2nd RETAILING

Financial Results Presentation

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

2nd RETAILING Co., Ltd.

November 6, 2026

Tokyo Stock Exchange (Prime Market)
Nagoya Stock Exchange (Premier Market)
2681

FY2027 Q2 Highlight

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Net sales

Record high

246.7 billion yen

YoY +13.7%

Operating profit

8.3 billion yen

YoY +64.8%

Operating profit margin 3.4%

Ordinary profit

8.3 billion yen

YoY +50.5%

Ordinary profit margin 3.4%

Profit attributable to owners of parent

4.7 billion yen

YoY +48.6%

Profit margin 1.9%

TOPIC 1 Opened “2nd STREET GINZA,” the first 2nd STREET flagship store specializing in reuse luxury brand merchandise
Opened “Super 2nd STREET Market Square Kawasaki East,” the largest-floor-area store in Japan

TOPIC 2 Improved brand awareness through efficient promotional campaigns (including a new TV commercial featuring a well-known celebrity)

TOPIC 3 Secondary listing on the Nagoya Stock Exchange Premier Market (effective October 1)

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Consolidated statement of income - FY2027 Q2

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- **Overall results: Significant sales and profit growth** Net sales and profits at all levels far exceeded the prior year. Gross profit margin improved on a better merchandise mix, with a lower share of brand-new merchandise and growth in reuse. Strong sales growth also absorbed higher SG&A expenses, driving a sharp rise in operating profit.
- **Reuse: Continued high growth** Clothing and accessories, the core product categories, led overall growth. Luxury merchandise remained strong, and sales of smartphones and tablets also remained solid, driven by continued improvements in gross profit margins from price optimization in response to rising market prices.
- **Brand-new merchandise: Lower sales, higher profit** Net sales fell as the prior-year surge from the new game console launch and this year's pre-price-hike rush demand dropped off, but a better merchandise mix lifted the gross margin substantially, securing profit growth.

(Million yen)	FY2026 Q2 Results	FY2027 Q2 Results	YoY Increase/Decrease	YoY Increase/Decrease (%)
Net sales	216,943	**246,767**	29,824	13.7%
Gross profit	88,765	**103,881**	15,116	17.0%
(Gross profit margin)	40.9%	**42.1%**	-	1.2pt
SG&A expenses	83,680	**95,503**	11,822	14.1%
Operating profit	5,085	**8,378**	3,293	64.8%
(Operating profit margin)	2.3%	**3.4%**	-	1.1pt
Ordinary profit	5,572	**8,389**	2,816	50.5%
Profit attributable to owners of parent	3,227	**4,795**	1,567	48.6%

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Net sales by merchandise - FY2027 Q2

(Million yen)	FY2026 Q2 Results	**FY2027 Q2 Results**	YoY Increase/Decrease	YoY Increase/Decrease (%)
Reuse	135,477	**166,137**	30,660	22.6%
Clothing and accessories *1	53,523	67,928	14,404	26.9%
Furniture and home appliances *1	6,269	6,894	625	10.0%
Luxury *4	24,523	33,876	9,352	38.1%
Games *2	16,113	18,838	2,725	16.9%
Smartphones and tablets *2,3	23,374	26,110	2,736	11.7%
Other (reuse) *1	9,239	9,872	633	6.9%
Other (media) *2	2,435	2,617	182	7.5%
Brand-new *2	54,046	**50,908**	-3,138	-5.8%
Others	27,418	**29,720**	2,302	8.4%
Digital contents *5	10,011	11,254	1,242	12.4%
Rental *2	13,025	11,291	-1,734	-13.3%
Others	4,381	7,175	2,794	63.8%
Total	216,943	**246,767**	29,824	13.7%

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

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Gross profit by merchandise - FY2027 Q2

(Million yen)	FY2026 Q2 Results	**FY2027 Q2 Results**	YoY Increase/Decrease	YoY Increase/Decrease (%)
Reuse	59,914	**72,306**	12,392	20.7%
Clothing and accessories *1	34,946	43,126	8,180	23.4%
Furniture and home appliances *1	3,742	4,123	381	10.2%
Luxury *4	2,301	3,230	928	40.4%
Games *2	4,540	5,451	911	20.1%
Smartphones and tablets *2,3	5,516	7,730	2,213	40.1%
Other (reuse) *1	6,565	6,203	-361	-5.5%
Other (media) *2	2,302	2,441	139	6.0%
Brand-new *2	9,728	**11,042**	1,313	13.5%
Others	19,122	**20,532**	1,410	7.4%
Digital contents *5	8,985	9,978	992	11.0%
Rental *2	8,123	7,392	-731	-9.0%
Others	2,013	3,162	1,149	57.1%
Total	88,765	**103,881**	15,116	17.0%

