



BIC CAMERA



Presentation
Materials for
European
Investors

May 2007



Securities Code: 3048



1. Corporate Summary
2. Our Strengths
3. Growth Strategies
4. Reference

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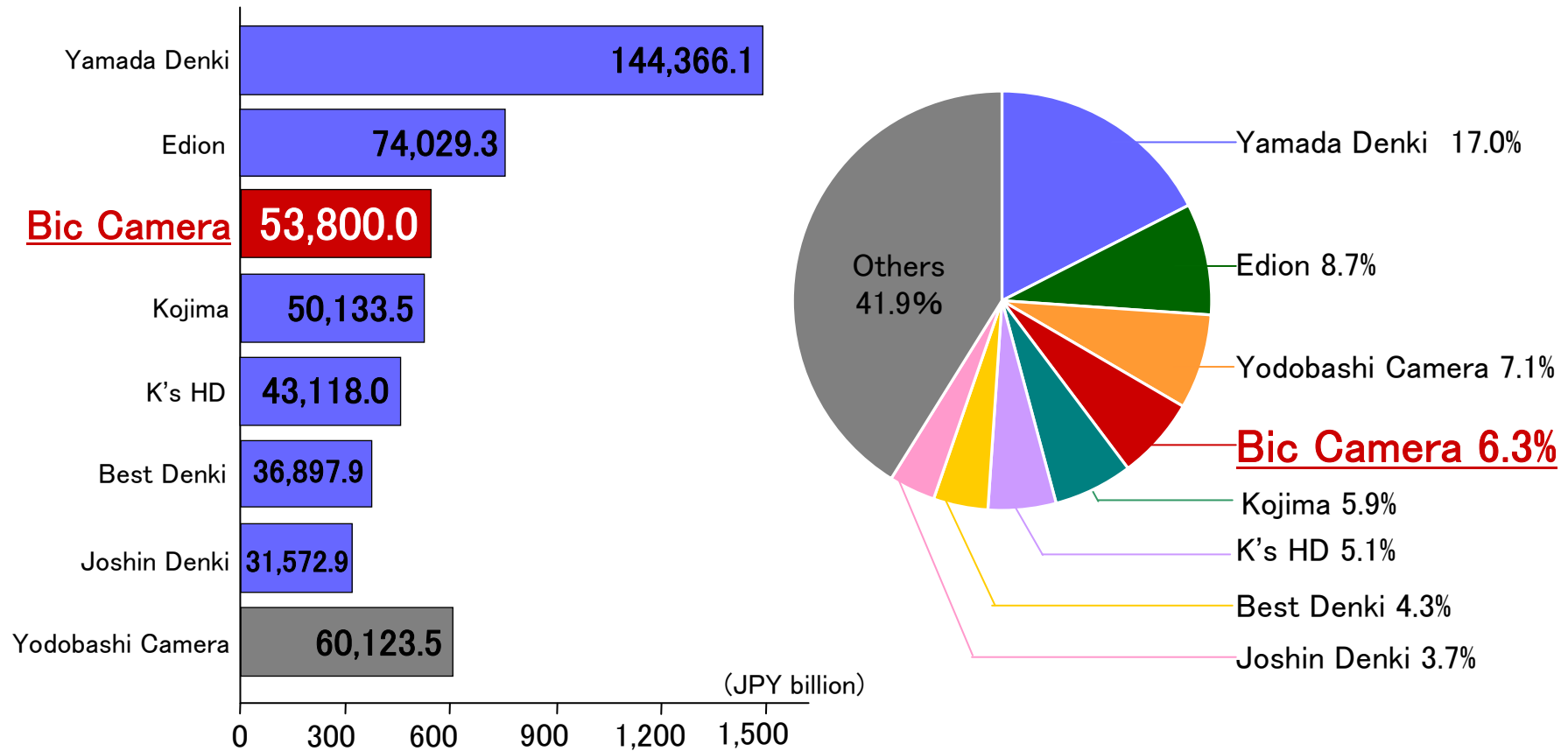
1. Corporate Summary

Corporate Summary

Visions	To be a group of stores with expertise that propose richer life to customers
Position in the industry	The 4 th largest electric retailer with a market share of 6.3% (Calculated from the forecast of each company for Fiscal 2007)
Two types of electric retailers	There are 2 types of electric retailers; “Urban type” and “Suburban type”. We are the only one listed company of this “Urban type”
Branch policy	Store deployment of “Urban type” x “Station front” x “Large scale”
Financial highlights	We have achieved an increase in revenue and earnings every year since 2004. Projected ordinary income for this fiscal year is 15.7 billion yen
Others	We were listed on the JASDAQ market in August, 2006.

