

Consolidated Financial Results for the Nine Months Ended May 31, 2019 [Japanese GAAP]



July 11, 2019

Company name: BIC CAMERA INC. Stock exchange listing: Tokyo Stock Exchange
 Code number: 3048 URL: <https://www.biccamera.co.jp/ir/>
 Representative: Hiroyuki Miyajima, Representative Director and President
 Contact: Toru Abe, Managing Director, Corporate Planning
 Telephone: +81-3-3987-8785
 Scheduled date of filing quarterly securities report: July 16, 2019
 Scheduled date of commencing dividend payments: -
 Availability of supplementary briefing material on quarterly financial results: None
 Schedule of quarterly financial results briefing session: None

(Amounts of less than one million yen are rounded down.)

1. Consolidated Financial Results for the Nine Months Ended May 31, 2019 (September 1, 2018 to May 31, 2019)

(1) Consolidated Operating Results (% indicates changes from the previous corresponding period.)

| | Net sales | | Operating income | | Ordinary income | | Profit attributable to owners of parent | |
|-------------------|-------------|-----|------------------|--------|-----------------|--------|---|--------|
| Nine months ended | Million yen | % | Million yen | % | Million yen | % | Million yen | % |
| May 31, 2019 | 669,943 | 5.7 | 18,004 | (16.2) | 20,245 | (12.5) | 11,854 | (16.9) |
| May 31, 2018 | 633,773 | 7.9 | 21,495 | 38.4 | 23,126 | 31.9 | 14,267 | 32.7 |

(Note) Comprehensive income: Nine months ended May 31, 2019: ¥12,597 million [(25.4)%]
 Nine months ended May 31, 2018: ¥16,875 million [23.2%]

| | Net income per share | Diluted net income per share |
|-------------------|----------------------|------------------------------|
| Nine months ended | Yen | Yen |
| May 31, 2019 | 66.53 | 66.51 |
| May 31, 2018 | 77.44 | 76.09 |

(2) Consolidated Financial Position

| | Total assets | Net assets | Equity ratio |
|-----------------------|--------------|-------------|--------------|
| | Million yen | Million yen | % |
| As of May 31, 2019 | 407,605 | 160,895 | 32.5 |
| As of August 31, 2018 | 365,598 | 155,765 | 35.5 |

(Reference) Equity: As of May 31, 2019: ¥132,674 million
 As of August 31, 2018: ¥129,939 million

(Note) Partial Amendments to “Accounting Standard for Deferred Tax Accounting” (Corporate Accounting Standards No. 28, February 16, 2018) will apply from the beginning of the first quarter of the current consolidated fiscal year, and will apply retroactively to the figures for the total assets and the capital adequacy ratio relating to the period ending August 2018.

2. Dividends

| | Annual dividends | | | | |
|---|------------------|-----------------|-----------------|----------|-------|
| | 1st quarter-end | 2nd quarter-end | 3rd quarter-end | Year-end | Total |
| | Yen | Yen | Yen | Yen | Yen |
| Fiscal year ended August 31, 2018 | - | 5.00 | - | 15.00 | 20.00 |
| Fiscal year ending August 31, 2019 | - | 10.00 | | | |
| Fiscal year ending August 31, 2019 (Forecast) | | | - | 10.00 | 20.00 |

(Note) Revision to the forecast for dividends announced most recently: No

3. Consolidated Financial Results Forecast for the Fiscal Year Ending August 31, 2019 (September 1, 2018 to August 31, 2019)

(% indicates changes from the previous fiscal year.)

| | Net sales | | Operating income | | Ordinary income | | Profit attributable to owners of parent | Net income per share |
|-----------|-------------|-----|------------------|-----|-----------------|-----|---|----------------------|
| | Million yen | % | Million yen | % | Million yen | % | Million yen | Yen |
| Full year | 895,000 | 6.0 | 28,800 | 6.4 | 30,600 | 4.6 | 17,800 | 99.76 |

(Note) Revision to the financial results forecast announced most recently: No

* Notes:

- (1) Changes in significant subsidiaries during the period under review (changes in specified subsidiaries resulting in changes in scope of consolidation): No
- (2) Accounting policies adopted specially for the preparation of quarterly consolidated financial statements: No
- (3) Changes in accounting policies, changes in accounting estimates and retrospective restatements
 - 1) Changes in accounting policies due to the revision of accounting standards, etc.: Yes
 - 2) Changes in accounting policies other than 1) above: No
 - 3) Changes in accounting estimates: No
 - 4) Retrospective restatements: No
- (4) Total number of issued shares (common shares)
 - 1) Total number of issued shares at the end of the period (including treasury shares):
 - May 31, 2019: 188,146,304 shares
 - August 31, 2018: 188,146,304 shares
 - 2) Total number of treasury shares at the end of the period:
 - May 31, 2019: 12,213,800 shares
 - August 31, 2018: 9,717,800 shares
 - 3) Average number of shares during the period:
 - Nine months ended May 31, 2019: 178,179,413 shares
 - Nine months ended May 31, 2018: 184,246,380 shares

* These quarterly financial results are outside the scope of quarterly review procedures under the Financial Instruments and Exchange Act.

