

Financial Report for the Six Months Period Ended September 30, 2007 (Consolidated)

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

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

Head Office: CSK Aoyama Bldg., 2-26-1, Minami-Aoyama, Minato-ku, Tokyo 107-0062

Date of the Securities Semiannual Report: December 7, 2007

Date of the Dividends Payment Beginning Expected: December 11, 2007

(Figures are rounded down to the nearest million yen)

1. Business Results for the Interim Period of Fiscal Year 2008 (From April 1, 2007 to September 30, 2007)**(1) Results of operations**

(Percentages indicate changes from the previous interim term)

	Operating revenue		Operating income		Ordinary income		Net income	
	million yen	%	million yen	%	million yen	%	million yen	%
Current Interim Period	125,321	4.8	19,150	(0.5)	19,980	0.9	12,083	15.2
Previous Interim Period	119,626	7.8	19,247	196.5	19,809	158.3	10,490	(9.6)
Fiscal Year 2007	245,981	-	29,904	-	30,810	-	8,679	-

	Net income per share	Diluted net income per share
	yen	yen
Current Interim Period	163.89	144.60
Previous Interim Period	142.06	130.48
Fiscal Year 2007	117.35	105.60

Reference) Equity in net income (loss) of unconsolidated subsidiaries and affiliates

Current Interim Period: - million yen Previous Interim Period: - million yen Fiscal Year 2007: - million yen

(2) Financial position

	Total assets	Net assets	Shareholders' equity ratio	Shareholders' equity per share
	million yen	million yen	%	yen
As of Sept. 30, 2007	558,586	210,723	33.5	2,543.30
As of Sept. 30, 2006	554,061	206,269	33.0	2,468.27
Fiscal Year 2007	577,294	208,775	31.9	2,479.33

Reference) Shareholders' equity

Current Interim Period: 187,010 million yen Previous Interim Period: 182,600 million yen

Fiscal Year 2007: 184,186 million yen

(3) Cash flows

	Cash flows from operating activities	Cash flows from investing activities	Cash flows from financing activities	Cash and cash equivalents, at end
	million yen	million yen	million yen	million yen
Current Interim Period	(6,936)	(17,472)	(1,587)	79,448
Previous Interim Period	7,845	(5,100)	30,751	108,869
Fiscal Year 2007	7,069	(16,546)	39,532	105,447

2. Dividends

(Date of Standard)	Dividends per share		
	Interim	Fiscal year-end	Annual
	yen	yen	yen
Fiscal Year 2007	20.00	20.00	40.00
Fiscal Year 2008	20.00	-	40.00
Fiscal Year 2008 (forecast)	-	20.00	

3. Earnings Forecast for the Fiscal Year 2008 (From April 1, 2007 to March 31, 2008)

(Percentages indicate changes from the previous interim term)

	Operating revenue		Operating income		Ordinary income		Net income		Net income per share
	million yen	%	million yen	%	million yen	%	million yen	%	yen
Full-year	260,000	5.7	34,000	13.7	35,000	13.6	20,500	136.2	278.80

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) Changes on the basis of consolidated financial statements preparation

① Related to accounting standard revisions etc. : Yes

② Other changes : None

Note: For further details, refer to "Significant Accounting Policies of Consolidated Financial Statements" on page 20.

(3) Outstanding shares (Common shares)

① Number of shares outstanding at the end of fiscal year (Including treasury stock)

Current Interim Period: 78,670,524 shares Previous Interim Period: 78,126,412 shares

Fiscal Year 2007: 78,437,124 shares

② Number of treasury stock

Current Interim Period: 5,139,885 shares Previous Interim Period: 4,147,111 shares

Fiscal Year 2007: 4,148,356 shares

Note: For an explanation of the number of shares used for computing net income per share (Consolidated), please refer to "Per Share Information" on page 33.

(Reference) Non-consolidated results

(Figures are rounded down to the nearest million yen)

1. Non-consolidated results for the Interim Period of Fiscal Year 2008

(From April 1, 2007 to September 30, 2007)

(1) Results of operations

(Percentages indicate changes from the previous term)

	Operating revenue		Operating income		Ordinary income		Net income	
	million yen	%	million yen	%	million yen	%	million yen	%
Current Interim Period	5,554	(51.7)	966	(87.8)	1,694	(81.8)	8	(99.9)
Previous Interim Period	11,511	(79.4)	7,923	266.4	9,326	84.0	8,957	(40.0)
Fiscal Year 2007	15,583	-	8,367	-	10,785	-	7,625	-

	Net income per share
	yen
Current Interim Period	0.11
Previous Interim Period	121.31
Fiscal Year 2007	103.10

(2) Financial position

	Total assets	Net assets	Shareholders' equity ratio	Shareholders' equity per share
	million yen	million yen	%	yen
As of Sept. 30, 2007	317,633	162,453	51.1	2,209.33
As of Sept. 30, 2006	315,750	169,628	53.7	2,292.91
Fiscal Year 2007	331,321	170,018	51.3	2,288.61

Reference) Shareholders' equity

Current Interim Period: 162,453 million yen Previous Interim Period: 169,628 million yen

Fiscal Year 2007: 170,018 million yen

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

Since descriptions about future events, for instance, earnings forecast for March, 2008 are estimation, results may differ from this estimation due to changes of several economic conditions. For further details, refer to "Consolidated forecasts for the fiscal year ending March 31, 2008" on page 7.

* This financial report has been translated from the Japanese "Kessan Tanshin (including attachments)", which has been prepared in accordance with accounting principles generally accepted in Japan, for reference purposes only.

1. Operating Results

(1) Analysis of Operating Results

① Overview of operations

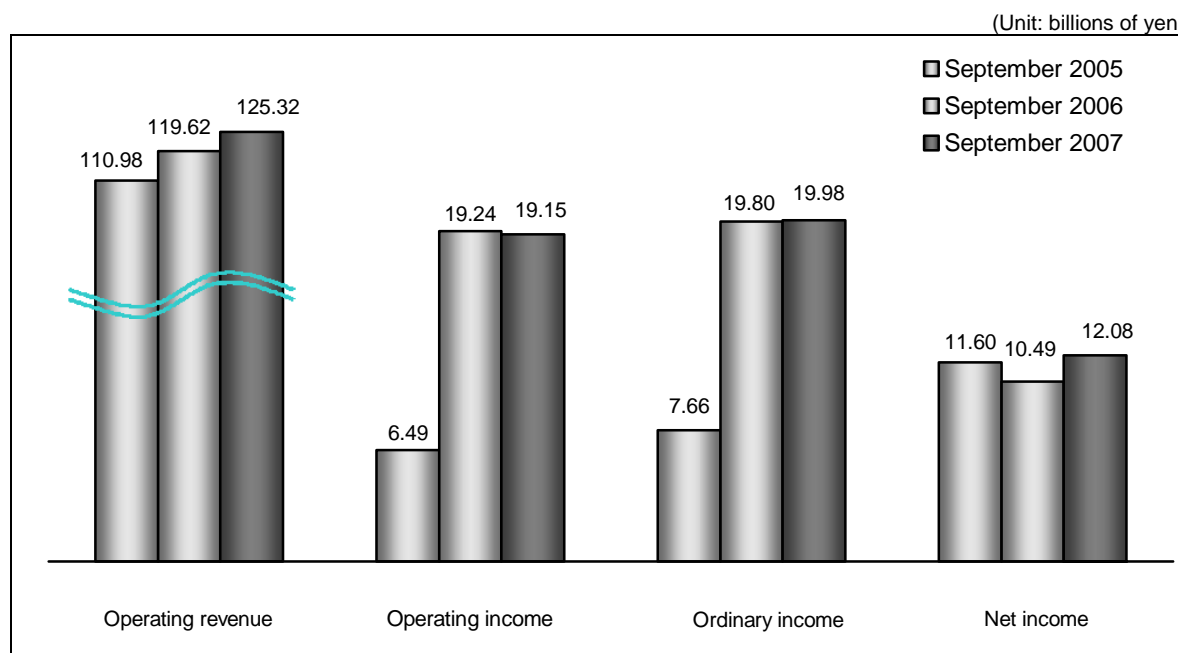
During the interim period under review, the Japanese economy continued its moderate recovery, underpinned by higher corporate profits, a firming trend in capital expenditure, and a positive employment situation. However, consumer spending remained weak, and with concerns about a slowdown in the U.S. economy caused by the sub-prime loan issue, the economy as a whole will need to be strong to continue its current expansion.

In IT services business, IT-related capital spending increased steadily as corporate earnings grew, although clients are making stronger demands with regard to delivery, quality and price, in pursuit of the highest possible productivity. Meanwhile, the shift to a new generation of IT engineers and the maturation of the industry itself are becoming acknowledged as important management issues.

In financial services business, the investment environment has been favorable, due to the improved economic environment and higher corporate profits. In securities business related field, the equity markets performed well until early July, but since mid-July they have been volatile, with political confusion in Japan relating to the House of Councilors election, the U.S. sub-prime loan issue and other factors causing major Japanese and overseas equity markets to fall rapidly across the board. In prepaid cards business, demand grew from corporations making increased use of prepaid cards as sales promotion tools and hospitality programs for stockholders as the membership network expanded, and there was also growth in the use of such cards as gifts.

In the context of this business environment, we have been implementing measures relating to three management policies: "I. Transforming into being a comprehensive service provider" and "II. Ensuring management transparency and shareholder returns," and "III. Achieving sustainability (the continuous development of society)" during the interim period of the present consolidated business year. Details of our activities can be found from page 5 onwards.

Operating revenue during the interim period under review increased 4.8% to ¥125.32 billion. Operating income decreased 0.5% to ¥19.15 billion; ordinary income increased 0.9% to ¥19.98 billion; and net income increased 15.2% to ¥12.08 billion.



Operating revenue increased 4.8% to ¥125.32 billion due, in IT services business, to steady expansion in systems integration in the technology services domain and strong performance in systems testing and other verification services in the business services domain, as well as higher revenue from securities business and financial services business.

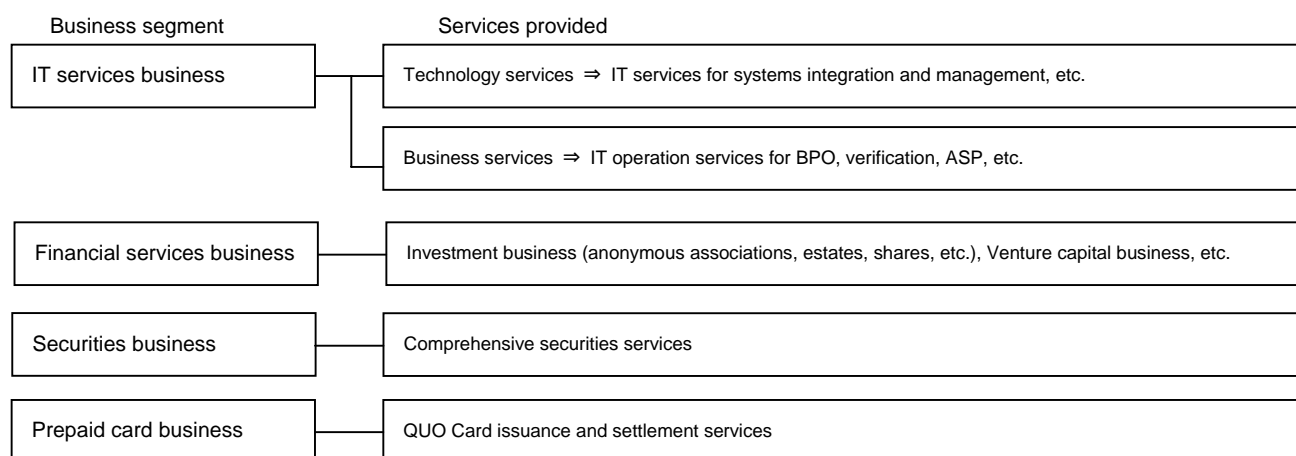
Operating income decreased 0.5% to ¥19.15 billion, as a result of higher upfront investment costs in the securities business in pursuit of medium-term expansion and costs for the establishment of CSK-RB SECURITIES CORPORATION to provide comprehensive securities services to regional financial institutions, costs for development of Group-wide information infrastructure, and other factors, despite an increase in income of 14.5% in the IT services business and an increase of 10.2% in the financial services business.

Ordinary income increased 0.9% to ¥19.98 billion, due to the factors affecting operating income, as well as an improvement in non-operating expenses.

Net income increased 15.2% to ¥12.08 billion, due to the factors affecting ordinary income, as well as the reversal of the prior year's income taxes in line with a decision by the tax authorities on our tax correction objection, and other factors.

<Results by segment>

An outline of the services provided by each business segment is shown below, followed by results for each segment.



[IT services business]

Operating revenue increased 3.9% to ¥96.14 billion, supported, in technology services, by steady expansions in systems integration mainly for the finance, insurance, communications, electric-appliance, distribution and travel industries, and in business services by verification services for the mobile phone, communications and digital appliance industries, contact center-related BPO services for the manufacturing, mail order and service industries, and ASP services for the fashion business, a new business started recently.

Operating income increased 14.5% to ¥8.83 billion, in effect a record high in this business for the second consecutive interim period. Higher revenue in technology services and improved production efficiency in systems integration offset new business establishment costs and call center-related equipment investment in the business services field.

BPO (Business Process Outsourcing) = Consigning operations to an outside company to improve efficiency and quality and promote differentiation

ASP (Application Service Provider) = Provision of business-use applications to customers through networks

[Financial services business]

Operating revenue increased 11.7% to ¥17.10 billion, benefiting from further favorable returns from investments in real estate and equities via anonymous associations. Operating income increased 10.2% to ¥13.45 billion. Along with computer services, this segment is contributing as a stable and efficient source of Group revenues.

[Securities business]

Operating revenue in this segment increased 16.0% to ¥12.74 billion, due to steady growth in handling fees for share offerings and sales and other fees received, as well as a substantial increase in income from trading of equities and bonds.

An operating loss of ¥0.39 billion was recorded for the period, compared to operating income of ¥0.28 billion in the previous interim period. This was due to factors such as higher trading-related costs in line with increased foreign exchange margin transactions, higher upfront investment from a medium to long term perspective, such as real estate-related costs and administrative costs, and costs for the establishment of CSK-RB SECURITIES CORPORATION.

