



Financial results for the first quarter ended June 30, 2011

**July 28, 2011
CSK CORPORATION**

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Summary



(100millions of yen)

	2010/6	2011/6	Variance	
Operating revenue	326	323	-2	-0.8%
Gross profit	71	76	5	7.1%
Gross profit ratio(%)	21.9%	23.7%	1.8%	-
SG&A	70	58	-11	-16.7%
Operating income	0	17	16	-
Operating income ratio(%)	0.2%	5.4%	5.2%	-
Ordinary income	1	22	21	-
Net income / loss	-83	14	97	-

(yen)

	2010/6	2011/6	Variance
EPS	-66.26	8.59	74.85

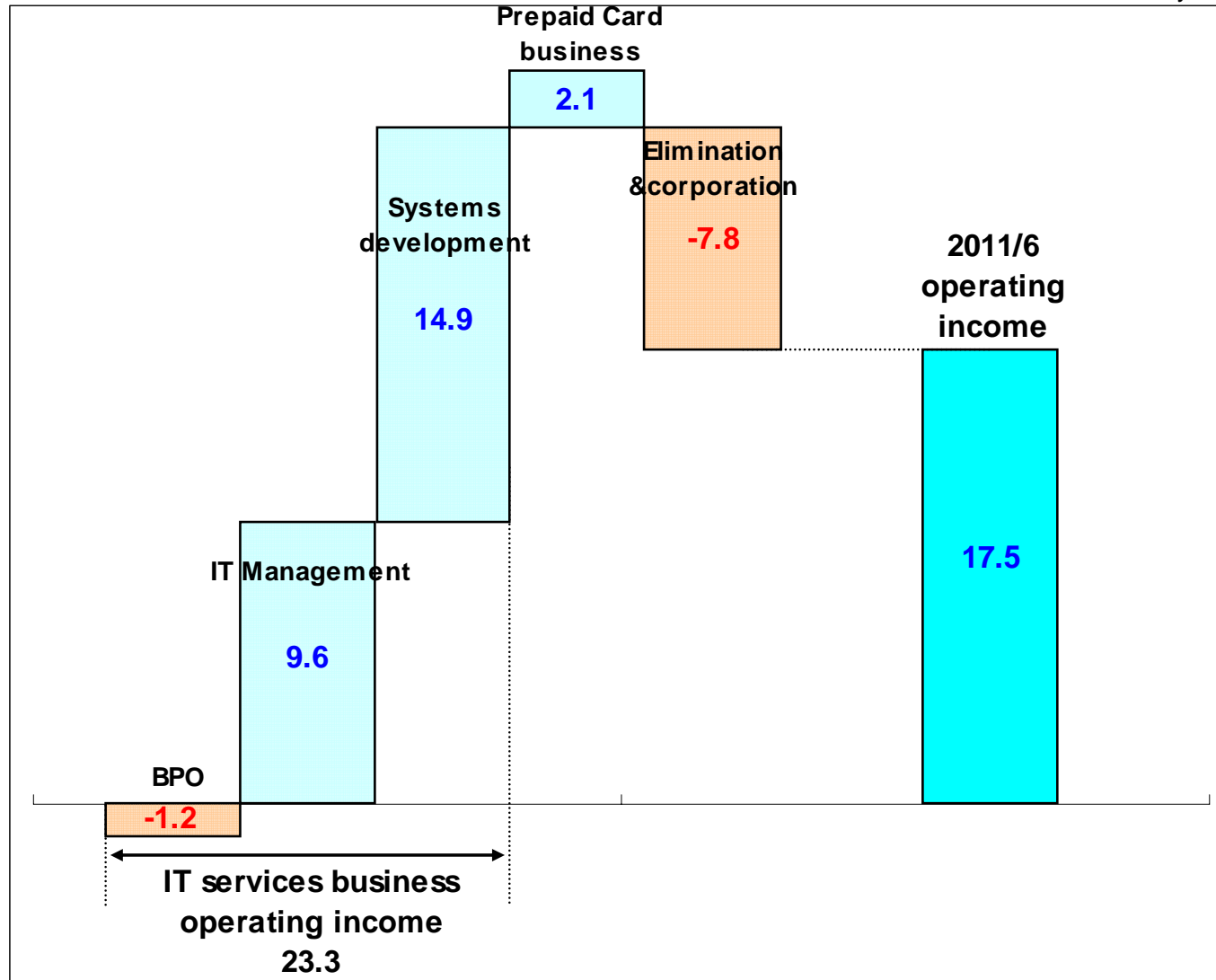
- Revenue in the IT services business rose 0.7% year on year.

