May 8, 2008

Financial Report for the Fiscal Year 2008, Ended March 31, 2008 (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 Ordinary General Meeting of Shareholders: June 26, 2008
Date of the Securities Report: June 27, 2008
Date of the Dividends Payment Beginning Expected: June 27, 2008

(Figures are rounded down to the nearest million yen)

1. Business Results for the Fiscal Year 2008 (From April 1, 2007 to March 31, 2008)

(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	%
Fiscal Year 2008	239,695	(2.6)	19,256	(35.6)	20,634	(33.0)	1,272	(85.3)
Fiscal Year 2007	245,981	2.0	29,904	19.0	30,810	14.2	8,679	(71.9)

	Net income per share	Diluted net income per share	Ratio of net income / Shareholders' equity	Ratio of ordinary income / Total assets	Ratio of operating income / Operating revenue
	yen	yen	%	%	%
Fiscal Year 2008	17.34	15.46	0.7	3.7	8.0
Fiscal Year 2007	117.35	105.60	4.8	5.5	12.2

Reference) Equity in net income(loss) of unconsolidated subsidiaries and affiliates
Fiscal Year 2008: - 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
Fiscal Year 2008	550,054	185,495	29.7	2,317.18
Fiscal Year 2007	577,294	208,775	31.9	2,479.33

Reference) Shareholders' equity
Fiscal Year 2008: 163,473 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, end of year
	million yen	million yen	million yen	million yen
Fiscal Year 2008	(30,363)	(27,954)	12,200	59,200
Fiscal Year 2007	7,069	(16,546)	39,532	105,447

2. Dividends

(Date of Standard)	Dividends per share			Total dividends paid	Dividends payout Ratio (Consolidated)	Ratio of dividends / Net assets (Consolidated)
	Interim	Fiscal year-end	Annual			
	yen	yen	yen	million yen	%	%
Fiscal Year 2007	20.00	20.00	40.00	2,965	34.1	1.6
Fiscal Year 2008	20.00	20.00	40.00	2,881	230.7	1.7
Fiscal Year 2009 (forecast)	20.00	20.00	40.00	-	23.5	-

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

(Percentages indicate changes from the previous term)

	Operating revenue		Operating income		Ordinary income		Net income		Net income per share
	million yen	%	million yen	%	million yen	%	million yen	%	yen
Interim	118,000	(5.8)	7,300	(61.9)	8,100	(59.5)	3,700	(69.4)	52.45
Full-year	255,000	6.4	23,000	19.4	24,500	18.7	12,000	843.3	170.10

4. Others

(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 "Change in accounting policies" in "Significant Accounting Policies of Consolidated Financial Statements" on page 22.

(3) Outstanding shares (Common shares)

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

Fiscal Year 2008 : 78,670,524 shares   Fiscal Year 2007 : 78,437,124 shares

② Number of treasury stock

Fiscal Year 2008 : 8,121,892 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 36.

(Reference) Non-consolidated results

1. Non-consolidated results for the Fiscal Year 2008 (From April 1, 2007 to March 31, 2008)

(1) Non-consolidated 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	%
Fiscal Year 2008	12,986	(16.7)	2,607	(68.8)	4,423	(59.0)	(7,423)	-
Fiscal Year 2007	15,583	(73.9)	8,367	230.9	10,785	73.8	7,625	(66.2)

	Net income per share	Diluted net income per share
	yen	yen
Fiscal Year 2008	(101.18)	-
Fiscal Year 2007	103.10	93.28

(2) Non-consolidated financial position

	Total assets	Net assets	Shareholders' equity ratio	Shareholders' equity per share
	million yen	million yen	%	yen
Fiscal Year 2008	352,469	144,524	41.0	2,048.58
Fiscal Year 2007	331,321	170,018	51.3	2,288.61

Reference) Shareholders' equity

Fiscal Year 2008: 144,524 million yen   Fiscal Year 2007: 170,018 million yen

【Increase (Decrease) from the previous fiscal year in Non-consolidated results】

Operating revenue decreased 16.7% compared to the previous fiscal year due to decrease of dividend extra from CSK Group (“the Group”) companies.

Operating income and Ordinary income fell in profit because Operating revenue declined and operating costs increased for investments to infrastructure-building common for the Group, etc.

Net loss was ¥ 7.4 billion due to "Loss on write-down of investments in subsidiaries and affiliates", etc.

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

Since descriptions about future events, for instance, earnings forecast for March, 2009 are estimation, results may differ from this estimation due to changes of several economic conditions. For further details, refer to "Consolidated forecasts for the fiscal year ending March 31, 2009" on page 8.

*** 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 fiscal under review, the Japanese economy continued its moderate recovery, underpinned by higher corporate profits and a firming trend in capital expenditure. However, in the second half of the fiscal year, the impact of the global credit crunch that began with the sub-prime loan issue in the U.S. resulted in a slowing in business performance growth and capital expenditure, due to sudden yen appreciation and high raw materials prices. This has in turn led to increasing stagnation in the corporate sector, a key driver of the Japanese economy in recent years. In the U.S., falling house prices, a worsening employment situation and the rising price of crude oil have all affected consumer spending, rapidly diminishing business confidence. In Europe, despite strong exports, problems of financial market volatility, currency appreciation, and price escalation have begun to cause concern. Against a background of such economic trends in the major markets of the U.S., Europe and Japan, the Japanese stock market has declined substantially compared with the previous fiscal year. This has combined with Japan's continuing lack of clear political direction to place the Japanese economy in a harsh environment ranging between standstill and slowdown.

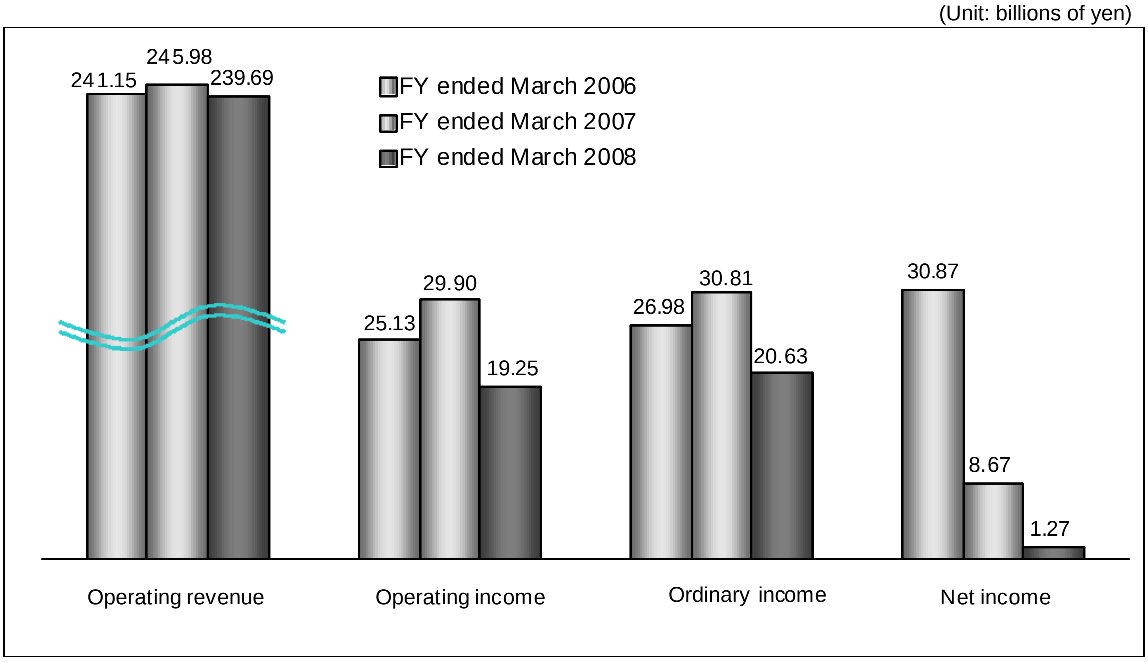
In IT services, IT-related capital spending increased comparatively steadily, although clients are making stronger demands with regard to delivery, quality and price, in pursuit of the highest possible productivity. Meanwhile, the shift to a new generation of IT engineers and the maturation of the industry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

In financial services business, the U.S. sub-prime issue has also caused credit contraction in Japan, with particularly harsh investment conditions emerging toward the end of the fiscal year. The U.S. sub-prime issue also affected the securities business, prompting net selling that has led to a substantial drop in the Japanese stock market compared to the previous fiscal year. In prepaid card business, despite growth in demand from corporations making increased use of prepaid cards as sales promotion tools and hospitality programs for stockholders as the membership network expanded, a newly competitive environment has emerged, influenced, among other factors, by a rapid spread in the use of shared IC cards in public transport, the uptake of which is set to expand further.

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 decreased 2.6% to ¥239.69 billion. Operating income decreased 35.6% to ¥19.25 billion; ordinary income decreased 33.0% to ¥20.63 billion; and net income decreased 85.3% to ¥1.27 billion.

(Unit: billions of yen)



Operating revenue decreased 2.6% to ¥239.69 billion, mainly as a result of a carryover into the next year of revenues from the financial services business that had been expected to arise toward the end of the year under review, along with the impact on the securities business of the weak stock market. This was despite IT services business showing steady expansion in finance and insurance industry systems integration in the technology services domain, and strong performance in product verification services in the business services domain.

Operating income decreased 35.6% to ¥19.25 billion. IT services business recorded substantial growth in technology services, supported by higher revenues and an emphasis on selecting profitable projects, as well as progress in improving productivity; these combined to offset higher strategic investments geared toward medium- to long-term growth in business services, resulting in a 4.3% increase in the income of this segment. However, a number of factors in other business areas offset this increase. Earnings declined in the financial services business, reflecting the absence of the settlement of a large-scale investment project that boosted performance in the previous year, along with a carryover into the next year of investment returns that had been expected at the end of the period. In addition, performance in the securities business declined suddenly, and higher expenses were recorded in association with the Group’s information infrastructure, and the outcome was an overall decline in operating income.

