Nagoya Station West Exit Store won the Environmental Minister’s Award as an excellent store to promote the spread of energy saving type products for FY2006
Bic Camera has kept operating to be a “collective entity of specialty stores with certain policies which suggests a more affluent life and continues to evolve” under the management principal “to contribute to the society by implementing the basic concept that customers are the most important and providing customers with the best satisfaction and services.”

Especially, for the environmental issue, Bic Camera has been working on challenges on a company-wide basis such as a promotion of the spread of energy saving home appliances and a reduction in CO₂ emissions to improve the global warming situation, a common issue for all humanity, by obtaining understanding and cooperation of customers so that we will be able to assume a leading runner in the industry.

This report is to report a part of the above-mentioned activities to you. We look forward to your continued patronage in the future.

Hiroyuki Miyajima
President,
Bic Camera, Inc.

INDEX

1. A leading runner to promote the spread of energy saving type products

2. Reduction target in CO₂ emissions of Bic Camera

3. Implementation of various campaigns to address global warming

4. Approaches to 3R

5. In-house education

Aiming to create an evolving CSR report
1. A leading runner to promote the spread of energy saving type products

Bic Camera received the awards for four consecutive years in the system of excellent store to promote the spread of energy saving type products which was launched from FY2003 and has played a role as the top runner for the penetration of energy saving type products.

<table>
<thead>
<tr>
<th>Award</th>
<th>Store/Location</th>
</tr>
</thead>
<tbody>
<tr>
<td>Award of the Minister of the Environment:</td>
<td>Nagoya Station West Exit store</td>
</tr>
<tr>
<td>Award of the Director-General of the Agency for Natural Resources and Energy:</td>
<td>Takasaki East Exit store</td>
</tr>
</tbody>
</table>

All the 18 stores which had made an application were designated as an excellent shop to promote the spread of energy saving type products.

<FY2005> Award of the Minister of Economy, Trade, and Industry: Sapporo store
<FY2004> Award of the Minister of Economy, Trade, and Industry: Tachikawa store
Award of the Director-General of the Agency for Natural Resources and Energy: Shin-Yokohama store
Chairman’s Award of the Energy Conservation Center, Japan: Ikebukuro Main store and Yurakucho store

<FY2003> 1st prize: Yurakucho store
2nd prize: Ikebukuro Main store
3rd prize: Tachikawa store

(Yurakucho store won the 1st prize in FY2003)

(Outline of the evaluation system of distributors of energy saving type products)
The system was started under the sponsorship of the Energy Conservation Center, Japan in FY2003. The evaluation committee consisting of academic experts and consumer groups conducts a strict evaluation on approaches to promote the spread of energy saving type products or knowledge on energy-saving, easy-to-understand display of standardized energy saving labels, and sales performance of energy saving products by judging through documents and data and on-site secret inspection and then grants awards such as the Award of the Ministry of Economy, Trade, and Industry and the Award of the Minister of the Environment to the most excellent. One third of stores with excellent performance are designated as an excellent shop to promote the spread of energy saving type products.
Bic Camera’s promotion of the spread of energy saving type products is attracting attention even from overseas

