



Sapporo



Osaka Namba



Fujisawa



Shinjuku West, Tokyo



Yurakucho, Tokyo



Ikebukuro, Tokyo



Tenjin No.2



Kashiwa



Nagoya Sta. West

June 2010

**BIC CAMERA**

(Tokyo Stock Exchange First Section, Security Code: 3048)

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# **BIC CAMERA**

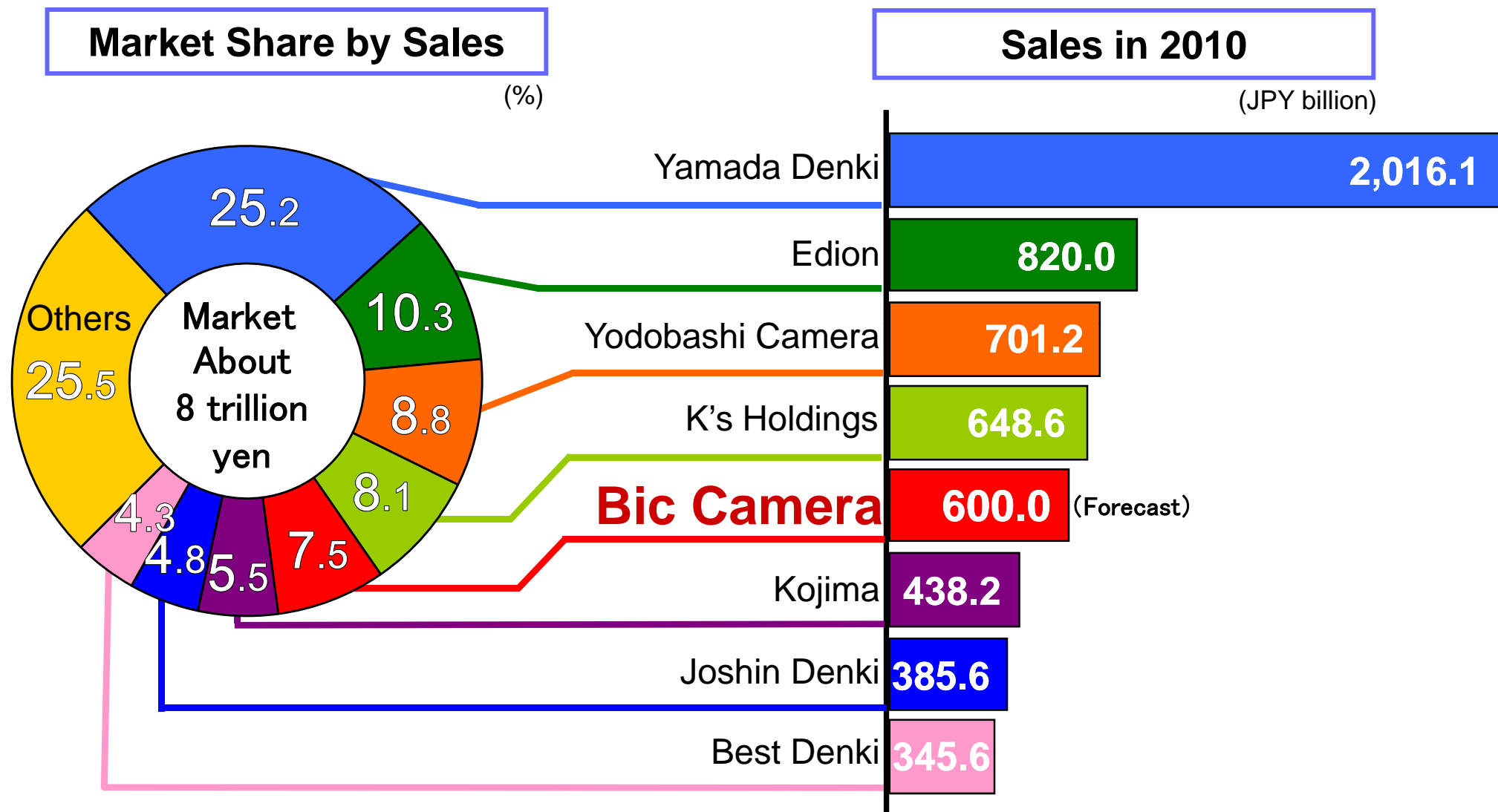
## **1. Bic Camera's "Urban Model"**

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# The Fifth Largest Electronics Retailer

**BIC CAMERA**



Note: Aug '10 consolidated results for Bic Camera (forecast), Mar '10 non-consolidated results for Yodobashi Camera, Feb '10 consolidated results for Best Denki, Mar '10 consolidated results for others.  
Market shares were calculated based on the industry market scale of approximately 8 trillion yen (source: business statistics).

# Large Stores Located in Major Cities especially in the Tokyo Metropolitan Area

**BIC CAMERA**

## Other Areas

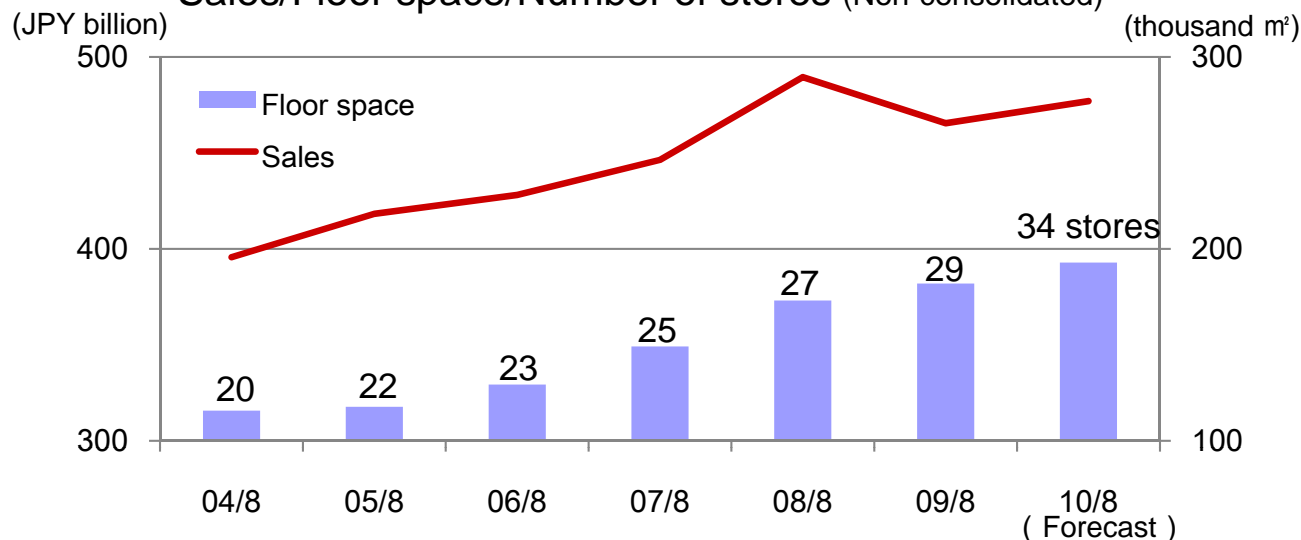
Hokkaido	Sapporo
Gunma	Takasaki East
Niigata	Niigata
Aichi	Nagoya sta. West
Shizuoka	Hamamatsu
Osaka	Namba
Kyoto	JR Kyoto station
Okayama	Okayama station
Hiroshima	"Best" Hiroshima
Fukuoka	Tenjin No.1 Tenjin No.2
Kagoshima	Kagoshima Chuo station



