

Business Overview

While leveraging management expertise and store operations cultivated through our founding GEO Store business, the GEO Group has built its current business portfolio by expanding into multiple sectors that include reuse. Even in the context of a changing social and economic environment, our goal is a business model that always provides enduring value based on the needs of the times, and we are working to unite as a group and deepen customer experiences.



Business Divisions

GEO Business Division






2nd STREET Business Division




International Business Division




- United States
- Malaysia
- Taiwan
- Thailand
- Singapore
- Hong Kong



OPS Business Division




OKURA HOLDINGS CORPORATION




viviON, Inc.

GEO AMUSEMENT Co., Ltd.



Chelsea International Co., Ltd.



Rock Co., Ltd.



Group Subsidiaries and Affiliates

Aozora Small amount Short-term Insurance Co., Ltd.



DigiCon Corp.





A Circular Business Model that Combines Purchasing, Selling, and Rentals

GEO is an entertainment business that handles everything from movies, games, and books to used smartphones, home appliances, and lifestyle goods, with a focus on reuse, retail, and sharing (rental). Sales component ratios for FY2024 were 39% for reuse, 44% for retail, and 16% for rental. Used smartphones and tablets achieved more than 20% growth year-over-year, which has increased our presence in the market. Going forward, we will take on the challenge of creating new value through a combination of reuse, retail, and sharing, with used devices and home entertainment at the heart of our business.

Competitive Advantage

A Nationwide Network of Directly Managed Stores

We realize stable purchasing and selling by taking advantage of 967 directly managed stores around Japan and an extensive customer base that generates approximately 70 million transactions each year.

Establishing Centralized Management of Reuse

Through our expertise in inventory management, appraisals, and inspections, and the convenience of our dedicated apps, we have established an environment in which large numbers of customers can utilize our services with peace of mind.

Rebuilding Business Strategy

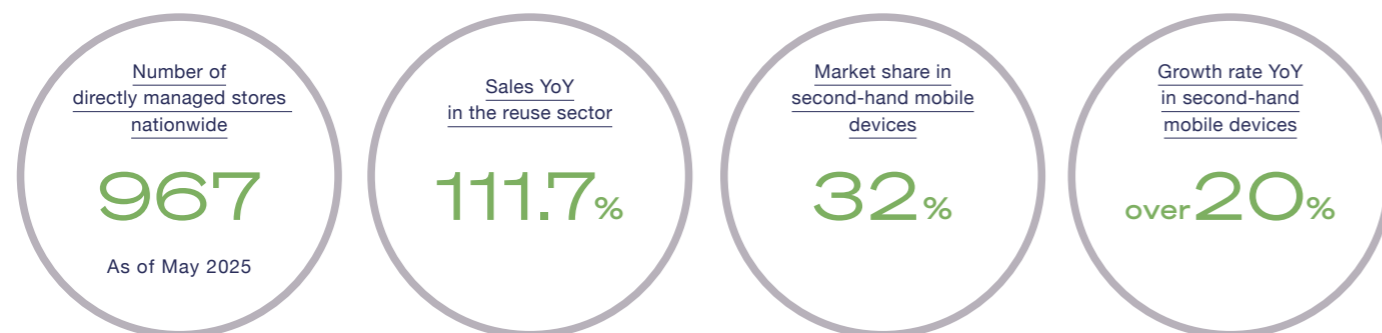
We are shifting to a structure that prioritizes the high-growth area of second-hand digital devices and strengthening our streamlined customer support system, for example, with peripheral device sales and SIM contracts.

Increasing Added Value by Developing Original Products

We are increasing sales opportunities for related products such as earphones and headphones, which have a high degree of affinity with our core businesses, and providing a shopping experience with a sense of consistency that is tailored to customer needs.

Topics

●Items that do not identify a particular fiscal year are results for FY2024 ●Market share ratios are estimates based on the Second-hand Market Databook 2024



Reflecting on FY2024 and Growth Strategy for FY2025

Second-hand digital devices achieved strong results in FY2024 with a 20% increase year-over-year. As a consequence, depending on the category, our retail business required detailed product selection and the rebuilding of MD strategy. The increase in inventory has raised concerns about worsening retail space efficiency and inventory turnover rates, and improving these is an important issue. In FY2025, we will strengthen home entertainment, with a focus on games and mobile devices, while positioning second-hand digital devices as central to generating revenue. By increasing specialization through remote support and customer service training, and by expanding services—for example, to include purchase via lockers—we will improve inventory turnover and customer satisfaction with the aim of generating sustainable growth.



