

BOOKOFF GROUP HOLDINGS

Financial Results Presentation Materials for the First Half of the Fiscal Year Ending May 2025 (1H FY5/2025)

January 10, 2025

BOOKOFF GROUP HOLDINGS LIMITED

Securities code: 9278

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1H FY5/2025 Overview of Consolidated Financial Results

BOOKOFF GROUP HOLDINGS

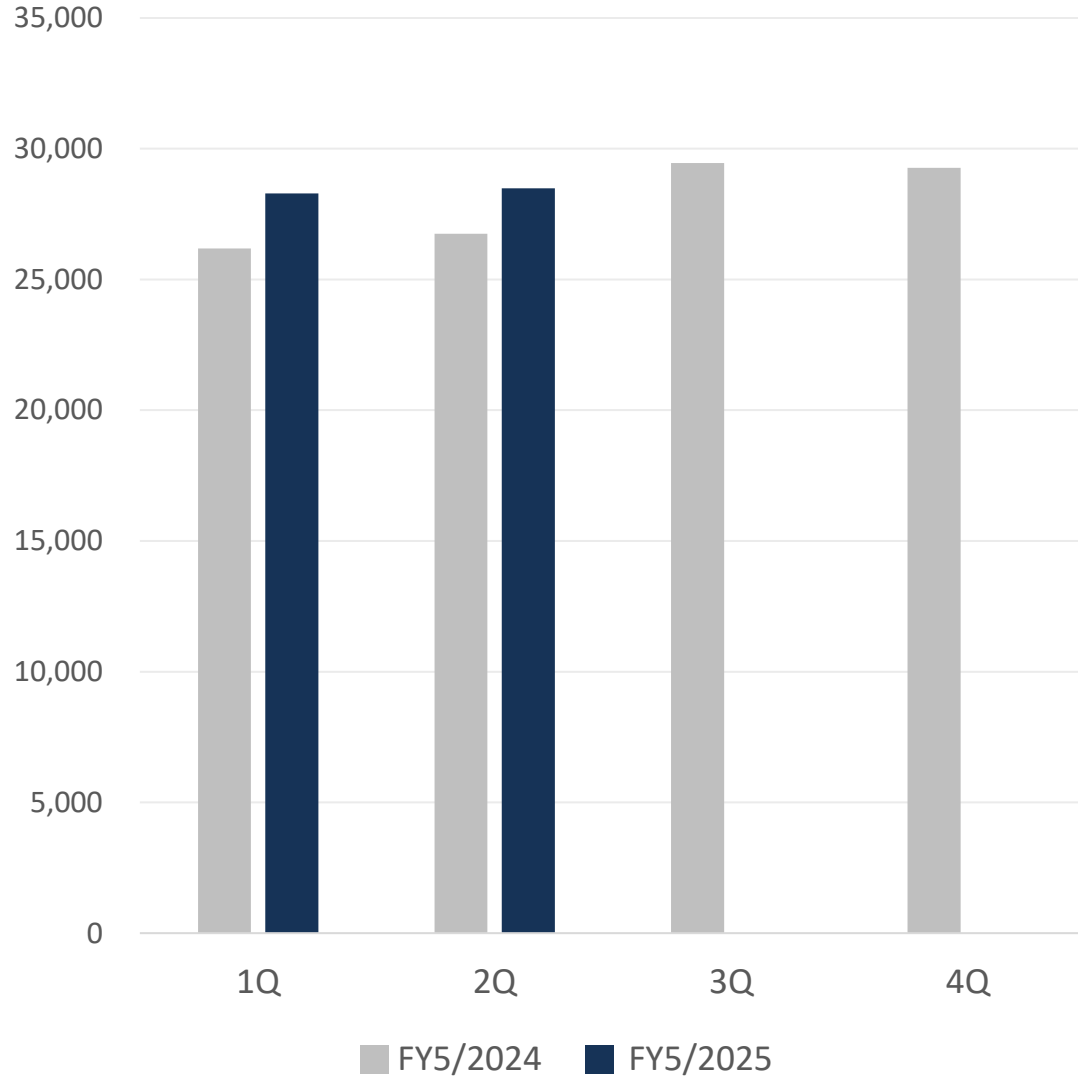
(Million yen)

	1H FY5/2024	% to net sales	1H FY5/2025	% to net sales	YoY change (Amount)	YoY change (Ratio)
Net sales	52,934	100.0%	56,781	100.0%	+3,846	107.3%
Gross profit	29,978	56.6%	32,396	57.1%	+2,418	108.1%
SG&A expenses	28,919	54.6%	30,898	54.4%	+1,979	106.8%
Operating profit	1,059	2.0%	1,498	2.6%	+439	141.5%
Ordinary profit	1,268	2.4%	1,713	3.0%	+445	135.1%
Profit attributable to owners of parent	705	1.3%	912	1.6%	+207	129.4%

- ✓ Net sales amounted to ¥56,781 million, a 7.3% increase from one year earlier as sales in all businesses were higher. Ordinary profit increased 35.1% to ¥1,713 million because of higher earnings in BOOKOFF operations in Japan and overseas business.
- ✓ Profit attributable to owners of parent was up 29.4% to ¥912 million.

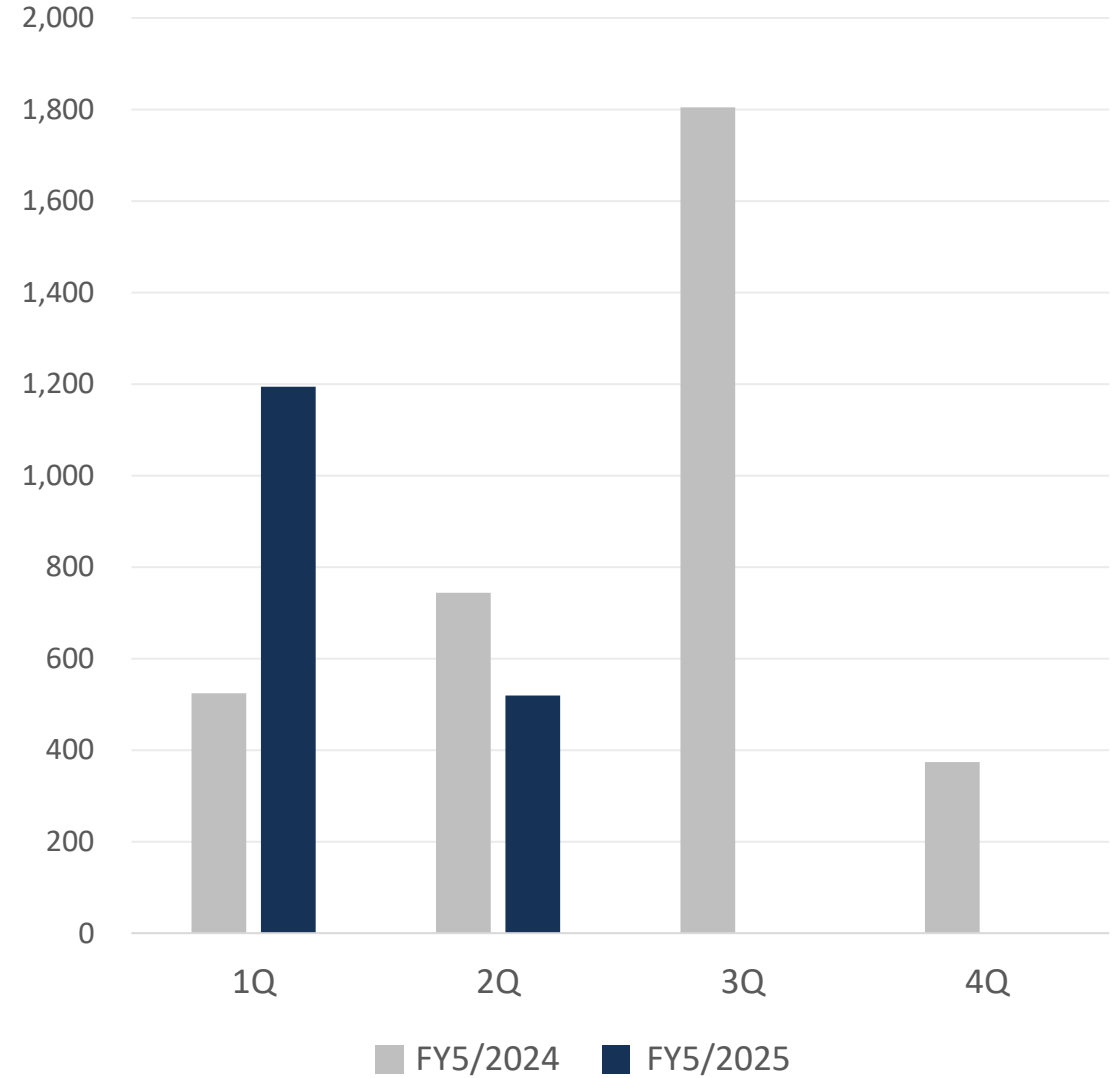
Quarterly Net Sales

(Million yen)



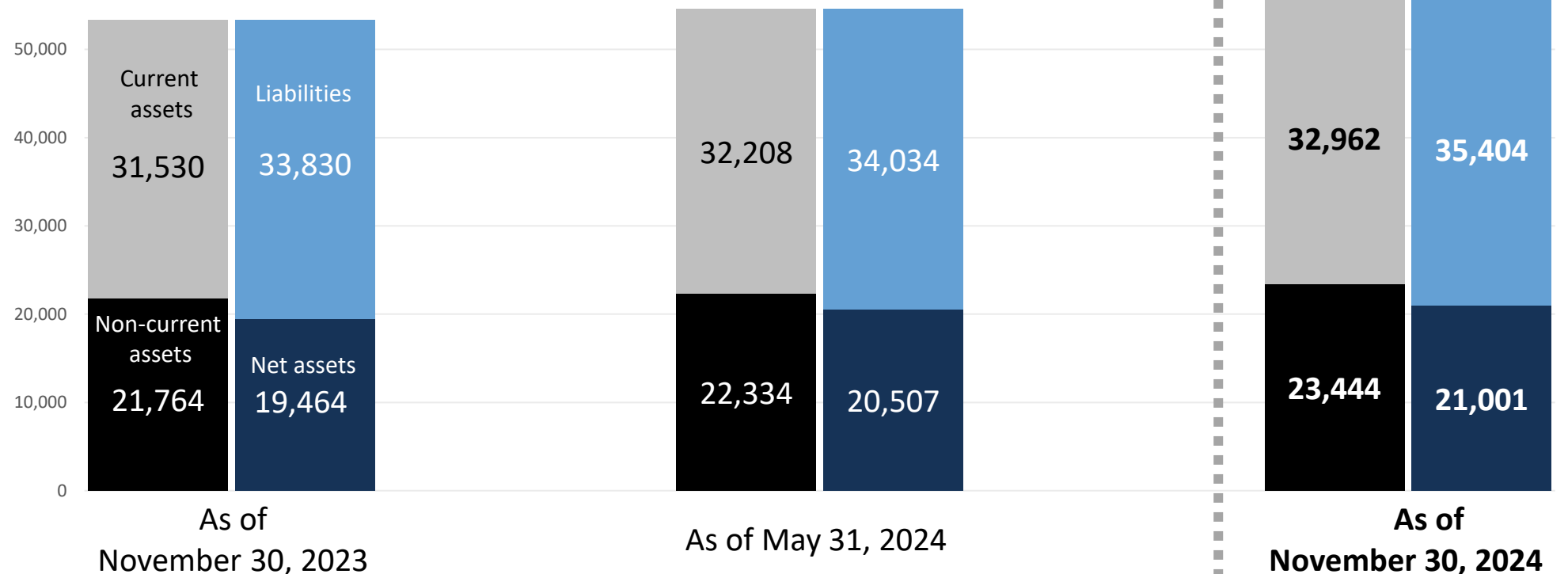
Quarterly Ordinary Profit

(Million yen)



Consolidated Balance Sheet

(Million yen)

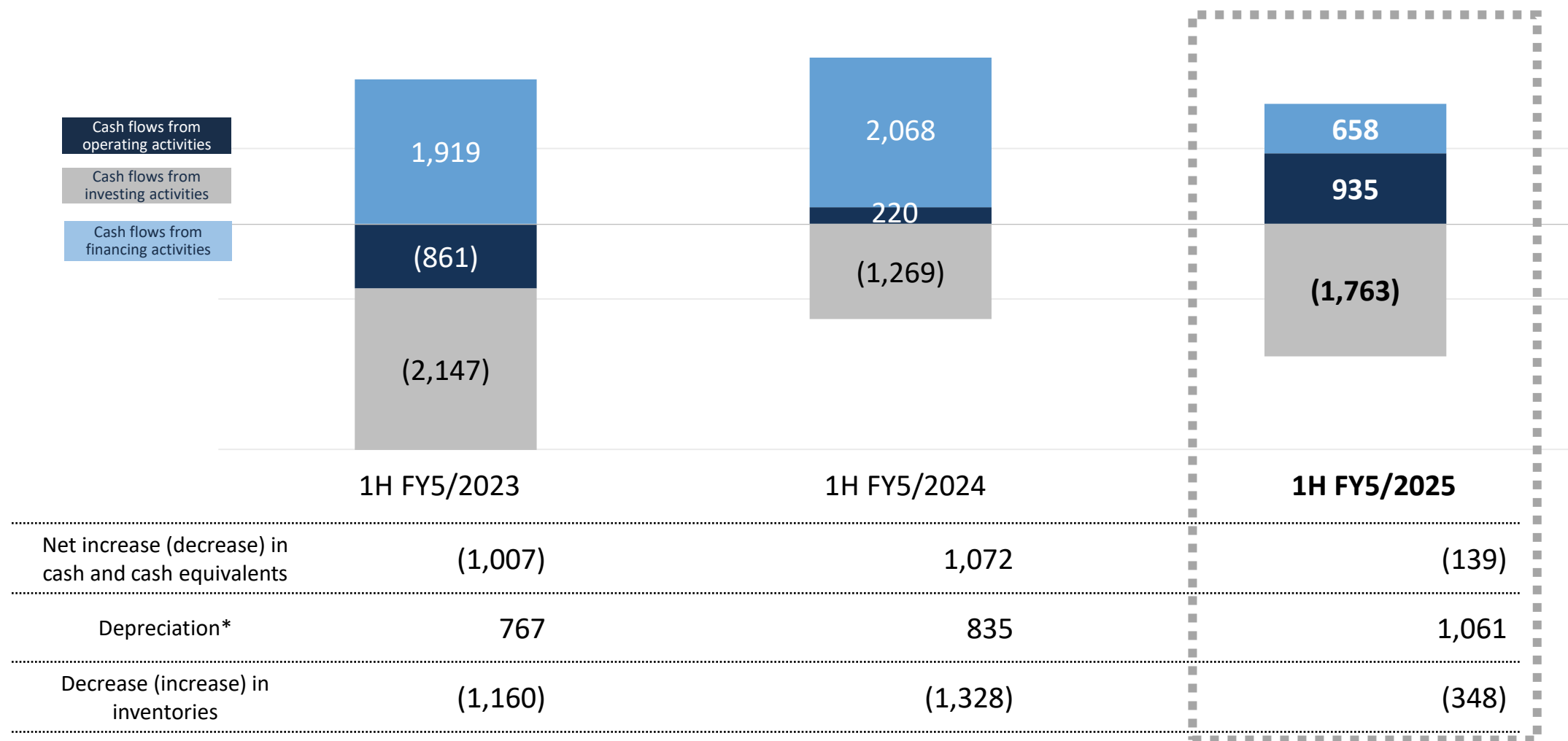


Total assets	53,295	54,542	56,406
Cash and deposits	6,616	7,180	7,041
Interest-bearing debt	20,981	19,166	20,579
Equity ratio	36.0%	37.1%	36.6%

- ✓ Current and non-current assets increased mainly because of continuation of new store openings in every business.
- ✓ Interest-bearing debt increased from May 31, 2024 mainly because of funds procured for opening new stores.

