



FY3/2021 Third Quarter

February 12, 2021

Financial Results Presentation

PC DEPOT CORPORATION

PC DEPOT
SMART LIFE

Security Code 7618

Overview of FY3/2021 3Q Results

- Ordinary profit margin of **8.2%**
- Factors such as online penetration led to 8.8% Y/Y increase in product sales
- SGA expenses fell 2.2% Y/Y with downsizing of sales promotion activities and shortening store operating hours to avoid overcrowding
 - Promotional and advertisement activities began from December for further business expansion

FY3/2021 Full Year Forecast

- Business progress is in line with the revised earnings forecasts announced in November 12, 2020

Initiatives for Next Fiscal Year

- Strengthen our workforce to achieve customer success
- Continue with the preparation for a new store format

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FY3/2021 Third Quarter

FY3/2021

Market

- **Rapid acceleration** of daily life going online
- **Going** online stimulates demand for PCs/tablets
- **Decline** in smartphone demand
- COVID-19 leading to concerns for shrinking economic activities/worsening employment /decline in income/reduction in consumption

PC DEPOT

- **Promotion** for new Membership
- Higher hurdle set in PC sales volume given rush demand last year
- Boosting service to respond to digitization
- Improvement in our staffs' proposal capability
- **Decline** in smartphone sales

FY3/2021 3Q

- Online shift continues, and a wide range of solution needs exist
- Demand for products required for going online is increasing
- COVID-19 outlook remain uncertain, and concerns for income declines and a drop in consumption activities lingering



- **Continuing** with new membership promotion
→ **Launched newspaper advertisement and TV commercials**
- Products **Above Plan**
Surge in products sales in preparation for going online
→PCs, tablets, monitors, mesh routers, etc
- Service enhancement to meet online shift demand was
● in line with the plan
- Service needs for online shift **Above Plan**
→Rise in overall consultations related to IPv6 and online shift
- Improved response capability for digitization consultation with our dedicated staff system (works)
- Decline in smartphone sales as expected **In-line with Plan**
→Decline in line with the initial estimate
→New iPhone models to be introduced in October-November time frame

Sales Down, Profit Up

Units: mil Yen, %	FY3/2020 3Q		FY3/2021 3Q		FY3/2021 Full Year Forecast	
	Results	Results	Y/Y	Forecast	Progress rate	
Net Sales	28,854	28,656	$\Delta 0.7$	38,500	74.4	
Products	10,077	10,960	$\Delta 8.8$	—	—	
Solution service	17,828	16,749	$\Delta 6.1$	—	—	
Internet related businesses(subsidiary)	904	899	$\Delta 0.5$	—	—	
Gross Profit	13,711	13,525	$\Delta 1.4$	—	—	
SGA expenses	11,480	11,228	$\Delta 2.2$	—	—	
Operating Profit	2,230	2,296	2.9	3,250	70.7	
Ordinary Profit	2,316	2,342	1.1	3,300	71.0	
Net profit attributable to parent company shareholders	1,536	1,578	2.8	2,200	71.8	
EPS (Yen)	30.56	31.33	2.5	43.63	71.8	
ROE (%)	6.8	6.9	0.1	8.7	79.3	

* % shown are Y/Y change for the full year

Net Sales

Product sales

Increase in demand related to remote work and home study led to sales volume expansion

- ↑ PC, peripheral devices, tablets
- ↓ smartphones

Solution services

- Recommending to reserve for a store visit to avoid crowds
- Dedicated digital consultants continue to provide well-planned future proposals

Gross Profit

Higher sales mix for products led to a decline in gross profit margin

SGA expenses

Promotion and advertisement expenses centering on newspaper flyers decreased 22.1% Y/Y

Personnel costs fell 0.7% Y/Y due to an increase in store closure days and shorter operating hours, yet the hiring activities accelerated

Secure stable funding

Unit: mil Yen	2020 end of March	2020 end of December	Change
Total current assets	23,823	28,482	4,658
Cash and deposits	8,383	12,429	4,045
Accounts receivable	9,421	9,072	△348
Inventory	5,695	6,612	916
Total fixed assets	9,220	9,721	501
Tangible fixed assets	4,362	5,216	853
Intangible fixed assets	647	511	△136
Investments & other assets	4,209	3,993	△216
Total assets	33,043	38,203	5,159
Total current liabilities	5,059	7,151	2,091
Total tangible liabilities	2,725	4,807	2,082
Total liabilities	7,784	11,958	4,174
Total shareholder's equity	25,204	26,180	975
Total net assets	25,259	26,244	985
Total liabilities/ net assets	33,043	38,203	5,159

