

BOOKOFF GROUP HOLDINGS

Supplementary Financial Data for the Third Quarter of the Fiscal Year Ending May 2025 (3Q FY5/2025)

Note : This document has been translated from the Japanese original for reference purposes only. In the event of any discrepancy between this translated document and the Japanese original, the original shall prevail.

April 11, 2025

BOOKOFF GROUP HOLDINGS LIMITED

Securities code: 9278

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- ◆ In the second year of the medium-term management policies, the fiscal year ending May 2025, we will continue to open new stores in each business and net sales will continue. Despite an increase in expenses such as amortization costs due to large IT investments released in the previous term and personnel costs in each business, we expect to see an increase in ordinary income due to growth in existing BOOKOFF operations in Japan.
- ◆ In the first three quarters of the consolidated fiscal year, net sales in each business exceeded the previous year's figures, and consolidated net sales were 88,380 million yen (107.3% y-o-y). Consolidated ordinary profit was 3,445 million yen (112.0% y-o-y) in the first three quarters of the consolidated fiscal year, due to an increase in profits from BOOKOFF operations in Japan.
- ◆ Profit attributable to owners of parent was 1,974 million yen (103.2% y-o-y).
- ◆ Based on the medium-term management policies, we will continue to open new stores as planned in each business and expand our operations, while also implementing measures to prevent fraudulent activities in BOOKOFF operations in Japan. In order to achieve the medium-term management policies, we expect to invest in marketing and medium- to long-term business strategies for BOOKOFF operations in Japan.

The full-year earnings forecast remains unchanged from the forecast announced on October 15, 2024.

Consolidated Statement of Income

BOOKOFF GROUP HOLDINGS

(Million yen)

	3Q FY5/2024 (Jun.1, 2023 – Feb.29, 2024)	% to net sales	3Q FY5/2025 (Jun.1, 2024 – Feb.28, 2025)	% to net sales	YoY change (Amount)	YoY change (%)
Net sales	82,388	-	88,380	-	+5,992	107.3%
Gross profit	46,513	56.5%	50,237	56.8%	+3,724	108.0%
SG&A expenses	43,757	53.1%	47,088	53.3%	+3,331	107.6%
Operating profit	2,755	3.3%	3,148	3.6%	+392	114.2%
Non-operating income	483	0.6%	554	0.6%	+70	114.5%
Non-operating expenses	165	0.2%	257	0.3%	+92	156.0%
Ordinary profit	3,074	3.7%	3,445	3.9%	+370	112.0%
Extraordinary income	94	0.1%	0	0.0%	(93)	0.6%
Extraordinary losses	112	0.1%	119	0.1%	+7	106.2%
Profit before income taxes	3,056	3.7%	3,326	3.8%	+269	108.8%
Income taxes-current	1,046	1.3%	1,271	1.4%	+224	121.4%
Profit attributable to non-controlling interests	96	0.1%	80	0.1%	(15)	83.9%
Profit attributable to owners of parent	1,913	2.3%	1,974	2.2%	+60	103.2%

BOOKOFF operations in Japan

Net sales at directly operated existing stores for the third quarter totaled 77,490 million yen (106.0% y-o-y), due to higher sales of trading cards/hobby goods, apparel, jewelry/watches/high-end brand bags, etc. compared to the same period of the previous year. Segment profit was 4,417 million yen (117.5% y-o-y).

Premium services business

Net sales for the third quarter totaled 5,202 million yen (104.6% y-o-y), due to the purchase amount exceeding the same period of the previous year due to new store openings in the previous and current periods.

On the other hand, segment profit was 23 million yen (7.2% y-o-y) due to a decline in the gross profit margin, an increase in expenses associated with new store openings, and the expansion of personnel to support business growth.

Overseas business

Net sales for the first three quarters of the year were 4,548 million yen (132.8% y-o-y), due to new store openings at BOOKOFF stores in the United States and Jalan Jalan Japan stores in Malaysia and Kazakhstan, which contributed to higher sales than in the same period of the previous year.

