

Investor's Guide

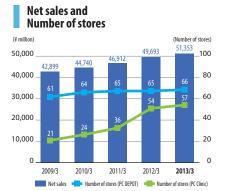
Financial Results for Fiscal Year 2012

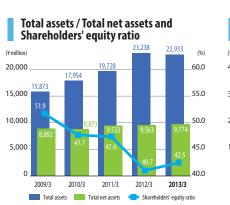
(April 1, 2012 to March 31, 2013)

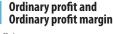
PC DEPOT CORPORATION





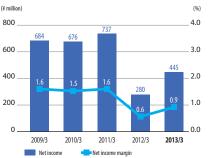


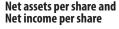






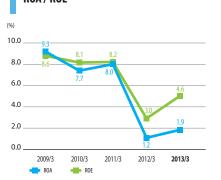
Net income and Net income margin







ROA / ROE



Business progress and results for the fiscal year ended March 31, 2013

I would like to take this opportunity to extend our heartfelt thanks for your invaluable support.

Below, please find a summary of the PC DEPOT Group's business results for the fiscal year ended March 31, 2013.

During the fiscal year under review, the Group's sales and income both increased. While the Japanese economy was on a gradual recovery track driven by the government's economic policy on post-earthquake projects related to reconstruction and other efforts, consumer spending remained steady.

During the second half of the year, the nation's expectations for an economic recovery rose as anticipation for an active easy-money policy lifted stock prices. Still, the future of the overall economy remained uncertain primarily because of the effects of the financial turmoil in European nations and rising oil prices as well as concerns related to the worsening employment situation. Against this backdrop, we continued to operate both PC DEPOT, a group of specialized stores that sell general PC and network equipment, and PC DEPOT PC Clinics, which provides PC repair and technical services as well as support via specialized stores on the premises of other mass retailers. The total number of both types of stores is now 111. Eight stores were newly opened within one year during the current year, leading to a 107.4% increase in selling, general, and administrative expenses as compared to the previous fiscal year. Sales of services grew by 121.1% over those of the previous year because of the inclusion of the Tohoku and Chubu regions as sales territories and because of the wider range of service offered to Premium Service subscribers.

Forecast and our policies for the fiscal year ending March 31, 2014

There have been high expectations for the new administration's economic policy, improvements in corporate performance backed by the low valuation of the yen, higher stock prices, and other factors, in addition to signs of a pickup in consumer spending. Nevertheless, the Group's performance for the fiscal year ending March 31, 2014, cannot be predicted with confidence due to lingering concerns over a downturn in wages and the job market.

Against this backdrop, tablets, smartphones, and other Internet devices continue to spread steadily, and latent demand for services that enable consumers to use such devices well is expected to grow.

Given this business environment, during the next consolidated fiscal year the Group will step up sales of Internet devices and offer more solutions by combining enriched content with quality services. For new Internet devices such as smartphones and tablets, we will provide a combination of such content and services, and for customers who seek advice on PCs or wish to buy a new PC upon termination of Windows XP support, we will offer products that combine hardware and software that allow them to start using their new devices well. In addition, under the key words of "safety" and "security," we will step up development and marketing of new content and services so that customers in the communities where we operate can use their Internet devices longer, more conveniently,



In terms of store development, we will revitalize our existing stores because sales of services at such stores are expected to increase as demand for services grows, mainly due to the diversification of Internet devices. In order to ensure strategic dominance in the Kanto region, we will flexibly develop new PC DEPOT and PC DEPOT PC Clinic stores by taking investment and demand into consideration.

Aiming to become "indispensable" to people in local communities

Our basic corporate social responsibility (CSR) policy is to use our stores to eliminate disparities in the information society (bridging the so-called "digital divide") that arise as a result of differences in age, gender, income, education, place of residence, and other factors, and our mission is to realize this goal through our stores.

Keeping our mission in mind, we will strive to implement business administration from the perspective of CSR through various efforts such as the strengthening of the safety of internet devices, internet access, data, and networks for more customers as well as the expanding our network of stores and increasing the variety of our products and services. The Group's consolidated business forecast for the fiscal year ending March 31, 2014, is 51.4 billion yen in net sales, 1.14 billion yen in operating income, 1.2 billion yen in ordinary income, and 700 million yen in net income.

We look forward to your continued support as we make further progress.

June 2013

Takahisa Nojima
President and Chief Executive Officer









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TOP INTERVIEW

What is PC DEPOT?

