May 12, 2010

Financial Report for the Fiscal Year 2010, Ended March 31, 2010 (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 25, 2010
Date of the Securities Report: June 28, 2010

(Figures are rounded down to the nearest million yen)

1. Business Results for the Fiscal Year 2010 (From April 1, 2009 to March 31, 2010)

(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 2010	169,518	(17.7)	4,176	-	2,919	-	(59,180)	-
Fiscal Year 2009	206,099	(14.0)	(123,066)	-	(122,479)	-	(161,529)	-

	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 2010	(720.62)	-	(383.8)	0.9	2.5
Fiscal Year 2009	(2,097.39)	-	(175.9)	(26.8)	(59.7)

Reference) Equity in net income of unconsolidated subsidiaries and affiliates
Fiscal Year 2010: 15 million yen Fiscal Year 2009: - million yen

(2) Financial position

	Total assets	Net assets	Shareholders' equity ratio	Shareholders' equity per share
	million yen	million yen	%	yen
Fiscal Year 2010	267,749	15,807	4.0	(241.34)
Fiscal Year 2009	363,931	25,247	5.5	251.40

Reference) Shareholders' equity
Fiscal Year 2010: 10,660 million yen Fiscal Year 2009: 20,176 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 2010	5,500	6,531	(1,969)	43,394
Fiscal Year 2009	(5,715)	(12,398)	(6,681)	33,882

2. Dividends

	Dividends per share					Total dividends paid	Dividends payout Ratio (Consolidated)	Ratio of dividends / Net assets (Consolidated)
(Date of Standard)	1st quarter-end	2nd quarter-end	3rd quarter-end	Year-end	Annual			
	yen	yen	yen	yen	yen	million yen	%	%
Fiscal Year 2009	-	0.00	-	0.00	0.00	0	-	-
Fiscal Year 2010	-	0.00	-	0.00	0.00	0	-	-
Fiscal Year 2011 (forecast)	-	0.00	-	0.00	0.00		-	

3. Earnings Forecast for the Fiscal Year 2011 (From April 1, 2010 to March 31, 2011)

(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	72,000	(14.9)	2,500	-	2,200	-	(6,800)	-	(54.09)
Full-year	160,000	(5.6)	10,000	139.4	9,300	218.5	500	-	3.98

4. Others

(1) Changes in the state of material subsidiaries during the period (Changes regarding specific companies accompanying changes in the scope of consolidation) : Yes

Newly added -
Excluded 10

(2) Changes on the basis of consolidated financial statements preparation

① Related to accounting standard revisions etc. : Yes
② Other changes : None

(3) Outstanding shares (Common shares)

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

Fiscal Year 2010 : 125,747,714 shares Fiscal Year 2009: 80,290,414 shares

② Number of treasury stock

Fiscal Year 2010 : 35,499 shares Fiscal Year 2009 : 32,494 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 2010 (From April 1, 2009 to March 31, 2010)

(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 2010	17,255	25.1	7,937	-	5,350	-	(50,966)	-
Fiscal Year 2009	13,792	6.2	(757)	-	(1,806)	-	(152,190)	-

	Net income per share	Diluted net income per share
	yen	yen
Fiscal Year 2010	(620.42)	-
Fiscal Year 2009	(1,975.73)	-

(2) Non-consolidated financial position

	Total assets	Net assets	Shareholders' equity ratio	Shareholders' equity per share
	million yen	million yen	%	yen
Fiscal Year 2010	171,965	9,963	5.5	(250.55)
Fiscal Year 2009	235,068	13,054	5.6	162.61

Reference) Shareholders' equity

Fiscal Year 2010: 9,496 million yen Fiscal Year 2009: 13,054 million yen

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

Operating revenue increased 25.1% compared to the previous fiscal year due to increase of dividend extra from CSK Group (“the Group”) companies.

Operating income and Ordinary income resulted in profit because Operating revenue increased and operating expenses decreased due to cost curtailment.

Net loss was 50.9 billion yen due to “Loss on transfer of loans receivable to subsidiaries and affiliates” and “Provision of allowance for doubtful accounts”.

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

Since descriptions about future events, for instance, earnings forecast for March, 2011 are estimation, results may differ from this estimation due to changes of several economic conditions. For further information about the forecasts, please refer to the page 6.

*** 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 domestic economy began to show some recovery trend, influenced in part by the effect of government's economic stimulus measures, but corporate earnings generally remained weak in a severe environment characterized by tight controls on capital investment and progress of deflation. Consumer sentiment remained low amid widespread uncertainty over employment and income, and the economic outlook remained unclear.

In IT services business, poor corporate earnings meant that investment in IT remained under tight control, and the business environment was tough.

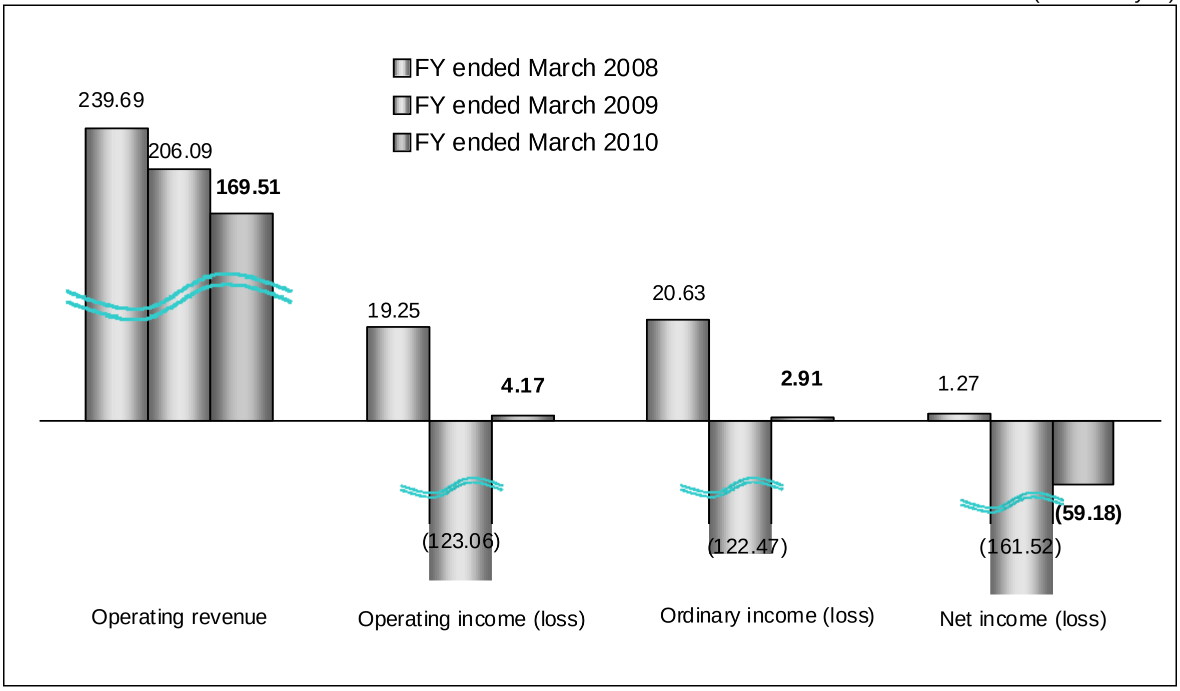
In prepaid card business, the rapid worsening of the economic environment led to a decline in the corporate gift market, but business in other areas of the market developed steadily on the back of rapid growth in the use of non-contact IC Card type electronic money, such as in shared IC Cards for transportation systems. Higher numbers of member outlets, expansion of the gift card market, and Eco-Points exchanges all contributed to an increase in new demand.

In securities business, the Nikkei stock index recovered to the ¥11,000 level by the end of March 2010, supported by an easing of the credit worry, the effects of government's economic stimulus measures, and rising in the U.S. stock market. However, share prices tracked mainly sideways, with trends in the global economic outlook remaining closely watched, and although sentiment began to turn toward a recovery in performance, a rapid recovery remained unlikely. Note: As of April 2010, the CSK Group (the Group) has withdrawn from the securities business with the transfer of all shares in the relevant consolidated subsidiary.

In the context of this business environment, the company during the fiscal year under review primarily focused on three management policies: "restoring trust", "restoring profitability", and "restoring growth". The details can be found from page 5 onwards, in *Rebuilding the CSK brand*.

For the consolidated financial results for the fiscal year ended March 31, 2010 decreased 17.7% to ¥169.51 billion. Operating income was ¥4.17 billion, compared to an operating loss of ¥123.06 billion in the previous fiscal year 2009. Ordinary income was ¥2.91 billion, compared to an ordinary loss of ¥122.47 billion recorded in the previous fiscal year 2009, and a net loss of ¥59.18 billion compared to a net loss in the previous fiscal year of ¥161.52 billion.

(billions of yen)



In the IT services business, sales decreased 20.8% year on year, influenced by a decrease in sales to clients in the electrical, precision equipment and logistics equipment-related areas of the manufacturing industry, and also by the absence of large bank merger projects and equipment sales to credit finance clients that contributed to sales in fiscal year 2009. Prepaid card business and securities business produced sound results. In consequence, Operating revenue decreased 17.7% to ¥169.51 billion.

Operating income of ¥4.17 billion was recorded, reflecting a significant improvement on the operating loss of ¥123.06 billion recorded in the previous fiscal year. In the IT services business, a decline in operating revenue was recovered by progress made in cost-reduction measures, and operating income increased 28.9% to ¥11.32 billion. In the securities business, cost-reduction initiatives implemented in fiscal year 2009 contributed to operating income of ¥0.14 billion, compared to an operating loss in fiscal year of ¥7.86 billion, which absorbed all-company expenses and operating losses in Other business.

Ordinary income of ¥2.91 billion was recorded, compared to an ordinary loss of ¥122.47 billion recorded in fiscal year 2009.

Despite an increase in Hoard profit of prepaid card deposits, ordinary income was affected by non-operating expenses such as interest expense, stock issuance cost from capital increase, commission fee and other non-operating expenses.

A net loss of ¥59.18 billion was recorded, compared to the net loss of ¥161.52 billion recorded in fiscal year 2009. This reflected loss on withdrawal from the real estate securitization business, special retirement expenses and others of ¥64.09 billion.

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 centers, BPO*, verification, etc.
Prepaid card business	QUO Card issuance and settlement services
Securities business	Comprehensive securities services
Other business	Investment in securities, venture capital business, etc.

