May 15, 2009

Financial Report for the Fiscal Year 2009, Ended March 31, 2009 (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, 2009
Date of the Securities Report: June 29, 2009

(Figures are rounded down to the nearest million yen)

1. Business Results for the Fiscal Year 2009 (From April 1, 2008 to March 31, 2009)

(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 2009	206,099	(14.0)	(123,066)		(122,479)		(161,529)	
Fiscal Year 2008	239,695	(2.6)	19,256	(35.6)	20,634	(33.0)	1,272	(85.3)

	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 2009	(2,097.39)		(175.9)	(26.8)	(59.7)
Fiscal Year 2008	17.34	15.46	0.7	3.7	8.0

Reference) Equity in net income(loss) of unconsolidated subsidiaries and affiliates
Fiscal Year 2009: - million yen Fiscal Year 2008: - million yen

(2) Financial position

	Total assets	Net assets	Shareholders' equity ratio	Shareholders' equity per share
	million yen	million yen	%	yen
Fiscal Year 2009	363,931	25,247	5.5	251.40
Fiscal Year 2008	550,054	185,495	29.7	2,317.18

Reference) Shareholders' equity
Fiscal Year 2009: 20,176 million yen Fiscal Year 2008: 163,473 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 2009	(5,715)	(12,398)	(6,681)	33,882
Fiscal Year 2008	(30,363)	(27,954)	12,200	59,200

2. Dividends

(Date of Standard)	Dividends per share					Total dividends paid	Dividends payout Ratio (Consolidated)	Ratio of dividends / Net assets (Consolidated)
	1st quarter-end	2nd quarter-end	3rd quarter-end	Year-end	Annual			
	yen	yen	yen	yen	yen	million yen	%	%
Fiscal Year 2008		20.00		20.00	40.00	2,881	230.7	1.7
Fiscal Year 2009		0.00		0.00	0.00	0		
Fiscal Year 2010 (forecast)		0.00		0.00	0.00			

3. Earnings Forecast for the Fiscal Year 2010 (From April 1, 2009 to March 31, 2010)

(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	95,000	(7.7)	(3,900)		(2,800)		(2,000)		(24.92)
Full-year	195,000	(5.4)	1,600		3,100		1,100		13.71

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 : Yes

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

(3) Outstanding shares (Common shares)

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

Fiscal Year 2009 : 80,290,414 shares Fiscal Year 2008 : 78,670,524 shares

② Number of treasury stock

Fiscal Year 2009 : 32,494 shares Fiscal Year 2008 : 8,121,892 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 35.

(Reference) Non-consolidated results

1. Non-consolidated results for the Fiscal Year 2009 (From April 1, 2008 to March 31, 2009)

(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 2009	13,792	6.2	(757)		(1,806)		(152,190)	
Fiscal Year 2008	12,986	(16.7)	2,607	(68.8)	4,423	(59.0)	(7,423)	

	Net income per share	Diluted net income per share
	yen	yen
Fiscal Year 2009	(1,975.73)	
Fiscal Year 2008	(101.18)	

(2) Non-consolidated financial position

	Total assets	Net assets	Shareholders' equity ratio	Shareholders' equity per share
	million yen	million yen	%	yen
Fiscal Year 2009	235,068	13,054	5.6	162.61
Fiscal Year 2008	352,469	144,524	41.0	2,048.58

Reference) Shareholders' equity

Fiscal Year 2009: 13,054 million yen Fiscal Year 2008: 144,524 million yen

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

Operating revenue increased 6.2% compared to the previous fiscal year due to increase 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 the Group’s information infrastructure, etc.

Net loss was 152.1 billion yen due to “Allowance for loans of affiliates” and "Loss on write-down of investments in subsidiaries and affiliates", etc.

About the contents, refer to press releases of revisions to consolidated forecasts on February 13, 2009 and May 1, 2009.

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

Since descriptions about future events, for instance, earnings forecast for March, 2010 are estimation, results may differ from this estimation due to changes of several economic conditions.

*** 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 year under review, the global financial crisis stemming from the sub-prime loan issue in the U.S. spilt over into the real economy in Japan, corporate earnings sharply deteriorated and the recession was brought into stark relief. An extremely severe economic climate continues, amid the deteriorating employment situation, and a cooling in personal consumption sentiment has given rise to concerns for the future of the economy.

In the IT services business, while investment for new projects had been comparatively robust, underpinned by corporate capital investment demand up until the previous consolidated fiscal year, a decline in corporate IT-related investment drive was observed through the impact of a sharp deterioration in corporate revenues, and CSK HOLDINGS CORPORATION ("the Company") has been placed in a severe business environment.

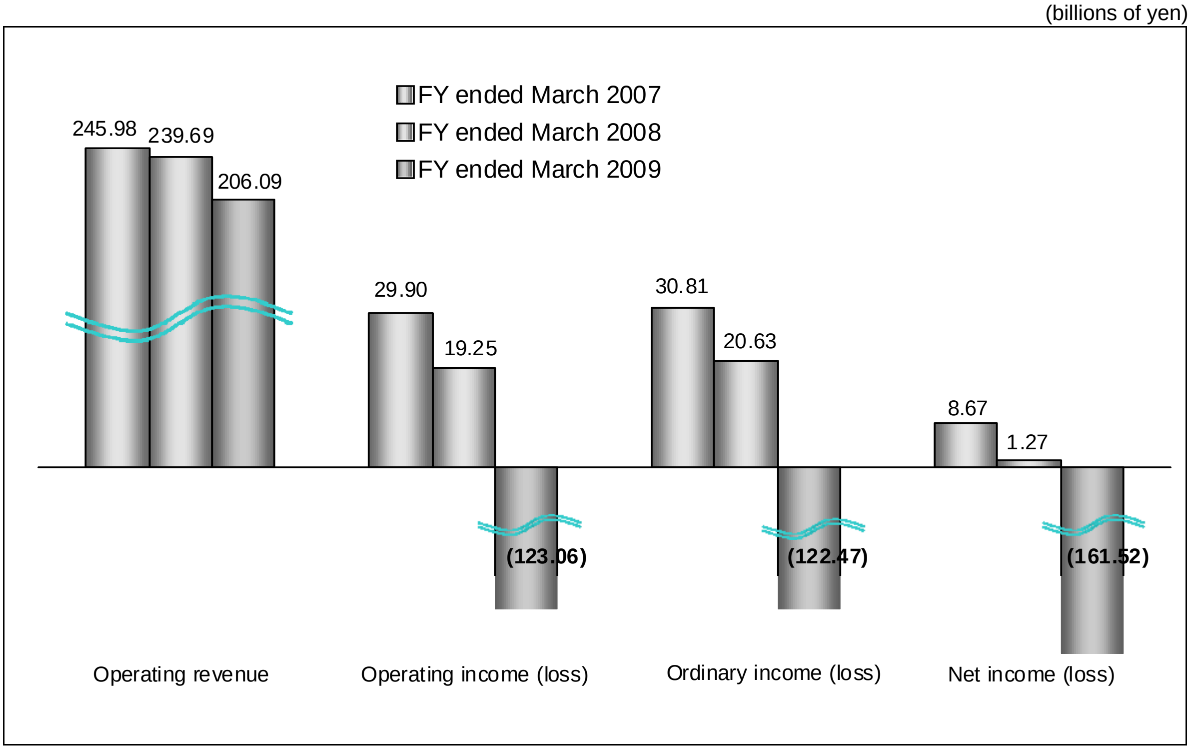
In the financial services business, the credit crunch stemming from the sub-prime loan issue in the U.S. began to impact on Japan, and the investment environment remained severe as in the previous year. In the securities business, the slump in the equity markets continued, due to similar factors, and on the back of sliding share prices as a result of the sharp economic deterioration in both Japan and overseas.

In the prepaid card business, the competitive environment expanded with the sharp proliferation in non-contact IC Card-type electronic money, such as shared IC Cards for transportation systems, amid declining corporate demand stemming from the sharp deterioration in the economic environment. New demand also increased due to an increase in stores where prepaid cards may be used, and an expansion in the gift-card market.

In the context of this business environment, our activities during the year under review were primarily related to three management policies: "I. Transforming into being a service provider group," "II. Ensuring management transparency and shareholder returns" and "III. Measures to strengthen management and improve profitability." Details of our activities can be found from page 5 onwards. Our consolidated results for the year were impacted by factors such as: writing down a large loss in the financial services business, including the real estate securitization business, which we engaged in with the objective of securing funds to switch our existing business structure; the impact of the sharp economic deterioration; and slow progress in improving performance in the securities business, due to the falling equity market and general market stagnation.

Consolidated operating revenue for the year ended March 31, 2009 decreased 14.0% to ¥206.09 billion. An operating loss of ¥123.06 billion was recorded, compared to an operating profit of ¥19.25 billion in the previous year, along with an ordinary loss of ¥122.47 billion, compared to ordinary income of ¥20.63 billion, and a net loss of ¥161.52 billion compared to net income of ¥1.27 billion in the previous year.

