Supplementary Materials on the Financial Results

for the First Three Months of the Fiscal Year Ending March 31, 2027

GEO HOLDINGS CORPORATION

Prime Market of the Tokyo Stock Exchange (2681)

Please note that this document is an English extract from the original Japanese version. The full English version will be disclosed at a later date. In the event of any discrepancy between this translation and the Japanese original, the original Japanese version shall prevail.

FY2027 Q1 summary

Earnings highlights

Consolidated net sales reached 125.0 billion yen (up 19.7% YoY)

Reuse clothing and accessories: 35.0 billion yen (up 27.3%YoY)

Reuse luxury: 17.8 billion yen (up 95.2% YoY)

Reuse smartphones and tablets: 11.9 billion yen (up 9.2% YoY)

Brand-new: 25.5 billion yen (down 3.4% YoY)

Operating profit 5.3 billion yen (up 32.8% YoY), **ordinary profit 5.5 billion yen** (up 30.1% YoY), **profit attributable to owners of parent 3.1 billion yen** (up 30.8% YoY)

TOPIC

- **Net sales for FY2027 Q1 reached 125.0 billion yen, marking a record high for the first quarter**
- **2nd STREET in Japan opened 21 of 100 planned stores, reaching 21.0% of its full-year target**
- **2nd STREET overseas opened 11 of 38 planned stores, reaching 28.9% of its full-year target**
- **Reuse Luxury recorded higher sales and profit, driven by inbound demand and rising prices in the reuse watch market, with sales up 95.2% and profit up 90.8% YoY**

Consolidated statement of income - FY2027 Q1

- **Overall performance posted higher sales and profits:** Sales and profits at all levels increased year on year, driven by solid performance, with both significantly exceeding prior-year levels.
- **Reuse delivered strong results:** Solid results, continuing to be led by clothing and accessories. Also supported by price revisions for smartphones and tablets and the easing of the impact of tariffs on luxury merchandise.
- **Brand-new sales declined:** Sales decreased as supply of the "Nintendo Switch 2" console stabilized and the initial wave of demand ran its course.

(Million yen)	FY2026 Q1 Results	**FY2027 Q1 Results**	YoY Increase/Decrease	YoY Increase/Decrease (%)
Net sales	104,460	**125,000**	20,539	19.7%
Gross profit	44,813	**52,382**	7,568	16.9%
(Gross profit margin)	42.9%	**41.9%**	-	- 1.0pt
SG&A expenses	40,820	**47,080**	6,260	15.3%
Operating profit	3,993	**5,301**	1,308	32.8%
(Operating profit margin)	3.8%	**4.2%**	-	0.4pt
Ordinary profit	4,249	**5,527**	1,277	30.1%
Profit attributable to owners of parent	2,438	**3,190**	751	30.8%

Net sales by merchandise - FY2027 Q1

(Million yen)	FY2026 Q1 Results	**FY2027 Q1 Results**	YoY Increase/Decrease	YoY Increase/Decrease (%)
Reuse	64,421	**84,804**	20,383	31.6%
Clothing and accessories*1	27,561	35,073	7,511	27.3%
Furniture and home appliances*1	3,110	3,418	308	9.9%
Luxury*4	9,160	17,878	8,718	95.2%
Games*2	7,733	9,942	2,209	28.6%
Smartphones and tablets*2,3	10,983	11,988	1,005	9.2%
Other (reuse)*1	4,678	5,182	503	10.8%
Other (media)*2	1,194	1,321	127	10.7%
Brand-new*2	26,446	**25,557**	-889	-3.4%
Others	13,592	**14,637**	1,045	7.7%
Digital contents*5	4,782	5,503	721	15.1%
Rental*2	6,572	5,616	-955	-14.5%
Others	2,238	3,517	1,279	57.2%
Total	104,460	**125,000**	20,539	19.7%

Major stores or main businesses: *1: 2nd STREET *2: GEO *3: GEO mobile *4: OKURA *5 : viviON