Mr. Takahisa Nojima, President and Chief Executive Officer of PC DEPOT, spoke with Mr. Yukio Suzuki, Chief Analyst from Belle Investment Research of Japan Inc., about various topics ranging from business models to future prospects.

An "IT Solutions Provider" that builds longer-term ties with customers through continuous support for longer use.

Mr. Yukio Suzuki (Suzuki)

What value does PC DEPOT provide to customers?



Takahisa Nojima

Mr. Takahisa Noiima (Noiima)

As an IT solutions provider, our stores offer products and services based on the concept of "attractive prices, safety, convenience, and kindness." Previously, we were a mass retailer that simply sold PCs and peripherals, and customers used to visit our stores for our attractive prices, ease of purchase, and familiarity. However, our stores have now changed into IT solutions providers that build longer-term ties with customers through continuous support for longer use of products they purchase.

Suzuki

Regarding "longer-term ties with customers for longer use," are your stores able to build such ties because the products you deal with are PCs?

Nojima

I believe that stores dealing with PCs and other smart devices need to have long-term ties with customers who purchase such products.

PCs and tablets (so-called "smart devices") require replacement or additional settings as a result of changing environments and release of new services, even if no changes occur to such devices themselves. This is one of the characteristics of digital networks, making these devices quite different from household appliances.

I believe that we deliver value by continuing to provide support that resolves customers' inconveniences in the use of products they own. Customers are able to receive our services for any inconvenience that they experience while using such products, while we are able to receive service fees from customers.

Our sole CSR policy is to "eliminate the digital information divide."

We strive to narrow the digital divide, aiming at the elimination of disparities.

Suzuki

There seem to be many people who see PC DEPOT as a retailer. What products do your stores actually deal with?

Noiima

Although our line of business is retailing, sales of services make up a larger proportion of gross margins than commodity sales. We are a retailer that conducts service business from the viewpoint of sales, while a service provider that conducts retailing from the perspective of contribution to earnings.

Of course, we need to grow our retailing business as well. As more and more useful and necessary products for customers are expected to be released, we will sell merchandise that our customers need as a retailer while providing services that they require for the use of such products.

Suzuki

Don't you think that a business model such as the one you have just described applies to TVs, refrigerators, laundry machines, and other household appliances?

Nojima

No, I don't think it applies only to such products. The difference can be attributed to ways of thinking, in terms of implementing a product-oriented approach or a customeroriented approach.

Let me give a specific example of a product-oriented approach. As TV sales have become sluggish, what product would take the place of TVs? PCs equipped with terrestrial digital TV tuners have enabled customers to watch TV programs on their PCs. However, if the sales of these PCs fall, what product would replace them and become popular? This way of thinking characterizes the product-oriented approach.

On the other hand, let's look at the other way of thinking, the customer-oriented approach. We have been selling devices that connect to the infrastructure known as the Internet (Internet devices). We are able to continue to provide services to customers even after their PCs are replaced with tablets. When selling commodities, stores may have to change the products they are selling depending on market conditions; and such changes would require modifications to the store's layout, product displays, and product explanations related to the new products. On the other hand, when selling services, the same engineers can remain in charge of providing services, and we receive almost the same service fees even after replacement of devices.

Suzuki

Your stores engage in both sales of products and ongoing support. I have almost never heard of this type of business model. Are there any similar business models?

Noiim

Our gross margins are generated through the following three operations: sales of products, technical services for repair and maintenance, and subscriber support. Our business model contains a mixture of sales of products and subscriber support, and I think that there are almost no other business models like ours.

Our goals are to make the Internet take root in the communities in which we operate and to enhance customer convenience so that those who are unfamiliar with the Internet will be able to enjoy it safely. After consideration of approaches for achieving these goals, we decided to establish a membership system in which we provide subscribers with support at any time they need in exchange for receiving monthly fees

from them. This allows those who are unfamiliar with the Internet and Internet devices to continue to use them safely.

Our sole CSR policy is to strive to narrow the disparities in the information society (the so-called "digital divide") that arise as a result of differences in age, gender, income, education, place of residence, and other factors, aiming at elimination of such disparities. This is the basic philosophy of our Group. It is conceivable that the three components of gross margins could vary in accordance with our CSR policy, but there will be no changes in this philosophy.



