

**Company Profile** (as of September 30, 2010)

<b>Corporate name</b>	PC DEPOT CORPORATION
<b>Business outline</b>	Direct and franchise management of PC DEPOT, a comprehensive store specializing in PCs and networks, and PC Clinic which provides PC repair and technical services
<b>Head office</b>	3-1-9, Shinyokohama kohoku-ku, Yokohama-shi, Kanagawa 222-0033 Japan Phone number:045-472-7795(Japan)
<b>Date of establishment</b>	August 1994
<b>Date of stock exchange listings</b>	October 1999
<b>Capital</b>	¥1,601,190,000
<b>Number of employees</b>	520 (consolidated)
<b>Consolidated subsidiaries</b>	ejworks Corporation BB Marketing Corp. PC DEPOT KYUSYU CORPORATION

**Board members** (as of September 30, 2010)

<b>President and Chief Executive Officer</b> .....	Takahisa Nojima
<b>Senior managing director</b> .....	Shigehiko Sakai
<b>Director</b> .....	Kenshi Hamamatsu
<b>Director</b> .....	Mitsuyoshi Hae
<b>Outside director</b> .....	Hidehiro Takayama
<b>Outside director</b> .....	Hideaki Izawa
<b>Outside director</b> .....	Atsuomi Obayashi
<b>Standing Corporate Auditor</b> .....	Eizo Akashi
<b>Outside auditor</b> .....	Masao Onoda
<b>Outside auditor</b> .....	Kunihiko Yamamoto

**Business Fiscal Year**

From April 1 to March 31 of the following year

**Ordinary General Shareholders' Meeting**

June annually

**Date of determining shareholders who are to receive dividends**

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 event of problems preventing electronic announcements by an accident or other unavoidable cause, details will be published in the Nikkei.

**Administrator of shareholders' register and Account Manager for the Special Account**

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

**Contact of Administrator of shareholders' register and Account Manager for the Special Account**

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

\*As share certificates were digitized, if you want to change your address, etc., please contact the institution managing your account, such as a securities company.



## Investor's Guide

First Half of the Fiscal Year Ending March 31, 2011

(April 1, 2010 to September 30, 2010)



**As the comprehensive store specializing in PCs and networks, we aim to become an “indispensable store” in each region.**

I hope things are going well with you. We would like to express our heartfelt thanks to you for your patronage.

Let us report briefly on our business performance for the first half of the fiscal year ending March 2011.

Product sales increased steadily, as the sales quantity and amount of PC bodies increased from the previous year because of the preferable sales of high-performance PCs mounted with Windows 7, 3D and the release of tablet PCs, such as “iPad,” and we expanded and enhanced selling products other than PCs (Internet devices), such as thin-model, large-screen TV sets, peripherals for digital terrestrial media.

Service sales at existing stores were 104.3% of the sales in the same period of the previous year, as the technical service and monthly-membership maintenance service products (Premium service) at PC Clinic were healthy. As for the competition with electronics volume stores, which are our major competitors in selling PCs, the situation has been severe for us, because most of our products are not subject to the “Eco Point System.”

Profit increased, as gross profit increased and selling, general and administrative expenses were nearly as estimated because the cost for remodeling stores to sell TV sets and the initial cost for the operation of distribution centers were nearly as estimated.

Consequently, net sales were 22,711 million yen, operating

### The First Half of the Consolidated Fiscal Year Ending March 2011

Net sales

**¥22,711** million

Operating income **¥726** million

Ordinary profit **¥769** million

Net income **¥343** million

income was 726 million yen, ordinary income was 769 million yen, and net income was 343 million yen. These values were larger than the projected values. For the first half, operating income and ordinary income were record-high. Considering the performance for the first half, we have revised the estimated sales for this term by upwardly 1,400 million yen to 48,200 million yen. Estimated profit was not revised, because the profits at subsidiaries are estimated to be lower than the projected values.

