



GEO Group's Strategy for Human Capital

We believe that capitalizing on the diverse personalities and strengths of all employees is the driving force behind the value that a company creates.

Through our corporate culture of training individuals who can respond to change and supporting them in their challenges, we will continue to achieve sustainable growth and improve our corporate value.

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Interview with H.R. Management

The GEO Group has announced its long-term vision of reaching 5,000 stores and ¥1 trillion in consolidated net sales by FY 2035.

The employee training jointly provided by the Global Organizational Development Office and GGU (GEO Group University) Personnel Training Department supports the achievement of this vision.

In the following discussion, the heads of both these departments talk about the GEO Group's human-capital strategy, including differentiation from competitors, the strengths of leveraging the Chain-Store Principle (a multi-store management system that enhances consumer activity), [Rotation Education](#), [U.S. training programs](#), and [Cultivating Specialists](#).



Yoshifumi Takeichi
General Manager
Global Organizational Development Office

Masayuki Kawabe
General Manager
GGU Personnel Training Department

What are the roles of the Global Organizational Development Office and the GGU Personnel Training Department, respectively?

Takeichi The mission of the Global Organizational Development Office (GODO) is to develop a “future organizational chart” that indicates what kinds of organizational units to create by when, to what extent, and how to develop and assign the necessary talent, in line with the management. Calculating backward from the major goal of 5,000 stores and ¥1 trillion in consolidated net sales for the group by FY2035, the timing, number and types of executives and specialists required are determined. For this purpose, a talent pool has been organized from a list of candidate executives and specialists, where we manage items such as job rotations and hiring plans to build organizational units. The GODO

is also responsible for designing the organization in a way that keeps the entire group moving in the same direction, which is achieved by receiving feedback from employees about their learnings at each of their assigned positions to the head office.

Kawabe GGU Personnel Training Department (GGU) is our internal university. Its role is to implement the company's personnel training policy, which involves the “development of a corporate culture that enables all employees to continually learn through self-study and personal development.” Based on the Chain-Store Principle, we design and manage a variety of programs including hierarchical and rank-based training, selective training, and overseas training.

What are some specific ways in which the two

organizations coordinate with each other?

Takeichi The GODO maps out who to develop and where and when that development should take place, then GGU implements their training. We also consider things such as which assignments would be the best fit for employees based on their post-training reports as well as how to make our training even more advanced.

What are the strengths of the personnel strategy?

Takeichi We always adopt a bottom-up approach to management. Even our executives are assigned to store locations at fixed intervals to give them the opportunity to learn. This is part of the job-rotation system that exists for training purposes. When those in upper management positions directly interact with the customers in our stores, they gain a better understanding of the challenges

and how to address them, which allows us to achieve growth for all employees and to improve our enterprise value. And as we develop multiple lines of business both within Japan and abroad, we are also capitalizing on the common foundation we have developed through avenues like employee training, transferring employees across business such as GEO, 2nd STREET, and Luck Rack. Through this diverse on-site training at many different locations, we are committing to the development of specialists who can make optimizations that take the big picture into account instead of focusing solely on improving their own departments.

Kawabe We have developed a career development program (CDP) that consistently focuses on a point 15 years in the future. This program works in tandem with our HR systems like job ranks and evaluations. One advantage is the support systems we have created within GGU that enable all employees to clearly understand the steps they need to take to be promoted to certain positions and what skills and knowledge they should acquire. This is not just about short-term results; rather, it helps us establish a corporate culture that encourages self-directed learning and growth over the long term. By hastening the permeation of our value standards and training with a



The organizational units to create, their duration, who to assign to them, and how to train those individuals

focus on in-house production based on the Chain-Store Principle we have cultivated through the operation of multiple stores domestically and abroad, we are able to achieve both low-cost operations and consistency across the organization, which clearly differentiates what we do from the personnel strategy employed at most companies.

How do you measure the results of human capital investment?

Have you released any numbers regarding that?

Kawabe While our personnel training is based on a long-term perspective, one indicator is the pace at which we are opening new stores—over fifty per year. This number of new stores is evidence that we have created a solid system for training store managers, area managers, and other administrative positions. Also, when it comes to integrating other organizations after a merger or acquisition, we have been able to do so smoothly while avoiding any chaos and minimizing gaps in awareness by utilizing the Chain-Store Principle and our in-house glossary. And by reassigning executive employees to store locations, we’ve received one or two improvement proposals every week from each of them, which have been developed into concrete plans and implemented. This has led directly to improvement by streamlining store operations and encouraging the development of new services. This sort of employee growth creates a positive feedback loop that boosts performance and has even allowed us to develop new store formats.

What is the outlook for the future of personnel training?

