

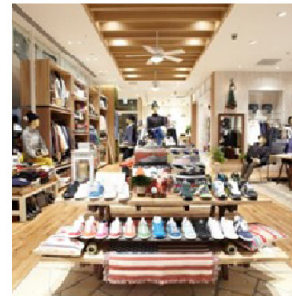


GEO HOLDINGS CORPORATION  
(TOKYO 1st Section: 2681)

May 2017

# Briefing on the Financial Results of the Fiscal Year Ended March 31, 2017

To offer joy to your everyday life



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# Financial Summary for the Fiscal Year Ended March 31, 2017



# Full year results

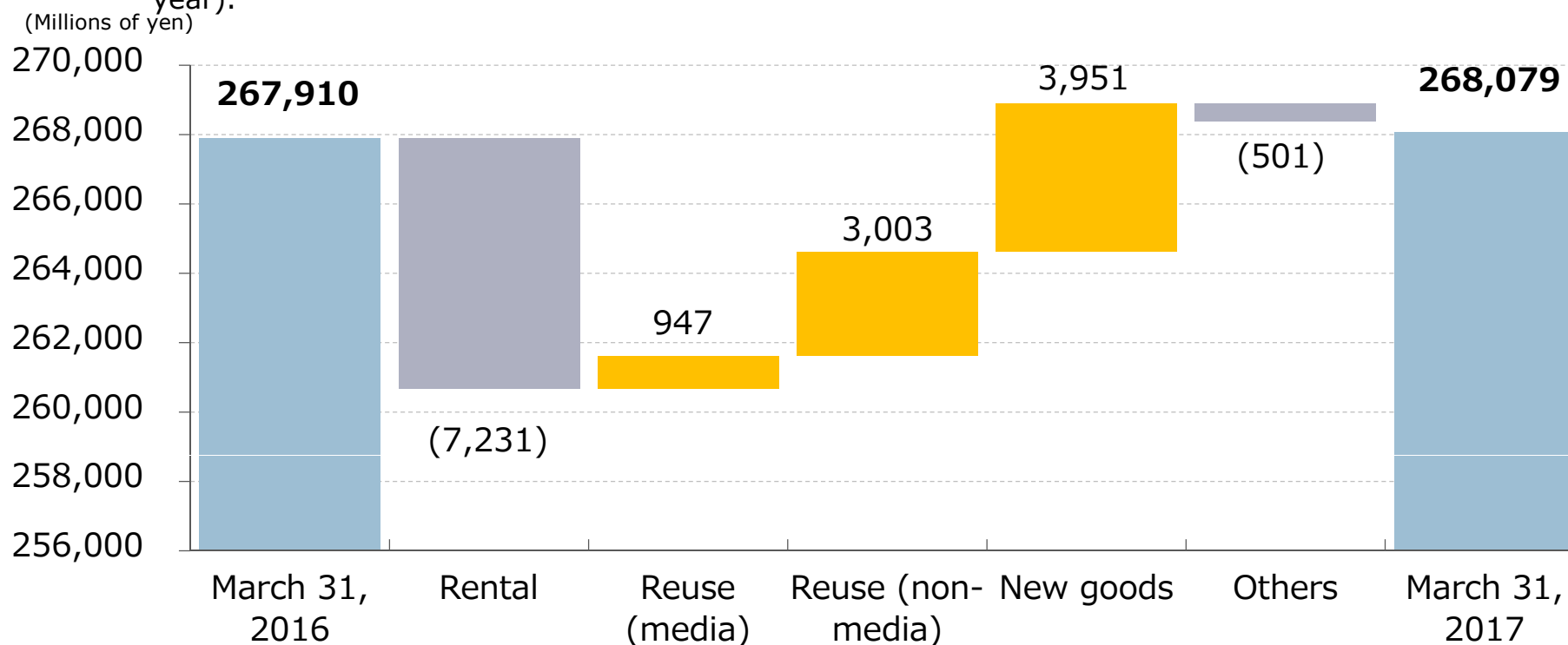
- On a consolidated basis, sales increased slightly and profit decreased slightly, and operating profit achieved 78.7% of the full year forecast.
- Net sales resulted in 100.1% of that of the previous year from contribution of sales of reuse merchandise and new goods merchandise while rental sales softened. Gross profit decreased due to a change in composition of sales from the previous year. Operating profit was 52.3% of that of the previous year due to the effect of the cost for opening new stores for reuse and other reasons.

(Millions of yen)	Fiscal year ended March 31, 2016 Results	(Ratio to sales)	Fiscal year ended March 31, 2017 Results	(Ratio to sales)	Increase/decrease (Change)	Forecast (Achievement)
<b>Net sales</b>	<b>267,910</b>		<b>268,079</b>		168 100.1%	<b>277,000</b> 96.8%
Gross profit	116,112	43.3%	111,996	41.8%	(4,115) 96.5%	118,000 94.9%
SG&A	99,559	37.2%	103,334	38.5%	3,774 103.8%	107,000 96.6%
<b>Operating profit</b>	<b>16,552</b>	6.2%	<b>8,662</b>	3.2%	(7,890) 52.3%	<b>11,000</b> 78.7%
<b>Ordinary profit</b>	<b>17,824</b>	6.7%	<b>9,040</b>	3.4%	(8,783) 50.7%	<b>12,000</b> 75.3%
<b>Profit</b>	<b>10,563</b>	3.9%	<b>4,223</b>	1.6%	(6,340) 40.0%	<b>6,000</b> 70.4%



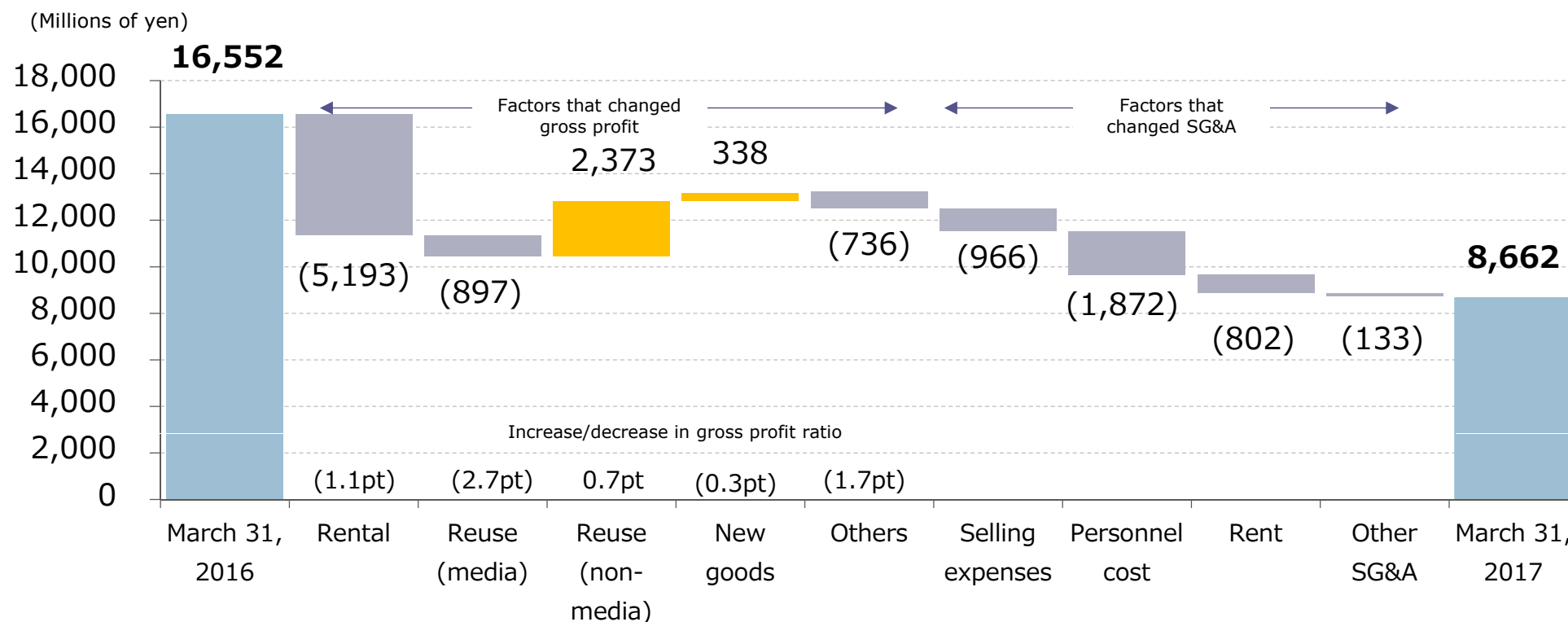
## Net sales: Increase/decrease from the previous year

- Sales for rental declined by 7.2 billion yen such as from the effect of Rio Olympics (90.8% compared to the previous year).
- Sales for reuse (media) (mainly used smartphones), which is continuously solidly increasing, increased by 900 million yen (101.9% compared to the previous year).
- Sales for reuse (non-media) merchandise, which increased solidly despite of the effect of typhoons and lingering summer heat, increased by 3.0 billion yen (108.2% compared to the previous year).
- Sales for merchandise (new goods) (mainly game device and game software) in the year-end shopping season increased by 3.9 billion yen (105.5% compared to the same period of the previous year).



