*The original disclosure in Japanese was released on August 8, 2014 at 16:00 (GMT+9)

Consolidated Financial Results
For The Three Months Ended June 30, 2014

(Japanese Accounting Standards)

Aug. 8, 2014

GEO HOLDINGS CORPORATION
TSE Code: 2681
Representative: Yuzo Endo, President
Contact: Yasuo Mitani, General Manager
Listed Exchanges : Tokyo
URL: http://www.geonet.co.jp
Telephone: +81 52 350 5711

Scheduled date of securities report submission: August 12, 2014
Preparing supplementary material an quarterly financial results: Yes
Holding quarterly financial results presentation meeting: None

1. Consolidated Financial Results (April 1 to June 30, 2014) for the Fiscal Year Ending March 31, 2015

(1) Consolidated Operating Results

	Net sales		Operating income		Ordinary income		Net income	
	(\Million)	change(%)	(\Million)	change(%)	(\Million)	change(%)	(\Million)	change(%)
Three Months ended June 30, 2014	59,190	2.2	147	(95.0)	360	(88.3)	1,641	7.7
Three Months ended June 30, 2013	57,919	(1.9)	2.966	(22.8)	3.076	(20.6)	1.525	(39.7)

(Note) Comprehensive income 1,604 million yen(△0.2%) for the three months ended June 30, 2014
1,607 million yen(△34.0%) for the three months ended June 30, 2013

	Earnings per share(\)	Fully diluted earnings per share(\)
Three Months ended Jun. 30, 2014	30.40	30.36
Three Months ended Jun. 30, 2013	28.24	28.19

There was a 1-to-100 split of common stock on October 1, 2013. First half earnings per share and fully diluted earnings per share have been calculated as if this split took place at the beginning of the previous fiscal year.

(2) Consolidated Financial Position

	Total assets	Net assets	Shareholders' equity ratio
	(\million)	(\million)	%
As of June 30, 2014	114,986	59,951	52.0
As of March 31, 2014	115,581	59,199	51.1

(Reference) Shareholders' equity As of June 30, 2014 ¥ 59,768 million
As of March 31, 2013 ¥ 56,027 million

2. Dividends

	Dividend per share (\)				
(Record date)	1st quarter end	2nd quarter end	3rd quarter end	Year-end	Annual
Fiscal 2014	-	1,600	-	16	-
Fiscal 2015	-				
Fiscal 2014 (Projection)		16		16	32

(Note) Modifications in the dividend projection in this 1st quarter: None

There was a 1-to-100 split of common stock on October 1, 2013. The forecast for the year-end dividend for the fiscal year ending in March 2014 reflects this split. Without adjusting for this split, the dividend forecast for the current fiscal year is 3,200 yen, the sum of interim and year-end dividends of 1,600 yen.

3. Projected Results for Fiscal 2015 (April 1, 2014 to March 31, 2015)

	Net Sales		Operating Income		Ordinary Income		Net Income		Earnings per Share
	(\Million)	change(%)	(\Million)	change(%)	(\Million)	change(%)	(\Million)	change(%)	(\)
Fiscal half year	125,200	2.4	2,200	(58.8)	2,450	(55.8)	2,300	(19.3)	42.60
Fiscal 2015	270,000	2.9	6,500	(29.3)	7,000	(25.1)	4.400	15.5	81.49

(Note) Modifications in the projection of consolidated financial results: No

Others

(1) Changes in important subsidiaries during this quarterly consolidated term (changes in certain specified subsidiaries resulting in the change in consolidation scope): Yes
Newly removed from consolidation: WAREHOUSE Co., Ltd.

(2) Adoptions of special accounting treatments for quarterly consolidated financial statements: None

(3) Changes in accounting principles or estimates or retrospective restatements.
1) Changes due to revisions of accounting standards etc: None
2) Changes other than 1): None
3) Changes in accounting estimates: None
4) Retrospective restatements: None

(4) Number of shares outstanding (common stock)
1) The number of shares outstanding at the term end (including treasury stock):
June 30, 2014 54,382,800
March 31, 2014 54,382,800

2) The number of treasury shares at the term end:
June 30, 2014 386,300
March 31, 2014 386,300

3) Average number of outstanding shares (during the term):
June 30, 2014 53,996,500
March 31, 2014 53,996,500

There was a 1-to-100 split of common stock on October 1, 2013. The number of shares outstanding (including treasury shares) and the number of treasury shares at the term end and the average number of outstanding shares (during the term) have been calculated as if this split took place at the beginning of the previous fiscal year.

