



Summary of Financial Results for the Nine Months Ended December 31, 2015
[Japanese standards] (Consolidated)

February 9, 2016

PC DEPOT CORPORATION

Securities code: 7618

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Scheduled date of quarterly securities report filing:

Scheduled date of dividend payment:

Preparation of supplementary references for these Quarterly Financial Results:

Holding of an IR Briefing on these Quarterly Financial Results:

Stock Exchange Listing:

TSE Securities Exchange [JASDAQ]

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February 12, 2016

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Yes

Not scheduled

(All amounts have been rounded off to the nearest million yen.)

1. Consolidated Financial Results for the Nine Months Ended December 31, 2015 (April 1, 2015–December 31, 2015)

(1) Consolidated Operating Results (Cumulative) (%: Change from the corresponding period of the previous fiscal year)

	Net sales		Operating income		Ordinary income		Net income belonging to parent company shareholders	
	Mil. yen	%	Mil. yen	%	Mil. yen	%	Mil. yen	%
Nine months ended December 31, 2015	38,201	0.4	3,051	25.2	3,076	21.7	2,109	34.3
Nine months ended December 31, 2014	38,048	(0.4)	2,437	45.9	2,528	43.8	1,570	40.2

Note: Comprehensive income Nine months ended December 31, 2015: 2,115 mil. yen (34.3%) Nine months ended December 31, 2014: 1,575 mil. yen (40.6%)

	Net quarterly inc. per share	Diluted net quarterly inc. per share
	Yen	Yen
Nine months ended December 31, 2015	54.11	53.80
Nine months ended December 31, 2014	41.33	41.14

Note: On January 1, 2015, the Company split its common shares at a rate of 1 to 1.5 shares. We calculated quarterly net income per share and income per share adjusted for latent shares on the assumption that the stock split took place at the beginning of the 21st fiscal year, the previous consolidated fiscal year.

(2) Consolidated Financial Position

	Total assets	Net assets	Equity capital ratio	Net assets per share
	Mil. yen	Mil. yen	%	Yen
As of December 31, 2015	36,414	20,906	57.3	486.23
As of March 31, 2015	29,257	15,181	51.8	398.81

Reference: Shareholder equity As of December 31, 2015: 20,871 mil. yen As of March 31, 2015: 15,151 mil. yen

2. Dividends

	Annual dividend per share				
	End of 1Q	End of 2Q	End of 3Q	Year-end	Total
	Yen	Yen	Yen	Yen	Yen
Fiscal year ended March 31, 2015	—	5.00	—	5.00	—
Fiscal year ending March 31, 2016	—	5.00	—	—	—
Fiscal year ending March 31, 2016 (forecast)	—	—	—	5.00	10.00

Note: Recent announcement of revisions to forecasted amounts of dividends: No

Note: On January 1, 2015, the Company split its common shares at a rate of 1 to 1.5 shares. Therefore, the dividend per share (7.50 yen) based on the number of shares prior to the stock split corresponds to 1.5 times the dividend per share for the end of the fiscal year ended March 31, 2015, for the six months ended September 30, 2015, and for the fiscal year ending March 31, 2016 (forecast).

3. Consolidated Forecast for the Fiscal Year Ending March 31, 2016 (April 1, 2015–March 31, 2016)

(% Figures indicate year-on-year increase/decrease.)

	Net sales		Operating income		Ordinary income		Net income belonging to parent company shareholders		Net income per share
	Mil. yen	%	Mil. yen	%	Mil. yen	%	Mil. yen	%	Yen
Full year	51,850	1.1	3,960	28.2	4,000	24.8	2,650	36.5	66.32

Note: Recent announcement of revisions to earnings forecast: Yes

* Notes

(1) Were there changes in important subsidiaries during the nine months under review (changes in specified subsidiaries resulting in modifications of the scope of consolidation): No

New companies - (Company name) Excluded companies - (Company name)

(2) Adoption of special accounting methods for preparation of quarterly consolidated financial statements: No

(3) Changes in accounting principles / Changes and restatements of accounting estimates

1) Were there changes in accounting principles caused by revisions to accounting standards: Yes

2) Were there changes other than 1): No

3) Were there changes in accounting estimates: No

4) Were there any restatements: No

(4) Number of outstanding shares (common shares)

