



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. Application of special accounting methods for presenting quarterly consolidated financial statements: None

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

(1) Changes due to revision of accounting standards: Yes

(2) Changes due to other reasons: None

(3) Changes in accounting-based estimates: None

(4) Restatements: None

(Note) Please see "2. Quarterly Consolidated Financial Statements and Notes, (3) Notes to Quarterly Consolidated Financial Statements, Changes in Accounting Policies" on page 10 of the attachments for further information.

4. Number of shares outstanding (common shares)

(Shares)

(1) Shares outstanding (including treasury shares)	As of Feb. 28, 2023	20,547,413	As of May 31, 2022	20,547,413
(2) Treasury shares	As of Feb. 28, 2023	783,039	As of May 31, 2022	788,900
(3) Average number of shares outstanding	Nine months ended Feb. 28, 2023	19,761,313	Nine months ended Feb. 28, 2022	17,452,739

\* The current summary report is not subject to the quarterly review 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 BOOKOFF GROUP HOLDINGS regarding future performance. Actual results may differ materially from those projected in the forward-looking statements due to a variety of factors.

(How to view supplementary materials for quarterly financial results)

Supplementary materials for the quarterly financial results will be disclosed today (April 13, 2023), using the Timely Disclosure network (TDnet).

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## 1. Qualitative Information on Quarterly Consolidated Financial Performance

### (1) Explanation of Results of Operations

Forward-looking statements in this Consolidated Summary Report are based on information available to management as of the end of the third quarter of the fiscal year ending on May 31, 2023.

Since the start of operations, the BOOKOFF Group has always been guided by the two corporate philosophies of “contributing to society through our business activities” and “the pursuit of employees’ material and spiritual wellbeing.” In addition, the Group has established the following mission for business activities in accordance with these philosophies: Be a source of an enjoyable and prosperous life for as many people as possible.

Based on this mission, we will use our strengths in Japan’s growing reuse market to become the leading reuse company with books as the core category. Our goal is to become the reuse store chain used by the largest number of customers as we adapt to changes in market conditions.

The foundation for all of our activities is the value of our operations that are backed by skills for employee training programs, programs involving the SDGs and other core strengths of our group. One priority is generating stable earnings in the BOOKOFF operations in Japan, which is very well known among consumers. Another objective is the growth of earnings in our premium services business and overseas operations, which are business sectors with good prospects for growth. We are determined to use these activities to achieve the growth of our corporate value and shareholder value.

#### 1) BOOKOFF operations in Japan

BOOKOFF operations in Japan are the Group’s core business and have consistent sales and earnings that account for a large share of consolidated sales and earnings. As a result, this business generates funds for investments for activities for growth.

In order to accomplish this goal, we have established two core strategies: “Upgrade individual stores” and “Use all the BOOKOFF Group’s strengths.”

#### Core strategy I: Upgrade individual stores

We believe that upgrading reuse services provided at stores in all of our businesses, whether in Japan or other countries, to reflect the needs of regions served and targeted customer segments is the starting point for becoming a leading reuse company that serves the largest number of customers. To accomplish this goal, we are making upgrades in a manner that matches the format packages and services of individual stores.

There are separate management policies for the two categories of stores, which are based mainly on floor area, and for online stores, primarily BOOKOFF Online, and e-commerce distribution centers.

#### (a) Single-format BOOKOFF stores (Main package: BOOKOFF)

This package accounts for approximately 80% of all stores in the BOOKOFF chain and play an important role as points of contact with customers. The outlook is challenging for books and software, the major items handled by these stores, because declining sales of new merchandise is making the procurement of used books and software and maintaining sales volumes increasingly difficult. Due to this situation, stores need to add new categories of merchandise, sell products using the internet and take other actions that reflect changes in the business climate.

#### (b) Comprehensive large-format stores (Main packages: BOOKOFF SUPER BAZAAR, BOOKOFF PLUS)

This category accounts for most of the directly operated stores opened during the past several years and is the primary source of the BOOKOFF Group’s earnings. Stores attract large numbers of customers by providing a place where people have access to a broad range of reuse merchandise. These stores are positioned as the main driver of growth. Competitors are also opening new reuse stores as Japan’s market for reuse merchandise expands. For the sustained growth of sales and earnings at multi-format large stores, BOOKOFF needs to create sales areas that match each store’s location and size and improve store operations.