Overall revenue remained almost unchanged from the corresponding quarter of the previous fiscal year, but declined 0.8% year on year, partly because revenue in the previous fiscal year included revenue in businesses from which the Group has withdrawn.

- Operating income increased significantly from a year ago, reflecting reductions in payroll cost, depreciation and amortization, rent, and other costs in operating costs and selling, general, and administrative expenses as a result of a revision to the cost structure and the streamlining of assets.
- Net income (loss) improved substantially from a year ago because a loss on withdrawal from securities business of 8.9 billion yen was posted in extraordinary losses in the same quarter of the previous fiscal year.

Operating income by segment (2011/6)

(100millions of yen)



SGA and non-operating income/expenses

(100millions of yen)

SG&A	2010/6	2011/6	Variance	Comment
Payroll cost	39.5	34.5	-4.9	Decreased because of the curbing of recruitment, including the recruitment of new graduates, and other reductions in payroll cost.
Subcontract cost	0.0	1.7	1.6	
Depreciation and amortization	5.5	2.6	-2.9	Decreased, chiefly reflecting reductions in new investments.
Rent	6.4	4.9	-1.5	Declined with consolidation/integration of offices and review of rent.
Other, net	19.2	15.1	-4.1	Commission fee, Supplies expense, etc.
Total	70.8	58.9	-11.8	

Non-operating income	2010/6	2011/6	Variance	Comment
Interest income	0.3	0.1	-0.2	—
Dividend income	0.3	0.4	0.0	—
Hoard profit of prepaid card	2.8	2.7	-0.1	—
Gain on sales of investment securities	0.0	4.0	4.0	Sales of investment securities as part of the action to streamline assets
Other, net	1.8	3.6	1.7	Revenues from business investment associations, incentives, penalty income, tax refunds, among other factors
Total	5.4	10.9	5.5	

Non-operating expenses	2010/6	2011/6	Variance	Comment
Interest expense	2.5	2.1	-0.4	—
Other, net	2.4	4.1	1.7	Loss on sales of investments securities, Loss on write-down of investments securities, etc.
Total	5.0	6.3	1.2	
Non-operating income and expenses Net	0.3	4.6	4.2	

