

Financial results for the three-month period ended June 30, 2009

August 14, 2009

CSK HOLDINGS CORPORATION

- **Consolidated financial results for three-month of FY2010/3**
 - **IT services business**
 - **Financial services related business**

- **Consolidated financial forecasts for FY2010/3**

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Summary



(millions of yen)

	2008/6	2009/6	Variance	
Revenue	51,128	41,871	△ 9,256	△ 18.1%
Gross profit	13,869	1,639	△ 12,229	△ 88.2%
Gross profit margin	27.1%	3.9%	-	-
SG&A	17,623	15,038	△ 2,585	△ 14.7%
Operating income	△ 3,753	△ 13,398	△ 9,644	-
Operating income margin	△ 7.3%	△ 32.0%	-	-
Ordinary income	△ 3,001	△ 12,798	△ 9,796	-
Net income	△ 3,232	△ 14,041	△ 10,809	-

(yen)

	2008/6	2009/6	Variance
EPS	△ 45.82	△ 174.95	△ 129.13
BPS	2,241.23	69.76	△ 2,171.47

IT Services Business: Revenue fell, reflecting large-scale projects in the year-ago period, including the hardware sale and a large IT projects caused by bank mergers, and the curbing of spending IT.

Technology services: Both revenue and operating income declined, attributable to a decrease in system development for manufacturers and a fall in reaction to large-scale projects in the year-ago period.

Business services: Operating income declined, especially in technical support and product verification.

The Company reorganized the structure of BPO service business in July 1 to enhance productivity and expertise.

Financial Services Business: In the real estate securitization business, we reviewed the valuation of the properties held, reflecting negotiations for their sale, and posted a loss on valuation of Inventories. (△¥11.12 billion)

To eliminate real estate risks, we intend to withdraw from the real estate securitization business early.

Securities Business: We returned profitability, reflecting the improvement in the cost structure and an upturn in the stock market. (Operating income ¥△1.40 billion ⇒ ¥ 560 million)

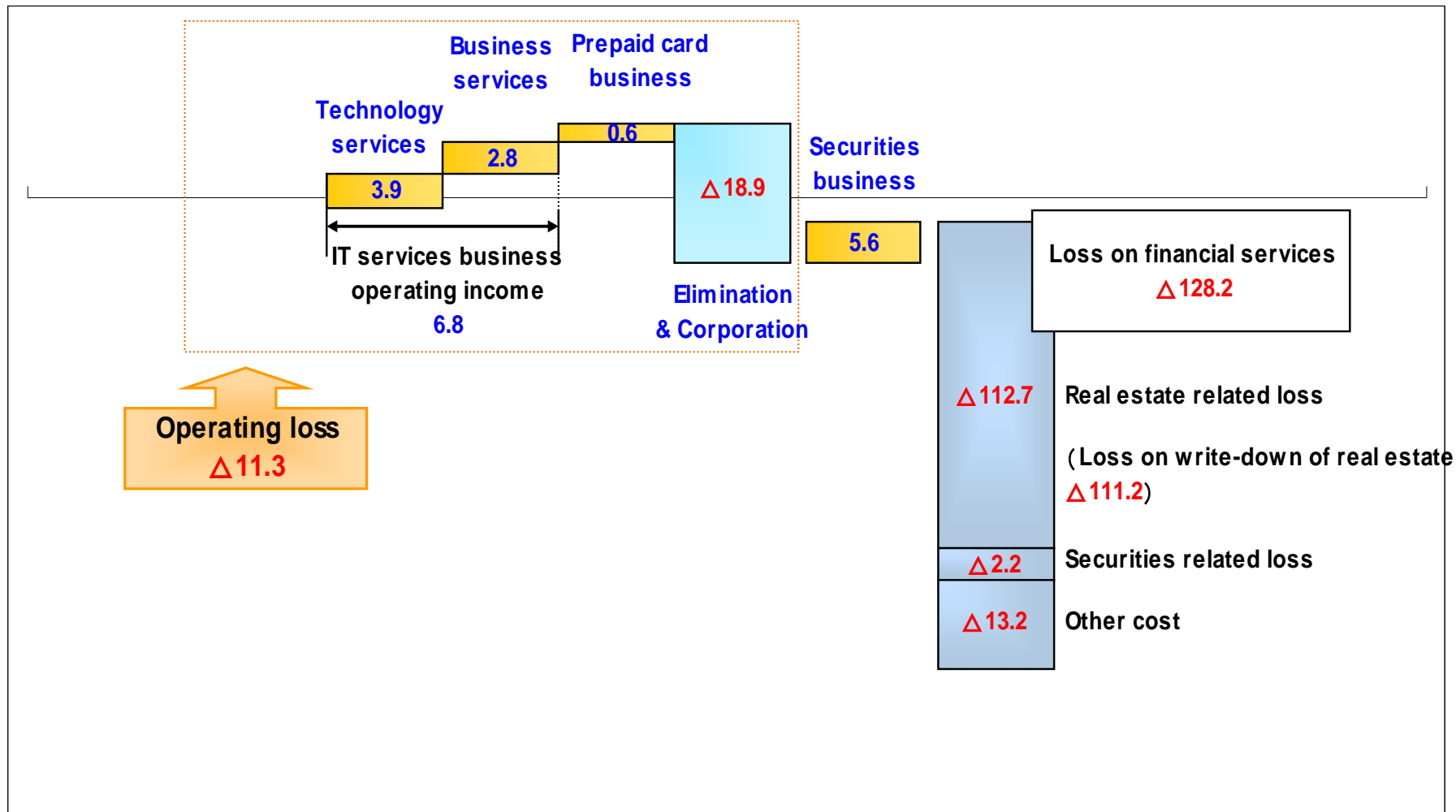
The Nikkei Stock Average rose as the domestic economy was expected to recover. Commissions received and trading-related revenue increased. Meanwhile, SGA were cut ¥1.56 billion from a year ago.