Position in the electric retailer market

Forecasts for FY2007



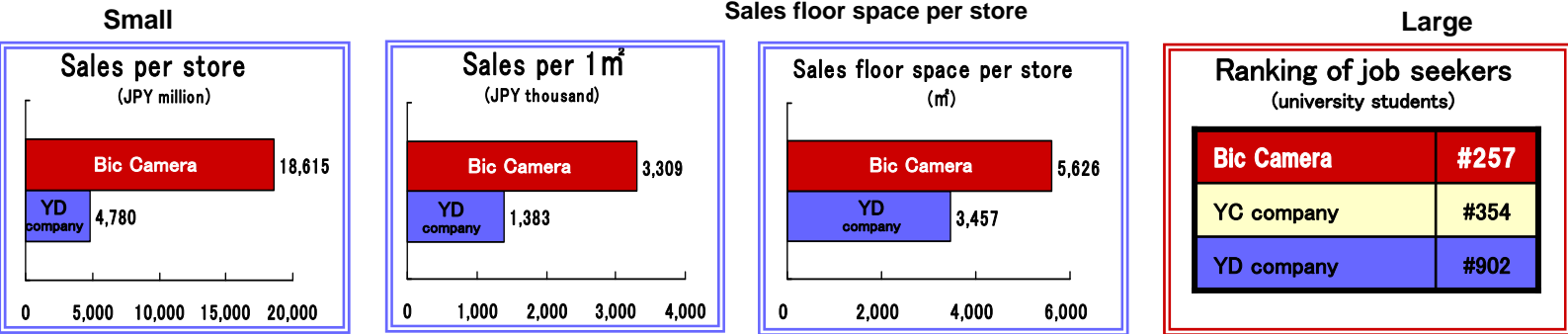
Source: Created by us based on the documents disclosed by each company (Nikkei MJ for Yodobashi Camera)

Note: [Feb/07 consolidated results for Best Denki](#), [Mar/06 non-consolidated results for Yodobashi Camera](#), [August/07 consolidated forecasts for us](#), [Mar/07 consolidated results for others](#)

The shares were calculated based on the fiscal '04 industry market scale of approximately 8.5 trillion yen.

Features of Bic Camera – Urban type

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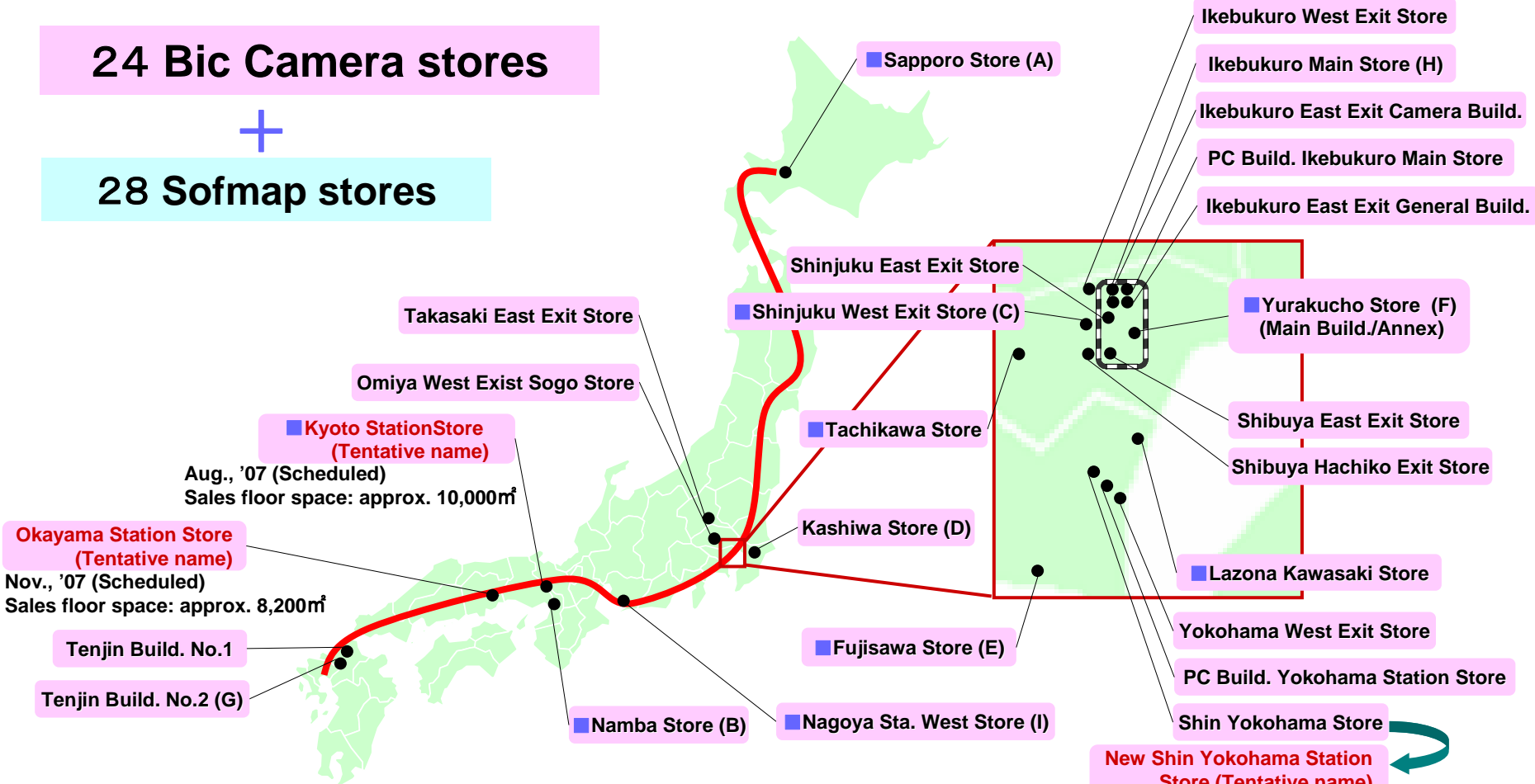


