

## Company Profile (As of September 30, 2012)

Corporate name	PC DEPOT CORPORATION
Business outline	Direct and franchise management of PC DEPOT, a comprehensive store specializing in PCs and networks, and PC DEPOT PC Clinics which provide PC repairs and technical services
Head office	3-1-9, Shinyokohama kohoku-ku, Yokohama-shi, Kanagawa 222-0033 Japan Phone number:045-472-7795(Japan)
Date of establishment	August 1994
Date of stock exchange listings	October 1999
Capital	¥1,601,190,000
Number of employees	680 (consolidated)
Consolidated subsidiaries	ejworks Corporation PC DEPOT STORES CORPORATION (*1)

\*1 Changed name to PC DEPOT STORES CORPORATION on April 1, 2012.

## Board Members (As of September 30, 2012)

President and Chief Executive Officer	Takahisa Nojima
Senior Managing Director	Shigehiko Sakai
Managing Director	Mitsuyoshi Hae
Director	Kenshi Hamamatsu
Director	Takayuki Shimano
Director	Hideki Saito
Outside Director	Hidehiro Takayama
Outside Director	Hideaki Izawa
Outside Director	Atsuomi Obayashi
Standing Corporate Auditor	Eizo Akashi
Outside Auditor	Kunihiko Yamamoto
Outside Auditor	Kazuo Yamamoto

### Business Fiscal Year

From April 1 to March 31 of the following year

### Ordinary General Shareholders' Meeting

June annually

### Settlement Date of Shareholders to Whom Dividends of Retained Earnings Are Paid

September 30 and March 31

Record dates other than the above are determined through resolution of the Board of Directors.

### Method of Public Notification

Public notifications are made by electronic means (URL:<http://www.pcdepot.co.jp>). However, in the event of problems preventing electronic announcements due to an accident or other unavoidable cause, details will be published in the Nikkei newspaper.

### Administrator of Shareholder Registry / Special Account Management Institution

Mitsubishi UFJ Trust and Banking Corporation  
1-4-5 Marunouchi, Chiyoda-ku, Tokyo 100-8212, Japan

### Contact info

Mitsubishi UFJ Trust and Banking Corporation  
Corporate Agency Department  
7-10-11 Higashisuna, Koto-ku, Tokyo 137-8081, Japan  
Tel : 0120-232-711 (toll free)

\* As share certificates have been digitized, please contact the securities firm at which you have an account, in order to revise your shareholder's address, etc.



# Investor's Guide

First Half of the Fiscal Year Ending March 31, 2013

(April 1, 2012 to September 30, 2012)



[Consolidated]

Net sales

**24,168** million yen  
(year-to-year comparison 104.6%)

Operating income

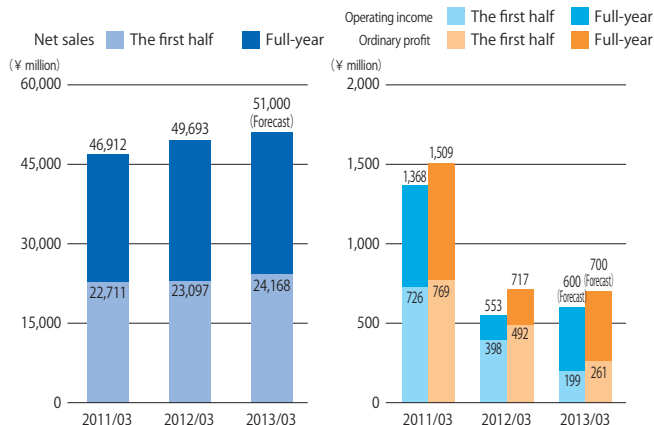
**199** million yen  
(year-to-year comparison 50.1%)