IT services business

In technology services, systems integration sales to clients in the electrical, precision equipment and logistics equipment-related areas of the manufacturing industry declined, with an additional downward influence from the absence of large bank and trust bank merger projects and large-scale hard-wares sales to credit finance clients that boosted sales in fiscal year 2009.

Business services saw increases in Fulfillment* service sales, but sales of contact center services and product verification services lagged. As a result, Operating revenue decreased 20.8% to ¥151.05 billion.

The increase in operating income reflected the result of active measures undertaken to reduce Operating costs and Selling, general and administrative expenses, despite the reduction in gross profit arising from lower sales in severe business environment where clients of both technology services and business services restricted their IT expenditure. In consequence, operating income increased 28.9% to ¥11.32 billion.

*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.

Prepaid card business

Operating revenue increased 16.4% to ¥3.19 billion, and operating income increased 26.0% to ¥0.23 billion. Although stores and gift-based card issuance decreased slightly compared to fiscal year 2009, revenue increased on the back of contributions from equipment sales, which resulted in increase of Operating revenue of 16.4% to ¥3.19 billion.

Higher gross profit from equipment sales contributed to operating income increasing of 26.0% to ¥0.23 billion. Ordinary income of ¥1.35 billion was recorded in this segment, 10.6% higher than in fiscal year 2009, as the Company reported Hoard profit of prepaid card deposits as non-operating income.

Securities business

The increase in operating revenue in this segment reflected a gradual rise in the Nikkei stock index as the economy began to improve, with higher net trading income from securities and bonds trading. Operating revenue increased 12.9% to ¥17.63 billion.

The improvement in operating income reflected higher operating revenue, along with a reduction of approximately ¥5.73 billion in trading related expenses and office costs in selling, general and administrative expenses. Operating income of ¥0.14 billion was recorded compared with an operating loss of ¥7.86 billion in fiscal year 2009.

Other business

Concomitant with the withdrawal from real estate securitization business, financial services have been recorded under Other business from the fiscal year 2010. Accordingly, results for fiscal year 2009 have been restated to conform with the current presentation.

Operating revenue decreased 69.1% to ¥1.07 billion, mainly due to a reduction in profit on sales of securities.

Operating loss of ¥1.84 billion was recorded, reflecting factors such as an appraisal loss on securities. In fiscal year 2009, an operating loss of ¥115.61 billion was recorded, due to substantial appraisal losses recorded on securities and real estate investment.

Note: The afore-mentioned segment based sales 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 fiscal year in relation to the management policies outlined on page 3 include the following.

Rebuilding the CSK brand

The Group has been striving to reflect the trust and expectations of the Group's stakeholders, aiming to achieve a rapid recovery in the Group's business performance and financial condition. As part of this, since the fourth quarter of fiscal year 2009 the Company has been reducing financial risk (including reducing the scope of the financial service business, and selling assets and operations), increasing capital, stabilizing funding and finances, working to refinance debt on longer terms, restructuring business operations (including strengthening the revenue base by withdrawing from certain operations in the IT services business and rigorously reducing costs), and rebuilding the corporate governance system (including revising the management structure).

All of the initiatives mentioned above are critical to the revival and future growth of the Group, and underlying them are three structural management risks: "real estate securitization business-related risk", "funding risk", and "risk to the Shareholder's equity".

At an extraordinary meeting of shareholders held on September 29, 2009, approval was granted for a number of measures aimed at addressing these risks, namely: eliminating real estate risk; strengthening capital through a capital increase from ACA Inc.; receiving financial support from four main banks; and changing the management structure. Accordingly, on September 30, 2009, the Group effectively eliminated risk from real estate securitization business, and also completed a capital increase that effectively addressed funding risk and the risk of damage to the shareholders' equity. Currently, under a new management team the Group is working to make best use of the Group's long-established technical, customer base and human resources to increase the Group's enterprise value.

Management has identified the following issues as key items to be addressed in the revival of the Group.

1) Restoring trust

In order to restore the trust in the group that was lost through the management crisis arising from losses in the real estate securitization business, business activity is being concentrated in the IT services area, while building the revenue base, and reducing credit risk through prudent operational management

2) Restoring profitability

i) Reforming cost structure

Principal cost reform measures include reviewing indirect head office functions, integrating and reducing office and operational locations, adopting an early retirement program, freezing internal office IT systems development and reviewing management costs

ii) Selecting and focusing business domains

The following unprofitable operations, and operations in securities and financial services, have or are being withdrawn from or sold:

・Complete withdrawal from investment business at CSK-Institute for Sustainability and CSK PRINCIPALS CO., LTD.
・Sale of all shares in Plaza Capital Management Co., Ltd. in October 2009
・Sale of all existing operations at ISAO CORPORATION in April 2010
・Sale of all shares in Cosmo Securities Co., Ltd. in April 2010

3) Restoring growth

i) Strengthening three core areas

The business organization is being reorganized to strengthen the Group's competitive position in three core business domains: BPO services, IT management and Systems integration.

・Reorganization of CSK SYSTEMS

In April 2010, the three companies CSK SYSTEMS CORPORATION, CSK SYSTEMS NISHINIHON CORPORATION and CSK SYSTEMS CHUBU CORPORATION were combined.

a. The merger is aimed at increasing efficiency in operation and reforming the cost structure

b. The company pursues systems integration-focused IT management business, and collaborate in BPO services marketing

・Reorganization of BPO services business

In April 2010, CSK ServiceWare Corporation merged with BUSINESS EXTENSION CORPORATION.

a. The resulting entity works to expand its business base by providing comprehensive services, bringing the BPO service offerings of CSK ServiceWare Corporation to the customer of BUSINESS EXTENSION CORPORATION, which has a customer base primarily in the management and corporate planning departments of corporations.

・ Business reform program

a. Based on the four themes of "marketing", "services", "project offices" and "technology", the CEOs of each Group company are engaged in a project to reform overall Group business

b. Strengthening intra-Group collaboration

Expanding sales by cross-selling Group strengths in services and products.

ii) Creating new growth areas

・ Establishing new organization

a. Strengthening overseas strategy through the establishment of a "Global Business Office" within the company

b. Establishing a “Service Innovation Office” within CSK ServiceWare Corporation, CSK-IT MANAGEMENT CORPORATION and CSK SYSTEMS CORPORATION to pursue the creation of new services through Group collaboration

iii) Develop new business through activities between similar operations in different industries

・ Business alliance with Sumisho Computer Systems Corporation

Establishing a task force to address opportunities in 11 areas.

3. Consolidated forecasts for the fiscal year ending March 31, 2011

The Group is working to strengthen and increase collaboration between its BPO, systems integration and systems management businesses, using these three business arenas as a base on which to develop new growth business and shift to a structure that can provide stable revenues.

For the fiscal year ending March 31, 2011, consolidated operating revenue is expected to decrease overall due to the impact of business withdrawals and sales relating to ISAO CORPORATION and Cosmo Securities Co., Ltd., despite an increase in earnings projected for each of three business area.

At the operating income level, earnings are forecasted to increase significantly, reflecting factors such as higher gross profit on the increased revenue projected for each business area, a withdrawal from unprofitable business, and cost structure reforms implemented and a reduction in personnel expenses concomitant with the adoption of an early retirement program during the fiscal year 2010. Reflecting the projected extraordinary loss of approximately ¥8.8 billion arising from the transfer of Cosmo Securities Co., Ltd. announced on April 15, 2010, for the fiscal year ending March 31, 2011 the Company is forecasting consolidated operating revenue of ¥160.0 billion, with operating income of ¥10.0 billion, ordinary income of ¥9.3 billion, and net income of ¥0.5 billion

(millions of yen)

	Operating revenue	Operating income	Ordinary income	Net income (loss)
Full year ending March 31, 2011	160,000	10,000	9,300	500
Reference: Actual results for fiscal year ended March 31, 2010	169,518	4,176	2,919	(59,180)

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 ¥96.18 billion (26.4%) to ¥267.74 billion

Current assets decreased ¥75.60 billion, influenced by a decline of ¥101.94 billion in investments related to financial services in financial services business despite of increase of ¥21.61 in Short term loans receivable to former consolidated subsidiary CSK FINANCE CO., LTD. (currently Gen Capital Co., Ltd.) associated with the withdrawal of real estate securitization business

Fixed assets decreased ¥20.57 billion, influenced by factors such as ¥13.52 billion decrease in tangible fixed assets arising from the sale of land and the removal of subsidiaries from the scope of consolidation, along with a ¥3.85 billion reduction primarily from the sale of “Investment in securities”.

Liabilities decreased ¥86.74 billion (25.6%) to ¥251.94 billion

Current liabilities decreased ¥86.74 billion, reflecting capitalization of ¥30.0 billion in debt equity swap, and reduction in debt in Liabilities related to financial services in the financial services business of ¥41.01 billion concomitant with a withdrawal from real estate securitization business.

Net assets decreased ¥9.43 billion (37.4%) to ¥15.80 billion

Net assets decreased by ¥9.43 billion. Factors that increased “Net assets” included debt equity swap of ¥30.0 billion and capital increase of ¥16.0 billion via allocation of new shares to third party underwritten by ACA Investments PTE.LTD that increased Common stock and capital surplus by ¥23.0 billion respectively. Factors that decreased “Net assets” included a decrease in “Retained earnings” arising from the net loss recorded for the period.

② Cash flows

Cash flows from operating activities
¥5.50 billion (increase of ¥11.21 billion)

Although net loss before income taxes and minority interests was recorded, factors such as loss on withdrawal from the real estate securitization business, depreciation, and changes in accounts receivable contributed to operating activity cash flow of ¥5.50 billion, ¥11.21 billion more than in fiscal year 2009.

Cash flows from investing activities
¥6.53 billion (increase of ¥18.93 billion)

Although cash was outlaid for the purchase of investments in securities, inflows from the sale of land and the sale of investments in securities contributed to an overall increase in cash flow provided by investing activities of ¥18.93 billion, to ¥6.53 billion.

Cash flows from financing activities
Minus ¥1.96 billion (increase of ¥4.71 billion)

Although inflows were recorded from the issuance of common stock, payment on the refinancing of short term bank loans to long-term bank loans along with the repayment of long-term bank loans resulted in net cash outflow used in financing activities of ¥1.96 billion.

