



Supplementary Materials on the Financial Results

for Fiscal Year Ended 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 Minamiotsuka, Toshima-ku, Tokyo 170-0005

Representative Director Yuzo Endo

Capital 9,263 million yen (as of March 31, 2025)

Stock listing Tokyo Stock Exchange, Prime Market

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

GEO Group's major shops and their major merchandise

					
Number of stores (as of March 31, 2025)	1,054 stores (including 113 GEO mobile standalone stores and 650 co-located stores)		880 stores in Japan 113 stores overseas	24 stores	27 stores
Clothing and accessories	Brand-new		Reuse		Brand-new
Furniture and home appliances			Reuse		
Household goods	Brand-new		Reuse		Brand-new
Branded luxury goods			Reuse	Reuse	
Game devices and software	Brand-new & Reuse	Brand-new & Reuse			
AV equipment	Brand-new & Reuse	Brand-new	Reuse		
Smartphone, tablet, PC	Reuse	Reuse	Reuse		
DVD, Blu-ray, CD, comic books	Rental & Brand-new				
Special characteristics	<ul style="list-style-type: none"> • Top share in the reuse game, reuse smartphone, and video/music rental markets • Sells game consoles and software, as well as AV appliances, smartphone accessories, brand-new clothing and accessories, and household goods 	<ul style="list-style-type: none"> • Operates both co-located stores with GEO stores and standalone stores • Top share of the reuse mobile phone market • Services provided by staff specialized in smartphones 	<ul style="list-style-type: none"> • Top share of reuse clothing and accessories market • Operates purchasing-only stores and specialty stores offering outdoor goods, musical instruments, and others 	<ul style="list-style-type: none"> • Handles luxury goods, such as watches and bags • Ensures stable supply of goods via auctions at Okura 	<ul style="list-style-type: none"> • Develops OPS (off-price stores) that procure surplus stock from manufacturers and sell it at discounted prices

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

2. Consolidated Results for Fiscal Year Ended March 31, 2025

FY2025 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. However, consolidated net sales decreased 1.4% year over year to 427.6 billion yen, mainly due to a reactionary decline in the first half of the fiscal year as demand for brand-new game merchandise ran its course.

Operating profit, ordinary profit, net profit

The increase in SG&A expenses due to new store openings and personnel costs could not be absorbed, resulting in a 33.1% year-over-year decrease in operating profit, and a 34.8% year-over-year decrease in ordinary profit. Additionally, we recorded impairment losses of 3.1 billion yen, resulting in a 58.4% year-over-year decrease in net profit attributable to owners of the parent company.

Gross profit

Despite a decline in gross profit margins for reuse smartphones and tablets, a recovery in gross profit margins for brand-new merchandise and an improved sales mix resulted in a 3.1 percentage points year-over-year increase in gross profit margin, and gross profit rose 6.8% to 170.6 billion yen.

Topics

Topic 1



(Japan)

880 stores as of March 31, 2025, as a consequence of net increase of 42 stores
Opened 2nd STREET Interior (Furniture and Home Appliances), a new specialty store focusing on furniture and home appliances

Topic 2



(Overseas)

Opened cumulative 32 new stores as of March 31, 2025
12 stores in US, 11 stores in Taiwan, 6 stores in Malaysia, 3 stores in Thailand
Opened 100th overseas store in October 2024

Topic 3



Focusing on reuse mobile

GEO mobile standalone stores: 113 stores
GEO mobile co-located stores with GEO: 650 stores
Rental service for "PS5", home video game console, has been launched

Consolidated statement of income for the fiscal year ended March 31, 2025

The gross profit margin rose 3.1 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 33.1% year-over-year decline in operating profit to 11.2 billion yen, a decrease in both revenue and earnings. Impairment losses of 3.1 billion yen were recorded.

(Million yen)	FY2024 Results	FY2025 Results	YoY Increase/Decrease	YoY Increase/Decrease (%)
Net sales	433,848	427,669	-6,179	-1.4%
Gross profit	159,824	170,671	10,847	6.8%
(Gross profit margin)	36.8%	39.9%	—	3.1pt
SG&A expenses	143,009	159,421	16,411	11.5%
Operating profit	16,814	11,250	-5,564	-33.1%
(Operating profit margin)	3.9%	2.6%	—	-1.2pt
Ordinary profit	18,749	12,224	-6,525	-34.8%
Profit attributable to owners of parent	10,902	4,537	-6,365	-58.4%

Net sales by merchandise for the fiscal year ended March 31, 2025

(Million yen)	FY2024 Results	FY2025 Results	YoY Increase /Decrease	YoY Increase /Decrease (%)
Reuse	244,090	273,915	29,825	12.2%
Comprehensive	169,681	190,246	20,564	12.1%
Clothing and accessories *1	87,601	102,168	14,566	16.6%
Furniture and home appliances *1	11,001	11,968	967	8.8%
Luxury *4	54,772	58,261	3,488	6.4%
Others *1	16,306	17,848	1,541	9.5%
Media	74,408	83,669	9,261	12.4%
Games *2	33,437	33,048	-389	-1.2%
Smartphones and tablets *2.3	35,717	45,494	9,777	27.4%
Others *2	5,254	5,126	-127	-2.4%
Brand-new *2	132,391	99,100	-33,290	-25.1%
Others	57,367	54,653	-2,714	-4.7%
Digital content *5	15,974	17,163	1,189	7.4%
Rental *2	32,794	28,647	-4,146	-12.6%
Others	8,598	8,841	242	2.8%
Total	433,848	427,669	-6,179	-1.4%

Clothing and accessories, the core merchandise of 2nd STREET in Japan and overseas, continued to show steady growth through the expansion of sales channels due to new store openings.

Reuse smartphones and tablets continued to show significant growth mainly due to the opening of new GEO mobile stores, 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 of the fiscal year. The strong demand for brand-new game products that had been experienced in the previous fiscal year due to the elimination of the semiconductor shortage has subsided. On the other hand, brand-new trading cards and private-label products, as well as popular game series launched in February 2025 contributed to strong sales.

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



Gross profit by merchandise for the fiscal year ended March 31, 2025

(Million yen)	FY2024 Results	FY2025 Results	YoY Increase /Decrease	YoY Increase /Decrease (%)
Reuse	103,758	115,306	11,548	11.1%
Comprehensive	79,446	89,482	10,036	12.6%
Clothing and accessories *1	55,479	64,853	9,374	16.9%
Furniture and home appliances *1	6,570	7,255	685	10.4%
Luxury *4	5,823	4,544	-1,279	-22.0%
Others *1	11,573	12,829	1,255	10.9%
Media	24,311	25,824	1,512	6.2%
Games *2	10,159	10,296	137	1.3%
Smartphones and tablets *2.3	9,391	10,824	1,432	15.3%
Others *2	4,761	4,703	-57	-1.2%
Brand-new *2	17,116	17,851	735	4.3%
Others	38,949	37,513	-1,436	-3.7%
Digital content *5	14,293	15,407	1,113	7.8%
Rental *2	20,699	18,059	-2,639	-12.8%
Others	3,957	4,046	88	2.2%
Total	159,824	170,671	10,847	6.8%

In tandem with new store openings, sales of clothing and accessories, the core merchandises of 2nd STREET, continued to grow steadily, resulting in increased profits.

Gross profit margins declined in Q2 as the market prices fell.

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 profit 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 for the fiscal year ended March 31, 2025

Although advertising expenses were controlled, total SG&A increased 11.5% year over 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 Results	Ratio to net sales	FY2025 Results	Ratio to net sales	YoY Increase /Decrease	YoY Increase /Decrease (%)
Total selling expenses	20,117	4.6%	20,553	4.8%	436	2.2%
Advertising	8,770	2.0%	8,441	2.0%	-329	-3.8%
Sales commission	6,932	1.6%	7,975	1.9%	1,042	15.0%
Transportation costs	2,483	0.6%	2,814	0.7%	330	13.3%
Total personnel expenses	65,948	15.2%	74,970	17.5%	9,021	13.7%
Total other expenses	56,944	13.1%	63,897	14.9%	6,953	12.2%
Utility costs	4,754	1.1%	5,557	1.3%	802	16.9%
Rent	28,417	6.6%	30,726	7.2%	2,309	8.1%
Depreciation and amortization	4,963	1.1%	6,033	1.4%	1,069	21.6%
Consumables	2,652	0.6%	3,463	0.8%	811	30.6%
Maintenance	693	0.2%	792	0.2%	98	14.2%
Total SG&A expenses	143,009	33.0%	159,421	37.3%	16,411	11.5%

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

Consolidated balance sheet for the fiscal year ended March 31, 2025

(Million yen)	FY 2024 Results	Composition	FY2025 Results	Composition	YoY Increase /Decrease
Current assets	154,308	66.8%	165,072	65.3%	10,764
Cash and deposits	54,977		60,090		5,112
Accounts receivable - trade	15,226		15,930		703
Merchandise	70,970		73,887		2,916
Non-current assets	76,817	33.2%	87,735	34.7%	10,918
Property, plant and equipment	46,840		56,283		9,442
Intangible assets	4,341		5,030		689
Investments and other assets	25,635		26,421		785
Total assets	231,125	-	252,807	-	21,682
Current liabilities	47,487	20.5%	46,603	18.4%	-884
Accounts payable - trade	14,692		12,686		-2,005
Current portion of long-term borrowings	8,737		10,849		2,112
Non-current liabilities	96,287	41.7%	115,734	45.8%	19,447
Bonds payable	6,600		12,175		5,575
Long-term borrowings	64,325		71,475		7,150
Total liabilities	143,775	62.2%	162,338	64.2%	18,562
Total net assets	87,349	37.8%	90,469	35.8%	3,119
Total liabilities and net assets	231,125	-	252,807	-	21,682

Increased due to purchase funds for stocking up inventories and the expansion of new store openings

Increased in parallel with the expansion of new store openings

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

Consolidated statement of cash flow for the fiscal year ended March 31, 2025

(Million yen)	FY2024 Results	FY2025 Results	YoY Increase /Decrease
Net profit before adjustment for tax	17,306	8,912	-8,393
Depreciation	5,534	6,667	1,132
Decrease (increase) in trade receivable	-2,759	-746	2,012
Decrease (increase) in inventories	-6,464	-2,950	3,514
Increase (decrease) in trade payables	-2,574	-1,624	950
Operating cash flow sub-total	13,983	13,906	-76
Of which, amount paid for corporate tax	-4,524	-5,423	-899
Operating cash flow	9,296	8,012	-1,284
Acquisition of tangible fixed assets	-7,151	-11,121	-3,970
Investing cash flow	-10,401	-12,494	-2,092
Net increase (decrease) in short-term borrowings	-4,000	-2,000	2,000
Proceeds from long term borrowing	18,600	18,000	-600
Repayments of long-term borrowings	-7,527	-8,737	-1,209
Proceeds from issuance of bonds	6,568	5,547	-1,021
Dividends paid	-948	-1,349	-401
Financing cash flow	12,396	10,778	-1,618
Net increase (decrease) in cash & equivalents	11,598	6,204	-5,394
Cash & equivalents at FY end	58,556	64,760	6,204

Higher inventories due to more 2nd STREET stores, as well as securing inventory of reuse smartphones that are selling well

Decrease in accounts payable, mainly for home video game consoles and game software

Raised 5.5 billion yen from issuance of second unsecured bond and 18.0 billion yen from financial institution partners

Status of the number of GEO Group stores

| Total number of stores as of March 31, 2025: 2,186

		Directly managed stores	(Opened in current period)	(Closed in current period)	Franchise stores & distributors	As of the end of FY2025	As of the end of FY2024	As of the end of FY2023
GEO *1	 	966	39	-50	88	1,054	1,084	1,089
2nd STREET *2	Japan	825	52	-11	55	880	838	803
	Overseas	113	32	0	0	113	81	52
	US	47	12	0	0	47	35	23
	Taiwan	39	11	0	0	39	28	18
	Malaysia	23	6	0	0	23	17	11
	Thailand	4	3	0	0	4	1	0
OKURA TOKYO *3		24	3	-2	0	24	23	23
Luck Rack		27	9	0	0	27	18	21
Other		88	25	-2	0	88	65	35
Total		2,043	160	-65	143	2,186	2,109	2,023

*1: Directly managed stores include 113 GEO mobile standalone stores. There are 650 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, 2026

Full-year forecast for the fiscal year ending March 31, 2026

- For net sales, despite uncertainties including concerns about a full-fledged recover in consumption due to rising prices for most goods and services and unstable global conditions, we expect growth of 9.9% year-over-year to 470 billion yen, mainly due to the development of a recycling-oriented society, rising demand for reuse due to changing customer preferences, and aggressive opening of 2nd STREET, GEO and GEO mobile stores in Japan and overseas.
- For operating profit, we expect an increase of 2.2% year-on-year to 11.5 billion yen, despite cost pressures from wage increases, higher electricity rates and materials/logistics costs, taking into consideration earnings from expansion into new countries and sales of next-generation home gaming consoles and compatible software.

