

(Summarized Translation)

Securities code: 7618

June 2, 2009

To our shareholders:

3-1-9 Shinyokohama Kohoku-ku, Yokohama, Kanagawa
PC DEPOT CORPORATION
Takahisa Nojima, President and Chief Executive Officer

Notice of Convocation of the 15th Ordinary General Shareholders' Meeting

You are hereby notified that the 15th Ordinary General Shareholders' Meeting will be held as stated below and are cordially invited to attend this meeting.

If you are unable to attend the meeting, please exercise your right to vote after reading the following reference documents by using one of two methods. To vote by mail, please indicate your voting instructions for the proposals on the enclosed Proxy Card and return this card. To vote using the Internet or mobile phone, visit the voting rights exercise Web site (<http://www.evotep.jp/>) and enter your voting instructions. Voting instructions must be received no later than 6:00 pm on Wednesday, June 17, 2009.

Notice of Meeting

1. Date and time: 10:00 a.m. Thursday, June 18, 2009 (Japan time)
2. Place: Shin Yokohama Kokusai Hotel, "Blue Pulm" (South Building 4th floor)
3-7-8 Shinyokohama, Kohoku-ku, Yokohama
(A map showing the location of the meeting is on the back cover)
3. Agenda
 - Matters to be reported: 1. Business Report, Consolidated and Non-consolidated Financial Statements for the 15th fiscal year (from April 1, 2008 to March 31, 2009)
2. Consolidated Financial Statement Audit Reports by the Accounting Auditor and Board of Corporate Auditors
 - Matters to be resolved:
 - Proposal No. 1: Amendments to the Articles of Incorporation
 - Proposal No. 2: Election of seven (7) Directors
 - Proposal No. 3: Election of one (1) Substitute Auditor
 - Proposal No. 4: Payment of Retirement Benefits to Retiring Director and Corporate Auditor
 - Proposal No. 5: Payments to Directors and Corporate Auditors Due to Termination of Retirement Benefit Program

If you plan to attend the meeting, please submit the enclosed Proxy Card at the reception desk.

An announcement will be made on the PC DEPOT Web site (<http://www.pcdpot.co.jp>) if there are any revisions to the reference materials for the shareholders meeting, the business report, non-consolidated or consolidated financial statements.

(Information Concerning Exercise of Voting Rights)

1) Voting by a proxy

If you are unable to attend the shareholders meeting, you may designate one shareholder who has the right to vote at this meeting to attend the meeting as your representative. However, you must provide written proof that this individual is serving as your proxy.

2) Method of notification of revisions to reference materials and other enclosed documents

If the reference materials or other enclosed documents must be revised, the revisions will be posted on the PC DEPOT Web site (<http://www.pcdepot.co.jp>).

3) Treatment of duplicate voting instructions submitted in writing and using the Internet

If a shareholder submits two sets of voting instructions, one in writing and the other using the Internet, only the instructions received via the Internet will be treated as valid.

4) Treatment of duplicate voting instructions submitted using the Internet

If a shareholder submits two or more sets of voting instructions using the Internet, the instructions that were received last will be treated as valid.

5) Procedure for voting via the Internet

When submitting voting instructions using the Internet, please vote after confirming the following items.

If you attend the shareholders meeting, there is no need to perform the voting procedure by using postal mail (the Proxy Card) or the Internet.

1. The voting rights exercise Web site

- (1) Shareholders can vote using the Internet only by accessing the designated voting rights exercise Web site (<http://www.evotep.jp/>) from a computer or mobile phone (i-mode, EZweb or Yahoo! Keitai)*. (However, this site is closed between 2:00 am and 5:00 am every day.)

* i-mode is a registered trademark of NTT DOCOMO Inc., EZweb is a registered trademark of KDDI CORPORATION and Yahoo! is a registered trademark of Yahoo! Inc.

- (2) Submitting voting instructions from a computer may not be possible depending on the use of an Internet firewall, anti-virus software, a proxy server and other items that affect how the Internet is accessed (3) When submitting voting instructions from a mobile phone, please use i-mode, EZweb or Yahoo! Keitai. To ensure the security of these transmissions, voting is not possible with mobile phones that do not have encrypted transmissions (SSL transmission) and that are unable to transmit mobile phone data.
- (4) Voting instructions submitted using the Internet must be received no later than 6:00 pm on Wednesday, June 17, 2009. Please vote as soon as possible. Please contact the help desk if you have any questions.

2. Method for voting using the Internet

- (1) On the voting rights exercise Web site (<http://www.evotep.jp/>), enter the log-in ID and temporary password that is on your Proxy Card and then follow the instructions on the screen to submit your votes.
- (2) Shareholders will be asked to change the temporary password on the voting rights exercise Web site for the purpose of preventing unauthorized access by individuals other than the shareholder (identity theft) and the alteration of voting instructions.
- (3) Shareholders will receive a different log-in ID and temporary password every time a shareholders meeting is held.

3. Treatment of submission of multiple sets of voting instructions

- (1) If a shareholder submits two sets of voting instructions, one in writing and the other using the Internet, only the instructions received via the Internet will be treated as valid.
- (2) If a shareholder submits two or more sets of voting instructions using the Internet, the instructions that were received last will be treated as valid. In addition, if two or more sets of voting instructions are submitted from a computer and mobile phone, the instructions that were received last will be treated as valid.

4. Expenses associated with accessing the voting rights exercise Web site

Shareholders are responsible for expenses (dial-up access fee, telephone bill, etc.) associated with accessing the voting rights exercise Web site. When using a mobile phone, shareholders are also responsible for the packet transmission fee and other mobile phone expenses.

System or other inquiries:

Mitsubishi UFJ Trust and Banking Corporation, Securities Representative Division (Help Desk)

Telephone: 0120-173-027 (available 9 am to 9 pm, toll free)

Attached Documents

Business Report (From April 1, 2008 to March 31, 2009)

1. Current Conditions of the Corporate Group

(1) Results of Operations for the Fiscal Year Under Review (FY2008)

1) Progress and achievements

The Japanese economy retreated sharply in the fiscal year under review because strong volatility in crude oil and raw materials prices, and a global economic downturn triggered by the US-originated financial crisis last year, caused a decline in exports, employment adjustment, and wage restraint.

In the retail industry, deteriorating sentiment and concerns over the future caused by the domestic economic downturn triggered a shift from “sound consumption” to “defensive consumption.”

The PC industry saw average selling prices continue to decline overall, but low-priced PCs under 50,000 yen (mini notebook PCs termed “50,000 yen PCs”) were launched last summer and became a hit product. Also, large-screen desktop PCs and high-performance PCs became better buys following continuous declines in average selling prices.

In this environment, PC DEPOT strengthened its lineup and sales of low-priced PCs and products offering greater value, boosting PC sales volumes to 129.5% of the year-ago level. Sales of large-screen monitors, memory, hard disks and other peripheral equipment and related technical services were also firm. So-called “volume benefits” gradually emerged from the second quarter, and continued through the second half.

On the service front, PC DEPOT pro-actively promoted solutions sales. It strengthened technical services to respond to local customers’ cries of “Help!” and leveraged its strengths to bolster PC sales in conjunction with technical services including the confirmation of peripheral equipment responsiveness and the configuration of PCs to block out harmful websites. It also worked to capture more members for its “Premium Service,” a proprietary membership system offering maintenance services for a monthly fee, by launching services for 50,000 yen PCs. This raised the number of Premium Service members to 95,000 at the end of the fiscal year.

Regarding the store network, PC DEPOT opened three new stores in Kanagawa Prefecture, Chiba Prefecture, and Tochigi Prefecture, and closed one store in September. The Ashikaga Store, opened in Tochigi Prefecture, is the largest suburban PC specialty store in Japan with 3,000 square meters of floor space. In line with plans to expand the size of existing stores, PC DEPOT increased floor space in the Ome Store to 1,500 square meters.

In August, PC DEPOT acquired four franchise stores in the northern Kanto managed by K’S HOLDINGS CORPORATION and converted them to directly-managed stores. Also, it opened its first store in Okayama Prefecture, a franchise store managed by KITAMURA PC DEPOT CORPORATION, in November. This increased its network of PC DEPOT stores at the end of the fiscal year to 61 stores

comprised of 40 directly-managed stores and 21 franchise stores.

PC DEPOT also opened seven new “PC Clinics” (PC technical service counter stores) as franchises within volume electronics retailers from August, increasing its network of PC Clinics to 21 stores at the end of the fiscal year.

In the Internet-related business, ejworks corporation acquired the ISP businesses of four companies including Kansai Broadband Co., Ltd. in June 2008, to increase its number of provider subscribers. However, corporate demand declined as companies tamped down investment in the face of a decelerating economy. BB Marketing Corp. continued to struggle as its product strengths weakened.

In October, the PC DEPOT Group consolidated its group companies and call centers, and transferred its head offices to strengthen internal control, in order to improve management efficiency.

As a result of the above activities, Group sales totaled 42,899 million yen (+1.1% year-over-year), operating income 1,259 million yen (+2.5%), ordinary income 1,428 million yen (+6.6%), and net income 684 million yen (-16.1%). PC DEPOT Group sales, including those of franchise stores, totaled 58,959 million yen.

Last year, the Group booked an extraordinary income of 363 million yen due to proceeds from the sale of investment securities, and other factors.

Sales in the PC sales business totaled 40,335 million yen (+2.5% year-over-year) and sales in the Internet-related business totaled 2,563 million yen (-17.3%).

| Business segments | Net sales (Thousand yen) |
|---------------------------|--------------------------|
| PC sales business | 40,335,463 |
| Internet-related business | 2,563,960 |

2) Capital expenditures

Capital expenditures during the fiscal year totaled 919 million yen. Major expenditures were as follows.

a. Major completions during the fiscal year

Installation of new sales equipment at the PC DEPOT Shonandai Store in the PC sales business

Installation of new sales equipment at the PC DEPOT Kamagaya Store in the PC sales business

Installation of new sales equipment at the PC DEPOT Ashikaga Store in the PC sales business

b. Major acquisitions during the fiscal year

Acquisition of sales equipment at the PC DEPOT Tsuchiura Great Center in the PC sales business

Acquisition of sales equipment at the PC DEPOT Mito Store in the PC sales business

Acquisition of sales equipment at the PC DEPOT Tokai Store in the PC sales business

Acquisition of sales equipment at the PC DEPOT Oyama Head Store in the PC sales business

c. Major ongoing new installations and expansions in the fiscal year

Installation of new sales equipment at the PC DEPOT Wakabadai Store in the PC sales business

3) Financing

During the fiscal year, the Group procured 1,040 million yen from long-term loans payable from financial institutions in order to meet its requirements for funds.

