

Summary of Financial Results for the First Quarter of the Fiscal Year Ending March 31, 2010 (Three Months Ended June 30, 2009)

Company name: PC DEPOT CORPORATION Stock Exchange listings: JASDAQ
 Securities code: 7618 URL: <http://www.pcdepot.co.jp>
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 Scheduled date of payment of dividend: -

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

1. Consolidated Financial Results for the Three Months Ended June 30, 2009 (April 1, 2009 – June 30, 2009)

(1) Consolidated results of operations

(Percentages represent year-over-year changes)

	Net sales		Operating income		Ordinary income		Net income	
	Million yen	%	Million yen	%	Million yen	%	Million yen	%
Three months ended Jun. 30, 2009	10,063	6.7	339	85.1	373	67.9	185	125.8
Three months ended Jun. 30, 2008	9,431	-	183	-	222	-	82	-

	Net income per share	Diluted net income per share
	Yen	Yen
Three months ended Jun. 30, 2009	844.63	-
Three months ended Jun. 30, 2008	374.13	-

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio	Net assets per share
	Million yen	Million yen	%	Yen
As of Jun. 30, 2009	15,320	8,522	54.6	38,028.88
As of Mar. 31, 2009	15,873	8,392	51.9	37,439.99

(Reference) Shareholders equity (million yen): Jun. 30, 2009: 8,371 Mar. 31, 2009: 8,242

2. Dividends

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

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

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

(Percentages represent year-over-year changes)

	Net sales		Operating income		Ordinary income		Net income		Net income per share
	Million yen	%	Million yen	%	Million yen	%	Million yen	%	Yen
First half	20,800	6.9	500	40.6	550	16.9	270	58.4	1,226.45
Full year	45,000	4.9	1,500	19.0	1,600	12.0	800	16.9	3,633.94

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

4. Other

(1) Changes in significant subsidiaries during the period (changes in specified subsidiaries resulting in changes in scope of consolidation): None

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

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

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

1) Changes caused by revision of accounting standards: None

2) Other changes: None

(4) Number of outstanding shares (common shares)

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

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

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

Three months ended Jun. 30, 2009:	220,147 shares	Three months ended Jun. 30, 2008:	220,147 shares
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*** Cautionary statement with respect to forward-looking statements**

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

Qualitative Information and Financial Statements

1. Qualitative Information Regarding Consolidated Results of Operations

The Japanese economy saw an impact from the global economic downturn in the first quarter (April-June 2009) as corporate earnings deteriorated, prompting a correction in the labor market which reduced household income. The environment for consumption remained harsh due to the resulting shift to more “defensive” and “thrifty” consumption.

In this environment, the PC retail industry saw firm sales of low-priced PCs (so-called “50,000 yen PCs”), but unit prices continued to decline. Also, unit sales weakened from June following the introduction of the government’s “eco-point” system from May 15 as PCs were excluded from the system.

PC DEPOT has continued since last year to strengthen sales of low-priced PCs under 50,000 yen. It boosted unit sales of PCs to 152.9% of the year-ago level, although unit prices continued to decline in the face of fierce sales competition. Sales were also firm for large-screen monitors, memory, hard disks and other peripheral equipment and related technical services. Overall, we continued to see “volume benefits.”

On the service front, PC DEPOT strengthened solutions sales by combining the professionalism of PC-related product sales with technical maintenance and support. PC DEPOT also pro-actively launched new services. In April, it became the first mobile virtual network operator (MVNO) in the retail industry to launch mobile telecommunications services for PCs, and in May, it began providing Internet connection and set-up services for video game owners. It also worked to win new members to “Premium Service,” its proprietary membership system that offers maintenance services for a monthly fee, increasing the total number of members to 102,000 by the end of the first quarter.

Regarding the store network, PC DEPOT plans to open 5-6 new directly-managed stores this fiscal year, and opened the Sayama Head Store in Saitama Prefecture in May 2009. It had 62 stores at the end of the first quarter: 41 directly-managed stores and 21 franchise stores. The number of PC Clinic stores, opened as franchises within volume electronics retailers, increased to 22 stores at the end of the first quarter following the opening of one new store in April.

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

As a result of the above activities, Group sales totaled 10,063 million yen (+6.7% year-over-year), operating income 339 million yen (+85.1%), ordinary income 373 million yen (+67.9%), and net income 185 million yen (+125.8%). Overall sales in the PC DEPOT Group, including those of franchise stores, totaled 13,378 million yen.

