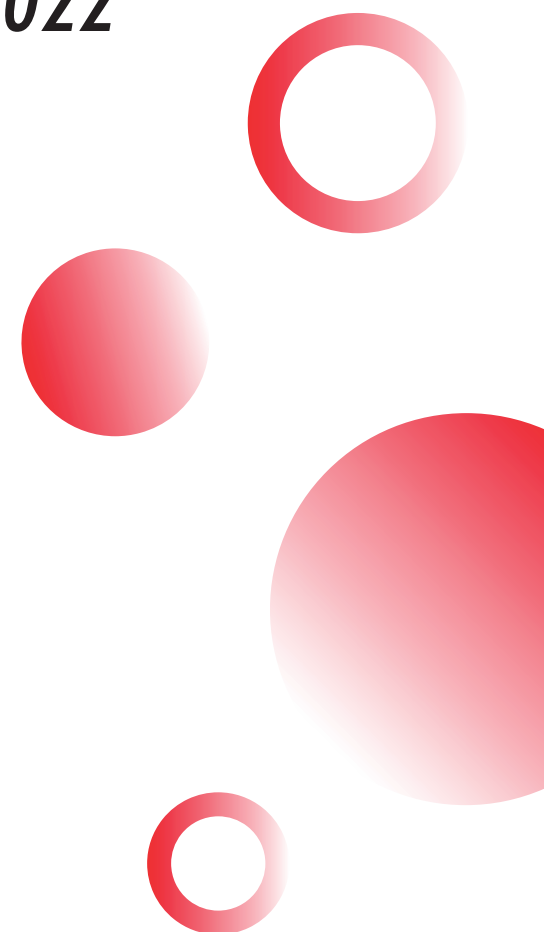




Integrated Report 2022



BIC CAMERA INC.

3-23-23, Takada, Toshima-ku, Tokyo

<https://www.biccamera.co.jp/bicgroup/index.html> (Japanese only)



Fun. New. Will Keep You Coming Back.

“I just can’t help dropping by.” “Simply being there is enjoyable.”

We will do our best to inspire
this kind of excitement in our visitors.

Each individual will polish their expertise, arrange the sales areas,
and continue to grow and evolve.

We aim to become a place
where customers can discover a new lifestyle.



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

Corporate Philosophy (Vision)
A group of specialty departments persistently seeking to evolve so that they can leverage their expertise and innovative spirit to propose richer lifestyles

Corporate Mission & Commitment
Achieve sustained growth by continuing to be a company trusted and needed by customers.

1. Improve employees’ material and emotional satisfaction
2. Improve customers’ shopping satisfaction
3. Contribute to local communities and trading partners
4. Achieve returns for shareholders and investors

Code of Conduct
Be thorough in all things. Be bold and proactive.

Bic Camera Corporate Conduct Charter

Corporate Governance

Index

Value Creation Story

- 02 Our Value Creation Journey: Part I
- 04 Our Value Creation Journey: Part II
- 06 Value Creation Process
- 08 Message from the President

Addressing to Social Issues for Long-Term Growth

- 12 Materiality and Corporate Strategy
- 13 Environmental Initiatives
- 14 Human Rights Initiatives
- Human Capital

Governance

- 16 Message from the Outside Directors
- 18 Corporate Governance

Company Data

- 22 Financial Review
- 24 Bic Camera Group by the Numbers
- 26 Company Information

Editorial Policy
Our basic policy is to report Bic Camera's value creation process, corporate strategy, ESG information, and more in an easy-to-understand manner for all stakeholders. In addition, this report is edited by referencing the "International Integrated Reporting Framework" put forth by the International Integrated Reporting Council (IIRC)*, and is published as an integrated report that compiles financial and non-financial information and explains how we will generate value over the long term. For detailed information not included in this report, please visit our corporate website.

Shareholder & Investor Information Website
<https://www.biccamera.co.jp/ir/english/download.html>

Scope of Report
This report targets the Bic Camera Group, but some data and initiatives are reported with a focus on the activities of BIC CAMERA INC.

Period Covered
From September 1, 2021 to August 31, 2022. However, some initiatives outside of this period are included.

Date of Publication: March 2023

Guidelines Used as References
This report was drafted by referencing the International Integrated Reporting Framework of the International Integrated Reporting Council (IIRC)*.

Notes on Predictions, Forecasts, and Plans for the Future
This report contains not only past and current facts about the Bic Camera Group, but also future predictions based on plans and outlooks at the time of publication. Please note that future predictions are assumptions or expectations based on information available at the time of description, and various conditions and external environmental factors may result in outcomes different from initial expectations.

* In June 2021, the International Integrated Reporting Council (IIRC) merged with the Sustainability Accounting Standards Board (SASB) to establish the Value Reporting Foundation (VRF).

Our Value Creation Journey: Part I

To achieve our corporate philosophy of being “a group of specialty departments persistently seeking to evolve so that they can leverage their expertise and innovative spirit to propose richer lifestyles,” Bic Camera has expanded its product offerings, focused on opening stores in urban, station-front, and large-scale locations, as well as grown its online shopping business. Additionally, we have partnered with companies like Kojima Co., Ltd., which operates roadside stores, and Sofmap Co., Ltd., known for its strength in the reuse business and support services, to strengthen the Group as a whole.

A

Taking a customer-first approach and adapting to change:
Expanding product offerings to meet changing times and customer needs

- March 1968: Established the Takasaki DP Center, a film processing facility in Takasaki City, Gunma Prefecture
Responded to customer requests for faster photo development with speedy processing services
- May 1978: Founded as a camera and related product sales company at the North Exit of Ikebukuro
Expanded product offerings beyond film development to cameras, video cameras, VCRs, and TVs to adapt to the changing times and meet customer demands



Ikebukuro North Exit store at the time

B

A rich product lineup featuring expertise and innovative spirit:
Striving to further expand product offerings as “a group of specialty departments”

- September 1992: Began handling sporting goods (golf, tennis), toys, bedding, and other non-electronic products upon the opening of the Ikebukuro main store
- Established Tokyo UMOKOBO CO.,LTD. in August 1992 and Bic shuhan Co., Ltd. in November 2001 in an effort to increase specialization; expanded product offerings by launching sales of general medicine products at the Yurakucho store in August 2011
- 1994: Established BIC pasokonkan INC. in response to the growing demand for computers
Strengthened the computer sales department within Bic Camera and provided training to sales staff to increase their skills



C

Developing urban, station-front, large-scale stores
that embody Bic Camera’s business model

- 2001: Opened four large-scale stores with a floor area of 10,000 square meters each in Tachikawa, Namba, Yurakucho, and Sapporo in a single year. Opened our Shinjuku West Exit store in 2002, laying the foundation for our current “urban, station-front, large-scale” business model



Tachikawa store (opened in January 2001)



Namba store (opened in May 2001)



Yurakucho store (opened in June 2001)



Sapporo store (opened in July 2001)

D

Personnel development and **delegation of authority: respecting employee autonomy based on a corporate culture that **prizes youth****

- Promoted young, talented employees to key positions, such as store manager positions; appointed a store manager in his 20s with only five years at the company, as well as a subsidiary president in his 30s
- 2001: In our capacity as “a group of specialty departments,” we established “store education rooms” to coincide with the hiring large numbers of new employees due to the opening of multiple large-scale stores in an effort to focus on personnel development, which included amending the expertise system



E

Building and strengthening an in-house logistics infrastructure and expanding the EC business:
Expanding capacity and improving last-mile quality to scale up business

- March 1993: Established Tokyo Service Station Co.,Ltd. setting up a system for handling installation work such as for air conditioners
- May 2004: Acquired shares of JBS Co.,Ltd. and launched in-house logistics
Gained the ability to improve last-mile quality by managing not only product sales, but also delivery, installation, and construction
- 2012: Upon beginning a business partnership with Kojima, we consolidated our national logistics bases and reduced the number from 25 to 9, thus optimizing logistics within the Group
- 2017: Opened Funabashi Distribution Center, expanded Osaka Distribution Center in 2018, pursuing continuous improvements to inbound and outbound shipping, storage capacity, and service level to accommodate the expected increase in EC demand



* Group EC net sales for the fiscal year ended August 31, 2022 were about 1.7 times higher than in fiscal 2018

F

Contributing to a **circular economy by **covering the entire product lifecycle** for customers, from purchase to support, buybacks, reuse, and recycling**

- December 2001: Established Future ecology Co.,Ltd. which recycles home appliances
- January 2005: Formed business partnership with Sofmap Co., Ltd. which not only strengthened our PC business, but also promoted the reuse economy cycle through Sofmap’s strengths in buybacks and reuse sales
- April 2008: Certified first in Japan under the Ministry of the Environment’s “Eco-First Program”
Took active steps to contribute to a circular economy
- July 2018: Started the comprehensive buyback service “RaKu-uru”



Our commitment to the “Eco-First Program”

G

For the sake of our customers:
Providing services to pleasure our customers

- December 1992: Introduced Bic Point Card, offering a point service that was not yet widespread at the time
- January 2005: Became the first home appliance retailer to introduce “Suica” digital cash as a payment method
Because Bic Camera has many stores near terminal stations, this enhanced customer convenience
- March 2006: Began registration for the Bic Camera Suica Card
This is a card that is a Bic Point Card, a Suica card, and a credit card all in one, featuring convenient functions such as the ability to exchange Bic Points for Suica credit, garnering a lot of praise from customers



Bic Point Card



Bic Camera Suica Card



Bic Camera Suica Card
10th Anniversary Campaign

Our Value Creation Journey: Part II

Bic Camera has refined its status as “a group of specialty departments” over the course of its history, described in “Our Value Creation Journey: Part I.” Let us look back on that history along with the company’s performance.

A Taking a customer-first approach and adapting to change **D Personnel development and delegation of authority:** respecting employee autonomy based on a corporate culture that prizes youth

B A rich product lineup featuring expertise and innovative spirit

1992

- Established Tokyo UMOKOBO CO.,LTD. (currently UMOKOBO CO.,LTD.)
- Opened Ikebukuro main store

1994

Established BIC pasokonkan INC.

2001

Established Bic shuhan Co., Ltd.

