Note: This document has been translated from the Japanese original for reference purposes only. In the event of any discrepancy between this translated document and the Japanese original, the original shall prevail.

Consolidated Financial Results for the Fiscal Year Ended March 31, 2024

(Japanese GAAP)

May 10, 2024

GEO HOLDINGS CORPORATION
Listing: Tokyo Stock Exchange
Securities Code: 2681
URL: https://www.geonet.co.jp/
Representative: Yuzo Endo, President
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Scheduled date of Annual General Meeting of Shareholders: June 27, 2024
Scheduled date to submit annual securities report: June 28, 2024
Scheduled date to begin dividend payment: June 28, 2024
Supplementary material on financial results: Yes
Briefing on this annual financial results: Yes (for institutional investors and analysts)

(Amounts less than million yen are discarded.)

1. Consolidated Financial Results for the Fiscal Year Ended March 31, 2024 (from April 1, 2023 to March 31,2024)

(1) Consolidated operating results

(Percentages indicates changes from the previous corresponding period.)

	Net Sales		Operating profit		Ordinary profit		Profit attributable to owners of parent	
Fiscal Year ended:	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
March 31, 2024	433,848	15.0	16,814	58.3	18,749	57.2	10,902	91.9
March 31, 2023	377,300	12.7	10,620	29.9	11,926	23.4	5,681	(5.1)

(Note) Comprehensive income: 10,893 million yen (increase of 92.1%) for fiscal year ended March 31, 2024
5,669 million yen (decrease of 1.3%) for fiscal year ended March 31, 2023

	Earnings per share	Fully diluted earnings per share	Return on equity	Ratio of ordinary profit to total assets	Ratio of operating profit to net sales
Fiscal Year ended:	Yen	Yen	%	%	%
March 31, 2024	275.31	273.43	13.3	8.7	3.9
March 31, 2023	135.93	135.35	7.4	6.3	2.8

(Reference) Equity in net income of affiliates: 7 million yen for fiscal year ended March 31, 2024
5 million yen for fiscal year ended March 31, 2023

(2) Consolidated financial position

	Total assets	Net assets	Shareholders' equity ratio	Book value per share
As of:	Millions of yen	Millions of yen	%	Yen
March 31, 2024	231,125	87,349	37.7	2,194.58
March 31, 2023	201,804	77,212	38.1	1,946.46

(Reference) Shareholders' equity: As of March 31, 2024: 87,130 million yen
As of March 31, 2023: 76,895 million yen

(3) Consolidated statement of cash flow

	Cash flows from operating activities	Cash flows from investing activities	Cash flows from financing activities	Cash and cash equivalents at end of period
Fiscal Year ended:	Millions of yen	Millions of yen	Millions of yen	Millions of yen
March 31, 2024	9,296	(10,401)	12,396	58,556
March 31, 2023	4,283	(9,589)	3,938	46,564

2. Dividends

	Dividend per share (yen)					Total dividend paid (Millions of yen)	Dividend payout ratio (consolidated) (%)	Ratio of dividends to shareholders' equity (%)
	1st quarter end	2nd quarter end	3rd quarter end	Year-end	Annual			
FY 2023	–	12.00	–	12.00	24.00	982	17.7	1.3
FY 2024	–	12.00	–	17.00	29.00	1,150	10.5	1.4
FY 2025 (Forecast)	–	17.00	–	17.00	34.00		22.5	

3. Consolidated Earnings Forecast for the Fiscal Year Ending March 31, 2025 (from April 1, 2024 to March 31, 2025)

(Percentages indicates changes from the previous corresponding period.)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent		Earnings per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
FY 2025	436,000	0.5	12,000	(28.6)	12,000	(36.0)	6,000	(45.0)	151.12

Notes

(1) Changes in significant subsidiaries during the period (changes in specified subsidiaries resulting in the change in scope of consolidation): None

(2) Changes in accounting policies, changes in accounting estimates, and restatements
1) Changes in accounting policies due to revisions to accounting standards and other regulations: None
2) Changes in accounting principles other than 1): None
3) Changes in accounting estimates: None
4) Restatement: None

(3) Number of issued shares (common shares)

1) Total number of issued shares at the end of the period (including treasury shares):
As of March 31, 2024 39,702,552 shares
As of March 31, 2023 39,505,152 shares

2) Number of treasury shares at the end of the period Number of treasury shares:
As of March 31, 2024 41 shares
As of March 31, 2023 – shares

3) Average number of shares outstanding during the period:
During the fiscal year ended March 31, 2024 39,601,555 shares
During the fiscal year ended March 31, 2023 41,794,267 shares

(Reference) Unconsolidated Results for the Fiscal Year Ended March 31, 2024 (from April 1, 2023 to March 31, 2024)

(1) Unconsolidated operating results

(The percentages indicate the rates of increase or decrease from the previous year.)