Visits by Main Study Missions from Overseas in 2006 and 2007

<table>
<thead>
<tr>
<th>Date</th>
<th>Store visited</th>
<th>Name of training</th>
<th>Participating countries</th>
</tr>
</thead>
</table>
| 19-Jan-06  | Shinjuku Nishi Exit store | “Receiving trainees and dispatching specialists to support the international energy consumption”  
“The Third Multilateral Training (MTPEC03) Schedule” | Brunei, Cambodia, Indonesia, Laos, Myanmar, Phillipines, Vietnam, |
| 31-Oct-06  | Yurakucho store     | Training on policy by China (Study of the Energy Saving Law)                      | China (9 members)                                 |
| 19-Mar-07  | Shinjuku Nishi Exit store | Poland-Japan energy saving technology center project for FY2006                  | Poland (4 members)                                |
| 30-May-06  | Yurakucho store     | The Japan-China comprehensive forum on energy saving and                          | China (47 members)                                |
| 18-Jul-07  | Shinjuku Nishi Exit store | JICA's group training program “energy saving” for FY2007                       | Indonesia/Malaysia, Phillipines, Sri Lanka, Syria, Kenya, Tunisia, Mexico, Paraguay, Serbia |
| 31-Aug-06  | Yurakucho store     | “Receiving trainees and dispatching specialists to support the international energy consumption”  
“The Fifth Multilateral Training (MTPEC03) Schedule” | ASEAN countries (27 members)                      |
| 2-Sep-06   | Yurakucho store     | Training to provide technical support to Russia by the Foreign Ministry           | Russia (20 members)                               |
| 18-Jul-07  | Yurakucho store     | Inspection group on E-waste                                                       | South Korea (9 members)                           |

(The Japan-China comprehensive forum on energy saving and environment)
2. Reduction target in CO2 emissions of Bic Camera

Bic Camera is the first company in the home electronics retailing industry to set the numerical target.

**Bic Camera will reduce CO2 emissions**

(basic unit per store area) by **4%** from the 2006 level

by the year 2010

“Basic unit” is calculated by the formula of “Basic unit of CO2 emissions per total floor area = “annual energy consumption of CO2 (t—CO2 / year)” / “total floor area”

**Bic Camera’s actual CO2 emissions**

(basic unit per store area) in 2006

207.4727kg—CO2 / ㎡

(22 stores were in business in 2006 and now total 25 stores are in business as of Oct 1, 2007)

- Specific Approach to Reduce CO2 Emissions -

(1) **Earth-conscious volume retailer located in front of the terminal station**

Bic Camera has continued an earth-conscious store development by opening all the stores in front of the station which is convenient for the customers to use public transportation. Especially, JR Kyoto Station store which was opened in Aug 2007 is directly linked with a new ticket gate of Track 30 of Kyoto station at the second floor and it attracts attention as the Japan’s first home electronics retailer directly accessible from the platform of the station.

(2) **A reduction in power consumption by adopting LED**

Bic Camera aggressively adopts earth conscious energy-saving lightening at the time of renovation or opening new stores. In Jul 2007, Bic Camera adopted energy-saving lightening which uses LED (Light Emitting Diode) at the time of renovation of the exterior of the main store in Ikebukuro, which has become the symbol of CO2 reduction for Ikebukuro aiming to be a cool city by reducing power consumption to one-seventh or less.

LAZONA Kawasaki opened in Sep 2006 has adopted “LED” with a longer operational life which is approx. 5 times compared to incandescent lamps as lightening of outdoor signage. In addition, Bic Camera will also use LED for Okayama shop (tentative name) to be opened in the autumn of 2007.
Especially, JR Kyoto Station store opened in Aug 2007 in Kyoto City where the Kyoto Protocol was adopted has adopted not only LED for outdoor signage but also "cold-cathode tube" for inside shining signboard. The cold-cathode tubes are similar to fluorescent light tubes, however, they have features that they are smaller in size, the operational life is longer and the power consumption is one-fourth compared to general fluorescent lights tubes (hot-cathode tubes).

Bic Camera will continue to pursue environmentally-friendly stores.

(* LED)

Light-emitting diode. Its energy efficiency is good as it directly converts electricity to light. As its operational life is significantly longer and the power consumption is smaller compared to incandescent lamps, using it will lead to energy saving and a reduction in waste. It is used in various situations including cellular phones, automobiles, and traffic signals. It is expected that it will replace incandescent lamps or fluorescent lights in the future.

(3) Renewal of shopping bags which has contributed to savings in paper sources and a reduction in garbage

In recent years, an increase in garbage has become a public issue and it is said that approximately 60% of the garbage from home is containers or packages used to wrap the product. Bic Camera has also reviewed the shopping bags. Lightweight shopping bags will lead to a reduction in paper resources by 21 tons a year. Non-chlorinated recycled paper is used as raw material. In addition, matte paper is used so that it can be easily recycled.

