

# Consolidated Financial Results for the Fiscal Year Ended August 31, 2016 [Japanese GAAP]



October 13, 2016

Company name: BIC CAMERA INC. Stock exchange listing: Tokyo Stock Exchange  
 Code number: 3048 URL: <http://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 ordinary general meeting of shareholders: November 17, 2016  
 Scheduled date of commencing dividend payments: November 18, 2016  
 Scheduled date of filing securities report: November 18, 2016  
 Availability of supplementary briefing material on financial results: Available  
 Schedule of financial results briefing session: Scheduled (for institutional investors and analysts)

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

## 1. Consolidated Financial Results for the Fiscal Year Ended August 31, 2016 (September 1, 2015 to August 31, 2016)

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

	Net sales		Operating income		Ordinary income		Net income attributable to owners of parent	
Fiscal year ended	Million yen	%	Million yen	%	Million yen	%	Million yen	%
August 31, 2016	779,081	(2.0)	22,006	17.1	23,067	13.1	11,985	76.2
August 31, 2015	795,368	(4.5)	18,800	(6.1)	20,401	(15.2)	6,804	(30.9)

(Note) Comprehensive income: Fiscal year ended August 31, 2016: ¥10,279 million [78.0%]  
 Fiscal year ended August 31, 2015: ¥5,773 million [(52.5)%]

	Net income per share	Diluted net income per share	Return on equity	Ratio of ordinary income to total assets	Ratio of operating income to net sales
Fiscal year ended	Yen	Yen	%	%	%
August 31, 2016	65.91	63.91	11.5	6.9	2.8
August 31, 2015	39.25	36.25	7.3	6.2	2.4

(Reference) Equity in earnings of affiliates: Fiscal year ended August 31, 2016: ¥- million  
 Fiscal year ended August 31, 2015: ¥- million

(2) Consolidated Financial Position

	Total assets	Net assets	Equity ratio	Net assets per share
	Million yen	Million yen	%	Yen
As of August 31, 2016	336,769	129,096	32.0	593.43
As of August 31, 2015	329,580	120,846	30.5	553.20

(Reference) Equity: As of August 31, 2016: ¥107,897 million  
 As of August 31, 2015: ¥100,617 million

(3) Consolidated Cash Flows

	Net cash provided by operating activities	Net cash provided by investment activities	Net cash provided by financing activities	Cash and cash equivalents at end of period
Fiscal year ended	Million yen	Million yen	Million yen	Million yen
August 31, 2016	7,850	(4,615)	(446)	25,137
August 31, 2015	6,128	(8,001)	(1,765)	22,349

## 2. Dividends

	Annual dividends					Total cash dividends	Payout ratio (Consolidated)	Ratio of dividends to net assets (Consolidated)
	1st quarter-end	2nd quarter-end	3rd quarter-end	Year-end	Total			
	Yen	Yen	Yen	Yen	Yen	Million yen	%	%
Fiscal year ended August 31, 2015	-	5.00	-	5.00	10.00	1,772	25.5	1.9
Fiscal year ended August 31, 2016	-	5.00	-	7.00	12.00	2,182	18.2	2.1
Fiscal year ending August 31, 2017 (Forecast)	-	5.00	-	7.00	12.00		17.5	

## 3. Consolidated Financial Results Forecast for the Fiscal Year Ending August 31, 2017 (September 1, 2016 to August 31, 2017)

(% indicates changes from the previous corresponding period.)

	Net sales		Operating income		Ordinary income		Net income attributable to owners of parent		Net income per share
	Million yen	%	Million yen	%	Million yen	%	Million yen	%	Yen
First half	395,000	0.1	10,400	(11.2)	10,900	(9.6)	6,200	(15.3)	34.10
Full year	800,000	2.7	23,000	4.5	24,200	4.9	12,500	4.3	68.75

### \* Notes:

- (1) Changes in significant subsidiaries during the period under review (changes in specified subsidiaries resulting in changes in scope of consolidation): No
- (2) 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
- (3) Total number of issued shares (common shares)
  - 1) Total number of issued shares at the end of the period (including treasury shares):
    - August 31, 2016: 182,478,765 shares
    - August 31, 2015: 182,478,765 shares
  - 2) Total number of treasury shares at the end of the period:
    - August 31, 2016: 658,600 shares
    - August 31, 2015: 596,600 shares
  - 3) Average number of shares during the period:
    - Fiscal year ended August 31, 2016: 181,850,996 shares
    - Fiscal year ended August 31, 2015: 173,343,595 shares

(Reference) Summary of Non-consolidated Financial Results

Non-consolidated Financial Results for the Fiscal Year Ended August 31, 2016 (September 1, 2015 to August 31, 2016)

(1) Non-consolidated Operating Results (% indicates changes from the previous corresponding period.)

