



11th April 2017

Press Release

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PC DEPOT Monthly Sales Report

Sales for the month of March in the fiscal year ending March 2017 were as follows

1. Monthly Sales

1) Sales compared to the same month of the previous year (Directly managed, subsidiary stores and PC Clinics)

%	April	May	June	July	Aug	Sept	Oct	Nov	Dec	Jan	Feb	Mar	YTD
All stores	100.2	104.5	106.4	106.9	89.5	76.6	80.9	82.3	81.2	77.5	84.1	87.0	89.2
Existing Stores	100.6	104.6	106.6	107.4	90.1	78.5	82.1	83.1	82.3	78.7	85.6	87.5	90.1

2) Segmental Sales compared to the same month of the previous year (Directly managed, subsidiary stores and PC Clinics)

%	April	May	June	July	Aug	Sept	Oct	Nov	Dec	Jan	Feb	Mar	YTD
Products	87.2	90.5	90.2	92.7	71.8	56.3	66.6	72.7	76.6	70.2	78.9	86.6	78.2
Services	115.0	119.9	123.2	121.8	107.6	96.2	94.6	91.4	86.7	86.2	88.4	87.3	100.6

2. Summary

1. Monthly sales summary for March (FY ending March 2017)

In March of the fiscal year ending March 2017, out of product sales and solution services sales, sales of technical services and the sales of combined-services products were significantly lower compared to the same month of the previous year due to the reduction of the number of product lineup.

As a result of the above, the sales for all stores were 87.0% yoy and existing stores sales was 87.5% yoy. Furthermore, sales of the monthly maintenance membership services increased, due to an increase in memberships, and were therefore higher than the same month of the previous year.

The plans to open new PC Depot Smart Life Stores are still being postponed.

The main factors in the decline of sales in March were similar to those of the previous month

- ① The simplification of the product line of combined-service products in the solution-services category is being continued.
- ② In aims of improving quality, sales staffs have been relocated to quality control and related training, resulting in a shortage of extra sales staff as well as support-service staff.
- ③ Premium service membership cancellations and alterations made no material impact on March sales.

The March contract cancellation rate, including contracts that expired in February, was 1.3% (Normal rate* approx. 0.9% + impact of matters disclosed in August approx. 0.4%) * "Normal rate" indicates the cancellation rate of the corresponding month.

(Ref.) August cancellation rate approx. 0.9% (normal rate 0.6% + related to matters disclosed in August approx. 0.3%)
September cancellation rate approx. 1.6% (normal rate 0.6% + related to matters disclosed in August approx. 1%)
October cancellation rate approx. 1.6% (normal rate 0.6% + related to matters disclosed in August approx. 1%)
November cancellation rate approx. 1.2% (normal rate 0.6% + related to matters disclosed in August approx. 0.6%)
December cancellation rate approx. 1.1% (normal rate 0.7% + related to matters disclosed in August approx.. 0.4%)
January cancellation rate approx. 1.1% (normal rate 0.7% + related to matters disclosed in August approx. 0.4%)
February cancellation rate approx. 1.0% (normal rate 0.6% + related to matters disclosed in August approx. 0.4%)

2. Segment Sales

The main factors for the decline in sales were the same as those of the previous month

① Product Sales

Product sales for March was 86.6% compared to the same month of the previous year. The main reasons were as follows.

A) Product sales decreased compared to the same month of the previous year due to shortage of staff in sales and service-support.

② Solution Service Sales

Solution Service Sales for March was 87.3% compared to the same month of the previous year. The reasons were as follows.

A) Sales of premium services under the monthly maintenance service membership system were higher than the same month of the previous fiscal year due to increased memberships.

B) Repair and technical services sales and sales of combined-services products were significantly lower than those of the same month of the previous year due to shortage of staff.

3. Progress of projects announced on August 17 and August 25 2016

As announced on August 17 and August 25, 2016, PC Depot has commenced the following initiatives to restore the trust of members and other customers. There have been no changes since the last month.

(Progress Report)

1. Contacting existing customers to confirm their usage details so they can use our services with peace of mind. At the end of October 2016, PC Depot completed sending DMs to all known customers as of August. The confirmations of usage statuses announced on the 25th of August are being re-sent via DM to our customers. PC Depot will continue to check whether each customer's contract fits their individual needs through communications with customers during store visits, resending direct mail, phone contact through customer support and surveys.

2. Organization structures when offering service

We have started offering a new premium service and are promoting migration towards this. We will further enhance, improve and review all customer services including service content, operation and sales staff manner through working with independent advisers on consumer affairs and with other external professionals.

(New measures)

There are no new measures to be reported.

