



# Supplementary Materials on the Financial Results

for the First Nine Months of the Fiscal Year Ending March 31, 2025

**GEO HOLDINGS CORPORATION**

Prime Market of the Tokyo Stock Exchange (2681)



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# 1. Group Profile

## Corporate Philosophy






To offer joy to your everyday life

Company name	GEO HOLDINGS CORPORATION
Date of incorporation	January 1989
Head Office	8-8 Fujimi-cho, Naka-ku, Nagoya-shi, Aichi Prefecture 460-0014
Tokyo Office	Imai Mitsubishi Building 3-53-11 Minamitsuka, Toshima-ku, Tokyo 170-0005
Representative Director	Yuzo Endo
Capital	9,257 million yen (as of December 31, 2024)
Stock listing	Tokyo Stock Exchange, Prime Market

\*GEO is pronounced as “gaeo [géioʊ]” in Japanese.



# GEO Group's major shops and their major merchandise

					
Number of stores (as of December 31, 2024)	<b>1,070 stores</b> (including 102 GEO mobile standalone stores and 647 co-located stores)		<b>870 stores in Japan</b> <b>106 stores overseas</b>	<b>24 stores</b>	<b>25 stores</b>
<b>Clothing and accessories</b>			<b>Reuse</b>		<b>Brand-new</b>
<b>Furniture, electrical appliances, household goods</b>			<b>Reuse</b>		
<b>Branded luxury goods</b>			<b>Reuse</b>	<b>Reuse</b>	
<b>Game devices and software</b>	<b>Brand-new &amp; Reuse</b>				
<b>AV equipment</b>	<b>Brand-new &amp; Reuse</b>	<b>Brand-new</b>	<b>Reuse</b>		
<b>Smartphone, tablet, PC</b>	<b>Reuse</b>	<b>Reuse</b>	<b>Reuse</b>		
<b>DVD, Blu-ray, CD, comic books</b>	<b>Rental &amp; Brand-new</b>				
<b>Special characteristics</b>	<ul style="list-style-type: none"> <li>• Top share in the reuse game, reuse smartphone, and video/music rental markets</li> <li>• Sales of brand-new AV appliances, smartphone accessories, game consoles and software</li> </ul>	<ul style="list-style-type: none"> <li>• Operates both co-located stores with GEO stores and standalone stores</li> <li>• Top share of the reuse mobile phone market</li> <li>• Services provided by staff specialized in smartphones</li> </ul>	<ul style="list-style-type: none"> <li>• Top share of reuse clothing and accessories market</li> <li>• Operates purchasing-only stores and specialty stores offering outdoor goods, musical instruments, and others</li> </ul>	<ul style="list-style-type: none"> <li>• Handles luxury goods, such as watches and bags</li> <li>• Ensures stable supply of goods via auctions at Okura</li> </ul>	<ul style="list-style-type: none"> <li>• Develops OPS (off-price stores) that procure surplus stock from manufacturers and sell it at discounted prices</li> </ul>

\* Some stores may not be handling the above mentioned merchandise.

# Group strategy: Progressively develop as a network retailer

- By understanding consumption behavior, we refine our network retailer system which help customers freely access products and services both online and offline while eliminating the boundaries between the two.  
Through our businesses including reuse and rental business and retail sales of brand-new merchandise, we strive to be a “global platform operator” that continues to offer joy to people around the world in their everyday life.
- Since its founding, our group has continually refined the central system that we have developed in-house. The system allows us to centrally manage such functions as sales, purchasing, and rental operations. As we move forward, our management challenge is to expand the range of products we handle and increase our reach to customers around the world, both online and offline.



## 2. Consolidated Results for Nine Months Ended December 31, 2024

# FY2025 Q3 summary

## Consolidated Financial Highlights

### Net Sales

Sales at 2nd STREET in Japan and overseas were solid against the backdrop of an expanding reuse market, and sales of reuse smartphones and tablets at GEO mobile also grew, but consolidated net sales fell 3.4% year on year, mainly due to a reactionary decline in the first half as demand for brand-new game merchandise ran its course. Consolidated net sales decreased 3.4% year on year to 316.1 billion yen.

### Operating profit, ordinary profit, net profit

While gross profit increased, SG&A expense increases due to new store openings and personnel costs could not be absorbed, resulting in a 26.4% decrease in operating profit, a 23.7% decrease in ordinary profit, and a 30.8% decrease in net profit attributable to owners of the parent company.

### Gross profit

Despite a decline in gross profit margin due to discount sales, the gross profit margin rose 3.9 percentage points year-on-year due to a change in the sales mix resulting from higher sales of reuse merchandise and lower sales of brand-new merchandise, and gross profit rose 7.0% to 127.2 billion yen

## Topics

### Topic 1



(Japan)

870 stores as of December 31, 2024, as a consequence of net increase of 32 stores due to higher store openings in Q3

Sales increased due to “2nd STREET Week” event and new store openings

### Topic 2



(Overseas)

Opened cumulative 25 new stores in FY2025 Q1-Q3  
8 stores in the US, 9 stores in Taiwan,  
6 stores in Malaysia, 2 stores in Thailand

Opened 100th overseas store in October 2024

### Topic 3



Focusing on reuse mobile

GEO mobile standalone stores: 102 stores  
GEO mobile co-located stores with GEO: 647 stores

Considering to open GEO mobile stores co-located with 2nd STREET as well



## Consolidated statements of income – FY2025 Q3

- | The gross profit margin rose 3.9 percentage points owing to sales growth in reuse clothing and accessories and reuse smartphones and tablets, despite a reactionary decline in the first half due to a lapse in demand for brand-new game merchandise. On the other hand, SG&A expenses increased due to the opening of new stores and personnel expenses invested for sustainable growth, resulting in a 26.4% year-on-year decline in operating income to 9.8 billion yen, a decrease in both revenue and earnings. Foreign exchange gains of 0.4 billion yen were recorded.

(Million yen)	FY2024 Q3 Actual	FY2025 Q3 Results	YoY Increase/Decrease	YoY % change
Net sales	327,401	316,156	−11,244	−3.4%
Gross profit	118,968	127,278	8,310	7.0%
(Gross profit margin)	36.3%	40.3%	—	3.9pt
SG&A expenses	105,624	117,459	11,834	11.2%
Operating profit	13,343	9,819	−3,523	−26.4%
(Operating profit margin)	4.1%	3.1%	—	−1.0pt
Ordinary profit	14,399	10,987	−3,412	−23.7%
Profit attributable to owners of parent	9,308	6,443	−2,865	−30.8%

# Net sales by product category – FY2025 Q3

(Million yen)	FY2024 Q3 actual	FY2025 Q3 results	YoY Increase /Decrease	YoY % Change
Reuse	179,392	<b>201,866</b>	22,473	12.5%
Comprehensive	124,702	<b>140,352</b>	15,650	12.6%
Clothing and accessories *1	64,492	<b>75,779</b>	11,287	17.5%
Furniture and home appliances *1	8,042	<b>8,982</b>	940	11.7%
Luxury *4	40,105	<b>42,308</b>	2,203	5.5%
Others *1	12,062	<b>13,282</b>	1,220	10.1%
Media	54,690	<b>61,513</b>	6,823	12.5%
Games *2	24,933	<b>24,420</b>	-513	-2.1%
Smartphones and tablets *2.3	25,792	<b>33,245</b>	7,453	28.9%
Others *2	3,964	<b>3,847</b>	-117	-3.0%
Brand-new *2	105,132	<b>73,439</b>	-31,693	-30.1%
Others	42,875	<b>40,850</b>	-2,025	-4.7%
Digital content *5	11,761	<b>12,549</b>	788	6.7%
Rental *2	24,775	<b>21,869</b>	-2,906	-11.7%
Others	6,339	<b>6,431</b>	92	1.5%
Total	327,401	<b>316,156</b>	-11,244	-3.4%

Clothing and accessories, 2nd STREET's core merchandise, continued to show steady growth due to new store openings and year-end sales.

Reuse smartphones and tablets, GEO mobile's core merchandise, continued to show significant growth mainly due to new store openings, an increase in co-located stores, and the transfer of inventory between stores.

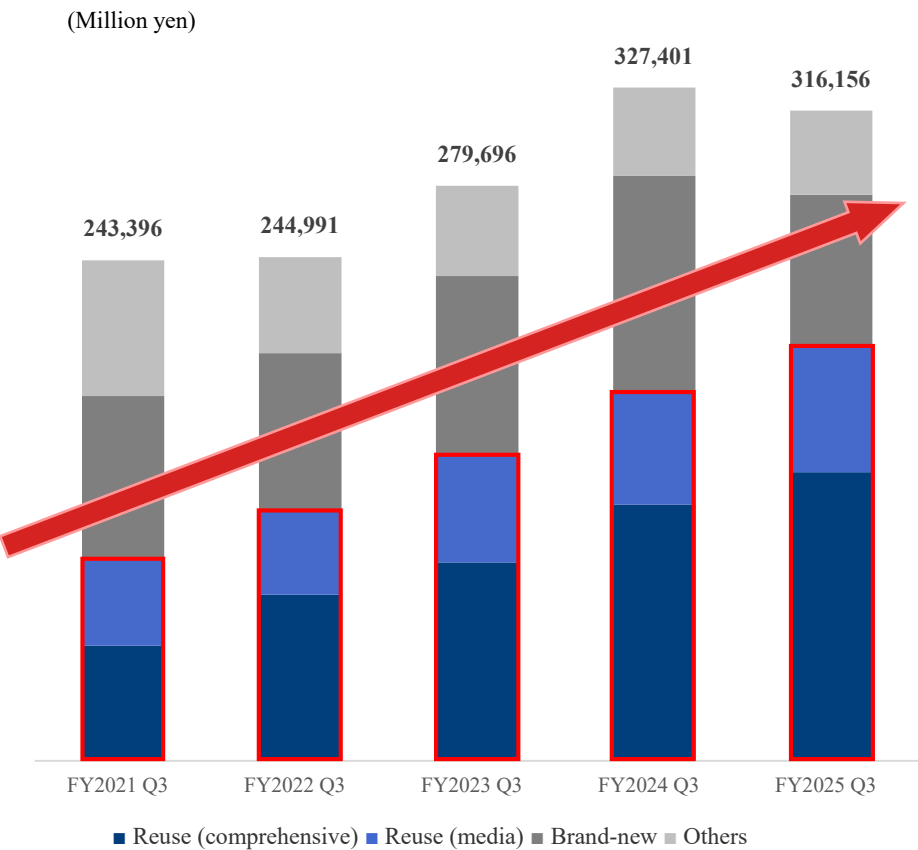
Revenues declined mainly due to a reactionary decline in the first half as demand for brand-new game products, which had been strong due to the elimination of the semiconductor shortage, ran its course, while sales of brand-new trading cards and private-label products were strong.

Major stores or main businesses: \*1: 2nd STREET \*2: GEO \*3: GEO mobile \*4: OKURA \*5 : viviON

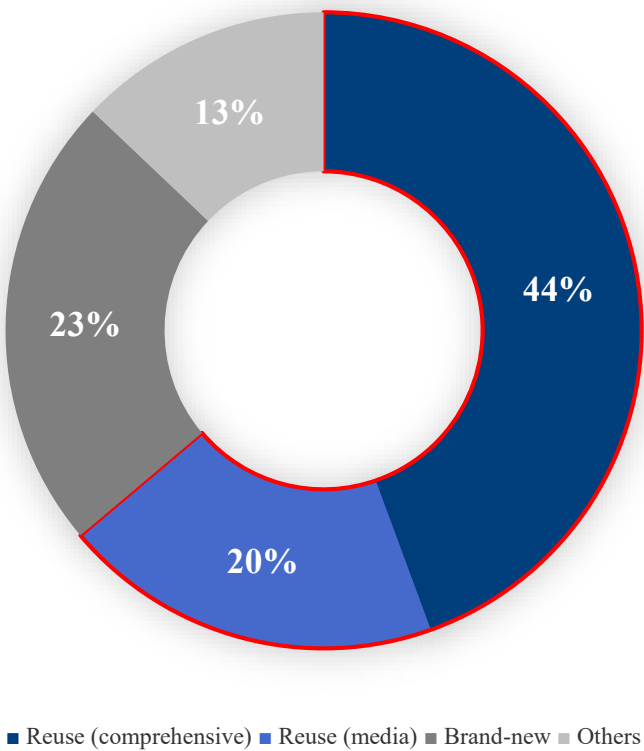
# Sales-related data – FY2025 Q3

Sales of 2nd STREET’s reuse business grew steadily on the back of the expansion of the reuse market and new store openings. In the media reuse business, there has been remarkable growth due to the enforcement of GEO mobile store operations and the expansion of purchase and sales channels through e-commerce and co-located stores, resulting in an increase in the sales and composition ratio of the reuse-related business. On the other hand, net sales fell 3.4% year-on-year, to 316.1 billion yen, mainly due to a reactionary decline in the first half as demand for brand-new game products ran its course.

Changes in cumulative Q3 sales in the past five years



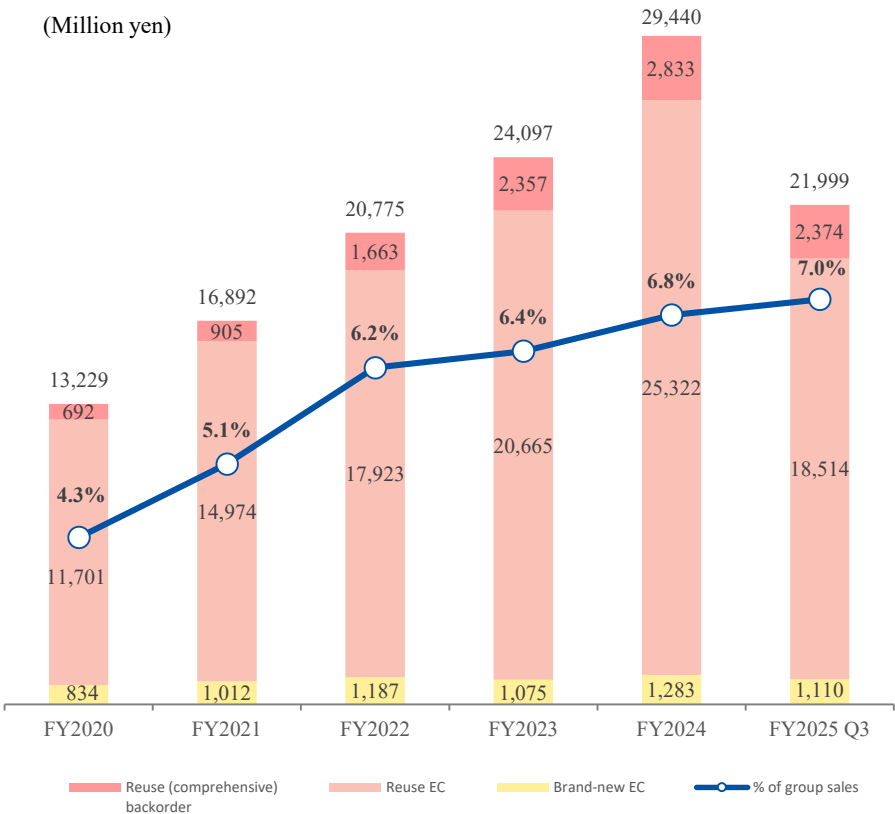
FY2025 Q3 sales breakdown



# EC-related sales and ratio – FY2025 Q3

- Besides EC-related sales\* were weak due to the warm winter, both EC-related sales and their proportion to consolidated sales increased slightly owing to year-end sales promotions and catch-up of the numbers of new store openings in Q3.
- Our “back order service” leverages the advantages of directly managed stores. It enables users try products at a designated store before purchasing, providing convenience without any shipping fees or commissions, providing access to one-of-a-kind items from all over Japan.

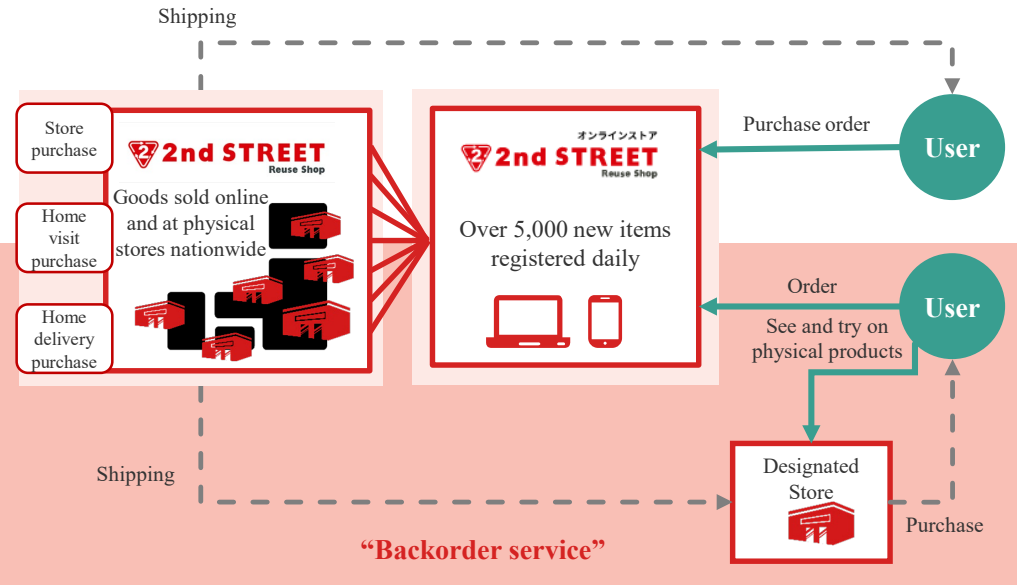
Changes in EC related sales\* and ratio of EC related sales to consolidated sales



\* Includes sales from EC sites (2nd STREET online, GEO online, OKURA, etc.) and official apps, etc., and use of "back order service" at 2nd STREET stores.  
\* (Reference) EC sales account for approximately 26.13% of total sales of 2nd STREET in Japan.