Cash and cash equivalents
¥43.39 billion (increase of ¥9.51 billion)

Reflecting the cash flows described above with Effect of exchange rate changes on cash and cash equivalents, cash and cash equivalents as of March 31, 2010 amounted to ¥43.39 billion, increase of ¥9.51 billion compared to March 31, 2009.

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

	Fiscal Year 2006	Fiscal Year 2007	Fiscal Year 2008	Fiscal Year 2009	Fiscal Year 2010
Equity ratio (%)	33.1	31.9	29.7	5.5	4.0
Equity ratio based on market price (%)	79.3	63.6	29.5	5.3	19.1
Debt service coverage (years)	—	27.3	—	—	22.1
Interest coverage ratio (times)	—	4.9	—	—	1.3

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.

For the fiscal year ended March 31, 2009, a dividend was not declared due to the substantial loss recorded for the period. For the fiscal year ended March 31, 2010 a substantial net loss has again been recorded, and in order to improve the Company's financial position it has therefore also been proposed not to declare 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 systems integration business, the Group's operations face the risk of unprofitable projects and the requirement for defect correction measures, while in systems management business system failures or computer viruses carry the associated risk that contract-related claims or damages could materially impact the Group's financial performance.

In BPO business, where a considerable number of new types of services are being offered in accordance with customer needs, the Group faces the need to make upfront investments in items such as expansion of call center facilities, construction of operational infrastructure, and employee training. If such upfront investment or associated costs are higher than expected, such increased costs could materially impact the Group's business performance.

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. 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.

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 financial position and business performance.

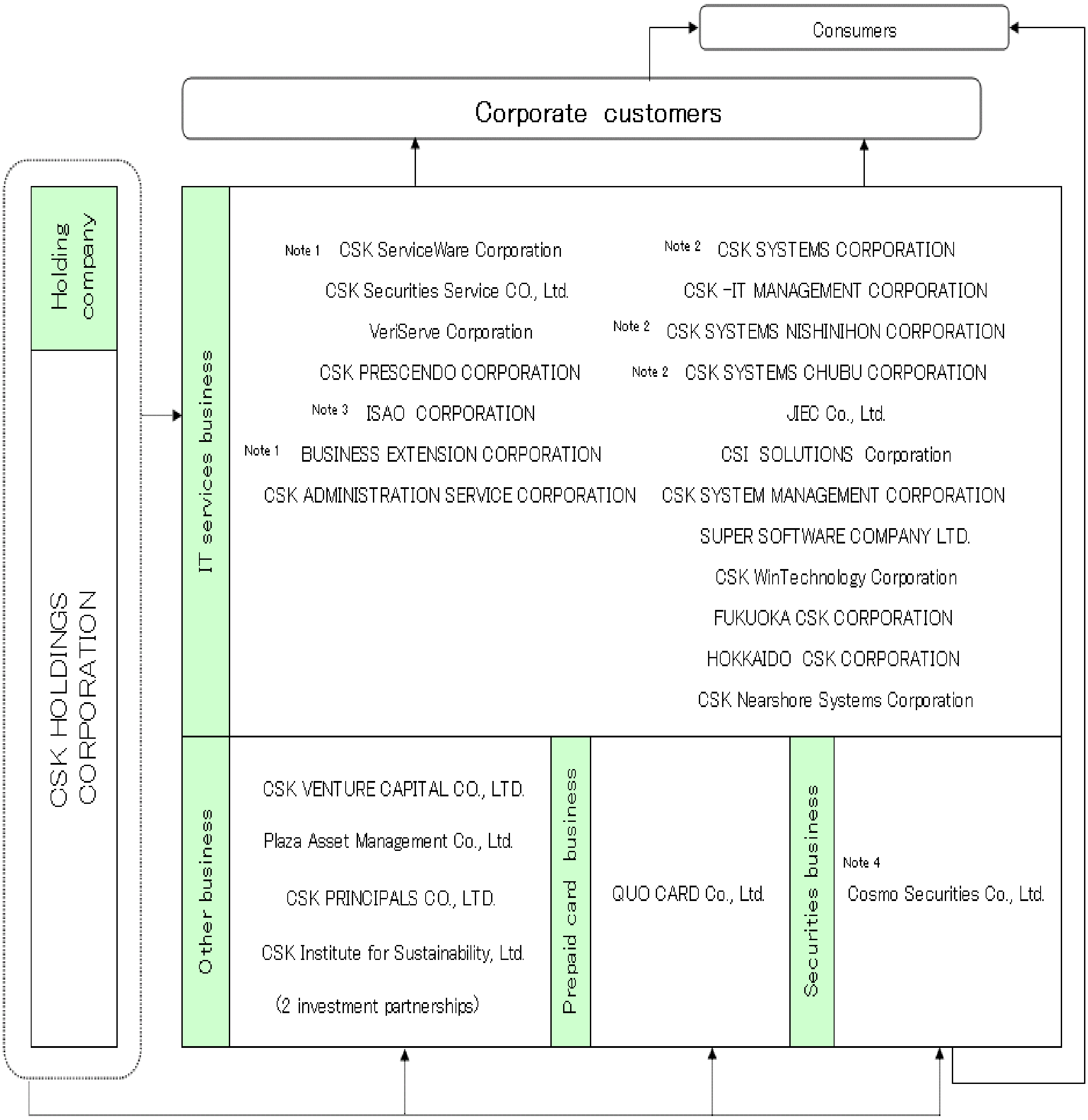
In April 2010, the Group has withdrawn from securities business, which means that such risks will no longer be associated with the company.

D. Other business

In selecting investment targets for venture companies, 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 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 financial position and business performance.

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 April 1, 2010, BUSINESS EXTENSION CORPORATION was absorbed into CSK ServiceWare Corporation .
Note 2 On April 1, 2010, CSK SYSTEMS NISHINIHON CORPORATION and CSK SYSTEMS CHUBU CORPORATION were absorbed into CSK SYSTEMS CORPORATION.
Note 3 On April 1, 2010, the Company sold existing all businesses of ISAO CORPORATION.
Note 4 On April 16, 2010, the Company sold all stocks of Cosmo Securities Co., Ltd.

3. Management Policies

1. Fundamental Management Policy

The Group's vision is to be a corporate group that provides customers with critical, highly optimized services that are constantly aligned with their needs, with the aim of achieving sustainable growth and development. In support of this vision, the Group has three operating policies.

1. "Strengthen competitiveness and differentiation"
   Focus on developing business in the three core areas of BPO, Systems management and Systems integration, and increase competitiveness and differentiation by reforming services in each of these areas.

2. "Pursue Group collaboration and cooperation"
   Expand overall Group business by enhancing collaboration and cooperation between Group companies, strengthening sales to key customers.

3. "No. 1 in new service creation"
   Based on the three core business areas, make use of accumulated experience and expertise to develop new services that can serve as new business pillars.

Through these policies, the Group aims to meet the expectations of all stakeholders by achieving rapid recovery in performance and by working toward sustainable growth in corporate value.

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 business group that can contribute to the development of society.

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

3. Basic Medium- and Long-Term Strategy and Tasks Ahead

Although there are some signs that the rapid economic slowdown from the previous year is easing somewhat, corporate earnings remain significantly impacted and consumer sentiment is generally weak in the face of ongoing uncertainty in the employment market. As such, the economic outlook remains uncertain. The IT services market is characterized by the following features.

IT services market conditions

- Maturation of the domestic market: growth and earnings are declining in traditional business models
- Both prices and delivery times are falling
- Service demands are becoming more diverse and complex
- Results focus: customers are expecting not only to improve efficiency but also to cut costs and grow sales

Changes in the customer base

- Demand is shifting from 'owning' to 'using'
- IT investment is being separated into 'investment to strengthen earnings' and 'investment to develop new operations'

To realize the Group's visions in this environment, the Group believes it is necessary to further improve differentiation and competitiveness. Based on the above management policies, the Company is engaging continuously in the following five areas:

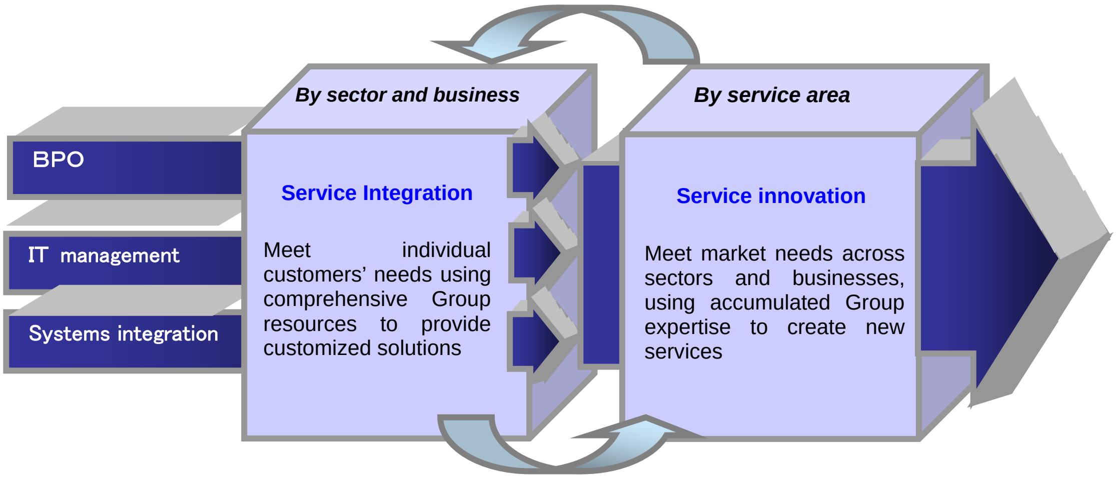
1. Strengthening individual businesses and boosting alliances ("Service integration")

The Group's strengths include its scale and competitiveness in the three core business areas of BPO, IT management and Systems integration. While further developing these strengths in each business area, the Group seeks to provide customers with unique value propositions and strong differentiating factors by increasing alliances between the Group business areas.

2. Developing new services ("Service innovation")

Based on the skills, knowledge and experience gained through service provision to date, the Group will aim to develop new business opportunities that are not merely extensions of existing operations.

For the year ending March 31, 2011, CSK ServiceWare Corporation, CSK-IT MANAGEMENT CORPORATION and CSK SYSTEMS CORPORATION have established "Service Innovation Promotion Office" as a body to focus on responding to business environment and structural changes and opportunities.



