



Investor's Guide

Financial Results for Fiscal Year 2014

(April 1, 2014 to March 31, 2015)



PC DEPOT CORPORATION

Securities Code : 7618

To Our Shareholders



Business Results for the Year Ended March 31, 2015

Summary of Business Activities for the Year Ended March 2015

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

Please find below a summary of the PC DEPOT Group's business results.

The Japanese economy for the consolidated fiscal year ended March 31, 2015, was gradually recovering with the reaction to the last-minute demand ahead of the consumption tax hike exerting a moderating influence. However, consumer spending was still flagging and future economic prospect was uncertain.

Against this backdrop, we in the PC DEPOT Group stepped up sales of Internet devices such as PCs, smartphones, and tablets, and actively developed related services, continuing with our aim to become a smart life partner for customers, providing both products and services in a single outlet.

In terms of store development, we continued to accelerate the remodeling of existing PC DEPOT stores, mainly in Tokyo and Kanagawa prefecture, into PC DEPOT Smart Life Stores (a new type of outlet that focuses more on providing services) and opened the PC DEPOT Smart Life Setagaya-Kinuta Store (one of the largest PC DEPOT stores within the 23 wards of Tokyo) in March 2015. Thus, the total number of PC DEPOT Smart Life Stores was 15 as of the end of March 2015. In addition, we have proceeded to introduce a business model for a new type of outlet, "Smart x Solutions (S x S)," in our large-scale stores since September 2014, making the number of stores that have introduced the business model 16. This allowed PC DEPOT large-scale stores to further accelerate sales across the board, including support, services, and content for smart devices.

In terms of service products, we offered more solutions that combine content, cloud, and other services. Furthermore, we increased our iPhone

and Mac service product lineups in line with the September release of new versions of these products. In this way, we strove to meet potential customer demand and broaden our customer base. In addition, we proceeded to ensure customer safety when using Internet devices and the Internet by releasing JIMAS, a large-scale management system we now have launched to support our members. It includes features such as enhancement of cloud services and a remote lock system that protects data in devices from being improperly acquired when customers lose their devices or leave them behind. In February, as Nippon Telegraph and Telephone Corporation (NTT) started the wholesaling of its fiber-optic network services, we actively proceeded to provide new services, including a fiber optic network service as a Fixed Virtual Network Operator (FVNO).

At existing stores, sales from services and gross profit increased by 21.4% and 6.8%, respectively year-on-year, while sales remained at 96.1% compared to a year earlier, indicating strong results overall. In terms of expenses, personnel expenses grew by 8.4% year-on-year due to our active recruitment of additional personnel and education to strengthen our service sales with a wider lineup of service products, the characteristic feature of our business. However, we worked to maintain other expenses at reasonable levels, resulting in selling, general and administrative expenses rising only 2.9% year-on-year.

Forecast for this Consolidated Fiscal Year and our Policies

During the next consolidated fiscal year, the Group will continue to step up sales of Internet devices. We will also continue to offer more solutions services by combining Internet devices with enriched content and quality services. When content is provided in combination with services, potential customer demand for smart devices such as smartphones and tablets will

be actualized. For customers who seek advice on PCs or wish to buy a new PC, we will offer products such as a combination of hardware and services so that customers can shift over to the new devices that they are about to start using in a problem-free way. 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, and better.

Regarding store development, amid the growing demand for services due to the diversification of Internet devices, we plan to remodel 5 - 10 existing stores into "PC DEPOT Smart Life Stores," a new type of outlet that meets a greater diversity of customer needs, and remodel 10 stores into "Smart x Solutions (S x S)," which are large-scale stores, to continue our reinvigoration of existing stores. With regard to new stores, we plan to open four stores, setting up new stores by targeting downtown areas.

Aiming to Create Stores that are Indispensable to Local Communities

Our basic CSR policy defines our mission as using our stores to eliminate the information disparities (bridging the so-called "digital divide") that arise from differences in the age, gender, income, education, place of residence, and other factors of local customers. In accordance with this policy, we will improve quality control at stores and expand our products and services so that we attract more customers. We will also increase the level of safety of Internet devices and Internet data networks. In this way, we will promote group management from a CSR perspective.

Our consolidated earnings forecast for the entire fiscal year ending March 2016 is as follows: consolidated net sales of 53 billion yen, consolidated operating income of 3.750 billion yen, consolidated ordinary income of 3.8 billion yen, and net income belonging to parent company shareholders of 2.430 billion yen. In addition, Our Group will strive to improve its corporate value, aiming for the ratio of ordinary profit to sales of 10% and ROE (return on equity) of 15% or more as mid-term goals.

