

Consolidated Financial Results for the Six Months Ended February 28, 2017 [Japanese GAAP]



April 11, 2017

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 filing quarterly securities report: April 13, 2017

Scheduled date of commencing dividend payments: May 12, 2017

Availability of supplementary briefing material on quarterly financial results: Available

Schedule of quarterly 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 Six Months Ended February 28, 2017 (September 1, 2016 to February 28, 2017)

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

	Net sales		Operating income		Ordinary income		Net income attributable to owners of parent	
	Million yen	%	Million yen	%	Million yen	%	Million yen	%
Six months ended February 28, 2017	385,538	(2.3)	9,350	(20.2)	10,729	(11.0)	6,414	(12.4)
February 29, 2016	394,481	0.3	11,714	40.8	12,061	43.8	7,319	50.3

(Note) Comprehensive income: Six months ended February 28, 2017: ¥9,392 million [26.5%]

Six months ended February 29, 2016: ¥7,425 million [26.9%]

	Net income per share	Diluted net income per share
Six months ended	Yen	Yen
February 28, 2017	35.28	34.21
February 29, 2016	40.24	39.02

(2) Consolidated Financial Position

	Total assets	Net assets	Equity ratio
	Million yen	Million yen	%
As of February 28, 2017	349,791	137,102	33.0
As of August 31, 2016	336,769	129,096	32.0

(Reference) Equity: As of February 28, 2017: ¥115,500 million

As of August 31, 2016: ¥107,897 million

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, 2016	-	5.00	-	7.00	12.00
Fiscal year ending August 31, 2017	-	5.00	-	-	-
Fiscal year ending August 31, 2017 (Forecast)	-	-	-	7.00	12.00

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

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 fiscal year.)

	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
Full year	800,000	2.7	23,000	4.5	24,200	4.9	12,500	4.3	68.75

(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.: No
 - 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):
 - February 28, 2017: 182,478,765 shares
 - August 31, 2016: 182,478,765 shares
 - 2) Total number of treasury shares at the end of the period:
 - February 28, 2017: 658,600 shares
 - August 31, 2016: 658,600 shares
 - 3) Average number of shares during the period:
 - Six months ended February 28, 2017: 181,820,165 shares
 - Six months ended February 29, 2016: 181,882,165 shares

* Presentation regarding the implementation status of the quarterly review procedures

These quarterly financial results are outside the scope of quarterly review procedures under the Financial Instruments and Exchange Act. At the time of disclosure of these quarterly financial results, review procedures for the quarterly 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 quarterly financial results briefing session for institutional investors and analysts on Wednesday, April 19, 2017

. 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 quarterly balance sheets

(Millions of yen)

	As of August 31, 2016	As of February 28, 2017
Assets		
Current assets		
Cash and deposits	25,137	18,905
Accounts receivable - trade	28,171	30,832
Merchandise and finished goods	93,603	102,355
Raw materials and supplies	475	489
Program right	127	48
Other	20,075	20,328
Allowance for doubtful accounts	(346)	(355)
Total current assets	167,244	172,605
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	24,813	27,663
Land	46,397	46,397
Other, net	5,204	6,813
Total property, plant and equipment	76,415	80,874
Intangible assets		
Goodwill	4,712	4,531
Other	17,050	17,397
Total intangible assets	21,762	21,929
Investments and other assets		
Guarantee deposits	44,060	45,235
Other	27,732	29,595
Allowance for doubtful accounts	(445)	(448)
Total investments and other assets	71,347	74,382
Total non-current assets	169,525	177,185
Total assets	336,769	349,791

(Millions of yen)

