

Consolidated Financial Results for the Six Months Ended February 28, 2019 [Japanese GAAP]



April 11, 2019

Company name: BIC CAMERA INC. Stock exchange listing: Tokyo Stock Exchange
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Scheduled date of filing quarterly securities report: April 12, 2019

Scheduled date of commencing dividend payments: May 17, 2019

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, 2019

(September 1, 2018 to February 28, 2019)

(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	%
Six months ended February 28, 2019	441,897	6.5	12,659	(5.2)	13,938	(3.2)	8,311	(4.5)
February 28, 2018	415,063	7.7	13,347	42.7	14,404	34.3	8,701	35.6

(Note) Comprehensive income: Six months ended February 28, 2019: ¥9,195 million [(16.5)%]

Six months ended February 28, 2018: ¥11,017 million [17.3%]

	Net income per share	Diluted net income per share
	Yen	Yen
Six months ended February 28, 2019	46.58	46.57
February 28, 2018	47.57	46.40

(2) Consolidated Financial Position

	Total assets	Net assets	Equity ratio
	Million yen	Million yen	%
As of February 28, 2019	394,470	162,192	34.2
As of August 31, 2018	365,598	155,765	35.5

(Reference) Equity: As of February 28, 2019: ¥134,944 million

As of August 31, 2018: ¥129,939 million

(Note) Partial Amendments to “Accounting Standard for Deferred Tax Accounting” (Corporate Accounting Standards No. 28, February 16, 2018) will apply from the beginning of the first quarter of the current consolidated fiscal year, and will apply retroactively to the figures for the total assets and the capital adequacy ratio relating to the period ending August 2018.

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, 2018	-	5.00	-	15.00	20.00
Fiscal year ending August 31, 2019	-	10.00			
Fiscal year ending August 31, 2019 (Forecast)			-	10.00	20.00

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

**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 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
	895,000	6.0	28,800	6.4	30,600	4.6	17,800	4.0	99.76

(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.: Yes
 - 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, 2019: 188,146,304 shares
 - August 31, 2018: 188,146,304 shares
 - 2) Total number of treasury shares at the end of the period:
 - February 28, 2019: 9,713,800 shares
 - August 31, 2018: 9,717,800 shares
 - 3) Average number of shares during the period:
 - Six months ended February 28, 2019: 178,430,581 shares
 - Six months ended February 28, 2018: 182,899,213 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 Friday, April 19, 2019.

The outline of the session and its audio data are scheduled to be posted on the Company's website together with the briefing material.

(Change to the date format)

Starting with "Earnings briefing for the first quarter ending August 2019," the date format will change from the Japanese calendar to the Western calendar.

Consolidated Financial Statements

(1) Consolidated quarterly balance sheets

(Millions of yen)

	As of August 31, 2018	As of February 28, 2019
Assets		
Current assets		
Cash and deposits	21,967	24,021
Accounts receivable - trade	32,968	35,848
Merchandise and finished goods	106,100	126,498
Raw materials and supplies	631	585
Program right	73	97
Other	14,064	14,784
Allowance for doubtful accounts	(307)	(275)
Total current assets	175,498	201,558
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	30,381	32,692
Land	47,041	46,986
Other, net	7,092	9,435
Total property, plant and equipment	84,515	89,114
Intangible assets	22,672	22,318
Investments and other assets		
Guarantee deposits	43,662	43,214
Other	39,731	38,744
Allowance for doubtful accounts	(483)	(481)
Total investments and other assets	82,911	81,477
Total non-current assets	190,099	192,911
Total assets	365,598	394,470

(Millions of yen)

	As of August 31, 2018	As of February 28, 2019
Liabilities		
Current liabilities		
Accounts payable - trade	47,222	48,834
Short-term loans payable	49,644	57,232
Current portion of long-term loans payable	7,731	10,081
Income taxes payable	6,180	4,712
Provision for bonuses	3,524	3,041
Provision for point card certificates	12,124	12,438
Provision for loss on store closing	281	270
Asset retirement obligations	381	169
Other	29,470	29,033
Total current liabilities	156,561	165,814
Non-current liabilities		
Long-term loans payable	20,385	33,588
Provision for goods warranties	1,194	996
Provision for loss on store closing	1,077	780
Net defined benefit liability	14,619	15,061
Asset retirement obligations	8,972	9,150
Other	7,020	6,885
Total non-current liabilities	53,270	66,463
Total liabilities	209,832	232,277
Net assets		
Shareholders' equity		
Capital stock	25,929	25,929
Capital surplus	27,131	27,131
Retained earnings	87,112	92,747
Treasury shares	(13,821)	(13,815)
Total shareholders' equity	126,351	131,993
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	4,263	3,497
Remeasurements of defined benefit plans	(675)	(545)
Total accumulated other comprehensive income	3,587	2,951
Share acquisition rights	5	40
Non-controlling interests	25,821	27,207
Total net assets	155,765	162,192
Total liabilities and net assets	365,598	394,470

(2) Consolidated quarterly statements of income

(Millions of yen)

	From September 1, 2017 to February 28, 2018	From September 1, 2018 to February 28, 2019
Net sales	415,063	441,897
Cost of sales	299,645	321,918
Gross profit	115,417	119,979
Selling, general and administrative expenses	102,070	107,319
Operating income	13,347	12,659
Non-operating income		
Interest income	45	39
Dividend income	78	82
Commission fee	670	721
Other	513	670
Total non-operating income	1,307	1,515
Non-operating expenses		
Interest expenses	181	145
Other	69	90
Total non-operating expenses	250	236
Ordinary income	14,404	13,938
Extraordinary income		
Gain on sales of non-current assets	33	25
Total extraordinary income	33	25
Extraordinary losses		
Loss on retirement of non-current assets	84	172
Other	142	42
Total extraordinary losses	226	214
Profit before income taxes	14,211	13,750
Income taxes - current	4,186	3,896
Income taxes - deferred	340	(13)
Total income taxes	4,526	3,882
Profit	9,684	9,867
Profit attributable to non-controlling interests	982	1,555
Profit attributable to owners of parent	8,701	8,311