## Tokyo Metropolitan Area

Tokyo	Yurakucho ( Main· TV ) Ikebukuro Main Ikebukuro Main "PC" Ikebukuro East "Camera" Bic camera Outlet Ikebukuro West Shinjuku West Shinjuku East Shinjuku East eki-mae Shibuya East Shibuya Hachiko Tachikawa Seiseki-sakuragaoka station
Kanagawa	Yokohama West PC Yokohama station Shin-Yokohama Fujisawa Kawasaki Sagami-ono station
Saitama	Omiya West
Chiba	Kashiwa Funabashi station

Sales/Floor space/Number of stores (Non-consolidated)



Note : Large Stores (over 10,000 m² of floor space) are shown in red.

# Expansion of the Urban Market “ Fair wind for Bic Camera’s urban model.”

## Urban Centralization of the Japanese Population

Mass-migration into Major cities

Advantageous for Our “Urban Model”

Number of Migrants moving into Major cities with Bic Camera stores.

(thousand people)

metropolis	change	metropolis	change
Sapporo	+5	Nagoya	+4
Saitama	+8	Kyoto	▲2
Yokohama	+7	Osaka	+7
Kawasaki	+10	Okayama	+3
Niigata	+1	Hiroshima	+0
Hamamatsu	▲0	Fukuoka	+5

Results in 2009 compared with previous year

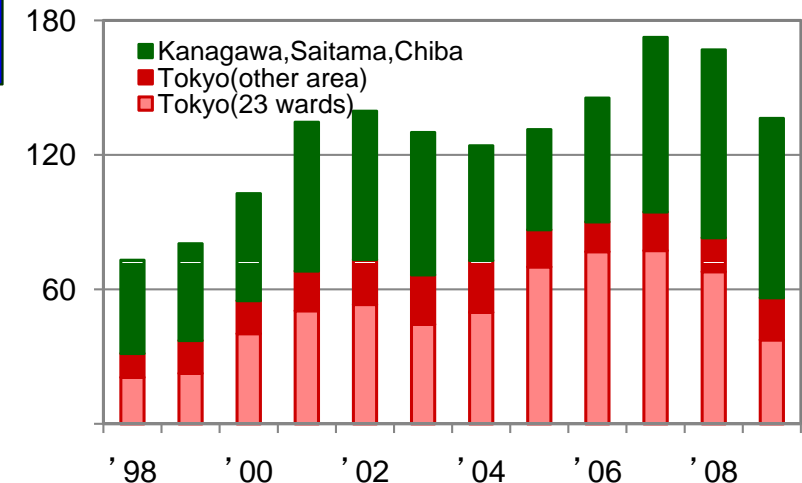
## Continuing high level mass-migration into the Tokyo Metropolitan Area

Increasing population of Tokyo  
(56 thousand in 2009)

Large numbers of our stores are in the Tokyo Metropolitan Area  
(13 stores in Tokyo, 22 stores in metropolitan area)

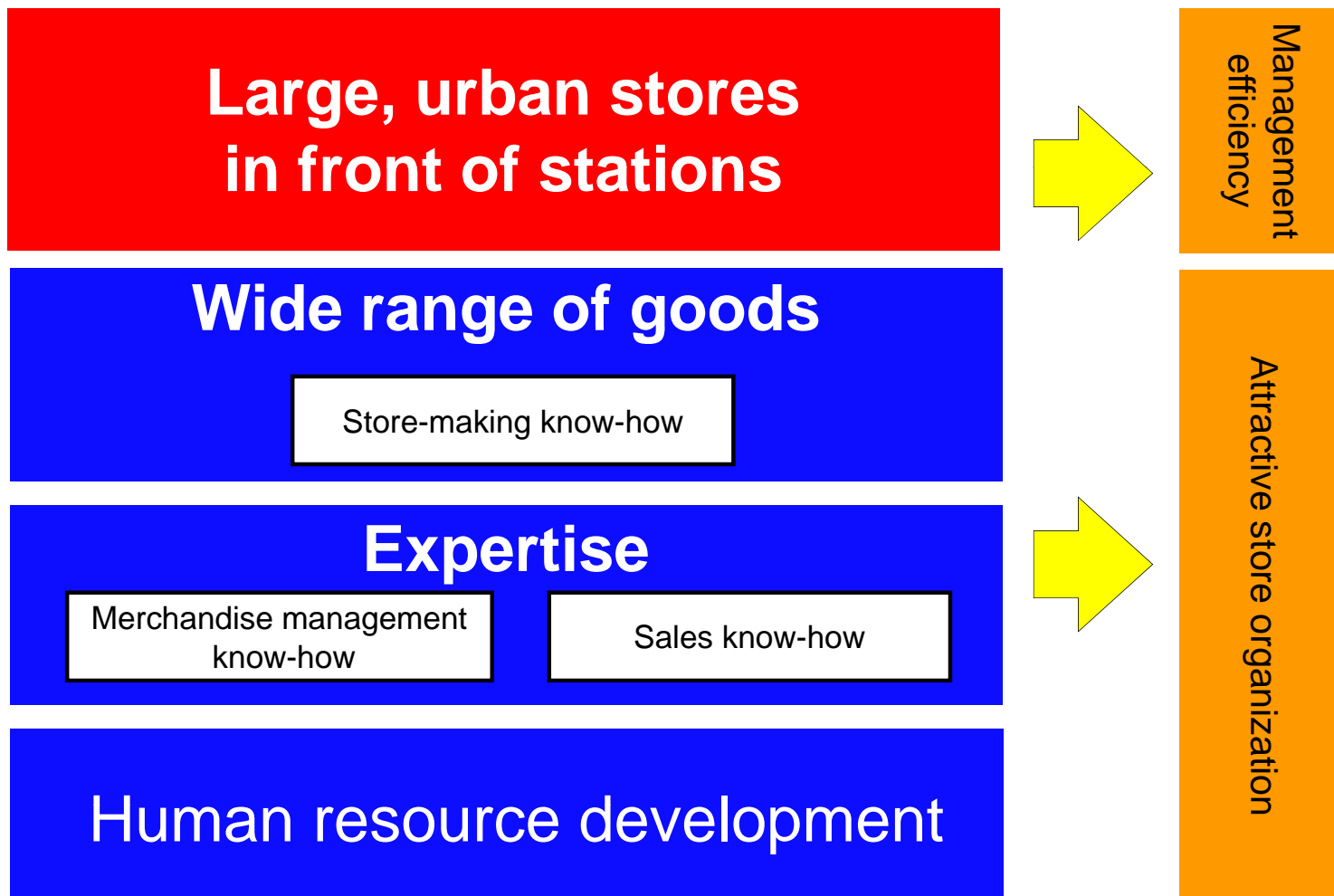
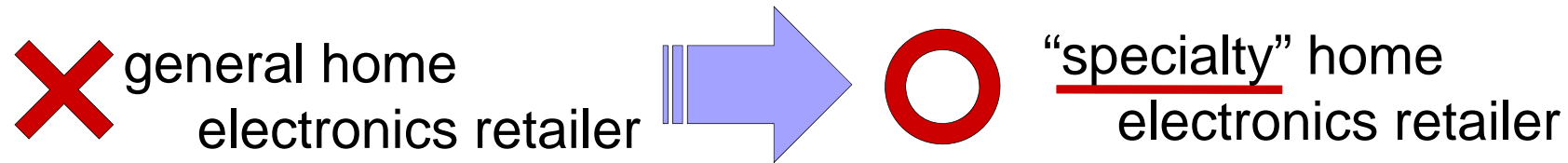
Migration into the Tokyo Metropolitan Area

