

Summary of Financial Results for the Third Quarter of the Fiscal Year Ending March 31, 2010 (Nine Months Ended December 31, 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: -

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

1. Consolidated Financial Results for the Nine Months Ended December 31, 2009

(April 1, 2009 – December 31, 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	%
Nine months ended Dec. 31, 2009	32,912	4.3	814	14.1	865	0.8	470	28.7
Nine months ended Dec. 31, 2008	31,541	(1.9)	714	(16.9)	858	(7.6)	365	(21.9)

	Net income per share	Diluted net income per share
	Yen	Yen
Nine months ended Dec. 31, 2009	2,154.05	-
Nine months ended Dec. 31, 2008	1,660.98	-

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio	Net assets per share
	Million yen	Million yen	%	Yen
As of Dec. 31, 2009	20,382	8,652	41.7	39,211.58
As of Mar. 31, 2009	15,873	8,392	51.9	37,439.99

(Reference) Shareholders equity (million yen): Dec. 31, 2009: 8,490 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	44,800	4.4	1,260	0.0	1,320	(7.6)	680	(0.6)	3,140.36

(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 pages 4 and 5 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 pages 4 and 5 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)

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

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

Nine months ended Dec. 31, 2009:	218,413 shares	Nine months ended Dec. 31, 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 some signs of improvement in the first nine months (April-December 2009) of the current fiscal year on benefits from the government's economic stimulus measures. However, the environment for consumption remained harsh as consumers continued to adopt a "defensive" and "thrifty" stance toward spending due to difficult employment and income conditions, and deflation.

Against this backdrop, the PC retail industry in which PC DEPOT operates saw some benefits from the launch of the new operating system Windows 7 in October, but the environment remained generally harsh because the government's "eco-point" system launched in May to help stimulate the economy excluded PCs from eligibility, creating a relatively negative impact for PC retailers.

At PC DEPOT, unit sales of PCs sharply increased in the first quarter as we strengthened sales of low-priced PCs under 50,000 yen, but these sales tapered off by the second quarter, and benefits were limited in the third quarter from the launch of PCs with the new operating system Windows 7, released in October, and related merchandise.

Also, because very few of the products we sell were eligible for points under the government's eco-point system, this put us at a disadvantage in competing for customers with volume electronics retailers, so we slashed our PC prices. Furthermore, we initiated a yearend sale earlier than planned in December because intensifying competition with cross-industry retailers caused customer traffic in the third quarter (October-December) to decline to 94.3% of the year-ago level at all stores, and 89.5% at existing stores. These factors reduced our gross profits from product sales.

On the service front, we strengthened free diagnostic services and other technical services following the outbreak of the new virus known as "Blackout," and generally worked to improve PC safety for customers. Also, customers responded favorably to our launch of data telecommunications services for PCs as a mobile virtual network operator (MVNO) in the first quarter, and our launch of a wireless environment set-up service for customers' home PCs. As a result of these efforts, service sales increased 42.1% year-over-year in the first nine months of the current fiscal year, and 55.3% in the third quarter (October-December) alone. Also, membership in "Premium Service," our proprietary membership service that offers maintenance services for a monthly fee, rose steadily to approximately 122,000 persons at the end of the third quarter.

However, overall gross profits in the third quarter (October-December) alone rose only 1.0% year-over-year, despite the steady rise in service sales, due to a decline in gross profits from product sales caused by intensifying PC sales competition.

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, the Inagi-Wakabadai Store in Tokyo in August, and the Kamisu Store in Ibaraki Prefecture in December. 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 64 stores at the end of the third quarter: 43 directly-managed stores, 4 subsidiary's stores, and 17 franchise stores.

The number of PC Clinic stores, opened as franchises within volume electronics retailers, was 24 stores at the end of the third quarter following the opening of four stores in this period and closing of one in August.

In the Internet-related business, the number of provider subscribers increased following the acquisition of the Internet service provider (ISP) businesses of four companies in July 2008, and this trend continued even after the second quarter. Sales in the business were firm as a result.

As a result of the above activities, Group sales totaled 32,912 million yen (+4.3% year-over-year), operating income 814 million yen (+14.1%), ordinary income 865 million yen (+0.8%), and net income 470 million yen (+28.7%). Overall sales in the PC DEPOT Group, including those of franchise stores, totaled 41,794 million yen.

