

Translation

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**Summary of Consolidated Financial Results
for the Year Ended August 31, 2023
(Based on Japanese GAAP)**

October 11, 2023

Company name: BIC CAMERA INC.
 Stock exchange listing: Tokyo
 Stock code: 3048 URL <https://www.biccamera.co.jp/ir/>
 Representative: Representative Director and President Toru Akiho
 Inquiries: Director and Managing Director Toru Abe TEL 03-3987-8785
 Scheduled date of annual general meeting of shareholders: November 22, 2023
 Scheduled date to commence dividend payments: November 24, 2023
 Scheduled date to file Securities Report: November 24, 2023
 Preparation of supplementary material on financial results: Yes
 Holding of financial results meeting: Yes (for institutional investors and analysts)

(Amounts less than one million yen are rounded down)

1. Consolidated financial results for the year ended August 31, 2023 (from September 1, 2022 to August 31, 2023)

(1) Consolidated operating results

Percentages indicate year-on-year changes

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Year ended August 31, 2023	815,560	2.9	14,215	(20.4)	16,566	(20.4)	2,936	(49.1)
Year ended August 31, 2022	792,368	—	17,863	—	20,808	—	5,765	—

Note: Comprehensive income Year ended August 31, 2023 ¥10,094 million [11.0%]
 Year ended August 31, 2022 ¥9,096 million [—%]

Note: The Company has applied the “Accounting Standard for Revenue Recognition” (ASBJ Statement No. 29, March 31, 2020) and relevant ASBJ regulations effective from the beginning of the fiscal year ended August 31, 2022. Each figure for the fiscal year ended August 31, 2022 is the figure after applying the accounting standard and relevant ASBJ regulations. Therefore, the percentages of change from the previous year are not stated.

	Earnings per share	Diluted earnings per share	Return on equity	Ordinary profit/ total assets	Operating profit/ net sales
	Yen	Yen	%	%	%
Year ended August 31, 2023	17.16	17.12	2.2	3.7	1.7
Year ended August 31, 2022	33.22	33.16	4.2	4.6	2.3

Reference: Share of profit (loss) of entities accounted for using equity method Year ended August 31, 2023: ¥(82) million
 Year ended August 31, 2022: ¥19 million

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio	Net assets per share
	Millions of yen	Millions of yen	%	Yen
As of August 31, 2023	449,840	176,383	30.5	801.38
As of August 31, 2022	456,466	169,133	28.8	767.54

Reference: Equity As of August 31, 2023: ¥137,173 million
 As of August 31, 2022: ¥131,375 million

Note: The Company has applied the “Accounting Standard for Revenue Recognition” (ASBJ Statement No. 29, March 31, 2020) and relevant ASBJ regulations effective from the beginning of the fiscal year ended August 31, 2022. Each figure as of August 31, 2022 is the figure after applying the accounting standard and relevant ASBJ regulations.

(3) Consolidated cash flows

	Cash flows from operating activities	Cash flows from investing activities	Cash flows from financing activities	Cash and cash equivalents at end of period
	Millions of yen	Millions of yen	Millions of yen	Millions of yen
Year ended August 31, 2023	10,078	(11,118)	(13,580)	75,135
Year ended August 31, 2022	25,317	(18,076)	(26,565)	89,536

2. Cash dividends

	Annual dividends per share					Total cash dividends (Total)	Dividend payout ratio (Consolidated)	Ratio of dividends to net assets (Consolidated)
	1st quarter-end	2nd quarter-end	3rd quarter-end	Fiscal year-end	Total			
	Yen	Yen	Yen	Yen	Yen	Millions of yen	%	%
Year ended August 31, 2022	–	5.00	–	10.00	15.00	2,580	45.2	1.9
Year ended August 31, 2023	–	5.00	–	10.00	15.00	2,567	87.4	1.9
Year ending August 31, 2024 (Forecast)	–	9.00	–	9.00	18.00		40.8	

3. Forecast of consolidated financial results for the year ending August 31, 2024 (from September 1, 2023 to August 31, 2024)