	Net sales		Operating profit		Ordinary profit		Profit	
Fiscal Year ended:	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
March 31, 2024	16,623	23.6	2,620	39.5	3,076	–	1,756	–
March 31, 2023	13,448	14.8	1,878	(6.8)	(1,253)	–	(1,892)	–

	Earnings per share	Fully diluted earnings per share
Fiscal Year ended:	Yen	Yen
March 31, 2024	44.36	44.06
March 31, 2023	(45.29)	–

(2) Unconsolidated operating results

	Total assets	Net assets	Shareholders' equity ratio	Shareholders' equity per share
As of:	Millions of yen	Millions of yen	%	yen
March 31, 2024	121,636	20,692	16.9	516.64
March 31, 2023	107,178	19,674	18.1	489.99

(Reference) Shareholders' equity: As of March 31, 2024: 20,511 million yen
As of March 31, 2023: 19,357 million yen

<Reason for the difference in unconsolidated results between the current and previous fiscal year>

In the previous fiscal year, the Company incurred an ordinary loss due to the posting of a provision for allowance for doubtful accounts in relation to transactions with subsidiaries, which resulted in an ordinary loss. In the current fiscal year, however, this loss was reduced and the Company recorded foreign exchange gains, which resulted in ordinary income and net income exceeding the results of the previous fiscal year.

* Quarterly financial results reports are exempt from quarterly review conducted by certified public accountants or an audit corporation.

* Explanation regarding appropriate use of financial forecasts and other special remarks

The forward-looking statements included in this summary such as financial forecasts are based on currently available information and certain assumptions, which we deem to be reasonable as of the date of this summary. There is no guarantee that we will achieve those financial forecasts. Actual results may differ significantly from these forecasts due to various factors. Please see "1. Overview of Results of Operations, etc.," "(1) Overview of operating results" on page 2 of the Attachments for the basis of forecasts and notes on reliance on forecasts.

<Supplementary Information for English Translation>
Our business by the name of "2nd STREET", mainly selling and purchasing second-hand clothing and household items is hereinafter referred to as "Reuse Shop(s)" in this document.
Our business by the name of "GEO", "GEO Shop" and "GEO mobile", mainly handling video games, DVDs, CDs and mobile phones are hereinafter collectively referred to as "Media Shop(s)" in this document.
Both Reuse Shop and Media Shop referred to second-hand items as "reuse" and none-second hand items procured from manufactures or traditional commercial distribution as "brand-new".

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1. Overview of Results of Operations, etc.

(1) Overview of operating results

(i) Results for the current fiscal year

During the fiscal year under review, the Japanese economy experienced a gradual recovery thanks to improvements in corporate activity both in terms of business conditions and earnings having overcome the effects of the COVID-19 pandemic. On the other hand, this has not led to sufficient wage increases or investments. Moreover, with concerns over sluggish consumer spending due to the rising prices of goods, stemming from an increase in import prices, and services, as well as geopolitical risks and a progressively weak yen, the outlook remains uncertain.

In the reuse industry, with increasing awareness of the concept of the SDGs, rising demand as a lifestyle defense measure in response to soaring prices, a growing number of transactions between consumers, and increasingly easier access to reuse products thanks to an increase in number of stores, consumers have once again realized the convenience of the reuse concept, transforming it into a more familiar lifestyle choice. As a result of these and various other factors, the market overall continues to grow.

In this environment, aiming to “offer joy to your everyday life” and increase choices and improve convenience for customers, the Group is working to expand its e-commerce services and actively and continuously opening out new reuse stores, centered on 2nd STREET, both in Japan and overseas, striving to achieve sustainable growth and profitability improvements.

Looking at trends in reuse (comprehensive) merchandise, OKURA TOKYO, which handles reuse luxury merchandise with a focus on luxury watches, prioritized retail sales and as a result sales performed strongly. Demand for reuse clothing and accessories, the core of the merchandise mix, continued to grow due to changes in styles of consumption resulting from consumers’ values and preferences, while 2nd STREET performed well in both Japan and overseas, resulting in a significant increase in overall sales of reuse (comprehensive) merchandise.