3. Cross sector collaboration

The Group has formed a business alliance with Sumisho Computer Systems Corporation, and will continue to appraise opportunities to form other business alliances with other companies from the same or different business sectors.

4. Human resources

Based on the fundamental idea that people are the source of all services and technology, the Group has introduced a new personnel system that features a Specialist Skill Accreditation Committee and incorporates the IT Skills Standards (ITSS) as a means of fostering and recognizing personnel development.

5. International markets

The Group is aiming to enter the East Asian market, with a focus on China, and is pursuing foreign markets through "Global Business Promotion Office" that has been established to promote overseas business development.

ITSS: Standards being promoted by the Information-Technology Promotion Agency, Japan that clearly outline and codify the necessary skills for providing IT-related services.

4 Consolidated Financial Statements and Others
(1) Consolidated Balance Sheets

(millions of yen)

	Fiscal year 2009 (As of Mar. 31, 2009)	Fiscal year 2010 (As of Mar.31, 2010)
Assets		
Current assets		
Cash and time deposits	36,309	45,250
Notes and accounts receivable	27,680	23,300
Short term loans receivable	-	22,261
Marketable securities	11,159	8,485
Venture capital investments	2,144	3,970
Inventories	4,146	2,180
Income taxes receivable	2,905	3,261
Deferred tax assets	1,385	2,873
Investments related to financial services	101,940	-
Cash segregated as deposits related to securities business	26,810	26,593
Trading assets related to securities business	6,859	10,232
Receivables related to margin transactions	20,503	24,551
Other current assets	27,221	28,757
Allowance for losses on investment securities	(46)	-
Allowance for doubtful accounts	(419)	(8,724)
Total current assets	268,599	192,993
Fixed assets		
Tangible fixed assets		
Building and structure	15,006	13,392
Land	20,413	8,809
Other tangible fixed assets	4,588	4,280
Total tangible fixed assets	40,009	26,482
Intangible fixed assets		
Goodwill	375	268
Other intangible fixed assets	6,251	5,158
Total intangible fixed assets	6,626	5,427
Investments and other assets		
Investments in securities	34,925	31,065
Prepaid pension cost	2,983	2,378
Deferred tax assets	1,478	1,574
Other assets	9,891	8,144
Allowance for doubtful accounts	(583)	(315)
Total investments and other assets	48,695	42,847
Total fixed assets	95,331	74,756
Total assets	363,931	267,749

(millions of yen)

	Fiscal year 2009 (As of Mar.31, 2009)	Fiscal year 2010 (As of Mar.31, 2010)
Liabilities		
Current liabilities		
Accounts payable	8,678	6,602
Short-term bank loans payable	78,423	10,933
Accrued income taxes	1,347	1,156
Deposits received of prepaid cards	50,761	53,183
Accrued bonuses to employees	5,763	3,783
Allowance for anticipated losses on contracts	1,836	57
Allowance for loss on cancellation penalty	1,811	-
Liabilities related to financial services	41,016	-
Trading liabilities related to securities business	542	1,008
Payable related to margin transactions	13,865	19,121
Deposits received and guarantee deposits received from customers related to securities business	33,121	35,994
Other current liabilities	19,407	18,800
Total current liabilities	256,575	150,641
Long-term liabilities		
Corporate bonds payable	20,000	-
Convertible bonds payable	56,792	56,792
Long-term bank loans payable	-	40,063
Accrued employees' retirement benefits	274	197
Accrued directors' retirement benefits	114	22
Other long-term liabilities	4,056	3,543
Total long-term liabilities	81,237	100,618
Statutory reserve		
Reserve for financial products transaction liabilities	870	681
Total statutory reserve	870	681
Total liabilities	338,684	251,942
Net assets		
Shareholders' equity		
Capital stock	73,225	96,225
Capital surplus	30,763	53,763
Retained earnings	(80,313)	(139,494)
Treasury stock, at cost	(68)	(68)
Total shareholders' equity	23,607	10,426
Valuation, translation adjustments and other		
Net unrealized income(losses) on securities	(990)	234
Foreign currency translation adjustments	(2,440)	-
Total valuation, translation adjustments and other	(3,430)	234
Subscription rights to shares	-	467
Minority interests	5,070	4,680
Total net assets	25,247	15,807
Total liabilities and net assets	363,931	267,749

(2)Consolidated Statements of Operations

(millions of yen)

	Fiscal year 2009 From Apr. 1, 2008 To Mar. 31, 2009	Fiscal year 2010 From Apr. 1, 2009 To Mar. 31, 2010
Operating revenue	206,099	169,518
Operating costs	263,769	116,601
Gross profits(loss)	(57,669)	52,916
Selling, general and administrative expenses	65,397	48,740
Operating income(loss)	(123,066)	4,176
Non-operating income		
Interest income	119	77
Dividend income	402	191
Hoard profit of prepaid card	989	1,084
Others	1,182	729
Total non-operating income	2,695	2,082
Non-operating expenses		
Interest expenses	19	696
Loss on sales of investment in securities	664	−
Provision for accrued employees' retirement benefits	260	260
Loss on investment in partnership	374	−
Stock issuance cost	−	480
Commission fee	−	608
Loss on investments in silent partnership	−	524
Others	789	768
Total non-operating expenses	2,108	3,339
Ordinary income(loss)	(122,479)	2,919
Extraordinary gains		
Gain on sales of investment securities	225	832
Gain from transfer of business	989	180
Reversal of reserve for financial products transaction liabilities	713	183
Others	109	469
Total extraordinary gains	2,037	1,664
Extraordinary losses		
Loss on disposal of fixed assets	520	−
Loss on impairment of fixed assets	14,721	−
Loss on write-down of investments in securities	2,032	−
Loss on business restructuring	1,218	−
Loss on discontinuing construction of head office	2,542	−
Loss on withdrawal from real estate securitization business	−	55,940
Special retirement expenses	−	2,802
Others	2,867	5,356
Total extraordinary losses	23,903	64,099
Loss before income taxes and minority interests	(144,345)	(59,515)
Income taxes : Current	2,899	1,908
Income taxes : Refund	(700)	−
Income taxes : Deferred	14,881	(2,415)
Total income taxes	17,080	(506)
Minority interests	103	172
Net loss	(161,529)	(59,180)

(3) Consolidated Statement of Changes in Net Assets

(millions of yen)

	Fiscal year 2009 as of Mar. 31, 2009	Fiscal year 2010 as of Mar. 31, 2010
Shareholders' equity		
Common stock		
Balance at end of the previous year	73,225	73,225
Change in the fiscal year		
Issuance of new share	-	23,000
Total of change in the fiscal year	-	23,000
Balance at end of the fiscal year	73,225	96,225
Capital Surplus		
Balance at end of the previous year	37,791	30,763
Change in the fiscal year		
Issuance of new share	4,025	23,000
Disposal of treasury stock	(2)	-
Disposal of treasury stock by share exchange	(11,051)	-
Total of change in the fiscal year	(7,028)	23,000
Balance at end of the fiscal year	30,763	53,763
Retained earnings		
Balance at end of the previous year	83,007	(80,313)
Change in the fiscal year		
Cash dividends	(1,410)	-
Net income(loss)	(161,529)	(59,180)
Disposal of treasury stock	-	(0)
Disposal of treasury stock by share exchange	(379)	-
Total of change in the fiscal year	(163,320)	(59,181)
Balance at end of the fiscal year	(80,313)	(139,494)
Treasury stock, at cost		
Balance at end of the previous year	(31,614)	(68)
Change in the fiscal year		
Repurchases of treasury stock	(76)	(1)
Disposal of treasury stock	6	1
Disposal of treasury stock by share exchange	31,615	-
Total of change in the fiscal year	31,546	(0)
Balance at end of the fiscal year	(68)	(68)
Total shareholders' equity		
Balance at end of the previous year	162,410	23,607
Change in the fiscal year		
Issuance of new share	4,025	46,000
Cash dividends	(1,410)	-
Net income(loss)	(161,529)	(59,180)
Repurchases of treasury stock	(76)	(1)
Disposal of treasury stock	4	0
Disposal of treasury stock by share exchange	20,184	-
Total of change in the fiscal year	(138,802)	(13,181)
Balance at end of the fiscal year	23,607	10,426

(millions of yen)

	Fiscal year 2009 as of Mar. 31, 2009	Fiscal year 2010 as of Mar. 31, 2010
Valuation, translation adjustments and other		
Unrealized gains on securities		
Balance at end of the previous year	1,696	(990)
Change in the fiscal year		
Net changes in items other than shareholders' equity	(2,686)	1,224
Total of change in the fiscal year	(2,686)	1,224
Balance at end of the fiscal year	(990)	234
Net unrealized gains(losses) on hedging derivatives		
Balance at end of the previous year	(7)	-
Change in the fiscal year		
Net changes in items other than shareholders' equity	7	-
Total of change in the fiscal year	7	-
Balance at end of the fiscal year	-	-
Foreign currency transaction adjustments		
Balance at end of the previous year	(625)	(2,440)
Change in the fiscal year		
Net changes in items other than shareholders' equity	(1,814)	2,440
Total of change in the fiscal year	(1,814)	2,440
Balance at end of the fiscal year	(2,440)	-
Total valuation, translation adjustments and other		
Balance at end of the previous year	1,063	(3,430)
Change in the fiscal year		
Net changes in items other than shareholders' equity	(4,494)	3,664
Total of change in the fiscal year	(4,494)	3,664
Balance at end of the fiscal year	(3,430)	234
Stock subscription rights		
Balance at end of the previous year	-	-
Change in the fiscal year		
Net changes in items other than shareholders' equity	-	467
Total of change in the fiscal year	-	467
Balance at end of the fiscal year	-	467
Minority interests		
Balance at end of the previous year	22,021	5,070
Change in the fiscal year		
Net changes in items other than shareholders' equity	(16,951)	(390)
Total of change in the fiscal year	(16,951)	(390)
Balance at end of the fiscal year	5,070	4,680

(millions of yen)

	Fiscal year 2009 as of Mar. 31, 2009	Fiscal year 2010 as of Mar. 31, 2010
Total net assets		
Balance at end of the previous year	185,495	25,247
Change in the fiscal year		
Issuance of new share	4,025	46,000
Cash dividends	(1,410)	-
Net income(loss)	(161,529)	(59,180)
Repurchases of treasury stock	(76)	(1)
Disposal of treasury stock	4	0
Disposal of treasury stock by share exchange	20,184	-
Net changes in items other than shareholders' equity	(21,445)	3,741
Total of change in the fiscal year	(160,248)	(9,439)
Balance at end of the fiscal year	25,247	15,807