Cash/Borrowings

Increased working capital to respond flexibly
→Borrowing 4.5 billion yen

Receivables

Receivables fell as sales of integrated service products like iPhones fell

Inventory

Stocked up to prepare for the impact of COVID-19

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CF (consolidated)

	FY3/2020 3Q	FY3/2021				Changes
		1 Q	2 Q	3 Q	3Q Results	
Unit: mil Yen						
Operating CF	1,492	1,091	1,008	921	3,021	1,528
Investment CF	△851	△332	4	△1,124	△1,451	△600
Financial CF	△1,913	3,735	△565	△876	2,294	4,207
Cash or cash equivalents at end of term	8,270	12,877	13,325	12,247	12,247	3,976

Operating CF

Kept inventory to prepare for increasing demand for devices

Receivables fell as sales of integrated service products like iPhones fell

Investment CF

Increased working capital to respond flexibly
→Borrowing 4.5 billion yen

	FY3/2021				FY3/2020	
	1Q	2Q	3Q	3Q Results	Annual Forecast	Annual Results
Solution Services Previous years sales	△4.4%	△10.1%	△3.5%	△6.1%	△5.0%	△ 9.5%
Gross Profit Margin	47.1%	47.6%	46.9%	47.2%	47.5%	47.2%
Capital Investment	—	—	—	1.43 bil	1.1 bil	1.28 bil
Depreciation Amount	0.19 bil	0.19 bil	0.19 bil	0.59 bil	0.8 bil	0.75 bil
Renovation to smart life store	None	None	4 stores	4 stores	Flexible →Around 5 stores	7 stores
Newly opened smart life store	1 store (※)	None	None	1 store (※)	Flexible	None
Newly opened PC Clinic	1 store	None	None	1 store	Around 5 stores	5 stores

(※) Relocation of a store in Koto-ku, Tokyo which was closed in January 2020 and opened anew

Units: mil Yen, %	FY3/2020 Results		FY3/2021 Forecast (Revised on November 12, 2020)	
	Results	Y/Y	Forecast	Y/Y
Net Sales	39,137	△3.2	38,500	△1.6
Operating Profit	2,941	14.0	3,250	10.5
Ordinary Profit	3,018	12.4	3,300	9.3
Net profit attributable to parent company shareholders	1,718	10.7	2,200	28.0
EPS(Yen)	34.18	10.5	43.63	27.6
ROE(%)	7.0	0.4	8.7	1.7

Solution Service Sales

Down **5.0%**

(Previous term results down 9.5%)

Expect lower sales of service-inclusive product as smartphone sales decline

Gross Profit Margin

47.5%

(Previous term results 47.2%)

Capital Investment

1.1 Bil

Depreciation Amount

0.8 Bil

*We estimate the impact of COVID-19 based on information available as of February 12, 2021, and no material impact has surfaced thus far. We will promptly disclose should our business outlook require revisions.



Outlook for FY3/2021

Preparing for Expansion

1 Increase Hiring/ Training

- Number of personnel to expand through employment sharing from the beginning of March. The maximum number of staff is expected to be 400
- **150 new employees** to join next spring
(76 new employees joined in April 2020)
- Strengthen capability of digital consultants

2 Amplify Promotional Activities

started various promotional and advertisement activities

- Advertisement posted on Nihon Keizai Shimbun
“Digital Consultants in All Households”
- TV commercials began to air in Kanto area