	Percentages indicate year-on-year changes								
	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent		Earnings per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
Six months ending February 29, 2024	445,000	9.2	7,600	2.9	8,400	(0.3)	3,850	(8.4)	22.49
Full year	897,500	10.0	15,800	11.1	18,200	9.9	7,550	157.1	44.11

4. Notes

(1) Changes in significant subsidiaries during the year ended August 31, 2023

(changes in specified subsidiaries resulting in the change in scope of consolidation): No

(2) Changes in accounting policies, changes in accounting estimates, and restatement of prior period financial statements

Changes in accounting policies due to revisions to accounting standards and other regulations: Yes

Changes in accounting policies due to other reasons: No

Changes in accounting estimates: No

Restatement of prior period financial statements: No

(3) Number of issued shares (common shares)

Total number of issued shares at the end of the period (including treasury shares)

As of August 31, 2023	188,146,304 shares	As of August 31, 2022	188,146,304 shares
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Number of treasury shares at the end of the period

As of August 31, 2023	16,974,305 shares	As of August 31, 2022	16,981,502 shares
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Average number of shares during the period

Year ended August 31, 2023	171,168,545 shares	Year ended August 31, 2022	173,570,349 shares
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Reference: Summary of non-consolidated financial results

Non-consolidated financial results for the year ended August 31, 2023 (from September 1, 2022 to August 31, 2023)

(1) Non-consolidated operating results

Percentages indicate year-on-year changes

	Net sales		Operating profit		Ordinary profit		Profit	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Year ended August 31, 2023	425,526	4.9	847	–	3,860	17.2	(4,304)	–
Year ended August 31, 2022	405,608	–	75	–	3,294	–	2,057	–

	Earnings per share		Diluted earnings per share	
	Yen		Yen	
Year ended August 31, 2023	(25.15)		–	
Year ended August 31, 2022	11.85		11.85	

Note: The Company has applied the “Accounting Standard for Revenue Recognition” (ASBJ Statement No. 29, March 31, 2020) and relevant ASBJ regulations effective from the beginning of the fiscal year ended August 31, 2022. Each figure for the fiscal year ended August 31, 2022 is the figure after applying the accounting standard and relevant ASBJ regulations. Therefore, the percentages of change from the previous year are not stated.

(2) Non-consolidated financial position

	Total assets	Net assets	Equity ratio	Net assets per share
	Millions of yen	Millions of yen	%	Yen
As of August 31, 2023	301,307	83,161	27.6	485.55
As of August 31, 2022	312,594	86,586	27.7	505.57

Reference: Equity As of August 31, 2023: ¥83,111 million
As of August 31, 2022: ¥86,536 million

Note: The Company has applied the “Accounting Standard for Revenue Recognition” (ASBJ Statement No. 29, March 31, 2020) and relevant ASBJ regulations effective from the beginning of the fiscal year ended August 31, 2022. Each figure as of August 31, 2022 is the figure after applying the accounting standard and relevant ASBJ regulations.

* Financial results reports are exempt from audit conducted by certified public accountants or an audit corporation.

* Proper use of forecasts of financial results, and other special matters

(Caution concerning forward-looking statements)

The forward-looking statements, including the earnings forecasts, shown in this document are based on information currently available to the Company and on certain assumptions deemed to be reasonable. Consequently, the statements herein do not constitute assurances regarding the Company’s actual results. Actual financial results may differ substantially due to various factors.

(How to obtain supplementary materials on financial results and contents of financial results meeting)

The Company plans to hold the financial results meeting for institutional investors and analysts on Tuesday, October 17, 2023. The images (video) and explanation contents (audio) of the presentation will be posted on the Company’s website along with the financial results materials.

