

Financial Results Briefing

FY2022/8

(September 1, 2021 to August 31, 2022)

October 18, 2022



(Tokyo Stock Exchange, Prime Market:3048)



(Tokyo Stock Exchange, Prime Market:7513)



Financial Results Briefing materials

1. **KOJIMA**

2. **BicCamera**



(Tokyo Stock Exchange, Prime Market :7513)

Purpose

To be a company that supports everyday living by providing consumer electronics with a view toward the creation of a bright and happy future full of smiles

Yuji Nakazawa

Representative Director and President

Overview of the full-year financial results

(million yen, %)	FY2021/8 (Sep. 2020 – Aug. 2021)		FY2022/8 (Sep. 2021 – Aug. 2022)			
	Amount	% to sales	Amount	% to sales	YoY change	Announced Forecast
Net sales	297,535	–	279,374	–	93.9	280,700
Gross profit	85,737	28.8	75,374	27.0	87.9	
SG&A expenses	76,875	25.8	67,266	24.1	87.5	
Personnel expenses	22,267	7.5	23,122	8.3	103.8	
Logistics expenses (Shipping)	12,515	4.2	12,055	4.3	96.3	
Rent expenses	8,480	2.9	8,681	3.1	102.4	
Depreciation	1,466	0.5	1,413	0.5	96.4	
Others	32,145	10.8	21,994	7.9	68.4	
Operating profit	8,861	3.0	8,107	2.9	91.5	8,300
Non-operating income	613	0.2	565	0.2	92.1	
Non-operating expenses	230	0.1	147	0.1	64.0	
Ordinary profit	9,244	3.1	8,525	3.1	92.2	8,500
Extraordinary income	296	0.1	259	0.1	87.3	
Extraordinary losses	1,015	0.3	983	0.4	96.8	
Profit before income taxes	8,525	2.9	7,800	2.8	91.5	
Corporate, inhabitant and business tax	1,122	0.4	953	0.3	84.9	
Income taxes - deferred	1,100	0.4	1,086	0.4	98.7	
Profit income	6,302	2.1	5,761	2.1	91.4	5,900

Impact of the Revenue Recognition Accounting Standard

Year-on-Year Comparison Based on the Previous Accounting Standard

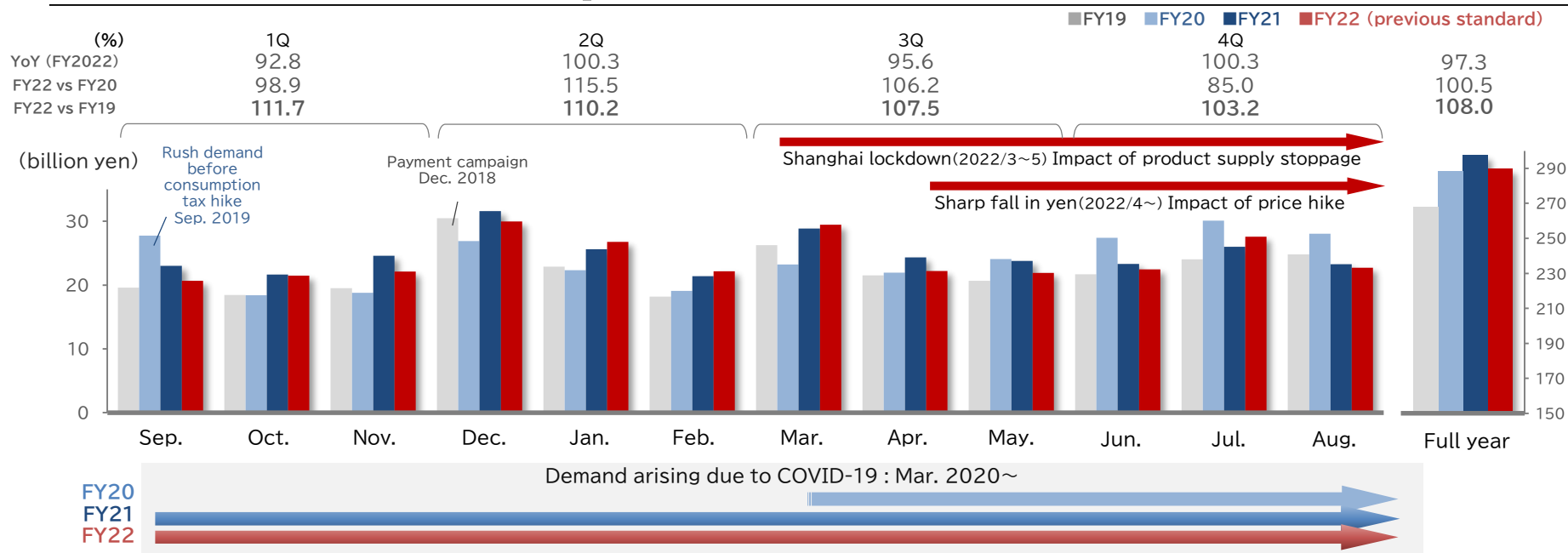
(million yen, %)	FY2021/8 (Sep. 2020 – Aug. 2021)	FY2022/8 (Sep. 2021 – Aug. 2022)	YoY	Increase / Decrease
	Results (Previous standard)	Results (Previous standard)		
Net sales	297,535	289,602	97.3	(7,932)
Cost of sales	211,797	205,297	96.9	(6,500)
Gross profit	85,737	84,305	98.3	(1,432)
Gross profit margin	28.8%	29.1%		
SG&A expenses	76,875	76,563	99.6	(312)
Operating profit	8,861	7,742	87.4	(1,119)

Impact of New Standards

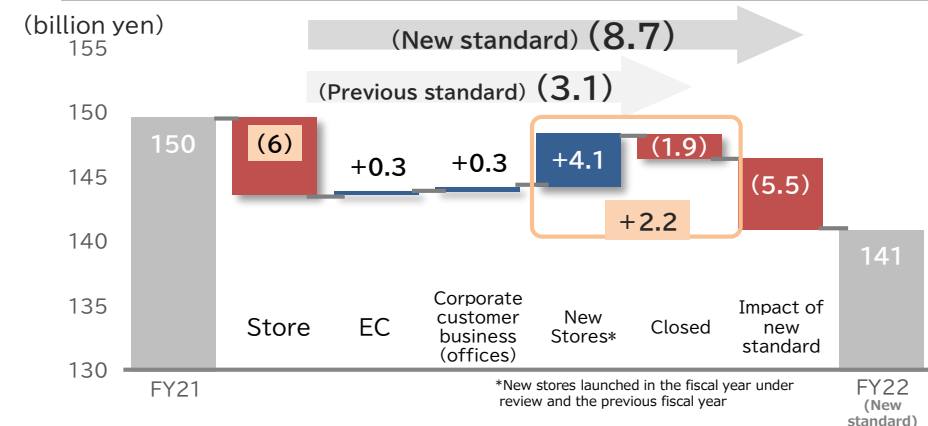
(million yen, %)	FY2022/8 (Sep. 2021 – Aug. 2022)		Impact amount
	Results (Previous standard)	Results (New standard)	
Net sales	289,602	279,374	(10,228)
Cost of sales	205,297	203,999	(1,297)
Gross profit	84,305	75,374	(8,931)
Gross profit margin	29.1%	27.0%	
SG&A expenses	76,563	67,266	(9,296)
Operating profit	7,742	8,107	365

