October 15, 2024

Consolidated Summary Report for the Fiscal Year Ended May 31, 2024 [Japanese GAAP]

Company Name: BOOKOFF GROUP HOLDINGS LIMITED
Code Number: 9278
Representative: Yasutaka Horiuchi, President and CEO
Inquiries: Norihiro Watanabe, Director Tel: +81-42-750-8588

Stock Exchange: Tokyo
URL: https://www.bookoffgroup.co.jp/en/

General meeting of shareholders: August 29, 2024
Dividend payment date: August 30, 2024
Securities report issue date: October 22, 2024
Supplementary materials of financial results: Yes
Financial results briefing: Yes

(Amounts less than one million yen are rounded down)

1. Consolidated Financial Results for the Fiscal Year Ended May 31, 2024 (June 1, 2023 - May 31, 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 %
Fiscal year ended May 31, 2024	111,657	9.6	3,051	18.4	3,448	13.4	1,705	(38.4)
Fiscal year ended May 31, 2023	101,843	11.3	2,578	45.9	3,040	31.7	2,769	91.1

(Note) Comprehensive income Fiscal year ended May 31, 2024: ¥2,009 million (down 33.4%)
Fiscal year ended May 31, 2023: ¥3,019 million (up 98.7%)

	Net income per share	Fully diluted net income per share	Return on equity	Ratio of ordinary profit to total assets	Operating profit margin
	Yen	Yen	%	%	%
Fiscal year ended May 31, 2024	86.26	-	8.7	6.6	2.7
Fiscal year ended May 31, 2023	140.15	-	15.7	6.4	2.5

(Reference) Equity in earnings (losses) of associates Fiscal year ended May 31, 2024: ¥(16) million
Fiscal year ended May 31, 2023: ¥53 million

(2) Consolidated Financial Condition

	Total assets	Net assets	Equity ratio	Net assets per share
	Million yen	Million yen	%	Yen
As of May 31, 2024	54,542	20,507	37.1	1,023.60
As of May 31, 2023	50,213	19,057	37.6	954.20

(Reference) Shareholders' equity As of May 31, 2024: ¥20,236 million As of May 31, 2023: ¥18,858 million

(3) Consolidated Cash Flows

	Cash flows from operating activities	Cash flows from investing activities	Cash flows from financing activities	Cash and cash equivalents at the end of period
	Million yen	Million yen	Million yen	Million yen
Fiscal year ended May 31, 2023	4,084	(2,411)	(100)	7,180
Fiscal year ended May 31, 2023	243	(3,453)	490	5,544

2. Dividends

	Dividend per share					Total dividends	Dividend payout ratio (Consolidated)	Dividends on net assets ratio (Consolidated)
	End of 1Q	End of 2Q	End of 3Q	End of FY	Full year			
	Yen	Yen	Yen	Yen	Yen	Million yen	%	%
Fiscal year ended May 31, 2023	-	0.00	-	25.00	25.00	494	17.8	2.8
Fiscal year ended May 31, 2024	-	0.00	-	25.00	25.00	494	29.0	2.5
Fiscal year ending May 31, 2025 (est.)	-	0.00	-	25.00	25.00		23.5	

3. Consolidated Forecast for the Fiscal Year Ending May 31, 2025 (June 1, 2024 - May 31, 2025)

(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	120,000	7.5	3,500	14.7	3,800	10.2	2,100	23.2	106.22

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

Notes:

1. Significant changes in subsidiaries during the period (changes in specific subsidiaries accompanied by changes in the scope of consolidation): Yes

New: One (company name) J&K TRADING LLC Excluded: - (company name)

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

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

(2) Changes due to other reasons: None

(3) Changes in accounting-based estimates: None

(4) Restatements: None

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

(1) Shares outstanding (including treasury shares)	As of May 31, 2024	20,547,413	As of May 31, 2023	20,547,413
(2) Treasury shares	As of May 31, 2024	783,239	As of May 31, 2023	788,900
(3) Average number of shares outstanding	Fiscal year ended May 31, 2024	19,767,858	Fiscal year ended May 31, 2023	19,762,044

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

* Cautionary statement regarding forecasts of operating results and special notes

(Forward-looking statements)

Forward-looking statements in these materials are based on information available to management at the time this report was prepared and assumptions that management believes are reasonable. This report is not promises by 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.