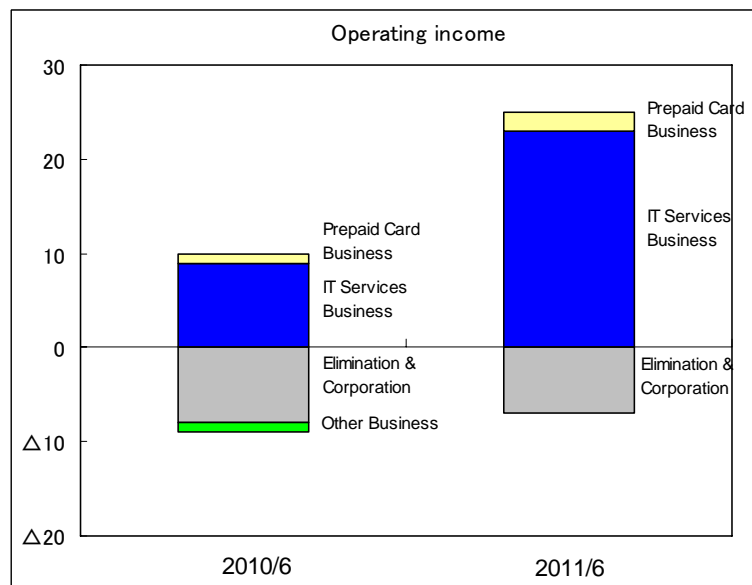
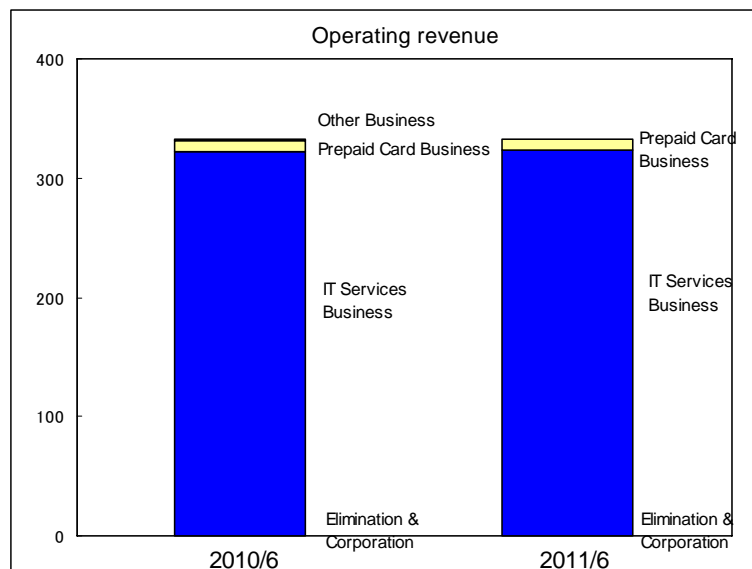
Extraordinary gains & losses

(100millions of yen)

Extraordinary gains		2010/6	2011/6	Variance	Comment
Gain on sales of investment securities		–	0.0	0.0	–
Reversal of allowance for doubtful accounts		0.2	–	–0.2	–
Other, net		0.0	–	–0.0	–
Total		0.3	0.0	–0.3	
Extraordinary losses		2010/6	2011/6	Variance	Comment
Loss on sales of investment securities		–	0.2	0.2	Sales of investment securities as part of the action to streamline assets
Loss on withdrawal from securities business		89.0	–	–89.0	2010/6:Loss on withdrawal from securities business.
Other, net		5.0	–	–5.0	
Total		94.0	0.2	–93.8	
Extraordinary gains and losses Net		–93.7	–0.2	93.4	

Operating result by segments

(100millions of yen)



(100millions of yen)

		2010/6	2011/6	Variance	
IT Services Business					
Operating revenue		322	324	2	0.7%
Operating income		9	23	14	153.0%
Prepaid Card Business					
Operating revenue		9	9	0	-4.6%
Operating income		1	2	0	30.1%
Other Business					
Operating revenue		2	-	-2	-100.0%
Operating income/loss		-1	-	1	-
Elimination & Corporation					
Operating revenue		-8	-10	-1	-
Operating income/loss		-8	-7	1	-
Total					
Operating revenue		326	323	-2	-0.8%
Operating income		0	17	16	-

※ As a result of an organizational change in the first quarter under review, the cloud business and the business service business, which were included in the Systems Development segment, were transferred to the IT Management segment and the BPO segment, respectively. The results for the previous fiscal year are rearranged in accordance with the organizational change.

※ The figure for the IT services business reflects the total of results in BPO, IT Management and systems development among reportable segments.

※ The Other Business for the previous fiscal year included the venture capital business and the investment trust management business. Since the Group has withdrawn from those businesses, there was no operating revenue or operating income in the first quarter under review.

