

BOOKOFF GROUP HOLDINGS

Financial Results Presentation Materials for the Fiscal Year Ended May 2024 (FY5/2024)

October 15, 2024

BOOKOFF GROUP HOLDINGS LIMITED

Securities code: 9278

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Fictitious purchases by employees, the improper recording of inventory and the possibility of the improper receipt of cash by using these actions were discovered at several stores operated by a BOOKOFF Group subsidiary. BOOKOFF Group Holdings established a Special Investigation Committee consisting of independent, neutral and fair experts from outside the group to conduct an investigation to clarify these cases.

The following information is a summary of the results of the committee's investigation.

	No. of cases (No. of stores)	Effect on financial statements (Absolute value, total)	Damage caused by embezzlement/theft
Fraud involving embezzlement/merchandise theft	8 (7 stores/1 site)	¥64 million	¥56 million
Other fraudulent activities	21 (19 stores)	¥17 million	-

The investigation confirmed the following facts concerning this incident:

- ✓ The fraud did not involve any organizational improper behavior.
- ✓ Individuals conducted fraudulent activities for the purposes of personal gain, achieving numerical targets of stores, and for other reasons.

An announcement concerning measures to prevent this type of fraud as well as penalties for individuals involved with these fraudulent activities is planned for early November.

Fraudulent activities had the following effects on earnings.

	Losses due to fraud	Investigation Committee expenses	Total consolidated effect
Operating profit	¥(68) million	-	¥(68) million
Ordinary profit	¥(68) million	-	¥(68) million
Profit before income taxes	¥(68) million	¥(550) million	¥(618) million

We sincerely apologize for any inconvenience and concern this may cause to our shareholders, investors, and other concerned parties.



FY5/2024 Overview of Consolidated Financial Results

BOOKOFF GROUP HOLDINGS

(Million yen)

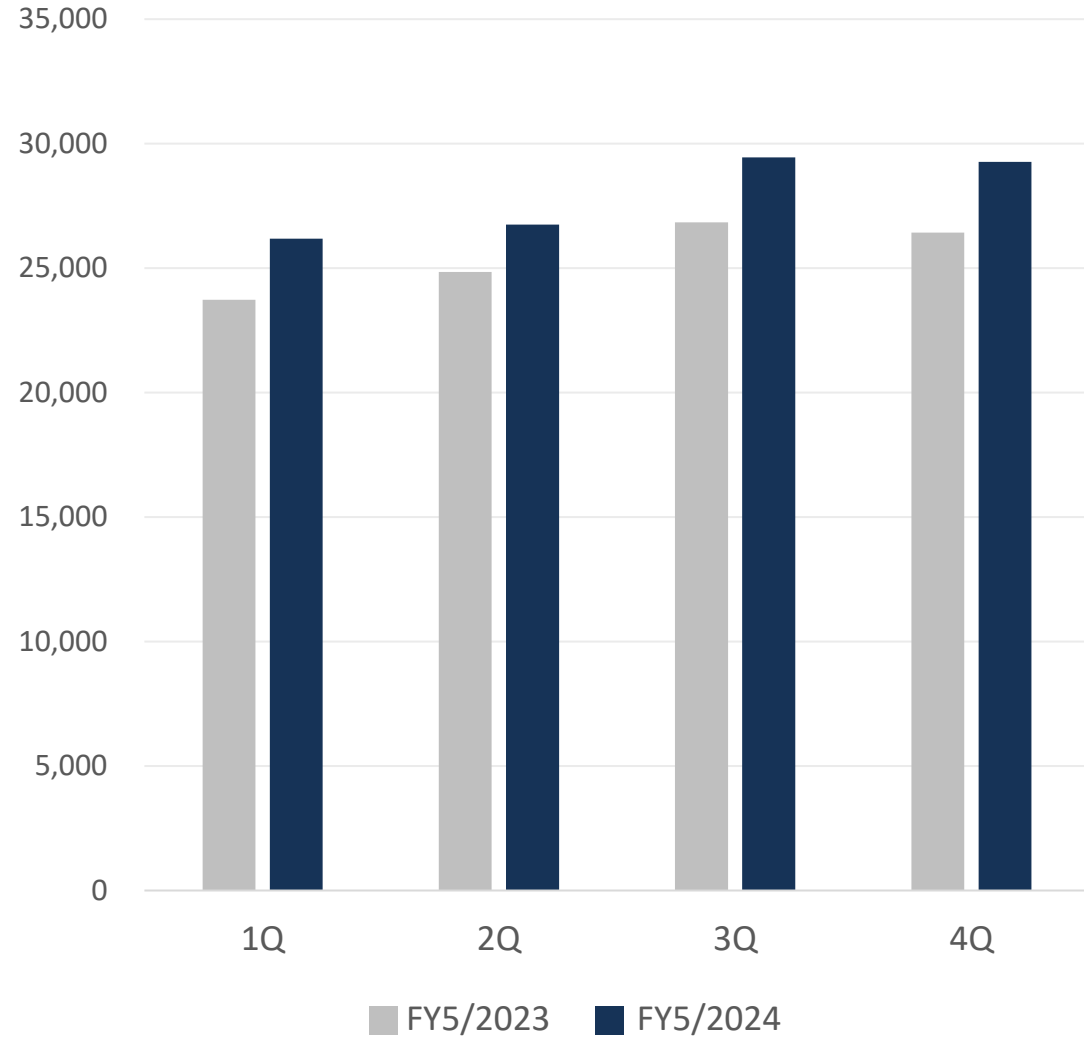
	FY5/2023	% to net sales	FY5/2024	% to net sales	YoY change (Amount)	YoY change (Ratio)
Net sales	101,843	100.0%	111,657	100.0%	+9,814	109.6%
Gross profit	58,416	57.4%	62,771	56.2%	+4,354	107.5%
SG&A expenses	55,838	54.8%	59,719	53.5%	+3,881	107.0%
Operating profit	2,578	2.5%	3,051	2.7%	+473	118.4%
Ordinary profit	3,040	3.0%	3,448	3.1%	+408	113.4%
Profit attributable to owners of parent	2,769	2.7%	1,705	1.5%	(1,064)	61.6%

- ✓ Net sales amounted to ¥111,657 million, a 9.6% increase from one year earlier as sales in all businesses were higher. Ordinary profit increased 13.4% to ¥3,448 million because of higher earnings in all businesses despite an increase in corporate expenses.
- ✓ Profit attributable to owners of parent was down 38.4% to ¥1,705 million mainly because of an extraordinary loss that includes a provision for special survey costs, etc. of ¥550 million and one-time items (see note below) that increased this profit in the previous fiscal year.

* A deferred tax addition to earnings resulting mainly from the reorganization of the BOOKOFF Group and a reexamination of prospects for recovering deferred tax assets

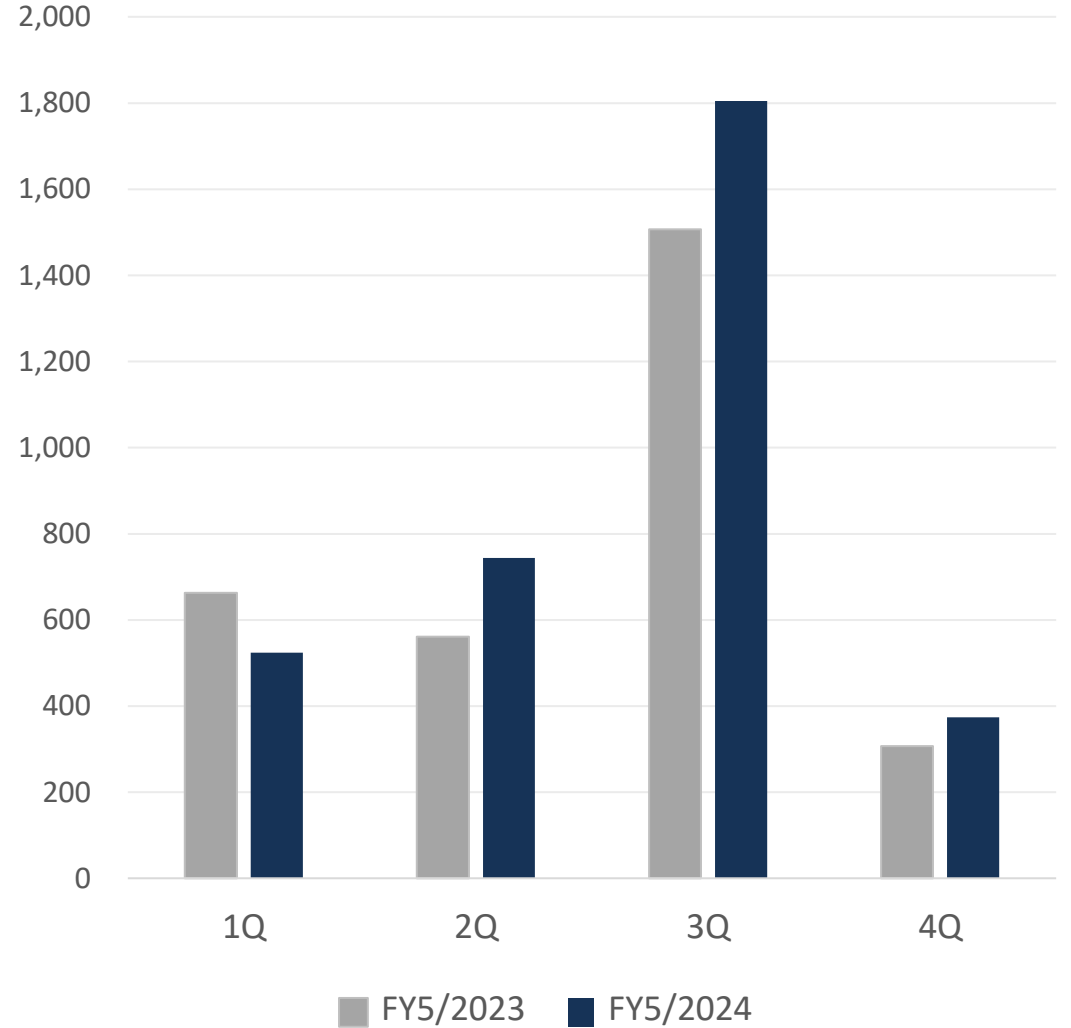
Quarterly Net Sales

(Million yen)



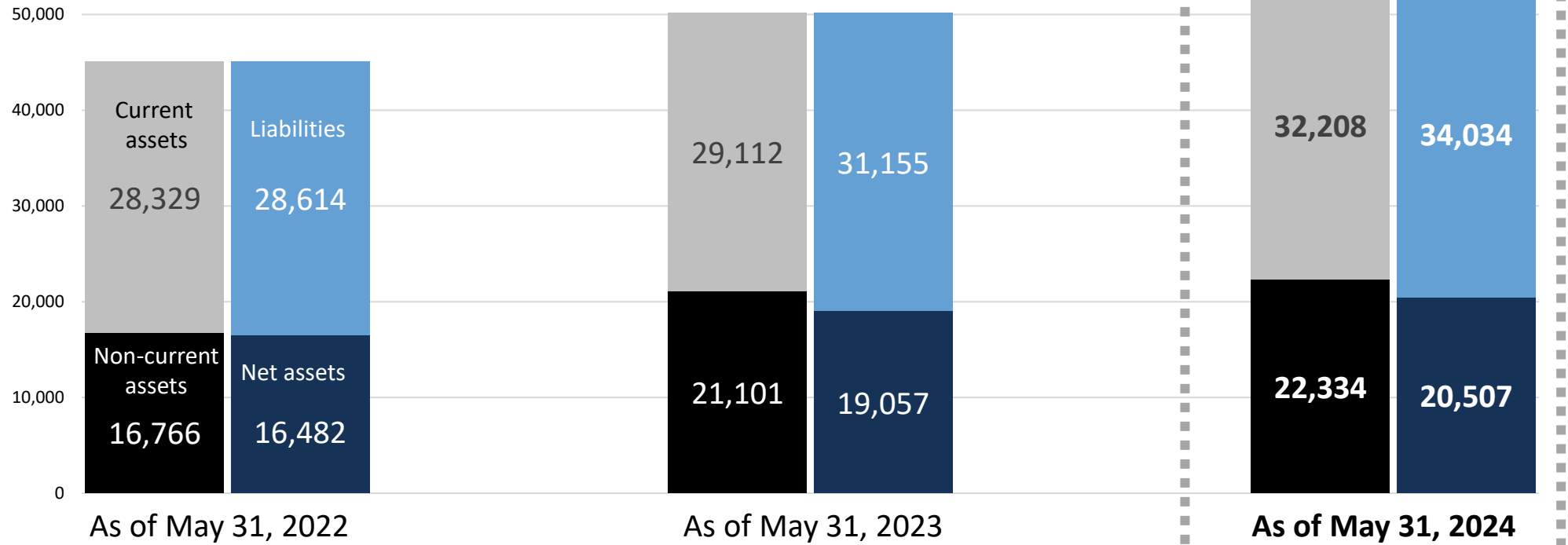
Quarterly Ordinary Profit

(Million yen)



Consolidated Balance Sheet

(Million yen)

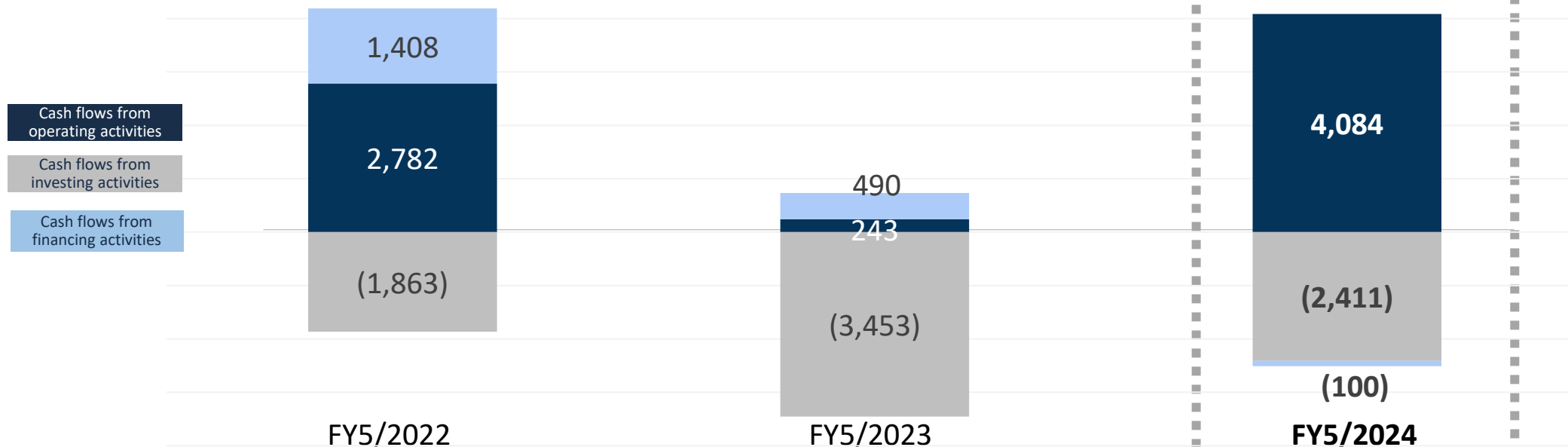


Total assets	45,096	50,213	54,542
Cash and deposits	8,203	5,544	7,180
Interest-bearing debt	17,028	18,147	19,166
Equity ratio	36.3%	37.6%	37.1%

- ✓ Current and non-current assets increased mainly because of continuation of new store openings and store remodeling in every business.
- ✓ Net assets increased due to an increase in retained earnings, while interest-bearing debt was on the rise.