3. Consolidated Financial Statements and Notes

(1) Consolidated Balance Sheet

(Unit: million yen)

	FY5/2023 (As of May 31, 2023)	FY5/2024 (As of May 31, 2024)
Assets		
Current assets		
Cash and deposits	5,544	7,180
Accounts receivable-trade	3,008	3,397
Merchandise	17,612	18,825
Other	2,948	2,803
Allowance for doubtful accounts	(0)	(0)
Total current assets	29,112	32,208
Non-current assets		
Property, plant and equipment		
Buildings and structures	16,243	16,573
Accumulated depreciation	(11,584)	(11,803)
Buildings and structures, net	4,658	4,770
Land	648	648
Leased assets	3,901	4,483
Accumulated depreciation	(1,197)	(1,376)
Leased assets, net	2,703	3,107
Other	3,373	3,876
Accumulated depreciation	(2,531)	(2,547)
Other, net	842	1,328
Total property, plant and equipment	8,852	9,854
Intangible assets		
Software	382	2,186
Software in progress	1,998	212
Other	63	29
Total intangible assets	2,443	2,428
Investments and other assets		
Investment securities	334	305
Deferred tax assets	2,090	2,351
Guarantee deposits	7,296	7,311
Other	144	145
Allowance for doubtful accounts	(60)	(60)
Total investments and other assets	9,804	10,052
Total non-current assets	21,101	22,334
Total assets	50,213	54,542

(Unit: million yen)

	FY5/2023 (As of May 31, 2023)	FY5/2024 (As of May 31, 2024)
Liabilities		
Current liabilities		
Accounts payable-trade	814	783
Short-term borrowings	6,383	6,333
Current portion of long-term borrowings	3,347	4,483
Lease liabilities	654	764
Accounts payable-other	2,971	3,084
Income taxes payable	340	832
Provision for bonuses	644	686
Provision for loss on store closings	11	24
Provision for special investigation expenses	—	550
Other provisions	189	209
Other	2,587	2,798
Total current liabilities	17,945	20,551
Non-current liabilities		
Bonds payable	1,000	1,000
Long-term borrowings	7,341	7,287
Lease liabilities	2,191	2,514
Asset retirement obligations	2,450	2,484
Other	226	195
Total non-current liabilities	13,210	13,483
Total liabilities	31,155	34,034
Net assets		
Shareholders' equity		
Share capital	100	100
Capital surplus	6,860	6,863
Retained earnings	12,322	13,534
Treasury shares	(591)	(587)
Total shareholders' equity	18,691	19,909
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	57	78
Foreign currency translation adjustment	109	248
Total accumulated other comprehensive income	167	326
Non-controlling interests	198	271
Total net assets	19,057	20,507
Total liabilities and net assets	50,213	54,542

(2) Consolidated Statements of Income and Comprehensive Income

Consolidated Statement of Income

(Unit: million yen)

	FY5/2023 (Jun. 1, 2022 – May 31, 2023)	FY5/2024 (Jun. 1, 2023 – May 31, 2024)
Net sales	101,843	111,657
Cost of sales	43,426	48,885
Gross profit	58,416	62,771
Selling, general and administrative expenses		
Provision of allowance for doubtful accounts	0	0
Salaries and allowances	5,876	6,301
Salaries of part time employees	15,644	17,204
Provision for bonuses	645	687
Retirement benefit expenses	44	48
Rent expenses on land and buildings	11,130	11,509
Commission expenses	6,284	6,753
Other	16,212	17,214
Total selling, general and administrative expenses	55,838	59,719
Operating profit	2,578	3,051
Non-operating income		
Share of profit of entities accounted for using equity method	53	—
Gain from installment of vending machine	124	121
Gain on sales of recycling goods	248	251
Other	250	265
Total non-operating income	676	639
Non-operating expenses		
Interest expenses	171	194
Share of loss of entities accounted for using equity method	—	16
Other	42	31
Total non-operating expenses	214	242
Ordinary profit	3,040	3,448
Extraordinary income		
Gain on sale of non-current assets	3	1
Compensation for forced relocation	—	93
Gain on forgiveness of debts	—	17
Total extraordinary income	3	113
Extraordinary losses		
Loss on store closings	53	42
Provision for loss on store closings	11	20
Provision for special investigation expenses	—	550
Loss on retirement of non-current assets	99	73
Impairment losses	104	93
Other	2	1
Total extraordinary losses	271	782
Profit before income taxes	2,771	2,779
Income taxes-current	778	1,213
Income taxes-deferred	(902)	(269)
Total income taxes	(124)	943
Profit	2,896	1,835
Profit attributable to non-controlling interests	126	130
Profit attributable to owners of parent	2,769	1,705

Consolidated Statement of Comprehensive Income

(Unit: million yen)

	FY5/2023 (Jun. 1, 2022 – May 31, 2023)	FY5/2024 (Jun. 1, 2023 – May 31, 2024)
Profit	2,896	1,835
Other comprehensive income		
Valuation difference on available-for-sale securities	38	20
Foreign currency translation adjustment	138	152
Share of other comprehensive income of entities accounted for using equity method	(53)	0
Total other comprehensive income	123	173
Comprehensive income	3,019	2,009
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	2,889	1,864
Comprehensive income attributable to non-controlling interests	130	145

(3) Consolidated Statement of Changes in Net Assets

FY5/2022 (Jun. 1, 2022 – May 31, 2023)

