



GEO HOLDINGS

# Integrated Report 2025

Change as Chance

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## Editorial Policy

“Integrated Report 2025” contains financial information such as operating results and management strategies as well as non-financial information such as those about ESG (Environment, Society, and Governance), which forms the foundation that supports the growth of the GEO Group. This report was prepared to assist our various stakeholders in better understanding the processes by which our corporate group creates value for society and improves our own corporate value.

## Referenced Guidelines

Prepared in accordance with the reporting framework established by the International Integrated Reporting Council (IIRC) and the standards published by the International Financial Reporting Standards Foundation (IFRS)

## Scope of this Report

**Applicable Period** April 2024 – March 2025  
\*Includes some information for outside this period

**Applicable Organizations** GEO HOLDINGS CORPORATION and its domestic and foreign group companies

### Warning about Forecasts

The information disclosed in this integrated report as well as the future forecasts stated herein are based on the available information and determinations made as of the date of the report's publication. These data and forecasts contain elements of uncertainty and do not guarantee future business performance.

## GEO HOLDINGS Information-Disclosure System



## To offer joy to your everyday life

GEO group will offer services for our customers to enjoy everyday life with “Daily entertainment and expansion of happiness”.

“Change as Chance” is our belief.

In order to spread happiness and joy to our community, each one of our employees pledges to continually seek, try and gain the Chance through Changes.



GEO HOLDINGS CORPORATION

# GEO Group Timeline

## 1980s

- Jun. 1986 Founder Yuki Endo started operating a video rental shop (Video Roadshow, Misato branch) in Toyota City, Aichi Prefecture
- Apr. 1988 The private business is reorganized as a corporate entity
- Dec. 1989 Began using the store name “GEO”

## 1990s

- Dec. 1990 Began handling used CDs
- Jul. 1993 Began handling used books
- Dec. 1995 Completed online integration of directly operated stores through introduction of POS system
- Jan. 1996 Began handling used clothing and clothing accessories as part of the GEO business (store name: “Nandemo R”)
- Apr. GEO CORPORATION absorbed GEO Milda Co., Ltd.
- Dec. 1999 Japan Blockbuster Co., Ltd. acquired from Fujita Shoten Co., Ltd. and made wholly-owned subsidiary (company renamed GEO Global Co., Ltd. and absorbed in October 2010)

## 2000s

- Nov. 2000 GEO CORPORATION lists on Osaka Securities Exchange’s NASDAQ Japan market (delisted on March 24, 2004)
- Mar. 2001 Announced and signed agreement to acquire 131 stores from Towa Mex Co., Ltd. and three other companies, effective July 1
- Apr. Acquired Mycal Co., Ltd.’s GEO Every Corp. (formerly Biblos Co., Ltd.) as a group company
- Oct. 2002 Acquires Sogo Denki Co., Ltd. in Hokkaido through court-led rehabilitation proceedings as a 100% subsidiary and renames it GEO YES Co., Ltd. (absorbed into GEO CORPORATION in October 2010)
- Jul. 2003 Acquires Rocky Co. in Shikoku, as a wholly-owned subsidiary, renames it GEO STATION, and enters the Shikoku market. (GEO STATION is absorbed into GEO CORPORATION in October 2010)
- Aug. Acquires Takarabune Co., Ltd. as a wholly-owned subsidiary through court-led rehabilitation proceedings, renames it GEO ACTIVE Co., Ltd. (GEO ACTIVE is absorbed into GEO CORPORATION in October 2010)
- Jan. 2004 Listed on the First Section of the Nagoya Stock Exchange (delisted on March 15, 2014)
- Jan. Lists on the First Section of the Tokyo Stock Exchange
- Mar. Achieved 100 billion yen in sales
- Jun. Acquires Matsumoto Denki Co., Ltd., as a wholly-owned subsidiary through court-led rehabilitation proceedings, renames it GEO REACLE Co., Ltd. (absorbed into GEO CORPORATION in October 2010)
- Dec. 2005 Opens a GEO Shop in Shimanto City in Kochi Prefecture, achieving management target of opening GEO Shops in all 47 prefectures
- Jun. 2008 Made tender offer for FOR YOU Co., Ltd. and accepted third party allotment of shares to make the company a wholly-owned subsidiary (company renamed 2nd STREET CORPORATION and absorbed in April 2013)
- Jul. Posren Co., Ltd. made wholly-owned subsidiary (now GEO NETWORKS CORPORATION)



**GEO Kasugai Store**  
 Continuous operation since founding  
 Opened 1989  
 (Kasugai City, Aichi Prefecture)



**2nd STREET Higashi Bypass Store**  
 First 2nd STREET store  
 Opened 1996  
 (Takamatsu City, Kagawa Prefecture)



**2nd STREET Melrose**  
 First overseas 2nd STREET store  
 Opened 2018  
 (Los Angeles, California)

# GEO Group Timeline

## 2010s

May. 2010	Acquired EISYS, Inc. as a wholly-owned subsidiary
Jul.	Acquired WAREHOUSE Co., Ltd. as a consolidated subsidiary through a TOB (Absorbed by GEO CORPORATION in April 2014)
Sep.	Made 2ND STREET CORPORATION a wholly-owned subsidiary
Oct.	Merges and absorbs 11 consolidated subsidiaries involved with operation of GEO Shops, takes over retail service operations
Nov. 2011	Transferred the retail service business to new company GEO CORPORATION established via corporate split, and renamed company GEO HOLDINGS CORPORATION
Apr. 2013	Transferred the reuse shop business of 2nd STREET to GEO CORPORATION
Jul.	Relocated Head Office to Nagoya City, Aichi Prefecture
Dec.	Acquired Family Book Co., Ltd. as a wholly-owned subsidiary
Apr. 2014	GEO CORPORATION absorbed WAREHOUSE Co., Ltd. Launched retail store specializing on mobile devices
Oct.	Renamed Posren Co., Ltd. to GEO NETWORKS CORPORATION
Dec.	Acquires Gramolux Inc. as a wholly-owned subsidiary
Mar. 2016	2nd STREET reached 500 domestic stores
Feb. 2017	Acquires World Mobile Corporation as a subsidiary
Jun.	Acquires Chelsea International Co.,Ltd. as a wholly-owned subsidiary
Jan. 2018	Opened first overseas 2nd STREET store in the United States, 2nd STREET Melrose
Jun.	Opened first 2nd STREET store in Malaysia, 2nd STREET SS13

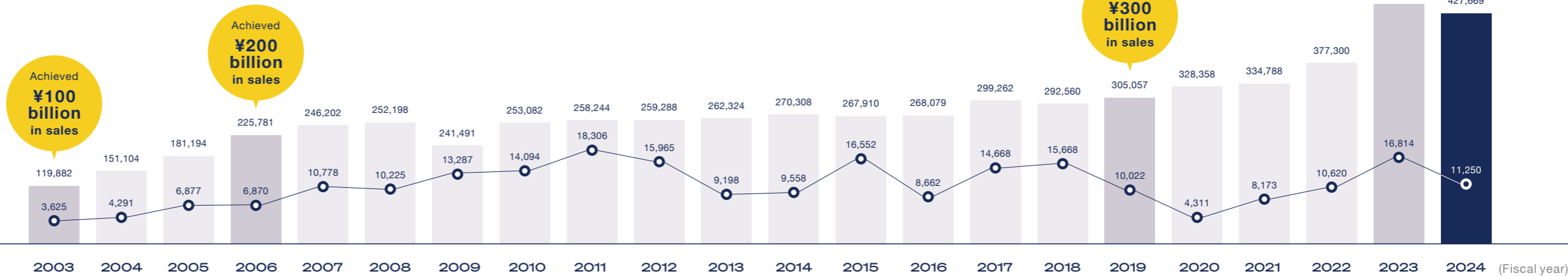
Apr. 2019	Opened first off-price store, Luck Rack Konan Kohoku Inter Store  OHKURA Co., Ltd. (now OKURA HOLDINGS CORPORATION) acquired and made wholly-owned subsidiary (made consolidated subsidiary in June 2019)
Jul.	Established OKURA Co., Ltd. and transferred the business of OHKURA Co., Ltd. (now OKURA HOLDINGS CORPORATION) through a corporate split

## 2020s

Apr. 2020	Businesses of GEO CORPORATION (renamed GEO Asset Co., Ltd. in April 2020) absorbed and split off into GEO CORPORATION, GEO STORE CORPORATION, and 2nd STREET CORPORATION
Aug.	Opened first 2nd STREET store in Taiwan, 2nd STREET Taipei Ximen
Oct. 2021	Established viviON, Inc. and inherited part of EISYS, Inc.'s business through corporate split
Apr. 2022	Shifts to the Tokyo Stock Exchange Prime Market following a review of the market classification of the Tokyo Stock Exchange  Acquired shares of Rock Co., Ltd. and made it a subsidiary
Apr. 2023	GEO mobile reached 500 domestic stores
Dec.	Opened first 2nd STREET store in Thailand, 2nd STREET BIG-C RAMA4
Oct. 2024	2nd STREET reached 100 overseas stores
Apr. 2025	Opened first 2nd STREET store in Singapore, 2nd STREET 313@Somerset  Reached 1,000 stores worldwide (domestic and overseas)
May.	Opened first 2nd STREET store in Hong Kong, 2nd STREET MOKO New Century Plaza

### Net Sales and Operating Profit Milestones

■ Net Sales ○ Operating Profit  
(million yen)



### Financial Information

Net Sales	Operating Profit	Market Capitalization	Return on Equity (ROE)	Dividend	Price-Earnings Ratio (PER)
¥427.6 billion	¥11.2 billion	¥63.7 billion	5.0 %	¥34 /share	15.88 x

(as of March 2025)

### Business Scale and Market Position

#### Japan's number one reuse store chain

Domestic second-hand goods market share

Clothing and clothing accessories  
Approx. **15%**

Smartphones and tablets  
Approx. **32%**

\*Source: Estimated by GEO HOLDINGS, based on The Reuse Economic Journal, "Second-hand Market Databook 2024"

Total stores

**2,207**

Domestic 2,085 | Overseas 122

Major brands

- 2nd STREET (Domestic 890 / Overseas 120)
- GEO (Domestic 1,051)
- OKURA (Domestic 22 / Overseas 2)
- Luck Rack (Domestic 29)

\*As of May 2025, including franchise stores



Overseas developments

USA, Malaysia, Taiwan, Thailand, Singapore, Hong Kong

### Growth drivers

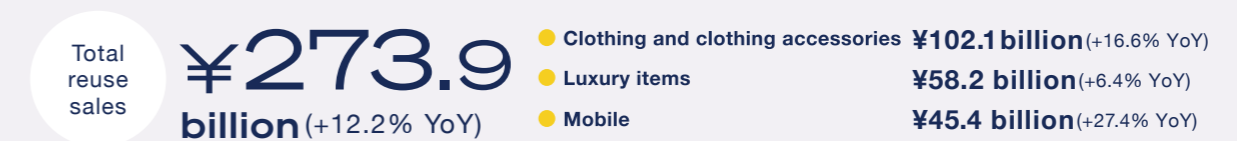
#### Driving growth through reuse + digital

**O1 Expanding store network** through proactive openings

**O2 Improving profitability** through business format changes

**O3 Enhancing convenience** through e-commerce sales

**O4 Increasing reuse sales by product category** (as of Mar. 2025)



**O5 Strengthening EC & online transactions**, integrating physical and digital

**O6 Diversifying business and stabilizing medium- to long-term earnings** through digital content and off-price businesses beyond "reuse"



# Story of GEO Group's Value Creation

Our company has continued to refine its unique business model as we face the challenges of a changing society and shifting consumer behavior. By creating value from the perspective of the consumer, we will achieve further growth in our own corporate value.

08 Top Message

14 The Value Creation Process

# Top Message

**Making Japanese second-hand goods the global standard.**

**We continue to deliver a diverse set of services that expand the potential of our lives.**

Thank you for considering our company from among many options. Retailers like us who work with second-hand goods and rentals are different from the primary distributors who deal with brand-new items, and until recently, there have been few opportunities for such retailers to gain notice within the industry. Lately, however, the question of how we can reuse things has been attracting global attention as part of the “circular economy” concept, and I feel that has generated renewed focus.

From our starting point as the GEO video-rental business, we have steadily expanded the scope and domain of our business in response to the changing times. Now, thirty-nine years after our founding, we have grown to a network of over 2,000 stores spanning seven countries and regions. Our top priority is currently our reuse business, which includes GEO Mobile and 2nd STREET, comprising 64% of our total net sales. We have also diversified our business sectors as we welcome new partners like OKURA and viviON under the concept of “To offer joy to your everyday life.” We are also working to promote the creation of a recycling-oriented society through our development of the off-price retailer Luck Rack and the sharing-style AreKore Rental service. By capitalizing on the respective strengths of these diverse businesses, we are responding to the evolving needs of consumers and society.

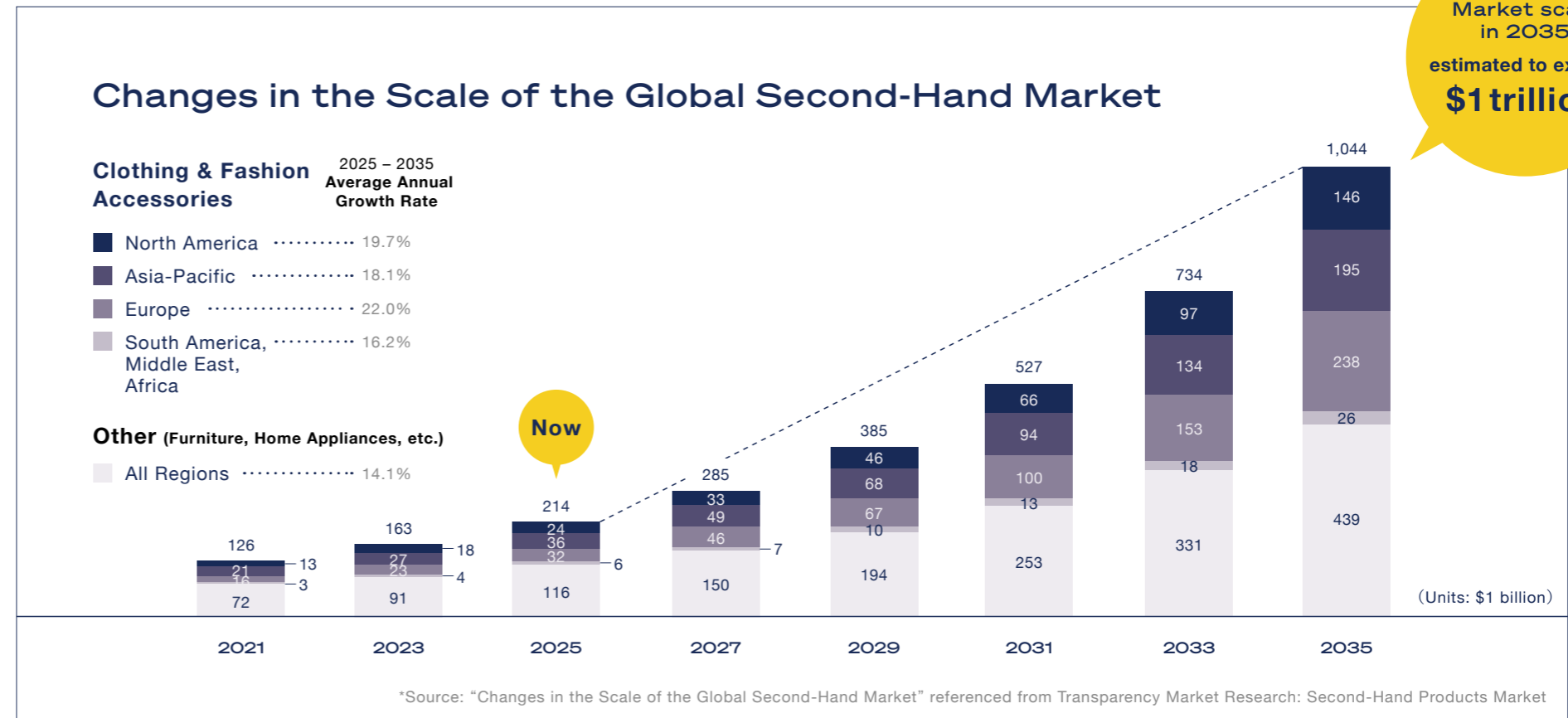


**Yuzo Endo**  
Representative Director  
President Operating Officer / CEO  
GEO HOLDINGS CORPORATION

Photographed at the Super 2nd STREET store in Omiya-Nisshin, which is our top-selling branch. Styled head-to-toe with items in the store.