Net sales

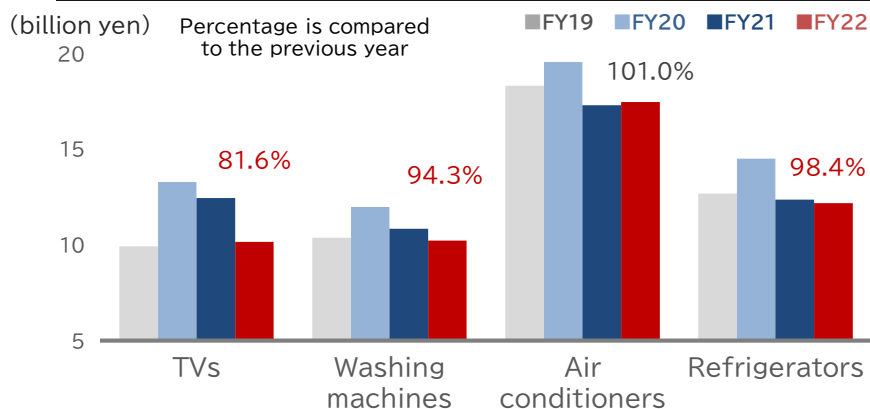
Monthly sales (Previous standard)



Net sales by sales channel (second half)

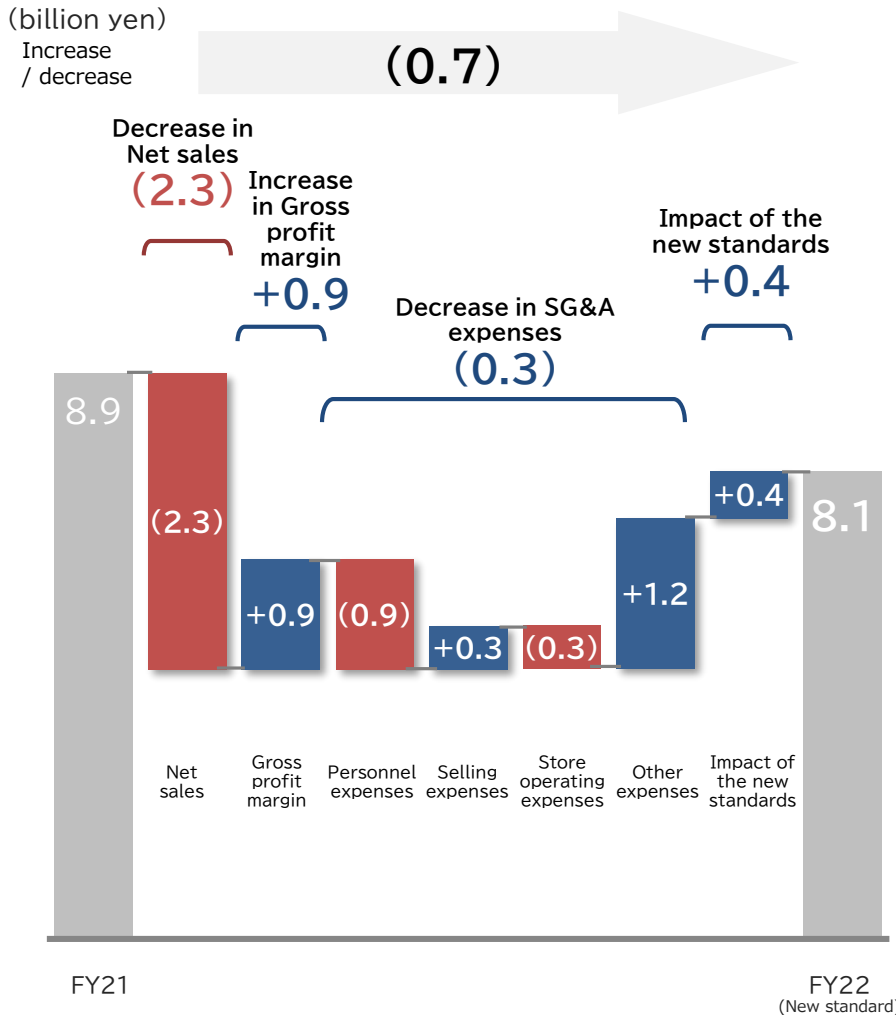


By product category (second half) POS base

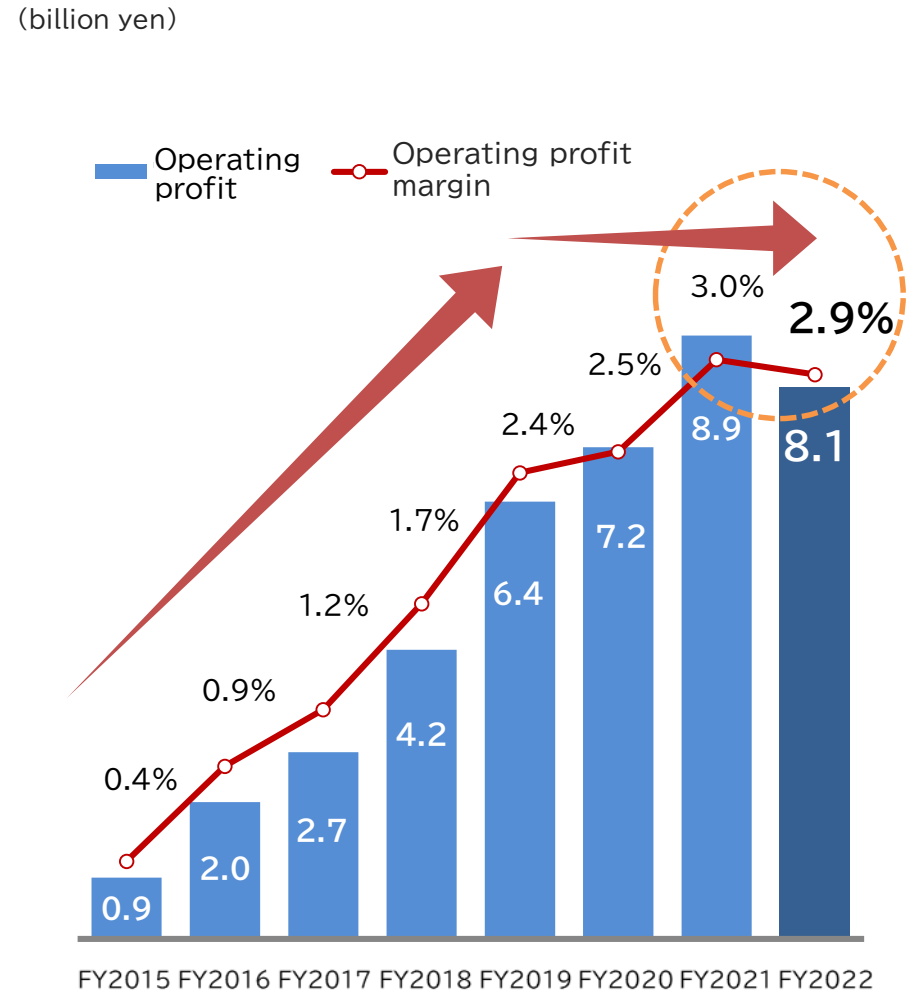


Operating profit

Factors of Increase/Decrease in operating profit



Changes in operating profit



Future initiatives (profitability)

Improvement of sales capabilities

The CS Promotion Office will be established as a department under the direct control of the Sales Department.(Sep. 1, 2022)



Enhancement of customer service skills and specialization

1. Developing sales experts and sharing skills
2. Strengthening roleplaying-based training programs



Enhancement of customer service

Improvement of operational efficiency

1. Validating the results of stores in which electronic shelf labels have been introduced in a trial and increasing the number of stores equipped with electronic labels step by step.
2. Conducting overall checks of store operations while simultaneously reviewing and streamlining unnecessary tasks.



Make time to serve customers.

Future initiatives (profitability)

New openings and renovations

Kojima & BicCamera Utsunomiya Terrace Store (Utsunomiya City, Tochigi Prefecture)

Opening date: Aug. 26, 2022

Opened a store in Utsunomiya Terrace, a new commercial complex that began operating on the east side of Utsunomiya Station. The number of customers is expected to rise after the launch of the LRT, the next-generation streetcar system scheduled to begin operating next year.



Kojima & BicCamera Fukushima Store (Fukushima City, Fukushima Prefecture)

Scheduled opening date: Oct. 28, 2022

The store, which has been closed for about six months due to damage from the Fukushima Prefecture Offshore Earthquake (March 16, 2022), will be renovated and resume operations after the reconstruction and earthquake countermeasure work is completed.



