

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

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 Securities code: 7618
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 Preparation of supplementary references regarding quarterly results: Yes
 Holding the briefing of quarterly results: Yes (for analysts/institutional investors)
 (All amounts are rounded down to the nearest million yen)

Stock Exchange listings:
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1. Consolidated Financial Results for the Six Months Ended September 30, 2011 (April 1, 2011 – September 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	%
Six months ended Sep. 30, 2011	23,097	1.7	398	(45.1)	492	(36.0)	263	(23.4)
Six months ended Sep. 30, 2010	22,711	11.9	726	33.7	769	32.1	343	8.2

(Note) Comprehensive income As of Sep. 30, 2011 278 million yen (-18.7%)
 As of Sep. 30, 2010 342 million yen (-%)

	Net income per share	Diluted net income per share
	Yen	Yen
Six months ended Sep. 30, 2011	1,195.73	1,192.62
Six months ended Sep. 30, 2010	1,621.18	1,618.12

(2) Consolidated Financial Position

	Total assets	Net assets	Equity ratio
	Million yen	Million yen	%
As of Sep. 30, 2011	21,582	9,653	44.2
As of Mar. 31, 2011	19,728	9,533	47.4

Reference: Shareholders equity: As of Sep. 30, 2011: 9,547 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	-	350.00	-	-	-
Fiscal year ending Mar. 2012 (forecasts)	-	-	-	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 changes from previous quarter)

	Net sales		Operating income		Ordinary income		Net income		Net income per share
	Million yen	%	Million yen	%	Million yen	%	Million yen	%	Yen
Full year	49,500	5.5	1,370	0.1	1,520	0.7	800	8.4	3,636.03

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

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)

Sep. 30, 2011:	225,020 shares
Mar. 31, 2011:	225,020 shares

2) Number of treasury stock at the end of period

Sep. 30, 2011:	5,000 shares
Mar. 31, 2011:	5,000 shares

3) Average number of shares outstanding during the period

Six months ended Sep. 30, 2011:	220,020 shares
Six months ended Sep. 30, 2010:	211,861 shares

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

The quarter 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 quarter financial results were disclosed, auditing procedures regarding the quarter financial statements based on the Financial Instruments and Exchange Act had not ended.

***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. For details on the matters regarding earnings forecasts, please see [attached document] page 3, “1. 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) on Tur., November 10, 2011. (Japanese Only)

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1. Qualitative Information Regarding the Current Quarter

(1) Qualitative Information Regarding Consolidated Results of Operations

In the second quarter of the current consolidated fiscal year (April 1, 2011 to September 30, 2011), the economy of our country showed signs of recovery following the Great East Japan Earthquake and the subsequent electric power shortages and other issues, however, economic prospects including personal consumption remained unclear due to the financial problems in Europe and the rapid rise of the yen, etc.

In terms of over-the-counter sales of PCs, the number of sales was 109.7% compared with the corresponding period of the previous year and exceeded the corresponding period of the previous year due to favorable sales results of PCs capable of receiving digital terrestrial television broadcasting. On the other hand, the average unit price of personal computers dropped, and sales proceeds were 97.2% compared with the corresponding period and were lower than the corresponding period of the previous year.

Under these circumstances, in addition to the all-round personal computer/network specialized shops of "PC DEPOT", our Group has newly opened total 11 directly managed shops of "PC DEPOT" and "PC DEPOT PC Clinics", offering personal computer repairs and technical service/support in other mass retailers, and as a result, the number of shops increased. Stores in the Kanto region managed by our company increased by 40 stores compared with the second quarter of the previous consolidated fiscal year to 85 stores, sales of the service department increased due to attempts to strengthen the store network in the Kanto region, and service sales were 131.2% compared with the corresponding period of last year. On the other hand, due to continuous expansion of store openings from the previous year, the number of shops which were newly opened less than a year ago has reached 40 (of which 4 shops are "PC DEPOT" and 36 shops are "PC DEPOT PC Clinics"), and there has been a substantial increase 113.8% as compared with the corresponding period of last year in sales and general administrative expenses including approximately 120 million yen of lump-sum expenses accompanying an increase of newly opened shops, and the ordinary income was lower than the corresponding period of last year.