(Million yen)	(Reference) FY2025 Results	FY2026 Full-year forecast	(Reference) Full-year forecast YoY Increase/decrease	(Reference) Full-year forecast YoY Increase/decrease (%)
Net sales	427,669	470,000	42,331	9.9%
Operating profit	11,250	11,500	250	2.2%
(Operating profit margin)	2.6%	2.4%	—	-0.2pt
Ordinary profit	12,224	11,000	-1,224	-10.0%
Net profit attributable to owners of parent	4,537	5,500	963	21.2%
Number of directly managed stores	2,043 stores	2,193 stores	150 net increase	—
ROE	5.03%	5.83%	0.80pt	—
Net D/E ratio	0.33x	0.41x	+0.08	—

* 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.

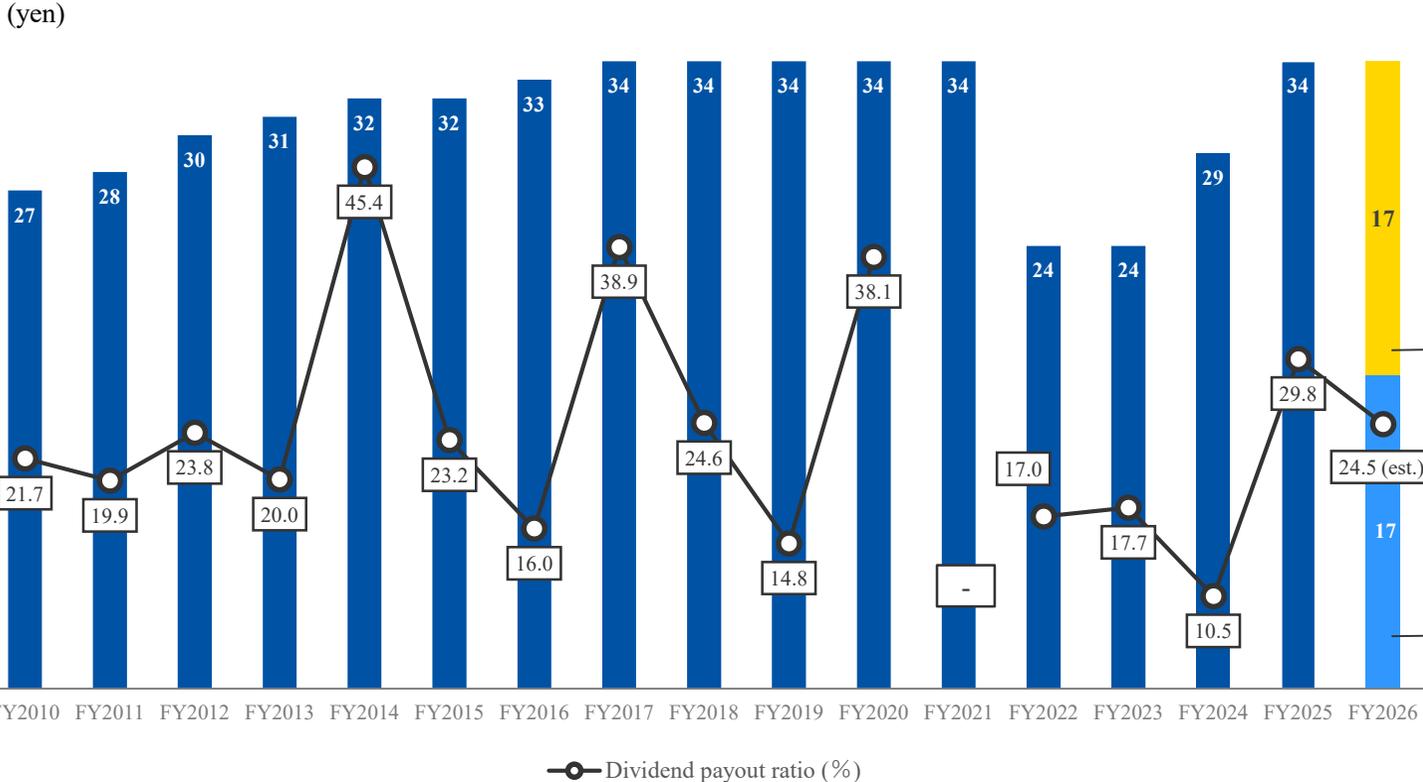
New store roll-out plan for the fiscal year ending March 31, 2026

		Store expansion plan		
		Number of stores	Overview	
	Japan 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 35 Stores	US	12 Stores	Focusing on store openings in areas where we already have stores to strengthen our dominant market position.
		Taiwan	10 Stores	Pursuing dominant store expansion strategy as well as opening suburban roadside stores.
		Malaysia	6 Stores	Store openings targeted mainly at Kuala Lumpur and its suburbs.
		Thailand	4 Stores	Store openings targeted mainly at Bangkok metropolitan area.
		Singapore	2 Stores	Dominant store expansion with urban-type stores.
Hong Kong	1 Store	Store openings based on profitability analysis of the first store		
 	32 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.		
	3 Stores	In addition to downtown locations, we plan to open purchasing-only stores.		
	20 Stores	Focusing primarily on dominant store expansion while increasing openings in regional cities.		

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.
- Regarding FY2026, after comprehensive consideration of profit levels, financial position, and other factors for FY2026, we plan to pay an interim dividend of ¥17.00 per share, as announced on May 9, 2025. Our year-end dividend plan 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.

Changes in dividends per share as adjusted to reflect stock split



Annual dividend
34 yen (target)

Year-end dividend:
17 yen (target)

Interim dividend:
17 yen (target)

4. Growth-oriented Initiatives

Matrix of intensively investing our management resources into growth initiatives

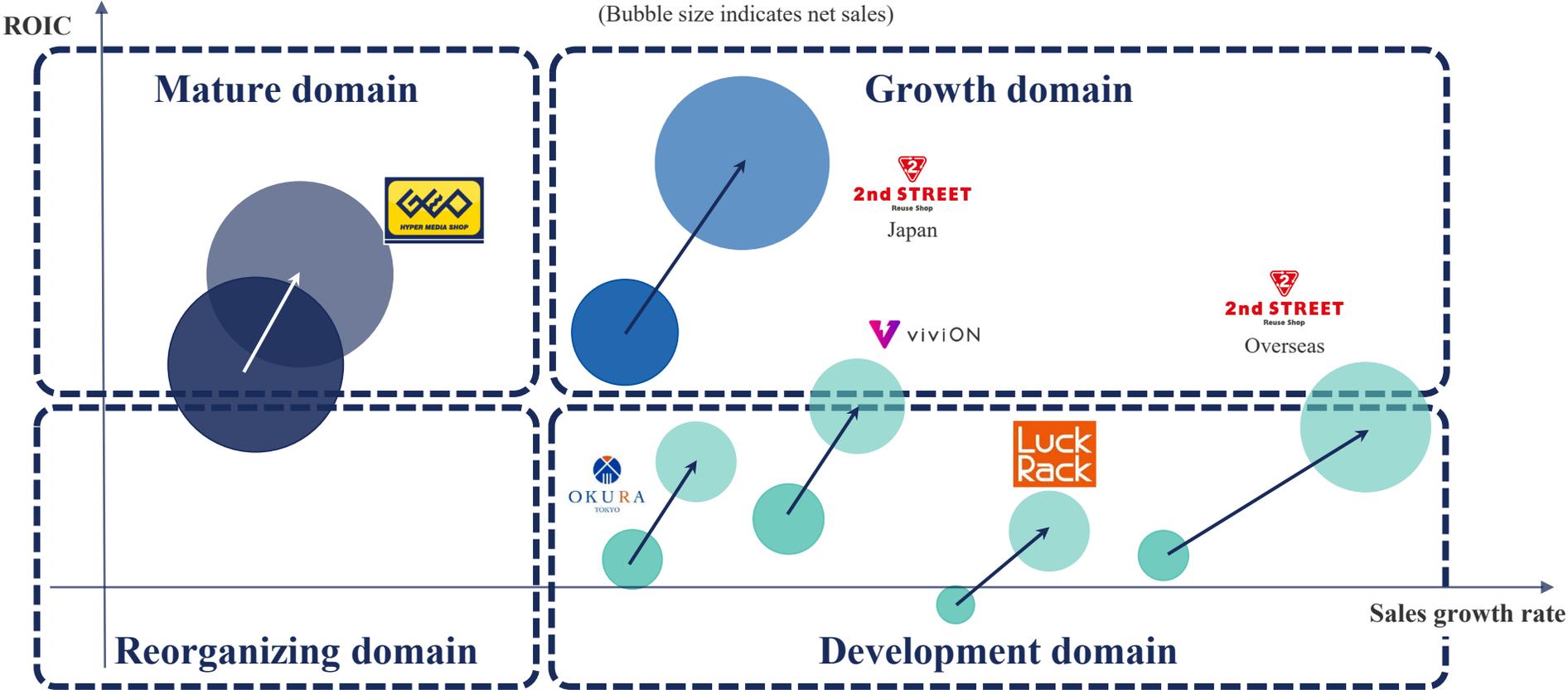
Management resource investment focus			
	Opening stores proactively	Attracting more foot traffic through line-up enhancement	Expansion of business scope
Growth domain 2nd STREET (Japan)	●		
Development domain 2nd STREET (overseas)	●		
Development domain OKURA TOKYO			●
Development domain Luck Rack	●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

* 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 our top priority, 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.

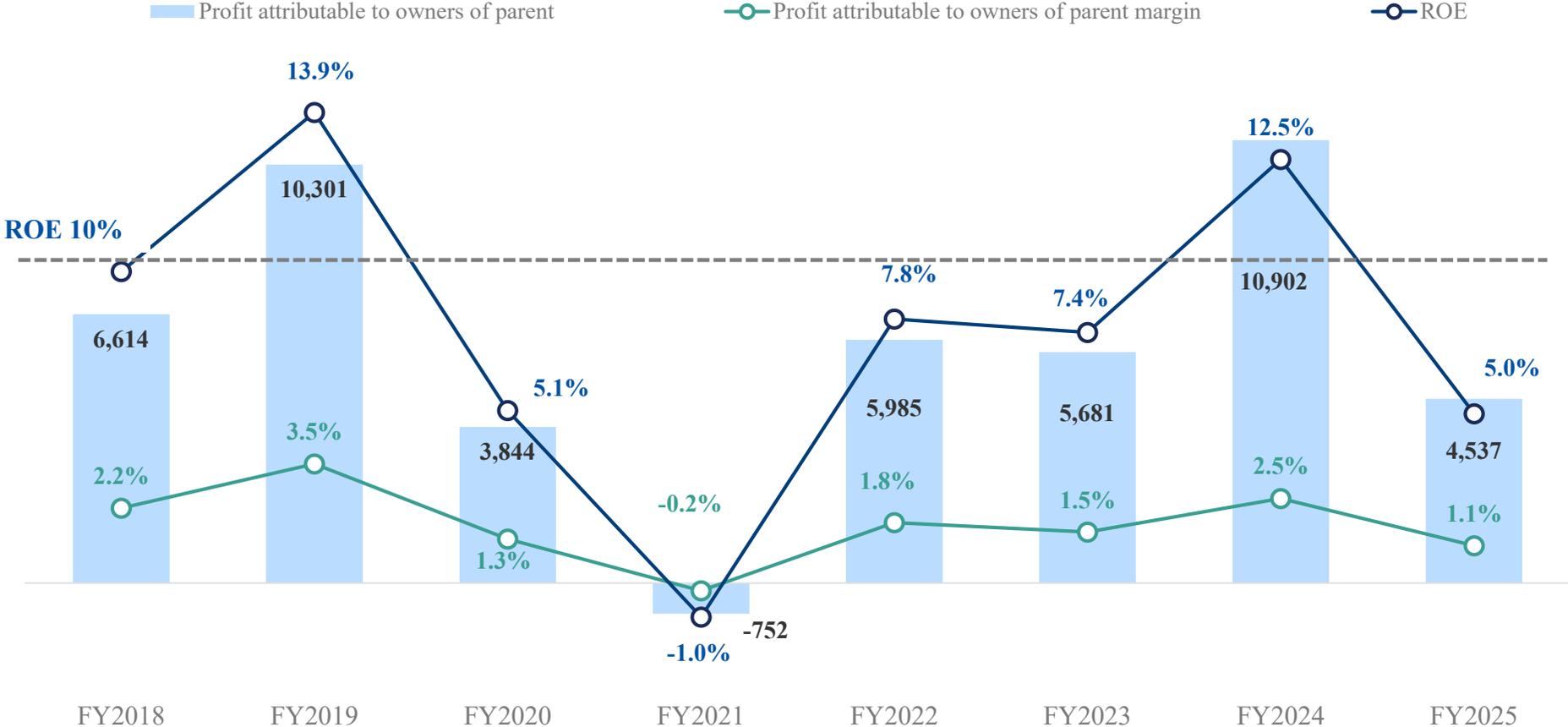
Projected near-term growth trajectory for each business



