



April 11, 2024

Consolidated Summary Report
for the Third Quarter of the Fiscal Year Ending May 31, 2024
[Japanese GAAP]

Company Name: BOOKOFF GROUP HOLDINGS LIMITED Stock Exchange: Tokyo
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Quarterly report issue date: April 12, 2024
Dividend payment date: -
Supplementary materials of quarterly financial results: Yes
Quarterly financial results briefing: None

(Amounts less than one million yen are rounded down)

1. Consolidated Financial Results for the Third Quarter of the Fiscal Year Ending May 31, 2024
(June 1, 2023 – February 29, 2024)

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

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent	
	Million yen	YoY change %	Million yen	YoY change %	Million yen	YoY change %	Million yen	YoY change %
Nine months ended Feb. 29, 2024	82,388	9.3	2,755	14.3	3,074	12.5	1,913	1.4
Nine months ended Feb. 28, 2023	75,407	12.0	2,411	51.1	2,732	33.8	1,887	46.3

(Note) Comprehensive income Nine months ended Feb. 29, 2024: ¥2,122 million (down 2.2%)
Nine months ended Feb. 28, 2023: ¥2,170 million (up 62.3%)

	Net income per share	Fully diluted net income per share
	Yen	Yen
Nine months ended Feb. 29, 2024	96.82	-
Nine months ended Feb. 28, 2023	95.53	-

(2) Consolidated Financial Condition

	Total assets	Net assets	Equity ratio
	Million yen	Million yen	%
As of Feb. 29, 2024	53,284	20,693	38.3
As of May 31, 2023	50,213	19,057	37.6

(Reference) Shareholders' equity As of Feb. 29, 2024: ¥20,395 million As of May 31, 2023: ¥18,858 million

2. Dividends

	Dividend per share				
	End of 1Q	End of 2Q	End of 3Q	End of FY	Full year
	Yen	Yen	Yen	Yen	Yen
Fiscal year ended May 31, 2023	-	0.00	-	25.00	25.00
Fiscal year ending May 31, 2024	-	0.00	-		
Fiscal year ending May 31, 2024 (est.)				25.00	25.00

(Note) Revisions to the most recently announced dividend forecast: None

3. Consolidated Forecast for the Fiscal Year Ending May 31, 2024 (June 1, 2023 – May 31, 2024)

(Percentage figures represent year-on-year changes)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent		Net income per share
	Million yen	YoY change %	Million yen	YoY change %	Million yen	YoY change %	Million yen	YoY change %	Yen
Full year	111,000	9.0	3,200	24.1	3,600	18.4	2,100	(24.2)	106.23

(Notes) 1. Revisions to the most recently announced consolidated earnings forecasts: Yes

2. BOOKOFF GROUP HOLDINGS conducted the disposal of treasury shares in relation to a restricted stock compensation plan on October 20, 2023. Net income per share forecast for the fiscal year ending May 31, 2024 is adjusted to reflect the disposal of treasury shares.

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: None

(2) Changes due to other reasons: None

(3) Changes in accounting-based estimates: None

(4) Restatements: None

4. Number of shares outstanding (common shares)

(Shares)

(1) Shares outstanding (including treasury shares)	As of Feb. 29, 2024	20,547,413	As of May 31, 2023	20,547,413
	As of Feb. 29, 2024	777,239	As of May 31, 2023	783,239
(2) Treasury shares	As of Feb. 29, 2024	777,239	As of May 31, 2023	783,239
(3) Average number of shares outstanding	Nine months ended Feb. 29, 2024	19,767,086	Nine months ended Feb. 28, 2023	19,761,313

* 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 11, 2024), 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, 2024.

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 the growing reuse market to become the leading reuse company. Our goal is to contribute to the establishment of a society where products and materials are recycled and be a company that can continue to grow while enabling all employees to do their jobs with confidence and enthusiasm.

