

Consolidated Financial Results for the First Three Months of the Fiscal Year Ending March 31, 2026

(Japanese GAAP)

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GEO HOLDINGS CORPORATION

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 Securities Code: 2681
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 Scheduled date to commence dividend payments: –
 Preparation of supplementary material on financial results: Yes
 Holding of financial results briefing: None

(Amounts less than million yen are discarded)

1. Consolidated Financial Results for the First Three Months (from April 1, 2025 to June 30, 2025)

(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, 2025	104,460	4.3	3,993	(8.5)	4,249	(22.5)	2,438	(31.3)
June 30, 2024	100,147	(6.2)	4,366	(24.6)	5,481	(22.5)	3,547	(26.5)

(Note) Comprehensive income: 2,344 million yen (decrease of 34.4%) for three months ended June 30, 2025
 3,572 million yen (decrease of 25.5%) for three months ended June 30, 2024

	Earnings per share	Fully diluted earnings per share
Three months ended:	Yen	Yen
June 30, 2025	61.39	61.14
June 30, 2024	89.34	88.90

(2) Consolidated financial position

	Total assets	Net assets	Equity-to-asset ratio
As of	Millions of yen	Millions of yen	%
June 30, 2025	268,664	92,146	34.2
March 31, 2025	252,807	90,469	35.7

(Reference) Shareholders' equity: As of June 30, 2025: 91,913 million yen
 As of March 31, 2025: 90,243 million yen

2. Dividends

	Annual dividends per share				
	1st quarter end	2nd quarter end	3rd quarter end	Year-end	Annual
	Yen	Yen	Yen	Yen	Yen
Fiscal Year ended March 31, 2025	–	17.00	–	17.00	34.00
Fiscal Year ending March 31, 2026	–				
Fiscal Year ending March 31, 2026 (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, 2026 (from April 1, 2025 to March 31, 2026)

(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 2026	470,000	9.9	11,500	2.2	11,000	(10.0)	5,500	21.2	138.46

(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 principles 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, 2025	39,734,052 shares
As of March 31, 2025	39,718,052 shares
 - 2) Number of treasury shares at the end of the period

As of June 30, 2025	81 shares
As of March 31, 2025	41 shares
 - 3) Average number of shares outstanding during the period (cumulative from the beginning of the fiscal year)

During three months ended June 30, 2025	39,723,786 shares
During three months ended June 30, 2024	39,706,599 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,” 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” in this document.

Both our Reuse Store and Media Store 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.

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1. Overview of Results of Operations, etc.

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

Consolidated financial results (from April 1, 2025 to June 30, 2025)

In the first three months ended June 30, 2025 consolidated cumulative period, while Japanese economy maintained its gradual recovery path, the impact of inflation continued to put pressure on household finances, resulting in many consumers cutting down on their spending and increasing awareness towards “wise consumption”. Simultaneously, through growing interest in SDGs, consciousness of “circular consumption,” which is to reuse and cherish things, further penetrated society.

Within the reuse industry, the reuse market continued steady expansion due to both environmental awareness and frugal mindsets. Particularly, as the demand of reuse for “still usable unwanted” goods in everyday life grew, accessibility of brick-and-mortar stores regained appreciation due to convenience, peace of mind, and adaptability to diverse items that can be purchased and sold amidst competition from flea market apps, and etc.

Under these circumstances, with our objective “to offer joy to your everyday life,” the Group has been working towards increasing possible alternatives and improving convenience for customers in order to achieve sustainable growth by expanding its e-commerce over the internet and new reuse store openings, centered around 2nd STREET, both in Japan and overseas.

In terms of trends in categories of reuse merchandises, due to a rising demand for reuse goods, which are more affordable than brand-new products, shopping at second-hand stores has become prevalent and also reuse sales are trending upward primarily with clothing and accessories correlated to the growth of reuse industry. In overseas regions, the Group broadened scope of activities by opening new stores in Singapore and Hong Kong, attracted support in respective regions through attempting to raise awareness in the global reuse industry, and continued expanding the number of stores and sales. OKURA TOKYO, the brand handles reuse luxury merchandise, experienced tough challenges due to slowing demand for tourists visiting Japan, which was strong in the previous fiscal year, and uncertainties over tariff policies by the Trump administration. As a result, overall sales of reuse merchandise (comprehensive) decreased and net sales amounted to 44,510 million yen (down 3.7% YoY).