There were no sales of stock or bonds or any other financing activities.

4) Business sales and divestitures

On August, 1, 2008, PC DEPOT sold all 14 of its PC Clinic stores to K'S HOLDINGS CORPORATION for 28 million yen.

5) Acquisitions of businesses of other companies

- On August 1, 2008, PC DEPOT purchased four PC DEPOT stores (three in Ibaraki Prefecture and one in Tochigi Prefecture) from K'S HOLDINGS CORPORATION for 610 million yen.
- PC DEPOT subsidiary ejworks corporation received the following businesses during the fiscal year through acquisitions and a divestiture.
 - a. On June 30, 2008, ejworks acquired Internet service providers U-Broad.jp, h555.net, awaji-BB, Kyoto-Inet, inet! communications, and SANYNET from Kansai Broadband Co., Ltd. for 276 million yen.
 - b. On October 20, 2008, ejworks acquired Internet service providers Momotarou Internet Club, Ushiwakumaru Internet Service, and VC-net from AIcompany Co., Ltd. for 76 million yen.
 - c. On October 30, 2008, Daiwa Seiken Co., Ltd. divested its 117.net Internet service provider and ejworks took over this business at a cost of 37 million yen.
 - d. On January 23, 2009, RAT Co., Ltd. divested its Net Platz hosting service and ejworks took over this business at a cost of 42 million yen.
 - e. On March 31, 2009, ISAO CORPORATION divested its corporate Internet service provider isao connection service and ejworks took over this business at a cost of 700 million yen. The acquisition cost may change because the contract provides for the deduction of an amount in relation to the number of subscribers who terminate this service during the three-month period following this acquisition.

(2) Status of Assets and Earnings for the Past Three Fiscal Years

| Item | FY2005 (March 2006) | FY2006 (March 2007) | FY2007 (March 2008) | FY2008 (March 2009) |
|-----------------------------|------------------------|------------------------|------------------------|------------------------|
| Net sales (Thousand yen) | 45,965,241 | 42,345,207 | 42,439,166 | 42,899,424 |
| Net income (Thousand yen) | 980,779 | 510,755 | 815,570 | 684,255 |
| Net income per share (Yen) | 4,501.40 | 2,302.19 | 3,673.94 | 3,108.18 |
| Total assets (Thousand yen) | 15,872,309 | 15,227,290 | 14,728,982 | 15,873,787 |
| Net assets (Thousand yen) | 7,071,444 | 7,300,627 | 7,869,481 | 8,392,014 |
| Net assets per share (Yen) | 31,968.56 | 32,122.49 | 35,078.17 | 37,439.99 |

Note 1: In FY2005, The Company conducted 4 for 1 stock split on September 20, 2005. Net income per share is computed as if the split occurred at the beginning of the fiscal year.

Note 2: The Company has adopted “Accounting Standard for Presentation of Net Assets in the Balance Sheet” (ASBJ Statement No. 5, December 9, 2005) and “Guidance on Accounting Standards for Presentation of Net Assets in Balance Sheet” (ASBJ Guidance No. 8, December 9, 2005) from FY2006.

(3) Significant Subsidiaries

Significant subsidiaries as follows:

| Company name | Capital (Thousand yen) | PC DEPOT's voting rights ratio | Major business |
|---------------------|---------------------------|-----------------------------------|---|
| ejworks corporation | 211,068 | 94.2% | Internet service provider business |
| BB Marketing Corp. | 100,000 | 65.0% | Sales agencies business for subscription applications for Yahoo!BB-related services |

(4) Challenges

The Company will focus on the challenges outlined below.

1. Expansion of the store network

PC DEPOT will strengthen new “dominant” PC DEPOT store openings, as well as the development of large-scale stores through a scrap & build policy, now that the PC household penetration rate is 80%, PCs have become everyday products, and customers’ needs have diversified. It will also promote the franchising of PC Clinic stores. Overall, it will strive to expand its store network to provide an environment in which local customers can use PCs and the Internet securely.

2. Falling average selling prices

PC average selling prices fell approximately 20% in the current fiscal year under review, and PC DEPOT forecasts prices will fall another 5-10% in the new fiscal year. It also expects the average selling prices of peripheral equipment and technical services to continue to decline. To cope, it will pro-actively handle products with Internet connections and examine other new genres, and will substantially expand its provision of “light” technical services for a low price. Also, it will invest in data-related capital equipment in the second quarter to lower operational costs.

3. Secure store management

All kinds of accidents involving customers (revolving door accidents, elevator accidents, etc.) are occurring at stores recently. Also, the risk of accidents rises as store numbers and employees increase, and the prevention of such accidents is important.

To this end, PC DEPOT has established a “Cyber Sheriff Center” within its head office that conducts “store rounds” of nationwide stores via store cameras connected through broadband. It will manage its stores based on the thinking that “safety is more important than cost,” and will work to prevent accidents and other dangers going forward.

4. Expansion of service products

PC DEPOT will broaden its service structure so customers can securely use PCs, and will continue to commercialize services that solve customers cries of “Help!”

It will also expand the service menu of “Premium Service,” a proprietary membership service that offers maintenance services for a monthly fee, for customers that request ongoing maintenance, to strive to become a store that provides services that meet the community’s needs.

5. Administration of franchisees

In addition to PC DEPOT stores, the Company began promoting the franchise of PC Clinic stores from August 2008, and understands the importance of administering the franchisees. It also believes in the importance of company manuals, education, and thoroughness in quality management, and plans to deal with these issues by strengthening oversight of the PC DEPOT and PC Clinic store networks.

6. Increase in store opening expenses

PC DEPOT plans to continue opening new “dominant” stores primarily in the Kanto region. It previously opened stores with average sales floor space of 900 square meters, but will move to increase the number of large-sized stores primarily through new store openings. While concerns exist that larger stores will increase rent, personnel expenses, and other costs, it plans to tamp down increases in selling, general and administrative expenses via improvements in the cost structure.

7. Securing human resources for store network expansion

The outlook for the business environment does not warrant optimism given competition among industries and formats including competition between companies and among Internet retailers and manufacturers that sell directly.

As the store network expands, PC DEPOT believes that securing human resources, and sales staff and engineers in particular, is an important challenge, and aims to secure stable human resources through the conversion of part-timers and contract workers into regular employees. It will also strive to improve the quality of its human resources by expanding educational activities that previously targeted mainly regular employees to include part-timers as well.

(5) Major Business Activities (as of March 31, 2009)

The major activities of PC DEPOT are the sale of personal computers and peripheral equipment. Sales by product category were as follows.

| Product category | Major products/merchandise | Pct. of sales (%) |
|---|---|-------------------|
| PC | All-in-One PC, PC, etc. | 23.7 |
| Monitor | PC monitors | 3.6 |
| Printer | PC printers | 2.2 |
| Peripherals | Hard disk, DVD, additional memory, etc. | 29.0 |
| Accessories and supplies | Printer ink, consumable supplies | 11.1 |
| Software | Computer software | 3.5 |
| Office automation equipment, used goods, and others | AV equipment, mobile handset, used products, etc. | 9.3 |
| Total sales of products | | 82.4 |
| Income from royalties | Royalty income, management service fee, etc. | 1.3 |
| Income from technical service and commissions | Technical service fee, broadband brokerage charge, etc. | 10.3 |
| Internet-related business | Internet provider service, etc. | 6.0 |
| Total | | 100.0 |

(6) Main Office and Store Locations (as of March 31, 2009)

| | |
|-----------------------------|--|
| Headquarters | 3-1-9 Shinyokohama Kohoku-ku, Yokohama |
| PC DEPOT stores (40 stores) | |
| Kanagawa (11 stores) | Yokohama Head Store, Shin-Yokohama Great Center, Kohoku Head Store, Konan Store, Hiyoshi Great Center, Tomei-Kawasaki Store, Yamato Great Center, Tsujidou Store, Yokosuka Store, Center-Kita Store, Shonandai Store |
| Tokyo (10 stores) | Nishi-Arai Store, Nishi-Magome Store, Himonya Store, Heiwadai Store, Chofu Head Store, Higashi-Fuchu Store, Hanakoganei Store, Higashi-Yamato Store, Mitaka Store, Ome Store |
| Saitama (7 stores) | Kumagaya Store, Koshigaya Store, Niiza Store, Fujimino Store, Tokorozawa Store, Sakado Store, Kounosu Store |
| Chiba (5 stores) | Tomisato Interchange Store, Funabashi Store, MERX Shin-Narashino Store, Matsudo Store, Kamagaya Store |
| Ibaraki (3 stores) | Tsuchiura Great Center, Mito Store, Tokai Store |
| Tochigi (2 stores) | Ashikaga Store, Oyama Head Store |
| Gunma (1 store) | Oota Store |
| Shizuoka (1 store) | Mishima Store |

Note: PC DEPOT Sayama Store (Saitama) was newly established on May 1, 2009.

(7) Employees (as of March 31, 2009)

1) Employees of the PC DEPOT Group

| Number of employees | Changes from the end of the previous fiscal year |
|---------------------|--|
| 391 (725) | + 13 (56) |

Note: Figures in parentheses indicate the annual averages of part-time workers and temporary employees, which are presented separately from the numbers of permanent employees.

2) Employees of PC DEPOT

| Number of employees | Changes from the end of the previous fiscal year | Average age | Average years of service |
|---------------------|--|-------------|--------------------------|
| 333 (704) | + 7 (54) | 31.3 | 5.0 |

Note: Figures in parentheses indicate the annual averages of part-time workers and temporary employees, which are presented separately from the numbers of permanent employees.

