

BOOKOFF GROUP HOLDINGS


Financial Results Presentation Materials for the First Half of the Fiscal Year Ending May 2023 (1H FY5/2023)

January 12, 2023

BOOKOFF GROUP HOLDINGS LIMITED

Securities code: 9278

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1H FY5/2023 Overview of Consolidated Financial Results

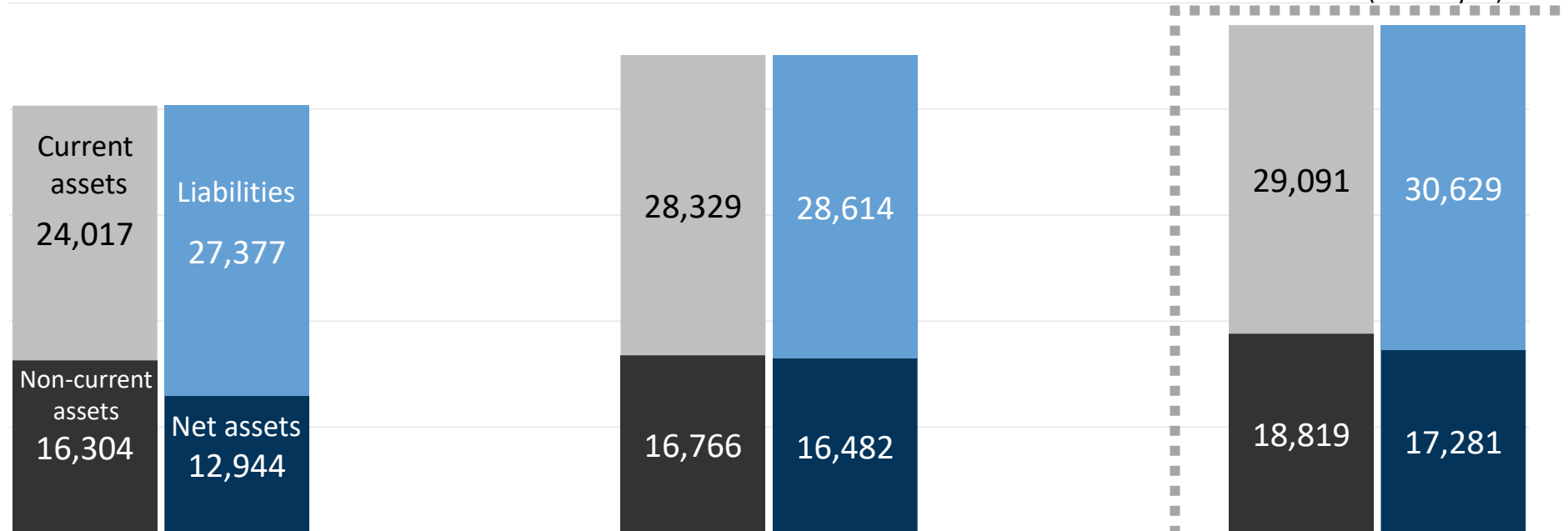
BOOKOFF GROUP HOLDINGS

(Million yen)

	1H FY5/2022	% to net sales	1H FY5/2023	% to net sales	YoY change (Amount)	YoY change (Ratio)
Net sales	42,776	-	48,568	-	+5,791	113.5%
Gross profit	25,579	59.8%	27,811	57.3%	+2,231	108.7%
SG&A expenses	25,234	59.0%	26,827	55.2%	+1,592	106.3%
Operating profit	345	0.8%	984	2.0%	+638	284.8%
Ordinary profit	662	1.5%	1,224	2.5%	+562	184.8%
Profit attributable to owners of parent	457	1.1%	921	1.9%	+464	201.6%

- ✓ In BOOKOFF Operations in Japan, sales at directly operated existing stores were higher than one year earlier and sales also increased in the premium services business and the overseas business. Overall, there were big increases in sales, operating profit and ordinary profit.
- ✓ A big increase in profit attributable to owners of parent that included the benefit of lower taxes resulting from the reorganization of the BOOKOFF Group.

(Million yen)



As of May 31, 2021

As of May 31, 2022

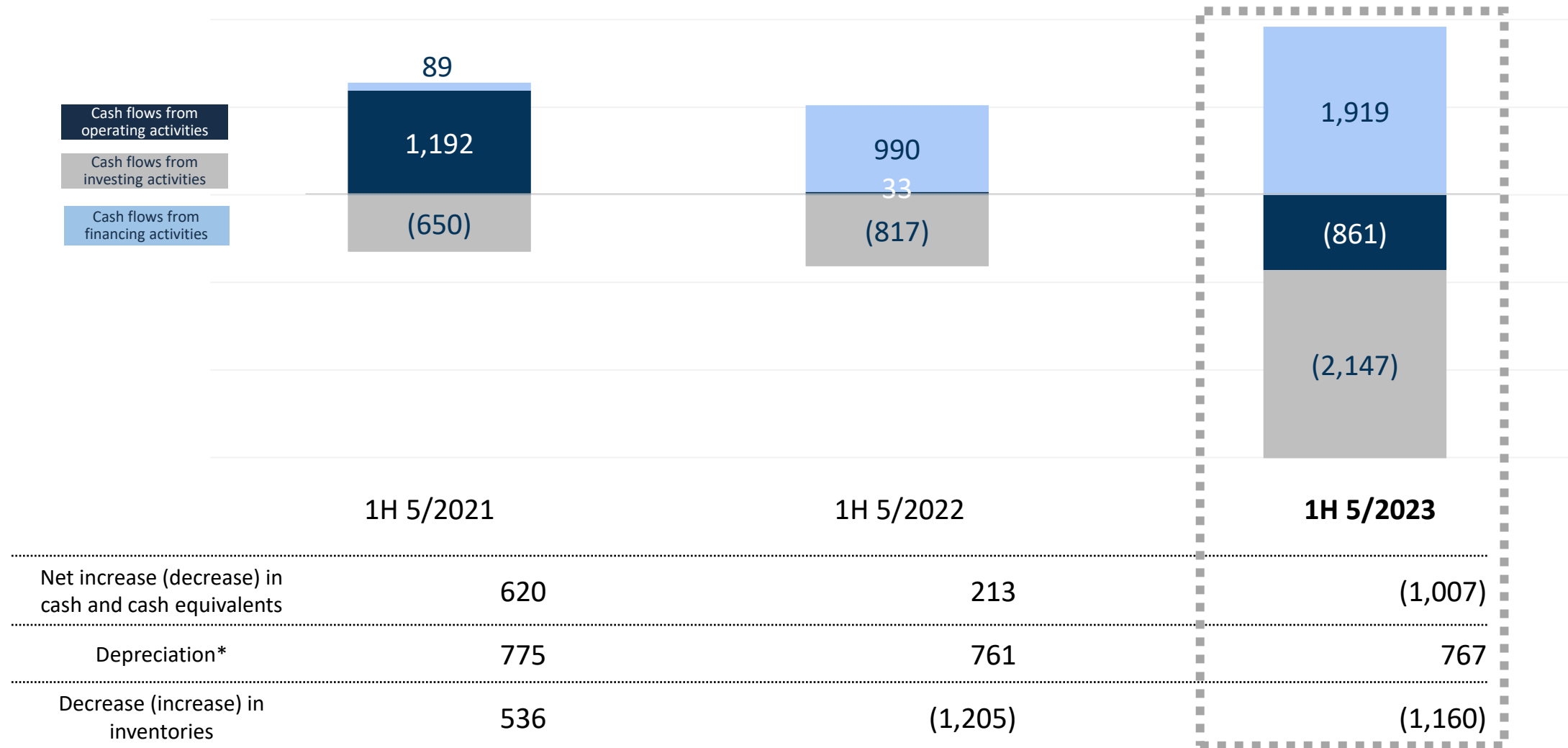
As of Nov. 30, 2022

Total assets	40,321	45,096	47,911
Cash and deposits	5,837	8,203	7,195
Interest-bearing debt	17,395	16,028	18,519
Equity ratio	31.9%	36.3%	35.7%

- ✓ In BOOKOFF Operations in Japan, non-current assets increased mainly because of new stores, renovations of existing stores, store acquisitions and additional IT system investments.
- ✓ In Japan, non-current assets increased mainly because of new stores, renovations of existing stores, store acquisitions and additional IT system investments.

Consolidated Statement of Cash Flows

(Million yen)

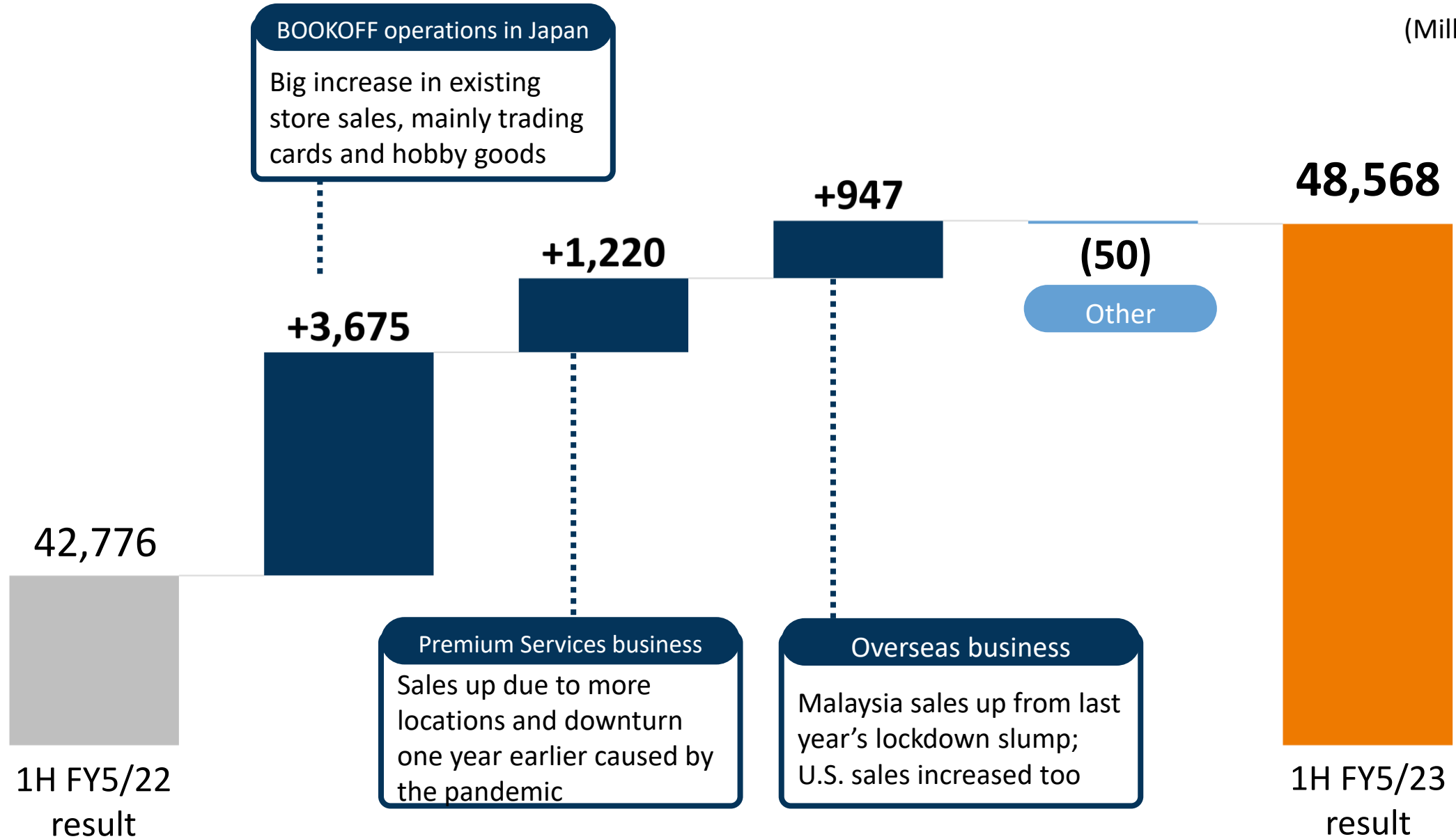


* Includes amortization of goodwill

- ✓ In BOOKOFF Operations in Japan, inventories increased because of large purchases of trading cards, hobby goods and other strategic merchandise (end of Nov. for FY5/2023-2022, end of Sep. for FY5/2021)
- ✓ Large negative investing cash flow because of expenditures for new stores, store renovations of existing stores, IT systems investments and acquisitions of stores