	FY2024 Q3 Actual	FY2025 Q3 results	YoY % change
EC-related net sales (Million yen)	21,866	21,999	0.6%

## Overview of 2nd STREET Online Store



# Gross profit by merchandise – FY2025 Q3

(Million yen)	FY2024 Q3 actual	FY2025 Q3 results	YoY Increase /Decrease	YoY % change
Reuse	77,473	<b>86,466</b>	8,993	11.6%
Comprehensive	59,274	<b>67,099</b>	7,824	13.2%
Clothing and accessories *1	41,388	<b>48,348</b>	6,960	16.8%
Furniture and appliances *1	4,823	<b>5,457</b>	634	13.1%
Luxury *4	4,482	<b>3,698</b>	-783	-17.5%
Others *1	8,581	<b>9,595</b>	1,014	11.8%
Media	18,198	<b>19,367</b>	1,168	6.4%
Games *2	7,704	<b>7,827</b>	123	1.6%
Smartphones and tablets *2.3	6,902	<b>8,013</b>	1,111	16.1%
Others *2	3,592	<b>3,526</b>	-65	-1.8%
Brand-new *2	12,723	<b>13,233</b>	509	4.0%
Other	28,770	<b>27,578</b>	-1,192	-4.1%
Digital content *5	10,475	<b>11,136</b>	660	6.3%
Rental *2	15,620	<b>13,864</b>	-1,756	-11.2%
Others	2,675	<b>2,578</b>	-97	-3.6%
Total	118,968	<b>127,278</b>	8,310	7.0%

Sales of clothing and accessories, the core merchandises of 2nd STREET, continued to grow steadily partly due to the year-end sales promotion, resulting in increased profits

The gross margin declined in Q2 as the market prices fell whereas it remained steady in Q3 as market prices recovered

Profitability improved owing to the expansion of sales channels via new store openings and an increase in the number of co-located stores, as well as to improvement in the turnover ratio achieved by effective transferring inventory between stores

The gross margin on brand-new merchandise increased due to change in sales mix

Major stores or main businesses: \*1: 2nd STREET \*2: GEO \*3: GEO mobile \*4: OKURA \*5 : viviON

## SG&A expenses – FY2025 Q3

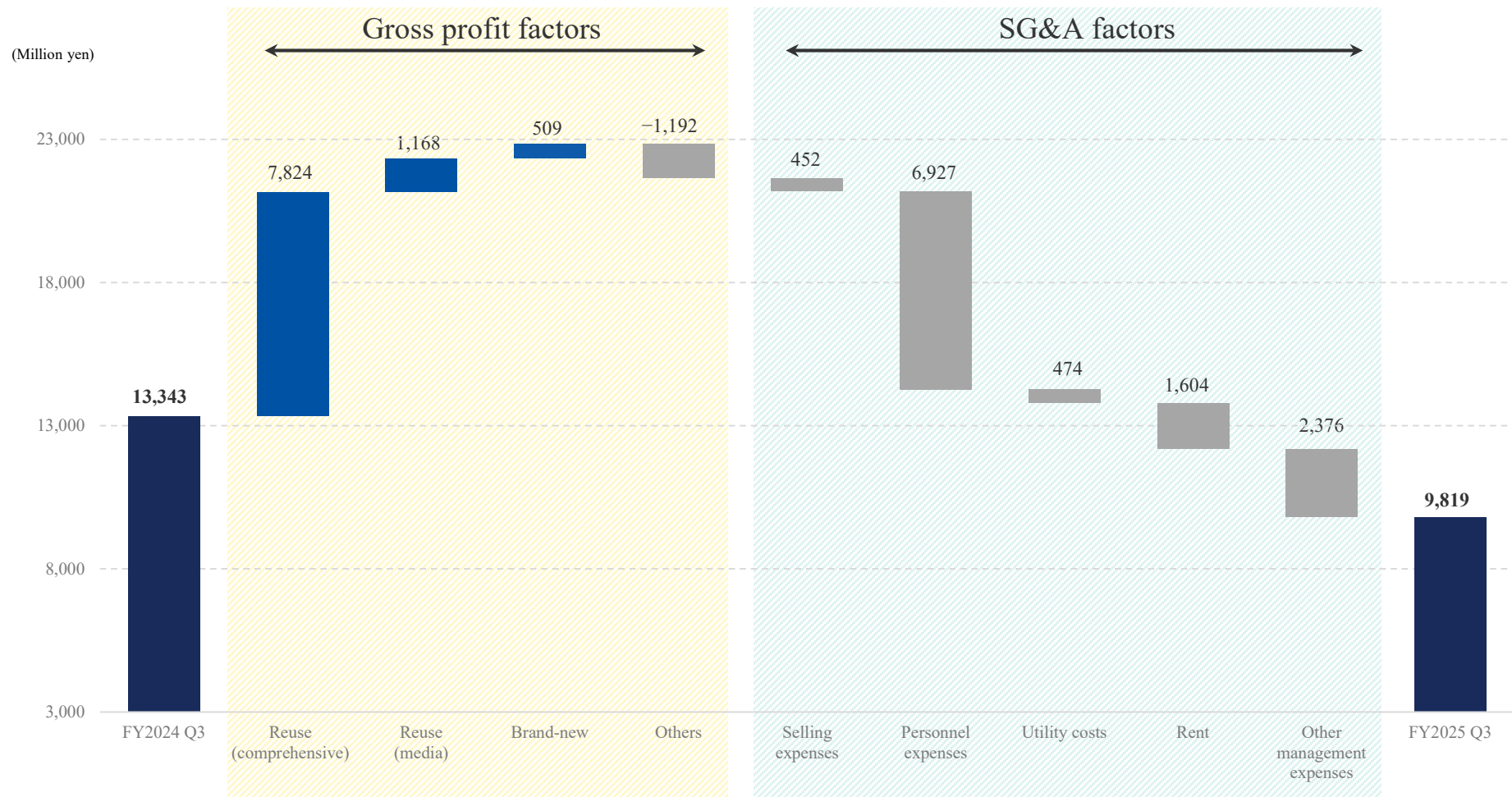
- Although advertising expenses were controlled, total SG&A increased 11.2% year-on-year—within the expected range—due to an increase in sales commissions, a rise in the number of employees hired for new store openings, a salary base hike, and increases in real estate rent, depreciation, and utilities expenses.

(Million yen)	FY2024 Q3 actual	Ratio to net sales	FY2025 Q3 results	Ratio to net sales	YoY Increase /Decrease	YoY % change
Total selling expenses	15,186	4.6%	<b>15,639</b>	4.9%	452	3.0%
Advertising	6,799	2.1%	<b>6,580</b>	2.1%	−218	−3.2%
Sales commission	5,060	1.5%	<b>5,956</b>	1.9%	895	17.7%
Transportation costs	1,852	0.6%	<b>2,099</b>	0.7%	246	13.3%
Total personnel expenses	48,690	14.9%	<b>55,618</b>	17.6%	6,927	14.2%
Total other expenses	41,747	12.8%	<b>46,201</b>	14.6%	4,454	10.7%
Utility costs	3,377	1.0%	<b>3,852</b>	1.2%	474	14.1%
Rent	20,964	6.4%	<b>22,569</b>	7.1%	1,604	7.7%
Depreciation and amortization	3,571	1.1%	<b>4,264</b>	1.3%	692	19.4%
Consumables	2,007	0.6%	<b>2,597</b>	0.8%	590	29.4%
Maintenance	512	0.2%	<b>587</b>	0.2%	74	14.5%
Total SG&A expenses	105,624	32.3%	<b>117,459</b>	37.2%	11,834	11.2%

\* The decrease in SG&A expenses indicates a positive factor for operating income/loss.

# Operating income YoY change – FY2025 Q3

2nd STREET’s reuse clothing and accessories and GEO mobile’s reuse smartphones and tablets continued to drive overall sales, offsetting declines in the brand-new and rental merchandise segments. In addition, the gross margin rose 3.9 percentage points as the sales mix changed. On the other hand, operating income fell 26.4% year-on-year, to 9.8 billion yen due to an increase in selling, general and administrative expenses, including personnel costs.



# Consolidated balance sheet – FY2025 Q3

(Million yen)	March 31, 2024	Composition	December 31, 2024	Composition	Change
Current assets	154,308	66.8 %	170,259	66.0%	15,950
Cash and deposits	54,977		56,461		1,483
Accounts receivable	15,226		18,777		3,551
Inventories	70,970		77,919		6,948
Fixed assets	76,817	33.2 %	87,521	34.0%	10,704
Property and equipment, net	46,840		57,255		10,414
Intangible assets, net	4,341		4,927		585
Investments and other assets	25,635		25,339		−296
<b>Total assets</b>	231,125	—	257,780	—	26,655
Current liabilities	47,487	20.5 %	47,344	18.4 %	−143
Accounts payable	14,692		15,543		851
Current portion of long-term debt	8,737		10,231		1,493
Non-current liabilities	96,287	41.7 %	117,842	45.7%	21,554
Corporate Bonds	6,600		12,175		5,575
Long-term debt	64,325		74,400		10,075
<b>Total liabilities</b>	143,775	62.2 %	165,187	64.1%	21,411
<b>Total net assets</b>	87,349	37.8 %	92,593	35.9%	5,243
<b>Total liabilities and net assets</b>	231,125	—	257,780	—	26,655

Increased due to stocking up inventories for the New Year's holidays

Increased in parallel with the expansion of new store openings






Borrowing increased to ensure capital for purchasing to secure inventory and the expansion of new store openings

Raised ¥5.5 billion through issuance of second unsecured bond and ¥18.0 billion from partner financial institutions



# Status of the number of GEO Group stores

| Total number of stores as of December 31, 2024: 2,179

			Directly managed stores	(Opened in current period)	(Closed in current period)	Franchise stores & distributors	Total	As of the end of FY2024	As of the end of FY2023
GEO *1			977	28	−28	93	1,070	1,084	1,089
2nd STREET *2		Japan	815	39	−8	55	870	838	803
		Overseas	106	25	0	0	106	81	52
		US	43	8	0	0	43	35	23
		Taiwan	37	9	0	0	37	28	18
		Malaysia	23	6	0	0	23	17	11
		Thailand	3	2	0	0	3	1	0
OKURA TOKYO *3			24	2	−1	0	24	23	23
Luck Rack			25	7	0	0	25	18	21
Other			84	20	−1	0	84	65	35
Total			2,031	121	−38	148	2,179	2,109	2,023

\*1: Directly managed stores include 102 GEO mobile standalone stores. There are 647 co-located GEO mobile stores.

\*2: Includes Super 2nd STREET, 2nd OUTDOOR, JUMBLE STORE and purchasing-only stores, etc.

\*3: Includes overseas stores (1 store in Taiwan, 1 store in Hong Kong).

### 3. Full-year Forecast for Fiscal Year Ending March 31, 2025

# Full-year forecasts – FY2025

- No revisions have been made to the forecasts we released in May 2024.
- In Q3, sales of merchandise—centered on the 2nd STREET and GEO mobile platforms where the Group is actively opening new stores—were strong due to continued demand for second-hand merchandise. Due to the seasonal nature of demand for the Group’s products, which includes used clothing and accessories, smartphones, and game-related items, sales, and operating income are more heavily weighted toward the second fiscal half.






(Million yen)	FY2025 full-year forecast	FY2025 Q3 results	FY2025 Q3 progress	(Reference) FY2024 full-year results	YoY change
Net sales	436,000	316,156	72.5%	433,848	2,151
Operating profit	12,000	9,819	81.8%	16,814	−4,814
(Operating margin)	2.8%	3.1%	—	3.9%	−1.1pt
Ordinary profit	12,000	10,987	91.6%	18,749	−6,749
Net profit attributable to owners of parent	6,000	6,443	107.4%	10,902	−4,902
Number of directly managed stores	2,076 stores	2,031 stores	84 net increase	1,947 stores	129 net increase
ROE (%)	6.54%	—	—	12.51%	−5.98pt
Net D/E ratio	0.33x	0.36x	+0.03pt	0.26x	+0.07pt

\* ROE = profit attributable to owners of parent / shareholders' equity at end of period.

Net D/E ratio = net debt (excluding lease obligations) at end of period / Net assets at end of period.

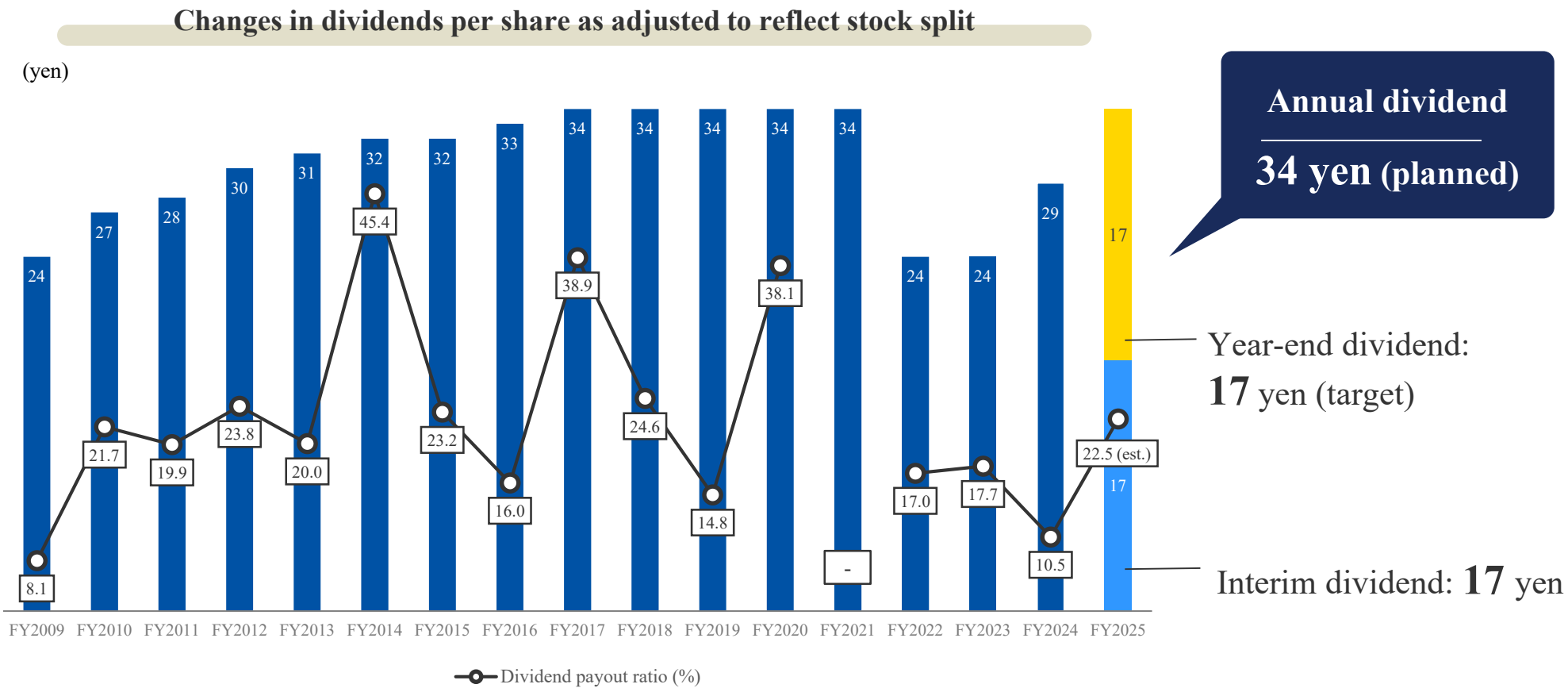


# New Store Roll-out Plan FY2025

	(As of December 31, 2024)	Overview of initial plan		
	Store openings (actual / initial target)			
	Japan 39 / 60 Stores	In addition to general reuse stores, we aim to open urban and purchasing-only stores, with a goal of 1,000 stores by FY2029.		
	Overseas 25 / 34 Stores	US	8 / 15 Stores	In addition to opening stores on the East Coast, we will expand the number of states in which we operate.
		Taiwan	9 / 10 Stores	We will open new stores across an expanded coverage area
		Malaysia	6 / 6 Stores	Store openings targeted mainly at Kuala Lumpur and its suburbs.
		Thailand	2 / 3 Stores	Store openings targeted mainly at Bangkok metropolitan area.
 	28 / 50 Stores	Of this number, 45 are GEO mobile standalone stores. In addition to opening new stores, we will promote the development of store-in-store locations within GEO-format outlets. GEO also plans to open stores in a new format.		
	2 / 3 Stores	In addition to downtown locations, we plan to open purchasing-only stores.		
	7 / 6 Stores	In addition to stores in commercial buildings in front of train stations, we also plan to open suburban roadside stores.		

# Dividends

- | We recognize that return of profits to shareholders is one of our top management priorities. Our fundamental policy is based on providing stable dividends while securing a stable management base and improving profitability.
- | After comprehensive consideration of profit levels, financial position, and other factors, we have decided to pay an interim dividend of ¥17.00 per share, as announced on May 10, 2024. Our year-end dividend target is ¥17.00 per share, totaling in annual dividends as ¥34.00. We will continue our efforts to ensure financial soundness, while improving capital efficiency and maintaining stable dividends.



