

# **BOOKOFF GROUP HOLDINGS**

## **Financial Results Presentation Materials for the Fiscal Year Ended May 2023 (FY5/2023)**

July 10, 2023

BOOKOFF GROUP HOLDINGS LIMITED

Securities code: 9278

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# **FY5/2023 Overview of Consolidated Financial Results and Highlights**

**BOOKOFF GROUP HOLDINGS**

(Million yen)

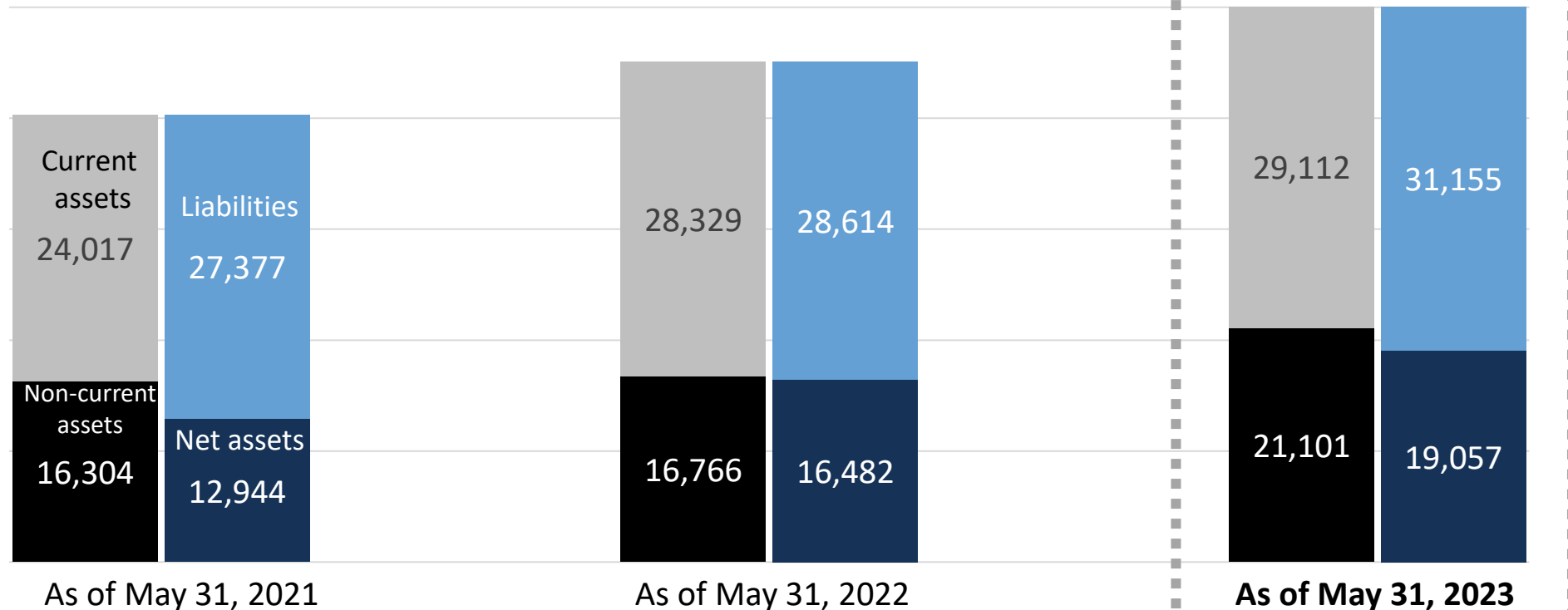
	FY5/2022	% to net sales	<b>FY5/2023</b>	<b>% to net sales</b>	YoY change (Amount)	YoY change (Ratio)
<b>Net sales</b>	91,538	-	<b>101,843</b>	-	+10,304	111.3%
<b>Gross profit</b>	54,212	59.2%	<b>58,416</b>	<b>57.4%</b>	+4,204	107.8%
<b>SG&amp;A expenses</b>	52,445	57.3%	<b>55,838</b>	<b>54.8%</b>	+3,392	106.5%
<b>Operating profit</b>	1,766	1.9%	<b>2,578</b>	<b>2.5%</b>	+811	145.9%
<b>Ordinary profit</b>	2,307	2.5%	<b>3,040</b>	<b>3.0%</b>	+732	131.7%
<b>Profit attributable to owners of parent</b>	1,449	1.6%	<b>2,769</b>	<b>2.7%</b>	+1,320	191.1%

- ✓ In BOOKOFF Operations in Japan, sales at directly operated existing stores were higher than one year earlier throughout the fiscal year and stores opened in prior years in the premium services business and the overseas business contributed to growth. As a result, sales, operating profit and ordinary profit were higher than one year earlier.
- ✓ A big increase in profit attributable to owners of parent because of 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.

# Consolidated Balance Sheet

BOOKOFF GROUP HOLDINGS

(Million yen)

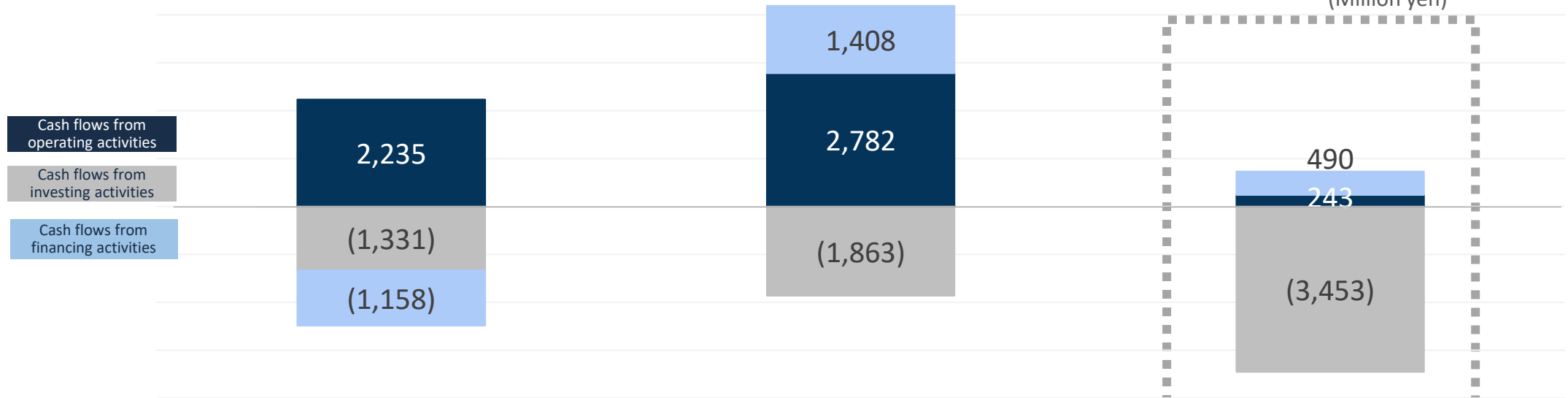


Total assets	40,321	45,096	50,213
Cash and deposits	5,837	8,203	5,544
Interest-bearing debt	17,395	17,028	18,147
Equity ratio	31.9%	36.3%	37.6%

- ✓ Non-current assets increased because of large expenditures for stores and other activities in all businesses following the low level of these expenditures during the pandemic and of additional IT system investments.
- ✓ Current assets increased mainly because of expenditures for the growth of operations for trading cards and hobby goods, which are strategic products, and expenditures to strengthen the lineup of apparel.

# Consolidated Statement of Cash Flows

(Million yen)



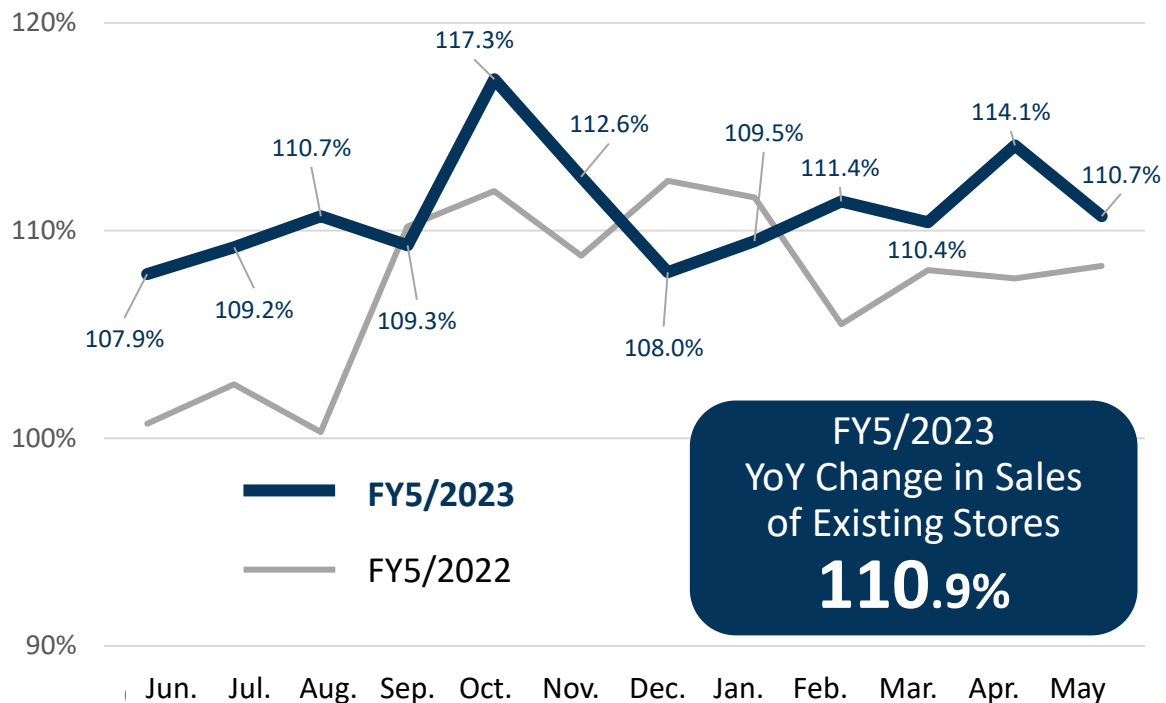
	As of May 31, 2021 *1	As of May 31, 2022	As of May 31, 2023
Net increase (decrease) in cash and cash equivalents	(257)	2,365	(2,658)
Depreciation*2	1,848	1,572	1,698
Decrease (increase) in inventories	(611)	(1,591)	(2,142)

\*1 FY5/2021 is a 14-month transitional fiscal period because of the change in the fiscal year end.

