



Investors' Guide

First Half of the Fiscal Year Ending March 31, 2015
(April 1, 2014 to September 30, 2014)



PC DEPOT CORPORATION

Securities Code : 7618

To Our Shareholders



Business Results for the Six Months Ended September 30, 2014

Summary of Business Activities for the Six Months Ended September 30, 2014

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. During the second quarter of the term ending March 2015, net sales decreased and income increased. Since July, when the PC replacement demand among individual users leveled off after the termination of Microsoft's support for Windows XP in April 2014, vendors have faced difficulties as the number of PCs sold over the counter in Japan fell. On the other hand, sales of smart devices such as smartphones and tablets remained strong backed by the release of new products in September.

We have continuously stepped up sales of Internet devices such as PCs, smartphones, and tablets and have aimed to become a smart life partner for customers by proactively developing related services and providing everything from merchandise to services in a single store. In terms of store development, we accelerated the remodeling of existing PC DEPOT stores into PC DEPOT Smart Life Stores (a new type of outlet that focuses more on providing services) and reopened stores in Tokyo and Kanagawa Prefecture. As a result, the total number of PC DEPOT Smart Life Stores was 11 as of the end of September 2014. In addition, we started to introduce a business model for a new type of outlet, "Smart x Solutions (S x S)," in our large-scale stores in September 2014. This allowed PC DEPOT 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. In September, due in part to the launch of new iPhone and Mac models, we endeavored to broaden our customer base by stimulating latent demand mainly through the

substantial expansion of our lineup of service products for such models. As a result, net sales for existing stores and those for services continued to be strong, growing 0.8% and 21.1%, respectively, compared to the same period of the previous year. As the lineup of our service products expanded, we proactively hired staff members, causing personnel expenses to rise, but we made efforts to keep other expenses at reasonable levels. These efforts resulted in selling, general, and administrative expenses increasing only 5.9% compared to a year earlier.

As a result, consolidated cumulative net sales for the second quarter of the current term were 24.382 billion yen (down 0.2% compared to the same period of the previous year), and operating income was 1.627 billion yen (up 76.2%). Ordinary income was 1.681 billion yen (up 70.6%), and net income was 1.043 billion yen (up 63.6%). Accordingly, we posted our highest-ever operating income, ordinary income, and net income for the period.

Forecast for the Six Months Ended March 31, 2015 and our Policies

We revised prospects of consolidated financial results for the whole year on October 30. In terms of net sales, the future of consumer spending remained uncertain even after October, but PC DEPOT is expected to exceed the previous forecasts, posting our highest-ever operating income, ordinary income, and net income, by offering service products to encourage customers to use smart devices and stepping up store operation focusing on services.

Tablets, smartphones, and other Internet devices will continue to spread steadily, and latent demand for services that enable consumers to use such devices well is expected to grow. During the second half of the year and thereafter, we will continue offering solutions to customers

by stepping up efforts to handle Internet devices and providing them together with content, services, and other offerings. We will provide a combination of such content and services for new Internet devices such as smartphones and tablets. For customers who seek advice on PCs or wish to buy a new PC, we will offer products that combine hardware and software in order to 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, and better.

Aiming to Create Stores that are Indispensable to Local Communities

As demand for services grows due to factors such as the diversification of Internet devices, in order to further raise the level of perfection for PC DEPOT Smart Life Stores—a new type of outlet that meets a wider range of customer needs—we plan to remodel our existing stores into such stores and open new such stores. However, taking investment and demand into consideration, we will implement this plan flexibly while ensuring strategic dominance in the Kanto region. In addition, as existing stores are expected to increase their service sales, we will continue to energize these outlets. We will also continue to revitalize our existing stores because sales of services at such stores are expected to increase.

Our basic CSR policy defines our mission as using our stores to eliminate the 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 in order to benefit the local customers whom we serve. In accordance with this policy, we will promote the corporate management in view of CSR and we will expand our network of stores, improve our products and services, and increase the level of safety of Internet devices and Internet data networks. In this way, we will promote group management from a CSR perspective.

