

# Consolidated Financial Results for the Fiscal Year Ended August 31, 2018 [Japanese GAAP]



October 11, 2018

Company name: BIC CAMERA INC. Stock exchange listing: Tokyo Stock Exchange  
 Code number: 3048 URL: <http://www.biccamera.co.jp/ir/>  
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 Scheduled date of ordinary general meeting of shareholders: November 15, 2018  
 Scheduled date of commencing dividend payments: November 16, 2018  
 Scheduled date of filing securities report: November 16, 2018  
 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, 2018 (September 1, 2017 to August 31, 2018)

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

	Net sales		Operating income		Ordinary income		Profit attributable to owners of parent	
	Million yen	%	Million yen	%	Million yen	%	Million yen	%
Fiscal year ended August 31, 2018	844,029	6.8	27,055	23.8	29,241	20.0	17,122	26.8
August 31, 2017	790,639	1.5	21,854	(0.7)	24,364	5.6	13,505	12.7

(Note) Comprehensive income: Fiscal year ended August 31, 2018: ¥20,640 million [11.2%]  
 Fiscal year ended August 31, 2017: ¥18,554 million [80.5%]

	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
	Yen	Yen	%	%	%
Fiscal year ended August 31, 2018	93.65	92.42	13.6	8.2	3.2
August 31, 2017	74.28	72.02	11.7	7.1	2.8

(Reference) Equity in earnings of affiliates: Fiscal year ended August 31, 2018: ¥- million  
 Fiscal year ended August 31, 2017: ¥- million

(2) Consolidated Financial Position

	Total assets	Net assets	Equity ratio	Net assets per share
	Million yen	Million yen	%	Yen
As of August 31, 2018	365,605	155,765	35.5	728.24
As of August 31, 2017	350,211	145,593	34.9	672.18

(Reference) Equity: As of August 31, 2018: ¥129,939 million  
 As of August 31, 2017: ¥122,215 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
	Million yen	Million yen	Million yen	Million yen
Fiscal year ended August 31, 2018	26,102	(12,612)	(11,520)	21,967
August 31, 2017	19,629	(11,522)	(13,247)	19,997

## 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, 2017	-	5.00	-	7.00	12.00	2,181	16.2	1.9
Fiscal year ended August 31, 2018	-	5.00	-	15.00	20.00	3,609	21.4	2.9
Fiscal year ending August 31, 2019 (Forecast)	-	10.00	-	10.00	20.00		20.0	

## 3. Consolidated Financial Results Forecast for the Fiscal Year Ending August 31, 2019 (September 1, 2018 to August 31, 2019)

(% indicates changes from the previous corresponding period.)

	Net sales		Operating income		Ordinary income		Profit attributable to owners of parent		Net income per share
	Million yen	%	Million yen	%	Million yen	%	Million yen	%	Yen
First half	428,000	3.1	12,300	(7.8)	12,800	(11.1)	7,600	(12.7)	42.59
Full year	890,000	5.4	28,800	6.4	30,600	4.6	17,800	4.0	99.76

### \* 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.: No
  - 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, 2018: 188,146,304 shares
    - August 31, 2017: 182,478,765 shares
  - 2) Total number of treasury shares at the end of the period:
    - August 31, 2018: 9,717,800 shares
    - August 31, 2017: 658,600 shares
  - 3) Average number of shares during the period:
    - Fiscal year ended August 31, 2018: 182,833,835 shares
    - Fiscal year ended August 31, 2017: 181,820,165 shares

(Reference) Summary of Non-consolidated Financial Results

Non-consolidated Financial Results for the Fiscal Year Ended August 31, 2018 (September 1, 2017 to August 31, 2018)

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

Fiscal year ended	Net sales		Operating income		Ordinary income		Profit	
	Million yen	%	Million yen	%	Million yen	%	Million yen	%
August 31, 2018	487,523	10.1	16,110	16.8	18,236	11.0	12,055	22.3
August 31, 2017	442,607	3.7	13,789	1.2	16,425	6.6	9,859	18.6