Yukio Suzuki

Suzuki

Although PC DEPOT stores can be found nationwide, I suppose some of your shareholders don't have your stores in their neighborhoods. In the service model you have just explained, do your customers need to visit your stores in order to receive settings and sales support? If not, are they able to receive the same services online?

oiima

Although we use our website for advertisement purposes, we basically don't offer online services to customers at present. The customers need to visit our stores first to receive the services there. At first, we should focus on stabilizing the quality of our services and providing broader and better services. In the future, there may be a possibility that we would begin to provide partial services with a limit on scope and quality, if our customers accept such services.

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What generates profit for your Group amid the trend of decreases in the number of PCs? The Group's strengths, conversion of business model, and the progress.

Suzuki

PCs have been experiencing a downward trend in sales volume. What do you think about the future development of your business?

I can't deny the fact that sales of PCs have continued to decrease, but sales of devices have been increasing. I expect that we would be able to compensate for decreased sales of PCs with sales of devices having lower unit prices. We can also anticipate that their affordable unit prices would contribute to an increase in the number of such devices owned per customer. Such an increase would lead to further diversification of the services that customers need, such as those relating to more stable networks, a higher-speed Internet environment, and data sharing. A diversified range of devices would increase the variety of services.

Currently, data can be synchronized in different devices. Apple's iPhones and iPads are well-known examples of devices with this capability. We can offer services to respond to the needs of customers who want to access the same emails from different devices, such as PCs and smartphones. This is one of our strengths, and I believe we can do this because we are a provider of a variety of services, with a focus on PCs.

Suzuki

Are PCs going to fade away in the future? What positions are PCs going to hold in peoples' lives?

I expect that PCs will become a common language and platforms for Internet devices. PCs play the role of hubs linking different smart devices. Photos and other data in smartphones, iPhones, iPads and Android devices can be stored on a PC to enable data sharing among these different devices. It has become possible to save such data in external pools of storage operated by third parties (known as "cloud storage"), but we would still feel a greater sense of security when storing data on PCs that we can see in front of us.

Please tell me about your business model, or your system to create value for customers?

Nojima

There are four components of our value creation system. The first is gross margins from the sales of PCs and other products.

The second is profits from the provision of services for longer use of products that customers own. The third is income from the provision of support for various devices including PCs, and comprehensive support for connecting these devices.

The last is our content service, which offers a combination of device support and content such as electronic books for devices. These four components create our values.

Suzuki

Do you have any plans for areas in which there are no nearby PC DEPOT stores?

We will gradually open new stores in such areas over the long term. During the period from the year 2013 through the year 2014, our profit will be generated mainly from stores in the Kanto region. Although the economy is said to be recovering, I don't think we should pursue the expansion of our business simply by making use of such a recovery. Instead, I believe it is time for us to focus on establishing a solid foothold.

Sales of services account for only 30% of total sales, but occupy 70% of total income. Ensuring such a high level of profitability will eventually have the same effect for us as the opening of new stores. I believe it would be possible to increase the variety of services while maintaining this earnings structure. In order to realize this goal, we should now build a solid foothold, and as a next step, I would like to consider the opening stores in

I believe that the increase in the variety of content services will have the same effect as the opening of new stores. Even if the opening of new stores is delayed one year as a result of efforts to increase sales of services, it would cause less inconvenience to customers when viewed over a five-year timespan.

A business model that creates prosperity for us and for the customers we serve in the decade ahead.

Suzuki

Please tell me about your prospects for the coming five to ten years? Do you have any ideas about business models for the future? If so, how will you implement them?

Nojima

There will be no changes to our basic philosophy or our CSR policy of "contributing to the elimination of the digital divide." As the products with which we deal will vary in accordance with changes in the business environment over the next ten years, what we do a decade in the future will only become clear at such time.

Suzuki

It looks as though you might deal with automobiles in the future, doesn't it?

Nojima

I am not sure at the moment, but I think we will need to respond to electric vehicles that connect to networks. The variety of networkable products such as automobiles and electric appliances will continue to increase. For instance, possible new services that we could provide include the handling of devices and networks that are used in schools as well as

care for elderly people and local customers who feel inconveniences by daily shopping. We will strive to eliminate disadvantages that arise as a result of the digital divide by continuing our contribution to the maximum possible extent. The "digital divide" to which we refer does not relate to whether or not people can use social networks and new services. We think that the elimination of the digital divide means that anyone will be able to do what they used to do manually or offline using digital solutions. If you have carried several heavy magazines with you until yesterday, all you have to do from now on is to carry a single iPad with multiple downloaded files of magazine content. There is no need to use items that are heavier than an iPad. You can read newspapers on the tablet comfortably by adjusting the size of characters and brightness. I would say the digital divide is eliminated only when people can do the same thing more conveniently at lower cost through digital solutions.