Ordinary profit

**261** million yen  
(year-to-year comparison 53.0%)

- The first half of the fiscal year ending on March 31, 2013 has seen higher revenues but lower earnings
- Service sales represents about 28% of the overall sales (up 28% year on year)
- Gross profit was up 8.5% year on year
- SG&A expenses increased by 12.0% year on year due to growth in the number of stores
- Growth in sales of smart devices such as smartphones and tablets; Enhancement of related services
- PC DEPOT: Opened 5 directly managed / subsidiary stores
- PC DEPOT PC Clinic: Opened 3 directly managed stores

## Trends in consolidated earnings



## PC DEPOT new stores

### PC DEPOT Kannana Okudo store (Opened on April 29, 2012)

Opening hours : 10:15 ~ 20:00  
Address : 8-27-1, Okudo, Katsushika-ku, Tokyo  
Telephone number : 03-5672-1566

### PC DEPOT Takamatsu-Higashi By-Pass store (Opened on April 29, 2012)

Opening hours : 10:15 ~ 20:00  
Address : 859-1, Kamitenjincho, Takamatsu-shi, Kagawa-ken  
電話番号 : 087-815-0555

### PC DEPOT Morioka Flagship store (Opened with relocation/integration on June 15, 2012)

Opening hours : 10:15 ~ 20:00  
Address : 4-39-50, Motomiya, Morioka-shi, Iwate-ken  
Telephone number : 019-635-2331

### PC DEPOT Tookaichiba store (Opened on June 29, 2012)

Opening hours : 10:15 ~ 20:00  
Address : 846-1, Tookaichibacho, Midori-ku, Yokohama-shi, Kanagawa-ken  
Telephone number : 045-989-5700

### PC DEPOT Iizuka-akimatsu store (Opened with relocation on September 15, 2012)

Opening hours : 10:15 ~ 20:00  
Address : 928-2, Akimatsu, Iizuka-shi, Fukuoka-ken  
Telephone number : 0948-23-3090



## New PC DEPOT PC Clinic stores



### Operations inside the premises of other mass retailers

#### PC Clinic in K's Denki Keyaki Walk Maebashi Store (Opened on May 17, 2012)

Opening hours : 10:00 ~ 21:00  
Address : 2-1-1, Bunkyocho, Maebashi-shi, Gunma-ken  
Telephone number : 027-210-6116



#### PC Clinic in K's Denki Tochigi-Oohira Store (Opened on September 20, 2012)

Opening hours : 10:00 ~ 21:00  
Address : 12 Gaiku, Shimominagawa, Oohiracho, Tochigi-shi, Tochigi-ken  
Telephone number : 0282-45-2161



#### PC Clinic in K's Denki Naka Store (Opened on September 27, 2012)

Opening hours : 10:00 ~ 21:00  
Address : 1620-1, Yoroi, Sugaya, Naka-shi, Ibaraki-ken  
Telephone number : 029-270-8251

PC DEPOT **61** stores PC DEPOT PC Clinic **50** stores

Number of stores: **111** (total 123 including FC stores)

[www.pcdetop.co.jp/shop](http://www.pcdetop.co.jp/shop)

PC DEPOT store information

Search

### Working to improve the safety of PCs, the Internet, and data



#### Second quarter of the fiscal year ending on March 31, 2013: Increase in both number of stores and service sales

We would like to take this opportunity to express our sincere appreciation for your business.

Here is an overview of the financial results of the second quarter of the fiscal year ending on March 31, 2013 ( "FY3/2013" ). Second quarter of FY3/2013 has seen higher revenues but lower earnings. After the migration to digital terrestrial broadcasting in July, 2011, TV market has come to a mature level and peaked. While, in such a situation, not only number of PCs sold, but also average unit price and sales amount were below the level of previous year, due to retroaction against the previously increased sales of models supporting digital terrestrial broadcasting; PCs having been widely spread, thus being more like a commodity; and smartphones and tablet devices having got more popularity.

