



Briefing on the Financial Results for the  
Second Quarter of the Fiscal Year Ending March 31, 2022

GEO HOLDINGS CORPORATION (2681)

November 18, 2021

GEO HOLDINGS CORPORATION



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# Group Profile

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## Corporate philosophy: To offer joy to your everyday life

• Company name	GEO HOLDINGS CORPORATION
• Date of incorporation	January 1989
• Head office	8-8 Fujimi-cho, Naka-ku, Nagoya-shi, Aichi Prefecture 460-0014
Tokyo office	Imai Mitsubishi Bldg. 3-53-11 Minamiotsuka, Toshima-ku, Tokyo 170-0005
• Representative director	Yuzo Endo
• Common Stock	8,975 million yen (As of September 30, 2021)
• Listed exchange	Tokyo Stock Exchange 1st Section (As the market segments of the Tokyo Stock Exchange will be restructured to take effect from April 2022, we selected and are currently applying to be listed on the “Prime Market.”)

# 1

## GEO Group's major shops and their major merchandise

		Reuse					Rental		Brand new			Number of stores (As of 9/30/2021)
		Clothing and accessories	Luxury brand items	Furniture and home appliances	Game device and game software	Mobile and smart-phones	AV home appliances and PC	DVD and Blu-ray	BOOK CD	Clothing and accessories	AV home appliances	
GEO GEO mobile	 	●	●	●	●	●	●	●	●	●	●	1,138
2nd STREET		●	●	●	●	●	●	●	●	●	●	737 (Japan only)
OKURA TOKYO (Okura)		●	● (watches and bags)	●	●	●	●	●	●	●	●	17
Luck·Rack		●	●	●	●	●	●	●	●	●	●	14

※The above is a list of major merchandise handled by the above stores. Some stores may not be handling the above merchandise.

# Summary of this second quarter

## Topics for this second quarter

- 2nd STREET (Japan): we opened 27 new stores during the six months ended September 30, 2021 (out of 60 new stores scheduled to be opened during this fiscal year).
- 2nd STREET (overseas): we opened three new stores in Taiwan (out of seven new stores scheduled to be opened in Taiwan during this fiscal year where we opened four stores in total during the six months ended September 30, 2021).
- The wholesale of reuse merchandise to overseas (mainly luxury watches) increased significantly.

## Highlights for this second quarter

- Sales fell to 151.9 billion yen (95.8% compared to the same period of the previous year) due to decrease in sales for rental merchandise and game-related merchandise which is a decrease in reaction to the cease of special demand that arose from the public staying home in the previous period, and application of accounting standard on revenue recognition.
- Gross profit was 62.1 billion yen (97.9% compared to the same period of the previous year) and operating profit fell to 1.48 billion yen (40.9% compared to the same period of the previous year) from increase in SG&A such as advertising and rent accompanying opening new stores.
- The downtrend in the sales for reuse (comprehensive) merchandise\* upturned and increased by 40.7% compared to the same period of the previous year due to calming of the effect of the spread of COVID-19.

\*Note: From this second quarter, we changed the English term of “reuse (non-media)” merchandise to “reuse (comprehensive)” merchandise to clarify that “reuse (comprehensive)” merchandise comprehensively includes reuse merchandise other than “reuse (media)” merchandise.

# Consolidated Results for Six Months Ended September 30, 2021

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## 2

## Income statement for six months

The special demand that arose in the first quarter of the previous fiscal year from the public staying home ceased and operating profit declined.

(Millions of yen)	2021/3 2Q Results	2022/3 2Q Results	Change	Increase/ decrease
Net sales	158,578	<b>151,948</b>	95.8%	(6,629)
Gross profit	63,516	<b>62,178</b>	97.9%	(1,338)
(Gross profit ratio)	40.1%	<b>40.9%</b>		
SG&A	59,893	<b>60,696</b>	101.3%	802
Operating profit	3,623	<b>1,482</b>	40.9%	(2,141)
(Operating profit ratio)	2.3%	<b>1.0%</b>		
Ordinary profit	3,897	<b>1,993</b>	51.2%	(1,903)
Profit	1,229	<b>725</b>	59.0%	(503)

※ Accounting Standard for Revenue Recognition was applied from the first quarter of this fiscal year. However, the amount of net sales for the previous second quarter is calculated based on a different calculation method.

※ Profit is profit attributable to owners of parent.



## 2

## Sales based on merchandise for six months

(Millions of yen)	2021/3 2Q Results	2022/3 2Q Results	Change	Increase/ decrease	
Reuse	62,587	<b>74,493</b>	119.0%	11,905	Sales increased due to opening of new stores for 2nd STREET and from Okura enjoying strong overseas wholesale market.
Comprehensive	34,081	<b>47,952</b>	140.7%	13,870	Sales decreased for both used and brand new game-related merchandise due to cease of special demand that arose in the first quarter of the previous fiscal year from the public staying home.
Media	28,505	<b>26,541</b>	93.1%	(1,964)	
Brand new	50,062	<b>45,052</b>	90.0%	(5,010)	
Rental	28,511	<b>22,632</b>	79.4%	(5,879)	The special demand for rental that arose from the public staying home did not occur for any other periods other than the first quarter of the previous fiscal year.
Others	17,417	<b>9,770</b>	56.1%	(7,646)	
Total	158,578	<b>151,948</b>	95.8%	(6,629)	

※ The classification of merchandise handled other than by GEO and 2nd STREET stores in Japan that was classified as “Others” until the first quarter of this fiscal year has been changed to “Reuse (comprehensive),” “Reuse (media),” and “Brand new” merchandise from this fiscal year in accordance with the attribute of each merchandise.

## 2

## Gross profit based on merchandise for six months

(Millions of yen)	2021/3 2Q Results	2022/3 2Q Results	Change	Increase/ decrease
Reuse	30,450	<b>33,410</b>	109.7%	2,959
Comprehensive	18,475	<b>22,782</b>	123.3%	4,307
Media	11,975	<b>10,627</b>	88.7%	(1,347)
Brand new	8,077	<b>7,200</b>	89.1%	(876)
Rental	18,851	<b>14,846</b>	78.8%	(4,005)
Others	6,137	<b>6,721</b>	109.5%	584
Total	63,516	<b>62,178</b>	97.9%	(1,338)

Gross profit ratio declined due to increase in sale of high-priced items and wholesale.