(billions of yen)



Operating revenue decreased 14.0% to ¥206.09 billion. In the IT services business, although systems integration projects and outsourcing related to credit finance and insurers in technology services were robust, in the business services domain there was a decrease demand for ASP* for securities, contact centers and product verification services, and the financial services and securities services businesses felt the impact of the deteriorating business environment.

An operating loss of ¥123.06 billion was recorded, in addition to appraisal losses on existing real estate investments in our financial services business, overall the financial services business and securities business were hit by the impact of the deteriorating economic environment, and the Group's information infrastructure development costs increased for the Company as a whole.

An ordinary loss of ¥122.47 billion was recorded, as non-operating income, such as dividend income and hoarded card profits, along with non-operating costs, such as losses from sales of investment in securities and investment in partnership, combined with operating losses.

A net loss of ¥161.52 billion was recorded for the period, on write-downs for impairment losses of ¥8.13 billion for fixed assets in the IT services business, securities business and for the Company as a whole, and ¥6.58 billion for goodwill in the securities business, and also on losses of ¥2.54 billion related to discontinuing of construction of the planned head office building in the Minato Mirai 21 development area in Yokohama City, as well as tax adjustments of ¥14.88 billion arising from the reversal of deferred tax assets.

*ASP (Application Service Provider) = Providing customers with applications for business use through a network

Results by segment

An outline of 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, real 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 decreased 3.9% to ¥190.79 billion, while operating income decreased 43.0% to ¥8.78 billion.

While systems integration projects and outsourcing services for the credit finance and insurance industry in technology services were robust, system development projects for the manufacturing industry and communications industry, and equipment sales and packaged sales to the housing industry decreased. Business services saw firm increases in Fulfillment service* sales, but expansions in orders from new clients at contact centers lagged, and sales also decreased for product verification services and ASP for securities.

Operating income declined even as we implemented reductions in selling and general administrative expenses, with causative factors including costs in technology services, due to decreased operating profit on reduced gross profit given the increase in strategic investment costs designed to expand business, and lower sales. Business services also saw increased ASP development and operation costs due to the impact of lower sales, and increases in engineer hiring and education costs.

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

*Fulfillment service = Back-office business from order to delivery of merchandise.

Financial services business

Operating revenue decreased 83.0% to ¥3.47 billion, and an operating loss of ¥115.61 billion was recorded.

Results in the previous year included the liquidation of a large-scale real estate securitization investment project, while in the year under review the Company wrote down ¥81.05 billion in inventory assets for investment real estate, and recorded a ¥5.54 billion sales loss, along with evaluation losses of ¥11.88 billion on securities.

Securities business

Operating revenue decreased 29.6% to ¥15.62 billion, and an operating loss of ¥7.86 billion was recorded.

Operating revenue in this segment decreased due to the ¥5.92 billion decline in commissions received and a ¥0.79 billion decrease in finance income compared to the previous period, due to the protracted slump in the equity markets.

An operating loss of ¥7.86 billion was recorded, compared to a loss of ¥4.05 billion in the previous year. Major reductions were made to transaction related costs, personnel costs and administrative costs as a part of selling, and general and administrative expenses (SG&A expenses), but this did not fully offset the impact of the aforementioned slump in income and increased write-off costs for goodwill.

Prepaid card business

Operating revenue increased 12.4% to ¥2.74 billion, and operating income of ¥0.18 billion were recorded, compared to an operating loss of ¥0.10 billion in the previous year.

The improvement in operating income arose due to increases in investment income from cash held against card obligations, and as profitable gift-card usage was also robust. Ordinary income of ¥1.22 billion was recorded in this segment, 6.0% lower than in the previous year, as the Company reported hoarded card profits as non-operating income.

Sales in the afore-mentioned segment also include inter-segment sales. For details please see page 30, Segment Information.

② Management initiatives implemented during the fiscal year

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

I Transforming into being a service provider group

1) IT services business

i) In the context of frequent reforms to finance-related legal systems and a variety of regulations being strengthened, large-scale and compound projects have developed in line with these regulations, and the Company has forged ahead with efforts targeting large-scale orders, based on group-wide strategic sales efforts and enhanced sales review systems.

ii) In technology services the Company implemented the following measures in order to ensure high performance and quality and strengthen competitive capabilities in IT.

- We strengthened remote development and maintenance systems, in order to promote the switch to offshore and near-shore usage, which is a CSK strong point, from external orders.
- We expanded efforts such as "software production plants," known as frame factories, realizing high quality and short lead time development.
- In addition to bringing the CSK Sanda center fully on line from June 2008, we also promoted center-based service delivery including establishing structures to monitor the dynamic data of all data center users.
- In the BPO Service area, in addition to developing a system capable of pursuing expertise, we discussed the existence of organizations capable of improving productivity through intensification, and decided upon a Group reorganization plan effective July 1, 2009.

iii) In the education, finance and retail areas, we made further progress with asset (platform) configuration and recycling efforts.

- Education: Operational support services aimed at educational institutions
- Finance: Finance-based criminal transaction monitoring service, operational services for recording new contracts aimed at the non-life insurance industry, legal system responses in the financial area, loan operations systems, credit membership operations and credit screening services
- Distribution: Next generation EDI, outsourcing of fulfillment operations

iv) In addition to the fully-fledged operation of mission critical systems for the delivery of systems and services related to our e-commerce business promoted by CSK PRESCENDO CORPORATION (a joint venture with BRANDING, Inc.) as a joint business service, the company also started to expand to other business areas.

2) Securities, prepaid card and financial services business

i) In the securities business, Cosmo Securities Co., Ltd., was made into a wholly owned subsidiary in August, 2008 in order to fuse the know-how and resources of the CSK Group ("the Group"), following which, Cosmo Securities Co., Ltd (the surviving company) and CSK-RB SECURITIES CORPORATION (the expired company) merged in December of the same year. Also, in order to concentrate the sales resources of Cosmo Securities Co., Ltd into the retail from the wholesale area, the Company withdrew from unprofitable businesses or downsized them, and implemented revisions to our organizational, personnel and sales systems, thereby strengthening our management culture. .

ii) In the prepaid card business, the Company made efforts to include carbon offset* structures in the QUO Card, increasing the brand value of the QUO Card itself as an enhanced-value added product. We also launched the sale of "BEER CARD" to replace the beer coupons which went out of use in February 2009, expanding card-product usage scope and user convenience.

iii) In the financial services business, the Company froze new investment projects, and made progress with sales targeting returns as the foremost priority.

*carbon offset = the latest effort for reducing greenhouse gases that focuses on investing in and contributing to things such as clean-energy businesses in order to offset emitted carbon dioxide (CO_2)

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 controls systems required by the Companies Law and the Financial Instruments and Exchange Law.

2) Shareholder returns policy

In April 2005, the Company announced a consolidated financial position-linked shareholder returns policy based on Dividends on Equity (DOE*), and has been allocating dividends based on this policy. During the fiscal year under review, our consolidated results recorded a significant loss. Under such a circumstance, the Company has declared no interim dividends and does not expect to pay dividends for the fiscal year 2009.

	Trends in annual dividend per share
Fiscal year ended March 2009	¥0 (proposed)
Fiscal year ended March 2008	¥40
Fiscal year ended March 2007	¥40
Fiscal year ended March 2006	¥40
Fiscal year ended March 2005	¥17

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

III Measures to strengthen management and improve profitability

1) Selection and concentration of operations (reviewing scope of businesses)

As a group, we have reconfirmed our strategy of shifting to become a service provider, and in focusing on the IT services business, we have undertaken the following measures:

i) In the financial services business, where in the current economic environment it is difficult to foresee a recovery in performance in the short term, we have frozen new investment and adopted a policy of moving to achieve an early sale of real estate and other held assets.

ii) In the securities business, we have reformed organizational, personnel and management systems and are shifting our focus from wholesale to retail, while at the same time prioritizing an early recovery in earnings through further cost-cutting measures

2) Improving the Company's financial status

In working to improve the Company's financial condition, we have been pursuing rigorous cost control measures, covering office and facility-related costs, personnel expenses, suspension of investment in constructing shared group information systems, and control of R&D. As part of these measures, on September 11, 2008 we announced the cancellation of the planned construction of the head office building in the Minato Mirai 21 development area.

③ Consolidated forecasts for the fiscal year ending March 31, 2010

In making the transition to becoming a service provider, the Group's operations are being concentrated in the area of IT service business, while in financial services-related businesses measures will be implemented to sell assets and freeze new investment.

For the fiscal year ending March 31, 2010, operating revenue is expected to decrease in the IT services business, reflecting the present economic situation and an expectation that customers will continue to restrain investment in systems.

At the operating income level, measures will be taken to stabilize performance, strengthening the Company's management while achieving further cost reductions throughout the Group.

As a result, forecast consolidated operating revenue is ¥195.0 billion, with operating income of ¥1.6 billion, ordinary income of ¥3.1 billion, and net income of ¥1.1 billion.

(millions of yen)

	Operating revenue	Operating income (loss)	Ordinary income (loss)	Net income (loss)
Full year ending March 31, 2010	195,000	1,600	3,100	1,100
Reference: Actual results for fiscal year ended March 31, 2009	206,099	(123,066)	(122,479)	(161,529)

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 CSK Group please see page 8 (4), Business and operational risks.