\*2 Includes amortization of goodwill

- ✓ Operating cash flows decreased because of large expenditures for strategic merchandise, additional inventories due to sales area expansions, higher receivables associated with online sales, and a change in the recovery period for receivables.
- ✓ Large negative investing cash flow because of funds procured by selling treasury stock in FY5/2022 were used for new stores and other strategic investments

## YoY Change in Sales of Existing Stores







- ✓ A big YoY increase in existing store sales
- ✓ The entire reuse retailing industry is benefiting from the need to economize and adopt a defensive stance due to inflation. Sales increased in all categories except books.

## YoY Change in Product Category Sales of Existing Stores

Categories	FY5/2023 existing store sales		FY5/2022 % to total sales
	YoY change	% to total sales	
Books	95.5%	25.4%	29.5%
Software media (CDs, DVDs and games)	105.5%	25.1%	26.2%
Apparel	121.1%	11.0%	10.3%
Precious metals/watches/high-end brand bags	113.4%	8.7%	8.6%
Trading cards/hobby goods	144.8%	17.6%	13.3%
Home appliances/mobile phones	111.0%	4.6%	4.5%
Sporting and outdoor goods	109.9%	3.4%	3.5%
Others	115.9%	4.2%	4.1%
<b>Total</b>	<b>110.9%</b>	<b>100.0%</b>	<b>100.0%</b>

## FY5/2023 New Stores

Format	Store name	Opened
	PAPA Ageo store	December 10, 2022
	mina Tenjin store	April 28, 2023
	Chiba nitona store	May 26, 2023
	Kasukabe Toyoharu store	August 4, 2022
	Suzuka Hunter store	August 6, 2022
	AEON Honmoku store	September 10, 2022
	Frespo Hachioji Minamino store*	September 17, 2022
	AEON Yamagata store	May 27, 2022
	AEON Mall Wakayama store	August 2, 2022
	AEON Mall Sakai-Kitahanada store	April 25, 2023
	AEON Mall Kakamigahara store	April 27, 2023



BOOKOFF SUPER BAZAAR  
PAPA Ageo store



Aso-Biba  
AEON Mall Kakamigahara store



BOOKOFF PLUS  
Chiba nitona store

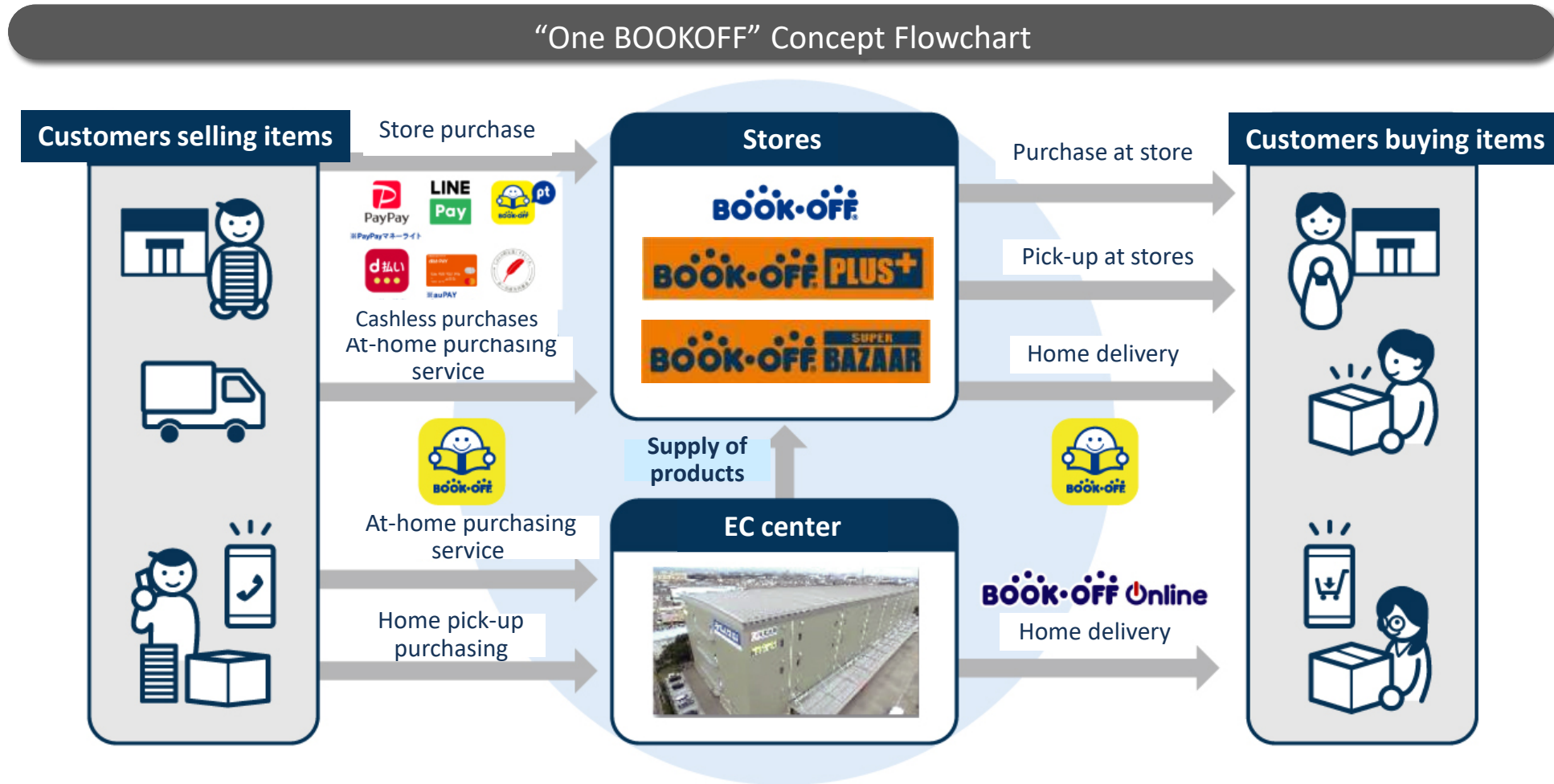


BOOKOFF  
AEON Yamagata store

\*Purchasing Center



## “One BOOKOFF” Concept



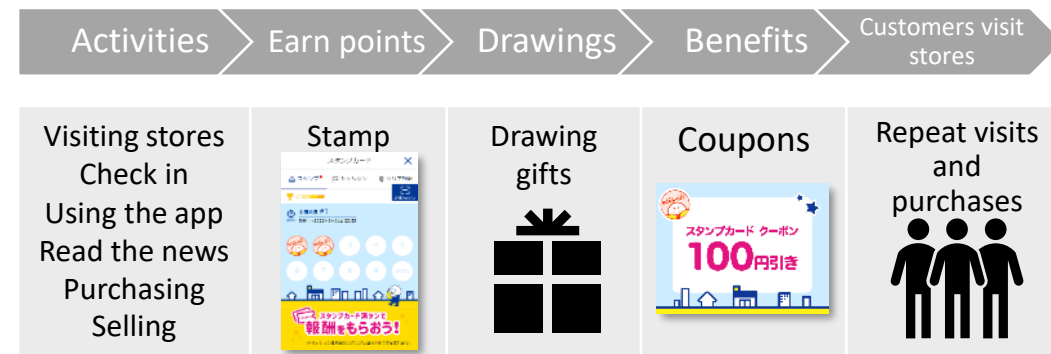
- ✓ **The “One BOOKOFF” concept has the goal of** using the official smartphone app as the starting point for **maximizing opportunities for customers** to use BOOKOFF at physical stores or by using the internet.
- ✓ The number of official smartphone app members was **more than 6.4 million** at the end of May 2023. The May 2023 goal is 6 million.

## BOOKOFF Smartphone App Members



- ✓ The number of official smartphone app members was **more than 6.4 million** at the end of May 2023. The May 2023 goal is 6 million.

## Started a Loyalty Program









### App for members



### Stores



- ✓ Started a loyalty program in the membership app in May 2023.
- ✓ Use of stamps in the app for members for a visual means for tracking activity at BOOKOFF and give customers an incentive to visit stores and make purchase more often; closely linked with customers' life styles

Investments	FY5/2023	FY5/2024	FY5/2025
 <p><b>EC site upgrades</b></p>			
 <p><b>Store POS system upgrades</b></p>			
 <p><b>Strengthen EC warehouse management system</b></p>			

Upgrades are to be completed in FY5/2024

- ✓ Due to delays in large IT development projects, updates to the EC site and the store POS system are now expected to take place during FY5/2024.
- ✓ This delay is pushing back the start of depreciation expenses that were expected to begin in FY5/2023, which is expected to result in higher depreciation expenses beginning in FY5/2024.

