



May 13, 2021

Consolidated Summary Report
For the Fourth Quarter of the Fiscal Year Ending May 31, 2021
[Japanese GAAP]

Company Name: BOOKOFF GROUP HOLDINGS LIMITED Stock Exchange: Tokyo
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Quarterly Report issue date: May 14, 2021
Dividend payment date: -
Supplementary materials for quarterly financial results: Yes
Quarterly financial results briefing: None

(Amounts less than one million yen are rounded down)

1. Consolidated Financial Results for the Fourth Quarter of the Fiscal Year Ending May 31, 2021
(April 1, 2020 - March 31, 2021)

(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 %
Twelve months ended Mar. 31, 2021	80,127	-	1,622	-	2,135	-	(69)	-
Fiscal year ended Mar. 31, 2020	84,389	4.4	1,428	(7.8)	1,898	(10.5)	240	(88.9)

(Notes) 1. Comprehensive income Twelve months ended Mar. 31, 2021: ¥(26) million (-%)
Fiscal year ended Mar. 31, 2020: ¥232 million (down 89.7%)

2. No year-on-year comparisons are shown because the fiscal year ending on May 31, 2021 is a 14-month transitional fiscal period due to the change in the fiscal year.

3. Full year figures are shown for the fiscal year ended March 31, 2020.

	Net income per share	Fully diluted net income per share
	Yen	Yen
Twelve months ended Mar. 31, 2021	(3.96)	-
Fiscal year ended Mar. 31, 2020	13.77	-

(2) Consolidated Financial Condition

	Total assets	Net assets	Equity ratio
	Million yen	Million yen	%
As of Mar. 31, 2021	40,788	12,716	31.0
As of Mar. 31, 2020	41,535	12,848	30.7

(Reference) Shareholders' equity As of Mar. 31, 2021: ¥12,629 million As of Mar. 31, 2020: ¥12,768 million

2. Dividends

	Dividend per share					
	End of 1Q	End of 2Q	End of 3Q	End of 4Q	End of FY	Full year
	Yen	Yen	Yen	Yen	Yen	Yen
Fiscal year ended Mar. 31, 2020	-	0.00	-	-	6.00	6.00
Fiscal year ending May 31, 2021	-	0.00	-	-		
Fiscal year ending May 31, 2021 (est.)					6.00	6.00

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

3. Consolidated Forecast for the Fiscal Year Ending May 31, 2021 (April 1, 2020 - May 31, 2021)

(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	93,000	-	1,750	-	2,300	-	0	-	0.00

(Notes) Revisions to the most recently announced consolidated earnings forecasts: None

No prior-year comparisons are shown because the fiscal year ending on May 31, 2021 is a 14-month transitional fiscal period due to the change in the fiscal year.

Notes:

1. Significant changes in subsidiaries during the period (changes in specific subsidiaries accompanied by changes in the scope of consolidation): None

New: - (company name)

Excluded: - (company name)

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

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

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

(2) Changes due to other reasons: None

(3) Changes in accounting-based estimates: None

(4) Restatements: None

4. Number of shares outstanding (common shares)

(Shares)

(1) Shares outstanding (including treasury shares)	As of Mar. 31, 2021	20,547,413	As of Mar. 31, 2020	20,547,413
(2) Treasury shares	As of Mar. 31, 2021	3,100,000	As of Mar. 31, 2020	3,100,000
(3) Average number of shares outstanding	Twelve months ended Mar. 31, 2021	17,447,413	Fiscal year ended Mar. 31, 2020	17,447,413

* The current summary report is not subject to the quarterly review by certified public accountants or auditing firms.

* Cautionary statement regarding forecasts of operating results and special notes

(Forward-looking statements)

Forward-looking statements in these materials are based on information available to management at the time this report was prepared and assumptions that management believes are reasonable. This report is not promises by BOOKOFF GROUP HOLDINGS regarding future performance. Actual results may differ materially from those projected in the forward-looking statements due to a variety of factors.

(How to view supplementary materials for quarterly financial results)

Supplementary materials for the quarterly financial results will be disclosed today (May 13, 2021), using the Timely Disclosure network (TDnet).