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

ROE target

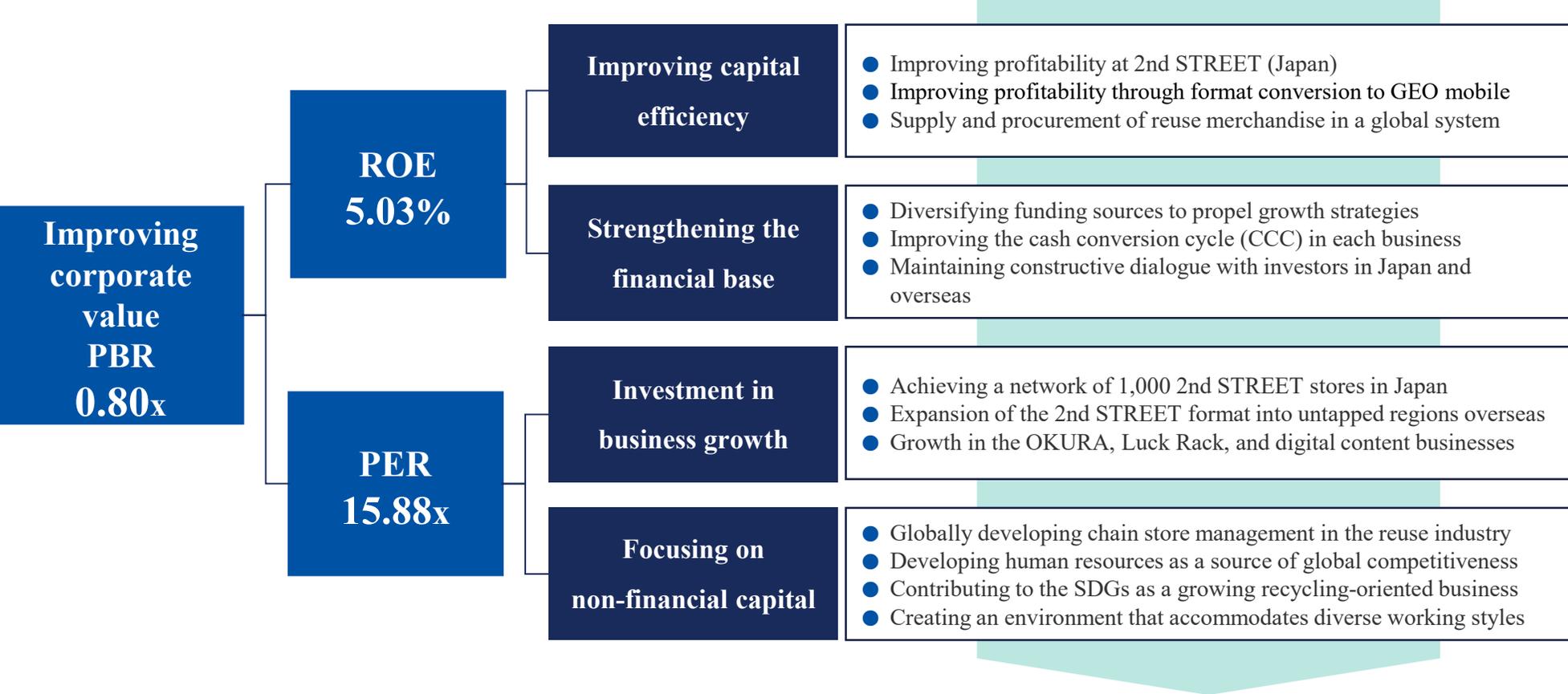
The target ROE for the time being is 8% or more, since achieving ROE of 10% may require refraining from aggressive investment.



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

Improving corporate value

As we work to become an overwhelming 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 overwhelmingly No. 1 player in the world's reuse industry

PBR, ROE and PER shown above are as of March 2025.

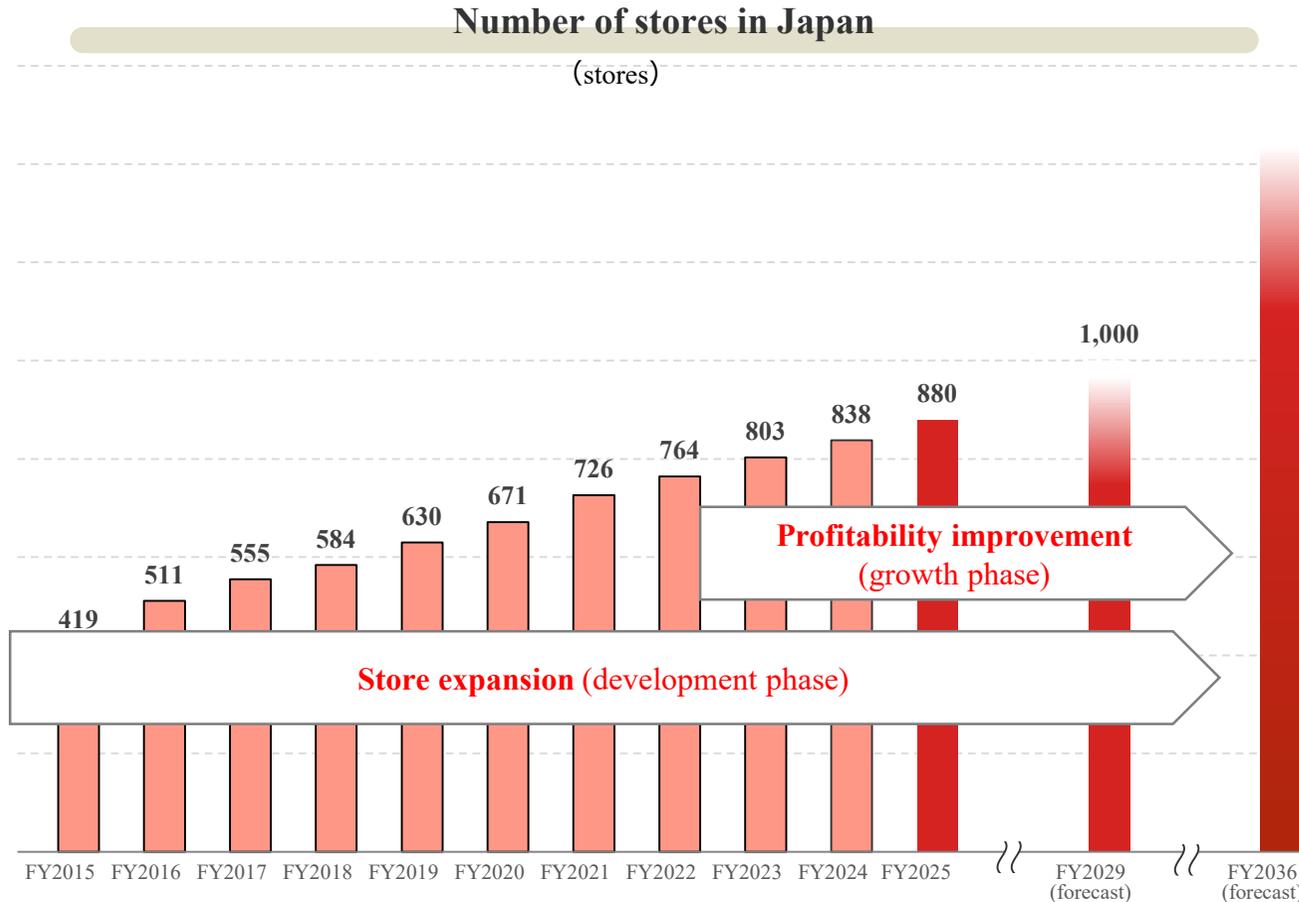
PBR = FY-end market cap ÷ FY-end net assets, ROE = profit attributable to owners of parent ÷ FY-end own equity, PER = FY-end market cap ÷ profit attributable to owners of parent



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,



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

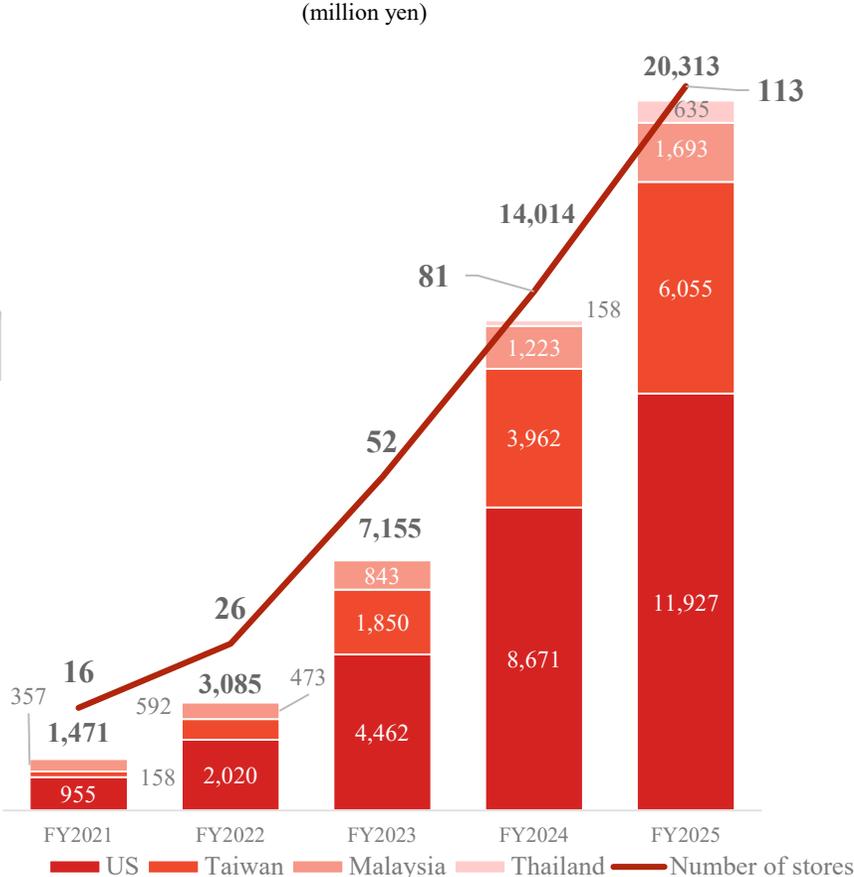
- We consider overseas business as one of the pillars of our growth strategy, and we are working to expand our share of the global reuse market, aiming to become the overwhelmingly world No. 1 in the reuse industry.
- As an expansion into new regions, we will open our first stores in Singapore and Hong Kong in the first half of FY2026. We will accelerate our global expansion by utilizing our in-house core system from the time of opening.

Worldwide 2nd STREET store locations



Number of stores	FY2021	FY2022	FY2023	FY2024	FY2025	FY2026 (forecast)
United States	9	10	23	35	47	58
Taiwan	2	8	18	28	39	49
Malaysia	5	8	11	17	23	29
Thailand	-	-	-	1	4	8
Singapore	-	-	-	-	-	2
Hong Kong	-	-	-	-	-	1
Japan	726	764	803	838	880	940

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 \$214 billion in 2025 to exceed \$1 trillion in market size by 2035.
- 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



※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 will focus on new store openings in areas where we already have stores, strengthening our dominant market position.
- The strengths of our US stores include (1) offering a wide range of clothing and accessories from low to high price points based on locally purchased items, (2) a speedy response to the latest trends and the weather; and (3) Japanese-style hospitality.

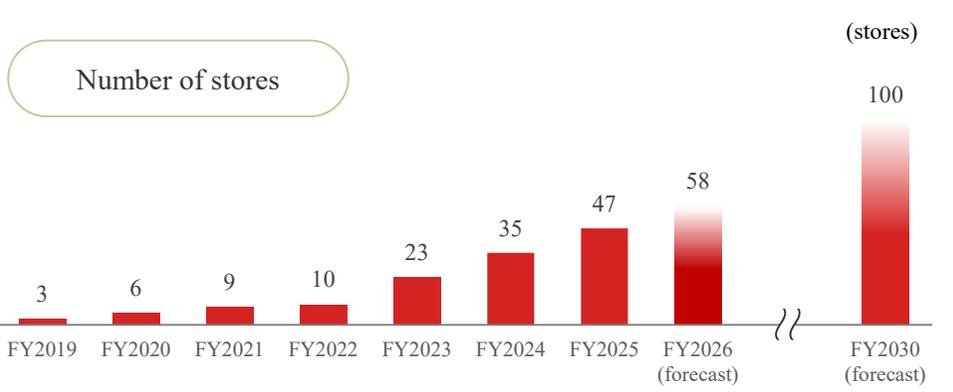
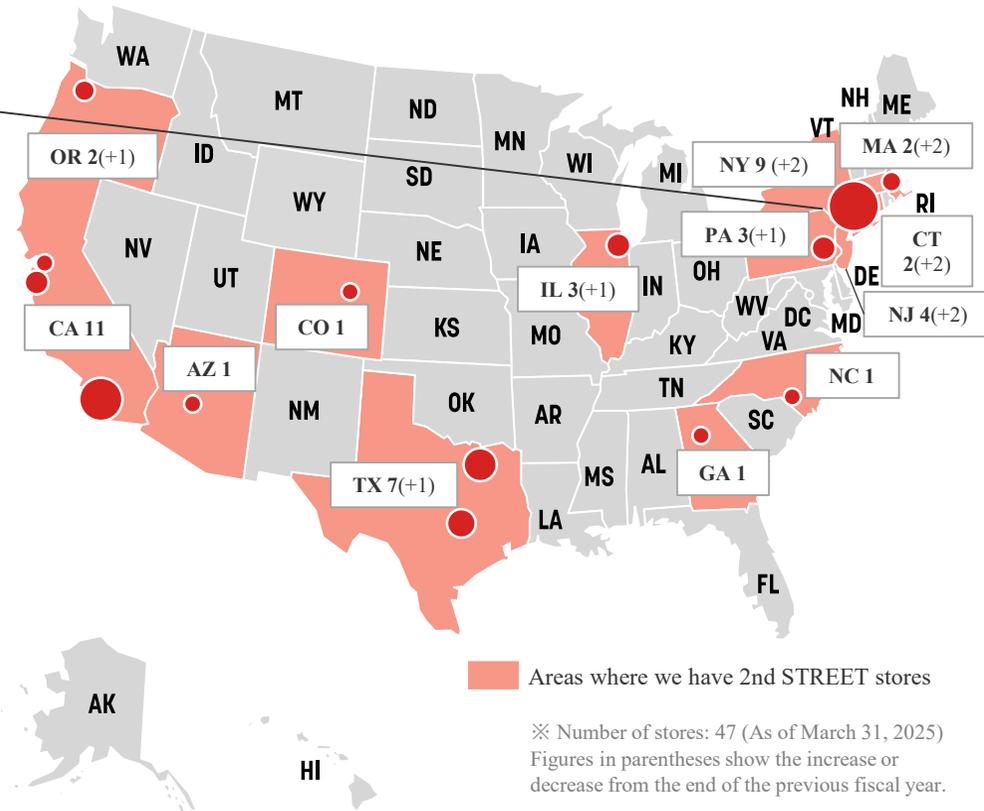
New York: Williamsburg store (opened March 2025)



We opened a store with a sales floor area of about 321 sqm in this town lined with boutiques offering trendy clothes and stylish cafes. Similar to 2nd STREET in Japan, it handles various brands and styles of reuse clothing for both men and women. The store is strategically located in an area surrounded by trendy shops and restaurants, appealing to fashion-conscious consumers.

