May 10, 2018

Consolidated Summary Report for the Fiscal Year Ended March 31, 2018 [Japanese GAAP]

Company Name: BOOKOFF CORPORATION LIMITED Stock Exchange: Tokyo
Code Number: 3313 URL: https://www.bookoff.co.jp/en/
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General meeting of shareholders: June 23, 2018
Dividend payment date: June 25, 2018
Securities report issue date: June 25, 2018
Supplementary materials of financial results: Yes
Financial results briefing: Yes

(Amounts less than one million yen are rounded down)

1. Consolidated Financial Results for the Fiscal Year Ended March 31, 2018 (April 1, 2017 - March 31, 2018)

(1) Consolidated Results of Operations (Percentage figures for net sales and profits represent year-on-year changes)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent	
	Million yen	YoY change %	Million yen	YoY change %	Million yen	YoY change %	Million yen	YoY change %
Fiscal year ended Mar. 31, 2018	80,049	(1.6)	613	426.6	1,092	85.6	(889)	-
Fiscal year ended Mar. 31, 2017	81,344	6.2	116	-	588	-	(1,159)	-

(Note) Comprehensive income Fiscal year ended Mar. 31, 2018: ¥(820) million (n.a.)
Fiscal year ended Mar. 31, 2017: ¥(1,212) million (n.a.)

	Net income per share	Fully diluted net income per share	Return on equity	Ratio of ordinary profit to total assets	Operating profit margin
	Yen	Yen	%	%	%
Fiscal year ended Mar. 31, 2018	(43.31)	-	(6.5)	2.2	0.8
Fiscal year ended Mar. 31, 2017	(56.41)	-	(7.7)	1.2	0.1

(Reference) Equity in earnings (losses) of associates
Fiscal year ended Mar. 31, 2018: ¥(2) million Fiscal year ended Mar. 31, 2017: ¥(6) million

(2) Consolidated Financial Condition

	Total assets	Net assets	Equity ratio	Net assets per share
	Million yen	Million yen	%	Yen
As of Mar. 31, 2018	47,888	13,307	27.5	640.77
As of Mar. 31, 2017	51,047	14,242	27.9	693.15

(Reference) Shareholders' equity As of Mar. 31, 2018: ¥13,166 million As of Mar. 31, 2017: ¥14,242 million

(3) Consolidated Cash Flows

	Cash flows from operating activities	Cash flows from investing activities	Cash flows from financing activities	Cash and cash equivalents at the end of period
	Million yen	Million yen	Million yen	Million yen
Fiscal year ended Mar. 31, 2018	2,668	(940)	(3,394)	13,860
Fiscal year ended Mar. 31, 2017	1,965	(2,054)	224	15,268

2. Dividends

	Dividend per share					Total dividends	Dividend payout ratio (Consolidated)	Dividends on net assets ratio (Consolidated)
	End of 1Q	End of 2Q	End of 3Q	End of FY	Full year			
	Yen	Yen	Yen	Yen	Yen	Million yen	%	%
Fiscal year ended Mar. 31, 2017	-	-	-	10.00	10.00	205	-	1.4
Fiscal year ended Mar. 31, 2018	-	-	-	10.00	10.00	205	-	1.5
Fiscal year ending Mar. 31, 2019 (est.)	-	-	-	10.00	10.00		102.8	

3. Consolidated Forecast for the Fiscal Year Ending March 31, 2019 (April 1, 2018 - March 31, 2019)

(Percentage figures represent year-on-year changes)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent		Net income per share
	Million yen	YoY change %	Million yen	YoY change %	Million yen	YoY change %	Million yen	YoY change %	Yen
Full year	80,500	0.6	800	30.3	1,200	9.8	200	-	9.73

(Note) Only the full-year forecast is shown because BOOKOFF Corporation manages performance on a fiscal year basis.

Notes:

1. Significant changes in subsidiaries during the period (changes in specific subsidiaries accompanied by changes in the scope of consolidation): None

   New: - (company name) Excluded: - (company name)

2. Changes in accounting policies and accounting-based estimates, and restatements

   (1) Changes due to revision of accounting standards: None

   (2) Changes due to other reasons: None

   (3) Changes in accounting-based estimates: None

   (4) Restatements: None

3. Number of shares outstanding (common shares) (Shares)

(1) Shares outstanding (including treasury shares)	As of Mar. 31, 2018	22,573,200	As of Mar. 31, 2017	22,573,200
(2) Treasury shares	As of Mar. 31, 2018	2,025,785	As of Mar. 31, 2017	2,025,782
(3) Average number of shares outstanding	Fiscal year ended Mar. 31, 2018	20,547,417	Fiscal year ended Mar. 31, 2017	20,547,418

(Reference) Non-consolidated Financial Results

Non-consolidated Financial Results for the Fiscal Year Ended March 31, 2018(April 1, 2017 - March 31, 2018)

(1) Non-consolidated Results of Operations (Percentage figures represent year-on-year changes)

	Net sales		Operating profit		Ordinary profit		Profit	
	Million yen	YoY change %	Million yen	YoY change %	Million yen	YoY change %	Million yen	YoY change %
Fiscal year ended Mar. 31, 2018	65,619	(4.4)	963	214.8	1,349	82.5	(533)	-
Fiscal year ended Mar. 31, 2017	68,617	4.1	306	-	739	255.5	(2,681)	-

	Net income per share	Fully diluted net income per share
	Yen	Yen
Fiscal year ended Mar. 31, 2018	(25.97)	-
Fiscal year ended Mar. 31, 2017	(130.49)	-

(2) Non-consolidated Financial Condition

	Total assets	Net assets	Equity ratio	Net assets per share
	Million yen	Million yen	%	Yen
As of Mar. 31, 2018	47,521	12,865	27.1	626.12
As of Mar. 31, 2017	49,601	13,579	27.4	660.86

(Reference) Shareholders' equity As of Mar. 31, 2018: ¥12,865 million As of Mar. 31, 2017: ¥13,579 million

* The current financial report is not subject to audit by certified public accountants or auditing firms.

* Cautionary statement regarding forecasts of operating results and special notes

(Forward-looking statements)

Forward-looking statements in these materials are based on information available to management at the time this report was prepared and assumptions that management believes are reasonable. This report is not promises by the Company regarding future performance. Actual results may differ materially from those projected in the forward-looking statements due to a variety of factors. Please see "1. Overview of Results of Operations" on page 2 of the attachments for items pertaining to the forecast stated above.

