

BOOKOFF GROUP HOLDINGS

BOOKOFF GROUP HOLDINGS LIMITED
(TSE First Section: 9278)

Financial Results
Presentation Materials
for the Fiscal Year Ended May 2021
(FY5/2021)

July 14, 2021

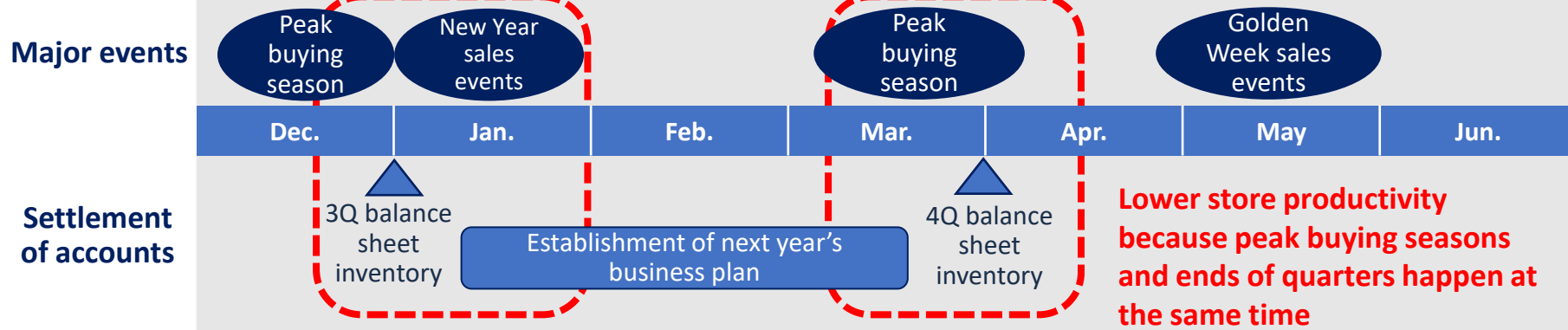
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*Financial data up to and including 1H FY3/2019 in these materials are consolidated figures for BOOKOFF CORPORATION.

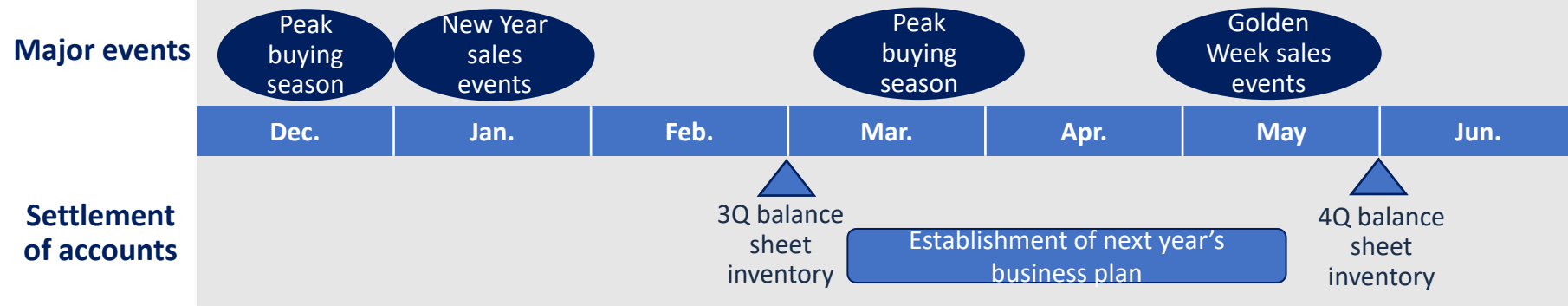
FY5/2021 Overview of Consolidated Financial Results

Change of Fiscal Year End to May 31

Until now



Now



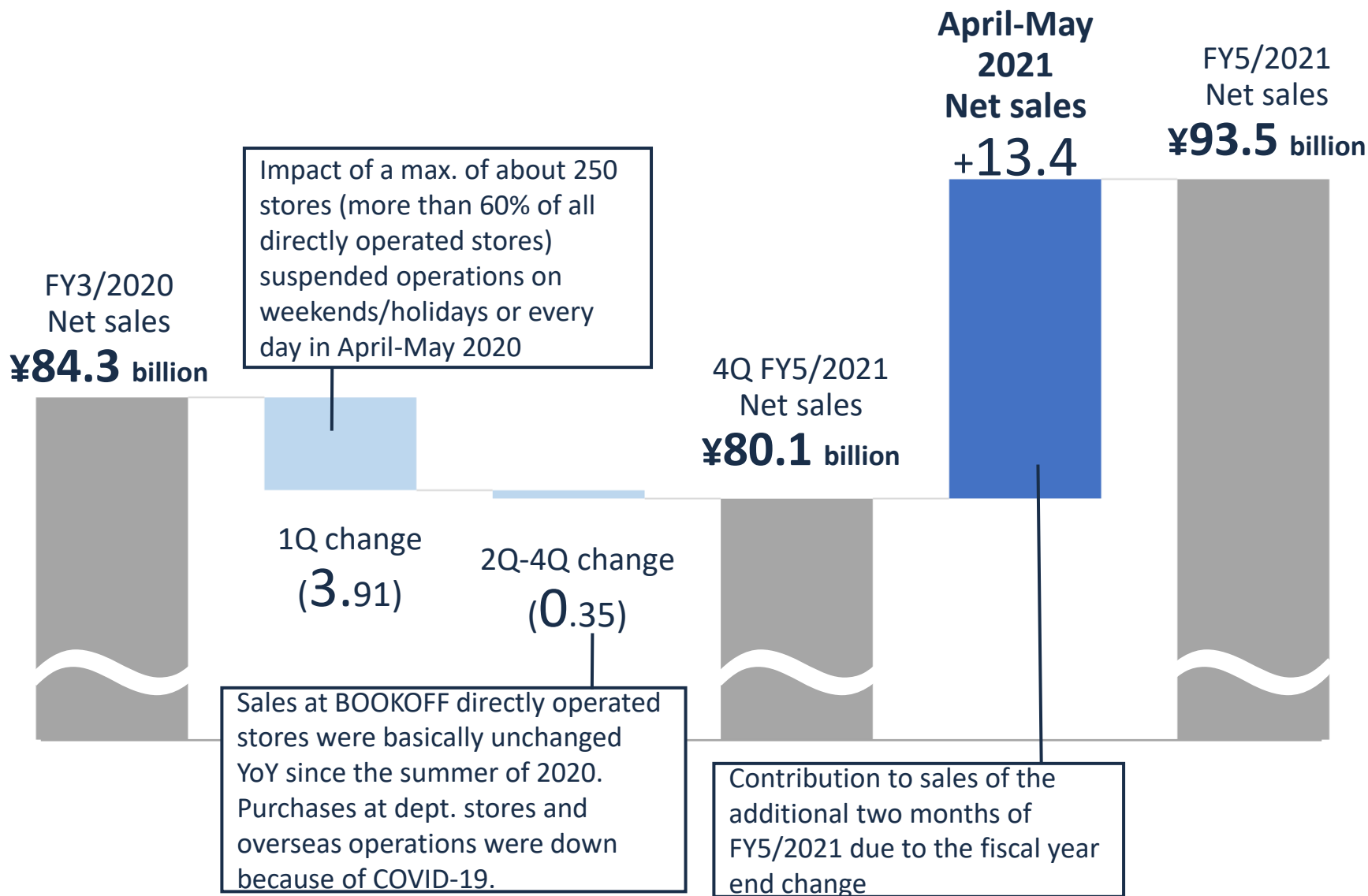
- ✓ Shifting the fiscal year end to May move the ends of the 3Q and 4Q away from the January and March peak buying periods. This is expected to result in the largest possible volume of purchases as well as higher operating efficiency.
- ✓ FY5/2021 is a 14-month transitional fiscal period that goes from April 1, 2020 to May 31, 2021
- ✓ Year-on-year comparisons using the 14-month period that ended in May 2021 and the 12-month period that ended in March 2020 are provided for reference in these materials.

Statement of Income

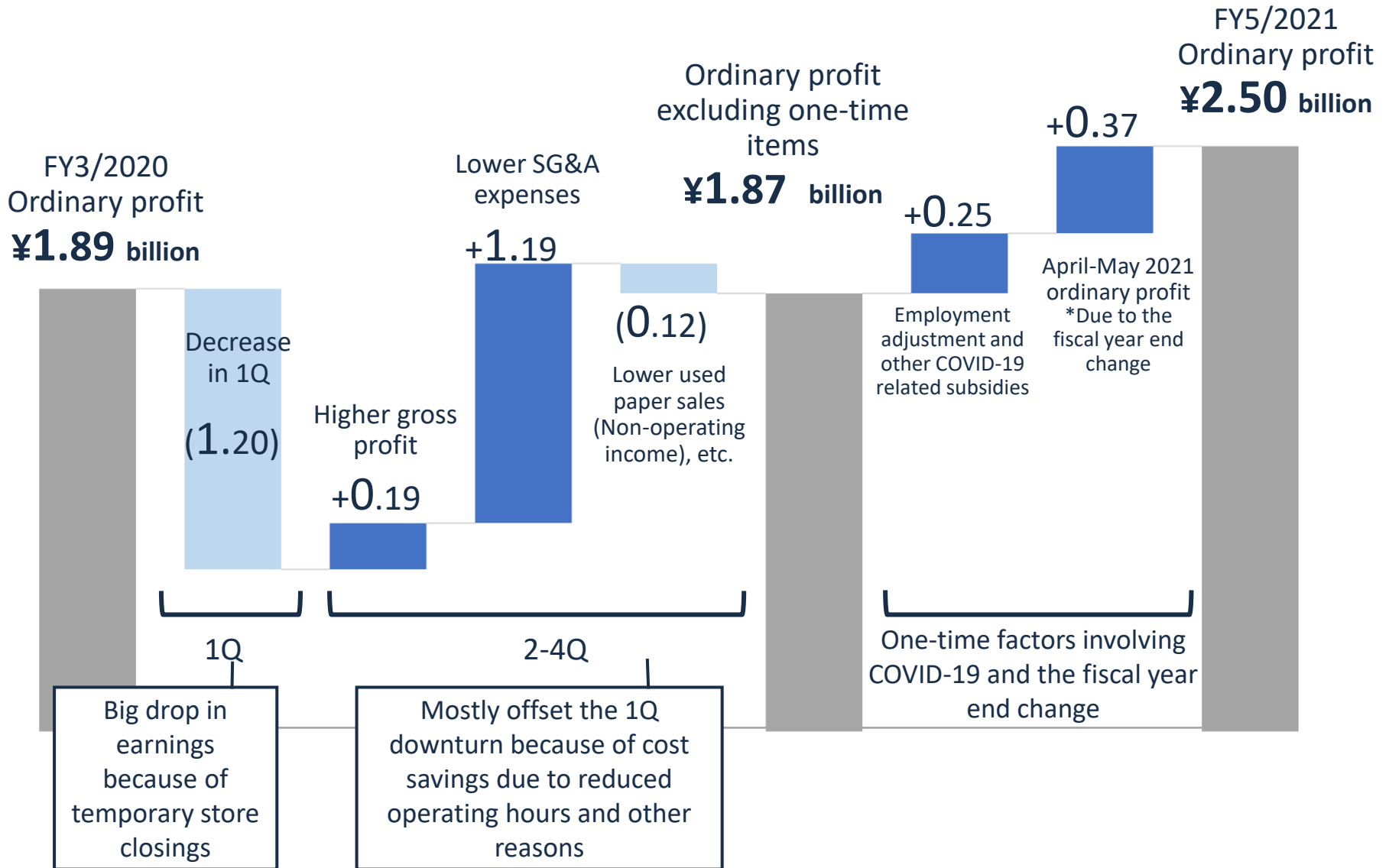
(Million yen)	FY5/2021	FY3/2020	YoY change (Amount)	YoY change (Ratio)
Net sales	93,597	84,389	+9,207	110.9%
Gross profit	56,890	51,077	+5,813	111.4%
SG&A expenses	54,953	49,648	+5,305	110.7%
Operating profit	1,936	1,428	+508	135.6%
Ordinary profit	2,509	1,898	+611	132.2%
Profit attributable to owners of parent	157	240	-82	65.6%

First quarter performance was severely impacted by store closings due to the state of emergency, but performance in the following quarters was supported by strong book sales due to demand linked with people staying home and cost savings due to restrictions on travel and other reasons. The result was higher sales and earnings.