(8) Major Lenders (as of March 31, 2009)

| Name of lender | Outstanding amount of loan (Million yen) |
|-------------------------------------|--|
| Mizuho Bank , Ltd. | 596 |
| Sumitomo Mitsui Banking Corporation | 385 |
| Resona Bank, Limited | 96 |

(9) Other Significant Matters

Not applicable.

2. Summary of the Company

(1) Status of Shares (as of March 31, 2009)

- 1) Total number of shares authorized to be issued: 890,000 shares
- 2) Total number of shares issued and outstanding: 225,020 shares
- 3) Number of shareholders: 3,705
- 4) Shareholders with equity ownership of 10% or more of total shares outstanding

| Name of shareholder | Investment status | |
|---------------------|-----------------------|------------------|
| | Number of shares held | Equity ownership |
| Takahisa Nojima | 105,566 shares | 47.95% |

Note: Treasury stock of 4,873 shares is excluded for calculating the equity ownership ratio.

(2) Stock Acquisition Rights

- 1) Stock acquisition rights held by the Company's directors and corporate auditors in consideration of the performance of their duties
(as of March 31, 2009)

Stock acquisition rights resolved at the Board of Directors meeting on March 7, 2006

- Amount to be paid for stock acquisition rights

Gratis.

- Value of the assets to be invested upon exercise of stock acquisition rights

83,500 yen per stock acquisition right

- Exercise period

From October 1, 2007 to December 31, 2009

- Conditions of exercise

- a. A holder shall not transfer or pledge the stock acquisition rights to a third party, or commit other acts of disposal.
- b. The stock acquisition rights may not be transferred by the way of succession if the holder dies before the beginning of the exercise period. However, the stock acquisition rights may be transferred by the way of succession if the holder dies after the beginning of the exercise period.
- c. The other requirements shall be subject to an agreement to be signed between the Company and directors, corporate auditors and employees of the Company and its subsidiaries, based on the resolution adopted at the Ordinary General Shareholders' Meeting and Board of Directors meeting.

- Shareholdings of the Company's directors and corporate auditors

| | Number of stock acquisition rights | Number of shares under stock acquisition rights | Number of holders |
|--------------------|------------------------------------|---|-------------------|
| Directors | 40 | 160 | 1 |
| Corporate auditors | - | - | - |

2) Information on stock acquisition rights allotted to employees and other individuals in the fiscal year under review as compensation for the performance of duties

Not applicable.

(3) Status of the Company's Directors and Corporate Auditors

1) Directors and corporate auditors (as of March 31, 2009)

| Title | Name | Title and representative status of other entities |
|---------------------------------------|--------------------|--|
| President and Chief Executive Officer | Takahisa Nojima | |
| Managing Director | Shigehiko Sakai | General Manager of Administration and Personnel Division |
| Director | Mitsushi Nishiyama | General Manager of Store Development Department |
| Director | Kenshi Hamamatsu | General Manager of Store Operations Department |
| Director | Mitsuyoshi Hae | General Manager of Accounting and Finance Division |
| Director | Naohisa Sudo | General Manager of Administrative Control Department |
| Standing Auditor | Eizo Akashi | |
| Auditor | Masao Onoda | |
| Auditor | Hiroyuki Kubota | |
| Auditor | Kunihiko Yamamoto | President of Hokuetsu K's CO., LTD. |

- Notes:
1. Standing Auditor Eizo Akashi, Auditor Masao Onoda, Auditor Hiroyuki Kubota and Auditor Kunihiro Yamamoto are outside auditors.
 2. Important positions concurrently held at other companies by directors and corporate auditors in the current fiscal year are described below.
 - President and Chief Executive Officer Takahisa Nojima serves concurrently as Director of KITAMURA PC DEPOT CORPORATION.
 - Director Kenshi Hamamatsu serves concurrently as Director of PC DEPOT Max Co., Ltd. and KITAMURA PC DEPOT CORPORATION.
 - Auditor Kunihiro Yamamoto serves concurrently as President of Hokuetsu K's CO., LTD. and Director of K'S HOLDINGS CORPORATION.
 3. Effective May 7, 2009, changes in the job responsibilities of directors were as follows:

| Name | New position | Former position |
|--------------|---|--|
| Naohisa Sudo | Director, General Manager of Legal and Screening Department | Director, General Manager of Administrative Control Department |

2) Remuneration and other amounts to directors and corporate auditors

| | Receiving directors and corporate auditors | Payment amounts (Thousands of yen) |
|---|--|---------------------------------------|
| Directors | 6 | 70,453 |
| Corporate Auditors (of which outside auditors) | 4 (4) | 16,150 (16,150) |
| Total | 10 | 86,603 |

- Notes:
1. Directors' remuneration do not include the employee salaries of directors who serve concurrently as employees.
 2. The amount of remuneration to be paid to directors was approved at the 14th Ordinary General Shareholders' Meeting held on June 19, 2008, as no more than 150,000 thousand yen per year (do not include the employee salaries of directors who serve concurrently as employees).
 3. The amount of remuneration to be paid to corporate auditors was approved at the 14th Ordinary General Shareholders' Meeting held on June 19, 2008, as no more than 30,000 thousand yen per year.
 4. In addition to the above, subject to approval of "Proposal No. 5: Payment to Directors and Corporate Auditors Due to Termination of Retirement Benefit Program" at the 15th Ordinary General Shareholders' Meeting to be held on June 18, 2009, the Company proposes the final payment of retirement benefits as follows:
 - 121 million yen for six directors
 - 21 million yen for four corporate auditors (of which 21 million yen for four outside auditors)

3) Outside directors and outside corporate auditors

a. Status of position and company serving concurrently

- Auditor Kunihiro Yamamoto serves concurrently as President of Hokuetsu K's CO., LTD. and Director of K'S HOLDINGS CORPORATION. The Company, having entered into franchising contracts, has business relationships with both parties.

b. Principal activities during the current fiscal year

- Attendance at the Board of Directors and Board of Corporate Auditors meetings

| | Board of Directors (Number of meetings held: 17) | | Board of Corporate Auditors (Number of meetings held: 12) | |
|------------------------------|---|-----------------|--|-----------------|
| | Number of meetings attended | Attendance rate | Number of meetings attended | Attendance rate |
| Standing Auditor Eizo Akashi | 17 | 100.0% | 12 | 100.0% |
| Auditor Masao Onoda | 17 | 100.0% | 12 | 100.0% |
| Auditor Hiroyuki Kubota | 11 | 64.7% | 8 | 66.7% |
| Auditor Kunihiko Yamamoto | 13 | 76.5% | 10 | 83.3% |

Note: Standing Auditor Eizo Akashi, Auditor Masao Onoda, Auditor Hiroyuki Kubota and Auditor Kunihiko Yamamoto attended meetings of the Board of Directors and the Board of Corporate Auditors as shown above, participated in the discussion of proposals submitted and offered their opinions as required.

c. Overview of content of limited liability contracts

The Company and its outside auditors, based on Article 427, Paragraph 1 and Article 423, Paragraph 1 of the Corporation Law, have concluded a contract that limits liability for damages. The limit on liability for damages based on this contract is the minimum limit prescribed by law.

(4) Status of Accounting Auditor

1) Name: Ernst & Young ShinNihon LLC

Note: Ernst & Young ShinNihon LLC moved to a limited liability auditing firm on July 1, 2008.

2) Remuneration and other amounts

| | Amount (Million yen) |
|---|----------------------|
| Remuneration and other amounts paid by the Company to the Accounting Auditor | 26 |
| Total amount of cash and other financial benefits payable by the Company and its subsidiaries to the Accounting Auditor | 33 |

Note: In the audit agreement between the Company and the Accounting Auditor, remuneration amounts are determined without breakdown into a separate remuneration amount for auditing in accordance with the Corporation Law and in accordance with the Financial Instruments and Exchange Law. Accordingly, the above remuneration amounts represent total amounts of remuneration and other amounts for both of these auditing services.

3) Summary of non-audit duties

Not applicable.

4) Policy regarding decision to either dismiss or not reappoint Accounting Auditor

The Board of Directors, if it determines that the Accounting Auditor has difficulty in the execution of his/her duties, may request the General Shareholders' Meeting to dismiss or decline to reappoint the Accounting Auditor with the agreement of the Board of Corporate Auditors, or as requested by the Board

of Corporate Auditors.

The Board of Corporate Auditors, by unanimous agreement, may dismiss the Accounting Auditor when it is confirmed that Article 340, Paragraph 1 of the Corporation Law is applicable to the Accounting Auditor. If an accounting auditor is dismissed, an individual appointed by the company auditors from among themselves shall report this dismissal and the reason to the first shareholders meeting called after the dismissal.

(5) Compliance System for Business Operations

1. Fundamental Approach to Internal Control Systems and Status of These Systems

(1) Fundamental approach

When establishing internal control systems, PC DEPOT complies with its fundamental policy that prescribes guidelines for business activities. In addition, PC DEPOT conducts business activities that are legal and efficient, maintains the reliability of its financial statements, and has controls and procedures concerning the disclosure of corporate information. Risk is managed based on the periodic analysis of risk exposure.

PC DEPOT has an organizational stance that is resolutely opposed to anti-social behavior.

(2) Summary of Board of Directors resolutions concerning internal control systems

1) System to ensure that activities of directors and employees comply with laws, regulations and the Articles of Incorporation

PC DEPOT has a rigorous program to ensure that directors and employees comply with laws, regulations, the Articles of Incorporation and other rules. The Company is also upgrading its internal control system by reinforcing risk management systems and taking other actions. At monthly meetings of the Board of Directors, the directors reaffirm their commitment to compliance to laws and regulations. Furthermore, directors, executive officers and employees sign a Compliance Oath every six months. This system makes these individuals reaffirm their commitments to compliance and business ethics. In addition, there are compliance training programs and tests.

To strengthen the management oversight function, PC DEPOT has an outside corporate auditor. To increase the effectiveness of the Board of Directors, PC DEPOT has decided to add an outside director. (If approved by shareholders, this nominee will become an outside director following the shareholders meeting on June 18, 2009.)

There is a Risk Management Team that is made up primarily by general managers of administrative divisions. This team examines internal and external risks, ranks these risks depending on their urgency and the magnitude of their potential impact on the Company, and enacts preventive measures that match the level of each risk factor. The Compliance Committee, which is made up primarily by directors, cooperates with the Risk Management Team to prevent problems from reoccurring.

