

# Providing Five Values—PC DEPOT Materiality

In light of changes associated with the spread of IoT equipment, Japan's declining and aging population, regional divides, global overpopulation, the shift to AI and robots, climate change, environmental issues, and world affairs, in 2018 we embarked on "integrated work-style, productivity and educational reforms based on our CSR philosophy," which we believe is the approach we should take to achieve our next stage of growth, with the prospect of expanding the scope of production only humans can do.

We will create prospects for our customers to see value in us in the future, prospects for the company's sustainability and growth, prospects for stabilizing our employees' livelihoods, and positive prospects for all stakeholders. (Introduction from "To Our Stakeholders" published on May 25, 2018)



# Social

**Member Voices**

**Mr. and Mrs. S** Minato Mirai Store

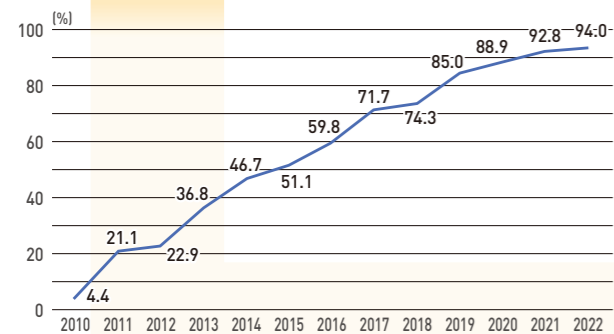
My wife's computer had become old and difficult to use, so we consulted a nearby PC DEPOT.

As we were buying a new computer, we decided to try a Mac, which is not different from the iPhone she has been using. We were surprised at how easy it was to use, and my wife raved about it.

When I heard that support for my feature phone was coming to an end, I decided to join my wife and bought an iPhone, and was once again surprised at how convenient and fun it is to use. Unlike my old phone, I can use the iPhone to pay at the cash register, and am now able to easily share photos, which was not possible when I was the only one with a feature phone, and it also comes in handy at work. I am surprised at how essential digital technology has become in my life.

**DATA** Rapid Smartphone Penetration Rate Nationwide Survey of Men and Women Aged 15-79

The percentage of mobile phone owners who own a smartphone increased from about 4% in 2010 to 94% in 2022. Now that smartphone ownership has become commonplace, there are concerns that not being able to use a smartphone may present a variety of obstacles.



Source: Ratio of Smartphones among Mobile Phone and Smartphone Owners, NTT DoCoMo Mobile Society Research Institute

**New digital adventures make life exciting!**



**From a Digital Life Planner**

The pace of digitalization in society is so rapid that many families have stopped trying to keep up.

We ask for your cooperation in improving your own lives and helping society adapt to digital lifestyles by utilizing digital technologies.

**Riki Ouchi**  
First year of employment  
PC DEPOT Smart Life  
Minato Mirai Store



1



The entire family is connected

**Member Voices**

**From a Digital Life Planner**

A stable home Wi-Fi connection for your computer or smartphone is an effective way to save money on mobile phone costs.

Further, the ability to use digital technologies safely and comfortably anywhere in your house helps facilitate a networked society. We also ask for your cooperation in taking security measures.

**Shusuke Kanedo** 10th year of employment  
PC Clinic K's Denki Ishioka Store



**Freedom from Digital Stress**

**T Family** PC Clinic Ishioka Store

The wireless environment in our house had poor reception. We went to PC DEPOT to consult a professional and found out that we could solve the problem by purchasing the latest wireless system, which improved our Internet environment.

We are now able to watch videos online without stress, and are having a great time as a family.

2



**Pick up Topics**

**Facilitating Mandatory Programming Education in Elementary Schools**

Curriculum guidelines were revised in 2020, making programming education mandatory in elementary schools. As this is the first class that children in the family will take, the reality is that it can be very confusing for parents. Rather than educating children on how to write programs, the intention is to develop logical thinking and problem-solving skills. Children are first provided an opportunity to become acquainted with using computers through familiar games, then learn how to use digital devices and how programming can be used in fun ways.

Since August 2022, PC DEPOT has held Learn Programming by Playing Minecraft to help children initially get used to and enjoy digital devices.

**Member Voices**

**No Matter What Happens, You Have Peace of Mind with a Smartwatch**

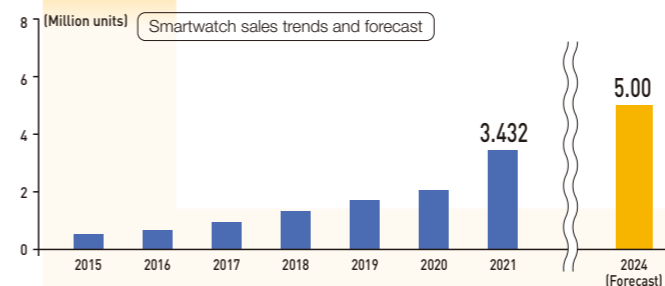
**Y Family** Smart Life Yokosuka Store

After experiencing an accidental fall, I have peace of mind knowing that if something happens, my smartwatch will notify emergency services! I can now go out and actively enjoy my life with no worries.