(2) Analysis of Financial Position and Cash Flows

① Assets, liabilities and net assets

Assets decreased ¥186.12 billion (33.8%) to ¥363.93 billion

Current assets decreased ¥167.78 billion to ¥268.59 billion. “Investments related to financial services” decreased ¥96.48 billion due to sales or write-downs, “Current assets” in the securities business decreased ¥31.64 billion, “Deferred tax assets“ decreased by ¥5.07 billion, and “Cash and time deposits” decreased by ¥27.70 billion.

Fixed assets decreased ¥18.33 billion to ¥95.33 billion. Although an increase of ¥7.96 billion was recorded from the acquisition of land for construction of the head office building in the Minato Mirai 21 development area, decreases were recorded as a result of impairment of assets in the securities business and other areas of the Group, along with loss on sales or write-downs of “Investment in securities”.

Liabilities decreased ¥25.87 billion (7.1%) to ¥338.68 billion

Current liabilities amounted to ¥256.57 billion. Although “Short-term bank loans payable” increased ¥8.91 billion, liabilities in the securities business decreased ¥18.52 billion, liabilities in the financial services business decreased ¥3.35 billion, and “Other” current liabilities decreased ¥16.02 billion.

Long-term liabilities amounted to ¥81.23 billion, with an increase of ¥2.49 billion in “Other” long-term liabilities.

Net assets decreased ¥160.24 billion (86.4%) to ¥25.24 billion

Factors that increased “Net assets” included a reduction in treasury shares concomitant with making Cosmo Securities Co., Ltd. a wholly owned subsidiary. Factors that decreased “Net assets” included a significant decrease in “Retained earnings” arising from the net loss recorded for the period and the payment of dividends. (For detailed information on net assets, please see page 16, Consolidated Statements of Changes in Net Assets.)

② Cash flows

Cash flows from operating activities

Minus ¥5.71 billion (increase of ¥24.64 billion)

Although changes to current assets and liabilities in the securities business increased cash flow by ¥13.08 billion, changes in working capital and liabilities, particularly in the financial services business, along with the impact of an operating loss recorded in the financial services business, resulted in net cash used in operating activities of ¥5.71 billion.

Cash flows from investing activities

Minus ¥12.39 billion (increase of ¥15.55 billion)

Although cash amounting to ¥4.47 billion was received from the sale and maturity of investment securities, an outflow of ¥13.79 billion was recorded for the acquisition of fixed assets in land for construction of the Group head office in the Minato Mirai 21 development area in Yokohama City, and outflows of ¥5.94 were recorded for the purchase of intangible fixed assets associated with business activities. As a result, net cash used in investing activities was ¥12.39 billion.

Cash flows from financing activities

Minus ¥6.68 billion (decrease of ¥18.88 billion)

During the fiscal year under review, outflows of ¥5.15 billion were recorded mainly for the repayment of “Long-term bank loans payable” along with ¥1.41 billion in dividend payments for the fiscal year 2008. As a result, net cash used in financing activities was ¥6.68 billion.

Cash and cash equivalents

¥33.88 billion (decrease of ¥25.31 billion or 42.8%)

Reflecting the cash flows described above, cash and cash equivalents as of March 31, 2009 amounted to ¥33.88 billion, a decrease of ¥25.31 billion compared to March 31, 2008.

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

	Fiscal Year 2007	Fiscal Year 2008	Fiscal Year 2009
Equity ratio (%)	31.9	29.7	5.5
Equity ratio based on market price (%)	63.6	29.5	5.3
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 March 2008 and March 2009 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. Dividend payments have been implemented from the twin perspectives of increasing shareholder value by using treasury shares as part of flexible capital policies, and raising shareholders' equity per share by materially reducing the number of shares outstanding. In the year under review, however, an interim dividend was not declared, due to the net loss and substantial decline in shareholders' equity recorded.

In the year following the year under review the economic and operating environment is expected to remain harsh, and in working to improve the Company's financial position it has therefore also been proposed not to declare a year-end dividend.

(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 and investing in real-estate-related projects through anonymous associations, 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, and 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

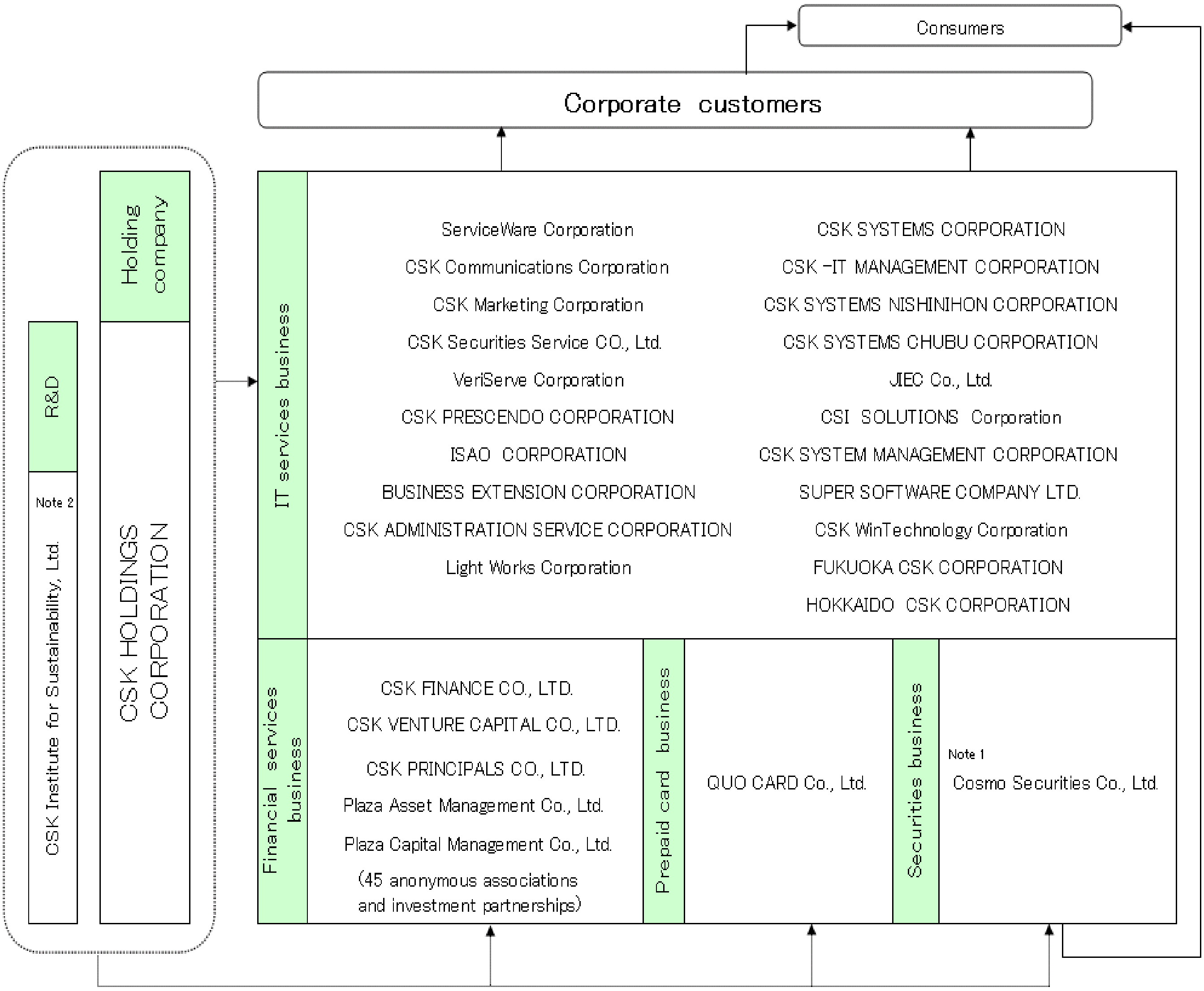
Risks in this area include credit risk, market risk, liquidity risk, operations risks (systems, processes, legal) and information-related risk, along with business continuity risks arising from earthquake or other natural disasters, information leaks, systems failures and other events that could seriously 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

Note 1 On August 1, 2008, CSK HOLDINGS CORPORATION wholly took over Cosmo Securities Co., Ltd., and then Cosmo Securities Co., Ltd. delisted from Section 1 of Tokyo Stock Exchange, Osaka Stock Exchange and Nagoya Stock Exchange.
Note 2 CSK Institute for Sustainability, Ltd. is carriying on financial services in addition to R&D.

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. These 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.

① Becoming a comprehensive service provider
② Ensuring management transparency

① 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

② 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.

(4) Tasks Ahead

Amid deteriorating economic conditions arising from the global economic crisis that began last year, demand has cooled suddenly and corporate results and capital expenditure have continued to decline. Accordingly, the Group's management policies must be aimed at securing core profitability.

In this 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.

① Developing comprehensive service provider business

In the information services industry, based on the management foundation we have created through group reorganization, we are endeavoring to utilize our existing expertise in IT, developing comprehensive services and constructing and reusing assets (platforms) through which we can evolve new services that become industry and operational standards.

