

**Consolidated Financial Results
for the Fiscal Year Ended August 31, 2019
[Japanese GAAP]**



October 10, 2019

Company name: BIC CAMERA INC. Stock exchange listing: Tokyo Stock Exchange
 Code number: 3048 URL: <https://www.biccamera.co.jp/ir/>
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 Scheduled date of ordinary general meeting of shareholders: November 15, 2019
 Scheduled date of commencing dividend payments: November 18, 2019
 Scheduled date of filing securities report: November 18, 2019
 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, 2019 (September 1, 2018 to August 31, 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	%
Fiscal year ended August 31, 2019	894,021	5.9	22,943	(15.2)	25,871	(11.5)	14,047	(18.0)
August 31, 2018	844,029	6.8	27,055	23.8	29,241	20.0	17,122	26.8

(Note) Comprehensive income: Fiscal year ended August 31, 2019: ¥15,192 million [(26.4)%]
 Fiscal year ended August 31, 2018: ¥20,640 million [11.2%]

	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, 2019	79.09	79.08	10.6	6.8	2.6
August 31, 2018	93.65	92.42	13.6	8.2	3.2

(Reference) Equity in earnings of affiliates: Fiscal year ended August 31, 2019: ¥- million
 Fiscal year ended August 31, 2018: ¥- 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 ordinary profit margin of total assets ratio relating to the period ending August 2018.

(2) Consolidated Financial Position

	Total assets	Net assets	Equity ratio	Net assets per share
	Million yen	Million yen	%	Yen
As of August 31, 2019	400,451	163,342	33.4	761.10
As of August 31, 2018	365,598	155,765	35.5	728.24

(Reference) Equity: As of August 31, 2019: ¥133,902 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.

(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, 2019	13,192	(11,437)	2,069	25,791
August 31, 2018	26,102	(12,612)	(11,520)	21,967

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			
Fiscal year ended	Yen	Yen	Yen	Yen	Yen	Million yen	%	%
August 31, 2018	-	5.00	-	15.00	20.00	3,609	21.4	2.9
August 31, 2019	-	10.00	-	10.00	20.00	3,543	25.3	2.7
August 31, 2020 (Forecast)	-	10.00	-	10.00	20.00		22.8	

3. Consolidated Financial Results Forecast for the Fiscal Year Ending August 31, 2020 (September 1, 2019 to August 31, 2020)

(% 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	457,500	3.5	10,100	(20.2)	10,800	(22.5)	6,200	(25.4)	35.24
Full year	941,000	5.3	25,200	9.8	26,900	4.0	15,400	9.6	87.53

* 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, 2019: 188,146,304 shares

August 31, 2018: 188,146,304 shares

2) Total number of treasury shares at the end of the period:

August 31, 2019: 12,213,800 shares

August 31, 2018: 9,717,800 shares

3) Average number of shares during the period:

Fiscal year ended August 31, 2019: 177,613,073 shares

Fiscal year ended August 31, 2018: 182,833,835 shares

(Reference) Summary of Non-consolidated Financial Results

Non-consolidated Financial Results for the Fiscal Year Ended August 31, 2019 (September 1, 2018 to August 31, 2019)

(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, 2019	516,078	5.9	9,941	(38.3)	12,185	(33.2)	7,300	(39.4)
August 31, 2018	487,523	10.1	16,110	16.8	18,236	11.0	12,055	22.3

Fiscal year ended	Net income per share	Diluted net income per share
	Yen	Yen
August 31, 2019	41.10	41.10
August 31, 2018	65.94	65.07

(2) Non-consolidated Financial Position

	Total assets	Net assets	Equity ratio	Net assets per share
	Million yen	Million yen	%	Yen
As of August 31, 2019	278,294	105,288	37.8	598.21
As of August 31, 2018	261,020	107,351	41.1	601.65

(Reference) Equity: As of August 31, 2019: ¥105,244 million

As of August 31, 2018: ¥107,351 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 18, 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 balance sheets

(Millions of yen)