**Long-term vision for reaching 5,000 stores and ¥1 trillion in sales by FY 2035**

As of FY 2024, our group generates ¥427.6 billion in net sales; however, we are aiming for ¥1 trillion in consolidated net sales for our corporate group by FY2035, with five thousand stores across the entire group. This goal is not simply about attaining those numbers, but rather it serves as a milestone that will elevate the C-to-B-to-C reuse business that we've placed at the core of our company to a scale that is recognized by the global market, and our growth process is always looking beyond that as well. No company in the reuse business has risen to be a standout global leader, and we are seeking to establish the GEO Group as the preeminent entity that people around the world think of when it comes to the reuse of items. We believe that if we cannot achieve at least that level of scale, then neither our company nor reuse businesses as a whole will gain worldwide acceptance. As exemplified by the storied tradition of its pawn culture (shichi), Japan has long held a "reuse mentality" in which items are carefully assessed one by one then passed on its new owner. This type of business is supported by a value system of conscientiously recycling items that are limited in nature, something that has recently been gaining traction once again as part of a global movement to create societies that aren't based on disposable products. However, looking at the world, there are still no companies that have expanded their reuse business to multiple countries and are recognized as a global reuse shop chain. This means that there is a huge untapped market. I think the key to our global strategy moving forward is to look at the minimum prices for primary distribution in each country and determine the extent to which we can expand into them.



Some believe that the global second-hand market, bolstered by growing support from people in many different generations, will expand from \$214 billion in 2025 to over \$1 trillion by 2035.

We know that our future growth depends on us accurately assessing the changing circumstances and continuing to flexibly adapt and evolve our business model based on our corporate motto of "Change as Chance." To become a ¥1 trillion company over the next ten years will require strengthening our efforts from a variety of angles, including opening new locations, improving our management procedures, and expanding the product categories.

What makes the second-hand industry unique is that the products come from the areas around the stores. In other words, people bring items that they bought somewhere but are not using anymore to their local stores, and the lifestyles and consumption trends specific to each region are reflected directly in the

products available at their second-hand stores. Many consumers both within Japan and abroad benefit from this convenience of being able to readily bring items into their local stores.

We strongly believe that the system of recycling through reuse as well as the sense of "inexpensive but valuable" that our company has cultivated are valid in ways that transcend the boundaries of nations and cultures.

My hope is that we can continue to make the concept of treating things with respect and passing them on to the next person who needs them commonplace in the world. Taking into account such characteristics of this line of business, our company will continue to open new stores in foreign markets while evaluating the adaptability of our business model and our potential

for growth. I want to continually challenge ourselves to generate new value while further expanding the possibilities of reuse, which should allow us to solidly shape the course of the next ten years and the future beyond.

### **A look back at FY 2024, the “first year of globalization”**

FY 2024 was a year where we could really feel the progress of our business expansion centered around reuse. Marking this as our “first year of globalization,” we aggressively focused on opening new store locations, which resulted in the creation of over 100 stores in four different countries and regions outside of Japan. Since the

trial store launch in the United States in 2018, we have completed the validation phase and are now working on full-scale system development and market expansion as part of a company-wide strategy based on profitability. Overseas markets contain retail stores of a size not seen in Japan, and they are the leading choice for consumers since these primary distributors sell inexpensive new products. But even in these markets, we believe that reuse businesses can provide value that differs from that offered by the primary distributors. Rather than a uniform lineup of new products, the value of second-hand stores is that they feature an assortment of diverse items, and I

want to steadily spread that concept to countries around the world.

In the midst of the above, we have increased our number of locations and continued to improve the group’s gross profits, with our reuse business in particular attaining a year-on-year growth rate of 11.1% or ¥115.3 billion. On the other hand, the operating profit for the group as a whole fell by 33% to ¥11.2 billion, and net profit remained at ¥4.5 billion. This was primarily due to the initial cost of aggressively opening new stores domestically and internationally as well as the increased labor costs brought about by the strategic implementation of base pay raises and other initiatives. Labor costs saw the largest increase in FY 2024 because we invested as necessary to continue attracting talented individuals and to provide our existing full-time and part-time employees with safe working environments. While opening new stores requires a certain amount of initial investment, we see this as the greatest force driving the expansion of our reuse business, and now is not the time to ease our efforts. We are working to ensure that this strategy of opening new stores will lead to the strengthening of our business structure itself.

### **The driver of growth to achieve our long-term vision**

We view our growth as the result of a development process in which multiple management foundations have complemented each other. Among these, the central assets supporting our growth have been our nationwide network of stores, the core business systems that we insourced to maintain the flexibility of our business models, our talented employees who proactively react to change, and the operational know-how of chain store management that we have accumulated over





many years. By linking these four elements together and repeatedly evolving them to fit the changing times, our company has developed a unique competitive advantage. More than anything, our core business systems have formed the bedrock of our entire company and contributed to our growth thus far. This business infrastructure, which we have developed concurrently with the opening of new stores, was insourced to ensure its flexibility and scalability—characteristics that will become even more important as we continue to roll out our large-scale expansion both domestically and abroad. Our core business systems are structured to allow the

three transaction types of selling, buying, and renting to be centrally managed, a design that enables us to engage in diverse modes of business. For example, GEO does buying, selling, and renting, while 2nd STREET only does buying and selling. But both of these businesses are managed within a single shared system. Ever since our company was founded, this flexible, general-purpose infrastructure has been repeatedly enhanced and improved each time we switched to a new industry or type of product, launched a new business, expanded an existing business, or integrated a different business that we acquired through a merger or acquisition. Another

critical element that has supported our growth is our human capital. As a retailer, we are committed to training capable individuals with the management skills needed to run our stores. For instance, our “Rotation Education” provides employees with the opportunity to learn the principles of a chain-store business firsthand by experiencing various positions within the stores and elsewhere as they get a feel for the customer’s perspective and what the locations are like. This system was fully implemented five years ago, supplanting the former system of assigning employees within a department or division with one that transcends organizational boundaries.

## Top Message

By enhancing the mobility of employees through such methods, we aim to establish a more efficient and execution-driven organizational structure. A core source of our company's growth are our employees with a wealth of diverse experiences who engage in dialogue with customers at stores, quickly perceive changes in lifestyles and society, and provide that feedback to the organization. Nurturing talent who have experience in multiple businesses and can work within them accelerates expansion into new markets and domains, and it becomes the key to strengthening the growth potential of our business.

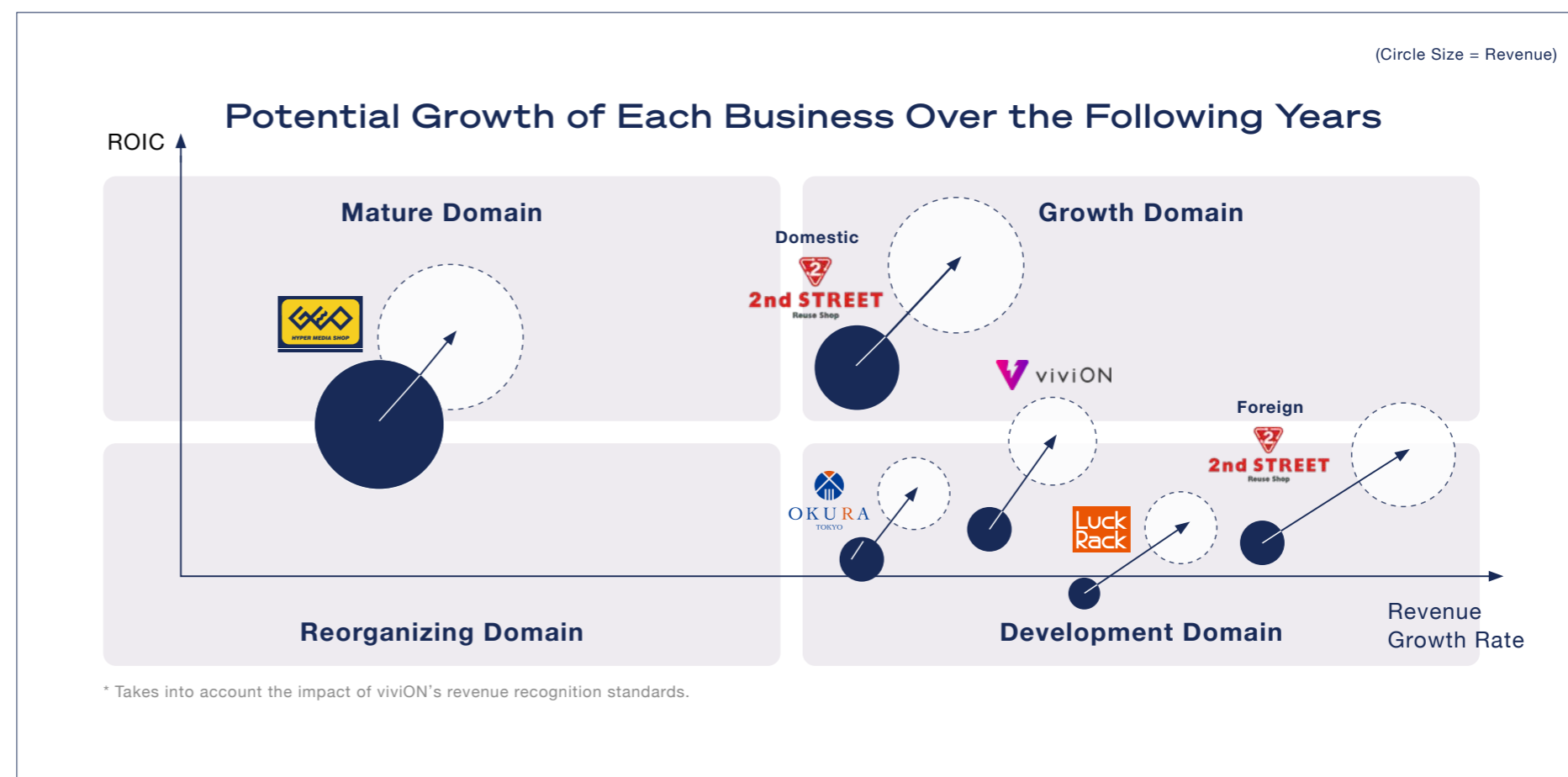
Also, as market competition continues to intensify in the future, there is an unavoidable risk of a decline in gross profit margin. The more competition increases, the more competitive prices will become, inevitably placing pressure on profitability. At the same time, entering the market becomes increasingly difficult under such conditions, so we believe that the number of companies that can continue to engage in the reuse business will remain limited. We therefore have an opportunity to expand our market share over the medium-to-long term by leveraging the things that give us our competitive edge, which are our operational systems and our resilience as a business.

### Approach to growth investment and capital allocation

Our basic policy for cash allocation is to balance both shareholder returns and growth investment. Shareholder returns are centered around the two pillars of dividends and stock buybacks, with a particular focus on stable and continuous dividends. The dividend payout ratio for FY2024 was 29.8%, and we expect it to be 24.5% for FY2025. We plan to maintain this stable dividend policy for the time being. Meanwhile, our cur-

rent allocation to growth investment consists primarily of our prior investment in systems development and foreign expansion. The reuse business is structured in a way that applies temporary pressure to cash flow, since it involves the purchase of items with cash for sale at a later date. Thus, capital requirements continue to be high. However, this will contribute to future growth as well as increased revenue and profits. Our goal is to operate in a way that enhances the potential for growth, profitability, and the efficient use of funds while establishing the social and economic value of the reuse business model. To that end, in addition to the aforementioned growth investments, we have set the ratio of operating profit to gross profit (the profit distribution ratio) as one of our KPI, with the aim of improving prof-

itability and capital efficiency. It is currently at about 6%, so we have first set a target of 10%, but 20% is our long-term goal. This is based on our recognition that strengthening our profit structure will, in conjunction with our growth investments, directly elevate our enterprise value. The key to attaining these targets is building mechanisms that allow us to operate our business at a low cost. We believe it is especially important to control the expenses required to run our stores and to make our overall operations more streamlined and efficient, which will allow us to reduce the burden placed on the stores. I want to grow our business by continuing to develop and improve such mechanisms as we work to increase our profit distribution ratio, which will enhance our enterprise value and boost met-





rics such as our price-to-book ratio. Our management places great importance on using this continual growth to reliably meet the expectations of the shareholders who understand how these investments contribute to the future improvement of our enterprise value and who support our company over the long term.

### **A philosophy of “To offer joy to your everyday life”**

In this time of social upheaval, we have been reflecting upon our corporate motto of “Change as Chance” once again. This phrase precisely embodies the approach that our founder cherished, and it signifies the value system that has naturally permeated through our company since we were established. I feel that this mindset of embracing change as an opportunity for growth rather than being afraid of it will become even more important in business management moving forward.

Our company’s past growth was achieved by flexibly responding to such change. This idea that the needs of customers and society are constantly in flux and that these changes are opportunities for us also forms the foundation of our current management as well. I believe that the potential of a company increases when it affirms change instead of fears it, being flexible and not being attached to a certain way.

Rather than clinging stubbornly to past business names or formats, we have always asked ourselves, “What do our customers need most right now?” This brings us the closest to what the customer is looking for. We have never doubted this approach or compromised in its implementation.

It is a management policy that can be found throughout our stated growth strategy. While our company is focused on the reuse concept, we are simultaneously expanding our other business models

such as the retailing of new products, off-price retailing that capitalizes on surplus inventory, and the renting of items. To meet the diverse needs of our customers and their lifestyles, we must stay flexible and not get stuck in a single way of doing things. And when there is something that matches our corporate philosophy of “To offer joy to your everyday life,” we also contemplate reorganizational moves such as mergers and acquisitions. As companies continue to enter the domestic second-hand market, the most important thing is not simply integrating them and increasing the size of businesses, it’s whether or not they can actually provide meaningful value to customers. Ultimately, the value that our company aims to provide is enabling our customers to feel greater satisfaction in their everyday lives within the scope of their limited spending. We want to be a collection of services and businesses that aren’t just for special occasions but are things that allow us to truly feel that “what you can do with ¥1,000 has doubled or tripled” within our daily lives, things that make people say, “I’m glad this exists.” In the end, if the customer is not satisfied, then there is no meaning of having ¥10 billion or ¥1 trillion in revenue. We will continue to create new lifestyles and cultures, boldly challenging the existing paradigm to enrich the daily lives of our customers. And those efforts are precisely what will drive our further development and achieve our dream of improving the daily lives of customers around the world.