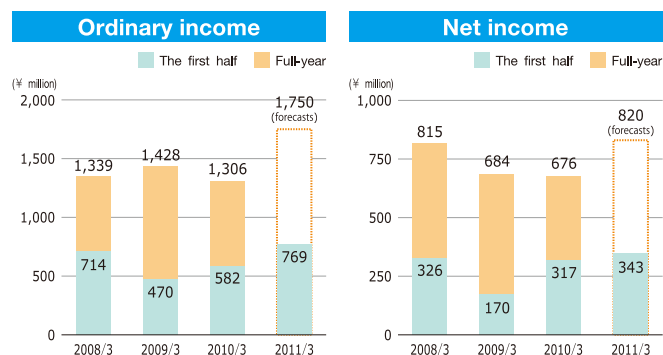
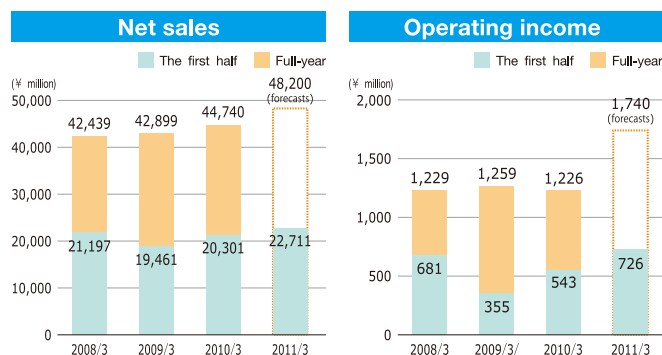
As for store operation, we opened a large-scale store in April and closed a store in August. The number of “PC DEPOT” stores is now 64 in total. We plan to open large-scale stores in Shizuoka in December and in Tokyo in March next year. As for “exclusive stores for PC Clinic,” which offers PC repair and technical services, we will start directly operating 2 stores out of the 23 franchised stores in electronics volume stores, in a tentative manner.

At the end of Oct., we started offering “comprehensive copying services” (including the copying of analog data from videotapes to digital media). We will increase and enrich “digitization” services, and keep strengthening of sales of Internet devices. Also, as the comprehensive store specializing in PCs and networks, we aim to become an “indispensable store” in each region, offering hardware, software, and services in a one-stop manner.

We would appreciate your continued support and advices.

December 2010

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

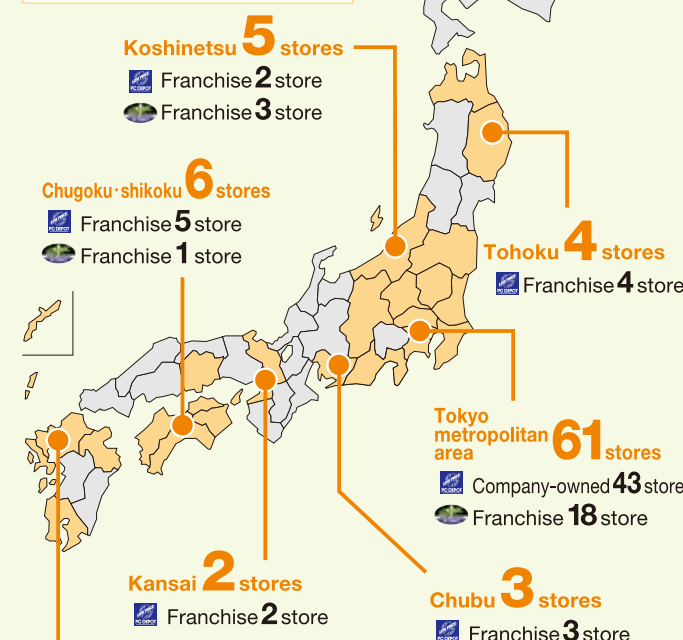
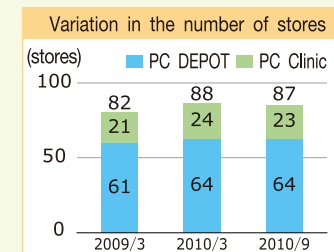


As of September 2010

**87** stores



Company-owned 43  
Subsidiary ..... 4  
Franchise ..... 17  
Franchise ..... 23  
(Among them, 2 stores are directly operated, tentatively)



**Kyushu-Okinawa 6 stores**  
Subsidiary 4 store  
Franchise 1 store  
Franchise 1 store

\* On Dec. 3, PC DEPOT Fuji (directly store managed) was opened in Fuji-shi, Shizuoka.  
\* 4 PC Clinic stores were opened in November.

For further information on stores, please see our homepage "Shop Information."

<http://www.pcdepot.co.jp/shop/index.html>

# Closeup View of a Store



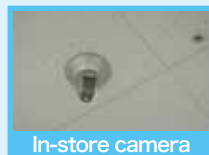
PC DEPOT aims to become a community-based specialized store visited by more customers.

## Expert staff always stands by.



There is a counter where expert staff always stands by so as to answer any questions about our products. We explain to beginners in an understandable manner as much as possible.

## Safe operation of stores



In-store camera



Cyber Sheriff Center of the headquarters

The headquarters conduct visual patrol with cameras set in each store. We emphasize the security of stores, so that customers can do shopping without anxieties.