■ IT Services Business

(100millions of yen)

		2010/6	2011/6	Variance	
BPO	Operating revenue	78	76	-1	-2.2%
	Operating income/loss	1	-1	-2	-219.2%
	Operating income ratio(%)/loss ratio(%)	1.4%	-1.7%	-3.0%	-
IT Management	Operating revenue	85	92	7	8.8%
	Operating income	4	9	5	131.4%
	Operating income ratio(%)	4.9%	10.4%	5.5%	-
Systems Development	Operating revenue	158	155	-3	-2.3%
	Operating income	3	14	10	275.0%
	Operating income ratio(%)	2.5%	9.6%	7.1%	-
IT Services Business	Operating revenue	322	324	2	0.7%
	Operating income	9	23	14	153.0%
	Operating income ratio(%)	2.9%	7.2%	4.3%	-

IT Services Business - Operating revenue: +0.7%; Operating income: +153.3%

Revenue rose only slightly, but operating income increased sharply as a result of a revision to cost structure and an improvement in the operating rate.

BPO : Revenue declined, reflecting a decrease in the number of calls in the contact center business and other factors, despite an increase in verification services for transportation equipment. An operating loss was posted, attributable to costs for starting large projects in the contact center business and an increase in costs associated with facility expansion in the fulfillment business.

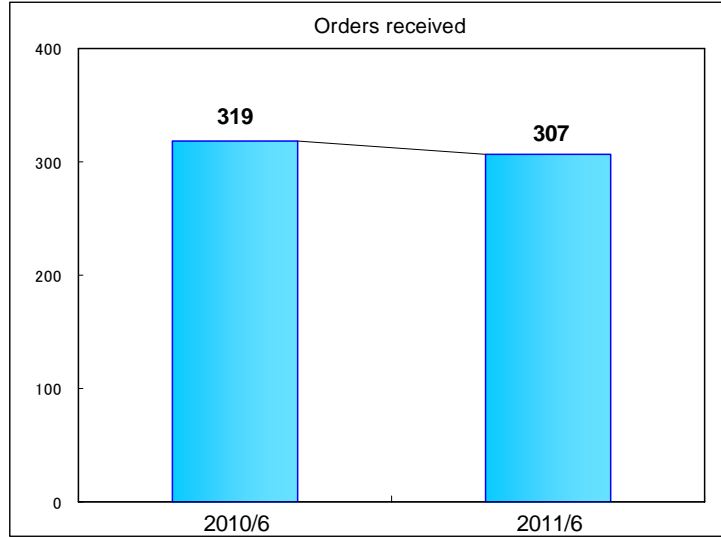
IT Management : Both operating revenue and income rose, given a rise in data center services, launches of device sales projects, and a revision to cost structure.

Systems Development : Revenue fell in reaction to revenue from projects for cards in the same quarter of the previous fiscal year, despite a rise in revenue from development for life and non-life insurance companies. Operating income rose significantly thanks to a revision to cost structure associated with a reorganization of the business for securities companies and an improvement in the operating rate.

※As a result of an organizational change in the first quarter under review, the cloud business and the business service business, which were included in the Systems Development segment, were transferred to the IT Management segment and the BPO segment, respectively. The results for the previous fiscal year are rearranged in accordance with the organizational change.