While sale for digital contents merchandise decreased from the effect of application of the Accounting Standard on Revenue Recognition, gross profit increased from increase in the amount of transactions.

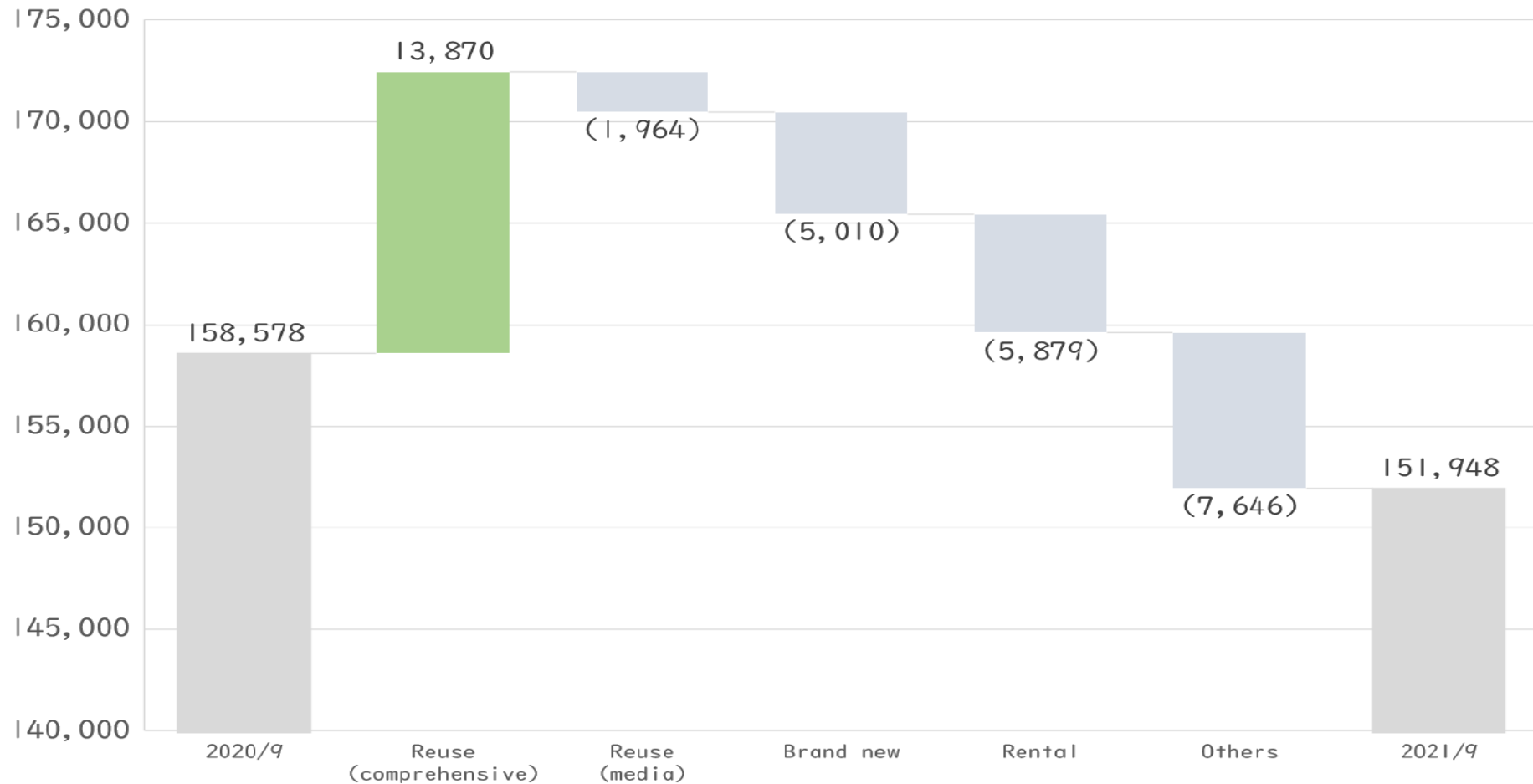
※The classification of merchandise handled other than by GEO and 2nd STREET stores in Japan that was classified as “Others” until the first quarter of this fiscal year has been changed to “Reuse (comprehensive),” “Reuse (media),” and “Brand new” merchandise from this fiscal year in accordance with the attribute of each merchandise.

## 2

## Change in sales for six months

The special demand for rental and game-related merchandise that arose from the public staying home ceased, and sales settled and declined despite of recovery and growth in sales for reuse (comprehensive) merchandise.

(Millions of yen)