## 4. Growth-oriented Initiatives

# Matrix of intensively investing our management resources into growth initiatives

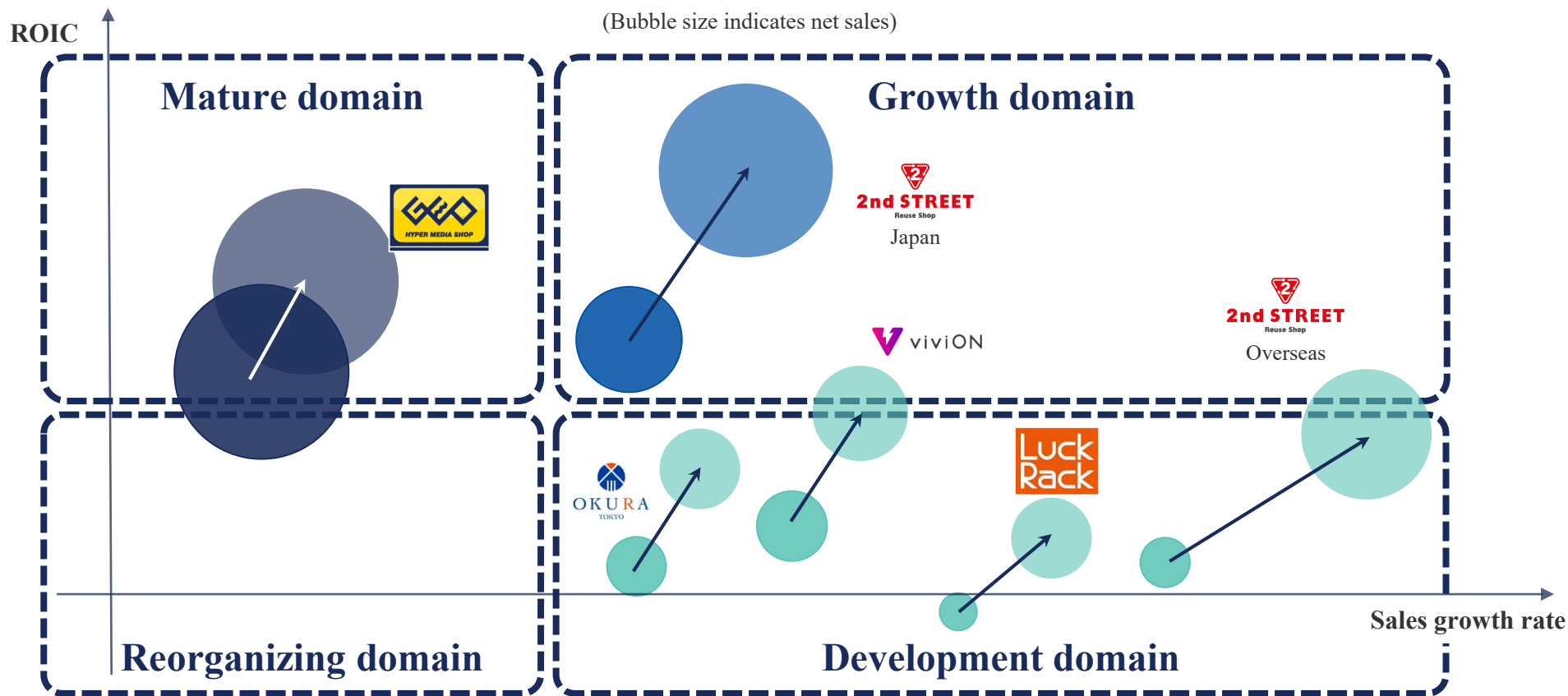
Management resource investment focus			
	Opening stores proactively	Attracting more foot traffic through line-up enhancement	Expansion of business scope
<b>Growth domain</b>			
<b>2nd STREET (Japan)</b>	●		
<b>Development domain</b>			
<b>2nd STREET (overseas)</b>	●		
<b>Development domain</b>			
<b>OKURA TOKYO</b>			●
<b>Development domain</b>			
<b>Luck Rack</b>	●		
<b>Mature domain</b>			
<b>GEO • GEO mobile</b>	●	●	
<b>Development domain</b>			
<b>Digital content business</b>			●

\* The highlighted cells indicate targeted initiatives into which our management resources are intensively invested.

# Future prospects and growth potential for each business

- | Currently the Group has annual sales of less than 500 billion yen, but we aim to double the size of our sales by around 2035. We believe that the reuse business will be the single most important business, and we will continue to take on the challenge of further developing the reuse industry with the aim to offer joy to the everyday lives of customers around the world.
- | We intend to raise profits in existing business segments by leveraging our multi-store platform across a combined offline and online platform. We are also progressing with monetizing new trade areas and new businesses. Additionally, we have established an online digital content business that is on track to begin generating cash.

## Projected near-term growth trajectory for each business

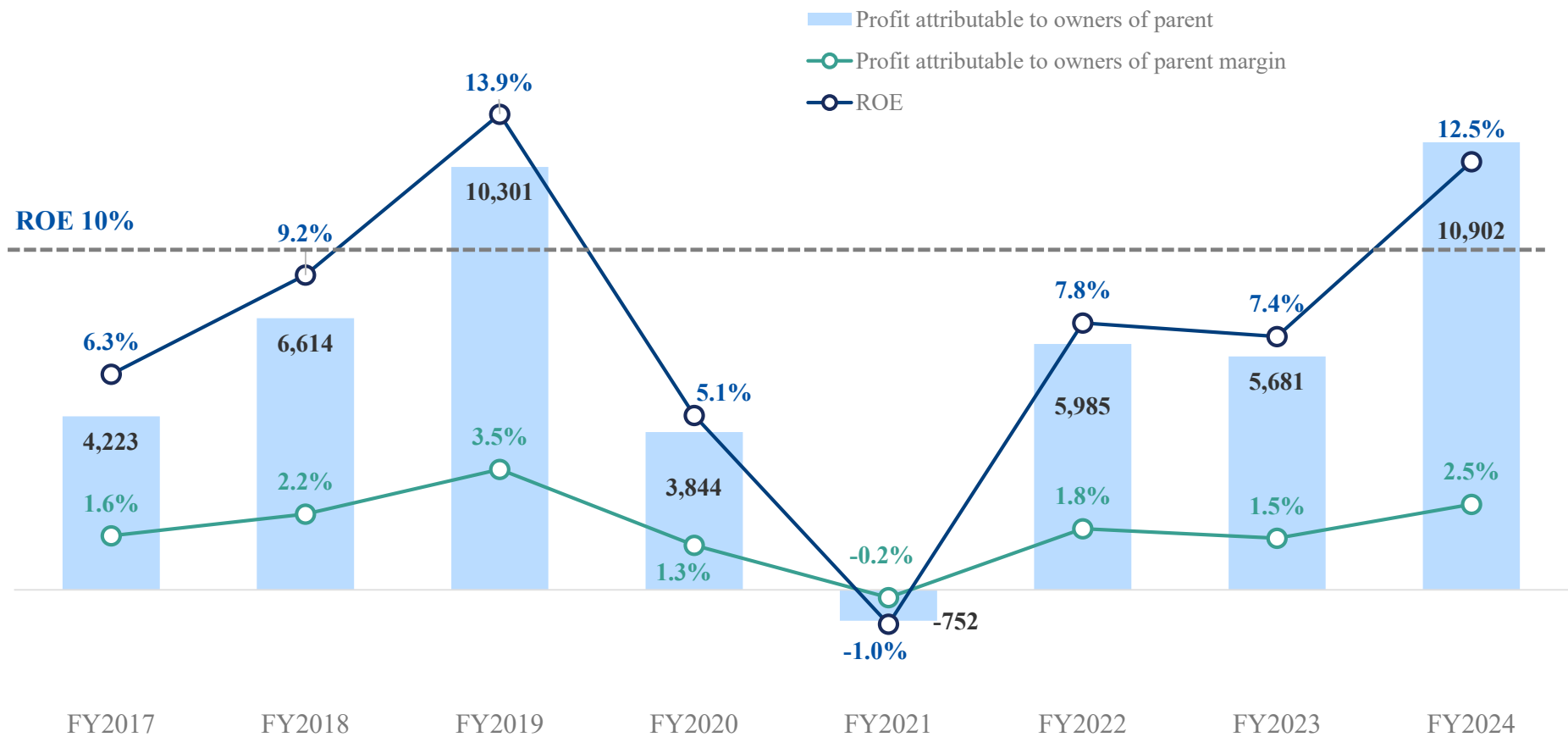


\*The impact of the revenue recognition standard has been factored into the vivION figures.



# ROE target

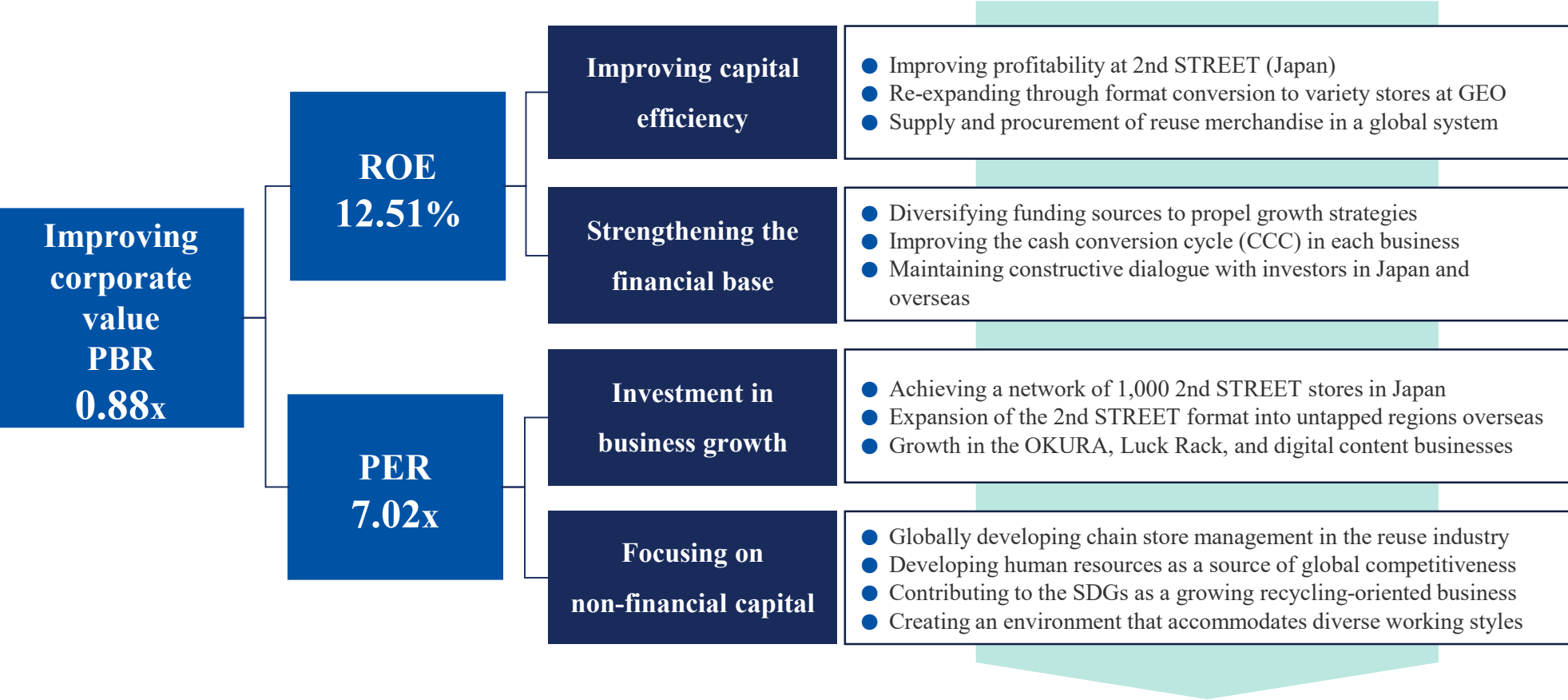
| The target ROE for the time being is 8% or more, since achieving ROE of 10% may require refraining from aggressive investment.



\* ROE = Profit attributable to owners of parent ÷ Shareholders' equity at the end of the period.

# Improving corporate value

As we work to become an outstanding company without peer in the world's reuse industry, we will continue to improve capital efficiency, reinforcing our financial foundation, investing in business growth and placing importance on non-financial capital and sustainably to achieve a PBR greater than 1.0x and enhance our corporate value.



Be the outstandingly No. 1 player in the world's reuse industry

PBR, ROE and PER shown above are as of March 2024.  
PBR = FY-end market cap ÷ FY-end net assets, ROE = profit attributable to owners of parent ÷ FY-end own equity, PER = FY-end market cap ÷ profit attributable to owners of parent



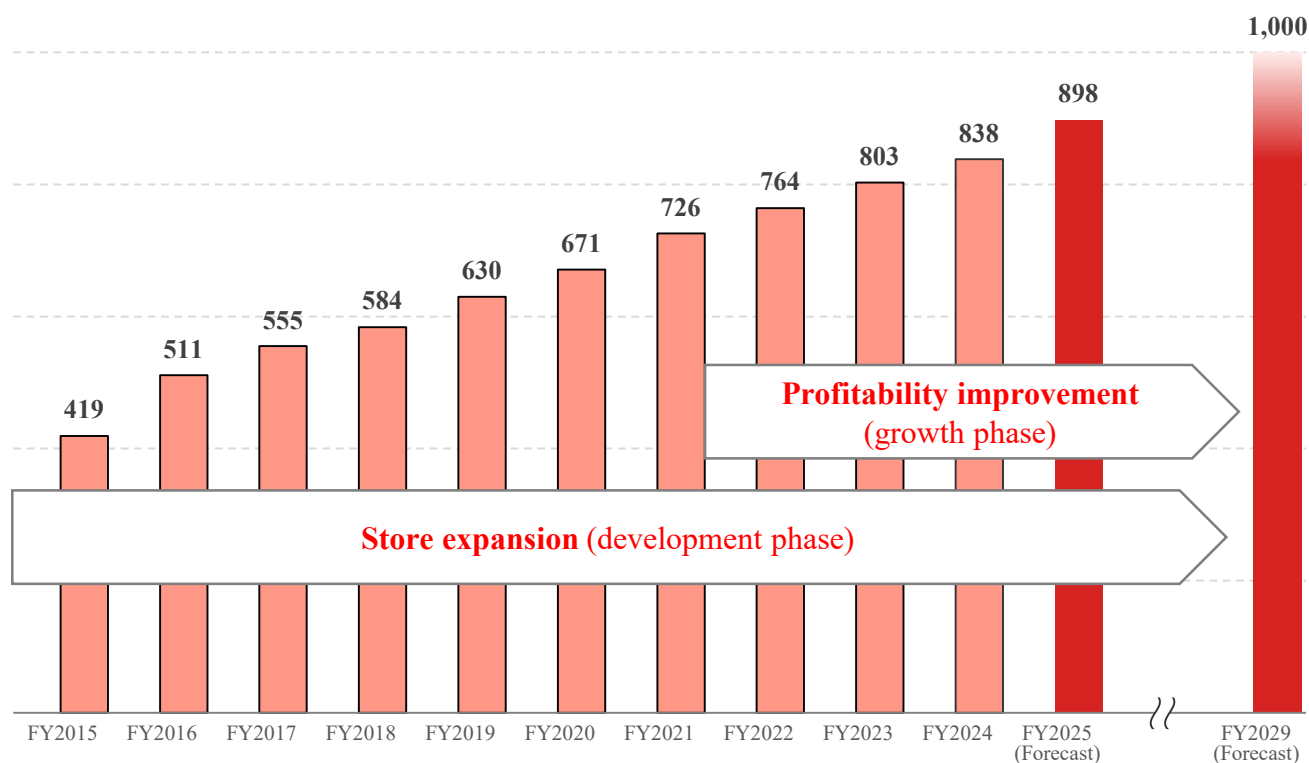
## 2nd STREET Japan store numbers and medium term target



- To become the overwhelmingly No. 1 player in the reuse market, we have set 1,000 2nd STREET stores as a milestone to be reached by FY2029. We believe ample room exists for this chain to expand in Japan,
- We will continue improve the profitability of each individual 2nd STREET store in Japan through such measures as (1) enhancing operational capabilities by standardizing the appraisal system, (2) flexibly adjusting to the sales floor and purchasing operations in line with inventory status, and (3) effectively controlling personnel expenses and inventory by standardization of authenticity determination operations.

### Number of stores in Japan

(stores)



### Initiatives to improve store profitability

Standardized assessment systems to improve customer satisfaction

Inventory management system to support procurement and sales strategy

Standardized authenticity determination to reduce losses

# 2nd STREET overseas expansion



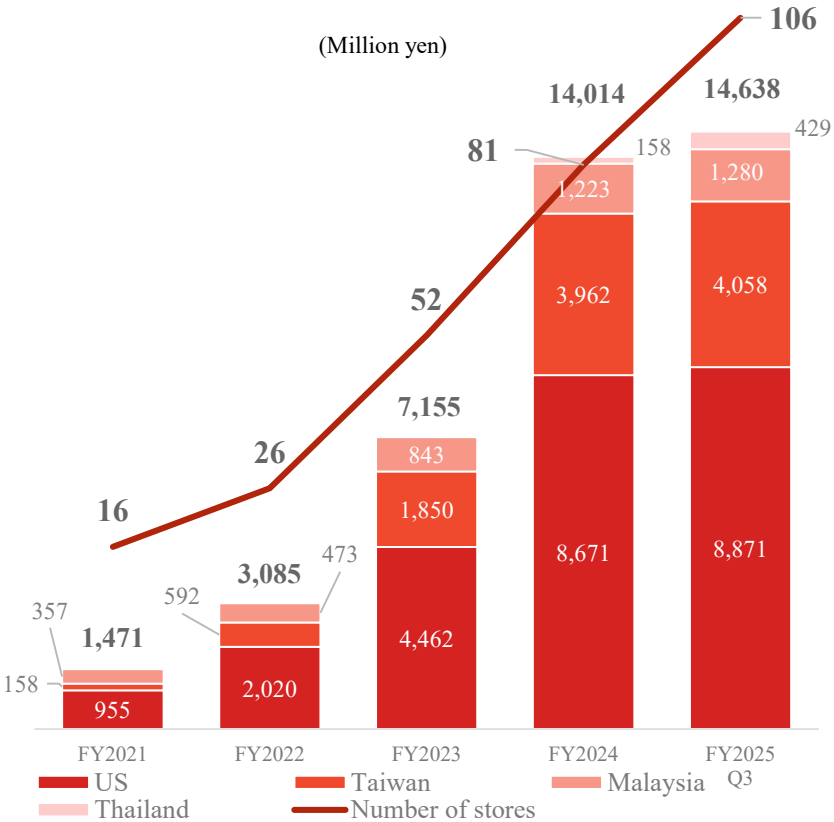
- With the milestone of 100 overseas stores achieved, we will aim for 100 stores in the US by March 2028, 100 in Taiwan by March 2030, and 50 in Thailand over 10 years. We continue to explore regions with potential for local sourcing for local consumption.
- As an expansion into new regions, we have established subsidiaries in Singapore and Hong Kong. In our new stores in Singapore and Hong Kong, we will accelerate our global expansion by utilizing our in-house core system from the time of opening.
- We consider overseas business as one of the pillars of our growth strategy, and we are working to expand our share of the global reuse market, aiming to become the overwhelmingly world No. 1 in the reuse industry.

