

**Summary of Financial Results for the First Quarter of the Fiscal Year Ending March 31, 2012**  
**[Japanese standards] (Consolidated)**

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 Securities code: 7618  
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 Scheduled date of filing of quarterly report: August 15, 2011  
 Scheduled date of payment of dividend: -  
 Preparation of supplementary references regarding quarterly results: Yes  
 Holding the briefing of quarterly results: None  
 Stock Exchange listings: Osaka Securities Exchange [JASDAQ]  
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 (All amounts are rounded down to the nearest million yen)

**1. Consolidated Financial Results for the Three Months Ended June 30, 2011 (April 1, 2011 – June 30, 2011)**

(1) Consolidated results of operations (cumulative total)

(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	%
Three months ended Jun. 30, 2011	11,228	0.2	32	(90.3)	83	(76.3)	31	(72.8)
Three months ended Jun. 30, 2010	11,204	11.3	333	(1.9)	353	(5.3)	114	(38.3)

(Note) Comprehensive income As of Jun. 30, 2011 52 million yen (-51.1%)

As of Jun. 30, 2010 106 million yen (-%)

	Net income per share	Diluted net income per share
	Yen	Yen
Three months ended Jun. 30, 2011	141.93	141.56
Three months ended Jun. 30, 2010	541.92	540.90

(2) Consolidated Financial Position

	Total assets	Net assets	Equity ratio
	Million yen	Million yen	%
As of Jun. 30, 2011	20,660	9,479	45.1
As of Mar. 31, 2011	19,728	9,533	47.4

Reference: Shareholders equity: As of Jun. 30, 2011 : 9,323 million yen

As of Mar. 31, 2011: 9,351 million yen

**2. Dividends**

(Record date)	Annual dividend				
	1Q-end	2Q-end	3Q-end	Year-end	Annual
	Yen	Yen	Yen	Yen	Yen
Fiscal year ending Mar. 2011	-	350.00	-	350.00	700.00
Fiscal year ending Mar. 2012	-				
Fiscal year ending Mar. 2012 (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, 2012 (April 1, 2011 – March 31, 2012)**

(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	23,500	3.5	520	(28.4)	550	(28.5)	300	(12.7)	1,363.51
Full year	50,000	6.6	1,670	22.0	1,750	15.9	790	7.1	3,590.58

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

#### 4. Other

(1) Changes in important subsidiaries during the period (changes in specific subsidiaries resulting in modifications of the scope of consolidation): No

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

(2) Special accounting methods for creation of the quarterly consolidated financial statement: No

(3) Changes in accounting principles, changes and restatements of accounting estimates

- 1) Changes in accounting principles caused by revision of accounting standards: Yes
- 2) Other changes than 1): No
- 3) Changes in accounting estimates: No
- 4) Restatements: No

(4) Number of outstanding shares (common shares)

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

Jun. 30, 2011: 225,020 shares

Mar. 31, 2011: 225,020 shares

2) Number of treasury stock at the end of period

Jun. 30, 2011: 5,000 shares

Mar. 31, 2011: 5,000 shares

3) Average number of shares outstanding during the period

Three months ended Jun. 30, 2011: 220,020 shares

Three months ended Jun. 30, 2010: 211,536 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 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 financial results were disclosed, auditing procedures regarding the financial statements are being implemented.

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

(Regarding 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 matters regarding earnings forecasts, please see [attached document] page 3, "Qualitative Information Regarding the closing of accounts for the Current Quarter, etc.:" (3) Qualitative Information Regarding Consolidated Forecast."

(How to obtain the explanatory materials regarding financial results)

Will be published on our homepage ([http://www.pcdepot.co.jp/co\\_ir/index.html](http://www.pcdepot.co.jp/co_ir/index.html)) on Tue., August 9, 2011.