Table of Contents

1. Overview of Results of Operations

(1) Results of Operations

The BOOKOFF Group focuses on its core reuse business, which helps pre-owned goods find new value in a new home. The business mission is to become BOOKOFF for people who don't let things go to waste and a partner with an infrastructure for a waste-free lifestyle for people who don't want to toss things away. The BOOKOFF Group is dedicated to helping create a truly recycle-based society through the reuse of pre-owned goods across a wide range of categories including books, CDs, DVDs, games, home appliances, apparel, sporting goods, baby goods and other miscellaneous household items.

To accomplish this mission and continue growing, our business activities are guided by two basic policies. First is maximizing purchases by leveraging the comprehensive power of the BOOKOFF Group. Second is maximizing sales efficiency in stores and using the Internet.

In the fiscal year ended on March 31, 2018, in order to establish a foundation capable of supporting sustainable growth, activities were centered on a business strategy with two central goals. First is making the Reuse Store Business more profitable. Second is making significant changes in the HUGALL Business.

In the Reuse Store Business, operations in Japan have been divided into five regional business units. This new structure makes it possible to use new merchandise and Internet sales to change the operations of stores one by one in a manner that reflects the characteristics of each store. Strengthening the management of stores is another goal. The objective of all these actions is to make stores more profitable. Guided by these management policies, we are accelerating the pace of new store openings and remodels with BOOKOFF SUPER BAZAAR (a comprehensive large-format store of BOOKOFF and other stores carrying a variety of reuse merchandise) and BOOKOFF PLUS (BOOKOFF stores combining apparel-related reuse merchandise) formats as our core package of retail outlets. During the current fiscal year, we opened three BOOKOFF SUPER BAZAAR stores. In addition, two BOOKOFF stores were converted into the BOOKOFF PLUS store format.

In the HUGALL Business, there were a number of actions with the goal of making this business profitable. Two significant measures were the termination of the Tokyo Reuse Apparel special event sales business and the integration of the HUGALL Business with the BOOKOFF Online Business.

As a result of these efforts, consolidated net sales amounted to ¥80,049 million, which was a 1.6% decrease from the previous fiscal year. The Group recorded an operating profit of ¥613 million, which was a 426.6% increase from the previous fiscal year, an ordinary profit of ¥1,092 million, which was an 85.6% increase from the previous fiscal year, and a loss attributable to owners of parent of ¥889 million (compared with a loss of ¥1,159 million in the previous fiscal year).

In the Reuse Store Business, there was an asset impairment loss for comprehensive large-format stores that are not expected to become profitable soon, losses for closing unprofitable stores and an addition to the allowance for store closing and other losses. In the HUGALL Business, where there was an operating loss in the current fiscal year, there was an asset impairment loss for the non-current assets of hugall Inc. In addition, the income tax and other tax rates at hugall Inc., which has an accumulated loss, were higher than initially expected because earnings were less than planned. As a result, there was a consolidated loss attributable to owners of parent.

Business segment sales were as follows:

(Reuse Store Business)

The segment recorded net sales of ¥70,565 million for the current fiscal year, which was a 0.8% decrease compared with the previous fiscal year.

During the fiscal year, 13 directly operated stores and two franchise stores were opened. There were 14 closings of directly operated stores and 18 closings of franchise stores, including one store that was closed to be combined with another Group store in the same building under a single brand.

The Reuse Store Business started using a new regional business unit structure in the current fiscal year. Major activities at existing BOOKOFF stores included a focus on merchandise and sales areas that match the characteristics of their respective markets, the use of the YAHUOKU! Internet auction service for Internet sales of store merchandise, and training programs for part-time store personnel for improving their merchandise purchasing and sales capabilities. In addition, this business opened comprehensive large-format stores and made BOOKOFF With Co., Ltd. a consolidated subsidiary. However, total segment sales decreased mainly because of lower sales of books, software media, apparel and other merchandise at existing stores.

(BOOKOFF Online Business)

The segment recorded net sales of ¥6,140 million for the current fiscal year, which was a 5.9% decrease compared with the previous fiscal year.

As in the previous fiscal year, customer data was used to improve the E-commerce website and make other improvements. In addition, activities started for the expansion of sales channels such as Yahoo Shopping in the first quarter, and Amazon in the third quarter. Despite all these measures, segment sales were lower due to a decline in book sales and other reasons.

(HUGALL Business)

The segment recorded net sales of ¥2,071 million for the current fiscal year, which was a 7.7% decrease compared with the previous fiscal year.

As in the previous fiscal year, there were many activities to purchase a variety of merchandise. Two major initiatives are a service that goes to customers' homes to purchase items, mainly in the 23 wards of Tokyo, and the operation of One-Stop Purchasing Consultation Desks at several department stores. In addition, the HUGALL Business was combined with the BOOKOFF Online Business to raise efficiency. However, segment sales decreased due to the termination of the Tokyo Reuse Apparel special event sales business.

(Other)

The segment recorded net sales of ¥1,272 million for the current fiscal year, which was a 10.8% decrease compared with the previous fiscal year.

One directly operated store was closed during the current fiscal year.

(Performance Trends)

(Unit: million yen)

		Fiscal year ended March 2017	Fiscal year ended March 2018
Net sales		**81,344**	**80,049**
	Reuse Store Business	71,150	70,565
	Store Net Sales	68,468	68,261
	Sales to Franchisees	2,682	2,303
	BOOKOFF Online Business	6,522	6,140
	HUGALL Business	2,244	2,071
	Other	1,426	1,272
Operating profit		**116**	**613**
Ordinary profit		**588**	**1,092**
Extraordinary gains		28	59
Extraordinary losses		755	1,250
Loss before income taxes		(137)	(98)
Loss attributable to owners of parent		**(1,159)**	**(889)**

(Amounts rounded down to the nearest one million yen)

(Store Opening/Closing by Segment)

(Unit: number of stores)

		Fiscal year ended March 2017		Fiscal year ended March 2018	
		Open	Close	Open	Close
Reuse Store Business	Group	10 (Note 1)	11 (Note 2)	13 (Note 4)	14
	Franchise	2	27 (Note 3)	2	18 (Note 5)
Other	Group	-	-	-	1
	Franchise	-	-	-	-
Total store openings/closings	Group	10	11	13	15
	Franchise	2	27	2	18
Fiscal year-end total	Group	388		386	
	Franchise	455		439	

Notes: 1. This figure includes one BOOKOFF store that were acquired from franchisees.
2. This figure includes one store closed to be combined with another Group store in the same building under a single brand.
3. This figure includes eight stores closed to be combined with another Group store in the same building under a single brand, and one BOOKOFF store that was acquired from a franchisee.
4. This figure includes nine BOOKOFF stores that was acquired from a franchisee.
5. This figure includes one store closed to be combined with another Group store in the same building under a single brand, and nine BOOKOFF stores that was acquired from a franchisee.