(thousand people)



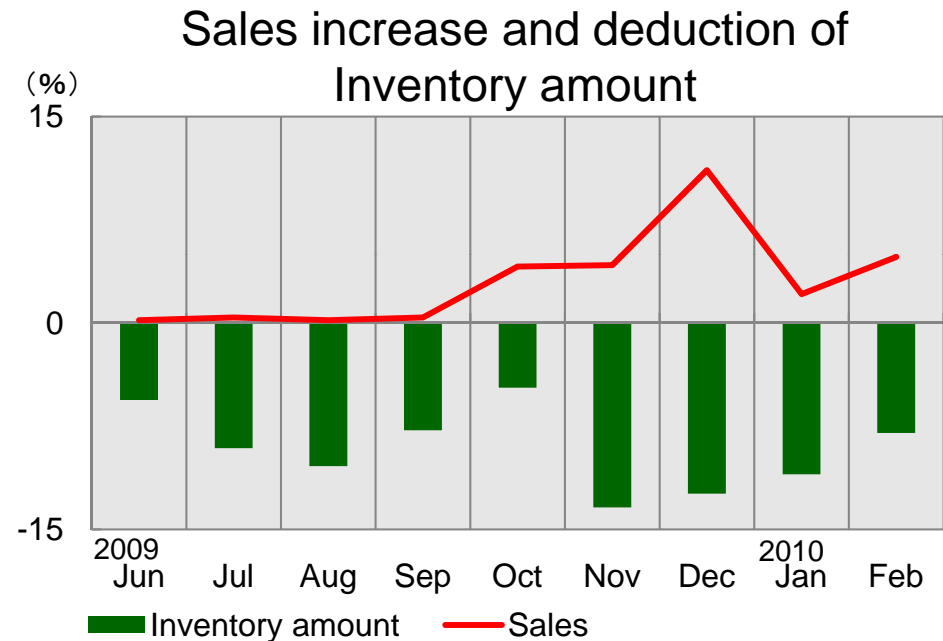
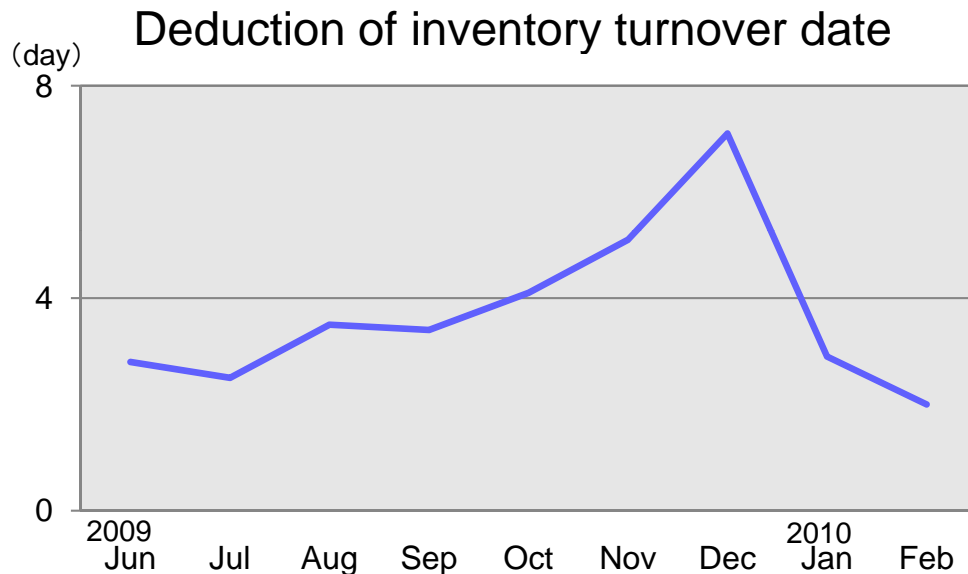
# Feature of “Urban Model”

BIC CAMERA



## Introduction of BIC V-Link (Bic's CPFR \*)

### Results of V-Link Introduction to some merchandise



### Improvement of order accuracy

Major improvement of shortage rate

Major improvement of turnover rate

### Medium term actions

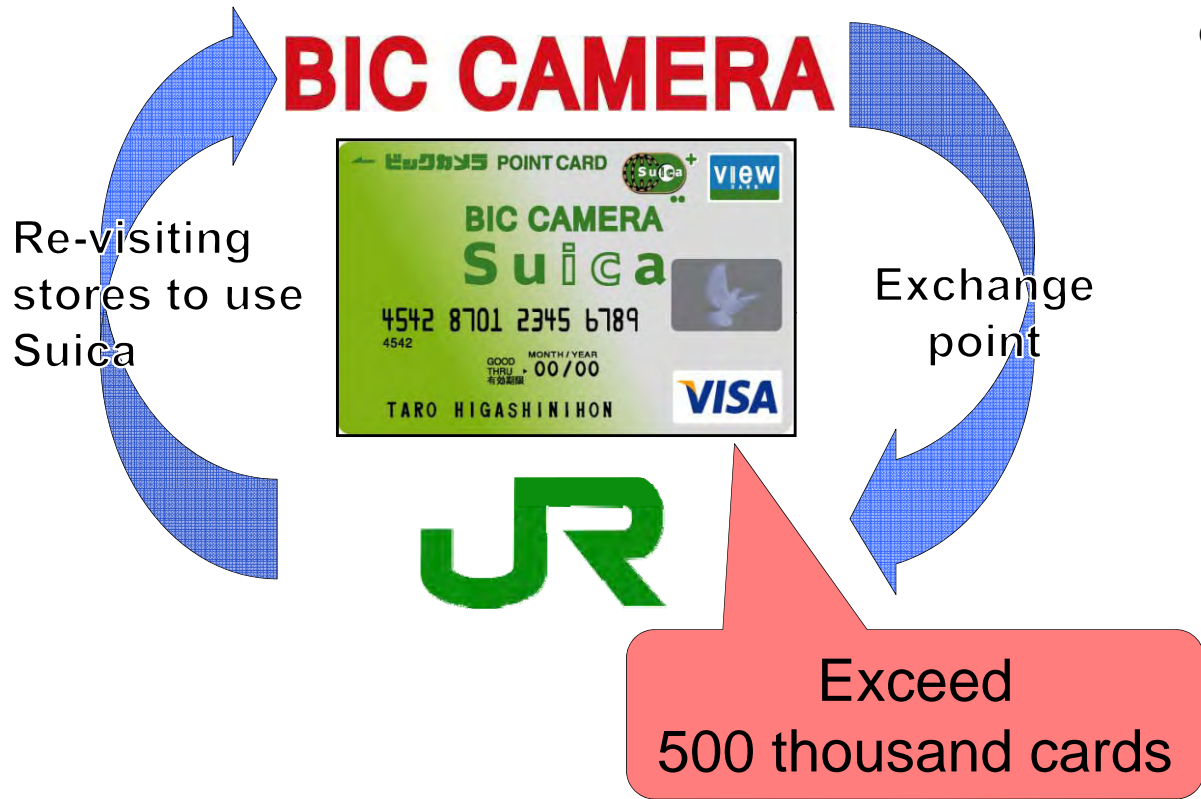
Deduction of shortage rate by reinforcement of alliance with manufacturers.