Other renovations

- Housing equipment sales floor renovations: Scheduled at 14 stores within this fiscal year.
- Mobile phone sales floor renovations: Scheduled at 7 stores within this fiscal year.
- Kojima & BicCamera store renovation
⇒ New Kofu Store Scheduled for November

139th store / 141 stores in total



Future initiatives (growth-oriented)

Enhancement of the housing equipment business

Driving sales of the external wall and rooftop coating, repair and renovation services

Driving sales in anticipation of achieving the highest growth in the exterior renovation market.

Promotion of the renewable energy business

1. Increasing the numbers of dedicated staff members and stores: 50 in the previous fiscal year ⇒ 100
2. Enhancing the range of products for sales
Storage batteries for use in condominiums (personal use), EV recharging stands, tribrid power storage system (solar power and EV charging), etc
3. Collaboration with companies operating in other industries
Holding of test drive events
4. Establishing a call center

Renovation and enhancement of the housing equipment corners of existing stores

1. Increasing sales related to renovation and security
2. Increasing smart house-related sales and stepping up efforts to spotlight smart home-related products
Smart house-related: solar power, storage devices, Eco-Cute products, IH-based products and EV charging stands
Smart home-related: IoT-compatible lighting, air conditioners, refrigerators, washers and security equipment
3. Establishing the Renovation Consultation Corner, a dedicated housing equipment service counter
4. Positioning dedicated personnel to promote sales of housing equipment



Test drive events



Image of sales floor after remodeling



Future initiatives (CSR-oriented)

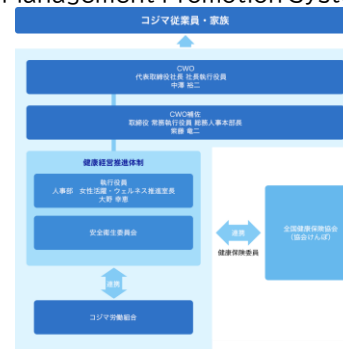
Improvement of Employee Engagement

Promoting health and productivity management

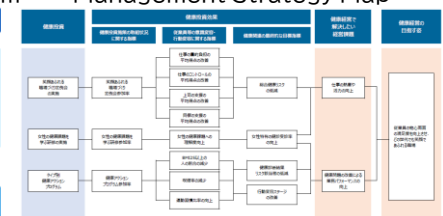
Aiming to improve the handling of health-related issues under the leadership of the president who shall be appointed CWO (Chief Wellness Officer).

- Recognition as a Certified Health & Productivity Management Organization for the third straight year (from 2020 to 2022)
- Review of the Health and Productivity Management Strategy Map (implemented in September 2022)

The Health and Productivity Management Promotion System



The Health and Productivity Management Strategy Map



Developing human resources

1. Promoting young people to managerial positions proactively
2. Expanding areas for active participation in sync with life-stage transitions
3. Increasing opportunities for women employees to actively participate

- Acquisition of Eruboshi (Second stage) certification (June 2022)



Acquisition of Eruboshi certification



Promoting Sustainability Management

Aiming to contribute environmentally and socially and achieve sustainable corporate growth through concrete initiatives for priority (material) issues.

- SDG Declaration and identification of priority (material) issues (April 2022)
- Response to CDP questions (July 2022)
- Establishment of Sustainability Promotion Committee (August 2022)
- Expression of Support for the TCFD Recommendations (August 2022)
- Publish integrated reports(scheduled for December 2022)

Earnings Forecast (FY2023/8)

(million yen, %)		1H			2H			Full year		
		FY2022/8	FY2023/8		FY2022/8	FY2023/8		FY2022/8	FY2023/8	
		Amount	Forecast	YoY change	Amount	Forecast	YoY change	Amount	Forecast	YoY change
Net sales		138,516	138,900	100.3	140,857	146,300	103.9	279,374	285,200	102.1
Operating profit		4,759	3,900	81.9	3,348	4,500	134.4	8,107	8,400	103.6
Ordinary profit		4,976	4,000	80.4	3,548	4,500	126.8	8,525	8,500	99.7
Profit income		3,401	2,700	79.4	2,359	3,100	131.4	5,761	5,800	100.7
% to sales	Gross profit	27.1	27.3		26.9	27.4		27.0	27.4	
	SG&A expenses	23.7	24.5		24.5	24.3		24.1	24.4	
	Operating profit	3.4	2.8		2.4	3.1		2.9	2.9	
	Ordinary profit	3.6	2.9		2.5	3.1		3.1	3.0	
	Profit income	2.5	1.9		1.7	2.1		2.1	2.0	



BicCamera

(Tokyo Stock Exchange, Prime Market : 3048)

Purpose

To serve customers as a purchasing agent
that provides helpful support for their lives

Toru Akiho

Representative Director and President

1. Financial Results for FY2022/8

2. Earnings Forecast for FY2023/8

3. Important Management Issues

- Initiatives that I will push forward as President -

Financial Results Highlights

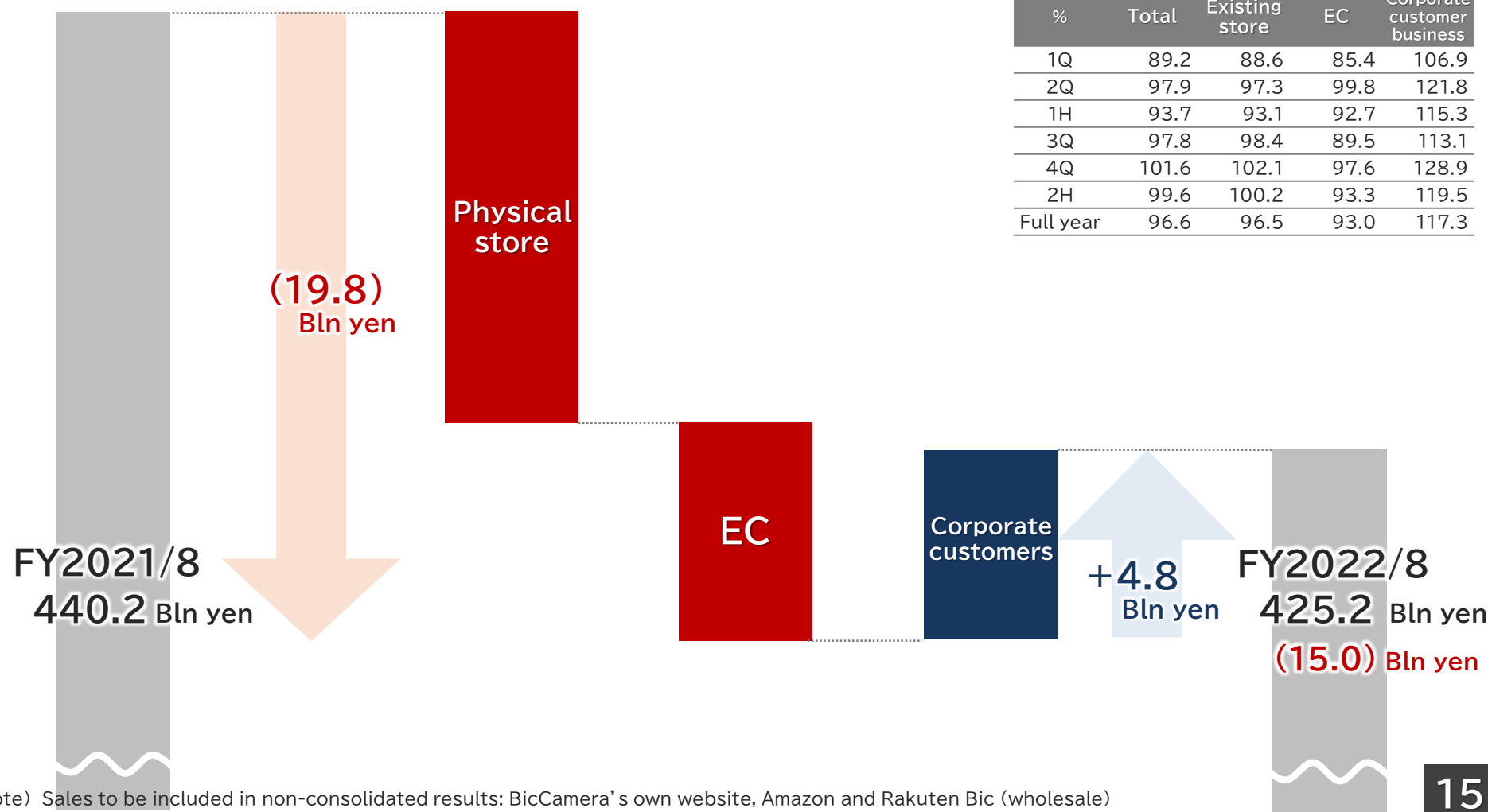
(million yen, %)	FY2021/8 (Sep. 2020 – Aug. 2021)		FY2022/8 (Sep. 2021 – Aug. 2022)			
	Amount	% to sales	Amount	% to sales	YoY change	Forecast
Net sales	440,298	–	405,608	–	92.1	419,000
Gross profit (Gross profit excluding wholesale sales and consideration of the provision of services)	116,242	26.4 27.8	98,634	24.3 25.8	84.9	24.0 25.6
SG&A expenses	115,739	26.3	98,558	24.3	85.2	23.8
Personnel expenses	30,657	7.0	31,850	7.9	103.9	
Logistics expenses	13,258	3.0	12,008	3.0	90.6	
Rent expenses	21,713	4.9	21,922	5.4	101.0	
Depreciation	6,916	1.6	6,825	1.7	98.7	
Others	43,192	9.8	25,951	6.4	60.1	
Operating profit	503	0.1	75	0.0	15.1	900
Non-operating income	3,652	0.8	3,556	0.9	97.4	
Non-operating expenses	255	0.1	338	0.1	132.7	
Ordinary profit	3,900	0.9	3,294	0.8	84.5	3,700
Extraordinary income	213	0.0	1,445	0.4	677.3	
Extraordinary losses	1,779	0.4	2,246	0.6	126.2	
Profit before income taxes	2,334	0.5	2,493	0.6	106.8	
Total income taxes	975	0.2	436	0.1	44.7	
Profit income	1,358	0.3	2,057	0.5	151.4	2,850
Operating income excluding consideration for provision of services	(1,264)	(0.3)	(454)	(0.1)	–	500