Consolidated Statement of Cash Flows

(Million yen)



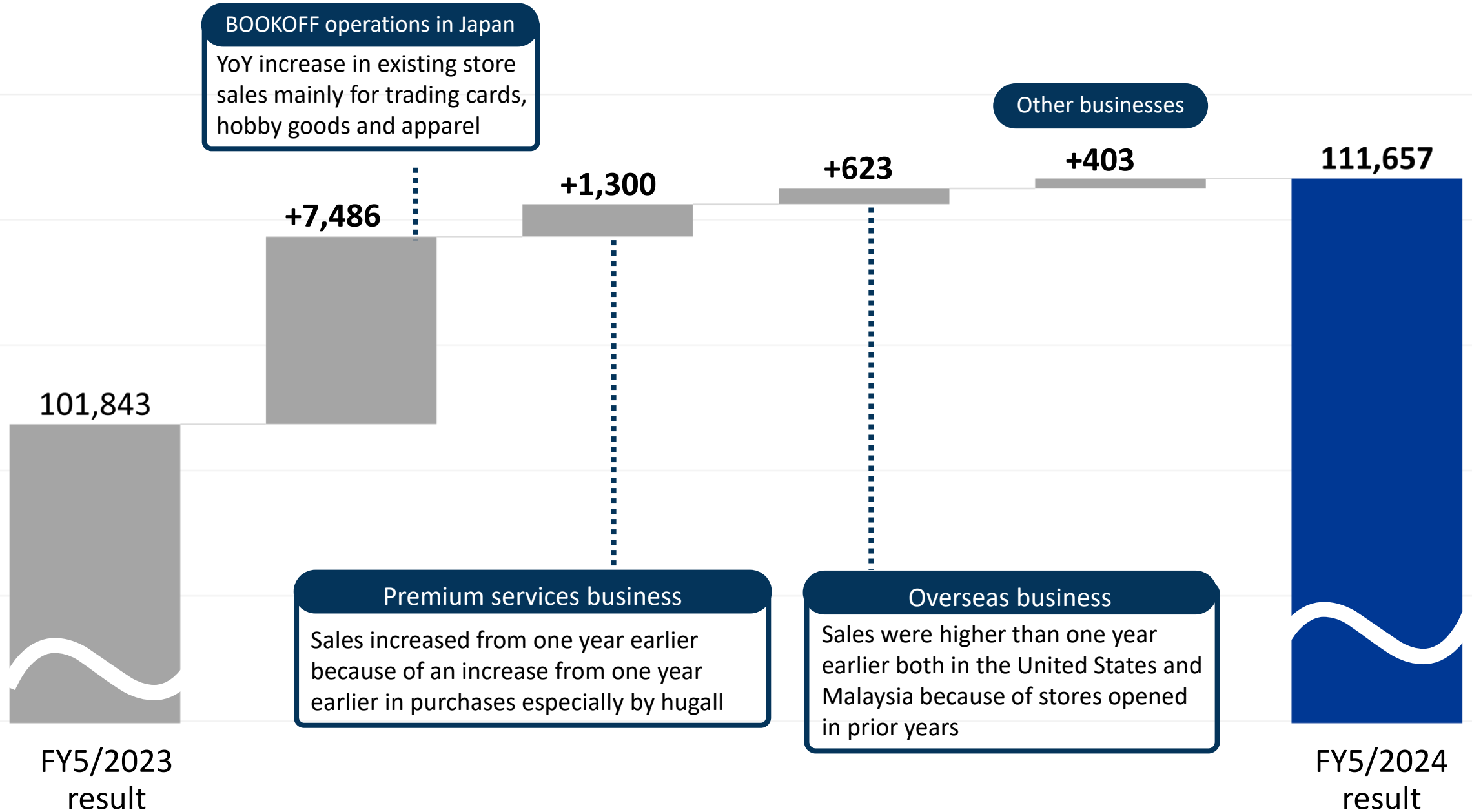
Net increase (decrease) in cash and cash equivalents	2,365	(2,658)	1,636
Depreciation*	1,572	1,698	1,901
Decrease (increase) in inventories	(1,591)	(2,142)	(1,136)

* Includes amortization of goodwill

- ✓ Operating cash flows significantly increased mainly due to a reduction in the amount of inventory increase in addition to higher operating profit
- ✓ Inventories increased in the BOOKOFF operations in Japan to raise the volume of business for precious metals, watches, high-end brand bags, trading cards and hobby goods. The return of the trading card market to normal levels following a sharp increase in prices held down the amount of the inventory increase.
- ✓ Investing cash flows were negative mainly because of continuation of opening and renovating many stores in every business.

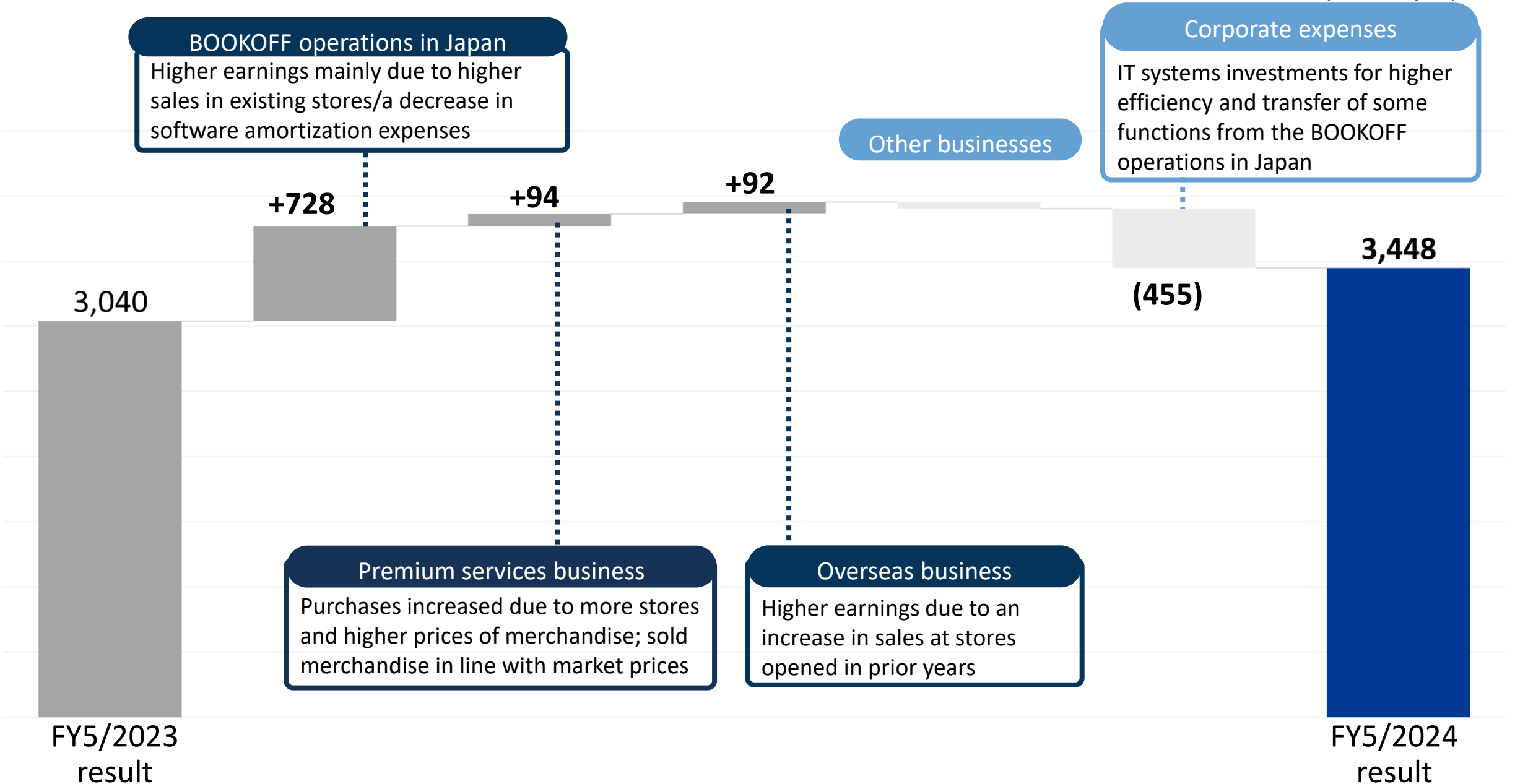
YoY Change in Consolidated Net Sales

(Million yen)



YoY Change in Consolidated Ordinary Profit

(Million yen)





FY5/2024 Business Segment Overview and Highlights

BOOKOFF GROUP HOLDINGS

Business Segment Results



(Million yen)

Business segment		FY5/2023	FY5/2024	YoY change (Amount)	YoY change (Ratio)
BOOKOFF operations in Japan	Sales	91,549	99,036	+7,486	108.2%
	Segment profit	3,774	4,503	+728	119.3%
Premium services business	Sales	5,449	6,750	+1,300	123.9%
	Segment profit	325	420	+94	129.1%
Overseas business	Sales	4,045	4,668	+623	115.4%
	Segment profit	631	724	+92	114.7%
Other businesses	Sales	798	1,201	+403	150.5%
	Segment profit	(123)	(175)	(951)	-
Adjustment (corporate)	Segment profit	(1,567)	(2,023)	(455)	-
Consolidated	Sales	101,843	111,657	+9,814	109.6%
	Ordinary profit	3,040	3,448	+408	113.4%



*1 Reportable segment categories were reclassified in the first quarter of FY5/2024. Prior-year figures reflect the new segment categories for comparison purposes.

*2 All business segment figures incorporate expenses involving fraudulent activities.

BOOKOFF Operations in Japan

Category	Store package	No. of stores opened	Total
Directly operated		5	8
Directly operated		2	
Directly operated		1	2
Directly operated		2	

Premium Services Business

Category	Store package	No. of stores opened	Total
Directly operated		1	4
Directly operated		3	

Overseas Business

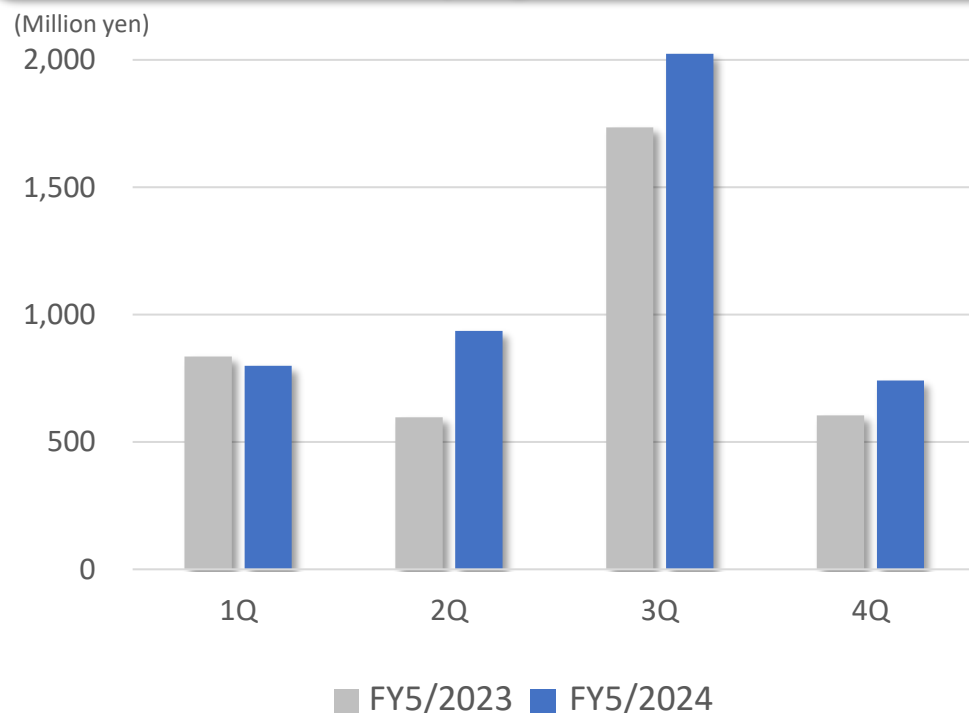
Category	Store package	No. of stores opened	Total
Directly operated		1	4
Franchised		1	
Directly operated		2	

- ✓ In the BOOKOFF operations in Japan, 48 existing stores were renovated. Sales areas were enlarged and trading card competition spaces added primarily to increase the volume of business for trading cards and hobby goods.
- ✓ Three premium services stores opened in the fourth quarter; contributions to earnings are expected to begin during FY5/2025.
- ✓ In the overseas business, stores were opened and there were capital expenditures for supplying a larger volume of merchandise in Malaysia.

(Million yen)

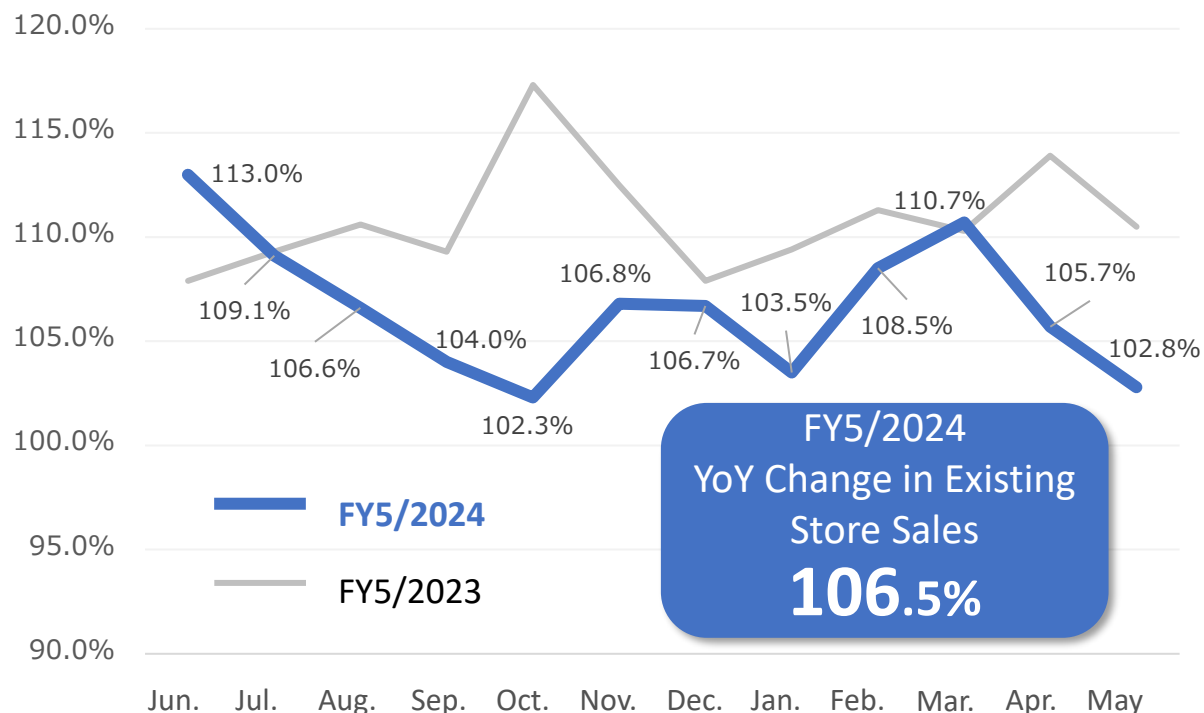
Business segment	FY5/2023	FY5/2024	YoY change (Amount)	YoY change (Ratio)
BOOKOFF operations in Japan				
Sales	91,549	99,036	+7,486	108.2%
Segment profit	3,774	4,503	+728	119.3%

Quarterly Segment Profit



- ✓ Sales were higher due to an increase in sales at directly operated existing stores mainly for trading cards, hobby goods, apparel, precious metals, watches and high-end brand bags. New stores also contributed to higher sales.
- ✓ A strong performance during the third quarter, when sales and earnings are highest, especially at directly operated existing stores.

YoY Change in Sales of Existing Stores



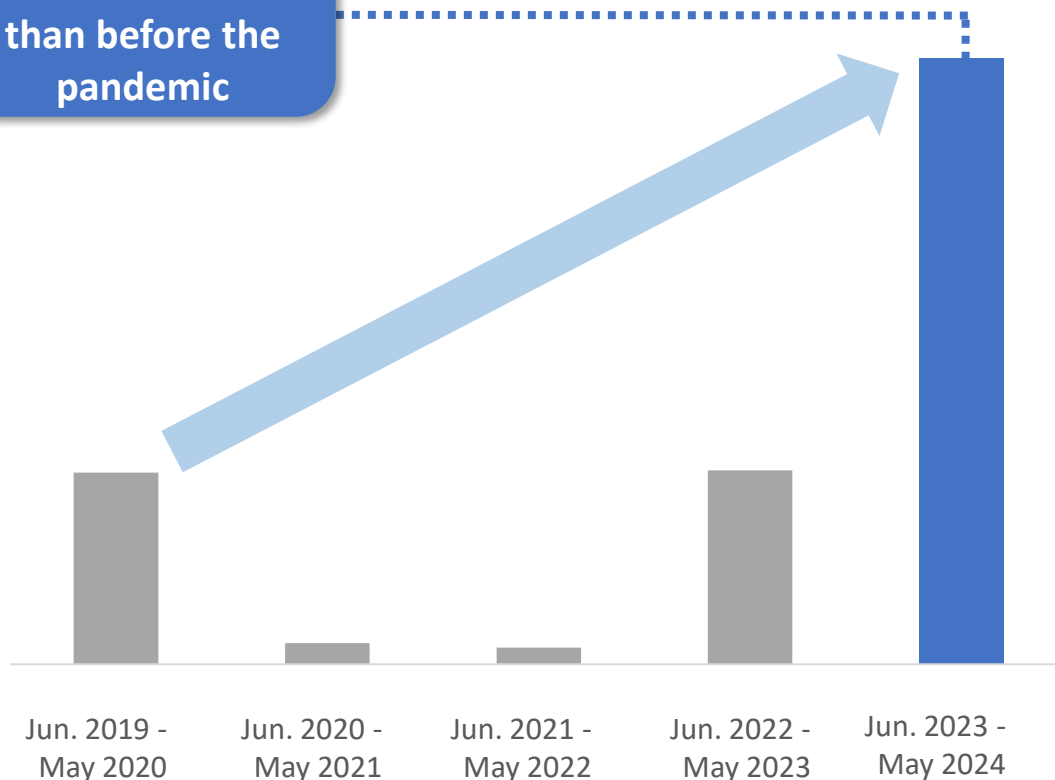
- ✓ Unit prices of trading cards were down in the second half following the rapid increase in prices of Pokémon cards in the previous fiscal year. Sales of hobby goods, a strategic category targeted for growth, were consistently high.
- ✓ Although a mild winter negatively impacted apparel sales, sales remained firm due to shifting inventory among different regions and replacing seasonal merchandise. Results also benefited from popularity of the reuse market.
- ✓ Sales of precious metals, watches and high-end brand bags were higher supported by rising prices and higher sales to foreign tourists.

