

Consolidated Financial Results for the Fiscal Year Ended August 31, 2020 [Japanese GAAP]



October 9, 2020

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 19, 2020
 Scheduled date of commencing dividend payments: November 20, 2020
 Scheduled date of filing securities report: November 20, 2020
 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, 2020 (September 1, 2019 to August 31, 2020)

(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, 2020	847,905	(5.2)	12,066	(47.4)	14,690	(43.2)	5,450	(61.2)
August 31, 2019	894,021	5.9	22,943	(15.2)	25,871	(11.5)	14,047	(18.0)

(Note) Comprehensive income: Fiscal year ended August 31, 2020: ¥10,457 million [(31.2)%]
 Fiscal year ended August 31, 2019: ¥15,192 million [(26.4)%]

	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, 2020	30.98	30.96	4.0	3.4	1.4
August 31, 2019	79.09	79.08	10.6	6.8	2.6

(Reference) Equity in earnings of affiliates: Fiscal year ended August 31, 2020: ¥- million
 Fiscal year ended August 31, 2019: ¥- million

(2) Consolidated Financial Position

	Total assets	Net assets	Equity ratio	Net assets per share
	Million yen	Million yen	%	Yen
As of August 31, 2020	472,074	169,791	29.0	779.15
As of August 31, 2019	400,451	163,342	33.4	761.10

(Reference) Equity: As of August 31, 2020: ¥137,078 million
 As of August 31, 2019: ¥133,902 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, 2020	52,004	(15,691)	55,106	117,211
August 31, 2019	13,192	(11,437)	2,069	25,791

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, 2019	-	10.00	-	10.00	20.00	3,543	25.3	2.7
Fiscal year ended August 31, 2020	-	10.00	-	3.00	13.00	2,287	42.0	1.7
Fiscal year ending August 31, 2021 (Forecast)	-	5.00	-	10.00	15.00		33.4	

3. Consolidated Financial Results Forecast for the Fiscal Year Ending August 31, 2021 (September 1, 2020 to August 31, 2021)

(% 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	441,000	1.0	5,000	(34.8)	6,000	(34.0)	2,800	(42.3)	15.92
Full year	896,000	5.7	15,000	24.3	17,000	15.7	7,900	44.9	44.90

* 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: Yes
 - 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, 2020: 188,146,304 shares
 - August 31, 2019: 188,146,304 shares
 - 2) Total number of treasury shares at the end of the period:
 - August 31, 2020: 12,211,800 shares
 - August 31, 2019: 12,213,800 shares
 - 3) Average number of shares during the period:
 - Fiscal year ended August 31, 2020: 175,934,055 shares
 - Fiscal year ended August 31, 2019: 177,613,073 shares

(Reference) Summary of Non-consolidated Financial Results

Non-consolidated Financial Results for the Fiscal Year Ended August 31, 2020 (September 1, 2019 to August 31, 2020)

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

	Net sales		Operating income		Ordinary income		Profit	
Fiscal year ended	Million yen	%	Million yen	%	Million yen	%	Million yen	%
August 31, 2020	460,501	(10.8)	(2,987)	-	627	(94.9)	(424)	-
August 31, 2019	516,078	5.9	9,941	(38.3)	12,185	(33.2)	7,300	(39.4)

	Net income per share	Diluted net income per share
Fiscal year ended	Yen	Yen
August 31, 2020	(2.41)	-
August 31, 2019	41.10	41.10

(2) Non-consolidated Financial Position

	Total assets	Net assets	Equity ratio	Net assets per share
	Million yen	Million yen	%	Yen
As of August 31, 2020	332,070	101,957	30.7	579.14
As of August 31, 2019	278,294	105,288	37.8	598.21

(Reference) Equity: As of August 31, 2020: ¥101,891 million

As of August 31, 2019: ¥105,244 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 16, 2020. 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, 2019	As of August 31, 2020
Assets		
Current assets		
Cash and deposits	25,791	117,211
Accounts receivable - trade	39,008	40,986
Merchandise and finished goods	127,954	100,925
Raw materials and supplies	682	649
Program right	78	123
Other	15,688	14,188
Allowance for doubtful accounts	(268)	(274)
Total current assets	208,936	273,809
Non-current assets		
Property, plant and equipment		
Buildings and structures	63,572	64,780
Accumulated depreciation	(33,186)	(35,465)
Buildings and structures, net	30,385	29,314
Machinery, equipment and vehicles	2,680	2,919
Accumulated depreciation	(1,321)	(1,614)
Machinery, equipment and vehicles, net	1,358	1,305
Land	46,998	46,983
Leased assets	9,450	9,705
Accumulated depreciation	(6,720)	(7,462)
Leased assets, net	2,730	2,242
Construction in progress	555	877
Other	17,611	24,228
Accumulated depreciation	(12,130)	(14,577)
Other, net	5,480	9,651
Total property, plant and equipment	87,509	90,374
Intangible assets	23,105	25,379
Investments and other assets		
Investment securities	13,626	14,553
Long-term loans receivable	182	835
Deferred tax assets	20,785	21,541
Retirement benefit asset	2,913	2,885
Guarantee deposits	42,529	41,731
Other	1,190	1,339
Allowance for doubtful accounts	(329)	(376)
Total investments and other assets	80,898	82,510
Total non-current assets	191,514	198,265
Total assets	400,451	472,074

