

7<sup>th</sup> November, 2006

## Financial Report for the Six Months Period Ended 30<sup>th</sup> September, 2006 (Non-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 Meeting of the Board of Directors to Settle Interim Accounts: 7<sup>th</sup> November, 2006  
 Date of the Dividends Payment Beginning Expected: 11<sup>th</sup> December, 2006  
 Unit Share Method: Yes (1 unit = 100shares)

#### 1. Business Results for the Interim Period of Fiscal Year 2007 (From 1<sup>st</sup> April, 2006 to 30<sup>th</sup> September, 2006)

##### (1) Results of operations (Figures are rounded down to the nearest million yen)

	Sales and operating revenue		Operating income		Ordinary income	
	million yen	%	million yen	%	million yen	%
Current Interim Period	11,511	(79.4)	7,923	266.4	9,326	84.0
Previous Interim Period	55,847	(24.6)	2,162	(53.1)	5,067	(27.2)
Reference) Fiscal Year 2006	59,807		2,529		6,206	

	Net income		Net income per share
	million yen	%	yen
Current Interim Period	8,957	(40.0)	121.31
Previous Interim Period	14,929	(56.7)	198.79
Reference) Fiscal Year 2006	22,563		302.75

Notes: 1. Average number of shares outstanding during the period ended.

Current Interim Period: 73,844,695 shares Previous Interim Period: 75,104,793 shares  
 Fiscal Year 2006: 74,386,543 shares

2. Change in accounting policies: None

3. Percentages for Sales and operating revenue, Operating income, Ordinary income and Net income indicate changes from the previous interim period

##### (2) Financial position

	Total assets	Net assets	Shareholders' equity ratio	Shareholders' equity per share
	million yen	million yen	%	yen
As of 30 <sup>th</sup> Sep, 2006	315,750	169,628	53.7	2,292.91
As of 30 <sup>th</sup> Sep, 2005	272,172	155,930	57.3	2,112.67
Reference) Fiscal Year 2006	288,996	163,862	56.7	2,224.36

Notes: 1. Number of shares issued at the end of the period

Current Interim Period: 73,979,301 shares Previous Interim Period: 73,807,565 shares  
 Fiscal Year 2006: 73,648,159 shares

2. Number of shares of treasury stock at the end of the period

Current Interim Period: 4,147,111 shares Previous Interim Period: 3,121,667 shares  
 Fiscal Year 2006: 4,143,833 shares

#### 2. Earnings Forecast for the Fiscal Year 2007 (From 1<sup>st</sup> April, 2006 to 31<sup>st</sup> March, 2007)

	Operating revenue	Ordinary income	Net income
	million yen	million yen	million yen
Full-year	15,500	10,200	10,000

Reference) Expected net income per share (full-year basis): 135.17 yen

#### 3. Dividends

	Interim dividends per share	Fiscal year-end dividends per share	Annual dividends per share
	yen	yen	yen
Fiscal Year 2006	-	40.00	40.00
Fiscal Year 2007(result)	20.00	-	40.00
Fiscal Year 2007(forecast)	-	20.00	

\* On 1<sup>st</sup> October, 2005, CSK CORPORATION shifted to a holding company structure. Accordingly, operating result and financial position of this fiscal year differ from the previous year. Since descriptions about future events, for instance, earnings forecast for March, 2007 are estimation, results may differ from this estimation due to changes of several economic conditions.

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

## Non-Consolidated Balance Sheets

(millions of yen)