YoY Change and % of Total Sales of Existing Store Sales by Product Category

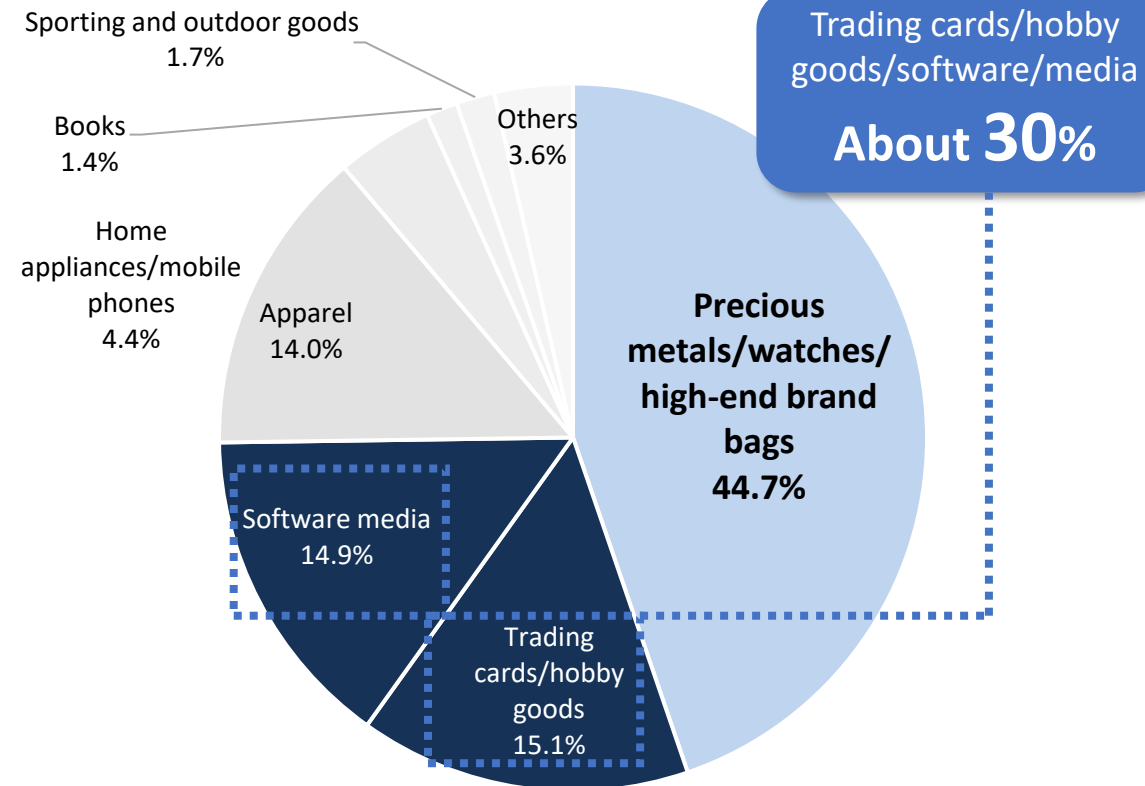
Categories	FY5/2024 existing store sales		FY5/2023 % to total sales
	YoY change	% to total sales	
Books	98.7%	23.6%	25.4%
Software/media (CDs, DVDs and games)	100.9%	23.8%	25.1%
Apparel	113.3%	11.6%	11.0%
Precious metals/watches/high-end brand bags	116.5%	9.2%	8.7%
Trading cards/hobby goods	113.5%	19.1%	17.6%
Home appliances/mobile phones	113.4%	4.9%	4.6%
Sporting and outdoor goods	109.4%	3.6%	3.4%
Others	109.4%	4.3%	4.2%
Total	106.5%	100.0%	100.0%

Sales to Foreign Tourists

3.1 times higher
than before the
pandemic



Sales Composition by Product Category



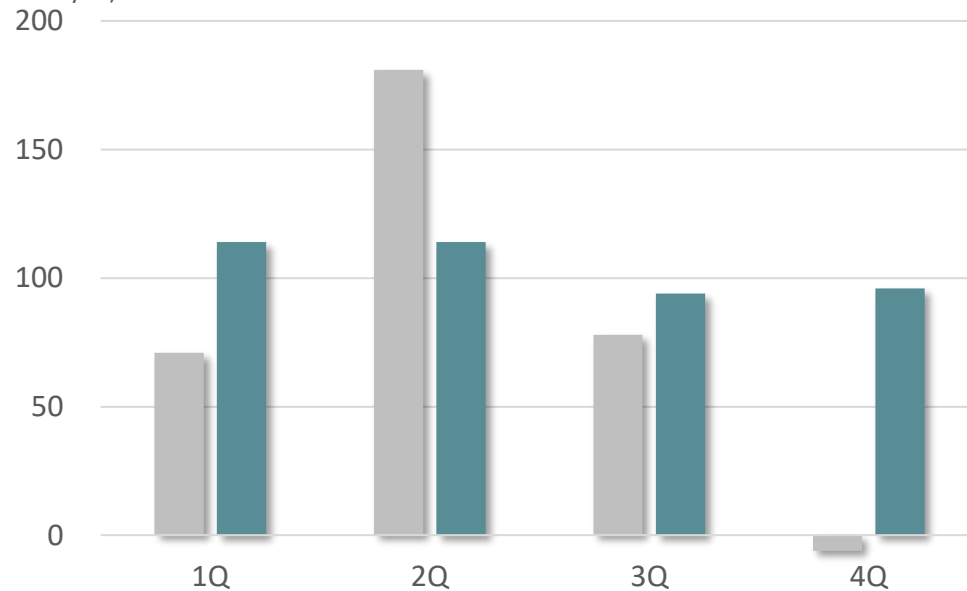
- ✓ Fiscal year sales to foreign tourists in Japan were more than 3.1 times higher than before the pandemic started. Tourists from East Asian countries were the largest share of these customers.
- ✓ Precious metals, watches and high-end brand bags were 44.7% of sales to foreign tourists in Japan. The trading cards/hobby goods and software/media category was second with a share of more than one-third.

(Million yen)

Business segment		FY5/2023	FY5/2024	YoY change (Amount)	YoY change (Ratio)
Premium services business	Sales	5,449	6,750	+1,300	123.9%
	Segment profit	325	420	+94	129.1%

Quarterly Segment Profit

(Million yen)

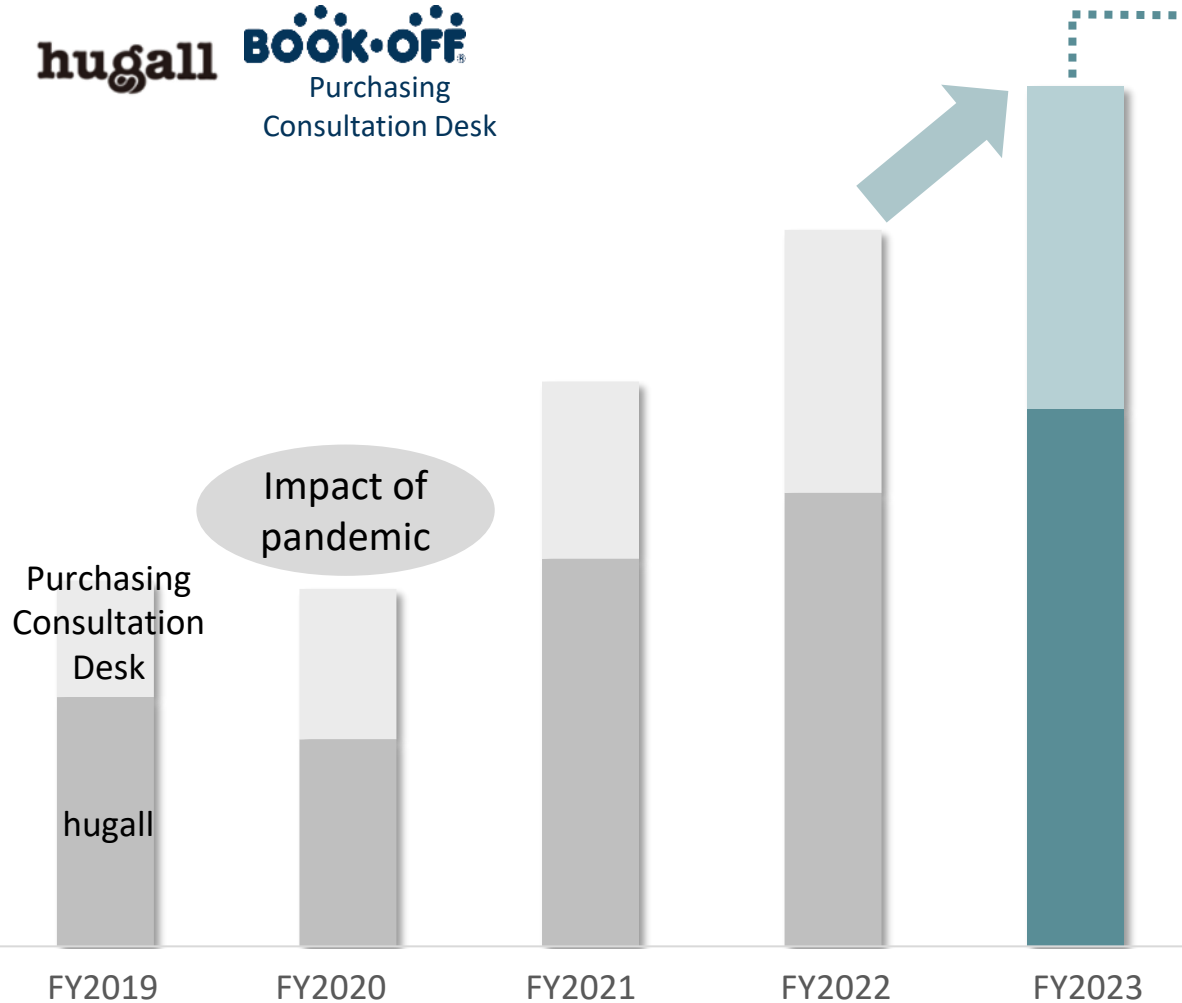


(50)

■ FY5/2023 ■ FY5/2024

- ✓ Sales increased because purchases of merchandise rose due to higher precious metal prices and more special events to purchase and sell items.
- ✓ The larger share of precious metal sales reduced the gross profit margin and there were expenditures to hire people for more growth of this business. However, the segment profit increased because this business was able to sell merchandise in line with market prices.
- ✓ Three BOOKOFF purchasing consultation desks opened in the fourth quarter.

hugall Business/BOOKOFF Purchasing Consultation Desks Purchases

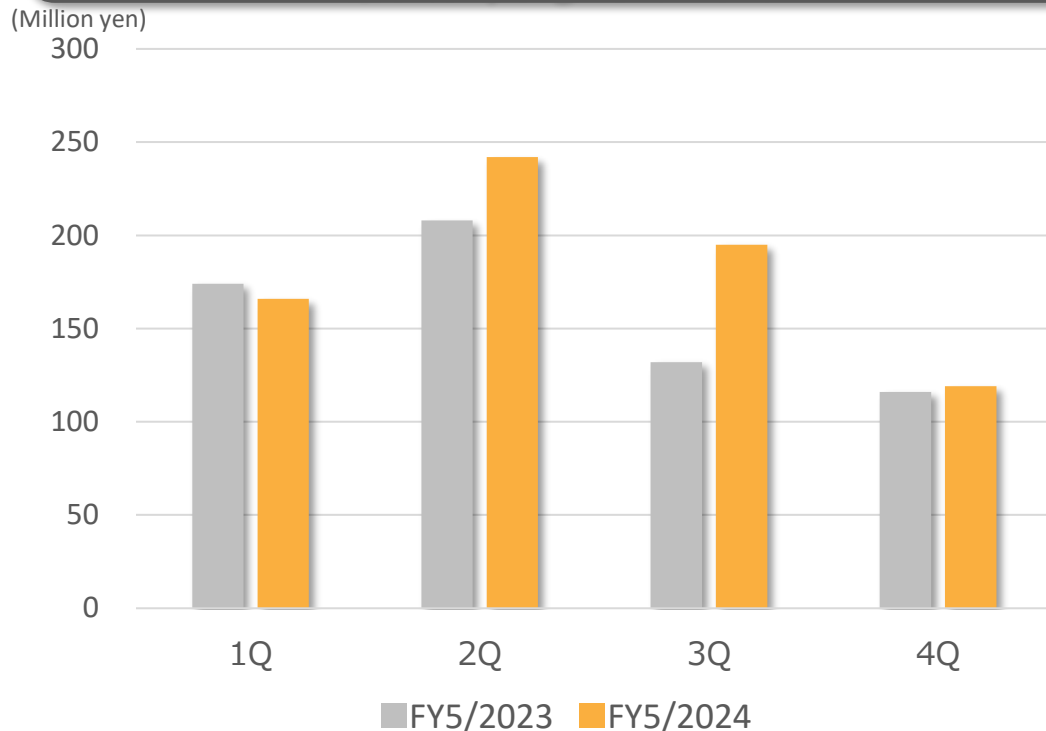


Up 20.1% YoY

- ✓ Purchases continued to increase mainly due to contribution of stores opened in FY5/2023 and FY5/2024 and rising prices of precious metals.
- ✓ Overall purchases increased because of more special events held by hugall and more purchases using alliances.
- ✓ As a result, FY5/2024 purchases were up 20% YoY.

Business segment		(Million yen)			
		FY5/2023	FY5/2024	YoY change (Amount)	YoY change (Ratio)
Overseas business	Sales	4,045	4,668	+623	115.4%
	Segment profit	631	724	+92	114.7%

Quarterly Segment Profit



- ✓ Sales were higher than one year earlier both at BOOKOFF stores in the United States and Jalan Jalan Japan stores in Malaysia because of contribution of stores opened in prior years.
- ✓ Earnings were higher while more people were hired for growth of this business and a large warehouse was relocated in Malaysia
- ✓ Opened a Jalan Jalan Japan directly operated store and two stores in the United States.