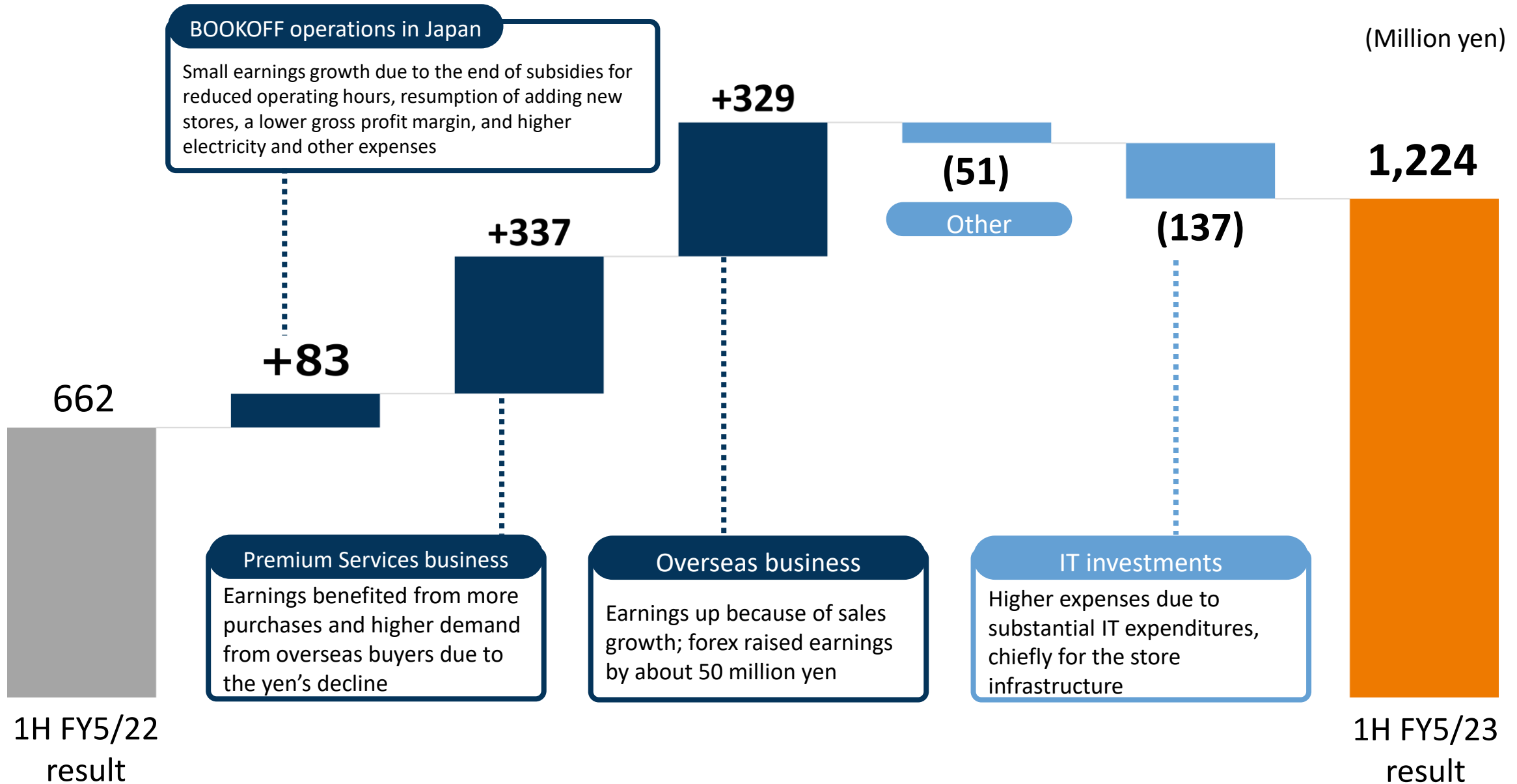
YoY Change in Consolidated Net Sales

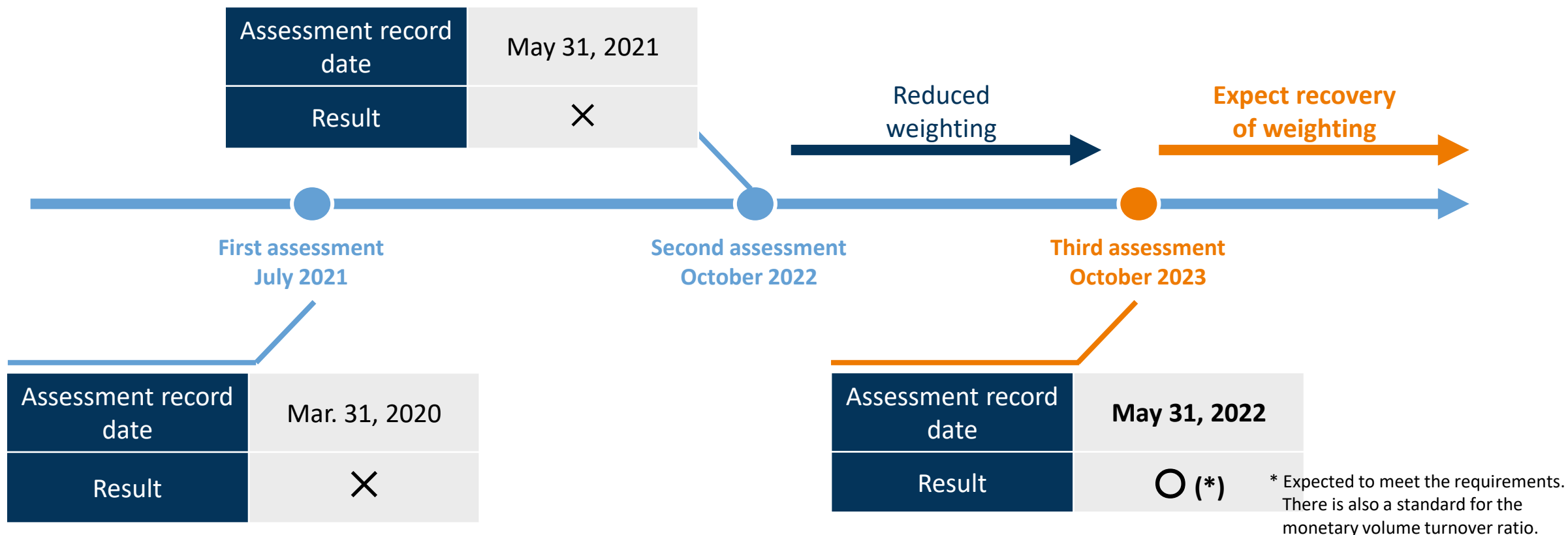
(Million yen)



YoY Change in Consolidated Ordinary Profit

(Million yen)





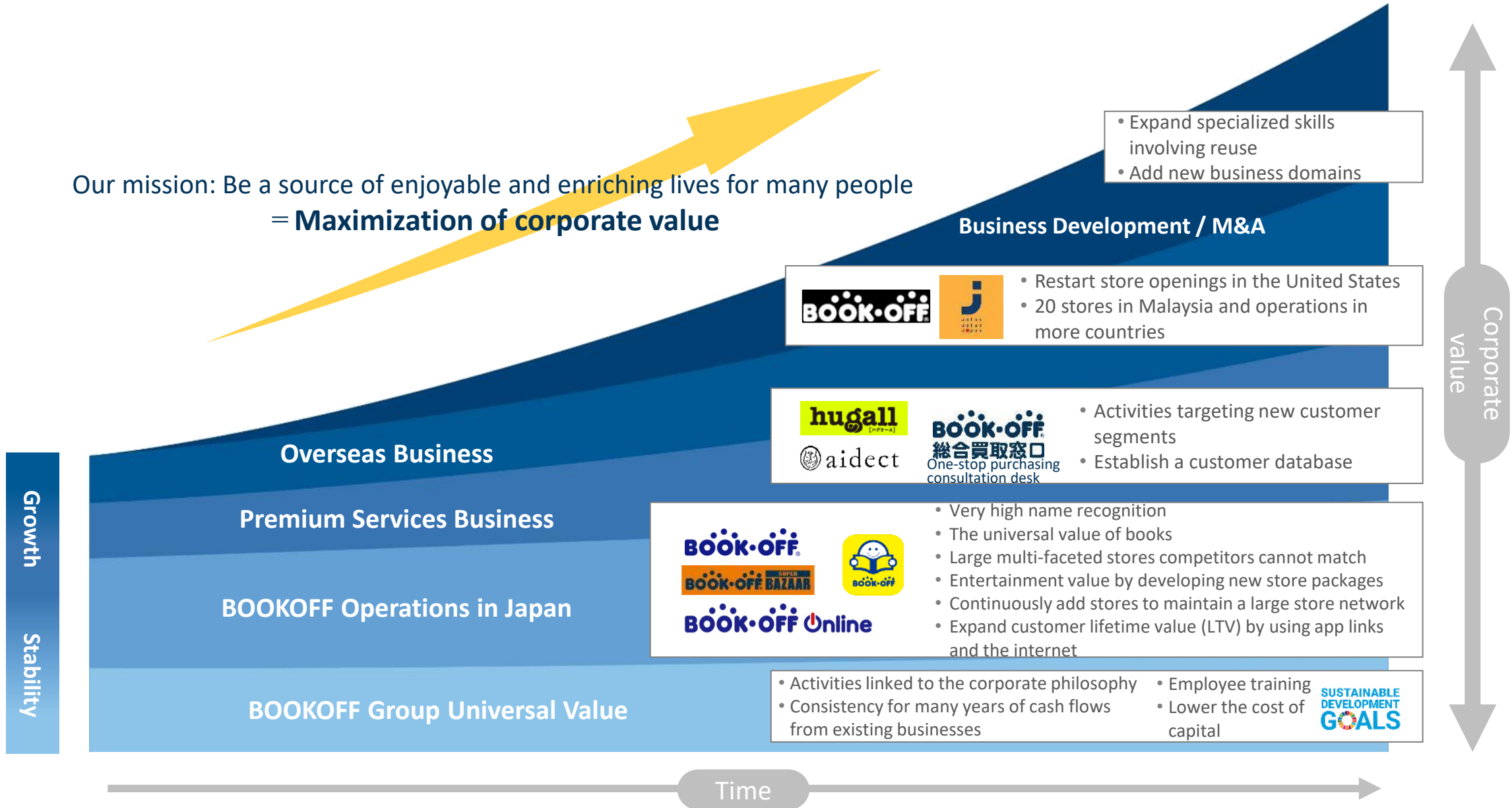
- ✓ Stocks in TOPIX must have a **float market capitalization of at least 10 billion yen.**
- ✓ Due to its May fiscal year end, the **record date** for BOOKOFF’s October 2022 second assessment was **the end of the fiscal year that ended in May 2021.** At that time, BOOKOFF was below the requirement and designated for **reduced weighting in stages** and the weighting reduction started.
- ✓ At the third assessment in October 2023 (May 31, 2022 record date), we **expect to** meet the requirement, which will result in the **return of our weighting to the original level.**



Highlights of 1H FY5/2023

BOOKOFF GROUP HOLDINGS

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



Business Unit Growth Plan

- ✓ Restart expenditures to open stores following the reduction in store openings caused by the pandemic. All businesses will **make large expenditures to increase the number of stores** and other locations.
- ✓ **Make** the profit structure of BOOKOFF operations in Japan, the primary source of the group's earnings, even **more powerful and speed up store openings and other activities** in businesses with good prospects for growth.