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## 1. Qualitative Information Regarding the Current Quarter

### (1) Qualitative Information Regarding Consolidated Results of Operations

In the first quarter of the current consolidated fiscal year (April 1, 2011 to June 30, 2011), due to the Great East Japan Earthquake that happened in March, 2011 and the subsequent electric power shortages and other issues, the economy of our country has been in difficult conditions with a decrease of production, exports, etc., a downturn of personal consumption, and a difficult situation with employment.

In terms of over-the-counter sales of PCs, the number of sales was same level as the corresponding period of last year due to favorable sales results of PCs capable of receiving digital terrestrial television broadcasting. On the other hand, the spring sales battle was dull due to the influence of the earthquake, the average unit price of personal computers dropped, and the sales proceeds were lower than the corresponding period of last year.

Under these circumstances, in addition to the all-round personal computer/network specialized shops of "PC DEPOT", our Group has newly opened in other mass retailers a number of directly managed shops of "PC DEPOT PC Clinics" offering personal computer repairs and technical service/support, and strived to increase the number of the latter shops. Also, since in addition to services for personal computers we have expanded services for smartphones (high-performance mobile phones) and implemented some other measures to continue promoting sales of services solving various troubles of the customers, service sales reached a favorable level. In terms of the profits, the gross profit reached 105.1% compared with the corresponding period of last year due to the increase in service sales. On the other hand, the number of shops, which have been newly opened less than a year ago has reached 37 (of which 3 shops are "PC DEPOT" and 34 shops are "PC DEPOT PC Clinics") and as the expenses accompanying opening of shops increased, there has been a substantial increase in sales and general administrative expenses, and the ordinary income was much lower than the corresponding period of last year.

As a result of the above, for the first quarter of current consolidated fiscal year, sales totaled 11,228 million yen (with an increase by 0.2% as compared with the corresponding period of last year), operating income totaled 32 million yen (with a decrease by 90.3% YoY), ordinary income totaled 83 million yen (with a decrease by 76.3% YoY) and net income totaled 31 million yen (with a decrease by 72.8% YoY).

The operating results for each business segment are as follows.

#### 1) PC sales business

In terms of products, we have reinforced the array of smartphones and tablet terminals (multifunctional personal digital assistants), which are recently becoming more and more popular. In respect of the services, seeing the rise of interest among the customers towards services of setting up Twitter on smartphones and power-saving measures, we have started a wide array of convenient services answering customers' needs appearing when the products are actually used, such as service of setting up power-saving on Windows personal computers. Sales of technical service/support, data transmission services for personal computers by MVNO (Mobile Virtual Network Operator: virtual mobile phone service company), and premium service (monthly payment based membership system maintenance service type product) increased, resulting in service sales reaching 127.6% as compared with the corresponding period of last year.

In terms of store development, we opened 2 new PC DEPOT stores, Tama New Town Store (Tokyo) in April and Odawara Higashi Interchange Store (Kanagawa prefecture) in June. At the end of the first quarter, "PC DEPOT" currently has 46 directly-managed stores, 4 subsidiary stores and 17 franchise stores, for a total of 67 stores.

4 directly managed shops of "PC DEPOT PC Clinics" providing personal computer repairs and technical service support were opened in other mass retailers, and combined with 30 shops opened during the period from September, 2010 to March, 2011, we now have 34 directly-managed stores and 6 franchise stores, with a total of 40 stores.

As a result of the above, our PC sales business recorded sales of 10,759 million yen (with an increase by 0.8% YoY) and ordinary income of 44 million yen (with a decrease by 86.0% YoY).

#### 2) Internet-related business

As there was a decrease in the number of subscribers to the Internet provider service and sales of new services were lower than expected, sales proceeds decreased. In terms of the profits, since sales and general administrative expenses also decreased in proportion to the decrease in sales, the segment margin was about the same as in the corresponding period of last year.

As a result of the above, our Internet-related business recorded sales of 503 million yen (with a decrease by 9.6% YoY) and segment margin of 47 million yen (with a decrease by 0.6% YoY).