BOOKOFF USA Sales

Jalan Jalan Japan Sales

Up **8.8% YoY**

Up **12.2% YoY**



Lockdown

Lockdown

FY2019 FY2020 FY2021 FY2022 FY2023

FY2019 FY2020 FY2021 FY2022 FY2023



Medium-term Management Policies and Progress

BOOKOFF GROUP HOLDINGS

Corporate Philosophy

Contributions to society through our business activities

Pursuit of employees' material and spiritual wellbeing

Mission

Be a source of an enjoyable and prosperous life for as many people as possible

Vision

Be a leading reuse company
Be a company that can continue to grow while enabling all employees to do their jobs with confidence and enthusiasm

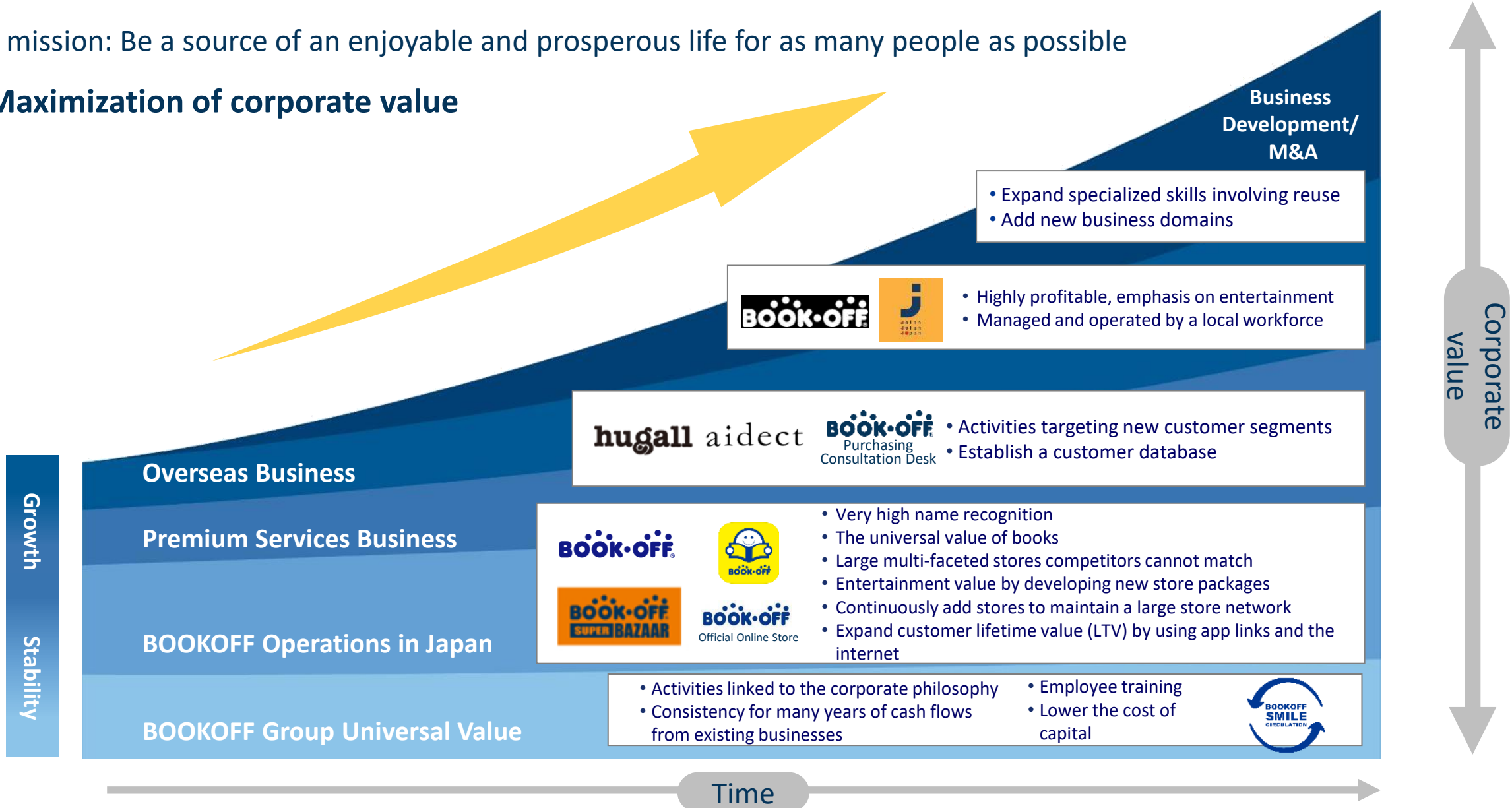
Business Strategy

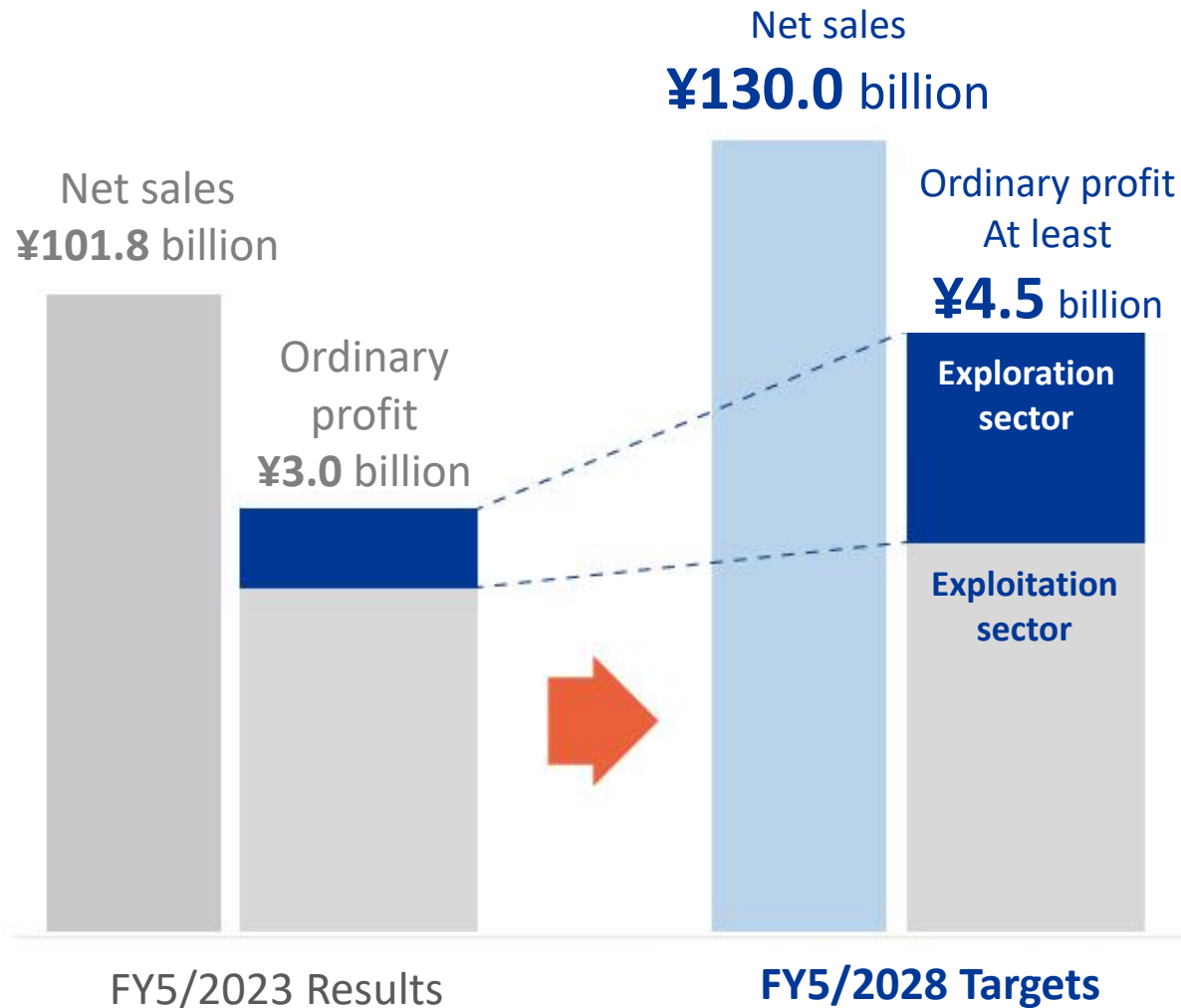
Sustained growth while exploration and exploitation

The BOOKOFF Group, more than just BOOKOFF
=Reshaping and expanding the business portfolio

Our mission: Be a source of an enjoyable and prosperous life for as many people as possible

= **Maximization of corporate value**





Premium Services Business	Overseas Business	Business Development Domain
<p>hugall</p> <p>BOOK-OFF Purchasing Consultation Desk</p> <p>aidect</p>	<p>J</p> <p>BOOK-OFF</p>	<p>Japan TCG Center</p> <p>BOOKOFF Clean-up Service</p> <p>CD-プラ CD recycling business</p>

BOOKOFF Operations in Japan

BOOK-OFF BAZAAR	BOOK-OFF	BOOK-OFF PLUS+
BOOKOFF Official Online Store	ASO-VIVA	

- ✓ The goal is earnings far above the previous record (ordinary profit of ¥3.8 billion) by increasing earnings in the exploration sector.
- ✓ Planning to increase consolidated profitability by raising the percentage of earnings from businesses in the exploration sector, which have high profit margins.

BOOKOFF Operations in Japan Medium-term Goals

Provide customers with the best possible reuse experience

More merchandise, centered on books, linked to local market needs

- Maintain gross profit of book purchases
- Make reuse item purchases even easier for customers
- Increase inventory visualization, ease of searches

Make BOOKOFF ultra-convenient, ultra-interesting

- More convenience
- Continue to add stores
- Develop new store packages

Customer Strategy	Purchasing Strategy	Digital Strategy	People Strategy
<ul style="list-style-type: none"> • More frequent store visits • More reasons to visit stores 	<ul style="list-style-type: none"> • Increase experience value • Cut customer expenses • Make continuous improvements 	<ul style="list-style-type: none"> • Improve useability • Larger selection of merchandise • More app functions 	<ul style="list-style-type: none"> • Hire a large number of people • Diversity of performance evaluations and career paths

✓ BOOKOFF in Japan is the group’s core business. The goals are to use capital more productively while maintaining the current level of profitability and to continue to direct people and know-how to growth businesses.

Merchandise Goals and Actions for Customers

Apparel, high-end brand bags, precious metals trading cards, hobby goods, sporting goods, etc.



Larger volume of merchandise by increasing the number of stores that buy and sell these items, developing store packages specializing in specific merchandise categories, and using other measures

Books and software/media



Books and software/media will remain the core categories. Aim to maintain the current level of gross profit by taking pricing actions and improving convenience for customers.

Ultra-convenient, Ultra-interesting (More Customer Points of Contact)



BOOK-OFF



ASO-VIVA

Continue adding stores, mainly by making existing stores larger



Strengthen the official smartphone app and customer relationship management



Deepening customer contact and store operations



Digital technologies for merchandise and customer management

Product Category Policies

Apparel, high-end brand bags, precious metals trading cards, hobby goods, sporting goods, etc.



Larger volume of merchandise by increasing the number of stores that buy and sell these items, developing store packages specializing in specific merchandise categories, and using other measures

Categories

Policies

Apparel

- **Increase the volume of mid/high price merchandise**
- Reexamine marketing/sales and merchandise display methods

High-end brand bags/precious metals

- Use the specialist program to upgrade services
- **More accurate product valuations by using AI devices for multi-faceted appraisals**

Trading cards/hobby goods

- **More trading cards for customers who are card players**
- More trading card playing space and more competitions
- For hobby goods, cover **more categories and enlarge sales areas**

Sporting goods

- Increase the volume of golf, outdoor and other types of merchandise that are sold **throughout the year.**

Categories

Policies

Books

- More quality books that can be sold without discounting
- **Increasing purchasing and selling prices for books due to rising prices in the market for new books**
- More shelves that prominently display value-added books; higher turnover ratio for mid-range price books

Software/media

- Increase the volume of games, records and other items that were popular as far back as several decades ago
- **Set prices to reflect changes in competitive dynamics**

Books and software/media



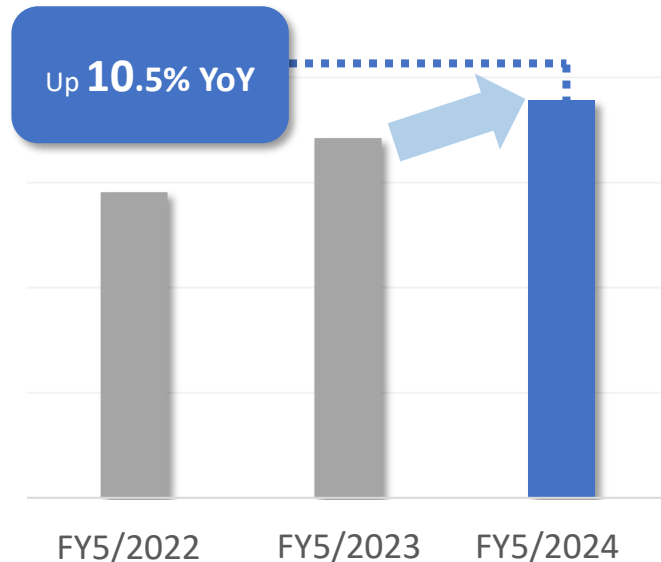
Books and software/media will remain the core categories. Aim to maintain the current level of gross profit by taking pricing actions and improving convenience for customers.

Store Pick-up Service



- ✓ No shipping charge for even one item
- ✓ Store pick-up service for online purchases
- ✓ Other store shopping when picking up an online purchase

Growth of store chain online purchase pick-ups



Cashless Purchasing Service



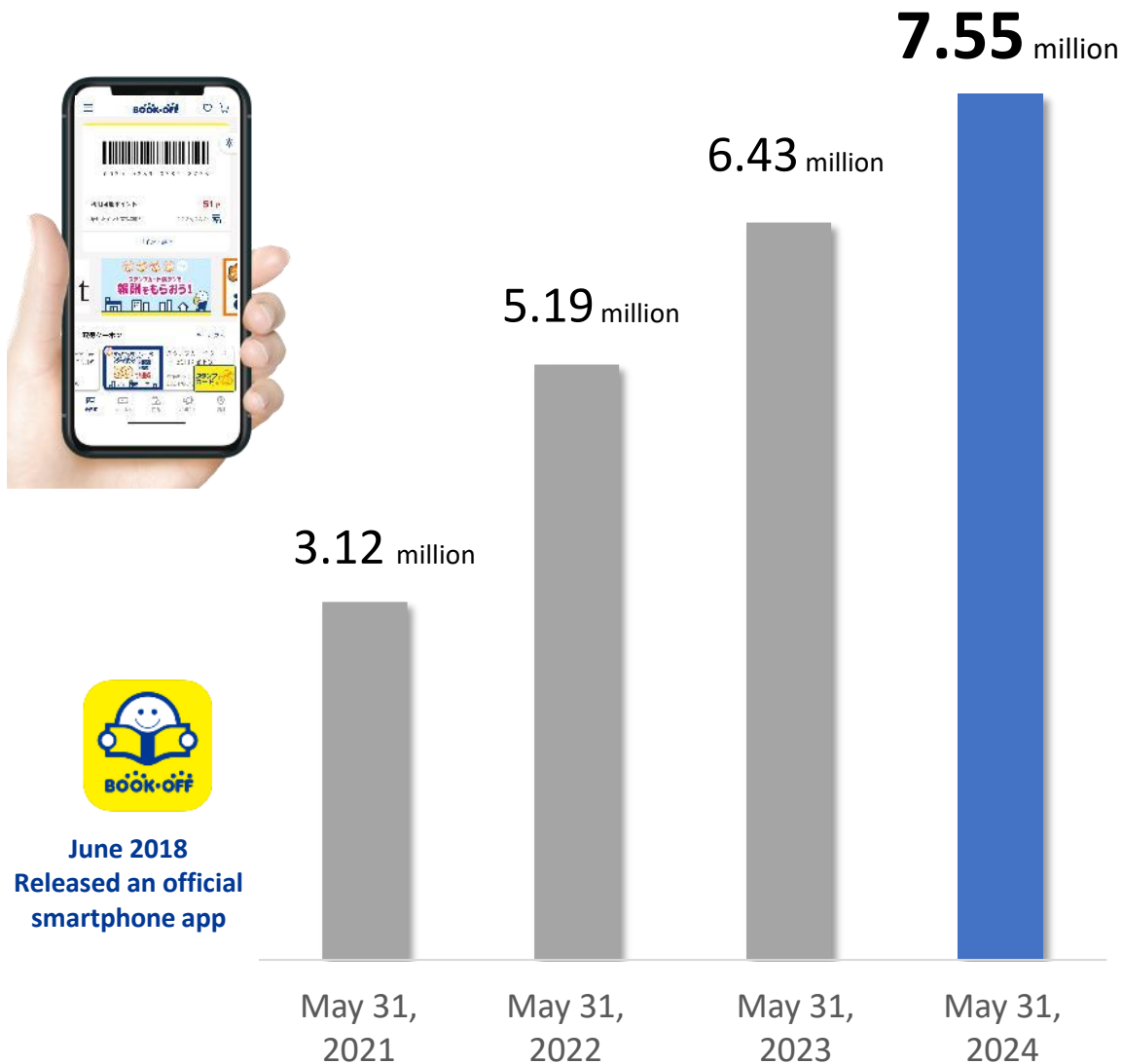
- ✓ Notices are sent to a smartphone
- ✓ No cash needed to receive merchandise

In-store Purchasing Service



- ✓ More than 50,000 items purchased since the service started two years ago
- ✓ No-wait purchasing raises experience value

BOOKOFF Smartphone App Members



Measures to Increase Use of App for Customer Categories

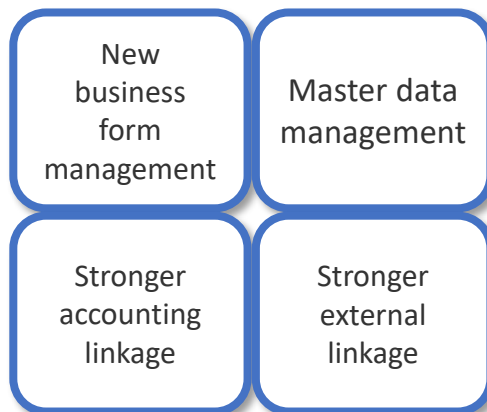
Loyal	Mid-range	Light	New
Loyalty program			App download points
		Points for store visits	
Birthday points/Dormant customer points			



- ✓ Different promotions and benefits for app members depending on their frequency of using BOOKOFF services
- ✓ While maintaining regular communications with members, upgrade functions to provide services that encourage members to purchase items as well as sell items to BOOKOFF

New Store POS Launched in December 2023

Store POS system upgrades



- ✓ The upgrade of e-commerce website, one of several large IT investments under way, was completed in September 2023.
- ✓ The store POS system upgrade started in December 2023 at selected stores and is to be expanded to the entire BOOKOFF Group, including franchised stores, during FY5/2025.
- ✓ As stated above, large investments were made in September and December 2023 during FY5/2024. As a result, FY5/2025 depreciation expenses are expected to be higher than FY5/2024.