Worldwide 2nd STREET store locations



Number of stores	FY2021	FY2022	FY2023	FY2024	FY2025 Q3
United States	9	10	23	35	43
Taiwan	2	8	18	28	37
Malaysia	5	8	11	17	23
Thailand	-	-	-	1	3
Japan	726	764	803	838	870

Overseas 2nd STREET sales



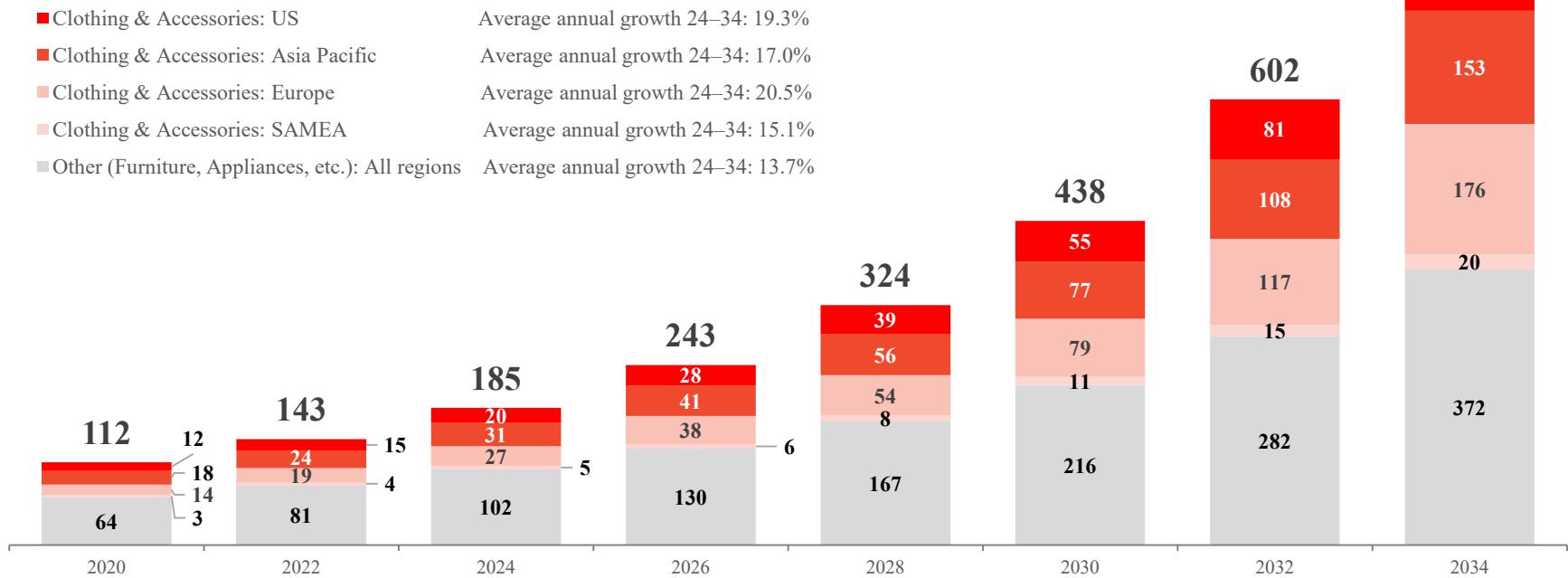
# Business strategy for the high-potential global reuse market



- | With a background of growing support from various generations, some estimates suggest the global reuse market will expand from \$143 billion in 2022 to more than \$840 billion in 2034.
- | Reuse clothing and accessories, which are the main merchandise of our group, account for a large proportion of the reuse market, and especially given expansion in the reuse clothing and accessories markets of North America, Asia-Pacific, and Europe, we manage multiple stores from trial store opening stage.

Growth of the global reuse market

(billion dollars)  
844



※ Source of "Growth of the global reuse market" : "Second-hand Products Market" by Transparency Market Research

# Store development and strengths in the United States

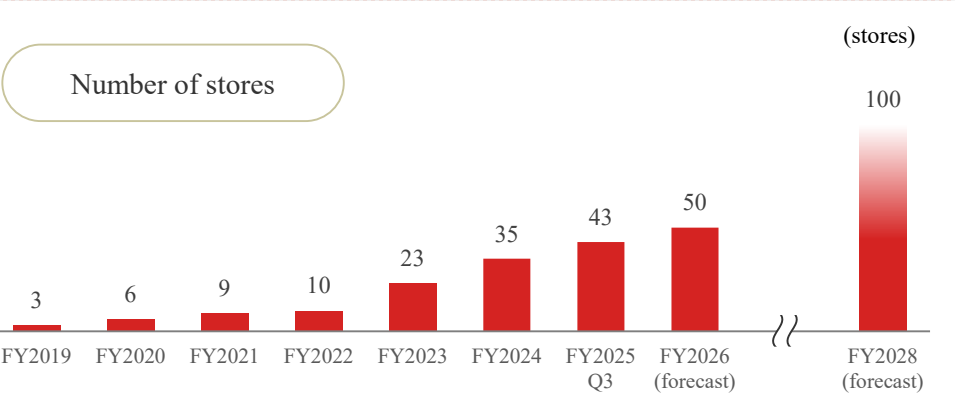


- | Our US stores, which were initially opened on the West Coast, have performed well, and training of local employees has progressed smoothly. We are now actively targeting the East Coast and a nationwide network of 100 stores by March 2028 as milestones for US store expansion.
- | The strengths of our US stores include: (1) offering reuse merchandise shipped from Japan and products that are hard to get in the United States while basing their business on locally purchased products, (2) a speedy response to the latest trends and the weather; and (3) Japanese-style hospitality.

## Oregon: Portland Downtown store (opened November 2024)



We opened a store with a sales floor area of about 350 sqm in this popular tourist town. This store offers a wide range of reuse items in good condition and attracts both locals and tourists. It aims to be a store that is supported by broad range of people by offering a wide selection of reuse product, from high-end to low-end, with a focus on clothing and accessories.

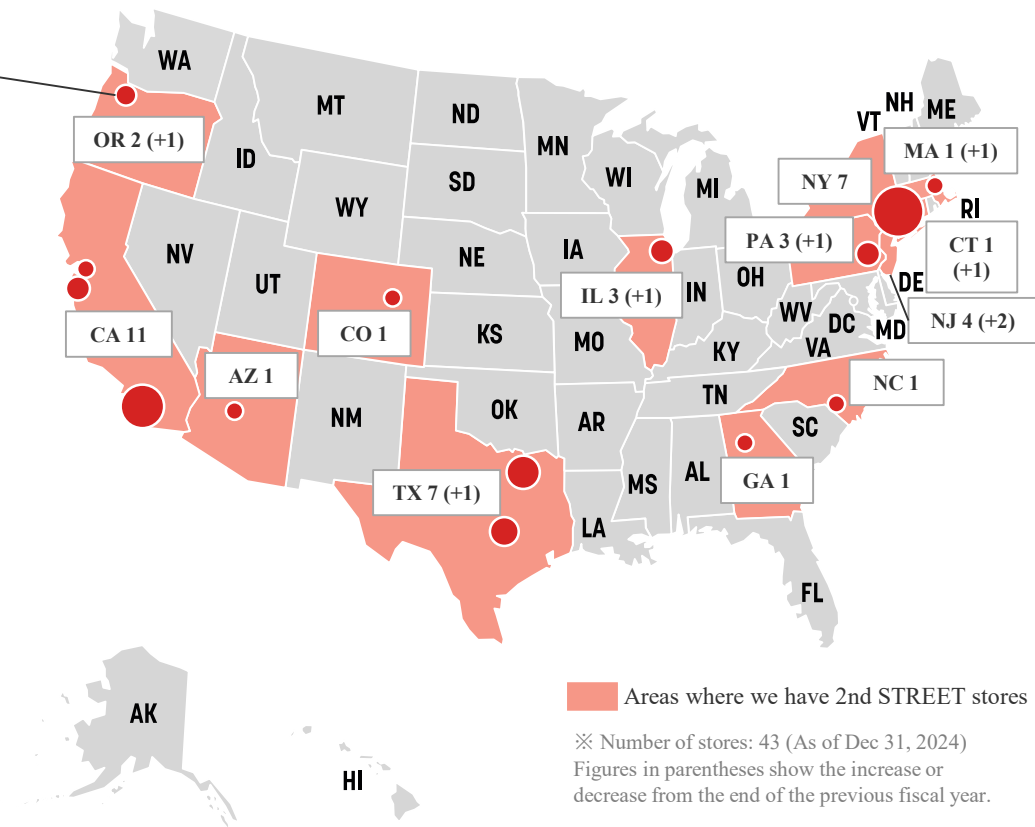


2nd STREET USA <https://2ndstreetusa.com/>



## 2nd STREET store locations in the US

※ The figure in the map below is the number of 2nd STREET stores in that area.



# Store opening in Taiwan, where the reuse market is still developing

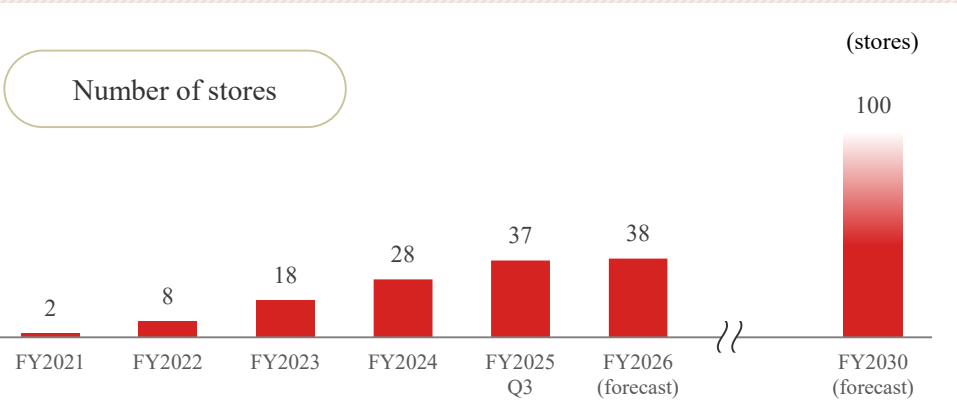


- As the reuse market in Taiwan is still development stage, we will aggressively open stores in Taiwan in an effort to establish our firm position there.
- Our stores in Taiwan have the advantage of continuously offering items imported from Japan in addition to locally sourced merchandise. We will continue to enhance human resources development and cost management as we work to establish a firm foothold in the Taiwanese market and achieve our goal of opening 100 stores by March 2030.

## Taipei: Breeze Xinyi Store (opened December 2024)



We have opened a store in the Taipei’s Breeze Xinyi complex, which conveniently connects directly to the Taipei City Hall MRT station. This store-within-a-store outlet has a sales floor area of about 150 sqm. Its upscale interior hosts a lineup of high-quality, reasonably priced clothing, bags, shoes, accessories, and other fashion items, as well as luxury brand products.

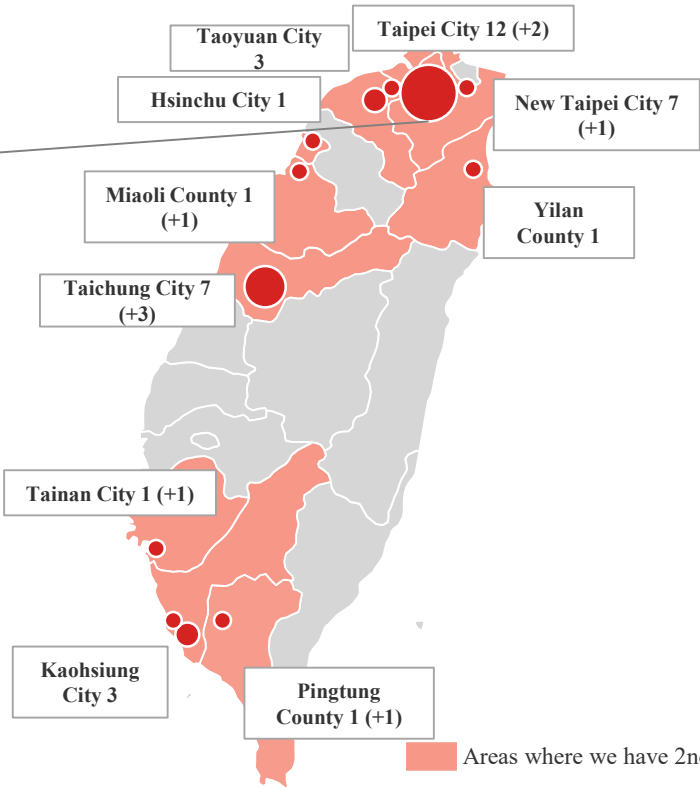


2nd STREET TAIWAN <https://2ndstreet.com.tw/>



## 2nd STREET store locations in Taiwan

※ The figure in the map below is the number of 2nd STREET stores in that area.



Areas where we have 2nd STREET stores

※ Number of stores: 37 (As of Dec 31, 2024)  
Figures in parentheses show the increase or decrease from the end of the previous fiscal year.

# Store opening strategy in Malaysia



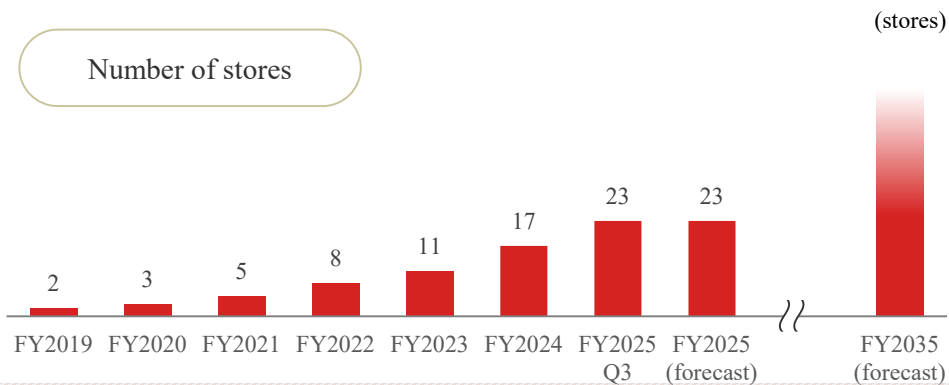
- In Malaysia, we import “Used in Japan” clothing and accessories purchased at 2nd STREET in Japan. The imported items are sent to our warehouse in Kuala Lumpur, where some items are sold wholesale and some are redistributed to our dominant stores in the surrounding area, steadily expanding the sales network in Malaysia.
- We will continue with marketing research and local recruiting as we implement our plan to fortify our business development effort by improving distribution with a focus on Kuala Lumpur.

## Selangor: Lotus's Setia Alam store (opened in December 2024)



2nd STREET Lotus's Setia Alam, our 23rd store in Malaysia, is a 300 sqm store-within-a-store outlet within a hypermarket. Its clean interior features clothing and accessories from 2nd STREET Japan. We are expanding our network in KL by leveraging our warehouse there for sorting and wholesaling and redistribution to our stores in the region under an area dominance strategy.

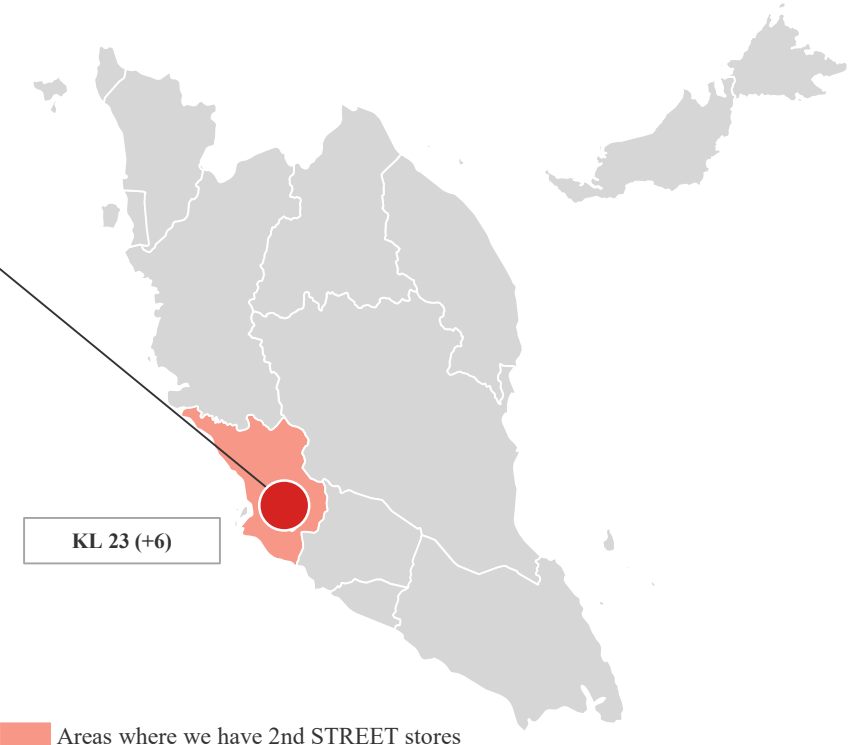
Number of stores



2nd STREET MALAYSIA <https://www.2ndstreet.global/>

## 2nd STREET store locations in Malaysia

※ The figure in the map below is the number of 2nd STREET stores in that area.