Consolidated Statement of Cash Flows

(Million yen)

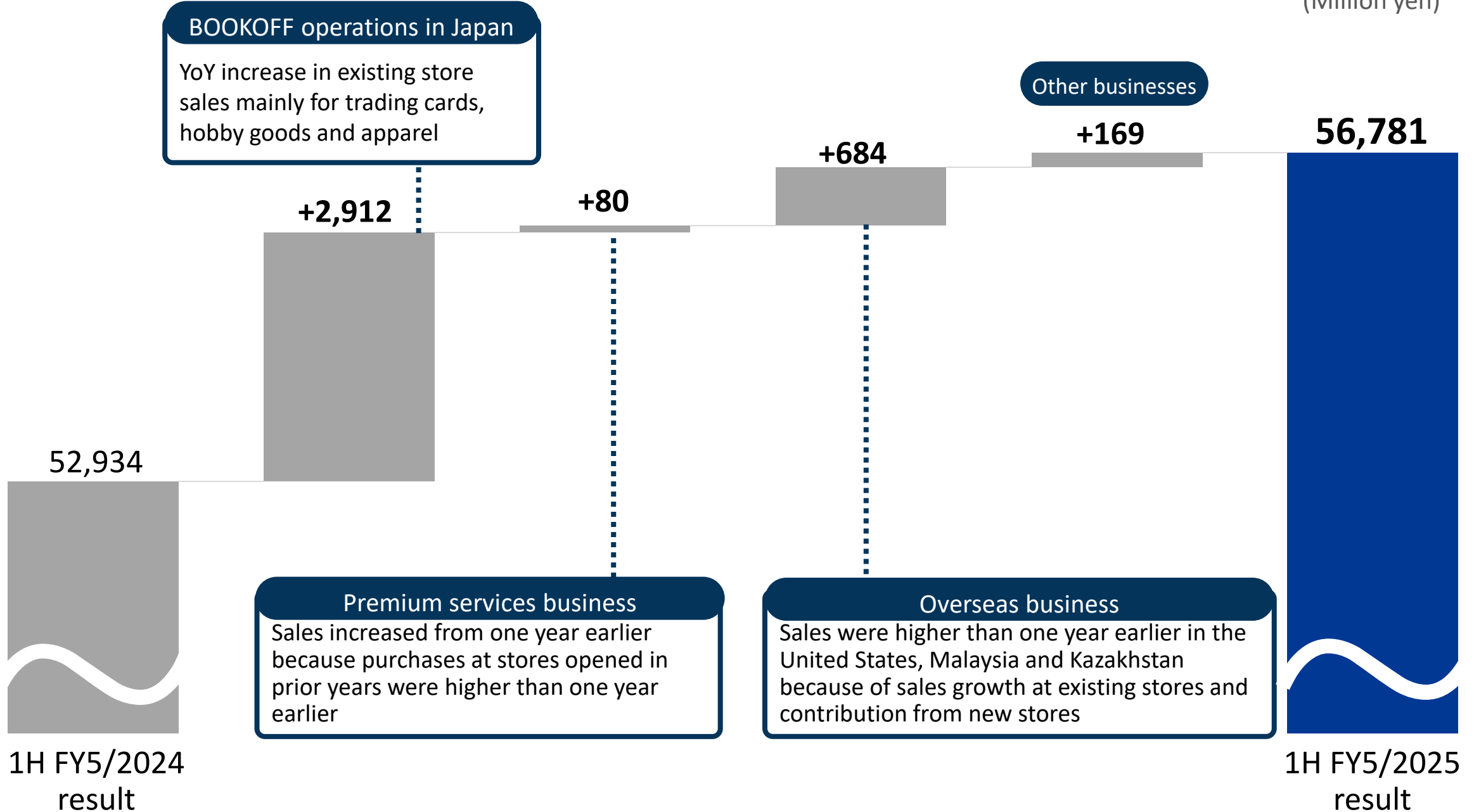


* Includes amortization of goodwill

- ✓ Operating cash flows increased due to a reduction in the amount of inventory increase from the beginning of FY5/2025 in addition to higher profit.
- ✓ Negative investing cash flows increased from 1H FY5/2024 were higher than one year earlier due to expenditures to open a large number of stores in all businesses. However, free cash flow improved because of the increase in operating cash flows.

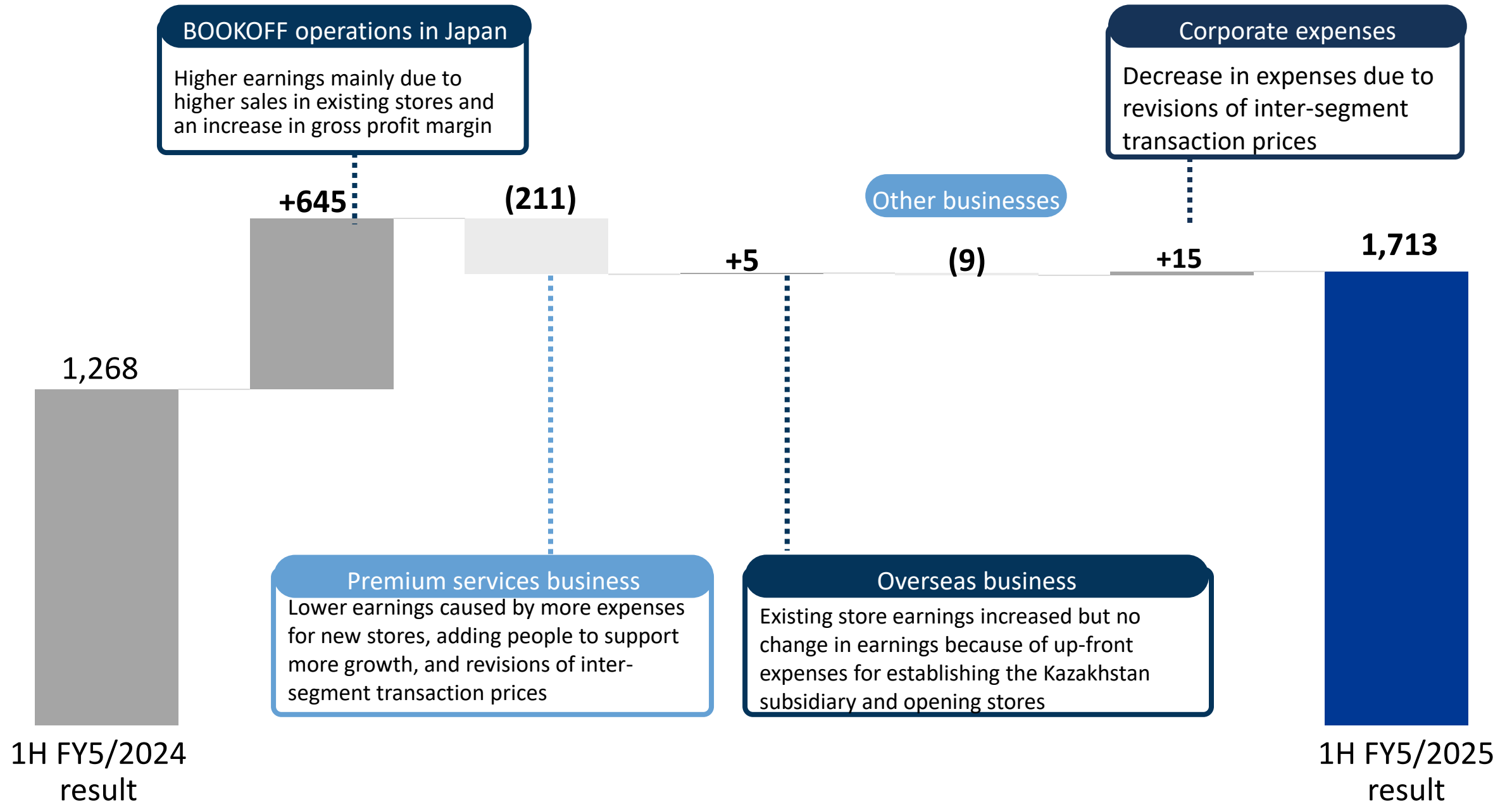
YoY Change in Consolidated Net Sales

(Million yen)



YoY Change in Consolidated Ordinary Profit

(Million yen)





1H FY5/2025 Business Segment Overview and Highlights

BOOKOFF GROUP HOLDINGS

Business Segment Results

(Million yen)

Business segment		1H FY5/2024	1H FY5/2025	YoY change (Amount)	YoY change (Ratio)
BOOKOFF operations in Japan	Sales	46,793	49,705	+2,912	106.2%
	Segment profit	1,735	2,381	+645	137.2%
Premium services business	Sales	3,346	3,427	+80	102.4%
	Segment profit	229	17	(211)	7.6%
Overseas business	Sales	2,249	2,933	+684	130.4%
	Segment profit	408	414	+5	101.4%
Other businesses	Sales	545	714	+169	131.0%
	Segment profit	(100)	(110)	(9)	-
Adjustment (corporate)	Segment profit	(1,004)	(989)	+15	-
Consolidated	Sales	52,934	56,781	+3,846	107.3%
	Ordinary profit	1,268	1,713	+445	135.1%

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


BOOKOFF Operations in Japan

Category	Store package	No. of stores opened	Total
Directly operated		4	5
Directly operated		1	




Premium Services Business

Category	Store package	No. of stores opened	Total
Directly operated		2	6
Directly operated		4	

Other Businesses

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

Overseas Business

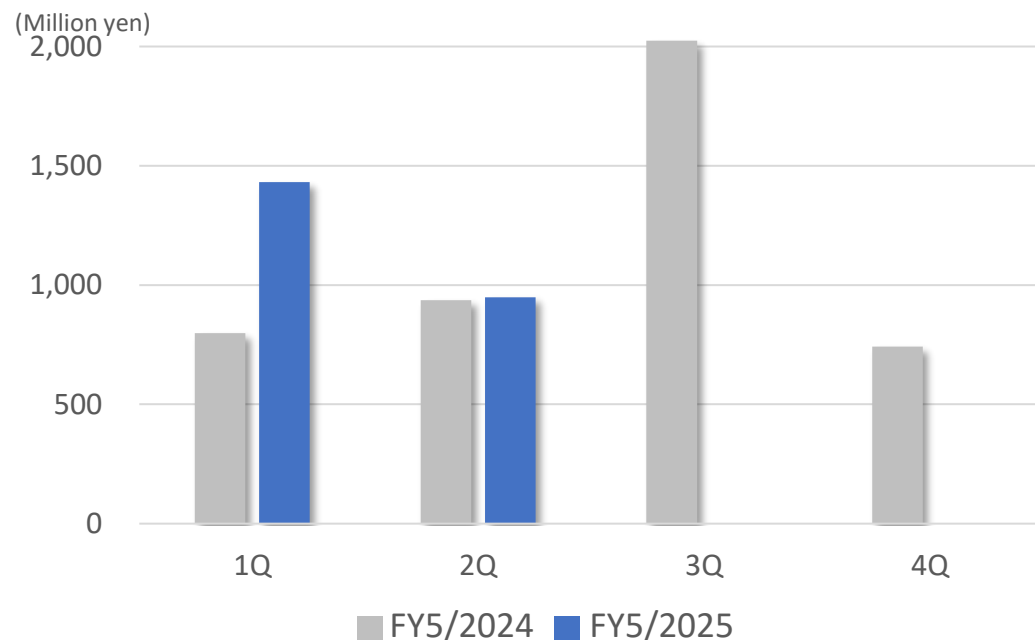
Category	Store package	No. of stores opened	Total
Directly operated		5	7
Franchised		1	
Directly operated		1	

- ✓ In the BOOKOFF operations in Japan, 9 existing stores were renovated in the first half.
- ✓ In the premium services business, four stores were opened during FY5/2024. Six have been added during the first half of FY5/2025 due to steady progress for achieving the plan of opening 11 stores during FY5/2025.
- ✓ In the overseas business, six Jalan Jalan Japan stores opened during the first half, including four in Kazakhstan, one of which is franchised.

(Million yen)

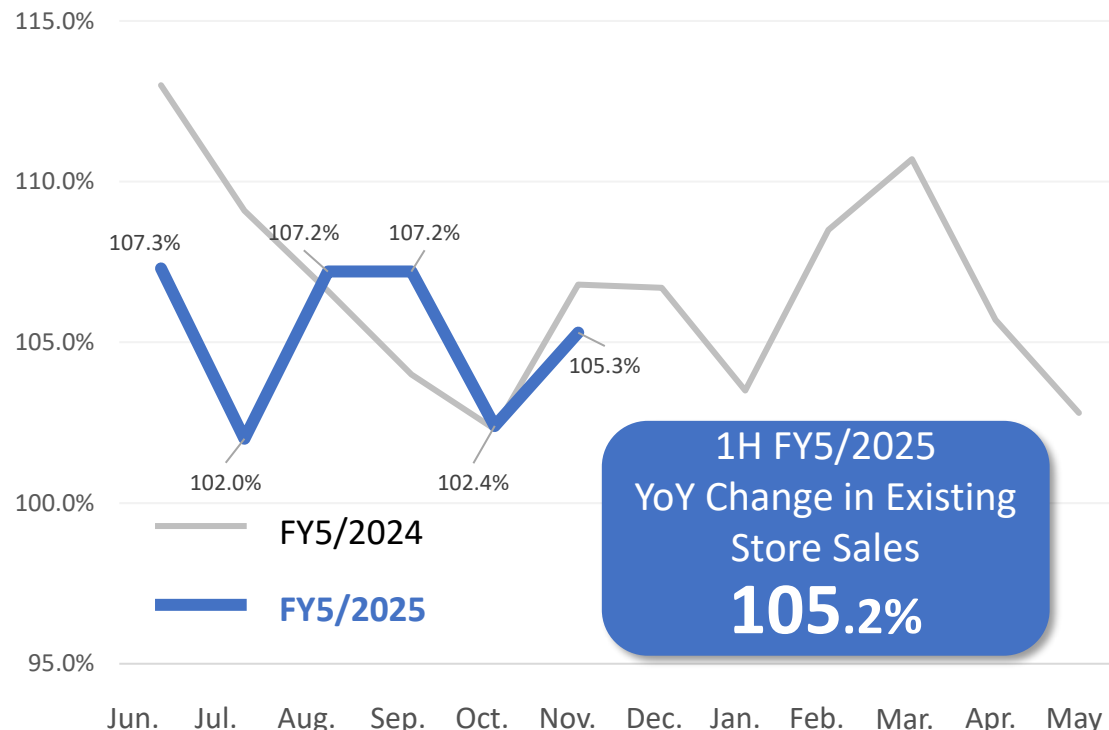
Business segment	1H FY5/2024	1H FY5/2025	YoY change (Amount)	YoY change (Ratio)
BOOKOFF operations in Japan				
Sales	46,793	49,705	+2,912	106.2%
Segment profit	1,735	2,381	+645	137.2%

Quarterly Segment Profit



- ✓ Sales were higher due to an increase in sales at directly operated existing stores mainly for trading cards, hobby goods, apparel, books, home appliances and smart phones. New stores also contributed to higher sales.
- ✓ SG&A expenses increased because of personnel and other store operating expenses and head office marketing expenses that were later than initially planned. However, 2Q earnings were unchanged from one year earlier.
- ✓ Most expenses for measures to prevent a reoccurrence of fraudulent activities will be incurred beginning in the 3Q.