Fiscal year ended	Net income per share	Diluted net income per share
	Yen	Yen
August 31, 2018	65.94	65.07
August 31, 2017	54.23	52.58

(2) Non-consolidated Financial Position

	Total assets	Net assets	Equity ratio	Net assets per share
	Million yen	Million yen	%	Yen
As of August 31, 2018	261,020	107,351	41.1	601.65
As of August 31, 2017	243,192	105,072	43.2	577.89

(Reference) Equity: As of August 31, 2018: ¥107,351 million

As of August 31, 2017: ¥105,072 million

\* These financial results are outside the scope of audits by Certified public accountants or Auditing firms.

\* 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 Friday, October 19, 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 balance sheets

(Millions of yen)

	As of August 31, 2017	As of August 31, 2018
<b>Assets</b>		
Current assets		
Cash and deposits	19,997	21,967
Accounts receivable - trade	31,497	32,968
Merchandise and finished goods	101,812	106,100
Raw materials and supplies	509	631
Program right	67	73
Deferred tax assets	6,883	7,723
Other	11,742	14,064
Allowance for doubtful accounts	(356)	(307)
<b>Total current assets</b>	<b>172,153</b>	<b>183,222</b>
Non-current assets		
Property, plant and equipment		
Buildings and structures	56,866	61,470
Accumulated depreciation	(28,892)	(31,088)
Buildings and structures, net	27,974	30,381
Machinery, equipment and vehicles	1,340	1,984
Accumulated depreciation	(881)	(1,064)
Machinery, equipment and vehicles, net	458	920
Land	46,227	47,041
Leased assets	8,125	8,849
Accumulated depreciation	(5,105)	(6,039)
Leased assets, net	3,020	2,809
Construction in progress	1,814	103
Other	9,243	10,785
Accumulated depreciation	(6,767)	(7,526)
Other, net	2,476	3,259
<b>Total property, plant and equipment</b>	<b>81,972</b>	<b>84,515</b>
Intangible assets		
Goodwill	4,351	3,990
Other	17,778	18,681
<b>Total intangible assets</b>	<b>22,129</b>	<b>22,672</b>
Investments and other assets		
Investment securities	14,371	17,058
Long-term loans receivable	1,100	1,056
Deferred tax assets	10,041	9,469
Net defined benefit asset	2,996	2,976
Guarantee deposits	44,419	43,662
Other	1,453	1,455
Allowance for doubtful accounts	(427)	(483)
<b>Total investments and other assets</b>	<b>73,955</b>	<b>75,195</b>
<b>Total non-current assets</b>	<b>178,057</b>	<b>182,383</b>
<b>Total assets</b>	<b>350,211</b>	<b>365,605</b>

(Millions of yen)

	As of August 31, 2017	As of August 31, 2018
<b>Liabilities</b>		
Current liabilities		
Accounts payable - trade	47,177	47,222
Short-term loans payable	33,200	49,644
Current portion of long-term loans payable	23,546	7,731
Lease obligations	1,104	963
Income taxes payable	5,128	6,180
Provision for bonuses	3,148	3,524
Provision for point card certificates	11,567	12,124
Provision for loss on store closing	336	281
Asset retirement obligations	136	381
Other	24,926	28,507
<b>Total current liabilities</b>	<b>150,272</b>	<b>156,561</b>
Non-current liabilities		
Bonds payable	5,384	—
Long-term loans payable	15,216	20,385
Lease obligations	2,679	1,872
Deferred tax liabilities	166	237
Provision for goods warranties	1,625	1,194
Provision for loss on store closing	1,256	1,077
Net defined benefit liability	13,693	14,619
Asset retirement obligations	8,975	8,972
Other	5,346	4,918
<b>Total non-current liabilities</b>	<b>54,345</b>	<b>53,278</b>
<b>Total liabilities</b>	<b>204,617</b>	<b>209,839</b>
Net assets		
Shareholders' equity		
Capital stock	23,237	25,929
Capital surplus	24,386	27,131
Retained earnings	72,195	87,112
Treasury shares	(241)	(13,821)
<b>Total shareholders' equity</b>	<b>119,578</b>	<b>126,351</b>
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	3,561	4,263
Remeasurements of defined benefit plans	(924)	(675)
<b>Total accumulated other comprehensive income</b>	<b>2,636</b>	<b>3,587</b>
Share acquisition rights	—	5
Non-controlling interests	23,378	25,821
<b>Total net assets</b>	<b>145,593</b>	<b>155,765</b>
<b>Total liabilities and net assets</b>	<b>350,211</b>	<b>365,605</b>