Business Development/M&A

- **Start rapidly adding more** Japan TCG Centers
- **Other businesses**, such as the clean-up business, **and alliances with other companies**
- Constantly seek opportunities, including M&A, for starting new businesses

Overseas Business

- **Open 1 to 2 stores every fiscal year** at BOOKOFF USA **to eventually establish a nationwide presence**
- JJJ will **continue to open two stores every fiscal year**
- JJJ will no longer function as an exit channel for surplus merchandise in Japan. The plan is to **create a network of 20 stores**, including in countries other than Malaysia

Premium Services Business







- **Open 4 to 5** hugall purchasing desks at dept. stores **every fiscal year**
- **Open 3 to 4** BOOKOFF purchasing consultation desks **every fiscal year**
- Differentiate services by providing added value in ways other than the purchasing service

BOOKOFF Operations in Japan

- **Open 1 to 2** BOOKOFF SUPER BAZAAR stores **every fiscal year**
- **Replace 4 to 5** BOOKOFF stores with entertainment-oriented stores **every fiscal year**
- Maintain the current store network for purchases and expand the app service to maximize points of contact with customers

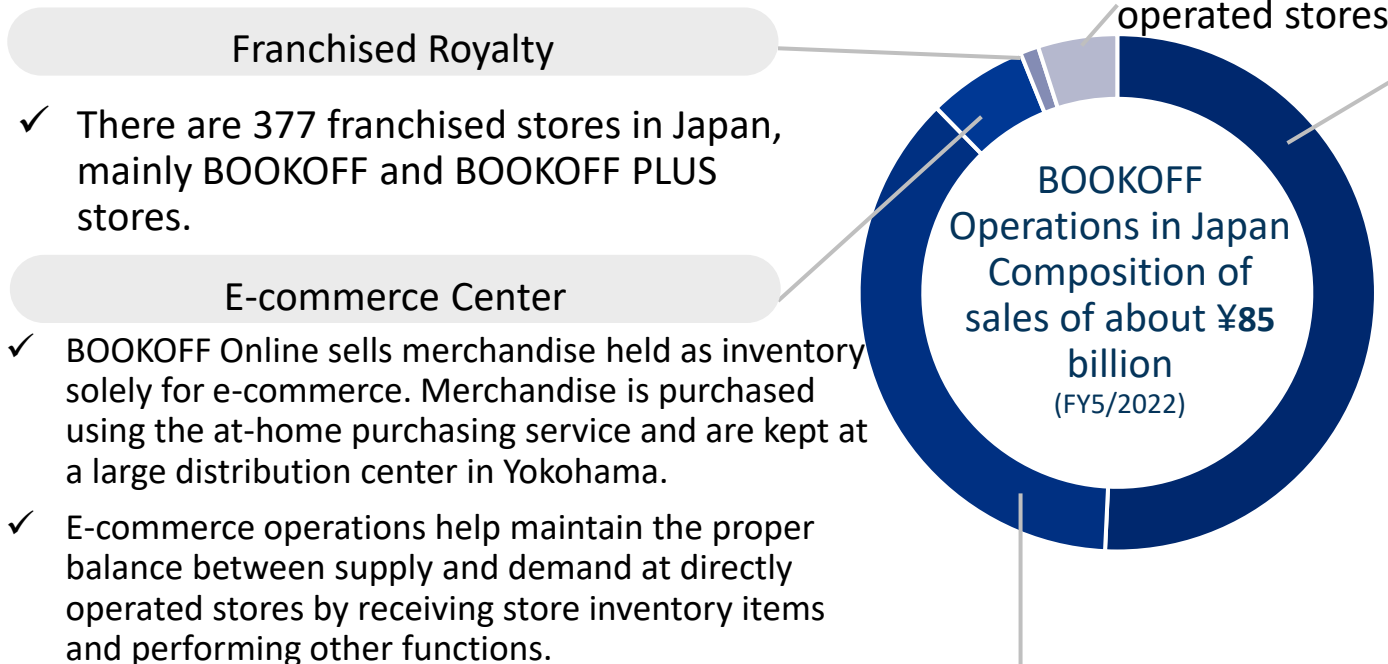
BOOKOFF Group Universal Value

- Continue using many initiatives for achieving a society where all resources are recycled

Business segment	Store packages	FY5/2023 New store plan
BOOKOFF operations in Japan		Suburban roadside locations 1 to 2 stores
		Entertainment BOOKOFF stores 4 to 5 stores (New stores or replacements)
Premium Services business		hugall purchasing desks at dept. stores 4 to 5 locations
	 One-stop purchasing consultation desk	Urban areas 3 to 4 stores
Overseas business	 BOOKOFF USA	1 to 2 stores in the U.S.
	 Jalan Jalan Japan	4 to 5 stores in Malaysia and other countries

- ✓ In FY5/2023, all businesses resumed making large expenditures for new stores after restricting store openings during the pandemic.

Numbers of stores and other locations are as of May 31, 2022.



✓ There are 377 franchised stores in Japan, mainly BOOKOFF and BOOKOFF PLUS stores.

✓ BOOKOFF Online sells merchandise held as inventory solely for e-commerce. Merchandise is purchased using the at-home purchasing service and are kept at a large distribution center in Yokohama.

✓ E-commerce operations help maintain the proper balance between supply and demand at directly operated stores by receiving store inventory items and performing other functions.

BOOKOFF/BOOKOFF PLUS (Directly operated)



Avg. sales area	About 500m ²	About 1,000m ²
Products	Books, CD/DVD, games, hobby goods, mobile phones, home appliances, others	BOOKOFF + Apparel, accessories, others
Stores	268	43

✓ Conventional small/midsize stores selling mainly books and software/media

✓ **Key stores for customer contact and buying used items,** covering locations ranging from sites near railway stations and in prime shopping areas to roadside locations.

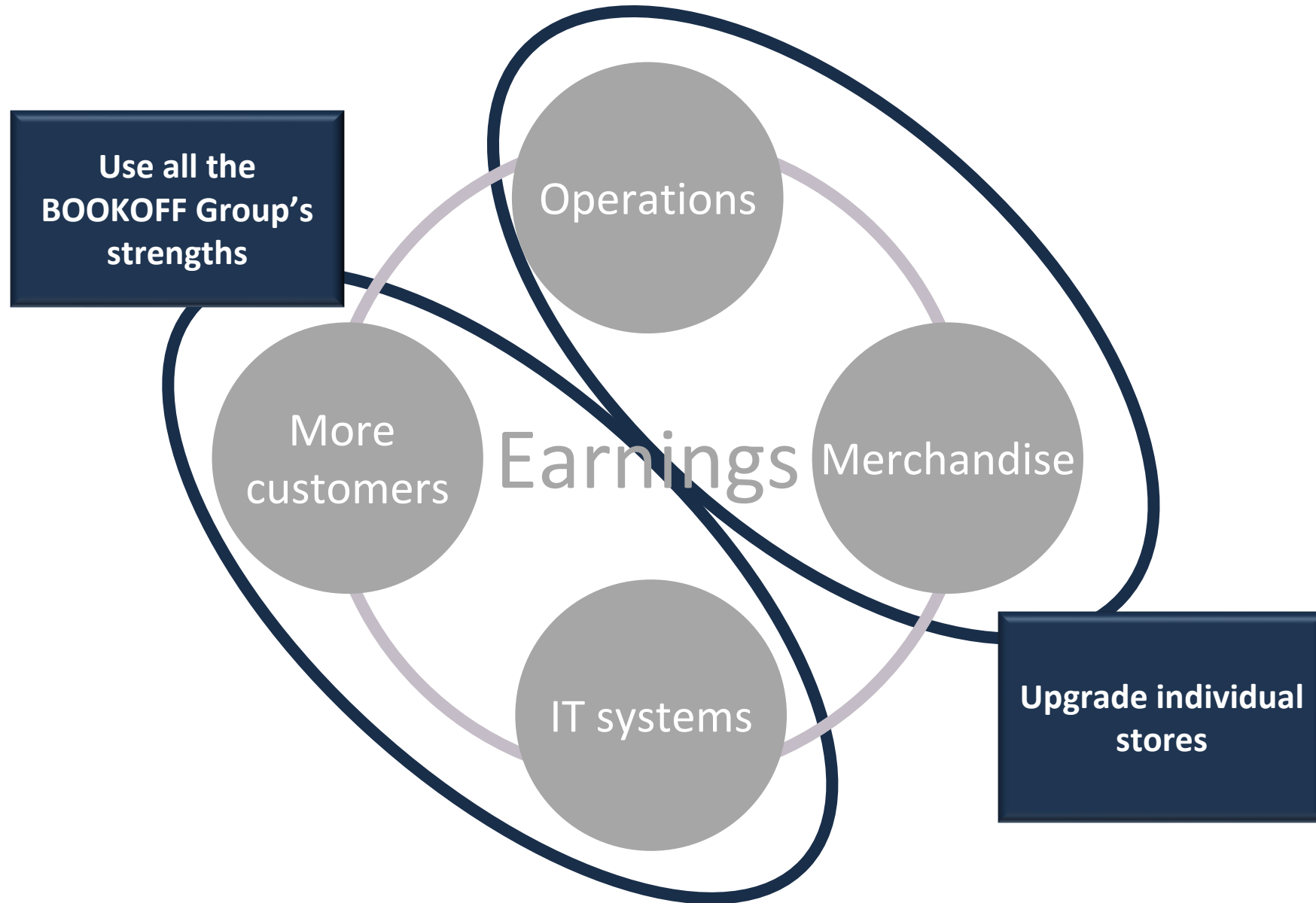
BOOKOFF SUPER BAZAAR (Directly operated)

Avg. sales area	About 3,100m ²
Products	BOOKOFF + Apparel, luxury brand goods, misc. items, sporting goods, tableware, others
Stores	47



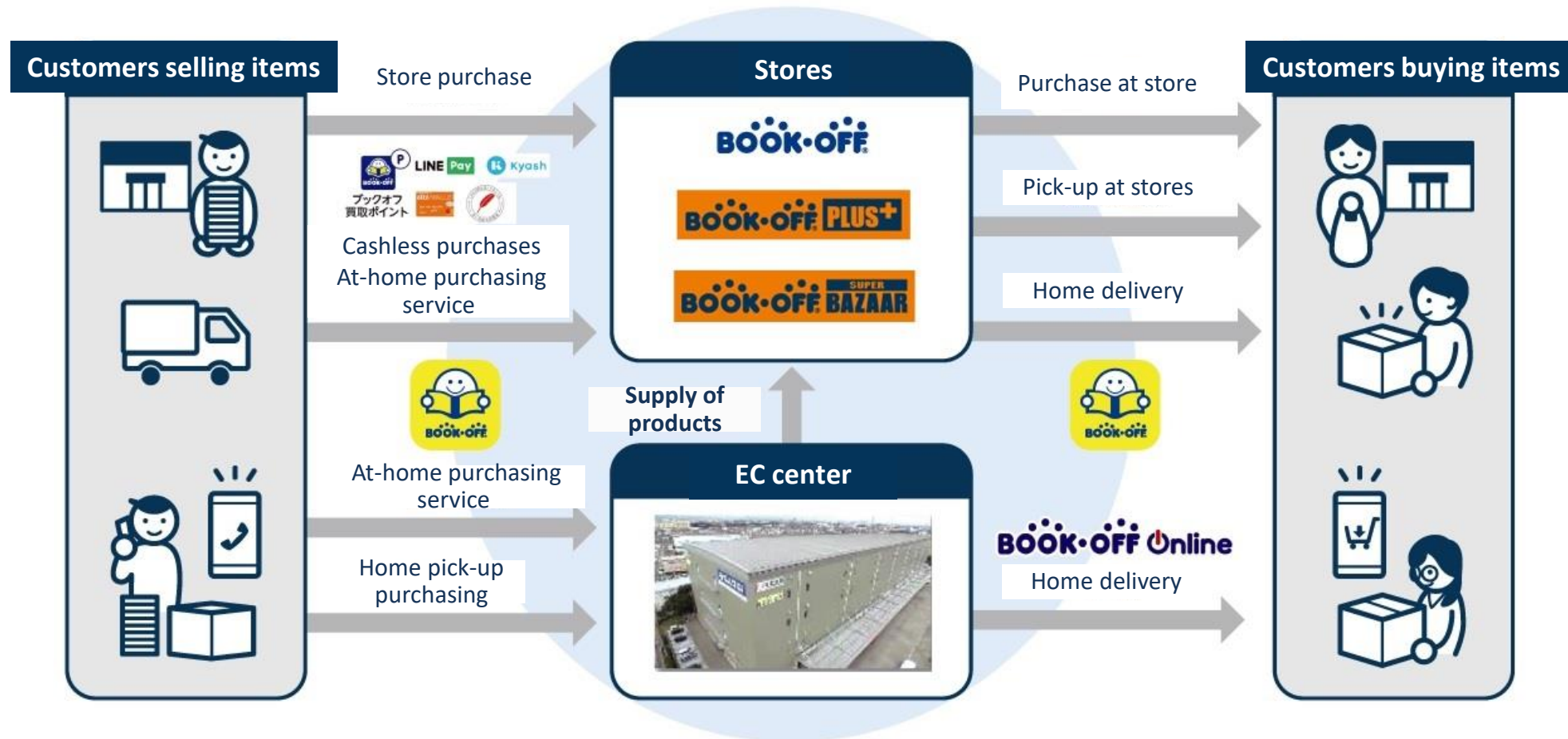
✓ Large (about 1,600m² to more than 3,300m²) reuse stores with a broad range of merchandise

✓ Serve as regional flagship stores, giving BOOKOFF **a competitive advantage no other company can match**



“One BOOKOFF” Concept

“One BOOKOFF” Concept Flowchart



- ✓ **The “One BOOKOFF” concept has the goal of** using the official smartphone app as the starting point for **maximizing opportunities for customers** to use BOOKOFF at physical stores or by using the internet.