I believe that the most precious value that our Group can offer is to make such a significant contribution that customers will say, "It's good to have PC DEPOT nearby."

Suzuki

I understand guite well that the greatest value of your Group is the "elimination of disadvantages that arise as a result of the digital divide." Thank you very much for your time today.

Nojima

Thank you.



Takahisa Nojima

President and Chief Executive Officer, PC DEPOT Corporation Graduated from J.F. Oberlin University. Joined Nojima Denki Shokai (currently Nojima Corporation).

Established PC Merchandise Corporation (currently PC DEPOT Corporation) in 1994.

Yukio Suzuki

Graduated from Tokyo University of Science, Graduate School of Industrial Engineering, Master of Engineering. Joined Nomura Research Institute, Ltd. in 1975. After serving as a corporate analyst in Tokyo, Osaka, and Paris, took office as Director of Nomura Research Institute, Ltd. in 1996, Director of Nomura Securities Co., Ltd. in 1997, Senior Managing Director of Nomura Asset Management Co., Ltd. in 2000, Director of Nomura Holdings, Inc. in 2005, and Chairman of the Securities Analysts Association of Japan in 2007 (until August 2009). Established Belle Investment Research of Japan Inc. in July 2010. Currently serving as chief analyst.

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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, Kamiteniincho, Takamatsu-shi,

Kagawa-ken

Telephone number: 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 lizuka-akimatsu store

(Opened with relocation on September 15, 2012)

Opening hours: 10:15 ~ 20:00

Address: 928-2, Akimatsu, lizuka-shi, Fukuoka-ken

Telephone number: 0948-23-3090











New PC DEPOT PC Clinic stores

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: $10:00 \sim 21:00$

Address: 12 Gaiku, Shimominagawa, Oohiracho, Tochigi-shi, Tochigi-ken

Telephone number: 0282-45-2161

PC Clinic in K's Denki Naka Store

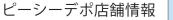
(Opened on September 27, 2012)

Opening hours: $10:00 \sim 21:00$

Address: 1620-1, Yorii, Sugaya, Naka-shi, Ibaraki-ken

Telephone number: 029-270-8251

PC DEPOT 61 Stores PC DEPOT PC Clinic 50 stores Number of stores: 111 stores (total 123 including FC stores)



www.pcdepot.co.jp/shop

Consolidated balance sheets

¥ million)	FY2011 (as of March 31, 2012)	FY2012 (as of March 31, 2013)	Amount of increase/decrease
Assets			
Current assets	14,185	13,991	(194)
Fixed assets	9,052	8,942	(110)
Total assets	23,238	22,933	(305)
iabilities			
Current liabilities	9,225	9,009	(216)
Long-term liabilities	4,449	4,149	(300)
Total liabilities	13,674	13,159	(515)
Total net assets	9,563	9,774	211
otal liabilities and net assets	23,238	22,933	(305)

Note: Figures below ¥1million are rounded down.

POINT [Assets] Inventories decreased as a result of inventory optimization efforts. [Liabilities] Accounts payable fell due to a drop in inventories.

Consolidated statements of income

(¥ million)	FY2011 (ended March 31, 2012)	FY2012 (ended March 31, 2013)	Rate of increase/ decrease (%)
Net sales	49,693	51,353	3.3
Gross profit	14,756	16,134	9.3
Selling, general and administrative expenses	14,202	15,258	7.4
Operating income	553	876	58.4
Ordinary profit	717	933	30.1
Net income before income taxes	624	833	33.5
Net income	280	445	59.0

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

POINT [Net sales] Net sales increased due to increases in the number of stores and sales of services. [Selling, general and administrative expenses] Personnel cost increased year on year resulting from the opening of new stores that cover areas in which franchise stores had formerly operated.

Consolidated statements of cash flow

(¥ million)	FY2011 (ended March 31, 2012)	FY2012 (ended March 31, 2013)	Amount of increase/decrease
Cash flows from operating activities	(635)	1,597	2,232
Cash flows from investing activities	(2,537)	(994)	1,543
Cash flows from financing activities	2,751	295	(2,456)
Cash and cash equivalents at end of year	2,083	2,982	899

Note: Figures below ¥1million are rounded down.