Consolidated financial statements
Consolidated balance sheets

(Millions of yen)

	As of August 31, 2022	As of August 31, 2023
Assets		
Current assets		
Cash and deposits	91,081	75,135
Accounts receivable - trade	41,672	44,540
Merchandise and finished goods	100,872	105,260
Raw materials and supplies	513	575
Program right	176	269
Other	18,128	21,662
Allowance for doubtful accounts	(186)	(198)
Total current assets	252,258	247,245
Non-current assets		
Property, plant and equipment		
Buildings and structures	67,183	66,109
Accumulated depreciation	(39,271)	(40,562)
Buildings and structures, net	27,912	25,547
Machinery, equipment and vehicles	6,854	7,581
Accumulated depreciation	(2,780)	(3,900)
Machinery, equipment and vehicles, net	4,074	3,680
Land	47,594	47,747
Leased assets	8,462	8,444
Accumulated depreciation	(7,239)	(7,428)
Leased assets, net	1,222	1,016
Construction in progress	279	68
Other	26,026	25,804
Accumulated depreciation	(20,079)	(20,759)
Other, net	5,946	5,044
Total property, plant and equipment	87,030	83,104
Intangible assets		
Goodwill	5,496	5,303
Other	24,725	26,687
Total intangible assets	30,222	31,990
Investments and other assets		
Investment securities	13,192	16,918
Long-term loans receivable	416	1,798
Deferred tax assets	24,466	20,863
Retirement benefit asset	2,942	3,138
Guarantee deposits	41,094	40,641
Other	5,019	4,880
Allowance for doubtful accounts	(176)	(740)
Total investments and other assets	86,954	87,500
Total non-current assets	204,207	202,595
Total assets	456,466	449,840

(Millions of yen)

	As of August 31, 2022	As of August 31, 2023
Liabilities		
Current liabilities		
Accounts payable - trade	42,810	39,919
Short-term borrowings	65,006	78,000
Current portion of bonds payable	200	200
Current portion of long-term borrowings	22,954	20,304
Lease liabilities	404	348
Income taxes payable	2,455	2,817
Contract liabilities	34,390	31,112
Provision for bonuses	3,867	4,358
Provision for loss on store closings	506	135
Asset retirement obligations	524	433
Other	24,659	27,232
Total current liabilities	197,781	204,862
Non-current liabilities		
Bonds payable	400	200
Long-term borrowings	43,945	24,022
Lease liabilities	587	490
Deferred tax liabilities	828	476
Contract liabilities	8,942	8,781
Provision for goods warranties	262	178
Provision for loss on store closings	458	387
Provision for loss on business of subsidiaries and associates	54	47
Retirement benefit liability	19,767	19,347
Asset retirement obligations	10,187	10,387
Other	4,116	4,274
Total non-current liabilities	89,551	68,593
Total liabilities	287,332	273,456
Net assets		
Shareholders' equity		
Share capital	25,929	25,929
Capital surplus	27,107	27,081
Retained earnings	98,753	99,438
Treasury shares	(21,693)	(21,684)
Total shareholders' equity	130,097	130,764
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	1,599	5,517
Remeasurements of defined benefit plans	(321)	892
Total accumulated other comprehensive income	1,278	6,409
Share acquisition rights	183	211
Non-controlling interests	37,574	38,998
Total net assets	169,133	176,383
Total liabilities and net assets	456,466	449,840

Consolidated statements of income and consolidated statements of comprehensive income Consolidated statements of income

(Millions of yen)

	Fiscal year ended August 31, 2022	Fiscal year ended August 31, 2023
Net sales	792,368	815,560
Cost of sales	578,525	597,687
Gross profit	213,843	217,873
Selling, general and administrative expenses	195,980	203,657
Operating profit	17,863	14,215
Non-operating income		
Interest income	38	34
Dividend income	543	308
Share of profit of entities accounted for using equity method	19	–
Commission income	1,532	1,632
Insurance claim income	329	335
Other	1,048	488
Total non-operating income	3,512	2,798
Non-operating expenses		
Interest expenses	274	229
Share of loss of entities accounted for using equity method	–	82
Commission expenses	71	42
Other	221	93
Total non-operating expenses	567	448
Ordinary profit	20,808	16,566
Extraordinary income		
Gain on sale of non-current assets	226	51
Insurance claim income	32	335
Other	1	6
Total extraordinary income	260	393
Extraordinary losses		
Loss on sale of non-current assets	109	0
Loss on retirement of non-current assets	224	147
Loss on sale of investment securities	0	7
Loss on valuation of investment securities	185	1,718
Impairment losses	4,658	4,407
Loss on disaster	546	–
Provision of allowance for doubtful accounts	–	590
Other	694	16
Total extraordinary losses	6,418	6,887
Profit before income taxes	14,649	10,072
Income taxes - current	4,248	4,177
Income taxes - deferred	1,026	925
Total income taxes	5,275	5,102
Profit	9,374	4,969
Profit attributable to non-controlling interests	3,608	2,032
Profit attributable to owners of parent	5,765	2,936