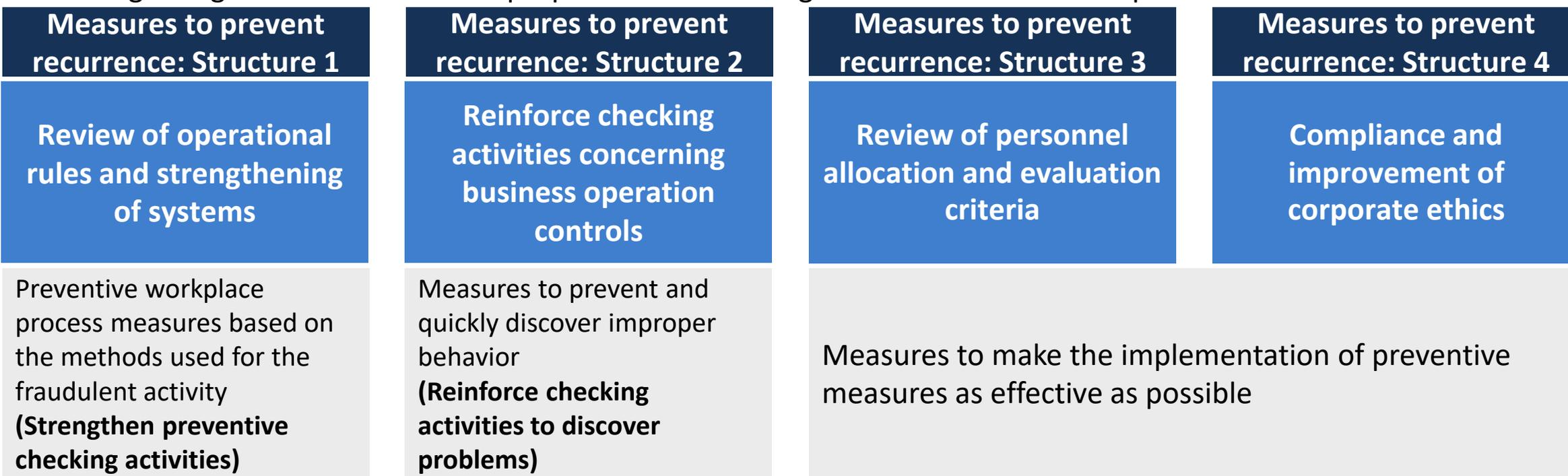
On the other hand, segment profit was 576 million yen (95.4% y-o-y) due to a slowdown in sales at existing stores in Malaysia and expenses incurred in Kazakhstan, including the establishment of a management system for the local subsidiary and the opening of new stores.

Results by Segment

(Million yen)

Business Segment		3Q FY5/2024 (Jun.1, 2023 – Feb.29, 2024)	3Q FY5/2025 (Jun.1, 2024 – Feb.28, 2025)	YoY change (Amount)	YoY change (%)
BOOKOFF operations in Japan	Net sales	73,130	77,490	+4,359	106.0%
	Segment profit	3,760	4,417	+656	117.5%
Premium services business	Net sales	4,974	5,202	+227	104.6%
	Segment profit	323	23	(300)	7.2%
Overseas business	Net sales	3,424	4,548	+1,124	132.8%
	Segment profit	604	576	(28)	95.4%
Other businesses	Net sales	857	1,138	+280	132.8%
	Segment profit	(132)	(169)	(36)	-
Adjustment (Corporate)	Segment profit	(1,482)	(1,403)	+79	-
Consolidated total	Net sales	82,388	88,380	+5,992	107.3%
	Ordinary profit	3,074	3,445	+370	112.0%

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.



To Create an Environment to Prevent Fraudulent Activities

Measures to prevent fraudulent activities will begin in November 2024.