Gross profit by merchandise - FY2027 Q1

(Million yen)	FY2026 Q1 Results	**FY2027 Q1 Results**	YoY Increase/Decrease	YoY Increase/Decrease (%)
Reuse	30,826	**36,943**	6,116	19.8%
Clothing and accessories*1	18,385	22,474	4,089	22.2%
Furniture and home appliances*1	1,915	2,069	154	8.0%
Luxury*4	944	1,801	857	90.8%
Games*2	2,290	2,685	395	17.2%
Smartphones and tablets*2,3	2,701	3,526	824	30.5%
Other (reuse)*1	3,453	3,155	- 298	- 8.7%
Other (media)*2	1,136	1,231	94	8.3%
Brand-new*2	4,926	**5,318**	392	8.0%
Others	9,060	**10,120**	1,060	11.7%
Digital contents*5	4,317	4,872	555	12.9%
Rental*2	4,020	3,677	- 342	- 8.5%
Others	723	1,569	846	117.1%
Total	44,813	**52,382**	7,568	16.9%

Major stores or main businesses: *1: 2nd STREET *2: GEO *3: GEO mobile *4: OKURA *5 : viviON

SG&A expenses - FY2027 Q1

- Costs continue to rise due to increased headcount from hiring, base salary increases, and new store openings.
- Despite savings from bringing advertising in-house, total SG&A expenses rose 15.3% year on year, largely in line with expectations.

(Million yen)	FY2026 Q1 Results	Ratio to net sales	**FY2027 Q1 Results**	Ratio to net sales	YoY Increase/Decrease	YoY Increase/Decrease (%)
Total selling expenses	4,970	4.8%	**5,095**	4.1%	125	2.5%
Advertising	1,807	1.7%	1,484	1.2%	-322	-17.8%
Sales commission	2,083	2.0%	2,398	1.9%	315	15.1%
Transportation costs	725	0.7%	743	0.6%	18	2.5%
Total personnel expenses	19,961	19.1%	**23,365**	18.7%	3,404	17.1%
Total other expenses	15,888	15.2%	**18,618**	14.9%	2,730	17.2%
Utility costs	925	0.9%	1,244	1.0%	318	34.4%
Rent	7,912	7.6%	8,618	6.9%	706	8.9%
Depreciation and amortization	1,591	1.5%	1,915	1.5%	323	20.3%
Consumables	785	0.8%	1,065	0.9%	280	35.7%
Maintenance	170	0.2%	266	0.2%	95	55.8%
Total SG&A expenses	40,820	39.1%	**47,080**	37.7%	6,260	15.3%

* The decrease in SG&A expenses indicates a positive factor for operating profit/loss.

Consolidated balance sheet - FY2027 Q1

(Million yen)	As of March 31, 2026	Composition	As of June 30, 2026	Composition	YoY Increase/Decrease
Current assets	196,393	66.5%	**201,058**	66.4%	4,665
Cash and deposits	86,656		**88,631**		1,974
Accounts receivable - trade	18,792		**16,039**		-2,753
Merchandise	77,062		**81,873**		4,811
Non-current assets	98,817	33.5%	**101,594**	33.6%	2,777
Property, plant and equipment	64,498		**65,334**		836
Intangible assets	5,447		**6,008**		561
Investments and other assets	28,871		**30,250**		1,379
Total assets	295,211	-	**302,653**	-	7,442
Current liabilities	54,899	18.6%	**55,891**	18.5%	992
Accounts payable - trade	12,469		**14,457**		1,987
Current portion of long-term borrowings	13,421		**14,113**		691
Non-current liabilities	142,121	48.1%	**145,927**	48.2%	3,806
Bonds payable	12,175		**12,175**		0
Long-term borrowings	93,053		**96,587**		3,533
Total liabilities	197,020	66.7%	**201,819**	66.7%	4,798
Total net assets	98,190	33.3%	**100,833**	33.3%	2,643
Total liabilities and net assets	295,211	-	**302,653**	-	7,442