Centered on CSK SYSTEMS CORPORATION, in business domains such as education, finance and distribution we have generated sales by developing and reusing platforms. Looking ahead, we aim to maximize our strengths in this respect, creating a more powerful competitive differentiation by taking an overall systems approach in addition to targeting specific areas, supported by measures such as collaborating with partners both inside and outside the group.

At CSK PRESCEND CORPORATION, which provides e-commerce-related system and fulfillment services, we will be targeting customers in a broader range of industries in addition to our core customer group in the apparel industry.

In securities business, the most pressing issue is achieving a rapid restoration of profitability. Our efforts will therefore be directed at strengthening customer relationships and expanding the provision of products and services to regional financial institutions, at the same time as implementing rigorous measures to reduce costs.

In financial services, we will suspend investment in new projects while continuing to pursue the timely sale of existing assets.

② Ensuring management transparency

The service provider we at the Group are aiming to become should create services that support the sound and sustainable growth of society as a whole, and contribute to society by continuing to provide such services. 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.

In the next year we will establish a specialist function to manage the Group's efforts in this regard, in order to establish or adapt internal control systems as required under Companies Low and the Financial Instruments and Exchange Act and achieve a new level of management transparency.

③ Basic policy with regard to Group revitalization

<u>Reduction of financial risk</u>

- We will consider and implement measures to reduce risk by shrinking financial services-related operations, selling assets and businesses, and suspending investment, while pursuing financial stability by increasing capital and undertaking other such initiatives. In these ways we will work to improve the Group's financial position.

<u>Business reconstruction</u>

- Centered on the stable revenues generated in the IT services business, and pursuing the group growth strategy of becoming a service provider utilizing our existing expertise in IT, we will select and concentrate our businesses with the aim of strengthening management quality and improving earnings.
- We will reduce or withdraw from businesses in the IT services area that currently are unprofitable, have only weak synergies or have a weak growth outlook. Through these measures we aim to improve operating income by approximately ¥3.3 billion in the year following the year under review.

<u>Rigorous cost control</u>

- We will implement group-wide measures to control SG&A expenses, with the aim of generating reductions of approximately ¥6.5 billion in the year following the year under review.
- Specific initiatives will be implemented with regard to general administration costs (facilities management, rent, investment in plant and equipment, maintenance and repairs, etc.) personnel expenses (directors' compensation, daily expenses, etc.) and all aspects of business investment.

4. Financial statements (consolidated)

(1) Consolidated Balance Sheets

(millions of yen)

	Fiscal year 2008 (As of Mar. 31, 2008)	Fiscal year 2009 (As of Mar. 31, 2009)
Assets		
Current assets		
Cash and time deposits	64,012	36,309
Notes and accounts receivable	31,025	27,680
Marketable securities	11,701	11,159
Venture capital investments	4,166	2,144
Inventories	4,888	4,146
Income taxes refundable	4,999	2,905
Deferred income taxes	6,508	1,385
Investments related to financial services	198,427	101,940
Cash segregated as deposits related to securities business	32,891	26,810
Trading assets related to securities business	6,824	6,859
Receivables related to margin transactions	46,105	20,503
Other current assets	25,158	27,221
Allowance for losses on investment securities	(234)	(46)
Allowance for doubtful accounts	(92)	(419)
Total current assets	436,383	268,599
Fixed assets		
Tangible fixed assets		
Building and structure	16,806	15,006
Land	12,444	20,413
Other tangible fixed assets	5,094	4,588
Total tangible fixed assets	34,345	40,009
Intangible fixed assets		
Goodwill	779	375
Other intangible fixed assets	8,097	6,251
Total intangible fixed assets	8,877	6,626
Investments and other assets		
Investments in securities	49,327	34,925
Prepaid pension cost	3,218	2,983
Deferred income taxes	8,414	1,478
Other assets	10,556	9,891
Allowance for doubtful accounts	(1,070)	(583)
Total investments and other assets	70,447	48,695
Total fixed assets	113,670	95,331
Total assets	550,054	363,931

(millions of yen)

	Fiscal year 2008 (As of Mar. 31, 2008)	Fiscal year 2009 (As of Mar. 31, 2009)
Liabilities		
Current liabilities		
Accounts payable	11,584	8,678
Short-term bank loans payable	69,511	78,423
Accrued income taxes	3,112	1,347
Deposits received of prepaid cards	46,564	50,761
Accrued bonuses to employees	7,026	5,763
Accrued bonuses to directors and statutory auditors	4	-
Allowance for anticipated losses on contracts	369	1,836
Allowance for loss on cancellation penalty	-	1,811
Liabilities related to financial services	44,370	41,016
Trading liabilities related to securities business	2,602	542
Payable related to margin transactions	19,323	13,865
Deposits received and guarantee deposits received from customers related to securities business	44,128	33,121
Other current liabilities	35,434	19,407
Total current liabilities	284,033	256,575
Long-term liabilities		
Corporate bonds payable	20,000	20,000
Convertible bonds payable	56,792	56,792
Long-term bank loans payable	84	-
Accrued employees' retirement benefits	341	274
Accrued directors' retirement benefits	158	114
Other long-term liabilities	1,565	4,056
Total long-term liabilities	78,940	81,237
Statutory reserve		
Reserve for financial products transaction liabilities	-	870
Reserve for securities trading liabilities	1,579	-
Reserve for financial futures trading liabilities	4	-
Total statutory reserve	1,584	870
Total liabilities	364,558	338,684
Net assets		
Shareholders' equity		
Common stock	73,225	73,225
Capital surplus	37,791	30,763
Retained earnings	83,007	(80,313)
Treasury stock, at cost	(31,614)	(68)
Total shareholders' equity	162,410	23,607
Valuation, translation adjustments and other		
Net unrealized gains(losses) on securities	1,696	(990)
Net unrealized losses on hedging derivatives	(7)	-
Foreign currency translation adjustments	(625)	(2,440)
Total valuation, translation adjustments and other	1,063	(3,430)
Minority interests	22,021	5,070
Total net assets	185,495	25,247
Total liabilities and net assets	550,054	363,931

(2) Consolidated Statements of Operations

(millions of yen)

	Fiscal year 2008 From Apr. 1, 2007 To Mar. 31, 2008	Fiscal year 2009 From Apr. 1, 2008 To Mar. 31, 2009
Operating revenue	239,695	206,099
Operating costs	153,712	263,769
Gross profits(loss)	85,982	(57,669)
Selling, general and administrative expenses	66,726	65,397
Operating income(loss)	19,256	(123,066)
Non-operating income		
Interest income	460	119
Dividend income	457	402
Hoard profit of prepaid card	1,031	989
Others	1,260	1,182
Total non-operating income	3,209	2,695
Non-operating expenses		
Interest expenses	66	19
Loss on sales of investment in securities	288	664
Foreign exchange loss	716	-
Provision for accrued employees' retirement benefits	260	260
Loss on investment in partnership	-	374
Others	499	789
Total non-operating expenses	1,831	2,108
Ordinary income(loss)	20,634	(122,479)
Extraordinary gains		
Gain on sales of investments in securities	279	225
Gain from transfer of business	-	989
Dilution gain	366	-
Compensation received for relocation	950	-
Reversal of reserve for financial products transaction liabilities	-	713
Others	176	109
Total extraordinary gains	1,772	2,037
Extraordinary losses		
Loss on disposal of fixed assets	740	520
Loss on impairment of fixed assets	13,344	14,721
Loss on write-down of investments in securities	1,658	2,032
Provision for reserve for securities trading liabilities	232	-
Provision for reserve for financial futures trading liabilities	2	-
Loss on business restructuring	-	1,218
Loss on discontinuing construction of head office	-	2,542
Others	1,746	2,867
Total extraordinary losses	17,725	23,903
Income(loss) before income taxes and minority interests	4,682	(144,345)
Income taxes : Current	5,864	2,899
Income taxes : Refund	(2,763)	(700)
Income taxes : Deferred	2,276	14,881
Total income taxes	5,377	17,080
Minority interests in net income(loss)	(1,967)	103
Net income(loss)	1,272	(161,529)

(3) Consolidated Statement of Changes in Net Assets

(millions of yen)