2nd STREET store locations in the US

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



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





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, and we will continue to enhance human resources development and cost management as we work to establish a firm foothold in the Taiwanese market.

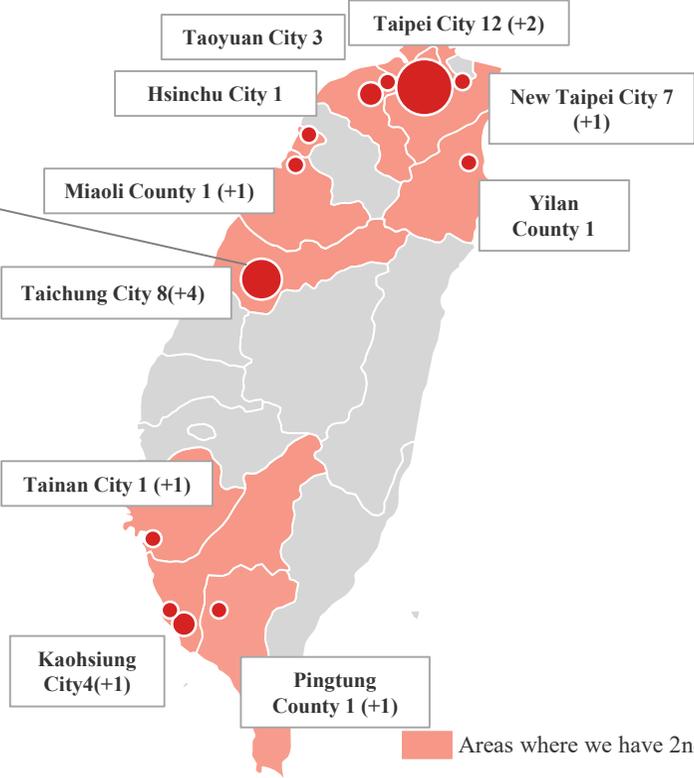
Taichung: Fengjia Fuxing store (opened March 2025)



We have opened a store facing street with a sales floor area of about 466 sqm in Taichung City. Our three-story store handles around 12,000 items of men's and women's clothing and accessories. We offer a selection of reuse clothing comparable to that available in Japan, featuring high-quality yet reasonably priced merchandise.

2nd STREET store locations in Taiwan

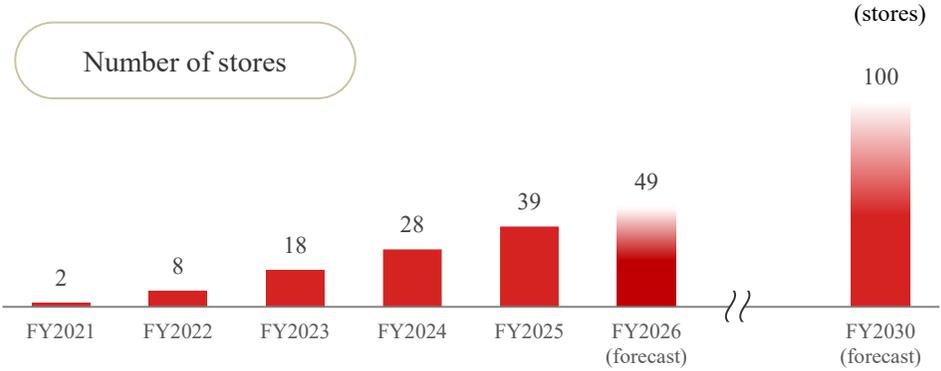
※ The figure in the map below is the number of 2nd STREET stores in that area.



Areas where we have 2nd STREET stores

※ Number of stores: 39 (As of March 31, 2025)
 Figures in parentheses show the increase or decrease from the end of the previous fiscal year.

Number of stores



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





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.

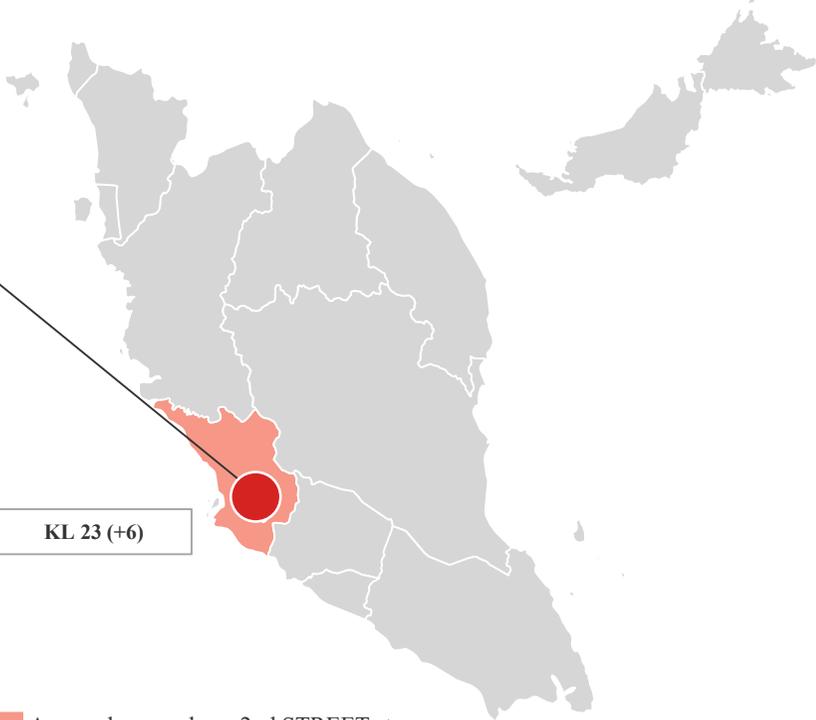
Selangor: Lotus's Setia Alam store (opened December 2024)



2nd STREET Lotus's Setia Alam, our 23rd store in Malaysia, is a 300 sqm store-within-a-store outlet within a hypermarket. We are expanding our network in KL by utilizing our warehouse there for sorting and wholesaling clothing and accessories purchased at 2nd STREET stores in Japan and distributing them to our stores with clean interiors in the region under an area dominance strategy.

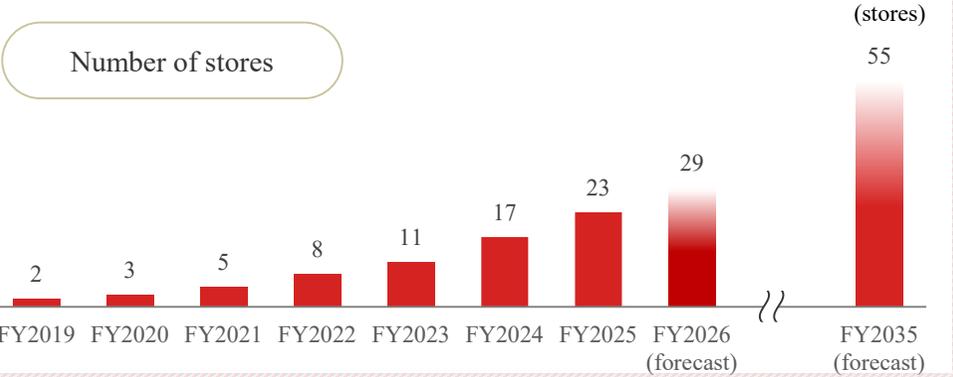
2nd STREET store locations in Malaysia

※ 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 March 31, 2025)
 Figures in parentheses show the increase or decrease from the end of the previous fiscal year.



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





Steady store expansion strategy in Thailand

- 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, and we aim to open stores mainly in the Bangkok metropolitan area, where the population is expected to continue growing.

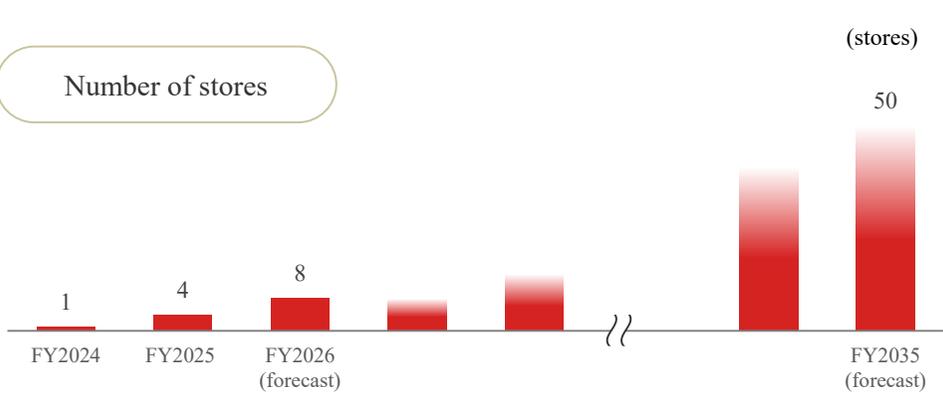
2nd STREET store locations in Thailand

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

Bangkok: Seacon Bangkae (opened February 2025)



We opened a store with a sales floor area of about 340 sqm inside the Seacon Bangkae shopping mall. This mall is directly connected to an MRT station, making it a very convenient location. Similar to 2nd STREET stores in Japan, we offer a wide range of reuse clothing and accessories from high to low price points.



2nd STREET THAILAND <https://2ndstreet-th.com/>



FY2026: Opening first stores in Singapore and Hong Kong

In Hong Kong, the demand for reuse goods is growing as environmental awareness increases. However, the preference for brand-new goods remains strong, leaving room for expansion of the reuse market. Meanwhile, in Singapore, despite the government promoting sustainability policies, reuse in the fashion industry is not yet widespread, making it a market with expected future growth. In Hong Kong and Singapore, the GEO group will take on the challenge of finding the potential in the reuse markets in the economically mature countries/regions.

2nd STREET store locations in Singapore & Hong Kong

Orchard: 313@somerset (opened April 2025)



Orchard Road is the largest shopping district in Singapore. It is known for its many different kinds of stores, from luxury to casual. The Somerset area of Orchard Road, where our first store is located, is particularly popular among young people, and the commercial facility housing our store is directly connected to the MRT subway. The store began purchasing services concurrently with the opening of the store.

2nd STREET SINGAPORE <https://2ndstreet-sg.com/>

Mong Kok: MOKO (opened May 2025)



We offer carefully selected reuse clothing and accessories purchased from 2nd STREET stores throughout Japan. Our inventory features diverse categories and brands, ranging from vintage designer items to affordable pieces. The store began purchasing services concurrently with the opening of the store, aiming for aggressive business expansion while assessing the need for local purchasing services.