## Operating profit: Increase/decrease from the previous year

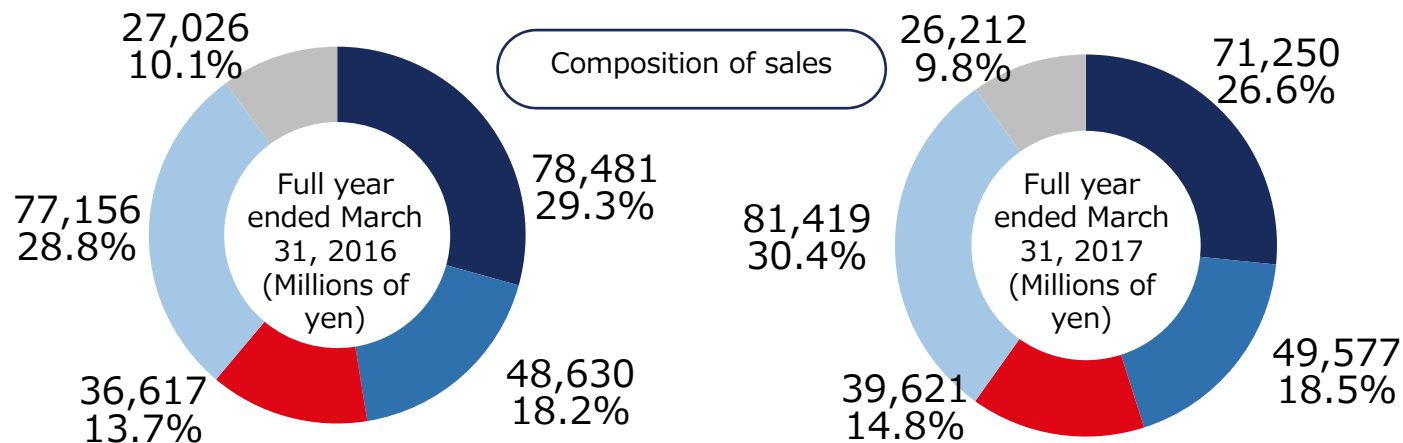
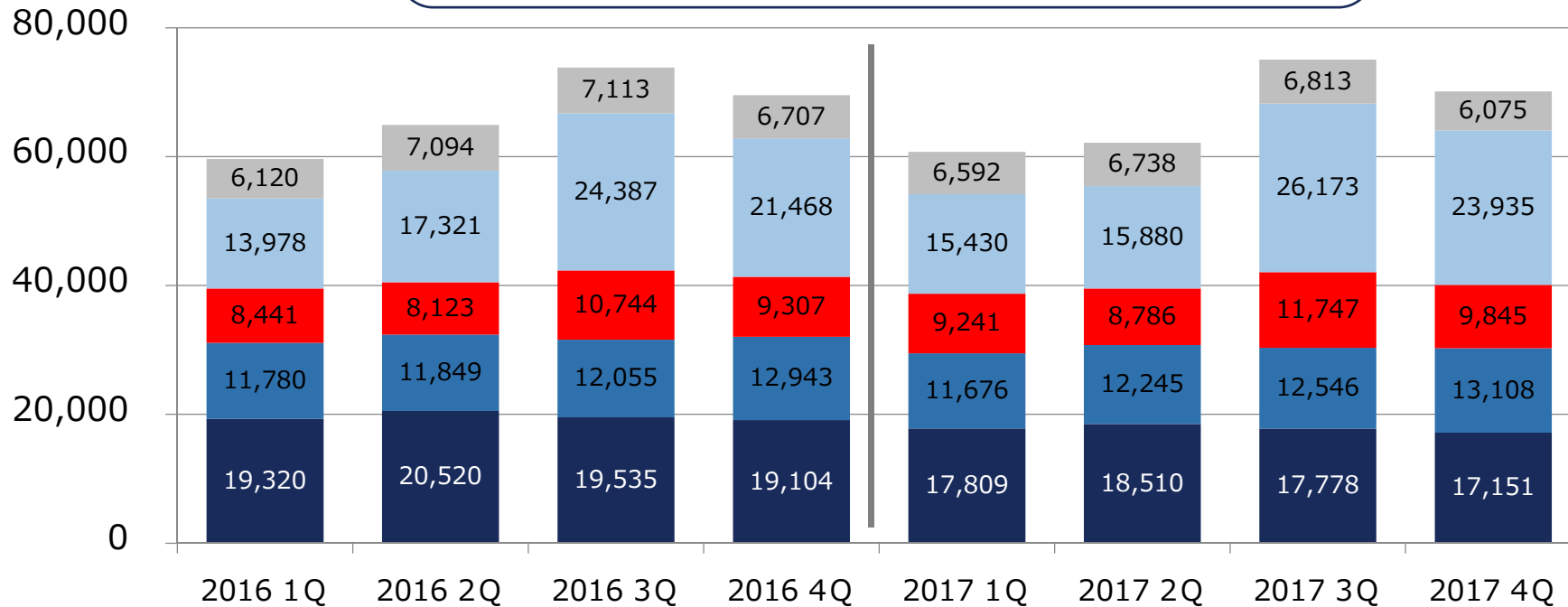
- Gross profit declined by 5.1 billion yen due to reduced sales for rental and 1.1 point decline in gross profit ratio.
- Gross profit declined by 800 million yen due to the decline in gross profit ratio in used games and used mobiles although sales for reuse (media) merchandise increased.
- Gross profit increased by 2.3 billion yen due to increase in sales for reuse (non-media) merchandise and 0.7 point increase in gross profit ratio.
- SG&A increased by 3.7 billion yen due to active sales promotion activities and personnel costs and rents accompanying increase in the opening of stores.



# Sales based on merchandise

(Millions of yen)

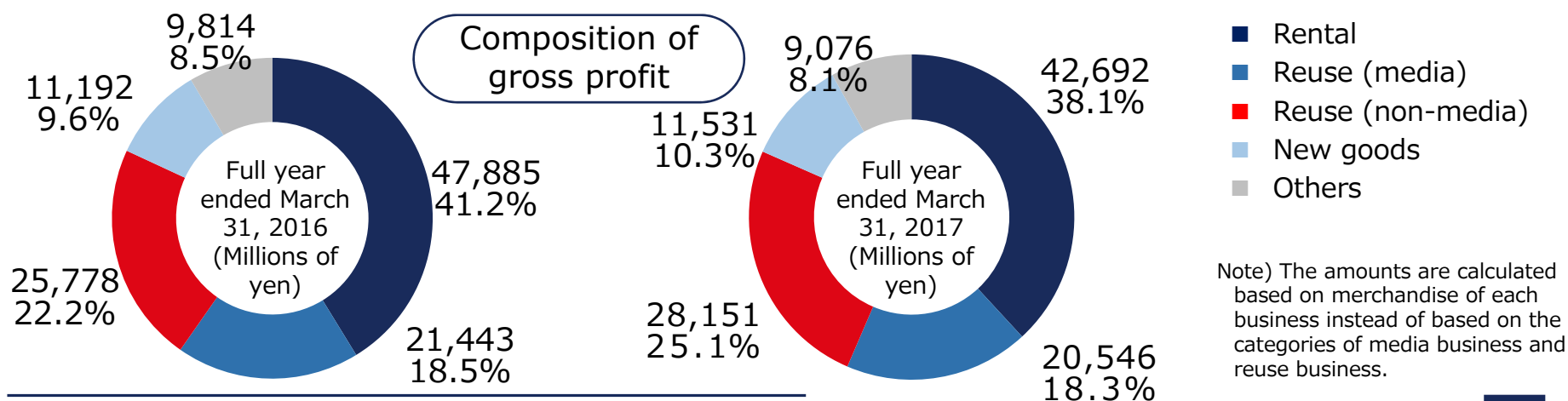
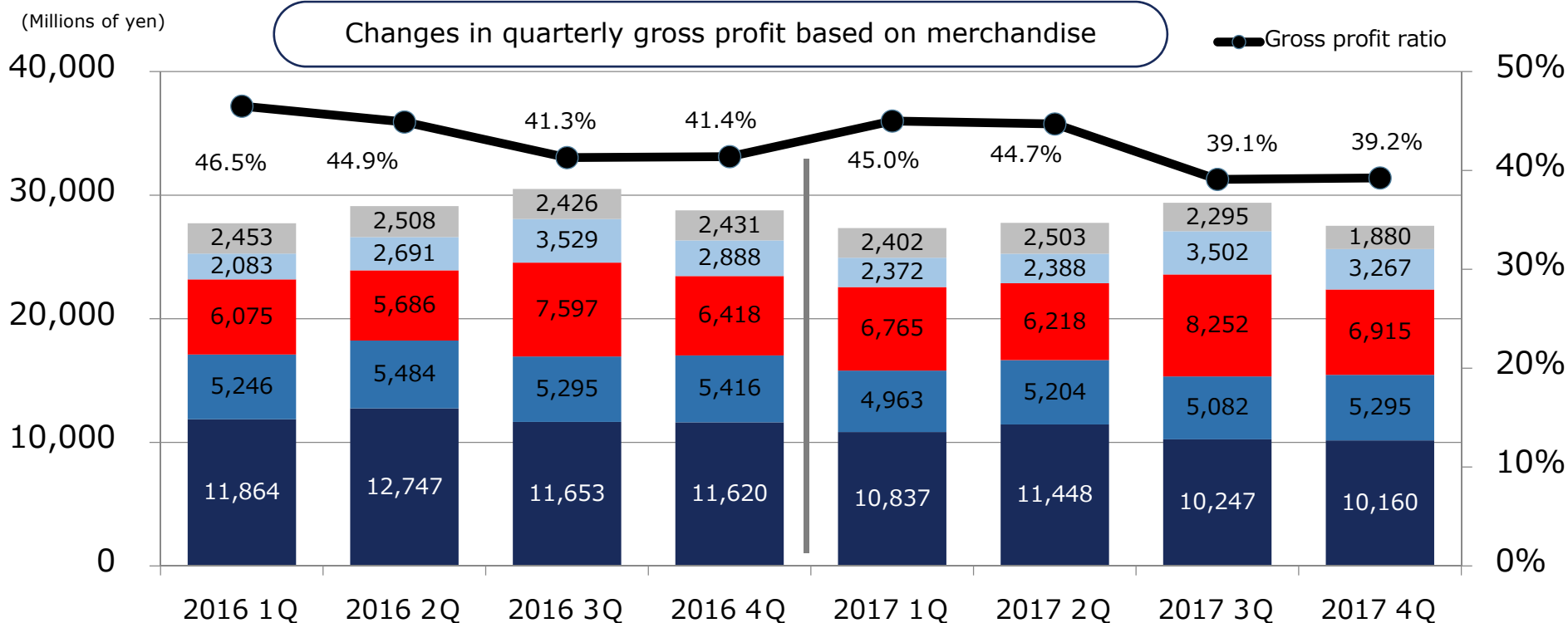
Changes in quarterly sales based on merchandise



Note) The amounts are calculated based on merchandise of each business instead of based on the categories of media business and reuse business.



# Gross profit based on merchandise



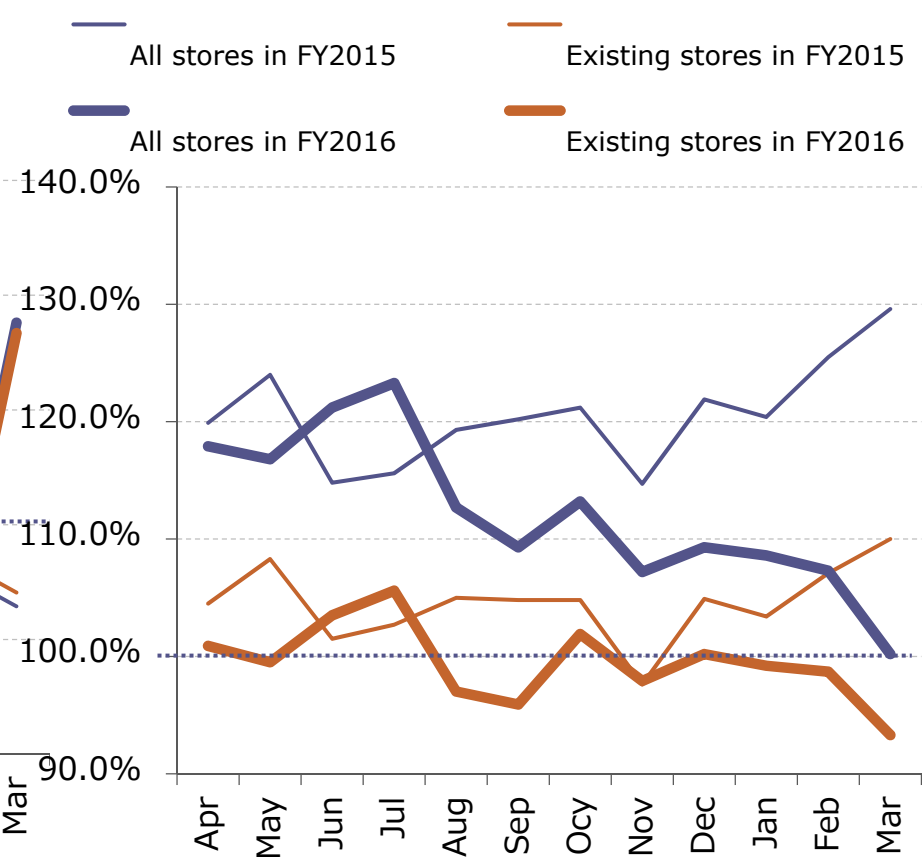
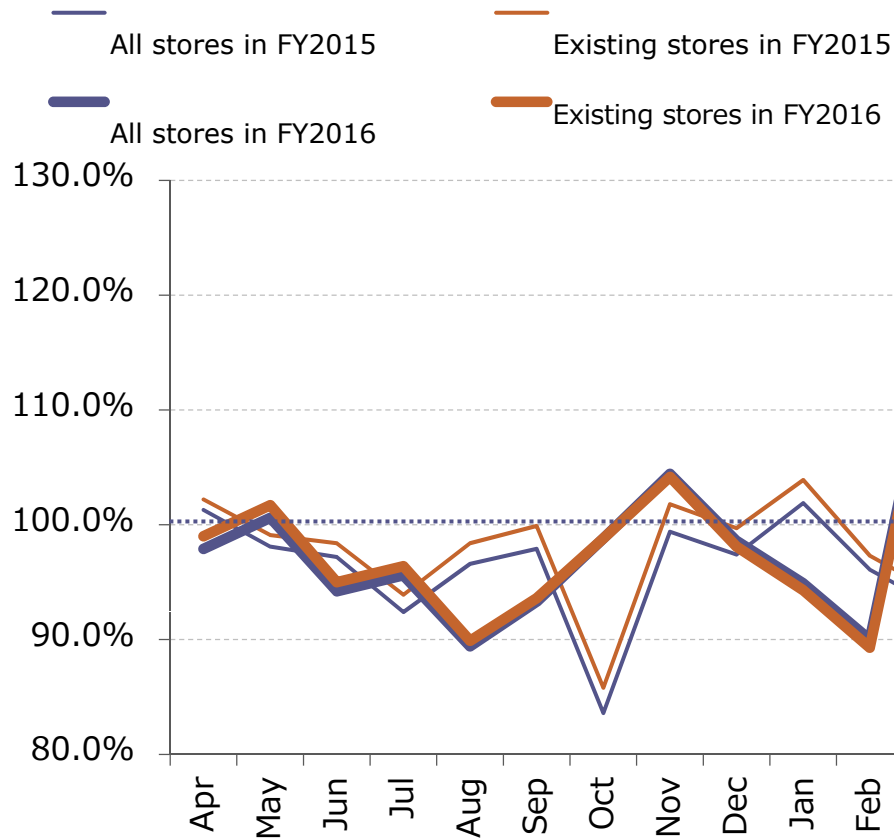