YoY Change in Sales at Existing Stores



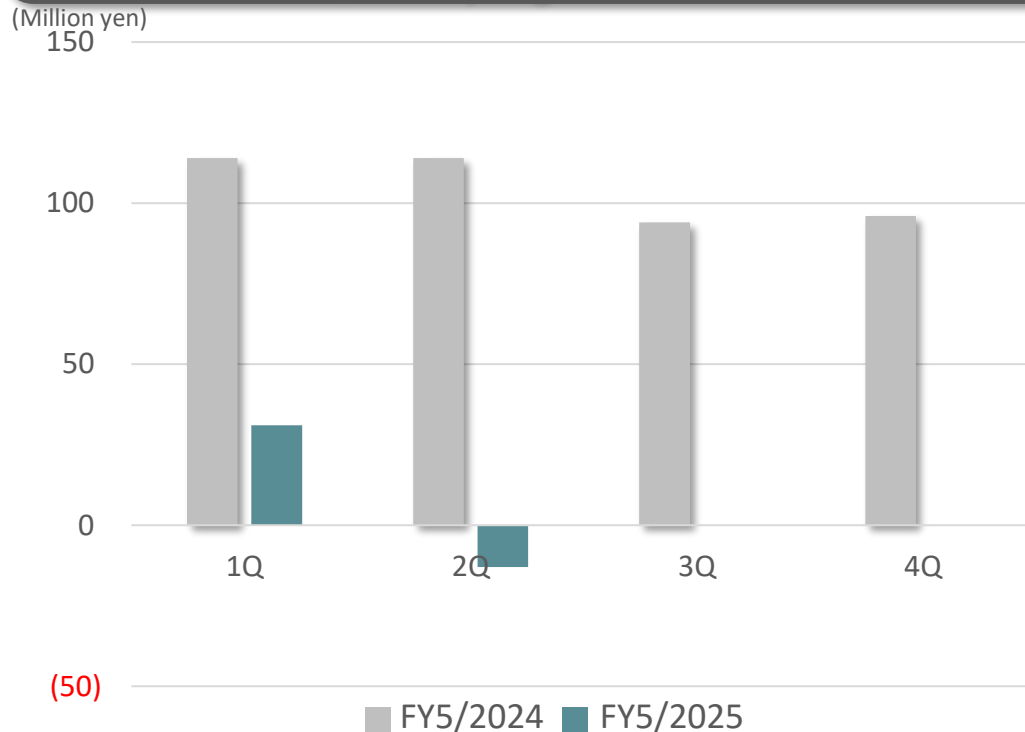
- ✓ In the trading cards/hobby goods category, hobby goods were responsible for sales growth as trading card sales remained down from one year earlier due to lower prices of used cards. Trading card sales began to recover in the 1Q as the sales volume increased from one year earlier.
- ✓ In the apparel category, sales of winter merchandise was slow because cold weather started later than usual. Winter apparel sales recovered in November as temperatures fell.
- ✓ In the jewelry, watches and high-end brand bags category, high-end brand bags were mainly responsible for sales growth. Sales to foreign tourists in Japan remain strong.

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

Categories	1H FY5/2025 existing store sales		(Reference) 1H FY5/2024
	YoY change	% to total sales	% to total sales
Books	102.8%	22.8%	23.6%
Software/media (CDs, DVDs and games)	99.5%	22.6%	24.3%
Apparel	108.3%	12.0%	11.7%
Jewelry/ watches/high-end brand bags	105.6%	9.2%	9.1%
Trading cards/hobby goods	106.8%	20.1%	19.1%
Home appliances/smart phones	112.4%	5.0%	4.8%
Sporting and outdoor goods	112.8%	3.5%	3.3%
Others	119.7%	4.7%	4.1%
Total	105.2%	100.0%	100.0%

Business segment		(Million yen)			
		1H FY5/2024	1H FY5/2025	YoY change (Amount)	YoY change (Ratio)
Premium services business	Sales	3,346	3,427	+80	102.4%
	Segment profit	229	17	(211)	7.6%

Quarterly Segment Profit

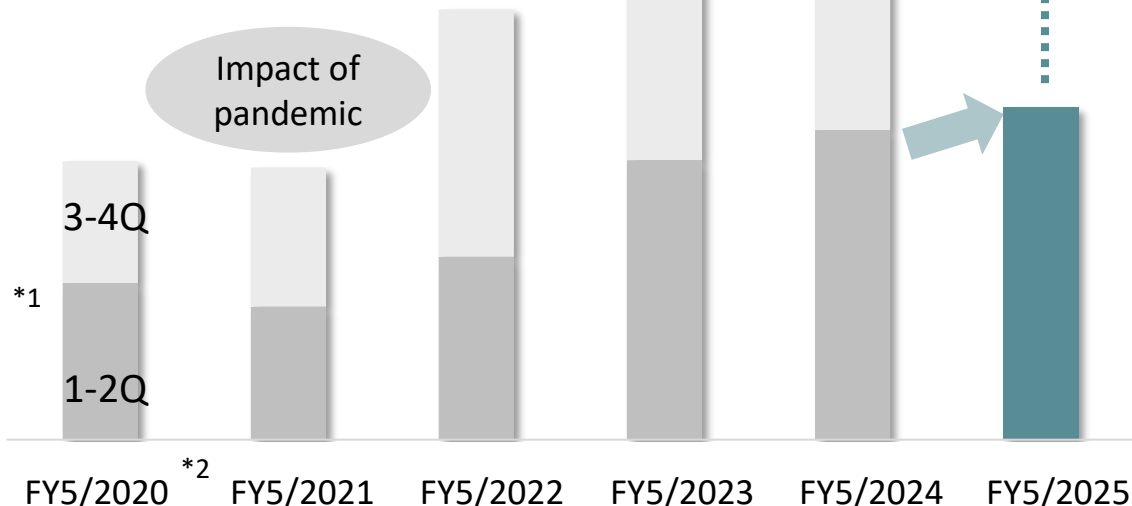


- ✓ Sales increased from one year earlier because purchases at stores opened in prior years were higher than one year earlier.
- ✓ The segment profit decreased because of higher expenses for new stores, expenses for adding people to support more growth, and revisions of inter-segment transaction prices.

hugall Business/BOOKOFF Purchasing Consultation Desks Purchases



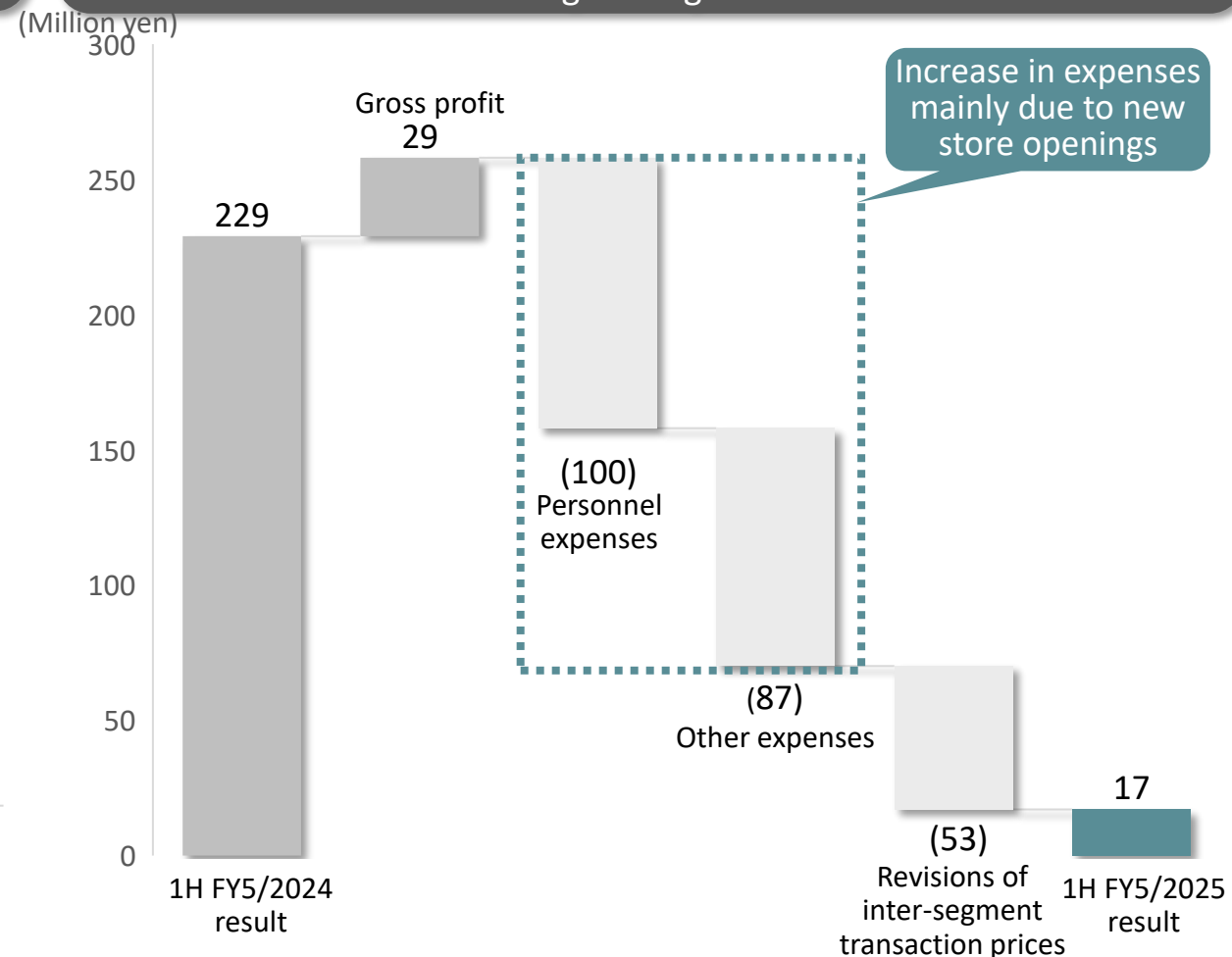
Up
7.5% YoY



*1 1-2Q: June to November; 3-4Q: December to May

*2 FY5/2020: June 2019 to May 2020; FY5/2021: June 2020 to May 2021

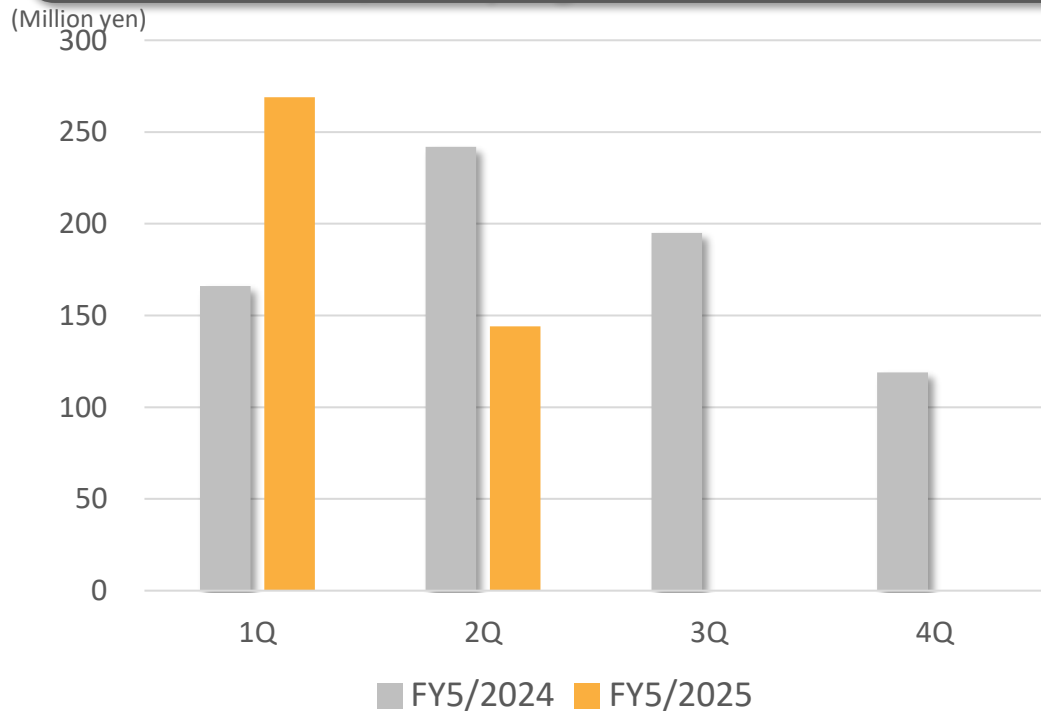
YoY Change in Segment Profit



- ✓ Slower growth of purchases in part because of a decline in purchases using information from alliance partners following the announcement of fraudulent activities.
- ✓ In addition, growth of sales and gross profit was held down because the efficiency of sales activities did not increase.
- ✓ Higher personnel expenses were responsible for about 40% of the increase in total expenses. Personnel expenses were higher due to the addition of six stores and expansion of head office operations for this business.

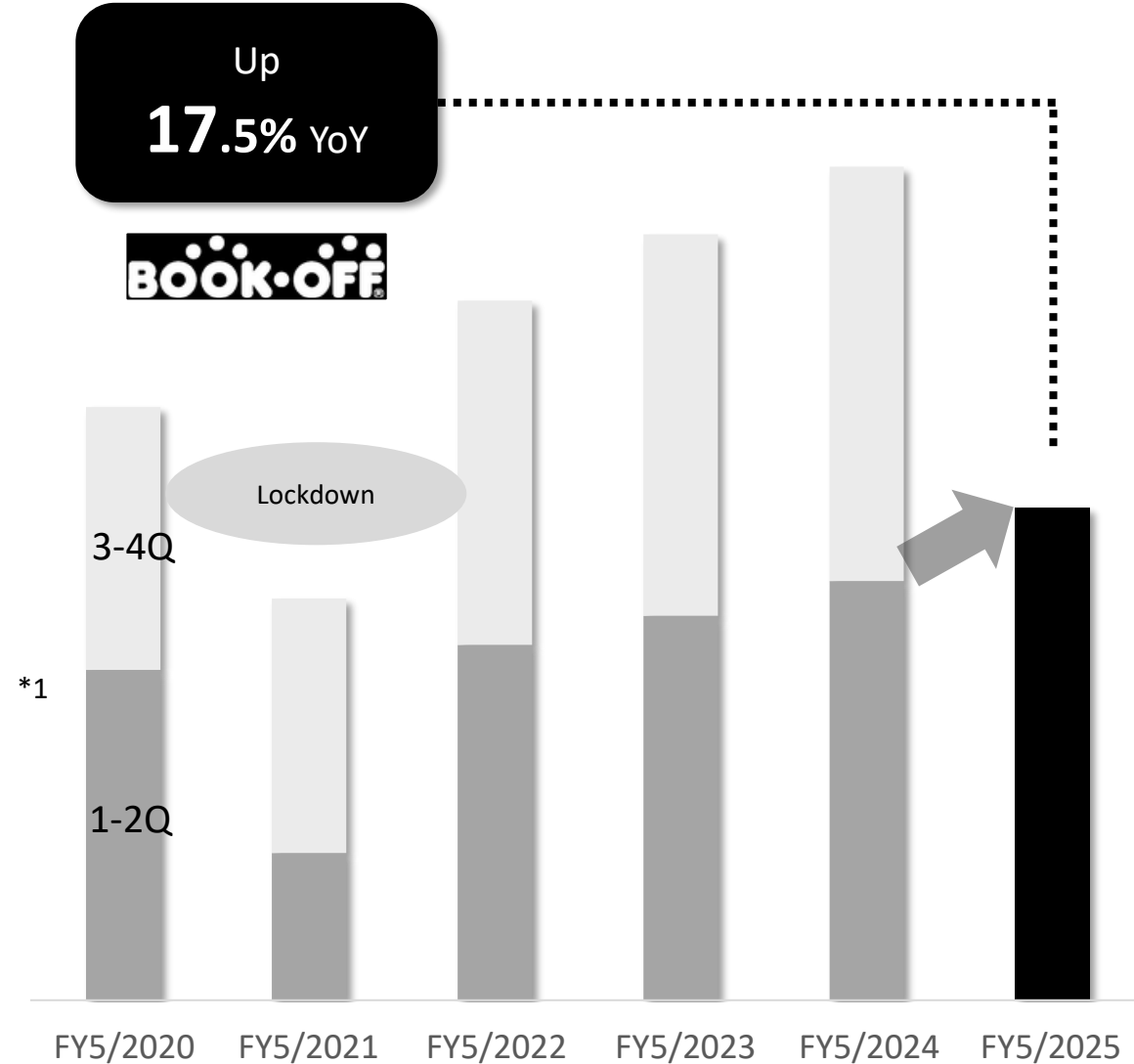
Business segment		(Million yen)			
		1H FY5/2024	1H FY5/2025	YoY change (Amount)	YoY change (Ratio)
Overseas business	Sales	2,249	2,933	+684	130.4%
	Segment profit	408	414	+5	101.4%

