FY2018 2Q Financial Results Highlights

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T E L 0 4 5 - 4 7 2 - 9 8 3 8

Solution service sales – up 10.7% Y/Y

·Launched in September 2017 - "Value Pack (integrated member service product)" which bundles premium service* and devices

Robust sales for Mac Value Pack, Windows PC Value Pack, and others

- *Premium service (our original monthly membership-based maintenance service)
- ·Steady sales of the membership service hardware solution plan available for the premium members only
- Promotion for increased usage by premium members

(such as advertising membership only service on the newspaper flyers)

- Reduction in SGA costs by refraining from temporary actions like (1) short-term hiring and (2) discount sales
- ·Investment in human resources on a long-term basis → accelerate training, education, and self-motivated study efforts

Units: mil Yen, %	FY 2018 ending March,2Q	FY 2019 Ending March,2Q	Change	Y/Y
Net sales	21,018	20,157	△861	△4.1%
Operating income	1,180	1,273	93	7.9%
Ordinary income	1,228	1,326	97	8.0%
Net income Belonging to Parent company Shareholders	819	897	77	9.4%

PL (Consolidated)





Performance generally in line with the company plan

Units: mil	FY 2018 ending March 2Q	FY 2019 ending March 2Q		
Yen, %	Results	Results	Change	Y/Y
Net Sales	21,018	20,157	△861	Δ4.1
Products	8,923	6,847	Δ2,076	Δ23.3
Services	11,448	12,670	1,222	10.7
Internet related businesses (subsidiary)	617	607	Δ9	Δ1.6
Gross Profit	9,860	9,376	△484	△4.9
SGA expenses	8,680	8,103	△577	△6.6
Operating Profit	1,180	1,273	93	7.9
Ordinary Profit	1,228	1,326	97	8.0
Net profit attributable to parent company shareholders	819	897	77	9.4

FY 2019 ending March Annual forecast				
Forecast	Y/Y			
43,000	Δ1.4			
_				
_				
-				
_				
_				
2,400	Δ19.5			
2,500	Δ18.8			
1,650	Δ15.8			

[Sales]

- For premium members, promoted consulting sales which offer well-planned proposals and well-planned creations for the future
- ■Suspended ad hoc discount sales

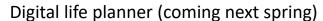
[SGA Costs]

- ■Investment in human resources on a long-term basis → accelerate training, education, and selfmotivated study efforts
- Temporarily refraining from short-term hiring
- ■Suspension of ad hoc discount sales resulted in lower advertisement costs

PC DEPOT Premium Member



A "well-planned proposal for digital life" for the future will be designed and offered by our dedicated team





(Digital Life Planner Engineer-artisan(tentative naming) Member Benefit designer(tentative naming)

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