	Fiscal year 2008 as of Mar. 31, 2008	Fiscal year 2009 as of Mar. 31, 2009
Shareholders' equity		
Common stock		
Balance at end of the previous year	72,790	73,225
Change in the fiscal year		
Exercise of stock options	435	-
Total of change in the fiscal year	435	-
Balance at end of the fiscal year	73,225	73,225
Capital Surplus		
Balance at end of the previous year	37,404	37,791
Change in the fiscal year		
Exercise of stock options	435	-
Issuance of new share	-	4,025
Disposal of treasury stock	(47)	(2)
Disposal of treasury stock by share exchange	-	(11,051)
Total of change in the fiscal year	387	(7,028)
Balance at end of the fiscal year	37,791	30,763
Retained earnings		
Balance at end of the previous year	84,691	83,007
Change in the fiscal year		
Cash dividends	(2,956)	(1,410)
Net income(loss)	1,272	(161,529)
Disposal of treasury stock by share exchange	-	(379)
Total of change in the fiscal year	(1,684)	(163,320)
Balance at end of the fiscal year	83,007	(80,313)
Treasury stock, at cost		
Balance at end of the previous year	(19,649)	(31,614)
Change in the fiscal year		
Repurchases of treasury stock	(12,099)	(76)
Disposal of treasury stock	134	6
Disposal of treasury stock by share exchange	-	31,615
Total of change in the fiscal year	(11,965)	31,546
Balance at end of the fiscal year	(31,614)	(68)
Total shareholders' equity		
Balance at end of the previous year	175,236	162,410
Change in the fiscal year		
Exercise of stock options	870	-
Issuance of new share	-	4,025
Cash dividends	(2,956)	(1,410)
Net income(loss)	1,272	(161,529)
Repurchases of treasury stock	(12,099)	(76)
Disposal of treasury stock	86	4
Disposal of treasury stock by share exchange	-	20,184
Total of change in the fiscal year	(12,826)	(138,802)
Balance at end of the fiscal year	162,410	23,607

(millions of yen)

	Fiscal year 2008 as of Mar. 31, 2008	Fiscal year 2009 as of Mar. 31, 2009
Valuation, translation adjustments and other		
Unrealized gains on securities		
Balance at end of the previous year	8,949	1,696
Change in the fiscal year		
Net changes in items other than shareholders' equity	(7,252)	(2,686)
Total of change in the fiscal year	(7,252)	(2,686)
Balance at end of the fiscal year	1,696	(990)
Net unrealized gains(losses) on hedging derivatives		
Balance at end of the previous year	0	(7)
Change in the fiscal year		
Net changes in items other than shareholders' equity	(7)	7
Total of change in the fiscal year	(7)	7
Balance at end of the fiscal year	(7)	-
Foreign currency transaction adjustments		
Balance at end of the previous year	-	(625)
Change in the fiscal year		
Net changes in items other than shareholders' equity	(625)	(1,814)
Total of change in the fiscal year	(625)	(1,814)
Balance at end of the fiscal year	(625)	(2,440)
Total valuation, translation adjustments and other		
Balance at end of the previous year	8,949	1,063
Change in the fiscal year		
Net changes in items other than shareholders' equity	(7,885)	(4,494)
Total of change in the fiscal year	(7,885)	(4,494)
Balance at end of the fiscal year	1,063	(3,430)
Minority interests		
Balance at end of the previous year	24,589	22,021
Change in the fiscal year		
Net changes in items other than shareholders' equity	(2,567)	(16,951)
Total of change in the fiscal year	(2,567)	(16,951)
Balance at end of the fiscal year	22,021	5,070
Total net assets		
Balance at end of the previous year	208,775	185,495
Change in the fiscal year		
Exercise of stock option	870	-
Issuance of new share	-	4,025
Cash dividends	(2,956)	(1,410)
Net income(loss)	1,272	(161,529)
Repurchases of treasury stock	(12,099)	(76)
Disposal of treasury stock	86	4
Disposal of treasury stock by share exchange	-	20,184
Net changes in items other than shareholders' equity	(10,453)	(21,445)
Total of change in the fiscal year	(23,279)	(160,248)
Balance at end of the fiscal year	185,495	25,247

(4) Consolidated Statements of Cash Flows

	Fiscal year 2008 From Apr. 1, 2007 To Mar. 31, 2008	Fiscal year 2009 From Apr. 1, 2008 To Mar. 31, 2009
Cash flows from operating activities		
Income(loss) before income taxes and minority interests	4,682	(144,345)
Depreciation	5,904	7,053
Loss on impairment of fixed assets	13,344	14,890
Amortization of goodwill	315	1,437
Increase (decrease) in allowances and decrease (increase) in prepaid pension costs	(4,429)	2,295
Increase (decrease) in reserve for financial products transaction liabilities	-	(713)
Interest and dividend income	(3,244)	(1,936)
Interest expenses	1,588	2,154
Loss on write-down of investments in securities	1,658	2,032
Decrease (increase) in accounts receivable	2,663	3,345
Decrease (increase) in inventories	(68)	742
Increase (decrease) in accounts payable	292	(2,906)
Increase (decrease) in deposits received of prepaid cards	3,705	4,197
Decrease (increase) in venture capital investments	(2,476)	1,826
Decrease (increase) in investments related to financial services	(95,688)	89,523
Decrease (increase) in liabilities related to financial services	29,233	1,176
Decrease (increase) in cash segregated as deposits related to securities business	13,502	6,081
Decrease (increase) in trading assets related to securities business	8,854	(35)
Decrease (increase) in trade date accrual related to securities business	-	(2,777)
Decrease (increase) in receivables related to margin transactions	44,999	25,601
Decrease (increase) in loan secured by securities	6,913	2,737
Increase (decrease) in trading liabilities related to securities business	(6,577)	(2,059)
Increase (decrease) in payables related to margin transactions	(36,517)	(5,458)
Increase (decrease) in deposits received and guarantee deposits received from customers related to securities business	(11,874)	(11,006)
Others net	4,921	2,089
Subtotal	(18,296)	(4,053)
Interest and dividends income received	3,251	2,085
Interest expenses paid	(1,578)	(2,093)
Income taxes paid	(16,503)	(1,654)
Proceeds from refund of income taxes	2,763	-
Net cash used in operating activities	(30,363)	(5,715)
Cash flows from investing activities		
Increase (decrease) in time deposit, net	(2,966)	3,043
Net proceeds from sales and purchases of marketable securities	1,094	4,478
Purchase of property and equipment	(11,916)	(13,791)
Purchases of intangible assets	(10,647)	(5,943)
Purchases of investments in securities	(7,245)	(9,245)
Proceeds from sales of investments in securities	3,616	8,971
Expenditure for acquisition of subsidiaries' stocks	(197)	-
Others net	308	89
Net cash used in investing activities	(27,954)	(12,398)

	Fiscal year 2008 From Apr. 1, 2007 To Mar. 31, 2008	Fiscal year 2009 From Apr. 1, 2008 To Mar. 31, 2009
Cash flows from financing activities		
Increase (decrease) in short-term bank loans, net	47,437	(67)
Repayment of long-term debt	-	(5,157)
Redemption of corporate bonds	(21,208)	-
Issuance of common stock	870	-
Purchases of treasury stock	(12,238)	-
Cash dividends paid	(2,949)	(1,414)
Other net	289	(42)
Net cash provided by (used in) financing activities	12,200	(6,681)
Effect of exchange rate changes on cash and cash equivalents	(130)	(239)
Net increase (decrease) in cash and cash equivalents	(46,247)	(25,035)
Cash and cash equivalents, at beginning	105,447	59,200
Decrease in cash and cash equivalents resulting from exclusion of subsidiaries from consolidation	-	(281)
Cash and cash equivalents, at end	59,200	33,882

(5) Assumptions for Going Concern

None

(6) Significant Accounting Policies of Consolidated Financial Statements

1. Range of consolidation

(1) Consolidated subsidiaries: 87

JIEC Co., Ltd., VeriServe Corporation, Cosmo Securities Co., Ltd. and other 84 companies

3 anonymous associations, 1 investment partnerships, 1 limited liability partnership(LLP) and other 2 companies are newly consolidated from this fiscal year.

8 anonymous association, 1 investment partnerships, 1 limited liability partnership(LLP) and other 2 companies are excluded from consolidation this fiscal year.

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

Non-consolidated subsidiaries are 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 Panasonic Business Systems Corporation(former name: M&C Business 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 28, 2 anonymous associations have fiscal year-ended January 31, 31 anonymous associations, 2 investment partnerships and other 4 companies have fiscal year-ended December 31.

Furthermore, 6 anonymous associations have fiscal year-ended November 30. Consequently, these subsidiaries conduct trial settlement date of February 28, for the purpose of preparing the consolidated fiscal year-ends. 3 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 March 31, the consolidated fiscal year-end. 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 (write-down amount of book value as a result of declines in profitability).

(Change in accounting policy)

Inventories held for sales in the ordinary course of business were previously measured for mainly under the actual cost method, or moving-average method. “Accounting Standards for Measurement of Inventories” ((Accounting Standards Board of Japan Statement No9 issued on July 5, 2006) have been adopted for the year ended March 31, 2009.

As a result, Operating loss, Ordinary loss and Loss before income taxes and minority interests increased by ¥81,059 million.

(2) Depreciation method for fixed assets

1) Tangible fixed assets (except for Lease assets)

Accelerated depreciation 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. 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.

Main useful live are as follows:

Buildings and structures: 2 – 50 years

2) Intangible fixed assets (except for Lease 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) Lease assets

Regarding lease assets related to finance lease transactions other than those involving transfer of ownership to the lessees, a straight line depreciation method with the lease period calculated as useful life and the remaining amount as zero has been adopted.

Finance lease transactions where the lease transaction commencement was prior to March 31, 2008, have been dealt with according to accounting procedures conforming to methods relating to operating lease transactions.