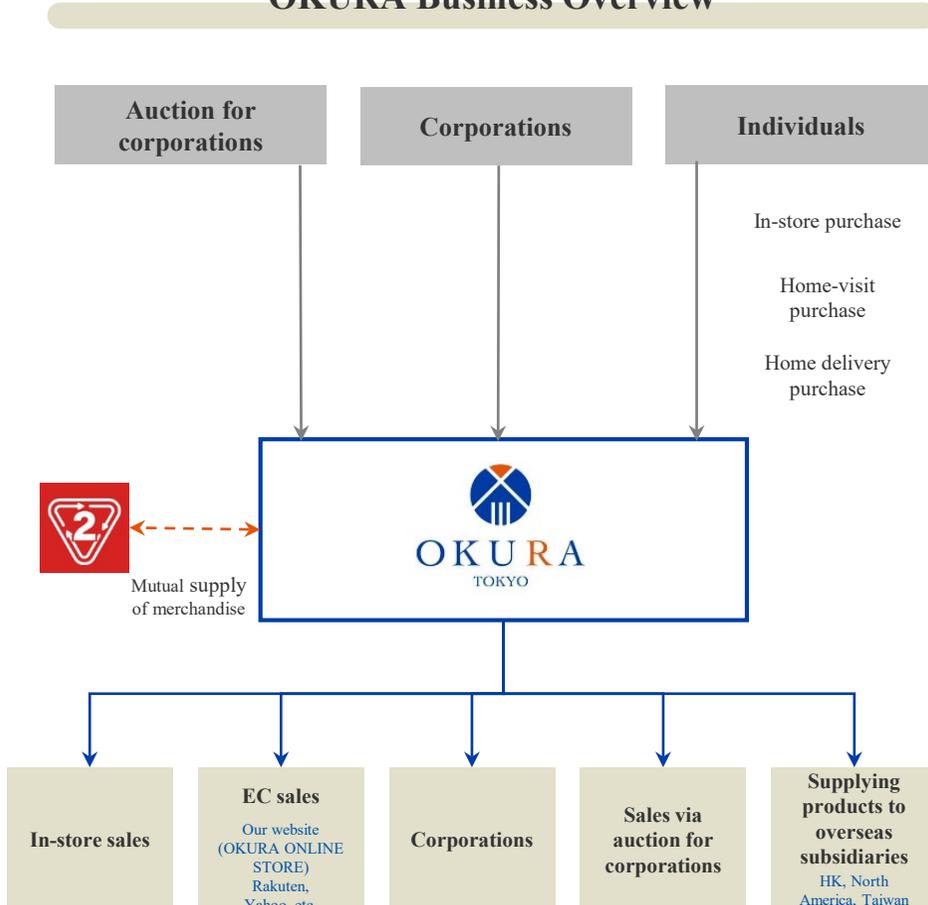
2nd STREET HONGKONG <https://2ndstreet-hk.com/>



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.

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.

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



Largest share of the smartphones and tablets for reuse market

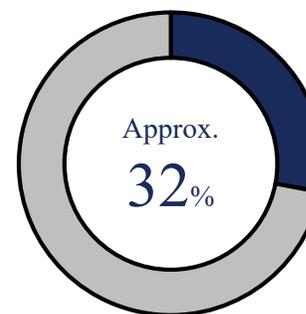


- Mainly through GEO and GEO mobile, we are aiming to raise our share of the rapidly growing reuse smartphone and tablet market, and target 800* stores by the end of FY2026.
- GEO and GEO mobile's advantages include (1) a flexible sales system due to its centralized inventory, (2) completely initialized 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"> Centralizing the management of GEO and GEO mobile's inventory nationwide can ensure that sales activities are properly adjusted for demand.
Devices for sale	<ul style="list-style-type: none"> The insides of all devices are cleaned, ensuring safety and reliability. Devices are well cleaned both externally and internally. Devices have a 30-day warranty against defective products. 
SIM card	<ul style="list-style-type: none"> UQ and Y!mobile SIM cards are available at GEO and GEO mobile stores around Japan. Twenty GEO and GEO mobile stores have started handling HIS Mobile
In-store support	<ul style="list-style-type: none"> In-store support reassures customers. Specifically, GEO mobile provides support by specialized consultants.

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.



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



Luck Rack, as a pioneer of off-price stores in Japan, aims to provide a new retail format that allows customers to make valuable purchases without damaging manufacturers' brand value.

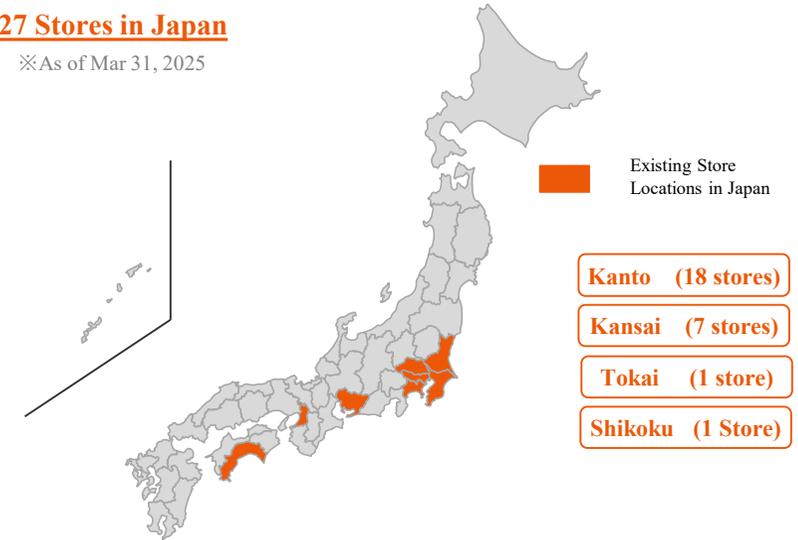
Off-price stores business model



Luck Rack regional deployment areas in Japan

27 Stores in Japan

※As of Mar 31, 2025



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

Number of stores



Our rental business streamlines spaces in a rock-solid manner

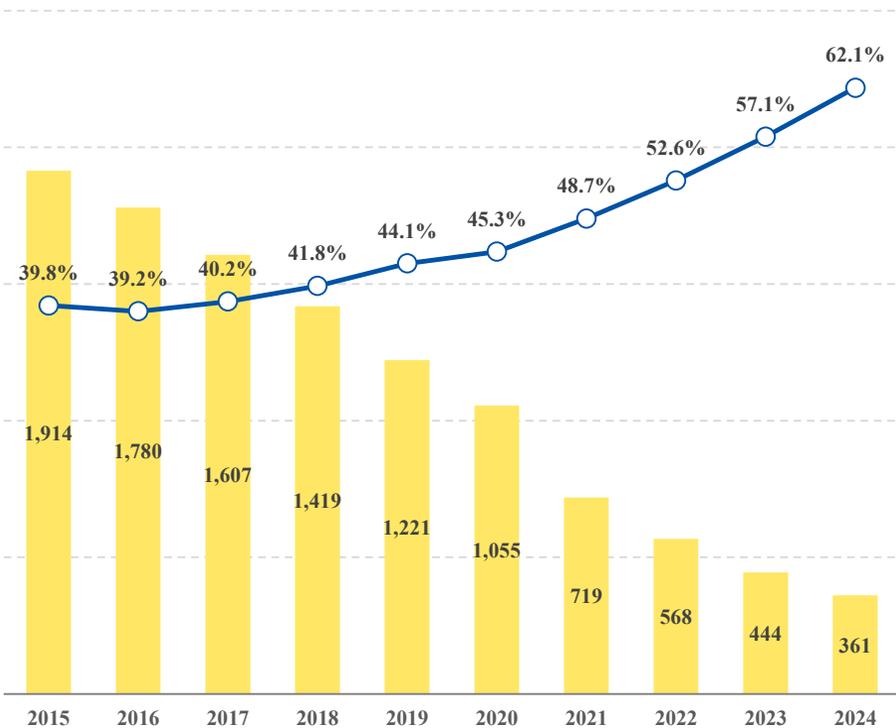


It is unavoidable that we will be impacted by the shrinkage of the music and video rental market in Japan. Nevertheless, we will streamline store spaces and strive to further solidify our position as having the largest share of the music and video rental market in Japan, the business the GEO Group originated 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 m²) 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

Background

Demand for rentals decreases

Initiatives

Optimize space in the rental section

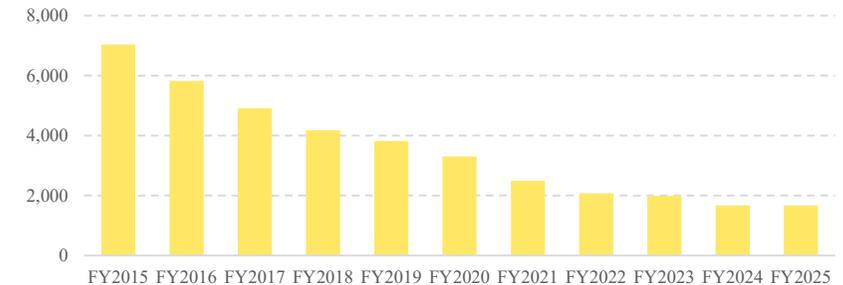
Expand space for reused smartphone products and enhanced merchandise sections

Results

Net sales of rental sections per tsubo (approx. 3.3 m²) are ceasing to drop

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

(million yen)



*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.



Creating new value propositions to stimulate customers' motivation to visit the stores



- GEO will create new value propositions through reuse, retail, and sharing to help customers spend their time at home more comfortably. We will review existing stores by closing small stores or transforming them into the new business format, and 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



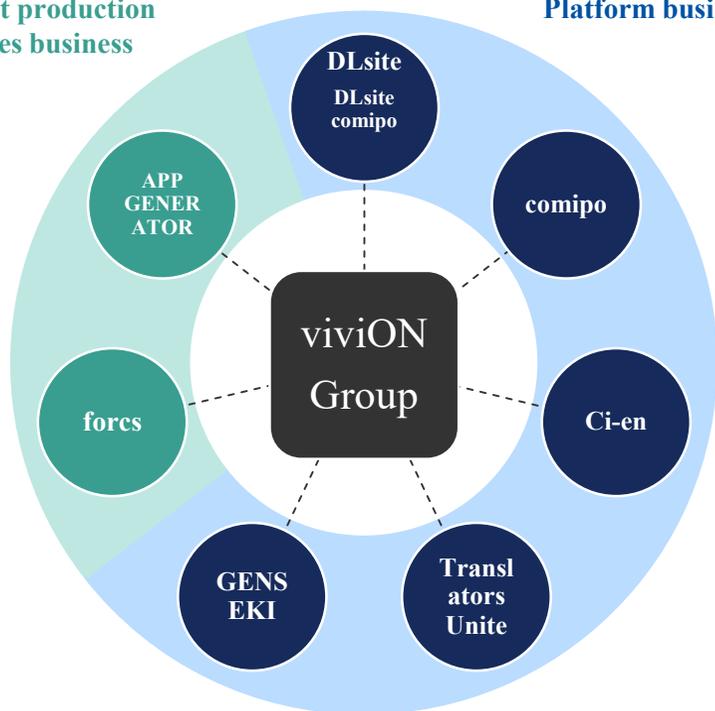
Digital contents business

- 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

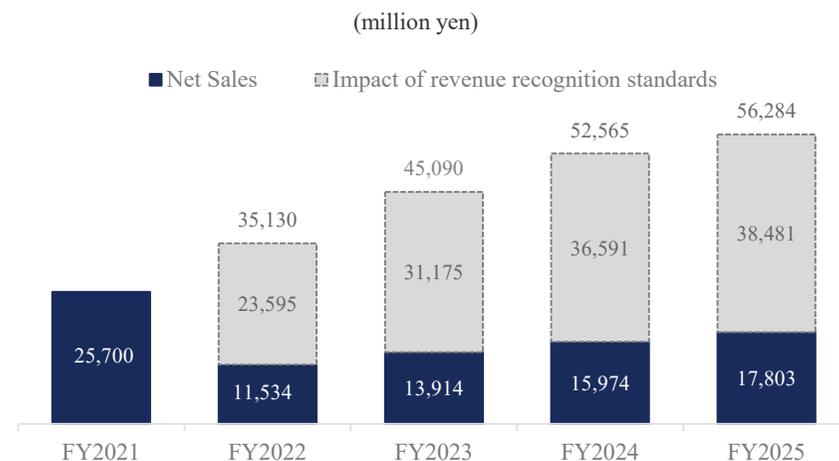


The world's largest subculture content download site. The number of titles available for download from the site has reached 1.30 million.



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. We have begun renting PlayStation 5 (PS5) home gaming consoles, which has been well-received by our customers.