**Representative Director  
President Operating Officer / CEO**

遠藤 浩哉

# The Value Creation Process

The GEO Group embodies the corporate philosophy of “Change as Chance,” continuously embracing change without fear and creating new social value. As an industry-leading company, we not only offer value-driven affordability but also contribute to the promotion of a circular society.

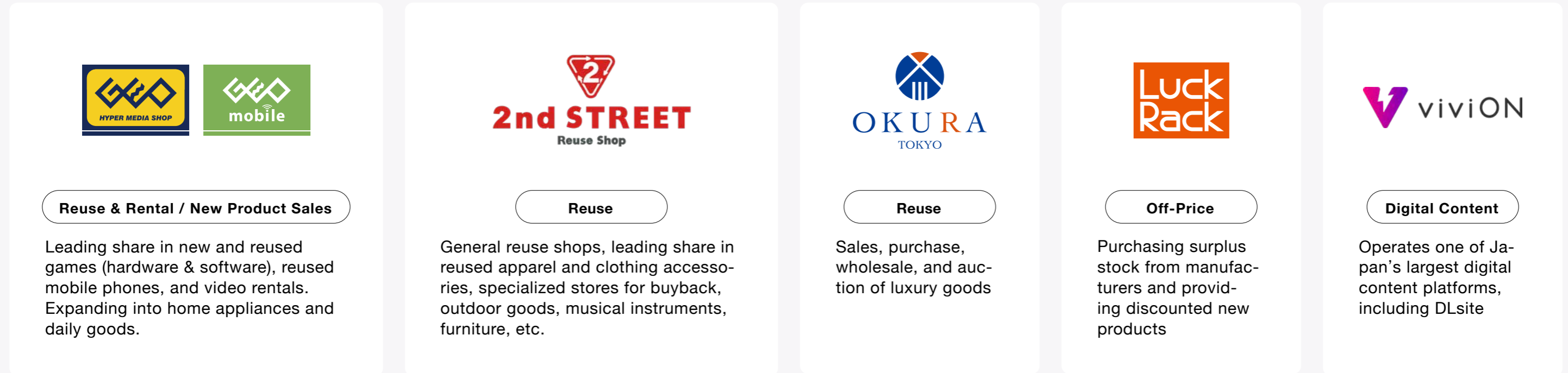


Responding to needs and various social issues    Changing values    Shifts in lifestyle    Demographic trends    Technological innovation    Global warming and environmental degradation    Resource depletion

\*2 Only viviON Group regards GMV (Gross Merchandise Value of distribution transactions) as net sales

The GEO Group interacts with customers through numerous ways while offering a diverse range of merchandise and services. To provide consistently high-quality service, we maintain a solid management foundation as a global retailer.

## Diverse Merchandise and Services Centered on Multi-Store Operations



## Solid management foundation as a “global retailer”



\*As of May 2025

# 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

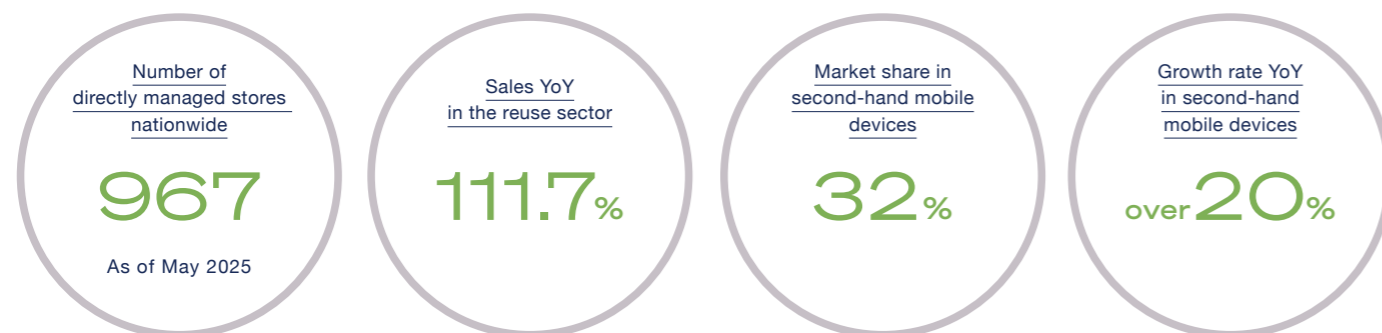
We are shifting to a structure that prioritizes the high-growth area of second-hand digital devices and strengthening our streamlined customer support system, for example, with peripheral device sales and SIM contracts.

#### 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 CO<sub>2</sub> 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

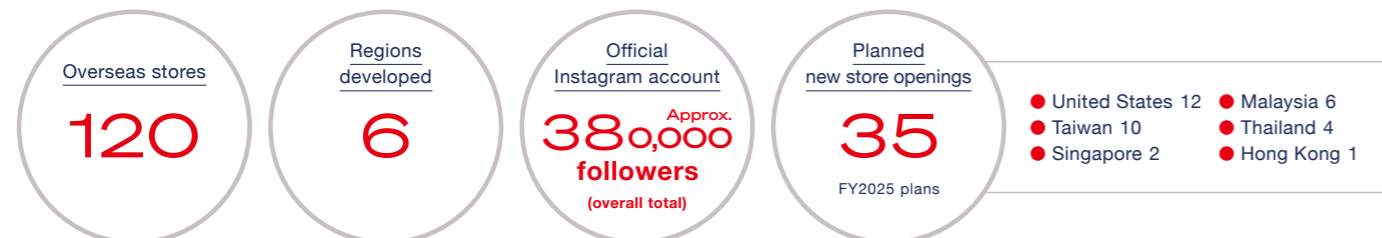
Store openings are concentrated in major metropolitan areas, where we efficiently manage distribution and human resources.

##### IT Infrastructure

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

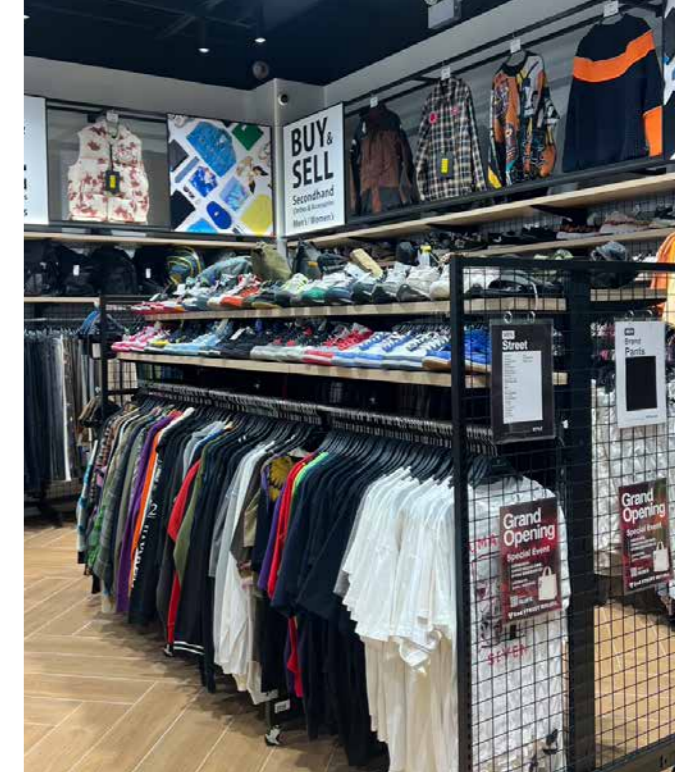
#### Topics

● 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

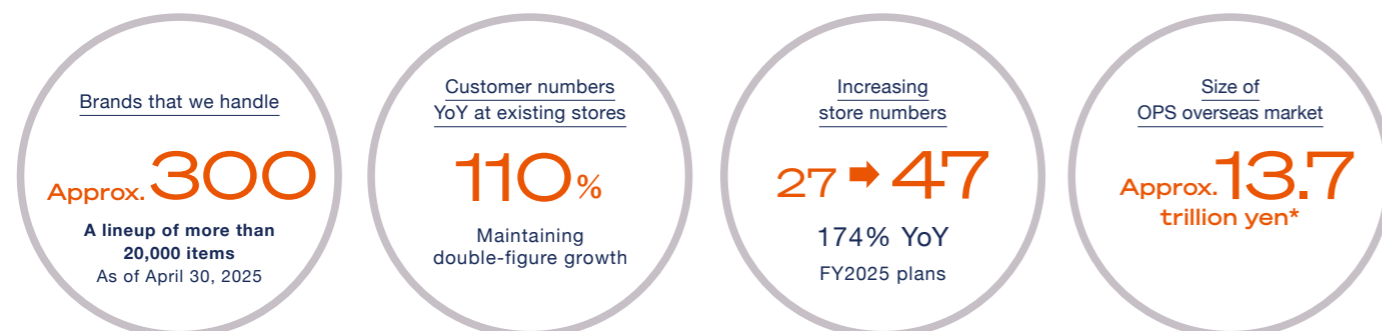
We are controlling the cost of opening and managing stores, for example, by adopting simple fixtures and fittings.

#### 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

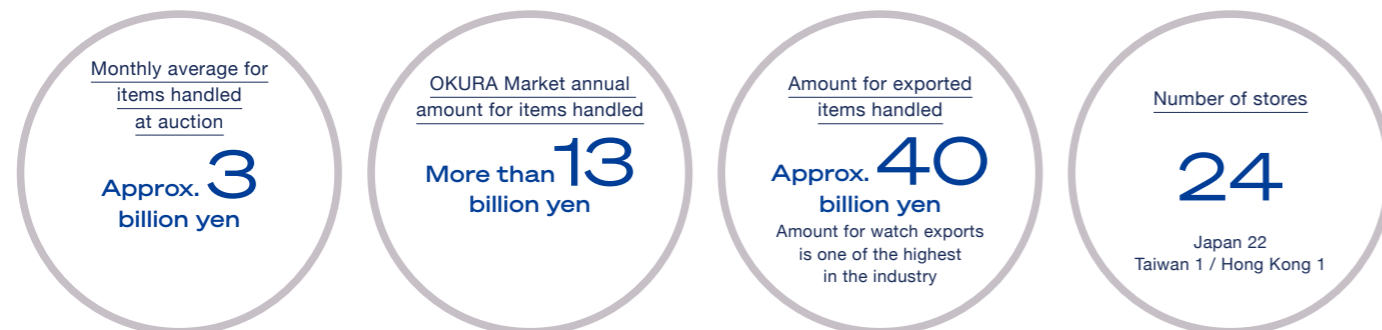
We are introducing online bidding for buyers worldwide with our new auction system, which is scheduled to go live in October 2025.

#### 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

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



### 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.



# Sustainability Activities of the GEO Group

Our company is focused on the reuse business, and believes that advancing that business is the foundation for building a sustainable future. While effectively utilizing limited resources, we endeavor to create a society where everyone can live life to the fullest, while aiming to realize a recycling-oriented society that leads to the future.

- 24 Basic Sustainability Policies and Systems
- 25 Identification of Materiality Issues
- 27 Information Disclosure Based on TCFD Recommendations
- 28 GHG Emissions from Our Business Activities
- 29 Environmental Initiatives

# Basic Sustainability Policies and Systems

The GEO Group promotes sustainability management by striving to realize a sustainable society through adaptation to change and business growth, while implementing policies specific to areas such as the environment and human rights.

## Basic Sustainability Policy

The GEO Group aims to achieve a sustainable society via business growth and adaptation to change, based on our corporate philosophy of “To offer joy to your everyday life.” By identifying materiality based on this policy, our Group promotes sustainable management by implementing individual policies regarding topics such as the environment and human rights.

### Environmental Policy

[GEO Group Environmental Policy Explained](#)

### Human Rights Policy

[GEO Group Human Rights Policy Explained](#)

## Board of Directors

The GEO Group operates primarily in the reuse business, so with the aim of contributing to a sustainable society within this field, we established a Sustainability Committee in August 2024. The committee is chaired by the Representative Director and President of our company and is comprised of full-time officers and operating officers. It adopts consideration for the environment, society, and respect for diversity, as its fundamental guiding principle. The committee cooperates closely with the Board of Directors to support management’s decision-making by consulting, reporting, and proposing recommendations on important matters related to sustainability management of our Group. In addition, several Sustainability Subcommittees have been established to formulate policies and indicators on environmental, social and governance, and to regularly report on the status of efforts by departments in the company. Moreover, we have established a comprehensive sustainability promotion framework across our entire Group by building systems from both bottom-up and top-down perspectives within our affiliated companies including subsidiaries, enabling flexible management tailored to the Group’s overall risk characteristics.



# Identification of Materiality Issues

The GEO Group is committed to realizing a sustainable society through a range of recycling-oriented businesses under the theme of “Moving goods from where they are no longer needed to where they are needed.” As social issues and the business environment continue to evolve, we identified 17 ESG-related issues to support long-term value creation and sustainable growth, and from these, selected six as our highest-priority material issues.

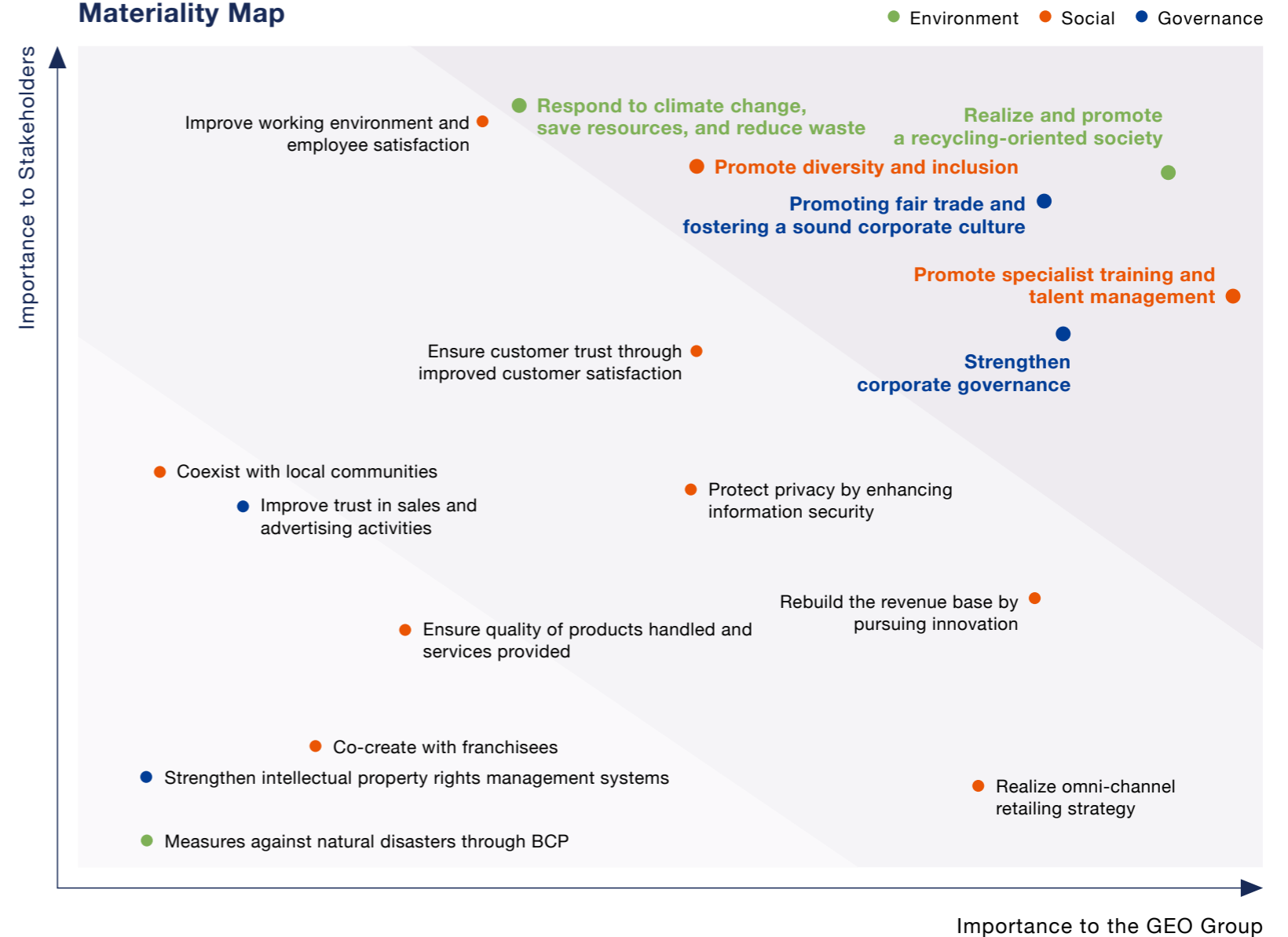
## Process for identification of materiality

**Step 1 Extract issues**  
Based on global standards used by ESG rating agencies (MSCI, FTSE, SASB, GRI, etc.), we conducted broad research and benchmarking of potential issues and peer initiatives. Taking into account the opinions of management and key divisions, we compiled a list of candidate issues.