#### (c) Online stores and e-commerce distribution centers (Main EC site: BOOKOFF Online)

BOOKOFF started e-commerce operations in 2007. BOOKOFF Online, which has Japan’s largest inventory of used books, has been growing steadily with a lineup of merchandise centered on books and software. Activities are needed to preserve profit margins as the cost of transporting merchandise and personnel expenses climb.

Another priority is sales activities for maintaining a proper inventory turnover at e-commerce distribution centers that have merchandise obtained by using BOOKOFF's home pick-up service for purchasing reuse items. To steadily increase sales of this merchandise, BOOKOFF needs use BOOKOFF Online along with YAHUOKU!, Rakuten and other e-commerce channels.

Core strategy II: Use all the BOOKOFF Group's strengths

In the past, the BOOKOFF Group provided separate services at stores and through channels other than stores. As the digital shift alters the spending patterns of customers, we need to leverage all of our strengths in order to continue growing. The most important initiative within this core strategy is the "One BOOKOFF" concept for our core BOOKOFF operations in Japan. This concept has the following objective.

"One BOOKOFF"

Our goal is to seamlessly integrate our member base, sales and purchasing platforms, the systems that underpin these operations, and other resources. We want to allow all of our services to utilize our assets including information and expertise concerning members, merchandise, operations and other items acquired by individual operations. By facilitating this widespread sharing of resources, we plan to increase the volume of business for the entire BOOKOFF chain of stores in Japan while improving the earnings of every store.

"One BOOKOFF" is centered on activities and a marketing strategy utilizing our official smartphone app that we launched in June 2018. The objective is to use the app as the starting point for giving customers as many opportunities as possible to use BOOKOFF physical and online stores.

The membership app strategy has the objective of maintaining the stability of sales and earnings in the BOOKOFF operations in Japan. The number of official app members has surpassed 5 million in May 2022. App members receive many benefits to encourage them to use BOOKOFF stores; membership card customers receive only points that can be used later. App members make purchases frequently, resulting in annual purchases that are much higher than for membership card customers. Due to the use of many activities to attract new members, app members now account for 31% of all customers who make purchases at BOOKOFF. This is a higher percentage than for membership card customers even though the app was launched less than four years ago.

As part of our marketing strategy, we started the "It's here" advertising campaign in May 2021. Advertisements reinforce customers' awareness of BOOKOFF's value and services as a source of a diverse array of books and other reuse merchandise. Unlike conventional advertisements for discount sales and direct advertisements, this campaign shifts the focus to BOOKOFF's value and brand in order to constantly attract more customers. The campaign uses TV commercials as well as the internet, SNS, PR, stores and other channels that reflect the activities of customers. Another goal is to make dormant customers who have been away from BOOKOFF for a while want to return.

2) Premium services business (renamed from the business for affluent customers)

This category consists of two services for individuals with high incomes, which is a customer segment that normally does not use services of the BOOKOFF Group. One is the operation of purchasing desks at department stores using the hugall brand. The other is the operation of jewelry repair, restoration and sales locations at department stores and shopping centers using the name aidect brand. Both services are valuable channels for serving customer segments that are not covered by BOOKOFF stores. The hugall service uses its improved efficient operations extending from purchases to sales in order to generate earnings by purchasing quality reuse items primarily at purchasing desks located at department stores. To continue increasing earnings, the hugall service is focusing on adding more locations, mainly at department stores, and constantly increasing the number of customers.

Unlike BOOKOFF stores, hugall locations are mainly in department stores and other prime shopping districts. Although hugall's performance was weak because these locations are more vulnerable to the pandemic, the volume of purchases at hugall is now far higher than before the pandemic. The main reasons are a recovery in the number of customers at department stores, shopping centers and other places where hugall is located and rising prices of precious metals. The aidect business operates stores specializing in order-made jewelry fabricated by hand and jewelry repairs and restorations, which is a business model for new types of services. This business is increasing cooperation with BOOKOFF Group stores to increase points of contact with targeted customer segments and is taking other actions for becoming profitable.