YoY Change in Net Sales



YoY Change in Ordinary Profit



Extraordinary Losses

(Million yen)	FY5/2021
Ordinary profit	2,509
Extraordinary income	0
Extraordinary losses	1,536
Profit before income taxes	973
Income taxes	805
Profit attributable to non-controlling interests	10
Profit attributable to owners of parent	157

Impairment loss

674 million yen

Impairment losses of ¥597 million on goodwill for Consolidated subsidiary Jewelry Asset Managers and other impairment losses because of the pandemic

Loss on COVID-19

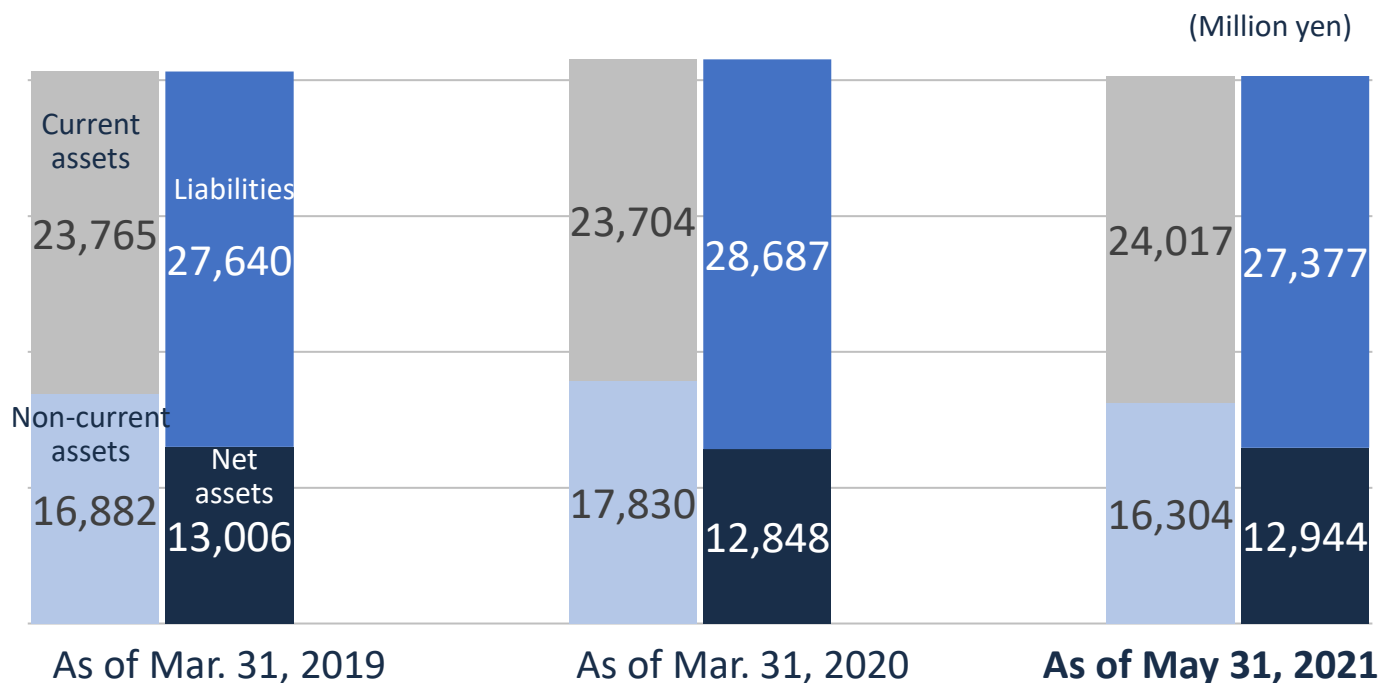
778 million yen

Lease payments, depreciation and other fixed and other expenses at directly operated stores in Japan and other countries that temporarily suspended operations due to the state of emergency and lockdowns

Other

83 million yen

Balance Sheet

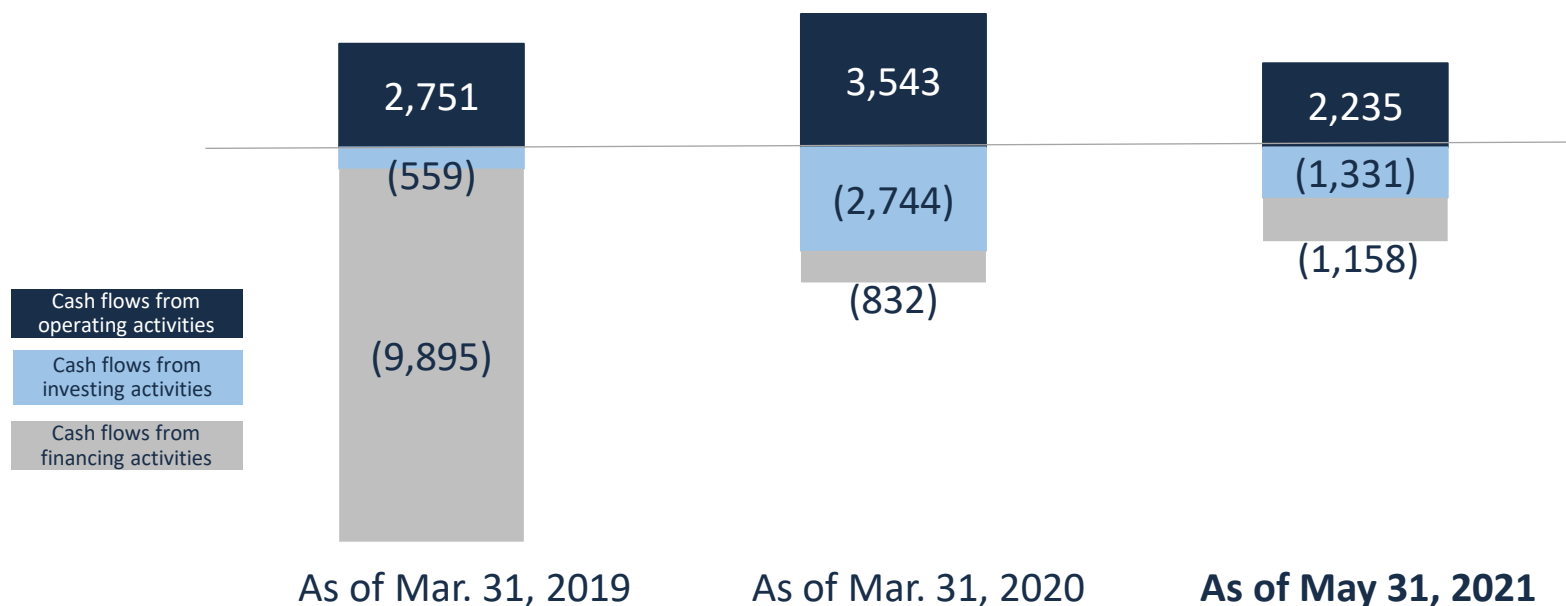


Ordinary profit	2,120	1,898	2,509
Treasury shares	2,343	2,343	2,343
Equity ratio	31.6%	30.7%	32.1%
ROA (Ratio of ordinary profit to total assets)	4.8%	4.6%	-

✓ The equity ratio improved because profit attributable to owners of parent raised retained earnings.

Statement of Cash Flows

(Million yen)



Depreciation*	1,645	1,711	1,737
Interest-bearing debt	17,535	17,920	17,318
Interest-bearing debt-to-operating cash flow multiple	6.4	5.1	-

*Including amortization of goodwill

- ✓ While cash used in investing activities decreased because of the controlled investments during the pandemic, interest-bearing debt also decreased.

Highlights of FY5/2021

Effect of the Pandemic on Store Operations

Examples of COVID-19 countermeasures at stores
Infection countermeasures at BOOKOFF stores are as follows.

 Employees wearing face masks	 Sanitizing stations	 Protection barriers	 Gloves
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For customers

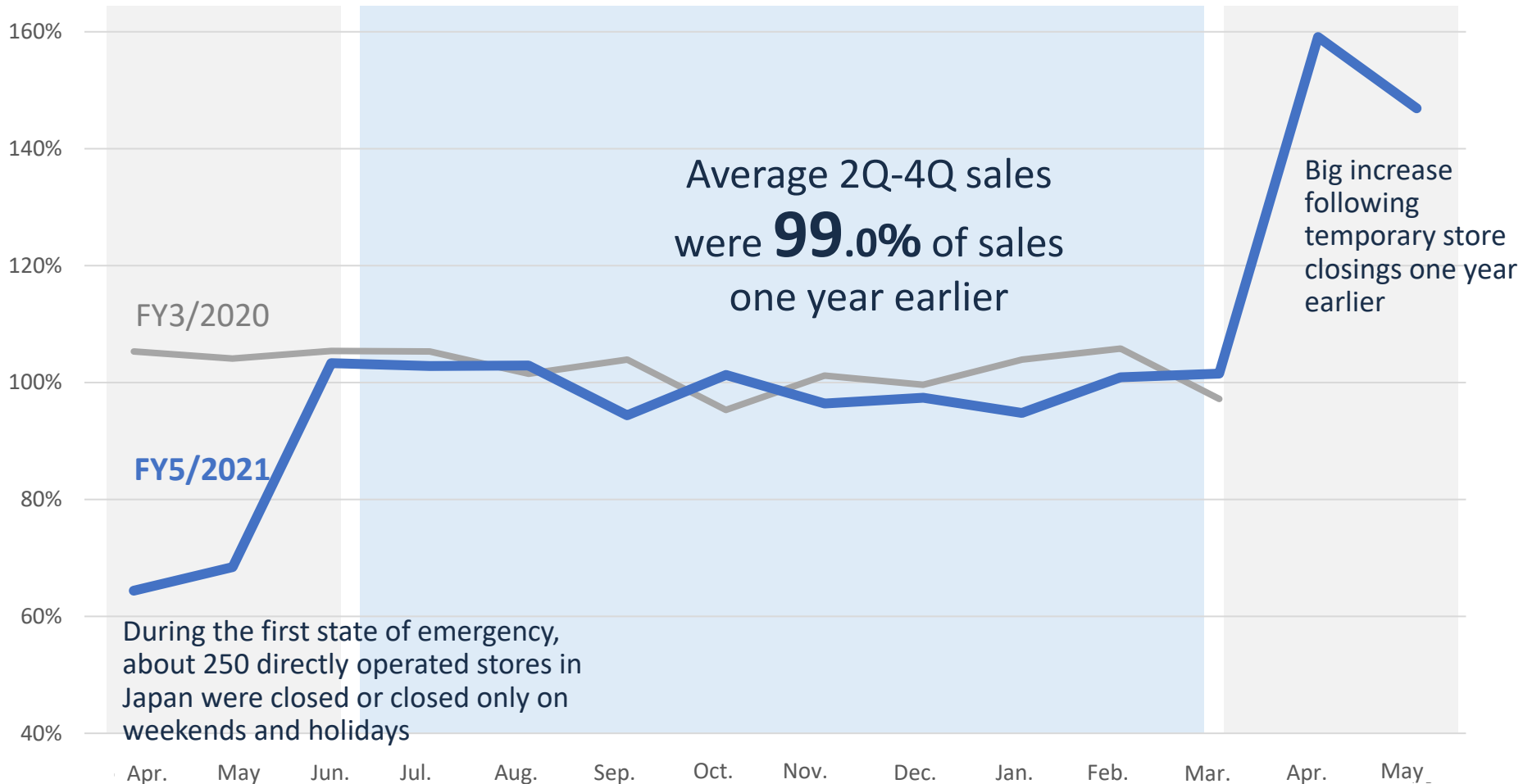
<p>Always wear a face mask</p> 	<p>Stores may not buy or sell some products</p> 	
<p>No standing in aisles to read publications</p> 	<p>Proper distancing in the check-out line</p> 	<p>Stores may temporarily close or limit the number of customers at one time</p> 

A customer who is a nuisance to others may not be allowed to enter the store.