2) System for storage and management of information concerning business execution by directors

Documents (minutes of meetings, documents used for decision-making, contracts, etc.) and other information concerning how the directors perform their duties are properly stored and managed as prescribed by internal rules (rules of the Board of Directors, rules for handling decision-making documents, etc.).

3) Rules and other systems for management of risks that may cause losses

a. Internal Audit/Internal Control Department

This department establishes, maintains and operates internal controls for the entire group, including subsidiaries, and oversees internal control functions across the entire group.

It also performs periodic audits of individual departments and on-site audits of stores. Periodic audit reports are sent to the representative director and corporate auditors after which departments and stores audited receive audit results and directives to take preventive measures.

Internal rules are constantly revised to reflect these reports to prevent the reoccurrence of problems.

b. Internal consultation contact, hot line and direct line to attorney

These items create a framework with a self-cleansing mechanism backed by a system of checks and balances.

4) System to ensure that directors perform their duties efficiently

At PC DEPOT, there is a regular meeting of the Board of Directors once each month, in principle. The directors reach decisions concerning important items and supervise the execution of business activities by the directors. In addition, the term of office for directors is one year in order to clarify their responsibilities regarding business activities

In addition, for the performance of jobs that have been assigned to relevant directors by the Board of Directors, specific rules are determined for responsibilities and procedures for activities in each delegated business sector.

5) System to ensure proper activities at the Group, which includes PC DEPOT and its subsidiaries

To ensure that the activities of subsidiaries and all other group companies are proper, PC DEPOT names directors to serve at group companies to oversee operations. These directors also monitor the status of business activities and perform evaluations and audits to confirm that activities conform with internal rules. In addition, the Legal and Screening Department establishes and operates internal controls for the entire group, including subsidiaries, by focusing on 42 control items at the group level.

6) Assurance of autonomy of Internal Audit/Internal Control Department from directors

The autonomy of the Internal Audit/Internal Control Department is preserved by placing this department

under the direct oversight of the representative director. Audit report meetings are held periodically so that the results of audit reports can be submitted directly to the representative director and corporate auditors.

- 7) System for reports to corporate auditors by directors and employees and other reporting systems to corporate auditors
 - a. Directors and employees are required to provide reports and information that is requested by a corporate auditor in the manner prescribed by the Board of Corporate Auditors.
 - b. The reports and information in the above item contain primarily the following items.
 1. The status of activities of departments associated with establishing internal control systems
 2. The status of activities of corporate auditors and internal audit departments at subsidiaries and affiliates
 3. Significant accounting policies and standards of PC DEPOT and any revisions
 4. Announcements of business results and forecasts and the contents of other significant public announcements
 5. Operations of the internal reporting system and the reports received
 6. Submission of contracts, internal documents for decision-making and minutes of meetings as requested by a corporate auditor

8) Other systems to ensure that corporate auditors perform audits effectively

There will be coordination between the PC DEPOT audit system and internal control system and the opinions of all corporate auditors concerning maintaining the effectiveness of audits will be followed. It will include with regard to employees, for example, in case where corporate auditors can ask for the assignment of employees to assist in performing their duties

2. Fundamental Approach to Eliminating Anti-social Behavior and Status of Measures

(1) Fundamental approach

To fulfill its social obligations and defend itself, PC DEPOT refuses any and all contact, improper demands and other actions of anti-social elements. PC DEPOT has an uncompromising stance regarding the refusal of any relationship with anti-social elements.

(2) Measures in place

1) Internal systems

PC DEPOT's Legal and Screening Department are responsible for overseeing internal systems for the elimination of anti-social elements.

Employees confirm their commitment to refusing any contact with anti-social elements in the Compliance Oath that they sign every six months.

When selecting suppliers and other business partners, PC DEPOT performs a survey when the relationship is first established and periodically thereafter as prescribed by PC DEPOT's rules. Contracts with business partners include a provision concerning the refusal to associate with anti-social elements. These contracts include a clause that allows PC DEPOT to terminate the contract if a business partner that signed a contract is later found to have a business relationship with anti-social elements. This provides a means for the elimination of any relationships with anti-social elements.

2) Cooperation with external organizations

The Company is a member of the Kanagawa Prefecture Corporate Defensive Measures Council. This council works closely with the police, attorneys, external survey agencies and other organizations to exchange and gather information. To respond to problems involving anti-social elements, the council works closely with the police, attorneys and other external organizations to achieve a resolution quickly.

(6) Policy on the Distribution of Profits

PC DEPOT views the appropriate distribution of profits to shareholders as an important management theme, and its basic policy is to provide a stable distribution of profits over the long term, targeting a consolidated payout ratio of around 20%, taking into account the need to strengthen the financial structure and enhance retained earnings based on a comprehensive judgment that store development is the largest factor behind expansion of the business.

PC DEPOT plans to pay a year-end dividend of 350 yen per share applicable to the fiscal year that ended on March 31, 2009. Since an interim dividend of 350 yen per share was paid on December 8, 2008, this will result in an annual dividend of 700 yen per share.

In the new fiscal year, PC DEPOT plans to pay an annual dividend of 700 yen per share, based on the above policy, consisting of interim and yearend dividends of 350 yen each, although it expects the business environment to remain harsh.

PC DEPOT will implement share buybacks as appropriate and necessary to conduct a flexible capital strategy. It will also allocate internal reserves to strengthen its financial condition, and to strategically invest in new store openings and the renovation and expansion of existing stores, to further improve earnings.

Consolidated balance sheets

(Thousands of yen)

| | FY2008 |
|--------------------------------------|-----------------------|
| | (As of Mar. 31, 2009) |
| Assets | |
| Current assets | 9,156,656 |
| Cash and deposits | 1,802,500 |
| Accounts receivable-trade | 1,779,891 |
| Inventories | 4,446,137 |
| Accounts receivable-other | 617,034 |
| Deferred tax assets | 179,572 |
| Other | 340,811 |
| Allowance for doubtful accounts | (9,291) |
| Noncurrent assets | 6,717,130 |
| Property, plant and equipment | 1,906,264 |
| Buildings and structures | 1,323,858 |
| Tools, furniture and fixtures | 445,190 |
| Other | 137,215 |
| Intangible assets | 1,697,992 |
| Goodwill | 1,382,385 |
| Other | 315,607 |
| Investments and other assets | 3,112,873 |
| Investment securities | 270,440 |
| Deferred tax assets | 65,911 |
| Guarantee deposits | 1,389,868 |
| Lease deposits | 1,208,756 |
| Other | 177,896 |
| Total assets | 15,873,787 |

(Thousands of yen)

FY2008

(As of Mar. 31, 2009)

| | |
|--|-------------------|
| Liabilities | |
| Current liabilities | 5,687,612 |
| Accounts payable-trade | 2,618,767 |
| Short-term loans payable | 60,000 |
| Current portion of long-term loans payable | 370,056 |
| Accounts payable-other | 1,499,323 |
| Income taxes payable | 445,287 |
| Provision for bonuses | 80,658 |
| Provision for merchandise warranties | 49,785 |
| Other | 563,735 |
| Noncurrent liabilities | 1,794,160 |
| Long-term loans payable | 948,280 |
| Provision for retirement benefits | 25,378 |
| Provision for directors' retirement benefits | 158,835 |
| Long-term guarantee deposited | 661,666 |
| Total liabilities | 7,481,772 |
| Net assets | |
| Shareholders' equity | 8,248,243 |
| Capital stock | 1,601,196 |
| Capital surplus | 1,888,605 |
| Retained earnings | 4,944,667 |
| Treasury stock | (186,226) |
| Valuation and translation adjustments | (5,941) |
| Valuation difference on available-for-sale securities | (5,941) |
| Minority interests | 149,713 |
| Total net assets | 8,392,014 |
| Total liabilities and net assets | 15,873,787 |

Consolidated statements of income

(Thousands of yen)

| | FY2008 (Apr. 1, 2008 – Mar. 31, 2009) |
|---|--|
| Net sales | 42,899,424 |
| Cost of sales | 32,214,037 |
| Gross profit | 10,685,386 |
| Selling, general and administrative expenses | 9,425,409 |
| Operating income | 1,259,976 |
| Non-operating income | 332,769 |
| Interest income | 6,402 |
| Dividends income | 1,260 |
| Sales incentives | 72,412 |
| Rent income | 114,138 |
| Commission fee | 33,307 |
| Other | 105,247 |
| Non-operating expenses | 163,948 |
| Interest expenses | 10,459 |
| Rent expenses | 107,840 |
| Equity in losses of affiliates | 40,020 |
| Other | 5,627 |
| Ordinary income | 1,428,798 |
| Extraordinary loss | 110,453 |
| Loss on retirement of noncurrent assets | 16,375 |
| Loss on valuation of investment securities | 9,457 |
| Head office transfer cost | 43,634 |
| Loss on closing of stores | 4,619 |
| Loss on valuation of inventories | 36,366 |
| Income before income taxes | 1,318,344 |
| Income taxes-current | 606,281 |
| Income taxes-deferred | 13,951 |
| Minority interests in income | 13,856 |
| Net income | 684,255 |

Consolidated statements of changes in net assets

FY2008 (Apr. 1, 2008 – Mar. 31, 2009)

(Thousands of yen)

| | Shareholders' equity | | | | |
|--|----------------------|-----------------|-------------------|----------------|----------------------------|
| | Capital stock | Capital surplus | Retained earnings | Treasury stock | Total shareholders' equity |
| Balance as of March 31, 2008 | 1,601,196 | 1,888,605 | 4,414,514 | (186,226) | 7,718,090 |
| Changes of items during the period | | | | | |
| Dividends from surplus | | | (154,102) | | (154,102) |
| Net income | | | 684,255 | | 684,255 |
| Net changes of items other than shareholders' equity | | | | | |
| Total changes of items during the period | - | - | 530,153 | - | 530,153 |
| Balance as of March 31, 2009 | 1,601,196 | 1,888,605 | 4,944,667 | (186,226) | 8,248,243 |

| | Valuation and translation adjustments | Minority interests | Total net assets |
|--|---|--------------------|------------------|
| | Valuation difference on available-for-sale securities | | |
| Balance as of March 31, 2008 | 4,263 | 147,127 | 7,869,481 |
| Changes of items during the period | | | |
| Dividends from surplus | | | (154,102) |
| Net income | | | 684,255 |
| Net changes of items other than shareholders' equity | (10,205) | 2,585 | (7,619) |
| Total changes of items during the period | (10,205) | 2,585 | 522,533 |
| Balance as of March 31, 2009 | (5,941) | 149,713 | 8,392,014 |

Notes to Consolidated Financial Statements

1. Significant Accounting Policies in the Preparation of Consolidated Financial Statements

(1) Scope of consolidation

| | |
|-------------------------------------|---|
| Number of consolidated subsidiaries | 2 |
| Name of consolidated subsidiaries | ejworks corporation BB Marketing Corp. |
| Non-consolidated subsidiaries | None |

(2) Application of equity method

| | |
|--|---|
| Number of affiliates accounted for under equity method | 2 |
| Name of companies | PC DEPOT Max Co., Ltd. KITAMURA PC DEPOT CORPORATION |
| Affiliates not accounted for under equity method | None |

(3) Fiscal year of consolidated subsidiaries

The fiscal years of consolidated subsidiaries end on the closing date of consolidated financial statements.

