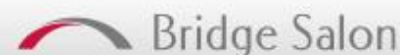


BRIDGE REPORT



President Yasutaka Horiuchi

BOOKOFF GROUP HOLDINGS LIMITED (9278)

BOOKOFF
GROUP HOLDINGS

Company Information

Market	TSE Prime Markets
Industry	Retail (commerce)
President	Yasutaka Horiuchi
HQ Address	2-14-20 Kobuchi, Minami-ku, Sagami-hara-shi, Kanagawa Prefecture
Year-end	May
HOMEPAGE	https://www.BOOKOFFgroup.co.jp/en/index.html

Stock Information

Share Price	Number of shares issued (End of the term)		Total market cap	ROE (Actual)	Trading Unit
¥2,867	20,547,413 shares		¥58,909million	13.9%	100 shares
DPS (Est.)	Dividend yield (Est.)	EPS (Est.)	PER (Est.)	BPS (Actual)	PBR (Actual)
¥40.00	1.4%	¥159.52	18.0x	¥1,204.85	2.4x

*The share price is the closing price on August 19. Figures are from FY 5/26 financial results.

Consolidated Earnings Trends

Fiscal Year	Net Sales	Operating Income	Ordinary Income	Net Income	EPS	DPS
May 2023 (Actual)	101,843	2,578	3,040	2,769	140.15	25.00
May 2024 (Actual)	111,657	3,051	3,448	1,705	86.26	25.00
May 2025 (Actual)	119,205	3,448	3,903	2,101	108.54	25.00
May 2026 (Actual)	130,123	4,405	4,720	2,763	157.45	36.00
May 2027 (Forecast)	139,000	4,700	5,000	2,800	159.52	40.00

* The forecasted values were provided by the company. Unit: million yen. Net income is profit attributable to the owners of the parent. The same applies hereafter.

We present this Bridge Report reviewing the fiscal year ended May 2026 financial results of BOOKOFF GROUP HOLDINGS LIMITED.

Table of Contents

[Key Points](#)

[1. Company Overview](#)

[2. Fiscal Year ended May 2026 Financial Results](#)

[3. Fiscal Year ending May 2027 Financial Forecast](#)

[4. Progress of the Mid-term Management Policy](#)

[5. Alliance with ITOCHU Corporation](#)

[6. Message from President Horiuchi](#)

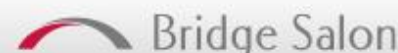
[7. Conclusions](#)

[<Reference: Corporate Governance>](#)

Key Points

- In the fiscal year ended May 2026, sales and profit grew, while both sales and ordinary income hit a record high. Sales increased 9.2% year on year to 130.1 billion yen. All of the three businesses saw a sales growth. Ordinary income rose 20.9% year on year to 4.7 billion yen. While gross profit grew 9.0% year on year due to the sales growth, the rate of augmentation of SG&A expenses was only 8.0%. Ordinary income margin rose 0.3 points year on year. Profit declined in the first half of the fiscal year, but sales and profit grew significantly in the third quarter (Dec. to Feb.), which is the busy season, so annual profit grew by double digits. The BOOKOFF operations in Japan and the premium services business saw an increase in profit, while the overseas business saw a slight decline in profit. The year-end dividend was revised upwardly by 6.00 yen/share from the initial forecast (30.00 yen/share) to 36.00 yen/share, up 11.00 yen/share from the previous fiscal year.
- For the fiscal year ending May 2027, sales are expected to grow 6.8% year on year to 139 billion yen and ordinary income is projected to rise 5.9% year on year to 5 billion yen. In the fourth year of the medium-term management policy, sales are expected to increase, thanks to the continuous growth of existing stores of the BOOKOFF operations in Japan and the progress of opening of new stores in each business. All kinds of profits are projected to rise, thanks to the profit growth, etc. in the overseas business and the premium services business in addition to the opening of more large-scale stores in the BOOKOFF operations in Japan. They aim to achieve an ordinary income of 5 billion yen, which is the goal of the medium-term management policy, which will end in the fiscal year ending May 2028, one year earlier than planned. They plan to pay a dividend of 40.00 yen/share, up 4.00 yen/share year on year. The expected payout ratio is 25.1%.
- They concluded a contract for capital and business alliances with ITOCHU Corporation, for the purpose of providing consumers with opportunities to reuse items more casually without worry, by combining BOOKOFF GROUP HOLDINGS' know-how to operate the reuse business and capabilities of offering products and services and ITOCHU Corporation's global business infrastructure and store network and diverse contact points with customers. Through these alliances, they will accelerate growth speed and reform their business portfolio with the aim of achieving "sales of over 200 billion yen and an ordinary income of over 10 billion yen."
- We received a message from President Horiuchi. He said, "As the BOOKOFF operations in Japan is performing well, it is now more likely that we will achieve an ordinary income of 5 billion yen, which is the goal of the medium-term management policy, which will end in the fiscal year ending May 2028, in the fiscal year ending May 2027, one year earlier than planned. We plan to steadily enrich shareholder return based on such healthy business performance. In addition, the alliances with ITOCHU Corporation have increased the feasibility of achieving 'sales of over 200 billion yen and an ordinary income of over 10 billion yen.' We will accelerate the growth as a leading company in the reuse industry. We hope that shareholders and investors have expectations toward our business."

BRIDGE REPORT



- In the fiscal year ended May 2026, the number of newly opened stores was slightly below the initial forecast in all of the three major businesses, but it was almost as forecast. In particular, in the BOOKOFF operations in Japan, they prioritize area per store and sales efficiency over the number of stores. The opening of three stores of “BOOKOFF SUPER BAZAAR,” which is a large-scale combined store, can be evaluated as a steady progress. It seems that the premium services business and the overseas business, whose profits were somewhat stagnant, are improving performance. We would like to pay attention to how speedily the alliances with ITOCHU will contribute to revenues.

1. Company Overview

The company is recognized as Japan's largest reuse chain group that has expanded its reuse business into various fields, including Books, CDs, DVDs, video games, apparel, sporting goods, baby goods, and miscellaneous goods. It has over 800 (directly managed + franchised) store networks covering all over the country. Also, they strengthen EC collaboration.

[1-1 Corporate Philosophies of the BOOKOFF Group]

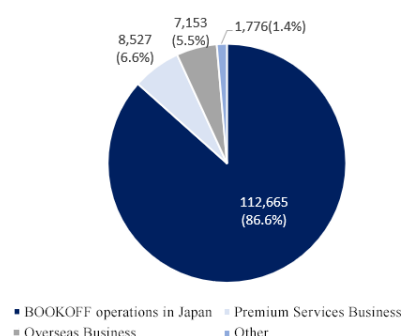
- Contributing to society through our business activities.
- the pursuit of employees’ material and spiritual wellbeing.

With these corporate philosophies, the BOOKOFF Group has made efforts towards the reuse of assorted items, with a focus on the purchase and sale of “books.” By doing so, they have nurtured the brand, the store network, and human resources, which in turn have become the Group's strength. With their mission “Be a source of an enjoyable and prosperous life for as many people as possible,” they aim to be a leading “reuse” company, and a company that can continue to grow while enabling all employees to do their jobs with confidence and enthusiasm.

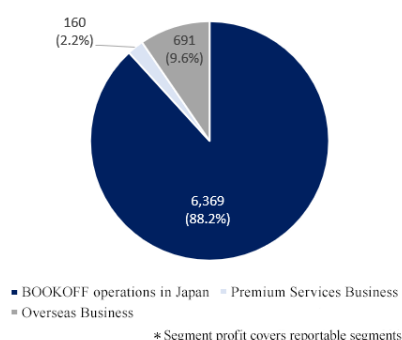
[1-2 Business Description]

Their three core businesses are the BOOKOFF operations in Japan, the premium services business, and the overseas business. Other businesses include the operation of the trading card shop Japan TCG Center and the provision of a personal service called "BOOKOFF cleanout service" that declutters customers' homes. The company is working on various new business development initiatives to achieve medium-term revenue growth.

Segment sales composition (Unit: million yen, FY 5/26)



Segment profit composition (Unit: million yen, FY 5/26)

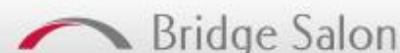


(1) BOOKOFF operations in Japan

As the chain headquarter of the reuse stores “BOOKOFF” for books, software media, and more, the company operates the franchise (FC) system and directly managed stores.

There are mainly five types of store packages; 1) “BOOKOFF” (Books, CDs, DVDs, video games, trading cards, hobby goods, home appliances and mobile phones, etc.), 2) “BOOKOFF PLUS” (a medium-sized complex BOOKOFF with Apparel accessories), and 3) “BOOKOFF SUPER BAZAAR” (a large-sized complex BOOKOFF with a wide variety of commodities; Books, CDs, DVDs, video games, trading cards, hobby goods, home appliances (audio and visual devices, computers, etc.), apparel, luxury-brand goods, sporting goods, baby goods, watches, tableware, household products etc.), “ASO-VIVA” specializing in the sale and purchase of “enjoyable items,” such as trading cards, game software, and hobby-related products, and “BOOKOFF FASHION,” which specializes in apparel. The number of stores means the sum of the number of directly managed stores and the number of franchised stores as of the end of May 2026.

BRIDGE REPORT



			
Avg. floor space, Number of stores	About 429.8 m ² 577 stores	Avg. floor space, Number of stores	About 3,140 m ² 55 stores
Merchandise	Books, CDs, DVDs, video games, trading cards, hobby goods, home appliances, mobile phones, etc.	Merchandise	“BOOKOFF” + Apparel/luxury brand goods/household products/ sporting goods/kitchenware, etc.

(Source: the Company's material)

					
Avg. floor space, Number of stores	About 992 m ² 69 stores	Avg. floor space, Number of stores	About 132 m ² 5 stores	Avg. floor space, Number of stores	About 495 m ² 1 store
Merchandise	“BOOKOFF” + Apparel/accessories, etc.	Merchandise	Trading cards, video games/ game consoles, anime goods, hobby goods, etc.	Merchandise	Apparel

(Source: the Company's material)

“BOOKOFF” and “BOOKOFF PLUS,” which are conventional small and medium-sized stores of books software media, are important points of contact with customers and purchase sites, which cover the areas surrounding stations, downtown areas, and roadside areas. “BOOKOFF SUPER BAZAAR (BSB),” a large-sized general store of reuse products with an area of 500-1,000 tsubo (1,650-3,300 m²), which deals in a variety of products, exerts unrivaled competitive advantages as a regional flagship store.

The sales and segment profit of the BOOKOFF operations in Japan in the fiscal year ended May 2026 were 112.6 billion yen and 6.3 billion yen, respectively, accounting for over 80% of total sales and segment profit. “BOOKOFF” and “BOOKOFF PLUS” accounted for about 50%, and “BOOKOFF SUPER BAZAAR (BSB)” accounted for about 40% of the sales of the BOOKOFF operations in Japan.

The company is promoting the "One BOOKOFF" initiative, which aims to deliver unique, "once-in-a-lifetime encounters" with reused items to all customers in the most optimal way, utilizing the official smartphone app, the EC channel, and the nationwide store network. Efforts include expanding app members, operating an electronic purchasing system (reducing user reception time and increasing store operational efficiency), linking store inventory with e-commerce, implementing in-store pickup services for e-commerce products, and introducing cashless purchasing systems.

The number of app members was 10.46 million as of the end of May 2026.

Over 30% of our customers at the register are app members. App-based promotions have been effective in attracting customers, leading to an increase in the number of customers visiting the store.

The company shifts its focus to increase the frequency of store visits and sales per member in line with the increase in the number of members.

BRIDGE REPORT

The company is enhancing CRM and enriching its loyalty program to visualize and reward customer engagement with BOOKOFF within the app. The company intends to closely connect with customers' daily lives and encourage them to return to the store and make purchases again.