## FY5/2023 New Stores

Format	Store name	Opened
	Parc Ave. Kawatoku	June 25, 2022
	Osaka Takashimaya store	June 30, 2022
	Daimaru Fukuoka Tenjin store	September 28, 2022
	White Avenue Fukuoka store	December 16, 2022
	HAMACROSS411 store	March 1, 2023
	Nihombashi Takashimaya S.C. store	March 15, 2023
 BOOKOFF purchasing consultation desks	Kasuga-Hakusan-dori store	August 20, 2022
	Azabujuban store	October 15, 2022
	Shibuya-kamiyamacho store	April 15, 2023
	SHIROGANE The SKY store	May 30, 2023



hugall Nihombashi Takashimaya S.C. store



hugall HAMACROSS411 store





BOOKOFF purchasing consultation desks SHIROGANE The SKY store



BOOKOFF purchasing consultation desks Shibuya-kamiyamacho store



## FY5/2023 New Stores

Format	Store name	Opened
	Tampoi store (Malaysia)	April 1, 2022 *1
	Zhetysu Semirechye store (Kazakhstan)*2	October 1, 2022
	Kip mall Melaka store (Malaysia)	November 4, 2022
	ANIMELAB BROOKLYN store (U.S.)	July 1, 2022
	RIVERSIDE store (U.S.)	November 30, 2022
	ANIMELAB LITTLE TOKYO store (U.S.)	January 12, 2023
	GARDENGROVE store (U.S.)	February 14, 2023

\*1 Included in FY5/2023 because the Malaysia subsidiary uses a different fiscal year.

\*2 Franchised stores



Jalan Jalan Japan  
Kip mall Melaka store



Jalan Jalan Japan  
Zhetysu Semirechye store



BOOKOFF  
ANIMELAB LITTLE TOKYO store



BOOKOFF  
GARDENGROVE store

# Business Development Domains Activities

Opened the second Japan TCG Center – The trading card specialists



- ✓ Opened the second JAPAN TCG Center, located at AEON Mall Okinawa Rycom, in February 2023.

Started used CD/DVD plastic recycling business



- ✓ About 1,700 tons of unsold CDs and DVDs at BOOKOFF stores were recycled to produce plastic. Selling this material to manufacturers and others is a new way to be a source of value.

BOOKOFF Clean-up Service

A removal service for everything in a house



BOOKOFF Clean-up Service



- ✓ This one-stop clean-up service removes everything in a house. The service is currently offered in Tokyo and three neighboring prefectures.

FOOD ReCO website sells processed food near expiration

FOOD ReCO

Powered by BOOK-OFF



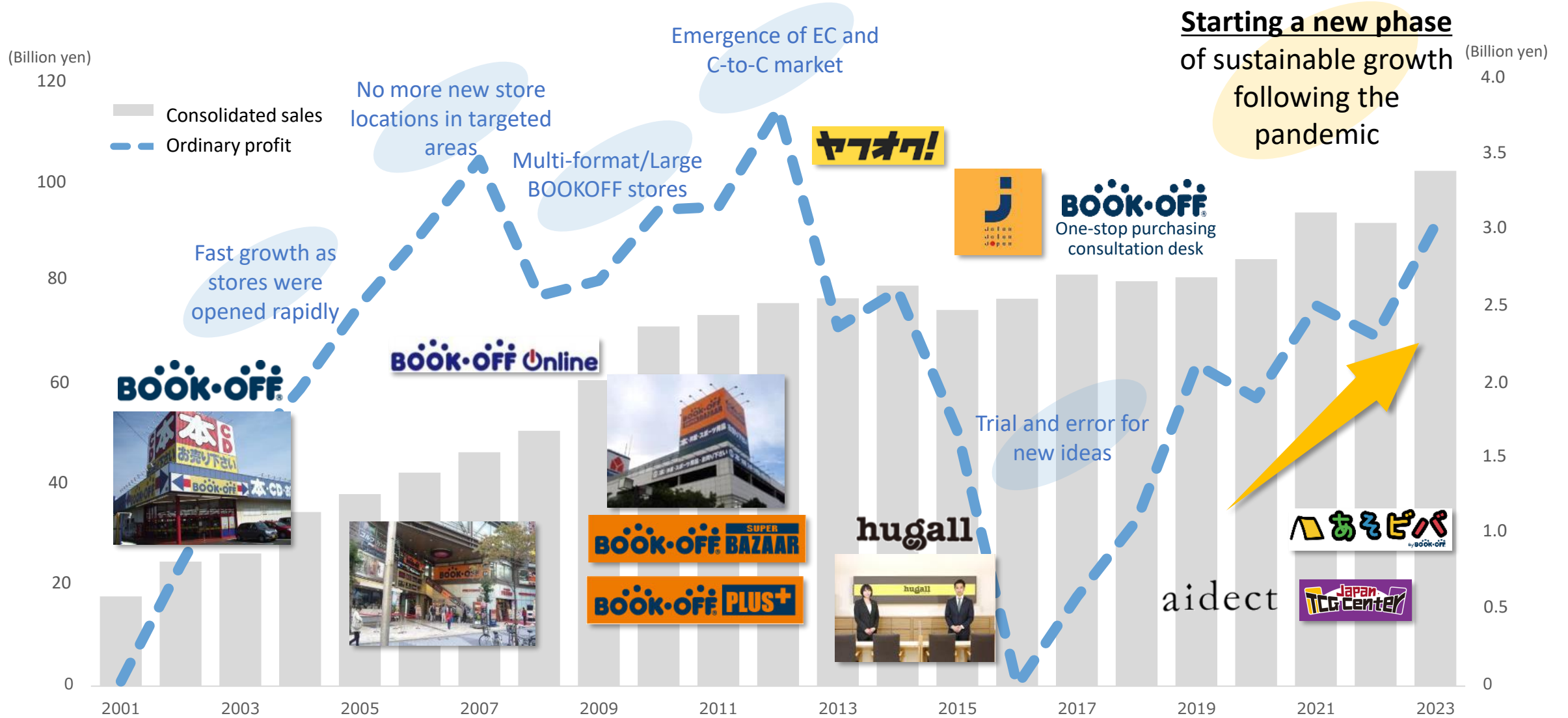
- ✓ FOOD ReCO, an e-commerce site selling processed food that is close to the expiration date, has opened a store in the Rakuten Ichiba internet shopping mall.
- ✓ This business reduces the disposal of food products by reducing the need to discard products and selling food products that have no other sales channel.



# Medium-term Management Policies

**BOOKOFF GROUP HOLDINGS**

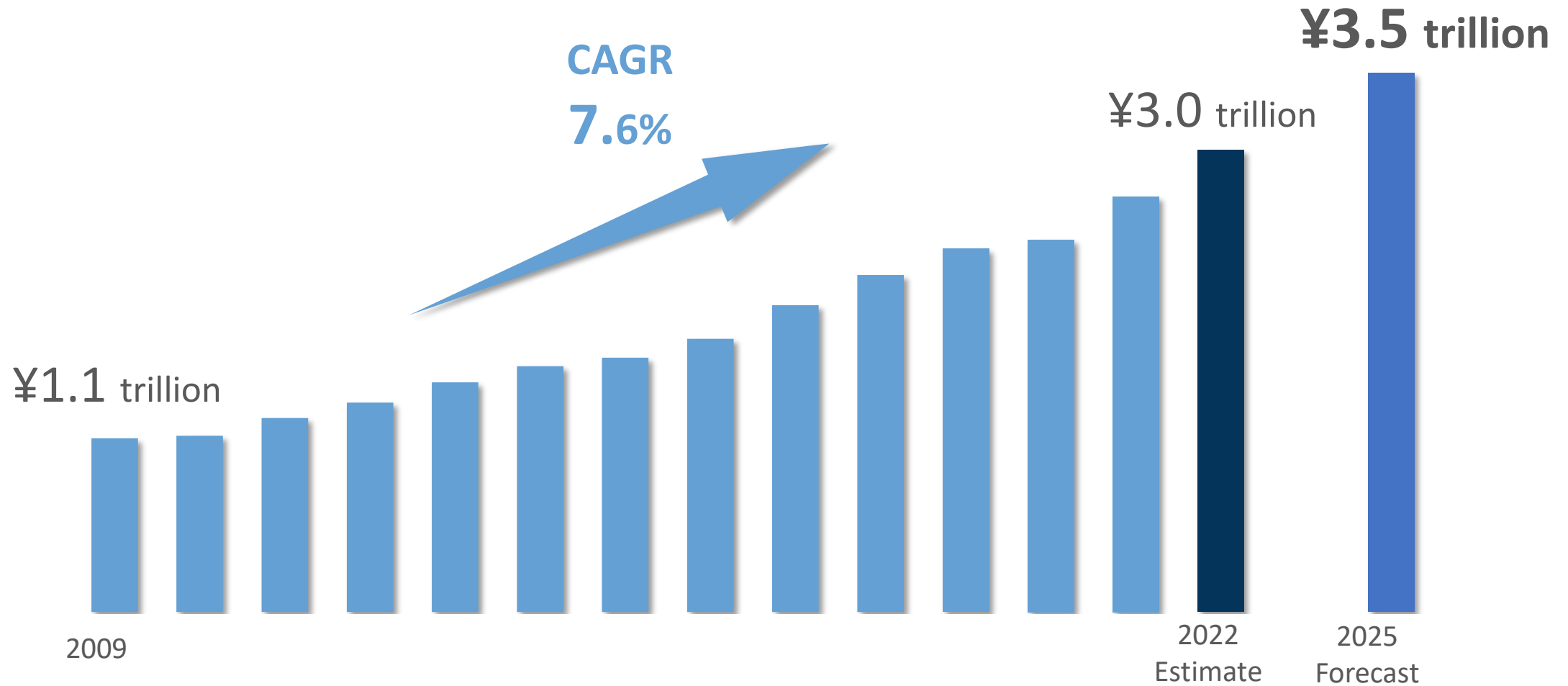
# A History of Challenges and Progress



**Growth**

**New Ideas and Directions**





Source: The Reuse Business Journal "Reuse Market Size and Forecast" (2022)

Corporate Philosophy

Contributions to society through our business activities

Pursuit of employees' material and spiritual wellbeing

*Mission*

**Be a source of enjoyable and enriching lives for as many people as possible**

*Vision*

**Be a Japan's leading reuse company**  
**Be a company employees can trust and where everyone can grow while doing their jobs with self-confidence and passion**

Business Strategy

**Continuous growth** while enlarging and deepening operations

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

# Our goal: Become Japan's leading reuse company



Places where all types of customers can buy and sell reuse products at good prices and with enjoyment and confidence