(4) Accounting standards

1) Valuation standards and methods for principal assets

a. Marketable securities

- Available-for-sale securities

| | |
|-----------------------------------|--|
| Securities with market quotations | Stated at fair value at the end of the fiscal year. (Unrealized gain or loss is included in net assets. Cost of securities sold is determined by the moving-average method.) |
|-----------------------------------|--|

| | |
|--------------------------------------|---|
| Securities without market quotations | Stated at cost determined by the moving-average method. |
|--------------------------------------|---|

b. Inventories

- Merchandise

Mainly stated at cost determined by the moving-average method (the carrying value on the balance sheet is written down to reflect the effect of lower profit margins).

2) Depreciation and amortization of principal depreciable assets

a. Property, plant and equipment (excluding lease assets)

Depreciation of property, plant and equipment is calculated using the declining-balance method, except for buildings (excluding attached structures) acquired on or after April 1, 1998, which are depreciated using the straight-line method.

b. Intangible assets (excluding lease assets)

Amortization of intangible assets is calculated using the straight-line method.
Goodwill is amortized by the straight-line method over a period of five years.
Software development costs are amortized over an expected useful life of five years by the straight-line method.

c. Lease assets

Depreciation of lease assets is calculated using the straight-line method with no residual value, assuming the lease period to be the useful life of the asset.

For finance lease transactions where there is no transfer of ownership beginning on or before March 31, 2008, depreciation is calculated using an accounting method that is based on the method used for ordinary lease transactions.

- d. Long-term prepaid expenses Long-term prepaid expenses are amortized using the straight-line method.
- 3) Recognition of significant allowances
- a. Allowance for doubtful accounts To prepare for credit losses on receivables, an allowance equal to the estimated amount of uncollectible receivables is provided for general receivables based on the historical write-off ratio, and bad receivables based on case-by-case determination of collectibility.
- b. Provision for bonuses To properly reserve for employee bonus obligations, an amount accrued for the fiscal year among the estimated future obligations is designated in the reserve amount.
- c. Provision for merchandise warranties To provide for five-year after-sales service cost for merchandise, an estimated amount is reserved based on the historical performance.
- d. Provision for retirement benefits To properly reserve for employees' retirement benefits, an allowance is provided for the amount deemed to have accrued at the end of the current fiscal year based on the projected benefit obligations at the end of the fiscal year.
- e. Provision for directors' retirement benefits To properly reserve for director' retirement benefits, an allowance is provided for the aggregate amount payable at the end of the current fiscal year pursuant to the Company's rules on directors' retirement benefits.
- 4) Amortization of goodwill
Goodwill is amortized by the straight line method over a period of five years.
- 5) Other significant accounting policies in the preparation of financial statements
Accounting for consumption taxes Consumption taxes are accounted by the tax-exclusion method.
- (5) Valuations on assets and liabilities of consolidated subsidiaries
Assets and liabilities in consolidated subsidiaries are evaluated based on their full market value.
- (6) Change in accounting policy
- In prior years, inventories for regular sales purposes were computed primarily by the moving average cost method. With the adoption of "Accounting Standards for Measurement of Inventories" (ASBJ Statement No. 9: July 5, 2006) from the current fiscal year, inventories are computed primarily by the moving average cost method (the carrying value on the balance sheet is written down to reflect the effect of lower profit margins). The effect of this change was to decrease gross profit, operating income and ordinary income by 33,500 thousand yen, and income before income taxes by 69,866 thousand yen.
 - In prior years, the Company accounted for finance leases where there is no transfer of ownership as ordinary lease transactions for accounting purposes. In the current fiscal year, the Company started to apply "Accounting Standards for Lease Transactions" (ASBJ Statement No. 13: originally issued on June 17, 1993 by Section 1 of the Business Accounting Deliberation Counsel, and revised on March 30, 2007 by Accounting Standards Board of Japan) and "Guidance on Accounting Standards for Lease Transactions" (ASBJ Guidance No. 16: originally issued on January 18, 1994 by Accounting Standards Committee of the Japanese Institute of Certified Public Accountants, and revised on March 30, 2007 by Accounting Standards Board of Japan), and using an accounting method for leases that is based on the method used for ordinary purchases and sales.
For finance leases where there is no transfer of ownership that started prior to the fiscal year when these standards were first applied, the Company continues to use an accounting method that is based on the method used for ordinary lease transactions.
The application of these standards does not have a material effect on earnings.

2. Notes to Consolidated Balance Sheet

Accumulated depreciation on property, plant and equipment: 1,472,083 thousand yen

3. Notes to Consolidated Statements of Changes in Net Assets

(1) Shares outstanding (Shares)

| Type of share | Number of shares as of March 31, 2008 | Increase during the current fiscal year | Decrease during the current fiscal year | Number of shares as of March 31, 2009 |
|---------------|---------------------------------------|---|---|---------------------------------------|
| Common stock | 225,020 | - | - | 225,020 |

(2) Treasury stock (Shares)

| Type of share | Number of shares as of March 31, 2008 | Increase during the current fiscal year | Decrease during the current fiscal year | Number of shares as of March 31, 2009 |
|---------------|---------------------------------------|---|---|---------------------------------------|
| Common stock | 4,873 | - | - | 4,873 |

(3) Matters related to dividends

1) Dividend payment

a. Dividends resolved at the Board of Directors meeting on May 13, 2008

- Total amount of dividends 77,051 thousand yen
- Dividend per share 350 yen
- Record date March 31, 2008
- Effective date June 19, 2008

b. Dividends resolved at the Board of Directors meeting on November 4, 2008

- Total amount of dividends 77,051 thousand yen
- Dividend per share 350 yen
- Record date September 30, 2008
- Effective date December 8, 2008

2) Dividends with a record date in the current fiscal year but an effective date in the following fiscal year

Dividends resolved at the Board of Directors meeting on May 12, 2009

- Total amount of dividends 77,051 thousand yen
- Dividend per share 350 yen
- Record date March 31, 2009
- Effective date June 19, 2009

(4) Matters related to stock acquisition rights as of March 31, 2009

| | Resolved at the Board of Directors meeting on March 7, 2006 | Resolved at the Board of Directors meeting on April 28, 2006 |
|---|---|--|
| Type of shares under stock acquisition rights | Common stock | Common stock |
| Number of shares under stock acquisition rights | 220 | 1,456 |
| Balance of stock acquisition rights | 55 | 364 |

4. Notes to Per Share Information

| | |
|--------------------------|---------------|
| (1) Net assets per share | 37,439.99 yen |
| (2) Net income per share | 3,108.18 yen |

5. Notes to Subsequent Events

The Board of Directors of PC DEPOT approved a resolution on May 12, 2009 to terminate the retirement benefit program for directors and corporate auditors at the conclusion of the Ordinary General Shareholders' Meeting to be held on June 18, 2009.

Non-consolidated balance sheets

(Thousands of yen)

FY2008

(As of Mar. 31, 2009)

| Assets | |
|---------------------------------------|-------------------|
| Current assets | 8,084,453 |
| Cash and deposits | 1,200,047 |
| Accounts receivable-trade | 1,357,168 |
| Merchandise | 4,445,364 |
| Prepaid expenses | 175,790 |
| Deferred tax assets | 161,394 |
| Accounts receivable-other | 613,309 |
| Other | 134,779 |
| Allowance for doubtful accounts | (3,400) |
| Noncurrent assets | 5,434,980 |
| Property, plant and equipment | 1,829,654 |
| Buildings and structures | 1,315,785 |
| Tools, furniture and fixtures | 376,653 |
| Vehicles | 410 |
| Land | 103,100 |
| Construction in progress | 33,705 |
| Intangible assets | 333,920 |
| Software | 173,071 |
| Goodwill | 144,524 |
| Other | 16,324 |
| Investments and other assets | 3,271,405 |
| Investment securities | 169,923 |
| Stocks of subsidiaries and affiliates | 271,535 |
| Long-term prepaid expenses | 47,718 |
| Deferred tax assets | 54,456 |
| Guarantee deposits | 1,389,868 |
| Lease deposits | 1,208,734 |
| Other | 129,168 |
| Total assets | 13,519,433 |

(Thousands of yen)

FY2008

(As of Mar. 31, 2009)

| | |
|--|-------------------|
| Liabilities | |
| Current liabilities | 4,964,877 |
| Accounts payable-trade | 2,476,480 |
| Current portion of long-term loans payable | 321,984 |
| Accounts payable-other | 1,259,488 |
| Accrued expenses | 132,512 |
| Income taxes payable | 419,076 |
| Accrued consumption taxes | 107,558 |
| Advances received | 93,867 |
| Deposits received | 23,466 |
| Provision for bonuses | 80,658 |
| Provision for merchandise warranties | 49,785 |
| Noncurrent liabilities | 1,583,395 |
| Long-term loans payable | 756,352 |
| Provision for directors' retirement benefits | 139,998 |
| Long-term guarantee deposited | 661,666 |
| Provision for retirement benefits | 25,378 |
| Total liabilities | 6,548,273 |
| Net assets | |
| Shareholders' equity | 6,977,101 |
| Capital stock | 1,601,196 |
| Capital surplus | 1,888,605 |
| Legal capital surplus | 1,868,598 |
| Other capital surplus | 20,006 |
| Retained earnings | 3,673,525 |
| Legal retained earnings | 12,000 |
| Other retained earnings | 3,661,525 |
| Retained earnings brought forward | 3,661,525 |
| Treasury stock | (186,226) |
| Valuation and translation adjustments | (5,941) |
| Valuation difference on available-for-sale securities | (5,941) |
| Total net assets | 6,971,159 |
| Total liabilities and net assets | 13,519,433 |

