

## Summary of Financial Results for the Second Quarter of the Fiscal Year Ending March 31, 2010 (Six Months Ended September 30, 2009)

Company name: PC DEPOT CORPORATION Stock Exchange listings: JASDAQ  
 Securities code: 7618 URL: <http://www.pcdpot.co.jp>  
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 Scheduled date of payment of dividend: December 7, 2009

(All amounts are rounded down to the nearest million yen)

### 1. Consolidated Financial Results for the Six Months Ended September 30, 2009 (April 1, 2009 – September 30, 2009)

(1) Consolidated results of operations (Percentages represent year-over-year changes)

	Net sales		Operating income		Ordinary income		Net income	
	Million yen	%	Million yen	%	Million yen	%	Million yen	%
Six months ended Sep. 30, 2009	20,301	4.3	543	52.8	582	23.8	317	86.1
Six months ended Sep. 30, 2008	19,461	-	355	-	470	-	170	-

	Net income per share	Diluted net income per share
	Yen	Yen
Six months ended Sep. 30, 2009	1,446.63	-
Six months ended Sep. 30, 2008	774.51	-

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio	Net assets per share
	Million yen	Million yen	%	Yen
As of Sep. 30, 2009	17,178	8,573	49.0	38,869.56
As of Mar. 31, 2009	15,873	8,392	51.9	37,439.99

(Reference) Shareholders equity (million yen): Sep. 30, 2009: 8,416 Mar. 31, 2009: 8,242

### 2. Dividends

	Dividend per share				
	1Q-end	2Q-end	3Q-end	Year-end	Total
	Yen	Yen	Yen	Yen	Yen
Fiscal year ended Mar. 31, 2009	-	350.00	-	350.00	700.00
Fiscal year ending Mar. 31, 2010	-	350.00			
Fiscal year ending Mar. 31, 2010 (forecasts)			-	350.00	700.00

(Note) Revision of dividend forecast during the period: None

### 3. Consolidated Forecast for the Fiscal Year Ending March 31, 2010 (April 1, 2009 – March 31, 2010)

(Percentages represent year-over-year changes)

	Net sales		Operating income		Ordinary income		Net income		Net income per share
	Million yen	%	Million yen	%	Million yen	%	Million yen	%	Yen
Full year	45,000	4.9	1,500	19.0	1,600	12.0	800	16.9	3,670.63

(Note) Revision of consolidated forecast during the period: None

**4. Others**

(1) Changes in significant subsidiaries during the period (changes in specified subsidiaries resulting in changes in scope of consolidation): Yes

Newly added: 1 (PC DEPOT KYUSHU CORPORATION) Excluded: -

Note: Please refer to “Qualitative Information and Financial Statements, 4. Others” on page 4 for further information.

(2) Application of simplified accounting methods and special accounting methods in the preparation of quarterly consolidated financial statements: Yes

Note: Please refer to “Qualitative Information and Financial Statements, 4. Others” on page 4 for further information.

(3) Changes in accounting principles, procedures and presentation methods for preparation of quarterly consolidated financial statements

1) Changes caused by revision of accounting standards: None

2) Other changes: None

(4) Number of outstanding shares (common shares)

1) Number of shares outstanding at the end of period (including treasury stock)

Sep. 30, 2009:	225,020 shares	Mar. 31, 2009:	225,020 shares
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2) Number of treasury stock at the end of period

Sep. 30, 2009:	8,484 shares	Mar. 31, 2009:	4,873 share
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3) Average number of shares outstanding during the period

Six months ended Sep. 30, 2009:	219,357 shares	Six months ended Sep. 30, 2008:	220,147 shares
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\* **Cautionary statement with respect to forward-looking statements**

Earnings forecasts in these materials are based on the judgment of management using information available at the time it was prepared, and embody substantial uncertainty. Actual results may differ from these forecasts due to changes in the business environment and other factors. Please refer to “Qualitative Information and Financial Statements, 3. Qualitative Information Regarding Consolidated Forecast” on page 4 regarding preconditions or other related matters for the forecast shown above.