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1. Qualitative Information on Quarterly Consolidated Financial Performance

(1) Explanation of Results of Operations

Forward-looking statements in this Consolidated Summary Report are based on information available to management as of the end of the fourth quarter.

No year-on-year comparisons are shown because the fiscal year ending on May 31, 2021 is a 14-month transitional fiscal period due to the change in the fiscal year.

Since the start of operations, the BOOKOFF Group has always been guided by the two corporate philosophies of “contributing to society through our business activities” and “the pursuit of employees’ material and spiritual wellbeing.” We are currently implementing a medium-term business plan that ends in the fiscal year ending on May 31, 2021, when we will celebrate our 30th anniversary. We are rededicating ourselves to our corporate philosophies and focusing our activities on the mission of “being a source of an enjoyable and prosperous life for many people.”

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

We have established two core strategies in order to accomplish this goal.

Core strategy I: Upgrade individual stores

We believe that upgrading reuse services in both our retail format and Internet platform is the starting point for becoming Japan’s leading reuse company that serves the largest number of customers. We are working on improvements for all store format packages and services.

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

In the past, the BOOKOFF Group provided separate services at stores and through channels other than stores. Now, we are creating an integrated framework that combines the platforms for members and buying and selling merchandise with systems that support these activities and with other items. In addition, every service will make full use of member and merchandise information, operational expertise, and other resources we have accumulated in every service category. The objective of these activities is to operate as “One BOOKOFF.”

During the first twelve months of the current fiscal year, we opened three stores in total (BOOKOFF SUPER BAZAAR 1-Gou Kyoto Fushimi Store and BOOKOFF Onojo Mikasagawa Store in Japan, and Jalan Jalan Tesco Rawang Store in Malaysia.)

Furthermore, we have continued to make substantial investments for improving services for app members and establishing a network of franchised stores using our e-purchasing system. Investments have been also used to create an omni-channel structure that utilizes the BOOKOFF Online website and to move forward with our O2O (online-to-offline) strategy. Conducting all business operations in a cohesive manner as “One BOOKOFF” is the objective of all these initiatives.

In the first twelve months of the current fiscal year, the majority of stores directly operated by the BOOKOFF Group temporarily closed or closed only on weekends and holidays in April and May 2020 in response to the state of emergency in Japan and requests to companies to reduce or suspend business activities because of COVID-19. Most stores that altered operations are located in areas where governments made these requests. As a result, existing store sales were much lower than one year earlier. Starting in the middle of May, we reduced operating hours and sales areas at stores and began reopening most stores while taking many actions to prevent COVID-19 infection. Operations generally returned to normal in early June. From January to March 2021, during the second declaration of state of emergency, we continued to operate stores with the utmost care to prevent infection. Directly operated existing store sales in Japan of the BOOKOFF Group were far below sales one year earlier in April and May but sales from June to August and October 2020 and February and March 2021 were higher than one year earlier. Selling, general and administrative expenses were also lower than the previous fiscal year due to the impact of store closures and shortened business hours, as well as cost

control.

As a result, consolidated net sales amounted to ¥80,127 million. The BOOKOFF Group recorded an operating profit of ¥1,622 million, an ordinary profit of ¥2,135 million, and a loss attributable to owners of parent of ¥69 million.

The loss attributable to owners of parent was the result of recording extraordinary losses which include the loss on COVID-19 and impairment losses on goodwill related to consolidated subsidiary Jewelry Asset Managers Inc.

(2) Explanation of Cash Flows

Cash and cash equivalents (“net cash”) at the end of the fourth quarter of the current fiscal year amounted to ¥6,634 million, an increase of ¥539 million from the end of the previous fiscal year.

Consolidated cash flows and the primary reasons for their fluctuation during the first twelve months of the current fiscal year are as follows:

(Cash Flows from Operating Activities)

Net cash provided by operating activities amounted to ¥2,855 million. There were positive factors including ¥1,470 million in depreciation, ¥674 million in impairment losses and profit before income taxes of ¥611 million.

(Cash Flows from Investing Activities)

Net cash used in investing activities amounted to ¥1,019 million. Negative factors included ¥544 million for the purchase of property, plant and equipment associated with new store openings, ¥353 million for the purchase of intangible assets related to additional investments in systems and ¥126 million for transfer of stores.