[Prepaid card business]

Operating revenue decreased 13.9% to ¥1.26 billion, due to the issuance by major convenience stores during the interim period under review of similar prepaid cards, despite progress in introducing prepaid cards to new business types such as bookstores, service businesses and sports shops and higher sales as promotional tools and hospitality programs for stockholders.

An operating loss of ¥0.03 billion was recorded for the period, compared to an operating loss of ¥0.09 billion in the previous interim period. The improvement was due to strong performance in prepaid cards for use as gifts, a highly profitable area, cost-cutting initiatives, and others. Ordinary income increased 42.8% to ¥0.67 billion, due in part to the recording of prepaid card hoard profit as non-operating income.

The afore-mentioned segment based sales also include inter-segment sales. For details please see page 29, Segment Information.

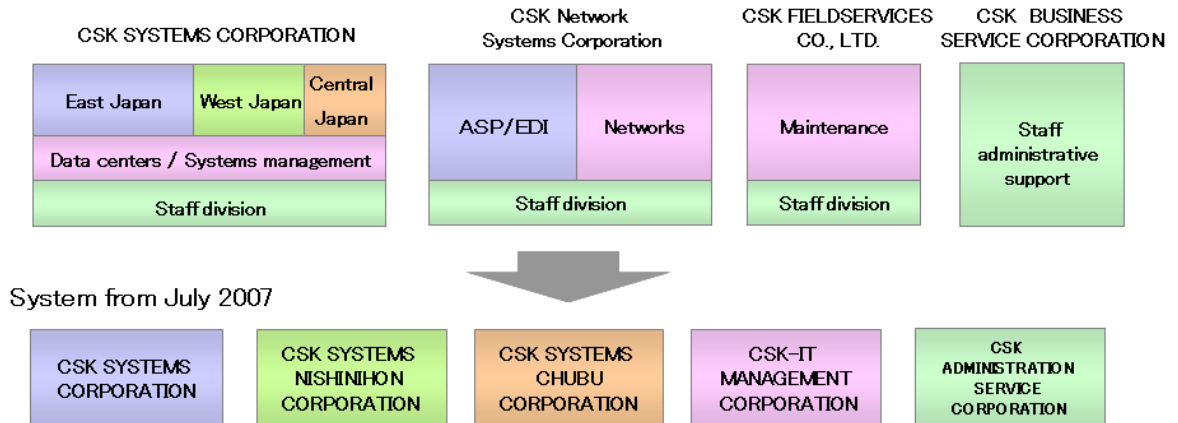
② Management initiatives implemented during this interim period

Specific initiatives undertaken during this interim period in relation to the management policies outlined on page 3 include the following.

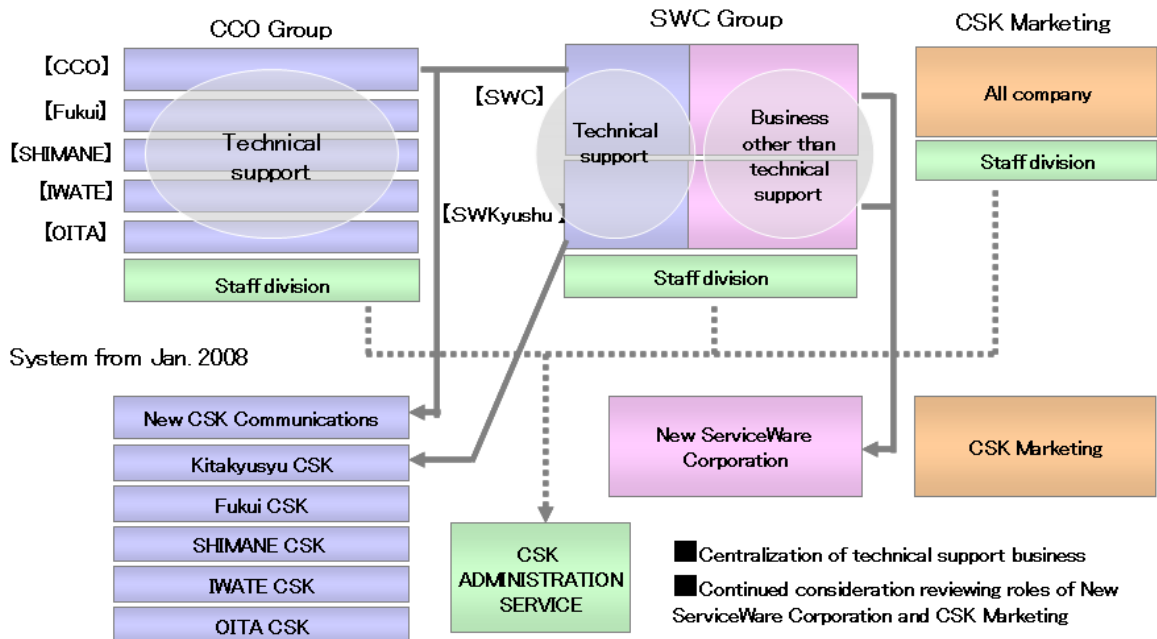
I. Transforming into being a comprehensive service provider

1) IT services business

- i) In the IT services business segment, we reorganized the following Group companies in the technology services segment, seeking prompter and more appropriate decision making and greater efficiency and aiming to develop a Group system that facilitates smoother cooperation. The new system started operation in July 2007. Furthermore, we centralized the corporate staff functions of the companies subject to the reorganization at CSK ADMINISTRATION SERVICE CORPORATION, targeting unification and strengthening of internal control systems and greater efficiency in administration.

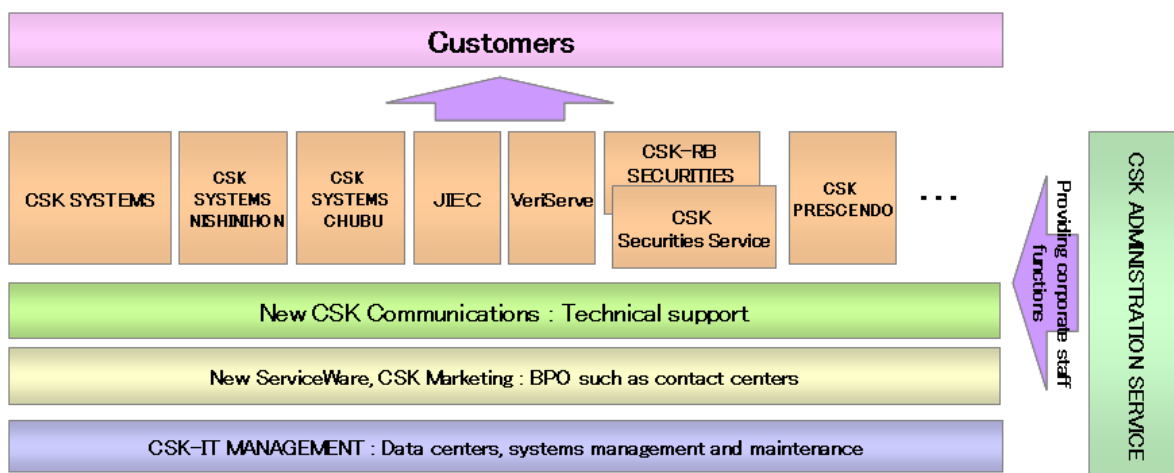


- ii) In the IT services business segment, we are also centralizing and integrating the technical support business of Group companies in the business services segment, aiming to strengthen productivity and quality competitiveness and achieve further growth and development. The new system will start operation in January 2008. Furthermore, we centralized the corporate staff functions of the companies subject to the reorganization at CSK ADMINISTRATION SERVICE CORPORATION, targeting unification and strengthening of internal control systems and greater efficiency in administration.



CCO CSK Communications
 SWC ServiceWare Corporation
 SWkyusyu . . . ServiceWare Kyushu Corporation

Through these business reorganizations in both technology services and business services, in IT services business we intend to pursue business using a system classified into the following functions.



- iii) The new securities system “ESTREX,” a focus project being undertaken by CSK Group (“the Group”), started full-fledged operation of back-office systems within the Group in October 2007. Development of front-office systems and the infrastructure and management base is also proceeding according to plan.
- iv) In IT services business, we carried out the following joint initiatives/new service development projects.
- In July 2007, we concluded a business and capital alliance with Bit-isle Inc., which is strong in Internet data center business for small and medium-sized enterprises, aiming to expand and enhance our customer base in the IT outsourcing (ITO) services field.
 - In order to provide a host of e-commerce systems and services, we formed an alliance with Xavel, Inc., which manages some of Japan’s largest mobile commerce sites and fashion commerce sites, and from April 2007 began operations through a joint venture company, CSK PRESCENDO CORPORATION.
 - We ran a booth at FIT2007 (Financial Information Technology 2007), displaying our various services in the financial and securities fields.

2) Financial services , securities and prepaid card business

- i) In financial services, we made active investment based on appropriate management and monitoring systems, aiming to make a stable contribution to profits.
- ii) CSK-RB SECURITIES CORPORATION completed its registration as a securities company in June 2007, and started business activities. The company will provide support for regional financial institutions in establishment of securities subsidiaries, securities systems and operational support, investment information, and product planning, product provision, sales and training support in a unified and comprehensive manner.
- Furthermore, in November 2007 Plaza Capital Management Co., Ltd. started to provide commodity investment advisory services, as part of our drive to expand our operations in the financial services business.
- iii) In the securities business operations of our consolidated subsidiary Cosmo Securities Co., Ltd., we strived to expand our investment trust, foreign exchange margin transaction, and foreign equity products, and actively carried out various sales initiatives such as holding lectures and seminars, in order to meet retail customers’ diverse asset management needs, while also ensuring that information is provided to customers more actively than before.
- iv) In the prepaid card business, we have introduced prepaid card systems for a major bookstore chain and to service industry companies, new developments aimed at making use of cards more widespread and improving customers’ convenience.

3) Initiatives under holding company structure

In October 2007 we received approval from Yokohama City to operate business in the Minato Mirai 21 development area, where we plan to establish our new head office building. Through this head office relocation we aim to achieve more efficient business operations by bringing together the offices of various Group companies that were spread throughout Tokyo, and develop a base for CSR and research and development.

II Ensuring management transparency and shareholder returns

1) Ensuring management transparency

As a result of the shift to a holding company structure in October 2005, the Group's overall framework has been finalized, which will serve as the foundation for ensuring management transparency. Nevertheless, with the objective of further improving management transparency, we are working to develop the systems of the Group as a whole, by putting in place expert organizations and other measures, aiming to build or develop the internal control systems required by the Corporate Law and the Financial Instruments and Exchange Law.

2) Shareholder returns policy

In April 2005, CSK HOLDINGS CORPORATION ("the Company") formulated and announced a consolidated financial position-linked shareholder returns policy based on Dividends on Equity (DOE*), and has been allocating dividends based on this policy.

In the interim period under review, the Company repurchased 1 million of our own shares as treasury stock for ¥4.40 billion, in order to improve capital efficiency and enable a flexible capital policy that can respond to changes in the operating environment.

*DOE = Total amount of dividend paid / [average of shareholders' equity at start and end of fiscal year] X 100

III Achieving sustainability (the continuous development of society)

In June 2007, we opened CSK Tama Center, a base for research and CSR activities, in the Tama region of Tokyo. CSK Tama Center will contribute to the Group's sustainability(the continuous development of society) initiatives, function as a new base for Group communications, and serve as a space for creating a new corporate culture and values.

Furthermore, CSK Institute for Sustainability, Ltd. (CSK-IS), the Group's think tank for conducting research and development on the theme of sustainability, held the CSK-IS International Symposium to commemorate the completion of the construction of CSK Tama Center. The symposium featured speeches by and panel discussions involving many of the leading Japanese and overseas experts on the necessary conditions for the sustainable development of the planet and the human race, and active debate, consideration and recommendations on the topic of sustainability.

In order to contribute also to sustainability in the international community, the Group has also decided to participate in the UN Global Compact*.

*UN Global Compact: Ten principles regarding corporate social responsibility proposed by the United Nations, covering human rights, labor standards, environment and anti-corruption.

③ Consolidated forecasts for the fiscal year ending March 31, 2008

We forecast that operating revenue will rise 5.7% compared to that of the previous interim period, taking into account steady IT investment demand and based on the provision of systems integration in the technology services field and BPO and ASP services in the business services field.

At the operating income and ordinary income level, improved earnings in the technology services field are expected to contribute to performance, and these earnings should absorb costs for establishing a new company in the business services field along with upfront expenses for business expansion, with the result that earnings in the IT services business are forecast to increase considerably. The financial service, securities, and prepaid card businesses are forecast to continue their stable contribution to earnings. As a result of the above factors, overall operating income is forecast to increase 13.7% and ordinary income is forecast to increase 13.6%, in line with the increase in operating income. These increases would represent the second consecutive year of record operating and ordinary income levels.

Net income is forecast to increase by 136.2%, supported by the factors increasing ordinary income, along with the absence of the tax correction of ¥6.21 billion that negatively impacted results in the previous fiscal year.

(millions of yen)

	Operating revenue	Operating income	Ordinary income	Net income
Full year ending March 31, 2008	260,000	34,000	35,000	20,500
Reference: Actual results for fiscal year ended March 31, 2007	245,981	29,904	30,810	8,679

Note: The above forecasts are forward-looking statements based on management assumptions, estimates and plans current as of the publication date of this material. As these assumptions, estimates and plans are subject to a number of risks relating to the economy, the operating environment and other factors, actual results may be materially different.

For an outline of risks relevant to the operation of the Group please see page 9, (4) Business and operational risks.

(2) Analysis of financial position and cash flows

① Assets, liabilities and net assets

Assets decreased ¥18.70 billion (3.2%) to ¥558.58 billion

Current assets decreased ¥23.49 billion. Although assets under "Investments related to financial services" increased, current assets in securities business decreased. Fixed assets increased ¥4.78 billion. Principal factors included an increase in buildings and structures and land accompanying the acquisition of new office facilities as business expanded and acquisitions for the CSK Tama Center, along with an increase in intangible fixed assets due to progress made in developing the "New Securities Systems Project".

Liabilities decreased ¥20.65 billion (5.6%) to ¥347.86 billion

Current liabilities decreased ¥17.59 billion, due to factors such as a reduction of liabilities in the securities business and a reduction in "Accrued income taxes" due to the payment of income tax. Long-term liabilities decreased ¥3.18 billion, due to factors including the advance partial redemption of euro yen zero coupon convertible bonds due 2011, and a reduction in long-term deferred tax liabilities.

