

## **Basic Concept of Premium Service Membership**

### **Introduction**

We fully and seriously recognize inadequacies in the quality of our company's Premium Member Service and have taken measures to improve it. We made further efforts to improve quality further by reconfirming from a customer-oriented perspective the structure of the Premium Service Membership plan, the understandability of the documents describing it, as well as our governance system and other issues which resulted in establishing the Quality Assurance Department.

As an important role in these endeavors, we set up an advisory board with external experts in December 2016. This board aims to solidify company self-regulation guidelines in order to continue to develop and provide customer-oriented services. It discusses issues and strategies based on opinions and advice that are autonomous, neutral, and highly specialized in a broad sense. The board members consist of President and Chief Executive Officer Takahisa Nojima and Director Nobuyuki Tanaka, as well as external experts including Ms. Hisa Anan, Mr. Susumu Maruyama, Ms. Taeko Yuine and Outside Director Mr. Atsuomi Obayashi.

One year has passed since the advisory board was launched, and we defined the policy of the Premium Service Membership in terms of "Principles," reflecting the results from a total of 10 discussions.

The first principle, Action Guidelines, declares that our philosophy based on our CSR and company vision has remained unchanged since our Company's establishment. In the second principle, Specific Initiatives, we summarized specific changes as an outcome of discussions held over the past one year. The third principle, Future Policy, promises our making further efforts in line with these principles. In the years ahead, we will be sure to carry out and continue them as part of the Company's principles.

## Principles of Premium Service Membership

### Principle 1. Action Guidelines

We will contribute to achieving fair and productive lives with our basic CSR policy, which specifies using our stores to eliminate the inequalities in our information society or namely bridging the so-called "digital divide" that arises as a result of differences in age, gender, income, education, place of residence, and other factors.

We will improve our membership services based on our customer-oriented CSR and our company vision. Just as specified in our conventional policy, we will have all customers subscribing to our services complete the standard process of application, do configuring-setups and give them an explanation of how to use the services at the stores. We will then support the members in solving their problems, which will work to their advantage, and strive to improve service quality so that they can use our products with greater peace of mind.

We will enhance our technology, experience and knowledge, mature as human beings and cultivate trust as specified in the employee guidelines. Members can in this way trust us with their total smart IT solutions lives from hereon including concerns such as "I want to try it but don't know how to use it" or "I'm worried about what to do if it breaks down."

We will reach out and connect with the members through our products, maintenance services and the Internet support and strive to build long-term relationships just like the feeling of a familiar customer who drops into a store.

We will continue to improve economic and functional value through member "digital exercise" meaning that they can use devices and enjoy themselves while doing so. They can also appreciate the advantages in terms of fees for communications, telephone calls, and media viewing and listening.

- We will implement and continue the Specific Initiatives below in order to provide members with even better services under the Action Guidelines described above.

## **Principle 2. Specific Initiatives**

### **1 Clarify business operation policy and focus on being customer-oriented**

- (1) We will operate our business in line with the guidelines and manual developed based on advice and guidance from external institutions and experts.
- (2) We will encourage the members to use support services and to promptly consult us about their problems by providing a brochure to introduce support services, together with a file (SPF and PMA)\* usually provided to customers when subscribing to services.

\*A file in which members keep and carry documents such as application forms, explanatory documents and user manuals

- (3) We established the Quality Assurance Department in November 2016 and allocate staff there who are not directly engaged in sales and are to improve the service quality, in order to check and improve services for cases where customers are using our services including the Premium Service subscription.
- (4) We will set up guidelines in consideration of elderly people aged seventy or above such as by asking for confirmation from their family members when subscribing to or terminating a service.

### **2 Improve quality through staff training and a performance appraisal system**

- (1) We will review the balance of performance appraisal items, and raise the ratio of staff evaluations by co-workers.
- (2) We will reinforce items related to improving the quality of the Premium Service on a skill-check sheet used as part of the internal qualifications.
- (3) We will conduct training with the aim of improving the service quality and ensuring application of the CSR philosophy.

### **3 Ensure the understandability of service contract**

- (1) We will make the service contract easy to understand by revising or abolishing the contents of the Premium Service plan and consolidating base plans.
- (2) We will add a table on the application form that clarifies fees by the number of elapsed months when terminating the service subscription.
- (3) We will ensure that POP advertisements at the stores and related documents such as the application form are readable by using photos and a basic font size of 8 or larger.
- (4) Regarding the Company's original products including service integrated products, we will strengthen the compliance as well as their understandability. Those measures are described in the membership guidelines revised in September 2017.

### **Principle 3. Future Policy**

In Japanese society where the expansion of IoT has made vast progress, IT related support, the social conditions surrounding it, the relevant laws and regulations, and products are changing. Under such circumstances, we will continuously change and improve the way our business should conform to these principles based on the transition in customer-oriented support required.

We will adhere to our customer-oriented policy and implement store operations so as to fully support our customers. Further, while contributing to the local communities as "familiar stores that customers like to visit," we aim to grow as solution stores with our original business model combining products, services, and member support.

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