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

(Japanese GAAP)

August 6, 2026

GEO HOLDINGS CORPORATION

Listing: Tokyo Stock Exchange
Securities code: 2681
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Scheduled date to begin dividend payment: -
Supplementary material on financial results: Yes
Briefing on this financial results: None

(Amounts less than million yen are rounded down)

1. Consolidated Financial Results for the First Three Months (from April 1, 2026 to June 30, 2026)

(1) Consolidated operating results (cumulative)

(Percentages indicate changes from the previous corresponding period)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent	
Three months ended:	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
June 30, 2026	125,000	19.7	5,301	32.8	5,527	30.1	3,190	30.8
June 30, 2025	104,460	4.3	3,993	(8.5)	4,249	(22.5)	2,438	(31.3)

(Note) Comprehensive income: 3,346 million yen (increase of 42.7%) for three months ended June 30, 2026
2,344 million yen (decrease of 34.4%) for three months ended June 30, 2025

	Earnings per share	Diluted earnings per share
Three months ended:	Yen	Yen
June 30, 2026	80.19	80.04
June 30, 2025	61.39	61.14

(2) Consolidated financial position

	Total assets	Net assets	Equity-to-asset ratio
As of	Millions of yen	Millions of yen	%
June 30, 2026	302,653	100,833	33.3
March 31, 2026	295,211	98,190	33.2

(Reference) Shareholders' equity: As of June 30, 2026: 100,667 million yen
As of March 31, 2026: 98,021 million yen

2. Dividends

	Annual dividends per share (yen)				
	1st quarter-end	2nd quarter-end	3rd quarter-end	Year-end	Annual
FY2026	-	17.00	-	17.00	34.00
FY2027	-				
FY2027 (Forecast)		17.00	-	17.00	34.00

(Note) Change in dividends forecast from the most recent announcement: None

3. Consolidated Earnings Forecast for the Fiscal Year Ending March 31, 2027 (from April 1, 2026 to March 31, 2027)

(Percentages indicate 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 2027	510,000	6.0	13,000	(8.7)	12,500	(18.6)	6,000	(31.3)	150.82

(Note) Change in earnings forecast from the most recent announcement: None

Notes

(1) Significant changes in the scope of consolidation during the period: None

(2) Adoption of accounting treatment specific to the preparation of quarterly consolidated financial statements: None

(3) 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 policies other than 1): None
3) Changes in accounting estimates: None
4) Restatement: None

(4) Number of issued shares (common shares)

1) Total number of issued shares at the end of the period (including treasury shares)

As of June 30, 2026	39,783,552 shares
As of March 31, 2026	39,783,552 shares

2) Number of treasury shares at the end of the period

As of June 30, 2026	81 shares
As of March 31, 2026	81 shares

3) Average number of shares outstanding during the period (cumulative from the beginning of the fiscal year)

During three months ended June 30, 2026	39,783,471 shares
During three months ended June 30, 2025	39,723,786 shares

* Review of the Japanese-language originals of the attached quarterly consolidated financial statements by certified public accountants or an audit firm: None

* 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 significantly differ from these forecasts due to various factors. Please see "1. Overview of Results of Operations, etc.," "(3) Explanation of forward-looking information including consolidated earnings forecast" on page 3 of the Attachments for the basis of forecasts and notes on reliance on forecasts.

<Supplementary Information for English Translation>

Our business named "2nd STREET," which mainly sells and purchases second-hand clothing and household items, is hereinafter referred to as "Reuse Store(s)," and our businesses named "GEO," "GEO Store" and "GEO mobile," which mainly handle video games, DVDs, CDs and smartphones, are hereinafter collectively referred to as "Media Store(s)" in this document.

Both our Reuse Store(s) and Media Store(s) use the term "reuse" to refer to second-hand items, and "brand-new" to refer to non-second-hand items that are procured from manufacturers or through conventional commercial distribution channels.

Table of Contents for the Attachments

1. Overview of Results of Operations, etc.

(1) Overview of operating results for the period under review

During the three months ended June 30, 2026, the Japanese economy continued on a moderate recovery trajectory, supported by improvements in the employment and income environment. However, the outlook remains uncertain due to factors such as soaring prices for raw materials stemming from geopolitical risks, including the situation surrounding the Strait of Hormuz, as well as exchange rate fluctuations and changes in overseas tariff policies.

In the reuse industry, the market continued to grow, driven by growing consumer thriftiness amid soaring prices and the spread of values such as the appeal of one-of-a-kind items and a reduced environmental impact.

In this environment, aiming "to offer joy to your everyday life " the Group is working to increase choices and to improve convenience for customers by expanding its e-commerce services and opening new reuse stores centered around 2nd STREET both in Japan and overseas to achieve sustainable growth.

Regarding trends in the 2nd STREET Business, net sales of reuse apparel and accessories, which form the core of our merchandise lineup, remained strong both in Japan and overseas. In addition, store expansion proceeded largely as planned, contributing to net sales growth. As a result, net sales primarily from apparel and accessories, furniture and home appliances totaled 43,673 million yen (up 23.6% YoY).