We will conclude a basic agreement for a capital increase with ACA.

We are negotiating to conclude a final agreement and complete our tasks, including stabilizing CSK's cash position through support from banks, increasing capital, and eliminating real estate risk, to strengthen our financial position.

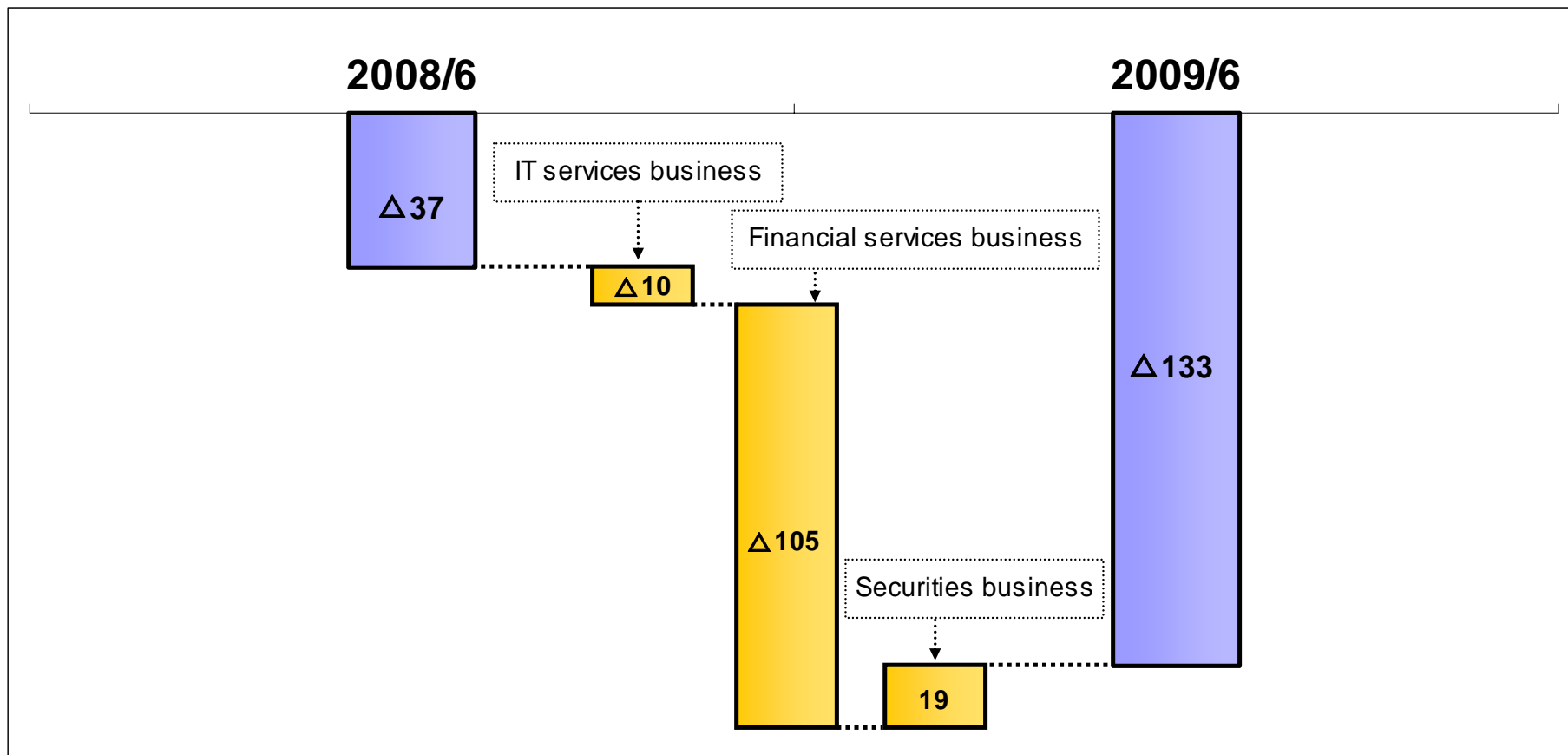
Operating income/loss by segment ('09/4-6)