I am also connected to my son, who lives far away, via LINE, which also provides peace of mind.

**DATA** Digital Technologies Facilitate "Physical Safety"

Smartwatches are becoming indispensable tools for health management. They are also evolving into a convenient digital tool everyday for life with safety features such as emergency alerts and the ability to make electronic payments.



Source: FY2021 Smartwatch Market Size Trends, Forecasts and Actual Usage, MM Research Institute, Ltd.



3

**From a Digital Life Planner**

From her experience, I am glad to know that the smartwatch enables her to live a safe and comfortable life.

We hope that, in addition to personal health and longevity, members will help realize a healthy society throughout Japan.

**Mina Kusunuki**  
13th year of employment  
PC DEPOT Smart Life Yokosuka Store



## Social

### Member Voices

## Digital Technologies Connecting Society

**W Family** Smart Life Makuhari Store

We became members so our daughter could do what she loves.

Due to the pandemic, my wife's volunteer work teaching Japanese to people from overseas has also become an online activity. It was difficult at first, but thanks to Ms. Otsuka's support, she is now able to use the computer to create teaching materials, and her communication skills have improved.

Now it is my wife who relies on Ms. Otsuka the most.



### From a Digital Life Planner

The spread of online social interactions, including learning and work, is unstoppable.

Please help us keep pace with changes in society.

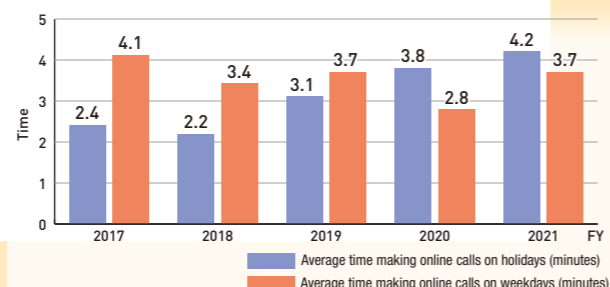
**Kotomi Otsuka** 17th year of employment  
PC DEPOT Smart Life Makuhari Inter Store



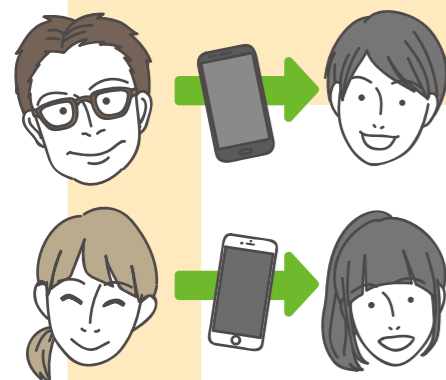
# 4

### DATA Average Time Making Online Calls

Looking at previous Survey Reports on Telecommunications Media Usage Time and Information Behavior, usage of Internet calling has increased more on weekdays than weekends and holidays since 2020, partly due to the pandemic.



Source: Telecommunications Policy Research Institute, Ministry of Internal Affairs and Communications  
Compiled from "Survey Report on Telecommunications Media Usage Time and Information Behavior" (2018-2021).



### Member Voices

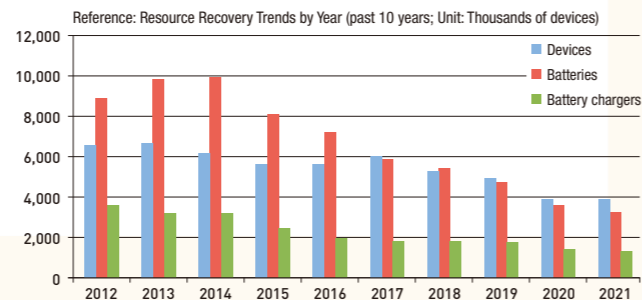
## Operation: Family Hand-me-down

**H Family** Smart Life Ariake Garden Store

When a new version of the smartphones used by my wife and I are released, rather than trading them in, we hand them down to our children. As parents, we feel comfortable handing them down to our children because we used to use them ourselves.

### DATA Recycling in Decline

According to FY2021 Recycling Results and Resource Recovery Status published by the Telecommunications Carriers Association (TCA) and the Communications and Information Network Association of Japan (CIAJ), the number of units recycled remained flat and the resource recovery rate decreased. This was due to the general trend toward long-term retention of smartphones no longer used as telecommunications equipment, the resale of used smartphones, and fewer visits to mobile phone stores, which function as smartphone recycling collection points, due to the pandemic.



Source: "FY2021 Recycling Results and Resource Recovery Status," CIAJ

### From a Digital Life Planner

Smartphone functions change dramatically every year, but calls and Internet use are still possible even without the latest models. Handing down smartphones among family members, such as from parents to children, and from children to grandparents, facilitates safe and secure reuse within the family, hence we ask for your cooperation in this environmentally and financially friendly initiative.