More IT Investments

Rebuilding the purchasing website



A new platform for website operations

Greater user convenience/Better user contact

Cost reductions

Strengthen EC warehouse management system



Rebuilding of IT systems

Revised allocation logic to improve efficiency

Improved system for delivery vehicles

- ✓ Measures to rebuild the IT system to create a more powerful platform will continue.
- ✓ A variety of IT system investments to make business operations more efficient and strategic investments that include app improvements and ties with other companies to expand sales channels. Actions will be centered on the EC sales website that was launched in 2023.

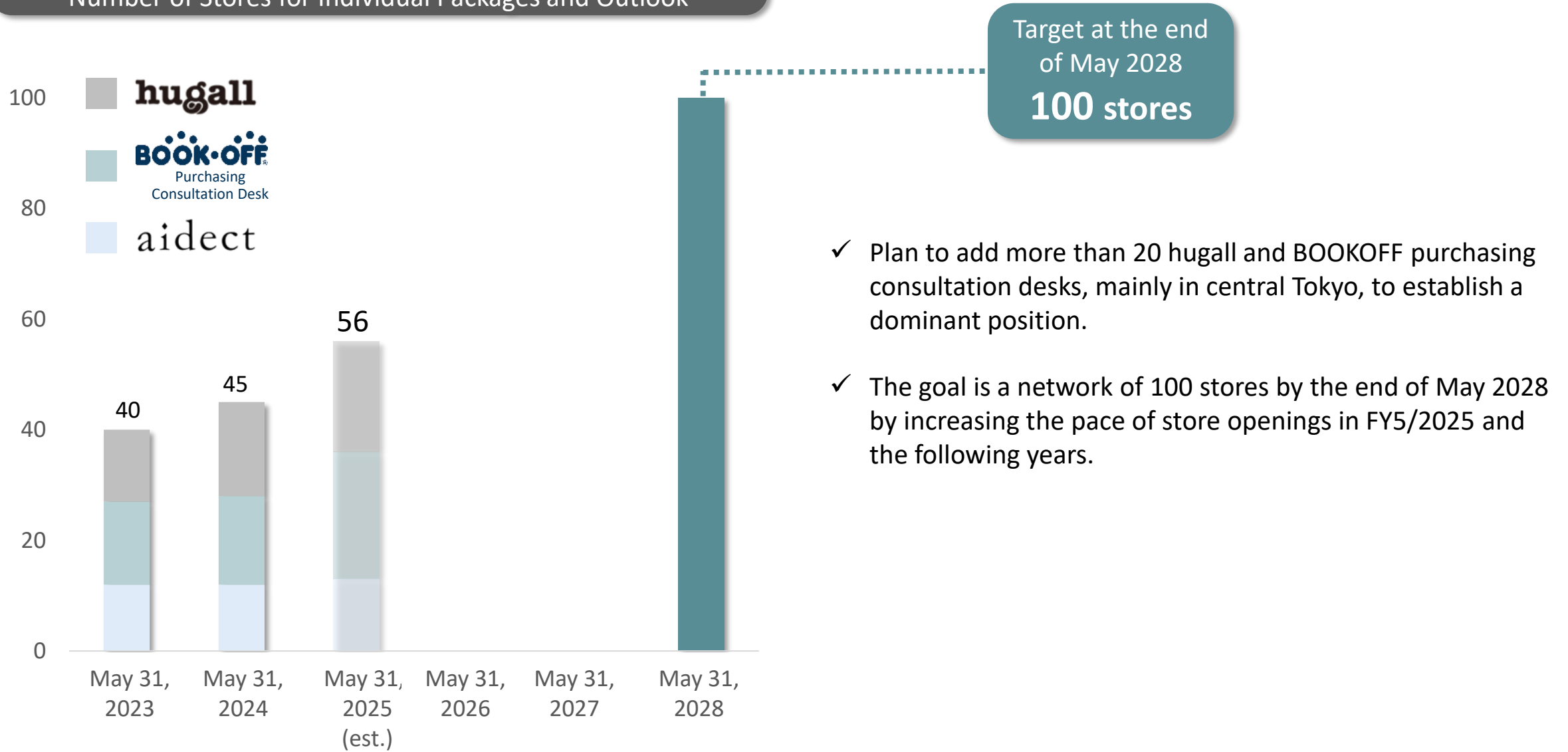
Premium Services Business Medium-term Goals

Primarily by opening more stores, this business is targeting customer segments that the BOOKOFF Group could not previously reach



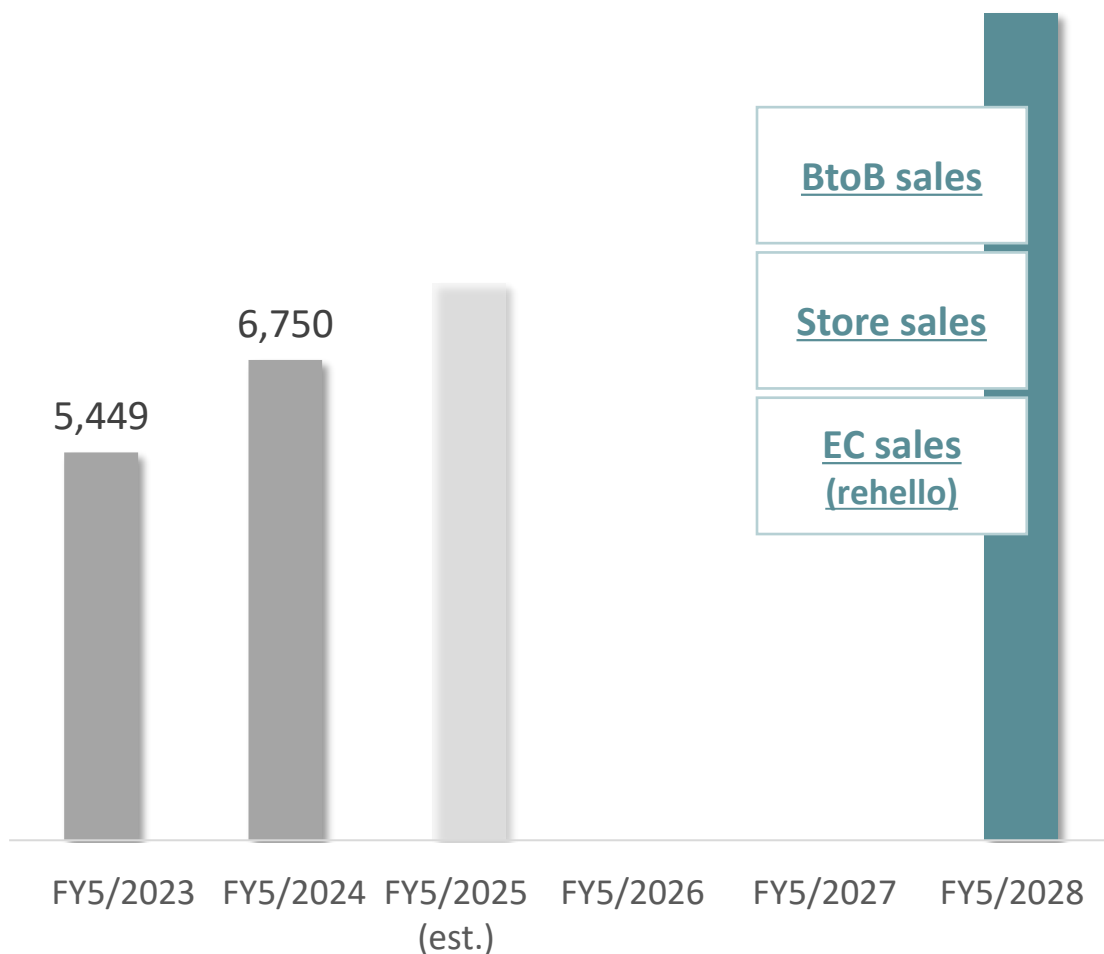
Source: Nomura Research Institute: Assets and households divided by net financial assets held

Number of Stores for Individual Packages and Outlook



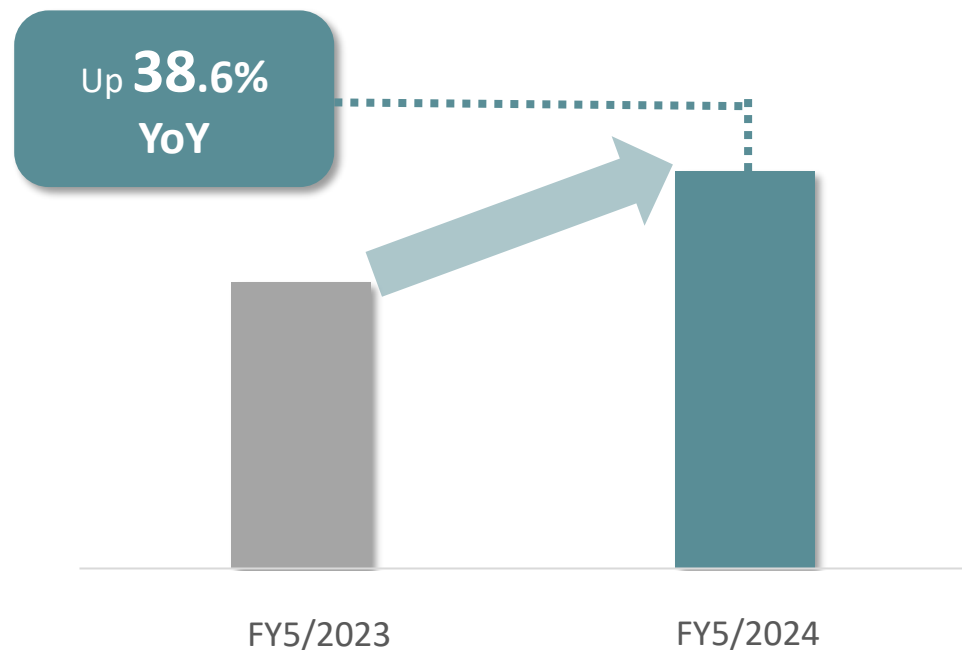
Sales Growth and Outlook

(Million yen)



- ✓ Merchandise purchased by hugall is sold mainly by using B-to-B channels.
- ✓ Merchandise purchased at BOOKOFF purchasing consultation desks is sold mainly on BOOKOFF's rehella EC website and at BOOKOFF SUPER BAZAAR stores of the BOOKOFF operations in Japan. (Some items are sold at BOOKOFF purchasing consultation desks.)
- ✓ The plan is more growth of sales using rehella as more BOOKOFF purchasing consultation desks are added and the volume of purchases increases.
- ✓ By continuing to open new locations in the Premium Services Business, the goal is to support the growth of the number of stores for every package, which is expected to raise the volume of purchases and merchandise sales.

Volume of business of the rehello EC website



- ✓ The rehello EC website was redesigned and upgraded in January 2023. The much larger range of merchandise and many new functions have supported steady growth in the volume of business.
- ✓ Started a store inspection and pick-up service
Customers can ask to see at a specific store an item listed on rehello that they are considering for a purchase to check the merchandise before making a final decision.



Overseas Business Medium-term Goals



Jalan Jalan Japan

- Continue to open stores in Malaysia and Kazakhstan
- Seeking opportunities to start operations in other countries
- Planning on a network of **50 stores** in FY5/2028
- Goal is a network of **100 stores** in FY5/2033



BOOKOFF USA

- Continue to add stores for dominance on the East and West Coasts
- Starting to open stores in very large inland cities
- Planning on a network of **30 stores** in FY5/2028
- Goal is a network of **100 stores** in FY5/2033

Larger volume of merchandise



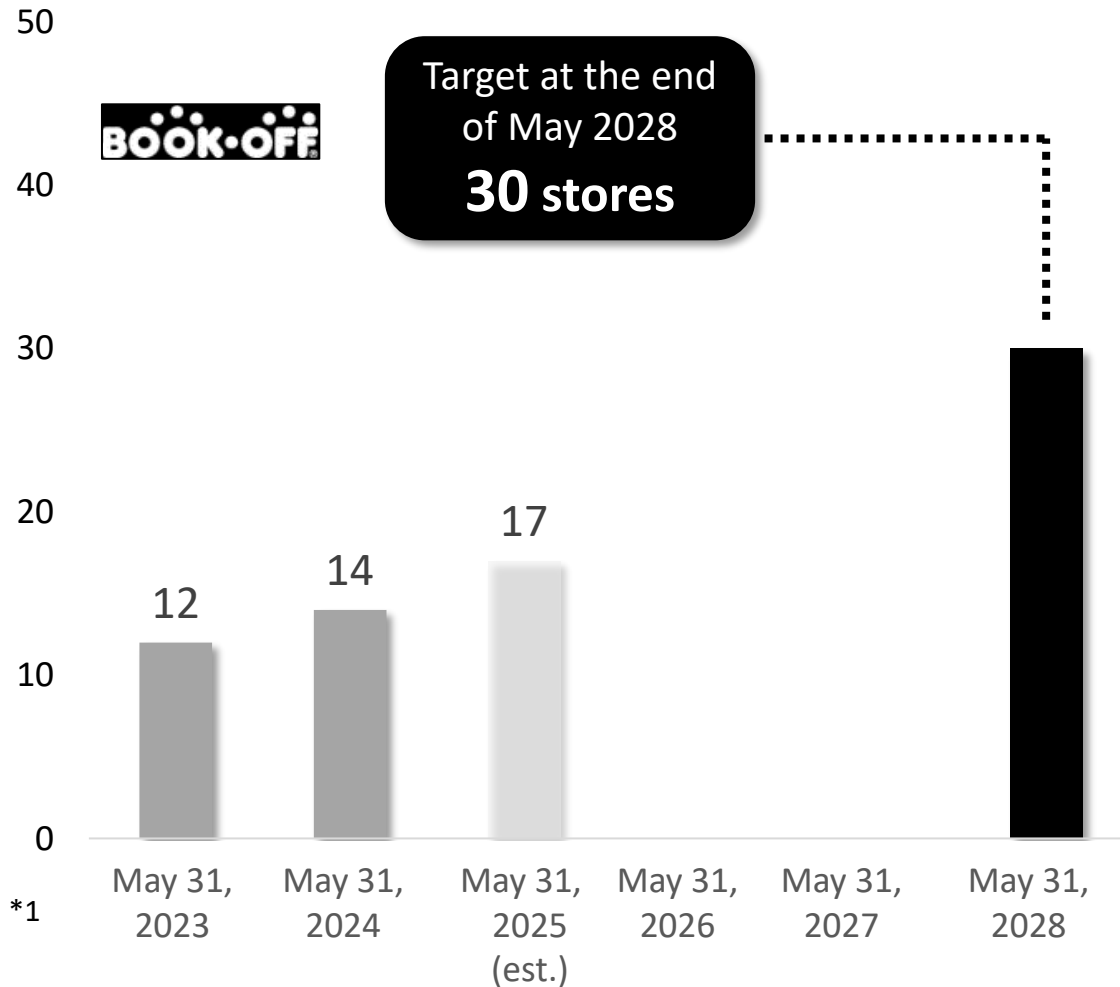
Actions in Japan to support overseas businesses