1) Number of shares issued and outstanding as of the end of the period (including treasury stock)	3Q of fiscal year ending March 31, 2016	43,852,000 shares	Fiscal year ended March 31, 2015	38,928,000 shares
2) Number of shares of treasury stock as of the end of the period	3Q of fiscal year ending March 31, 2016	926,235 shares	Fiscal year ended March 31, 2015	937,035 shares
3) Average number of shares during the cumulative quarterly period	3Q of fiscal year ending March 31, 2016	38,986,554 shares	3Q of fiscal year ended March 31, 2015	37,992,255 shares

Note: On January 1, 2015, the Company split its common shares at a rate of 1 to 1.5 shares. We calculated the number of shares issued and outstanding at the end of each period (including treasury stock), the number of shares of treasury stock at the end of each period, and the average number of shares during each period (quarterly cumulative total) on the assumption that the stock split took place at the beginning of the 21st fiscal year, the previous consolidated fiscal year.

* Presentation concerning the implementation status of quarterly review procedures

These consolidated financial results are not subject to quarterly review procedures based on the Financial Instruments and Exchange Act. Quarterly review procedures have not been completed as of disclosure of these consolidated financial results.

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

Earnings forecasts and other statements on the future contained in this document are based on the information currently available to the Company as well as certain reasonable assumptions. Actual results may differ materially from the forecasts due to various factors. For details on assumptions and other matters regarding earnings forecasts, please see page 3 of the appendix, "1. Qualitative Information on the Consolidated Financial Results for the Nine Months Ended December 31, 2015: (3) Explanation of qualitative information concerning forecasts of consolidated financial results for the fiscal year ending March 31, 2016."

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1. Qualitative Information on the Consolidated Financial Results for the Nine Months Ended December 31, 2015

(1) Explanation of operating results

During the nine months ended December 31, 2015 (April 1, 2015–December 31, 2015), the Japanese economy showed a gradual recovery through a certain amount of influence of economic measures taken by the government. While consumer spending showed signs of recovery, growth slowed to a low level, and the outlook of the economy remains uncertain.

In domestic over-the-counter sales of PCs, there was a certain amount of replacements of PCs for private use with new models following the termination of support for Windows XP in April 2014. However, the replacement demand began tapering off in July, resulting in a drop in sales volume. The PC sales continued to face a severe situation.

Against this backdrop, we in the PC DEPOT Group stepped up sales of Internet devices such as PCs, smartphones, and tablets and actively developed related services, continuing with our aim to become a smart life partner for customers, providing both products and services in a single outlet. In terms of store development, we accelerated the renovation of existing PC DEPOT stores into PC DEPOT Smart Life Stores (a new type of outlet that focuses more on providing services) and reopened stores in Tokyo and Kanagawa prefectures. As a result, the total number of PC DEPOT Smart Life Stores was 20 as of the end of December 2015. In terms of service products, we pressed on with offering solutions where cloud and content services are provided with Internet devices. We actively proceeded with the provision of comprehensive services whereby communication circuits, devices, and support are integrated, such as Fixed Virtual Network Operator (FVNO), which is a fiber-optic network service that Nippon Telegraph and Telephone Corporation (NTT) started selling at wholesale from February 2015.

As a result, sales for existing stores and those from solutions services* continued to be favorable, registering a year-on-year decrease of 1.6% and an increase of 25.9%, respectively, while year-on-year gross profit rose by 10.9%. In terms of expenses, personnel expenses grew due to our active recruitment of additional staff to sell our service products in step with an increase in service sales. As a result, selling, general, and administrative expenses rose 8% year-on-year.

Moreover, based on our in-house basic policy for internal control, we continued to focus our efforts on strengthening governance and ensuring compliance. We continually reviewed and dealt with the major risk factors that could influence the operating results, share prices, and financial conditions of the Group. We will promote further improvement in the internal control system in the future.

As a result, for the nine months ended December 31, 2015, net sales were 38.201 billion yen (up 0.4% YoY), operating income was 3.051 billion yen (up 25.2% YoY), ordinary income was 3.076 billion yen (up 21.7% YoY), and net income belonging to parent company shareholders was 2.109 billion yen (up 34.3% YoY).

* "Sales from technical services and commissions" presented as "sales from services" in the financial statements for the fiscal year ended March 31, 2015 has been standardized as "sales from solutions services" from the first quarter of the fiscal year ending March 31, 2016. Method of accounting for this item remains unchanged.