Ordinary income decreased 33.0% to ¥20.63 billion, due to lower operating income and factors affecting non-operating income and expenses.

Net income decreased 85.3% to ¥1.27 billion, due to the factors affecting ordinary income, as well Extraordinary losses recorded ¥13.34 billion for loss on impairment of fixed assets of a consolidated subsidiary, 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.

Business segment	Services provided
IT services business	Technology services ⇒ IT services for systems integration and management, etc.
	Business services ⇒ IT operation services for contact center, BPO*, verification, etc.
Financial services business	Investment business (anonymous associations, estates, shares, etc.), Venture capital business, etc.
Securities business	Comprehensive securities services
Prepaid card business	QUO Card issuance and settlement services

〔IT services business〕

Operating revenue increased 2.2% to ¥198.63 billion, supported in technology services by steady expansions in systems integration mainly for the finance and insurance industries, and in business services by verification services for the digital appliance and ITS* customers. A contribution was also made from new business in mail order fulfillment services for the fashion business.

Operating income increased 4.3% to ¥15.41 billion. Operating revenues increased substantially from technology services and improved production efficiency in systems integration, which 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

*ITS (Intelligent Transport System) = A new transport system which is comprised of an advanced information and telecommunications network for users, roads and vehicles.

〔Financial services business〕

Operating revenue decreased 18.7% to ¥20.39 billion and operating income decreased 17.4% to ¥13.08 billion. These decreases reflect the absence of returns from investments in real estate and equities via anonymous associations that lifted results in the previous year, along with carryover into the next year of expected returns on an investment project, due to credit contraction in the Japanese stock market arising from the sub-prime loan problem in the U.S.

〔**Securities business**〕

Sales and operating revenue in this segment decreased 10.2% to ¥22.18 billion. Concomitant with global credit contraction stemming from the U.S. sub-prime loan problem, the stock market weakened, and handling fees for share offerings and other fees received decreased, as did income from trading of equities and bonds.

An operating loss of ¥4.05 billion was recorded for the period, decreased ¥5.81 billion. In addition to the decrease in revenues, SG&A expenses increased, and costs were incurred for the establishment of CSK-RB SECURITIES CORPORATION, a provider of securities services to regional financial institutions.

〔**Prepaid card business**〕

Operating revenue decreased 35.2% to ¥2.44 billion. Progress was made in introducing prepaid cards to new business types such as bookstores and service industries, and customer numbers increased for the use of cards in hospitality programs for stockholders and as promotional gifts. However, this was offset by the impact of major convenience store chains issuing similar prepaid cards, along with the absence of the high levels of equipment replacement sales that temporarily boosted sales in the previous year. Operating loss of ¥0.10 billion was recorded for the period, compared to an operating loss of ¥0.25 billion in the previous year, reflecting favorable sales of gifts cards with high profitability, along with lower SG&A expenses. Ordinary income increased 31.3% to ¥1.30 billion.

The afore-mentioned segment based sales also include inter-segment sales. For details please see page 31, Segment Information.

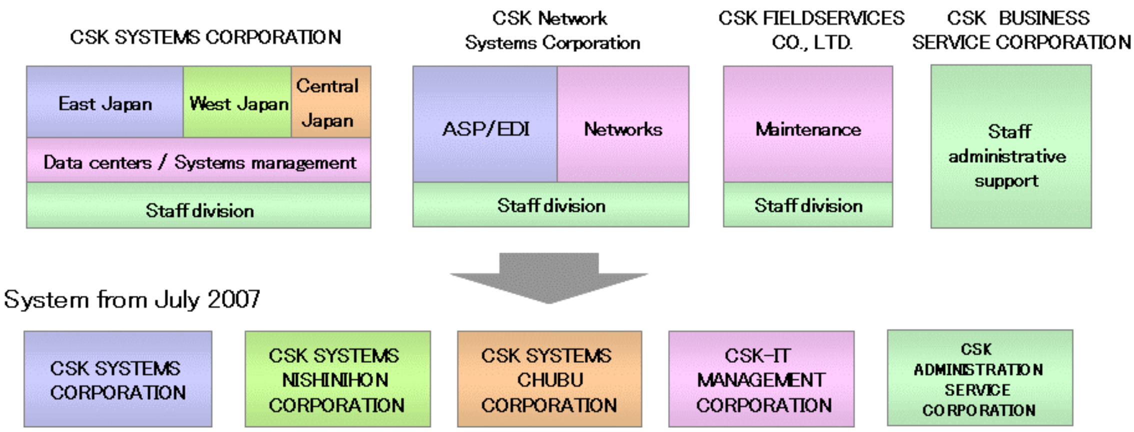
② Management initiatives implemented during the fiscal year

Specific initiatives undertaken during this fiscal year in relation to the three management policies outlined on page 3 include the following.

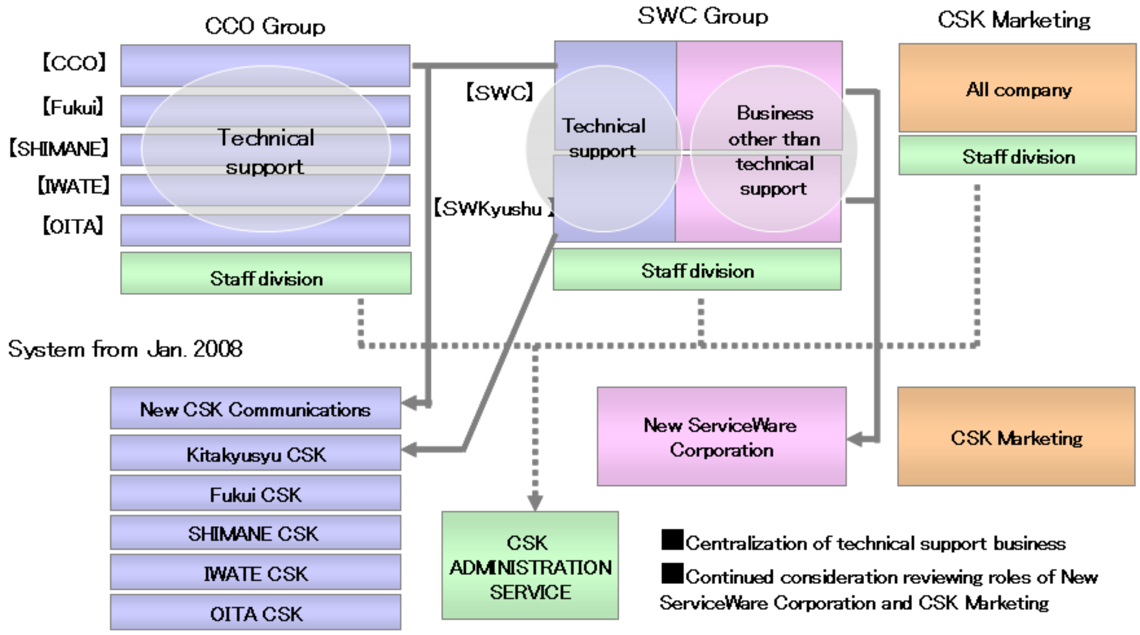
I Transforming into being a comprehensive service provider

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.

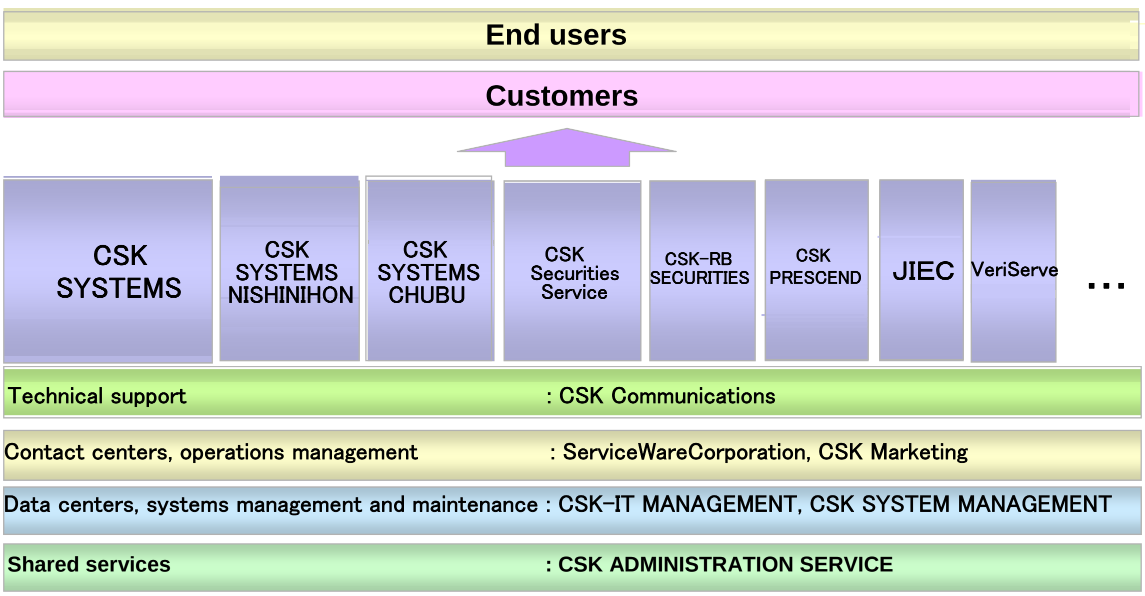


ii) In the IT services segment, we are also centralizing and integrating the technical support business of Group companies in the business services segment, aiming to strengthen productivity and quality competitiveness and achieve further growth and development. The new system started operation in January 2008. Furthermore, the corporate staff functions of the companies subject to the reorganization have been centralized at CSK ADMINISTRATION SERVICE CORPORATION.