	As of August 31, 2016	As of February 28, 2017
Liabilities		
Current liabilities		
Accounts payable - trade	39,846	40,739
Short-term loans payable	34,062	44,265
Current portion of long-term loans payable	11,609	11,111
Current portion of bonds	35	10
Income taxes payable	5,396	4,106
Provision for bonuses	2,820	2,717
Provision for point card certificates	11,570	11,398
Provision for loss on store closing	311	353
Asset retirement obligations	102	198
Other	26,721	25,527
Total current liabilities	132,475	140,427
Non-current liabilities		
Bonds payable	5,388	5,386
Long-term loans payable	36,101	33,258
Provision for goods warranties	2,132	1,813
Provision for loss on store closing	1,401	1,391
Net defined benefit liability	12,470	12,933
Asset retirement obligations	8,680	8,750
Other	9,022	8,726
Total non-current liabilities	75,198	72,261
Total liabilities	207,673	212,688
Net assets		
Shareholders' equity		
Capital stock	23,237	23,237
Capital surplus	24,328	24,328
Retained earnings	60,872	66,014
Treasury shares	(241)	(241)
Total shareholders' equity	108,196	113,338
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	902	3,215
Remeasurements of defined benefit plans	(1,201)	(1,053)
Total accumulated other comprehensive income	(299)	2,161
Non-controlling interests	21,198	21,601
Total net assets	129,096	137,102
Total liabilities and net assets	336,769	349,791

(2) Consolidated quarterly statements of income

(Millions of yen)

	From September 1, 2015 to February 29, 2016	From September 1, 2016 to February 28, 2017
Net sales	394,481	385,538
Cost of sales	288,946	280,421
Gross profit	105,534	105,116
Selling, general and administrative expenses	93,820	95,765
Operating income	11,714	9,350
Non-operating income		
Interest income	61	51
Dividend income	64	63
Commission fee	639	641
Subsidy income	-	525
Other	263	400
Total non-operating income	1,028	1,682
Non-operating expenses		
Interest expenses	417	216
Other	264	87
Total non-operating expenses	681	303
Ordinary income	12,061	10,729
Extraordinary income		
Gain on sales of non-current assets	193	0
Gain on sales of investment securities	-	180
Compensation income	-	150
Total extraordinary income	193	330
Extraordinary losses		
Loss on retirement of non-current assets	42	61
Impairment loss	24	97
Loss on cancellation of leases	29	-
Provision for loss on store closing	22	159
Other	-	6
Total extraordinary losses	120	324
Profit before income taxes	12,134	10,735
Income taxes - current	4,177	3,456
Income taxes - deferred	256	379
Total income taxes	4,434	3,835
Profit	7,700	6,900
Profit attributable to non-controlling interests	380	485
Profit attributable to owners of parent	7,319	6,414

(3) Consolidated quarterly Comprehensive income

(Millions of yen)

	From September 1, 2015 to February 29, 2016	From September 1, 2016 to February 28, 2017
Profit	7,700	6,900
Other comprehensive income		
Valuation difference on available-for-sale securities	(297)	2,345
Remeasurements of defined benefit plans, net of tax	22	146
Total other comprehensive income	(274)	2,491
Comprehensive income	7,425	9,392
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	7,169	8,875
Comprehensive income attributable to non-controlling interests	256	516

(4) Quarterly consolidated statement of comprehensive income

(Millions of yen)