Operating results per business segment are as follows:

1) PC Sales Business

In terms of product marketing, we continued to step up sales of smart devices and the provision of support. Since July 2014, the PC market has been continuously shrinking, and PC sales are still in difficult conditions. From November 2015, some stores started selling the Apple Watch.

In terms of services, we promoted the sale of solution services by facilitating our unique service that bundles our support services with an Internet connection as well as various Internet devices such as PCs, Macs, iPhones and iPads. We actively provided services that meet potential customer demands including introducing the periodic checking services and offering technical support at special prices to those who had purchased our products but experienced difficulties in, for instance, configuring settings despite repeated attempts. For our flagship Premium Service (maintenance services provided on a monthly membership fee basis), we strove to acquire new customers by expanding our service-inclusive products that provide Premium Service subscribers with devices and peripherals in combination with support services based on their environment. These service-inclusive products include IoT (Internet of Things) devices. For existing customers, in March 2015, we launched JIMAS, a large-scale management system to support members where the overall efficiency of services is to be improved. An example of such services is a new cloud system that synchronizes data and takes data backups in both the local environment and the cloud. In this manner, we strove to increase customer satisfaction by expanding services that allow members to use Internet devices in a more convenient and safe manner. In August 2015, for possible malfunctioning that may be caused by the upgrade to Windows 10, we provided services to prevent or to solve problems such as an emergency free inspection service provided at shop counters for computers covered by the service including those purchased at other outlets. As a result of the above, sales from solutions services steadily increased.

At the end of the nine months under review, there were 32 directly managed PC DEPOT stores (located in Kanagawa, Tokyo, Chiba, Saitama, Shizuoka, Gunma, Tochigi, and Ibaraki prefectures) and 20 PC DEPOT Smart Life Stores (located in Tokyo and Kanagawa prefectures). In addition, PC DEPOT STORES Co., Ltd., a subsidiary, operates 13 PC DEPOT stores in the Kyushu, Chubu, Shinetsu, Tohoku, and Shikoku areas. With 3 franchisees in the Kinki and Chugoku regions, we had a total of 68 PC DEPOT stores nationwide. PC DEPOT PC Clinics had 58 stores: 52 stores directly managed by the company and 6 franchise stores, giving us 126 PC DEPOT, PC DEPOT Smart Life, and PC DEPOT PC Clinic stores in total.

As a result, net sales for the PC sales business were 37.255 billion yen (up 0.5% YoY) and ordinary income for the segment was 3.019 billion yen (up 25.3% YoY).

2) Internet-related Business

In the Internet-related business, we worked to step up the outsourcing of the Group-provided Premium Service among group companies. However, due to a decrease in the number of ISP (Internet service provider) members handled by a subsidiary, both net sales from the business and ordinary income for the segment fell.

As a result of the above, net sales for the Internet-related business amounted to 945 million yen (down 4.4% YoY) and ordinary income for the segment was 265 million yen (down 11.9% YoY).

(2) Explanation of financial condition

As of December 31, 2015, consolidated total assets were 36.414 billion yen, which represents an increase of 7.157 billion yen from March 31, 2015. Consolidated total liabilities were 15.507 billion yen, an increase of 1.431 billion yen from March 31, 2015. Net working capital (the amount calculated by subtracting current liabilities from current assets) was 12.932 billion yen, indicating continued financial soundness.

Total capital investments made during the nine months ended December 31, 2015 totaled 913 million yen. These investments were covered by our own funds, loans, and additional capital.

(3) Explanation of qualitative information concerning forecasts of consolidated financial results for the fiscal year ending March 31, 2016

Revisions have been made to the consolidated earnings forecasts for the fiscal year ending March 31, 2016 announced on May 12, 2015. For details, please see "Notice of revised forecasts of financial results" released on February 9, 2016.