Net assets increased by ¥1.94 billion (0.9%) to ¥210.72 billion

Factors that decreased net assets included a reduction in "Net unrealized gains on securities" and the acquisition of treasury stock. Factors that increased net assets included net income recorded for the interim period, along with an increase in Common stock and Capital surplus arising from the exercise of stock options. As a result, net assets as of September 30, 2007 was ¥210.72 billion. (For detailed information on net assets, please see page 16, Interim Consolidated Statements of Changes in Net Assets.)

② Cash flows

Cash flows from operating activities

Minus ¥6.93 billion (decrease of ¥14.78 billion)

Although cash inflow increased from corporate tax refunds and increased "Liabilities related to financial services" in the financial services business, outflows arising from an increase in "Investments related to financial services" under management that accompanied an increase in new investment projects resulted in a decrease of ¥14.78 billion in operating cash flow.

Cash flows from investing activities

Minus ¥17.47 billion (decrease of ¥12.37 billion)

Although cash was received from the sale of investment securities, outflows for the acquisition of fixed assets accompanying the acquisition of new office facilities as business expanded and acquisitions for the CSK Tama Center, along with the fact that in the period under review no major asset sales took place, meant that cash flow from investing activities was ¥12.37 billion lower than in the previous interim period.

Cash flow from financing activities

Minus ¥1.58 billion (decrease of ¥32.33 billion)

Factors influencing the ¥32.33 billion reduction in cash flow from financing activities included the acquisition of treasury stock during the period, and the absence of the issuance (No.7 unsecured convertible-bond-type-bonds with stock acquisition rights) that featured in the previous interim period.

Cash and cash equivalents

¥79.44 billion (decrease of ¥29.42 billion or 27.0%)

Reflecting the cash flows described above, cash and cash equivalents as of September 30, 2007 amounted to ¥79.44 billion, a decrease of ¥29.42 billion compared to September 30, 2006.

Recent trends in cash flow-related indices are as follows:

	Mar. 31, 2006	Mar. 31, 2007	Sept. 30, 2006	Sept. 30, 2007
Equity ratio (%)	33.1	31.9	33.0	33.5
Equity ratio based on market price (%)	79.3	63.6	66.0	59.1
Debt service coverage (years)	—	27.3	—	—
Interest coverage ratio (times)	—	4.9	13.4	—

Notes: A) Equity ratio = (Total shareholders' equity + Total valuation and translation adjustments) / total assets

B) Equity ratio based on market price = Market capitalization / total assets

C) Debt service coverage = Interest-bearing debt / operating cash flow

D) Interest coverage ratio = Operating cash flow / interest paid

* All indices are calculated from consolidated financial results figures.

* Cash flow is Net cash provided by operating activities from the consolidated statements of cash flows.

Interest-bearing debt is the interest-bearing portion of liabilities recorded on the consolidated balance sheet.

* Market capitalization = Market price on last trading day of specified period × total shares outstanding at end of period (excluding treasury stock).

* Debt service coverage and interest coverage ratio for the fiscal year ended March 2006 is not recorded because operating cash flow for that period was negative.

* Debt service coverage is not recorded for the interim periods of the fiscal year ended March 2007 and the fiscal year ending March 2008, as operating cash flow is a half-year period.

* Interest coverage ratio for the interim period of the fiscal year ending March 2008 is not recorded because operating cash flow for that period was negative.

(3) Shareholder returns and dividends

The Group has adopted a consolidated financial position-linked shareholder returns policy based on Dividends On Equity, based on overall consideration of: consolidated performance, which reflects the results of group business activities; business investment requirements, relating to sources of future growth; interest-bearing debt, which is one measure of financial soundness; and trends in social economics.

During the interim period under review, a treasury stock buyback was implemented, from the twin perspectives of increasing shareholder value by using treasury stocks as part of flexible capital policies, and raising shareholders' equity per share by materially reducing the number of shares outstanding.

Based on the shareholder policy, the planned annual dividend for the year ending March 31, 2008 is ¥40 per share, comprising an interim dividend of ¥20 and a year-end dividend of ¥20.

(4) Business and operational risks

The Group has in place a range of measures to reduce foreseeable risks to the management of a company. Nevertheless, a range of factors, including business or related risks and the economic and social environment, could impact negatively on the Group's business performance or financial position despite the adoption of risk management measures.

The risk items recognized and outlined below comprise those risks that as of the compiling of this report are perceived to be the most significant risks in each business segment.

A. IT services business: Risk of unprofitable projects, defects or systems failure

The Group's systems integration operations face the risk of unprofitable projects and the requirement for defect correction measures due to miscalculations at the start of projects regarding the scale, specifications or others matters related to projects.

In systems management, systems may fail or be damaged by computer viruses or other unforeseen causes, with the associated risk that contract-related claims or damages could materially impact the Group financial performance.

In BPO, where a considerable number of new types of services are being offered, the Group faces the risk of being materially disadvantaged by insufficiently formed contracts, misunderstandings with regard to the scope of services, or other such factors.

The Group takes the utmost care in its handling of confidential and personal information, but nevertheless faces the risk that if security issues arise they could have a significant impact on the management of and trust held in the Group.

B. Financial services business

In selecting investment targets for venture companies, investing in real-estate-related projects through anonymous associations, and selecting investment targets for share or other acquisitions, the Group makes use of a specialist structure to assess investment risk. However, factors such as unforeseen changes to the investment environment, mean that there is a risk that return on investments could be delayed, investment returns could be lower than planned or fail to be realized, and the materialization of such risk could have a negative impact on the Group's business performance or financial position.

C. Securities business

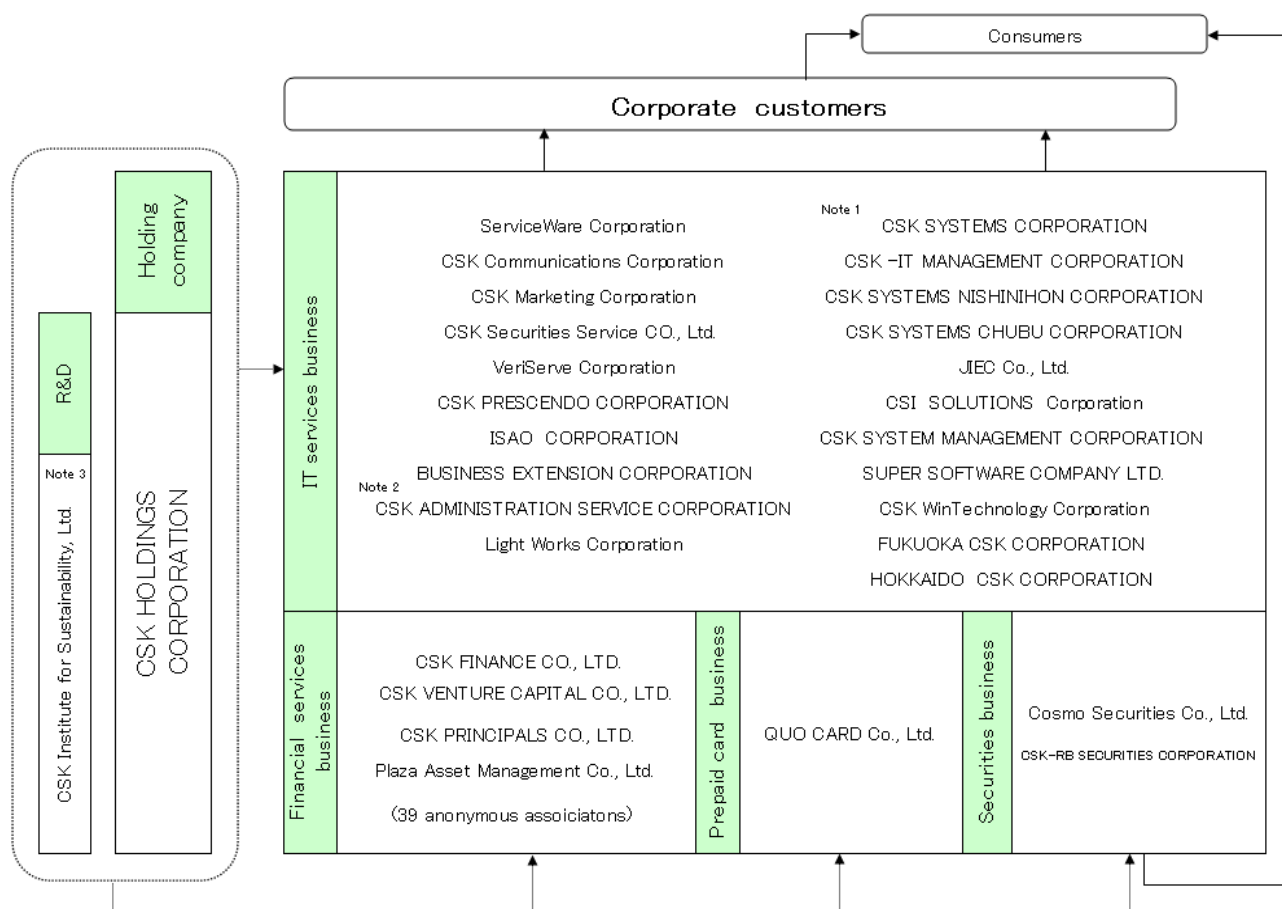
Risks in this area are classified into market-related risks (such as credit risk, market risk and liquidity risk), operational risks, information-related risk, and business continuity risks. The Group takes a range of measures to minimize such risks, but should such risks materialize on a scale larger than foreseen, or if unforeseen risks should materialize, such events could have a negative impact on the Group's business performance or financial position.

D. Prepaid card business

In prepaid cards, risks include fraudulent use of cards, competitive activity from banks, credit and other card companies, or a decline in card usage. The materialization of such risks could have a negative impact on the Group's business performance or financial position.

2. Corporate Group

Segment categories and major group companies are as follows:



The chart shows the subsidiaries whose stocks are directly held by CSK HOLDINGS CORPORATION.

Name of listed (public offering) consolidated subsidiaries and listed stock exchange:

JIEC Co., Ltd. : Section 2 of Tokyo Stock Exchange
 VeriServe Corporation : Mothers of Tokyo Stock Exchange
 Cosmo Securities Co., : Section 1 of Tokyo Stock Exchange, Osaka Stock Exchange and Nagoya Stock Exchange

Note 1 On July 1, 2007, the Company implemented company separation. The method to be used is a company separation and absorption, with CSK SYSTEMS CORPORATION as the separating company and CSK SYSTEMS NISHINIHON CORPORATION which is changed its corporate name from CSK Systems Nishinihon Preparatory Corporation, CSK SYSTEMS CHUBU CORPORATION which is changed its corporate name from CSK Systems Chubu Preparatory Corporation, CSK -IT MANAGEMENT CORPORATION which is changed its corporate name from CSK Network Systems Corporation and merged with CSK FIELD SERVESES CO., LTD. on the same day as the succeeding companies.

Note 2 On July 1, 2007, CSK BUSINESS SERVICE CORPORATION changed its corporate name to CSK ADMINISTRATION SERVICE CORPORATION.

Note 3 CSK Institute for Sustainability, Ltd. is carrying on financial services in addition to R&D.

3. Management Policies

Because there is no change to the Management Policies section contained in the financial results for the fiscal year ended March 31, 2007 (as announced on May 9, 2007), the following topics have been omitted from this report: Fundamental Management Policy; Management Targets; Basic Medium- and Long-term Strategy; and Tasks Ahead.

This information regarding Management Policies can be accessed online as follows:

CSK HOLDINGS CORPORATION: http://www.csk.com/ir_e/finance/fr/index.html

Tokyo Stock Exchange: <http://www.tse.or.jp/listing/compsearch/index.html>

Consolidated Balance Sheets

(millions of yen)

Account	Period	Fiscal year 2007 1st half (As of Sept. 30, 2006)		Fiscal year 2008 1st half (As of Sept. 30, 2007)		Fiscal year 2007 (As of Mar. 31, 2007)		Increase(Decrease) compared to fiscal year 2007	
		Amount	% of total	Amount	% of total	Amount	% of total	Amount	Change
Assets			%		%		%		%
I Current assets									
1 Cash and time deposits		111,997		86,294		108,405		(22,110)	
2 Notes and accounts receivable		27,813		29,517		33,688		(4,170)	
3 Marketable securities		4,153		7,296		7,207		89	
4 Venture capital investments		3,172		4,092		2,137		1,955	
5 Inventories		9,149		5,037		4,819		217	
6 Investments related to financial services		100,381		145,951		110,842		35,108	
7 Cash segregated as deposits related to securities business		46,265		37,789		46,394		(8,605)	
8 Trading assets related to securities business		12,342		12,692		15,679		(2,986)	
9 Receivables related to margin transactions		91,446		72,156		91,105		(18,949)	
10 Other current assets		41,765		38,955		45,883		(6,928)	
Allowance for losses on investment securities		-		(1,003)		(3,868)		2,865	
Allowance for doubtful accounts		(39)		(244)		(265)		20	
Total current assets		448,447	80.9	438,535	78.5	462,029	80.0	(23,493)	(5.1)
II Fixed assets									
1 Tangible fixed assets									
(1) Buildings and structures		7,399		13,828		8,712		5,116	
(2) Land		10,001		12,419		10,831		1,588	
(3) Other tangible fixed assets		5,894		4,989		7,423		(2,433)	
Total tangible fixed assets		23,295	4.2	31,237	5.6	26,966	4.7	4,270	15.8
2 Intangible fixed assets									
(1) Goodwill		352		733		848		(114)	
(2) Other intangible fixed assets		8,879		17,020		13,191		3,828	
Total intangible fixed assets		9,232	1.7	17,753	3.2	14,039	2.4	3,713	26.5
3 Investments and other assets									
(1) Investments in securities		59,097		55,360		60,040		(4,680)	
(2) Prepaid pension costs		3,313		3,262		3,324		(62)	
(3) Deferred income taxes		1,511		2,904		1,967		937	
(4) Other		11,073		11,343		10,778		565	
Allowance for doubtful accounts		(1,909)		(1,811)		(1,852)		41	
Total investments and other assets		73,086	13.2	71,059	12.7	74,258	12.9	(3,199)	(4.3)
Total fixed assets		105,614	19.1	120,051	21.5	115,265	20.0	4,785	4.2
Total assets		554,061	100.0	558,586	100.0	577,294	100.0	(18,708)	(3.2)