Outlook for the Fiscal Year Ending March 31, 2019

(Overall Outlook)

The primary goals in the fiscal year ending in March 2019 are achieving consistent earnings in the Reuse Store Business and positioning for growth the department store purchasing consultation desk business, which has been combined with the BOOKOFF Online Business. By building a unified foundation for the entire chain of stores and providing outstanding services, all business segments have a strong commitment to contributing to the growth of the BOOKOFF Group’s corporate value.

(Reuse Store Business)

This business started using a regional business unit structure in the past fiscal year in order to operate stores that can adapt quickly to distinctive regional market characteristics. We will also continue to upgrade existing stores through low-cost operations, higher workforce productivity and other measures in order to build an even more profitable framework for this business.

We will continue to hold down the number of new large stores by opening only two or three BOOKOFF SUPER BAZAAR stores during the fiscal year. At existing BOOKOFF stores, we will make small investments for improvements like the addition of One-Stop Purchasing Consultation Desks. We will also close unprofitable stores to improve the profitability of this business.

We forecast an increase in sales in this business due mainly to the outlook for a contribution to sales from new stores and the expansion of the new Kaumaenique purchasing service to more stores.

(BOOKOFF Online Business) (Note 1)

Combining the HUGALL Business with this business and unifying logistics operations for the entire BOOKOFF Group are expected to result in more efficient operations for the entire group. This business is also taking more actions aimed enabling stores to work more closely with each other.

At distribution centers, our goals are maintaining a consistent level of operations and cutting expenses. We also plan on establishing closer ties between the department store purchasing consultation desk business, which were operated by the HUGALL Business, and the BOOKOFF Online business. We forecast a decrease in sales in this business primarily because of the termination in the past fiscal year of the Tokyo Reuse Apparel special event sales business.

We forecast consolidated sales of ¥80,500 million, operating profit of ¥800 million, ordinary profit of ¥1,200 million and profit attributable to owners of parent of ¥200 million.

(Consolidated Forecast)

(Unit: million yen)

	Fiscal year ended March 2018 Results	Fiscal year ending March 2019 Forecast	Change	% Change
Net sales	80,049	80,500	450	0.6
(Reuse Store Business)	70,565	72,000	1,434	2.0
(BOOKOFF Online Business) (Note 2)	8,211	7,400	(811)	(9.9)
(Other)	1,272	1,100	(172)	(13.6)
Operating profit	613	800	186	30.3
Ordinary profit	1,092	1,200	107	9.8
Profit (loss) attributable to owners of parent	(889)	200	1,089	-

(Amounts rounded down to the nearest one million yen)

Notes: 1. The HUGALL Business is no longer a reportable segment in the fiscal year ending in March 2019 because it has been combined with the BOOKOFF Online Business.

2. BOOKOFF Online Business sales in the fiscal year ended in March 2018 are the sum of sales in this business and in the HUGALL Business.

(2) Financial Position

Assets, Liabilities and Net Assets

(Current Assets)

Current assets at the end of the current fiscal year were ¥31,430 million, a decrease of ¥1,137 million compared with ¥32,567 million at the end of the previous fiscal year. This was mainly due to a decrease of ¥1,407 million in cash and deposits, while there was an increase of ¥334 million in merchandise.

(Non-current Assets)

Non-current assets at the end of the current fiscal year were ¥16,458 million, a decrease of ¥2,021 million compared with ¥18,479 million at the end of the previous fiscal year. This was mainly due to decreases of ¥1,334 million in property, plant and equipment resulting from closing of stores and booking of impairment loss, and ¥569 million in investments and other assets resulting from a decrease in shares of subsidiaries and associates caused by making BOOKOFF With and BOK MARKETING SDN.BHD. consolidated subsidiaries, ¥117 million in intangible assets resulting from amortization of software and goodwill.

(Liabilities)

Liabilities at the end of the current fiscal year were ¥34,580 million, a decrease of ¥2,224 million compared with ¥36,804 million at the end of the previous fiscal year. Loans payable decreased ¥2,508 million due to repayment of bank loans, while there was an increase of ¥109 million in accounts payable-trade.

(Net Assets)

Net assets at the end of the current fiscal year were ¥13,307 million, a decrease of ¥934 million compared with ¥14,242 million at the end of the previous fiscal year. This was mainly due to a ¥1,142 million decrease in retained earnings resulting mainly from a loss attributable to owners of parent and dividend payments from surplus, while there was a ¥141 million increase in non-controlling interests resulting from making BOOKOFF With and BOK MARKETING SDN.BHD. consolidated subsidiaries.

(3) Cash Flows

Cash and cash equivalents (“net cash”) at the end of the current fiscal year amounted to ¥13,860 million, a decrease of ¥1,407 million compared to the end of the previous fiscal year.

Consolidated cash flows and the primary reasons for their fluctuation during the current fiscal year are as follows:

(Cash Flows from Operating Activities)

Net cash provided by operating activities amounted to ¥2,668 million (compared with ¥1,965 million provided in the previous fiscal year). Although there was a loss before income taxes of ¥98 million, there were positive factors including ¥1,807 million in depreciation, ¥1,103 million in impairment loss, ¥88 million in amortization of goodwill, a ¥141 million decrease in notes and accounts receivable-trade and a ¥90 million increase in provision for loss on store closing. Negative factors included income taxes paid of ¥735 million.

(Cash Flows from Investing Activities)

Net cash used in investing activities amounted to ¥940 million (compared with ¥2,054 million used in the previous fiscal year). Outlays include ¥503 million for the purchase of property, plant, and equipment associated with new store openings, ¥534 million for the purchase of intangible assets related to additional investments in systems, and ¥150 million for payments for long-term leasehold deposits. Main cash inflows refund of long-term leasehold deposits associated with store closings of ¥426 million.

(Cash Flows from Financing Activities)

Net cash used in financing activities amounted to ¥3,394 million (compared with ¥224 million provided in the previous fiscal year). This result was mainly due to a net decrease of ¥2,710 million in loans payable, ¥205 million for cash dividends paid, ¥411 million for repayments of lease obligations.