(3) Consolidated quarterly Comprehensive income

(Millions of yen)

	From September 1, 2017 to February 28, 2018	From September 1, 2018 to February 28, 2019
Profit	9,684	9,867
Other comprehensive income		
Valuation difference on available-for-sale securities	1,248	(789)
Remeasurements of defined benefit plans, net of tax	84	117
Total other comprehensive income	1,333	(672)
Comprehensive income	11,017	9,195
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	10,032	7,675
Comprehensive income attributable to non-controlling interests	984	1,519

(4) Quarterly consolidated statement of comprehensive income

(Millions of yen)

	From September 1, 2017 to February 28, 2018	From September 1, 2018 to February 28, 2019
Cash flows from operating activities		
Profit before income taxes	14,211	13,750
Depreciation	3,306	3,680
Amortization of goodwill	180	180
Increase (decrease) in allowance for doubtful accounts	(19)	(32)
Increase (decrease) in provision for bonuses	(89)	(483)
Increase (decrease) in provision for point card certificates	117	314
Increase(decrease) in provision for goods warranties	(301)	(191)
Increase (decrease) in net defined benefit liability	760	635
Increase (decrease) in provision for loss on store closing	4	(249)
Interest and dividend income	(123)	(122)
Interest expenses	181	145
Loss (gain) on sales of non-current assets	(33)	(25)
Loss on retirement of non-current assets	84	172
Decrease (increase) in notes and accounts receivable - trade	(1,815)	(2,879)
Decrease (increase) in inventories	(12,593)	(20,375)
Increase (decrease) in notes and accounts payable - trade	(1,868)	1,611
Other, net	(1,538)	(2,478)
Subtotal	462	(6,348)
Interest and dividend income received	83	88
Interest expenses paid	(182)	(148)
Income taxes paid	(3,911)	(5,221)
Proceeds from subsidy income	—	148
Net cash provided by (used in) operating activities	(3,547)	(11,481)
Cash flows from investing activities		
Purchase of property, plant and equipment	(6,881)	(5,352)
Proceeds from sales of property, plant and equipment	148	87
Purchase of intangible assets	(1,486)	(1,126)
Purchase of investment securities	(786)	(4)
Proceeds from sales of investment securities	24	—
Payments for guarantee deposits	(464)	(625)
Proceeds from collection of guarantee deposits	430	709
Other, net	265	47
Net cash provided by (used in) investing activities	(8,750)	(6,263)

(Millions of yen)

	From September 1, 2017 to February 28, 2018	From September 1, 2018 to February 28, 2019
Cash flows from financing activities		
Net increase (decrease) in short-term loans payable	19,800	7,588
Proceeds from long-term loans payable	5,400	26,600
Repayments of long-term loans payable	(8,276)	(11,046)
Cash dividends paid	(1,270)	(2,669)
Dividends paid to non-controlling interests	(123)	(134)
Repayments of lease obligations	(555)	(537)
Other, net	(0)	(0)
Net cash provided by (used in) financing activities	14,973	19,798
Effect of exchange rate change on cash and cash equivalents	(0)	(0)
Net increase (decrease) in cash and cash equivalents	2,675	2,053
Cash and cash equivalents at beginning of period	19,997	21,967
Cash and cash equivalents at end of period	22,672	24,021

(5) Sales by product line

Item		From September 1, 2018 to February 28, 2019		
		Sales (Millions of yen)	Composition ratio (%)	Previous year comparison (%)
Audio visual products	Cameras	18,991	4.3	(6.9)
	TVs	19,760	4.5	5.1
	BD/DVD recorders, Video cameras	8,483	1.9	4.9
	Audios	7,571	1.7	(11.3)
	Others	15,928	3.6	14.6
	Subtotal	70,735	16.0	1.5
Home appliances	Refrigerators	16,836	3.8	4.7
	Washing machines	17,396	3.9	7.8
	Kitchen appliances	19,411	4.4	2.8
	Seasonal home electronics	23,105	5.2	9.8
	Personal care electronics	24,318	5.5	3.9
	Others	27,599	6.3	9.9
	Subtotal	128,668	29.1	6.6
Information communications equipment products	PCs	36,792	8.3	21.5
	PC peripherals	13,917	3.2	6.4
	Cellular phones	63,570	14.4	4.4
	Others	29,979	6.8	2.9
	Subtotal	144,259	32.7	8.2
Other products	Video games	23,017	5.2	14.9
	Watches	12,364	2.8	4.0
	Used PCs	4,287	1.0	(2.0)
	Sporting goods	5,276	1.2	21.1
	Toys	7,538	1.7	5.6
	Glasses and Contact lenses	3,375	0.8	15.0
	Liquors and Soft drinks	4,099	0.9	14.4
	Medicines and Daily goods	10,420	2.3	14.8
	Others	21,054	4.8	0.4
	Subtotal	91,434	20.7	8.4
Retail goods sales		435,097	98.5	6.6
Other business		6,800	1.5	(2.7)
Total		441,897	100.0	6.5

Note: 1. Above amount does not include consumption taxes.

2. AV software, which was classified and listed in Audio visual products in the previous consolidated fiscal year, will be included and indicated in Other in the Audio visual products from the first quarter of the current consolidated fiscal year.

3. PC softwares, which was classified and listed in Information communications equipment products in the previous consolidated fiscal year, will be included and indicated in Other in the Information communications equipment products from the first quarter of the current consolidated fiscal year.