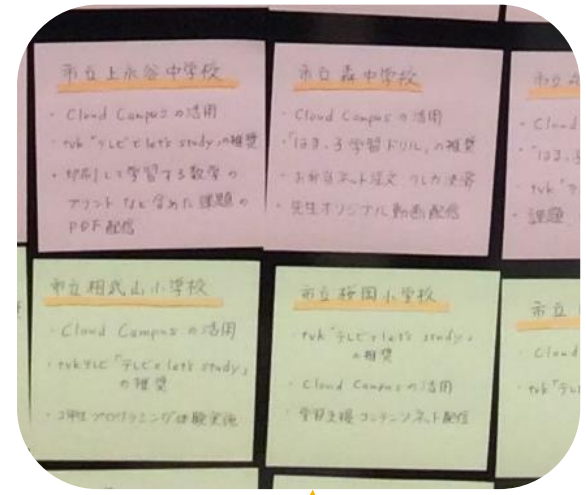
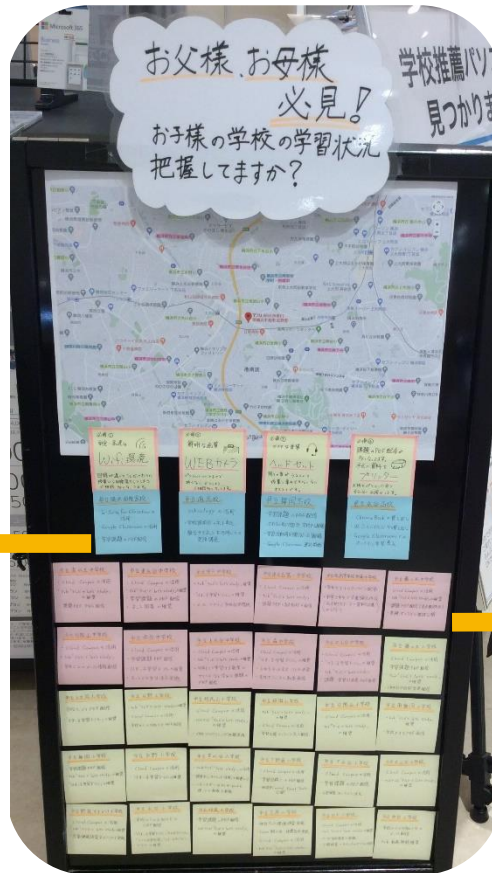
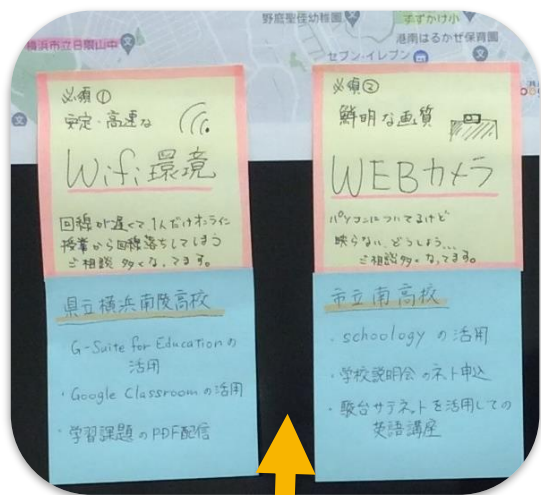
3 Store/Area Expansion, Development of New Store Format

- Promote renovation to Smart Life stores
→5 store opening planned in 2H . . . 4 stores already opened in 3Q
- Developing new store format

2

An Example of Proposal by Digital Consultants

Introducing items necessary for online studies and status by **each** school in the community



● Must items for going online

- Wi-fi environment
- WEB camera
- Headset
- Printer

● Shift to online situation by elementary, junior-high, and high schools in the community

- Elementary School X
 - Using Cloud Campus
 - Recommending TVK TV program “TV let’s eStudy
 - Online Distribution of study support contents



[PC DEPOT to Accept Employees Seconded from HIS (Employment Sharing)]

We plan to have them engage as customer success staffs (digital life planners)

~They will start to work at our stores, the member relation center, and other locations from March onward~

2021年2月9日
株式会社ピーシーデポトローション

【PCデポ HISより 出向受け入れ（雇用シェア）】
カスタマーサクセス対応スタッフ（デジタルライフプランナー）として配置予定
～3月より順次 店舗・メンバーリレーションセンターなどの業務～

地域のデジタルライフを支える専門店を運営する株式会社ピーシーデポトローション(本社:神奈川県横浜市、代表取締役社長執行役員:野島隆久/東証一部コード番号 7618)(以下、当社)は、株式会社エイチ・アイ・エス(本社:東京都港区、代表取締役会長兼社長:澤田秀雄/東証一部コード番号 9603)(以下、HIS)より出向を受け入れることを決定いたしました。

■受け入れの背景

今回の出向（雇用シェア）は、新型コロナウイルス感染症の影響を受ける旅行業界からの受け入れとなり、業界の需要回復並びに、業態変更などに伴う就業環境の変化などに対応するまでの期間、一時的に仕事創出の機会を提供するものです。新型コロナウイルス感染症拡大に伴う業績影響の収束等を考慮し、出向元に戻るという期間限定の出向受け入れとなります。