Message from Management

New Lifestyle Proposals with Digital Devices at their Core



Hirofumi Morita

Executive Director Managing Operating Officer,
Responsible for GEO business
GEO HOLDINGS CORPORATION
Representative Director
World Mobile Corporation

GEO now transcends the limitations of the video rental store that was our founding business, and we have evolved to a new stage that is a fusion of reuse, retail, and sharing. With the untapped potential of approximately 300 million devices nationwide, there is significant room for growth in the second-hand digital device market. While leveraging the strengths that enable us to consistently provide everything from appraisals and inspections to reselling and mobile contracts, we are collaborating with World Mobile to build a global circular business model. In addition, we are considering the possibility of providing rentals in collaboration with manufacturers, and we intend to respond to a diverse range of demands. Our other initiatives include considering how we can lessen our environmental impact, for example, by utilizing second-hand digital devices as a resource, disposing of fewer electronic devices, and cutting greenhouse gas emissions. We continue to provide products that enrich our customers' lives, with everything from movies, games, and books to mobile devices, home appliances, and lifestyle goods. We are also committed to developing staff with greater expertise and to improving service quality, and we will fulfill our responsibility to achieve a recycling-oriented society while refining the value of customer experiences.



One of the Leading Reuse Chains in Japan with Diversified Purchasing and Selling as a Focal Point for Growth

2nd STREET reuse stores have developed the purchasing and selling business model to encompass multiple formats. In addition to our flagship format Super 2nd STREET, comprehensive used product stores that handle a wide range of items, and stores that specialize in clothing and clothing accessories, we are expanding our specialized formats to include outdoor goods, musical instruments, interiors, and more. Against the backdrop of this diverse store development, 2nd STREET is currently establishing its position as one of the foremost reuse chains in Japan, with directly managed stores as our foundation.

Competitive Advantage

Overwhelming Market Share in Clothing and Clothing Accessories

The scale of the market for second-hand clothing and clothing accessories is 591.3 billion yen*. 2nd STREET accounts for 87.62 billion yen of this total, thereby capturing the leading market share in the industry.

Capacity to Secure Inventory Through Store Numbers

In our reuse business, because the items that we purchase are added to our inventory, the large number of stores that we possess is directly connected to our strengths in stable product supply and sales infrastructure.

Deepening and Expanding the Specialty Store Format

By thoroughly investigating specialized areas such as outdoor goods, musical instruments, and interiors, we have built a diverse growth portfolio that meets specific customer needs.

Improving Operational Efficiency Through Store Standardization

We provide purchasing expertise thanks to a database accumulated over many years, and reliable service based on our standardized store layouts, thereby realizing improvements in operational precision and the value of customer experiences.

Topics

●Items that do not identify a particular fiscal year are results for FY2024 ●Figures are for stores in Japan



Reflecting on FY2024 and Growth Strategy for FY2025

In FY2024, we secured full-year, double-figure growth, with a high tempo of 50 new stores opening during the year that included the launch of our new format, 2nd STREET Interior (Furniture and Home Appliances). The need to strengthen recruitment and training has been cited as an issue brought about by this rapid growth, and we are currently rebuilding our training program with a combination of lectures and on-site practice.

In FY2025, we are simultaneously promoting property development and market research by specialist teams, with a new development format in line with market needs at its core, and we aim to swiftly expand our network of stores by investigating areas in which new stores can open.



Message from Management Promoting the shift from throwaway living



Tsunaki Ichinohe

Senior Operating Officer,
Responsible for 2nd STREET
business in Japan
GEO HOLDINGS CORPORATION
Representative Director
2ND STREET CORPORATION

2nd STREET has declared its intention to have 1,000 directly managed stores nationwide by March 2029. As we proceed with strategic store openings, we are also working to improve format development and service quality, in order to respond to changing market conditions and diverse customer requirements. The diversification of services is a particularly important issue, and we will seek to improve customer satisfaction and trust by purchasing as many as possible of the items that customers bring to our stores. The 2nd STREET business model involves connecting sellers and buyers within communities, and also contributes in the environmental sense, for example, by reducing the CO₂ emissions that arise from transporting products.