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

Net sales

Comparison Based on the Previous Accounting Standard

Change factors in non-consolidated net sales(YoY)



Note) Sales to be included in non-consolidated results: BicCamera's own website, Amazon and Rakuten Bic (wholesale)

〈Non-Consolidated〉 Gross profit / SG&A expenses

Comparison Based on the Previous Accounting Standard

	FY2021/8		FY2022/8		Change
Gross profit margin <small>(Excluding wholesale sales and consideration of the provision of services)</small>	27.8%	▶	28.2%		+0.4Point
SG&A expenses	115.7 Bln yen	▶	114.9 Bln yen	Fixed costs +1.9Bln yen Variable cost ratio (0.3)Point	
Break-even point <small>(Excluding the impact of an increase/decrease in consideration of the provision of services)</small>	443.3 Bln yen	▶	435.1 Bln yen		(8.1) Bln yen

<Consolidated> Main Consolidated Subsidiaries

(million yen, %)		Sofmap			Nippon BS Broadcasting (Non-consolidated)			Ranet		
		FY2021/8	FY2022/8	YoY change	FY2021/8	FY2022/8	YoY change	FY2021/8	FY2022/8	YoY change
Amount	Net sales	40,584	39,361	97.0	11,269	11,547	102.5	105,229	88,471	84.1
	Gross profit	12,095	11,710	96.8	6,107	5,991	98.1	17,314	17,575	101.5
	SG&A expenses	11,608	10,931	94.2	3,475	3,589	103.3	12,441	12,102	97.3
	Operating profit	486	779	160.1	2,632	2,402	91.3	4,872	5,472	112.3
	Ordinary profit	525	795	151.4	2,704	2,406	89.0	4,986	5,566	111.6
% to sales	Gross profit	29.8	29.8		54.2	51.9		16.5	19.9	
	SG&A expenses	28.6	27.8		30.8	31.1		11.8	13.7	
	Operating profit	1.2	2.0		23.4	20.8		4.6	6.2	
	Ordinary profit	1.3	2.0		24.0	20.8		4.7	6.3	

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

Note) Ranet acquired Arrow Japan through an absorption-type merger on August 1, 2022.

Note) The above subsidiaries’ results do not include any internal transactions.

Financial Results Highlights

(million yen, %)	FY2021/8 (Sep. 2020 – Aug. 2021)		FY2022/8 (Sep. 2021 – Aug. 2022)			
	Amount	% to sales	Amount	% to sales	YoY change	Announced forecast
Net sales	834,060	–	792,368	–	95.0	806,000
Gross profit	238,558	28.6	213,843	27.0	89.6	26.9
SG&A expenses	220,340	26.4	195,980	24.7	88.9	24.6
Personnel expenses	69,912	8.4	73,239	9.2	104.8	
Logistics expenses (Shipping)	20,519	2.5	18,390	2.3	89.6	
Rent expenses	35,291	4.2	36,173	4.6	102.5	
Depreciation	9,408	1.1	9,532	1.2	101.3	
Others	85,209	10.3	58,645	7.4	68.8	
Operating profit	18,217	2.2	17,863	2.3	98.1	17,800
Non-operating income	4,071	0.5	3,512	0.4	86.3	
Non-operating expenses	659	0.1	567	0.1	86.0	
Ordinary profit	21,629	2.6	20,808	2.6	96.2	19,800
Extraordinary income	566	0.1	260	0.0	46.0	
Extraordinary losses	2,655	0.3	6,418	0.8	241.7	
Impairment losses	1,760	0.2	4,658	0.6	264.6	
Profit before income taxes	19,540	2.3	14,649	1.8	75.0	
Total income taxes	6,785	0.8	5,275	0.7	77.7	
Income taxes - deferred	920	0.1	1,026	0.1	111.6	
Profit attributable to non-controlling interests	3,994	0.5	3,608	0.5	90.4	
Profit income						
Profit attributable to owners of parent	8,761	1.1	5,765	0.7	65.8	9,500

[Newly consolidated] FY2022 2Q~ JANPARA Co., Ltd. (purchase and sale of mobile phones, personal computers, etc.)

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

Impact of the Revenue Recognition Accounting Standard

(million yen)	Consolidated			Non-Consolidated		
	Previous standard (Before the application)	New standard (After the application)	Difference	Previous standard (Before the application)	New standard (After the application)	Difference
Net sales	823,399	792,368	(31,030)	425,262	405,608	(19,654)
Cost of sales	584,970	578,525	(6,445)	312,120	306,973	(5,146)
Gross profit	238,428	213,843	(24,584)	113,142	98,634	(14,507)
Gross profit ratio	29.0%	27.0%		26.6%	24.3%	
SG&A expenses	222,864	195,980	(26,884)	114,926	98,558	(16,367)
Operating profit	15,563	17,863	2,299	(1,783)	75	1,859

Breakdown of the impact

(million yen)	Consolidated			Non-Consolidated		
	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	(25,137)	(6,303)	410	(14,772)	(5,146)	265
Cost of sales	–	(6,303)	(141)	–	(5,146)	0
SG&A expenses	(26,875)	–	(9)	(16,367)	–	0
Operating profit	1,737	–	561	1,595	–	264