(Change in accounting policy)

Lease assets related to finance lease transactions other than those involving transfer of ownership to the lessees, have so far been dealt with according to accounting procedures conforming to methods relating to lease transactions, but “Accounting Standards to Lease Transactions,” (Accounting Standards Board of Japan Statement No 13, issued on June 17, 1993 (Accounting Standards Board of Japan First Sub-committee) and revised on March 30,2007) and “Application Guidelines on Accounting Standards to Lease Transactions” (Accounting Standards Board of Japan Guidelines No 16, issued on January 18, 1994 (the Japanese Institute of Certified Public Accountants Accounting System Committee,) and revised on March 30, 2007) have been applied from the year under review, and dealt with via accounting procedures related to standard sales transactions.

There has been no material impact on profit and loss compared to the previous method.

(3) Deferred assets

Equity costs are 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) 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.

5) Allowance for loss on cancellation penalty

The projected amount of potential losses is calculated deemed necessary as of the end of the fiscal year in question, against sales contract penalties which may arise in the future in line with the discontinuing construction of the head office building.

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) 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.

(7) 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".

(8) 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.

(Change in accounting policy)

Prior to April 1, 2008, Income generated by funds received against card obligations was originally reported as non-operating profit, but this has been changed and the income is reported as sales and operating profit from the fiscal year beginning on April 1, 2008.

This change has been made in order to reflect the relationships between income and costs in the financial statement and display operating realities more clearly, reviewing the accounting procedures related to the increased income from the increased issuance of gift cards. The income in question corresponds to card user benefits, and furthermore, the transaction fees in line with card usage and income generated by funds received against card obligations function in a mutually complementary manner, and these integrate to maintain operating activities.

In line with this change, Operating revenue rose ¥383 million while Operating loss decreased by the same figure compared to existing methods, but there was no material impact on Ordinary loss or Loss before income taxes and minority interests.

Impact of segment information is presented under segment information

(9) 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.

(7)Changes in Method of Presentation

Consolidated statements of income

1. "Foreign exchange loss ", ¥143 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 investment in partnership ", which has been included in "Others" under "Non-operating expenses ", ¥44 million, in previous fiscal year is expressed independently because it is material to the consolidated statements of income as a whole.
3. "Gain from transfer of business ", which has been included in "Others" under "Extraordinary gains", ¥11 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. "Decrease (increase) in trade date accrual related to securities business", which has been included in "Others net" under "Cash flows from operating activities", ¥(223) million, in previous fiscal year is expressed independently because it is material to the consolidated statements of cash flows as a whole.
2. "Purchases of treasury stock", which has been accounted independently as an item of "Cash flows from financing activities" in previous fiscal year, is ¥(23) million and included in "Others net" of "Cash flows from financing activities" in this fiscal year, because it is immaterial to the consolidated statements of cash flows as a whole.

(8)Notes to Consolidated Financial Statements

1. Consolidated balance sheets

(millions of yen)

	As of Mar. 31	
	2008	2009
(1) Accumulated depreciation of tangible fixed assets	15,721	18,251

(2) Investments related to financial services

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 real 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 (non-recourse loans are involved.) ¥38,684 million.

Liabilities related to financial services are the liability of anonymous associations that are consolidated subsidiaries, and mainly consist of short-term bank loans payable.

As of Mar. 31, 2009

"Investments related to financial services" mainly consists of investments in anonymous associations, ¥19,493 million, shares, ¥3,457 million and real estates, ¥62,612 million.

In shares, shares with the current price, ¥579 million, are involved.

Main of Liabilities related to financial services is short-term bank loans payable (non-recourse loans are involved.) ¥38,001 million.

Assets related to financial services are the assets of anonymous associations that are consolidated subsidiaries, sand mainly consist of real estates. Liabilities related to financial services are the liabilities of anonymous associations that are consolidated subsidiaries, sand mainly consist of short-term bank loans payable.

(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 35 companies as of Mar. 31, 2009, 32 companies as of Mar. 31, 2008.

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	
	2008	2009
Total availability granted by CMS	280	80
Used portion of credit line	230	－
Remaining portion of credit line	50	80

Furthermore, as the aforementioned CMS operational basic contract includes elements for which fund use is restricted, the entire amount is not necessarily loaned out.

Borrower

The Company and consolidated subsidiaries have 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 is as follows:

(millions of yen)

	As of Mar. 31	
	2008	2009
Total availability granted	30,000	40,000
Used portion of credit line	21,000	35,929
Remaining portion of credit line	9,000	4,070

(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".

As of Mar. 31, 2009

The law that declines to account for "Reserve for financial products transaction liabilities" under "Statutory reserve" is “the Financial Instruments and Exchange Act No. 46 part 5".

(Change in accounting policy)

In line with the enforcement of “the Financial Instruments and Exchange Act No. 46,” financial instrument transactions underwriting reserves based on Article 46 part 5 of that law, shall be reported as figures calculated as stipulated in Article 175 of the “Cabinet Order Relating to Financial Instrument Transactions etc,” from the business year in question.

This change has resulted in that Loss before income taxes and minority interests decreased by ¥320 million when compared to methods used in the previous fiscal year.

2. Consolidated statements of income

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.

For the year ended March 31, 2009

(1)The write-downs of book values for inventories held for sales in the ordinary course of business due to decreased profitability

	(millions of yen)
Operating costs	81,058
Extraordinary loss	0
Total	81,059

(2) A breakdown of impairment losses in extraordinary losses is as follows.

1) The company declares the following impairment losses.

Location or Company	Use	Classification
Cosmo Securities Co., Ltd.	Business property	Software Buildings and annexed facilities Equipment and fixtures Buildings Structures
CSK Chikaracho Bldg (Nagoya-city, Aichi)	Business property	Buildings Buildings and annexed facilities Land
Nihombashi Honcho Tokyu Bldg. (Chuo-ku, Tokyo)	Business property	Software Software in progress Lease asset Equipment and fixtures Buildings and annexed facilities
Cosmo Securities Co., Ltd.	Others	Goodwill

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 ¥14,721 million was recorded, mainly comprising losses of ¥2,472 million on software in progress, ¥1,925 million on software and ¥1,089 million on land.

Of these assets presented in the breakdowns, the impairment loss for goodwill is mainly related to investments in our subsidiary Cosmo Securities Co., Ltd.

As income anticipated at the time of stock exchanges for Cosmo Securities Co., Ltd. can no longer be expected, the total ¥6,585 million amount of goodwill has been written off as an impairment loss.

Furthermore, the recoverable amount has been measured based on value in use, and calculated by discounting cash flows at interest rate at 2.2%.

(3) Losses as a result of business reorganization are losses due to the reorganization of our securities business, and their breakdown is as follows.

	(millions of yen)
Loss on disposal of fixed assets	689
Others	529
Total	1,218

(4) A breakdown of losses related to the discontinuing construction is as follows.

Furthermore, provision of allowance for loss on cancellation penalty have been appropriated as the projected amount of potential losses deemed necessary at the end of the fiscal year, against sales contract penalties which may arise in the future in line with the discontinuing construction of a Head office building.

	(millions of yen)
Provision of allowance for loss on cancellation penalty	1,811
Loss on impairment of fixed assets	144
Others	587
Total	2,542

3. Consolidated statements of changes in net assets

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

For the year ended March 31, 2009

(1) Types and numbers of outstanding shares

(shares)

	As of Mar. 31, 2008	Increase	Decrease	As of Mar. 31, 2009
Common stock	78,670,524	1,619,890	-	80,290,414

Note: Increase of 1,619,890 common stocks was due to a share for share exchange to make Cosmo Securities Co., Ltd., the Company's wholly owned subsidiary.

(2) Types and numbers of treasury stock

(shares)

	As of Mar. 31, 2008	Increase	Decrease	As of Mar. 31, 2009
Common stock	8,121,892	37,616	8,127,014	32,494

Notes: 1. Increase of 13,924 common stocks was due to purchase of stocks less than a trading unit.

2. Increase of 23,692 common stocks was due to the fact that in line with the making of Cosmo Securities Co., Ltd., into a wholly owned subsidiary those treasury shares held by the aforementioned company became common stock for treasury at the company

3. Decrease of 8,122,541 common stocks was due to a share for share exchange to make Cosmo Securities Co., Ltd., the Company's wholly owned subsidiary.