The BOOKOFF Group is currently implementing medium-term management policies covering the period that will end with the fiscal year ending in May 2028. All activities are backed by the value that our operations provide, such as our strengths involving employee training programs and sustainability programs. For BOOKOFF operations in Japan, which is positioned as a business sector for exploitation, we will build on the widespread awareness of our brand to generate consistent earnings. In the premium services business, overseas business and new businesses, which are positioned as sectors for exploration, we are making investments and using our knowledge in order to create teams of highly skilled and experienced people. We plan to promote the expansion of our group’s business scale and profit growth by producing experienced domestic personnel for other businesses.

In the first nine months of the current fiscal year, consolidated net sales amounted to ¥82,388 million, a 9.3% increase from one year earlier as sales in the first nine months in every business were higher. Ordinary profit increased 12.5% from one year earlier to ¥3,074 million because of higher earnings in the BOOKOFF operations in Japan and overseas business despite an increase in corporate expenses. Profit attributable to owners of parent increased 1.4% to ¥1,913 million.

Business segment performance was as follows.

Reportable segments were reclassified in the first quarter of the current fiscal year. Prior-year figures have been revised for consistency with the new segments to facilitate comparisons.

BOOKOFF operations in Japan

During the first nine months of the current fiscal year, two BOOKOFF PLUS stores (Yoshizuya Shin-Inazawa store and Hitachi Stn. store), five BOOKOFF stores (DCM Kamiiso store, Musashikoganei store, AEON Hashimoto store, AEON Mall Omuta store and Ito-Yokado Mizonokuchi store) and two ASO-VIVA stores (AEON Mall Kusatsu store and AEON Mall Suzuka store) were opened.

At the directly operated existing stores, sales of trading cards and hobby goods, apparel, jewelry, watches, high-end brand bags, home appliances/smart phones and several other categories were higher than one year earlier. As a result, sales in this segment increased 8.1% from one year earlier to ¥73,130 million and segment profit increased 18.7% to ¥3,760 million.

Premium services business

During the first nine months of the current fiscal year, hugall Iyotetsu Takashimaya store was opened.

Sales in the first nine months increased 17.0% from one year earlier to ¥4,974 million because of an increase in purchases. Segment profit decreased 2.5% to ¥323 million mainly due to a decrease in gross profit margin resulting from the larger share of precious metal sales caused by rising prices of precious metals and more people hired for business growth.

Overseas business

During the first nine months of the current fiscal year, BOOKOFF IRVINE store was opened in the United States and the Jalan Jalan Japan AEON MALL Bukit Raja store was opened in Malaysia.

Sales in the first nine months were higher than one year earlier both at BOOKOFF stores in the United States and Jalan Jalan Japan stores in Malaysia because of stores opened in prior years. Sales in the overseas business increased 15.1% from one year earlier to ¥3,424 million. There were activities to hire more people and improve compensation but segment profit increased 17.3% to ¥604 million.

(2) Explanation of Financial Position

(Current Assets)

Current assets at the end of the third quarter were ¥31,542 million, an increase of ¥2,429 million compared with ¥29,112 million at the end of the previous fiscal year. This was mainly attributable to a ¥1,171 million increase in cash and deposits because funds were procured for store equipment, IT investments and other activities and a ¥976 million increase in merchandise mainly because of large expenditures for the growth of operations for trading cards and hobby goods and new store openings.

(Non-current Assets)

Non-current assets at the end of the third quarter were ¥21,742 million, an increase of ¥640 million compared with ¥21,101 million at the end of the previous fiscal year. This was mainly attributable to a ¥665 million increase in property, plant and equipment due to new store openings in the overseas business, and new store openings and investments in store equipment in the BOOKOFF operations in Japan.

(Liabilities)

Liabilities at the end of the third quarter were ¥32,590 million, an increase of ¥1,435 million compared with ¥31,155 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 ¥20,693 million, an increase of ¥1,635 million compared with ¥19,057 million at the end of the previous fiscal year. Major components were dividend payments and the profit attributable to owners of parent.

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

Regarding the consolidated earnings forecasts for the fiscal year ending May 31, 2024, please refer to the press release titled “Notice Concerning Revisions to Full-Year Financial Results Forecasts” dated April 11, 2024.