POINT [Cash flow from operating activities] Although there were a payment of income taxes, an increase in accounts receivable and a decrease in accounts payable, net cash provided by operating activities increased to 1.597 billion yen due to an increase in net income before income taxes, depreciation and amortization, a decrease in inventories, and amortization of goodwill. [Cash flow from investing activities] Net cash used in investment activities decreased to 994

> million yen as a result of the acquisition of fixed assets. [Cash flow from financing activities] Although there was a repayment of short-term loans

payable, net cash provided by financing activities increased to 295 million yen due to proceeds from short-term loans.

Sales by product

(¥ million)	FY2011 (ended March 31, 2012)	FY2012 (ended March 31, 2013)	Rate of increase/ decrease (%)
PC	12,502	12,771	2.2
Peripherals	10,573	11,016	4.2
Accessories and supplies	5,009	4,845	(3.3)
Software	1,255	1,393	11.0
Office automation equipment, used goods, and others	6,577	5,397	(17.9)
Total sales of products	35,918	35,425	(1.4)
Income from royalties	372	170	(54.3)
Income from technical service and commissions	11,559	14,000	21.1
Total PC sales business	47,850	49,595	3.7
Internet-related business	1,842	1,758	(4.6)
Total	49,693	51,353	3.3

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

[Sales from technical services and commissions] Sales in these business areas grew steadily as a result of increases in technical services and support provided and the number of Premium Service subscribers associated with the strengthened network of stores in the Kanto region.

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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 (annual dividends at 700 yen).



株主優待券

1.000円

株主優待券

http://www.pcdepot.co.jp

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	
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4 shares or moreComplementary ticket for shareholders equivalent to 1,000 yen 10 shares or moreComplementary 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

Benefits

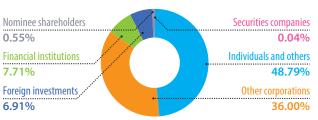
Status of shares

Total number of shares authorized to be issued	890,000 shares
Total number of shares outstanding	225,020 shares
Number of shareholders	3,273 persons

Major shareholders

Name of shareholder	Number of shares held (shares)	Voting rights ratio (%)
TN HOLDINGS CO,LTD.	60,000	26.81%
TAKAHISA NOJIMA	34,171	15.26%
K'S HOLDINGS CORPORATION	14,404	6.43%
STATE STREET BANK AND TRUST COMPANY	8,000	3.57%
MIZUHO BANK, LTD.	7,880	3.52%
TRUST & CUSTODY SERVICES BANK, LTD. (TRUST ACCOUNT	5,000	2.23%
KINUYO NOJIMA	4,845	2.16%
THE BANK OF NEW YORK — JASDECTREATY ACCOUNT	3,320	1.48%
PCD EMPLOYEE HOLDING COMPANY	2,573	1.14%
CREDIT SUISSE AG ZURICH	2,442	1.09%

Composition of shareholders



Company profile

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 656 (consolidated)

Consolidated subsidiaries ejworks Corporation

PC DEPOT STORES CORPORATION

Information for shareholders

Business Fiscal Year From April 1 to March 31 of the following year

Ordinary General Shareholders' Meeting June annually

Settlement Date of Shareholders to Sep Whom Dividends of Retained Rec Earnings Are Paid det

September 30 and March 31
Record dates other than the above are determined through resolution of the Board of Directors.

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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

Mitsubishi UFJ Trust and Banking Corporation

published in the Nikkei newspaper.

1-4-5 Marunouchi, Chivoda-ku,

Administrator of Shareholder Registry / Special Account Management Institution

Contact info

Method of Public Notification

ement Institution Tokyo 100-8212, Japan

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)

http://www.pcdepot.co.jp/english/co ir/

Board members

(As of June 25, 2013)

President and CEO Takahisa Noiima Outside Director Hidehiro Takavama Senior Managing Director Shigehiko Sakai Outside Director Hideaki Izawa Managing Director Mitsuyoshi Hae Outside Director Atsuomi Obayashi Director Kenshi Hamamatsu Outside Auditor Eizo Akashi Director Takayuki Shimano Corporate Auditor Masayuki Ishii Director Hideki Saito Outside Auditor Kunihiko Yamamoto Outside Auditor Kazuo Yamamoto

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Investor Relations website

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.

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