■ IT Services Business -Orders received, backlog of orders-

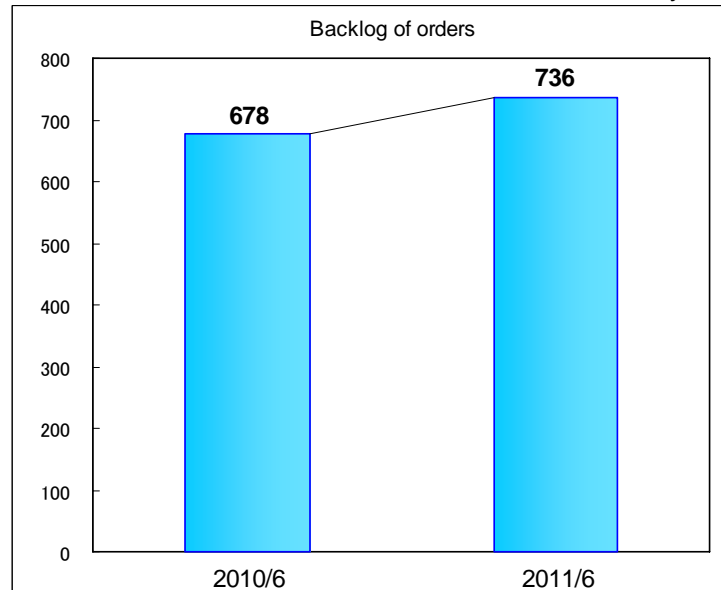
(100millions of yen)



(100millions of yen)

	2010/6	2011/6	Variance	
Orders received	319	307	-11	-3.7%
Backlog of orders	678	736	58	8.6%

(100millions of yen)



■ IT Services Business -Operating revenue by industry-

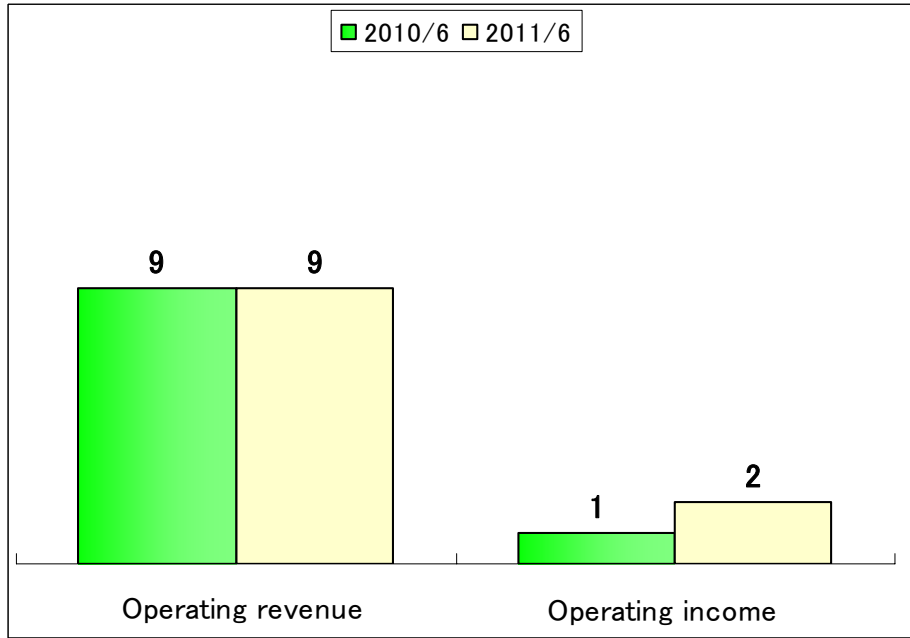
(100millions of yen)

	2010/6	Share	2011/6	Share	Variance	
Financial	98	31.3%	92	29.4%	-5	-5.9%
Electric appli.	37	12.0%	36	11.6%	-1	-2.7%
Commerce	31	10.1%	30	9.7%	-1	-4.1%
Telecom.	28	9.1%	27	8.9%	-0	-2.9%
Service	29	9.4%	35	11.2%	5	19.7%
Pharma.	19	6.3%	19	6.3%	-0	-0.9%
Software	9	3.0%	8	2.6%	-1	-15.1%
Trans.equip.	17	5.6%	24	7.8%	7	41.0%
Manufacturing	9	3.0%	8	2.8%	-0	-8.3%
Construction	5	1.8%	5	1.8%	0	3.9%
Transpotation	4	1.3%	3	1.2%	-0	-3.6%
Other	22	7.1%	21	6.7%	-1	-4.9%
Total	314	100.0%	314	100.0%	0	0.2%