- Max. of about 250 directly operated stores in Japan (about 60%) were closed on weekends/holidays or every day during the state of emergency in April-May 2020
- Operations generally returned to normal beginning in June 2020 while implementing numerous safety measures
- Since then, operating hours were reduced and other actions taken in response to regional COVID-19 outbreaks

To our customers: Thank you for your cooperation for avoiding crowding and close contact to prevent the spread of COVID-19.

Year-on-year change in sales of directly operated existing stores in Japan



Merchandise

YoY change in 2Q-4Q
existing store sales



Books

102%



**Trading
cards/hobby
goods**

118%



**Sporting and
outdoor goods**

110%



Apparel

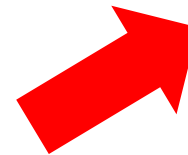
85%



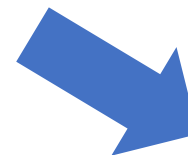
Locations



Suburban locations



**Near railway stations/
Shopping areas**



Due to the diversity of merchandise and locations, 2Q-4Q existing store sales were about the same as one year earlier

New Stores

5 new stores in
FY3/2020



1 new store in
FY5/2021



BOOKOFF SUPER BAZAAR
1-Gou Kyoto Fushimi Store
Opened on May 11

Renovations at existing stores

97 stores
renovated in
FY3/2020



49 stores
renovated in
FY5/2021



BOOKOFF PLUS
Wakayama Kokutai Street Store
Sales area was converted from
apparel to trading cards



BOOKOFF SUPER BAZAAR
17 Gou Maebashi Lirica Store
Opened a REMARKET store
within a store

Store investments were temporarily reduced and controlled to respond to the change in customer behavior due to COVID-19

“One BOOKOFF” Progress and Growth

Started EC-linked store inventory access system

BOOK-OFF Online



Cashless purchases



Started a store pick-up service for internet purchases



Start of the new “We have it!” campaign



May 2021

More than 3 million smartphone app members

Expanded use of the e-purchasing system



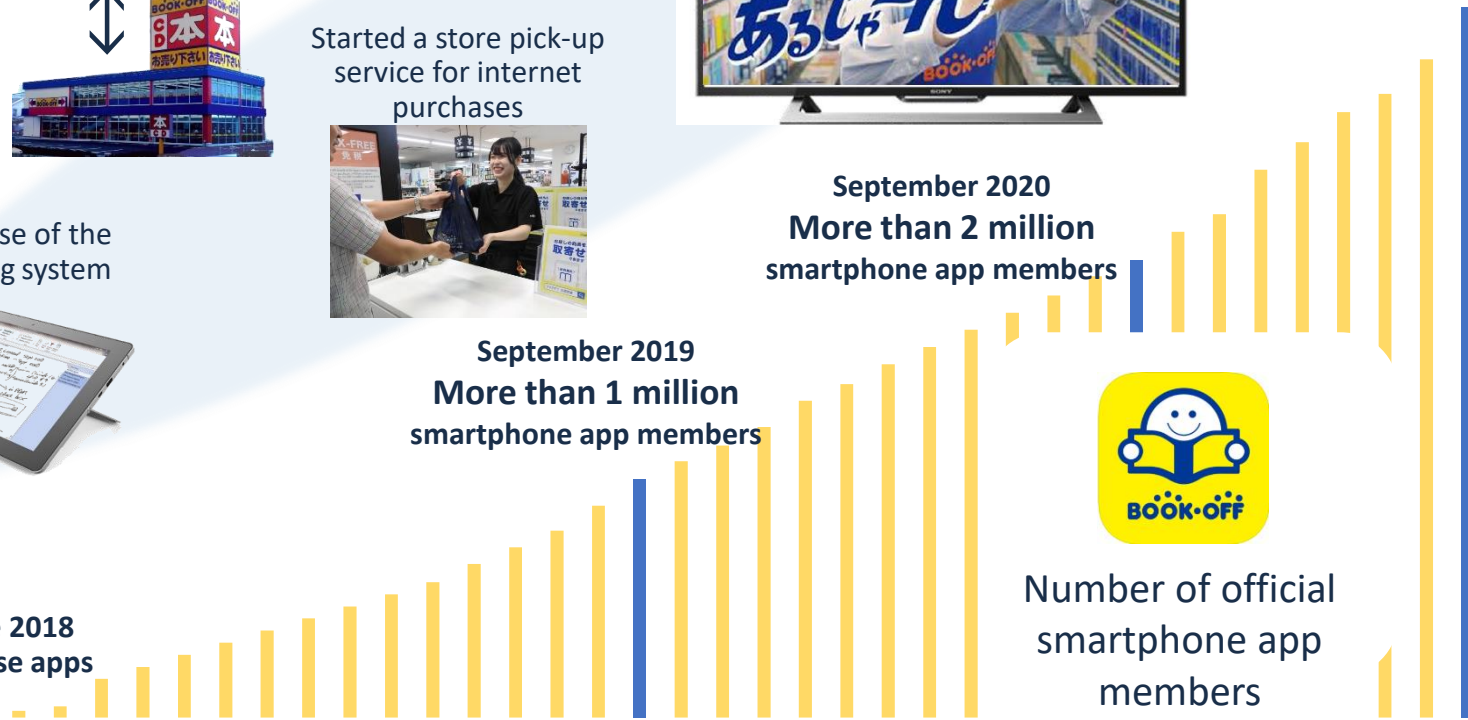
September 2020
More than 2 million smartphone app members

September 2019
More than 1 million smartphone app members



Number of official smartphone app members

June 2018
Release apps



Continue to make investments to achieve our goals based on the basic strategy “One BOOKOFF”

■ HUGALL



9 locations at department stores

(Newly opened)

HUGALL Daimaru Kyoto store opened in May 2020

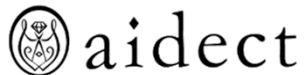
HUGALL Senboku Takashimaya store opened in September 2020

HUGALL Daimaru White Avenue store opened in December 2020



All locations were temporarily closed but are now operating normally. Customers are slowly returning to shopping centers where these stores are located. No change in plans for rapid growth.

■ aidect



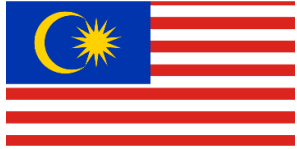
14 locations at dept. stores and shopping centers



Performance at dept. stores and shopping centers was sluggish; temporarily operated an “Mx.” Store, based on a new concept, at the GINZA SIX luxury shopping complex

Posted impairment losses on goodwill for consolidated subsidiary Jewelry Asset Managers, operator of aidect, because of COVID-19

■ Malaysia



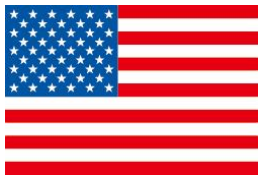
8 stores



The Masai store, the eighth location, opened in May 2021

Continued to open stores during the lockdown and continuing to expand with the goal of 20 stores

■ USA



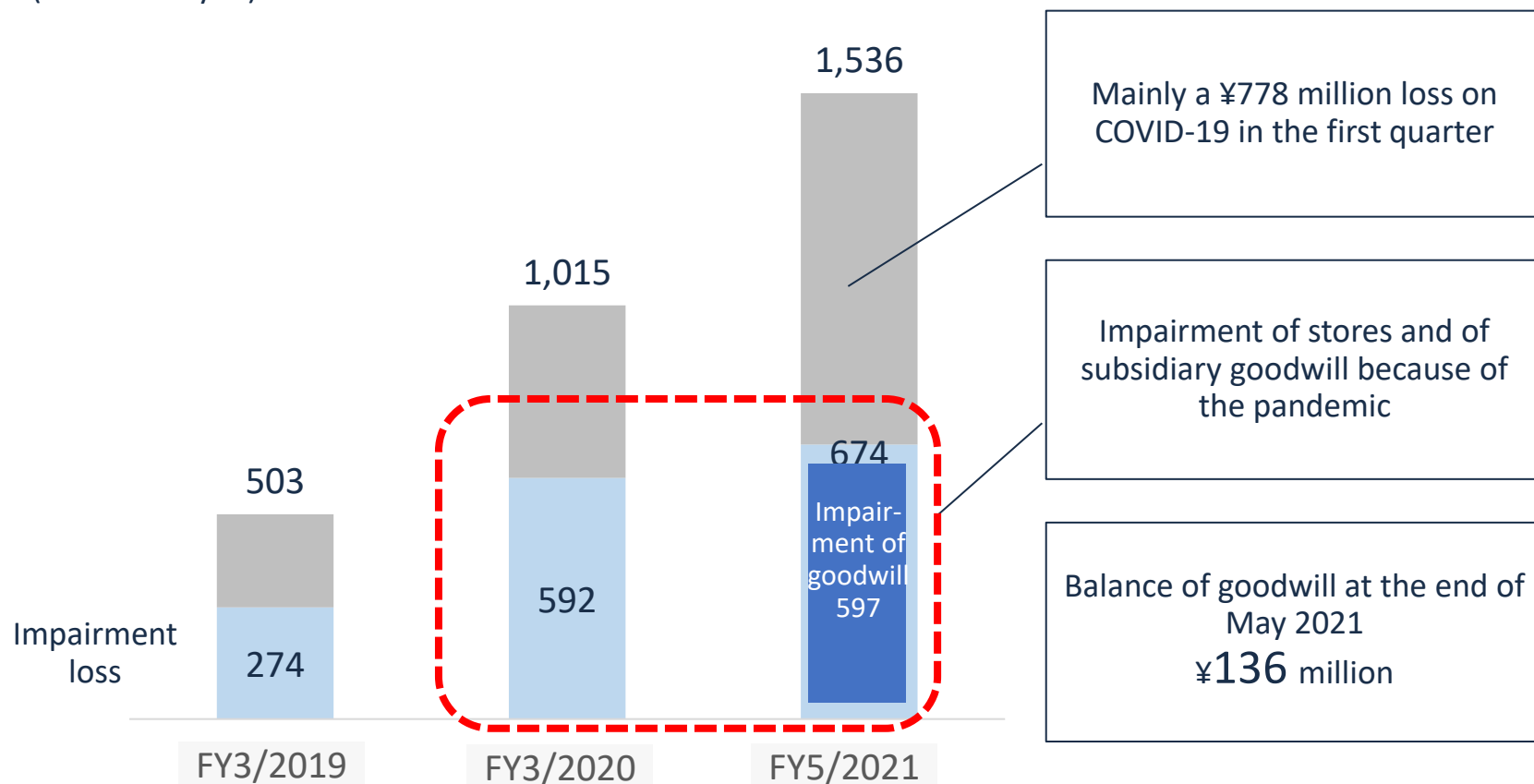
9 stores BOOKOFF KAKA'AKO store opened

The pandemic has mostly ended in the U.S. but is still a major problem in Malaysia. No change in plans for opening many more stores.

Lockdowns impacted performance for a while; earnings are currently improving and plan to resume opening new stores

Extraordinary Losses

Extraordinary losses
(Millions of yen)



Only a minimal risk of more impairment losses because impairment losses and other expenses caused by the pandemic have mostly ended.

Cancellation of Earnings Target

The majority of directly operated stores in Japan were temporarily closed because of the pandemic. Due to the big drop in earnings caused by these closings, there was a severe impact on business activities that included a reduction in investments for new stores.