At the same time, the company is also working on a large-scale development project to revamp its store POS and system.

(2) Premium Services Business

They aim to promote customers who own valuable items, to which BOOKOFF has not appealed enough, to use their reuse services with various brands.

The company operates “hugall” (18 shops), which purchases secondhand products from wealthy people in major department stores, “Rehello by BOOKOFF (formerly BOOKOFF Purchasing Consultation Desks)” (23 stores), which purchases anything, not just books, but also including watches, precious metals, apparel, luxury-brand goods, tableware, and sporting goods and “aidect” (13 shops) for offering comprehensive jewelry-related services, which buy and sell jewels, receive orders, repair and remake jewels. The total number of stores is 54 as of the end of May 2026.

The strengths of “hugall” include the rich know-how to operate shops in department stores, the swift recoupment of investment, and the purchase by a specialized team versed in various genres visiting each customer.

“Rehello by BOOKOFF” handles not only used products of luxury brands, but also used books and software media, to differentiate its service from competitors’ services.

In addition to stores, they run “Rehello,” which is a website handling the premium product line of the BOOKOFF Group.

The site aims to expand the breadth and depth of the customer experience by offering services such as ordering products from BOOKOFF Group stores (some stores), confirming products to be purchased, in-store pickup, fitting services, and accepting orders for refurbishing and repairing services through the site.

The premium services business supplies products to BOOKOFF SUPER BAZAAR, etc., contributing to the BOOKOFF group’s revenues, and opens shops in regions and places where it is difficult to open BOOKOFF stores, contributing to the brand development of the corporate group, and generates synergetic effects, such as the sale of apparel via the e-commerce website “Rehello.”

(3) Overseas Business

As for overseas business operations, BOOKOFF U.S.A. INC. runs “BOOKOFF” stores (20 directly managed stores) in the United States, BOK MARKETING SDN.BHD. runs "Jalan Jalan Japan" in Malaysia with 17 directly managed stores and 2 FC store for a total of 19 stores, J&K TRADING LLC operates 7 FC stores in Kazakhstan. In addition, the company has three FC stores in France.

They have established a position as a unique, highly entertaining retailer in each region, and give top priority to “the development of native employees.”

The number of stores is as of the end of May 2026.

*** Malaysia**

Entered in 2016. The business in Malaysia is profitable, and it not only contributes to earnings, but also serves as an exit strategy for the Group (it sells products that could not be sold at stores in Japan locally). Previously, unsold products in Japan were often discarded as industrial waste. However, the Malaysian operations have provided a solution, enabling us to significantly reduce disposal costs. Store operations require securing a large number of products and operations to deal with a large number of products, making it difficult for other companies to develop similar businesses. As a result, this business is unique to the company, which boasts the best sales in the industry. Local subsidiaries are managed by expatriate employees, and stores are operated by mainly store managers and local staff who have been hired in each region. They will keep concentrating on personnel development, and further enrich the store network.

*** Kazakhstan**

In October 2022, the Jalan Jalan Japan Zhetysu-Semirechye store was opened in Almaty, Kazakhstan, as a participating store, by a local company. Almaty is the largest city in Kazakhstan, located at roughly the same latitude as Hokkaido. By opening a store there, the company can develop it as an outlet for Japan's winter clothing and goods.

In order to increase directly managed stores, they established a joint venture company in April 2024, but in order to shift to a system for opening stores at an accelerated rate based on more flexible and swifter decision making, they terminated the joint venture contract in

July 2025, and transferred their all equity. From now on, they will make efforts to increase franchised stores.

* The U.S.

Made inroads into the U.S. market in 2000. The company purchase and sell books, software media, anime goods, hobby goods, etc. like BOOKOFF stores in Japan.

Like in Malaysia, local subsidiaries are managed by expatriate employees, and stores are operated by mainly local staff who have been hired in each region.

(4) Business development domain

Currently, they engage in mainly the following business development projects.

① Business of operating the shop specializing in trading cards “Japan TCG Center”

The trading card shop “Japan TCG Center” purchases and sells used cards, and deals in a wide array of brand-new packages and related goods. The shop has a “duel space” for playing trading cards and targets a broad range of customers, including beginners and experts. The number of shops was 8 as of the end of May 2026.

② Cleanout business

This service is for meeting the needs for cleaning out rooms at the time of inheritance, disposal of goods before death, relocation, etc. In this service, they clean out rooms by sorting, removing, disposing of, and purchasing unnecessary items. The items they have bought will be reused and recycled as much as possible, to reduce waste.

③ Business of recycling CD plastics

With the technology provided through partnership with an external enterprise, the company recycles plastics from about 1,700 tons of unsold CDs and DVDs at BOOKOFF stores. They sell them to makers, etc. to provide new value.

[1-3 Company strengths]

The company believes that its strengths in the reuse market are primarily in the following areas.

(1) Recognition No.1

The results of a survey of domestic reuse chain users indicate that the company has 96% awareness. Almost all respondents are familiar with the company.

The company's long track record of operation and nationwide expansion of brick-and-mortar stores are the reasons for this, and are strong barriers to entry that cannot be easily followed by other companies.

(2) Book inventory No.1

The number of books in stock exceeds 100 million. Books are core products of the company, which started its business with the purchase and sale of used books. Books are read by a broad range of people, so customers tend to start using the reuse-related service through books. Accordingly, it can be expected that customers will buy other products. Namely, books contribute significantly to the development of a stable customer base.

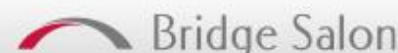
(3) Human Resource Development System

In order to realize its business mission of "Be a source of an enjoyable and prosperous life for as many people as possible," the company believes that human resource development, as well as brand power and store network mentioned above, is essential. Therefore, the company have established a human resource development system for all employees, including not only full-time employees but also part-time employees.

The company is focusing on human resource development to support store operations through a human resource development curriculum based on its management philosophy and other philosophies and various manuals, as well as a career development system for all employees.

In addition to improving customer satisfaction through "smiling, courteous, and speedy responses" at stores, the company is also working to raise the awareness of each employee to participate in improving operational efficiency at the distribution center.

BRIDGE REPORT

**(4) Creating stores that offer peace of mind**

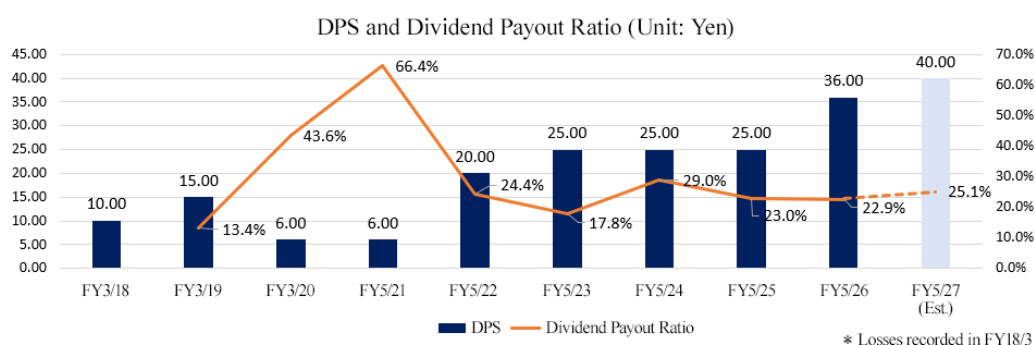
The company is working to create stores where users can sell goods with peace of mind by providing purchase services from the user's perspective and ensuring compliance with laws and regulations.

In particular, with regard to the appropriateness of purchase prices, which is of greatest concern to users, the company has established a purchase price database at its head office based on a vast amount of transaction data, which no other company has, and uses this database as the basis for purchases at each of its stores.

[1-4 Return to shareholders]

Considering profit allocation as one of the most important items, they will utilize internal reserve effectively for strategic investment and enhancement of the financial standing to improve corporate value.

Their basic policy is to keep paying dividends stably with a payout ratio of 20-30% with respect to consolidated net income.

**[1-5 Sustainability]****(1) Fundamental Philosophy**

Under the group's management philosophy, they treat sustainability as a crucial element of management. The company recognizes that their customers' activities of selling and buying at "BOOKOFF" contribute to the extension of product lifespans and waste reduction, aligning with the "vision of a circular society."

In August 2023, the company articulated this stance by establishing a Basic Policy for Sustainability and a Human Rights Policy, reinforcing the dedication to ESG-focused management.

<Basic Sustainability Policy>

Environmental (E):	- Foster eco-friendly business activities. - Expand reuse/recycle initiatives to promote a circular society.
Social (S):	- To create opportunities for supporting the sustainable growth and self-actualization of individuals - To offer employment opportunities based on diversity
Governance (G):	- The board of directors is organized while considering independence and diversity. - To have directors and executive officers comply with laws and regulations thoroughly - To grasp business risks appropriately and enrich information to be disclosed

<Human Rights Policy>

We believe that the protection of fundamental human rights is a prerequisite for creating a sustainable world. Therefore, in order to understand human rights and fulfill their responsibility to respect human rights, they have established the following human rights policy.

1. Basic Stance on Human Rights

We understand that corporate activities can potentially and overtly affect human rights. This policy conforms to international standards and will be put into practice in accordance with the United Nations "Guiding Principles on Business and Human Rights."

2. Scope of this Policy

This policy applies to all directors and all employees (including part-time employees) of group companies.

3. Commitment to Addressing Human Rights Issues in Corporate Activities

① Elimination of Discrimination

We respect individual human rights and diversity. We do not discriminate on any grounds including gender, age, nationality, race, religion, social background, employment status, marital status, pregnancy, health condition, gender identity, physical characteristics, or the presence or absence of disabilities.

② Appropriate Workplace Environment

We strive to provide a workplace environment where the human rights of all directors and employees of group companies are respected. This includes providing a healthy and safe workplace environment free from all forms of harassment, whether mental or physical, ensuring proper management of working hours, guaranteeing minimum wages, protecting privacy, and respecting freedom of association and the right to collective bargaining. We also do not tolerate any form of forced labor, child labor, or human trafficking.

4. Human Rights Due Diligence

In line with the United Nations "Guiding Principles on Business and Human Rights," we conduct human rights due diligence to identify, assess, prevent, and mitigate the negative impacts of corporate activities on human rights. Should it become evident that we are causing or contributing to human rights abuses, we will strive to correct these issues.

5. Remedial Measures

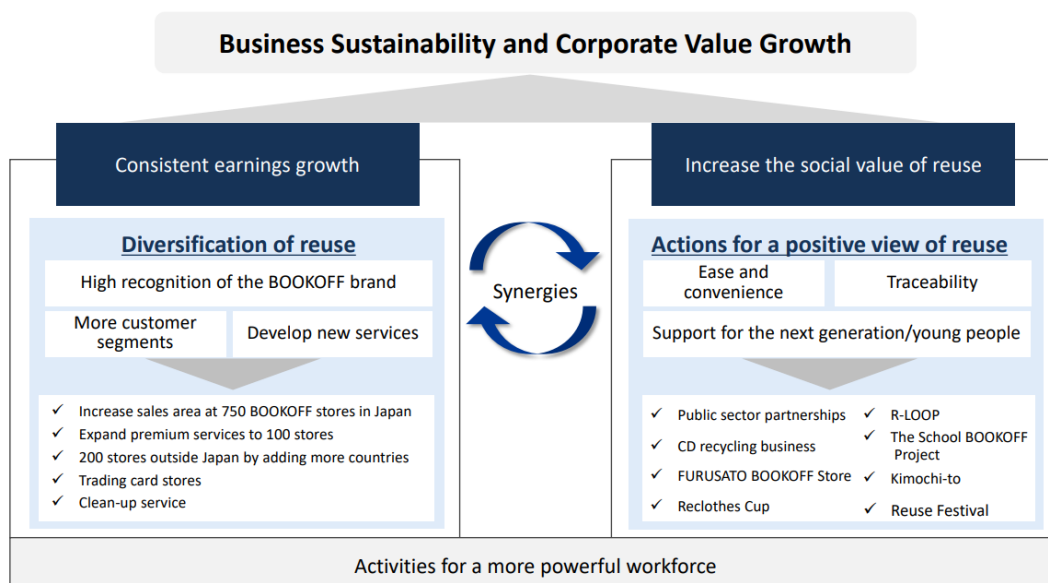
They provide a reporting system that allows all stakeholders to report human rights concerns without suffering any disadvantage. In the event of an allegation of human rights violations, they will promptly investigate, take remedial action to correct the negative impact on human rights, take steps to reduce future risks, and approach related people.

