

# Financial Results Briefing

## FY2023/08 First Half

(September 1, 2022 to February 28, 2023)

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April 18, 2023



(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

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# Yuji Nakazawa

Representative Director and President

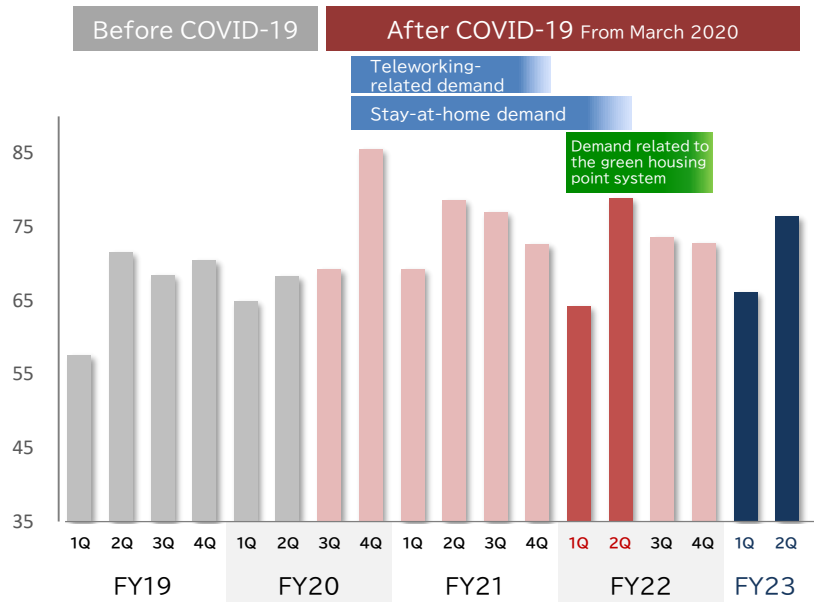
# <Kojima> Financial Results Highlights (FY2023 1H)

(million yen, %)	FY2022 1H (Sep. 2021 – Feb. 2022)		FY2023 1H (Sep. 2022 – Feb. 2023)			
	Amount	% to sales	Amount	% to sales	YoY	Forecast
<b>Net sales</b>	<b>138,516</b>	–	<b>136,945</b>	–	<b>98.9</b>	<b>138,900</b>
Gross profit	37,540	27.1	35,955	26.3	95.8	27.3%
SG&A expenses	32,781	23.7	33,455	24.4	102.1	24.5%
Personnel expenses	11,326	8.2	11,586	8.5	102.3	
Logistics expenses(Shipping)	5,875	4.2	5,716	4.2	97.3	
Rent expenses	4,306	3.1	4,460	3.3	103.6	
Depreciation	674	0.5	709	0.5	105.2	
Others	10,598	7.7	10,983	8.0	103.6	
<b>Operating profit</b>	<b>4,759</b>	<b>3.4</b>	<b>2,500</b>	<b>1.8</b>	<b>52.5</b>	<b>3,900</b>
Non-operating income	319	0.2	221	0.2	69.5	
Non-operating expenses	101	0.1	52	0.0	51.4	
<b>Ordinary profit</b>	<b>4,976</b>	<b>3.6</b>	<b>2,669</b>	<b>1.9</b>	<b>53.6</b>	<b>4,000</b>
Extraordinary income	226	0.2	64	0.0	28.6	
Extraordinary losses	189	0.1	37	0.0	19.7	
Profit before income taxes	5,013	3.6	2,697	2.0	53.8	
Income taxes - current	447	0.3	197	0.1	44.2	
Income taxes - deferred	1,164	0.8	897	0.7	77.1	
<b>Profit income</b>	<b>3,401</b>	<b>2.5</b>	<b>1,601</b>	<b>1.2</b>	<b>47.1</b>	<b>2,700</b>

# <Kojima> Net sales/Gross profit (i)

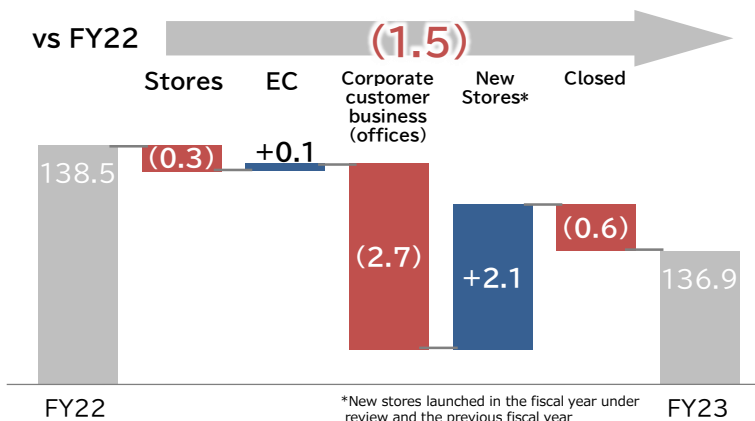
## Quarterly changes

(billion yen)



## Sales increase/decrease factors by channel

(billion yen)



## Factors for increase/decrease by channel

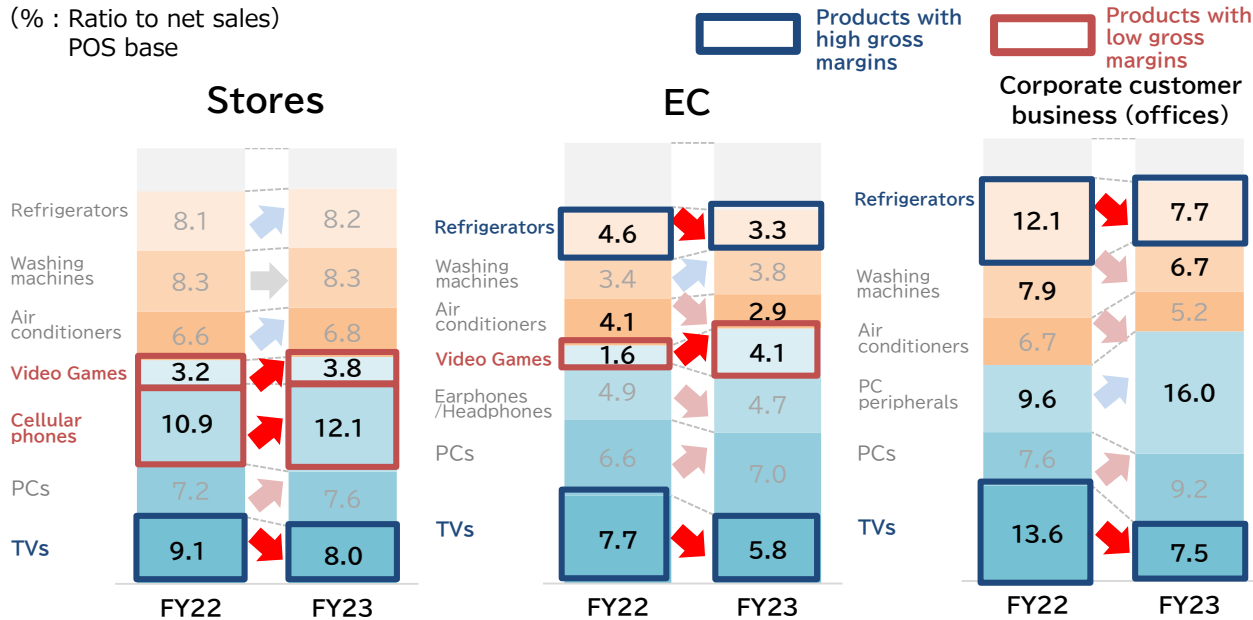
		Stores (Including corporate customer)		EC		Corporate customer business (offices)	
		Net sales	Gross profit margin	Net sales	Gross profit margin	Net sales	Gross profit margin
FY22 1H	Stay-at-home demand	+	+	+	+		
	Demand related to the green housing point system			+	+	+	+
FY23 1H	Enhancing customer service	+	+				
	Housing equipment	+					
	Cellular phones	+	-				
	Video Games	+	-	+	-		
	Not holding EC events			-			
<b>Total (YoY)</b>						-	-

Note: Red = negative factor  
Blue = positive factor

# <Kojima> Net sales/Gross profit (ii)

## Ratio of product lines to net sales by channel

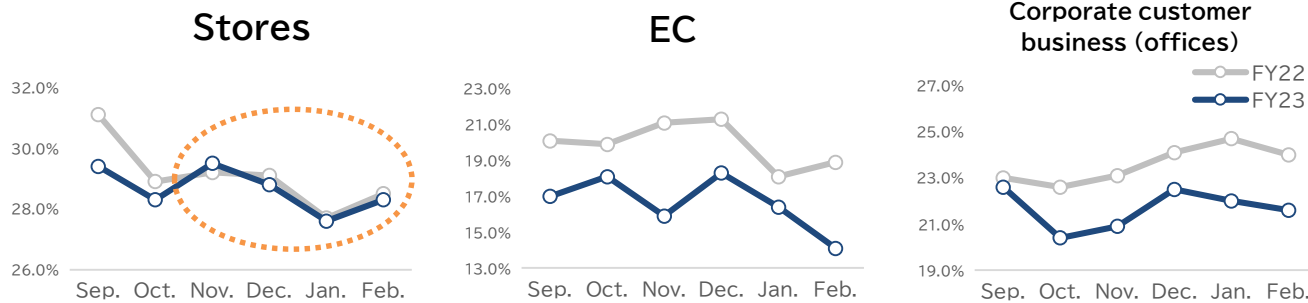
(% : Ratio to net sales)  
POS base



		Stores (including corporate customer)		EC		Corporate customer business (offices)	
		Net sales	Gross profit margin	Net sales	Gross profit margin	Net sales	Gross profit margin
FY22 1H	Stay-at-home demand	+	+	+	+		
	Demand related to the green housing point system			+	+	+	+
FY23 1H	Enhancing customer service	+	+				
	Housing equipment	+					
	Cellular phones	+	-				
	Video Games	+	-	+	-		
	Not holding EC events			-			
Total (YoY)				-	-	-	