Taking reuse services worldwide



CO2 reduction for books, CD/DVD, game software, apparel

About **205,000 tons**



Annual sales at the BOOKOFF chain in Japan  
Annual purchases

About **394 million items**

Annual sales

About **267 million items**

Aiming for a society where nothing is discarded



ブックオフコーポレーション株式会社と相模原市との包摂型に関する協定 締結式

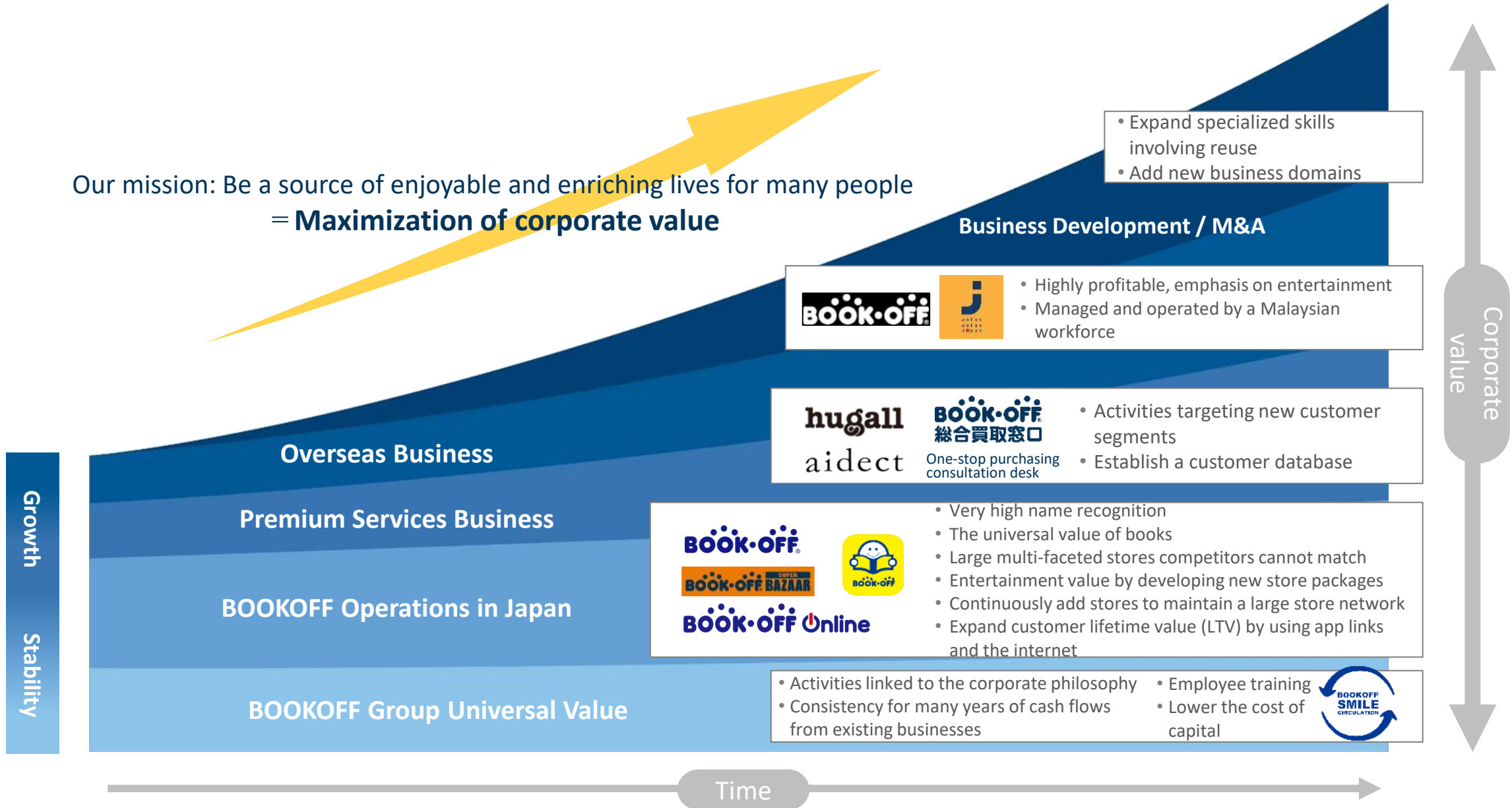


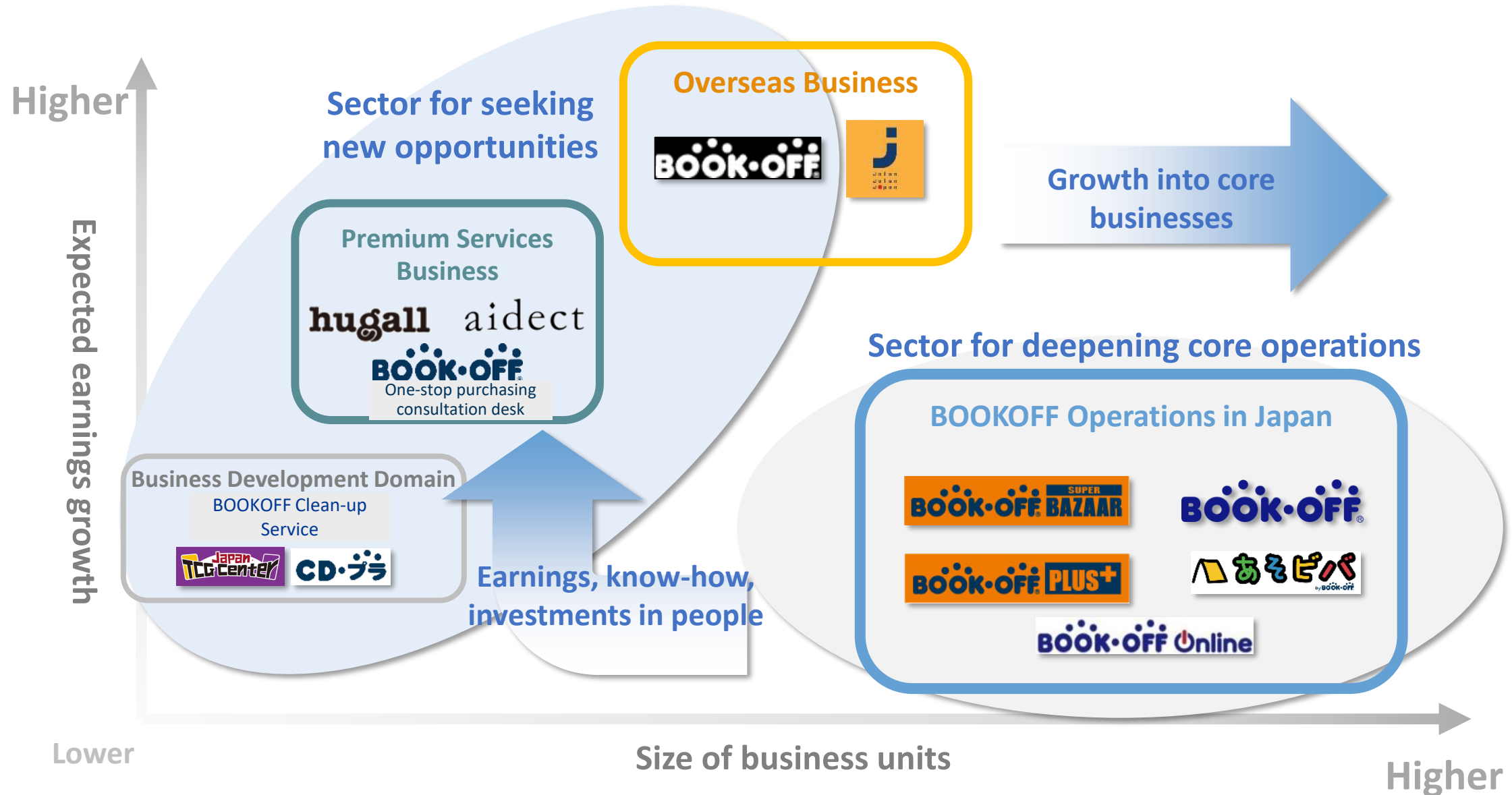
住まなくなった「おうち」の無料相談会



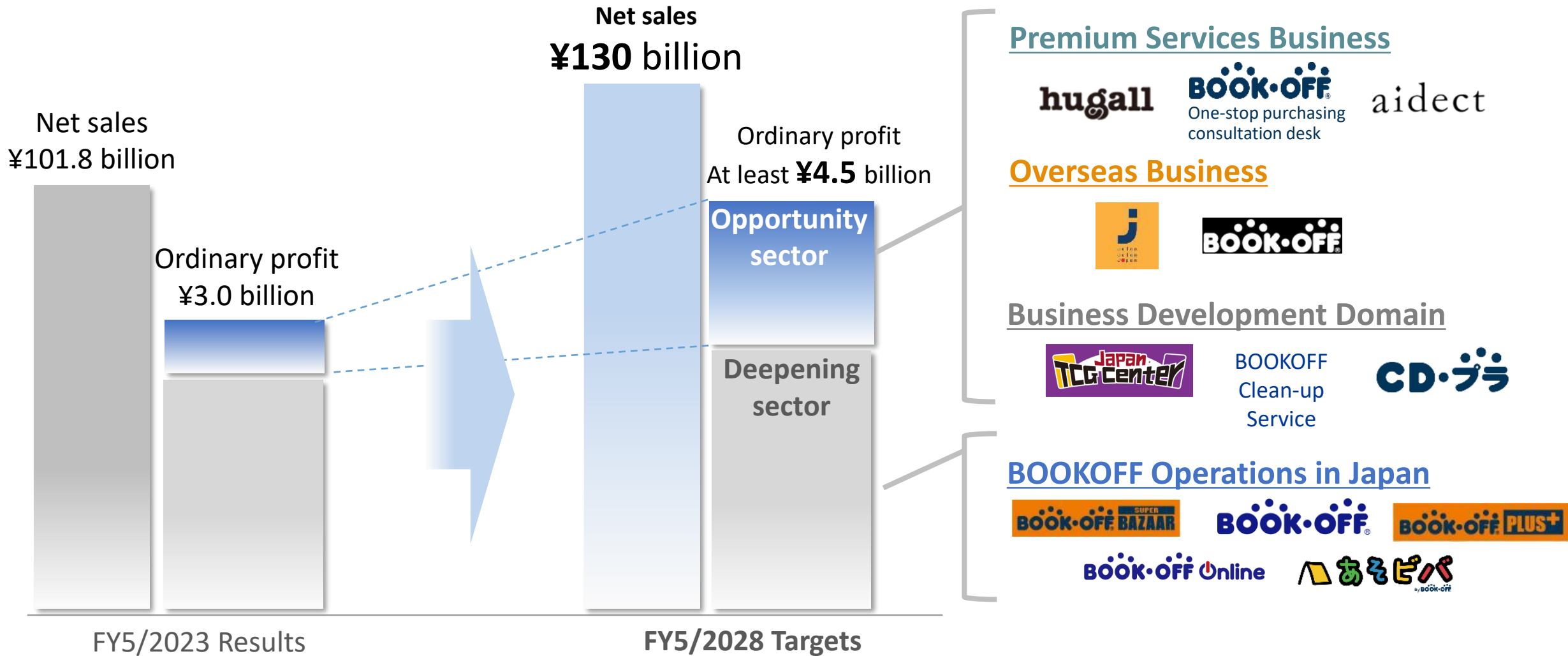
Activities to increase utilization of reuse services