6. Education and Training

To ensure the effectiveness of this policy, they continually provide appropriate education and training to all directors and employees of group companies.

<Creation of value as a leading company in the reuse industry>

As a leading company in the reuse industry, the company pursues "continuous profit growth" and "improvement in social value of reuse" based on the strengthening of human capital, and strives to improve the sustainability of their business through the synergy between the above two and increase their corporate value.



(Source: the Company's material)

(2) Main Initiatives

① E (environment)

In order to realize a recycling society, the company will enhance its approach to slow down and reduce the consumption of resources. Through the domestic BOOKOFF chain, the company purchases about 410 million items per year and sells about 280 million items per year (counting period: June 1, 2024 to May 31, 2025).

The domestic reuse business, which handles books, CDs, DVDs, game software, and clothes, is estimated to reduce CO₂ emissions by about 540,000 tons per year (counting period: June 1, 2025 to May 31, 2026).

In addition to the reuse (purchase and sale) of items, which is the mainstay, the company develops private-brand products by utilizing discarded books, recycles and sells plastics from discarded CDs and DVDs, and sells upcycled items through REMARKET, as activities for expanding reuse and recycling businesses.

In response to climate change issues, the company announced its support for the TCFD recommendations in August 2023.

Indicators and Targets

Target for Reduction of CO₂ Emissions

	FY2030	FY2045
Reduction vs. FY5/2022*1	50%	Become carbon neutral

*1: CO₂ emissions at BOOKOFF CORPORATION LIMITED, the major business company

Target for Business Sites Using Renewable Energy

	FY2030	FY2040
Renewable electricity locations*2	15%	50%

*2: Taking into account an expected net increase in the number of stores

Progress in Reduction of CO₂ Emissions Involving Business Activities

(Unit: t-CO₂)

		FY5/2024	FY5/2025	FY5/2026
CO ₂ emissions	Scope1 ₃	301	311	357
	Scope2 ₄	17,234	14,984	14,165
	Total	17,535	15,295	14,522

*3. Scope1: June 1 to May 31

*4. Scope2: April 1 to March 31

(Source: the Company's material)

② S (society)

◎ Human Capital Enhancement

The company believes that promoting diversity, which is the foundation for achieving well-being, is the most critical challenge.

Under the diversity policy, the following approaches will be taken.

1. Commitment from the management team
2. Cultivating an inclusive corporate culture that welcomes and respects diversity
3. Fair, equitable, and transparent system flow
4. Evaluation and confirmation
5. Employee participation and engagement

BRIDGE REPORT



Indicators and Targets

Period: September 1, 2023 to May 31, 2028

Target 1: Provision of opportunities for work life

The target is to increase the percentage of female managers (rank of regional manager or group manager or higher) to at least **20%**.

Target 2: Balance between work and home life

Achieve **100%** use of child care time off for female employees and a utilization rate of at least **60%** for male employees

Applicable companies: BOOKOFF GROUP HOLDINGS LIMITED
BOOKOFF CORPORATION LIMITED

Progress on Indicators and Targets

	Targets	FY5/2026 Results
Percentage of female managers	At least 20%	9.7%
Use of child care time off by women	At least 100%	100.0%
Use of child care time off by men	At least 60%	60.0%

Applicable companies: BOOKOFF GROUP HOLDINGS LIMITED
BOOKOFF CORPORATION LIMITED

(Source: the Company's material)

◎ Initiatives

The company will collaborate with government agencies, companies and organizations to solve a wide range of social problems. By forming partnerships with related parties, it will lead the way in promoting a recycling-oriented society.

In October 2025, they held “Reclothes Cup 2025,” one of Japan’s largest fashion contests, the Used Apparel Upcycle Design Contest in Fukuoka Prefecture for the purpose of increasing the value of used clothes by redesigning them freely and facilitating the recycling of materials. In November 2025, they conducted Sustainable Book Project, in which they would donate books to orphanages according to the donation amount calculated from the number of books purchased at 355 stores in 25 prefectures, and donated a total of 5,884 books to 73 orphanages, creating opportunities for children to read in municipalities with few bookstores.

③ G (governance)

The company is striving to enrich the dialogue with shareholders and investors, by enriching the website contents, holding briefing sessions for individual investors, streaming the videos of briefing sessions online, holding general meetings of shareholders on Saturdays, involving President Horiuchi in meetings for institutional investors, and disclosing information in English.

For their governance structure, they established a sustainability strategy committee in 2022.

The representative director and president serves as chair of the committee, and holds a meeting once or more times per six months. The committee identifies various risks and opportunities regarding climate change, etc., discusses policies and strategies, and monitors the progress of action plans in each section.

(3) Response to material issues

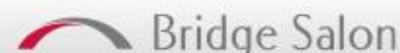
For sustainability-oriented business administration, they identified material issues based on the basic policy for sustainability and implemented initiatives for the environment, society, and governance (ESG).

Regarding material issues, they have extracted and identified business-related items and themes with a significant social impact based on “Sustainable Development Goals (SDGs) and targets” for attaining them, but currently, they extract and identify them from the viewpoints of importance for stakeholders and BOOKOFF under the basic sustainability policy.

Material issues regarding sustainability are as follows.

Environmental aspect (E)	- To maximize the reuse by customers through diverse store operations and service enrichment - To reduce the disposal of products through global activities and cooperation inside and outside the BOOKOFF group
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BRIDGE REPORT



Social aspect (S)	- To create opportunities for supporting the sustainable growth and self-actualization of individuals - To offer employment opportunities based on diversity
Governance aspect (G)	- The board of directors is organized while considering independence and diversity. - To have directors and executive officers comply with laws and regulations thoroughly - To grasp business risks appropriately and enrich information to be disclosed

(Source: the Company's material, etc.)

2. Fiscal Year ended May 2026 Financial Results

[2-1 Consolidated Results]

	FY 5/25	Ratio to sales	FY 5/26	Ratio to sales	YoY	Compared to the forecast
Sales	119,205	100.0%	130,123	100.0%	+9.2%	+1.7%
Gross profit	67,751	56.8%	73,827	56.7%	+9.0%	-
SG&A expenses	64,302	53.9%	69,422	53.4%	+8.0%	-
Operating income	3,448	2.9%	4,405	3.4%	+27.7%	+10.1%
Ordinary income	3,903	3.3%	4,720	3.6%	+20.9%	+9.8%
Net income	2,101	1.8%	2,763	2.1%	+31.5%	+15.1%

* Unit: million yen.

Sales and profits increased. Sales and ordinary income reached a record high.

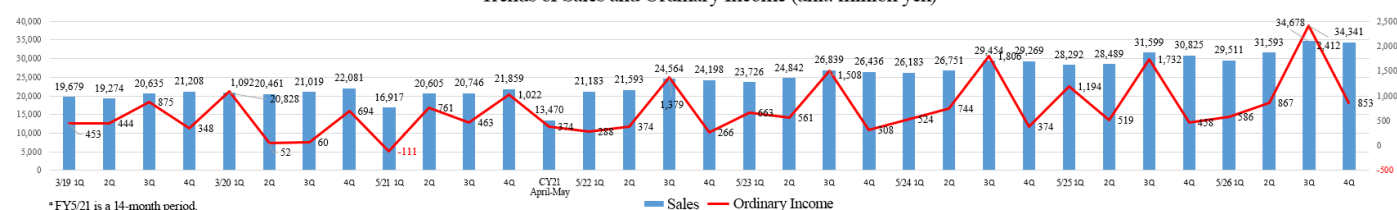
Sales increased 9.2% year on year to 130.1 billion yen. All of the three businesses saw a sales growth.

Ordinary income rose 20.9% year on year to 4.7 billion yen. While gross profit grew 9.0% year on year due to the sales growth, the rate of augmentation of SG&A expenses was only 8.0%. Ordinary income margin rose 0.3 points year on year.

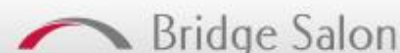
Profit declined in the first half of the fiscal year, but sales and profit grew significantly in the third quarter (Dec. to Feb.), which is the busy season, so annual profit grew by double digits. The BOOKOFF operations in Japan and the premium services business saw an increase in profit, while the overseas business saw a slight decline in profit.

The year-end dividend was revised upwardly by 6.00 yen/share from the initial forecast (30.00 yen/share) to 36.00 yen/share, up 11.00 yen/share from the previous fiscal year. The payout ratio is 22.9%.

Trends of Sales and Ordinary Income (unit: million yen)



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◎ Number of Group stores

As of the end of May 2026, there were 723 stores in the BOOKOFF operations in Japan (366 directly managed stores and 357 FC stores), 54 stores in the premium services business, 49 stores in the overseas business (37 directly managed stores and 12 FC stores), and 9 stores in the other business.

Opening of new stores (direct)

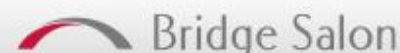
Classification	Store Name	Store Packages	OPEN	Location
Overseas	NOHO Store	BOOKOFF	March 28, 2025	The U.S.
Overseas	Mesa Mall Nilai Store	Jalan Jalan Japan	May 23	Malaysia
Other	Hachioji-ekimae Store	Japan TCG Center	June 21	Tokyo
Premium	Izutsuya Nakama Shop	hugall	July 18	Fukuoka
Premium	Nihombashi Takashimaya S.C. Shop	aidect	July 25	Tokyo
Overseas	Galleria Kotaraya Store	Jalan Jalan Japan	August 2	Malaysia
Overseas	Wangsa Maju Store	Jalan Jalan Japan	September 4	Malaysia
Premium	Kashiwa Takashimaya Station Mall Shop	hugall	September 13	Chiba
Other	Chiba-ekimae Store	Japan TCG Center	October 16	Chiba
Overseas	Summit USJ Store	Jalan Jalan Japan	October 17	Malaysia
Premium	MONTet MER Ashiya Shop	hugall	November 1	Hyogo
BOOKOFF in Japan	Trial Isesaki-chuo Store	BOOKOFF SUPER BAZAAR	November 6	Gunma
BOOKOFF in Japan	CiiNA CiiNA Kotoni	BOOKOFF	December 10	Hokkaido
Overseas	HOUSTON Store	BOOKOFF	December 11	The U.S.
Premium	Tenjin Underground Shopping Mall Store	hugall	January 23, 2026	Fukuoka
BOOKOFF in Japan	Yumemachi Narashinodai Mall Store	BOOKOFF SUPER BAZAAR	February 5	Chiba
Overseas	NOVI Store	BOOKOFF	February 26	The U.S.
BOOKOFF in Japan	Tachikawa-Sakae Store	BOOKOFF FASHION	March 14	Tokyo
Other	Honatsugi-eki-mae Store	Japan TCG Center	March 14	Kanagawa
BOOKOFF in Japan	Yokohama VIVRE Store	ASO-VIVA	March 20	Kanagawa
Premium	KITTE Osaka Store	hugall	March 23	Osaka
Premium	Izutsuya Nogata Shop Store	hugall	April 3	Fukuoka
BOOKOFF in Japan	Noda Store	BOOKOFF SUPER BAZAAR	April 9	Chiba
Other	Kinshicho Marui Store	Japan TCG Center	May 15	Tokyo

* Note: Since the account settlement periods of the overseas consolidated subsidiaries are different from the consolidated one, Jalan Jalan Japan is classified as a newly opened store in the period of April 2025 to March 2026, and BOOKOFF USA is classified as a newly opened store in the period between March 2025 and February 2026.

