

Translation

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Summary of Consolidated Financial Results for the Six Months Ended February 28, 2022 (Based on Japanese GAAP)

April 12, 2022

Company name: BIC CAMERA INC.
 Stock exchange listing: Tokyo
 Stock code: 3048 URL <https://www.biccamera.co.jp/ir/>
 Representative: Representative Director and President Kazuyoshi Kimura
 Managing Director, Business Management
 Inquiries: Headquarters Toru Abe TEL 03-3987-8785
 Scheduled date to file Quarterly Securities Report: April 13, 2022
 Scheduled date to commence dividend payments: May 19, 2022
 Preparation of supplementary material on quarterly financial results: Yes
 Holding of quarterly financial results meeting: Yes (for institutional investors and analysts)

(Amounts less than one million yen are rounded down)

1. Consolidated financial results for the six months ended February 28, 2022 (from September 1, 2021 to February 28, 2022)

(1) Consolidated operating results (cumulative)

Percentages indicate year-on-year changes

| | Net sales | | Operating profit | | Ordinary profit | | Profit attributable to owners of parent | |
|------------------------------------|-----------------|-------|------------------|------|-----------------|------|---|------|
| | Millions of yen | % | Millions of yen | % | Millions of yen | % | Millions of yen | % |
| Six months ended February 28, 2022 | 392,360 | — | 9,439 | — | 10,665 | — | 4,770 | — |
| Six months ended February 28, 2021 | 421,211 | (3.5) | 10,256 | 33.8 | 12,121 | 33.3 | 5,689 | 17.2 |

Note: Comprehensive income Six months ended February 28, 2022 ¥7,484 million [—%]
 Six months ended February 28, 2021 ¥8,209 million [38.2%]

Note: The Company has applied the “Accounting Standard for Revenue Recognition” (ASBJ Statement No. 29, March 31, 2020) and relevant ASBJ regulations effective from the beginning of the first quarter of the fiscal year ending August 31, 2022. Each figure for the first six months of the fiscal year ending August 31, 2022 is the figure after applying the accounting standard and relevant ASBJ regulations. Therefore, the percentages of change from the same quarter of the previous year are not stated.

Note: At the end of the fiscal year ended August 31, 2021, the Company finalized the provisional accounting treatment for business combinations. Each figure for the six months ended February 28, 2021 reflects the finalization of the provisional accounting treatment.

| | Earnings per share | Diluted earnings per share |
|------------------------------------|--------------------|----------------------------|
| | Yen | Yen |
| Six months ended February 28, 2022 | 27.16 | 27.13 |
| Six months ended February 28, 2021 | 32.34 | 32.32 |

(2) Consolidated financial position

| | Total assets | Net assets | Equity ratio |
|-------------------------|-----------------|-----------------|--------------|
| | Millions of yen | Millions of yen | % |
| As of February 28, 2022 | 468,204 | 171,216 | 28.8 |
| As of August 31, 2021 | 454,466 | 179,523 | 31.6 |

Reference: Equity As of February 28, 2022: ¥134,867 million
 As of August 31, 2021: ¥143,730 million

Note: The Company has applied the “Accounting Standard for Revenue Recognition” (ASBJ Statement No. 29, March 31, 2020) and relevant ASBJ regulations effective from the beginning of the first quarter of the fiscal year ending August 31, 2022. Each figure as of February 28, 2022 is the figure after applying the accounting standard and relevant ASBJ regulations.

2. Cash dividends

| | Annual dividends per share | | | | |
|--|----------------------------|-----------------|-----------------|-----------------|-------|
| | 1st quarter-end | 2nd quarter-end | 3rd quarter-end | Fiscal year-end | Total |
| | Yen | Yen | Yen | Yen | Yen |
| Year ended August 31, 2021 | – | 5.00 | – | 10.00 | 15.00 |
| Year ending August 31, 2022 | – | 5.00 | | | |
| Year ending August 31, 2022 (Forecast) | | | – | 10.00 | 15.00 |

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

3. Forecast of consolidated financial results for the year ending August 31, 2022 (from September 1, 2021 to August 31, 2022)

| Percentages indicate year-on-year changes | | | | | | | | | |
|---|-----------------|---|------------------|---|-----------------|---|---|---|--------------------|
| | Net sales | | Operating profit | | Ordinary profit | | Profit attributable to owners of parent | | Earnings per share |
| | Millions of yen | % | Millions of yen | % | Millions of yen | % | Millions of yen | % | Yen |
| Full year | 806,000 | – | 17,800 | – | 19,800 | – | 9,500 | – | 54.37 |