2. Qualitative Information Regarding Consolidated Financial Position

Assets totaled 20,382 million yen at the end of the third quarter under review, an increase of 4,508 million yen from the end of the previous fiscal year. Liabilities totaled 11,729 million yen, an increase of 4,247 million yen. Net working capital (calculated by subtracting current liabilities from current assets) totaled 4,366 million yen, a level that suggests sound finances.

The increase in assets was primarily due to a 2,263 million yen increase in inventories due to new store openings, making PC DEPOT KYUSHU a subsidiary and seasonal factors, and an 891 million yen increase in noncurrent assets due to new store openings. Capital investments totaled 1,101 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 (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 3,206 million yen increase in accounts payable-trade due to seasonable factors, and a 1,447 million yen increase in loans payable for new store openings.

3. Qualitative Information Regarding Consolidated Forecast

PC DEPOT has revised its full-year consolidated forecasts for the fiscal year ending March 31, 2010. The previous forecasts were announced on May 12, 2009. For details, please see the press release titled "Notice of Revisions to Earnings Forecast" announced on February 4, 2010.

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 first nine months of the current fiscal year, 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. For noncurrent assets subject to the declining-balance method, depreciation was calculated pro rata based on the amount for the fiscal year.
- b. 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 third quarter of the current fiscal year was found not to be significantly different from the ratio at the end of the previous fiscal year.
- c. For inventories at the end of the third quarter of the current fiscal year, a valuation was determined by using a reasonable method based on actual inventories at the end of the second quarter. Some physical inventory counts were omitted.
- d. 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.

e. 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)	
	Third quarter of FY2009 (As of Dec. 31, 2009)	FY2008 Summary (As of Mar. 31, 2009)
Assets		
Current assets		
Cash and deposits	2,539,702	1,802,500
Accounts receivable-trade	2,309,778	1,779,891
Inventories	6,709,984	4,446,137
Deferred tax assets	120,313	179,572
Accounts receivable-other	917,438	617,034
Consumption taxes receivable	85,092	6,314
Other	495,053	334,496
Allowance for doubtful accounts	(10,238)	(9,291)
Total current assets	13,167,125	9,156,656
Noncurrent assets		
Property, plant and equipment		
Buildings and structures	2,654,380	1,934,096
Accumulated depreciation	(730,351)	(610,238)
Buildings and structures, net	1,924,029	1,323,858
Tools, furniture and fixtures	1,551,112	1,305,535
Accumulated depreciation	(1,037,704)	(860,345)
Tools, furniture and fixtures, net	513,407	445,190
Construction in progress	66,379	33,705
Other	105,010	105,010
Accumulated depreciation	(1,597)	(1,499)
Other, net	103,412	103,510
Total property, plant and equipment	2,607,229	1,906,264
Intangible assets		
Goodwill	1,111,328	1,382,385
Other	261,451	315,607
Total intangible assets	1,372,779	1,697,992
Investments and other assets		
Investment securities	285,990	270,440
Deferred tax assets	61,911	65,911
Guarantee deposits	1,423,071	1,389,868
Lease deposits	1,298,871	1,208,756
Other	189,061	177,896
Allowance for doubtful accounts	(23,992)	-
Total investments and other assets	3,234,913	3,112,873
Total noncurrent assets	7,214,923	6,717,130
Total assets	20,382,048	15,873,787

	(Thousands of yen)	
	Third quarter of FY2009 (As of Dec. 31, 2009)	FY2008 Summary (As of Mar. 31, 2009)
Liabilities		
Current liabilities		
Accounts payable-trade	5,824,977	2,618,767
Short-term loans payable	-	60,000
Current portion of long-term loans payable	705,252	370,056
Accounts payable-other	1,486,940	1,499,323
Income taxes payable	175,234	445,287
Provision for merchandise warranties	35,060	49,785
Provision for bonuses	62,811	80,658
Other	510,411	563,735
Total current liabilities	8,800,687	5,687,612
Noncurrent liabilities		
Long-term loans payable	2,120,476	948,280
Provision for retirement benefits	2,339	25,378
Provision for directors' retirement benefits	21,761	158,835
Long-term guarantee deposited	660,047	661,666
Other	123,799	-
Total noncurrent liabilities	2,928,423	1,794,160
Total liabilities	11,729,111	7,481,772
Net assets		
Shareholders' equity		
Capital stock	1,601,196	1,601,196
Capital surplus	1,888,605	1,888,605
Retained earnings	5,262,300	4,944,667
Treasury stock	(285,867)	(186,226)
Total shareholders' equity	8,466,234	8,248,243
Valuation and translation adjustments		
Valuation difference on available-for-sale securities	24,484	(5,941)
Total valuation and translation adjustments	24,484	(5,941)
Minority interests	162,218	149,713
Total net assets	8,652,937	8,392,014
Total liabilities and net assets	20,382,048	15,873,787