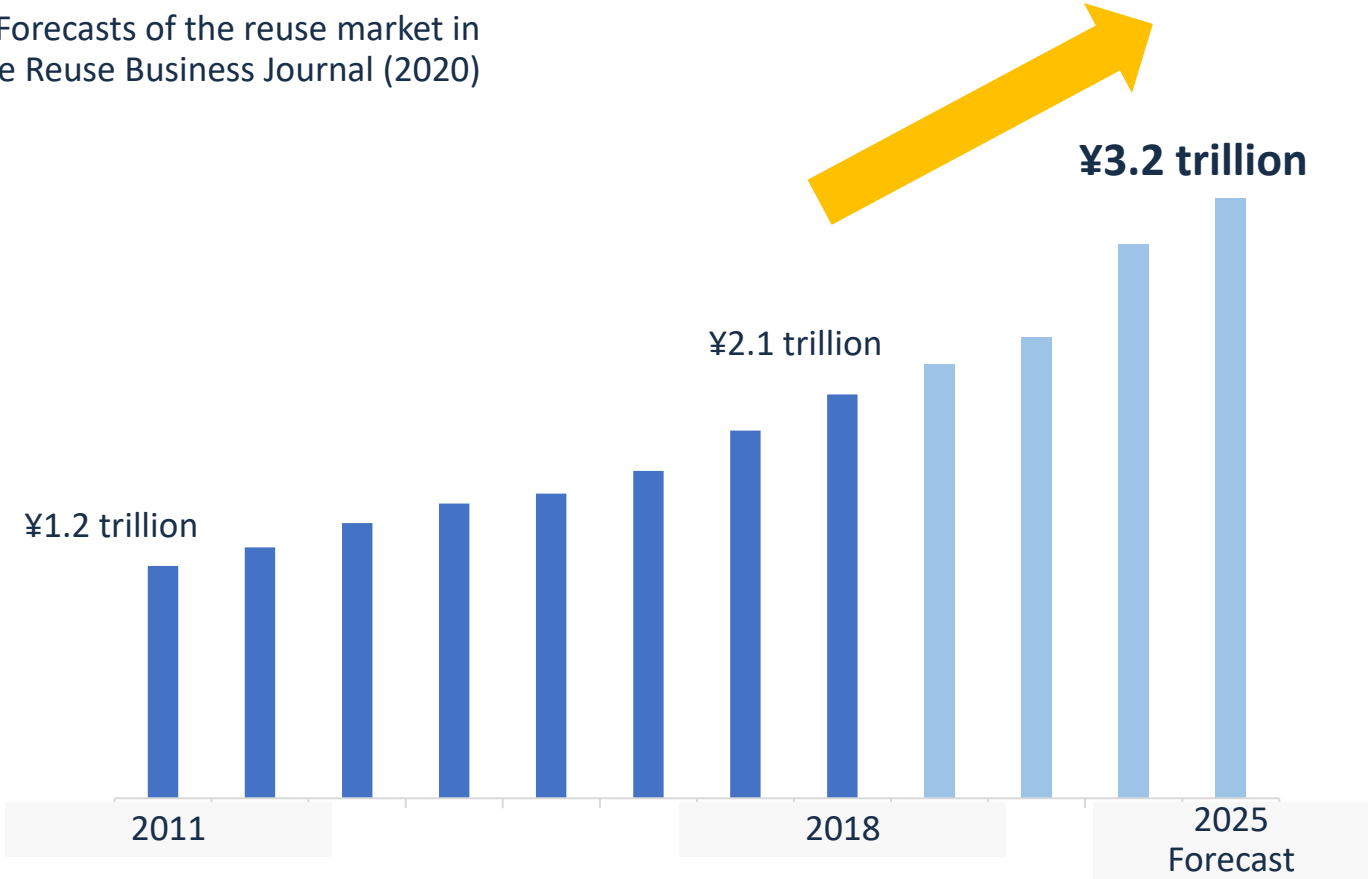
Performance subsequently began to recover, partly by targeting demand associated with the need to stay home for safety. This demonstrated the strength of the BOOKOFF business as well as the support of our customers, for which we are extremely grateful.

Despite this improvement, lower investments are pushing back store opening plans and more time will be needed for a recovery of two growing sectors: services for affluent customers and overseas operations. Furthermore, we expect the business climate after the pandemic ends to be very different than prior to the start of this crisis. For these reasons, we have canceled the ordinary profit target of ¥3 billion in the medium-term plan that will end in FY5/2023.

Goals and Outlook for Medium-term Performance

The Reuse Market in Japan

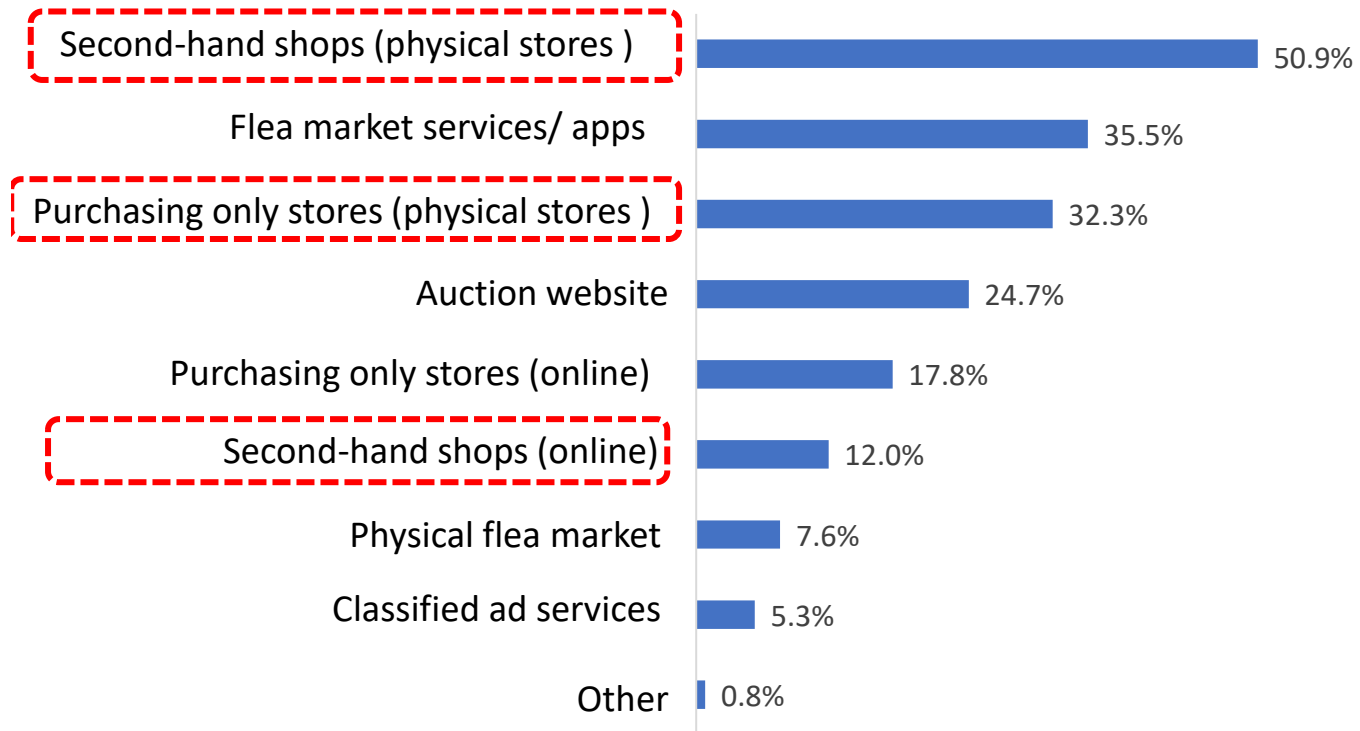
Trends and Forecasts of the reuse market in Japan by The Reuse Business Journal (2020)



Growth of the reuse market is expected to continue

Channels People Use to Sell Items

Source: 2021 Survey of Utilization of Consumer-to-Consumer Transaction Service Apps, MMD Research



B-to-C services are clearly superior

Reuse services chains in Japan

Recognition

No.1 

*As of August 2016, survey by MACROMILL

Awareness of **BOOK·OFF**®

96%

Number of
customers

No.1 

*BOOKOFF estimates used for customers per store at competitors

Annual customer transactions
at BOOKOFF stores

About 90 million

Book
inventory

No.1 

More than 100 million

BOOKOFF's Strengths



Employee training and development curriculum using manuals and based on the corporate philosophy and other principles and guidelines



Cheerful, polite and speedy service



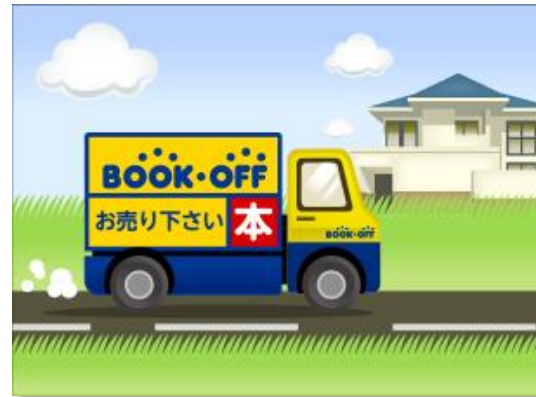
Career advancement program for all employees



Employee training and development programs to maintain a skilled workforce for store operations



Assessments using web cameras



At-home purchasing service

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BOOK-OFFグループ

The BOOKOFF pledge to comply with laws and regulations



A database for reuse merchandise purchasing prices



Purchasing services that uses the customers' standpoint and strict compliance with laws and regulations
A resolute commitment to operate stores where customers can sell reuse merchandise with complete confidence

The BOOKOFF Group Value Creation Map

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

Growth ↑
 ↓ Stability

M&A / Business Development	<ul style="list-style-type: none"> ✓ Expand specialized skills involving reuse ✓ Add new business domains
Overseas Business	  <ul style="list-style-type: none"> ✓ 20 stores in Malaysia and operations in more countries ✓ Restart store openings in the United States
Business for affluent customers	  <ul style="list-style-type: none"> ✓ Activities targeting new customer segments ✓ Establish a customer database
BOOKOFF Business	  <ul style="list-style-type: none"> ✓ Very high name recognition ✓ The universal value of books ✓ Large multi-faceted stores competitors cannot match  <ul style="list-style-type: none"> ✓ Entertainment value by developing new store packages ✓ Continuously add stores to maintain a large store network ✓ Expand customer lifetime value (LTV) by using app links and the internet
Universal value	 <ul style="list-style-type: none"> ✓ Activities linked to the corporate philosophy ✓ Consistency for many years of cash flows from existing businesses ✓ Lower the cost of capital <p>Employee training</p> <p>Corporate Philosophy</p> <ul style="list-style-type: none"> ✓ Contributions to society through our business activities ✓ Pursuit of employees' material and spiritual wellbeing

Store Packages



One-stop purchasing consultation desk



Avg. floor space	About 3,135m ²	About 430m ²	About 66m ²
Merchandise	"BOOKOFF" + Apparel/luxury-brand goods/household products/sporting goods/kitchenware, etc.	Books, CDs, DVDs, games, hobby goods, mobile phones, home appliances, etc.	Stores specialize in purchasing apparel/luxury-brand goods/small size home appliances, etc.
Number of stores	48 in Japan	621 in Japan	15 in Japan
Goals	<ul style="list-style-type: none"> ✓ Operate comprehensive reuse package stores that are regional flagship stores ✓ Focus on remodeling existing stores to reinvigorate the apparel category, which is a large share of sales but has not performed well 	<ul style="list-style-type: none"> ✓ Smaller size of markets served by individual stores due to the pandemic is a big opportunity ✓ Remodel stores with emphasis on entertainment, such as by increasing the volume of trading cards and hobby goods 	<ul style="list-style-type: none"> ✓ Focus solely on purchasing high-quality items at stores in urban locations ✓ Send merchandise to nearby BOOKOFF Group stores and use cooperation with HUGALL to increase sales