2011

Started drug business at Yurakucho store

Net sales

Number of employees

(consolidated)

* Years are in Western calendar format

C Developing urban, station-front, large-scale stores

1980

Established BIC CAMERA INC.
Opened former Ikebukuro North Exit store

2001

Opened Yurakucho, Tachikawa, Namba, and Sapporo stores

2002

Opened Shinjuku West Exit store

2012

Opened BICQLO Shinjuku East Exit store (currently Shinjuku East Exit store)

E Building and strengthening an in-house logistics infrastructure and expanding the EC business

2003

Launched internet shopping site BicCamera.com

2006

Opened Higashimatsuyama Distribution Center (Saitama Prefecture)

2015

Opened Osaka Distribution Center (Osaka Prefecture)

2017

Opened Funabashi Distribution Center (Chiba Prefecture)

2017

WILBY INC. made into a wholly owned subsidiary

2018

Established Bic Camera Rakuten, Inc

Net Sales for the fiscal year ended August 31, 2022

792.3 billion yen

Number of employees as of August 31, 2022

9,699

F Covering the entire product lifecycle and contributing to a circular economy

2001

Established Future ecology Co.,Ltd.

2006

Sofmap Co., Ltd. made into a subsidiary

2008

Certified first in Japan under the Ministry of the Environment's "Eco-First Program"

2010

Established BicOutlet Co.,Ltd.

2008

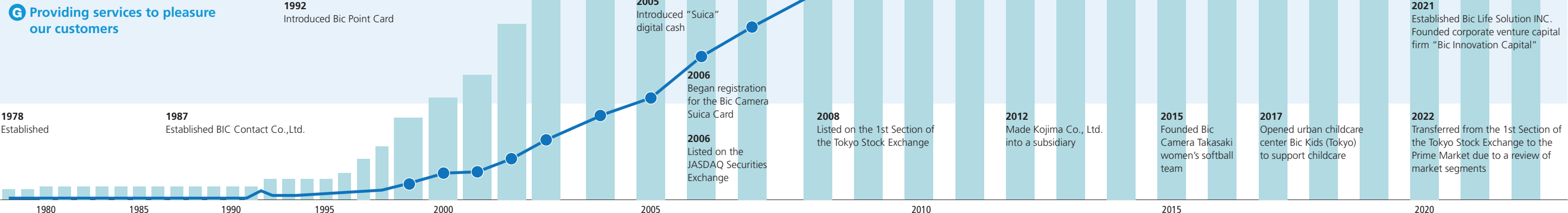
Listed on the 1st Section of the Tokyo Stock Exchange

2012

Made Kojima Co., Ltd. into a subsidiary

2021

Established Bic Life Solution INC. Founded corporate venture capital firm "Bic Innovation Capital"



| | 1968 - 1978 Initial phase | 1978 - 1999 Expansion phase | 1999 - 2005 Rapid growth phase | 2005 - 2012 Transformative phase | 2012 - 2020 Venture phase | 2020 onward Transition phase |
|---------------|---|--|--|---|--|---|
| Global Events | <ul style="list-style-type: none">April 1989: Introduction of consumption tax (3%)November 1989: Fall of the Berlin WallMarch 1991: Collapse of Japan's bubble economyJanuary 1995: Great Hanshin-Awaji EarthquakeApril 1997: Revision of the consumption tax rate (3% to 5%) | <ul style="list-style-type: none">June 2000: Implementation of the Act on the Measures by Large-Scale Retail Stores for Preservation of Living EnvironmentSeptember 2001: 9/11 terrorist attacks in the United States | <ul style="list-style-type: none">September 2008: Lehman Brothers bankruptcyMay 2009: Launch of the Home Appliance Eco-point System | <ul style="list-style-type: none">March 2011: Great East Japan EarthquakeMarch 2011: End of the Home Appliance Eco-point SystemJuly 2011: Termination of analog television broadcasting | <ul style="list-style-type: none">April 2014: Revision of the consumption tax rate (5% to 8%)December 2015: Adoption of the Paris AgreementJanuary 2016: Bank of Japan introduces negative interest ratesOctober 2019: Revision of the consumption tax rate (8% to 10%) | <ul style="list-style-type: none">April 2020: State of emergency declared due to the COVID-19 pandemicJuly 2021: Holding of the Tokyo Olympic and Paralympic Games |

Value Creation Process

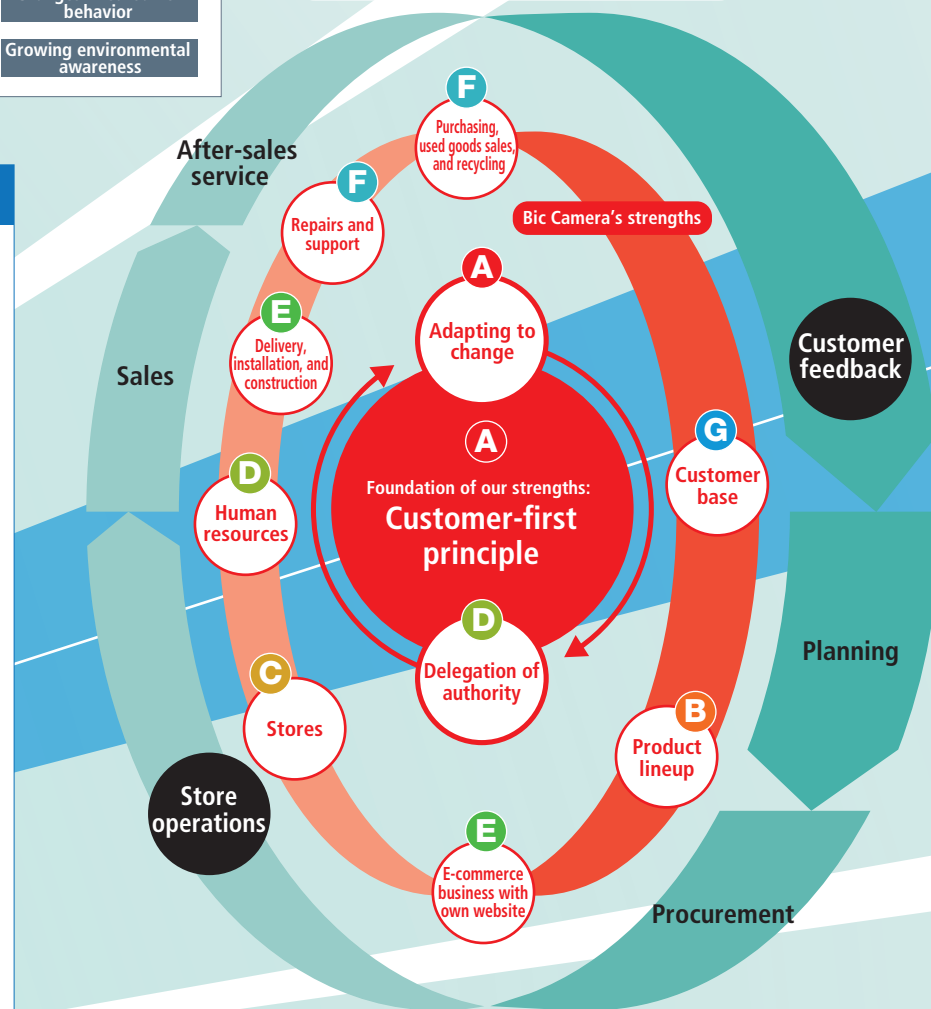
Corporate Philosophy

Secure Bic Camera's Competitive Advantage

Expand business while leveraging strengths



Resource recovery network



Growth strategy

CO₂ emissions
91,961 t-CO₂

We maintain appropriate relationships with government and administrative agencies and act in accordance with our Corporate Conduct Charter.

BIC CAMERA INC. Integrated Report 2022 07

Message from the President

By focusing on our most important management issue, “people-oriented management,” we will continue to refine “a group of specialty departments.”

To achieve our corporate philosophy of being “a group of specialty departments persistently seeking to evolve so that they can leverage their expertise and innovative spirit to propose richer lifestyles,” we will promote store operations that provide a one-of-a-kind experience to customers and people-oriented management that makes the growth of each individual the driving force behind our corporate growth.

Toru Akiho

Representative Director and President,
BIC CAMERA INC.

I took office as the Representative Director and President on September 1, 2022. As a novice tasked with leading our employees as the new president, I feel a strong sense of responsibility.

When I took office as president, I identified people-oriented management as one of our important management issues. All momentum starts with people, and we will make strong efforts to promote management that turns each individual's growth into the driving force behind corporate growth, thereby increasing our corporate value.

By utilizing the vitality and sensibilities of our young employees to the fullest to make great strides, I am determined to turn our company into a place where employees, myself included, feel happy and proud to work.

Improving corporate value through stores

I believe that the value of the retail business lies in stores and sales areas.

I am determined to enhance the value of our stores and improve our corporate value by refining our corporate philosophy of being “a group of specialty departments persistently seeking to evolve so that they can leverage their expertise and innovative spirit to propose richer lifestyles.”

Our stores focus on cameras, which comprise our original business, as well as consumer electronics and digital electronics such as computers and mobile phones. That being said, we also offer a wide range of non-electronic products such as liquor, bedding, bicycles, medicine, cosmetics, and contact lenses. We have large stores offering these product groups in front of terminal stations in many metropolitan areas.

Each of the areas we handle is a specialty department, which together comprise Bic Camera. There are specialized personnel who provide this expertise in each area.

In addition, when it comes to consumer electronics, computer-related products, and so on, we offer after-sales services for both as well as installation services for the former, each of which requires a high degree of skill. I am proud of the high level of know-how we have accumulated over the 40 years since our founding in terms of both quality and quantity.

Our prime store locations, extensive product lineup, expertise, and know-how are valuable assets and strengths. I am confident that these strengths will continue to provide a competitive advantage going forward. That's why it is essential that we continue to refine our stores, which form the foundation of our company's growth, and enhance our corporate value.

Creating a one-of-a-kind store experience

As a group of specialty departments, the first thing we must be particularly selective about is our product lineup.

We aim to create an experience that makes customers think, “I couldn't find this anywhere else, but I found it at Bic Camera,” and eventually, “surely Bic Camera will have it,” thus making our stores the go-to destination. We want our customers to tell others that Bic Camera has a great selection and for this perception to spread so that a lot of people get the impression that we have an incredible lineup.