Note: Red = negative factor  
Blue = positive factor

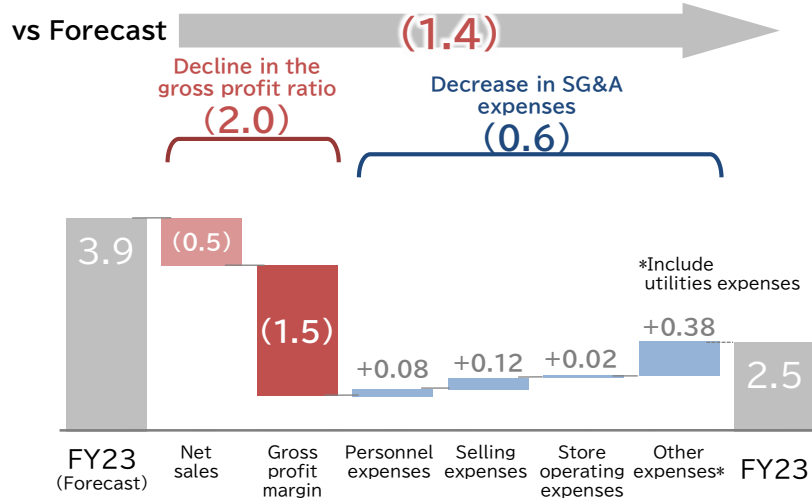
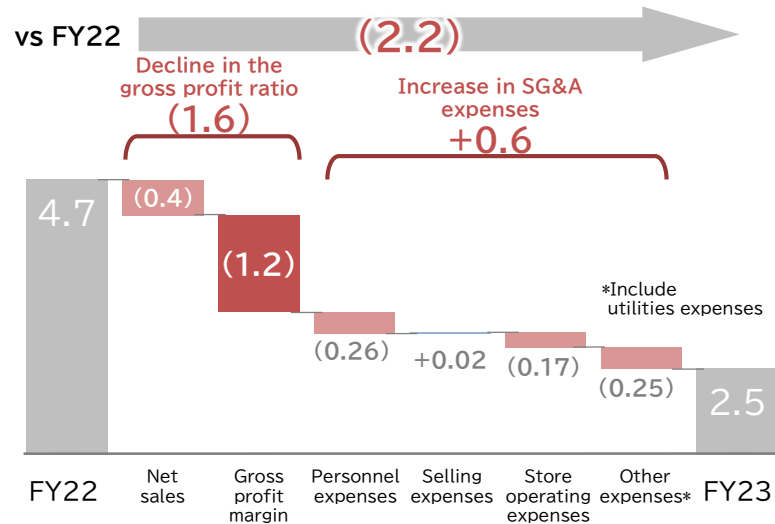
## Changes in monthly gross profit margin



# 〈Kojima〉 Operating profit

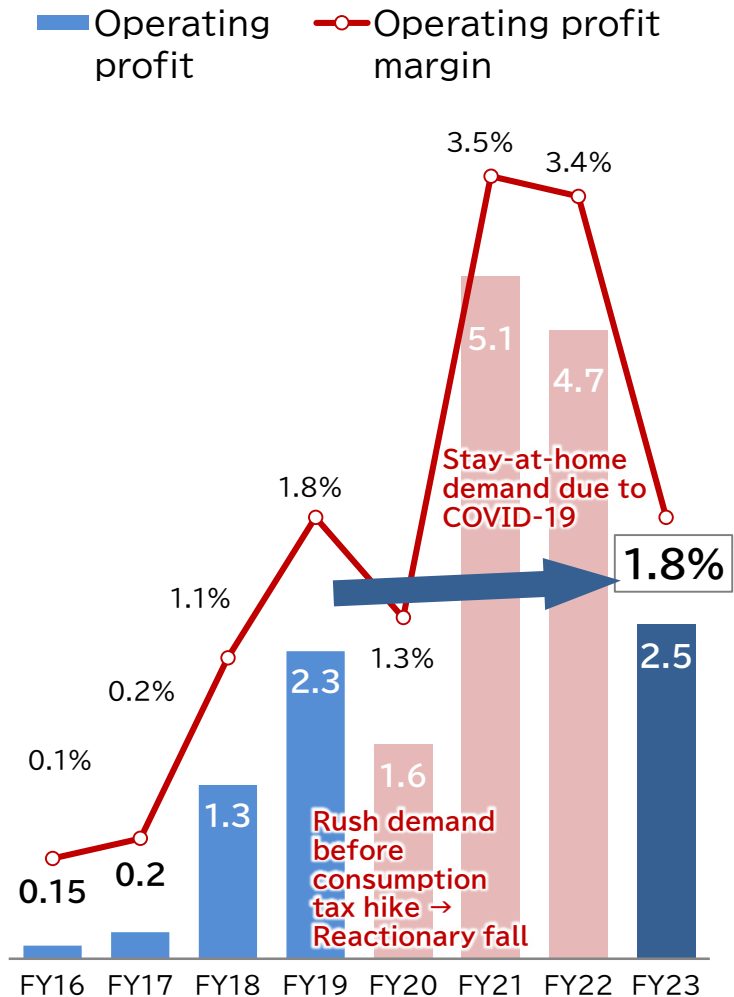
## Factors for increase/decrease

(billion yen)



## Changes in operating profit 1H

(billion yen)



# 〈Kojima〉 Initiatives in the 2H (Securing Operating Profit)

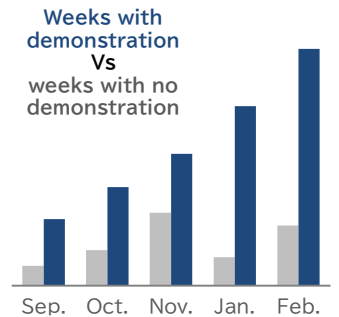
## Increasing efforts to attract customers and improve sales capabilities

### Enhancement of customer service skills and specialization

1. Tapping into pent-up demand through demonstration sales
2. Enhance customer service capabilities through the use of roll playing



Sales from demonstration sales



### Improvement of operational efficiency

Further increase the number of stores equipped with electronic shelf labels



### Resumption of different types of events

Hold “TAMIYA MINI 4WD” race events (the Kojima King Cup).



## Improvement of the profitability of the EC business

### Securing of profits by optimizing an online sales mix

1. Improve products offered through each sales channel
2. Working together with stores in the sales promotion



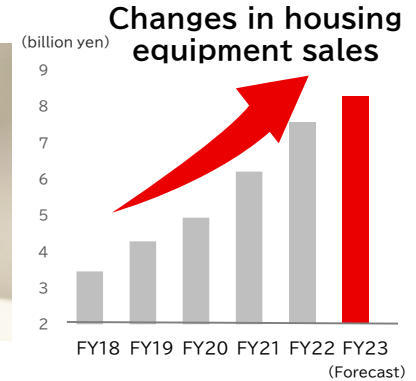


# 〈Kojima〉 Initiatives in the 2H (Expanding Growth Areas)

## Enhancement of the housing equipment business

### Promotion of the renewable energy business

1. Increase sales by establishing a new call center
2. Strengthen collaboration with partner companies



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

Improve awareness and increase sales through more effective advertisements



### Implementation of floor renovations to enhance the housing equipment corners

- First half: 5 stores renovated
- Second half: 6 stores planned



## New opening

### Kojima & BicCamera Ariake Garden store

(Koto City, Tokyo) Scheduled to open end of June 2023

Open a store in “Ariake Garden” shopping mall in the Wangan/Ariake area, where the number of residents is expected to rise.