**Step 2 Rank issues in order of priority**  
The Sustainability Information Disclosure Project Team, the heads of key divisions, and management deliberated on the identified potential issues, analyzed them in terms of “importance to stakeholders” and “importance to the GEO Group,” and evaluated their priority levels. This process led to the identification of 17 ESG issues, which were plotted on a materiality map.

**Step 3 Identify materiality**  
The identified 17 ESG issues and map of material issues were deliberated and approved by the Board of Directors and identified as materiality issues for the GEO Group.

## Materiality Map



## Six top priority issues

**Environment**

- Realize and promote recycling-oriented society
- Respond to climate change, save resources, and reduce waste

**Social**

- Promote diversity and inclusion
- Promote specialist training and talent management

**Governance**

- Promoting fair trade and fostering a sound corporate culture
- Strengthen corporate governance

# Vision and KGI for Top Priority Issues

Category	Top Priority Issues	Definition	Opportunities	Risks	Vision	KGI (Target fiscal year/Action)
Environment	<b>Realize and promote a recycling-oriented society</b>	We will contribute to building and advancing a recycling-oriented society by moving goods from where they are no longer needed to where they are needed, through the development of various services and the provision of venues, both in Japan and overseas.	<ul style="list-style-type: none"> <li>● Growing need to accommodate a recycling-oriented society</li> <li>● Increased funding from ESG investors</li> <li>● Competitive differentiation</li> <li>● Enhanced social recognition and corporate branding</li> </ul>	<ul style="list-style-type: none"> <li>● Decline in consumer trust</li> <li>● Delayed response to growth opportunities</li> <li>● Loss of competitiveness due to delayed response</li> </ul>	Identify new value to bring joy to the everyday lives of our customers through recycling	2035 Consolidated group sales* <b>¥1 trillion</b>
	<b>Respond to climate change, save resources, and reduce waste</b>	In order to address a sustainable society, we will promote efforts to reduce environmental impact based on the belief that efforts to address climate change, efficient energy consumption, resource conservation, and waste reduction are essential.	<ul style="list-style-type: none"> <li>● Gain customer trust and enhance brand power</li> <li>● Cost reduction through energy and water conservation</li> <li>● Increased investor interest</li> </ul>	<ul style="list-style-type: none"> <li>● Increased costs due to stricter environmental regulations, etc.</li> <li>● Declining trust due to delayed response to environmental issues</li> <li>● Loss of competitiveness in the future</li> <li>● Declining market valuation</li> </ul>	Achieve a sustainable society by reducing environmental impact	2035 GHG reduction due to business activities <b>102,649</b> t-CO <sub>2e</sub>
Social	<b>Promoting diversity and inclusion</b>	Aiming to sustainably grow along with our employees, we will strive to be a company that embraces the diverse values of all individuals regardless of race, gender, age, place of origin, disability, sexual orientation, educational background, or religion.	<ul style="list-style-type: none"> <li>● Increasing opportunities to attract diverse and talented individuals</li> <li>● Creation of innovation through diversity</li> </ul>	<ul style="list-style-type: none"> <li>● Slow growth due to lack of diversity</li> <li>● Increasing competition and labor costs in the talent acquisition market</li> <li>● Increased reputation risk</li> <li>● Business stagnation due to internal division</li> </ul>	Recognize the diverse values of diverse people to create a corporation where individuals can work without discrimination.	Every year <b>Improve employee engagement score</b> <small>(Due to planned system migration, item settings will be configured after the change)</small>
	<b>Promote specialist training and talent management</b>	In order to develop human resources who can contribute to our growth strategy while advancing our group's evolution, we will conduct in-house and outsourced training according to individual career paths.	<ul style="list-style-type: none"> <li>● Increase productivity through investment in talented people</li> <li>● Improvement of recruitment and retention rates of excellent human resources</li> </ul>	<ul style="list-style-type: none"> <li>● Slow growth due to lack of human resources</li> <li>● Increasing competition and labor costs in the talent acquisition market</li> </ul>	Achieve continuous growth for individuals and organizations with specialist employee development via education and training both inside and outside the company	2030 Number of specialists <b>Increase by 200</b> <small>(Compared to FY2023)</small>
Governance	<b>Promoting fair trade and fostering a sound corporate culture</b>	In our corporate activities, we respect the fundamental human rights of customers, employees, and others, and treat them fairly and equitably. In our relationships with stakeholders, we will comply with relevant laws and regulations, rigorously enforce compliance, and strive to maintain a fair trading environment.	<ul style="list-style-type: none"> <li>● Stable sales and operations</li> <li>● Improvement of corporate brand</li> <li>● Earning customer trust through legal compliance</li> </ul>	<ul style="list-style-type: none"> <li>● Damage to credibility due to legal violations</li> <li>● Declining reputation</li> </ul>	Achieve a trusted GEO Group by conducting business fairly and ensuring compliance	Every year Compliance with laws and internal regulations for all corporations <b>Administrative sanctions</b> <b>0</b> cases
	<b>Strengthen corporate governance</b>	We will promote the further strengthening of governance systems by introducing measures such as developing managerial skill sets, ensuring diversity (knowledge, abilities, race, gender, age, etc.), and verifying the effectiveness of the Board of Directors, with the principle of improving management soundness, transparency and efficiency, and to increase mid- to long-term corporate value as well as shareholder value.	<ul style="list-style-type: none"> <li>● Strengthen stakeholder relations through improved transparency</li> <li>● Increased funding from ESG investors</li> </ul>	<ul style="list-style-type: none"> <li>● Increased cost of response</li> <li>● Damage to credibility due to legal violations</li> </ul>	Establish corporate governance that is highly diverse, sound, transparent, and efficient, in order to maximize our corporate value	Every year Effectiveness evaluation of Board of Directors and related agencies <b>100 %</b> <b>implementation rate</b>

\*Only viviON Group regards GMV (Gross Merchandise Value of distribution transactions) as net sales.

# Information Disclosure Based on TCFD Recommendations

## 1 Governance

The Group established a Sustainability Committee in August 2024. This Committee is comprised of full-time officers, operating officers, and personnel appointed by the President and Representative Director who acts as the chairperson. It serves as a decision-making body for sustainability efforts, and the matters discussed are presented to the Board of Directors and resolved. In addition, as a subordinate organization, a Sustainability Subcommittee consisting of personnel from each department is established to discuss important issues for the environment, society, and governance.

## 2 Strategy

In order to identify climate change risks and opportunities that affect our Group's finances, we conducted two scenario analyses of 1.5°C (a scenario where decarbonization has advanced) and 4°C (a scenario where global warming has advanced) based on data from the IEA, IPCC and other sources.

The identification and future response measures for the identified risks and opportunities are as described in "Climate change-related risks and opportunities anticipated by the Group."

Defining Scenarios		
<b>Target Period</b>	Envisioning a world centered around 2030	
<b>Scope</b>	The company and major companies within the Group GEO HOLDINGS CORPORATION, GEO CORPORATION, GEO STORE CORPORATION, GEO CLEAR CORPORATION, 2ND STREET CORPORATION, OKURA HOLDINGS CORPORATION, OKURA Co., Ltd.	
<b>Reference Scenario</b>	<u>1.5°C</u>	Scenario where decarbonization has advanced IEA NZE, IPCC RCP 1.9, etc.
	<u>4°C</u>	Scenario where global warming has advanced IEA STEPS, IPCC RCP 8.5, etc.

## 3 Risk Management

Our Group classifies sustainability-related risks into physical risks, transition risks, and opportunities, analyzing their timing and magnitude of impact. The Sustainability Committee, which monitors the efforts of each department and oversees these activities, will discuss important issues and evaluate progress and achievements. Finally, the Board of Directors resolves the sustainability policy based on the report from the committee.

## 4 Metrics and Targets

Climate change is now considered an important issue for the international community to address immediately, and the Paris Agreement was adopted at COP21 in 2015. The Japanese government has also committed to carbon neutrality by 2050, clarifying its move toward a decarbonized society. Based on the global climate change framework and the policy of a decarbonized society presented by the Japanese government, the Group aims to achieve net zero emissions by 2050.

The GEO Group recognizes climate change as a critical issue that significantly impacts its business operations. Based on recommendations from the TCFD (Task Force on Climate-related Financial Disclosures), the company discloses information on climate-related risks and opportunities aligned with four key areas: Governance, Strategy, Risk Management, and Metrics and Targets. Read [here](#) for the "Information disclosure based on TCFD Recommendations" in its entirety.

### Climate change-related risks and opportunities anticipated by the Group

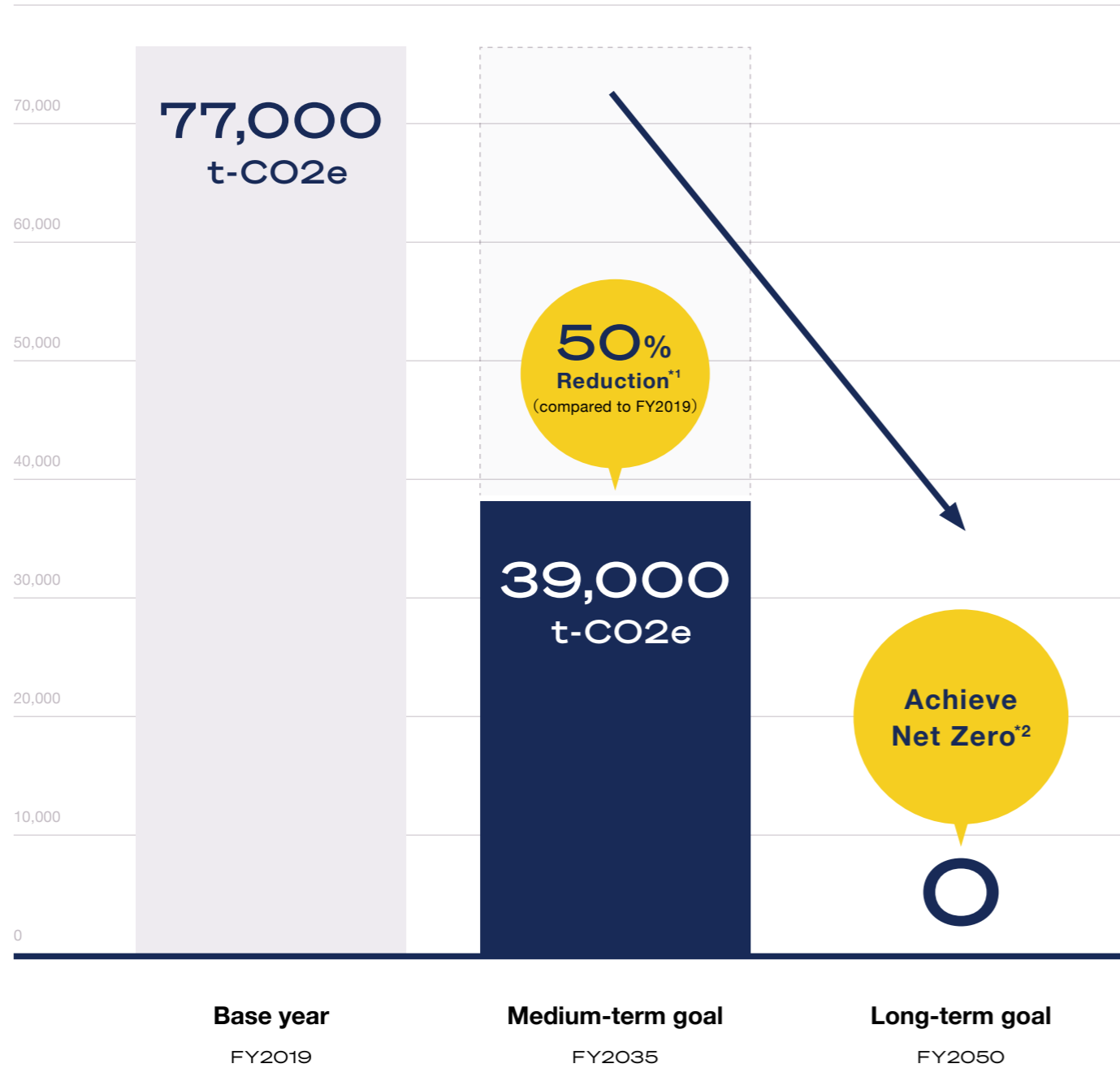
		Climate change risks and opportunities	Timing	Impact at 1.5°C	Impact at 4°C	Countermeasures
Physical risks	Acute	Increase in store repair/refurbishment expenses and inventory damages due to more frequent and severe natural disasters	Long-term	Minor	Minor	<ul style="list-style-type: none"> <li>Review and improve disaster prevention measures, such as disaster manuals</li> <li>Procurement of general/non-life insurance</li> </ul>
		Decrease in sales due to store closures and supply chain disruptions caused by more frequent and severe natural disasters	Long-term	Minor	Minor	<ul style="list-style-type: none"> <li>Formulate and regularly review BCP for in-house stores, such as responses to POS cash register outages</li> <li>Review and improve disaster prevention measures, such as disaster manuals</li> <li>Procurement of general/non-life insurance</li> <li>Strengthen cooperation with suppliers and other business partners</li> <li>Formulate and regularly review BCP for supply chains</li> </ul>
	Chronic	Increase in energy consumption for air conditioning due to a rise in the average summer temperatures	Medium-term	Minor	Minor	<ul style="list-style-type: none"> <li>Introduce energy-saving equipment such as efficient air conditioners and insulated windows</li> <li>Raise awareness about energy conservation by reviewing the temperatures settings of air conditioners</li> </ul>
Transition risks	Policies & Regulations	Increase in our store operating costs and delivery costs due to introduction and intensification of carbon taxes and emissions trading scheme	Medium-term	Moderate	Minor	<ul style="list-style-type: none"> <li>Promote reduction and recycling of waste materials</li> <li>Select sustainable suppliers implementing environmentally-friendly operations</li> </ul>
		Rising unit energy costs due to changes in power supply mix of electricity companies	Medium-term	Major	Major	<ul style="list-style-type: none"> <li>Introduce energy-saving equipment such as LED lighting, insulated windows, and efficient air conditioners</li> <li>Improve awareness of energy conservation such as switching off unused equipment</li> </ul>
	Market	Decrease in sales of winter clothing, home appliances, etc. due to rising average temperatures	Long-term	Minor	Minor	<ul style="list-style-type: none"> <li>Analyze seasonal and best-selling products and review product stock volumes and inventory/ordering methods</li> </ul>
Opportunity	Products & Services	Expansion of the circular economy and increased customer base due the dissemination of second-hand goods and ease of purchase resulting from greater environmental awareness	Long-term	Moderate	Minor	<ul style="list-style-type: none"> <li>Improve communication about the affinity between our businesses and the circular economy</li> <li>Strengthening the dissemination of information leading to the improvement of publicity and brand power as a reuse company</li> <li>Increase efficiency by introducing AI for authenticity verification and appraisal of recycled goods</li> </ul>
		Increase sales of specific products (furniture, home appliances, outdoor gear, etc.) and e-commerce due to rising temperatures	Long-term	Minor	Minor	<ul style="list-style-type: none"> <li>Analyze seasonal and best-selling products and review product stock volumes and inventory/ordering methods</li> </ul>
		Increased sales of second-hand luxury goods made from rare resources due to increasing scarcity and depletion of resources as a result of climate change	Long-term	Minor	Minor	<ul style="list-style-type: none"> <li>Analyze seasonal and best-selling products and review product stock volumes and inventory/ordering methods</li> <li>Increase efficiency by introducing AI for authenticity verification and appraisal of recycled goods</li> </ul>
	Market	Proactive environmental initiatives, appropriate information disclosure to enhance corporate value and preferential financing	Short-term	Major	Minor	<ul style="list-style-type: none"> <li>Proactively disclose corporate information in line with the ESG information disclosure framework</li> <li>Express support for initiatives that address environmental issues</li> <li>Obtain assurance from third-party organizations for non-financial information and acquire sustainability certifications</li> <li>Enhance proactive dialogue with banks and investors</li> </ul>