Takeichi To realize our management policy of “Change as Chance,” we must perceive changes as growth opportunities and cultivate substantial numbers of executive and specialist candidates. Specifically, by FY 2030, we are aiming to increase our specialists by two hundred compared to FY 2023. I want to unite the



Developing a corporate culture that enables all employees to continually learn through self-study and personal development

front-line intuition obtained through job rotations with a management perspective enhanced by coordination between the GODO and GGU as we continue to strengthen our framework that naturally links the personal growth of each employee with improvement in our corporate value. At the same time, we will continue designing our organizations and rotating our personnel so that we do not lose our “backbone,” even as we bring on many new and diverse human resources to support the rapid expansion of our businesses.

Kawabe On the training front, we are planning to develop a global-scale program that includes foreign locations while building a culture of learning throughout the company and further increasing our number of specialists. If we can share our knowledge and values in a way that transcends national and regional boundaries, then we should even be able to transfer people from places like Malaysia and Thailand to Japan to serve in management positions. I also want to focus on programs that produce the leaders of the next generation from within the company—individuals who can form the backbone of our management. By further developing the CDP and cultivating future managers, we can achieve continual innovation and business expansion.

Rotation Education System for Building Skills and Careers

“Rotation Education” is the foundation for career building at GEO Group. In this round-table discussion, four managers talk about the things they learned in their rotation education and how it helped them grow.

Isana Shiotsuka

Manager, Education Restructuring Section,
GGU Personnel Training Department

Hiroshi Muramatsu

General Manager,
H.R. General Affairs Department

Masanori Takai

General Manager,
2nd STREET Store Operations Department

Eriko Fujita

Manager, Self-Storage Business Section,
Self-Storage Business Department

Rotation Education is a system that simultaneously enhances employee growth and overall company productivity by combining off-the-job training (Off JT) with on-the-job training (OJT) via employee reassignments. One of its main features is that it makes it easy for employees to immediately apply the new knowledge and perspectives they acquire to their work. This is made possible by seamlessly integrating the Off JT overseen by the GGU Personnel Training Department with the job rotations scheduled by the Global Organizational Development Office (GODO). All new graduate hires begin their careers working in a store to gain frontline understanding. By experiencing multiple departments and positions, employees develop the broad perspective required to become executives or specialists, while also learning to flexibly drive system reforms and adapt to new business formats.

Yoshifumi Takeichi

General Manager, Global Organizational Development Office

Our company’s Rotation Education isn’t simply the reassignment of personnel—it is a combination of personnel transfers and off-the-job training. By cycling employees between store locations and the main office, we achieve personal growth for those employees while accelerating the development of new businesses and solutions for organizational challenges. And this, in turn, helps our company maintain its competitive edge.

Executive employees are also subject to Rotation Education → “returning” rotations
A few years ago, we started having executives and other managers who haven’t worked in a store in a long time return to those locations for a certain period of service.

- Goal**
- Assign managers who have worked in the main office for a long time to stores so that they can regain the sense of being on the front lines and more easily detect new problems and propose solutions for them
 - Immediately share acquired information via reports and meetings so that specific proposals for needed changes can be supplied to the organization

Discussion

— Experience with Rotation Education

What did you think about Rotation Education?

Shiotsuka As a manager in the Training Department, I think that Rotation Education is a method that fulfills two objectives: it cultivates individuals who can contribute to company growth, and it assists employees with career building. The idea is that experiencing various positions and duties during our rotations provides us with a better understanding of the company's business structure while we acquire expertise in the strengths of each domain and learn to play a central role in our organizations. And fluidly moving between the front lines and the main office makes it easier for us to build our personal careers.

Muramatsu These past few years, we have also been doing more “returning” rotations where general managers (GMs) and managers experience working in a store for about half a year. In addition to the new policy for personal assignments, I feel like the vibe within the company has changed. It never made sense for people who are unfamiliar with the situation in the field to make policy decisions, plus the words and actions

from people with such experience are more persuasive. The significance of “returning” rotations is therefore considerable.