CCO・・・・・CSK Communications
SWC・・・・・ServiceWare Corporation
SWKyusyu ・・ServiceWare Kyushu Corporation

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



iii) The Group has been engaged in an important development project for a new securities system, "ESTREX", that includes the development of front-office systems, infrastructure and management base and subsequent marketing to customers. Although development of this project is proceeding to plan, a number of factors have led us to take a conservative approach to projecting revised revenue returns from sales of "ESTREX", and for the period under review we have recorded an impairment loss. These factors include a rapid fall in the share market from the second half of the year, an industry tendency toward deferred systems investment due to measures related to the impending dematerialization of share certificates, and the outlook for further significant changes in the securities industry business environment. Further details of the impairment applied are available in the notes on page 27.

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 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 business, we made active investment based on appropriate management and monitoring systems, aiming to make a stable contribution to profits. 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.

ii) CSK-RB SECURITIES CORPORATION completed its registration as a securities company in June 2007, and started business activities. The company will provide consulting services and 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.

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. As part of measures to strengthen the management of these operations, we are planning to shift to a new management structure from late June, 2008.

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 Companies 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.

Trends in annual dividend per share

Fiscal year ended March 2008	¥40 (planned)
Fiscal year ended March 2007	¥40
Fiscal year ended March 2006	¥40
Fiscal year ended March 2005	¥17
Fiscal year ended March 2004	¥15
Fiscal year ended March 2003	¥12

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

In the fiscal year under review, we repurchased, as outlined below, our own shares as treasury stock, in order to improve capital efficiency and enable a flexible capital policy that can respond to changes in the operating environment.

February 2008	3 million shares	¥7.68 billion
May 2007	1 million shares	¥4.40 billion

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 CSK Group's sustainability 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, CSK Group has also decided to participate in the UN Global Compact*.

*UN Global Compact: 10 principles regarding corporate social responsibility proposed by the United Nations, covering human rights, labour standards, environment and anti-corruption.

③ Consolidated forecasts for the fiscal year ending March 31, 2009

We forecast that operating revenue will rise 6.4% to ¥255.0 billion, taking into account steady IT investment demand and based on the provision of systems integration in the technology services field and BPO services in the business services field, along with returns from financial services operations that were delayed in the previous year.

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. In the securities business, we are forecasting conservatively, taking into account the outlook for the share market. In the prepaid card business, we are forecasting a continued stable contribution to earnings. As a result of the above factors, overall operating income is forecast to increase 19.4% to ¥23.0 billion and ordinary income is forecast to increase 18.7% to ¥24.5 billion, in line with the increase in operating income.

Forecast net income for the year is ¥12.0 billion, reflecting the forecast increase in ordinary income.

(millions of yen)

	Operating revenue	Operating income	Ordinary income	Net income
Full year ending March 31, 2009	255,000	23,000	24,500	12,000
Reference: Actual results for fiscal year ended March 31, 2008	239,695	19,256	20,634	1,272

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 10, (4) Business and operational risks.

(2) Analysis of financial position and cash flows

① Assets, liabilities and net assets

Assets decreased ¥27.24 billion (4.7%) to ¥550.05 billion

Current assets decreased ¥25.64 billion to ¥436.38 billion. Although "Investments related to financial services" increased ¥87.58 billion, current assets in securities services decreased ¥67.35 billion, and "Cash and time deposits" decreased ¥44.39 billion.

Fixed assets decreased ¥1.59 billion to ¥113.67 billion. Principal factors included an increase in buildings and structures and land accompanying the acquisition of the Sanda Data Center and acquisitions for the CSK Tama Center. At the same, following a review of revenue projections a conservative approach has been taken with the software that had been recorded in Other intangible fixed assets under Intangible fixed assets and an impairment loss recorded. "Investment in securities" also decreased.

Liabilities decreased ¥3.96 billion (1.1%) to ¥364.55 billion

Current liabilities amounted to ¥284.03 billion, due to factors such as a ¥54.96 billion reduction of liabilities in the securities services business and the maturation of bonds causing a ¥20.00 billion decrease in "Current portion of corporate bonds payable". At the same time, "Short-term bank loans payable" increased ¥41.45 billion, and "Liabilities related to financial services" increased ¥29.23 billion.

Long-term liabilities decreased ¥8.15 billion to ¥78.94 billion, mainly due to a reduction in "Convertible bonds payable" and transfer from "Long-term bank loans payable" to "Short-term bank loans payable".

Net assets decreased ¥23.27 billion (11.2%) to ¥185.49 billion

Factors that increased "Net assets" included "Net income" increased for the year, along with an increase in "Common stock" and "Capital surplus" arising from the exercise of stock options. Factors that decreased "Net assets" included the payment of dividends from retained earnings, a reduction in "Net unrealized gains on securities", "Foreign currency translation adjustments", "Minority interests" and the acquisition of treasury stock. (For detailed information on Net assets, please see page 19, Consolidated Statements of Changes in Net Assets.)

② Cash flows

Cash flows from operating activities

Minus ¥30.36 billion (decrease of ¥37.43 billion)

Although cash inflow increased from income tax refunds and lower corporate tax payments along with decreased "Receivables related to margin transactions", outflows arising from an increase in "Investments related to financial services" resulted in a decrease of ¥37.43 billion in operating cash flow.

Cash flows from investing activities

Minus ¥27.95 billion (decrease of ¥11.40 billion)

Although cash was received from the sale of investment securities, outflows for the acquisition of the Sanda Data Center and acquisitions for the CSK Tama Center, an increase in time deposits, along with a reduction in cash received from the sale of tangible assets, led to a reduction of ¥11.40 billion in cash flow from investing activities.

Cash flow from financing activities

¥12.20 billion (decrease of ¥27.33 billion)

During the fiscal year under review an inflow of cash was received from an increase in "Short-term bank loans payable". However, an outlay of ¥21.20 billion was recorded for the repayment of matured bonds. A further factor was the absence of the bond issuance that in the previous year resulted in an inflow of ¥35.00 billion. As a result, cash flow from financing activities decreased by ¥27.33 billion.

Cash and cash equivalents

¥59.20 billion (decrease of ¥46.24 billion or 43.9%)

Reflecting the cash flows described above, cash and cash equivalents as of March 31, 2008 amounted to ¥59.20 billion, a decrease of ¥46.24 billion compared to March 31, 2007.

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

	Fiscal Year 2006	Fiscal Year 2007	Fiscal Year 2008
Equity ratio (%)	33.1	31.9	29.7
Equity ratio based on market price (%)	79.3	63.6	29.5
Debt service coverage (years)	−	27.3	−
Interest coverage ratio (times)	−	4.9	−

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 years ended March 2006 and March 2008 are not recorded because operating cash flow for those periods 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 year period under review, a treasury stock buyback (4 million shares, for an amount of ¥12.09 billion) 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 ended March 31, 2008 and the year ending March 31, 2009 is ¥40 per share.

(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

In technology services, 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, along with system failures or computer viruses, with the associated risk that contract-related claims or damages could materially impact the Group financial performance.

In business services, 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 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

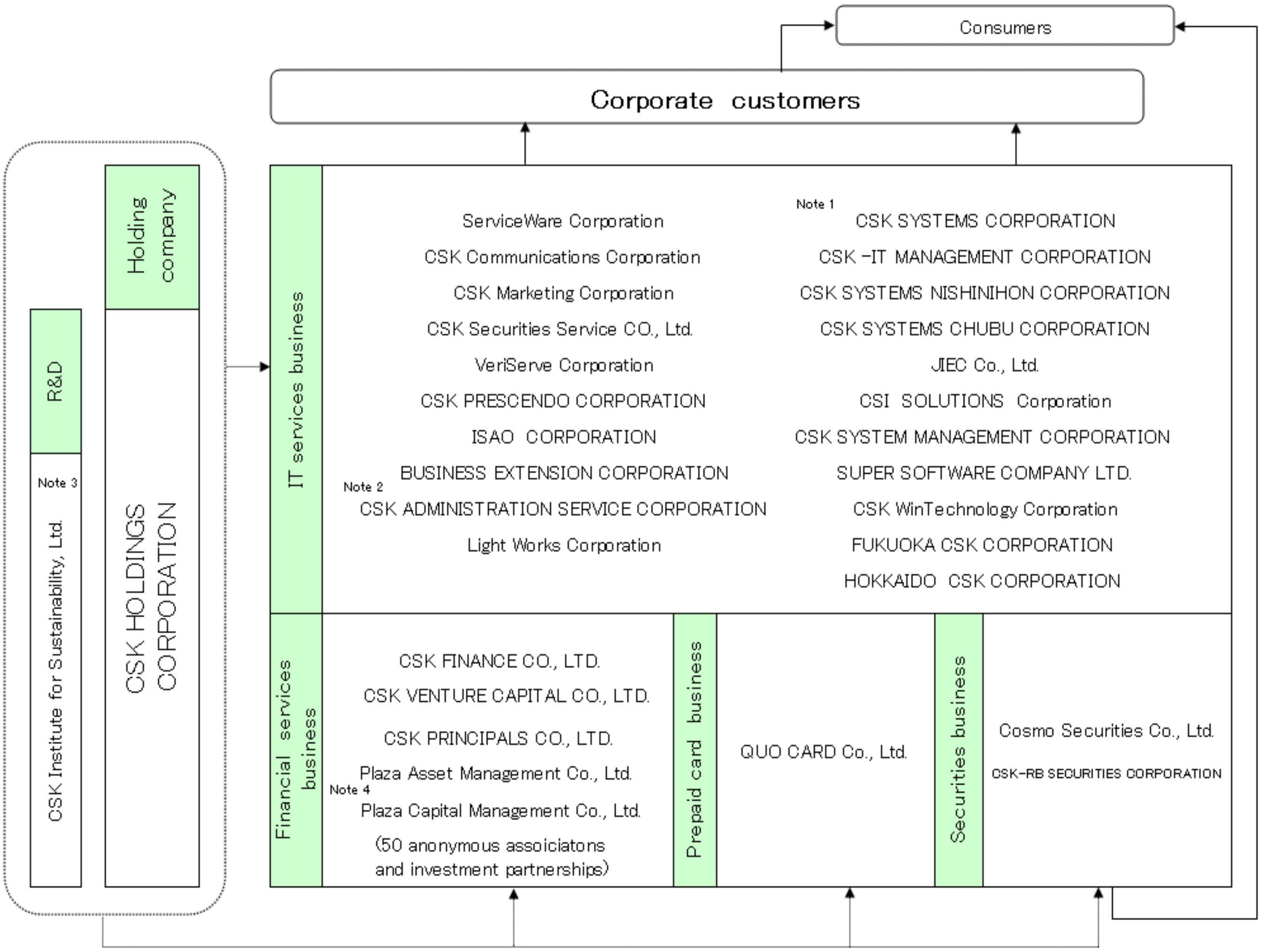
Risks in this area include credit risk, market risk, liquidity risk, operational risks (systems, processes, legal), and information-related risk, along with business continuity risks arising from earthquake or other natural disasters, information leaks, system failures and other events that could seriously impact the ability of the company to continue operating. The Group takes a range of measures necessary 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 Corpor:	: Section 1 of Tokyo Stock Exchange
Cosmo Securities	: 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 separaring 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 marged withCSK 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 carriying on financial services in addition to R&D.