FY5/2023 New Store Plan

BOOKOFF SUPER BAZAAR

1-2 stores







Entertainment BOOKOFF stores (replacements)

4-5 stores



1H New Stores

Format	Store name	Opened
 Aso-Biba	AEON Mall Wakayama store	August 2
	Kasukabe Toyoharu store	August 4
	Suzuka Hunter store	August 6
	AEON Honmoku store	September 10
	Frespo Hachioji Minamino store	September 17



BOOKOFF
Kasukabe Toyoharu store



BOOKOFF
Suzuka Hunter store



BOOKOFF
AEON Honmoku store



BOOKOFF Purchasing center
Frespo Hachioji Minamino store

The Aso-Biba Business Model



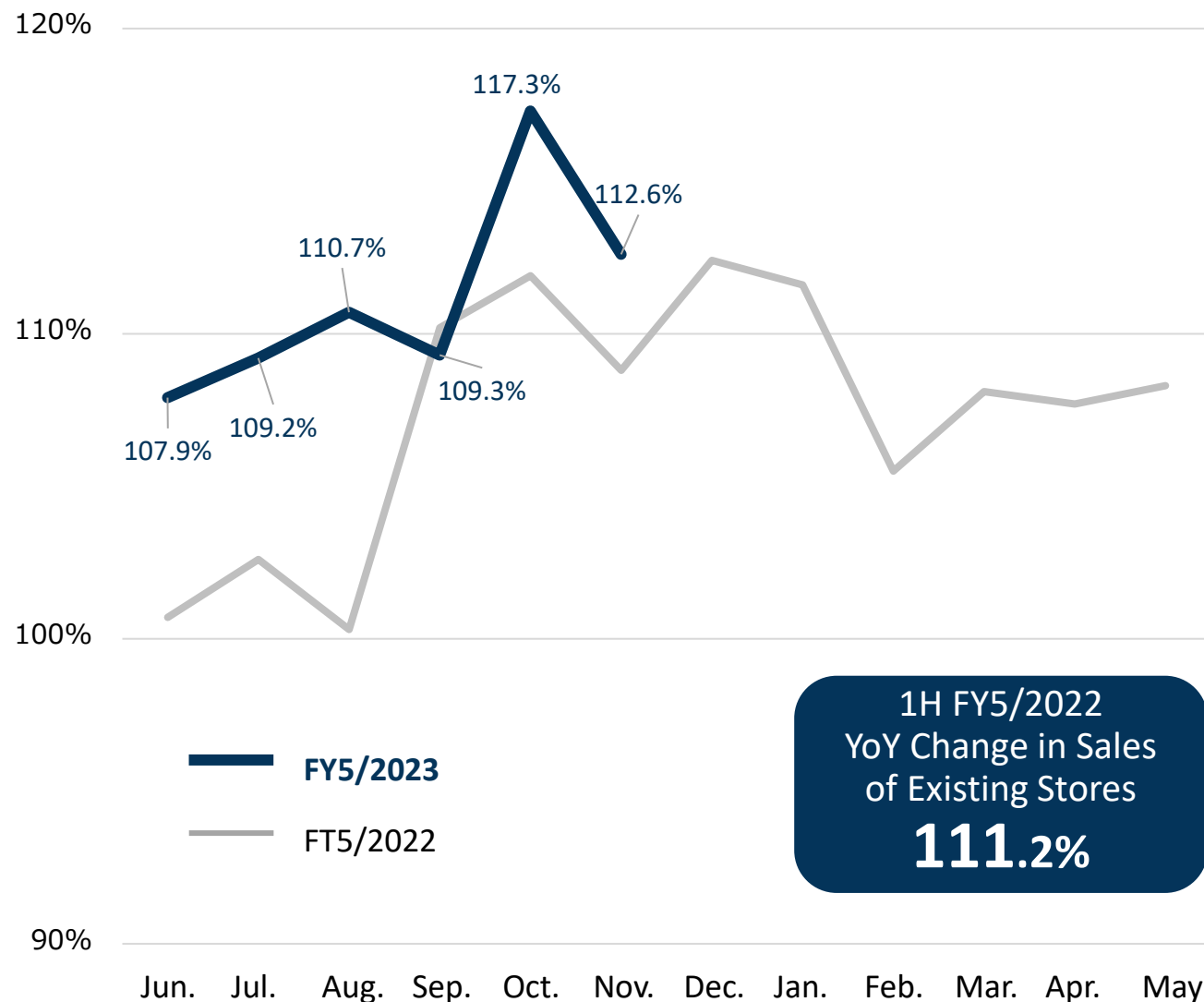
- ✓ Stores sell mainly games, trading cards and hobby goods
- ✓ A place where anime and hobby fans can play using new and reuse products

Located near the city of Wakayama



- ✓ The Aso-Biba AEON Mall Wakayama store opened on August 2, 2022.
- ✓ The new store had only a small effect on sales of two existing BOOKOFF stores in the city of Wakayama.
- ✓ This demonstrates that a new BOOKOFF format can coexist with existing stores. More Aso-Biba stores are planned for areas where BOOKOFF stores are located.

BOOKOFF Operations in Japan YoY Change in Sales of Existing Stores



- ✓ **A big YoY increase in existing store sales** because of prior-year store renovations, maximization of the app member base and other marketing activities
- ✓ The entire reuse retailing industry is benefiting from the recovery in the number of people going out to shopping districts and centers and **the need to economize and adopt a defensive stance due to inflation.**

Categories	1H FY5/2023 existing store sales		1H FY5/2022 % to total sales	
	YoY change	% to total sales		
Books	94.2%	25.8%	30.5%	Sales continue to decline after upturn when people stayed home due to the pandemic
Software media (CDs, DVDs and games)	107.3%	25.9%	26.7%	Sales of games up due to releases of popular titles and music CDs and other items due to revival demand
Apparel	119.0%	11.0%	10.4%	Sales up due to store operation revisions for higher efficiency and increasing interest desire among consumers to economize
Precious metals/watches/ high-end brand bags	115.1%	8.7%	8.5%	Positive effects of rising prices of high-end watches and precious metals and sales to foreign tourists at some stores
Trading cards/hobby goods	148.1%	16.4%	12.3%	Larger volume due to store renovations; consistency of new trading card market also contributed to growth
Home appliances/mobile phones	115.5%	4.7%	4.4%	Higher demand for used phones because of rising prices of new models; higher sales of home appliances too
Sporting and outdoor goods	112.2%	3.3%	3.2%	Demand for products for outdoor activities remains strong because of the pandemic
Others	119.9%	4.2%	4.0%	
Total	111.2%	100.0%	100.0%	The merchandise mix changed but total sales were much higher than one year earlier.

Major Trading Card Events



June 2022
In Sapporo
Attendance:
About 200



September 2022
In Hakata
Attendance:
About 700

December 2022
In Shinagawa
Attendance:
About 500

Increase awareness of BOOKOFF

Sending customers to/from stores and events enlarges the trading card market

Notices of events

BOOK-OFF®

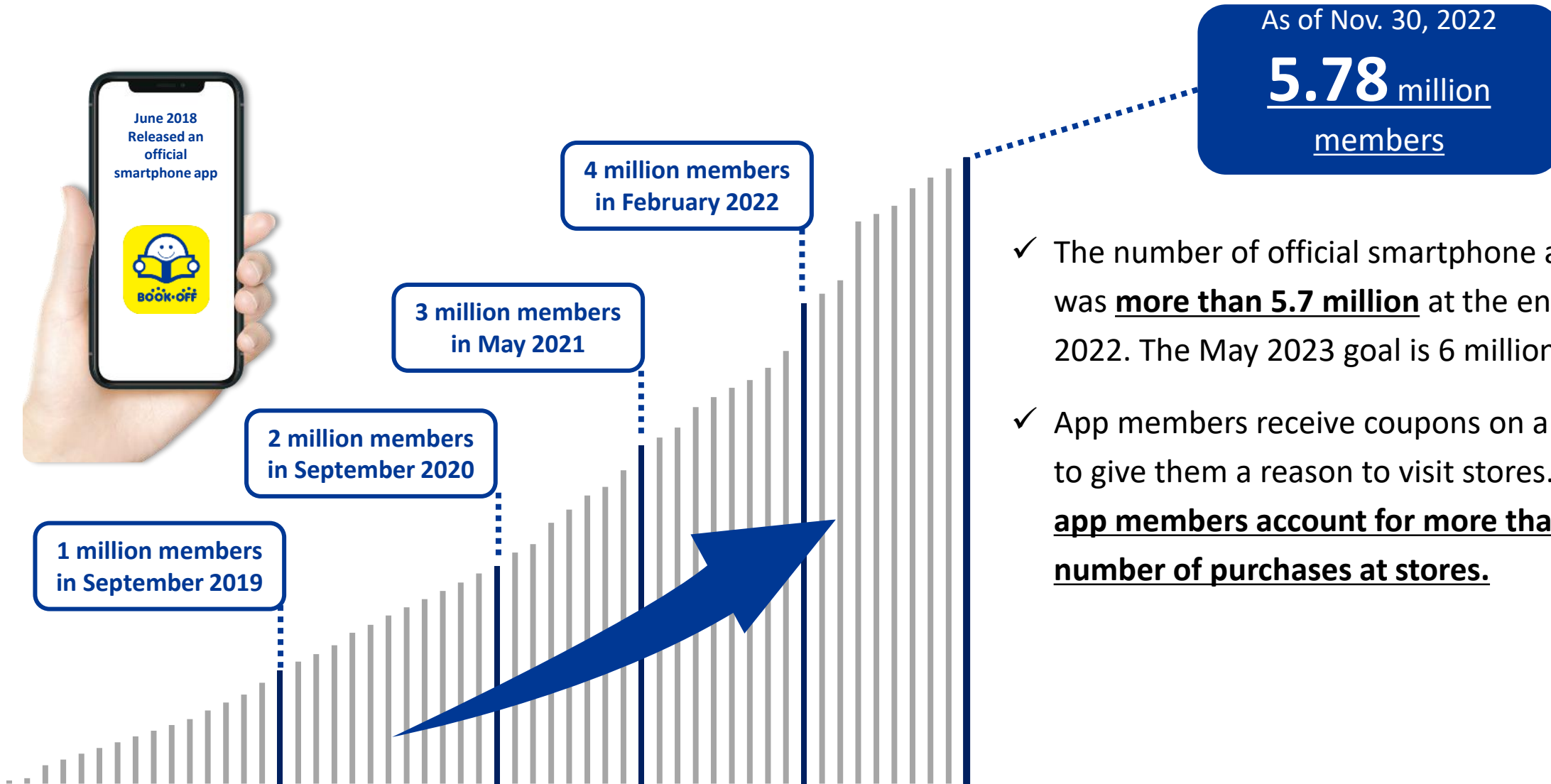


BOOK-OFF SUPER BAZAAR



- ✓ BOOKOFF Trading Card Festivals are held throughout Japan
- ✓ Trading card events in major cities nationwide in locations larger than stores. Many participants visit nearby BOOKOFF stores and these events provide an exciting and realistic experience for new trading card fans, which enlarges the market for these cards.

BOOKOFF Smartphone App Members



- ✓ The number of official smartphone app members was **more than 5.7 million** at the end of Nov. 2022. The May 2023 goal is 6 million.
- ✓ App members receive coupons on a regular basis to give them a reason to visit stores. Currently, **app members account for more than 30% of the number of purchases at stores.**

“One BOOKOFF” marketing and member app strategies



Promotions

(3) Increase repeat store visits

Coupons, EC purchase pickup at stores



App for members

FY5/2023
Plan to start a loyalty program

Use of stamps for a visual means for tracking activity at BOOKOFF and give customers an incentive to visit stores and make purchase more often; closely linked with customers' life styles

Larger number of customers

(1) Customers visit stores











Store

(2) Attract more members

Goal is more than 6 million members at the end of May 2023

Advance from the phase of attracting new members to the phase of maximizing purchases per customer (lifetime value). Full-scale start of customer relationship management activities.

Investments	FY5/2023	FY5/2024	FY5/2025
 <p>EC site upgrades</p>	 <p>Plan to complete development of major parts by May 2023</p>		
 <p>Store POS system upgrades</p>			
 <p>Strengthen EC warehouse management system</p>			

- ✓ Upgraded store/EC link, digital transformation, replacement of aging IT infrastructure and other large IT projects are proceeding as planned; progress with development work is also as planned.
- ✓ **FY5/2023 is the peak of IT investments and expenses.** This will temporarily reduce earnings but some of these expenses are expected to end in this FY.