# Monthly change in net sales compared with previous year

- The sales for media stores recovered in November from the effect of Rio Olympics in August and although sales for merchandise were solid during the year-end shopping season, sales for rental struggled and sales declined from the previous year. In March, sales increased from the previous year due to the release of new game device and new game software.
- The sales for reuse stores decreased from the previous year due to shortage in clothes purchased although sales recovered in October from the effect of typhoon and lingering summer heat in August and September.

Media stores (DMS)

Reuse stores (DMS)



# 10 year summary

For You Co., Ltd. that operates "Second Street" became our consolidated subsidiary in June 2008. Reuse (non-media) increased profit by 9.5 billion yen.

Profits decreased by 2.3 billion yen from the previous year although we actively opened new stores, and customers decreased after the olympics, rental sales softened, and we were unable to recover the costs for opening new stores.

Sales reached record high of 270.3 billion yen due to hits such as "Frozen" and "Youkai Watch" but profits increased only slightly due to increased cost from opening stores.

- Others
- Reuse (non-media)
- Reuse (media)
- New goods
- Rental
- Operating profit

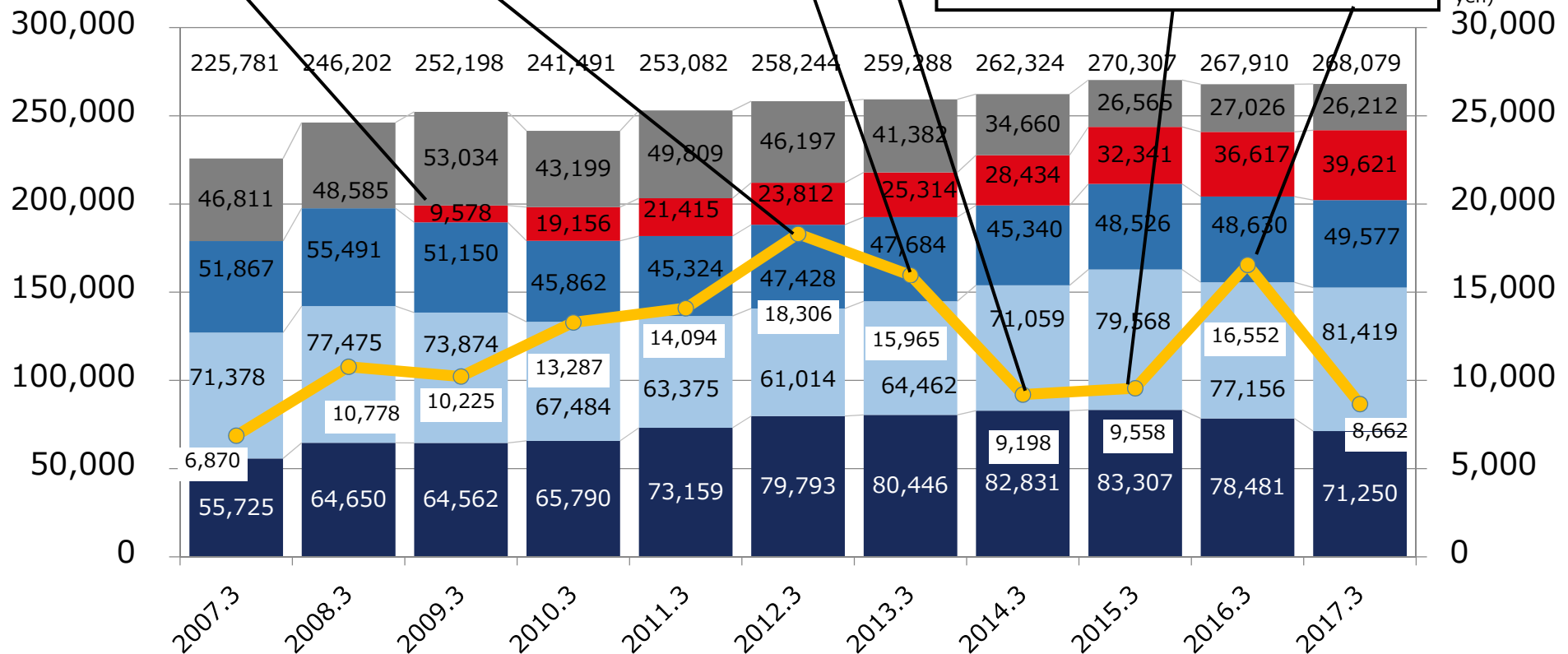
Profits reached record high of 18.3 billion yen in the first half of the year ended March 31, 2012 due to high performance in rentals that have high gross profit ratio.

Profit decreased by 6.7 billion yen from the previous year due to renewal costs of the stores of Family Book co., Ltd. that became our consolidated subsidiary in November 2013.

Profit increased by 6.9 billion yen from the previous year due to improved gross profit ratio for reuse (media and non-media) and from efforts to save power and to control store operating costs.

Net sales  
(Millions of yen)

Operating profit  
(Millions of yen)



# Balance sheets

(Millions of yen)	As of March 31, 2016	As of March 31, 2017	Increase/ decrease	Main factors for increase/decrease
<b>Current assets</b>	<b>74,015</b>	<b>76,081</b>	2,065	
Cash and deposits	37,683	34,087	(3,595)	
Merchandise	24,894	25,773	879	Increase in new game device and reuse accessories
<b>Non-current assets</b>	<b>56,192</b>	<b>54,687</b>	(1,505)	
Property, plant and equipment	33,010	31,097	(1,913)	Decrease due to depreciation of rental assets
Intangible assets	1,865	2,049	184	
Investments and other assets	21,315	21,539	224	Establishment of unconsolidated subsidiary
<b>Total assets</b>	<b>130,207</b>	<b>130,768</b>	560	
<b>Current liabilities</b>	<b>37,731</b>	<b>33,980</b>	(3,751)	
Accounts payable-trade	12,631	16,322	3,690	Increase due to purchase of new game device and new game software
Current portion of long-term loans payable	8,333	6,072	(2,261)	
<b>Non-current liabilities</b>	<b>27,514</b>	<b>29,076</b>	1,561	
Long-term loans payable	19,509	20,437	927	
<b>Total liabilities</b>	<b>65,246</b>	<b>63,056</b>	(2,189)	
<b>Total net assets</b>	<b>64,961</b>	<b>67,711</b>	2,749	
<b>Total liabilities and net assets</b>	<b>130,207</b>	<b>130,768</b>	560	



# Cash flow

(Millions of yen)	March 31, 2016	March 31, 2017	Increase/ decrease	Main factors for increase/decrease
Depreciation	5,051	5,303	251	
Rental assets depreciation	10,377	8,648	(1,728)	Amortization of rental assets
Impairment loss	1,319	1,862	543	Impairment loss relating to stores
Purchase of rental assets	(9,320)	(7,857)	1,462	Purchase of rental merchandise
<b>Cash flows from operating activities subtotal</b>	<b>21,105</b>	<b>17,173</b>	<b>(3,932)</b>	Decrease due to reduced profit
Income taxes paid	(1,107)	(8,208)	(7,101)	Increased tax from increased profit in the previous year
<b>Net cash provided by (used in) operating activities</b>	<b>19,807</b>	<b>8,786</b>	<b>(11,021)</b>	
Purchase of property, plant and equipment	(5,819)	(5,412)	406	Investment in facilities accompanying opening of stores
Purchase of intangible assets	(1,054)	(971)	83	
<b>Net cash provided by (used in) investing activities</b>	<b>(4,209)</b>	<b>(8,082)</b>	<b>(4,472)</b>	Purchase of securities of 2.1 billion yen, grant of loans of 1.1 billion yen to unconsolidated subsidiary
Increase in short-term loans payable	9,000	9,900	900	Borrowing of operating funds
Decrease in short-term loans payable	(9,000)	(9,900)	(900)	Repayment of operating funds borrowed
Proceeds from long-term loans payable	6,000	7,000	1,000	Borrowings to invest in facilities
Repayments of long-term loans payable	(7,097)	(8,333)	(1,236)	Repayment of borrowing to invest in facilities
Cash dividends paid	(1,678)	(1,636)	42	
<b>Net cash provided by (used in) financing activities</b>	<b>(10,125)</b>	<b>(3,182)</b>	<b>6,942</b>	
<b>Net increase (decrease) in cash and cash equivalents</b>	<b>5,472</b>	<b>(2,478)</b>	<b>(8,550)</b>	
<b>Cash and cash equivalents at end of period</b>	<b>39,386</b>	<b>36,908</b>	<b>(3,078)</b>	
<b>Free cash flow</b>	<b>15,597</b>	<b>104</b>	<b>(15,493)</b>	



## Stores opened during the current fiscal year

	1Q	2Q	3Q	4Q	Full year
<b>Media stores</b>	8	10	14	3	<b>5</b>
<b>Reuse stores</b>	18	18	12	10	<b>58</b>
<b>Mobile dedicated stores</b>	3	2	0	0	<b>5</b>
<b>Amusement facilities</b>	1	1	0	0	<b>2</b>
<b>Total</b>	<b>30</b>	<b>31</b>	<b>26</b>	<b>13</b>	<b>100</b>

Note) Directly managed stores, distributors and franchise stores that were opened include stores that were reopened after relocation.



# Number of stores and logistics locations

**1,579 Directly managed stores ("DMS")**  
**Total of 1,805 stores**

As of March 31, 2017



**DMS 1,046 (16, (13))**  
**Total 1,223 (35, (33))**



**DMS 506<sup>※1</sup> (55, (12))**  
**Total 555<sup>※1</sup> (58, (13))**



**DMS 16(5, 0)**  
**Total 16(5,0)**  
 We separately have combination stores that also engage in mobile business comprised of DMS 61 (17, 0), which is also a total of 61 (17, 0).



**DMS 11(2, (1))**  
**Total 11(2, (1))**

The increase/decrease from previous year is shown in ( ).

※1 Includes Super Second Street and Jumble Store, etc.