Regarding trends in the GEO Business’s reuse merchandise, while the market environment is increasingly shifting toward digital downloads for home video game consoles, net sales of second-hand Nintendo Switch 2 consoles boosted net sales. Furthermore, for reuse communication devices such as smartphones and tablets, measures such as flexibly adjusting selling prices in response to market conditions proved effective. As a result, net sales of reuse merchandise, primarily games, smartphones, and tablets, totaled 23,251 million yen (up 16.8% YoY).

In the Luxury Business, in addition to the steady capture of inbound demand, overseas wholesale, which had stagnated in the previous fiscal year due to the impact of tariffs in the U.S. market, recovered during the quarter, contributing to net sales. As a result, net sales in the Reuse Luxury Business totaled 17,878 million yen (up 95.2% YoY).

Regarding trends in brand-new merchandise, while a decline was anticipated following the initial surge in demand for the new “Nintendo Switch 2” game console released in June of the previous year, the drop in net sales was significantly mitigated by last-minute demand ahead of the price increase for the “Nintendo Switch 2.” As a result, net sales for brand-new merchandise totaled 25,557 million yen (down 3.4% YoY).

As a result, the Group’s financial results for the three months ended June 30, 2026, were as follows: net sales of 125,000 million yen (up 19.7% YoY), operating profit of 5,301 million yen (up 32.8% YoY), ordinary profit of 5,527 million yen (up 30.1% YoY), and profit attributable to owners of parent of 3,190 million yen (up 30.8% YoY).

The numbers of the Group's stores and facilities for the three months ended June 30, 2026 are as follows.

Figures in parentheses represent the change from the end of the previous fiscal year.

	Directly-managed stores			FC stores and distributors			Total	
		Newly opened	Closed		Newly opened	Closed		
The number of GEO Group stores	2,191	53	15	121	0	0	2,312	(+38)
2nd STREET (Japan)	893	21	3	56	0	0	949	(+18)
2nd STREET (USA)	56	1	0	0	0	0	56	(+1)
2nd STREET (Taiwan)	50	1	1	0	0	0	50	(0)
2nd STREET (Malaysia)	34	4	0	0	0	0	34	(+4)
2nd STREET (Thailand)	11	2	0	0	0	0	11	(+2)
2nd STREET (Singapore)	3	1	0	0	0	0	3	(+1)
2nd STREET (Hong Kong)	4	2	0	0	0	0	4	(+2)
GEO	958	2	7	64	0	0	1,022	(-5)
OKURA TOKYO	23	1	1	0	0	0	23	(0)

		Directly-managed stores			FC stores and distributors			Total	
	Luck Rack	52	8	1	0	0	0	52	(+7)
	CAPSULE RAKKYOKU	69	10	2	0	0	0	69	(+8)
	Other	38	0	0	1	0	0	39	(0)

Notes: 1. The number of stores is counted by store brand.
2. 2nd STREET includes stores that sell and purchase clothing and home appliances, and other items where the Group operates under the store names of 2nd STREET, Super 2nd STREET, 2nd OUTDOOR, JUMBLE STORE, etc.
3. GEO includes stores that sell and purchase home game-related items, mobile phones and smartphones, and rent DVDs where the Group operates under the store names of GEO, GEO mobile and GEO DIGITAL BASE.

(2) Overview of consolidated financial position for the period under review

(Assets)

Current assets at the end of the first quarter of the current consolidated fiscal year totaled 201,058 million yen, an increase of 4,665 million yen compared to the end of the previous consolidated fiscal year. This was primarily due to a decrease of 2,753 million yen in accounts receivable - trade, offset by an increase of 1,974 million yen in cash and deposits and an increase of 4,811 million yen in merchandise. Non-current assets totaled 101,594 million yen, an increase of 2,777 million yen compared to the end of the previous consolidated fiscal year. This was primarily due to a decrease of 894 million yen in leased assets, net, included in Other, net under property, plant and equipment, offset by increases of 1,145 million yen in right-of-use assets, net, 795 million yen in leasehold and guarantee deposits, 708 million yen in buildings and structures, net, and 574 million yen in deferred tax assets (non-current).

As a result, total assets as of June 30, 2026 were 302,653 million yen, which increased by 7,442 million yen from the end of the previous fiscal year.

(Liabilities)

Current liabilities at the end of the first quarter of the current consolidated fiscal year totaled 55,891 million yen, an increase of 992 million yen compared to the end of the previous consolidated fiscal year. This was primarily due to a decrease of 1,504 million yen in the provision for bonuses, offset by an increase of 1,987 million yen in accounts payable - trade and an increase of 691 million yen in the current portion of long-term borrowings. Non-current liabilities were 145,927 million yen, an increase of 3,806 million yen compared to the end of the previous consolidated fiscal year. This was primarily due to an increase of 3,533 million yen in long-term borrowings.

As a result, total liabilities as of June 30, 2026 were 201,819 million yen, which increased by 4,798 million yen from the end of the previous fiscal year.