## 2

## Change in sales for six months over five years

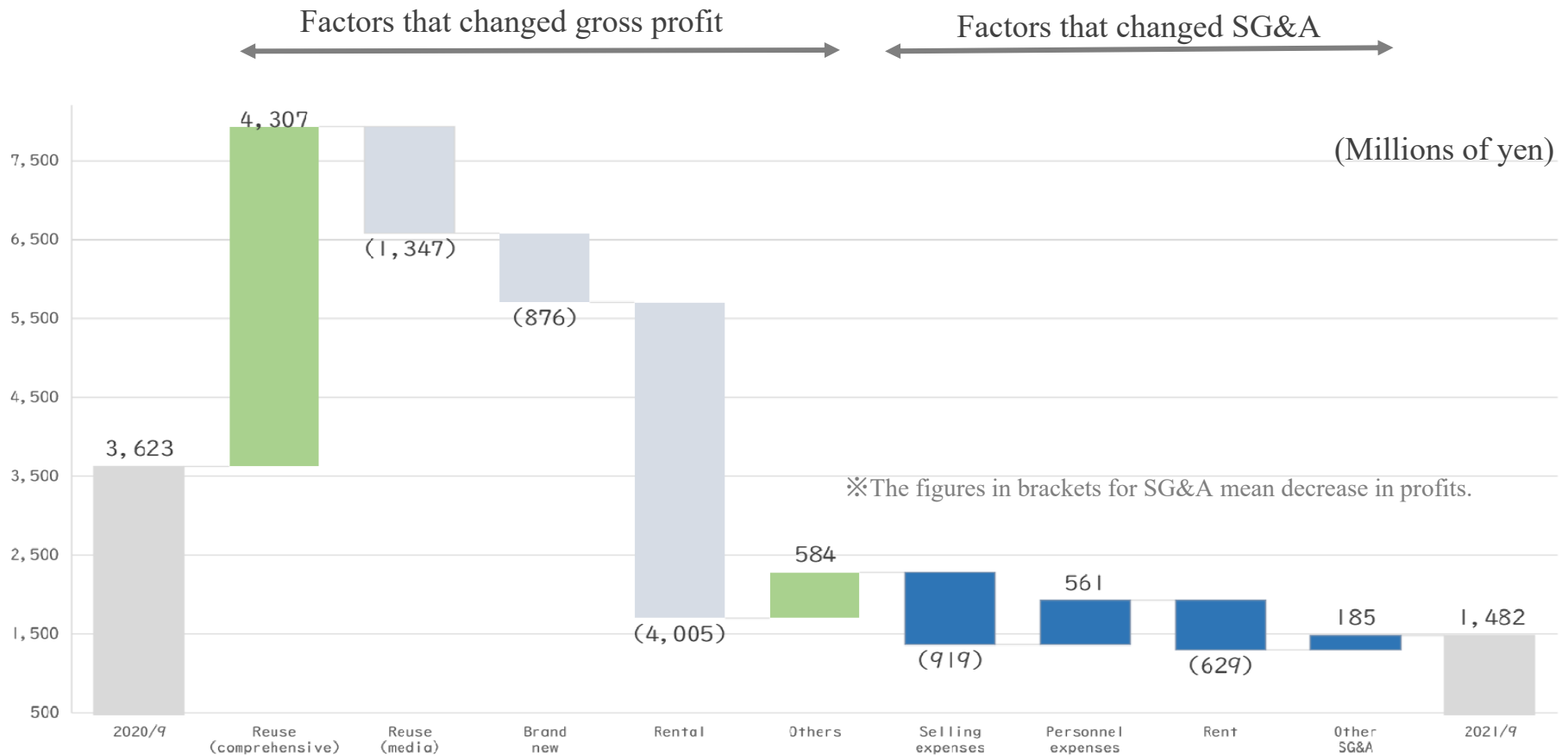
The sales for this six months period declined from the same period of the previous year due to cease of the special demand mainly for game software and game device that arose from the public staying home from the spread of COVID-19, and also from the effect of applying the Accounting Standard on Revenue Recognition. However, the sales for this six months period exceeded the level of sales for the six months period in the years before the spread of COVID-19.



# 2

## Change in operating profit for six months

The decline in gross profit for rental and game merchandise from the special demand that arose from the public staying home could not be covered solely by increased sales for reuse (comprehensive) merchandise, and regardless of our efforts to control SG&A such as personnel expenses, operating profit fell from the previous second quarter.



## 2

## SG&amp;A

Rent increased from opening new stores and advertising expenses increased for digital contents business. However, total SG&A increased 1.3% compared to the previous second quarter from our efforts to control costs mainly in personnel expenses.

※The figures in brackets for SG&A mean increase in profits.

(Millions of yen)	2021/3 2Q Results	(Ratio to sales)	2022/3 2Q Results	(Ratio to sales)	Increase/ decrease	(Change)
Total selling expenses	7,372	4.6%	8,291	5.5%	919	112.5%
Advertising	3,122	2.0%	3,844	2.5%	722	123.2%
Sales promotion	427	0.3%	181	0.1%	(246)	42.4%
Sales commission	1,940	1.2%	2,339	1.5%	399	120.6%
Total personnel expenses	29,349	18.5%	28,788	18.9%	(561)	98.1%
Total other expenses	23,170	14.6%	23,616	15.5%	445	101.9%
Utilities	1,771	1.1%	1,808	1.2%	36	102.1%
Rent	11,842	7.5%	12,472	8.2%	629	105.3%
Depreciation and amortization	2,194	1.4%	2,054	1.4%	(140)	93.6%
Consumables	1,138	0.7%	955	0.6%	(183)	83.9%
Maintenance	361	0.2%	366	0.2%	4	101.2%
Total SG&A	59,893	37.8%	60,696	39.9%	802	101.3%

## 2

## Balance sheet

(Millions of yen)	As of 3/31/2021	Composi- tion	As of 9/30/2021	Composi- tion	Amount of increase/ decrease	
Current assets	113,687	67.0%	<b>106,795</b>	65.4%	(6,892)	Decreased from payment of accounts payable, consumption tax and income tax
Cash and deposits	51,865		<b>40,895</b>		(10,970)	
Merchandise	42,218		<b>47,419</b>		5,201	
Non-current assets	56,050	33.0%	<b>56,550</b>	34.6%	500	Increased from active buying of reuse (comprehensive) merchandise in mainly clothing and luxury items
Property, plant and equipment	28,177		<b>28,620</b>		443	
Intangible assets	2,349		<b>2,592</b>		243	
Investments and other assets	25,524		<b>25,338</b>		(186)	
Total assets	169,738	-	<b>163,345</b>	-	(6,393)	
Current liabilities	41,038	24.2%	<b>31,632</b>	19.4%	(9,406)	Decreased from payment of debts relating to brand new game software which were launched at the end of the previous fiscal year.
Accounts payable trade	15,108		<b>11,705</b>		(3,403)	
Current portion of long-term borrowings	5,012		<b>5,637</b>		625	
Non-current liabilities	55,717	32.8%	<b>59,137</b>	36.2%	3,420	
Long-term borrowings	45,943		<b>49,806</b>		3,863	
Total liabilities	96,755	57.0%	<b>90,770</b>	55.6%	(5,985)	
Total net assets	72,982	43.0%	<b>72,575</b>	44.4%	(407)	
Total liabilities and net assets	169,738	-	<b>163,345</b>	-	(6,393)	

