

Summary of Financial Results for the Second Quarter of the Fiscal Year Ending March 31, 2011
[Japanese standards] (Consolidated)

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 Scheduled date of filing of quarterly report: November 15, 2010
 Scheduled date of payment of dividend: December 6, 2010
 Preparation of supplementary references regarding quarterly results: Yes
 Holding the briefing of quarterly results: Yes

Stock Exchange listings: JASDAQ
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(All amounts are rounded down to the nearest million yen)

1. Consolidated Financial Results for the Six Months Ended September, 2010 (April 1, 2010 – September 30, 2010)

(1) Consolidated results of operations

(Percentages shown for net sales, operating income, ordinary income and net income represent year-over-year changes)

	Net sales		Operating income		Ordinary income		Net income	
	Million yen	%	Million yen	%	Million yen	%	Million yen	%
Six months ended Sep. 30, 2010	22,711	11.9	726	33.7	769	32.1	343	8.2
Six months ended Sep. 30, 2009	20,301	4.3	543	52.8	582	23.8	317	86.1

	Net income per share	Diluted net income per share
	Yen	Yen
Six months ended Sep. 30, 2010	1,621.18	1,618.12
Six months ended Sep. 30, 2009	1,446.63	—

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio	Net assets per share
	Million yen	Million yen	%	Yen
As of Sep 30, 2010	18,921	9,199	47.7	41,018.02
As of Sep 30, 2009	17,954	8,738	47.7	40,514.17

Reference: Shareholders equity: As of Sep 30, 2010: 9,024 million yen
 As of Sep 30, 2009: 8,570 million yen

2. Dividends

(Record date)	Annual dividend				
	1Q-end	2Q-end	3Q-end	Year-end	Annual
	Yen	Yen	Yen	Yen	Yen
Fiscal year ended Mar. 2010	—	350.00	—	350.00	700.00
Fiscal year ending Mar. 2011	—	350.00	—	—	—
Fiscal year ending Mar. 2011 (forecasts)	—	—	—	350.00	700.00

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

3. Consolidated Forecast for the Fiscal Year Ending March 31, 2011 (April 1, 2010 – March 31, 2011)

(Percentages represent year-over-year changes)

	Net sales		Operating income		Ordinary income		Net income		Net income per share
	Million yen	%	Million yen	%	Million yen	%	Million yen	%	Yen
Full year	48,200	7.7	1,740	41.9	1,750	34.0	820	21.2	3,726.93

(Note) Revision of consolidated forecast during the period: Yes

4. Other (For details, please see “2. Other information” on page 4 of “Appendix.”)

(1) Changes in important subsidiaries during the period: No

Newly companies: — (Company name:)
Excluded companies: — (Company name:)

Note: Whether or not specified subsidiaries were changes in specified subsidiaries resulting in changes in scope of consolidation during the current period.

(2) Application of simplified accounting methods and special accounting methods: Yes

Note: Whether or not application of simplified accounting methods and special accounting methods in the preparation of quarterly consolidated financial statements.

(3) Changes in accounting principles, procedures and presentation methods, etc.

1) Changes caused by revision of accounting standards: Yes

2) Other changes: No

Note: Whether or not principles, procedures and display methods for accounting procedures used in preparing quarterly financial statements were changed. These are recorded under “Changes in accounting principles, procedures and presentation methods for preparation of consolidated financial statements”.

(3) Number of outstanding shares (common shares)

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

Sep 30, 2010: 225,020 shares

Mar. 31, 2010: 225,020 shares

2) Number of treasury stock at the end of period

Sep. 30, 2010: 5,000 shares

Mar. 31, 2010: 13,484 shares

3) Average number of shares outstanding during the period

Six months ended Sep. 30, 2010: 211,861 shares

Six months ended Sep. 30, 2009: 219,357 shares

Note: The number of recorded treasury stock is inclusive of 5,000 of the Company’s shares held by trust account.

*** Presentation concerning implementation status of quarterly review procedures**

Financial results for this fiscal quarter are not the subject of a quarterly review procedure based on the Financial Instruments and Exchange Act, and at the point in time when these quarterly financial results were disclosed, review procedures for quarterly financial statements based on the Financial Instruments and Exchange Act had not been completed.