Source: Created by us based on the documents disclosed by each company
 Note: August/07 non-consolidated forecasts for us, Mar/07 non-consolidated results for YD company

Store Deployment

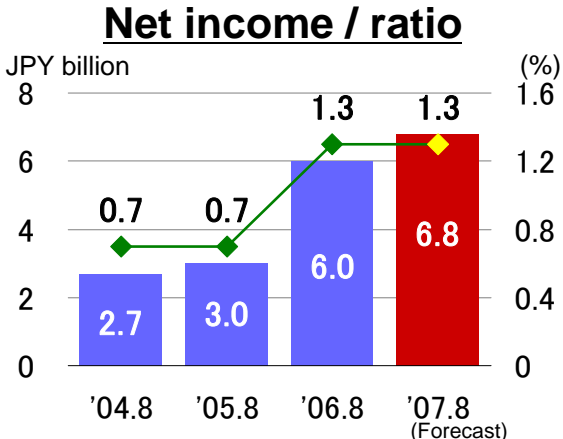
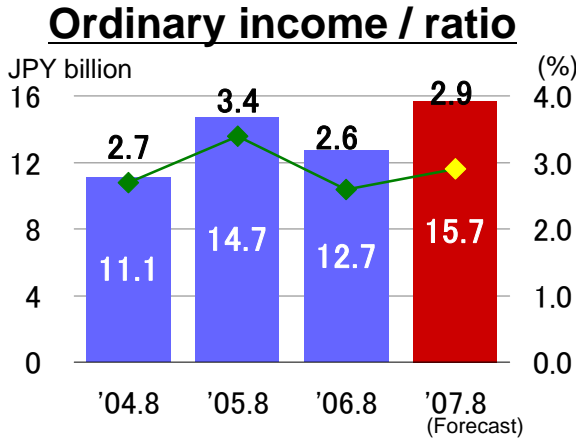
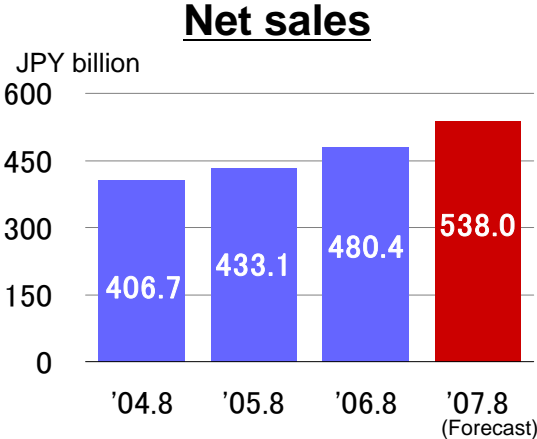
Store deployment of “Urban type” x “Station front” x “Large scale”
 Made Sofmap (2nd section of TSE) our subsidiary in Feb., 2006