However, we do not want our stores to be used only for specific purchases.

We need to create product lineups and spaces filled with joy and anticipation, where customers can always discover something new when they visit. We want them to find themselves spending a long time in the store or realizing that there's still more to see when they leave so that they want to come back again.

Our specialty departments are committed to offering a wide range of products and highly knowledgeable sales staff to help customers find solutions to their problems and support richer, happier lives.

It's not just about providing expert guidance, but also about always being mindful to convey passion when communicating. Combining expertise with excellent hospitality in customer service is what leads to experiences that move people. And it's not just customer service. We believe that even a simple greeting can create a moving experience.

With a thoroughly curated product lineup, professionals well-versed in hospitality, and exciting spaces, we aim

to create a store that enriches the hearts of not only customers who make purchases, but also those who do not, all by providing a one-of-a-kind experience that only our company can offer.

Keeping the focus on the customer

To provide a one-of-a-kind experience, we must focus relentlessly on the customer.

This means carefully and consistently observing each customer who visits our store, collecting their feedback in various ways, and responding to their needs day by day.

We must also quickly notice changes in our customers' needs.

The retail business is one where adapting to change is essential. Only companies that continue to adapt to change swiftly can achieve sustainable growth.

To adapt to change, we must quickly detect changes in our customers' needs.

The constantly changing needs of our customers must be our chief concern. Today, anyone can easily obtain a wealth of information tailored to their needs on a daily basis in a variety of ways, so values and needs are diversifying, and the pace of change is accelerating. If we fail to notice these changes and remain bound by past practices or successful experiences, our competitiveness will decline, and we will eventually become obsolete.

We might not notice these changes if we only focus on our competitors.

That's why we must focus relentlessly on our customers.

Enhancing the ability to adapt to change through individual on-site initiative

As I mentioned, in today's world, where customer needs are diversifying and the speed of change is accelerating, the ability of the retail business to adapt to change is being tested now more than ever. This adaptability will determine our competitiveness as a company.

What we are presently focused on is valuing the individual initiative of each person on the front lines and creating a self-sustaining cycle of improvement.

Our business is based on offering a wide range of products and striving to be the No. 1 specialty department in the region for each one. If we want to constantly change and evolve these specialty departments, everyone on the front lines who interacts with customers daily must take

Value Creation Story

Message from the President

initiative, or we will not be able to meet their needs.

To do this, we must improve our store staff by streamlining headquarters, creating time to interact with customers through operational improvements, delegating authority to the front lines, and making headquarters work hard to support those on the front lines based on their input and voices. This culture, which undoubtedly existed when our company was smaller, has gradually faded as we have expanded in scale. Headquarters has become complacent at the expense of the hard work of our front-line staff.

We must restore the culture we had, where headquarters would work hard to ease the burden on the front lines, as soon as we can.

Enhancing the convenience of EC improves store value

When I became president, I declared that strong and accelerated EC growth would be one of our major policies. The scale of our EC business has already reached a considerable size, with Group net sales totaling 143.4 billion yen.

However, the reality is that we have received numerous critiques and feedback from our customers on various aspects regarding product lineup, ease of product use, and delivery wait times, and many have hesitated to use our EC website. Issues and challenges have been piling up.

Nevertheless, this can be seen as an opportunity for growth if we maintain a positive outlook. By addressing each issue in a quick and methodical fashion, we can achieve significant growth sooner.

To do this, we are determined to strengthen the system related to our EC business, raise awareness of the EC business in relevant departments and stores, coordinate and collaborate, and unite to accelerate our growth.

However, our approach does not involve simply expanding EC sales at all costs. Broadly speaking, our EC website is also a store. From the customer's perspective, they must decide whether to make their purchase at a store or on our EC website. This should be a choice made by the customer based on their individual circumstances and needs, not something we impose on them as the seller.

Our basic stance is that we want customers to choose between our stores and our EC website based on what is more convenient for them, as we have stores where they can experience a wide range of products in convenient locations and receive explanations from sales staff.



However, to achieve this, both our stores and our EC website must be top-notch. We believe that combining the improved convenience of EC with well-situated stores will dramatically increase customers' shopping options and enhance the value of our stores.

Learning objectivity in my 30s

What I always try to be mindful of is thinking from the customer's point of view.

This means to consider yourself an average person, consumer, and individual customer, and to not miss the hints hidden in casual conversations with family, friends, and acquaintances. I always strive to be conscious of this and put it into practice.

However, I did not always think this way. In the past, I used to work based on my own perspective, imposing my own and the company's convenience on customers.

I served as a buyer handling procurement for 17 years. After working as a buyer for several years and accumulating a certain level of achievements and experience, I gained some confidence as the person in charge of home appliances, a glamorous position. At that time, the head of sales department criticized and berated me for everything I did on a daily basis.

I would hear things like, "Who would buy this?" "Secure more inventory!" and "Why is this out of stock?"

At the time, I felt that selling only popular, low-profit items would not result in profits, and that if there was no inventory at the manufacturers, asking me why something is out of stock would not lead to more stock.

While these were facts, a buyer with this kind of mindset causes sales staff on the front lines to disappoint customers, is regarded with doubt, and is occasionally reprimanded, resulting in a lot of stress. While it is very

embarrassing that I was unable to grasp something so obvious at the time, this was the state I was in.

As I grew tired of being berated on a daily basis, I started wondering how I could gain the head's approval. The answer was simple.

I had to focus on thinking about the customer's point of view and work harder to make things easier for the front-line staff, even if just a little bit.

Management that fosters individual growth as the driving force behind corporate growth

To achieve our corporate philosophy of being "a group of specialty departments," I believe the most important management issue is people-oriented management. The driving force behind everything is people, and it is essential to have management that transforms the growth of each employee into the driving force behind corporate growth.

In the retail business, which is undergoing rapid change and where customer needs are diverse, it is crucial for each employee to be acutely aware of changes and take the initiative to discover potential customer needs. That's why I am committed to enhancing employee motivation.

To support the growth and career development of each and every employee, starting this term, we have launched the Human Resource Development Department directly under the president as a replacement for the Human Resources Department. In an effort to centralize tasks related to our most important management resource—human capital—and treat it as a valuable company asset, we are designing personnel systems centered around the Human Resource Development Department that harness the diverse abilities of our employees. There are numerous measures we are considering, such as creating a system



that respects and realizes store employees' ideas, a system that utilizes employees' strengths and encourages them to take on challenges, a promotion system for part-time employees, initiatives for health management, and providing opportunities for employee growth.

For example, we started the Kurashi Support Meister System in September 2022, when I became president. This system is for discovering and nurturing salespeople with advanced expertise and skills, and for fairly evaluating and supporting their career development. By designing a system in which a diverse range of individuals, such as those working reduced hours while raising children or those choosing our company to start their second career, can showcase their abilities and have them fairly evaluated and reflected in their compensation, we believe it is possible to achieve our philosophy of being "a group of specialty departments" and contribute to our competitive advantage as a company.

Demonstrating leadership with a robust customer-oriented approach

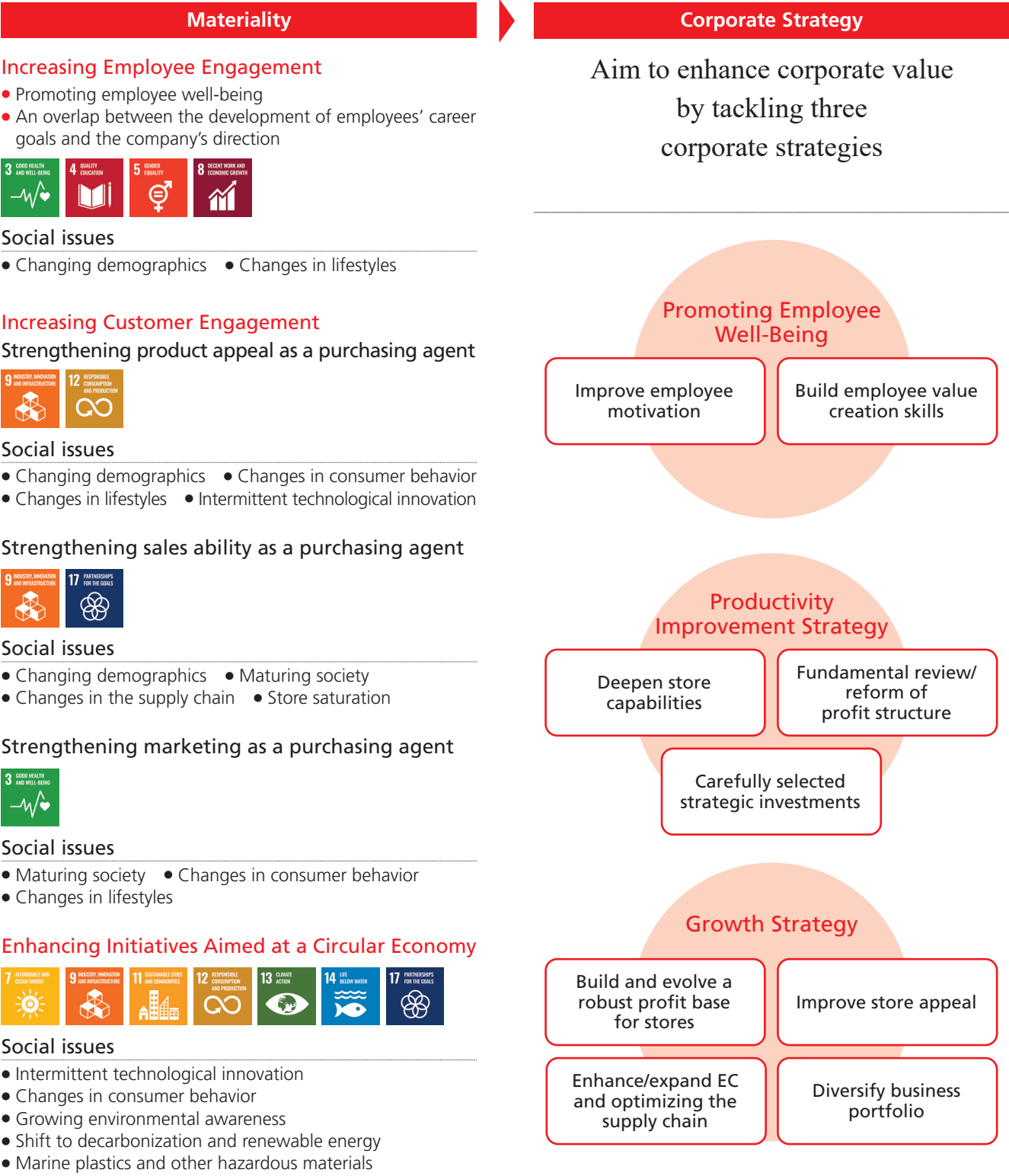
Bic Camera has continued to evolve to meet the changing needs of customers and the times. We started with cameras, our original business, and expanded to include camera accessories and video cameras. Once sales of VCRs began, our transactions with electronics manufacturers increased, and we further expanded our product offerings to include TVs, washing machines, and refrigerators. This product lineup expansion is backed by our commitment to a robust customer-oriented approach that captures customers' genuine voices as well as the hidden changes in the times.

