



Press Release

August 25, 2016

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PC Depot's specific steps regarding existing and new Premium Service Contract Customers

PC Depot Corporation ('PC Depot') deeply regrets the concern that recent events have caused to its customers and other stakeholders.

In response to feedback from customers regarding our Premium Service Contract, PC Depot has found that due to insufficient consideration of customer needs, service provision that did not match the usage needs of our customers has occurred. On August 17, 2016 PC Depot issued a press release 'Response in respect of our customers with a Premium Service Contract'. Here, we provide further details of the specific steps that we are taking to remedy the situation.

1. Background

The son of a Premium Service Customer visited our store on August 14 and asked to cancel the contract, and we did so. Following this, stories of our response and criticism of our company spread on the internet.

On August 17, 2016 PC Depot issued a press release 'Response in respect of our customers with a Premium Service Contract.' (http://www.pcdepot.co.jp/english/co_ir/press/e_20160817.pdf)

2. Specific steps we are taking

In order to ensure that our service meets the needs of Premium Service Customers we are taking the following steps.

1) Customers affected

- Existing Premium Service Members: Approx. 400,000 customers
- New Premium Service Customers

2) Establish details of existing customer usage of our contracts and details of the contracts we are taking the following steps

These steps will be taken via our Total Service Call Center for Premium Service Customers ("Call Center") and via stores.

1. Sending of direct mails to existing customers asking them to cooperate in the confirmation of their understanding of contract details and their current usage.
2. Direct calls to existing customers to confirm contract details and their current usage. Direct calls will be made by either the Call Center or by stores.
3. Based on the results of 2., customers who request a detailed explanation or in-store guidance will be invited to visit dedicated Member's Counters in our stores where they can confirm details face-to-face.

Note: At PC Depot 'PC Clinics' located within major electrical goods stores an enquiry point will

be located at existing counters where confirmation can take place. (In certain stores a confirmation booth will be established)

Specific details of the steps that will be taken in the above confirmations are as follows:

- At stores with a dedicated Member's Counter, store staff will explain details of the contracts and Premium Service Quality Control staff ('Quality Control Staff') will check that those explanations are appropriate.
- At stores without a dedicated Member's Counter, store staff will explain details of the contracts following which Head Office Quality Control staff will check that those explanations are appropriate via a video telephone and video conferencing link.

Following confirmation of steps 2. and 3., where it is established that service provision does not match customer needs, remedial steps will be taken.

3. Ensuring that new customers are given appropriate guidance when entering into contracts.

For new applications, following the sales presentation and contract process, a member of our quality control staff (not a sales person) will confirm that the customer has properly understood the plan, contents of the contract, and cancellation charges. For stores without a quality control staff member, this guidance will be carried out by video call with the appropriate quality control staff member at head office.

4. When an existing member chooses to change their plan, we will confirm that they had been given appropriate guidance.

Following the contract process for changing the plan, a member of our quality control staff (not a sales person) will confirm that the customer has properly understood the plan, contents of the contract, and cancellation charges. For stores without a quality control staff member, this guidance will be carried out by video call with the appropriate staff member at head office.

5. Strengthening employee training, operations and supervision.

- We will thoroughly strengthen training and education for all staff.
- We will create additional documents and revise the content of documents to ensure that application forms and contracts have been thoroughly checked by quality control staff.
- Head office premium service quality control staff will be posted at the call center to ensure a timely review.
- We will strengthen branch reviews and contract reviews by the Internal Audit Office.
- By making Premium Service satisfaction the main indicator of branch performance, we will aim to improve the level of customer satisfaction, including quality of support, satisfaction, and frequency of use.

6. Timing and system

The above steps will be implemented from early September and then rapidly expanded in scale and scope. Reporting will be direct to the President. The following system will be used for implementation:

- In-store response, telephone response: approximately 100 staff
- In-store quality control staff: approximately 100 staff
- Call center customer response staff: approximately 50 staff
- Call center quality control staff: approximately 10 staff
- Staff to send direct mail, etc.: approximately 50 staff

PC Depot will continue to implement its response matched to customer requests and changes in the business environment.

PC Depot's Premium Service and other solutions services aim to meet a wide range of difficulties that customers encounter as encapsulated in our slogans describing the issues customers face: *tsukaitai no ni tsukaenai* and *tsukaete ita noni tsukaenakunatta* (English translation: *Want to use, but can't use* and *Could use but now can't anymore*). As the population profile ages and society becomes increasingly dependent on IT, PC Depot aims to make a major contribution to overcoming the digital divide*. All executives and employees of PC Depot are united in their commitment to provide appropriate service to our customers.

*Digital divide: the gap between demographics and regions that can use modern information and communications technology, and those that have difficulty in doing so.

3. Outlook

The expected effects of the items contained in this release and our release of August 17, 2016 'Response in respect of our customers with a Premium Service Contract' on PC Depot's consolidated business results for the fiscal year ending March 2017 will be disclosed when they have been determined.

ENDS