* Explanation of the proper use of financial results forecast and other notes

(Notes regarding forward-looking statements, etc.)

The earnings forecasts and other forward-looking statements herein are based on information the Company has acquired and certain assumptions deemed reasonable as of the date of publication of this document. Actual results may differ significantly from these forecasts due to a wide range of factors.

(Change to the date format)

Starting with “Earnings briefing for the first quarter ending August 2019,” the date format will change from the Japanese calendar to the Western calendar.

Consolidated Financial Statements

(1) Consolidated quarterly balance sheets

(Millions of yen)

| | As of August 31, 2018 | As of May 31, 2019 |
|-------------------------------------|-----------------------|--------------------|
| Assets | | |
| Current assets | | |
| Cash and deposits | 21,967 | 25,110 |
| Accounts receivable - trade | 32,968 | 38,995 |
| Merchandise and finished goods | 106,100 | 135,857 |
| Raw materials and supplies | 631 | 750 |
| Program right | 73 | 110 |
| Other | 14,064 | 14,968 |
| Allowance for doubtful accounts | (307) | (269) |
| Total current assets | 175,498 | 215,523 |
| Non-current assets | | |
| Property, plant and equipment | | |
| Buildings and structures, net | 30,381 | 32,864 |
| Land | 47,041 | 46,985 |
| Other, net | 7,092 | 9,734 |
| Total property, plant and equipment | 84,515 | 89,584 |
| Intangible assets | 22,672 | 22,610 |
| Investments and other assets | | |
| Guarantee deposits | 43,662 | 42,612 |
| Other | 39,731 | 37,637 |
| Allowance for doubtful accounts | (483) | (363) |
| Total investments and other assets | 82,911 | 79,886 |
| Total non-current assets | 190,099 | 192,081 |
| Total assets | 365,598 | 407,605 |

(Millions of yen)

| | As of August 31, 2018 | As of May 31, 2019 |
|---|-----------------------|--------------------|
| Liabilities | | |
| Current liabilities | | |
| Accounts payable - trade | 47,222 | 64,844 |
| Short-term loans payable | 49,644 | 57,201 |
| Current portion of long-term loans payable | 7,731 | 9,672 |
| Income taxes payable | 6,180 | 1,812 |
| Provision for bonuses | 3,524 | 4,845 |
| Provision for point card certificates | 12,124 | 12,553 |
| Provision for loss on store closing | 281 | 257 |
| Asset retirement obligations | 381 | 73 |
| Other | 29,470 | 31,064 |
| Total current liabilities | 156,561 | 182,325 |
| Non-current liabilities | | |
| Long-term loans payable | 20,385 | 31,480 |
| Provision for goods warranties | 1,194 | 930 |
| Provision for loss on store closing | 1,077 | 760 |
| Net defined benefit liability | 14,619 | 15,257 |
| Asset retirement obligations | 8,972 | 9,157 |
| Other | 7,020 | 6,798 |
| Total non-current liabilities | 53,270 | 64,384 |
| Total liabilities | 209,832 | 246,709 |
| Net assets | | |
| Shareholders' equity | | |
| Capital stock | 25,929 | 25,929 |
| Capital surplus | 27,131 | 27,131 |
| Retained earnings | 87,112 | 94,506 |
| Treasury shares | (13,821) | (16,737) |
| Total shareholders' equity | 126,351 | 130,829 |
| Accumulated other comprehensive income | | |
| Valuation difference on available-for-sale securities | 4,263 | 2,328 |
| Remeasurements of defined benefit plans | (675) | (484) |
| Total accumulated other comprehensive income | 3,587 | 1,844 |
| Share acquisition rights | 5 | 46 |
| Non-controlling interests | 25,821 | 28,174 |
| Total net assets | 155,765 | 160,895 |
| Total liabilities and net assets | 365,598 | 407,605 |