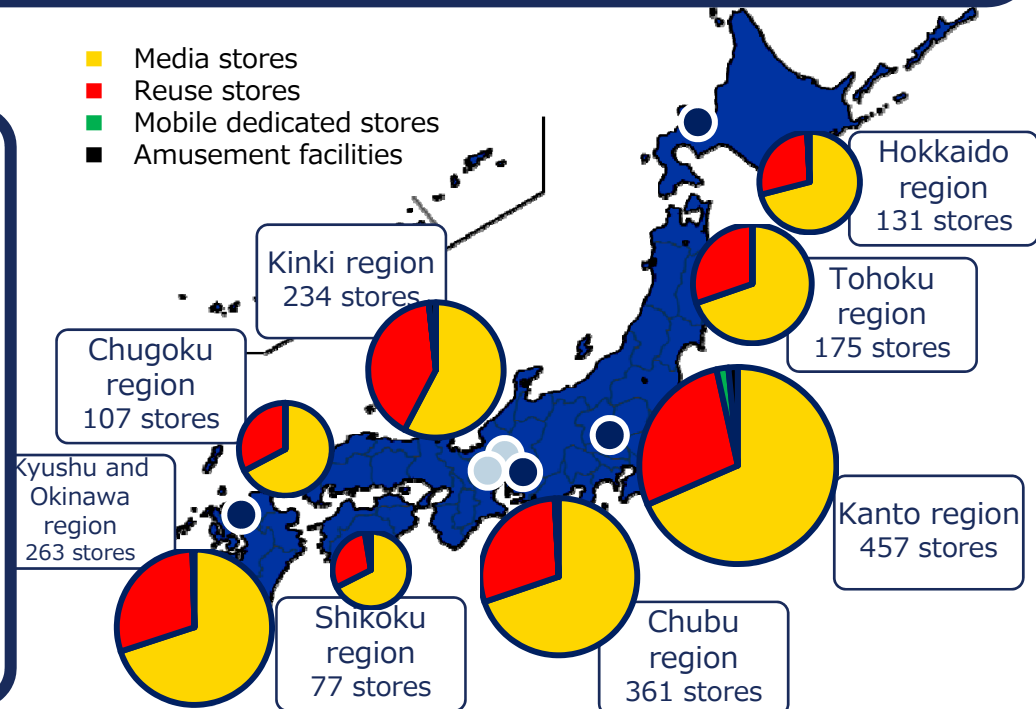
## ● 4 product circulating type logistics centers

- Sapporo Logistics Center
- Takasaki Logistics Center
- Iwakura Logistics Center
- Fukuoka Logistics Center

## ● 2 purchase and allocating type logistics centers

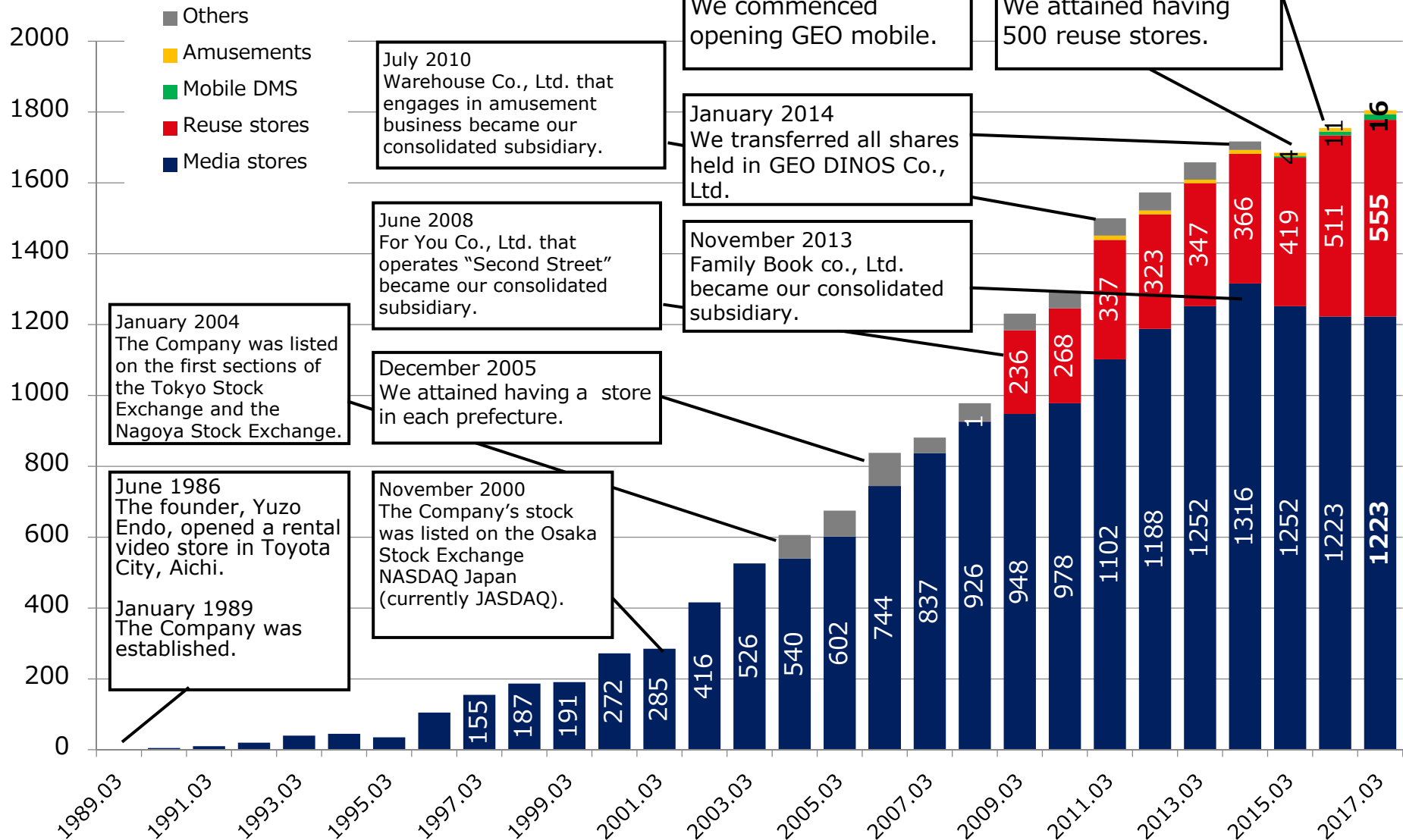
- Inuyama Logistics Center
- Kasugai Logistics Center

- Media stores
- Reuse stores
- Mobile dedicated stores
- Amusement facilities



# Changes in number of stores

Number of stores



	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017.03
Total stores	606	675	838	881	978	1231	1295	1500	1573	1658	1717	1685	1755	1805





# Topics for Fiscal Year Ended March 31, 2017





# Topics: Media

- We increased “self-checkout terminals” from 500 units to 1,513 units.

We increasingly installed our originally-developed “self-checkout terminals” in order to promote efficiency in our cashier operations (1,513 units at 747 stores in March 2017). Approximately 40% of our customers for rental use this terminal which contributed to 1.3% increase in rental sales.

- We made advanced rentals and hosted events.

We made advanced rentals of the original drama “Yakuza: Soul Song” and TV drama “Saki” and others. The rental rate for two weeks for “The Hallow” exceeded 80% and lead the horror movies section (103% compared to the previous year for sales in July and August). We also hosted the event such as “Giant Controller Nation-wide Caravan,” “Ted travels throughout Japan to serve as one day store manager,” and “Good Voice Corner” narrated in-store by comedian Akira Kawashima of Kirin.



# Topics: Reuse

- Reinforce purchase (buying) of merchandise

In order to reinforce purchase of merchandise to expand sales for reuse, we opened Motoyama (buying-only) Store (in Nagoya) and Togoshiginza (buying-only) Store (in Shinagawa-ku, Tokyo).

We also added two more locations in Hokkaido and Kumamoto to our "buying-by-delivery (WEB buying)" location in Aichi. We also reinforced our buying team for "buying by delivery" and expanded the area for handling buying-by-visit.



- We began buying and selling luxury brand clothes.

We began to handle luxury brand "clothes" which are known to be difficult to check the authenticity than luxury brand "accessories (bags, accessories, watches, etc.)." The amount of luxury brand accessories bought increased 42% over the past year and we anticipate increased sales in reuse with the addition of luxury brand clothes.



# Topics: Mobile

## ■ We expanded our mobile services

We provide "GEO mobile warranty" to warrant breakdowns, submergence, and malfunctioning of smartphones. We are registered with the Ministry of Internal Affairs and Communications to repair iPhones. We deal in "Rakuten Mobile" SIM in addition to SIM such as "OCN" and "UQ Mobile."



## ■ We opened "GEO mobile online"

We opened "GEO mobile online" which is a smartphone shopping site. On this site, coordination is made with real stores on stocks for used smartphones and tablets so that they are also sold online. This site provides "buying simulation" function where the price for buying is immediately displayed, and "fee charge simulation" function where it is possible to compare the charge between the charge for mobile service currently used by the customer and the charge for low cost smartphones. This site enables customers to consider switching to low cost smartphones, and to sell their mobile to GEO and purchase mobile from GEO.





# Forecast for Fiscal Year Ending March 31, 2018



# Forecast (full year)

- Our full year forecast is the same level as in the previous year and we anticipate a slight increase in sales and a slight decrease in operating profit.
- We anticipate for our sales to result in 101.8% of that of the previous year where we anticipate that the sale of reuse merchandise will cover the decrease in rental sales. We anticipate for our operating profit to result in 98.1% of that of the previous year due to increased SG&A from the previous year accompanying opening new stores for reuse.

(Millions of yen)	<b>2017/3 Full year Results</b> (Ratio to sales)	<b>2018/3 2Q Cumulative Results</b> (Ratio to sales)	<b>2018/3 Full year Forecast</b> (Ratio to sales)	<b>Increase/ decrease</b> (Change)
<b>Net sales</b>	<b>268,079</b>	<b>127,000</b>	<b>273,000</b>	4,920 101.8%
Gross profit	111,996 41.8%	57,000 44.9%	118,000 43.2%	6,003 105.4%
SG&A	103,334 38.5%	53,700 42.3%	109,500 40.1%	6,165 106.0%
<b>Operating profit</b>	<b>8,662</b> 3.2%	<b>3,300</b> 2.6%	<b>8,500</b> 3.1%	(162) 98.1%
<b>Ordinary profit</b>	<b>9,040</b> 3.4%	<b>3,500</b> 2.8%	<b>9,000</b> 3.3%	(40) 99.5%
<b>Profit</b>	<b>4,223</b> 1.6%	<b>1,600</b> 1.3%	<b>4,500</b> 1.6%	276 106.6%





# Our Future Emphasis





# Our future emphasis: Media

## ▣ Improve profits for media

We will endeavor to improve profits through absolute low-cost operation while maintaining the service level. We will invest in necessary areas and we will provide high value-added products and services such as by communicating with our customers using the "GEO application," advanced rental, sale with benefits such as specially made steelbook® for animation film "Your Name."



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## ▣ Successive release of new model game device titles

Game software such as "MARIOKART 8 Deluxe" and "ARMS" for the new model game device "Nintendo Switch" and "Dragon Quest XI: Sugisarishi Toki o Motomete" for PS4 and 3DS are scheduled to be released in the first half of the year and the releases of other major new game software are scheduled to concentrate in the second half.

Because sales for major new game software also concentrated in the second half of the previous year, we anticipate that the sale of used game software will also contribute to the sales for the first half of the year.



© 2017 Nintendo



# Our future emphasis: Reuse

## ▣ Customers may order from the stock

The customers may request for the merchandise offered on the EC site and sold at other stores to be sent to the nearest store. This service will enable the customers to “see,” “touch,” and “try on” the actual merchandise and confirm the feeling, quality, color, and condition of the merchandise that are difficult to confirm only on the EC site. This service will allow customers to feel more comfortable and secure in making purchases. (This service will be available from this autumn.)