***Explanation and other special notes regarding the appropriate use of the earnings forecast**

Earnings forecasts and other descriptions concerning the future that are contained in this document are based on information currently available to the Company, and on certain assumptions that are considered to be reasonable. Due to various factors, these may vary greatly from actual results. For details on the conditions that form the assumptions used for earnings forecasts, and notes on using earnings forecasts, please see [attached document] page 3, “Qualitative Information Regarding the Consolidated Performance for the Current Quarter, etc.: (3) Qualitative Information Regarding Consolidated Forecast.”

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* We are scheduled to hold an investor meeting for mass media and analyst as following. It is scheduled to post the documentation, moving image of the investor meeting, and question-and-answer material delivered at this investor conference on our Webpage at a later date.

- November 10, 2010 (Wed) Second quarter results meeting for analysts and institutional investors
(Our Website: http://www.pcdepot.co.jp/co_ir/index.html)

1. Qualitative Information Regarding the Consolidated Performance for the Current Quarter, etc.

(1) Qualitative Information Regarding Consolidated Results of Operations

In the first half of this consolidated fiscal year (April 1, 2010 – September 30, 2010), a recovery trend was seen in the Japanese economy in terms of personal spending, due to improvements in corporate profits. However, unemployment levels remained high, and with an increasing risk of the economy taking a downward turn due to exchange rate and stock price fluctuations, the outlook for the future remains unclear.

In terms of over-the-counter sales of PCs, last year we experienced strong sales for low-price PCs worth 50,000 yen or less. This year, however, we experienced strong sales for the new OS, “Windows 7,” new CPUs and high-performance PCs that support 3D and Blu-ray discs, while the emergence of tablet PCs such as “iPad” dug up a new customer segment, and PC sales exceeded those recorded previous year, in terms of both number of units and value. Also, because we strengthened our selection of non-PC Internet devices, such as TVs, smartphones and tablet PCs, and were able to achieve certain results, sales were steady, with existing stores recording sales totaling 104.3% of those recorded in the same period previous year.

In terms of profits, we had to deal with start-up costs for store renovations as we began handling TVs, as well as the initial costs for operating our distribution center. We also experienced increased personnel costs as a result of securing engineers needed for strengthening services, while selling and administrative costs increased significantly from the previous year, but because these mostly are according to plans, operating income, ordinary income and net income all exceeded levels recorded in the previous year.

As a result of the above, for the first half of this consolidated fiscal year, sales totaled 22,711 million yen (+11.9% year-over-year), operating income totaled 726 million yen (+33.7% year-over-year), ordinary income totaled 769 million yen (+32.1% year-over-year) and net income totaled 343 million yen (+8.2% year-over-year). These results were the highest on record for both operating income and ordinary income.

The operating results for each business segment are as follows.

1) PC sales business

In terms of product sales, under our policy of strengthening our handling of products that connect to the Internet (Internet devices), we expanded our handling of thin-model large-screen TVs from two stores at the end of the previous fiscal quarter, to 36 stores, and began handling smartphones (“iPhone 4” and “Xperia”) at all directly-managed stores and at some franchise stores, thereby working towards increasing the number of stores handling products. Also, due to the release of game software compatible with Windows 7, sales of high-performance PCs that support games, and related products such as assembly parts, increased beyond expectations. In terms of service sales, at all stores handling TVs we released new products - monthly membership system maintenance service products (premium service) for TVs - and due also to activation of existing products, we experienced strong sales. In addition, our in-store technical service and our data transmission service for PCs, Mobile Virtual Network Operator (MVNO), both experienced increased sales, and as a result, service sales totaled 129.8% of the level recorded for the same period previous year.

Meanwhile, in terms of the environment of competition with electronics volume stores, as a company handling relatively few of the products that are covered by the government’s economic policy, the “eco-point system,” as with the first fiscal quarter, we experienced a decrease in the number of customers visiting our stores, and competition for acquiring customers remains severe.

In terms of store development, we opened Ichihara Inter Store (Chiba prefecture) in April, and closed Center-Kita Store (Kanagawa prefecture) in August. At the end of the first half, “PC DEPOT” currently has 43 directly-managed stores, 4 subsidiary stores and 17 franchise stores, for a total of 64 stores.