(Millions of yen)

	As of August 31, 2019	As of August 31, 2020
Liabilities		
Current liabilities		
Accounts payable - trade	58,387	58,301
Short-term borrowings	50,224	32,176
Current portion of bonds payable	-	200
Current portion of long-term borrowings	8,954	21,477
Lease obligations	894	660
Income taxes payable	3,429	3,143
Provision for bonuses	3,378	3,241
Provision for point card certificates	12,922	13,159
Provision for loss on store closings	260	278
Asset retirement obligations	78	341
Other	35,396	40,975
Total current liabilities	173,927	173,957
Non-current liabilities		
Bonds payable	-	800
Long-term borrowings	29,375	93,959
Lease obligations	1,788	1,428
Deferred tax liabilities	83	145
Provision for goods warranties	824	592
Provision for loss on store closing	741	467
Retirement benefit liability	16,320	17,201
Asset retirement obligations	9,239	9,285
Other	4,809	4,445
Total non-current liabilities	63,181	128,326
Total liabilities	237,108	302,283
Net assets		
Shareholders' equity		
Share capital	25,929	25,929
Capital surplus	27,139	27,140
Retained earnings	96,699	98,630
Treasury shares	(16,737)	(16,734)
Total shareholders' equity	133,030	134,965
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	1,913	2,616
Remeasurements of defined benefit plans	(1,041)	(503)
Total accumulated other comprehensive income	871	2,112
Share acquisition rights	53	88
Non-controlling interests	29,386	32,624
Total net assets	163,342	169,791
Total liabilities and net assets	400,451	472,074

(2) Consolidated statements of income

(Millions of yen)

	From September 1, 2018 to August 31, 2019	From September 1, 2019 to August 31, 2020
Net sales	894,021	847,905
Cost of sales	650,576	616,899
Gross profit	243,444	231,005
Selling, general and administrative expenses	220,500	218,939
Operating income	22,943	12,066
Non-operating income		
Interest income	76	59
Dividend income	252	263
Commission income	1,494	1,390
Sponsorship money income	365	503
Other	1,260	916
Total non-operating income	3,448	3,133
Non-operating expenses		
Interest expenses	283	293
Rental costs	77	90
Commission expenses	97	56
Other	63	68
Total non-operating expenses	521	509
Ordinary income	25,871	14,690
Extraordinary income		
Gain on sales of non-current assets	36	8
Gain on sales of investment securities	18	-
Subsidy income	-	1,048
Total extraordinary income	55	1,056
Extraordinary losses		
Loss on sales of non-current assets	-	0
Loss on retirement of non-current assets	252	143
Loss on sales of investment securities	10	11
Loss on valuation of investment securities	-	118
Impairment loss	2,946	1,434
Loss due to temporary closure	-	1,332
Other	43	76
Total extraordinary losses	3,253	3,117
Profit before income taxes	22,673	12,629
Income taxes - current	7,159	4,525
Income taxes - deferred	(2,483)	(1,139)
Total income taxes	4,676	3,386
Profit	17,996	9,243
Profit attributable to non-controlling interests	3,948	3,793
Profit attributable to owners of parent	14,047	5,450

(3) Consolidated statements of Comprehensive income

(Millions of yen)

	From September 1, 2018 to August 31, 2019	From September 1, 2019 to August 31, 2020
Profit	17,996	9,243
Other comprehensive income		
Valuation difference on available-for-sale securities	(2,395)	710
Remeasurements of defined benefit plans, net of tax	(408)	503
Total other comprehensive income	(2,803)	1,213
Comprehensive income	15,192	10,457
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	11,330	6,691
Comprehensive income attributable to non-controlling interests	3,862	3,765

(4) Consolidated statements of comprehensive income

(Millions of yen)