We believe that the significance of our strategy of opening new stores is about being a presence that customers can use with greater convenience on an everyday basis, and an important goal for the business as a whole is to be the first store that comes to mind when people want to buy or sell second-hand goods. Rather than an option for exceptional circumstances, our aim is for buying and selling second-hand goods to be a part of people's everyday lives, and we will strive for store management that consciously puts our customers first.

*Estimates are from the Second-hand Market Databook 2024



Overseas Business

Developing Second-Hand Clothing at a Global Level to Grow with Local Needs

With the 2nd STREET chain of specialized second-hand clothing stores as a focal point, our Overseas Business Division operates business companies in six countries and regions—the United States, Malaysia, Taiwan, Thailand, Singapore, and Hong Kong—and has developed 120 stores*. Since opening our first store in 2018, we have introduced stores in these countries and regions based on the < purchasing → selling > business model established in Japan, and on our inventory procurement capacity. We also optimize price brackets for the products that we handle to suit the characteristics of each local area, realizing a product format with the maximum level of support in each locality. During the next ten years, we plan to grow in scale by increasing the number of overseas stores to 1,000.

Competitive Advantage

A Mechanism for Overseas Expansion

We secure more stable, high-quality inventory through a purchasing scheme cultivated in Japan. While leveraging the credibility of used-in-Japan products, we are also seeking to expand and create differentiation through local procurement.

Strengthening Our Management Structure and Cultivating Local Human Resources

Having recruited not just Japanese but also many local staff, we systematically conduct management training and support the execution of practical business at an early stage.

Developing Dominance in Each Country

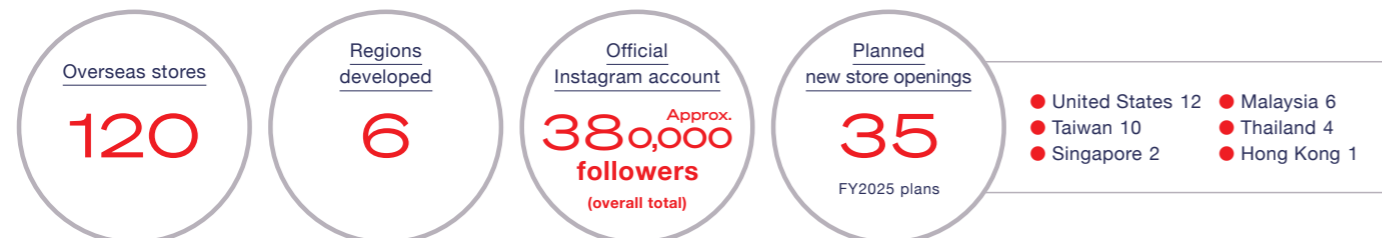
Store openings are concentrated in major metropolitan areas, where we efficiently manage distribution and human resources.

IT Infrastructure

We utilize the same in-house core systems as in Japan, realizing lower operational costs even overseas.