Moving forward, we will continue to leverage the strength of our stores and focus on growth strategies built on a strong foundation and a solid earnings base. We are also considering growth strategies that integrate the strengths of our Group companies in an effort to harness the collective power of the Group. Examples of this include the work of Group company Sofmap Co., Ltd., such as assisting customers who are facing issues and reusing unwanted electronic products through purchases and sales of second-hand goods.

Keeping this Group management perspective in mind, I intend to demonstrate leadership so that we can instill a customer-oriented attitude in all employees by continuously investing in our most critical management resources—stores and people—without being distracted by superficial trends.

Materiality and Corporate Strategy

In July 2021, Bic Camera Group identified social issues that could pose a threat to the realization of its Purpose, as well as materiality that could be converted into business opportunities by addressing these social issues through its businesses. We are currently implementing a corporate strategy for this materiality, as well as reviewing it based on the assumption of further changes in the business environment.



Human Rights Initiatives

Human Rights Policy

Bic Camera, based on its unique model of being “a group of specialty departments persistently seeking to evolve so they can leverage their expertise and innovative spirit to propose richer lifestyles” as stated in our corporate philosophy, aims to fulfill its Purpose of “serving customers as a purchasing agent that provides helpful support for their lives” by incorporating the materiality (important management issues) it has identified into corporate strategies and developing business activities. In doing so, we will provide value to our various stakeholders and work towards solving a diverse array of social issues and achieving the SDGs.

The foundation of all our business activities is respect for the human rights of everyone involved in our business, which includes our employees, customers, business partners, and shareholders.

In compliance with international human rights norms and relevant laws, and in accordance with their spirit, we have established the Bic Camera Human Rights Policy based on the United Nations Guiding Principles on Business and Human Rights to respect the human rights of everyone involved in our business.

Web Notice about Formulation of Bic Camera Human Rights Policy (Japanese only)
https://www.biccamera.co.jp/ir/news/pdf2022/20221124_2.pdf

Human Rights Due Diligence

The establishment of a human rights due diligence mechanism, the use of it to identify and assess negative impacts on human rights, and the prevention and mitigation measures employed are chiefly managed by the company-wide Risk Management Department and the Sustainability Promotion Department. They will perform checks from the perspective of rights holders and human rights risks in the value chain and consult with the Sustainability Promotion Committee, which then reports to the Board of Directors.

Human Rights Consultation Service

Our company is a full member company of the Japan Center for “Engagement and Remedy on Business and Human Rights (JaCER).”

By receiving and addressing complaints and reports of human rights violations affecting a wide range of stakeholders, including our business partners, through the use of the “Engagement and Remedy Platform,” we will strengthen our efforts to respect human rights throughout the supply chain.

Human Capital

Human Resources Development Department Newly Established Management That Values People and Makes Them the Driving Force Behind Growth

As a business focused on “pleasing customers,” we have established a specialized department to discover the value of each and every employee and foster an environment and culture in which they can polish their skills. We will provide opportunities for growth by offering career development, education programs, evaluation systems, and more to enhance the value of our diverse staff. We conduct employee engagement surveys and, based on the information obtained, carry out 1-on-1 sessions to develop individual skills. In addition, we identify issues within overall trends and incorporate them into our human resources development initiatives.

Work-Life Balance

We are working on creating an environment that accommodates a diverse array of lifestyles so that employees can continue to work with peace of mind.

With regard to support for balancing work and childcare, we established Bic Kids, a daycare center for the Bic Camera Group, in 2017. In 2018, we received the Platinum Kurumin certification from the Ministry of Health, Labour and Welfare in recognition of our status as an excellent company for childcare support that offers support systems that go beyond the legal requirements.

We also have comprehensive measures for return-to-work support, such as interviews, seminars, and job return systems, which have increased employee satisfaction and prevented turnover.

One area of focus in particular is promoting childcare leave for male employees. We introduce employees who have taken leave in our company newsletter, hold seminars on childcare support systems, and provide training for managers, which has resulted in an annual increase in the number of employees taking leave.

Engagement for employees who have taken leave is very high, and both men and women use their childcare experience when creating sales areas and providing customer service to address customer needs.



Trend in Male Ratio Taking Childcare Leave

| | Sep. 2018-Aug. 2019 | Sep. 2019-Aug. 2020 | Sep. 2020-Aug. 2021 | Sep. 2021-Aug. 2022 |
|------------------|---------------------|---------------------|---------------------|---------------------|
| Acquisition rate | 4% | 11% | 21% | 41% |

Training System

1. Retention Support Program

Bic Camera is dedicated to pursuing the ideal way to “please customers” so that employees can continue to take pride in their work. We have built an educational program for employees through their third year at the company.

When employees start work, we not only provide group training, but also implement a partner system in which senior employees provide 1-on-1 in-store guidance, as well as OJT training conducted by in-store trainers. Both headquarters and stores work together to focus on training new employees.

We will continue to nurture young employees’ awareness and confidence as employees in a business focused on “pleasing customers” through follow-up training in their first year, training in the lead-up to their second year, and training during their third year.



2. Management Training

We conduct store manager training with a focus on the management level. In the future, we are planning to provide training for leaders other than store managers. Moreover, we conduct 360-degree surveys for executive officers and store managers, including the president, to not only allow growth from annual self-assessments, but also align everyone’s understanding of the elements required as Bic Camera leaders, thereby leading to better management that allows employees to engage in their work enthusiastically.

360-Degree Surveys

The purpose of the 360-degree survey is for the subject to become aware of how their actions are perceived by others through feedback from respondents, with the goal of improving their behavior.



A Mirror for Learning about Yourself at Work

○ Evaluating your actions from others’ perspectives

✕ Assessing ability

Health and Productivity Management

• Recognized as “Certified Health & Productivity Management Outstanding Organization (White 500)”

At Bic Camera, we believe that the physical and mental health of employees and their families is the foundation for providing the highest satisfaction and service to our customers, and we aim to create a company where employees can be active on the job while demonstrating their individual abilities.



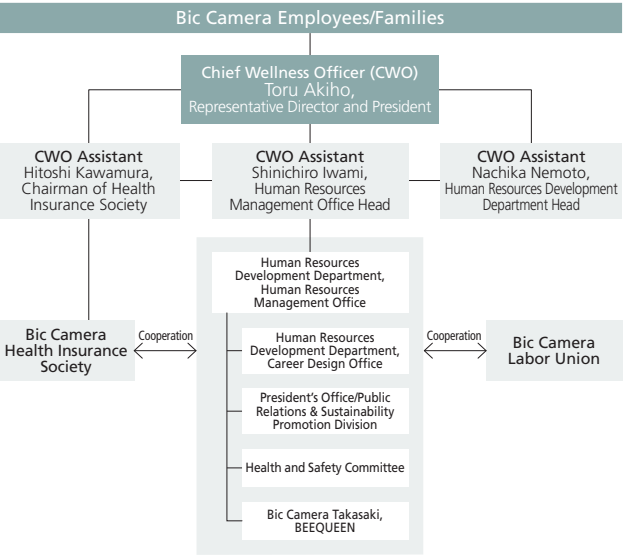
• Formulation and Promotion of Health Management Strategies

We have established a system and formulated a health management strategy map to facilitate effective and efficient investments in health. By using the map for visualization, we have formulated and promoted health management strategies by creating a seamless connection between management issues and the initiatives for maintaining and improving health that are necessary for addressing issues.

Annual Changes and Targets for Key Health Management Indicators

| Item | Sep. 2018-Aug. 2019 | Sep. 2019-Aug. 2020 | Sep. 2020-Aug. 2021 | Sep. 2021-Aug. 2022 | Target (2023) |
|---|---------------------|---------------------|---------------------|---------------------|---------------|
| Regular health checkup participation rate | 95% | 97% | 99% | 100% | 100% |
| Stress check participation rate | 82% | 93% | 94% | 96% | 97% |
| Working while sick (Presenteeism) | 75% | 76% | 76% | 75% | 80% |
| Smoking rate | 26% | 25% | 24% | 26% | 20% |

Health Management Promotion System



Web Bic Camera Health Management Declaration (Japanese only)
<https://www.biccamera.co.jp/csr/health.html>

Message from the Outside Directors



Takeshi Uemura
Outside Director
(Independent officer)

The business environment is undergoing significant changes. Of course, the Bic Camera Group is no exception, and it finds itself right in the midst of this turbulence.

In this ever-changing environment, I believe it is our duty and responsibility to carefully monitor these changes, provide feedback from an independent third-party perspective, and contribute to the sustainable growth and improvement of our Group's corporate value.

Throughout my career, I have served as a political reporter, covering domestic politics, diplomacy, and international politics. I later became involved in the management of the general leisure industry and educational institutions. By drawing on my experience, I hope to offer valuable advice and feedback to contribute to the growth of our Group.

| Profile | |
|----------------|--|
| April 1972 | Joined The Yomiuri Shimbun |
| January 2002 | Head of General Manager, Politics Department, Tokyo Head Office, The Yomiuri Shimbun |
| June 2003 | Deputy General Manager, Editorial Bureau, Tokyo Head Office, The Yomiuri Shimbun |
| September 2003 | Deputy Chief, Editorial Board, The Yomiuri Shimbun |
| June 2008 | Chairman, Yomiuri Institute of Technology |
| June 2011 | Chairman, Bunka Gakuin |
| June 2014 | Representative Director and President, YOMIURI LAND CO., LTD. |
| June 2017 | Director and Senior Advisor, YOMIURI LAND CO., LTD. |
| June 2020 | Senior Advisor, YOMIURI LAND CO., LTD. |
| November 2020 | Outside Director of the Company (to present) |



Yukiko Kishimoto
Outside Director
(Independent officer)
Audit and Supervisory Committee

To survive and grow, a company must not only return profits to shareholders and employees, but also meet a number of challenges in line with the demands of a better society and the times.