(4) Consolidated Statements of Cash Flows

(millions of yen)

	Fiscal year 2009 From Apr. 1, 2008 To Mar. 31, 2009	Fiscal year 2010 From Apr. 1, 2009 To Mar. 31, 2010
Cash flows from operating activities		
Loss before income taxes and minority interests	(144,345)	(59,515)
Depreciation	7,053	5,639
Loss on impairment of fixed assets	14,890	1,213
Amortization of goodwill	1,437	153
Increase (decrease) in allowances and decrease (increase) in prepaid pension costs	2,295	(2,120)
Increase (decrease) in reserve for financial products transaction liabilities	(713)	(183)
Interest and dividend income	(1,936)	(1,272)
Interest expenses	2,154	2,995
Loss on write-down of investments in securities	2,032	1,005
Loss on withdrawal from real estate securitization business	-	46,733
Decrease (increase) in accounts receivable	3,345	4,308
Decrease (increase) in inventories	742	1,959
Increase (decrease) in accounts payable	(2,906)	(2,055)
Increase (decrease) in deposits received on prepaid cards	4,197	2,421
Decrease (increase) in venture capital investments	1,826	324
Decrease (increase) in investments related to financial services	89,523	1,085
Increase (Decrease) in liabilities related to financial services	1,176	-
Decrease (increase) in cash segregated as deposits related to securities business	6,081	(583)
Decrease (increase) in trading assets related to securities business	(35)	(3,372)
Decrease (increase) in trade date accrual related to securities business	(2,777)	3,001
Decrease (increase) in receivables related to margin transactions	25,601	(4,047)
Decrease (increase) in loan secured by securities	2,737	(600)
Increase (decrease) in trading liabilities related to securities business	(2,059)	465
Increase(decrease) in trade date accrual (liability) related to securities business	-	679
Increase (decrease) in payables related to margin transactions	(5,458)	5,256
Increase (decrease) in deposits received and guarantee deposits received from customers related to securities business	(11,006)	2,873
Others net	2,089	1,633
Subtotal	(4,053)	8,000
Interest and dividends income received	2,085	1,345
Interest expenses paid	(2,093)	(3,064)
Income taxes paid	(1,654)	(781)
Net cash provided by (used in) operating activities	(5,715)	5,500
Cash flows from investing activities		
Increase (decrease) in time deposit, net	3,043	(205)
Net proceeds from sales and purchases of marketable securities	4,478	3,181
Purchase of property and equipment	(13,791)	(1,948)
Proceeds from sales of property and equipment	-	7,350
Purchases of intangible assets	(5,943)	(1,646)
Purchases of investments in securities	(9,245)	(8,976)
Proceeds from sales of investments in securities	8,971	8,898
Proceeds from sales of investments in subsidiaries resulting in change in scope of consolidation	-	366
Payments for sales of investments in subsidiaries resulting in change in scope of consolidation	-	(691)
Others net	89	201
Net cash provided by (used in) investing activities	(12,398)	6,531

	Fiscal year 2009 From Apr. 1, 2008 To Mar. 31, 2009	Fiscal year 2010 From Apr. 1, 2009 To Mar. 31, 2010
Cash flows from financing activities		
Increase (decrease) in short-term bank loans and commercial papers, net	(67)	(42,353)
Proceeds from long-term loans payable	-	50,000
Repayment of long-term debt	(5,157)	(5,000)
Redemption of bonds	-	(20,000)
Proceeds from issuance of common stock	-	16,000
Cash dividends paid	(1,414)	-
Proceeds from issuance of subscription right to shares	-	467
Other net	(42)	(1,083)
Net cash used in financing activities	(6,681)	(1,969)
Effect of exchange rate changes on cash and cash equivalents	(239)	(551)
Net increase (decrease) in cash and cash equivalents	(25,035)	9,511
Cash and cash equivalents, at beginning	59,200	33,882
Decrease in cash and cash equivalents resulting from exclusion of subsidiaries from consolidation	(281)	-
Cash and cash equivalents, at end	33,882	43,394

(5) Assumptions for Going Concern

None

(6) Significant Accounting Policies of Consolidated Financial Statements

1. Range of consolidation

(1) Consolidated subsidiaries: 28

JIEC Co., Ltd., VeriServe Corporation. and other 26 companies

Tsuyama Securities Co., Ltd., CSK Marketing Corporation, CSK Communications Corporation, SHIMANE CSK Corporation, Kitakyushu CSK Corporation, IWATE CSK CORPORATION, OITA CSK CORPORATION, CSK FINANCE CO.,LTD.,(The existing company name GEN CAPITAL CO.,LTD.,) CVC Business Co., Ltd., GENASSET CO., LTD., Plaza Capital Management Co., Ltd., Lightworks Corporation, 43 anonymous association, and other 4 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: 1 company

Light Works Corporation

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

3. Fiscal year ends of consolidated subsidiaries

Of the consolidated subsidiaries of the Group, 2 investment partnerships have fiscal year-ended December 31.

Furthermore, 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).

(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.

(3) Deferred assets

Equity costs are expensed as incurred.

(4) Allowances

1) Allowance for doubtful accounts

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

2) Accrued bonuses to employees

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

3) 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.

4) Accrued employees' retirement benefits

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

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.

(Change in accounting policy)

From the fiscal year under review, the partial amendments of Accounting Standards for Retirement Benefits (Part 3) (Accounting Standards Board of Japan Statements No.19 issued on July 31, 2008) have been applied.

The change has not resulted in any material impact on operating income, ordinary income and loss before income taxes and minority interests.

5) 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) 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.

(7) Accounting for other business

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) Recognition criteria for completed contract revenue and costs

The percentage-of-completion method has been applied to the portion of construction performed thorough the end of this fiscal year, in those cases where the outcome of performance activity is deemed certain for construction contracts that commenced on or after April 1, 2009. When the outcome of performance activity is not deemed to be certain, the completed-contract method is applied. The estimation for the degree of completion of construction for the fiscal year end is determined by the percentage of the cost incurred to the estimated cost.

(Change in accounting policy)

The completed contract method has been applied as the reporting revenue for service contracted agreement. From the fiscal year under review, Accounting Standard for Construction Contracts (Accounting Standards Board of Japan (ASBJ) Statement No. 15; December 27, 2007), and Guidance on Accounting Standards for Construction Contracts(ASBJ Guidance No.18, December 27, 2007) have been applied.

As a result, operating revenue in the period under review increased by ¥1,167 million, operating income, and ordinary income rose by ¥340 million respectively, and loss before income taxes and minority interests fell ¥340 million.

The impact on segment information is listed 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 Balance Sheets

1. " Short term loans receivable ", which has been included in "Other current assets" under "Current assets", ¥520 million, in previous fiscal year is expressed independently because it is material to the consolidated balance sheets as a whole.

Consolidated statements of income

1. " Loss on sales of investment in securities ", ¥147 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 ", ¥193 million, which has been expressed independently under "Non-operating expenses" in previous fiscal year is included in "Others" under "Non-operating expenses" because it is immaterial to the consolidated statements of income as a whole.
3. " Stock issuance cost ", which has been included in "Others" under " Non-operating expenses ", ¥0 million, in previous fiscal year is expressed independently because it is material to the consolidated statements of income as a whole.
4. " Commission fee ", which has been included in "Others" under " Non-operating expenses", ¥48 million, in previous fiscal year is expressed independently because it is material to the consolidated statements of income as a whole.
5. " Loss on disposal of fixed assets ", ¥229 million, which has been expressed independently under "Extraordinary losses" in previous fiscal year is included in "Others" under "Extraordinary losses" because it is immaterial to the consolidated statements of income as a whole.
6. " Loss on impairment of fixed assets ", ¥1,213 million, which has been expressed independently under "Extraordinary losses" in previous fiscal year is included in "Others" under "Extraordinary losses" because it is immaterial to the consolidated statements of income as a whole.
7. " Loss on write-down of investments in securities ", ¥1,005 million, which has been expressed independently under "Extraordinary losses" in previous fiscal year is included in "Others" under "Extraordinary losses" because it is immaterial to the consolidated statements of income as a whole.

Consolidated statements of cash flows

1. "Proceeds from sales of property and equipment", which has been included in "Others net" under "Cash flows from investing activities", ¥116 million, in previous fiscal year is expressed independently because it is material to the consolidated statements of cash flows as a whole.
2. "Proceeds from long-term loans payable", which has been included in "Others net" under "Cash flows from financing activities", ¥52 million, in previous fiscal year is expressed independently because it is material to the consolidated statements of cash flows as a whole.

3. "Proceeds from issuance of common stock", which has been included in "Others net" under "Cash flows from financing activities", ¥1 million, in previous fiscal year is expressed independently because it is material 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	
	2009	2010
(1) Accumulated depreciation of tangible fixed assets	18,251	19,778

(2) Investments related to financial services

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, ¥62,212 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.

As of Mar. 31, 2010

In line with withdrawal from the financial services business, ¥5,007 million in Investments related to financial services under current assets outstanding as of the end of the second quarter of the fiscal year under review have been transferred to Investment in securities under Investments and other assets.

(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.

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	
	2009	2010
Total availability granted by CMS	80	-
Used portion of credit line	-	-
Remaining portion of credit line	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	
	2009	2010
Total availability granted	40,000	-
Used portion of credit line	35,929	-
Remaining portion of credit line	4,070	-

(4) Statutory reserve

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.

As of Mar. 31, 2010

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".

2. Consolidated statements of income

For the fiscal 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(Company)	Use	Classification
Chuo-ku, Osaka etc. (Cosmo Securities Co., Ltd.)	Business property	Software Buildings and annexed facilities Equipment and fixtures Buildings Structures
Nagoya-city, Aichi (CSK HOLDINGS CORPORATION)	Business property	Buildings Buildings and annexed facilities Land
Chuo-ku, Tokyo (CSK Securities Service CO., Ltd.)	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 ¥6,700 million on goodwill, ¥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

For the fiscal year ended March 31, 2010

(1) Loss on withdrawal from real estate securitization business

Loss on withdrawal from real estate securitization business is mainly transfers in shares in the former consolidated subsidiary CSK FINANCE CO. LTD (current name Gen Capital Co., Ltd.) and losses of ¥41,837 million in line with the transfer of loans to that company, and ¥8,205 million reported as allowances for doubtful accounts against ongoing holdings of part of those loans.