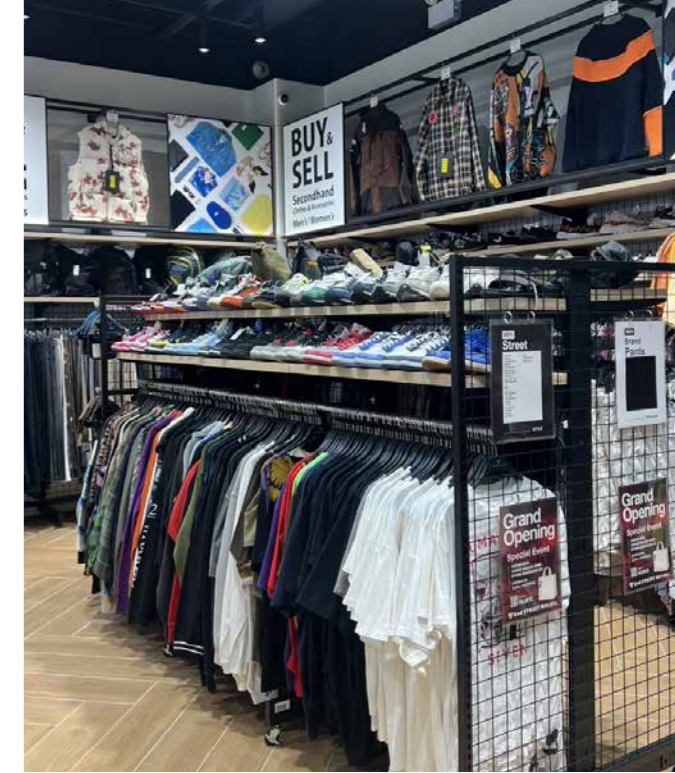
Topics

●Items that do not identify a particular fiscal year are results for May 31, FY2025



Reflecting on FY2024 and Growth Strategy for FY2025

We regard FY2024 as having been the first year of our globalization. Sales at existing stores in the United States and Taiwan exceeded those of the previous year, and we established predominance in a market environment in which few business operators that specialize in clothing have developed multiple stores. At the same time, as we accelerated our expansion to multiple states in the U.S., our response to personnel and legislation was a challenge, and we strengthened control by establishing new management and supporting legal and financial functions from Japan. In FY2025, we will newly enter Singapore and Hong Kong, while opening 32 stores in quick succession in our four existing countries and regions. In addition to the one-way flow of inventory from Japan to foreign countries that was prevalent until now, we aim to optimize distribution and dispose of fewer items by making it possible to circulate goods between overseas locations.



Message from Management

Taking on the Challenge of Expanding Our Global Market Share



Koji Kubo

Executive Director Senior Managing Operating Officer, Responsible for 2nd STREET International Business GEO HOLDINGS CORPORATION

The global market for second-hand goods is predicted to rapidly expand from 214 billion U.S. dollars in 2025 to 1 trillion U.S. dollars in 2035, although there does not yet exist a company that is the dominant leader in this market. We regard this as a great opportunity, and having opened stores in the United States, Malaysia, Taiwan, Thailand, Singapore, and Hong Kong, we are steadily acquiring fans while adjusting our product format in line with price brackets and preferences in each country. In FY2025, we made progress as planned with store openings in the U.S., Malaysia, Taiwan, and Thailand, and after monitoring the customer response to smaller scale store openings in Singapore and Hong Kong, we are now refining a versatile business model that will enable us to develop multiple stores. We will also laterally develop the operational know-how that we have cultivated in these six countries and regions, and accelerate the expansion of our market share in the global second-hand market with even more sophisticated store management that transcends national borders. Along the way, we aim to boost the name of 2nd STREET to that of a reuse chain that is known by everyone, and to obtain a dominant position as number one in the industry worldwide.

*United States: 48 stores, Malaysia: 25 stores, Taiwan: 41 stores, Thailand: 4 stores, Singapore: 1 store, Hong Kong: 1 store (as of May 31, 2025)



An Off-Price Retailing Business Connecting Companies' Inventory Issues with Consumers' Need to Economize

Luck Rack is an off-price store (OPS) business that makes bulk purchases of surplus and accumulated inventory from manufacturers and retailers, and sells new items at significantly less than their list prices. We also accept out-of-season and small-lot items that are difficult for outlets to handle, and provide consumers who are increasingly keen to economize with the fun of finding bargains, while simultaneously solving companies' inventory issues. The number of visitors to our stores is growing despite the rising cost of living, and we have formulated a road map for long-term growth with the goal of having more than 500 stores by FY2035.

Competitive Advantage

Inventory Procurement Capacity Through the Bulk Purchase of Multiple Brands

We also accept many items that are difficult for single-brand outlets to handle, striking a balance between abundant variety and lower procurement costs.

Among the Quickest Companies in Japan to Open New Stores

We have accelerated store openings to a pace of 20 each year, and we are securing first-mover advantage with our property negotiation capabilities and transaction volumes.