# 〈Kojima〉 Initiatives in the 2H (The Environment and Society)

## Improvement of Employee Engagement

### Promoting health and productivity management

1. Hold walking events for personnel with managerial positions
2. Provide workshops for personnel in charge of the promotion of health and productivity management



### Developing human resources

1. Promoting young people to managerial positions proactively
2. Expanding areas for active participation in sync with life-stage transitions
3. Enhance training and learning opportunities

#### 育児等に関するハラスメントを起こさないために

妊娠・出産等に関するハラスメントのない職場とするために心掛けること

<同じ職場で働く者として>

- 妊娠・出産・育児等についての知識や制度について理解しましょう。
- 「育児は妻に任せ、男は仕事をやるものだ」など、自分の価値観を押し付けないようにしましょう。
- 特定の人に向けた言動だけでなく、育児休業等の制度利用について否定的な発言をすることは、ハラスメントの発生原因や背景になり得ますので、注意しましょう。
- 自分の行為がハラスメントになっていないか注意しましょう。

<管理職として>

- 育児休業等の制度を利用しながら働いている従業員に対しては、業務の状況とともに、周囲とのコミュニケーションに関しても配慮するようにしましょう。
- 周囲のメンバーに隠れたハラスメント行為がないかについても注意しましょう。



## Promoting Sustainability Management

### Implementation of environmentally conscious initiatives

1. Facilitate the introduction of PPA
2. Disclose additional TCFD-related information



# 〈Kojima〉 Earnings Forecast for FY2023

(million yen, %)		Full-year					Second half-year				
		FY2022	FY2023	FY2023			FY2022	FY2023	FY2023		
		Amount	Previous forecast	Forecast	YoY	vs. Previous forecast	Amount	Previous forecast	Forecast	YoY	vs. Previous forecast
Net sales		279,374	285,200	277,900	99.5	97.4	140,857	146,300	140,954	100.1	96.3
Operating profit		8,107	8,400	5,000	61.7	59.5	3,348	4,500	2,499	74.6	55.6
Ordinary profit		8,525	8,500	5,200	61.0	61.2	3,548	4,500	2,530	71.3	56.2
Profit income		5,761	5,800	3,100	53.8	53.4	2,359	3,100	1,498	63.5	48.3
% to sales	Gross profit	27.0	27.4	26.5			26.9	27.4	26.8		
	SG&A expenses	24.1	24.4	24.7			24.5	24.3	25.0		
	Operating profit	2.9	2.9	1.8			2.4	3.1	1.8		
	Ordinary profit	3.1	3.0	1.9			2.5	3.1	1.8		
	Profit income	2.1	2.0	1.1			1.7	2.1	1.1		



# BicCamera

(Tokyo Stock Exchange, Prime Market : 3048)

## Purpose

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

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**Toru Akiho**

Representative Director and President

**1. Financial Results for the  
First Half of FY2023/8**

**2. Earnings Forecast for FY2023/8**

**3. Important Management Issues**

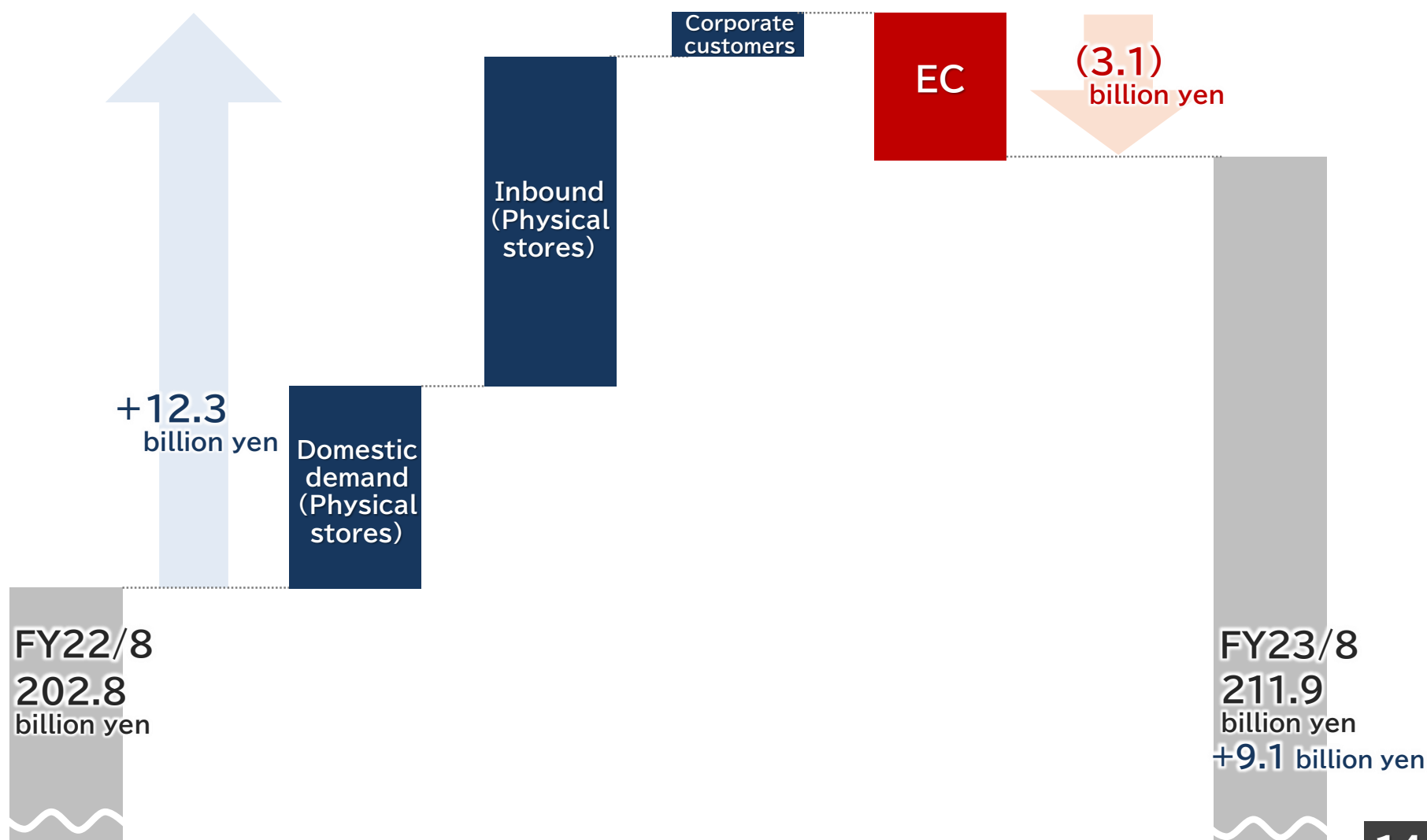
# <Non-Consolidated> Financial Results Highlights

(million yen, %)	FY2022 1H (Sep. 2021 – Feb. 2022)		FY2023 1H (Sep. 2022 – Feb. 2023)			
	Amount	% to sales	Amount	% to sales	YoY	Forecast
<b>Net sales</b>	<b>202,817</b>	<b>100.0</b>	<b>211,968</b>	<b>100.0</b>	<b>104.5</b>	<b>207,400</b>
Gross profit (Gross profit excluding wholesale sales and consideration of the provision of services )	47,960	23.6 (25.3)	50,083	23.6 (25.0)	104.4	23.9% (25.6%)
SG&A expenses	48,373	23.9	50,181	23.7	103.7	24.2%
Personnel expenses	15,544	7.7	16,097	7.6	103.6	
Logistics expenses	5,943	2.9	5,909	2.8	99.4	
Rent expenses	11,016	5.4	10,966	5.2	99.5	
Depreciation	3,240	1.6	3,177	1.5	98.1	
Others	12,627	6.2	14,030	6.6	111.1	
<b>Operating profit</b>	<b>(413)</b>	<b>–</b>	<b>(98)</b>	<b>–</b>	<b>–</b>	<b>(780)</b>
Non-operating income	1,889	0.9	1,943	0.9	102.9	
Non-operating expenses	136	0.1	90	0.0	66.7	
<b>Ordinary profit</b>	<b>1,340</b>	<b>0.7</b>	<b>1,754</b>	<b>0.8</b>	<b>130.9</b>	<b>900</b>
Extraordinary income	–	–	–	–	–	
Extraordinary losses	197	0.1	506	0.2	256.2	
Profit before income taxes	1,142	0.6	1,247	0.6	109.2	
Total income taxes	291	0.1	473	0.2	162.1	
<b>Profit income</b>	<b>850</b>	<b>0.4</b>	<b>774</b>	<b>0.4</b>	<b>91.1</b>	<b>580</b>
Operating profit excluding consideration for provision of services	(502)	–	(139)	–	–	(924)

# Net sales

〈Non-Consolidated〉

## 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

	FY2022/8		FY2023/8		Change
<b>Gross profit margin</b> <small>(Excluding wholesale sales and consideration of the provision of services)</small>	25.3%	▶	25.0%		(0.3)Point
<b>SG&amp;A expenses</b>	48.3 billion yen	▶	50.1 billion yen	Fixed costs +1.4 billion yen Variable cost ratio (0.02)Point	
<b>Break-even point</b> <small>(Excluding the impact of an increase/decrease in consideration of the provision of services)</small>	205.2 billion yen	▶	212.4 billion yen		+7.2 billion yen



# <Consolidated> Consolidated subsidiaries

(million yen, %)		Sofmap			Nippon BS Broadcasting (Non-consolidated)			Ranet		
		FY2022 1H	FY2023 1H	YoY	FY2022 1H	FY2023 1H	YoY	FY2022 1H	FY2023 1H	YoY
<b>Net sales</b>		<b>19,419</b>	<b>20,363</b>	<b>104.9</b>	<b>5,820</b>	<b>5,720</b>	<b>98.3</b>	<b>44,932</b>	<b>53,438</b>	<b>118.9</b>
Gross profit		5,802	5,855	100.9	3,116	2,804	90.0	8,264	10,345	125.2
SG&A expenses		5,342	5,468	102.4	1,725	1,663	96.4	5,484	7,435	135.6
<b>Operating profit</b>		<b>459</b>	<b>386</b>	<b>84.2</b>	<b>1,391</b>	<b>1,141</b>	<b>82.1</b>	<b>2,779</b>	<b>2,910</b>	<b>104.7</b>
<b>Ordinary profit</b>		<b>476</b>	<b>687</b>	<b>144.4</b>	<b>1,391</b>	<b>1,143</b>	<b>82.1</b>	<b>2,792</b>	<b>2,925</b>	<b>104.7</b>
% to sales	Gross profit	29.9	28.8		53.5	49.0		18.4	19.4	
	SG&A expenses	27.5	26.9		29.6	29.1		12.2	13.9	
	Operating profit	2.4	1.9		23.9	20.0		6.2	5.4	
	Ordinary profit	2.5	3.4		23.9	20.0		6.2	5.5	

[Bic Life Solution Inc.]