Our mission: Be a source of enjoyable and enriching lives for many people  
 = **Maximization of corporate value**










- ✓ Building a business portfolio resilient to changes in the business climate by shifting the deployment of people, money and know-how from the deepening sector to the opportunity sector



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



# Summary of BOOKOFF Operations in Japan

Major store packages	 BOOKOFF SUPER BAZAAR	 BOOKOFF/BOOKOFF PLUS	 Aso-Biba
New stores	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*1	48 stores (including one franchised store)	685 stores (including 371 franchised stores)	3 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 6.43 million	 BOOK-OFF Online	Store inventory viewing and store pick-up service through linkage with the BOOKOFF Online EC website
Strength	<b>Large stores</b> (about 3,300m <sup>2</sup> ) with books, software apparel, sporting goods, baby goods, famous-brand merchandise, musical instruments, household products and much more	<b>Emphasis on entertainment</b> with lineups of merchandise reflecting the local market of each store; sells books, software, apparel, trading card, hobby goods and other merchandise	<ul style="list-style-type: none"> <li>• <b><u>A place where people can enjoy various activities using new or used products;</u></b> targets mainly customers seeking trading cards, anime goods and hobby goods</li> <li>• Can open stores in areas where existing BOOKOFF stores are located and <b><u>still coexist</u></b></li> </ul>
Sales and earnings*2	FY5/2023 Results	Net sales exceeded ¥90 billion	Ordinary profit was about ¥3.5 billion

\*1 As of end of May 2023

\*2 Management accounting basis, excludes head office

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

- ✓ 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 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



Books and software 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)



Continue adding stores, mainly by making existing stores larger



Deepening customer contact and store operations



Strengthen the official smartphone app and customer relationship management



Digital technologies for merchandise and customer management

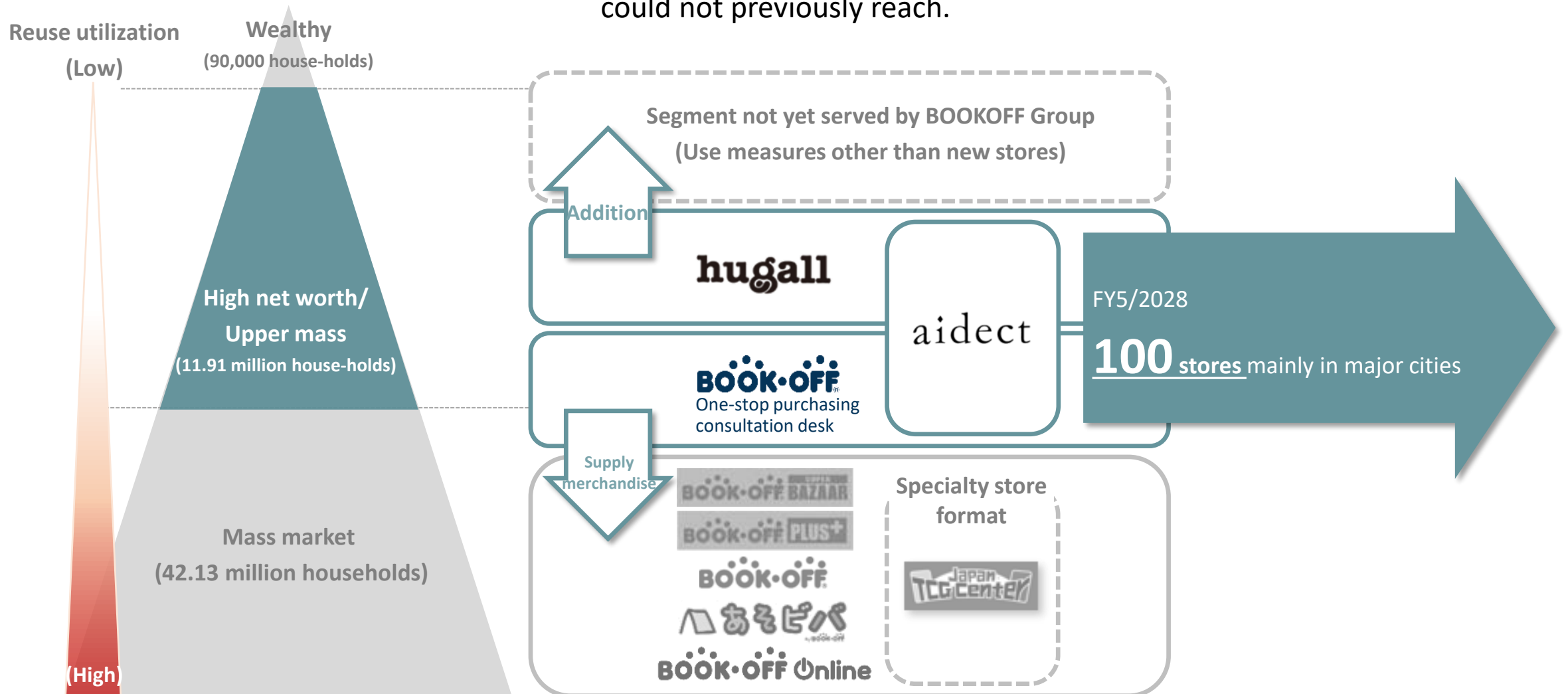
Major store packages	<b>hugall</b>	<b>BOOK-OFF</b> 総合買取窓口 BOOKOFF Purchasing Consultation Desk	<b>aidect</b>
New stores	At department stores	Roadside stores in relatively affluent areas	Dept. stores/ Station buildings/Shopping malls
Number of stores*1	15	14	12
Summary	Increases the use of reuse services <b>in the upper-mass market and higher customer segments</b> , which are customers BOOKOFF cannot reach on its own, by providing a wide range of services.		
Strength	<ul style="list-style-type: none"> <li>• <b>Expertise about operations</b> in dept. stores</li> <li>• <b>Fast recovery of investments</b> due to low-cost stores</li> <li>• <b>At-home purchasing</b> by experts in many product categories</li> </ul>	<b>Differentiation from competitors</b> by handling reuse of famous-brand merchandise as well as of book and game and other software	<b>Full line of services</b> for problems involving <b>jewelry</b> , including repairs, purchases, sale of sustainable jewelry and much more
Synergies with BOOKOFF Group	<ul style="list-style-type: none"> <li>• This business contributes to group earnings by supplying merchandise to BOOKOFF SUPER BAZAAR and other stores.</li> <li>• Strengthens group branding by enabling the operation of stores in areas and locations that are not suitable for a BOOKOFF store.</li> <li>• Sale of the group's apparel on the "rehello" e-commerce website</li> </ul>		
Sales and earnings*2	FY5/2023 Results	Net sales were about <b>¥5.4 billion</b>	Ordinary profit was about <b>¥0.3 billion</b>






\*1 As of end of May 2023

\*2 Management accounting basis, excludes head office

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.



Major store packages	 Jalan Jalan Japan (JJJ)		 BOOKOFF USA	
Number of stores*1	 10 stores in Malaysia (including one franchised store)  One store in Kazakhstan (franchised)		 12 stores in U.S. (All directly operated; also 3 franchised stores in France)	
Summary	<ul style="list-style-type: none"> <li>Started in 2016.</li> <li><b><u>Merchandise with no sales opportunities in Japan</u></b> is sent to Malaysia and Kazakhstan for sale. JJJ does not purchase reuse merchandise.</li> <li>The subsidiary is managed by an executive from Japan; stores are operated almost entirely by people hired locally.</li> </ul>		<ul style="list-style-type: none"> <li>Started in 2000.</li> <li>As in Japan, BOOKOFF USA buys and sells books, game software, <b><u>anime products, hobby goods and other merchandise.</u></b></li> <li>The subsidiary is managed by an executive from Japan; stores are operated almost entirely by people hired locally.</li> </ul>	
Individual strengths	<b><u>Highly profitable</u></b> because of attractive merchandise and fast inventory turnover backed by operations guided by the “Loved in Japan” concept		<b><u>Highly profitable</u></b> because products are purchased locally and sold with added value	
Strengths of both	<ul style="list-style-type: none"> <li>A market position defined by a retail format with emphasis on <b><u>entertainment</u></b>, a business model like no other</li> <li>Operations that make <b><u>upgrading the skills of local personnel</u></b> the highest priority</li> </ul>			
Sales and earnings*2	FY5/2023 Results      Net sales were about <b>¥4.2 billion</b>		Ordinary profit was about <b>¥0.6 billion</b>	

\*1 As of end of May 2023

\*2 Management accounting basis, excludes head office



**Jalan Jalan Japan**

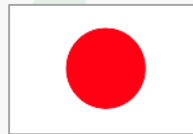
- Continue to open stores in Malaysia and Kazakhstan
- Seeking opportunities to start operations on other countries
- Planning on a network of **50 stores** in FY5/2028
- Goal is a network of **100 stores** in FY5/2033



**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.**



“Sell and buy” for the future circulation of merchandise

## Stores specializing in trading cards



- ✓ Rapidly increasing the number of stores and starting franchising; stores are mainly in the Tokyo, Nagoya and Osaka areas and other government-designated cities.
- ✓ Stores handle a broad spectrum of brands in the growing trading card market in order to increase the BOOKOFF Group's share of this market and increase earnings.