In terms of trends in reuse (media) merchandise, sales of game-related products remained firm, reflecting the enduring popularity of old game software and an increase in the number of home-use game devices supplied to the reuse market, where the supply–demand balance had been improving since the second half of the previous fiscal year. In addition, the reuse market for smartphones, tablets, and other mobile devices is growing due to a ban on the sale of SIM-locked handsets and soaring prices of new equipment. In response, efforts were made to open stand-alone GEO mobile stores and establish these stores as annexes to GEO stores to create sales opportunities for mobile devices, and sales are growing steadily. For the reasons described above, overall sales of reuse (media) merchandise increased.

Looking at trends in new game-related merchandise, sales increased, driven by increases in sales of home-use game devices and trading cards, offsetting a decline in the availability of top-selling titles of new game software compared to the previous fiscal year.

Foreign exchange gains of 1,043 million yen were posted due to the depreciation of the yen.

Due to a deterioration in profitability, the Group posted an impairment losses of 1,611 million yen mainly at its domestic stores.

As a result, net sales for the current fiscal year were 433,848 million yen (up 15.0% year on year), operating profit was 16,814 million yen (up 58.3%), ordinary profit was 18,749 million yen (up 57.2%), and profit attributable to owners of parent was 10,902 million yen (up 91.9%).

Net sales for major merchandise are as follows.

		Fiscal Year ended March 31, 2024 (Millions of yen)	Change
Reuse goods	Comprehensive	170,489	130.3%
	Media	73,600	107.0%
Brand new		132,391	110.8%
Others		57,367	98.6%
Rental included in others		32,794	88.8%

The group's stores and facilities as of the end of the current fiscal year are as follows.
The figures in ( ) for "Total" show change from the end of the previous fiscal year.

	Directly-managed stores			FC stores and distributors			Total	
		Newly opened	Closed		Newly opened	Closed		
Total number of GEO group stores	1,947	175	71	161	1	20	2,108	(+85)
GEO	977	55	42	107	0	18	1,084	(-5)
2nd STREET (Japan)	784	50	14	54	1	2	838	(+35)
2nd STREET (USA)	35	12	0	0	0	0	35	(+12)
2nd STREET (Taiwan)	28	10	0	0	0	0	28	(+10)
2nd STREET (Malaysia)	17	6	0	0	0	0	17	(+6)
2nd STREET (Thailand)	1	1	0	0	0	0	1	(+1)
OKURA TOKYO	22	2	3	0	0	0	22	(-1)
LuckRack	18	6	9	0	0	0	18	(-3)
Others	65	33	3	0	0	0	65	(+30)

Notes:
1. The number of stores is counted based on each store name.
2. GEO includes stores that sell and purchase home game-related items, mobile phones, and smartphones, and rent DVDs where they operate under the store names of GEO and GEO mobile.
3. 2nd STREET includes stores that sell and purchase clothing, home appliances, and other items where they operate under the names of 2nd STREET, Super 2nd STREET, 2nd OUTDOOR, JUMBLE STORE, etc.