Fiscal year ended	Net sales		Operating income		Ordinary income		Net income	
	Million yen	%	Million yen	%	Million yen	%	Million yen	%
August 31, 2016	426,670	(4.1)	13,621	3.1	15,406	4.0	8,315	2.5
August 31, 2015	444,879	(0.7)	13,216	15.9	14,807	19.9	8,112	27.1

Fiscal year ended	Net income per share	Diluted net income per share
	Yen	Yen
August 31, 2016	45.73	44.34
August 31, 2015	46.80	43.22

(2) Non-consolidated Financial Position

	Total assets	Net assets	Equity ratio	Net assets per share
	Million yen	Million yen	%	Yen
As of August 31, 2016	228,933	94,858	41.4	521.72
As of August 31, 2015	224,222	89,964	40.1	494.63

(Reference) Equity: As of August 31, 2016: ¥94,858 million

As of August 31, 2015: ¥89,964 million

\* Presentation regarding the implementation status of the audit procedures

These financial results are outside the scope of audit procedures under the Financial Instruments and Exchange Act. At the time of disclosure of these financial results, audit procedures for the financial statements under the Financial Instruments and Exchange Act have not been completed.

\* 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.

(Method of obtaining supplementary briefing material on quarterly financial results and its content)

The Company is scheduled to hold a financial results briefing session for institutional investors and analysts on Tuesday, October 18, 2016. The outline of the session and its audio data are scheduled to be posted on the Company's website together with the briefing material.

# Consolidated Financial Statements

(1) Consolidated balance sheets

(Millions of yen)

	As of August 31, 2015	As of August 31, 2016
<b>Assets</b>		
Current assets		
Cash and deposits	22,410	25,137
Accounts receivable - trade	29,663	28,171
Merchandise and finished goods	81,677	93,603
Raw materials and supplies	490	475
Program right	91	127
Deferred tax assets	6,584	6,543
Other	12,717	13,532
Allowance for doubtful accounts	(271)	(346)
<b>Total current assets</b>	<b>153,362</b>	<b>167,244</b>
Non-current assets		
Property, plant and equipment		
Buildings and structures	50,406	52,249
Accumulated depreciation	(25,513)	(27,435)
Buildings and structures, net	24,892	24,813
Machinery, equipment and vehicles	1,004	1,223
Accumulated depreciation	(582)	(733)
Machinery, equipment and vehicles, net	421	490
Land	44,056	46,397
Leased assets	6,222	6,891
Accumulated depreciation	(3,184)	(4,141)
Leased assets, net	3,037	2,750
Construction in progress	2,639	306
Other	7,688	8,243
Accumulated depreciation	(6,124)	(6,585)
Other, net	1,563	1,657
<b>Total property, plant and equipment</b>	<b>76,611</b>	<b>76,415</b>
Intangible assets		
Goodwill	5,072	4,712
Other	18,972	17,050
<b>Total intangible assets</b>	<b>24,045</b>	<b>21,762</b>
Investments and other assets		
Investment securities	14,385	11,773
Long-term loans receivable	1,157	274
Deferred tax assets	9,605	10,967
Net defined benefit asset	2,905	2,811
Guarantee deposits	46,026	44,060
Other	2,111	1,905
Allowance for doubtful accounts	(630)	(445)
<b>Total investments and other assets</b>	<b>75,560</b>	<b>71,347</b>
<b>Total non-current assets</b>	<b>176,217</b>	<b>169,525</b>
<b>Total assets</b>	<b>329,580</b>	<b>336,769</b>

(Millions of yen)