Book Subscription Service/Book Ticket

BOOKOFF × Sub.
ブックチケット
 Book Ticket
 Up to 70% off
 最大70% OFFで本が買える
 電子雑誌読み放題!
 Unlimited e-magazine access

- ✓ Book Ticker is offered at all 154 BOOKOFF stores in Japan
- ✓ In FY5/2023, added a fixed monthly-price plan and an unlimited e-magazine access plan

What is the Book Ticket subscription service?

This fixed-price service allows customers to buy books priced at less than 220 yen (with tax) at a discount of up to 70%. In August 2022, an unlimited e-magazine access plan was added.

PayPay for Cashless Purchases

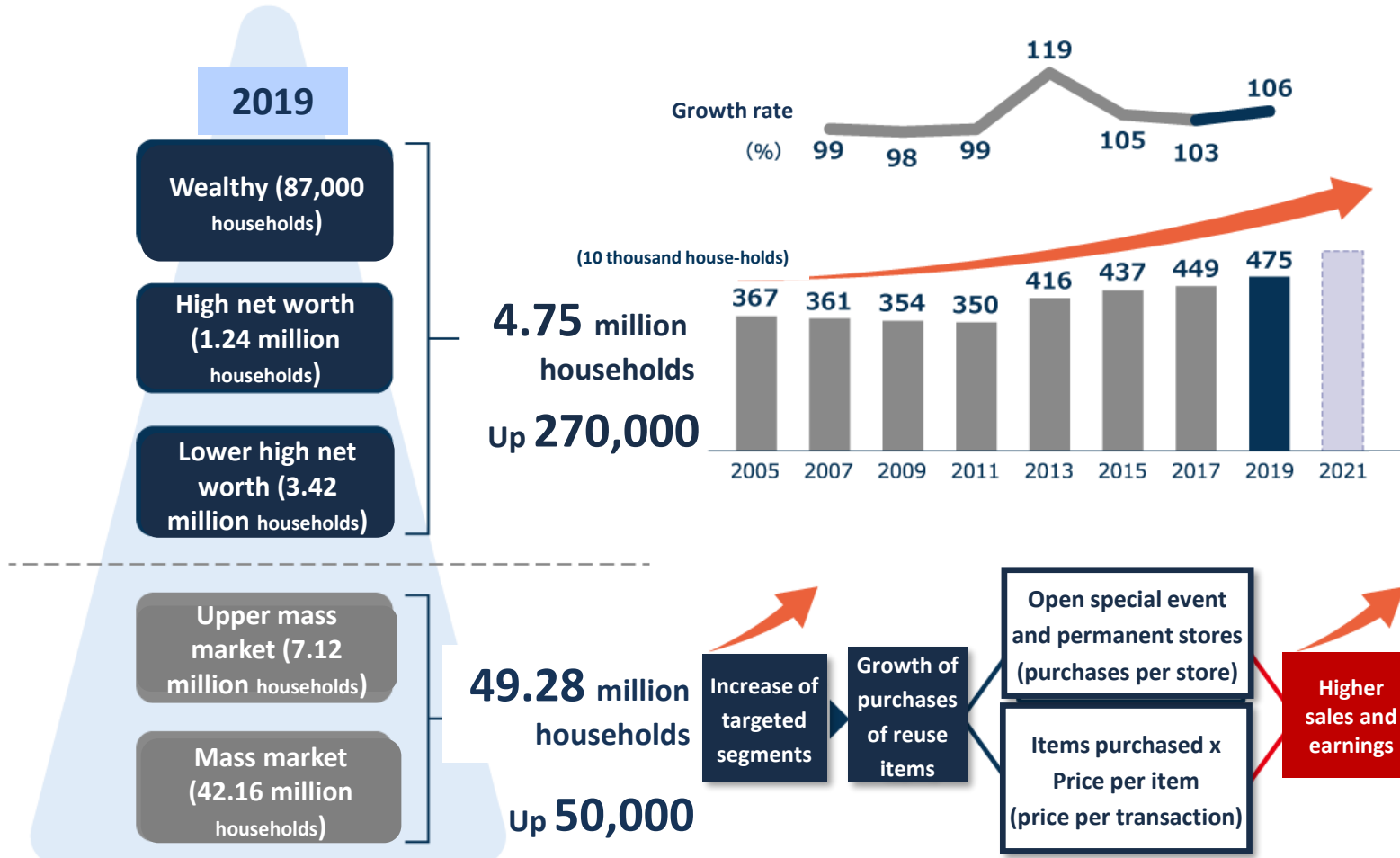


- ✓ BOOKOFF stores started accepting PayPay electronic payment in July 2022.
- ✓ PayPay can be used at more than 600 BOOKOFF stores in Japan.
- ✓ Purchases can be completed with no authorization waiting time.

Benefit of the cashless purchasing service

This service allows customers to make purchases with no need to handle cash and receive change and no need to wait for an authorization.

Number of affluent households in Japan and BOOKOFF's strategy



- ✓ 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 purchases, sales and earnings.
- ✓ Premium services use “one stop, one table, one-to-one” services centered on reuse that make it possible to serve customers that would normally not use a conventional BOOKOFF service

*NRI High Net Worth Questionnaire, Nomura Research Institute

Premium Services Business Profile and Strategy for Packages



- ✓ Packages that match the targeted age segments and other characteristics of each location
- ✓ On-site jewelry repair at all locations differentiates services from those of competitors; aiming for more locations for earnings growth

*Number of stores/locations as of November 30, 2022.

FY5/2023 New Store Plan

hugall purchasing desks at department stores

4-5 locations



BOOKOFF purchasing consultation desks

3-4 locations



1H New Stores



hugall Osaka Takashimaya store



hugall Daimaru Fukuoka Tenjin store

Format	Store name	Opened
	Osaka Takashimaya store	June 21
	Parc Ave. Kawatoku	June 25
 BOOKOFF purchasing consultation desks	Kasuga-Hakusan-dori store	August 20
	Daimaru Fukuoka Tenjin store	September 28
 BOOKOFF purchasing consultation desks	Azabujuban store	October 15

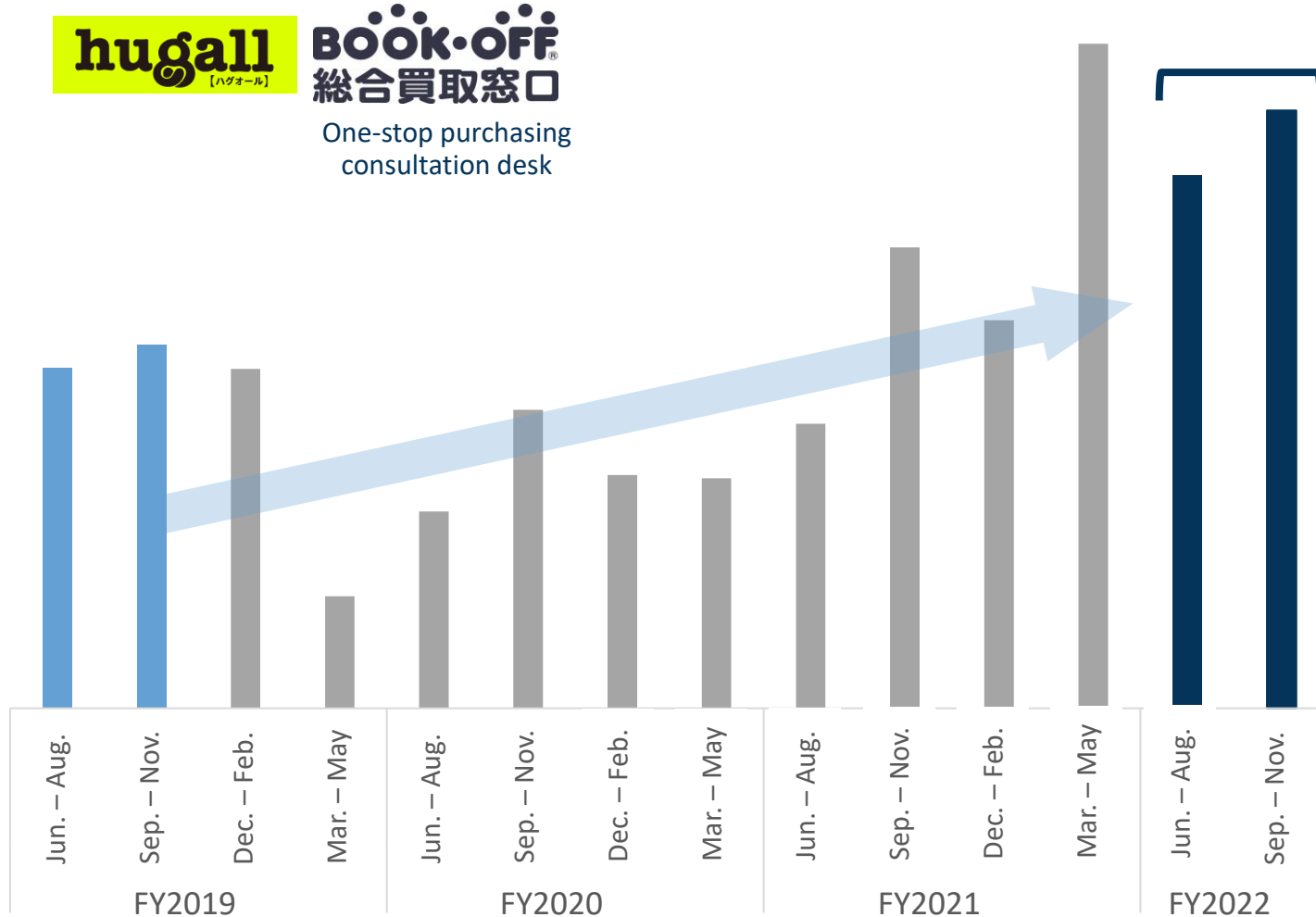


BOOKOFF purchasing consultation desk
Azabujuban store



BOOKOFF purchasing consultation desk
Kasuga-Hakusan-dori store

Hugall Business/BOOKOFF purchasing consultation desks Quarterly purchases



60% higher than the pre-pandemic levels of the same periods

- ✓ Despite the negative effects of the pandemic, **purchases have increased steadily** due to the increasing number of locations.
- ✓ Performance also benefited from the return of people to shopping districts and shopping centers and the rising prices of precious metals.
- ✓ Purchases during 1H FY2022 were **60% higher** than during 1H FY2019, which was **before the pandemic started**.






Currently **3** stores
(franchised)








769 stores

10 stores

Started operations in 2000

Just as at BOOKOFF stores in Japan, U.S. stores buy and sell books, software media, anime products, hobby goods and other categories of merchandise.

Personnel sent from Japan manage the subsidiary in the U.S. and stores are managed primarily by people recruited in the U.S.




9 stores




Started operations in 2016

Merchandise that cannot be sold easily in Japan is exported for sale at stores in Malaysia. No reuse products are purchased in Malaysia. This reduces the need to dispose of surplus merchandise in Japan.

In 2022, 2,600 tons of items no longer needed but still of value are expected to be sold in Malaysia.

Personnel sent from Japan manage the subsidiary in Malaysia and stores are managed primarily by people recruited in Malaysia.

*Number of stores as of November 30, 2022.



Jalan Jalan Japan



BOOKOFF USA

A distinctive retail business model providing outstanding entertainment

High profitability due to attractive merchandise and rapid merchandise turnover

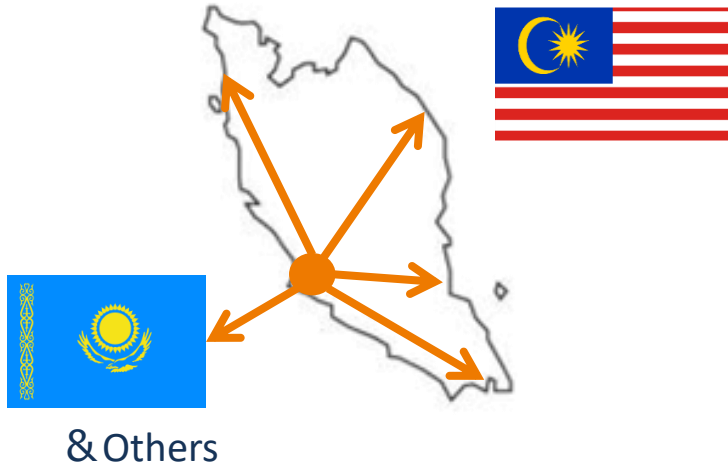
High profitability due to procurement skills and substantial added value

The advancement of locally hired employees is one of the highest priorities





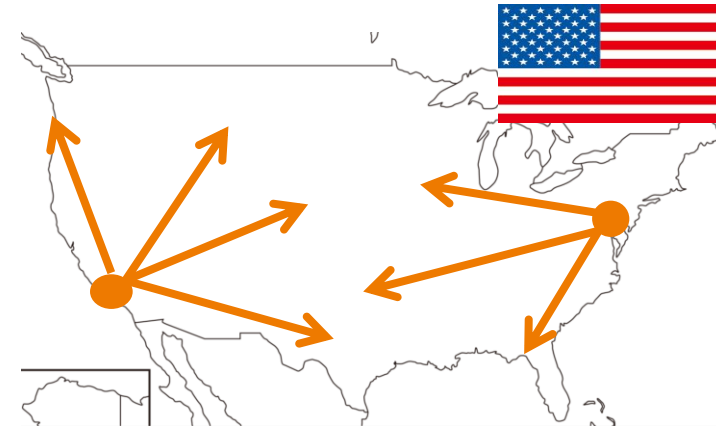
Jalan Jalan Japan



- ✓ **Expand the store network** from Kuala Lumpur to southern and eastern Malaysia.
- ✓ Use franchising to **open stores in other countries**.
- ✓ Enlarge the logistics network and establish alliances with other companies to increase the supply of merchandise from Japan.