24 Bic Camera stores
 +
28 Sofmap stores



Note: **Ones in red** are stores scheduled to open
 Ones with **■** are stores with a sales floor space of 10,000m² or more

Financial Highlights (Consolidated)



(Forecasts for the year ending Aug., 2007)

- **Sales**
 - ◆ Contribution of new stores, effect of consolidating Sofmap -> JPY 538.0 billion, a YOY increase of 12.0%
- **Ordinary income**
 - ◆ Effect of increase in sales, reduction in SG&A expenses -> JPY 15.7 billion, a YOY increase of 23.3%
- **Net income**
 - ◆ JPY 6.8 billion, a YOY increase of 13.2% despite extraordinary loss

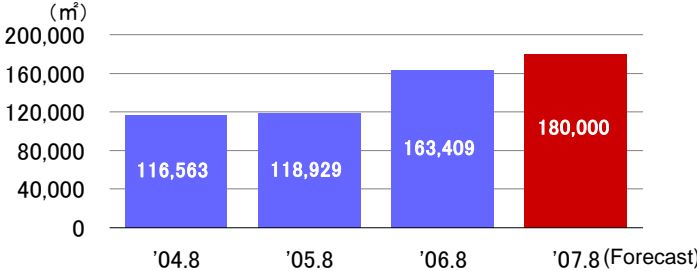
Expected to be record-high

Sales floor space

Increase in sales floor space



Continuous growth



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2. Our strengths

Our Strengths (Summary)

Corporate image	The most vigorous company for 6 consecutive years
Expertise	<ul style="list-style-type: none">▪ Over 700 “qualified” expert sales persons (leaders)▪ About 700,000 items
Know-how of store making	<ul style="list-style-type: none">▪ Store making with bodily sensation and experience regarded as important▪ Enriching various consultation counters
Efficiency	<ul style="list-style-type: none">▪ Net sales per store, net sales per sales floor space and inventory turnover▪ Stable customer gathering (not only on weekends, but also on weekdays)

Aggressive corporate image

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Nihon Keizai Shinbun(Nikkei) “Corporate Image Research” Year 2006 Ranking

“Vigorous company” No. **1** for 6 consecutive years

Vigorous company

[Business people research] [General individual research]

1st
/ 1,178
companies

2nd: Yodobashi Camera
3rd: Fuji TV Network

1st
/ 1,178
companies

2nd: Coca-Cola Japan
3rd: Fuji TV Network

Strong sales ability

1st
/ 1,178
companies

2nd: Kirin Brewery
3rd: Toyota Motor

Proactive in self-transformation

1st
/ 1,178
companies

2nd: Nissan Motor
3rd: Yodobashi Camera

Degree of corporate recognition

4th
/ 1,178
companies

1st: Seven Eleven Japan
2nd: McDonald's Japan
3rd: FamilyMart

Sales ability supported by expertise

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Pursuit of high-level of product knowledge and customer service skills

- **More than 700 “qualified” expert advisors (our unique system)**
- **3rd party license recommended**
 - **More than 400 Home appliances advisors**
Association for Electric Home Appliances
 - **Approx. 70 photo masters (3rd grade – EX)**
International Culture College Association
Photo Master License Exam. Committee