Regarding our “Independent PC clinic stores” that provide PC repairs and technical services, of the 23 stores that are being developed through franchise systems as electronics retailers’ in-shop stores, two have switched from a franchise system to a direct-management system, and we have commenced test management. Thus, at the end of the first half, we now have two directly-managed stores (under test management) and 21 franchise stores, for a total of 23 stores.

As a result of the above, our PC sales business recorded sales of 21,654 million yen (+13.1% year-over-year) and ordinary income of 678 million yen (+56.0% year-over-year).

2) Internet-related business

Website-construction-related items performed according to plans, but we experienced a decrease in members for our core business provider, as well as an increase in personnel cost for development of new services such as hosting service due to a delay in the provision, and overall we struggled.

As a result of the above, our Internet-related business recorded sales of 1,113 million yen (-7.6% year-over-year) and ordinary

income of 105 million yen (-32.8% year-over-year).

*From the first quarter of this consolidated fiscal year, "Accounting standards regarding the disclosure of segment information etc." (ASBJ No. 17, March 27, 2009), and "Application guidelines for accounting standards regarding the disclosure of segment information etc." (ASBJ Guideline No. 20, March 21, 2008) have been applied. Each segment, which was previously categorized in accordance with similarities of products and selling methods, is re-categorized under the perspective of business management. When comparing this year's and previous year's figures, figures for the second quarter of last year are recalculated in accordance with new segment category.

(2) Qualitative Information Regarding Consolidated Financial Position

Assets totaled 18,921 million yen at the end of the second quarter under review, an increase of 967 million yen from the end of the previous fiscal year. This mainly due to a 593 million yen increase in inventories in connection with starting of provision of new products. Liabilities totaled 9,722 million yen, an increase of 506 million yen. Networking capital (calculated by subtracting current liabilities from current assets) totaled 4,677 million yen, a level that suggests sound finances.

The total value of capital investment carried out in the current consolidated fiscal year was 519 million yen for the first half of this consolidated fiscal year. Major investments included outlays for two new store openings – Ichihara Inter Store (Chiba prefecture; opened in April) and Nagasaki store (Nagasaki City; opened in October). Funds for these capital investments have been financed with internally-generated funds and loans.

(3) Qualitative Information Regarding Consolidated Forecast

As for the full-year earnings forecasts, there are many uncertain factors such as change in detail or go or no-go of economic measure "eco-point system" by government. However, because sales for the first half were more than we had planned, we revised upward its sales in earnings forecasts announced on May 11, 2010 to 48,200 million yen (+3.0% compared to the previous forecast and +7.7% year-over-year). In terms of profit, forecasts are unchanged as our subsidiaries' performances are weak.

	Net sales	Operating income	Ordinary income	Net income	Net income per share
	Million yen	Million yen	Million yen	Million yen	Yen
Previous forecast (A)	46,800	1,740	1,750	820	3,876.41
Revised forecast (B)	48,200	1,740	1,750	820	3,726.93
Difference (B-A)	1,400	0	0	0	-
Percentage change	3.0%	0.0%	0.0%	0.0%	-
Results in the previous term	44,740	1,226	1,306	676	3,107.98

(Reference) Revision of non-consolidated earnings forecasts for the year ending March 2011

Due to the above mentioned reason, non-consolidated earnings forecasts are revised as follows.

	Net sales	Operating income	Ordinary income	Net income	Net income per share
	Million yen	Million yen	Million yen	Million yen	Yen
Previous forecast (A)	41,500	1,280	1,400	660	3,120.04
Revised forecast (B)	43,200	1,370	1,550	750	3,408.78
Difference (B-A)	1,700	90	150	90	-
Percentage change	4.1%	7.0%	10.7%	13.6%	-
Results in the previous term	40,182	817	991	546	2,509.20

The above earnings forecasts are based on currently available information. Actual earnings may differ from these forecasts due to various factors in the future.

2. Other Information**(1) Summary of changes in important subsidiaries**

Not applicable.