With an aging population and the increasing prevalence of IT in society, PC Depot believes that through its solutions centered on its premium services, it can provide support to those experiencing difficulties with technology, and make a significant contribution to breaking down the "digital divide". This attitude is encapsulated in PC Depot's slogans: "*tsukaitai no ni tsukaenai*" and "*tsukaete ita noni tsukaenakunatta*" (English translation: "*Want to use, but can't use*" and "*Could use but not anymore*"). PC Depot and its employees are committed to delivering the highest quality of services to its customers.

*All figures contained in this material are preliminary POS figures for the purpose of providing a progress report in a timely manner. Please be aware that these figures will differ from the final financial results.

End

PC DEPOT CORPORATION-Monthly Report for the Term Ending March 31, 2017

1. Net sales compared to the same month of the previous year (directly managed stores and subsidiary stores)

	April	May	June	First quarter	July	August	September	Second quarter	First half total	October	November	December	Third quarter	January	February	March	Fourth quarter	Second half total	Full year
All stores	100.2	104.5	106.4	103.6	106.9	89.5	76.6	90.9	97.2	80.9	82.3	81.2	81.5	77.5	84.1	87.0	82.5	82.0	89.2
Existing stores	100.6	104.6	106.6	103.8	107.4	90.1	78.5	91.9	97.8	82.1	83.1	82.3	82.5	78.7	85.6	87.5	83.6	83.0	90.1
(Reference: Previous year)																			
All stores	88.9	102.8	104.4	97.9	103.0	102.3	103.8	103.0	100.4	103.9	95.7	99.1	99.4	104.3	107.6	98.5	103.2	101.3	100.9
Existing stores	86.4	100.4	100.8	95.2	100.4	100.3	99.8	100.2	97.6	103.4	96.0	98.7	99.2	103.7	106.6	99.3	103.1	101.1	99.5

2. Net sales compared to the same month of the previous year by segment (directly managed stores and subsidiary stores)

	April	May	June	First quarter	July	August	September	Second quarter	First half total	October	November	December	Third quarter	January	February	March	Fourth quarter	Second half total	Full year	
Before correction	Products	85.6	88.7	88.4	87.5															
	Services	116.8	121.9	125.1	121.2															
(Reference: Final financial results)																				
After correction	Products	87.2	90.5	90.2	89.2	92.7	71.8	56.3	73.8	81.6	66.6	72.7	76.6	72.5	70.2	78.9	86.6	77.9	75.2	78.2
	Services	115.0	119.9	123.2	119.3	121.8	107.6	96.2	108.3	113.6	94.6	91.4	86.7	90.7	86.2	88.4	87.3	87.3	89.0	100.6
(Reference: Previous year)																				
Products				87.9				71.7	80.0				78.6							
Services				120.0				110.5	115.1				104.9							
(Reference: Previous year)																				
Products	76.7	93.4	93.5	86.6	91.0	89.0	89.6	89.9	88.2	89.2	82.3	88.8	86.9	94.6	93.5	86.9	91.6	89.2	88.7	
Services	112.9	118.2	120.2	117.0	122.1	123.9	124.0	123.4	120.2	124.1	112.3	114.4	116.5	118.7	123.2	113.1	118.1	117.3	118.6	

3. Changes in the number of stores (including directly managed stores, subsidiary stores, and PC Clinics)

Beginning of the year	April	May	June	July	August	September	October	November	December	January	February	March	Full year
123	123	123	125	125	125	125	125	125	125	125	125	125	125
including PC DEPOT Smart Life	25	25	28	28	28	29	29	29	29	29	31	31	31
Renovated Store			1			1	1				2		5
NEW			3										3
memo			Fujimino Toyosu Mito Kamisu *			Matsudo	Minato Mirai (Relocated)				Funabashi Niiza		

* PC Clinic in K's Denki Kamisu Store

- * Net sales compared to the same month of the previous year in Section 1 are calculated using POS data from PC DEPOT and PC DEPOT Smart Life stores directly run by PC DEPOT or its subsidiary as well as from PC DEPOT PC Clinic stores.
- * Net sales from services are the sum of the preliminary figures for technical service fees, various commissions, and communication charges, etc. The data transmission charges for MVNO business are included in the net sales from services.
- * All figures contained in this material are preliminary POS figures. Net sales from services are approximate and include anticipated rebates, etc. It should be noted that these figures will differ from the final financial results.
- * Subsidiary stores are the ones managed by PC DEPOT STORES CORPORATION.

■ Announcement

The monthly report for April will be published around May 11.

■ For inquiries regarding this material contact:

IR officer at 045-472-9838 or ir@pcdepot.co.jp

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