- Operating loss for FY2023 1H: 0.7 billion yen (decreased 0.7 billion yen from the same period of the previous year)

# Financial Results Highlights

〈Consolidated〉

(million yen, %)	FY2022 1H (Sep. 2021 – Feb. 2022)		FY2023 1H (Sep. 2022 – Feb. 2023)			
	Amount	% to sales	Amount	% to sales	YoY	Forecast
<b>Net sales</b>	<b>392,360</b>	<b>100.0</b>	<b>407,653</b>	<b>100.0</b>	<b>103.9</b>	<b>407,000</b>
Gross profit	104,596	26.7	107,382	26.3	102.7	26.6%
SG&A expenses	95,156	24.3	99,999	24.5	105.1	24.9%
Personnel expenses	35,545	9.1	38,295	9.4	107.7	
Logistics expenses (Shipping)	8,967	2.3	7,777	1.9	86.7	
Rent expenses	17,968	4.6	18,327	4.5	102.0	
Depreciation	4,550	1.2	4,521	1.1	99.4	
Others	28,123	7.2	31,078	7.6	110.5	
<b>Operating profit</b>	<b>9,439</b>	<b>2.4</b>	<b>7,382</b>	<b>1.8</b>	<b>78.2</b>	<b>6,900</b>
Non-operating income	1,496	0.4	1,311	0.3	87.6	
Non-operating expenses	270	0.1	270	0.1	100.1	
<b>Ordinary profit</b>	<b>10,665</b>	<b>2.7</b>	<b>8,422</b>	<b>2.1</b>	<b>79.0</b>	<b>8,000</b>
Extraordinary income	226	0.1	85	0.0	37.6	
Extraordinary losses	375	0.1	550	0.1	146.8	
Profit before income taxes	10,516	2.7	7,956	2.0	75.7	
Total income taxes	3,620	0.9	2,611	0.6	72.1	
Profit attributable to non-controlling interests	2,125	0.5	1,140	0.3	53.7	
<b>Profit attributable to owners of parent</b>	<b>4,770</b>	<b>1.2</b>	<b>4,205</b>	<b>1.0</b>	<b>88.1</b>	<b>2,800</b>

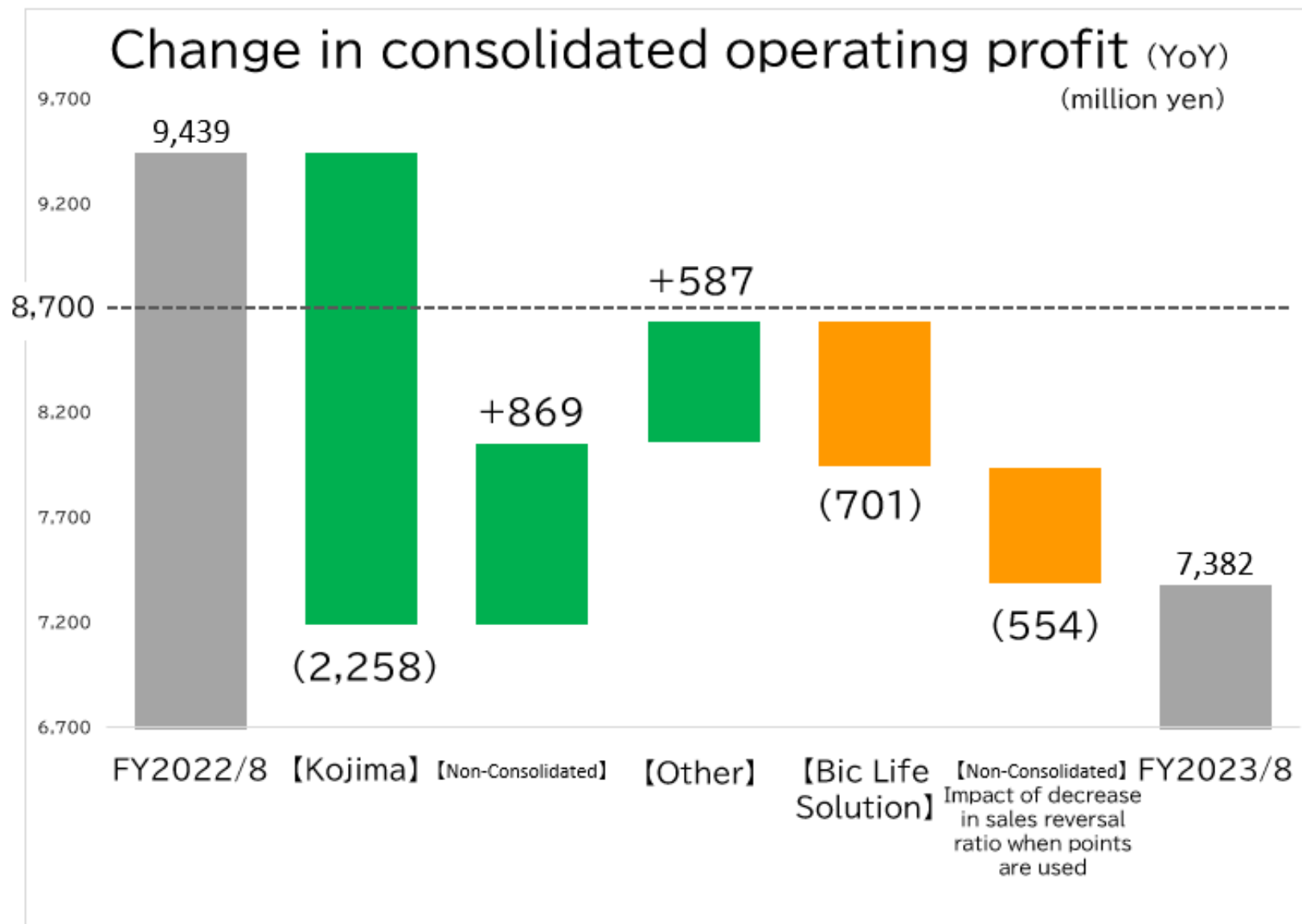
【Newly consolidated】

FY2022 2Q: JANPARA Co., Ltd. (purchase and sale of mobile phones, personal computers, etc.)

\*Results for a one-month period were included in the scope of consolidation in the first half of the previous year.

FY2023 1Q: Bic Logistics Service Inc. (transportation of general cargo)

# <Consolidated> Operating profit



# 〈Consolidated〉 Balance Sheet

(million yen)	As of Aug 31, 2022	As of Feb 28, 2023	Increase / Decrease	As of Feb 28, 2022
Total current assets	<b>252,258</b>	<b>260,869</b>	<b>8,610</b>	<b>259,459</b>
Cash and deposits	91,081	74,815	(16,266)	92,304
Merchandise and finished goods	100,872	119,499	18,627	104,314
Total property, plant and equipment	<b>87,030</b>	<b>88,372</b>	<b>1,341</b>	<b>87,267</b>
Total Intangible assets	<b>30,222</b>	<b>30,432</b>	<b>210</b>	<b>34,250</b>
Total investments and other assets	<b>86,954</b>	<b>85,273</b>	<b>(1,680)</b>	<b>87,266</b>
Total non-current assets	<b>204,207</b>	<b>204,078</b>	<b>(128)</b>	<b>208,784</b>
<b>Total assets</b>	<b>456,466</b>	<b>464,948</b>	<b>8,482</b>	<b>468,244</b>
Total current liabilities	<b>197,781</b>	<b>213,592</b>	<b>15,810</b>	<b>197,915</b>
Interest bearing debt	88,565	105,460	16,895	88,935
Total non-current liabilities	<b>89,551</b>	<b>78,228</b>	<b>(11,322)</b>	<b>99,112</b>
Interest bearing debt	44,932	33,701	(11,231)	56,282
<b>Total liabilities</b>	<b>287,332</b>	<b>291,820</b>	<b>4,488</b>	<b>297,027</b>
<b>Total net assets</b>	<b>169,133</b>	<b>173,127</b>	<b>3,994</b>	<b>171,217</b>
<b>Total liabilities and net assets</b>	<b>456,466</b>	<b>464,948</b>	<b>8,482</b>	<b>468,244</b>