Efficient Store Management Structure

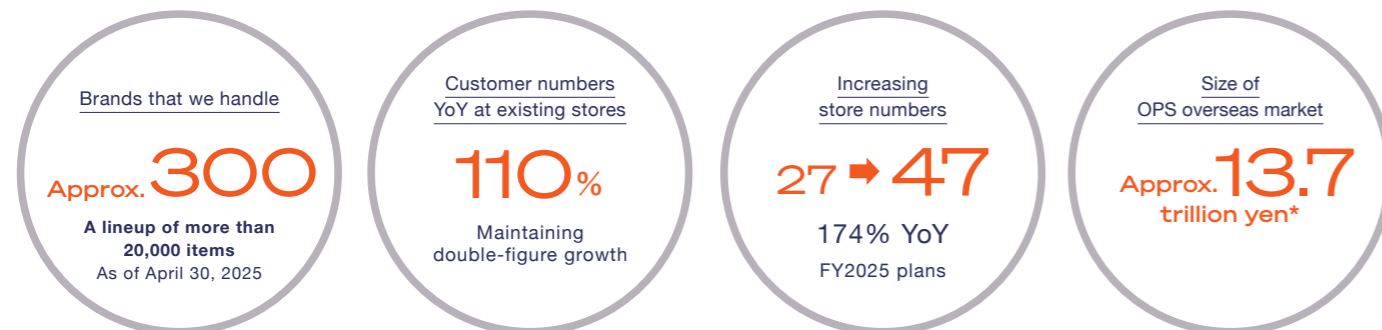
We are controlling the cost of opening and managing stores, for example, by adopting simple fixtures and fittings.

Great Locations with Easy Access for All

Unlike conventional outlets in suburban areas and tourist destinations, our stores are in locations that are easy for anyone to visit, such as in shopping malls near train stations.

Topics

●Items that do not identify a particular fiscal year are results for FY2024



Reflecting on FY2024 and Growth Strategy for FY2025

In FY2024, we focused on testing our revenue model and established treasure hunt-style retail spaces in which large numbers of different products are displayed. As a result, although the average unit product price fell, the number of customers rose significantly at 110 to 120% YoY, and we were able to create a profitable business model.

In FY2025, we aim to increase our interactions with customers by opening more and more stores, and to broaden understanding and support for our business model through in-store experiences. We place importance on enhancing customer satisfaction by having them actually handle and use products, and on increasing the number of repeating customers. We are also increasing the number of experienced buyers, developing new business partners, and working to build a stable product supply structure.



Message from Management Driver of Recycling-Oriented Growth Developed by the OPS Business Model



Yosuke Takishiro

Head of Operations,
OPS Business Division
GEO HOLDINGS CORPORATION

Representative Director
GEO CLEAR CORPORATION

The off-price store (OPS) is a business model that generates value both for customers, who are becoming more cautious in their purchasing behavior due to the rising cost of living, and for manufacturers, who have surplus inventory. In the United States, companies that specialize in OPS boast combined sales of approximately 13.7 trillion yen, and are central to the circulation of products in the apparel industry. In Japan, too, where it is becoming normal for consumers to be more sensitive to pricing, the OPS mechanism, which combines high quality with low prices, is expected to grow increasingly important in the future. Based on this social and economic backdrop, there are growing expectations that Luck Rack can open up a new market in Japan. Our mid-term target is to build a network of 500 stores by FY2035, and we are already eyeing the possibility of a future in which that number grows to 1,000 stores. As a pioneer of the OPS business format in Japan, we will contribute to eliminating manufacturers' excess inventory, catering to consumers' need to economize, and realizing a recycling-oriented society.

*Sales in FY2024 of approx. 8.7 trillion yen (56.4 billion USD) for TJX (TJ Maxx, etc.), 3.3 trillion yen (21.1 billion USD) for Ross Stores, and 1.6 trillion yen (10.6 billion USD) for Burlington Stores total approx. 13.7 trillion yen (88.1 billion USD) based on an exchange rate of 1 USD = 155 yen.



Luxury Reuse Business Developed Around Purchasing, Selling, and B-to-B Auctions

Founded in Fukuoka, OKURA HOLDINGS is a company that specializes in second-hand luxury products and was acquired by the GEO Group in 2019. We are engaged in purchase, wholesale, and retail, with a focus on luxury watches and brand-name bags, and under the trade name OKURA, we operate 22 stores in Japan, one in Taiwan, and one in Hong Kong. Our core businesses are the B-to-B auction service OKURA Market, and auctions that specialize in watches, jewelry, and bags and are organized by Japan Auction Association Inc. (JWA). These two businesses handle a combined monthly average of around 3 billion yen. Approximately 30% of sales for the business as a whole are from overseas wholesale.