**(2) Qualitative Information Regarding Consolidated Financial Position**

Assets totaled 20,660 million yen at the end of the first quarter under review, an increase of 931 million yen from the end of the previous fiscal year. Liabilities totaled 11,181 million yen, an increase of 985 million yen. Net working capital (calculated by subtracting current liabilities from current assets) totaled 4,419 million yen, a level that suggests sound finances.

The total value of capital investment carried out in the current consolidated fiscal year was 692 million yen. Major investments included outlays for new store openings – Tama New Town Store (Tokyo; opened in April) and Odawara Higashi Interchange Store (Kanagawa prefecture; opened in June). Funds for these capital investments have been financed with internally-generated funds and loans.

**(3) Qualitative Information Regarding Consolidated Forecast**

In terms of the business results of the first quarter, sales developed for the most part as planned, and although the progress ratio of the profits is behind the earnings forecast, as for the second quarterly cumulative total period on consolidated base and for the full fiscal year earnings forecasts, the forecasts announced May 10, 2011 remain unchanged.

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. Matters regarding summary information (Other)****(1) Changes in important subsidiaries of this quarterly cumulative total period on consolidated base**

Not applicable.

**(2) Changes in accounting principles, changes and restatements of accounting estimates**

(Application of accounting standards, etc. regarding net income for the current year per share)

As of this first quarter of the consolidated cumulative period, we are applying “Accounting Standards Concerning Net Income for the Current Year per Share” (ASBJ No.2, June 30, 2010) and “Application Guide for Accounting Standards for Net Income for the Current Year per Share” (ASBJ Guidance No. 4, June 30, 2010).

When calculating the quarterly net income per share after potential common share adjustment, as regards the stock options, for which the right is established after a service of a certain period, we have changed the calculation method to the one, in which in the money received assuming that the right is exercised the part of the impartially appraised value of the stock option concerning the service provided by the company in the future is included.

There are no impacts on this summary.

**3. Summary of important information for going concern assumption**

Not applicable.

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

(Thousands of yen)

	FY 2010 Summary (As of Mar. 31, 2011)	First quarter of FY2011 (As of Jun. 30, 2011)
<b>Assets</b>		
Current assets		
Cash and deposits	2,505,003	2,107,060
Accounts receivable-trade	2,532,713	2,623,972
Inventories	5,500,066	6,229,179
Accounts receivable-other	546,343	436,801
Deferred tax assets	187,023	218,725
Other	433,785	472,943
Allowance for doubtful accounts	(26,564)	(30,288)
Total current assets	11,678,371	12,058,394
Non-current assets		
Property, plant and equipment		
Buildings and structures	3,808,833	4,438,427
Accumulated depreciation	(1,031,841)	(1,099,577)
Buildings and structures, net	2,776,991	3,338,850
Tools, furniture and fixtures	1,754,765	1,828,036
Accumulated depreciation	(1,280,783)	(1,329,450)
Tools, furniture and fixtures, net	473,981	498,585
Land	263,011	263,011
Construction in progress	221,452	184,676
Other	1,910	1,910
Accumulated depreciation	(1,719)	(1,735)
Other, net	190	175
Total property, plant and equipment	3,735,627	4,285,298
Intangible assets		
Goodwill	690,338	616,948
Other	352,189	350,967
Total intangible assets	1,042,528	967,916
Investment and other assets		
Investment securities	281,176	310,603
Deferred tax assets	140,404	140,916
Guarantee deposits	1,439,986	1,459,597
Lease deposits	1,233,840	1,255,650
Other	176,995	182,460
Total investments and other assets	3,272,403	3,349,228
Total non-current assets	8,050,559	8,602,442
Total assets	19,728,930	20,660,837

(Thousands of yen)