(2) Special retirement expenses

Special retirement expenses are special additional retirement expenses in line with the implementation of voluntary early retirement programs and re-employment support costs.

3. Consolidated statements of changes in net assets

For the fiscal 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. Increases of 13,924 shares in Common stock are the result of purchase of stocks less than a trading unit.

2. Increase of 23,692 shares in Common stock are the result of 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 shares in Common stock are the result of a share for share exchange to make Cosmo Securities Co., Ltd., the Company's wholly owned subsidiary.

4. Decrease of 4,473 shares in Common stock are the result of disposal of common stocks for treasury.

(3) Items concerning new share warrants, etc.

None

(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

For the fiscal year ended March 31, 2010

(1) Types and numbers of outstanding shares

(shares)

	As of Mar. 31, 2009	Increase	Decrease	As of Mar. 31, 2010
Common stock (Note 3)	80,290,414	45,457,300	-	125,747,714
Class A preferred stock (Note 1)	-	15,000	-	15,000
Class B preferred stock (Note 1)	-	15,000	-	15,000
Class C preferred stock (Note 2,3)	-	227,273	227,273	-
Class D preferred stock (Note 2,3)	-	2,273	2,273	-
Class E preferred stock (Note 2)	-	5,000	-	5,000
Class F preferred stock (Note 2)	-	5,000	-	5,000
Total	80,290,414	45,726,846	229,546	125,787,714

Notes: 1. Respective increases of 15,000 shares in Class A preferred stock and Class B preferred stock are the result of the third party allocation of preferred stocks to four main banks for a capital increase through a debt-equity-swap.

2. Increases of 227,273 shares in Class C preferred stock, increases of 2,273 shares in Class D preferred stock and respective increases of 5,000 shares in Class E preferred stock and Class F preferred stock are the result of the third party allocation of preferred stocks to ACA INVESTMENTS PTE. LTD. for a capital increase.

3. Increases of 45,457,300 shares in Common stock, decreases of 227,273 shares in Class C preferred stock and decreases of 2,273 shares in Class D preferred stock are the result of the exercise of conversion rights into Common stock by ACA INVESTMENTS PTE. LTD. regarding Class C preferred stock and Class D preferred stock.

(2) Types and numbers of treasury stock

(shares)

	As of Mar. 31, 2009	Increase	Decrease	As of Mar. 31, 2010
Common stock (Note 1)	32,494	4,310	1,305	35,499

Note: Increases of 4,310 shares in Common stock are the result of purchase of stocks less than a trading unit.
Decreases of 1,305 shares in Common stock are the result of disposal of common stocks for treasury.

(3) Items concerning new share warrants, etc.

	Detail of stock acquisition rights	Type of shares	Number of shares (Shares)				Balance as of the fiscal year-end (Millions of yen)
			Previous fiscal year-end	Increase in the fiscal year	Decrease in the fiscal year	Fiscal year-end	
The Company	6th series subscription rights to shares (issued on Sept 30, 2009)	Common stock	-	24,000,000	-	24,000,000	171
	7th series subscription rights to shares (issued on Sept 30, 2009)	Common stock	-	24,000,000	-	24,000,000	295
Total			-	48,000,000	-	48,000,000	467

Note: There is an outstanding ¥295 million in subscription rights to shares for which the first day on which those subscription rights to shares may be exercised has yet to arrive.

(4) Dividends

None

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	
	2009	2010
Cash and time deposits	36,309	45,250
Marketable securities	11,159	8,485
Total	47,468	53,735
Less: Time deposits with original maturities of more than three months or those submitted as collateral for loans	(2,804)	(2,284)
Less: Equity securities and other marketable securities with original maturities of more than three months	(10,780)	(8,057)
Cash and cash equivalents	33,882	43,394

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

Segment Information (Consolidated)

Information by business segment

(millions of yen)

	For the fiscal 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

Notes: 2. "Elimination and corporate" column of the Assets mainly consist of the Company's working funds (cash and marketable securities), long-term investment funds (investment in securities) and the amount was ¥38,136 million. Among costs and expenses, unallocated operating expenses in "Elimination and corporate" for the fiscal year ended Mar. 31, 2009 was the expenses of ¥14,911 million. The cost was management expenses for group companies incurred at the Company.

3. "Depreciation" and "Capital expenditure" include long-term prepayments, deferred charges and their amortization.

(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" are decreased by ¥3 million in the IT services business, by ¥81,054 million in the Financial services business, by ¥1 million in the Prepaid card business and Assets are decreased by ¥ 4 million in the IT services business, by ¥81,054 million in the Financial services business, by ¥1 million 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.

(millions of yen)

	For the fiscal year ended Mar. 31, 2010						
	IT services business	Prepaid card business	Securities business	Other business	Total	Elimination and corporate	Consolidated Total
Operating revenue:							
Outside customers	147,804	3,023	17,619	1,070	169,518	—	169,518
Inter-segment sales/transfers	3,248	168	11	0	3,430	(3,430)	—
Total	151,053	3,192	17,631	1,071	172,948	(3,430)	169,518
Costs and expenses	139,732	2,960	17,485	2,920	163,099	2,242	165,341
Operating income(loss)	11,321	231	145	(1,848)	9,849	(5,672)	4,176
Assets	64,303	58,315	94,058	10,463	227,141	40,608	267,749
Depreciation	3,706	107	439	13	4,266	1,372	5,639
Loss on impairment of fixed assets	6	—	54	10	71	1,142	1,213
Capital expenditure	3,049	28	682	12	3,772	910	4,683

Notes: 1. The Group operates principally in four segments: IT services business, Prepaid card business, Securities business, Other 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
Prepaid card business:	Issuance and settlement of prepaid cards, development and sales of card systems
Securities business:	Securities business and other related services
Other business:	Investment in venture companies, investment in equity securities and others, management of investment trust

Notes: 2. "Elimination and corporate" column of the Assets mainly consist of the Company's working funds (cash and marketable securities), long-term investment funds (investment in securities) and the amount was ¥40,608 million. Among costs and expenses, unallocated operating expenses in "Elimination and corporate" for the fiscal year ended Mar. 31, 2010 was the expenses of ¥8,280 million. The cost was management expenses for group companies incurred at CSK HOLDINGS CORPORATION.

3. "Depreciation" and "Capital expenditure" include long-term prepayments, deferred charges and their amortization.

4. The Group has substantially withdrawn from real estate securitization business and changed "Financial services business" segment to "Other business" segment for the fiscal year ended Mar. 31, 2010. As a result, CSK HOLDINGS CORPORATION has changed the segment range as follows : "IT services business", "Prepaid card business", "Securities business", "Other business" in order.

(Change in accounting policies)

As outlined in "Significant Accounting Policies of Consolidated Financial Statements, 4 (8)", with regard to contract works for construction contracts commencing in the fiscal year, those works for which the outcome of the progress made by the end of the fiscal year is deemed certain are subject to the percentage-of-completion method (with the percentage of completion estimated on a cost-to-cost basis), and other works are subject to the completed-contract method. As a result, operating revenue increased by ¥ 1,167 million, and operating income increased by ¥ 340 million respectively.

Segment Information for geographic locations

Segment information for geographic locations is omitted for the fiscal year ended Mar. 31, 2009, because total sales and total all segments assets for "Japan" segment exceeded 90% of total sales in the period

Segment information for geographic locations is omitted for the fiscal year ended Mar. 31, 2010, because total sales and total all segments assets for "Japan" segment exceeded 90% of total sales in the period

Overseas Sales

Information regarding overseas sales was omitted for the fiscal year ended Mar. 31, 2009, because total overseas sales were less than 10% of consolidated total sales in the period.

Information regarding overseas sales was omitted for the fiscal year ended Mar. 31, 2010, because total overseas sales were less than 10% of consolidated total sales in the period.

Marketable Securities and Investments in Securities

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

(millions of yen)

For the fiscal 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	-

*Valuation (Impairment) losses recognized for the fiscal year ended March 31, 2009 were ¥11,881 million in "Operating costs" and ¥2,032 million in "Loss on write-downs of investments in securities" respectively.

2. As of and for the year ended Mar. 31, 2010

Ⅰ Trading securities (Trading securities with market values)

Unrealized gains as of Mar. 31, 2010 70 millions of yen

Ⅱ Held-to-maturity bonds with market values

(millions of yen)

		As of Mar. 31, 2010		
		Carrying amount	Fair market value	Difference
Fair market value exceeds carrying amount	Government bonds and municipal bonds	18,121	18,316	195
	Corporate bonds	-	-	-
	Other bonds	-	-	-
	Subtotal	18,121	18,316	195
Fair market value do not exceed carrying amount	Government bonds and municipal bonds	3,968	3,958	(9)
	Corporate bonds	-	-	-
	Other bonds	-	-	-
	Subtotal	3,968	3,958	(9)
Total		22,089	22,274	185

Ⅲ Available-for-sale securities with market values

(millions of yen)

		As of Mar. 31, 2010		
		Acquisition Cost	Fair market value	Difference
Fair market value exceeds acquisition cost	Equity securities	739	515	224
	Bonds:			
	Government bonds and municipal bonds	-	-	-
	Corporate bonds	100	100	0
	Other bonds	-	-	-
	Other	5,327	5,156	171
	Subtotal	6,167	5,771	395
Fair market value do not exceed acquisition cost	Equity securities	452	527	(75)
	Bonds:			
	Government bonds and municipal bonds	10	10	(0)
	Corporate bonds	-	-	-
	Other bonds	-	-	-
	Other	1,952	2,060	(107)
	Subtotal	2,415	2,597	(182)
Total		8,582	8,369	212

Note: Investment fund is included in "Other".

Ⅳ Available-for-sale securities which were sold for the fiscal year ended Mar. 31, 2010

(millions of yen)

For the fiscal year ended Mar. 31, 2010			
Type	Proceeds from sales	Gross gains related to sales	Gross losses related to sales
Equity securities	7,667	1,133	803
Bonds:			
Government bonds and municipal bonds	-	-	-
Corporate bonds	-	-	-
Other bonds	-	-	-
Other	2,239	93	779
Total	9,907	1,227	1,582

Ⅴ Marketable securities impaired

As a result of impairment charges, a loss on valuation of marketable securities of 1,492 millions of yen was posted in the fiscal year under review.