	From September 1, 2018 to August 31, 2019	From September 1, 2019 to August 31, 2020
Cash flows from operating activities		
Profit before income taxes	22,673	12,629
Depreciation	7,796	8,916
Impairment loss	2,946	1,434
Amortization of goodwill	360	389
Increase (decrease) in allowance for doubtful accounts	(191)	53
Increase (decrease) in provision for bonuses	(146)	(136)
Increase (decrease) in provision for point card certificates	798	236
Increase(decrease) in provision for goods warranties	(355)	(283)
Increase (decrease) in retirement benefit liability	1,226	1,601
Increase (decrease) in provision for loss on store closings	(296)	(36)
Interest and dividend income	(328)	(322)
Interest expenses	283	293
Loss (gain) on sales of non-current assets	(36)	(8)
Loss on retirement of non-current assets	252	143
Loss (gain) on sales of investment securities	(7)	11
Loss (gain) on valuation of investment securities	-	118
Decrease (increase) in trade receivables	(6,040)	(1,977)
Decrease (increase) in inventories	(21,910)	27,017
Increase (decrease) in trade payables	11,165	(86)
Other, net	3,926	7,824
Subtotal	22,113	57,820
Interest and dividends received	263	269
Interest paid	(284)	(279)
Income taxes paid	(9,782)	(5,994)
Subsidies received	882	188
Other, net	(0)	-
Net cash provided by (used in) operating activities	13,192	52,004
Cash flows from investing activities		
Purchase of property, plant and equipment	(8,707)	(11,315)
Proceeds from sales of property, plant and equipment	100	9
Purchase of intangible assets	(3,621)	(4,595)
Purchase of investment securities	(177)	(100)
Proceeds from sales of investment securities	139	80
Payments of guarantee deposits	(1,079)	(1,270)
Proceeds from refund of guarantee deposits	1,608	1,331
Other, net	299	168
Net cash provided by (used in) investing activities	(11,437)	(15,691)

(Millions of yen)

	From September 1, 2018 to August 31, 2019	From September 1, 2019 to August 31, 2020
Cash flows from financing activities		
Net increase (decrease) in short-term borrowings	580	(18,048)
Proceeds from long-term borrowings	26,600	89,600
Repayments of long-term borrowings	(16,387)	(12,492)
Proceeds from issuance of bonds	-	1,000
Purchase of treasury shares	(2,921)	-
Purchase of treasury shares of subsidiaries	(154)	-
Dividends paid	(4,449)	(3,513)
Dividends paid to non-controlling interests	(134)	(525)
Repayments of lease obligations	(1,061)	(914)
Other, net	(0)	(0)
Net cash provided by (used in) financing activities	2,069	55,106
Effect of exchange rate change on cash and cash equivalents	(0)	(0)
Net increase (decrease) in cash and cash equivalents	3,824	91,419
Cash and cash equivalents at beginning of period	21,967	25,791
Cash and cash equivalents at end of period	25,791	117,211

(5) Sales by product line

Item			From September 1, 2019 to August 31, 2020		
			Sales (Millions of yen)	Composition ratio (%)	Previous year comparison (%)
	Audio visual products	Cameras	25,173	3.0	(31.9)
		TVs	47,485	5.6	16.0
		BD/DVD recorders, Video cameras	14,984	1.8	(5.5)
		Audios	13,806	1.6	(6.3)
		Others	31,535	3.7	(3.3)
		Subtotal	132,985	15.7	(5.8)
	Home appliances	Refrigerators	42,913	5.1	5.4
		Washing machines	40,415	4.8	4.0
		Kitchen appliances	36,296	4.3	(4.2)
		Seasonal home electronics	58,464	6.9	(2.1)
		Personal care electronics	43,357	5.1	(9.3)
		Others	53,831	6.3	2.2
		Subtotal	275,280	32.5	(0.8)
	Information communications equipment products	PCs	84,726	10.0	12.9
		PC peripherals	28,664	3.4	5.2
		Cellular phones	100,150	11.8	(18.7)
		Others	55,472	6.5	(7.0)
		Subtotal	269,014	31.7	(5.6)
	Other products	Video games	40,434	4.8	15.5
		Watches	15,889	1.9	(34.6)
		Used PCs	10,046	1.2	8.6
		Sporting goods	10,083	1.2	(13.6)
		Toys	12,664	1.5	(11.0)
		Glasses and Contact lenses	5,246	0.6	(23.5)
		Liquors and Soft drinks	6,829	0.8	(15.8)
		Medicines and Daily goods	14,243	1.7	(32.9)
		Others	42,874	5.0	(7.0)
		Subtotal	158,312	18.7	(10.4)
Retail goods sales			835,593	98.6	(5.1)
BS digital broadcasting business			10,568	1.2	(9.8)
Other business			1,743	0.2	1.6
Total			847,905	100.0	(5.2)

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

2. The BS digital broadcasting business that was included in the "Other business" in the previous consolidated fiscal year and before is presented as the "BS digital broadcasting business" starting from the current consolidated fiscal year.