In such a situation, we had a hard time that sales in existing stores were 91.4% as compared to the previous FY. Nevertheless, service sales increased significantly by 28.3% from the previous FY thanks to increased stores and other factors, resulting in net sales of 24,100 million yen exceeding the previous FY.

We have promoted parallel operations of "PC DEPOT" stores (comprehensive stores specializing in PCs and networks) and "PC DEPOT PC Clinics" which provide PC repair and technical services/support operating in other companies' mass retailing stores. During the first half, we have opened 8 stores including 5 "PC DEPOT" stores and 3 "PC DEPOT PC Clinics," resulting in 22 more stores as compared to the previous FY. Thus currently we have 111 stores in total.

As can be seen, higher SG&A expenses due to having more stores caused lower profit than the previous FY.

#### Amendment to the forecasts of FY3/2013

In the second half of FY3/2013, we would still be under stringent circumstance concerning personal consumption.

Looking to our industry, new OS "Windows 8" was recently released, followed by new PCs having installed it, and quite a number of new products has been released including various smartphones and tablet devices, notably "iPad mini." We will go forward, as well as selling these products aggressively, to promote helping customers use such new products at their ease in various situations like "buying," "replacing with," and "after buying," them, and to enhance our services available for using them conveniently. Nevertheless, we have amended the consolidated revenue to 51,000 million yen, operating income to 600 million yen, and ordinary income to 700 million yen, taking into account today' s negative factors such as the tougher sales competition among mass electronics retailers, declining unit prices, and the fact that tablets and smartphones having installed "Windows 8" would not be released by the end of this year.

#### Enhanced services for smart devices such as smartphones and tablet devices

We have continued to strengthen our coverage of rapidly-growing smartphones and tablet devices. In terms of services, we started providing, in addition to technical services/support convenient for using PCs and smartphones, services which would be pleasant for wider range of generations in using smartphones at home and with families, such as "Memories in smart video" with which customers' video tapes at home can be played on their smartphones.

In a situation where individual customers use more devices, PC DEPOT will go forward to enhance our services so that wider range of devices can be utilized conveniently.

We shall appreciate your further support and guidance.

December, 2012

**Takahisa Nojima**, President and Chief Executive Officer

## More products are available for connecting to the internet.

Not only PCs, various other devices can be used for connecting to the internet. We do our best efforts to provide the widest range of products in each region, and to suggest new ways to use them.

### ▼ Tablet devices



### ▼ Smartphones



Greater focus is on new products such as "iPhone," "iPad" and "nexus" .

### ▼ Mac PC



### ▼ Windows PC



A wide variety of PCs are available, including Windows and Mac, ranging from low-cost ones to high-end ones.

## ■ "Answer Center" for responding to consultation from customers



We have a service counter that answers to any question about products, such as "What would fit me best?" We always take care to explain especially for beginners to understand easily.

## Wider support services of products we provide

We provide "Continuous services available right after buying, without any inconvenience," and help customers resolve their various problems.

### ▼ PC Clinic



In addition to repair/technical services mainly for PCs, wider services are available for customers to use smartphones/tablets more conveniently. You may also ask us for upgrading to Windows 8.

### ▼ Quick lecture on site



When a customer buys a PC at our store, our staff makes some lecture right there so that the customer can use it instantly.

### ▼ Precaution measures for data



Extensive services are available, such as backing-up valuable photos and music data stored in smartphones, and data migration in cases of replacing PCs.

## ■ Enhanced services for smartphones/tablets!

Sweet memories recorded on video tapes and in video cameras, etc. can be viewed on smartphones anytime, anywhere.