2. Summary Information (Notes) Related Items

(1) Changes in important subsidiaries during the nine months under review

N/A

(2) Adoption of special accounting methods for preparation of quarterly consolidated financial statements

N/A

(3) Changes in accounting principles / Changes and restatements of accounting estimates

Changes in accounting principles

(Application of accounting standards for business combinations and related standards)

Starting from the first quarter of the fiscal year under review, the Company has applied the "Accounting Standard for Business Combinations" (Accounting Standards Board of Japan (ASBJ) Statement No. 21, September 13, 2013; hereinafter "Accounting Standard for Business Combinations"), the "Accounting Standard for Consolidated Financial Statements" (ASBJ Statement No. 22, September 13, 2013; hereinafter "Accounting Standard for Consolidated Financial Statements"), and the "Accounting Standard for Business Divestitures" (ASBJ Statement No. 7, September 13, 2013; hereinafter "Accounting Standard for Business Divestitures"). In line with the application of these standards, the Company has changed its accounting methods whereby the difference from the changes in the Company's interests in subsidiaries continuously controlled by the Company is recorded as capital surplus, and acquisition-related expenses are recorded as expenses for the consolidated fiscal year. In addition, for business combinations that are implemented after the beginning of FY2015 first quarter, the allocation of the cost of acquisitions, as determined after review of provisional accounting treatment, is reflected in the quarterly consolidated financial statements for the quarter in which the business combination took place. Additionally, the presentation of net income, etc. has been changed, and the presentation of minority interests has been changed to non-controlling

interests. To reflect these changes, the Company has reclassified its quarterly consolidated financial statements for the nine months ended December 31, 2014 and consolidated financial statements for the fiscal year ended March 31, 2015.

Regarding the application of the Accounting Standard for Business Combinations, etc., the Company has applied provisional accounting treatment provided in Paragraph 58-2 (4) of the Accounting Standard for Business Combinations, Paragraph 44-5 (4) of the Accounting Standard for Consolidated Financial Statements, and Paragraph 57-4 (4) of the Accounting Standard for Business Divestitures, from April 1, 2015.

The application of these standards has no material impact on the consolidated statement of income.

3. Material Events Related to Premise of Going Concern

N/A

4. Quarterly Consolidated Financial Statements

(1) Quarterly consolidated balance sheets

(Thousand yen)

	FY2014 (As of March 31, 2015)	FY2015 Third Quarter (As of December 31, 2015)
Assets		
Current assets		
Cash and deposits	2,370,487	4,466,167
Accounts receivable	9,906,521	13,006,264
Inventories	6,548,133	8,287,077
Accounts receivable - other	311,754	359,055
Deferred tax assets	467,897	475,694
Other	502,232	533,652
Allowance for doubtful accounts	(186,732)	(240,937)
Total current assets	19,920,294	26,886,974
Non-current assets		
Property, plants and equipment		
Buildings and structures	6,513,711	6,711,460
Accumulated depreciation	(2,396,246)	(2,689,536)
Buildings and structures - net	4,117,465	4,021,923
Tools, furniture and fixtures	2,094,144	2,389,767
Accumulated depreciation	(1,505,499)	(1,656,896)
Tools, furniture and fixtures - net	588,644	732,870
Land	263,011	263,011
Construction in progress	43,802	8,036
Other	375	4,629
Accumulated depreciation	(93)	(2,102)
Other - net	281	2,527
Total property, plants and equipment	5,013,204	5,028,367
Intangible assets		
Goodwill	5,174	2,069
Other	782,600	824,900
Total intangible assets	787,775	826,970
Investments and other assets		
Investment securities	194,712	205,794
Deferred tax assets	278,021	297,734
Guarantee deposits	1,639,131	1,723,019
Lease deposits	1,275,631	1,296,284
Other	150,960	151,444
Allowance for doubtful accounts	(2,721)	(2,535)
Total investments and other assets	3,535,735	3,671,740
Total non-current assets	9,336,715	9,527,077
Total assets	29,257,010	36,414,052

(Thousand yen)

	FY2014 (As of March 31, 2015)	FY2015 Third Quarter (As of December 31, 2015)
Liabilities		
Current liabilities		
Accounts payable - trade	1,691,643	4,000,356
Short-term loans payable	4,520,000	4,900,000
Current portion of long-term loans payable	1,447,464	1,186,816
Accounts payable - other	1,090,089	1,312,863
Income taxes payable	878,749	533,647
Provision for bonuses	195,162	16,400
Provision for merchandise warranties	307,354	476,035
Other	1,517,221	1,528,820
Total current liabilities	11,647,685	13,954,939
Non-current liabilities		
Long-term loans payable	1,796,797	956,638
Long-term accounts payable - other	112,700	99,152
Liabilities associated with retirement benefits	19,826	-
Asset retirement obligations	404,942	410,072
Long-term guarantee deposits received	93,999	86,920
Total non-current liabilities	2,428,265	1,552,782
Total liabilities	14,075,951	15,507,722
Net assets		
Shareholders' equity		
Capital stock	2,745,734	4,737,615
Capital surplus	3,013,136	5,005,017
Retained earnings	9,493,765	11,223,298
Treasury stock	(152,427)	(150,947)
Total shareholders' equity	15,100,208	20,814,983
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	51,034	56,850
Total accumulated other comprehensive income	51,034	56,850
Stock acquisition rights	29,816	34,496
Total net assets	15,181,058	20,906,330
Total liabilities and net assets	29,257,010	36,414,052