	As of August 31, 2015	As of August 31, 2016
<b>Liabilities</b>		
Current liabilities		
Accounts payable - trade	44,038	39,846
Short-term loans payable	23,698	34,062
Current portion of long-term loans payable	30,652	11,609
Current portion of bonds	50	35
Lease obligations	2,369	1,319
Income taxes payable	4,711	5,396
Provision for bonuses	2,856	2,820
Provision for point card certificates	11,563	11,570
Provision for loss on store closing	149	311
Asset retirement obligations	81	102
Other	25,393	25,401
<b>Total current liabilities</b>	<b>145,562</b>	<b>132,475</b>
Non-current liabilities		
Bonds payable	5,427	5,388
Long-term loans payable	24,287	36,101
Lease obligations	3,484	2,860
Deferred tax liabilities	88	103
Provision for goods warranties	2,700	2,132
Provision for loss on store closing	2,003	1,401
Net defined benefit liability	10,194	12,470
Asset retirement obligations	8,626	8,680
Other	6,358	6,058
<b>Total non-current liabilities</b>	<b>63,171</b>	<b>75,198</b>
<b>Total liabilities</b>	<b>208,733</b>	<b>207,673</b>
<b>Net assets</b>		
Shareholders' equity		
Capital stock	23,237	23,237
Capital surplus	24,327	24,328
Retained earnings	50,706	60,872
Treasury shares	(184)	(241)
<b>Total shareholders' equity</b>	<b>98,087</b>	<b>108,196</b>
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	2,746	902
Remeasurements of defined benefit plans	(216)	(1,201)
<b>Total accumulated other comprehensive income</b>	<b>2,530</b>	<b>(299)</b>
Non-controlling interests	20,228	21,198
<b>Total net assets</b>	<b>120,846</b>	<b>129,096</b>
<b>Total liabilities and net assets</b>	<b>329,580</b>	<b>336,769</b>

## (2) Consolidated statements of income

(Millions of yen)

	From September 1, 2014 to August 31, 2015	From September 1, 2015 to August 31, 2016
Net sales	795,368	779,081
Cost of sales	585,723	568,304
Gross profit	209,645	210,777
Selling, general and administrative expenses	190,845	188,770
Operating income	18,800	22,006
Non-operating income		
Interest income	135	116
Dividend income	186	210
Commission fee	1,280	1,374
Reversal of provision for loss on store closing	1,189	—
Other	836	728
Total non-operating income	3,627	2,429
Non-operating expenses		
Interest expenses	951	686
Commission fee	855	520
Other	219	161
Total non-operating expenses	2,027	1,368
Ordinary income	20,401	23,067
Extraordinary income		
Gain on sales of non-current assets	379	200
Gain on sales of investment securities	—	1,411
Gain on sales of shares of subsidiaries and associates	0	—
Other	195	23
Total extraordinary income	575	1,636
Extraordinary losses		
Loss on sales of non-current assets	47	13
Loss on retirement of non-current assets	143	100
Loss on valuation of investment securities	19	—
Impairment loss	1,520	2,510
Loss on disaster	—	171
Other	86	192
Total extraordinary losses	1,817	2,987
Profit before income taxes	19,158	21,715
Income taxes - current	6,951	8,064
Income taxes - deferred	7,666	177
Total income taxes	14,618	8,241
Profit	4,539	13,474
Profit (loss) attributable to non-controlling interests	(2,264)	1,489
Profit attributable to owners of parent	6,804	11,985

## (3) Consolidated statements of Comprehensive income

(Millions of yen)

	From September 1, 2014 to August 31, 2015	From September 1, 2015 to August 31, 2016
Profit	4,539	13,474
Other comprehensive income		
Valuation difference on available-for-sale securities	1,367	(2,178)
Remeasurements of defined benefit plans, net of tax	(133)	(1,017)
Total other comprehensive income	1,234	(3,195)
Comprehensive income	5,773	10,279
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	7,968	9,156
Comprehensive income attributable to non-controlling interests	(2,194)	1,123

## (4) Consolidated statements of comprehensive income

(Millions of yen)