	As of August 31, 2018	As of August 31, 2019
Assets		
Current assets		
Cash and deposits	21,967	25,791
Accounts receivable - trade	32,968	39,008
Merchandise and finished goods	106,100	127,954
Raw materials and supplies	631	682
Program right	73	78
Other	14,064	15,688
Allowance for doubtful accounts	(307)	(268)
Total current assets	175,498	208,936
Non-current assets		
Property, plant and equipment		
Buildings and structures	61,470	63,572
Accumulated depreciation	(31,088)	(33,186)
Buildings and structures, net	30,381	30,385
Machinery, equipment and vehicles	1,984	2,680
Accumulated depreciation	(1,064)	(1,321)
Machinery, equipment and vehicles, net	920	1,358
Land	47,041	46,998
Leased assets	8,849	9,450
Accumulated depreciation	(6,039)	(6,720)
Leased assets, net	2,809	2,730
Construction in progress	103	555
Other	10,785	17,611
Accumulated depreciation	(7,526)	(12,130)
Other, net	3,259	5,480
Total property, plant and equipment	84,515	87,509
Intangible assets	22,672	23,105
Investments and other assets		
Investment securities	17,058	13,626
Long-term loans receivable	1,056	182
Deferred tax assets	17,184	20,785
Retirement benefit asset	2,976	2,913
Guarantee deposits	43,662	42,529
Other	1,455	1,190
Allowance for doubtful accounts	(483)	(329)
Total investments and other assets	82,911	80,898
Total non-current assets	190,099	191,514
Total assets	365,598	400,451

(Millions of yen)

	As of August 31, 2018	As of August 31, 2019
Liabilities		
Current liabilities		
Accounts payable - trade	47,222	58,387
Short-term loans payable	49,644	50,224
Current portion of long-term loans payable	7,731	8,954
Lease obligations	963	894
Income taxes payable	6,180	3,429
Provision for bonuses	3,524	3,378
Provision for point card certificates	12,124	12,922
Provision for loss on store closing	281	260
Asset retirement obligations	381	78
Other	28,507	35,396
Total current liabilities	156,561	173,927
Non-current liabilities		
Long-term loans payable	20,385	29,375
Lease obligations	1,872	1,788
Deferred tax liabilities	229	83
Provision for goods warranties	1,194	824
Provision for loss on store closing	1,077	741
Retirement benefit liability	14,619	16,320
Asset retirement obligations	8,972	9,239
Other	4,918	4,809
Total non-current liabilities	53,270	63,181
Total liabilities	209,832	237,108
Net assets		
Shareholders' equity		
Capital stock	25,929	25,929
Capital surplus	27,131	27,139
Retained earnings	87,112	96,699
Treasury shares	(13,821)	(16,737)
Total shareholders' equity	126,351	133,030
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	4,263	1,913
Remeasurements of defined benefit plans	(675)	(1,041)
Total accumulated other comprehensive income	3,587	871
Share acquisition rights	5	53
Non-controlling interests	25,821	29,386
Total net assets	155,765	163,342
Total liabilities and net assets	365,598	400,451

(2) Consolidated statements of income

(Millions of yen)

	From September 1, 2017 to August 31, 2018	From September 1, 2018 to August 31, 2019
Net sales	844,029	894,021
Cost of sales	607,947	650,576
Gross profit	236,081	243,444
Selling, general and administrative expenses	209,025	220,500
Operating income	27,055	22,943
Non-operating income		
Interest income	88	76
Dividend income	246	252
Commission fee	1,395	1,494
Co-sponsor fee	346	365
Subsidy income	331	530
Other	451	729
Total non-operating income	2,860	3,448
Non-operating expenses		
Interest expenses	339	283
Cost of lease revenue	72	77
Commission fee	178	97
Other	83	63
Total non-operating expenses	674	521
Ordinary income	29,241	25,871
Extraordinary income		
Gain on sales of non-current assets	33	36
Gain on sales of investment securities	—	18
Subsidy income	440	—
Total extraordinary income	474	55
Extraordinary losses		
Loss on sales of non-current assets	0	—
Loss on retirement of non-current assets	194	252
Loss on reduction of non-current assets	423	—
Loss on sales of investment securities	—	10
Impairment loss	796	2,946
Loss on disaster	18	—
Other	198	43
Total extraordinary losses	1,630	3,253
Profit before income taxes	28,085	22,673
Income taxes - current	9,124	7,159
Income taxes - deferred	(741)	(2,483)
Total income taxes	8,382	4,676
Profit	19,702	17,996
Profit attributable to non-controlling interests	2,579	3,948
Profit attributable to owners of parent	17,122	14,047

(3) Consolidated statements of Comprehensive income

(Millions of yen)

	From September 1, 2017 to August 31, 2018	From September 1, 2018 to August 31, 2019
Profit	19,702	17,996
Other comprehensive income		
Valuation difference on available-for-sale securities	699	(2,395)
Remeasurements of defined benefit plans, net of tax	238	(408)
Total other comprehensive income	938	(2,803)
Comprehensive income	20,640	15,192
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	18,074	11,330
Comprehensive income attributable to non-controlling interests	2,566	3,862

(4) Consolidated statements of comprehensive income

(Millions of yen)