**PC DEPOT will continue to help customers build up comfortable, secure and safe internet environment.**

# Consolidated Financial Statements (Overview)

## Consolidated balance sheets (The end of second fiscal quarter)

(¥ million)	FY2011 (as of March 31, 2012)	Second quarter of FY2012 (as of September 30, 2012)	Amount of increase/ decrease
<b>Assets</b>			
Current assets	14,185	13,394	△ 791
Fixed assets	9,052	9,091	39
<b>Total assets</b>	<b>23,238</b>	<b>22,486</b>	△ 752
<b>Liabilities</b>			
Current liabilities	9,225	8,332	△ 893
Long-term liabilities	4,449	4,578	129
<b>Total liabilities</b>	<b>13,674</b>	<b>12,911</b>	△ 763
<b>Total net assets</b>	<b>9,563</b>	<b>9,574</b>	11
<b>Total liabilities and net assets</b>	<b>23,238</b>	<b>22,486</b>	△ 752

Note: Figures below ¥1 million are rounded down.

### Point

**[Assets]** Inventory and accounts receivable decreased due to seasonal variation and others.

**[Liabilities]** Mainly, accounts payable decreased.

## Consolidated Statements of income (The first half)

(¥ million, %)	First six months of FY2011 (ended September 30, 2011)	First six months of FY2012 (ended September 30, 2012)	Rate of increase/ decrease
<b>Net sales</b>	23,097	24,168	4.6
<b>Gross profit</b>	7,061	7,664	8.5
<b>Selling, general and administrative expenses</b>	6,662	7,464	12.0
<b>Operating income</b>	398	199	△ 50.0
<b>Ordinary profit</b>	492	261	△ 47.0
<b>Net income before income taxes</b>	481	225	△ 53.2
<b>Net income</b>	263	94	△ 64.3

Note: Figures below ¥1 million are rounded down, and percentages are rounded to one decimal place.

### Point

**[Sales]** Higher revenues were achieved thanks to having more stores and increase in service sales.

**[Sales and general administrative expenses]** There was increase in personnel expenses due to opening new stores, including those covering the areas where FC companies had operated their stores.

## Consolidated Statements of cash flow (The first half)

(¥ million)	First six months of FY2011 (ended September 30, 2011)	First six months of FY2012 (ended September 30, 2012)	Amount of increase/ decrease
Cash flows from operating activities	49	1,262	1,213
Cash flows from investing activities	△ 1,110	△ 540	570
Cash flows from financing activities	560	54	△ 506
Cash and cash equivalents at end of year	2,002	2,858	856

Note: Figures below ¥1million are rounded down.

### Point

**[Cash flow from operating activities]** Although there was a decrease in accounts payable, net cash used in operating activities increased by 1,262 million yen due to decrease in inventory, and to the amount of quarterly net income before tax, of depreciation and of goodwill amortization.

**[Cash flow from investment activities]** Net cash used in investing activities decreased by 540 million yen due to expenses for acquiring tangible/intangible fixed assets.

**[Cash flow from financing activities]** Although dividends were paid, net cash provided by financing activities increased by 54 million yen due to increase in the net amount of borrowed money.

## Sales by product (The first half)

(¥ million, %)	First six months of FY2011 (ended September 30, 2011)	First six months of FY2012 (ended September 30, 2012)	Rate of increase/ decrease
PC	5,461	5,992	9.7
Peripherals	5,029	5,089	1.2
Accessories and supplies	2,285	2,313	1.2
Software	549	592	7.9
Office automation equipment, used goods, and others	3,327	2,354	△ 29.3
<b>Total sales of products</b>	<b>16,653</b>	<b>16,343</b>	△ 1.9
Income from royalties	201	83	△ 58.4
Income from technical service and commissions	5,309	6,809	28.3
<b>Total PC sales business</b>	<b>22,163</b>	<b>23,236</b>	4.8
<b>Internet-related business</b>	<b>933</b>	<b>931</b>	△ 0.2
<b>Total</b>	<b>23,097</b>	<b>24,168</b>	4.6

Note: Figures below ¥1 million are rounded down, and percentages are rounded to one decimal place.