BOOKOFF is increasing the pace of premium services store openings where affluent customers, a segment the BOOKOFF business cannot reach, live and in places where they want services. Due to the large number of stores competitors are opening for purchasing precious metals and other high-end items, the success of the premium services business will require differentiation from the services of competitors.

### 3) Overseas business

The BOOKOFF Group operates stores in the United States and France. In addition, the Group started operating stores in Malaysia under the name Jalan Jalan Japan in 2016 to create a channel for selling surplus merchandise in Japan.

Stores in the United States have been performing well since March 2021 as they buy and sell a large volume of books and software. The popularity of merchandise involving Japanese anime and manga is positioning these stores as a place to go for entertainment. Using SNS and special events for increasing communications and customer awareness of BOOKOFF has contributed to the increase in purchases of used items.

Operations in Malaysia are also performing well and sales are currently higher than before the pandemic.

The overseas business has been making an increasing contribution during the past few years to the BOOKOFF Group's earnings because of sales growth at all business formats. Growth is backed by the sale of highly distinctive merchandise, the maintenance of high profit margins by adapting to inflation and other economic trends in individual countries, and opening more stores.

In the first nine months of the current fiscal year, we opened nine locations in Japan: the BOOKOFF SUPER BAZAAR PAPA Ageo store, the BOOKOFF Kasukabe Toyoharu store, the BOOKOFF Suzuka Hunter store, the BOOKOFF AEON Honmoku store, the BOOKOFF Purchasing Consultation Desk at Kasuga-Hakusan-dori, the BOOKOFF Purchasing Consultation Desk at Azabujuban, the BOOKOFF Purchasing Center Frespo Hachioji Minamino store, and the Aso-Biba AEON Mall Wakayama store, which is BOOKOFF's first store using this new business model specializing mainly in trading cards and games, and the Japan TCG Center AEON Mall Okinawa Rycom store. In addition, we opened two locations in the U.S.: the BOOKOFF Animelab Brooklyn store and the BOOKOFF RIVERSIDE store, and two in Malaysia: the Jalan Jalan Japan Tampoi store and the Jalan Jalan Japan Kip mall Melaka store.

We are continuously making investments for activities involving the "One BOOKOFF" concept with the goal of increasing the volume of merchandise at all stores in the BOOKOFF Group and improving the profitability of stores. These activities include measures to increase the number of members using our official app, distributing coupons and conducting special sales exclusively for members, allowing customers to pick up at stores merchandise purchased using the app, collaboration with BOOKOFF Online and other convenient and valuable services.

In the fiscal year ending in May 2023, we are resuming substantial investments in all businesses following limitations on these expenditures during the pandemic. We are positioning this year as a turning point for the beginning of a new phase of earnings growth. One goal is building an even stronger base for stable earnings in the BOOKOFF business in Japan. We plan to increase the number of app members as much as possible and continue making strategic IT and marketing expenditures. In addition, we will resume openings of BOOKOFF SUPER BAZAAR stores and BOOKOFF stores with an entertainment format. In the premium services business and overseas business, which have good prospects for growth, we plan to increase the number of stores and other locations to establish a base for growth.

In the BOOKOFF operations in Japan, sales in the first nine months of trading cards and hobby goods were far higher than in sales in the first nine months of the previous fiscal year due mainly to the success of many initiatives to increase sales. Sales of apparel and software media were also higher than one year earlier. In addition, we restarted the opening of BOOKOFF stores after a period of holding down store openings because of the pandemic.

In the premium services business, sales of hugall and other operations were higher than one year earlier.

In the overseas business, sales were higher than one year earlier because of the strong performances of Jalan Jalan Japan stores in Malaysia and BOOKOFF stores in the United States.

As a result, consolidated net sales amounted to ¥75,407 million, a 12.0% increase from one year earlier. The BOOKOFF Group recorded an operating profit of ¥2,411 million, a 51.1% increase from one year earlier, an ordinary profit of ¥2,732 million, an 33.8% increase from one year earlier. Profit attributable to owners of

parent was ¥1,887 million, a 46.3% increase from one year earlier due largely to a reduction in income taxes associated with group reorganization activities.