In terms of trends in categories of reuse merchandise (media), sales of game-related reuse merchandise category decreased due to holding off on purchasing older model game consoles in anticipation of the launch of “Nintendo Switch 2” next-generation home video game console. As for the category of reuse communication device, such as smartphones, tablets, and other mobile devices, it showed steady growth through an increase in the number of opening up “GEO Mobile” stores, which stationed customer support staff to the storefront, at shopping malls and other facilities and strong needs for new household goods. From the above results, net sales of reuse merchandise (media) category increased by 2.3% YoY to 19,910 million yen.

In terms of trends in brand-new merchandise category, along with the launch of “Nintendo Switch 2” next-generation home video game console, net sales of game-related products, including game accessories, performed well, resulting in net sales to increase by 24.4% YoY to 26,446 million yen.

Based on above, the financial results of the Group for three months ended June 30, 2025, net sales were 104,460 million yen (up 4.3% YoY), operating profit was 3,993 million yen (down 8.5% YoY), ordinary profit was 4,249 million yen (down 22.5% YoY), and profit attributable to owners of parent was 2,438 million yen (down 31.3% YoY).

The numbers of the Group’s stores and facilities for the three months ended June 30, 2025 are as follows.

The figures in () under the “Total” column indicate changes 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	2,069	40	14	139	0	4	2,208	(+22)
GEO	961	4	9	84	0	4	1,045	(-9)
2nd STREET (Japan)	839	16	2	55	0	0	894	(+14)
2nd STREET (USA)	48	2	1	0	0	0	48	(+1)
2nd STREET (Taiwan)	41	2	0	0	0	0	41	(+2)
2nd STREET (Malaysia)	26	3	0	0	0	0	26	(+3)
2nd STREET (Thailand)	4	0	0	0	0	0	4	(0)
2nd STREET (Singapore)	1	1	0	0	0	0	1	(+1)
2nd STREET (Hong Kong)	1	1	0	0	0	0	1	(+1)
OKURA TOKYO	24	0	0	0	0	0	24	(0)
Luck Rack	30	3	0	0	0	0	30	(+3)
Others	94	8	2	0	0	0	94	(+6)

Notes:

1. The number of stores are counted per each store brand.
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 and accessories, home appliances, and other items where they operate under the names of “2nd STREET,” “Super 2nd STREET,” “2nd OUTDOOR,” “JUMBLE STORE,” etc.

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

[Assets]

Current assets as of June 30, 2025 were 180,812 million yen, which increased by 15,740 million yen from the end of the previous fiscal year. This was mainly attributable to increases of 9,168 million yen in cash and deposits and 7,721 million yen in merchandise. Non-current assets as of June 30, 2025 were 87,851 million yen, which increased by 116 million yen from the end of the previous fiscal year. This was mainly attributable to increases of 229 million yen in buildings and structures, net, 472 million yen in construction in progress included in “other, net” under property, plant and equipment, and 402 million yen in leasehold and guarantee deposits, despite decreases of 336 million yen in right-of-use assets, net, and 372 million yen in deferred tax assets included in “other” under investments and other assets.

As a result, total assets as of June 30, 2025 were 268,664 million yen, which increased by 15,856 million yen from the end of the previous fiscal year.

[Liabilities]

Current liabilities as of June 30, 2025 were 43,309 million yen, which decreased by 3,293 million yen from the end of the previous fiscal year. This was mainly attributable to decreases of 656 million yen in accounts payable - trade, 1,059 million yen in provision for bonuses, 1,557 million yen in accounts payable - other, and 895 million yen in income taxes payable in “other” under current liabilities. Non-current liabilities as of June 30, 2025 were 133,207 million yen, which increased by 17,472 million yen from the end of the previous fiscal year. This was mainly attributable to an increase of 17,825 million yen in long-term borrowings.

As a result, total liabilities as of June 30, 2025 were 176,517 million yen, which increased by 14,179 million yen from the end of the previous fiscal year.

[Net assets]

Net assets as of June 30, 2025 were 92,146 million yen, which increased by 1,676 million yen from the end of the previous fiscal year. This was mainly due to profit attributable to owners of parent of 2,438 million yen and dividends from surplus of 675 million yen.