Consolidated statements of comprehensive income

(Millions of yen)

	Fiscal year ended August 31, 2022	Fiscal year ended August 31, 2023
Profit	9,374	4,969
Other comprehensive income		
Valuation difference on available-for-sale securities	5	3,917
Remeasurements of defined benefit plans, net of tax	(283)	1,206
Total other comprehensive income	(278)	5,124
Comprehensive income	9,096	10,094
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	5,600	8,067
Comprehensive income attributable to non-controlling interests	3,496	2,026

Consolidated statements of changes in equity

Fiscal year ended August 31, 2022

(Millions of yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	25,929	27,103	105,983	(16,729)	142,287
Cumulative effects of changes in accounting policies			(10,366)		(10,366)
Restated balance	25,929	27,103	95,616	(16,729)	131,920
Changes during period					
Dividends of surplus			(2,628)		(2,628)
Profit attributable to owners of parent			5,765		5,765
Change in scope of consolidation					-
Purchase of treasury shares				(4,999)	(4,999)
Disposal of treasury shares		3		36	39
Change in ownership interest of parent due to transactions with non-controlling interests		0			0
Net changes in items other than shareholders' equity					
Total changes during period	-	3	3,137	(4,963)	(1,823)
Balance at end of period	25,929	27,107	98,753	(21,693)	130,097

	Accumulated other comprehensive income			Share acquisition rights	Non-controlling interests	Total net assets
	Valuation difference on available-for-sale securities	Remeasurements of defined benefit plans	Total accumulated other comprehensive income			
Balance at beginning of period	1,593	(149)	1,443	151	35,640	179,523
Cumulative effects of changes in accounting policies					(884)	(11,250)
Restated balance	1,593	(149)	1,443	151	34,756	168,272
Changes during period						
Dividends of surplus						(2,628)
Profit attributable to owners of parent						5,765
Change in scope of consolidation						–
Purchase of treasury shares						(4,999)
Disposal of treasury shares						39
Change in ownership interest of parent due to transactions with non-controlling interests						0
Net changes in items other than shareholders' equity	5	(171)	(165)	32	2,817	2,684
Total changes during period	5	(171)	(165)	32	2,817	861
Balance at end of period	1,599	(321)	1,278	183	37,574	169,133

Fiscal year ended August 31, 2023

(Millions of yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	25,929	27,107	98,753	(21,693)	130,097
Cumulative effects of changes in accounting policies					—
Restated balance	25,929	27,107	98,753	(21,693)	130,097
Changes during period					
Dividends of surplus			(2,567)		(2,567)
Profit attributable to owners of parent			2,936		2,936
Change in scope of consolidation			314		314
Purchase of treasury shares				(0)	(0)
Disposal of treasury shares		1		9	10
Change in ownership interest of parent due to transactions with non-controlling interests		(27)			(27)
Net changes in items other than shareholders' equity					—
Total changes during period	—	(26)	684	9	667
Balance at end of period	25,929	27,081	99,438	(21,684)	130,764