BOOKOFF USA



- ✓ **Speed up the opening of stores** in strip malls, a highly profitable format, and stores specializing in anime merchandise, which can attract a large number of customers.
- ✓ Begin studies for using the east (New York) and west (California) operations as bases for opening stores in **large cities away from coastal regions** and **establishing a dominant presence** in the reuse retailing market.

FY5/2023 New Store Plan

Jalan Jalan Japan



2-3 stores

BOOKOFF USA



1-2 stores

1H New Stores

Brand	Store name	Opened
	Tampoi store (Malaysia)	April 1*
	Animelab Brooklyn store (USA)	July 1

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

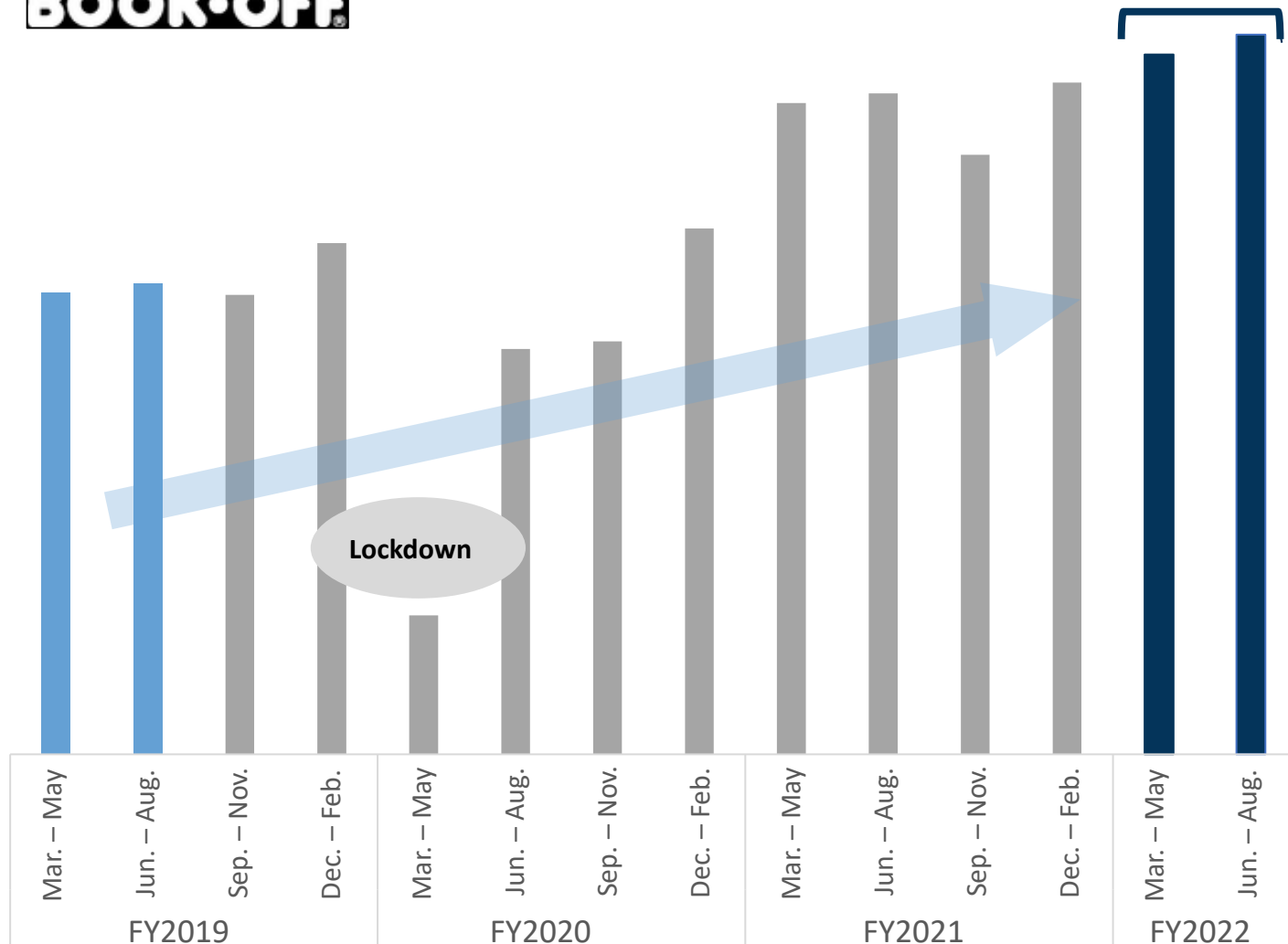


Jalan Jalan Japan
Tampoi store



BOOKOFF
Animelab Brooklyn store

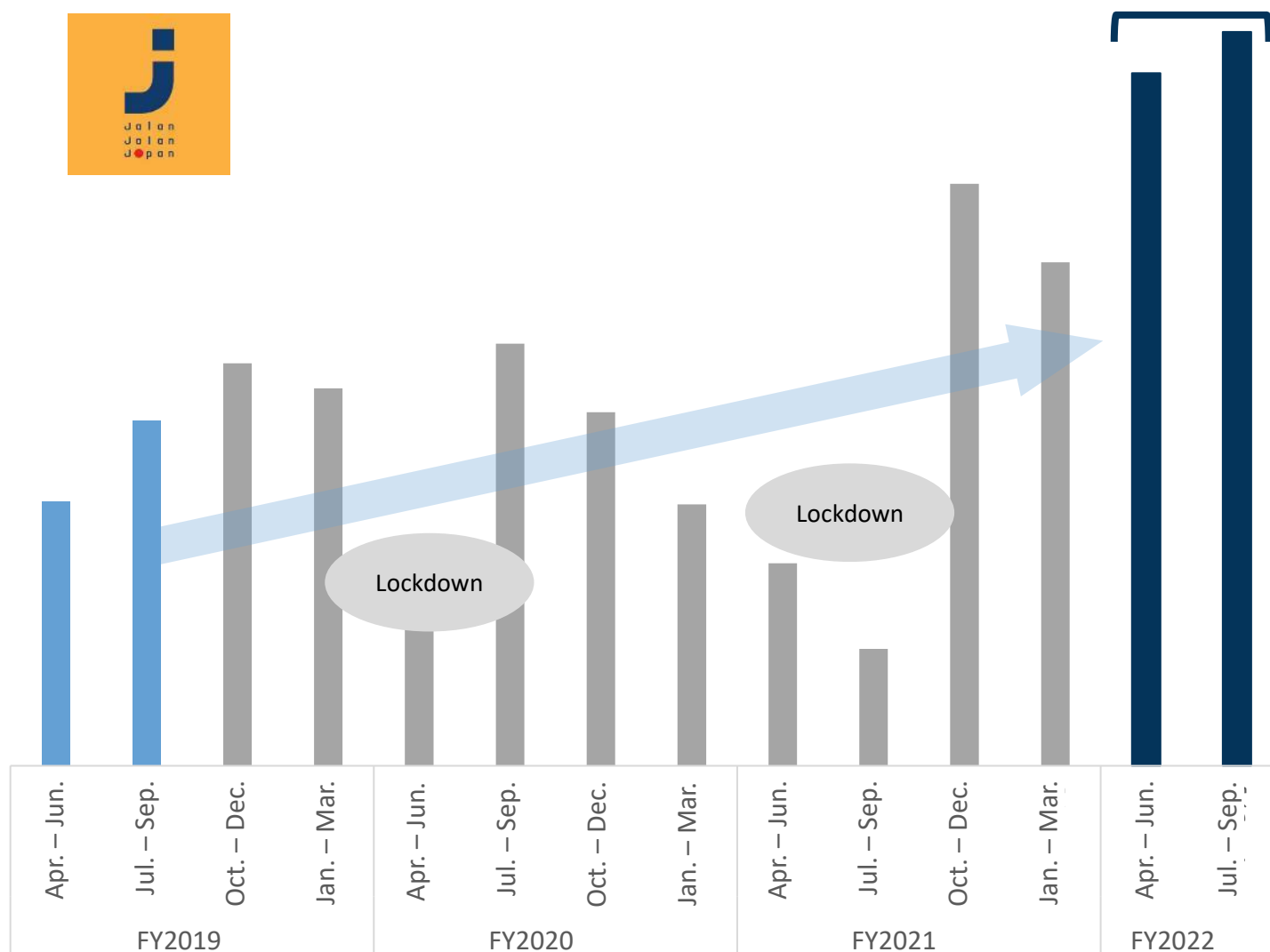
BOOKOFF USA Quarterly Sales



52% higher than the pre-pandemic levels of the same periods

- ✓ **Sales** were strong after lockdowns ended and **are now far above the pre-pandemic level**, partly because of inflation.
- ✓ **High volume of purchases and sales of books and software continued.** Japanese anime figures and goods and manga are popular. Stores are meeting customers' high expectations as places providing outstanding entertainment.
- ✓ **Using SNS and influencers for marketing and frequently participating in anime events.** Maintaining constant communication with customers raises awareness of BOOKOFF and increases the number of customers.

Jalan Jalan Japan Quarterly Sales of Directly Operated Stores



134% higher than the pre-pandemic levels of the same periods

- ✓ **Big sales increase** because of a rebound after lockdowns in the prior FY and the larger number of stores.
- ✓ **Sales per store also increased**, mainly the result of higher consumer awareness of these stores and price revisions.
- ✓ First half sales were **134% higher than before the pandemic**.



The Jalan Jalan Japan Zhetysu-Semirechye store opened on October 1, 2022.

- ✓ The new store is operated under a **franchise agreement** by a company in Kazakhstan. This is the **first JJJ store outside Malaysia** and currently the only store in Kazakhstan affiliated with a Japanese company.
- ✓ One role of this store is to **sell reuse winter apparel and other winter products that were purchased by BOOKOFF** in Japan.
- ✓ Planning to use the franchising agreement to establish a network of **at least 10 stores** in Kazakhstan. Also studying opportunities for **operating stores in other countries**.



■ Operations of the first store in Kazakhstan

Store name	Jalan Jalan Japan Zhetysu-Semirechye store
Location	Kazakhstan, Almaty, Turksibsky district, Kairat microdistrict, 181, post code 050019
Sales area	About 1,650 m ²
Products	Apparel (including winter clothes), household goods, baby goods, toys, hobby goods, sporting goods (including winter sports goods), musical instruments, furniture, Jewelry, Kimonos, etc.

■ The Republic of Kazakhstan

Located in central Asia, Kazakhstan is a producer of crude oil, natural gas and other energy resources as well as mineral resources. The country is the world's ninth largest in terms of land area, which is about seven times larger than the area of Japan.



