

## Consolidated Financial Results for the First Six Months of the Fiscal Year Ending March 31, 2025 (Japanese GAAP)

November 7, 2024

### GEO HOLDINGS CORPORATION

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 Securities Code: 2681  
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 Scheduled date to submit semi-annual securities report: November 7, 2024  
 Scheduled date to commence dividend payments: December 10, 2024  
 Preparation of supplementary material on financial results: Yes  
 Holding of financial results briefing: Yes (for institutional investors and analysts)

(Amounts less than million yen are discarded)

### 1. Consolidated Financial Results for the First Six Months (from April 1, 2024 to September 30, 2024)

#### (1) Consolidated operating results (cumulative)

(Percentages indicate changes from the previous corresponding period)

	Net Sales		Operating profit		Ordinary profit		Profit attributable to owners of parent	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Six months ended:								
September 30, 2024	199,724	(7.4)	5,414	(25.9)	5,201	(40.0)	2,825	(50.6)
September 30, 2023	215,761	25.0	7,307	16.1	8,675	14.5	5,717	26.3

(Note) Comprehensive income: 3,018 million yen (decrease of 46.9%) for six months ended September 30, 2024  
 5,683 million yen (increase of 22.8%) for six months ended September 30, 2023

	Earnings per share	Fully diluted earnings per share
Six months ended:	Yen	Yen
September 30, 2024	71.15	70.85
September 30, 2023	144.62	143.67

#### (2) Consolidated financial position

	Total assets	Net assets	Equity-to-asset ratio
As of	Millions of yen	Millions of yen	%
September 30, 2024	249,908	89,646	35.8
March 31, 2024	231,125	87,349	37.7

(Reference) Shareholders' equity: As of September 30, 2024: 89,431 million yen  
 As of March 31, 2024: 87,130 million yen

### 2. Dividends

	Annual dividends per share				
	1st quarter end	2nd quarter end	3rd quarter end	Year-end	Annual
	Yen	Yen	Yen	Yen	Yen
Fiscal Year ended March 31, 2024	-	12.00	-	17.00	29.00
Fiscal Year ending March 31, 2025	-	17.00	-	-	-
Fiscal Year ending March 31, 2025 (Forecast)	-	-	-	17.00	34.00

(Note) Change in dividends forecast from the most recent announcement: None

### 3. Consolidated Earnings Forecast for the Fiscal Year Ending March 31, 2025 (from April 1, 2024 to March 31, 2025)

(Percentages indicate changes from the previous corresponding period)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent		Earnings per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
FY 2025	436,000	0.5	12,000	(28.6)	12,000	(36.0)	6,000	(45.0)	151.10

(Note) Change in earnings forecast from the most recent announcement: None

## Notes

- (1) Significant changes in the scope of consolidation during the period: None
- (2) Adoption of accounting treatment specific to the preparation of semi-annual consolidated financial statements: None
- (3) Changes in accounting policies, changes in accounting estimates, and restatements
  - 1) Changes in accounting policies due to revisions to accounting standards and other regulations: None
  - 2) Changes in accounting principles other than 1): None
  - 3) Changes in accounting estimates: None
  - 4) Restatement: None
- (4) Number of issued shares (common shares)
  - 1) Total number of issued shares at the end of the period (including treasury shares)

As of September 30, 2024	39,710,552 shares
As of March 31, 2024	39,702,552 shares
  - 2) Number of treasury shares at the end of the period

As of September 30, 2024	41 shares
As of March 31, 2024	41 shares
  - 3) Average number of shares outstanding during the period (the first half of the fiscal year)

During six months ended September 30, 2024	39,708,566 shares
During six months ended September 30, 2023	39,536,664 shares

\* Semi-annual financial results reports are exempt from review conducted by certified public accountants or an audit firm.

\* Explanation regarding appropriate use of financial forecasts and other special remarks

The forward-looking statements included in this summary, such as financial forecasts, are based on currently available information and certain assumptions, which we deem to be reasonable as of the date of this summary. There is no guarantee that we will achieve those financial forecasts. Actual results may differ significantly from these forecasts due to various factors. Please see “1. Overview of Results of Operations, etc.,” “(4) Explanation of forward-looking information including consolidated earnings forecast” on page 3 of the Attachments for the basis of forecasts and notes on reliance on forecasts.

### <Supplementary Information for English Translation>

Our business named “2nd STREET,” which mainly sells and purchases second-hand clothing and household items, is hereinafter referred to as “Reuse Store(s),” and our businesses named “GEO,” “GEO Store” and “GEO mobile,” which mainly handle video games, DVDs, CDs and smartphones, are hereinafter collectively referred to as “Media Store(s)” in this document.