HIS社が長年培ってきた、顧客の楽しさや、豊かさを提供するスキルを活かして、当社が「カスタマーサクセス」に対応した「Works（チームの呼称）」のスタッフとして、店舗やメンバーリレーションセンターの応対において、顧客の楽しさや豊かさを含めたデジタル生活全般のお手伝いに従事していただくことは、顧客の価値創出はもとより、当社の既存従業員の質の向上、新たな価値の発見など貴重な機会になると確信しております。

■出向の概要

開始時期：2021年3月上旬から夏にかけて順次受け入れ開始
出向人数：100名から開始し、最大で400名までを予定
雇用形態：出向 ※HISに籍を置きながら、一定期間当社にて勤務いただくため出向とします。
就業場所：全国の店舗内の各「Works」、本社カスタマーリレーションセンター、本社「Works」を予定しています。
出向期間：原則、新型コロナウイルス感染症の影響等により減少した就業機会の回復までの期間限定とし、終了期間は両社相談の上、決定します。

■今後

新型コロナウイルス感染症の拡大により、事業環境が大きく変化し、多くの就業機会が喪失しています。当社は、そのような環境下の業界に従事する貴重な人材の方々に、意義ある仕事を一緒に作る場の提供が僅かながら可能と考えています。今後は、当社のメンバー様はじめ、ステークホルダー皆様の理解を得ながら、社会の一員としてこの難局を乗り越えるべく、企業様および所属している従業員の皆様と一緒に「やりがいある仕事」を継続することにより、社会に貢献できるよう一生懸命努力します。今後も、“貴重な人材受け入れ”によって事業継続のお手伝いが叶う場合、業種、業態問わず、検討を進めてまいります。

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<本件に関するお問い合わせ先>

広報担当 総合リレーション室 山下 kouhou@pcdepot.co.jp
TEL：045-472-9838（受付時間 10：00～17：00）

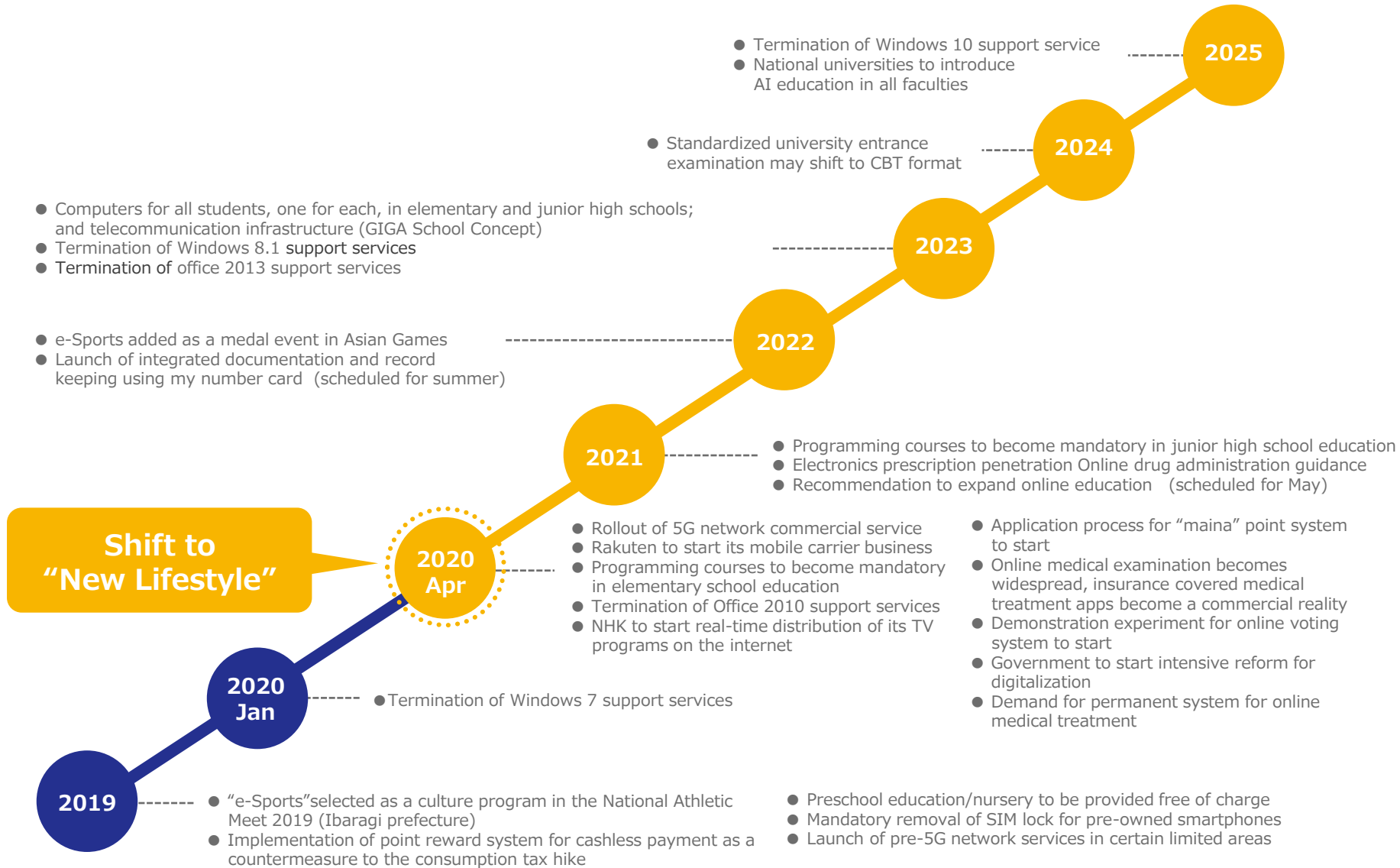
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https://www.pcdepot.co.jp/co_ir/press/20210208.html (Japanese only)

