

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

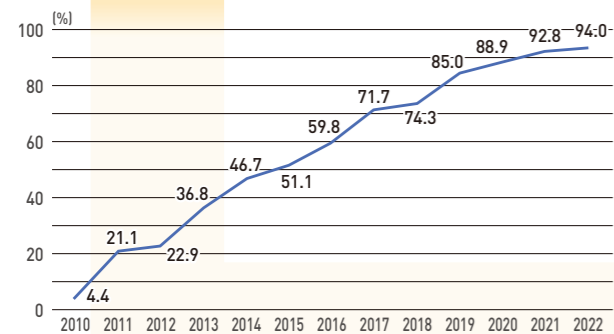
My wife's computer had become old and difficult to use, so we consulted a nearby PC DEPOT.

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

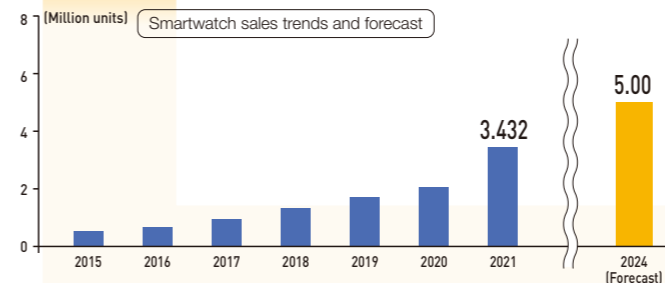
Y Family Smart Life Yokosuka Store

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.

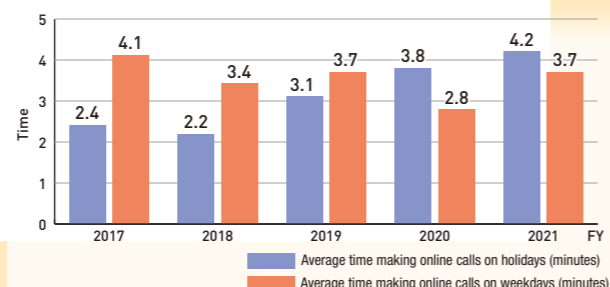
Kotomi Otsuka 17th year of employment
PC DEPOT Smart Life Makuhari Inter Store



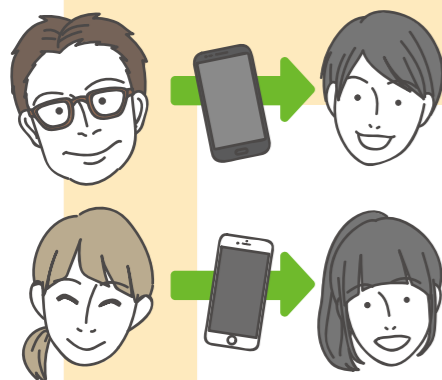
4

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

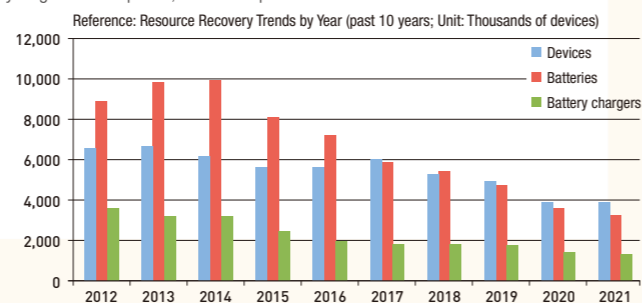
Operation: Family Hand-me-down

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



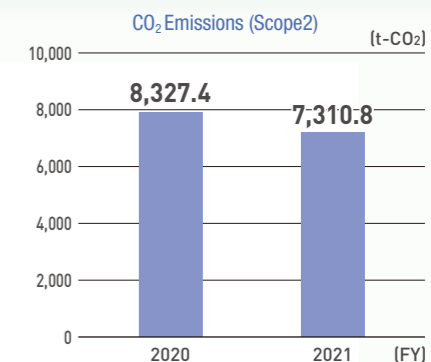
5

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 CO₂ emissions amounted to 7,310.8 t-CO₂, an 87.8% reduction compared with 8,327.4 t-CO₂ 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 CO₂ 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^{Fri} 22^{Sat}

Fall Member Appreciation Festival

Mother's club for digital issues

Cafeteria

Carnival

Invitation booth

Inviting families to become "member shareholders"

New employee recruiting booth

Kanagawa Shimbun Digital Friendship Meeting

Smartwatches

Smartphone booth

At home and onsite repair counter

Tablet booth

Tabi-iro Club
Online world tour

Experience and learn!
e-Sports challenge

Tablets are explained while guests relax

Engaging with customers while wearing costumes!

Relaxed consultation time♪

Communication creates smiles all around♡

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.



Consultations regarding smartphones and other issues



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^{Fri} 22^{Sat}

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.

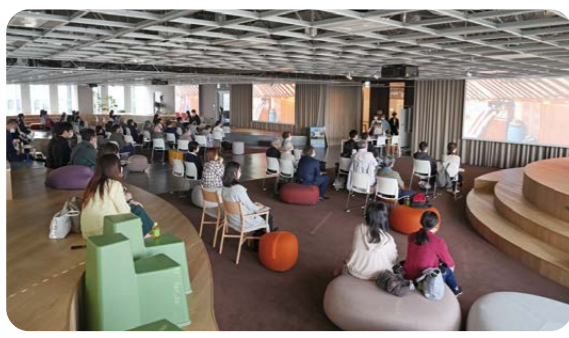


Relaxed consultation time♪

Communication creates smiles all around



Consultations regarding smartphones and other issues





Creative Power
Focused on the Future

Aiming to Enhance Group Value and Establish a Think Tank Solution Design Bridging the Gap between People and Technology

Business Always Begins with the Customer

ejworks corporation was established in 2000 as a PC DEPOT Group Company. Initially, it was an Internet connectivity service, which was rapidly expanding at that time. Based on its independently developed Multi-brand Operation System (MBOS), ejworks expanded its business through strategic acquisitions of provider brands, 19 of which are still owned today.