Store Packages



Jalan Jalan Japan



Features	<p>Purchasing consultation desks at major department stores for luxury goods, jewelry, antiques, artwork and other expensive items. Merchandise is sold using e-commerce and B-to-B channels.</p>	<p>Buying and selling books and software media in the U.S. Japanese anime products are very popular in the U.S.</p>	<p>Started operating in Malaysia in 2016. Unsold reuse merchandise in Japan is sent to these stores. Large selections and low prices match the needs of customers in Malaysia with the “preloved in Japan” concept.</p>
Number of stores	9 in dept. store	9 in USA	8 in Malaysia
Goals	<ul style="list-style-type: none"> ✓ Focus on luxury goods, precious metal, jewelry and artwork ✓ Use cross-border EC and other channels to maximize sales opportunities 	<ul style="list-style-type: none"> ✓ Export Japanese anime and hobby goods to add value to these items ✓ Give people training so that stores have U.S. managers ✓ Resume opening new stores 	<ul style="list-style-type: none"> ✓ Expand the capacity for shipping products from Japan and open new stores in Malaysia even faster ✓ Start preparing for opening stores in Asian countries other than Malaysia

Books/software



- ✓ This will remain the **core category** for sales and earnings and for attracting customers
- ✓ Use internet services for **more convenience**
- ✓ **Activities for more ways** to use this category, such as the trial operation of a subscription service



Trading cards/hobby goods



- ✓ **Focus investments** on this category to make it **stronger**
- ✓ Freshen up the lineup by handling more new merchandise and **expand sales areas**
- ✓ New merchandise **lower the gross margin** but contribute to more purchases and sales of used items



Apparel



- ✓ This category **continues to decline** because of slow sales of new apparel
- ✓ **Improve profitability** by rightsizing sales areas and making operations more efficient

Strategies for other categories



- ✓ The **sporting and outdoor goods** category is **performing very well** because of the pandemic. Starting a rental service.
- ✓ Strengthening the lineup of records and using other measures to **continue creating unique stores** that match regional characteristics

The BOOKOFF Marketing Strategy

May 2021

Start of the new “We have it!” campaign

- ✓ This campaign makes **customers recognize again** the outstanding **value and services** of BOOKOFF, including large selections of books and a variety of merchandise.
- ✓ A shift from ads for discount sales and direct advertising to **brand advertising stressing BOOKOFF’s value** for the purpose of constantly attracting customers.
- ✓ The campaign uses TV commercials as well as the internet, SNS, PR, stores and other channels that reflect the activities of customers. The aim is to make dormant customers who have been away from BOOKOFF for a while want to return.



“We have it! The beginning” TV commercial



Dormant customers are the main target

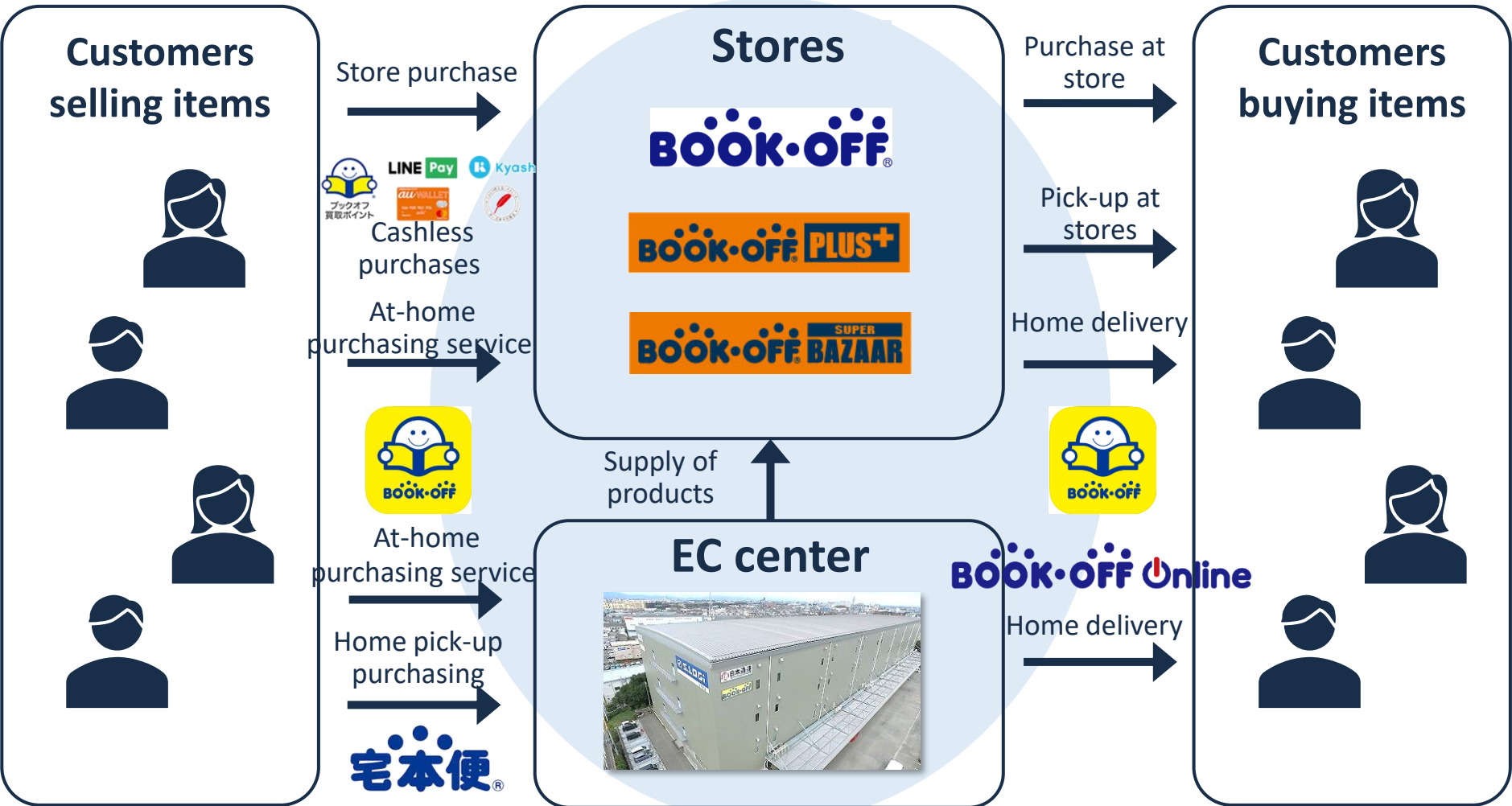
Use of social networking services



Point of purchase posters



“One BOOKOFF”



“One BOOKOFF” in the palm of your hand
**More than 3 million smartphone
 official app members!***

Capabilities of the Official App

Product searches



Use the app to easily locate a specific product. Searches cover about 4.2 million items for quickly locating an item that is not at a nearby store.

Purchases



Use the app to buy items without visiting a store. This is useful when no store is nearby or when there is no time to visit a store. No delivery charge for purchases of at least ¥1,500!

Store pickup



Products purchased using the app can be picked up at a nearby store. A useful service when there is no time to receive an item at home or to purchase an item in privacy. No pickup charge for even one item!
*Store pickup is available only at some locations.

Coupons



Use the app to receive coupons solely for the store registered on the app and receive information about sales at all stores that may result in another purchase at a great price.

The convenience of e-commerce for the reuse market too

One second

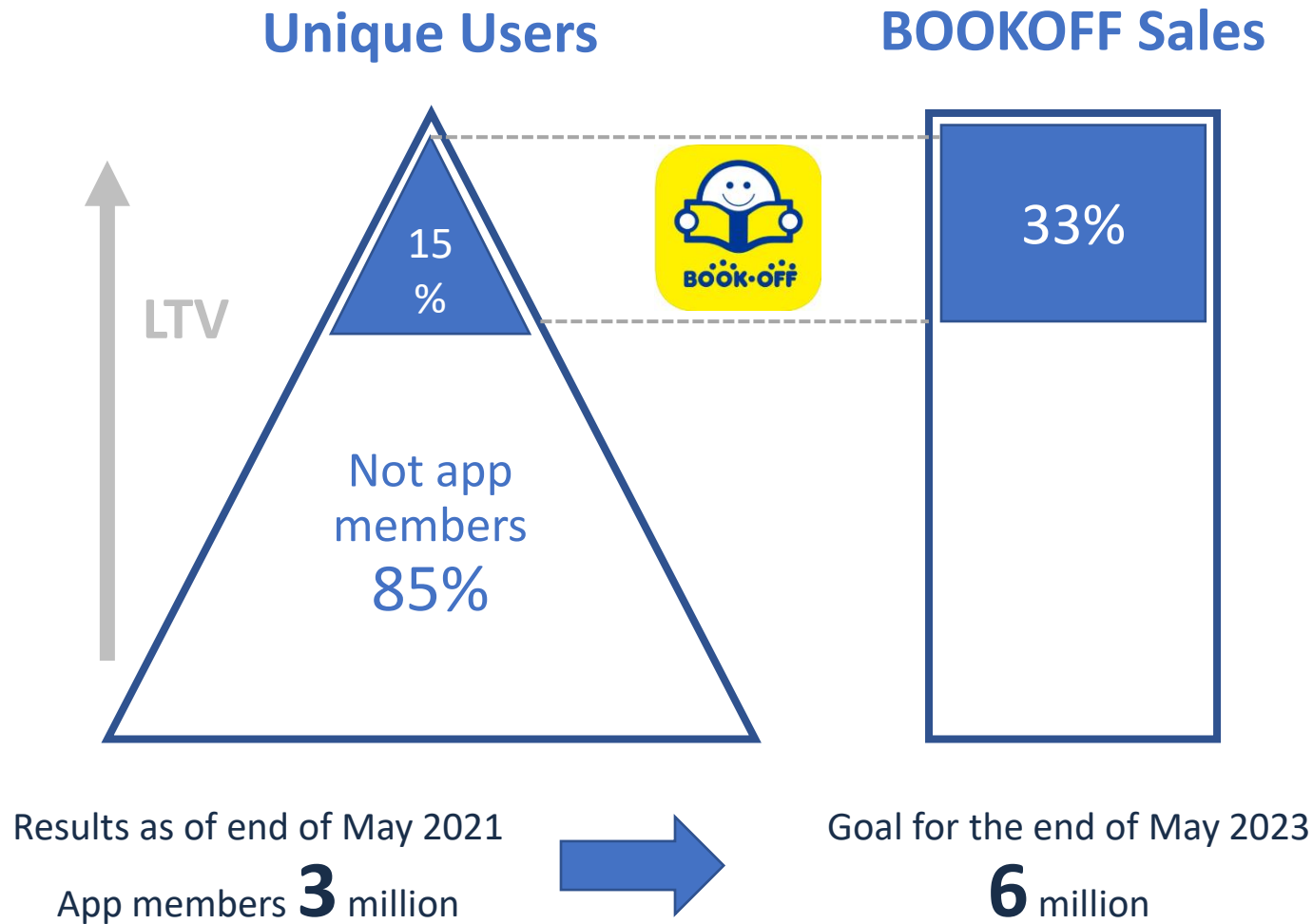


Make your smartphone a bonus pint card!