## Qualitative Information and Financial Statements

### 1. Qualitative Information Regarding Consolidated Results of Operations

The Japanese economy showed signs of improvement in some sectors in the first half (April-September 2009) on benefits from economic stimulus measures, but the environment for consumption remained harsh as consumers continued to adopt a “defensive” and “thrifty” stance toward spending due to the high unemployment rate and ongoing concerns about falling incomes.

Both unit sales of PCs and PC sales in value terms were weak in the PC retail industry, as PCs were excluded from the government’s “eco-point” system launched in May, creating a relatively negative impact.

PC DEPOT sharply increased unit sales of PCs in the first quarter as it strengthened sales of low-priced PCs under 50,000 yen, but these sales tapered off by the second quarter. Also, some prospective buyers refrained from purchasing PCs from August ahead of the October launch of the new operating system “Windows 7.” As a result of these factors, unit sales of PCs weakened, and PC sales in value terms were only in line with the year-ago level.

On the service front, in addition to conventional technical services for PCs, PC DEPOT strengthened its technical services to respond to cries of “Help!” from customers using the Internet. Sales were also steady of data telecommunications services for PCs as PC DEPOT became a mobile virtual network operator (MVNO), and Internet connection and set-up services for video game owners. Both services were launched in the first quarter. PC DEPOT also strengthened solutions sales, which add professionalism to PC-related product sales and technical maintenance and support. PC DEPOT also worked to win new members to “Premium Service,” its proprietary membership system that offers maintenance services for a monthly fee, steadily increasing the total number of members to approximately 112,000 at the end of the second quarter.

Regarding the store network, PC DEPOT plans to open 5-6 new directly-managed stores this fiscal year, and opened the Sayama Head Store in Saitama Prefecture in May, and the Inagi-Wakabadai Store in Tokyo in August. Also, PC DEPOT KYUSHU CORPORATION (formerly PC DEPOT Max Co., Ltd., a franchisee and equity-method affiliate), which became a consolidated subsidiary from July 1, 2009, continued to operate four stores. It had 63 stores at the end of the second quarter: 42 directly-managed stores, 4 subsidiary’s stores, and 17 franchise stores. The number of PC Clinic stores, opened as franchises within volume electronics retailers, decreased to 21 stores at the end of the second quarter following the closing of one store in August.

In the Internet-related business, the number of provider subscribers increased following the acquisition of Internet service provider (ISP) businesses of four companies in July 2008, and results were firm in the period under review.

As a result of the above activities, Group sales totaled 20,301 million yen (+4.3% year-over-year), operating income 543 million yen (+52.8%), ordinary income 582 million yen (+23.8%), and net income 317 million yen (+86.1%). Overall sales in the PC DEPOT Group, including those of franchise stores, totaled 26,112 million yen.

### 2. Qualitative Information Regarding Consolidated Financial Position

Assets totaled 17,178 million yen at the end of the second quarter under review, an increase of 1,304 million yen from the end of the previous fiscal year. Liabilities totaled 8,605 million yen, an increase of 1,123 million yen. Net working capital (calculated by subtracting current liabilities from current assets) totaled 4,745 million yen, a level that suggests sound finances.

The increase in assets was primarily due to a 598 million yen increase in inventories due to new store openings and making PC DEPOT KYUSHU a subsidiary, and a 432 million yen increase in noncurrent assets due to new store openings. Capital investments totaled 626 million yen in the period under review, with investments primarily for the establishment of new stores Sayama Head Store in Saitama Prefecture (opened in May), Inagi-Wakabadai Store in Tokyo (opened in August) and Kamisu Store in Ibaraki Prefecture (plan to be opened in December). These capital investments were funded with the Company’s own capital and loans.

The increase in liabilities was primarily due to a 1,333 million yen increase in long-term loans payable for new store openings.

### 3. Qualitative Information Regarding Consolidated Forecast

Ordinary income in the first half of current fiscal year trended generally in line with our plan. PC DEPOT sees a mix of uncertain factors regarding trends in consumption in the third quarter onward: the new operating system “Windows 7,” launched on October 22, could influence PC and PC-related product sales, and we see the possibility of delays or changes in the launch of new products. Also, whether the government decides to continue the “eco-point” system or not could influence sales of PCs, excluded from the system, but PC DEPOT expects some negative impact to product sales regardless.