## 2

## Cash flow

Millions of yen		2020 9/30	2021 9/30	Amount of increase/ decrease
	Profit before income taxes	3,701	2,142	(1,559)
	Increase (decrease) in inventories	(1,452)	(5,137)	(3,685)
	Increase (decrease) in trade payables	320	(3,919)	(4,239)
	Increase (decrease) in accrued consumption taxes	10	(4,972)	(4,982)
	Cash flows from operating activities subtotal	8,587	(8,434)	(17,021)
	Income taxes refund (paid)	(1,212)	(3,195)	(1,983)
	<b>Net cash provided by (used in) operating activities</b>	<b>7,291</b>	<b>(11,716)</b>	<b>(19,007)</b>
	Purchase of property, plant and equipment	(2,688)	(3,016)	(328)
	<b>Net cash provided by (used in) investing activities</b>	<b>(3,720)</b>	<b>(3,613)</b>	<b>107</b>
	Net increase (decrease) in short-term borrowings	6,000	0	(6,000)
	Proceeds from long-term borrowings	11,000	6,800	(4,200)
	Repayments of long-term borrowings	(1,687)	(2,312)	(625)
	Dividends paid	(720)	(719)	1
	<b>Net cash provided by (used in) financing activities</b>	<b>14,521</b>	<b>3,687</b>	<b>(10,834)</b>
	<b>Net increase (decrease) in cash and cash equivalents</b>	<b>18,072</b>	<b>(11,612)</b>	<b>(29,684)</b>
	<b>Cash and cash equivalents at end of period</b>	<b>53,739</b>	<b>42,963</b>	<b>(10,776)</b>

Increase in acquiring inventories from active buying of reuse (comprehensive) merchandise

Increase in expenditure from paying trade accounts payable relating to brand new game software purchased at the end of the previous fiscal year

Not scheduled to be paid in the previous period for reasons of company split but taxes paid increased for this period as they were paid in lump-sum

Mainly for acquisition of property from opening new reuse stores in Japan and overseas



## 2

## 2nd STREET (Japan)

During this second quarter, we opened 12 new stores for 2nd STREET resulting in the opening of 27 new stores in total during six months ended September 30, 2021. There are still uncertainties in the business environment from the effect of COVID-19 but we will continue to open new stores to achieve our target of opening 60 new stores during this fiscal year.

We will continue to organize our stores which serve as the buying and selling fronts and points of contact with customers in the continuously growing reuse market, and also efficiently advertise our 2nd STREET stores through television commercials, WEB advertisements, and various campaigns to increase the recognition of reuse. In this way, our 2nd STREET stores are continuing to grow.



## 2

## 2nd STREET (Overseas)

Overseas, we opened three 2nd STREET stores in Taiwan including buying-only store during this second quarter. In Taiwan, we commenced operating online stores and buying goods from customers by pack-and-send, and we are planning to open more stores including buying-only stores. In Malaysia, store operations were restricted from lock down imposed in metropolitan areas from June but this lock down was relaxed in September. In the USA, the effect of COVID-19 settled down and economy is solidly recovering. We opened a new store on Haight Street (San Francisco, California) in October and we are planning to open more stores in the USA in the future.



2nd STREET Xizhi U-town Store (New Taipei City, Taiwan)



2nd STREET Taichung Yizhong Store  
(Taichung City, Taiwan)



2nd STREET XinYi Buying-Only Store  
(Taipei City, Taiwan)

## 2

## More emphasis on reuse luxury merchandise



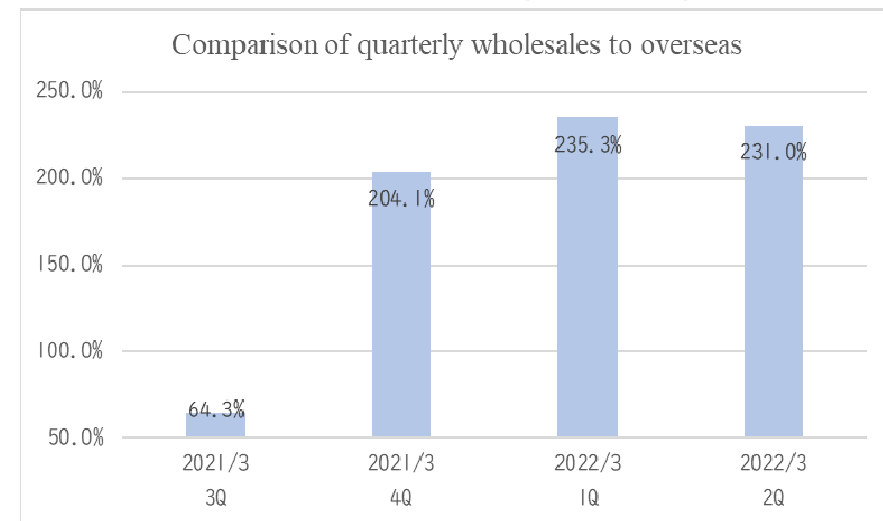
We operate 17 “OKURA TOKYO” (Okura) stores. Okura sells reuse luxury watches and luxury brand bags, etc., and some of its stores only buys these. Other than operating stores, Okura wholesales luxury items to overseas and operates auction markets. Okura will continue to emphasize on luxury merchandise, and from this fiscal year, it will make visits to buy these.

During this second quarter, there was a strong demand for luxury reuse items, mainly for luxury watches, at overseas and wholesales to overseas significantly increased.

The Group aims to become number one also in luxury merchandise in the domestic reuse market.

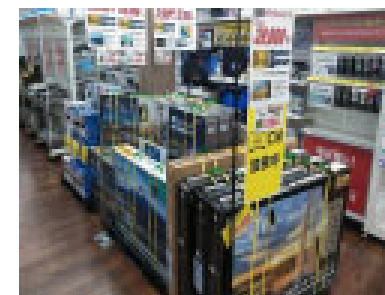


OKURA TOKYO Osaka Main Store & 2nd STREET  
Shinsaibashi Minami Store (Chuo-ku, Osaka)



## 2

## Introduction of additional merchandise and renewing sales floor at GEO stores



To respond to the shrinking rental market, we are introducing new merchandise and to renew the sales floor for rental such as by testing whether the provision of rental package at a smaller store space would work, and by expanding the floor space for selling retail home appliances such as large TVs, smartphones and their accessories, and snacks and foods.



**ながら専用**

耳をふさがない  
骨伝導ワイヤレスイヤホン

税抜 **2,980円** (税込3,278円)

Sold over 55,000 units cumulatively

## 2

## Off price store



OPS (off price store) is a business to purchase apparel manufacturers' surplus production and off-season goods, etc. and sell all merchandise in the stores always at discount price. While the problem of excess apparel inventory is drawing attention, this business format that effectively utilizes resources is drawing attention. As a top runner in OPS business, the Group will continue to establish a store model and standardize our operations for this format, and develop this store into a chain.