Account	Fiscal year 2006 1st half (As of 30 <sup>th</sup> Sep, 2005)		Fiscal year 2007 1st half (As of 30 <sup>th</sup> Sep, 2006)		Fiscal year 2006 (As of 31 <sup>st</sup> Mar, 2006)		Increase (Decrease) compared to fiscal year 2006	
	Amount	% of total	Amount	% of total	Amount	% of total	Amount	Change
Assets		%		%		%		%
I Current assets								
1 Cash and time deposits	37,407		85,320		54,280		31,039	
2 Notes receivable	14		-		-		-	
3 Accounts receivable	19,619		27		66		(38)	
4 Operating account receivable	-		710		756		(45)	
5 Inventories	4,922		31		31		0	
6 Short-term loans receivable	81		-		-		-	
7 Short-term loans to subsidiaries and affiliates	35,927		37,457		40,382		(2,925)	
8 Other current assets	10,749		7,843		13,476		(5,632)	
Allowance for doubtful accounts	(22)		-		(35)		35	
Total current assets	108,700	39.9	131,390	41.6	108,958	37.7	22,432	20.6
II Fixed assets								
1 Tangible fixed assets								
(1) Buildings	15,343		4,693		7,450		(2,757)	
(2) Computer and other equipment	1,748		735		853		(118)	
(3) Land	7,694		7,105		8,788		(1,682)	
(4) Other tangible fixed assets	170		1,391		123		1,268	
Total tangible fixed assets	24,956	9.2	13,926	4.4	17,216	6.0	(3,289)	(19.1)
2 Intangible fixed assets								
(1) Land leasehold	10,156		-		-		-	
(2) Other intangible fixed assets	531		550		85		464	
Total intangible fixed assets	10,687	3.9	550	0.2	85	0.0	464	543.9
3 Investments and other assets								
(1) Investments in securities	23,370		30,385		31,742		(1,357)	
(2) Investments in subsidiaries and affiliates	71,167		106,550		106,033		517	
(3) Long-term loans to subsidiaries and affiliates	17,358		28,328		25,005		3,323	
(4) Prepaid pension costs	3,788		-		-		-	
(5) Deferred income taxes	2,552		-		-		-	
(6) Fixed leasehold deposits	8,391		4,220		3,000		1,220	
(7) Others	1,948		1,136		1,193		(57)	
Allowance for doubtful accounts	(749)		(739)		(4,240)		3,500	
Total investments and other assets	127,828	47.0	169,882	53.8	162,735	56.3	7,146	4.4
Total fixed assets	163,472	60.1	184,359	58.4	180,037	62.3	4,321	2.4
Total assets	272,172	100.0	315,750	100.0	288,996	100.0	26,753	9.3

(millions of yen)

Account	Fiscal year 2006 1st half (As of 30 <sup>th</sup> Sep, 2005)		Fiscal year 2007 1st half (As of 30 <sup>th</sup> Sep, 2006)		Fiscal year 2006 (As of 31 <sup>st</sup> Mar, 2006)		Increase (Decrease) compared to fiscal year 2006	
	Amount	% of total	Amount	% of total	Amount	% of total	Amount	Change
Liabilities		%		%		%		%
I Current liabilities								
1 Accounts payable	8,488		15		16		(0)	
2 Short-term bank loans payable	7,300		1,200		5,500		(4,300)	
3 Accrued expenses	2,664		-		1,383		(1,383)	
4 Accrued income taxes	327		1,846		6,474		(4,628)	
5 Consumption taxes payable	174		-		-		-	
6 Deposits received	25,520		39,057		41,715		(2,657)	
7 Accrued bonuses to employees	3,080		97		98		(1)	
8 Allowance for anticipated losses on contracts	173		-		-		-	
9 Allowance for relocation loss	95		-		-		-	
10 Other current liabilities	2,849		990		2,095		(1,104)	
Total current liabilities	50,674	18.6	43,207	13.7	57,283	19.8	(14,075)	(24.6)
II Long-term liabilities								
1 Corporate bonds payable	40,000		40,000		40,000		-	
2 Convertible bonds payable	23,000		58,000		23,000		35,000	
3 Long-term bank loans payable	1,200		-		-		-	
4 Accrued directors' retirement benefits	113		113		113		-	
5 Other long-term liabilities	1,254		4,801		4,737		64	
Total long-term liabilities	65,567	24.1	102,914	32.6	67,850	23.5	35,064	51.7
Total liabilities	116,242	42.7	146,121	46.3	125,133	43.3	20,988	16.8
Shareholders' equity								
I Common stock	69,852	25.6	-	-	71,523	24.7	(71,523)	-
II Capital surplus								
1 Additional paid-in capital	25,498		-		27,169		(27,169)	
2 Other capital retained earnings	7,086		-		7,075		(7,075)	
Total capital surplus	32,585	12.0	-	-	34,245	11.9	(34,245)	-
III Retained earnings								
1 Legal reserve	62		-		62		(62)	
2 Voluntary reserve	48,821		-		48,821		(48,821)	
3 Unappropriated retained earnings	16,871		-		24,505		(24,505)	
Total retained earnings	65,755	24.2	-	-	73,389	25.4	(73,389)	-
IV Unrealized gains on securities	1,649	0.6	-	-	4,330	1.5	(4,330)	-
V Treasury stock, at cost	(13,912)	(5.1)	-	-	(19,625)	(6.8)	19,625	-
Total shareholders' equity	155,930	57.3	-	-	163,862	56.7	(163,862)	-
Total liabilities and shareholders' equity	272,172	100.0	-	-	288,996	100.0	(288,996)	-
Net assets								
I Shareholders' equity								
1 Common stock	-	-	72,195	22.9	-	-	72,195	-
2 Capital surplus								
(1) Additional paid-in capital	-	-	27,841		-	-	27,841	
(2) Other capital retained earnings	-	-	7,075		-	-	7,075	
Total capital surplus	-	-	34,916	11.0	-	-	34,916	-
3 Retained earnings								
(1) Legal reserve	-	-	62		-	-	62	
(2) Other retained earnings								
General reserve	-	-	67,321		-	-	67,321	
Carrying forward earned surpluses	-	-	11,974		-	-	11,974	
Total retained earnings	-	-	79,358	25.1	-	-	79,358	-
4 Treasury stock, at cost	-	-	(19,642)	(6.2)	-	-	(19,642)	-
Total shareholders' equity	-	-	166,828	52.8	-	-	166,828	-
II Valuation and translation adjustments								
1 Unrealized gains on securities	-	-	2,799	0.9	-	-	2,799	-
2 Gains on deferred hedge	-	-	0	0.0	-	-	0	-
Total valuation and translation adjustments	-	-	2,800	0.9	-	-	2,800	-
Total net assets	-	-	169,628	53.7	-	-	169,628	-
Total liabilities and net assets	-	-	315,750	100.0	-	-	315,750	-