As a result, the equity-to-asset ratio stood at 34.2% (compared to 35.7% 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 9, 2025.

2. Quarterly Consolidated Financial Statements

(1) Quarterly consolidated balance sheet

(Millions of yen)

	As of March 31, 2025	As of June 30, 2025
Assets		
Current assets		
Cash and deposits	60,090	69,259
Accounts receivable - trade	15,930	14,690
Merchandise	73,887	81,608
Other	15,334	15,426
Allowance for doubtful accounts	(170)	(172)
Total current assets	165,072	180,812
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	20,307	20,537
Right-of-use assets, net	22,173	21,836
Other, net	13,802	14,116
Total property, plant and equipment	56,283	56,490
Intangible assets	5,030	5,042
Investments and other assets		
Leasehold and guarantee deposits	19,834	20,236
Other	7,414	6,908
Allowance for doubtful accounts	(826)	(826)
Total investments and other assets	26,421	26,318
Total non-current assets	87,735	87,851
Total assets	252,807	268,664
Liabilities		
Current liabilities		
Accounts payable - trade	12,686	12,030
Current portion of long-term borrowings	10,849	11,124
Other	23,066	20,154
Total current liabilities	46,603	43,309
Non-current liabilities		
Bonds payable	12,175	12,175
Long-term borrowings	71,475	89,300
Lease liabilities	23,549	23,183
Asset retirement obligations	7,655	7,681
Other	880	868
Total non-current liabilities	115,734	133,207
Total liabilities	162,338	176,517
Net assets		
Shareholders' equity		
Share capital	9,263	9,276
Capital surplus	3,676	3,689
Retained earnings	77,527	79,289
Treasury shares	(0)	(0)
Total shareholders' equity	90,467	92,256
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	9	9
Foreign currency translation adjustment	(232)	(351)
Total accumulated other comprehensive income	(223)	(342)
Share acquisition rights	160	156
Non-controlling interests	65	76
Total net assets	90,469	92,146
Total liabilities and net assets	252,807	268,664

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

(Millions of yen)

	Three months ended June 30, 2024	Three months ended June 30, 2025
Net sales	100,147	104,460
Cost of sales	58,453	59,646
Gross profit	41,694	44,813
Selling, general and administrative expenses	37,328	40,820
Operating profit	4,366	3,993
Non-operating income		
Foreign exchange gains	770	82
Rental income from real estate	301	283
Insurance claim income	55	126
Other	190	114
Total non-operating income	1,318	607
Non-operating expenses		
Interest expenses	94	196
Rental expenses on real estate	107	90
Other	0	63
Total non-operating expenses	202	351
Ordinary profit	5,481	4,249
Extraordinary losses		
Impairment losses	16	35
Total extraordinary losses	16	35
Profit before income taxes	5,465	4,214
Income taxes - current	1,311	1,376
Income taxes - deferred	576	375
Total income taxes	1,888	1,751
Profit	3,576	2,463
Profit attributable to non-controlling interests	29	24
Profit attributable to owners of parent	3,547	2,438

(Quarterly consolidated statement of comprehensive income)

(Millions of yen)

	Three months ended June 30, 2024	Three months ended June 30, 2025
Profit	3,576	2,463
Other comprehensive income		
Valuation difference on available-for-sale securities	(2)	0
Foreign currency translation adjustment	(2)	(118)
Share of other comprehensive income of entities accounted for using equity method	–	(0)
Total other comprehensive income	(4)	(118)
Comprehensive income	3,572	2,344
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	3,541	2,319
Comprehensive income attributable to non-controlling interests	30	24

(3) Notes to quarterly consolidated financial statements

(Notes on segment information, etc.)

For the three months ended June 30, 2024 and the three months ended June 30, 2025:

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, 2025 is not prepared. Depreciation (including amortization related to intangible assets excluding goodwill) and amortization of goodwill for the three months ended June 30, 2024 and 2025 are as follows.

	(Millions of yen)	
	Three months ended June 30, 2024	Three months ended June 30, 2025
Depreciation	1,416	1,754
Rental assets depreciation	682	674
Amortization of goodwill	43	37