Quarterly Segment Profit



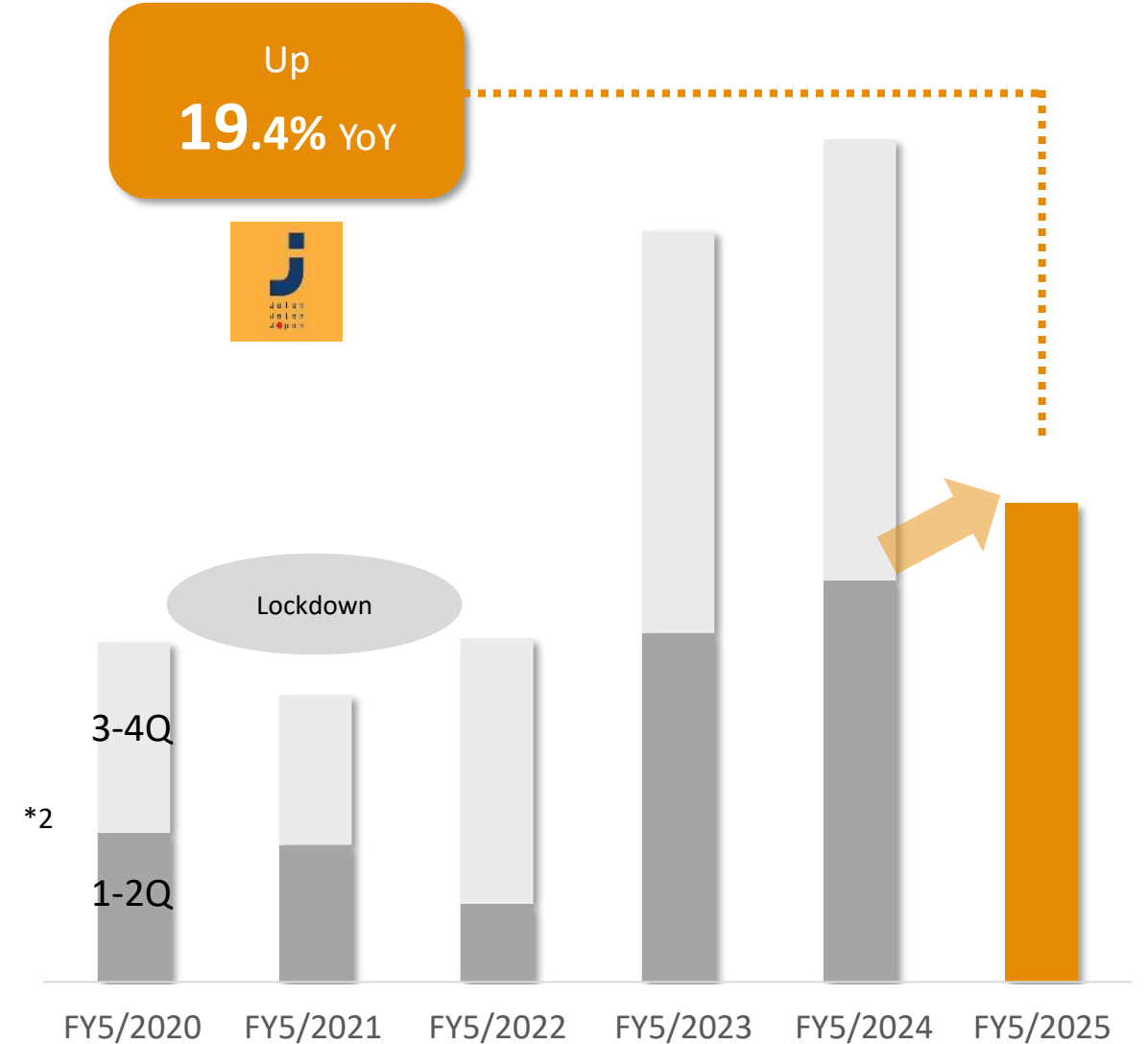
- ✓ First half sales were higher than one year earlier at BOOKOFF stores in the United States and Jalan Jalan Japan stores in Malaysia and Kazakhstan because of sales growth at existing stores and contribution from new stores.
- ✓ Earnings were down in the 2Q in Kazakhstan because of up-front expenses for establishing a management framework for the post-merger subsidiary in this country and expenses for opening three directly operated stores.

BOOKOFF USA Sales



*1 1-2Q: March to August; 3-4Q: September to February

Jalan Jalan Japan (Malaysia) Sales



*2 1-2Q: April to September; 3-4Q: October to March



Priority Actions for Businesses Based on Medium-term Management Policies

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

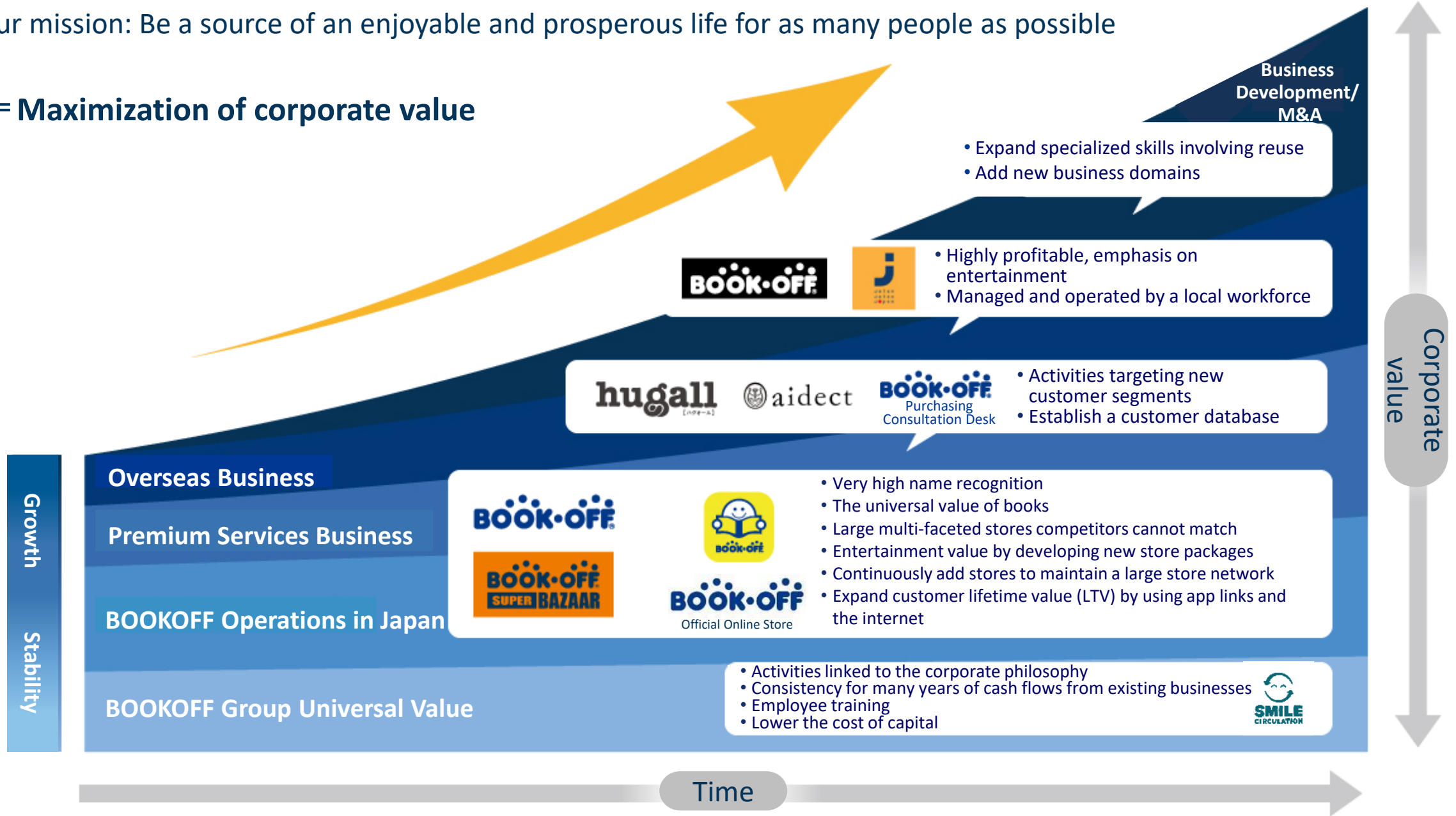
Sustained growth while exploration and exploitation

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

The BOOKOFF Group Value Creation Map

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

= Maximization of corporate value



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, jewelry, 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



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

Categories

Policies

Apparel, high-end brand bags, jewelry, 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

Apparel

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

High-end brand bags/jewelry

- 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 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.

Books

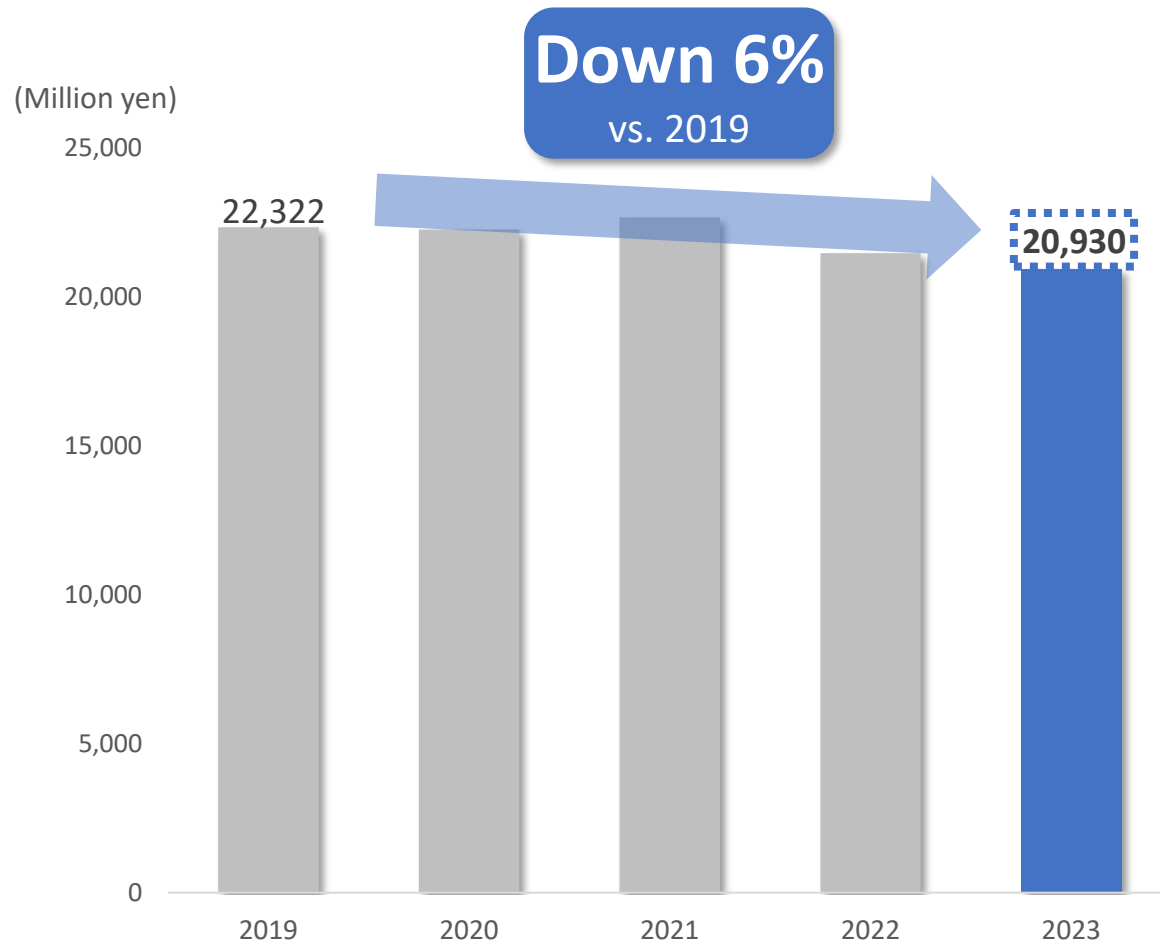
- More quality books that can be sold without discounting
- **Increasing purchasing and selling prices for books due to rising prices in the market for new books**
- More shelves that prominently display value-added books; higher turnover ratio for mid-range price books

Software/media

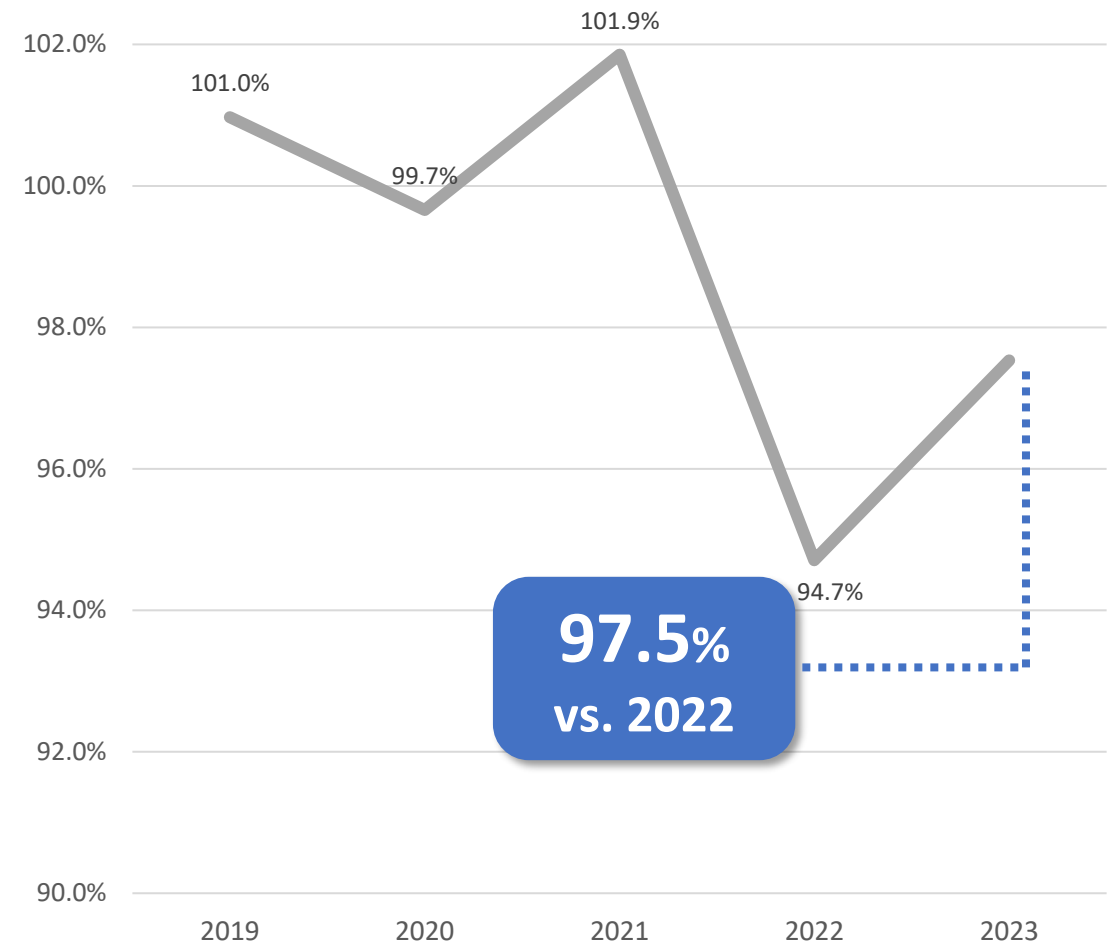
- Increase the volume of games, records and other items that were popular as far back as several decades ago
- **Set prices to reflect changes in competitive dynamics**

BOOKOFF Operations in Japan Business Climate for Book Sales and BOOKOFF Actions (1)