## Non-Consolidated Statements of Income

(millions of yen)

Account	Fiscal year 2006 For the six months ended 30 <sup>th</sup> Sep 2005		Fiscal year 2007 For the six months ended 30 <sup>th</sup> Sep 2006		Increase (Decrease)		Fiscal year 2006 For the year ended 31 <sup>st</sup> Mar, 2006	
	Amount	Ratio to Sales and operating revenue	Amount	Ratio to Sales and operating revenue	Amount	Change	Amount	Ratio to Sales and operating revenue
I Sales and operating revenue	55,847	100.0	-	-	(55,847)	-	55,847	93.4
II Operating costs	44,923	80.4	-	-	(44,923)	-	44,923	75.1
Gross profit	10,923	19.6	-	-	(10,923)	-	10,923	18.3
III Selling, general and administrative expenses	8,761	15.7	-	-	(8,761)	-	8,761	14.7
IV Operating revenue	-	-	11,511	100.0	11,511	-	3,959	6.6
V Operating expenses	-	-	3,588	31.2	3,588	-	3,592	6.0
Operating income	2,162	3.9	7,923	68.8	5,760	266.4	2,529	4.2
VI Non-operating income	3,405	6.1	1,889	16.4	(1,516)	(44.5)	4,681	7.8
1 Interest income	590		1,138		548		1,467	
2 Dividend income	2,319		140		(2,179)		2,369	
3 Facilities rent income	-		449		449		-	
4 Others, net	496		161		(334)		844	
VII Non-operating expenses	500	0.9	485	4.2	(14)	(3.0)	1,004	1.7
1 Interest expenses	92		99		6		187	
2 Interest on corporate bonds	177		192		15		352	
3 Corporate bond issue costs	-		54		54		-	
4 Provision for accrued employees' retirement benefits	126		-		(126)		126	
5 Transfer agent commission	78		83		5		179	
6 Others, net	25		54		29		157	
Ordinary income	5,067	9.1	9,326	81.0	4,259	84.0	6,206	10.3
VIII Extraordinary gains	19,434	34.8	99	0.9	(19,334)	(99.5)	34,958	58.5
1 Gain on sales of fixed assets	-		59		59		15,455	
2 Gain on sales of investments in subsidiaries and affiliates	19,288		-		(19,288)		19,288	
3 Gain from reversal of allowance for doubtful accounts	-		35		35		-	
4 Others, net	145		4		(141)		215	
IX Extraordinary losses	1,816	3.3	36	0.3	(1,780)	(98.0)	7,166	12.0
1 Loss on disposal of fixed assets	149		8		(140)		209	
2 Loss on impairment of fixed assets	-		-		-		1,578	
3 Loss on write-down of investments in securities	-		27		27		-	
4 Loss on relocation of datacenter	740		-		(740)		740	
5 Loss on cancellation of system development	807		-		(807)		807	
6 Provision for allowance for doubtful accounts	-		-		-		3,535	
7 Others, net	119		0		(119)		295	
Income before income taxes	22,684	40.6	9,389	81.6	(13,295)	(58.6)	33,998	56.8
Income taxes : Current	(1,059)	(1.9)	(558)	(4.8)	501	-	(410)	(0.7)
Income taxes : Deferred	8,814	15.8	989	8.6	(7,824)	(88.8)	11,845	19.8
Net income	14,929	26.7	8,957	77.8	(5,972)	(40.0)	22,563	37.7
Retained earnings at the beginning	1,942		-		(1,942)		1,942	
Unappropriated retained earnings	16,871		-		(16,871)		24,505	