\*Estimation of impact: Classification of minor, moderate, and major impacts is based on a qualitative assessment using external documents from the IEA, IPCC, and other sources, as well as our own data, while also considering quantitative impacts

\*Definition of timing: Short-term = up to 2027, medium-term = up to 2030, long-term = 2031 onwards

# GHG Emissions from Our Business Activities

## GHG Emissions Trend (Target)



\*1 Ratio of reduction to Scope 1 + 2 emissions in main domestic businesses

Scope1 : Calculated based on emission coefficients for different fuel types released by the Ministry of the Environment according to the amount of gasoline and diesel oil purchased by GEO HOLDINGS CORPORATION in billing statements

Scope2 : Calculated based on data from sites where electricity consumption can be calculated (including stores, offices, and warehouses)

\*2 Total emissions of GEO HOLDINGS CORPORATION and its consolidated and non-consolidated subsidiaries

Net Zero: The state where there is a balance between man-made GHG emission and removal, resulting in virtually zero GHG emissions released to the atmosphere

The GEO Group sees climate change as an important management issue, disclosing GHG (greenhouse gas) emissions performance, and working to balance business activities with reduced emissions. Specifically, the group aims to achieve net-zero GHG emissions by FY2050 by promoting the circulation of goods to reduce waste, striving to realize a recycling-oriented society as well as addressing climate change.

## GHG emissions from our business activities

(Unit: t-CO<sub>2</sub>e)

		FY2022	FY2023	FY2024
Scope1		1,543	1,465	1,772
Scope2	Market-base	64,601	63,743	74,636
	Location-base	63,274	63,919	68,715
Scope3		910,024	963,976	3,586,079
	1. Purchased goods and services	791,812	830,767	946,595
	2. Capital goods	18,052	20,149	40,708
	3. Fuel- and energy-related activities not included in Scope1 or Scope2	10,274	10,274	11,375
	4. Upstream transport and delivery	11,112	13,111	15,081
	5. Waste generated in operations	5,259	5,491	6,800
	6. Business travel	347	460	820
	7. Employee commuting	7,554	8,564	9,389
	8. Leased assets (upstream)	-	-	966
	9. Downstream transportation and delivery	-	-	-
	10. Processing of sold products	-	-	-
	11. Use of sold products	-	-	2,461,784
	12. End-of-life treatment of sold products	65,615	75,161	88,478
	13. Leased assets (downstream)	-	-	-
	14. Franchises	-	-	3,975
	15. Investments	-	-	108
Total	Market-base	976,168	1,029,184	3,662,488
	Location-base	974,841	1,029,360	3,656,566

\*GHG emissions for Scope 1 through 3 are calculated in accordance with the "Supply Chain Emissions Calculation Guidelines" established by the Ministry of the Environment. Please refer to [our corporate site](#) for details such as the scope of calculation. (Unit: t-CO<sub>2</sub>e)

# Environmental Initiatives

## The company's key initiatives

### 1 Utilizing Renewable Energy via PPAs\*

Since 2024, our company has introduced off-site PPAs that generate and supply electricity from facilities outside the site, and on-site PPAs that generate and supply local power at the operator's expense. We will continue to expand adoption of renewable energy and work to reduce CO<sub>2</sub> emissions.



\*PPA (Power Purchase Agreement) : A contract arrangement whereby companies and other entities purchase electricity generated from renewable energy sources such as solar, wind, and geothermal power directly from producers.

### 2 Adopting Energy-Saving Equipment/ Reducing Power Consumption

Our company has adopted environmentally-friendly LED lighting. By performing detailed temperature control and adopting efficient air conditioning equipment at some of our stores, we also strive to reduce CO<sub>2</sub> emissions via energy-saving.

### 3 Paperless Operation at Our Stores

At our cash registers, we have adopted tablet devices to eliminate the need for paper receipts when making purchases. This enables us to save paper and make our work more efficient.

### 4 Installing EV Chargers

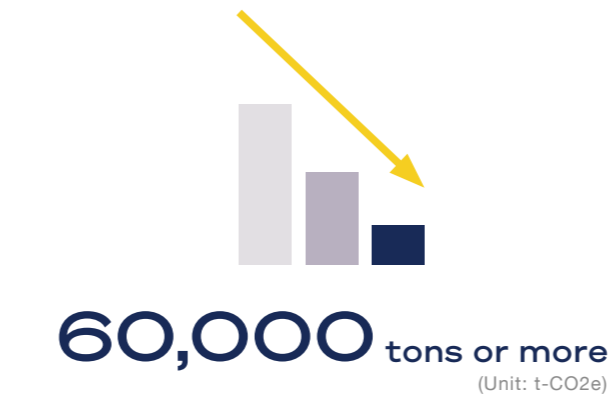
We have installed EV chargers for electric vehicles and hybrid vehicles at some of our stores. By installing EV charging infrastructure, we contribute to reducing GHG emissions, while providing our customers with extra services and improved convenience.



The GEO Group has generated an annual GHG reduction of more than 60,000 tons in its FY2024 results through its reuse and off-price retailing projects. In addition to reducing waste and CO<sub>2</sub> by circulating about 100 million pieces of merchandise annually, we are also implementing efforts to realize a sustainable society in the fields of energy efficiency, overseas business, and local activities. The company pursues projects that will lead to a better future, and will continue to address environmental issues such as climate change.

## Reduction of GHG through domestic reuse projects

### Amount of GHG reduction



### Annual circulation of merchandise



(Unit: t-CO<sub>2</sub>e)

		FY2022	FY2023	FY2024
Amount of GHG reduction through the reuse business in Japan	Home appliances	14,155	15,772	<b>19,046</b>
	Clothing and Accessories	19,416	22,639	<b>26,858</b>
	Furniture	3,280	3,458	<b>3,837</b>
	Game-related equipment	1,634	1,685	<b>1,659</b>
	General goods	2,643	2,674	<b>3,121</b>
	Kids' products	1,763	2,054	<b>2,480</b>
	DVD/CD	1,097	1,023	<b>1,008</b>
	Hobby products	1,067	1,178	<b>1,439</b>
Others	1,263	1,404	<b>1,664</b>	
<b>Total</b>		<b>46,318</b>	<b>51,886</b>	<b>61,113</b>

\*Calculated from GEO Group sales data based on data (IDEA) provided by the National Institute of Advanced Industrial Science and Technology (AIST)



# 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.

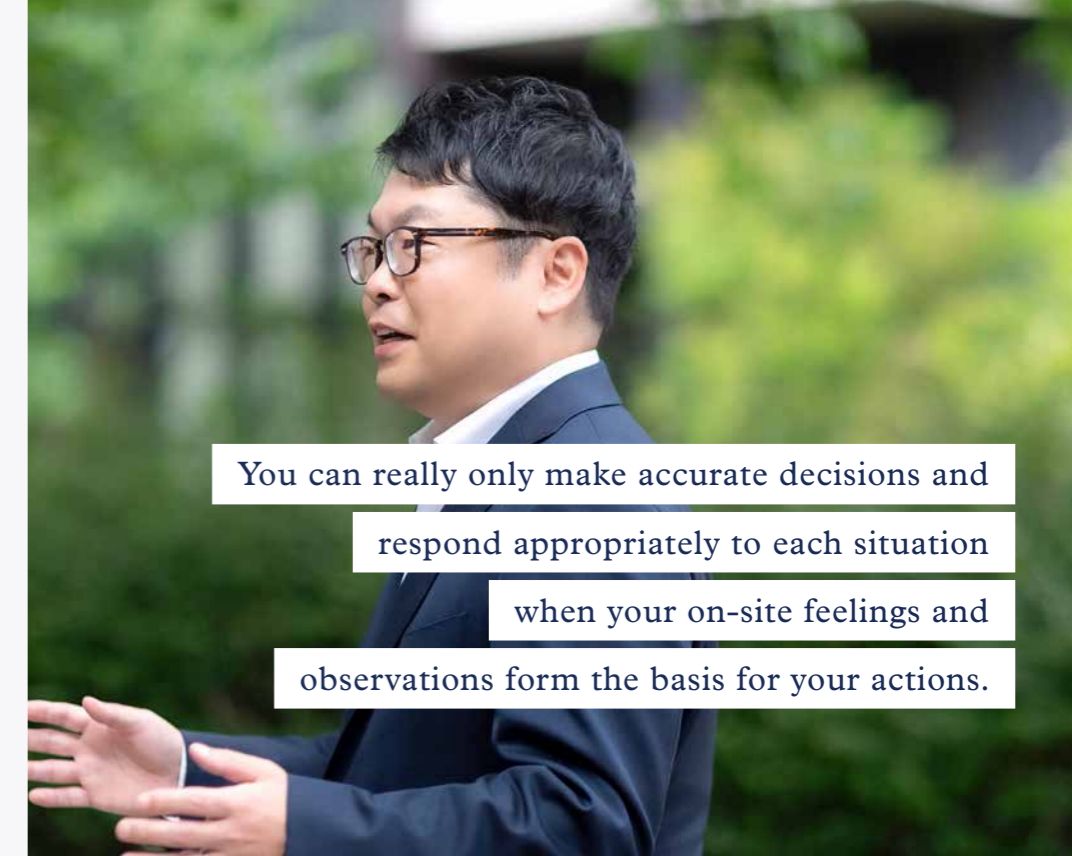
#### What sort of skills did you hone through Rotation Education?

**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 respond appropriately to each situation when your on-site feelings and 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

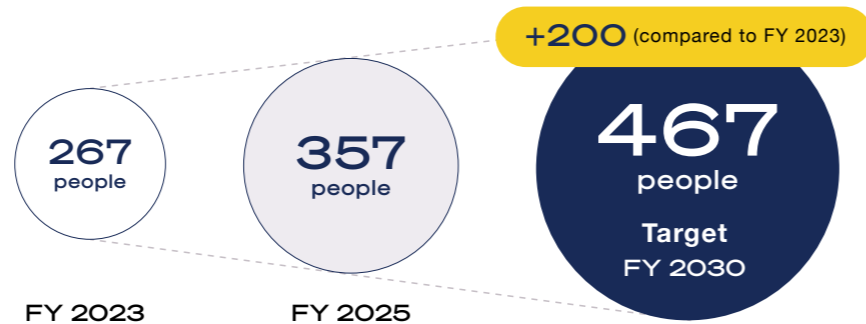
## What is a specialist?

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 <sup>*1</sup>	points	-	77.6	77.4
Absenteeism <sup>*2</sup>	%	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><b>Childcare Leave</b> 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><b>Shorter Working Hours for Childcare</b> 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><b>Caregiving Leave</b> A program that permits employees to take leave to care for family members requiring care or to provide other care</p>	<p><b>Shorter Working Hours for Caregiving</b> 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><b>Local Employee Program</b> A program under which eligible employees will only be transferred to places that do not require them to relocate their residence</p>	<p><b>Hourly Paid Leave</b> A program that allows employees to take up to 5 days of annual leave per year in increments of one hour</p>
<p><b>Consecutive Vacation System</b> 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><b>Continued Employment After Retirement</b> 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.).

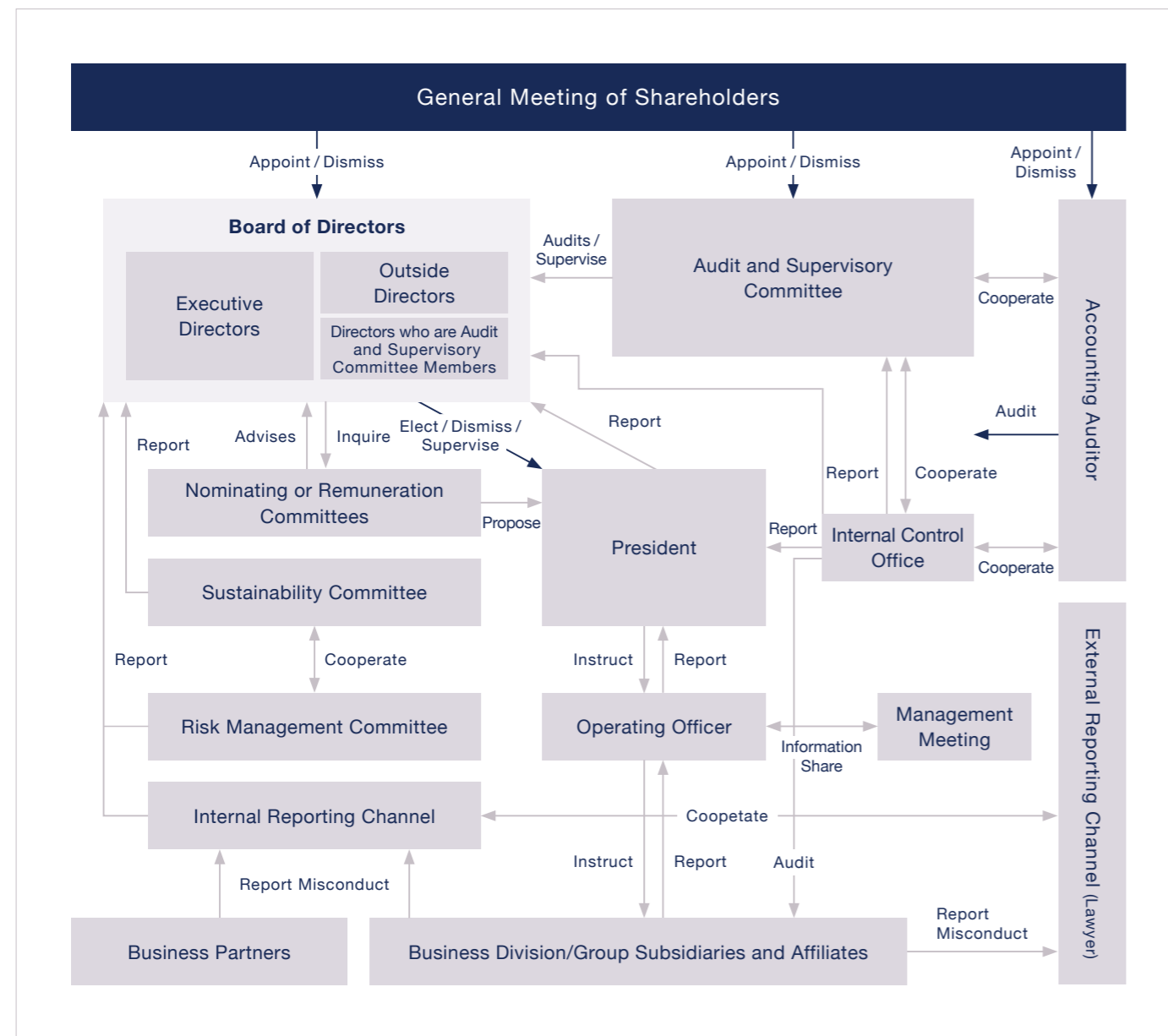
\*2 The rate as of June 1 of each fiscal year.