Per Share Information

(yen)

Fiscal Year 2009 (As of Mar. 31, 2009)		Fiscal Year 2010 (As of Mar. 31, 2010)	
Shareholders' equity per share	251.40	Shareholders' equity per share	(241.34)
Net loss per share	2,097.39	Net loss per share	720.62
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.		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.	

Note: 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 2009 (As of Mar. 31, 2009)	Fiscal Year 2010 (As of Mar. 31, 2010)
Net assets (millions of yen)	25,247	15,807
Net assets related to common stock (millions of yen)	20,176	(30,339)
Principal factors underlying difference (millions of yen)		
Minority interests	5,070	4,680
Subscription rights to shares	-	467
Preferred shares	-	41,000
Number of shares outstanding at the end of fiscal year (thousands of shares)	80,290	125,747
Number of treasury stock at the end of fiscal year (thousands of shares)	32	35
Common stock figure used for calculating net assets per share (thousands of shares)	80,257	125,712

2. Net income (loss) per share

	Fiscal Year 2009 (As of Mar. 31, 2009)	Fiscal Year 2010 (As of Mar. 31, 2010)
Net income(loss) (millions of yen)	(161,529)	(59,180)
Net income(loss) related to common stock (millions of yen)	(161,529)	(59,180)
Amount not attributable to common shareholders (millions of yen)	-	-
Average number of shares outstanding during term (thousands of shares)	77,014	82,124

3. Diluted net income per share*

	Fiscal Year 2009 (As of Mar. 31, 2009)	Fiscal Year 2010 (As of Mar. 31, 2010)
Net income adjustment (millions of yen)	-	-
(Of which, effect from dilution of affiliated company stock (millions of yen))	-	-
(Of which, Interest expenses (after deducting tax) (millions of yen))	-	-
Increase in common stock (thousands of shares)	-	-
(Of which, Subscription warrant)	-	-
(Of which, Subscription rights to shares)	-	-
(Of which, convertible bonds with subscription rights to shares)	-	-

Outline of stock not included in diluted net income per share due to lack of dilutive effect as of March 31, 2009 was as follows.

Company name	Diluted net income per share	Number of subscription rights to shares
CSK HOLDINGS CORPORATION	Subscription rights to shares approved on June. 25, 2004. (The share rights' exercise period was ended in this fiscal year)	9,695
	Subscription rights to shares approved on June 28, 2005.	11,224
VeriServe Corporation	Subscription rights to shares approved on June 24, 2005	278

Company name	Diluted net income per share	Amount of total face value of convertible bonds payable (millions of yen)
CSK HOLDINGS CORPORATION	Euro-yen denominated convertible bonds with subscription rights to shares.	¥ 21,792
	No.7 unsecured convertible bonds with subscription rights to shares.	¥ 35,000

Outline of stock not included in diluted net income per share due to lack of dilutive effect as of March 31, 2010 is as follows.

Company name	Diluted net income per share	Number of subscription rights to shares
CSK HOLDINGS CORPORATION	Subscription rights to shares approved on June.28, 2005. (The share rights' exercise period was ended in this fiscal year)	11,224
	6th Subscription rights to shares approved on Sept. 29, 2009.	240,000
	7th Subscription rights to shares approved on Sept. 29, 2009.	240,000

Company name	Diluted net income per share	Number of shares of preferred stock
CSK HOLDINGS CORPORATION	Class A preferred stock	15,000
	Class B preferred stock	15,000
	Class C preferred stock	227,273
	Class D preferred stock	2,273
	Class E preferred stock	5,000
	Class F preferred stock	5,000

Company name	Diluted net income per share	Amount of total face value of convertible bonds payable (millions of yen / thousands of U.S.dollars)
CSK HOLDINGS CORPORATION	Euro-yen denominated convertible bonds with subscription rights to shares.	¥ 21,792 (USD 234,222)
	No.7 unsecured convertible bonds with subscription rights to shares.	¥ 35,000 (USD 376,182)

Subsequent events

(Transfer of shares of Group subsidiary)

At a meeting of its Board of Directors held April 15, 2010, the Company resolved to sell all of its shares in Cosmo Securities Co., Ltd., a wholly owned subsidiary to Iwai Securities Co., Ltd. The said-share transfer was completed on April 16, 2010.

1. Reason for Sale

The Group is currently in the process of reorganizing its business and cost structures with the aim of restructuring its operating foundation to achieve a revitalization of the Group. Initiatives taken for this purpose include making a complete withdrawal from the real estate securitization business in fiscal year 2010, improving its financial position through capital increase, overhauling its management system, and focusing business resources on the IT services business. In focusing its business resources on the IT services business, and as a result of considering the business direction in which the Group is aiming to pursue going forward, it has been determined that Cosmo Co., Ltd., which is engaged in securities business, cannot be expected to demonstrate significant synergies from business perspective, and that an alliance between Cosmo Co., Ltd. and Iwai Securities Co., Ltd., which has solid operating foundation in the Kansai region, would be of benefit to Cosmo Co., Ltd. for expanding its business.

2. Overview of Iwai Securities Co., Ltd.

1. Name: Iwai Securities Co., Ltd.
2. Address: 1-8-16 Kitahama, Chuo-ku, Osaka
3. Representative: Yoshiaki Okitsu, President and Representative Director
4. Paid-in capital: ¥10,004 million
5. Main business: Financial instruments trading
6. Relationship between the Company and Iwai Securities Co., Ltd. : None

3. Transfer date

April 16, 2010

4. Overview of Cosmo Securities CO., Ltd.

1. Name: Cosmo Securities Co., Ltd.
2. Address: 1-8-12 Imabashi, Chuo-ku, Osaka City
3. Representative: Takumi Kanamori, President and Representative Director
4. Paid-in capital: ¥13,500 million
5. Main business: Financial instruments trading
6. Consolidated financial results and financial position for most recent period

Consolidated Fiscal Year	Fiscal year ended March, 31 2010
Assets	¥ 9,390 million
Liabilities	¥ 6,940 million
Net assets	¥ 2,450 million
Operating revenue	¥ 1,760 million
Operating income	¥ 100 million
Ordinary income	¥ 0 million
Net income	¥ 100 million

5. Contents of share transfer

1. Number of shares being transferred: 40,000,000 shares (Ownership interest 100%)
2. Transfer price: ¥1,700 million
3. Loss in line with transfer: ¥880 million
4. Equity ratio following transfer: 0%

6. Other material contracts

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
- Financial Instruments
- Derivatives
- Retirement benefits
- Stock options
- Business combinations
- Investment and rental property

5. Financial Statements (Non-Consolidated)

(1) Non-Consolidated Balance Sheets

(millions of yen)

	Fiscal year 2009 (As of Mar. 31, 2009)	Fiscal year 2010 (As of Mar. 31, 2010)
Assets		
Current assets		
Cash and time deposits	9,811	17,160
Accounts receivable	7	633
Operating accounts receivable	926	583
Prepaid expense	667	377
Deferred tax assets	-	245
Short-term loans receivable	-	21,613
Short-term loans to subsidiaries and affiliates	164,146	7,569
Other accounts receivable	4,193	2,680
Income taxes receivable	2,302	3,225
Other current assets	699	840
Allowance for doubtful accounts	(92,528)	(8,766)
Total current assets	90,226	46,163
Fixed assets		
Tangible fixed assets		
Buildings	12,478	11,288
Structures	455	391
Vehicles	0	0
Equipments and fixtures	951	719
Land	17,487	8,426
Construction in progress	419	31
Total tangible fixed assets	31,793	20,858
Intangible fixed assets		
Trademark rights	5	3
Software	1,898	1,001
Other intangible fixed assets	0	0
Total intangible fixed assets	1,904	1,005
Investments and other assets		
Investments in securities	13,789	6,384
Investments in subsidiaries and affiliates	78,953	82,368
Investment in other securities of subsidiaries and affiliates	2,422	3,440
Long-term loans receivable	14	14
Long-term loans to employees	32	43
Long-term loans to subsidiaries and affiliates	22,553	23,252
Claims provable in bankruptcy, claims provable in rehabilitation and other	-	3
Fixed leasehold deposits	5,171	4,398
Other assets	1,200	1,000
Allowance for doubtful accounts	(12,994)	(16,967)
Total investments and other assets	111,144	103,937
Total fixed assets	144,841	125,801
Total assets	235,068	171,965

(millions of yen)

	Fiscal year 2009 (As of Mar. 31, 2009)	Fiscal year 2010 (As of Mar. 31, 2010)
Liabilities		
Current liabilities		
Short-term bank loans payable	70,700	5,000
Other accounts payable	3,450	470
Accrued expenses	1,431	1,037
Accrued income taxes	217	327
Customer advances	12	5
Short term deposits received	57,495	54,231
Accrued bonuses to employees	127	44
Allowance for loss on cancellation penalty	1,811	-
Total current liabilities	135,246	61,116
Long-term liabilities		
Corporate bonds payable	20,000	-
Convertible bonds payable	56,792	56,792
Long-term bank loans payable	-	40,000
Deferred tax liabilities	212	315
Accrued directors' retirement benefits	81	-
Long term deposits received	7,000	1,000
Guarantee deposits received	2,680	2,777
Total long-term liabilities	86,767	100,885
Total liabilities	222,013	162,001
Net assets		
Shareholders' equity		
Capital stock	73,225	96,225
Capital surplus		
Additional paid-in capital	28,871	51,871
Total capital surplus	28,871	51,871
Retained earnings		
Legal reserve	62	62
Other retained earnings		
General reserve	61,821	61,821
Carrying forward earned surpluses	(149,698)	(200,665)
Total retained earnings	(87,814)	(138,781)
Treasury stock, at cost	(9)	(9)
Total shareholders' equity	14,272	9,305
Valuation, translation adjustments and other		
Net unrealized income(losses) on securities	(1,217)	191
Total valuation, translation adjustments and other	(1,217)	191
Subscription rights to shares	-	467
Total net assets	13,054	9,963
Total liabilities and net assets	235,068	171,965

(2) Non-Consolidated Statements of Income

(millions of yen)