## Non-consolidated Statement of Changes in Net Assets

Fiscal year 2007 for the six months ended 30<sup>th</sup> Sep, 2006

(millions of yen)

	Shareholders' equity							Valuation and translation adjustments		Total net assets	
	Common stock	Capital surplus		Retained earnings			Treasury stock, at cost	Total shareholders' equity	Unrealized gains on securities		Gain on deferred hedge
		Additional paid-in capital	Other capital retained earnings	Legal reserve	General reserve	Other retained earnings Carrying forward earned surpluses					
Balance as of 31 <sup>st</sup> Mar, 2006	71,523	27,169	7,075	62	48,821	24,505	(19,625)	159,532	4,330	-	163,862
Change in the six months											
Exercise of stock option	671	671	-	-	-	-	-	1,343	-	-	1,343
General reserve	-	-	-	-	18,500	(18,500)	-	-	-	-	-
Cash dividends	-	-	-	-	-	(2,945)	-	(2,945)	-	-	(2,945)
Directors' and standing corporate auditors' bonuses	-	-	-	-	-	(42)	-	(42)	-	-	(42)
Net income	-	-	-	-	-	8,957	-	8,957	-	-	8,957
Repurchase of treasury stock	-	-	-	-	-	-	(17)	(17)	-	-	(17)
Disposal of treasury stock	-	-	(0)	-	-	-	0	0	-	-	0
Net change in the items other than shareholders' equity in the six months	-	-	-	-	-	-	-	-	(1,530)	0	(1,530)
Total of change in the six months	671	671	(0)	-	18,500	(12,530)	(16)	7,295	(1,530)	0	5,765
Balance as of 30 <sup>th</sup> Sep, 2006	72,195	27,841	7,075	62	67,321	11,974	(19,642)	166,828	2,799	0	169,628

## **Significant Accounting Policies of Non-Consolidated Financial Statements**

### **1. Valuation basis and valuation method for assets**

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

### **2. Depreciation method for Fixed assets**

- (1) Tangible fixed assets: Declining balance method
- Buildings: 2-50 years
  - Computer and other equipment: 2-20 years
- For the depreciation of buildings (excluding structures), which have been acquired since 1<sup>st</sup> April, 1998, the straight-line method is adopted.
- (2) Intangible fixed assets
- Internal use software: Straight-line method based on the period available (within 5 years) in the company
  - Others: Straight-line method

### **3. Deferred assets**

Equity costs and Corporate bond issue costs are expensed as incurred.  
(Change in accounting policies)  
From the interim period under review, "Tentative Solution on Accounting for Deferred Assets" (practical solutions No.19 of 11<sup>th</sup> August, 2006) has been applied.  
"New share issuing expense", which has been included in "Others, net" under "Non-operating expenses" in previous interim period is changed to be treated as "Equity costs".

### **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 "Others" included in "Investments and other assets".  
Unrecognized actuarial net loss will be amortized using the straight-line method over the average remaining service period (12 years) and amortization will be started from the next fiscal year.
- (4) Accrued directors' retirement benefits: Accrued directors' retirement benefits in amounts is equivalent to the liability the Company would have been required to pay upon directors' retirement at the balance sheets date in accordance with internal rules.  
However the Company is not increasing the required amounts after the general meeting of shareholders of 26<sup>th</sup> June, 2003 holding, due to revise internal rules.

### **5. Lease transactions**

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

## 6. Hedge accounting

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

## 7. Others

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

## Change in accounting policies

### Accounting Standard for Presentation of Net Assets in the Balance Sheet, etc.

#### Partial revision of Accounting Standard for Treasury Stock and Appropriation of Legal Reserve, etc.

From the interim period under review, "Accounting Standard for Presentation of Net Assets in the Balance Sheet" (Accounting Standards Board of Japan (ASBJ) Statement No. 5 of 9<sup>th</sup> December, 2005) and "Guidance on Accounting Standard for Presentation of Net Assets in the Balance Sheet" (ASBJ Guidance No. 8 of 9<sup>th</sup> December, 2005), as well as the revised "Accounting Standard for Treasury Stock and Appropriation of Legal Reserve" (ASBJ Statement No. 1; final revision on 11<sup>th</sup> August, 2006) and "Guidance on Accounting Standard for Treasury Stock and Appropriation of Legal Reserve" (ASBJ Guidance No. 2; final revision on 11<sup>th</sup> August, 2006) have been applied.