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

December, 2014

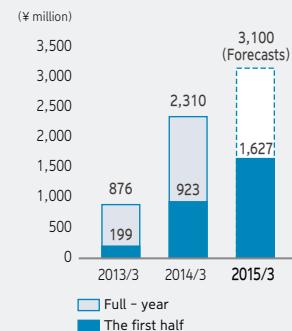
Takahisa Nojima, President and Chief Executive Officer

	Six months ended September 30, 2013 (¥ million)	Six months ended September 30, 2014 (¥ million)	Rate of increase/ decrease
Consolidated net sales	24,433	24,382	- 0.2%
Consolidated operating income	923	1,627	+76.2%
Consolidated ordinary profit	985	1,681	+70.6%
Consolidated net income	638	1,043	+63.6%

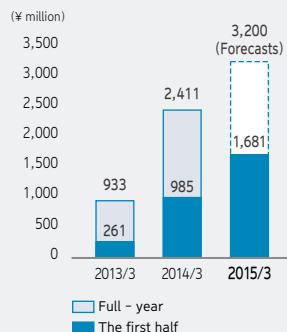
Net sales



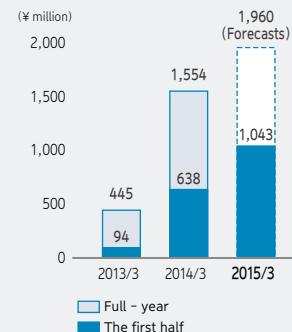
Operating income



Ordinary income



Net income



PC DEPOT new stores



PC DEPOT Smart Life Minato-Mirai

(Renovated and reopened on June 20, 2014)



PC DEPOT Smart Life Chofu

(Renovated and reopened on June 27, 2014)



PC DEPOT Smart Life Hiyoshi

(Renovated and reopened on August 8, 2014)



PC DEPOT Smart Life Tsujiido

(Renovated and reopened on August 8, 2014)



PC DEPOT Smart Life Kohoku Flagship store

(Renovated and reopened on September 12, 2014)



PC DEPOT Smart Life Heiwadai

(Renovated and reopened on September 12, 2014)



PC DEPOT Smart Life Setagaya-Kinuta (Tentative naming)

(Scheduled to open on a full scale in March 2015; advance sales began on October 30, 2014)



* Impression only

PC DEPOT

55 Stores (FC 3 Stores)

PC DEPOT Smart Life

12 Stores

PC DEPOT PC Clinic

54 Stores (FC 6 Stores)

Number of stores **121** Stores

(As of October 31, 2014)

www.pcdepot.co.jp/shop

Consolidated Financial Statements (Overview)

Consolidated balance sheets (The end of second fiscal quarter)

(¥ million)	FY2013 (as of March 31, 2014)	Second quarter of FY2014 (as of September 30, 2014)	Amount of increase/ decrease
Assets			
Current assets	18,494	16,775	(1,719)
Fixed assets	8,644	8,870	226
Total assets	27,138	25,646	(1,492)
Liabilities			
Current liabilities	9,758	8,086	(1,672)
Long-term liabilities	3,915	3,160	(755)
Total liabilities	13,673	11,246	(2,427)
Total net assets	13,464	14,399	935
Total liabilities and net assets	27,138	25,646	(1,492)

Note: Figures below ¥1million are rounded down.

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

[Liabilities] Loans, accounts payable, and other liabilities decreased.

Consolidated Statements of income (The first half)

(¥ million, %)	First six months of FY2013 (ended September 30, 2013)	First six months of FY2014 (ended September 30, 2014)	Rate of increase/ decrease
Net sales	24,433	24,382	(0.2)
Gross profit	8,429	9,577	13.6
Selling, general and administrative expenses	7,505	7,949	5.9
Operating income	923	1,627	76.2
Ordinary profit	985	1,681	70.6
Net income before income taxes	1,057	1,664	57.4
Net income	638	1,043	63.6

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

[Net sales] Net sales for Internet-related business decreased. Service sales increased mainly due to support services and the launch of new products.

[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 (The first half)

(¥ million)	First six months of FY2013 (ended September 30, 2013)	First six months of FY2014 (ended September 30, 2014)	Amount of increase/ decrease
Cash flows from operating activities	1,112	(108)	(1,220)
Cash flows from investing activities	(26)	(477)	(451)
Cash flows from financing activities	(1,274)	(1,369)	(95)
Cash and cash equivalents at end of year	2,794	2,725	(69)

Note: Figures below ¥1million are rounded down.

[Cash flow from operating activities] Cash flow from operating activities decreased by 108 million yen. Positive factors included pre-tax net income and increases in depreciation expenses, and negative factors included decreases in accounts payable and the payment of corporate and other taxes.

[Cash flow from investing activities] Cash flow from investment activities decreased by 477 million yen due to expenditures associated with the remodeling of existing stores and the opening of new stores as well as the acquisition of tangible and intangible fixed assets.

[Cash flow from financing activities] Cash flow from financial activities decreased by 1.369 billion yen mainly due to a decrease in borrowings of 1.242 billion yen.