High-level customer service skills

Advanced / expensive product sales ability

Attractive store making know-how

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“Alarm clock” section



Theatre



PC consultation counter that make customers comfortable



“Single-lens reflex camera” section



Kitchen Stadium



Digital broadcasting consultation counter



“Headphone” section



Demonstration of washing machines



Bulk-buying counter

About 700,000 items

Creation of sales floors
where customers can bodily
sense and experience

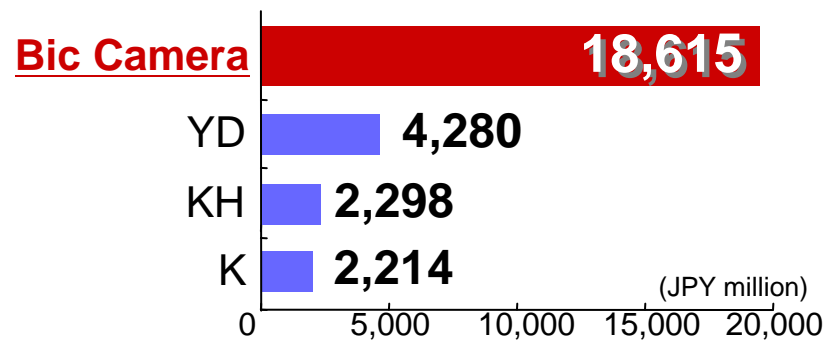
Enriching various
Consultation counters

Store deployment pursuing efficiency & profitability

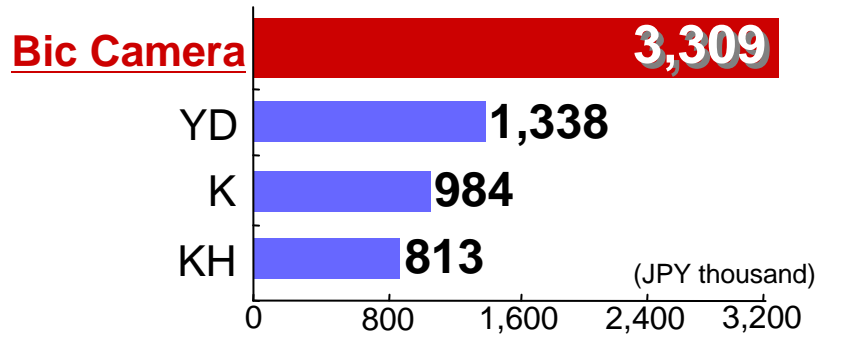
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Highly efficient “Urban type” stores

Net sales per store under direct management



Net sales per 1 m²



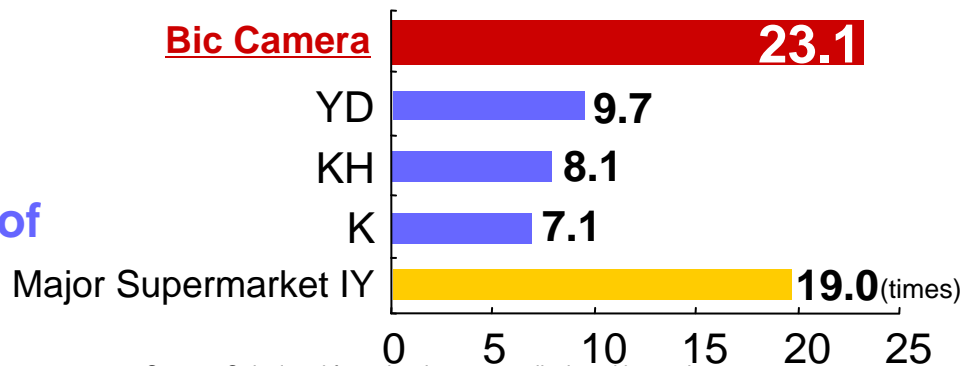
* Our net sales are non-consolidated

Source: Calculated by us based on the documents disclosed by each company Notes: Aug/06 non-consolidation for us, Mar/06 consolidated for others

High Inventory turnover

Annual inventory turnover
23.1 times

⇒ Far better turnover than those of our competitors”



* Our inventory turnover are non-consolidated

* <Sales / (Inventory at beginning of the period + Inventory at end of the period) *1/2>

Source: Calculated from the documents disclosed by each company Note: Aug/06 non-consolidated for us, Mar/06 consolidated for Companies YD, KH and K, Feb/06 non-consolidated for Major supermarket IY

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4. Reference

Growth strategies (Summary)

We continue to grow capitalizing on our strengths of “Urban type”

Store opening	To open about 2 stores of “Urban type” x “Station front” x “Large scale” per year in the metropolitan area and major cities across the country
Store renewal	To deliberately carry out store renewals and to increase ratio of home appliances sales (= high margin)
Net shopping	To renew websites, To use common points with actual stores
TV shopping	To start a BS digital high-vision broadcast in December, 2007 through our subsidiary Nippon BS Broadcasting
Cards	To introduce “Bic Camera Suica Card” whose points can be converted into electronic money “Suica” which can be used for transportation means
Business alliance	To promote business alliance with Edion

Our future store opening plans

Continuous growth by opening stores

Kyoto Station Store

- Directly connected with the JR Kyoto station platforms
- ◆ Scheduled to be opened in August, 2007
- ◆ Sales floor area: Approx. 10,000 m²



Okayama Station Store

- First store to be opened in the Chugoku region
- ◆ Scheduled to be opened in November 2007
- ◆ Sales floor area: Approx. 8,200 m²



Sofmap Akihabara New Main Build.