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

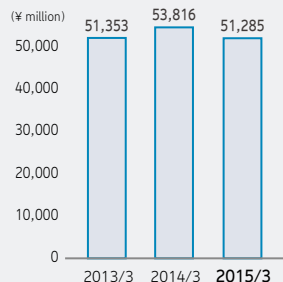
June, 2015

Takahisa Nojima
President and Chief Executive Officer

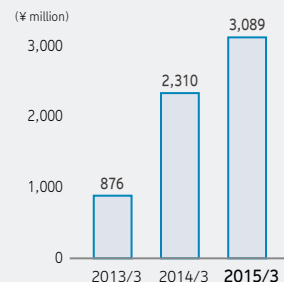
野 島 隆 久

	FY2013 (as of March 31, 2014) (¥ million)	FY2014 (as of March 31, 2015) (¥ million)	Rate of increase/decrease
Consolidated net sales	53,816	51,285	△ 4.7%
Consolidated operating income	2,310	3,089	+33.7%
Consolidated ordinary profit	2,411	3,205	+32.9%
Consolidated net income	1,554	1,941	+24.9%

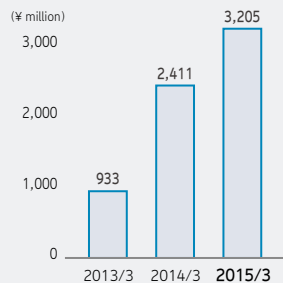
Net sales



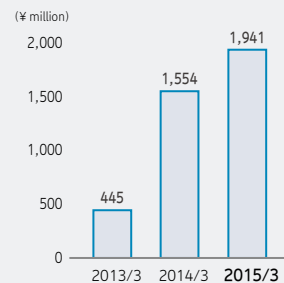
Operating income



Ordinary income



Net income



We will answer questions from shareholders.

Q1

What are issues is the company facing?

We think that there are six corporate issues.

- 1) Enhancement of organizational strength**
- 2) Expansion of solution-oriented sales**
- 3) Development of a new type of store**
- 4) Handling the IoT market and environmental changes**
- 5) Quality management of stores**
- 6) Promotion of corporate social responsibility (CSR) activities**

Currently, we are in the process of changing our business structure. Sales of service products are expanding, as are solution-oriented sales.

Under such business circumstances, we are facing a new situation in which we need to secure human resources, provide employee training programs, operate stores in a well-organized manner, maintain the quality of the stores in our expanding network, and flexibly respond to environmental changes and the Internet of Things (IoT) market.

In particular, provision of employee training programs and well-organized store management are two important issues in the current transition from the flow-type business to the stock-type business.

In providing employee training programs, it is necessary not only to nurture engineers and teach smooth store management but also to secure and train personnel who

can attend to customers and operate stores with a management perspective.

For well-organized store management, we think that a number of elements are important. We take charge of and handle Internet devices containing customers' personal information, such as PCs, smartphones, and tablets, so the proper handling of personal is vital. In addition, we also need to standardize services, provide employee training programs, and provide thorough quality control.

We need to continually strengthen auditing of all PC DEPOT stores, PC DEPOT Smart Life Stores and PC DEPOT PC Clinic stores in order to manage the stores in a well-organized manner.

By coping with these issues one by one, we aim to expand business and improve corporate value so that our stores become indispensable to their regions.

Q2

Trends in the IoT market

The market for the Internet of Things (IoT: physical objects connected to the Internet), including our flagship products—PCs, tablets, and smartphones—is expected to grow to the extent where the number of IoT devices sold in the Japanese market will be 956 million, with a market size of 16.4 trillion yen in 2019. This will grow from IoT device sales of 557 million in the Japanese market and a market size of 9.4 trillion yen in 2014 (according to International Data Corporation (IDC) Japan). Considering the above business environment, we expect that the demand for services that enable consumers to use smart devices like tablets and smartphones in a convenient way will continue to increase.

According to another forecast (by spicebox, inc.), the

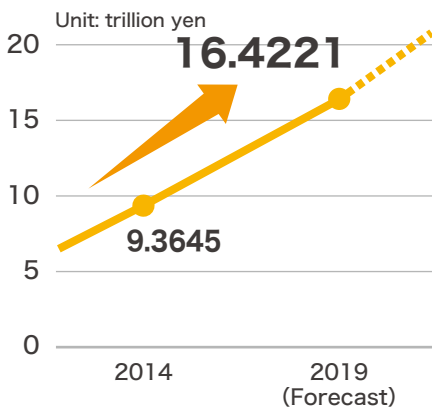
number of devices per person will increase from 2.83 in 2013 to 6.78 in 2020.