# Corporate Governance

## Basic Concept

Based on our corporate philosophy of “To offer joy to your everyday life,” the GEO Group offers services that provide our customers with daily entertainment and happiness in their everyday lives. In order to maximize our corporate value, we will swiftly and appropriately respond to the changing business environment, while improving the transparency of our management and ensuring legal compliance, thereby enhancing our corporate governance.

## Corporate Governance Structure and Internal Oversight System (As of July 3, 2025)



## Strengthening the Governance Structure

Male Female

	FY2015	FY2020	FY2025
Number of Directors	3 people	7 people	13 people
of which, outside directors	1 people	2 people	6 people
Ratio of Outside Directors	33%	29%	46%
of which, female directors	0 people	1 people	2 people
Ratio of female directors	0%	14%	15%

\*Transitioned to a company with an Audit and Supervisory Committee in June 2024

## Corporate Governance

<b>List of Officers</b>													
Name	Yuzo Endo	Koji Kubo	Yukimasa Murakami	Noriyuki Imai	Hirofumi Morita	Tsunehisa Ogino	Kana Yasuda	Yoko Horie	Kazuo Sasano	Yasushi Yoshikawa	Futoshi Komiyama	Hiroyuki Ota	Shinya Hattori
Position	Representative Director President Operating Officer / CEO	Executive Director Senior Managing Operating Officer	Executive Director Senior Managing Operating Officer	Executive Director Managing Operating Officer	Executive Director Managing Operating Officer	Outside Director	Outside Director	Outside Director	Director, Full-Time Audit and Supervisory Committee Member	Director, Full-Time Audit and Supervisory Committee Member	Outside Director, Audit and Supervisory Committee Member	Outside Director, Audit and Supervisory Committee Member	Outside Director, Audit and Supervisory Committee Member
Outside						●	●	●			●	●	●
Independent						●	●	●			●	●	●
<b>Skill Matrix</b>													
Corporate management	●	●		●		●			●	●	●		
Sales / Marketing	●	●		●	●					●			
Finance / M&A	●		●			●	●	●	●		●		
IT / Digital	●	●		●	●								
Labor / Personnel / H.R. development				●						●			●
Legal / Risk management						●	●			●		●	●
Global experience		●	●		●			●					
Compliance										●		●	●
Sustainability promotion	●	●	●	●	●	●	●	●	●	●	●	●	●
<b>Attendance Status in FY2024</b> Number of attendances / Number of meetings convened (Attendance rate)													
Board of Directors	12/12 times (100%)	12/12 times (100%)	12/12 times (100%)	12/12 times (100%)	-	12/12 times (100%)	12/12 times (100%)	10/10 times (100%)	10/10 times (100%)	12/12 times (100%)	10/10 times (100%)	10/10 times (100%)	-
Management Meeting	12/12 times (100%)	12/12 times (100%)	12/12 times (100%)	12/12 times (100%)	12/12 times (100%)	-	-	-	12/12 times (100%)	12/12 times (100%)	-	-	-
Audit and Supervisory Board (before transitioning to a company with an Audit and Supervisory Committee)	-	-	-	-	-	-	-	-	4/4 times (100%)	-	4/4 times (100%)	4/4 times (100%)	4/4 times (100%)
Audit and Supervisory Committee (after transitioning to a company with an Audit and Supervisory Committee)	-	-	-	-	-	-	-	-	10/10 times (100%)	-	10/10 times (100%)	10/10 times (100%)	-
Nominating or Remuneration Committee	1/1 times (100%)	-	-	-	-	1/1 times (100%)	1/1 times (100%)	1/1 times (100%)	-	-	-	-	-
Sustainability Committee	3/3 times (100%)	3/3 times (100%)	3/3 times (100%)	3/3 times (100%)	3/3 times (100%)	-	-	-	-	3/3 times (100%)	-	-	-

**Reasons for Appointment of Outside Directors and Audit & Supervisory Committee Members**

Tsunehisa Ogino	Outside Director	With extensive experience and expertise as an accounting and tax professional, Ogino fulfills the roles expected of an outside director, such as providing objective and professional perspectives on the decision-making of the Board of Directors and overseeing the execution of duties by directors, thereby contributing to ensuring proper functioning of our corporate governance, and has therefore been appointed as an Outside Director.
Kana Yasuda	Outside Director	With extensive experience and expertise as an accounting and tax professional, Yasuda fulfills the roles expected of an outside director, such as providing objective and professional perspectives on the decision-making of the Board of Directors and overseeing the execution of duties by directors, thus contributing to the proper functioning of our corporate governance, and has therefore been appointed as an Outside Director.
Yoko Horie	Outside Director	With experience and expertise as an accounting and tax professional, including overseas assignments, Horie fulfills the roles expected of an outside director, such as providing objective and professional perspectives on the decision-making of the Board of Directors and overseeing the execution of duties by directors. Horie is considered well-suited and has therefore been appointed as an Outside Director.
Kazuo Sasano	Director, Full-Time Audit and Supervisory Committee Member	With extensive career experience and expertise from financial institutions, since joining the company, Sasano has served as Treasurer and Executive Director, and since June 2008 as Full-Time Corporate Auditor. Based on his broad operational experience within the company and comprehensive knowledge of overall management, Sasano is considered well-suited and has therefore been appointed as Director and Full-Time Audit and Supervisory Committee Member.
Yasushi Yoshikawa	Director, Full-Time Audit and Supervisory Committee Member	In addition to experience leading purchasing, distribution, and store operations, Yoshikawa worked to strengthen governance as head of the Administrative and Internal Audit Departments. Having also served as former representative director of GEO CORPORATION, Yoshikawa possesses deep insight into the Group's operations, and is expected to provide highly effective oversight, supervision, and advice. Yoshikawa has therefore been appointed as Director and Full-Time Audit and Supervisory Committee Member.
Futoshi Komiyama	Outside Director, Audit and Supervisory Committee Member	With experience as an accounting and tax professional and broad expertise, Komiyama can provide objective and impartial oversight, supervision, and advice on the company's management and execution. Komiyama is considered well-suited and therefore has been appointed as Outside Director and Audit and Supervisory Committee Member.
Hiroyuki Ota	Outside Director, Audit and Supervisory Committee Member	With extensive experience and broad expertise from holding key positions at the National Police Agency, Ota can provide objective and impartial oversight, supervision, and advice on the company's management and execution. Ota is considered well-suited and therefore has been appointed as Outside Director and Audit and Supervisory Committee Member.
Shinya Hattori	Outside Director, Audit and Supervisory Committee Member	As a licensed attorney, Hattori can provide auditing, oversight, and advice from a high level of legal perspective, in an objective and impartial standpoint regarding the company's management and execution. Hattori is considered well-suited and has therefore been appointed as an Outside Director and Audit and Supervisory Committee member.

**Appointment and Dismissal Policy and Procedures**

The GEO Group has established a policy of appointing directors who possess outstanding character and insight, valuing a spirit of compliance, in order to realize the Group's corporate philosophy and management policies. Internal and external candidates for directors are selected based on multiple criteria, including expertise, experience, and capabilities in management, execution, and oversight, and are deliberated and decided upon by the Board of Directors.

**Reasons for Skill Selection**

<b>Corporate Management</b>	Possesses deep knowledge and extensive experience in business management and organizational operation, as well as practical management skills cultivated through such experiences.
<b>Sales / Marketing</b>	In addition to possessing the ability to accurately grasp and predict societal and consumer needs, also has experience implementing strategic approaches in growth sectors and key areas and are equipped with advanced knowledge and capabilities in sales and marketing.
<b>Finance / M&amp;A</b>	Possesses advanced expertise in financial strategy planning and execution, accounting, taxation, and M&A, as well as practical knowledge and experience that contribute to enhancing corporate value.
<b>IT / Digital</b>	In addition to system planning, operation, and management, possesses expertise and experience in utilizing digital technologies and driving digital transformation (DX) as well as practical capabilities in the IT and digital fields.
<b>Labor / Personnel / H.R. development</b>	Possesses expertise and experience in recruiting and developing diverse human resources, as well as strategic investment in human capital including the supply chain as well as demonstrates strong capabilities across all aspects of human resource management.
<b>Legal / Risk Management</b>	In addition to specialized knowledge in law and risk management, possesses practical experience supporting management decisions through industry and corporate analysis, demonstrating advanced expertise and practical capabilities in these fields.
<b>Global Experience</b>	Possesses a global perspective, extensive knowledge and practical experience in overseas business development and international market operations and is equipped with strategic judgment and practical capabilities in international business.
<b>Compliance</b>	Possesses a deep understanding of the importance of legal compliance and ethical governance in corporate activities, along with practical experience and specialized expertise in establishing and operating compliance systems.
<b>Sustainability Promotion</b>	Understands the importance of long-term value creation that contributes to societal sustainability, and possesses the knowledge, experience, and implementation capabilities to generate the foundation of sustainable and long-term growth for the company.

**Remuneration for Executives**

The GEO Group has introduced a remuneration system designed to share profits and risks with our shareholders and to contribute to the improvement of medium-to-long-term performance and the enhancement of corporate value. The annual remuneration for directors (excluding Audit and Supervisory Committee Members) is capped at ¥280 million (of which ¥70 million is allocated to outside directors, excluding remuneration for directors who are also employees). For directors who are Audit and Supervisory Committee Members, the annual compensation is capped at ¥70 million. These limits were resolved at the 36th Ordinary General Meeting of Shareholders held on June 27, 2024. Furthermore, at the same meeting, the Board of Directors resolved on the policy for decisions regarding individual remunerations details for directors (excluding Audit and Supervisory Committee Members). The content of this policy concerning individual compensation, etc. for directors (excluding Audit and Supervisory Committee Members) is as follows.

Basic remuneration policy	The fixed monthly remuneration provided will be determined by the Board of Directors, taking into account factors such as the level of other companies, company performance, and employee salary levels, based on the position, responsibility, and years in office.
Performance-linked compensation policy	To strengthen business performance for each fiscal year, directors other than outside directors may receive cash bonuses using the current net income for the previous year as an indicator. The amount of payment is estimated to be approximately 0.5% of current net income, assuming approval from the Ordinary General Shareholders' Meeting.
Non-monetary remuneration policy	From the perspective of enhancing corporate value over the medium to long term, stock-based compensation stock options (stock acquisition rights with a strike price of 1 yen per share) can be granted to directors other than outside directors.
Remuneration composition ratio policy	Stock compensation is limited to an amount equivalent to 50% of the basic remuneration. No fixed ratio is set for bonuses, which may be paid taking 0.5% of current net income as a guideline. The remuneration composition ratio is reviewed annually with reference to similar business scales as the company and the level of other companies in the industry, and is changed as necessary.
Policy regarding delegation of decisions on remuneration	Individual remuneration (basic remuneration, bonus allocation, number of stock compensation awards) will be delegated to the Representative Director and President, who will consult with any Nominating or Remuneration Committee, including outside directors, and respect their opinions.

**Compliance**

The GEO Group has established a system based on the Group's Corporate Ethics Code and Standards of Conduct in which the director in charge of the Compliance Division is the general manager to ensure each executive and employee can implement socially responsible actions. To strengthen awareness of compliance, the Group continually conducts training once a year and publicize such activities. In addition, a system has been established to report to the directors and the Audit and Supervisory Committee through internal audits by the Audit Department. If there is any indication of a violation, the internal reporting system enables direct reporting to internal and external reporting channels, and we strive to achieve early identification and correction of company-wide compliance risks. The Corporate Ethics Code clearly stipulates a firm stance against anti-social forces, and a response system has been established in cooperation with the Legal Department, related organizations and experts.

Initiatives to Strengthen Compliance	
Annual compliance training (for directors and executive officers)	Establishment and communication of the internal reporting system (internal and external channels)
Continuous verification of the compliance structure through internal audits	Clear standards of conduct regarding the exclusion of anti-social forces

**Internal Control**

The GEO Group has established an internal control system to ensure that directors and employees execute their duties effectively and efficiently. To achieve compliance with laws and regulations, in addition to the establishment and operation of internal regulations, a system for monitoring by the Audit and Supervisory Committee has been put in place. For risk management, a Risk Management Committee has been established with the president as its chairman, establishing a system to understand and evaluate possible risks and formulate appropriate countermeasures, and based on risk management regulations, a Crisis Management Countermeasures Headquarters will be set up in the event of a crisis, creating a system that minimizes damage. The Business Management Division carries out overall management of subsidiaries, while each department oversees relevant operations. Governance is strengthened by means such as reporting important matters once a month and reporting to the Board of Directors. In addition, the dispatch of auditors and the establishment of internal controls is promoted while considering local laws and business practices in overseas corporations.

Main Internal Control Structures and Systems	
Building company-wide internal controls, including compliance and risk management	Response by the Risk Management Committee and Crisis Management Countermeasure Headquarters
Strengthening coordination with subsidiaries and reporting important matters	Oversight by the Audit and Supervisory Committee in cooperation with the Audit Department

# Discussion with Outside Directors

The GEO Group held a discussion with three outside directors to promote sustainable corporate value. Participants exchanged candid views on diverse themes, including the Group's competitive advantages, governance challenges arising from business expansion, expectations for the growth-driving reuse business and global expansion, the importance of human resource development and diversity, and the evaluation and future outlook of sustainability management. The content of the discussion is presented below.