Status of the number of GEO Group stores

Total number of stores as of June 30, 2026: 2,312 stores

		Directly managed stores	(Opened in current period)	(Closed in current period)	Franchise stores & distributors	As of the end of FY 2027 Q1	As of the end of FY 2026	As of the end of FY 2025
2nd STREET*1	**Total**	**1,051**	32	-4	56	**1,107**	**1,079**	**993**
	Japan	893	21	-3	56	949	931	880
	Overseas	158	11	-1	0	158	148	113
	US	56	1	0	0	56	55	47
	Taiwan	50	1	-1	0	50	50	39
	Malaysia	34	4	0	0	34	30	23
	Thailand	11	2	0	0	11	9	4
	Singapore	3	1	0	0	3	2	0
	Hong Kong	4	2	0	0	4	2	0
GEO*2		**958**	2	-7	64	**1,022**	**1,027**	**1,054**
OKURA TOKYO*3		**23**	1	-1	0	**23**	**23**	**24**
Luck Rack		**52**	8	-1	0	**52**	**45**	**27**
CAPSULE RAKKYOKU		**69**	10	-2	0	**69**	**61**	**42**
Other		**38**	0	0	1	**39**	**39**	**46**
Total		**2,191**	53	-15	121	**2,312**	**2,274**	**2,186**

*1: Includes Super 2nd STREET, 2nd OUTDOOR, JUMBLE STORE, purchasing-only stores, etc.

*2: Directly managed stores include 142 GEO mobile standalone stores. There are 692 co-located GEO mobile stores. There are 2 GEO DIGITAL BASE stores.

*3: Includes overseas stores (2 stores in Taiwan, 1 store in Hong Kong).

Full-year forecast for the fiscal year ending March 31, 2027

While the Group's financial results tend to be weighted toward the second half, the earnings forecast announced in May 2026 remains unchanged, taking into account factors such as the pullback from rush demand prior to the price revision of 'Nintendo Switch 2' and expenses related to store network optimization.

(Million yen)	**FY2027 Full-year Forecast**	**FY2027 Q1 Results**	**FY2027 Q1 Progress**	(Reference) FY2026 Full-year Results	(Reference) Full-year Forecast YoY Increase/decrease	(Reference) Full-year Forecast YoY Increase/decrease (%)
Net sales	510,000	125,000	24.5%	481,249	28,751	6.0%
Operating profit	13,000	5,301	40.8%	14,239	-1,239	-8.7%
(Operating profit margin)	2.5%	4.2%	1.7pt	3.0%	-	-0.5pt
Ordinary profit	12,500	5,527	44.2%	15,348	-2,848	-18.6%
Net profit attributable to owners of parent	6,000	3,190	53.2%	8,738	-2,738	-31.3%
Number of directly managed stores	**2,346 stores***	**2,191 stores**	53 stores opened	2,153 stores	193 stores	-
ROE*	**5.48%**	**-**	-	8.91%	-3.43pt	-
Net D/E ratio*	**0.30x**	**0.34x**	+0.04	0.33x	+0.03	-

*Forecast store count = total planned openings (excluding closures)
*ROE = profit attributable to owners of parent / shareholders' equity at end of period.
*Net D/E ratio = net debt (excluding lease obligations) at end of period / net assets at end of period.

New store roll-out plan for the fiscal year ending March 31, 2027

	As of Jun 30, 2026	Store expansion plan		
	Progress/ Initial Plan	**Overview**		
2nd STREET	Japan **21**/100 stores	In addition to general reuse stores, we aim to open urban and purchasing-only stores, and expect to reach 1,000 stores during FY2027. We plan to pursue further store expansion.		
2nd STREET	Overseas **11**/38 stores	US	**1**/12 stores	Focusing on store openings in areas where we already have stores to strengthen our dominant market position.
		Taiwan	**1**/6 stores	Pursuing dominant store expansion strategy as well as opening suburban roadside stores.
		Malaysia	**4**/6 stores	Store openings targeted mainly at Kuala Lumpur and its suburbs.
		Thailand	**2**/6 stores	Store openings targeted mainly at Bangkok metropolitan area.
		Singapore	**1**/2 stores	Dominant store expansion with urban-type stores.
		Hong Kong	**2**/6 stores	Dominant store expansion with urban-type stores.
GEO mobile	**2**/2 stores	Renovating existing GEO stores to enhance profitability.		
OKURA	**1**/3 stores	In addition to downtown locations, we plan to open purchasing-only stores.		
Luck Rack	**8**/30 stores	Focusing primarily on dominant store expansion while increasing openings in regional cities.		
CAPSULE RAKKYOKU	**10**/20 stores	We plan to expand store openings, primarily in the Greater Tokyo area, with a target of 100 stores.		