(ii) Future forecast

Looking at the business environment surrounding the Group, although there are expectations for a return to normality in economic activity, an increase in the flow of people, and a full-scale recovery in consumer spending, the future outlook is expected to remain uncertain due to rising prices, supply-side restrictions, and a decrease in real income.
For the fiscal year ending March 31, 2025, the reuse industry is expected to grow on a global scale due to a rising need among consumers to spend less as prices rise and changing preferences. On the other hand, there are concerns around the impacts of instability in international relations and rising costs in financial markets, be it related to logistics, materials and equipment, or personnel.
Against this backdrop, the Group's challenges are to further cultivate the reuse business, accelerate developments in the overseas business, and rebuild its revenue base. By reinforcing its sales of highly profitable products and establishing low-cost operations, the Group is working to increase its corporate value in a sustainable manner.
In terms of reuse (comprehensive) merchandise in the fiscal year ending March 31, 2025, the Group is planning to open 60 domestic 2nd STREET stores, including purchase-only stores, while there are also plans to open around 35 2nd STREET stores overseas. For clothing and accessories, which are among the Group's core merchandise, continued market growth is expected and so the group will proactively open new stores both in Japan and overseas to create an attractive store lineup that customers choose to visit.
For reuse luxury merchandise, OKURA TOKYO, which handles mainly luxury watches, plans to open three stores in the fiscal year ending March 31, 2025, and while responding to market fluctuations, it will work to increase retail, BtoB transactions, and auctions.
For reuse (media) merchandise, the reuse market for smartphones, tablets, and other mobile devices is growing due to fewer functional differences in new models and soaring prices. As such, the Group continues to open stand-alone GEO mobile stores and establish these stores as annexes to GEO stores, increasing sales opportunities to expand profit. The Group plans to open 45 stand-alone stores in the fiscal year ending March 31, 2025, and will work to improve recognition and enhance competitiveness by using its proprietary merchandise purchasing systems. Moreover, by establishing new stores as annexes to GEO stores, the Group is working to maintain profits from games and rentals while transforming its product lineup to improve profitability.
In terms of game-related software for reuse (media) merchandise, although a rise in download sales has caused a decrease in the secondary distribution of physical software, the Group expects the reuse market to benefit from an increase in supply of home video game consoles, for which sales have steadily increased since the fiscal year ended March 31, 2022.
In new game-related merchandise, the spread of game consoles is expected to benefit sales of compatible software, while the Group will also work to strengthen sales of gaming peripherals, audio and visual equipment accessories, and smartphone accessories.
In rental merchandise, net sales continue to trend downward, reflecting the contraction of the rental market due in part by the growth of video streaming services. Even so, with the degree of dependency on the rental business declining, the Group expects that the decrease in sales will be insignificant.
In addition, efforts will be made to accelerate GEO's business transformation in response to the contraction of the physical media market and to facilitate shop openings overseas with a view to establishing global operations. In addition, while seeking to enhance the recognition of the growing digital content business, the Group will move forward with the establishment of the foundations for growth on a long-term basis.

For selling, general and administrative expenses, although the Group expects a rise in costs from allocating staff to stores lacking personnel, a measure essential for sustainable growth, and the ensuing wage increases, as well as from the increase in unit price of electricity and material and logistics costs, it will strive to reduce and optimize costs through appropriate cost-control measures.

From the above, as forecast for consolidated results for the fiscal year ending March 31, 2025, we project net sales of 436,000 million yen (0.5% increase from the previous fiscal year), operating profit of 12,000 million yen (28.6% decrease from the previous fiscal year), ordinary profit of 12,000 million yen (36.0% decrease from the previous fiscal year), and profit attributable to owners of parent of 6,000 million yen (45.0% decrease from the previous fiscal year).
The above results forecast is based on information available as of the date of publication of this summary. Actual results may materially differ from the forecast due to a variety of factors in the future.

(2) Overview of consolidated financial position

(i) Current assets

Current assets as of the end of the current fiscal year were 154,308 million yen, which increased 22,996 million yen from 131,311 million yen as of the end of the previous fiscal year. This was mainly attributable to increases of 10,690 million yen in cash and deposits, 6,728 million yen in merchandise, and 3,514 million yen in accounts receivable - trade.

(ii) Non-current assets

Non-current assets as of the end of the current fiscal year were 76,817 million yen, which increased 6,324 million yen from 70,492 million yen as of the end of the previous fiscal year. This mainly reflected an increase of 4,181 million yen in right-of-use assets, net.

(iii) Current liabilities

Current liabilities as of the end of the current fiscal year were 47,487 million yen, which decreased 1,737 million yen from 49,225 million yen as of the end of the previous fiscal year. This was largely due to decreases of 4,000 million yen in short-term borrowings and 1,341 million yen in accounts payable - trade, despite increases of 1,249 million yen in current portion of long-term borrowings and 452 million yen in income taxes payable.

(iv) Non-current liabilities

Non-current liabilities as of the end of the current fiscal year were 96,287 million yen, which increased 20,921 million yen from 75,366 million yen as of the end of the previous fiscal year. This was mainly attributable to increases of 9,862 million yen in long-term borrowings, 6,600 million yen in corporate bonds, and 4,864 million in lease liabilities.

(v) Net assets

Net assets as of the end of the current fiscal year were 87,349 million yen, which increased 10,137 million yen from 77,212 million yen as of the end of the previous fiscal year. This primarily reflected an increase in retained earnings due to the posting of profit attributable to owners of parent of 10,902 million yen, offsetting a decrease in retained earnings due to dividends of surplus of 949 million yen.