	FY 2010 Summary (As of Mar. 31, 2011)	First quarter of FY2011 (As of Jun. 30, 2011)
<b>Liabilities</b>		
Current liabilities		
Accounts payable-trade	2,420,785	2,848,929
Short-term loans payable	700,000	1,500,000
Current portion of long-term loans payable	1,004,253	978,253
Accounts payable-other	1,087,926	1,255,069
Income taxes payable	442,938	86,307
Provision for bonuses	118,246	282,717
Provision for merchandise warranties	54,555	59,051
Other	620,184	628,374
<b>Total current liabilities</b>	<b>6,448,890</b>	<b>7,638,702</b>
Non-current liabilities		
Long-term loans payable	2,759,494	2,514,931
Long-term accounts payable-other	121,954	121,954
Provision for retirement benefits	5,701	4,806
Provision for directors' retirement benefits	24,117	25,297
Asset retirement obligations	188,288	231,126
Long-term guarantee deposited	647,349	644,809
<b>Total non-current liabilities</b>	<b>3,746,905</b>	<b>3,542,925</b>
<b>Total liabilities</b>	<b>10,195,795</b>	<b>11,181,628</b>
<b>Net assets</b>		
Shareholders' equity		
Capital stock	1,601,196	1,601,196
Capital surplus	1,868,598	1,868,598
Retained earnings	5,984,350	5,938,569
Treasury stock	(125,595)	(125,595)
<b>Total shareholders' equity</b>	<b>9,328,550</b>	<b>9,282,770</b>
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	22,454	40,515
Accumulated other comprehensive income	22,454	40,515
Subscription rights to shares	9,987	13,456
Minority interests	172,142	142,466
<b>Total net assets</b>	<b>9,533,134</b>	<b>9,479,209</b>
<b>Total liabilities and net assets</b>	<b>19,728,930</b>	<b>20,660,837</b>

**(2) Quarterly Consolidated Statements of Income and Statement of Comprehensive Income****Quarterly Consolidated Statements of Income****(For the first three months of this consolidated fiscal year)**

(Thousands of yen)

	First three months of FY2010 (Apr.1, 2010 – Jun.30, 2010)	First three months of FY2011 (Apr.1, 2011 – Jun.30, 2011)
Net sales	11,204,604	11,228,204
Cost of sales	7,961,623	7,821,212
Gross profit	3,242,981	3,406,991
Selling, general and administrative expenses		
Advertising expenses	323,943	351,468
Sales commission	109,947	121,219
Directors' compensations	33,557	32,560
Salaries and allowances	828,495	997,544
Bonuses	128,456	164,470
Retirement benefit expenses	11,305	13,460
Provision for directors' retirement benefits	1,150	1,180
Supplies expenses	109,308	137,048
Depreciation	114,070	133,519
Amortization of goodwill	83,637	73,390
Rent expenses on real estates	473,300	501,056
Other	692,491	847,632
Total selling, general and administrative expenses	2,909,664	3,374,551
Operating income	333,316	32,440
Non-operating income		
Interest income	381	275
Dividends income	1,260	2,319
Sales incentives	20,317	37,862
Rent income	22,295	22,138
Commission fee	7,896	11,273
Other	15,430	14,719
Total non-operating income	67,582	88,588
Non-operating expenses		
Interest expenses	11,947	15,770
Rent expenses	32,810	20,239
Equity in losses of affiliates	2,349	179
Other	462	1,036
Total non-operation expenses	47,569	37,226
Ordinary income	353,329	83,802
Extraordinary income		
Other	50	253
Total extraordinary income	50	253



(Thousands of yen)