Purchase under better knowledge with demand for merchandise.

\* CPFR = Collaborative Planning Forecasting and Replenishment

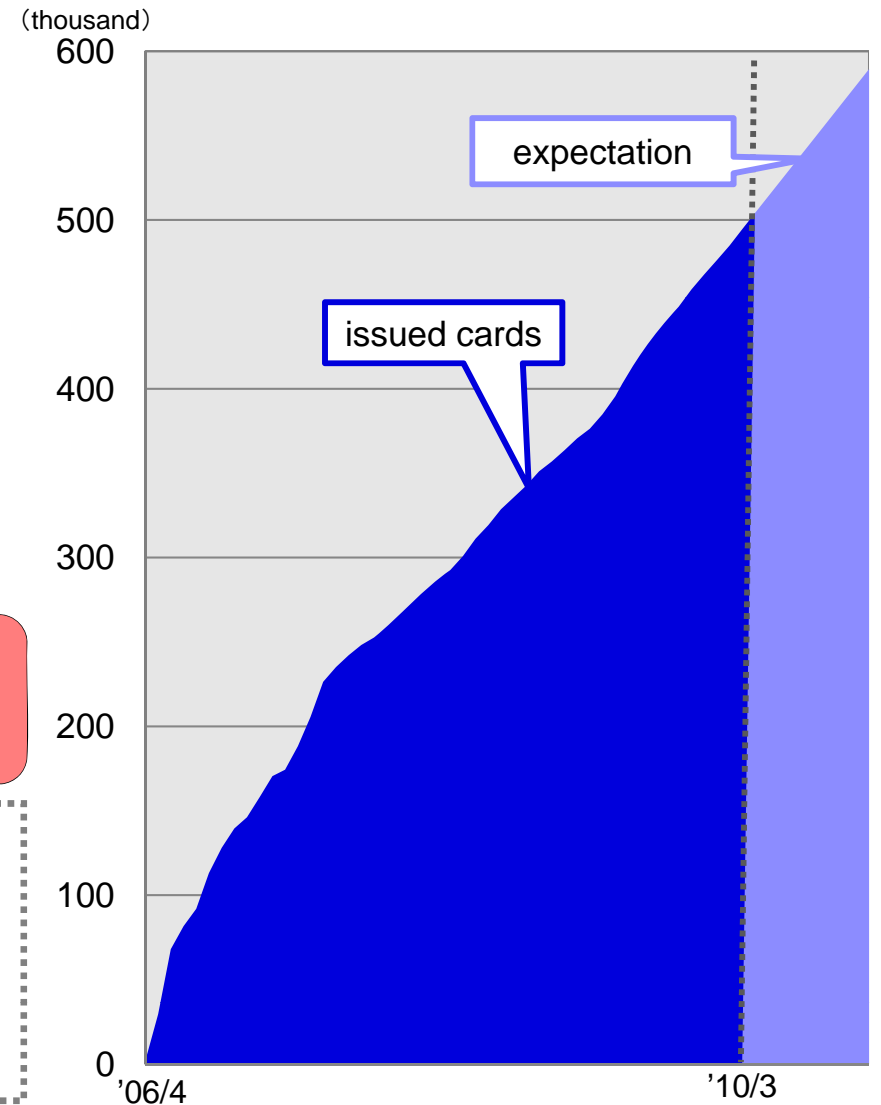


**Point Card = Bic Camera Suica Card**

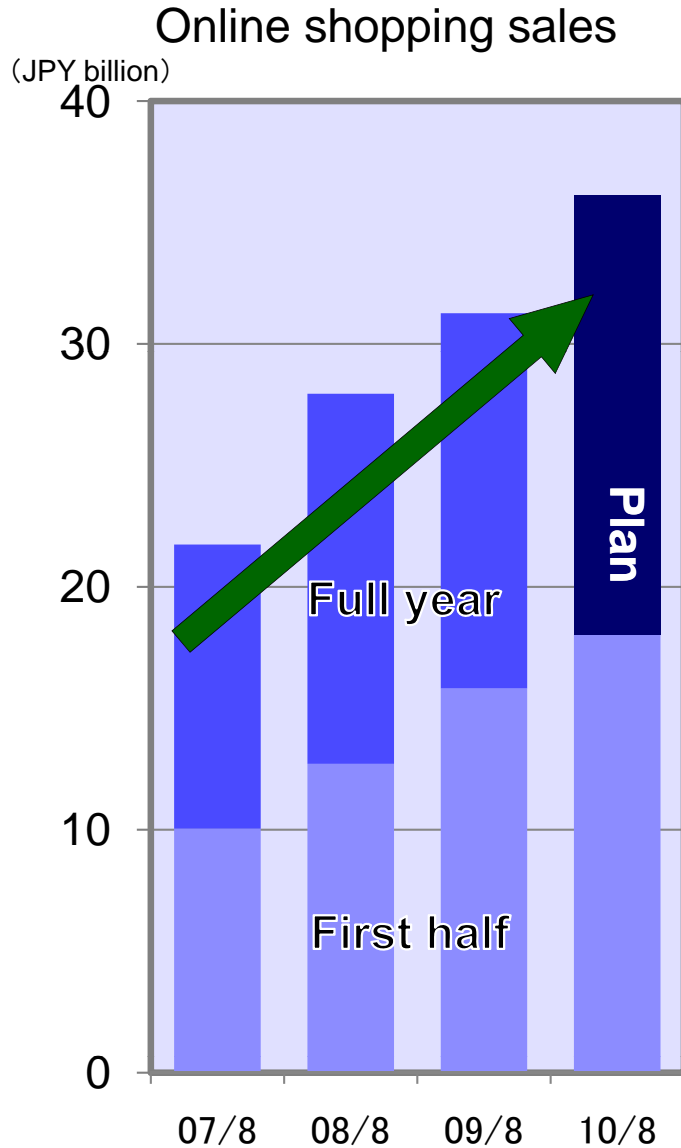


Bic Camera Suica Card is appraised as “The best affiliate card” in the retail business by the mass media.