(3) Cash flows

Cash and cash equivalents (“cash”) at the end of the current fiscal year increased by 11,991 million yen from the end of the previous fiscal year to 58,556 million yen.
The situations of each cash flow and their main factors for the current fiscal year are as follows.

(Cash flows from operating activities)

As a result of operating activities, cash increased by 9,296 million yen (where this increased by 4,283 million yen in the previous fiscal year).
This increase was mainly attributable to profit before income taxes of 17,306 million yen and depreciation of 5,534 million yen, which offset an increase in inventories of 6,464 million yen and income tax payments of 4,524 million yen.

(Cash flows from investing activities)

As a result of investing activities, cash decreased by 10,401 million yen (where this decreased by 9,589 million yen in the previous fiscal year).
This decrease was mainly due to purchase of property, plant and equipment of 7,151 million yen.

(Cash flows from financing activities)

As a result of financing activities, cash increased by 12,396 million yen (where this increased by 3,938 million yen in the previous fiscal year).
This was mainly attributable to proceeds from long-term borrowings of 18,600 million yen and proceeds from the issuance of corporate bonds of 6,568 million yen, which more than offset repayments of long-term borrowings of 7,527 million yen and a net decrease in short-term borrowings of 4,000 million yen.

(4) Basic policy in distributing profits and dividends for the current and next fiscal year

One of the Company's top management priorities is to return profits to shareholders. For this purpose, the Company's basic policy is to establish a sound managerial base and improve profitability and to pay dividends in a balanced manner in line with performance. The Company currently pays dividends twice a year at interim and year-end as dividend of surplus.

The shareholders' meeting decides the dividend of surplus for the year-end dividend, and the Board of Directors decides this for the interim dividend.

Pursuant to the above basic policy, in the current fiscal year, an interim dividend of 12 yen per share was paid and a year-end dividend of 17 yen is scheduled to be paid.

The Company paid dividends as follows over the recent five (5) years.

(per share in yen)

	March 31, 2020	March 31, 2021	March 31, 2022	March 31, 2023	March 31, 2024
Interim	17	17	12	12	12
Year-end	17	17	12	12	17
Total	34	34	24	24	29

In conjunction with dividends for the fiscal year ending March 31, 2025, the outlook remains uncertain, reflecting concerns surrounding the supply of goods caused by growing geopolitical risks and rising personnel expenses attributable to wage increases, among other factors. In addition, taking into account the enhancement of internal reserves necessary to increase financial strength and facilitate proactive business development, the Group plans to pay an interim dividend of 17 yen per share and year-end of dividend of 17 yen per share, namely an annual dividend of 34 yen per share.

2. The GEO Group Companies

The GEO group comprises GEO HOLDINGS CORPORATION, 33 subsidiaries, and one affiliate. The group mainly operates stores that buy and sell used clothes, accessories, home electronics, and others ("reuse shops") and stores that buy and sell games, smartphones, and home electronics, sell brand new games, and rent DVDs, CDs, and comics ("media shops").
In addition, the group is also advancing into the wholesale business of these types of merchandise, and the operation of online services and EC sites.

The group companies and their businesses

(As of March 31, 2024)

Type of company	Business	Operating company
Holding company	Planning and administration of group management	GEO HOLDINGS CORPORATION (the Company)
Operating companies	Store operational support	GEO CORPORATION
	Operation of media shops	GEO STORE CORPORATION
	Operation of reuse shops	2ND STREET CORPORATION OKURA CO., Ltd. BANK OKURA CO., Ltd. 2nd STREET USA, Inc. 2nd STREET TRADING MALAYSIA SDN. BHD. 2nd STREET TAIWAN CO., LTD. 2ND STREET COMPANY LIMITED (THAILAND)
	Others	OKURA HOLDINGS CORPORATION OOKURA INVESTMENTS Ltd. viviON, inc. EISYS, inc. GEO CLEAR CORPORATION World mobile corporation Chelsea International Co., Ltd. GEO BUSINESS SUPPORT Co., Ltd. GEO NETWORKS CORPORATION DigiCon Corporation and 12 others

A company accounted for by the equity method:
T&G Inc.
Subsidiaries excluded from the scope of consolidation (not accounted for by the equity method):
Two companies

3. Basic Idea in Selection of the Accounting Standards

With respect to accounting standards, we apply the Japanese accounting standards to enable comparison with competitors in the same industry in Japan.