Unneeded items in Japan come from many sources



Malaysia



Other countries

Recycle

Enjoyable and fulfilling lives for customers and employees in other countries

Recycling of resources within each country

✓ **End the exit function**, a key strength of BOOKOFF, with the goals of **creating a society where nothing is discarded and expanding the overseas business.**



FY5/2023 Sales and Earnings/Dividend Forecasts

BOOKOFF GROUP HOLDINGS

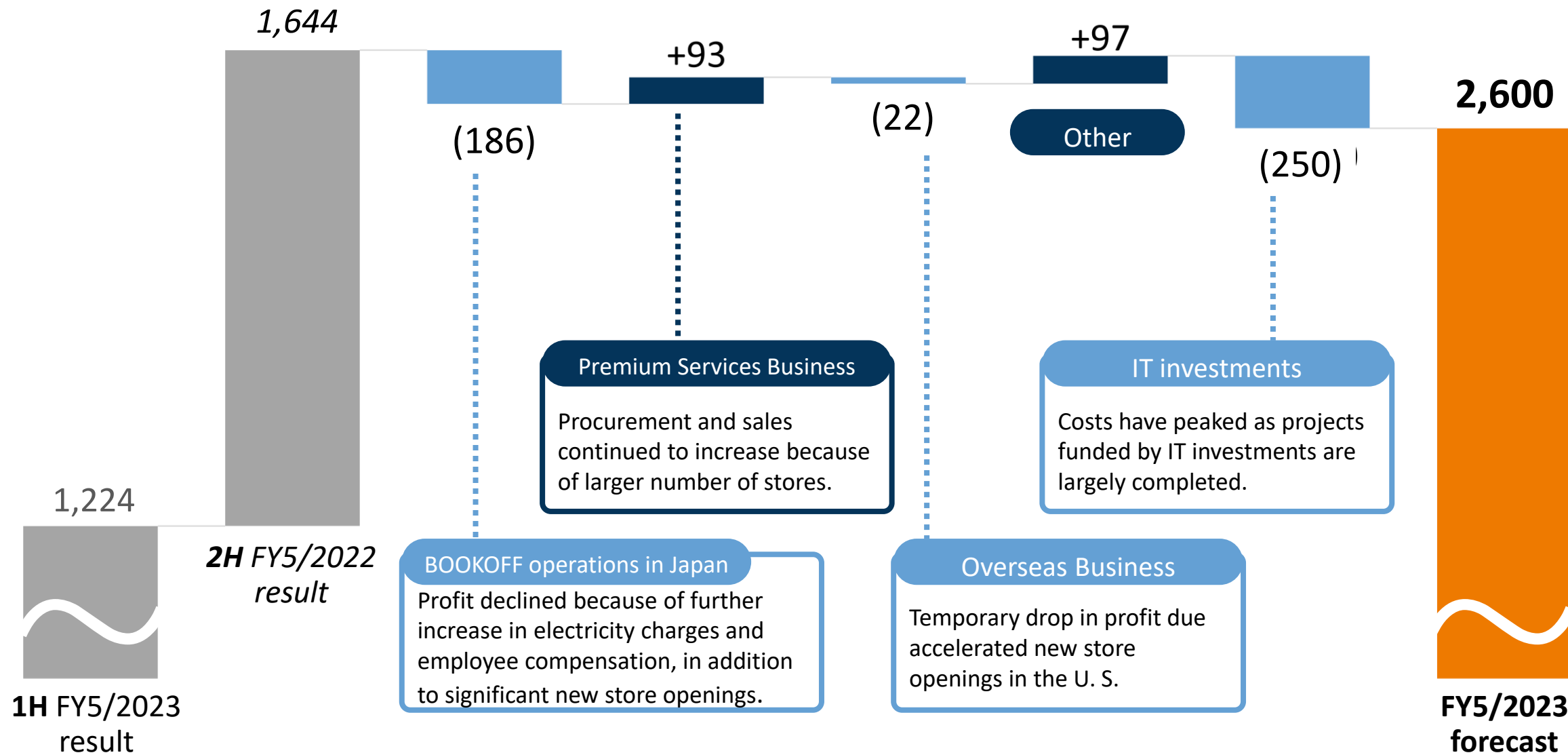
(Million yen)

	Previous forecast (announced on July 11, 2022)	Revised forecast	Change (amount)	Change (%)
Net sales	95,000	98,000	+3,000	103.2%
Operating profit	1,950	2,250	+300	115.4%
Ordinary profit	2,300	2,600	+300	113.0%
Profit attributable to owners of parent	1,450	1,600	+150	110.3%
Dividend per share	20 yen	22 yen	+2 yen	110.0%

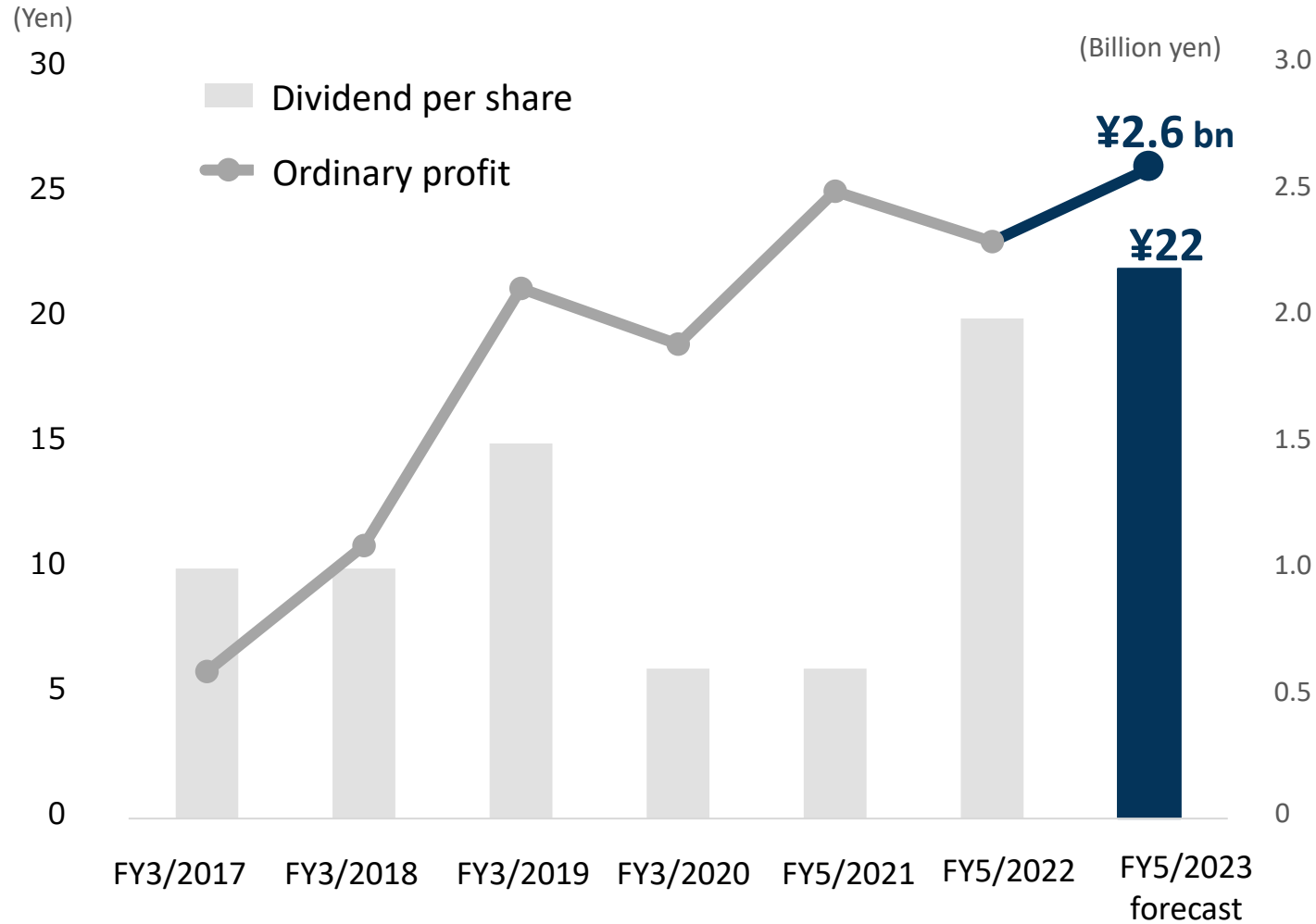
- ✓ Sales and all earnings forecasts have been increased based on the strong performance in the first half of the fiscal year.
- ✓ In the second half, in BOOKOFF Operations in Japan, the opening of new BOOKOFF SUPER BAZAAR stores will resume, BOOKOFF stores will be replaced with entertainment package formats and renovations of many stores will continue. Projects funded by IT investments will soon be completed and new products released. Numerous activities for growth will also continue in the premium services and overseas businesses.
- ✓ The year-end dividend forecast has been increased by 2 yen to 22 yen to reflect the higher sales and earnings forecasts.

FY5/2023 Earnings Forecast Assumes a YoY Decline in 2nd Half Ordinary Profit

(Million yen)

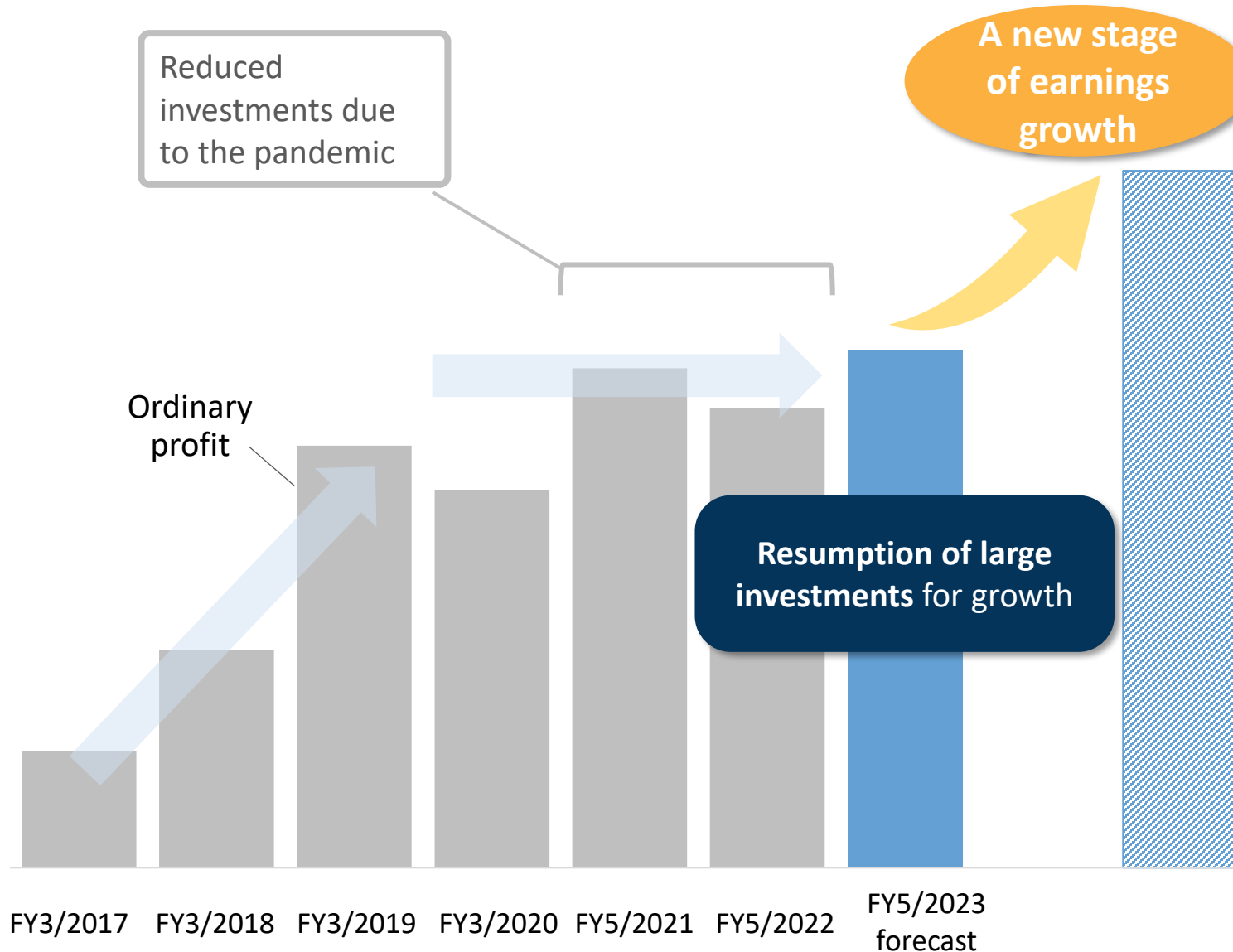


Dividend per share



- ✓ 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 this basic policy, we plans to pay a year-end dividend of **22 yen per share** for FY5/2023, 2 yen higher than FY5/2022.

Outlook for Consolidated Ordinary Profit



- ✓ In FY5/2023, substantial investments for growth will resume after these investments were limited by the pandemic. **FY5/2023 is expected to be a turning point** that will start a new period of earnings growth.
- ✓ **Maximization of the app membership base is expected to make BOOKOFF operations in Japan an even stronger base for consolidated earnings.** Restarting the opening of BOOKOFF SUPER BAZAAR stores is expected to contribute **to steady earnings growth.**
- ✓ Plan to make large investments for increasing the number of stores and other locations in the premium services business and overseas business, which have good prospects for growth. **These two businesses are expected to be major sources of earnings growth for the BOOKOFF Group.**

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

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

BOOKOFF GROUP HOLDINGS

Contact for more information about this presentation

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

The plans, strategies, and financial forecasts presented in these materials contain forward-looking statements not based on historical fact. Forward-looking statements are based on management judgments using information available at the time. Actual results may vary significantly from forecasts due to changes in the business environment and other factors.