PC DEPOT acquired stock in PC DEPOT Max Co., Ltd. (currently PC DEPOT KYUSHU CORPORATION), a franchisee and equity-method affiliate, from Mr Max Corporation, and will make the company a wholly owned subsidiary effective July 1, 2009. PC DEPOT will continue to operate the four stores managed by PC DEPOT Max Co., Ltd.

2. Qualitative Information Regarding Consolidated Financial Position

Assets totaled 15,320 million yen at the end of the first quarter under review, a decrease of 553 million yen from the end of the previous fiscal year. Liabilities totaled 6,798 million yen, a decrease of 683 million yen. Net working capital (calculated by subtracting current liabilities from current assets) totaled 3,396 million yen, a level that suggests sound finances.

Capital investments totaled 311 million yen in the first quarter under review, with investments primarily for the establishment of new stores Sayama Head Store in Saitama Prefecture (opened in May) and Inagi-Wakabadai Store in Tokyo (plan to be opened in August). These capital investments were funded with the Company’s own capital and loans.

3. Qualitative Information Regarding Consolidated Forecast

Business results in the first quarter were generally in line with plans, but sales fell greater than expected in June due to a negative impact to PC consumption from the introduction of the “eco-point” system which excluded PCs. PC DEPOT sees a mix of uncertain factors regarding trends in consumption in the second quarter onward: it expects prospective buyers to hold back on making PC purchases ahead of the scheduled launch of Windows 7 in October 2009, but it then expects the launch of Windows 7 to trigger demand for related products. PC DEPOT expects some impact to product sales from these uncertainties, but expects technical and other service sales to remain firm. As a result, PC DEPOT makes no changes to the FY2009 forecasts it released on May 12, 2009.

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

4. Other

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

Not applicable.

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

1) Simplified accounting methods

a. For noncurrent assets subject to the declining-balance method, depreciation was calculated pro rata based on the amount for the fiscal year.

b. The uncollectible amount of general receivables was estimated using the historical write-off ratio at the end of the previous fiscal year as the ratio at the end of the first quarter of the current fiscal year was found not to be significantly different from the ratio at the end of the previous fiscal year.

c. For inventories at the end of the first quarter of the current fiscal year, a valuation was determined by using a reasonable method based on actual inventories at the end of the previous fiscal year. Some physical inventory counts were omitted.

d. Deferrals and accruals are reported based on a reasonable calculation method for items of insignificant value and in order to avoid causing errors in judgment among readers of these financial statements.

e. Corrections of small amount items are not made in the calculation of income taxes, deferred tax assets and deferred tax liabilities. Judgments about the recoverability of deferred tax assets are made based on the earnings forecast at the end of the previous fiscal year and tax planning.

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

Not applicable.

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

Not applicable.

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

	(Thousands of yen)	
	First quarter of FY2009 (As of Jun. 30, 2009)	FY2008 Summary (As of Mar. 31, 2009)
Assets		
Current assets		
Cash and deposits	1,464,240	1,802,500
Accounts receivable-trade	1,408,981	1,779,891
Inventories	4,776,286	4,446,137
Accounts receivable-other	319,416	617,034
Deferred tax assets	176,060	179,572
Other	337,088	340,811
Allowance for doubtful accounts	(6,563)	(9,291)
Total current assets	<u>8,475,510</u>	<u>9,156,656</u>
Noncurrent assets		
Property, plant and equipment		
Buildings and structures	2,005,526	1,934,096
Accumulated depreciation	(646,619)	(610,238)
Buildings and structures, net	<u>1,358,906</u>	<u>1,323,858</u>
Tools, furniture and fixtures	1,354,938	1,305,535
Accumulated depreciation	(903,934)	(860,345)
Tools, furniture and fixtures, net	<u>451,004</u>	<u>445,190</u>
Other	266,248	138,715
Accumulated depreciation	(1,532)	(1,499)
Other, net	<u>264,716</u>	<u>137,215</u>
Total property, plant and equipment	<u>2,074,627</u>	<u>1,906,264</u>
Intangible assets		
Goodwill	1,292,841	1,382,385
Other	295,586	315,607
Total intangible assets	<u>1,588,427</u>	<u>1,697,992</u>
Investments and other assets		
Investment securities	300,691	270,440
Guarantee deposits	1,383,974	1,389,868
Lease deposits	1,265,406	1,208,756
Deferred tax assets	62,693	65,911
Other	168,884	177,896
Total investments and other assets	<u>3,181,650</u>	<u>3,112,873</u>
Total noncurrent assets	<u>6,844,705</u>	<u>6,717,130</u>
Total assets	<u>15,320,215</u>	<u>15,873,787</u>