4. Consolidated Financial Statements
(1) Consolidated balance sheet

(Millions of yen)

	As of March 31, 2023	As of March 31, 2024
Assets		
Current assets		
Cash and deposits	44,286	54,977
Accounts receivable - trade	11,712	15,226
Merchandise	64,241	70,970
Other	11,294	13,357
Allowance for doubtful accounts	(223)	(223)
Total current assets	131,311	154,308
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	14,955	17,856
Land	5,043	5,117
Right-of-use assets, net	12,153	16,335
Other, net	8,694	7,531
Total property, plant and equipment	40,847	46,840
Intangible assets	3,264	4,341
Investments and other assets		
Leasehold and guarantee deposits	18,033	18,714
Deferred tax assets	4,794	3,380
Other	4,304	4,436
Allowance for doubtful accounts	(751)	(895)
Total investments and other assets	26,380	25,635
Total non-current assets	70,492	76,817
Total assets	201,804	231,125

(Millions of yen)

	As of March 31, 2023	As of March 31, 2024
Liabilities		
Current liabilities		
Accounts payable - trade	16,034	14,692
Short-term borrowings	6,000	2,000
Current portion of long-term borrowings	7,487	8,737
Income taxes payable	2,780	3,233
Provision for bonuses	1,998	2,053
Other	14,924	16,771
Total current liabilities	49,225	47,487
Non-current liabilities		
Bonds payable	–	6,600
Long-term borrowings	54,462	64,325
Lease liabilities	12,261	17,125
Deferred tax liabilities	134	140
Asset retirement obligations	7,054	7,274
Other	1,454	821
Total non-current liabilities	75,366	96,287
Total liabilities	124,592	143,775
Net assets		
Shareholders' equity		
Share capital	9,081	9,251
Capital surplus	3,493	3,663
Retained earnings	64,386	74,339
Treasury shares	–	(0)
Total shareholders' equity	76,962	87,254
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	2	10
Foreign currency translation adjustment	(69)	(134)
Total accumulated other comprehensive income	(66)	(123)
Share acquisition rights	316	180
Non-controlling interests	–	38
Total net assets	77,212	87,349
Total liabilities and net assets	201,804	231,125

(2) Consolidated income statement and statement of comprehensive income

Consolidated income statement

(Millions of yen)

	Fiscal year ended March 31, 2023	Fiscal year ended March 31, 2024
Net sales	377,300	433,848
Cost of sales	234,817	274,024
Gross profit	142,483	159,824
Selling, general and administrative expenses	131,862	143,009
Operating profit	10,620	16,814
Non-operating income		
Interest and dividend income	61	131
Foreign exchange gains	678	1,043
Rental income from real estate	786	1,002
Other	754	940
Total non-operating income	2,282	3,117
Non-operating expenses		
Interest expenses	239	286
Rental expenses on real estate	447	539
Other	289	356
Total non-operating expenses	976	1,182
Ordinary profit	11,926	18,749
Extraordinary income		
Gain on sale of non-current assets	–	345
Total extraordinary income	–	345
Extraordinary losses		
Impairment losses	1,250	1,611
Loss on retirement of non-current assets	–	177
Total extraordinary losses	1,250	1,788
Profit before income taxes	10,675	17,306
Income taxes - current	4,130	4,880
Income taxes - deferred	863	1,475
Total income taxes	4,994	6,356
Profit	5,681	10,950
Profit attributable to non-controlling interests	–	47
Profit attributable to owners of parent	5,681	10,902

Statement of comprehensive income

(Millions of yen)

	Fiscal year ended March 31, 2023	Fiscal year ended March 31, 2024
Profit	5,681	10,950
Other comprehensive income		
Valuation difference on available-for-sale securities	13	8
Deferred gains or losses on hedges	0	–
Foreign currency translation adjustment	(24)	(65)
Total other comprehensive income	(11)	(56)
Comprehensive income	5,669	10,893
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	5,669	10,845
Comprehensive income attributable to non-controlling interests	–	47

(3) Consolidated statements of change in net assets
(For the fiscal year ended March 31, 2023)