### Point

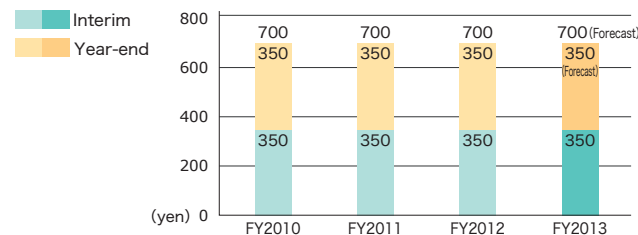
**[Technical service and commissions]** We could keep higher level of service sales, thanks to having more stores and to enhanced new services.

**[PC]** Despite the falling unit prices of PCs, better results could be achieved as compared to the previous year, thanks to having more stores.

## Dividend performance

Our basic policy is to keep returning profit to shareholders stably with a consolidated payout ratio of about 20%, considering the fortification of financial systems and the enrichment of internal reserves.

We set dividends as of the end of the second quarter of the fiscal year ended March 2013 at 350 yen, and the year-end dividends at 350 yen (scheduled 700 yen for annual dividend).



## Shareholders benefits

Every year we present registered shareholders owning four or more shares as of March 31 with shareholder vouchers that can be used for purchases at our stores under the following conditions.

These complementary tickets for shareholders can be used at PC DEPOT stores, PC DEPOT PC Clinic counters, and PC DEPOT Internet Shops.



Number of shares held	Benefits
4 shares or more	Complementary ticket for shareholders equivalent to 1,000 yen
10 shares or more	Complementary ticket for shareholders equivalent to 2,000 yen
50 shares or more	Complementary ticket for shareholders equivalent to 10,000 yen
100 shares or more	Complementary ticket for shareholders equivalent to 20,000 yen
400 shares or more	Complementary ticket for shareholders equivalent to 50,000 yen
1,000 shares or more	Complementary ticket for shareholders equivalent to 70,000 yen

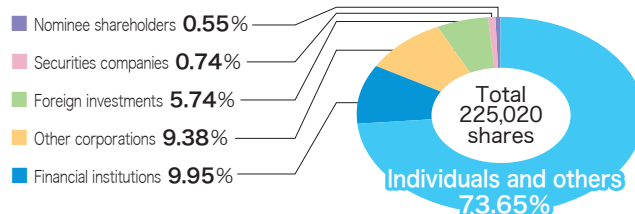
## Status of shares (as of September 30, 2012)

Total number of shares authorized to be issued ..... 890,000 shares  
 Total number of shares outstanding ..... 225,020 shares  
 Number of shareholders ..... 3,121 persons

## Major shareholders

Name of shareholder	Number of shares held (shares)	Voting rights ratio (%)
Takahisa Nojima	93,315	41.69
K'S HOLDINGS CORPORATION	14,404	6.43
Mellon Bank, N.A. Treaty Client Omnibus	8,000	3.57
Mizuho Bank, Ltd.	7,880	3.52
The Nomura Trust and Banking Co., Ltd. (investment account)	5,173	2.31
TRUST & CUSTODY SERVICES BANK, LTD. (TRUST ACCOUNT)	5,000	2.23
Kinuyo Nojima	4,845	2.16
CREDIT SUISSE AG ZURICH	3,042	1.35
PCD Employee Holding Company	2,592	1.15
Yoshiko Nojima	2,400	1.07

## Composition of shareholders



## Investor Relations website

[http://www.pcdepot.co.jp/co\\_ir/index.html](http://www.pcdepot.co.jp/co_ir/index.html)



- IR Library
- Monthly data
- From the president to investors
- Share Information

The "Q&A with top management" page answers questions about our strategies and businesses every month.

PC DEPOT IR Email Transmission  
 Currently accepting registration at our IR website. Registered users will be sent emails with new information related to investor relations at our company. Registration is free.

The company provides brief corporate information via CP (Corporate Profile)

Also accessible from our mobile phone website.

<http://pcdepot-net.com/>



## Store information



<http://www.pcdepot.co.jp>