The adoption of the new accounting standard had no impact on net income.

Shareholder's equity under the previous presentation method amounted to ¥169,627 million

The interim financial statements for the period under review have been prepared in accordance with the revised "Regulation for Interim Financial Statements".

## Change in Method of Presentation

### Non-consolidated balance sheets

1. "Short-term loans receivable", ¥1 million, which has been expressed independently under "Current assets" in previous interim period is included in "Others" under "Current assets", because it is immaterial to the non-consolidated balance sheets as a whole.
2. "Prepaid pension costs", ¥2 million, which has been expressed independently under "Investments and other assets" in previous interim period is included in "Others" under "Investments and other assets", because it is immaterial to the non-consolidated balance sheets as a whole.
3. "Accrued expenses", ¥368 million, which has been expressed independently under "Current liabilities" in previous interim period is included in "Others" under "Current liabilities", because it is immaterial to the non-consolidated balance sheets as a whole.

### Non-consolidated statements of income

1. "Facilities rent income", which has been included in "Others, net" under "Non-operating income", ¥117 million, in previous interim period is expressed independently because it is material to the non-consolidated statements of income as a whole.
2. "Gain on sales of fixed assets", which has been included in "Others, net" under "Extraordinary gains", ¥47 million, in previous interim period is expressed independently because it is material to the non-consolidated statements of income as a whole.
3. "Gain from reversal of allowance for doubtful accounts", which has been included in "Others, net" under "Extraordinary gains", ¥23 million, in previous interim period is expressed independently because it is material to the non-consolidated statements of income as a whole.
4. "Loss on write-down of investments in securities", which has been included in "Others, net" under "Extraordinary losses", ¥5 million, in previous interim period is expressed independently because it is material to the non-consolidated statements of income as a whole.

## Additional Information

### Subsequent event: Tax adjustment

On 1<sup>st</sup> August, 2005, the Tokyo Regional Taxation Bureau notified the Company of a corporate tax adjustment relating to the appraisal value of subsidiary companies involved in Group reorganization for the fiscal year ended 31<sup>st</sup> March, 2004.

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

If all the elements of the tax adjustment notification were reflected in the consolidated financial results for the interim period ending 30<sup>th</sup> September, 2006, the impact would be to reverse the Company's deferred tax assets by approximately ¥2.1 billion.

### Shift of operating result and financial position

On 1<sup>st</sup> October, 2005, CSK CORPORATION shifted to a holding company structure. Accordingly, operating result and financial position of this fiscal year differ from previous year and previous interim period.

## Notes to Non-Consolidated Financial Statements

### Non-consolidated balance sheets

1. Accumulated depreciation of tangible fixed assets	(millions of yen)		
	As of 30 <sup>th</sup> Sep		As of 31 <sup>st</sup> Mar
	2005	2006	2006
	17,445	4,010	11,472

2. Pledged assets	(millions of yen)		
	As of 30 <sup>th</sup> Sep		As of 31 <sup>st</sup> Mar
	2005	2006	2006
Other current assets (Marketable securities)	10	-	10

Note: Based on Article 25 of Building Lots and Buildings Transaction Business Law, "Investments in securities" and "Other current assets (Marketable securities)" above have been pledged as collateral to secure dealings.

3. Deposits received	(millions of yen)		
	As of 30 <sup>th</sup> Sep		As of 31 <sup>st</sup> Mar
	2005	2006	2006
CSK Group Cash Management System(CMS)	25,222	39,034	41,616

#### 4. Loan commitment agreements

##### Lender

The Company concluded master agreements for CMS that have set out the availability granted among companies.

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

	(millions of yen)		
	As of 30 <sup>th</sup> Sep		As of 31 <sup>st</sup> Mar
	2005	2006	2006
Total availability granted by CMS	7,435	57,005	27,270
Used portion of credit line	-	14,441	-
Remaining portion of credit line	7,435	42,564	27,270
Number of target corporation	29 companies	30 companies	29 companies

#### 5. Increase in the number of shares

	As of 30 <sup>th</sup> Sep		As of 31 <sup>st</sup> Mar
	2005	2006	2006
Stock option	195,948 shares	334,420 shares	1,058,708 shares

#### 6. Consumption taxes

##### As of 30<sup>th</sup> Sep, 2005

"Provisional payment of consumption taxes" and "Provisional receipt of consumption taxes" are offset and included in "Consumption taxes payable" under "Current assets".