At present, the “review of cash and deposit management rules”, “review of physical inventory rules”, “implementation of management reviews” and “analysis of abnormal values at headquarters” have already finished. With regard to system development, we have “listed the projects we are working on”, and **of the 53 projects, 15 have finished and been implemented**. We expect to complete the important points, including “reviewing the rules for purchasing operations” and “building a system for operational inspections”, by the end of the term.

Review of operational rules and strengthening of systems

1 Preventive workplace process measures based on the methods used for the fraudulent activity **(Strengthen preventive checking activities)**

<Matters related to preventing the recurrence of fictitious purchases>

- ✓ Reconfirming rules for strengthening operations that separate purchases and payments of used goods, POS system revisions and use of cash registers **(Finished)**
- ✓ Review of approval rules for high-value purchases, utilization of workflow **(Started)**
- ✓ Strengthening the checking function of the electronic secondhand products ledger **(Started)**

<Matters related to preventing the recurrence of inappropriate inventory management>

- ✓ 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)**
- ✓ Review of approval rules for incoming and outgoing goods **(Started)**
- ✓ Addition and review of the contents of the manual for physical inventory **(Finished)**
- ✓ Strengthening of confirmation of actual conditions through personnel rotation during physical inventory **(Finished)**

<Matters related to the prevention of recurrence of the unauthorized acquisition of cash or goods>

- ✓ Regarding the replenishment of cash and deposits in stores, the abolition of the use of personal accounts by employees **(Started)**
- ✓ Additional security cameras installed at the store counter and in the backyard **(Started)**

2	<p>Reinforce checking activities concerning business operation controls</p>	<ul style="list-style-type: none"> ✓ Review of the on-site manual and checklist for area managers (Finished) ✓ Implementation of regular operational inspections in store management organizations (Started) ✓ Strengthening checks for employees who have been with the same store for a long time and those who hold multiple positions (Started) ✓ 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) ✓ Conducting regular surveys of employees (for the purpose of fraud detection and reviewing operations) (Started)
3	<p>Review of personnel allocation and evaluation criteria</p> <p>Measures to make the implementation of preventive measures as effective as possible</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 (Finished) ✓ Addition of internal control items to career path evaluations (personnel assessments) (Started) ✓ Reflection of personnel evaluations based on internal audit results (Started)
4	<p>Compliance and improvement of corporate ethics</p> <p>Measures to make the implementation of preventive measures as effective as possible</p>	<ul style="list-style-type: none"> ✓ Review of the Group Code of Conduct and Guidelines (Finished) ✓ Addition of content to deter misconduct in regular compliance training for all employees (Started) ✓ Training of managers regarding measures to prevent the types of fraudulent activities that recently occurred (Finished)

FY5/2025 Quarterly YoY Comparison

	1Q	2Q	1H	3Q	3Q (First nine months)	4Q	FY5/2025
Net sales	105.5%	104.9%	105.2%	105.0%	105.1%		
number of customers	103.9%	103.6%	103.7%	101.6%	103.0%		
Purchase Amount	90.9%	100.0%	95.7%	104.6%	98.7%		
number of customers for purchase	97.8%	99.8%	98.9%	100.2%	99.3%		

(Reference.) FY5/2024 Quarterly YoY Comparison

	1Q	2Q	1H	3Q	3Q (First nine months)	4Q	FY5/2024
Net sales	109.5%	104.3%	106.8%	106.0%	106.5%	106.3%	106.5%
number of customers	103.7%	103.0%	103.4%	104.1%	103.6%	104.4%	103.8%
Purchase Amount	110.3%	105.5%	107.7%	103.7%	106.3%	103.3%	105.5%
number of customers for purchase	99.9%	102.2%	101.1%	104.6%	102.3%	103.1%	102.5%