- **Increase the reuse of items** no longer needed by using activities of the BOOKOFF chain as well as joint activities with other companies and local governments.
- Use the growth of the JJJ store network to help create **society where nothing is discarded.**



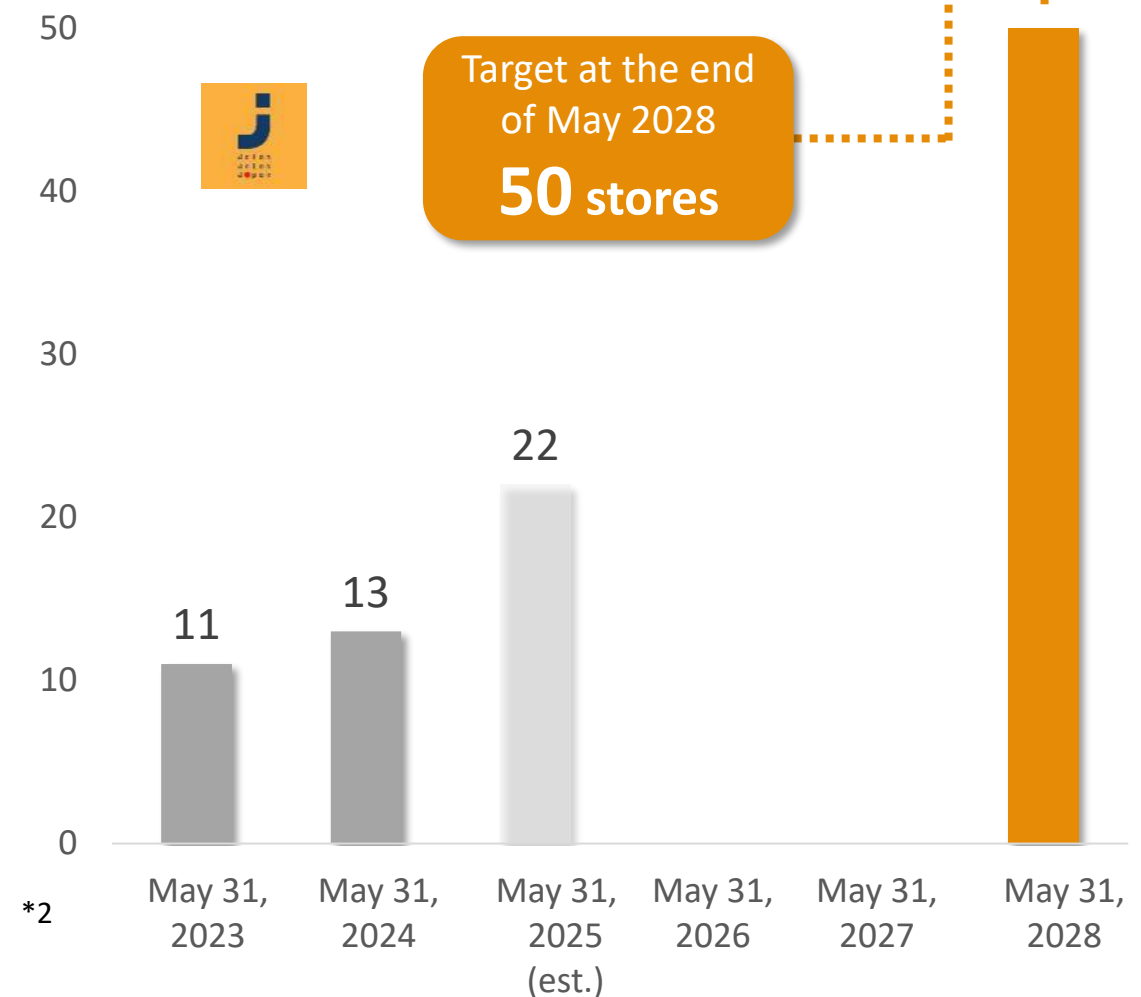
Circulate smiles for a better future

BOOKOFF USA Number of Stores and Outlook



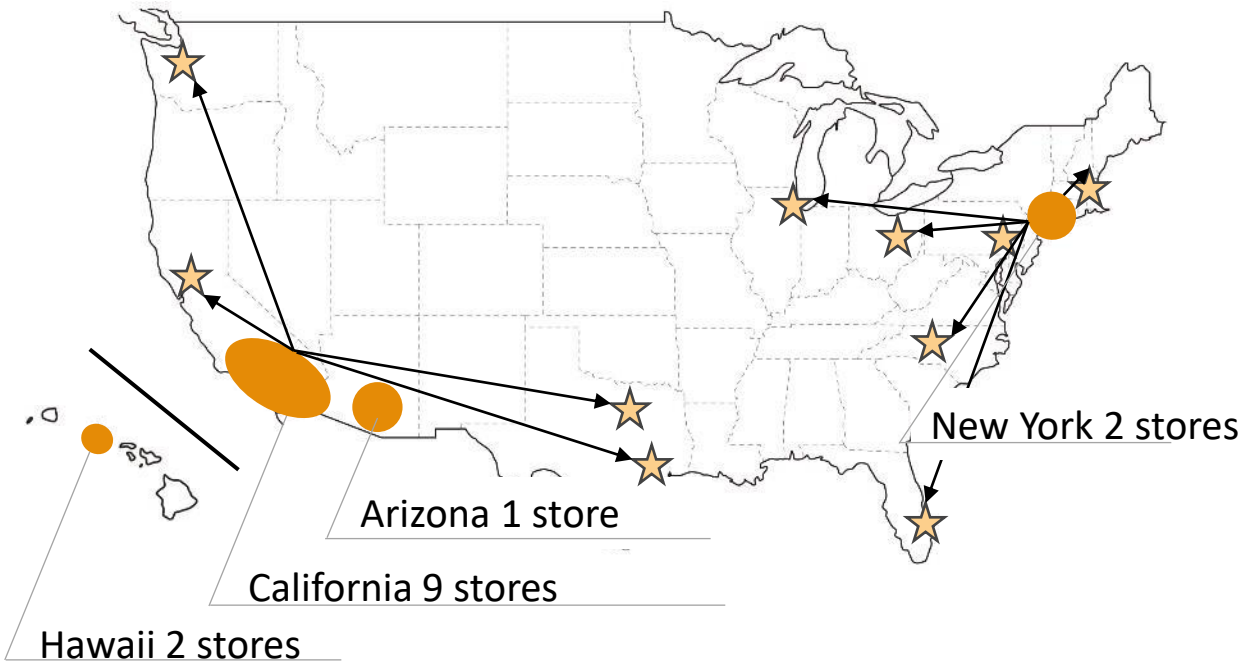
*1 The number of stores is different from the number included in the monthly report because overseas subsidiaries have a different fiscal year.

Jalan Jalan Japan Number of Stores and Outlook



*2 The number of stores is different from the number included in the monthly report because overseas subsidiaries have a different fiscal year.

USA



Standard model



BOOKOFF
MESA Store

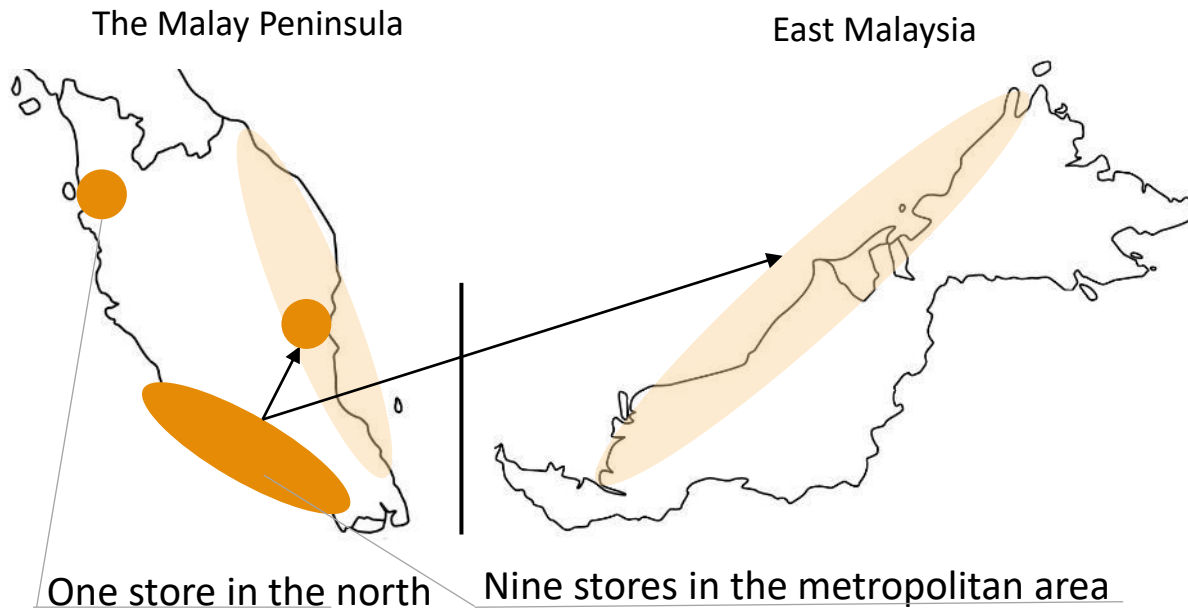
Anime store model



BOOKOFF
IRVINE Store

- ✓ The first store in Arizona opened (MESA Store) during FY5/2024.
- ✓ The plan is open stores in more major U.S. metropolitan areas (★) while continuing to add stores on the east and west coasts.
- ✓ While opening more stores, activities are continuing to develop a U.S. workforce including store managers for an infrastructure capable of self-reliant growth in areas where BOOKOFF operates.
- ✓ Most new stores will use the standard model or anime store model.

Jalan Jalan Japan (Malaysia)



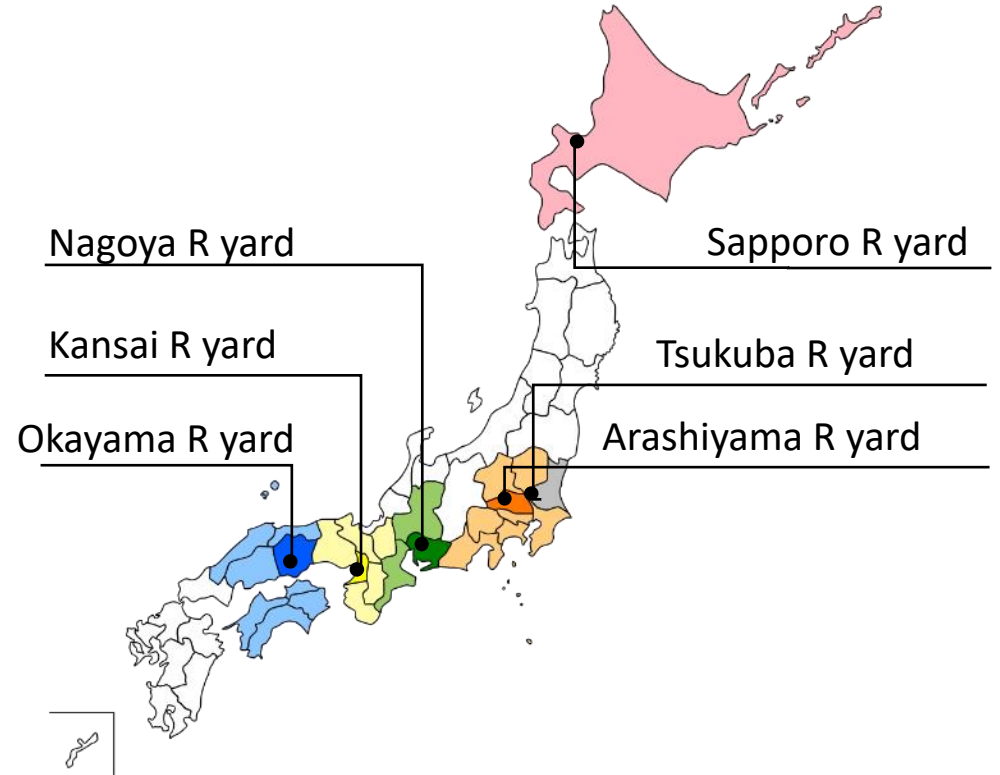
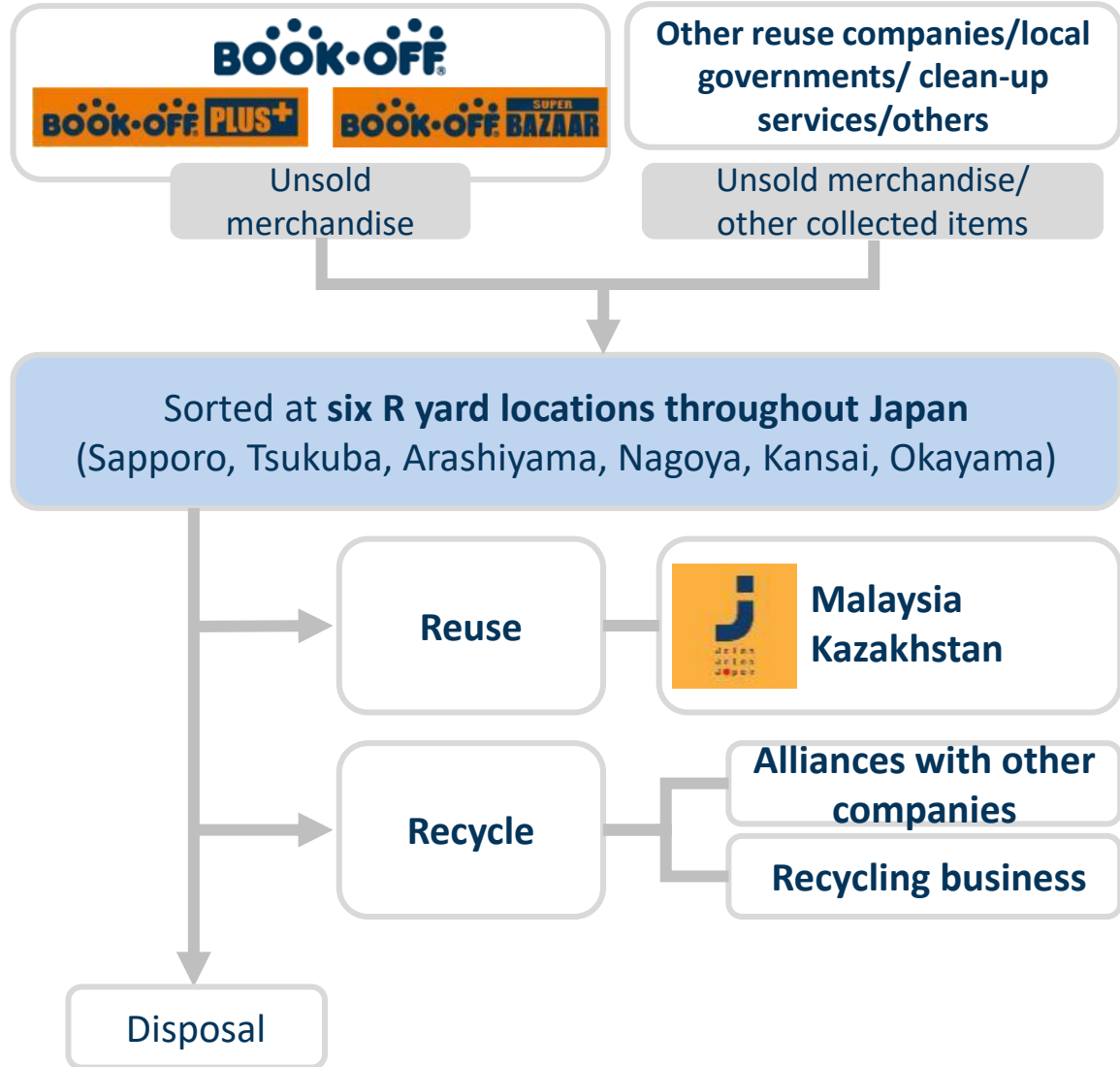
- ✓ Opened nine stores in the metropolitan area and one store in the north of the Malay Peninsula as of the end of May 2024.
- ✓ Planning on expanding store openings to include the east coast of the Malay Peninsula and East Malaysia. A store has already been opened at the Berjaya Mega Mall on the east coast.
- ✓ Sales are climbing steadily as more stores are opened.
- ✓ Studies are under way to establish store networks in areas in addition to Malaysia and Kazakhstan.

Jalan Jalan Japan (Kazakhstan)



- ✓ Two franchised stores opened in Almaty in January 2022 and October 2023.
- ✓ Due excellent prospects for growth in Kazakhstan, a jointly owned company was established in April 2024 for a direct management of operations in this country for faster growth of the store network.
- ✓ The first step is establishing a dominant presence in Almaty. Next will be new stores in other major cities of Kazakhstan.