## (2) Consolidated statements of income

(Millions of yen)

	From September 1, 2016 to August 31, 2017	From September 1, 2017 to August 31, 2018
Net sales	790,639	844,029
Cost of sales	571,773	607,947
Gross profit	218,865	236,081
Selling, general and administrative expenses	197,011	209,025
Operating income	21,854	27,055
Non-operating income		
Interest income	100	88
Dividend income	195	246
Commission fee	1,296	1,395
Co-sponsor fee	340	346
Subsidy income	724	331
Other	461	451
Total non-operating income	3,119	2,860
Non-operating expenses		
Interest expenses	418	339
Cost of lease revenue	62	72
Commission fee	70	178
Other	57	83
Total non-operating expenses	608	674
Ordinary income	24,364	29,241
Extraordinary income		
Gain on sales of non-current assets	159	33
Gain on sales of investment securities	436	—
Subsidy income	—	440
Compensation income	150	—
Total extraordinary income	745	474
Extraordinary losses		
Loss on sales of non-current assets	—	0
Loss on retirement of non-current assets	86	194
Loss on reduction of non-current assets	—	423
Loss on valuation of investment securities	873	—
Impairment loss	930	796
Loss on disaster	—	18
Other	473	198
Total extraordinary losses	2,364	1,630
Profit before income taxes	22,745	28,085
Income taxes - current	7,922	9,124
Income taxes - deferred	(706)	(741)
Total income taxes	7,216	8,382
Profit	15,529	19,702
Profit attributable to non-controlling interests	2,024	2,579
Profit attributable to owners of parent	13,505	17,122

## (3) Consolidated statements of Comprehensive income

(Millions of yen)

	From September 1, 2016 to August 31, 2017	From September 1, 2017 to August 31, 2018
Profit	15,529	19,702
Other comprehensive income		
Valuation difference on available-for-sale securities	2,671	699
Remeasurements of defined benefit plans, net of tax	353	238
Total other comprehensive income	3,025	938
Comprehensive income	18,554	20,640
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	16,440	18,074
Comprehensive income attributable to non-controlling interests	2,114	2,566

## (4) Consolidated statements of comprehensive income

(Millions of yen)

	From September 1, 2016 to August 31, 2017	From September 1, 2017 to August 31, 2018
<b>Cash flows from operating activities</b>		
Profit before income taxes	22,745	28,085
Depreciation	6,003	6,858
Impairment loss	930	796
Amortization of goodwill	360	360
Increase (decrease) in allowance for doubtful accounts	(9)	6
Increase (decrease) in provision for bonuses	328	376
Increase (decrease) in provision for point card certificates	(3)	557
Increase(decrease) in provision for goods warranties	(492)	(409)
Increase (decrease) in net defined benefit liability	1,511	1,418
Increase (decrease) in provision for loss on store closing	(102)	(173)
Interest and dividend income	(295)	(334)
Interest expenses	418	339
Subsidy income	(724)	(772)
Loss (gain) on sales of non-current assets	(159)	(33)
Loss on retirement of non-current assets	86	194
Loss on reduction of non-current assets	—	423
Loss (gain) on sales of investment securities	(436)	—
Loss (gain) on valuation of investment securities	873	—
Compensation income	(150)	—
Decrease (increase) in notes and accounts receivable - trade	(3,331)	(1,470)
Decrease (increase) in inventories	(8,183)	(4,415)
Increase (decrease) in notes and accounts payable - trade	7,336	45
Other, net	1,408	1,881
<b>Subtotal</b>	<b>28,117</b>	<b>33,733</b>
Interest and dividend income received	216	257
Interest expenses paid	(424)	(337)
Income taxes paid	(8,849)	(7,854)
Proceeds from compensation	150	—
Proceeds from subsidy income	420	304
<b>Net cash provided by (used in) operating activities</b>	<b>19,629</b>	<b>26,102</b>
<b>Cash flows from investing activities</b>		
Purchase of property, plant and equipment	(9,578)	(8,795)
Proceeds from sales of property, plant and equipment	449	153
Purchase of intangible assets	(3,134)	(3,345)
Purchase of investment securities	(6)	(1,320)
Proceeds from sales of investment securities	837	24
Payments for guarantee deposits	(2,150)	(922)
Proceeds from collection of guarantee deposits	1,828	968
Other, net	230	626
<b>Net cash provided by (used in) investing activities</b>	<b>(11,522)</b>	<b>(12,612)</b>