However, PC DEPOT expects technical and other service sales to remain firm. As a result, PC DEPOT makes no changes to the FY2009 forecasts it released on May 12, 2009.

The above forecasts are based on the information available at the time these materials were prepared. Investors should be aware that actual results could differ from these forecasts for a number of factors.

### 4. Others

(1) Changes in significant subsidiaries during the period (changes in specified subsidiaries resulting in changes in scope of consolidation)

The following company has moved from an equity-method affiliate to a consolidated subsidiary in the second quarter, due to the acquisition of additional shares.

Company name	Address	Capital (Millions of yen)	Main business	Voting rights ratio (%)	Relationship
(Consolidated subsidiary) PC DEPOT KYUSHU CORPORATION	Yokohama City, Kanagawa Prefecture	240	PC sales business	100.0	Product supply, provision of management know-how. Funds support. Two concurrent directors.

Notes: 1. We have listed business segments in the “main business” column.

2. The company is a specified subsidiary.

3. PC DEPOT Max Co., Ltd. changed its name to PC DEPOT KYUSHU CORPORATION effective July 1, 2009.

(2) Application of simplified accounting methods and special accounting methods in the preparation of quarterly consolidated financial statements

1) Simplified accounting methods

- a. The uncollectible amount of general receivables was estimated using the historical write-off ratio at the end of the previous fiscal year as the ratio at the end of the second quarter of the current fiscal year was found not to be significantly different from the ratio at the end of the previous fiscal year.
- b. For noncurrent assets subject to the declining-balance method, depreciation was calculated pro rata based on the amount for the fiscal year.
- c. Deferrals and accruals are reported based on a reasonable calculation method for items of insignificant value and in order to avoid causing errors in judgment among readers of these financial statements.
- d. Corrections of small amount items are not made in the calculation of income taxes, deferred tax assets and deferred tax liabilities. Judgments about the recoverability of deferred tax assets are made based on the earnings forecast at the end of the previous fiscal year and tax planning.

2) Special accounting methods in the preparation of quarterly consolidated financial statements

Not applicable.

(3) Changes in accounting principles, procedures and presentation methods for preparation of quarterly consolidated financial statements

Not applicable.

**5. Quarterly Consolidated Financial Statements****(1) Quarterly Consolidated Balance Sheets**

	(Thousands of yen)	
	Second quarter of FY2009 (As of Sep. 30, 2009)	FY2008 Summary (As of Mar. 31, 2009)
Assets		
Current assets		
Cash and deposits	2,433,819	1,802,500
Accounts receivable-trade	1,715,032	1,779,891
Inventories	5,044,666	4,446,137
Deferred tax assets	145,939	179,572
Accounts receivable-other	560,964	617,034
Other	367,592	340,811
Allowance for doubtful accounts	(8,265)	(9,291)
Total current assets	10,259,749	9,156,656
Noncurrent assets		
Property, plant and equipment		
Buildings and structures	2,272,476	1,934,096
Accumulated depreciation	(687,457)	(610,238)
Buildings and structures, net	1,585,018	1,323,858
Tools, furniture and fixtures	1,503,187	1,305,535
Accumulated depreciation	(981,541)	(860,345)
Tools, furniture and fixtures, net	521,646	445,190
Other	135,775	138,715
Accumulated depreciation	(1,565)	(1,499)
Other, net	134,210	137,215
Total property, plant and equipment	2,240,875	1,906,264
Intangible assets		
Goodwill	1,197,684	1,382,385
Other	277,514	315,607
Total intangible assets	1,475,199	1,697,992
Investments and other assets		
Investment securities	296,431	270,440
Deferred tax assets	50,303	65,911
Guarantee deposits	1,412,513	1,389,868
Lease deposits	1,284,222	1,208,756
Other	183,451	177,896
Allowance for doubtful accounts	(23,992)	-
Total investments and other assets	3,202,930	3,112,873
Total noncurrent assets	6,919,005	6,717,130
Total assets	17,178,754	15,873,787