## CD recycling business



Sustainable plastic produced from BOOKOFF's CD/DVD inventories

- ✓ BOOKOFF is taking on the challenge of devising ways to recycle CDs and DVDs to prevent these disks from ending up in a landfill as well as to use innovative ideas to change disks into a material with considerable value.

## BOOKOFF Clean-up Service



- ✓ This service is offered in Tokyo and three neighboring prefectures and is to be expanded by using tie-ups with partner companies.
- ✓ The goal is to meet customers' expectations by minimizing the amount of household items that are discarded. This cuts disposal expenses and produces income for customers from items purchased, which lowers the cost of this clean-up service.

## Opportunities for new businesses

- ✓ Continue seeking opportunities for new businesses and M&A in accordance with the following guidelines.
  - All activities must be consistent with BOOKOFF's philosophy and mission.
  - New businesses and acquired companies must be able to benefit from the strengths of the BOOKOFF Group's current businesses.
  - New businesses and acquired companies must create new career paths for employees of the BOOKOFF Group.

## BOOKOFF Operations in Japan



- Maintain current profitability, more efficient use of capital, **be a source of people and knowledge that can be used in growth businesses.**
- Continue opening stores every year, primarily by enlarging or replacing existing stores.
- Make BOOKOFF ultra-convenient and ultra-interesting; strengthen and expand points of contact with customers.

## Premium Services Business



- Establish a **100-store network**, mainly in large cities, by FY5/2028.
- Competitive superiority by upgrading customer interactions and services
- More stores and alliance partners for more points of contact with customers

## Overseas Business



- Growth with the goals of **100 JJJ stores worldwide and 100 U.S. stores** in FY5/2033
- Build a stronger infrastructure in Japan for collecting unneeded items to help create a society where nothing is discarded and supply a larger volume of merchandise to JJJ.

## Business Development Domain



- Starting business expansion by using business models already established, such as trading card stores and the clean-up service
- Seek opportunities to use M&A to add strategic partners, develop new businesses internally, and continue using other measures to identify the next steps to take.

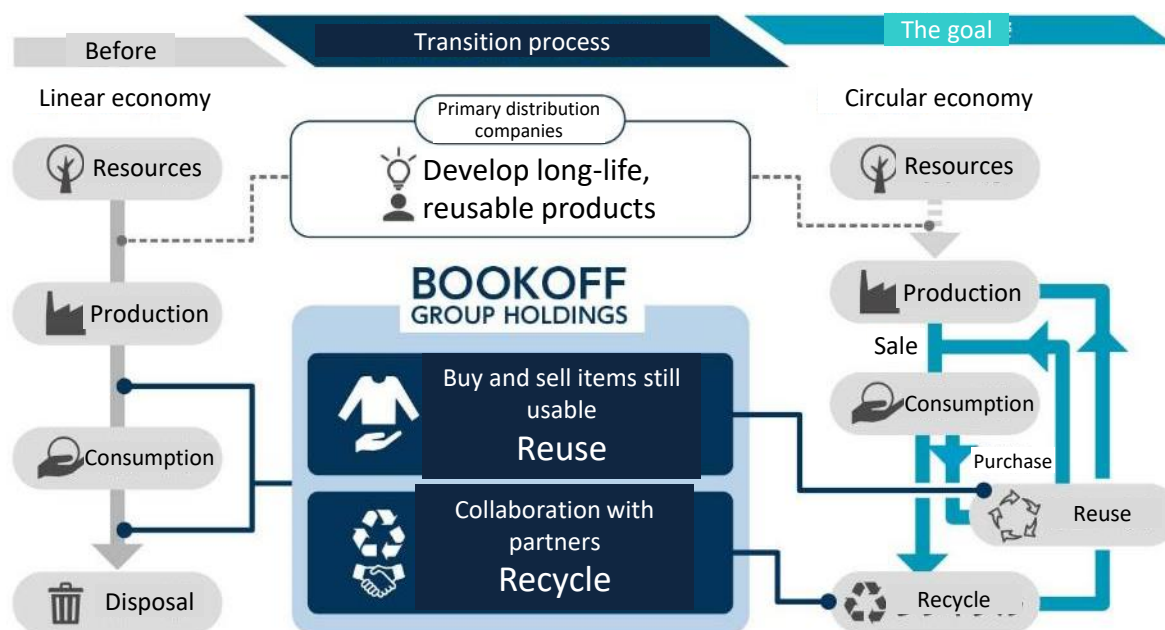


## Environment

### Materiality

- Maximize customers' use of reuse services by operating many types of stores and expanding and upgrading services.
- Reduce the volume of merchandise discarded by operating a global reuse business and partnerships among BOOKOFF Group companies and companies outside the group.

### The BOOKOFF Group's Vision of a Recycling Society



BOOKOFF simplifies and reduces the resource utilization flow

### Using business operations to contribute to environmental sustainability



CO2 reduction from books, CD/DVD, game software, other merchandise



Number of items bought/sold at BOOKOFF stores in Japan  
Annual purchases

**About 394 million items**

**About 205,000 tons**

Annual sales

**About 267 million items**

Data: June 1, 2021 to May 31, 2022

Coverage: BOOKOFF Group stores in Japan and the EC website

\*Calculated by BOOKOFF using the "3R Intensity Calculation Method" of the Ministry of the Environment, "Paper and Cardboard Life Cycle CO2 Emissions" of the Japan Paper Association (March 18, 2011), and the "Simple Calculation Tool for Logistics CO2 Emissions" of the Ministry of Land, Infrastructure, Transport and Tourism

### Initiatives for increasing reuse and recycling activities



Discarded books are recycled as private brand products



Production/sale of plastic recycled from discarded CDs/DVDs



Use of REMARKET for the sale of products made by upcycling



## Social

### Materiality

- Provide job opportunities for a diverse workforce

## Training and Diversity

### Training programs and career planning



### Creating a Pleasant Workplace Environment (Examples of employee benefits)

Job site selection	Elderly parent care time off
Re-hiring system	Refreshment time off
Pregnancy and child care time off	Child care time off
Nursing care time off	Reduced working hours

### Employing People with Disabilities

A special subsidiary  
**B-Assist, Inc.**



## Activities with communities, governments and other partners

### Comprehensive cooperation agreement with City of Sagami-hara



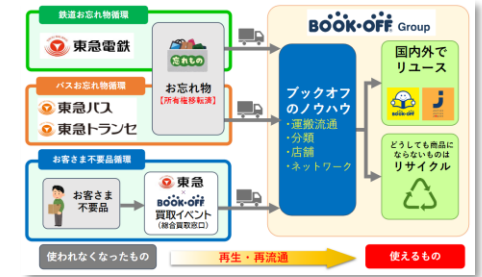
### Cooperation agreement with Minami-Chita for services involving abandoned houses



### Reuse Festival in the city of Sendai



### Joint Activities with the Tokyu Group



## Programs at schools

### BOOKOFF Challenge gives students work-like experience



### The School BOOKOFF Project combines SDG activities and career education



# Basic Policy for Sustainability

## Governance

### Materiality

- Proper monitoring of business risk and upgrading of the disclosure of information