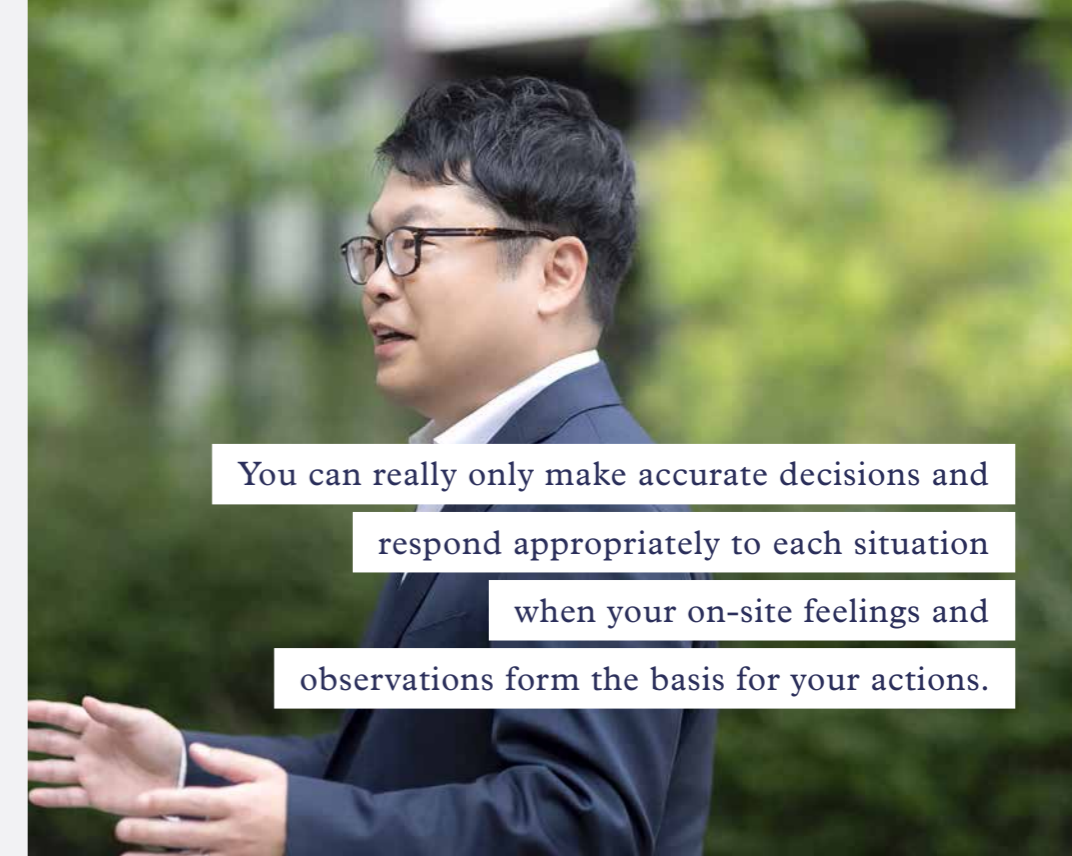
What sort of skills did you hone through Rotation Education?

Muramatsu Reflecting on my initial store experience as a fresh graduate and on the “returning” rotation I did last year, I feel that they both came to serve as the foundation for my career. Even if the details of your work or the issues you encounter are different, you can really only make accurate decisions and respond appropriately to each situation when your on-site feelings and observations form the basis for your actions.

Fujita I began my career with at GEO Group after graduating from school. I worked in various areas such as in-store sales promotions, e-commerce, and as a buyer before arriving at my current position as a manager in the Self-Storage Business Section. Lately, I have realized that the things I experienced through the Rotation Education are connected in a continuous line, rather than existing as isolated points. At the location I worked at just after joining, I witnessed with my own eyes how the store manager displayed leadership and was therefore trusted by the part-time workers. Since the leader had a better understanding of the actual situation in the store, the surrounding people had confidence in them, and the work proceeded smoothly. Even in the current Self-Storage Business Section, there are times when the manager accompanies customers, and I feel that this helps build trust within the team. For me personally, my experience working in the store is something that I am putting to good use in my current role as well.

What was your impression of the store work you experienced through the “returning” rotation?

Muramatsu Not only had it been 18 years since I worked in the field, I was also assigned to 2nd



You can really only make accurate decisions and

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observations form the basis for your actions.

STREET, which I had no prior experience with. So at first, I was worried about my skills and stamina. However, I found that by following the skill map for gradually acquiring tasks, I could manage store operations without any difficulty. However, I noticed some things for the first time, like the fact that the manual was inadequate in places.

Takai After serving as the manager of a GEO Store then gaining experience as an area manager and GM, I worked for six months in a 2nd STREET store last year as part of the Rotation Education program. It was rough after not working in a store for about 20 years, but I ended up having an enjoyable and fulfilling time there. However, I realized during this assignment that I had fallen into some managerial bad habits, like thinking an issue was resolved just because I gave some instructions to the store manager or another manager. Since then, I've been more conscious of also communicating the true nature of the issue to subordinates when directing them to make improvements—namely, what the problem is and why the improvement is necessary.



On-the-spot decision making,

including making informed judgements

based on firsthand observation,

is essential for continual company growth

How are you utilizing the knowledge and skills you refreshed through your “returning” rotation in your current work?

Takai The manuals and mechanisms that form the basis of our operations function in a way that allows even inexperienced people to perform standard store tasks within a certain amount of time. While I felt that was true, I also noticed some issues with them and places where they could be optimized. Six months of “returning” rotation got me into the habit of questioning such manuals and discovering problem areas within them.

Shiotsuka Currently, I train personnel. My work in a store has been useful for my current duties because it allows me to teach based on my knowledge of how things are on the front lines. Also, prior to my “returning” rotation, I was working in the D&I Promotion Section developing a system to support the advancement of women. But when I went to work at the store, I faced the reality of the situation: it’s difficult to take time off when there’s only one employee on duty. Even if you develop a system, it will not help women advance when the status quo remains unchanged. I see the gap between the ideas we have in the main office and the actual situations confronted by store workers, and that became the first step for me



Six months of “returning” rotation got me into the habit of questioning such manuals and discovering problem areas within them

to consider how we can bridge that gap.