R Yard Network in Japan and Reuse/Recycle



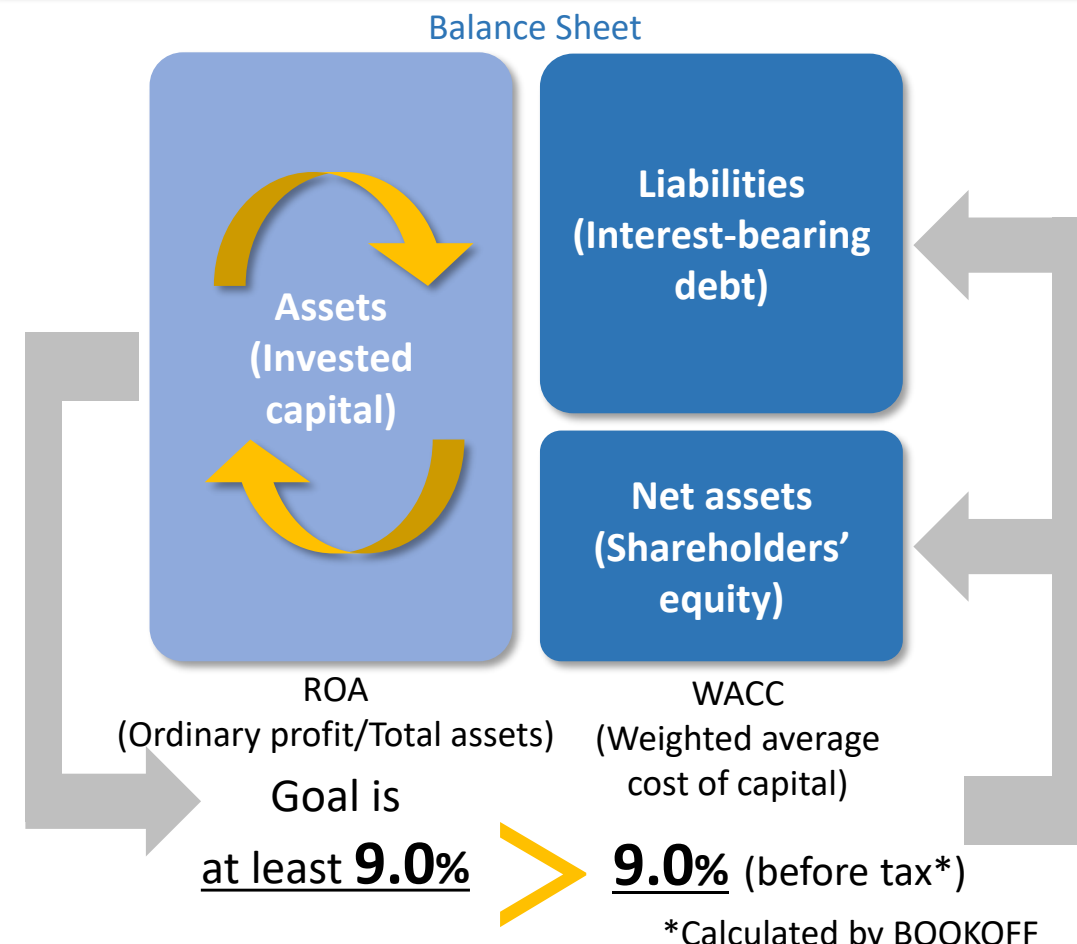
Categories	Material/Reuse
Books	Used paper
Software/media	Recycled plastic materials
Apparel	Rags/Recycled natural textiles
Household products	RPF (solid fuel)
Home appliances	Recycling of small home appliances

- Make substantial investments with emphasis on growth businesses in order to **raise earnings to a new record (ordinary profit of ¥3.8 billion)**
- Reflect the cost of capital in activities and improve the return on capital in order to **generate excess earnings (economic added value)**

Numerical Targets

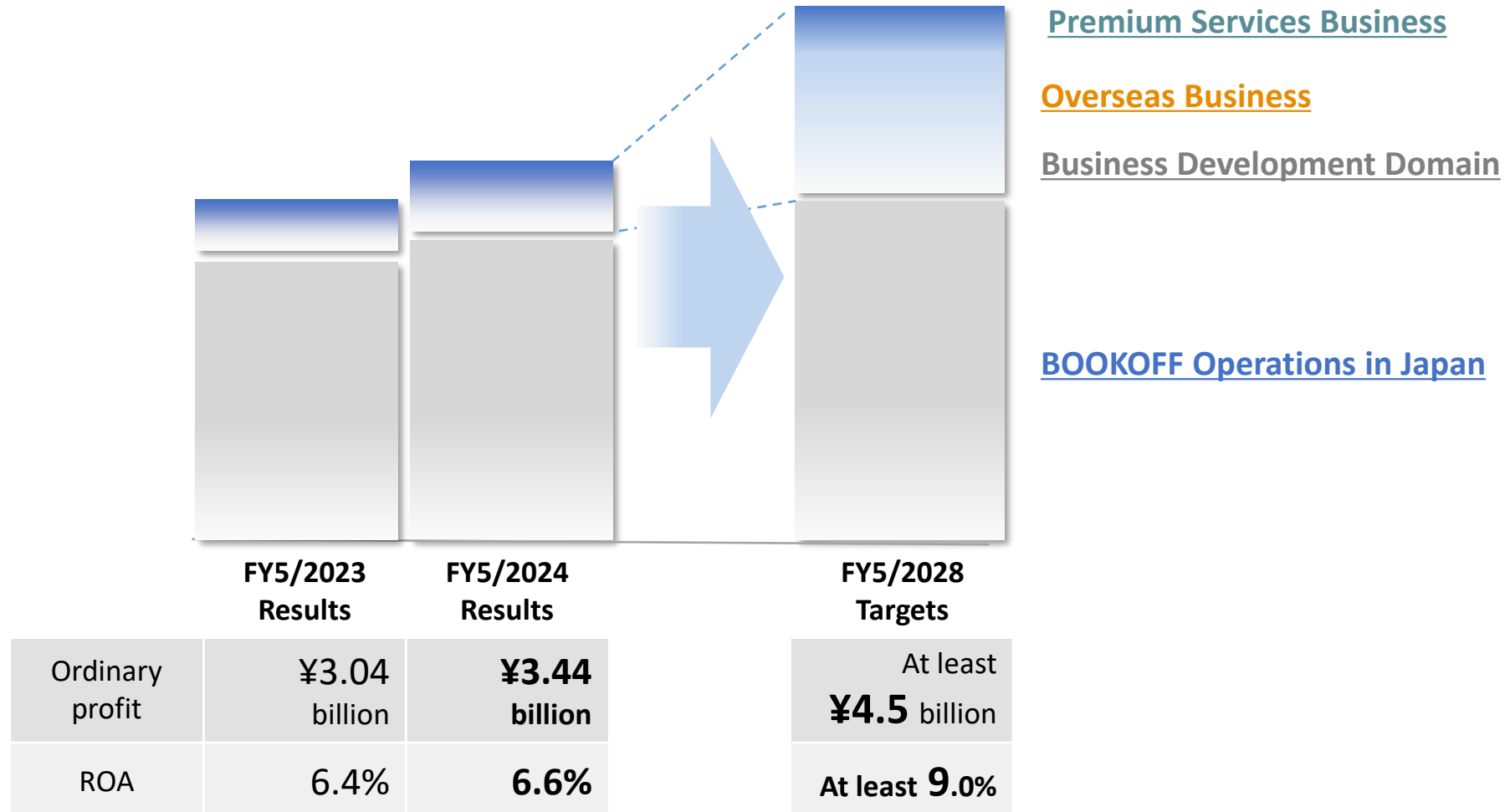
	FY5/2022 Results	FY5/2023 Results	FY5/2028 Targets
Ordinary profit	¥2.30 billion	¥3.04 billion	At least ¥4.5 billion
ROA (Ordinary profit)	5.4%	6.4%	At least 9.0%

Cost of Capital and Excess Earnings



- ✓ Ordinary profit has traditionally been the KPI for business units. Therefore, the operating profit ROA is used because business units are accustomed to using this measure of earnings.
- ✓ At BOOKOFF, ROA is about the same as ROIC because of the relatively small amount of surplus assets.

- ✓ Use the growth of highly profitable businesses to reshape and expand the business portfolio.
- ✓ Strengthen the inventory management system to raise the turnover ratio in existing businesses.
- ✓ Remodel stores and use a scrap-and-build policy for stores to improve profitability.





Basic Policy for Sustainability

Our mission is to be a source of an enjoyable and prosperous life for as many people as possible. We are dedicated to playing a role in the sustainability of society by using the expansion of our core reuse business to help create a circular economy.

To accomplish this goal, our highest priority is the advancement and growth of the human resources of the BOOKOFF Group. Our people are vital to the continuing growth of our reuse and recycling businesses in Japan and other countries in order to increase sustainability.

Despite these activities, still more work involving sustainability is needed regarding our business activities. We need to clearly identify areas requiring attention and constantly make improvements.

To express our commitment to the growth of business operations while contributing to sustainability, we have established the following basic policy for sustainability.

Environment

- Environmentally responsible business activities
- Expansion of a circular economy through the growth of our reuse and recycling businesses

Social

- Pleasant and rewarding jobs and careers for our people
- An environment that allows everyone to use our services with ease
- Sound relationships and collaboration with communities

Governance

- Management based on sincerity and decisions that incorporate a broad range of opinions
- Proper disclosure of information and dialogues that fulfill our obligations



In August 2023, BOOKOFF declared its support for the TCFD, which is supported by a large number of companies and organizations worldwide. Compliance with the TCFD demonstrates our recognition of the importance of identifying risks and opportunities involving climate change, determining countermeasures, and disclosing information about these activities. These measures are part of our goal of sustained growth and an increase in corporate value.

Indicators and Targets

Target for Reduction of CO₂ Emissions

	FY2030	FY2045
Reduction vs. FY2021* ¹	50%	Become carbon neutral

*1: CO₂ emissions at BOOKOFF CORPORATION LIMITED, the major business company

Target for Business Sites Using Renewable Energy Electricity

	FY2030	FY2040
Renewable electricity locations* ²	15%	50%

*2: Taking into account an expected net increase in the number of stores

Progress in Reduction of CO₂ Emissions Involving

Business Activities

(Unit: t-CO₂)

		FY5/2022	FY5/2023	FY5/2024
CO ₂ emissions	Scope1	246	269	301
	Scope2	26,804	23,956	17,234
	Total	27,027	24,201	17,535



The BOOKOFF Policy for Diversity, Equity and Inclusion

As an organization dedicated to wellbeing, the BOOKOFF Group positions diversity, which is essential for wellbeing, as one of its highest priorities.

Achieving and maintaining diversity requires the establishment of an environment with no unconscious bias and a highly diverse organization. To accomplish these goals, the BOOKOFF Group places priority on the following activities.

1. Commitment to diversity by the management team
2. An inclusive corporate culture that welcomes and respects diversity
3. Fair, balanced and transparent human resource systems
4. Proper evaluations and verifications of performance
5. Employee participation and engagement with employees

Indicators and Targets

Period: September 1, 2023 to May 31, 2028

Target 1: Provision of opportunities for work life

The target is to increase the percentage of female managers (rank of regional manager or group manager or higher) to at least **20%**.

Target 2: Balance between work and home life

Achieve **100%** use of child care time off for female employees and a utilization rate of at least **60%** for male employees

Applicable companies: BOOKOFF GROUP HOLDINGS LIMITED
BOOKOFF CORPORATION LIMITED

Progress on Indicators and Targets

	Targets	As of May 31, 2024
Percentage of female managers	At least 20%	9.6%
Use of child care time off by women	At least 100%	100%
Use of child care time off by men	At least 60%	87.5%

Applicable companies: BOOKOFF GROUP HOLDINGS LIMITED
BOOKOFF CORPORATION LIMITED

Activities with Communities, Governments and Other Partners

The BOOKOFF Group works with the public sector, companies and organizations to play a role in solving a variety of social issues. Working with these partners positions the group at the forefront of activities to establish a circular economy.

Reclothes Cup 2023



- ✓ The Reclothes Cup 2023, Japan's largest used apparel upcycling fashion contest, took place in October 2023 at the Fukuoka International Congress Center.
- ✓ Redesigning used apparel adds value and makes recycling apparel easier.

Sendai Reuse Festival 2023



- ✓ BOOKOFF held an event in the city of Sendai in October 2023 where participants could experience and learn about reusing various items in an enjoyable and entertaining format.
- ✓ The aim is to use partnerships with schools, companies and communities in this region to speed up measures to create a sustainable society.

The Second FURUSATO BOOKOFF Store



- ✓ In April 2024, the second FURUSATO BOOKOFF store opened in Kisosaki-cho, Kuwana-gun, Mie prefecture.
- ✓ This format makes it possible to provide opportunities to read books for children in small towns that do not have a book store.
- ✓ We signed a regional cooperation agreement with that town, which includes efforts to promote the region through books.



FY5/2025 Sales and Earnings/Dividend Forecasts

BOOKOFF GROUP HOLDINGS

(Million yen)

	FY5/2024 Result	FY5/2025 Forecast	Change (Amount)	Change (Ratio)
Net sales	111,657	120,000	+8,342	107.5%
Operating profit	3,051	3,500	+448	114.7%
Ordinary profit	3,448	3,800	+351	110.2%
Profit attributable to owners of parent	1,705	2,100	+394	123.2%
Dividend per share	25 yen	25 yen	-	100.0%

- ✓ In FY5/2025, the second year of the current medium-term management policies, every business will continue to open many stores. The speed of store openings will increase in the Premium Services and Overseas businesses, which are expected to grow. Due to these activities, sales are expected to increase.
- ✓ Consolidated operating profit and ordinary profit are expected to increase in FY5/2025 even though there will be depreciation expenses following large IT investments in FY8/2024 in the BOOKOFF operations in Japan and higher expenses for personnel and other items in every business. The forecast for higher earnings is based mainly on the outlook for growth resulting from new stores in every business, an increase in sales at existing stores of the BOOKOFF operations in Japan, and revisions of inter-segment transaction prices. The forecast for higher profit attributable to owners of parent is based on the outlook for the one-time reduction in profit in the FY5/2024 caused by an extraordinary loss that included a provision for special survey costs, etc. of ¥550 million.
- ✓ Plan to pay a year-end dividend of ¥25 per share.

BOOKOFF Operations in Japan

- New stores (including replacements)



6-8 stores in total

- ✓ New stores and the continuation of remodeling existing stores to increase sales of trading cards and hobby goods and to revise merchandise zoning for more efficient use of sales areas
- ✓ Assume YoY sales growth at directly operated existing stores of 5% in the first half and 2% in the second half.