APPENDIX

BOOKOFF GROUP HOLDINGS

(Million yen)

	1H FY5/2022	1H FY5/2023
Net sales	42,776	48,568
Cost of sales	17,197	20,756
Gross profit	25,579	27,811
SG&A expenses	25,234	26,827
Operating profit	345	984
Non-operating income	506	335
Non-operating expenses	189	94
Ordinary profit	662	1,224
Extraordinary income	126	2
Extraordinary losses	87	149
Profit before income taxes	701	1,078
Income taxes-current	238	259
Income taxes-deferred	24	(167)
Total income taxes	263	92
Profit	438	985
Profit (loss) attributable to non-controlling interests	(18)	63
Profit attributable to owners of parent	457	921

	(Million yen)	
	As of May 31, 2022	As of Nov. 30, 2022
Current assets	28,329	29,091
Cash and deposits	8,203	7,195
Merchandise	15,412	16,640
Others	4,714	5,255
Non-current assets	16,766	18,819
Property, plant and equipment	6,214	7,687
Intangible assets	1,607	2,184
Investments and other assets	8,943	8,947
Total assets	45,096	47,911
Current liabilities	16,289	17,216
Short-term borrowings	8,259	10,359
Others	8,030	6,857
Non-current liabilities	12,324	13,412
Non-current liabilities	7,693	8,084
Others	4,630	5,328
Total liabilities	28,614	30,629
Net assets	16,482	17,281
Total liabilities and net assets	45,096	47,911

(Million yen)

	1H FY5/2022	1H FY5/2023
Cash flows from operating activities	33	(861)
Profit before income taxes	701	1,078
Depreciation	736	743
Amortization of goodwill	24	24
Changes in assets and liabilities	(970)	(1,416)
Others	(459)	(1,290)
Cash flows from investing activities	(817)	(2,147)
Cash flows from financing activities	990	1,919
Effect of exchange rate change on cash and cash equivalents	6	82
Net increase (decrease) in cash and cash equivalents	213	(1,007)
Cash and cash equivalents at beginning of period	5,837	8,203
Cash and cash equivalents at end of period	6,050	7,195

Founded:	May 1990
Established:	October 2018 (A pure holding company through a transfer of stock)
Representative:	Yasutaka Horiuchi, President and CEO
Stock listing:	Prime Market, Tokyo Stock Exchange (Securities code: 9278)
Trading unit:	100 shares
Head office:	2-14-20 Kobuchi, Minami-ku, Sagamihara, Kanagawa
Net sales:	¥91.5 billion (FY5/2022 consolidated results)
Number of stores:	790 (Directly operated: 409; Franchised: 381 as of May 31, 2022)
Employees (Consolidated) :	1,488 (as of May 31, 2022)

- 1990: The first BOOKOFF store opened in Sagamihara, Kanagawa
- 1991: BOOKOFF CORPORATION LIMITED established
BOOKOFF franchise chain launched
- 2000: BOOKOFF's first overseas store opened
The first Chuko-Gekijo (comprehensive, large-format) opened (current BOOKOFF SUPER BAZAAR)
- 2004: BOOKOFF CORPORATION's stock listed on the Second Section of the Tokyo Stock Exchange
- 2005: BOOKOFF CORPORATION's stock listed on the First Section of the Tokyo Stock Exchange
- 2007: BOOKOFF Online (e-commerce site) launched
- 2015: HUGALL department store purchasing desks service started at the Nihombashi Mitsukoshi department store
- 2016: Made Booklog, Inc., which operates book review community site, a subsidiary
- 2018: BOOKOFF GROUP HOLDINGS LIMITED, a pure holding company, established
- 2021: Opened Japan TCG Center Kichijoji-eki-kitaguchi Store, BOOKOFF's first store devoted solely to trading cards
- 2022: Moved the stock listing to the Prime Market following the reorganization of the Tokyo Stock Exchange

Corporate Philosophy

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

Mission

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

Vision

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

Store Packaging Evolution



- Founding
- “Sell us your books”
- Franchised store growth



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



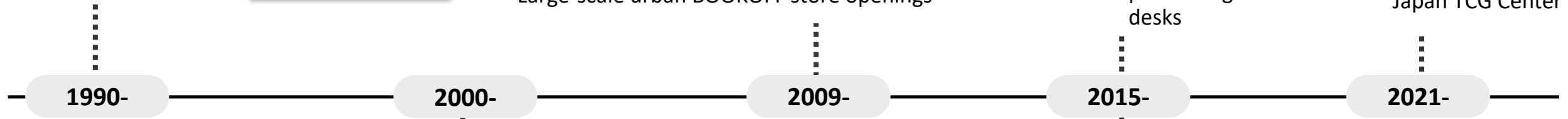
One-stop purchasing consultation desk

- Started the one-stop purchasing consultation desks



Japan TCG Center

- Opened the first Japan TCG Center



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

- Started Online business

- Opened the first dept. store purchasing desk
- Started operations in Malaysia



Focus on suburban locations



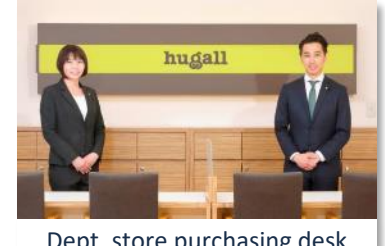
BOOKOFF Chuko-Gekijo



A U.S. store



The BOOKOFF Online website



Dept. store purchasing desk



A Jalan Jalan Japan store in Malaysia

Numbers of stores, other locations and app members are as of Nov. 30, 2022.

BOOKOFF Operations in Japan



615 stores



47 stores



73 stores



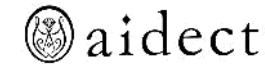
5.78 million app members

Directly operated and franchised BOOKOFF stores are located in all 47 prefectures and are backed by excellent brand recognition. Stores sell books, software/media and many other used merchandise. This business also includes an e-commerce operation called BOOKOFF Online.

Premium Services Business*



13 locations



12 locations



16 stores

Premium services are one stop, one table, one-to-one services centered on the reuse of merchandise with the purpose of serving customers who have items of high value that BOOKOFF cannot handle.

*Renamed from the Business for Affluent Customers

Overseas Business



9 stores



10 stores

BOOKOFF USA buys and sells books, software/media, anime goods and other types of merchandise. Jalan Jalan Japan stores in Malaysia sell surplus merchandise from Japan.

Our Commitment to the Sustainable Development Goals

Operations of the BOOKOFF Group are guided by the corporate philosophies of “contributing to society through our business activities” and “the pursuit of employees’ material and spiritual well-being.” Sustainability activities are one of our highest priorities. By buying and selling reuse items, our BOOKOFF business helps create a recycle-based society by extending the life of merchandise and reducing the volume of items that are discarded. As a result, our business activities play an important role regarding SDG 12th: responsible consumption and production.

Our core reuse business and other activities are helping to solve a variety of issues involving society and the environment. Furthermore, we are dedicated to achieving the sustainability of supply chains for our operations and other industries in order to create a better society. To play a role in accomplishing the SDGs, we have identified items in the SDG goals and targets that involve our businesses as well as items that have an impact on society. For activities that target our materiality issues, which are shown below, we created a team centered on our PR and SDG promotion department to discuss and implement activities throughout the BOOKOFF Group. We will continue to use our business activities to solve social issues as we fully utilize the BOOKOFF Group’s strengths and form partnerships with other companies and organizations.

Significantly reduction of waste materials and sustainable forest management



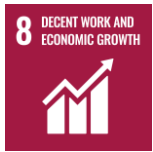
Achieve carbon neutrality



Create opportunities for education for the next generation



Support and increase diversity



Public-private sector cooperation and cooperation among companies





By purchasing and selling reuse items, the businesses of BOOKOFF contribute to society by extending the lives of merchandise and reducing the volume of waste materials. Furthermore, our reuse business lowers CO2 emissions by about 21 tons every year. By working with partner companies, we recycle about 30,000 tons of used paper every year, which is equivalent to protecting approximately 600,000 trees annually (based on BOOKOFF's estimate).

CO2 Emission Reduction due to Japan Reuse Business



CO2 reduction involving books, CD/DVD, game software and apparel

About 205,000 tons

Period: June 1, 2021 to May 31, 2022

Operations: BOOKOFF Group stores and EC website in Japan

Products: Books, software, apparel

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

Reuse of Plastic in CDs and DVDs



Every year, we buy about 24.6 million CDs and DVDs from customers and discard approximately 1,700 tons of unsold discs. In prior years, other companies were used to recycle these discs. Now, we are studying ways to use our own recycling operations as a means of providing a new form of value. With the support of ITOCHU Plastics Inc., a company specializing in plastics, we are establishing an innovative production line for the conversion of CDs and DVDs into a form of plastic that can be reused.



BOOKOFF has education support programs concerning reuse operations that are structured for preschool, elementary, junior high and high school students. Lessons cover many aspects of the reuse business. Using the operations of our stores, with which children are familiar, for these lessons increases their awareness and understanding of social and environmental issues.

Reuse Lessons at Schools



BOOKOFF has created lessons about its reuse operations to explain these activities to children of all ages. Nearby BOOKOFF stores are used for these lessons so that students can understand our role in helping solve social and environmental issues. In 2022, we held 70 lessons for more than 2,000 students at schools throughout Japan. These activities are very popular as a means of teaching children about the SDGs as well as career opportunities in the reuse and recycling sectors.

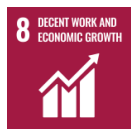


The export of surplus reuse merchandise in Japan for sale at Jalan Jalan Japan reuse stores in other countries is an important way in which BOOKOFF extends the life of a variety of items. We also use partnerships with companies and organizations for the reuse of merchandise. These activities place us at the forefront of measures for creating a recycling-based society.

Joint Activities with the Tokyu Group



The BOOKOFF Group is conducting a demonstration trial with four Tokyu Group companies concerning the creation of communities where nothing is thrown away. The four partner companies are Tokyu Corporation, Tokyu Railways, Tokyu Bus Corporation and its subsidiary Tokyu Transses Corporation. The first part of this demonstration is the resale at BOOKOFF stores of items that were forgotten on Tokyu trains and buses, after the legal holding period expires. In addition, BOOKOFF is holding special events for the purchase of unneeded items at convenient locations for people living along Tokyu Railway lines.



BOOKOFF started the Pleasant and Productive Workplace Project with the goal of creating workplaces where women can realize their full potential and where everyone can maintain the proper work-life balance. Activities enable employees irrespective of age and gender to perform child care, elderly parent care and other personal activities as required at each stage of their lives. The project has two targets for the end of FY5/2025. First is increasing the number of female managers by 50% from the 2020 level. Second is achieving 100% use of child care time off for female employees and a utilization rate of at least 30% for male employees. To increase diversity regarding people with special needs, we have established a special subsidiary that provides employment for these individuals.

The BOOKOFF Policy for Diversity

The BOOKOFF Group considers its employees to be its greatest asset and the source of its competitiveness. The Group therefore refers to all staff members, both full-time and part-time employees, as “human assets.”

We are dedicated to maintaining a corporate culture where all employees can utilize their individuality and skills in a manner consistent with their lifestyles. This policy applies to people regardless of race, nationality, gender, age, career goals, religion and physical or other disabilities. To preserve and enhance diversity, we have established a diversity and inclusion promotion team. Discussion groups are held with senior executives to determine the current status of diversity at the BOOKOFF Group. Actions are then taken regarding issues that are identified at these meetings. These measures are aimed at allowing individuals to upgrade their skills and giving them opportunities to achieve their full potential.

Creating a Pleasant Workplace Environment

Job site selection

Job site selection for elderly parent care

Re-hiring system

Refreshment time off

Pregnancy and child care time off

Child care time off

Nursing care time off

Elderly parent care extended time off

Elderly parent care time off

Reduced working hours

BOOKOFF Policy for special needs employment

We are dedicated to progress and growth accompanied by the happiness and well-being of our entire workforce. Operating as an organization where everyone is happy requires respecting their individuality and opinions and ensuring that everyone recognizes and respects the distinctive characteristics of others and has a selfless concern for the well-being of others.

B-Assist, Inc., A special subsidiary



B-Assist was established in October 2010 and designed as a special subsidiary based on the Act on Employment Promotion etc. of Persons with Disabilities in the following December. For 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.

At the end of June 1, 2022, BOOKOFF Group employed 137 people (2.41% of the entire workforce) who have disabilities.

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)



Certification as a disability employment special company

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.