##### As of 30<sup>th</sup> Sep, 2006

"Provisional payment of consumption taxes" and "Provisional receipt of consumption taxes" are offset and included in "Others, net" under "Current assets".

## Non-consolidated statements of income

1. "Sales and operating revenue", "Operating costs", "Selling, general and administrative expenses", "Operating revenue", and "Operating expenses"

For the six months ended 30<sup>th</sup> Sep, 2006

"IV Operating revenue" for the holding company for the six months ended 30<sup>th</sup> September, 2006 and beyond is based on dividends received from subsidiaries and affiliates and Group operating revenue.

For the year ended 31<sup>st</sup> Mar, 2006

On 1<sup>st</sup> October, 2005, CSK CORPORATION shifted to a holding company structure.

"I Sales and operating revenue", "II Operating costs", and "III Selling, general and administrative expenses" are revenue and expenses of ex-CSK CORPORATION for the six months ended 30<sup>th</sup> September, 2005. "IV Operating revenue" and "V Operating expenses" are revenue and expenses of the CSK HOLDINGS CORPORATION, a holding company, for the year ended 31<sup>st</sup> March, 2006.

"IV Operating revenue" for the holding company for the year ended 31<sup>st</sup> March, 2006 and beyond is based on dividends received from subsidiaries and affiliates and Group operating revenue.

---

2. Depreciation expenses	(millions of yen)		
	For the six months ended 30 <sup>th</sup> Sep		For the year ended 31 <sup>st</sup> Mar
	2005	2006	2006
Tangible fixed assets	916	416	1,623
Intangible fixed assets	194	16	292
Total	1,110	433	19,915

---

3. Gain on sales of investment in subsidiaries and affiliates	(millions of yen)		
	For the six months ended 30 <sup>th</sup> Sep		For the year ended 31 <sup>st</sup> Mar
	2005	2006	2006
Nextcom.KK.	19,288	-	19,288

---

## 4. Loss on impairment of fixed assets

For the year ended 31<sup>st</sup> Mar, 2006

- (1) The company declares the following impairment losses

Location	Use	Classification
CSK Information Education Center (Tama city, Tokyo)	Administrative facilities Educational facilities	Land and buildings

- (2) Asset grouping method

As regards the computer services business, the company uses the division as the smallest grouping unit. Also, in the case of assets scheduled for sale, each asset is treated as the smallest grouping unit. As the headquarters does not generate independent cash flow it is treated as a commonly held asset.

- (3) Background to recognition as impairment losses and calculation methods

As book value was far less than the price left when fees relating to the sale were deducted from the scheduled sales price in the case of assets scheduled for sale, these were recognized as impairment losses. The said reduction was reported in special losses as impairment losses amounting to ¥1,578 million.

The breakdown was as follows:

Land: ¥613 million  
Buildings and structures: ¥924 million  
Others: ¥39 million

At the level of the divisions, which form the basic grouping units, there was no indication of impairment.

---

**Non-consolidated statements of changes in net assets**Fiscal year 2007 for the six months ended 30<sup>th</sup> Sep, 2006

Types and numbers of treasury stock

(shares)

	As of 31 <sup>st</sup> Mar, 2006	The six months Increase	The six months Decrease	As of 30 <sup>th</sup> Sep, 2006
Common stock	4,143,833	3,372	94	4,147,111
Total	4,143,833	3,372	94	4,147,111

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

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

**Marketable Securities and Investments in Securities**1. As of 30<sup>th</sup> Sep, 2005

Investments in subsidiaries and affiliates with market value

(millions of yen)

Item	Carrying amount	Fair market value	Difference
Share of subsidiaries	32,459	69,981	37,522
Share of affiliates	-	-	-

2. As of 30<sup>th</sup> Sep, 2006

Investments in subsidiaries and affiliates with market value

(millions of yen)

Item	Carrying amount	Fair market value	Difference
Share of subsidiaries	32,459	53,640	21,180
Share of affiliates	-	-	-

3. As of 31<sup>st</sup> Mar, 2006

Investments in subsidiaries and affiliates with market value

(millions of yen)

Item	Carrying amount	Fair market value	Difference
Share of subsidiaries	32,459	80,349	47,890
Share of affiliates	-	-	-