Both our Reuse Store(s) and Media Store(s) use the term “reuse” to refer to second-hand items, and “brand-new” to refer to non-secondhand items that are procured from manufacturers or through conventional commercial distribution channels.

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1. Overview of Results of Operations, etc.

(1) Overview of operating results for the period under review

Consolidated financial results (from April 1, 2024 to September 30, 2024)

In the six months ended September 30, 2024, the gradual economic recovery was expected to continue under an improving employment and earnings environment. However, there are concerns that a downturn in economies overseas could put downward pressure on Japanese economy. We must pay close attention to the impacts of the global demand recovery after the COVID-19 pandemic, price increases due to steep rises in resource prices, the situation in the Middle East, volatility in financial and capital markets, and the outlook remains uncertain.

In the reuse industry, in addition to increasing awareness of the concept of the SDGs and demand as a lifestyle defense measure in response to inflation, the reuse concept has been transformed into a familiar lifestyle choice due to improved access to reuse-related activities, such as transactions between consumers and collection of unused items as part of the corporate environmental activities. As a result of these and various factors, the reuse market continues to grow.

In this environment, through aiming “to offer joy to your everyday life,” to increase choices, and to improve convenience for customers, the Group is working to expand its e-commerce services, to actively open new reuse stores, centered on 2nd STREET stores, both in Japan and overseas, and to achieve sustainable growth and profitability improvements.

Looking at trends in reuse (comprehensive) merchandise, in addition to the continuing growth in demand for reuse market, the solid performance from the expansion of global operations, resulted in overall sales of reuse (comprehensive) merchandise to increase by 10.9% year-over-year (YoY) to 87,324 million yen.

In terms of trends in reuse (media) merchandise, although downloadable software has become prevalent with game-related products, sales of game-related products were on a par with the prior year’s, supported by increased distribution of PlayStation 5 home video game consoles and a trend in a growing number of game users. In addition, as for the reuse market for smartphones, tablets, and other mobile devices, on top of market stimulus, retail sales have been strengthened by stand-alone GEO mobile stores, the expansion of attached stores, which contribute to profitability improvements of GEO stores, and sales opportunities created through e-commerce sales promotion. For the reasons described above, overall sales of reuse (media) merchandise increased by 19.3% YoY to 40,616 million yen.

Looking at trends in brand-new merchandise, sales decreased by 40.1% YoY to 44,492 million yen given a significant downturn after the strong sales in home video game consoles and the release of latest major series in the first six months of the previous fiscal year.

Foreign exchange losses amounting to 776 million yen was recorded due to the significant fluctuations in foreign exchange rates.

As a result, as for the Group’s results for six months ended September 30, 2024, net sales were 199,724 million yen (down 7.4% YoY), operating profit was 5,414 million yen (down 25.9% YoY), ordinary profit was 5,201 million yen (down 40.0% YoY), and profit attributable to owners of parent was 2,825 million yen (down 50.6% YoY).

The numbers of the Group’s stores and facilities in the six months ended September 30, 2024 are as follows.

The figures in ( ) in the “Total” column indicate changes from the end of the previous fiscal year.

	Directly-managed stores			FC stores and distributors			Total	
		Newly opened	Closed		Newly opened	Closed		
Total number of GEO Group stores	1,980	64	31	150	1	12	2,130	(+22)
GEO	970	16	23	95	0	12	1,065	(-19)
2nd STREET (Japan)	798	21	7	55	1	0	853	(+15)
2nd STREET (USA)	39	4	0	0	0	0	39	(+4)
2nd STREET (Taiwan)	32	4	0	0	0	0	32	(+4)
2nd STREET (Malaysia)	21	4	0	0	0	0	21	(+4)
2nd STREET (Thailand)	2	1	0	0	0	0	2	(+1)
OKURA TOKYO	22	1	1	0	0	0	22	(0)
LuckRack	21	3	0	0	0	0	21	(+3)
Others	75	10	0	0	0	0	75	(+10)

Notes:

1. The numbers of stores are counted per each store brand.
2. “GEO” includes stores that sell and purchase home game-related items, mobile phones, and smartphones, and rent DVDs where they operate under the store names of “GEO” and “GEO mobile.”
3. “2nd STREET” includes stores that sell and purchase clothing, home appliances, and other items where they operate under the names of “2nd STREET,” “Super 2nd STREET,” “2nd OUTDOOR,” “JUMBLE STORE,” etc.