(Net assets)

Net assets at the end of first quarter of the current consolidated fiscal year totaled 100,833 million yen, an increase of 2,643 million yen compared to the end of the previous consolidated fiscal year. This was mainly due to profit attributable to owners of parent of 3,190 million yen offset by dividends from surplus of 676 million yen.

As a result, the equity-to-asset ratio stood at 33.3% (compared to 33.2% at the end of the previous fiscal year).

(3) Explanation of forward-looking information including consolidated earnings forecast

With respect to consolidated earnings forecast, there were no changes from the full year forecast presented on May 8, 2026.

2. Quarterly Consolidated Financial Statements

(1) Quarterly consolidated balance sheet

(Millions of yen)

	As of March 31, 2026	As of June 30, 2026
Assets		
Current assets		
Cash and deposits	86,656	88,631
Accounts receivable - trade	18,792	16,039
Merchandise	77,062	81,873
Other	14,238	14,886
Allowance for doubtful accounts	(357)	(371)
Total current assets	196,393	201,058
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	21,486	22,194
Land	7,279	7,286
Right-of-use assets, net	23,054	24,199
Other, net	12,677	11,653
Total property, plant and equipment	64,498	65,334
Intangible assets	5,447	6,008
Investments and other assets		
Leasehold and guarantee deposits	21,177	21,973
Deferred tax assets	4,865	5,440
Other	3,074	3,083
Allowance for doubtful accounts	(246)	(246)
Total investments and other assets	28,871	30,250
Total non-current assets	98,817	101,594
Total assets	295,211	302,653

(Millions of yen)

	As of March 31, 2026	As of June 30, 2026
Liabilities		
Current liabilities		
Accounts payable - trade	12,469	14,457
Current portion of long-term borrowings	13,421	14,113
Income taxes payable	3,109	2,629
Provision for bonuses	3,036	1,531
Other	22,862	23,161
Total current liabilities	54,899	55,891
Non-current liabilities		
Bonds payable	12,175	12,175
Long-term borrowings	93,053	96,587
Lease liabilities	26,613	26,673
Deferred tax liabilities	235	447
Asset retirement obligations	7,941	8,027
Other	2,102	2,016
Total non-current liabilities	142,121	145,927
Total liabilities	197,020	201,819
Net assets		
Shareholders' equity		
Share capital	9,317	9,317
Capital surplus	3,729	3,729
Retained earnings	84,913	87,427
Treasury shares	(0)	(0)
Total shareholders' equity	97,961	100,474
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	52	67
Foreign currency translation adjustment	7	125
Total accumulated other comprehensive income	60	192
Share acquisition rights	47	47
Non-controlling interests	121	118
Total net assets	98,190	100,833
Total liabilities and net assets	295,211	302,653

(2) Quarterly consolidated income statement and statement of comprehensive income

(Quarterly consolidated income statement)

(Millions of yen)

	Three months ended June 30, 2025	Three months ended June 30, 2026
Net sales	104,460	125,000
Cost of sales	59,646	72,617
Gross profit	44,813	52,382
Selling, general and administrative expenses	40,820	47,080
Operating profit	3,993	5,301
Non-operating income		
Foreign exchange gains	82	142
Rental income from real estate	283	284
Insurance claim income	126	160
Other	114	146
Total non-operating income	607	733
Non-operating expenses		
Interest expenses	196	323
Rental expenses on real estate	90	81
Other	63	102
Total non-operating expenses	351	508
Ordinary profit	4,249	5,527
Extraordinary losses		
Impairment losses	35	16
Total extraordinary losses	35	16
Profit before income taxes	4,214	5,510
Income taxes - current	1,376	2,666
Income taxes - deferred	375	(370)
Total income taxes	1,751	2,296
Profit	2,463	3,213
Profit attributable to non-controlling interests	24	23
Profit attributable to owners of parent	2,438	3,190

(Quarterly consolidated statement of comprehensive income)

(Millions of yen)

	Three months ended June 30, 2025	Three months ended June 30, 2026
Profit	2,463	3,213
Other comprehensive income		
Valuation difference on available-for-sale securities	0	15
Foreign currency translation adjustment	(118)	117
Share of other comprehensive income of entities accounted for using equity method	(0)	0
Total other comprehensive income	(118)	132
Comprehensive income	2,344	3,346
Comprehensive income attributable to		
Owners of parent	2,319	3,322
Non-controlling interests	24	23

(3) Notes to quarterly consolidated financial statements

(Notes on segment information, etc.)

For the three months ended June 30, 2025 and the three months ended June 30, 2026:

Segment information is omitted because the Group has only one segment, retail services.

(Notes on significant change in shareholders' equity)

None

(Notes on going concern assumptions)

None

(Notes on quarterly consolidated statement of cash flows)

Quarterly consolidated statement of cash flows for the three months ended June 30, 2026 is not prepared. Depreciation (including amortization related to intangible assets excluding goodwill) and amortization of goodwill for the three months ended June 30, 2025 and 2026 are as follows.

(Millions of yen)

	Three months ended June 30, 2025	Three months ended June 30, 2026
Depreciation	1,754	2,086
Rental assets depreciation	674	528
Amortization of goodwill	37	36