*Opening of new stores

In the BOOKOFF operations in Japan, they opened a new BOOKOFF store, three new BOOKOFF SUPER BAZAAR stores, a new BOOKOFF FASHION store as a new category, and a new ASO-VIVA store, that is, a total of 6 stores. They first planned to open 8-10 stores, but they focus on the increase of selling space by enlarging stores, so the results are considered almost in line with the plan. They

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renovated 71 existing stores, mainly for increasing floor area in order to handle more entertainment products, such as trading cards, hobby goods, and anime goods.

In the premium services business, they closed 6 hugal stores in department stores while opening a total of 7 stores, that is, 6 hugal stores and 1 aidet store, during the fiscal year, to restructure store composition. They first planned to increase the number of stores by 10. The number of stores did not reach the plan, but their store opening activity is considered almost in line with the plan.

In the overseas business, they opened 3 new directly-managed stores in the U.S. and 4 new directly-managed stores in Malaysia. They also opened a franchised store in Kazakhstan.

In other businesses, they opened 4 Japan TCG Centers in accordance with the initial plan.

[2-2 Segment Trends]

	FY 5/25	Composition ratio	FY 5/26	Composition ratio	YoY
Sales					
BOOKOFF operations in Japan	104,309	87.5%	112,665	86.6%	+8.0%
Premium services business	7,177	6.0%	8,527	6.6%	+18.8%
Overseas business	6,176	5.2%	7,153	5.5%	+15.8%
Others	1,542	1.3%	1,776	1.4%	+15.2%
Total	119,205	100.0%	130,123	100.0%	+9.2%
Segment income					
BOOKOFF operations in Japan	5,347	5.1%	6,369	5.7%	+19.1%
Premium services business	44	0.6%	160	1.9%	+258.0%
Overseas business	694	11.2%	691	9.7%	-0.5%
Others	-259	-	-325	-	-
Adjustment	-1,923	-	-2,174	-	-
Total	3,903	3.3%	4,720	3.6%	+20.9%

* Unit: million yen. Composition ratio for segment income means the ratio of profit to sales.

(1) BOOKOFF operations in Japan

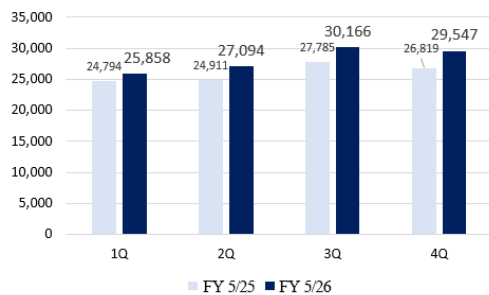
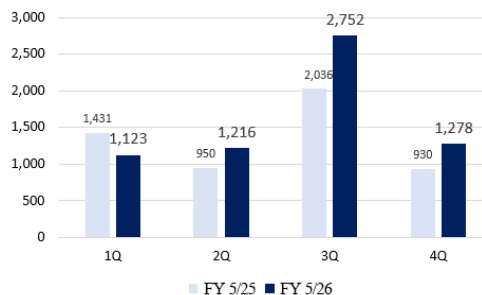
Sales and profit increased.

At existing stores, the sales of all products, including trading cards, hobby goods, precious metals, watches, brand-name bags, apparel, and books, increased.

While closing small independent stores strategically, they kept opening large-scale stores, such as “BOOKOFF SUPER BAZAAR.” They also actively renovated existing stores for handling more strategic products.

Profit grew by double digits, as SG&A expenses augmented due to the increases in personnel expenses, etc., but gross profit increased thanks to the growth of sales at existing stores.

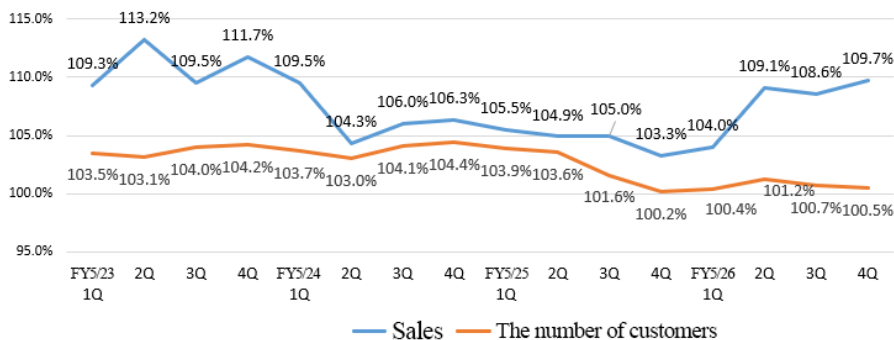
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BOOK OFF operations in Japan: Trends in sales
(Unit: million yen)BOOK OFF operations in Japan: Trends in segment profit
(Unit: million yen)

◎ Existing Store Sales

The sales at existing stores in the fiscal year ended May 2026 were 107.9% of the previous year's level, and the number of customers was 100.7% of the previous year's level. The sales at existing stores in the fourth quarter (March to May) were 109.7% of the previous year's level.

Status of existing stores (year on year)



◎ Products

For all products, the sales at existing stores increased from the previous fiscal year.

Trading cards and hobby goods kept selling well. The ratio of their sales expanded from 21.1% in the previous fiscal year to 23.4%, thanks to the strategic replacement of stores and investment in renovation.

The sales of precious metals, watches, and brand-name bags increased from the previous year, due to the skyrocketing of market prices of precious metals, the continuous demand from foreign visitors to Japan, etc.

For apparel, they increase procurement and sales by meticulously setting the prices of mid/high-priced products through individual product management, taking measures for slow-moving inventory, etc. The ratio of apparel sales and average unit price increased.

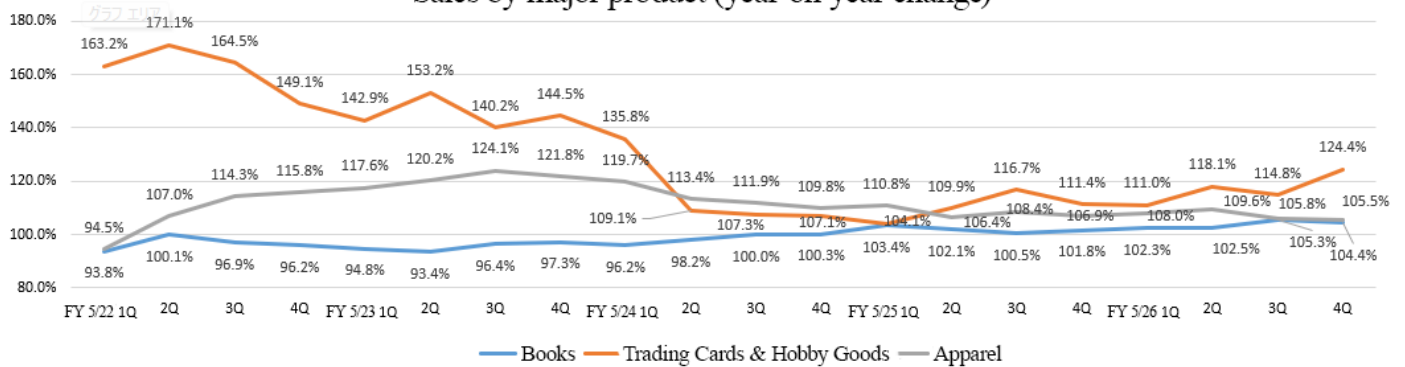
The sales of books increased year on year for the 10th consecutive quarter. In the primary market, the number of published books is on a downward trend, but prices are rising. The changes in purchase and selling prices according to market prices, including the rise in minimum selling prices, turned out to be effective.

The sales from foreign visitors to Japan grew 25.6% year on year. Regarding the ratio of sales of each product category, precious metals, watches, and brand-name bags accounted for 32.3% while trading cards, hobby goods, and software media made up 42.5%, showing a higher ratio. The ratio of sales to foreign visitors to Japan to the sales of the BOOKOFF operations in Japan was around 6.5%. In all of directly managed stores, they have completed the installation of systems for tax exemption.

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Sales by major product (year-on-year change)



(Domestic Directly Managed Stores, FY 5/26 Trends by Product Category)

	YoY	Composition ratio
Books	103.7%	21.3%
Software media (music, videos, and video games)	101.7%	20.7%
Apparel	107.2%	11.9%
Precious metals, watches, brand-name bags	113.9%	9.6%
Trading cards and hobby goods	117.1%	23.4%
Home appliances, mobile phones	107.5%	5.0%
Sports and outdoor equipment	103.4%	3.6%
Other	108.8%	4.6%
Total	107.9%	100.0%

(2) Premium Services Business

Sales grew and profit rose significantly.

As the market prices of precious metals remained high, the purchase amounts at existing stores, events, etc. increased and sales grew.

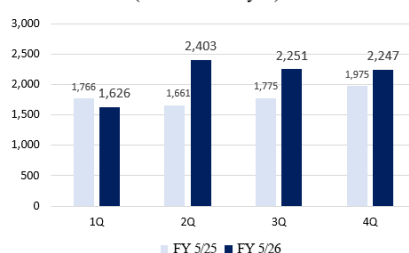
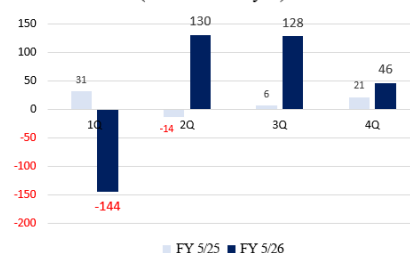
Profit rose considerably as the growth of gross profit exceeded the augmentation of SG&A expenses, including personnel expenses.

In the first quarter, profit declined year on year significantly, but from the second quarter, procurement increased as the market prices of precious metals were high. In particular, good performance was observed at stores that can reel in many customers thanks to their favorable locations, contributing to the overall performance, so profit started increasing and annual profit grew.

In the fiscal year ended May 2026, annual procurement amount grew 23.4% year on year, hitting a record high.

Regarding the roadside shop Rehello, it is necessary to keep improving its popularity and service level, so they are taking measures, including the change of managers.

In cooperation with alliance partners, they will strengthen the operation system further and concentrate on the increase of products they handle and the increase of clients.

Premium services business: Trends in sales
(Unit: million yen)Premium services business: Trends in segment profit
(Unit: million yen)

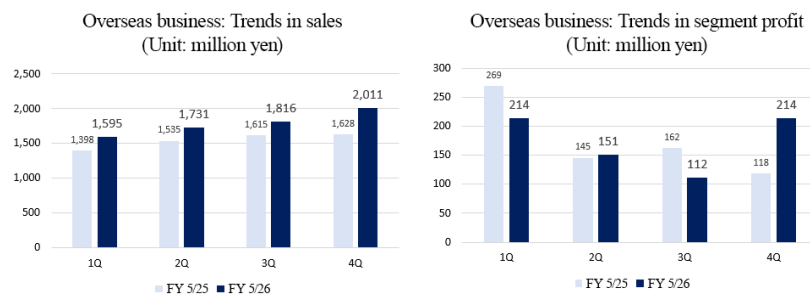
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**(3) Overseas Business**

Sales grew, but profit declined slightly.