The total number of Bic Camera Suica card



Sales from online shopping is increasing every fiscal year



Bic Camera.com



Sofmap.com

**Efforts for further growth of online shopping**

- Fusion of real and virtual
  - Simplification of procedure for mutual exchange between our real store points and website points
- Increase of settlement method (ex. at convenience store)
- Increase number of Merchandise on website (ex. liquors)
- Reduction of logistics period

## Expansion of Ikebukuro Market

Ikebukuro market expands mainly the Saitama Prefecture

Our sales of Ikebukuro Area

**+10%** (Year on Year)  
(First Half ended February 28, 2010)

⇒ More attractive market to customer by competition.

Our urban type Outlet store

Sales **+30%**  
(Compared with the Estimate of the first half)  
(First Half ended February 28, 2010)

**Tobu Tojo Line**  
(Asaka city~Higashi-Matsuyama city)  
**+8%**

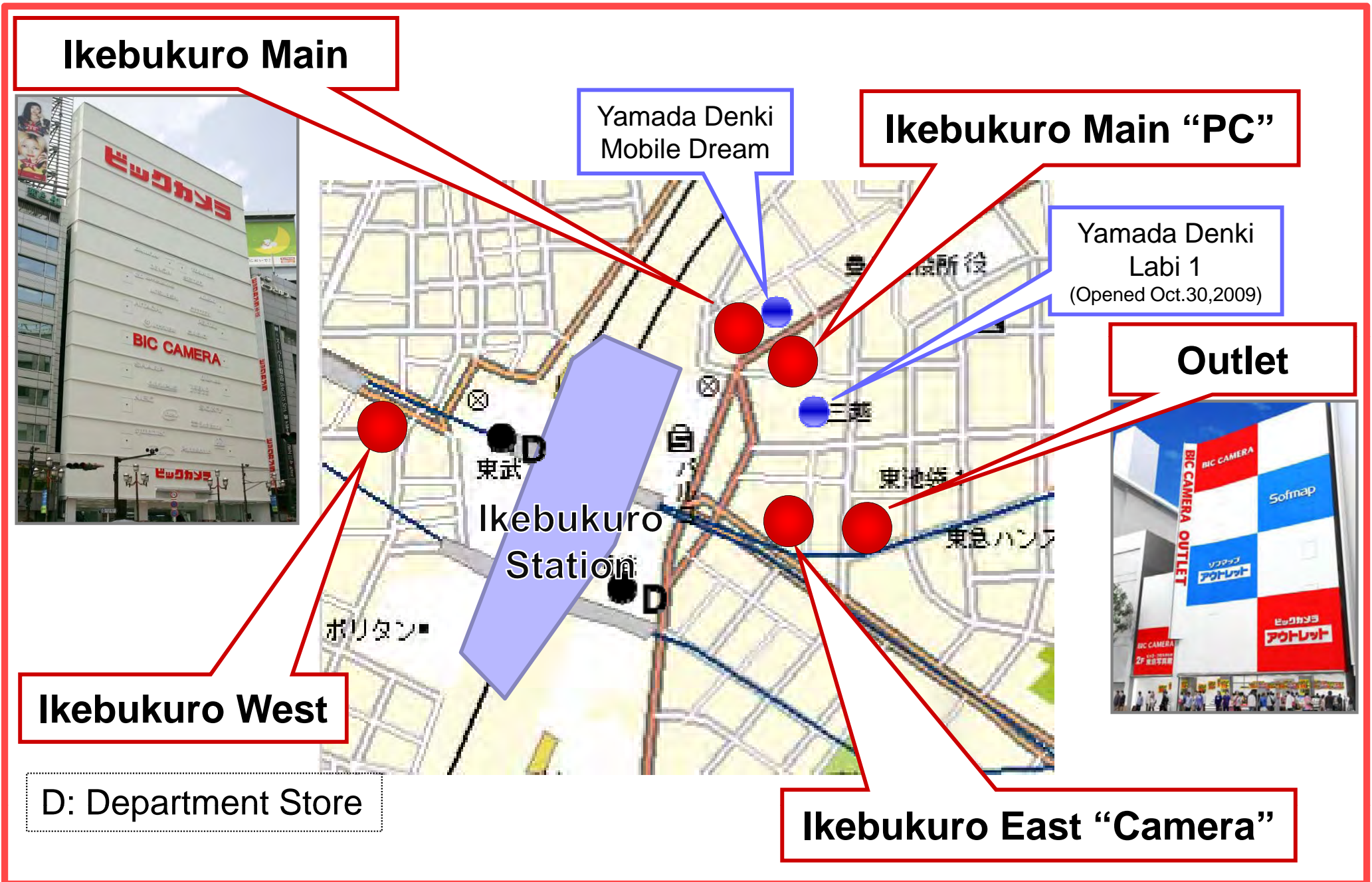
**Seibu Ikebukuro Line**  
(Tokorozawa city~Hanno city)  
**+23%**

**Saikyo Line**  
(Warabi city~Ageo city)  
**+83%**

※Sample: Point card user of Ikebukuro Main store  
Term: Compare November 2009 and FY2010/2Q('09/11-'10/2) with same term of FY2007 ('06/11-'07/2)