2. Quarterly Consolidated Financial Statements and Notes

(1) Quarterly Consolidated Balance Sheet

(Unit: million yen)

	FY5/2023 (As of May 31, 2023)	Third quarter of FY5/2024 (As of Feb. 29, 2024)
Assets		
Current assets		
Cash and deposits	5,544	6,715
Accounts receivable-trade	3,008	3,124
Merchandise	17,612	18,588
Other	2,948	3,113
Allowance for doubtful accounts	(0)	(0)
Total current assets	29,112	31,542
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	4,658	4,572
Leased assets, net	2,703	3,116
Other, net	1,490	1,828
Total property, plant and equipment	8,852	9,518
Intangible assets		
Software	382	2,307
Software in progress	1,998	129
Other	63	36
Total intangible assets	2,443	2,473
Investments and other assets		
Guarantee deposits	7,296	7,314
Other	2,569	2,496
Allowance for doubtful accounts	(60)	(60)
Total investments and other assets	9,804	9,750
Total non-current assets	21,101	21,742
Total assets	50,213	53,284

(Unit: million yen)

	FY5/2023 (As of May 31, 2023)	Third quarter of FY5/2024 (As of Feb. 29, 2024)
Liabilities		
Current liabilities		
Accounts payable-trade	814	820
Short-term borrowings	6,383	7,683
Current portion of long-term borrowings	3,347	4,441
Lease liabilities	654	734
Income taxes payable	340	724
Provision for bonuses	644	349
Provision for loss on store closings	11	29
Other provisions	189	126
Other	5,559	5,230
Total current liabilities	17,945	20,140
Non-current liabilities		
Bonds payable	1,000	1,000
Long-term borrowings	7,341	6,224
Asset retirement obligations	2,450	2,467
Lease liabilities	2,191	2,538
Other	226	219
Total non-current liabilities	13,210	12,449
Total liabilities	31,155	32,590
Net assets		
Shareholders' equity		
Share capital	100	100
Capital surplus	6,860	6,863
Retained earnings	12,322	13,742
Treasury shares	(591)	(587)
Total shareholders' equity	18,691	20,118
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	57	86
Foreign currency translation adjustment	109	190
Total accumulated other comprehensive income	167	277
Non-controlling interests	198	297
Total net assets	19,057	20,693
Total liabilities and net assets	50,213	53,284

(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 FY5/2023 (Jun. 1, 2022 – Feb. 28, 2023)	First nine months of FY5/2024 (Jun. 1, 2023 – Feb. 29, 2024)
Net sales	75,407	82,388
Cost of sales	32,178	35,874
Gross profit	43,228	46,513
Selling, general and administrative expenses	40,817	43,757
Operating profit	2,411	2,755
Non-operating income		
Gain from installment of vending machine	96	93
Gain on sales of recycling goods	175	182
Other	194	207
Total non-operating income	467	483
Non-operating expenses		
Interest expenses	113	135
Share of loss of entities accounted for using equity method	6	9
Other	26	20
Total non-operating expenses	145	165
Ordinary profit	2,732	3,074
Extraordinary income		
Compensation for forced relocation	-	93
Other	3	0
Total extraordinary income	3	94
Extraordinary losses		
Loss on sale of investment securities	2	-
Loss on store closings	47	21
Provision for loss on store closings	9	24
Loss on retirement of non-current assets	28	25
Impairment losses	95	38
Other	-	1
Total extraordinary losses	183	112
Profit before income taxes	2,552	3,056
Income taxes-current	426	924
Income taxes-deferred	139	122
Total income taxes	566	1,046
Profit	1,986	2,009
Profit attributable to non-controlling interests	98	96
Profit attributable to owners of parent	1,887	1,913

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

(Unit: million yen)

	First nine months of FY5/2023 (Jun. 1, 2022 – Feb. 28, 2023)	First nine months of FY5/2024 (Jun. 1, 2023 – Feb. 29, 2024)
Profit	1,986	2,009
Other comprehensive income		
Valuation difference on available-for-sale securities	32	29
Foreign currency translation adjustment	148	83
Share of other comprehensive income of entities accounted for using equity method	2	(0)
Total other comprehensive income	184	112
Comprehensive income	2,170	2,122
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	2,068	2,023
Comprehensive income attributable to non-controlling interests	101	98

(3) Notes to Quarterly Consolidated Financial Statements

(Notes Concerning the Going-Concern Premise)

Not applicable.