(2) Summary of simplified accounting and special accounting method

1) Simplified accounting methods

- a. 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.
- b. For non-current assets subject to the declining-balance method, depreciation was calculated pro rata based on the amount for the fiscal year.
- c. 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.
- d. 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) Summary of changes in accounting principles, processes, presentation methods, etc.

1) Changes in items regarding the account processing standards

(Application of accounting standards for asset retirement obligation)

As of this first quarter of the consolidated cumulative period, we are applying "Accounting Standards Concerning Asset Removal Obligation" (ASBJ No.18, March 31, 2008) and "Application Guide for Accounting Standards for Asset Removal Obligation" (ASBJ Guidance No.21, March 31, 2008).

This led to a decrease of 14,063 thousand yen in operating income and ordinary income and a decrease of 134,705 thousand yen in quarterly net loss before taxes and other adjustments for the first half of this consolidated fiscal year.

2) Change in presentation method

Items regarding quarterly consolidated statement of income

Pursuant to the "Cabinet Office regulations for amending part of the regulations regarding the terms, forms, and production methods of financial statements, etc." (Cabinet Office Edict 5; March 24, 2009) based on "Accounting Standards for Consolidated Financial Statements" (Corporate Accounting Standards No. 22, December 26, 2008), the items of "quarterly net income before minority interests" are described in the consolidated statement of income for the second quarter of the consolidated cumulative period.

(4) Summary of important information for going concern assumption

Not applicable.

3. Quarterly Consolidated Financial Statements**(1) Quarterly consolidated balance sheets**

(Thousands of yen)

	Second quarter of FY2010 (As of Sep. 30, 2010)	FY2009 Summary (As of Mar. 31, 2010)
Assets		
Current assets		
Cash and deposits	2,186,652	1,753,981
Accounts receivable-trade	2,355,750	2,251,074
Inventories	5,909,112	5,315,725
Accounts receivable-other	468,822	624,370
Deferred tax assets	145,847	167,163
Other	368,642	412,247
Allowance for doubtful accounts	(18,263)	(13,106)
Total current assets	11,416,563	10,511,455
Non-current assets		
Property, plant and equipment		
Buildings and structures	3,116,526	2,679,909
Accumulated depreciation	(874,720)	(766,465)
Buildings and structures, net	2,241,805	1,913,444
Tools, furniture and fixtures	1,653,185	1,557,661
Accumulated depreciation	(1,170,348)	(1,074,658)
Tools, furniture and fixtures, net	482,836	483,002
Construction in progress	203,713	344,153
Other	185,010	105,010
Accumulated depreciation	(1,675)	(1,630)
Other, net	183,335	103,379
Total property, plant and equipment	3,111,690	2,843,979
Intangible assets		
Goodwill	857,698	1,024,972
Other	281,560	260,913
Total intangible assets	1,139,258	1,285,885
Investments and other assets		
Investment securities	264,185	279,708
Deferred tax assets	127,568	71,178
Guarantee deposits	1,452,834	1,478,521
Lease deposits	1,235,596	1,328,826
Other	198,115	178,635
Allowance for doubtful accounts	(23,992)	(23,992)
Total investments and other assets	3,254,307	3,312,878
Total non-current assets	7,505,256	7,442,743
Total assets	18,921,820	17,954,199

(Thousands of yen)

	Second quarter of FY2010 (As of Sep. 30, 2010)	FY2009 Summary (As of Mar. 31, 2010)
Liabilities		
Current liabilities		
Accounts payable-trade	2,832,992	2,764,150
Short-term loans payable	1,000,000	800,000
Current portion of long-term loans payable	800,252	690,252
Accounts payable-other	1,094,740	1,215,712
Income taxes payable	320,271	391,304
Provision for bonuses	109,201	98,050
Provision for merchandise warranties	37,319	33,615
Other	543,802	479,904
Total current liabilities	6,738,578	6,472,989
Non-current liabilities		
Long-term loans payable	2,041,121	1,936,247
Long-term accounts payable-other	121,954	123,799
Provision for retirement benefits	2,727	2,727
Provision for directors' retirement benefits	21,757	22,911
Asset retirement obligations	143,666	—
Long-term guarantee deposited	652,428	657,507
Total non-current liabilities	2,983,655	2,743,192
Total liabilities	9,722,233	9,216,181
Net assets		
Shareholders' equity		
Capital stock	1,601,196	1,601,196
Capital surplus	1,868,598	1,888,605
Retained earnings	5,666,848	5,468,659
Treasury stock	(125,595)	(411,462)
Total shareholders' equity	9,011,048	8,546,999
Valuation and translation adjustments		
Valuation difference on available-for-sale securities	13,736	23,207
Total valuation and translation adjustments	13,736	23,207
Subscription rights to shares	10,140	—
Minority interests	164,661	167,811
Total net assets	9,199,586	8,738,017
Total liabilities and net assets	18,921,820	17,954,199