(100millions of yen)



Operating income/loss bridge 2008/6 to 2009/6

(100millions of yen)



SGA and non-operating income/expenses

(100millions of yen)

SG&A	2008/6	2009/6	Variance	Comment
Payroll cost	82.6	72.5	△10.1	
Subcontract cost	17.1	13.9	△3.1	
Depreciation and amortization	9.8	8.2	△1.5	
Rent	15.5	16.0	0.5	
Other, net	51.0	39.5	△11.5	
Selling, general and administrative expenses	176.2	150.3	△25.8	

Non-operating income	2008/6	2009/6	Variance	Comment
Interest income	0.1	0.1	△0.0	
Dividend income	2.5	1.5	△0.9	
Foreign exchange gain	1.4	-	△1.4	
Hoard profit of prepaid card	2.3	2.9	0.5	
Other, net	2.9	3.8	0.8	
Non-operating income	9.5	8.5	△1.0	

Non-operating expenses	2008/6	2009/6	Variance	Comment
Interest expense	0.0	0.0	0.0	
Loss on sales of investments in securities	0.5	-	△0.5	
Foreign exchange loss	-	0.7	0.7	
Provision for accrued employees' retirement benefits	0.6	0.6	-	
Other, net	0.7	1.0	0.2	
Non-operating expenses	1.9	2.5	0.5	
Non-operating income and expenses Net	7.5	5.9	△1.5	

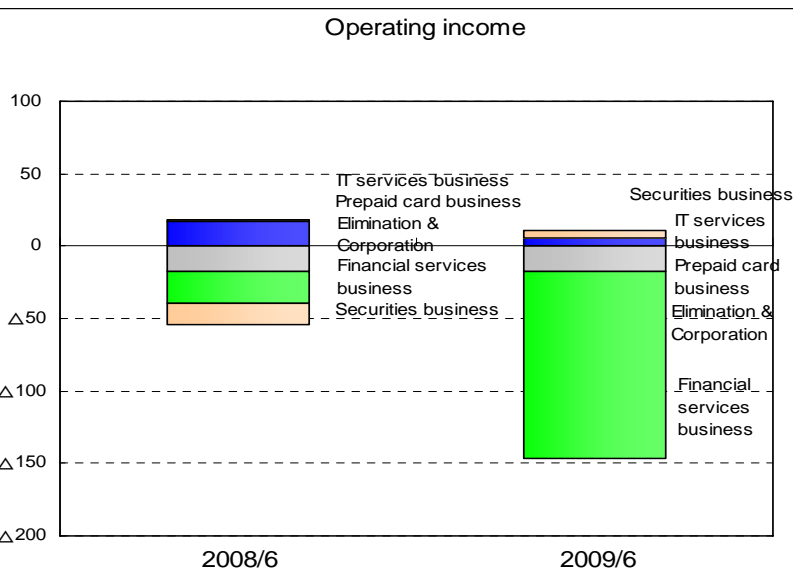
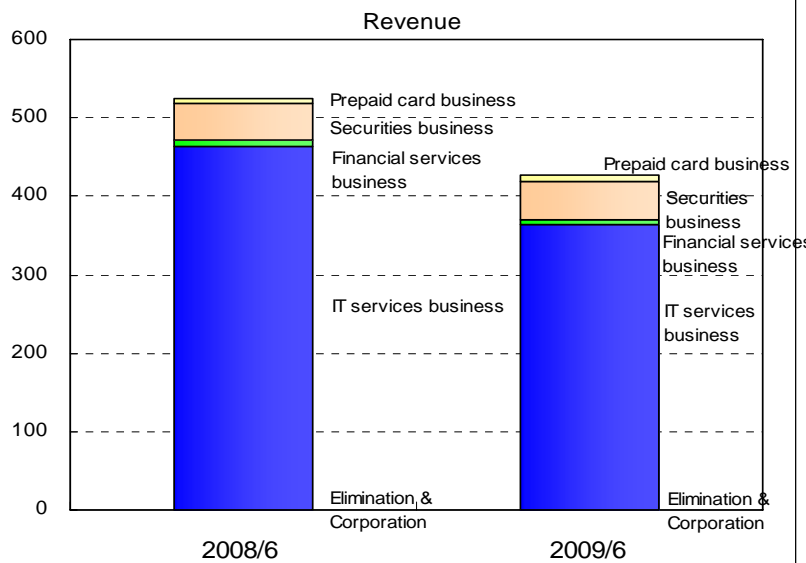
Extraordinary gains & losses