# 〈Consolidated〉 Cash flow statement

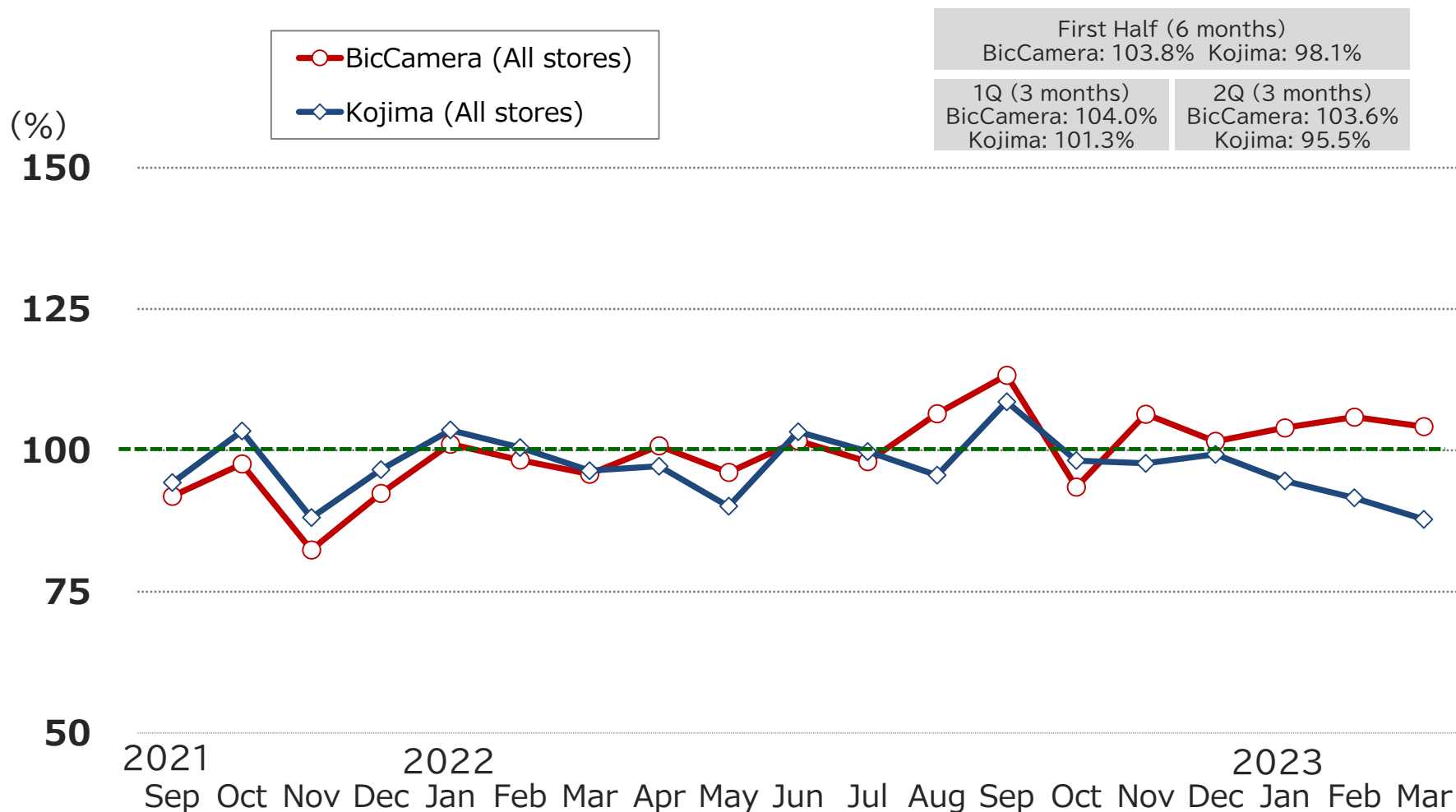
(million yen)	FY2022 1H (Sep. 2021 – Feb. 2022)	FY2023 1H (Sep. 2022 – Feb. 2023)	
<b>Cash flows from operating activities</b>	<b>5,530</b>	<b>(13,209)</b>	<ul style="list-style-type: none"> <li>·Increase in inventories (14,650) FY2022 1H : (3,885) → FY2023 1H : (18,536)</li> </ul>
<b>Cash flows from investing activities</b>	<b>(11,037)</b>	<b>(6,207)</b>	<ul style="list-style-type: none"> <li>·Purchase of non-current assets (4,717)</li> <li>·Purchase of shares of subsidiaries (1,359)</li> </ul>
<b>Cash flows from financing activities</b>	<b>(11,131)</b>	<b>2,955</b>	<ul style="list-style-type: none"> <li>·Net increase in borrowings 5,722</li> </ul>
<b>Cash and cash equivalents at end of period</b>	<b>92,219</b>	<b>73,295</b>	

# 〈Consolidated〉 Sales by Product line

(million yen, %)	FY2022 1H (Sep. 2021 – Feb. 2022)		FY2023 1H (Sep. 2022 – Feb. 2023)						
	Amount	Composition ratio	Amount	BicCamera		Kojima		Composition ratio	YoY
				Amount	YoY	Amount	YoY		
<b>Audio visual products</b>	<b>60,559</b>	<b>15.4</b>	<b>58,879</b>	<b>34,132</b>	<b>101.8</b>	<b>22,600</b>	<b>91.3</b>	<b>14.5</b>	<b>97.2</b>
Cameras	11,338	2.9	12,548	9,302	114.9	3,086	103.7	3.1	110.7
TVs	23,306	6.0	20,183	9,204	90.6	10,516	83.0	5.0	86.6
Audios	5,240	1.3	5,669	3,308	105.2	2,234	111.9	1.4	108.2
<b>Home appliances</b>	<b>125,219</b>	<b>31.9</b>	<b>122,751</b>	<b>62,792</b>	<b>102.2</b>	<b>58,689</b>	<b>93.7</b>	<b>30.1</b>	<b>98.0</b>
Refrigerators	19,173	4.9	17,724	7,881	92.6	9,606	91.4	4.4	92.4
Washing machines	19,640	5.0	20,113	9,805	103.0	10,065	100.9	4.9	102.4
Kitchen appliances	17,267	4.4	16,459	7,907	100.9	8,415	90.4	4.0	95.3
Seasonal home electronics	24,960	6.4	23,225	9,698	90.5	13,345	95.0	5.7	93.0
Personal care electronics	19,829	5.0	21,913	15,257	121.0	6,417	92.2	5.4	110.5
<b>Information communications equipment Products</b>	<b>130,877</b>	<b>33.4</b>	<b>132,256</b>	<b>66,087</b>	<b>99.1</b>	<b>39,576</b>	<b>106.3</b>	<b>32.4</b>	<b>101.1</b>
PCs	31,996	8.2	30,984	19,587	94.5	9,845	103.8	7.6	96.8
PC peripherals	15,718	4.0	14,844	7,534	91.1	6,034	101.8	3.6	94.4
Cellular phones	58,494	14.9	63,083	25,372	108.4	15,407	118.2	15.5	107.8
<b>Other products</b>	<b>69,050</b>	<b>17.6</b>	<b>87,273</b>	<b>48,956</b>	<b>119.1</b>	<b>15,313</b>	<b>116.7</b>	<b>21.4</b>	<b>126.4</b>
Video Games	20,759	5.3	27,630	18,296	134.3	7,215	133.4	6.8	133.1
Watches	5,041	1.3	5,749	5,461	114.9	265	103.2	1.4	114.1
Used PCs and Used Smartphone	6,233	1.6	13,920	–	–	–	–	3.4	223.3
Sporting goods	4,498	1.1	4,925	3,901	107.6	982	117.4	1.2	109.5
Toys	6,650	1.7	7,410	5,062	116.3	1,929	105.1	1.8	111.4
Glasses and Contact lenses	2,199	0.6	2,299	2,246	103.8	–	–	0.6	104.5
Liquors and Soft drinks	2,847	0.7	3,154	–	–	–	–	0.8	110.8
Medicine and Daily goods	4,161	1.1	5,282	4,610	134.7	655	91.8	1.3	127.0
Retail goods sales	<b>385,707</b>	<b>98.3</b>	<b>401,161</b>	<b>211,968</b>	<b>104.5</b>	<b>136,180</b>	<b>98.8</b>	<b>98.4</b>	<b>104.0</b>
BS digital broadcasting business	5,790	1.5	5,671	–	–	–	–	1.4	97.9
Other business	862	0.2	821	–	–	765	102.4	0.2	95.3
<b>Total</b>	<b>392,360</b>	<b>100.0</b>	<b>407,653</b>	<b>211,968</b>	<b>104.5</b>	<b>136,945</b>	<b>98.9</b>	<b>100.0</b>	<b>103.9</b>

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)



Spread of COVID-19  
 Declaration of a state of emergency (July 12 - September 30)

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 the  
First Half of FY2023/8**