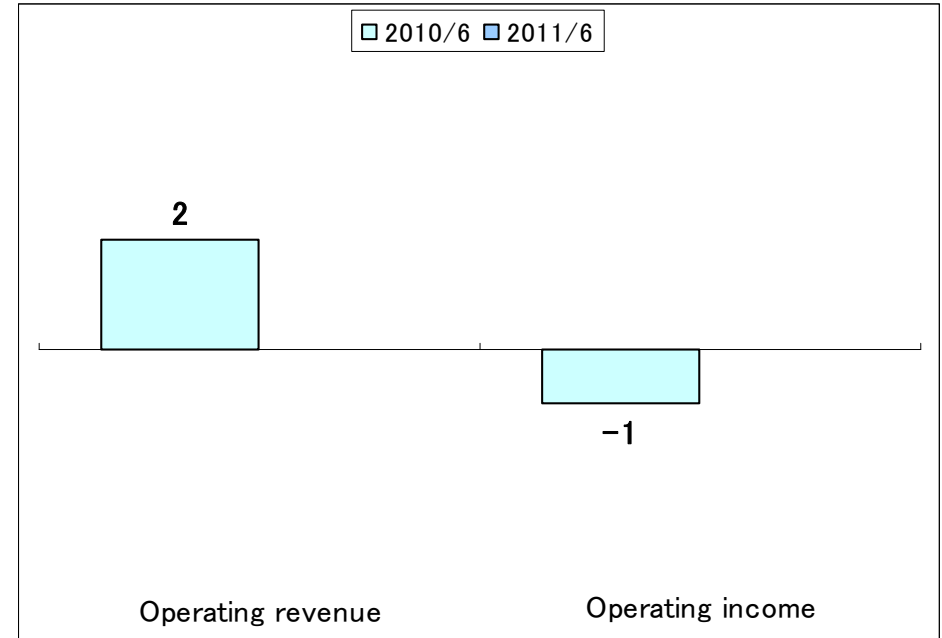
※ Operating revenue by industry is the sum of “BPO”, “IT Management” and “Systems Development.”

■ Prepaid Card Business, Other Business

Prepaid Card Business (100millions of yen)



Other Business (100millions of yen)



Prepaid Card Business

Operating revenue: Δ 4.6%, Operating income: + 30.1%

Although gains from card management and commission income rose, overall revenue dropped, given a decrease in device sales.

Operating income rose thanks to an increase in revenue from card management.

Other Business

The Group withdrew from the venture capital business and the investment trust management business in the first quarter under review. There was therefore no operating revenue or operating income.

Cash flows

(100millions of yen)

	2010/6	2011/6	Variance	Comment
Operating cash flows	2	40	38	Positive factors resulted chiefly from an improvement in operating income associated with withdrawal from unprofitable businesses.
Investing cash flows	36	-22	-59	The negative result was due primarily to expenses associated with the acquisition of investment securities.
Financial cash flows	-113	3	117	positive cash flow resulted from proceeds from the issuing of common stock, despite expenses for the repayment of long-term loans.
Total cash flows	-74	21	96	Including effect of exchange rate change.
Cash & cash equivalents, at end	358	508	149	

Interest-bearing debt

(100millions of yen)

	Balance		Variance
	2011/3	2011/6	
Debts payable	298	273	-25
Euro CB	217	217	-
Domestic CB	350	350	-
Repayment plan			
Interest-bearing debt	866	841	-25

Repayment plan		
2012/3	2013/3	2014/3
100	100	98
217	-	-
-	-	350
317	100	450
548	448	-