These challenges include being environmentally conscious in one's business activities, using resources efficiently, promoting gender equality and non-discriminatory utilization of human resources, and ensuring that employees can experience growth through their work. I am committed to providing advice from an independent standpoint. In addition, from a corporate governance perspective, I believe it is the responsibility of an outside director (a member of the Audit and Supervisory Committee) to prevent misconduct and contribute to problem-solving.

| Profile | |
|---------------|---|
| April 1976 | Joined SHUEISHA Inc. |
| March 1981 | Retired from SHUEISHA Inc. |
| 1990 | Started being active as a writer. (to present) |
| April 2004 | Part-time Lecturer, Department of Journalism, Nihon University College of Law |
| January 2006 | Corporate Auditor of the Company |
| November 2020 | Outside Director (Audit and Supervisory Committee Member) of the Company (to present) |



Kiyoshi Tokuda
Outside Director
(Independent officer)

When I was a reporter for business newspapers and magazines, my motto was to maintain a neutral stance, being neither too close nor too distant. I approached the companies I covered with affection, sensing the passion of their management and employees, all while maintaining the cold, detached gaze of an outside observer. When this approach was working well, even if I occasionally wrote an article that appeared negative on the surface, as long as it got to the heart of the matter, I would be thanked for it.

My thoughts as an outside director of Bic Camera have not changed much since my days as a reporter. I will continue to be passionate in my work while maintaining a detached perspective, focusing on the interests of shareholders and other stakeholders while keeping an eye on medium- to long-term growth investments.

| Profile | |
|----------------|--|
| April 1977 | Joined Nikkei Inc. |
| September 1994 | Seconded to Nikkei Business Publications, Inc. Deputy Editor of Nikkei Business |
| January 2005 | Editor-in-Chief, The Nikkei MJ (Marketing Journal) |
| March 2008 | Secretary General, General Affairs of Editorial Bureau; Electronic Newspaper Development Division, Nikkei Inc. |
| March 2013 | Senior Managing Director, Nikkei Digital Media, Inc. |
| July 2015 | Senior Managing Executive Officer, Nikkei Inc. |
| June 2016 | Senior Executive Officer, TV TOKYO Corporation |
| July 2020 | Commissioned to TV TOKYO Holdings Corporation (to present) |
| November 2020 | Outside Director of the Company (to present) |



Koichi Sunayama
Outside Director
(Independent officer)
Audit and Supervisory Committee

As an outside director (a member of the Audit and Supervisory Committee), I believe my role is to contribute to improving the objectivity of management, promoting change, and achieving sustainable growth and medium- to long-term corporate value. I hope to achieve this by conducting impartial audits from an independent standpoint, taking into account my practical expertise and experience as a legal risk officer at a financial institution, as well as the perspective of the ones providing loans. I will also provide constructive advice and feedback about management from an outside perspective at board of directors and such based on my experience as a director at manufacturers and other companies.

| Profile | |
|---------------|---|
| April 1981 | Joined The Fuji Bank, Limited (currently Mizuho Bank Ltd.) |
| March 2003 | General Manager, Niigata Bandaibashi Branch, Mizuho Bank Ltd. |
| April 2004 | General Manager, Kamiyacho Branch, Mizuho Bank Ltd. |
| August 2005 | General Manager, Legal Affairs Division, Mizuho Bank Ltd. |
| April 2010 | Executive Officer; General Manager, Legal Affairs Division, Mizuho Bank Ltd. |
| December 2012 | Standing Outside Audit & Supervisory Board Member, MARUYAMA MFG. CO., INC. |
| December 2015 | Outside Director (Audit and Supervisory Committee Member), MARUYAMA MFG. CO., INC. |
| December 2019 | Advisor, MARUYAMA MFG. CO., INC. |
| March 2020 | Outside Director (Audit and Supervisory Committee Member), KYOWA ELECTRONIC INSTRUMENTS CO., LTD. |
| November 2020 | Outside Director (Audit and Supervisory Committee Member) of the Company (to present) |
| June 2022 | Outside Corporate Auditor, NIPPON KINZOKU CO., LTD. (to present) |



Masaru Nakamura
Outside Directors

The most important responsibility of an outside director is to supervise management. At the same time, it is also crucial to provide a unique perspective on corporate strategy and contribute to sustainable growth.

Our company has achieved growth by remaining sensitive to the rate of change in society, but as we look ahead, numerous challenges await. These include environmental issues, digital transformation, supply chain issues, and soaring procurement costs.

To address these challenges, our company must confront the turbulent waves of change with clear and speedy decision-making. I hope to contribute what I can as we navigate these stormy seas.

| Profile | |
|---------------|--|
| April 1979 | Joined The Mitsui Bank, Limited (Currently Sumitomo Mitsui Banking Corporation) |
| October 1996 | Deputy General Manager, Osaka Sales Department II, The Sakura Bank, Limited (Currently Sumitomo Mitsui Banking Corporation) |
| June 1998 | Deputy General Manager, Toranomon Branch, The Sakura Bank, Limited |
| October 1999 | Group Leader, Private Banking Department, The Sakura Bank, Limited |
| April 2001 | Group Leader, Private Banking Sales Department, Sumitomo Mitsui Banking Corporation |
| April 2007 | General Manager, Private Banking Sales Department, Sumitomo Mitsui Banking Corporation |
| July 2010 | General Manager and Executive Private Banker, Private Banking Sales Department, Sumitomo Mitsui Banking Corporation (to present) |
| November 2022 | Outside Director of the Company (to present) |



Takeshi Toshimitsu
Outside Director
(Independent officer)
Audit and Supervisory Committee

The scope of the Audit and Supervisory Committee's audits includes not only legality, but also the validity of how directors execute their duties.

In the case of legal audits, when making determinations by examining relevant laws and regulations, while there is some room for interpretation of these laws and regulations, conclusions are often unambiguous. On the other hand, the conclusions reached during validity audits may differ depending on each company's management philosophy and policies, even when applied to the same execution of duties.

By drawing on my experience as a lawyer involved in numerous corporate management issues, I am committed to performing my duties by conducting not only legality audits, but also validity audits based on the company's management philosophy and policies.

| Profile | |
|---------------|---|
| March 2000 | Established Asagao System Co., Ltd, Director |
| October 2002 | Joined MTB Investment Technology Institute Co., Ltd. (currently Mitsubishi UFJ Trust Investment Technology Institute Co., Ltd.) |
| December 2011 | Registered as an attorney at law, Joined MATSUDA & PARTNERS |
| July 2014 | Established Seven Lights Law Firm, Co-Representative Partner |
| April 2017 | Auditor, Social Welfare Corporation Keishoukai (to present) |
| November 2017 | Director, Intense Project Co., Ltd. (to present) |
| August 2022 | Established Toshimitsu Law Firm, Representative Partner (to present) |
| November 2022 | Outside Director of the Company (Audit and Supervisory Committee) (to present) |

Corporate Governance

Our Basic Approach to Corporate Governance

At Bic Camera, to maximize the interests of stakeholders by striving to improve corporate value, we have established management and audit systems that enable each department within the company to engage in highly productive and efficient business activities based on thorough compliance. We believe that the fundamentals of corporate governance lie in creating an organizational structure that enhances management transparency and allows for swift decision-making.

Corporate Governance Structure and Overview

Our Audit and Supervisory Committee consists of four directors, including three outside directors, who audit and supervise the legality and appropriateness of directors' execution of their duties. We have adopted this system because we believe that an auditing system carried out by an Audit and Supervisory Committee that includes outside directors functions effectively as a management oversight mechanism.

The Board of Directors consists of 14 directors, including four directors who are members of the Audit and Supervisory Committee, and six outside directors, including three who are also members of the Audit and Supervisory Committee. It decides on the execution of the company's operations and supervises the execution of duties by directors through a system of mutual checks and balances. Based on the Board of Directors regulations, the Board of Directors holds a regular monthly meeting in principle and, when significant management issues arise, convenes

extraordinary meetings as required. At Board of Directors meetings, important matters are discussed and decided in accordance with laws and internal regulations, and reports on business performance, the status of business execution, and differences in budget performance are received from the various department directors.

The General Managers Meeting consists of the President, Vice President, Corporate Officers, General Managers, Deputy General Managers, Senior Executive Officers, and Executive Officers. Internal Control Officers and directors who are full-time Audit and Supervisory Committee members also attend. The meeting is held once a month in principle, and decisions are made on matters to be presented to the Board of Directors and other matters stipulated in the internal regulations. General Managers on the General Managers Committee report on the status of business execution once a month and, if there are any matters that may conflict with relevant laws and regulations, make sure to report them during the General Managers Meeting. Internal Control Officers then investigate said matters as necessary and report the implementation status of countermeasures during the General Managers Meeting.

Outside Directors

Our company has appointed Takeshi Uemura, Kiyoshi Tokuda, and Masaru Nakamura, who have abundant experience and broad insights as corporate manager, as outside directors. In terms of their roles and functions with

regard to corporate governance, they are responsible for checking management decisions from an independent and neutral standpoint based on their extensive experience so as not to be biased in favor of the company's stance.

We have also appointed Yukiko Kishimoto, who has valuable experience and broad insight as an academic expert; Koichi Sunayama, who possesses abundant experience, achievements, and insights cultivated at financial institutions; and Takeshi Toshimitsu, who has rich experience and extensive insight as a firm manager and a lawyer, as outside directors who are members of the Audit and Supervisory Committee. In terms of their roles and functions with regard to corporate governance, we expect them to perform auditing duties from an independent standpoint based on the experience and knowledge they have acquired in their respective fields of expertise.

Apart from Masaru Nakamura, we have designated and reported to the Exchange five outside directors (including three outside directors who are members of the Audit and Supervisory Committee) as independent officers based on the provisions of the Tokyo Stock Exchange.