Do you have any thoughts about the principle of “on-the-spot decision making” within personnel training?

Takai The workplace (store) is both “the place where everything is expressed” and “the place where we are evaluated by customers” for those involved in the business. But when you are physically separated from the stores, your recognition and understanding of that reality start to slip. Therefore, it is essential that people working in the main office directly experience the atmosphere of our stores from time to time. The main office needs to accurately extract information like the current state of the stores, what problems they are facing, and what they want from us. I believe that the “returning” rotation is one part of that process.

What insights or learnings did you gain through submitting the Kanbunhan report?

Takai Kanbunhan (Observation, Analysis, Judgement) is a process in which you consider the data, form a hypothesis, then test that hypothesis at the worksite. Repeating this process provides the mindset you need to detect problems. This then becomes the starting point for questioning what purpose the work is intended to serve and for eliminating the gap between the main office and the front lines. In addition, it is important to consider how to bring the sense of urgency felt at the worksite back to the main office. The Kanbunhan mindset is a powerful method for honing the skill of “searching for the things that are unseen,” which is necessary for responding to unforeseen circumstances in the field.

Muramatsu In Kanbunhan, there is this principle that “facts must be confirmed on-site and with actual objects.” When you try to analyze from a distance, there is a gap with the reality of the situation, which causes you to miss the target.



We are strongly expected to propose “reform plans” that reduce the burden on the front lines

Shiotsuka Ultimately, we have to create respective improvement and reform proposals for each problem. The improvement proposal includes anything that can be implemented immediately, while the reform proposal mobilizes organizations and systems to achieve a permanent solution to the problem. As employees who’ve experienced this sort of job rotation, I believe that we have an obligation to develop long-term and cross-functional systems and mechanisms for the problems that are common to all stores. We are strongly expected to propose “reform plans” that reduce the burden on the front lines.

Fujita In new business development, we sometimes rely on former logic without seeing the reality of the situation for ourselves. It is only on the front lines that we can discover the answers to questions like, “What does the customer think about this business?” and “What mechanisms are needed here?” I now feel that a business cannot even be built without on-site field experience. On-the-spot decision making, including the “Kanbunhan” idea of making informed judgements based on firsthand observation, seems essential for continual company growth.

Learning the Merchandise Policies of Chain Stores in the United States

Training Employees and Enhancing Sales-Floor Strategy Through U.S. Observation

In the observation program, which takes place over a six-day period, employees refresh their understanding of the Chain-Store Principle while examining and analyzing the ways in which American retail companies are responding to change. The employees submit their findings in reports and have them approved by management, which has increasingly led to new initiatives being tested in stores.

This accumulation of learning from cutting-edge foreign companies is being steadily applied to the restructuring of our existing businesses through product development and reforms as well as to the creation of new lines of business that will carry us into the next era. As we continue to transpose the changes that are occurring abroad to our own market and competitive environment, we aim to improve our enterprise value by incorporating the knowledge gained through the observation program into the implementation of our strategies.



The GEO Group regularly conducts store-observation training in the United States as part of its personnel training. In America, which is famous for its retail industry, major chain stores such as Walmart and Target are making major innovations in their businesses, and this training program has provided a valuable opportunity for our employees to witness these advanced initiatives firsthand, including those involving store management, logistics operations, and DX integration.

What participants are learning



Takeharu Koga
Retail Product Division
General Manager

I was impressed by the way that Walmart stores preferentially zone their products, with televisions, video games, and mobile products comprising 49.8% of their entire entertainment sections. Their main product categories are clearly defined, and they effectively display large quantities of private-brand (PB) products for the price ranges that sell the most. There was a wide assortment of such items. At the same time, there were many related products (accessories). I learned a lot about how to design the ideal sales floor from this experience. Moving forward, I want to reevaluate the design of our sales floors—particularly when it comes to the entertainment section, which is one of our strengths, and create some guidelines for those activities.



Yuichiro Tokiwa
Retail Product Division
Manager,
Product Development
Section 1

Regardless of the product type or category, maximizing our gross profit is a must. We cannot fall behind our competitors in terms of achieving our target gross-profit margins and price appeal as we aim to offer joy to the everyday life of our customers through the in-house development we are capable of. We must remain ever vigilant, to ensure that our thinking does not unintentionally reverse from a market-in mindset to a product-out mindset. If we suggest too many features and lifestyles, we create the risk that our product lineup will become extremely diverse, which could dilute our company's format and create a sense of ambiguity with regard to our company-wide policies. I learned in my U.S. training that mutual communication about the medium and long-term visions as well the implementation of the PDCA cycle are minimum requirements for a chain store to succeed. I also recognized once again the importance of sharing specific and quantitative targets.