(2) Quarterly consolidated statements of income
(For the first half of this consolidated fiscal year)

(Thousands of yen)

	First Six months of FY2009 (Apr. 1, 2009 – Sep. 30, 2009)	First Six months of FY2010 (Apr. 1, 2010 – Sep. 30, 2010)
Net sales	20,301,510	22,711,881
Cost of sales	14,816,246	16,131,020
Gross profit	5,485,263	6,580,861
Selling, general and administrative expenses		
Advertising expenses	570,697	652,292
Sales commission	173,827	223,734
Directors' compensations	67,452	66,137
Salaries and allowances	1,373,514	1,677,848
Bonuses	80,155	96,552
Provision for bonuses	104,930	109,201
Retirement benefit expenses	27,160	22,484
Provision for directors' retirement benefits	6,488	2,331
Supplies expenses	195,552	194,850
Depreciation	190,605	237,267
Amortization of goodwill	171,727	167,274
Rent expenses on real estates	877,886	946,405
Other	1,102,219	1,458,467
Total selling, general and administrative expenses	4,942,216	5,854,848
Operating income	543,047	726,012
Non-operating income		
Interest income	2,585	2,047
Dividends income	1,790	1,790
Sales incentives	30,511	38,747
Rent income	50,208	44,591
Commission fee	20,966	18,894
Other	31,018	40,307
Total non-operating income	137,080	146,378
Non-operating expenses		
Interest expenses	18,442	25,547
Rent expenses	60,520	65,620
Equity in losses of affiliates	10,599	4,712
Interest expenses	916	—
Other	7,027	6,826
Total non-operating expenses	97,506	102,707
Ordinary income	582,621	769,683
Extraordinary income		
Reversal of allowance for doubtful accounts	98	—
Gain on transfer to defined contribution pension plan	39,481	—
Other	—	50
Total extraordinary income	39,579	50

(Thousands of yen)

	First Six months of FY2009 (Apr. 1, 2009 – Sep. 30, 2009)	First Six months of FY2010 (Apr. 1, 2010 – Sep. 30, 2010)
Extraordinary loss		
Loss on retirement of noncurrent assets	428	14,783
Impairment loss	—	5,006
Loss on adjustment for changes of accounting standard for asset retirement obligations	—	120,642
Other	—	5,924
Total extraordinary losses	428	146,358
Income before income taxes and minority interests	621,773	623,375
Income taxes-current	264,103	306,050
Income taxes-deferred	28,617	(34,349)
Total income taxes	292,720	271,701
Income before minority interest	—	351,674
Minority interests in income	11,724	8,210
Net income	317,327	343,464

(3) Quarterly consolidated statements of cash flows

(Thousands of yen)