(100millions of yen)

Extraordinary gains		2008/6	2009/6	Variance	Comment
Gain from transfer of business		-	1.8	1.8	
Gain from reversal of financial instruments trading liabilities		7.1	1.8	△5.2	
Other, net		0.3	4.4	4.1	
Extraordinary gains		7.4	8.1	0.6	
Extraordinary losses		2008/6	2009/6	Variance	Comment
Loss on impairment of fixed assets		9.2	4.8	△4.3	
Loss on sales of investments in securities		-	6.5	6.5	
Other, net		3.3	5.9	2.6	
Extraordinary losses		12.6	17.4	4.8	
Extraordinary gains and losses Net		△5.1	△9.2	△4.1	

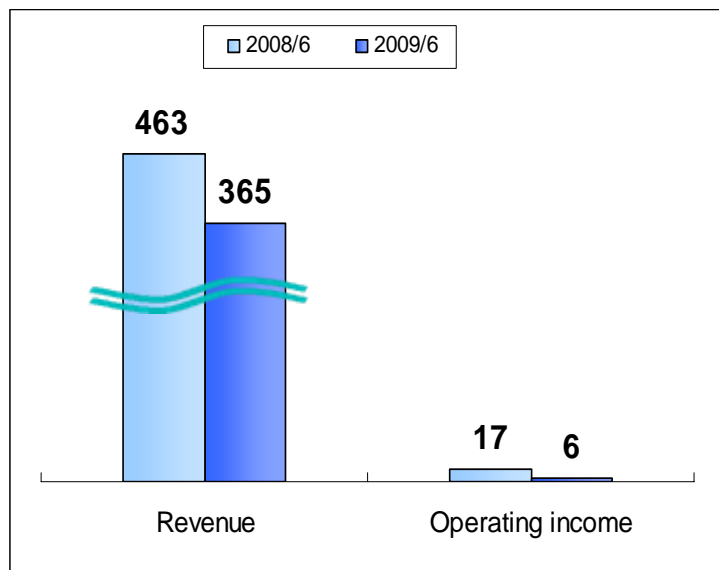
Operating result by segments

(100millions of yen)



		2008/6	2009/6	Variance	
IT services business					
Revenue		463	365	Δ 97	Δ 21.1%
Operating income		17	6	Δ 10	Δ 60.2%
Financial services business					
Revenue		8	5	Δ 3	Δ 37.7%
Operating income		Δ 22	Δ 128	Δ 105	-
Securities business					
Revenue		47	50	3	6.3%
Operating income		Δ 14	5	19	-
Prepaid card business					
Revenue		7	7	0	2.9%
Operating income		0	0	Δ 0	Δ 1.9%
Elimination & Corporation					
Revenue		Δ 15	Δ 10	5	-
Operating income		Δ 18	Δ 18	Δ 0	-
Total					
Revenue		511	418	Δ 92	Δ 18.1%
Operating income		Δ 37	Δ 133	Δ 96	-

IT services business (1)



IT Services Business

Revenue : Δ 21.1%, Operating income : Δ 60.2%

Revenue declined, reflecting a decrease in system development for manufacturers, a reaction* to large-scale projects in the year-ago period, including the hardware sale for credit finance and a large IT projects caused by bank mergers.

Revenue declined in business services, including contact center service and product verification.

(*The effect was about ¥2.7billion.)

Operating income fell due to the effects of the curbing of IT investments by customers and other factors although expenses, including personal and non personal expenses, were cut.

(SGA were down about ¥1.0 billion.)