	First three months of FY2010 (Apr.1, 2010 – Jun.30, 2010)	First three months of FY2011 (Apr.1, 2011 – Jun.30, 2011)
Extraordinary loss		
Loss on retirement of noncurrent assets	11,122	38
Impairment loss	5,006	-
Loss on adjustment for changes of accounting standard for asset retirement obligations	120,642	-
Casualty loss	-	2,418
Other	-	5,287
Total extraordinary losses	136,771	7,744
Income before income taxes and minority interests	216,608	76,311
Income taxes-current	165,145	89,080
Income taxes-deferred	(67,267)	(47,053)
Total income taxes	97,878	42,026
Income before minority interest	118,729	34,285
Minority interest in income	4,093	3,058
Net income of the quarter	114,636	31,226

**(Consolidated quarterly statement of comprehensive income)**  
**(For the first three months of this consolidated fiscal year)**

	First three months of FY2010 (Apr.1, 2010 – Jun.30, 2010)	First three months of FY2011 (Apr.1, 2011 – Jun.30, 2011)
Net income before minority interest	118,729	34,285
Other comprehensive income		
Valuation difference on available-for-sale securities	(11,786)	18,061
Accumulated other comprehensive income	(11,786)	18,061
Quarterly comprehensive income	106,943	52,347
(Breakdown)		
Quarterly comprehensive income of equity holder of the parent	102,849	49,288
Quarterly comprehensive income of minority interests	4,093	3,058

**(3) Going Concern Assumption**

Not applicable.

**(4) Segment information, etc.**

## 1. First three months of FY2010 (Apr. 1, 2010 – Jun. 30, 2010)

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

(Thousands of yen)

	Reportable Segment			Adjusted amount (Note.1)	Amount stated in quarterly consolidated statements of income (Note.2)
	PC sales business	Internet-related business	Total		
Net sales					
(1) External sales	10,676,864	527,739	11,204,604	-	11,204,604
(2) Inter-segment sales and transfers	227	28,820	29,047	(29,047)	-
Total	10,677,091	556,560	11,233,652	(29,047)	11,204,604
Segment income (loss)	319,292	48,043	367,336	(14,007)	353,329

(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.

## 2. 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.

## 2. First three months of FY2011 (Apr. 1, 2011 – Jun. 30, 2011)

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

(Thousands of yen)

	Reportable Segment			Adjusted amount (Note.1)	Amount stated in quarterly consolidated statements of income (Note.2)
	PC sales business	Internet-related business	Total		
Net sales					
(1) External sales	10,759,348	468,855	11,228,204	-	11,228,204
(2) Inter-segment sales and transfers	9	34,542	34,551	(34,551)	-
Total	10,759,357	503,398	11,262,756	(34,551)	11,228,204
Segment income (loss)	44,750	47,746	92,496	(8,694)	83,802

(Notes) 1. Adjusted amount of segment profits are -8,694 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.

2. 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.

**(5) Significant Changes in Shareholders' Equity**

No applicable items

**(6) Important events that occurred after the balance sheet date**

First three months of FY2011 (Apr. 1, 2011 – Jun. 30, 2011)

1. Transformation of BB Marketing, Inc. into a wholly owned subsidiary

(1) Summary of combination of enterprises

During the board meeting held on July 12, 2011, our Company resolved to conduct an additional purchase of the stocks of BB Marketing, Inc., which is our consolidated subsidiary, and transform the same into a wholly owned subsidiary, and has completed the procedure of acquisition by purchase on July 25, 2011.

(1) Name of the enterprise that has been combined and its business activity

Name: BB Marketing, Inc.

Business activity: sale on commission of broadband lines on the basis of chain deployment

(2) Day of the combination of the enterprises

July 25, 2011

(3) Legal form of the combination of the enterprises

Transformation into a wholly owned subsidiary by way of purchase of shares from minority stockholders

(4) Names of the enterprises after combination

There have been no changes made to the names.

(5) Summary of the transaction including the objective of the transaction

Our company has established a joint corporation with Softbank Commerce Co., Ltd. (presently Softbank BB Corp.) and BB Technology Co., Ltd. (presently Softbank BB Corp.) on May 6, 2002, which has been engaged in business aiming at sales, popularization, etc. of broadband networks and cutting edge broadband-related IT products, and in order to promptly cope with changes in business conditions surrounding this business, acquired all of the stocks in possession of Softbank BB Corp. making the equity ratio of our company in BB Marketing, Inc., which is our consolidated subsidiary, 100.0% from the previous 65%.