(Cash Flows from Financing Activities)

Net cash used in financing activities amounted to ¥1,289 million. Negative factors included net decrease in borrowings of ¥751 million due to the repayments, ¥418 million for repayments of lease obligations and ¥104 million for cash dividends paid.

(3) Explanation of Financial Position

(Current Assets)

Current assets at the end of the fourth quarter were ¥24,395 million, an increase of ¥690 million compared with ¥23,704 million at the end of the previous fiscal year. The major changes were a ¥539 million increase in cash and deposits and a ¥367 million increase in merchandise.

(Non-current Assets)

Non-current assets at the end of the fourth quarter were ¥16,393 million, a decrease of ¥1,437 million compared with ¥17,830 million at the end of the previous fiscal year. There was decreases of ¥431 million in property, plant and equipment, ¥793 million in intangible assets, and ¥211 million in investments and other assets.

(Liabilities)

Liabilities at the end of the fourth quarter were ¥28,071 million, a decrease of ¥615 million compared with ¥28,687 million at the end of the previous fiscal year. This was mainly attributable to decreases of ¥751 million in borrowings and ¥209 million in lease obligations in non-current liabilities, and an increase of ¥370 million in current liabilities.

(Net Assets)

Net assets at the end of the fourth quarter were ¥12,716 million, a decrease of ¥131 million compared with ¥12,848 million at the end of the previous fiscal year. Major components were dividend payments and the loss attributable to owners of parent.

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

The consolidated forecast for the fiscal year ending May 31, 2021, which was announced on August 7, 2020 by BOOKOFF GROUP HOLDINGS, has been revised. For more information, please refer to the press release titled “Notice of Revision to Consolidated Forecasts” (Japanese version only) dated May 12, 2021.

2. Quarterly Consolidated Financial Statements and Notes

(1) Quarterly Consolidated Balance Sheet

(Unit: million yen)

	FY3/2020 (As of Mar. 31, 2020)	Fourth quarter of FY5/2021 (As of Mar. 31, 2021)
Assets		
Current assets		
Cash and deposits	6,094	6,634
Accounts receivable-trade	1,898	2,072
Merchandise	13,129	13,497
Other	2,583	2,191
Allowance for doubtful accounts	(0)	(0)
Total current assets	23,704	24,395
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	4,187	3,967
Leased assets, net	1,359	1,153
Other, net	727	720
Total property, plant and equipment	6,273	5,841
Intangible assets		
Goodwill	793	145
Other	1,210	1,064
Total intangible assets	2,003	1,210
Investments and other assets		
Guarantee deposits	7,561	7,484
Other	2,052	1,918
Allowance for doubtful accounts	(60)	(60)
Total investments and other assets	9,553	9,341
Total non-current assets	17,830	16,393
Total assets	41,535	40,788

(Unit: million yen)

	FY3/2020 (As of Mar. 31, 2020)	Fourth quarter of FY5/2021 (As of Mar. 31, 2021)
Liabilities		
Current liabilities		
Accounts payable-trade	459	604
Short-term borrowings	5,960	6,649
Current portion of long-term borrowings	3,803	4,062
Lease obligations	417	344
Income taxes payable	282	424
Provision for sales rebates	512	404
Provision for loss on store closings	27	13
Other provisions	497	410
Other	4,738	5,108
Total current liabilities	16,697	18,021
Non-current liabilities		
Long-term borrowings	8,058	6,359
Provision for loss on store closings	9	-
Asset retirement obligations	2,358	2,383
Lease obligations	1,181	972
Other	381	334
Total non-current liabilities	11,990	10,050
Total liabilities	28,687	28,071
Net assets		
Shareholders' equity		
Share capital	100	100
Capital surplus	6,485	6,485
Retained earnings	8,550	8,377
Treasury shares	(2,343)	(2,343)
Total shareholders' equity	12,792	12,619
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	31	85
Foreign currency translation adjustment	(55)	(75)
Total accumulated other comprehensive income	(24)	9
Non-controlling interests	79	87
Total net assets	12,848	12,716
Total liabilities and net assets	41,535	40,788

(2) Quarterly Consolidated Statements of Income and Comprehensive Income

Quarterly Consolidated Statement of Income

(For the Twelve-month Period)