Sales of Used Books at Directly Operated Stores



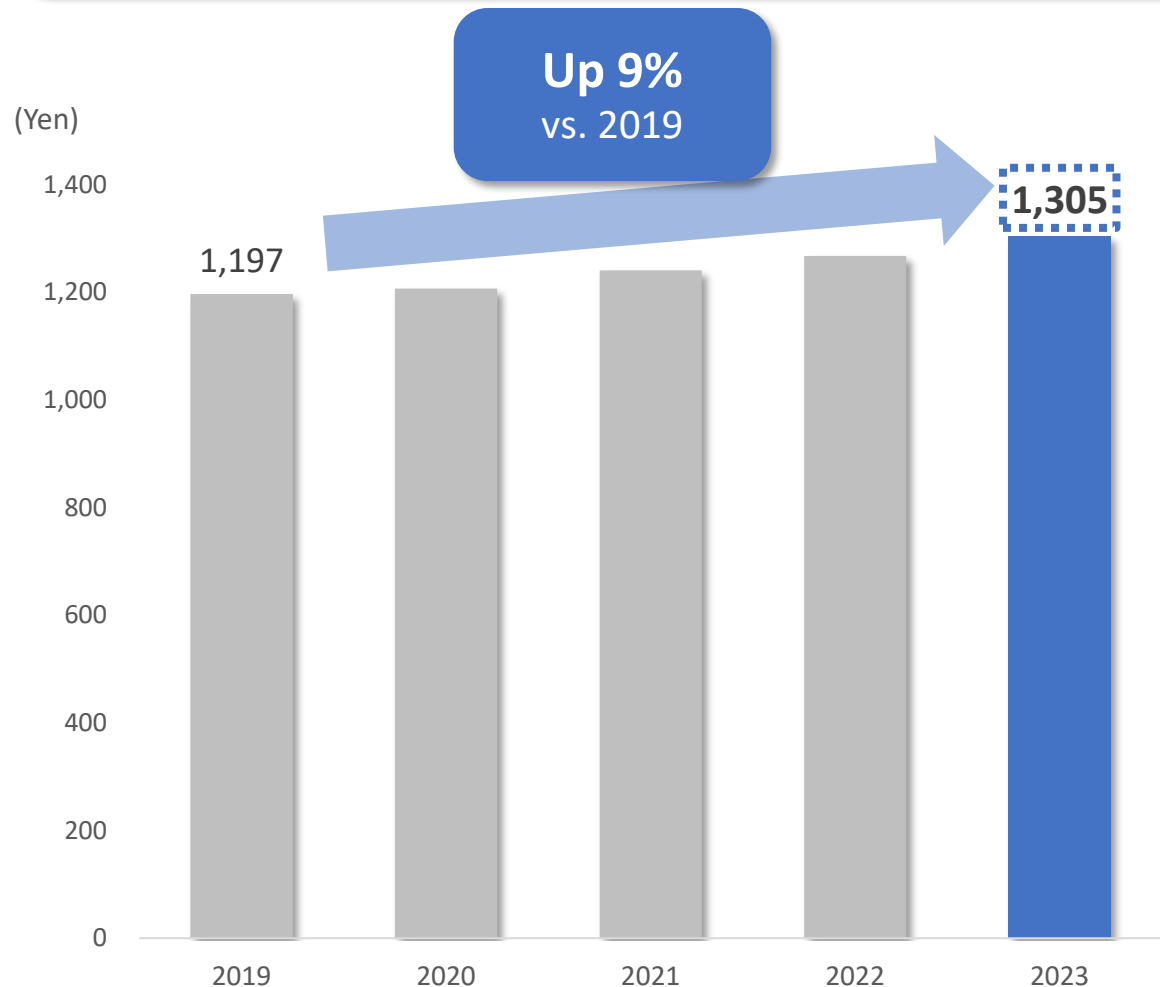
YoY Change in Sales of Used Books at Directly Operated Stores



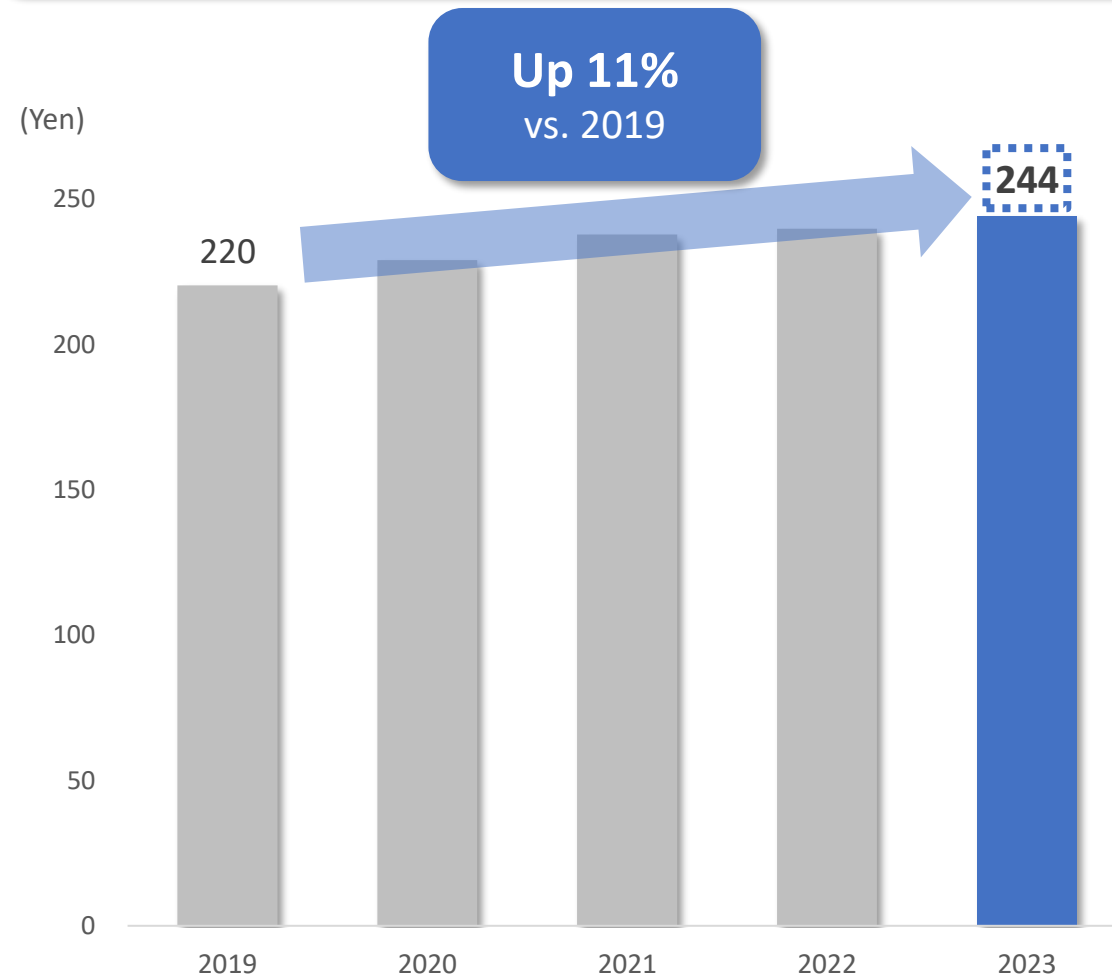
- ✓ Sales of used books at directly operated BOOKOFF stores were ¥20.9 billion in 2023. These sales **decreased 6%** during the five-year period ending with 2023.
- ✓ Sales recovered briefly during the pandemic but started declining again in 2022 after the pandemic ended. In 2023, used book sales were **down only 2.5%** from 2022 as the downturn became slower. During 1H FY5/2025, used book sales were **2.8% higher** than one year earlier.

BOOKOFF Operations in Japan Business Climate for Book Sales and BOOKOFF Actions (2)

Average Price of Newly Published Books (Excluding Magazines)



Selling Price of Used Books at Directly Operated Stores



- ✓ The average price of new books (excluding magazines) in 2023 was ¥1,305, **9% higher** than in 2019.
- ✓ At directly operated BOOKOFF stores, the average price of used books in 2023 was ¥244, **11% higher** than in 2019.

*Source: The All Japan Magazine and Book Publisher's and Editor's Association/The Research Institute for Publications: Annual Report on the Publication Market 2024

BOOKOFF Operations in Japan Business Climate for Book Sales and BOOKOFF Actions (3)

Items Purchased at High Prices

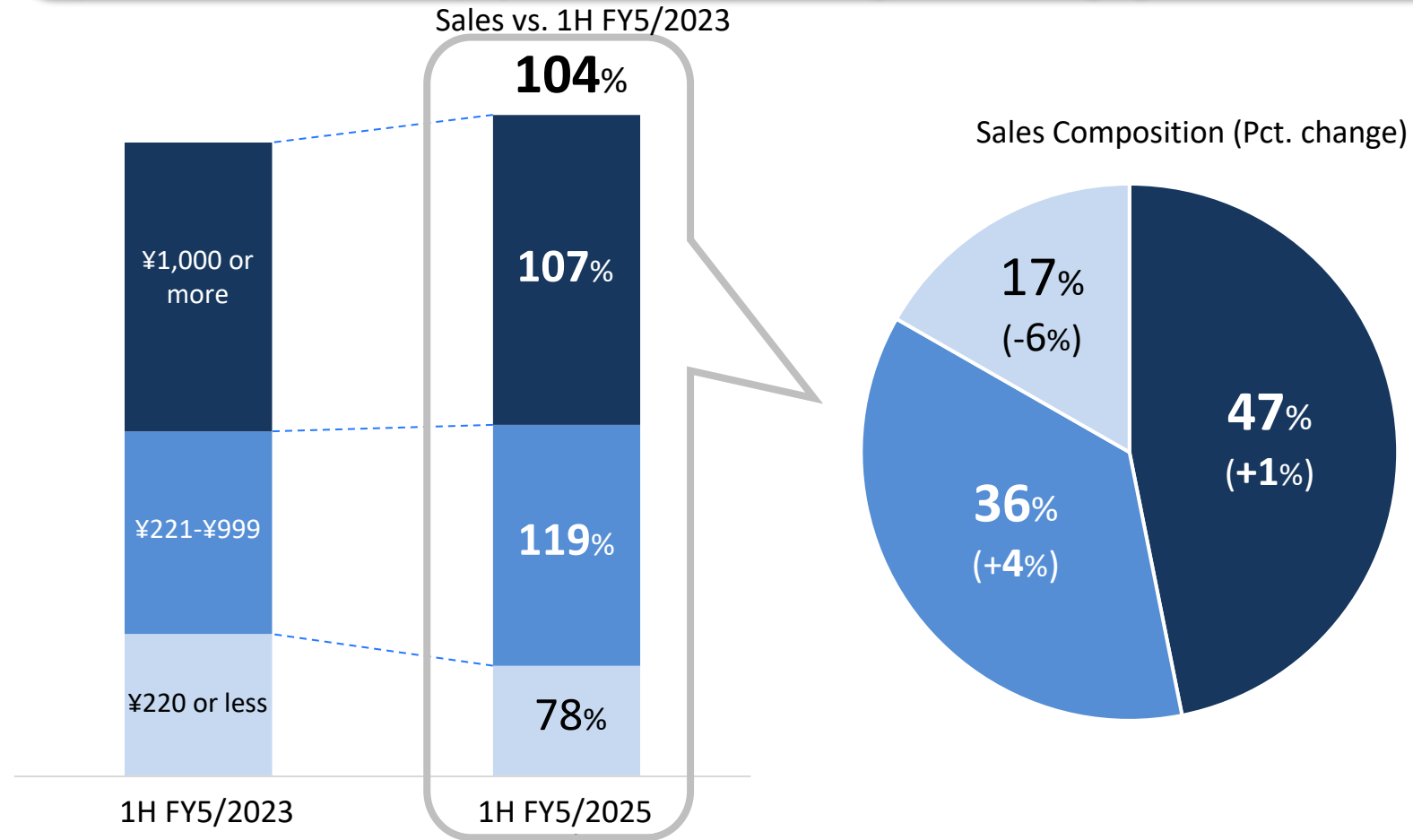
- Stores post lists of items purchased at high prices.
- EC website also lists items purchased at high prices.
- Examples of these items are displayed in sales areas, such as new or popular products and titles that have become media.



Items purchased at high prices

- Books
- Books
- Games
- Retro games
- CDs Records
- DVDs Blu-rays
- Hobby goods Toys
- Trading cards
- Smartphones Tablets
- Headphones Cameras PCs

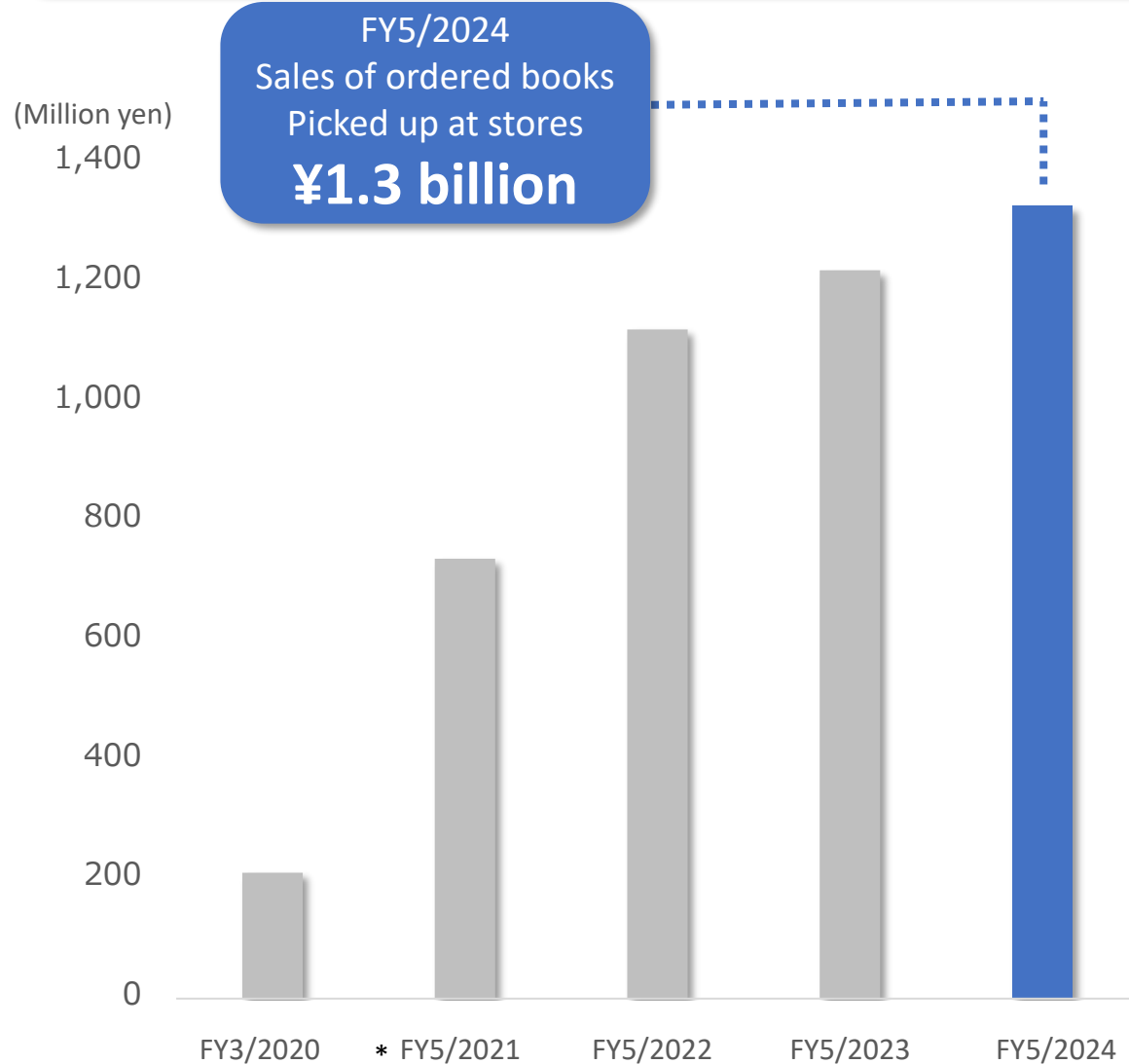
Two Year Comparison of Sales Composition Based on Prices (Sales of books at directly operated stores, excluding books belonging to a series of titles)



- ✓ The goal is to increase prices of books by raising the share of books in the mid to high price ranges. Stores and the EC website are purchasing a large number of popular titles and titles that have become media.
- ✓ By taking these actions, the inventory of quality mid to high price range merchandise is increasing and prices of used books sold and used book sales are performing better than the market for new books.