	From September 1, 2015 to February 29, 2016	From September 1, 2016 to February 28, 2017
Cash flows from operating activities		
Profit before income taxes	12,134	10,735
Depreciation	2,907	2,892
Impairment loss	24	97
Amortization of goodwill	180	180
Increase (decrease) in allowance for doubtful accounts	68	11
Increase (decrease) in provision for bonuses	(293)	(102)
Increase (decrease) in provision for point card certificates	(275)	(172)
Increase(decrease) in provision for goods warranties	(260)	(316)
Increase (decrease) in net defined benefit liability	470	677
Increase (decrease) in provision for loss on store closing	(190)	11
Interest and dividend income	(125)	(114)
Interest expenses	417	216
Subsidy income	-	(525)
Loss (gain) on sales of non-current assets	(193)	(0)
Loss on retirement of non-current assets	42	61
Loss (gain) on sales of investment securities	-	(180)
Compensation income	-	(150)
Decrease (increase) in notes and accounts receivable - trade	(2,027)	(2,666)
Decrease (increase) in inventories	(14,562)	(8,687)
Increase (decrease) in notes and accounts payable - trade	12	898
Other, net	(953)	(685)
Subtotal	(2,624)	2,180
Interest and dividend income received	73	69
Interest expenses paid	(413)	(221)
Income taxes paid	(4,096)	(4,954)
Proceeds from subsidy income	-	5
Net cash provided by (used in) operating activities	(7,060)	(2,920)
Cash flows from investing activities		
Purchase of property, plant and equipment	(2,030)	(5,858)
Proceeds from sales of property, plant and equipment	478	6
Purchase of intangible assets	(1,422)	(1,517)
Purchase of investment securities	(1,031)	-
Proceeds from sales of investment securities	-	503
Payments for guarantee deposits	(692)	(1,872)
Proceeds from collection of guarantee deposits	1,085	731
Other, net	1	(69)
Net cash provided by (used in) investing activities	(3,611)	(8,076)

(Millions of yen)

	From September 1, 2015 to February 29, 2016	From September 1, 2016 to February 28, 2017
Cash flows from financing activities		
Net increase (decrease) in short-term loans payable	10,557	10,203
Proceeds from long-term loans payable	6,000	6,000
Repayments of long-term loans payable	(7,002)	(9,340)
Redemption of bonds	(25)	(25)
Cash dividends paid	(908)	(1,269)
Dividends paid to non-controlling interests	(99)	(113)
Payments from changes in ownership interests in subsidiaries that do not result in change in scope of consolidation	(52)	-
Repayments of lease obligations	(764)	(690)
Other, net	(13)	(0)
Net cash provided by (used in) financing activities	7,690	4,764
Effect of exchange rate change on cash and cash equivalents	(0)	0
Net increase (decrease) in cash and cash equivalents	(2,981)	(6,232)
Cash and cash equivalents at beginning of period	22,349	25,137
Cash and cash equivalents at end of period	19,367	18,905

(5) Sales by product line

Item		From September 1, 2016 to February 28, 2017		
		Sales (Millions of yen)	Composition ratio (%)	Previous year comparison (%)
Audio visual products	Cameras	18,108	4.7	(7.3)
	TVs	17,421	4.5	1.1
	BD/DVD recorders, Video cameras	7,549	2.0	(7.1)
	Audios	8,160	2.1	(7.6)
	AV softwares	2,453	0.6	(15.1)
	Others	9,394	2.4	6.0
	Subtotal	63,087	16.3	(3.7)
Home appliances	Refrigerators	15,542	4.0	5.0
	Washing machines	14,749	3.8	5.9
	Kitchen appliances	17,607	4.6	(1.7)
	Seasonal home electronics	19,481	5.1	4.7
	Personal care electronics	22,768	5.9	3.5
	Others	25,399	6.6	(3.3)
	Subtotal	115,548	30.0	1.8
Information communications equipment products	PCs	27,543	7.1	(6.5)
	PC peripherals	12,075	3.1	(6.2)
	PC softwares	3,508	0.9	(15.1)
	Cellular phones	56,471	14.7	(5.7)
	Others	24,627	6.4	(7.9)
	Subtotal	124,226	32.2	(6.7)
Other products	Video games	13,391	3.5	1.4
	Watches	11,384	3.0	(7.8)
	Used PCs	6,883	1.8	(19.4)
	Sporting goods	3,631	0.9	2.2
	Toys	6,704	1.7	1.7
	Glasses and Contact lenses	2,662	0.7	3.6
	Liquors and Soft drinks	2,925	0.8	1.9
	Medicines and Daily goods	6,937	1.8	24.4
	Others	21,753	5.6	2.2
	Subtotal	76,274	19.8	(0.4)
Retail goods sales		379,137	98.3	(2.4)
Other business		6,400	1.7	9.1
Total		385,538	100.0	(2.3)

Note: Above amount does not include consumption taxes.