Our outside directors are appointed based on the Criteria for Nominating Directors stipulated in "Principle 3.1 Full Disclosure" of the Corporate Governance Code, and they are members of the Governance Committee. When considering particularly important matters related to nominations and remuneration, independent outside directors are involved and provide advice as appropriate through the Nomination Committee and the Compensation Committee. The Nomination Committee and the Compensation Committee are chaired by an outside director (excluding those who are members of the Audit and Supervisory Committee) and consist of a majority of outside directors (excluding those who are members of the Audit and Supervisory Committee).

Officer Compensation

When determining remuneration for directors and Corporate Officers, deliberations are held by an optional Compensation Committee chaired by an outside director (excluding those who are members of the Audit and Supervisory Committee), and a decision is made by the Board of Directors.

The Compensation Committee, upon consultation from the Board of Directors, also deliberates on the appropriateness of the remuneration system and reports the results to the Board of Directors. The Compensation

Committee is chaired by an outside director (excluding those who are members of the Audit and Supervisory Committee) and consists of a majority of outside directors (excluding those who are members of the Audit and Supervisory Committee), thus enhancing objectivity and transparency.

Director remuneration consists of basic remuneration based on each individual's role, performance-linked remuneration based on company performance and individual goal achievement as a short-term incentive, and share remuneration-type stock options as a medium-to-long-term incentive.

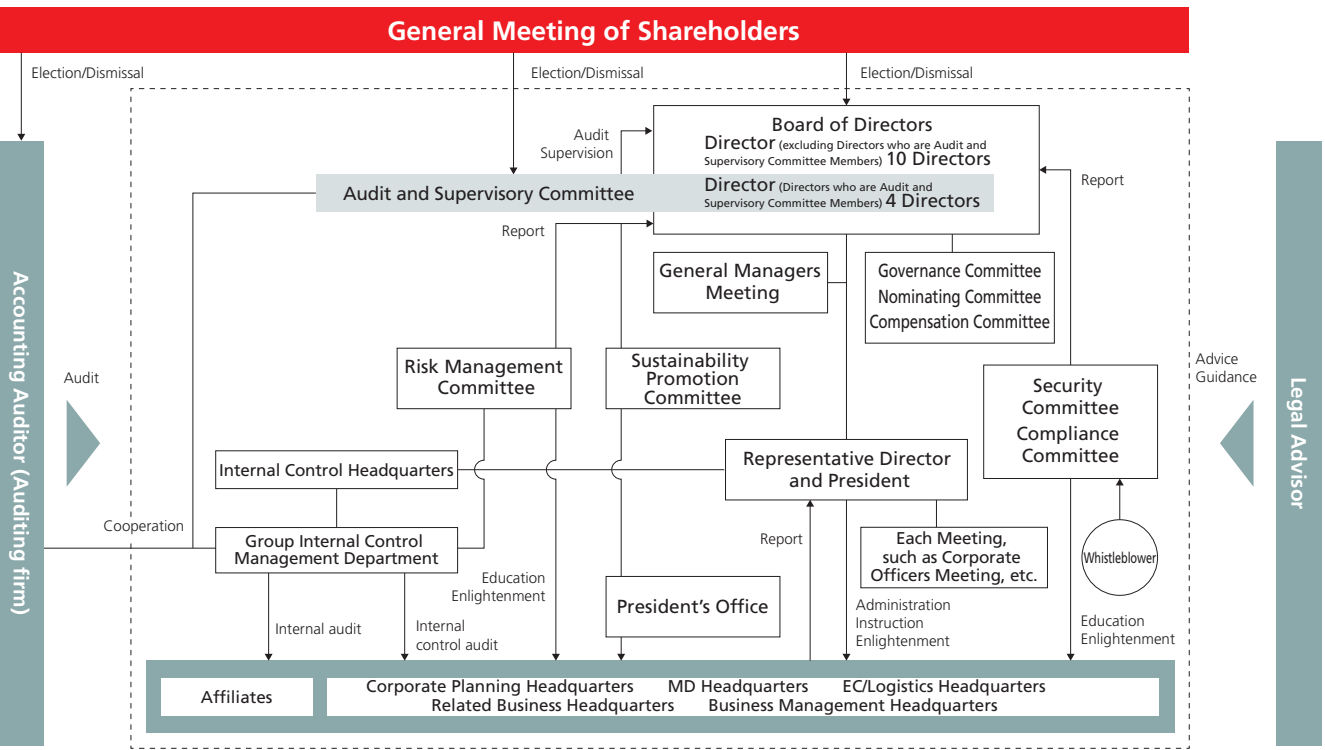
For outside directors (excluding those who are members of the Audit and Supervisory Committee), only basic remuneration is provided, as their role is to supervise and advise the management of the company and the entire Group from an objective standpoint.

For directors who are members of the Audit and Supervisory Committee, remuneration is determined through discussion among the directors who are members of the Audit and Supervisory Committee, taking into account the distinction between full-time and part-time positions, internal and outside directors, and division of responsibilities. Additionally, directors who are members of the Audit and Supervisory Committee receive only basic remuneration, as their role is to audit the execution of duties by directors (excluding those who are members of the Audit and Supervisory Committee) from an objective standpoint.

Effectiveness Evaluation of the Board of Directors

Our company conducts a self-assessment questionnaire for all officers participating in Board of Directors meetings to evaluate the effectiveness of the board, among other things. The questionnaire covers five items: the role of the Board of Directors, the operation of the Board of Directors, compliance with the Corporate Governance Code, an evaluation of the composition of the Board of Directors, and other matters. After collecting the self-assessment sheets, the Secretariat compiles, evaluates, and analyzes them, and the results are reported to the Board of Directors by the officer in charge.

With regard to the evaluation of the Board of Directors' effectiveness for the fiscal year ended August 31, 2022, the Board is generally considered to have maintained highly effective governance. However, the Company will strive for further improvement in its operations by implementing measures such as providing advance explanations of matters to be discussed.



| Executive classification | Total amount of compensation, etc. (million yen) | Total amount of compensation, etc. by type (million yen) | | | Number of eligible officers (persons) |
|---|--|--|---------------------------------|--|---------------------------------------|
| | | Fixed compensation | Performance-linked remuneration | Non-monetary compensation, etc., of the left value | |
| Directors (excluding Outside Directors) | 213 | 112 | 100 | — | 7 |
| Audit and Supervisory Committee Members (excluding Outside Directors) | 15 | 15 | — | — | 1 |
| Outside officer | 32 | 32 | — | — | 5 |

Governance

Corporate Governance

Skills Matrix of Directors

To achieve its Purpose, the Company believes that the core of corporate governance is to promote the materiality it has specified. It has established the 13 elements listed on the right as the skills that all directors should possess to make this a reality.

* The Company requires all directors to possess sustainability-related skills.

| Name | Gender | Management and Corporate Strategy | Sustainability* | Innovation | Product Development | Marketing | Store Development | M&A Business Strategy | IT Digital | Global Strategic Insight | Finance Accounting | Legal Risk | Diversity HR Wellbeing | IR Shareholder Engagement |
|--------------------|--------|-----------------------------------|-----------------|------------|---------------------|-----------|-------------------|-----------------------|------------|--------------------------|--------------------|------------|------------------------|---------------------------|
| Toru Akiho | Male | ● | ● | | ● | ● | | | | | | | | |
| Hitoshi Kawamura | Male | ● | ● | | ● | | ● | | | | | | | |
| Keiju Nakagawa | Male | ● | ● | ● | | | | ● | | | | | | |
| Toru Abe | Male | | ● | | | | | ● | | | ● | | | ● |
| Eiji Tamura | Male | ● | ● | | | ● | | | | | | | ● | |
| Nachika Nemoto | Female | | ● | | | ● | | | | | | ● | ● | |
| Yuji Nakazawa | Male | ● | ● | | ● | ● | | | | | | | | |
| Takeshi Uemura | Male | ● | ● | | | | | | | ● | | | ● | |
| Kiyoshi Tokuda | Male | ● | ● | ● | | | | | ● | | | | | |
| Masaru Nakamura | Male | | ● | ● | | | | ● | | ● | | | | |
| Noriko Otsuka | Female | | ● | | | | | | | | ● | ● | ● | |
| Yukiko Kishimoto | Female | | ● | | | ● | | | | | ● | ● | ● | |
| Koichi Sunayama | Male | | ● | ● | | | | | | | ● | ● | | |
| Takeshi Toshimitsu | Male | ● | ● | | | | | | | | ● | ● | | |



Hitoshi Kawamura
Director, Executive Vice President
Internal Control Headquarters
General Manager

Our Commitment to More Effective Governance

In an effort to boost transparency and enable prompt decision-making, our Board of Directors, including our Outside Directors, determines important management issues. In 2021, we restructured our organization to align with the corporate strategy determined by establishing our corporate purpose and identifying our materiality. This process led to the creation of a new Internal Control Headquarters. The role of the Internal Control Headquarters is to bolster our governance (internal audits and controls) and to reinforce our risk management practices. We understand that speedy decision-making in business requires governance to support it, and there is a need to take risks into account when making management decisions. We will work alongside our Outside Directors to monitor our management from a position that strengthens these foundations.

Compliance

To ensure that execution of duties by directors and employees complies with laws and regulations and the Articles of Incorporation, and to respect corporate ethics and fulfill social responsibilities, Bic Camera ensures that the Bic Camera Purpose and the Bic Camera Corporate Conduct Charter, the Basic Policies on Risk Management, and the Compliance Manual are fully understood by its directors and employees.

The officer in charge of compliance shall be the Director General of Business Management Headquarters, and the Legal Affairs Office shall be the division in charge of compliance. The General Affairs and Legal Affairs Department produces a manual on compliance for distribution to directors and employees, and conducts training, etc. to increase knowledge on compliance among directors and employees and to foster a sense of respect. The Company has established a compliance help desk, a consultation desk for inquires on personal information, and a consultation desk for inquires on product accidents, in

order to develop a framework for gathering and utilizing information obtained from within and outside the Company. The compliance help desk is operated in accordance with the Regulations on Protecting Whistleblowers, and the Company shall develop and hasten familiarity of a framework to allow directors and employees to easily consult or report any compliance violations, etc., within the Company, and to ensure that persons who have consulted or reported are not treated disadvantageously.