BOOKOFF Operations in Japan Business Climate for Book Sales and BOOKOFF Actions (4)

Sales of Ordered Books Picked up at Stores (Direct and Franchised Stores)



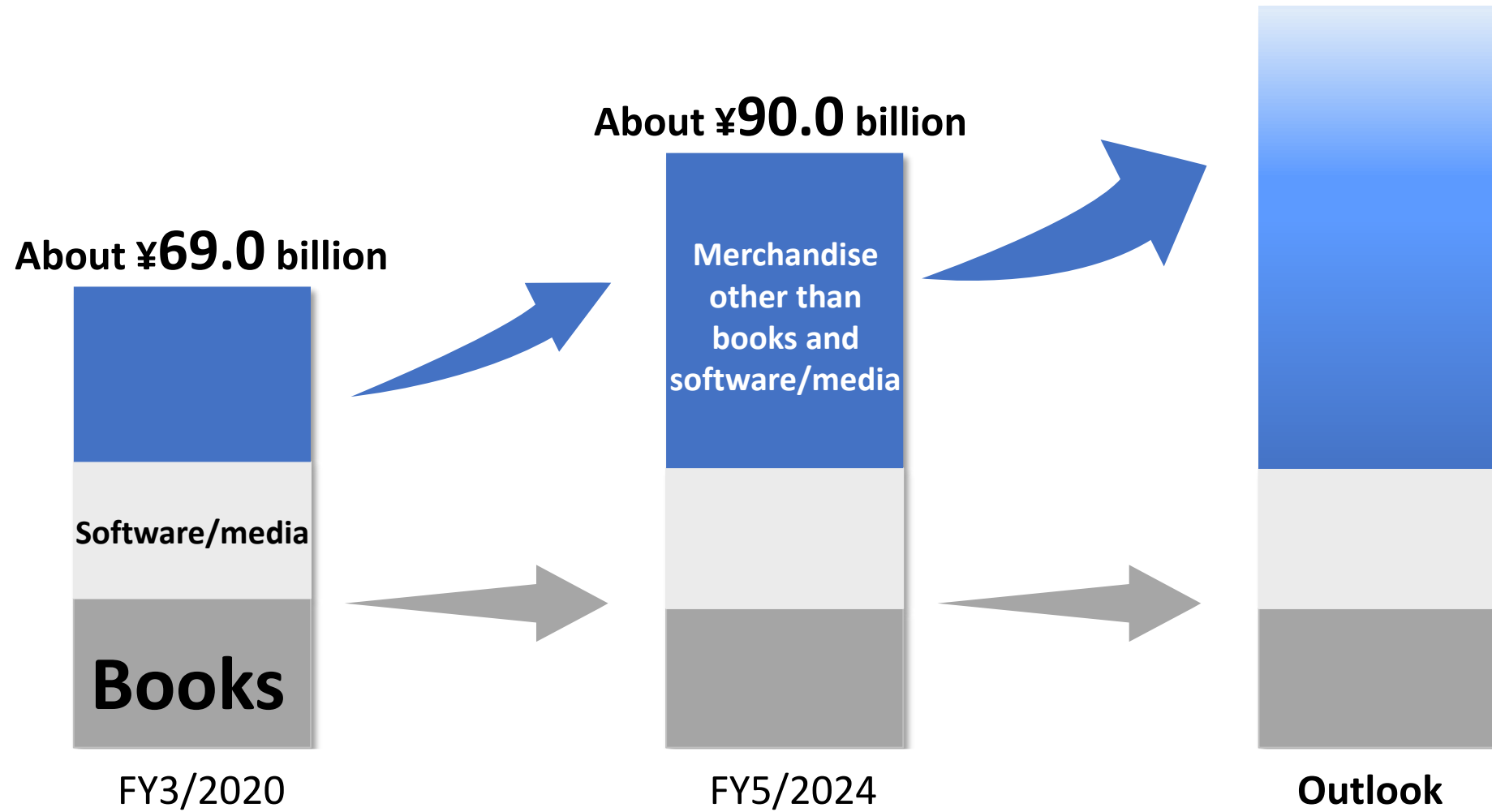
*FY5/2021 is a 14-month transitional fiscal period because of the change in the fiscal year end.

BOOKOFF smartphone app members as of Nov. 30, 2024

More than 8.11 million members



- ✓ More than **70%** of customers using the BOOKOFF website through the smartphone app went to stores to pick up books they ordered.
- ✓ More than **30%** of these customers also made a separate purchase at stores when picking up a book they had ordered.
- ✓ The BOOKOFF smartphone app has a store pick-up service, cashless purchase service and many other functions to **allow customers to benefit from BOOKOFF services at any time and any place.**



- ✓ The percentage of software/media and books has been declining steadily. The basic strategy for stores is to retain these categories as a key component of store sales while increasing sales of merchandise other than books and software/media.

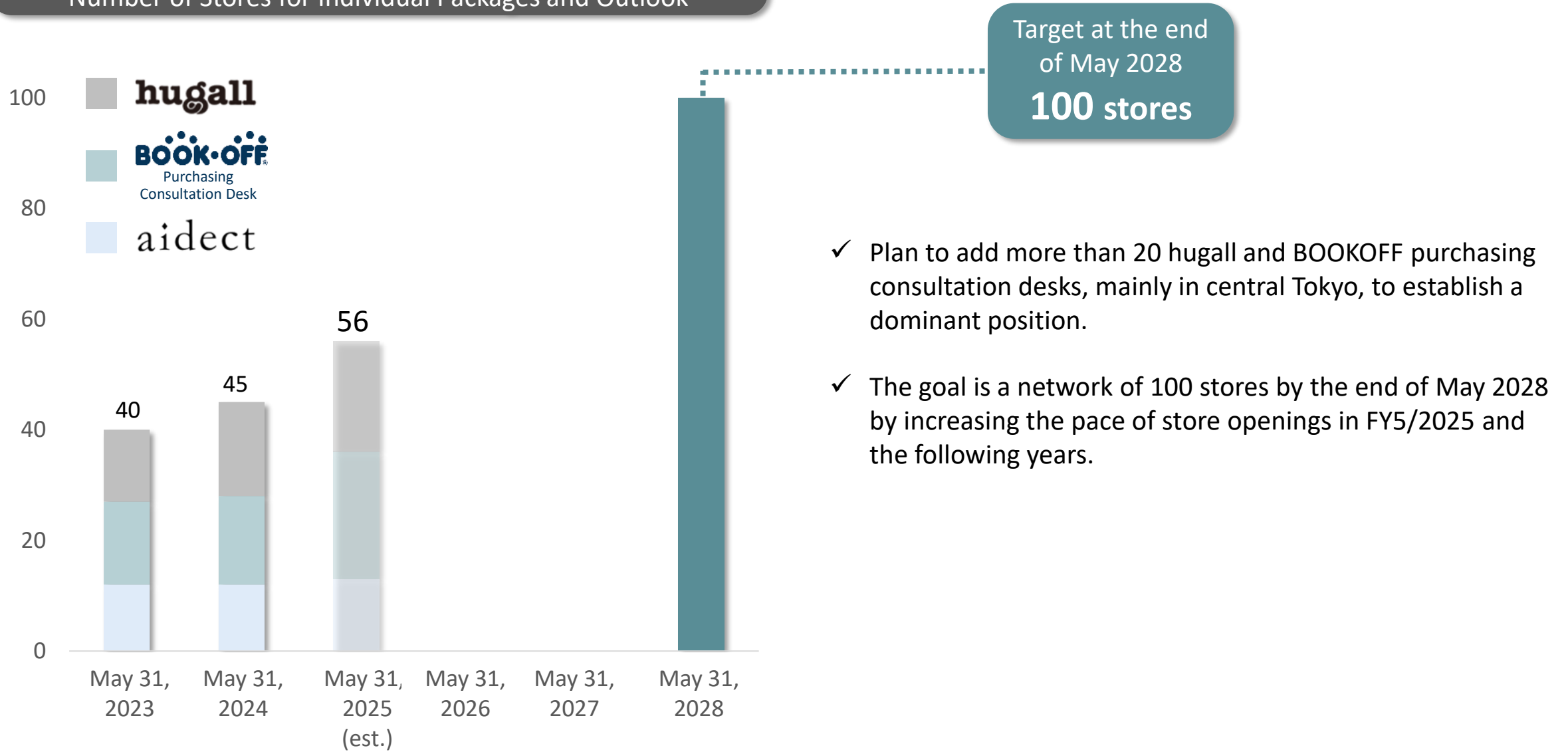
Premium Services Business Medium-term Goals

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



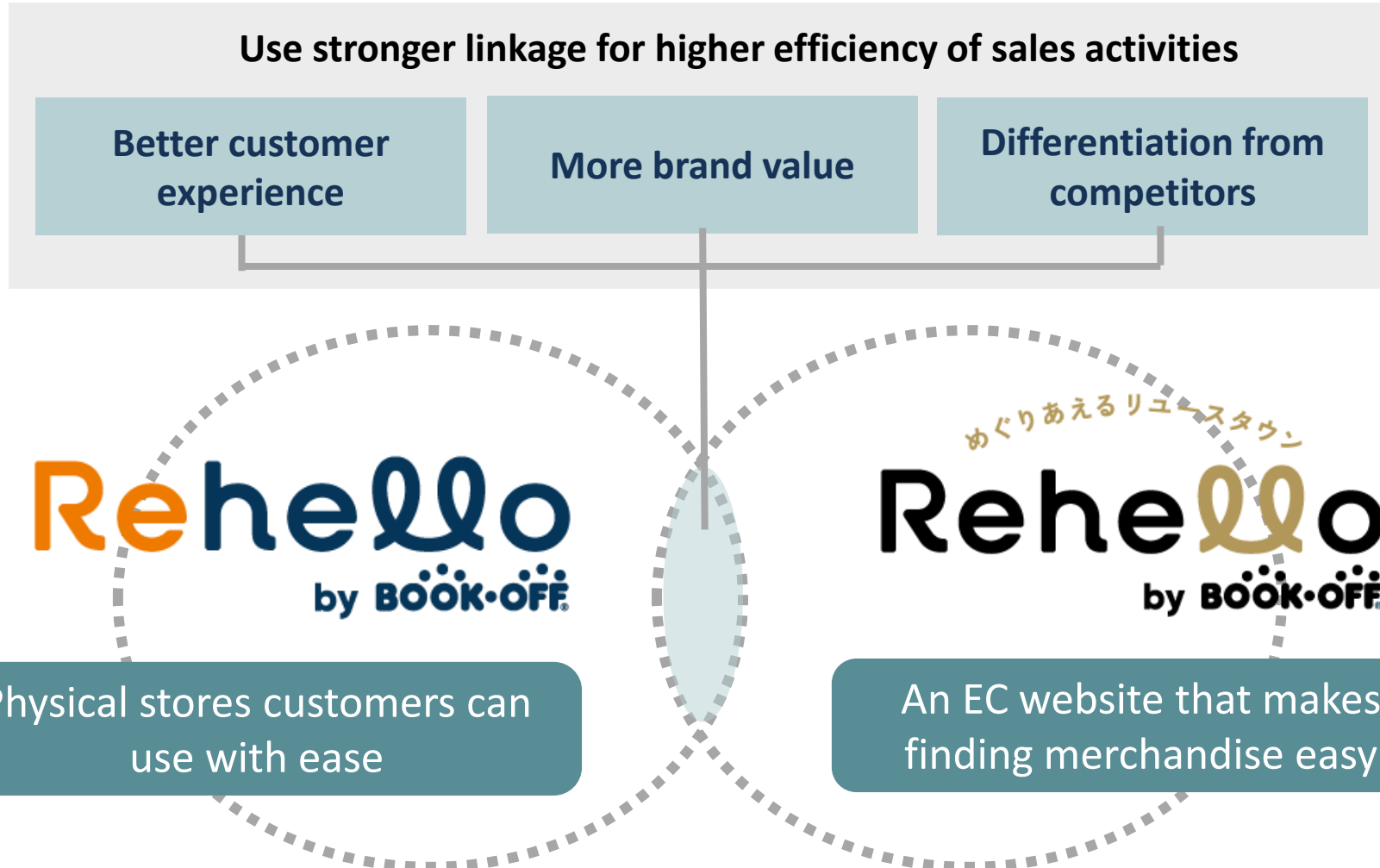
Source: Nomura Research Institute: Assets and households divided by net financial assets held

Number of Stores for Individual Packages and Outlook



The Rehello Brand Concept

Rehello stands for places where people can enjoy entirely new experiences, enabling even individuals not accustomed to selling their possessions to make a sale with confidence.



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

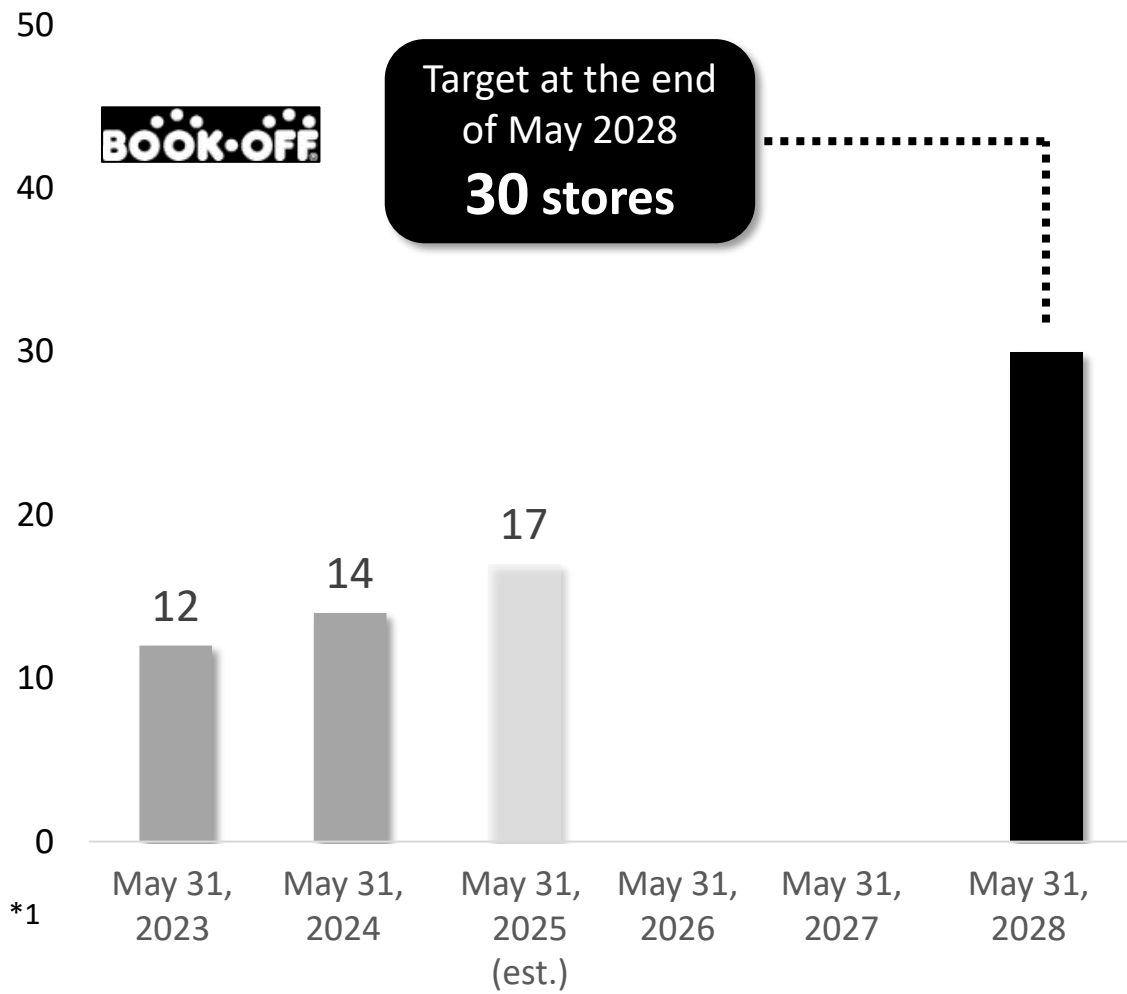
- **Increase the reuse of items** no longer needed by using activities of the BOOKOFF chain as well as joint activities with other companies and local governments.
- Use the growth of the JJJ store network to help create **society where nothing is discarded.**