(100millions of yen)

		2008/6	2009/6	Variance	
CSK-SYS Grp	Revenue	275	216	Δ 59	Δ 21.5%
	Operating income	13	6	Δ 7	Δ 50.7%
JIEC	Revenue	33	25	Δ 8	Δ 24.6%
	Operating income	3	0	Δ 2	Δ 90.7%
VERISERVE	Revenue	19	12	Δ 7	Δ 37.5%
	Operating income	1	Δ 0	Δ 1	-
SWC、CCO-Grp total	Revenue	61	52	Δ 9	Δ 14.7%
	Operating income	1	Δ 1	Δ 2	-
CSK-SS	Revenue	30	32	2	7.9%
	Operating income	2	7	5	-
Others, Elimination ※1	Revenue	43	26	Δ 16	Δ 37.8%
	Operating income	Δ 5	Δ 6	Δ 1	-
IT services business	Revenue	463	365	Δ 97	Δ 21.1%
	Operating income	17	6	Δ 10	Δ 60.2%

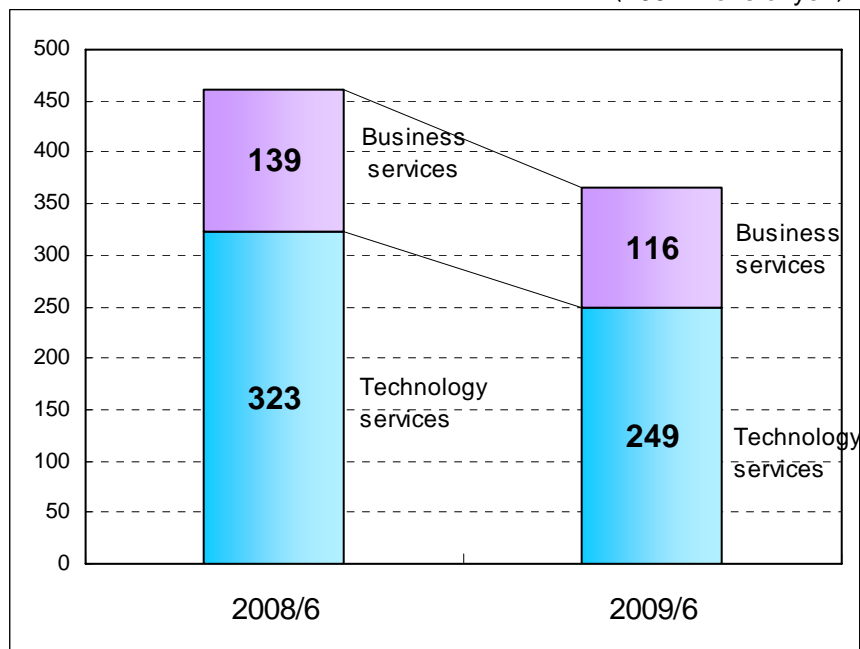
Operating income margin	2008/6	2009/6	Variance
	3.7%	1.9%	Δ 1.8%

*1 Total of earnings at other companies and consolidated eliminations

IT services business (2)

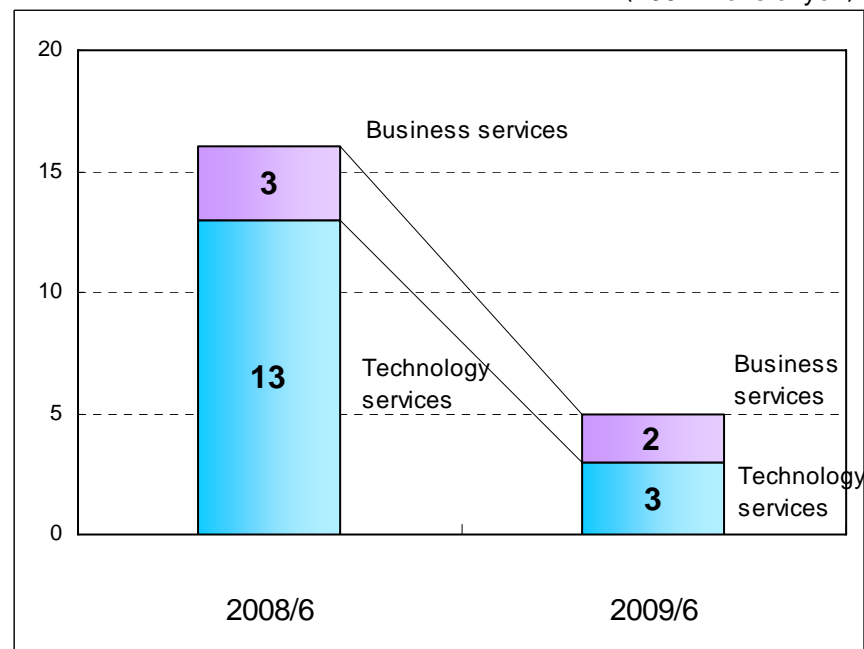
IT services business : Revenue

(100millions of yen)



IT services business : Operating income

(100millions of yen)



○ Technology services

Revenue: Revenue declined, reflecting a fall in system development for manufacturers, including those in the electric appliances, and auto industries, and a reaction to large-scale projects, including the hardware sale of and a large IT project caused by bank mergers, in the year-ago period.