## ▣ We will strengthen our buying team for buying-by-visit and expand the area for handling buying-by-visit

“Second Street” makes visits to homes to buy goods as one of its buying methods. This service is for large home electronics and furniture that cannot be carried by oneself. The buying team will visit homes for no charge to buy from one item.

We will reinforce our current buying team and expand the area for handling buying-by-visit.



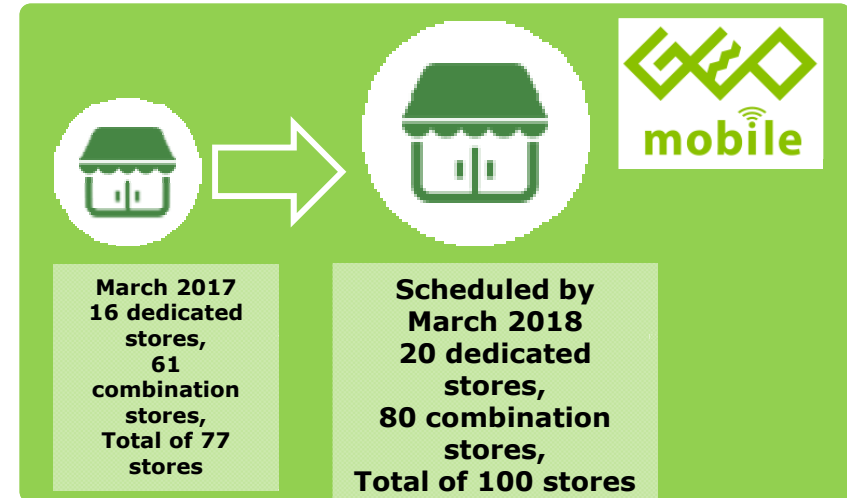


# Our future emphasis: Mobile

## Expand mobile stores to 100 stores

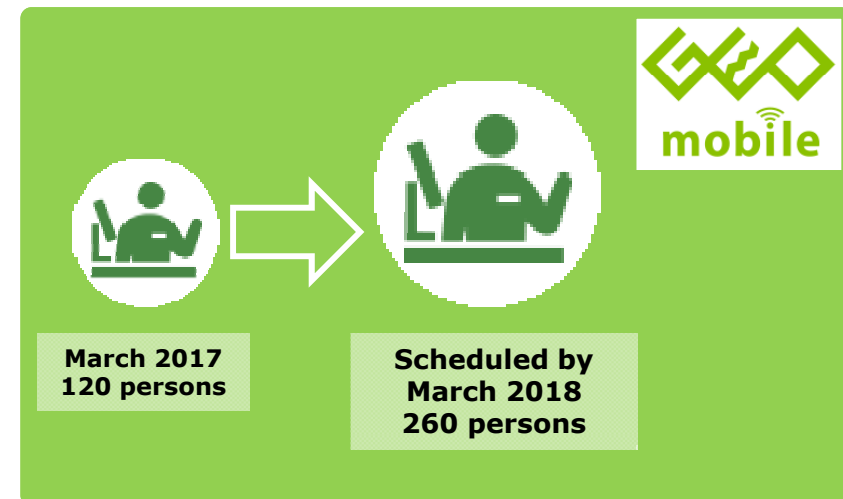
The GEO stores throughout Japan “purchase and sell” mobile terminals and “sell low cost SIM” but high value-added services such as “same day commencement of SIM service,” “permanent station of specialized staff,” and “repairing service” are provided at the “GEO mobile” stores.

The “GEO mobile” stores (77 stores in March 2017) will be increased to 100 stores by March 2018 and we will expand support that could only be provided by GEO mobile.



## Increase our specialized staff to 260 persons

The “GEO mobile” stores station specialized staff. We will train more staff to become these specialists, “Mobile advisors” (120 persons in March 2017), and aim to have 260 persons by March 2018 in order to reinforce support to our customers.



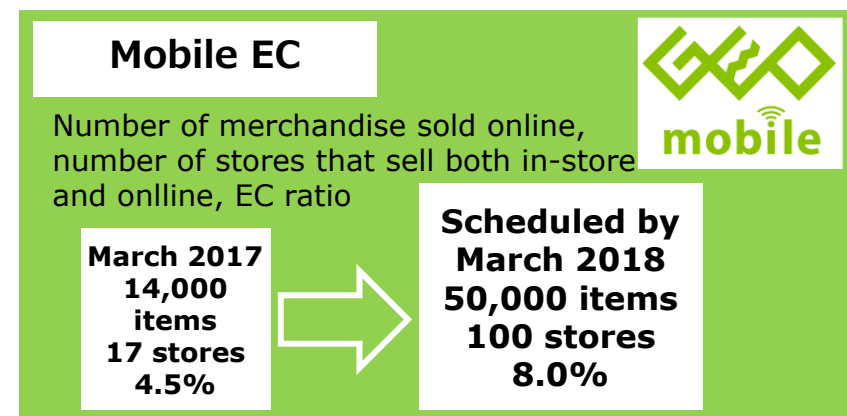
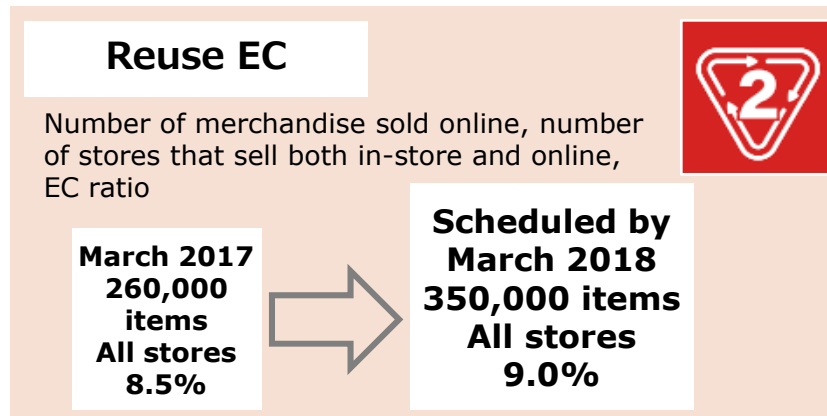
# Our future emphasis: Online service



## ▣ Continuously enforce EC

Our group is focusing more on using the internet while utilizing the advantages of our directly managed stores. In promoting EC, each business will increase the number of stores that sell the merchandise both in-store and online, increase the number of merchandise sold online, and expand the sales channel while minimizing the use of warehouses.

Particularly, for EC in reuse business, all reuse stores sell both in-store and online. As the sales for reuse is producing increased profit, we will continuously promote EC to target to attain a rate of 9% of the amount of online sales to the amount of in-store sales.



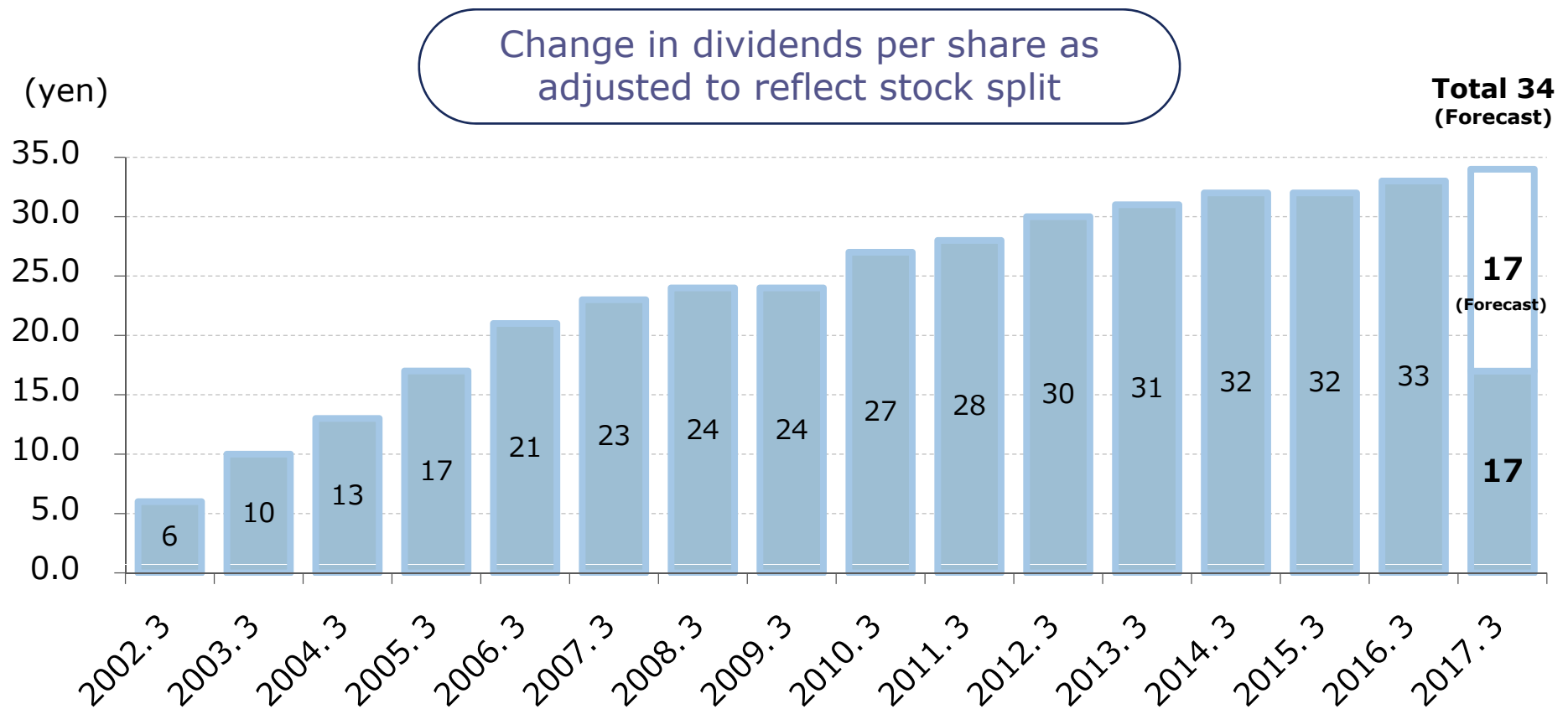


# Changes in Dividends, and Shareholder Benefits



# Changes in dividends

- We recognize that returning profit to shareholders is one of management priorities and our basic policy is to create a sound managerial base, improve profitability, and pay dividends that reflect our performance.



# Shareholder benefits

- Our group introduces shareholder benefits in hope of our shareholders to visit our stores and make purchases as customers. (As of March 31, 2017, we had a total of 69,458 shareholders which was an increase of 12,170 shareholders from the previous year.)
- Shareholders may choose from either of the below benefits.
  - ① 50% off on all rental goods during the complimentary period (may be used in combination with other discounts)
  - ② An equivalent of 2,000 yen discount coupon on reuse (4 coupons each worth 500 yen)
- Shareholders subject to shareholder benefits are the shareholders holding 1 tangen unit (100 shares) or more of the shares as registered in the shareholders register as of the end of March and September.