## Development of the in-store environment



In-store passage



Rest space



Shopping cart

We make efforts to develop an in-store environment in which family customers, too, can enjoy shopping in a relaxed manner, for example, by installing wide passages, shopping carts, and rest space.



## Handicap priority



Parking space exclusively for wheelchair users



Counter exclusively for wheelchair users

Our parking area and in-store counter have the space exclusively for wheelchair users. We voluntarily help disabled customers enjoy shopping.

## Products that can be connected to the Internet



TV set selling space



Smartphone selling space

We handle not only PCs but also products connectable to the Internet, such as TV sets and smartphones, for a broad range of customers.

## PC Clinic



Comprehensive reception counter for repairs

All of PC DEPOT stores have the comprehensive reception for repairs, which is the largest in each region. Without booking, customers can make their PCs diagnosed for free even those were purchased at other stores and repaired swiftly.

## EVERYDAY LOW PRICE

Our product prices are "ZUBARI prices" (consistent prices.) We do not have any discounting or point systems for specific customers, and so we can sell each product at the same price to any customers.



ZUBARI price

## Soundness of products

Our company makes efforts to improve the quality of products and their safety and reliability. For example, we do not handle software that may produce adverse effects on young people and children.



Software selling space



Store staff

## Response of store staff to customers

Our store staff does not tout customers, and so customers can select products as they want. All of our staff pay attention to every corner of stores cooperatively.

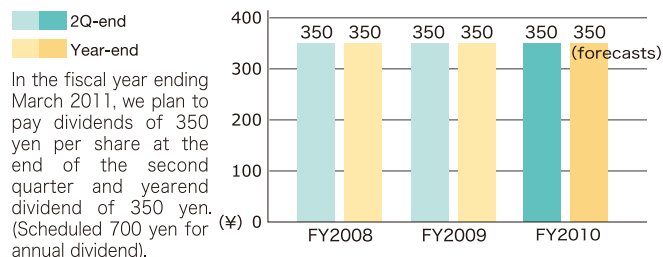


# Share Information

## 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 reserve.

Dividend policy is a major priority for management and we aim for stable and consistent dividends. In Fiscal Year 2009 (ending March 31, 2010), we plan to pay an interim dividend of 350 yen per share, and a yearend dividend of 350 yen (for an annual dividend of 700 yen).



## 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.

Shareholder vouchers can be used at all

Company-owned stores, franchise stores, or our Internet shopping site.



Number of shares held	Benefits
4 shares or more	Shareholder voucher equivalent of ¥1,000
10 shares or more	Shareholder voucher equivalent of ¥2,000
50 shares or more	Shareholder voucher equivalent of ¥10,000
100 shares or more	Shareholder voucher equivalent of ¥20,000
400 shares or more	Shareholder voucher equivalent of ¥50,000
1,000 shares or more	Shareholder voucher equivalent of ¥70,000

## Website Guide



We update corporate information, IR information, and store information in a timely manner.

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

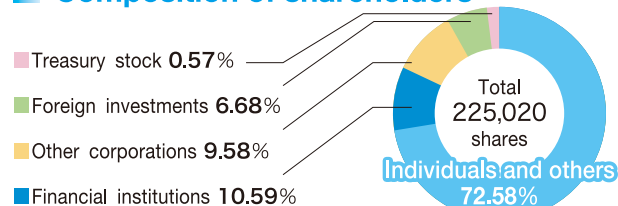
## Status of shares (as of September 30, 2010)

Total number of shares authorized to be issued ..... 890,000 persons  
Total number of shares outstanding ..... 225,020 persons  
Number of shareholders ..... 3,117 persons

## Major shareholders

Name of shareholder	Number of shares held (shares)	Voting rights ratio (%)
Takahisa Nojima	93,315	41.46
K'S HOLDINGS CORPORATION	14,404	6.40
Mellon Bank, N.A. Treaty Client Omnibus	8,000	3.55
Mizuho Bank, Ltd.	7,880	3.50
The Nomura Trust and Banking Co., Ltd. (investment account)	5,455	2.42
TRUST & CUSTODY SERVICES BANK, LTD. (TRUST ACCOUNT E)	5,000	2.22
Kinuyo Nojima	4,845	2.15
AAGCS N.V. RE TREATY ACCOUNT (TAXABLE)	3,042	1.35
Yoshiko Nojima	2,400	1.06
BNY GCM CLIENT ACCOUNT JPRD AC ISG (FE-AC)	2,339	1.03

## Composition of shareholders



\* Our company disposed of treasury shares by allocating them to a third party on September 24.