Operating income: Operating income fell, attributable to the curbing of IT investments by customers, especially manufacturers, although the Company sought to cut costs, reduce subcontracting.

○ Business services

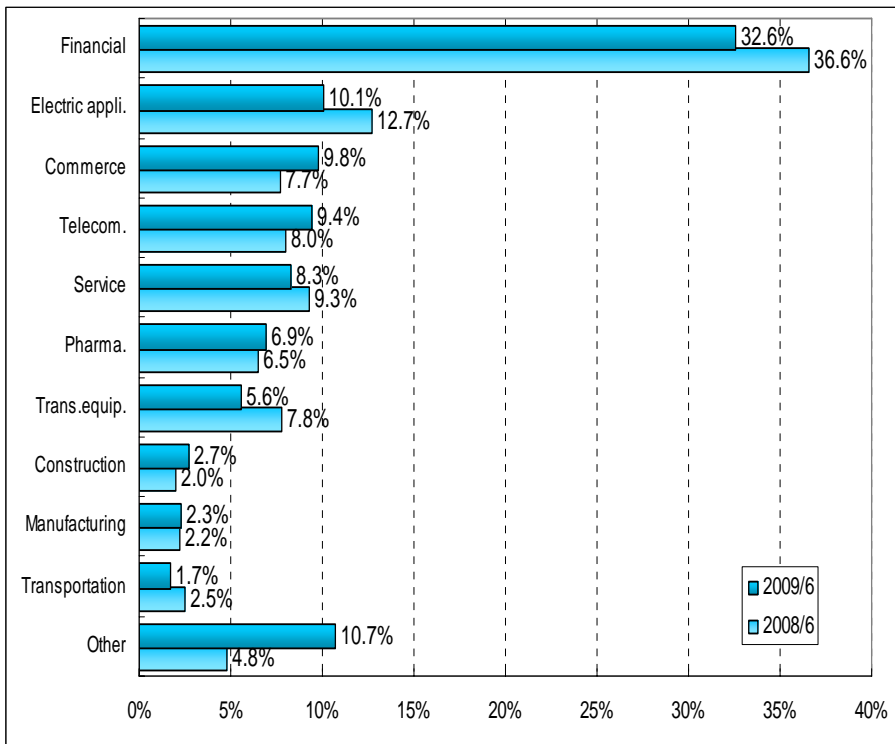
Revenue: Revenue for the securities industry and the fulfillment services increased. However, revenue declined in technical support and product verification in particular, reflecting cost cutting and the reduction of product development investments due to worsening market conditions.

Operating income: Although the business was affected by falls in support spending by software and hardware vendors in association with their worsening business performance, the Company cut costs and improved efficiency. As a result, operating income declined only slightly.

IT services business (3)