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

Note: The Company has applied the “Accounting Standard for Revenue Recognition” (ASBJ Statement No. 29, March 31, 2020) and relevant ASBJ regulations effective from the beginning of the first quarter of the fiscal year ending August 31, 2022. The figure of the above consolidated financial results forecast is the figure after applying the accounting standard and relevant ASBJ regulations. Therefore, the percentages of change from the previous fiscal year are not stated.

4. Notes

- (1) Changes in significant subsidiaries during the six months ended February 28, 2022
(changes in specified subsidiaries resulting in the change in scope of consolidation): No
- (2) Application of special accounting methods for preparing quarterly consolidated financial statements: No
- (3) Changes in accounting policies, changes in accounting estimates, and restatement of prior period financial statements
- Changes in accounting policies due to revisions to accounting standards and other regulations: Yes
- Changes in accounting policies due to other reasons: No
- Changes in accounting estimates: No
- Restatement of prior period financial statements: No

(4) Number of issued shares (common shares)

Total number of issued shares at the end of the period (including treasury shares)

| | | | |
|-------------------------|--------------------|-----------------------|--------------------|
| As of February 28, 2022 | 188,146,304 shares | As of August 31, 2021 | 188,146,304 shares |
|-------------------------|--------------------|-----------------------|--------------------|

Number of treasury shares at the end of the period

| | | | |
|-------------------------|-------------------|-----------------------|-------------------|
| As of February 28, 2022 | 14,322,401 shares | As of August 31, 2021 | 12,207,800 shares |
|-------------------------|-------------------|-----------------------|-------------------|

Average number of shares during the period (cumulative from the beginning of the fiscal year)

| | | | |
|------------------------------------|--------------------|------------------------------------|--------------------|
| Six months ended February 28, 2022 | 175,647,002 shares | Six months ended February 28, 2021 | 175,936,647 shares |
|------------------------------------|--------------------|------------------------------------|--------------------|

* Quarterly financial results reports are exempt from quarterly review conducted by certified public accountants or an audit corporation.

* Proper use of forecasts of financial results, and other special matters

(Caution concerning forward-looking statements)

The forward-looking statements, including the earnings forecasts, shown in this document are based on information currently available to the Company and on certain assumptions deemed to be reasonable. Consequently, the statements herein do not constitute assurances regarding the Company's actual results. Actual financial results may differ substantially due to various factors.

(Means of access to supplementary material on quarterly financial results and contents of quarterly financial results meeting)

The Company plans to hold a quarterly financial results meeting for institutional investors and analysts on Monday, April 18, 2022. The state of affairs and explanatory details (audio) will be available on the Company's website along with the materials on the quarterly financial results. (in Japanese only)

Quarterly consolidated financial statements
Consolidated balance sheets

(Millions of yen)

| | As of August 31, 2021 | As of February 28, 2022 |
|-------------------------------------|-----------------------|-------------------------|
| Assets | | |
| Current assets | | |
| Cash and deposits | 108,973 | 92,304 |
| Accounts receivable - trade | 37,501 | 45,019 |
| Merchandise and finished goods | 98,584 | 104,273 |
| Raw materials and supplies | 560 | 535 |
| Program right | 136 | 197 |
| Other | 12,575 | 17,307 |
| Allowance for doubtful accounts | (253) | (177) |
| Total current assets | 258,077 | 259,460 |
| Non-current assets | | |
| Property, plant and equipment | | |
| Buildings and structures, net | 27,041 | 27,228 |
| Land | 46,984 | 47,272 |
| Other, net | 11,748 | 12,669 |
| Total property, plant and equipment | 85,774 | 87,171 |
| Intangible assets | 31,040 | 34,305 |
| Investments and other assets | | |
| Guarantee deposits | 41,809 | 41,268 |
| Other | 38,083 | 46,302 |
| Allowance for doubtful accounts | (319) | (303) |
| Total investments and other assets | 79,574 | 87,266 |
| Total non-current assets | 196,388 | 208,743 |
| Total assets | 454,466 | 468,204 |