4. Decrease of 4,473 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. 26, 2008	Common stock	1,410	20	Mar. 31, 2008	June. 27, 2008

4. Consolidated statements of cash flows

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

(millions of yen)

	As of Mar.31	
	2008	2009
Cash and time deposits	64,012	36,309
Marketable securities	11,701	11,159
Total	75,714	47,468
Less: Time deposits with original maturities of more than three months or those submitted as collateral for loans	(5,896)	(2,804)
Less: Equity securities and other marketable securities with original maturities of more than three months	(10,617)	(10,780)
Cash and cash equivalents	59,200	33,882

(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, 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
	For the year ended Mar. 31, 2009						
	IT services business	Financial services business	Securities business	Prepaid card business	Total	Elimination and corporate	Consolidated Total
Operating revenue:							
Outside customers	184,441	3,470	15,600	2,587	206,099	-	206,099
Inter-segment sales/transfers	6,352	2	21	155	6,532	(6,532)	-
Total	190,793	3,473	15,621	2,743	212,631	(6,532)	206,099
Costs and expenses	182,008	119,084	23,490	2,559	327,142	2,024	329,166
Operating income(loss)	8,785	(115,611)	(7,868)	183	(114,510)	(8,556)	(123,066)
Assets	67,833	116,907	89,604	51,449	325,795	38,136	363,931
Depreciation	4,165	39	1,125	126	5,456	1,596	7,053
Loss on impairment of fixed assets	3,243	311	10,176	12	13,745	1,145	14,890
Capital expenditure	7,167	5	1,230	52	8,456	11,974	20,430

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

Segment	Major products and services
IT services business:	Software development, systems integration, facilities management, business process outsourcing and other related services Computer and other product sales, engineering of intelligent buildings, intelligent buildings lease
Financial services business:	Investment in venture companies, investment in anonymous associations, real estate, equity securities and others, management of investment trust
Securities business:	Securities business and other related services
Prepaid card business:	Issuance and settlement of prepaid cards, development and sales of card systems

2. "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, 2008 and 2009 were expenses of 10,222 million yen and 14,911million yen, respectively. These costs were management expenses for group companies incurred at the Company.

(Change in accounting policy)

Application of accounting standards of measurement of Inventories.

As outlined in "Significant Accounting Policies of Consolidated Financial Statements, 4 (1) 3)", the Company has changed the measurement of Inventories since this period. As a result, compared to the previous method “Operating income” and Assets are decreased by 4 million yen in the IT services business, by 81,054 million yen in the Financial services business, by 1 million yen in the Prepaid card business in each of these segments.

Change in accounting for prepaid card business.

As outlined in "Significant Accounting Policies of Consolidated Financial Statements, 4 (8)", the Company has changed the measurement of Inventories since this period.

As a result, compared to the previous method “Operating revenue” and “Operating income” increased by ¥383 million in the

Prepaid card business, and Assets increased by ¥16,268 and "eliminations and corporate" decreased by the same amounts.

2. Segment Information for geographic locations

Segment information for geographic locations is omitted for the year ended March 31, 2008 and 2009 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, 2008 and 2009 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, 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	-

2. As of and for the year ended Mar. 31, 2009

Ⅰ Trading securities (Trading securities with market values)

(millions of yen)

	As of Mar. 31, 2009		
	Assets	Liabilities	Unrealized gains (losses)
Equity securities	35	23	(4)
Bonds	6,760	505	87
Beneficiary securities	-	-	-
Total	6,796	529	82

Ⅱ Held-to-maturity bonds with market values

(millions of yen)

		As of Mar. 31, 2009		
		Carrying amount	Fair market value	Difference
Fair market value exceeds carrying amount	Government bonds and municipal bonds	23,968	24,165	197
	Corporate bonds	-	-	-
	Other bonds	-	-	-
	Subtotal	23,968	24,165	197
Fair market value do not exceed carrying amount	Government bonds and municipal bonds	-	-	-
	Corporate bonds	-	-	-
	Other bonds	-	-	-
	Subtotal	-	-	-
Total		23,968	24,165	197

Ⅲ Available-for-sale securities with market values

(millions of yen)

		As of Mar. 31, 2009		
		Acquisition Cost	Fair market value	Difference
Fair market value exceeds acquisition cost	Equity securities	4,267	6,050	1,783
	Bonds:			
	Government bonds and municipal bonds	-	-	-
	Corporate bonds	-	-	-
	Other bonds	-	-	-
	Other	5,255	5,306	50
	Subtotal	9,522	11,356	1,834
Fair market value do not exceed acquisition cost	Equity securities	3,376	2,387	(989)
	Bonds:			
	Government bonds and municipal bonds	10	10	(0)
	Corporate bonds	100	92	(7)
	Other bonds	-	-	-
	Other	4,244	3,177	(1,067)
	Subtotal	7,730	5,666	(2,064)
Total		17,253	17,023	(230)

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, 2009

(millions of yen)

For the year ended Mar. 31, 2009		
Proceeds from sales	Gross gains related to sales	Gross losses related to sales
19,986	2,186	4,210

Ⅴ Major components of debt and equity securities without market values

(millions of yen)

	As of Mar. 31, 2009
	Carrying amount
Held-to-maturity Bonds	-
Available-for-sale securities:	
Negotiable deposit	-
Money management fund	378
Unlisted stock	7,572
Unlisted bonds	95
Investment in partnerships	4,059
Investment in anonymous associations	19,493
Investments in unconsolidated subsidiaries and affiliates	1,100

Ⅵ Redemption schedule for held-to-maturity bonds and available-for-sale securities with maturity, as of Mar. 31, 2009 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	10,780	12,006	1,196	-
Corporate bonds	-	60	92	-
Other bonds	-	-	-	-
Others	4	-	7,964	-
Total	10,784	12,066	9,253	-

Per Share Information

(yen)

Fiscal Year 2008 (As of Mar. 31, 2008)		Fiscal Year 2009 (As of Mar. 31, 2009)	
Shareholders' equity per share	2,317.18	Shareholders' equity per share	251.40
Net income per share	17.34	Net loss per share	2,097.39
Diluted net income per share	15.46	Furthermore, net income per share of residual securities following adjustment shall not be listed as this is a net loss per share, even while residual securities exist.	

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

1. Shareholders' equity per share

	Fiscal Year 2008 (As of Mar. 31, 2008)	Fiscal Year 2009 (As of Mar. 31, 2009)
Net assets (millions of yen)	185,495	25,247
Net assets related to common stock (millions of yen)	163,473	20,176
Principal factors underlying difference (millions of yen) Minority interests	22,021	5,070
Number of shares outstanding at the end of fiscal year (thousands of shares)	78,670	80,290
Number of treasury stock at the end of fiscal year (thousands of shares)	8,121	32
Common stock figure used for calculating net assets per share (thousands of shares)	70,548	80,257

2. Net income(loss) per share

	Fiscal Year 2008 (As of Mar. 31, 2008)	Fiscal Year 2009 (As of Mar. 31, 2009)
Net income(loss) (millions of yen)	1,272	(161,529)
Net income(loss) related to common stock (millions of yen)	1,272	(161,529)
Amount not attributable to common shareholders (millions of yen)	-	-
Average number of shares outstanding during term (thousands of shares)	73,367	77,014

3. Diluted net income per share*

	Fiscal Year 2008 (As of Mar. 31, 2008)	Fiscal Year 2009 (As of Mar. 31, 2009)
Net income adjustment (millions of yen)	11	-
(Of which, effect from dilution of affiliated company stock (millions of yen))	(45)	-
(Of which, Interest expenses (after deducting tax) (millions of yen))	56	-
Increase in common stock (thousands of shares)	9,667	-
(Of which, warrant rights)	11	-
(Of which, share warrants)	16	-
(Of which, convertible bonds payable)	9,639	-

* 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

* Outline of residual stock not included in diluted net income per share due to lack of diluted effect at Mar. 31, 2009:

Company name	Diluted net income per share	Number of shares
CSK HOLDINGS CORPORATION	Bonds with detachable warrants (Approved on June 25, 2004) The share right exercise period is ended in this fiscal year.	9,695
	Bonds with detachable warrants (Approved on June 28, 2005)	11,224
VeriServe Corporation	Bonds with detachable warrants	278

Subsequent events

None

Notes omitted

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

- Lease transaction
- Related party transactions
- Income taxes
- Derivative
- Retirement benefits
- Stock options
- Business combinations

5. Financial Statements (Non-Consolidated)

(1) Non-Consolidated Balance Sheets

(millions of yen)

	Fiscal year 2008 (As of Mar. 31, 2008)	Fiscal year 2009 (As of Mar. 31, 2009)
Assets		
Current assets		
Cash and time deposits	22,846	9,811
Accounts receivable	5	7
Operating accounts receivable	875	926
Prepaid expense	441	667
Deferred income taxes	100	-
Short-term loans to subsidiaries and affiliates	138,060	164,146
Other accounts receivable	6,583	4,193
Income taxes refundable	4,184	2,302
Other current assets	647	699
Allowance for doubtful accounts	(1,591)	(92,528)
Total current assets	172,154	90,226
Fixed assets		
Tangible fixed assets		
Buildings	12,808	12,478
Structures	563	455
Vehicles	1	0
Equipments and fixtures	1,096	951
Land	9,518	17,487
Construction in progress	-	419
Total tangible fixed assets	23,988	31,793
Intangible fixed assets		
Trademark rights	6	5
Software	1,207	1,898
Other intangible fixed assets	374	0
Total intangible fixed assets	1,588	1,904
Investments and other assets		
Investments in securities	25,187	13,789
Investments in subsidiaries and affiliates	99,113	78,953
Investment in other securities of subsidiaries and affiliates	5,752	2,422
Long-term loans receivable	14	14
Long-term loans to employees	37	32
Long-term loans to subsidiaries and affiliates	22,532	22,553
Deferred income taxes	19	-
Fixed leasehold deposits	4,409	5,171
Other assets	1,394	1,200
Allowance for doubtful accounts	(3,722)	(12,994)
Total investments and other assets	154,737	111,144
Total fixed assets	180,315	144,841
Total assets	352,469	235,068