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Quarterly consolidated statement of income - FY2027 Q2

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(Million yen)	FY2025 1Q	FY2025 2Q	FY2025 3Q	FY2025 4Q	FY2026 1Q	FY2026 2Q	FY2026 3Q	FY2026 4Q	FY2027 1Q	FY2027 2Q	FY2027 3Q	FY2027 4Q	YoY Difference
Net sales	**100,147**	**99,577**	**116,432**	**111,512**	**104,460**	**112,482**	**138,660**	**125,646**	**125,000**	**121,767**			**9,285**
(YoY)	-6.2%	-8.7%	4.3%	4.8%	4.3%	13.0%	19.1%	12.7%	19.7%	8.3%			-
Gross profit	**41,694**	**40,092**	**45,491**	**43,392**	**44,813**	**43,951**	**51,755**	**48,925**	**52,382**	**51,499**			**7,548**
(YoY)	6.1%	9.6%	5.6%	6.2%	7.5%	9.6%	13.8%	12.8%	16.9%	17.2%			-
(Gross profit margin)	41.6%	40.3%	39.1%	38.9%	42.9%	39.1%	37.3%	38.9%	41.9%	42.3%			3.2pt
SG&A expenses	**37,328**	**39,044**	**41,086**	**41,962**	**40,820**	**42,860**	**45,185**	**46,341**	**47,080**	**48,422**			**5,563**
(YoY)	11.4%	11.3%	10.9%	12.2%	9.4%	9.8%	10.0%	10.4%	15.3%	13.0%			-
Operating profit	**4,366**	**1,048**	**4,405**	**1,430**	**3,993**	**1,091**	**6,570**	**2,583**	**5,301**	**3,076**			**1,985**
(YoY)	-24.6%	-30.9%	-27.0%	-58.8%	-8.5%	4.2%	49.1%	80.6%	32.8%	181.8%			-
(Operating profit margin)	4.4%	1.1%	3.8%	1.3%	3.8%	1.0%	4.7%	2.1%	4.2%	2.5%			1.5pt
Ordinary profit	**5,481**	**-280**	**5,786**	**1,237**	**4,249**	**1,323**	**6,955**	**2,821**	**5,527**	**2,862**			**1,539**
Profit attributable to owners of parent	**3,547**	**-722**	**3,618**	**-1,906**	**2,438**	**789**	**4,300**	**1,211**	**3,190**	**1,605**			**816**

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Quarterly net sales by merchandise - FY2027 Q2

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(Million yen)	FY2025 1Q	FY2025 2Q	FY2025 3Q	FY2025 4Q	FY2026 1Q	FY2026 2Q	FY2026 3Q	FY2026 4Q	FY2027 1Q	FY2027 2Q	FY2027 3Q	FY2027 4Q	YoY Difference
Reuse	65,665	62,274	73,925	72,049	64,421	71,056	83,631	81,496	84,804	81,333			10,277
Clothing and accessories *1	24,109	21,912	29,758	26,388	27,561	25,962	35,922	32,864	35,073	32,855			6,893
Furniture and home appliances *1	3,022	2,939	3,021	2,986	3,110	3,159	3,384	3,322	3,418	3,476			317
Luxury *4	14,566	12,293	15,448	15,953	9,160	15,362	15,604	17,468	17,878	15,997			635
Games *2	7,812	8,295	8,313	8,628	7,733	8,380	9,133	8,795	9,942	8,896			516
Smartphones and tablets *2,3	10,348	11,602	11,294	12,249	10,983	12,390	12,864	12,592	11,988	14,122			1,732
Other (reuse) *1	4,506	3,974	4,800	4,566	4,678	4,560	5,476	5,249	5,182	4,690			130
Other (media) *2	1,300	1,257	1,289	1,278	1,194	1,241	1,246	1,205	1,321	1,296			55
Brand-new *2	21,257	23,235	28,947	25,660	26,446	27,599	41,312	28,974	25,557	25,350			-2,249
Others	13,224	14,066	13,559	13,802	13,592	13,825	13,716	15,175	14,637	15,083			1,258
Digital contents *5	3,726	4,379	4,442	4,614	4,782	5,229	5,316	5,594	5,503	5,750			521
Rental *2	7,401	7,446	7,021	6,778	6,572	6,453	6,225	5,880	5,616	5,675			-778
Others	2,096	2,240	2,095	2,409	2,238	2,143	2,174	3,700	3,517	3,657			1,514
Total	100,147	99,577	116,432	111,512	104,460	112,482	138,660	125,646	125,000	121,767			9,285

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

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Quarterly gross profit by merchandise - FY2027 Q2

