



**3. Consolidated Financial Results Forecast for the Fiscal Year Ending August 31, 2018  
(September 1, 2017 to August 31, 2018)**

(% indicates changes from the previous fiscal year.)

	Net sales		Operating income		Ordinary income		Profit attributable to owners of parent		Net income per share
Full year	Million yen	%	Million yen	%	Million yen	%	Million yen	%	Yen
	835,000	5.6	27,000	23.5	28,400	16.6	16,400	21.4	88.68

(Note) Revision to the financial results forecast announced most recently: Yes

**\* 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, 2018: 187,365,302 shares
    - August 31, 2017: 182,478,765 shares
  - 2) Total number of treasury shares at the end of the period:
    - February 28, 2018: 658,600 shares
    - August 31, 2017: 658,600 shares
  - 3) Average number of shares during the period:
    - Six months ended February 28, 2018: 182,899,213 shares
    - Six months ended February 28, 2017: 181,820,165 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.

(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 18, 2018.

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, 2017	As of February 28, 2018
<b>Assets</b>		
Current assets		
Cash and deposits	19,997	22,772
Accounts receivable - trade	31,497	33,313
Merchandise and finished goods	101,812	114,357
Raw materials and supplies	509	559
Program right	67	66
Other	18,625	20,599
Allowance for doubtful accounts	(356)	(351)
Total current assets	172,153	191,317
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	27,974	31,793
Land	46,227	47,029
Other, net	7,770	7,073
Total property, plant and equipment	81,972	85,896
Intangible assets		
Goodwill	4,351	4,171
Other	17,778	18,029
Total intangible assets	22,129	22,200
Investments and other assets		
Guarantee deposits	44,419	44,044
Other	29,963	31,592
Allowance for doubtful accounts	(427)	(413)
Total investments and other assets	73,955	75,223
Total non-current assets	178,057	183,320
Total assets	350,211	374,638

(Millions of yen)

	As of August 31, 2017	As of February 28, 2018
<b>Liabilities</b>		
Current liabilities		
Accounts payable - trade	47,177	45,309
Short-term loans payable	33,200	53,000
Current portion of long-term loans payable	23,546	19,865
Income taxes payable	5,128	5,066
Provision for bonuses	3,148	3,059
Provision for point card certificates	11,567	11,684
Provision for loss on store closing	336	344
Asset retirement obligations	136	218
Other	26,030	26,371
Total current liabilities	150,272	164,921
Non-current liabilities		
Bonds payable	5,384	741
Long-term loans payable	15,216	16,020
Provision for goods warranties	1,625	1,307
Provision for loss on store closing	1,256	1,193
Net defined benefit liability	13,693	14,197
Asset retirement obligations	8,975	9,000
Other	8,193	7,394
Total non-current liabilities	54,345	49,855
Total liabilities	204,617	214,776
<b>Net assets</b>		
Shareholders' equity		
Capital stock	23,237	25,558
Capital surplus	24,386	26,707
Retained earnings	72,195	79,624
Treasury shares	(241)	(241)
Total shareholders' equity	119,578	131,648
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	3,561	4,802
Remeasurements of defined benefit plans	(924)	(834)
Total accumulated other comprehensive income	2,636	3,967
Subscription rights to shares	—	5
Non-controlling interests	23,378	24,239
Total net assets	145,593	159,861
Total liabilities and net assets	350,211	374,638

## (2) Consolidated quarterly statements of income

(Millions of yen)

	From September 1, 2016 to February 28, 2017	From September 1, 2017 to February 28, 2018
Net sales	385,538	415,063
Cost of sales	280,421	299,645
Gross profit	105,116	115,417
Selling, general and administrative expenses	95,765	102,070
Operating income	9,350	13,347
Non-operating income		
Interest income	51	45
Dividend income	63	78
Commission fee	641	670
Other	925	513
Total non-operating income	1,682	1,307
Non-operating expenses		
Interest expenses	216	181
Other	87	69
Total non-operating expenses	303	250
Ordinary income	10,729	14,404
Extraordinary income		
Gain on sales of non-current assets	0	33
Gain on sales of investment securities	180	—
Compensation income	150	—
Total extraordinary income	330	33
Extraordinary losses		
Loss on retirement of non-current assets	61	84
Impairment loss	97	—
Provision for loss on store closing	159	132
Other	6	10
Total extraordinary losses	324	226
Profit before income taxes	10,735	14,211
Income taxes - current	3,456	4,186
Income taxes - deferred	379	340
Total income taxes	3,835	4,526
Profit	6,900	9,684
Profit attributable to non-controlling interests	485	982
Profit attributable to owners of parent	6,414	8,701

## (3) Consolidated quarterly Comprehensive income

(Millions of yen)

	From September 1, 2016 to February 28, 2017	From September 1, 2017 to February 28, 2018
Profit	6,900	9,684
Other comprehensive income		
Valuation difference on available-for-sale securities	2,345	1,248
Remeasurements of defined benefit plans, net of tax	146	84
Total other comprehensive income	2,491	1,333
Comprehensive income	9,392	11,017
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	8,875	10,032
Comprehensive income attributable to non-controlling interests	516	984