	First Six months of FY2009 (Apr. 1, 2009 – Sep. 30, 2009)	First Six months of FY2010 (Apr. 1, 2010 – Sep. 30, 2010)
Cash flow from operating activities		
Income before income taxes	621,773	623,375
Depreciation and amortization	227,976	271,151
Amortization of goodwill	171,727	167,274
Increase (decrease) in allowance for doubtful accounts	(1,026)	5,157
Increase (decrease) in provision for bonuses	18,623	11,150
Increase (decrease) in provision for directors' retirement benefits	(138,223)	(1,153)
Increase (decrease) in provision for retirement benefits	(25,378)	—
Increase (decrease) in provision for merchandise warranties	(13,656)	3,704
Interest and dividends income	(4,375)	(3,837)
Interest expenses	18,442	25,547
Foreign exchange losses (gains)	777	906
Equity in losses of affiliates	10,599	4,712
Retirement non-current assets expenses	428	14,783
Impairment loss	—	5,006
Loss on adjustment for changes of accounting standard for asset retirement obligations	—	120,642
Decrease (increase) in notes and accounts receivable-trade	179,269	(104,676)
Decrease (increase) in inventories	(293,185)	(593,387)
Decrease (increase) in accounts receivable-other	73,752	155,548
Increase (decrease) in notes and accounts payable-trade	145,360	68,842
Increase (decrease) in accounts payable-other	(487,985)	(135,550)
Decrease (increase) in other assets	5,127	44,088
Increase (decrease) in other liabilities	12,947	63,392
Other	11,259	31,895
Subtotal	534,233	778,576
Interest and dividends income received	3,398	1,810
Interest expenses paid	(17,070)	(26,031)
Income taxes paid	(426,226)	(377,305)
Net cash provided by (used in) operating activities	94,334	377,049
Cash flow from investing activities		
Purchase of property, plant and equipment	(516,710)	(416,868)
Purchase of intangible assets	(15,599)	(73,323)
Proceeds from purchase of investments in subsidiaries resulting in change of scope of consolidation	3,552	—
Payments for lease and guarantee deposits	(122,351)	(55,405)
Proceeds from collection of lease and guarantee deposits	47,759	93,660
Repayments of guarantee deposits received	(5,079)	(5,079)
Proceeds from guarantee deposits received	6,000	—
Other	32,423	(10,950)
Net cash provided by (used in) investing activities	(570,004)	(467,967)

(Thousands of yen)

	First Six months of FY2009 (Apr. 1, 2009 – Sep. 30, 2009)	First Six months of FY2010 (Apr. 1, 2010 – Sep. 30, 2010)
Cash flow from financing activities		
Increase in short-term loans payable	3,260,000	4,700,000
Decrease in short-term loans payable	(3,620,000)	(4,500,000)
Proceeds from long-term loans payable	1,900,000	600,000
Repayment of long-term loans payable	(250,047)	(385,126)
Payments for purchase of treasury stock	(99,641)	—
Proceeds from disposal of treasury stock	—	194,622
Cash dividends paid	(77,781)	(73,642)
Cash dividends paid to minority shareholders	(4,763)	(11,360)
Net cash provided by (used in) financing activities	1,107,766	524,494
Effect of exchange rate change on cash and cash equivalents	(777)	(906)
Net increase (decrease) in cash and cash equivalents	631,318	432,670
Cash and cash equivalents at beginning of period	1,802,500	1,753,981
Cash and cash equivalents at end of period	2,433,819	2,186,652

(4) Going Concern Assumption

Not applicable.

(5) Segment information

[Operating segment information]

First Six months of FY2009 (Apr. 1, 2009 – Sep. 30, 2009)

(Thousands of yen)

	PC sales business	Internet-related business	Total	Elimination or corporate	Consolidated
Net sales					
(1) External sales	18,923,999	1,377,510	20,301,510	—	20,301,510
(2) Inter-segment sales and transfers	124,606	55,869	180,475	(180,475)	—
Total	19,048,606	1,433,380	20,481,986	(180,475)	20,301,510
Operating income	352,025	189,165	241,191	1,855	543,047
Ordinary income	410,269	189,329	599,598	(16,977)	582,621

Notes: 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]

First Six months of FY2009 (Apr. 1, 2009 – Sep. 30, 2009)

Not applicable.

[Overseas sales]

First Six months of FY2009 (Apr. 1, 2009 – Sep. 30, 2009)

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

[Segment information]

1. Summary of Reporting Segments

The Company's reporting segments are segments within the Company's structural unit, for which separated financial information is available, and because the board of directors makes decisions on the allocation of management resources, and evaluates performance, they are subject to periodic reviews.

The Company group contains the Company and subsidiaries compartmentalized by products and services. Each company formulates comprehensive strategies and develops business activities for the products and services which they handle.

Accordingly, The Company group is composed of segments compartmentalized by products and services with a base of the Company and subsidiaries, and has two reporting segments: "PC Sales Business" and "Internet-related business", which are grouped in accordance with similarities of products and services.

"PC Sales Business" handles the sale of personal computers and computer-related products, and the sale of computer-related services. "Internet-related business" operates service providers and website production.