	(Thousands of yen)	
	First quarter of FY2009 (As of Jun. 30, 2009)	FY2008 Summary (As of Mar. 31, 2009)
Liabilities		
Current liabilities		
Accounts payable-trade	2,001,253	2,618,767
Short-term loans payable	780,000	60,000
Current portion of long-term loans payable	355,056	370,056
Accounts payable-other	1,025,092	1,499,323
Income taxes payable	196,933	445,287
Provision for bonuses	193,367	80,658
Provision for merchandise warranties	43,161	49,785
Other	484,641	563,735
Total current liabilities	5,079,505	5,687,612
Noncurrent liabilities		
Long-term loans payable	870,766	948,280
Provision for retirement benefits	39,481	25,378
Provision for directors' retirement benefits	19,423	158,835
Long-term guarantee deposited	665,126	661,666
Other	123,799	-
Total noncurrent liabilities	1,718,597	1,794,160
Total liabilities	6,798,102	7,481,772
Net assets		
Shareholders' equity		
Capital stock	1,601,196	1,601,196
Capital surplus	1,888,605	1,888,605
Retained earnings	5,053,558	4,944,667
Treasury stock	(186,226)	(186,226)
Total shareholders' equity	8,357,134	8,248,243
Valuation and translation adjustments		
Valuation difference on available-for-sale securities	14,809	(5,941)
Total valuation and translation adjustments	14,809	(5,941)
Minority interests	150,168	149,713
Total net assets	8,522,112	8,392,014
Total liabilities and net assets	15,320,215	15,873,787

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

(Thousands of yen)

	First three months of FY2008 (Apr. 1, 2008 – Jun. 30, 2008)	First three months of FY2009 (Apr. 1, 2009 – Jun. 30, 2009)
Net sales	9,431,056	10,063,791
Cost of sales	7,122,014	7,246,984
Gross profit	2,309,041	2,816,806
Selling, general and administrative expenses		
Advertising expenses	207,471	277,289
Sales commission	79,902	85,604
Directors' compensations	27,684	32,882
Salaries and allowances	620,438	673,817
Provision for bonuses	87,416	112,708
Retirement benefit expenses	17,055	17,361
Provision for directors' retirement benefits	4,743	5,300
Supplies expenses	71,257	105,135
Depreciation	66,094	88,614
Amortization of goodwill	29,960	86,871
Rent expenses on real estates	377,037	429,617
Other	536,420	561,831
Total selling, general and administrative expenses	2,125,482	2,477,033
Operating income	183,559	339,772
Non-operating income		
Interest income	594	488
Dividends income	1,260	1,260
Income on sales promotion	13,400	12,781
Rent income	28,534	28,534
Commission fee	5,849	8,409
Equity in earnings of affiliates	2,206	-
Other	16,265	17,228
Total non-operating income	68,112	68,703
Non-operating expenses		
Interest expenses	1,580	5,430
Rent expenses	27,860	27,860
Equity in losses of affiliates	-	1,937
Other	-	228
Total non-operating expenses	29,440	35,457
Ordinary income	222,231	373,019
Extraordinary income		
Reversal of allowance for doubtful accounts	1,649	2,727
Total extraordinary income	1,649	2,727
Extraordinary loss		
Loss on valuation of inventories	36,366	-
Total extraordinary losses	36,366	-
Income before income taxes and minority interests	187,513	375,746
Income taxes-current	98,922	205,402
Income taxes-deferred	3,466	(20,816)
Total income taxes	102,389	184,585
Minority interests in income	2,762	5,218
Net income	82,362	185,942

(3) Quarterly Consolidated Statements of Cash Flows

(Thousands of yen)