2

Proposal Areas for Digital Consultants



2

Amplify Promotional Activities

Nihon Keizai Shimbun morning paper national edition, December 15, 2020

Transform Japanese digital environment from home "Digital Consultants" in all households

Publishing a dialogue format advertisement featuring our president and CEO Takahisa Nojima, and a freelance announcer Ms Hitomi Nakamura

日本のデジタル環境を家庭から変えていく
すべてのお宅に「デジタル担当」を
 在宅ワークや学校授業のオンライン化など、家庭でもデジタル化が進んだ今年、フリーアナウンサーの中村仁美さんが「家庭でのデジタル化にとって必要なこと」というテーマで、PC DEPOTの野島隆久社長にインタビューした。

野島 隆久プロフィール
 1964年東京都生まれ。1986年慶応義塾大学経済学部卒業。1987年PC DEPOTに入社。2010年社長に就任。2019年10月、PC DEPOTの経営方針として「デジタル生活」を掲げ、デジタル生活の推進に力を入れている。

中村 仁美プロフィール
 1987年東京都生まれ。2010年慶応義塾大学経済学部卒業。フリーアナウンサーとして活動中。現在はPC DEPOTのデジタル生活推進に力を入れている。

PC DEPOT SMART LIFE
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 TEL:03-472-7795 www.pcdepot.co.jp



https://www.pcdepot.co.jp/co_ir/mediainterview/nikkei/ (Japanese only)

2

Amplify Promotional Activities

TV commercials started from
December 2020



<https://www.pcdepot.co.jp/adgallery/>

(Japanese only)



2

Smart Life Renovation

Enhancing the **support area** where we offer solutions to our members/customers



Future Design Works

Works (digital consultant) design well-planned proposals for the premium members in "Future Design Works"



PREMIUM MEMBER LOUNGE

Premium members are offered digital life proposals in the Premium Member Lounge



Communication Area



Product Display/Experience Area



Workshop Area

2

Store Development (Excluding FC, as of 12 February 2021)

PC DEPOT

PC DEPOT Smart Life

PC DEPOT PC Clinic



	PC DEPOT	PC DEPOT Smart Life	PC DEPOT PC Clinic
Store style	Suburban type, large-scale store	Large scale urban store, Small-medium scale store	In-store PC Clinic counter
Directly operated	6 stores	49 stores	58 stores
Subsidiary operated	5 stores	8 stores	6 stores
Total	11 stores	57 stores	64 stores





Outlook for FY3/2022

3

As the Company to Achieve Customer Success

Vision

Resolve digital divide in the information society

Mission

Provide digital consultants to all households



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3

As the Company to Achieve Customer Success

Shift to LTV (life time value) -based Management
Reviewing internal KPIs



3

Preparation for a new store format

Developing New Store Format Vehicle-type Store Plan to be introduced this summer



※Image photos

Press release out on December 17, 2020

A vehicle-type store “Connected Mobile Store”(tentative name)
is scheduled to be launched next summer

<https://www.pcdepot.co.jp/pdf/english/ir/release/201217.pdf>



3

Preparation for a new store format

Connected Mobile Store (tentative) is to become a vehicle-type store offering consultations on any matters related to digital platform