	(Thousands of yen)	
	Second quarter of FY2009 (As of Sep. 30, 2009)	FY2008 Summary (As of Mar. 31, 2009)
<b>Liabilities</b>		
<b>Current liabilities</b>		
Accounts payable-trade	2,880,569	2,618,767
Short-term loans payable	-	60,000
Current portion of long-term loans payable	720,252	370,056
Accounts payable-other	1,055,579	1,499,323
Income taxes payable	264,322	445,287
Provision for merchandise warranties	36,129	49,785
Provision for bonuses	104,930	80,658
Other	452,928	563,735
<b>Total current liabilities</b>	<b>5,514,711</b>	<b>5,687,612</b>
<b>Noncurrent liabilities</b>		
Long-term loans payable	2,281,373	948,280
Provision for retirement benefits	2,339	25,378
Provision for directors' retirement benefits	20,611	158,835
Long-term guarantee deposited	662,587	661,666
Other	123,799	-
<b>Total noncurrent liabilities</b>	<b>3,090,710</b>	<b>1,794,160</b>
<b>Total liabilities</b>	<b>8,605,421</b>	<b>7,481,772</b>
<b>Net assets</b>		
<b>Shareholders' equity</b>		
Capital stock	1,601,196	1,601,196
Capital surplus	1,888,605	1,888,605
Retained earnings	5,184,943	4,944,667
Treasury stock	(285,867)	(186,226)
<b>Total shareholders' equity</b>	<b>8,388,878</b>	<b>8,248,243</b>
<b>Valuation and translation adjustments</b>		
Valuation difference on available-for-sale securities	27,780	(5,941)
<b>Total valuation and translation adjustments</b>	<b>27,780</b>	<b>(5,941)</b>
<b>Minority interests</b>	<b>156,674</b>	<b>149,713</b>
<b>Total net assets</b>	<b>8,573,333</b>	<b>8,392,014</b>
<b>Total liabilities and net assets</b>	<b>17,178,754</b>	<b>15,873,787</b>

**(2) Quarterly Consolidated Statements of Income****(For the Six-month Period)**

(Thousands of yen)

	First six months of FY2008 (Apr. 1, 2008 – Sep. 30, 2008)	First six months of FY2009 (Apr. 1, 2009 – Sep. 30, 2009)
Net sales	19,461,959	20,301,510
Cost of sales	14,682,232	14,816,246
Gross profit	4,779,727	5,485,263
Selling, general and administrative expenses		
Sales commission	165,433	173,827
Advertising expenses	474,505	570,697
Directors' compensations	64,334	67,452
Salaries and allowances	1,251,144	1,373,514
Bonuses	73,731	80,155
Provision for bonuses	87,075	104,930
Retirement benefit expenses	26,502	27,160
Provision for directors' retirement benefits	10,773	6,488
Supplies expenses	155,106	195,552
Depreciation	138,841	190,605
Rent expenses on real estates	783,303	877,886
Amortization of goodwill	80,158	171,727
Other	1,113,306	1,102,219
Total selling, general and administrative expenses	4,424,217	4,942,216
Operating income	355,509	543,047
Non-operating income		
Interest income	3,181	2,585
Dividends income	1,260	1,790
Income on sales promotion	36,348	30,511
Rent income	57,069	50,208
Commission fee	16,012	20,966
Other	61,847	31,018
Total non-operating income	175,719	137,080
Non-operating expenses		
Interest expenses	3,502	18,442
Equity in losses of affiliates	1,143	10,599
Rent expenses	55,720	60,520
Commission fee	-	916
Other	364	7,027
Total non-operating expenses	60,731	97,506
Ordinary income	470,497	582,621
Extraordinary income		
Reversal of allowance for doubtful accounts	1,214	98
Gain on transfer to defined contribution pension plan	-	39,481
Total extraordinary income	1,214	39,579

(Thousands of yen)