Sales by product (The first half)

(¥ million, %)	First six months of FY2013 (ended September 30, 2013)	First six months of FY2014 (ended September 30, 2014)	Rate of increase/ decrease
PCs	5,936	4,878	(17.8)
Peripherals	4,442	3,872	(12.8)
Accessories and supplies	1,951	1,572	(19.4)
Software	713	548	(23.1)
Previously owned products and other	3,002	3,587	19.5
Total sales of products	16,046	14,459	(9.9)
Income from royalties	81	78	(3.9)
Income from technical service and commissions	7,583	9,185	21.1
Total PC sales business	23,711	23,722	0.0
Internet-related business	722	659	(8.7)
Total	24,433	24,382	(0.2)

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

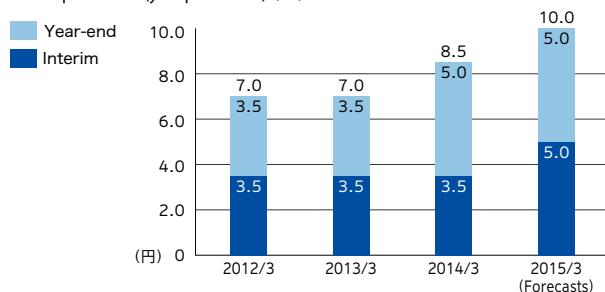
[Technical service and commissions] In order to meet latent customer demand, we developed solutions in which we provided content, technical, and other services together, and as a result, net sales remained strong.

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.

Effective December 31, 2014, based on a resolution of the meeting of the Board of Directors held on November 11, 2014, we will split our common shares at a ratio of 1:1.5. The objective of this stock split is to increase the liquidity of our stock and expand our investor base. In addition, taking prospects of business results for the current term into consideration, we will leave the amount of dividend per share as it is, thus practically returning more profits to shareholders through larger dividend payments.

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	Benefits
400 shares or more	Complementary ticket for shareholders equivalent to 1,000 yen
1,000 shares or more	Complementary ticket for shareholders equivalent to 2,000 yen
5,000 shares or more	Complementary ticket for shareholders equivalent to 10,000 yen
10,000 shares or more	Complementary ticket for shareholders equivalent to 20,000 yen
40,000 shares or more	Complementary ticket for shareholders equivalent to 50,000 yen
100,000 shares or more	Complementary ticket for shareholders equivalent to 70,000 yen

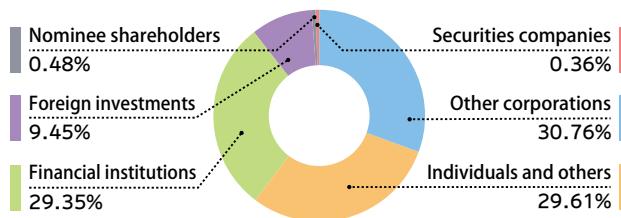
Status of shares

Total number of shares authorized to be issued 89,000,000 shares
Total number of shares outstanding 25,952,000 shares
Number of shareholders 1,904 persons

Major shareholders

Name of shareholder	Number of shares held (shares)	Voting rights ratio
TN HOLDINGS CO,LTD.	6,000,000	23.23%
Takahisa Nojima	3,459,400	13.39%
THE MASTER TRUST BANK OF JAPAN, LTD.(TRUST ACCOUNT)	1,915,500	7.41%
JAPAN TRUSTEE SERVICES BANK,LTD (TRUST ACCOUNT)	1,745,800	6.75%
K'S HOLDINGS CORPORATION	1,440,400	5.57%
TRUST & CUSTODY SERVICES BANK,LTD. (SECURITIES INVESTMENT TRUST ACCOUNT)	795,100	3.07%
Mizuho Bank, Ltd.	788,000	3.05%
TRUST & CUSTODY SERVICES BANK,LTD. (TRUST ACCOUNT)	500,000	1.93%
STATE STREET BANK AND TRUST COMPANY 505224	500,000	1.93%
Kinuyo Nojima	484,500	1.87%

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	721(consolidated)
Consolidated subsidiaries	ejworks Corporation PC DEPOT STORES CORPORATION

Board members (As of June 24, 2014)

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	Kenshi Hamamatsu	Corporate Auditor	Masayuki Ishii
Director	Takayuki Shimano	Outside Auditor	Eizo Akashi
Director	Nobuyuki Tanaka	Outside Auditor	Kunihiko Yamamoto
		Outside Auditor	Kazuo Yamamoto

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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