- New foothold of newly-born Sofmap
- ◆ Scheduled to be opened in September 2007
- ◆ Sales floor area: Approx. 4,900 m²



New Shin Yokohama Station Store

- Moving to the new station build.
- ◆ Core tenant of the new station build.
- ◆ Scheduled to be opened in March, 2008
- ◆ The sales floor area will triple (Approx. 2000m² ⇒ Approx. 7000m²)



Renewal of existing stores

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Year ending August, 2007

- To carry out store remodeling and product make-up review
 - ◆ Remodeling the Ikebukuro Main Store
 - ◆ Changing the make-ups of the products at the 2 Ikebukuro East Exit stores (Already done)
 - ◆ Scheduled to do the same for the Shibuya East Exit Store, Tachikawa Store, Namba Store, Sapporo Store and other stores

Expected effects

- Increase in sales due to improvement of ability to attract customers
 - ◆ Improvement of customer satisfaction due to improvement of the in-store environment
 - ◆ Increase in earning power due to increase in sales distribution of home appliances

Strengthening commitment to internet shopping

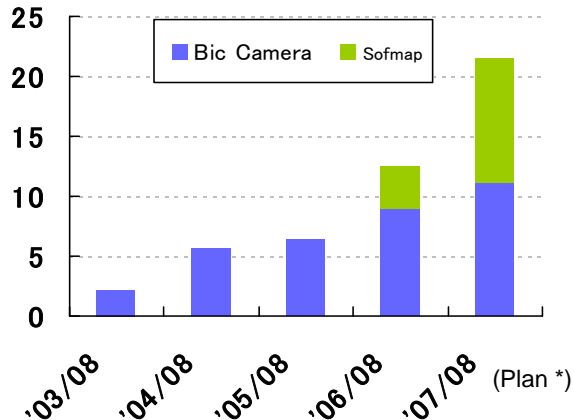
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In fiscal 2005, Bic Camera + Sofmap was No.1 listed company in the industry

- ◆ Making structure to bring customers
⇒ Commitment to move higher on the search site list to be hit
- ◆ Point common usage strategy
⇒ Pursue customers' convenience
- ◆ Expand items
⇒ Dig out long tail demand
- ◆ Upgrade / renew the systems
⇒ Provide comfortable service environments

Sales (results and plan) (JPY billion)



Sales increase

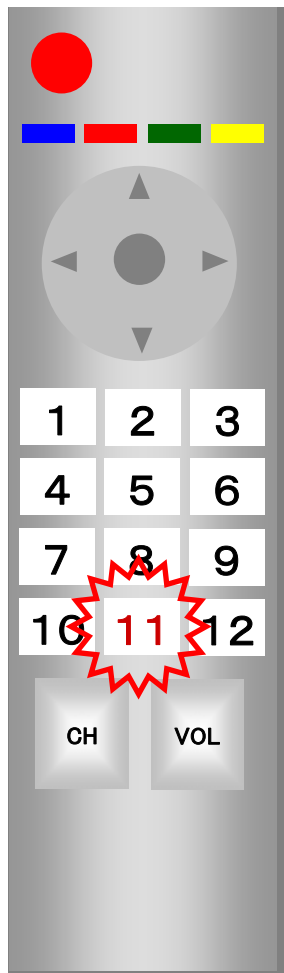
Increase of internet members / mobile members

Nippon BS Broadcasting Corporation

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BS digital high vision broadcast to start on December 1, 2007!!

- Provide programs with full spec x high vision for free
- Commitment to TV shopping linked with Bic Camera



BS Digital High Vision			
1	NHK BS-1	4	BS Nippon
2	NHK BS-2	5	BS Asahi
3	NHK BS-hi	6	BS-i
		7	BS Japan
		8	BS Fuji
		9	WOWOW
		10	Star Channel
		11	BS11
		12	World High Vision Channel



- First entry into the commercial TV in the last 50 years,
- First in the electric retailer industry

■ Status of spread of BS digital broadcasting receiver devices

As of April, 2007: 24,740,000 units

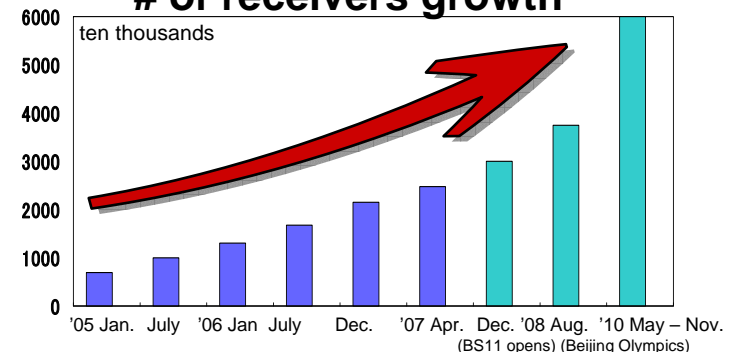


Within 2007;