Other Businesses

- New stores



4 stores

Premium Services Business

- New stores



11 stores in total

Overseas Business

- New stores

12 stores in total

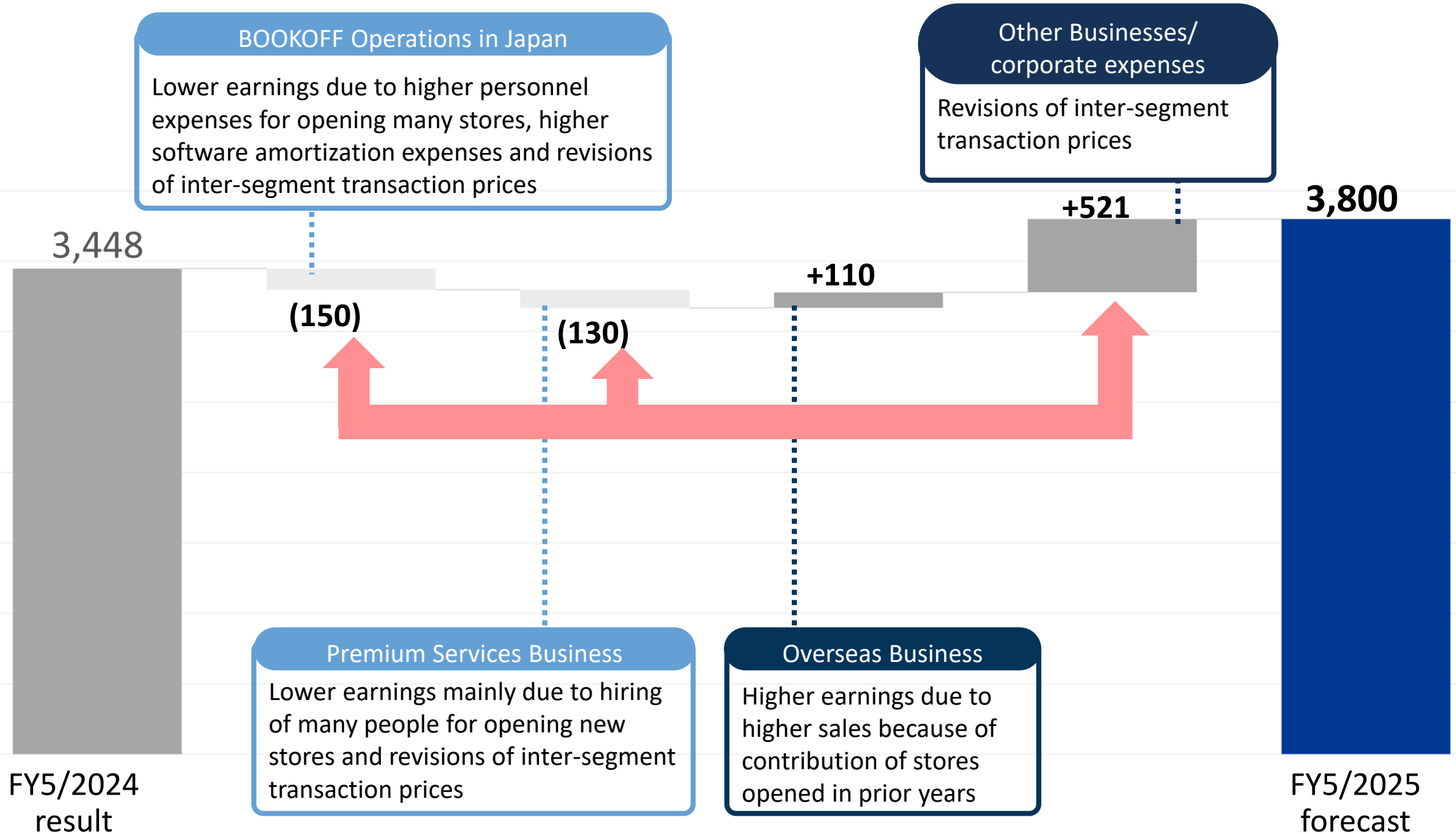


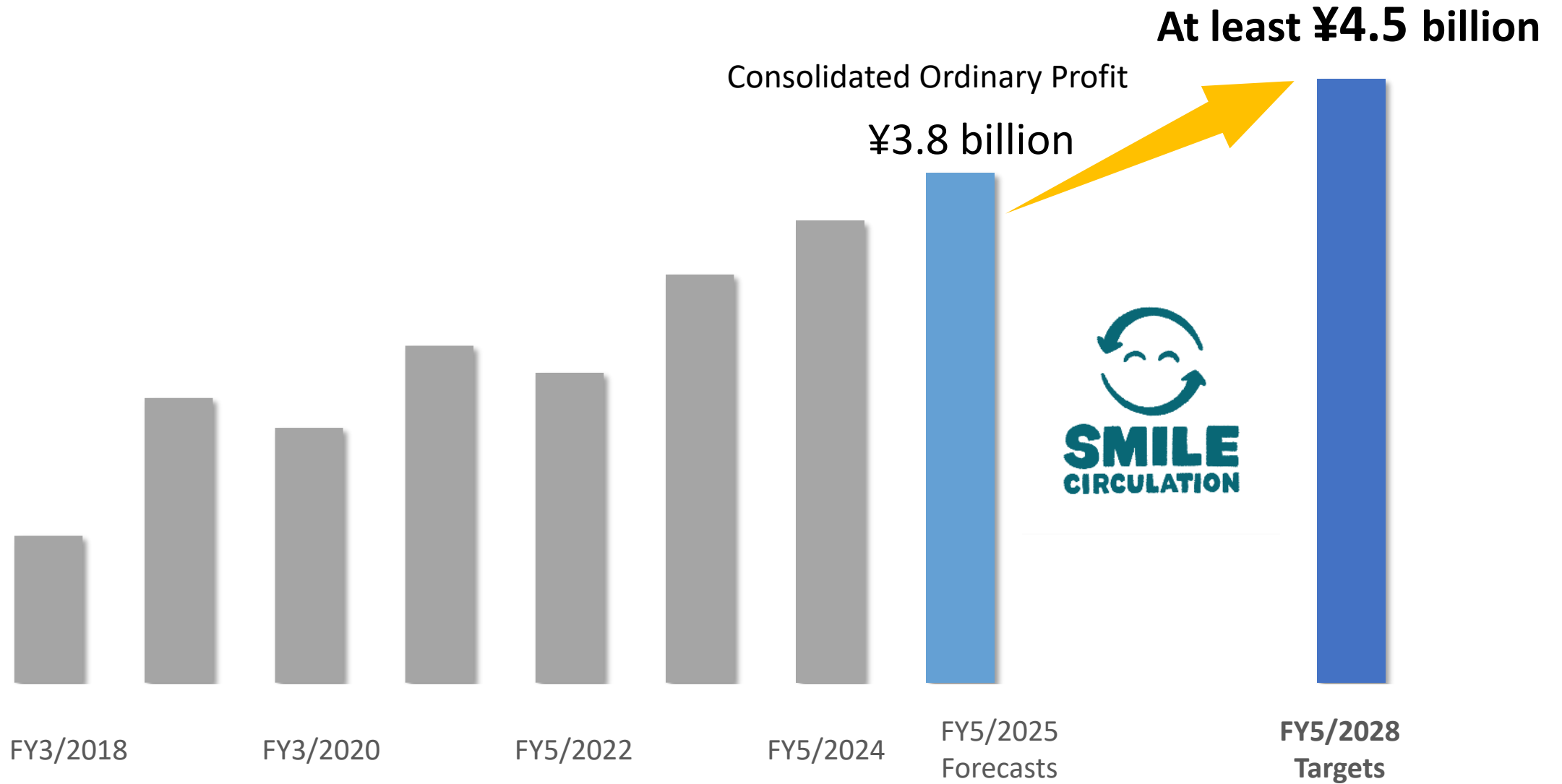
Malaysia 4 stores
Kazakhstan 5 stores



USA 3 stores

FY5/2025 Consolidated Ordinary Profit Forecast Change for Business Segments





Aiming for sustainable growth by reshaping and expanding the business portfolio

**Be a source of an enjoyable and prosperous life
for as many people as possible**

BOOKOFF GROUP HOLDINGS

Contact for more information about this presentation

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<https://www.bookoffgroup.co.jp/contact/form4.html>

The plans, strategies, and financial forecasts presented in these materials contain forward-looking statements not based on historical fact. Forward-looking statements are based on management judgments using information available at the time. Actual results may vary significantly from forecasts due to changes in the business environment and other factors.



Appendix

BOOKOFF GROUP HOLDINGS

Consolidated Statement of Income

(Million yen)

	FY5/2023	FY5/2024
Net sales	101,843	111,657
Cost of sales	43,426	48,885
Gross profit	58,416	62,771
SG&A expenses	55,838	59,719
Operating profit	2,578	3,051
Non-operating income	676	639
Non-operating expenses	214	242
Ordinary profit	3,040	3,448
Extraordinary income	3	113
Extraordinary losses	271	782
Profit before income taxes	2,771	2,779
Income taxes-current	778	1,213
Income taxes-deferred	(902)	(269)
Total income taxes	(124)	943
Profit	2,896	1,835
Profit attributable to non-controlling interests	126	130
Profit attributable to owners of parent	2,769	1,705

(Million yen)

	As of May 31, 2023	As of May 31, 2024
Current assets	29,112	32,208
Cash and deposits	5,544	7,180
Merchandise	17,612	18,825
Others	5,956	6,201
Non-current assets	21,101	22,334
Property, plant and equipment	8,852	9,854
Intangible assets	2,443	2,428
Investments and other assets	9,804	10,052
Total assets	50,213	54,542

	As of May 31, 2023	As of May 31, 2024
Current liabilities	17,945	20,551
Short-term borrowings	9,730	10,816
Others	8,214	9,734
Non-current liabilities	13,210	13,483
Long-term borrowings	7,341	7,287
Others	5,868	6,195
Total liabilities	31,155	34,034
Net assets	19,057	20,507
Total liabilities and net assets	50,213	54,542

(Million yen)

	FY5/2023	FY5/2024
Cash flows from operating activities	243	4,084
Profit before income taxes	2,771	2,779
Depreciation	1,650	1,860
Amortization of goodwill	47	40
Changes in trade receivables, inventories and trade payables	(2,736)	(1,556)
Others	(1,490)	960
Cash flows from investing activities	(3,453)	(2,411)
Cash flows from financing activities	490	(100)
Effect of exchange rate change on cash and cash equivalents	61	63
Net increase (decrease) in cash and cash equivalents	(2,658)	1,636
Cash and cash equivalents at beginning of period	8,203	5,544
Cash and cash equivalents at end of period	5,544	7,180

Founded:	May 1990
Established:	October 2018 (A pure holding company through a transfer of stock)
Representative:	Yasutaka Horiuchi, President and CEO
Stock listing:	Prime Market, Tokyo Stock Exchange (Securities code: 9278)
Head office:	2-14-20 Kobuchi, Minami-ku, Sagamihara, Kanagawa
Net sales:	¥111.6 billion (FY5/2024 consolidated results)
Number of stores:	836 (Directly operated: 462; Franchised: 374 as of May 31, 2024)
Employees (Consolidated) :	1,689 (as of May 31, 2024)

- 1990: The first BOOKOFF store opened in Sagamihara, Kanagawa
- 1991: BOOKOFF CORPORATION LIMITED established
BOOKOFF franchise chain launched
- 2000: BOOKOFF's first overseas store opened
The first Chuko-Gekijo (comprehensive, large-format) opened (current BOOKOFF SUPER BAZAAR)
- 2004: BOOKOFF CORPORATION's stock listed on the Second Section of the Tokyo Stock Exchange
- 2005: BOOKOFF CORPORATION's stock listed on the First Section of the Tokyo Stock Exchange
- 2007: BOOKOFF Online (e-commerce site) launched
- 2015: HUGALL department store purchasing desks service started at the Nihombashi Mitsukoshi department store
- 2016: Made Booklog, Inc., which operates book review community site, a subsidiary
- 2018: BOOKOFF GROUP HOLDINGS LIMITED, a pure holding company, established
- 2021: Opened Japan TCG Center Kichijoji-eki-kitaguchi Store, BOOKOFF Group's first store devoted solely to trading cards
- 2022: Moved the stock listing to the Prime Market following the reorganization of the Tokyo Stock Exchange
Opened the ASO-VIVA AEON Mall Wakayama store, the BOOKOFF Group's first store specializing in trading cards, game software and other game-playing items and featuring large selections of these products
- 2023: Upgraded functions of the "hugall fashion" EC website and relaunched the website using the "rehello" brand, selling designer and luxury brand merchandise, collective goods and other items
- 2024: Established J&K TRADING LLC in Kazakhstan, the BOOKOFF Group's first jointly venture

Corporate Philosophy

Contributions to society through our business activities
Pursuit of employees' material and spiritual wellbeing

Mission

Be a source of an enjoyable and prosperous life for as many people as possible

Vision

Be a leading reuse company
Be a company that can continue to grow while enabling all employees to do their jobs with confidence and enthusiasm

Store Packaging Evolution



- Founding
- “Sell us your books”
- Franchised store growth



- More BSB and BOP store openings and store remodeling
- Large-scale urban BOOKOFF store openings



- Started the BOOKOFF purchasing consultation desks



- Opened the first Japan TCG Center



- Faster BOOKOFF store openings
- New reuse business B KIDS, B SPORTS
- BOOKOFF Chuko-Gekijo (a comprehensive large-format store)
- Overseas expansion

- Started online business

- hugall opened the first dept. store purchasing desk
- Started operations in Malaysia

- Opened ASO-VIVA



Numbers of stores and app members are as of May 31, 2024.

BOOKOFF Operations in Japan

BOOK-OFF®



614 stores

BOOK-OFF SUPER BAZAAR



50 stores

BOOK-OFF PLUS+



67 stores

あそびパ
by BOOK-OFF



5 stores

BOOK-OFF

Official Online Store



7.55 million app members

Directly operated and franchised BOOKOFF stores are located in all 47 prefectures and are backed by excellent brand recognition. Stores sell books, software/media and many other used merchandise. This business also includes an e-commerce operation using the BOOKOFF Official Online Store.

Premium Services Business

hugall



17 stores

aidect



12 stores

BOOK-OFF®
Purchasing
Consultation Desk



16 stores

Increases the use of reuse services in the upper-mass market and higher customer segments, which are customers BOOKOFF cannot reach on its own, by providing a wide range of services.

Overseas Business








14 stores

BOOK-OFF






14 stores

BOOKOFF USA buys and sells books, software/media, anime goods and other types of merchandise. Jalan Jalan Japan stores in Malaysia sell surplus merchandise from Japan.

Major store packages	 BOOKOFF SUPER BAZAAR	 BOOKOFF/ BOOKOFF PLUS	 ASO-VIVA
Location	Suburban roadside locations, shopping districts near major railway stations	Many locations extending from roadside to shopping districts near stations	Large shopping malls
Number of stores*	50 stores (including two franchised stores)	681 stores (including 366 franchised stores)	5 stores (no franchised store)
Summary	Reuse store packages that are very well known among many customer segments as places to sell used books		Stores with large inventories specializing in trading cards, game software and other game-type items
EC linkage with customers	 BOOKOFF smartphone app members 7.55 million	 Store inventory viewing and store pick-up service through linkage with the BOOKOFF Official Online Store	
Strength	<u>Large stores</u> (about 3,300m ²) <u>with a broad spectrum of merchandise</u> , such as books, software/media, apparel, sporting goods, baby goods, famous-brand merchandise, musical instruments, and household products	<u>Emphasis on entertainment</u> with lineups of merchandise reflecting the local market of each store; sells books, software/media, apparel, trading cards, hobby goods and other merchandise	<ul style="list-style-type: none"> • <u>A place where people can enjoy various activities using new or used products</u>; targets mainly customers seeking trading cards, anime goods and hobby goods • Can open stores in areas where existing BOOKOFF stores are located and <u>still coexist</u>

* As of May 31, 2024

Major store packages		 BOOKOFF Purchasing Consultation Desk 総合買取窓口	
Location	At department stores	Roadside stores in relatively affluent areas	Dept. stores/ Station buildings/Shopping malls
Number of stores*	17 stores	16 stores	12 stores
Summary	Increases the use of reuse services in the upper-mass market and higher customer segments, which are customers <u>BOOKOFF cannot reach on its own</u> , by providing a wide range of services.		
Strength	<ul style="list-style-type: none"> • Expertise about operations in dept. stores • Fast recovery of investments due to low-cost stores • At-home purchasing by experts in many product categories 	Differentiation from competitors by handling reuse of famous-brand merchandise as well as of book and game and other software/media	Full line of services for problems involving jewelry , including remodeling, repairs, purchases, sale of sustainable jewelry and much more
Synergies with BOOKOFF Group	<ul style="list-style-type: none"> • This business contributes to group earnings by supplying merchandise to BOOKOFF SUPER BAZAAR and other stores. • Strengthens group branding by enabling the operation of stores in areas and locations that are not suitable for a BOOKOFF store. • Sale of the group’s apparel on the “rehello” e-commerce website. 		

* As of May 31, 2024

Major store packages	 <p>Jalan Jalan Japan (JJJ)</p>	 <p>BOOKOFF USA</p>
Number of stores*	 <p>12 stores in Malaysia (including one franchised store)</p>  <p>Two stores in Kazakhstan (franchised)</p>	 <p>14 stores in U.S. (All directly operated; also three franchised stores in France)</p>
Summary	<ul style="list-style-type: none"> Started in 2016. Merchandise with no sales opportunities in Japan is sent to Malaysia and Kazakhstan for sale. JJJ does not purchase reuse merchandise. The subsidiary is managed by an executive from Japan; stores are operated almost entirely by people hired locally. 	<ul style="list-style-type: none"> Started in 2000. As in Japan, BOOKOFF USA buys and sells books, game software, anime products, hobby goods and other merchandise. The subsidiary is managed by an executive from Japan; stores are operated almost entirely by people hired locally.
Individual strengths	<p>Highly profitable because of attractive merchandise and fast inventory turnover backed by operations guided by the “Loved in Japan” concept</p>	<p>Highly profitable because products are purchased locally and sold with added value</p>
Strengths of both	<ul style="list-style-type: none"> A market position defined by a retail format with emphasis on entertainment, a business model like no other Operations that make upgrading the skills of local personnel the highest priority 	

* As of May 31, 2024