Areas where we have 2nd STREET stores

※ Number of stores: 23 (As of Dec 31, 2024)

Figures in parentheses show the increase or decrease from the end of the previous fiscal year.



# Third store in Thailand opened in December 2024



- | In Southeast Asia, where the reuse market is in its infancy, we are building a model to complete purchasing and selling merchandise domestically and accelerate overseas expansion.
- | Urbanization is accelerating in Thailand, with more than half of the population living in urban areas. Over the next 10 years, we aim to open 50 stores in the Bangkok metropolitan area, where the population is expected to continue growing.

## Bangkok: Silom Edge store (opened December 2024)



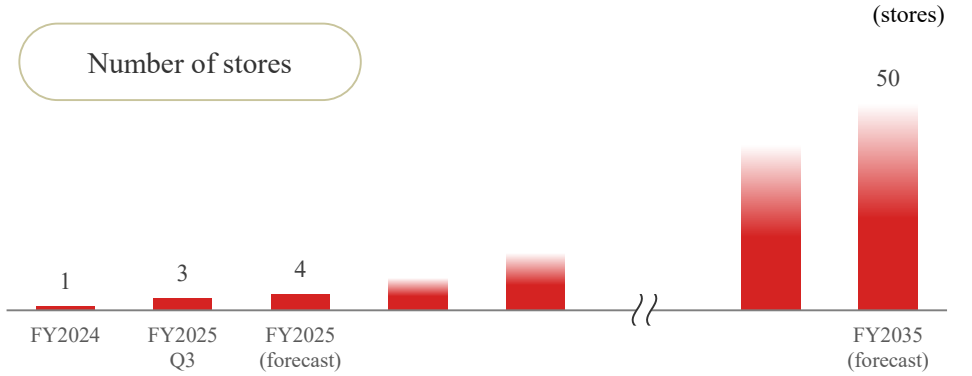
We opened a store in the Silom Edge shopping mall the vibrant core of metropolitan Bangkok that hosts an office building and over 75 retail stores. It conveniently connects to BTS Sala Daeng station and the MRT Silom subway station. We offer a wide range of products at a wide price range, taking advantage of its busy location, which is both a business district and an entertainment district.

## 2nd STREET store locations in Thailand

※ The figure in the map below is the number of 2nd STREET stores in that area.



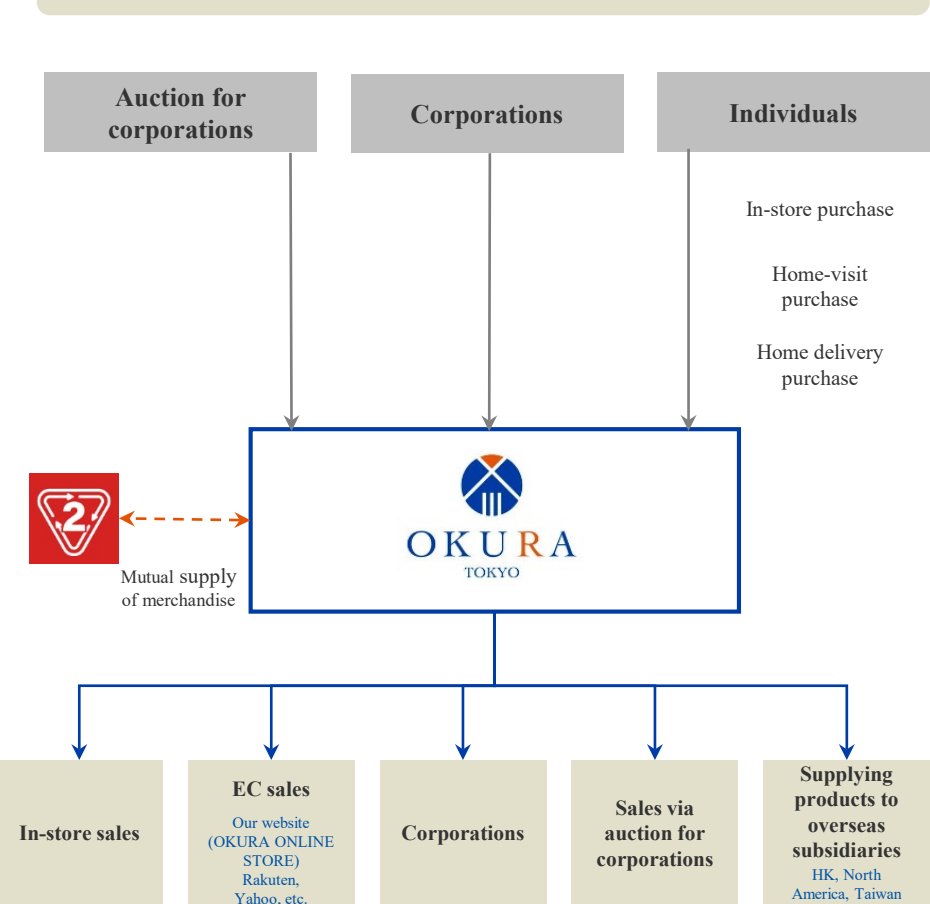
Areas where we have 2nd STREET stores  
※ Number of stores: 3 (As of Dec 31, 2024)  
Figures in parentheses show the increase or decrease from the end of the previous fiscal year.



# OKURA plays core role in luxury merchandise for reuse

- | Okura purchases a variety of luxury goods from individuals and through auctions for corporations and sell them through its stores, e-commerce, auctions for corporations, and overseas subsidiaries.
- | We have launched a new business called “VALEUR” that deals in select vintage items. We handle women's items centering on brand-name products and opened a directly managed store in Omotesando on Friday, February 14, 2025.

## OKURA Business Overview



## Auction business developed by OKURA

			
Features	Held every month. Deals in a wide range of items, from watches, bags and jewelry to kimonos and tools.	One of Japan's largest auctions. Specializes in luxury watches.	Held monthly. Mainly deals in rare items from around the world.
Main products	Watches, bags, jewelry, Kimono, tools	Watches, bags, jewelry	Watches

## Store business developed by OKURA

			
Features	A reuse shop that buys and sells mainly watches, bags and jewelry.	A reuse shop that mainly handles vintage women's items.	A pawn shop in Yokohama, Fukuoka and Kumamoto that buys, sells and trades in bags, watches, jewelry, cosmetics and more.
Main products	Watches, bags, jewelry	Watches, bags, jewelry	Watches, bags, jewelry, cosmetics, etc.

# Luck Rack is a pioneer in the Japanese off-price store market, and we are actively taking on new challenges.



- | Luck Rack is a pioneer in the Japanese off-price store market, and we are actively taking on new challenges.
- | With a lineup of over 20,000 items from 300 brands, including Adidas, and by actively opening new stores, mainly in the Kanto and Kansai regions, we aim to become the leading off-price store operator in Japan.

## Off-price stores business model



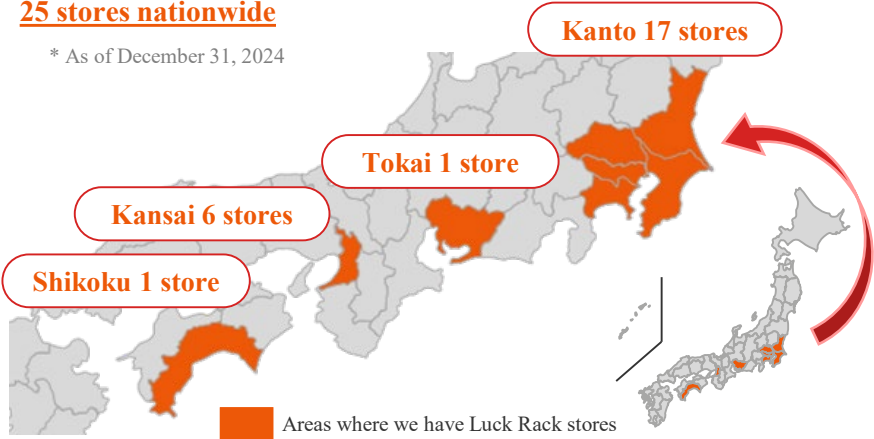
## Differences between off-price stores and outlet stores

	Off-price stores	Outlet stores
Brands handled	Multiple brands	Single brand
Product range	Lineup includes various brands	Lineup includes products exclusive to the outlet
Main Form of operation	Operate at shopping centers, etc.	Operate at outlet malls
Access	Location with high customer traffic	Mainly accessible by car

## Luck Rack store locations in Japan

### 25 stores nationwide

\* As of December 31, 2024



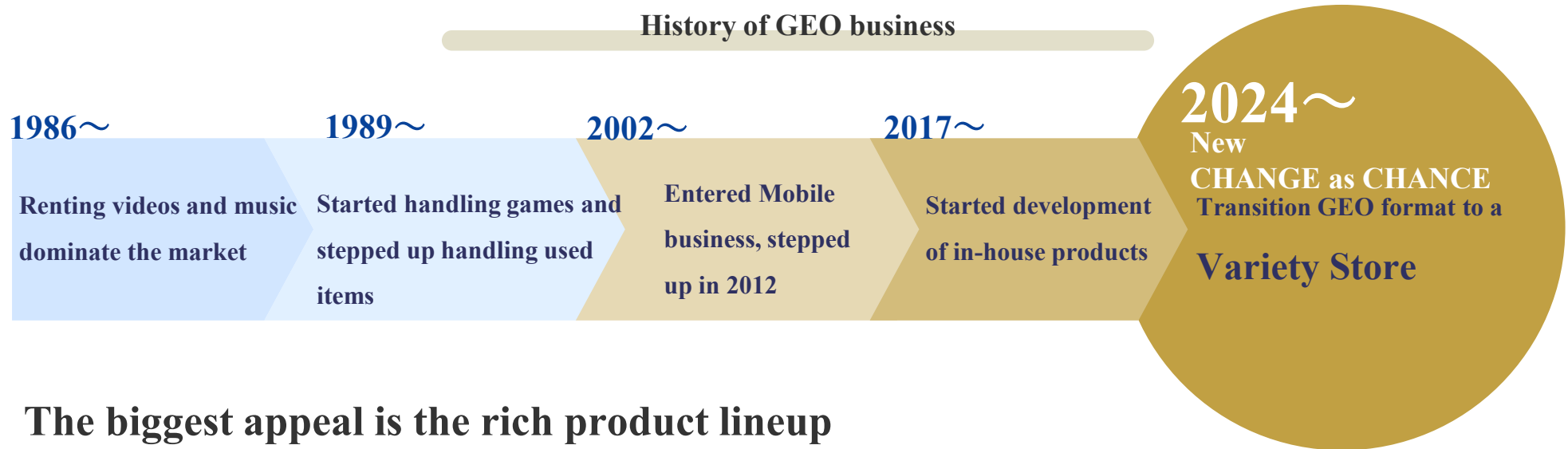
<b>Tokyo</b> Machida Marui Ario Kasai Kinshicho Marui Tokyu Plaza Omotesando “Omokado”	<b>Saitama Prefecture</b> Urawa PARCO LaLaport Shin Misato Ario Washinomiya AEON Mall Kawaguchi Maekawa*	<b>Aichi Prefecture</b> Nagoya Meitetsu Department Store  <b>Osaka Prefecture</b> Seven Park Amami Pop Town Suminodo LINOAS Yao LaLaport Izumi Namba Marui LINKS UMEDA
<b>Kanagawa Prefecture</b> Marui Family Mizonokuchi AEON Mall Zama Kohnan Kohoku Inter Ebina ViNAWALK North Port Mall Kohoku	<b>Chiba Prefecture</b> AEON Mall Makuhari New City Seven Park Ario Kashiwa Mina Tsudanuma	<b>Kochi Prefecture</b> Kochi Daimaru
	<b>Ibaraki Prefecture</b> AEON MALL Tsukuba	

\* AEON Mall Kawaguchi Maekawa temporarily closed from Monday, January 6 to Thursday, February 6, 2025, due to relocation within the mall.

# CHANGE as CHANCE



- Based on our corporate philosophy of “offering joy to your everyday life,” the GEO Group continues to provide services that help our customers experience the richness and joy that spreads around them in their daily lives
- At the root of this is the slogan “Change as Chance”
- With these words as the DNA of each employee, we will pursue and put into practice “What should we do now to spread richness and joy in the world?”



## The biggest appeal is the rich product lineup

- GEO, the media store that we at the GEO Group have operated since our founding, handles movies, music, games, books, mobile phones and operates mainly directly managed stores. By central management of operations and logistics at HQ, which is one of the strength of directly managed stores, we can treat all stores in Japan as one huge store and achieve quick and efficient operations.
- Currently, in addition to rental and media products, we offer a wide lineup of products such as reused smartphones, tablets, earphones, AV home appliances, and household goods, and are undergoing a business format transformation, aiming to become a variety store that provides products that are rooted in everyday life.

# Implementing a plan for priority goods to stimulate customers' motivation to visit the stores.



- GEO will increasingly shift its format to variety stores and will review its existing stores by closing small stores or transforming them into the new business format. We will also resume our expansion by opening medium- and large-scale stores that are compatible with our new business format.
- To stimulate customers' motivation to visit the stores, we will develop priority goods lineups aiming to make customers associate specific products with GEO.
- Meanwhile, we will also open more GEO mobile stores that are differentiated by their specialized services.

## Expanding the priority goods section and establishing a new format of GEO



# Largest share of the smartphones and tablets for reuse market

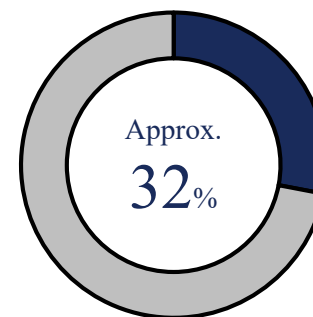


- Mainly through GEO and GEO mobile, we are aiming to raise our share of the rapidly growing reuse smartphone and tablet market, and target 800\* stores by the end of FY2026.
- GEO and GEO mobile's advantages include (1) a flexible sales system due to its centralized inventory, (2) completely initialized and cleaned devices, (3) SIM card sales and (4) specialized advisors providing support at GEO mobile.

## Advantages of GEO and GEO mobile

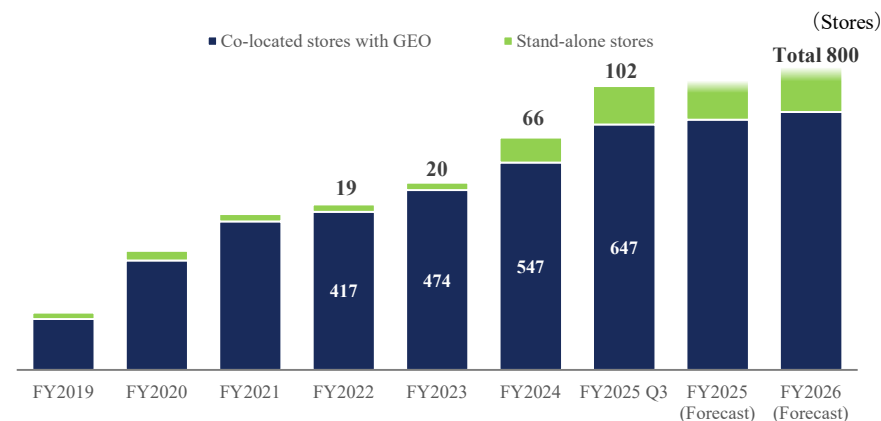
Stores	<ul style="list-style-type: none"> <li>Centralizing the management of GEO and GEO mobile's inventory nationwide can ensure that sales activities are properly adjusted for demand.</li> </ul>
Devices for sale	<ul style="list-style-type: none"> <li>The insides of all devices are cleaned, ensuring safety and reliability.</li> <li>Devices are well cleaned both externally and internally.</li> <li>Devices have a 30-day warrantee against defective products.</li> </ul> <div>    </div>
SIM card	<ul style="list-style-type: none"> <li>UQ and Y!mobile SIM cards are available at GEO and GEO mobile stores around Japan.</li> <li>Twenty GEO and GEO mobile stores have started handling HIS Mobile</li> </ul>
In-store support	<ul style="list-style-type: none"> <li>In-store support reassures customers. Specifically, GEO mobile provides support by specialized consultants.</li> </ul>

## Our share of reuse smartphones and tablets market



Our market share, mainly GEO and GEO mobile

## GEO mobile store trends



\* Total number of GEO stores, including stand-alone, in facilities and co-located stores. Including changes due to the change of store name made in April 2024.

\* Source: Our share of the smartphones and tablets for reuse market is estimated by GEO HOLDINGS based on the Secondhand Market Data book 2024.





# Become the overwhelmingly No. 1 player in the reuse smartphones and tablets market



- By opening standalone stores and co-locating within other GEO Group stores, we will actively expand the GEO mobile network. We are opening stores in electronics retail stores and deepening collaboration with electronics retailers by providing them with our reuse services.
- We seek to become the overwhelmingly No. 1 player in the reuse smartphones and tablets market by strengthening online purchasing, sales and contracts and focusing on the expansion of the BtoB business.

## Be a dominant, peerless company in the smartphones and tablets for reuse market

### Brick-and-mortar stores

GEO mobile  
Expand stand-alone stores  
and co-located stores



Sell merchandise at  
electronic and  
home appliance stores, etc.