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

(Thousands of yen)

	First nine months of FY2008 (Apr. 1, 2008 – Dec. 31, 2008)	First nine months of FY2009 (Apr. 1, 2009 – Dec. 31, 2009)
Net sales	31,541,338	32,912,289
Cost of sales	23,841,161	24,476,349
Gross profit	7,700,177	8,435,939
Selling, general and administrative expenses		
Sales commission	269,960	285,650
Advertising expenses	817,840	924,815
Directors' compensations	100,684	101,182
Salaries and allowances	1,933,149	2,120,138
Bonuses	174,619	193,324
Provision for bonuses	52,739	62,811
Retirement benefit expenses	35,236	37,438
Provision for directors' retirement benefits	16,803	7,638
Supplies expenses	296,664	322,521
Depreciation	237,278	306,872
Rent expenses on real estates	1,201,003	1,328,411
Amortization of goodwill	143,641	258,083
Other	1,706,505	1,672,179
Total selling, general and administrative expenses	6,986,128	7,621,069
Operating income	714,049	814,869
Non-operating income		
Interest income	3,781	3,074
Dividends income	1,260	1,790
Income on sales promotion	53,392	40,552
Rent income	85,604	70,783
Commission fee	22,465	32,431
Other	86,021	46,733
Total non-operating income	252,524	195,364
Non-operating expenses		
Interest expenses	6,538	27,869
Equity in losses of affiliates	15,850	15,775
Rent expenses	79,980	93,266
Commission fee	-	916
Other	5,705	6,857
Total non-operating expenses	108,074	144,685
Ordinary income	858,500	865,548
Extraordinary income		
Gain on transfer to defined contribution pension plan	-	39,481
Total extraordinary income	-	39,481

(Thousands of yen)

	First nine months of FY2008 (Apr. 1, 2008 – Dec. 31, 2008)	First nine months of FY2009 (Apr. 1, 2009 – Dec. 31, 2009)
Extraordinary loss		
Loss on retirement of noncurrent assets	14,289	1,500
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	107,310	1,500
Income before income taxes and minority interests	751,190	903,529
Income taxes-current	331,512	371,185
Income taxes-deferred	44,689	44,603
Total income taxes	376,202	415,788
Minority interests in income	9,328	17,268
Net income	365,658	470,471

(3) Quarterly Consolidated Statements of Cash Flows

(Thousands of yen)

	First nine months of FY2008 (Apr. 1, 2008 – Dec. 31, 2008)	First nine months of FY2009 (Apr. 1, 2009 – Dec. 31, 2009)
Net cash provided by (used in) operating activities		
Income before income taxes and minority interests	751,190	903,529
Depreciation and amortization	290,133	364,257
Amortization of goodwill	143,641	258,083
Increase (decrease) in allowance for doubtful accounts	1,198	947
Increase (decrease) in provision for bonuses	(23,487)	(23,494)
Increase (decrease) in provision for directors' retirement benefits	14,271	(137,073)
Increase (decrease) in provision for retirement benefits	11,039	(25,378)
Increase (decrease) in provision for merchandise warranties	(47,756)	(14,725)
Loss (gain) on valuation of investment securities	8,400	-
Interest and dividends income	(5,041)	(4,864)
Head office transfer cost	43,634	-
Loss on closing of stores	4,619	-
Interest expenses	6,538	27,869
Foreign exchange losses (gains)	841	607
Equity in (earnings) losses of affiliates	15,850	15,775
Loss on retirement of noncurrent assets	14,289	1,500
Decrease (increase) in notes and accounts receivable-trade	(458,928)	(415,477)
Decrease (increase) in inventories	(1,121,607)	(1,958,502)
Decrease (increase) in accounts receivable-other	(252,043)	(282,721)
Increase (decrease) in notes and accounts payable-trade	2,601,743	3,089,768
Increase (decrease) in accounts payable-other	234,473	(86,312)
Decrease (increase) in other assets	(149,461)	(205,760)
Increase (decrease) in other liabilities	72,286	70,866
Other, net	(21,584)	8,374
Subtotal	2,134,239	1,587,269
Interest and dividends income received	3,257	3,398
Interest expenses paid	(6,911)	(28,163)
Income taxes paid	(727,971)	(613,490)
Net cash provided by (used in) operating activities	1,402,613	949,013