We will expand and improve product services in response to the expanding IoT market.

With the progress in IoT, customers can enjoy increased convenience and we can increase the frequency of contacts and the length of contact period with our customers, which is more advantageous for both sides.

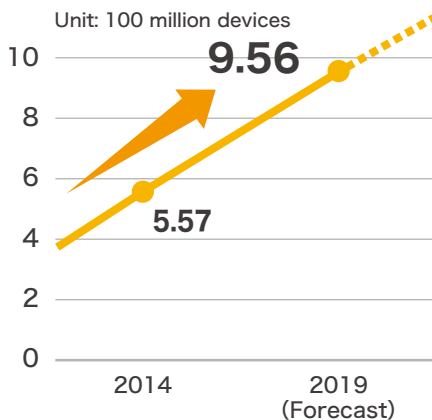
Under the key words of “safety” and “security,” we will step up development and marketing of new content and service products and support IoT so that customers in the communities where we operate can use their Internet devices longer, more conveniently, and more effectively.

IoT device market size in Japan



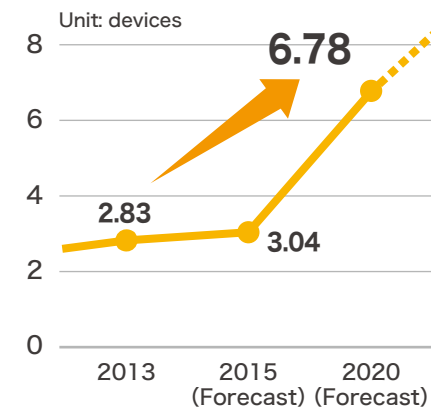
Source: IDC Japan

Number of IoT devices sold in the Japanese market



Source: IDC Japan

Number of devices per person in Japan



Source: spicebox, inc.

We will answer questions from shareholders.

Q3

Medium-term management plan

We believe that constant change is important and we will continue to manage our stores in a way that our customers are favored and aim to expand the size of our business while maintaining a lean corporate structure.

We will further develop our proprietary business model by combining products, services, and subscriber support as well as expanding our business territories and types of business operation by achieving strategic dominance and by franchising.

We aim to make the Company Japan's top solutions

provider and at the same time make a contribution to local communities.

To achieve continuous growth and an improvement in corporate value in the medium to long term, the Group aims to meet the following specific targets.

Ratio of ordinary profit to sales

10%

ROE (return on equity)

15%

Q4

Return to shareholders

We recognize that one important management mission is to return an appropriate amount of profits to our shareholders.

As for the return of profits through dividends, our basic policy is to continue to return profits through stable dividends over the long term with a consolidated payout ratio of approximately 20%. This is in overall consideration of store development as the main force behind our business expansion, while also keeping in mind the importance of strengthening our financial standing and enriching retained earnings.

As for payout of the surplus through dividends, our basic

policy is to make payments twice per year in the form of an interim dividend and a year-end dividend.

In addition, we plan to study our options for acquiring treasury stock, etc. when appropriate, as part of a flexible financial policy and as a method for returning profits to shareholders.

In order to further improve our business performance, we will allocate our retained earnings mainly to strengthen our financial structure, shift existing stores to PC DEPOT Smart Life Stores and open new ones, ensure stable operation of PC DEPOT and PC DEPOT PC Clinic stores, and develop systems for new services such as the Premium Service.

Q5

Store opening in downtown Tokyo

In March 2015, we opened the PC DEPOT Smart Life Setagaya-Kinuta Store (one of the largest PC DEPOT stores within the 23 wards of Tokyo). This year, we also plan to open four new stores in downtown wards of Tokyo as the next stage of our strategy. Shinjuku-ku, Chiyoda-ku, Shibuya-ku, Chuo-ku, Minato-ku and Shinagawa-ku are under consideration as the locations of these stores.

We will open a PC DEPOT Smart Life Store in Aoyama around December 2015. We will strive to expand our network of stores so that more customers can use our services in order to satisfy latent demand for services for Internet device use.