(2) Overview of consolidated financial position for the period under review

[Assets]

Current assets as of September 30, 2024 were 168,011 million yen, which increased by 13,702 million yen from the end of the previous fiscal year. This was mainly attributable to increases of 13,298 million yen in cash and deposits, and 1,701 million yen in merchandise, despite a decrease of 1,508 million yen in accounts receivable - trade. Non-current assets as of September 30, 2024 were 81,897 million yen, which increased by 5,079 million yen from the end of the previous fiscal year. This was mainly attributable to increases of 1,809 million yen in right-of-use assets included in

“other, net” under property, plant and equipment, 1,397 million yen in buildings and structures, net, and 768 million yen in construction in progress included in “other, net” under property, plant and equipment.

As a result, total assets as of September 30, 2024 were 249,908 million yen, which increased by 18,782 million yen from the end of the previous fiscal year.

[Liabilities]

Current liabilities as of September 30, 2024 were 45,421 million yen, which decreased by 2,066 million yen from the end of the previous fiscal year. This was mainly attributable to decreases of 1,500 million yen in short-term borrowings included in “other” under current liabilities, 1,125 million yen in accounts payable - trade, and 682 million yen in income taxes payable, despite an increase in 875 million yen in current portion of long-term borrowings. Non-current liabilities as of September 30, 2024 were 114,840 million yen, which increased by 18,553 million yen from the end of the previous fiscal year. This was mainly attributable to increases of 11,000 million yen in long-term borrowings and 5,500 million yen in bonds payable.

As a result, total liabilities as of September 30, 2024 were 160,261 million yen, which increased by 16,486 million yen from the end of the previous fiscal year.

[Net assets]

Net assets as of September 30, 2024 were 89,646 million yen, which increased by 2,296 million yen from the end of the previous fiscal year. This was mainly attributable to profit attributable to owners of parent of 2,825 million yen and dividends from surplus of 674 million yen.

As a result, the shareholders' equity ratio stood at 35.8% (compared to 37.7% at the end of the previous fiscal year).

(3) Overview of cash flows for the period under review

Cash and cash equivalents (“cash”) as of September 30, 2024 increased by 13,624 million yen from the end of the previous fiscal year to 72,181 million yen.

The situations of each cash flow and their factors for the six months ended September 30, 2024 are as follows.

(Cash flows from operating activities)

As a result of operating activities, cash increased by 4,796 million yen (where this increased by 2,453 million yen in the same period of the previous fiscal year).

This was mainly attributable to profit before income taxes of 5,169 million yen, depreciation of 2,971 million yen, decrease in trade receivables of 1,439 million yen and rental assets depreciation of 1,355 million yen, which more than offset income taxes paid of 2,927 million yen, increase in inventories of 1,810 million yen, purchase of rental assets of 1,217 million yen and decrease in trade payables of 840 million yen.

(Cash flows from investing activities)

As a result of investing activities, cash decreased by 5,803 million yen (where this decreased by 5,524 million yen in the same period of the previous fiscal year).

This was mainly attributable to purchase of property, plant and equipment of 4,926 million yen and purchase of intangible assets of 1,146 million yen.

(Cash flows from financing activities)

As a result of financing activities, cash increased by 14,787 million yen (where this increased by 3,160 million yen in the same period of the previous fiscal year).

This was mainly attributable to proceeds from long-term borrowings of 16,000 million yen and proceeds from the issuance of corporate bonds of 5,472 million yen, which more than offset repayments of long-term borrowings of 4,124 million yen and a net decrease in short-term borrowings of 1,500 million yen.

(4) Explanation of forward-looking information including consolidated earnings forecast

With respect to consolidated earnings forecast, there were no changes from the full year forecast presented on May 10, 2024.

2. Semi-annual Consolidated Financial Statements

(1) Semi-annual consolidated balance sheet

(Millions of yen)