Number of Participants

FY 2024

22
people



FY 2025

89
people

Conducted twice in FY 2025

Location



Details

- Exploring and observing chain stores and shopping centers
- Group discussions and presentations related to what was observed

Incorporation into Our Future Retail Strategies

American retailers are characterized by their focus on the depth of their product offerings within the most popular price ranges. They clearly define the price points and offer the greatest selection of items at those values. The GEO Group will continue to implement the following points within its retail strategies:

- Determining the most popular price ranges within the market (forming a hypothesis)
- Setting the price points as the lowest prices within the most popular price ranges
- Keep the upper limit of the price range within three times that of the lower limit

Cultivating Specialists

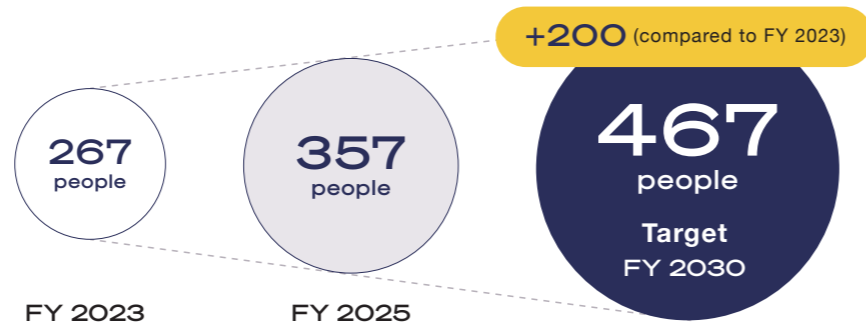
What is a specialist?

Specialists are individuals with a wealth of knowledge and experience who can shift the numbers in a positive direction. In practical terms, they are responsible for achieving numerical targets, and they are recognized as experts by those around them. Under our company’s system, they are either S-rank or M-rank employees. If we can assemble a large group of specialists that work in different areas but are linked throughout the company, we can accelerate the realization of our corporate philosophy and vision and the achievement of our management goals. Cultivating specialists who can succeed in the global arena is a key policy of the GGU Personnel Training Department.



Number of Specialists

We are aiming to increase our specialists to 467 by FY 2030.



One of the pillars of the GEO Group’s human-capital strategy is the nurturing of specialists. Specialists, who are employees capable of driving an organization forward while achieving numerical targets in each field, are essential for diversifying into many lines of business such as second-hand goods, mobile products, and overseas expansion.

Steps for Cultivating Specialists

Step
1

Learn the scientific method

Our company always adopts a logical thought process known as Kanbunhan (Observation, Analysis, Judgement) in all its daily tasks, weekly reports, and training challenges. We encourage our employees to repeatedly use data to examine their workplaces and products then conduct experiments to deduce the improvements and reforms that are needed, rapidly rotating through the PDCA cycle. Going beyond training to develop a framework in which employees can independently suggest improvements has led to scientific thought and behavior.

Step
2

Learn the principles off the job

Employees learn the Chain-Store Principle through a variety of programs such as hierarchical and rank-based training, selective training, and U.S. training. The GGU Personnel Training Department offers a systematic curriculum that also includes support for self-development through required reading and e-learning.

Step
3

Gain experience on the job

Cultivating specialists is all about accumulating diverse experiences through on-the-job training facilitated by scheduled job rotations, called “Rotation Education.” By experiencing multiple job positions that include areas such as store operations, main-office duties, and product development, employees learn to perceive problems from different viewpoints while they polish the skills they need to achieve numerical targets. Repeatedly engaging in this on-the-job training and off-the-job training helps build the foundation needed to become a specialist.



Through this process, we will continue to internally produce individuals who form the core support for our long-term vision and lead us to even further business growth.

Specialists from Diverse Backgrounds



Specialist in the Operation of Foreign Store Locations

Creating three Foreign Corporations by Continually Stepping into the Batter's Box

Sadaharu Deguchi

General Manager, Hong Kong Business Division

In 2003, I was hired for a part-time job at a 2nd STREET store. I subsequently worked as a store manager and then an area manager until I was transferred to the main office, where I oversaw business planning for the entirety of 2nd STREET. The perspectives I developed in the field as well as my planning experience at the main office became the foundation for my later work on our foreign expansion.

In 2018, I joined the office of the president, where I discussed with the president what we should do next to grow our second-hand business. That's when I suggested that we expand into some foreign markets as part of our long-term growth strategy. A strategic decision was made to advance into the Taiwanese market, a move that I had analyzed beforehand. As the person who suggested the expansion, I was made responsible for it and directed to create a local subsidiary there.

After completing our final on-site preparations, we established a Taiwanese corporation in 2019, then opened our first store there the following year in 2020. Even under the adverse conditions of the COVID-19 pandemic, we

managed to open 32 stores in roughly a four-year period, and in 2024 I was entrusted with the establishment of corporations in Singapore and Hong Kong as well. I am currently overseeing the Hong Kong Business Division, which opened its first store this past May as we lay the groundwork for that region.