PC DEPOT Smart Life Store to be opened
in Aoyama in December 2015

First PC DEPOT in downtown Tokyo



In-store image



A store to be built within
Aoyama QUARTZ TOWER, Shibuya,
Shibuya-ku, Tokyo
* image

PC DEPOT new stores



PC DEPOT Smart Life Store Hanakoganei
(Opened on November 20, 2014)



PC DEPOT Smart Life Store Yamato
(Opened on February 27, 2015)



PC DEPOT Smart Life Store Konan
(Opened on March 6, 2015)



PC DEPOT Smart Life Store Setagaya-Kinuta
(Opened on March 20, 2015)



- PC DEPOT Smart Life Store Mitaka
(Scheduled to be Opened on June, 2015)

PC DEPOT

PC DEPOT Smart Life

PC DEPOT PC Clinic

52 Stores (FC 3 Stores)

15 Stores

58 Stores (FC 6 Stores)

Number of stores **125** Stores
(As of May 31, 2015)

ピーシーデポ店舗情報 **検索**

www.pcdepot.co.jp/shop

Consolidated Financial Statements (Overview)

Consolidated balance sheets

(¥ million)	FY2013 (as of March 31, 2014)	FY2014 (as of March 31, 2015)	Amount of increase/decrease
Assets			
Current assets	18,494	19,920	1,426
Fixed assets	8,644	9,336	692
Total assets	27,138	29,257	2,119
Liabilities			
Current liabilities	9,758	11,647	1,889
Long-term liabilities	3,915	2,428	(1,487)
Total liabilities	13,673	14,075	402
Total net assets	13,464	15,181	1,717
Total liabilities and net assets	27,138	29,257	2,119

Note: Figures below ¥1 million are rounded down.

【Assets】 Accounts receivable increased due to sales of the Premium Service and other services products.

【Liabilities】 Short-term loans payable increased.

Consolidated statements of income

(¥ million, %)	FY2013 (ended March 31, 2014)	FY2014 (ended March 31, 2015)	Rate of increase/ decrease
Net sales	53,816	51,285	(4.7)
Gross profit	18,429	19,676	6.8
Selling, general and administrative expenses	16,118	16,586	2.9
Operating income	2,310	3,089	33.7
Ordinary profit	2,411	3,205	32.9
Net income before income taxes	2,458	3,171	29.0
Net income	1,554	1,941	24.9

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

【Net sales】 Sales from technical services and commissions increased due to progress on solutions combining hardware with FVNO, content, and services.

【Selling, general and administrative expenses】 Due to increases in service sales, we proactively hired personnel causing personnel expenses to rise, but we kept other expenses at reasonable levels.

Consolidated statements of cash flow

(¥ million)	FY2013 (ended March 31, 2014)	FY2014 (ended March 31, 2015)	Amount of increase/decrease
Cash flows from operating activities	2,010	(2,512)	(4,522)
Cash flows from investing activities	(441)	(1,436)	(995)
Cash flows from financing activities	127	1,637	1,510
Cash and cash equivalents at end of year	4,679	2,370	(2,309)

Note: Figures below ¥1 million are rounded down.

【Cash flow from operating activities】 Cash flow from operating activities decreased by 2,512 million yen. Positive factors included pre-tax net income, an increase in depreciation expenses, and negative factors included an increase in accounts receivable, a decrease in accounts payable, and the payment of corporate and other taxes.

【Cash flow from investing activities】 Cash flow from investment activities decreased by 1,436 million yen due to expenditures associated with the remodeling of existing stores and the opening of new stores as well as the acquisition of fixed assets and capital investment.

【Cash flow from financing activities】 Cash flow from financial activities increased by 1,637 million yen due to repayment of long-term loans payable and an increase in short-term loans payable.

Sales by product

(¥ million, %)	FY2013 (ended March 31, 2014)	FY2014 (ended March 31, 2015)	Rate of increase/ decrease
PCs	13,259	9,387	(29.2)
Peripherals	9,722	7,889	(18.8)
Accessories and supplies	4,164	3,332	(20.0)
Software	1,560	1,006	(35.5)
Previously owned products and other	7,278	8,501	16.8
Total sales of products	35,984	30,116	(16.3)
Income from royalties	174	138	(20.8)
Income from technical service and commissions	16,237	19,720	21.4
Total PC sales business	52,396	49,975	(4.6)
Internet-related business	1,419	1,310	(7.7)
Total	53,816	51,285	(4.7)

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

【Technical service and commissions】 In order to meet latent customer demand, we developed solutions in which we provided content, technical, and other services together, and as a result net sales remained strong.

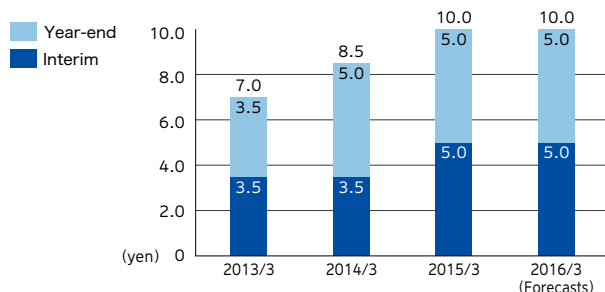
Dividend performance

Our basic policy is to continue to return profits through stable dividends over the long term with a consolidated payout ratio of approximately 20%, while keeping in mind the importance of strengthening our financial standing and enriching retained earnings.