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(Million yen)	FY2025 1Q	FY2025 2Q	FY2025 3Q	FY2025 4Q	FY2026 1Q	FY2026 2Q	FY2026 3Q	FY2026 4Q	FY2027 1Q	FY2027 2Q	FY2027 3Q	FY2027 4Q	YoY Difference
Reuse	28,897	25,878	31,690	28,840	30,826	29,088	36,615	33,808	36,943	35,363			6,275
Clothing and accessories *1	15,882	13,806	18,660	16,505	18,385	16,561	22,700	20,087	22,474	20,652			4,091
Furniture and home appliances *1	1,868	1,750	1,839	1,798	1,915	1,827	2,013	2,056	2,069	2,054			227
Luxury *4	1,666	721	1,309	846	944	1,357	956	1,413	1,801	1,428			71
Games *2	2,487	2,831	2,509	2,469	2,290	2,250	2,498	2,407	2,685	2,766			516
Smartphones and tablets *2,3	2,528	2,795	2,690	2,810	2,701	2,814	3,381	3,420	3,526	4,203			1,389
Other (reuse) *1	3,270	2,824	3,500	3,233	3,453	3,111	3,899	3,288	3,155	3,048			-63
Other (media) *2	1,195	1,150	1,180	1,177	1,136	1,165	1,166	1,135	1,231	1,210			45
Brand-new *2	3,886	4,248	5,099	4,617	4,926	4,802	6,360	4,575	5,318	5,723			921
Others	8,910	9,966	8,702	9,934	9,060	10,061	8,779	10,541	10,120	10,411			350
Digital contents *5	3,345	3,929	3,861	4,271	4,317	4,668	4,652	4,962	4,872	5,105			437
Rental *2	4,712	4,737	4,413	4,195	4,020	4,103	3,981	3,653	3,677	3,714			-389
Others	852	1,298	427	1,468	723	1,289	145	1,924	1,569	1,592			303
Total	41,694	40,092	45,491	43,392	44,813	43,951	51,755	48,925	52,382	51,499			7,548

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SG&A expenses - FY2027 Q2

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- Cost increases continued from new store openings, strategic IT investment, hiring and base pay raises, as well as higher sales commissions and other costs associated with sales growth.
- On the other hand, cost control also progressed through in-house production of advertising and improved logistics efficiency, keeping total SG&A expenses broadly within expectations.

(Million yen)	FY2026 Q2 Results	Ratio to net sales	**FY2027 Q2 Results**	Ratio to net sales	YoY Increase/Decrease	YoY Increase/Decrease (%)
Total selling expenses	**10,078**	**4.6%**	**10,669**	**4.3%**	**591**	**5.9%**
Advertising	3,779	1.7%	3,601	1.5%	-177	-4.7%
Sales commission	4,233	2.0%	4,700	1.9%	467	11.0%
Transportation costs	1,364	0.6%	1,480	0.6%	115	8.5%
Total personnel expenses	**40,543**	**18.7%**	**47,216**	**19.1%**	**6,672**	**16.5%**
Total other expenses	**33,058**	**15.2%**	**37,617**	**15.2%**	**4,558**	**13.8%**
Utility costs	2,710	1.2%	3,041	1.2%	331	12.2%
Rent	15,998	7.4%	17,458	7.1%	1,459	9.1%
Depreciation and amortization	3,343	1.5%	4,018	1.6%	674	20.2%
Consumables	1,557	0.7%	1,914	0.8%	357	22.9%
Maintenance	363	0.2%	525	0.2%	161	44.4%
Total SG&A expenses	**83,680**	**38.6%**	**95,503**	**38.7%**	**11,822**	**14.1%**

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Consolidated balance sheet - FY2027 Q2

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(Million yen)	As of March 31, 2026	As of September 30, 2026	Increase/ Decrease
Current assets	196,393	**202,135**	5,741
Cash and deposits	86,656	**83,090**	-3,566
Accounts receivable - trade	18,792	**18,307**	-485
Merchandise	77,062	**85,169**	8,106
Non-current assets	98,817	**105,146**	6,328
Property, plant and equipment	64,498	**68,058**	3,560
Intangible assets	5,447	**6,657**	1,209
Investments and other assets	28,871	**30,430**	1,558
Total assets	295,211	**307,281**	12,070

(Million yen)	As of March 31, 2026	As of September 30, 2026	Increase/ Decrease
Current liabilities	54,899	**57,037**	2,138
Accounts payable - trade	12,469	**13,461**	992
Current portion of long-term borrowings	13,421	**14,686**	1,265
Non-current liabilities	142,121	**147,975**	5,853
Bonds payable	12,175	**12,175**	0
Long-term borrowings	93,053	**97,494**	4,440
Total liabilities	197,020	**205,012**	7,991
Total net assets	98,190	**102,268**	4,078
Total liabilities and net assets	295,211	**307,281**	12,070

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Consolidated statement of cash flow - FY2027 Q2