# Appendix Reference Figures



# Income statement for the Fourth Quarter

(Millions of yen)	2016/3				2017/3			
	1Q Results	2Q Results	3Q Results	4Q Results	1Q Results	2Q Results	3Q Results	4Q Results
<b>Net sales</b>	<b>59,639</b>	<b>64,907</b>	<b>73,834</b>	<b>69,529</b>	<b>60,748</b>	<b>62,159</b>	<b>75,057</b>	<b>70,114</b>
(Change from the same period of the previous year)					101.9%	95.8%	101.7%	100.8%
<b>Gross profit</b>	<b>27,721</b>	<b>29,116</b>	<b>30,500</b>	<b>28,773</b>	<b>27,339</b>	<b>27,761</b>	<b>29,378</b>	<b>27,517</b>
(Change from the same period of the previous year)					98.6%	95.3%	96.3%	95.6%
(Gross profit ratio)	46.5%	44.9%	41.3%	41.4%	45.0%	44.7%	39.1%	39.2%
<b>SG&amp;A</b>	<b>23,891</b>	<b>24,845</b>	<b>24,815</b>	<b>26,007</b>	<b>24,966</b>	<b>25,993</b>	<b>26,502</b>	<b>25,872</b>
(Change from the same period of the previous year)					104.5%	104.6%	106.8%	99.5%
<b>Operating profit</b>	<b>3,830</b>	<b>4,271</b>	<b>5,685</b>	<b>2,765</b>	<b>2,372</b>	<b>1,768</b>	<b>2,876</b>	<b>1,644</b>
(Change from the same period of the previous year)					61.9%	41.4%	50.6%	59.5%



# Breakdown of SG&A

(Millions of yen)	2016/3				2017/3				Full year results (Change)
	1Q Results	2Q Results	3Q Results	4Q Results	1Q Results	2Q Results	3Q Results	4Q Results	
<b>SG&amp;A</b>	<b>23,891</b>	<b>24,845</b>	<b>24,815</b>	<b>26,007</b>	<b>24,966</b>	<b>25,993</b>	<b>26,502</b>	<b>25,872</b>	<b>103,334</b> (103.8%)
<b>Total selling expenses</b>	<b>1,803</b>	<b>2,125</b>	<b>2,061</b>	<b>2,394</b>	<b>2,068</b>	<b>2,232</b>	<b>2,641</b>	<b>2,408</b>	<b>9,351</b> (111.5%)
Advertising	483	716	605	925	525	690	872	739	2,828
Sales promotion	159	167	189	213	330	315	477	398	1,521
Others	1,161	1,241	1,266	1,256	1,212	1,226	1,292	1,270	5,002
<b>Total personnel expenses</b>	<b>11,706</b>	<b>11,815</b>	<b>12,477</b>	<b>12,512</b>	<b>12,381</b>	<b>12,380</b>	<b>12,832</b>	<b>12,789</b>	<b>50,383</b> (103.9%)
<b>Total other expenses</b>	<b>10,347</b>	<b>10,901</b>	<b>10,276</b>	<b>11,100</b>	<b>10,515</b>	<b>11,379</b>	<b>11,027</b>	<b>10,674</b>	<b>43,598</b> (102.3%)
Utilities	1,248	1,627	1,113	1,420	1,065	1,499	1,124	1,212	4,901
Rent	4,950	4,986	5,036	5,074	5,129	5,179	5,249	5,292	20,851
Depreciation and amortization	992	1,017	1,077	1,146	1,003	1,176	1,148	1,166	4,495
Consumables	501	649	542	678	668	776	702	98	2,245
Maintenance	421	377	234	392	161	340	290	392	1,185
Others	2,231	2,242	2,272	2,387	2,487	2,406	2,511	2,512	9,919
<b>Amortization of goodwill</b>	<b>33</b>	<b>3</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b> (2.6%)





# Sales based on merchandise

(Millions of yen)	2016/3				2017/3				Full year Results (Change)
	1Q Results	2Q Results	3Q Results	4Q Results	1Q Results	2Q Results	3Q Results	4Q Results	
<b>Net sales</b>	<b>59,639</b>	<b>64,907</b>	<b>73,834</b>	<b>69,529</b>	<b>60,748</b>	<b>62,159</b>	<b>75,057</b>	<b>70,114</b>	<b>268,079 (100.1%)</b>
Rental	19,320	20,520	19,535	19,104	17,809	18,510	17,778	17,151	71,250 (90.8%)
Reuse (media)	11,780	11,849	12,055	12,943	11,676	12,245	12,546	13,108	49,577 (101.9%)
Reuse (non-media)	8,441	8,123	10,744	9,307	9,241	8,786	11,747	9,845	39,621 (108.2%)
New goods	13,978	17,321	24,387	21,468	15,430	15,880	26,173	23,935	81,419 (105.5%)
Others	6,120	7,094	7,113	6,707	6,592	6,738	6,813	6,075	26,212 (97.0%)

Note) The amounts are calculated based on merchandise of each business instead of based on the categories of media business and reuse business.



# Gross profit based on merchandise

(Millions of yen)	2016/3				2017/3				Full year Results (Change)
	1Q Results	2Q Results	3Q Results	4Q Results	1Q Results	2Q Results	3Q Results	4Q Results	
<b>Gross profit</b> (Gross profit ratio)	<b>27,721</b> 46.5%	<b>29,116</b> 44.9%	<b>30,500</b> 41.3%	<b>28,773</b> 41.4%	<b>27,339</b> 45.0%	<b>27,761</b> 44.7%	<b>29,378</b> 39.1%	<b>27,517</b> 39.2%	<b>111,996</b> 41.8% (96.5%)
Rental	11,864 61.4%	12,747 62.1%	11,653 59.7%	11,620 60.8%	10,837 60.9%	11,448 61.8%	10,247 57.6%	10,160 59.2%	42,692 59.9% (89.2%)
Reuse (media)	5,246 44.5%	5,484 46.3%	5,295 43.9%	5,416 41.8%	4,963 42.5%	5,204 42.5%	5,082 40.5%	5,295 40.4%	20,546 41.4% (95.8%)
Reuse (non-media)	6,075 72.0%	5,686 70.0%	7,597 70.7%	6,418 69.0%	6,765 73.2%	6,218 70.8%	8,252 70.2%	6,915 70.2%	28,151 71.1% (109.2%)
New goods	2,083 14.9%	2,691 15.5%	3,529 14.5%	2,888 13.5%	2,372 15.4%	2,388 15.0%	3,502 13.4%	3,267 13.6%	11,531 14.2% (103.0%)
Others	2,453 40.1%	2,508 35.4%	2,426 34.1%	2,431 36.2%	2,402 36.4%	2,503 37.1%	2,295 33.7%	1,880 30.9%	9,076 34.6% (92.5%)

Note) The amounts are calculated based on merchandise of each business instead of based on the categories of media business and reuse business.





# Appendix Corporate Profile






# Corporate Profile

As of March 31, 2017

Corporate name	GEO Holdings Corporation
Established	January 1989
Head office	OMC Bldg. 8-8, Fujimi-cho, Naka-ku, Nagoya-shi, Aichi ken 460-0014 Tel: 81-52-350-5700
Representative	Yuzo Endo, President and Representative Director
Common stock	8,896 million yen
Listed exchange	Tokyo Stock Exchange First Section
Number of employees	3,985 (for the entire group)



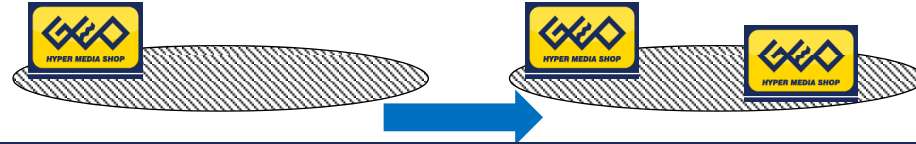
# Our Major Businesses: Major merchandise handled at each type of store

	Media 			Reuse 			Online 				
	Rental	Reuse purchase /sale	Sale of new goods	Reuse purchase /sale	Sale of new goods	Reuse buying-by-visit	Home delivery rental	Distribution	Reuse sale	Sale of new goods	Reuse buying-by-delivery
<b>DVD (visual)</b>	●	●	●	—	—	—	●	●	●	●	●
<b>CD (music)</b>	●	●	●	—	—	—	●	—	●	●	●
<b>Comic</b>	●	—	—	—	—	—	●	●	—	—	—
<b>Game hardware</b>	—	●	●	—	—	—	—	—	●	●	●
<b>Game software</b>	—	●	●	—	—	—	—	—	●	●	●
<b>Mobile devices</b>	—	●	●	—	—	—	—	—	●	●	●
<b>Clothes and accessories</b>	—	—	—	●	●	—	—	—	●	●	●
<b>Brand goods</b>	—	—	—	●	—	—	—	—	●	—	●
<b>Recreation goods</b>	—	—	—	●	—	—	—	—	—	—	●
<b>Furniture</b>	—	—	—	●	—	●	—	—	—	—	—
<b>Home appliances</b>	—	—	—	●	—	●	—	—	—	—	—
<b>Golf equipment</b>	—	—	—	●	—	—	—	—	●	—	●

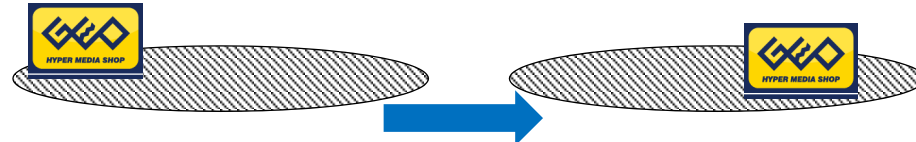


# Our Major Businesses: The strength of our DMS

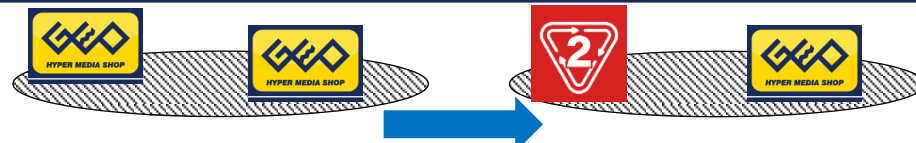
**Opening stores within the same area**



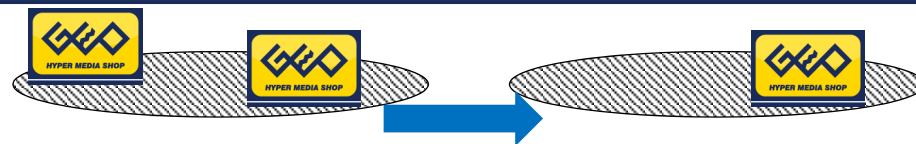
**Relocating stores inside and outside of the area**