Sales distribution by industry

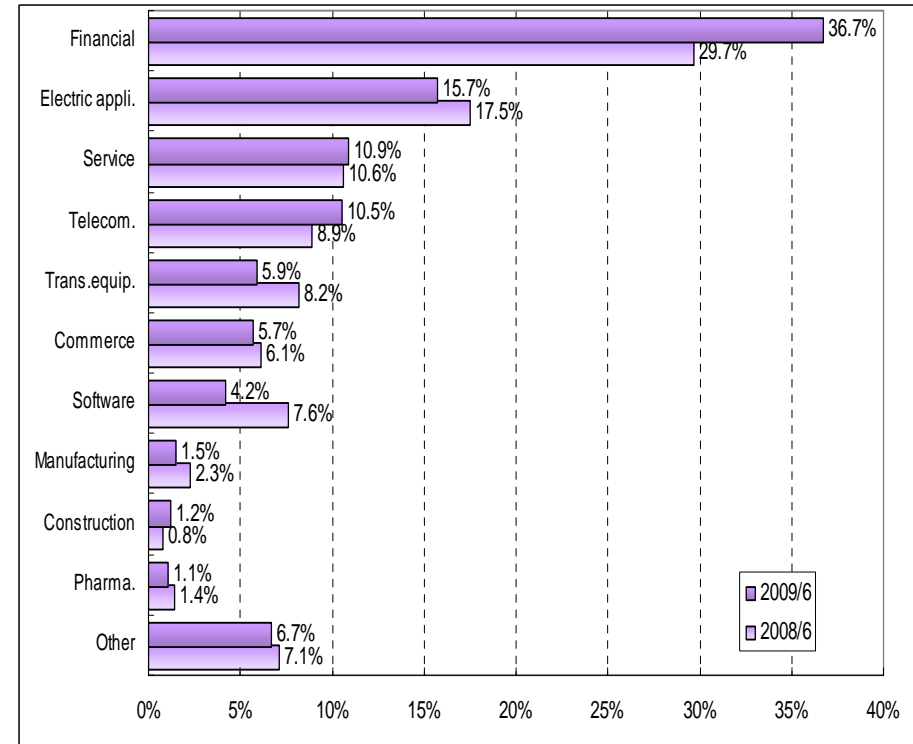
<Technology services>



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Systems integration and management, IT outsourcing and other technology-related services

<Business services>

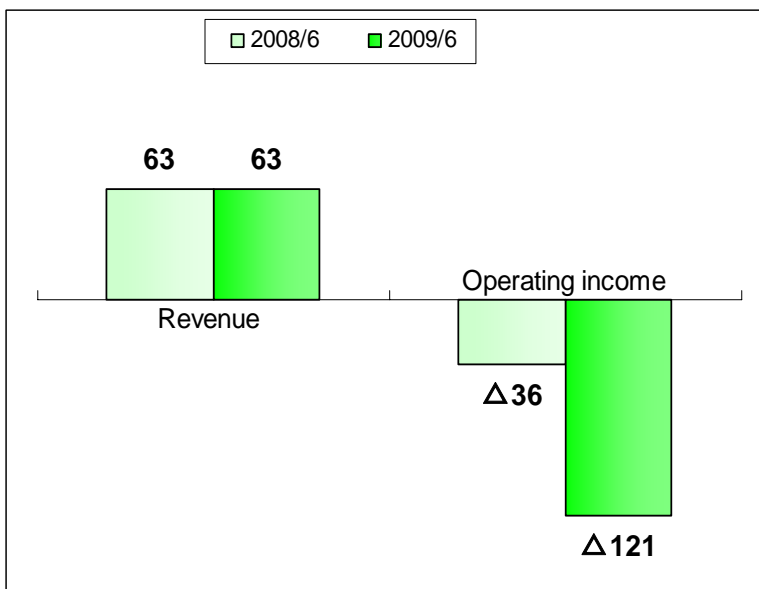


<Business services>

Contact center business including customer and technical support, and back-office and other BPO services

Financial services related business (1)

(100millions of yen)



		2008/6	2009/6	Variance	
Financial services business	Revenue	8	5	Δ 3	Δ 37.7%
	Operating income	Δ 22	Δ 128	Δ 105	-
Securities business	Revenue	47	50	3	6.3%
	Operating income	Δ 14	5	19	-
Prepaid card business	Revenue	7	7	0	2.9%
	Operating income	0	0	Δ 0	Δ 1.9%
Financial services related business	Revenue	63	63	Δ 0	Δ 0.0%
	Operating income	Δ 36	Δ 121	Δ 85	-

※ Financial services related business:
Financial services business, Securities business, Prepaid card business

<Financial Services-Related Business>

Revenue : Δ0.0%

Operating loss : Δ¥12.1 billions

- Financial Services Business

In the real estate securitization business, we reviewed the valuation of the properties held, reflecting negotiations for their sale. As a result, we posted a loss on valuation of inventories of ¥11.12 billion.