The sales at “BOOKOFF” in the U.S. and “Jalan Jalan Japan” in Malaysia increased, thanks to the opening of new stores in the fiscal year ended May 2025 and the fiscal year ended May 2026.

In the U.S., the sales at existing stores were healthy. The expenses for upfront investment in the increase of warehouses, etc. for opening stores and due to the delay in store opening augmented until the third quarter, but they started contributing to profit in the fourth quarter. In Malaysia, the sales at existing stores declined from the previous fiscal year, but the renovation and replacement of stores started showing some effects in the fourth quarter. The annual profit of the overseas business decreased slightly, but the profits in both the U.S. and Malaysia are improving.

**(4) Other Businesses**

Sales increased, but the segment recorded a segment loss.

They opened four new Japan TCG Centers as planned.

[2-3 Financial Condition and Cash Flow]**Financial Conditions**

	End of May 2025	End of May 2026	Increase/ Decrease		End of May 2025	End of May 2026	Increase/ Decrease
Current assets	33,517	35,870	+2,353	Current liabilities	20,192	20,873	+681
Cash and deposits	6,628	6,459	-169	Accounts payable-trade	659	846	+187
Accounts receivable-trade	3,888	4,541	+653	Short-term debt	10,986	9,924	-1,062
Merchandise	19,731	21,084	+1,353	Non-current liabilities	18,320	18,632	+312
Non-current assets	23,863	25,066	+1,203	Long-term debt	15,605	15,915	+310
Property, plant and equipment	11,742	12,847	+1,105	Total liabilities	38,513	39,505	+992
Intangible assets	2,118	1,864	-254	Net assets	18,867	21,431	+2,564
Investments and other assets	10,002	10,354	+352	Retained earnings	15,140	17,465	+2,325
Guarantee deposits	7,286	7,492	+206	Treasury shares	-3,813	-3,805	+8
Total assets	57,380	60,937	+3,557	Total liabilities and net assets	57,380	60,937	+3,557

* Unit: million yen. Borrowings and interest-bearing debt include lease obligations.

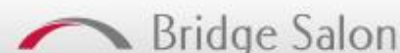
They opened new stores and renovated stores in each business, while acquiring some stores from affiliated enterprises in Japan and making investments in systems. As a result, merchandise, tangible fixed assets, etc. increased, and total assets rose 3.5 billion yen from the end of the previous fiscal year to 60.9 billion yen.

Total liabilities augmented 0.9 billion yen from the end of the previous fiscal year to 39.5 billion yen.

Net assets increased by 2.5 billion yen from the end of the previous fiscal year to 21.4 billion yen due to an increase in retained earnings, etc.

The equity ratio increased by 2.2 points from the end of the previous fiscal year to 34.7%.

BRIDGE REPORT



◎ Cash Flows (CF)

	FY 5/25	FY 5/26	YoY
Operating cash flow (A)	3,062	4,894	+1,832
Investing cash flow (B)	-2,510	-3,042	-532
Free cash flow (A+B)	552	1,851	+1,299
Financing cash flow	-1,118	-2,100	-982
Cash and Equivalents at the end of term	6,628	6,459	-169

* Unit: million yen.

The cash inflow from operating activities and the surplus of the free cash flow increased, as net income before taxes and other adjustments grew and there was no longer the payment of special investigation expenses, which were posted in the previous fiscal year. The cash outflow from financial activities augmented due to the repayment of debts. The cash position was almost unchanged from the end of the previous fiscal year.

[2-4 Topics]

◎ Progress of the measures for preventing the recurrence of the misconduct case

In November 2024, they announced that they would develop an environment for preventing wrongdoing by tightening the preventive control as a measure for preventing the recurrence of the misconduct, enhancing the control (check) for discovering improper acts, and diffusing the stance of eradicating misconducts in the entire company. As of the end of May 2026, they had already finished “measures for preventing misconduct by revamping systems,” “the increase of security cameras,” “a questionnaire survey targeted at employees,” etc. Regarding “measures for increasing store operation staff,” they have already worked on the designing and execution processes, and plan to continue them. They plan to continue these measures for preventing recurrence while appropriately evaluating and monitoring the effectiveness of them as a whole.

3. Fiscal Year ending May 2027 Financial Forecast

[3-1 Earning Forecasts]

	FY 5/26	Ratio to sales	FY 5/27 Est.	Ratio to sales	YoY
Sales	130,123	100.0%	139,000	100.0%	+6.8%
Operating income	4,405	3.4%	4,700	3.4%	+6.7%
Ordinary income	4,720	3.6%	5,000	3.6%	+5.9%
Net income	2,763	2.1%	2,800	2.0%	+1.3%

* Unit: million yen.

Sales and profit are expected to grow, and sales and profits are projected to hit a record high.

Sales are expected to grow 6.8% year on year to 139 billion yen and ordinary income is projected to rise 5.9% year on year to 5 billion yen.

In the fiscal year ending May 2027, which is the fourth year of the medium-term management policy, sales are expected to increase, thanks to the continuous growth of existing stores of the BOOKOFF operations in Japan and the progress of opening of new stores in each business.

All kinds of profits are projected to rise, thanks to the profit growth, etc. in the overseas business and the premium services business in addition to the opening of more large-scale stores in the BOOKOFF operations in Japan. They aim to achieve an ordinary income of 5 billion yen, which is the goal of the medium-term management policy, which will end in the fiscal year ending May 2028, one year earlier than planned, in the fiscal year ending May 2027.

They plan to pay a dividend of 40.00 yen/share, up 4.00 yen/share year on year. The expected payout ratio is 25.1%.

[3-2 Assumptions and forecasts]

(1) BOOKOFF operations in Japan

They plan to open 10-12 new stores, including 4-5 BOOKOFF SUPER BAZAAR stores. Accordingly, upfront expenses are projected to increase.

They will continuously renovate existing stores. The ratio of sales at existing directly managed stores to those in the previous year will be 106% in the first half of the fiscal year, and 105% in the second half of the fiscal year.

They plan to invest in the fortification of the management base, including cyber security, and improve the treatment of employees to secure and retain talent.

It is expected that the growth of gross profit will offset the augmentation of upfront expenses due to the opening of more large-scale stores and the rise in SG&A expenses, including personnel expenses and costs for enhancing information security, and the profit (ordinary income) in this segment will be unchanged from the previous fiscal year.

(2) Premium Services Business

They plan to open a total of 7 new stores of hugall and aidect. As they clarified issues with Rehello in the previous fiscal year, they will take some measures. They plan to renovate some stores so that they can not only buy second hand items, but also sell them.

It is projected that the profit (ordinary income) in this segment will increase around 100 million yen, as they will keep opening new stores of hugall, aidect, etc., hold events targeted at loyal customers of department stores, and increase alliance partners.

(3) Overseas Business

They plan to open 7 new stores. In detail, they plan to open 5 stores in the U.S., 2 stores in Taiwan. In Malaysia, they prioritize the transformation of existing stores and the fortification of their revenue structure, in which they currently engage, over the opening of new stores of Jalan Jalan Japan, so they plan to renovate 8 stores. The profit (ordinary income) in this segment is expected to grow about 200 million yen, thanks to the strategy of renovating Jalan Jalan Japan, the 10th anniversary campaign for promoting existing stores, the business expansion through the continuous store opening in the U.S., etc.

(4) Other

They plan to open 4 stores of Japan TCG Center. In order to launch a business on a full-scale basis, it is indispensable to increase samples, so they are striving to open 4 stores without fail also this fiscal year. The profit (ordinary income) in this segment is expected to rise about 80 million yen, due to the shrinkage of deficit in the cleanout service.

4. Progress of the Mid-term Management Policy

[4-1 Business Policy]

(1) Overview

Their medium-term management policy is to become the “BOOKOFF Group that is much more than just BOOKOFF,” a step ahead of the former objective “BOOKOFF that handles not only books,” or “transform the business portfolio,” because the company considers this is essential for realizing sustainable growth while striking a balance between exploration and exploitation under the “Corporate Philosophies,” “MISSION,” and “VISION” mentioned in “1. Company Overview.”

(2) Ideal state

As stated in their business mission, they aim to bring enjoyable, affluent life to many people and maximize their corporate value.

Categorizing the BOOKOFF operations in Japan into “Exploitation” and the premium services business, the overseas business, and the realm of business development into “Exploration,” the company will invest the profit, know-how, and human resources generated in the Exploitation category in the businesses categorized in Exploration.

The basic management skills, communication skills, and fundamentals for developing human resources, such as team building methods and employee motivating methods, which have been nurtured in the BOOKOFF operations in Japan, will be applied to the “promising domain.” Although this approach will be challenging in some part because of the differences in business models between the categories of Exploitation and Exploration, the company will endeavor to achieve considerable growth by utilizing the system of personnel training, which is one of its fortes, in the Exploration businesses.

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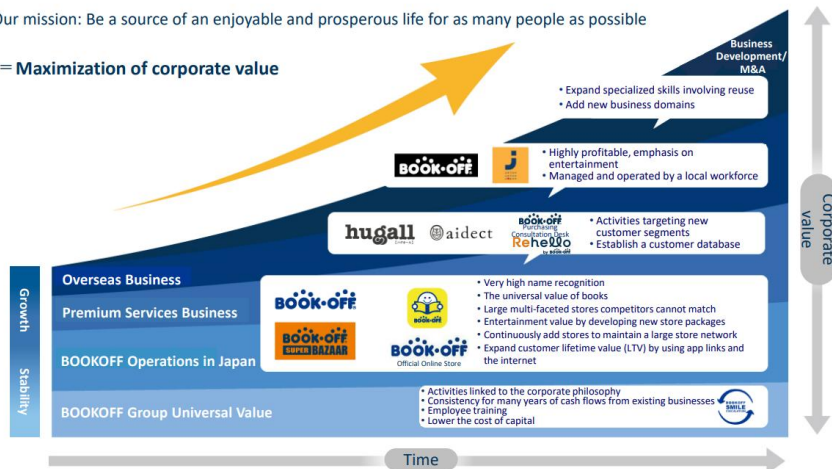


The BOOKOFF Group Value Creation Map

BOOKOFF GROUP HOLDINGS

Our mission: Be a source of an enjoyable and prosperous life for as many people as possible

= Maximization of corporate value



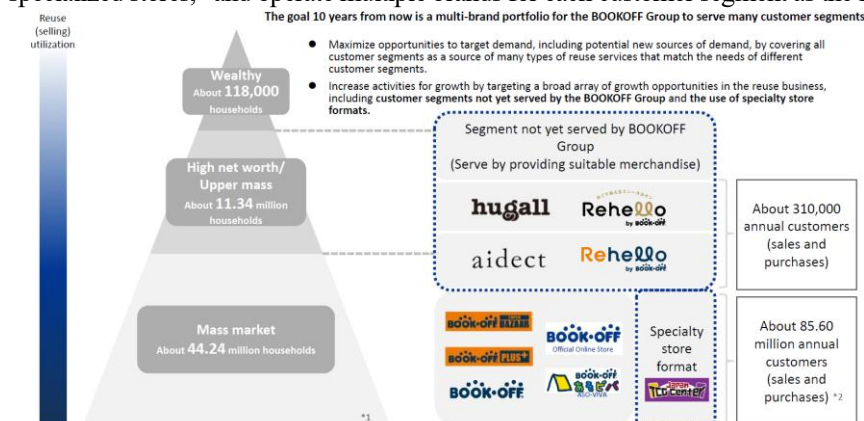
(Source: the Company's material)

(3) Regarding the domestic market environment

Reuse has become common somewhat among about 45 million ordinary households, whose net financial assets are less than 30 million yen, who are the targets of the BOOKOFF operations in Japan. The number of users of BOOKOFF for purchase and sale of secondhand products is about 86 million per year.