### Online

Utilize digital means to  
strengthen our interface  
with customers  
(purchases, sales and contracts)



### BtoB

Corporate-brokered  
transactions in Japan  
Overseas import  
and export



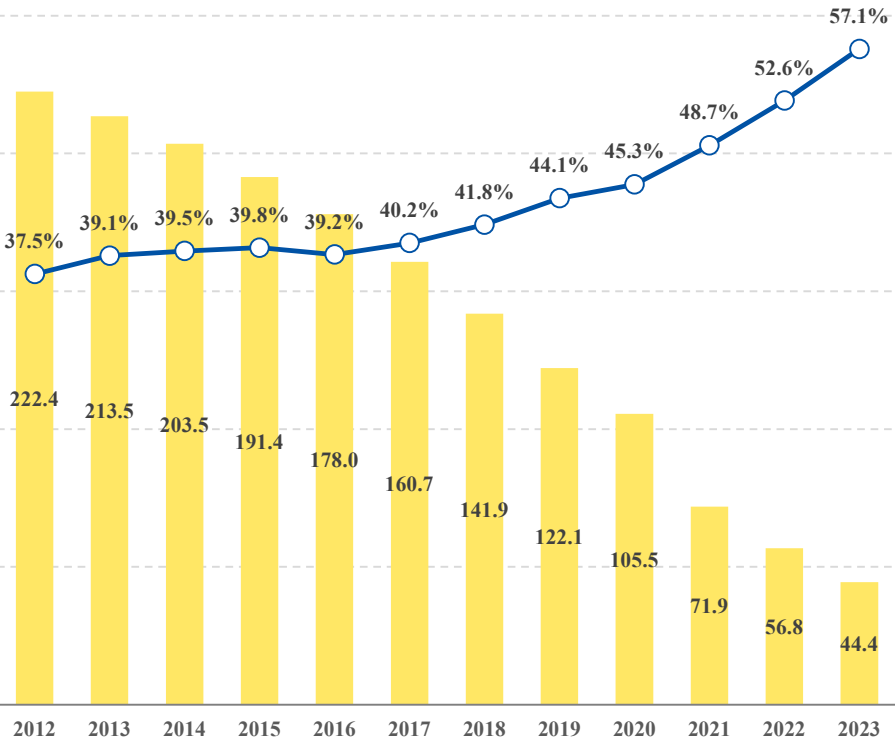
# Our rental business streamlines spaces in a rock-solid manner



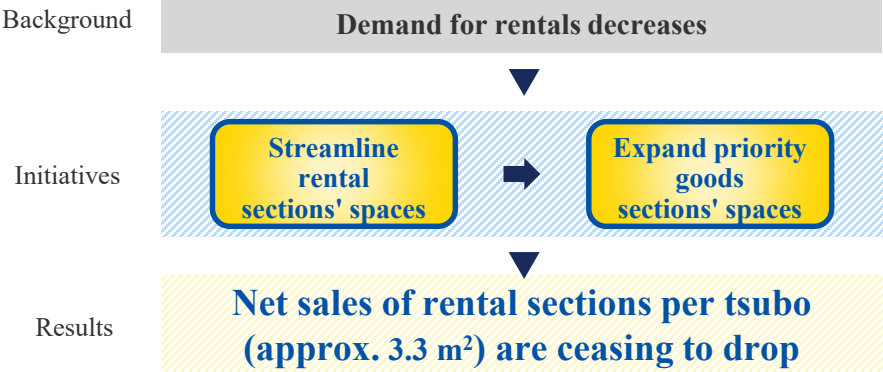
- It is unavoidable that we will be impacted by the shrinkage of the music and video rental market in Japan. Nevertheless, we will streamline store spaces and strive to further solidify our position as having the largest share of the music and video rental market in Japan, the business the GEO Group originated from.
- As a consequence of working to streamline the rental section spaces in stores, net sales of our rental sections per tsubo (approx. 3.3 m<sup>2</sup>) are ceasing to drop and the streamlined spaces are being used to sell priority goods.

Change in the music and video rental market in Japan and our share of the market\*

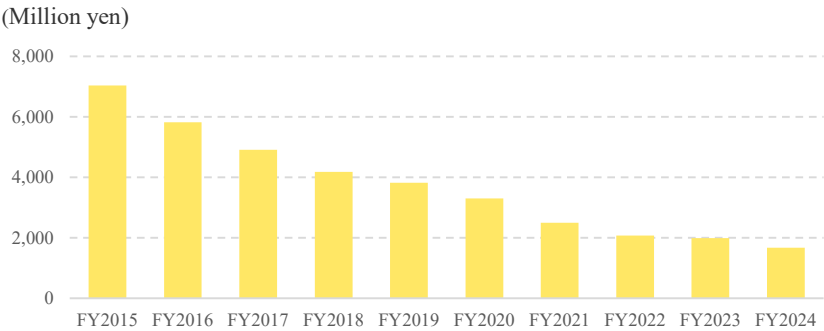
(100 million yen)



Efforts to prevent the drop in demand for rental goods and their outcomes



Change in end-of-term balance of assets in the rental business (after depreciation)



\*Source: The graph shows an estimates by GEO HOLDINGS based on the Ministry of Economy, Trade and Industry's Specific Service Industry Statistics.  
Note 1: Market share is an estimate by GEO HOLDINGS. Note 2: Market size is calculated excluding home delivery rental and comic rental.





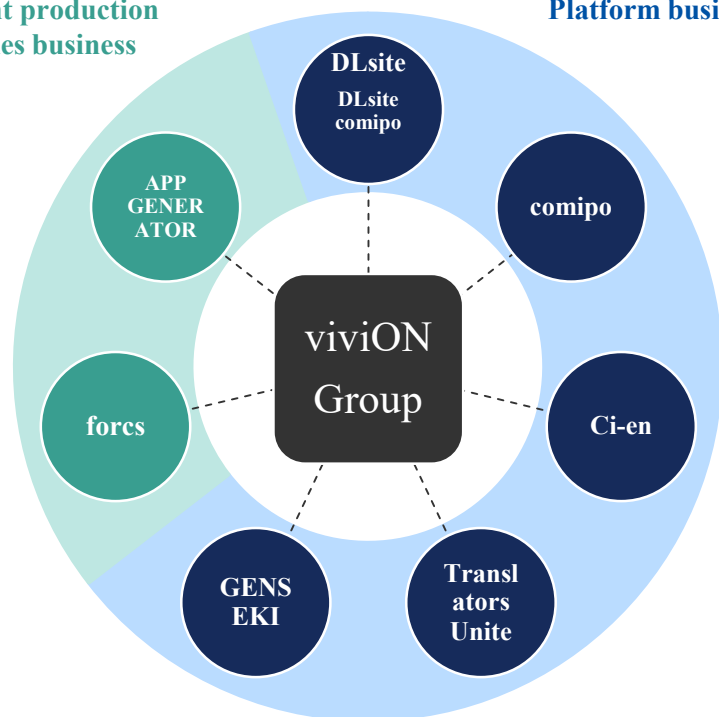
# Digital contents business

- viviON operates a digital content platform business and produces and sells content.
- DLsite, a 2-D content website, has one of the largest content portfolios in Japan and services in 14 languages. In addition, comipo offers comics with audio tracks enabling users to enjoy comics with sound. viviON also operates a new business model by engaging in businesses such as Translators Unite and a creator support business named Ci-en.

## viviON Group's main digital content businesses

### Content production and sales business

### Platform business



## Main services

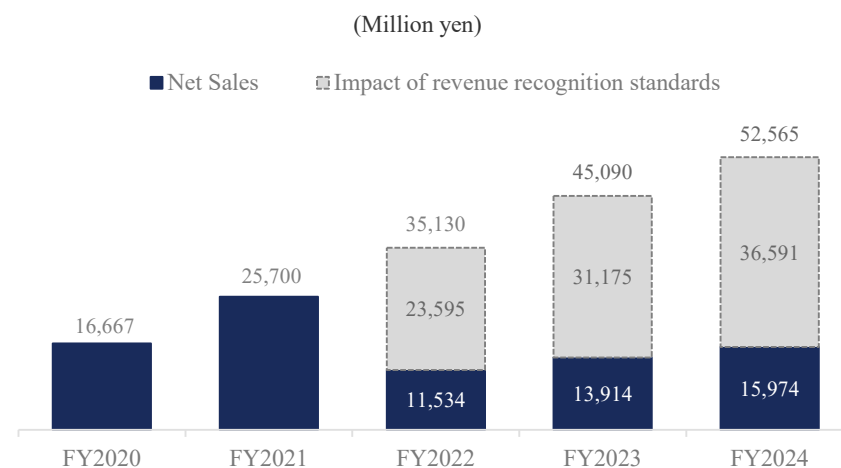


The world's largest subculture content download site. The number of titles available for download from the site has reached 1.30 million.



Electronic audio comics add sounds such as actor's voices to comics. comipo has more than 45,000 Japanese and international comics.

## Net sales trends



\*Amount net of internal transactions

## 5. Other Initiatives

## List of Initiatives

### Reuse Alliance Business



We are preparing for the startup of the Reuse Alliance business; the storefront and websites of businesses in a primary distribution become point of contact for the reuse process. The business involves inspecting and recycling the items collected and purchased from customers before sending them back to the primary distribution companies as reuse items or promoting their sales by leveraging the GEO Group's sales distribution and sales force.

Reuse alliance business webpage: <https://www.geonet.co.jp/business/ra/>



### 2nd STORAGE



2nd STORAGE, our storage unit services with free home delivery, has been fully launched. The services are available in Tokyo (excluding remote islands), Yokohama City, and Kawasaki City. We plan to continue expanding in the Tokyo metropolitan area.

Second Storage: <https://www.2ndstorage.com/>



### Purchasing Locker Service



Customers can use our “Purchasing Locker Service”, which is accessible 24/7, 365 days, to sell goods entirely via smartphones without having to meet in person, using time efficiently.

2nd Street Purchasing Locker Service: <https://www.2ndstreet.jp/sell/locker>



### GEO Arekore Rental



GEO Arekore Rental is a web service that allows users to rent many different items, such as cameras, smartphones, and home appliances whenever and as long as they'd like. It can be also used as a way to try out before purchasing the item.

GEO Arekore Rental: <https://geo-arekore.jp/>



### VTuber Aogiri High School: GEO pop-up stores



The VTuber group Aogiri High School, which is active in the viviON group, collaborated with GEO media stores from January 17 (Fri) to February 25 (Tue), 2025 to open eponymous pop-up stores within GEO stores. In addition to popular products, newly developed goods were sold at 13 selected stores from Hokkaido in the north to Okinawa in the south of Japan.

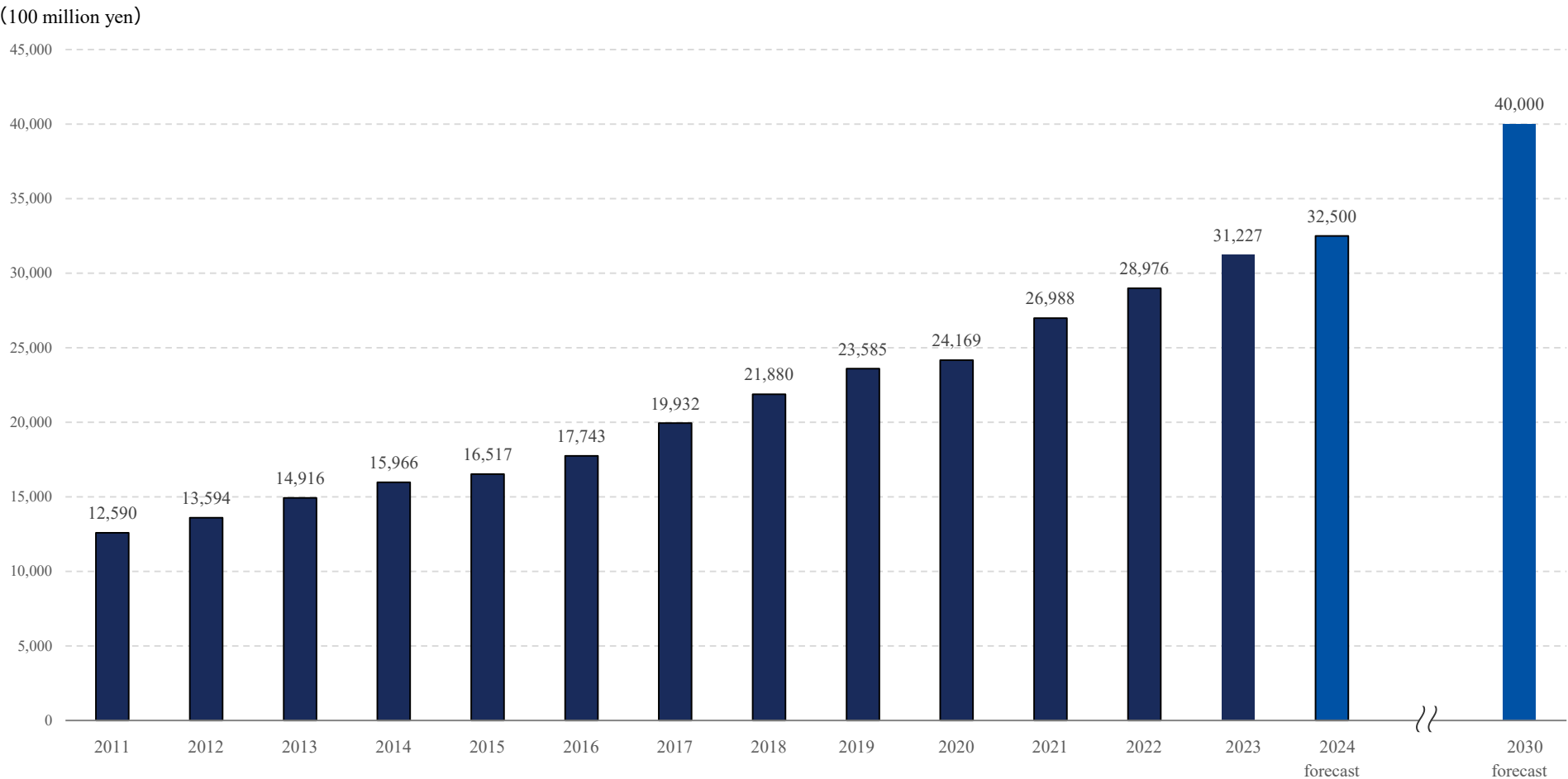
Aogiri High School: <https://www.aogirihighschool.com/>



## 6. Appendix

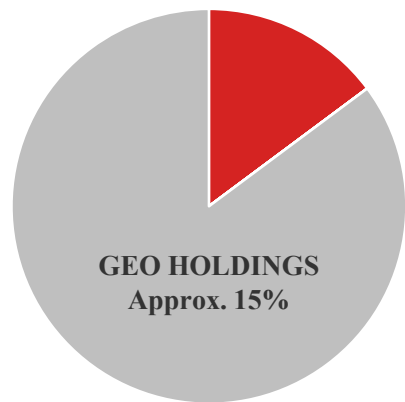
# Trends in the reuse market in Japan

- The 2023 reuse market in Japan rose 7.8% YoY to 3,122.7 billion yen. Awareness of reuse products, which are less expensive than brand-new products, rose as consumer took steps to maintain their standard of living as prices rose, and demand from inbound visitors to Japan gave a further boost.
- Due to the global trend toward reuse, with primary distributors promoting environmental conservation initiatives, the development of cross-border e-commerce, and the expansion and growth of the “reuse native” generation who have no hesitation about using reuse stores, the reuse market in Japan is expected to see long-term growth.