Foreign expansion is one of the strategies supporting the growth of the GEO Group. As we continue to expand into new countries, I want to contribute to the realization of that group strategy by focusing on the training of the next-generation leaders who will manage our foreign corporations.

Looking back, the most valuable thing at our company was being given the chance to continue to take on challenges without fear of failure. This corporate culture of fearlessly facing challenges helped temper me and gave me the power to advance our business. Even now, I still hold the conviction that my field experience is the starting point for my work, and I'll occasionally visit one of our stores to identify problems.

At the GEO Group, we know that the existence of specialists who can leverage their abundant knowledge and experience to guide us to the achievement of numerical targets is essential for accelerating the resolution of management issues and the realization of our vision. In this feature, we focus on four specialists who have achieved results in their respective fields, introducing the challenges they have faced along the way as well as their thoughts on the future.



An International Trade Specialist Well-Versed in Foreign Languages

Wielding Skills in Language and International Trade to Demonstrate Value as a "Translator" in the Global Market

Bai Rin

Sales Section, Digital Products Partner Department

I was born in China and came to Japan in 2010, after I graduated high school. After graduating from a Japanese university in 2014, I engaged in various lines of work such as selling used cell phones at a major mobile provider's store. But I wanted to become more involved with telecommunications and digital devices from a broader perspective, so I joined this company, which at the time was recruiting personnel for its business that exports second-hand digital devices overseas. Since coming onboard, I have experienced positions such as assisting with business-to-business sales, developing store manuals for the purchase of used mobile devices, and translating store POP displays into Chinese.

When World Mobile, which does business in Hong Kong, was made a subsidiary of GEO Holdings in 2017, I was approached by my supervisor at the time, who recognized my understanding of the local culture, and was transferred.

I am currently in charge of B-to-B sales, and I am also involved in our advance into the markets of Southeast Asia.

I was awarded the FY 2023 President's

Award in recognition of my establishing a route for selling old smartphones and game consoles—which were formerly sold off to scrap merchants for a low price—to repair companies and resellers in China and Southeast Asia for a higher price. This has become a sustainable line of business for us, and we are shipping over 10,000 units per month.

In this industry, the development and deployment of AI and other technologies is advancing at an extremely rapid pace, and we must constantly challenge ourselves and absorb new ideas, because those efforts will definitely return to us in a positive way. Our company has a culture of recognizing such challenges and supporting us as we face them. I want to continue utilizing my language skills and trade expertise to support the growth of the company.



Specialist in Training Store Employees

Transforming One's Strength in Customer Service into a Corporate Asset

Yuki Yonaha

2nd STREET Stores Management Department

Manager, 2nd STREET Education Promotion Section

In 2007, I joined the company after being promoted from a part-time position at a GEO Store to a full-time employee, and was transferred to 2nd STREET in 2014.

It was a bewildering time for me because I did not know enough about the products in that new industry. But after showing the staff in detail how to serve the customers (which is a strength of mine), we created a store environment that supports its customers, and as a result the number of visitors to our location increased.

Backed by one of my supervisors who saw what we had done, in 2019 I began working as an employee instructor for over 60 stores in the Kyushu area, and in April 2024 became a manager in the newly established Education Promotion Section.

I am currently involved with the initial training at new stores as well as improving our customer service at existing stores. For example, I have distributed the service checklist I created when I was an instructor to all our stores in Japan, and I have been providing support for the initial training of part-timers. Also, since there are some details that

do not get communicated due to the increase in our number of stores, I have been conducting some group training sessions for part-time employees.

As a result of continually providing guidance on customer service, which is one of my strengths, I was recognized as a specialist in that area. And I realized that by maximizing my strengths, new career paths could open up. I have also been working here while raising three children, and I have been applying some of that experience to employee training. I want to continue showing my juniors what it looks like to be a working mother.

Moving forward, I also want to strengthen our coordination with the training-related departments that have been established for each business so that we can continue to offer high-quality customer service even as our number of stores grows. Since our company is aiming to be the overwhelming number-one contender in the second-hand business, I will continue to work to ensure that our customer service is also number one.



Specialist in Overseas Business Expansion

Leveraging Experience in Managing Overseas Business to Contribute to Further Growth of GEO Group

Takayuki Yamamoto

General Manager, Global Research Department

I joined the company in January 2024 as an overseas operations specialist. Now, I am working as general manager of the Global Research Department that was launched in April 2025.

I have been stationed overseas four times so far in my career at different companies, including for overseas sales for a major electronics manufacturer, management at a trade company, and the overseas business of a restaurant chain. Capitalizing on this knowledge and business skills, I now devise plans for launching new businesses abroad.

The primary mission of the Global Research Department is selecting the best countries to expand our business into. I analyze business plans based on feasibility studies that take everything into account, even practical aspects such as the local laws and regulations, import and export systems, etc.