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



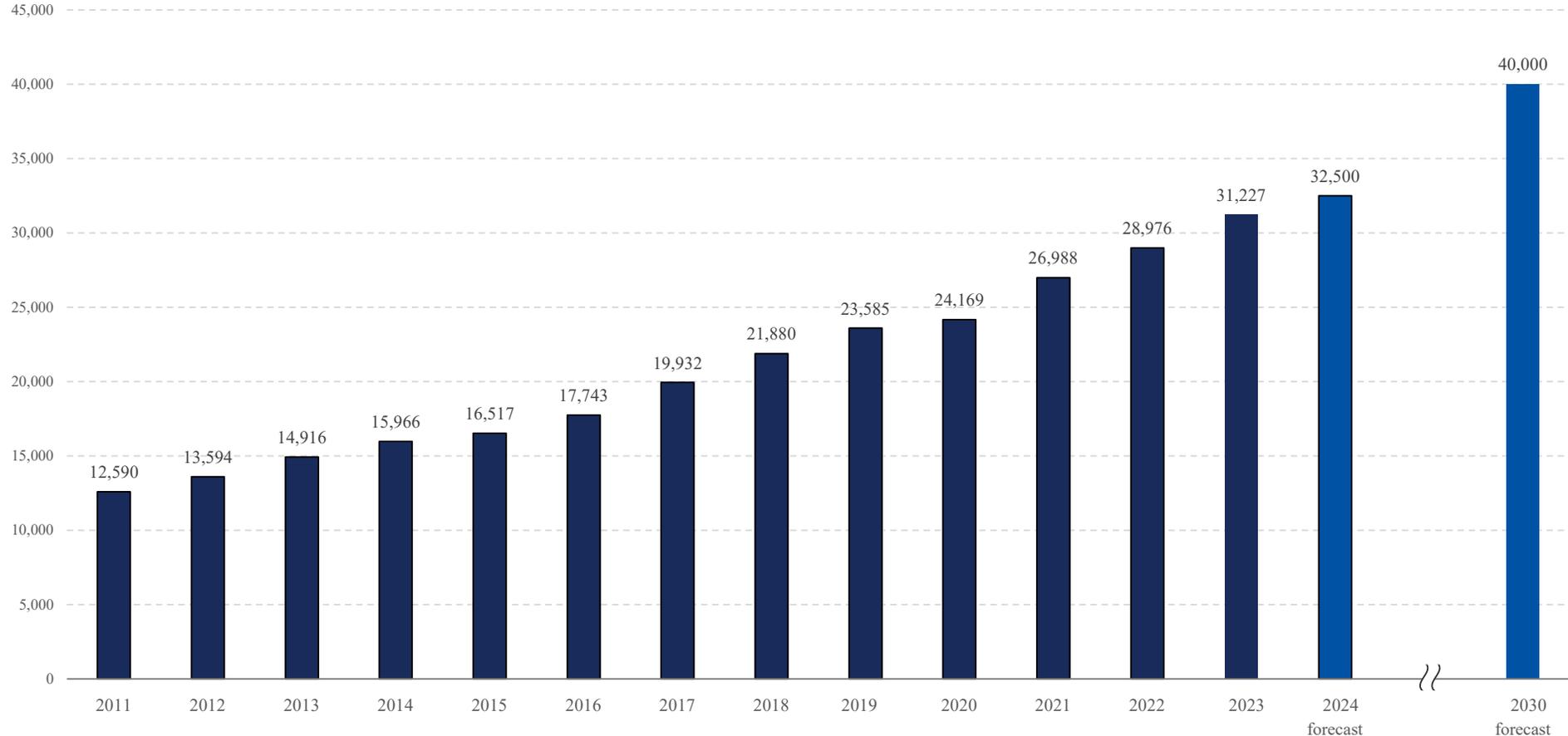
6. Appendix

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.

(100 million yen)



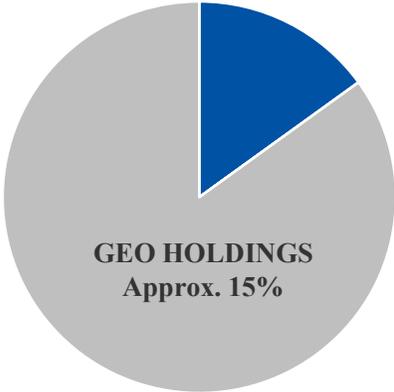
* Source: The Reuse Economic Journal, Reuse Business Journal “Secondhand Market Data book 2024” The market forecast is excerpted from The Reuse Business Journal.

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

Clothing and accessories



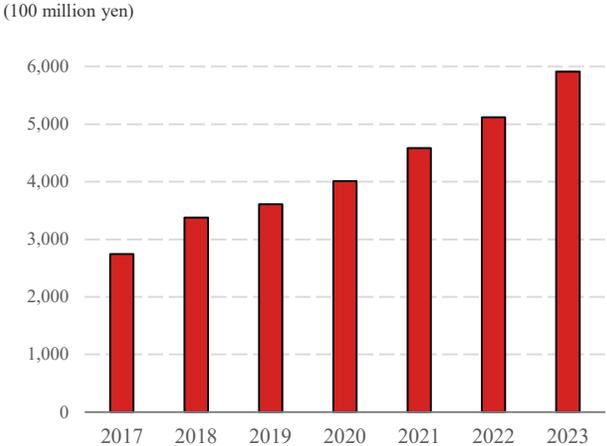
Luxury brand items



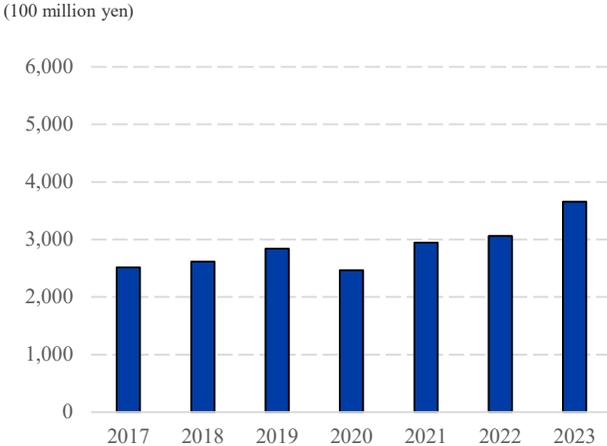
Furniture and home appliances



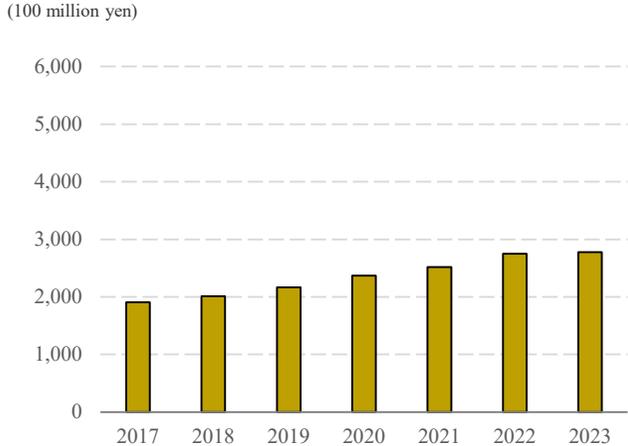
Reuse market
- clothing and accessories



Reuse market
- luxury brand items size



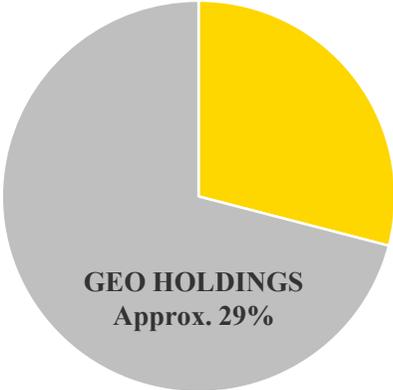
Reuse market
- furniture and home appliances



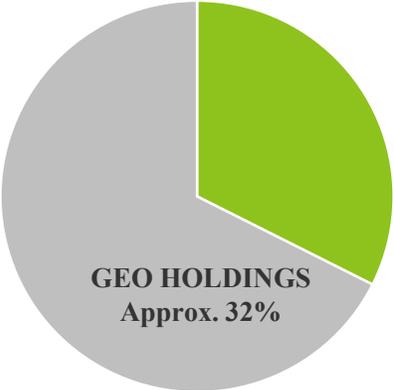
* Source: The Reuse Economic Journal, GEO Holdings estimates are based on data from the Reuse Market Data Book 2024 by Recycle Tsushin.

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

Game and media



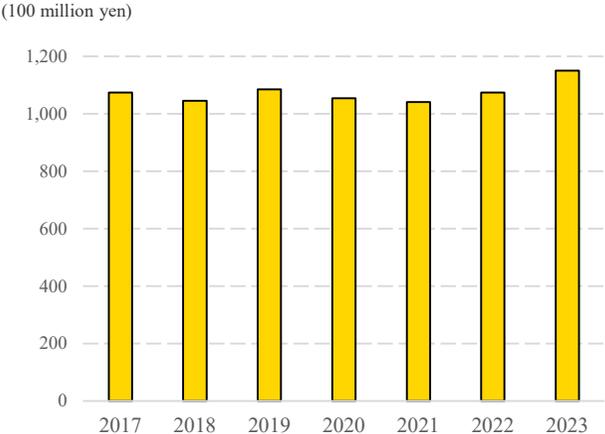
Mobile phone and smartphone



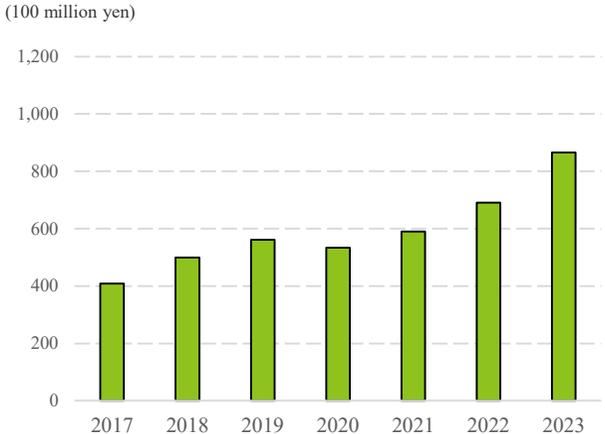
Reuse sales ranking



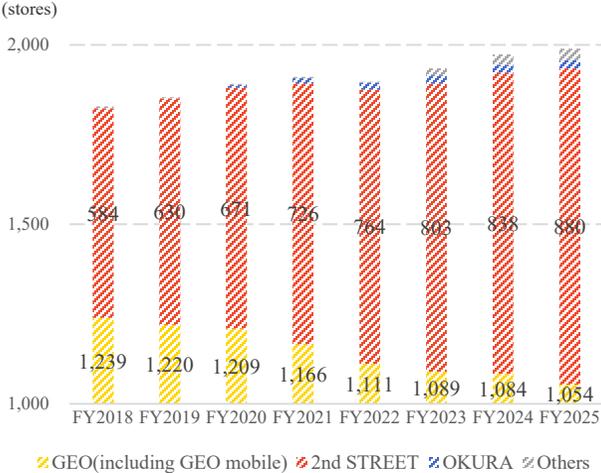
Reuse market - game and media



Reuse market - mobile phone and smartphone



Changes in the number of GEO group reuse stores in Japan



2nd STREET store types in Japan

2nd STREET in Japan has various store types to accommodate all customer needs.

Interior



A reuse store specializing in furniture, home appliances, and household goods. With our concept “everyone's home where you can richly enjoy changes in living spaces,” we provide both purchasing and selling services. We offer comprehensive transportation support after purchase, including paid delivery arrangements and free loan vehicle, to meet our customers' various needs.

Full-spec reuse



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

Apparel reuse

Apparel specialized reuse store format focused on clothing and accessories also handles furniture and home appliances at some stores

Outdoor specialty store

A format specialized in purchasing and selling outdoor clothing and camping and sports gears

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

Reuse select store

Urban-centered specialty store that purchases and sells fashion items selected by buyers with a focus on designer reuse clothing and accessories

Musical instrument specialty store

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

Purchasing-only store



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

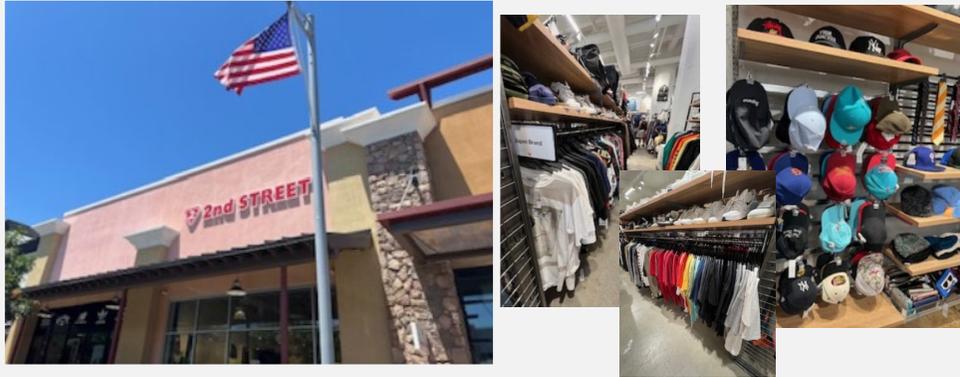
Luxury Brand specialty store

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

Overseas 2nd STREET store types

Overseas 2nd STREET stores come in a variety of types, including on-street, and in commercial facilities, depending on the region.

United States



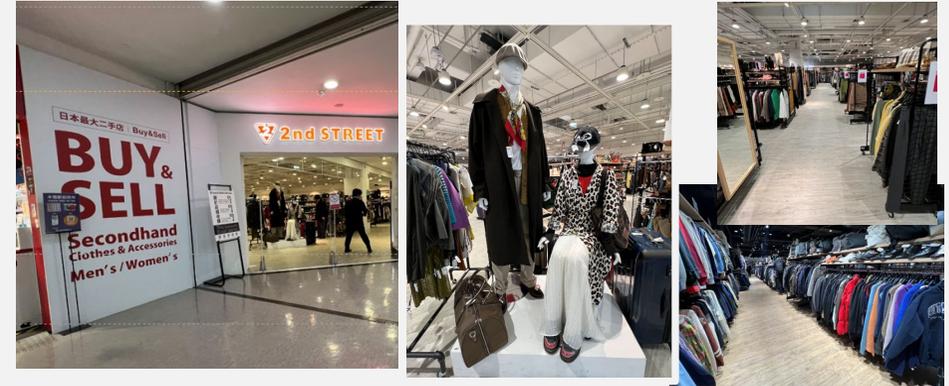
The US stores, which started on the west coast, are progressing well, and going forward we will focus on store openings in areas where we already have stores to strengthen our dominant market position.