During this second quarter, we opened four off price stores including pop-up store. We opened "Luck Rack Tokyu Plaza Omotesando Harajuku Store" which is our first off price store in the 23 wards of Tokyo.



Luck Rack Tokyu Plaza Omotesando Harajuku Store  
(Shibuya-ku, Tokyo)



Luck Rack in Nagoya Station Meitetsu Department Store (Nagoya-shi, Aichi)

## 2

## Proactive use of IT and reinforce on-line

In addition to our sale of items directly on the internet, our sale of items by involving the internet such as “order service” grew by 133.6% compared to the previous fiscal year. Particularly in the environment affected by COVID-19, we promoted sales through dual sales channels of in-store and on-line store of 2nd STREET. As a result, we were able to capture the consumption from the public staying home by selling more items on our own 2nd STREET site (including through applications). The sales and the number of items sold on our own 2nd STREET site achieved strong growth of 159.8% and 141.3%, respectively, compared to the previous second quarter.







We will aim to organize a system to provide seamless services sought by our customers by enhancing our recognition and by organizing logistics.

	2021/3 2Q Results	2022/3 2Q Results	Change
Sales involving EC (Millions of yen)	7,286	<b>9,732</b>	133.6%
Number of items sold involving EC (Thousands of items)	1,791	<b>1,948</b>	108.8%

# 2

## GEO Group's stores

- Total number of stores for the Group as of September 30, 2021: 1,946

	GEO※1 	2nd STREET ※2 	2nd STREET (Overseas) 	OKURA TOKYO (Okura) 	Luck Rack 	Warehouse 	Others	Total
Directly-manages stores	993	683	21	17	14	10	9	1,747
(Opened during this six months period)	4	27	5	3	7	0	0	46
(Closed during this six months period)	(31)	(18)	0	(1)	(3)	(1)	(2)	(56)
Franchise stores and distributors	145	54	—	—	—	—	—	199
<b>Total</b>	<b>1,138</b>	<b>737</b>	<b>21</b>	<b>17</b>	<b>14</b>	<b>10</b>	<b>9</b>	<b>1,946</b>

※1: Includes GEO mobile (mobile dedicated stores).

※2: Includes Super 2nd STREET, JUMBLE STORE, 2nd OUTDOOR, and buying-only stores.



# Achievement on Forecast for Fiscal Year Ending March 31, 2022

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## 3

## Achievement on forecast for fiscal year ending March 31, 2022

We presented our forecast as follows in May 2021 on assumption that COVID-19 will continue affecting our performance until the end of this fiscal year although its impact would turn milder as vaccination will progress and the consumers' voluntary restraint on going out will gradually be relaxed.

During this second quarter, the government's continued request to the public to refrain from going out and bad weather in August affected the recovery of sales for clothing, the core merchandise for 2nd STREET. However, the public mood to refrain from going out relaxed from September and sales for reuse (comprehensive) merchandise turned towards recovery.

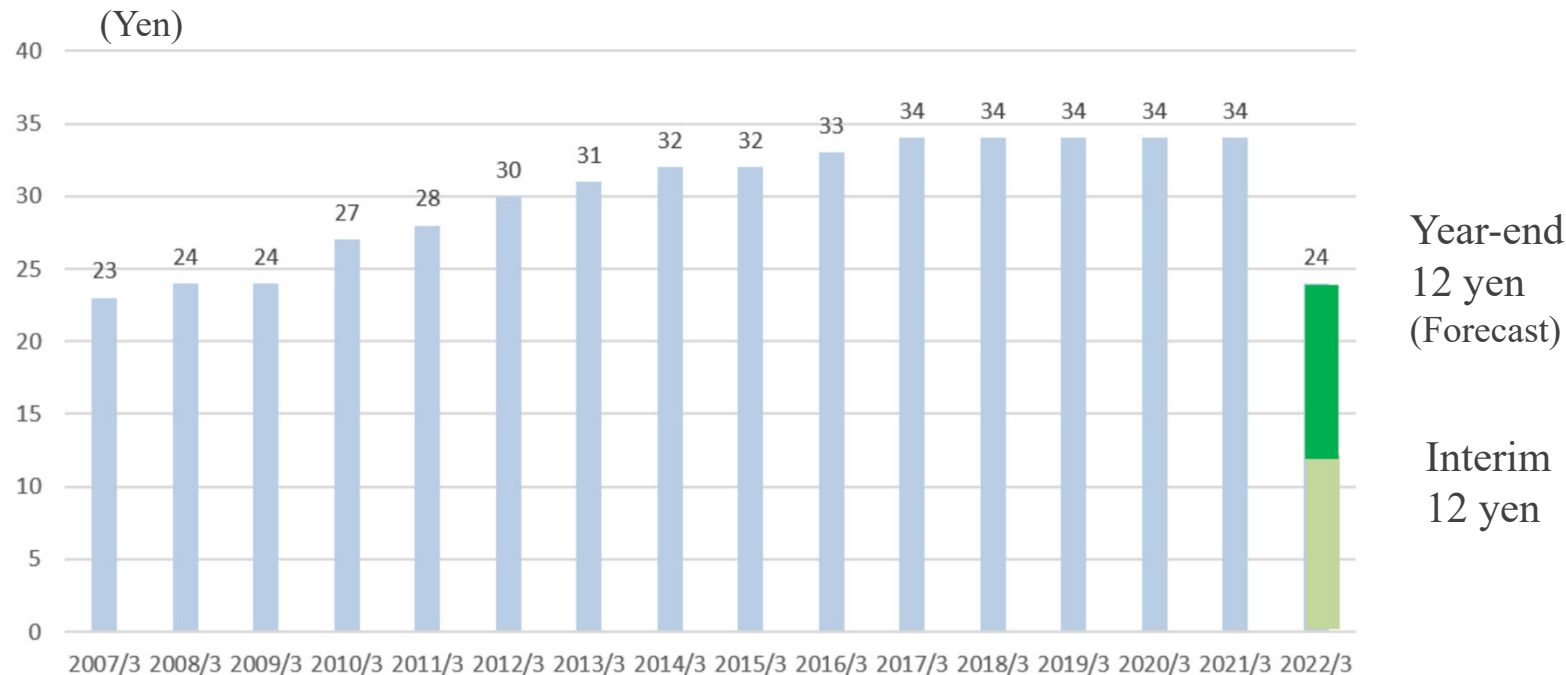
(Millions of yen)	2022/3 Forecast	2022/3 2Q Results	2022/3 2Q Achievement
Net sales	320,000	151,948	47.5%
Operating profit	4,000	1,482	37.1%
Ordinary profit	4,500	1,993	44.3%
Profit	2,000	725	36.3%

# 3

## Dividends

We recognize that returning profit to shareholders is one of management priorities and our basic policy is to create a sound managerial base, improve profitability, and pay sound dividends. For fiscal year ending March 31, 2022, we anticipate that our profits will remain at low level, and, regrettably, we plan to reduce annual dividends to 24 yen.