Note 4 Plaza Capital Management Co., Ltd. was newly consolidated from this fisical year, due to acquisition of stock on October 15, 2007.

3. Management Policies

1. Fundamental Management Policy

Under the holding company structure that the Group shifted to on October 1, 2005, the Group is endeavoring to grow with its clients and society as a service provider supporting the sustainable development of society.

2. Management Targets

The Group believes in the necessity of both short-term management targets, based on the year-by-year securing of profit in order to provide dividends, and medium-and longer-term management targets in order to become a business group that can contribute to the development of society.

From the point of view of short-term revenues for dividends, management makes use of such measurements as Operating income, Operating income ratio, and Operating cash flow. Items used for measurement of medium- and longer-term targets include sales and Operating revenue, Operating income and Shareholders' equity per share. The aim of management is to generate continuous improvement in these short- and longer-term indices.

3. Basic Medium- and Long-Term Strategy

The Group is operating under close consideration and active implementation of the following three medium-term strategic policies.

i) Becoming a comprehensive service provider
ii) Ensuring management transparency
iii) Realizing sustainability (the continuous development of society)

It is as follows of a concrete content.

i) Becoming a comprehensive service provider

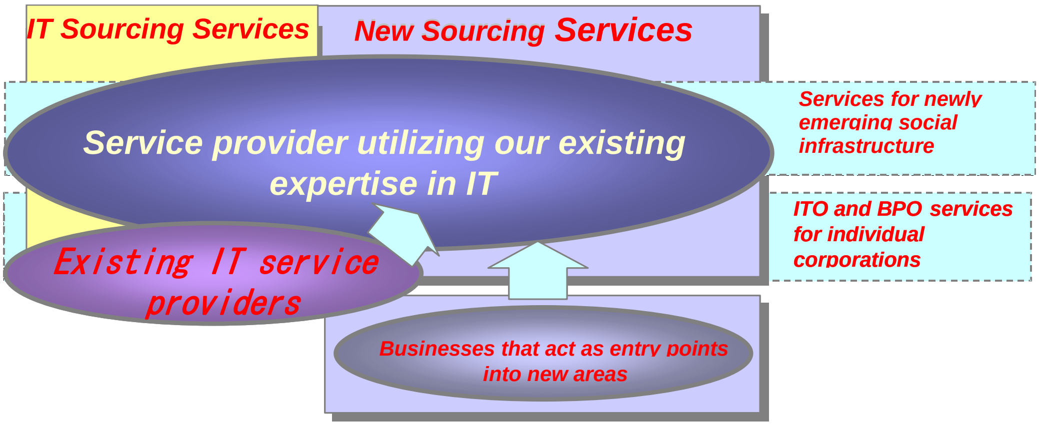
Through the explosive spread of the internet, Information Technology (IT) has transformed the information services industry from being a specialized domain for a restricted set of users to something that has become indispensable for many companies and consumers; it has now developed to a stage where it can be termed social infrastructure.

IT development has now reached the level where it impacts that social infrastructure itself. Originally, such physical infrastructure as roads, power supply, water supply and communications equipment were representative of the social infrastructure, but in the present age, so called software or services such as IT, communications functions, settlement functions and settlement data are now being considered as indispensable functions in the socio-economic set up. At the Group, we anticipate that such areas as "finance, communications, and healthcare" will form a new infrastructure that will be indispensable to future society.

In order to respond to the major changes taking place on the level of industry as a whole or in the social infrastructure, the Group aims to expand its business domain from IT sourcing services* based on the IT in the original so called "information services" and pioneer "new sourcing services" supporting the newly emerging social infrastructure.

Through such efforts as these we aim to evolve into a new comprehensive "service provider type" corporate group, and by providing services to our client companies to provide services in the broader domain, supporting the development of both industry and society as a whole.

* Sourcing services = A service providing one part of a function



ii) Ensuring management transparency

The Group aims to operate in a way that contributes to society, by continuing to develop and provide services that support the sound, sustainable growth of companies, industries and society overall. Achieving this requires a business model based on even higher standards of ethics, and as part of current measures to shift to becoming a service provider the Group will endeavor to secure, maintain and improved standards of management transparency.

iii) Realizing sustainability (the continuous development of society)

In order to resolve global problems including conservation of the natural environment, population issues, and international conflicts, we need to approach these issues from the standpoint of sustainability, and by providing the infrastructure, structures, products and services necessary for society, we aim to make direct and indirect contributions in this area. In order to achieve this, CSK Institute for Sustainability, Ltd. has commenced research under the theme of "What is required in the age the sustainability?"

Our aim is to progress as a group that can develop with the earth, with employees, with the disabled, with nature and with children, ensuring that our business operations, research and implementation programs, social contribution activities and environmental activities are linked to sustainability.

＜Overview of the Group's approach to Sustainability＞

In working towards sustainability, the group operates under the following governance and management structure, and is developing Group business operations and a range of other CSR initiatives.

CSK Group and Sustainability (the continuous development of society)

To realize a sustainable society, it is necessary to reconsider to reconsider the way individuals and corporations act, along with other aspects suchas social systems and infrastructure. For this reason, we are conducting IT research that goes beyond the business sphere to encompass broader fields such as government, economics and culture.

By engaging in these research activities, we can propose ideas to society and use our results to create new services that reflect new environments and values.

Governance and management structure

★Charter of Conduct for CSK Group Companies

★Group Companies Code of Conduct for Directors and Employees of CSK Group Companies

★Corporate Governance
- Holding company structure
- Group management system
- Internal controls system / sufficient disclosure
- Board of auditors
- Board of directors

★Compliance
- Compliance organizational structure
- Compliance regulations
- Group helping line system
- Compliance training and development

Compliance

★ Group business activities
- CSK Group aims to make use of its core IT strengths as a service provider, providing services to support the sound and continuous development of companies, industries and society itself.

★ Research and implementation programs
- Various research and implementation activities at the CSK Tama center
- Support for the development of the Go (boadrdgame) culture.
- Awards and research support by the Okawa Fundation for Information and Telecommunications

★ Social contribution activities
- Working with the disabled (Tokyo Green Systems, CSK Green Service).
- Working with children CAMP(Children's Art Museum & Park)

★ Environmental activities
- Promotion of paperless systems through computerization
- Promoting networks systems to reduce power usage
- Reducing environmental loads through services provided by the Group

4. Tasks Ahead

The information services industry is making the shift from growth to maturity, and securing new business models is becoming an important management issue amid the changes in client awareness of IT investment. Moreover, in the financial services business, the securities business and the prepaid card business, business policies are required for ensuring profitability amid the increasing uncertainty of the economic environment.

In this type of environment, the Group positions the following three aims as important management issues, and aims to focus on the optimization of shareholder value through future growth.

i) Developing comprehensive service provider business

At the Group, we aim to expand our business domain from contributing to increased efficiency at individual companies to providing services that support the development of industry and society, and become a comprehensive service provider utilizing our existing expertise in IT. In order to achieve that, we aim to evolve and grow our services to individual companies, create services that support social infrastructure, and establish them as Group's unique business domains as a service provider.

As specific initiatives for achieving these objectives, we carried out reorganizations our IT services business Group companies in July 2007 and January 2008 (see page 5). Through these, we have largely consolidated overlapping functions within our Group and developed the framework for pursuing expertise, and in the future we intend to move in the direction of achieving specific growth.

Meanwhile, in a constantly changing operating environment, specific and short-term management policies need to be carried out in a flexible way, and in consideration of the future operating environment we intend to move forward with the development of management frameworks and the planning and implementation of management strategies that are attuned to the business environment in each of the businesses conducted by the Group.

ii) Ensuring management transparency

The service provider we at the Group are aiming to become should contribute to society by continuing to provide services that support the healthy and sustainable growth of society as a whole. As prerequisites for achieving this, we believe that it is vital to ensure appropriate internal controls and compliance, and we intend to continuously seek to ensure, maintain and improve our transparency.

Furthermore, we will steadily develop and improve our internal control systems as required under the Corporate Law and the Financial Instruments and Exchange Act, while developing initiatives for the entire Group.

iii) Realizing sustainability

In order to resolve global problems including conservation of the natural environment, population issues, and international conflicts, we need to approach these issues from the standpoint of sustainability. We intend to devote every effort to achieving sustainability, through conducting management in which we grow with others based on the image outlined previously.