As a result of the above, for the second quarter of current consolidated fiscal year, sales totaled 23,097 million yen (with an increase by 1.7% as compared with the corresponding period of last year) operating income totaled 398 million yen (with a decrease by 45.1% YoY) and ordinary income totaled 492 million yen (with a decrease by 36.0% YoY compared with the corresponding period of last year) net income totaled 263 million yen (with a decrease by 23.4% YoY compared with the corresponding period of last year).

The operating results for each business segment are as follows.

1) PC sales business

The spring sales season ended down due to the Great East Japan Earthquake, and later, because consumer confidence slowed following the transition to digital terrestrial broadcasting on July 24, 2011, the number of customers visiting existing stores for the second quarter of the current consolidated fiscal year struggled and was 95.2% compared with the corresponding period of last year.

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, in addition to providing convenient technical service/support during the use of personal computers and smartphones, sales of a high speed 42Mbps mobile Internet service that can connect multiple terminals such as smartphones and tablet terminals with the latest model of data terminal began in the data transmission services for personal computers by MVNO (Mobile Virtual Network Operator: virtual mobile phone service company).

In terms of store development, we opened 3 new PC DEPOT stores, Tama New Town Store (Tokyo) in April and Odawara Higashi Interchange Store (Kanagawa prefecture) in June, Maebashi Minami Interchange Store (Gunma prefecture) in August. At the end of the second quarter, "PC DEPOT" currently has 47 directly-managed stores, 4 subsidiary stores and 17 franchise stores, for a total of 68 stores.

8 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 and 1 franchise store opening, we now have 38 directly-managed stores and 7 franchise stores, while the number of PC DEPOT PC Clinic's stores totaled 45 stores.

As a result of the above, our PC sales business recorded sales of 22,163 million yen (with an increase by 2.4% YoY) and ordinary income of 413 million yen (with a decrease by 39.0% 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 933 million yen (with a decrease by 11.8% YoY) and segment margin of 87 million yen (with a decrease by 16.9% YoY).

(2) Qualitative Information Regarding Consolidated Financial Position

Assets totaled 21,582 million yen at the end of the second quarter under review, an increase of 1,853 million yen from the end of the previous fiscal year. Liabilities totaled 11,929 million yen, an increase of 1,733 million yen. Net working capital (calculated by subtracting current liabilities from current assets) totaled 4,302 million yen, a level that suggests sound finances.

The total value of capital investment carried out in the current consolidated fiscal year was 968 million yen. Major investments included outlays for Maebashi Minami Interchange–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 full year earnings forecast, in addition to difficulty in recovering the decrease in the second quarter of the current consolidated fiscal year, a decrease in gross profit due to the increase of sales competition mainly for personal computers and a decrease in sales and gross profit associated with the unclear situation surrounding the procurement of personal computer related products due to flooding in Thailand are expected at a certain level. Thus, we revised the earnings forecast announced on May 10, 2011 below. In the second half of the fiscal year, since the number of stores that have opened for 1 year will increase, we expect an increase in income and profit as compared with last year.

	Net sales	Operating income	Ordinary income	Net income	Net income per share
Previous forecast (A)	Million yen 50,000	Million yen 1,670	Million yen 1,750	Million yen 790	Yen 3,590.58
Revised forecast (B)	49,500	1,370	1,520	800	3,636.03
Difference (B-A)	(500)	(300)	(230)	10	-
Percentage change	(1.0)%	(18.0)%	(13.1)%	1.3%	-
Results in the previous term	46,912	1,368	1,509	737	3,417.66

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

In particular, the situation of product procurement associated with the flooding in Thailand was determined with information as of the beginning of November. In addition, the decrease in the number of stores and future services after purchase to customers, etc. due to the termination of the franchise contract with OA System Plaza Company have not been decided at this point, therefore, the monetary amount of the influence is not included in this revision. We will report the influence as soon as we find out.

2. Matters regarding summary information (Other)

(1) Changes in important subsidiaries of this quarterly cumulative total period on consolidated base

Not applicable.