(Million yen)	FY2026 1H Results	FY2026 2H Results	FY2027 1H Results	YoY Increase/ Decrease
Profit before income tax	5,530	6,896	**8,331**	2,800
Depreciation	3,671	4,436	**4,370**	699
Changes in working capital	-4,630	-805	**-7,221**	-2,590
Subtotal of cash flows from operating activities	5,345	19,834	**4,781**	-564
Income taxes paid	-2,336	-2,419	**-2,872**	-535
Operating cash flow	2,645	16,830	**1,339**	-1,305
Purchase of PPE	-7,451	-5,679	**-5,673**	1,778
Investing cash flow	-9,153	-6,186	**-8,973**	179
Net increase (decrease) in borrowings	17,001	7,151	**5,707**	-11,293
Dividends paid	-677	-667	**-674**	3
Financing cash flow	16,042	6,446	**4,355**	-11,687
Net increase (decrease) in cash and equivalents	9,523	17,463	**-3,517**	-13,040
Cash and cash equivalents at end of period	74,283	91,747	**88,230**	13,946
Free cash flow	-6,507	10,643	**-7,633**	-1,125

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Status of the number of 2nd RETAILING Group stores

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		Directly managed stores	(Opened in current period)	(Closed in current period)	Franchise stores & distributors	As of the end of FY 2027 Q2	Change from the end of FY 2026	As of the end of FY 2026	As of the end of FY 2025
	Total	**1,076**	**61**	**8**	**56**	**1,132**	**53**	**1,079**	**993**
	Japan	912	44	7	56	968	37	931	880
	Overseas	164	17	1	0	164	16	148	113
	US	57	2	0	0	57	2	55	47
2nd STREET*1	Taiwan	50	1	1	0	50	0	50	39
	Malaysia	35	5	0	0	35	5	30	23
	Thailand	13	4	0	0	13	4	9	4
	Hong Kong	6	4	0	0	6	4	2	0
	Singapore	3	1	0	0	3	1	2	0
GEO *2		**941**	**2**	**24**	**62**	**1,003**	**-24**	**1,027**	**1,054**
OKURA TOKYO *3		**24**	**3**	**2**	**0**	**24**	**1**	**23**	**24**
Luck Rack		**56**	**12**	**1**	**0**	**56**	**11**	**45**	**27**
CAPSULE RAKKYOKU		**79**	**20**	**2**	**0**	**79**	**18**	**61**	**42**
Other		**38**	**0**	**0**	**1**	**39**	**0**	**39**	**46**
Total		**2,214**	**98**	**37**	**119**	**2,333**	**59**	**2,274**	**2,186**

*1 : Includes Super 2nd STREET, 2nd OUTDOOR, JUMBLE STORE, purchasing-only stores, etc.
*2 : Directly managed stores include 2 GEO DIGITAL BASE stores and 140 GEO mobile standalone stores. There are 683 co-located GEO mobile stores.
*3 : Includes overseas stores (2 stores in Taiwan, 1 store in Hong Kong).

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

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- Active promotions in clothing and accessories, such as purchasing campaigns and the summer sale, price optimization of reuse smartphones, and improved inventory turnover in luxury merchandise are driving earnings.
- Reuse demand is expected to remain firm, but taking a cautious view of the business environment ahead, including the reactionary decline following rush demand for the Nintendo Switch 2, developments in the tax-free shopping system (shift to a refund-based scheme), concerns over a mild winter, and the response to system security measures, the full-year net sales forecast is left unchanged from the initial announcement but full-year profit forecasts at all levels are revised upward.

(Million yen)	FY2027 Initial Forecast	**FY2027 Revised Forecast**	**FY2027 Q2 Results**	**FY2027 Q2 Progress**	(Reference) FY2026 Full-year Result	(Reference) Full-year Forecast YoY Increase/decrease	(Reference) Full-year Forecast YoY Increase/decrease(%)
Net sales	510,000	**510,000**	246,767	48.4%	481,249	28,750	6.0%
Operating profit	13,000	**17,000**	8,378	49.3%	14,239	2,760	19.4%
(Operating profit margin)	2.5%	**3.3%**	3.4%	-	3.0%	-	0.3pt
Ordinary profit	12,500	**16,500**	8,389	50.8%	15,348	1,151	7.5%
Profit attributable to owners of parent	6,000	**8,200**	4,795	58.5%	8,738	-538	-6.2%
Number of directly managed stores	2,346 stores*	**2,346** stores*	2,214 stores	98 stores opened	2,153 stores	193 stores opened	—
ROE*	5.48%	**7.77%**	—	—	8.91%	—	-1.14pt
Net D/E ratio*	0.30x	**0.29x**	0.40x	+0.12	0.33x	-0.04	—

*Directly managed store forecast represents the total planned new store openings (excluding other store openings and 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.

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