The department in charge of compliance creates an environment where directors and employees of related companies can easily consult or report on violations of laws and regulations within the company, and provides the necessary training to directors and employees of our Group according to their positions and job responsibilities. Additionally, Corporate Conduct Charter states that it “will firmly confront anti-social forces and organizations that poses a threat to the order and safety of civil society,” and deal with antisocial forces in a resolute attitude.

Information Security

The Company recognizes the importance of properly managing various information assets, including customer information and business partner information. The Company complies with laws and regulations concerning information security, guidelines set by the government, and other norms, and it strives to ensure the implementation of the Bic Camera Group Information Security Policy.

Furthermore, the Company has established a Computer Security Incident Response Team (CSIRT) and a private Security Operation Center (SOC) to ensure the safety of information systems and promote information security management.

Personal Information Security Initiatives

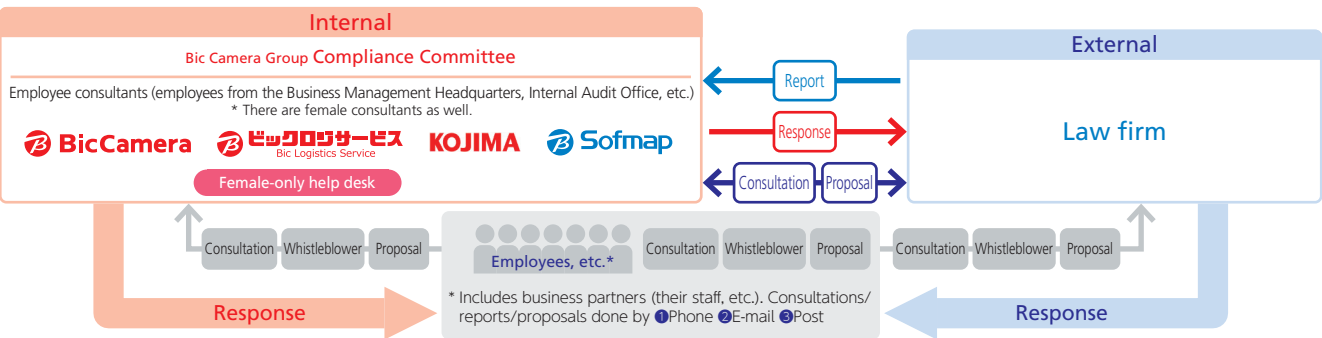
The Group handles a large amount of personal information, such as Bic Point Card member information and delivery and repair information, and recognizes the importance of protecting personal information. Accordingly, it has established a personal information protection policy and

strives to ensure it is fully implemented, and it has also formulated the “Basic Policy for Handling My Number, etc.” as a special provision. Moreover, the Group ensures that personal information remains accurate and up-to-date, and has established, implemented, and is maintaining a personal information protection management system related to the policies, systems, plans, implementation, inspections, and reviews related to protecting the rights and interests of individuals to prevent and address leaks, losses, or damage of personal information. It also takes necessary measures that include maintaining security systems, organizing internal management systems, and thoroughly training employees. In 2006, the Company obtained the Privacy Mark, and it has continued to protect and manage personal information.

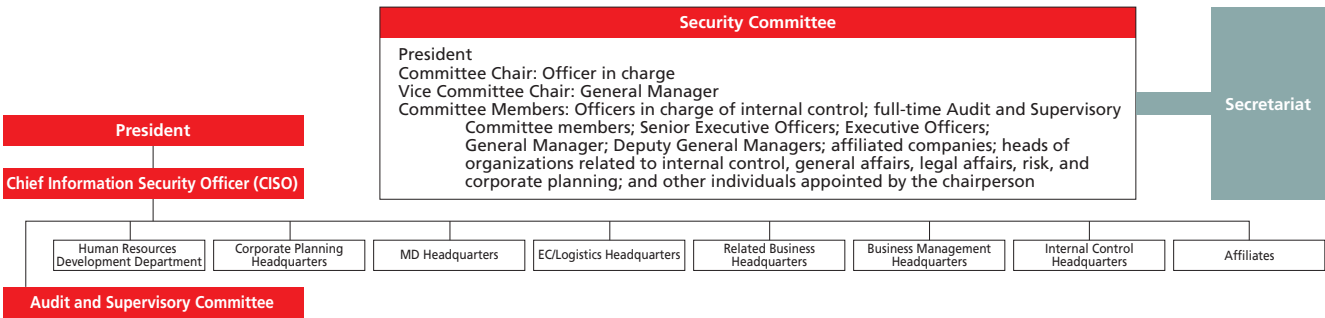


■ Registration Number 10580036(09)

Compliance Help Desk



Information Security Management System



Financial Review

Financial Highlights

| | Year ended August 31, 2018 | Year ended August 31, 2019 | Year ended August 31, 2020 | Year ended August 31, 2021 | Year ended August 31, 2022 |
|---|-------------------------------|-------------------------------|-------------------------------|-------------------------------|-------------------------------|
| Net sales | 844,029 | 894,021 | 847,905 | 834,060 | 792,368 |
| Operating profit | 27,055 | 22,943 | 12,066 | 18,217 | 17,863 |
| Operating profit margin (%) | 3.2 | 2.6 | 1.4 | 2.2 | 2.3 |
| Ordinary profit | 29,241 | 25,871 | 14,690 | 21,629 | 20,808 |
| Ordinary profit margin (%) | 3.5 | 2.9 | 1.7 | 2.6 | 2.6 |
| Profit attributable to owners of parent | 17,122 | 14,047 | 5,450 | 8,761 | 5,765 |
| Net profit margin (%) | 2.0 | 1.6 | 0.6 | 1.1 | 0.7 |
| Return on assets (ROA) (%) | 8.2 | 6.8 | 3.4 | 4.7 | 4.6 |
| Return on equity (ROE) (%) | 13.6 | 10.6 | 4.0 | 6.2 | 4.2 |
| Total assets | 365,598 | 400,451 | 472,074 | 454,466 | 456,466 |
| Net assets | 155,765 | 163,342 | 169,791 | 179,523 | 169,133 |
| Equity ratio (%) | 35.5 | 33.4 | 29.0 | 31.6 | 28.8 |
| Dividends per share (Yen) | 20 | 20 | 13 | 15 | 15 |

Operating Results for the Fiscal Year Ended August 31, 2022

Throughout the current fiscal year, the Japanese economy has been gradually recovering. While there is some weakness in corporate earnings, improvements can be seen overall, and both personal consumption and employment conditions are steadily improving.

In the consumer electronics retail industry, while sales were strong for mobile phones and steady for refrigerators, sales of TVs, video games, and PCs were weak, so sales were sluggish overall.

Under these circumstances, given our corporate philosophy of being “a group of specialty departments persistently seeking to evolve so that they can leverage their expertise and innovative spirit to propose richer lifestyles,” our Purpose has identified the following important management issues: enhancing initiatives aimed at a circular economy, increasing customer engagement, and increasing employee engagement. To achieve these goals, we are implementing three major strategies: promoting employee well-being, productivity improvement strategy, and growth strategy.

In terms of store expansion, we opened six new stores including Kojima x Bic Camera Utsunomiya Terrace (Utsunomiya City, Tochigi Prefecture), and Sofmap Co., Ltd. opened Sofmap AKIBA Ekimaekan (Chiyoda City, Tokyo) on April 29, 2022.

As a result, consolidated net sales for the current fiscal year were 792,368 million yen (834,060 million yen in the

same period last year), operating profit was 17,863 million yen (compared to 18,217 million yen in the same period last year), ordinary profit was 20,808 million yen (21,629 million yen in the same period last year), and net profit before income taxes was 14,649 million yen (19,540 million yen in the same period last year). Total income taxes amounted to 5,275 million yen, and profit attributable to non-controlling interests was 3,608 million yen, resulting in profit attributable to owners of the parent of 5,765 million yen (8,761 million yen in the same period last year) and a return on equity (ROE) of 4.2%.

Status of Assets, Liabilities, and Net Assets

Total assets at the end of the fiscal year increased by 2,000 million yen (a 0.4% increase YoY) to 456,466 million yen. The main factors behind this include an increase in accounts receivable of 4,171 million yen, an increase in other current assets including prepaid expenses of 5,553 million yen, an increase in machinery, equipment, and vehicle costs of 2,430 million yen, an increase in deferred tax assets of 3,653 million yen, and an increase in other investments and other assets, including long-term prepaid expenses, of 4,097 million yen, despite a decrease in cash and deposits of 17,891 million yen.

Total liabilities at the end of the fiscal year increased by 12,390 million yen (a 4.5% YoY) to 287,332 million yen. The main factors behind this include an increase in contract liabilities (current liabilities) of 34,390 million yen and an increase in contract liabilities (fixed liabilities) of 8,942 million

yen, despite a decrease in provision for point card certificates of 13,029 million yen and a decrease in long-term loans payable of 22,545 million yen.

Total net assets at the end of the fiscal year decreased by 10,389 million yen (a 5.8% decrease YoY), amounting to 169,133 million yen.

Cash Flows

In the current fiscal year, consolidated cash and cash equivalents (hereinafter referred to as “funds”) decreased by 19,321 million yen YoY, amounting to 89,536 million yen at the end of the fiscal year. The status of various cash flows and the factors behind them for the current fiscal year are as follows.

Cash flows from operating activities

Funds obtained as a result of operating activities amounted to 25,317 million yen (7,763 million yen in the same period last year). This was mainly due to net profit before income taxes of 14,649 million yen and depreciation amounting to 10,206 million yen, despite payments of 6,214 million yen in corporate taxes and other taxes.

Cash flows from investing activities

Funds used as a result of investment activities amounted to 18,076 million yen (12,356 million yen in the same period last year). This was mainly due to expenditures of 7,566 million yen for the purchase of tangible assets, 3,760 million yen for the purchase of intangible assets, and 4,413 million yen for the purchase of shares of subsidiaries resulting in a change in the scope of consolidation.

Cash flows from financing activities

Funds used as a result of financing activities amounted to 26,565 million yen (4,387 million yen in the same period last year). This was mainly due to a net decrease of 25,168 million yen in long-term borrowings (difference between income and expenditure) and 2,623 million yen paid in dividends, despite a net increase of 7,630 million yen in short-term borrowings.