Malaysia



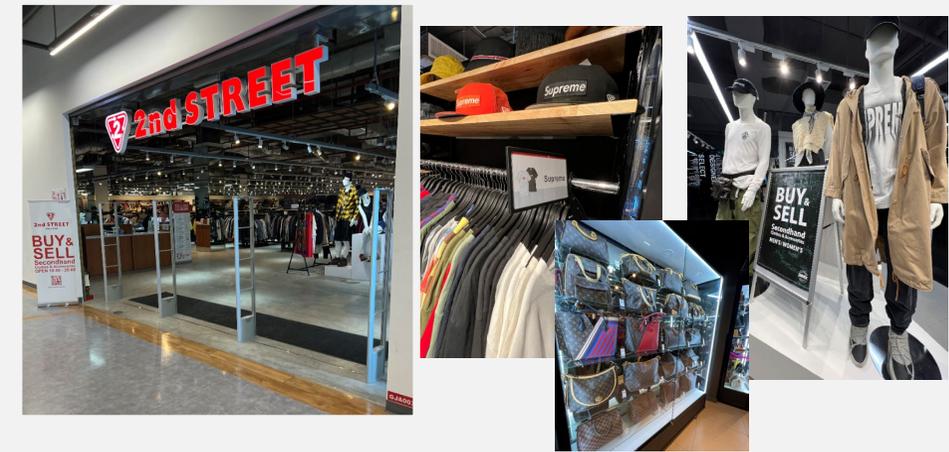
We will expand wholesale and retail sales of reuse products imported from Japan mainly in Kuala Lumpur and the surrounding areas in Malaysia

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.

Thailand

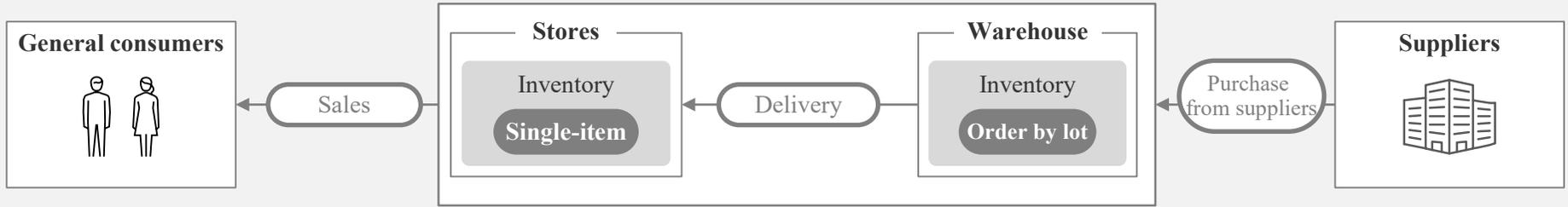


We are building a model that completes the purchase and sales process domestically, and we will open new stores around the growing Bangkok metropolitan area.

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.

General retail business



*single item indicates items purchased by lot and distributed from warehouse to stores

Reuse business



A store has to engage in sales as well as purchasing.

A store checks for counterfeit and defectives items and checks an item's conditions before purchasing it at a decent price.

Counterfeit and defectives items cannot be put on sale.

Ensure each individual item is qualified to be available for sale

Because the condition of each item is different, each item must come with a photo and a comment.

Store operation could become cumbersome

Appraisal skills are required

Quality assurance is required

Quality control is required

Many items to be listed on the e-commerce site

Characteristics of purchasing

Characteristics of an individual item

Internal controls are required

Procurement of merchandise is unstable

Compliance with laws and regulations is required

Large quantity of items to manage

Displaying products could become cumbersome

Product procurement is dispersed in the same store, which can easily lead to misconduct.

Product procurement cannot be adjusted to demand.

Violation of Secondhand Goods Business Act in terms of matters, such as user authentication, transaction records and illicit article reports may result in a fine, business suspension, revocation of license or other penalties or administrative punishments.

Data for each item must be retained.

The exactly same items cannot be organized to be displayed together.

Quarterly consolidated statement of income - FY2025

(Million yen)	FY2023				FY2024				FY2025			
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
Net sales	81,377	91,185	107,134	97,603	106,725	109,035	111,640	106,446	100,147	99,576	116,432	111,512
(YoY Change)	7.0%	20.2%	15.1%	8.7%	31.1%	19.6%	4.2%	9.1%	-6.2%	-8.7%	4.3%	4.8%
Gross profit	34,194	34,464	39,315	34,507	39,289	36,597	43,081	40,855	41,694	40,092	45,491	43,392
(YoY Change)	10.3%	10.6%	12.4%	2.6%	14.9%	6.2%	9.6%	18.4%	6.1%	9.6%	5.6%	6.2%
(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%	38.9%
SG&A expenses	30,167	32,199	34,251	35,244	33,498	35,081	37,045	37,384	37,328	39,044	41,086	41,962
(YoY Change)	1.0%	4.4%	11.2%	13.2%	11.0%	8.9%	8.2%	6.1%	11.4%	11.3%	10.9%	12.2%
Operating profit	4,027	2,265	5,064	-736	5,790	1,516	6,036	3,470	4,366	1,048	4,405	1,430
(YoY Change)	248.4%	593.9%	21.2%	—	43.8%	-33.1%	19.2%	—	-24.6%	-30.9%	-27.0%	-58.8%

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	72,049
Comprehensive	30,011	29,257	37,255	34,314	39,299	39,457	45,945	44,979	46,204	41,119	53,028	49,893
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	26,388
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	2,986
Luxury ^{※4}	9,180	9,264	10,017	9,710	12,975	14,294	12,835	14,667	14,566	12,293	15,448	15,953
Others ^{※1}	3,602	3,517	4,431	3,931	3,933	3,691	4,437	4,244	4,506	3,974	4,800	4,566
Media	16,140	17,803	18,652	16,204	16,488	17,547	20,654	19,717	19,461	21,155	20,897	22,156
Games ^{※2}	7,468	8,364	8,077	7,401	7,839	7,974	9,120	8,504	7,812	8,295	8,313	8,628
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	12,249
Others ^{※2}	1,522	1,472	1,427	1,273	1,343	1,305	1,316	1,289	1,300	1,257	1,289	1,278
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	25,660
Others	14,599	15,075	14,251	14,266	13,912	14,779	14,184	14,491	13,224	14,066	13,559	13,802
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	4,614
Rental ^{※2}	9,606	9,795	8,980	8,534	8,253	8,337	8,183	8,019	7,401	7,446	7,021	6,778
Others	1,765	1,872	1,806	1,916	1,890	2,269	2,179	2,259	2,096	2,240	2,095	2,409
Total	81,377	91,185	107,133	97,603	106,725	109,035	111,640	106,447	100,147	99,576	116,432	111,512

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



Quarterly gross profit by merchandise - FY2025

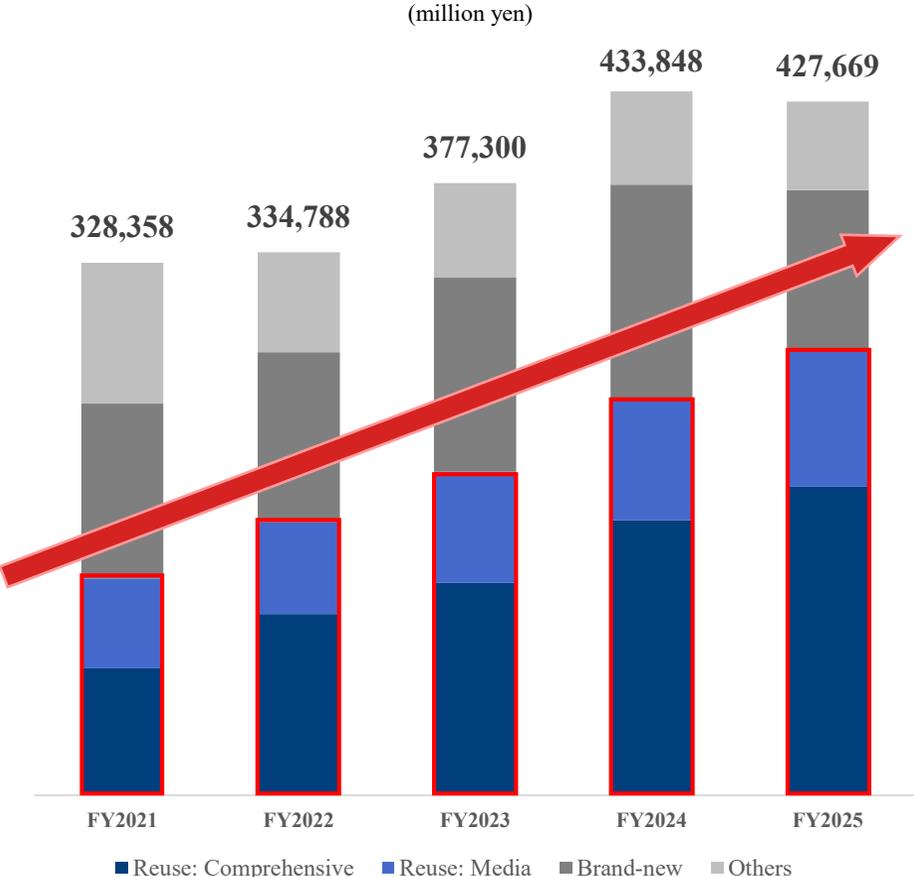
(Million yen)	FY2023				FY2024				FY2025			
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
Reuse	20,721	20,054	24,609	20,305	25,170	23,551	28,751	26,284	28,897	25,878	31,690	28,840
Comprehensive	15,101	13,999	18,493	14,653	19,357	17,550	22,367	20,171	22,686	19,101	25,310	22,383
Clothing and accessories ^{※1}	10,029	9,146	12,968	11,362	13,189	11,972	16,226	14,090	15,882	13,806	18,660	16,505
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	1,798
Luxury ^{※4}	1,201	1,025	827	-804	1,777	1,472	1,232	1,341	1,666	721	1,309	846
Others ^{※1}	2,405	2,483	3,210	2,662	2,817	2,553	3,210	2,992	3,270	2,824	3,500	3,233
Media	5,619	6,054	6,115	5,652	5,812	6,002	6,383	6,113	6,210	6,776	6,379	6,456
Games ^{※2}	2,493	2,657	2,579	2,376	2,467	2,540	2,697	2,455	2,487	2,831	2,509	2,469
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	2,810
Others ^{※2}	1,321	1,287	1,301	1,170	1,227	1,180	1,183	1,169	1,195	1,150	1,180	1,177
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	4,617
Others	9,674	9,955	9,638	9,857	9,116	10,457	9,197	10,178	8,910	9,966	8,702	9,934
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	4,271
Rental ^{※2}	5,957	6,273	5,694	5,126	5,063	5,383	5,173	5,078	4,712	4,737	4,413	4,195
Others	814	617	904	1,329	720	1,328	626	1,282	852	1,298	427	1,468
Total	34,194	34,464	39,315	34,507	39,289	36,597	43,081	40,856	41,694	40,092	45,491	43,392

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

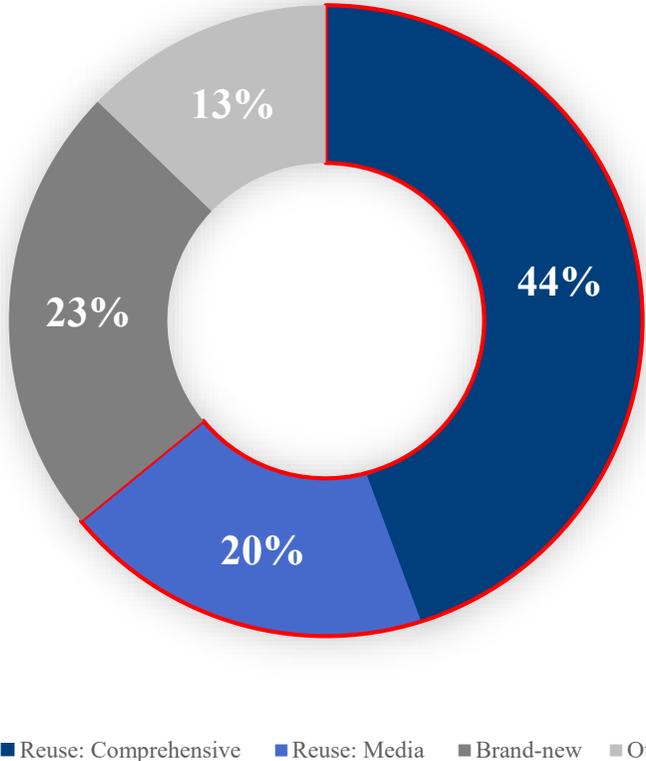
Sales-related data - FY2025

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 1.4% year-on-year, to 427.6 billion yen, mainly due to a reactionary decline in the first half as demand for brand-new game products ran its course.