Bic Camera still continues to work on a further reduction in waste of containers and packaging by the thickness of plastic shopping bags and so on.
(4) **New distribution center is in operation**

In Oct 2006, a new distribution center was completed in Higashi-matsuyama in Saitama. Bic Camera improves the efficiency of the distribution by consolidating the functions of three distribution centers located in the metropolitan area.

(5) **Approaches for greening – tenderness and comfort to people and the earth**

The new distribution center in Higashi-matsuyama has also been working on greening. It is said that greening has effects such as a reduction in the heat-island phenomenon, absorption of CO₂ by plants, improvement of landscape, heat-insulation in summer and heat-retention in winter, and absorption of healing.

(6) **Elaborate saving of natural resources and energy**

Bic Camera conducted a campaign to improve the awareness for all the employees for three months (Feb 2006 - Apr 2006) and urged them to reduce paper usage by using both side/allocation printing and backing paper and to reduce power consumption by frequently putting off the lights and turning off unnecessary equipment. As a result, the awareness has been planted in the employees’ mind to reduce prints “without much attention” and the machines switch kept ON without specific reasons.

In addition, Bic Camera has promoted paperless internal meetings and introduced “dissolution treatment” for disposal of classified documents. Those papers will be raw materials for recycled paper after the dissolution which will lead to recycle of paper and protection of forests.

Bic Camera will continue to catch every opportunity to continue to implement and strengthen the above-mentioned elaborate natural resources- and energy- saving measures.
3. Implementation of various campaigns to address global warming

Bic Camera aims to be the top runner in the prevention of global warming by being the first supporter for a national campaign to reduce CO₂ emissions.

(1) On Monday, July 9, Bic Camera cooperated with a campaign to support the “Reduction in CO₂ emissions by 1kg per day per person” as the first company in Japan

(Details of cooperation)
1. At the time of purchase of circular fluorescent lamps, a 10% discount will be provided if a purchaser presents “A card to announce my challenges”
2. A content was broadcasted concerning “Reduction in CO₂ emissions by 1kg per day per person” produced by the Environment Ministry on the multi-vision screen at Yurakucho store (15 sec. x 64 per day)
3. Putting up posters educating about “Reduction in CO₂ emissions by 1kg per day per person” in all store

(2) “HOT! & COOL! Bic Camera Summer Challenge” with the Team Minus 6%

On Aug 5, 2007, Bic Camera held “HOT! COOL! Bic Camera Summer Challenge with the Team Minus 6%” as an event of “Bic Camera Match Day”, Marines’ official game in the Chiba Marine Stadium (No. of visitors: 28,223). The event lets all the family members enjoy the summer vacation.

(Details of events)
1. Implementation of eco-quiz
   Bic Camera implemented eco-quiz presented by our employees, Cool-kun, a mascot character of the Marines, and Denkyu Man of the Team Minus 6%
2. Promotion for the customer to participate in a campaign to support “Reduction in CO₂ emissions by 1kg per day per person”
   Bic Camera urged our customers to participate in “Declaration of challenges”, a campaign to support “Reduction of CO₂ emissions by 1kg per person per day”, together with the organizer of Team Minus 6% and had 1002 people, which is the largest number as a sport event, to make a declaration.
(3) Only home electronics volume retailer which conducted a tie-up plan with a movie “An Inconvenient Truth”
Bic Camera posted a poster of a movie “An Inconvenient Truth” (Mr. Gore won this year’s Nobel Peace Prize!) and broadcasted an original promotion video of the move in home appliance sales space so that customers visiting the store would become interested in it.
(This was conducted as a joint plan with the Energy Conservation Center, Japan)

(4) Cooperation for a business to promote a cool city by Ikebukuro
As a major local company, Bic Camera is cooperating with Toshima-ku of Tokyo on a project of making Ikebukuro nominated as a “cool city project area” by the Environment Ministry.