Consolidated Balance Sheets

(millions of yen)

Account / Period	Fiscal year 2007 (As of Mar.31, 2007)		Fiscal year 2008 (As of Mar.31, 2008)		Increase (Decrease)	
	Amount	% of total	Amount	% of total	Amount	Change
Assets		%		%		%
I Current assets						
1 Cash and time deposits	108,405		64,012		(44,392)	
2 Notes and accounts receivable	33,688		31,025		(2,663)	
3 Marketable securities	7,207		11,701		4,494	
4 Venture capital investments	2,137		4,166		2,028	
5 Inventories	4,819		4,888		68	
6 Income taxes refundable	-		4,999		4,999	
7 Deferred income taxes	12,317		6,508		(5,809)	
8 Investments related to financial services	110,842		198,427		87,585	
9 Cash segregated as deposits related to securities business	46,394		32,891		(13,502)	
10 Trading assets related to securities business	15,679		6,824		(8,854)	
11 Receivables related to margin transactions	91,105		46,105		(44,999)	
12 Other current assets	33,566		25,158		(8,407)	
Allowance for losses on investment securities	(3,868)		(234)		3,633	
Allowance for doubtful accounts	(265)		(92)		173	
Total current assets	462,029	80.0	436,383	79.3	(25,645)	(5.6)
II Fixed assets						
1 Tangible fixed assets						
(1) Buildings and structures	8,712		16,806		8,094	
(2) Land	10,831		12,444		1,613	
(3) Other tangible fixed assets	7,423		5,094		(2,328)	
Total tangible fixed assets	26,966	4.7	34,345	6.3	7,378	27.4
2 Intangible fixed assets						
(1) Goodwill	848		779		(68)	
(2) Other intangible fixed assets	13,191		8,097		(5,093)	
Total intangible fixed assets	14,039	2.4	8,877	1.6	(5,162)	(36.8)
3 Investments and other assets						
(1) Investments in securities	60,040		49,327		(10,713)	
(2) Prepaid pension costs	3,324		3,218		(106)	
(3) Deferred income taxes	1,967		8,414		6,447	
(4) Other assets	10,778		10,556		(221)	
Allowance for doubtful accounts	(1,852)		(1,070)		782	
Total investments and other assets	74,258	12.9	70,447	12.8	(3,811)	(5.1)
Total fixed assets	115,265	20.0	113,670	20.7	(1,594)	(1.4)
Total assets	577,294	100.0	550,054	100.0	(27,240)	(4.7)

(millions of yen)

Account \ Period	Fiscal year 2007 (As of Mar.31, 2007)		Fiscal year 2008 (As of Mar.31, 2008)		Increase (Decrease)	
	Amount	% of total	Amount	% of total	Amount	Change
Liabilities		%		%		%
I Current liabilities						
1 Accounts payable	11,292		11,584		292	
2 Short-term bank loans payable	28,052		69,511		41,458	
3 Current portion of corporate bonds payable	20,000		-		(20,000)	
4 Accrued income taxes	8,624		3,112		(5,511)	
5 Deposits received of prepaid cards	42,859		46,564		3,705	
6 Accrued bonuses to employees	6,419		7,026		606	
7 Accrued bonuses to directors and statutory auditors	62		4		(57)	
8 Reserve for anticipated losses on contracts	898		369		(529)	
9 Liabilities related to financial services	15,137		44,370		29,233	
10 Trading liabilities related to securities business	9,180		2,602		(6,577)	
11 Payable related to margin transactions	55,841		19,323		(36,517)	
12 Deposits received and guarantee deposits received from customers related to securities business	56,002		44,128		(11,874)	
13 Other current liabilities	25,700		35,434		9,734	
Total current liabilities	280,070	48.5	284,033	51.6	3,963	1.4
II Long-term liabilities						
1 Corporate bonds payable	20,000		20,000		-	
2 Convertible bonds payable	58,000		56,792		(1,208)	
3 Long-term bank loans payable	5,000		84		(4,916)	
4 Accrued employees' retirement benefits	586		341		(245)	
5 Accrued directors' retirement benefits	205		158		(46)	
6 Other long-term liabilities	3,307		1,565		(1,742)	
Total long-term liabilities	87,099	15.1	78,940	14.4	(8,158)	(9.4)
III Statutory reserve						
1 Reserve for securities trading liabilities	1,347		1,579		232	
2 Reserve for financial futures trading liabilities	2		4		2	
Total statutory reserve	1,349	0.2	1,584	0.3	234	17.4
Total liabilities	368,519	63.8	364,558	66.3	(3,960)	(1.1)
Net assets						
I Shareholders' equity						
1 Common stock	72,790	12.6	73,225	13.3	435	0.6
2 Capital surplus	37,404	6.5	37,791	6.9	387	1.0
3 Retained earnings	84,691	14.7	83,007	15.1	(1,684)	(2.0)
4 Treasury stock, at cost	(19,649)	(3.4)	(31,614)	(5.8)	(11,965)	-
Total shareholders' equity	175,236	30.4	162,410	29.5	(12,826)	(7.3)
II Valuation, translation adjustments and other						
1 Net unrealized gains on securities	8,949	1.5	1,696	0.3	(7,252)	(81.0)
2 Net unrealized gains (losses) on hedging derivatives	0	0.0	(7)	(0.0)	(7)	-
3 Foreign currency translation adjustments	-	-	(625)	(0.1)	(625)	-
Total valuation, translation adjustments and other	8,949	1.5	1,063	0.2	(7,885)	(88.1)
III Minority interests	24,589	4.3	22,021	4.0	(2,567)	(10.4)
Total net assets	208,775	36.2	185,495	33.7	(23,279)	(11.2)
Total liabilities and net assets	577,294	100.0	550,054	100.0	(27,240)	(4.7)

Consolidated Statements of Income

(millions of yen)

Account / Period	Fiscal year 2007 From Apr.1, 2006 To Mar.31, 2007		Fiscal year 2008 From Apr.1, 2007 To Mar.31, 2008		Increase (Decrease)	
	Amount	Ratio to operating revenue	Amount	Ratio to operating revenue	Amount	Change
		%		%		%
I Operating revenue	245,981	100.0	239,695	100.0	(6,286)	(2.6)
II Operating costs	157,620	64.1	153,712	64.1	(3,907)	(2.5)
Gross profit	88,361	35.9	85,982	35.9	(2,378)	(2.7)
III Selling, general and administrative expenses	58,456	23.7	66,726	27.9	8,269	14.1
Operating income	29,904	12.2	19,256	8.0	(10,648)	(35.6)
IV Non-operating income	2,277	0.9	3,209	1.3	932	41.0
1 Interest income	290		460		170	
2 Dividend income	353		457		103	
3 Hoard profit of prepaid card	964		1,031		66	
4 Others	668		1,260		591	
V Non-operating expenses	1,371	0.6	1,831	0.7	459	33.5
1 Interest expenses	97		66		(31)	
2 Loss on sales of investment in securities	-		288		288	
3 Foreign exchange loss	-		716		716	
4 Provision for accrued employees' retirement benefits	260		260		0	
5 Transfer of agent’s commission	152		-		(152)	
6 Loss on cancellation of leases	265		-		(265)	
7 Transfer of one's domicile's adjustment costs	195		-		(195)	
8 Others	398		499		100	
Ordinary income	30,810	12.5	20,634	8.6	(10,175)	(33.0)
VI Extraordinary gains	1,254	0.5	1,772	0.8	518	41.3
1 Gain on sales of fixed assets	208		-		(208)	
2 Gain on sales of investments in securities	-		279		279	
3 Gain from transfer of business	277		-		(277)	
4 Dilution gain	-		366		366	
5 Gain from reversal of allowance for anticipated losses on contracts	484		-		(484)	
6 Compensation received for relocation	-		950		950	
7 Others	285		176		(108)	
VII Extraordinary losses	1,351	0.5	17,725	7.4	16,373	-
1 Loss on disposal of fixed assets	160		740		579	
2 Loss on impairment of fixed assets	-		13,344		13,344	
3 Loss on write-down of investments in securities	546		1,658		1,111	
4 Provision for reserve for securities trading liabilities	268		232		(35)	
5 Provision for reserve for financial futures trading liabilities	1		2		0	
6 Others	373		1,746		1,372	
Income before income taxes and minority interests	30,712	12.5	4,682	2.0	(26,030)	(84.8)
Income taxes : Current	18,985	7.7	5,864	2.5	(13,121)	(69.1)
Income taxes : Refund	-	-	(2,763)	(1.1)	(2,763)	-
Income taxes : Deferred	(4,532)	(1.8)	2,276	0.9	6,809	-
Reversal of the prior year's income taxes and prior year's income taxes-deferred	6,210	2.5	-	-	(6,210)	-
Minority interests	1,370	0.6	(1,967)	(0.8)	(3,337)	-
Net income	8,679	3.5	1,272	0.5	(7,407)	(85.3)

Consolidated Statement of Changes in Net Assets

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

(millions of yen)

	Shareholders' equity					Valuation, translation adjustments and other		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.