	Fiscal year 2009 From Apr. 1, 2008 To Mar. 31, 2009	Fiscal year 2010 From Apr. 1, 2009 To Mar. 31, 2010
Operating revenue	13,792	17,255
Operating expenses	14,550	9,317
Operating income (loss)	(757)	7,937
Non-operating income		
Interest income	3,117	1,380
Facilities rent income	1,279	-
Others	1,160	835
Total non-operating income	5,557	2,216
Non-operating expenses		
Interest expenses	1,687	2,792
Interest on corporate bonds	269	177
Loss on sales of investments in securities	727	-
Loss on investments in partnership	3,596	-
Stock issuance cost	-	427
Commission fee	-	600
Others	326	806
Total non-operating expenses	6,606	4,804
Ordinary income (loss)	(1,806)	5,350
Extraordinary gains		
Gain on sales of investments in securities	-	546
Reversal of provision for directors' retirement benefits	-	81
Gain on sales of investments in subsidiaries and affiliates	2	-
Others	0	203
Total extraordinary gains	3	831
Extraordinary losses		
Loss on impairment of fixed assets	1,527	-
Loss on write-down of investments in subsidiaries and affiliates	44,565	-
Provision for allowance for doubtful accounts	100,277	4,335
Loss on discontinuing construction of head office	2,542	-
Loss on transfer of loans receivable to subsidiaries and affiliates	-	50,588
Others	1,394	4,608
Total extraordinary losses	150,308	59,533
Loss before income taxes	(152,112)	(53,352)
Income taxes : Current	(835)	(2,153)
Income taxes : Deferred	913	(232)
Total Income taxes	78	(2,385)
Net loss	(152,190)	(50,966)

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

(millions of yen)

	Fiscal year 2009 From Apr. 1, 2008 To Mar. 31, 2009	Fiscal year 2010 From Apr. 1, 2009 To Mar. 31, 2010
Shareholders' equity		
Capital stock		
Balance at end of the previous year	73,225	73,225
Change in the fiscal year		
Issuance of new stock	-	23,000
Total of change in the fiscal year	-	23,000
Balance at end of the fiscal year	73,225	96,225
Capital surplus		
Additional paid-in capital		
Balance at end of the previous year	28,871	28,871
Change in the fiscal year		
Issuance of new stock	-	23,000
Total of change in the fiscal year	-	23,000
Balance at end of the fiscal year	28,871	51,871
Other capital retained earnings		
Balance at end of the previous year	7,028	-
Change in the fiscal year		
Issuance of new stock	4,025	-
Disposal of treasury stock	(2)	-
Disposal of treasury stock on share exchange	(11,051)	-
Total of change in the fiscal year	(7,028)	-
Balance at end of the fiscal year	-	-
Total capital surplus		
Balance at end of the previous year	35,899	28,871
Change in the fiscal year		
Issuance of new stock	4,025	23,000
Disposal of treasury stock	(2)	-
Disposal of treasury stock on share exchange	(11,051)	-
Total of change in the fiscal year	(7,028)	23,000
Balance at end of the fiscal year	28,871	51,871
Retained earnings		
Legal reserve		
Balance at end of the previous year	62	62
Change in the fiscal year		
Total of 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	71,821	61,821
Change in the fiscal year		
Reversal of general reserve	(10,000)	-
Total of change in the fiscal year	(10,000)	-
Balance at end of the fiscal year	61,821	61,821

(millions of yen)

	Fiscal year 2009 From Apr. 1, 2008 To Mar. 31, 2009	Fiscal year 2010 From Apr. 1, 2009 To Mar. 31, 2010
Carrying forward earned surpluses		
Balance at end of the previous year	(5,717)	(149,698)
Change in the fiscal year		
Reversal of general reserve	10,000	-
Cash dividend	(1,410)	-
Net loss	(152,190)	(50,966)
Disposal of treasury stock	-	(0)
Disposal of treasury stock on share exchange	(379)	-
Total of change in the fiscal year	(143,981)	(50,967)
Balance at end of the fiscal year	(149,698)	(200,665)
Total retained earnings		
Balance at end of the previous year	66,166	(87,814)
Change in the fiscal year		
Reversal of general reserve	-	-
Cash dividend	(1,410)	-
Net loss	(152,190)	(50,966)
Disposal of treasury stock	-	(0)
Disposal of treasury stock on share exchange	(379)	-
Total of change in the fiscal year	(153,981)	(50,967)
Balance at end of the fiscal year	(87,814)	(138,781)
Treasury stock, at cost		
Balance at end of the previous year	(31,614)	(9)
Change in the fiscal year		
Purchase of treasury stock	(17)	(1)
Disposal of treasury stock	6	1
Disposal of treasury stock on share exchange	31,615	-
Total of change in the fiscal year	31,604	(0)
Balance at end of the fiscal year	(9)	(9)
Total shareholders' equity		
Balance at end of the previous year	143,677	14,272
Change in the fiscal year		
Issuance of new stock	4,025	46,000
Cash dividend	(1,410)	-
Net loss	(152,190)	(50,966)
Purchase of treasury stock	(17)	(1)
Disposal of treasury stock	4	0
Disposal of treasury stock on share exchange	20,184	-
Total of change in the fiscal year	(129,404)	(4,967)
Balance at end of the fiscal year	14,272	9,305
Valuation, translation adjustments and other		
Net unrealized gains on securities		
Balance at end of the previous year	848	(1,217)
Change in the fiscal year		
Net change in items other than shareholders' equity	(2,065)	1,409
Total of change in the fiscal year	(2,065)	1,409
Balance at end of the fiscal year	(1,217)	191

(millions of yen)

	Fiscal year 2009 From Apr. 1, 2008 To Mar. 31, 2009	Fiscal year 2010 From Apr. 1, 2009 To Mar. 31, 2010
Net unrealized gains on hedging derivatives		
Balance at end of the previous year	(0)	-
Change in the fiscal year		
Net change in items other than shareholders' equity	0	-
Total of change in the fiscal year	0	-
Balance at end of the fiscal year	-	-
Total valuation, translation adjustments and other		
Balance at end of the previous year	847	(1,217)
Change in the fiscal year		
Net change in items other than shareholders' equity	(2,065)	1,409
Total of change in the fiscal year	(2,065)	1,409
Balance at end of the fiscal year	(1,217)	191
Subscription rights to shares		
Balance at end of the previous year	-	-
Change in the fiscal year		
Net change in items other than shareholders' equity	-	467
Total of change in the fiscal year	-	467
Balance at end of the fiscal year	-	467
Total net assets		
Balance at end of the previous year	144,524	13,054
Change in the fiscal year		
Issuance of new stock	4,025	46,000
Cash dividend	(1,410)	-
Net loss	(152,190)	(50,966)
Purchase of treasury stock	(17)	(1)
Disposal of treasury stock	4	0
Disposal of treasury stock on share exchange	20,184	-
Net change in items other than shareholders' equity	(2,065)	1,876
Total of change in the fiscal year	(131,470)	(3,090)
Balance at end of the fiscal year	13,054	9,963

(4)Assumptions for going concern

None

(5)Significant Accounting Policies of Non-Consolidated Financial Statements

1. Valuation basis and valuation method for assets

Marketable securities and investments in securities

・Investments in subsidiaries and affiliates:

Cost method based on the moving-average method

・Available-for-sale securities

With market value: Market value method

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

Without market value: Cost method based on the moving-average method

・Investments in other securities of subsidiaries and affiliates

Without market value: Cost method based on the moving-average method

Investment in partnerships or similar (Securities as determined under the Financial Instruments and Exchange Act Article 2 Line 2,) are based on available recent financial statements in line with the earnings report date as stipulated in the partnership contract, with a figure equivalent to equity held included as a net figure.

2. Depreciation method for fixed assets

(1) Tangible fixed assets (except for Lease assets)

Declining balance method:

For the depreciation of buildings (excluding annexed facilities), which have been acquired since April 1, 1998, the straight-line method is applied.

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 lives are as follows:

Buildings: 2-50 years

Equipments and fixtures: 2-15 years

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

Internal use software:

Straight-line method based on the period available (within 5 years) in the company is applied.

Others: Straight-line method

(3) Lease assets

Regarding Lease assets related to finance lease transactions other than those involving transfer of ownership to the lessees, a straight line 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.

3. Deferred assets

Equity cost is expensed as incurred.

4. Allowances

(1) Allowance for doubtful accounts

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

(2) Accrued bonuses to employees

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

(3) Accrued employees' retirement benefits

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

When "Plan assets" exceeds an amount of "Projected benefit obligations" minus both "Unrecognized net translation" the amount in excess is accounted for as "Other assets" included in "Investments and other assets".

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

Unrecognized actuarial net loss will be amortized using the straight-line method over the average remaining service period (12 years) and amortization will be started from the next fiscal year.

(Change in accounting policy)

From the fiscal year under review, the partial amendments of Accounting Standards for Retirement Benefits (Part 3) (Accounting Standards Board of Japan Guidelines No.19 issued on July 31, 2008) have been applied.

The change has not resulted in any material impact on operating income, ordinary income and loss before income taxes.

5. Others

(1) Consumption tax accounting

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

(2) Consolidated tax system

Consolidated tax system is adopted.

(6)Change in Method of Presentation

Non-consolidated statements of income

1. "Loss on sales of investments in securities", ¥140 million, which has been expressed independently under "Non-operating expenses" in previous fiscal year, is included in "Others" under "Non-operating expenses", because it is immaterial to the non-consolidated statements of income as a whole.
2. "Loss on investments in partnerships", ¥423 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 non-consolidated statements of income as a whole.
3. " Commission fee ", which has been included in "Others" under " Non-operating expenses", ¥48 million, in previous fiscal year is expressed independently, because it is material to the non-consolidated statements of income as a whole.
4. " Gain on sales of investment in subsidiaries and affiliates ", ¥30 million, which has been expressed independently under "Extraordinary gains" in previous fiscal year is included in "Others" under "Extraordinary gains", because it is immaterial to the non-consolidated statements of income as a whole.
5. " Loss on impairment of fixed assets ", ¥1,172 million, which has been expressed independently under "Extraordinary losses" in previous fiscal year is included in "Others" under "Extraordinary losses", because it is immaterial to the non-consolidated statements of income as a whole.
6. " Loss on write-down of investments in subsidiaries and affiliates ", ¥888 million, which has been expressed independently under "Extraordinary losses" in previous fiscal year is included in "Others" under "Extraordinary losses", because it is immaterial to the non-consolidated statements of income as a whole.

6.Others

Changes in directors

To be disclosed when disclosure contents have been set.