(Unit: million yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	100	6,858	9,948	(596)	16,310
Changes during period					
Dividends of surplus			(395)		(395)
Profit attributable to owners of parent			2,769		2,769
Purchase of treasury shares				(0)	(0)
Disposal of treasury shares		1		4	6
Net changes in items other than shareholders' equity					
Total changes during period	—	1	2,374	4	2,380
Balance at end of period	100	6,860	12,322	(591)	18,691

	Accumulated other comprehensive income			Non-controlling interests	Total net assets
	Valuation difference on available-for-sale securities	Foreign currency translation adjustment	Total accumulated other comprehensive income		
Balance at beginning of period	72	(24)	48	123	16,482
Changes during period					
Dividends of surplus					(395)
Profit attributable to owners of parent					2,769
Purchase of treasury shares					(0)
Disposal of treasury shares					6
Net changes in items other than shareholders' equity	(15)	134	119	75	195
Total changes during period	(15)	134	119	75	2,575
Balance at end of period	57	109	167	198	19,057

FY5/2024 (Jun. 1, 2023 – May 31, 2024)

(Unit: million yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	100	6,860	12,322	(591)	18,691
Changes during period					
Dividends of surplus			(494)		(494)
Profit attributable to owners of parent			1,705		1,705
Purchase of treasury shares				(0)	(0)
Disposal of treasury shares		2		4	7
Net changes in items other than shareholders' equity					
Total changes during period	—	2	1,211	4	1,218
Balance at end of period	100	6,863	13,534	(587)	19,909

	Accumulated other comprehensive income			Non-controlling interests	Total net assets
	Valuation difference on available-for-sale securities	Foreign currency translation adjustment	Total accumulated other comprehensive income		
Balance at beginning of period	57	109	167	198	19,057
Changes during period					
Dividends of surplus					(494)
Profit attributable to owners of parent					1,705
Purchase of treasury shares					(0)
Disposal of treasury shares					7
Net changes in items other than shareholders' equity	21	138	159	72	231
Total changes during period	21	138	159	72	1,450
Balance at end of period	78	248	326	271	20,507

(4) Consolidated Statement of Cash Flows

(Unit: million yen)

	FY5/2023 (Jun. 1, 2022 – May 31, 2023)	FY5/2024 (Jun. 1, 2023 – May 31, 2024)
Cash flows from operating activities		
Profit before income taxes	2,771	2,779
Depreciation	1,650	1,860
Impairment losses	104	93
Amortization of goodwill	47	40
Increase (decrease) in provision for bonuses	46	42
Increase (decrease) in allowance for doubtful accounts	0	0
Increase (decrease) in provision for loss on store closings	4	34
Increase (decrease) in provision for special investigation expenses	—	550
Increase (decrease) in other provisions	(125)	19
Interest expenses	171	194
Share of loss (profit) of entities accounted for using equity method	(53)	16
Loss on store closings	53	42
Loss (gain) on sales of investment securities	2	(17)
Loss (gain) on sale of non-current assets	(3)	0
Loss on retirement of non-current assets	99	73
Relocation compensation	—	(93)
Decrease (increase) in trade receivables	(672)	(388)
Decrease (increase) in inventories	(2,142)	(1,136)
Increase (decrease) in trade payables	78	(32)
Other, net	(574)	582
Subtotal	1,459	4,662
Interest and dividends received	8	5
Interest paid	(172)	(175)
Proceeds from compensation for forced relocation	—	93
Payment of corporate taxes, etc.	(1,100)	(735)
Amount of corporate tax refund	48	233
Cash flow from operating activities	243	4,084
Cash flows from investing activities		
Purchase of property, plant and equipment	(2,033)	(1,732)
Purchase of intangible assets	(1,259)	(433)
Payments of guarantee deposits	(304)	(274)
Proceeds from refund of guarantee deposits	294	225
Payments for transfer of stores	—	(52)
Other, net	(150)	(144)
Net cash provided by (used in) investing activities	(3,453)	(2,411)
Cash flows from financing activities		
Net increase (decrease) in short-term borrowings	1,500	(50)
Proceeds from long-term borrowings	3,200	4,700
Repayments of long-term borrowings	(3,580)	(3,617)
Repayments of lease obligations	(220)	(566)
Purchase of treasury shares	(0)	(0)
Proceeds from disposal of treasury shares	4	—
Dividends paid	(357)	(494)
Dividends paid to non-controlling interests	(55)	(97)
Proceeds from payments by non-controlling shareholders	—	24
Net cash provided by (used in) financing activities	490	(100)
Effect of exchange rate change on cash and cash equivalents	61	63

Net increase (decrease) in cash and cash equivalents	(2,658)	1,636
Cash and cash equivalents at beginning of period	8,203	5,544
Cash and cash equivalents at end of period	5,544	7,180

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.