Overseas expansion is essential to the further growth of our corporate group. We have now finished the first stage of our advance into overseas markets, and we are now entering the second stage for which we need a more precise strategic vision. What we require now is a system that integrates

everything from strategic planning through business execution.

Whereas before we simply chose the countries that would be easy to move into, we now need to make some strategic decisions that consider things such as structural changes in markets as well as potential risks. We will analyze the business environment and the feasibility of expansion, starting with determining whether it is possible to export second-hand clothing. The key is that we keep searching for solutions to challenges even when expansion is difficult, so that we can arrive at the optimal business categories and strategies.

When it comes to our corporate group's overseas businesses, we have an advantage that other companies do not—the second-hand business expertise that we have cultivated over many years. The Global Research Department will continue to leverage this advantage to the maximum as it accurately identifies new markets and produces solid results.

D&I and Human Capital Indicators and Results

Promotion of Diversity

Our corporate group aims to be a place that recognizes the diverse values of people, allows its employees to exhibit their individuality and abilities as much as possible, and enables workers to perform their duties without experiencing discrimination.

Active Participation of Female Employees

We have established a system that permits female employees to balance life events, such as child-birth and childcare, with career development and that enables each one of them to choose flexible workstyles. The rate of acquisition of childcare leave for FY2024 was 117.9%. Our corporate group has formulated an action plan for realizing an environment in which women can succeed and all employees can work comfortably.

LGBTQ

We have introduced a same-sex partnership system. Employees who have registered with this system are regarded as having partners in the same way as married couples. They are entitled to benefits from the company, such as congratulatory or condolence leave and congratulatory or condolence payments.

Employment of Persons with Disabilities

The rate of employment for persons with disabilities in our corporate group is 2.87% (as of March 31, 2025), which exceeds the legally mandated rate of 2.5% in Japan. In 2010, we established GEO BUSINESS SUPPORT CORPORATION a subsidiary for promoting the employment of people with disabilities. Employees of this company are working as store staff or on teams that specialize in store and office cleaning services. In January 2020, GEO BUSINESS SUPPORT received an award from the governor of Aichi Prefecture as an excellent company in terms of the employment of persons with disabilities.