### More and better dialogues with shareholders/investors

#### More website IR content



#### Webcasts of information meetings

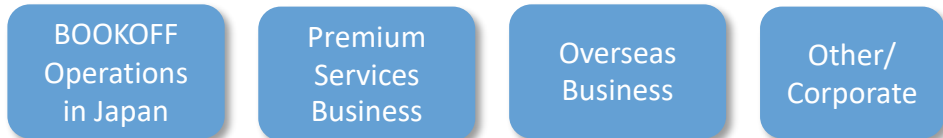


#### Information meetings for individual investors

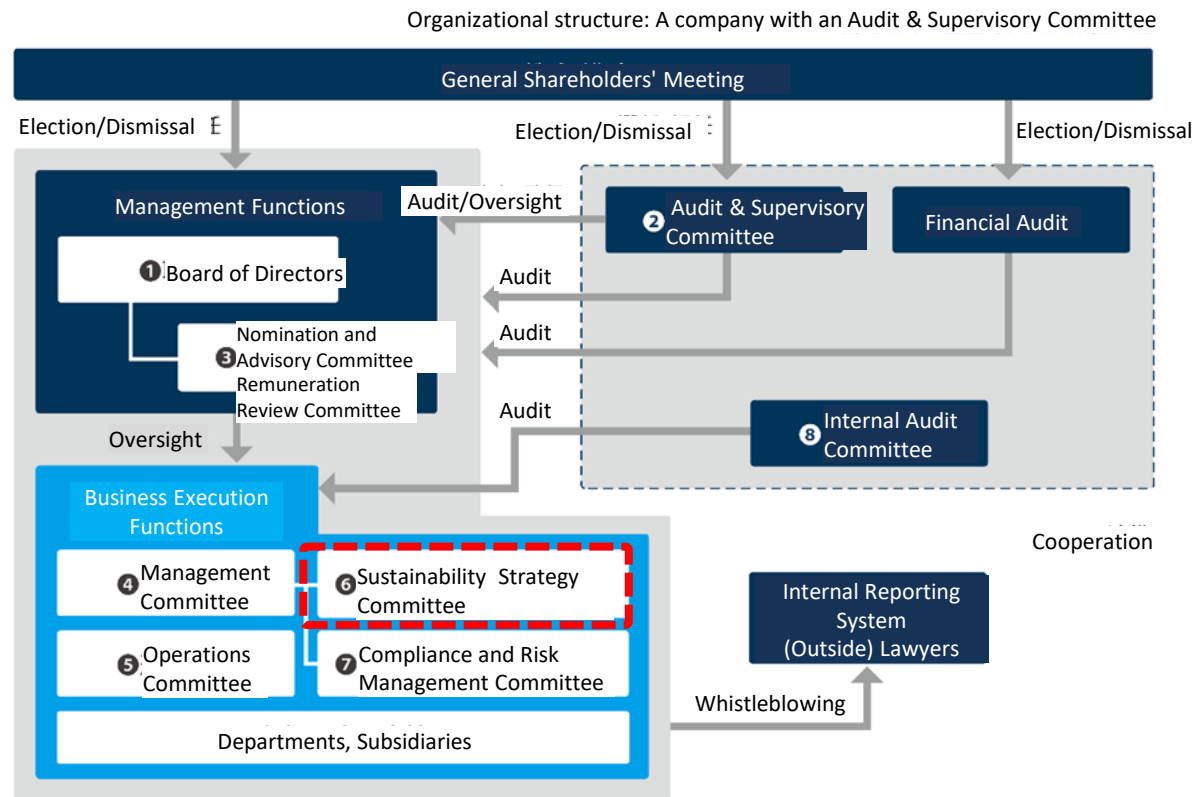


- ✓ Continue to hold shareholders meetings on Saturdays
- ✓ President participates in one-on-one institutional investor meetings
- ✓ English-language earnings announcements and presentations

### Topics Plan to start business segment reporting in FY5/2024



### Corporate governance system



#### Established Sustainability Strategy Committee (2022)

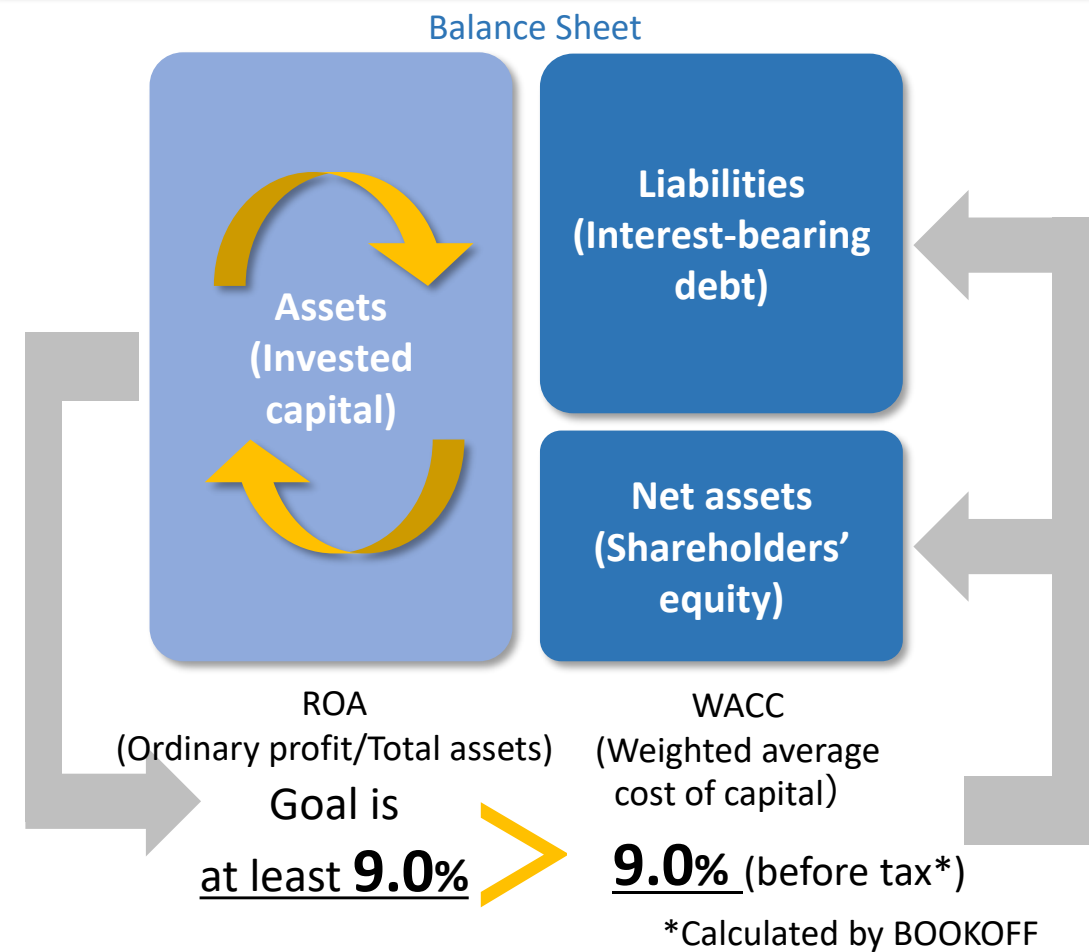
The Sustainability Strategy Committee, chaired by the President, meets at least once every six months. Committee members discuss various risks and opportunities, such as climate change, how to deal with them and the necessary strategies. Monitoring progress of the action plans of all BOOKOFF business units is another role of the committee.

- Make substantial investments with emphasis on growth businesses in order to raise earnings to a new record (ordinary profit of 3.8 billion yen)
- 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	¥2.3 billion	¥3.04 billion	At least <b>¥4.5 billion</b>
ROA (Ordinary profit)	5.4%	6.4%	At least <b>9.0%</b>

## 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.

The BOOKOFF Group considers the distribution of profits to be one of its highest management priorities. Retained earnings are used effectively for strategic investments expected to increase corporate value in the future and for further increasing financial soundness.

The BOOKOFF Group's basic policy is to maintain a consistent dividend with a payout ratio of around 20-30% of consolidated profit.

	FY3/2018	FY3/2019	FY3/2020	FY5/2021	FY5/2022	FY5/2023	FY5/2024 Forecasts
Net income per share	¥(43.31)	¥112.19	¥13.77	¥9.03	¥82.07	¥140.15	<b>¥80.95</b>
Dividend per share	¥10	¥15	¥6	¥6	¥20	¥25	<b>¥25</b>
Dividend payout ratio	-	13.4%	43.6%	66.4%	24.4%	17.8%	<b>30.9%</b>



# **FY5/2024 Sales and Earnings/Dividend Forecasts**

**BOOKOFF GROUP HOLDINGS**

## FY5/2024 Sales and Earnings/Dividend Forecasts

BOOKOFF GROUP HOLDINGS

(Million yen)

	FY5/2023 Result	FY5/2024 Forecast	Change (amount)	Change (%)
Net sales	101,843	<b>106,000</b>	+4,156	104.1%
Operating profit	2,578	<b>2,600</b>	+21	100.8%
Ordinary profit	3,040	<b>3,000</b>	(40)	98.7%
Profit attributable to owners of parent	2,769	<b>1,600</b>	(1,169)	57.8%
Dividend per share	25 yen	<b>25 yen</b>	-	100.0%

- ✓ In the first year of the medium-term policy, one priority is recruiting and training people for supporting businesses that are expected to grow.
- ✓ All businesses will continue to open many stores and sales are expected to continue to increase. However, we expect no change in operating profit and ordinary profit because of the postponement to FY5/2024 of the start of depreciation expenses resulting from delayed large IT investments in the BOOKOFF Operations in Japan and higher expenses for electricity, personnel and other items.
- ✓ We forecast a big decrease in profit attributable to owners of parent because of the large one-time contribution to earnings (income taxes-deferred) in FY5/2023.
- ✓ Plan to pay a year-end dividend of 25 yen per share.

## BOOKOFF Operations in Japan

- New stores (including replacements)



10-11 stores



2-3 stores

- At existing stores too, there will be measures to strengthen the trading card and hobby goods categories and improve apparel category efficiency at BOOKOFF SUPER BAZAAR stores and the continuation of renovations to make BOOKOFF stores even better sources of entertainment.
- Assume YoY sales growth at directly operated existing stores of 7% in the first half and 1% in the second half.

## Premium Services Business

- New stores



4-5 stores

- This business will continue to open stores, but recruiting and training activities are the highest priority.

## Overseas Business

- New stores



3-4 stores  
(including franchised)