(2) Quarterly consolidated statement of income and quarterly consolidated statement of comprehensive income

(Quarterly consolidated statement of income)

(Third quarter of consolidated period)

(Thousand yen)

	FY2014 Third Quarter (Apr. 1, 2014–Dec. 31, 2014)	FY2015 Third Quarter (Apr. 1, 2015–Dec. 31, 2015)
Net sales	38,048,481	38,201,124
Cost of sales	23,383,766	21,938,801
Gross profit	14,664,714	16,262,322
Selling, general, and administrative expenses		
Advertising expenses	778,370	757,148
Sales commissions	446,586	495,426
Directors' compensation	118,246	137,017
Salaries and allowances	4,364,775	4,830,245
Bonuses	426,846	433,161
Provision for bonuses	16,415	16,400
Retirement benefit expenses	51,083	60,611
Supplier expenses	453,512	424,522
Depreciation and amortization	529,937	604,507
Amortization of goodwill	4,089	3,104
Rent expenses on real estate	1,683,041	1,783,201
Other	3,353,995	3,665,081
Total selling, general, and administrative expenses	12,226,901	13,210,430
Operating income	2,437,813	3,051,892
Non-operating income		
Interest income	1,204	1,285
Dividends income	2,702	2,581
Sales incentives	25,240	32,042
Rent income	105,826	106,291
Commission fees	24,490	23,338
Equity in earnings of affiliates	5,007	5,493
Other	59,067	36,338
Total non-operating income	223,541	207,372
Non-operating expenses		
Interest expenses	43,005	41,336
Rent expenses	87,341	84,460
Commissions paid	-	38,600
Share issuance cost	-	16,718
Other	2,299	1,219
Total non-operating expenses	132,647	182,335
Ordinary income	2,528,707	3,076,929

(Thousand yen)

	FY2014 Third Quarter (Apr. 1, 2014–Dec. 31, 2014)	FY2015 Third Quarter (Apr. 1, 2015–Dec. 31, 2015)
Extraordinary income		
Gain on sales of non-current assets	14	-
Gains on sales of investment securities	-	156,912
Total extraordinary income	14	156,912
Extraordinary losses		
Losses on sales of non-current assets	151	-
Losses on retirement of non-current assets	19,125	7,548
Losses on transition to a defined contribution pension plan	-	19,716
Total extraordinary losses	19,276	27,265
Quarterly net income before income taxes	2,509,446	3,206,576
Income taxes - current	960,662	1,127,391
Income taxes - deferred	(21,534)	(30,281)
Total income taxes	939,128	1,097,109
Net income	1,570,317	2,109,467
Net income belonging to non-controlling shareholders	-	-
Net income belonging to parent company shareholders	1,570,317	2,109,467

(Quarterly consolidated statement of comprehensive income)
 (Third quarter of consolidated period)

(Thousand yen)

	FY2014 Third Quarter (Apr. 1, 2014–Dec. 31, 2014)	FY2015 Third Quarter (Apr. 1, 2015–Dec. 31, 2015)
Net income	1,570,317	2,109,467
Other comprehensive income		
Valuation difference on available-for-sale securities	5,123	5,815
Total other comprehensive income	5,123	5,815
Comprehensive income	1,575,441	2,115,282
(Breakdown)		
Comprehensive income related to parent company shareholders	1,575,441	2,115,282
Comprehensive income related to non-controlling shareholders	-	-

(3) Notes on quarterly consolidated financial statements

(Notes on premise of going concern)

N/A

(Notes on significant changes in the amount of equity capital)

Based on the resolutions approved at the meetings of the board of directors held on October 13 and October 15, 2015, the Company issued new shares through a public offering with the payment date being November 4, 2015 and through third-party allotment conducted in relation to a secondary offering of Company shares by way of over-allotment with the payment date being November 24, 2015. Consequently, each capital and capital surplus increased by 1,991,881,000 yen. As a result of the above, consolidated capital totaled 4,737,615,000 yen and consolidated capital surplus totaled 5,005,017,000 yen as of December 31, 2015.