Meanwhile, reuse is still to be popularized among the customer segment whose net financial assets are between 30 million yen and 500 million yen and the customer segment whose net financial assets exceed 500 million yen. The number of users in these segments is still around 300,000 per year.

It is necessary to offer diverse reuse services according to customer segment, reach all kinds of customer segments, and stir latent demand to the maximum degree. They plan to strengthen initiatives for targeting “customers they have not yet approached” and “operation of specialized stores,” and operate multiple brands for each customer segment as the BOOKOFF group, while looking ahead 10 years.



*1. Source: Nomura Research Institute: Assets and households divided by net financial assets held (2023)

*2. Total number of customers for chain stores and e-commerce from June 2025 to May 2026; Japan TCG Center stores are not included.

(Source: the Company's material)

(4) Numerical Goals and Financial Policy

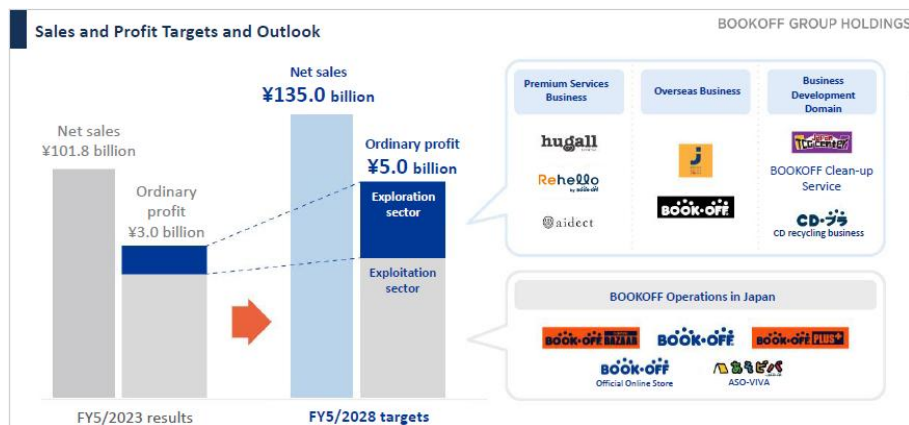
◎ Revenue Expansion

Their goal is to achieve “sales of 135 billion yen and an ordinary income of over 5 billion yen” in the fiscal year ending May 2028.

By raising the ratio of profit from the highly profitable promising domain, they plan to increase consolidated profit margin.

*In the earnings forecast for FY 5/27, they are expected to achieve “sales of 139 billion yen and an ordinary income of 5 billion yen,” attaining the above goal one year earlier than expected.

BRIDGE REPORT



(Source: the Company's material)

◎ Financial policy and initiatives for realizing business administration conscious of capital cost

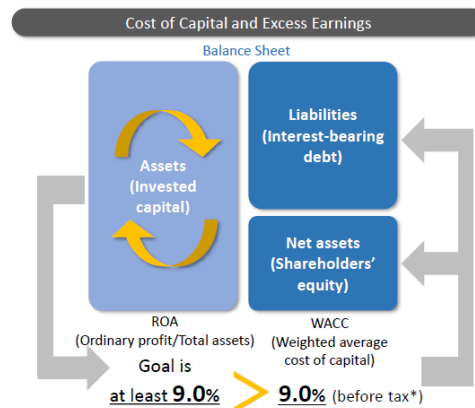
They recognize that the weighted average cost of capital is around 9.0% (pre-tax), and aim to achieve an ROA of 9.0% or higher in the fiscal year ending May 2028.

*The company has traditionally used ordinary income as a key performance indicator (KPI) for its business segments, so it adopts an ROA that uses ordinary income, which has taken deep root in the company's business segments, as a key goal indicator (KGI). Furthermore, its ROA and Return on Invested Capital (ROIC) are almost the same because it holds relatively small surplus assets.

- Make substantial investments with emphasis on growth businesses in order to raise earnings to a new record (ordinary profit of ¥3.8 billion)
- Reflect the cost of capital in activities and improve the return on capital in order to generate excess earnings (economic added value)

Numerical Targets

	FY5/2022 Results	FY5/2023 Results	FY5/2028 Targets*
Ordinary profit	¥2.30 billion	¥3.04 billion	At least ¥5.0 billion
ROA (Ordinary profit)	5.4%	6.4%	At least 9.0%



- ✓ Ordinary profit has traditionally been the KPI for business units. Therefore, the ordinary profit ROA is used because business units are accustomed to using this measure of earnings.
- ✓ At BOOKOFF, ROA is about the same as ROIC because of the relatively small amount of surplus assets.

*The FY5/2028 ordinary profit target is now more than ¥5.0 billion because ordinary profit is expected to be ¥5.0 billion in FY5/2027.

(Source: the Company's material)

[4-2 Policies and Initiatives for Each Business]

① BOOKOFF operations in Japan

◎ Basic Policy

Since the fiscal year ended May 2022, the company has pursued store expansion investments, merchandise diversification, and utilization of digital technologies, resulting in steadily increasing sales. The number of users is increasing through the creation of opportunities to visit a store due to the increase of products handled in stores, the utilization of the membership app, etc.

In this favorable environment, the basic policy for this business is **“to provide customers with the best reuse experience,”** and the company is committed to **“expanding the variety of items in order to satisfy regional preferences with books being the core product”** and **“making BOOKOFF super-convenient and super-enjoyable.”**

As the BOOKOFF Group's core business, the company will improve capital efficiency while securing the current profit level, and continuously provide the personnel and know-how to the growing businesses.

BRIDGE REPORT



BOOKOFF Operations in Japan Medium-term Goals

BOOKOFF GROUP HOLDINGS

BOOKOFF Operations in Japan Medium-term Goals

Provide customers with the best possible reuse experience



More merchandise, centered on books, linked to local market needs

- ✓ Maintain and increase gross profit of book purchases
- ✓ Make selling reuse items to BOOKOFF even easier and maximize the number of reuse items purchased
- ✓ Create more buying opportunities for customers by using the visualization of inventories and upgraded search capabilities



Make BOOKOFF ultra-convenient, ultra-interesting

- ✓ Further accelerate BOOKOFF SUPER BAZAAR store openings
- ✓ More convenience (use of digital technologies/service upgrades)
- ✓ Continuously open stores for more large stores and higher efficiency

Five strategies that underpin growth

Customer Strategy	Purchasing Strategy	Digital Strategy	Marketing Strategy	People Strategy
• More frequent store visits • More reasons to visit stores	• Increase experience value • Cut customer expenses • Make continuous improvements	• Improve usability • Larger selection of merchandise • More app functions	• Strengthen social network activities • More and better owned media	• Hire a large number of people • Diversity of performance evaluations and career paths
Goals for the core business The BOOKOFF operations in Japan is the group's core business. The goals are to use capital more productively while maintaining the current level of profitability and to continue to direct people and know-how to growth businesses.				

(Source: the Company's material)

② Progress Report

◎ Transformation of the product portfolio

They are increasing the diversity and quantities of products they handle.

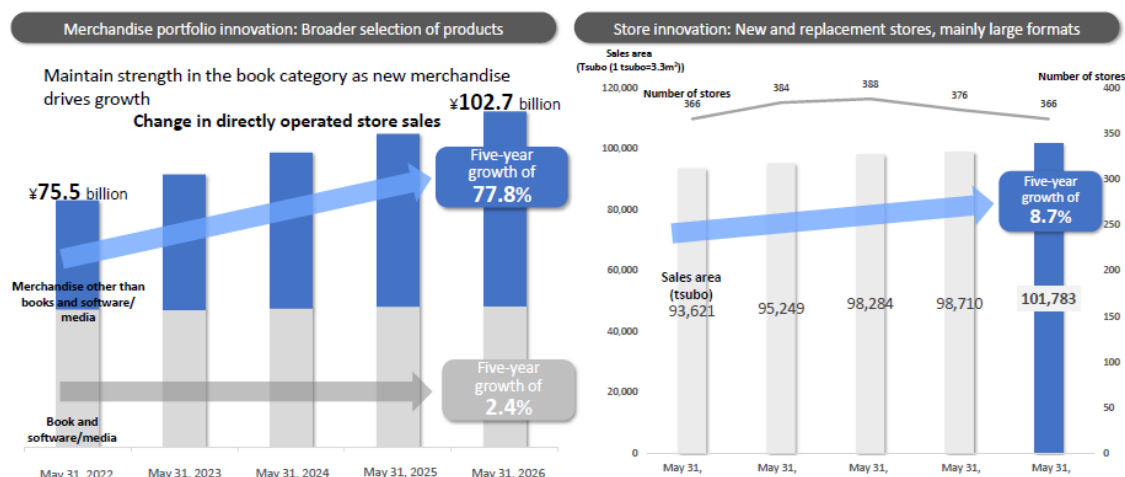
Due to sluggish sales of new books, it is difficult for the sales of books and software media to achieve significant growth as the company's total sales increase. However, books are used by customers of all ages and genders, which means that they provide a broad customer base. Furthermore, gross margin for books is high. In the reuse industry, there are powerful category killers of each product category, such as apparel and brand-name goods. Therefore, books are strategically important core products when it comes to differentiation from other companies.

While maintaining the sales of books and gross profit, they concentrated on new products other than books and software media, such as trading cards, hobby goods, apparel, precious metals, watches, and brand-name bags. As a result, the sales of products other than books and software media at directly managed stores have increased about 80% over the past 5 years, driving the growth of the company significantly.

◎ Store innovation

They are opening new stores and replacing old stores with new ones, to operate larger stores.

As they closed small-scale stores and opened large-scale stores, the number of selling space area is increasing steadily while the number of stores is unchanged. As of the end of May 2026, total selling space area was up 8.7% from the end of May 2022. Sales per store increased 35%.



(Source: the Company's material)

BRIDGE REPORT



◎ Enhancing the value of the experience of selling used goods

They have prepared various systems in order to offer “an ease of selling goods” easily anywhere, anytime.

They promote customers to visit their stores by creating opportunities to sell items with systems, including “Speedy Purchases,” which notifies customers of the completion of appraisal via smartphones and enables customers to receive the purchase amount in a cashless manner, “Purchase Locker,” which operates 24 hours a day, 365 days a year, enabling customers to request purchase without waiting, “Reuse Sending Service,” which enables customers to bring used items to a convenience store or the like whenever they want and complete the procedure for dispatching the items for requesting purchase, and the function to retrieve purchase prices by using an app in advance.

Like this, they are improving convenience and increasing opportunities to reuse items, by offering a wide array of purchase services.

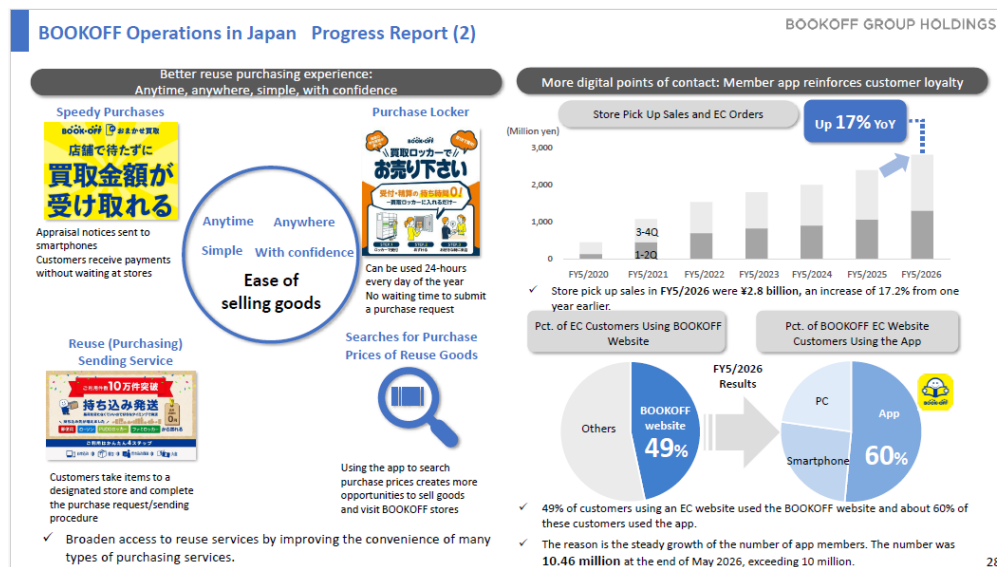
◎ Strengthening digital footholds

They engage in the fostering of loyalty among customers, by utilizing the membership app.