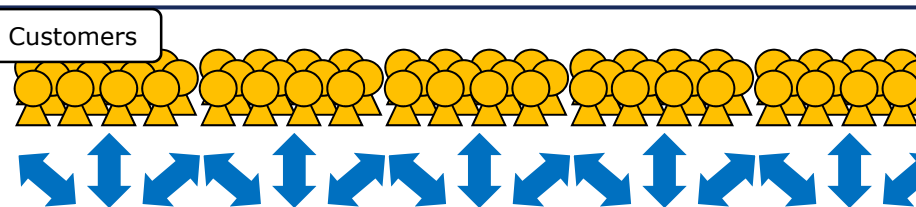
**Change of business**



**Close and/or consolidate stores**



**Collect information on potential demands**



**Introduce new services**



**Provide uniform services**

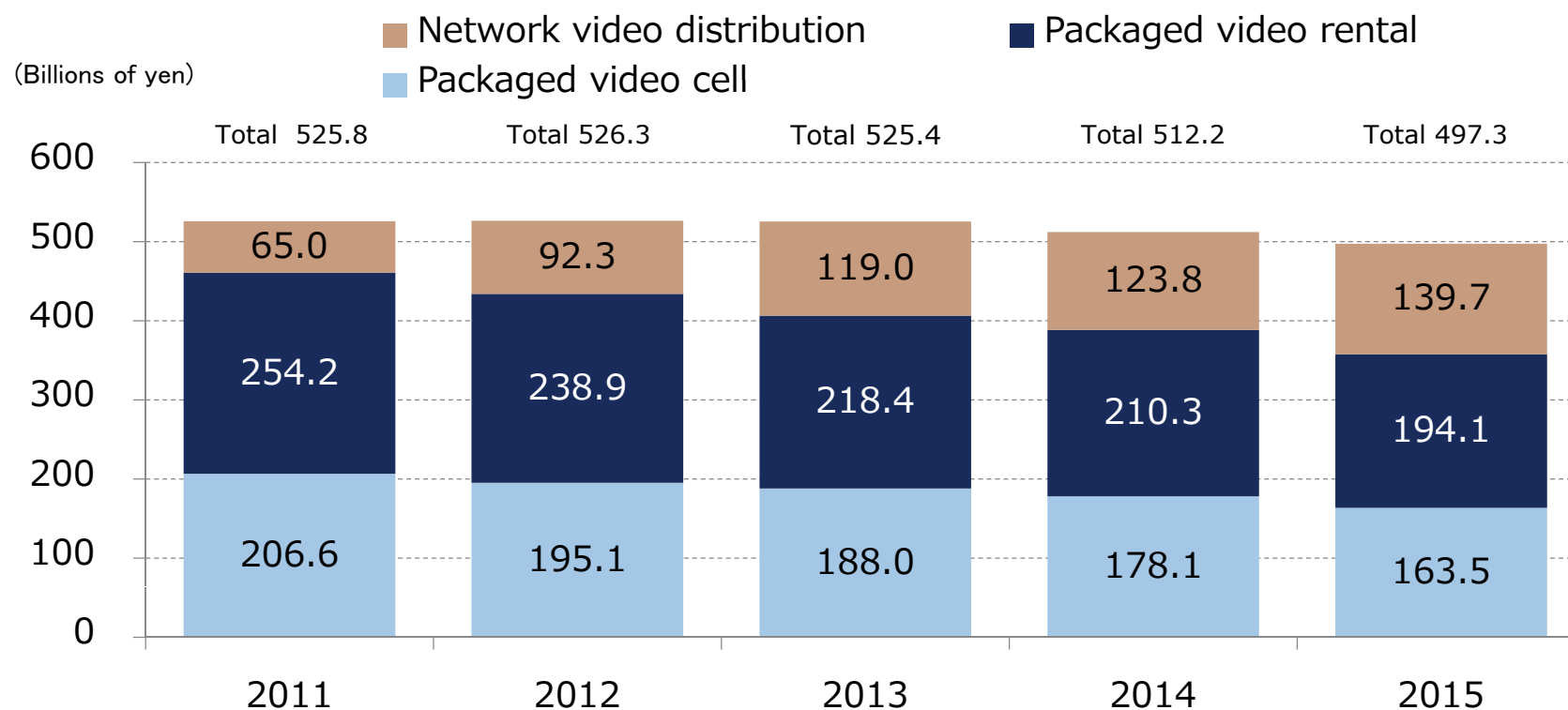


**We flexibly operate 1,500 stores**



# Our Major Businesses: Video media market

- Packaged video market is gradually shrinking.
- Because smartphones that are said to be contributing to expansion of video distribution are not suitable for watching movies (due to the viewing size, battery consumption, and limits on data communication), there is a certain level of demand for packaged video rental.



Reference: "Digital Content White Paper 2016" by Digital Content Association of Japan



# Our Major Businesses: Media



- Major store:  
GEO
- Main businesses:  
Rental, reuse (purchase and sale of used goods), sale of new goods
- Business form:  
Diverse supply of entertainment such as videos, music, comics, and games
- Ratio of media sales:  
72.0% (for full year ended March 31, 2017)

