, and includes investments in venture companies and investment trust managements

2 Amounts in the column "Elimination and corporation of Operating income (loss)" of ¥(1,615) million represents Group's management revenue of ¥869 million, and corporate expense of ¥(2,751) million that was not allocated to reportable segments. The expense was management expenses for group companies incurred at the Company.

3 The Group has withdrawn from Securities business due to the fact that the Company sold all the shares of Cosmo Securities Co., Ltd. during the first quarter of fiscal year 2011.

4 Segment income (loss) is adjusted with operating income in the Consolidated Statements of Operations.

(Additional Information)

Effective from the first quarter of fiscal year 2011, the Group adapted "Accounting Standard for Disclosure about Segments of an Enterprise and Related Information"(Accounting Standard Board of Japan No.17 issued on March 27, 2009) and "Guidance on Accounting Standard for Disclosures about Segments of an Enterprise and Related Information"(Accounting Standards Board of Japan Guidance No.20 issued on March 21, 2008).

(6) Note for material changes in Shareholder's Equity

Not applicable