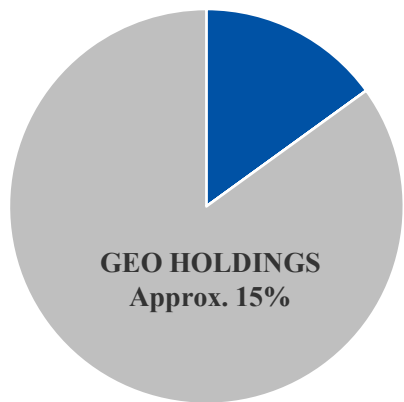


# Our market share and changes in the size of reuse market in Japan

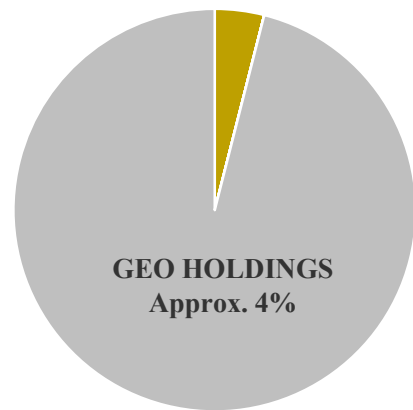
Clothing and accessories



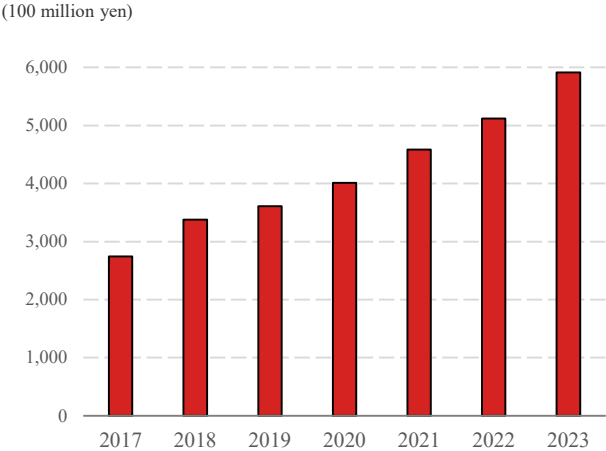
Luxury brand items



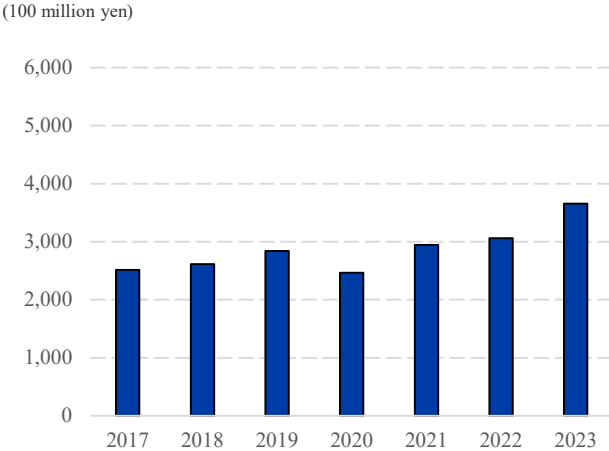
Furniture and home appliances



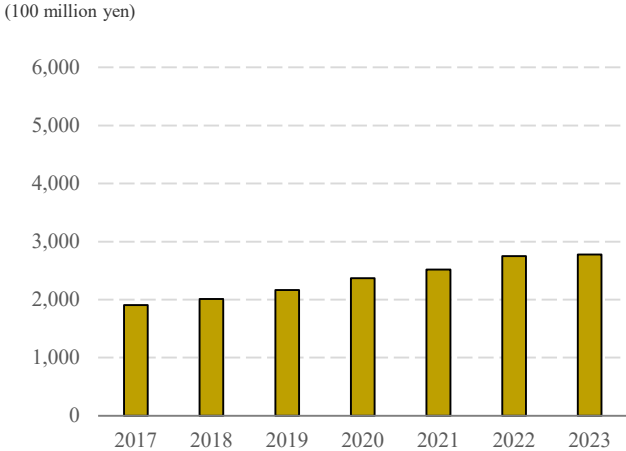
Reuse market  
- clothing and accessories



Reuse market  
- luxury brand items size

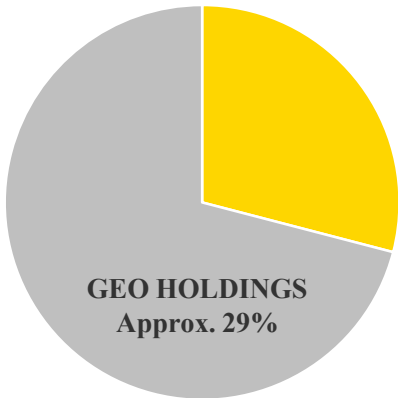


Reuse market  
- furniture and home appliances

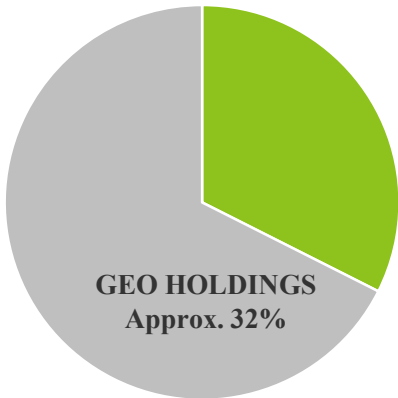


# Our market share and changes in the size of reuse market in Japan

Game and media



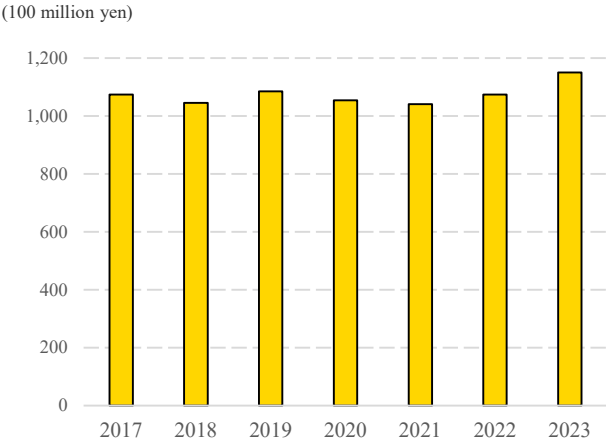
Mobile phone and smartphone



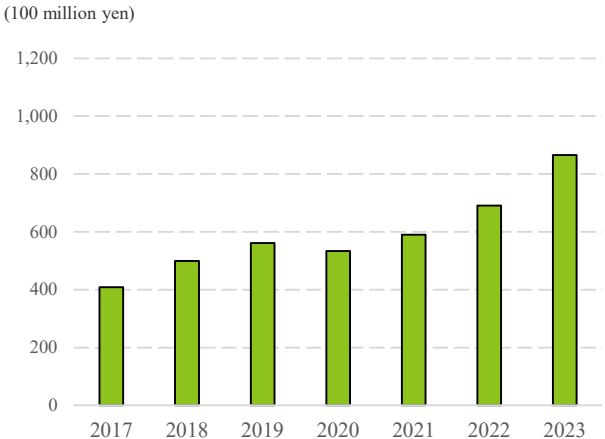
Reuse sales ranking



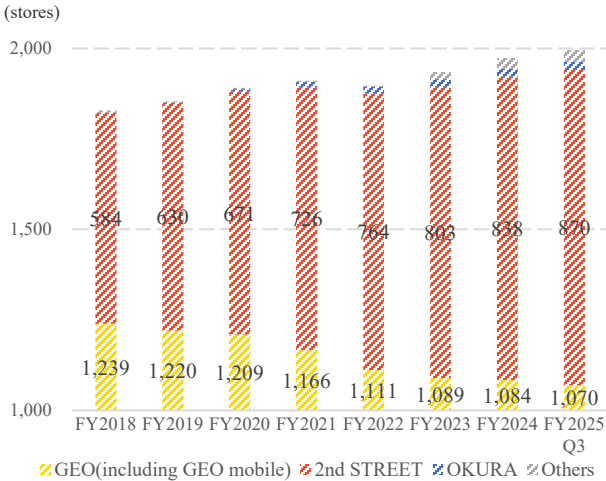
Reuse market - game and media



Reuse market - mobile phone and smartphone



Changes in the number of GEO group reuse stores in Japan



# 2nd STREET Store Expansion



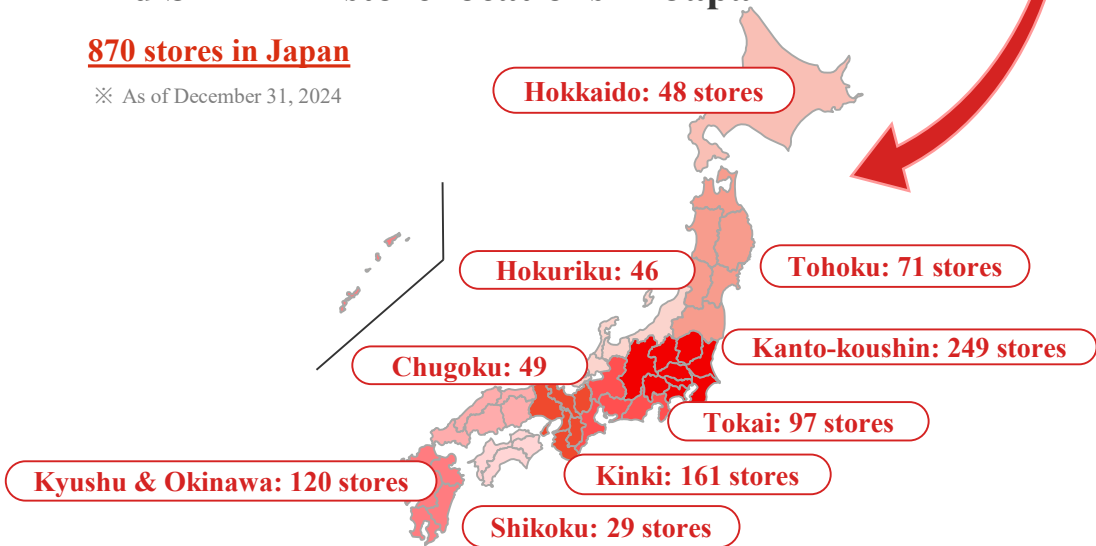
## Worldwide 2nd STREET store locations



## 2nd STREET store locations in Japan

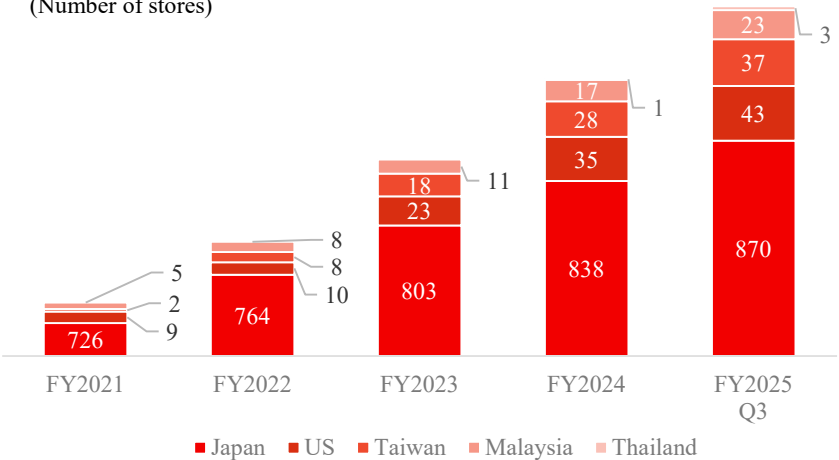
**870 stores in Japan**

※ As of December 31, 2024



## Changes in the number of stores

(Number of stores)





# 2nd STREET store types in Japan

| Nine different store types comprise the 2nd STREET brand in Japan to meet various needs of our customers.

## Full-spec reuse



The largest reuse shop format in Japan, purchases and sells all kinds of items handled by 2nd STREET

## Comprehensive reuse



A reuse shop format that mainly handles clothing and accessories, electrical appliances, and musical instruments and buys and sells furniture at some stores

## Apparel reuse



Apparel- and fashion-focused reuse shop format that also handles furniture and home appliances at some stores

## Reuse select shop



Urban-centered select shop that purchases and sells fashion items selected by buyers with a focus on brand-name reuse clothing

## Luxury Brand specialty store



A format specializing in purchasing and selling luxury brands of clothing, watches, and bags

## Outdoor specialty store



A format specialized in the purchasing and selling clothing and camping and sports gear

## Musical instrument specialty store



Specializes in purchasing and selling musical instruments with a focus on string instruments, music peripherals, and consumables

## Hobby specialty store



A store format specializes in the purchase and sale of hobby items such as figurines, plastic models, and toys

## Purchasing-only store



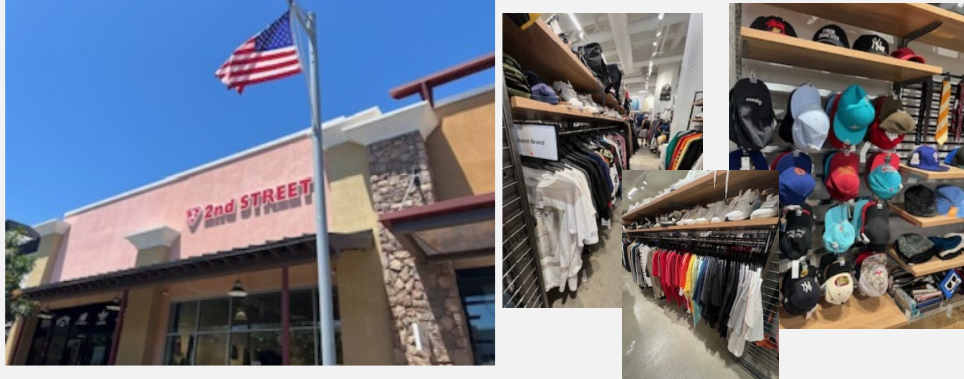
Specializes in purchasing various items including clothing, furniture, electrical appliances, and musical instruments



# Overseas 2nd STREET store types

Overseas 2nd STREET stores come in a variety of types, including urban, suburban and in-store, depending on the region.

## United States



The US stores, which started on the west coast, are progressing well, and we are actively opening stores on the east coast

## Taiwan



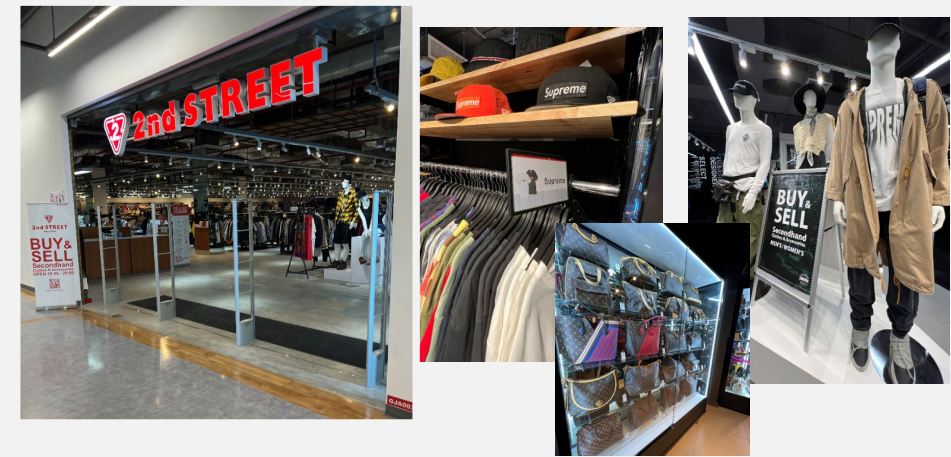
The reuse market in Taiwan is still in the development stage. We plan to open more stores and establish a firm position in the market.

## Malaysia



We will expand wholesale and retail sales of reuse products imported from Japan mainly in Kuala Lumpur and the surrounding areas in Malaysia

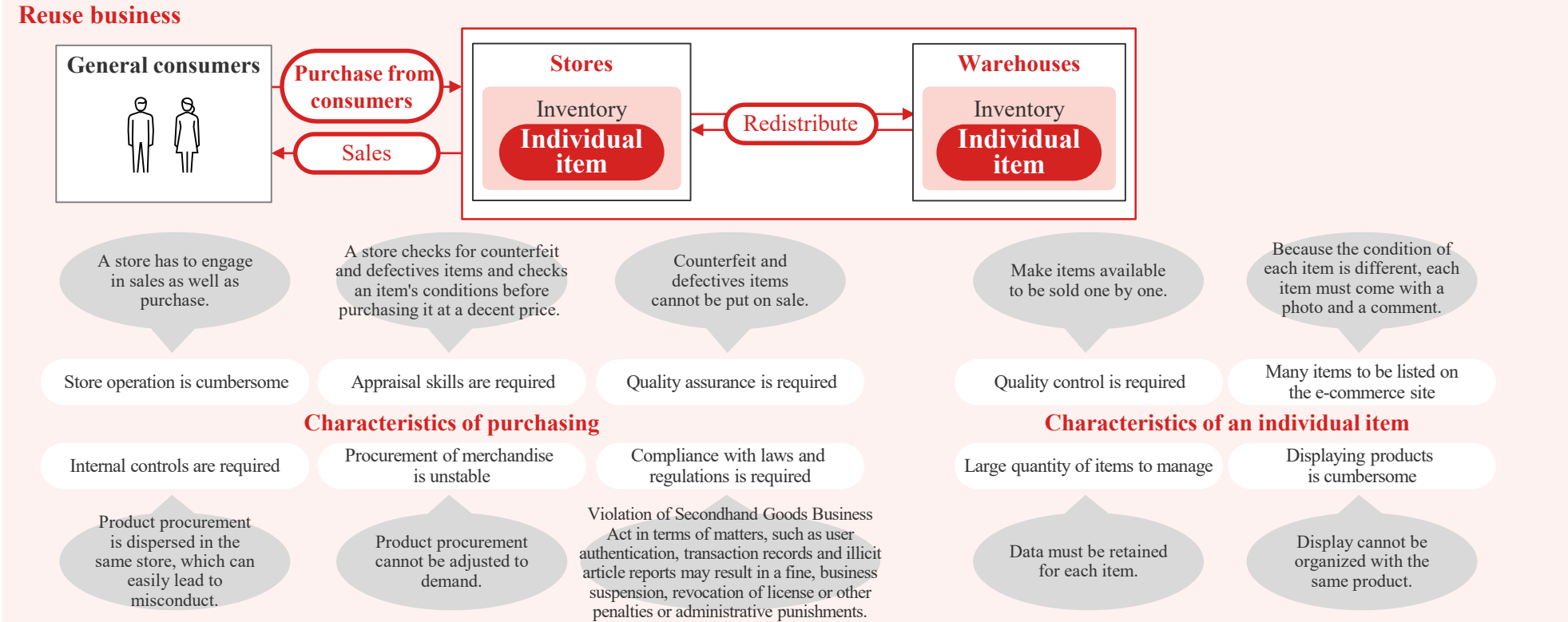
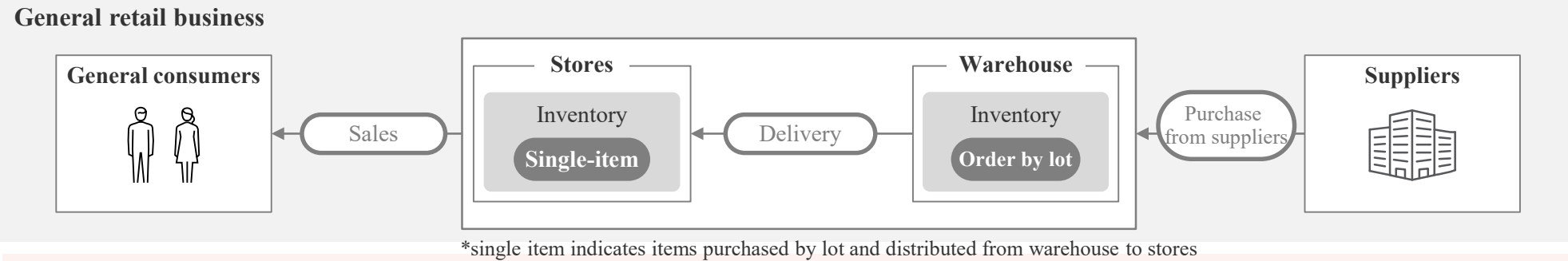
## Thailand



We are building a model that completes the purchase and sales process domestically, and we will open new stores around the growing Bangkok metropolitan area.