(millions of yen)

Account	Period	Fiscal year 2007 1st half (As of Sept. 30, 2006)		Fiscal year 2008 1st half (As of Sept. 30, 2007)		Fiscal year 2007 (As of Mar. 31, 2007)		Increase(Decrease) compared to fiscal year 2007	
		Amount	% of total	Amount	% of total	Amount	% of total	Amount	Change
			%		%		%		%
Liabilities			%		%		%		%
I Current liabilities									
1 Accounts payable		10,863		9,486		11,292		(1,805)	
2 Short-term bank loans payable		21,955		32,490		28,052		4,437	
3 Current portion of corporate bonds payable		-		20,000		20,000		-	
4 Accrued income taxes		6,055		3,673		8,624		(4,950)	
5 Deposits received of prepaid cards		40,376		43,517		42,859		657	
6 Accrued bonuses to employees		5,648		6,345		6,419		(74)	
7 Allowance for anticipated losses on contracts		2,097		595		898		(303)	
8 Liabilities related to financial services		13,336		34,114		15,137		18,977	
9 Trading liabilities related to securities business		6,460		4,483		9,180		(4,696)	
10 Payable related to margin transactions		54,618		31,430		55,841		(24,411)	
11 Deposits received and guarantee deposits received from customers related to securities business		58,938		54,299		56,002		(1,702)	
12 Other current liabilities		20,642		22,035		25,762		(3,726)	
Total current liabilities		240,995	43.5	262,471	47.0	280,070	48.5	(17,598)	(6.3)
II Long-term liabilities									
1 Corporate bonds payable		40,000		20,000		20,000		-	
2 Convertible bonds payable		58,000		56,792		58,000		(1,208)	
3 Long-term bank loans payable		5,000		5,035		5,000		35	
4 Accrued employees' retirement benefits		738		388		586		(198)	
5 Accrued directors' retirement benefits		186		158		205		(46)	
6 Other long-term liabilities		1,670		1,540		3,307		(1,767)	
Total long-term liabilities		105,595	19.1	83,914	15.0	87,099	15.1	(3,185)	(3.7)
III Statutory reserve									
1 Reserve for securities trading liabilities		1,201		1,472		1,347		125	
2 Reserve for financial futures trading liabilities		1		3		2		1	
Total statutory reserve		1,202	0.2	1,476	0.3	1,349	0.2	127	9.4
Total liabilities		347,792	62.8	347,862	62.3	368,519	63.8	(20,656)	(5.6)
Net assets									
I Shareholders' equity:									
1 Common stock		72,195	13.0	73,225	13.1	72,790	12.6	435	0.6
2 Capital surplus		36,809	6.6	37,817	6.8	37,404	6.5	413	1.1
3 Retained earnings		87,982	15.9	95,289	17.1	84,691	14.7	10,598	12.5
4 Treasury stock, at cost		(19,642)	(3.5)	(24,010)	(4.3)	(19,649)	(3.4)	(4,361)	-
Total shareholders' equity		177,344	32.0	182,322	32.7	175,236	30.4	7,085	4.0
II Valuation, translation adjustments and other									
1 Net unrealized gains on securities		5,255	0.9	4,688	0.8	8,949	1.5	(4,260)	(47.6)
2 Net unrealized gains on hedging derivatives		0	0.0	(0)	(0.0)	0	0.0	(0)	(288.9)
3 Foreign currency translation adjustments		-	-	(0)	(0.0)	-	-	(0)	-
Total Valuation, translation adjustments and other		5,256	0.9	4,688	0.8	8,949	1.5	(4,261)	(47.6)
III Minority interests		23,668	4.3	23,713	4.2	24,589	4.3	(875)	(3.6)
Total net assets		206,269	37.2	210,723	37.7	208,775	36.2	1,948	0.9
Total liabilities and net assets		554,061	100.0	558,586	100.0	577,294	100.0	(18,708)	(3.2)

Consolidated Statements of Income

(millions of yen)

Account	Fiscal year 2007 For the six months ended Sept. 30, 2006		Fiscal year 2008 For the six months ended Sept. 30, 2007		Increase (Decrease)		Fiscal year 2007 For the year ended Mar. 31, 2007	
	Amount	Ratio to operating revenue	Amount	Ratio to operating revenue	Amount	Change	Amount	Ratio to operating revenue
		%		%		%		%
I Operating revenue	119,626	100.0	125,321	100.0	5,694	4.8	245,981	100.0
II Operating costs	72,282	60.4	73,732	58.8	1,449	2.0	157,620	64.1
Gross profit	47,344	39.6	51,589	41.2	4,244	9.0	88,361	35.9
III Selling, general and administrative expenses	28,096	23.5	32,438	25.9	4,341	15.5	58,456	23.7
Operating income	19,247	16.1	19,150	15.3	(97)	(0.5)	29,904	12.2
IV Non-operating income	1,175	1.0	1,589	1.2	413	35.2	2,277	0.9
1 Interest income	91		227		136		290	
2 Dividend income	233		261		27		353	
3 Hoard profit of prepaid card	448		528		80		964	
4 Insurance dividend income	120		-		(120)		-	
5 Other, net	281		571		290		668	
V Non-operating expenses	612	0.5	758	0.6	146	23.8	1,371	0.6
1 Interest expenses	46		55		9		97	
2 Loss on sales of investments in securities	-		288		288		-	
3 Provision for accrued employees' retirement benefits	130		130		-		260	
4 Transfer agent commission	88		-		(88)		152	
5 Transfer of one's domicile's adjustment costs	111		81		(29)		195	
6 Other, net	236		203		(33)		664	
Ordinary income	19,809	16.6	19,980	15.9	170	0.9	30,810	12.5
VI Extraordinary gains	722	0.5	147	0.1	(574)	(79.5)	1,254	0.5
1 Gain on sales of fixed assets	208		-		(208)		208	
2 Gain from reversal of allowance for doubtful accounts	89		38		(51)		-	
3 Gain from transfer of business	277		-		(277)		277	
4 Compensation income	-		95		95		-	
5 Other, net	147		13		(133)		769	
VII Extraordinary losses	410	0.3	1,537	1.2	1,126	274.6	1,351	0.5
1 Loss on disposal of fixed assets	48		-		(48)		160	
2 Loss on impairment of fixed assets	-		180		180		-	
3 Loss on write-down of investments in securities	-		1,096		1,096		546	
4 Compensation for damages	104		-		(104)		-	
5 Bad debt loss	75		-		(75)		-	
6 Provision for reserve for securities trading liabilities	122		125		3		268	
7 Provision for reserve for financial futures trading liabilities	0		1		0		1	
8 Other, net	59		132		72		373	
Income before income taxes and minority interests	20,122	16.8	18,591	14.8	(1,530)	(7.6)	30,712	12.5
Income taxes : Current	7,583	6.3	4,513	3.6	(3,070)	(40.5)	18,985	7.7
Income tax refund	-	-	(2,763)	(2.2)	(2,763)	-	-	-
Income taxes : Deferred	1,732	1.4	4,728	3.8	2,996	173.0	(4,532)	(1.8)
Reversal of the prior year's income taxes and prior year's income taxes-deferred	-	-	-	-	-	-	6,210	2.5
Minority interests	315	0.3	28	0.0	(287)	(90.9)	1,370	0.6
Net income	10,490	8.8	12,083	9.6	1,593	15.2	8,679	3.5

Consolidated Statement of Changes in Net Assets

Fiscal year 2007 for the six months ended Sept. 30, 2006

(millions of yen)

	Shareholders' equity					Valuation and translation adjustments		Minority interests	Total net assets
	Common stock	Capital surplus	Retained earnings	Treasury stock, at cost	Total shareholders' equity	Net unrealized gains on securities	Net unrealized loss on hedging derivatives		
Balance as of Mar. 31, 2006	71,523	36,137	80,719	(19,625)	168,754	11,069	-	23,606	203,430
Change in the six months									
Exercise of stock option	671	671	-	-	1,343	-	-	-	1,343
Cash dividends *	-	-	(2,945)	-	(2,945)	-	-	-	(2,945)
Directors' and statutory auditors' bonuses *	-	-	(281)	-	(281)	-	-	-	(281)
Net income	-	-	10,490	-	10,490	-	-	-	10,490
Repurchases of treasury stock	-	-	-	(17)	(17)	-	-	-	(17)
Disposal of treasury stock	-	(0)	-	0	0	-	-	-	0
Net change in the items other than shareholders' equity in the six months	-	-	-	-	-	(5,813)	0	62	(5,750)
Total of change in the six months	671	671	7,262	(16)	8,589	(5,813)	0	62	2,838
Balance as of Sept. 30, 2006	72,195	36,809	87,982	(19,642)	177,344	5,255	0	23,668	206,269

Note: * It is appropriation of retained earnings item decided in the ordinary general meeting of shareholders' on June 2006.

Fiscal year 2008 for the six months ended Sept. 30, 2007

(millions of yen)

	Shareholders' equity					Valuation and translation adjustments			Minority interests	Total net assets
	Common stock	Capital surplus	Retained earnings	Treasury stock, at cost	Total shareholders' equity	Net unrealized gains on securities	Net unrealized gains on hedging derivatives	Foreign currency translation adjustments		
Balance as of Mar. 31, 2007	72,790	37,404	84,691	(19,649)	175,236	8,949	0	-	24,589	208,775
Change in the six months										
Exercise of stock option	435	435	-	-	870	-	-	-	-	870
Cash dividends *	-	-	(1,485)	-	(1,485)	-	-	-	-	(1,485)
Net income	-	-	12,083	-	12,083	-	-	-	-	12,083
Repurchases of treasury stock	-	-	-	(4,405)	(4,405)	-	-	-	-	(4,405)
Disposal of treasury stock	-	(21)	-	44	22	-	-	-	-	22
Net change in the items other than shareholders' equity in the six months	-	-	-	-	-	(4,206)	(0)	(0)	(875)	(5,137)
Total of change in the six months	435	413	10,598	(4,361)	7,085	(4,206)	(0)	(0)	(875)	1,948
Balance as of Sept. 30, 2007	73,225	37,817	95,289	(24,010)	182,322	4,688	(0)	(0)	23,713	210,723

Note: * It is appropriation of cash dividends in the ordinary general meeting of shareholders' on June 2007.

Fiscal year 2007 for the year ended Mar. 31, 2007

(millions of yen)

	Shareholders' equity					Valuation and translation adjustments		Minority interests	Total net assets
	Common stock	Capital surplus	Retained earnings	Treasury stock, at cost	Total shareholders' equity	Net unrealized gains on securities	Net unrealized gains on hedging derivatives		
Balance as of Mar. 31, 2006	71,523	36,137	80,719	(19,625)	168,754	11,069	-	23,606	203,430
Change in the fiscal year									
Exercise of stock option	1,266	1,266	-	-	2,533	-	-	-	2,533
Cash dividends *	-	-	(2,945)	-	(2,945)	-	-	-	(2,945)
Cash dividends	-	-	(1,479)	-	(1,479)	-	-	-	(1,479)
Directors' and statutory auditors' bonuses *	-	-	(281)	-	(281)	-	-	-	(281)
Net income	-	-	8,679	-	8,679	-	-	-	8,679
Repurchases of treasury stock	-	-	-	(24)	(24)	-	-	-	(24)
Disposal of treasury stock	-	0	-	0	1	-	-	-	1
Net change in the items other than shareholders' equity in the fiscal year	-	-	-	-	-	(2,120)	0	982	(1,136)
Total of change in the fiscal year	1,266	1,266	3,972	(23)	6,482	(2,120)	0	982	5,345
Balance as of Mar. 31, 2007	72,790	37,404	84,691	(19,649)	175,236	8,949	0	24,589	208,775

Note: * It is appropriation of retained earnings item decided in the ordinary general meeting of shareholders' on June 2006.

Consolidated Statements of Cash Flows

(millions of yen)

Account	Period	Fiscal year 2007	Fiscal year 2008	Increase	Fiscal year 2007
		For the six months ended Sept. 30, 2006	For the six months ended Sept. 30, 2007	(Decrease)	For the year ended Mar. 31, 2007
		Amount	Amount	Amount	Amount
I Cash flows from operating activities					
1 Income before income taxes and minority interests		20,122	18,591	(1,530)	30,712
2 Depreciation		2,162	2,255	92	4,108
3 Loss on impairment of fixed assets		-	180	180	-
4 Amortization of goodwill		270	177	(93)	417
5 Increase (Decrease) in allowances and decrease (increase) in prepaid pension costs		(1,980)	(3,027)	(1,046)	1,608
6 Interest and dividend income		(1,469)	(1,783)	(313)	(2,940)
7 Interest expenses		584	802	217	1,295
8 Loss (Gain) on sales of investments in securities		(53)	291	344	-
9 Loss on write-down of investments in securities		-	1,096	1,096	-
10 Decrease (Increase) in accounts receivable		8,266	4,170	(4,095)	2,459
11 Decrease (Increase) in inventories		(3,299)	(216)	3,082	1,030
12 Increase (Decrease) in accounts payable		(3,152)	(1,805)	1,346	(2,723)
13 Increase (Decrease) in deposits received of prepaid cards		1,399	657	(741)	3,882
14 Decrease (Increase) in venture capital investments		-	(1,911)	(1,911)	-
15 Decrease (Increase) in investments related to financial services		(9,671)	(40,452)	(30,780)	(16,959)
16 Decrease (Increase) in liabilities related to financial services		10,256	18,977	8,720	12,057
17 Decrease (Increase) in cash segregated as deposits related to securities business		11,430	8,605	(2,825)	11,301
18 Decrease (Increase) in trading assets related to securities business		-	2,986	2,986	(4,815)
19 Decrease (Increase) in unsettled trade receivables related to securities business		-	(2,575)	(2,575)	-
20 Decrease (Increase) in receivables related to margin transactions		20,674	18,949	(1,724)	21,015
21 Decrease (Increase) in loan secured by securities		-	3,751	3,751	(3,173)
22 Increase (Decrease) in trading liabilities related to securities business		-	(4,696)	(4,696)	4,423
23 Increase (Decrease) in payables related to margin transactions		(22,723)	(24,411)	(1,687)	(21,500)
24 Increase (Decrease) in deposits received and guarantee deposits received from customers related to securities business		(7,045)	(1,702)	5,342	(9,981)
25 Other, net		(7,052)	(191)	6,860	(5,876)
Subtotal		18,718	(1,280)	(19,998)	26,339
26 Interest and dividends income received		1,435	1,731	295	3,046
27 Interest expenses paid		(516)	(668)	(152)	(1,152)
28 Income taxes paid		(11,792)	(9,481)	2,310	(21,164)
29 Proceeds from refund of income taxes		-	2,763	2,763	-
Net cash provided (used) by operating activities		7,845	(6,936)	(14,782)	7,069
II Cash flows from investing activities					
1 Increase (Decrease) in time deposit, net		(349)	(3,849)	(3,500)	(465)
2 Net proceeds from sales and purchases of marketable securities		1,367	1,697	329	3,717
3 Purchase of property and equipment		(2,250)	(6,219)	(3,969)	(7,195)
4 Proceeds from sales of property and equipment		4,890	-	(4,890)	4,956
5 Purchases of intangible assets		(3,776)	(5,278)	(1,501)	(8,396)
6 Purchases of investments in securities		(5,921)	(6,427)	(505)	(9,746)
7 Proceeds from sales of investments in securities		649	2,866	2,217	1,863
8 Other, net		290	(261)	(552)	(1,280)
Net cash provided (used) by investing activities		(5,100)	(17,472)	(12,372)	(16,546)