Non-consolidated statements of income

(Thousands of yen)

| | FY2008 |
|--|--------------------------------|
| | (Apr. 1, 2008 – Mar. 31, 2009) |
| Net sales | 40,620,200 |
| Cost of sales | 30,871,858 |
| Gross profit | 9,748,341 |
| Selling, general and administrative expenses | 8,750,942 |
| Operating income | 997,398 |
| Non-operating income | 363,892 |
| Interest income | 6,402 |
| Dividends income | 33,318 |
| Sales incentives | 72,412 |
| Rent income | 114,138 |
| Commission fee | 33,307 |
| Other | 104,312 |
| Non-operating expenses | 123,878 |
| Interest expenses | 10,409 |
| Rent expenses | 107,840 |
| Other | 5,627 |
| Ordinary income | 1,237,413 |
| Extraordinary income | 110 |
| Gain on reversal of allowance for doubtful accounts | 110 |
| Extraordinary loss | 121,155 |
| Loss on retirement of noncurrent assets | 16,375 |
| Loss on valuation of investment securities | 9,457 |
| Loss on valuation of stocks of subsidiaries and affiliates | 26,588 |
| Head office transfer cost | 27,747 |
| Loss on closing of stores | 4,619 |
| Loss on valuation of inventories | 36,366 |
| Income before income taxes | 1,116,367 |
| Income taxes-current | 505,440 |
| Income taxes-deferred | 8,184 |
| Net income | 602,742 |

Non-consolidated statements of changes in net assets

FY2008 (Apr. 1, 2008 – Mar. 31, 2009)

(Thousands of yen)

| | Shareholders' equity | | | | | | | | |
|--|----------------------|-----------------------|-----------------------|-----------------------|-------------------------|-------------------------|-------------------------|----------------|----------------------------|
| | Capital stock | Capital surplus | | | Retained earnings | | | Treasury stock | Total shareholders' equity |
| | | Legal capital surplus | Other capital surplus | Total capital surplus | Legal retained earnings | Other retained earnings | Total retained earnings | | |
| Balance as of March 31, 2008 | 1,601,196 | 1,868,598 | 20,006 | 1,888,605 | 12,000 | 3,212,885 | 3,224,885 | (186,226) | 6,528,461 |
| Changes of items during the period | | | | | | | | | |
| Dividends from surplus | | | | | | (154,102) | (154,102) | | (154,102) |
| Net income | | | | | | 602,742 | 602,742 | | 602,742 |
| Net changes of items other than shareholders' equity | | | | | | | | | |
| Total changes of items during the period | - | - | - | - | - | 448,640 | 448,640 | - | 448,640 |
| Balance as of March 31, 2009 | 1,601,196 | 1,868,598 | 20,006 | 1,888,605 | 12,000 | 3,661,525 | 3,673,525 | (186,226) | 6,977,101 |

| | Valuation and translation adjustments | Total net assets |
|--|---|------------------|
| | Valuation difference on available-for-sale securities | |
| Balance as of March 31, 2008 | 4,263 | 6,532,725 |
| Changes of items during the period | | |
| Dividends from surplus | | (154,102) |
| Net income | | 602,742 |
| Net changes of items other than shareholders' equity | (10,205) | (10,205) |
| Total changes of items during the period | (10,205) | 438,434 |
| Balance as of March 31, 2009 | (5,941) | 6,971,159 |

Notes to Non-consolidated Financial Statements

1. Significant Accounting Policies

(1) Valuation standards and methods for assets

1) Valuation standards and methods for marketable securities

- Stocks of subsidiaries and affiliates Stated at cost determined by the moving-average method.
- Available-for-sale securities
 - Securities with market quotations Stated at fair value at the end of the fiscal year. (Unrealized gain or loss is included in net assets. Cost of securities sold is determined by the moving-average method.)
 - Securities without market quotations Stated at cost determined by the moving-average method.

2) Inventories

- Merchandise Mainly stated at cost determined by the moving-average method (the carrying value on the balance sheet is written down to reflect the effect of lower profit margins).

(2) Depreciation and amortization of noncurrent assets

1) Property, plant and equipment (excluding lease assets)

Depreciation of property, plant and equipment is calculated using the declining-balance method, except for buildings (excluding attached structures) acquired on or after April 1, 1998, which are depreciated using the straight-line method.

2) Intangible assets (excluding lease assets)

- Goodwill Goodwill is amortized by the straight-line method over a period of five years.
- Software development costs Software development costs are amortized over an expected useful life of five years by the straight-line method.
- Other intangible assets Amortization of other intangible assets is calculated using the straight-line method.

3) Lease assets

Depreciation of lease assets is calculated using the straight-line method with no residual value, assuming the lease period to be the useful life of the asset.
For finance lease transactions where there is no transfer of ownership beginning on or before March 31, 2008, depreciation is calculated using an accounting method that is based on the method used for ordinary lease transactions.

(3) Recognition of allowances

1) Allowance for doubtful accounts

To prepare for credit losses on receivables, an allowance equal to the estimated amount of uncollectible receivables is provided for general receivables based on the historical write-off ratio, and bad receivables based on case-by-case determination of collectibility.

2) Provision for bonuses

To properly reserve for employee bonus obligations, an amount accrued for the fiscal year among the estimated future obligations is designated in the reserve amount.

3) Provision for merchandise warranties

To provide for five-year after-sales service cost for merchandise, an estimated amount is reserved based on the historical performance.

- | | |
|---|--|
| 4) Provision for retirement benefits | To properly reserve for employees' retirement benefits, an allowance is provided for the amount deemed to have accrued at the end of the current fiscal year based on the projected benefit obligations at the end of the fiscal year. |
| 5) Provision for directors' retirement benefits | To properly reserve for director' retirement benefits, an allowance is provided for the aggregate amount payable at the end of the current fiscal year pursuant to the Company's rules on directors' retirement benefits. |

(4) Other significant accounting policies in the preparation of financial statements

- | | |
|----------------------------------|---|
| Accounting for consumption taxes | National and local consumption taxes are accounted by the tax-exclusion method. |
|----------------------------------|---|

(5) Change in accounting policy

- In prior years, inventories for regular sales purposes were computed primarily by the moving average cost method. With the adoption of "Accounting Standards for Measurement of Inventories" (ASBJ Statement No. 9: July 5, 2006) from the current fiscal year, inventories are computed primarily by the moving average cost method (the carrying value on the balance sheet is written down to reflect the effect of lower profit margins). The effect of this change was to decrease gross profit, operating income and ordinary income by 33,500 thousand yen, and income before income taxes by 69,866 thousand yen.

- In prior years, the Company accounted for finance leases where there is no transfer of ownership as ordinary lease transactions for accounting purposes. In the current fiscal year, the Company started to apply "Accounting Standards for Lease Transactions" (ASBJ Statement No. 13: originally issued on June 17, 1993 by Section 1 of the Business Accounting Deliberation Counsel, and revised on March 30, 2007 by Accounting Standards Board of Japan) and "Guidance on Accounting Standards for Lease Transactions" (ASBJ Guidance No. 16: originally issued on January 18, 1994 by Accounting Standards Committee of the Japanese Institute of Certified Public Accountants, and revised on March 30, 2007 by Accounting Standards Board of Japan), and using an accounting method for leases that is based on the method used for ordinary purchases and sales.

For finance leases where there is no transfer of ownership that started prior to the fiscal year when these standards were first applied, the Company continues to use an accounting method that is based on the method used for ordinary lease transactions.

The application of these standards does not have a material effect on earnings.

2. Notes to Non-consolidated Balance Sheet

(1) Accumulated depreciation on property, plant and equipment 1,315,230 thousand yen

(2) Monetary claims and liabilities applicable to subsidiaries and affiliates as follows.

- | | |
|------------------------------------|----------------------|
| 1) Short-term monetary claims | 207,592 thousand yen |
| 2) Short-term monetary liabilities | 247,932 thousand yen |

3. Notes to Non-consolidated Statements of Income

Transactions with subsidiaries and affiliates

- | | |
|---|----------------------|
| 1) Net sales | 284,436 thousand yen |
| 2) Purchases | - |
| 3) Amounts other than business transactions | 9,000 thousand yen |

4. Notes to Non-consolidated Statements of Changes in Net Assets

Treasury stock

(Shares)

| Type of share | Number of shares as of March 31, 2008 | Increase during the current fiscal year | Decrease during the current fiscal year | Number of shares as of March 31, 2009 |
|---------------|--|--|--|--|
| Common stock | 4,873 | - | - | 4,873 |

5. Notes to Deferred Tax Accounting

Significant components of deferred tax assets include provision for merchandise warranties, provision for bonuses, and impairment loss on noncurrent assets.

6. Notes to Noncurrent Assets used in Leases

Main noncurrent assets used in lease transactions other than items presented in the balance sheet is store furniture.

7. Notes to Per Share Information

| | |
|--------------------------|---------------|
| (1) Net assets per share | 31,665.93 yen |
| (2) Net income per share | 2,737.91 yen |

8. Notes to Subsequent Events

The Board of Directors of PC DEPOT approved a resolution on May 12, 2009 to terminate the retirement benefit program for directors and corporate auditors at the conclusion of the Ordinary General Shareholders' Meeting to be held on June 18, 2009.