# Characteristics of the reuse business

Although the reuse business has a low barrier to entry, it requires special operations, such as purchasing from general consumers and handling individual items, unlike other general retail businesses. Multi-store operation of the reuse business requires unique management of the business operations.



# Quarterly consolidated statement of income – FY2025

	FY2023				FY2024				FY2025			
(Million yen)	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
<b>Net sales</b>	81,377	91,185	107,134	97,603	106,725	109,035	111,640	106,446	100,147	99,576	116,432	
(YoY Change)	7.0%	20.2%	15.1%	8.7%	31.1%	19.6%	4.2%	9.1%	−6.2%	−8.7%	4.3%	
<b>Gross profit</b>	34,194	34,464	39,315	34,507	39,289	36,597	43,081	40,855	41,694	40,092	45,491	
(YoY Change)	10.3%	10.6%	12.4%	2.6%	14.9%	6.2%	9.6%	18.4%	6.1%	9.6%	5.6%	
(Gross profit margin)	42.0%	37.8%	36.7%	35.4%	36.8%	33.6%	38.6%	38.4%	41.6%	40.3%	39.1%	
<b>SG&amp;A expenses</b>	30,167	32,199	34,251	35,244	33,498	35,081	37,045	37,384	37,328	39,044	41,086	
(YoY Change)	1.0%	4.4%	11.2%	13.2%	11.0%	8.9%	8.2%	6.1%	11.4%	11.3%	10.9%	
<b>Operating profit</b>	4,027	2,265	5,064	−736	5,790	1,516	6,036	3,470	4,366	1,048	4,405	
(YoY Change)	248.4%	593.9%	21.2%	—	43.8%	−33.1%	19.2%	—	−24.6%	−30.9%	−27.0%	

# Quarterly net sales by merchandise – FY2025

(Million yen)	FY2023				FY2024				FY2025			
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
Reuse	46,152	47,061	55,908	50,518	55,787	57,005	66,599	64,697	65,665	62,274	73,925	
Comprehensive	30,011	29,257	37,255	34,314	39,299	39,457	45,945	44,979	46,204	41,119	53,028	
Clothing and accessories※1	14,963	14,319	20,431	18,288	19,828	18,850	25,814	23,108	24,109	21,912	29,758	
Furniture and home appliances※1	2,266	2,156	2,375	2,384	2,562	2,622	2,858	2,959	3,022	2,939	3,021	
Luxury※4	9,180	9,264	10,017	9,710	12,975	14,294	12,835	14,667	14,566	12,293	15,448	
Others※1	3,602	3,517	4,431	3,931	3,933	3,691	4,437	4,244	4,506	3,974	4,800	
Media	16,140	17,803	18,652	16,204	16,488	17,547	20,654	19,717	19,461	21,155	20,897	
Games※2	7,468	8,364	8,077	7,401	7,839	7,974	9,120	8,504	7,812	8,295	8,313	
Smartphones and tablets※2,3	7,150	7,967	9,147	7,530	7,305	8,268	10,218	9,924	10,348	11,602	11,294	
Others※2	1,522	1,472	1,427	1,273	1,343	1,305	1,316	1,289	1,300	1,257	1,289	
Brand new※2	20,625	29,048	36,973	32,819	37,025	37,250	30,856	27,258	21,257	23,235	28,947	
Others	14,599	15,075	14,251	14,266	13,912	14,779	14,184	14,491	13,224	14,066	13,559	
Digital content※5	3,227	3,407	3,464	3,815	3,767	4,171	3,821	4,212	3,726	4,379	4,442	
Rental※2	9,606	9,795	8,980	8,534	8,253	8,337	8,183	8,019	7,401	7,446	7,021	
Others	1,765	1,872	1,806	1,916	1,890	2,269	2,179	2,259	2,096	2,240	2,095	
Total	81,377	91,185	107,133	97,603	106,725	109,035	111,640	106,447	100,147	99,576	116,432	

Main business or store: ※1 : 2nd STREET ※2 : GEO ※3 : GEO mobile ※4 : OKURA ※5 : viviON



# Quarterly gross profit by merchandise – FY2025

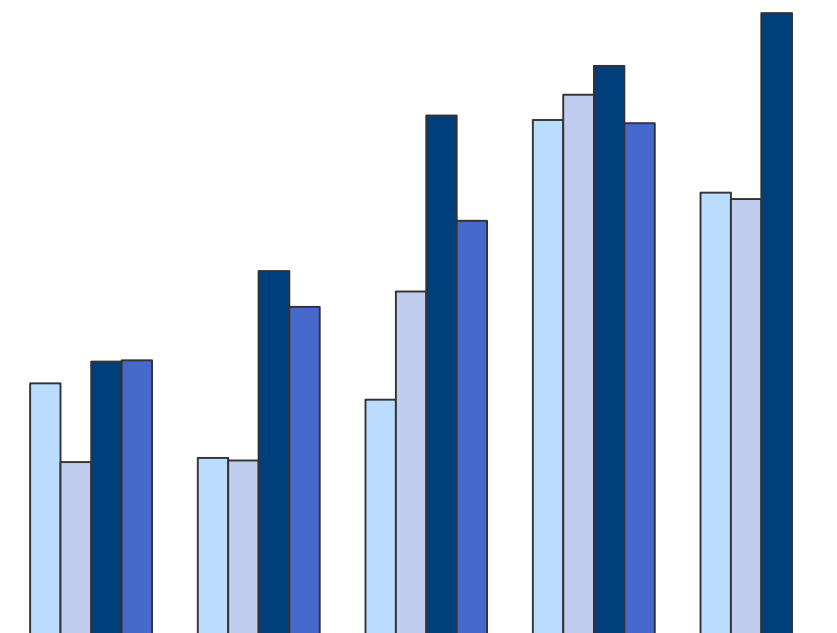
(Million yen)	FY2023				FY2024				FY2025			
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
Reuse	20,721	20,054	24,609	20,305	25,170	23,551	28,751	26,284	28,897	25,878	31,690	
Comprehensive	15,101	13,999	18,493	14,653	19,357	17,550	22,367	20,171	22,686	19,101	25,310	
Clothing and accessories※1	10,029	9,146	12,968	11,362	13,189	11,972	16,226	14,090	15,882	13,806	18,660	
Furniture and home appliances※1	1,465	1,345	1,487	1,432	1,573	1,552	1,698	1,747	1,868	1,750	1,839	
Luxury※4	1,201	1,025	827	−804	1,777	1,472	1,232	1,341	1,666	721	1,309	
Others※1	2,405	2,483	3,210	2,662	2,817	2,553	3,210	2,992	3,270	2,824	3,500	
Media	5,619	6,054	6,115	5,652	5,812	6,002	6,383	6,113	6,210	6,776	6,379	
Games※2	2,493	2,657	2,579	2,376	2,467	2,540	2,697	2,455	2,487	2,831	2,509	
Smartphones and tablets※2,3	1,805	2,110	2,234	2,106	2,117	2,281	2,503	2,488	2,528	2,795	2,690	
Others※2	1,321	1,287	1,301	1,170	1,227	1,180	1,183	1,169	1,195	1,150	1,180	
Brand new※2	3,798	4,455	5,068	4,344	5,002	2,589	5,132	4,392	3,886	4,248	5,099	
Others	9,674	9,955	9,638	9,857	9,116	10,457	9,197	10,178	8,910	9,966	8,702	
Digital content※5	2,902	3,064	3,039	3,401	3,332	3,744	3,398	3,818	3,345	3,929	3,861	
Rental※2	5,957	6,273	5,694	5,126	5,063	5,383	5,173	5,078	4,712	4,737	4,413	
Others	814	617	904	1,329	720	1,328	626	1,282	852	1,298	427	
Total	34,194	34,464	39,315	34,507	39,289	36,597	43,081	40,856	41,694	40,092	45,491	

Main business or store: ※1 : 2nd STREET ※2 : GEO ※3 : GEO mobile ※4 : OKURA ※5 : viviON

# Quarterly trends related to seasonality

Net sales and operating profit tend to be weighted to the second half of the year due to the seasonality of demand for the products handled by the group, such as reuse clothing and accessories, smartphones, and game-related products.

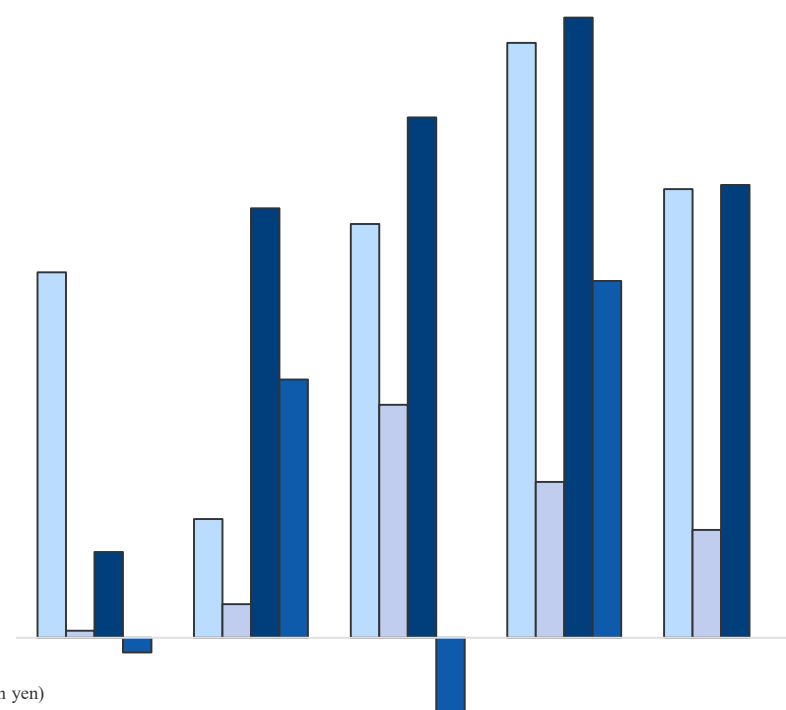
## Net sales



(Million yen)

	FY2021	FY2022	FY2023	FY2024	FY2025
Q1	82,860	76,088	81,377	106,725	100,147
Q2	75,717	75,860	91,185	109,035	99,576
Q3	84,817	93,043	107,134	111,640	116,432
Q4	84,961	89,797	97,604	106,446	

## Operating Profit



(Million yen)

	FY2021	FY2022	FY2023	FY2024	FY2025
Q1	3,557	1,155	4,027	5,790	4,366
Q2	66	326	2,265	1,516	1,048
Q3	834	4,178	5,064	6,036	4,405
Q4	-145	2,513	-736	3,470	

# Dialogue with shareholders in the nine months ended December 31, 2024

In order to contribute to sustainable growth and medium- to long-term enhancement of corporate value, we strive to engage in constructive dialogue with investors. The executive officer in charge of IR oversees implementation of dialogue in cooperation with related divisions and holds biannual results briefings, dialogues with Japanese and overseas institutional investors, posts IR-related materials on the Company's website, and disseminates information by providing research reports by research firms. In addition, the Company reports the results of IR activities to the Board of Directors on matters of particular importance, such as matters of interest to shareholders and gaps between the results of IR activities and investors' viewpoints.

## Main IR activities

Activity	Content
Individual meetings	<ul style="list-style-type: none"> <li>Held at any time except for the time period between the day after quarterly financial closing date and the day of earnings call (IR quiet period).</li> </ul>
Earnings calls	<ul style="list-style-type: none"> <li>Conducted for analysts and institutional investors after the announcement of Q2 and FY (Q4) results.</li> </ul>
Materials on our IR website	<ul style="list-style-type: none"> <li>Posting of financial results, financial results briefings, materials from general shareholders' meetings, annual reports, etc. on the corporate website</li> <li>English version of the corporate website created based on the Japanese version</li> </ul>
Research reports	<ul style="list-style-type: none"> <li>Research reports in Japanese and English by research firms are updated and published for each quarter.            Shared Research (Japanese version): <a href="https://sharedresearch.jp/ja/companies/2681">https://sharedresearch.jp/ja/companies/2681</a>            Shared Research (English version): <a href="https://sharedresearch.jp/en/companies/2681">https://sharedresearch.jp/en/companies/2681</a>            Astris Advisory Japan (Japanese version): <a href="https://corporateresearch.astrisadvisory.com/ja/geohd">https://corporateresearch.astrisadvisory.com/ja/geohd</a>            Astris Advisory Japan (English version): <a href="https://corporateresearch.astrisadvisory.com/geohd">https://corporateresearch.astrisadvisory.com/geohd</a> </li> </ul>

## Overview of dialogue and feedback

Item	Situation
Main respondents	<ul style="list-style-type: none"> <li>General shareholders' meetings : All directors and auditors</li> <li>Financial results briefings : President &amp; CEO, Executive Director Managing Operating Officer</li> <li>IR ・ SR individual meetings : Executive Officer of IR division, IR division</li> </ul>
Shareholders with whom dialogue was held	<ul style="list-style-type: none"> <li>Number of meetings : FY2025 Q3 138 meetings *Total number of cases handled</li> <li>Investment style : Mainly active investors</li> <li>Investors' responsibilities : Analyst, fund manager</li> </ul>
Feedback implementation status	<ul style="list-style-type: none"> <li>IR status reports, including IR strategies, issues and measures, and indicators, are fed back to management as appropriate.</li> <li>Important details of the dialogue are regularly reported to the Board of Directors for discussion.</li> </ul>



# Strengthening non-financial capital

| Emphasizing non-financial capital which is not written in financial statements, we actively invest in intellectual capital, fixed capital, human capital, social capital and natural capital from medium and long-term perspectives.

Non-financial capital	Intellectual capital	<ul style="list-style-type: none"><li>● Chain store management in the reuse business, which we have built over many years, is the source of our corporate competitiveness.</li><li>● Chain store management in the reuse business the GEO Group has built will be spread globally.</li></ul>
	Fixed capital	<ul style="list-style-type: none"><li>● Our sales locations, which include about 1,800 stores in Japan and about 100 stores overseas, function as our management foundation.</li><li>● We will invest in digital transformation that strengthens the chain store management of our reuse business.</li></ul>
	Human capital	<ul style="list-style-type: none"><li>● We actively invest in human resource development, encouraging our people to take on challenges.</li><li>● We will remain committed to producing specialists and female managerial-level employees, the source of enhancement of our global competitiveness.</li></ul>
	Social capital	<ul style="list-style-type: none"><li>● We respect diverse values and drive initiatives to create an environment in which the individuality of each employee is demonstrated to the full. We have also introduced programs that support diverse workstyles.</li><li>● We co-sponsor community activities and engage in social contribution activities. We will thus continue to make contributions as a company that grows together with society.</li></ul>
	Natural capital	<ul style="list-style-type: none"><li>● Through the growth of our recycling-oriented business, we are committed to enhancing our economic and social value and contributing to the achievement of the SDGs.</li><li>● We promote energy saving at our stores nationwide in pursuit of a sustainable society.</li></ul>

# Towards achieving sustainability



## Our top priorities

We have analyzed the sustainability issues from two perspectives, from “importance to stakeholders” and from “importance to the GEO Group.” As a result, we have identified six material issues as our top priorities:

Materiality (six top issues)		Social value creation
Environment	<ul style="list-style-type: none"> <li>Realization and promotion of a recycling-oriented society</li> <li>Climate change response: resource conservation and waste reduction</li> </ul>	<ul style="list-style-type: none"> <li>By creating end-to-end product lifecycles through our business operations, the GEO Group is contributing to reduction in CO2 emissions while also pursuing sustainable development in the areas of energy efficiency, overseas business, and community activities. We will continue to address environmental issues, such as climate change, with the goals to create a business that will connect to the future.</li> </ul>
Society	<ul style="list-style-type: none"> <li>Promotion of diversity and inclusion</li> <li>Training specialist and talent management</li> </ul>	<ul style="list-style-type: none"> <li>The GEO Group respects diverse values and promotes a work environment where the individuality of each and every employee can be fully expressed. The Group has introduced a support system with diverse work styles by aiming to be a company, where employees can find joy through their day-to-day work.</li> <li>We emphasize the importance on the connections between the company and society. We are committed to contributing to the betterment of our community and to fostering mutually beneficial relationships through sponsoring local events and engaging in social philanthropic activities.</li> </ul>
Governance	<ul style="list-style-type: none"> <li>Strengthening corporate governance</li> <li>Promoting fair trade and fostering an ethical business culture</li> </ul>	<ul style="list-style-type: none"> <li>In accordance with the GEO Group's corporate philosophy of “To offer joy to your everyday life,” the Group provides services that enable customers to experience “the sense of richness and enjoyment spark in our everyday lives.”</li> <li>To maximize corporate values, the GEO Group strives to strengthen corporate governance by quickly and appropriately responding to rapidly changing business environment. To achieve the objectives, we are further strengthening the current management structure, board of directors and auditors, improving the transparency of management information, and ensuring thorough compliance with laws and regulations.</li> </ul>

**By promoting the realization of recycling-oriented communities, we contribute to the creation of a sustainable society.**

For more information, please visit the “Sustainability” page on the GEO Holdings website at: <https://www.geonet.co.jp/csr/>



# Notice concerning forward-looking statements

All indications made in this document concerning forecasts of performance, policies, management strategies, targets, plans, understanding and assessment of facts, as well as outlook on performance and dividends with respect to the Group, excluding historical facts, only reflect our current expectations, predictions, plans, understanding, assessments and others based on information available to the Group. These indications, facts or preconditions (assumptions) by their nature may be inaccurate from an objective perspective and they are exposed to potential risks of being affected by changes in general business environment, weather, economic trends, consumer trends, and consumer preferences. Therefore, no guarantee is made that the indications in this document will be realized in the future as projected.



**To offer joy to your everyday life**

Inquiries

Contact information GEO Holdings Corporation Global Accounting and Finance Department

Telephone	+81 52 350 5711
Email	<a href="mailto:info@geonet.co.jp">info@geonet.co.jp</a>