	First three months of FY2008 (Apr. 1, 2008 – Jun. 30, 2008)	First three months of FY2009 (Apr. 1, 2009 – Jun. 30, 2009)
Net cash provided by (used in) operating activities		
Income before income taxes and minority interests	187,513	375,746
Depreciation and amortization	82,142	107,073
Amortization of goodwill	29,960	86,871
Increase (decrease) in allowance for doubtful accounts	(1,694)	(2,727)
Increase (decrease) in provision for bonuses	87,416	112,708
Increase (decrease) in provision for directors' retirement benefits	2,211	(139,411)
Increase (decrease) in provision for retirement benefits	9,220	14,103
Increase (decrease) in provision for merchandise warranties	(17,910)	(6,624)
Interest and dividends income	(1,855)	(1,749)
Interest expenses	1,580	5,430
Foreign exchange losses (gains)	(583)	228
Equity in (earnings) losses of affiliates	(2,206)	1,937
Decrease (increase) in notes and accounts receivable-trade	316,021	370,910
Decrease (increase) in inventories	748,064	(330,148)
Decrease (increase) in accounts receivable-other	527,841	297,617
Increase (decrease) in notes and accounts payable-trade	(765,806)	(617,513)
Increase (decrease) in accounts payable-other	(430,064)	(499,425)
Decrease (increase) in other assets	9,909	680
Increase (decrease) in other liabilities	(36,152)	24,798
Other, net	(23,780)	(3,627)
Subtotal	721,830	(203,120)
Interest and dividends income received	1,260	1,260
Interest expenses paid	(1,544)	(5,870)
Income taxes paid	(534,833)	(424,834)
Net cash provided by (used in) operating activities	186,713	(632,564)
Net cash provided by (used in) investing activities		
Purchase of property, plant and equipment	(129,333)	(222,972)
Purchase of intangible assets	(59,712)	(4,528)
Purchase of investment securities	(120,000)	-
Payments for lease and guarantee deposits	(55,094)	(70,892)
Proceeds from collection of lease and guarantee deposits	19,303	24,192
Repayments of guarantee deposits received	(2,539)	(2,539)
Proceeds from guarantee deposits received	-	6,000
Other, net	(447)	(257)
Net cash provided by (used in) investing activities	(347,823)	(270,998)
Net cash provided by (used in) financing activities		
Increase in short-term loans payable	-	1,300,000
Decrease in short-term loans payable	-	(580,000)
Repayment of long-term loans payable	(40,500)	(92,514)
Cash dividends paid	(57,982)	(57,191)
Cash dividends paid to minority shareholders	(11,271)	(4,763)
Net cash provided by (used in) financing activities	(109,753)	565,531
Effect of exchange rate change on cash and cash equivalents	583	(228)
Net increase (decrease) in cash and cash equivalents	(270,279)	(338,260)
Cash and cash equivalents at beginning of period	1,856,947	1,802,500
Cash and cash equivalents at end of period	1,586,667	1,464,240

(4) Going Concern Assumption

Not applicable.

(5) Segment Information

Operating segment information

First three months of FY2009 (Apr. 1, 2009 – Jun. 30, 2009)

(Thousands of yen)

	PC sales business	Internet-related business	Total	Elimination or corporate	Consolidated
Net sales					
(1) External sales	9,350,305	713,486	10,063,791	-	10,063,791
(2) Inter-segment sales and transfers	56,129	30,358	86,487	(86,487)	-
Total	9,406,434	743,844	10,150,278	(86,487)	10,063,791
Operating income	246,992	91,852	338,844	927	339,772
Ordinary income	297,410	92,585	389,996	(16,977)	373,019

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

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

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

Geographical segment information

Not applicable.

Overseas sales

First three months of FY2009 (Apr. 1, 2009 – Jun. 30, 2009)

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

(6) Significant Changes in Shareholders' Equity

Not applicable.

6. Other Information

Sales by Item

(Thousands of yen)

		First three months of FY2009 (Apr. 1, 2009 – Jun. 30, 2009)	
		Amount	%
PC sales business	PC	2,413,879	24.0
	Monitor	322,495	3.2
	Printer	179,303	1.8
	Peripherals	2,826,950	28.1
	Accessories and supplies	1,148,002	11.4
	Software	333,563	3.3
	Office automation equipment, used goods, and others	645,788	6.4
	Total product sales	7,869,984	78.2
	Income from royalties	141,047	1.4
	Income from technical service and commissions	1,339,273	13.3
Total PC sales business	9,350,305	92.9	
Internet-related business		713,486	7.1
Total		10,063,791	100.0

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

2. Franchise sales, included with other income from royalties, totaled 3,315,043 thousand yen, and total product sales including the sales of directly-managed stores were 13,378,834 thousand yen.

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