(Significant Changes in Shareholders' Equity)

Not applicable.

(Segment Information)

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

1. Information on the amounts of net sales, profit or loss for each reportable segment and breakdown of revenue

(Unit: million yen)

	Reportable segments				Other (Note 1)	Total	Adjustment (Note 2)	Amount reported in quarterly consolidated statement of income (Note 3)
	BOOKOFF operations in Japan	Premium services business	Overseas business	Total				
Net sales								
Revenue from contracts with customers	67,656	4,253	2,974	74,883	523	75,407	-	75,407
Other revenue	-	-	-	-	-	-	-	-
Sales to external customers	67,656	4,253	2,974	74,883	523	75,407	-	75,407
Inter-segment sales and transfers	10	-	-	10	389	400	(400)	-
Total	67,667	4,253	2,974	74,894	913	75,807	(400)	75,407
Segment profit (loss)	3,168	332	515	4,016	(86)	3,929	(1,197)	2,732

Notes: 1. Other segment is mainly the operation of BOOKOFF Group's directly operated Japan TCG Center stores specializing in trading cards and provision of BOOKOFF Clean-up Service to individuals for the removal from houses of items that are no longer needed.

2. The adjustment of minus ¥1,197 million to segment profit (loss) includes corporate expenses that are not allocated to reportable segments. Corporate expenses mainly include general and administrative expenses that cannot be attributed to reportable segments.

3. Segment profit (loss) is adjusted for consistency with ordinary profit in the quarterly consolidated financial statements.

2. Information concerning impairment loss on non-current assets, goodwill, etc. for each reportable segment

Significant impairment losses related to non-current assets

Not applicable.

Significant change in goodwill

Not applicable.

Significant gain on bargain purchase

Not applicable.

II. First nine months of FY5/2024 (Jun. 1, 2023 – Feb. 29, 2024)

1. Information on the amounts of net sales, profit or loss for each reportable segment and breakdown of revenue

(Unit: million yen)

	Reportable segments				Other (Note 1)	Total	Adjustment (Note 2)	Amount reported in quarterly consolidated statement of income (Note 3)
	BOOKOFF operations in Japan	Premium services business	Overseas business	Total				
Net sales								
Revenue from contracts with customers	73,130	4,974	3,424	81,530	857	82,388	-	82,388
Other revenue	-	-	-	-	-	-	-	-
Sales to external customers	73,130	4,974	3,424	81,530	857	82,388	-	82,388
Inter-segment sales and transfers	7	-	-	7	486	494	(494)	-
Total	73,138	4,974	3,424	81,538	1,344	82,882	(494)	82,388
Segment profit (loss)	3,760	323	604	4,689	(132)	4,557	(1,482)	3,074

Notes: 1. Other segment is mainly the operation of BOOKOFF Group's directly operated Japan TCG Center stores specializing in trading cards and provision of BOOKOFF Clean-up Service to individuals for the removal from houses of items that are no longer needed.

2. The adjustment of minus ¥1,482 million to segment profit (loss) includes corporate expenses that are not allocated to reportable segments. Corporate expenses mainly include general and administrative expenses.

3. Segment profit (loss) is adjusted for consistency with ordinary profit in the quarterly consolidated financial statements.

2. Changes in reportable segments

Beginning in the first quarter of the current fiscal year, BOOKOFF GROUP HOLDINGS is using new reportable segments. This change reflects revisions to the group's management structure. Instead of the single reportable segment of prior years, there are now three reportable segments: BOOKOFF operations in Japan, premium services business and overseas business.

Segment information for the first nine months of FY5/2023 uses the revised reportable segments.

3. Information concerning impairment loss on non-current assets, goodwill, etc. for each reportable segment

Significant impairment losses related to non-current assets

Not applicable.

Significant change in goodwill

Not applicable.

Significant gain on bargain purchase

Not applicable.

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