Fiscal year 2008 for the year ended Mar.31, 2008

(millions of yen)

	Shareholders' equity					Valuation, translation adjustments and other			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 (losses) 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 fiscal year										
Exercise of stock option	435	435	-	-	870	-	-	-	-	870
Cash dividends *	-	-	(1,485)	-	(1,485)	-	-	-	-	(1,485)
Cash dividends	-	-	(1,470)	-	(1,470)	-	-	-	-	(1,470)
Net income	-	-	1,272	-	1,272	-	-	-	-	1,272
Repurchases of treasury stock	-	-	-	(12,099)	(12,099)	-	-	-	-	(12,099)
Disposal of treasury stock	-	(47)	-	134	86	-	-	-	-	86
Net change in the items other than shareholders' equity in the fiscal year	-	-	-	-	-	(7,252)	(7)	(625)	(2,567)	(10,453)
Total of change in the fiscal year	435	387	(1,684)	(11,965)	(12,826)	(7,252)	(7)	(625)	(2,567)	(23,279)
Balance as of Mar. 31, 2008	73,225	37,791	83,007	(31,614)	162,410	1,696	(7)	(625)	22,021	185,495

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

Consolidated Statements of Cash Flows

(millions of yen)

Account / Period	Fiscal year 2007 From Apr.1, 2006 To Mar.31, 2007	Fiscal year 2008 From Apr.1, 2007 To Mar.31, 2008	Increase (Decrease)
	Amount	Amount	Amount
I Cash flows from operating activities			
1 Income before income taxes and minority interests	30,712	4,682	(26,030)
2 Depreciation	4,108	5,904	1,795
3 Loss on impairment of fixed assets	-	13,344	13,344
4 Amortization of goodwill	417	315	(102)
5 Increase (Decrease) in allowances and decrease (increase) in prepaid pension costs	1,608	(4,429)	(6,037)
6 Interest and dividend income	(2,940)	(3,244)	(304)
7 Interest expenses	1,295	1,588	293
8 Loss on write-down of investments in securities	-	1,658	1,658
9 Decrease (Increase) in accounts receivable	2,459	2,663	204
10 Decrease (Increase) in inventories	1,030	(68)	(1,098)
11 Increase (Decrease) in accounts payable	(2,723)	292	3,016
12 Increase (Decrease) in deposits received of prepaid cards	3,882	3,705	(177)
13 Decrease (Increase) in venture capital investments	-	(2,476)	(2,476)
14 Decrease (Increase) in investments related to financial services	(16,959)	(95,688)	(78,728)
15 Decrease (Increase) in liabilities related to financial services	12,057	29,233	17,176
16 Decrease (Increase) in cash segregated as deposits related to securities business	11,301	13,502	2,201
17 Decrease (Increase) in trading assets related to securities business	(4,815)	8,854	13,670
18 Decrease (Increase) in receivables related to margin transactions	21,015	44,999	23,983
19 Decrease (Increase) in loan secured by securities	(3,173)	6,913	10,087
20 Increase (Decrease) in trading liabilities related to securities business	4,423	(6,577)	(11,001)
21 Increase (Decrease) in payables related to margin transactions	(21,500)	(36,517)	(15,017)
22 Increase (Decrease) in deposits received and guarantee deposits received from customers related to securities business	(9,981)	(11,874)	(1,892)
23 Others net	(5,876)	4,921	10,798
Subtotal	26,339	(18,296)	(44,636)
24 Interest and dividends income received	3,046	3,251	205
25 Interest expenses paid	(1,152)	(1,578)	(426)
26 Income taxes paid	(21,164)	(16,503)	4,661
27 Proceeds from refund of income taxes	-	2,763	2,763
Net cash provided by (used in) operating activities	7,069	(30,363)	(37,432)
II Cash flows from investing activities			
1 Increase (Decrease) in time deposit, net	(465)	(2,966)	(2,501)
2 Net proceeds from sales and purchases of marketable securities	3,717	1,094	(2,622)
3 Purchase of property and equipment	(7,195)	(11,916)	(4,721)
4 Proceeds from sales of property and equipment	4,956	-	(4,956)
5 Purchases of intangible assets	(8,396)	(10,647)	(2,251)
6 Purchases of investments in securities	(9,746)	(7,245)	2,501
7 Proceeds from sales of investments in securities	1,863	3,616	1,752
8 Expenditure for acquisition of subsidiaries' stocks	(997)	(197)	799
9 Others net	(283)	308	591
Net cash provided by (used in) investing activities	(16,546)	(27,954)	(11,408)

(millions of yen)

Account / Period	Fiscal year 2007 From Apr.1, 2006 To Mar.31, 2007 Amount	Fiscal year 2008 From Apr.1, 2007 To Mar.31, 2008 Amount	Increase (Decrease) Amount
III Cash flows from financing activities			
1 Increase (Decrease) in short-term bank loans, net	11,698	47,437	35,739
2 Repayment of long-term debt	(4,500)	-	4,500
3 Proceeds from issuance of bonds	35,000	-	(35,000)
4 Redemption of corporate bonds	-	(21,208)	(21,208)
5 Issuance of common stock	2,533	870	(1,663)
6 Purchases of treasury stock	(37)	(12,238)	(12,201)
7 Cash dividends paid	(4,414)	(2,949)	1,464
8 Other net	(747)	289	1,036
Net cash provided by (used in) financing activities	39,532	12,200	(27,331)
IV Effect of exchange rate changes on cash and cash equivalents	50	(130)	(181)
V Net increase (decrease) in cash and cash equivalents	30,106	(46,247)	(76,354)
VI Cash and cash equivalents, at beginning	74,747	105,447	30,700
VII Cash and cash equivalents of initially consolidated subsidiaries, at beginning	593	-	(593)
VIII Cash and cash equivalents, at end	105,447	59,200	(46,247)

Significant Accounting Policies of Consolidated Financial Statements

1. Range of consolidation

(1) Consolidated subsidiaries: 93

JIEC Co., Ltd., VeriServe Corporation, Cosmo Securities Co., Ltd. and other 90 companies

30 anonymous associations, 2 investment partnerships and other 5 companies are newly consolidated from this fiscal year.

1 anonymous association is excluded from consolidation 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 on an equity basis 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 fiscal year-ended of February 29, 2 anonymous associations have fiscal year-ended January 31, 33 anonymous associations and 2 investment partnerships and other 3 companies have fiscal year-ended December 31.

Furthermore, 5 anonymous associations have fiscal year-ended November 30. Consequently, these subsidiaries conduct trial settlement date of February 29, for the purpose of preparing the consolidated fiscal year-ends. 7 anonymous associations have fiscal year-ended September 30. Consequently, these subsidiary conduct trial settlement date of December 31, for the purpose of preparing the consolidated fiscal year-ended. The remaining consolidated subsidiaries have fiscal year-ended of December 31, the consolidated fiscal year-ends. The required adjustment for consolidated accounting purposes is carried out for important transactions that occur in the period between the consolidated fiscal year-ends and the fiscal year-ends 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 the fiscal year depreciation of tangible fixed assets acquired since April 1, 2007 has been calculated in accordance with the revised Corporation Tax Law.

Following these changes, the increases of operating expenses for the fiscal year were ¥243 million, while "Operating income", "Ordinary income", and "Income before income taxes and minority interests" decreased by the same amounts.

The influence on the segment information is described in "Segment Information".

(Additional Information)

From the fiscal year 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 revised Corporation Tax Law had an insignificant impact on net income for the fiscal year.

2) Intangible fixed assets

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 larger method in the following way, the straight-line method over the estimated sales period in which the software can be sold or 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) Accrued bonuses to directors and statutory auditors

In order to provide for payments of bonuses to directors and statutory auditors, a forecast payment amount is recorded in consolidated results for the end of the year under review in respect of certain consolidated subsidiaries.

5) Reserve 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.

6) 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.

7) 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

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 real estate

With regard to transactions in shares and real 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 at a net amount 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" is recorded as 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 is recorded as "Hoard profit of prepaid card" under "Non-operating income" with subsequent deductions from "Deposits received of prepaid cards" in conforming with Corporation Tax Law requiring that the year in which cards were sold be taken into consideration.

(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.

5. Valuation of Assets and Liabilities of Consolidated Subsidiaries

The assets and liabilities of a consolidated subsidiary are marked to fair value at the time the Company is deemed to have gained control.

6. Amortization of Goodwill

Goodwill is amortized over 5 years by the straight-line method. Small amount is amortized in a lump.

7. Cash and Cash Equivalents

For the purpose of the consolidated statement of cash flows, "Cash and cash equivalent" 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 Balance Sheets

1. "Income taxes refundable", which has been included in "Others" under "Current assets", ¥6 million, in previous fiscal year is expressed independently because it is material to the consolidated balance sheets as a whole.

Consolidated statements of income

1. "Transfer of agent's commission", ¥137 million, which has been expressed independently under "Non-operating expenses" in previous fiscal year is included in "Others" under "Non-operating expenses" because it is immaterial to the consolidated statements of income as a whole.
2. "Loss on cancellation of leases", ¥1 million, which has been expressed independently under "Non-operating expenses" in previous fiscal year is included in "Others" under "Non-operating expenses" because it is immaterial to the consolidated statements of income as a whole.
3. "Transfer of one's domicile's adjustment costs", ¥140 million, which has been expressed independently under "Non-operating expenses" in previous fiscal year is included in "Others" under "Non-operating expenses" because it is immaterial to the consolidated statements of income as a whole.
4. "Gain on sales of fixed assets", ¥1 million, which has been expressed independently under "Extraordinary gains" in previous fiscal year is included in "Others" under "Extraordinary gains" because it is immaterial to the consolidated statements of income as a whole.
5. "Gain on sales of investments in securities", which has been included in "Others" under "Extraordinary gains", ¥69 million, in previous fiscal year is expressed independently because it is material to the consolidated statements of income as a whole.
6. "Loss on impairment of fixed assets", which has been included in "Others" under "Extraordinary losses", ¥0 million, in previous fiscal year is expressed independently because it is material to the consolidated statements of income as a whole.

Consolidated statements of cash flows

1." Loss on impairment of fixed assets ", which has been included in "Others net" under "Cash flows from operating activities", ¥0 million, in previous fiscal year is expressed independently because it is material to the consolidated statements of cash flows as a whole.
2." Loss on write-down of investments in securities ", which has been included in "Others net" under "Cash flows from operating activities", ¥556 million, in previous fiscal year is expressed independently because it is material to the consolidated statements of cash flows as a whole.
3." Decrease (Increase) in venture capital investments ", which has been included in "Others net" under "Cash flows from operating activities", ¥(113) million, in previous fiscal year is expressed independently because it is material to the consolidated statements of cash flows as a whole.
4." Proceeds from sales of property and equipment ", which has been accounted independently as an item of "Cash flows from investing activities" in previous fiscal year, is ¥192 million and included in "Others net" of "Cash flows from investing activities" in this fiscal year, 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 Mar. 31	
	2007	2008
(1) Accumulated depreciation of tangible fixed assets	14,475	15,721

(2) Investments related to financial services

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.

