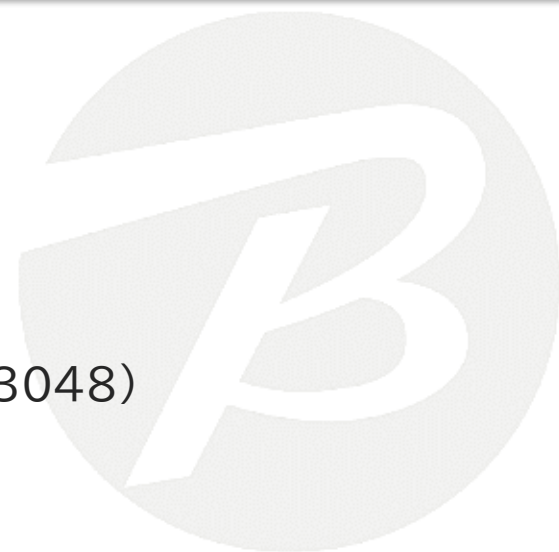


Financial Results for the Third Quarter of FY2022

(September 1, 2021 – May 31, 2022)



(Tokyo Stock Exchange, Prime Market:3048)



Financial Results Highlights

〈Consolidated〉

(million yen, %)	FY2021 3Q (Sep. 2020 – May. 2021)		FY2022 3Q (Sep. 2021 – May. 2022)		
	Results	% of sales	Results	% of sales	YoY
Net sales	636,434	–	596,509	–	93.7
Gross profit	180,726	28.4	159,512	26.7	88.3
SG&A expenses	164,548	25.9	144,236	24.2	87.7
Personnel expenses	51,856	8.1	53,997	9.1	104.1
Logistics expenses	15,607	2.5	13,829	2.3	88.6
Rent expenses	26,372	4.1	27,081	4.5	102.7
Depreciation	7,133	1.1	6,966	1.2	97.7
Other	63,578	10.0	42,361	7.1	66.6
Operating profit	16,177	2.5	15,276	2.6	94.4
Non-operating income	2,801	0.4	2,207	0.4	78.8
Non-operating expenses	545	0.1	385	0.1	70.6
Ordinary profit	18,433	2.9	17,098	2.9	92.8
Extraordinary income	7	0.0	226	0.0	3,175.6
Extraordinary losses	716	0.1	866	0.1	120.8
Profit before income taxes	17,723	2.8	16,458	2.8	92.9
Total income taxes	6,113	1.0	5,459	0.9	89.3
Profit attributable to non-controlling interests	2,801	0.4	2,838	0.5	101.3
Profit attributable to owners of parent	8,808	1.4	8,160	1.4	92.6

Note) The results for the third quarter of the fiscal year ended August 31, 2021 reflect the finalization of a provisional business combination-related accounting treatment made at Arrow-Japan Corporation.

Note) The Company has applied the “Accounting Standard for Revenue Recognition” from the beginning of the first quarter of the fiscal year ending August 31, 2022.

<Non-Consolidated> Financial Results Highlights

(million yen, %)	FY2021 3Q (Sep. 2020 – May. 2021)		FY2022 3Q (Sep. 2021 – May. 2022)		
	Results	% of sales	Results	% of sales	YoY
Net sales	338,353	—	306,722	—	90.7
Gross profit (Gross profit excluding wholesale sales and consideration of the provision of services)	88,969	26.3 27.7	73,278	23.9 25.4	82.4
SG&A expenses	86,970	25.7	72,772	23.7	83.7
Personnel expenses	22,833	6.7	23,490	7.7	102.9
Logistics expenses	10,085	3.0	9,042	2.9	89.7
Rent expenses	16,228	4.8	16,513	5.4	101.8
Depreciation	5,290	1.6	4,979	1.6	94.1
Other	32,532	9.6	18,746	6.1	57.6
Operating profit	1,999	0.6	506	0.2	25.3
Non-operating income	2,776	0.8	2,446	0.8	88.1
Non-operating expenses	198	0.1	198	0.1	99.9
Ordinary profit	4,577	1.4	2,754	0.9	60.2
Extraordinary income	1	0.0	1,444	0.5	77,348.6
Extraordinary losses	297	0.1	203	0.1	68.2
Profit before income taxes	4,281	1.3	3,995	1.3	93.3
Total income taxes	1,247	0.4	765	0.2	61.4
Profit income	3,034	0.9	3,230	1.1	106.5
Operating income excluding consideration for provision of services	794	0.2	270	0.1	34.1

Note) The Company has applied the “Accounting Standard for Revenue Recognition” from the beginning of the first quarter of the fiscal year ending August 31, 2022.