〈Consolidated〉 Balance Sheet

(million yen)	As of Aug 31, 2021	As of Aug 31, 2022	Increase / Decrease
Total current assets	258,077	252,258	(5,818)
Cash and deposits	108,973	91,081	(17,891)
Merchandise and finished goods	98,584	100,872	2,288
Total property, plant and equipment	85,774	87,030	1,256
Total intangible assets	31,040	30,222	(817)
Total investments and other assets	79,574	86,954	7,380
Total non-current assets	196,388	204,207	7,818
Total assets	454,466	456,466	2,000
Total current liabilities	173,589	197,781	24,191
Interest bearing debt	82,612	88,565	5,953
Total non-current liabilities	101,353	89,551	(11,801)
Interest bearing debt	68,076	44,932	(23,143)
Total liabilities	274,942	287,332	12,390
Total net assets	179,523	169,133	(10,389)
Total liabilities and net assets	454,466	456,466	2,000

Note) The Company has applied the "Accounting Standard for Revenue Recognition" from the beginning of the fiscal year ended 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〉 Cash Flow Statement

(million yen)	FY2021/8 (Sep.2020 - Aug.2021)	FY2022/8 (Sep.2021 - Aug.2022)	
Cash flows from operating activities	7,763	25,317	<ul style="list-style-type: none"> •Increase in trade payables FY2022/8: 4,582 *FY2021/8: (20,867)
Cash flows from investing activities	(12,356)	(18,076)	<ul style="list-style-type: none"> •Purchase of non-current assets (tangible/intangible) FY2022/8: (11,327) •Purchase of shares of subsidiaries FY2022/8: (4,413)
Cash flows from financing activities	(4,387)	(26,565)	<ul style="list-style-type: none"> •Decrease in borrowings FY2022/8: (17,538) •Purchase of treasury shares FY2022/8: (4,999)
Cash and cash equivalents at end of period	108,857	89,536	

<Consolidated> Sales by Product line

Comparison Based on the Previous Accounting Standard

(million yen, %)	FY2021/8 (Sep. 2020 - Aug. 2021)		FY2022/8 (Sep. 2021 - Aug. 2022)						
	Amount	Composition ratio	Amount	BicCamera		Kojima		Composition ratio	YoY change
				Amount	YoY change	Amount	YoY change		
Audio visual products	127,739	15.3	121,480	69,304	95.4	47,311	94.0	14.7	95.1
Cameras	22,571	2.7	24,767	17,876	108.9	6,132	106.1	3.0	109.7
TVs	50,197	6.0	45,336	20,716	91.1	23,628	89.4	5.5	90.3
Audios	11,995	1.4	11,108	6,799	90.3	4,103	96.9	1.4	92.6
Home appliances	279,264	33.5	273,107	136,796	100.4	133,660	94.7	33.2	97.8
Refrigerators	43,085	5.2	43,664	19,977	103.5	23,230	98.9	5.3	101.3
Washing machines	41,986	5.0	43,151	21,653	110.5	21,167	95.3	5.2	102.8
Kitchen appliances	34,170	4.1	33,606	15,760	100.2	17,581	96.2	4.1	98.3
Seasonal home electronics	71,606	8.6	64,014	27,928	90.2	35,523	88.4	7.8	89.4
Personal care electronics	37,838	4.5	40,828	26,542	109.7	13,703	103.8	5.0	107.9
Information communications equipment Products	270,466	32.4	268,094	134,721	95.5	76,491	103.4	32.6	99.1
PCs	77,396	9.3	69,273	44,527	87.5	20,652	88.8	8.4	89.5
PC peripherals	30,845	3.7	31,122	16,582	97.9	11,646	106.0	3.8	100.9
Cellular phones	108,447	13.0	117,074	43,776	106.7	26,847	124.9	14.2	108.0
Other products	143,693	17.3	147,494	84,439	93.4	30,638	100.6	17.9	102.6
Video Games	43,783	5.3	36,830	23,374	80.6	10,143	91.7	4.5	84.1
Watches	11,246	1.4	11,012	10,441	99.1	517	83.3	1.3	97.9
Used PCs, Used Smartphone	10,106	1.2	16,159	-	-	-	-	1.9	159.9
Sporting goods	10,061	1.2	10,070	8,081	97.1	1,902	115.0	1.2	100.1
Toys	11,455	1.4	12,975	8,616	121.6	3,419	106.3	1.6	113.3
Glasses and Contact lenses	4,360	0.5	4,698	4,633	107.3	-	-	0.6	107.8
Liquors and Soft drinks	5,909	0.7	5,772	-	-	-	-	0.7	97.7
Medicine and Daily goods	8,691	1.0	8,974	7,331	102.8	1,593	107.0	1.1	103.3
Retail goods sales	821,164	98.5	810,177	425,262	96.6	288,102	97.4	98.4	98.7
BS digital broadcasting business	11,188	1.3	11,503	-	-	-	-	1.4	102.8
Other business	1,707	0.2	1,717	-	-	1,499	90.3	0.2	100.6
Total	834,060	100.0	823,399	425,262	96.6	289,602	97.3	100.0	98.7

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

Note) For compilation-related reasons, certain results indicated in the breakdown of Bic Camera and Kojima are classified differently from those in the consolidated results.

Monthly sales (YoY, POS base)

Full year	BicCamera: 96.5% Kojima: 97.3%			
Half period	BicCamera: 93.6% Kojima: 97.6%		BicCamera: 99.5% Kojima: 97.0%	
Quarterly period	BicCamera: 90.3% Kojima: 94.8%	BicCamera: 96.7% Kojima: 100.0%	BicCamera: 97.5% Kojima: 94.6%	BicCamera: 101.8% Kojima: 99.6%



Decrease due to rebound in demand for nest eggs and telework



Note) The above declarations of a state of emergency are those that were applied to Tokyo.
 Note) Wholesale sales are not included in POS-based results of BicCamera stores (All stores).

1. Financial Results for FY2022/8

2. Earnings Forecast for FY2023/8

3. Important Management Issues

- Initiatives that I will push forward as President -

〈Non-Consolidated〉 Earnings Forecast

(million yen, %)		1H			2H			Full year		
		FY2022/8	FY2023/8		FY2022/8	FY2023/8		FY2022/8	FY2023/8	
		Amount	Forecast	YoY change	Amount	Forecast	YoY change	Amount	Forecast	YoY change
Net sales		202,817	207,400	102.3	202,790	210,100	103.6	405,608	417,500	102.9
Operating profit		(413)	(780)	–	489	1,280	261.7	75	500	658.6
Ordinary profit		1,340	900	67.2	1,954	2,250	115.1	3,294	3,150	95.6
Profit income		850	580	68.2	1,207	1,320	109.3	2,057	1,900	92.3
% to sales	Gross profit	23.6	23.9		25.0	24.7		24.3	24.3	
	excluding wholesale and consideration for the provision of services	25.3	25.6		26.3	26.3		25.8	26.0	
	SG&A expenses	23.9	24.2		24.7	24.0		24.3	24.1	
	Operating profit	–	–		0.2	0.6		0.0	0.1	
	Ordinary profit	0.7	0.4		1.0	1.1		0.8	0.8	
	Profit income	0.4	0.3		0.6	0.6		0.5	0.5	
Operating income excluding consideration for provision of services		(502)	(924)	–	47	1,135	2,392.2	(454)	211	–

[Notes]

1. Impact of a decrease in sales reversal ratio (68% in the previous fiscal year and 61% in the current fiscal year) when points are used under the Revenue Recognition Accounting Standard: sales and gross profit down 1.5 billion yen

2. Impact of the review of the service provision agreement with Kojima: sales and gross profit down 0.2 billion yen

3. Recovery of in-bound tourism-related demand is not reflected in forecast results.

<Consolidated> Earnings Forecast (by company)