*Indication regarding execution of quarterly review

This quarterly financial report is not subject to the quarterly review procedures in accordance with the Financial Instruments and Exchange Act. At the time of disclosure of this quarterly financial result, the quarterly review procedures in accordance with the financial Instruments and Exchange Act are in progress.

*Note to ensure appropriate use of forecasts

Forward-looking statements presented in this material such as financial forecasts are based upon currently available information and certain presumptions deemed to be reasonable as of the date of announcement. They are not intended to guarantee the Company's achievement. Actual results may differ significantly from these forecasts due to many factors.

[QUALITATIVE INFORMATION AND NOTES]

（1） Results of Operations and Financial Condition

Forward-looking statements in this report are based upon the presumptions made by the Geo Holdings Group (the holding company and its consolidated subsidiaries) as of the last day of the first quarter of the current fiscal year.

Consolidated Earnings (April 1, 2014 to June 30, 2014)

(Million Yen)	1Q FY3/2014	1Q FY3/2015	YY Change (%)	FY3/2014	
				Estimate	Attainment Rate (%)
Sales	57,919	59,190	102.2	125,200	47.3
Operating Income	2,966	147	5.0	2,200	6.7
Ordinary Income	3,076	360	11.7	2,450	14.7
Net Income	1,525	1,641	107.7	2,300	71.4

During the first quarter of the current fiscal year, our Group was able to achieve an increase in sales to a record high level for the first quarter. A steady expansion in the number of reuse shops, favorable trends in the new product division of our media shops, and the conversion of Family Book Co., Ltd. through acquisition in November 2013 contributed to this favorable performance in sales.

However, operating and ordinary incomes declined due to increased sales, general and administrative costs arising from the opening of new reuse shops and the renovation of Family Book shops, labor costs arising from organizational restructuring. In addition, weakness in the high profitability media shop rental and used product divisions also contributed to the decline in income.

Income tax-deferred arising from the restructuring of subsidiaries during the term allowed net income to grow.

The total number of stores resulting from consolidation of “GEO Shop” media shops which handle DVDs, CDs, games and other media products, the opening of 19 new “Jumble Store” and “2nd Street” reuse shops, and the implementation of a store development strategy for “Super 2nd Street” large scale comprehensive stores and “Smart & Collection” comprehensive mobile stores is shown in the table below.

(Change from previous fiscal year end)

	DMS		Distributor		FC stores		Total	
GEO Group stores	1,407	(+23)	98	(△1)	129	(△1)	1,634	(+28)
Media type	1,016	(+16)	98	(△1)	90	(△1)	1,204	(+21)
Integration type	93	(+2)				(0)	93	(+2)
Reuse type	256	(+19)			39	(0)	295	(+19)
Family Book (Pre-renovation)	25	(△18)					25	(△18)
WAREHOUSE	11	(0)					11	(0)
Others	6	(+4)					6	(+4)

Note :

1. In the media type category, stores that deal in DVD rental and home game related products are included in stores numbers.
2. In the reuse type category, stores that buy and sell mainly used clothing and used home electronic products are included in stores numbers.
3. Stores in which several brand stores are operated at one facility are counted as a single stores in the integration type category.
4. Franchise stores operating in the same facility where a directly operated stores located are not counted in franchise store numbers.

（２） Analysis of financial condition

（Assets）

Consolidated current assets declined by 1,142 million yen from the end of the previous fiscal year to 53,587 million yen at the end of the current first quarter. The factors influencing this decline included a 660 million yen increase in merchandise, and a 1,835 million yen decline in cash and deposits over the same period. Consolidated noncurrent assets rose by 548 million yen from the end of the previous fiscal year to 61,399 million yen at the end of the first quarter, due in part to a 671 million yen rise in tangible fixed noncurrent assets.

As a results, total consolidated assets declined by 594 million yen from the end of the previous fiscal year to 114,986 million yen at the end of the first quarter.

（Liabilities）

Consolidated current liabilities increased by 448 million yen from the end of the previous fiscal year to 35,161 million yen at the end of the current first quarter. The factors influencing this increase included a 4,300 million yen rise in short term loans payable, and 1,163 and 1,696 million yen declines in accounts payable-trade and other current liabilities respectively over the same period. Consolidated noncurrent liabilities declined by 1,794 million yen from the end of the previous fiscal year to 19,873 million yen due in part to a 1,697 million yen fall in long term loans payable.