As of Mar. 31, 2008

"Investments related to financial services" mainly consists of investments in anonymous associations, ¥34,863 million , shares, ¥20,190 million and estates, ¥94,118 million.

In shares, shares with the current price, ¥9,170 million, are involved.

Main of Liabilities related to financial services is short-term bank loans payable ¥24,977 million and non-recourse loans ¥13,706 million.

Liabilities related to financial services are the liability of anonymous associations that are consolidated subsidiaries, short-term bank loans payable, 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 Mar. 31, 2008, 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 Mar. 31	
	2007	2008
Total availability granted by CMS	240	280
Used portion of credit line	90	230
Remaining portion of credit line	150	50

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 Mar. 31	
	2007	2008
Total availability granted	30,000	30,000
Used portion of credit line	-	21,000
Remaining portion of credit line	30,000	9,000

(4) Statutory reserve

As of Mar. 31, 2008

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 Mar 31, 2008 because it is the same contents of Mar 31, 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 taxes-deferred 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 ("the consolidated subsidiary") 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.

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, the Company concluded that a more conservative accounting treatment was advisable with respect to this matter, and decided to incorporate it in the 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, the Company 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 year ended March 31, 2008

(1) A breakdown of impairment losses in Extraordinary losses is as follows.

1) The company declares the following impairment losses.

Location	Use	Classification
Nihombashi Honcho Tokyu Bldg. (Chuo-ku, Tokyo)	Business property	Software Software in progress Lease asset Equipment and fixtures Buildings and annexed facilities

2) Asset grouping method.

Idle assets and assets scheduled for sale are on an individual case unit, and business assets are handled as managerial accounting classification.

3) Background to recognition as impairment losses and calculation methods.

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 fiscal period under review, an impairment loss of ¥13,344 million was recorded, mainly comprising losses of ¥12,571 million on software and ¥386 million on lease asset.

(2) A refund 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 related 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 did not accept the basis for this adjustment, and on August 9, 2005 lodged an objection with the Tokyo Regional Taxation Bureau.

2) Recording of reversal of the prior year's income taxes and prior year's income taxes-deferred

As of March 31,2007, 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, the Company and its consolidated subsidiary concluded that a more conservative accounting treatment was advisable with respect to this matter, and determined to incorporate it in the consolidated statement of income at the end of that financial year, from the perspective of further improving the soundness of the 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 as of March 31, 2007.

3) Announcement of determination by taxation authority and recording of tax refund

On June 6, 2007, during the interim period under review, the Tokyo Regional Taxation Bureau announced its determination on the objection the Company and its consolidated subsidiary 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 determination by the Tokyo Regional Taxation Bureau, on July 2, 2007 the Company and its consolidated subsidiary lodged an appeal with the National Tax Tribunal regarding the main part of our objection that was not accepted.

4) Initiation of lawsuit seeking cancellation of original disposition and withdrawal of request for administrative review

As three months had passed following our request for administrative review without a decision by the Tokyo Regional Taxation Bureau, we submitted a complaint on December 14, 2007 requesting a cancellation of the original disposition from the Tokyo District Court.

On December 27, 2007, we withdrew our request for administrative review made to Tokyo Regional Taxation Bureau.

3. Consolidated statements of changes in net assets

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.

No.7 unsecured convertible-bond-type-bonds with stocks acquisition rights

Issue resolution’s day	July 11, 2006
Issue date	July 27, 2006
Number of new share warrants	35,000 individuals
Types and numbers of new share warrants	5,940,257 common stocks
Conversion price per share	¥5,892
Exercise period of new share warrants	September 1, 2006 - September 27, 2013
Balance of new share warrants	35,000 million yen

(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

For the year ended March 31, 2008

(1)Types and numbers of outstanding shares

(shares)

	As of Mar. 31, 2007	Increase	Decrease	As of Mar. 31, 2008
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 Mar. 31, 2008
Common stock	4,148,356	4,002,181	28,645	8,121,892

Notes: 1. Increase of 2,181 common stocks was due to purchase of stocks less than a trading unit.

2. Increase of 4,000,000 common stocks was due to purchase of common stocks for treasury.

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

4. Decrease of 19,204 common stocks was due to a share for share exchange to make SUPERSOFTWARE COMPANY LTD. the Company's wholly owned subsidiary.

5. Decrease of 63 common stocks was due to disposal of common stocks for treasury.

(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
Board meeting on Nov. 7, 2007	Common stock	1,470	20	Sept. 30, 2007	Dec.11, 2007

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 26, 2008	Common stock	Retained earnings	1,410	20	Mar. 31, 2008	June 27, 2008

5. 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 Mar.31	
	2007	2008
Cash and time deposits	108,405	64,012
Marketable securities	7,207	11,701
Total	115,612	75,714
Less: Time deposits with original maturities of more than three months or those submitted as collateral for loans	(3,354)	(5,896)
Less: Equity securities and other marketable securities with original maturities of more than three months	(6,810)	(10,617)
Cash and cash equivalents	105,447	59,200

(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 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
Assets	88,919	129,335	204,553	34,104	456,913	120,381	577,294
Depreciation	2,667	31	682	157	3,539	569	4,108
Capital expenditure	9,487	12	1,563	52	11,116	4,822	15,939
	For the year ended Mar. 31, 2008						
	IT services business	Financial services business	Securities business	Prepaid card business	Total	Elimination and corporate	Consolidated Total
Operating revenue:							
Outside customers	194,693	20,389	22,179	2,433	239,695	-	239,695
Inter-segment sales/transfers	3,943	3	3	7	3,957	(3,957)	-
Total	198,636	20,392	22,182	2,440	243,652	(3,957)	239,695
Costs and expenses	183,223	7,304	26,237	2,548	219,314	1,124	220,438
Operating income(loss)	15,412	13,088	(4,055)	(107)	24,338	(5,081)	19,256
Assets	82,979	223,694	139,031	36,279	481,985	68,068	550,054
Depreciation	3,624	33	923	138	4,719	1,184	5,904
Loss on impairment of fixed assets	13,340	-	4	-	13,344	-	13,344
Capital expenditure	12,913	152	3,531	36	16,633	5,881	22,515

Notes: 1. The Group operates principally in four segments: Computer services, Financial services, Securities services, Prepaid card sales.

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. "Elimination and corporate" column mainly consist of the Company's working funds (cash and marketable securities), long-term investment funds (investment in securities) and other assets. Among costs and expenses, unallocated operating expenses in "Eliminations and corporate" for the years ended March 31, 2007 and 2008 were expenses of ¥7,002 million and ¥10,222 million, respectively. These costs were management expenses for group companies incurred at CSK HOLDINGS CORPORATION.

(Change in accounting policies)

As outlined in “Significant Accounting Policies of Consolidated Financial Statements, 4 (2)”, in line with the revision of Japan’s Corporation Tax Law, from the fiscal year under review CSK HOLDINGS CORPORATION has changed its method of depreciation, based on the revised Corporation Tax Law, for tangible fixed assets acquired on or after April 1, 2007. As a result, compared to the previous method depreciation expenses increased by ¥91 million in the IT services business, by ¥1 million in the Financial services business, by ¥8 million in the Securities business, by ¥0 million in the Prepaid card business, and by ¥141 million in “eliminations and corporate”, and operating income decreased by the same amounts in each of these segments.

2. Segment Information for geographic locations

Segment information for geographic locations is omitted for the year ended March 31, 2007 and 2008 because total sales for "Japan" segment exceeded 90% of total sales in each of such period.

3. Overseas Sales

Information regarding overseas sales was omitted for the year ended March 31, 2007 and 2008 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 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	Difference
Fair market value exceeds carrying amount	Government bonds and municipal bonds	7,080	7,128	47
	Corporate bonds	-	-	-
	Other bonds	-	-	-
	Subtotal	7,080	7,128	47
Fair market value do not exceed carrying amount	Government bonds and municipal bonds	16,079	15,967	(112)
	Corporate bonds	-	-	-
	Other bonds	-	-	-
	Subtotal	16,079	15,967	(112)
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	Difference
Fair market value exceeds acquisition cost	Equity securities	15,262	30,239	14,976
	Bonds:			
	Government bonds and municipal bonds	-	-	-
	Corporate bonds	-	-	-
	Other bonds	-	-	-
	Other	15,563	17,610	2,047
	Subtotal	30,825	47,850	17,024
Fair market value do not exceed acquisition cost	Equity securities	2,648	2,170	(478)
	Bonds:			
	Government bonds and municipal bonds	15	14	(0)
	Corporate bonds	100	99	(0)
	Other bonds	-	-	-
	Other	6,369	6,029	(340)
	Subtotal	9,133	8,314	(819)
Total		39,959	56,164	16,204

Note:Investment fund and Investment in partnerships are included in “Other”.