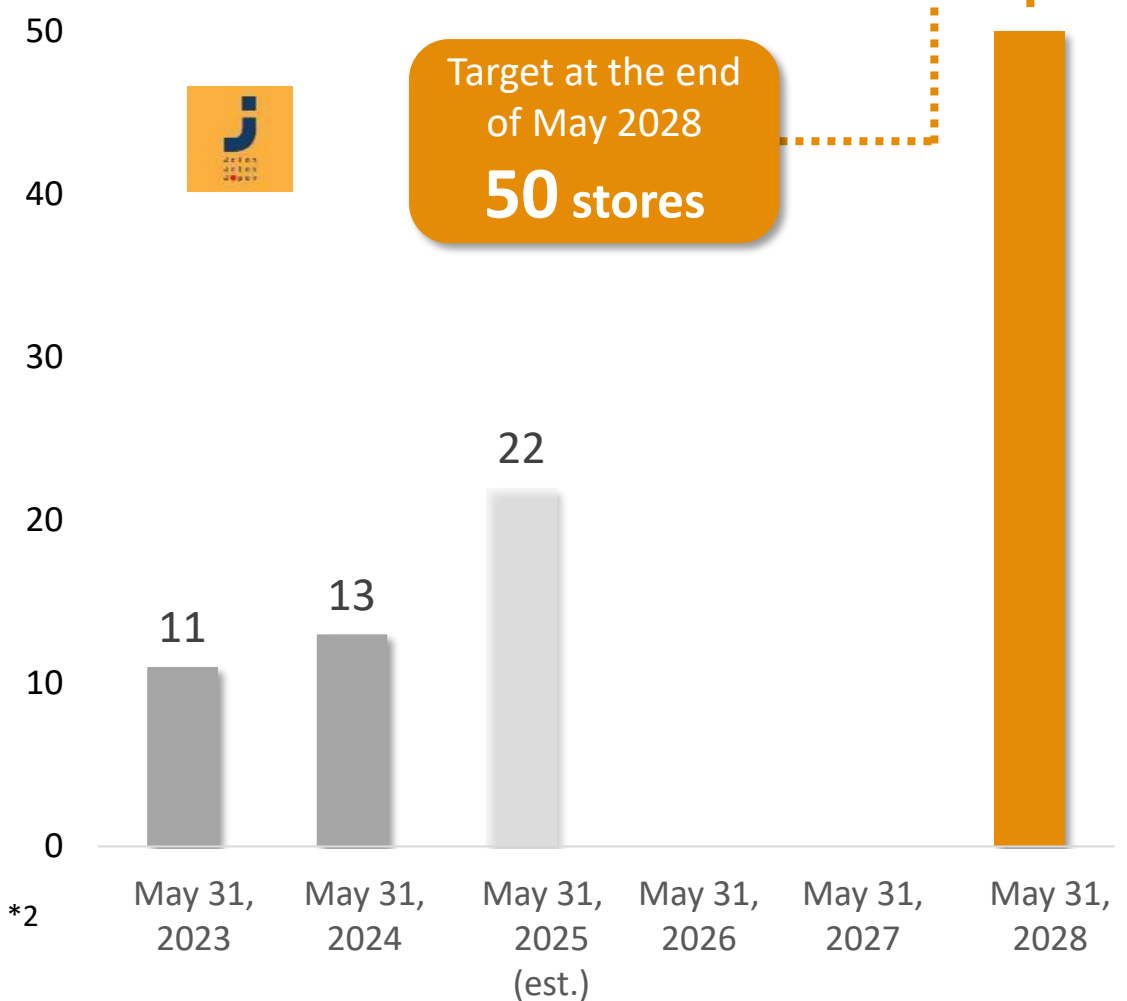
Circulate smiles for a better future

BOOKOFF USA Number of Stores and Outlook

Jalan Jalan Japan 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.



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

Objectives

- Strengthen the U.S. management team and upgrade operations and the customer experience to achieve market growth and more efficient store operations.
- Conduct many studies for opening stores in megacities in order to open more stores continuously.

Initiatives

Management/Training

- ✓ Use at least three Japanese/U.S. store managers
- ✓ New store study management in other states
- ✓ Training to open more stores in Arizona
- ✓ Revise merchandise display rules to make sales areas more efficient

Stores/Merchandise

- ✓ Update and improve store facilities, using product explanation tools for more effective sales
- ✓ Reexamine the method for selling anime goods to attract new customer segments
- ✓ Create a unified system for the appraisal and purchase of used goods

BOOKOFF Massapequa store (opened on June 28, 2024)



Jalan Jalan Japan Apparel Package Stores

Malaysia	Mines Mall (directly operated) / Village Mall Sungai Petani (franchised)
Kazakhstan	Aksai store (directly operated) / Sayahat store (directly operated) / Garelleya Mall (franchised)

Features and Strengths of the Apparel Package

R Apparel

- ✓ High-quality used apparel with no wrinkles or odors
- ✓ Sales areas using innovative ideas incorporating the BOOKOFF Group’s visual merchandising (VMD) expertise
- ✓ Enjoyable sales areas targeting families, the main customer segment and a major strength of existing JJJ stores

Strengths

- ✓ New forms of value that competitors cannot match enable targeting new market sectors in Malaysia’s mature market for used apparel.
- ✓ Until now, limitations on the procurement of miscellaneous goods restricted the ability to open more JJJ stores. The apparel package will make it possible to add stores faster by enabling the use of the large volume of surplus apparel in Japan.

JJJ The Mines Mall store (opened on Sep. 12, 2024)





2H FY5/2025 Initiatives

BOOKOFF GROUP HOLDINGS

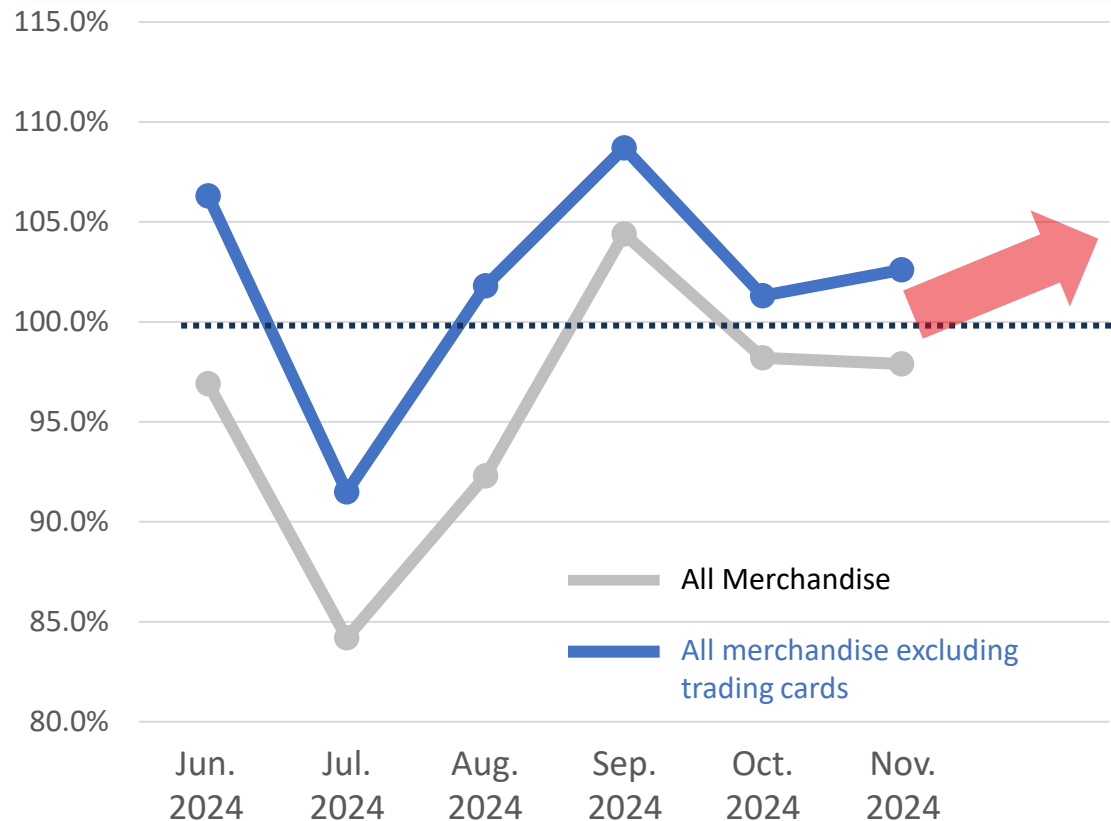
(Million yen)

	FY5/2024 Results	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%

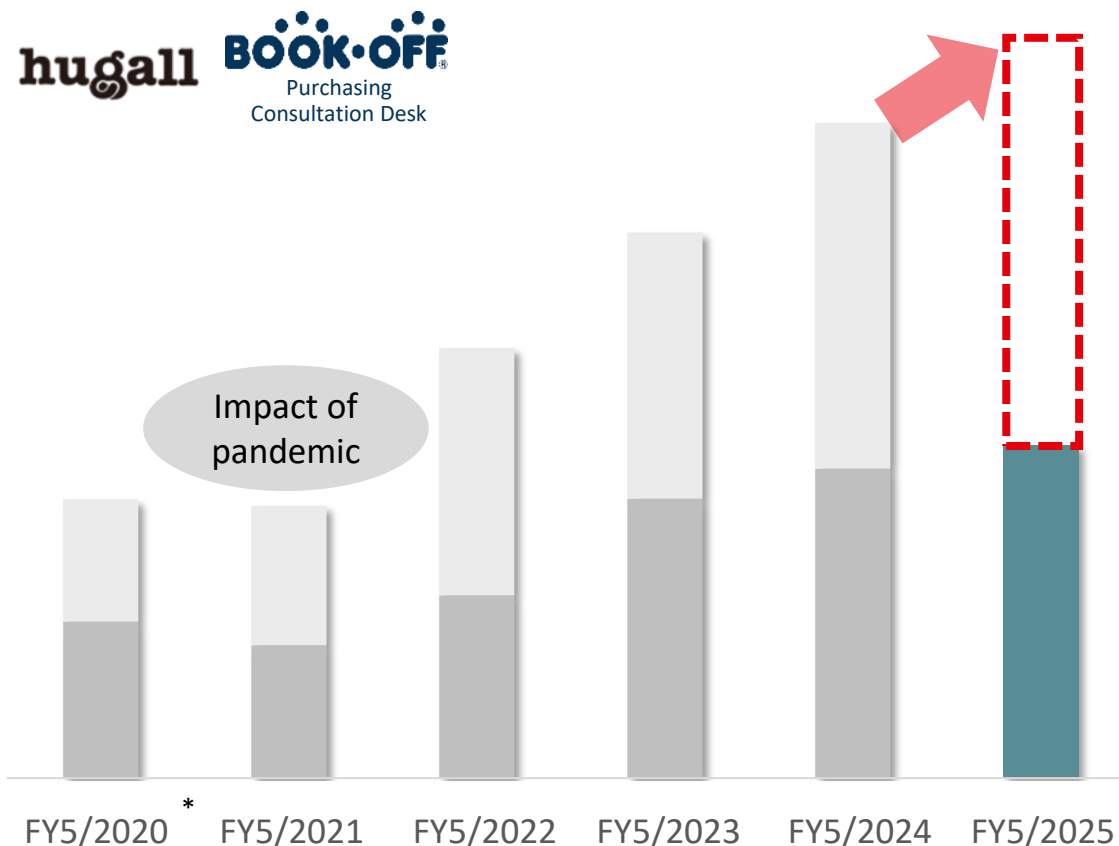
- ✓ No revision to the sales and earnings forecast announced on October 15, 2024
- ✓ Consolidated operating profit and ordinary profit are expected to increase in FY5/2025 even though there will be depreciation expenses following large IT investments in FY5/2024 in the BOOKOFF operations in Japan and 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 and an increase in sales at existing stores of the BOOKOFF operations in Japan. 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.
- ✓ The key points for the second half outlook are the expected recovery in the volume of purchases in BOOKOFF operations in Japan and the premium services business and the rigorous implementation of measures to prevent fraudulent activities.
- ✓ Plan to pay a year-end dividend of ¥25 per share.

Purchases of Used Goods in Japan (BOOKOFF Operations in Japan / Premium Services Business)

BOOKOFF Operations in Japan
YoY Change in Purchases at Directly Operated Existing Stores



Premium Services Business Purchases



* FY5/2020: June 2019 to May 2020; FY5/2021: June 2020 to May 2021

- ✓ Purchases by existing BOOKOFF stores in Japan briefly declined in July 2024 but have been recovering since then.
- ✓ In the premium services business, the growth rate of purchases slowed down during the first half.
- ✓ The ability to reach the fiscal year target for purchases will depend on how much higher second half purchases in both of these businesses are than one year earlier.

BOOKOFF used the report of the Special Investigation Committee, which performed examinations between June and October 2024, to determine actions to prevent this type of incident from happening again. The primary measures to create an environment to prevent fraudulent activities are **steps to strengthen preventive controls concerning misconduct, reinforce checks in order to discover improper behavior, and the establishment of an uncompromising stance regarding the elimination of improper activities throughout the BOOKOFF Group.**

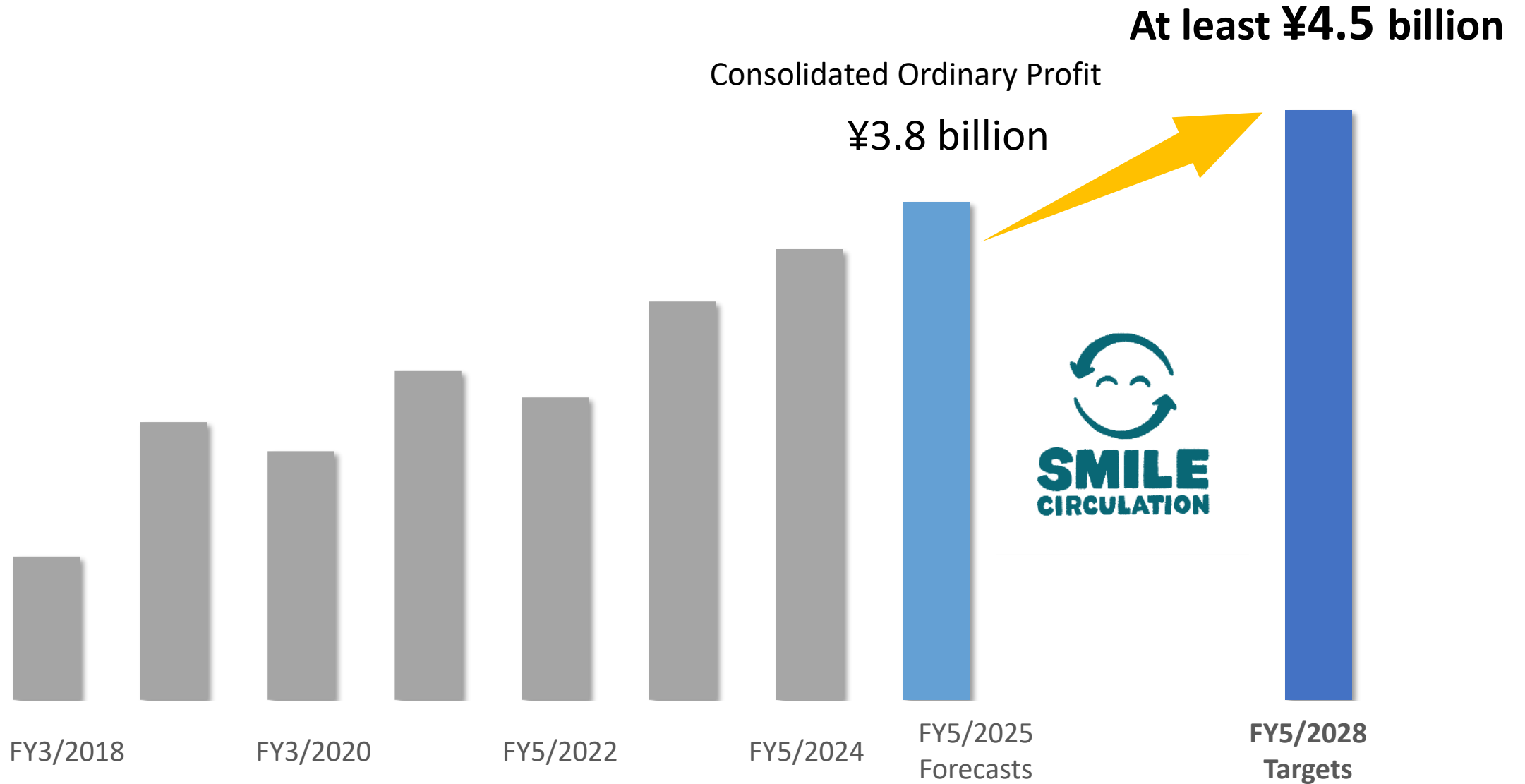
<p>(1) Review of operational rules and strengthening of systems</p>	<p>Preventive workplace process measures based on the methods used for the fraudulent activity (Strengthen preventive checking activities)</p>	
<p>(2) Reinforce checking activities concerning business operation controls</p>	<p>Measures to prevent and quickly discover improper behavior (Reinforce checking activities to discover problems)</p>	
<p>(3) Review of personnel allocation and evaluation criteria</p>	<p>(4) Compliance and improvement of corporate ethics</p>	<p>Measures to make the implementation of preventive measures as effective as possible</p>

Progress with Measures to Prevent Fraudulent Activities

Implementation of the preventive measures started in November accompanied by activities to make everyone at the BOOKOFF Group aware of these steps. This page outlines progress with individual measures.