(millions of yen)

Account	Period	Fiscal year 2007 For the six months ended Sept. 30, 2006	Fiscal year 2008 For the six months ended Sept. 30, 2007	Increase (Decrease)	Fiscal year 2007 For the year ended Mar. 31, 2007
		Amount	Amount	Amount	Amount
III Cash flows from financing activities					
1 Increase (Decrease) in short-term bank loans, net		1,402	5,437	4,035	11,698
2 Repayment of long-term debt		(3,300)	-	3,300	(4,500)
3 Proceeds from issuance of bonds		35,000	-	(35,000)	35,000
4 Redemption of corporate bonds		-	(1,208)	(1,208)	-
5 Issuance of common stock		1,343	870	(473)	2,533
6 Purchases of treasury stock		(23)	(4,483)	(4,459)	(37)
7 Cash dividends paid		(2,935)	(1,484)	1,450	(4,414)
8 Cash dividends paid to minority shareholders		(676)	(691)	(14)	-
9 Other, net		(57)	(27)	29	(747)
Net cash provided (used) by financing activities		30,751	(1,587)	(32,338)	39,532
IV Effect of exchange rate changes on cash and cash equivalents		31	(2)	(34)	50
V Net increase (decrease) in cash and cash equivalents		33,529	(25,999)	(59,528)	30,106
VI Cash and cash equivalents, at beginning		74,747	105,447	30,700	74,747
VII Cash and cash equivalents of initially consolidated subsidiaries, at beginning		593	-	(593)	593
VIII Cash and cash equivalents, at end		108,869	79,448	(29,421)	105,447

Significant Accounting Policies of Consolidated Financial Statements

1. Range of consolidation

(1) Consolidated subsidiaries: 79

JIEC Co., Ltd., VeriServe Corporation, Cosmo Securities Co., Ltd. and other 76 companies

18 anonymous associations, 2 investment partnerships and other 2 companies are newly consolidated from this fiscal year.

(2) Major non-consolidated subsidiaries: Tokyo Green Systems Corporation

Non-consolidated subsidiaries were excluded from consolidation because they are all small-sized companies, and their total assets, sales, net income and retained earnings are immaterial to the consolidated financial statements.

2. Application of equity method

Affiliate accounted for under the equity method: None

Non-consolidated subsidiaries (such as Tokyo Green Systems Corporation) and affiliates (such as M&C Business Systems Corporation) to which the equity method is not applied are excluded from application of equity method because their net income and retained earnings are immaterial to the consolidated financial statements as a whole.

3. Fiscal year ends of consolidated subsidiaries

Of the consolidated subsidiaries of the Group, 1 anonymous association has an interim settlement date of August 31, 2 anonymous associations have interim settlement date of July 31, 29 anonymous associations and 2 investment partnerships have interim settlement date of June 30.

Furthermore, 4 anonymous associations have interim settlement date of May 31. Consequently, these subsidiaries conduct trial settlement date of August 31, for the purpose of preparing the consolidated interim financial statements. 1 anonymous association has an interim settlement date of March 31. Consequently, this subsidiary conducts trial settlement date of September 30, for the purpose of preparing the consolidated interim financial statements. The remaining consolidated subsidiaries have interim settlement date of September 30, the consolidated interim settlement date. The required adjustment for consolidated accounting purposes is carried out for important transactions that occur in the period between the consolidated interim settlement date and the interim settlement date of a subsidiary.

4. Accounting standards

(1) Valuation basis and valuation method for significant assets

1) Marketable securities and investments in securities

- Valuation of trading securities by securities business :

Securities, asset or liabilities in trading account are recorded at fair value.

- Held-to-maturity bonds: Amortized cost method

- Investments in unconsolidated subsidiaries and affiliates :

Cost method based on the moving-average method

- Available-for-sale securities(includes Investments related to financial services and Venture capital investments):

With market value: Market value method

(Unrealized gains and losses are reported in the net assets section of the consolidated balance sheets. Sales cost is mainly calculated using the moving-average method.)

Without market value: Mainly cost method based on the moving-average method

2) Derivative instruments

Market value method

3) Inventories

Mainly, cost method based on the specific identification method or moving-average method

(2) Depreciation method for fixed assets

1) Tangible fixed assets

Declining balance method

For the depreciation of buildings (excluding structures attached to the buildings), which were acquired since April 1, 1998, the straight-line method is applied.

Main useful lives are as follows:

Buildings and structures: 2 - 50 years

(Change in accounting policy)

From September 30,2007 depreciation of tangible fixed assets acquired since April 1, 2007 has been calculated in accordance with the revised Corporation Tax Law.

The application of the provisions of the revised Corporation Tax Law had an insignificant impact on net income for six months ended September 30,2007.

(Additional Information)

From September 30,2007 depreciation of tangible fixed assets acquired before March 31, 2007, and depreciated to their

respective allowable limits has been calculated by a method which depreciates residual value equally for five years.

The application of the provisions of the revised Corporation Tax Law had an insignificant impact on net income for six months ended September 30, 2007.

2) Intangible fixed assets and deferred charges

Straight-line method

Capitalized costs for software for internal use are amortized using the straight-line method over the estimated useful life of the software in the Company.

Capitalized costs for software for sale are amortized using the straight-line method over the estimated sales period in which the software can be sold. Term land leasehold is amortized using the straight-line method over the estimated base on contract period.

(3) Deferred assets

Equity costs is expensed as incurred.

(4) Allowances

1) Allowance for losses on investment securities

Allowance for losses on investment securities reflects the Group's share of losses of the investee about the investments included in "Investments related to financial services".

2) Allowance for doubtful accounts

Allowance for doubtful accounts is maintained for the amounts deemed uncollectible based on solvency analyses and for estimated delinquency based on collection rates projected from historical credit loss experiences, and for the amounts to cover specific accounts that are estimated to be uncollectible.

3) Accrued bonuses to employees

Accrued bonuses to employees represents bonuses to employees expected to be paid for their services rendered prior to the balance sheets date.

4) Allowance for anticipated losses on contracts

Allowance for anticipated losses on contracts represents anticipated entire losses to be incurred related to software development and facilities management when the contract revenue and cost indicate a loss.

5) Accrued employees' retirement benefits

Accrued employees' retirement benefits are calculated based on the estimated retirement obligations less estimated plan assets at the balance sheets date.

At the Company and some of its consolidated subsidiaries, when "Plan assets" exceed an amount of "Projected benefit obligations" minus both "Unrecognized net translation" and "Unrecognized actuarial net loss", the amount in excess is accounted for as "Prepaid pension costs" included in "Investments and other assets".

Net transition amount at adoption of new accounting standard for the retirement benefits is amortized mainly over 15 years using the straight-line method.

Unrecognized actuarial net loss will be amortized using the straight-line method over the average remaining service period and amortization will be started from the next fiscal year.

Unrecognized prior service cost is amortized using the straight-line method over the average remaining service period and amortization is started from this fiscal year when it occurs.

6) Accrued directors' retirement benefits

The Company and some of its consolidated subsidiaries recognize "Accrued directors' retirement benefits" in amounts equivalent to the liability the companies would have been required to pay upon directors' retirement at the balance sheets date in accordance with internal rules.

However the Company is not increasing the required amounts after the general meeting of shareholders of June 26, 2003 holding, due to revise internal rules.

(5) Translation of foreign currency balances and transactions

Foreign currency transactions are translated using foreign exchange rates prevailing at the transaction dates. Short-term and long-term receivables and payables denominated in foreign currencies were translated at the current rates at the balance sheets date. The differences of the prevailing rate between the transaction date and balance sheets date are involved in or charged to income accordingly.

(6) Lease transactions

Finance leases, other than those which involve transferring of ownership of the leased assets to the lessee, are accounted for in a manner similar to operating leases.

(7) Hedge accounting

1) Accounting method for hedge transaction

Deferred hedge accounting is adopted. Monetary liabilities denominated in foreign currencies with forward exchange contracts are translated at the contract rates to the extent contracts cover. To those interest rate swaps that meet the requirements for exceptional treatment, exceptional treatment is applied.

2) Hedge method and hedged transaction

Derivatives are used in hedging operations, including forward exchange contracts, interest swap transactions.

Monetary liabilities denominated in foreign currencies, scheduled transactions, and bank loans are hedged

transactions.

3) Hedging policy

The risk in fluctuations in interest rates for regular business is hedged based on the company regulations. The Company however, does not actively engage in derivative transactions for speculative purposes or for obtaining short-term capital gains.

4) Evaluation of effectiveness of hedge accounting

The Company verifies the correlation by mainly comparing means for hedging with fluctuation of rates. To those interest rate swaps that meet the requirements for exceptional treatment, efficacy assessment is omitted.

(8) Accounting for financial services business

1) Investments related to financial services

Investments in anonymous associations

With regard to transactions resulting from investment in anonymous associations, allocations received from the anonymous association are recorded under sales.

Shares and estate

With regard to transactions in shares and estate, any profit or loss from the sales of shares is recorded under sales or cost of sales respectively. And shares are included in securities with market values.

Investment in partnerships or similar

With regard to transactions resulting from investment in partnerships or similar, any profit or loss from such partnerships is recorded net as sales or cost of sales respectively on an equity basis, based on the most recent final accounts of the partnerships. In the event that a partnership holds other investment securities and appraisal differences are recorded in its financial statements, appraisal difference is recorded on an equity basis under "Unrealized gains on securities" —other available-for-sale securities.

2) Venture capital investments

With regard to investment partnerships in which our group is an executive member, the assets, liabilities, income and expenses of the partnership are recorded on an equity basis, based on the most recent final accounts of the partnership.

Venture capital investments are recorded securities on an equity basis. Securities which investment partnerships of the consolidated subsidiaries had are recorded as venture capital investments.

(9) Accounting for prepaid card business

The face value of cards when issued is recorded as "Deposits received of prepaid cards", with subsequent deductions from that amount as cards are used.

Also any remaining card value, based on the actual usage of cards, that is considered unlikely to be used will be recorded as "Hoard profit of prepaid card" under "Non-operating income" with subsequent deductions from "Deposits received of prepaid cards" in conforming with Japanese Tax Law requiring to take into consideration the year in which cards are sold.

(10) Other accounting standards

1) Consumption tax accounting

Consumption taxes are not included in the amounts in the consolidated statements of operations, but recorded in other current liabilities as offset amounts.

2) Consolidated tax system

Consolidated tax system is adopted.

3) Goodwill

The consolidated adjustment accounts, which are recognized as goodwill, are amortized over 5 years by the straight-line method. Small amount is amortized in a lump.

5. Cash and Cash Equivalents

For the purpose of the consolidated statement of cash flows, "Cash and cash equivalents" consists of cash on hands, demand deposits, and certain investments with original maturity of three months or less with virtually no risk of loss of values.

Changes in Method of Presentation

Consolidated statements of income

1. "Insurance dividend income", ¥87 million, which has been expressed independently under "Non-operating income" in previous interim period is included in "Other, net" under "Non-operating income" because it is immaterial to the consolidated statements of income as a whole.
2. "Transfer agent commission", ¥74 million, which has been expressed independently under "Non-operating expenses" in previous interim period is included in "Other, net" under "Non-operating expenses" because it is immaterial to the consolidated statements of income as a whole.
3. "Gain on sales of fixed assets", ¥1 million, which has been expressed independently under "Extraordinary gains" in previous interim period is included in "Other, net" under "Extraordinary gains" because it is immaterial to the consolidated statements of income as a whole.
4. "Loss on disposal of fixed assets", ¥67 million, which has been expressed independently under "Extraordinary losses" in previous interim period is included in "Other, net" under "Extraordinary losses" because it is immaterial to the consolidated statements of income as a whole.
5. "Loss on write-down of investments in securities", which has been included in "Other, net" under "Extraordinary losses", ¥31 million, in previous interim period is expressed independently because it is material to the consolidated statements of income as a whole.
6. "Compensation for damages", ¥5 million, which has been expressed independently under "Extraordinary losses" in previous interim period is included in "Other, net" under "Extraordinary losses" because it is immaterial to the consolidated statements of income as a whole.