Changes in dividends per share as adjusted to reflect stock split



# Our Emphasis towards Growth

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## 4

# The Group's strategy

Challenge to become a network retailer

(To become the infrastructure to circulate all kinds of goods.)

The Group will work together to understand in depth the consumers' behavior and to establish a system to enable the consumers to freely select goods and services on both on-line and off-line (at in-stores).

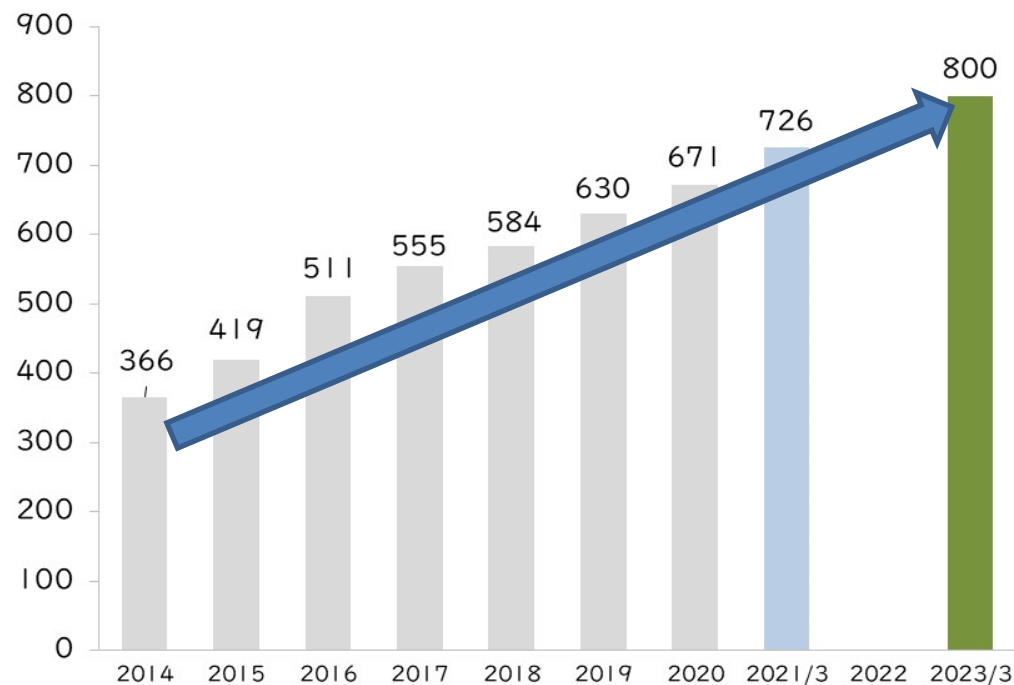


## 4

## Deep focus on the reuse market

We will continue to open new stores for 2nd STREET

The reuse market is continuously growing reflecting the enhanced recognition of reuse. We aim to become a peerless company in the reuse market and to have 800 stores by the end of March 2023. Although the effect of COVID-19 virus is continuing, we will continue focusing deeply on the reuse market by proactively opening more stores to increase the point of contact with the customers.



Super 2nd STREET Ohmiya Nisshin Store (Saitama-shi, Saitama)

## Digital contents business

While the Group's main business area is to sell and provide services at in-stores, we are also responding to the business environment of progressing digitalization by focusing on digital contents business through our subsidiaries.

Our subsidiaries operate “DL site,” which is a two dimensional contents download site, “DLsite comipo,” which is a digital comics distribution site, “DLsite Niji GAME,” which is a game platform for applications and browsers specializing in two dimensions, and also produce and sell game, voice and ASMR contents, create digital comics, and provide digital comics to various comic sites.



**DLsite**

**forcs**

『楽しさをシェアする』

「フォークス」は新しいアイデアや物語を生み出し、それを分かち合うために生まれたデジタル生まれの出版社です。

**DLsite comipo**

## 4

## Features and merits of reuse (2nd STREET) business



We provide 3 options for our buying method at more than 700 stores nationwide

Consumers may choose to bring their goods directly to the stores (“buying at stores”), request us to visit their homes to value large furniture and home appliances (“buying by visit”), or pack their goods and send it to us (“buying by pack-and-send”). We wish to respond to the consumers’ needs by focusing on buying which is the foundation of reuse business.

We handle a broad range of merchandise with a proven track record for buying

We handle a broad range of merchandise from clothing, furniture, home appliances, hobbies, and outdoor goods, and we have been directly buying more than 70 million items every year. We will enhance our buying precision by utilizing our rich data.



We train our buyers

We have an internal “buyer certification system” for the purposes of training our buyers who buy the merchandise and to further improve on their buying skills. There are four levels to this certification depending on the performance of tests in two divisions, the clothing and accessories division and general division. We also continuously host internal contests to promote the establishment of a system to support our opening of many stores and value merchandise for buying, the number of which is increasing each day.

## 4

## Features and merits of our media (GEO) business

GEO has more than 1,100 stores nationwide mainly through its directly managed stores. By taking advantage of the fact that our stores are mainly stores directly managed by us, the inventory is centrally managed by the headquarters which ensures balanced buying and selling for entire GEO. In addition to GEO's high share in rental, GEO maintains its high earning power through its unique style of store operation of handling brand new and used game merchandise, and its thorough low cost operation.