# Competition in Ikebukuro, Tokyo (2)



## Increase Sales by Expansion of Shinjuku Market

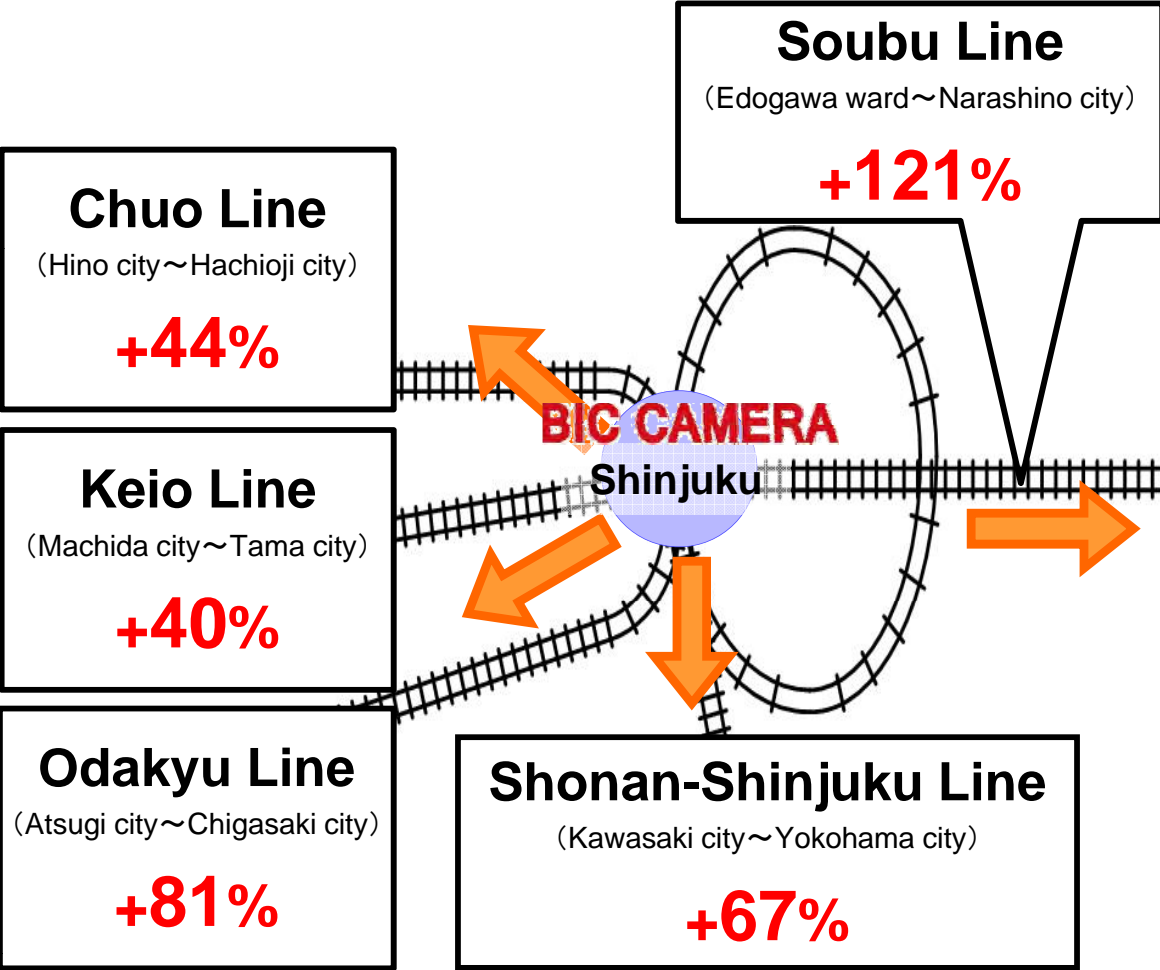
### Our sales of Shinjuku area

**+19%** (Year on Year)

※term : Compare 4/16~4/30, 2010 with same term of 2009  
Apr.16 was opening date of Yamada Denki in Shinjuku



### Expansion of Shinjuku market



※sample : Point card user of Shinjuku West store and Shinjuku East store  
term : Compare 4/16~4/30, 2010 with same term of 2009  
Apr.16 was opening date of Yamada Denki in Shinjuku

# **BIC CAMERA**

## **2. Highlights of Results for FY2010/1H**

# [Consolidated] Highlights of Results

**BIC CAMERA**

(JPY million)

	FY2009/1H ('08/9-'09/2)		FY2010/1H ('09/9-'10/2)				
	Result	vs sales	Result	vs sales	YoY	Plan	vs plan
Net sales	294,644	100.0%	298,438	100.0%	+1.3%	297,000	+0.5%
Gross profit	69,334	23.5%	72,824	24.4%	+5.0%		
SG&A expenses	65,505	22.2%	66,306	22.2%	+1.2%		
Personnel expenses	18,109	6.1%	18,226	6.1%	+0.6%		
Point expenses	20,552	7.0%	22,253	7.5%	+8.3%		
Other	26,843	9.1%	25,827	8.7%	▲3.8%		
Operating income	3,829	1.3%	6,518	2.2%	+70.2%	5,250	▲24.2%
Non-operating income	1,833	0.6%	1,633	0.5%	▲10.9%		
Non-operating expenses	1,313	0.4%	6,062	2.0%	+361.4%		
Recurring profit	4,348	1.5%	2,089	0.7%	▲52.0%	1,600	+30.6%
Extraordinary income	-	-	394	0.1%	-		
Extraordinary loss	2,153	0.7%	388	0.1%	▲82.0%		
Net income	1,470	0.5%	1,688	0.6%	+14.8%	▲1,400	-

※The plan announced on 12th Jan, 2010.

**Net Sales 298.4 billion yen** (YoY +3.7 billion yen, vs plan +1.4 billion yen)

**Non-Consolidated 240.8 billion yen**

- Existing stores YoY +2.9%
- Contribution of New Stores,  
to Net sales
- Contribution of ECO point system
  - Flat-panel TVs +40.3%
  - Refrigerators +17.0%

### Opened FY2009

- Hamamatsu  
(Opened November 2008)
- Niigata  
(Opened February 2009)

### Opened FY2010

- Kagoshima Chuo station
- Funabashi station
- Seiseki-sakuragaoka station
- Sinjuku East eki-mae
- Sagami-ono station  
(All stores Opened February 2010)

**Difference between consolidated and non-consolidated 57.6 billion yen**

## Sofmap

Sales of PC and PC peripherals were stagnant.



**Operating income 6.5 billion yen** (YoY +2.6 billion yen, vs plan +1.2 billion yen)

- Improvement of Gross profit ratio.  
Change of merchandise composition, improvement of the terms of purchase.
- Nippon BS Broadcasting achieved an Operating income, which was a large improvement from last year's loss.

**Recurring profit 2.0 billion yen** (YoY ▲2.2 billion yen, vs plan +0.4 billion yen)

- Increased Non-operating expenses :  
As net losses of an equity method affiliate is counted in non-operating expenses only on consolidated, 4.8 billion yen regarding Best Denki was included in non-operating expenses.

**Net income 1.6 billion yen** (YoY +0.2 billion yen, vs plan +3.0 billion yen)

- Tax :  
Loss on valuation of investment securities entered under losses.  
As a result, net income was higher than the planned.

# [Consolidated] Balance Sheets

**BIC CAMERA**

(JPY million)

	FY2009 1H	FY2010 1H	YoY		FY2009 1H	FY2010 1H	YoY
<b>Current assets</b>	104,030	107,349	+3,319	<b>Current liabilities</b>	136,214	125,394	▲10,819
Cash and deposits	24,556	26,504	+1,948	Accounts payable-trade	35,316	37,850	+2,534
Notes and accounts receivable-trade	17,066	18,958	+1,892	Short-term loans payable	49,278	39,403	▲9,875
Inventories	43,961	40,215	▲3,746	Current portion of long-term loans payable	22,072	17,183	▲4,889
Other	18,446	21,671	+3,225	Current portion of bonds	720	1,290	+570
<b>Noncurrent assets</b>	129,385	120,313	▲9,072	Provision for point card certificates	12,796	13,261	+464
Property, plant and equipment	62,665	62,329	▲336	Other	16,029	16,406	+376
Intangible assets	14,325	15,055	+729	<b>Noncurrent liabilities</b>	39,656	43,277	+3,621
Investments and other assets	52,394	42,928	▲9,465	Long-term loans payable	32,499	32,068	▲430
(Guarantee deposits)	28,383	25,785	▲2,597	Bonds payable	540	3,600	+3,060
Deferred assets	169	124	▲45	Other	6,616	7,608	+992
<b>Total assets</b>	233,585	227,787	▲5,797	<b>Total liabilities</b>	175,870	168,672	▲7,197
				<b>Total net assets</b>	57,715	59,115	+1,399
				<b>Total liabilities and net assets</b>	233,585	227,787	▲5,797