(2) Special Accounting Methods for Creation of the Quarterly Consolidated Financial Statement

Not applicable.

(3) 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)	Second quarter of FY2011 (As of Sep. 30, 2011)
Assets		
Current assets		
Cash and deposits	2,505,003	2,002,873
Accounts receivable-trade	2,532,713	2,586,584
Inventories	5,500,066	7,108,981
Accounts receivable-other	546,343	561,672
Deferred tax assets	187,023	179,261
Other	433,785	508,931
Allowance for doubtful accounts	(26,564)	(27,388)
Total current assets	11,678,371	12,920,918
Non-current assets		
Property, plant and equipment		
Buildings and structures	3,808,833	4,666,300
Accumulated depreciation	(1,031,841)	(1,187,302)
Buildings and structures, net	2,776,991	3,478,998
Tools, furniture and fixtures	1,754,765	1,756,901
Accumulated depreciation	(1,280,783)	(1,280,020)
Tools, furniture and fixtures, net	473,981	476,881
Land	263,011	263,011
Construction in progress	221,452	168,947
Other	1,910	1,910
Accumulated depreciation	(1,719)	(1,750)
Other, net	190	160
Total property, plant and equipment	3,735,627	4,387,998
Intangible assets		
Goodwill	690,338	564,162
Other	352,189	339,164
Total intangible assets	1,042,528	903,327
Investment and other assets		
Investment securities	281,176	297,082
Deferred tax assets	140,404	157,198
Guarantee deposits	1,439,986	1,440,344
Lease deposits	1,233,840	1,249,383
Other	176,995	226,432
Total investments and other assets	3,272,403	3,370,440
Total non-current assets	8,050,559	8,661,766
Total assets	19,728,930	21,582,684

(Thousands of yen)

	FY 2010 Summary (As of Mar. 31, 2011)	Second quarter of FY2011 (As of Sep. 30, 2011)
Liabilities		
Current liabilities		
Accounts payable-trade	2,420,785	3,529,165
Short-term loans payable	700,000	1,900,000
Current portion of long-term loans payable	1,004,253	963,253
Accounts payable-other	1,087,926	1,175,880
Income taxes payable	442,938	240,639
Provision for bonuses	118,246	147,518
Provision for merchandise warranties	54,555	63,363
Other	620,184	598,272
Total current liabilities	6,448,890	8,618,093
Non-current liabilities		
Long-term loans payable	2,759,494	2,270,368
Long-term accounts payable-other	121,954	121,954
Provision for retirement benefits	5,701	4,806
Provision for directors' retirement benefits	24,117	26,355
Asset retirement obligations	188,288	245,247
Long-term guarantee deposited	647,349	642,269
Total non-current liabilities	3,746,905	3,311,001
Total liabilities	10,195,795	11,929,094
Net assets		
Shareholders' equity		
Capital stock	1,601,196	1,601,196
Capital surplus	1,868,598	1,868,598
Retained earnings	5,984,350	6,170,427
Treasury stock	(125,595)	(125,595)
Total shareholders' equity	9,328,550	9,514,627
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	22,454	33,328
Accumulated other comprehensive income	22,454	33,328
Subscription rights to shares	9,987	13,354
Minority interests	172,142	92,278
Total net assets	9,533,134	9,653,589
Total liabilities and net assets	19,728,930	21,582,684

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

(Thousands of yen)