## Effectiveness of the Board of Directors and Competitive Advantage

### —Current Assessments, Competitive Advantages, and Key Challenges

**Ogino** The strength of the GEO Group lies in its infrastructure of over 2,000 stores nationwide. This is a significant asset unmatched by competitors. While the content we handle changes with the times, having “physical locations” across the country provides an extremely powerful foundation for creating new values. As an outside director, I make sure to observe operations firsthand, and I have visited stores like the one in Los Angeles in the U.S., and the one in Okinawa’s new downtown area, which “have a good sales record despite its inconspicuous location.” Each visit left me wondering, “Why here?” Perhaps there is some kind of “principle” that determines why certain stores succeed. There is a GEO store right in front of my office, and every time I see families with children going in to choose items and then selecting inexpensive snacks together from the shelves, I realize that the unique customer experience offered by physical stores is the source of their competitive advantage. These touches not only enrich family time but also foster a sense of familiarity with the store, encouraging repeat visits.

In this way, I feel that “having physical stores” constitutes a key strength for the GEO Group, and that the value it generates from is certainly tangible.

On the other hand, the GEO Group has expanded its business in recent years through overseas ventures and acquisitions, which has made its organizational structure considerably more complex. While this reflects an appetite for growth, it is precisely





There is tangible value that comes from  
“having physical stores.”

during times of major organizational change that risks tend to arise. Misconduct often occurs when an organization becomes overly complicated. As an outside director, I intend to pay particular attention to oversight and advisory roles within the Board of Directors.

**Yasuda** The competitive advantage of the GEO Group lies in the way its corporate philosophy of “To offer joy to your everyday life” effectively functions as a concept that flexibly embraces society’s diversifying values. Originally starting as a rental business for media such as videos and CDs, the company has now significantly expanded into reuse business handling second-hand goods such as clothing, clothing

accessories, and home appliances.

Furthermore, I believe the Group’s strengths compared with other companies include having many company-owned stores, which makes it easier to convert locations, and that our stores are well-systematized to operate smoothly even with fewer staff.

On the other hand, it seems somewhat unclear how the long-term vision embodying the corporate philosophy is tied to actual business operations and organizational management. The move to begin communicating the philosophy and direction externally, as seen in this integrated report, is a welcome development. The next step would likely be to disclose a “mid-term plan,” thereby concretizing the vision and strategy and explaining them both internally and externally.

**Horie** When I became an outside director in 2024, what struck me first was how the executive team responded thoughtfully to every question, without dismissing even slightly off-track suggestions. I see this open atmosphere where it is easy to speak out, as a major attribute of the GEO Group’s organizational culture.

On the other hand, I believe there is room for improvement in the “perspective” of discussions at board meetings. While investment proposals are explained individually in detail and discussions are lively, it can be difficult to see how they fit within the overall strategy. For instance, the structure of overall system investments, their relationship to store investments, and the goals of each operating company—if this broader strategic picture is shared at board meetings, discussions could go deeper and allow for flexible revisions even during the planning process.

With the transition to a Company with an Audit and Supervisory Committee, the Board of Directors is now dedicated to oversight. It is precisely for this

reason that I believe that maintaining an overview of the overall strategy rather than only focusing on individual matters, and regularly reviewing the formulation and progress of the medium-term management plan, are a critical part of the roles for directors.

Monthly and quarterly performance reports are extremely thorough, making it easy to understand the current situation. That said, if discussions could be conducted within the context of “where we currently stand within this strategy,” it would add greater depth to our oversight and advice as outside directors.

## Global Expansion and Reuse Business

### — The Role of the Reuse Business in Driving Growth?

**Yasuda** Regarding the reuse business, I get the impression that the model centered 2nd STREET has become quite well-established. The stores are operated with a high degree of sophistication, with merchandise neatly displayed in a way that creates an atmosphere more akin to a select shop than a typical reuse store. There is a sense of care and respect for the items, and I believe this very attitude could be a strength for Japan’s reuse culture when expanding globally. Just as Japanese food culture, manga, and music have gained acceptance overseas, I think Japanese reuse values could also resonate internationally if communicated effectively.

On the other hand, I feel there is still room for improvement in establishing a consistent format for the operations of subsidiaries like OKURA, which handles brand-name products. Organizing strategies by industry and clarifying each business value proposition would likely strengthen their alignment with the overall management strategy.

Since there is no single right answer in reuse, store operations and purchase prices have a significant impact on the customer experience. Precisely

## Discussion with Outside Directors

because of this, I feel that if we continuously refine our systems, the GEO Group's reuse business still holds tremendous potential for growth.

**Ogino** I also felt this strongly during my business trip to the U.S. Many local reuse shops gave the impression that items were simply "just placed there." In contrast, 2nd STREET stores display sneakers and clothing neatly, creating a bright and clean atmosphere. This is a significant differentiating factor, and even locally, the impression was noticeably different at first glance.

Another common remark I hear from acquaintances is, "I didn't know 2nd STREET was part of the GEO Group." In fact, eight out of ten people have this perception. While one can say that this demonstrates how well the 2nd STREET brand stands on its own, I believe enhancing recognition of the Group as a whole and strengthening synergy should be a theme moving forward.

### How can we further strengthen our competitive advantage in the industry?

**Yasuda** In the businesses acquired through M&A and in our global expansion, I feel that a clear competitive advantage has yet to be firmly established. This is an important challenge and is an area that should be more strategically explored.

**Ogino** Integrating acquired companies is a major challenge not only overseas but also domestically. Challenges include how to harmonize the GEO Group's existing expertise with the strengths of newly acquired companies, such as "to what extent inventory management systems should be unified" and "how far customer service standards should be standardized."

The Board of Directors regularly reviews challenges and synergies for each acquired company and, as outside directors are also constantly mindful of "whether the lack of successful integration could lead to scandals or deteriorate investment efficiency." While business expansion is appealing, the key to enhancing corporate value lies not merely in pursuing scale, but in ensuring that robust systems are in place to thoroughly implement PMI (Post Merger Integration: the process to maximize integration benefits from M&A).

### As we embark on full-scale global expansion, how do we cultivate human resources with an international perspective?

**Ogino** When I asked President Endo about the current state of global human resources, it seemed that it is perceived as a major challenge. When I asked the chairman of another listed company how they manage this, he said that training local human resources in Japan for overseas posting was difficult, and for rapid global expansion, "localization," that is, recruiting excellent human resources locally and entrusting them with responsibility, is indispensable. As the GEO Group accelerates store openings in North America and Asia, I believe it is urgent that the Japanese side cultivate "management personnel" who can coordinate with local teams while maintaining overall control.

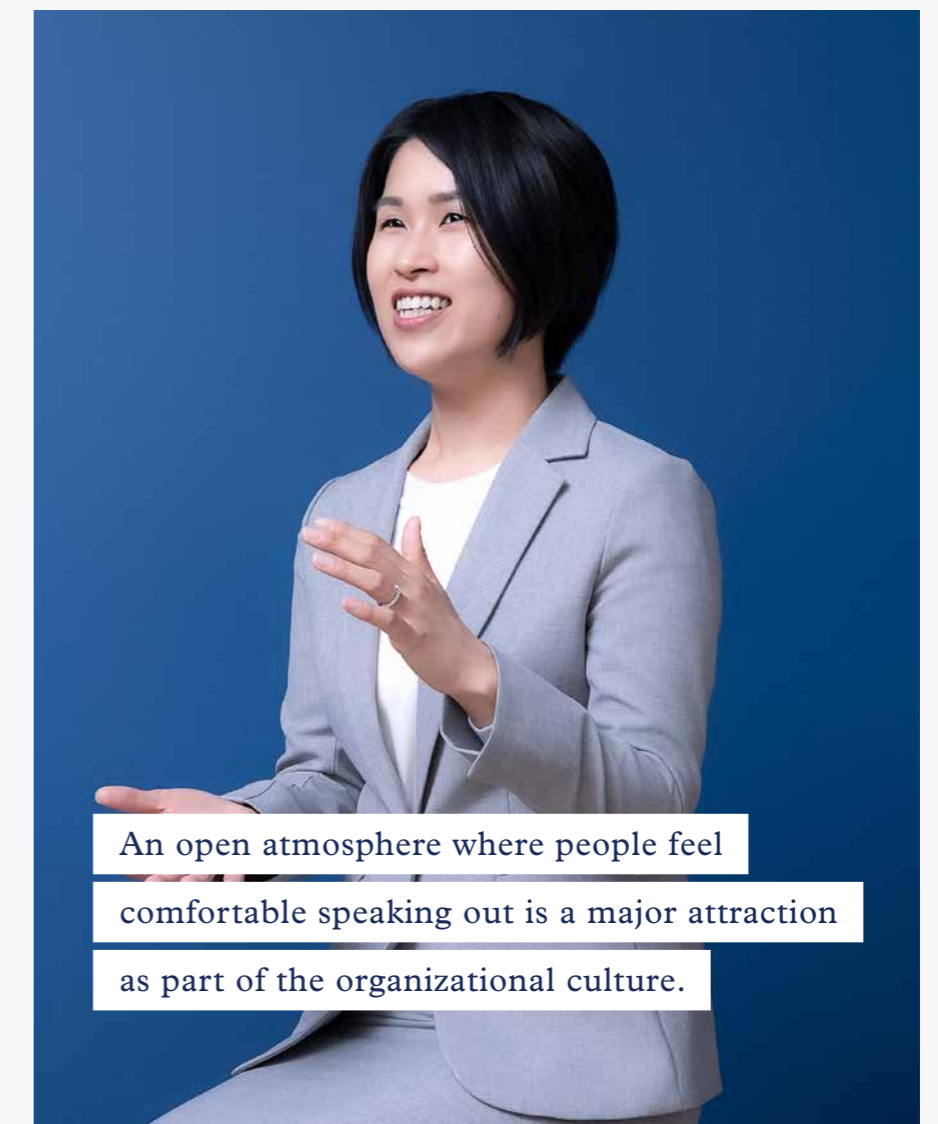
Securing overseas human resources is no easy task, but as our business expands, it becomes easier to attract people who want to work there. Creating a cycle where people transform the company and the company attracts people - that is the key to reaching the next stage.

### Sustainability and Future Expectations

— **How do we tackle the challenges of appointing female executives and promoting diversity?**

**Horie** Currently, the GEO Group has no female executives aside from outside directors, but I believe that it is unrealistic to suddenly appoint one. The key is to first cultivate a pool of female candidates for management positions. This aligns with the company's overall direction of building a deeper layer of management human resources.

That is precisely why we need to establish systems that not only provide opportunities but also ensure thorough follow-up. Enhancing such internal mechanisms will enable female employees to build their careers with confidence and make the company more attractive to young people who are considering joining the company.



An open atmosphere where people feel comfortable speaking out is a major attraction as part of the organizational culture.

## Discussion with Outside Directors

**Ogino** In order to achieve the corporate philosophy of “To offer joy to your everyday life,” a woman’s unique perspective is indispensable. Furthermore, companies where women thrive often possess strong growth potential. From the human resource development perspective as well, embracing diverse values enhances the organization’s overall flexibility and creativity.

**Yasuda** What I believe is that striving to create a company where women can work comfortably ultimately leads to an environment where men can work

comfortably too. When the discussion turns to promoting women, some voices ask, “Isn’t this reverse discrimination?” But if we shift our perspective, I think the essence lies in creating systems that allow everyone, including men, to work flexibly.

For example, by establishing systems that consider women’s childcare and family circumstances, we can expand the potential to offer similar flexibility to men as well. I believe that creating a workplace that is comfortable for both genders allow women to realize their full potential without difficulty and also contributes to fostering a healthy workplace culture overall.

Of course, this is not an easy task, but I believe that it is crucial to maintain a perspective that avoids bias in any one direction and aims to realize a workplace that is easy for everyone to work in.

### How should we evaluate and communicate the sustainability of the GEO Group?

**Ogino** I feel that the GEO Group’s business structure itself is deeply intertwined with sustainability, as it inherently promotes a circular economy. The very pursuit of business growth has the inherent strength to directly contribute to society. That being said, sustainability is also an area where “presentation” can be challenging. Even when emphasizing social responsibility, there may be perceptions that “it’s ultimately just business.” Precisely for this reason, I believe it is crucial to carefully build on the sharing and consistent practice of principles. Doing so fosters an environment where employees can work with pride, which in turn enhances corporate value.

**Yasuda** I do not view reuse as merely a business. At its roots lies the value of “cherishing things,” which I believe is a very Japanese sensibility. We hold onto things we cannot bear to throw away, imbuing them with memories and respect. And we find joy in knowing someone else can use them. I see 2nd STREET’s slogan, “Promoting the shift from

throwaway living,” as embodying this very value. This isn’t just about reuse; I believe it represents a cultural stance aiming for a “waste-free society.”

**Ogino** I agree with Ms. Yasuda’s point. Rather than imposing values, we should communicate them steadily and sincerely. The GEO Group’s strength lies in embodying this “circulation in daily life.” If this message resonates, I believe reuse culture has the potential to expand further, not merely as a profitable business, but as a culture that people genuinely empathize with.

### What expectations do you have for future growth?

**Horie** President Endo always emphasizes at management meetings, “Let’s maintain the mindset of challengers, not of a leading company,” and I deeply resonate with that attitude. I hope we continue to value this approach of never being satisfied with the status quo, pursuing growth through continuous challenges.

Having lived abroad myself, I hope to contribute to the GEO Group’s future global expansion by providing oversight and risk management from an international perspective. As an outside director, I aim to ensure that necessary risks are properly taken while avoiding those that are often overlooked.



The GEO Group’s reuse business  
still holds significant growth potential.

# Stakeholder Engagement

At GEO Group, we believe that co-creating values with diverse stakeholders, including customers, employees, business partners, shareholders and investors, and local communities, is essential. Building dialogue and trust with stakeholders is indispensable for enhancing sustainable corporate value. We believe that fairly distributing the profits and outcomes generated through value co-creation and productivity improvements also contributes to the sustainable development of the economy.

## Engagement with Stakeholders

Stakeholders	Relationships	Dialogue	Shared Values
<b>Customers</b>	The foundation of our business and partners in co-creating values	<ul style="list-style-type: none"> <li>● In-store guidance</li> <li>● Inquiry counter</li> <li>● Websites, etc.</li> </ul>	<ul style="list-style-type: none"> <li>● Developing and providing services that reflect customer needs</li> <li>● Enhancing customer experience value and building lasting trust</li> </ul>
<b>Employees</b>	Key human resources who embody our corporate philosophy and serve as the source of sustainable corporate value creation	<ul style="list-style-type: none"> <li>● Internal Newsletter</li> <li>● Employee Engagement Survey</li> <li>● Career Design Training, etc.</li> </ul>	<ul style="list-style-type: none"> <li>● Realizing a safe and rewarding workplace</li> <li>● Enabling the full application of individual capabilities to the fullest extent</li> <li>● Promoting the active participation of diverse human resources</li> </ul>
<b>Business Partners</b>	Fair and equal partners who mutually enhance the competitiveness and sustainability of the entire supply chain	<ul style="list-style-type: none"> <li>● Business Discussions</li> <li>● Partnership Building Declaration</li> <li>● Opinion Exchange Meetings, etc.</li> </ul>	<ul style="list-style-type: none"> <li>● Building fair and highly transparent partnerships</li> <li>● Enhancing the sustainability and competitiveness of the entire supply chain</li> </ul>
<b>Shareholders and Investors</b>	Partners who support our Group's management and jointly pursue enhanced corporate value from the long-term perspective	<ul style="list-style-type: none"> <li>● Shareholders' Meetings</li> <li>● Financial Results Briefings</li> <li>● Integrated Reports, etc.</li> </ul>	<ul style="list-style-type: none"> <li>● Enhanced Management Transparency</li> <li>● Deep Understanding of Management Strategy</li> <li>● Enhanced Corporate Value and Sustainable Shareholder Returns through Dialogue</li> </ul>
<b>Local communities</b>	Partners who build trust by sharing business foundations and contributing to solving local challenges and sustainable development	<ul style="list-style-type: none"> <li>● Collaboration with local governments</li> <li>● Lectures on reuse</li> <li>● Social contribution activities, etc.</li> </ul>	<ul style="list-style-type: none"> <li>● Revitalizing the local economy through business</li> <li>● Fulfilling our role as a trusted corporate citizen</li> </ul>

### Examples of Initiatives



#### Women's Career Design Training

Aiming to create an environment where everyone can thrive regardless of gender, we implement initiatives that empower female employees to proactively design their careers, encouraging each individual's growth and independence as a first step. Through ongoing dialogue with employees, we are working together to build a fulfilling workplace.