**2. Earnings Forecast for FY2023/8**

**3. Important Management Issues**

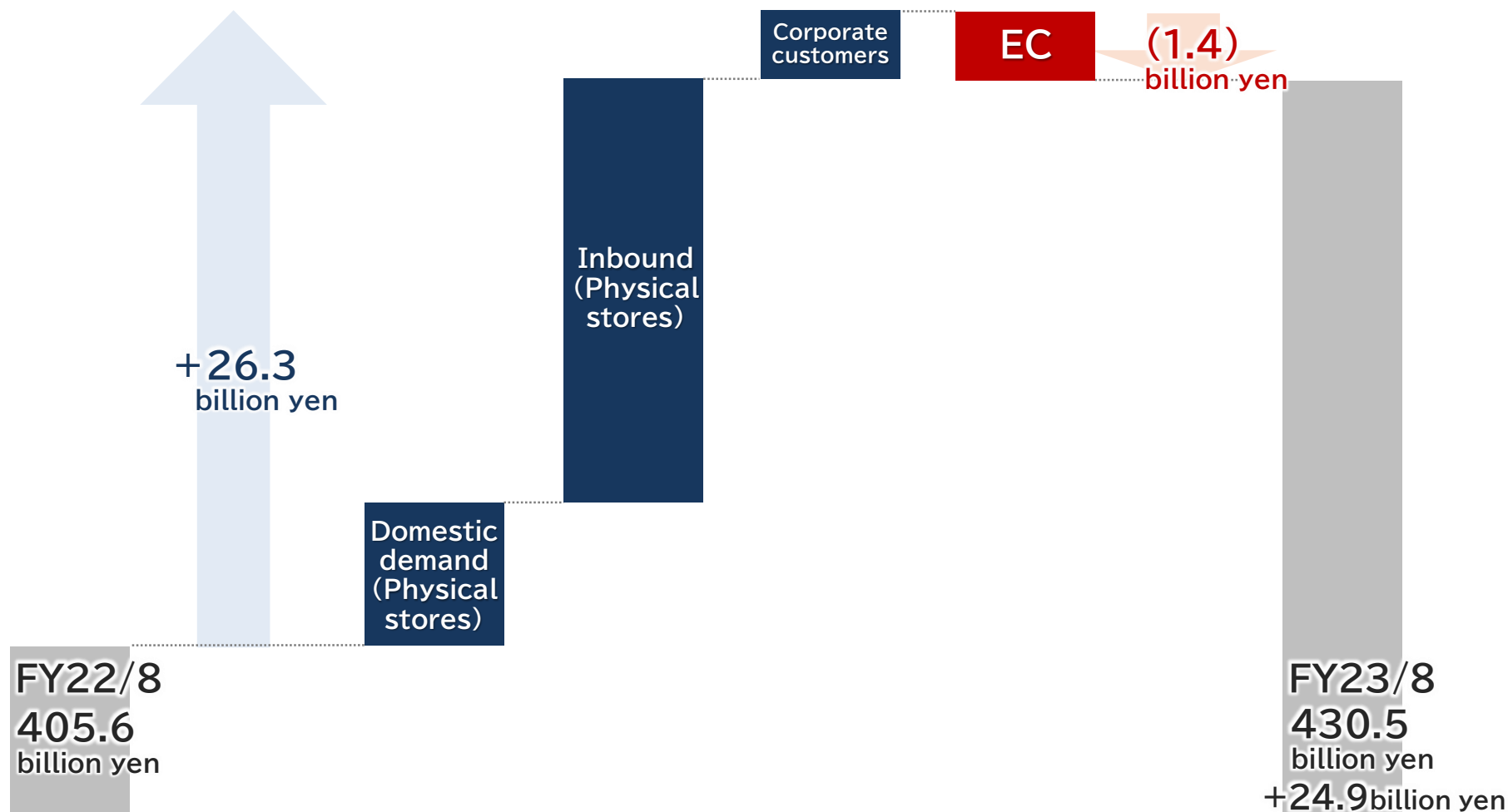


# 〈Non-Consolidated〉 Earnings Forecast for FY2023

(million yen, %)		Full-year					Second half-year				
		FY2022	FY2023	FY2023			FY2022	FY2023	FY2023		
		Amount	Previous forecast	Forecast	YoY	vs. Previous forecast	Amount	Previous forecast	Forecast	YoY	vs. Previous forecast
Net sales		405,608	417,500	430,500	106.1	103.1	202,790	210,100	218,531	107.8	104.0
Operating profit		75	500	1,350	1,778.3	270.0	489	1,280	1,448	296.1	113.1
Ordinary profit		3,294	3,150	4,300	130.5	136.5	1,954	2,250	2,545	130.3	113.1
Profit income		2,057	1,900	2,250	109.4	118.4	1,207	1,320	1,475	122.2	111.8
% to sales	Gross profit	24.3	24.3	24.3			25.0	24.7	25.0		
	Gross profit excluding wholesale sales and consideration of the provision of services	25.8	26.0	25.7			26.3	26.3	26.4		
	SG&A expenses	24.3	24.1	24.0			24.7	24.0	24.3		
	Operating profit	0.0	0.1	0.3			0.2	0.6	0.7		
	Ordinary profit	0.8	0.8	1.0			1.0	1.1	1.2		
	Profit income	0.5	0.5	0.5			0.6	0.6	0.7		
Operating profit excluding consideration for provision of services		(454)	211	1,267	–	600.5	47	1,135	1,407	2,993.6	124.0

# <Non-Consolidated> Earnings Forecast: Net sales

## Change factors in non-consolidated net sales (YoY)



Note) Recovery of the number of Chinese visiting Japan is not reflected in in-bound tourism-related demand.

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

# <Consolidated> Earnings Forecast (by company)

(million yen, %)		Sofmap				Nippon BS Broadcasting (Non-consolidated)				Ranet			
		Previous forecast	Forecast	YoY	vs. Previous forecast	Previous forecast	Forecast	YoY	vs. Previous forecast	Previous forecast	Forecast	YoY	vs. Previous forecast
<b>Net sales</b>		40,446	<b>40,569</b>	103.1	100.3	11,800	<b>11,800</b>	102.2	100.0	110,000	<b>106,041</b>	119.9	96.4
<b>Operating profit</b>		755	<b>757</b>	97.3	100.3	1,800	<b>1,800</b>	74.9	100.0	5,488	<b>5,796</b>	105.9	105.6
<b>Ordinary profit</b>		1,036	<b>1,048</b>	131.9	101.2	1,802	<b>1,802</b>	74.9	100.0	5,523	<b>5,828</b>	104.7	105.5
% to sales	Gross profit	29.8	29.3			46.9	46.9			18.7	19.9		
	SG&A expenses	27.9	27.4			31.6	31.6			13.7	14.4		
	Operating profit	1.9	1.9			15.3	15.3			5.0	5.5		
	Ordinary profit	2.6	2.6			15.3	15.3			5.0	5.5		

[Bic Life Solution Inc.]

FY2023/8

(Previous forecast)

- Operating loss 1.4 billion yen (operating loss of 0.1 billion yen in the previous fiscal year)
- Restoration of profitability: in the fifth year

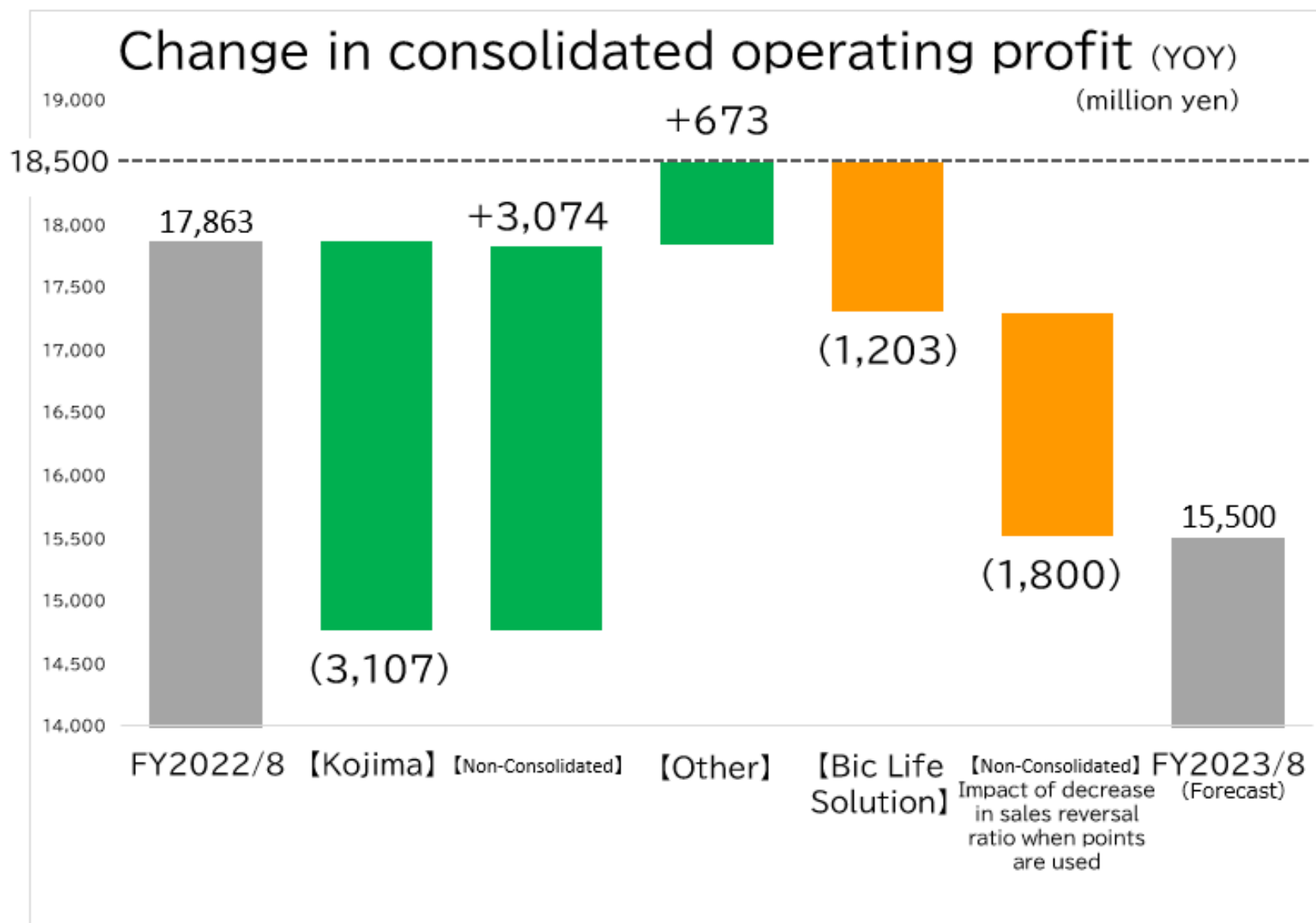
(Revised forecast)