(Trends in Equity Ratio, Equity Ratio Based on Market Value, Ratio of Interest-Bearing Debt to Cash Flow and Interest Coverage Ratio)

	Fiscal year ended March 2016	Fiscal year ended March 2017	Fiscal year ended March 2018
Equity ratio (%)	31.6	27.9	27.5
Equity ratio based on market value (%)	36.3	31.8	35.7
Ratio of interest-bearing debt to cash flow (years)	42.4	13.7	9.2
Interest coverage ratio (times)	3.3	10.6	15.8

Note: Equity ratio (%): Shareholders' equity/total assets
Equity ratio based on market value: Market capitalization/total assets
Market capitalization is calculated using the number of shares outstanding less treasury shares.
Ratio of interest-bearing debt to cash flow (years): Interest-bearing debt/cash flows from operating activities
Interest-bearing debt is the sum of short-term loans payable, current portion of long-term loans payable, long-term loans payable and long-term accounts payable-other, current portion of bonds, and bonds with subscription rights to shares.
Interest coverage ratio (times): Cash flows from operating activities/interest expense

(4) Basic Policy on Profit Distribution and Dividends for FY3/2018 and FY3/2019

The BOOKOFF Corporation considers the distribution of profits to be one of its highest management priorities, and aims to maintain a payout ratio of around 25% on a consolidated profit basis.

The basic policy is to aim for higher dividends supported by growth in sales and earnings while using retained earnings effectively for strengthening financial soundness and making strategic investments that will create a stronger base for future business operations.

Although there was a net loss of ¥43.31 per share for the fiscal year ended in March 2018, a dividend per share of ¥10 will be paid for this fiscal year as initially planned.

In the fiscal year ending in March 2019, we plan to pay a dividend of ¥10 per share as in the year earlier.

2. Basic Approach to the Selection of Accounting Standards

The BOOKOFF Group will continue to prepare consolidated financial statements in accordance with generally accepted accounting principles in Japan for the time being to permit comparisons with prior years and with the financial data of other companies.

The Group will take suitable actions with regard to the application of International Financial Reporting Standards (IFRS) by taking into account associated factors in Japan and other countries.

3. Consolidated Financial Statements and Notes

(1) Consolidated Balance Sheet

(Unit: thousand yen)

	FY3/2017 (As of Mar. 31, 2017)	FY3/2018 (As of Mar. 31, 2018)
Assets		
Current assets		
Cash and deposits	15,268,310	13,860,355
Notes and accounts receivable-trade	1,617,922	1,488,764
Merchandise	12,614,825	12,949,201
Supplies	38,408	31,063
Deferred tax assets	743,896	667,977
Other	2,289,449	2,434,586
Allowance for doubtful accounts	(4,906)	(1,761)
Total current assets	32,567,906	31,430,188
Non-current assets		
Property, plant and equipment		
Buildings and structures	15,948,458	15,536,286
Accumulated depreciation	(11,028,106)	(11,505,998)
Buildings and structures, net	4,920,351	4,030,287
Land	141,643	175,299
Leased assets	3,340,799	2,682,015
Accumulated depreciation	(1,416,639)	(1,094,520)
Leased assets, net	1,924,159	1,587,494
Construction in progress	-	698
Other	3,189,800	3,285,589
Accumulated depreciation	(2,330,899)	(2,568,331)
Other, net	858,901	717,257
Total property, plant and equipment	7,845,056	6,511,038
Intangible assets		
Goodwill	268,447	138,218
Leased assets	11,108	7,151
Other	1,141,508	1,158,310
Total intangible assets	1,421,064	1,303,680
Investments and other assets		
Investment securities	655,307	388,892
Long-term loans receivable	22,126	11,062
Deferred tax assets	178,335	172,226
Guarantee deposits	8,186,531	7,940,492
Other	261,284	205,379
Allowance for doubtful accounts	(90,281)	(74,458)
Total investments and other assets	9,213,303	8,643,594
Total non-current assets	18,479,423	16,458,313
Total assets	51,047,330	47,888,501

(Unit: thousand yen)

	FY3/2017 (As of Mar. 31, 2017)	FY3/2018 (As of Mar. 31, 2018)
Liabilities		
Current liabilities		
Accounts payable-trade	343,217	452,354
Short-term loans payable	6,539,191	5,386,680
Current portion of long-term loans payable	3,664,791	4,966,884
Current portion of bonds with share acquisition rights	-	7,700,000
Lease obligations	389,489	388,181
Income taxes payable	767,005	666,342
Provision for bonuses	282,460	298,246
Provision for sales rebates	630,262	680,369
Provision for shareholder benefit program	64,297	90,683
Provision for loss on store closing	49,919	55,389
Accounts payable-other	2,091,287	1,878,230
Other	1,814,487	2,187,209
Total current liabilities	16,636,409	24,750,570
Non-current liabilities		
Bonds with share acquisition rights	7,700,000	-
Long-term loans payable	8,925,930	6,268,059
Lease obligations	1,573,967	1,306,364
Provision for loss on store closing	-	35,087
Asset retirement obligations	1,573,962	1,785,050
Other	394,550	435,636
Total non-current liabilities	20,168,409	9,830,197
Total liabilities	36,804,818	34,580,768
Net assets		
Shareholders’ equity		
Capital stock	3,652,394	3,652,394
Capital surplus	4,187,003	4,192,922
Retained earnings	7,747,457	6,605,076
Treasury shares	(1,260,826)	(1,255,575)
Total shareholders’ equity	14,326,028	13,194,817
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	53,057	81,345
Foreign currency translation adjustment	(136,574)	(110,021)
Total accumulated other comprehensive income	(83,516)	(28,676)
Non-controlling interests	-	141,592
Total net assets	14,242,511	13,307,733
Total liabilities and net assets	51,047,330	47,888,501

(2) Consolidated Statements of Income and Comprehensive Income

Consolidated Statement of Income

(Unit: thousand yen)