Changes in annual sales in the past five years



FY2025 sales breakdown

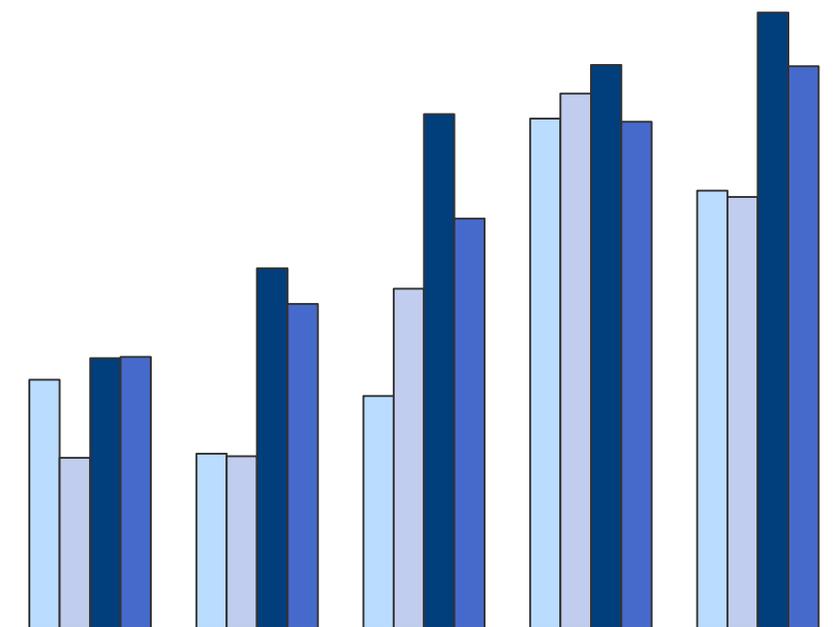


*Accounting Standards for Revenue Recognition introduced from fiscal year ending March 2022

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 GEO Group, such as reuse clothing and accessories, smartphones, and game-related products.

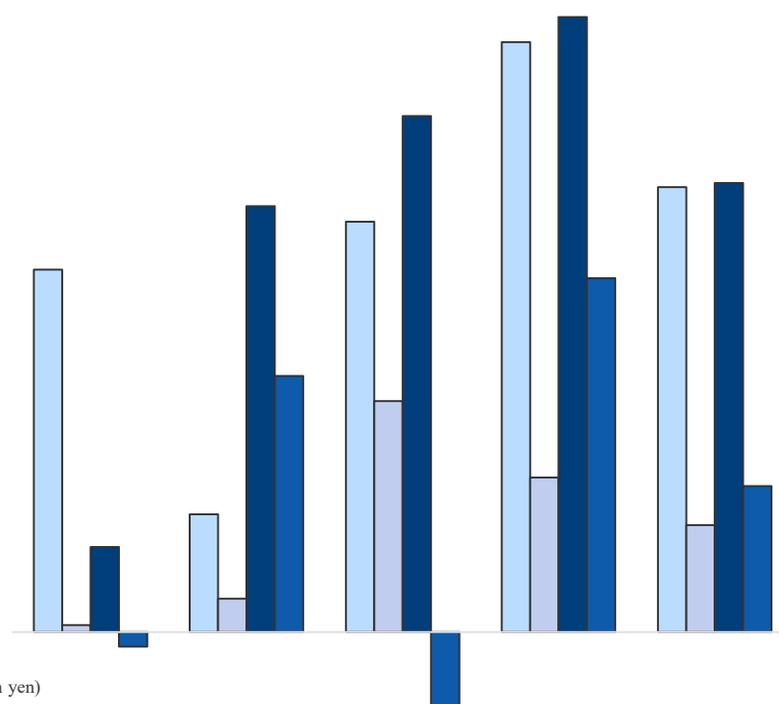
Net sales



(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	111,512

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	1,430

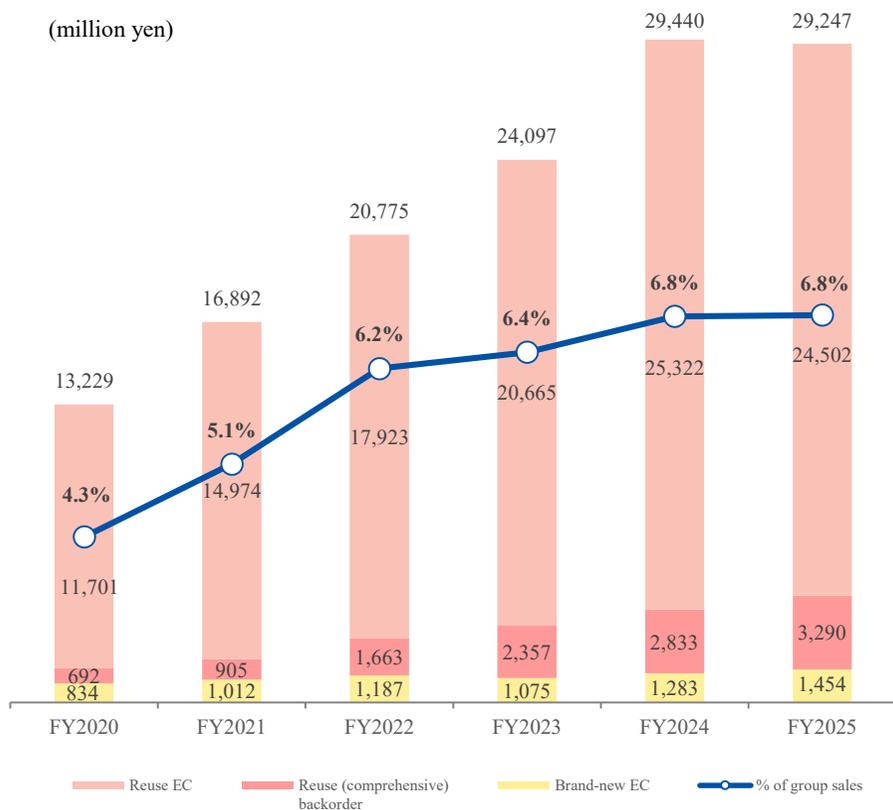


*Accounting Standards for Revenue Recognition introduced from fiscal year ending March 2022

EC-related sales and ratio - FY2025

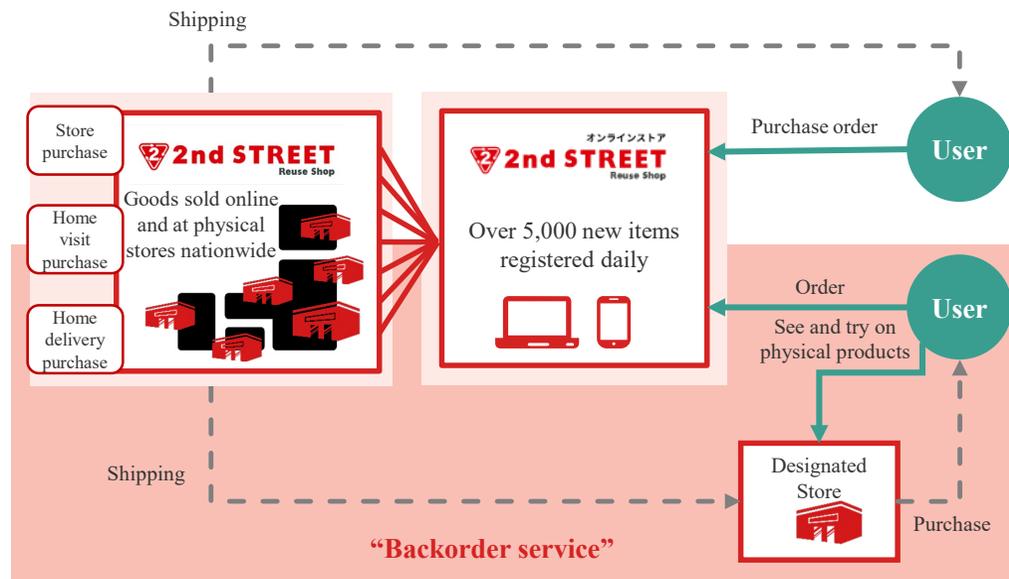
- Due to factors, such as the warm winter, EC-related sales* were weak, with both EC-related sales and their proportion to consolidated sales decreasing slightly.
- Our “back order service” leverages the advantages of directly managed stores. It enables users try products at a designated store before 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



	FY2024 results	FY2025 Q3 results	YoY % change
EC-related net sales (million yen)	29,440	29,247	-0.7%

Overview of 2nd STREET Online Store



* 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 17.65% of total sales of 2nd STREET in Japan.

Dialogue with shareholders in FY2025

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"> • 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).
Earnings calls	<ul style="list-style-type: none"> • Conducted for analysts and institutional investors after the announcement of Q2 and FY (Q4) results.
Materials on our IR website	<ul style="list-style-type: none"> • Posting of financial results, financial results briefings, materials from general shareholders' meetings, annual reports, etc. on the corporate website • English version of the corporate website created based on the Japanese version
Research reports	<ul style="list-style-type: none"> • Research reports in Japanese and English by research firms are updated and published for each quarter. Shared Research (Japanese version): https://sharedresearch.jp/ja/companies/2681 Shared Research (English version): https://sharedresearch.jp/en/companies/2681 Astris Advisory Japan (Japanese version): https://corporateresearch.astrisadvisory.com/ja/geohd Astris Advisory Japan (English version): https://corporateresearch.astrisadvisory.com/geohd

Overview of dialogue and feedback

Item	Situation
Main respondents	<ul style="list-style-type: none"> • General shareholders' meetings : All directors • Financial results briefings : President & CEO, Executive Director Senior Managing Operating Officer • IR · SR individual meetings : Executive Officer of IR division, IR division
Shareholders with whom dialogue was held	<ul style="list-style-type: none"> • Number of meetings : FY2025 200 meetings *Total number of cases handled • Investment style : Mainly active investors • Investors' responsibilities : Analyst, fund manager
Feedback implementation status	<ul style="list-style-type: none"> • IR status reports, including IR strategies, issues and measures, and indicators, are fed back to management as appropriate. • Important details of the dialogue are regularly reported to the Board of Directors for discussion.

Dialogue with shareholders in FY2025

Key themes of dialogue with shareholders/investors and their reflection in management

Topics	Content of dialogue	Results of dialogue/Status of response
Management strategy & growth potential	<ul style="list-style-type: none"> • Expectations for profitability improvement and effectiveness of capital investment • Medium-term strategy • Corporate strategy based on growth story and KPIs • Expectations for growth in reuse smartphones and overseas reuse business • Consolidated income statement, balance sheet and cash flow including segment earnings • Capital efficiency awareness at other subsidiaries 	<ul style="list-style-type: none"> • Enhancement of financial results explanatory materials <ul style="list-style-type: none"> • Sales trends by merchandise disclosed for 3 fiscal years • Expansion of 2nd STREET related information • Standardization of prompt English material disclosure (timely/financial reports) and consideration of expansion (securities reports, simultaneous disclosure of financial results supplementary materials) • Continuation of information provision through sponsored research reports (including English versions)
Segment specific	<ul style="list-style-type: none"> • Request for enhanced disclosure of overseas businesses commensurate with growing interest • High interest in the impact of Nintendo Switch 2 • Request for disclosure of segment earnings information, capital efficiency, and business evaluations 	<ul style="list-style-type: none"> • Initiatives to create monthly capital cost and ROIC reports by business segment • Inclusion of exterior and interior photos of overseas stores in supplementary materials as a measure to shift stakeholder perceptions (particularly overseas) of 2nd STREET from a low-quality secondhand store image
Financial strategy	<ul style="list-style-type: none"> • Interest in acceptable debt-to-equity ratio levels considering store expansion and debt repayment needs • Dividend policy considering cash allocation • Expectations for shareholder returns after concentrated growth investment in 2nd STREET • Desire for risk management in market-sensitive business operations 	<ul style="list-style-type: none"> • Explaining the comprehensive consideration of cash allocation during individual meetings, as investors tend to focus on income statement-based perspectives • Explaining risk reduction measures for stagnant inventory through use of auctions
Governance & others	<ul style="list-style-type: none"> • Increasing questions regarding tariff impacts • Requests for small meetings and store visits • Interest in measures addressing TOPIX rebalancing and sub-1x PBR ratio 	<ul style="list-style-type: none"> • Explaining procurement ratios by country • Continuing regular IR activity reports to the Board of Directors • Securing participant attendance at small meetings

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.

<h2>Non-financial capital</h2>	<h3>Intellectual capital</h3>	<ul style="list-style-type: none"> ● Chain store management in the reuse business, which we have built over many years, is the source of our corporate competitiveness. ● Chain store management in the reuse business the GEO Group has built will be spread globally.
	<h3>Fixed capital</h3>	<ul style="list-style-type: none"> ● Our sales locations, which include about 1,800 stores in Japan and about 100 stores overseas, function as our management foundation. ● We will invest in digital transformation that strengthens the chain store management of our reuse business.
	<h3>Human capital</h3>	<ul style="list-style-type: none"> ● We actively invest in human resource development, encouraging our people to take on challenges. ● We will remain committed to producing specialists, the source of enhancement of our global competitiveness.
	<h3>Social capital</h3>	<ul style="list-style-type: none"> ● 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. ● 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.
	<h3>Natural capital</h3>	<ul style="list-style-type: none"> ● Through the growth of our recycling-oriented business, we are committed to enhancing our economic and social value ● We promote energy saving at our stores nationwide in pursuit of a sustainable society.



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"> Realization and promotion of a recycling-oriented society Climate change response: resource conservation and waste reduction 	<ul style="list-style-type: none"> 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.
Society	<ul style="list-style-type: none"> Promotion of diversity and inclusion Training specialist and talent management 	<ul style="list-style-type: none"> 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. 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.
Governance	<ul style="list-style-type: none"> Strengthening corporate governance Promoting fair trade and fostering an ethical business culture 	<ul style="list-style-type: none"> 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.” 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.

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

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