(Millions of yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	8,975	3,388	64,523	–	76,887
Changes during period					
Issuance of new shares - exercise of share acquisition rights	105	105			211
Dividends of surplus			(1,017)		(1,017)
Profit (loss) attributable to owners of parent			5,681		5,681
Purchase of treasury shares				(4,800)	(4,800)
Cancellation of treasury shares			(4,800)	4,800	–
Net changes in items other than shareholders' equity					
Total changes during period	105	105	(136)	–	74
Balance at end of period	9,081	3,493	64,386	–	76,962

	Accumulated other comprehensive income				Share acquisition rights	Total net assets
	Valuation difference on available-for-sale securities	Deferred gains or losses on hedges	Foreign currency translation adjustment	Total accumulated other comprehensive income		
Balance at beginning of period	(10)	(0)	(44)	(55)	361	77,193
Changes during period						
Issuance of new shares - exercise of share acquisition rights						211
Dividends of surplus						(1,017)
Profit (loss) attributable to owners of parent						5,681
Purchase of treasury shares						(4,800)
Cancellation of treasury shares						–
Net changes in items other than shareholders' equity	13	0	(24)	(11)	(44)	(55)
Total changes during period	13	0	(24)	(11)	(44)	18
Balance at end of period	2	–	(69)	(66)	316	77,212

(For the fiscal year ended March 31, 2024)

(Millions of yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	9,081	3,493	64,386	–	76,962
Changes during period					
Issuance of new shares - exercise of share acquisition rights	169	169			339
Dividends of surplus			(949)		(949)
Profit (loss) attributable to owners of parent			10,902		10,902
Purchase of treasury shares				(0)	(0)
Net changes in items other than shareholders' equity					
Total changes during period	169	169	9,952	(0)	10,292
Balance at end of period	9,251	3,663	74,339	(0)	87,254

	Accumulated other comprehensive income			Share acquisition rights	Non-controlling interests	Total net assets
	Valuation difference on available-for-sale securities	Foreign currency translation adjustment	Total accumulated other comprehensive income			
Balance at beginning of period	2	(69)	(66)	316	–	77,212
Changes during period						
Issuance of new shares - exercise of share acquisition rights						339
Dividends of surplus						(949)
Profit (loss) attributable to owners of parent						10,902
Purchase of treasury shares						(0)
Net changes in items other than shareholders' equity	8	(65)	(56)	(136)	38	(154)
Total changes during period	8	(65)	(56)	(136)	38	10,137
Balance at end of period	10	(134)	(123)	180	38	87,349

(4) Consolidated statement of cash flows

(Millions of yen)

	Fiscal year ended March 31, 2023	Fiscal year ended March 31, 2024
Cash flows from operating activities		
Profit before income taxes	10,675	17,306
Depreciation	4,849	5,534
Rental assets depreciation	3,305	2,979
Impairment losses	1,250	1,611
Amortization of goodwill	77	173
Interest and dividend income	(61)	(131)
Interest expenses	239	286
Foreign exchange losses (gains)	(149)	(1,106)
Decrease (increase) in trade receivables	(1,701)	(2,759)
Decrease (increase) in inventories	(12,649)	(6,464)
Purchase of rental assets	(3,296)	(2,734)
Increase (decrease) in trade payables	2,091	(2,574)
Increase (decrease) in accrued consumption taxes	(131)	1,417
Increase (decrease) in accounts payable - other, and accrued expenses	1,605	854
Other, net	298	(407)
Subtotal	6,405	13,983
Interest and dividends received	48	103
Interest paid	(238)	(265)
Income taxes paid	(1,932)	(4,524)
Net cash provided by (used in) operating activities	4,283	9,296
Cash flows from investing activities		
Payments into time deposits	(1,036)	(947)
Purchase of property, plant and equipment	(6,487)	(7,151)
Purchase of intangible assets	(1,180)	(1,994)
Other, net	(884)	(308)
Net cash provided by (used in) investing activities	(9,589)	(10,401)
Cash flows from financing activities		
Net increase (decrease) in short-term borrowings	5,999	(4,000)
Proceeds from long-term borrowings	9,900	18,600
Repayments of long-term borrowings	(5,893)	(7,527)
Proceeds from issuance of bonds	–	6,568
Dividends paid	(1,017)	(948)
Purchase of treasury shares	(4,800)	(0)
Other, net	(249)	(295)
Net cash provided by (used in) financing activities	3,938	12,396
Effect of exchange rate change on cash and cash equivalents	80	306
Net increase (decrease) in cash and cash equivalents	(1,286)	11,598
Cash and cash equivalents at beginning of period	47,851	46,564
Increase in cash and cash equivalents resulting from inclusion of subsidiaries in consolidation	–	104
Increase in cash and cash equivalents resulting from absorption-type company split	–	288
Cash and cash equivalents at end of period	46,564	58,556

(5) Notes to consolidated financial statements

(Notes on going concern assumptions)

None

(Segment information)

[Segment information]

For the previous fiscal year (from April 1, 2022 to March 31, 2023) and the current fiscal year (from April 1, 2023 to March 31, 2024):
Segment information is omitted because the Group has only one segment, retail services.