※Interest-bearing debt FY2009/1H 105.1 billion yen → FY2010/1H 93.5 billion yen (YoY ▲11.5 billion yen)

# [Consolidated] Sales by Product

**BIC CAMERA**

(JPY million)

	FY2009/1H ( '08/9-'09/2)		FY2010/1H ( '09/9-'10/2)			
	Amount	Composition ratio(%)	Amount	Composition ratio(%)	Amount of increase	YoY(%)
<b>Audio visual products</b>	<b>89,247</b>	<b>30.3</b>	<b>98,101</b>	<b>32.9</b>	<b>+8,854</b>	<b>+9.9</b>
Cameras	21,401	7.3	20,845	7.0	▲555	▲2.6
TV	26,558	9.0	37,167	12.5	+10,608	+39.9
Video players, video cameras	14,388	4.9	15,350	5.1	+962	+6.7
Audio	13,266	4.5	12,201	4.1	▲1,065	▲8.0
AV software	5,551	1.9	4,696	1.6	▲855	▲15.4
Other	8,081	2.7	7,840	2.6	▲240	▲3.0
<b>Home appliances</b>	<b>37,384</b>	<b>12.7</b>	<b>39,950</b>	<b>13.4</b>	<b>+2,566</b>	<b>+6.9</b>
Refrigerators	5,230	1.8	6,122	2.1	+892	+17.1
Washing machines	4,936	1.7	4,859	1.6	▲76	▲1.6
Kitchen appliances	5,523	1.8	5,690	1.9	+167	+3.0
Seasonal home electronics	6,713	2.3	6,636	2.2	▲77	▲1.2
Personal care electronics	7,605	2.6	9,016	3.0	+1,410	+18.6
Other	7,375	2.5	7,625	2.6	+249	+3.4
<b>Information communications equipment products</b>	<b>105,959</b>	<b>36.0</b>	<b>95,428</b>	<b>32.0</b>	<b>▲10,530</b>	<b>▲9.9</b>
PC systems	31,630	10.7	26,062	8.7	▲5,567	▲17.6
PC peripherals	18,727	6.4	16,149	5.4	▲2,577	▲13.8
PC software	10,073	3.4	9,274	3.1	▲798	▲7.9
Cellular phones	25,947	8.8	26,166	8.8	+219	+0.8
Other	19,580	6.7	17,774	6.0	▲1,806	▲3.4
<b>Other products</b>	<b>60,196</b>	<b>20.4</b>	<b>62,821</b>	<b>21.0</b>	<b>+2,625</b>	<b>+4.4</b>
Games	20,605	7.0	23,495	7.9	+2,890	+14.0
Watches	7,399	2.5	7,168	2.4	▲230	▲3.1
Books	819	0.3	750	0.2	▲68	▲8.4
Glasses and contact lenses	2,335	0.8	2,270	0.7	▲64	▲2.8
Other	29,038	9.8	29,136	9.8	+98	+0.3
<b>Retail goods sales</b>	<b>292,787</b>	<b>99.4</b>	<b>296,302</b>	<b>99.3</b>	<b>+3,515</b>	<b>+1.2</b>
<b>Other business</b>	<b>1,856</b>	<b>0.6</b>	<b>2,135</b>	<b>0.7</b>	<b>+278</b>	<b>+15.0</b>
<b>Total</b>	<b>294,644</b>	<b>100.0</b>	<b>298,438</b>	<b>100.0</b>	<b>+3,793</b>	<b>+1.3</b>

# **BIC CAMERA**

## **3. Earnings Forecast for FY2010**

# [Consolidated] Earnings Forecast for FY2010

**BIC CAMERA**

(JPY million)

Full year	FY2009		FY2010 (Plan)			
	Result	vs sales	Plan	vs sales	Amount of increase	YoY
Sales	589,177		600,000		+10,822	+1.8%
Operating income	8,854	1.5%	12,600	2.1%	+3,745	+42.3%
Recurring profit	9,367	1.6%	8,700	1.5%	▲667	▲7.1%
Net income	5,094	0.9%	5,200	0.9%	+105	+2.1%

(JPY million)

Second half	FY2009		FY2010 (Plan)			
	Result	vs sales	Plan	vs sales	Amount of increase	YoY
Sales	294,532		301,561		+7,028	+2.4%
Operating income	5,024	1.7%	6,081	2.0%	+1,057	+21.0%
Recurring profit	5,018	1.7%	6,610	2.2%	+1,592	+31.7%
Net income	3,624	1.2%	3,511	1.2%	▲112	▲3.1%

**Sales for the Second Half (YoY) will Increase.**

(JPY million)

	First half			Full year		
	FY2009	FY2010		FY2009	FY2010	
	Result	Result	YoY	Result	Plan	YoY
Sales	49,403	46,526	▲5.8%	94,052	92,000	▲2.2%
Recurring profit	122	111	▲9.0%	156	170	+9.0%

**Sales**

Although we expect a decrease in Sales for the whole year, we forecast a rise in Sales for the second half.

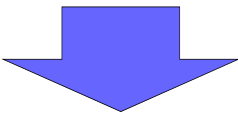
Reinforcement of Fee Business:  
Organize holders of Sofmap cards and provide support service for PC etc. with fee.

**Recurring profit**

Forecast of recurring profit will increase by cost reduction

**Collaboration with sofmap**

Changed to a wholly owned subsidiary company on 29th, Jan. 2010.



- Exchange service between Bic point and Sofmap point started.
- Promote efficiency by exchanging human resources.

## Aiming for a profit this fiscal year

(JPY million)

	First half			Full year		
	FY2009	FY2010		FY2009	FY2010	
	Result	Result	YoY	Result	Plan	YoY
Sales	1,440	1,715	+19.1%	3,035	3,400	+12.0%
Operating income	▲363	31	—	▲841	▲100	—
Recurring profit	▲409	▲20	—	▲938	▲200	—

### Sales

They forecast an increase in sales by improvement of name recognition of BS11 through advertisements and infomercials because of the high saturation level (80% of all household) of digital TVs.

### Operating income

They forecast step improvements compared to the previous year by sales increase and cost reduction.

Pioneer of 3D TV broadcasting

Sales of 3D TVs will be a fair wind for BS11.