Consolidated statements of cash flows

1. "Loss on write-down of investments in securities" which has been included in "Other, net" under "Cash flows from operating activities", ¥31million, in previous interim period is expressed independently because it is material to the consolidated statements of cash flows as a whole.
2. "Decrease (Increase) in venture capital investments" which has been included in "Other, net" under "Cash flows from operating activities", ¥(351) million, in previous interim period is expressed independently because it is material to the consolidated statements of cash flows as a whole.
3. "Decrease (Increase) in trading assets related to securities business" which has been included in "Other, net" under "Cash flows from operating activities", ¥(1,479) million, in previous interim period is expressed independently because it is material to the consolidated statements of cash flows as a whole.
4. "Decrease (Increase) in unsettled trade receivables related to securities business" which has been included in "Other, net" under "Cash flows from operating activities", ¥1,584million, in previous interim period is expressed independently because it is material to the consolidated statements of cash flows as a whole.
5. "Decrease (Increase) in loan secured by securities" which has been included in "Other, net" under "Cash flows from operating activities", ¥(2,443) million, in previous interim period is expressed independently because it is material to the consolidated statements of cash flows as a whole.
6. "Increase (Decrease) in trading liabilities related to securities business" which has been included in "Other, net" under "Cash flows from operating activities", ¥1,704 million, in previous interim period is expressed independently because it is material to the consolidated statements of cash flows as a whole.
7. " Proceeds from sales of property and equipment ", which has been accounted independently as an item of "Cash flows from investing activities" in previous interim period, is ¥179 million and included in "Other, net" of "Cash flows from investing activities" in this interim period, because it is immaterial to the consolidated statements of cash flows as a whole.

Notes to Consolidated Financial Statements

1. Consolidated balance sheets

	(millions of yen)		
	As of Sept. 30		As of Mar. 31
	2006	2007	2007
(1) Accumulated depreciation of tangible fixed assets	13,706	14,829	14,475

(2) Investments related to financial services

As of Sept. 30, 2006

"Investments related to financial services" mainly consists of investments in anonymous associations, ¥25,602 million, shares, ¥26,499 million and estates, ¥23,426 million.

Main of Liabilities related to financial services is non-recourse loans ¥9,156 million.

Liabilities related to financial services are the liability of anonymous associations that are consolidated subsidiaries, and mainly consist of non-recourse loans

As of Sept. 30, 2007

"Investments related to financial services" mainly consists of investments in anonymous associations, ¥15,909 million, shares, ¥21,817 million and estates, ¥43,091 million.

In shares, shares with the current price, ¥9,922 million, are involved.

Main of Liabilities related to financial services is non-recourse loans ¥17,119 million.

Liabilities related to financial services are the liability of anonymous associations that are consolidated subsidiaries, and mainly consist of non-recourse loans.

As of Mar. 31, 2007

"Investments related to financial services" mainly consists of investments in anonymous associations, ¥30,163 million, shares, ¥26,980 million and estates, ¥30,726 million.

In shares, shares with the current price, ¥11,986 million, are involved.

Main of Liabilities related to financial services is non-recourse loans ¥11,132 million.

Liabilities related to financial services are the liability of anonymous associations that are consolidated subsidiaries, and mainly consist of non-recourse loans.

(3) Loan commitment agreements

Lender

The Group adopts the CSK Group Cash Management System (CMS) to ensure agile and efficient cash arrangements for group companies. The Company concluded master agreements for CMS that have set out the availability granted among 32 companies as of Sept. 30, 2007, 30 companies as of Sept. 30, 2006 and 30 companies as of Mar. 31, 2007.

The remaining portion of credit line which has not been loaned to the group companies under these agreements are as follows:

	(millions of yen)		
	As of Sept. 30		As of Mar. 31
	2006	2007	2007
Total availability granted by CMS	40	280	240
Used portion of credit line	-	91	90
Remaining portion of credit line	40	188	150

Borrower

The Company has concluded loan commitment agreements with four banks to provide circulating funds efficiently.

The remaining portion of credit line which has not been loaned to the Company under these agreements are as follows:

	(millions of yen)		
	As of Sept. 30		As of Mar. 31
	2006	2007	2007
Total availability granted	30,000	30,000	30,000
Used portion of credit line	-	-	-
Remaining portion of credit line	30,000	30,000	30,000

(4) Statutory reserve

As of Sept. 30, 2007

The law that declines to account for "Reserve for securities trading liabilities" under "Statutory reserve" is "Securities Exchange Law No. 51" and the law that declines to account for "Reserve for financial futures trading

liabilities" under "Statutory reserve" is "Financial Futures Trading Law No. 81".

Statutory reserve is omitted as of Sept. 30, 2006, Mar. 31, 2007 because it is the same contents of Sept. 30, 2007.

2. Consolidated statements of income

For the year ended March 31, 2007

Reversal of the prior year's income taxes and prior year's corporate income tax has been recorded for the following reasons.

On August 1, 2005, the Tokyo Regional Taxation Bureau notified the Company and its consolidated subsidiary CSK FINANCE CO., LTD of a corporate tax adjustment relating to the appraisal value of subsidiary companies involved in Group reorganization for the fiscal year ended March 31, 2004.

The Company and its consolidated subsidiary do not accept the basis for this adjustment, and on August 9, 2005 lodged an objection with the Tokyo Regional Taxation Bureau. At this stage the companies are not in receipt of any reply from the Tokyo Regional Taxation Bureau to our written statement of opposition.

At this stage there is no change to our policy of requesting that the order be revoked. The Company will continue our negotiations with the Tokyo Regional Taxation Bureau and are considering initiating procedures for requesting a review of the case, along with other options.

However, a considerable period of time has passed since the filing of this application, and in light of the amendment to "Accounting Practices, Disclosure and Audit Treatment for Various Taxes" published by the Japanese Institute of Certified Public Accountants (JICPA) in March 2007, we concluded that a more conservative accounting treatment was advisable with respect to this matter, and decided to incorporate it in our consolidated statements of income at the end of this financial year, from the perspective of further improving the soundness of our financial position and ensuring management transparency.

(Subsequent events)

On June 6, 2007, the Tokyo Regional Taxation Bureau admitted a part of the objection of the Company and the consolidated subsidiary. And at the Board on June 12, 2007, we have decided to provide the application for review for tax appeals court for the objection that wasn't admitted main part of the corporate tax adjustment relating to the appraisal value of subsidiary companies.

The impact of the application for review is corresponding to approximately income tax ¥1 billion for the Company, and approximately income tax ¥1 billion for the consolidated subsidiary.

For the six months ended September 30, 2007

A breakdown of impairment losses in special losses is as follows.

(1) The company declares the following impairment losses

Location	Use	Classification
CSK Aoyama Building (Minato-ku, Tokyo)	Database	Intangible fixed assets

(2) Asset grouping method

Idle assets and assets designated for sale are treated on an individual basis. Operating assets are grouped according to their administration under accounting classifications.

(3) Method of calculating impairment losses

In cases mainly where the potential for an operating asset to produce revenue has dropped markedly, the impairment loss is recorded as the difference between its book value and its recoverable value, taking into account potential future cash flow from the non-performing item.

For the interim period under review, an impairment loss of ¥180 million was recorded, comprising losses of ¥132 million on a database and ¥48 million on software.

A reversal of taxation (corporate tax of ¥2,129 and regional tax of ¥634 million) has been recorded for the following reasons.

(1) Notice of tax adjustment and filing of objection

On August 1, 2005, the Tokyo Regional Taxation Bureau notified the Company and its consolidated subsidiary CSK FINANCE CO., LTD. of a corporate tax adjustment relating to the appraisal value of subsidiary companies involved in Group reorganization for the fiscal year ended March 31, 2004.

The Company and its consolidated subsidiary do not accept the basis for this adjustment, and on August 9, 2005 lodged an objection with the Tokyo Regional Taxation Bureau.

(2) Recording of tax adjustment for the previous year

As of the fiscal year ended March 2007, a considerable period of time had passed since the filing of the application, and in light of the amendment to "Accounting Practices, Disclosure and Audit Treatment for Various Taxes" published by the Japanese Institute of Certified Public Accountants (JICPA) in March 2007, we concluded that a more conservative accounting treatment was advisable with respect to this matter, and decided to incorporate it in our consolidated statements of income at the end of that financial year, from the perspective of further improving the soundness of our financial position and ensuring management transparency. A reversal of the prior year's income taxes and corporate income tax amounting to ¥6,210 million was therefore recorded in the consolidated balance sheets

(3) Announcement of decision by taxation authority and recording of tax reversal

On June 6, 2007, during the interim period under review, the Tokyo Regional Taxation Bureau made its decision on the

objection we had lodged, and upheld part of our objection. A reversal of the corporate tax relating to this part has therefore been recorded.

Following the announcement of the decision by the Tokyo Regional Taxation Bureau, on July 2, 2007 we lodged an appeal with the National Tax Tribunal regarding the remaining part of our objection that was not accepted.

3. Consolidated statements of changes in net assets

For the six months ended September 30, 2006

(1) Types and numbers of outstanding shares

	As of Mar.31, 2006	Increase	Decrease	As of Sept.30, 2006
Common stock	77,791,992	334,420	-	78,126,412

Note: Increase of 334,420 common stocks was due to the exercise of stock options.

(2) Types and numbers of treasury stock

	As of Mar.31, 2006	Increase	Decrease	As of Sept.30, 2006
Common stock	4,143,833	3,372	94	4,147,111

Notes: 1. Increase of 3,372 common stocks was due to purchase of stocks less than a trading unit.

2. Decrease of 94 common stocks stock was due to disposal of stocks less than a trading unit.

(3) Items concerning new share warrants, etc.

There were no such items.

Note that in July 2006 the Company issued No.7 unsecured convertible-bond-type-bonds with stocks acquisition rights.

(4) Dividends

1. Dividends payments

Approvals	Type of shares	Total amount of dividends (million yen)	Dividends per share (yen)	Record date	Effective date
General shareholders' meeting on June 28, 2006	Common stock	2,945	40	Mar.31, 2006	June 29, 2006

2. Dividends whose record date is attributable to the current semi-annual period but to be effective after the current semi-annual period

Approvals	Type of shares	Funds for dividends	Total amount of dividends (million yen)	Dividends per share (yen)	Record date	Effective date
Board meeting on Nov.7, 2006	Common stock	Retained earnings	1,479	20	Sept.30, 2006	Dec.11, 2006

For the six months ended September 30, 2007

(1) Types and numbers of outstanding shares

(shares)

	As of Mar.31, 2007	Increase	Decrease	As of Sept.30, 2007
Common stock	78,437,124	233,400	-	78,670,524

Note: Increase of 233,400 common stocks was due to the exercise of stock options.

(2) Types and numbers of treasury stock

(shares)

	As of Mar.31, 2007	Increase	Decrease	As of Sept.30, 2007
Common stock	4,148,356	1,000,907	9,378	5,139,885

Notes: 1. Increase of 907 common stocks was due to purchase of stocks less than a trading unit.

2. Increase of 1,000,000 common stocks was due to purchase of common stock for treasury.

3. Decrease of 9,378 common stocks stock was due to share for share exchange to making ISAO CORPORATION the Company's wholly owned subsidiary.

(3) Items concerning new share warrants, etc.

There were no such items.

(4) Dividends

1. Dividends payments

Approvals	Type of shares	Total amount of dividends (million yen)	Dividends per share (yen)	Record date	Effective date
General shareholders' meeting on June 27, 2007	Common stock	1,485	20	Mar.31, 2007	June 28, 2007

2. Dividends whose record date is attributable to the current semi-annual period but to be effective after the current semi-annual period

Approvals	Type of shares	Funds for dividends	Total amount of dividends (million yen)	Dividends per share (yen)	Record date	Effective date
Board meeting on Nov.7, 2007	Common stock	Retained earnings	1,470	20	Sept.30, 2007	Dec.11, 2007

For the year ended March 31, 2007

(1) Types and numbers of outstanding shares

(shares)

	As of Mar.31, 2006	Increase	Decrease	As of Mar.31, 2007
Common stock	77,791,992	645,132	-	78,437,124

Note: Increase of 645,132 common stocks was due to the exercise of stock options.

(2) Types and numbers of treasury stock

(shares)

	As of Mar.31, 2006	Increase	Decrease	As of Mar.31, 2007
Common stock	4,143,833	4,730	207	4,148,356

Notes: 1. Increase of 4,730 common stocks was due to purchase of stocks less than a trading unit.

2. Decrease of 207 common stocks stock was due to disposal of stocks less than a trading unit.

(3) Items concerning new share warrants, etc.

There were no such items.

Note that in July 2006 the Company issued No.7 unsecured convertible-bond-type-bonds with stocks acquisition rights.

(4) Dividends

1. Dividends payments

Approvals	Type of shares	Total amount of dividends (million yen)	Dividends per share (yen)	Record date	Effective date
General shareholders' meeting on June 28, 2006	Common stock	2,945	40	Mar.31, 2006	June 29, 2006
Board meeting on Nov.7, 2006	Common stock	1,479	20	Sept.30, 2006	Dec.11, 2006

2. Of the dividends with record date during this period, those with effective date after this period

Approvals	Type of shares	Funds for dividends	Total amount of dividends (million yen)	Dividends per share (yen)	Record date	Effective date
General shareholders' meeting on June 27, 2007	Common stock	Retained earnings	1,485	20	Mar.31, 2007	June 28, 2007

4. Consolidated statements of cash flows

(1) "Cash and time deposits" on the consolidated balance sheet and "Cash and cash equivalents" on the consolidated statement of cash flows are reconciled as follows:

(millions of yen)

	As of Sept. 30		As of Mar. 31
	2006	2007	2007
Cash and time deposits	111,997	86,294	108,405
Marketable securities	4,153	7,296	7,207
Total	116,150	93,591	115,612
Less: Time deposits with original maturities of more than three months or those submitted as collateral for loans	(3,239)	(7,161)	(3,354)
Less: Equity securities and other marketable securities with original maturities of more than three months	(4,041)	(6,981)	(6,810)
Cash and cash equivalents	108,869	79,448	105,447

(2) Expenditure for acquisition of treasury stock by consolidated subsidiaries is included in "Purchase of treasury stock".

