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

(Japanese GAAP)

November 6, 2026

2nd RETAILING Co., Ltd.

Listing: Tokyo Stock Exchange / Nagoya Stock Exchange
Securities code: 2681
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Scheduled date to submit semi-annual securities report: November 6, 2026
Scheduled date to begin dividend payment: December 10, 2026
Supplementary material on financial results: Yes
Briefing on this financial results: Yes (for institutional investors and analysts)

(Amounts less than million yen are rounded down)

1. Consolidated Financial Results for the First Six Months (from April 1, 2026 to September 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	
Six months ended:	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
September 30, 2026	246,767	13.7	8,378	64.8	8,389	50.5	4,795	48.6
September 30, 2025	216,943	8.6	5,085	(6.1)	5,572	7.1	3,227	14.2

(Note) Comprehensive income: 4,807 million yen (increase of 45.9%) for six months ended September 30, 2026
3,295 million yen (increase of 9.2%) for six months ended September 30, 2025

	Basic earnings per share	Diluted earnings per share
Six months ended:	Yen	Yen
September 30, 2026	120.54	120.33
September 30, 2025	81.22	81.06

(2) Consolidated financial position

	Total assets	Net assets	Equity-to-asset ratio
As of	Millions of yen	Millions of yen	%
September 30, 2026	307,281	102,268	33.2
March 31, 2026	295,211	98,190	33.2

(Reference) Shareholders' equity: As of September 30, 2026: 102,137 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
	Yen	Yen	Yen	Yen	Yen
FY 2026	-	17.00	-	17.00	34.00
FY 2027	-	17.00			
FY 2027 (Forecast)			-	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		Basic earnings per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
FY 2027	510,000	6.0	17,000	19.4	16,500	7.5	8,200	(6.2)	206.12

(Note) Change in earnings forecast from the most recent announcement: Yes

Notes

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

(2) Adoption of accounting treatment specific to the preparation of semi-annual 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 September 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 September 30, 2026	174 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 six months ended September 30, 2026	39,783,432 shares
During six months ended September 30, 2025	39,739,401 shares

* Semi-annual financial results reports are exempt from review conducted by certified public accountants or an audit firm.
* 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.,” “(4) Explanation of forward-looking information including consolidated earnings forecast” on page 4 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.

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1. Overview of Results of Operations, etc.

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

Consolidated financial results (April 1, 2026 to September 30, 2026)

During the current interim consolidated accounting period, the Japanese economy continued to recover moderately, supported by improvements in the employment and income environment. However, the outlook for the business environment continued to warrant caution due to factors such as the revision of various tariff policies in the U.S. and uncertainty surrounding trade policies, as well as fluctuations in prices for raw materials and energy stemming from geopolitical risks.

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.

Against this backdrop, the Group aims to “fill everyday life with joy and possibility” and seeks to enrich daily life around the world through business activities that redistribute value and circulate goods and joy. To achieve these objectives, the Group is pursuing sustainable growth by enhancing the convenience of e-commerce and actively expanding its network of reuse stores, centered on 2nd STREET, both in Japan and overseas.

In the 2nd STREET Business, net sales of reuse clothing and accessories, which constitute the core merchandise categories in both Japan and overseas, remained strong. As a result, net sales primarily from clothing and accessories, and furniture and home appliances, totaled 84,695 million yen (up 22.7% YoY).

Regarding trends in the GEO Business's reuse merchandise, flexible pricing strategies tailored to market conditions, together with proactive promotional activities, proved effective for reused communication devices such as smartphones and tablets. Furthermore, although the home video game console market continued to be affected by the shift toward digital downloads, strong sales of reused merchandise related to Nintendo Switch 2 continued to contribute to net sales. As a result, net sales from reuse merchandise in the GEO Business totaled 47,566 million yen (up 13.5% YoY).

In the Luxury Business, an improvement in inventory turnover drove overall performance. Additionally, the overseas wholesale—which had been impacted by tariffs in the U.S. and other factors in the previous fiscal year—showed signs of recovery. As a result, net sales for the Luxury Business totaled 33,876 million yen (up 38.1% YoY).

In brand-new merchandise, net sales of video game software remained strong, driven in part by new titles, and trading card sales also increased. On the other hand, net sales of game consoles were significantly impacted by a decline following the strong initial sales surge from the previous year’s launch, as well as the waning of last-minute demand ahead of price increases in the 1st quarter of the current fiscal year. As a result, net sales of brand-new merchandise totaled 50,908 million yen (down 5.8% YoY).

As a result of the above, the Group's financial results for the first six months ended September 30, 2026 were as follows: net sales of 246,767 million yen (up 13.7% YoY), operating profit of 8,378 million yen (up 64.8% YoY), ordinary profit of 8,389 million yen (up 50.5% YoY), and profit attributable to owners of parent of 4,795 million yen (up 48.6% YoY).