	From September 1, 2017 to August 31, 2018	From September 1, 2018 to August 31, 2019
Cash flows from operating activities		
Profit before income taxes	28,085	22,673
Depreciation	6,858	7,796
Impairment loss	796	2,946
Amortization of goodwill	360	360
Increase (decrease) in allowance for doubtful accounts	6	(191)
Increase (decrease) in provision for bonuses	376	(146)
Increase (decrease) in provision for point card certificates	557	798
Increase(decrease) in provision for goods warranties	(409)	(355)
Increase (decrease) in retirement benefit liability	1,418	1,226
Increase (decrease) in provision for loss on store closing	(173)	(296)
Interest and dividend income	(334)	(328)
Interest expenses	339	283
Subsidy income	(772)	(530)
Loss (gain) on sales of non-current assets	(33)	(36)
Loss on retirement of non-current assets	194	252
Loss on reduction of non-current assets	423	—
Loss (gain) on sales of investment securities	—	(7)
Decrease (increase) in notes and accounts receivable - trade	(1,470)	(6,040)
Decrease (increase) in inventories	(4,415)	(21,910)
Increase (decrease) in notes and accounts payable - trade	45	11,165
Other, net	1,881	4,456
Subtotal	33,733	22,113
Interest and dividend income received	257	263
Interest expenses paid	(337)	(284)
Income taxes paid	(7,854)	(9,782)
Proceeds from subsidy income	304	882
Other, net	—	(0)
Net cash provided by (used in) operating activities	26,102	13,192
Cash flows from investing activities		
Purchase of property, plant and equipment	(8,795)	(8,707)
Proceeds from sales of property, plant and equipment	153	100
Purchase of intangible assets	(3,345)	(3,621)
Purchase of investment securities	(1,320)	(177)
Proceeds from sales of investment securities	24	139
Payments for guarantee deposits	(922)	(1,079)
Proceeds from collection of guarantee deposits	968	1,608
Other, net	626	299
Net cash provided by (used in) investing activities	(12,612)	(11,437)

(Millions of yen)

	From September 1, 2017 to August 31, 2018	From September 1, 2018 to August 31, 2019
Cash flows from financing activities		
Net increase (decrease) in short-term loans payable	16,444	580
Proceeds from long-term loans payable	18,800	26,600
Repayments of long-term loans payable	(29,445)	(16,387)
Purchase of treasury shares	(13,922)	(2,921)
Purchase of treasury shares of subsidiaries	—	(154)
Cash dividends paid	(2,201)	(4,449)
Dividends paid to non-controlling interests	(123)	(134)
Repayments of lease obligations	(1,066)	(1,061)
Other, net	(4)	(0)
Net cash provided by (used in) financing activities	(11,520)	2,069
Effect of exchange rate change on cash and cash equivalents	0	(0)
Net increase (decrease) in cash and cash equivalents	1,970	3,824
Cash and cash equivalents at beginning of period	19,997	21,967
Cash and cash equivalents at end of period	21,967	25,791

(5) Sales by product line

Item		From September 1, 2018 to August 31, 2019		
		Sales (Millions of yen)	Composition ratio (%)	Previous year comparison (%)
Audio visual products	Cameras	36,956	4.1	(9.8)
	TVs	40,946	4.6	8.1
	BD/DVD recorders, Video cameras	15,850	1.8	4.4
	Audios	14,738	1.6	(8.3)
	Others	32,608	3.6	14.6
	Subtotal	141,101	15.7	1.8
Home appliances	Refrigerators	40,705	4.6	5.1
	Washing machines	38,845	4.3	10.9
	Kitchen appliances	37,874	4.2	3.6
	Seasonal home electronics	59,741	6.7	7.3
	Personal care electronics	47,789	5.4	5.0
	Others	52,682	5.9	6.2
	Subtotal	277,638	31.1	6.3
Information communications equipment products	PCs	75,030	8.4	17.7
	PC peripherals	27,239	3.0	7.6
	Cellular phones	123,190	13.8	5.0
	Others	59,652	6.7	3.9
	Subtotal	285,112	31.9	8.1
Other products	Video games	35,010	3.9	7.3
	Watches	24,313	2.7	1.0
	Used PCs	9,251	1.0	10.6
	Sporting goods	11,672	1.3	14.9
	Toys	14,225	1.6	9.1
	Glasses and Contact lenses	6,856	0.8	8.8
	Liquors and Soft drinks	8,112	0.9	15.1
	Medicines and Daily goods	21,215	2.4	10.6
	Others	45,633	5.1	0.1
	Subtotal	176,293	19.7	5.9
Retail goods sales		880,145	98.4	6.1
Other business		13,875	1.6	(1.6)
Total		894,021	100.0	5.9

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

2. AV softwares, 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.