Expected to exceed **30,000,000 units**

⇒ **More viewers**

of receivers growth



Source: Research conducted by NHK for up to April, 2007, research conducted by us for December, 2007 and later

Status of the “Bic Camera Suica Card”

Bic Point converted to Suica, suitable for unban type stores

Bic Point Card



Started in 1992
19,000,000 applications



Bic Camera Suica Card



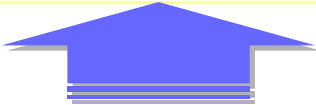
of applications:
Over 300,000



A Bic Camera Suica Card immediate issuance counter



set up at each store



New customers

JR users

Private railway / subway / bus users
Mutual use of Suica and PASMO
Started (March 18, '07 -)

Business alliance with Edion

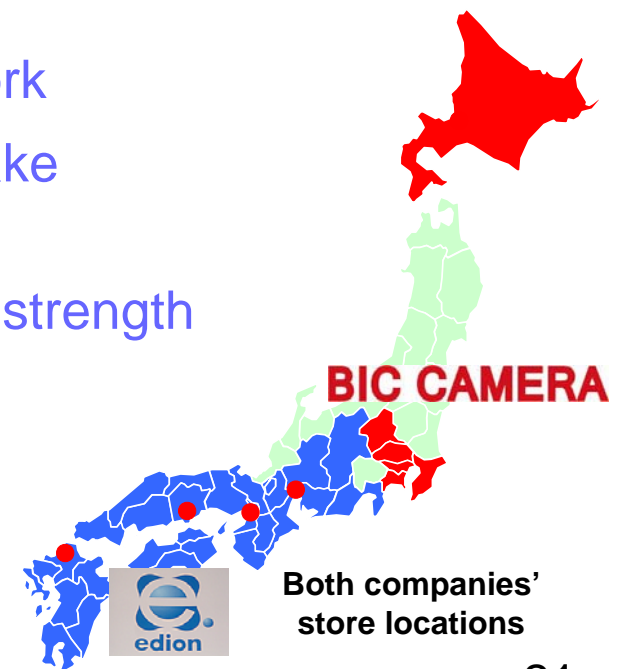
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“Business Alliance Committee” was started on March 30, 2007

⇒ To complement each other making use of strengths of both companies

<<Key Plans>>

1. Mutual dispatch of management
2. Joint-development and joint-purchase of products
3. Strengthening of customer service including mutual use of points and after-sale service
4. Promotion of efficiency by sharing logistics network
5. Jointly taking action and sharing know-how to make attractive stores
6. Development of business models combining the strength of both companies
7. Jointly planning advertisement and promotion
8. Jointly purchasing equipments



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4. Reference

Group of unique subsidiaries

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Sofmap Co., Ltd.

Sells PC-related products. Listed on the 2nd Section of TSE.



UMOKOBO Co., Ltd.

Manufactures and sells feather futon / bedding.



Tokyo Service Station Co., Ltd.

Repairs / constructs electric home appliances



Bic Shuhan

Sells alcoholic beverages



Bic Sports

Sells sporting goods. Specialty stores of sporting goods mainly on golf / tennis as well as bicycles



Bic Toys

Sells toys



Nippon BS Broadcasting Corporation

Broadcasting Government-authorized business



Financial highlights for the 1st half ended February 2007

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(JPY million)