Accounting Audit Report on Consolidated Financial Statements

Report of Independent Auditors

May 21, 2009

The Board of Directors
PC DEPOT CORPORATION

Ernst & Young ShinNihon LLC

Masatsugu Hamada
Certified Public Accountant
Designated and Engagement Partner

Tetsuo Yamato
Certified Public Accountant
Designated and Engagement Partner

Pursuant to Article 444, Paragraph 4 of the Corporation Law, we have audited the consolidated balance sheets, the consolidated statements of income, the consolidated statements of changes in net assets and the notes to consolidated financial statements of PC DEPOT CORPORATION (the “Company”) applicable to the fiscal year from April 1, 2008 through March 31, 2009. These consolidated financial statements are the responsibility of the Company’s management. Our responsibility is to express an opinion on these consolidated financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in Japan. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the consolidated financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position and results of operations of the PC DEPOT Group, which consisted of the Company and consolidated subsidiaries, applicable to the fiscal year ended March 31, 2009 in conformity with accounting principles generally accepted in Japan.

We have no interest in the Company which should be disclosed in compliance with the Certified Public Accountants Law.

Accounting Audit Report on Non-consolidated Financial Statements

Report of Independent Auditors

May 21, 2009

The Board of Directors
PC DEPOT CORPORATION

Ernst & Young ShinNihon LLC

Masatsugu Hamada
Certified Public Accountant
Designated and Engagement Partner

Tetsuo Yamato
Certified Public Accountant
Designated and Engagement Partner

Pursuant to Article 436, Paragraph 2, Paragraph 1 of the Corporation Law, we have audited the non-consolidated balance sheets, the non-consolidated statements of income, the non-consolidated statements of changes in net assets, the notes to non-consolidated financial statements and the related supplementary schedules of PC DEPOT CORPORATION (the “Company”) applicable to the 15th fiscal year from April 1, 2008 through March 31, 2009. These non-consolidated financial statements and the related supplementary schedules are the responsibility of the Company’s management. Our responsibility is to express an opinion on these non-consolidated financial statements and the related supplementary schedules based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in Japan. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the non-consolidated financial statements and the related supplementary schedules are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the non-consolidated financial statements and the related supplementary schedules. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the non-consolidated financial statements and the related supplementary schedules. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the non-consolidated financial statements and the related supplementary schedules referred to above present fairly, in all material respects, the financial position and results of operations of the Company applicable to the 15th fiscal year ended March 31, 2009 in conformity with accounting principles generally accepted in Japan.

We have no interest in the Company which should be disclosed in compliance with the Certified Public Accountants Law.

Audit Report of Board of Corporate Auditors

Audit Report

Regarding the performance of duties by the Directors for the 15th fiscal year from April 1, 2008 through March 31, 2009, we have prepared this Audit Report upon deliberation based on the audit reports prepared by each corporate auditor and hereby report as follows:

1. Auditing methods employed by corporate auditors and the Board of Corporate Auditors and details thereof

We established auditing policies, allocation of duties and other relevant matters, and received reports from each corporate auditor regarding their execution of audits and results thereof, as well as reports from directors, other relevant personnel, and the Accounting Auditor regarding performance of their duties, and sought explanations as necessary.

Each corporate auditor complied with the auditing standards of corporate auditors established by the Board of corporate auditors, followed the auditing policies, allocation of duties, and other relevant matters, communicated with such as directors, the internal audit department and other employees, and made efforts to establish the environment for collecting information and auditing, and participated in the meetings of the Board of Directors and other important meetings, received reports from such as directors and employees regarding performance of their duties, sought explanations as necessary, examined important authorized documents and associated information, and studied the operations and status of assets at the head office and principal offices. In addition, we monitored and verified the system for ensuring that the performance of duties by directors conforms to the related laws and regulations and Articles of Incorporation, as well as the resolution of the Board of Directors regarding the organization of the system stipulated in Paragraph 1 and Paragraph 3, Article 100, of the Enforcement Regulations of the Corporation Law and the status of the system based on such resolution (Internal Control System), which are necessary for ensuring propriety of company's operations. With respect to subsidiaries, we communicated and exchanged information with directors and corporate auditors of subsidiaries, and received business reports from subsidiaries as necessary. Based on the above methods, we examined the business report and the related supplementary schedules for this fiscal year.

Furthermore, we monitored and verified whether the Accounting Auditor maintained their independence and implemented appropriate audits, and we received reports from the Accounting Auditor regarding the performance of their duties and sought explanations as necessary. In addition, we received notice from the Accounting Auditor that "System for ensuring that duties are performed properly" (matters set forth in each item of Article 131 of the Company Accounting Regulations) is organized in accordance with the "Quality Management Standards Regarding Audits" (Business Accounting Council, October 28, 2005) and other relevant standards, and sought explanations as necessary. Based on the above methods, we examined the non-consolidated financial statements (non-consolidated balance sheets, non-consolidated statements of income, non-consolidated statements of changes in net assets, and notes to non-consolidated financial statements) and the related supplementary schedules, as well as the consolidated financial statements (consolidated balance sheets, consolidated statements of income, consolidated statements of

changes in net assets, and notes to consolidated financial statements), for this fiscal year.

2. Audit results

(1) Results of audit of business report and other relevant documents

1. We confirm that the business report and the related supplementary schedules fairly represent the Company's conditions in accordance with the related laws and regulations and Articles of Incorporation.
2. We have found no significant evidence of wrongful act or violation of related laws and regulations, nor the Articles of Incorporation with regard to the performance of duties by directors.
3. We confirm that the content of the resolution of the Board of Directors regarding the Internal Control System is proper. In addition, we have found no matters on which to remark in regard to the performance of duties by directors regarding the Internal Control System.

(2) Results of audit of non-consolidated financial statements and the related supplementary schedules

We confirm that the methods and results of the audit employed by the Accounting Auditor, Ernst & Young ShinNihon LLC, are proper.

(3) Results of audit of consolidated financial statements

We confirm that the methods and results of the audit employed by the Accounting Auditor, Ernst & Young ShinNihon LLC, are proper.

May 28, 2009

Board of Corporate Auditors, PC DEPOT CORPORATION

| | |
|-----------------------------|-------------------|
| Standing Auditor (external) | Eizo Akashi |
| Auditor (external) | Masao Onoda |
| Auditor (external) | Hiroyuki Kubota |
| Auditor (external) | Kunihiko Yamamoto |

Reference Materials for Shareholders' Meeting

Proposal No.1: Amendments to the Articles of Incorporation

1. Reasons for amendments

PC DEPOT proposes to make the following amendments to the Articles of Incorporation due to enactment of the Law for Partial Amendments to the Law Concerning Book-entry Transfer of Bonds and Other Securities to Streamline the Settlement of Transactions of Stocks and Other Securities (Law No. 88 of 2004), hereafter called the "Settlement Streamlining Law."

- (1) Pursuant to Article 6 of the supplementary rules of the Settlement Streamlining Law, a resolution was assumed to have been approved by the PC DEPOT shareholders to delete all provisions of the Articles of Incorporation concerning the issuance of share certificates as of the date of enactment of electronic share certificates (January 5, 2009). Consequently, Article 5, Paragraph 2 of the Articles of Incorporation has been deleted and all other sections concerning share certificates have been deleted or revised. In addition, the current Article 8, Paragraph 3 will be deleted and, to clarify items prescribed in the Share Handling Rules, the phrase "Procedures, etc. when exercising rights of shareholders" will be added to the current Article 9.
- (2) Due to the abolishment of the Law Concerning Custody and Transfers of Share Certificates (Law No. 30 of 1984), Etc., all sections of the Articles of Incorporation concerning beneficial shareholders and the register of beneficial shareholders have been deleted or revised.
- (3) Since the Settlement Streamlining Law requires PC DEPOT to retain the register of lost share certificates for a period of one year starting on the day immediately following the enforcement date of this law, the necessary provisions will be added as supplementary provisions.
- (4) Other additions, deletions, revisions and changes will be made as required.

2. Content of amendments

The details are as follows.

(Amended sections are underlined)

| Current articles | Proposed amendment |
|---|--|
| Article 1. – Article 4. (Omitted) Chapter 2. Stock (Number of shares authorized) Article 5. The authorized number of shares of the Company is 890 thousand. <u>2) The Company shall issue certificates for these shares.</u> | Article 1. – Article 4. (Unchanged) Chapter 2. Stock (Number of shares authorized) Article 5. The authorized number of shares of the Company is 890 thousand. (Deleted) |
| Article 6. (Omitted) (Record Date) Article 7. Shareholders with voting rights that are listed or registered in the register of shareholders <u>(including the register of beneficial shareholders, same hereafter)</u> at the close of business on March 31 each year can exercise their rights at the Ordinary General Shareholders' Meeting for that fiscal year. | Article 6. (Unchanged) (Record Date) Article 7. Shareholders with voting rights that are listed or registered in the register of shareholders at the close of business on March 31 each year can exercise their rights at the Ordinary General Shareholders' Meeting for that fiscal year. |

| Current articles | Proposed amendment |
|--|---|
| <p>2) In addition to the above paragraph, a provisional record date can be established when required by a resolution of the Board of Directors and when prior public notice is given.</p> <p>(Registrar of shareholders)</p> <p>Article 8. The Company shall have a registrar of shareholders.</p> <p>2) The registrar of shareholders and the location of its handling office shall be determined by resolution of the Board of Directors, and be publicly notified.</p> <p>3) <u>The preparation and keeping of the Company's shareholder register, register of lost share certificates and list of stock acquisition rights, and other administrative works related to shareholder registers and list of stock acquisition rights shall be entrusted to the registrar of shareholders and shall not be handled by the Company itself.</u></p> <p>(Share Handling Rules)</p> <p>Article 9. Fees for entries and registrations in the register for <u>categories of share certificates and shareholders, the register of lost share certificates,</u> and the register for stock acquisition rights as well as for other registrations concerning stock, stock acquisition rights and <u>lost share certificates</u> shall be determined by laws and regulations, the Articles of Incorporation, and the Stock Handling Rules established by the Board of Directors.</p> <p>Article 10. – Article 49. (Omitted)</p> <p>(New addition)</p> | <p>2) In addition to the above paragraph, a provisional record date can be established when required by a resolution of the Board of Directors and when prior public notice is given.</p> <p>(Registrar of shareholders)</p> <p>Article 8. The Company shall have a registrar of shareholders.</p> <p>2) The registrar of shareholders and the location of its handling office shall be determined by resolution of the Board of Directors, and be publicly notified.</p> <p>(Deleted)</p> <p>(Share Handling Rules)</p> <p>Article 9. Fees for entries and registrations in the register for shareholders and the register for stock acquisition rights as well as for other registrations concerning stock and stock acquisition rights <u>and procedures, etc. for the exercise of shareholders' rights</u> shall be determined by laws and regulations, the Articles of Incorporation, and the Stock Handling Rules established by the Board of Directors.</p> <p>Article 10. – Article 49. (Unchanged)</p> <p><u>Supplementary Provisions</u></p> <p><u>Article 1. The register of lost share certificates will be held at the place of business of the Company's registrar of shareholders and it shall perform administrative tasks involving entries and registrations in the register of lost certificates. The Company shall not perform these tasks.</u></p> <p><u>Article 2. Entities and registration in the register of lost share certificates shall be determined by laws and regulations, the Articles of Incorporation, and the Stock Handling Rules established by the Board of Directors.</u></p> <p><u>Article 3. Article 1 and this Article of these Supplementary Provisions shall be deleted as of January 6, 2010.</u></p> |

Proposal No.2: Election of seven (7) Directors

The terms of all six directors will expire at the conclusion of this shareholders meeting. PC DEPOT is asking shareholders to elect the following candidates for director, which will increase the number of directors by one to seven to strengthen its management.