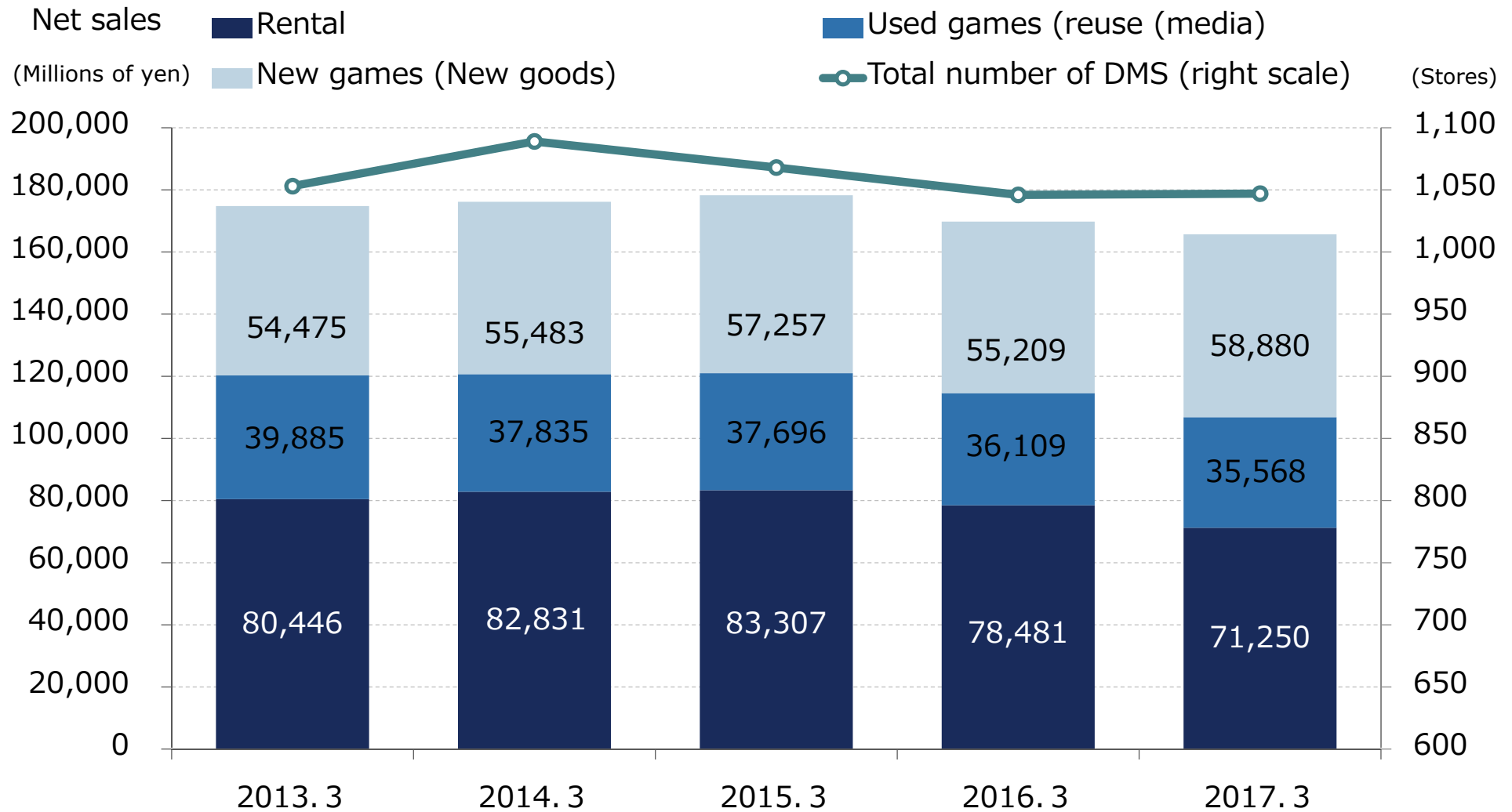




# Our Major Businesses: Media



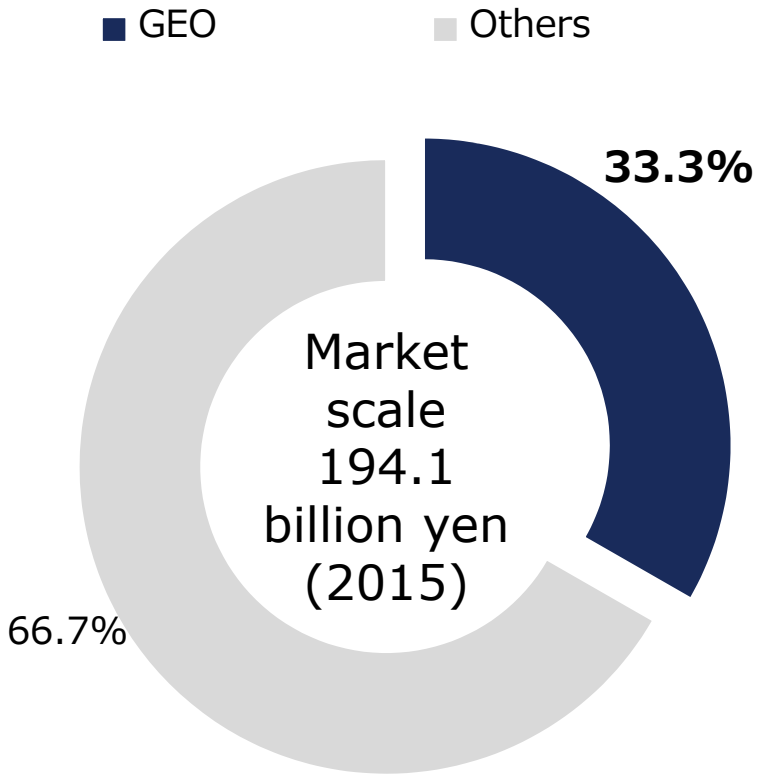
Changes in sales and number of stores



# Our Major Businesses: Media

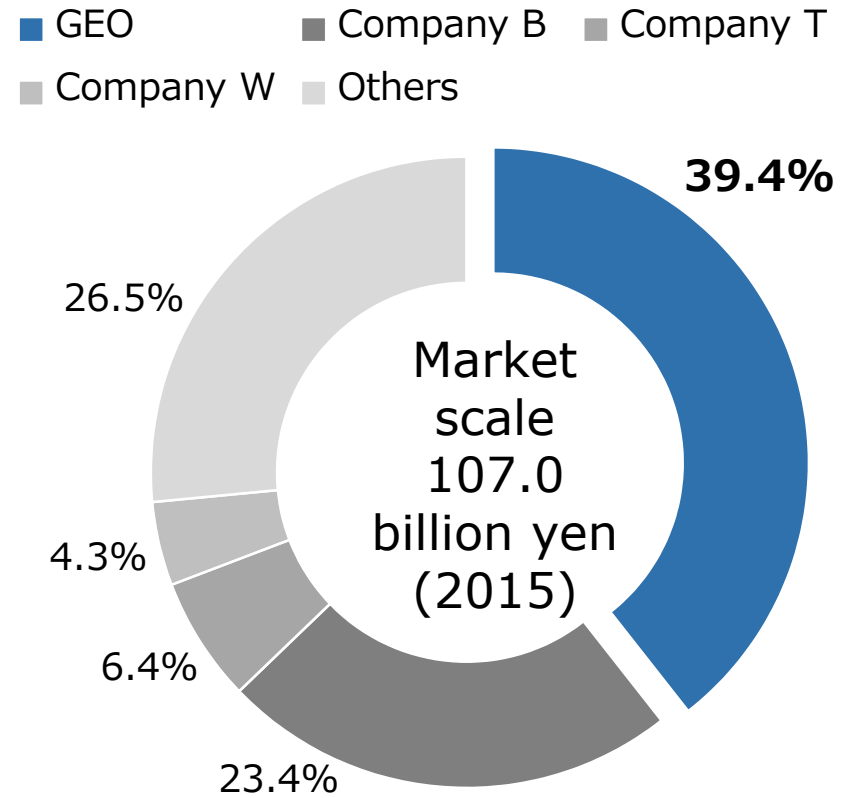


Packaged video rental market share



Reference: Digital Content White Paper 2016

Reuse (media and games) market share

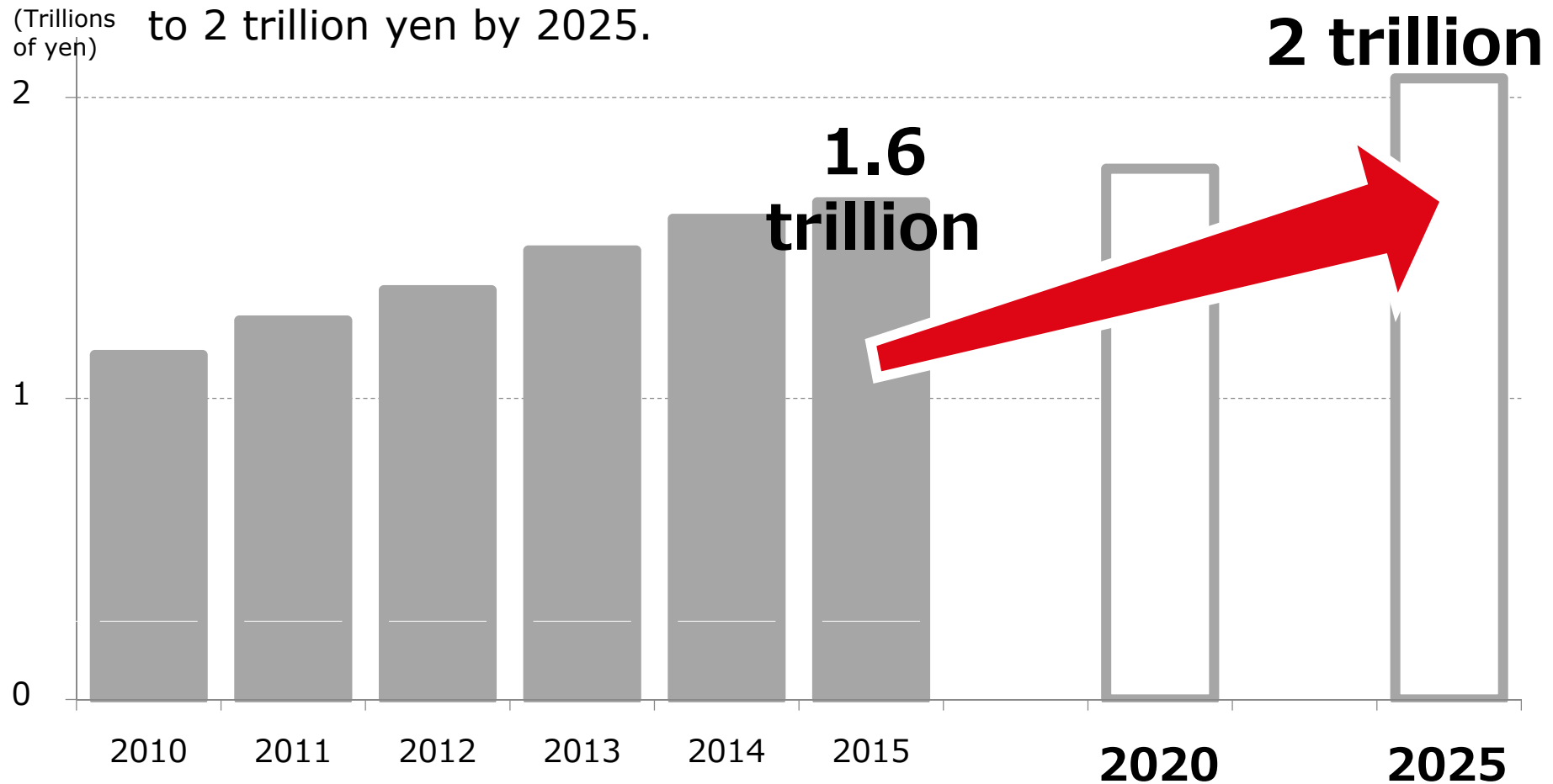


The Reuse Business Journal  
"Secondhand Market Databook 2017"



# Our Major Businesses: The reuse market

- The reuse market expanded consecutively for more than 5 years. This market is still expanding and it is anticipated that it will grow to 2 trillion yen by 2025.



The Reuse Business Journal "Secondhand Market Databook 2017"



# Our Major Businesses: Reuse



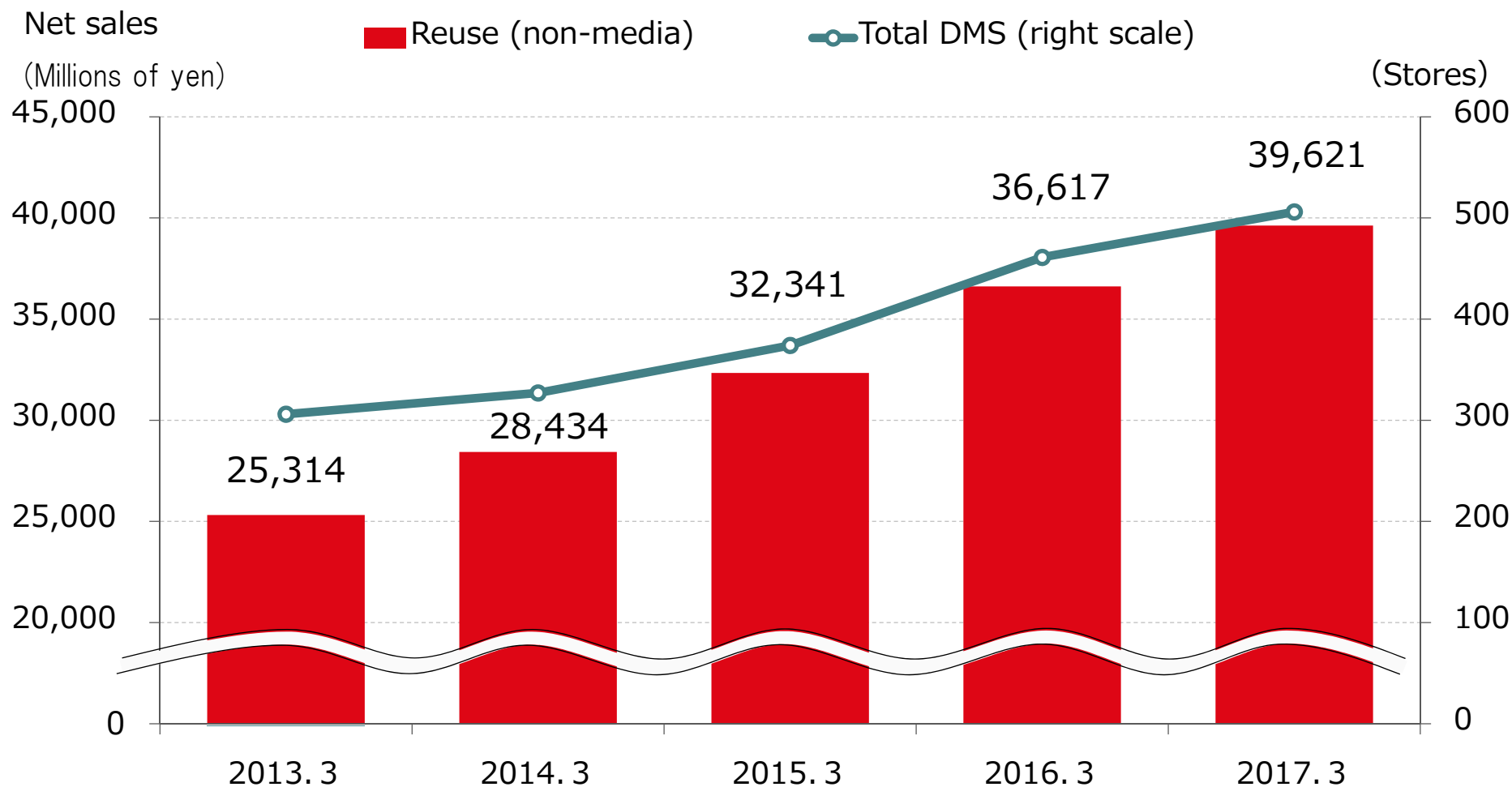
- Major stores:  
Second Street, Jumble Store
- Main businesses:  
Reuse (purchase and sale of used goods),  
sale of new goods
- Business form:  
Comprehensive reuse business of clothes,  
accessories, furniture, home appliances,  
etc.
- Ratio of reuse sales:  
16.9% (for full year ended March 31,  
2017)



# Our Major Businesses: Reuse



Changes in sales and number of stores

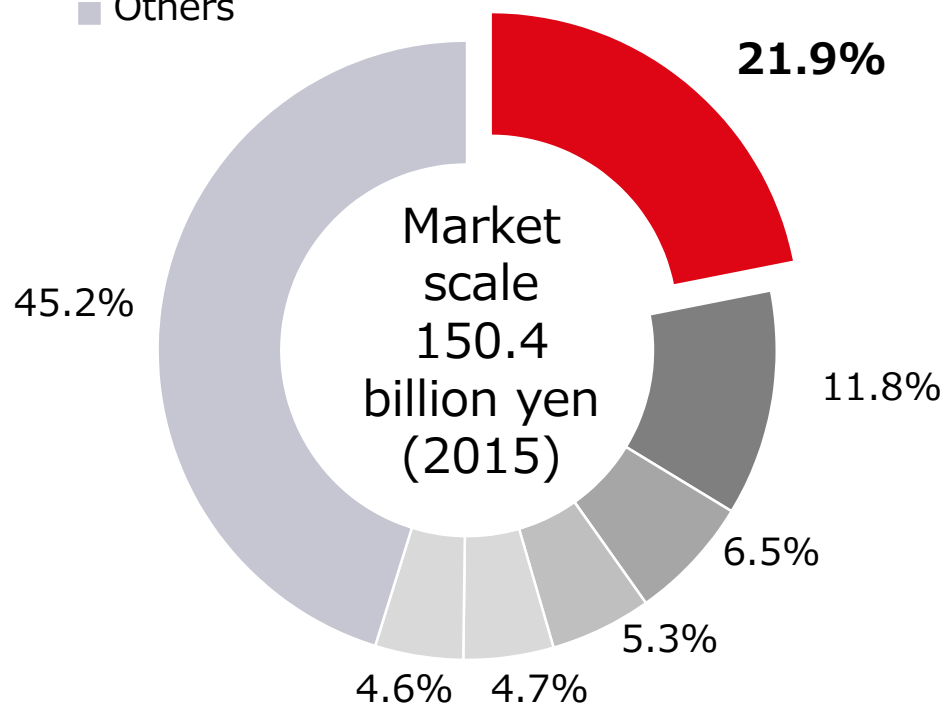


# Our Major Businesses: Reuse



## Reuse (clothes and accessories) market share

- GEO
- Company H.O
- Company B.O
- Company C
- Company T
- Company B
- Others



The Reuse Business Journal "Secondhand Market Databook 2017"



- Reuse business is anticipated to grow further in the future and we aim to expand sales and number of stores to a target of 700 stores.

## Market growth rate

The secondhand market has gained higher recognition and consciousness for environmental protection of “too good to waste (*mottainai*)” has spread which lead to a continuous expansion of the reuse market.

**7.6%**※1

## Sales growth rate

The reuse business is growing solidly reflecting the growing demand for reuse goods.

**11.8%**※2

## Store increase rate

We are the largest player in reuse as we have more than 500 stores nationwide. We will continue making improvements and expanding our business and enhancing the value of “reuse.”

**12.4%**※3

※1 : Annual average growth rate of the market from 2010 to 2015 (Reference: The Reuse Business Journal “Secondhand Market Databook 2017”)

※2 : Annual average growth rate of sales from 2013 to 2017

※3 : Annual average growth rate of the number of stores from 2013 to 2017



- We use manuals prepared for each kind of merchandise, e-learning, and tablet to improve the merchandise knowledge of our staff to quickly train them to become our force as buyers.

## Manuals for each kind of merchandise

We prepared manuals on appraisal method and authenticity checkpoints for each kind of merchandise.

## e-learning

We use e-learning and tablet to quickly improve our staff's merchandise knowledge.

## In-house qualifications

We created buyer rankings as our in-house qualification to clarify each staff's buyer skills.



# 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.

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