**Junya Mori**  
Second year of employment  
PC DEPOT Smart Life Ariake Garden Store



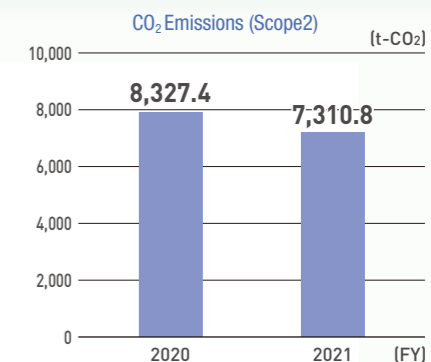
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## The Environment

### Environmental Response

PC DEPOT is currently transforming its business model from a retail distribution business to a membership business. Accordingly, our business model is about to transition from business conducted mainly when customers visited stores, which requires the use of electricity, to a business model that uses less energy. Further, the transfer of smartphones and PCs among member families (hand-me-downs and ups) contributes to the realization of a recycling-oriented society not reliant on mass production and consumption.

In FY2021, PC DEPOT CO<sub>2</sub> emissions amounted to 7,310.8 t-CO<sub>2</sub>, an 87.8% reduction compared with 8,327.4 t-CO<sub>2</sub> emitted in FY2020. On a per unit of sales basis, this is a greater reduction than the 86.2% decline in sales.



### Risks and Opportunities

- In light of the recent increases in the scale and frequency of natural disasters (multiple once-in-a-century floods and other events), store operations are increasingly likely to be severely impacted by large-scale natural disasters. We confirm local municipality hazard maps, identify stores where flooding or other damage has the potential of resulting in a significant impact on business operations, and take the appropriate countermeasures.
- Converting from a retail distribution to a membership business enables customer members to share the use of digital devices they already own across generations, facilitating product recycling. The provision of products with a reduced environmental impact curtails the emission of CO<sub>2</sub> during usage and is linked to the establishment of customer trust and the provision of services.
- The launch of the Yokohama Key Station, a facility (base) for members that also serves as a head office, has increased convenience, facilitated the dissemination of various information as a place where related parties can gather and events can be held, and expanded the potential for collaborations between members and partner companies. Having completed this upfront investment, we can now leverage it to make further investments in software and human resource development.



## Education

PC DEPOT provides many training opportunities throughout the year aimed at developing Digital Life Planners able to realize the business model transformation and enrich the lives of our members.

In addition to the Timeless training, conference training, and new employee training described in Transforming Our Business Model from Merchandise to People (pp.17-19), we also conducted the following training programs.



Training	Content	Targets
Mastering customer service (April 6-7, 2021)	Confirmed duties, responsibilities, and the objective of our profession: Realizing customer family success = Enriching lifestyles.	All employees, held online
First Nationwide Digital Life Planner Representative Conference (May 19, 2021)	Defined the basic philosophy that views customers not as individuals but as part of a family, and that the growth of individual employees and of the company is based on customer success. Also defined company business as the resolution of social issues, and resolved a total of eight proposals by employee consensus, represented by Works leaders.	All employees, held online and in-person (Imperial Hotel with 70 attendees)
Second Nationwide Digital Life Planner Representative Conference (October 19-20, 2021)	In addition to defining customer families as our greatest asset, we defined human resources as employees displaying humanity such that families will include them as one of their own members. Also resolved a total of eight business-related proposals by employee consensus, represented by Works leaders.	All employees, held online and in-person (Shin Yokohama Prince Hotel with 300 attendees)
Third Nationwide Digital Life Planner Representative Conference (February 15-16, 2022)	Resolved a total of five proposals, including defining the company's business as the resolution of social issues as well as individual professional aspirations.	All employees, held online and in-person (Yokohama Key Station with 350 attendees)

Entertainment

Member's Home: Yokohama Key Station



Having fun with grandchildren



Halloween-themed diorama



**Carnival Corner**  
Participants and their children enjoyed fun activities and games, including fishing for superballs, ring toss, and candy catching.



The Yokohama Key Station is similar to a "home" for all members. We held an "Appreciation Festival" as an opportunity for member families to come together from across Japan, show our gratitude and experience "fun = entertainment."



Time warp to the Showa Era?

**October 21<sup>Fri</sup> 22<sup>Sat</sup> Fall Member Appreciation Festival**



**Sponsoring the Kanagawa Shimbun Digital Friendship Meeting Collaborative Event!**  
Kanagawa Shimbun discussed differences between news coverage in the digital age and newspapers in the past, and provided opportunities to experience viewing newspapers in digital format.



Engaging with customers while wearing costumes!

**Collaboration with HIS: Tabi-iro Club Experience global travel digitally!**  
At the festival, world tours lasting approximately one hour each were held online, enabling users to experience live local feeds from Mongolia and New Zealand.



Relaxed consultation time

Communication creates smiles all around



Consultations regarding smartphones and other issues