2. Information Concerning Sales and Profit or Loss Amount by Reportable Segment

First Six months of FY2010 (Apr. 1, 2010 – Sep. 30, 2010)

(Thousands of yen)

	Reportable Segment			Adjusted amount (Note.1)	Amount stated in quarterly consolidated statements of income (Note.2)
	PC sales business	Internet-relate d business	Total		
Net sales					
(1) External sales	21,653,992	1,057,889	22,711,881	—	22,711,881
(2) Inter-segment sales and transfers	366	55,600	55,967	(55,967)	—
Total	21,654,358	1,113,490	22,767,849	(55,967)	22,711,881
Segment income (loss)	678,085	105,604	783,690	(14,007)	769,683

(Notes) 1. Adjusted amount of segment profits are 14,007 thousand yen, which is elimination of dividend received between segments.

2. Adjustment of segment profits with ordinary income in the quarterly consolidated statements of income is performed.

3. Information on the impairment loss of non-current assets of each reporting segment, and on goodwill

(Significant impairment loss of non-current assets)

No applicable items.

(Significant changes in amount of goodwill)

No significant changes.

(Significant negative goodwill)

No significant negative goodwill.

(Additional information)

From the first quarter of this consolidated fiscal year, "Accounting standards regarding the disclosure of segment information etc." (ASBJ No. 17, March 27, 2009), and "Application guidelines for accounting standards regarding the disclosure of segment information etc." (ASBJ Guideline No. 20, March 21, 2008) have been applied.

(6) Significant Changes in Shareholders' Equity

At the company board meeting held on September 7, 2010, PC DEPOT passed a resolution concerning disposal of treasury stock from third party allocations for which K's Holdings Corporation was the underwriter, and on September 24 we completed payment procedures. As a result, at this second consolidated fiscal quarter, capital surplus, retained earnings and treasury stock decreased by 20,006 thousand yen, 71,238 thousand yen and 285,867 thousand yen, respectively.

At the end of this second consolidated fiscal quarter, retained earnings stand at 5,666,848 thousand yen. As for treasury stock, the value of shares in PC DEPOT held by Trust & Custody Services Bank, Ltd. stands at 125,595 thousand yen.

4. Expanded information**[Situation of sales]****Sales by Item**

(Thousands of yen)

	First Six months of FY2009 (Apr. 1, 2009 – Sep. 30, 2009)		First Six months of FY2010 (Apr. 1, 2010 – Sep. 30, 2010)		Year-on-year Change (%)
	Amount	%	Amount	%	
PC	4,810,421	23.7	5,670,139	25.0	117.9
Monitor	621,413	3.1	582,512	2.6	93.7
Printer	376,605	1.8	356,654	1.6	94.7
Peripherals	5,657,714	27.9	5,625,269	24.7	99.4
Accessories and supplies	2,365,944	11.7	2,447,731	10.8	103.5
Software	655,455	3.2	687,671	3.0	104.9
Office automation equipment, used goods, and others	1,280,058	6.3	1,954,161	8.6	152.7
Total sales of products	15,767,612	77.7	17,324,142	76.3	109.9
Income from royalties	265,083	1.3	282,380	1.2	106.5
Income from technical service and commissions	3,119,299	15.3	4,047,469	17.8	129.8
Total PC sales business	19,151,995	94.3	21,653,992	95.3	113.1
Internet-related business	1,149,514	5.7	1,057,889	4.7	92.0
Total	20,301,510	100.0	22,711,881	100.0	111.9

(Notes) 1. The above amounts do not include consumption taxes.

2. Franchise sales, included with other income from royalties, totaled 4,858,200 thousand yen.

*From the first quarter of this consolidated fiscal year, "Accounting standards regarding the disclosure of segment information etc." (ASBJ No. 17, March 27, 2009), and "Application guidelines for accounting standards regarding the disclosure of segment information etc." (ASBJ Guideline No. 20, March 21, 2008) have been applied. Each segment, which was previously categorized in accordance with similarities of products and selling methods, is re-categorized under the perspective of business management. When comparing this year's and previous year's figures, it described with replacing figures for the Second quarter of last year with new segment category.

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.