Product name	Net sales				Purchase Amount			
	3Q period		First nine months		3Q period		First nine months	
	YoY change	% to net sales	YoY change	% to net sales	YoY change	% to net sales	YoY change	% to net sales
Books	100.5%	22.4%	102.0%	22.7%	98.3%	15.4%	97.8%	15.3%
Software Media (CDs,DVDs and games)	97.2%	21.7%	98.7%	22.3%	100.6%	23.6%	98.4%	24.0%
Apparel	108.4%	11.4%	108.4%	11.8%	105.0%	9.7%	102.7%	9.7%
Jewelry/watches/high-end brand bags	108.7%	8.6%	106.6%	9.0%	105.7%	14.4%	101.3%	15.2%
Trading cards/hobby goods	116.7%	22.1%	110.4%	20.8%	114.4%	26.7%	95.5%	24.6%
Home appliances/smart phones	105.4%	4.9%	109.8%	5.0%	102.4%	5.6%	102.5%	6.0%
Sporting and outdoor goods	107.5%	4.4%	110.5%	3.8%	95.2%	3.6%	99.6%	3.8%
Other	98.9%	4.5%	111.5%	4.6%	103.5%	1.1%	100.6%	1.1%

BOOKOFF operations in Japan

(1tsubo=3.31 square meters)

Classification	Store Name	Store Packages	OPEN DATE	Location	Sales floor space	Consolidated period
Directly operated	Jumbo Square KASHIBA Store		May. 22, 2024 *	Kashiba City, Nara Prefecture	217 tsubo	1Q period
Directly operated	Ito-Yokado Higashimurayam Store		Jul. 12, 2024	Higashimurayama City, Tokyo	231 tsubo	1Q period
Directly operated	ChaChaTown Kokura Store		Jul. 13, 2024	Kitakyushu City, Fukuoka Prefecture	277 tsubo	1Q period
Directly operated	Soka Seimon Plaza Store		Nov. 5, 2024	Soka City, Saitama Prefecture	796 tsubo	2Q period
Directly operated	LIVIN Tanashi Store		Nov. 27, 2024	Nishitokyo City, Tokyo	279 tsubo	2Q period
Directly operated	Sendai Clis Road Store		Feb. 21, 2025	Sendai City, Miyagi Prefecture	293 tsubo	3Q period

*BOOKOFF Jumbo Square Kashiba, which opened in March 2024, is treated as a new store for the first quarter of the term ending May 2025. The reason for this is that the fiscal year-end of domestic consolidated subsidiaries differs from the consolidated accounting period.

Premium services business

Classification	Store Name	Store Packages	OPEN DATE	Location	Sales floor space	Consolidated period
Directly operated	Omiya Takashimaya Store		Jul. 11, 2024	Saitama City, Saitama Prefecture	-	1Q period
Directly operated	Sakura-shinmachi Ekimae Store		Jul. 12, 2024	Setagaya Ward, Tokyo	-	1Q period
Directly operated	Denenchofu Store		Aug.02, 2024	Ota Ward, Tokyo	-	1Q period
Directly operated	Myogadani Store		Sep.13, 2024	Bunkyo Ward, Tokyo	-	2Q period
Directly operated	Meguro Store		Oct.10, 2024	Meguro Ward, Tokyo	-	2Q period
Directly operated	Yokohama Takashimaya Store		Nov.15, 2024	Yokohama City, Kanagawa Prefecture	-	2Q period
Directly operated	Kichijoji Store		Jan. 10, 2025	Musashino City, Tokyo	-	3Q period

New Store Openings for the Group ③

Overseas business

(1tsubo=3.31 square meters)