As a result, total liabilities decreased by 1,346 million yen from the end of the previous fiscal year to 55,035 million yen.

（Net assets）

Consolidated net assets rose by 751 million yen from the end of the previous fiscal year to 59,951 million yen at the end of the current first quarter. This increase is attributed to the booking of net income of 1,641 million yen and dividend of surplus 863 of million yen.

As a result equity ratio rose to 52.0% at the end of the first quarter from 51.1% at the end of the previous fiscal year.

（３） Outlook for the fiscal year ending March 31, 2015

There are no revisions to the fiscal year forecast for consolidated sales and earnings that was announced on May 9, 2014.

２． Matters related to summary information (notes)

Changes in important subsidiaries during the period

During the first quarter of the current fiscal year, the consolidated subsidiary Warehouse Co., Ltd. was absorbed by Geo Corporation on April 1, 2014, and was hence removed from the scope of consolidation.

CONSOLIDATED QUARTERLY BALANCE SHEETS

(Millions of yen)

	March 31,2014	June 30,2014
Assets		
Current assets		
Cash and deposits	19,869	18,033
Accounts receivable - trade	3,992	3,200
Merchandise	23,495	24,156
Other	7,715	8,552
Allowance for doubtful accounts	△343	△355
Total current assets	54,729	53,587
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	13,501	13,888
Other, net	21,703	21,988
Total property, plant and equipment	35,205	35,877
Intangible assets	2,028	1,790
Investments and other assets		
Lease and guarantee deposits	15,034	14,980
Other	12,500	12,695
Allowance for doubtful accounts	△3,917	△3,944
Total investments and other assets	23,617	23,731
Total non-current assets	60,851	61,399
Total assets	115,581	114,986
Liabilities		
Current liabilities		
Accounts payable - trade	13,124	11,961
Short-term loans payable	-	4,300
Current portion of long-term loans payable	8,754	8,242
Provision for bonuses	1,135	655
Other	11,699	10,002
Total current liabilities	34,713	35,161
Non-current liabilities		
Long-term loans payable	13,910	12,213
Asset retirement obligations	3,898	4,005
Other	3,858	3,654
Total non-current liabilities	21,668	19,873
Total liabilities	56,381	55,035
Net assets		
Shareholders' equity		
Capital stock	8,603	8,603
Capital surplus	6,078	6,078
Retained earnings	44,381	45,159
Treasury shares	△334	△334
Total shareholders' equity	58,729	59,507
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	297	260
Total accumulated other comprehensive income	297	260
Subscription rights to shares	172	183
Total net assets	59,199	59,951
Total liabilities and net assets	115,581	114,986

CONSOLIDATED QUARTERLY STATEMENTS OF COMPREHENSIVE INCOME

(Millions of yen)

	Three months ended June 30,2013	Three months ended June 30,2014
Net sales	57,919	59,190
Cost of sales	30,934	33,265
Gross profit	26,985	25,925
Selling, general and administrative expenses	24,019	25,777
Operating income	2,966	147
Non-operating income		
Real estate rent	302	292
Other	110	196
Total non-operating income	412	488
Non-operating expenses		
Interest expenses	97	58
Rent expenses on real estates	141	145
Other	63	70
Total non-operating expenses	302	275
Ordinary income	3,076	360
Extraordinary losses		
Impairment loss	154	341
Other	25	-
Total extraordinary losses	179	341
Income before income taxes and minority interests	2,896	18
Income taxes - current	1,656	221
Income taxes - deferred	△293	△1,844
Total income taxes	1,362	△1,622
Income before minority interests	1,533	1,641
Minority interests in income	8	-
Net income	1,525	1,641

CONSOLIDATED QUARTERLY STATEMENTS OF COMPREHENSIVE INCOME

(Millions of yen)

	Three months ended June 30,2013	Three months ended June 30,2014
Income before minority interests	1,533	1,641
Other comprehensive income		
Valuation difference on available-for-sale securities	73	△37
Total other comprehensive income	73	△37
Comprehensive income	1,607	1,604
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	1,596	1,604
Comprehensive income attributable to minority interests	11	-