	As of March 31, 2024	As of September 30, 2024
<b>Assets</b>		
Current assets		
Cash and deposits	54,977	68,276
Accounts receivable - trade	15,226	13,718
Merchandise	70,970	72,671
Other	13,357	13,551
Allowance for doubtful accounts	(223)	(206)
Total current assets	154,308	168,011
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	17,856	19,253
Other, net	28,984	32,026
Total property, plant and equipment	46,840	51,280
Intangible assets	4,341	4,760
Investments and other assets		
Leasehold and guarantee deposits	18,714	19,091
Other	7,817	7,658
Allowance for doubtful accounts	(895)	(892)
Total investments and other assets	25,635	25,857
Total non-current assets	76,817	81,897
Total assets	231,125	249,908
<b>Liabilities</b>		
Current liabilities		
Accounts payable - trade	14,692	13,567
Current portion of long-term borrowings	8,737	9,612
Income taxes payable	3,233	2,550
Other	20,824	19,690
Total current liabilities	47,487	45,421
Non-current liabilities		
Bonds payable	6,600	12,100
Long-term borrowings	64,325	75,325
Asset retirement obligations	7,274	7,377
Other	18,088	20,038
Total non-current liabilities	96,287	114,840
Total liabilities	143,775	160,261
<b>Net assets</b>		
Shareholders' equity		
Share capital	9,251	9,257
Capital surplus	3,663	3,670
Retained earnings	74,339	76,489
Treasury shares	(0)	(0)
Total shareholders' equity	87,254	89,417
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	10	2
Foreign currency translation adjustment	(134)	11
Total accumulated other comprehensive income	(123)	13
Share acquisition rights	180	164
Non-controlling interests	38	50
Total net assets	87,349	89,646
Total liabilities and net assets	231,125	249,908

(2) Semi-annual consolidated income statement and statement of comprehensive income

Semi-annual consolidated income statement

(Millions of yen)

	Six months ended September 30, 2023	Six months ended September 30, 2024
Net sales	215,761	199,724
Cost of sales	139,874	117,937
Gross profit	75,886	81,787
Selling, general and administrative expenses	68,579	76,372
Operating profit	7,307	5,414
Non-operating income		
Foreign exchange gains	947	–
Rental income from real estate	442	601
Other	573	479
Total non-operating income	1,963	1,081
Non-operating expenses		
Foreign exchange losses	–	776
Other	595	517
Total non-operating expenses	595	1,293
Ordinary profit	8,675	5,201
Extraordinary losses		
Impairment losses	128	31
Total extraordinary losses	128	31
Profit before income taxes	8,546	5,169
Income taxes - current	2,072	2,547
Income taxes - deferred	756	(256)
Total income taxes	2,829	2,290
Profit	5,717	2,879
Profit (loss) attributable to non-controlling interests	(0)	54
Profit attributable to owners of parent	5,717	2,825

Semi-annual consolidated statement of comprehensive income

(Millions of yen)

	Six months ended September 30, 2023	Six months ended September 30, 2024
Profit	5,717	2,879
Other comprehensive income		
Valuation difference on available-for-sale securities	3	(8)
Foreign currency translation adjustment	(36)	147
Total other comprehensive income	(33)	138
Comprehensive income	5,683	3,018
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	5,684	2,962
Comprehensive income attributable to non-controlling interests	(0)	55



(3) Semi-annual consolidated statement of cash flows

(Millions of yen)

	Six months ended September 30, 2023	Six months ended September 30, 2024
<b>Cash flows from operating activities</b>		
Profit before income taxes	8,546	5,169
Depreciation	2,587	2,971
Rental assets depreciation	1,527	1,355
Interest and dividend income	(46)	(71)
Interest expenses	124	234
Decrease (increase) in trade receivables	(1,045)	1,439
Decrease (increase) in inventories	(2,285)	(1,810)
Purchase of rental assets	(1,210)	(1,217)
Increase (decrease) in trade payables	(1,847)	(840)
Other, net	(1,321)	692
Subtotal	5,030	7,921
Interest and dividends received	33	41
Interest paid	(122)	(238)
Income taxes refund (paid)	(2,488)	(2,927)
Net cash provided by (used in) operating activities	2,453	4,796
<b>Cash flows from investing activities</b>		
Purchase of property, plant and equipment	(3,177)	(4,926)
Purchase of intangible assets	(944)	(1,146)
Other, net	(1,403)	269
Net cash provided by (used in) investing activities	(5,524)	(5,803)
<b>Cash flows from financing activities</b>		
Net increase (decrease) in short-term borrowings	(6,000)	(1,500)
Proceeds from long-term borrowings	13,200	16,000
Repayments of long-term borrowings	(3,477)	(4,124)
Proceeds from issuance of bonds	-	5,472
Dividends paid	(473)	(676)
Other, net	(88)	(383)
Net cash provided by (used in) financing activities	3,160	14,787
Effect of exchange rate change on cash and cash equivalents	265	(155)
Net increase (decrease) in cash and cash equivalents	354	13,624
Cash and cash equivalents at beginning of period	46,564	58,556
Cash and cash equivalents at end of period	46,919	72,181

(4) Notes to semi-annual consolidated financial statements

(Notes on going concern assumptions)

None

(Notes on significant change in shareholders' equity)

None

(Notes on segment information, etc.)

[Segment information]

For the six months ended September 30, 2023 and the six months ended September 30, 2024:

Segment information is omitted because the Group has only one segment, retail services.