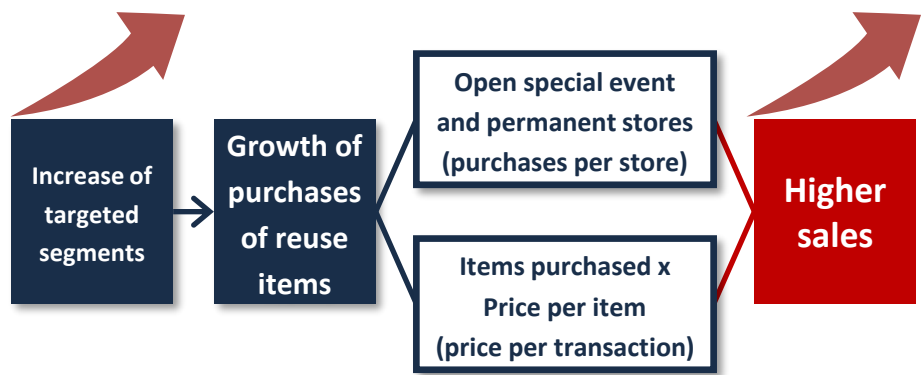
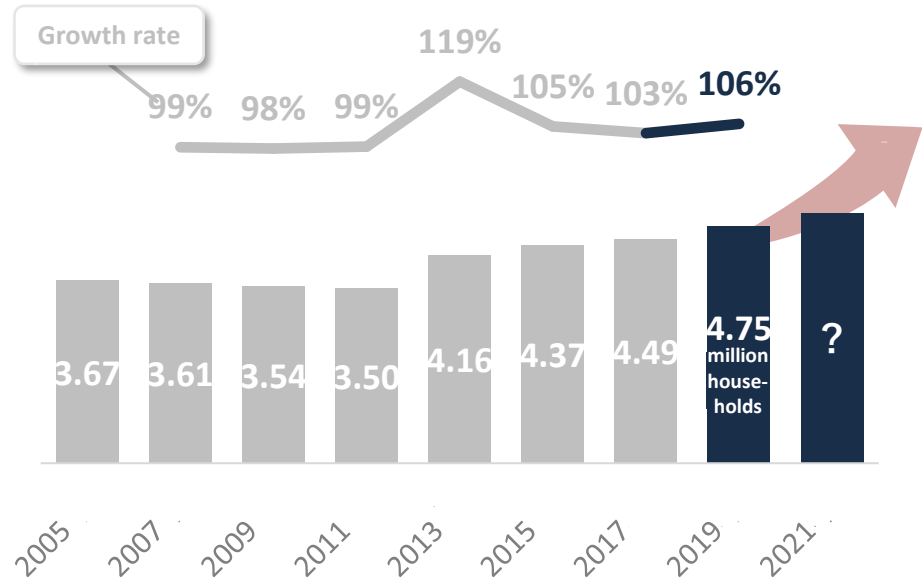
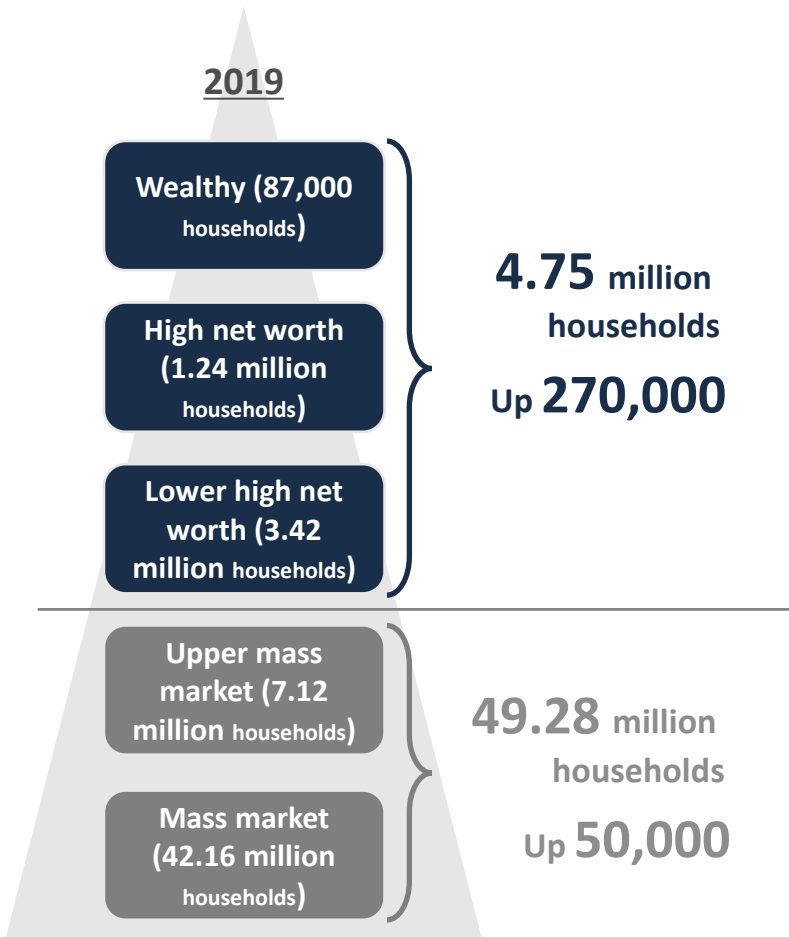
Quickly receive information about a nearby store!

The Objective of the App Strategy



- ✓ The goal is to generate one-third of sales from the 15% of unique users who are app members.

Increase the Use of Reuse Services by Affluent People



*NRI High Net Worth Questionnaire, Nomura Research Institute

- ✓ The targeted wealthy and affluent household segments have been growing in recent years in Japan, resulting in the addition of new locations contributing directly to higher sales.

Increase the Use of Reuse Services by Affluent People

The main target is affluent people who do not yet

use BOOKOFF



hugall
【ハグオール】

Currently 9 locations

Department store



 **aidect**

Currently 14 locations

Resume store openings in affluent neighborhoods, mainly in Tokyo



BOOK-OFF®

BOOKOFF Purchasing Consultation Desks

Currently 15 locations

The main target is affluent people already using

BOOKOFF

Will continue to aim for growth, operating mainly at major dept. stores

- ✓ Improve profitability by increasing operating efficiency and using the group's logistics network
- ✓ Maximize points of contact with targeted segments by taking advantage of BOOKOFF's distinctive channels for serving customers

Global Operations



BOOK-OFF
by ibexa store
Currently **3** stores
(franchised)



Continue to provide reuse expertise



Currently **775** stores



Currently **8** stores



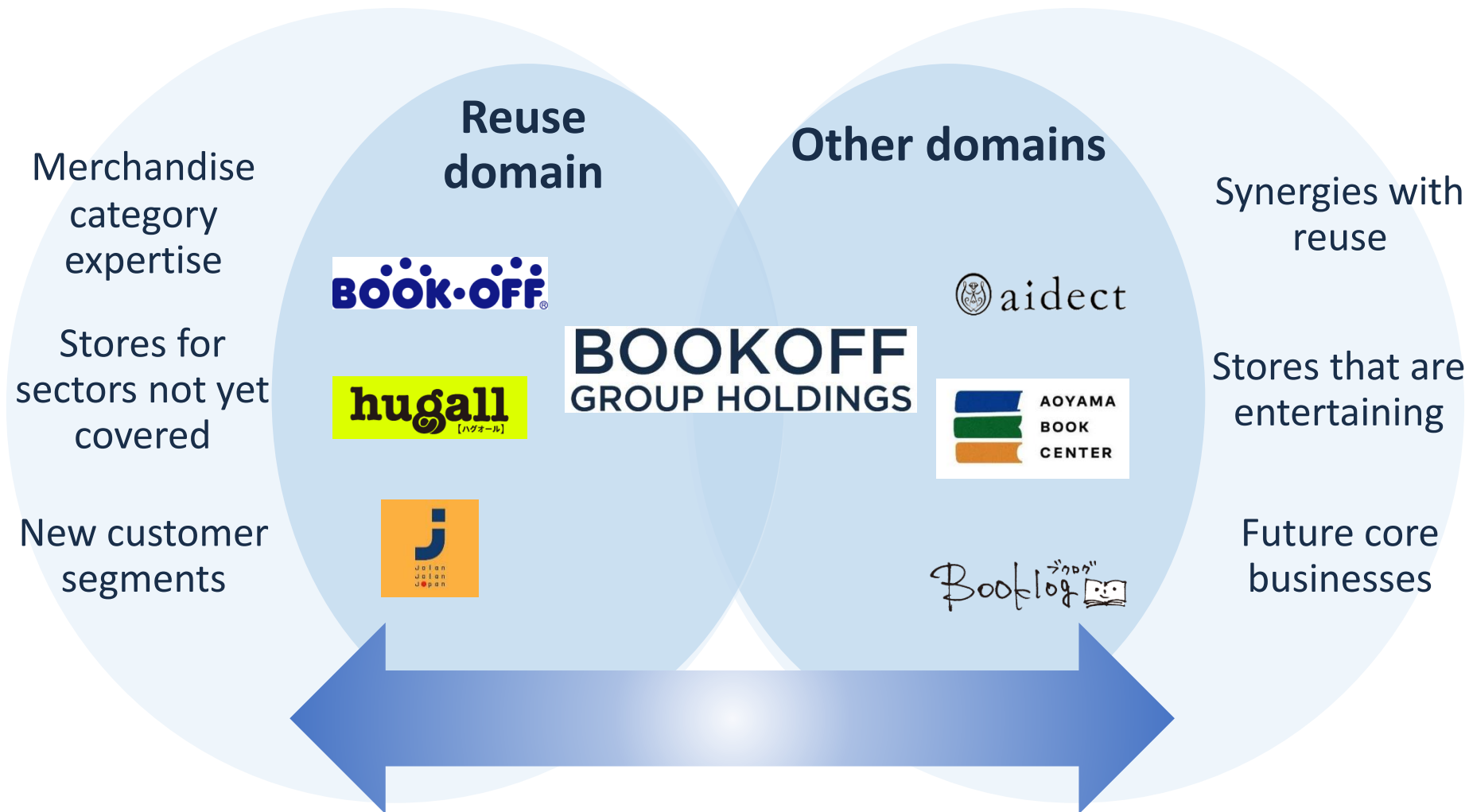
- ✓ Effective use of merchandise that cannot be sold easily in Japan (no reuse products are purchased in Malaysia)
- ✓ Increase the **number of stores in Malaysia to 20** by expanding the merchandise supply network in Japan
- ✓ **Start expanding operations to more countries**, including the use of franchised stores of business partners

- ✓ The popularity of Japanese anime in the U.S. **adds substantial value** to anime products exported from Japan for sale at U.S. stores.
- ✓ Focusing on training people to become store managers in order to strengthen purchasing and sales activities
- ✓ With a sound profit structure now in place, **the opening of new stores has restarted** for the first time in eight years.



Currently **9** stores





- ✓ Continue to enlarge business domains by using M&A and business development

Our Commitment to the Sustainable Development Goals

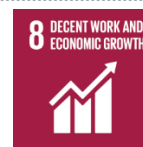
BOOKOFF's business operations contribute to society by using the purchase and sale of items to extend the life of these products, thereby reducing the volume of items that are discarded. Therefore, BOOKOFF is playing an important role in achieving the 12th SDG: responsible consumption and production. We will continue to use our core reuse business and other activities to contribute to the accomplishment of the SDGs.