(5) The Cool Biz campaign in place for 3 consecutive years!
Bic Camera participated in the Cool Biz campaign (Setting air conditioner temperatures at 28°C and no jackets/neckties were encouraged by the Japanese Ministry of the Environment) which was started in 2005 for three consecutive years (business division). Bic Camera also participated in the Warm Biz campaign (Air conditioner temperatures were set at 20°C) (business division) from the fall in 2006 and conducted the Cool Biz campaign at some sales floors in 2007.
4. Approaches to 3R

- Bic Camera itself is working on reusing and recycling businesses -

3R: Reduce (restraints on the generation of wastes)  
Reuse  
Recycle

The group companies of Bic Camera are working together to promote 3R to create a recycling-oriented society where both an environment and an economy go together.

(1) Future Ecology Co., Ltd.: all-round eco-solution company of the Group

Future Ecology Co., Ltd. has opened an office in a super eco-town in Tokyo as the first model business in Japan. It's invested in by domestic 16 major electricity, electronics and information device producers. Reusing or recycling of home electronics and OA devices, it's working on a drastic reduce in wastes, proper disposal, and prevention of unauthorized dumping and is engaged in the following operations:

1) The legal recycling of used air conditioners and televisions based on the Home Appliance Recycling Law
2) Collection of scarce resources by recycling used cellular phone handsets
3) Reuses of used business machines such as personal computers after data erase and destruction at a security space

Overview of the facilities
Location: 3-2-sma, Ota-ku, Tokyo  
* Use district: Restricted industrial zone  
* Ground-floor area: 4,983.58 ㎡  
* Building area: 1,872.75 ㎡  
* Gross floor area: 2,997.45 ㎡

Companies which have made investments other than Bic Camera group companies

- Apple Computer Inc.  
- SANYO Electric Co., Ltd.  
- SONY Marketing (Japan) Inc.  
- Toshiba Consumer Marketing Corporation  
- Victor Company of Japan, Limited  
- Fujitsu General Limited  
- Matsushita Electric Industrial Co., Ltd  
- Toshiba Carrier Corporation  
- KOKUDO-KANKYO-KENKYUJO Co., Ltd.  
- Canon Marketing Japan  
- Sharp Electronics Marketing Corporation  
- Hitachi Consumer Marketing, Inc.  
- Hewlett-Packard Development Company, L.P.  
- FUJIFILM Corporation  
- Fujitsu Personal System Limited  
- Mitsubishi Electric Life Network Corporation  
- Richo Company, Ltd.

Businesses conducted in FY2006

* Recycling of home electronics designated by law: 2,308t  
* Recycling of cellular phone handsets: 97t  
* Reuse of business machines: 54,496

Sep 19, 2006: Obtained ISO14001 (environmental management)  
Is preparing to obtain ISO27001 (Information Security Management system)
(2) Contribution to the revision of the Home Appliance Recycling System

Hiroyuki Miyajima, Representative Director and President, became a committee member of a joint meeting of the council of the Ministry of the Environment and the Ministry of the Economy, Trade, and Industry, Economy, and Industry to revise the law and system of recycling of home electronics (in Jul 2006) and Bic Camera has pioneered among the industry in the reuse service of three items covered by the Home Appliance Recycling Law (refrigerators, washing machines, and television sets) which has secured proper disposal and traceability since Jul 2007 for the improvement of reuse of used home electronics which is one of the largest issues of the current system. (Bic Camera was recommended as an excellent shop to handle the recycling of home electronics in Apr 2007)

(3) Reuse activities of Sofmap Co., Ltd. (Bic Camera’s consolidated subsidiary)

Sofmap has established the industry standard quality management system such as quality control, commercialization method, and productivity improvement for used personal computers, used peripheral equipment, and used game software (Certificate ISO 9001 has been obtained).