## (4) Quarterly consolidated statement of comprehensive income

(Millions of yen)

	From September 1, 2016 to February 28, 2017	From September 1, 2017 to February 28, 2018
<b>Cash flows from operating activities</b>		
Profit before income taxes	10,735	14,211
Depreciation	2,892	3,306
Impairment loss	97	—
Amortization of goodwill	180	180
Increase (decrease) in allowance for doubtful accounts	11	(19)
Increase (decrease) in provision for bonuses	(102)	(89)
Increase (decrease) in provision for point card certificates	(172)	117
Increase(decrease) in provision for goods warranties	(316)	(301)
Increase (decrease) in net defined benefit liability	677	760
Increase (decrease) in provision for loss on store closing	11	4
Interest and dividend income	(114)	(123)
Interest expenses	216	181
Loss (gain) on sales of non-current assets	(0)	(33)
Loss on retirement of non-current assets	61	84
Loss (gain) on sales of investment securities	(180)	—
Compensation income	(150)	—
Decrease (increase) in notes and accounts receivable - trade	(2,666)	(1,815)
Decrease (increase) in inventories	(8,687)	(12,593)
Increase (decrease) in notes and accounts payable - trade	898	(1,868)
Other, net	(1,211)	(1,538)
Subtotal	2,180	462
Interest and dividend income received	69	83
Interest expenses paid	(221)	(182)
Income taxes paid	(4,954)	(3,911)
Proceeds from subsidy income	5	—
Net cash provided by (used in) operating activities	(2,920)	(3,547)
<b>Cash flows from investing activities</b>		
Purchase of property, plant and equipment	(5,858)	(6,881)
Proceeds from sales of property, plant and equipment	6	148
Purchase of intangible assets	(1,517)	(1,486)
Purchase of investment securities	—	(786)
Proceeds from sales of investment securities	503	24
Payments for guarantee deposits	(1,872)	(464)
Proceeds from collection of guarantee deposits	731	430
Other, net	(69)	265
Net cash provided by (used in) investing activities	(8,076)	(8,750)

(Millions of yen)

	From September 1, 2016 to February 28, 2017	From September 1, 2017 to February 28, 2018
<b>Cash flows from financing activities</b>		
Net increase (decrease) in short-term loans payable	10,203	19,800
Proceeds from long-term loans payable	6,000	5,400
Repayments of long-term loans payable	(9,340)	(8,276)
Redemption of bonds	(25)	—
Cash dividends paid	(1,269)	(1,270)
Dividends paid to non-controlling interests	(113)	(123)
Repayments of lease obligations	(690)	(555)
Other, net	(0)	(0)
Net cash provided by (used in) financing activities	4,764	14,973
Effect of exchange rate change on cash and cash equivalents	0	(0)
Net increase (decrease) in cash and cash equivalents	(6,232)	2,675
Cash and cash equivalents at beginning of period	25,137	19,997
Cash and cash equivalents at end of period	18,905	22,672



## (5) Sales by product line

Item		From September 1, 2017 to February 28, 2018		
		Sales (Millions of yen)	Composition ratio (%)	Previous year comparison (%)
Audio visual products	Cameras	20,398	4.9	12.6
	TVs	18,793	4.5	7.9
	BD/DVD recorders, Video cameras	8,085	1.9	7.1
	Audios	8,532	2.1	4.6
	AV softwares	2,306	0.6	(6.0)
	Others	11,591	2.8	23.4
	Subtotal	69,707	16.8	10.5
Home appliances	Refrigerators	16,088	3.9	3.5
	Washing machines	16,144	3.9	9.5
	Kitchen appliances	18,880	4.6	7.2
	Seasonal home electronics	21,049	5.1	8.0
	Personal care electronics	23,397	5.6	2.8
	Others	25,103	6.0	(1.2)
	Subtotal	120,664	29.1	4.4
Information communications equipment products	PCs	30,279	7.3	9.9
	PC peripherals	13,078	3.1	8.3
	PC softwares	3,305	0.8	(5.8)
	Cellular phones	60,875	14.7	7.8
	Others	25,817	6.2	4.8
	Subtotal	133,355	32.1	7.3
Other products	Video games	20,032	4.8	49.6
	Watches	11,886	2.9	4.4
	Used PCs	4,373	1.1	(36.5)
	Sporting goods	4,356	1.0	19.9
	Toys	7,138	1.7	6.5
	Glasses and Contact lenses	2,935	0.7	10.2
	Liquors and Soft drinks	3,584	0.9	22.5
	Medicines and Daily goods	9,076	2.2	30.8
	Others	20,962	5.0	(3.6)
	Subtotal	84,346	20.3	10.6
Retail goods sales		408,073	98.3	7.6
Other business		6,990	1.7	9.2
Total		415,063	100.0	7.7

Note: Above amount does not include consumption taxes.