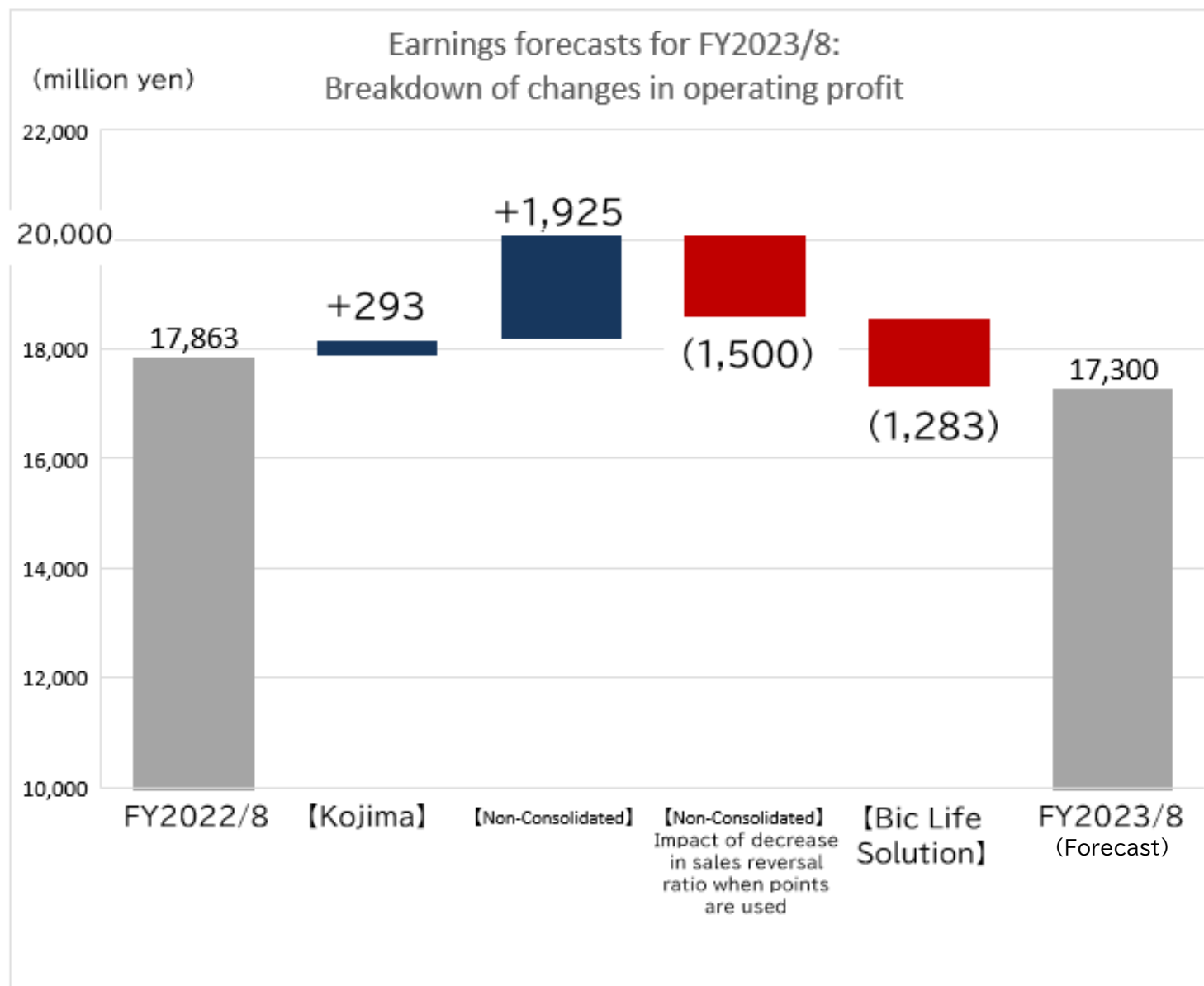
(million yen, %)		Sofmap			Nippon BS Broadcasting (Non-consolidated)			Ranet		
		FY2022/8	FY2023/8	YoY change	FY2022/8	FY2023/8	YoY change	FY2022/8	FY2023/8	YoY change
Amount	Net sales	39,361	40,446	102.8	11,547	11,800	102.2	88,471	110,000	124.3
	Operating profit	779	755	96.9	2,402	1,800	74.9	5,472	5,488	100.3
	Ordinary profit	795	1,036	130.3	2,406	1,802	74.9	5,566	5,523	99.2
% to sales	Gross profit	29.8	29.8		51.9	46.9		19.9	18.7	
	SG&A expenses	27.8	27.9		31.1	31.6		13.7	13.7	
	Operating profit	2.0	1.9		20.8	15.3		6.2	5.0	
	Ordinary profit	2.0	2.6		20.8	15.3		6.3	5.0	

- [Remarks]
- Bic Life Solution Inc. (commenced the natural water home delivery business in September 2022)
- Construction of Bic Life Solution's own plant: Approx. 2.6 billion yen
 - Operating loss for FY2023/8 (forecast): 1.4 billion yen (operating loss of 0.1 billion yen in the previous fiscal year)
 - Efforts will be made to move into profitability in five years.

〈Consolidated〉 Earnings Forecast

(million yen, %)		1H			2H			Full year		
		FY2022/8	FY2023/8		FY2022/8	FY2023/8		FY2022/8	FY2023/8	
		Amount	Forecast	YoY change	Amount	Forecast	YoY change	Amount	Forecast	YoY change
Net sales		392,360	407,000	103.7	400,008	416,500	104.1	792,368	823,500	103.9
Operating profit		9,439	6,900	73.1	8,423	10,400	123.5	17,863	17,300	96.8
Ordinary profit		10,665	8,000	75.0	10,142	11,300	111.4	20,808	19,300	92.8
Profit attributable to owners of parent		4,770	2,800	58.7	995	5,000	502.2	5,765	7,800	135.3
% to sales	Gross profit	26.7	26.6		27.3	27.3		27.0	27.0	
	SG&A expenses	24.3	24.9		25.2	24.8		24.7	24.8	
	Operating profit	2.4	1.7		2.1	2.5		2.3	2.1	
	Ordinary profit	2.7	2.0		2.5	2.7		2.6	2.3	
	Profit attributable to owners of parent	1.2	0.7		0.2	1.2		0.7	0.9	

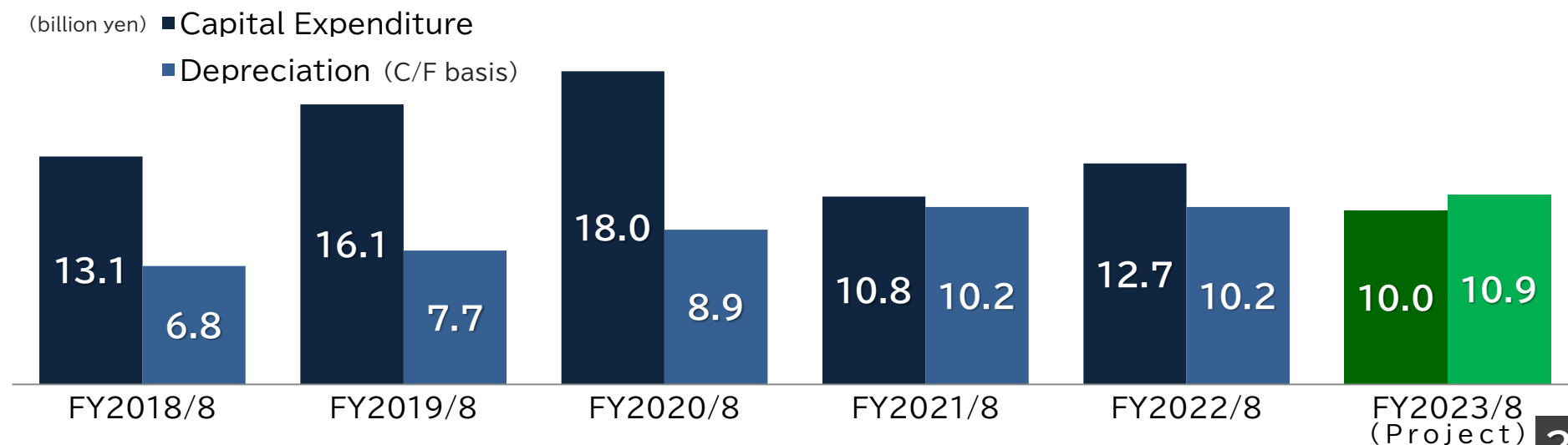
〈Consolidated〉 Earnings forecasts: Breakdown of changes in operating profit