(2) Consolidated quarterly statements of income

(Millions of yen)

| | From September 1, 2017 to May 31, 2018 | From September 1, 2018 to May 31, 2019 |
|--|---|---|
| Net sales | 633,773 | 669,943 |
| Cost of sales | 457,569 | 488,979 |
| Gross profit | 176,204 | 180,964 |
| Selling, general and administrative expenses | 154,708 | 162,959 |
| Operating income | 21,495 | 18,004 |
| Non-operating income | | |
| Interest income | 67 | 58 |
| Dividend income | 78 | 82 |
| Commission fee | 1,058 | 1,091 |
| Other | 882 | 1,384 |
| Total non-operating income | 2,087 | 2,616 |
| Non-operating expenses | | |
| Interest expenses | 260 | 213 |
| Commission fee | 122 | 83 |
| Other | 73 | 77 |
| Total non-operating expenses | 456 | 374 |
| Ordinary income | 23,126 | 20,245 |
| Extraordinary income | | |
| Gain on sales of non-current assets | 33 | 30 |
| Subsidy income | 440 | — |
| Total extraordinary income | 473 | 30 |
| Extraordinary losses | | |
| Loss on sales of non-current assets | 0 | — |
| Loss on retirement of non-current assets | 96 | 209 |
| Loss on reduction of non-current assets | 423 | — |
| Other | 142 | 43 |
| Total extraordinary losses | 662 | 252 |
| Profit before income taxes | 22,937 | 20,024 |
| Income taxes - current | 7,171 | 5,926 |
| Income taxes - deferred | (158) | (301) |
| Total income taxes | 7,013 | 5,625 |
| Profit | 15,924 | 14,398 |
| Profit attributable to non-controlling interests | 1,656 | 2,544 |
| Profit attributable to owners of parent | 14,267 | 11,854 |

(3) Consolidated quarterly Comprehensive income

(Millions of yen)

| | From September 1, 2017 to May 31, 2018 | From September 1, 2018 to May 31, 2019 |
|--|---|---|
| Profit | 15,924 | 14,398 |
| Other comprehensive income | | |
| Valuation difference on available-for-sale securities | 784 | (1,970) |
| Remeasurements of defined benefit plans, net of tax | 167 | 169 |
| Total other comprehensive income | 951 | (1,801) |
| Comprehensive income | 16,875 | 12,597 |
| Comprehensive income attributable to | | |
| Comprehensive income attributable to owners of parent | 15,231 | 10,111 |
| Comprehensive income attributable to non-controlling interests | 1,644 | 2,486 |

(5) Sales by product line

| Item | | | From September 1, 2018 to May 31, 2019 | | |
|------|---|---------------------------------|--|--------------------------|------------------------------------|
| | | | Sales (Millions of yen) | Composition ratio (%) | Previous year comparison (%) |
| | Audio visual products | Cameras | 28,361 | 4.2 | (9.3) |
| | | TVs | 29,754 | 4.5 | 4.4 |
| | | BD/DVD recorders, Video cameras | 12,188 | 1.8 | 5.6 |
| | | Audios | 11,148 | 1.7 | (11.0) |
| | | Others | 24,048 | 3.6 | 13.2 |
| | | Subtotal | 105,501 | 15.8 | 0.4 |
| | Home appliances | Refrigerators | 28,110 | 4.2 | 3.8 |
| | | Washing machines | 28,554 | 4.3 | 8.1 |
| | | Kitchen appliances | 29,180 | 4.4 | 2.1 |
| | | Seasonal home electronics | 34,688 | 5.2 | 9.9 |
| | | Personal care electronics | 36,462 | 5.4 | 3.7 |
| | | Others | 40,363 | 6.0 | 7.0 |
| | | Subtotal | 197,359 | 29.5 | 5.8 |
| | Information communications equipment products | PCs | 58,044 | 8.7 | 18.0 |
| | | PC peripherals | 20,773 | 3.1 | 5.9 |
| | | Cellular phones | 98,809 | 14.7 | 6.3 |
| | | Others | 45,626 | 6.8 | 3.1 |
| | | Subtotal | 223,254 | 33.3 | 8.3 |
| | Other products | Video games | 29,267 | 4.4 | 10.2 |
| | | Watches | 18,295 | 2.7 | 1.7 |
| | | Used PCs | 6,731 | 1.0 | 3.8 |
| | | Sporting goods | 8,689 | 1.3 | 17.8 |
| | | Toys | 10,745 | 1.6 | 7.4 |
| | | Glasses and Contact lenses | 5,057 | 0.7 | 10.6 |
| | | Liquors and Soft drinks | 6,147 | 0.9 | 16.2 |
| | | Medicines and Daily goods | 15,925 | 2.4 | 12.3 |
| | | Others | 32,766 | 4.9 | (1.1) |
| | | Subtotal | 133,535 | 19.9 | 6.4 |
| | Retail goods sales | | 659,651 | 98.5 | 5.9 |
| | Other business | | 10,292 | 1.5 | (3.1) |
| | Total | | 669,943 | 100.0 | 5.7 |

Note: 1. Above amount does not include consumption taxes.

2. AV software, which was classified and listed in Audio visual products in the previous consolidated fiscal year, will be included and indicated in Other in the Audio visual products from the first quarter of the current consolidated fiscal year.

3. PC softwares, which was classified and listed in Information communications equipment products in the previous consolidated fiscal year, will be included and indicated in Other in the Information communications equipment products from the first quarter of the current consolidated fiscal year.