	Accumulated other comprehensive income			Share acquisition rights	Non-controlling interests	Total net assets
	Valuation difference on available-for-sale securities	Remeasurements of defined benefit plans	Total accumulated other comprehensive income			
Balance at beginning of period	1,599	(321)	1,278	183	37,574	169,133
Cumulative effects of changes in accounting policies						–
Restated balance	1,599	(321)	1,278	183	37,574	169,133
Changes during period						
Dividends of surplus						(2,567)
Profit attributable to owners of parent						2,936
Change in scope of consolidation						314
Purchase of treasury shares						(0)
Disposal of treasury shares						10
Change in ownership interest of parent due to transactions with non-controlling interests						(27)
Net changes in items other than shareholders' equity	3,917	1,213	5,130	28	1,424	6,583
Total changes during period	3,917	1,213	5,130	28	1,424	7,250
Balance at end of period	5,517	892	6,409	211	38,998	176,383

Consolidated statements of cash flows

(Millions of yen)

	Fiscal year ended August 31, 2022	Fiscal year ended August 31, 2023
Cash flows from operating activities		
Profit before income taxes	14,649	10,072
Depreciation	10,206	10,447
Impairment losses	4,658	4,407
Amortization of goodwill	840	705
Increase (decrease) in allowance for doubtful accounts	(209)	567
Increase (decrease) in provision for bonuses	318	410
Increase (decrease) in provision for goods warranties	(140)	(83)
Increase (decrease) in retirement benefit liability	1,321	1,329
Increase (decrease) in provision for loss on store closings	423	(417)
Interest and dividend income	(581)	(342)
Interest expenses	274	229
Share of loss (profit) of entities accounted for using equity method	(19)	82
Loss (gain) on sale of non-current assets	(117)	(51)
Loss on retirement of non-current assets	224	147
Loss (gain) on sale of investment securities	0	7
Loss (gain) on valuation of investment securities	185	1,718
Decrease (increase) in trade receivables	(3,567)	(988)
Decrease (increase) in inventories	(494)	(4,260)
Increase (decrease) in trade payables	4,582	(3,478)
Increase (decrease) in contract liabilities	(1,658)	(3,439)
Other, net	285	(3,036)
Subtotal	31,182	14,025
Interest and dividends received	550	318
Interest paid	(274)	(232)
Income taxes paid	(6,214)	(4,039)
Subsidies received	72	5
Net cash provided by (used in) operating activities	25,317	10,078
Cash flows from investing activities		
Payments into time deposits	(1,500)	(1,300)
Proceeds from withdrawal of time deposits	70	2,845
Purchase of property, plant and equipment	(7,566)	(5,147)
Proceeds from sale of property, plant and equipment	407	208
Purchase of intangible assets	(3,760)	(5,675)
Purchase of investment securities	(1,233)	(269)
Proceeds from sale of investment securities	2	34
Net decrease (increase) in short-term loans receivable	(706)	(871)
Payments of guarantee deposits	(1,569)	(945)
Proceeds from refund of guarantee deposits	2,068	1,327
Purchase of shares of subsidiaries resulting in change in scope of consolidation	(4,413)	(1,359)
Other, net	126	35
Net cash provided by (used in) investing activities	(18,076)	(11,118)

(Millions of yen)

	Fiscal year ended August 31, 2022	Fiscal year ended August 31, 2023
Cash flows from financing activities		
Net increase (decrease) in short-term borrowings	7,630	12,994
Proceeds from long-term borrowings	495	500
Repayments of long-term borrowings	(25,663)	(23,137)
Redemption of bonds	(200)	(230)
Purchase of treasury shares	(4,999)	(0)
Dividends paid	(2,623)	(2,563)
Dividends paid to non-controlling interests	(674)	(674)
Repayments of lease liabilities	(529)	(460)
Other, net	(0)	(8)
Net cash provided by (used in) financing activities	(26,565)	(13,580)
Effect of exchange rate change on cash and cash equivalents	2	0
Net increase (decrease) in cash and cash equivalents	(19,321)	(14,620)
Cash and cash equivalents at beginning of period	108,857	89,536
Increase in cash and cash equivalents resulting from inclusion of subsidiaries in consolidation	–	219
Cash and cash equivalents at end of period	89,536	75,135