(millions of yen)

	Fiscal year 2008 (As of Mar. 31, 2008)	Fiscal year 2009 (As of Mar. 31, 2009)
Liabilities		
Current liabilities		
Short-term bank loans payable	36,500	70,700
Commercial paper	14,000	-
Other accounts payable	5,078	3,450
Accrued expenses	898	1,431
Accrued income taxes	64	217
Customer advances	40	12
Short term deposits received	71,866	57,495
Accrued bonuses to employees	143	127
Allowance for loss on cancellation penalty	-	1,811
Other current liabilities	1	-
Total current liabilities	128,592	135,246
Long-term liabilities		
Corporate bonds payable	20,000	20,000
Convertible bonds payable	56,792	56,792
Deferred tax liabilities	-	212
Accrued directors’ retirement benefits	100	81
Long term deposits received	-	7,000
Guarantee deposits received	2,460	2,680
Total long-term liabilities	79,352	86,767
Total liabilities	207,944	222,013
Net assets		
Shareholders' equity		
Common stock	73,225	73,225
Capital surplus		
Additional paid-in capital	28,871	28,871
Other capital retained earnings	7,028	-
Total capital surplus	35,899	28,871
Retained earnings		
Legal reserve	62	62
Other retained earnings		
General reserve	71,821	61,821
Carrying forward earned surpluses	(5,717)	(149,698)
Total retained earnings	66,166	(87,814)
Treasury stock, at cost	(31,614)	(9)
Total shareholders' equity	143,677	14,272
Valuation, translation adjustments and other		
Net unrealized gains(losses) on securities	848	(1,217)
Net unrealized gains (losses) on hedging derivatives	(0)	-
Total valuation, translation adjustments and other	847	(1,217)
Total net assets	144,524	13,054
Total liabilities and net assets	352,469	235,068

(2) Non-Consolidated Statements of Operations

(millions of yen)

	Fiscal year 2008 From Apr. 1, 2007 To Mar. 31, 2008	Fiscal year 2009 From Apr. 1, 2008 To Mar. 31, 2009
Operating revenue	12,986	13,792
Operating expenses	10,379	14,550
Operating income (loss)	2,607	(757)
Non-operating income		
Interest income	2,372	3,117
Dividend income	274	-
Facilities rent income	894	1,279
Others	456	1,160
Total non-operating income	3,999	5,557
Non-operating expenses		
Interest expenses	626	1,687
Interest on corporate bonds	396	269
Loss on sales of investments in securities	288	727
Loss on investments in partnerships	598	3,596
Others	272	326
Total non-operating expenses	2,182	6,606
Ordinary income (loss)	4,423	(1,806)
Extraordinary gains		
Gain on sales of investments in subsidiaries and affiliates	301	2
Compensation Income	95	-
Others	6	0
Total extraordinary gains	404	3
Extraordinary losses		
Loss on impairment of fixed assets	-	1,527
Loss on write-down of investments in subsidiaries and affiliates	8,809	44,565
Provision for allowance for doubtful accounts	5,029	100,277
Loss on discontinuing construction of head office	-	2,542
Others	806	1,394
Total extraordinary losses	14,646	150,308
Loss before income taxes	(9,818)	(152,112)
Income taxes : Current	(1,007)	(835)
Income taxes : Refund	(911)	-
Income taxes : Deferred	(474)	913
Total Income taxes	(2,394)	78
Net loss	(7,423)	(152,190)

(3) Non-consolidated Statement of Changes in Net Assets

(millions of yen)

	Fiscal year 2008 as of Mar. 31, 2008	Fiscal year 2009 as of Mar. 31, 2009
Shareholders' equity		
Common stock		
Balance at end of the previous year	72,790	73,225
Change in the fiscal year		
Exercise of stock options	435	-
Total of change in the fiscal year	435	-
Balance at end of the fiscal year	73,225	73,225
Capital surplus		
Additional paid-in capital		
Balance at end of the previous year	28,436	28,871
Change in the fiscal year		
Exercise of stock options	435	-
Total change in the fiscal year	435	-
Balance at end of the fiscal year	28,871	28,871
Other capital retained earnings		
Balance at end of the previous year	7,075	7,028
Change in the fiscal year		
Issuance of new stock	-	4,025
Disposal of treasury stock	(47)	(2)
Disposal of treasury stock by share exchange	-	(11,051)
Total change in the fiscal year	(47)	(7,028)
Balance at end of the fiscal year	7,028	-
Total capital surplus		
Balance at end of the previous year	35,511	35,899
Change in the fiscal year		
Exercise of stock options	435	-
Issuance of new stock	-	4,025
Disposal of treasury stock	(47)	(2)
Disposal of treasury stock by share exchange	-	(11,051)
Total change in the fiscal year	387	(7,028)
Balance at end of the fiscal year	35,899	28,871
Retained earnings		
Legal reserve		
Balance at end of the previous year	62	62
Change in the fiscal year	-	-
Total change in the fiscal year	-	-
Balance at end of the fiscal year	62	62
Other retained earnings		
General reserve		
Balance at end of the previous year	67,321	71,821
Change in the fiscal year		
Provision for general reserve	4,500	-
Reversal of general reserve	-	(10,000)
Total change in the fiscal year	4,500	(10,000)
Balance at end of the fiscal year	71,821	61,821

(millions of yen)

	Fiscal year 2008 as of Mar. 31, 2008	Fiscal year 2009 as of Mar. 31, 2009
Carrying forward earned surpluses		
Balance at end of the previous year	9,162	(5,717)
Change in the fiscal year		
Provision for general reserve	(4,500)	-
Reversal of general reserve	-	10,000
Cash dividend	(2,956)	(1,410)
Net loss	(7,423)	(152,190)
Disposal of treasury stock by share exchange	-	(379)
Total change in the fiscal year	(14,879)	(143,981)
Balance at end of the fiscal year	(5,717)	(149,698)
Total retained earnings		
Balance at end of the previous year	76,546	66,166
Change in the fiscal year		
Provision for general reserve	-	-
Reversal of general reserve	-	-
Cash dividend	(2,956)	(1,410)
Net loss	(7,423)	(152,190)
Disposal of treasury stock by share exchange	-	(379)
Total change in the fiscal year	(10,379)	(153,981)
Balance at end of the fiscal year	66,166	(87,814)
Treasury stock, at cost		
Balance at end of the previous year	(19,649)	(31,614)
Change in the fiscal year		
Repurchase of treasury stock	(12,099)	(17)
Disposal of treasury stock	134	6
Disposal of treasury stock by share exchange	-	31,615
Total change in the fiscal year	(11,965)	31,604
Balance at end of the fiscal year	(31,614)	(9)
Total shareholders' equity		
Balance at end of the previous year	165,199	143,677
Change in the fiscal year		
Exercise of stock options	870	-
Issuance of new stock	-	4,025
Provision for general reserve	-	-
Reversal of general reserve	-	-
Cash dividend	(2,956)	(1,410)
Net loss	(7,423)	(152,190)
Repurchase of treasury stock	(12,099)	(17)
Disposal of treasury stock	86	4
Disposal of treasury stock by share exchange	-	20,184
Total change in the fiscal year	(21,522)	(129,404)
Balance at end of the fiscal year	143,677	14,272

(millions of yen)

	Fiscal year 2008 as of Mar. 31, 2008	Fiscal year 2009 as of Mar. 31, 2009
Valuation, translation adjustments and other		
Net unrealized gains (losses) on securities		
Balance at end of the previous year	4,818	848
Change in the fiscal year		
Net change in items other than shareholders' equity	(3,970)	(2,065)
Total change in the fiscal year	(3,970)	(2,065)
Balance at end of the fiscal year	848	(1,217)
Net unrealized gains(losses) on hedging derivatives		
Balance at end of the previous year	0	(0)
Change in the fiscal year		
Net change in items other than shareholders' equity	(0)	0
Total change in the fiscal year	(0)	0
Balance at end of the fiscal year	(0)	-
Total valuation, translation adjustments and other		
Balance at end of the previous year	4,818	847
Change in the fiscal year		
Net change in items other than shareholders' equity	(3,971)	(2,065)
Total change in the fiscal year	(3,971)	(2,065)
Balance at end of the fiscal year	847	(1,217)
Total net assets		
Balance at end of the previous year	170,018	144,524
Change in the fiscal year		
Exercise of stock options	870	-
Issuance of new stock	-	4,025
Provision for general reserve	-	-
Reversal of general reserve	-	-
Cash dividend	(2,956)	(1,410)
Net loss	(7,423)	(152,190)
Repurchase of treasury stock	(12,099)	(17)
Disporsal of treasury stock	86	4
Dispasal of treasury stock by share exchange	-	20,184
Net change in items other than shareholders' equity	(3,971)	(2,065)
Total change in the fiscal year	(25,493)	(131,470)
Balance at end of the fiscal year	144,524	13,054