	First Six months of FY2010 (Apr.1, 2010 – Sep.30, 2010)	First Six months of FY2011 (Apr.1, 2011 – Sep.30, 2011)
Net sales	22,711,881	23,097,177
Cost of sales	16,131,020	16,035,763
Gross profit	6,580,861	7,061,413
Selling, general and administrative expenses		
Advertising expenses	652,292	731,423
Sales commission	223,734	247,838
Directors' compensations	66,137	67,109
Salaries and allowances	1,677,848	2,017,518
Bonuses	96,552	96,404
Provision for bonuses	109,201	147,518
Retirement benefit expenses	22,484	26,396
Provision for directors' retirement benefits	2,331	2,237
Supplies expenses	194,850	256,620
Depreciation	237,267	291,507
Amortization of goodwill	167,274	146,876
Rent expenses on real estates	946,405	1,005,631
Other	1,458,467	1,625,480
Total selling, general and administrative expenses	5,854,848	6,662,563
Operating income	726,012	398,850
Non-operating income		
Interest income	2,047	1,756
Dividends income	1,790	2,422
Sales incentives	38,747	68,469
Rent income	44,591	44,328
Commission fee	18,894	22,638
Other	40,307	29,847
Total non-operating income	146,378	169,462
Non-operating expenses		
Interest expenses	25,547	31,768
Rent expenses	65,620	40,428
Equity in losses of affiliates	4,712	2,001
Other	6,826	1,439
Total non-operation expenses	102,707	75,638
Ordinary income	769,683	492,674
Extraordinary income		
Other	50	354
Total extraordinary income	50	354

(Thousands of yen)

	First Six months of FY2010 (Apr. 1, 2010 – Sep.30, 2010)	First Six months of FY2011 (Apr. 1, 2011 – Sep.30, 2011)
Extraordinary loss		
Loss on retirement of noncurrent assets	14,783	3,780
Impairment loss	5,006	-
Loss on adjustment for changes of accounting standard for asset retirement obligations	120,642	-
Casualty loss	-	2,806
Other	5,924	5,287
Total extraordinary losses	146,358	11,875
Income before income taxes and minority interests	623,375	481,154
Income taxes-current	306,050	235,434
Income taxes-deferred	(34,349)	(21,634)
Total income taxes	271,701	213,799
Income before minority interest	351,674	267,354
Minority interest in income	8,210	4,270
Net income of the quarter	343,464	263,084

(Consolidated quarterly statement of comprehensive income)
(For the first half of this consolidated fiscal year)

	First Six months of FY2010 (Apr.1, 2010 – Sep.30, 2010)	First Six months of FY2011 (Apr.1, 2011 – Sep.30, 2011)
Net income before minority interest	351,674	267,354
Other comprehensive income		
Valuation difference on available-for-sale securities	(9,470)	10,873
Accumulated other comprehensive income	(9,470)	10,873
Quarterly comprehensive income	342,203	278,228
(Breakdown)		
Quarterly comprehensive income of equity holder of the parent	333,993	273,958
Quarterly comprehensive income of minority interests	8,210	4,270

(3) Quarterly Consolidated Statements of Cash Flows

(Thousands of yen)

	First Six months of FY2010 (Apr.1, 2010 – Sep.30, 2010)	First Six months of FY2011 (Apr.1, 2011 – Sep.30, 2011)
Cash flow from operating activities		
Income before income taxes	623,375	481,154
Depreciation and amortization	271,151	313,857
Amortization of goodwill	167,274	146,876
Increase (decrease) in allowance for doubtful accounts	5,157	823
Increase (decrease) in provision for bonuses	11,150	29,271
Increase (decrease) in provision for directors' retirement benefits	(1,153)	2,237
Increase (decrease) in provision for retirement benefits	—	(895)
Increase (decrease) in provision for merchandise warranties	3,704	8,808
Interest and dividends income	(3,837)	(4,178)
Interest expenses	25,547	31,768
Foreign exchange losses (gains)	906	631
Equity in losses of affiliates	4,712	2,001
Impairment loss	5,006	—
Loss on adjustment for changes of accounting standard for asset retirement obligations	120,642	—
Retirement non-current assets expenses	14,783	3,780
Decrease (increase) in notes and accounts receivable-trade	(104,676)	(53,871)
Decrease (increase) in inventories	(593,387)	(1,608,915)
Decrease (increase) in accounts receivable-other	155,548	(15,329)
Increase (decrease) in notes and accounts payable-trade	68,842	1,108,379
Increase (decrease) in accounts payable-other	(135,550)	142,792
Decrease (increase) in other assets	44,088	(75,468)
Increase (decrease) in other liabilities	63,392	(19,433)
Other	31,895	13,697
Subtotal	778,576	507,988
Interest and dividends income received	1,810	2,449
Interest expenses paid	(26,031)	(31,445)
Income taxes paid	(377,305)	(429,890)
Net cash provided by (used in) operating activities	377,049	49,101
Cash flow from investing activities		
Purchase of property, plant and equipment	(416,868)	(877,121)
Purchase of intangible assets	(73,323)	(80,250)
Proceeds from purchase of investments in subsidiaries resulting in change of scope of consolidation	—	(72,100)
Payments for lease and guarantee deposits	(55,405)	(79,513)
Proceeds from collection of lease and guarantee deposits	93,660	64,565
Repayments of guarantee deposits received	(5,079)	(5,079)
Other	(10,950)	(61,265)
Net cash provided by (used in) investing activities	(467,967)	(1,110,763)