	First six months of FY2008 (Apr. 1, 2008 – Sep. 30, 2008)	First six months of FY2009 (Apr. 1, 2009 – Sep. 30, 2009)
Extraordinary loss		
Loss on retirement of noncurrent assets	11,557	428
Loss on valuation of investment securities	8,400	-
Loss on closing of stores	4,619	-
Loss on valuation of inventories	36,366	-
Head office transfer cost	43,634	-
Total extraordinary losses	104,578	428
Income before income taxes and minority interests	367,133	621,773
Income taxes-current	177,317	264,103
Income taxes-deferred	13,653	28,617
Total income taxes	190,971	292,720
Minority interests in income	5,654	11,724
Net income	170,507	317,327



**(3) Quarterly Consolidated Statements of Cash Flows**

(Thousands of yen)

	First six months of FY2008 (Apr. 1, 2008 – Sep. 30, 2008)	First six months of FY2009 (Apr. 1, 2009 – Sep. 30, 2009)
Net cash provided by (used in) operating activities		
Income before income taxes and minority interests	367,133	621,773
Depreciation and amortization	172,352	227,976
Amortization of goodwill	80,158	171,727
Increase (decrease) in allowance for doubtful accounts	630	(1,026)
Increase (decrease) in provision for bonuses	10,848	18,623
Increase (decrease) in provision for directors' retirement benefits	8,241	(138,223)
Increase (decrease) in provision for retirement benefits	10,398	(25,378)
Increase (decrease) in provision for merchandise warranties	(35,119)	(13,656)
Loss (gain) on valuation of investment securities	8,400	-
Interest and dividends income	(4,442)	(4,375)
Head office transfer cost	43,634	-
Loss on closing of stores	4,619	-
Interest expenses	3,502	18,442
Foreign exchange losses (gains)	(321)	777
Equity in (earnings) losses of affiliates	1,143	10,599
Loss on retirement of noncurrent assets	11,557	428
Decrease (increase) in notes and accounts receivable-trade	142,906	179,269
Decrease (increase) in inventories	436,789	(293,185)
Decrease (increase) in accounts receivable-other	217,414	73,752
Increase (decrease) in notes and accounts payable-trade	(98,392)	145,360
Increase (decrease) in accounts payable-other	(300,858)	(487,985)
Decrease (increase) in other assets	(19,873)	5,127
Increase (decrease) in other liabilities	59,547	12,947
Other, net	(9,721)	11,259
Subtotal	1,110,551	534,233
Interest and dividends income received	3,252	3,398
Interest expenses paid	(3,500)	(17,070)
Income taxes paid	(534,860)	(426,226)
Net cash provided by (used in) operating activities	575,443	94,334

(Thousands of yen)

	First six months of FY2008 (Apr. 1, 2008 – Sep. 30, 2008)	First six months of FY2009 (Apr. 1, 2009 – Sep. 30, 2009)
Net cash provided by (used in) investing activities		
Purchase of property, plant and equipment	(429,434)	(516,710)
Proceeds from sales of property, plant and equipment	16,469	-
Purchase of intangible assets	(453,866)	(15,599)
Purchase of investment securities	(120,000)	-
Proceeds from sales of investment securities	2,356	-
Proceeds from purchase of investments in subsidiaries resulting in change in scope of consolidation	-	3,552
Payments for lease and guarantee deposits	(336,083)	(122,351)
Proceeds from collection of lease and guarantee deposits	44,066	47,759
Repayments of guarantee deposits received	(5,079)	(5,079)
Proceeds from guarantee deposits received	-	6,000
Other, net	(287)	32,423
Net cash provided by (used in) investing activities	(1,281,859)	(570,004)
Net cash provided by (used in) financing activities		
Increase in short-term loans payable	1,000,000	3,260,000
Decrease in short-term loans payable	(500,000)	(3,620,000)
Proceeds from long-term loans payable	-	1,900,000
Repayment of long-term loans payable	(81,000)	(250,047)
Purchase of treasury stock	-	(99,641)
Cash dividends paid	(77,227)	(77,781)
Cash dividends paid to minority shareholders	(11,271)	(4,763)
Net cash provided by (used in) financing activities	330,501	1,107,766
Effect of exchange rate change on cash and cash equivalents	321	(777)
Net increase (decrease) in cash and cash equivalents	(375,593)	631,318
Cash and cash equivalents at beginning of period	1,856,947	1,802,500
Cash and cash equivalents at end of period	1,481,353	2,433,819

**(4) Going Concern Assumption**

Not applicable.