2-3 stores

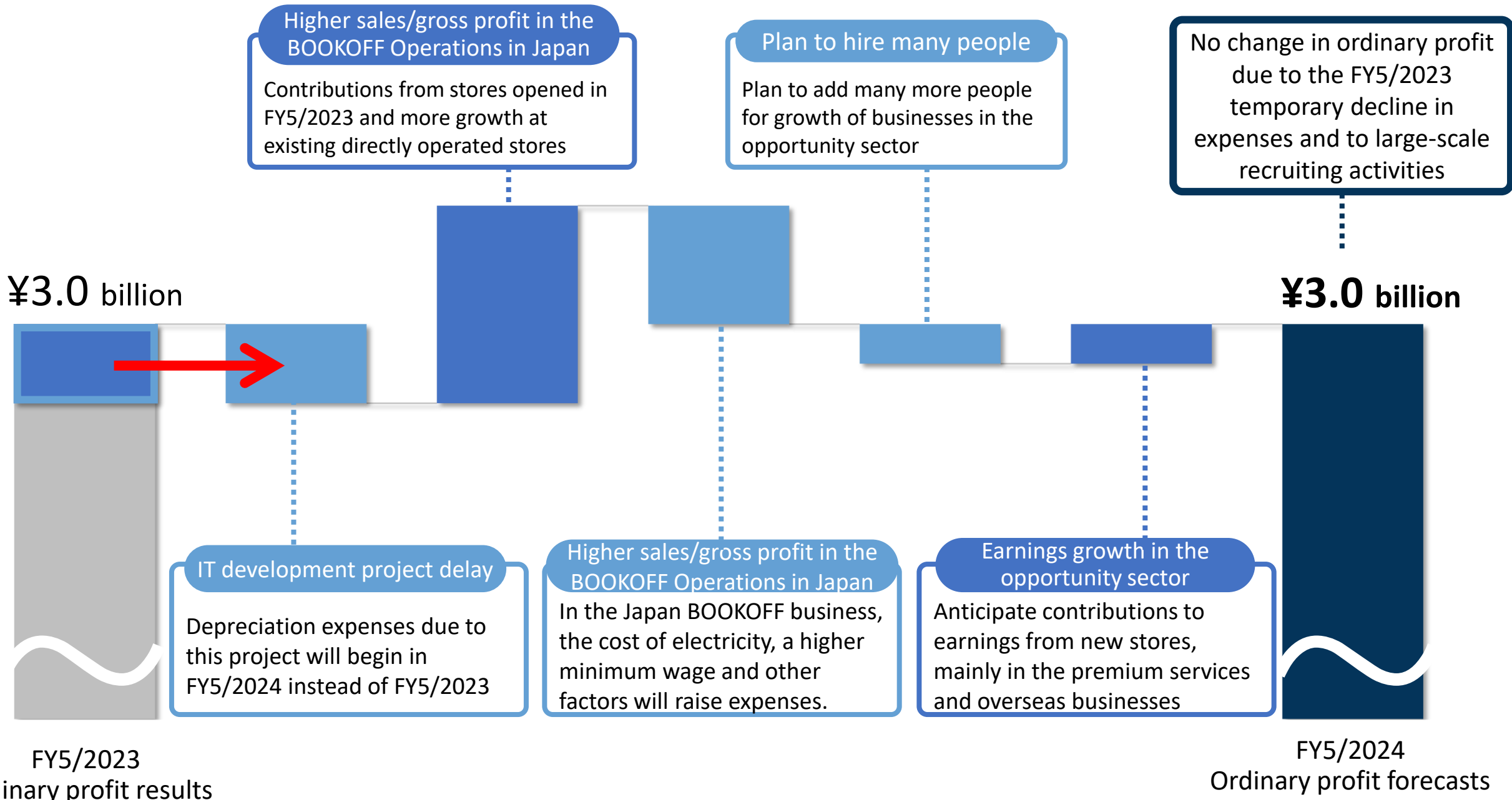
- Capital expenditures for raising the volume of merchandise sent to Malaysia

## Others

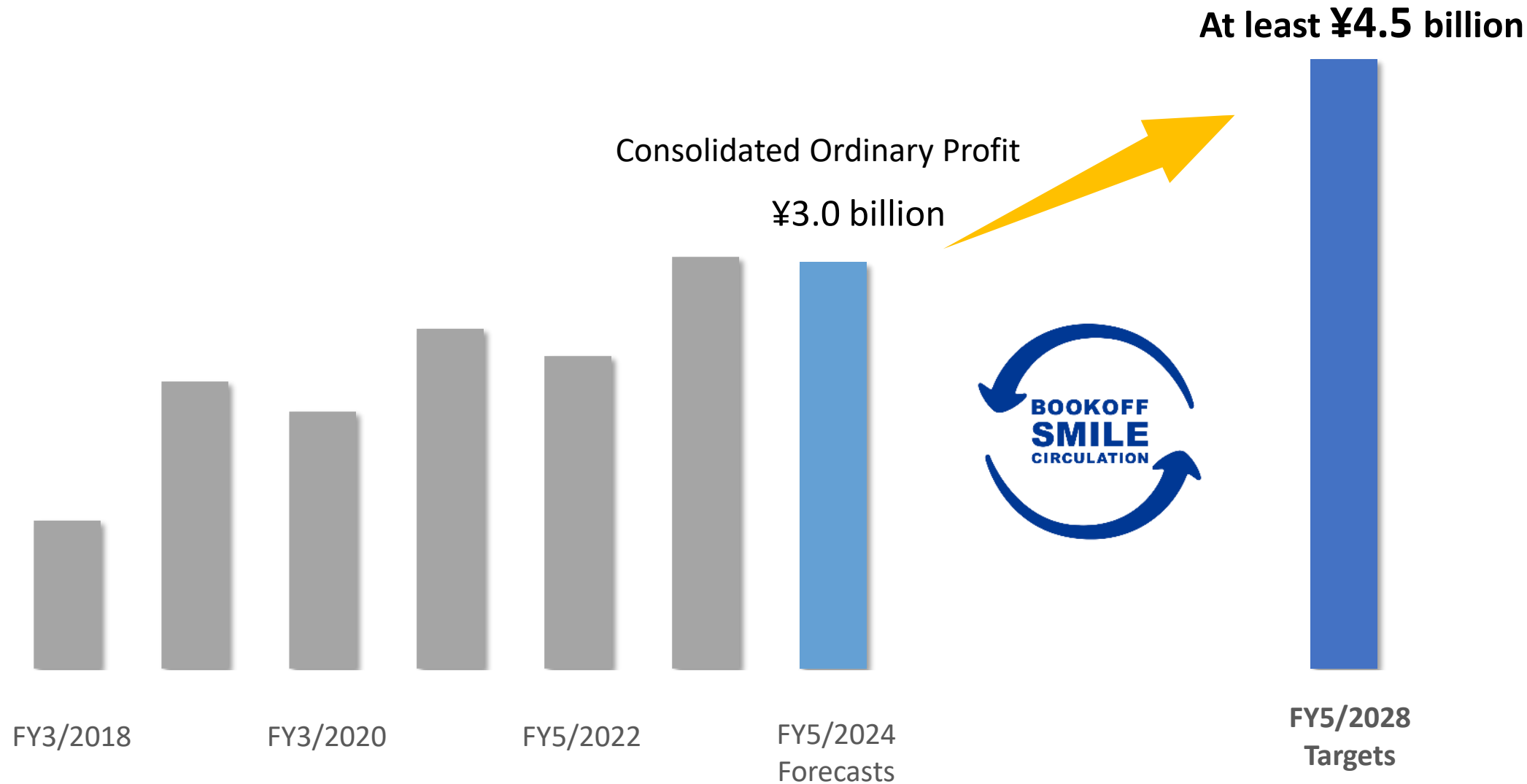
- Plan to start announcing business segment sales and earnings.



# Consolidated Ordinary Profit Expected Components of Change







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**

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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)

	FY5/2022	FY5/2023
Net sales	91,538	101,843
Cost of sales	37,326	43,426
Gross profit	54,212	58,416
SG&A expenses	52,445	55,838
Operating profit	1,766	2,578
Non-operating income	868	676
Non-operating expenses	327	214
Ordinary profit	2,307	3,040
Extraordinary income	197	3
Extraordinary losses	172	271
Profit before income taxes	2,332	2,771
Income taxes-current	791	778
Income taxes-deferred	71	(902)
Total income taxes	862	(124)
Profit	1,470	2,896
Profit attributable to non-controlling interests	20	126
Profit attributable to owners of parent	1,449	2,769

	As of May 31, 2022	As of May 31, 2023
Current assets	28,329	29,112
Cash and deposits	8,203	5,544
Merchandise	15,412	17,612
Others	4,714	5,956
Non-current assets	16,766	21,101
Property, plant and equipment	6,214	8,852
Intangible assets	1,607	2,443
Investments and other assets	8,943	9,804
<b>Total assets</b>	<b>45,096</b>	<b>50,213</b>

(Million yen)

	As of May 31, 2022	As of May 31, 2023
Current liabilities	16,289	17,945
Short-term borrowings	8,259	9,730
Others	8,030	8,214
Non-current liabilities	12,324	13,210
Long-term borrowings	7,693	7,341
Others	4,630	5,868
<b>Total liabilities</b>	<b>28,614</b>	<b>31,155</b>
<b>Net assets</b>	<b>16,482</b>	<b>19,057</b>
<b>Total liabilities and net assets</b>	<b>45,096</b>	<b>50,213</b>

(Million yen)

	FY5/2022	FY5/2023
Cash flows from operating activities	2,782	243
Profit before income taxes	2,332	2,771
Depreciation	1,523	1,650
Amortization of goodwill	48	47
Changes in assets and liabilities	(1,627)	(2,736)
Others	505	(1,490)
Cash flows from investing activities	(1,863)	(3,453)
Cash flows from financing activities	1,408	490
Effect of exchange rate change on cash and cash equivalents	37	61
Net increase (decrease) in cash and cash equivalents	2,365	(2,658)
Cash and cash equivalents at beginning of period	5,837	8,203
Cash and cash equivalents at end of period	8,203	5,544



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:	¥101.8 billion (FY5/2023 consolidated results)
Number of stores:	800 (Directly operated: 423; Franchised: 377 as of May 31, 2023)
Employees (Consolidated) :	1,572 (as of May 31, 2023)

- 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-Biba 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

## Corporate Philosophy

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

## Mission

Be a source of enjoyable and enriching lives for as many people as possible

## Vision

Be a Japan's leading reuse company  
Be a company employees can trust and where everyone can grow while doing their jobs with self-confidence and passion

# 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



One-stop purchasing consultation desk

- Started the one-stop 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-Biba



Focus on suburban locations



BOOKOFF USA



The BOOKOFF Online website



Dept. store purchasing desk



A Jalan Jalan Japan store in Malaysia



Aso-Biba



Numbers of stores, other locations and app members are as of May 31, 2023.

## BOOKOFF Operations in Japan

**BOOK-OFF**



610 stores

**BOOK-OFF SUPER BAZAAR**



48 stores

**BOOK-OFF PLUS+**



75 stores

**あそびパ**  
by BOOK-OFF



3 stores

**BOOK-OFF Online**



6.43 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 called BOOKOFF Online.

## Premium Services Business

**hugall**



15 locations

**aidect**



12 locations

**BOOK-OFF**  
One-stop purchasing  
consultation desk



14 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



11 stores

**BOOK-OFF**



12 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.