	FY3/2017 (Apr. 1, 2016 – Mar. 31, 2017)	FY3/2018 (Apr. 1, 2017 – Mar. 31, 2018)
Net sales	81,344,039	80,049,760
Cost of sales	34,164,454	33,054,989
Gross profit	47,179,585	46,994,770
Selling, general and administrative expenses		
Provision of allowance for doubtful accounts	629	(16,974)
Salaries and allowances	4,811,640	4,911,511
Salaries of part time employees	12,923,884	12,397,502
Bonuses	526,048	520,288
Provision for bonuses	277,704	298,466
Provision for shareholder benefit program	64,297	84,690
Retirement benefit expenses	32,229	32,412
Rents	11,657,021	11,908,705
Rent expenses	750,993	667,639
Other	16,018,587	15,576,789
Total selling, general and administrative expenses	47,063,038	46,381,030
Operating profit	116,547	613,740
Non-operating income		
Gain from installment of vending machine	143,252	127,922
Gain on sales of recycling goods	381,645	375,826
Other	215,945	278,995
Total non-operating income	740,843	782,744
Non-operating expenses		
Interest expenses	186,311	170,136
Share of loss of entities accounted for using equity method	6,428	2,282
Rent expenses on facilities	4,883	67,440
Other	70,807	63,766
Total non-operating expenses	268,431	303,626
Ordinary profit	588,959	1,092,858
Extraordinary income		
Compensation for transfer	-	36,000
Gain on bargain purchase	-	20,476
Gain on sales of investment securities	28,752	2,682
Total extraordinary income	28,752	59,158
Extraordinary losses		
Loss on valuation of investment securities	-	1,322
Loss on closing of stores	15,419	33,784
Provision for loss on store closing	49,927	90,476
Loss on retirement of non-current assets	25,910	21,085
Impairment loss	* 650,355	* 1,103,570
Loss on disaster	13,619	-
Total extraordinary losses	755,233	1,250,241
Loss before income taxes	(137,521)	(98,223)
Income taxes-current	706,787	675,484
Income taxes-deferred	314,803	107,814
Total income taxes	1,021,591	783,299
Loss	(1,159,113)	(881,522)
Profit attributable to non-controlling interests	-	8,451
Loss attributable to owners of parent	(1,159,113)	(889,974)

Consolidated Statement of Comprehensive Income

(Unit: thousand yen)

	FY3/2017 (Apr. 1, 2016 – Mar. 31, 2017)	FY3/2018 (Apr. 1, 2017 – Mar. 31, 2018)
Loss	(1,159,113)	(881,522)
Other comprehensive income		
Valuation difference on available-for-sale securities	(28,102)	24,529
Foreign currency translation adjustment	(26,987)	32,836
Share of other comprehensive income of entities accounted for using equity method	1,934	3,669
Total other comprehensive income	* (53,155)	* 61,034
Comprehensive income	(1,212,268)	(820,487)
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	(1,212,268)	(831,084)
Comprehensive income attributable to non-controlling interests	-	10,596

(3) Consolidated Statement of Changes in Net Assets

FY3/2017 (Apr. 1, 2016 – Mar. 31, 2017)

(Unit: thousand yen)

	Shareholders' equity				
	Capital stock	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of current period	3,652,394	4,187,003	9,420,256	(1,260,826)	15,998,827
Changes of items during period					
Change of scope of consolidation					
Dividends of surplus			(513,685)		(513,685)
Loss attributable to owners of parent			(1,159,113)		(1,159,113)
Purchase of treasury shares					
Net changes of items other than shareholders' equity					
Total changes of items during period	-	-	(1,672,798)	-	(1,672,798)
Balance at end of current period	3,652,394	4,187,003	7,747,457	(1,260,826)	14,326,028

	Accumulated other comprehensive income			Total net assets
	Valuation difference on available-for-sale securities	Foreign currency translation adjustment	Total accumulated other comprehensive income	
Balance at beginning of current period	79,226	(109,587)	(30,361)	15,968,465
Changes of items during period				
Change of scope of consolidation				
Dividends of surplus				(513,685)
Loss attributable to owners of parent				(1,159,113)
Purchase of treasury shares				
Net changes of items other than shareholders' equity	(26,168)	(26,987)	(53,155)	(53,155)
Total changes of items during period	(26,168)	(26,987)	(53,155)	(1,725,954)
Balance at end of current period	53,057	(136,574)	(83,516)	14,242,511

FY3/2018 (Apr. 1, 2017 – Mar. 31, 2018)

(Unit: thousand yen)

	Shareholders' equity				
	Capital stock	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of current period	3,652,394	4,187,003	7,747,457	(1,260,826)	14,326,028
Changes of items during period					
Change of scope of consolidation		5,918	(47,024)	5,253	(35,851)
Dividends of surplus			(205,382)		(205,382)
Loss attributable to owners of parent			(889,974)		(889,974)
Purchase of treasury shares				(2)	(2)
Net changes of items other than shareholders' equity					
Total changes of items during period	-	5,918	(1,142,381)	5,250	(1,131,211)
Balance at end of current period	3,652,394	4,192,922	6,605,076	(1,255,575)	13,194,817

	Accumulated other comprehensive income			Non-controlling interests	Total net assets
	Valuation difference on available-for-sale securities	Foreign currency translation adjustment	Total accumulated other comprehensive income		
Balance at beginning of current period	53,057	(136,574)	(83,516)	-	14,242,511
Changes of items during period					
Change of scope of consolidation					(35,851)
Dividends of surplus					(205,382)
Loss attributable to owners of parent					(889,974)
Purchase of treasury shares					(2)
Net changes of items other than shareholders' equity	28,287	26,553	54,840	141,592	196,432
Total changes of items during period	28,287	26,553	54,840	141,592	(934,778)
Balance at end of current period	81,345	(110,021)	(28,676)	141,592	13,307,733

(4) Consolidated Statement of Cash Flows

(Unit: thousand yen)

	FY3/2017 (Apr. 1, 2016 – Mar. 31, 2017)	FY3/2018 (Apr. 1, 2017 – Mar. 31, 2018)
Cash flows from operating activities		
Loss before income taxes	(137,521)	(98,223)
Depreciation	2,033,564	1,807,986
Impairment loss	650,355	1,103,570
Amortization of goodwill	106,032	88,005
Gain on bargain purchase	-	(20,476)
Increase (decrease) in provision for bonuses	10,196	8,772
Increase (decrease) in allowance for doubtful accounts	(382)	(16,974)
Increase (decrease) in provision for loss on store closing	49,927	90,476
Increase (decrease) in provision for allowance of sales discounts	65,855	31,534
Increase (decrease) in provision for shareholder benefit program	64,297	26,385
Interest expenses	186,311	170,136
Share of loss (profit) of entities accounted for using equity method	6,428	2,282
Loss on store closings	15,419	33,784
Loss (gain) on valuation of investment securities	-	1,322
Loss on retirement of non-current assets	25,910	21,085
Loss on disaster	13,619	-
Compensation for removal	-	(36,000)
Decrease (increase) in notes and accounts receivable-trade	(192,352)	144,318
Decrease (increase) in inventories	(333,179)	19,059
Increase (decrease) in notes and accounts payable-trade	(56,810)	96,570
Increase (decrease) in accounts payable-other	114,126	(164,450)
Other, net	37,602	214,044
Subtotal	2,659,403	3,523,211
Interest and dividend income received	10,713	8,479
Interest expenses paid	(186,253)	(168,672)
Proceeds from compensation for removal	-	36,000
Payments for loss on disaster	(8,362)	-
Income taxes refund	11,267	4,264
Income taxes paid	(521,308)	(735,214)
Net cash provided by (used in) operating activities	1,965,460	2,668,067