There is no business segment information because the BOOKOFF Group has only a single segment.

## (2) Explanation of Financial Position

### (Current Assets)

Current assets at the end of the third quarter were ¥28,661 million, an increase of ¥331 million compared with ¥28,329 million at the end of the previous fiscal year. The major changes were a ¥1,720 million decrease in cash and deposits, a ¥1,358 million increase in merchandise due to accelerated development of strategic products such as trading cards and hobby goods, a ¥421 million increase in other current assets due to an increase in accounts receivable-other and a ¥271 million increase in accounts receivable-trade due to changes in the accounts receivable-EC sales website.

### (Non-current Assets)

Non-current assets at the end of the third quarter were ¥18,871 million, an increase of ¥2,105 million compared with ¥16,766 million at the end of the previous fiscal year. This was mainly attributable to increases of ¥1,645 million in property, plant and equipment due to changes in the accounting policy at a U. S. consolidated subsidiary that applies the U. S. GAAP, new store openings, renovations of existing stores and other factors, and ¥736 million in intangible assets due to additional investment in IT systems, while there was a ¥276 million decrease in investments and other assets.

### (Liabilities)

Liabilities at the end of the third quarter were ¥29,268 million, an increase of ¥654 million compared with ¥28,614 million at the end of the previous fiscal year. This was mainly attributable to an increase in borrowings as loans from banks were used to procure funds for store equipment, IT investments and other activities.

### (Net Assets)

Net assets at the end of the third quarter were ¥18,263 million, an increase of ¥1,781 million compared with ¥16,482 million at the end of the previous fiscal year. Major components were dividend payments, the profit attributable to owners of parent and an increase in foreign currency translation adjustment

## (3) Explanation of Consolidated Earnings Forecasts and Other Forward-looking Statements

Regarding the consolidated earnings forecasts for the fiscal year ending May 31, 2023, please refer to the press release titled “Notice of Revisions to Consolidated Forecasts” (Japanese version only) dated April 13, 2023.

2. Quarterly Consolidated Financial Statements and Notes

(1) Quarterly Consolidated Balance Sheet

(Unit: million yen)

	FY5/2022 (As of May 31, 2022)	Third quarter of FY5/2023 (As of Feb. 28, 2023)
<b>Assets</b>		
Current assets		
Cash and deposits	8,203	6,482
Accounts receivable-trade	2,333	2,604
Merchandise	15,412	16,771
Other	2,380	2,802
Allowance for doubtful accounts	(0)	(0)
Total current assets	28,329	28,661
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	4,116	4,197
Leased assets, net	1,151	2,230
Other, net	947	1,432
Total property, plant and equipment	6,214	7,860
Intangible assets		
Goodwill	87	51
Other	1,519	2,292
Total intangible assets	1,607	2,343
Investments and other assets		
Guarantee deposits	7,306	7,199
Other	1,697	1,528
Allowance for doubtful accounts	(60)	(60)
Total investments and other assets	8,943	8,667
Total non-current assets	16,766	18,871
Total assets	45,096	47,532



(Unit: million yen)

	FY5/2022 (As of May 31, 2022)	Third quarter of FY5/2023 (As of Feb. 28, 2023)
<b>Liabilities</b>		
Current liabilities		
Accounts payable-trade	735	812
Short-term borrowings	4,883	6,333
Current portion of long-term borrowings	3,376	3,350
Lease liabilities	255	489
Income taxes payable	613	80
Provision for bonuses	598	329
Provision for loss on store closings	18	9
Other provisions	315	126
Other	5,493	4,535
Total current liabilities	16,289	16,066
Non-current liabilities		
Bonds payable	1,000	1,000
Long-term borrowings	7,693	7,729
Asset retirement obligations	2,405	2,396
Lease liabilities	986	1,843
Other	238	233
Total non-current liabilities	12,324	13,202
Total liabilities	28,614	29,268
<b>Net assets</b>		
Shareholders' equity		
Share capital	100	100
Capital surplus	6,858	6,860
Retained earnings	9,948	11,440
Treasury shares	(596)	(591)
Total shareholders' equity	16,310	17,809
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	72	108
Foreign currency translation adjustment	(24)	121
Total accumulated other comprehensive income	48	229
Non-controlling interests	123	224
Total net assets	16,482	18,263
Total liabilities and net assets	45,096	47,532