Shareholder Returns

The Company regards returning profits to its shareholders as one of its most important management challenges. It has adopted a basic policy for implementing appropriate distribution of profits commensurate with performance. The Company will make effective use of internal reserves as capital for aggressive investments to expand its business foundation and strengthen its financial structure as it strives for continuous and stable growth.

The annual dividend for the current fiscal year was 15 yen per share (interim dividend of 5 yen and year-end dividend of 10 yen), with a dividend payout ratio of 45.2%.

Outlook for the Fiscal Year Ending August 31, 2023

The Japanese economy is expected to recover during the fiscal year ending August 31, 2023, as the transition toward life with COVID-19 progresses and the effects of various policies take hold. However, it is necessary to pay close attention to the impact of risks that could hold back the global economy, such as the continuation of global monetary tightening, rising prices, supply-side constraints, and fluctuations in financial and capital markets.

Given these circumstances, based on the corporate philosophy the Group has had since its founding of being “a group of specialty departments persistently seeking to evolve so that they can leverage their expertise and innovative spirit to propose richer lifestyles,” it will continue to work toward its three major strategies: promoting employee well-being first and foremost, productivity improvement strategy to refine quality, and implementing our growth strategy to expand volume.

Net sales

While the inbound market has not yet fully recovered, we expect the Group's net sales to increase by 3.9% YoY to 823,500 million yen due to the recovery of urban population flow, the further expansion of our e-commerce business, and corporate business.

Operating profit/Ordinary profit

While striving to reap results from our efforts to implement the aforementioned three major strategies, the Company will continue to focus on improving our gross profit margin and reducing expenses to expand profits. The Company expects to increase its own profits as well as those of Kojima Co., Ltd., but it anticipates a decrease in profits for Bic Life Solution INC. which will begin its water delivery business in September 2022, and for Nippon BS Broadcasting Corporation, due to content enhancements. As a result, the Group's overall operating profit is expected to decrease by 3.2% YoY to 17,300 million yen, and ordinary profit by 7.3% YoY to 19,300 million yen.

Profit attributable to owners of parent

We expect profit attributable to owners of the parent to increase by 35.3% YoY to 7,800 million yen, with an anticipated Return on equity (ROE) of 5.8%.

Bic Camera Group by the Numbers

01

Equity Ratio

28.8 %

Bic Camera Consolidated Fiscal Year Ended August 31, 2022

02

Cash Flow to Interest-Bearing Debt Ratio

5.3 years

Bic Camera Consolidated Fiscal Year Ended August 31, 2022

09

Number of Employees

4,552

Male: 3,390 Female: 1,162
Female employee ratio: 25.5%

* Officers, full-time employees, contract employees
* As of August 2022, Bic Camera only

10

Ratio of Female Directors

21.4 %

To promote diversity among directors, the Company has appointed three female directors.
In addition, it has appointed six outside directors, resulting in a ratio of 42.8%.
* As of November 2022; Bic Camera only

03

ROA

4.6 %

Bic Camera Consolidated Fiscal Year Ended August 31, 2022

04

ROE

4.2 %

Bic Camera Consolidated Fiscal Year Ended August 31, 2022

11

Percentage of Women in Management Positions

8.7 %

The numbers include managers (store managers, managers and above) and assistant store managers (considered section chief-level employees).
Utilizing their unique characteristics, women play an active role in stores and departments.
* As of August 2022, Bic Camera only

12

Number and Rate of Male Employees Taking Childcare Leave

35 employees 41%

+14 employees, +20 points YoY

By holding childcare system seminars and sharing case studies, the Company is fostering an environment where both men and women can easily take childcare leave.
* As of August 2022, Bic Camera only

05

CO₂ Emissions

+4.6 %

YoY

Through initiatives such as converting all store lighting to LEDs, the Company will contribute to reducing CO₂ emissions.
* Data as of March 31, 2022; combined results for Bic Camera, Kojima, and Sofmap (April 2021 - March 2022)

06

Energy Consumption

-0.9 %

YoY

In addition to installing LEDs in stores, the Company contributes to reducing energy consumption via thorough implementation of energy-saving rules.
* Data as of March 31, 2022; combined results for Bic Camera, Kojima, and Sofmap (April 2021 - March 2022)

13

Percentage of Employees with a Disability

2.47 %

+0.0 YoY

More than 160 employees are active mainly in stores.
There are job coaches (workplace adaptation supporters) to support them in their work and daily lives.
* As of June 2022, Bic Camera only

14

Reemployment Rate after Retirement

100 %

+16.7 points YoY

100% of those who continue to be employed after retirement as contract employees. The post-reemployment retirement system has been extended to 70 years of age. The Company is creating an environment that allows highly skilled members to thrive for a long time.
* As of August 2022, Bic Camera only

07

Small Rechargeable Battery Collection Results

29,351 kg 122.5 %

YoY

The company actively participates in the Small Rechargeable Battery Recycling Power-up Campaign sponsored by the Japan Portable Rechargeable Battery Recycling Center (JBRC), collecting small rechargeable batteries used in digital cameras, notebook PCs, and so on.
* Data as of March 31, 2022; combined results for Bic Camera, Kojima, and Sofmap (April 2021 - March 2022)

08

Small Home Appliance Recycling and Resource Recovery Results

162.7 t 87.8 %

YoY

The Company collaborates with enterprises certified under the Act on Promotion of Recycling of Small Waste Electrical and Electronic Equipment recognized by the Ministry of the Environment and the Ministry of Economy, Trade and Industry to collect and recycle computers and small home appliances.
* Data as of March 31, 2022; combined results for Bic Camera, Kojima, and Sofmap (April 2021 - March 2022)

15

Average Monthly Overtime Hours

12.50 hours

+2.06 hours YoY

Each organization clearly defines overtime targets and manages overtime hours, and weekly totals are calculated and distributed to managers, thus raising awareness of overtime hours.
* Fiscal year ended August 31, 2022, Bic Camera only

16

Home Appliance Product Advisers* Photo Masters

2,141 860

The Company aims to acquire advanced knowledge and improve customer service skills to provide proposals that stay a step ahead of customer needs.
* The number of Home Appliance Product Advisers includes Home Appliance Engineers and Smart Masters.
* As of February 2023; combined data for Bic Camera and Kojima

Company Information

Company Overview

| | | |
|------------------------|--|---|
| Company name | BIC CAMERA INC. | |
| Head office | 3-23-23, Takada, Toshima-ku, Tokyo | |
| Ikebukuro Headquarters | 2-49-7 Minami-Ikebukuro, Ikebukuro Park Building 5th & 6th Floors, Toshima-ku, Tokyo | |
| Established | May 1978 | |
| Company established | November 1980 | |
| Capital | 25,929 million yen (Fiscal year ended August 31, 2022) | |
| Number of employees | Consolidated: 9,699 employees | Non-consolidated: 4,552 employees (Fiscal year ended August 31, 2022) |
| Net sales | Consolidated: 792,368 million yen | Non-consolidated: 405,608 million yen (Fiscal year ended August 31, 2022) |
| Business description | Sales of audio visual products (cameras, TVs, recording devices/video cameras, audios), home appliances (refrigerators, washing machines, kitchen appliances, seasonal home electronics, personal care electronics, mobile phones), information communications equipment products (PCs, PC peripherals, mobile phones), other (video games, watches, used PCs, sporting goods, toys, glasses and contact lenses, liquors, food and soft drinks, drugs and daily goods) | |

List of Officers (As of November 17, 2022)

| | |
|------------------|---------------------------------------|
| Toru Akiho | Representative Director and President |
| Hitoshi Kawamura | Director |
| Keiju Nakagawa | Director |
| Toru Abe | Director |
| Eiji Tamura | Director |
| Nachika Nemoto | Director |
| Yuji Nakazawa | Director |
| Takeshi Uemura | Outside Director |

| | |
|--------------------|---|
| Kiyoshi Tokuda | Outside Director |
| Masaru Nakamura | Outside Director |
| Noriko Otsuka | Director and Audit and Supervisory Committee Member |
| Yukiko Kishimoto | Outside Director and Audit and Supervisory Committee Member |
| Koichi Sunayama | Outside Director and Audit and Supervisory Committee Member |
| Takeshi Toshimitsu | Outside Director and Audit and Supervisory Committee Member |

Major Group Companies (As of February 28, 2023)

| Company name | Business overview |
|---------------------------------------|--|
| WILBY INC. | Planning, development, and operation of web services |
| UMOKOBO CO.,LTD. | Manufacturing and sales of bedding |
| Sofmap Co., Ltd. | Purchases and sales of used computers, digital devices and mobile phones, as well as sales of new computers, digital devices and mobile phones |
| Tokyo Keikaku Co., Ltd. | Advertising agency, rental and management of real estate, operation of golf courses |
| Bic shuhan Co., Ltd. | Sales of liquors, food and soft drinks |
| BIC DIGITAL FIRM INC. | Development and maintenance of core systems of the Bic Camera Group |
| Bic Life Solution INC. | Planning, development, manufacturing, and sales of drinking water |
| Bic Logistics Service INC. | General cargo transport business and warehousing business |
| Ranet Co., Ltd. | Operation of mobile phone distributors |
| Tokyo Camera Distribution Association | Joint financial business |

| Company name | Business overview |
|------------------------------------|---|
| JANPARA Co., Ltd. | Purchases and sales of used mobile phones, used computers, etc. |
| Somobile co.,Ltd. | Operation of mobile phone distributors |
| TOSHIMA CABLE NETWORK CO., LTD. | Cable television broadcasting business |
| Nippon BS Broadcasting Corporation | BS digital broadcasting business |
| Kojima Co., Ltd. | Sales of home appliances, etc. |
| BICCAMERA TOTAL REFORM INC. | Renovation and remodeling of houses, etc. |
| Kokudosya co.,Ltd. | Publication and sales of children's books, etc. |
| Rironsya co.,Ltd. | Publication and sales of children's books, etc. |
| Future ecology Co.,Ltd. | Waste recycling processing |
| SELEN co.,Ltd. | Planning, development, and sales of security and safety equipment |

Group Network

(As of February 28, 2023)