### ■ Nation-wide stores:

GEO	1,138 stores
(Directly-managed stores)	993 stores
(Distributors)	100 stores
(Franchise stores)	45 stores
	(As of September 30, 2021)

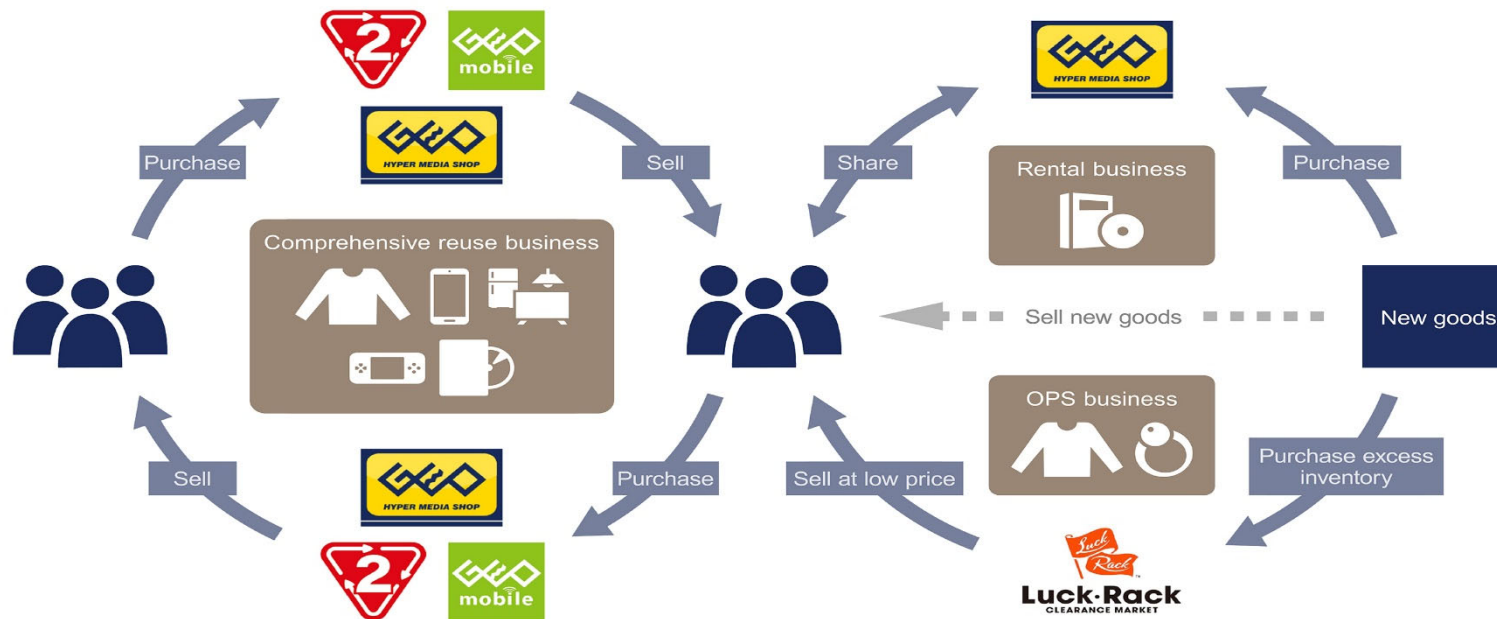


Self-checkout terminals



## Contributing to achieving SDGs with business growth

We shall transfer “things” from where it became unnecessary to where it is necessary. Through various recycling-oriented business, we will reduce generation of wastes and contribute to “Responsible Consumption and Production,” i.e., SDG 12.





## Contributing to achieving SDGs by energy efficiency

We have installed LED lights at approximately 1,600 stores. This means that we are reducing CO2 with LED lights at more than 90% of our stores. We have established tablet terminals at the cash register counter of each store and we are promoting paperless for purchase slips and other documents. We will thus improve energy efficiency and business efficiency.

## Building an environment to promote diverse workstyles



### ■ Active participation of female employees

We have established a system that permits female employees to balance life events, such as childbirth and childcare, with career development which enables each one of them choose flexible workstyles. The rate of acquisition of maternal leave and childcare leave was 100% in 2021.

### ■ LGBTQ

We have introduced a same-sex partnership system. Employees who have registered with this system are entitled to benefits from the company in the same way as married couples.

### ■ Employment of persons with disabilities

At the GEO Group, the rate of employment of persons with disabilities is 3.39% (as of June 2021), exceeding the statutory rate in Japan (2.3%). In 2010, we established GEO BUSINESS SUPPORT Co., Ltd., a subsidiary for promoting the employment of people with disabilities. GEO BUSINESS SUPPORT undertakes outsourced operations, such as the processing of products to be offered at the stores of the GEO Group, cleaning of the GEO Group's stores and offices, and operates office to support disabled person's employment.

# Appendix

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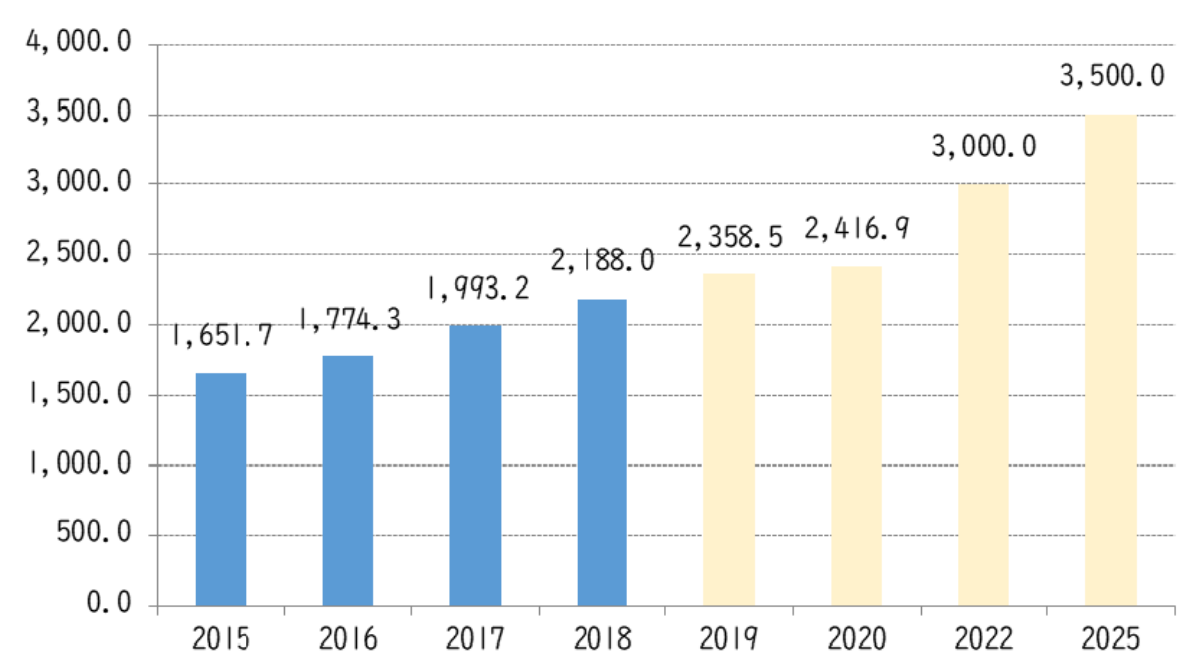
## 5