Sofmap has also established repairing counters in each outlet and a call center for support which is open seven days a week for defects. Sofmap completely erases data in the storage device in the line exclusively for data erase from the perspective of protection of personal information.

These “schemes to create a used personal computer market trusted by customers” and Sofmap was awarded the 17th Consumer-oriented Blue Chip Companies in Mar 2006.
5. In-house education

- Aiming to spread environmental mind to the entire company -

Bic Camera has positioned the environmental issue as an important task in CSR (corporate social responsibility) and has been working on the in-house education so that the environmental mind will spread to the entire company.

—(1) “Regular Column on Environment” was posted in the in-house newsletters 40 times (for three years and eight months)

Bic Camera has been trying to foster the employees’ environmental mind from both macro and micro perspectives ranging from global environmental issue to laws and regulations related to disposal of wastes.

(2) In-house announcement by taking every opportunity

Bic Camera is thoroughly delivering environment-related announcements such as study sessions on energy saving for employees and promotion of energy saving activities not only by various posters related to energy saving and a reduction in CO₂ for customers posted in the stores but also by utilizing office spaces and the company cafeteria.

(3) Team to promote energy saving home electronics

Bic Camera established a team to promote energy saving home appliances in the head office and all the stores in Oct 2003 whose activities became a drive to be given awards as an excellent shop to promote the spread of energy saving type products.

(4) Regular study sessions on energy saving

Bic Camera holds study sessions on energy saving for all the sales people and new employees. In addition, Bic Camera conducts a roll play per product for a small group. Knowledge and information on energy saving is one of the important specialty areas of the “Specialty Salesperson System” which is a core part of Bic Camera’s expertise.

(Announcement on energy saving for employees)

---

未来環境教室

『1人1日1KgCO2削減キャンペーン』

ビックカメラは「1人、1日、1kgCO2削減」を応援します。そのPOPが店舗で告知されているのに気付いていますか？これは日本政府が今年6月にドイツのハイリゲンダムサミットで提唱した地球温暖化対策「美しい星50」の中で提案した国民運動です。ビックカメラは7月7日に全国に先駆け協賛企業として初の企画を上げ、1人、1日、1Kgのチャレンジを広め、お客様にCO2削減の特別割引を実施しています。また、8月5日の千葉ビックセンター水族館の「HOT！&COOL！ビックカメラサマーチャレンジ with ツインマリン沖縄」では1日で1002名の観客の皆さんにチャレンジ宣伝をいただきました。さらに、エネルギー対策グッズの在庫結品を販売促進としてCO2削減の国民運動でもトップランナーの役割を果たしています。

---

(“Regular Column on Environment” in the in-house newsletters)
Aiming to create an evolving CSR (Corporate Social Responsibility) report

Bic Camera, which started its operations 29 years ago in a small store of approx. 50 square meters in front of the north exit of Ikebukuro station, has grown as an urban-type volume retailer (a collective entity of specialty shops) fighting for first or second place supported by the customers’ patronage and an expansion of home electronics in quality and quantity.

Bic Camera has accumulated various approaches to provide customer services and social contribution such as environment, product safety, protection of personal information, and fair trade based on the continued corporate philosophy that “customers are most important”

In preparing the CSR report this time starting with the environmental measures, Bic Camera has formed a project team mainly consisting of young employees whose average age is 27 and started off with an innovative proposal that “the report would be a paperless one which is environmentally-friendly and flexible”.

As progress of global warming is accelerating, international societies’ approaches and the Japanese role are quickly changing. Therefore, we have judged that it is fit to our corporate culture to prepare a report which can be updated with the latest information and data on a constant basis instead of printing an excellent report once a year.

This report is to be evolved and updated once it is completed as a CSR (Corporate Social Responsibility) report of Bic Camera Group.

We look forward to your frank requests and opinions from you.

October 25, 2007
Shuji Kato
Director (in charge of CSR)
Contact to PR / IR Department: +81-3-3987-8785
Company website: ir@biccamera.com