Ⅳ Available-for-sale securities which were sold for the year ended Mar.31, 2007

(millions of yen)

For the year ended Mar.31, 2007		
Proceeds from sales	Gross gains related to sales	Gross losses related to sales
11,624	2,372	28

Ⅴ 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 fund	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

Ⅵ Redemption schedule for held-to-maturity bonds and available-for-sale securities with maturity, as of Mar.31, 2007 is as follows:

(millions of yen)

	Within 1 year	Over 1 year and up to 5 years	Over 5 years and up to 10 years	Over 10 years
Debt securities:				
Government bonds and municipal bonds	6,810	15,436	928	-
Corporate bonds	-	-	99	-
Other bonds	-	-	-	-
Others	-	-	17,271	-
Total	6,810	15,436	18,299	-

2. As of and for the year ended Mar.31, 2008

Ⅰ Trading securities (Trading securities with market values)

(millions of yen)

	As of Mar.31, 2008		
	Assets	Liabilities	Unrealized gains (losses)
Equity securities	122	61	(1)
Bonds	6,569	2,452	42
Beneficiary securities	13	-	(0)
Total	6,705	2,513	41

Ⅱ Held-to-maturity bonds with market values

(millions of yen)

		As of Mar.31, 2008		
		Carrying amount	Fair market value	Difference
Fair market value exceeds carrying amount	Government bonds and municipal bonds	16,903	17,046	142
	Corporate bonds	-	-	-
	Other bonds	-	-	-
	Subtotal	16,903	17,046	142
Fair market value do not exceed carrying amount	Government bonds and municipal bonds	8,347	8.335	(12)
	Corporate bonds	-	-	-
	Other bonds	-	-	-
	Subtotal	8,347	8,335	(12)
Total		25,251	25,381	129

Ⅲ Available-for-sale securities with market values

(millions of yen)

		As of Mar.31, 2008		
		Acquisition Cost	Fair market value	Difference
Fair market value exceeds acquisition cost	Equity securities	7,860	13,959	6,098
	Bonds:			
	Government bonds and municipal bonds	9	10	0
	Corporate bonds	100	102	2
	Other bonds	-	-	-
	Other	2,074	2,965	890
	Subtotal	10,045	17,037	6,991
Fair market value do not exceed acquisition cost	Equity securities	12,188	10,056	(2,131)
	Bonds:			
	Government bonds and municipal bonds	-	-	-
	Corporate bonds	-	-	-
	Other bonds	-	-	-
	Other	14,700	14,181	(518)
	Subtotal	26,888	24,238	(2,650)
Total		36,933	41,275	4,341

Note:Investment fund and Investment in partnerships are included in “Other”.

Ⅳ Available-for-sale securities which were sold for the year ended Mar.31, 2008

(millions of yen)

For the year ended Mar. 31, 2008		
Proceeds from sales	Gross gains related to sales	Gross losses related to sales
8,115	1,599	290

Ⅴ Major components of debt and equity securities without market values

(millions of yen)

	As of Mar.31, 2008
	Carrying amount
Held-to-maturity Bonds	-
Available-for-sale securities:	
Negotiable deposit	800
Money management fund	284
Unlisted stock	16,713
Unlisted bonds	85
Investment in partnerships	2,463
Investment in anonymous associations	34,863
Investments in unconsolidated subsidiaries and affiliates	1,354

Ⅵ Redemption schedule for held-to-maturity bonds and available-for-sale securities with maturity, as of Mar.31, 2008 is as follows:

(millions of yen)

	Within 1 year	Over 1 year and up to 5 years	Over 5 years and up to 10 years	Over 10 years
Debt securities:				
Government bonds and municipal bonds	10,617	13,705	928	-
Corporate bonds	-	-	102	-
Other bonds	-	-	-	-
Others	-	-	13,335	-
Total	10,617	13,705	14,367	-

Per Share Information

Fiscal Year 2007 (As of Mar, 31, 2007)		Fiscal Year 2008 (As of Mar. 31, 2008)	
Shareholders' equity per share	¥ 2,479.33	Shareholders' equity per share	¥ 2,317.18
Net income per share	117.35	Net income per share	17.34
Diluted net income per share	105.60	Diluted net income per share	15.46

(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 (As of Mar. 31, 2007)	Fiscal Year 2008 (As of Mar. 31, 2008)
Net assets (millions of yen)	208,775	185,495
Net assets related to common stock (millions of yen)	184,186	163,473
Principal factors underlying difference (millions of yen) Minority interests	24,589	22,021
Number of shares outstanding at the end of fiscal year (thousands of shares)	78,437	78,670
Number of treasury stock at the end of fiscal year (thousands of shares)	4,148	8,121
Common stock figure used for calculating net assets per share (thousands of shares)	74,288	70,548

2. Net income per share

	Fiscal Year 2007 (As of Mar. 31, 2007)	Fiscal Year 2008 (As of Mar. 31, 2008)
Net income (millions of yen)	8,679	1,272
Net income related to common stock (millions of yen)	8,679	1,272
Amount not attributable to common shareholders (millions of yen)	-	-
Average number of shares outstanding during term (thousands of shares)	73,957	73,367

3. Diluted net income per share*

	Fiscal Year 2007 (As of Mar. 31, 2007)	Fiscal Year 2008 (As of Mar. 31, 2008)
Net income adjustment (millions of yen)	(3)	11
(Of which, effect from dilution of affiliated company stock (millions of yen))	(41)	(45)
(Of which, Interest expenses (after deducting tax) (millions of yen))	38	56
Increase in common stock (thousands of shares)	8,198	9,667
(Of which, warrant rights)	86	11
(Of which, share warrants)	261	16
(Of which, convertible bonds payable)	7,849	9,639

* Outline of residual stock not included in diluted net income per share due to lack of diluted effect 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

* Outline of residual stock not included in diluted net income per share due to lack of diluted effect at Mar. 31, 2008:

Company name	Diluted net income per share	Number of shares
CSK HOLDINGS CORPORATION	Bonds with detachable warrants (Approved on June 25, 2004)	9,695
	Bonds with detachable warrants (Approved on June 28, 2005)	11,224
	Bonds with detachable warrants (Succession of contractual obligation from Japan Future Information Technology & Systems Co., Ltd. because of the share exchange)	The share right exercise period is ended in this fiscal year.
VeriServe Corporation	Bonds with detachable warrants	559
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 Campany judges the needs to include these footnotes in the timely disclosure to be less significant.

- Lease transaction
- Related party transactions
- Income taxes
- Derivative
- Retirement benefits
- Stock options
- Corporate marriage

Non-Consolidated Statements of Income

(millions of yen)

Account / Period	Fiscal year 2007 From Apr. 1, 2006 To Mar. 31, 2007		Fiscal year 2008 From Apr. 1, 2007 To Mar. 31, 2008		Increase (Decrease)	
	Amount	Ratio to operating revenue	Amount	Ratio to operating revenue	Amount	Change
		%		%		%
I Operating revenue	15,583	100.0	12,986	100.0	(2,596)	(16.7)
II Operating expenses	7,215	46.3	10,379	79.9	3,163	43.8
Operating income	8,367	53.7	2,607	20.1	(5,760)	(68.8)
III Non-operating income	3,391	21.7	3,999	30.8	607	17.9
1 Interest income	2,058		2,372		313	
2 Dividend income	223		274		51	
3 Facilities rent income	909		894		(14)	
4 Others	200		456		256	
IV Non-operating expenses	973	6.2	2,182	16.8	1,209	124.3
1 Interest expenses	240		626		386	
2 Interest on corporate bonds	412		396		(16)	
3 Loss on sales of investment in securities	-		288		288	
4 Loss from investments in partnerships	-		598		598	
5 Transfer agent's commission	143		-		(143)	
6 Others	176		272		95	
Ordinary income	10,785	69.2	4,423	34.1	(6,361)	(59.0)
V Extraordinary gains	133	0.9	404	3.1	271	203.6
1 Gain on sales of fixed assets	59		-		(59)	
2 Gain on sales of investments in subsidiaries and affiliates	-		301		301	
3 Gain from reversal of allowance for doubtful accounts	35		-		(35)	
4 Gain from collection of written-off claims	31		-		(31)	
5 Compensation Income	-		95		95	
6 Others	7		6		(0)	
VI Extraordinary losses	1,061	6.8	14,646	112.8	13,584	-
1 Loss on write-down of investments in subsidiaries and affiliates	986		8,809		7,823	
2 Provision for allowance for doubtful accounts	-		5,029		5,029	
3 Others	75		806		731	
Income (loss) before income taxes	9,857	63.3	(9,818)	(75.6)	(19,675)	-
Income taxes : Current	(1,022)	(6.5)	(1,007)	(7.8)	14	-
Income taxes : Refund	-	-	(911)	(7.0)	(911)	-
Income taxes : Deferred	1,136	7.3	(474)	(3.7)	(1,611)	-
Reversal of the prior year's income taxes-deferre	2,117	13.6	-	-	(2,117)	(100.0)
Net income (loss)	7,625	48.9	(7,423)	(57.1)	(15,048)	-

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 annexed facilities), which have been acquired since April 1, 1998, the straight-line method is applied.

Buildings: 2-50 years

Computer and other equipment: 2-20 years

(Change in accounting policy)

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

Following these changes, the increases of operating expenses for the fiscal year were ¥139 million, while "Operating income" and "Ordinary income" decreased, "Loss before income taxes" increased by the same amounts.

(Additional Information)

From the fiscal year, depreciation of tangible fixed assets acquired before March 31, 2007, and depreciated to their respective allowable limits has been calculated by a method that 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 the period ended March 31, 2008.

(2) Intangible fixed assets

Internal use software: Straight-line method based on the period available (within 5 years) in the company

Others: 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) 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.

(3) 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".

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 (12 years) and amortization will be started from the next fiscal year.

(4) 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. Monetary liabilities denominated in foreign currencies and scheduled transactions 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.

7. Others

(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

1. "Transfer agent's commission" which has been expressed independently under "Non-operating expenses", in previous fiscal year, is included in "Other, net" under "Non-operating expenses", ¥130 million, because it is immaterial to the non-consolidated statements of income as a whole.
2. "Gain on sales of fixed assets" which has been expressed independently under "Extraordinary gain", in previous fiscal year, is included in "Other, net" under "Extraordinary gain", ¥0 million, because it is immaterial to the non-consolidated statements of income as a whole.