## Income statement

(Millions of yen)	2021/3				2022/3			
	1Q Results	2Q Results	3Q Results	4Q Results	1Q Results	2Q Results	3Q Results	4Q Results
Net sales	82,860	75,718	84,817	84,961	76,088	75,860		
(Change from the same period of the previous year)	129.6%	102.1%	101.0%	102.3%	91.8%	100.2%		
Gross profit	33,230	30,286	31,428	30,278	31,011	31,167		
(Change from the same period of the previous year)	111.8%	100.2%	98.7%	94.6%	93.3%	102.9%		
(Gross profit ratio)	40.1%	40.0%	37.1%	35.6%	40.8%	41.1%		
SG&A	29,673	30,219	30,594	30,424	29,855	30,840		
(Change from the same period of the previous year)	109.4%	106.9%	104.3%	104.6%	100.6%	102.1%		
Operating profit	3,557	66	834	(145)	1,155	326		
(Change from the same period of the previous year)	136.7%	3.4%	33.1%	—	32.5%	490.6%		

## 5

## Market trends (reuse)



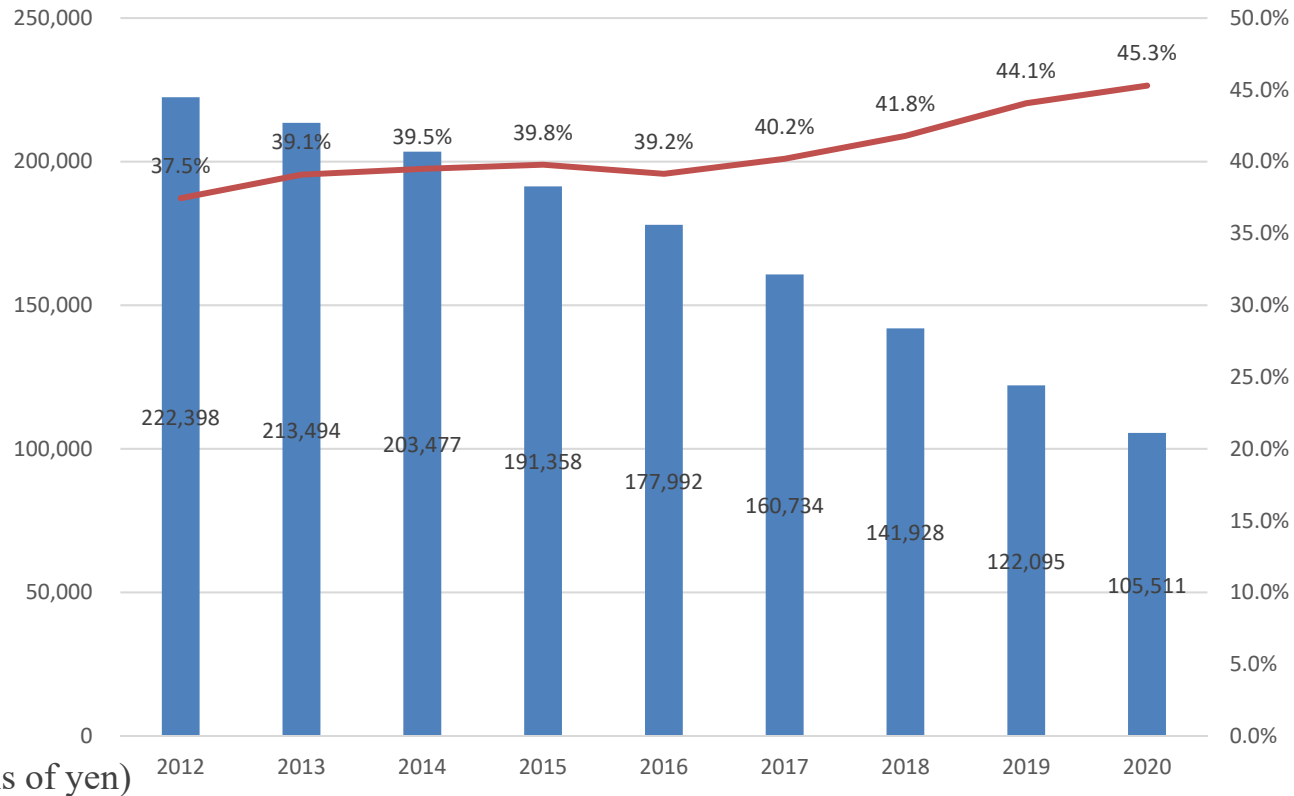
(Billions of yen)

(Reference: The Japan Journal of Remodeling “Reuse Market Databook 2021”)

## 5

## Market trends (rental)

Change in market and share for music and video rental in Japan



(Millions of yen)

(Reference: Ministry of Economy, Trade and Industry's Specific Service Industry Statistics)

\*Our assumption are based on Specific Service Industry Statistics

\*Excludes rental by delivery and comic rental.

## Notice concerning forward-looking statements

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All indications made in this document concerning forecasts of performance, policies, management strategies, targets, plans, understanding and assessment of facts, as well as outlook on performance and dividends with respect to the Group, excluding historical facts, only reflect our current expectations, predictions, plans, understanding, assessments and others based on information available to the Group. These indications, facts or preconditions (assumptions) by their nature may be inaccurate from an objective perspective and they are exposed to potential risks of being affected by changes in general business environment, weather, economic trends, consumer trends, and consumer preferences. Therefore, no guarantee is made that the indications in this document will be realized in the future as projected.

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GEO HOLDINGS CORPORATION

Corporate philosophy: To offer joy to your everyday life

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