- Operating loss 1.3 billion yen
- Restoration of profitability: in the seventh year

# <Consolidated> Earnings Forecast for FY2023

(million yen, %)		Full-year					Second half-year				
		FY2022	FY2023	FY2023			FY2022	FY2023	FY2023		
		Amount	Previous forecast	Forecast	YoY	vs. Previous forecast	Amount	Previous forecast	Forecast	YoY	vs. Previous forecast
Net sales		792,368	823,500	830,000	104.7	100.8	400,008	416,500	422,346	105.6	101.4
Operating profit		17,863	17,300	15,500	86.8	89.6	8,423	10,400	8,117	96.4	78.1
Ordinary profit		20,808	19,300	17,500	84.1	90.7	10,142	11,300	9,077	89.5	80.3
Profit attributable to owners of parent		5,765	7,800	7,800	135.3	100.0	995	5,000	3,594	361.2	71.9
% to sales	Gross profit	27.0	27.0	26.8			27.3	27.3	27.2		
	SG&A expenses	24.7	24.8	24.9			25.2	24.8	25.2		
	Operating profit	2.3	2.1	1.9			2.1	2.5	1.9		
	Ordinary profit	2.6	2.3	2.1			2.5	2.7	2.1		
	Profit attributable to owners of parent	0.7	0.9	0.9			0.2	1.2	0.9		

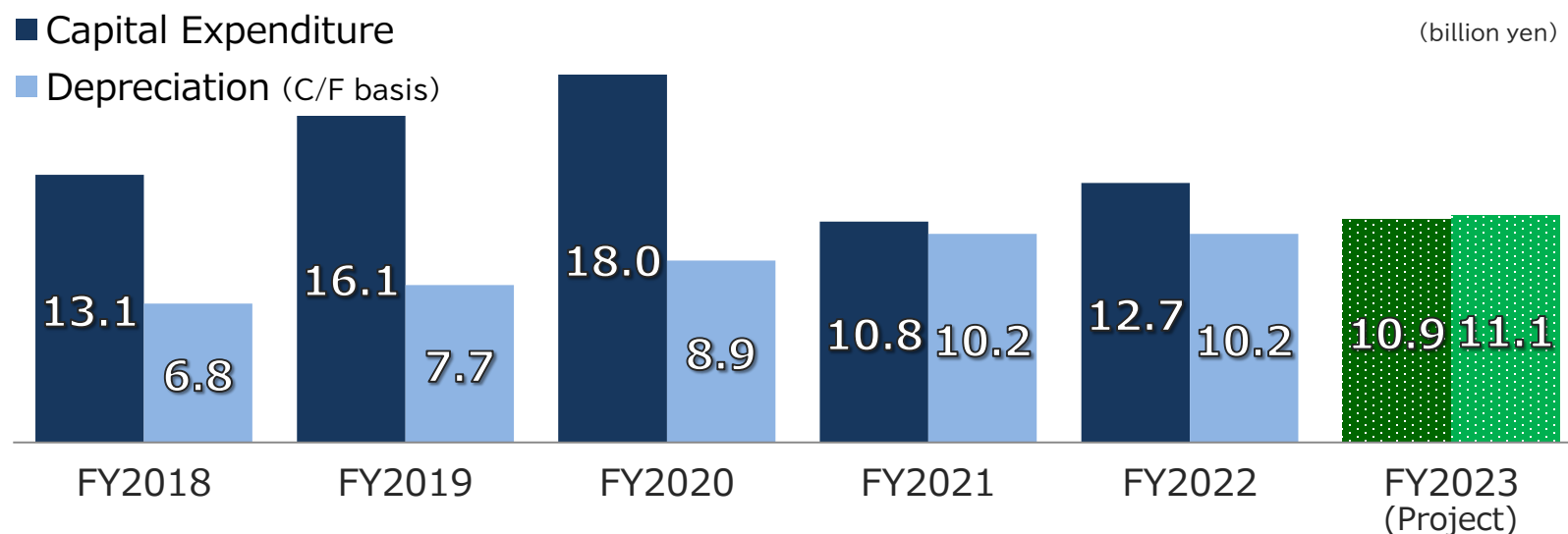
# 〈Consolidated〉 Earnings Forecast: Operating profit



# 〈Consolidated〉 Capital Expenditure / Depreciation

	FY2022	FY2023(Project)
Capital Expenditure	12.7 billion yen	10.9 billion yen Previous project 10.0 billion yen
Mainly	<ul style="list-style-type: none"> <li>IT (EC and efficiency improvements)</li> <li>Stores (new stores and existing stores)</li> <li>Equipment (automation of logistics)</li> <li>Buildings (natural water home delivery business)</li> </ul>	<ul style="list-style-type: none"> <li>IT (EC and efficiency improvements)</li> <li>Stores (new stores and existing stores)</li> <li>Machinery (broadcasting equipment)</li> </ul>
Depreciation (C/F basis)	10.2 billion yen	11.1 billion yen Previous project 10.9 billion yen - Accelerated depreciation of 0.3 billion yen was posted due to the relocation of the Sapporo branch.

## Implementation of carefully selected investments



# Return to Shareholders

		FY2018	FY2019	FY2020	FY2021	FY2022	FY2023 (Forecast)
Dividends per Share (Yen)	Total	20	20	13	15	15	15
	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	—

**1. Financial Results for the  
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**3. Important Management Issues**



## Enhancement of Stores (i):

### Shift to operation with a focus on customer feedback

## Introduction of the NPS (Net Promoter Score)

To increase customer satisfaction and to be the best store in each area, specifically, a store that customers rely on

- Operate stores using the NPS as an important results assessment indicator
- To facilitate actions for improvement, offer the Regular Cycle program between the headquarters and stores and the Self-Reliance Cycle program at stores
- Realize sustainable store operations focused on enhancing product lines from the perspectives of customer feedback
- Utilize NPS data (customer feedback) effectively in the initiative promoting private label products

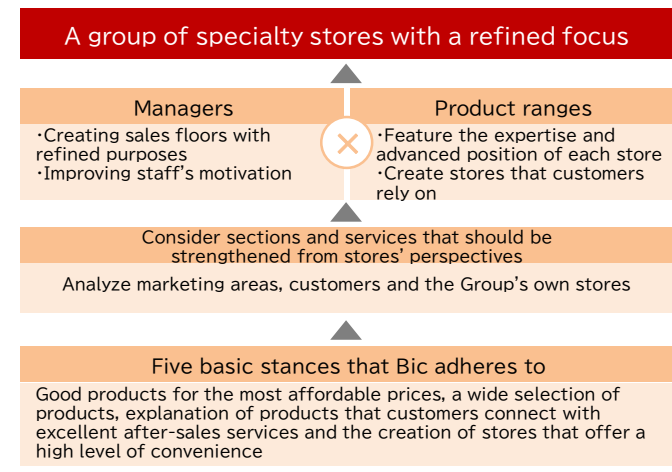


## Introduce a new system to deploy a manager in each section of a store

Continued pursuit of being a group of specialty stores with a refined focus

Merchandising from customer perspectives

- Strengthen the capabilities of frontline staff members to promptly respond to diversified demand
- Understand the importance of analyzing marketing areas, customers and the Group's own stores
- Enhance product ranges to leverage the potential of each store, and improve the store's expertise and profitability through the enhancement of the managers' ability to act spontaneously
- Improve the motivation of staff in charge



### 3. Important Management Issues

## Enhancement of Stores (ii):

# Creation of exciting sales corners/increase staff members in flagship stores

## Strengthening the structure of the Store Renovation Office

Experts on the creation of sales floors will continue their efforts to create stores that deserve to operate as BicCamera — specifically, exciting stores that customers rely on.