	From September 1, 2014 to August 31, 2015	From September 1, 2015 to August 31, 2016
<b>Cash flows from operating activities</b>		
Profit before income taxes	19,158	21,715
Depreciation	5,579	6,047
Impairment loss	1,520	2,510
Amortization of goodwill	378	360
Increase (decrease) in allowance for doubtful accounts	109	(109)
Increase (decrease) in provision for bonuses	(5)	(36)
Increase (decrease) in provision for point card certificates	379	6
Increase(decrease) in provision for goods warranties	60	(567)
Increase (decrease) in net defined benefit liability	1,019	912
Increase (decrease) in provision for loss on store closing	(2,442)	(343)
Interest and dividend income	(321)	(327)
Interest expenses	951	686
Foreign exchange losses (gains)	(0)	0
Loss (gain) on sales of non-current assets	(332)	(187)
Loss on retirement of non-current assets	143	100
Loss (gain) on sales of investment securities	—	(1,411)
Loss (gain) on valuation of investment securities	19	—
Loss (gain) on sales of shares of subsidiaries and associates	(0)	—
Decrease (increase) in notes and accounts receivable - trade	1,208	1,492
Decrease (increase) in inventories	(7,593)	(11,947)
Increase (decrease) in notes and accounts payable - trade	1,119	(4,192)
Other, net	(3,639)	414
Subtotal	17,315	15,125
Interest and dividend income received	209	230
Interest expenses paid	(980)	(733)
Income taxes paid	(10,416)	(6,771)
Net cash provided by (used in) operating activities	6,128	7,850
<b>Cash flows from investing activities</b>		
Purchase of property, plant and equipment	(3,846)	(4,864)
Proceeds from sales of property, plant and equipment	2,029	520
Purchase of intangible assets	(2,464)	(1,983)
Purchase of investment securities	—	(1,133)
Proceeds from sales of investment securities	—	1,778
Proceeds from sales of shares of subsidiaries and associates	0	—
Payments for guarantee deposits	(1,207)	(650)
Proceeds from collection of guarantee deposits	2,256	1,732
Purchase of shares of subsidiaries resulting in change in scope of consolidation	(5,257)	—
Other, net	487	(15)
Net cash provided by (used in) investing activities	(8,001)	(4,615)



(Millions of yen)

	From September 1, 2014 to August 31, 2015	From September 1, 2015 to August 31, 2016
<b>Cash flows from financing activities</b>		
Net increase (decrease) in short-term loans payable	(16,598)	10,364
Proceeds from long-term loans payable	35,200	24,000
Repayments of long-term loans payable	(15,919)	(31,228)
Redemption of bonds	(625)	(50)
Cash dividends paid	(1,719)	(1,814)
Dividends paid to non-controlling interests	(239)	(99)
Payments from changes in ownership interests in subsidiaries that do not result in change in scope of consolidation	—	(52)
Repayments of lease obligations	(1,832)	(1,493)
Other, net	(31)	(70)
<b>Net cash provided by (used in) financing activities</b>	<b>(1,765)</b>	<b>(446)</b>
Effect of exchange rate change on cash and cash equivalents	0	(0)
<b>Net increase (decrease) in cash and cash equivalents</b>	<b>(3,638)</b>	<b>2,788</b>
Cash and cash equivalents at beginning of period	25,953	22,349
<b>Increase (decrease) in cash and cash equivalents resulting from merger of subsidiaries</b>	<b>34</b>	<b>0</b>
<b>Cash and cash equivalents at end of period</b>	<b>22,349</b>	<b>25,137</b>

## (5) Sales by product line

Item		From September 1, 2015 to August 31, 2016		
		Sales (Millions of yen)	Composition ratio (%)	Previous year comparison (%)
Audio visual products	Cameras	37,766	4.8	(19.9)
	TVs	34,481	4.4	(1.7)
	BD/DVD recorders, Video cameras	15,266	2.0	(12.6)
	Audios	16,617	2.1	(6.5)
	AV softwares	5,272	0.7	(6.5)
	Others	17,106	2.2	(4.0)
	Subtotal	126,510	16.2	(10.2)
Home appliances	Refrigerators	35,213	4.5	2.5
	Washing machines	29,760	3.8	9.7
	Kitchen appliances	34,098	4.4	(0.1)
	Seasonal home electronics	49,216	6.3	(4.9)
	Personal care electronics	41,850	5.4	13.4
	Others	50,397	6.5	0.7
	Subtotal	240,536	30.9	2.7
Information communications equipment products	PCs	58,213	7.5	(10.6)
	PC peripherals	23,960	3.1	(5.5)
	PC softwares	8,184	1.1	(12.5)
	Cellular phones	109,888	14.0	(0.8)
	Others	49,573	6.3	5.4
	Subtotal	249,820	32.0	(3.0)
Other products	Video games	21,447	2.8	(10.3)
	Watches	23,592	3.0	(5.1)
	Used PCs	15,671	2.0	(10.5)
	Sporting goods	7,678	1.0	9.9
	Toys	11,650	1.5	4.3
	Glasses and Contact lenses	5,382	0.7	6.1
	Liquors and Soft drinks	5,416	0.7	3.8
	Medicines and Daily goods	11,798	1.5	39.3
	Others	47,450	6.1	(2.3)
Subtotal	150,089	19.3	(1.1)	
Retail goods sales		766,956	98.4	(2.3)
Other business		12,124	1.6	13.1
Total		779,081	100.0	(2.0)

Note: Above amount does not include consumption taxes.