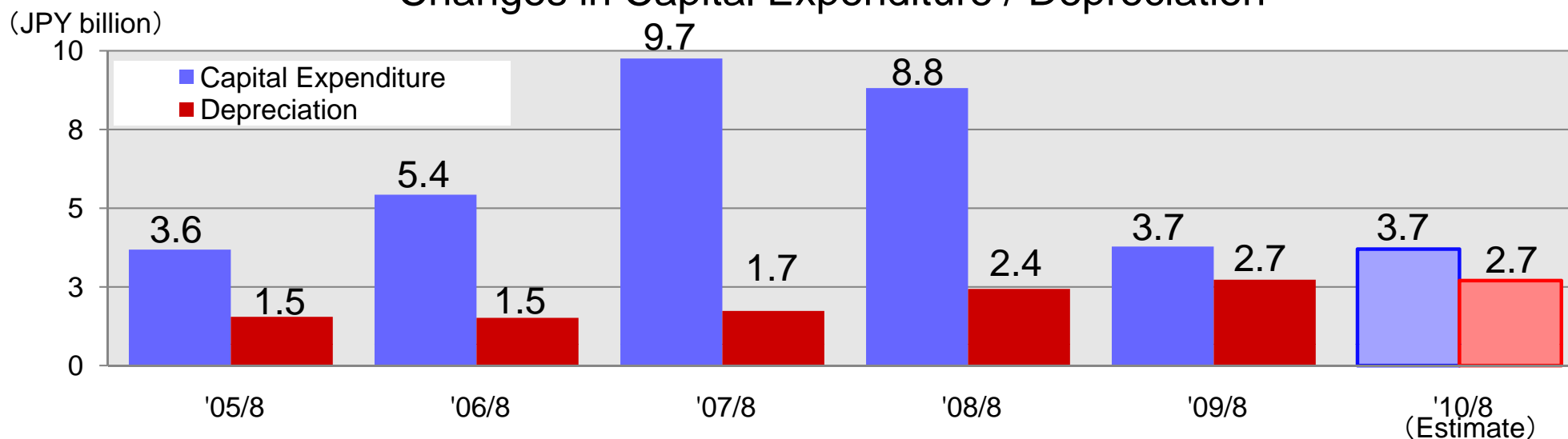


# Capital Expenditure / Depreciation (consolidated)

BIC CAMERA

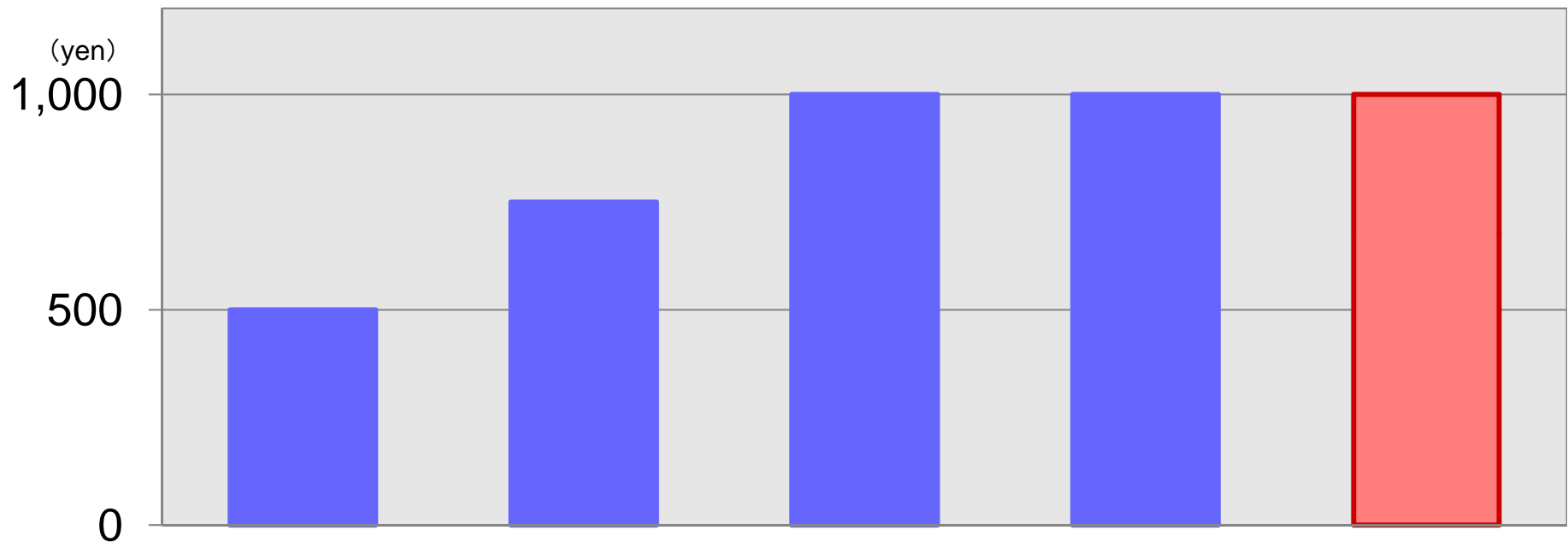
	FY2009 (Results)	FY2010 (Estimate)
Capital Expenditure	<b>3,780 million yen</b>	<b>3,700 million yen</b>
<div style="border: 1px dashed gray; padding: 5px; display: inline-block;">                     details                 </div>	<ul style="list-style-type: none"> <li>▪ <b>New stores</b> (Hamamatsu, Niigata)</li> <li>▪ <b>Renovation of Existing stores</b></li> </ul>	<ul style="list-style-type: none"> <li>▪ <b>New stores</b> (Kagoshima chuo station, Funabashi station, Seiseki-Sakuragaoka station, Sagami-Ono station, Sinjuku East Eki-mae)</li> <li>▪ <b>Renovation of Existing stores</b></li> <li>▪ <b>System</b></li> </ul>
Depreciation	<b>2,732 million yen</b>	<b>2,700 million yen</b>

Changes in Capital Expenditure / Depreciation





**We plan to pay a dividend of 1,000 yen per share for the year ending Aug 2010**



	FY2006	FY2007	FY2008	FY2009	FY2010 (Estimate)
Dividend per share (yen)	500*	750*	1,000	1,000	1,000

Stock split

\* Dividends of FY ended Aug.06 and FY ended Aug.07 are half of the actual amount because of our 1:2 stock split FY ended Aug .07.

## New store will open in the JR Hachioji station south exit building this autumn



### “Hachioji South” store

- New large store in the Tokyo Metropolitan Area in these 4 years
- Floor space = about 8,000m<sup>2</sup>
- Annual sales is expected to be 12 billion yen

# BIC CAMERA

## 4. Appendix

Ministry of Environment approved us as the first “Eco First Company” which was Environmentally-Advanced company

## As the leading Runner in the Sector

We will actively contribute to society in a socially responsible way, as the first authorized company of “Eco First System,” for which only one company is authorized in each sector.



### Start of eco exhibition

As a new effort for CO<sub>2</sub> reduction, we started eco exhibition where TV sets on display are constantly turned off (approx.30%)



### Other activities

Education Program on Energy Saving carried out jointly with the Pro Baseball team Lotte Marines (Top)



Exhibition in Tokyo Metropolitan City Hall on collection of cell phone handsets, which is a part of our recycling effort at our stores (Bottom)



This document mentions future prospects on our business operations and industry trends based on our current plans, estimates, possibilities or expectations.

Expressions of these future prospects are associated with various risks and uncertainties. Already known or unknown risks, uncertainties and other factors may cause different outcomes from the matters included in the expressions for future prospects. We cannot promise that our expressions and expectations for future prospects will be correct, and outcomes may be substantially different from the future prospects.

Expressions relating to future prospects in this document were made as of June 2010 based on the information available as of June 2010, and expressions for future prospects are not to be updated or changed to reflect future incidents and situations.

**June 2010**  
**Bic Camera Inc.**