In the second quarter, there was a reexamination of rules concerning the management of cash, newly assigned employees to perform physical inventory checks at the end of November, reviews of management, and an analysis of any unusual data at headquarters. For the development of IT systems, **there is a risk assessment of 52 applicable projects and the necessary actions have currently been completed for five of these projects.** Full-scale preventive measures are to begin in the third quarter.

<p>(1) Review of operational rules and strengthening of systems</p>	<ul style="list-style-type: none"> ✓ Reconfirming rules for strengthening operations that separate purchases and payments of used goods, POS system revisions and use of cash registers (Started) ✓ Strengthening the checking function of the electronic secondhand products ledger (Started) ✓ Strengthening controls over the registration function for the disposal and conversion of products (Finished) ✓ Reviewing the rules for rewriting product labels, changing the registration function, and strengthening controls (Started) ✓ Strengthening of confirmation of actual conditions through personnel rotation during physical inventory (Finished) ✓ Regarding the replenishment of cash and deposits in stores, the abolition of the use of personal accounts by employees (Started)
<p>(2) Reinforce checking activities concerning business operation controls</p>	<ul style="list-style-type: none"> ✓ Implementation of management reviews of physical inventory checks (Finished) ✓ Implementation of investigations and detection of abnormal values in transaction records and product management registrations using numerical analysis at headquarters (Finished)
<p>(3) Review of personnel allocation and evaluation criteria</p>	<ul style="list-style-type: none"> ✓ Reduction of concurrent positions by increasing the number of store management personnel (Started) ✓ Allocation of personnel in charge of operational inspections within the store management organization (Started) ✓ Addition of internal control items to career path evaluations (personnel assessments) (Started) ✓ Reflection of personnel evaluations based on internal audit results (Started)
<p>(4) Compliance and improvement of corporate ethics</p>	<ul style="list-style-type: none"> ✓ Training of managers regarding measures to prevent the types of fraudulent activities that recently occurred (Finished)



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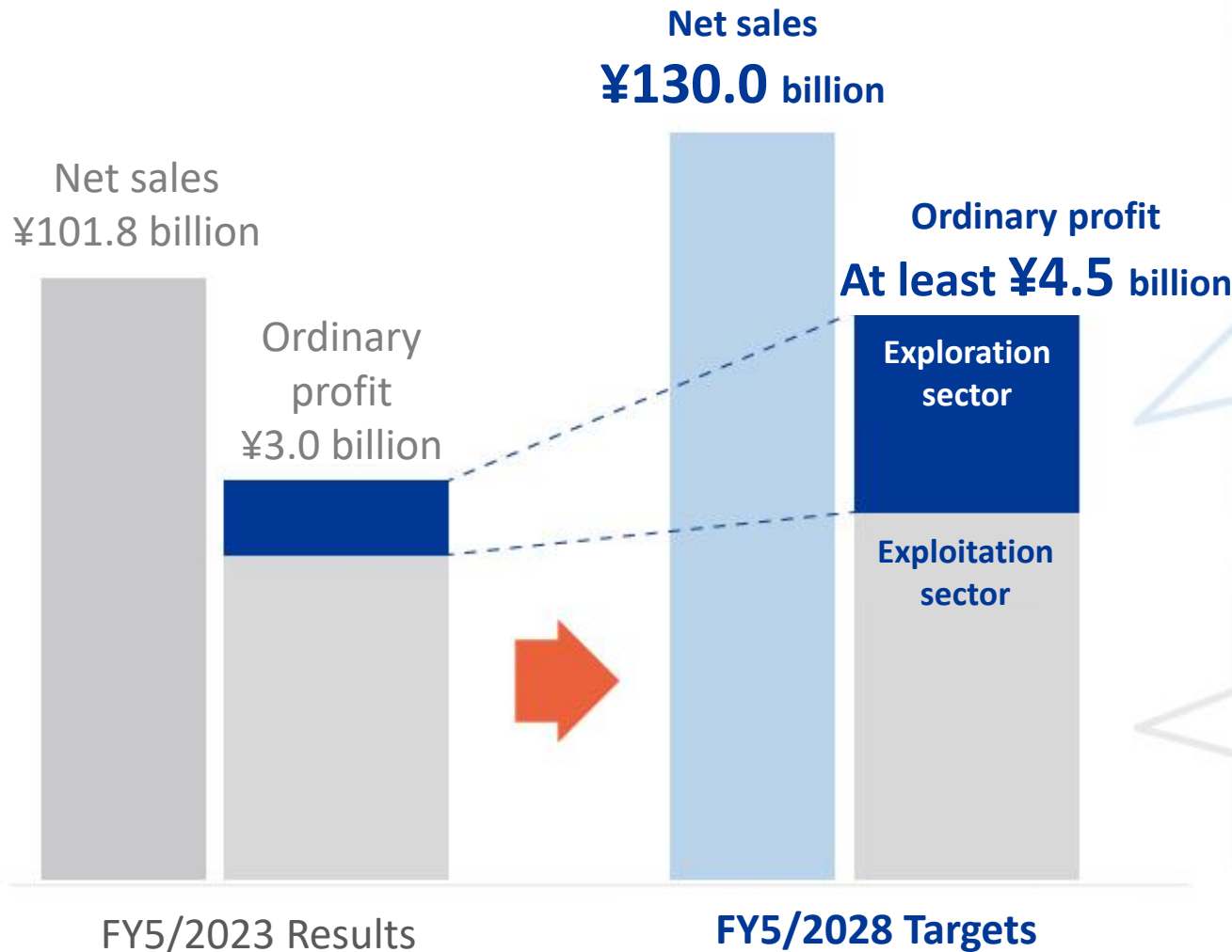
<https://www.bookoffgroup.co.jp/contact/form4.html>

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



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+
The BOOKOFF Online Store	ASO-VIVA	

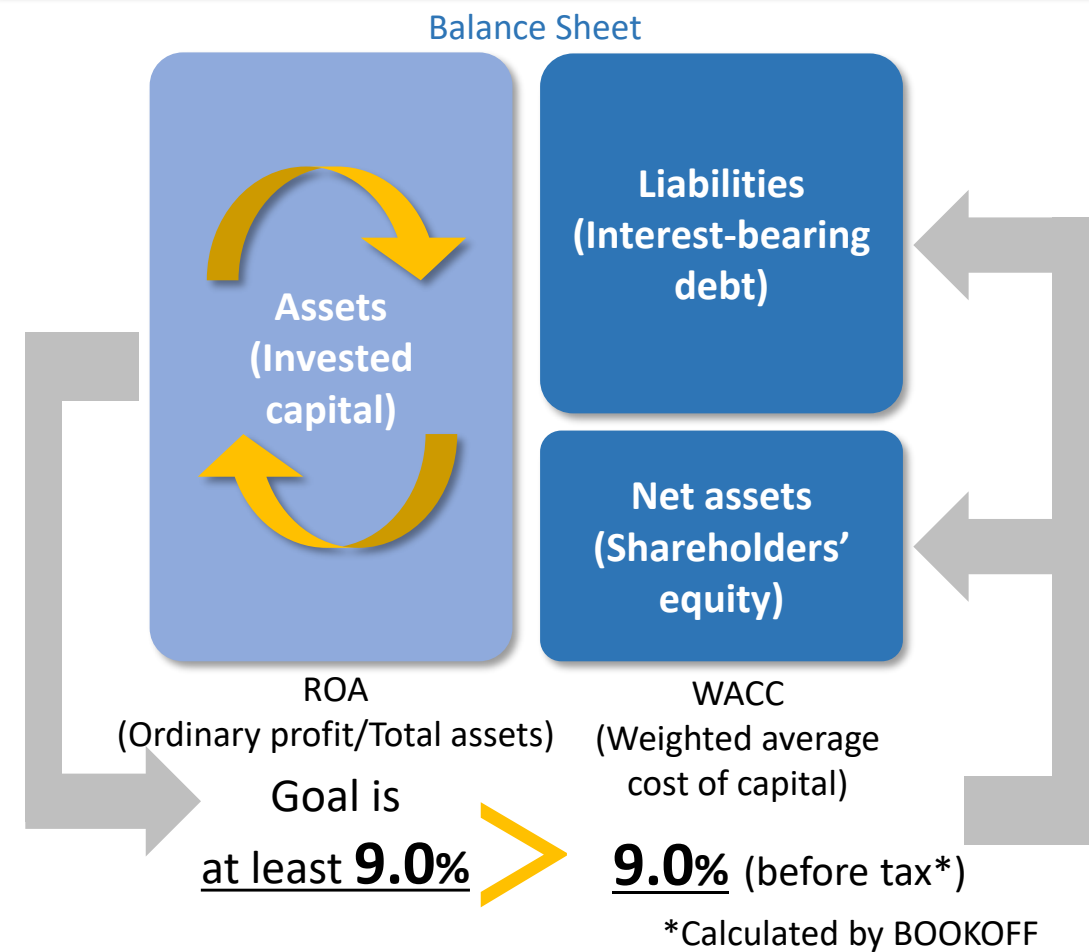
- ✓ The goal is earnings far above the previous record (ordinary profit of ¥3.8 billion) by increasing earnings in the exploration sector.
- ✓ Planning to increase consolidated profitability by raising the percentage of earnings from businesses in the exploration sector, which have high profit margins.

- 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.



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 basic policy for sustainability as shown on the right.

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



- ✓ The Reclothes Cup is the largest upcycling design contest in Japan.
- ✓ Redesigning used apparel adds value and makes recycling apparel easier.

Sendai Reuse Festival



- ✓ BOOKOFF hold events in the city of Sendai 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.

FURUSATO BOOKOFF Store



- ✓ FURUSATO BOOKOFF stores are opened in Nishiwaga-machi, Iwate prefecture and 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.
- ✓ BOOKOFF has received more requests from local governments to open these stores, using the same format as at existing ones, and activities are under way to identify suitable locations.

Consolidated Statement of Income

(Million yen)

	1H FY5/2024	1H FY5/2025
Net sales	52,934	56,781
Cost of sales	22,956	24,384
Gross profit	29,978	32,396
SG&A expenses	28,919	30,898
Operating profit	1,059	1,498
Non-operating income	315	380
Non-operating expenses	106	165
Ordinary profit	1,268	1,713
Extraordinary income	0	0
Extraordinary losses	45	86
Profit before income taxes	1,223	1,628
Income taxes-current	406	452
Income taxes-deferred	50	218
Total income taxes	456	671
Profit	767	956
Profit attributable to non-controlling interests	62	44
Profit attributable to owners of parent	705	912

(Million yen)

	As of May 31, 2024	As of Nov. 30, 2024
Current assets	32,208	32,962
Cash and deposits	7,180	7,041
Merchandise	18,825	19,159
Others	6,201	6,761
Non-current assets	22,334	23,444
Property, plant and equipment	9,854	11,226
Intangible assets	2,428	2,344
Investments and other assets	10,052	9,873
Total assets	54,542	56,406

	As of May 31, 2024	As of Nov. 30, 2024
Current liabilities	20,551	19,007
Short-term borrowings	10,816	9,805
Others	9,734	9,202
Non-current liabilities	13,483	16,396
Long-term borrowings	7,287	6,712
Others	6,195	9,684
Total liabilities	34,034	35,404
Net assets	20,507	21,001
Total liabilities and net assets	54,542	56,406

(Million yen)

	1H FY5/2024	1H FY5/2025
Cash flows from operating activities	220	935
Profit before income taxes	1,223	1,628
Depreciation	814	1,059
Amortization of goodwill	21	1
Changes in trade receivables, inventories and trade payables	(1,461)	(435)
Others	(376)	(1,318)
Cash flows from investing activities	(1,269)	(1,763)
Cash flows from financing activities	2,068	658
Effect of exchange rate change on cash and cash equivalents	53	31
Net increase (decrease) in cash and cash equivalents	1,072	(139)
Cash and cash equivalents at beginning of period	5,544	7,180
Cash and cash equivalents at end of period	6,616	7,041

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



The 1st BOOKOFF store



BOOKOFF SUPER BAZAAR



BOOKOFF PLUS

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



BOOKOFF Purchasing Consultation Desk

- Started the BOOKOFF purchasing consultation desks



Japan TCG Center

- Opened the first Japan TCG Center

1990-

2000-

2009-

2015-

2021-

- 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



Focus on suburban locations



BOOKOFF USA



The BOOKOFF online website



Dept. store purchasing desk



A Jalan Jalan Japan store in Malaysia



ASO-VIVA

Numbers of stores and app members are as of November 30, 2024.

BOOKOFF Operations in Japan

BOOK-OFF®



610 stores

BOOK-OFF SUPER BAZAAR



51 stores

BOOK-OFF PLUS+



66 stores

あそびパ
by BOOK-OFF



5 stores

BOOK-OFF
Official Online Store



8.11 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



18 stores

aidect



12 stores

BOOK-OFF®
Purchasing
Consultation Desk



21 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





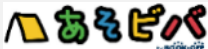


21 stores

BOOK-OFF





16 stores

BOOKOFF USA buys and sells books, software/media, anime goods and other types of merchandise. Jalan Jalan Japan stores in Malaysia and Kazakhstan 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*	51 stores (including two franchised stores)	676 stores (including 365 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 8.11 million	 BOOK-OFF Official Online Store	Store inventory viewing and store pick-up service through linkage with the BOOKOFF Official Online Store
Strength	<u>Purchases and sales of 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>at large stores</u> (about 3,300㎡)	<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 November 30, 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*	18 stores	21 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"> • <u>Expertise about operations</u> in dept. stores • <u>Fast recovery of investments</u> due to low-cost stores • <u>At-home purchasing</u> by experts in many product categories 	<u>Differentiation from competitors</u> by handling reuse of famous-brand merchandise as well as of book and game and other software/media	<u>Full line of services</u> for problems involving <u>jewelry</u> , 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 November 30, 2024

Major store packages	 <p>Jalan Jalan Japan (JJJ)</p>	 <p>BOOKOFF USA</p>
Number of stores*	 <p>14 stores in Malaysia (including one franchised store)</p>  <p>Seven stores in Kazakhstan (including three franchised stores)</p>	 <p>16 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 and other software/media, 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 November 30, 2024