The Store Pick Up Sales and EC Orders, with which customers order products at the official online store of BOOKOFF and pick up the products by paying the prices at an actual store, handles over 4 million products and delivers even a single product for free, and users can pick up products whenever they want. The amount of orders received in the fiscal year ended May 2026 was 2.8 billion yen, up 17.2% year on year, showing a steady growth.

Customers using their own website accounted for about 50% of customers using EC sites (in the fiscal year ended May 2026). 60% of customers accessing their own website use their app. The number of app members was 10.46 million as of the end of May 2026. The expansion of the number of app subscribers is leading to the increase of use of various services and revenue growth.

While continuously increasing the number of app subscribers, they will concentrate on the increase of monthly active users (MAUs) by offering high-quality experiences to customers through customer relationship management (CRM) measures for improving the loyalty of customers, the improvement of usability, etc.



(Source: the Company's material)

◎ IT investment

They will keep actively investing in IT.

In FY May 2027, they plan to invest in systems for increasing the points of contact with customers, developing generative AI, and enhancing information security, while assuming the stable operation of major systems, such as POS and sales management systems and websites for sale and purchase.

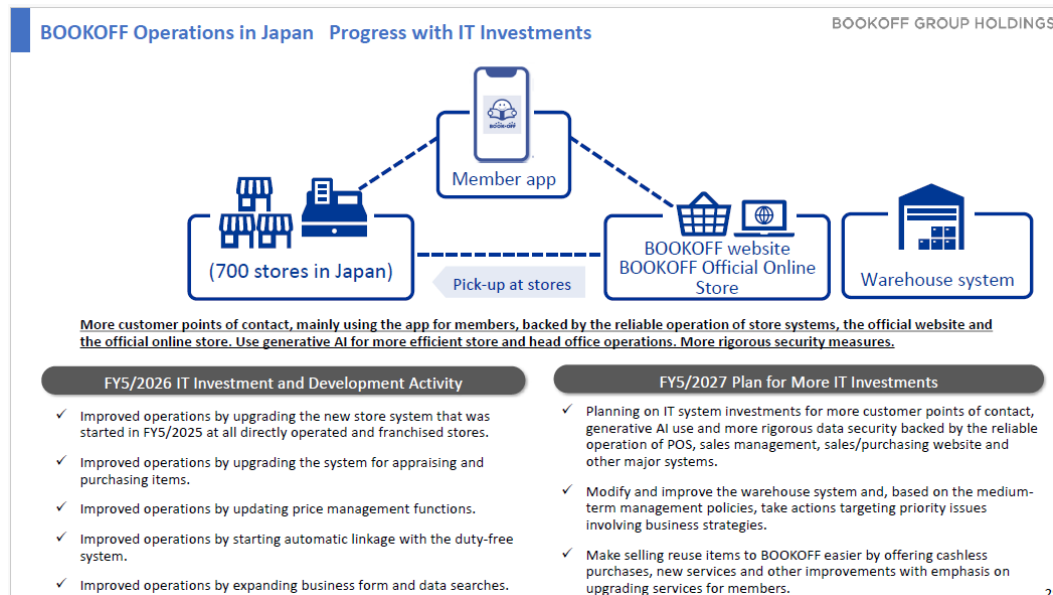
Regarding the utilization of AI, they aim to reform company-wide workstyles from the medium-term viewpoint. In the case of BOOKOFF GROUP HOLDINGS, which has detailed manuals and guidelines, even inexperienced employees could determine appropriate purchase prices by easily grasping meticulous processes. Like this, significant streamlining of operations can be expected.

BRIDGE REPORT



Regarding cyber security, they will increase its priority from the viewpoint of business continuity in addition to information leakage, while considering the recent cases of other companies.

Furthermore, they will revamp and improve their warehousing systems, and address priority issues for business strategies in accordance with the medium-term management policy. In particular, in order to improve membership services, they will improve the convenience of their purchase services for customers, by adopting cashless purchase, launching new services, and so on.

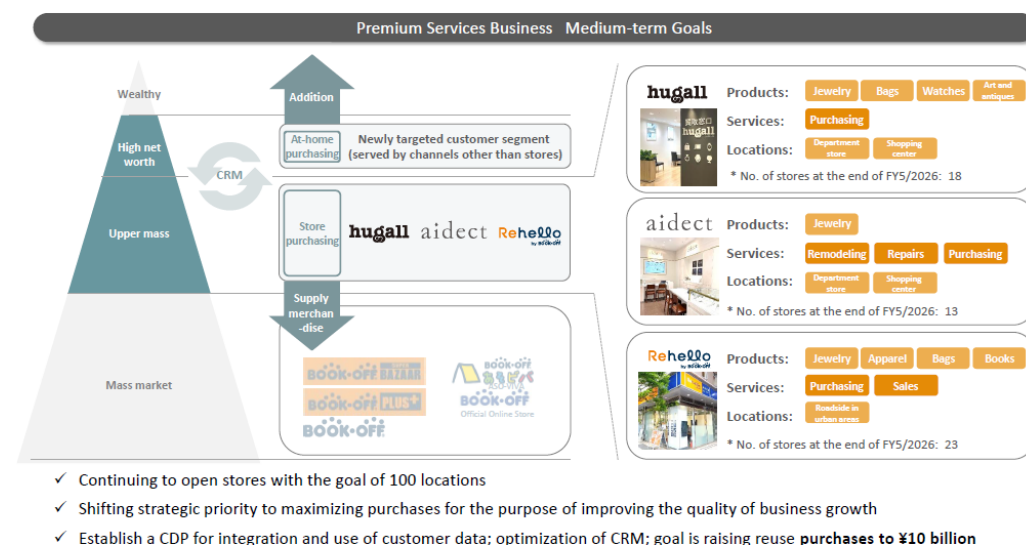


(Source: the Company's material)

(2) Premium Services Business

① Basic policy

The basic policy is to “promote reuse with diverse service brands targeting customer segments who do not use BOOKOFF.” They will keep opening new stores to increase the number of stores to 100, and shift the focus of their strategies to “maximization of procurement amount” for the purpose of improving the quality of growth. They will integrate and utilize customer data by establishing a customer data platform (CDP), and promote measures for optimizing customer relationship management (CRM), with the aim of achieving a procurement amount of 10 billion yen.



(Source: the Company's material)

BRIDGE REPORT



② Progress of initiatives

◎ To improve existing stores and open new stores for establishing a 100-store structure

In order to improve existing stores, they will refrain from opening new stores of Rehella in the fiscal year ending May 2027, and concentrate on the improvement of service quality and profitability of existing stores through renovation, etc.

Regarding the opening of new stores, they will open 3 new stores of hugall to increase the number of hugall stores to 21 and open 1 new store of aitect to increase the number of aitect stores to 14. They will keep opening new stores.

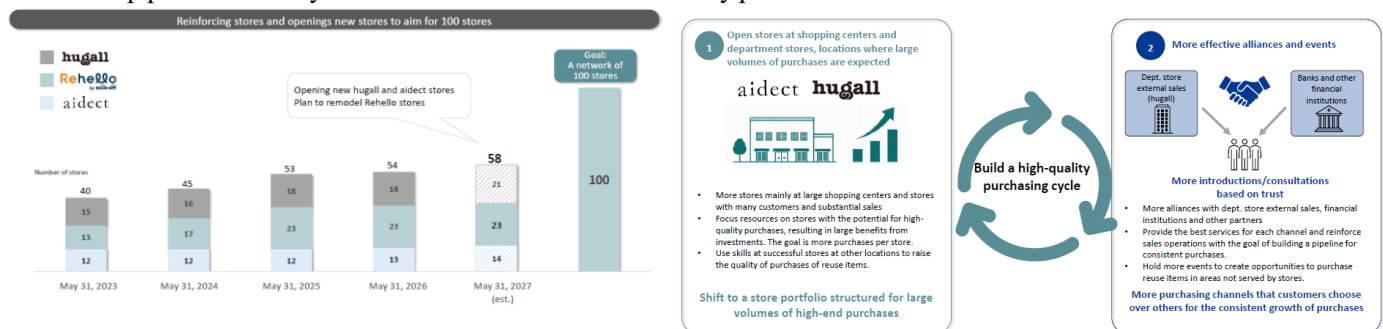
◎ Pursuit of store quality

They will keep opening new stores for establishing a 100-store structure, but they will not merely increase stores, but also pursue store quality and expand the high-quality procurement channel, with the aim of achieving a procurement amount of 10 billion yen.

The major initiatives for the procurement channel are “to open stores in commercial facilities and department stores where they are expected to purchase many used items” and “to enhance alliances and events.”

Regarding the former, they will open stores of hugall and aitect mainly in commercial facilities that can attract customers and have large annual sales, and establish a high-quality store portfolio for ensuring the procurement amount.

Regarding the latter, they will form alliances with department stores’ divisions for attending to loyal customers, banks, financial institutions, etc. By offering services tailored to each channel and strengthening the marketing structure, they will establish a stable procurement pipeline to steadily increase the number of used items they purchase.



(Source: the Company's material)

(3) Overseas Business

① Basic policy

They aim to have “30 stores in the U.S. and 50 stores of Jalan Jalan Japan” by the end of the fiscal year ending May 2028 and 100 stores in the U.S. and 100 stores of Jalan Jalan Japan for a total of 200 stores outside Japan by the end of the fiscal year ending May 2033. In parallel, they will work on the strengthening of their product supply structure. They will utilize the domestic collection base to back up the opening of stores of the Jalan Jalan Japan chain, while promoting the reuse of disused items in cooperation with other companies and local governments.



(Source: the Company's material)

BRIDGE REPORT



② Progress of initiatives

◎ The U.S.

In the fiscal year ended May 2026, they made inroads into Texas and Michigan. They will train local employees and promote them to store managers while opening new stores in more states, and establish a structure for running stores independently in each region. In the fiscal year ending May 2027, they plan to develop a sales management system while looking ahead to a structure with over 30 stores in the U.S.

◎Jalan Jalan Japan

They will raise earning capacity per store by restirring the demand from customers in the region through the renovation of existing stores. The stores that underwent strategic replacement or renovation, including the adoption of ingenious display methods, became more competitive, so sales and the number of customers increased 30% and 48%, respectively, showing a significant recovery. Reportedly, this result changed store staff's mindset.

Accordingly, in the fiscal year ending May 2027, they plan to give top priority to the improvement in earning capacities of existing stores, refrain from opening new stores, and renovate 8 stores. Based on the business foundation established through renovation, they will accelerate the opening of stores again from the fiscal year ending May 2028.



(Source: the Company's material)

◎ Initiatives for reuse and recycling for reducing product waste in Japan

In addition to their own efforts, they cooperate with other reuse-related companies, local governments, R-LOOP, etc., in order sort unsold stock and collected goods at 7 collection bases around Japan and use reusable goods in the overseas business. By suggesting and promoting the option to refrain from throwing away goods, they will reduce waste and create social value of reuse and recycling.