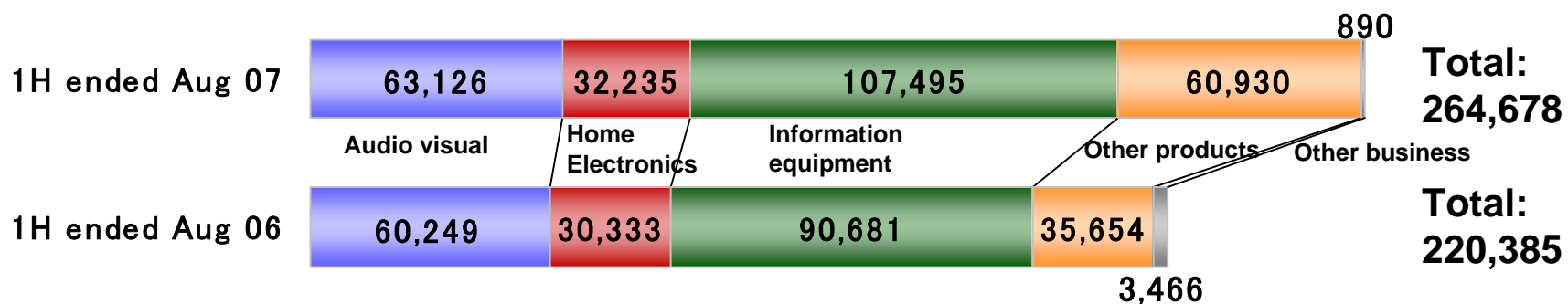
	1 st half ended Feb., 2006		1 st half ended Feb., 2007		
	Actual	To-sales ratio	Actual	To-sales ratio	% change from the previous year
Net sales	220,385	—	264,678	—	+20.1%
Gross profit	54,212	24.6%	63,221	23.9%	+16.6%
SG&A expenses	47,773	21.7%	55,272	20.9%	+15.7%
Operating income	6,439	2.9%	7,949	3.0%	+23.4%
Non-operating income	1,624	0.7%	1,996	0.8%	+22.9%
Non-operating expenses	1,210	0.5%	1,318	0.5%	+8.9%
Ordinary income	6,852	3.1%	8,627	3.3%	+25.9%
Extraordinary gain	116	0.1%	49	0.0%	(57.5%)
Extraordinary loss	1,219	0.6%	2,226	0.9%	+82.5%
Net income	2,646	1.2%	3,284	1.2%	+24.1%

Sales by product line (1st half ended Feb, 2007)

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(JPY million)

	1 st half ended Feb, 2006		1 st half ended Feb, 2007			Comparison with the same period of the previous year	
	Amount	Distribution ratio	Amount	Sofmap	Distribution ratio	Change in amount	% change
Audio visual products	60,249	27.3%	63,126	3,752	23.9%	+2,877	+4.8%
Home electronics products	30,333	13.8%	32,235	—	12.2%	+1,902	+6.3%
Information equipment products	90,681	41.1%	107,495	20,633	40.6%	+16,813	+18.5%
Other products	35,654	16.2%	60,930	18,456	23.0%	+25,276	+70.9%
Other business	3,466	1.6%	890	—	0.3%	(2,576)	(74.3%)
Total	220,385	100.0%	264,678	42,842	100.0%	44,293	+20.1%



Earnings drastically improved after becoming a consolidated subsidiary
(turned into the black)



1. Improvement of the earnings structure

Profit improvement due to reduction of cost of purchasing the same goods as Bic Camera

2. Increase of net sales at existing stores

Expand cameras / mobile phones / digital appliances

3. Increase of PC replacement by purchase / resale

Buying-up Center opened in Bic Camera stores



⇒Expansion of synergy effect by strengthening cooperation b/w administrative dept.s

■Further expanding earnings by strengthening cooperation b/w administrative dept.s in the future

- ◆Strengthen cooperation between purchasing dept.s
- ◆Integrate the logistics systems
- ◆Provide common services

Action against global environmental issues

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Honored as an excellent store in promoting spread of energy saving-type products

Fiscal year 2003 (when the system was established)

No.1: Yurakucho Store, No.2: Ikebukuro Main Store, No.3: Tachikawa Store

Fiscal year 2004 Economy, Trade and Industry Minister Prize: Tachikawa Store

Fiscal year 2005 Economy, Trade and Industry Minister Prize: Sapporo Store

Fiscal year 2006

Environment Minister Prize: Nagoya Station West Store

Natural Resources and Energy Agency Secretary Prize:

Takasaki East Exit Store



Other commitments

- Committed to environmental activities by our subsidiary Future Ecology
⇒ Have been reusing and recycling used apparatus since 2005
- Take part in “ENEX”, a general exhibition of energy saving / new energy, every year
⇒ Activities to promote understanding of energy saving appliances
- Recommended and certified as “Household appliance recycling ticket handling excellent stores”
⇒ Contribute to formation of recycling society by proper collection and recycling of abolished household appliances

This document also 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.

The expressions for future prospects in the document were given by us as of May 10, 2007 based on the information available as of May 10, 2007, and the descriptions of the expressions for future prospects are not to be updated or changed reflecting future incidents and situations.

May, 2007

BIC CAMERA INC.

Presentation materials for investors