The numbers of the Group's stores and facilities in the six months ended September 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 2nd RETAILING Group stores	2,214	98	37	119	0	2	2,333	(+59)
2nd STREET (Japan)	912	44	7	56	0	0	968	(+37)
2nd STREET (USA)	57	2	0	0	0	0	57	(+2)
2nd STREET (Taiwan)	50	1	1	0	0	0	50	(0)
2nd STREET (Malaysia)	35	5	0	0	0	0	35	(+5)
2nd STREET (Thailand)	13	4	0	0	0	0	13	(+4)
2nd STREET (Singapore)	3	1	0	0	0	0	3	(+1)
2nd STREET (Hong Kong)	6	4	0	0	0	0	6	(+4)
GEO	941	2	24	62	0	2	1,003	(-24)
OKURA TOKYO	24	3	2	0	0	0	24	(+1)
Luck Rack	56	12	1	0	0	0	56	(+11)
CAPSULE RAKKYOKU	79	20	2	0	0	0	79	(+18)
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 this interim consolidated period totaled 202,135 million yen, an increase of 5,741 million yen compared to the end of the previous fiscal year. This was primarily due to a decrease of 3,566 million yen in cash and deposits, offset by an increase of 8,106 million yen in merchandise. Non-current assets totaled 105,146 million yen, an increase of 6,328 million yen compared to the end of the previous fiscal year. This was primarily due to increases of 1,662 million yen in buildings and structures, net, 2,645 million yen in right-of-use assets, net, and 1,304 million yen in software in progress included in intangible assets.

As a result, total assets as of September 30, 2026 were 307,281 million yen, which increased by 12,070 million yen from the end of the previous fiscal year.

(Liabilities)

Current liabilities as of the end of the current interim consolidated accounting period totaled 57,037 million yen, an increase of 2,138 million yen compared with the end of the previous fiscal year. This was primarily due to an increase of 992 million yen in accounts payable - trade and an increase of 1,265 million yen in the current portion of long-term borrowings, partially offset by a decrease of 547 million yen in accounts payable - other included in "Other" under current liabilities. Non-current liabilities totaled 147,975 million yen, an increase of 5,853 million yen compared with the end of the previous fiscal year. This was primarily due to an increase of 4,440 million yen in long-term borrowings and an increase of 1,298 million yen in lease liabilities.

As a result, total liabilities as of September 30, 2026 were 205,012 million yen, which increased by 7,991 million yen from the end of the previous fiscal year.

(Net assets)
Total net assets as of September 30, 2026 amounted to 102,268 million yen, an increase of 4,078 million yen from the end of the previous fiscal year. This was mainly due to profit attributable to owners of parent of 4,795 million yen and dividends from surplus of 676 million yen.
As a result, the equity-to-asset ratio stood at 33.2% (compared to 33.2% at the end of the previous fiscal year).

(3) Overview of cash flows for the period under review
Cash and cash equivalents ("cash") as of September 30, 2026 decreased by 3,517 million yen from the end of the previous consolidated fiscal year to 88,230 million yen.
Cash flows and factors affecting them for the six months ended September 30, 2026 are as follows.

(Cash flows from operating activities)
Operating activities resulted in a net cash increase of 1,339 million yen (compared to an increase of 2,645 million yen in the same period of the previous year).
This was primarily due to interim profit before income taxes of 8,331 million yen and depreciation of 4,370 million yen, partially offset by an increase in inventories of 8,271 million yen and income taxes paid of 2,872 million yen.

(Cash flows from investing activities)
Investing activities resulted in a net cash decrease of 8,973 million yen (compared to a decrease of 9,153 million yen in the same period of the previous year).
This was mainly due to the purchase of property, plant and equipment of 5,673 million yen and purchase of intangible assets of 2,303 million yen.

(Cash flows from financing activities)
Net cash provided by financing activities amounted to 4,355 million yen (compared with an increase of 16,042 million yen in the same period last year).
This was mainly due to repayments of long-term borrowings of 6,293 million yen, while proceeds from long-term borrowings amounted to 12,000 million yen.

(4) Explanation of forward-looking information including consolidated earnings forecast
Regarding the full-year consolidated financial results forecast for the fiscal year ending March 2027 announced on May 8, 2026, progress at all profit levels during this interim consolidated accounting period has exceeded the initial forecast, primarily due to strong sales of reuse goods, including in the 2nd STREET Business.
For the second half of the fiscal year, although we carefully considered factors such as uncertainty in the external environment and the impact of safety measures, reflecting our strong recent performance we have upwardly revised our consolidated financial results forecast for the fiscal year ending March 2027.
For further details, please refer to the “Notice Regarding Revisions to the Full-Year Consolidated Financial Results Forecasts” released today (November 6, 2026).