(Unit: million yen)

	First twelve months of FY5/2021 (Apr. 1, 2020 – Mar. 31, 2021)
Net sales	80,127
Cost of sales	31,300
Gross profit	48,827
Selling, general and administrative expenses	47,205
Operating profit	1,622
Non-operating income	
Rent revenues on facilities	322
Gain from installment of vending machine	116
Gain on sale of recycling goods	214
Subsidy income	285
Other	109
Total non-operating income	1,048
Non-operating expenses	
Interest expenses	157
Share of loss of entities accounted for using equity method	9
Rent costs on facilities	305
Other	62
Total non-operating expenses	534
Ordinary profit	2,135
Extraordinary losses	
Loss on valuation of investment securities	1
Loss on store closings	7
Provision for loss on store closings	4
Loss on retirement of non-current assets	56
Impairment losses	674
Loss on COVID-19	777
Total extraordinary losses	1,523
Profit before income taxes	611
Income taxes-current	493
Income taxes-deferred	175
Total income taxes	669
Loss	(57)
Profit attributable to non-controlling interests	11
Loss attributable to owners of parent	(69)

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

(Unit: million yen)

	First twelve months of FY5/2021 (Apr. 1, 2020 – Mar. 31, 2021)
Loss	(57)
Other comprehensive income	
Valuation difference on available-for-sale securities	24
Foreign currency translation adjustment	(22)
Share of other comprehensive income of entities accounted for using equity method	29
Total other comprehensive income	31
Comprehensive income	(26)
Comprehensive income attributable to	
Comprehensive income attributable to owners of parent	(35)
Comprehensive income attributable to non-controlling interests	8

(3) Quarterly Consolidated Statement of Cash Flows

(Unit: million yen)

	First twelve months of FY5/2021 (Apr. 1, 2020 – Mar. 31, 2021)
Cash flows from operating activities	
Profit before income taxes	611
Depreciation	1,470
Impairment losses	674
Amortization of goodwill	129
Increase (decrease) in allowance for doubtful accounts	(0)
Increase (decrease) in provision for loss on store closings	4
Increase (decrease) in provision for allowance of sales discounts	(107)
Interest expenses	157
Share of loss (profit) of entities accounted for using equity method	9
Loss on store closings	7
Loss (gain) on valuation of investment securities	1
Loss on retirement of non-current assets	56
Loss on COVID-19	777
Decrease (increase) in trade receivables	(174)
Decrease (increase) in inventories	(332)
Increase (decrease) in trade payables	145
Other, net	424
Subtotal	3,856
Interest and dividends received	7
Interest paid	(158)
Payments for loss on COVID-19	(738)
Income taxes paid	(363)
Income taxes refund	252
Net cash provided by (used in) operating activities	2,855
Cash flows from investing activities	
Purchase of property, plant and equipment	(544)
Purchase of intangible assets	(353)
Payments of guarantee deposits	(90)
Proceeds from refund of guarantee deposits	234
Proceeds from transfer of store	(126)
Other, net	(139)
Net cash provided by (used in) investing activities	(1,019)
Cash flows from financing activities	
Net increase (decrease) in short-term borrowings	689
Proceeds from long-term borrowings	2,550
Repayments of long-term borrowings	(3,990)
Repayments of lease obligations	(418)
Dividends paid	(104)
Other, net	(15)
Net cash provided by (used in) financing activities	(1,289)
Effect of exchange rate change on cash and cash equivalents	(7)
Net increase (decrease) in cash and cash equivalents	539
Cash and cash equivalents at beginning of period	6,094
Cash and cash equivalents at end of period	6,634

(4) Notes to Quarterly Consolidated Financial Statements

(Notes Concerning the Going-Concern Premise)

Not applicable.

(Significant Changes in Shareholders' Equity)

Not applicable.

(Additional Information)

The store operation status and the number of customers are changing due to the COVID-19 pandemic and declaration of state of emergency.

The BOOKOFF Group makes accounting estimates for impairment of non-current assets and other items by taking into considerations the store operation status and other information which were available when preparing this quarterly consolidated financial statements.

(Segment Information)

First twelve months of FY5/2021 (Apr. 1, 2020 – Mar.31, 2021)

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

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