- Create stores and sales floors in which customers not only find the items they are looking for easily, but they also feel excited and happy
- Put the Action Guidelines for the Creation of Sales Floors into practice and ensure observance
- Create a sales floor environment in which store sales staff members can attend to customers comfortably



## Increase the number of flagship store staff members

Increasing the number of flagship store staff members, which has been decreasing

Facilitating personnel transfers from the headquarters and other channels, as well as the recruitment of new staff members

- Recreate strong flagship stores that deserve to operate as BicCamera
- Respond proactively to the recovering inbound tourism-related demand

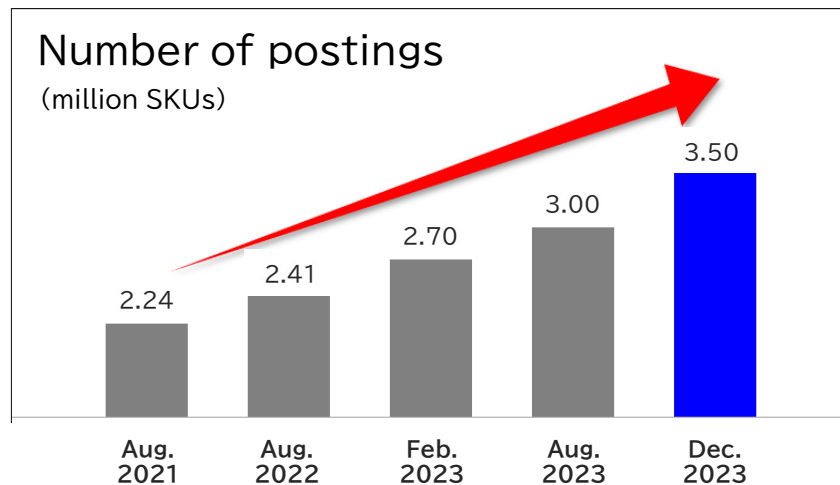


## Accelerating growth of the EC business (i): Pursuit of a group of specialty stores with a refined focus

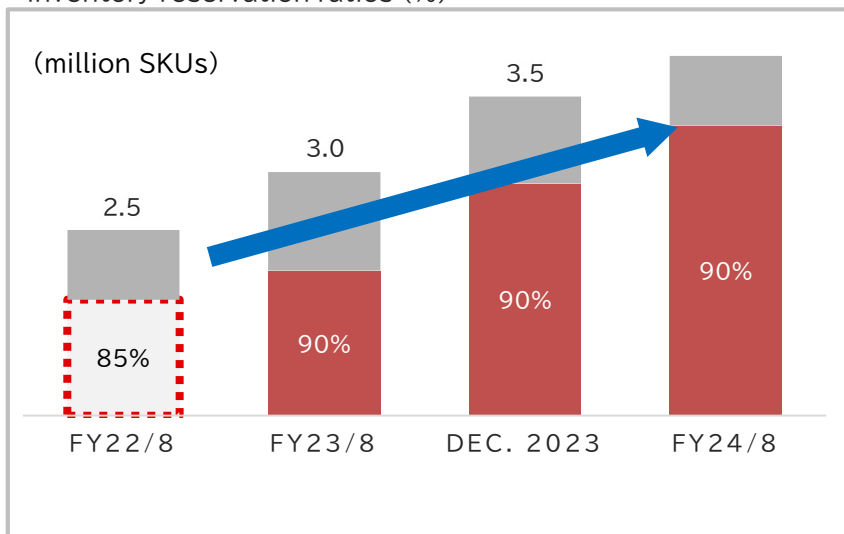
### Enhancement of product ranges

#### Significant progress in product ranges

- Number of SKU postings as of February 2023: 2.7 million SKU (increase 13% from the end of the previous fiscal year)
- Aim at posting 3.5 million SKUs by the end of December 2023
- Aim to post products with refined purposes including products offered based on the long tail market strategy



Enhancement of product ranges (SKUs) and the Center's inventory reservation ratios (%)



### Improvement of the inventory reservation ratio

#### Pursuit of proper delivery timing for items purchased

- Strive to increase the inventory reservation rate from the current 85% to 90% as soon as possible
- Aim to optimize lead times by effectively leveraging nationwide logistics bases and strengthening cooperation with suppliers in inventory management
- Respond to customer demand by offering a range of merchandise receiving methods such as delivery by post and delivery at a designated time

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

### Response to the 2024 issue

Initiatives to address the enforcement of a law related to the streamlining of distribution systems with an eye toward the labor shortage

- Reduce the amount of transportation via main roads by optimizing the distribution of inventories
- Facilitate a modal shift in long-distance transportation utilizing container-based railway transportation
- Leverage information systems such as berth control/vehicle control systems
- Accelerate in-house services by increasing the business of Bic Logistics Service and working to improve the QCD in logistics
- Diversify risks by strengthening partnerships with delivery operation partners



### Capacity enhancements

Re-establishment of networks with a view toward the growth of the EC business

- Increase storage capacity by rearranging the Logistics Center's functions and using new logistics bases
- Consider the optimization of supply chains by utilizing digital technologies as a medium- to long-term strategy



Strengthening of the cargo reception and shipment function of logistic bases

- Continuously improve in-warehouse operations and fully utilize automation equipment by optimizing the placement of personnel
- Promptly and appropriately introduce automation equipment to respond to an increase in quantity of goods handled

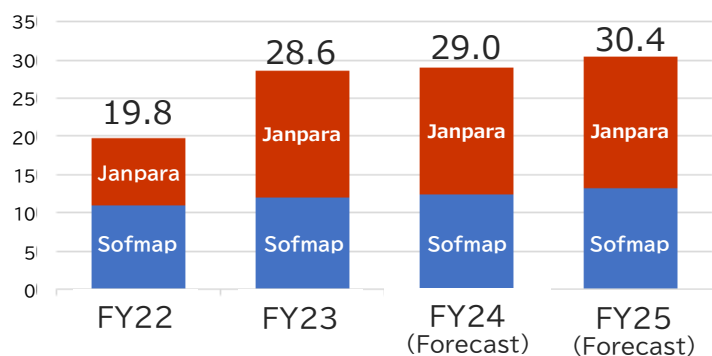


# Strengthening Initiatives to Support the Circular Economy

## Expansion of the Reuse business (Sofmap and Janpara)

Increase of the company's share in the market for reuse, and enhancement of corporate value

Sales of used products (billion yen)



Initiatives in collaboration with local governments utilizing Rakuuru (Chiba City)



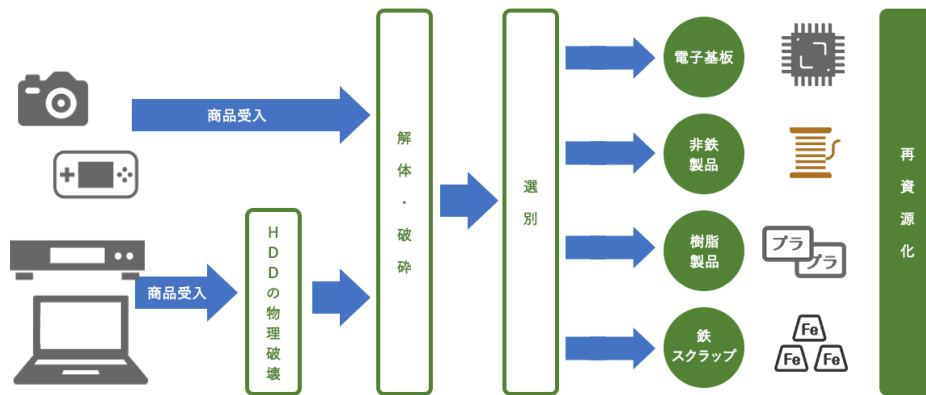
## Initiatives for the recycling business (Future Ecology)

- The business of recycling used consumer electronics with a view toward the realization of a recycling-oriented society
- Recycling that enhances the value of resources mainly relying on manual disassembly

Ratio of consumer electronics that are recycled as products/resources  
※ April 2021 – March 2022

	Statutory standards of recycling rate as products	Future Ecology	
		Percent recycled as products	Percent recycled as resources
CRT TVs	55% or higher	75%	99%
Flat-screen TVs	74% or higher	87%	95%
Air conditioners	80% or higher	96%	96%

Recycling of small home appliances

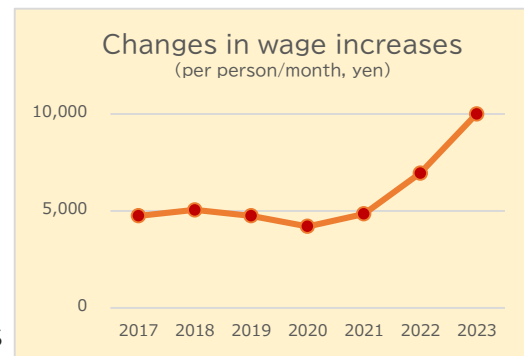


## Management that places importance on people

### Increase of wages

Responded to employee requests with record increases for two consecutive years

- Increased base-pay an amount that exceeded the previous year's record rise
- Increased the number of people promoted significantly, surpassing the previous year's record high
- Increased transfer-related allowances and established new allowances
- Planning to offer achievement-linked allowances



### Health and Productivity Management

Certified as a 2023 White 500 company for Outstanding Health & Productivity Management (large-scale company section)

- Wellness survey: Implemented the Health Promotion Campaign based on the result of survey
- Distributed video with the theme, the creation of a sound mind and body
- Support for health issues faced by working women: held a femtech seminar



### Support for career development and training programs

Designing systems that utilize and increase the value of retained employees

- Dual personnel systems: Provision of support for career development in the specialist course and management course separately
- Training programs for the development of professional sales personnel and experts (annual training)
- Strengthening the follow-up system for employees working for the Company in their first three years



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 April 18 2023 based on the information available as of April 18 2023, and expressions for future prospects are not to be updated or changed to reflect future incidents and situations.

April 18, 2023

**Bic Camera Inc.  
Kojima Co., Ltd.**