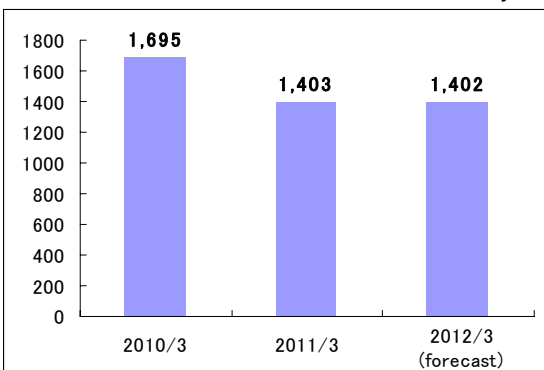
※ Interest-bearing debt of CSK (non-consolidated)

Forecast for FY2012/3

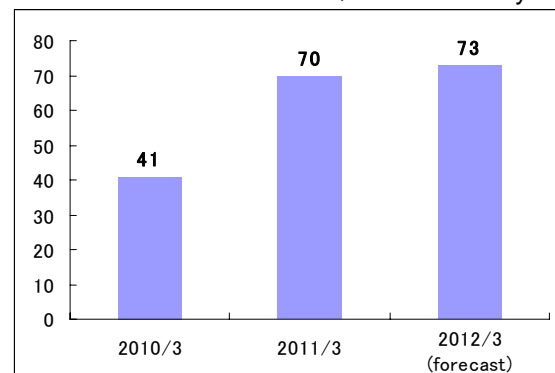


(100millions of yen)

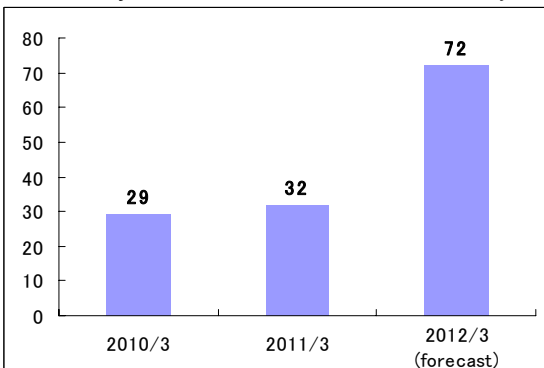
Operating revenue (100millions of yen)



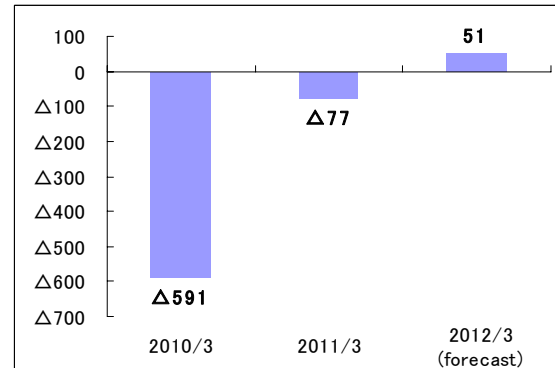
Operating income (100millions of yen)



Ordinary income (100millions of yen)



Net income/loss (100millions of yen)



	2010/3	2011/3	2012/3 Forecast	Variance	
Operating revenue	1,695	1,403	1,420	16	1.1%
Operating income	41	70	73	2	4.2%
Operating income ration(%)	2.5%	5.0%	5.1%	0.2%	-
Ordinary income	29	32	72	39	121.3%
Net income / loss	-591	-77	51	128	-

(yen)

	2010/3	2011/3	2012/3 Forecast	Variance
EPS	-720.62	-61.26	29.64	90.90

Forecast of consolidated operating results for FY 2012/3

- The Japanese economy was uncertain, and the environment for receiving orders was challenging. In this environment, the results in each segment were on a par with the plan in the first quarter under review.
- The fundamental revision to business and cost structures, the rightsizing of SG&A expenses, and the streamlining of assets that the Group promoted from the previous fiscal year produced results steadily. The Group is changing its structure so that it can make stable profits.
- The forecast announced on May 12, 2011 has not been changed.