(Millions of yen)

	From September 1, 2016 to August 31, 2017	From September 1, 2017 to August 31, 2018
<b>Cash flows from financing activities</b>		
Net increase (decrease) in short-term loans payable	(862)	16,444
Proceeds from long-term loans payable	6,500	18,800
Repayments of long-term loans payable	(15,448)	(29,445)
Redemption of bonds	(35)	—
Purchase of treasury shares	(0)	(13,922)
Cash dividends paid	(2,176)	(2,201)
Dividends paid to non-controlling interests	(113)	(123)
Proceeds from changes in ownership interests in subsidiaries that do not result in change in scope of consolidation	263	—
Repayments of lease obligations	(1,375)	(1,066)
Other, net	(0)	(4)
Net cash provided by (used in) financing activities	(13,247)	(11,520)
Effect of exchange rate change on cash and cash equivalents	0	0
Net increase (decrease) in cash and cash equivalents	(5,140)	1,970
Cash and cash equivalents at beginning of period	25,137	19,997
Cash and cash equivalents at end of period	19,997	21,967

## (5) Sales by product line

Item		From September 1, 2017 to August 31, 2018		
		Sales (Millions of yen)	Composition ratio (%)	Previous year comparison (%)
Audio visual products	Cameras	40,979	4.9	8.0
	TVs	37,894	4.5	8.0
	BD/DVD recorders, Video cameras	15,188	1.8	2.5
	Audios	16,076	1.9	3.8
	AV softwares	4,579	0.5	(4.7)
	Others	23,883	2.8	27.2
	Subtotal	138,601	16.4	9.2
Home appliances	Refrigerators	38,735	4.6	3.9
	Washing machines	35,021	4.1	8.6
	Kitchen appliances	36,552	4.3	5.6
	Seasonal home electronics	55,668	6.6	8.1
	Personal care electronics	45,523	5.4	3.8
	Others	49,608	5.9	0.4
	Subtotal	261,110	30.9	4.9
Information communications equipment products	PCs	63,769	7.6	8.3
	PC peripherals	25,315	3.0	9.2
	PC softwares	6,364	0.8	(8.2)
	Cellular phones	117,330	13.9	8.2
	Others	51,038	6.0	6.8
	Subtotal	263,817	31.3	7.6
Other products	Video games	32,630	3.9	19.3
	Watches	24,071	2.9	4.9
	Used PCs	8,365	1.0	(30.3)
	Sporting goods	10,156	1.2	23.7
	Toys	13,043	1.5	6.2
	Glasses and Contact lenses	6,302	0.7	11.4
	Liquors and Soft drinks	7,048	0.8	20.3
	Medicines and Daily goods	19,174	2.3	27.9
	Others	45,607	5.4	(2.4)
Subtotal	166,399	19.7	6.6	
Retail goods sales		829,928	98.3	6.8
Other business		14,100	1.7	4.1
Total		844,029	100.0	6.8

Note: Above amount does not include consumption taxes.