



Press Release

September 9, 2016

Company name: PC Depot Corporation
 Representative: Takahisa Nojima, President
 TSE Section 1 Code number: 7618
 Contact: Yuko Matsuo, Director,
 General Manager of President's Office
 Tel: +81-(0)45-472-9838

IR and media contact (English): mail@ashton.jp Tel: +81-(0)3-5425-7220

PC Depot Monthly Sales Report

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

1. Monthly sales report

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

(%)	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	YTD
All stores	100.2	104.5	106.4	106.9	89.5								101.3
Existing stores	100.6	104.6	106.6	107.4	90.1								101.7

2) Segmental sales compared to same month, previous year (Directly managed/subsidiary stores, and PC Clinics)

(%)	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	YTD
Products	87.2	90.5	90.2	92.7	71.8								86.4
Services	115.0	119.9	123.2	121.8	107.6								117.3

2. Summary

1) Monthly sales summary

The main factors in sales for the month of August in the year ending March 2017 compared to the same month of last year were as follows: 1. Windows 10 free upgrades, and 2. The effects of matters related to the announcement we made on August 17, 2016. Regarding 1, relative to our results forecasts announced on May 10, 2016, sales are within the scope of initial plans. The main factors in the decline of sales seen in August are as follows:

A) Effects on sales (all stores) compared to the same month of the previous year:

Considering only the effects of free Windows 10 upgrades (see 1, below) which were reflected in our initial forecasts, sales in August would have been approx. 96% of the previous year's figure, however due to the effects of matters related to the announcement we made on August 17, 2016 (see 2, below) the respective August sales were 89.5%.

Details		All stores
1	Effect of the high level of sales in the previous year due to high support needs of customers resulting from the commencement of free upgrades for Windows10, etc.	Minus 2% pts. (Approx.)
	Reaction to the ending of Windows10 free upgrades on July 29, 2016, etc.	Minus 6% pts (Approx.)
2	Voluntary restraint of sales promotion activities from August 17, 2016 resulting in a decline in product sales, technical services and new members, etc.	Minus 6% pts (Approx.)
	Effect of decline in unit price of service contracts of existing members due to cancellation of contracts and changes in contract terms (August contract cancellation rate: Normal rate approx. 0.6% + Related to this matter approx. 0.3% = 0.9%)	Not material

B) Effects on segmental sales (all stores) compared to the same month of the previous year:

Considering only the effects of free Windows 10 upgrades (see 1, below) which were reflected in our initial forecasts, product sales in August would have been approx. 78% of the previous year's figure, and service sales approx. 113%, however due to the effects of matters related to the announcement we made on August 17, 2016 (see 2, below) the respective August product sales were approx.71.8% and service sales approx. 107.6%.

Details		Products	Services
1	Effect of the high level of sales in the previous year due to high support needs of customers resulting from the commencement of free upgrades for Windows10, etc.	Minus 1% pts (Approx.)	Minus 3% pts (Approx.)
	Reaction to the ending of Windows10 free upgrades on July 29, 2016, etc.	Minus 6% pts (Approx.)	Minus 6% pts (Approx.)
2	Voluntary restraint of sales promotion activities from August 17, 2016 resulting in decline in product sales, technical services and new members, etc.	Minus 6% pts (Approx.)	Minus 6% pts (Approx.)
	Effect of decline in unit price of service contracts of existing members due to cancellation of contracts and changes in contract terms (August contract cancellation rate: Normal rate approx. 0.6% + Related to this matter approx. 0.3% = 0.9%)	Not material	Not material

2) Progress report on the projects announced on August 17, and August 25, 2016

As announced on August 17, and August 25, 2016 the following initiatives to restore the trust of members and other customers have commenced:

1. Existing customers: Commenced contacting existing customers to confirm their existing usage details so they can use our services with peace of mind
 --From September 1, 2016 direct mail contact with approximately 400,000 service contract customers commenced and as of September 8 direct mail had been sent to 25,000 customers. Following this, the usage patterns of directly mailed customers will be confirmed and detailed explanations provided. Customers wishing to visit a store for explanation will receive further explanation at in-store consultation counters.
2. For newly contracting customers quality control staff have been assigned to stores to ensure they can use our services with peace of mind
 --When customers apply for a new contract we have initiated reconfirmation of details of the contract with customer quality control staff, separate from sales staff
3. Measures to ensure that older contracting customers can use our services with peace of mind
 --From August 17, 2016 we commenced a range of measures including confirmation by a family member or third party when a contract is signed, and exemption from cancellation fees.
4. In addition to points 1-3 above we have also commenced a project to ensure that customers can easily understand service and plan details, monthly fees, cancellation fees and other details.
 --In implementing this project the opinions of outside directors and other outside experts will be sought and the project will be enhanced and revised based on their input.

For the time being PC Depot will refrain from newspaper insert advertisements, renewal of existing stores and new store openings, and through steadily implementing the above initiatives will strive to restore trust and meet the needs of the communities it serves as encapsulated in our slogans: *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*).

3. Outlook

PC Depot will pursue the measures previously announced on August 7 and August 25, 2016. As these measures have just begun, it is not yet possible to quantify their effects. However, when the expected effects on our business results for the year ended March 2017 are known, they will be promptly disclosed.

The monthly sales report for September 2016 is scheduled to be announced on or around Tuesday October 11, 2016.

*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.

ENDS

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		98.0	101.3											101.3
Existing stores	100.6	104.6	106.6	103.8	107.4	90.1		98.5	101.7											101.7
(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		82.1	86.4											86.4
Services	115.0	119.9	123.2	119.3	121.8	107.6		114.4	117.3											117.3
(Reference: Previous year)																				
Products				87.9					87.9											87.9
Services				120.0					120.0											120.0
(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
including PC DEPOT Smart Life	25	25	28	28	28								28
Renovated Store			1										1
NEW			3										3
memo			Fujimino Toyosu Mito Kamisu *										

* 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 September will be published around October 11.

■ For inquiries regarding this material contact:
IR officer at 045-472-9838 or ir@pcdepot.co.jp

*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.