For the year ended March 2015, dividend per share for the second quarter is 5 yen and year-end dividend is 5 yen.

Dividend per share (yen per share) (*)

* The above figures show the dividends after retroactive adjustments were made, with the effects of stock split as of October 1, 2013 taken into account.



Shareholders benefits

Every year we present registered shareholders owning 400 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 Smart Life, PC DEPOT PC Clinic counters, and PC DEPOT Internet Shops.



Number of shares held	A. Shopping special benefit	B. Technical service special benefit
100 shares or more	Equivalent to 1,000 yen	Equivalent to 2,000 yen
400 shares or more	Equivalent to 2,000 yen	Equivalent to 4,000 yen
1,000 shares or more	Equivalent to 3,000 yen	Equivalent to 6,000 yen
5,000 shares or more	Equivalent to 10,000 yen	Equivalent to 20,000 yen
10,000 shares or more	Equivalent to 20,000 yen	Equivalent to 40,000 yen
40,000 shares or more	Equivalent to 50,000 yen	Equivalent to 100,000 yen
100,000 shares or more	Equivalent to 70,000 yen	Equivalent to 140,000 yen

Status of shares

Total number of shares authorized to be issued133,500,000 shares (*)

Total number of shares outstanding 38,928,000 shares (*)

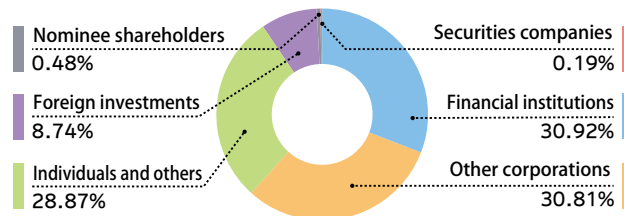
Number of shareholders 2,675 persons

* On January 1, 2015, the Company split its shares at a rate of 1 to 1.5 shares.

Major shareholders

Name of shareholder	Number of shares held (shares)	Voting rights ratio (%)
TN HOLDINGS CO.,LTD.	9,000,000	23.25%
Takahisa Nojima	5,189,100	13.40%
THE MASTER TRUST BANK OF JAPAN, LTD.(TRUST ACCOUNT)	3,652,900	9.43%
JAPAN TRUSTEE SERVICES BANK,LTD (TRUST ACCOUNT)	2,595,800	6.70%
K'S HOLDINGS CORPORATION	2,160,600	5.58%
Mizuho Bank, Ltd.	1,182,000	3.05%
TRUST & CUSTODY SERVICES BANK,LTD.(SECURITIES INVESTMENT TRUST ACCOUNT)	959,100	2.47%
TRUST & CUSTODY SERVICES BANK,LTD.(TRUST ACCOUNT B)	892,300	2.30%
TRUST & CUSTODY SERVICES BANK,LTD.(TRUST ACCOUNT E)	750,000	1.93%
CBNY-GOVERNMENT OF NORWAY	731,200	1.88%

Composition of shareholders



Company profile

Corporate name	PC DEPOT CORPORATION
Business outline	Direct management of PC DEPOT, which consists of a chain of comprehensive PC and network stores, PC DEOPT Smart Life Stores, and PC DEPOT PC Clinics, which provides PC repairmen and technical services, and management of the franchise headquarters.
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	¥ 2,745,730,000
Number of employees	777(consolidated)
Consolidated subsidiaries	ejworks Corporation PC DEPOT STORES CORPORATION

Board members (As of June 24, 2015)

President and CEO	Takahisa Nojima	Outside Director	Hidehiro Takayama
Managing Director	Mitsuyoshi Hae	Outside Director	Hideaki Izawa
Managing Director	Hideki Saito	Outside Director	Atsuomi Obayashi
Director	Takayuki Shimano	Corporate Auditor	Masayuki Ishii
Director	Nobuyuki Tanaka	Outside Auditor	Eizo Akashi
Director	Kazuya Shinozaki	Outside Auditor	Kazuo Yamamoto
Director	Yuko Matsuo	Outside Auditor	Masaki Nishimura
Director	Tsukasa Yamaguchi		

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 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)

Investor Relations website

http://www.pcdepot.co.jp/co_ir/



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.



PC DEPOT CORPORATION

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