	First Six months of FY2010 (Apr.1, 2010 – Sep.30, 2010)	First Six months of FY2011 (Apr.1, 2011 – Sep.30, 2011)
Cash flow from financing activities		
Increase in short-term loans payable	4,700,000	7,400,000
Decrease in short-term loans payable	(4,500,000)	(6,200,000)
Proceeds from long-term loans payable	600,000	—
Repayment of long-term loans payable	(385,126)	(530,126)
Proceeds from disposal of treasury stock	194,622	—
Cash dividends paid	(73,642)	(76,977)
Cash dividends paid to minority shareholders	(11,360)	(32,733)
Net cash provided by (used in) financing activities	524,494	560,162
Effect of exchange rate change on cash and cash equivalents	(906)	(631)
Net increase (decrease) in cash and cash equivalents	432,670	(502,130)
Cash and cash equivalents at beginning of period	1,753,981	2,505,003
Cash and cash equivalents at end of period	2,186,652	2,002,873

(4) Going Concern Assumption

Not applicable.

(5) Segment information, etc.

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

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 Six months of FY2011 (Apr. 1, 2011 – Sep. 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	22,163,973	933,204	23,097,177	-	23,097,177
(2) Inter-segment sales and transfers	14	73,591	73,605	(73,605)	-
Total	22,163,987	1,006,795	23,170,782	(73,605)	23,097,177
Segment income (loss)	413,571	87,797	501,368	(8,694)	492,674

(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.

(6) Significant Changes in Shareholders' Equity

No applicable items

(7) Important events that occurred after the balance sheet date

Second quarter of FY2011 (Jul. 1, 2011 – Sep. 30, 2011)

Merger of a consolidated subsidiary (a wholly owned subsidiary of our company)

As of October 1, 2011, our company conducted an absorption-type merger with PC DEPOT CORPORATION as the combining enterprise and BB Marketing, Inc. as the company to be combined.

(1) Outline of the combination of the enterprises

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

(Combining enterprise)

Name: PC DEPOT CORPORATION(our company)

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 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 effected in order to promote the increase in the efficiency of business operations.

(2) Summary of the account processing implemented

This merger processes 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).

(Franchise related contract)

Our Company concluded a franchise contract with OA System Plaza Company as of October 25, 2004 and notification was sent to terminate the contract as of October 24, 2011 due to the completion of the contract term. As a result, discussions regarding future customer support were held, however, an agreement was not reached, and an interim agreement was concluded to extend the end date of the franchise contract to January 31, 2012 under resolution by a meeting of the board of directors held on October 11, 2011.

5. Expanded information**Situation of sales****(Sales by Item)**

(Thousands of yen)

[Appellation of segment] Commodity item	First Six months of FY2011 (Apr.1,2011 – Sep.30, 2011)		Year-on-year Change (%)
	Amount	Composition ratio (%)	
[PC sales business]			
PC	5,461,183	23.6	94.6
Peripherals	5,029,215	21.8	89.4
Accessories and supplies	2,285,366	9.9	93.4
Software	549,317	2.4	79.9
Used goods and others	3,327,966	14.4	119.4
Total sales of products	16,653,048	72.1	96.1
Income from royalties	201,258	0.9	71.3
Income from technical service and commissions	5,309,666	23.0	131.2
Total	22,163,973	96.0	102.4
[Internet-related business]	933,204	4.0	88.2
Total	23,097,177	100.0	101.7

(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 4,376,800 thousand yen.