(Segment information)

[Segment information]

I. FY2014 third quarter (April 1, 2014 to December 31, 2014)

1. Information on net sales and income or loss by reportable segment

(Thousand yen)

	Reportable segment			Adjustment (Note 1)	Amount on quarterly consolidated statements of income (Note 2)
	PC Sales Business	Internet-related Business	Total		
Net sales					
(1) External customers	37,058,864	989,616	38,048,481	-	38,048,481
(2) Inter-segment	997	549,255	550,252	(550,252)	-
Total	37,059,862	1,538,871	38,598,734	(550,252)	38,048,481
Segment income	2,408,873	301,473	2,710,347	(181,639)	2,528,707

(Note) 1. The negative 181,639 thousand yen adjustment in segment income includes a negative 181,375 thousand yen due to inter-segment eliminations of dividends received.

2. Segment income is reconciled to ordinary income in the quarterly consolidated statements of income.

2. Information on impairment losses of non-current assets or goodwill, etc. by reportable segment

(Significant impairment losses related to non-current assets)

N/A

(Significant changes in the amount of goodwill)

N/A

(Significant gains on negative goodwill)

N/A

II. FY2015 third quarter (April 1, 2015 to December 31, 2015)

1. Information on net sales and income or loss by reportable segment

(Thousand yen)

	Reportable segment			Adjustment (Note 1)	Amount on quarterly consolidated statements of income (Note 2)
	PC Sales Business	Internet-related Business	Total		
Net sales					
(1) External customers	37,255,283	945,840	38,201,124	-	38,201,124
(2) Inter-segment	1,157	708,396	709,554	(709,554)	-
Total	37,256,440	1,654,237	38,910,678	(709,554)	38,201,124
Segment income	3,019,200	265,526	3,284,726	(207,797)	3,076,929

- (Note) 1. The negative 207,797 thousand yen adjustment in segment income includes a negative 210,236 thousand yen due to inter-segment eliminations of dividends received.
2. Segment income is reconciled to ordinary income in the quarterly consolidated statements of income.

2. Information on impairment losses of non-current assets or goodwill, etc. by reportable segment

(Significant impairment losses related to non-current assets)

N/A

(Significant changes in the amount of goodwill)

N/A

(Significant gains on negative goodwill)

N/A

(Material subsequent events)

N/A

5. Supplementary Information

Sales results

(Sales by product)

	FY2014 Third Quarter (Apr. 1, 2014–Dec. 31, 2014)		FY2015 Third Quarter (Apr. 1, 2015–Dec. 31, 2015)		YoY change (%)
	Amount (thousand yen)	Pct. of sales (%)	Amount (thousand yen)	Pct. of sales (%)	
(PC sales business)					
PCs	7,092,093	18.6	4,484,813	11.7	63.2
Peripherals	5,891,447	15.5	5,144,895	13.5	87.3
Accessories and supplies	2,552,250	6.7	2,394,512	6.3	93.8
Software	785,139	2.1	565,823	1.5	72.1
Previously owned products and other	6,195,198	16.3	6,410,548	16.7	103.5
Total product sales	22,516,128	59.2	19,000,594	49.7	84.4
Royalties and other revenue	108,521	0.3	85,959	0.2	79.2
Sales from solutions services	14,434,214	37.9	18,168,729	47.6	125.9
Total	37,058,864	97.4	37,255,283	97.5	100.5
(Internet-related business)	989,616	2.6	945,840	2.5	95.6
Total	38,048,481	100.0	38,201,124	100.0	100.4

- (Notes)
1. The above amounts do not include consumption tax, etc.
 2. Inter-segment transactions are written off by offsetting.
 3. Sales at franchise stores where royalties and other revenues are earned total 1,092,443,000 yen.
 4. "Sales from technical services and commissions" presented in the financial statements for the fiscal year ended March 31, 2015 has been standardized as "sales from solutions services" from the first quarter of the fiscal year ending March 31, 2016. Method of accounting for this item remains unchanged.
 5. "Sales from solution services" contains product sales derived from the sale of service-inclusive products.