2. Interim Consolidated Financial Statements

(1) Interim consolidated balance sheet

(Millions of yen)

	As of March 31, 2026	As of September 30, 2026
Assets		
Current assets		
Cash and deposits	86,656	83,090
Accounts receivable - trade	18,792	18,307
Merchandise	77,062	85,169
Other	14,238	15,929
Allowance for doubtful accounts	(357)	(360)
Total current assets	196,393	202,135
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	21,486	23,149
Land	7,279	7,286
Right-of-use assets, net	23,054	25,699
Other, net	12,677	11,922
Total property, plant and equipment	64,498	68,058
Intangible assets	5,447	6,657
Investments and other assets		
Leasehold and guarantee deposits	21,177	22,154
Deferred tax assets	4,865	5,217
Other	3,074	3,304
Allowance for doubtful accounts	(246)	(245)
Total investments and other assets	28,871	30,430
Total non-current assets	98,817	105,146
Total assets	295,211	307,281

(Millions of yen)

	As of March 31, 2026	As of September 30, 2026
Liabilities		
Current liabilities		
Accounts payable - trade	12,469	13,461
Current portion of long-term borrowings	13,421	14,686
Income taxes payable	3,109	3,795
Provision for bonuses	3,036	2,972
Other	22,862	22,121
Total current liabilities	54,899	57,037
Non-current liabilities		
Bonds payable	12,175	12,175
Long-term borrowings	93,053	97,494
Lease liabilities	26,613	27,911
Deferred tax liabilities	235	259
Asset retirement obligations	7,941	8,205
Other	2,102	1,928
Total non-current liabilities	142,121	147,975
Total liabilities	197,020	205,012
Net assets		
Shareholders' equity		
Share capital	9,317	9,317
Capital surplus	3,729	3,801
Retained earnings	84,913	89,006
Treasury shares	(0)	(0)
Total shareholders' equity	97,961	102,124
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	52	128
Foreign currency translation adjustment	7	(115)
Total accumulated other comprehensive income	60	12
Share acquisition rights	47	47
Non-controlling interests	121	83
Total net assets	98,190	102,268
Total liabilities and net assets	295,211	307,281

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

(Interim consolidated income statement)

(Millions of yen)

	Six months ended September 30, 2025	Six months ended September 30, 2026
Net sales	216,943	246,767
Cost of sales	128,177	142,885
Gross profit	88,765	103,881
Selling, general and administrative expenses	83,680	95,503
Operating profit	5,085	8,378
Non-operating income		
Foreign exchange gains	189	-
Rental income from real estate	575	578
Insurance claim income	151	227
Other	346	463
Total non-operating income	1,262	1,269
Non-operating expenses		
Foreign exchange losses	-	255
Interest expenses	438	719
Rental expenses on real estate	182	162
Other	153	121
Total non-operating expenses	775	1,258
Ordinary profit	5,572	8,389
Extraordinary losses		
Impairment losses	42	58
Total extraordinary losses	42	58
Profit before income taxes	5,530	8,331
Income taxes - current	2,268	3,838
Income taxes - deferred	(7)	(364)
Total income taxes	2,260	3,473
Profit	3,270	4,857
Profit attributable to non-controlling interests	42	62
Profit attributable to owners of parent	3,227	4,795

(Interim consolidated statement of comprehensive income)

(Millions of yen)

	Six months ended September 30, 2025	Six months ended September 30, 2026
Profit	3,270	4,857
Other comprehensive income		
Valuation difference on available-for-sale securities	9	75
Foreign currency translation adjustment	16	(125)
Share of other comprehensive income of entities accounted for using equity method	0	(0)
Total other comprehensive income	25	(50)
Comprehensive income	3,295	4,807
Comprehensive income attributable to		
Owners of parent	3,250	4,747
Non-controlling interests	44	59

(3) Interim consolidated statement of cash flows

(Millions of yen)

	Six months ended September 30, 2025	Six months ended September 30, 2026
Cash flows from operating activities		
Profit before income taxes	5,530	8,331
Depreciation	3,671	4,370
Rental assets depreciation	1,288	999
Interest and dividend income	(83)	(169)
Interest expenses	438	719
Decrease (increase) in trade receivables	1,036	354
Decrease (increase) in inventories	(5,295)	(8,271)
Purchase of rental assets	(978)	(865)
Increase (decrease) in trade payables	(371)	696
Other, net	108	(1,383)
Subtotal	5,345	4,781
Interest and dividends received	74	145
Interest paid	(438)	(715)
Income taxes refund (paid)	(2,336)	(2,872)
Net cash provided by (used in) operating activities	2,645	1,339
Cash flows from investing activities		
Purchase of property, plant and equipment	(7,451)	(5,673)
Purchase of intangible assets	(1,173)	(2,303)
Other, net	(527)	(996)
Net cash provided by (used in) investing activities	(9,153)	(8,973)
Cash flows from financing activities		
Proceeds from long-term borrowings	22,000	12,000
Repayments of long-term borrowings	(4,999)	(6,293)
Dividends paid	(677)	(674)
Other, net	(279)	(677)
Net cash provided by (used in) financing activities	16,042	4,355
Effect of exchange rate change on cash and cash equivalents	(11)	(238)
Net increase (decrease) in cash and cash equivalents	9,523	(3,517)
Cash and cash equivalents at beginning of period	64,760	91,747
Cash and cash equivalents at end of period	74,283	88,230

(4) Notes to interim consolidated financial statements

(Notes on going concern assumptions)

None

(Notes on significant change in shareholders' equity)

None

(Notes on segment information, etc.)

Segment information

For the six months ended September 30, 2025 and the six months ended September 30, 2026:

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