The 100-store scheme of Jalan Jalan Japan is supported by 7 collection bases around Japan. It serves as the core of their exit strategy and the hub of cooperation. In the fiscal year ended May 2026, they shipped 5,211 tons of goods from Japan, Jalan Jalan Japan (JJJ) sold 11.73 million items, and the number of JJJ stores reached 26.

◎ Establishment of BOOKOFF INTERNATIONAL and a local corporation in Taiwan

They established two corporations, in order to accelerate the growth of the overseas business and expand the reuse business globally.

* BOOKOFF INTERNATIONAL

They established "BOOKOFF INTERNATIONAL LTD." for the purposes of managing the overseas business of the BOOKOFF Group and realizing the optimal allocation of managerial resources and swift business operation. As their medium/long-term stance, they aim to operate business in 10 foreign countries.

* Local corporation in Taiwan

For the purpose of operating the reuse business in Taiwan, they established a local corporation in Taiwan, while it was 100% financed by BOOKOFF INTERNATIONAL LTD. It is assumed that they will operate business with the BOOKOFF store model, in which they purchase and sell used items there. In Taiwan, which is pro-Japan, the demand for anime content is strong and BOOKOFF is popular thanks to social media, so the Taiwanese market is considered promising. This fiscal year, they plan to open about 2 stores.



(Source: the Company's material)

(4) Other businesses

① Trading card-specialized store business

In order to reel in loyal trading card users and expand the customer segments of the BOOKOFF Group, they will steadily increase the number of stores of “Japan TCG Center.” In the fiscal year ending May 2027, they plan to open four new stores.

② Cleanout service

They solve the trouble of each user, by fully utilizing the capacity of the BOOKOFF Group. By appropriately handling reusable goods, recyclable materials, and disused products, they will improve convenience for users and realize a waste-free society.

5. Alliance with ITOCHU Corporation

In February 2026, they concluded a contract for capital and business alliances with ITOCHU Corporation, for the purpose of developing a recycling society by expanding their reuse services and the users of reuse services and utilizing resources.

It is aimed at offering opportunities for consumers to use reliable reuse services casually, by combining BOOKOFF GROUP HOLDINGS' know-how to operate the reuse business and capabilities to offer products and services and ITOCHU Corporation's global business base, store network, and diverse contact points with customers.

[5-1 Ideal state]

Through the alliance with ITOCHU, they will accelerate growth speed and reform their business portfolio with the aim of achieving “sales of over 200 billion yen and an ordinary income of over 10 billion yen.”



(Source: the Company's material)

[5-2 Details of the business alliance]

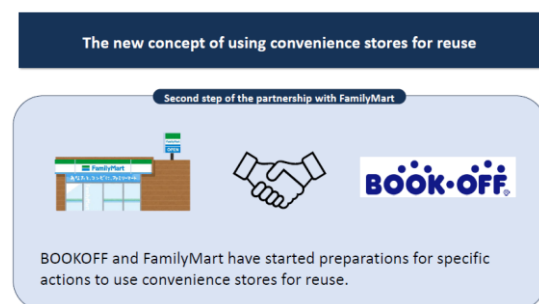
(1) Enhancement of procurement	To increase reuse opportunities in places familiar to consumers, by utilizing the store network of FamilyMart
(2) Opening more stores and reeling in customers	To open more stores and reel in more customers for the premium services business, by utilizing the assets of the ITOCHU Group
(3) Overseas business promotion	To promote the overseas business by utilizing the overseas network of ITOCHU Corporation
(4) New business creation	To create new businesses and services by utilizing the customer and service bases of the two companies

(1) Enhancement of procurement

Under the leadership of BOOKOFF GROUP HOLDINGS, they started a demonstration experiment of installing the platform “R-LOOP” for collecting disused clothes and miscellaneous goods from consumers and recycling resources in about 30 stores of FamilyMart in Setagaya-ku and Suginami-ku, in April 2026 in cooperation with BPLab inc. (Minato-ku, Tokyo).

By installing “R-LOOP” in FamilyMart, which is frequented by consumers, they enable consumers to casually support reuse and recycling just by putting disused items into boxes while shopping with the aim of reducing waste in each region, and propose new lifestyles without discarding goods and with reuse at convenience stores to consumers. They will study consumer convenience and needs, the degree of contribution to the natural environment, etc., and then aim to reduce the waste of clothes by about 4,000 tons per year through the procurement channel that supports the scheme of operating 100 stores of Jalan Jalan Japan, by increasing stores.

In addition, they are preparing for concrete measures in cooperation with FamilyMart, in order to realize and promote “reuse at convenience stores.”



(Source: the Company's material)

(2) The premium services business and the overseas business

In cooperation with ITOCHU, they will accelerate the opening of new stores and the foray into overseas markets.

For the premium services business, they are discussing concrete actions for creating new contact points with customers of hugall, Rehello, and aidect and expanding the revenue base, such as the opening of stores at the events held by the ITOCHU Group.

For the overseas business, they will execute the scheme for operating business in 10 foreign countries at an accelerated pace, by utilizing the overseas network of the ITOCHU Group. They have started with the establishment of a local corporation in Taiwan and support for business development.

[5-3 Details of the capital alliance]

In February 2026, ITOCHU Corporation acquired 879,000 shares (the ratio of their voting rights: 5.01%) through negotiation transactions with the shareholders of BOOKOFF GROUP HOLDINGS LIMITED (Shogakukan, Shueisha, and Kodansha).

6. Message from President Horiuchi

◎ Alliance with ITOCHU Corporation

Our business performance has been healthy, but I felt that the growth speed of our business has been insufficient, and considered that we require an external growth engine in addition to our own capacity. It is also necessary to discuss the capital composition after the acquisition of treasury shares. Receiving a proposal for this alliance, I thought that we were so fortunate as to have an excellent business partner.

This business alliance is aimed at (1) enhancing procurement, (2) opening more stores and reeling in customers, (3) promoting the overseas business, and (4) creating new businesses. The alliance with FamilyMart is important for making reuse common in Japan as the first step, but I think that it is more important to utilize the overseas network, customer base, and service base of the ITOCHU Group for overseas business expansion and new business creation, in order to achieve “sales of over 200 billion yen and an ordinary income of over 10 billion yen.”

◎ Message toward shareholders and investors

As the BOOKOFF operations in Japan is performing well, it is now more likely that we will achieve an ordinary income of 5 billion yen, which is the goal of the medium-term management policy, which will end in the fiscal year ending May 2028, in the fiscal year ending May 2027, one year earlier than planned.

We plan to steadily enrich shareholder return by raising payout ratio from 22.9% in the fiscal year ended May 2026 to 25.1% in the fiscal year ending May 2027 based on such healthy business performance.

In addition, the alliances with ITOCHU Corporation have increased the feasibility of achieving “sales of over 200 billion yen and an ordinary income of over 10 billion yen.” We will accelerate the growth as a leading company in the reuse industry. We hope that shareholders and investors have expectations toward our business.

7. Conclusions

In the fiscal year ended May 2026, the number of newly opened stores was slightly below the initial forecast in all of the three major businesses, but it was almost as forecast. In particular, in the BOOKOFF operations in Japan, they prioritize area per store and sales efficiency over the number of stores. The opening of three stores of “BOOKOFF SUPER BAZAAR,” which is a large-scale combined store, can be evaluated as a steady progress. It seems that the premium services business and the overseas business, whose profits were somewhat stagnant, are improving performance. We would like to pay attention to how speedily the alliances with ITOCHU will contribute to revenues.

<Reference: Corporate Governance>

◎ Organization type, and the composition of directors and audit and supervisory committee members

Organization type	Company with audit and supervisory committee
Directors	8 directors, including 4 outside directors (including 3 independent executives)
Audit and supervisory committee members	3 members, including 2 outside directors (including 1 independent executives)

◎ Corporate Governance Report: Updated on August 25, 2025

Basic policy

Under the BOOKOFF GROUP HOLDINGS LIMITED, which is a pure holding company, the Group’s common corporate philosophy is “Contributing to the economic and social development through our corporate activities” and “Providing opportunities for fulfillment both professionally and personally to all our dedicated employees” and the basic principles of our corporate governance are “ensuring transparency and efficiency of management,” “rapid decision-making,” and “enhancing accountability.” Based on these principles, we will establish good relationships with our stakeholders, including shareholders, customers, employees, business partners, and local communities, and establish a system to make transparent, fair, prompt, and decisive decision-making. We aim to achieve sustainable growth and increase corporate value over the medium to long term.

The basic policies on each principle of the Corporate Governance Code are disclosed in “Our Company’s Commitment to the Corporate Governance Code.”

■ Our Company’s Commitment to the Corporate Governance Code

<https://www.BOOKOFFgroup.co.jp/sustainability/top/governance/>

<Reasons for Non-compliance with the Principles of the Corporate Governance Code (Excerpts)>

[Principle 1-4]

The company stipulates policy not to acquire cross-holding shares in principle. However, as an exception, it may hold shares of its franchise chain member companies. In our company, the board of directors examines the shares we hold, and individually discusses the meanings of strategically held shares.

(Items to be discussed)

*Qualitative items

- Background for acquisition of the shares
- Whether or not our company has transactions with each issuing company
- Meanings of shareholding
- Business potential
- Risks in the case of not holding the shares
- Merits and demerits in the case of continuous shareholding

*Quantitative items

- Dividend amount received per year
- Profit or loss from valuation of the shares

Regarding the exercise of voting rights, we scrutinize each proposal, check the performance, financial standing, etc. of each issuing company in the past 3 years, hold dialogues with companies if necessary, judge whether or not each proposal contributes to the improvement in shareholder value, and then exercise voting rights appropriately.

<Disclosure Based on the Principles of the Corporate Governance Code (Excerpts)>

[Supplementary Principle 2-4①]

Our corporate group set a policy for developing human resources while securing diversity, a policy for establishing an in-company environment, and goals, and discloses their progress in our website, etc.

■ Diversity Policy, (goals, action plans, and their statuses)

<https://www.BOOKOFFgroup.co.jp/sustainability/top/society/diversity-equityand-inclusion/>

[Supplementary Principle 3-1③]

Our sustainability initiatives and investments in human capital and intellectual properties are explained and disclosed in Financial Results Presentation material upon disclosure of our group’s management strategy. Also, we disclose the impact of our business activities on climate change on our website based on the TCFD (Task Force on Climate-related Financial Disclosures), an internationally established disclosure framework.

■ Tackling Climate Change (TCFD)

<https://www.BOOKOFFgroup.co.jp/sustainability/top/BOOKOFF-group-esg-management/#seven>

[Principle 5-1]

The company appoints an executive in charge of IR and designates the Group Strategic Planning Department as in charge of IR. For shareholders and investors, the company holds financial results briefings once in six months, and is conducting small meetings and individual interviews as needed. In addition, the company has established the IR policy and disclosed it on its website.

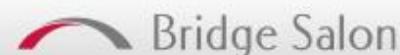
■ IR Policy <Policy to promote constructive dialogue with shareholders>

https://www.BOOKOFFgroup.co.jp/investor_relations/top/ir-policy/

[Actions to achieve business administration conscious of cost of capital and share price][Also available in English]

Regarding business administration conscious of capital cost and share price, the company has articulated in its "Mid-Term Management Plan" its financial policy of recognizing capital costs and improving capital returns, aiming for a transformation in its business portfolio.

BRIDGE REPORT



The plan includes specific explanations of mid-term action plans for each business segment.

For details, please refer to the "Mid-Term Management Plan" page of the financial results for the fiscal year ended May 2025.

■ Financial Results for the Fiscal Year Ended May 31, 2025

<https://ssl4.eir-parts.net/doc/9278/tdnet/2653363/00.pdf>

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