Capital Expenditure / Depreciation

	FY2022/8	FY2023/8 (Project)
Capital Expenditure	12.7 billion yen	10.0 billion yen
Main purposes	<ul style="list-style-type: none"> • IT (EC and efficiency improvements) • Stores (new stores and existing stores) • Equipment (automation of logistics) • Buildings (natural water home delivery business) 	<ul style="list-style-type: none"> • IT (EC and efficiency improvements) • Stores (new stores and existing stores) • Machinery (broadcasting equipment)
Depreciation (C/F basis)	10.2 billion yen	10.9 billion yen

Implementation of carefully selected investments



Return to Shareholders

		FY2018/8	FY2019/8	FY2020/8	FY2021/8	FY2022/8 (Plan)	FY2023/8 (Forecast)
	Total	20	20	13	15	15	15
Dividends per Share (Yen)	1H	5	10	10	5	5	5
	2H	15	10	3	10	10	10
Total cash dividends (million yen)		3,609	3,543	2,287	2,639	2,580	—
Payout ratio (%)		21.4	25.3	42.0	30.1	45.2	32.9
Ratio of dividends to net assets (%)		2.9	2.7	1.7	1.9	1.9	—

Dividend policy

The Company considers shareholder returns as one of the most important management issues and its basic policy is to distribute profits appropriately according to earnings results.

New openings and closings

Opening a store in Chiba



Store name: BicCamera Chiba Station Front store

Store location: Minds Chiba (1F to 7F)

Area: Approx. 7,900 m²

Opening date: Tuesday, November 1, 2022

Closed

Jan. 30, 2022	Animega x Sofmap Ikebukuro Sunshine Alta Store
Feb. 20, 2022	Sofmap Akiba Kaitori Senmonkan (Purchasing-only shop)
Mar. 31, 2022	BicCamera Funabashi Tobu shop
Mar. 31, 2022	BicCamera SELECT Kyoto Shijou Kawaramachi Store
Jul. 31, 2022	Sofmap Sannomiya Center Plaza store
Jul. 31, 2022	Sofmap AEON Mall Kyoto store
Aug. 7, 2022	BicToys Prime Tree Akaike store
Aug. 28, 2022	Sofmap Shibuya Marui store
Aug. 31, 2022	BicCamera Select Harajuku store
Aug. 31, 2022	BicCamera Select Roppongi store

[BicCamera]

Number of stores: 45

Sales floor space: 242,000 m²

[Consolidated]

Number of stores: 261

Sales floor space: 694,000 m²
(The floor space includes 96 mobile carriers' shops.)

As of August 31, 2022

1. Financial Results for FY2022/8

2. Earnings Forecast for FY2023/8

3. Important Management Issues

- Initiatives that I will push forward as President -

Enhancement of stores (i):

Shift to operation with a focus on employee self-motivation

Expansion of store staff members

Addressing consumer demand that continues to diversify and at the same changing drastically through the following means.

- ▶ - Enhancement of store staff members by downsizing headquarters and creation of sales personnel
- ▶ - Allocation of more time for sales activities and creation of opportunities for customer services through the streamlining and improvement of operations
- ▶ - Promotion of a larger number of part-time employees to regular employees
- ▶ - Effective utilization of the return-to-work program



Delegation of authority to frontline managers and staff members

Maintaining flexibility and self-motivation through the delegation of authority to frontline managers and staff members

= Operation led by frontline managers and staff members

- ▶ - Creation of attractive and competitive stores that customers trust and rely on
- ▶ - Development of corporate culture in which frontline managers and staff members have a sense of purpose while at headquarters people strive earnestly to create a structure to lighten the burden on the frontline personnel.
- ▶ - Transition from a centralized organization to a decentralized organization.
- ▶ - Delegation of authority = Right to manage personnel matters, purchases, design layouts, set prices and/or provide approvals



Enhancement of stores (ii): Pursuit of expertise

Cultivation and development of new products

Facilitating product procurement and proactive product development by leveraging buyers

- Cultivation and development of products by pursuing customer needs.
- Creating experience value by making the most of store channels

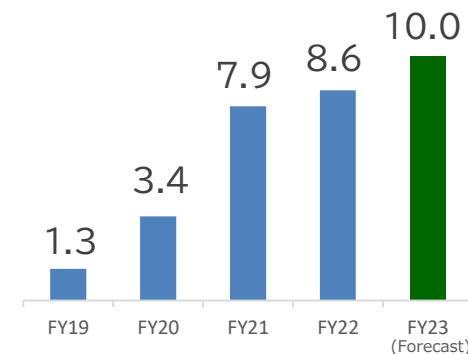


Cultivation of products in collaboration with companies that operate crowd-funded projects



Proactive introduction of new products

Trends in sales of the products from the Group's original brands (billion yen)



Development of original products with private brands

Lifestyle Support Meister system

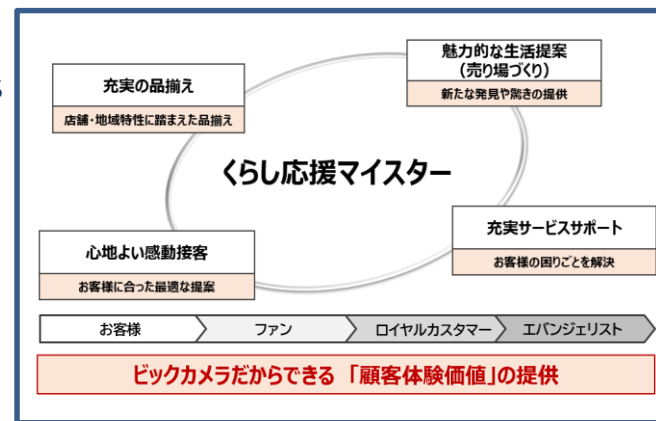
Launching the Lifestyle Support Meister system
 = Realization of a group of specialty stores with a refined focus together with the development of sales staff career paths

[Realization of a group of specialty stores with a refined focus]

- Staff members have a wealth of expertise and spare no effort to look at products and services from the customer perspective
- Stores offer the value of experience to customers → Experience-oriented sales floor planning

[Development of sales staff career paths]

- Efforts with an eye toward improving employee engagement
- Development of career paths through the experience of customer services and store planning



Accelerating growth of the EC business (i): Pursuit of a group of specialty stores with a refined focus