## Store Information

- Information on Individual Stores
- New Handouts
- Customer Support

## Corporate Information/ Investors Relations

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

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



# Financial Statements (Overview)

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

(¥ million, %)	FY2009 <small>(as of March 31, 2010)</small>	Second quarter of FY2010 <small>(as of September 30, 2010)</small>	Change
<b>Assets</b>			
Current assets	10,511	11,416	905
Fixed assets	7,442	7,505	63
<b>Total assets</b>	<b>17,954</b>	<b>18,921</b>	<b>967</b>
<b>Liabilities</b>			
Current liabilities	6,472	6,738	266
Long-term liabilities	2,743	2,983	240
<b>Total liabilities</b>	<b>9,216</b>	<b>9,722</b>	<b>506</b>
<b>Total net assets</b>	<b>8,738</b>	<b>9,199</b>	<b>461</b>
<b>Total liabilities and net assets</b>	<b>17,954</b>	<b>18,921</b>	<b>967</b>

Note: Figures below ¥1 million are rounded down.

### Point

**[Assets]** Inventory and property, plant and equipment increased due to the increase in new stores and new category of products, etc.

**[Liabilities]** Non-current liabilities increased as loans payable augmented for the investments in new stores and changes of the accounting standard for the asset retirement obligations.

## Consolidated statements of income (The first half)

(¥ million, %)	First six months of FY2009 <small>(ended September 30, 2009)</small>	First six months of FY2010 <small>(ended September 30, 2010)</small>	Change
<b>Net sales</b>	<b>20,301</b>	<b>22,711</b>	<b>11.9</b>
<b>Gross profit</b>	<b>5,485</b>	<b>6,580</b>	<b>20.0</b>
<b>Selling, general and administrative expenses</b>	<b>4,942</b>	<b>5,854</b>	<b>18.5</b>
<b>Operating income</b>	<b>543</b>	<b>726</b>	<b>33.7</b>
<b>Ordinary profit</b>	<b>582</b>	<b>769</b>	<b>32.1</b>
<b>Net income before income taxes</b>	<b>621</b>	<b>623</b>	<b>0.3</b>
<b>Net income</b>	<b>317</b>	<b>343</b>	<b>8.2</b>

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

### Point

**[Net sales]** Sales increased due to the increase in sales of PCs, the enrichment of new category of products other than PCs, and increase in service sales.

**[Selling, general and administrative expenses]** Increased due to the initial costs for the remodeling of stores for handling TV sets and for the operation of distribution centers.

## Consolidated statements of cash flows (The first half)

(¥ million)	First six months of FY2009 <small>(ended September 30, 2009)</small>	First six months of FY2010 <small>(ended September 30, 2010)</small>	Change
Cash flows from operating activities	94	377	283
Cash flows from investing activities	△570	△467	103
Cash flows from financing activities	1,107	524	△583
Cash and cash equivalents at end of year	2,433	2,186	△247

Note: Figures below ¥1million are rounded down.

### Point

**[Cash flows from operating activities]** Increased 377 million yen due to net income before taxes and depreciation, etc., although inventories augmented.

**[Cash flows from investing activities]** Decreased 467 million yen due to the payment for the acquisition of non-current assets, etc.

**[Cash flows from financing activities]** Increased 524 million yen due to the increase in loans payable and the proceeds from disposal of treasury stock, etc.

## Sales by product (The first half)

(¥ million, %)	First six months of FY2009 <small>(ended September 30, 2009)</small>	First six months of FY2010 <small>(ended September 30, 2010)</small>	Change
PC	4,810	5,670	17.9
Monitor	621	582	△6.3
Printer	376	356	△5.3
Peripherals	5,657	5,625	△0.6
Accessories and supplies	2,365	2,447	3.5
Software	655	687	4.9
Office automation equipment, used goods, and others	1,280	1,954	52.7
<b>Total sales of products</b>	<b>15,767</b>	<b>17,324</b>	<b>9.9</b>
Income from royalties	265	282	6.5
Income from technical service and commissions	3,119	4,047	29.8
<b>Total PC sales business</b>	<b>19,151</b>	<b>21,653</b>	<b>13.1</b>
<b>Internet-related business</b>	<b>1,149</b>	<b>1,057</b>	<b>△8.0</b>
<b>Total</b>	<b>20,301</b>	<b>22,711</b>	<b>11.9</b>

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

### Point

**[PC body]** Sales volume and amount increased thanks to high-performance and tablet PCs, etc.

**[Income from technical service and commissions]** It increased because technical service and monthly-membership maintenance service products (premium service) were healthy.