Reuse and paper recycling



Creation of jobs and supply of quality products and apparel



Jewelry repair service for a longer life of jewelry



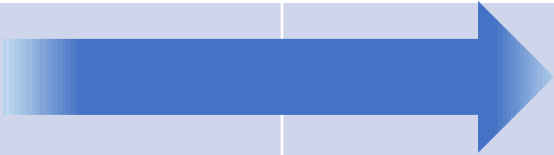


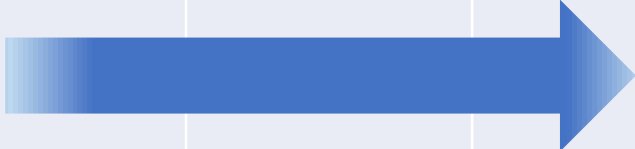


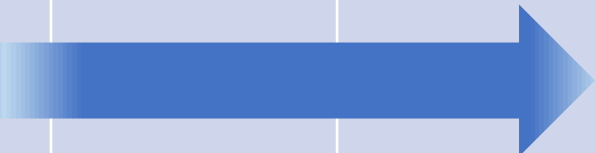


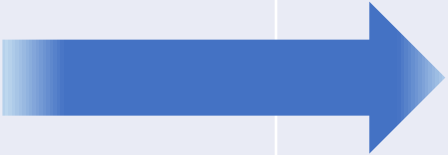




Assistance and jobs for people with disabilities



Partnerships with companies, governments and NPOs



Large IT Investments

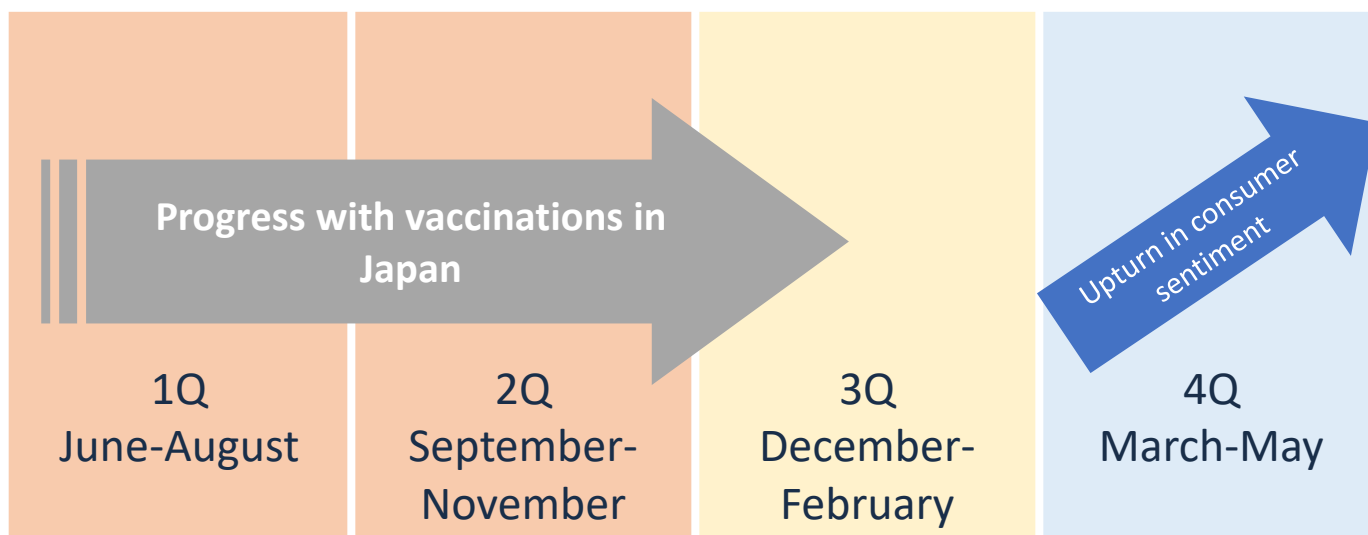
Investments	FY5/2022	FY5/2023	FY5/2024	FY5/2025
EC site upgrades			 	
Store POS system upgrades				 
Strengthen EC warehouse management system				 
Strengthen official smartphone app				
More efficient head office operations				 

- ✓ Large IT investments for stronger store-EC ties, the digital transformation, updates and replacements of aging IT infrastructure, and other activities
- ✓ Investments and related expenses will peak during the next two to three fiscal years, resulting in temporary downward pressure on earnings

Plan for New Stores

Store package	Current no. of stores	FY5/2022	FY5/2023	FY5/2024	FY5/2025
	48	Focus on remodeling existing stores	1 to 2 new suburban roadside stores every year		
	621	4 to 5 new entertainment-type stores/store replacements every year			
	15	More ties with other stores/businesses	2 to 3 new stores in urban locations every year		
	9	4 to 5 new permanent locations at dept. stores every year			
	9	1 to 2 new stores every year in the U.S.			
	8	4 to 5 new stores every year in Malaysia and other countries			

Assumptions for Effects of the Pandemic in FY5/2022



- Although vaccinations are progressing in Japan, the number of infections continues to go up and down. The impact of the pandemic is therefore expected to be unchanged during the first and second quarters.
- The outlook is for the number of infections to start decreasing in the third quarter, but a significant recovery in outings and consumer sentiment will probably not begin until the fourth quarter.

Outlook for Ordinary Profit

¥2.5 billion

End of one-time factors (fiscal year end change, COVID subsidies, etc.)

Expenses for remodeling large stores, large IT investments and marketing

¥1.2 billion

Strategic IT and marketing investments to build a base for consistent profitability of the BOOKOFF business

¥2.1 billion

¥2.4 billion

FY5/2021
Results

FY5/2022

FY5/2023

FY5/2024

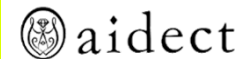
FY5/2025

M&A and Business Development

- ✓ Aim for more growth by using M&A and developing new businesses



- ✓ Grow rapidly outside Japan to increase sales and earnings



- ✓ Increase sales and earnings steadily from services for affluent customers by adding more locations



- ✓ Use links with the app for more customer lifetime value and a continuation of steady sales and earnings
- ✓ Earnings growth once expenses associated with investments decline

FY5/2022 Sales and Earnings Forecast

FY5/2022 Sales and Earnings Forecast

■ Sales and Earnings Forecast

(Million yen)	FY5/2022 Forecast	FY5/2021 Results	YoY change (Amount)*	YoY change (Ratio)*
Net sales	85,000	93,597	(8,597)	90.8%
Operating profit	950	1,936	(986)	49.0%
Ordinary profit	1,200	2,509	(1,309)	47.8%
Profit attributable to owners of parent	400	157	+242	253.8%

*FY5/2021 is a 14-month period from April 2020 to May 2021 and FY5/2022 is a 12-month period from June 2021 to May 2022. Year-to-year changes are shown for reference only.

Assumptions for FY5/2022 Forecast

BOOKOFF existing stores

Sales at existing directly operates stores in Japan 100.0% of FY5/2021 level

Forecast a lower gross profit margin because of a larger volume of trading cards and hobby goods

Continuing various activities to increase the number of app members to achieve the concept of “One BOOKOFF”

Store openings and store remodeling

BOOKOFF SUPER BAZAAR remodeling 10 stores

Opening of BOOKOFF stores focusing on trading cards/hobby goods (including replacements of existing stores) 4-5 stores

New stores in the U.S., Malaysia and other countries Total 5-6 stores

IT and marketing investments

Strategic IT and marketing investments to build a powerful base for the consistent profitability of BOOKOFF. Substantial expenses for marketing to attract more app members, updating the EC site and store POS systems, and other activities will temporarily exert downward pressure on earnings.

Shareholder Returns (Dividend Forecast)

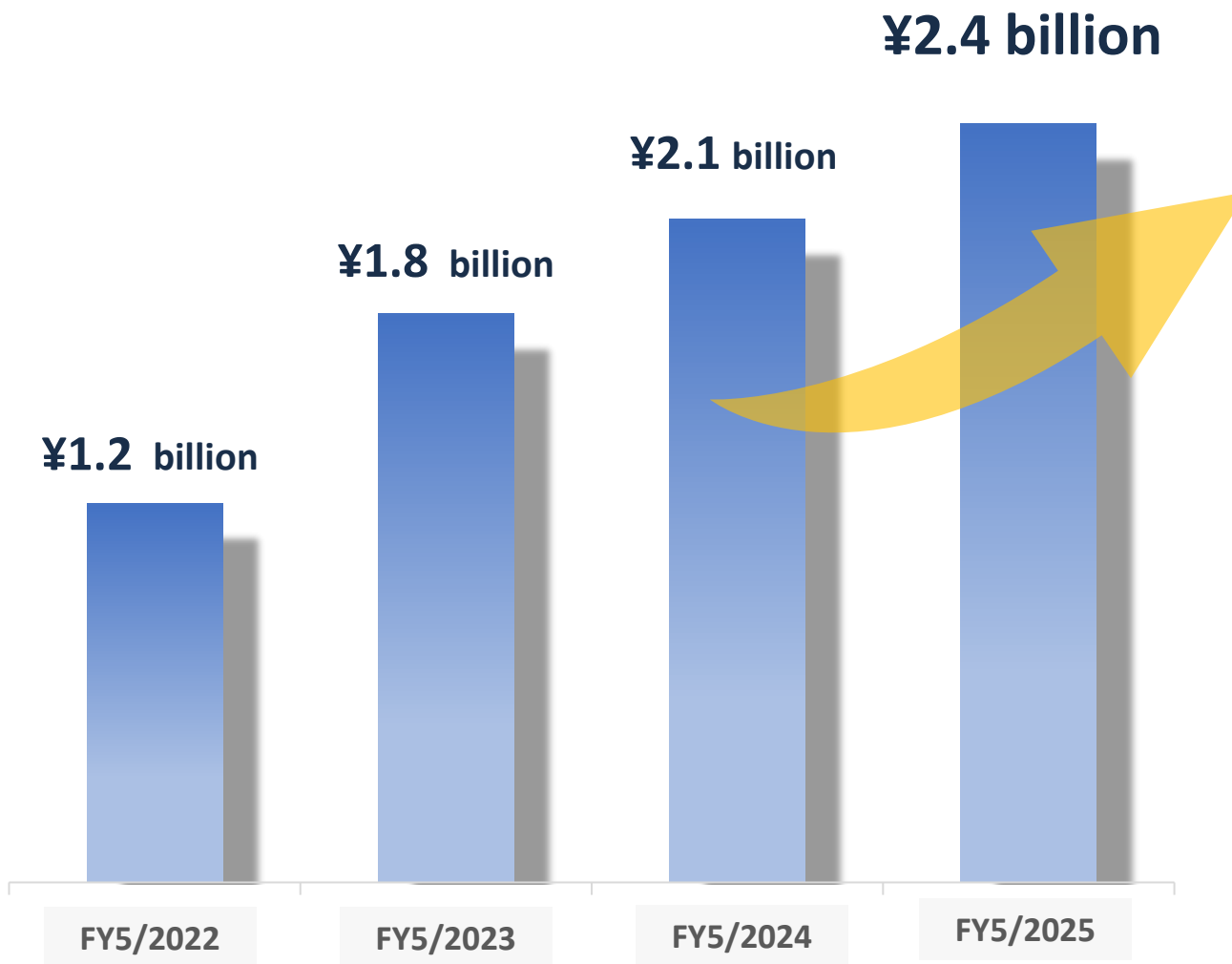
The BOOKOFF GROUP HOLDINGS considers the distribution of profits to be one of its highest management priorities. The basic policy is to aim for higher dividends supported by growth in sales and earnings while using retained earnings effectively for strengthening financial soundness and making strategic investments that will create a stronger base for future business operations.

We also have a policy of paying a consistent dividend backed by earnings while using a payout ratio of about 30-35% of consolidated profit as the guideline.