(Unit: thousand yen)

	FY3/2017 (Apr. 1, 2016 – Mar. 31, 2017)	FY3/2018 (Apr. 1, 2017 – Mar. 31, 2018)
Cash flows from investing activities		
Proceeds from withdrawal of time deposits	30,372	-
Purchase of property, plant and equipment	(1,761,900)	(503,844)
Purchase of intangible assets	(352,531)	(534,673)
Payments for long-term leasehold deposits	(307,049)	(150,620)
Refund of long-term leasehold deposits	386,146	426,062
Proceeds from transfer of stores	(45,592)	(75,546)
Purchase of shares of subsidiaries resulting in change in scope of consolidation	-	(20,386)
Other, net	(3,624)	(81,395)
Net cash provided by (used in) investing activities	(2,054,179)	(940,403)
Cash flows from financing activities		
Net increase (decrease) in short-term loans payable	2,942,146	(1,152,511)
Proceeds from long-term loans payable	3,900,000	2,250,000
Repayments of long-term loans payable	(4,447,812)	(3,807,694)
Redemption of bonds	(1,000,000)	-
Payments for long-term accounts payable-other	(103,417)	(66,898)
Repayments of lease obligations	(552,737)	(411,368)
Purchase of treasury shares	-	(2)
Cash dividends paid	(513,685)	(205,382)
Dividends paid to non-controlling interests	-	(660)
Net cash provided by (used in) financing activities	224,493	(3,394,518)
Effect of exchange rate change on cash and cash equivalents	(3,987)	12,931
Net increase (decrease) in cash and cash equivalents	131,787	(1,653,923)
Cash and cash equivalents at beginning of period	15,127,511	15,268,310
Increase in cash and cash equivalents from newly consolidated subsidiary	9,011	245,968
Cash and cash equivalents at end of period	15,268,310	13,860,355

(5) Notes to Consolidated Financial Statements

(Notes Concerning the Going-Concern Premise)

Not applicable.

(Important Items that Form the Basis for Preparing Consolidated Financial Statements)

1. Scope of consolidation

(1) Number of consolidated subsidiaries: 12

Primary consolidated subsidiaries:

BOOKOFF U.S.A. INC.
BOOKOFF Online, Inc.
Booklet Co., Ltd.

In FY3/2018, Manas Co., Ltd. is included in the scope of consolidation through acquisition of its shares.

Non-consolidated subsidiaries BOOKOFF With and BOK MARKETING SDN.BHD. were included in the scope of consolidation due to its increased importance.

hugall Inc. was excluded from the scope of consolidation since this company was absorbed by BOOKOFF Online, Inc., which became the surviving company, after which hugall Inc. was dissolved as of March 21, 2018.

(2) Primary non-consolidated subsidiaries

Not applicable.

2. Application of the Equity Method

(1) Number of affiliates accounted for using the equity method: 1

Company name:

BOS Partners, Inc.

(2) Non-consolidated subsidiaries and affiliates not accounted for using the equity method

Not applicable.

3. Fiscal years of consolidated subsidiaries

Among the consolidated subsidiaries, the fiscal year-end of Booklet Co., Ltd., BOOKOFF U.S.A. INC. and BOOKOFF FRANCE E.U.R.L. is the end of February, and the fiscal year-end of SCI BOC FRANCE is the end of December. The consolidated financial statements include the financial statements of these consolidated subsidiaries as of their fiscal year-ends. However, adjustments to the consolidated financial statements are made as needed for significant transactions that occur between their fiscal year-ends and the fiscal year-end for the consolidated financial statements.

The fiscal year-end of BOK MARKETING SDN.BHD. is the end of September. The consolidated financial statements use provisional financial statements prepared by BOK MARKETING SDN.BHD. as of the end of December. Adjustments to the consolidated financial statements are made as needed for significant transactions that occur between the end of December and the fiscal year end for the consolidated financial statements.

The fiscal year-end of BOOKOFF With is the end of November. The consolidated financial statements use provisional financial statements prepared by BOOKOFF With as of the end of February. Adjustments to the consolidated financial statements are made as needed for significant transactions that occur between the end of February and the fiscal year end for the consolidated financial statements.

Subsidiary Manasu Co., Ltd. was included in the consolidated financial statements for the first time in the fiscal year that ended in March 2018. As this company has changed its fiscal year end from the end of August to the end of March, the consolidated financial statements for the fiscal year that ended in March 2018 include the operations of Manasu for the 10-month period from June 1, 2017 to March 31, 2018.

The presentation of matters other than those disclosed above is omitted as there are no significant changes from information presented in the most recent securities report, filed on June 26, 2017.

(Consolidated Balance Sheet)

* 1. The balance for non-consolidated subsidiaries and affiliates is as follows:

(Unit: thousand yen)

	FY3/2017 (As of Mar. 31, 2017)	FY3/2018 (As of Mar. 31, 2018)
Investment securities (stocks)	348,891	51,168

2. The Company has entered into overdraft agreements with 11 banks in order to efficiently procure working capital. The balance of unexecuted loans under these agreements is as follows:

(Unit: thousand yen)

	FY3/2017 (As of Mar. 31, 2017)	FY3/2018 (As of Mar. 31, 2018)
Total overdraft amount	9,860,000	9,740,008
Executed loans payable	3,560,004	4,933,344
Balance	6,299,996	4,806,664

(Consolidated Statement of Income)

* Impairment loss

The Group recorded an impairment loss for the following asset groups.

FY3/2017 (Apr. 1, 2016 – Mar. 31, 2017)

Application	Type	Location	Impairment loss (Thousand yen)
Stores, etc.	Buildings and structures, etc.	BOOKOFF Lakewood Center Mall Store (California, USA) and other 73 stores, etc.	650,355

The Group regards each store as the base unit in identifying the smallest group of assets that generate cash flows.