(Millions of yen)

| | As of August 31, 2021 | As of February 28, 2022 |
|---|-----------------------|-------------------------|
| Liabilities | | |
| Current liabilities | | |
| Accounts payable - trade | 38,098 | 44,698 |
| Short-term borrowings | 56,496 | 64,280 |
| Current portion of bonds payable | 200 | 200 |
| Current portion of long-term borrowings | 25,387 | 23,970 |
| Income taxes payable | 4,572 | 2,849 |
| Contract liabilities | — | 37,175 |
| Provision for bonuses | 3,527 | 3,513 |
| Provision for point card certificates | 13,029 | — |
| Provision for loss on store closings | 203 | 157 |
| Asset retirement obligations | 61 | 311 |
| Other | 32,012 | 20,743 |
| Total current liabilities | 173,589 | 197,901 |
| Non-current liabilities | | |
| Bonds payable | 600 | 500 |
| Long-term borrowings | 66,491 | 55,024 |
| Contract liabilities | — | 8,850 |
| Provision for goods warranties | 402 | 334 |
| Provision for loss on store closing | 438 | 399 |
| Retirement benefit liability | 18,323 | 18,910 |
| Asset retirement obligations | 9,230 | 9,296 |
| Other | 5,866 | 5,770 |
| Total non-current liabilities | 101,353 | 99,086 |
| Total liabilities | 274,942 | 296,987 |
| Net assets | | |
| Shareholders' equity | | |
| Share capital | 25,929 | 25,929 |
| Capital surplus | 27,103 | 27,105 |
| Retained earnings | 105,983 | 98,627 |
| Treasury shares | (16,729) | (18,857) |
| Total shareholders' equity | 142,287 | 132,805 |
| Accumulated other comprehensive income | | |
| Valuation difference on available-for-sale securities | 1,593 | 2,149 |
| Remeasurements of defined benefit plans | (149) | (88) |
| Total accumulated other comprehensive income | 1,443 | 2,061 |
| Share acquisition rights | 151 | 171 |
| Non-controlling interests | 35,640 | 36,178 |
| Total net assets | 179,523 | 171,216 |
| Total liabilities and net assets | 454,466 | 468,204 |

Consolidated statements of income (cumulative) and consolidated statements of comprehensive income (cumulative)

Consolidated statements of income (cumulative)

(Millions of yen)

| | Six months ended February 28, 2021 | Six months ended February 28, 2022 |
|---|---------------------------------------|---------------------------------------|
| Net sales | 421,211 | 392,360 |
| Cost of sales | 302,547 | 287,763 |
| Gross profit | 118,664 | 104,596 |
| Selling, general and administrative expenses | 108,407 | 95,156 |
| Operating profit | 10,256 | 9,439 |
| Non-operating income | | |
| Interest income | 23 | 19 |
| Dividend income | 76 | 79 |
| Share of profit of entities accounted for using equity method | 171 | 29 |
| Commission income | 701 | 708 |
| Other | 1,226 | 659 |
| Total non-operating income | 2,198 | 1,496 |
| Non-operating expenses | | |
| Interest expenses | 165 | 143 |
| Other | 169 | 126 |
| Total non-operating expenses | 334 | 270 |
| Ordinary profit | 12,121 | 10,665 |
| Extraordinary income | | |
| Gain on sale of non-current assets | 1 | 226 |
| Total extraordinary income | 1 | 226 |
| Extraordinary losses | | |
| Loss on sale of non-current assets | – | 109 |
| Loss on retirement of non-current assets | 79 | 115 |
| Loss on sale of investment securities | 15 | – |
| Loss on valuation of investment securities | – | 45 |
| Provision for loss on store closings | 81 | 105 |
| Other | 12 | 0 |
| Total extraordinary losses | 187 | 375 |
| Profit before income taxes | 11,934 | 10,515 |
| Income taxes - current | 2,985 | 1,982 |
| Income taxes - deferred | 1,104 | 1,637 |
| Total income taxes | 4,089 | 3,620 |
| Profit | 7,845 | 6,895 |
| Profit attributable to non-controlling interests | 2,156 | 2,125 |
| Profit attributable to owners of parent | 5,689 | 4,770 |

Consolidated statements of comprehensive income (cumulative)