Competitive Advantage

Dual Operations via Auctions and Store Sales

Through a combination of real auctions in Fukuoka and Tokyo and store sales, we are optimizing gross profit while reducing inventory turnover times.

Overseas Direct Sales Infrastructure

We are minimizing logistics costs and the impact of exchange rates with our local procurement × local sales business model, which was established in Taiwan. We are also considering operating this model in other regions such as Hong Kong and the United States.

Strengthening DX

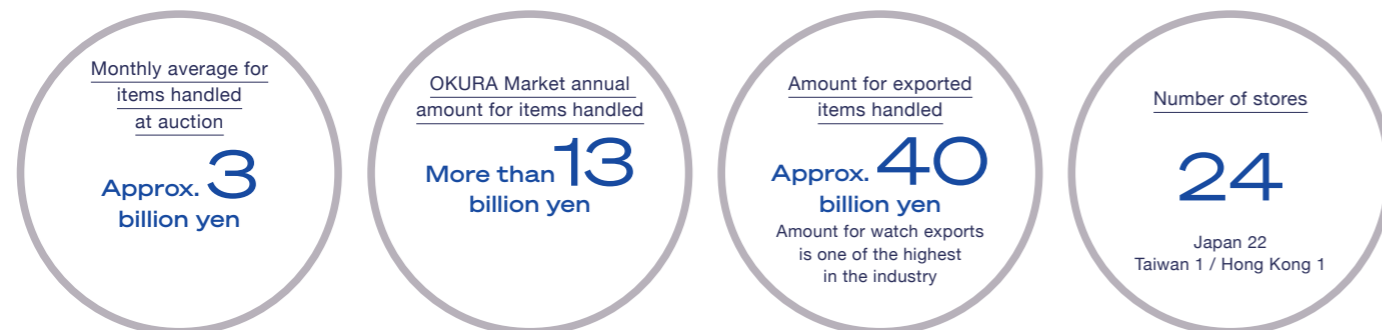
We are introducing online bidding for buyers worldwide with our new auction system, which is scheduled to go live in October 2025.

Highly Experienced Authenticity Personnel

Authenticity inspection personnel with at least three years of practical experience are permanently employed at our Head Office. They use their reliable expertise to calculate appropriate appraisal values when the authenticity of products brought to stores is difficult to judge.

Topics

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Reflecting on FY2024 and Growth Strategy for FY2025

During FY2024, we opened a directly managed store in Taiwan and created a mechanism for local procurement and sales. We also opened our VALEUR*1 store, which specializes in young vintage items, in Omotesando, Tokyo, thereby cultivating new customers in their thirties and forties. At the same time, challenges include the risk from fluctuating exchange rates that accompanies our existing auction purchasing structure and the weakness of our network for buying from individual customers.

In FY2025, we are seeking to strengthen our purchasing capacity with the launch of VC*2 in collaboration with pawnbrokers and purchasing businesses, and to significantly expand buying from individual customers by increasing the number of specialized purchasing stores. We are also establishing purchasing pathways that allow customers to choose either store-based or on-site estimates and appraisals via our online bookings system, and creating a structure that enables them to effectively use our physical stores. Furthermore, by participating in trade fairs aimed at businesspeople from overseas, we will improve our resistance to fluctuating exchange rates.



Message from Management

OKURA as a Byword for Luxury Reuse A Business Model Originating in Japan for Bringing Joy to the World with Reuse



Kiyohiko Koga

Operating Officer,
Responsible for luxury business
GEO HOLDINGS CORPORATION
Representative Director
OKURA HOLDINGS CORPORATION