[Related information]

For the previous fiscal year (from April 1, 2022 to March 31, 2023)

1. Information based on products and services
   Segment information is omitted because the Group has only one segment, retail services.
2. Information based on region
   (1) Net sales
   Description is omitted because net sales toward outside customers in Japan exceed 90% of the net sales indicated in the consolidated income statement.
   (2) Property, plant and equipment

(Unit: Millions of yen)

Japan	North America	Asia	Total
25,725	13,726	1,394	40,847

(Notes) 1. Descriptions are of countries or regions in which the Company or its subsidiaries are located.
2. The breakdown of the countries or regions belonging to each category are as follows.
North America US
Asia Malaysia, Taiwan, Hong Kong

For the current fiscal year (from April 1, 2023 to March 31, 2024)

1. Information based on products and services
   Segment information is omitted because the Group has only one segment, retail services.
2. Information based on region
   (1) Net sales
   Description is omitted because net sales toward outside customers in Japan exceed 90% of the net sales indicated in the consolidated income statement.
   (2) Property, plant and equipment

(Unit: Millions of yen)

Japan	North America	Asia	Total
25,610	19,503	1,726	46,840

(Notes) 1. Descriptions are of countries or regions in which the Company or its subsidiaries are located.
2. The breakdown of the countries or regions belonging to each category are as follows.
North America US
Asia Malaysia, Hong Kong, Taiwan, Thailand

[Information on impairment loss on fixed assets for each reporting segment]
For the previous fiscal year (from April 1, 2022 to March 31, 2023) and the current fiscal year (from April 1, 2023 to March 31, 2024):
Segment information is omitted because the Group has only one segment, retail services.

[Information on amortization and unamortized balance of goodwill for each reporting segment]
For the previous fiscal year (from April 1, 2022 to March 31, 2023) and the current fiscal year (from April 1, 2023 to March 31, 2024):
Segment information is omitted because the Group has only one segment, retail services.

[Information on gain on negative goodwill for each reporting segment]
For the previous fiscal year (from April 1, 2022 to March 31, 2023) and the current fiscal year (from April 1, 2023 to March 31, 2024):
Segment information is omitted because the Group has only one segment, retail services.

(Per share information (in yen))

	Fiscal year ended March 31, 2023	Fiscal year ended March 31, 2024
Shareholders' equity per share	1,946.46	2,194.58
Earnings per share	135.93	275.31
Fully diluted earnings per share	135.35	273.43

(Notes) 1. The basis for calculating the shareholders' equity per share is as follows:

	Fiscal year ended March 31, 2023	Fiscal year ended March 31, 2024
Total net assets	77,212	87,349
Amount to be deducted from total net assets	316	219
(Stock acquisition rights in the above)	(316)	(180)
(Non-controlling interests in the above)	(–)	(38)
Net assets at the end of the fiscal year attributable to common shares	76,895	87,130
Number of common shares at the end of the fiscal year used for calculating the shareholders' equity per share	39,505,152	39,702,511

2. The basis for calculating the earnings per share and fully diluted earnings per share is as follows:

	Fiscal year ended March 31, 2023	Fiscal year ended March 31, 2024
Earnings per share		
Profit attributable to owners of parent	5,681	10,902
Amount not attributable to common shareholders	–	–
Profit attributable to owners of parent for common shares	5,681	10,902
Average number of shares outstanding during the fiscal year	41,794,267	39,601,555
Fully diluted earnings per share		
Adjustments to profit attributable to owners of parent	–	–
Increase in the number of common shares	180,699	272,117
(Subscription rights to shares included in the above as number of shares)	(180,699)	(272,117)
Description of potential shares that were not included in calculating the fully diluted earnings per share due to them having no dilutive effect	Number of shares subject to the Company's stock options: 65,000 shares (for the 13th (2018) stock acquisition rights)	–

(Subsequent events after the current period)
None