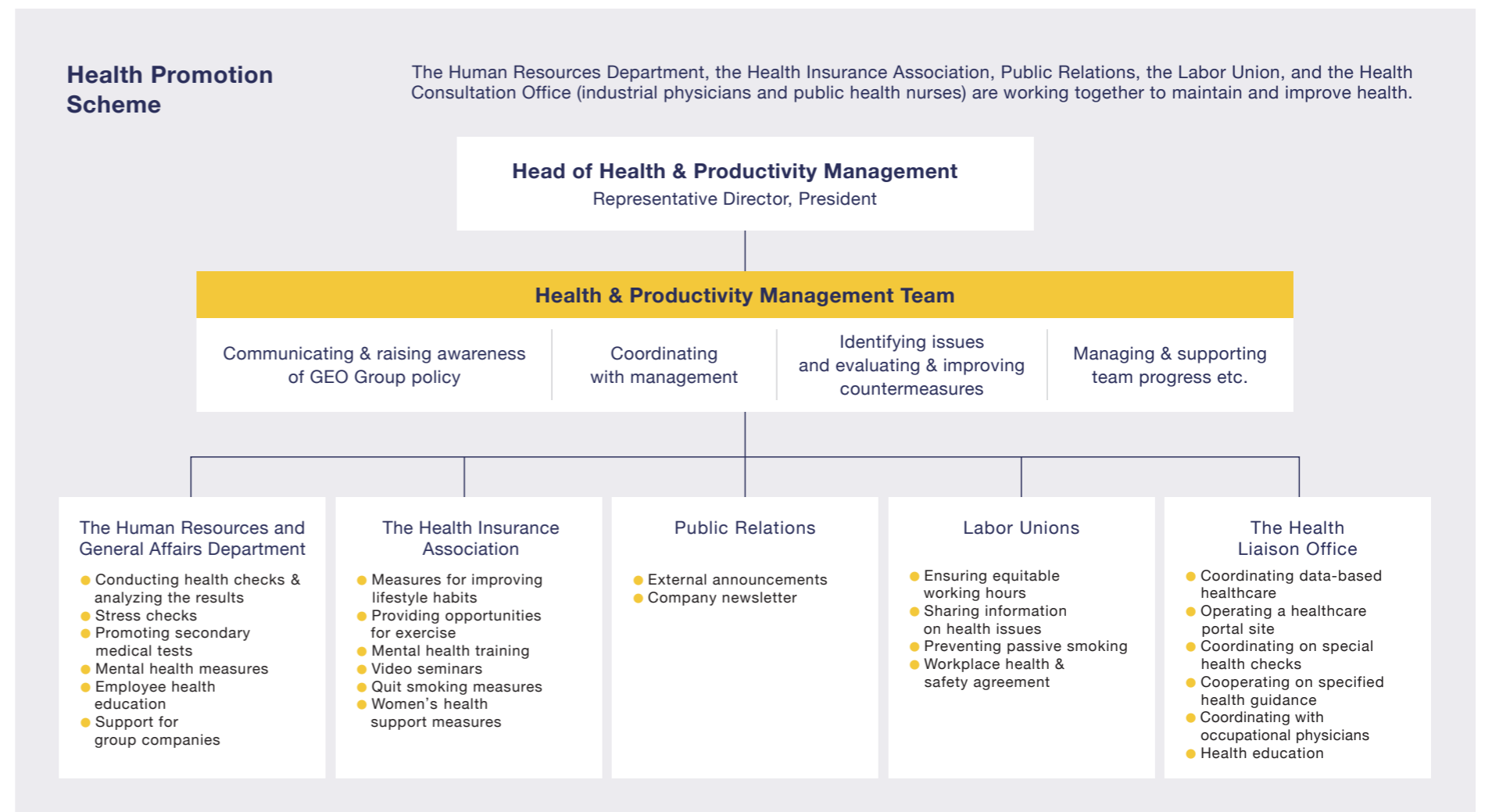
Revision of the Dress Code

For the purpose of establishing an environment where employees respect each other's diversity, we revised the dress code to abolish gender-specific descriptions and unify the rules. We will continue working to create an environment where people can be themselves while they work, without regard to factors such as race, age, or gender.

At GEO Group, we respect diverse values and drive initiatives to create an environment in which the individuality of each employee is demonstrated to the full as we work to achieve sustainable development of our organizations by protecting the physical and mental health of our workers.

Promoting Health Management

GEO Group recognizes that the physical and mental health of our employees is essential to our mission of enriching the lives of our customers. Based on this belief, we will continue advancing initiatives to maintain and promote health in order to create a positive cycle that starts with the health of our employees.



Indicators for Health Management

We promote initiatives that help each employee perform at their best by encouraging health promotion and creating a comfortable work environment.

	Units	FY 2022	FY 2023	FY 2024
Presenteeism ^{*1}	points	-	77.6	77.4
Absenteeism ^{*2}	%	2.4	1.9	1.8
High-Stress Rate	%	17.7	18.1	16.6

*1 SPQ (University of Tokyo 1-item version) *2 Percentage of individuals (the proportion of people who were absent or used the leave system due to illness or injury)

Work-Life Balance

Diverse Programs that Support Employees' Lifestyles

<p>Childcare Leave A program that permits employees to take childcare leave if they live with and are caring for babies up to 1 year of age</p>	<p>Shorter Working Hours for Childcare A program that permits employees caring for a child until the start of elementary school to shorten their regular working hours to six or seven hours per day, in principle</p>
<p>Caregiving Leave A program that permits employees to take leave to care for family members requiring care or to provide other care</p>	<p>Shorter Working Hours for Caregiving A program that permits employees caring for family members requiring care to shorten their regular working hours to six or seven hours per day, in principle</p>
<p>Local Employee Program A program under which eligible employees will only be transferred to places that do not require them to relocate their residence</p>	<p>Hourly Paid Leave A program that allows employees to take up to 5 days of annual leave per year in increments of one hour</p>
<p>Consecutive Vacation System A program that recommends employees with 10 or more days of annual leave remaining to take a vacation of 5 consecutive days or longer</p>	<p>Continued Employment After Retirement A program that permits employees desiring to be reemployed after retirement to renew their employment contracts</p>

* The table above contains our major programs related to employment and leave. We have a number of other support programs in addition to the above.

The GEO Group is developing flexible work systems and operational structures that support daily life and enable the creation of working environments that fit a diverse set of working styles. We believe that it is precisely this sort of environment supporting both the individual and private lives of our employees that improves their engagement and maximizes productivity.

Human-Capital Indicators and Results*1

	Retail Industry Average (FY 2023)	Average for All Companies (FY 2023)	GEO Group	
			(FY 2023)	(FY 2024)
Average Age	41.5y/o	41.5y/o	42.4y/o	42.5y/o
Average Length of Service	12.1years	13.8years	13.8years	13.3years
Average Monthly Overtime Hours Per Employee	15.3hours	16.8hours	13.5hours	12.5hours
Average Annual Work Hours Per Employee	1,992.9hours	1,964.4hours	1,835.0hours	1,618.1hours
Employment Rate of Persons with Disabilities*2	2.63%	2.25%	2.60%	2.57%
Days of Annual Paid Leave	16.7days	18.5days	20.0days	20.0days
Number of Paid Leave Days Taken	10.7days	13.2days	13.0days	12.6days
Usage Rate of Paid Leave	63.7%	71.3%	75.0%	69.1%
Usage Rate of Childcare Leave among Women	100.9%	100.0%	103.0%	117.9%

*1 Figures for the retail industry average and the all-companies average are based on data published in CSR Kigyō Soran (Ranking & Aggregation Edition), 2025 Edition (Toyo Keizai Inc.).

*2 The rate as of June 1 of each fiscal year.