Segment Information (Consolidated)

1. Information by business segment

(millions of yen)

	For the six months ended Sept. 30, 2006						
	IT services business	Financial services business	Securities business	Prepaid card business	Total	Elimination and corporate	Consolidated Total
Operating revenue:							
Outside customers	91,985	15,184	10,991	1,464	119,626	-	119,626
Inter-segment sales/transfers	545	135	1	1	684	(684)	-
Total	92,530	15,320	10,993	1,466	120,310	(684)	119,626
Costs and expenses	84,816	3,111	10,705	1,564	100,198	180	100,379
Operating income (loss)	7,714	12,208	287	(98)	20,111	(864)	19,247
	For the six months ended Sept. 30, 2007						
	IT services business	Financial services business	Securities business	Prepaid card business	Total	Elimination and corporate	Consolidated Total
Operating revenue:							
Outside customers	94,207	17,105	12,746	1,261	125,321	-	125,321
Inter-segment sales/transfers	1,938	2	3	1	1,944	(1,944)	-
Total	96,146	17,108	12,749	1,262	127,265	(1,944)	125,321
Costs and expenses	87,315	3,655	13,143	1,298	105,413	757	106,170
Operating income (loss)	8,830	13,452	(393)	(36)	21,852	(2,702)	19,150
	For the year ended Mar. 31, 2007						
	IT services business	Financial services business	Securities business	Prepaid card business	Total	Elimination and corporate	Consolidated Total
Operating revenue:							
Outside customers	192,561	24,953	24,702	3,763	245,981	-	245,981
Inter-segment sales/transfers	1,719	135	2	4	1,862	(1,862)	-
Total	194,281	25,089	24,705	3,768	247,843	(1,862)	245,981
Costs and expenses	179,503	9,247	22,948	4,020	215,720	356	216,076
Operating income (loss)	14,777	15,841	1,757	(252)	32,123	(2,218)	29,904

Notes: 1. The Group operates principally in four segments:

IT services business, Financial services business, Securities business, 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 "Eliminations and corporate" for the six months ended September 30, 2006, 2007 and for the years ended March 31, 2007 were expenses of ¥3,385 million, ¥5,034 million and ¥7,002 million, respectively. These costs were management expenses for group companies incurred at CSK HOLDINGS CORPORATION.

2. Segment information for geographic locations

Segment information for geographic locations is omitted for the six months ended September 30, 2006, 2007, and in the period ended March 31, 2007, because total sales for "Japan" segment exceeded 90% of total sales in each of such period.

3. Overseas sales

Information regarding overseas sales is omitted for the six months ended September 30, 2006, 2007, and in the period ended March 31, 2007, because total overseas sales were less than 10% of consolidated total sales in each of such period.

Marketable Securities and Investments in Securities

1. As of and for the six months period ended Sept. 30, 2006

I. Trading securities (Trading securities with market values)

(millions of yen)

	As of Sept. 30, 2006		
	Assets	Liabilities	Unrealized gains (losses)
Equity securities	2,649	701	21
Bonds	9,607	5,706	84
Beneficiary securities	37	1	(0)
Total	12,294	6,409	105

II. Held-to-maturity Bonds with market values

(millions of yen)

	As of Sept. 30, 2006		
	Carrying amount	Fair market value	Unrealized gains
Government bonds and municipal bonds	23,148	23,086	(62)
Corporate bonds	-	-	-
Other bonds	-	-	-
Total	23,148	23,086	(62)

III. Available-for-sale securities with market values

(millions of yen)

	As of Sept. 30, 2006		
	Acquisition cost	Fair market value	Unrealized gains (losses)
Equity securities	24,691	32,084	7,392
Bonds:			
Government bonds and municipal bonds	10	9	(0)
Corporate bonds	198	192	(6)
Other	-	-	-
Other	22,304	24,543	2,238
Total	47,204	56,829	9,624

Note: Investment fund and Investment in partnerships are included in "Other".

IV. Major components of debt and equity securities without market values

(millions of yen)

	As of Sept. 30, 2006
	Carrying amount
Held-to-maturity Bonds	-
Available-for-sale securities:	
Money management funds	111
Unlisted stock	14,328
Unlisted bonds	80
Investment in partnerships	2,153
Investment in anonymous associations	25,602
Investments in unconsolidated subsidiaries and affiliates	1,080

2. As of and for the six months period ended Sept. 30, 2007

I. Trading securities (Trading securities with market values)

(millions of yen)

	As of Sept. 30, 2007		
	Assets	Liabilities	Unrealized gains (losses)
Equity securities	5,771	1,361	(14)
Bonds	6,851	3,024	18
Beneficiary securities	0	-	0
Total	12,623	4,385	4

II. Held-to-maturity Bonds with market values

(millions of yen)

	As of Sept. 30, 2007		
	Carrying amount	Fair market value	Unrealized gains (losses)
Government bonds and municipal bonds	24,665	24,653	(11)
Corporate bonds	-	-	-
Other bonds	-	-	-
Total	24,665	24,653	(11)

III. Available-for-sale securities with market values

(millions of yen)

	As of Sept. 30, 2007		
	Acquisition cost	Fair market value	Unrealized gains (losses)
Equity securities	19,543	26,677	7,134
Bonds:			
Government bonds and municipal bonds	14	14	0
Corporate bonds	100	100	0
Other	-	-	-
Other	17,609	19,130	1,521
Total	37,268	45,923	8,655

Note: Investment fund and Investment in partnerships are included in "Other".

IV. Major components of debt and equity securities without market values

(millions of yen)

	As of Sept. 30, 2007
	Carrying amount
Held-to-maturity Bonds	-
Available-for-sale securities:	
Money management funds	314
Unlisted stock	17,187
Unlisted bonds	118
Investment in partnerships	2,270
Investment in anonymous associations	15,909
Investments in unconsolidated subsidiaries and affiliates	1,536

3. As of and for the year ended Mar. 31, 2007

I. Trading securities (Trading securities with market values)

(millions of yen)

	As of Mar. 31, 2007		
	Assets	Liabilities	Unrealized gains (losses)
Equity securities	5,561	2,645	(23)
Bonds	9,953	6,483	32
Beneficiary securities	121	-	6
Total	15,636	9,128	14

II. Held-to-maturity Bonds with market values

(millions of yen)

	As of Mar. 31, 2007		
	Carrying amount	Fair market value	Unrealized gains
Government bonds and municipal bonds	23,160	23,095	(64)
Corporate bonds	-	-	-
Beneficiary securities	-	-	-
Total	23,160	23,095	(64)

III. Available-for-sale securities with market values

(millions of yen)

	As of Mar. 31, 2007		
	Acquisition cost	Fair market value	Unrealized gains (losses)
Equity securities	17,911	32,409	14,498
Bonds:			
Government bonds and municipal bonds	15	14	(0)
Corporate bonds	100	99	(0)
Other	-	-	-
Other	21,933	23,640	1,706
Total	39,959	56,164	16,204

Note: Investment fund and Investment in partnerships are included in "Other".

IV. Major components of debt and equity securities without market values

(millions of yen)

	As of Mar. 31, 2007	
	Carrying amount	
Held-to-maturity Bonds	-	
Available-for-sale securities:		
Money management funds	397	
Unlisted stock	18,418	
Unlisted bonds	180	
Investment in partnerships	2,154	
Investment in anonymous associations	30,163	
Investments in unconsolidated subsidiaries and affiliates	917	

Per Share Information

	Fiscal year 2007 For the six months ended Sept. 30, 2006	Fiscal year 2008 For the six months ended Sept. 30, 2007	Fiscal Year 2007 (As of Mar. 31, 2007)
Shareholders' equity per share	¥ 2,468.27	¥ 2,543.30	¥ 2,479.33
Net income per share	142.06	163.89	117.35
Diluted net income per share	130.48	144.60	105.60

(Notes) The basic facts underlying the calculation of "Shareholders' equity per share", "Net income per share" and "Diluted net income per share" are as follows:

1. Shareholders' equity per share

	Fiscal year 2007 1st half (As of Sept. 30, 2006)	Fiscal year 2008 1st half (As of Sept. 30, 2007)	Fiscal Year 2007 (As of Mar. 31, 2007)
Net assets (millions of yen)	206,269	210,723	208,775
Net assets related to common stock (millions of yen)	182,600	187,010	184,186
Principal factors underlying difference (millions of yen)			
Minority interests	23,668	23,713	24,589
Number of shares outstanding at the end of fiscal year (thousands of shares)	78,126	78,670	78,437
Number of treasury stock at the end of fiscal year (thousands of shares)	4,147	5,139	4,148
Common stock figure used for calculating net assets per share (thousands of shares)	73,979	73,530	74,288

2. Net income per share

	Fiscal year 2007 For the six months ended Sept. 30, 2006	Fiscal year 2008 For the six months ended Sept. 30, 2007	Fiscal Year 2007 (As of Mar. 31, 2007)
Net income (millions of yen)	10,490	12,083	8,679
Net income related to common stock (millions of yen)	10,490	12,083	8,679
Amount not attributable to common shareholders (millions of yen)	—	—	—
Average number of shares outstanding during term (thousands of shares)	73,844	73,732	73,957

3. Diluted net income per share*

	Fiscal year 2007 For the six months ended Sept. 30, 2006	Fiscal year 2008 For the six months ended Sept. 30, 2007	Fiscal Year 2007 (As of Mar. 31, 2007)
Net income adjustment (millions of yen)	(26)	(7)	(3)
(Of which, effect from dilution of affiliated company stock (millions of yen))	(36)	(35)	(41)
(Of which, Interest expenses (after deducting tax) (millions of yen))	9	28	38
Increase in common stock (thousands of shares)	6,351	9,781	8,198
(Of which, warrant rights)	99	22	86
(Of which, share warrants)	295	33	261
(Of which, convertible bonds payable)	5,956	9,725	7,849

* Outline of residual stock not included in diluted net income per share due to lack of diluted effect as at Sept. 30, 2006:

Company name	Diluted net income per share	Number of shares
CSK HOLDINGS CORPORATION	Bonds with detachable warrants (Succession of contractual obligation from ServiceWare Corporation because of the share exchange)	The share right exercise period is ended in this fiscal year.
VeriServe Corporation	Bonds with detachable warrants	561
Cosmo Securities Co., Ltd.	Bonds with detachable warrants	1,642

* Outline of residual stock not included in diluted net income per share due to lack of diluted effect as at Sept. 30, 2007:

Company name	Diluted net income per share	Number of shares
CSK HOLDINGS CORPORATION	Bonds with detachable warrants	11,224
VeriServe Corporation	Bonds with detachable warrants	559
Cosmo Securities Co., Ltd.	Bonds with detachable warrants	1,642

* Outline of residual stock not included in diluted net income per share due to lack of diluted effect as at Mar. 31, 2007:

Company name	Diluted net income per share	Number of shares
CSK HOLDINGS CORPORATION	Bonds with detachable warrants (Succession of contractual obligation from ServiceWare Corporation because of the share exchange)	The share right exercise period is ended in this fiscal year.
VeriServe Corporation	Bonds with detachable warrants	561
Cosmo Securities Co., Ltd.	Bonds with detachable warrants	1,642

Subsequent events

There is no relevant matters.

Footnotes that are omitted.

The following footnotes are omitted from the timely disclosure of the consolidated financial results since the Company judges the needs to include these footnotes in the timely disclosure to be less significant.

- Lease transaction
- Derivative
- Retirement benefits
- Stock options
- Corporate marriage

Non-Consolidated Balance Sheets

(millions of yen)

Account	Period	Fiscal year 2007 1st half (As of Sept. 30, 2006)		Fiscal year 2008 1st half (As of Sept. 30, 2007)		Fiscal year 2007 (As of Mar. 31, 2007)		Increase(Decrease) compared to fiscal year 2007	
		Amount	% of total	Amount	% of total	Amount	% of total	Amount	Change
Assets			%		%		%		%
I Current assets									
1 Cash and time deposits		85,320		43,324		75,534		(32,210)	
2 Accounts receivable		27		49		1		47	
3 Operating account receivable		710		733		742		(9)	
4 Short-term loans to subsidiaries and affiliates		37,457		75,777		42,101		33,676	
5 Other current assets		7,875		4,837		13,714		(8,877)	
Allowance for doubtful accounts		-		(4)		-		(4)	
Total current assets		131,390	41.6	124,716	39.3	132,094	39.9	(7,377)	(5.6)
II Fixed assets									
1 Tangible fixed assets									
(1) Buildings		4,693		10,421		5,868		4,553	
(2) Computer and other equipment		735		1,086		791		294	
(3) Land		7,105		9,489		7,935		1,553	
(4) Other tangible fixed assets		1,391		401		2,758		(2,356)	
Total tangible fixed assets		13,926	4.4	21,398	6.7	17,353	5.2	4,044	23.3
2 Intangible fixed assets		550	0.2	1,286	0.4	1,013	0.3	272	26.9
3 Investments and other assets									
(1) Investments in securities		30,385		27,095		34,072		(6,976)	
(2) Investments in subsidiaries and affiliates		106,550		109,918		106,833		3,084	
(3) Investment in other securities of subsidiaries and affiliates		-		5,531		-		5,531	
(4) Long-term loans to subsidiaries and affiliates		28,328		24,592		34,820		(10,228)	
(5) Fixed leasehold deposits		4,220		4,160		4,054		106	
(6) Other		1,136		1,925		1,819		106	
Allowance for losses on investment securities		-		(100)		-		(100)	
Allowance for doubtful accounts		(739)		(2,891)		(739)		(2,151)	
Total investments and other assets		169,882	53.8	170,232	53.6	180,859	54.6	(10,627)	(5.9)
Total fixed assets		184,359	58.4	192,916	60.7	199,226	60.1	(6,310)	(3.2)
Total assets		315,750	100.0	317,633	100.0	331,321	100.0	(13,687)	(4.1)

(millions of yen)