	(Thousands of yen)	
	First nine months of FY2008 (Apr. 1, 2008 – Dec. 31, 2008)	First nine months of FY2009 (Apr. 1, 2009 – Dec. 31, 2009)
Net cash provided by (used in) investing activities		
Purchase of property, plant and equipment	(839,492)	(965,816)
Proceeds from sales of property, plant and equipment	16,469	-
Purchase of intangible assets	(554,820)	(25,629)
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	(422,958)	(169,005)
Proceeds from collection of lease and guarantee deposits	90,488	73,263
Repayments of guarantee deposits received	(7,619)	(7,619)
Proceeds from guarantee deposits received	-	6,000
Other, net	(1,865)	17,225
Net cash provided by (used in) investing activities	(1,837,441)	(1,068,028)
Net cash provided by (used in) financing activities		
Increase in short-term loans payable	2,300,000	3,560,000
Decrease in short-term loans payable	(1,700,000)	(3,920,000)
Proceeds from long-term loans payable	-	1,900,000
Repayment of long-term loans payable	(121,500)	(425,944)
Purchase of treasury stock	-	(99,641)
Cash dividends paid	(149,777)	(152,826)
Cash dividends paid to minority shareholders	(11,271)	(4,763)
Net cash provided by (used in) financing activities	317,451	856,824
Effect of exchange rate change on cash and cash equivalents	(841)	(607)
Net increase (decrease) in cash and cash equivalents	(118,218)	737,201
Cash and cash equivalents at beginning of period	1,856,947	1,802,500
Cash and cash equivalents at end of period	1,738,729	2,539,702

(4) Going Concern Assumption

Not applicable.

(5) Segment Information

Operating segment information

First nine months of FY2008 (Apr. 1, 2008 – Dec. 31, 2008)

(Thousands of yen)

	PC sales business	Internet-related business	Total	Elimination or corporate	Consolidated
Net sales					
(1) External sales	29,669,326	1,872,012	31,541,338	-	31,541,338
(2) Inter-segment sales and transfers	210,112	68,779	278,892	(278,892)	-
Total	29,879,439	1,940,792	31,820,231	(278,892)	31,541,338
Operating income	516,345	197,704	714,049	-	714,049
Ordinary income	692,527	198,030	890,558	(32,058)	858,500

First nine months of FY2009 (Apr. 1, 2009 – Dec. 31, 2009)

(Thousands of yen)

	PC sales business	Internet-related business	Total	Elimination or corporate	Consolidated
Net sales					
(1) External sales	30,869,036	2,043,252	32,912,289	-	32,912,289
(2) Inter-segment sales and transfers	155,646	81,319	236,966	(236,966)	-
Total	31,024,683	2,124,572	33,149,255	(236,966)	32,912,289
Operating income	528,232	278,096	806,329	8,540	814,869
Ordinary income	604,923	277,602	882,525	(16,977)	865,548

Note: 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

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 nine months of FY2008 (Apr. 1, 2008 – Dec. 31, 2008)		First nine months of FY2009 (Apr. 1, 2009 – Dec. 31, 2009)		YoY change (%) (B/A)
	Amount (A)	Comp. (%)	Amount (B)	Comp. (%)	
PC	7,398,672	23.5	7,747,964	23.5	104.7
Monitor	1,151,067	3.6	1,026,804	3.1	89.2
Printer	739,295	2.3	739,859	2.2	100.1
Peripherals	9,055,881	28.7	9,147,525	27.8	101.0
Accessories and supplies	3,550,248	11.3	3,923,181	11.9	110.5
Software	1,135,684	3.6	1,135,342	3.5	100.0
Office automation equipment, used goods, and others	2,960,259	9.4	2,092,904	6.4	70.7
Total product sales	25,991,109	82.4	25,813,583	78.4	99.3
Income from royalties	410,149	1.3	411,817	1.3	100.4
Income from technical service and commissions	3,268,067	10.4	4,643,634	14.1	142.1
Total PC sales business	29,669,326	94.1	30,869,036	93.8	104.0
Total Internet-related business	1,872,012	5.9	2,043,252	6.2	109.1
Total	31,541,338	100.0	32,912,289	100.0	104.3

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

2. Franchise sales, included with other income from royalties, totaled 8,882,189 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.