Improving merchandising

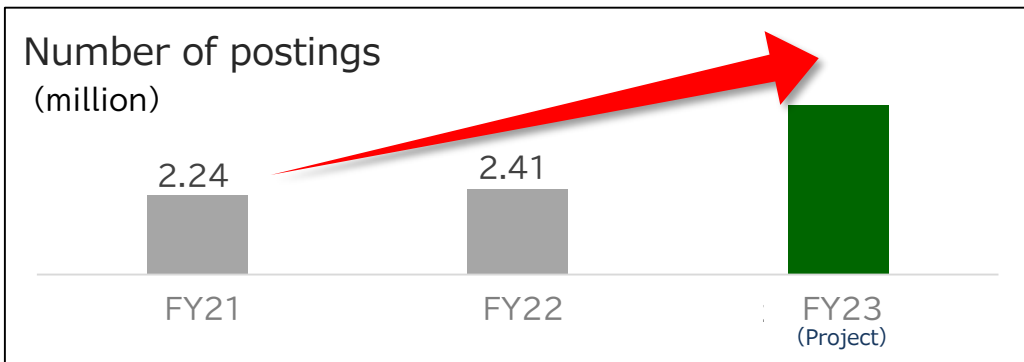
Trends in the Group's EC business

Forecast FY2023/8: Sales 151.3 billion yen YoY 105.5%
EC ratio: 18.3%

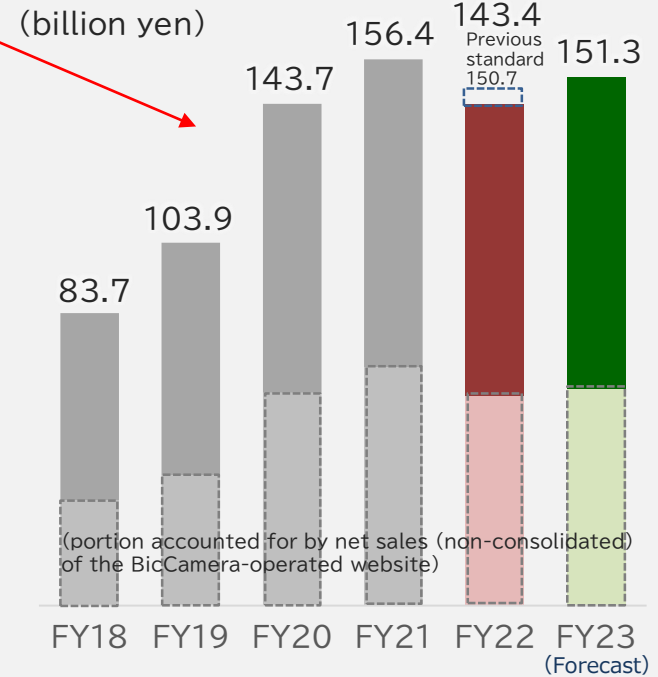
Pursuing the basics of creating a store in which customers can find items that they wish to obtain and purchase them without difficulties or worries.

Enhancement of product ranges from the perspectives of a group of specialty stores with a refined focus

- Sparring no effort to maintain rich product ranges and increasing the number of available items significantly
- Pursuing the same level of services provided by physical stores, which is only possible by BicCamera
- ⇒ Offering better products and a better user experience, and making deliveries with the proper timing.
- Pursuing improvements in usability through search engine enhancements (scheduled for the end of 2022)



Group's e-commerce sales



Pursuit of proper delivery timing for items purchased

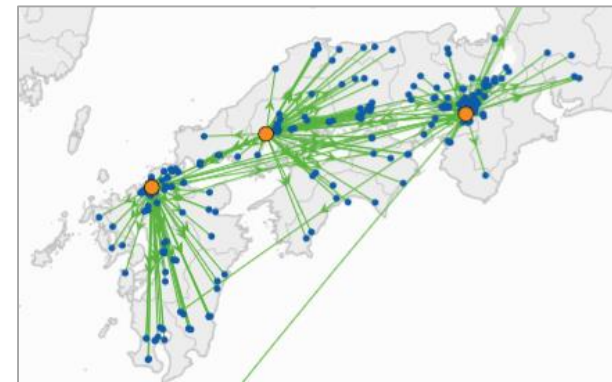
- Optimizing delivery lead time by reviewing inventories held (volumes, quality and places)
- Reviewing inventory spaces in line with inventory turnover rates

Accelerating growth of the EC business (ii): Improvement of logistics functions to support the EC business

Capacity enhancements

Taking measures to enhance product ranges

- Enhancement of capacities for incoming and outgoing products and those to be kept in stock
- Consideration of the optimization of supply chains by utilizing digital technologies from medium- to long-term perspectives



Facilitating the automation of logistic bases

- Further improvement of productivity and storage capacities through the introduction of new logistics equipment
- Consideration of the introduction of robotics with an eye on a decline in the working-age population



Improve the level of services

Pursuing the convenience of customers

- Strengthening of the network of delivery and installation work and construction
- Enhancement of home delivery services (diversification of the means of receiving items)

Strengthening last-mile customer contacts

- Utilization of the in-house delivery network (BicLogi Service, a wholly owned subsidiary)
- Strengthening of the network for resource recovery

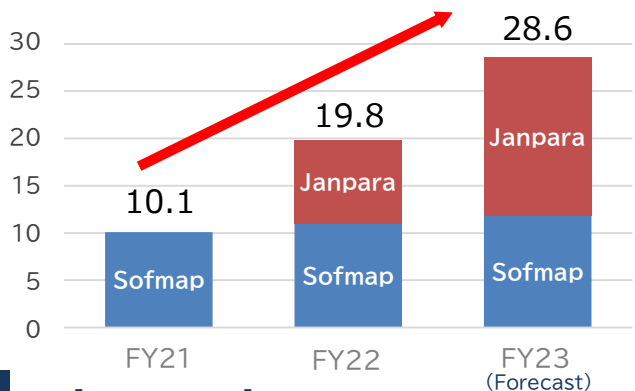


Strengthening Initiatives to Support the Circular Economy

Creating synergy through the integration of Janpara

Increase of the share of the reuse market, enhancement of corporate value and expansion of sales opportunities through the sharing of used product inventories

Sales of used goods (billion yen)



Introduction of a non face-to-face Omakase Kaitori purchasing service kit



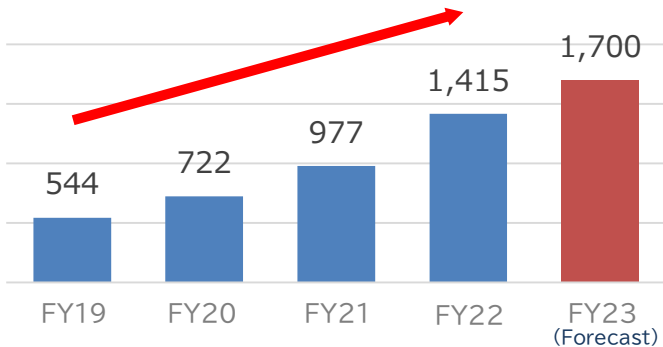
Introduction of an automatic Omakase-jido-kaitori-kun purchasing machine



The Rakuuru general purchasing service

Facilitating a reused-based economic cycle through the expansion of sales of the Kantan Kaitori purchasing kit and implementation of media commercial promotions.

Amount of purchases through the Rakuuru service (million yen)



Media commercial promotion



Introduction of the medium-sized Kaitori purchasing kit



3. Important Management Issues - Initiatives that I will push forward as President -

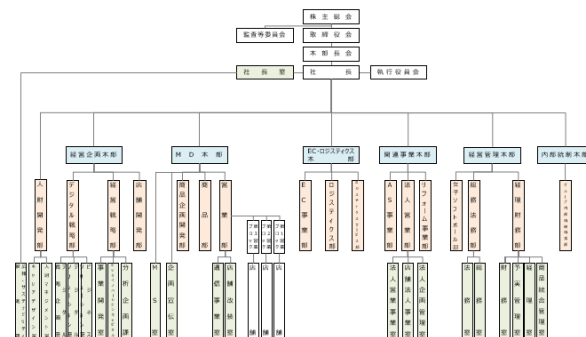
Management that places importance on people:

Leveraging individual employee's growth as the driving force for corporate growth

Establishing a new department responsible for the development of human resources

The department is expected to facilitate the realization of a management style that leverages the growth of individual persons as the driving force for corporate growth.

- A department under the direct supervision of the president that specializes in initiatives to facilitate the growth and career development of employees
- Centralization of initiatives related to human resources, the most important management resources, while simultaneously paying attention to the broad spectrum of value held by employees.



Designing personnel programs to harness diverse capabilities

Various types of programs to ensure that every employee can work as a main player

- Establishment of an environment in which the capabilities of each employee are cultivated and leveraged
- Establishment of a scheme in which employees respect and implement their ideas at stores (The One Hundred Plan)
- Creation of a system in which employees can taking on challenges by capitalizing on their strengths and the provision of support for career development
- Career paths for part-time employees: system for ranking certification and system for promotion to regular employees
- Initiatives to facilitate health and productivity management and work-life balance



Providing opportunities and support for human resource development

Provision of opportunities in which employees achieve their growth

- Training programs for the development of professional sales personnel and experts (annual training and demonstration sales promoters)
- Implementation of job-class-specific training (training for managers/supervisors, organization heads and leaders)
- Cultivation and development of young talented employees (cultivation of human resources to develop future managers)



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 October 18 2022 based on the information available as of October 18 2022, and expressions for future prospects are not to be updated or changed to reflect future incidents and situations.

October 18, 2022
Bic Camera Inc.
Kojima Co., Ltd.