<Non-Consolidated> Gross profit / SG&A expenses

Comparison Based on the Previous Accounting Standard

Gross profit margin *Excluding wholesale sales and consideration of the provision of services

FY2021 3Q	FY2022 3Q	Increase / decrease
27.6%	→ 27.8%	+0.2P

SG&A expenses

FY2021 3Q	FY2022 3Q	Increase / decrease
86.9 billion yen	→ 84.9 billion yen	(2.0) billion yen
Fixed costs		+0.7 billion yen
Variable costs ratio		(0.4)P

Break-even point *Excluding the impact of an increase/decrease in consideration of the provision of services

FY2021 3Q	FY2022 3Q	Increase / decrease
331.4 billion yen	→ 325.2 billion yen	(6.2) billion yen

Revision) The break-even point for FY2022 1H shown on page 6 of the Financial Results Briefing for FY2022/08 First Half was the figure after applying the Accounting Standard for Revenue Recognition. In the same comparison as above, the break-even points for FY2021 1H and FY2022 1H will be 226.0 billion yen and 217.4 billion yen, respectively, and the increase/decrease will be a decrease of 8.6 billion yen.

Group companies①

(million yen, %)	Kojima					Nippon BS Broadcasting (Consolidated)				
	FY2021 3Q (Sep.2020 - May.2021)		FY2022 3Q (Sep.2021 - May.2022)			FY2021 3Q (Sep.2020 - May.2021)		FY2022 3Q (Sep.2021 - May.2022)		
	Results	% of sales	Results	% of sales	YoY	Results	% of sales	Results	% of sales	YoY
Net sales	224,929	—	209,238	—	93.0	8,349	—	9,076	—	108.7
Gross profit	64,198	28.5	56,153	26.8	87.5	4,453	53.3	4,710	51.9	105.8
SG&A expenses	57,443	25.5	49,642	23.7	86.4	2,450	29.4	2,781	30.6	113.5
Operating profit	6,754	3.0	6,511	3.1	96.4	2,002	24.0	1,929	21.3	96.3
Non-operating income	221	0.1	433	0.2	195.7	70	0.8	2	0.0	4.0
Non-operating expenses	199	0.1	124	0.1	62.5	0	0.0	2	0.0	4,766.8
Ordinary profit	6,776	3.0	6,820	3.3	100.6	2,073	24.8	1,929	21.3	93.0
Extraordinary income	0	0.0	226	0.1	—	—	—	—	—	—
Extraordinary losses	344	0.2	653	0.3	189.8	—	—	—	—	—
Profit before income taxes	6,432	2.9	6,392	3.1	99.4	2,073	24.8	1,929	21.3	93.0
Profit income	4,347	1.9	4,462	2.1	102.6	1,423	17.0	1,302	14.4	91.5

Note) The Company has applied the “Accounting Standard for Revenue Recognition” from the beginning of the first quarter of the fiscal year ending August 31, 2022.

Group companies②

(million yen, %)	Sofmap					Ranet				
	FY2021 3Q (Sep.2020 - May.2021)		FY2022 3Q (Sep.2021 - May.2022)			FY2021 3Q (Sep.2020 - May.2021)		FY2022 3Q (Sep.2021 - May.2022)		
	Results	% of sales	Results	% of sales	YoY	Results	% of sales	Results	% of sales	YoY
Net sales	30,841	—	29,462	—	95.5	83,901	—	71,369	—	85.1
Gross profit	9,149	29.7	8,745	29.7	95.6	13,238	15.8	13,376	18.7	101.0
SG&A expenses	8,670	28.1	8,167	27.7	94.2	8,937	10.7	8,538	12.0	95.5
Operating profit	479	1.6	578	2.0	120.7	4,301	5.1	4,838	6.8	112.5
Non-operating income	31	0.1	29	0.1	93.2	129	0.2	104	0.1	81.0
Non-operating expenses	7	0.0	14	0.0	182.8	44	0.1	38	0.1	86.5
Ordinary profit	502	1.6	593	2.0	118.0	4,386	5.2	4,904	6.9	111.8
Extraordinary income	—	—	—	—	—	4	0.0	—	—	—
Extraordinary losses	24	0.1	0	0.0	3.6	17	0.0	46	0.1	263.0
Profit before income taxes	478	1.6	592	2.0	123.8	4,373	5.2	4,858	6.8	111.1
Profit income	424	1.4	442	1.5	104.1	2,761	3.3	3,272	4.6	118.5

Note) The Company has applied the “Accounting Standard for Revenue Recognition” from the beginning of the first quarter of the fiscal year ending August 31, 2022.