#### Sapporo City Partnership Agreement to Promote Reuse Activities

This partnership agreement with a local government marks the first for 2nd STREET, representing a collaborative effort with the community to promote reuse activities through public-private cooperation. By deepening dialogue with citizens and contributing to waste reduction, we will work together to realize a recycling-oriented society.

# Financial & Non-Financial Data

(Fiscal year)

Financial Data		Unit	2020	2021	2022	2023	2024
Operating Results	Net Sales	(million yen)	328,358	334,788	377,300	433,848	427,669
	Gross Profit	(million yen)	125,223	130,798	142,483	159,824	170,671
	Selling, General and Administrative Expenses	(million yen)	120,911	122,624	131,862	143,009	159,421
	Operating Profit	(million yen)	4,311	8,173	10,620	16,814	11,250
	Ordinary Profit	(million yen)	4,795	9,662	11,926	18,749	12,224
	Profit Attributable to Owners of the Parent	(million yen)	▲752	5,985	5,681	10,902	4,537
Financial Position	Total Assets	(million yen)	169,738	174,375	201,804	231,125	252,807
	Cash and Deposits	(million yen)	51,865	45,604	44,286	54,977	60,090
	Current Assets	(million yen)	113,687	117,970	131,311	154,308	165,072
	Non-Current Assets	(million yen)	56,050	56,405	70,492	76,817	87,735
	Current Liabilities	(million yen)	41,038	36,057	49,225	47,487	46,603
	Non-Current Liabilities	(million yen)	55,717	61,124	75,366	96,287	115,734
	Shareholders' Equity	(million yen)	72,388	76,887	76,962	87,254	90,467
	Stock Acquisition Rights	(million yen)	410	361	316	180	160
	Non-Controlling Interests	(million yen)	0	0	0	38	65
	Amount of Net Assets	(million yen)	72,982	77,193	77,212	87,349	90,469
	Interest-bearing debt (including lease obligations)	(million yen)	52,135	59,068	80,211	92,188	105,874
	Interest-bearing debt (excluding lease obligations)	(million yen)	50,956	57,943	67,950	75,062	82,325
	Net interest-bearing debt (including lease obligations)	(million yen)	269	13,463	35,924	37,210	45,783
Net interest-bearing debt (excluding lease obligations)	(million yen)	▲909	12,338	23,663	20,084	22,234	
Cash Flow	Cash Flows from Operating Activities	(million yen)	12,428	▲5,731	4,283	9,296	8,012
	Cash Flows from Investing Activities	(million yen)	▲8,225	▲6,694	▲9,589	▲10,401	▲12,494
	Cash Flows from Financing Activities	(million yen)	14,683	5,595	3,938	12,396	10,778
	Cash and Cash Equivalents at End of Period	(million yen)	54,576	47,851	46,564	58,556	64,760
Key Indicators	Gross Profit Margin	(%)	38.1	39.1	37.8	36.8	39.9
	Operating Profit Margin	(%)	1.3	2.4	2.8	3.9	2.6
	Net Profit Margin	(%)	▲0.2	1.8	1.5	2.5	1.1
	Return on Assets (ROA)	(%)	▲0.4	3.4	2.8	4.7	1.8
	Return on Equity (ROE)	(%)	▲1.0	7.8	7.4	12.5	5.0
	Total Asset Turnover Ratio	(number of times per year)	1.9	1.9	1.8	1.8	1.6
	Current Ratio	(%)	277.0	327.2	266.8	324.9	354.2
	Equity Ratio	(%)	42.8	44.1	38.1	37.7	35.7
	Debt-to-Equity Ratio (DER)	(Times)	0.70	0.75	0.88	0.86	0.91
Per Share Information	Profit	(JPY)	-	141.15	135.93	275.31	114.27
	Dividend	(JPY)	34	24	24	29	34
	Net Assets	(JPY)	1,711.37	1,811.83	1,946.46	2,194.58	2,272.11
	Dividend Payout Ratio	(%)	-	17.00	17.66	10.53	29.76
Stock Information	Number of Shares Issued	(Shares)	42,405,952	42,405,952	39,505,152	39,702,552	39,718,052
	Price Earnings Ratio (PER)	(Times)	-	8.87	11.79	7.00	15.88
	Price Book-value Ratio (PBR)	(Times)	0.69	0.69	0.82	0.88	0.80
Stock Information	Stock Price (End of Term)	(JPY)	1,188	1,252	1,602	1,927	1,814

Non-Financial Data		Unit	2020	2021	2022	2023	2024
<b>Environment</b>							
Total GHG Emissions (Market-Based)		(t-CO2e)	-	73,508	976,168	1,029,184	3,662,488
Total GHG Emissions (Location-Based)		(t-CO2e)	72,100	70,797	974,841	1,029,360	3,656,566
Scope 1 *1		(t-CO2e)	1,917	1,712	1,543	1,465	1,772
Scope 2 (Market-Based)		(t-CO2e)	-	71,796	64,601	63,743	74,636
Scope 2 (Location-Based)		(t-CO2e)	70,183	69,085	63,274	63,919	68,715
Scope 3		(t-CO2e)	-	-	910,024	963,976	3,586,079
<b>Human Capital</b>							
Number of Employees		Consolidated (persons)	5,304	5,459	5,602	5,912	6,512
Number of Female Managers		Consolidated (persons)	-	-	12	18	28
Rate of Female Managers		Consolidated (%)	-	-	5.2	7.30	10.98
Number of New Hires		Total (persons)	403	378	291	433	473
		New Graduates (persons)	175	254	150	66	105
		Career Hires (persons)	-	-	17	21	21
Employment Rate of Persons with Disabilities*2		Affiliated Companies Total (%)	3.98	3.39	3.49	2.60	2.57
Number of Employees Taking Childcare Leave		Consolidated (persons)	-	-	80	91	110
Average Age		(y/o)	40.15	41.06	42.02	42.4	42.51
Average Length of Service		(years)	11.43	11.90	13.05	13.78	13.34
Average Monthly Overtime Hours		(hours/month)	-	-	-	13.51	12.50
<b>Governance</b>							
Number of Directors		Total (persons)	7	7	7	8	12
		Outside Directors (persons)	2	2	2	2	5
		Independent Directors (persons)	2	2	2	2	5
Total Number of Female Directors		Total (persons)	1	1	1	1	2
		Outside Directors (persons)	1	1	1	1	2
		Independent Directors (persons)	1	1	1	1	2
Number of Board Meetings		(times)	12	12	12	12	12
Number of Sustainability Committee Meetings		(times)	-	-	-	-	3
Number of Audit Committee Meetings		(times)	13	14	13	13	4
Number of Audit and Supervisory Committee Meetings		(times)	-	-	-	-	10
Number of Nominating or Remuneration Committee Meetings		(times)	-	-	-	-	1

\*1 GHG emissions for Scope 1 through 3 are calculated in accordance with the "Supply Chain Emissions Calculation Guidelines" established by the Ministry of the Environment. Please refer to [our corporate site](#) for details such as the scope of calculation.

\*2 The employment rate of persons with disabilities is as of June 1st of each fiscal year.

# External Recognition & Stock Information

## CDP



The CDP is a non-profit organization that runs a system for disclosing environmental information. It surveys and analyzes the environmental efforts of corporations and other organizations around the world and discloses the results of those assessments. In FY2024, the Geo Group achieved a "B" score in the field of Climate Change, with the CDP noting that "The Geo Group recognizes its environmental risks and impacts and takes action."

## KENKO Investment for Health Outstanding Organization



In recognition of our proactive efforts to promote the health of our employees, the GEO Group was certified under the "KENKO Investment for Health Outstanding Organization Recognition Program 2025 (Major Corporation Category)" sponsored by the Ministry of Economy, Trade and Industry (METI) and the Japan Health Council.

## Aichi Women's Brilliance Company



The GEO Group has been certified as a company that is engaged in initiatives such as the promotion of a healthy work-life balance and the creation of an environment where employees are able to raise children or provide nursing care while continuing to work, in addition to the top management's declared intention to promote women's active participation, expand the scope of employment, expand the job opportunity, develop training, and promote management positions.

## PRIDE Index



In 2024, the GEO Group has been certified as a "Silver" company that is promoting initiatives to realize a workplace where LGBTQ+ people can work with pride in an evaluation index of initiatives in support of LGBTQ+ and other sexual minorities, formulated by the general incorporated association work with Pride.

## White Company Certification



White Company certification is the only certification system in Japan that comprehensively evaluates the "whitening" of companies and is conducted by JWS Japan White Spread, certifying the GEO Group as "Gold" in 2024.

## D&I AWARD



D&I AWARD is a certification system that evaluates the diversity and inclusion of companies, certifying based on scores from proprietary evaluation indicators. The GEO Group has been certified a "Best Workplace" as a company that not only fosters a D&I corporate culture, but where each and every employee also actively promotes D&I in 2024.

## Stock Information (As of March 31, 2025)

Securities code	2681
Round-lot	100 shares
Stock Listing	Tokyo Stock Exchange Prime Market
Common stock authorized	200,000,000 shares
Number of shares issued	39,718,052 shares
Number of shareholders	32,435
Capital	9.263 billion yen

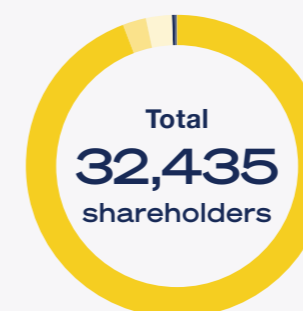
## Shareholder Composition (As of March 31, 2025)

### Type of security ownership



- Other Japanese companies: 17,669 thousand shares (44.49%)
- Japanese individuals and other investors: 7,841 thousand shares (19.74%)
- Japanese financial institutions: 6,858 thousand shares (17.27%)
- Foreign investors: 6,259 thousand shares (15.76%)
- Japanese securities companies: 1,092 thousand shares (2.75%)

### Share Distribution by Size



- Less than 5 share unit: 30,575 people (94.27%)
- Over 10 share unit: 857 people (2.64%)
- Over 5 share unit: 849 people (2.62%)
- Over 100 share unit: 98 people (0.30%)
- Over 1,000 share unit: 29 people (0.09%)
- Over 500 share unit: 18 people (0.06%)
- Over 5,000 share unit: 8 people (0.02%)

# Corporate Profile

## Company Information

(As of March 31, 2025)

Corporate Name	GEO HOLDINGS CORPORATION
Establishment	January 1989
Head Office	OMC Building, 8-8 Fujimi-cho, Naka-ku, Nagoya-shi, Aichi-ken 460-0014 Japan
Capital	9.263 billion yen
Stock Exchange Market	Tokyo Stock Exchange Prime Market
Business Summary	Corporate planning and strategic management of the GEO Group companies and management oversight of subsidiaries
Number of Employees	6,512 (consolidated)
Stores	2,186 (Group-wide)
Net Sales (consolidated)	427.6 billion yen (FY ended March 31,2025)

## Board Members

(As of June 26, 2025)

Directors		Operating Officers	
Representative Director President Operating Officer / CEO	Yuzo Endo	Senior Operating Officers	Ryutaro Ito Tsunaki Ichinohe
Executive Director Senior Managing Operating Officers	Koji Kubo Yukimasa Murakami	Operating Officers	Ken Ueda Naoyuki Hayafune
Executive Director Managing Operating Officers	Noriyuki Imai Hirofumi Morita		Kiyohiko Koga Yoshiaki Kajita
Outside Directors	Tsunehisa Ogino Kana Yasuda Yoko Horie		Hideyuki Kawakami Hidetoshi Kobayashi Yohei Hashigaya

## Director, Audit and Supervisory Committee

Directors, Full-Time Audit and Supervisory Committee Members	Kazuo Sasano Yasushi Yoshikawa
Outside Directors, Audit and Supervisory Committee Members	Futoshi Komiyama Hiroyuki Ota Shinya Hattori

## Group Subsidiaries and Affiliates

(As of July 1, 2025)

Name	Principle Business Activities
GEO CORPORATION	Store management support and wholesale business
GEO STORE CORPORATION	Operation of Comprehensive Media Stores “GEO Store”
2ND STREET CORPORATION	Operation of Comprehensive Reuse Stores “2nd STREET”
GEO CLEAR CORPORATION	Operation of Off Price Stores “Luck Rack”
OKURA HOLDINGS CORPORATION	Management of the OKURA Group, specializing in the buying and selling of luxury watches and other goods
Japan Auction Association Inc.	Auction management of watches, jewelry and bags
Rock Co., Ltd.	Purchase and sale of used farm equipment, antiques and art works
World Mobile Corporation	Buying and sales of mobile devices
GEO CONNECT Co., Ltd.	Building business infrastructure
GEO AMUSEMENT Co., Ltd.	Operation of amusement businesses such as “Warehouse” and “Capsule Rakkyoku”
Gramolux Inc.	Wholesale of rental music packages
Pflug co., Ltd.	Production and wholesale of video software
Chelsea International Co., Ltd.	Import, export, wholesale and sales of clothing, clothing accessories, etc.
GEO NETWORKS CORPORATION	Development and operation of web sites and software
viviON, Inc.	Planning, production, operation and marketing of web services and contents
EISYS, Inc.	Operation of EC, online gaming, and digital content distribution service
forcs, Inc.	Production and distribution of digital publications
DigiCon Corp.	Planning and design of web marketing strategies
GEO BUSINESS SUPPORT CORPORATION (Special subsidiary company)	Providing services related to store management
Aozora Small amount Short-term Insurance Co., Ltd.	Development and sales of insurance products, such as payment terminal compensation insurance and insurance for dental clinics
2nd STREET USA, Inc.	Operation of stores purchasing and selling second-hand clothing and accessories
2nd STREET TRADING MALAYSIA Sdn. Bhd.	Operation of stores purchasing and selling second-hand clothing and accessories, and wholesale
2nd STREET TAIWAN Co., Ltd.	Operation of stores purchasing and selling second-hand clothing and accessories
2nd STREET (THAILAND) Company Limited	Operation of stores purchasing and selling second-hand clothing and accessories
2nd STREET SINGAPORE Pte. Ltd.	Operation of stores purchasing and selling second-hand clothing and accessories
2nd STREET HONGKONG, Limited	Operation of stores purchasing and selling second-hand clothing and accessories
GEO System Solutions Vietnam Co., Ltd.	Software development and management consulting services

GEO HOLDINGS CORPORATION will be changed to  
2nd RETAILING Co., Ltd. on October 1, 2026

Pass It On. Share the Joy  
**2nd RETAILING**



**GEO HOLDINGS CORPORATION**  
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