Studio

Live Lecture

e-Shop

Online Live Commerce

Ride Share Service

Workshop

Online Classroom

Telework

e-Sports

Direct to Consumer

Product Purchase

Repair

Usage Lecture

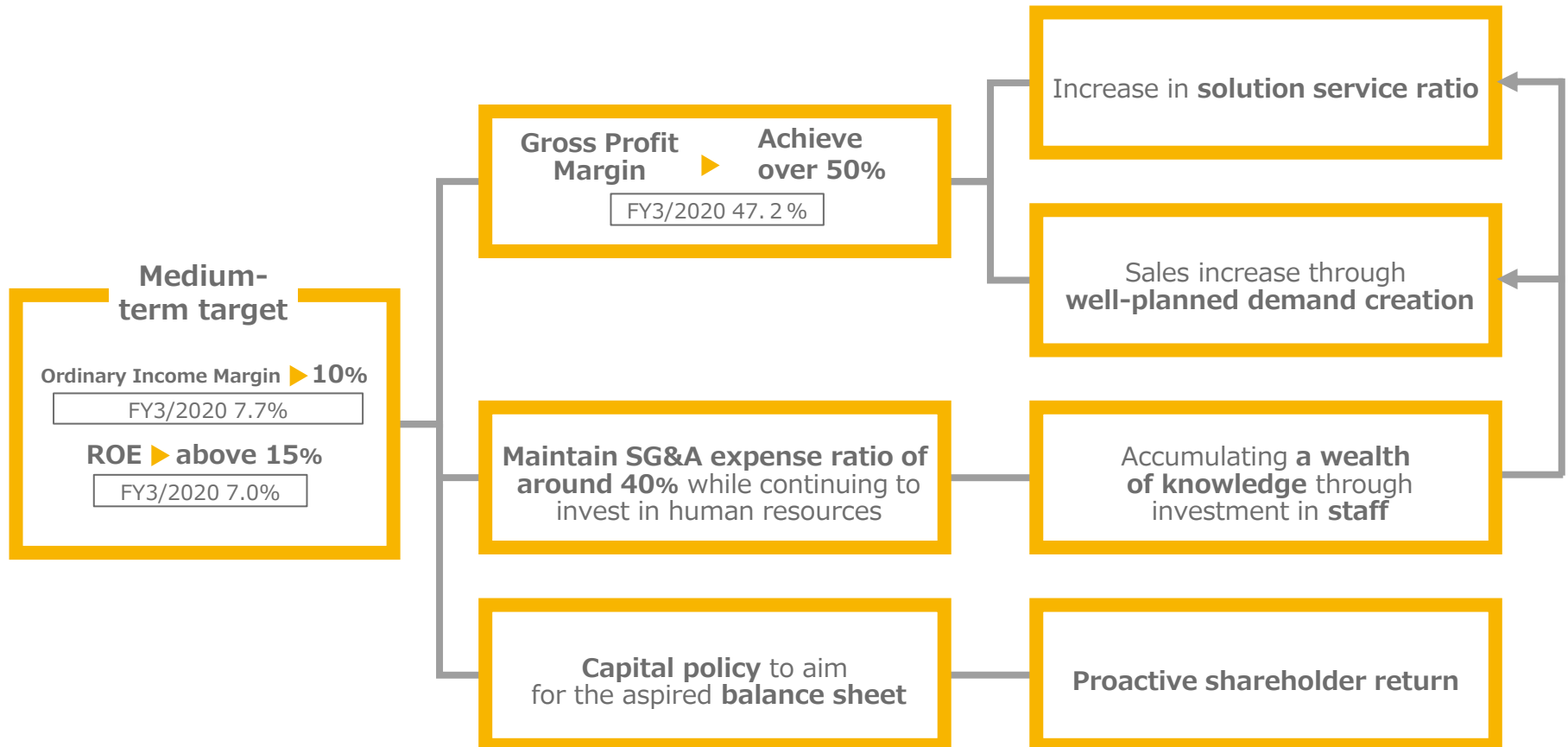
Theater

Workout

3

Path to Value Creation

Aim for corporate value enhancement through quality, not through scale



3

Provide digital consultants to all households



Works (digital consultants) consisting of staff with areas of expertise will support enriched digital life of the premium members, and with digitization, contribute to solve social issues



General Stakeholder Relations Office
(Persons in charge: Matsuo and Takeda)



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All financial forecasts and predictions made in this presentation were based on information available at the time of release of this document. The information included reflect a number of uncertainties and actual financial results may differ greatly from out forecasts due to various uncontrollable factors. We ask any investors to only make investment decisions with a full understanding of the above, based on their own judgements.