Impact of the Revenue Recognition Accounting Standard

(million yen)	Consolidated			Non-Consolidated			Kojima		
	Previous standard (Before the application)	New standard (After the application)	Difference	Previous standard (Before the application)	New standard (After the application)	Difference	Previous standard (Before the application)	New standard (After the application)	Difference
Net sales	616,939	596,509	(23,430)	321,678	306,722	(14,956)	216,814	209,238	(7,575)
Cost of sales	441,964	436,996	(4,967)	237,407	233,443	(3,963)	154,068	153,085	(983)
Gross profit	177,975	159,512	(18,462)	84,271	73,278	(10,992)	62,745	56,153	(6,592)
Gross profit ratio	28.7%	26.7%		26.2%	23.9%		28.9%	26.8%	
SG&A expenses	164,074	144,236	(19,838)	84,902	72,772	(12,129)	56,415	49,642	(6,773)
Operating profit	13,901	15,276	1,375	(631)	506	1,137	6,330	6,511	180

Breakdown of the impact

(million yen)	Consolidated			Non-Consolidated			Kojima		
	Points expenses	Processing of net amounts of purchases made on a consignment basis	Other	Points expenses	Processing of net amounts of purchases made on a consignment basis	Other	Points expenses	Processing of net amounts of purchases made on a consignment basis	Other
Net sales	(18,846)	(4,843)	259	(11,122)	(3,963)	130	(7,129)	(986)	539
Cost of sales	–	(4,842)	(124)	–	(3,963)	(0)	–	(986)	3
SG&A expenses	(20,116)	(0)	278	(12,208)	–	78	(7,271)	–	498
Operating profit	1,269	–	105	1,085	–	51	142	–	38

〈Consolidated〉 Balance Sheet

(million yen)	As of Aug 31, 2021	As of May 31, 2022	Amount of increase	As of May 31, 2021
Total current assets	258,077	256,534	(1,542)	274,485
Cash and deposits	108,973	88,596	(20,376)	106,189
Merchandise and finished goods	98,584	106,440	7,856	110,344
Total property, plant and equipment	85,774	87,803	2,029	88,094
Total Intangible assets	31,040	33,780	2,740	30,994
Total investments and other assets	79,574	86,677	7,102	80,305
Total non-current assets	196,388	208,261	11,872	199,394
Total assets	454,466	464,795	10,329	473,879
Total current liabilities	173,589	200,233	26,643	186,669
Interest bearing debt	82,612	88,674	6,061	81,842
Provision for point card certificates	13,029	—	(13,029)	12,739
Total non-current liabilities	101,353	93,311	(8,041)	108,127
Interest bearing debt	68,076	50,595	(17,480)	74,523
Total liabilities	274,942	293,544	18,601	294,797
Total net assets	179,523	171,251	(8,271)	179,082
Total liabilities and net assets	454,466	464,795	10,329	473,879

Note) The results for the third quarter of the fiscal year ended August 31, 2021 reflect the finalization of a provisional business combination-related accounting treatment made at Arrow-Japan Corporation.

Note) The Company has applied the “Accounting Standard for Revenue Recognition” from the beginning of the first quarter of the fiscal year ending August 31, 2022. Retained earnings at the beginning of the fiscal year under review decreased by 10,366 million yen due to the application of the accounting standard.

〈Consolidated〉 Sales by Product line

Comparison Based on the Previous Accounting Standard

(million yen, %)	FY2021 3Q (Sep. 2020 - May. 2021)		FY2022 3Q (Sep. 2021 - May. 2022)		
	Results	% of sales	Results	% of sales	YoY
Audio visual products	97,753	15.4	93,471	15.1	95.6
Cameras	17,558	2.8	18,435	3.0	105.0
TVs	37,727	5.9	35,373	5.7	93.8
Audios	9,424	1.5	8,434	1.4	89.5
Home appliances	203,950	32.0	197,483	31.8	96.8
Refrigerators	30,683	4.8	31,350	5.1	102.2
Washing machines	31,423	4.9	32,802	5.3	104.4
Kitchen appliances	26,966	4.2	26,513	4.2	98.3
Seasonal home electronics	47,757	7.5	39,748	6.4	83.2
Personal care electronics	27,800	4.4	30,457	4.9	109.6
Information communications equipment Products	214,600	33.7	209,512	33.8	97.6
PCs	62,633	9.8	54,425	8.8	86.9
PC peripherals	24,283	3.8	24,385	3.9	100.4
Cellular phones	85,255	13.4	91,418	14.8	107.2
Other products	110,523	17.4	109,542	17.7	99.1
Video Games	36,334	5.7	28,979	4.7	79.8
Watches	8,573	1.3	8,124	1.3	94.8
Used PCs	7,614	1.2	11,075	1.8	145.5
Sporting goods	7,250	1.1	7,523	1.2	103.8
Toys	8,746	1.4	9,822	1.6	112.3
Glasses and Contact lenses	3,270	0.5	3,458	0.6	105.7
Liquors and Soft drinks	4,529	0.7	4,361	0.7	96.3
Medicine and Daily goods	6,591	1.1	6,536	1.0	99.2
Retail goods sales	626,828	98.5	610,009	98.4	97.3
BS digital broadcasting business	8,282	1.3	8,627	1.4	104.2
Other business	1,323	0.2	1,303	0.2	98.5
Total	636,434	100.0	619,939	100.0	97.4

Note) The amounts for the fiscal year ending August 31, 2022 are based on the previous accounting standard prior to the application of the Accounting Standard for Revenue Recognition.

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 July 12 2022 based on the information available as of July 12 2022, and expressions for future prospects are not to be updated or changed to reflect future incidents and situations.

July, 2022

BicCamera Inc.

