



March 18, 2011

Dear Valued Customers,

One week ago we witnessed the violent destruction of an earthquake and tsunami in Northeastern Japan. This event laid in its wake a wide swath of Japan's infrastructure and culture, and much uncertainty remains over the stability of its nuclear plants and ability to stabilize and provide for its people. This human tragedy was immeasurable and our prayers go to everyone on the Japanese islands that were affected in any way by these events.

This disaster has also laid bare some of the shortcomings of what has become an industry best practice termed "just-in-time inventory". The auto industry, in particular, has adopted some of the most conservative inventory models in the world. And this morning, a GM plant in Louisiana had to close because the Japanese parts they needed to run their assembly lines were no longer available. The effect of the disaster will be felt in myriad ways in all industries and as the global supply chain is short a few links, product deliveries and disruptions are inevitable.

PC Parts has always taken a contrary approach to inventory. As an aggregator of inventory for our customers we are proud to physically have everything that we sell. In addition, with our proprietary informatics, PC Parts utilizes a forward inventory placement model allowing our customers to enjoy inventory that is in the field, many times before it's needed. PC Parts does rely on the global supply chain for some of our remanufacturing activities. Recognizing the possibility of supply chain disruptions, our company took a six month advance position on all needed parts to prevent any possible delays in shipments. This inventory stability will also enable PC Parts to continue to offer the highest level of quality. Thank you for your business and confidence in PC Parts as your dedicated supplier of quality IT service parts.

Sincerely,

A handwritten signature in black ink, appearing to read "George H. Crist", with a long horizontal flourish extending to the right.

George H. Crist, Ph.D.
President