If there is one business characteristic unique to this company, it is a customer-oriented perspective. When providers are acquired, the basic policy is to maintain the same email addresses and service content to ensure customer convenience. Subsequently, business has been expanded to include web integration, which supports the creation of websites, with this customer-oriented approach common to all companies in the PC DEPOT Group constituting the core of business development.

Further, we have identified three pillars critical to business operations: "New," representing the taking on of new challenges; "Advance," representing the evolution of our business; and "Deepen," representing the expansion of our business through these efforts. Within these initiatives, our greatest assets are customers and relationships of trust, as well as the employees who are the bearers of that trust, hence we will continue investing in employee growth.



Toru Edamatsu

ejworks corporation, Representative Director and President

"Solution Design" Connecting People and Technology

Currently, we are taking on challenges in a variety of areas, including AI development, the blockchain, and non-fungible token (NFT)-related businesses. In terms of AI, we promote DX through the utilization of proprietary developed "inforoid," an interactive interface using a 3D AI character, and "Rireku," an AI-OCR service facilitating advanced optical character recognition through deep learning. We will continue to provide solutions based on the results of these applications.

In terms of NFT-related business, last fiscal year we launched agent activities, as well as consulting, management, and support services for artists in various fields. In May 2022, we launched "SHONAN NFT" with the aim of revitalizing the Shonan area by digitizing its history, culture, and art as NFTs passed on to future generations. We held an art contest and received many entries from both creators and the general public. We will create a different kind of value for the region through "Region x People x NFT" in conjunction with user participation. Works made into NFTs will be available for purchase in the NFT Marketplace. Sales revenue will be shared with participants as we aim to become a company that grows together with participants and communities.

We describe this style of proposal, in which people play a central role, incorporating future trends in society, markets, and technologies, as "solution design." Our mission is to bridge the gap between people and technology, always looking to the future in order to provide the best solutions to our customers.

Corporate Information

- Company name: ejworks corporation
- Established: April 21, 2000
- Capital: ¥211,068,000
- Employees: 81 people (as of March 31, 2022)
- Shareholders: PC DEPOT Corporation 100%

Bringing the Latest Technologies Closer to You

Community Revitalization and Creation with NFTs

The SHONAN NFT Art Contest was held with the aim of attracting visitors and revitalizing the Shonan area. Held from May 2 to August 31, 2022, this initiative converted winning artworks into NFTs, enabling visitors to experience the latest technologies simply by submitting photos, videos, and drawings without the difficulties surrounding knowledge of NFTs and digital technologies.

In addition, the NFTs were available for sale on the NFT Marketplace from November 2022, making it easy for anyone to purchase them. Through analog x digital technologies, we will continue to promote the charm of Shonan to many people through the Internet.

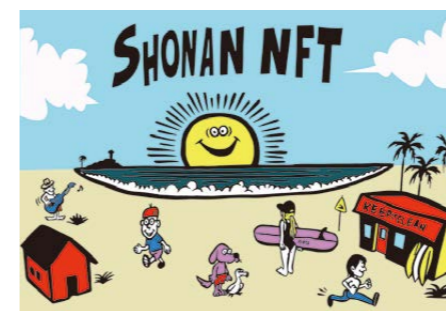


Illustration by RyuAmbe



Numerous Shonan-themed works submitted

SDGs Initiatives Using NFTs



Starting with the agent work of science fiction creator Kow Yokoyama, who has influenced mechanical designers around the world, we have created NFTs in various genres, including music x NFT and picture books x NFT. We are also implementing a program to protect the abundance of the sea for the purpose of contributing to society through SDGs x NFT. We partner with creators in Shonan to sell artworks as NFTs. A portion of the proceeds are donated to create value through new technologies such as the blockchain and NFTs.



Illustration x NFT



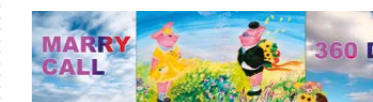
SF creator Kow Yokoyama's creative artworks are auctioned on the NFT Marketplace OpenSea

Music x NFT x Live



Korean artists "B'ue x Sangjin x Hawool" released NFT Exclusive Music on The NFT Records

Picture Books x NFT Publishing



Picture book author MARRY CALL's work published on the "Unima" NFT Marketplace platform

Value Creation through In-house DX



- (1) DX logo created by ejworks
- (2) Seating chart management x "inforoid"
- (3) "inforoid" for mass retailers
- (4) "inforoid" conversation demo screen

We promote the acquisition of robotic process automation (RPA) certification for engineers as well as HR, new hires, and a variety of other positions. This enables the use of AI-OCR to capture invoices, slips, and other paperwork linked to RPA. Additionally, proprietary developed "inforoid" interactive AI signage is linked to NFC tags used to confirm seating in free address workspaces.

Chatbots will be used in the future, and we envision the use of "inforoid" for the processing of internal documents and procedures. This proprietary DX knowledge will be provided to customers as a solution.