- Securities Business

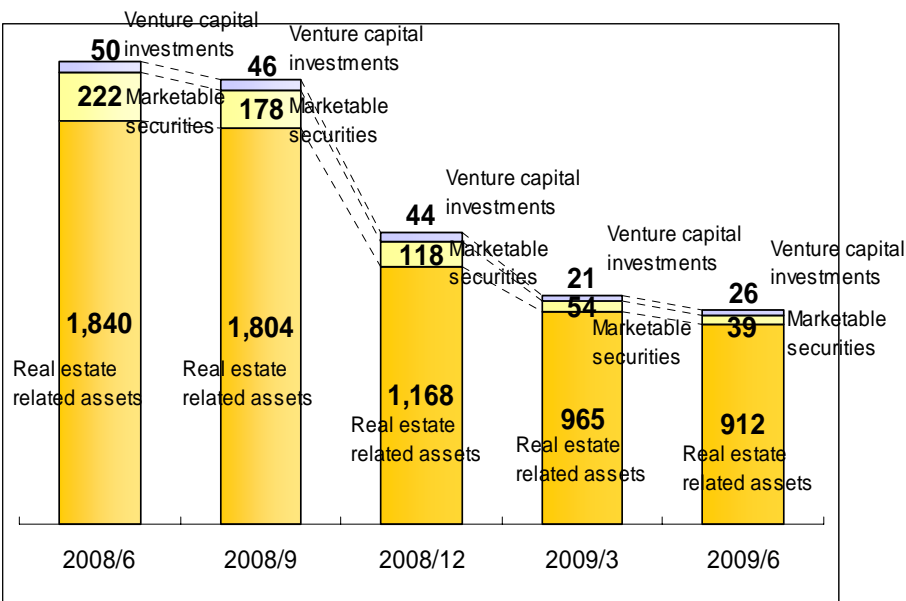
Both revenue and operating income rose, attributable to increases in commissions received, including brokerage commissions, and trading profits due to rises in the Nikkei Stock Average against a backdrop of an expected recovery in the domestic economy. We continued cost cutting to strengthen our financial position.

-Prepaid Card Business

Revenue increased, thanks to sales of equipment although the quantity of cards issued over the counter or issued as gifts fell slightly year on year.

Financial services related business (2)

Investment balance



(100millions of yen)

	2008/6	2008/9	2008/12	2009/3	2009/6	Ratio
Venture capital investments	50	46	44	21	26	-
Investments related to financial services	2,062	1,983	1,286	1,019	951	100%
Marketable securities	222	178	118	54	39	4.1%
Real estate related assets	1,840	1,804	1,168	965	912	95.9%
Liabilities related to financial services	441	317	427	410	402	

Cash flows



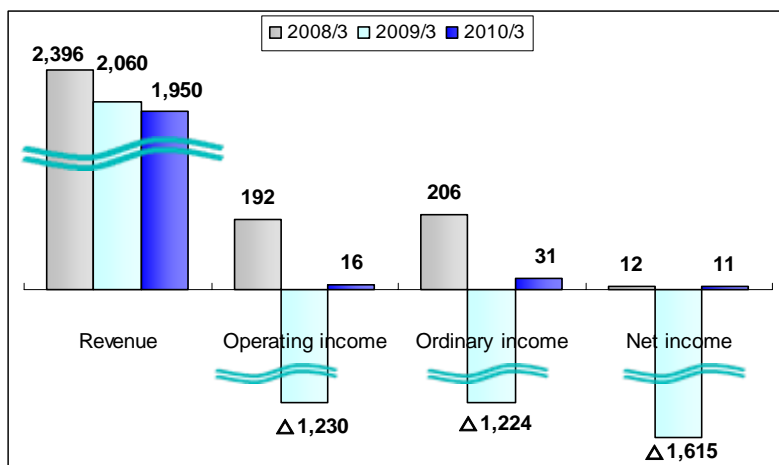
(100millions of yen)

	2008/6	2009/6	Variance	Comment
Operating cash flows	△ 180	△ 131	48	
Investing cash flows	△ 18	12	31	
Financial cash flows	44	45	1	
Total cash flows ※	△ 153	△ 74	79	
Cash & cash equivalents, at end	439	264	△ 174	

※ : Including effect of exchange rate change.

Forecast for FY2010/3

(100millions of yen)



	2008/3	2009/3	2010/3 Forecast	Variance	
Revenue	2,396	2,060	1,950	Δ 110	Δ 5.4%
Operating income	192	Δ 1,230	16	1,246	-
Operating income margin	8.0%	-	0.8%	-	-
Ordinary income	206	Δ 1,224	31	1,255	-
Net income	12	Δ 1,615	11	1,626	-

(yen)

	2008/3	2009/3	2010/3 Forecast	Variance
EPS	17.34	Δ 2,097.39	13.71	2,111.10

Qualitative information on consolidated results forecast

As described in the press release "CSK and ACA announce basic agreement on CSK capital increase" announced on July 2, 2009, the Group concluded a basic agreement with ACA for a capital increase. To stabilize its financial base, the Group is addressing three tasks: stabilizing CSK's cash position through support from banks, increasing capital, and eliminating real estate risk. Negotiations are progressing toward a final agreement as planned.

The Group is discussing an action plan for a business recovery with ACA and will announce a results forecast based on the result of the discussion as soon as a final agreement is reached.