Classification	Store Name	Store Packages	OPEN DATE	Location	Sales floor space	Consolidated period
Directly operated	MASSAPEQUA Store		Jun. 28, 2024	United States of America	106 tsubo	2Q period
Directly operated	MONTEREY PARK store		Sep. 19, 2024	United States of America	112 tsubo	3Q period
Directly operated	Berjaya Mega Mall Store		May. 23, 2024 *	Malaysia	563 tsubo	1Q period
Directly operated	Aksai Store		Jul. 6, 2024	Republic of Kazakhstan	196 tsubo	2Q period
Directly operated	Sayahat Store		Jul. 27, 2024	Republic of Kazakhstan	145 tsubo	2Q period
Directly operated	The Mines Mall Store		Sep. 12, 2024	Malaysia	353 tsubo	2Q period
Franchised	Aprikot Store		Sep. 14, 2024	Republic of Kazakhstan	205 tsubo	2Q period
Directly operated	Vodnik Alatau Store		Sep. 28, 2024	Republic of Kazakhstan	290 tsubo	2Q period
Directly operated	AEON BiG Taman Falim Store		Oct.31, 2024	Malaysia	386 tsubo	3Q period
Directly operated	Alatau Plaza Store		Nov.09, 2024	Republic of Kazakhstan	561 tsubo	3Q period
Franchised	Village Mall Sungai Petani Store		Dec.20, 2024	Malaysia	364 tsubo	3Q period

*As the fiscal year-end of overseas subsidiaries differs from the consolidated accounting period, "Jalan Jalan Japan" lists stores that opened from April 2024 to December 2024, and "BOOKOFF USA" lists stores that opened from March 2024 to November 2024.

New Store Openings for the Group ④

Other businesses

(1tsubo=3.31 square meters)

Classification	Store Name	Store Packages	OPEN DATE	Location	Sales floor space	Consolidated period
Directly operated	Naha Okiei Street Store		Jun. 14, 2024	Naha City, Okinawa Prefecture	87 tsubo	1Q period
Directly operated	Kamata-eki-higashiguchi Store		Sep. 14, 2024	Ota Ward, Tokyo	45 tsubo	2Q period

Number of Group Stores

Year and month of operation		Year 2024					Year 2025						
		Jun.	Jul.	Aug.	Sep.	Oct.	Nov.	Dec.	Jan.	Feb.	Mar.	Apr.	May
BOOKOFF operations in Japan total		754	755	755	755	751	751	751	747	747			
BOOKOFF operations in Japan	Directly operated	386	388	388	388	384	385	384	380	380			
	Franchised	368	367	367	367	367	367	367	367	367			
Premium services business		45	47	48	49	50	51	51	52	52			
Overseas business total		30	31	31	34	34	37	39	40	41			
Overseas business	Directly operated	24	25	25	28	28	30	32	33	33			
	Franchised	6	6	6	6	6	7	7	7	8			
Other business		5	5	5	6	6	6	6	6	6			
Group total		834	838	839	844	841	845	847	845	846			

*Number of stores in the current consolidated accounting period because the fiscal year end of overseas subsidiaries differs from the consolidated fiscal year end.

(Million yen)

	FY5/2024 Result	FY5/2025 Forecast	Change (amount)	Change (%)
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	25YEN	25YEN	-	100.0%

- ✓ The full-year earnings forecast remains unchanged from the forecast announced on October 15, 2024.
- ✓ Despite an increase in expenses such as amortization costs due to large IT investments released in the previous term and personnel costs in each business, BOOKOFF operations in Japan are expected to see an increase in operating income and ordinary income on a consolidated basis due to growth in existing stores. Profit attributable to owners of parent is expected to increase due to the absence of the 550 million yen in extraordinary losses recorded in the previous fiscal year, including the provision for special investigation expenses.
- ✓ Based on the medium-term management policies, we will continue to open new stores as planned in each business and expand our operations, while also implementing measures to prevent fraudulent activities in BOOKOFF operations in Japan. In order to achieve the medium-term management policies, we expect to invest in marketing and medium- to long-term business strategies for BOOKOFF operations in Japan.
- ✓ Plan to pay a year-end dividend of 25 yen per share.

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

BOOKOFF GROUP HOLDINGS

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