(2) Summary of the account processing implemented

The transaction concerned falls in the category of transactions with minority stockholders, and we intend to process it following the accounting procedures stated in "Accounting Standards for Combination of Enterprises" (ASBJ No. 21 December 26, 2008) and "Implementation Guidelines regarding such Accounting Standards as Business Combination and Demerger," (ASBJ Guidance No. 10 December 26, 2008).

(3) Matters regarding the additional purchase of the stocks of the subsidiary

(1) Acquisition cost and its breakdown

Cash and deposits: 63,600,000 yen

(2) The amount of the generated goodwill or negative goodwill, cause of the occurrence, manner of depreciation, and period of depreciation

a. The amount of the generated goodwill or negative goodwill

Goodwill: 18,784,000 yen

b. Cause of occurrence

We have processed the difference between the acquisition cost of the common shares of BB Marketing, Inc. which were acquired through additional purchase from minority stockholders, and the decreased amount of the minority interests as goodwill.

c. Manner of depreciation and period of depreciation

Straight line method over five years

## First three months of FY2011 (Apr. 1, 2011 – Jun. 30, 2011)

## 2. Merger of a consolidated subsidiary (a wholly owned subsidiary of our company)

## (1) Summary of combination of enterprises

During the board meeting held on August 9, 2011, our Company resolved to conduct a merger between our Company and BB Marketing, Inc., which is our consolidated subsidiary.

## (1) Names of the enterprises to be combined and their business activities

## (Combining enterprise)

Name: PC DEPOT CORPORATION

Business activity: sales of personal computers and related products, sales of technical services, etc.

## (Company to be combined)

Name: BB Marketing, Inc.

Business activity: sale on commission of broadband lines on the basis of chain deployment

## (2) Day of the combination of the enterprises

October 1, 2011

## (3) Legal form of the combination of the enterprises

A merger is to be made with BB Marketing, Inc. that is being dissolved and our company being the surviving company.

## (4) Names of the enterprises after combination

PC DEPOT CORPORATION

## (5) Summary of the transaction including the objective of the transaction

The principal business of our Group is to provide PC home users with "IT solutions". BB Marketing, Inc. has been engaged in business aiming at sales, popularization, etc. of broadband networks and cutting edge broadband-related IT products, and the merger into our Company is to be effected in order to promote the increase in the efficiency of business operations.

## (2) Summary of the account processing to be implemented

This merger will be processed as a transaction under common control following the accounting procedures stated in "Accounting Standards for Combination of Enterprises" (ASBJ No. 21 December 26, 2008) as well as "Implementation Guidelines regarding such Accounting Standards as Business Combination and Demerger," (ASBJ Guidance No. 10 December 26, 2008).

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

(Thousands of yen)

[Appellation of segment] Commodity item	First three months of FY2011 (Apr.1,2011 – Jun.30, 2011)		Year-on-year Change (%)
	Amount	%	
[PC sales business]			
PC	2,788,409	24.8	98.1
Peripherals	2,461,989	21.9	87.3
Accessories and supplies	1,149,172	10.2	91.6
Software	279,673	2.5	81.9
Used goods and others	1,444,207	12.9	112.1
Total sales of products	8,123,452	72.3	95.0
Income from royalties	100,017	0.9	70.3
Income from technical service and commissions	2,535,878	22.6	127.6
Total	10,759,348	95.8	100.8
[Internet-related business]	468,855	4.2	88.8
Total	11,228,204	100.0	100.2

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

2. Transactions between segments were eliminated.

3. Franchise sales, included with other income from royalties, totaled 2,185,010 thousand yen.