The candidates for director are as follows.

| Candidate No. | Name (Date of birth) | Brief personal history, title, and representative status of other entities | | Number of PC DEPOT's shares owned |
|---------------|--------------------------------------|--|--|-----------------------------------|
| 1 | Takahisa Nojima (August 20, 1959) | August 1994 | President and Chief Executive Officer, PC DEPOT CORP (present) | 105,216 |
| 2 | Shigehiko Sakai (January 6, 1954) | October 2002 | Executive Officer, General Manager of Sales Division, PC DEPOT CORP | 1,040 |
| | | June 2003 | Senior Managing Director, General Manager of Sales Division, PC DEPOT CORP | |
| | | September 2004 | Director, PC DEPOT CORP | |
| | | February 2007 | Senior Managing Director, General Manager of Development Department No.2, PC DEPOT CORP | |
| | | July 2008 | Managing Director, General Manager of Administration and Personnel Division, PC DEPOT CORP (present) | |
| 3 | Kenshi Hamamatsu (April 18, 1963) | October 1994 | Manager of Sales Department, PC DEPOT CORP | 1 |
| | | July 1997 | Director, General Manager of Sales Department, PC DEPOT CORP | |
| | | June 2003 | Executive Officer, General Manager of Partnership Sales Department, PC DEPOT CORP | |
| | | June 2006 | Director, General Manager of Partnership Alliances Division, PC DEPOT CORP | |
| | | February 2007 | Director, General Manager of External Affairs and Partnership Alliances Division, PC DEPOT CORP | |
| | | October 2007 | Director, General Manager of Store Operations Department, PC DEPOT CORP (present) | |
| 4 | Mitsuyoshi Hae (January 27, 1952) | July 2005 | Deputy General Manager of Accounting Department, PC DEPOT CORP | - |
| | | March 2006 | Executive Officer, General Manager of Accounting Department, PC DEPOT CORP | |
| | | June 2006 | Director, General Manager of Accounting Department, PC DEPOT CORP | |
| | | June 2007 | Director, General Manager of Accounting and Finance Division, PC DEPOT CORP (present) | |

| Candidate No. | Name (Date of birth) | Brief personal history, title, and representative status of other entities | Number of PC DEPOT's shares owned |
|---------------|--------------------------------------|---|-----------------------------------|
| 5 | Naohisa Sudo (June 4, 1959) | <p>May 2008 Advisor, PC DEPOT CORP</p> <p>June 2008 Director, General Manager of Administrative Control Department, PC DEPOT CORP</p> <p>May 2009 Director, General Manager of Legal and Screening Department, PC DEPOT CORP (present)</p> | - |
| 6 | Hidehiro Takayama (January 20, 1947) | <p>April 1970 Entered Tetsuzo Ota & Co. (currently Ernst & Young ShinNihon LLC)</p> <p>September 1974 Registered as certified public accountant</p> <p>May 1992 Representative Partner, Showa Ota & Co. (currently Ernst & Young ShinNihon LLC)</p> <p>September 2008 Lecturer, Toin University of Yokohama Law School (present)</p> <p>December 2008 Auditor, Konaka Co., Ltd. (present)</p> | - |
| 7 | Hideaki Izawa (January 18, 1964) | <p>October 2000 Passed bar examination</p> <p>October 2002 Registered as attorney</p> <p>Joined Nihon Oodoori Law Office (present)</p> | - |

- Notes: 1. Mr. Hideaki Izawa is a member of the Oodoori Law Office, which has a consulting contract with PC DEPOT.
2. No other candidate has a particular financial or business interest in PC DEPOT.
3. Mr. Hidehiro Takayama and Mr. Hideaki Izawa are candidates to become outside directors.
4. Mr. Hidehiro Takayama is a certified public accountant. As an outside director, he is expected to use his years' auditing experience to provide objective advice concerning decision making involving important matters for management and the oversight of the management of business executions.
5. Mr. Hideaki Izawa is an attorney at law. As an outside director, he is expected to use his experience and knowledge as a legal professional to provide objective advice.
6. If Mr. Hidehiro Takayama and Mr. Hideaki Izawa are elected directors, PC DEPOT plans to sign limited liability contracts with these individuals pursuant to Article 427, Paragraph 1 of the Corporation Law of Japan. A summary of these contracts is presented below. Director's liability of each of the said outside directors is claimable up to an amount provided in advance under the contract but not less than one million yen, or the amount prescribed by laws and regulations, whichever is higher, as long as the directors perform their duties in good faith and without gross negligence.

Proposal No.3: Election of one (1) Substitute Auditor

The term of Auditor Hiroyuki Kubota will expire at the conclusion of this shareholders meeting. To be prepared in the event that the number of corporate auditors falls below the number prescribed by laws and regulations, PC DEPOT asks shareholders to elect the following candidate for substitute auditor.

This proposal has received the consent of the Board of Corporate Auditors.

The candidate for substitute auditor is as follows.

| Name (Date of birth) | Brief personal history, title, and representative status of other entities | Number of PC DEPOT's shares owned |
|--------------------------------|--|-----------------------------------|
| Naohisa Sudo (June 4, 1959) | May 2008 Advisor, PC DEPOT CORP June 2008 Director, General Manager of Administrative Control Department, PC DEPOT CORP May 2009 Director, General Manager of Legal and Screening Department, PC DEPOT CORP (present) | - |

- Notes: 1. Mr. Naohisa Sudo, the candidate, has no particular financial or business interest in PC DEPOT.
2. Mr. Naohisa Sudo, the candidate, will retire from the board directors when he becomes a corporate auditor.

Proposal No. 4: Payment of Retirement Benefits to Retiring Director and Corporate Auditor

Director Mitsushi Nishiyama and Auditor Hiroyuki Kubota will retire with the end of the terms of service at the conclusion of this shareholders meeting. In recognition of services rendered during their terms of office, PC DEPOT asks shareholders to approve the payment of retirement benefits as appropriate in accordance with the PC DEPOT standards for these benefits.

The specific amount, payment period, payment method and other matters will be determined by the Board of Directors for the retiring director and the corporate auditors for the retiring corporate auditor.

Brief personal histories of the retiring director and corporate auditor are as follows.

| Name | Brief personal history |
|--------------------|--|
| Mitsushi Nishiyama | July 2002 Director, PC DEPOT CORP (present) |
| Hiroyuki Kubota | July 1999 Auditor, PC DEPOT CORP January 2000 Standing Auditor, PC DEPOT CORP January 2001 Auditor, PC DEPOT CORP (present) |

Proposal No. 5: Payments to Directors and Corporate Auditors Due to Termination of Retirement Benefit Program

The Board of Directors of PC DEPOT approved a resolution on May 12, 2009 to terminate the retirement benefit program for directors and corporate auditors on the day this shareholders meeting is held.

Consequently, assuming that the candidates for director listed in Proposal 2 are elected, PC DEPOT asks shareholders to approve payments upon the termination of the retirement benefit system in accordance with the PC DEPOT standards for these benefits to the five directors to be reelected (Takahisa Nojima, Shigehiko Sakai, Kenshi Hamamatsu, Mitsuyoshi Hae and Naohisa Sudo) and the three incumbent corporate auditors (Eizo Akashi, Masao Onoda and Kunihiro Yamamoto).

These termination payments will be made when each eligible director and corporate auditor retires. The specific amounts, payment method and other matters will be determined by the Board of Directors for retiring directors and the corporate auditors for retiring corporate auditors.

Brief personal histories of directors and corporate auditors who will be eligible for these termination payments are as follows.

| Name | Brief personal history | |
|-------------------|------------------------|--|
| Takahisa Nojima | August 1994 | President and Chief Executive Officer, PC DEPOT CORP (present) |
| Shigehiko Sakai | June 2003 | Senior Managing Director, PC DEPOT CORP |
| | September 2004 | Director, PC DEPOT CORP |
| | February 2007 | Senior Managing Director, PC DEPOT CORP |
| | June 2007 | Managing Director, PC DEPOT CORP (present) |
| Kenshi Hamamatsu | July 1997 | Director, PC DEPOT CORP |
| | June 2003 | Retired Executive Officer, PC DEPOT CORP |
| | June 2006 | Director, PC DEPOT CORP (present) |
| Mitsuyoshi Hae | June 2006 | Director, PC DEPOT CORP (present) |
| Naohisa Sudo | June 2008 | Director, PC DEPOT CORP (present) |
| Eizo Akashi | June 2007 | Auditor, PC DEPOT CORP |
| | June 2008 | Standing Auditor, PC DEPOT CORP (present) |
| Masao Onoda | July 2001 | Standing Auditor, PC DEPOT CORP |
| | June 2008 | Auditor, PC DEPOT CORP (present) |
| Kunihiro Yamamoto | July 2000 | Auditor, PC DEPOT CORP (present) |