**(5) Segment Information**

Operating segment information

First six months of FY2008 (Apr. 1, 2008 – Sep. 30, 2008)

(Thousands of yen)

	PC sales business	Internet-related business	Total	Elimination or corporate	Consolidated
Net sales					
(1) External sales	18,231,082	1,230,877	19,461,959	-	19,461,959
(2) Inter-segment sales and transfers	147,563	44,022	191,586	( 191,586)	-
Total	18,378,645	1,274,899	19,653,545	( 191,586)	19,461,959
Operating income	205,127	150,382	355,509	-	355,509
Ordinary income	352,173	150,382	502,555	( 32,058)	470,497

First six months of FY2009 (Apr. 1, 2009 – Sep. 30, 2009)

(Thousands of yen)

	PC sales business	Internet-related business	Total	Elimination or corporate	Consolidated
Net sales					
(1) External sales	18,923,999	1,377,510	20,301,510	-	20,301,510
(2) Inter-segment sales and transfers	124,606	55,869	180,475	( 180,475)	-
Total	19,048,606	1,433,380	20,481,986	( 180,475)	20,301,510
Operating income	352,025	189,165	541,191	1,855	543,047
Ordinary income	410,269	189,329	599,598	( 16,977)	582,621

Notes: 1. Method of segmentation

Operating segments are determined in accordance with the characteristics of each business activity. The activities of each segment area as follows.

PC sales business: Sales of personal computers and related merchandise (includes income from royalties)

Internet-related business: Internet service provider business of a subsidiary, website production business, Internet-related services, business involving Yahoo! BB, and agency services for SoftBank mobile phone subscriptions

2. Change in accounting policy

First six months of FY2008

Accounting Standards for Measurement of Inventories

As mentioned in the section on “Change in Significant Accounting Policies in the Preparation of Quarterly Consolidated Financial Statements,” PC DEPOT and its consolidated subsidiaries have adopted “Accounting Standards for Measurement of Inventories” (Accounting Standards Board of Japan (ASBJ) Statement No. 9, July 5, 2006) effective from the first quarter of current fiscal year.

Accordingly, operating income in the PC sales business increased by 8,007 thousand yen.

Geographical segment information

Not applicable.

Overseas sales

Overseas sales information is not presented since we had no overseas sales.

**(6) Significant Changes in Shareholders' Equity**

Not applicable.

**6. Other Information**

## Sales by Item

(Thousands of yen)

	First six months of FY2008 (Apr. 1, 2008 – Sep. 30, 2008)		First six months of FY2009 (Apr. 1, 2009 – Sep. 30, 2009)		YoY change (%) (B/A)
	Amount (A)	Comp. (%)	Amount (B)	Comp. (%)	
PC	4,495,731	23.1	4,810,421	23.7	107.0
Monitor	666,915	3.4	621,413	3.1	93.2
Printer	372,979	1.9	376,605	1.8	101.0
Peripherals	5,532,619	28.4	5,657,714	27.9	102.3
Accessories and supplies	2,134,012	11.0	2,365,944	11.7	110.9
Software	702,784	3.6	655,455	3.2	93.3
Office automation equipment, used goods, and others	1,921,998	9.9	1,280,058	6.3	66.6
Total product sales	15,827,041	81.3	15,767,612	77.7	99.6
Income from royalties	264,084	1.4	265,083	1.3	100.4
Income from technical service and commissions	2,139,955	11.0	2,891,303	14.2	135.1
Total PC sales business	18,231,082	93.7	18,923,999	93.2	103.8
Total Internet-related business	1,230,877	6.3	1,377,510	6.8	111.9
Total	19,461,959	100.0	20,301,510	100.0	104.3

Notes: 1. The above amounts do not include consumption taxes.

2. Franchise sales, included with other income from royalties, totaled 5,811,222 thousand yen, and total product sales including the sales of directly-managed stores were 26,112,733 thousand yen.

*This financial report is solely a translation of "Kessan Tanshin" (in Japanese, including attachments), which has been prepared in accordance with accounting principles and practices generally accepted in Japan, for the convenience of readers who prefer an English translation.*