(Millions of yen)

| | Six months ended February 28, 2021 | Six months ended February 28, 2022 |
|--|---------------------------------------|---------------------------------------|
| Profit | 7,845 | 6,895 |
| Other comprehensive income | | |
| Valuation difference on available-for-sale securities | 202 | 555 |
| Remeasurements of defined benefit plans, net of tax | 161 | 33 |
| Total other comprehensive income | 364 | 588 |
| Comprehensive income | 8,209 | 7,484 |
| Comprehensive income attributable to | | |
| Comprehensive income attributable to owners of parent | 6,070 | 5,387 |
| Comprehensive income attributable to non-controlling interests | 2,138 | 2,096 |

Consolidated statements of cash flows

(Millions of yen)

| | Six months ended February 28, 2021 | Six months ended February 28, 2022 |
|--|---------------------------------------|---------------------------------------|
| Cash flows from operating activities | | |
| Profit before income taxes | 11,934 | 10,515 |
| Depreciation | 4,987 | 5,034 |
| Amortization of goodwill | 236 | 345 |
| Increase (decrease) in allowance for doubtful accounts | (36) | (91) |
| Increase (decrease) in provision for bonuses | 46 | (35) |
| Increase (decrease) in provision for point card certificates | (203) | – |
| Increase (decrease) in provision for goods warranties | (93) | (68) |
| Increase (decrease) in retirement benefit liability | 838 | 681 |
| Increase (decrease) in provision for loss on store closings | (38) | 14 |
| Interest and dividend income | (99) | (99) |
| Interest expenses | 165 | 143 |
| Share of loss (profit) of entities accounted for using equity method | (171) | (29) |
| Loss (gain) on sale of non-current assets | (1) | (117) |
| Loss on retirement of non-current assets | 79 | 115 |
| Loss (gain) on sale of investment securities | 15 | – |
| Loss (gain) on valuation of investment securities | – | 45 |
| Decrease (increase) in trade receivables | 179 | (6,860) |
| Decrease (increase) in inventories | (5,299) | (3,885) |
| Increase (decrease) in trade payables | (18,422) | 6,470 |
| Increase (decrease) in contract liabilities | – | 1,052 |
| Other, net | (7,787) | (3,916) |
| Subtotal | (13,671) | 9,314 |
| Interest and dividends received | 78 | 82 |
| Interest paid | (168) | (144) |
| Income taxes paid | (1,347) | (3,722) |
| Net cash provided by (used in) operating activities | (15,108) | 5,530 |
| Cash flows from investing activities | | |
| Purchase of property, plant and equipment | (2,170) | (4,360) |
| Proceeds from sale of property, plant and equipment | 3 | 407 |
| Purchase of intangible assets | (3,269) | (2,263) |
| Purchase of investment securities | – | (730) |
| Proceeds from sale of investment securities | 10 | – |
| Payments of guarantee deposits | (228) | (519) |
| Proceeds from refund of guarantee deposits | 271 | 1,059 |
| Purchase of shares of subsidiaries resulting in change in scope of consolidation | (2,819) | (4,413) |
| Other, net | 271 | (217) |
| Net cash provided by (used in) investing activities | (7,931) | (11,037) |

(Millions of yen)

| | Six months ended February 28, 2021 | Six months ended February 28, 2022 |
|---|---------------------------------------|---------------------------------------|
| Cash flows from financing activities | | |
| Net increase (decrease) in short-term borrowings | 26,174 | 6,904 |
| Proceeds from long-term borrowings | 4,000 | 395 |
| Repayments of long-term borrowings | (20,936) | (13,468) |
| Redemption of bonds | (100) | (100) |
| Purchase of treasury shares | — | (2,154) |
| Dividends paid | (530) | (1,756) |
| Dividends paid to non-controlling interests | (603) | (673) |
| Repayments of lease obligations | (353) | (278) |
| Other, net | (0) | (0) |
| Net cash provided by (used in) financing activities | 7,649 | (11,131) |
| Effect of exchange rate change on cash and cash equivalents | 0 | 0 |
| Net increase (decrease) in cash and cash equivalents | (15,390) | (16,638) |
| Cash and cash equivalents at beginning of period | 117,211 | 108,857 |
| Increase in cash and cash equivalents resulting from inclusion of subsidiaries in consolidation | 625 | — |
| Cash and cash equivalents at end of period | 102,446 | 92,219 |