For stores, etc. that have generated continuous losses stemming from their operating activities, and when it has been deemed that there is little potential for an earnings recovery, or when changes in the range of use have significantly reduced the recoverable amounts, the book values were reduced to recoverable amounts, and the amount of the reduction was recognized as an impairment loss and recorded as an extraordinary loss.

The breakdown of the impairment loss is as follows:

(Unit: thousand yen)

Buildings and structures	471,501
Leased assets (property, plant and equipment)	27,686
Property, plant and equipment-other	120,373
Goodwill	22,572
Intangible assets-other	7,634
Investments and other assets-other	586
Total	650,355

The recoverable amount for the asset group is measured using value in use, which is calculated by discounting future cash flows by 8%.

FY3/2018 (Apr. 1, 2017 – Mar. 31, 2018)

Application	Type	Location	Impairment loss (Thousand yen)
Stores, etc.	Buildings and structures, etc.	HUGALL Business, Distribution Center (Funabashi,Chiba) and other 30 stores, etc.	1,103,570

The Group regards each store as the base unit in identifying the smallest group of assets that generate cash flows.

For stores, etc. that have generated continuous losses stemming from their operating activities, and when it has been deemed that there is little potential for an earnings recovery, or when changes in the range of use have significantly reduced the recoverable amounts, the book values were reduced to recoverable amounts, and the amount of the reduction was recognized as an impairment loss and recorded as an extraordinary loss.

The breakdown of the impairment loss is as follows:

(Unit: thousand yen)

Buildings and structures	761,898
Leased assets (property, plant and equipment)	81,430
Property, plant and equipment-other	120,432
Goodwill	77,519
Intangible assets-other	52,306
Investments and other assets-other	9,983
Total	1,103,570

The recoverable amount for the asset group is measured using value in use, which is calculated by discounting future cash flows by 8%.

(Consolidated Statement of Comprehensive Income)

* Reclassification adjustments and tax effects related to other comprehensive income

(Unit: thousand yen)

	FY3/2017 (Apr. 1, 2016 – Mar. 31, 2017)	FY3/2018 (Apr. 1, 2017 – Mar. 31, 2018)
Valuation difference on available-for-sale securities		
Amount incurred	(10,891)	35,796
Amount of reclassification adjustments	(28,752)	-
Before tax effects	(39,643)	35,796
Amount of tax effects	11,540	(11,267)
Valuation difference on other available-for-sale securities	(28,102)	24,529
Foreign currency translation adjustment		
Amount incurred	(26,987)	32,836
Amount of reclassification adjustments	-	-
Before tax effects	(26,987)	32,836
Amount of tax effects	-	-
Foreign currency translation adjustment	(26,987)	32,836
Share of other comprehensive income of entities accounted for using equity method		
Amount incurred	1,951	3,592
Amount of reclassification adjustments	(17)	77
Share of other comprehensive income of entities accounted for using equity method	1,934	3,669
Total other comprehensive income	(53,155)	61,034

(Segment Information)

Segment Information

1. Overview of reportable segments

The reportable segments of the BOOKOFF Group are the constituent units where separate financial information can be obtained and the Board of Directors uses this information on a regular basis to allocate resources and evaluate business performance.

The management philosophy of the BOOKOFF Group is "contributing to society through our business activities" and the "pursuit of employees' material and spiritual wellbeing." Operations include retail stores and a franchise business based on the concept of "reuse," focusing on BOOKOFF secondhand bookstores.

The BOOKOFF Group has three reportable segments defined by merchandise categories and business formats: Reuse Store Business, BOOKOFF Online Business and HUGALL Business.

The Reuse Store Business leverages the BOOKOFF brand to operate BOOKOFF SUPER BAZAAR stores (a comprehensive large-format store of BOOKOFF and other stores carrying a variety of reuse merchandise) and BOOKOFF PLUS stores (BOOKOFF stores combining apparel-related reuse merchandise). This business purchases and sells books, software, home appliances, apparel, sporting goods, baby goods, watches, luxury-brand bags, precious metals, kitchenware, household goods, etc. BOOKOFF stores exist throughout Japan, as well as overseas. Stores are operated directly by the Company or franchised to other operators.

The BOOKOFF Online Business operates an E-commerce reuse shop (BOOKOFF Online) website that sells books and software.

The HUGALL Business operates new reuse businesses beyond the traditional retail format, dealing in products from a much greater range of categories.

2. Methods used to calculate net sales, profit or loss, assets, liabilities and other items in reportable segments

The accounting methods for the reported business segments are generally the same as those stated in Important Items that Form the Basis for Preparing Consolidated Financial Statements.

Profits in the reportable segments are based on operating profits.

Inter-segment sales and transfers are based on third-party transaction values.

3. Information concerning net sales, profit or loss, assets, liabilities and other items in reportable segments

FY3/2017 (Apr. 1, 2016 – Mar. 31, 2017)

(Unit: thousand yen)

	Reportable segment				Other (Note 1)	Total	Adjustment (Note 2)	Amount recorded in consolidated financial statements
	Reuse Store Business	BOOKOFF Online Business	HUGALL Business	Total				
Net sales								
Sales to external customers	71,150,780	6,522,270	2,244,571	79,917,621	1,426,418	81,344,039	-	81,344,039
Inter-segment sales and transfers	241,730	1,431,792	3,105	1,676,628	357,872	2,034,501	(2,034,501)	-
Total	71,392,510	7,954,063	2,247,676	81,594,250	1,784,291	83,378,541	(2,034,501)	81,344,039
Segment profit (loss)	2,611,636	413,139	(680,645)	2,344,130	(124,370)	2,219,759	(2,103,212)	116,547
Segment assets	28,291,983	2,495,271	1,599,963	32,387,218	827,065	33,214,283	17,833,047	51,047,330
Other items								
Depreciation and amortization	1,694,128	253,300	39,036	1,986,465	7,201	1,993,667	39,897	2,033,564
Amortization of goodwill	98,441	-	-	98,441	7,590	106,032	-	106,032
Increases in property, plant and equipment and intangible assets	2,007,808	357,096	358,399	2,723,304	131,045	2,854,350	131,493	2,985,843

Note: 1. Other segment is mainly engaged in operation of directly operated stores selling new books, planning, design, and construction of interior and exterior works for stores in all segments, and operation of book review community site.