OKURA HOLDINGS aims for a society where items with value are circulated, and we are developing our reuse business to connect those who wish to relinquish their goods with those who wish to buy them. Watches and bags are items that express people's preferences, but if they are appropriately circulated, they are also assets that transcend generations and national borders. It is our mission to be a bridge between the two, as an impartial distribution platform with a reliable, expert eye for appraisal. In FY2025, we are establishing purchasing pathways that help strengthen the buying of luxury products, and we will increase our ratio of direct purchases. In order to mitigate the risk of purchasing fake items, we maintain accurate appraisal through comparisons with actual items and on-site training in which our employees handle genuine goods on an everyday basis. We are also laterally developing our business model of local procurement × local sales, which was established in Taiwan, across more than ten countries and regions. We will expand our sales channels by participating in trade shows in North America and conducting online sales. In addition, we circulate products purchased overseas via auctions in Japan, and we intend to build a portfolio that counteracts the risk of fluctuating exchange rates. Through these measures, our goal is to be the leading company worldwide in the field of luxury reuse.

*1 VALEUR categorizes items from the 1980s onward as 'young vintage.'

*2 Voluntary chain (VC): An organizational format in which independent retailers, wholesale traders, etc. leverage economy of scale by collaborating to undertake procurement and sales, with the objective of improving competitiveness and efficiency.



Globally Developed Platform Operations Business for Virtual Content

With the mission of ‘making all virtual geeks happy,’ viviON operates a one-stop, participatory creative platform for the creation, distribution, translation, and merchandising of virtual content such as fanzines, games, ASMR, and audio dramas. In addition to our flagship DLsite, we have developed the audio comic app comipo, the illustrator support service GENSEKI, and the virtual VTuber group Aogiri High School. As well as online shopping, our comprehensive online store viviON BLUE is working on sales at physical stores, for example, by opening stores overseas.

Competitive Advantage

A Platform for Creators Producing Exclusive Titles

Thanks to trusting relationships built up for more than twenty years, DLsite has become a focal point for attracting original works and maintains a leading position in terms of the number of Japanese doujin (self-published works created by fans) on the platform.

A Multilevel Monetization Platform

In addition to digital sales, our company provides a complete service that includes everything from audio to ASMR, VTubers, merchandise e-commerce, and real events. Our annual usage amounts per user are also increasing.

IP Expansion Driven by Aogiri High School

The popular VTuber group Aogiri High School is increasingly popular among young people, both in Japan and overseas. They are generating an influx of new fans through ASMR that links with game IP and merchandising campaigns.

High-Speed Global Development with Translators Unite

This network of over 20,000 translators has made it possible to translate into multiple languages, and we are gaining paying overseas users while preventing the distribution of pirated versions.

Topics

●Items that do not identify a particular fiscal year are results for FY2024



Reflecting on FY2024 and Growth Strategy for FY2025

In FY2024, we grew to 15.6 million members (+2.6 million YoY) and broke our previous records for both the number of creative works and number of paying users. In addition to QR code payments and electronic money, we established a secure payment environment by strengthening our payment monitoring criteria. Going forward, we will expand our range of payment methods, including an original payment method. In FY2025, we will expand our virtual economic zone by 1) Achieving an overseas sales ratio of 30% within five years through multilingual development centered around South-east Asia, 2) Expanding our fan demographic with comipo and VTuber merchandise, and 3) Strengthening our revenue base by further improving multi-currency payments and payment monitoring.



Message from Management Toward Popularizing the viviON Brand Name Worldwide



Kosaku Akashi

Representative Director
viviON, Inc.

Although DLsite, which was launched in 1996, started from the niche field of doujin, it has grown to become one of the leading sites in Japan* in terms of the number of creative works we handle and the number of creators with whom we do business. Our strengths include the relationships of trust that we have built up with creators over many years, and a lineup of creative works that can only be accessed using viviON. Going forward, we will maintain our approach of fulfilling creators’ needs and enhance our structure for looking after original creative works. In recent years, the line between commercial e-books and doujin digital content has rapidly become less distinct, the market has spread across the world, and even overseas, casual fans are developing into committed enthusiasts. With the goal of increasing our overseas sales ratio to between 30 and 40% within the next five years, we will accelerate our activities in the field of translation with Translators Unite and by developing our services in 13 different languages, thereby capturing the resulting demand. From FY2025, we are unifying service IDs and points with viviON ID and increasing migration and transaction frequencies between services, with the ultimate aim of viviON becoming a global brand that is associated with virtual content.

*From viviON estimates of market share on doujin sales platforms.