Based on the above policy, we plan to increase the year-end dividend for FY5/2022 by 2 yen **to 8 yen per share.**

	FY3/2019	FY3/2020	FY5/2021	FY5/2022 Forecast
Net income per share	¥112.19	¥13.77	¥7.67	¥22.93
Dividend per share	¥15	¥6	¥6	¥8
Dividend payout ratio	13.4%	43.6%	78.2%	34.9%

Outlook for Ordinary Profit



BOOKOFF GROUP HOLDINGS

(Contact)

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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

Consolidated Statement of Income

(Million yen)	FY5/2021	FY3/2020
Net sales	93,597	84,389
Cost of sales	36,707	33,312
Gross profit	56,890	51,077
SG&A expenses	54,953	49,648
Operating profit	1,936	1,428
Non-operating income	1,190	969
Non-operating expenses	617	500
Ordinary profit	2,509	1,898
Extraordinary income	0	18
Extraordinary losses	1,536	1,015
Profit before income taxes	973	901
Income taxes-current	526	369
Income taxes-deferred	278	248
Total income taxes	805	617
Profit	167	283
Profit attributable to non-controlling interests	10	43
Profit attributable to owners of parent	157	240

Consolidated Balance Sheet

(Million yen)	As of May 31, 2021	As of Mar. 31, 2020		As of May 31, 2021	As of Mar. 31, 2020
Current assets	24,017	23,704	Current liabilities	17,584	16,697
Cash and deposits	5,837	6,094	Short-term borrowings	11,184	9,763
Merchandise	13,778	13,129	Others	6,399	6,933
Others	4,401	4,480	Non-current liabilities	9,793	11,990
Non-current assets	16,304	17,830	Long-term borrowings	6,133	8,058
Property, plant and equipment	5,848	6,273	Others	3,659	3,931
Intangible assets	1,220	2,003	Total liabilities	27,377	28,687
Investments and other assets	9,234	9,553	Net assets	12,944	12,848
Total assets	40,321	41,535	Total liabilities and net assets	40,321	41,535

Consolidated Statement of Cash Flows

(Million yen)	FY5/2021	FY3/2020
Cash flows from operating activities	2,235	3,543
Profit before income taxes	973	901
Depreciation	1,710	1,581
Impairment loss	674	592
Amortization of goodwill	137	130
Changes in assets and liabilities	(730)	(276)
Others	(530)	614
Cash flows from investing activities	(1,331)	(2,744)
Cash flows from financing activities	(1,158)	(832)
Effect of exchange rate change on cash and cash equivalents	(3)	(13)
Net increase (decrease) in cash and cash equivalents	(257)	(47)
Cash and cash equivalents at beginning of period	6,094	6,142
Cash and cash equivalents at end of period	5,837	6,094

- **Founded** May 1990
- **Established** October 2018 (A pure holding company through a transfer of stock)
- **Representative** Yasutaka Horiuchi, President and CEO
- **Stock listing** First Section, Tokyo Stock Exchange (Securities code: 9278)
- **Trading Unit** 100 shares
- **Head office** 2-14-20 Kobuchi, Minami-ku, Sagami-hara, Kanagawa
- **Net sales** ¥93.5 billion (FY5/2021 Consolidated results)
- **Number of stores** 793
(Directly operated: 407; Franchised: 386 as of May 31, 2021)
- **Employees (Consolidated)** 1,460 (as of May 31, 2021)

- 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
- 2019** Made Jewelry Asset Managers Inc., which operates aidect that provide comprehensive services for jewelry, a subsidiary

BOOKOFF's Corporate Philosophy and Mission

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



Mutually increase
the pace of growth



Remain a company performing a vital
social role 5 and 10 years from now

Vision

Japan's leading reuse company
(the reuse store network with the largest number of
customers)

Be a company employees can trust and
where everyone can grow while doing their
jobs with self-confidence and passion

Store Packaging Evolution



Focus on suburban locations



BOOKOFF Chuko-Gekijo



One-stop purchasing consultation desk

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



The 1st BOOKOFF store

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



Dept. store purchasing desk

- Founding
- "Sell us your books"
- Franchised store growth



Overseas store



Large-scale urban BOOKOFF store



Start of operations in Malaysia

Major Store Packages

*Number of stores as of May 31, 2021



BOOKOFF



BOOKOFF SUPER
BAZAAR



Avg. floor space	About 430m ²
Merchandise	Books, CDs, DVDs, games, hobby goods, mobile phones, home appliances, etc.
Number of stores	633 in Japan and overseas

Avg. floor space	About 3,135m ²
Merchandise	“BOOKOFF” + Apparel/luxury-brand goods/household products/sporting goods/kitchenware, etc.
Number of stores	48 in Japan



BOOKOFF PLUS



BOOKOFF
One-stop Purchasing
Consultation Desk



Avg. floor space	About 990m ²
Merchandise	“BOOKOFF” + Apparel/accessories, etc.
Number of stores	70 in Japan

Avg. floor space	About 66m ²
Merchandise	Stores specialize in purchasing apparel/luxury-brand goods/small size home appliances, etc.
Number of stores	15 in Japan

BOOKOFF is Much More Than Books

Understand “the fun of reusing” and you can enjoy life even more!

Books



- 👉 A chance to find a new interest or hobby!
- 👉 Try choosing a writer you've never read before!
- 👉 Read the whole of a comic book series in one go!

Trading cards, hobby goods



- 👉 Something for everyone – from small children to enthusiasts!
- A vast lineup of items from toys that are put away as children grow up, to popular trading cards and exclusive figurines coveted by enthusiasts! Rummaging through the overwhelming number of items is a sort of treasure hunt.

Apparel



- 👉 Be bold and take the challenge of wearing a new color or style you never worn before!
- 👉 The fun of coordinating!
- 👉 The fun of being able to buy without worrying about the price!
- 👉 You can see all the things you can't see anywhere else all gathered together here in one place!

Sporting goods, musical instrument



- 👉 Go on, this is your chance to pursue nostalgic sports or to grab a musical instrument you've always wanted!
- The surfing and golf goods, the guitar you've wanted for so long... perhaps you can't afford it new but you can get it for reuse at a very reasonable price, and you can make a start right now without worrying if you just remember that “if I don't keep it up I can always sell it.”

Precious metals, watches, high-end brand items



- 👉 Choose brand goods for everyday use!
- 👉 The fun of collecting brands!

Children's apparel, baby goods



- 👉 Baby goods - they soon grow out of them which is all the more reason to get them for reuse!
- Children grow so quickly, and the baby carriage you bought for them so lovingly soon falls out of use. At times like these, please buy your items reuse and carefree, and then just sell them again when you've finished with them.

Furniture



- 👉 Buy furniture at reasonable prices!
 - 👉 Reuse furniture has an appeal new products cannot offer
- You can buy furniture at affordable prices and select items with a texture and seasoned appearance that brand new furniture cannot match.

Home appliances, mobile phones



- 👉 Nowadays, for home appliance items, the functionality of reuse is completely satisfactory!
- If you set out to buy all of your important home appliances in one go, it's going to amount to a very expensive bill for you to pay. These days however, you can easily buy great quality reuse products with high-level functions and excellent reliability so cheaply!

Other Group Businesses

HUGALL



HUGALL operates one-stop purchasing consultation desks at major department stores. These conveniently located desks allow people visiting stores for shopping to stop by to receive a variety of information and services concerning the sale of reuse items.

aidect



aidect operates stores that provide comprehensive services for jewelry, including purchases, repairs and restorations, and sales. The company operates its own studio in Tokyo to perform work that reflects timeless European design elements and incorporates the outstanding craftsmanship and quality for which Japan is known.

Aoyama Book Center



The Aoyama Book Center is a store selling new books that is located in the Omotesando district of Tokyo.

Booklog



More than one million people use this book review community website.

Sports Sponsorship Agreements

BOOKOFF uses sports sponsorship agreements to increase purchases and sales of high-quality, inexpensive reuse sporting goods as well as support individuals, teams and events. Sponsorships also help increase the number of people participating in sports and competing in tournaments.



BOOKOFF is a sponsor of professional snowboarder Hiroaki Kunitake.



BOOKOFF sponsors surfer Kana Nakashio, designated for skill development by the Nippon Surfing Association.



BOOKOFF backs the SC Sagamihara and Nojima Stella Kanagawa Sagamihara professional soccer teams.



BOOKOFF OKINAWA is an official sponsor of the Ryukyu Golden Kings basketball team of Japan's B.League.



BOOKOFF is an official sponsor of the HIROSHIMA DORAGONFLIES basketball team of Japan's B.League.

Activities for Diversity –Creating a Pleasant Workplace Environment

Employees are the BOOKOFF Group’s most valuable asset. Developing “human assets” with intelligence and solid character will contribute directly to the Group’s growth. We are dedicated to maintaining workplace environments where all employees, regardless of gender, can fully utilize their skills. This includes a commitment to providing opportunities for people to upgrade their skills and accomplish their goals.

Job site selection

Re-hiring system

Reduced working hours

Refreshment time off

Job site selection for elderly parent care

Pick Up
Since October 2014, employees have had the option of requesting a job in a particular region of Japan. At first, employees could select the Tokyo area (Tokyo, Kanagawa, Chiba and Saitama), Chukyo area or Keihanshin area (Kyoto, Osaka and Hyogo). Now, this program has been expanded to include other major cities and regions.

Pick Up
In the past, married couples working at the BOOKOFF Group were unable to live together at times due to a transfer of one person. To end this problem, the Group has established a program that allows the other spouse to be relocated to a store near the husband or wife who was initially transferred.

Elderly parent care short or extended time off

Pregnancy and child care leave

Nursing care time off

Child care leave

Coordinated husband-wife transfers

Activities for Diversity –Employing People with Disabilities

Special
company



B-Assist, Inc.

Offices

Machida Office
(established in Feb. 2013)

Seya Office
(established in Oct. 2011)



Omiya Office
(established in Sep. 2015)

Higashi Chiba Office
(established in Apr. 2014)

Kawasaki Office
(established in Apr. 2013)

The BOOKOFF Group is dedicated to providing jobs for people with disabilities. For these people with a desire and ability to work, we provide real employment opportunities, and the necessary workplace environment, rather than simply so-called welfare positions. We want these people to be active and self-reliant members of society. To provide these jobs, we established B-Assist in October 2010. The company was designed as a special subsidiary based on the Act on Employment Promotion etc. of Persons with Disabilities in the following December. At the end of June 1, 2021, BOOKOFF Group employed 142 people (2.79% of the entire workforce) who have disabilities.

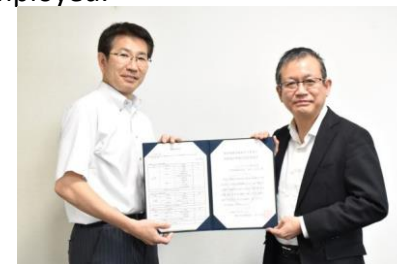
Main activities

- Processing BOOKOFF Group merchandise, store maintenance, merchandise stocking and sales, production of point-of-purchase marketing materials
- Picking, shipments, and data erasure for mobile phones, tablets and other devices at distribution centers

TOPICS

BOOKOFF is the seventh company in Kanagawa prefecture, which includes Yokohama, to receive certification under the Monisu program as an outstanding small/midsize company concerning employment for people with disabilities. (The Monisu program)

This program of Japan's Ministry of Health, Labour and Welfare recognizes outstanding small/midsize companies with outstanding activities for creating jobs for people with disabilities and enabling these people to remain employed.



「モノ」を「キモチ」にかえる新しい応援のカタチ

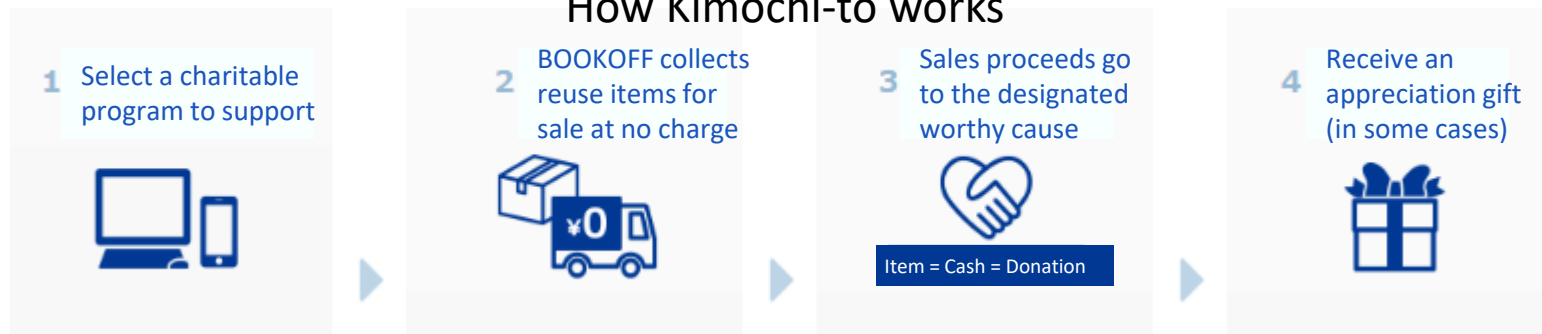


「モノ」で応援・支援・寄付ができます

What is Kimochi-to?

Kimochi-to is a crowdfunding platform operated by BOOKOFF that allows people to sell used books and other reuse items and direct the proceeds to be donated to a charity of other worthy cause.

How Kimochi-to works



For more information