FY3/2018 (Apr. 1, 2017 – Mar. 31, 2018)

(Unit: thousand yen)

	Reportable segment				Other (Note 1)	Total	Adjustment (Note 2)	Amount recorded in consolidated financial statements
	Reuse Store Business	BOOKOFF Online Business	HUGALL Business	Total				
Net sales								
Sales to external customers	70,565,138	6,140,683	2,071,284	78,777,106	1,272,653	80,049,760	-	80,049,760
Inter-segment sales and transfers	45,478	1,212,849	509,348	1,767,676	384,605	2,152,282	(2,152,282)	-
Total	70,610,617	7,353,532	2,580,633	80,544,783	1,657,258	82,202,042	(2,152,282)	80,049,760
Segment profit (loss)	3,419,989	232,193	(897,410)	2,754,771	(114,546)	2,640,225	(2,026,485)	613,740
Segment assets	28,344,764	2,485,479	-	30,830,243	720,024	31,550,267	16,338,233	47,888,501
Other items								
Depreciation and amortization	1,497,486	223,852	24,122	1,745,461	6,314	1,751,775	56,210	1,807,986
Amortization of goodwill	80,415	-	-	80,415	7,590	88,005	-	88,005
Increases in property, plant and equipment and intangible assets	1,020,943	115,408	10,050	1,146,402	14,000	1,160,403	83,657	1,244,060

Notes: 1. Other segment is mainly engaged in operation of directly operated stores selling new books, planning, design, and construction of interior and exterior works for stores in all segments, and operation of book review community site.
2. Difference between total amounts for reportable segments and amounts recorded in the consolidated financial statements, and primary items of such difference (items related to the difference adjustments)

(Unit: thousand yen)

Profit	FY3/2017	FY3/2018
Total	2,344,130	2,754,771
Profit classified as "Other"	(124,370)	(114,546)
Inter-segment elimination	55,547	135,784
Corporate expenses (Note)	(2,158,759)	(2,162,269)
Operating profit	116,547	613,740

Note: Corporate expenses are mainly expenses related to the management division of the Company.

(Unit: thousand yen)

Assets	FY3/2017	FY3/2018
Total	32,387,218	30,830,243
Assets classified as "Other"	827,065	720,024
Other adjustments (Note 1)	(266,333)	(184,533)
Corporate assets (Note 2)	18,099,380	16,522,766
Total assets	51,047,330	47,888,501

Notes: 1. Assets classified as "Other" are mainly offset/elimination amounts of claims/debts and unrealized gains related to the management division of the head office.
2. Corporate assets are mainly surplus funds (cash and deposits, marketable securities) and long-term investments (investment securities) of the Company and its subsidiaries.

(Unit: thousand yen)

Depreciation and amortization	FY3/2017	FY3/2018
Total	1,986,465	1,745,461
Assets classified as "Other"	7,201	6,314
Corporate assets (Note)	39,897	56,210
Total depreciation and amortization	2,033,564	1,807,986

Note: Corporate assets mainly consist of depreciation expenses for systems-related assets.

Information concerning impairment loss of non-current assets by reportable segment

FY3/2017 (Apr. 1, 2016 – Mar. 31, 2017)

(Unit: thousand yen)

	Reporting Segment				Other	Total	Adjustment	Amount recorded in consolidated financial statements
	Reuse Store Business	BOOKOFF Online Business	HUGALL Business	Total				
Impairment loss	558,365	17,983	54,940	631,288	20,392	651,680	(1,325)	650,355

FY3/2018 (Apr. 1, 2017 – Mar. 31, 2018)

(Unit: thousand yen)

	Reporting Segment				Other	Total	Adjustment	Amount recorded in consolidated financial statements
	Reuse Store Business	BOOKOFF Online Business	HUGALL Business	Total				
Impairment loss	462,762	78,100	464,376	1,005,239	97,037	1,102,276	1,294	1,103,570

Information concerning amortization and unamortized balance of goodwill by reportable segment

FY3/2017 (Apr. 1, 2016 – Mar. 31, 2017)

(Unit: thousand yen)

	Reportable Segment				Other	Total	Adjustment	Amount recorded in consolidated financial statements
	Reuse Store Business	BOOKOFF Online Business	HUGALL Business	Total				
Amortization	98,441	-	-	98,441	7,590	106,032	-	106,032
Ending balance	184,952	-	-	184,952	83,495	268,447	-	268,447

FY3/2018 (Apr. 1, 2017 – Mar. 31, 2018)

(Unit: thousand yen)

	Reportable Segment				Other	Total	Adjustment	Amount recorded in consolidated financial statements
	Reuse Store Business	BOOKOFF Online Business	HUGALL Business	Total				
Amortization	80,415	-	-	80,415	7,590	88,005	-	88,005
Ending balance	138,218	-	-	138,218	-	138,218	-	138,218

Information concerning gain on bargain purchase by reportable segment

FY3/2017 (Apr. 1, 2016 – Mar. 31, 2017)

There was no significant gain on bargain purchase recorded in FY3/2017.

FY3/2018 (Apr. 1, 2017 – Mar. 31, 2018)

A gain on bargain purchase of ¥20,476 thousand was booked in the Reuse Store Business due to acquisition of Manas Co., Ltd. in FY3/2018.

(Per-Share Information)

(Unit: Yen)

	FY3/2017 (Apr. 1, 2016 – Mar. 31, 2017)	FY3/2018 (Apr. 1, 2017 – Mar. 31, 2018)
Net assets per share	693.15	640.77
Net loss per share	(56.41)	(43.31)
Diluted net income per share	-	-

Notes: 1. Diluted net income per share is not presented since the Company had outstanding dilutive securities, though posted a net loss per share.
2. Net loss per share calculations are based on the following figures.

	FY3/2017 (Apr. 1, 2016 – Mar. 31, 2017)	FY3/2018 (Apr. 1, 2017 – Mar. 31, 2018)
Net loss per share		
Loss attributable to owners of parent (thousand yen)	(1,159,113)	(889,974)
Amount not attributable to common stockholders (thousand yen)	-	-
Loss attributable to owners of parent applicable to common stockholders (thousand yen)	(1,159,113)	(889,974)
Weighted average number of shares of common stock during the fiscal year (thousand shares)	20,547	20,547
Outline of dilutive shares which were not included in the calculation of fully diluted net income per share because they do not have dilutive effect:	BOOKOFF CORPORATION LIMITED Unsecured Convertible Bond-Type Bonds with Share Acquisition Rights #1 (aggregate face value ¥7,700 million)	

(Important Subsequent Events)

Not applicable.

This financial report is solely a translation of the Company's Kessan Tanshin (including attachments) in Japanese, which has been prepared in accordance with accounting principles and practices generally accepted in Japan, for the convenience of readers who prefer an English translation.