(2) Quarterly Consolidated Statements of Income and Comprehensive Income

Quarterly Consolidated Statement of Income

(For the Nine-month Period)

(Unit: million yen)

	First nine months of FY5/2022 (Jun. 1, 2021 – Feb. 28, 2022)	First nine months of FY5/2023 (Jun. 1, 2022 – Feb. 28, 2023)
Net sales	67,340	75,407
Cost of sales	27,340	32,178
Gross profit	39,999	43,228
Selling, general and administrative expenses	38,404	40,817
Operating profit	1,595	2,411
Non-operating income		
Gain from installment of vending machine	93	96
Gain on sale of recycling goods	164	175
Other	418	194
Total non-operating income	677	467
Non-operating expenses		
Interest expenses	107	113
Share of loss of entities accounted for using equity method	1	6
Other	122	26
Total non-operating expenses	231	145
Ordinary profit	2,041	2,732
Extraordinary income		
Gain on sale of non-current assets	-	3
Compensation for forced relocation	58	-
Gain on forgiveness of debts	69	-
Total extraordinary income	127	3
Extraordinary losses		
Loss on sale of investment securities	-	2
Loss on store closings	-	47
Provision for loss on store closings	0	9
Loss on retirement of non-current assets	21	28
Impairment losses	-	95
Loss on COVID-19	70	-
Total extraordinary losses	92	183
Profit before income taxes	2,076	2,552
Income taxes-current	549	426
Income taxes-deferred	224	139
Total income taxes	774	566
Profit	1,302	1,986
Profit attributable to non-controlling interests	11	98
Profit attributable to owners of parent	1,290	1,887

Quarterly Consolidated Statement of Comprehensive Income  
 (For the Nine-month Period)

(Unit: million yen)

	First nine months of FY5/2022 (Jun. 1, 2021 – Feb. 28, 2022)	First nine months of FY5/2023 (Jun. 1, 2022 – Feb. 28, 2023)
Profit	1,302	1,986
Other comprehensive income		
Valuation difference on available-for-sale securities	(11)	32
Foreign currency translation adjustment	33	148
Share of other comprehensive income of entities accounted for using equity method	13	2
Total other comprehensive income	35	184
Comprehensive income	1,337	2,170
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	1,322	2,068
Comprehensive income attributable to non-controlling interests	15	101

(3) Notes to Quarterly Consolidated Financial Statements

(Notes Concerning the Going-Concern Premise)

Not applicable.

(Significant Changes in Shareholders' Equity)

Not applicable.

(Changes in Accounting Policies)

(Accounting Standards Codification (ASC) Application of Financial Accounting Standards Board (FASB) 842 "Leases")

An overseas consolidated subsidiary that uses U.S. accounting standards started using ASC 842 "Leases" at the beginning of the first quarter of the current fiscal year. As a result, as a rule, all transactions where this subsidiary is the lessee are recognized as assets and liabilities in the balance sheet.

The cumulative effect of the application of this new standard was recognized on the first day this standard was applied, which is allowed as a transitional measure.

As a result, "leased assets, net" under property, plant and equipment, "lease liabilities" under current liabilities and "lease liabilities" under non-current liabilities increased ¥806 million, ¥174 million and ¥653 million, respectively, in the quarterly consolidated balance sheet at the end of the third quarter of the current fiscal year.

The effect of this change on the quarterly consolidated statement of income for the first nine months of the current fiscal year is insignificant.

(Segment Information)

I. First nine months of FY5/2022 (Jun. 1, 2021 – Feb. 28, 2022)

This information is omitted because the Group has only a single segment.

II. First nine months of FY5/2023 (Jun. 1, 2022 – Feb. 28, 2023)

This information is omitted because the Group has only a single segment.

*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.*