Account	Period	Fiscal year 2007 1st half (As of Sept. 30, 2006)		Fiscal year 2008 1st half (As of Sept. 30, 2007)		Fiscal year 2007 (As of Mar. 31, 2007)		Increase(Decrease) compared to fiscal year 2007	
		Amount	% of total	Amount	% of total	Amount	% of total	Amount	Change
Liabilities			%		%		%		%
I Current liabilities									
1 Accounts payable		15		-		-		-	
2 Short-term bank loans payable		1,200		-		-		-	
3 Current portion of corporate bonds payable		-		20,000		20,000		-	
4 Accrued income taxes		1,846		1,597		3,720		(2,122)	
5 Deposits received		39,057		50,934		50,517		417	
6 Accrued bonuses to employees		97		125		121		4	
7 Other current liabilities		990		1,522		2,767		(1,245)	
Total current liabilities		43,207	13.7	74,180	23.4	77,127	23.3	(2,946)	(3.8)
II Long-term liabilities									
1 Corporate bonds payable		40,000		20,000		20,000		-	
2 Convertible bonds payable		58,000		56,792		58,000		(1,208)	
3 Accrued directors' retirement benefits		113		100		113		(13)	
4 Other long-term liabilities		4,801		4,108		6,063		(1,955)	
Total long-term liabilities		102,914	32.6	81,000	25.5	84,176	25.4	(3,176)	(3.8)
Total liabilities		146,121	46.3	155,180	48.9	161,303	48.7	(6,123)	(3.8)
Net assets									
I Shareholders' equity									
1 Common stock		72,195	22.9	73,225	23.1	72,790	22.0	435	0.6
2 Capital surplus									
(1) Additional paid-in capital		27,841		28,871		28,436		435	
(2) Other capital retained earnings		7,075		7,053		7,075		(21)	
Total capital surplus		34,916	11.0	35,925	11.3	35,511	10.7	413	1.2
3 Retained earnings									
(1) Legal reserve		62		62		62		-	
(2) Other retained earnings									
General reserve		67,321		71,821		67,321		4,500	
Carrying forward earned surpluses		11,974		3,185		9,162		(5,977)	
Total retained earnings		79,358	25.1	75,069	23.6	76,546	23.1	(1,477)	(1.9)
4 Treasury stock, at cost		(19,642)	(6.2)	(24,010)	(7.6)	(19,649)	(5.9)	(4,361)	-
Total shareholders' equity		166,828	52.8	160,209	50.4	165,199	49.9	(4,990)	(3.0)
II Valuation and translation adjustments									
1 Net unrealized gains on securities		2,799	0.9	2,244	0.7	4,818	1.4	(2,573)	(53.4)
2 Net unrealized gains on hedging derivatives		0	0.0	(0)	(0.0)	0	0.0	(0)	(288.9)
Total valuation and translation adjustments		2,800	0.9	2,244	0.7	4,818	1.4	(2,574)	(53.4)
Total net assets		169,628	53.7	162,453	51.1	170,018	51.3	(7,564)	(4.4)
Total liabilities and net assets		315,750	100.0	317,633	100.0	331,321	100.0	(13,687)	(4.1)

Non-Consolidated Statements of Income

(millions of yen)

Account	Fiscal year 2007 For the six months ended Sept. 30, 2006		Fiscal year 2008 For the six months ended Sept. 30, 2007		Increase (Decrease)		Fiscal year 2007 For the year ended Mar. 31, 2007	
	Amount	Ratio to operating revenue	Amount	Ratio to operating revenue	Amount	Change	Amount	Ratio to operating revenue
		%		%		%		%
I Operating revenue	11,511	100.0	5,554	100.0	(5,956)	(51.7)	15,583	100.0
II Operating expenses	3,588	31.2	4,588	82.6	1,000	27.9	7,215	46.3
Operating income	7,923	68.8	966	17.4	(6,956)	(87.8)	8,367	53.7
III Non-operating income	1,889	16.4	1,763	31.7	(125)	(6.6)	3,391	21.7
1 Interest income	1,138		965		(173)		2,058	
2 Dividend income	140		157		17		223	
3 Facilities rent income	449		477		28		909	
4 Other, net	161		163		2		200	
IV Non-operating expenses	485	4.2	1,035	18.6	549	113.2	973	6.2
1 Interest expenses	99		242		142		240	
2 Interest on corporate bonds	192		221		28		412	
3 Corporate bond issue costs	54		-		(54)		-	
4 Loss on sales of investment in securities	-		288		288		-	
5 Loss from investments in partnerships	-		144		144		-	
6 Transfer agent's commission	83		71		(11)		143	
7 Other, net	54		68		13		176	
Ordinary income	9,326	81.0	1,694	30.5	(7,632)	(81.8)	10,785	69.2
V Extraordinary gains	99	0.9	102	1.8	2	3.0	133	0.9
1 Gain on sales of fixed assets	59		0		(59)		59	
2 Gain from reversal of allowance for doubtful accounts	35		-		(35)		35	
3 Compensation income	-		95		95		-	
4 Other, net	4		6		1		38	
VI Extraordinary losses	36	0.3	3,348	60.3	3,312	-	1,061	6.8
1 Loss on disposal of fixed assets	8		12		3		-	
2 Loss on write-down of investments in securities	27		1,036		1,009		-	
3 Provision for allowance for doubtful accounts	-		2,156		2,156		-	
4 Other, net	0		143		143		1,061	
Income before income taxes	9,389	81.6	(1,551)	(27.9)	(10,941)	(116.5)	9,857	63.3
Income taxes : Current	(558)	(4.8)	(386)	(7.0)	171	(30.8)	(1,022)	(6.5)
Income tax refund	-	-	(911)	(16.4)	(911)	-	-	-
Income taxes : Deferred	989	8.6	(262)	(4.7)	(1,251)	(126.5)	1,136	7.3
Reversal of the prior year's income taxes-deferred	-	-	-	-	-	-	2,117	13.6
Net income	8,957	77.8	8	0.1	(8,949)	(99.9)	7,625	48.9

Non-consolidated Statement of Changes in Net Assets

Fiscal year 2007 for the six months ended Sep t 30, 2006

(millions of yen)

	Shareholders' equity							Valuation and translation adjustments		Total net assets	
	Common stock	Capital surplus		Legal reserve	Retained earnings		Treasury stock, at cost	Total shareholders' equity	Unrealized gains on securities		Gain on deferred hedge
		Additional paid-in capital	Other capital retained earnings		Other retained earnings						
					General reserve	Carrying forward earned surpluses					
Balance as of Mar. 31, 2006	71,523	27,169	7,075	62	48,821	24,505	(19,625)	159,532	4,330	-	163,862
Change in the six months											
Exercise of stock option	671	671	-	-	-	-	-	1,343	-	-	1,343
General reserve*	-	-	-	-	18,500	(18,500)	-	-	-	-	-
Cash dividends*	-	-	-	-	-	(2,945)	-	(2,945)	-	-	(2,945)
Directors' and statutory auditors' bonuses *	-	-	-	-	-	(42)	-	(42)	-	-	(42)
Net income	-	-	-	-	-	8,957	-	8,957	-	-	8,957
Repurchase of treasury stock	-	-	-	-	-	-	(17)	(17)	-	-	(17)
Disposal of treasury stock	-	-	(0)	-	-	-	0	0	-	-	0
Net change in the items other than shareholders' equity in the six months	-	-	-	-	-	-	-	-	(1,530)	0	(1,530)
Total of change in the six months	671	671	(0)	-	18,500	(12,530)	(16)	7,295	(1,530)	0	5,765
Balance as of Sep t 30, 2006	72,195	27,841	7,075	62	67,321	11,974	(19,642)	166,828	2,799	0	169,628

Note: * It is appropriation of retained earnings item decided in the ordinary general meeting of shareholders' on June, 2006.

Fiscal year 2008 for the six months ended Sep t 30, 2007

(millions of yen)

	Shareholders' equity							Valuation and translation adjustments		Total net assets	
	Common stock	Capital surplus		Legal reserve	Retained earnings		Treasury stock, at cost	Total shareholders' equity	Net unrealized gains on securities		Net unrealized gains on hedging derivatives
		Additional paid-in capital	Other capital retained earnings		Other retained earnings						
					General reserve	Carrying forward earned surpluses					
Balance as of Mar. 31, 2007	72,790	28,436	7,075	62	67,321	9,162	(19,649)	165,199	4,818	0	170,018
Change in the six months											
Exercise of stock option	435	435	-	-	-	-	-	870	-	-	870
General reserve*	-	-	-	-	4,500	(4,500)	-	-	-	-	-
Cash dividends*	-	-	-	-	-	(1,485)	-	(1,485)	-	-	(1,485)
Net income	-	-	-	-	-	8	-	8	-	-	8
Repurchase of treasury stock	-	-	-	-	-	-	(4,405)	(4,405)	-	-	(4,405)
Disposal of treasury stock	-	-	(21)	-	-	-	44	22	-	-	22
Net change in the items other than shareholders' equity in the six months	-	-	-	-	-	-	-	-	(2,573)	(0)	(2,574)
Total of change in the six months	435	435	(21)	-	4,500	(5,977)	(4,361)	(4,990)	(2,573)	(0)	(7,564)
Balance as of Sep t 30, 2007	73,225	28,871	7,053	62	71,821	3,185	(24,010)	160,209	2,244	(0)	162,453

Note: * It is appropriation of cash dividends in the ordinary general meeting of shareholders' on June, 2007.

Fiscal year 2007 for the year ended Mar. 31, 2007

(millions of yen)

	Shareholders' equity							Valuation and translation adjustments		Total net assets	
	Common stock	Capital surplus		Retained earnings			Treasury stock, at cost	Total shareholders' equity	Net unrealized gains on securities		Net unrealized gains on hedging derivatives
		Additional paid-in capital	Other capital retained earnings	Legal reserve	Other retained earnings						
					General reserve	Carrying forward earned surpluses					
Balance as of Mar. 31, 2006	71,523	27,169	7,075	62	48,821	24,505	(19,625)	159,532	4,330	-	163,862
Change in the fiscal year											
Exercise of stock option	1,266	1,266	-	-	-	-	-	2,533	-	-	2,533
General reserve*	-	-	-	-	18,500	(18,500)	-	-	-	-	-
Cash dividends*	-	-	-	-	-	(2,945)	-	(2,945)	-	-	(2,945)
Cash dividends	-	-	-	-	-	(1,479)	-	(1,479)	-	-	(1,479)
Directors' and statutory auditors' bonuses *	-	-	-	-	-	(42)	-	(42)	-	-	(42)
Net income	-	-	-	-	-	7,625	-	7,625	-	-	7,625
Repurchase of treasury stock	-	-	-	-	-	-	(24)	(24)	-	-	(24)
Disposal of treasury stock	-	-	0	-	-	-	0	1	-	-	1
Net change in the items other than shareholders' equity in the fiscal year	-	-	-	-	-	-	-	-	488	0	488
Total of change in the fiscal year	1,266	1,266	0	-	18,500	(15,342)	(23)	5,667	488	0	6,155
Balance as of Mar. 31, 2007	72,790	28,436	7,075	62	67,321	9,162	(19,649)	165,199	4,818	0	170,018

Note: * It is appropriation of retained earnings item decided in the ordinary general meeting of shareholders' on June, 2006.

Significant Accounting Policies of Non-Consolidated Financial Statements

1. Valuation basis and valuation method for assets

- (1) Marketable securities and investments in securities
- | | |
|---|---|
| Held-to-maturity bonds: | Amortized cost method |
| Investments in subsidiaries and affiliates: | Cost method based on the moving-average method |
| Available-for-sale securities | |
| With market value: | Market value method
(Unrealized gains and losses are reported in the net assets section of the non-consolidated balance sheets. Sales cost is calculated using the moving-average method.) |
| Without market value: | Cost method based on the moving-average method |
- (2) Derivative instruments: Market value method

2. Depreciation method for fixed assets

- (1) Tangible fixed assets: Declining balance method
- For the depreciation of buildings (excluding structures), which have been acquired since April 1, 1998, the straight-line method is adopted.
- Buildings: 2-50 years
Computer and other equipment: 2-20 years
(Change in accounting policy)
- From the interim period under review, depreciation for tangible fixed assets which have been acquired since April 1, 2007, has been applied to the revised corporation tax law.
- The adoption of the revised corporation tax law had ¥42 million impact on net income.
- (Additional Information)
- From the interim period under review, depreciation for tangible fixed assets which have been acquired before March 31, 2007, and amortized to allowable limit for depreciation has been applied to method which amortizes residual value equally for five years.
- The adoption of the revised corporation tax law had little impact on net income.
- (2) Intangible fixed assets
- | | |
|------------------------|--|
| Internal use software: | Straight-line method based on the period available (within 5 years) in the company |
| Other: | Straight-line method |

3. Deferred assets

Equity costs is expensed as incurred.

4. Allowances

- (1) Allowance for doubtful accounts: Allowance for doubtful accounts is maintained for the amounts deemed uncollectible based on solvency analyses and for estimated delinquency based on collection rates projected from historical credit loss experiences, and for the amounts to cover specific accounts that are estimated to be uncollectible.
- (2) Allowance for losses on investment securities: Allowance for investment loss is maintained by considering financial conditions of subsidiaries.
- (3) Accrued bonuses to employees: Accrued bonuses to employees represents bonuses to employees expected to be paid for their services rendered prior to the balance sheets date.
- (4) Accrued employees' retirement benefits: Accrued employees' retirement benefits are calculated based on the estimated retirement obligations less estimated plan assets at the balance sheets date.
- When "Plan assets" exceeds an amount of "Projected benefit obligations" minus both "Unrecognized net translation" the amount in excess is accounted for as "Other" included in "Investments and other assets".
- Unrecognized actuarial net loss will be amortized using the straight-line method over the average remaining service period (12 years) and amortization will be started from the next fiscal year.
- (5) Accrued directors' retirement benefits: Accrued directors' retirement benefits in amounts is equivalent to the liability the Company would have been required to pay upon directors' retirement at the balance sheets date in accordance with internal rules.
- However the Company is not increasing the required amounts after the general meeting of shareholders of June 26, 2003 holding, due to revise internal rules.

5. Lease transactions

Finance leases, other than those which involve transferring of ownership of the leased assets to the lessee, are accounted for in a manner similar to operating leases.

6. Hedge accounting

- (1) Accounting method for hedge transaction: Deferred hedge accounting is adopted. Monetary liabilities denominated in foreign currencies with forward exchange contracts are translated at the contract rates to the extent contracts cover.
- (2) Hedge method and hedged transaction: Derivatives are used in hedging operations, including forward exchange contracts, currency option transactions, foreign currency securities, foreign currency time deposits, interest swap transactions and interest rate caps, etc.
- (3) Hedging policy: Monetary liabilities denominated in foreign currencies are hedged transactions. The risk in fluctuations in interest rates for regular business is hedged based on the company regulations. The Company, however, does not actively engage in derivative transactions for speculative purposes or for obtaining short-term capital gains.
- (4) Evaluation of effectiveness of hedge accounting: The Company verifies the correlation by mainly comparing means for hedging with fluctuation of rates.

7. Other accounting standards

- (1) Consumption tax accounting: Consumption taxes are not included in the amounts in the non-consolidated statements of operations, but recorded in other current liabilities as offset amounts.
- (2) Consolidated tax system: Consolidated tax system is adopted.

Change in Method of Presentation

Non-consolidated statements of income

"Loss from investments in partnerships", which has been included in "Other, net" under "Non-operating expenses", ¥0 million, in previous interim period is expressed independently because it is material to the non-consolidated statements of income as a whole.